

FY09 2nd Quarter Financial Results

Operating income cumulative for FY09 2Q was -7.6Ybn, amid ongoing business structural reforms

October 23, 2009

 **Hitachi High-Technologies Corporation**

President, Chief Executive Officer
Hidehito Obayashi, Ph.D.

Copyright©2009 Hitachi High-Technologies Corporation All Rights Reserved.

FY09 2nd Quarter Financial Results

I Outline of FY09 Q1-Q2

II FY09 Outlook

III Financial Data

I

Outline of FY09 Q1-Q2

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

Outline of FY09 Q1-Q2 (Highlights)

(100 million yen)

	Results	Y o Y		vs. Previous Forecast	
		Increase/Decrease	Ratio	Increase/Decrease	Ratio
Sales	2,817	-1,417	-34%	-46	-2%
Operating Income	-76	-202	-	+11	-
Ordinary Income	-70	-209	-	+14	-
Net Income	-53	-129	-	+0	-
Net Income per Share	-38.58yen	-93.57yen		+00.32yen	
Net Assets per Share	1,650.50yen	-91.40yen			-

*Previous Forecast (Published values for Q1/Jul. 2009)

vs. Previous Forecast (Published values for Q1/Jul. 2009)

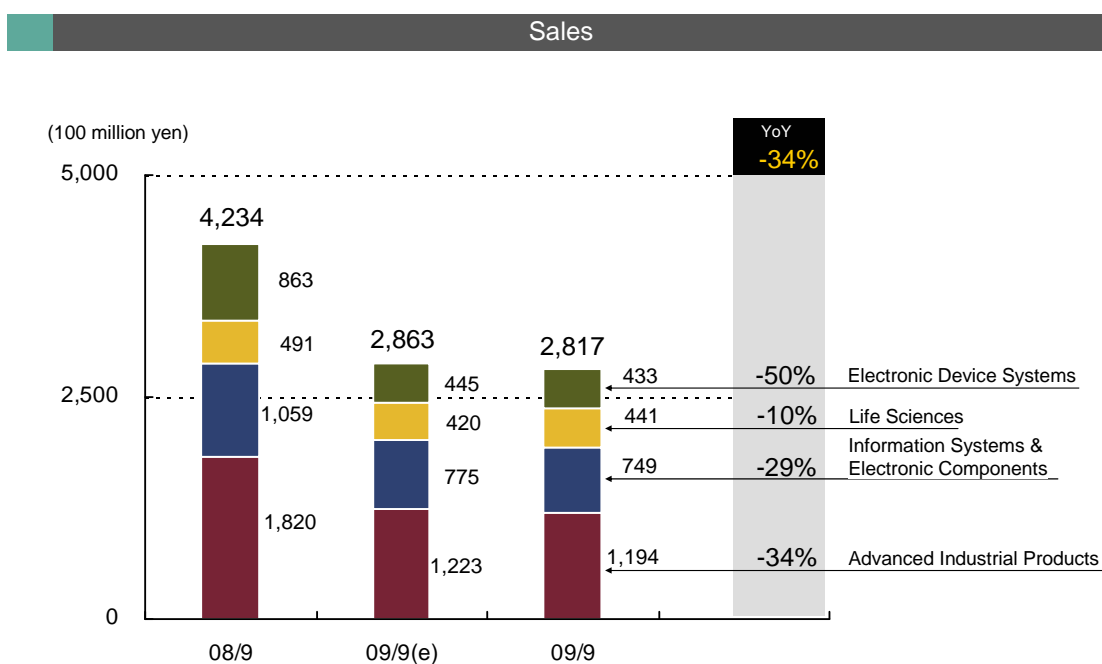
Sales (286.3Ybn → 281.7Ybn -4.6Ybn)

- Electronic Device Systems: Decrease of 1.2Ybn mainly from curtailed investment in analysis systems
- Life Sciences: Favorable performance of clinical analyzers led to the growth of 2.1Ybn
- Information Systems & Electronic Components: Decrease of ¥2.6 billion due largely to lower demand for IT solutions and semiconductor devices
- Advanced Industrial Products: Decrease of 2.9Ybn primarily from falling prices for PV materials

Operating Income (-8.7Ybn → -7.6Ybn +1.1Ybn)

- Electronic Device Systems: Increase of 0.4Ybn mainly from cost reductions
- Life Sciences: Favorable performance of clinical analyzers led to the growth of 1.3Ybn
- Information Systems & Electronic Components: Decline of ¥0.5 billion, largely reflecting lower demand for IT solutions

Outline of FY09 Q1-Q2 (Sales by Segment)



(e) :Previous Forecast (Published Values for Q1/Jul. 2009)

Copyright©2009 Hitachi High-Technologies Corporation All Rights Reserved.

6

■ Explanation of Y o Y Variations

Electronic Device Systems

A year-on-year decline of 50% was due to discontinued handling of certain semiconductor manufacturing equipment (trading products), in addition to subdued capital investment accompanying worsening global economic conditions.

Life Sciences

In the biotechnology-related business, decline of 10% due largely to decreases in the medical-related business stemming from the yen's appreciation, despite firm performance in DNA sequencers.

Information Systems & Electronic Components

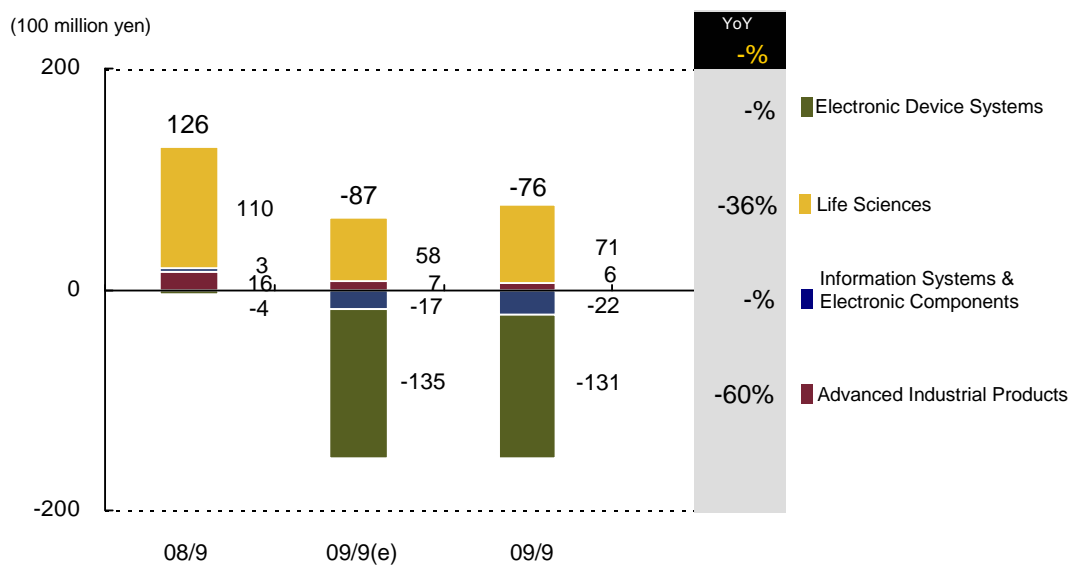
A year-on-year decline of 29% reflected lower capital investments primarily in chipmounters due to the worsening global economic climate, coupled with reduced demand particularly for information systems and semiconductor devices.

Advanced Industrial Products

With the exception of certain PV materials, deteriorating global economic conditions caused sales to worsen for all industrial and electronic materials, for a year-on-year decline of 34%.

Outline of FY09 Q1-Q2 (Operating Income by Segment)

Operating Income



(e) :Previous Forecast (Published Values for Q1/Jul. 2009)

Copyright©2009 Hitachi High-Technologies Corporation All Rights Reserved.

