



## **FY13 Financial Results**

April 24, 2014

Hitachi High-Technologies Corporation

President and Chief Executive Officer    Masao Hisada

Vice President and Executive Officer    Shunichi Uno

## FY13 Financial Results

1. Outline of FY13
2. Management Policy
3. FY14 Outlook
4. Financial Data



# 1. Outline of FY13

(Note) YY/M denotes the year and month of the accounting period-end.  
(e) denotes the forecast for the previous period (Jan. 2014).

# Outline of FY13 (Highlights)

(100 million yen)

	Results	YoY		vs. Previous Forecast	
		Increase/Decrease	Ratio	Increase/Decrease	Ratio
Sales	6,391	+636	+11%	+91	+1%
Operating Income	304	+115	+61%	+24	+9%
Ordinary Income	311	+110	+55%	+31	+11%
Net Income	180	+59	+48%	-12	-6%
Net Income per Share	131.11yen	+42.66yen		-8.49yen	
Cash Dividend per Share	30.00yen	+10.00yen		+10.00yen	
ROE	7.0%	+2.3%		—	
FCF	+117	+51		+67	

vs. Previous Forecast (Jan. 2014)

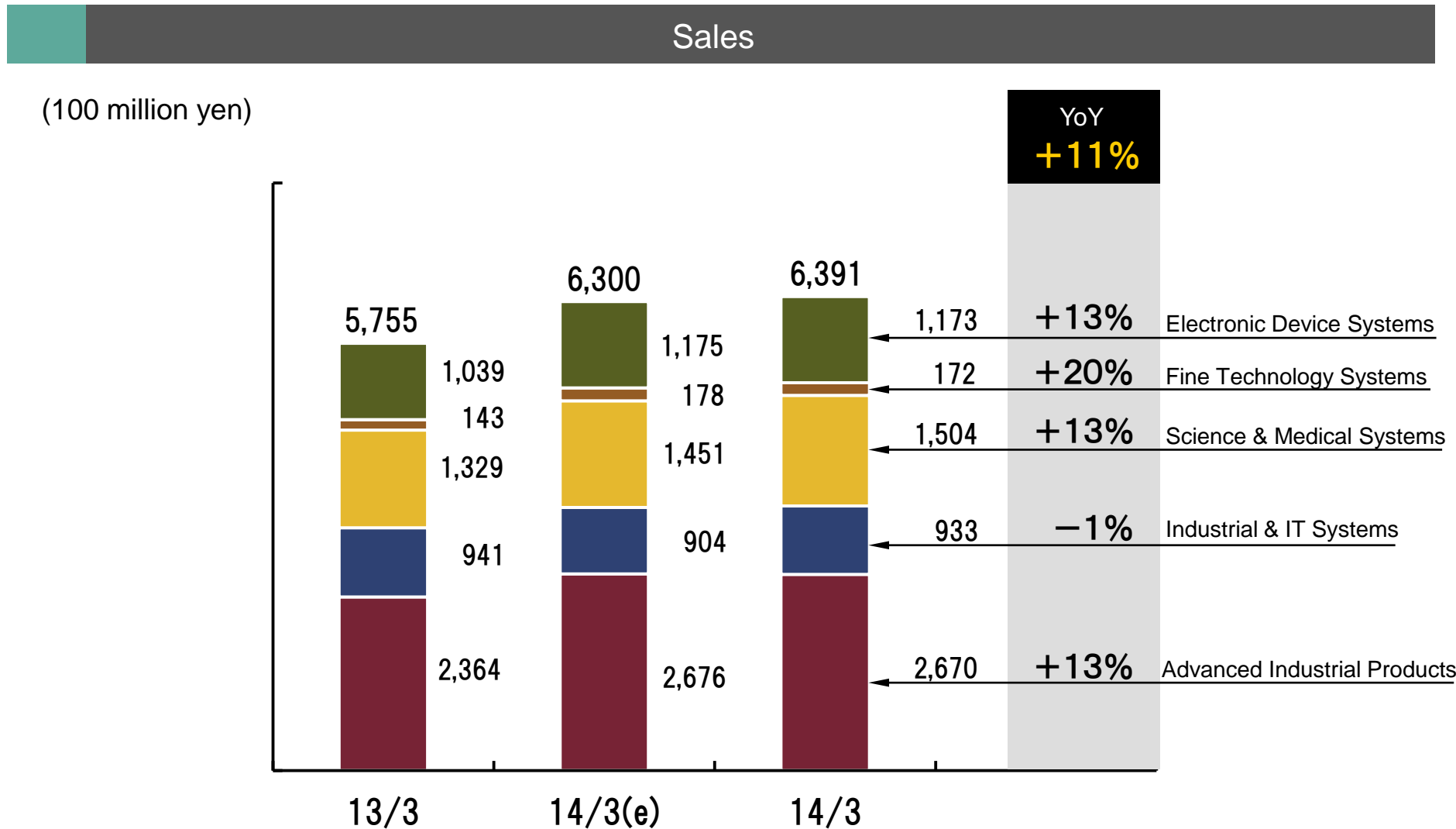
## Sales (630Ybn → 639.1Ybn +9.1Ybn)

- |                              |   |
|------------------------------|---|
| ■ Science & Medical Systems: | Increased 5.2Ybn due to major order for clinical analyzers from overseas      |
| ■ Industrial & IT Systems:   | Increased 2.9Ybn due to higher shipments of mobile phones for the U.S. market |

## Operating Income (28Ybn → 30.4Ybn +2.4Ybn)

- |                              |   |
|------------------------------|---|
| ■ Science & Medical Systems: | Increased 2.8Ybn due to substantially the same reasons as sales |
| ■ Fine Technology Systems:   | Decreased 0.8Ybn due to decreases capacity utilization, etc.    |

# Outline of FY13 (Sales)

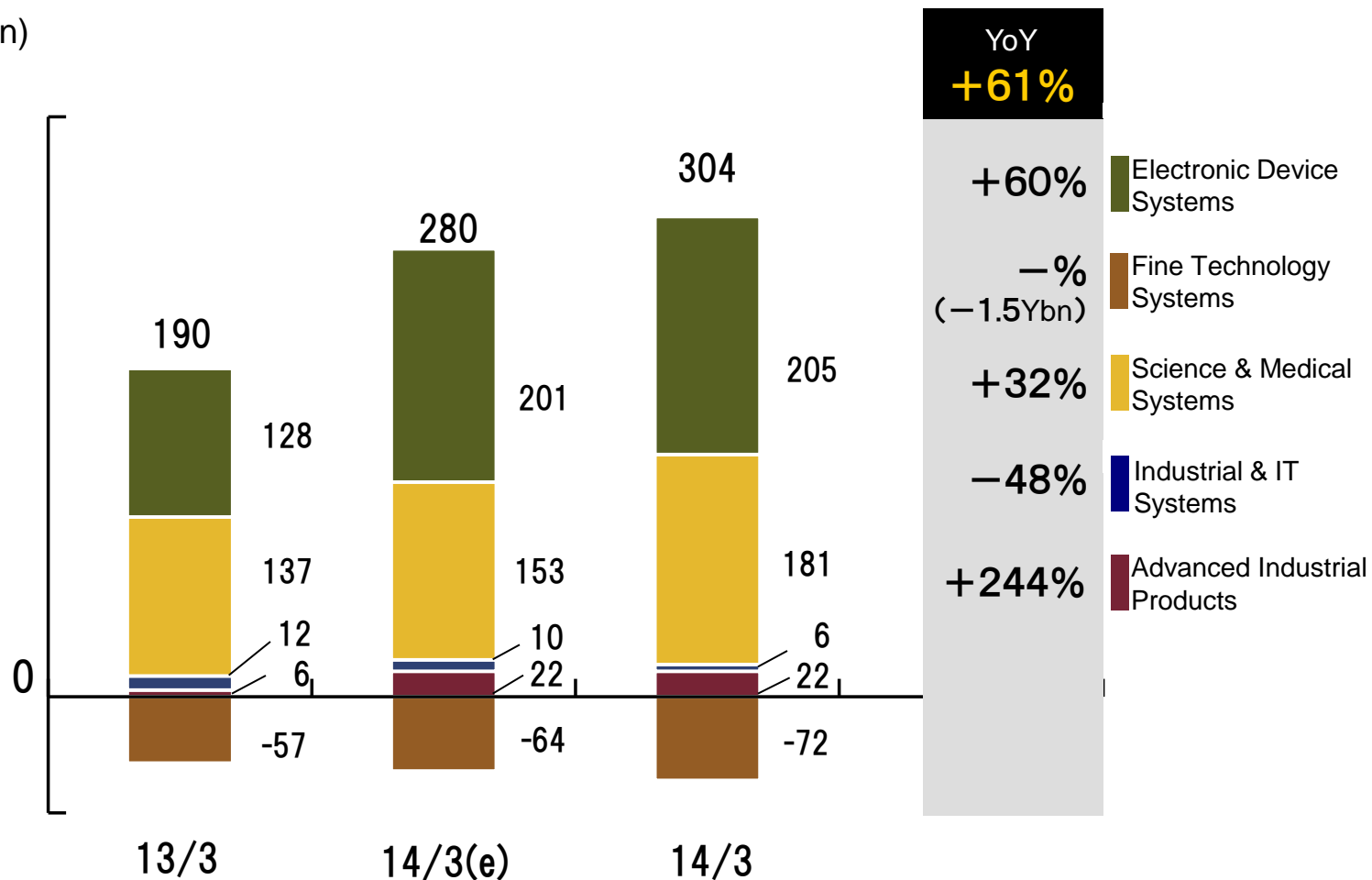


Note: Elimination such as subtractions in intersegment transactions, etc., are included in the totals.

