FY2011 Outlook

June 8, 2011

Hitachi High-Technologies Corporation

President, Chief Executive Officer
Masao Hisada
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FY2011 Outlook

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FY11 Management Policy

(Note) YY/M denotes the year and month of the accounting period-end.
FY11 Management Policies

Achieve our corporate vision
To consistently aim to be Global Top in high-tech solutions

1. Shift our resources to growing market and develop new business models
2. Transform to high-profitable structures by building up our global businesses
3. Create stronger management foundation for the next growth
4. Strengthen our consolidated management and cash flow management
5. Promote CSR-conscious management and foster our employees
1. Restoration status of buildings

- Completed relocation and started up all workplaces from May 6th.
- Changed a reconstruction plan for earthquake-resistant buildings and improving manufacturing sites started since FY08. Hitachi High-Tech will make additional investment (approximately 5 billion yen in total) and build new buildings to promote higher manufacturing efficiency and abilities.

2. Manufacturing status

By June, build up more manufacturing abilities as well as logistics abilities and start production increases from July.
Status of Supply Chain

Supply Chain has been improved rapidly in Japan. Hitachi High-Technologies will continue to source parts from other suppliers as well as consider alternatives to minimize risks.

Power Conservation Measures

- Hitachi High-Tech will join Hitachi Group’s co-strategies of holiday shift rotations and summer holiday distribution. Moreover, Hitachi High-Tech will carry out own strategies and achieve 15%\(^{(\text{see ref 1})}\) power saving in total.

  Ref 1: More than 15% of maximum electric usage from last year need to be cut in Tokyo Electric Power Company and Tohoku Electric Power Corporation areas.
  
  (Tokyo Electric Power Company area: from Jul 1st to Sep 22nd, 2011, Tohoku Electric Power Corporation area: from Jul 1st to Sep 9th, 2011)

- Consideration of independent electronic power equipment installation will be continued by checking related legal issues for BCP’s point of view.
Ⅱ FY11 Outlook

(Note) YY/M denotes the year and month of the accounting period-end.
## FY11 Outlook (Highlights)

<table>
<thead>
<tr>
<th></th>
<th>FY10 Outlook</th>
<th>FY10 Results</th>
<th>YoY</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>(100 million yen)</td>
<td></td>
<td>Increase/ Decrease</td>
</tr>
<tr>
<td>Sales</td>
<td>6,800</td>
<td>6,534</td>
<td>+266</td>
</tr>
<tr>
<td>Operating Income</td>
<td>280</td>
<td>279</td>
<td>+1</td>
</tr>
<tr>
<td>Ordinary Income</td>
<td>280</td>
<td>295</td>
<td>-15</td>
</tr>
<tr>
<td>Net Income</td>
<td>180</td>
<td>178</td>
<td>+2</td>
</tr>
<tr>
<td>Net Income per Share</td>
<td>130.87 yen</td>
<td>129.07 yen</td>
<td>+1.80 yen</td>
</tr>
<tr>
<td>Cash Dividend per Share</td>
<td>20.00 yen</td>
<td>20.00 yen</td>
<td>±0.00 yen</td>
</tr>
<tr>
<td>ROE</td>
<td>7.2%</td>
<td>7.5%</td>
<td>-0.3%</td>
</tr>
<tr>
<td>FIV</td>
<td>+44</td>
<td>+59</td>
<td>-15</td>
</tr>
<tr>
<td>FCF</td>
<td>+150</td>
<td>+221</td>
<td>-71</td>
</tr>
</tbody>
</table>

FX Rate Estimate: 1USD=80 yen  
1EUR=115 yen
FY11 Outlook (Sales by Segment)

(100 million yen)

<table>
<thead>
<tr>
<th>Segment</th>
<th>11/3</th>
<th>12/3(e)</th>
<th>YoY</th>
</tr>
</thead>
<tbody>
<tr>
<td>Electronic Device Systems</td>
<td>6,534</td>
<td>6,800</td>
<td>+18%</td>
</tr>
<tr>
<td>Fine Technology Systems</td>
<td>959</td>
<td>1,130</td>
<td>-22%</td>
</tr>
<tr>
<td>Science &amp; Medical Systems</td>
<td>388</td>
<td>303</td>
<td>+11%</td>
</tr>
<tr>
<td>Industrial &amp; IT Systems</td>
<td>1,154</td>
<td>1,277</td>
<td>-3%</td>
</tr>
<tr>
<td>Advanced Industrial Products</td>
<td>1,182</td>
<td>1,147</td>
<td>+3%</td>
</tr>
<tr>
<td></td>
<td>2,956</td>
<td>3,045</td>
<td></td>
</tr>
</tbody>
</table>

Note: Elimination such as intersegment transactions etc. are included in the totals.

