

Hitachi Zosen Fukui Corporation

Code number: 6163, Osaka Securities Exchange JASDAQ STD.

Representative: Seiichi Souda, President

Contact Person: Hiroshi Kikuchi, General Manager of General Affairs Dept. Tel:+81-(0)776-73-1260

Consolidated Financial Statements
For 6 Months of FY2011, Ending March 31, 2012

(April 1, 2011 – September 30, 2011)

1. Business Results and Financial Positions for 6 months of FY2011 (April 1, 2011 – September 30, 2011)

(1) Consolidated Business Results

	Net sales		Operating income		Ordinary income		Net income	
	million yen	%	million yen	%	million yen	%	million yen	%
6 months ended September 30, 2011	8,525	50.7	344	-	359	-	337	-
6 months ended September 30, 2010	5,657	49.3	△ 29	-	△ 13	-	△ 30	-

	Net income per share	Net income per share, diluted
	yen	yen
6 months ended September 30, 2011	34.26	-
6 months ended September 30, 2010	△ 3.07	-

(2) Consolidated Financial Positions

	Total assets	Net assets	Ratio of Shareholders' equity
	million yen	million yen	%
2011.9.30	15,837	7,022	44.3
2011.3.31	14,392	6,797	47.2

(Note) Shareholders' equity (consolidated):

As of September 30, 2011 7,022 million yen

As of March 31, 2011 6,796 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
FY2010 ended 2011.3.31	–	0.00	–	10.00	10.00
FY2010 ending 2012.3.31	–	0.00			
FY2011 (Forecast)			–	10.00	10.00

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
FY2011	18,000	40.2	460	310.3	450	260.1	420	–	42.64

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 6 months of FY2011

1. Consolidated Business Results (April 1, 2011 - September 30, 2011)

Japanese economy is picking up as reconstruction of supply chain has progressed and policy measures have brought effects on the economy while difficulties continue to prevail due to the damages led by the Great East Japan Earthquake; however, there remains a risk of the adverse effects on the economy such as disruption in international financial and capital markets and lingering yen appreciation and uncertainties are getting bigger in the economy.

Regarding automobile manufacturers, which are our main customers, they have a momentum to recovery from the earthquake damages, while there would be an influence led by yen appreciation on their domestic production and the employment situation.

Under these circumstances, regarding orders for 6 months of FY2011, compared to orders of 6 months of previous fiscal year (FY2010), orders of Press machines decreased by 14.4% to 3,715 million yen, orders of FA system products increased by 49.4% to 3,283 million yen due to the increase in orders of Blanking Press Line. FA system products have rather larger proportion of order prices in Blanking Press Lines than those in the other Press Lines. Orders of After Service increased by 1.5% to 2,135 million yen. And total orders of all products increased by 5.7% to 9,133 million yen. Orders backlog at the end of 6 months of FY2011, compared to orders backlog at the end of FY2010, increased by 608 million yen to 11,108 million yen.

Regarding sales, compared to sales of 6 months of FY2010, sales of Press machines increased by 47.2% to 4,135 million yen. Sales of FA system products increased by 99.7% to 2,759 million yen. Sales of After Service increased by 11.2% to 1,631 million yen. And total sales of all products increased by 50.7% to 8,525 million yen.

Regarding income and loss (Δ) of 6 months of FY2011, compared to those of 6 months of FY2010, Operating income increased from Δ 29 million yen to 344 million yen, Ordinary income increased from Δ 13 million yen to 359 million yen. Net income increased from Δ 30 million yen to 337 million yen.

2. Forecast of Consolidated Business Results for FY2011

Performance of Consolidated Business Results for 6 months of FY2011 went as largely planned. Therefore, H&F doesn't make any amendments on the forecast of Consolidated Business Results for FY2011, which was announced on August 4, 2011.

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 2011.3.31	As of 2011.9.30
ASSETS		
<u>Current assets</u>		
Cash and deposits	3,750,894	5,225,614
Notes and accounts receivable—trade	6,533,376	6,860,206
Merchandise and finished goods	52,112	44,782
Work in process	411,754	320,593
Raw materials and supplies	150,927	150,236
Deferred tax assets	338	347
Other	219,677	105,327
Allowance for doubtful accounts	(8,230)	(6,470)
	11,110,853	12,700,637
<u>Noncurrent assets</u>		
Property, plant and equipment	2,689,069	2,577,835
Intangible assets	154,081	136,507
Investments and other assets		
Investment securities	338,679	317,259
Other	99,986	105,809
Allowance for doubtful accounts	(280)	(280)
	3,281,537	3,137,131
TOTAL ASSETS	14,392,390	15,837,768