# Outline of FY13 (Operating Income)

## Operating Income

(100 million yen)



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

# Outline of FY13 (Balance Sheet in Summary)

As of end of March 2014 (100 million yen)

			vs. 13/3				vs. 13/3
<b>Current Assets</b>			<b>3,770</b>	<b>Current Liabilities</b>			<b>1,709</b>
Cash & Deposits/Deposit to Hitachi Group Cash Management Fund	<b>1,347</b>	<b>+166</b>		Notes & Accounts Payable	<b>1,057</b>	<b>+213</b>	
Notes & Accounts Receivable	<b>1,351</b>	<b>+243</b>		Others	<b>652</b>	<b>+124</b>	
Inventories	<b>752</b>	<b>+49</b>		<b>Fixed Liabilities</b>			<b>511</b>
Others	<b>321</b>	<b>+6</b>		Retirement and severance benefits	<b>493</b>	<b>+228</b>	
<b>Fixed Assets</b>			<b>1,179</b>	Others	<b>18</b>	<b>-9</b>	
Tangible Fixed Assets	<b>751</b>	<b>+88</b>		<b>Net Assets</b>			<b>2,730</b>
Intangible Fixed Assets	<b>130</b>	<b>-10</b>		Shareholder Capital	<b>2,768</b>	<b>+129</b>	
Investments & Other Assets	<b>298</b>	<b>+71</b>		Accumulated Other Comprehensive Income (Loss)	<b>-43</b>	<b>-73</b>	
				Minority Interests	<b>5</b>	<b>+1</b>	
<b>Total Assets</b>			<b>4,949</b>	<b>Total Liabilities &amp; Shareholders' Equity</b>			<b>4,949</b>

• Shareholders' Equity per Share: 1,981.00yen (YoY +41.19yen)



# Outline of FY13 (Cash Flow Statement in Summary)

(100 million yen)

	14/3		14/3
Cash Flow from Operating Activities	+363	Cash Flow from Financing Activities	-47
Income Before Income Taxes and Minority Interests	+280	Dividends Paid	-30
Depreciation and Amortization	+94	Others	-17
Working Fund	-78	Effect of Exchange Rate Changes	+31
Income Taxes Paid	-63		
Others	+131		
Cash Flow from Investing Activities	-247		
Capital Expenditures Proceeded from Sales/Purchase of Securities	+1		
Capital Expenditures Proceeded from Sales/Purchase of Property and Equipment	-186		
Others	-61		
Free Cash Flow	+117		

	14/3
Cash and Cash Equivalents	
At the Beginning of Year	1,235
Net Increase (Decrease)	+101
At the End of Term	1,336

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## 2. Management Policy

## 1 Long-term Management Strategy for 2020: CS11 (Corporate Strategy 2011: Formulated in 2011)

Corporate Vision

Becoming a Global Top in high-tech solutions

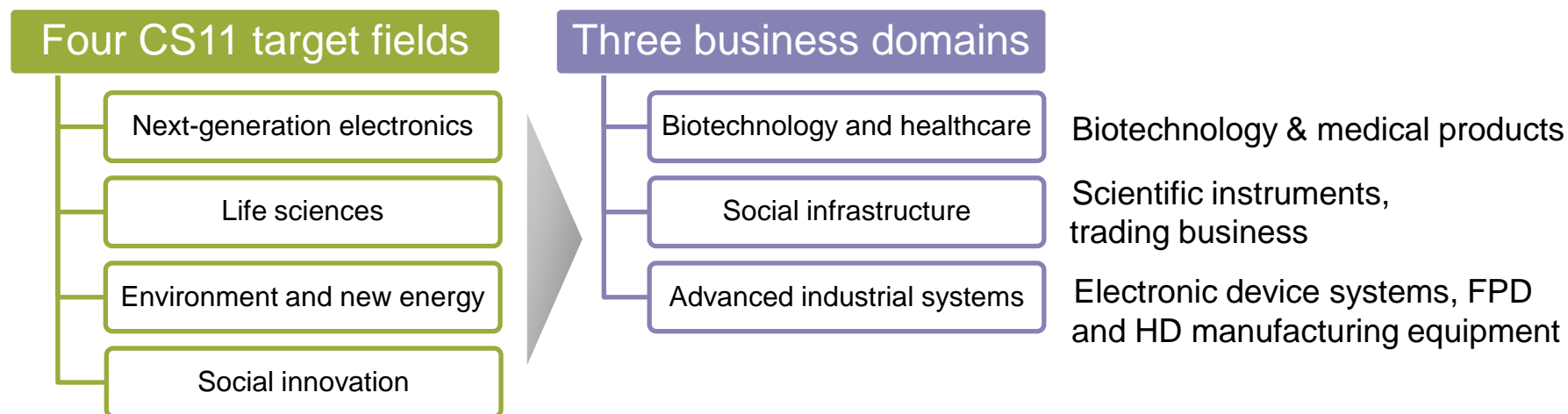
Long-Term Management  
Strategy (CS11)

Leading the way for our customers' future as  
a fast-moving creator of cutting-edge business

## 2 Initiatives to Achieve CS11 Objectives

1. Reorganize the four CS11 target fields into three business domains and prioritize allocation of investment and resources to these domains
2. Downsize unprofitable businesses in response to shifting market conditions, to expedite achievement of CS11 objectives

## 3 Business Domains



Domain	Overview
Biotechnology and healthcare	(1)In vitro diagnostics (2)Biotechnology (DNA sequencers and cell incubation, etc.) (3)Life informatics (life sciences x IT)
Social infrastructure	Platform solutions for the narrowly defined social infrastructure business, including new energy, and the scientific instruments and trading businesses underpinning industry and society at large
Advanced industrial systems	Manufacturing and inspection equipment for advanced industrial fields (current: semiconductors, FPD and HDD; new: MEMS, power devices and others)

1.

***Strengthen business portfolio by shifting resources to growing fields***

2.

***Accelerate global growth strategies***

3.

***Strengthen business creation***

## Invest intensively in this top priority field

Actively develop new fields and new businesses in addition to expanding existing businesses



### Core businesses

- In vitro diagnostics

- Maintain and expand top worldwide market share of automated clinical chemistry and immunodiagnostic analyzers
- Accelerate development needed to establish future core businesses (blood coagulation, bacteria, gene testing)

- DNA sequencers

- Promote development of next-generation nanopore DNA sequencer technology



### New businesses

- Cultivate the pharmaceutical and food fields

- Steadily execute plans to bring new products to market

- Create a life sciences informatics business

- Accelerate development and commercialization through alliances with partners

- New businesses targeting regenerative medicine

- Promote development of cell observation, measurement and incubation equipment



Clinical analyzers  
Labospect 008

## Strengthen as the Company's core competence

### Upgrade platform solutions



#### Scientific instruments

- Provide solutions to the life sciences, new energy and new materials fields
  - Enhance product lineups and applications
- Boost global sales capacity
  - Globally expand products with a top market share in Japan by redeveloping the overseas sales agency network
- Strengthen core technologies



Field-emission scanning electron microscope SU8200 series



#### Trading

- Bolster the platform business
  - Pursue business expansion measures based on customers, strengthen cooperative ties with suppliers
- Accelerate global growth strategies
  - Established companies in Russia and Mexico
- Enhance the business model by promoting the development business

## Enhance profitability through selection and concentration

Accelerate shifting of resources to cutting-edge, growth domains



### Primary businesses

- Semiconductor metrology and inspection equipment

- Bolster the portfolio by adding optical inspection and new businesses to the core CD-measurement SEMs

- Etching systems

- Increase the number of processes won at primary customers
- Upfront development and production support for customers' cutting-edge processes at overseas engineering sites



Etching systems



### Business restructuring

- Downsize unprofitable businesses in the electronics field in light of shifting market conditions along with implementing personnel measures (FPD manufacturing equipment, etc.)





Revise and strengthen new business creation activities  
(established New Business Development Div.)

