

# FY10 Financial Results

April 26, 2011

 **Hitachi High-Technologies Corporation**

## FY10 Financial Results

**I** Effects of the Great East Japan Earthquake and Our Measures

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# I

## Effects of the Great East Japan Earthquake and Our Measures

**We would like to express our deepest sympathies to those affected by the earthquake and tsunami that struck the Tohoku and Kanto regions on March 11th. Our thoughts and prayers are with those who have lost loved ones in this disaster.**

## 1. Response to the earthquake

- On March 11th, Hitachi High-Technologies Corporation (Hitachi High-Tech) set up a headquarters led by Executive Vice President and CRO Masao Hisada (current President and CEO) to gather information about Group production facilities and offices, their employees and families, and to coordinate the company's activities.
- A disaster recovery headquarters has been established led by President and CEO Hideo Obayashi (current Director. From April 1st, this role has been transferred to President Hisada), and will study and implement responses to our customers, recovery of the Naka Division and other locations, and address issues concerning IT infrastructure.

## 2. Safety of our Employees (as of April 26th, 2011)

	Status
Employees	All employees are safe.
Employees' Family	Three fatalities and one injury. Continuing to confirm the safety of its employees' families.

## 1. Status of Manufacturing Sites

### ■ 7 manufacturing sites in Japan

(places circled in red are the sites hit by the earthquake)