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FY11 Outlook (Operating Income by Segment)

Operating Income

(100 million yen)

Electronic Device Systems

Science & Medical Systems

Industrial & IT Systems

Advanced Industrial Products

Fine Technology Systems

Note: Elimination such as intersegment transactions etc. are included in the totals.
Semiconductor related market status in FY11

Semiconductor Devices Market
- Approximately 6% market growth can be expected due to increasing shipments of mobile related products including smartphones, tablets and so on in FY11.
- Markets for NAND, MPU and ASSP will continue to grow in FY11. Growth for DRAM was between -10% to -15% as demand for PC has been declined since FY10/2H. However, demand for mobile DRAM will increase.
- Effect of the Great East Japan Earthquake to global market will be limited.

Semiconductor Manufacturing Equipment Market
- The market kept growing in 4Q of FY10, which was the 7th successful term.
- In FY11, approximately 7% of market growth can be expected. Capital investment will be planed in FY11/2H due to the effect of positive investment in FY10/2H.
- Investment for mass production of logic, MPU and NAND (2Xnm) will increase. New fab construction of MPU and NAND manufactures and foundries will be planed.

Assembly Equipment Market
- Although the number of shipments will increase particularly in Chinese market in FY11, market size in cash will be equivalent to the one in FY10 due to deflation of ASP.
期待 usability 和半导体器件和过程技术

随着移动相关设备的发展，如智能手机和平板电脑，将推动半导体技术的发展。分解和区域的减少将使规模化的动力。减少与低功率操作相关的功率消耗。（Table 1）

下一代晶体管技术的趋势

- 前线将从目前的平面型（见注）转变到3D FinFET（平坦的鳍型场效应晶体管）来实现规模和低功率操作。
- 双重图案化（DP）应用于刻蚀。

处理未来半导体过程的战略

- 建立高性能的刻蚀技术来实现FinFET。
- 建立高性能的微观技术来实现DP。
- 合作开发与设备制造商。
- 建立缺陷审查技术来实现规模。

Table 1. Power Consumption Trend (logic) comparison with 2011

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>ITRS 2009 version</td>
<td>1</td>
<td>0.94</td>
<td>0.90</td>
<td>0.84</td>
<td>0.76</td>
<td>0.72</td>
</tr>
<tr>
<td>ITRS 2010 version</td>
<td>1</td>
<td>0.94</td>
<td>0.68</td>
<td>0.56</td>
<td>0.54</td>
<td>0.46</td>
</tr>
</tbody>
</table>

ITRS: International Technology Roadmap for Semiconductors

Table 2. Comparison of the number of gate process (estimated by HHT)

<table>
<thead>
<tr>
<th></th>
<th>Planar type (Current structure)</th>
<th>FIN Type (3D)</th>
<th>Target market will expand for Hitachi High Technologies due to introduction of 3D transistor.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Etching</td>
<td>8</td>
<td>10</td>
<td></td>
</tr>
<tr>
<td>Metrology</td>
<td>14</td>
<td>16</td>
<td></td>
</tr>
</tbody>
</table>
FY11 Outlook (Electric Device Systems) ③

**Semiconductor Manufacturing Equipment Market**

- 2011 Q1: 434 (YoY +7%)
- 2011 Q2: 464 (YoY +105%)
- 2011 Q3: 434 (YoY -7%)

**Assembly Equipment Market**

- 2011 Q1: 2,878 (YoY +7%)
- 2011 Q2: 2,850 (YoY -1%)
- 2011 Q3: 2,700 (YoY -5%)

(Source) Gartner (Mar. 2011)/ HHT’s estimation

Previous forecast is based on published values for Q2/Oct. 2010.

(Source) Created by HHT, based on Japan Robot Association’s data (May. 2011). Previous forecast is based on published values for Q2/Oct. 2010.

