

FY10 2nd Quarter Financial Results

Strong performance in Electronic Device Systems business boosts earnings forecast

October 26, 2010

 **Hitachi High-Technologies Corporation**

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FY10 2nd Quarter Financial Results

I FY10 Q1-Q2 Results

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III Data

I FY10 Q1-Q2 Results

Note: YY/M denotes the year and month of the accounting period end.
(e) denotes the forecast for the previous period (July 2010).

FY10 Q1-Q2 Highlights

(100 million yen)

	Results	YoY		Vs. Previous Forecast	
		Increase/Decrease	Ratio	Increase/Decrease	Ratio
Sales	3,353	+536	+19%	+123	+4%
Operating Income	138	+214	—	+48	+53%
Ordinary Income	143	+213	—	+51	+56%
Net Income	98	+151	—	+36	+58%
Net Income per Share	71.11 yen	+109.69 yen		+26.03 yen	
Cash Dividend per Share	10.00 yen	+5.00 yen		±00.00 yen	
FCF	+87	+152		+39	

*Previous forecast, published July 2010

Vs. Previous Forecast (July 2010)

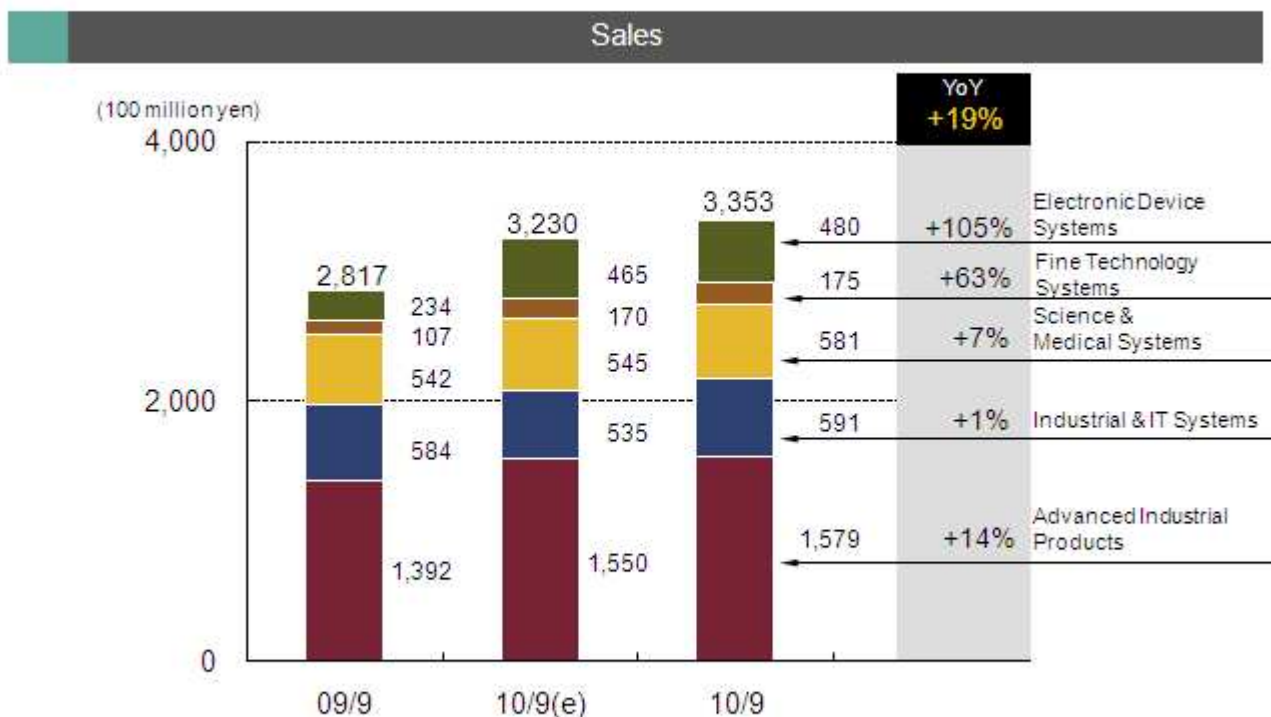
Sales (323.0YBn → 335.3YBn +12.3YBn)

- Science & Medical Systems: Accelerated delivery of clinical analyzers led to growth of 3.6YBn.
- Industrial & IT Systems: Strong performance in mobile phones for the U.S. led to growth of 5.6YBn.
- Advanced Industrial Products: Increased demand for automotive components led to growth of 2.9YBn.

Operating Income (9.0YBn → 13.8YBn +4.8YBn)

- Electronic Device Systems: Strong sales in semiconductor manufacturing equipment and improved production operation led to growth of 2.2YBn.
- Science & Medical Systems: Increasing shipment in clinical analyzers led to growth of 1.5YBn.

FY10 Q1-Q2 Sales (by Segment)



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

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■Explanation of YoY Variations

• Electronic Device Systems

A YoY increase of 105% was achieved due to the rapid recovery of the semiconductor manufacturing equipment market as a result of capital expenditure for increased production.

• Fine Technology Systems

A YoY increase of 63% was achieved due to recovery of the FPD and HD manufacturing equipment markets as a result of capital expenditure for increased production.

• Science & Medical Systems

A YoY increase of 7% was achieved due to recovery of demand for DNA sequencers and electron microscopes for semiconductor and new energy-related business.

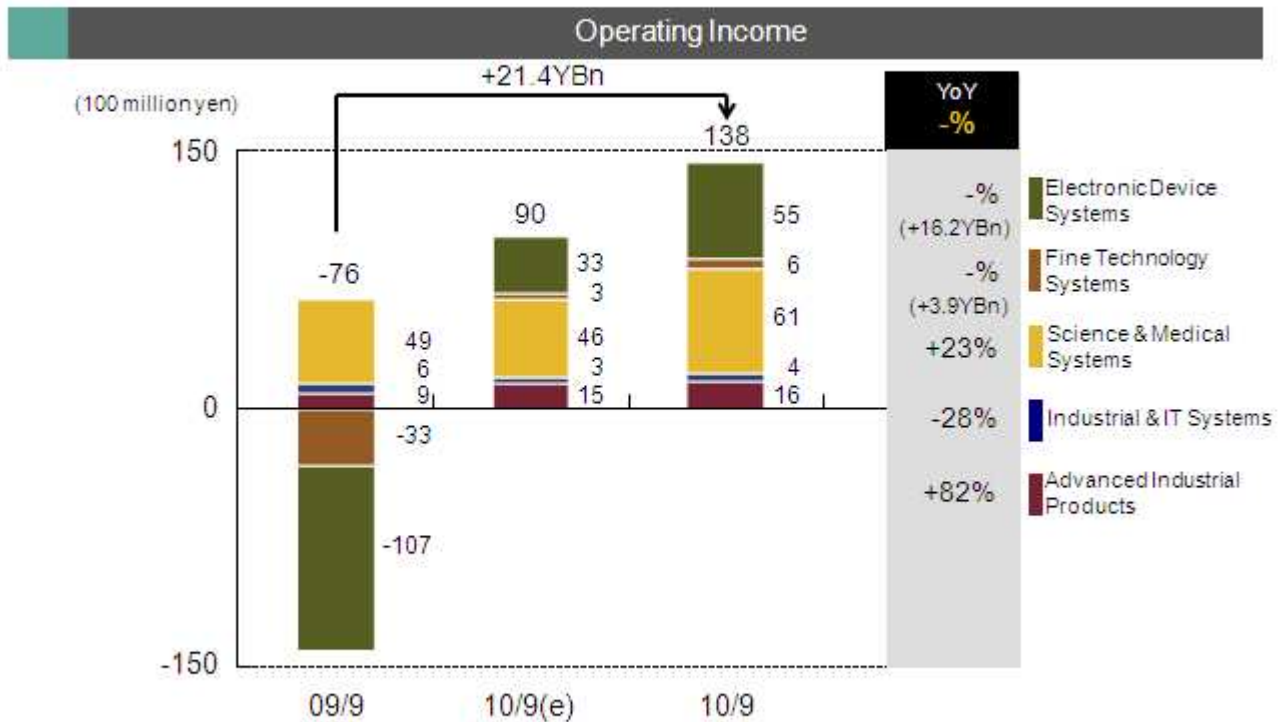
• Industrial & IT Systems

Although demand in the U.S. for current mobile phone models is down, demand for LiB assembly systems and automotive HDDs has resulted in a YoY increase of 1%.

