

## CONSOLIDATED FINANCIAL STATEMENTS FOR FY2008 3rd Quarter (April 1, 2008 – December 31, 2008)

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

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Quarterly report will be submitted on February 10, 2009

### 1. Business results and Financial position for FY2008 3rd Quarter ( April 1, 2008 – December 31, 2008 )

(1) Consolidated Business results for FY2008Q3

(Note) FY2008 3rd quarter is standed for FY2008Q3

	Net sales	Operating income	Ordinary income	Quarterly net income
	(million yen)	(million yen)	(million yen)	(million yen)
<b>FY2008Q3</b>	<b>16,075</b>	<b>1,529</b>	<b>1,552</b>	<b>882</b>
FY2007Q3	14,638	1,692	1,681	1,009

	Quarterly net income per share	Quarterly net income per share, diluted
	(yen)	(yen)
<b>FY2008Q3</b>	<b>89.58</b>	–
FY2007Q3	102.47	–

(2) Consolidated Financial positions at the end of FY2008Q3

	Total assets	Net assets	Ratio of Shareholders' equity	Net assets per share
	(million yen)	(million yen)	%	(yen)
<b>2008.12.31</b>	<b>19,988</b>	<b>9,394</b>	<b>47.0</b>	<b>953.80</b>
2007.3.31	19,213	8,698	45.3	883.10

(Note) Shareholders' equity at the end of FY2008Q3 (consolidated);

End of FY2008Q3      9,394 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	–	0.00	–		
FY2008 (Forecast)				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)
Full-FY	21,800	0.0	1,550	△ 30.7	1,560	△ 29.1	900	△ 31.0	91.37

(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 FY2008Q3 9,850,000

End of FY2007 9,850,000

② End of number of treasury stock

End of FY2008Q3 76

End of FY2007 –

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

End of FY2008Q1 9,849,931

End of FY2007 9,850,000



## QUALITATIVE INFORMATION AND FINANCIAL STATEMENTS

### 1. Consolidated operating results

#### Summary of operating results for FY2008 3rd quarter ( FY2008Q3 )

(Note) Last fiscal year same quarter is standed for FY2007Q3

Financial panic caused by the US subprime mortgage problem and appreciation of Yen against US dollar have a serious impact to Japanese economy. Automobile manufacturers, which are our main customers, are temporarily getting off their facility investment due to decrease of income caused by sales slump over the worldwide.

Due to the Above situation, regarding orders, orders of *Press machines* came to 5,372 million yen ( $\Delta$ 3,142 million yen), which is smaller than FY2007Q3. Also Orders of *FA system products* came to 3,692 million yen (+57 million yen), which is larger than FY2007Q3. Orders of *After service* came to 3,292 ( $\Delta$ 547 million yen), which is smaller than FY2007Q3. Orders of total products came to 12,357 million yen ( $\Delta$ 3,632 million yen), which is smaller than FY2007Q3. Balance of orders received came to 13,139 million yen ( $\Delta$ 3,718 million yen), which is smaller than end of last fiscal year.

Regarding sales, sales of *Press machines* came to 8,709 million yen (+1,100 million yen), which is larger than FY2007Q3 due to small number of large size-press machines sales. Sales of *FA system products* came to 3,749 million yen (+132 million yen), which is larger than FY2007Q3 due to small number of big deal sales. Sales of *After service* came to 3,616 million yen (+204 million yen) , which is larger than FY2007Q3. Sales of total products came to 16,075 million yen (+1,437 million yen), which is larger than FY2007Q3.

Regarding income for FY2008Q3, *Operating income* came to 1,529 million yen ( $\Delta$ 163 million yen), which is smaller than FY2007Q3 due to the price up of raw materials. Also *Ordinary income* came to 1,552 million yen ( $\Delta$ 129 million yen), which is smaller than FY2007Q3. *Quarterly Net income* came to 882 million yen ( $\Delta$ 126 million yen), which is smaller than FY2007Q3 due to providing 78 million yen in *Loss on valuation of investment securities*.