7

■ Explanation of Y o Y Variations

Operating income in each segment worsened for reasons largely identical to those responsible for the deterioration in net sales.

Outline of FY09 (Income Statement)

For the six months ended September 30, 2009

(100 million of yen)

	Results	Y o Y	
		Increase/Decrease	Ratio
Sales	2,817	-1,417	-33%
Cost of Sales	2,492	-1,157	-32%
Gross Profit	325	-260	-44%
Selling, General and Administrative Expenses	401	-58	-13%
Operating Income	-76	-202	-
Other Income	10	-7	-41%
Other Expense	4	-0	-2%
Ordinary Income	-70	-209	-
Extraordinary Profit	3	-5	-64%
Extraordinary Loss	1	-5	-85%
Income Before Income Taxes and Minority Interests	-68	-209	-
Income Taxes	-15	-80	-
Net Income	-53	-129	-

Copyright©2009 Hitachi High-Technologies Corporation All Rights Reserved.

8

■ Points

Selling, General and Administrative Expenses -5.8Ybn

(Personal expense -1.9Ybn, Traveling expense -0.6Ybn,
Others -3.4Ybn)

Ordinary Income -0.7Ybn

(Dividends income -0.4Ybn, Others -0.3Ybn)

Financial Position (Balance Sheet in Summary)

Second Quarter ended September 30, 2009

(100 million of yen)

		Changes vs. 09/3			Changes vs. 09/3
Current Assets		3,059	-347	Current Liabilities	
Cash & Deposits/Deposit to Hitachi Group Cash Management Fund	864	-35	Notes & Accounts Payable	982	-157
Notes & Accounts Receivable	1,337	-206	Others	409	-122
Inventories	634	-85	Fixed Liabilities		263
Others	223	-21	Retirement and severance benefits	255	+1
Fixed Assets		867	-3	Others	8
Tangible Fixed Assets	583	-2	Net Assets		2,272
Intangible Fixed Assets	45	+2	Shareholder Capital	2,275	-74
Investments & Other Assets	239	-3	Assessments/Exchange Difference etc.	-5	+3
			Minority Interests	2	+0
Total Assets	3,926	-350	Total Liabilities & Shareholders' Equity	3,926	-350

Copyright©2009 Hitachi High-Technologies Corporation All Rights Reserved.

9

■ Points

Equity Ratio: 57.8%

(vs. year ended March 31, 2009 +3.1%)

Book-value per Share: 1,650.50yen

(vs. year ended March 31, 2009 -51.24yen)

Inventories: 63.4Ybn

(vs. year ended March 31, 2009 -8.5Ybn)

Inventory on consignment +2.2Ybn → Actual -10.7 Ybn (Delivered criteria)

Financial Position (Cash Flow Statement in Summary)

(100 million of yen)

	09/1H		09/1H
Cash Flow from Operating Activities	+20	Cash Flow from Financing Activities	-21
Income Before Income Taxes and Minority Interests	-68	Dividends Paid	-21
Depreciation and Amortization	+46	Others	-0
Working Fund	+111	Effect of exchange rate changes	-14
Income Taxes Paid	+31	Cash and Cash Equivalents at the end of Term	+696
Others	-100	Net Increase (Decrease) in Cash and Cash Equivalents	-100
Cash Flow from Investing Activities	-86	Cash and Cash Equivalents at the Beginning of Year	+796
Capital Expenditures Proceeded from Sales / Purchase of Securities	+4		
Capital Expenditures Proceeded from Sales / Purchase of Property and Equipment	-45		
Others	-45		
Free Cash Flow	-65		

Copyright©2009 Hitachi High-Technologies Corporation All Rights Reserved. 10

■ Points

Cash Flow from Operating Activities

- Others -10Ybn
(Decrease in accrued expenses -7.9Ybn,
Advance receipt -3.8Ybn, Others +1.7Ybn)

Cash Flow from Investing Activities

- Capital expenditures proceeded from sales / purchase of property and equipment -4.5Ybn
(Naka Works -1.6Ybn, Others -2.9Ybn)

II

FY09 Outlook

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

(e) :Previous Forecast (Published Values for Q1/Jul. 2009)

(e1):Revised Forecast (Published Values for Q2/Oct. 2009)

FY09 Outlook (Highlights)

(100 million yen)

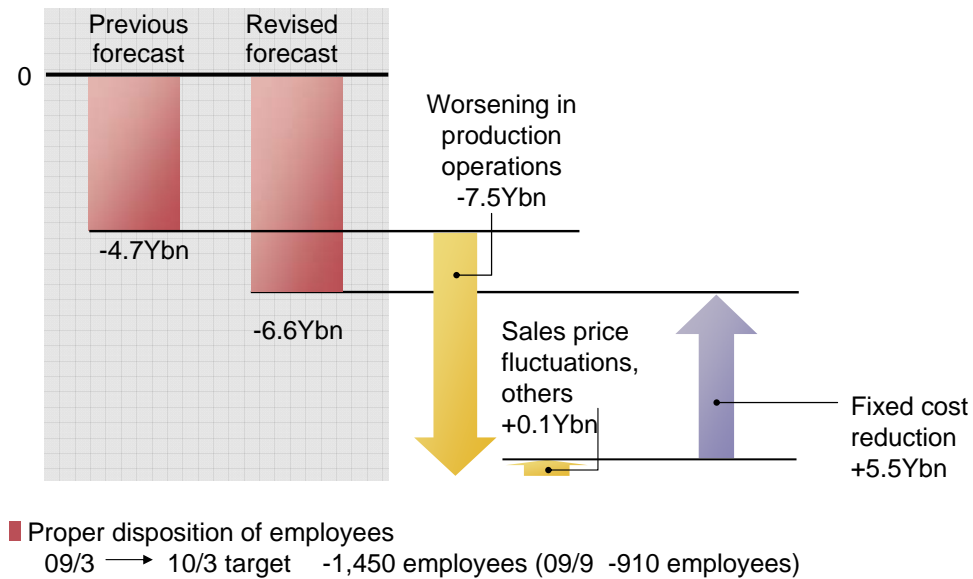
	Results	Y o Y		vs. Previous Forecast	
		Increase/Decrease	Ratio	Increase/Decrease	Ratio
Sales	6,000	-1,750	-23%	-380	-6%
Operating Income	-66	-215	-	-19	-
Ordinary Income	-60	-225	-	-12	-
Net Income	-63	-134	-	-6	-
Net Income per Share	-45.80yen	-97.24yen		-4.36yen	
Cash Dividend per Share	10.00yen	-20.00yen		00.00yen	
ROE	-2.7%	-5.8%		-0.2%	
FIV	-177	-156		-12	

FX Rate Estimate : 1USD= 90 yen
1EUR=125 yen

Previous Forecast (Published Values for Q1/Jul. 2009)

vs. Previous Forecast (Published Values for Q1/Jul. 2009)

Operating Income (-4.7Ybn → -6.6Ybn -1.9Ybn)