• Advanced Industrial Products

The increase in material prices and recovery of demand for automotive-related products has resulted in a YoY increase of 14%.

FY10 Q1-Q2 Operating Income (by Segment)



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

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■Explanation of YoY Variations

• Industrial & IT Systems

A decrease in sales of mobile phones for the U.S. and control systems has resulted in a YoY decrease of 28%.

Operating profits and losses in other segments improved for similar reasons in sales.

Balance Sheet (in Summary)

As of end of September 2010 (100 million yen)

			vs 10/3				vs 10/3
Current Assets		3,328	+80	Current Liabilities		1,556	-2
Cash & Deposits/Deposit to Hitachi Group Cash Management Fund	921	-97		Notes &Accounts Payable	1,098	-2	
Notes &Accounts Receivable	1,459	+14		Others	457	+0	
Inventories	710	+138		Fixed Liabilities		269	+10
Others	238	+25		Retirement and Severance Benefits	259	+6	
Fixed Assets		856	-7	Others	10	+4	
Tangible Fixed Assets	557	-2		Net Assets		2,359	+65
Intangible Fixed Assets	61	+12		Shareholder Capital	2,377	+84	
Investments & Other Assets	237	-17		Assessments/Exchange Difference, etc.	-19	-17	
				Minority Interests	1	-2	
Total Assets		4,184	+73	Total Liabilities & Shareholder Equity		4,184	+73

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■ Key Points (vs. year ended March 31, 2010)

• Current Assets

Inventories: +13.8YBn

(Work in progress: +6.9YBn, Inventory in transit: +4.5YBn, Other: +2.4YBn)

• Equity ratio: 56.4% (+0.7%)

• Book value per share: 1,714.43 yen (+48.43 yen)

Hitachi High-Tech
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(100 million yen)		10/1H			10/1H
Cash Flow from Operating Activities		+2	Cash Flow from Financial Activities		-16
Income Before Income Taxes and Minority Interests		+137	Dividends Paid		-14
Depreciation and Amortization		+41	Others		-2
Working Fund		-154	Effect of exchange rate changes		-19
Income Taxes Paid/Refund		-19			
Others		-3			
Cash Flow from Investing Activities		+84			
Capital Expenditures Proceeded from Sales/Purchase of Securities		+0			
Capital Expenditures Proceeded from Sales/Purchase of Property and Equipment		-27			
Others		+111			
Free Cash Flow		+87			
			Cash and Cash Equivalents		
			At the Beginning of the Year		+902
			Increase/Decrease		+52
			At the end of Term		+954

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(Fixed deposit and deposits to Hitachi Group cash management Fund with maturity over three months: -2.6YBn, Others: +6.0YBn).

II FY10 Outlook

Note: YY/M denotes the year and month of the accounting period end.

(e) denotes the forecast for the previous period (July 2010).

(e1) denotes the forecast for the current period (October 2010).

FY10 Outlook (Highlights) ①

(100 million yen)

	FY10 Outlook	YoY		Vs. Previous Forecast	
		Increase/Decrease	Ratio	Increase/Decrease	Ratio
Sales	6,800	+631	+10%	+100	+1%
Operating Income	255	+271	—	+53	+26%
Ordinary Income	260	+265	—	+55	+27%
Net Income	170	+198	—	+44	+35%
Net Income per Share	123.60 yen	+144.15 yen		+31.99 yen	
Cash Dividend per Share	20.00 yen	+5.00 yen		±00.00 yen	
ROE	7.2%	+8.4%		—	
FIV	+39	+161		—	
FCF	+125	-16		+77	

Note: FX rate estimate: 1 USD= 87 yen
1 EUR= 108 yen

*Previous forecast, published July 2010

Measures to Reduce Foreign Exchange Exposure

■ Changes in FX Rates Estimate

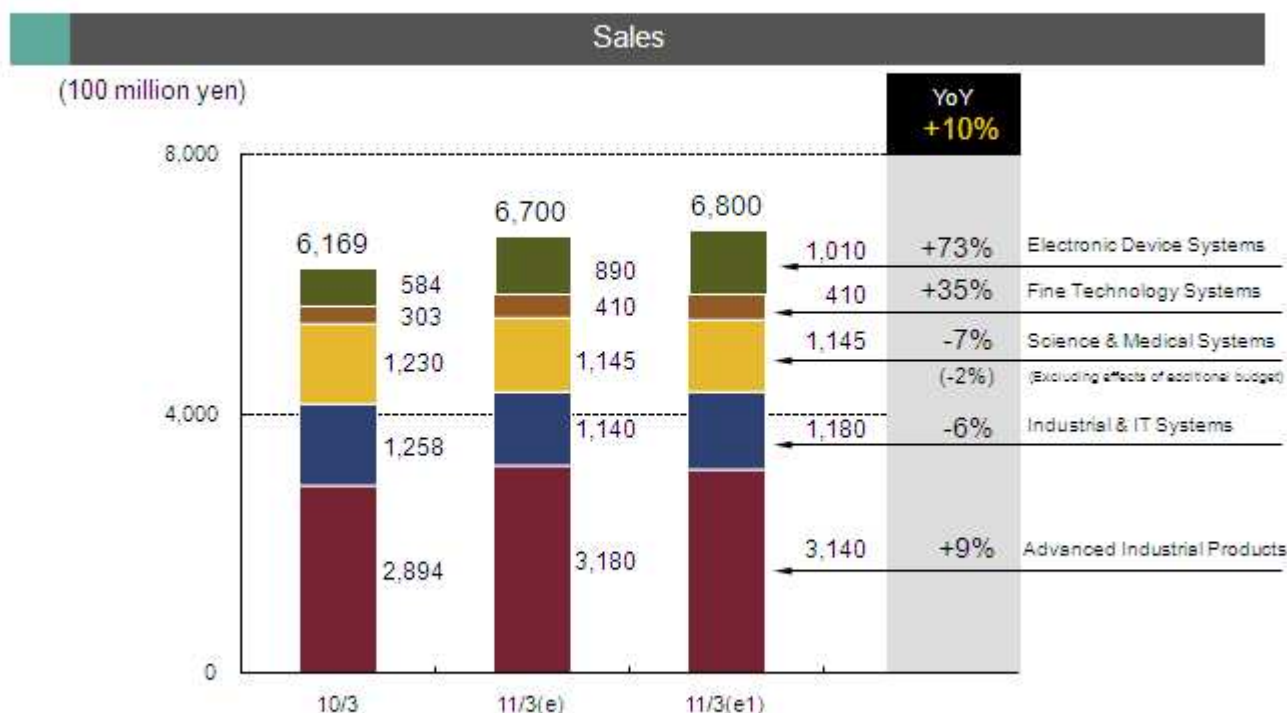
	Start (2010/4)		Previous (2010/7)		Current (2010/10)	
	1H	2H	1H	2H	1H*	2H
USD	85.00	85.00	90.00	85.00	89.40	87.00
EUR	125.00	125.00	110.00	125.00	114.20	108.00

*10/1H is actual rate

■ Measures to Reduce FX Exposure

- Foreign currency transactions hedged by forward exchange contracts at the time of order received.
The FX rates estimate in 10/2H has been implemented with the mostly same level as 10/2H rates to reduce FX risk.
- Bolster overseas procurement and production.

FY10 Outlook (Sales by Segment)



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

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■ Explanation of YoY Variations

• Electronic Device Systems

YoY growth of 73% is expected upon renewed capital expenditure by semiconductor manufacturers, which has boosted demand for front-end, back-end, and assembly equipment.

• Fine Technology Systems

While FPD manufacturing equipment (including trading products) are down for Japan, investment in FPD manufacturing equipment and HD manufacturing equipment in China is brisk, and a YoY increase of 35% is expected.

• Science & Medical Systems

Capital expenditure for electron microscopes and general-purpose analytical instruments is expected to recover in semiconductors and new energy-related fields, but the effects of the FY09 additional budget and high yen have resulted in an expected YoY decrease of 7%.
(Excluding effects of FY09 additional budget: YoY -2%).

