

FY09 1st Quarter Financial Results

Consolidated 2nd Quarter Term Total & FY09 Outlook

July 27th, 2009

 **Hitachi High-Technologies Corporation**

FY09 1st Quarter Financial Results

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II Progress on Business Structural Reforms

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IV Financial Data

(100 million yen)

	FY09 Q1 Results	FY08 Q1 Results	Y o Y
Sales	1,325	1,829	-28%
Operating Income	-38	19	-
Ordinary Income	-32	26	-
Net Income	-20	-2	-
Net Income per Share (Yen)	-14.73	-1.44	-13.29
Net Assets per Share (Yen)	1,679.50	1,701.74	-22.24

Drastic Review of Employees and Costs

Main Countermeasures

✓ Production capacity impairment

■ Careful selection of capital investment and R&D

■ Proper disposition of employees

■ Reduce inventories

■ Establishing closures

■ Thorough review of expenses

✓ Practiced in FY08

■ Practice through FY08-FY09

1. Proper disposition of employees

- 10/3 target

-1,450 employees

(vs. 09/3)



On schedule

2. Establishing closures

- Closed for 2-4 days per month at manufacturing divisions and subsidiaries (09/4-6)



Plan to continue implementing as appropriate in Q2 and beyond according to demand trends

3. Reduce inventories

- 09/3

72.0 Ybn



09/6

71.8 Ybn

Inventory on consignment

+1.1 Ybn

→ Actual -1.2 Ybn
(Delivered criteria)

4. Thorough review of expenses

- 08/Q1

22.3 Ybn



09/Q1

19.3 Ybn

Personal expense -1.2 Ybn

Travelling expense -0.6 Ybn

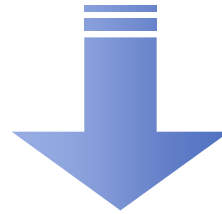
Reserch and development

expense -0.4 Ybn

Others -0.8 Ybn

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 energy & environmental solutions / products



- Take concrete steps on the themes above at the meeting to create new businesses
- Feasibility study started from 09/Q2

(100 million yen)

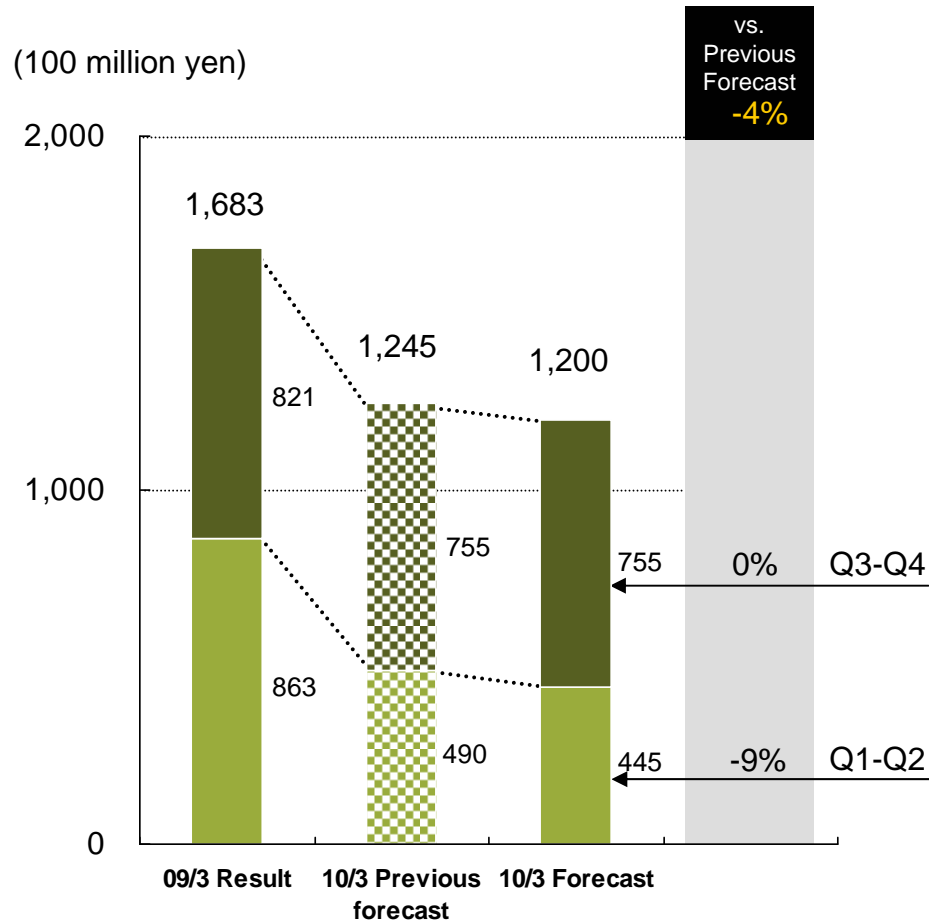
	Q1-Q2 Forecast	YoY	FY09 Forecast	YoY
Sales	2,863	-32%	6,380	-18%
Operating Income	-87	-	-47	-
Ordinary Income	-84	-	-48	-
Net Income	-54	-	-57	-
Net Income per Share (Yen)	-38.90	-93.89	-41.44	-92.88