Copyright©2009 Hitachi High-Technologies Corporation All Rights Reserved. 13

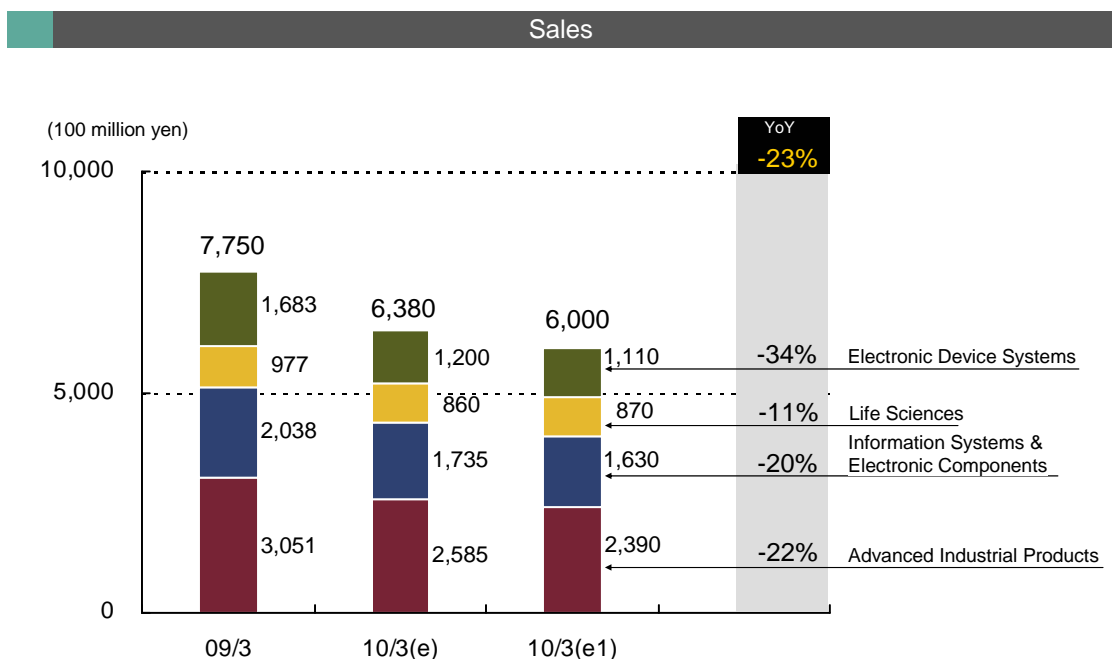
■ Operating Income -4.7Ybn → -6.6Ybn deviation -1.9Ybn

1. Difference in production operation levels associated with lower sales of In-house products, namely semiconductor manufacturing equipment: -7.5Ybn
2. Sales price fluctuations and exchange rate effects: +0.1Ybn
(sales price fluctuations -0.7Ybn, exchange rates and others +0.8Ybn)
3. Enact fixed cost reductions totaling 5.5Ybn, including a decline of 1.2Ybn in personnel costs from reductions in salaries, as an additional measure to cover declines from 1 above

■ Proper disposition of employees: Continue to devise measures to reach target workforce of 10,650 employees by the end of FY09

■ Total cost reductions

Aiming for a V-shaped recovery in 2010, we are pursuing total cost reductions of 13Ybn(including additional measures) in FY09 relative to FY08



Copyright©2009 Hitachi High-Technologies Corporation All Rights Reserved. 14

■ Explanation of Y o Y Variations

Electronic Device Systems

Among semiconductor manufacturing equipment, while CD-Measurement SEMs and analysis systems will be largely flat, the discontinued handling of certain equipment (trading products), coupled with postponed capital investments in other semiconductor and LCD manufacturing equipment, will result in a projected year-on-year decline of 34%.

Life Sciences

In the Biotechnology-related Business, while strong performance from DNA sequencers is anticipated, a year-on-year decline of 11% is projected due largely to declines in the Medical-related Business stemming from the yen's appreciation .

Information Systems & Electronic Components

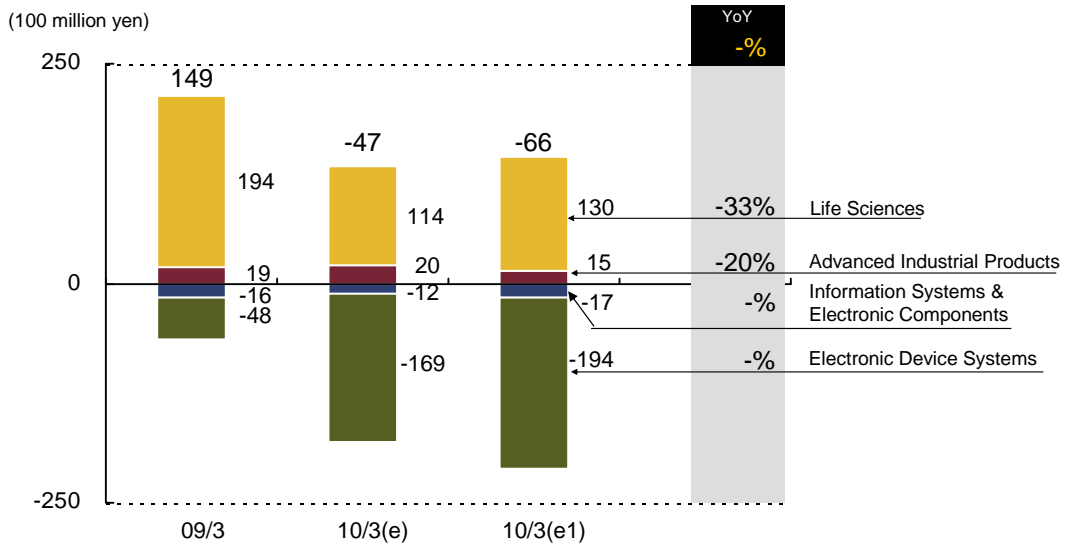
A year-on-year decline of 20% is projected due to curtailment of capital investments in chipmounters, reflecting the adverse global economic climate as well as lower demand for information systems and semiconductor devices.

Advanced Industrial Products

In line with global economic deterioration, we are projecting a year-on-year decline of 22% due to worsening sales for all industrial and electronic materials, with the exception of PV materials and certain other commercial materials.

FY09 Outlook (Sales by Operating Income)

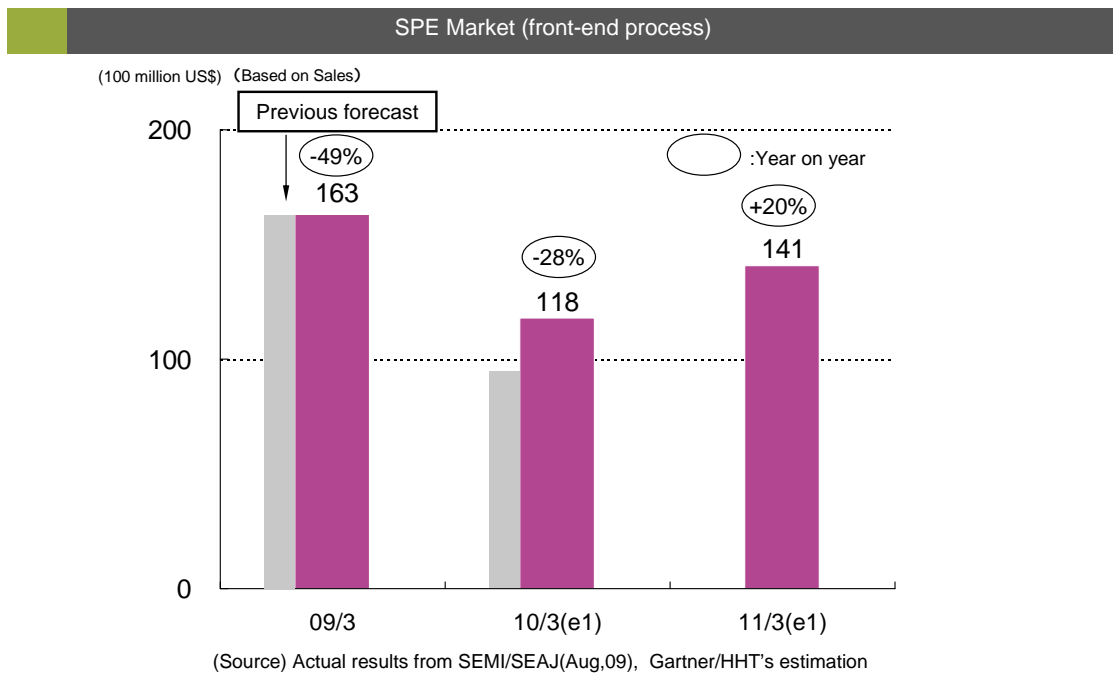
Operating Income



Copyright©2009 Hitachi High-Technologies Corporation All Rights Reserved. 15

■ Explanation of Y o Y Variations

Operating income in each segment worsened for reasons largely identical to those responsible for the deterioration in net sales.