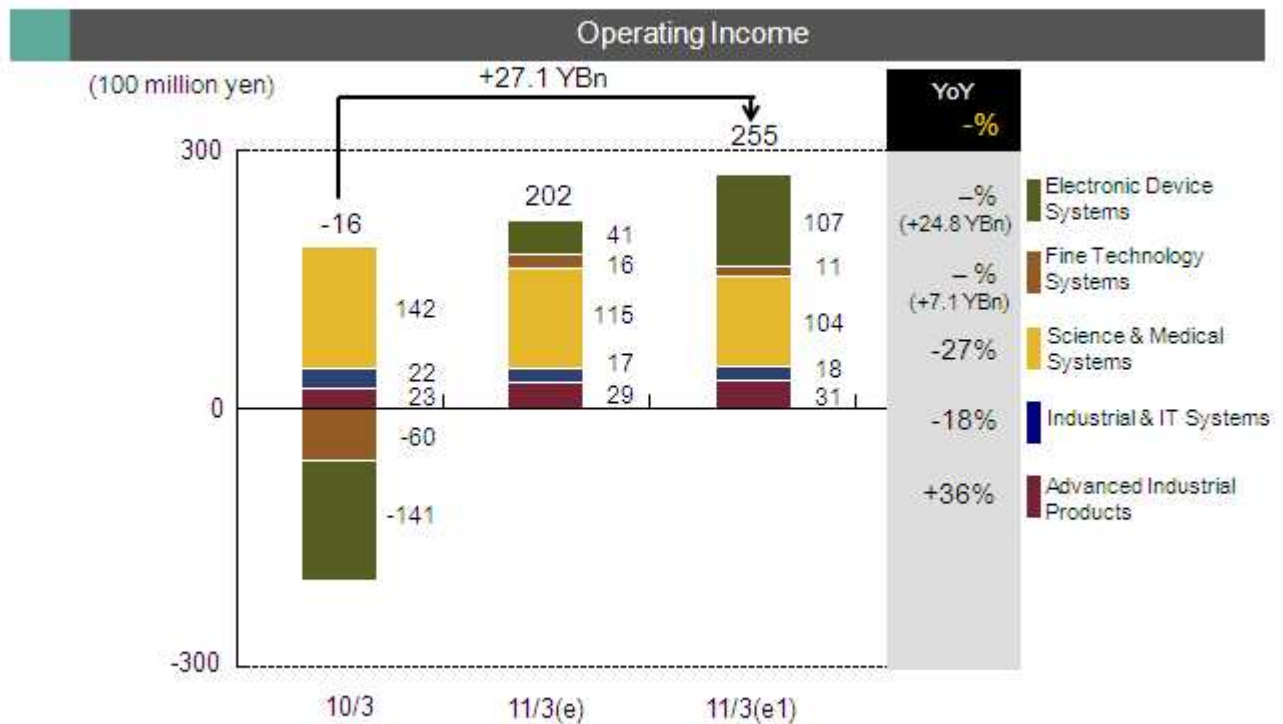
• Industrial & IT Systems

While assembly systems and products for low-emission automobiles and design and manufacturing solutions have recovered, low demand for existing models of mobile phones has resulted in an expected YoY decrease of 6%.

• Advanced Industrial Products

A YoY increase of 9% is expected due to the increase in the price of materials and recovery of demand for automotive-related components and materials for electronic devices.

FY10 Outlook (Operating Income by Segment)



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■ Explanation of YoY Variations

Operating profits and losses in all segments increase or decrease for similar reasons in sales.

Trends in Semiconductor Devices and Manufacturing Equipment Market

Semiconductor Device Market

- Strong demand for smartphones and mobile devices has led to recovery in semiconductor device market in FY10 (FY09: 251B\$, FY10: 295B\$). PC market will be bottomed out in short term, underpinned by sales to rising nations and businesses as inventories are liquidated in 2H of FY10.
- NAND, MPU, ASSP forecast to grow in FY11. Although YoY sales are expected to be down 5-7% due to lower prices, DRAM production will continue to expand due to high bit growth.

Semiconductor Manufacturing Equipment Market

- Rapid recovery in market during 1H of FY10 and YoY growth expected to be up 87%.
- While a dip may occur between later 2H of FY10 and beginning of FY11, it will be short and FY11 forecast is expected to be on the same scale as FY10.
- Investment in volume production of the most advanced DRAM (3Xnm), NAND, and logic (2Xnm) continues with new fab construction mainly in advanced memory and foundries.

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■ Trends in Semiconductor Devices and Manufacturing Market

Capital expenditure in production for scaling to continue in response to low memory unit prices, and several investment projects in new production lines are planned for early 2011.

Smartphones, tablet PCs, and 3D/high-resolution products will continue to dominate, and with inventories to be liquidated relatively quickly due to the expansion of emerging markets, the macro view is that the market for semiconductor devices and semiconductor manufacturing equipment should see positive growth into next year.

However, global economic trends need to be closely followed due to the development of a multi-polar world in which financial markets and global supply are interdependent.

Trends in Semiconductor Scaling

Changes in aims of scaling

- Current: High performance + low cost
 - Future: Low cost + miniaturization
- Accelerated scaling of advanced NAND, logic, DRAM

Trends in next-generation lithography

- EUV is frontrunner but implementation expected to be delayed
 - Current methods are photo litho + double patterning (DP)
- DP can reduce pattern pitches in half
Possibility for breakthroughs in DP process technology

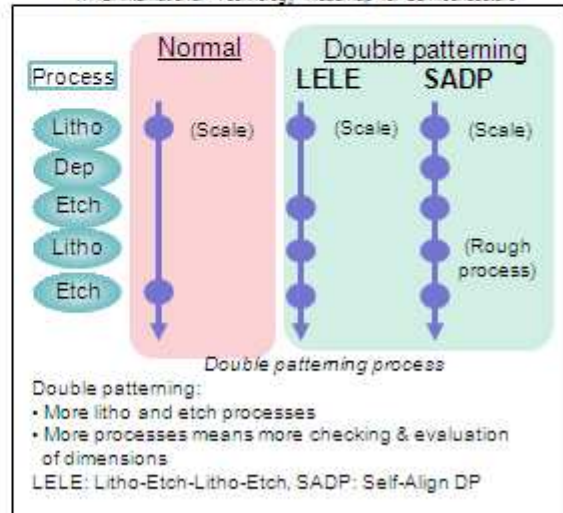
HHT developing solutions for next-gen fine pitches

- Etching system for DP
- Alignment error measurement on DP chips: CD-SEM (Joint research with IBM)

Acceleration of scaling (NAND flash) Units: nm

Year	2010	2011	2012	2013	2014	2015
ITRS 09 Flash hp	32	28	26	23	20	18
Advanced Flash Scaling Project	32	27-21		18-16		14-11

(ITRS: International Technology Roadmap for Semiconductors)



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■ Trends in Semiconductor Scaling

New goals in scaling as advanced device manufacturers redouble scaling efforts

Current aim: High performance (high speed, low voltage, low power consumption) & shrink chip area to reduce costs.

Future aim: Low cost & smaller chips.

Approaching limits of High NA ArF immersion (193nm) heightened interest in next-generation lithography

