Regardless of drastic changes in the business environment, Hitachi High-Tech secured ¥14.9 billion yen in OP and promotes business structural reforms.
## Contents

**FY08 Financial Results**

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<th>Outline of FY08</th>
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</tr>
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</table>
Outline of FY08

(Note) YY/M denotes the year and month of the accounting period-end.
Outline of FY08 (Highlights)

<table>
<thead>
<tr>
<th></th>
<th>(New criteria)</th>
<th>Impact from Business Results Change</th>
<th>(New criteria) Results</th>
<th>vs. Previous Forecast</th>
<th>Impact from Accounting Policy Change</th>
<th>(Old criteria) Results</th>
<th>(Old criteria) YoY</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales</td>
<td>7,600</td>
<td>+150</td>
<td>7,750</td>
<td>+2%</td>
<td>-189</td>
<td>7,939</td>
<td>-16%</td>
</tr>
<tr>
<td>Operating Income</td>
<td>170</td>
<td>-21</td>
<td>149</td>
<td>-12%</td>
<td>-36</td>
<td>185</td>
<td>-62%</td>
</tr>
<tr>
<td>Ordinary Income</td>
<td>183</td>
<td>-18</td>
<td>165</td>
<td>-10%</td>
<td>-36</td>
<td>201</td>
<td>-59%</td>
</tr>
<tr>
<td>Net Income</td>
<td>91</td>
<td>-20</td>
<td>71</td>
<td>-22%</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

(Note) From April 1, 2008, the Company has changed its revenue recognition criteria with regard to products such as semiconductor manufacturing equipment and LCD manufacturing equipment which require post-delivery installation. In principle, revenue is now recognized on complete installation, rather than on delivery.

(New Criteria) Previous Forecast (e) — figures announced on January 2009 (FY08/Q3)
Outline of FY08 (Explanation of Deviations)

vs. Previous Forecast (Published Values for Q3/Jan. 2009)

1. Explanation of Deviations

Sales (760.0Ybn → 775.0Ybn +15.0Ybn)
- Life Sciences: Shipping increase of clinical analyzers for the European/U.S. market led to the growth of 9.2Ybn
- Information Systems & Electronic Components: Shipping increase of mobile phones for the U.S. market led to the growth of 9.3Ybn
- Advanced Industrial Products: Decrease in demands for LCD-related components and silicon wafers led to decrease of 3.4Ybn

Operating Income (17.0Ybn → 14.9Ybn -2.1Ybn)
- Electronic Device Systems: Severe deteriorated capacity utilization for semiconductor manufacturing equipments, LCD manufacturing equipments and inventory valuation loss led to decrease of 3.0Ybn
- Life Sciences: Favorable performances of clinical analyzers for the European/U.S. market led to the growth of 1.4Ybn

2. Impact from Accounting Policy Change

<table>
<thead>
<tr>
<th></th>
<th>Previous Forecast</th>
<th>Results</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales</td>
<td>-190</td>
<td>-189</td>
<td>+1</td>
</tr>
<tr>
<td>Operating Income</td>
<td>-37</td>
<td>-36</td>
<td>+1</td>
</tr>
</tbody>
</table>

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## Outline of FY08 (Sales by Segment)

### Sales

<table>
<thead>
<tr>
<th>Segment</th>
<th>08/3 Results</th>
<th>Impact from Business Results Change</th>
<th>09/3 Results</th>
<th>Impact from Business Results Change</th>
<th>YoY</th>
<th>Impact from Accounting Policy Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Electronic Device Systems</td>
<td>2,648</td>
<td>-806</td>
<td>1,842</td>
<td>-30%</td>
<td>-12%</td>
<td>-158</td>
</tr>
<tr>
<td>Information Systems &amp; Electronic Components</td>
<td>2,327</td>
<td>-282</td>
<td>2,045</td>
<td>-12%</td>
<td>-7</td>
<td>-7</td>
</tr>
</tbody>
</table>

(millions of yen)
Outline of FY08 (Operating Income by Segment)

Operating Income

(100 million yen) ( =Old criteria

(491) (207) (185) -70% (-62%)

- %

- %

- %

-46%

Electronic Device Systems

Life Sciences

Information Systems & Electronic Components

Advanced Industrial Products

<table>
<thead>
<tr>
<th></th>
<th>09/3 Results</th>
<th>Impact from Business Results Change</th>
<th>(Old criteria) 09/3 Results</th>
<th>(Old criteria) YoY %</th>
<th>Impact from Accounting Policy Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Electronic Device Systems</td>
<td>231</td>
<td>-247</td>
<td>-16</td>
<td>%</td>
<td>-32</td>
</tr>
<tr>
<td>Information Systems &amp; Electronic Components</td>
<td>41</td>
<td>-56</td>
<td>-15</td>
<td>%</td>
<td>-1</td>
</tr>
</tbody>
</table>