Hitachi High-Tech  
Kasado Division



Hitachi High-Tech  
Saitama Division

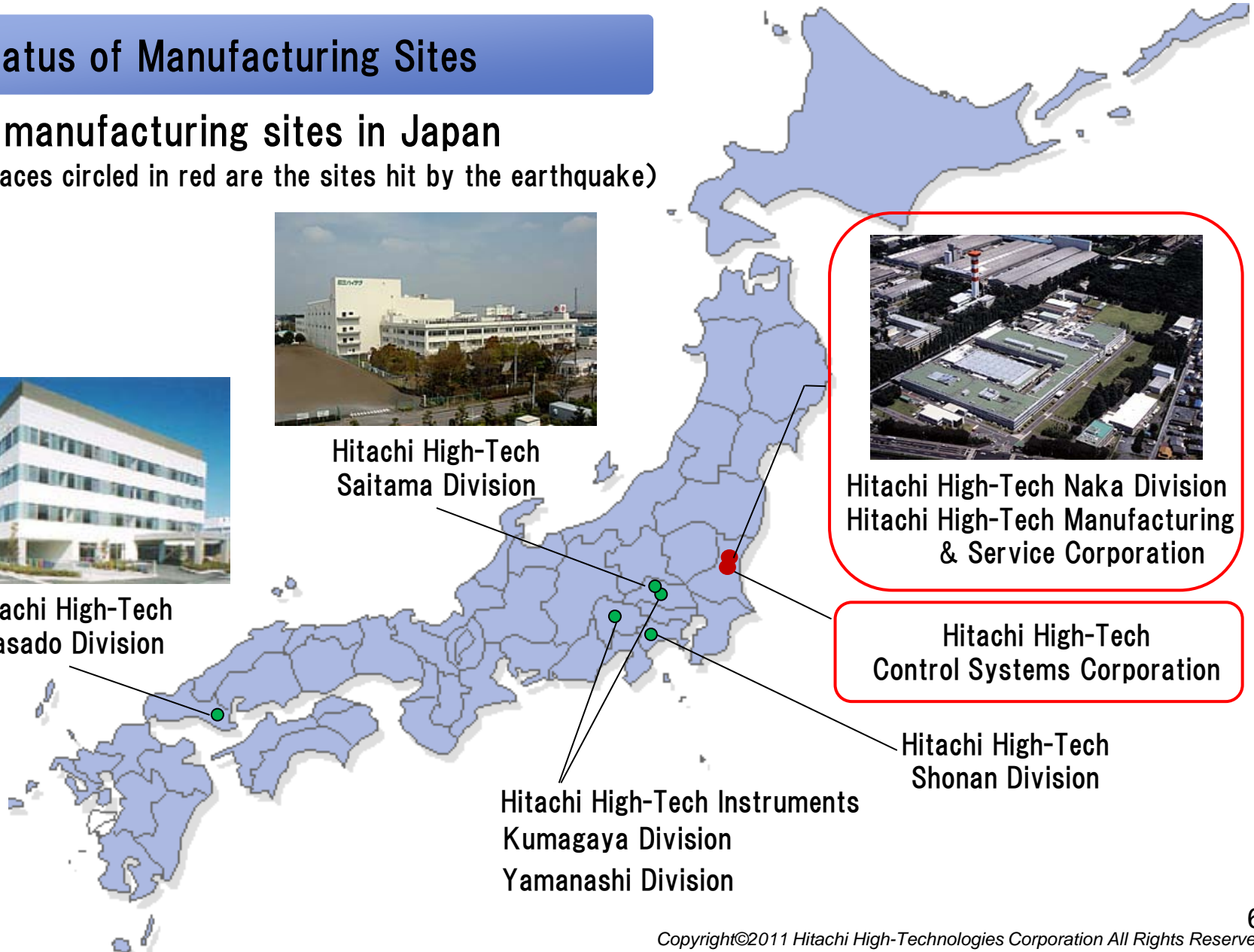


Hitachi High-Tech Naka Division  
Hitachi High-Tech Manufacturing  
& Service Corporation

Hitachi High-Tech  
Control Systems Corporation

Hitachi High-Tech  
Shonan Division

Hitachi High-Tech Instruments  
Kumagaya Division  
Yamanashi Division



## 1. Status of Manufacturing Sites

### 1-1. Hitachi High-Tech Naka Division/

Hitachi High-Tech Manufacturing & Service Corporation

【Location】 Hitachinaka, Ibaraki Prefecture

【Main Products】 CD-Measurement SEM・Electron Microscope

Liquid Chromatograph・Clinical Analyzer・DNA sequencer etc

#### (1) Status of Manufacturing Main Products

Since April 1st, all assembly lines has been restored. Since April 5th, parts of some main products have restarted shipping. Operations are currently at 90% of normal levels compared to before the earthquake.

Regions	Main Products	Date of Production Re-start
Semiconductor Metrology  Science and Medical Systems	CD-Measurement SEM	March 30th
	Electron Microscope	
	DNA sequencer	
	Liquid Chromatograph	April 4th
	Clinical Analyzer	

## (2) Damage of building and restoration status

Hitachi High-Tech have started base isolation before the earthquake and was planning To be finished in October, 2011. However, some older buildings were severely damaged due to the earthquake.

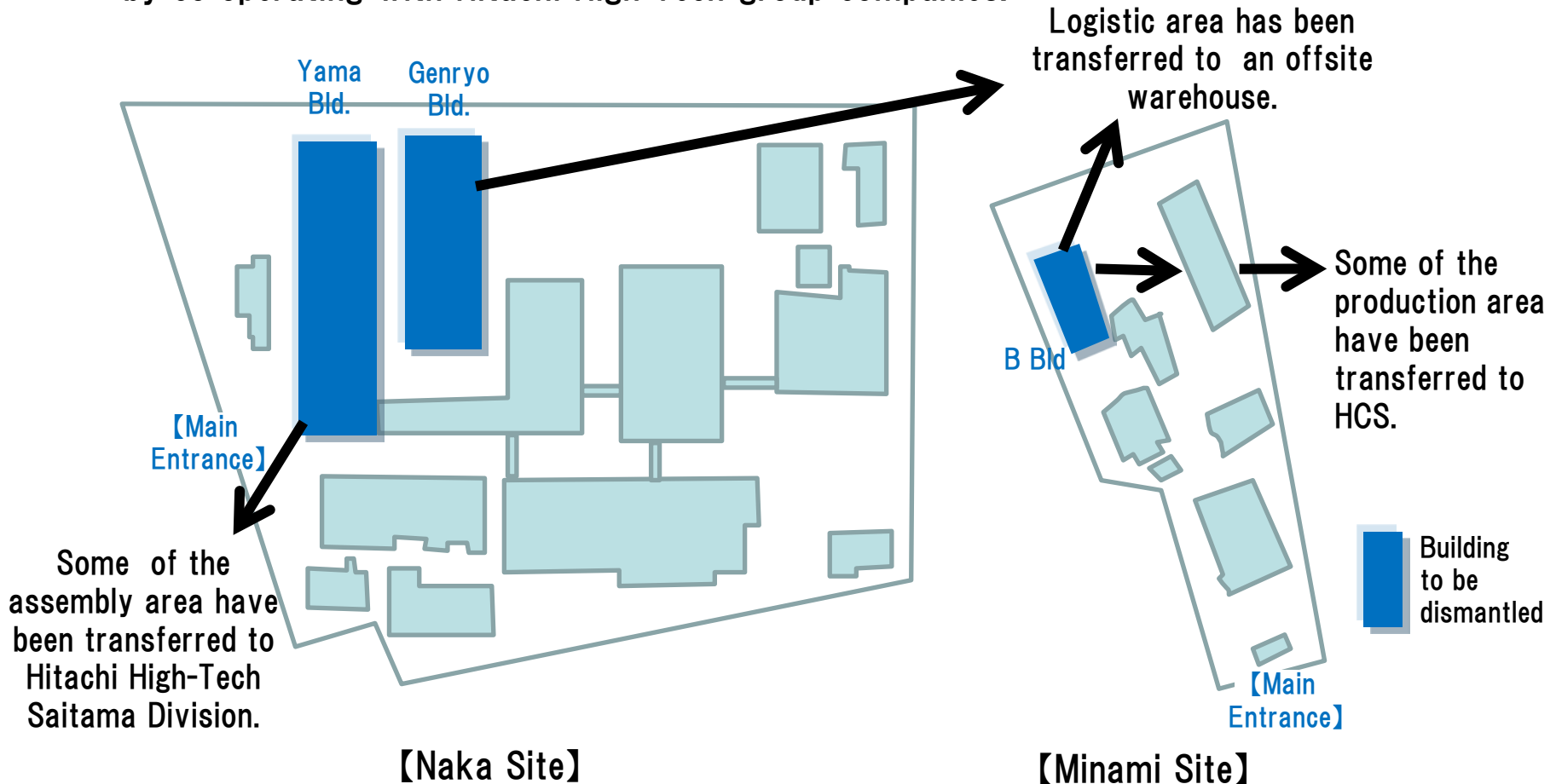
【Photos of buildings after the earthquake】(taken on March 15th, 2011)