(Note) Upward revision (from the previous forecast, Apr. 2009):
 Q1-Q2 Ordinary Income (+0.3 Ybn), Net Income(+2.0 Ybn)
 Others are remain unchanged

(Note) FY09 FX rate estimate 1USD= 90 yen
 1EUR= 125 yen

FY09 Outlook (Electronic Device Systems)

Sales



Explanations of Deviations

[Semiconductor Manufacturing Equipment]

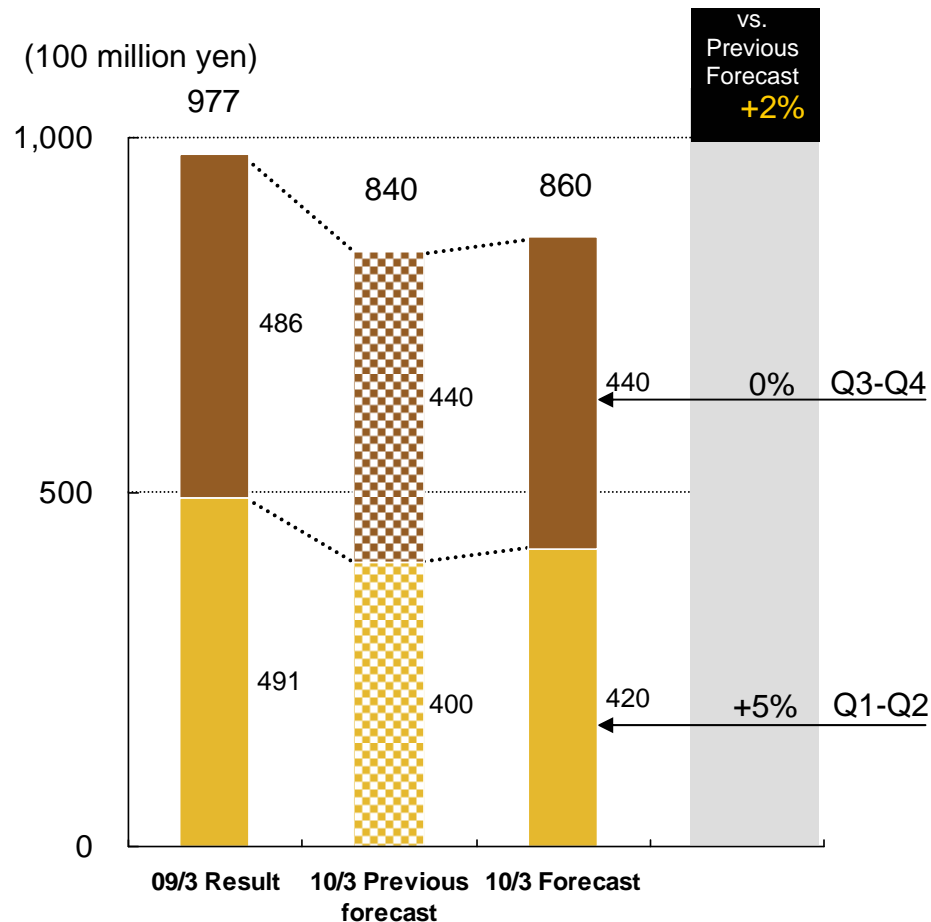
- Sales of etching systems are essentially on target for 1H. In 2H, we aim to expand sales despite a suspension of capital expenditures among major customers.
- Although sales of metrology systems are on target for 1H, inspection systems fall behind due to customer delays in investment. We will strengthen marketing ahead of the expected resumption of investment in 2H.
- Sales of analysis systems are essentially on target for 1H, despite a demand fell due to the economic slowdown. In 2H, we aim to increase sales by securing projects such as supplementary budgets.
- Back-end process systems are essentially according to plan in 1H thanks to upturn customers' utilization ratios. Further growth in demand is expected in 2H due to China's home electronics promotion policy.

[LCD Manufacturing Equipment]

- Sales of front-end process systems in 1H exceed plans due to an upturn in customers' utilization ratios, reflecting China's home electronics promotion policy and other factors. In 2H, we will focus on investment to increase production for new projects.
- In 1H, back-end process equipment are low, but essentially on target. Demand is expected to increase in 2H.

