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**Hitachi Zosen Fukui Corporation**

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**Consolidated Financial Statements**  
**For 3 Months of FY2010, Ending March 31, 2011**  
 (April 1, 2010 – June 30, 2010)

**1. Business Results and Financial Positions for 3 months (April 1, 2010 – June 30, 2010)**

**(1) Consolidated Business Results**

	Net sales		Operating income		Ordinary income		Net income	
	million yen	%	million yen	%	million yen	%	million yen	%
<b>3 months ended June 30, 2010</b>	<b>2,338</b>	<b>10.2</b>	<b>△ 73</b>	<b>-</b>	<b>△ 62</b>	<b>-</b>	<b>△ 73</b>	<b>-</b>
3 months ended June 30, 2009	2,575	△ 30.2	25	△ 92.3	74	△ 78.5	52	△ 76.4

	Net income per share	Net income per share, diluted
	yen	yen
<b>3 months ended June 30, 2010</b>	<b>△ 7.45</b>	<b>-</b>
3 months ended June 30, 2009	5.30	-

**(2) Consolidated Financial Positions**

	Total assets	Net assets	Ratio of Shareholders' equity	Net assets per share
	million yen	million yen	%	yen
<b>2010.6.30</b>	<b>13,275</b>	<b>6,737</b>	<b>50.7</b>	<b>683.92</b>
2010.3.31	12,621	6,918	54.8	702.33

(Note) Shareholders' equity (consolidated):

As of July 30, 2010 6,736 million yen

As of March 31, 2010 6,917 million yen

## 2. Dividend

	Dividend per share				
	As of June 30	As of September 30	As of December 31	As of March 31	Total
	Yen	Yen	Yen	Yen	Yen
FY2009 ended 2010.3.31	–	0.00	–	10.00	10.00
FY2010 ending 2011.3.31	–				
FY2010 (Forecast)		0.00	–	10.00	10.00

## 3. Forecast of Consolidated Business Results for FY2010 ( April 1, 2010 – March 31, 2011 )

	Net sales		Operating income		Ordinary income		Net income		Net income per share
	million yen	%	million yen	%	million yen	%	million yen	%	Yen
6 months of FY2010	5,900	55.7	△ 280	–	△ 310	–	△ 310	–	△ 31.47
FY2010	12,700	△ 77.0	△ 280	–	△ 340	–	△ 430	–	△ 43.66

(Note)

Percentage for 6 months of FY2010 is compared to 6 months of FY2009

Percentage for FY2010 is compared to FY2009

## 4 Other

(1) Number of shares outstanding ( Common stock )

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

As of June 30, 2010 9,850,000

As of March 31, 2010 9,850,000

② End of number of treasury stock

As of June 30, 2010 76

As of March 31, 2010 76

③ The number of shares for 3 months of:

FY2010 9,849,924

FY2009 9,849,924

### 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.



## Qualitative Information on Consolidated Business Results for 3 months of FY2010

### 1. Consolidated Business Results

Reviewing economic condition for 3 months of FY2010, mainly due to the improvement of global economic trend and the effects of demand stimulus packages by various countries, Japanese economy had a trend of recovery from global downturn. But Japanese economy still had a harsh condition. Automobile manufacturers, which are our main customers, have a trend of recovery, which was contributed to the demand stimulus packages by various countries, from the global downturn. But automobile manufacturers have a harsh condition, which they worry about the possible backlash in demand after the end of the demand stimulus packages.

Under these circumstances, regarding orders for 3 months of FY2010, compared to orders of 3 months of FY2009, orders of Press machines increased from 6 million yen to 1,264 million yen due to the momentum to support a recovery of their facility investment trend. Orders of FA system products increased by 302.6% to 827 million yen. Orders of After Service increased by 124.7% to 1,166 million yen. And total orders of all products increased by 345.8% to 3,258 million yen. Orders at the end of 3 months of FY2010, compared to orders backlog at the end of FY2009, increased by 420 million yen to 7,458 million yen.

Regarding sales, compared to sales of 3 months of FY2009, sales of Press machines increased by 29.3% to 1,553 million yen. sales of FA system products decreased by 6.5% to 725 million yen. sales of after service increased by 6.5% to 559 million yen. And total sales of all products increased by 10.2% to 2,838 million yen.

Regarding income and loss ( $\Delta$ ) of 3 months of FY2010, compared to those of 3 months of FY2009, Operating income decreased from 25 million yen to  $\Delta$ 73 million yen, Ordinary income decreased from 74 million yen to  $\Delta$ 62 million yen. Net income decreased from 52 million yen to  $\Delta$ 73 million yen.

### 2. Forecast of Consolidated Business Results for FY2010

Performance of consolidated business results for 3 months of FY2010 makes progress in initial forecast. Therefore, H&F decided to have no amendments on the forecast, which was announced at May 12, 2010.