## (2) Damage of building and restoration status

Carried out re-allocation in the sites as well as transferring to other manufacturing sites by co-operating with Hitachi High-Tech group companies.



※HCS: Hitachi High-Tech Control Systems Corporation

## 1. Status of Manufacturing Sites

### 1-2. Hitachi High-Tech Control Systems Corporation

【Location】 Mito, Ibaraki Prefecture

【Main Productions】 Measurement control systems, etc.

#### ■ Damage Status

Due to minor damage, HCS has restarted operations soon after the earthquake.

#### ■ Recovery Status

From March 22nd, HCS has restored its production capabilities and resumed normal operations.

## 2. Status of Sales Sites

Hitachi High-Tech's Ibaraki Branch Office (Hitachi, Ibaraki Prefecture) and Tohoku Branch Office (Sendai, Miyagi Prefecture) have re-opened for business before March 22nd.

## 3. Status of Service and logistics Facilities

- Power outages temporarily (5 days) halted warehouse operations at Hitachi High-Tech Fielding Corporation's (HFD) Naka logistics center in Hitachinaka, Ibaraki Prefecture. However, limited operations (excluding auto-warehousing systems) resumed on March 17th. Power has since been restored and the auto-warehousing systems has been operating normally from March 29th.
- HFD has also taken steps to establish an emergency parts delivery system out of HFD's Chubu Branch Office in Nagoya, and has been supply parts since April 7th.

## 1. Supply Chain

Around 300 suppliers located in the disaster area that Hitachi High-Tech does business with, approximately 30 have been severely affected by the earthquake and tsunami, which has forced Hitachi High-Tech to try and source parts from other suppliers in Japan and overseas, and to try and provide alternatives. Hitachi High-Tech is currently considering switching suppliers or changing the design for some parts.

## 2. Measures for Radiation

The measurement for radiation including trading products will be carried out at Hitachi High-Tech Group manufacturing sites based on customer's requests.

- Finished sourcing radiation measurement equipment by April 7th.
- Allocating the equipment at the major shipping sites and building own measuring systems. Furthermore, carrying out radiation measurement at the airport and so on by working with transport companies.

## 3. Measures for power supply issues

### ■ Join Hitachi Group's co-strategies

Making plans to save the power by changing dates for days-off, summer holidays and so on with Hitachi group companies.

### ■ Hitachi High-Tech's own strategies

#### 1) Headquarters and sales sites

- Change dates for days-off, control lights and air conditioners and so on

#### 2) Manufacturing sites

- Change operation time, put manufacturing sites together, control lights and air conditioners, reducing the number of PC's and so on.
- Prepare independent electric power equipment to handle any states of emergency.

## 4. Relief effort

### ■ Supporting disaster areas by a service company

- 1) HFD obtained emergency response vehicle labels it received from the Japanese Red Cross Society on March 12th. Next day, they dispatched their field engineers and supplies to the disaster area where their priority is to maintain and service clinical analyzers and so on in hospitals in the area.
- 2) They have finished checking the status of their customers in the disaster areas, and are assiduously repairing the machines.

### ■ Donations

- 1) Donate 10 million yen (approximately \$120 thousand USD), with its group companies in Japan and overseas donating about 8 million yen (approximately \$95 thousand USD).
- 2) Group employees in Japan also raised money, collecting nearly 1.8 million yen (approximately \$21 thousand USD).

All donations were made to the Japanese Red Cross Society.