- Create top-down themes by strengthening strategy formulation functions
- Centralize organizations and schemes, and strengthen marketing and project management functions



Implementation of aggressive investments

- Biotechnology and healthcare
  - Promote M&As and alliances to strength in vitro diagnostics and DNA sequence business
- Social infrastructure (Trading Divisions)
  - Continuously execute investments to enhance and add value to business models



Expand service business

- Develop solution services that help solve customers problems in addition to worldwide product maintenance services



## 3. FY14 Outlook

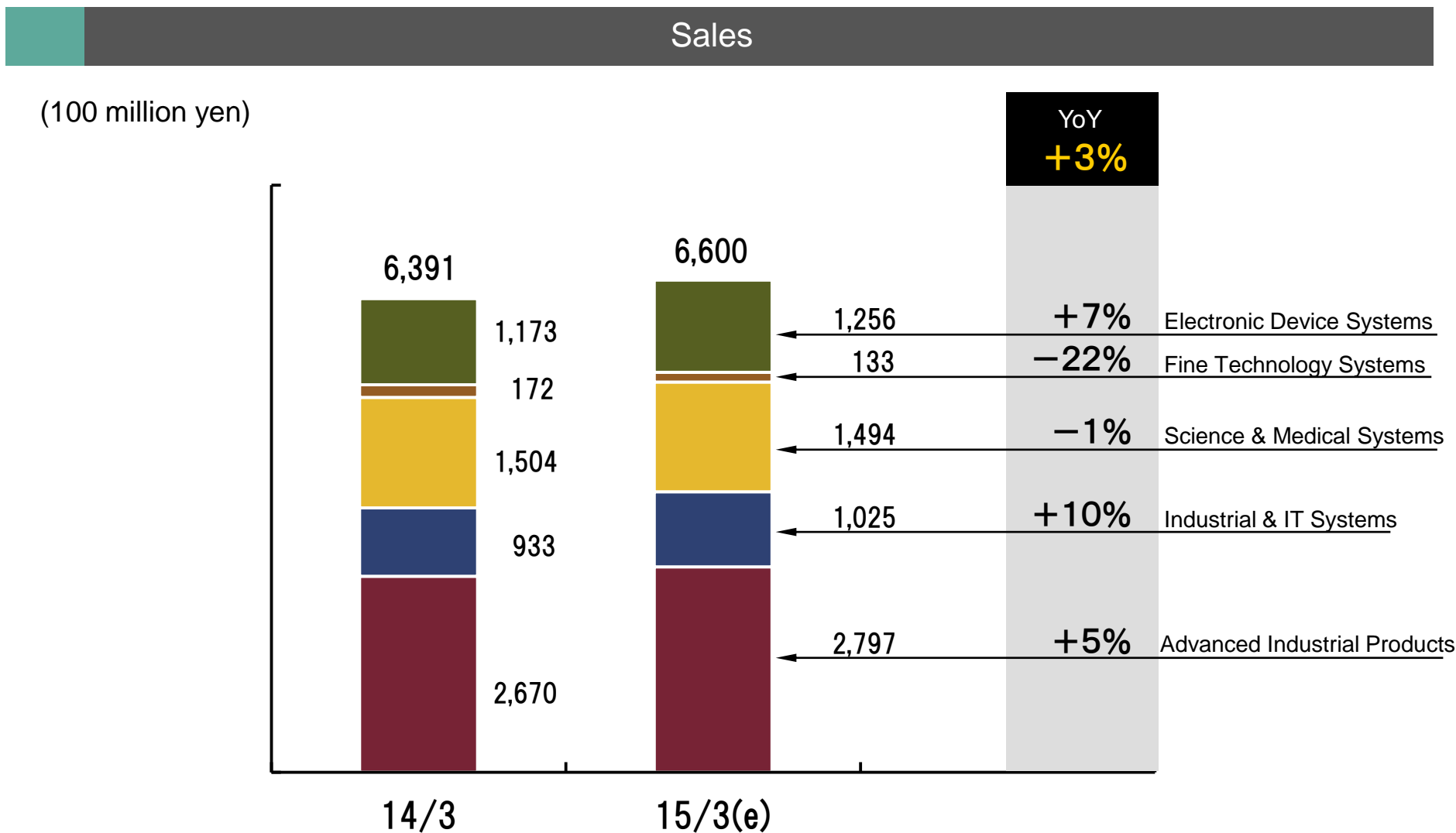
Note: YY/M denotes the year and month of the accounting period end.  
(e) Denotes the forecast for the present period.

# FY14 Outlook (Highlights)

	FY14 Outlook	FY13 Results	(100 million yen)	
			YoY	
			Increase / Decrease	Ratio
Sales	6,600	6,391	+209	+3%
Operating Income	350	304	+46	+15%
Ordinary Income	350	311	+39	+13%
Net Income	256	180	+76	+42%
Net Income per Share	186.13yen	131.11yen	+55.02yen	
Cash Dividend per Share	30.00yen	30.00yen	±0.00yen	
ROE	9.0%	7.0%	+2.0%	
FCF	+100	+117	-17	

Note: FX rate estimate: 1USD=98yen, 1EUR=130yen

# FY14 Outlook (Sales)

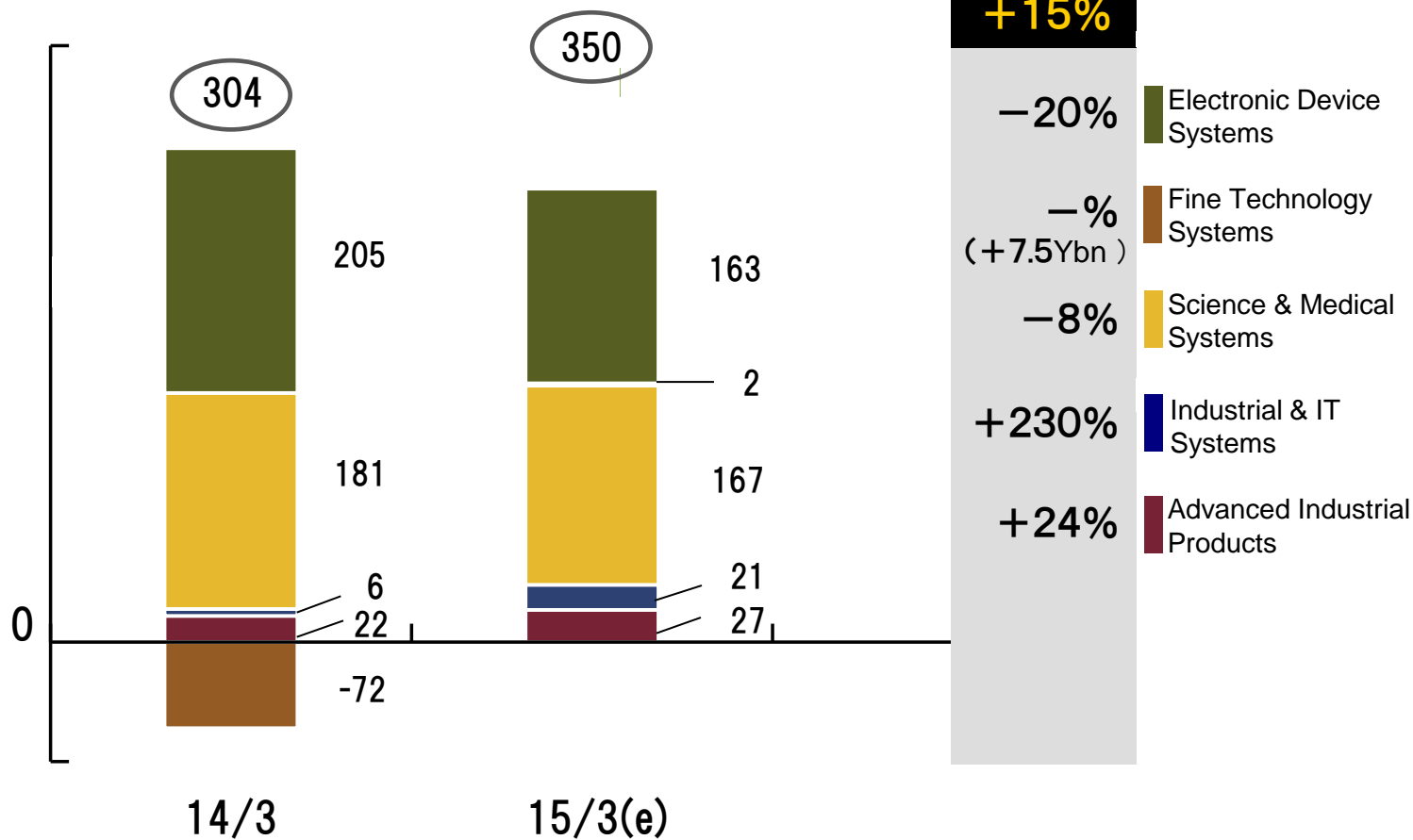


Note: Elimination such as subtractions in intersegment transactions, etc., are included in the totals.

