

Outlook for FY08

January 26, 2009

 **Hitachi High-Technologies Corporation**

Outlook for FY08

I FY08 Outlook

II Financial Data

I

FY08 Outlook

FY08 Outlook (Highlights)

(100 million yen)

	Previous Forecast	Impact from Business Results Change	Forecast	vs. Previous Forecast
Sales	8,800	-1,200	7,600	-14%
Operating Income	350	-180	170	-51%
Ordinary Income	353	-170	183	-48%
Net Income	220	-129	91	-59%

(Notes)

- 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.
- Previous Forecast (announced on October 23, 2008)
Forecast (announced on January 21, 2009)
- 08/Q4 FX rate estimate 1USD = 92 yen
1EUR = 115 yen

FY08 Outlook (Explanation of Deviations)

vs. Previous Forecast (Published Values for Q2/Oct. 2008)

Sales (880Ybn → 760Ybn -120Ybn*)

*Includes FX effect : approximately -50Ybn (mainly the conversion balance of consolidated overseas subsidiaries)

- Electronics Device Systems: Investment delays in semiconductor manufacturing equipments and LCD manufacturing equipments led to decrease of 29.5Ybn
- Life Sciences: Although clinical analyzers for the European/U.S. markets were firm, the FX conversion led to decrease of 8.5Ybn
- Information Systems & Electronic Components: Dull sales of chip mounters and semiconductor devices led to decrease of 25.5Ybn
- Advanced Industrial Products: Decline in demands for LCD-related components and price drop in raw materials such as steel/resin etc. led to decrease of 56.5Ybn

Operating Income (35Ybn → 17Ybn -18Ybn)

- Electronics Device Systems : Sales decline in metrology & analysis systems for semiconductors and module assembly systems for LCD, led to decrease of 11.3Ybn
- Life Sciences: Delivery decline in general-purpose analysis equipments led to decrease of 1.5Ybn
- Information Systems & Electronic Components: Dull performance of chip mounters led to decrease of 4.1Ybn

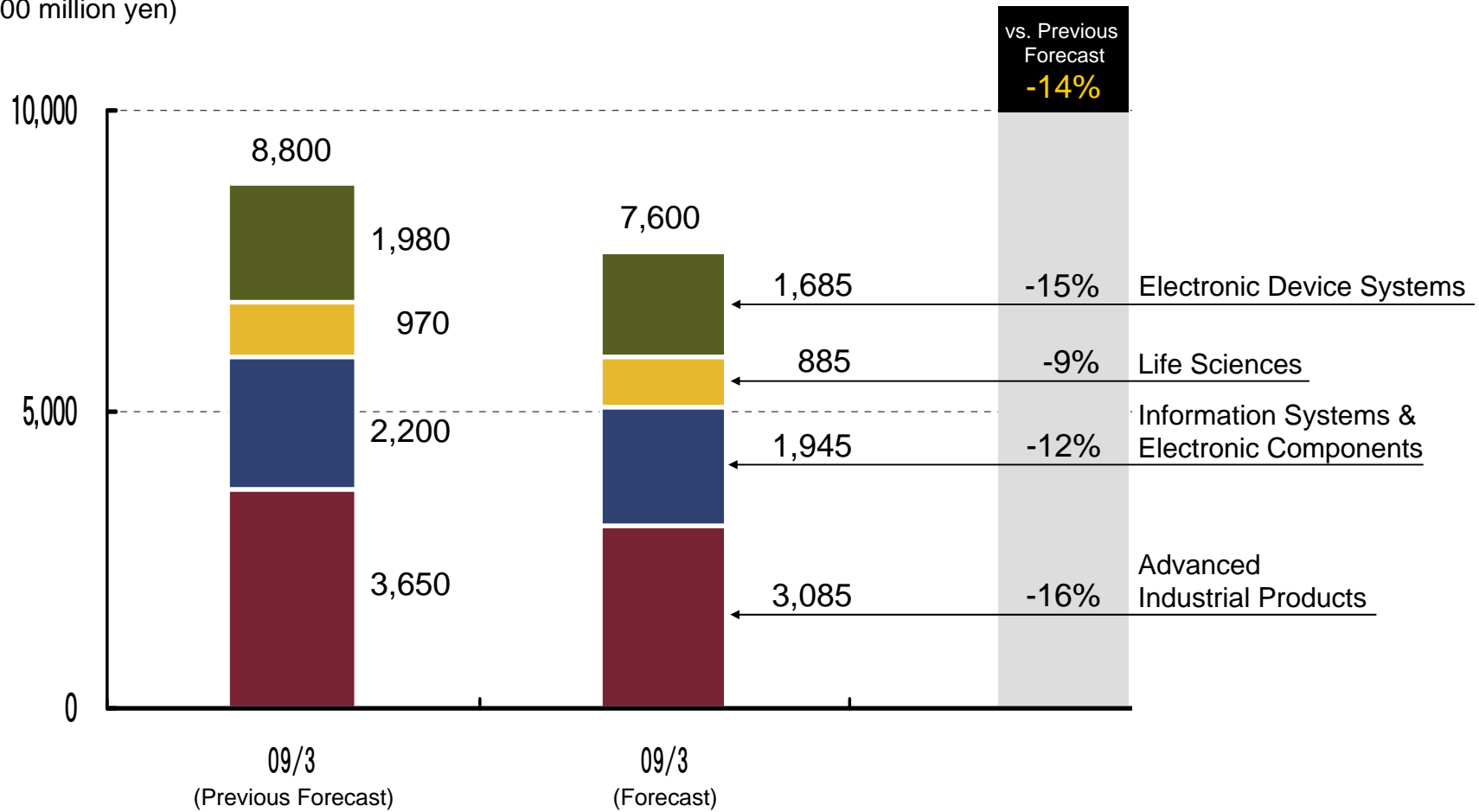
Net Income (22Ybn → 9.1Ybn -12.9Ybn)