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## Outline of FY08 (Income Statement)

<table>
<thead>
<tr>
<th>Year ended March 31, 2009 (millions of yen)</th>
<th>Extraordinary P/L</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales</td>
<td>+0.7Ybn</td>
</tr>
<tr>
<td>Cost of Sales</td>
<td></td>
</tr>
<tr>
<td>Gross Profit</td>
<td></td>
</tr>
<tr>
<td>Selling, General and Administrative Expenses</td>
<td>-0.8Ybn</td>
</tr>
<tr>
<td>Operating Income</td>
<td>-1.0Ybn</td>
</tr>
<tr>
<td>Other Income</td>
<td></td>
</tr>
<tr>
<td>Other Expense</td>
<td></td>
</tr>
<tr>
<td>Ordinary Income</td>
<td>-1.7Ybn</td>
</tr>
<tr>
<td>Extraordinary Profit</td>
<td></td>
</tr>
<tr>
<td>Extraordinary Loss</td>
<td></td>
</tr>
<tr>
<td>Income Before Income Taxes and Minority Interests</td>
<td>+0.7Ybn</td>
</tr>
<tr>
<td>Income Taxes</td>
<td></td>
</tr>
<tr>
<td>Net Income</td>
<td></td>
</tr>
</tbody>
</table>

### Gains from sales of fixed assets
(Selling of office in the U.S. due to operation review)

### Loss from evaluation/disposition of investment securities
(Partial production capacity impairment due to profitability loss)

### Impairment losses
(Premium retirement allowance due to early retirement)
## Financial Position (Balance Sheet in Summary)

<table>
<thead>
<tr>
<th>Year ended March 31, 2009 (100 million of yen)</th>
<th>Changes vs. 08/3</th>
<th>Current Liabilities</th>
<th>Changes vs. 08/3</th>
</tr>
</thead>
<tbody>
<tr>
<td>Current Assets</td>
<td></td>
<td>3,406</td>
<td>-710</td>
</tr>
<tr>
<td>Cash &amp; Deposits/Deposit to Hitachi Group Cash</td>
<td>+182</td>
<td>1,669</td>
<td>-759</td>
</tr>
<tr>
<td>Management Fund</td>
<td></td>
<td>Notes &amp; Accounts Payable</td>
<td>-643</td>
</tr>
<tr>
<td>Notes &amp; Accounts Receivable</td>
<td>-931</td>
<td>Others</td>
<td>-116</td>
</tr>
<tr>
<td>Inventories</td>
<td>+49</td>
<td>Fixed Liabilities</td>
<td>-6</td>
</tr>
<tr>
<td>Others</td>
<td>-10</td>
<td>Retirement and severance benefits</td>
<td>-4</td>
</tr>
<tr>
<td>Fixed Assets</td>
<td>-63</td>
<td>Others</td>
<td>-2</td>
</tr>
<tr>
<td>Tangible Fixed Assets</td>
<td>-3</td>
<td>Net Assets</td>
<td>-8</td>
</tr>
<tr>
<td>Intangible Fixed Assets</td>
<td>+4</td>
<td>Shareholder Capital</td>
<td>+26</td>
</tr>
<tr>
<td>Investments &amp; Other Assets</td>
<td>-65</td>
<td>Assessments/Exchange Difference etc.</td>
<td>-34</td>
</tr>
<tr>
<td>Others</td>
<td></td>
<td>Minority Interests</td>
<td>+0</td>
</tr>
<tr>
<td>Total Assets</td>
<td>-773</td>
<td>Fixed Liabilities</td>
<td>-6</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Others</td>
<td>-2</td>
</tr>
</tbody>
</table>

### Points

- **Equity Ratio:** 54.7%
  - (vs. year ended March 31, 2009 +8.2%)

- **Book-value per Share:** 1,701.74yen
  - (vs. year ended March 31, 2009 +5.95yen)
## Financial Position (Cash Flow in Summary)

(100 million yen)

