



August 8, 2008

## CONSOLIDATED FINANCIAL STATEMENTS FOR FY2008 1st Quarter

(April 1, 2008 – June 30, 2008)

### Hitachi Zosen Fukui Corporation(H&F)

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Quarterly report will be submitted on August 8, 2008

### 1. Consolidated Business results and Financial positions for FY2008 1st quarter

(1) Consolidated Business results for FY2008 1st quarter ( Total )

(Note) FY2008 1st quarter is standed for FY2008Q1

	Net sales	Operating income	Ordinary income	Quarterly net income
	(million yen)	(million yen)	(million yen)	(million yen)
<b>FY2008Q1</b>	<b>3,688</b>	<b>328</b>	<b>346</b>	<b>221</b>
FY2007Q1	5,906	773	780	462

	Quarterly net income per share	Quarterly net income per share, diluted
	(yen)	(yen)
<b>FY2008Q1</b>	<b>22.47</b>	–
FY2007Q1	46.93	–

(2) Consolidated Financial positions at the end of FY2008Q1

	Total assets	Net assets	Ratio of Shareholders' equity	Net assets per share
	(million yen)	(million yen)	%	(yen)
<b>2008.6.30</b>	<b>18,662</b>	<b>8,728</b>	<b>46.8</b>	<b>886.18</b>
2008.3.31	19,213	8,698	45.3	883.10

(Note) Shareholders' equity at the end of FY2008Q1 (consolidated);

End of FY2008Q1      8,728 million yen

End of FY2007      8,698 million yen



## 2. Dividend

	Dividend per share				
	End of Q1	End of H1	End of Q3	End of FY	Total
	Yen	Yen	Yen	Yen	Yen
FY2007	-	0.00	-	18.00	18.00
FY2008	-				
FY2008 (Forecast)		0.00	-	20.00	20.00

(Note) "H1" is standed for 1st first half quarter

## 3. Forecast of Consolidated Business results for FY2008 ( April 1, 2008 – March 31, 2009 )

	Net sales		Operating income		Ordinary income		Net income		Net income per share
	(million yen)	%	(million yen)	%	(million yen)	%	(million yen)	%	(Yen)
FY2008H1	9,800	-	940	-	910	-	540	-	54.82
FY2008	26,000	19.2	2,160	△ 3.4	2,100	△ 4.5	1,260	△ 3.3	127.92

(Note)

Percentage for Net sales, Operating income, Ordinary income, and Net income is compared with last fiscal year.

### Cautionary statement

These forecasts are based on an assumption in the light of information currently available at the date of this announcement. Therefore, various kinds of factors can cause actual results to differ materially from these forecasts.

## 4 Other

(1) Number of shares outstanding ( Common stock )

① End of number of shares outstanding ( including treasury stock )

End of FY2008Q1 9,850,000

End of FY2007 9,850,000

② End of number of treasury stock

End of FY2008Q1 76

End of FY2007 -

③ Interm of average number of shares 【Quarterly consolidated period (total)】

End of FY2008Q1 9,849,947

End of FY2007Q1 9,850,000



## QUALITATIVE INFORMATION AND FINANCIAL STATEMENTS

### 1. Consolidated Business results

Summary of Business results for FY2008 1st quarter (FY2008Q1)

(Note) Last fiscal year same quarter is standed for FY2007Q1

Japanese economy had been into the stagnant position due to price up of raw materials and American economic slowdown caused by subprime mortgage problem. Automobile manufacturers, which are our main customers, have unforeseeable outlook due to the above situation.

Due to the above situation, Orders of *Press machines* came to 2,369 million yen ( $\Delta$ 1,452 million yen), which is smaller than FY2007Q1. That of *FA system products* came to 1,491 million yen (+159 million yen), which is larger than FY2007Q1. Also that of *After service* came to 1,555 million yen (+83 million yen), which is larger than FY2007Q1. That of total products came to 5,416 million yen ( $\Delta$ 1,209 million yen), which is smaller than FY2007Q1. Balance of orders received came to 18,585 million yen(+1,727 million yen), which is larger than end of last fiscal year.

Regarding sales, due to delay constructions and shipments for foreign customers, sales of *Press machines* came to 1,626 million yen ( $\Delta$ 1,553 million yen), which smaller than FY2007Q1. That of *FA system products* came to 1,135 million yen ( $\Delta$ 775million yen), which is smaller than FY2007Q1. That of *After service* came to 926 million yen (+110 million yen), which is larger than FY2007Q1. That of total products came to 3,688 million yen ( $\Delta$ 2,218 million yen), which is smaller than FY2007Q1.

Regarding income, due to the decrease of net sales and price up of raw materials, *Operating income* came to 328 million yen ( $\Delta$ 445 million yen), which is smaller than FY2007Q1. *Ordinary income* came to 346 million yen ( $\Delta$ 433 million yen), which is smaller than FY2007Q1. *Quarterly net income* came to 221 million yen ( $\Delta$ 240 million yen), which is smaller than FY2007Q1.