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Changes in Order Received

(100 million yen)

<table>
<thead>
<tr>
<th>Month</th>
<th>Amount (100 million yen)</th>
<th>Year-over-Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>11/3</td>
<td>1,132</td>
<td>+78%</td>
</tr>
<tr>
<td>12/3</td>
<td>1,102</td>
<td>-3%</td>
</tr>
</tbody>
</table>

YoY

FY11 Outlook (Electric Device Systems)

④
FY11 Strategies

1. Expansion of sales for main products and increasing the number of customers by releasing new products.

2. Strengthen marketing abilities and carry out growth strategies via global market development.

Sales Change in Main Businesses

<table>
<thead>
<tr>
<th>Field</th>
<th>FY10</th>
<th>FY11</th>
<th>YoY</th>
</tr>
</thead>
<tbody>
<tr>
<td>Process Equip.</td>
<td>959</td>
<td>1130</td>
<td>+43%</td>
</tr>
<tr>
<td>Metrology &amp; Inspection Equip.</td>
<td>261</td>
<td>372</td>
<td>+12%</td>
</tr>
<tr>
<td>Back-end &amp; Assembly Equip.</td>
<td>427</td>
<td>477</td>
<td></td>
</tr>
<tr>
<td>11/3</td>
<td>271</td>
<td>282</td>
<td>+4%</td>
</tr>
<tr>
<td>12/3(e)</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

(100 million yen)

Sales Ratio by Fields (Front-end Equip.)

<table>
<thead>
<tr>
<th>Field</th>
<th>11/3</th>
<th>12/3(e)</th>
</tr>
</thead>
<tbody>
<tr>
<td>DRAM</td>
<td></td>
<td></td>
</tr>
<tr>
<td>NAND</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Logic</td>
<td></td>
<td></td>
</tr>
<tr>
<td>MPU</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Foundry</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Others</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

FY10: Large-scale investments related to memories will be expected in 1H. Continuous investments will be planned in foundries as well.

FY11: Ratio will rise due to positive investments for MPU. Ratio related to foundries will also grow.
**Trend of FPD market**
- Delay of the execution of investment in China due to impact of a downturn of large-size panel market.
- Continuous growth of market related to middle and small-size panels for mobile and touch panels

**Trend of HD market**
- Changes of business environment due to industry reorganization
- Acquisition of HGST done by WD planned in 3Q FY11
- Acquisition of Samsung’s HD unit done by Seagate planned in December in 2011
FY11 Outlook (Fine Technology Systems) ②

LCD Manufacturing Equipment Market

HD Manufacturing Equipment Market (HHT-related)

Source: HHT's estimation based on SEAJ (Jan, 2011) data
Note: Previous Forecast (Published Values for Q2/Oct. 2010)

Source: HHT's estimation
Changes in Orders Received

(100 million yen)

11/3 308 +17% 12/3 354 +15% YoY +142%

10/1H 187 -35% 10/2H 121 -38% 11/1H 116 11/2H 238 +97%

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FY11 Strategies

1. Expand businesses by raising competitiveness of existing products and introducing new products (new-type LCD assembly systems/ HD inspection equipments)
2. Accelerate development of new businesses (OLED manufacturing/ inspection equipments)
3. Shift a business structure that adapts to market changes (strengthen global sales power/ improve cost-competitiveness)

Sales Changes in main products

<table>
<thead>
<tr>
<th>Month</th>
<th>Product Category</th>
<th>Sales (100 million yen)</th>
<th>YoY</th>
</tr>
</thead>
<tbody>
<tr>
<td>11/3</td>
<td>FPD Manufacturing Equip.</td>
<td>303</td>
<td>-14%</td>
</tr>
<tr>
<td>11/3</td>
<td>FPD-related Trading</td>
<td>257</td>
<td>-8%</td>
</tr>
<tr>
<td>11/3</td>
<td>HD Manufacturing Equip., Others</td>
<td>26</td>
<td>-43%</td>
</tr>
<tr>
<td>12/3(e)</td>
<td>FPD Manufacturing Equip.</td>
<td>220</td>
<td>-14%</td>
</tr>
<tr>
<td>12/3(e)</td>
<td>FPD-related Trading</td>
<td>24</td>
<td>-8%</td>
</tr>
<tr>
<td>12/3(e)</td>
<td>HD Manufacturing Equip., Others</td>
<td>59</td>
<td>-43%</td>
</tr>
</tbody>
</table>

Sales Ratio by Region (LCD-related equip.)

- Main investments for LCD-related equipments in FY11 shifting to China.
- Increasing sales ratio in China for HD-related equipments.
Electron Microscopes
- Capital investment from private sectors recover from financial recession triggered by the Lehman shock
- Demands increase especially in the new energy/material-related market

General-purpose Analysis
- Separation analysis is the biggest market and also has the highest growth outlook (5%) in the general-purpose analysis market

The Great East Japan Earthquake
- Effects are limited

Analytical Instruments Market (HHT-related)

- CAGR 4%

Market Status in FY11

FY11 Outlook (Science & Medical Systems) Analytical Instruments

(source) Based on SDi Global Assessment Report, Edition 10.5 etc. and HHT’s estimations.
FY11 Outlook (Science & Medical Systems) ② Analytical Instruments