- 3) Hitachi High-Tech group will continue planning support measures for the stricken areas.

## II

## Outline of FY10

(Note) YY/M denotes the year and month of the accounting period-end.  
(e) denotes the forecast for the previous period (Jan 2011).

# Outline of FY10 (Highlights)

(100 million yen)

	Results	YoY		vs. Previous Forecast	
		Increase/Decrease	Ratio	Increase/Decrease	Ratio
Sales	6,534	+366	+6%	-166	-2%
Operating Income	279	+295	—	+19	+7%
Ordinary Income	295	+300	—	+29	+11%
Net Income	178	+206	—	+6	+3%
Net Income per Share	129.07yen	149.62yen		+4.02yen	
Cash Dividend per Share	20.00yen	+5.00yen		±0.00yen	
ROE	7.5%	+8.7%		—	
FIV	+59	+181		—	
FCF	+221	+80		+91	



# Outline of FY10 (Explanation of Deviations)

vs. Previous Forecast

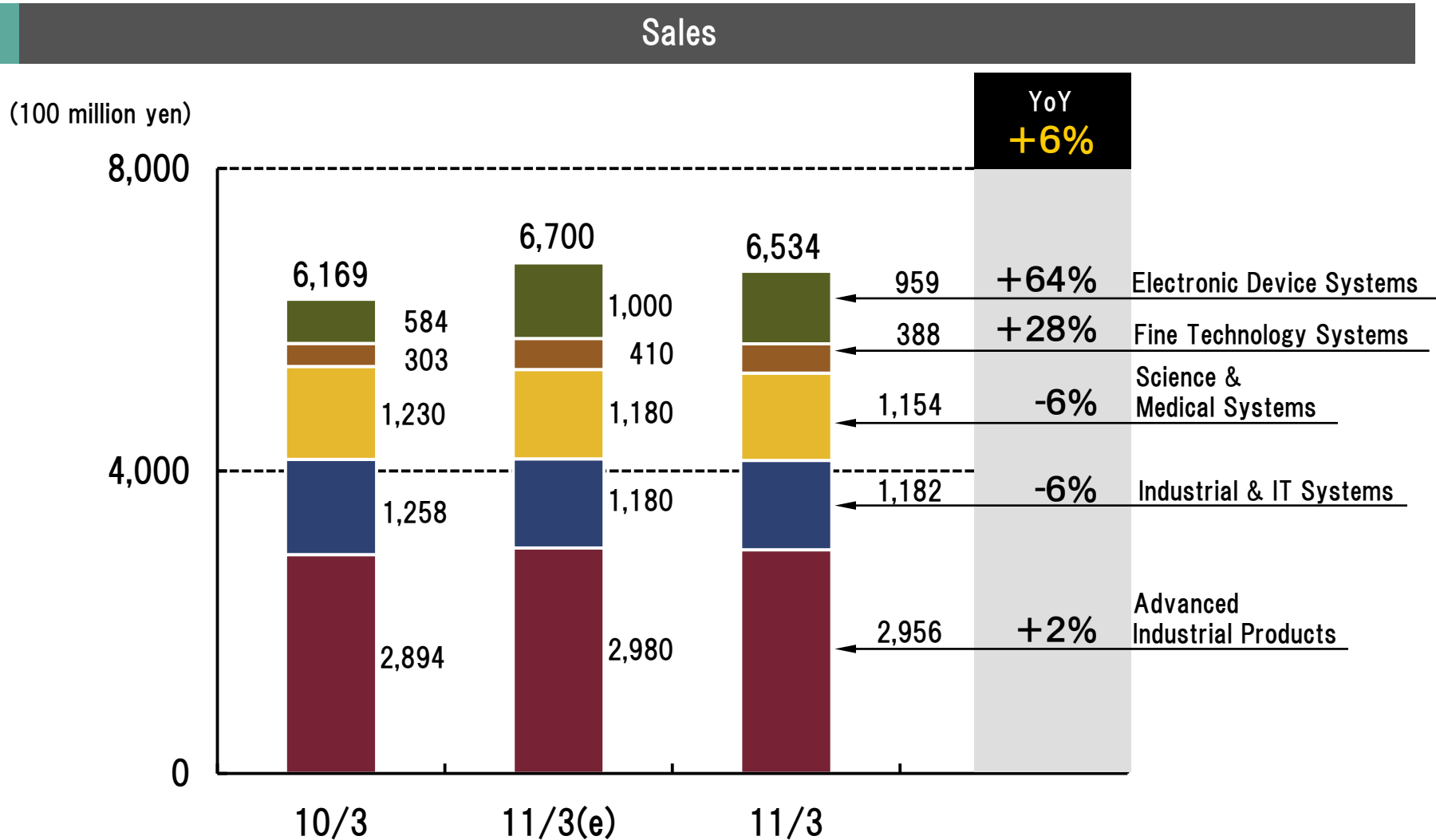
Sales (670.0Ybn → 653.4Ybn -16.6Ybn)