- Operating Income -18Ybn / Non-operating P/L +1Ybn
Extraordinary P/L -1.1Ybn / Income Taxes etc. +5.2Ybn

FY08 Outlook (Sales)

Sales

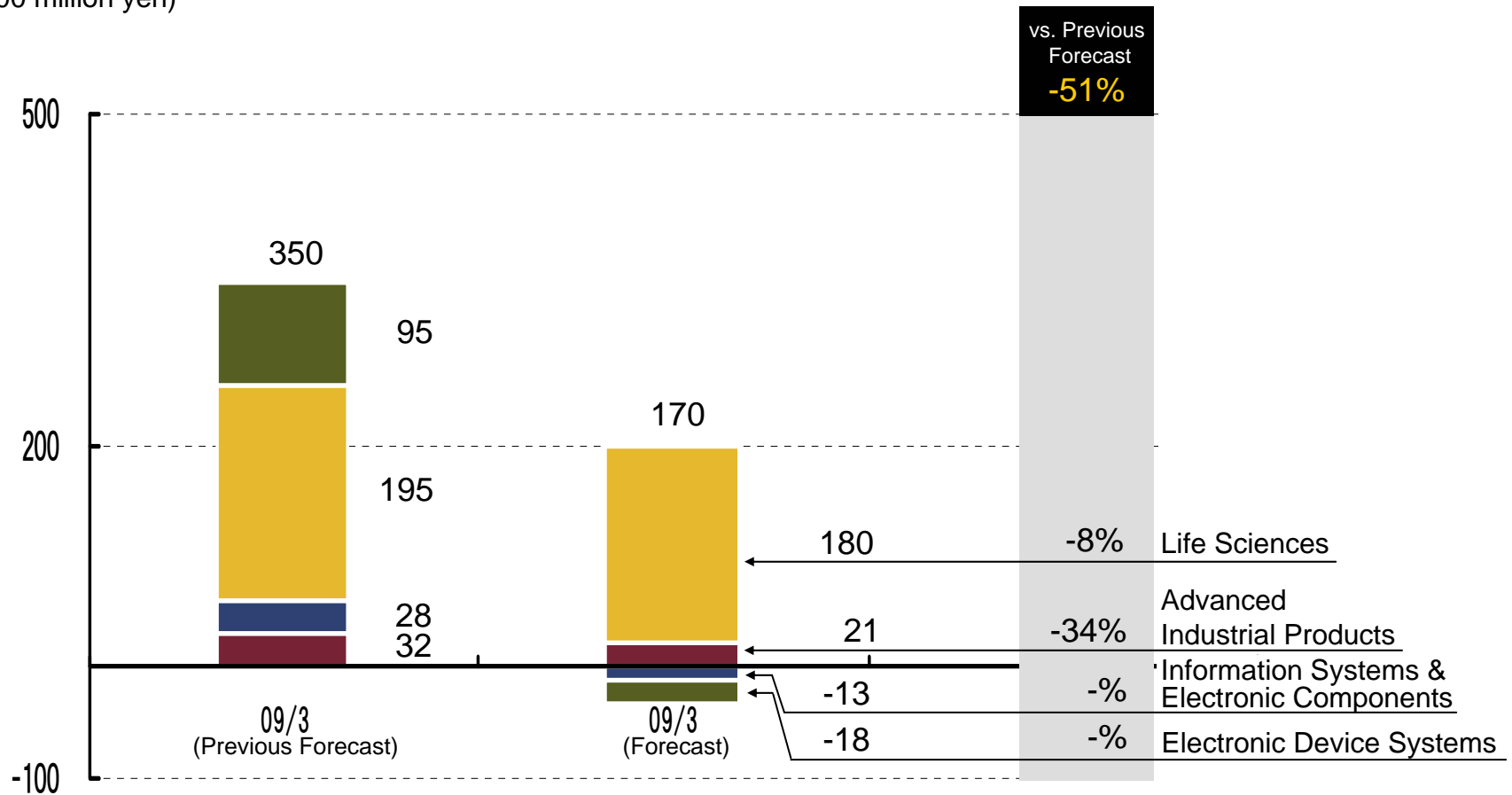
(100 million yen)



