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Hitachi Zosen Fukui Corporation

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Consolidated Financial Statements
For FY2010, Ended March 31, 2011
 (April 1, 2010 – March 31, 2011)

1. Business Results and Financial Positions for FY2010 (April 1, 2010 – March 31, 2011)

(1) Consolidated Business Results

	Net sales		Operating income		Ordinary income		Net income	
	million yen	%	million yen	%	million yen	%	million yen	%
FY2010	12,837	78.9	112	-	124	-	12	-
FY2009	7,175	△ 66.3	△ 1,593	-	△ 1,308	-	△ 2,291	-

	Net income per share	Net income per share, diluted	Return on equity	Ordinary income to total assets	Ordinary income to net sales
	(yen)	(yen)	%	%	%
FY2010	1.24	-	0.2	0.9	0.9
FY2009	△ 232.69	-	△ 28.2	△ 8.7	△ 22.2

(2) Consolidated Financial Positions

	Total assets	Net assets	Ratio of Shareholders' equity	Net assets per share
	million yen	million yen	%	yen
As of Mar 31, 2011	14,392	6,797	47.2	690.03
As of Mar 31, 2010	12,621	6,918	54.8	702.33

(Note) Shareholders' equity (consolidated);

As of March 31, 2011 6,796 million yen

As of March 31, 2010 6,917 million yen



(3) Consolidated Cash Flow

	Operating activities	Investing activities	Financial activities	Cash and Cash equivalents at the end of period
	(million yen)	(million yen)	(million yen)	(million yen)
FY2010	△ 798	2,140	△ 100	2,587
FY2009	△ 1,161	△ 3,451	802	1,367

2. Dividend

	Dividend per share					Yearly amount of dividend payment (million yen)	Dividend payout ratio %	Dividend to net assets ratio %
	As of June 30 Yen	As of September 30 Yen	As of December 31 Yen	As of March 31 Yen	Total Yen			
FY2009 ended 2010.3.31	-	0.00	-	10.00	10.00	98	-	1.2
FY2010 ended 2011.3.31	-	0.00	-	10.00	10.00	98	806.5	1.4
FY2011 ending 2012.3.31 (forecast)	-	0.00	-	10.00	10.00		65.7	

3. Forecast of Consolidated Business Results for FY2011 (April 1, 2011 – March 31, 2012)

	Net sales		Operating income		Ordinary income		Net income		Net income per share
	(million yen)	%	(million yen)	%	(million yen)	%	(million yen)	%	(Yen)
6 months of FY2011	9,000	59.1	90	-	80	-	60	-	6.09
FY2011	17,000	32.4	230	105.2	200	60.1	150	-	15.23

(Note)

Percentage for 6 months of FY2011 is compared to 6 months of FY2010

Percentage for FY2011 is compared to FY2010

4 Other

(1) Number of shares outstanding (Common stock)

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

As of March 31, 2011 9,850,000

As of March 31, 2010 9,850,000

② End of number of treasury stock

As of March 31, 2011 76

As of March 31, 2010 76

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 FY2010

1. Consolidated Business Results (April 1, 2010 - March 31, 2011)

Japanese economy shows a recovery due to the increase in corporate profits and the momentum to increase in corporate facilities investment though there was an influence led by the high unemployment rate and the prolonged deflation.

Automobile manufacturers, which are our main customers, were in a harsh condition due to the effect of the end of the government's providing subsidy for purchase of new eco-friendly vehicles and yen appreciation. But generally, they have been in a moderate recovery trend due to the effect of expanding demand for the cars in the overseas market, mainly in the emerging countries.

Under these circumstances, H&F had been working on securing new orders, cutting cost, strengthening its sales capacity for the overseas customers and strengthening merchandising. Regarding cutting cost, which H&F conducts continually, H&F has worked on cutting the overall cost. Regarding strengthening merchandising, H&F reviews the specification of its products and remodels them in order to equip with actually necessary functions. Regarding strengthening its sales capacity for the overseas customers, H&F has deepened partnership with some companies which have an advantage over the business regions which H&F is supposed to sell its products to.

Under these circumstances, regarding orders for FY2010, compared to FY2009, due to the effects of the above workings and a steady trend of the automobile manufacturer's investing their facilities in the emerging countries, Press machines increased by 287.6% to 7,910 million yen, FA system products increased by 227.7% to 4,507 million yen, After service increased by 50.1% to 3,882 million yen and total orders for all products increased by 171.5% to 16,300 million yen. Also orders backlog at the end of FY2010 increased by 49.2% to 10,500 million yen.

Regarding sales for FY2010, compared to FY2009, Press machines increased by 141.4% to 6,061 million yen, FA system products increased by 70.2% to 3,200 million yen, After service increased by 28.4% to 3,575 million yen and total sales for all products increased by 78.9% to 12,837 million yen.

Regarding income of FY2010, compared to FY2009, Operating income increased from Δ 1,593 million yen to 112 million yen and Ordinary income increased from Δ 1,308 million yen to 124 million yen due to the effect of cutting cost, Net income increased from Δ 2,291 million yen to 12 million yen.



2. Forecast of Consolidated Business Results for FY2011

H&F expects that the automobile manufacturer' s investing their facilities in the emerging countries have been steadily conducted during FY2011. H&F will work on developing its products in order to meet its customer' s needs and cutting cost.

Regarding sales for FY2011, it is expected that sales come to 17,000 million yen. Regarding income of FY2011, it is expected that Operating income comes to 230 million yen, Ordinary income comes to be 200 million yen and Net income comes to 150 million yen.