<table>
<thead>
<tr>
<th>Description</th>
<th>09/3</th>
<th>Description</th>
<th>09/3</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash Flow from Operating Activities</td>
<td>+311</td>
<td>Cash Flow from Financing Activities</td>
<td>-93</td>
</tr>
<tr>
<td>Income Before Income Taxes and Minority Interests</td>
<td>+139</td>
<td>Dividends Paid</td>
<td>-45</td>
</tr>
<tr>
<td>Depreciation and Amortization</td>
<td>+95</td>
<td>Others</td>
<td>-48</td>
</tr>
<tr>
<td>Impairment Losses</td>
<td>+10</td>
<td>Effect of Exchange Rate Changes on Cash and Cash Equivalents</td>
<td></td>
</tr>
<tr>
<td>Working Fund</td>
<td>+211</td>
<td>Net Increase (Decrease) in Cash and Cash Equivalents</td>
<td></td>
</tr>
<tr>
<td>Income Taxes Paid</td>
<td>-167</td>
<td>Cash and Cash Equivalents at the Beginning of Year</td>
<td></td>
</tr>
<tr>
<td>Others</td>
<td>+23</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Free Cash Flow</td>
<td>+124</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### Cash Flow from Investing Activities

Capital Expenditures Proceeded from Sales / Purchase of Property and Equipment: -8.5Ybn

- Selling of office in the U.S.: +1.4Ybn
- Plant construction and reform: -3.7Ybn etc.

Others: -15.0Ybn

- Pooling time deposits with maturity over three months to Hitachi Ltd.
Outline of Business Structural Reforms
Business Structural Reforms

- Drastic Review of Employees and Costs
- Reconstruction of Optimum Management System
- Accelerate Growth Strategies through "Selection & Concentration"
Business Structural Reforms
(Reduction of Cost)

Main Countermeasures
- Production capacity impairment
- Proper disposition of employees
- Establishing closures
- Careful selection of capital investment and R&D
- Reduce inventories
- Thorough review of expenses

Practiced in FY08
Practice through FY08-FY09
Business Structural Reforms  
(Reconstruction of Optimum Management Structure)

- Changing to value-added business by shifting the management resource to the growing market
- Accelerating product development, sharing information among divisions and reducing costs

<table>
<thead>
<tr>
<th>Proprietary Products Division</th>
<th>Trading Division</th>
</tr>
</thead>
<tbody>
<tr>
<td>Unified the Chipmounter Division to the Assembly Division which handles back-end processes</td>
<td>Established the Global Trading Group and Strategic Planning Division</td>
</tr>
<tr>
<td>Transferred the analysis system business that handles electron microscopes to the Analytical System Division in the Life Sciences Division</td>
<td>Established the Ecology &amp; Energy Business Division</td>
</tr>
</tbody>
</table>

Establish a meeting to create new businesses

Maximum Synergies

(Note) There are no changes in segments due to the business structure reform
Business Structural Reforms
(Acceleration of Growth Strategies)

1. Continuous R&D for New Businesses
   - Develop analysis applications for the growing market and advance into the in vitro diagnostics market
   - Involve in the OLED manufacturing equipment business
   - Expand ecology and energy-related business

2. Construction of Speedy/Robust Management Basis through IT Promotion
   - Visualize the PDCA cycle
   - Reinforce consolidated management

3. Promotion of Globalization
   - Reinforce the emerging market (India, Brazil, Russia, Vietnam)
   - Extend consolidated management and expand overseas business
Business Structural Reforms

- Drastic Review of Employees and Costs
- Reconstruction of Optimum Management System
- Accelerate Growth Strategies through “Selection & Concentration”

Realization of Sharp Growth from FY10 Downward
III FY09 Outlook

(Note) YY/M denotes the year and month of the accounting period-end.
<table>
<thead>
<tr>
<th>FY09 (100 million yen)</th>
<th>FY08 (100 million yen)</th>
<th>YoY</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Sales</strong></td>
<td>6,380</td>
<td>7,750</td>
</tr>
<tr>
<td><strong>Operating Income</strong></td>
<td>-47</td>
<td>149</td>
</tr>
<tr>
<td><strong>Ordinary Income</strong></td>
<td>-48</td>
<td>165</td>
</tr>
<tr>
<td><strong>Net Income</strong></td>
<td>-57</td>
<td>71</td>
</tr>
<tr>
<td><strong>Net Income per Share</strong></td>
<td>-41.44yen</td>
<td>51.44yen</td>
</tr>
<tr>
<td><strong>Cash Dividend per Share</strong></td>
<td>10.00yen</td>
<td>30.00yen</td>
</tr>
<tr>
<td><strong>ROE</strong></td>
<td>-2.5%</td>
<td>3.0%</td>
</tr>
<tr>
<td><strong>FIV</strong></td>
<td>-165</td>
<td>-21</td>
</tr>
</tbody>
</table>