FY09 Outlook (Life Sciences)

Sales



Explanations of Deviations

[Biotechnology-related Business]

- Sales of amino acid analyzer is strong in 1H thanks to demand for food safety inspections. However private capital expenditure was stagnant, other general purpose analyzers sales fall short of targets. In 2H, we will aim to expand sales by securing projects such as supplementary budgets.
- Sales of DNA sequencers were largely on track in 1H due in part to demand for DNA testing. 2H is expected to maintain firm results as a result of new product introductions and other factors.

[Medical-related Business]

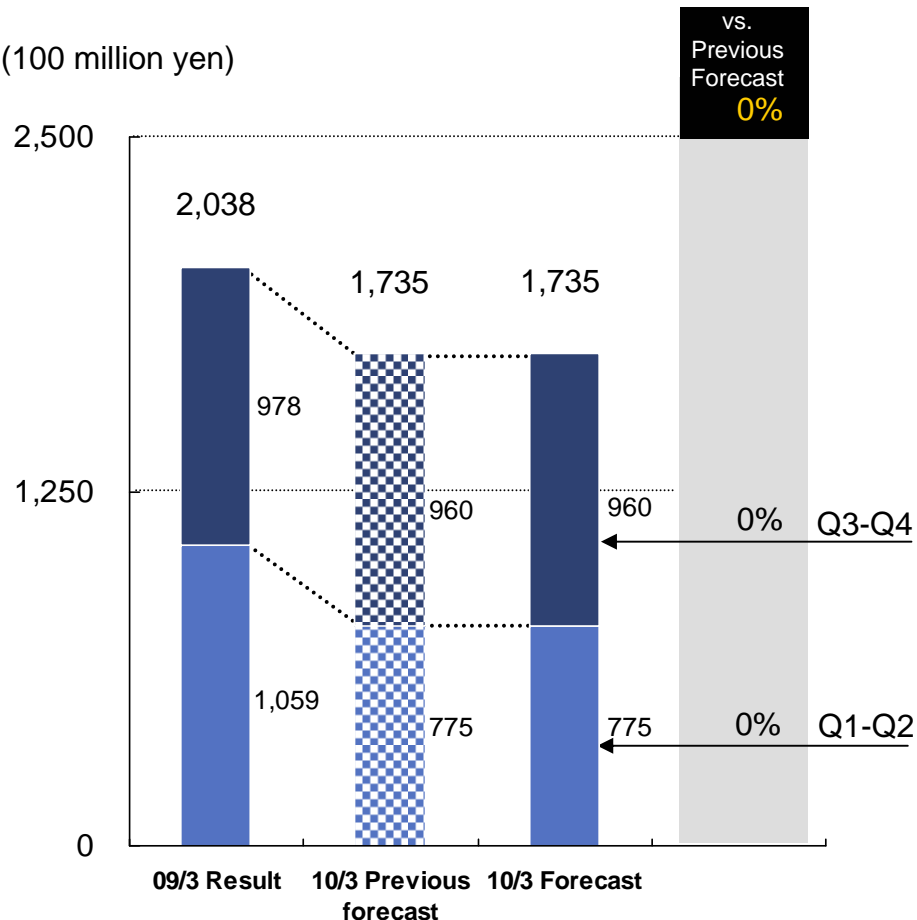
- Clinical analyzer sales exceed plan in 1H because sales in U.S./Europe were firm. In 2H, we will aim to increase sales by introducing new products into the market.

FY09 Outlook (Information Systems & Electronic Components)