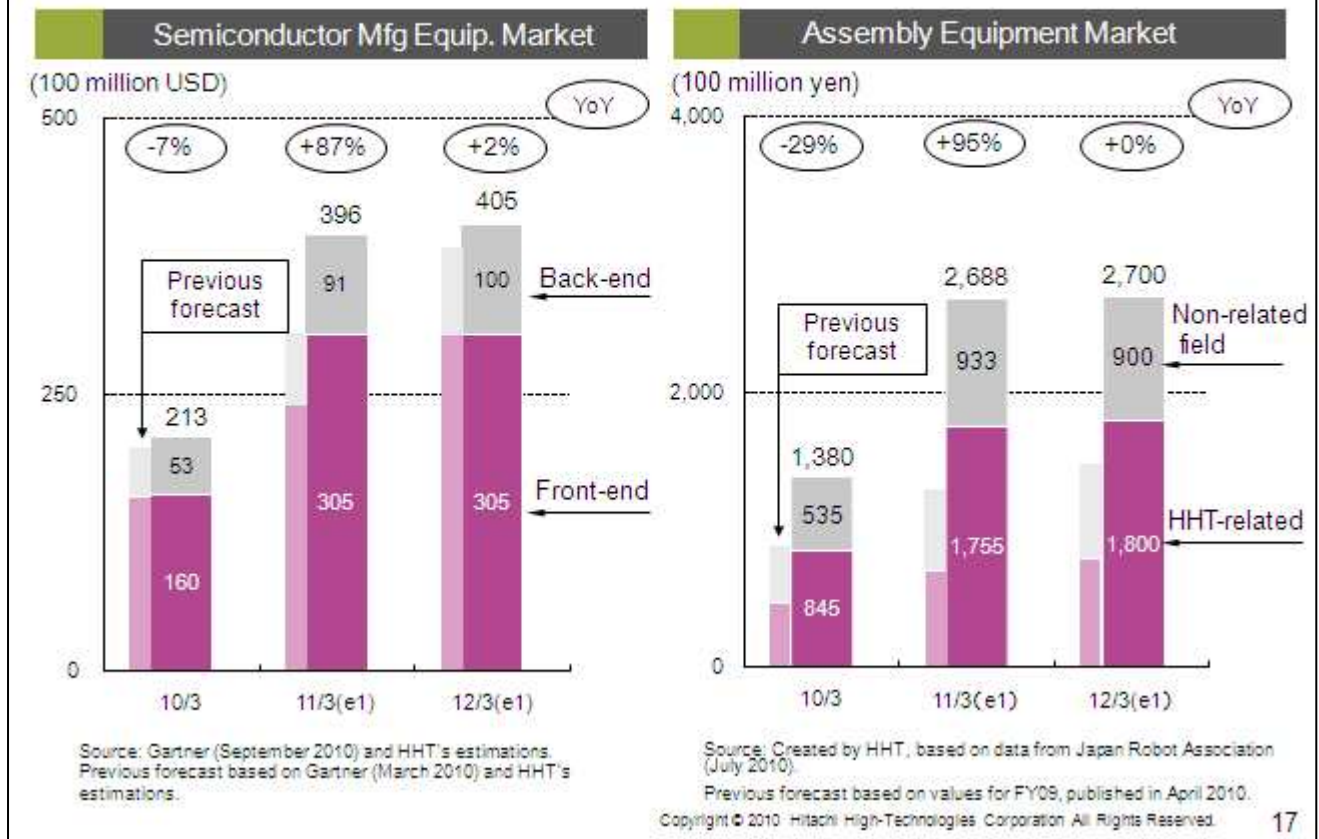
Extreme UV (EUV, 13nm) lithography is promising. Despite vigorous development via a joint development consortium, EUV is at odds with the redoubled-efforts in scaling. However, it is expected that an exposure method combining double patterning with immersion lithography will be used. Using this method will reduce pattern pitches by half. There is potential to extend the use of immersion ArF exposure with breakthroughs in DP process technology and optimization of layouts.

HHT's plans for providing next-generation lithography solutions and expanding business by helping advanced device manufacturers reduce costs

Examples

- Etching system for double patterning.
- CD-SEM with chip alignment error measurement for double patterning.

Although management of alignment error for double patterning will become yet more difficult, the measurement of alignment error on chips using current optical measurement methods is problematic.



■ State of the Semiconductor Manufacturing Equipment Market

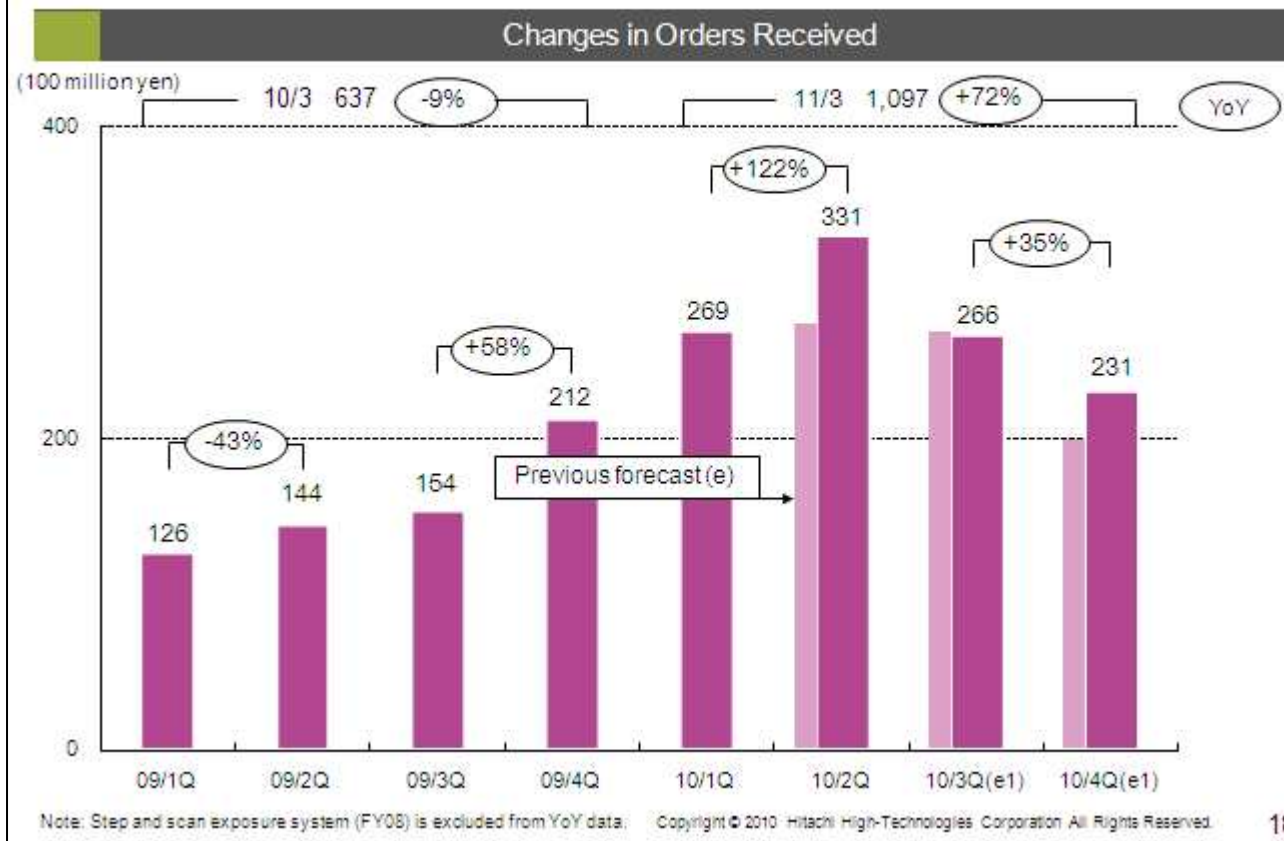
- FY10: Recovery in 1H should exceed initial forecasts and the semiconductor manufacturing equipment market should bounce back with substantial capital expenditures by memory manufacturers and foundries.

In 2H, while the PC market is expected to slow, substantial YoY growth of 87% is expected due to investments in MPU, NAND, and foundries along the same scale as FY10/1H.

- FY11: While Q1 may see some adjustments, with the start of investment in new fabs in 2H, the semiconductor manufacturing equipment market is expected to grow at a rate similar to that of FY10. In the back-end assembly equipment market, the number of systems installed is expected to increase due to trends in DRAM, NAND, MPU, ASSP, and chip counts.

■ State of the Assembly Equipment Market

- FY10: With market peaking in Q2, recovery in demand will slow through the end of the year, but substantial YoY growth of 95% is expected.
- FY11: Decrease is expected to level off due to large scale investment made in FY10. However, the market is expected to recover in 2H led by 3D products (FPD TVs, PCs, and cameras, etc.), smartphones, and tablet PCs (e-books). The year is expected to be much like the previous year but with a trend toward higher demand for high-speed devices.



■ Changes in Orders Received

•10/1H: Growth that started in the second half of FY09 will continue thanks to renewed capital expenditures primarily by foundries, memory manufacturers, and back-end/assembly equipment manufacturers in the Asian belt.