FX Rate Estimate: 1USD = 90 yen, 1EUR = 120 yen
## FY09 Outlook (Sales by Segment)

<table>
<thead>
<tr>
<th>Segment</th>
<th>Sales (100 million yen)</th>
<th>YoY</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Electronic Device Systems</strong></td>
<td>9,431</td>
<td>-18%</td>
</tr>
<tr>
<td><strong>Life Sciences</strong></td>
<td>7,750</td>
<td>-14%</td>
</tr>
<tr>
<td><strong>Information Systems &amp; Electronic Components</strong></td>
<td>6,380</td>
<td>-16%</td>
</tr>
<tr>
<td><strong>Advanced Industrial Products</strong></td>
<td>2,648</td>
<td>-15%</td>
</tr>
</tbody>
</table>

### Explanation of YoY Variations

**Electronic Device Systems:**
Investment restraint for semiconductors and LCD panels continues in the 1H. However, partial investment recovery for finer patterning in semiconductors are expected in the 2H.

**Life Sciences:**
Demands for clinical analyzers will settle and yen’s appreciation etc., will lead to decrease in sales.

**Information Systems & Electronic Components:**
Demand delays are expected in the semiconductor, IT/electronics field and dull sales of chipmounters etc., will lead to decrease in sales.

**Advanced Industrial Products:**
Price fall of materials and sharp fall in the automobile market, will lead to decrease in business deals.
FY09 Outlook (Operating Income by Segment)

![Graph showing operating income by segment](image)

**Explanation of YoY Variations**

**Electronic Device Systems:**
Decline in sales for semiconductor manufacturing equipment, LCD-related equipment will expand the red.

**Life Sciences:**
Decline in sales of clinical analyzers etc., will lead to decline in profit.

**Information Systems & Electronic Components:**
Stagnant sales of chipmounters etc., will lead to dull profit.
Market Trend  
(Semiconductor Manufacturing Equipment)

SPE Market (front-end process)

(Source) Actual results from SEMI & HHT’s estimation (Dec. 2008)  
*Previous Forecast (Published Values for Q2/Oct. 2008)

Circumstances of the Market

FY08: Under economic recession, memory prices fell due to device manufacturer’s balance deterioration.

In the latter half, demands for front-end process also declined sharply due to reduction of the SPE market which was caused from financial crisis.

FY09: The world economy is expected to recover gradually and reduction of the SPE market will settle down though compared to FY08/1H, vast negative growth can been seen.
Circumstances of Orders Received

FY09

1H: Investment moves can be seen though investment restraints will continue, which leads to YoY -51%.

2H: Continuous investment from major American manufacturer and the resumption of investment for development/finer patterning leads to YoY +37%.
Business Expansion Plans for Metrology Systems

Expansion of business by supreme technology that synchronizes with resumption of investment for finer patterning

- Finer patterning technology
- Improve yield technology
- Improve productivity/OEE* technology

Double Patterning

TSV **

Computational Lithography

CD-SEM

- Adoption of new technology/R&D investment
- Offer solutions to enhance productivity through new functions of DesignGauge®

Inspection Systems (DR-SEM/Dark Field Wafer Inspection System)
- Reinforce competitiveness by high-performance/high-productivity
- Expand share by acquisition of new major customers and by broadening related markets such as materials etc.

*OEE•Overall Equipment Efficiency

**TSV•Through Silicon Via
**Explanation of YoY Variations**

**Process Equipment** (excludes trading products)
- Etchers: Investment restraint is expected in the 1H though partial resumption can be seen in the 2H (YoY -10%)

**Metrology System**
- Investment restraint and freeze will continue in the 1H overall.
- CD-SEM: There are foretaste of resumption of investments for development and partial devices leading to a YoY increase.
- Inspection Equipment: Expand share of both DR-SEM and dark-field inspection system by creating customer value which will lead to YoY increase.
- Expand software businesses such as improving operation etc., which corresponds to improving productivity.

**Analysis System**
- Starting off with advanced industrial field, the effect of introducing new products and model will lead to a gradual recovery in the 2H.