# FY14 Outlook (Operating Income)

## Operating Income

(100 million yen)



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

## FY14 Business Environment

### Overview of the Semiconductor Manufacturing Equipment Market

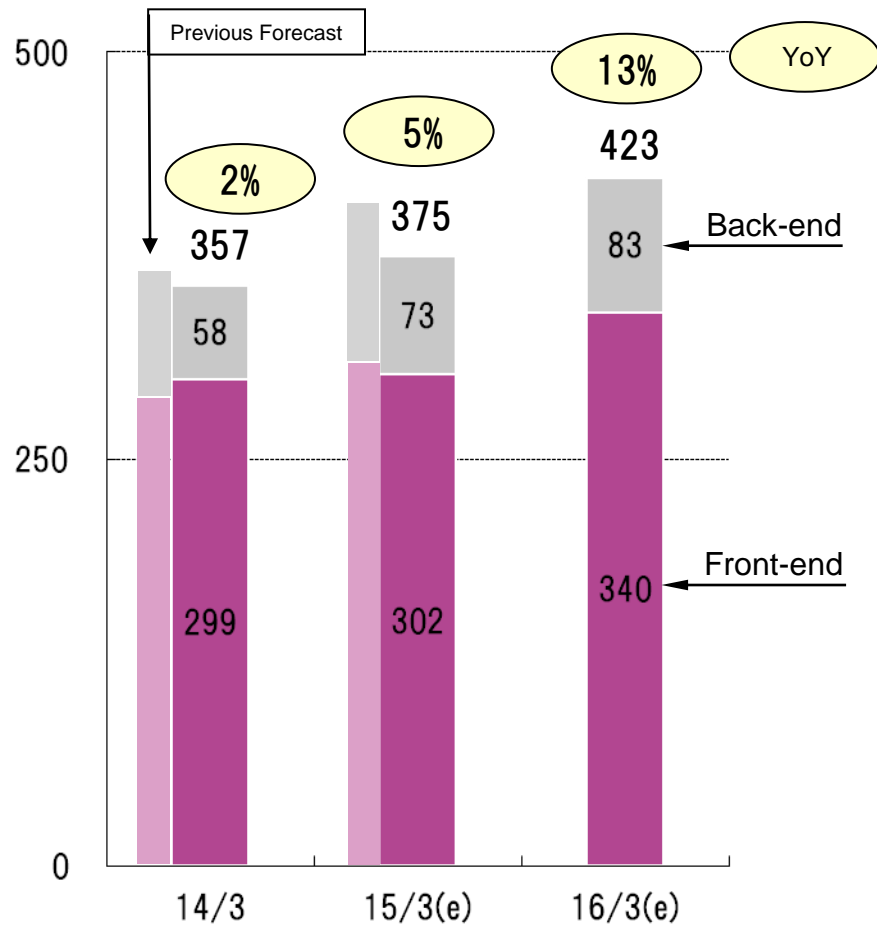
- In FY2013, Hitachi High-Tech's wafer fabrication equipment (WFE) sales grew 22% year on year in relation to the market growing 12%. Market growth was due to major foundries investing actively in 20nm and large-scale investment by a South Korean semiconductor maker in a 3D-NAND mass production plant
- In FY2014, the WFE market is projected to grow by 1% year on year. Growth is expected from large investments that are being planned for 16/14 nm foundries, along with strong investment in miniaturization and increased production of mobile device memories
- The need for double-patterning and high-aspect-ratio metrology and inspection equipment for logic devices is expected to increase in step with growing mass production of FinFET transistors
- Full-fledged development of transistors in patterns finer than 10 nm has started and equipment makers are responding faster to the needs of new materials, structures and processing methods for new types of memory
- In the die bonder market, strong demand for memories in mobile devices should persist

### Overview of the Assembly Equipment Market

- In the high-speed mounter market, a shift to low-price, ultra-high-speed products is expected to accelerate further in FY2014  
EMSs are expected to resume their investments for manufacturing new mobile devices, but the market will be largely unchanged from FY2013

## Semiconductor Manufacturing Equipment Market

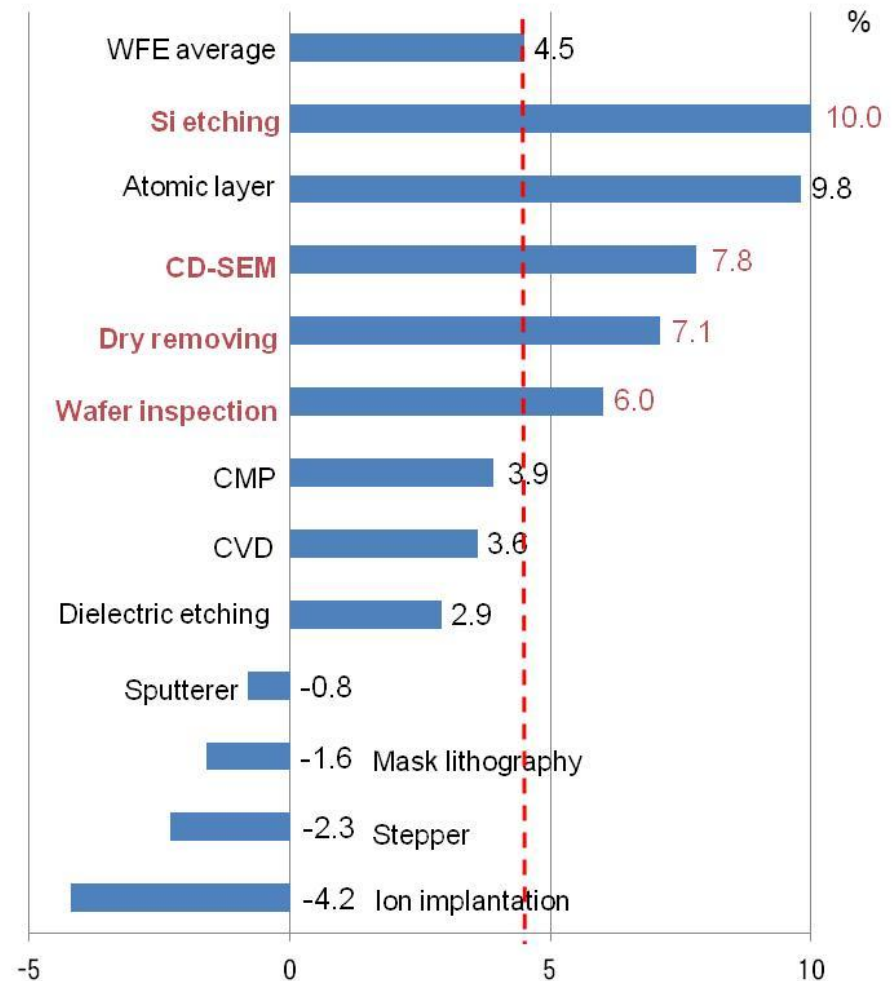
(100 million USD)



(Source) Gartner(Apr. 2014)/ HHT's estimation  
Previous forecast is based on published values for Q2/Oct. 2013.

**Hitachi HighTech**

## (Reference) Equipment Market Growth Rates (CAGR 2012-2016)



(Source) Gartner(Mar. 2014)/ HHT's estimation  
CAGR for CD-SEM is 2013-2016

## Semiconductor Devices Miniaturization Trends and Our Actions

### FY2014 trends in semiconductor process technology and growing fields

Fields	Trends	Growing technology fields
MPU	<ul style="list-style-type: none"> <li>● Development of 10 nm mass production technology</li> </ul>	<ul style="list-style-type: none"> <li>• Development of new materials and structural processes</li> <li>• Metrology and inspection technology for DP*<sup>1</sup> and FinFET mass production</li> </ul>
ASSP	<ul style="list-style-type: none"> <li>● Full-scale launch of 20 nm mass production</li> <li>● Shift from pre-mass production to mass production line installation of 16/14 nm FinFET</li> </ul>	
NAND	<ul style="list-style-type: none"> <li>● Investment in 10nm-generation miniaturization</li> <li>● Launch year of 3D-NAND mass production</li> </ul>	<ul style="list-style-type: none"> <li>• High-aspect-ratio multilayer etching</li> <li>• Metrology and inspection technology for high-aspect-ratio hole</li> </ul>
Packaging	<ul style="list-style-type: none"> <li>● Multi-layer packaging (memory)</li> <li>● Flip chip mounting</li> </ul>	<ul style="list-style-type: none"> <li>• High-precision thin-die bonding technology</li> </ul>

### Our Actions

\*1DP: Double Patterning

#### (1) Development of process technologies for cutting-edge devices

- Utilize overseas engineering sites (PEC\*<sup>2</sup>, PICT\*<sup>3</sup>) to promote joint development with cutting-edge customers
- Strengthen strategic partnership with imec (consortium)

#### (2) Utilize modular design methods to develop multi-functionality (high-aspect-ratio processing and metrology, deep-hole metrology, etc.)