- **Electronic Device Systems:** Factors such as investment delays for inspection systems from domestic material/component manufacturers and approval delays for chip mounters from major EMS, led to decrease of 4.1Ybn.
- **Fine Technology Systems:** Though the effects of the earthquake are limited, due to delays in investment for LCD-related facilities in China, led to decrease of 2.2Ybn.
- **Science & Medical Systems:** Though orders were firm for SEMs(Scanning Electron Microscopes) in the domestic/Asian markets and clinical analyzers in foreign markets, shipping decrease due to earthquake led to decrease of 2.6Ybn.
- **Advanced Material Products:** Decrease in sales for electronic devices/components due to earthquake led to decrease of 2.4Ybn

Operating Income (26.0Ybn → 27.9Ybn +1.9Ybn)

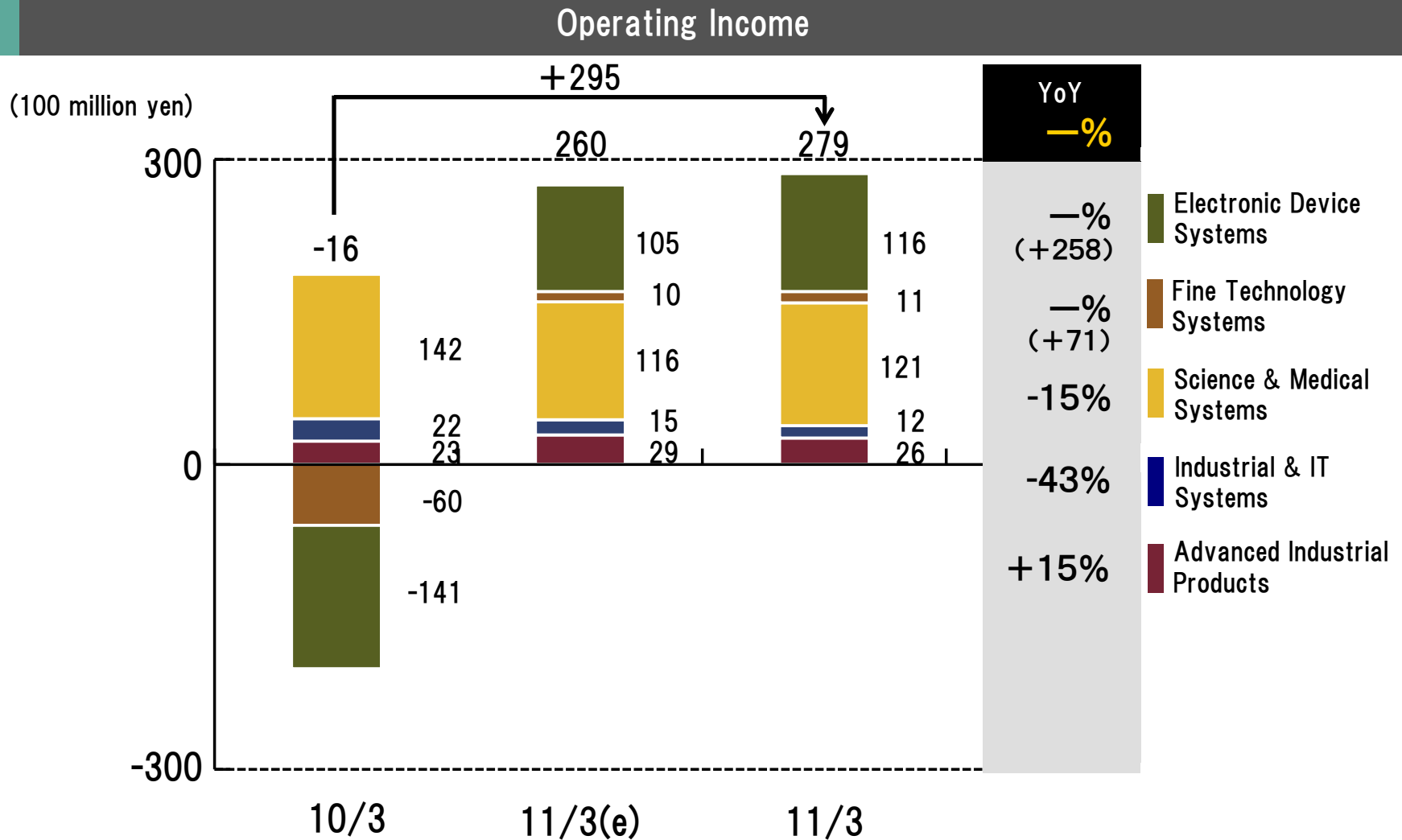
- **Electronic Device Systems:** Improvement in operating capacity and decrease in SGA led to increase of 1.1Ybn
- **Science & Medical Systems:** Sales income decreased due to earthquake but decrease in SGA led to increase of 0.5Ybn