**Back-end Process Equipment**
- New capital investment cannot be expected, leading to a YoY decrease.

**Sales Ratio by Region**
- The U.S.’s ratio will rise due to major U.S. manufacturer’s continuous investment.
Circumstances of the Market

• FY08: Reaction to FY07’s investment restraint was expected to lead to big growth. However, due to the balance collapse of supply and demand, which came from the sluggish economy, panel manufacturers’ profit rapidly deteriorated which led to postponement of equipments in the 2H leading to +40%.

• FY09: The LCD manufacturing equipment market expects YoY -30% due to sluggish economy continuing from FY08/2H.
Circumstances of Orders Received

• FY09/1H: Supply increase coming from FY08/1H investment and economical deterioration led to decrease in demands and over supply, leading to panel manufacturers’ investment postponement or cancellation. Severe order environment expects YoY -93%.

• FY09/2H: Resumption of investment for 2010/2H-2011 due to new deals by China’s domestic production policy expects YoY +120%.
Changes in Sales
(LCD Manufacturing Equipment)

Sales Change in Main Business

<table>
<thead>
<tr>
<th></th>
<th>09/3</th>
<th>10/3(e)</th>
</tr>
</thead>
<tbody>
<tr>
<td>(100 million yen)</td>
<td>392</td>
<td>226</td>
</tr>
<tr>
<td>YoY</td>
<td>-42%</td>
<td></td>
</tr>
</tbody>
</table>

Sales Ratio by Region/Generation (front-end)

<table>
<thead>
<tr>
<th>Region</th>
<th>09/3</th>
<th>10/3(e)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Japan</td>
<td></td>
<td></td>
</tr>
<tr>
<td>South Korea</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Taiwan Region</td>
<td></td>
<td></td>
</tr>
<tr>
<td>China</td>
<td></td>
<td></td>
</tr>
<tr>
<td>U.S./Europe</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

FY09 Strategies

1. Increase share by development of new products and introducing it to the market
2. Develop new businesses
   (OLED manufacturing/inspection equipment, PV manufacturing equipment)
3. Reinforce sales to important customers (China’s new investment plan etc.)

Explanation of YoY Variations

Sharp decline in both front and back-end process expects YoY -42%.

By Region

- Domestic sales ratio is expected to occupy 65% due to sales from large domestic business deals.

Front-end

- Investment will transfer to G8 and beyond which leads to occupying 65% of the whole sales ratio.
Biotechnology-related Business

Overview of Lab Analysis & Life Science Equipment Market (HHT-related)

<table>
<thead>
<tr>
<th>Year</th>
<th>DNA Sequencers</th>
<th>Mass Analysis</th>
<th>Elemental Analysis</th>
<th>Molecular Spectrum Analysis</th>
<th>Separation Analysis</th>
</tr>
</thead>
<tbody>
<tr>
<td>CY07</td>
<td>14,000</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>CY08</td>
<td>15,200</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>CY09</td>
<td>16,300</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

CAGR 7.7%

(Based on Sales)

Changes in Sales

(YoY)

<table>
<thead>
<tr>
<th>Year</th>
<th>Bio-products</th>
<th>General-purpose Analysis</th>
</tr>
</thead>
<tbody>
<tr>
<td>09/3</td>
<td>230</td>
<td>170</td>
</tr>
<tr>
<td>10/3(e)</td>
<td>246</td>
<td>260</td>
</tr>
</tbody>
</table>

+10%

+2%

+7%

(Source) HHT’s estimation based on SDi Report 10th Edition (08) data

 FY09 Strategies

1. Expand sales actively to growing markets by ample applications (food, environment, energy, biotechnology, pharmacy)

2. Creating synergies by unifying the electron microscope business

Circumstances of the Market

- DNA Sequencers: Flat market for the present model.
- Mass Analysis Field: Firm growth of +9%.
  Move from protein analysis to biomarkers (diagnosis/toxicity etc.)
- General Purpose Analysis: Liquid chromatograph +7%.
  Expect rapid growth for ultra high-performance liquid chromatograph.

Explanation of YoY Variations

Bio-products

- DNA Sequencers: Securing DNA sequencer business by reinforcing correspondence to the applied market such as gene survey/diagnostics.
- Correspondence to Biomarkers: Expand LC-MS sales through software development for low molecular analysis and reinforcement of applications.