CONSOLIDATED BALANCE SHEETS (2/2)		(1,000 yen)
	As of 2011.3.31	As of 2011.6.30
LIABILITIES		
<u>Current liabilities</u>		
Notes and accounts payable-trade	947,676	1,214,995
Short-term loans payable	1,150,000	1,150,000
Accounts payable-other	2,694,606	3,493,212
Accrued expenses	614,168	685,027
Income taxes payable	31,416	29,830
Advances received	132,113	292,524
Provision	860,280	708,236
Other	34,996	114,152
	6,465,256	7,687,978
<u>Noncurrent liabilities</u>	1,129,872	1,127,081
TOTAL LIABILITIES	7,595,129	8,815,060
NET ASSETS		
<u>Shareholders' equity</u>		
Capital stock	1,055,000	1,055,000
Capital surplus	747,400	747,400
Retained earnings	5,065,889	5,304,872
Treasury stock	(50)	(50)
	6,868,238	7,107,221
<u>Accumulated other comprehensive income</u>		
Valuation difference on available-for-sale securities	31,537	5,494
Deferred gains or losses on hedges	(1,986)	5,067
Foreign currency translation adjustment	(101,027)	(95,574)
	(71,476)	(85,012)
Subscription rights to shares	500	500
TOTAL NET ASSETS	6,797,261	7,022,708
TOTAL LIABILITIES AND NET ASSETS	14,392,390	15,837,768



(Note) 6 months of FY2010 (April 1, 2010 – September 30, 2010)
6 months of FY2011 (April 1, 2011 – September 30, 2011)

CONSOLIDATED STATEMENTS OF INCOME		(1,000 yen)
	6 months of FY2010	6 months of FY2011
Net sales	5,657,915	8,525,567
Cost of sales	5,022,939	7,448,502
Gross profit	634,976	1,077,064
Selling, general and administrative expenses	664,398	732,742
Operating income (loss)	(29,421)	344,321
Non-operating income	42,185	31,335
Non-operating expenses	26,757	16,538
Ordinary income (loss)	(13,994)	359,118
Income (loss) before income taxes and minority interests	(13,994)	359,118
Income taxes	16,236	21,636
Income (loss) before minority interests	(30,230)	337,482
Net income (loss)	(30,230)	337,482

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME		
	(1,000 yen)	
	6 months of FY2010	6 months of FY2011
Income (loss) before minority interests	(30,230)	337,482
Other comprehensive income		
Valuation difference on available-for-sale securities	(11,222)	(26,042)
Deferred gains or losses on hedges	4,312	7,054
Foreign currency translation adjustment	(15,991)	5,452
Total other comprehensive income	(22,902)	(13,535)
Comprehensive income	(53,132)	323,946
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent	(53,132)	323,946
Comprehensive income attributable to minority interests	-	-



(Note) 6 months of FY2010 (April 1, 2010 – September 31, 2010)
6 months of FY2011 (April 1, 2011 – September 31, 2011)

CONSOLIDATED STATEMENTS OF CASH FLOWS		(1,000 yen)
	6 months of FY2010	6 months of FY2011
Operating activities		
Loss before income taxes and minority interests	(13,994)	359,118
Depreciation and amortization	204,669	183,949
Increase (decrease) in provision	(480,988)	(149,417)
Interest and dividends income	(7,868)	(10,568)
Interest expenses	5,164	2,880
Loss (gain) on sales of investment securities	(621)	(15,300)
Loss on retirement of noncurrent assets	52	831
Loss (gain) on valuation of investment securities	–	450
Decrease (increase) in current assets	(128,676)	(109,641)
Increase (decrease) in current liabilities	1,552,635	1,273,925
Other, net	(1,751)	69,755
	1,128,620	1,605,987
Interest and dividends income received	7,404	11,648
Interest expenses paid	(2,484)	(2,849)
Income taxes (paid) refund	240,439	(24,215)
Net cash provided by (used in) operating activities	1,373,980	1,590,571
Investing activities		
Payments into time deposits	(4,206,857)	(1,433,916)
Proceeds from withdrawal of time deposits	3,585,000	1,285,000
Purchase of investment securities	(18,094)	(15,156)
Proceeds from sales of investment securities	12,400	18,300
Purchase of property, plant and equipment	(24,568)	(17,416)
Purchase of intangible assets	(3,533)	(2,054)
Other, net	(847)	(6,375)
Net cash provided by (used in) investing activities	656,500	(171,619)
Financing activities		
Cash dividends paid	(98,936)	(97,866)
Other, net	(478)	(878)
Net cash provided by (used in) financing activities	(99,415)	(98,745)
Effect of exchange rate change on cash and cash equivalents	(9,538)	5,597
Net increase (decrease) in cash and cash equivalents	608,526	1,325,803
Cash and cash equivalents at beginning of period	1,367,093	2,587,091
Cash and cash equivalents at end of period	1,975,619	3,912,895