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 2011.3.31	
ASSETS			
<u>Current assets</u>			
Cash and deposits	4,721,107	3,750,894	
Notes and accounts receivable-trade	2,797,412	6,533,376	
Merchandise and finished goods	36,089	52,112	
Work in process	835,423	411,754	
Raw materials and supplies	152,208	150,927	
Deferred tax assets	350	338	
Other	447,678	219,677	
Allowance for doubtful accounts	(3,450)	(8,230)	
	8,986,820	11,110,853	
<u>Noncurrent assets</u>			
Property, plant and equipment	2,974,032	2,689,069	
Intangible assets	218,238	154,081	
<u>Investments and other assets</u>			
Investment securities	334,060	338,679	
Other	111,371	99,986	
Allowance for doubtful accounts	(2,788)	(280)	
	3,634,913	3,281,537	
TOTAL ASSETS	12,621,733	14,392,390	

CONSOLIDATED BALANCE SHEETS (2/2)		(1,000 yen)
	As of 2010.3.31	As of 2011.3.31
LIABILITIES		
<u>Current liabilities</u>		
Notes and accounts payable-trade	513,951	947,676
Short-term loans payable	1,150,000	1,150,000
Lease obligations	957	1,757
Accounts payable-other	1,054,187	2,694,606
Accrued expenses	387,671	614,168
Income taxes payable	10,523	31,416
Advances received	65,956	132,113
Provision	1,150,598	860,280
Other	87,529	33,238
	4,421,375	6,465,256
<u>Noncurrent liabilities</u>	1,281,953	1,129,872
TOTAL LIABILITIES	5,703,329	7,595,129
NET ASSETS		
<u>Shareholders' equity</u>		
Capital stock	1,055,000	1,055,000
Capital surplus	747,400	747,400
Retained earnings	5,152,155	5,065,889
Treasury stock	(50)	(50)
	6,954,504	6,868,238
<u>Valuation and translation adjustments</u>		
Valuation difference on available-for-sale securities	33,587	31,537
Deferred gains or losses on hedges	(453)	(1,986)
Foreign currency translation adjustment	(69,734)	(101,027)
	(36,599)	(71,476)
Subscription rights to shares	500	500
TOTAL NET ASSETS	6,918,404	6,797,261
TOTAL LIABILITIES AND NET ASSETS	12,621,733	14,392,390



CONSOLIDATED STATEMENTS OF INCOME		(1,000 yen)
	FY2009	FY2010
Net sales	7,175,266	12,837,525
Cost of sales	7,395,572	11,269,104
Gross profit (loss)	(220,305)	1,568,420
Selling, general and administrative expenses	1,373,306	1,456,313
Operating income (loss)	(1,593,612)	112,107
Non-operating income	318,337	49,036
Non-operating expenses	33,060	36,192
Ordinary income (loss)	(1,308,335)	124,952
Extraordinary losses	-	82,365
Income (loss) before income taxes and minority interests	(1,308,335)	42,586
Income taxes	983,603	30,353
Net income (loss)	(2,291,938)	12,233



CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME		(1,000 yen)
	FY2009	FY2010
Income before minority interests	-	12,233
Other comprehensive income	-	
Valuation difference on available-for-sale securities	-	(2,050)
Deferred gains or losses on hedges	-	(1,533)
Foreign currency translation adjustment	-	(31,292)
Total other comprehensive income	-	(34,876)
Comprehensive income	-	(22,643)
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent	-	(22,643)
Comprehensive income attributable to minority interests	-	-



CONSOLIDATED STATEMENTS OF CASH FLOWS		(1,000 yen)
	FY2009	FY2010
Operating Activities		
Income (loss) before income taxes and minority interests	(1,308,335)	42,586
Depreciation and amortization	457,238	379,076
Increase (decrease) in provision	395,839	(517,776)
Interest and dividends income	(80,284)	(14,349)
interest expenses	3,176	8,680
Loss (gain) on sales of investment securities	(34,367)	(621)
Loss on retirement of noncurrent assets	679	2,308
Decrease (increase) in current assets	3,748,988	(3,379,405)
Increase (decrease) in current liabilities	(3,974,986)	2,366,928
Other, net	(97,673)	68,253
	(889,722)	(1,044,317)
Interest and dividends income received	79,214	14,235
Interest expenses paid	(6,461)	(5,817)
Income taxes (paid) refund	(344,694)	237,848
<i>Net cash provided by (used in) operating activities</i>	(1,161,664)	(798,050)
Investing activities		
Payments into time deposits	(3,850,087)	(6,724,789)
Proceeds from withdrawal of time deposits	870,000	8,915,000
Purchase of investment securities	(53,462)	(22,074)
Proceeds from sales of investment securities	57,132	12,400
Purchase of investments in subsidiaries resulting in change in scope of consolidation	(434,309)	-
Purchase of property, plant and equipment	(101,647)	(34,677)
Purchase intangible assets	(4,706)	(3,533)
Other, net	65,285	(2,186)
<i>Net cash provided by (used in) investing activities</i>	(3,451,795)	2,140,139
Financing activities		
Net increase (decrease) in short-term loans payable	1,000,000	-
Cash dividends paid	(196,339)	(99,093)
Other, net	(957)	(957)
<i>Net cash provided by (used in) financial activities</i>	802,702	(100,051)
Effect of exchange rate change on cash and cash equivalents	14,849	(22,039)
Net increase (decrease) in cash and cash equivalents	(3,795,908)	1,219,997
Cash and cash equivalents at beginning of period	5,163,001	1,367,093
Cash and cash equivalents at the end of period	1,367,093	2,587,091