*Previous Forecast (Published Values for Q4/Apr. 2009)

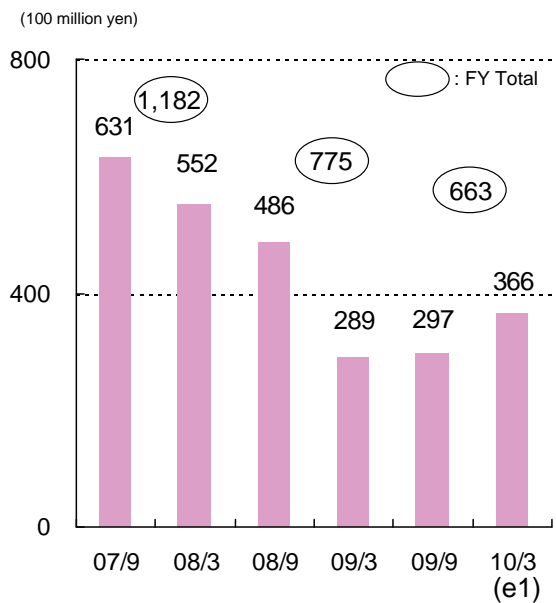
Copyright©2009 Hitachi High-Technologies Corporation All Rights Reserved. 16

■ Circumstances of the Market

- FY09: While signs are emerging amid modest recovery undertones in the global economy that the contraction in the semiconductor manufacturing equipment market is slowing, we are forecasting substantial negative growth (down 28%) for FY09 compared to FY08 which saw relatively strong first-half performance.
- FY10: While positive growth (up roughly 20%) is anticipated for FY10 due a partial recovery of investment in NAND Flash and foundries, and despite guarded investment in DRAM, conditions are still fluid and uncertain.

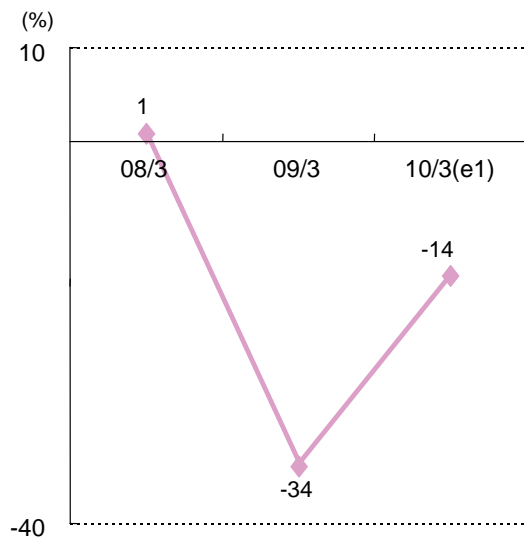
(Semiconductor Manufacturing Equipment) Changes in Orders Received

Changes in Orders Received (In-house products)



(note) In-house products only (except trading products)

Changes in Orders Received (YoY) (In-house products)

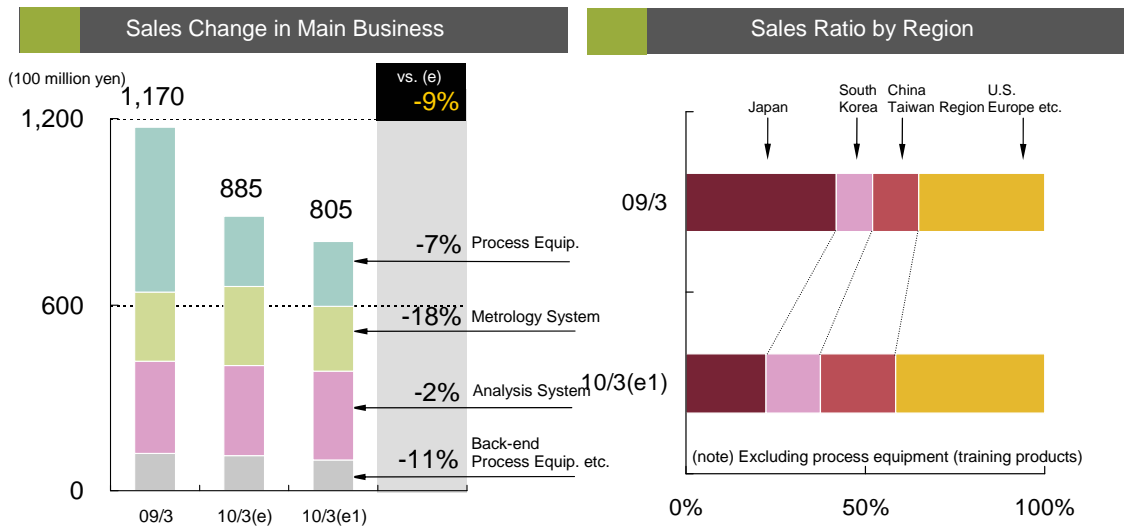


Copyright©2009 Hitachi High-Technologies Corporation All Rights Reserved. 17

■ Circumstances of Orders Received

- FY09 1H: Although investment from major customers solidified and inquiries increased from the latter half of the second quarter, performance declined by 39% due to the discontinued handling of trading products and a lack of large orders in our mainstay inspection and analysis systems in order to meet short delivery times.
- FY09 2H: Though certain investments by major clients are being delayed, we saw a growth of 27% year-on-year, and growth of 23% over the previous half year as certain inquiries led to concrete projects.

(Semiconductor Manufacturing Equipment) Changes in Sales



Future Actions

1. Fulfill customer-value (correspond to new technologies, productivity: improve yield, reduce cost)
2. Response to qualitative market changes (ex. Concentration of investment in major semiconductor manufacturers, promotion of joint development)
3. Capture position in advantageous fields centered on core products and technologies