General-purpose Analysis

- Liquid Chromatograph: Capture the pharmaceutical field which is the biggest target by connecting ultra high-performance/general system with major software and the practice of in hand demonstration etc.
Medical-related Business

Overview of In-vitro Diagnostics-related Market (HHT-related)

Changes in Sales

FY09 Strategies

1. Promote SCB with important overseas manufacturers (SCB: System Collaboration Business)
2. Promote equipment + reagent sales (Following the 49 contents in the Chinese market, HbA1c will enter the domestic metabolic diagnostics)

Circumstances of the Market

- In-vitro Diagnostics-related Field (HHT-related): +5%
  Genetic Testing Field: +11% mainly in infectious diseases
  Immunology area: +5%
  Biochemistry area: Almost flat
- Pre-analytical Process: Market size 18.0 Ybn/year
- Japanese market to slow to +2% due to measures aimed at curbing overall medical costs

Explanation of YoY Variations

- Sales were higher than market’s growth (05 ➔ FY08 CAGR 15%) though the revolution of new products expects vast decrease YoY.

- Secure business by expanding clinical chemistry and immunodiagnostic analyzer lineups
- Establishing consistent customer support from manufacturing, sales to aftercare services and increase sales opportunities through the promotion of systematic sales that includes reagents.

(Source) HHT’s estimation based on Kalorama Information 6th Edition (08) data (reagents, equipment included)
Background

Specific medical examination that specializes in so-called metabolic syndrome (visceral fat syndrome) was guided by the Health Insurance Law revision in 2006.

Hitachi High-Technologies’ Actions

Started sales of automatic clinical analyzers (optional) that automatically tests haemoglobin A1c (HbA1c) which is an important index of diabetes testing (09/Feb.)

In addition, sales of enzyme method reagent used for this equipment were sold systematically.

HbA1c (Haemoglobin A1c)

Haemoglobin in the red blood corpuscle united with glucose in blood is called Glico haemoglobin. There are several kinds of Glico haemoglobin and "HbA1c" is the index for diabetes. The red blood corpuscle’s life span is about 120 days and the ratio of "HbA1c" increases as the state of high blood sugar level is longer because it unites with glucose little by little as it circulates the body. Considering the fact that meal does not effect results, it can be checked anytime and can indicate the average blood sugar of 1-2 months in the past, which can apply for health examination (metabolic checkup) and helps prevent/control progress of diabetes complication.
Market Trend/Changes in Sales (Chip Mounter)

FY09 Strategies

1. Start-up sales and expand share that synchronize with the market recovery by thorough precession sales
2. Reinforce competitiveness by thorough cost reduction

Circumstances of the Market

FY08

・FY08/1H: Demand for capital investment was weak in the electronics market, including mobile phones, notebook PCs, and flat-screen TVs. The situation for EMS capital investment remains to be seen.
・FY08/2H: Freeze-up in capital investment regardless of business type/region due to the world’s economic depression.

FY09

・Customer’s operation rate will turn up by inventory adjustments though resumption of investments will take a while.
Expect the market size to decrease by half YoY.

Explanation of YoY Variations

・Following the freeze-up of capital investment mainly in the backbone EMS, the Asian region will decrease sharply, regardless of the Chinese Government’s economic stimulus measures.
・Aim YoY growth by acquiring new customers though Japan/European regions’ are sluggish.
**Explanation of YoY Variations**

**Information Systems & Electronic Components**
Decrease in demands mainly in semiconductors and media devices for consumer products will continue for a while, which leads to YoY -14%.

**Advanced Industrial Products**
In a worldwide recession phase, tough stagnating demands for PV components in addition to decrease in automobile sales and device price falls for materials, semiconductors, LCD etc. leads to YoY -16%.
Environment Management
• Hitachi High-Technologies has been promoting activities aimed to decrease environmental loads.
  (Omit energy/promotion of zero-emission measures, plantation etc.)
  → #1 for 6 consecutive years in the Nikkei Newspaper’s “Environment Management Survey” (Trading category)

Ecology & Energy Business
• Businesses such as PV and environment friendly automobile business are developed individually on a division/field bases.

Aim to contribute to society with technology through environment management + reinforcement of ecological business
• Maximize synergies of current businesses
  → Established the Ecology & Energy Business Division
• Promotes development of solutions that contributes to the environment by applying our company’s core competence “Metrology + Analysis Technology”.

(Hitachi Ltd.’s Environmental Vision 2025 → Contribute to the reduction of CO2 emissions from Hitachi Group products by 100 million tons a year by 2025.)
■ Developing Markets

Our targets in the ecological & business field

1. PV, fuel cell and manufacturing, inspection, analysis equipment manufacturing management software, related components
2. Automobile-related business which corresponds to the environment
   - EV/HEV devices for automobiles and automatic assembly system/alternative energy
   - Embarkation on next generation automobiles and fuel/battery business ITS etc.
3. LIB and short protection circuit, related components
4. Environment-related business
   - Metrology, analysis system, electron microscope etc.’s dominant technology based enhancement of sales route.