FY08 Outlook (Operating Income)

Operating Income

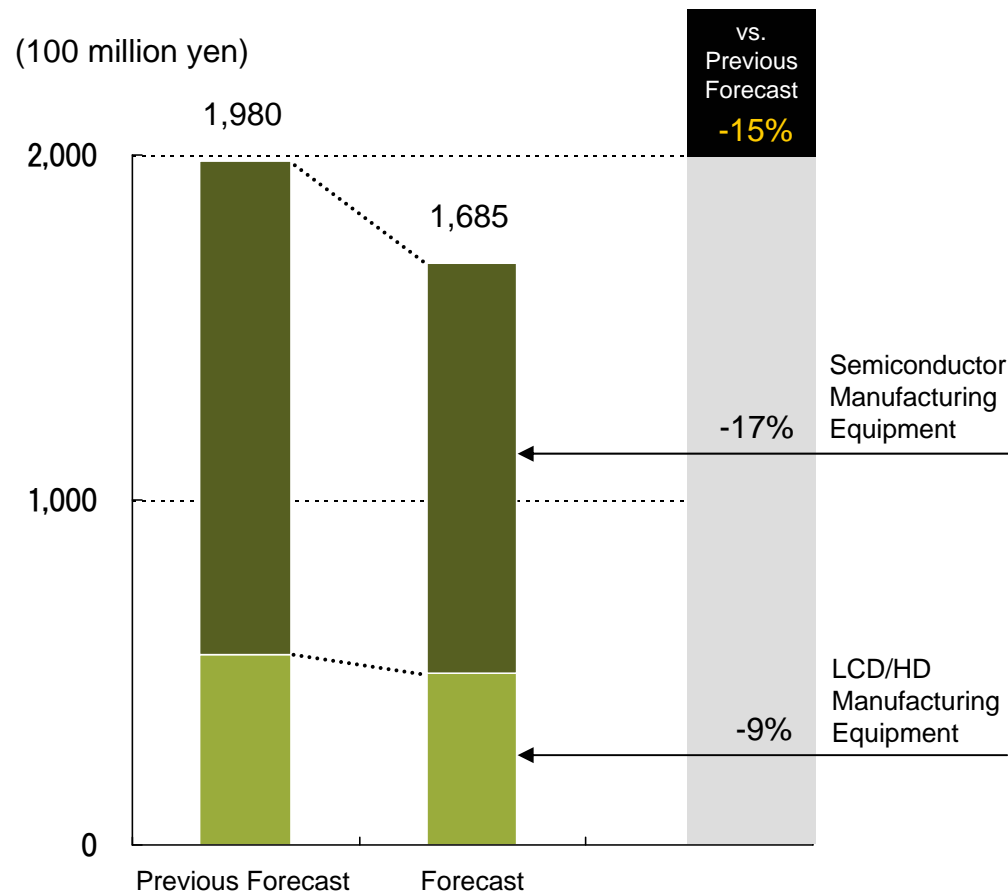
(100 million yen)