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

Market related to H&F group have a serious condition because of the above harsh surroundings. 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 FY2008Q3 (2008.12.31)
<b>ASSETS</b>		
<u>Current assets</u>		
Cash and deposits	2,725,117	6,067,023
Notes and accounts receivable-trade	8,207,373	6,882,794
Work in process	3,115,654	1,973,541
Raw materials	170,983	224,057
Deferred tax assets	429,928	431,439
Other	38,577	95,630
Allowance for doubtful accounts	(3,590)	(680)
Total current assets	<b>14,684,043</b>	<b>15,673,808</b>
<u>Noncurrent assets</u>		
Property, plant and equipment	3,514,143	3,372,245
Intangible assets	98,375	90,157
<u>Investments and other assets</u>		
Investment securities	212,973	148,072
Deferred tax assets	614,379	616,767
Other	90,142	87,770
Allowance for doubtful accounts	(280)	(280)
<b>Total investments and other assets</b>	<b>917,215</b>	<b>852,329</b>
Total noncurrent assets	<b>4,529,734</b>	<b>4,314,732</b>
<b>TOTAL ASSETS</b>	<b>19,213,777</b>	<b>19,988,540</b>


**QUARTERLY CONSOLIDATED BALANCE SHEETS (2/2)**

(1,000 yen)

	End of FY2007 (2008.3.31)	End of FY2008Q3 (2008.12.31)
<b>LIABILITIES</b>		
<u>Current liabilities</u>		
Notes and accounts payable-trade	1,130,054	1,291,913
Short-term loans payable	200,000	-
Accounts payable-other	3,731,436	4,888,333
Accrued expenses	1,022,126	867,650
Income taxes payable	562,991	151,761
Advances received	1,334,268	1,189,868
Provision	869,966	665,156
Other	234,213	91,568
	<b>9,085,057</b>	<b>9,146,252</b>
<u>Noncurrent liabilities</u>	<b>1,430,152</b>	<b>1,447,410</b>
<b>TOTAL LIABILITIES</b>	<b>10,515,209</b>	<b>10,593,662</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	7,601,535
Treasury stock	-	(50)
	<b>8,698,896</b>	<b>9,403,885</b>
<u>Valuation and translation adjustments</u>		
Valuation difference on available-for-sale securities	(5,337)	6,332
Foreign currency translation adjustment	5,009	(15,340)
	<b>(327)</b>	<b>(9,007)</b>
<b>TOTAL NET ASSETS</b>	<b>8,698,568</b>	<b>9,394,877</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>19,213,777</b>	<b>19,988,540</b>



(Note) FY2007 3rd Quarter ( April 1, 2007 – December 31, 2007)  
 FY2008 3rd Quarter ( April 1, 2008 – December 31, 2008)

<b>QUARTERLY CONSOLIDATED STATEMENTS OF INCOME</b>		(1,000 yen)
	FY2007Q3 (Total)	FY2008Q3 (Total)
<b>Net sales</b>	<b>14,638,396</b>	<b>16,075,554</b>
Cost of sales	11,554,092	13,363,410
<b>Gross profit</b>	<b>3,084,303</b>	<b>2,712,144</b>
General and administrative expenses	1,391,772	1,182,967
<b>Operating income</b>	<b>1,692,531</b>	<b>1,529,176</b>
Non-operating income	25,397	36,822
Non-operating expenses	36,234	13,358
<b>Ordinary income</b>	<b>1,681,695</b>	<b>1,552,640</b>
Exordinary loss	-	78,012
Quarterly income before income taxes and minority interests	1,681,695	1,474,627
Income taxes	672,381	592,287
<b>Quarterly net income</b>	<b>1,009,314</b>	<b>882,339</b>



<b>QUARTERLY CONSOLIDATED STATEMENTS OF CASH FLOWS</b>		(1,000 yen)
		FY2008Q3 (Total)
<b>Operating Activities</b>		
Income before income taxes and minority interests		1,474,627
Depreciation and amortization		360,305
Increase(decrease) in provision		(190,462)
Interest and dividends income		(24,416)
Interest expenses		71
Loss on retirement of noncurrent assets		5,588
Loss (gain) on valuation of investment securities		78,012
Decrease(increase) in current assets		2,358,900
Increase(decrease) in current liabilities		944,034
Other, net		182,267
<i>Subtotal</i>		<b>4,824,395</b>
Interest and dividends income received		23,215
Interest expenses paid		(71)
Income taxes paid		(998,809)
<i>Net cash provided by (used in) operating activities</i>		<b>3,848,729</b>
<b>Investing activities</b>		
Payments into time deposits		(5,155,000)
Proceeds from withdrawal of time deposits		4,175,000
Purchase of investment securities		(4,999)
Proceeds from sales of investing securities		960
Purchase of property, plant and equipment		(82,233)
Purchase intangible assets		(20,277)
Other, net		(1,519)
<i>Net cash provided by (used in) investing activities</i>		<b>(1,088,069)</b>
<b>Financing activities</b>		
Net increase(decrease) in short-term loans payable		(200,000)
Purchase of treasury stock		(50)
Cash dividends paid		(176,767)
<i>Net cash provided by(used in) financial activities</i>		<b>(376,818)</b>
Effect of exchange rate change on cash and cash equivalents		(21,934)
<b>Net increase(decrease) in cash and cash equivalents</b>		<b>2,361,906</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>4,437,023</b>