■ Maximize Synergies of the Group’s Resources

Establishment of Ecology & Energy Business Division

- Developing system solution business that traverse the vertical business organization
Ecology & Energy Business

Changes in Sales by Business Fields

CAGR 29.2%

(100 million yen)

0

1,000

■ Growth Image

The alternative energy field is the driver.
The ecology & energy-related business aims to double its sales from FY08 in FY11.

(*) DMFC : Direct Methanol Fuel Cell
【Topics】Excellence in Intellectual Property Awards

Received the "Minister of Economy, Trade and Industry’s Commendation (outstanding patent strategy company)"

Points of Evaluation
- Develops global business, boasts leading global shares
- The management team has a keen interest in intellectual property (IP)
- Has a three-pronged structure that integrates business strategies, R&D strategies and intellectual property strategies,
- Uses thorough analysis of its own and others’ patents to produce highly visible R&D roadmaps and clarify its IP strategies.
- Has a commendation and incentive systems for all employees

President Obayashi (right) received the award

Points of Evaluation
- Develops global business, boasts leading global shares
- Has a three-pronged structure that integrates business strategies, R&D strategies and intellectual property strategies,
- Uses thorough analysis of its own and others’ patents to produce highly visible R&D roadmaps and clarify its IP strategies.
- Has a commendation and incentive systems for all employees
Financial Data

(注)YY/MはYY年M月期を表しています。
## Quarterly Results

(100 million yen)

<table>
<thead>
<tr>
<th></th>
<th>07/Q1</th>
<th>07/Q2</th>
<th>07/Q3</th>
<th>07/Q4</th>
<th>08/Q1</th>
<th>08/Q2</th>
<th>08/Q3</th>
<th>08/Q4</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales</td>
<td>2,251</td>
<td>2,621</td>
<td>2,263</td>
<td>2,296</td>
<td>1,829</td>
<td>2,404</td>
<td>1,633</td>
<td>1,883</td>
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<tr>
<td>Operating Income</td>
<td>87</td>
<td>146</td>
<td>81</td>
<td>178</td>
<td>19</td>
<td>106</td>
<td>23</td>
<td>1</td>
</tr>
<tr>
<td>Ordinary Income</td>
<td>91</td>
<td>147</td>
<td>86</td>
<td>164</td>
<td>26</td>
<td>113</td>
<td>30</td>
<td>-4</td>
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<tr>
<td>Net Income</td>
<td>57</td>
<td>90</td>
<td>55</td>
<td>67</td>
<td>-2</td>
<td>78</td>
<td>20</td>
<td>-25</td>
</tr>
</tbody>
</table>

### Sales by Segment

(100 million yen)

<table>
<thead>
<tr>
<th>Segment</th>
<th>07/Q1</th>
<th>07/Q2</th>
<th>07/Q3</th>
<th>07/Q4</th>
<th>08/Q1</th>
<th>08/Q2</th>
<th>08/Q3</th>
<th>08/Q4</th>
</tr>
</thead>
<tbody>
<tr>
<td>Electronic Device Systems</td>
<td>635</td>
<td>766</td>
<td>587</td>
<td>661</td>
<td>250</td>
<td>612</td>
<td>327</td>
<td>494</td>
</tr>
<tr>
<td>Life Sciences</td>
<td>196</td>
<td>243</td>
<td>261</td>
<td>261</td>
<td>248</td>
<td>243</td>
<td>213</td>
<td>273</td>
</tr>
<tr>
<td>Information Systems &amp; Electronic Components</td>
<td>546</td>
<td>700</td>
<td>543</td>
<td>539</td>
<td>443</td>
<td>539</td>
<td>616</td>
<td>420</td>
</tr>
<tr>
<td>Advanced Industrial Products</td>
<td>874</td>
<td>913</td>
<td>873</td>
<td>834</td>
<td>888</td>
<td>933</td>
<td>673</td>
<td>558</td>
</tr>
</tbody>
</table>

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## Capital Expenditure/Depreciation Costs/R&D