FY08 Outlook (Electronic Device Systems)

Sales

Explanations of Deviations



■ Semiconductor Manufacturing Equipment

- Although process equipments are firm, investment restraints for metrology & analysis systems will continue, which leads to the delay of recovery

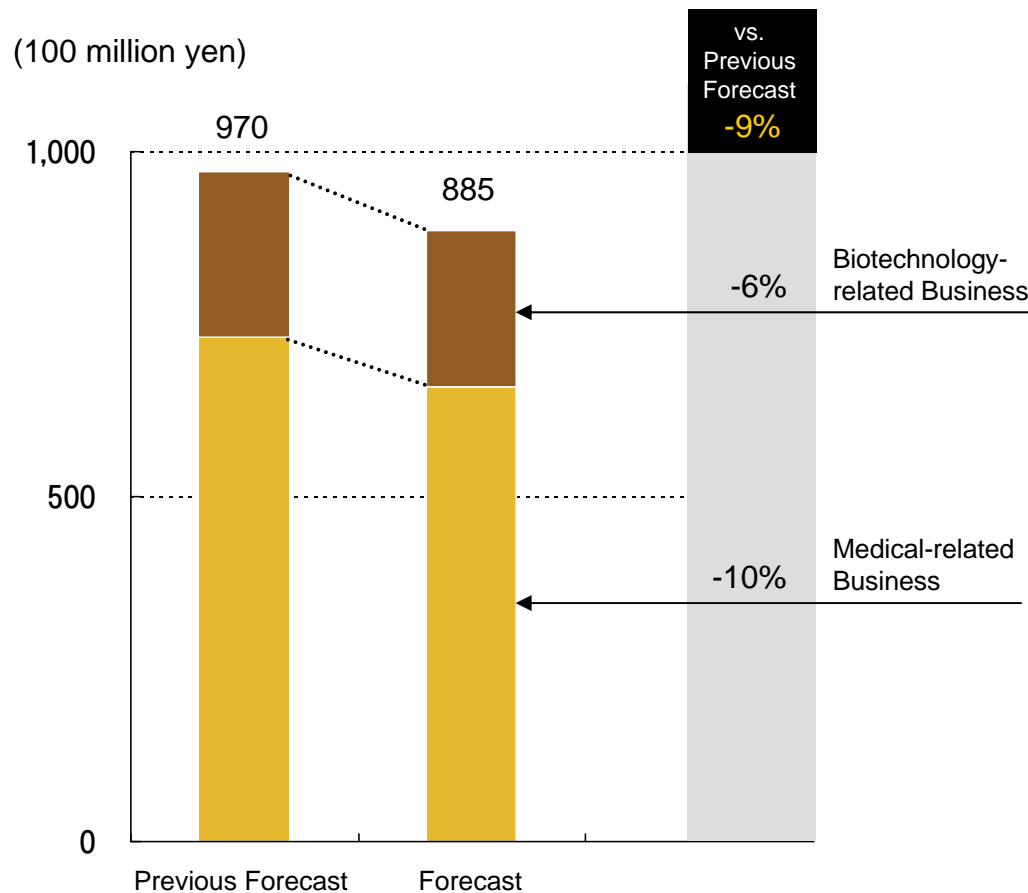
■ LCD/HD Manufacturing Equipment

- Sales decline for LCD manufacturing equipments, mainly in the back-end process due to delivery delay
- Low demands will continue for HD manufacturing equipments

FY08 Outlook (Life Sciences)