#### (3) Develop flip chip bonding equipment

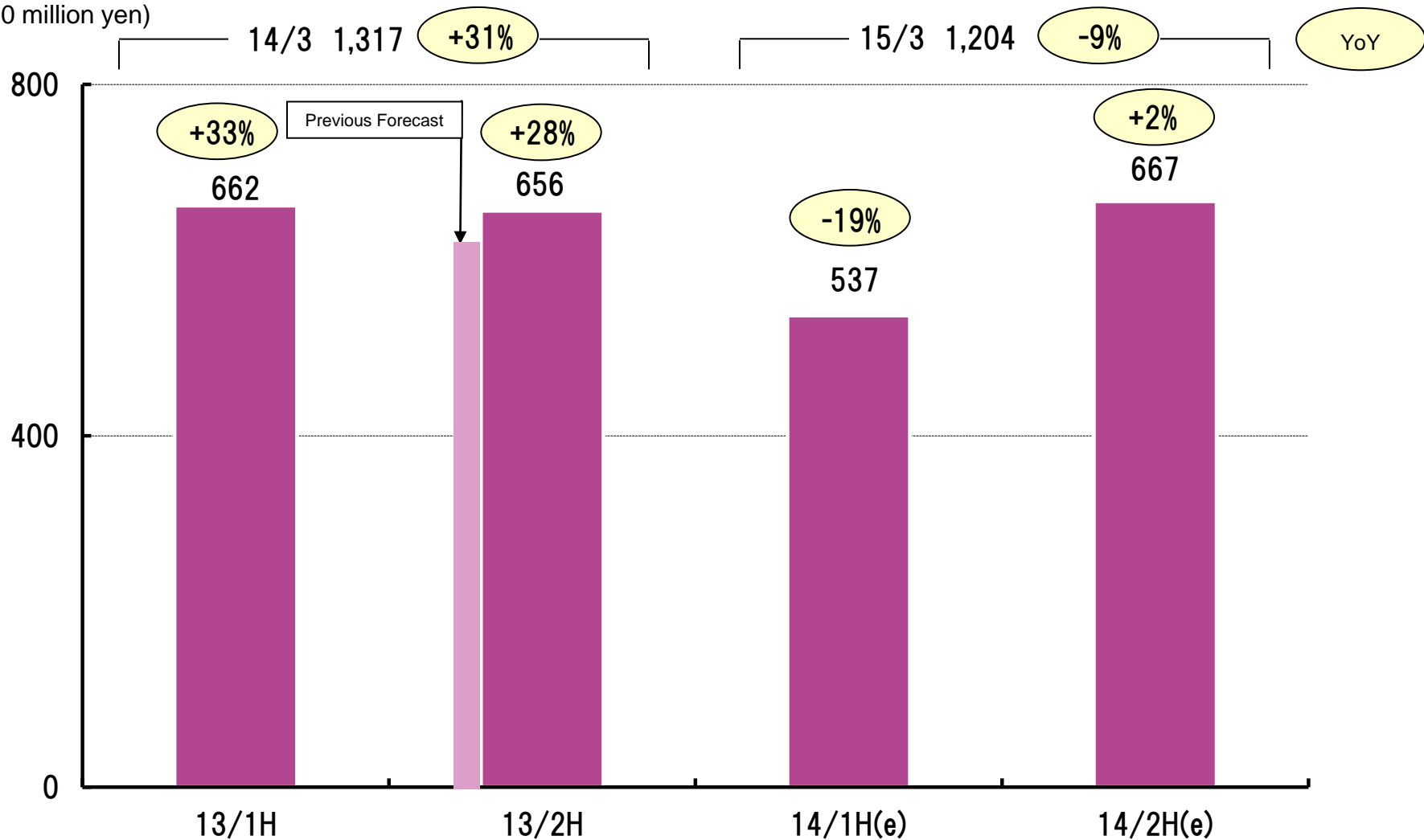
\*<sup>2</sup> PEC: Process Engineering Center (U.S.A.)

\*<sup>3</sup> PICT: Process Innovation Center (Taiwan)



## Changes in Order Received

(100 million yen)



## FY14 Strategies

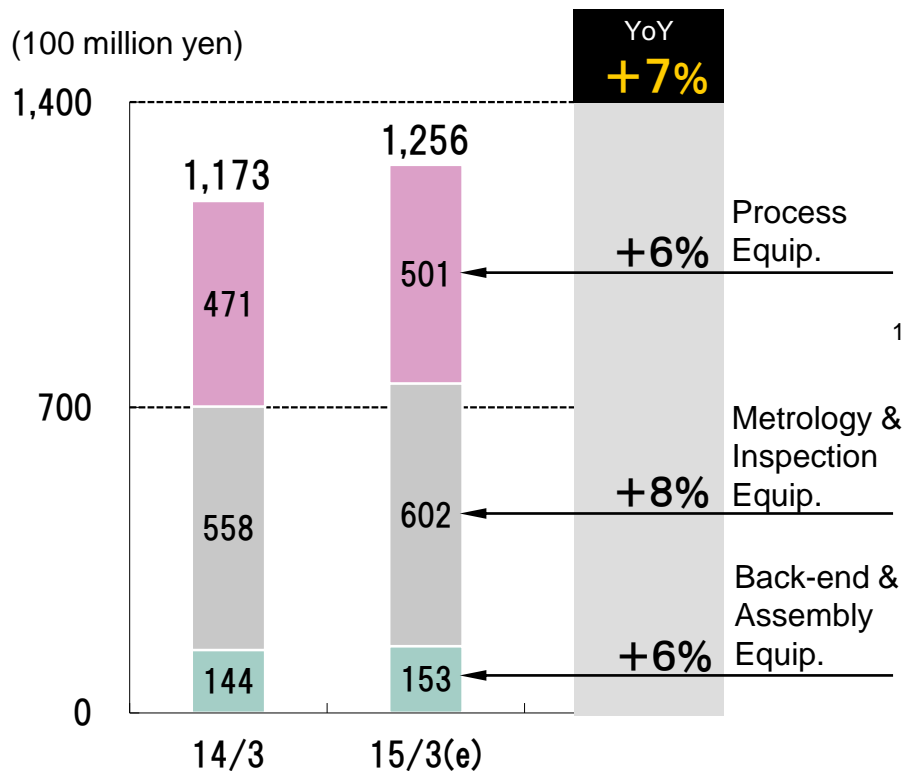
### 1. Accelerate global growth strategies

Win global customers and achieve segment leadership by promoting early collaboration and enhancing engineering sites

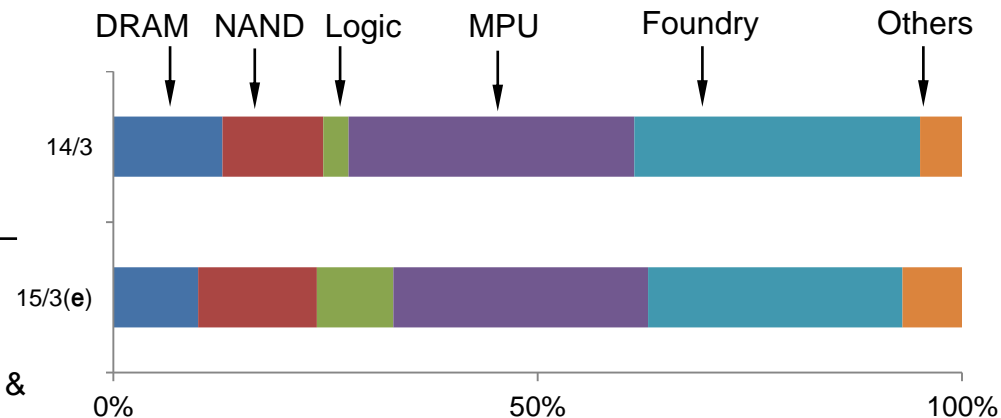
### 2. Promote business portfolio optimization

Develop new fields by enhancing the product lineup with core technologies

## Sales Change in Main Businesses



## Sales Ratio by Fields (Front-end Equip.)



FY13: Robust investment in foundries and MPUs  
Increased investment in DRAM

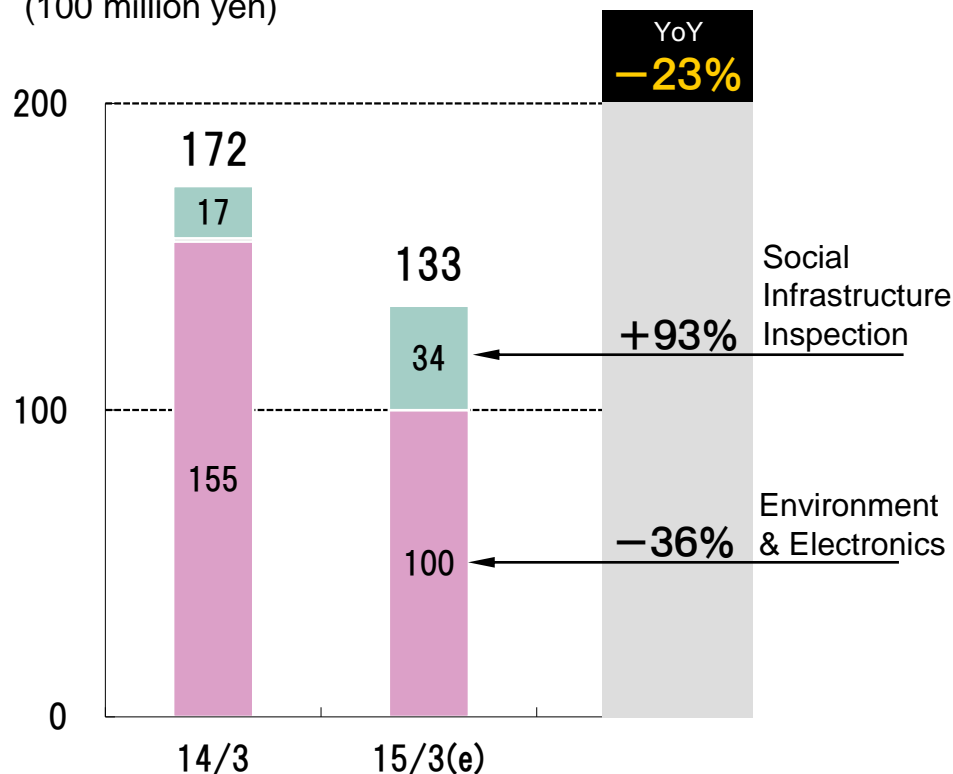
FY14: Continued investment in foundries and MPUs  
Investments in NAND and Logic increase