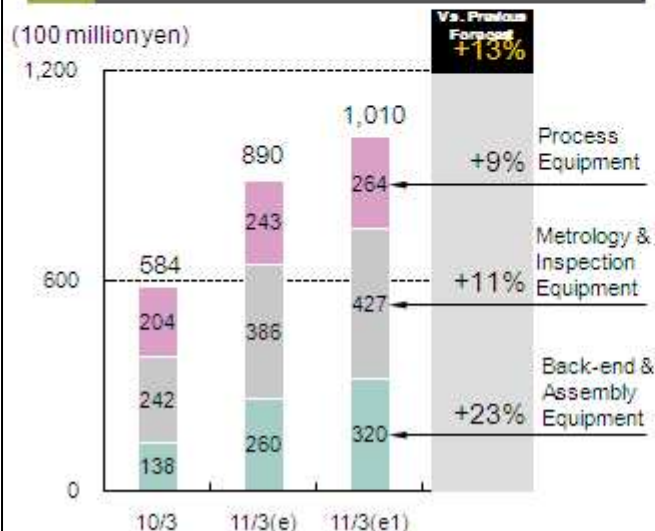
Orders for front-end equipment for MPUs and bonders for NAND were particularly strong in Q2, with a YoY increase of 122% (64% increase when comparing FY10/1H to FY09/2H).

•10/2H: Results are expected to be lower than Q2, but thanks to expected investment in new production line facilities and in scaling for FY11, Q3 and Q4 are expected to be on par with Q1 levels and should see a YoY increase of 35% (-17% when comparing FY10/1H to FY09/2H).

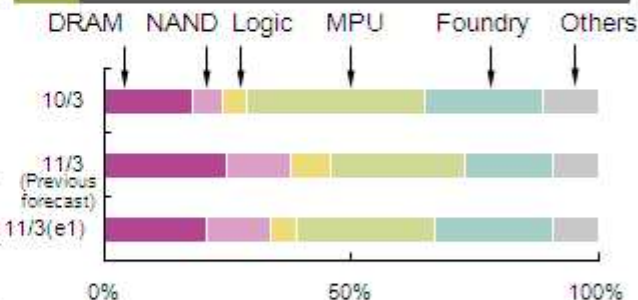
Future Action

1. Front-end/Back-end equipment: Accelerate efforts in growth fields and scaling, and secure orders.
2. Chip mounters: Develop new customers and improve customer service for current customers to achieve share greater than market growth.

Sales Change in Main Business



Sales Ratio by Fields (Front-end Equipment)



Note: Previous forecast based on values for FY10, published in April 2010.

FY09: Secured sales to MPU manufacturers amidst market contraction. 2H foundries also robust.
FY10: MPU, foundries continue to be robust.
Ratio to relatively increase after renewed investment by DRAM and NAND manufacturers.

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Future Action

1. Front-end/Back-end equipment: Accelerate efforts in growth fields and scaling, and secure orders.

Introduce new products for advanced device processes, and garner new orders through the improvement of productivity and minimization of customer costs.

2. Chip mounters: Develop new customers and improve customer service for current customers to achieve share greater than market growth rate.

Establish new department in 10/2H and accelerate strategy for major customers to increase share.

Explanation of YoY Variations

Process Equipment

- A YoY increase of 9% is expected due to increase in demand from an MPU manufacturer.

Metrology & Inspection Equipment

- A YoY increase of 11% is expected due to growing markets in China and other Asian belt countries.

Back-end/Assembly Equipment

- Investment should continue to be robust, mainly in China.
- A YoY increase of 23% is expected due to continued growth in production mainly in FPD TVs, smartphones, and PCs.

FY10 Sales Ratio by Fields for Front-end Equipment

DRAM and NAND ratios are expected to increase relative to renewed large-scale capital investment by major memory manufacturers.

Trends in FPD Panels and HDDs

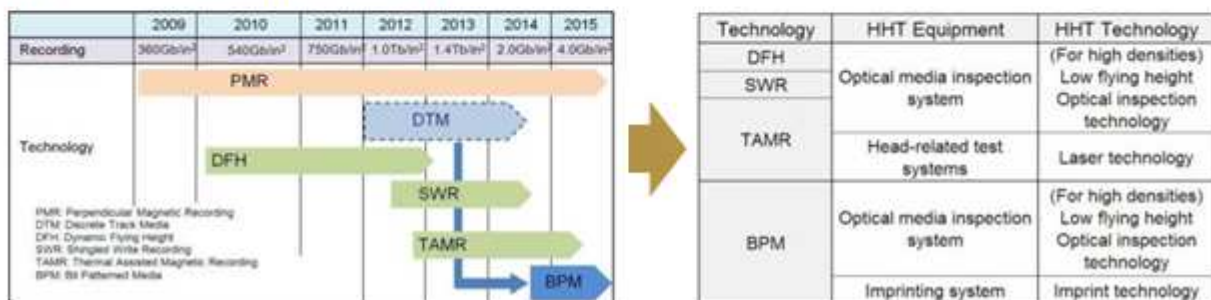
■ FPD Panels

FPD Trend	Technology Trend	HHT Response
Increase in touchscreens	• Finer patterns due to more capacitive screens	• Exposure systems Add ITO alignment function Improve overlay precision
Progression of HD	• Full HD: From 2k4k to 4k8k	• Assembly equipment Add panel correction function Introduce new connection method
Spread of 3D TV	• High aperture ratio (optical alignment/PSA/COA) • High speed (240Hz/480Hz)	
More OLED panels + larger sizes	• Production lines for large mother glass	• Introduce new OLED manufacturing equipment

PSA: Polymer Sustained Alignment COA: CF on Array ITO: Indium Tin Oxide

■ HDDs

Trends in HDD Technology



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■ Trends in FPD Panel and HDDs

FPD panels

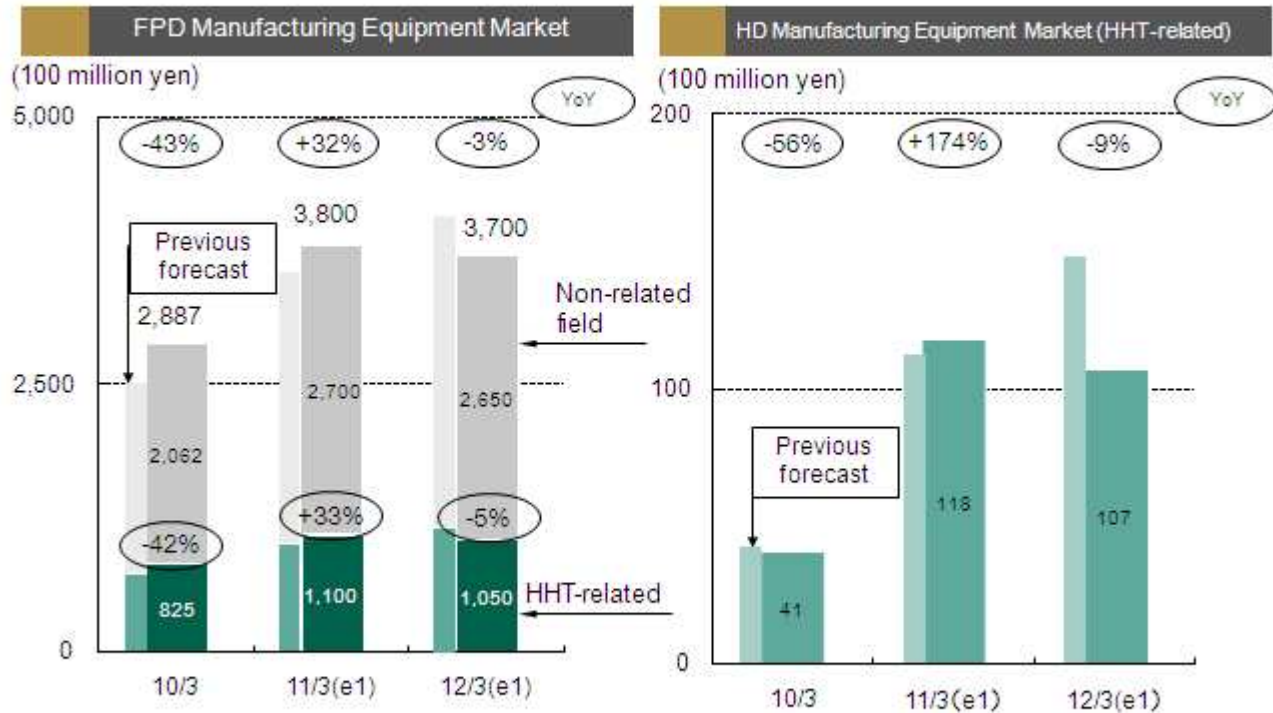
- Increase in production of touchscreens: Wider adoption of smartphones and tablet PCs.
-Provide exposure systems for touchscreens.
- Increasing adoption of high definition.
-Increase resolution of exposure systems.
- 3D TVs
-Provide assembly equipment with finer pitches and higher throughput.
- OLED panels
-Develop manufacturing equipment for large OLED panels.