Sales

Explanations of Deviations

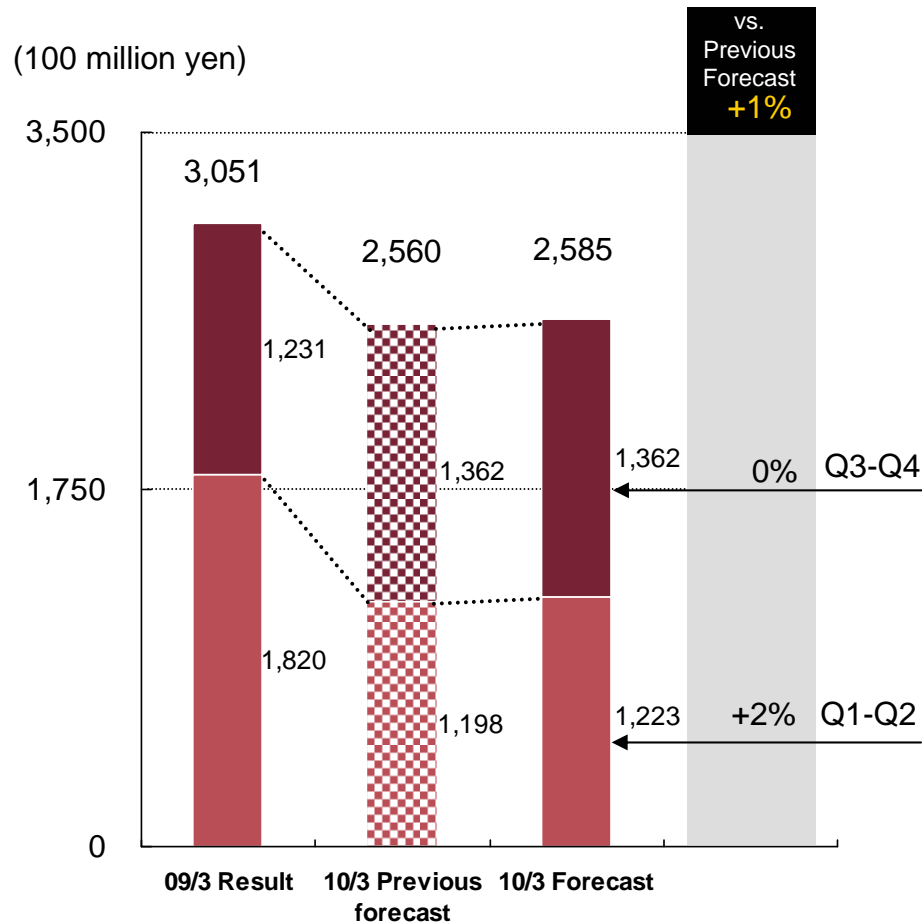
(100 million yen)



- Chipmounters are essentially on target in 1H due to upturn in customer utilization ratios as a result of increased demand for flat-screen TVs and other factors. In 2H, although competition is expected to intensify, we will work to steadily acquire customer investment projects.
- Mobile phones to U.S. market are higher than planned in 1H due primarily to the effect of introducing new products. In 2H, we will aim to continue expanding sales by strengthening customer support.
- Assembly systems and semiconductor devices are below target during 1H due to lower demand in light of the economic recession. In 2H, we will focus on reaching targets in spite of weakening demand.

FY09 Outlook (Advanced Industrial Products)

Sales



Explanations of Deviations

- Industrial materials are generally below target in 1H, mainly in the automotive and IT-related fields. Although the market environment is set to remain challenging in 2H, we will strive to achieve our targets by strengthening marketing in growth fields.
- Silicon wafers in electronic materials are essentially on target in 1H. PV-related products and equipment and optical devices and materials remain strong. In 2H we will strive to boost sales for PV and LCD use.

IV

Quarterly Results

(100 million yen)

	FY08 Q1	FY08 Q2	FY08 Q3	FY08 Q4	FY09 Q1
Sales	1,829	2,404	1,633	1,883	1,325
Operating Income	19	106	23	1	-38
Ordinary Income	26	113	30	-4	-32
Net Income	-2	78	20	-25	-20

■ Sales by Segment

(100 million yen)

	FY08 Q1	FY08 Q2	FY08 Q3	FY08 Q4	FY09 Q1
Electronic Device Systems	250	612	327	494	200
Life Sciences	248	243	213	273	207
Information Systems & Electronic Components	443	616	420	558	352
Advanced Industrial Products	888	933	673	558	566

Sales Trend by Main Group

(100 million yen)

	FY08 Q1	FY08 Q2	FY08 Q3	FY08 Q4	FY09 Q1
<u>Electronic Device Systems</u>	250	612	327	494	200
Process Equipment	83	206	141	103	64
Metrology & Analysis System	94	187	77	162	61
LCD Manufacturing System	22	116	64	190	41
HD Manufacturing System	4	28	8	8	4
Others	47	76	37	31	31
<u>Life Sciences</u>	248	243	213	273	207
Biotechnology-related Business	40	53	36	67	37
Medical-related Business	189	177	154	190	158
Others	19	13	22	16	13
<u>Information Systems & Electronic Components</u>	443	616	420	558	352
Information System	149	309	203	314	178
Assembly System	50	94	32	79	23
Semiconductor	85	83	40	57	40
Media Devices	68	56	38	42	41
Others	91	74	107	65	69
<u>Advanced Industrial Products</u>	888	933	673	558	566
Industrial Material	421	478	340	278	265
Electronic Material	240	224	137	106	139
Optical-related Component	74	81	62	70	65
Others	153	150	134	105	96

[Notes on the data]

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END

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