#### **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.


**CONSOLIDATED BALANCE SHEETS (1/2)**

( 1,000 yen )

	As of 2010.3.31	As of 2010.6.30
<b>ASSETS</b>		
<u>Current assets</u>		
Cash and deposits	4,721,107	5,206,098
Notes and accounts receivable—trade	2,797,412	3,463,292
Merchandise and finished goods	36,089	34,408
Work in process	835,423	506,995
Raw materials and supplies	152,208	144,499
Deferred tax assets	350	341
Other	447,678	431,968
Allowance for doubtful accounts	(3,450)	(2,886)
	<b>8,986,820</b>	<b>9,784,718</b>
<u>Noncurrent assets</u>		
Property, plant and equipment	2,974,032	2,885,257
Intangible assets	218,238	202,207
Investments and other assets		
Investment securities	334,060	304,669
Other	111,371	98,451
Allowance for doubtful accounts	(2,788)	(280)
	<b>3,634,913</b>	<b>3,490,306</b>
<b>TOTAL ASSETS</b>	<b>12,621,733</b>	<b>13,275,024</b>



<b>CONSOLIDATED BALANCE SHEETS (2/2)</b>		(1,000 yen)
	As of 2010.3.31	As of 2010.6.30
<b>LIABILITIES</b>		
<u>Current liabilities</u>		
Notes and accounts payable-trade	513,951	631,115
Short-term loans payable	1,150,000	1,150,000
Accounts payable-other	1,054,187	1,808,917
Accrued expenses	387,671	474,290
Income taxes payable	10,523	12,983
Advances received	65,956	247,200
Provision	1,150,598	939,424
Other	88,487	45,988
	<b>4,421,375</b>	<b>5,309,919</b>
<u>Noncurrent liabilities</u>	<b>1,281,953</b>	<b>1,228,080</b>
<b>TOTAL LIABILITIES</b>	<b>5,703,329</b>	<b>6,537,999</b>
<b>NET ASSETS</b>		
<u>Shareholders' equity</u>		
Capital stock	1,055,000	1,055,000
Capital surplus	747,400	747,400
Retained earnings	5,152,155	4,980,292
Treasury stock	(50)	(50)
	<b>6,954,504</b>	<b>6,782,641</b>
<u>Valuation and translation adjustments</u>		
Valuation difference on available-for-sale securities	33,587	22,204
Deferred gains or losses on hedges	(453)	3,088
Foreign currency translation adjustment	(69,734)	(71,409)
	<b>(36,599)</b>	<b>(46,116)</b>
Subscription rights to shares	500	500
<b>TOTAL NET ASSETS</b>	<b>6,918,404</b>	<b>6,737,025</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>12,621,733</b>	<b>13,275,024</b>



(Note) 3 months of FY2009 (April 1, 2009 – June 30, 2009)  
 3 months of FY2010 (April 1, 2010 – June 30, 2010)

<b>CONSOLIDATED STATEMENTS OF INCOME</b>		(1,000 yen)
	3 months of FY2009	3 months of FY2010
<b>Net sales</b>	<b>2,575,945</b>	<b>2,838,387</b>
Cost of sales	2,238,653	2,572,960
<b>Gross profit</b>	<b>337,291</b>	<b>265,426</b>
Selling, general and administrative expenses	311,875	339,219
<b>Operating income (loss)</b>	<b>25,415</b>	<b>(73,792)</b>
Non-operating income	55,880	27,655
Non-operating expenses	6,888	15,976
<b>Ordinary income (loss)</b>	<b>74,407</b>	<b>(62,113)</b>
<b>Income before income taxes and minority interests</b>	<b>74,407</b>	<b>(62,113)</b>
Income taxes	22,158	11,250
Loss before minority interests	–	(73,363)
<b>Net income (loss)</b>	<b>52,248</b>	<b>(73,363)</b>



(Note) 3 months of FY2009 (April 1, 2009 – June 30, 2009)  
3 months of FY2010 (April 1, 2010 – June 30, 2010)

<b>CONSOLIDATED STATEMENTS OF CASH FLOWS</b>		(1,000 yen)
	3 months of FY2009	3 months of FY2010
<b>Operating activities</b>		
Income (loss) before income taxes and minority interests	74,407	(62,113)
Depreciation and amortization	118,343	107,904
Increase(decrease) in provision	(205,314)	(255,129)
Interest and dividends income	(5,628)	(5,168)
Interest expenses	228	2,975
Loss(gain) on sales of investment securities	–	(621)
Loss on retirement of noncurrent assets	21	–
Decrease(increase) in current assets	630,574	(304,903)
Increase(decrease) in current liabilities	(1,834,017)	1,108,605
Other, net	(99,955)	(12,105)
	<b>(1,321,341)</b>	<b>579,445</b>
Interest and dividends income received	4,867	5,847
Interest expenses paid	(228)	(282)
Income taxes paid	(61,377)	(17,168)
<i>Net cash provided by (used in) operating activities</i>	<b>(1,378,079)</b>	<b>567,842</b>
<b>Investing activities</b>		
Payments into time deposits	(2,834)	(752,957)
Proceeds from withdrawal of time deposits	120,000	1,955,000
Purchase of investment securities	(1,709)	(1,762)
Proceeds from sales of investment securities	–	12,400
Purchase of investments in subsidiaries resulting in change in scope of consolidation	(434,309)	–
Purchase of property, plant and equipment	(17,993)	(3,939)
Purchase of intangible assets	(270)	176
Other, net	1,997	(186)
<i>Net cash provided by (used in) investing activities</i>	<b>(335,119)</b>	<b>1,208,730</b>
<b>Financing activities</b>		
Cash dividends paid	(170,974)	(87,674)
Other, net	(239)	(239)
<i>Net cash provided by(used in) financing activities</i>	<b>(171,213)</b>	<b>(87,914)</b>
Effect of exchange rate change on cash and cash equivalents	5,971	(1,624)
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(1,878,440)</b>	<b>1,687,033</b>
Cash and cash equivalents at beginning of period	5,163,001	1,367,093
<b>Cash and cash equivalents at end of period</b>	<b>3,284,560</b>	<b>3,054,127</b>