HDDs

While development of new HDD technology, DTM, has progressed and was slated for volume production in 2012, due to setbacks over cost and other technical issues, development has been shifted to BPM.

Development of equipment for new recording technologies:

1. Dynamic Flying Height (DFH): Optical media inspection system (for low flying heights and optical inspection of entire surface).
2. Shingled Write Recording (SWR): Optical media inspection system (for low flying heights and optical inspection of entire surface).
3. Thermal Assisted Magnetic Recording (TAMR)
Disk-related: Optical media inspection system (for low flying heights and optical inspection of entire surface).
Head-related: Head inspection system for TAMR (for laser control).
4. Bit Patterned Media (BPM)
Disk-related: Imprinting system (imprint technology).
Optical media inspection system (for low flying heights and optical inspection of entire surface).



Source: HHT's estimation based on SEAJ (July 2010) data.
Note: Previous forecast based on values published April 2010 for the year ended March 31, 2010.

Source: HHT's estimation.

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■ State of FPD Manufacturing Equipment Market

- Significant YoY growth of 32% is expected as Chinese panel manufacturers, along with Japanese, South Korean, and Taiwanese panel manufacturers forecast growth in China and in rising countries, and invest in new panel production lines.

- FY11: A YoY 3% decrease is expected due to uncertain demand from FY10/2H to FY11/1H and factors such as approval delays for Chinese proposals.

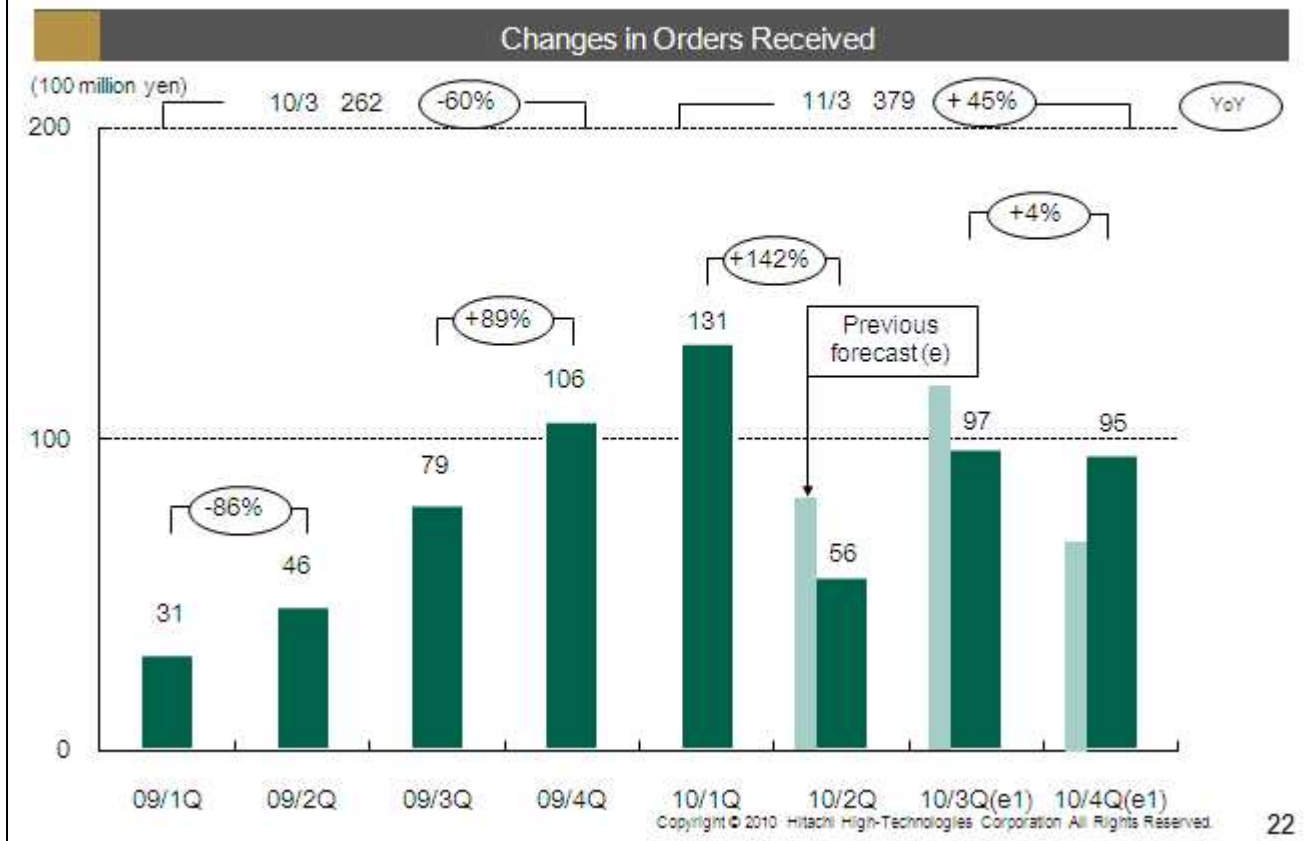
■ State of HD Manufacturing Equipment Market

- FY10: Demand for HDDs for corporate applications to expand. Disk and substrate production is expected to significantly grow YoY 174% due to capital expenditures.

- FY11: A YoY decrease of 9% is expected as new HDD technology is commercialized (DTM) and development shifts to next-generation technology (BPM).

DTM: Discrete Track Media

BPM: Bit Patterned Media



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■ Changes in Orders Received

Some orders will be shifted to 2H due to delays in approval for investment projects for front-end facilities in China.

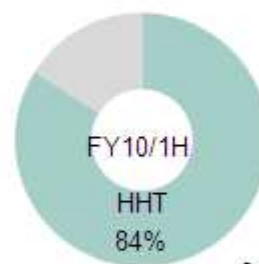
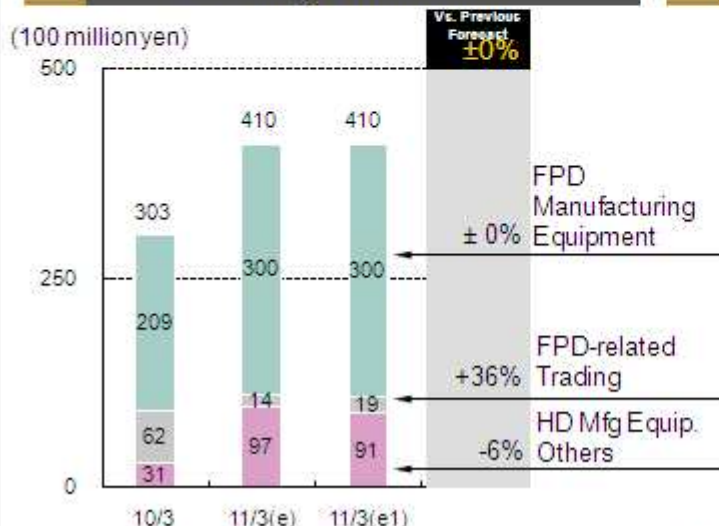
- FY10/1H: A YoY increase of 142% (+1% when comparing FY10/1H to FY09/2H) is expected due to capital expenditures for FPD front-end production facilities in mainland China and in South Korea, and HD-related production facilities.
- FY10/2H: A YoY increase of 4% (+3% when comparing FY10/1H to FY09/2H) is expected due to continued capital expenditures for FPD front-end facilities plus the start of construction for new back-end facilities.

Future Action

1. Maintain position as industry leader through increased product competitiveness (Exposure and HD inspection systems).
2. Continue to develop new products and businesses (OLED manufacturing system).
3. Establish organization resilient to market fluctuations (accelerate global procurement).

Sales Change in Main Business

Share of Color Filter Exposure Systems (G8)



Source: HHT's estimation.