## FY14 Strategies

1. Accelerate shift in resources mainly into the social infrastructure inspection business and factory automation (FA)-related equipment business, etc.
2. Expand and enhance FPD and HD-related service businesses

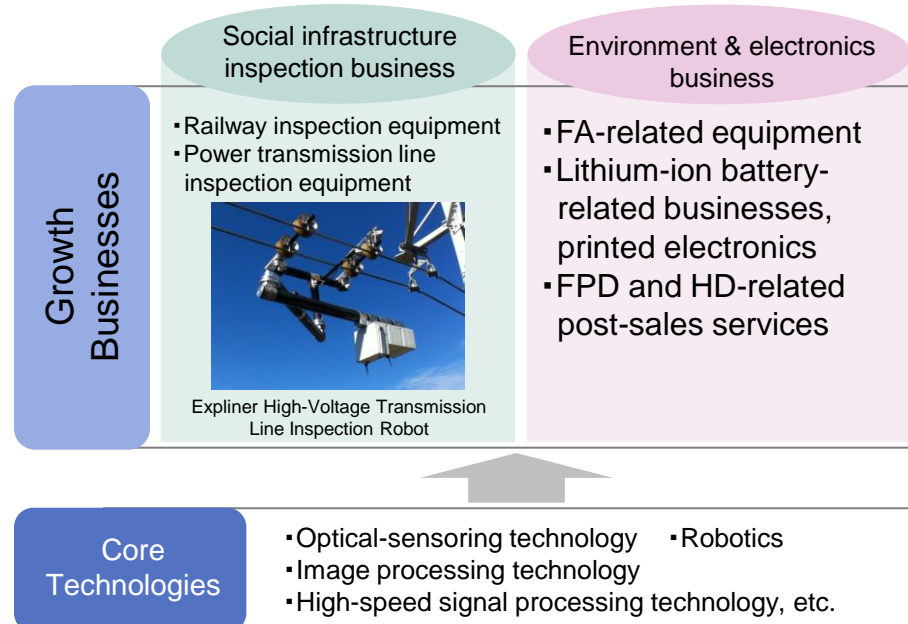
## Sales Changes in main products

(100 million yen)



## Business Portfolio Strategy

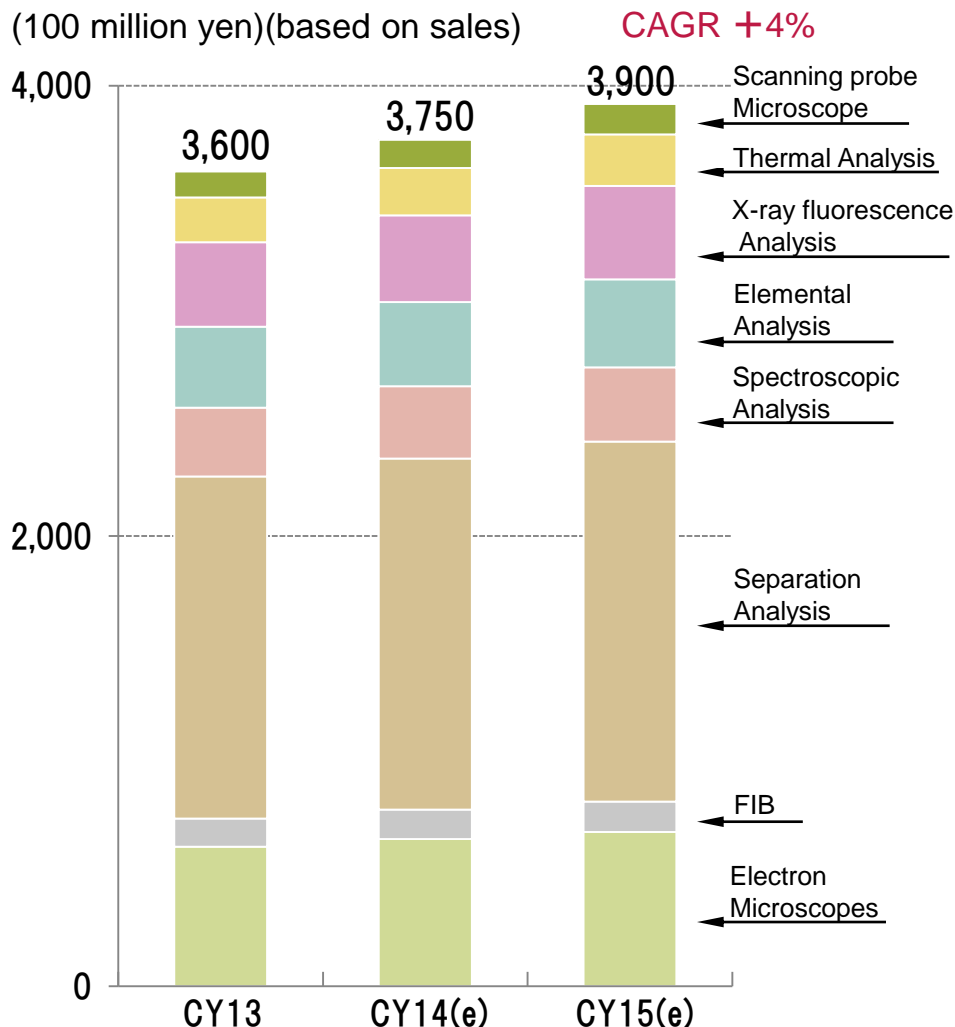
- Accelerate a shift in resources by positioning business segments leveraging core technologies as growth businesses
- Reform the business structure and expand business content



# FY14 Outlook (Science & Medical Systems) ①

## Scientific Instruments

### Scientific Instruments Market (HHT-related)



(Source) Estimates by HHT based on data from market research firms

### FY14 Business Environment

#### Electron Microscopes

- Domestic demand to increase from a recovery in private-sector corporate earnings, even though demand from Japan's supplementary fiscal budgets are expected to wane
- Demand to increase in cutting-edge fields (new energy, new materials and life sciences) for the next generation

#### Separation Analysis

- Demand to increase for ultra-high-speed liquid chromatographs in the pharmaceutical field even while declining for general models

#### X-ray fluorescence Analysis

- Demand for metal particle contamination inspections to expand in the lithium-ion battery market
- Replacement demand to increase in RoHS inspection equipment

#### Thermal Analysis

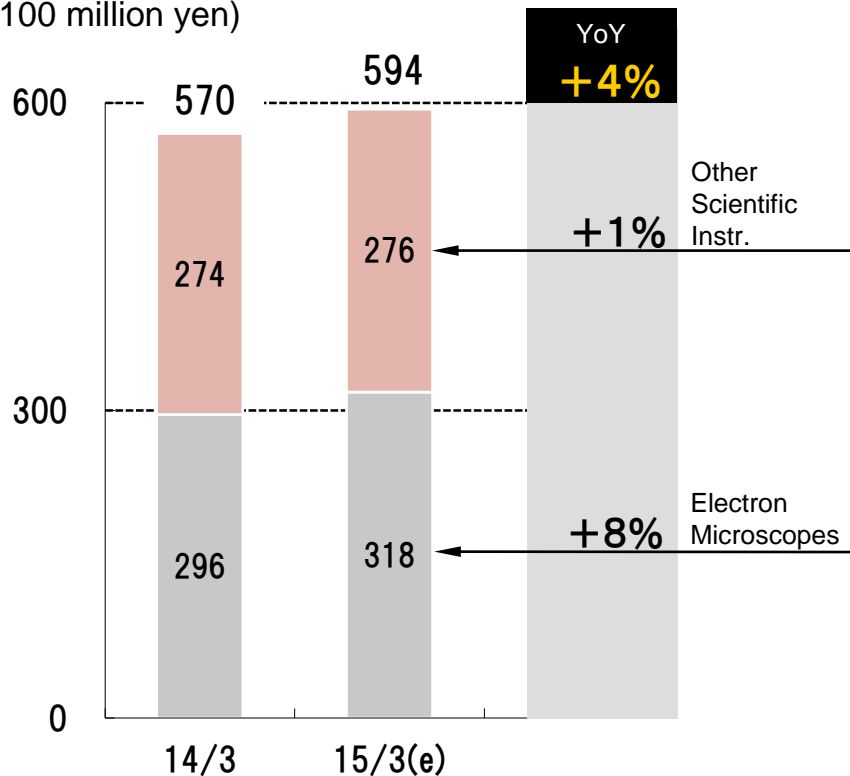
- Demand for evaluating thermal characteristics of functional materials to increase

### FY14 Strategies

1. Maximize synergies with Hitachi High-Tech Science Corporation (HHS)
2. Expand sales of dedicated tools for the environment and new energy, new materials, and life sciences fields

### Sales Change in Main Businesses

(100 million yen)



### Future Actions

- Integrate Hitachi High-Tech's analytical instruments business with HHS to expand the product portfolio and leverage the sales networks of both companies to increase sales
- Introduce products that were jointly developed with HHS (FIB-SEM, etc.) to the market by strengthening core technologies
- Cultivate the environment and new energy field further by expanding sales of metal particle contamination inspection equipment for lithium-ion batteries and fuel cells
- Create a market for barometric pressure scanning electron microscopes in the new materials and life sciences fields and expand sales