### Forecast of Consolidated Business results for FY2008

It is expected that market related to H&F group is left to be unforeseeable condition due to price up of raw materials. H&F will secure income by working on "Securing new orders", "Cutting fixed cost", "Strengthening cost competition", and "Strengthening merchandising"



QUARTERLY CONSOLIDATED BALANCE SHEETS (1/2)			( 1,000 yen )
	End of FY2007 (2008.3.31)	End of FY2008Q1 (2008.6.30)	
<b>ASSETS</b>			
<u>Current assets</u>			
Cash and deposits	2,725,117	5,520,364	
Notes and accounts receivable-trade	8,207,373	3,980,196	
Work in process	3,115,654	3,970,530	
Raw materials	170,983	174,012	
Deferred tax assets	429,928	429,814	
Other	38,577	146,280	
Allowance for doubtful accounts	(3,590)	(390)	
Total current assets	<b>14,684,043</b>	<b>14,220,809</b>	
<u>Noncurrent assets</u>			
Property, plant and equipment	3,514,143	3,424,461	
Intangible assets	98,375	95,121	
<u>Investments and other assets</u>			
Investment securities	212,973	218,934	
Deferred tax assets	614,379	614,631	
Other	90,142	88,774	
Allowance for doubtful accounts	(280)	(280)	
<b>Total investments and other assets</b>	<b>917,215</b>	<b>922,059</b>	
Total noncurrent assets	<b>4,529,734</b>	<b>4,441,641</b>	
<b>TOTAL ASSETS</b>	<b>19,213,777</b>	<b>18,662,451</b>	

<b>QUARTERLY CONSOLIDATED BALANCE SHEETS (2/2)</b>		(1,000 yen)
	End of FY2007 (2008.3.31)	End of FY2008Q1 (2008.6.30)
<b>LIABILITIES</b>		
<u>Current liabilities</u>		
Notes and accounts payable-trade	1,130,054	1,008,159
Short-term loans payable	200,000	-
Accounts payable-other	3,731,436	3,798,361
Accrued expenses	1,022,126	1,180,057
Income taxes payable	562,991	154,786
Advances received	1,334,268	1,676,830
Provision	869,966	675,101
Other	234,213	42,480
	<b>9,085,057</b>	<b>8,535,777</b>
<u>Noncurrent liabilities</u>	<b>1,430,152</b>	<b>1,397,850</b>
<b>TOTAL LIABILITIES</b>	<b>10,515,209</b>	<b>9,933,628</b>
<b>NET ASSETS</b>		
<u>Shareholders' equity</u>		
Capital stock	1,055,000	1,055,000
Capital surplus	747,400	747,400
Retained earning	6,896,496	6,940,533
Treasury stock	-	(50)
	<b>8,698,896</b>	<b>8,742,882</b>
<u>Valuation and translation adjustments</u>		
Valuation difference on available-for-sale securities	(5,337)	(413)
Deferred gains or losses on hedges	-	(926)
Foreign currency translation adjustment	5,009	(12,718)
	<b>(327)</b>	<b>(14,059)</b>
<b>TOTAL NET ASSETS</b>	<b>8,698,568</b>	<b>8,728,823</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>19,213,777</b>	<b>18,662,451</b>



(Note) FY2007Q1 (April 1, 2007 – June 30, 2007)  
 FY2008Q1 (April 1, 2008 – June 30, 2008)

<b>QUARTERLY CONSOLIDATED STATEMENTS OF INCOME</b>		(1,000 yen)
	FY2007Q1	FY2008Q1 (Total)
<b>Net sales</b>	<b>5,906,774</b>	<b>3,688,731</b>
Cost of sales	4,740,195	2,993,584
<b>Gross profit</b>	<b>1,166,579</b>	<b>695,146</b>
General and administrative expenses	393,058	366,980
<b>Operating income</b>	<b>773,520</b>	<b>328,166</b>
Non-operating income	21,986	26,759
Non-operating expenses	15,195	8,577
<b>Ordinary income</b>	<b>780,312</b>	<b>346,348</b>
Exordinary income	–	–
Exordinary loss	–	–
Quarterly income before income taxes and minority interests	780,312	346,348
Income taxes	318,008	125,011
<b>Quarterly net income</b>	<b>462,304</b>	<b>221,337</b>



<b>QUARTERLY CONSOLIDATED STATEMENTS OF CASH FLOWS</b>		(1,000 yen)
		FY2008Q1 (Total)
<b>Operating Activities</b>		
Income before income taxes and minority interests		346,348
Depreciation and amortization		117,615
Increase(decrease) in provision		(230,366)
Interest and dividends income		(6,794)
Loss on retirement of noncurrent assets		3,206
Decrease(increase) in current assets		3,263,630
Increase(decrease) in current liabilities		443,031
Other, net		(200,726)
<i>Subtotal</i>		<b>3,735,943</b>
Interest and dividends income received		6,794
Income taxes paid		(527,418)
<i>Net cash provided by (used in) operating activities</i>		<b>3,215,318</b>
<b>Investing activities</b>		
Payments into time deposits		(1,320,000)
Purchase of investment securities		(1,588)
Purchase of property, plant and equipment		(37,960)
Purchase intangible assets		(4,956)
Other, net		(1,408)
<i>Net cash provided by (used in) investing activities</i>		<b>(1,365,914)</b>
<b>Financing activities</b>		
Net increase(decrease) in short-term loans payable		(200,000)
Purchase of treasury stock		(50)
Cash dividends paid		(156,848)
<i>Net cash provided by(used in) financial activities</i>		<b>(356,899)</b>
Effect of exchange rate change on cash and cash equivalents		(17,258)
<b>Net increase(decrease) in cash and cash equivalents</b>		<b>1,475,247</b>
<b>Cash and cash equivalents at beginning of period</b>		<b>2,075,117</b>
<b>Cash and cash equivalents at the end of period</b>		<b>3,550,364</b>