# Outline of FY10 (Sales by Segment)



(note) Elimination such as intersegment transactions etc. are included in the totals

# Outline of FY10 (Operating Income by Segment)



(note) Elimination such as intersegment transactions etc. are included in the totals

# Outline of FY10 (Income Statement in Summary)

For the year ended March 31, 2010

(100 million yen)

	Results	YoY	
		Increase/Decrease	Ratio
Sales	6,534	+366	+6%
Cost of Sales	5,420	+43	+1%
Gross Profit	1,114	+323	+41%
Selling, General and Administrative Expenses	836	+27	+3%
Operating Income	279	+295	—
Other Income	21	+2	+9%
Other Expense	5	-3	-34%
Ordinary Income	295	+300	—
Extraordinary Profit	1	-5	-88%
Extraordinary Loss	34	+12	+57%
Income Before Income Taxes and Minority Interests	261	+282	—
Income Taxes	83	+76	—
Net Income	178	+206	—

# Outline of FY10 (Balance Sheet in Summary)

Year ended March 31, 2010

(100 million yen)

		vs.10/3			vs. 10/3	
<b>Current Assets</b>		<b>3,304</b>	<b>+56</b>	<b>Current Liabilities</b>	<b>1,429</b>	<b>-129</b>
Cash & Deposits/Deposit to Hitachi Group Cash Management Fund	1,056	+38	Notes & Accounts Payable	949	-151	
Notes & Accounts Receivable	1,301	-144	Others	480	+23	
Inventories	688	+117	<b>Fixed Liabilities</b>	<b>275</b>	<b>+16</b>	
Others	259	+46	Retirement and severance benefits	263	+11	
<b>Fixed Assets</b>	<b>828</b>	<b>-34</b>	Others	12	+6	
Tangible Fixed Assets	539	-20	<b>Net Assets</b>	<b>2,428</b>	<b>+134</b>	
Intangible Fixed Assets	62	+13	Shareholder Capital	2,443	+150	
Investments & Other Assets	227	-27	Accumulated Other Comprehensive Income (Loss)	-16	-14	
			Minority Interests	1	-1	
<b>Total Assets</b>	<b>4,133</b>	<b>+22</b>	<b>Total Liabilities &amp; Shareholders' Equity</b>	<b>4,133</b>	<b>+22</b>	

# Outline of FY10 (Cash Flow Statement in Summary)

(100 million yen)