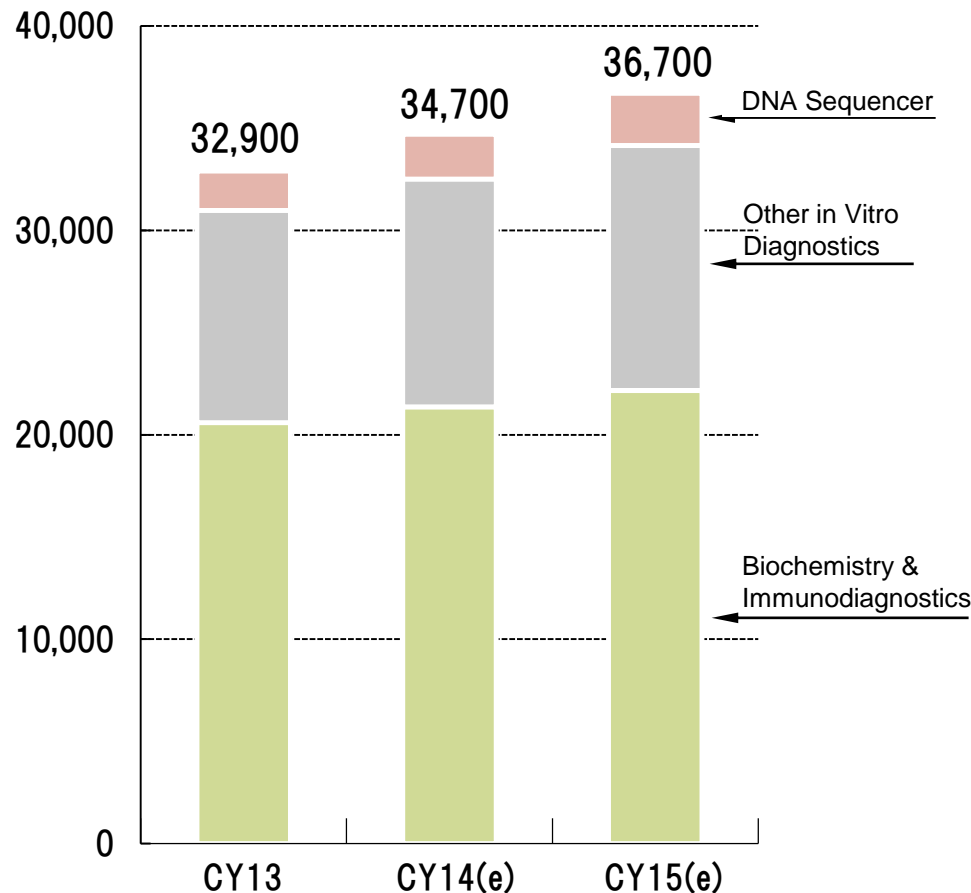
Barometric pressure scanning electron microscope

# FY14 Outlook (Science & Medical Systems) ③

## Biotechnology & Medical Products

### Biotechnology Product/Clinical Analyzer Market (HHT-related)

(100 million yen)(based on sales) **CAGR +6%**



(Source) Estimates by HHT based on data from market research firms  
(reagent and equipment included)

### FY14 Business Environment

#### In Vitro Diagnostics

- The clinical chemistry and immunodiagnostic analyzer market is projected to continue growing at an annual rate of 4-5%. Reagents account for the bulk of these markets
- The market for Europe the U.S. and other developed countries is projected to grow 2-3%, while the market for China and other emerging countries is forecast to grow 10%
- Solid growth is forecast in the medium term for equipment sales, with growing demand from emerging markets while the EU market gradually recovers

#### DNA Sequencers

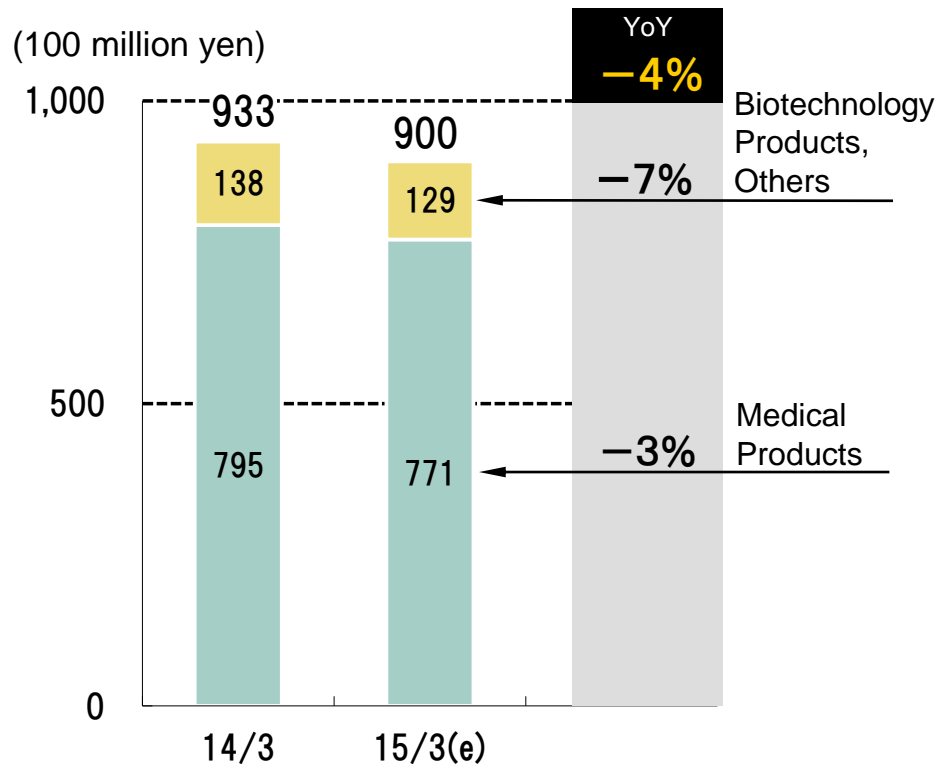
- Demand for CE\* sequencers has held firm as they are strongly positioned as the industry's de facto standard. The reliability of Hitachi High-Tech's CE sequencers has garnered acclaim from around the world, particularly in identifying bodily remains (medical jurisprudence) for criminal investigations and after disasters

\* CE: Capillary Electrophoresis

### FY14 Strategies

1. Expand sales of clinical chemistry and immunodiagnostic analyzers by launching a new automated clinical laboratory testing system
2. Promote sales of CE sequencers in fields with growing demand
3. Promote development of next-generation sequencer technology

### Sales Change in Main Businesses



### Future Actions

- Expand sales to large-scale medical facilities in Europe with proposals combining new automated clinical laboratory systems with large-scale automated clinical analyzers



- Steadily capture new and replacement demand in the market for medical jurisprudence in identifying bodily remains with the model 3500 CE sequencer.
- Promote collaborative development of nanopore DNA sequencer technology with Base4 Innovation Ltd. of the U.K.

## FY14 Strategies

### 1. Cultivate trading company functions further to strengthen business foundations

Develop a strategic approach by sharing information, leveraging the Group's abundant data on customers and suppliers

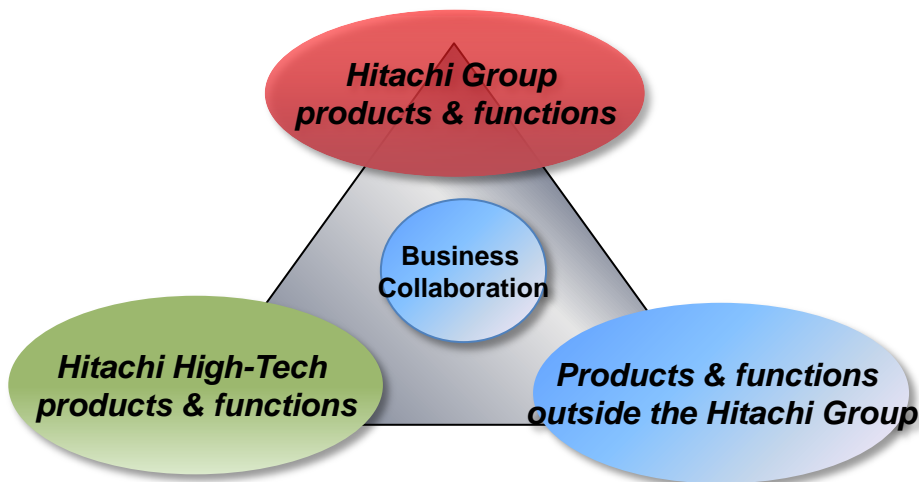
### 2. Promote investments for developing new lines of business

Create business lines with high added value in the shared automotive, mobile communications, materials and energy fields

### 3. Improve profitability by providing solutions from a customer's perspective

Improve profitability by promptly grasping customers' needs and providing services with added value

## Demonstration of Trading Functions



## Noteworthy Business



### WAN Accelerator

Stems the performance-drop of global communication lines in long-distance transmission, thereby realizing efficient data transmission