FY11 Strategies

1. Early recovery from the Great East Japan Earthquake
2. Expand sales by introducing new products and putting resource in growing markets

Sales Change in Main Businesses

Future Actions

- Early recovery by speeding up production from Q2
- Expand sales of new type high-resolution FE-SEM
- Expand sales of new type liquid chromatograph for the pharmaceutical/food market
- Expand sales by putting resource in the China market

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In Vitro Diagnostics (Biochemistry/Immunity)
- Marginal increase is expected in the biochemistry/immunity market due to the worldwide restraint in medical bills
- Expect 6% growth in the immunity market

DNA Sequencers
- Expect 6% growth in the overall market
- 2nd generation sequencers will lead the market

The Great East Japan Earthquake
- Effects are limited
FY11 Outlook (Science & Medical Systems) ④ Biotechnology Product/Clinical Analyzer

FY11 Strategies

1. Early recovery from the Great East Japan Earthquake
2. Expand sales by promoting SCB with leading companies
   (SCB: System Collaboration Business)

Sales Change in Main Businesses

<table>
<thead>
<tr>
<th></th>
<th>11/3</th>
<th>12/3(e)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Biotechnology Products, Others</td>
<td>766</td>
<td>846</td>
</tr>
<tr>
<td>Clinical Analyzer</td>
<td>588</td>
<td>658</td>
</tr>
</tbody>
</table>

Future Actions

- Early recovery by speeding up production from Q2
- Expand sales of new large-size clinical chemistry and immunodiagnostic systems by strengthening partnership
- Enter into the 2nd generation market by the launch of the DNA sequencer type 5500

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FY11 Outlook (Industrial & IT Systems)
(Advanced Industrial Products) ①

FY11 Strategies

1. Shift business areas to markets where Hitachi High-Tech is able to aim global top.
   • Create businesses which can promote core competence
   • Shift resources to growing business areas globally
   • Promote business development with local partners in target areas.

2. Strongly promote businesses targeting Asian belt areas.
   note: Asia belt areas include 24 countries/areas between Japan and the Arabian Peninsula as shown in figure below.
   • Expand alternative energy and water related businesses in Indonesia.
   • Promote business development related to automotive as well as alternative energy in India.
Changes in Sales (Industrial & IT Systems)

- Changes in Sales (Industrial & IT Systems) (100 million yen)
  - YoY +2%
  - Industrial Materials
  - Automotive HDD etc.
  - LiB Assembly Syst. etc.

Changes in Sales (Advanced Industrial Products)

- Changes in Sales (Advanced Industrial Products) (100 million yen)
  - YoY +3%
  - Industrial Materials
  - Optical-Related Components
  - Electronic Devices/Materials
  - Fine Chemicals, Others

FY11 Outlook (Industrial & IT Systems) (Advanced Industrial Products)

- ② FY11 Outlook (Industrial & IT Systems) (Advanced Industrial Products)
  - 11/3 12/3(e)
### Capital Expenditure/ Depreciation Costs/ R&D

(100 million yen)

<table>
<thead>
<tr>
<th></th>
<th>10/3</th>
<th>11/3</th>
<th>YoY</th>
<th>12/3(e)</th>
<th>YoY</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Capital Expenditure</strong></td>
<td>94</td>
<td>90</td>
<td>-4%</td>
<td>184</td>
<td>+105%</td>
</tr>
<tr>
<td><strong>Depreciation Costs</strong></td>
<td>96</td>
<td>90</td>
<td>-7%</td>
<td>101</td>
<td>+12%</td>
</tr>
<tr>
<td><strong>R&amp;D</strong></td>
<td>193</td>
<td>208</td>
<td>+8%</td>
<td>258</td>
<td>+24%</td>
</tr>
</tbody>
</table>

Note: Capital Expenditure is based on an acquisition bases.

### Context (FY10)

Capital Expenditure: 9.4Ybn increase
- Design Building construction in Naka Division

R&D: 5.0Ybn increase
- Development of elemental technologies in in-house manufactured equipments
Notes on the data
1. All financial statement summaries and results predictions included in this presentation are on a consolidated basis unless otherwise stated. Numerical data is rounded off to the nearest 100 million yen.
2. In its disclosures, Hitachi High-Technologies may make statements that constitute forward-looking statements that reflect management’s views with respect to certain future events and financial performance at the time of disclosure. Such statements are based on information available at the time of disclosure and may differ from actual results due to various external factors, both direct and indirect. In the event of a major discrepancy with the items disclosed, the Company will disclose on a case-by-case basis based on the law and/or the timely disclosure rules and regulations of the stock exchanges on which the Company is listed.

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FY2011 Outlook

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