<table>
<thead>
<tr>
<th></th>
<th>08/3</th>
<th>09/3</th>
<th>YoY</th>
<th>10/3(e)</th>
<th>YoY</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Capital Expenditure</strong></td>
<td>113</td>
<td>122</td>
<td>+9%</td>
<td>85</td>
<td>-31%</td>
</tr>
<tr>
<td><strong>Depreciation Costs</strong></td>
<td>89</td>
<td>95</td>
<td>+7%</td>
<td>103</td>
<td>+9%</td>
</tr>
<tr>
<td><strong>R&amp;D</strong></td>
<td>204</td>
<td>215</td>
<td>+5%</td>
<td>208</td>
<td>-3%</td>
</tr>
</tbody>
</table>

*Capital Expenditure is based on an acquisition bases

### Context (FY08)

- **Capital Expenditure**: 1.0Ybn increase
  - Extension and renovation of Naka Works
- **R&D**: 1.0Ybn increase
  - Development of elemental technology in Electronic Device Systems and Life Sciences
# Sales Trends by Main Group

<table>
<thead>
<tr>
<th></th>
<th>08/3</th>
<th>09/3</th>
<th>YoY</th>
<th>10/3(e)</th>
<th>YoY</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Electronic Device Systems</strong></td>
<td>2,648</td>
<td>1,683</td>
<td>-36%</td>
<td>1,245</td>
<td>-26%</td>
</tr>
<tr>
<td>Process Equipment</td>
<td>748</td>
<td>532</td>
<td>-29%</td>
<td>232</td>
<td>-56%</td>
</tr>
<tr>
<td>Metrology &amp; Analysis System</td>
<td>902</td>
<td>519</td>
<td>-42%</td>
<td>594</td>
<td>+14%</td>
</tr>
<tr>
<td>LCD Manufacturing System</td>
<td>500</td>
<td>392</td>
<td>-22%</td>
<td>226</td>
<td>-42%</td>
</tr>
<tr>
<td>HD Manufacturing System</td>
<td>140</td>
<td>48</td>
<td>-66%</td>
<td>19</td>
<td>-59%</td>
</tr>
<tr>
<td>Others</td>
<td>358</td>
<td>192</td>
<td>-46%</td>
<td>174</td>
<td>-9%</td>
</tr>
<tr>
<td><strong>Life Sciences</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Life Sciences</td>
<td>962</td>
<td>977</td>
<td>+2%</td>
<td>840</td>
<td>-14%</td>
</tr>
<tr>
<td>Biotechnology-related Business</td>
<td>213</td>
<td>196</td>
<td>-8%</td>
<td>219</td>
<td>+12%</td>
</tr>
<tr>
<td>Medical-related Business</td>
<td>631</td>
<td>730</td>
<td>+16%</td>
<td>586</td>
<td>-20%</td>
</tr>
<tr>
<td>Others</td>
<td>118</td>
<td>51</td>
<td>-57%</td>
<td>36</td>
<td>-30%</td>
</tr>
<tr>
<td><strong>Information Systems &amp; Electronic Components</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Information System</td>
<td>2,327</td>
<td>2,038</td>
<td>-12%</td>
<td>1,735</td>
<td>-15%</td>
</tr>
<tr>
<td>Assembly System</td>
<td>910</td>
<td>976</td>
<td>+7%</td>
<td>792</td>
<td>-19%</td>
</tr>
<tr>
<td>Semiconductor</td>
<td>334</td>
<td>255</td>
<td>-24%</td>
<td>275</td>
<td>+8%</td>
</tr>
<tr>
<td>Media Devices</td>
<td>394</td>
<td>265</td>
<td>-33%</td>
<td>211</td>
<td>-20%</td>
</tr>
<tr>
<td>Others</td>
<td>313</td>
<td>205</td>
<td>-34%</td>
<td>144</td>
<td>-30%</td>
</tr>
<tr>
<td><strong>Advanced Industrial Products</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Advanced Industrial Products</td>
<td>3,495</td>
<td>3,051</td>
<td>-13%</td>
<td>2,560</td>
<td>-16%</td>
</tr>
<tr>
<td>Industrial Material</td>
<td>1,714</td>
<td>1,590</td>
<td>-7%</td>
<td>1,230</td>
<td>-23%</td>
</tr>
<tr>
<td>Electronic Material</td>
<td>764</td>
<td>707</td>
<td>-8%</td>
<td>451</td>
<td>-36%</td>
</tr>
<tr>
<td>Optical-related Component</td>
<td>284</td>
<td>288</td>
<td>+1%</td>
<td>387</td>
<td>+35%</td>
</tr>
<tr>
<td>Others</td>
<td>733</td>
<td>468</td>
<td>-36%</td>
<td>492</td>
<td>+5%</td>
</tr>
</tbody>
</table>
[Notes on the data]

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END

FY08 Financial Results

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