Copyright©2009 Hitachi High-Technologies Corporation All Rights Reserved. 18

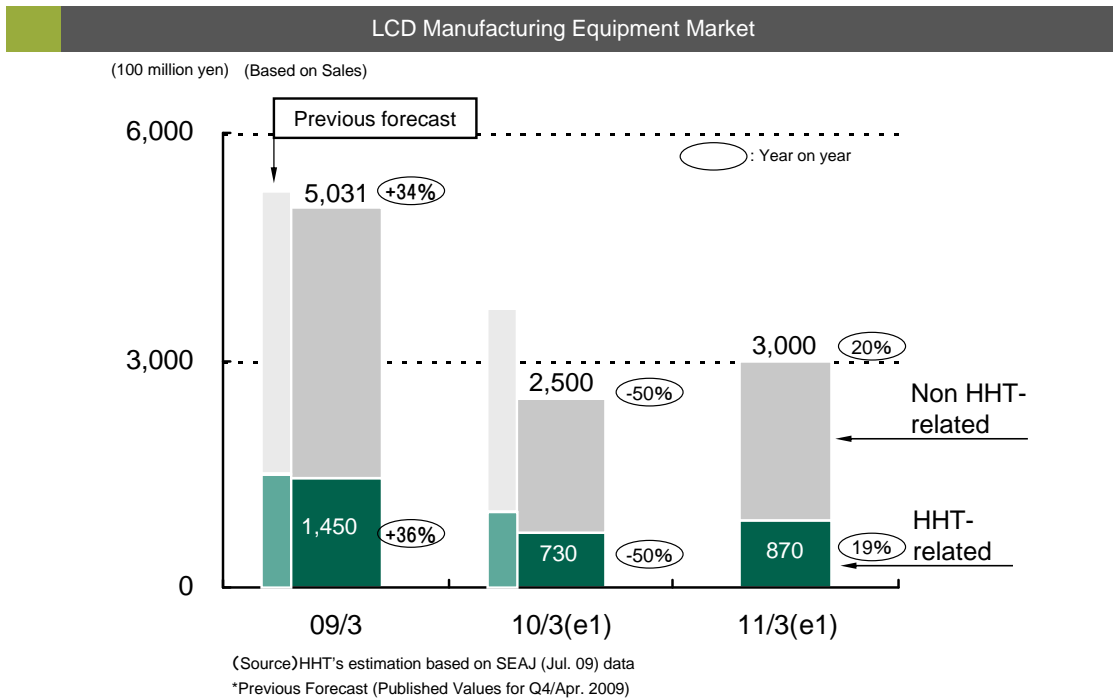
■ Explanations of Deviations

- Process Equipment: Due to postponed investments by major U.S. clients and delays in the resumption of investment by major clients in Asia, we anticipate a decline of 7% compared to earlier forecasts.
- Metrology System: With full-scale recovery in investment pushed to FY10, we are projecting a 18% decline compared to earlier forecasts despite the resumption of investment related primarily to structural refinement by certain major customers over the second half of the year.
- Analysis System: We expect a decline of 2% compared to earlier forecasts due to subdued capital investment mainly in automobiles and electronics, most notably semiconductors and displays.
- Back-end Process Equipment: In die bonders, a decline of 11% from earlier forecasts is likely, with the downturn in other back-end process equipment (trading products) expected to outweigh increases from growing demand for products used with NAND Flash for mobile phones.

■ Sales Ratio by Region: Greater proportion of sales from the U.S. thanks to increased sales to American clients

■ Future Actions

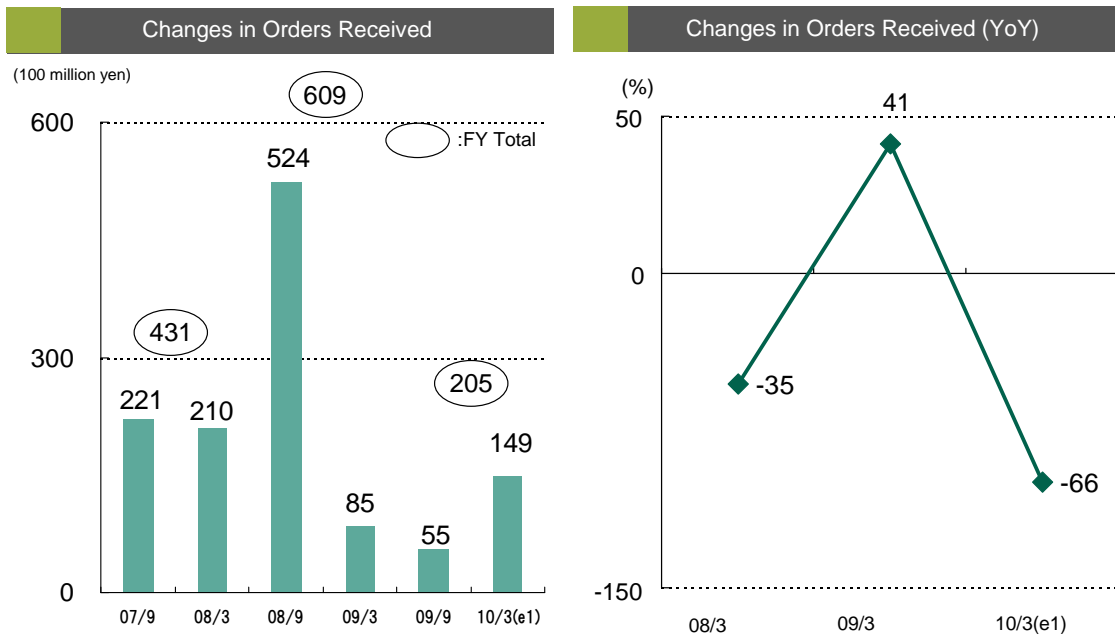
- Fulfill customer-value (correspond to new technologies, productivity: improve yield, reduce cost)
 - Contributions to productivity and cost reductions from a proactive response to new technologies and technologies for improving yields, for example double patterning, TSV, computational lithography, as well as stronger post-sales efforts
- Response to qualitative market changes (ex. Concentration of investment in major semiconductor manufacturers, promotion of joint development)
 - Promote JDP with major clients via basic process development and application enhancement
- Capture position in advantageous fields centered on core products and technologies
 - Size reduction technology, magnetic heads, non-volatile memory, etc.



■Circumstances of the Market

- FY09: While capacity utilization rates among panel manufacturers are rising atop brisk sales of LCD TVs due to measures to expand domestic Chinese demand and other factors, moves to adopt new facilities remain slow, reflecting a guarded outlook for full-scale recovery in demand. Consequently, we anticipate a year-on-year decline of 50%, a figure lower than previous forecasts.
- FY10: Investment plans for new facilities have gradually begun emerging, reflecting efforts to restrain production capacity increases in FY09, which mitigated possible oversupply, as well as anticipated demand for LCD TVs particularly in China from 2010. Consequently, we are projecting year-on-year growth of 20%. The latest new investment plans suggest the possibility of upward revision; however, actual investment is expected to be fluid as panel manufacturers remain guarded. We intend to closely monitor market conditions in Q3 as well as customer trends.

(LCD Manufacturing Equipment) Changes in Orders Received

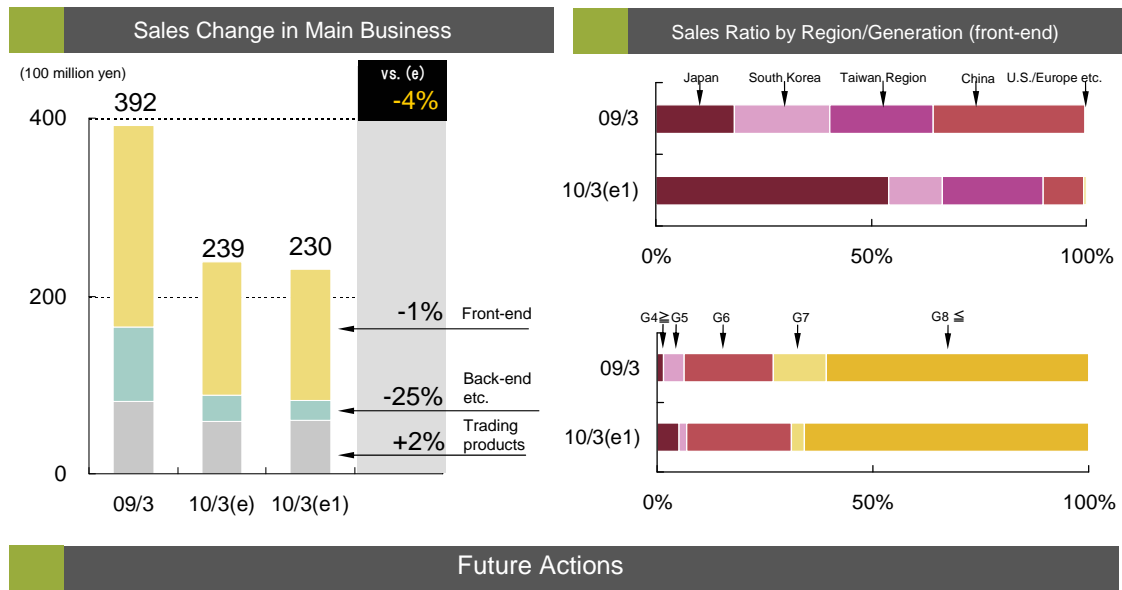


Copyright©2009 Hitachi High-Technologies Corporation All Rights Reserved. 20

■ Changes in Orders Received

- FY09/1H: As market conditions surrounding LCD panels recover, panel manufacturers took a conservative approach to demand trends, stopping short of investment in new facilities. From this extremely adverse order environment, performance fell 89% year on year.
- FY09/2H: Business performance across panel manufacturers is expected to rebound in step with the market recovery in LCD panels. As investment plans begin emerging from panel manufacturers, particularly in the China region, we anticipate growth of 76% year-on-year, and growth of 171% compared to the previous half year.