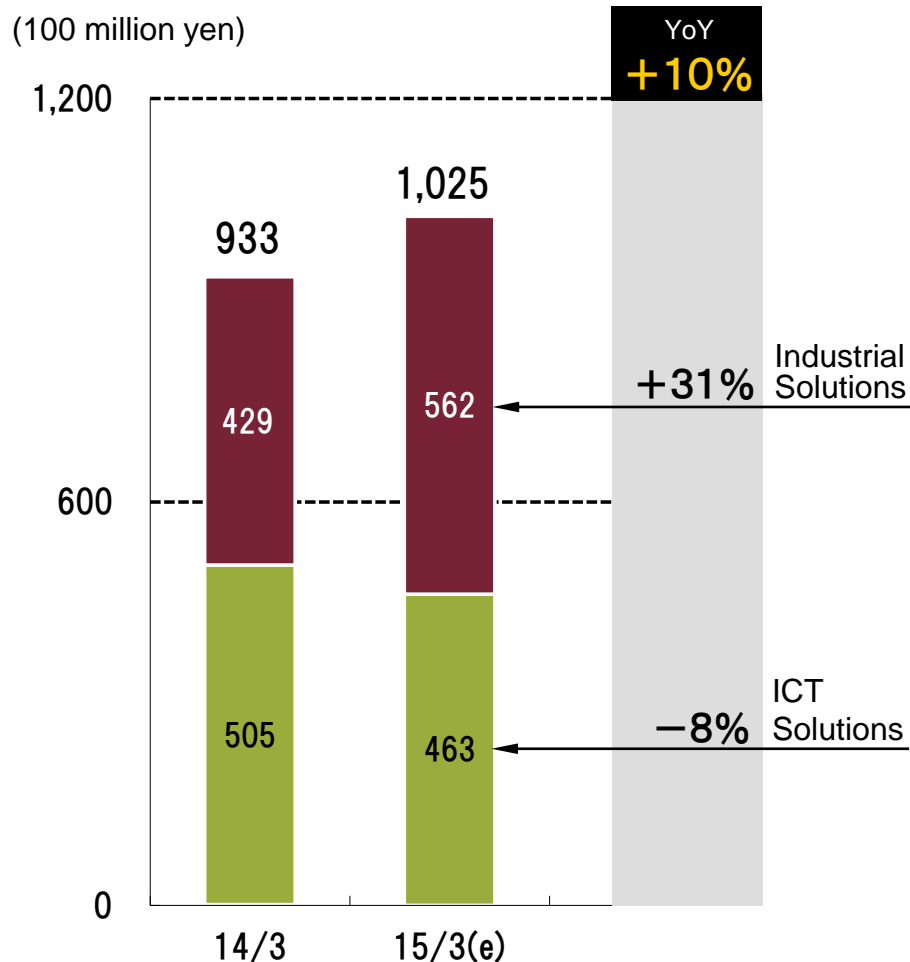
Tempered glass for smartphones



# FY14 Outlook (Industrial & IT Systems)

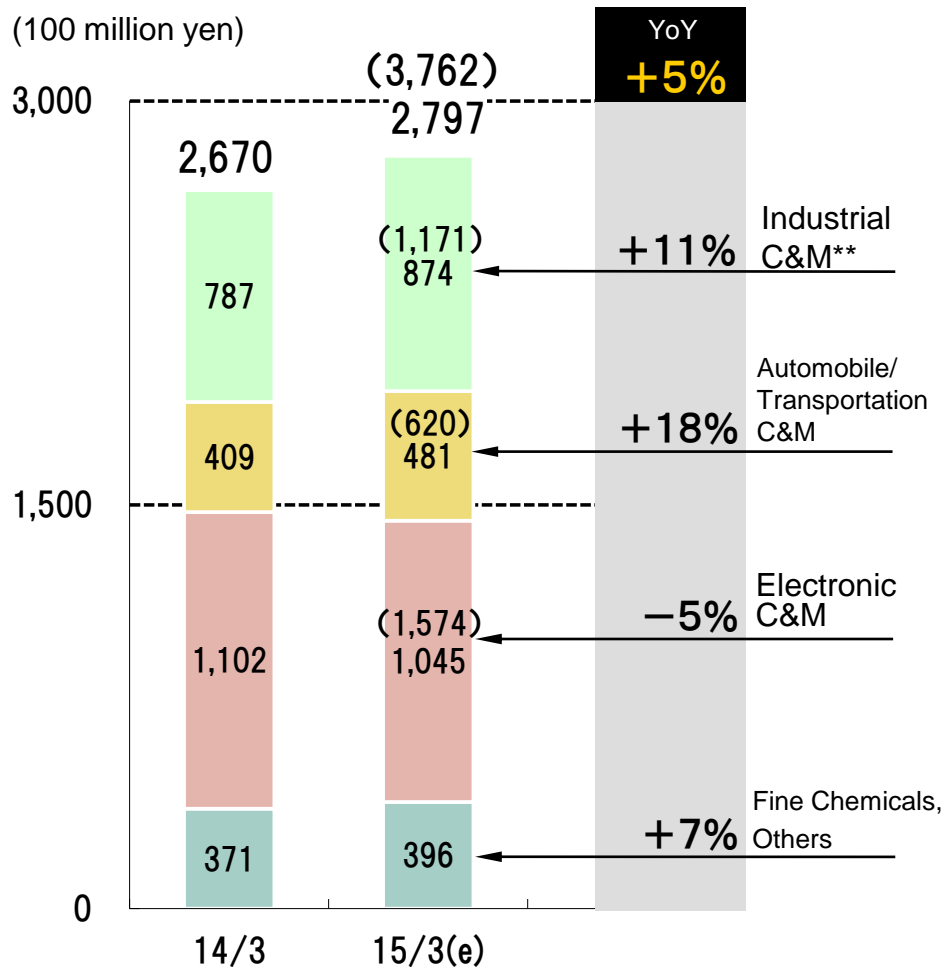
## (Advanced Industrial Products) ②

Changes in Sales (Industrial & IT Systems)



\*ICT: Information and Communication Technology

Changes in Sales (Advanced Industrial Products)



\*Figures in parenthesis are transaction amounts that include net transaction amounts

\*\*C&M: Components & Materials



## 4. Financial Data

Note: YY/M denotes the year and month of the accounting period end.  
(e) Denotes the forecast for the present period.

# Changes in Quarterly Results

(100 million yen)

			FY13 1Q	FY13 2Q	FY13 3Q	FY13 4Q
Sales / Operating Income	Electronic Device Systems	Sales	213	283	274	403
		Operating Income	13	39	58	96
	Fine Technology Systems	Sales	12	28	16	116
		Operating Income	−20	−15	−18	−20
	Science & Medical Systems	Sales	291	371	333	508
		Operating Income	16	43	37	85
	Industrial & IT Systems	Sales	171	258	183	322
		Operating Income	−9	4	−6	17
	Advanced Industrial Products	Sales	642	667	670	692
		Operating Income	6	4	8	3
	Others & Elimination/Corporate	Sales	−15	−15	−15	−16
		Operating Income	−7	−12	−7	−12
	Total	Sales	1,315	1,592	1,460	2,024
		Operating Income	0	63	72	169
Ordinary Income			5	62	74	171
Net Income			−15	51	49	96

# Capital Expenditure/ Depreciation Costs/ R&D / Sales by Region

## ■Capital Expenditures/Depreciation Costs/R&D

(100 million yen)

	13/3	14/3	YoY	15/3(e)	YoY
Capital Expenditure	117	189	+62%	180	-5%
Depreciation Costs	78	94	+20%	119	+27%
R&D	218	211	-3%	228	+8%

Note: Capital expenditure is based on acquisition base

## ■Sales by Region

(100 million yen)

		Japan	North America	Europe	Asia		Other	Total
						Mainland China		
13/3	Sales	2,524	630	686	1,776	790	139	5,755
	Ratio	43.9%	10.9%	11.9%	30.9%	13.7%	2.4%	100.0%
14/3	Sales	2,667	854	780	2,000	850	89	6,391
	Ratio	41.7%	13.4%	12.2%	31.3%	13.3%	1.4%	100.0%

# Sales Change in Main Business

(100 million yen)	FY13/Q1	FY13/Q2	FY13/Q3	FY13/Q4
<b>Electronic Device Systems</b>	213	283	274	403
Process Equipment	90	110	150	121
Metrology & Inspection Equipment	82	119	106	250
Back-end & Assembly Equipment	41	54	18	33
<b>Fine Technology Systems</b>	12	28	16	116
Environment & Electronics	12	25	12	106
Social Infrastructure Inspection	0	3	4	10
<b>Science &amp; Medical Systems</b>	291	371	333	508
Electron Microscopes	38	78	62	117
Other Scientific Instr.	51	65	60	99
Medical Products	171	195	178	252
Biotechnology Products, Others	31	33	34	41
<b>Industrial &amp; IT Systems</b>	171	258	183	322
Industrial Solutions	67	99	78	186
ICT Solutions	105	159	105	136
<b>Advanced Industrial Products</b>	642	667	670	692
Industrial C&M	188	192	201	206
Automobile/Transportation C&M	90	98	105	116
Electronic C&M	277	278	266	281
Fine Chemicals, Others	86	98	98	89



#### 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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## FY13 Financial Results

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