Sales

Explanations of Deviations



■ Biotechnology-related Business

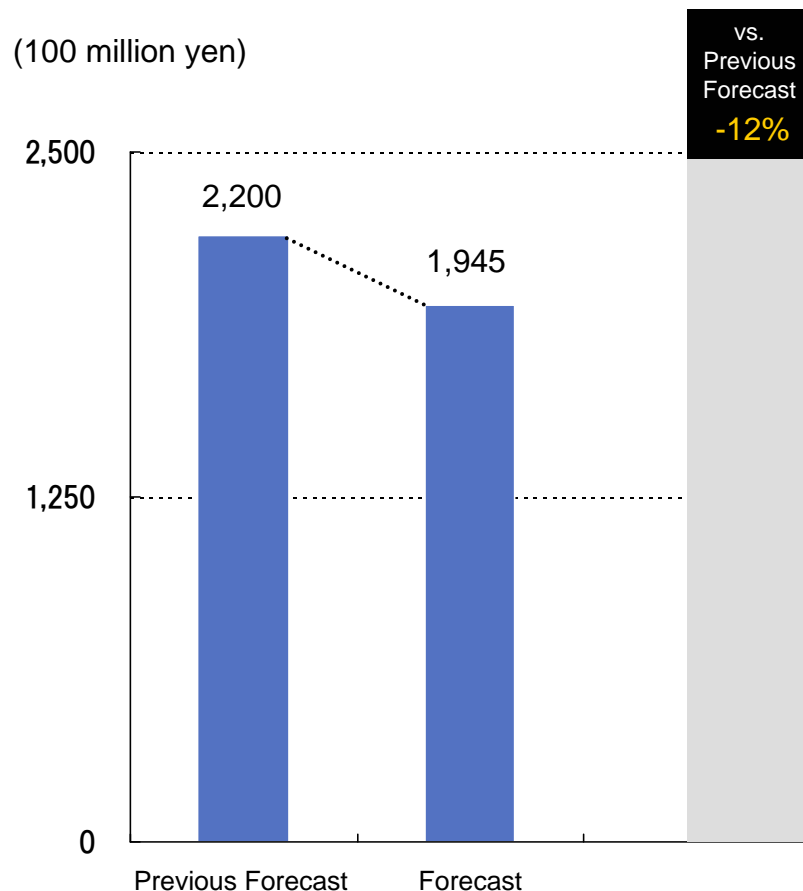
- Firm growth in DNA sequencers for testing etc.
- Economic slowdown led to investment restraint for liquid chromatograph mass spectrophotometers

■ Medical-related Business

- Decline due to FX conversion despite favorable performance of clinical analyzers for the European/ U.S. market

Sales

Explanations of Deviations



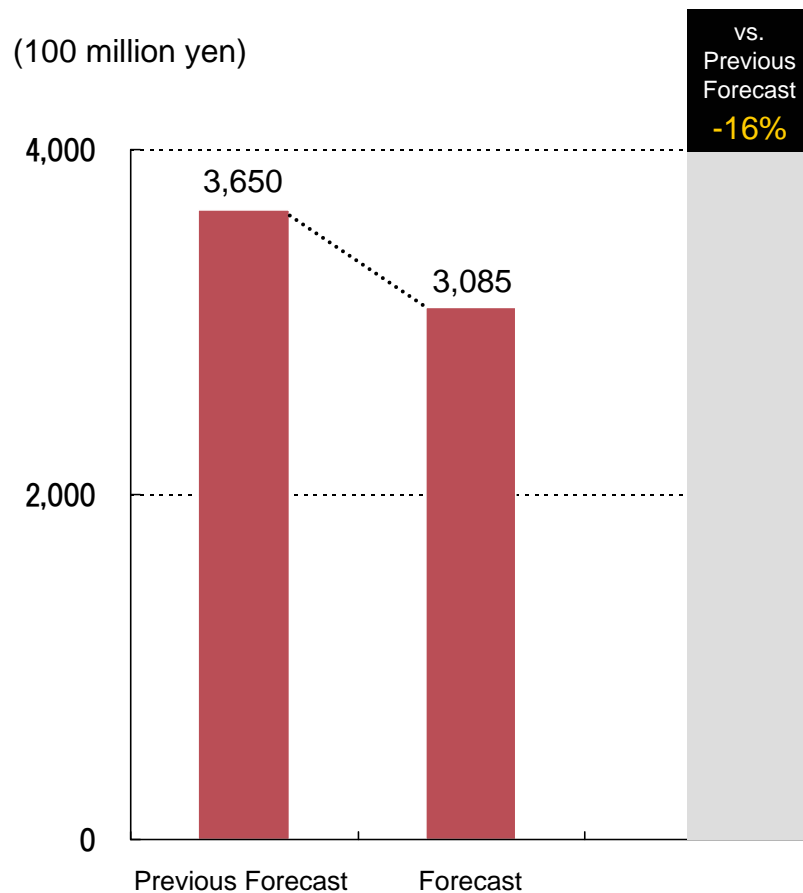
Information Systems & Electronic Components