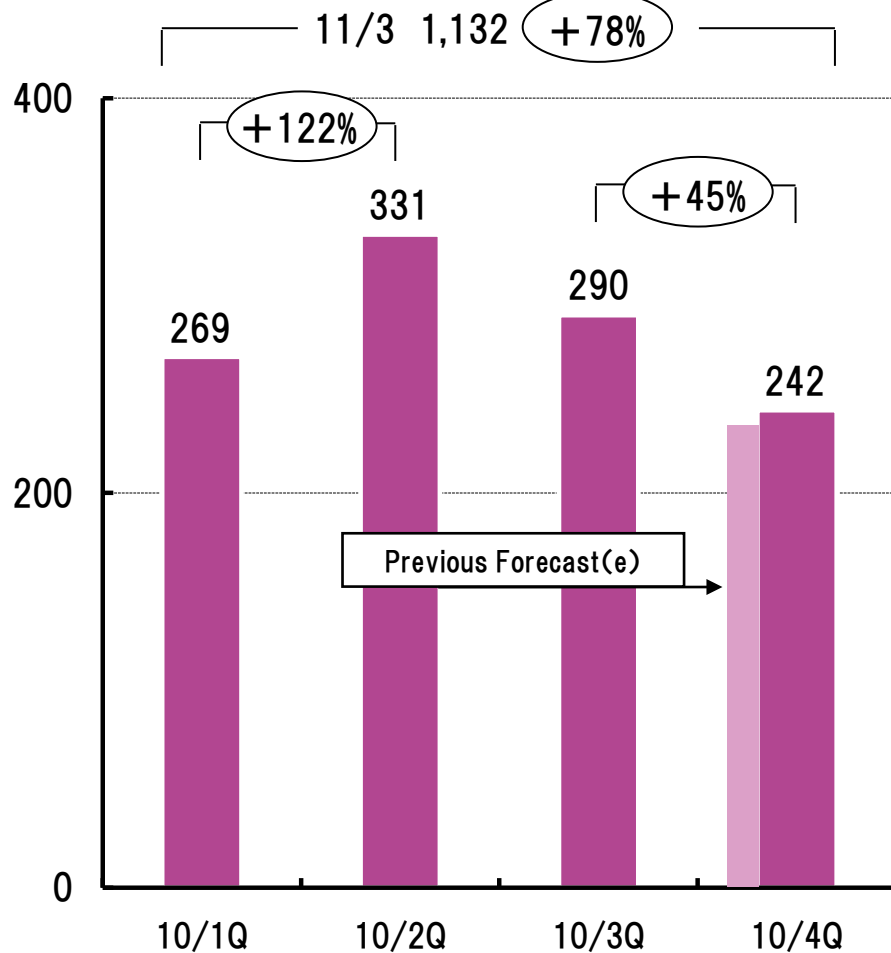
	11/3		11/3
<b>Cash Flow from Operating Activities</b>	<b>+209</b>	<b>Cash Flow from Financing Activities</b>	<b>-29</b>
Income Before Income Taxes and Minority Interests	+261	Dividends Paid	-27
Depreciation and Amortization	+90	Others	-2
Working Fund	-141	Effect of Exchange Rate Changes	-16
Income Taxes Paid/Refund	-38		
Others	+37		
<b>Cash Flow from Investing Activities</b>	<b>+12</b>		
Capital Expenditures Proceeded from Sales/Purchase of Securities	+1		
Capital Expenditures Proceeded from Sales/Purchase of Property and Equipment	-52		
Others	+63		
<b>Free Cash Flow</b>	<b>+221</b>		
		<b>Cash and Cash Equivalents</b>	<b>11/3</b>
		At the Beginning of Year	902
		Net Increase (Decrease)	+175
		At the End of Term	1,077

# Outline of FY10 (Changes in Order Received)

## Electronic Device Systems

(100 million yen)

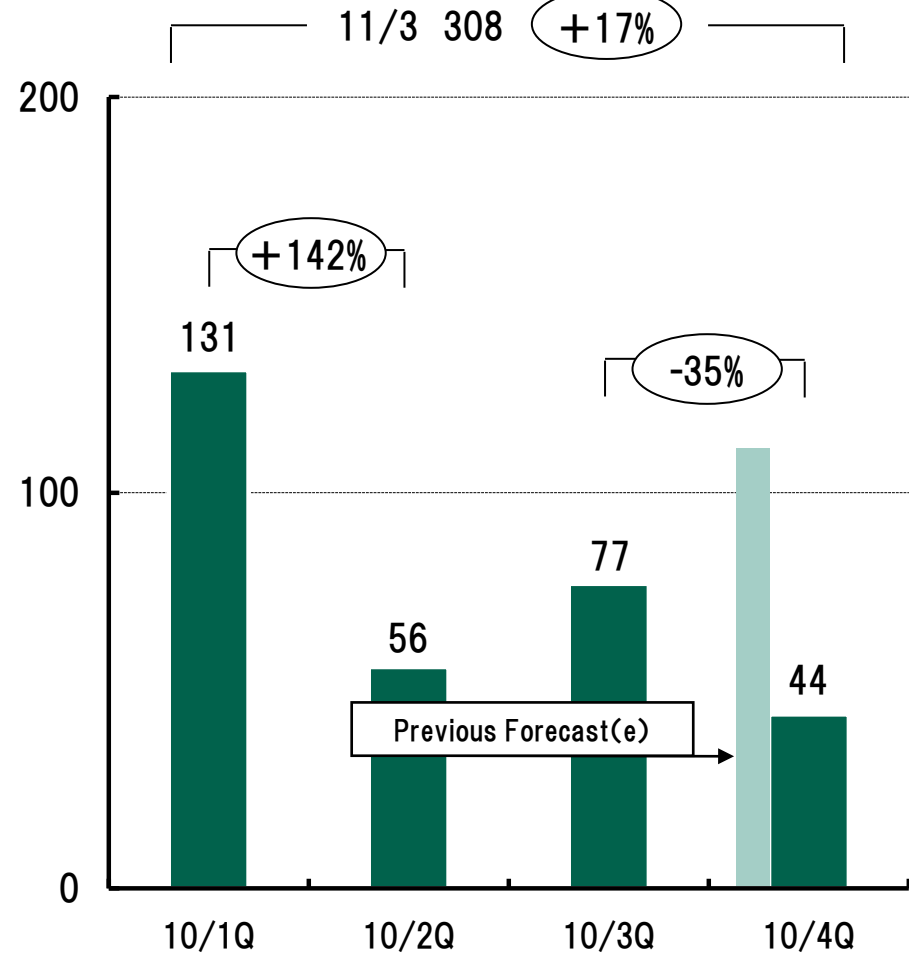
YoY



## Fine Technology Systems

(100 million yen)