- Accumulated share as of FY09: 68%
 - Boosted FY10/1H share with mask correction function for fine line BM and COA
- BM: Black Matrix

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■ Future Action

1. Maintain position as industry leader through increased product competitiveness (Exposure and HD inspection systems)
 - (1) LCD exposure system
 - Secured orders for investment in FY10/1H for G8 panel line.
 - Capture top share by improving basic performance and lowering costs
 - (2) HD inspection systems
 - Secured orders in FY10/1H due to investment in production for disks and substrates.
 - New surface inspection system with improved performance scheduled to be released for substrates.
2. Continue to develop new products and businesses (OLED manufacturing system)
 - (1) FPD-related: New assembly system slated to be released.
 - (2) HD-related: New concept products slated to be released.
(Head element shape inspection system & optical media inspection system).
 - (3) New business: OLED manufacturing system to be commercialized in FY11.
3. Establish organization resilient to market fluctuations (accelerate global procurement)
 - (1) Build optimal production system with view to overseas procurement and production.
 - (2) Optimize global sales and service systems.

■ Explanation of Previous Forecast Variations

FPD manufacturing equipment

The market should develop as expected despite strong downward pressure on prices for FPD-related equipment.

HD manufacturing equipment & others

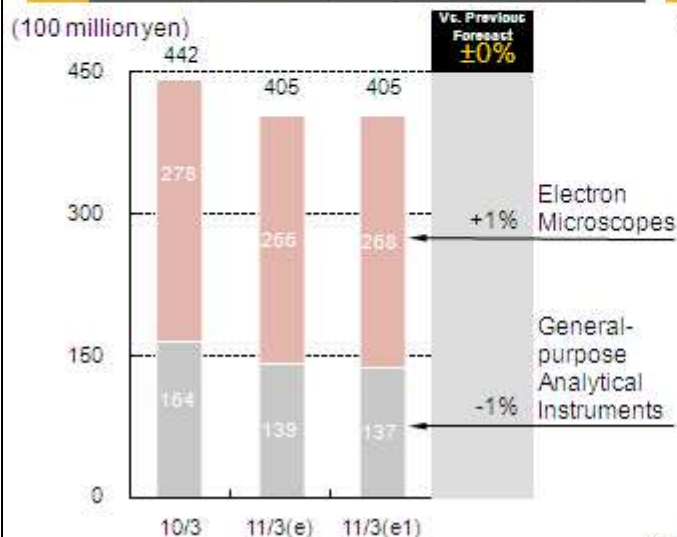
Sales of inspection equipment should be firm owing to capital investment in production, but a decrease of 6% compared to the previous forecast is expected due to a fall-off in DTM-related equipment.

Future Action

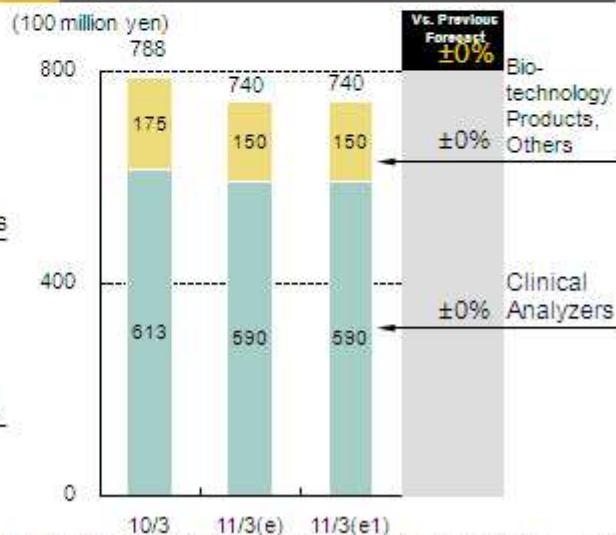
1. Analytical instruments: Actively expand sales in growth markets (LiB, PV, LED, pharmaceuticals, etc.)
2. Biotechnology Products/Clinical Analyzers: Advance SCB with leading domestic and overseas manufacturers.

*SCB: System Collaboration Business

Change in Sales (Analytical Instruments)



Change in Sales (Biotechnology Products/Clinical Analyzers)



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■ Future Action

1. Electron microscopes: Actively expand sales in growth markets (LiB, PV, LED, pharmaceuticals, etc.)
-Develop and enhance applications and solutions to actively expand sales in growing markets.

2. Biotechnology Products/Clinical Analyzers: Advance SCB with leading domestic and overseas manufacturers.

-Strengthen ties with overseas partners to expand sales of new large-scale clinical chemistry and immunodiagnostic analyzers.

-Promote sales of equipment and reagents in China and Japan.

-Engage in DNA sequencer applied market (DNA testing and diagnosis) and develop next-generation systems.

■ Explanation of Previous Forecast Variations

Analysis Instruments

- Despite fierce price competition due to the appreciation of the yen, marginal increases compared to the previous forecast are expected due to capital expenditure in the active new energy market and increased sales in the materials-related market due to growing demand.

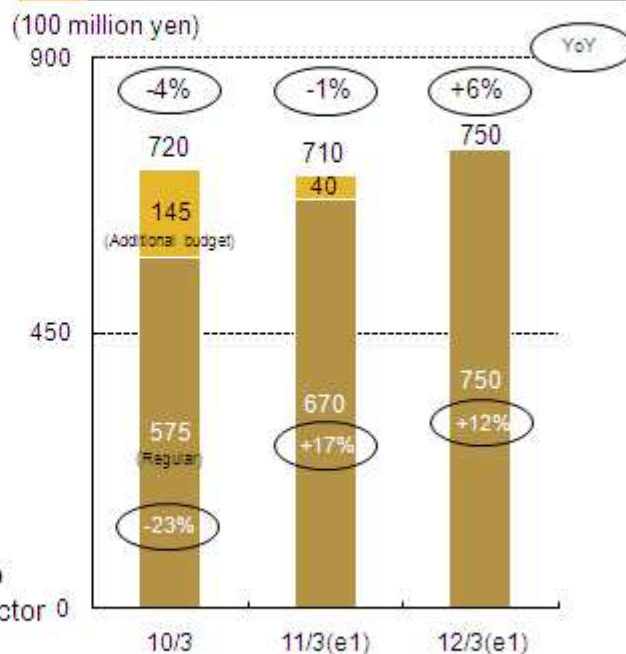
Biotechnology Products/Clinical Analyzers

- Despite the effects from the appreciation of the yen and the economic downturn in the U.S., marginal increases compared to the previous forecast are expected due to strong sales of clinical chemistry and immunodiagnostic analyzers in Asia and the effect of the introduction of new DNA sequencers.

Focused Area in EM/Future Action

- Environment/New Energy (LiB, PV) Market
Pursue business proposals for innovative oxidation inhibiting holder for specimens and application & accessory business.
- Semiconductor Device-related Market
Expand sales of high resolution FE-SEMs & STEMs.
- Biotech/Food/Chemistry Market
Expand sales with introduction of new easy-to-operate TEM for biotech field.
- Overall
Expand SEM base by introducing new Tabletop microscopes to primary schools and private sector 0 Business.

Electron Microscopes Market



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■ State of the Electron Microscopes Market

Although investment has recovered in the markets for environmental/new energy facilities and materials, the overall scale of the market for FY10 is expected to marginally increase due to the effects of emergency economic stimulus measures implemented by Japan and the U.S. in FY09.

■ Future Action for New Fields

Environment/New Energy & FPD-related market

Pursue business proposals to develop materials for an oxidation inhibiting specimen holder (shuts out the environment) for LiB and PV in booming new energy and FPD-related markets.

Semiconductor Device-related market

Demand for high-end analytical instruments for compositional analysis is expected to increase due to the recovery of capital expenditures in the semiconductor market. HHT will expand sales of super high-resolution FE-SEMs (Field Emission Scanning Electron Microscope) and STEMs (Scanning Transmission Electron Microscope).