- Dull demands for end-products such as mobile phones and PCs led to decline in sales of semiconductor devices and media-related components
- Firm growth in mobile phones for the U.S. market due to the launch of new model
- Investment slowdown in chip mounters due to rapid drop in customers' operations such as EMS etc.

FY08 Outlook (Advanced Industrial Products)

Sales

Explanations of Deviations



Advanced Industrial Products

- Dull performance of industrial materials and components due to the world's economic recession, and price drop in raw materials
- Decline in LCD-related components due to production adjustment for LCD panels
- Decline in silicon wafers due to production reduction for semiconductors

II

Financial Data

Quarterly Results

(100 million yen)

	07/Q3	07/Q4	08/Q1	08/Q2	08/Q3
Sales	2,263	2,296	1,829	2,404	1,633
Operating Income	81	178	19	106	23
Ordinary Income	86	164	26	113	30
Net Income	55	67	-2	78	20

■ Sales by Segment

(100 million yen)

	07/Q3	07/Q4	08/Q1	08/Q2	08/Q3
Electronic Device Systems	587	661	250	612	327
Life Sciences	261	261	248	243	213
Information Systems & Electronic Components	543	539	443	616	420
Advanced Industrial Products	873	834	888	933	673

Capital Expenditure/Depreciation Costs/R&D

(100 million yen)

	08/3	09/3 Previous Forecast	09/3 Forecast	vs. Previous Forecast
Capital Expenditure	113	149	132	-11%
Depreciation Costs	89	99	91	-8%
R&D	204	224	221	-1%

*Capital Expenditure is based on an acquisition bases

vs. Previous Forecast

- Capital Expenditure: -1.7Ybn
 - Review the timing to acquire equipments for demonstration etc.
- Depreciation Costs: -0.8Ybn
 - Review the timing of acquisition, sale or disposal of fixed assets

Quarterly Results by Main Groups

(100 million yen)

	07/Q3	07/Q4	08/Q1	08/Q2	08/Q3
<u>Electronic Device Systems</u>	587	661	250	612	327
Process Equipment	248	170	83	206	141
Metrology & Analysis System	165	291	94	187	77
LCD Manufacturing System	71	112	22	116	64
HD Manufacturing System	21	22	4	28	8
Others	82	66	47	76	37
<u>Life Sciences</u>	261	261	248	243	213
Biotechnology-related Business	50	57	40	53	36
Medical-related Business	178	177	189	177	154
Others	33	27	19	13	22
<u>Information Systems & Electronic Components</u>	543	539	443	616	420
Information System	191	207	149	309	203
Assembly System	72	79	50	94	32
Semiconductor	104	90	85	83	40
Media Devices	80	78	68	56	38
Others	96	85	91	74	107
<u>Advanced Industrial Products</u>	873	834	888	933	673
Industrial Material	398	418	421	478	340
Electronic Material	176	222	240	224	137
Optical-related Component	67	66	74	81	62
Others	232	128	153	150	134

[Notes on the data]

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 **Hitachi High-Technologies Corporation**

For further information
Hiroyuki Kato
Manager
Public & Investor Relations Group
Secretary's Office
TEL: +81-3-3504-5138 FAX: +81-3-3504-5943
E-mail: kato-hiroyuki@nst.hitachi-hitec.com

Hitachi High-Technologies

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