YoY



**Due to the earthquake that struck the Tohoku region on March 11, the next earnings forecast has not been set since Hitachi High-Technologies is not able to estimate the effects on its business. Hitachi High-Technologies will promptly make an announcement once they are able to provide a forecast.**



### III

## Financial Data

# Quarterly Results

(100 million yen)

		FY09 Q1	FY09 Q2	FY09 Q3	FY09 Q4	FY10 Q1	FY10 Q2	FY10 Q3	FY10 Q4	
Sales / Operating Income	Electronic Device Systems	Sales	105	129	141	209	169	311	193	286
		Operating Income	-48	-59	-24	-11	7	48	20	41
	Fine Technology Systems	Sales	59	48	53	143	67	108	125	88
		Operating Income	-14	-19	-10	-17	-1	7	8	-3
	Science & Medical Systems	Sales	242	301	266	422	275	306	262	311
		Operating Income	21	28	32	61	30	31	24	36
	Industrial & IT Systems	Sales	275	309	284	391	296	295	262	329
		Operating Income	-3	8	0	16	-3	7	-1	9
	Advanced Industrial Products	Sales	661	730	732	771	802	777	712	666
		Operating Income	7	2	7	8	11	5	8	2
	Others & income taxes adjustment	Sales	-16	-25	-24	-35	-24	-29	-26	-26
		Operating Income	-1	1	-1	-1	-1	-4	-3	-1
	Total	Sales	1,325	1,492	1,451	1,901	1,585	1,768	1,527	1,655
		Operating Income	-38	-38	4	56	43	95	57	85
Ordinary Income		-32	-37	8	57	50	93	58	94	
Net Income		-20	-33	-3	28	35	63	35	44	

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

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

(100 million yen)

	09/1H	10/1H	YoY	10/3	11/3	YoY
Capital Expenditure	52	40	-23%	94	90	-4%
Depreciation Costs	46	41	-10%	96	90	-7%
R&D	94	103	+10%	193	208	+8%

\*Capital Expenditure is based on an acquisition bases

## ■ Sales by Region

		Japan	North America	Europe	Asia	Mainland China	Others	Total
10/3	Sales	2,969	663	713	1,685	756	139	6,169
	Ratio	48.1%	10.7%	11.6%	27.3%	12.3%	2.3%	100.0%
11/3	Sales	2,914	585	706	2,237	960	93	6,534
	Ratio	44.6%	9.0%	10.8%	34.2%	14.7%	1.4%	100.0%

# Sales Change in Main Business

(100 million yen)	FY09 Q1	FY09 Q2	FY09 Q3	FY09 Q4	FY10 Q1	FY10 Q2	FY10 Q3	FY10 Q4
<b>Electronic Device Systems</b>	105	129	141	209	169	311	193	286
Process Equipment	65	33	57	49	32	77	60	91
Metrology & Inspection Equipment	23	55	49	115	79	125	82	142
Back-end & Assembly Equipment	17	40	35	45	58	109	51	53
<b>Fine Technology Systems</b>	59	48	53	143	67	108	125	88
FPD Manufacturing Equipment	52	42	48	131	56	78	103	47
HD Manufacturing Equipment, Others	6	6	5	12	11	30	22	41
<b>Science &amp; Medical Systems</b>	242	301	266	422	275	306	262	311
General-purpose Analytical Instruments	29	39	40	66	27	44	31	35
Electron Microscopes	31	67	46	124	36	79	47	89
Clinical Analyzers	144	152	137	180	162	139	146	141
Biotechnology Products, Others	38	42	43	53	49	44	38	46
<b>Industrial &amp; IT Systems</b>	275	309	284	391	296	295	262	329
LiB Assembly Systems, etc.	15	19	16	38	35	21	12	32
Automotive HDDs, etc.	60	68	68	75	75	82	96	103
IT Solutions	114	123	106	148	103	99	66	84
Control Systems, Others	85	99	94	130	83	93	88	110
<b>Advanced Industrial Products</b>	661	730	732	771	802	777	712	666
Industrial Materials	278	287	326	325	336	339	310	307
Optical-related Components	70	93	105	102	99	81	71	68
Electronic Devices / Materials	209	205	203	181	238	219	192	155
Fine Chemicals, Others	104	145	98	162	129	138	138	136

#### 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.

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

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## FY10 Financial Results

### For further information

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**Hitachi High-Tech**

Bringing the frontier to the forefront.