(LCD Manufacturing Equipment) Changes in Sales



Future Actions

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.)

Copyright©2009 Hitachi High-Technologies Corporation All Rights Reserved. 21

■ Explanations of Deviations

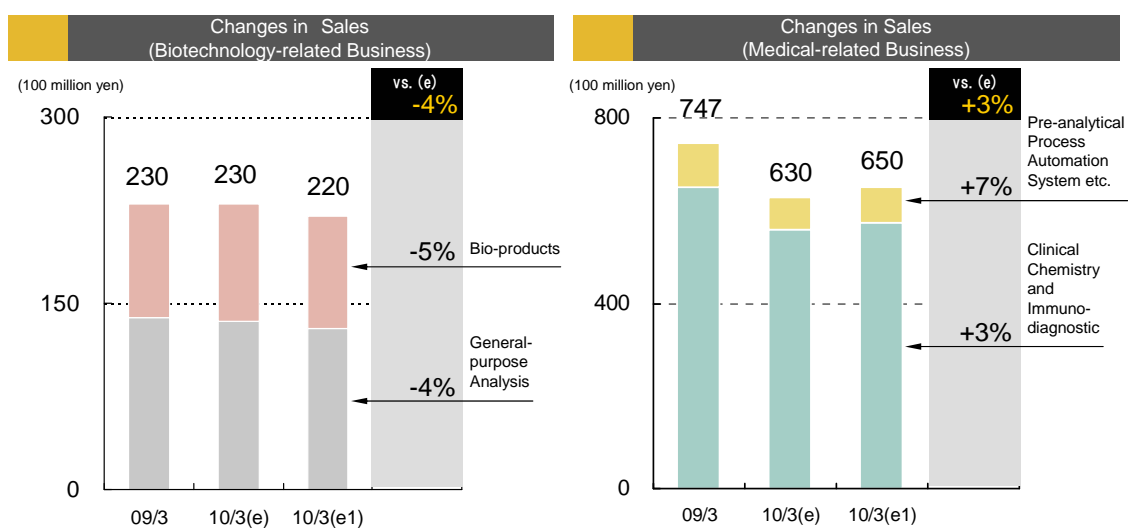
Because of delay in shipment of back-end process equipment, we are projecting a decline of 4% compared to earlier forecasts

No significant deviations from earlier forecasts are expected for net sales by region or generation

■ Future Actions

1. Increase share by development of new products and introducing it to the market
 - The launch of new high-productivity, high-precision module assembly equipment is slated in FY09
2. Develop new businesses
 - The launch of laser scribes for solar cell manufacturing equipment is slated in FY09
3. Reinforce sales to important customers
 - Efforts to bolster our marketing and service frameworks in China remain ongoing

(Life Sciences) Changes in Sales



Future Actions

1. Vigorous response to growth markets through upgrade of applications (Biotechnology, pharmaceutical manufacture, food, environment, energy)
2. Promote SCB (System Collaboration Business) with prominent domestic and overseas manufacturers

■ Explanations of Deviations

• Biotechnology-related Business

Performance in DNA sequencers largely as planned
Decreases due to weak demand for liquid chromatograph mass spectrometers and a review of trading products

• Medical-related Business

Increases due to brisk sales of biochemistry and immunodiagnostic analyzers
Increases due to growing size of pre-analytical process automation systems

■ Future Actions

- Vigorous response to growth markets through upgrade of applications (Biotechnology, pharmaceutical manufacture, food, environment, energy)
→ Conduct aggressive sales expansion in growth fields by creating sales promotion applications based on measurement data for rare metals, others.
- Promote SCB (System Collaboration Business) with prominent domestic and overseas manufacturers
→ In addition to manufacturers outside of Japan, win trust in the Company's products and reagents with the start of sales of optional metabolic syndrome testing equipment (HbA1c) developed in collaboration with prominent manufacturers in Japan.

■ Purpose

Established in the city to train customers in the use of automatic clinical chemistry analyzers, to enable research and demonstrations prior to purchase, and for academic learning purposes. By strengthening customer support, it will contribute to expand orders.



Note: Training Image

■ Number of Staff

Total 8 staff

■ Established

October 1, 2009

■ Address

4-1, Shibakouen 2-chome,
Minato-ku, Tokyo, Japan

【Nearest Station】
Hamamatsucho Sta.
7min.
Daimon/Shibakouen Sta.
3min.



■ Models

LABOSPECT008/003,7700,7180,9000 etc.

■ Others

Floor space
1,092m²



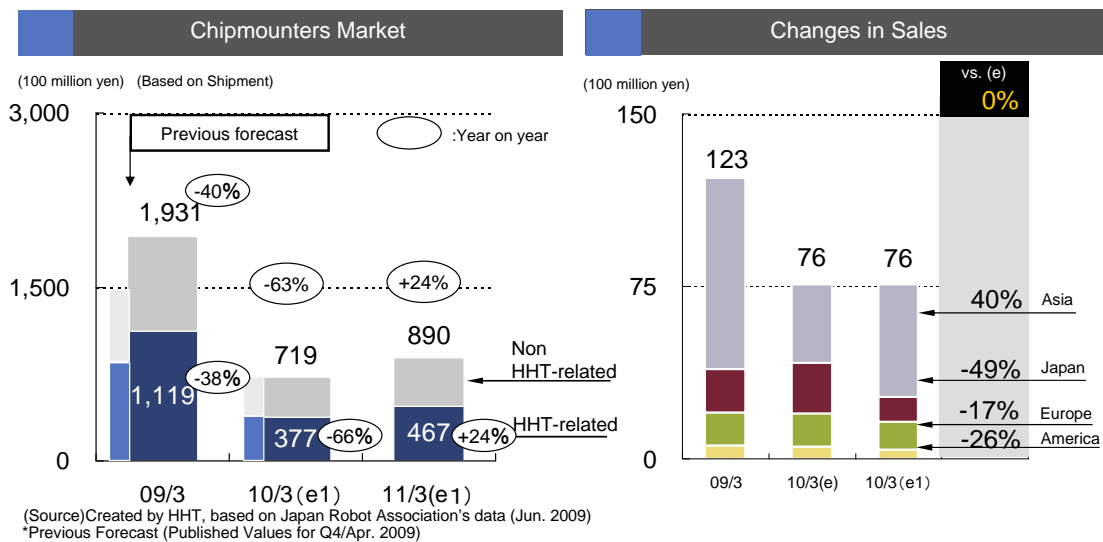
Copyright©2009 Hitachi High-Technologies Corporation All Rights Reserved. 23

■ Opening of the Tokyo Technical Center

We will open a new facility designed to train customers in the use of automatic clinical chemistry analyzers and other clinical diagnostic instruments, to enable research and demonstrations prior to purchase, and for academic learning purposes.

The site selected for the center is Shibakouen in Tokyo's Minato Ward, a highly accessible area located close to Hitachi High-Technologies' head office. Our goal for the center is to expand domestic and foreign sales through improved customer service based on more robust customer support.