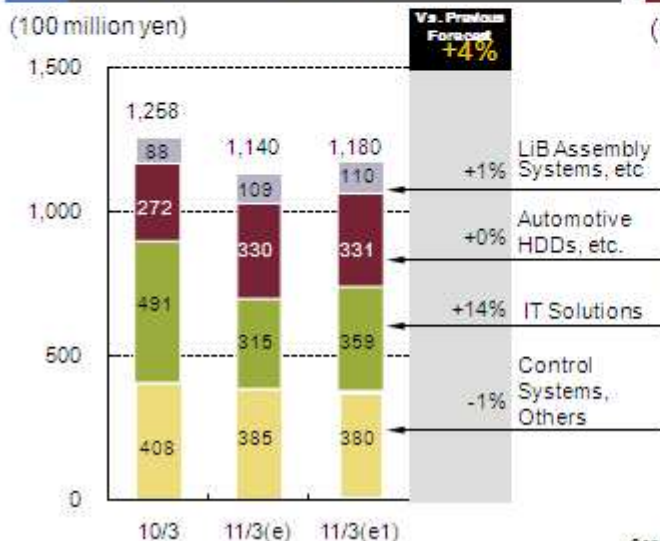
Biotechnology/Food/Chemistry market

Expand sales of new digital TEMs (Transmission Electron Microscope) by simplifying operation of system and camera, and offer high-contrast observation that can be done under normal room lighting.

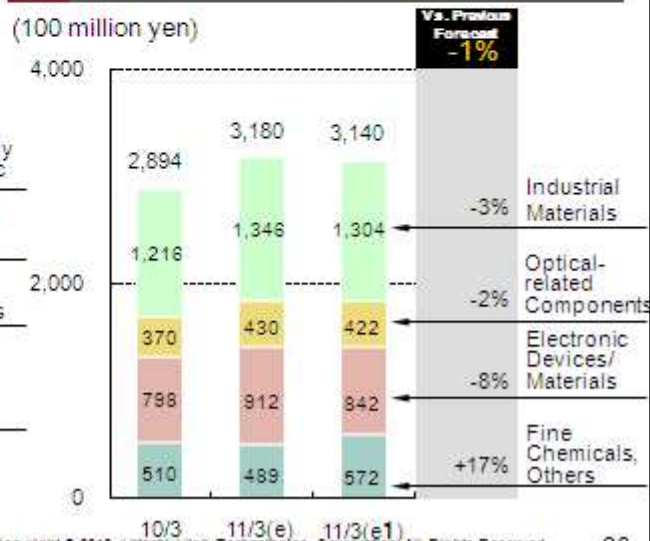
Future Action

1. Expand PV panel-related business.
2. Accelerate development in Asian belt of rising countries.

Changes in Sales (Industrial & IT Systems)



Changes in Sales (Advanced Industrial Products)



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Future Action

1. Expand PV panel-related business
 - Promote the development of materials for PV modules.
 - Develop new PV materials for cell manufacturers.
2. Accelerate development in the Asian belt* of rising countries
 - Promote development of new energy and water-related EPC (Engineering Procurement Construction) business in Indonesia and India.
 - Dispatch staff to Riyadh, Saudia Arabia to establish new energy and social infrastructure business.

*Asian belt countries refers to the 24 countries and regions spanning the Asian coastline from Japan to the Arabian Peninsula.

Industrial & IT Systems:

- LiB and automotive assembly equipment are expected to be flat, but marginal increases are expected due to capital expenditures in "green" responses and in overseas facilities.
- The market for automotive HDDs, etc., is expected to contract with the end of the "eco-car" rebates, but marginal increases compared to the previous forecast are expected due to new accounts in Europe.
- IT solutions: A 14% increase compared to the previous forecast is expected due to the gradual ramping up of new mobile phone handsets for the U.S.

Advanced Industrial Products:

- Industrial Materials: Despite increases in smartphone components, construction machinery products, and crystalline PV panel products, a 3% decrease compared to the previous forecast is expected in automobiles, consumer appliances, and TV components due to the end of the "eco-points" program in Japan.
- Optical-related Components: Despite robust progress in the import business in the field of optical communications, a 2% decrease compared to the previous forecast is expected due to the effect of the higher yen on thin-film PV panel manufacturing equipment, panels, and modules for overseas markets.
- Electronic Devices & Materials: An 8% decrease compared to the previous forecast is expected due to a soft market for silicon wafers and FPD-related materials, and the reversion of some commercial rights.

III Data

Note: YY/M denotes the year and month of the accounting period end.

Changes in Quarterly Results

(100 million yen)

			FY09 Q1	FY09 Q2	FY09 Q3	FY09 Q4	FY10 Q1	FY10 Q2
Sales / Operating Income	Electronic Device Systems	Sales	105	129	141	209	169	311
		Operating Income	-48	-59	-24	-11	7	48
	Fine Technology Systems	Sales	59	48	53	143	67	108
		Operating Income	-14	-19	-10	-17	-1	7
	Science & Medical Systems	Sales	242	301	266	422	275	306
		Operating Income	21	28	32	61	30	31
	Industrial & IT Systems	Sales	275	309	284	391	296	295
		Operating Income	-3	8	0	16	-3	7
	Advanced Industrial Products	Sales	661	730	732	771	802	777
		Operating Income	7	2	7	8	11	5
	Others & Elimination/Corporate	Sales	-16	-25	-24	-35	-24	-29
		Operating Income	-1	1	-1	-1	-1	-4
	Total	Sales	1,325	1,492	1,451	1,901	1,585	1,768
		Operating Income	-38	-38	4	56	43	95
Ordinary Income		-32	-37	8	57	50	93	
Net Income		-20	-33	-3	28	35	63	

■ Capital Expenditures/Depreciation Costs/R&D

(100 million yen)

	09/1H	10/1H	YoY	10/3	11/3(e)	YoY
Capital Expenditure	52	40	-23%	94	114	+21%
Depreciation Costs	46	41	-10%	96	96	+0%
R&D	94	103	+10%	193	224	+16%

Note: Capital expenditure is based on acquisition base

■ Sales by Region

(100 million yen)

		Japan	North America	Europe	Asia	Mainland China	Others	Total
09/1H	Sales	1,325	315	355	766	347	56	2,817
	Ratio	47.1%	11.2%	12.6%	27.2%	12.3%	2.0%	100.0%
10/1H	Sales	1,475	295	356	1,172	617	55	3,353
	Ratio	44.0%	8.8%	10.6%	34.9%	15.4%	1.6%	100.0%

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Sales Change in Main Business

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(100 million yen)

	FY09 Q1	FY09 Q2	FY09 Q3	FY09 Q4	FY10 Q1	FY10 Q2
Electronic Device Systems	105	129	141	209	169	311
Process Equipment	65	33	57	49	32	77
Metrology & Inspection Equipment	23	55	49	115	79	125
Backend & Assembly Equipment	17	40	35	45	58	109
Fine Technology Systems	59	48	53	143	67	108
FPD Manufacturing Equipment	52	42	48	131	56	78
HD Manufacturing Equipment, Others	6	6	5	12	11	30
Science & Medical Systems	242	301	266	422	275	306
General-purpose Analytical Instruments	29	39	40	66	27	44
Electron Microscopes	31	67	46	124	36	79
Clinical Analyzers	144	152	137	180	162	139
Biotechnology Products, Others	38	42	43	53	49	44
Industrial & IT Systems	275	309	284	391	296	295
LIS Assembly Systems, etc.	15	19	15	38	35	21
Automotive HDDs, etc.	50	68	68	75	75	82
IT Solutions	114	123	106	148	103	99
Control Systems, Others	55	99	94	130	83	93
Advanced Industrial Products	651	730	732	771	802	777
Industrial Materials	278	287	326	325	336	339
Optical-related Components	70	93	105	102	99	81
Electronic Devices /Materials	209	205	203	181	238	219
Fine Chemicals, Others	104	145	98	162	129	138

General Purpose Analytical Instruments (6.6YBn) and Electron Microscopes (12.4YBn) were reported in the results for Science & Medical Systems for FY09 Q4. These totals have been revised and will show an increase/decrease of 500 million yen from the results announced for FY10 Q3. Copyright © 2010 Hitachi High-Technologies Corporation All Rights Reserved.

Notes on the data

1. All financial statement summaries and results predictions included in this presentation are on a consolidated basis unless otherwise stated.
2. YY/MM(a) denotes the year and month of the forecast.
3. All market information for equipment and instruments included in this presentation is for global markets unless otherwise stated.
4. 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, technology change is rapid and competition is fierce. Various external factors, 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.

END

FY10 2nd Quarter Financial Results

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