(Chipmounters) Market Trend/Changes in Sales



Future Actions

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

Copyright©2009 Hitachi High-Technologies Corporation All Rights Reserved. 24

■ Circumstances of the Market

- FY09: While a mild recovery appears likely particularly in the Chinese market in line with a rebound in customers' capacity utilization rates, we anticipate an overall decline of 63% compared to the previous fiscal year due to the impact of global economic deterioration
- FY10: We are projecting growth of 24%, reflecting the continuation from FY09 of renewed capital investment targeting flat-panel TVs, PCs and mobile phones, particularly in China

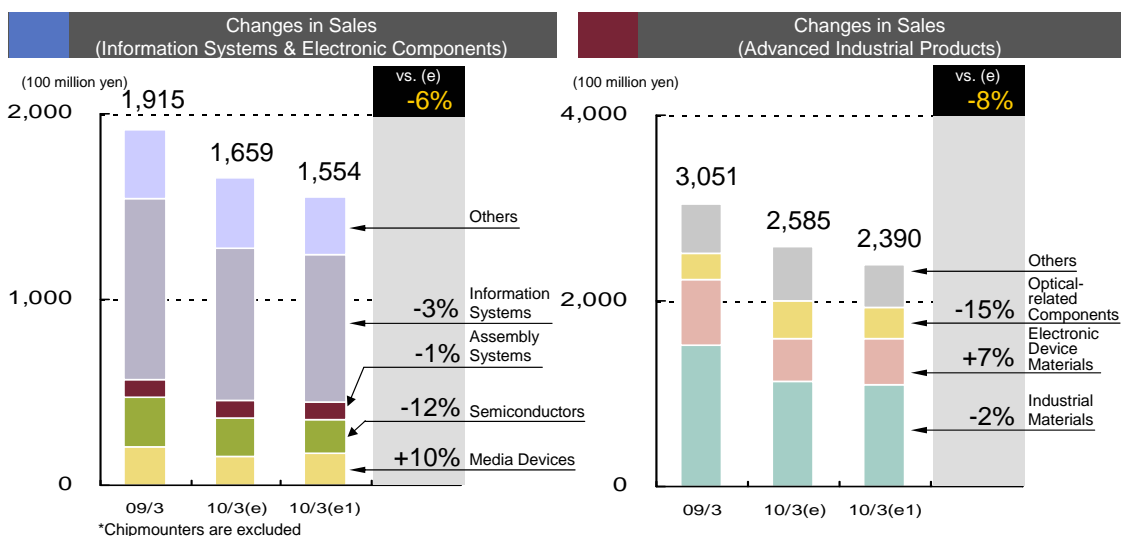
■ Explanations of Deviations

- While government stimulus measures targeting the uptake of appliances will boost sales in China and the rest of Asia, overall levels are expected to be unchanged from earlier forecasts due to delayed market recoveries in Japan, Europe and the United States

■ Future Actions

- Start-up sales and expand share that synchronize with the market recovery by thorough precession sales
 - Enhanced marketing and support and the development of new clients in the Asia region
- Reinforce competitiveness by thorough cost reduction
 - Ongoing promotion of workforce rightsizing and reductions in fixed costs

(Trading Divisions) Changes in Sales



Future Actions

1. Expansion of favorable business fields
(Lithium ion batteries, onboard HDDs, liquid crystal materials, fiber-optic telecommunications etc.)
2. Accelerate development in growth regions

■ Explanations of Deviations

< Information Systems & Electronic Components (excluding chipmounters) + Advanced Industrial Products >
FY09(e) 424.4Ybn → FY09(e1) 394.4Ybn (-30Ybn)

- Firm trading in China and elsewhere in Asia thanks to government stimulus measures targeting appliances; slow turn around in Japan, Europe and the U.S. due to lethargic economic recovery
- Automobile-related material expected to mount a recovery atop firm performance related to eco-cars in the second half of the year, overcoming weakness from first-half inventory adjustments

Information Systems & Electronic Components

• Information Systems

We anticipate a decline of 3% from earlier forecasts, with brisk growth in onboard HDDs for automobiles due to tax breaks for eco-cars overshadowed by a slump in IT solutions

• Assembly Systems (Chipmounters are excluded)

Despite robust capital investments by customers involved in lithium ion batteries for hybrid and electric vehicles, we are projecting a decline in assembly systems for automobiles of 1% from earlier forecasts as manufacturers scale back capital investments

• Semiconductors

We anticipate a decline of 12% from earlier forecasts, with brisk growth in semiconductors for TVs and mobile phones to Asia outweighed by an adverse climate for semiconductors to Europe and the U.S. for digital broadcasting

• Media Devices

Improvement of 10% from earlier forecasts likely thanks to strong sales to Asia of lithium ion batteries for mobile phones

Advanced Industrial Products

• Optical-related Components

Decline of 15% from earlier forecasts expected due to a slump in fiber-optic network components for the United States and Europe

• Electronic Device Materials

Growth of 7% over earlier forecasts projected thanks notably to brisk sales of liquid crystal materials due to increased demand for flat-panel TVs

• Industrial Materials

Decline of 2% from earlier forecasts likely due mainly to a downturn in functional components and parts for digital appliances

■ Future Actions

1. Expansion of favorable business fields

→ Shift marketing resources to fields such as lithium ion batteries, onboard HDDs, liquid crystal materials, and fiber-optic telecommunications

2. Accelerate development in growth regions

→ In countries such as China and Brazil, promote business development leveraging our global network

(Topics) Organizational Reform Solutions Derived from Our Business Microscope

Overview of the Organizational Reform Solutions

What is the Business Microscope?

"World's first" analytical tool able to quantitatively measure the actual degree of knowledge worker activity and communication

[2008 Received the Good Design Award 

Brief Background to Business Establishment

2004: Start of R&D by Hitachi, Ltd.'s Advanced Research Laboratory

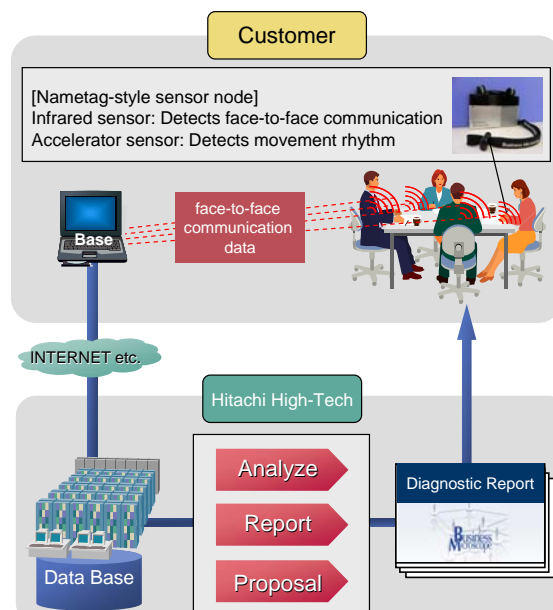
2008: Launch of feasibility study

2009: Embarks on commercialization

Boosting Knowledge Worker Productivity



Flow of Organizational Reform Solutions



Copyright©2009 Hitachi High-Technologies Corporation All Rights Reserved. 26

■What is the Business Microscope?

The Business Microscope is the world's first analytical tool able to quantitatively measure the actual degree of knowledge worker activity and communication

■Brief Background to Business Establishment

- ①2004: Start of R&D by Hitachi, Ltd.'s Advanced Research Laboratory
Joint research with MIT, Claremont University, and other world-leading research institutions
- ②2008: Launch of feasibility study by the Company (April 2008)
- ③2009: The Company embarks on commercialization (April 2009)

■Boosting Knowledge Worker Productivity

Based on the results of our Business Microscope analysis, we will work to enhance communication, and deliver solutions that boost knowledge worker productivity, improve organizational value, and enhance the level of employee fulfillment

■Flow of Organizational Reform Solutions

- ① Attach nametag-style sensor nodes to members of organization targeted for analysis
- ② Collection at the Company's data center of data gathered from internal sensors
- ③ Conduct analysis based on accumulated data, report diagnostic results, and propose measures to resolve issues
- ④ Display the diagnostic report

[Nametag-style sensor node]

Infrared sensor: Detects face-to-face communication

Accelerator sensor: Detects movement rhythm

(Topics) Organizational Reform Solutions Derived from Our Business Microscope

Example of Adoption by the System Development Divisions (100 people)

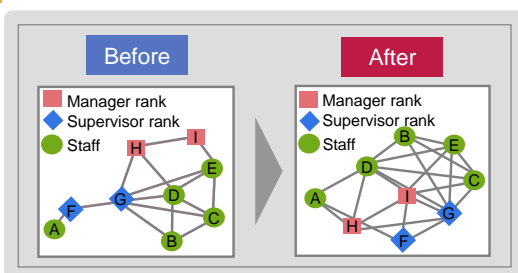
Issues identified by Business Microscope

Classification	Issues
Barrier	A barrier exists between regular employees and employees from partner companies
Links	-Parts of the setup unclear to those in charge -Weak links across supervisor ranks
Fulfillment	High rate of stress-related health issues

Effects of Introduction

Improved Productivity		
	Before	After
Productivity (Relative Value)	100	116
◆ Effects of Introduction		
Improved Productivity (100 people) $\text{¥}1\text{M}/\text{person}(\text{month}) \times 16\% \times 100\text{people} = \text{¥}16\text{M}/\text{month}$ Effect on Operating Results = $\text{¥}190\text{M}/\text{year}$		

Enactment of improvement measures to resolve issues



Reduced Risk of Stress-related Health Issues

	Before	After
Reduced Risk of Illness	7%	3%
◆ Effects of Introduction		
Reduced Risk of Stress-related Health Issues (100 people) $\text{¥}1\text{M}/\text{person}(\text{month}) \times 4\% \times 100\text{people} = \text{¥}4\text{M}/\text{month}$ Effect on Personnel Costs = $\text{¥}50\text{M}/\text{year}$		

Copyright©2009 Hitachi High-Technologies Corporation All Rights Reserved. 27

Example of Adoption by the System Development Divisions (100 people)

① Issues identified by Business Microscope

- 1) A barrier exists between regular employees and employees from partner companies
- 2) Parts of the setup unclear to those in charge
Weak links across supervisor ranks
- 3) High rate of stress-related health issues

② Enactment of improvement measures to resolve issues

Bonds between organizations/within teams strengthened by organizational revitalization measures derived from Business Microscope

- 1) Communication increased 103% between regular employees and employees from partner companies
- 2) Communication increased 40% in average on an individual bases

③ Effects of introduction

1) Improved productivity

Productivity (Kstep/person per month): 16% increase
 Estimated effect on operating results: $\text{¥}190\text{M}/\text{year}$

2) Reduced risk of stress-related health issues

Reduced risk of illness: Reduction from 7% to 3%
 Estimated effect on personnel costs: $\text{¥}50\text{M}/\text{year}$

3) Total effects from adoption (sum of items 1) and 2) above): $\text{¥}240\text{M}$

4) Client monetary investment (adoption cost): $\text{¥}30\text{M}$ to $\text{¥}50\text{M}$ (100 people for 6 months)

Target Sales for Organizational Reform Solutions

$\text{¥}1.0$ billion/FY2011

$\text{¥}3.0$ billion/FY2015

III

Financial Data

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

Quarterly Results

(100 million yen)

	08/Q1	08/Q2	08/Q3	08/Q4	09/Q1	09/Q2
Sales	1,829	2,404	1,633	1,883	1,325	1,492
Operating Income	19	106	23	1	-38	-38
Ordinary Income	26	113	30	-4	-32	-37
Net Income	-2	78	20	-25	-20	-33

■ Sales by Segment

(100 million yen)

	08/Q1	08/Q2	08/Q3	08/Q4	09/Q1	09/Q2
Electronic Device Systems	250	612	327	494	200	233
Life Sciences	248	243	213	273	207	233
Information Systems & Electronic Components	443	616	420	558	352	398
Advanced Industrial Products	888	933	673	558	566	628

(100 million yen)

	08/1H	09/1H	Y o Y	09/3	10/3(e1)	Y o Y
Capital Expenditure	57	52	-8%	122	85	-31%
Depreciation Costs	43	46	+7%	95	99	+4%
R&D	106	94	-11%	215	193	-10%

*Capital Expenditure is based on an acquisition bases

Explanation of Y o Y Variations (FY09)

- Capital Expenditure: 3.7Ybn decrease
 - Deferment of extension and renovation of Naka Works
- R&D: 2.2Ybn decrease
 - Element technology development of Electronic Device Systems and Life Sciences

Sales Trends by Main Group

(100 million yen)	08/9	09/9	Y o Y	09/3	10/3(e1)	Y o Y
Electronic Device Systems	863	433	-50%	1,683	1,110	-34%
Process Equipment	288	97	-66%	532	211	-60%
Metrology & Analysis System	281	175	-38%	519	495	-5%
LCD Manufacturing System	138	72	-48%	392	230	-41%
HD Manufacturing System	31	7	-79%	48	17	-65%
Others	124	82	-34%	192	157	-18%
Life Sciences	491	441	-10%	977	870	-11%
Biotechnology-related Business	93	90	-3%	196	199	+1%
Medical-related Business	367	339	-8%	730	645	-12%
Others	32	12	-62%	51	26	-49%
Information Systems & Electronic Components	1,059	749	-29%	2,038	1,630	-20%
Information System	459	371	-19%	976	793	-19%
Assembly System	143	65	-55%	222	174	-22%
Semiconductor	168	84	-50%	265	183	-31%
Media Devices	124	95	-24%	205	169	-18%
Others	164	133	-19%	370	311	-16%
Advanced Industrial Products	1,820	1,194	-34%	3,051	2,390	-22%
Industrial Material	900	551	-39%	1,517	1,101	-27%
Electronic Material	464	265	-43%	707	495	-30%
Optical-related Component	155	162	+4%	288	338	+17%
Others	302	217	-28%	540	455	-16%

(note) Restate 'Assembly System' (Information System & Electronic Components) and 'Industrial Material' (Advanced Industrial Products) in 09/03
Differences are included 'Others' in each segment.

[Notes on the data]

- All rights reserved. Copyright and other proprietary in the material, form and contents presented here are owned by Hitachi High-Technologies Corporation (HHT). Unauthorized duplication or distribution is strictly prohibited.
- While every effort has been taken to ensure the accuracy of the information, HHT shall have no liability for any damage arising from the use of the information contained in this report.
- Contents may be subject to change without prior notice.
- 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.
- Rates of change up or down are generally calculated in units of yen.
- The predictions in this presentation that relate to the future results of the Company were based on information that could be known at the current time.
In the industry in which we are active, the rate of technological change is rapid and competition is fierce.
Various external factors, including the world economy, the semiconductor market, and exchange rates also directly and indirectly affect results.
Accordingly, please be aware of the possibility that future results may differ from those in this presentation.
Any major differences will be publicly announced as they occur in accordance with the timely disclosure regulations of the stock market and the voluntary decisions of the Company.

*The information included in this material is for reference when investing, and not a canvass to invest. Brand selection and the final decision is at your own judgment.

Copyright©2009 Hitachi High-Technologies Corporation All Rights Reserved.

END

FY09 2nd Quarter Financial Results

 **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-Tech

Bringing the frontier to the forefront.

Copyright©2009 Hitachi High-Technologies Corporation All Rights Reserved.