

FY11 2nd Quarter Financial Results

October 25, 2011

 **Hitachi High-Technologies Corporation**

Vice President and Executive Officer
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Notes are from p.6 onward.

FY11 2nd Quarter Financial Results

I FY11 Q1-Q2 Results

II FY11 Outlook

III Data

I

FY11 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 2011)

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FY11 Q1-Q2 (Highlights)

	Results	(100 million yen)			
		YoY		vs. Previous Forecast	
		Increase / Decrease	Ratio	Increase / Decrease	Ratio
Sales	3,216	−137	−4%	+116	+4%
Operating Income	123	−15	−11%	+43	+53%
Ordinary Income	125	−18	−13%	+45	+56%
Net Income	79	−19	−19%	+29	+58%
Net Income per Share	57.38yen	− 13.73yen		+21.03yen	
Cash Dividend per Share*	20.00yen	+10.00yen		+10.00yen	
FCF	+99	+13		Δ5	

*Includes memorial dividend of 10yen
(in commemoration of 10 years of operation)

(Note) Previous forecast, published July 2011

vs. Previous Forecast (July 2011)

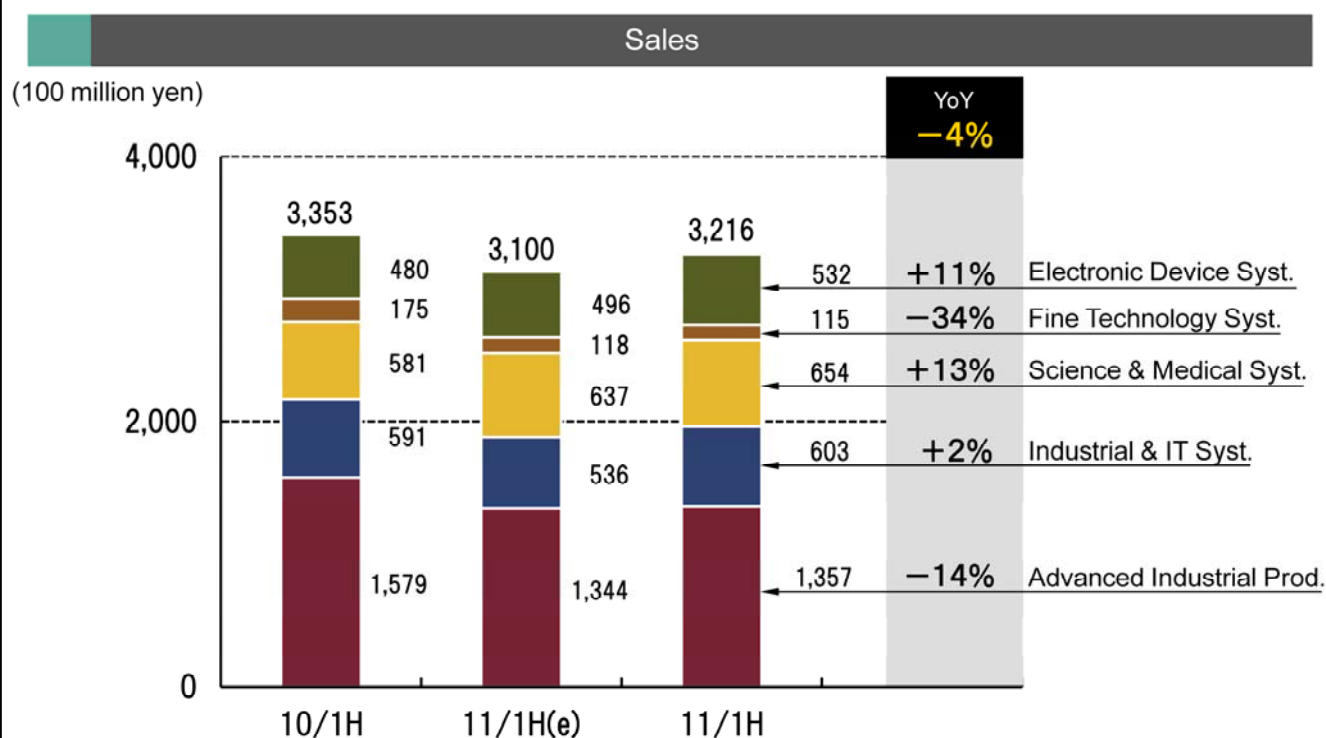
Sales (310.0Ybn → 321.6Ybn +11.6Ybn)

- Electronic Device Systems: Robust sales of process and metrology equipments for the U.S. and European market led to 3.6Ybn increase.
- Science & Medical Systems: Accelerated delivery of new DNA sequencers led to 1.8Ybn increase.
- Industrial & IT Systems: Accelerated delivery of new mobile phones for the U.S. market led to 6.6Ybn increase.
- Advanced Industrial Products: Accelerated delivery of automobile components due to recovery of the Great East Japan Earthquake led to 1.3Ybn increase.

Operating Income (8.0Ybn → 12.3Ybn +4.3Ybn)

- Electronic Device Systems: Similar reasons as the sales led to 1.1Ybn increase.
- Science & Medical Systems: Similar reasons as the sales plus improved production operation of Naka Area from the Great East Japan Earthquake led to 2.9Ybn increase.

FY11 Q1-Q2 (Sales by Segment)



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

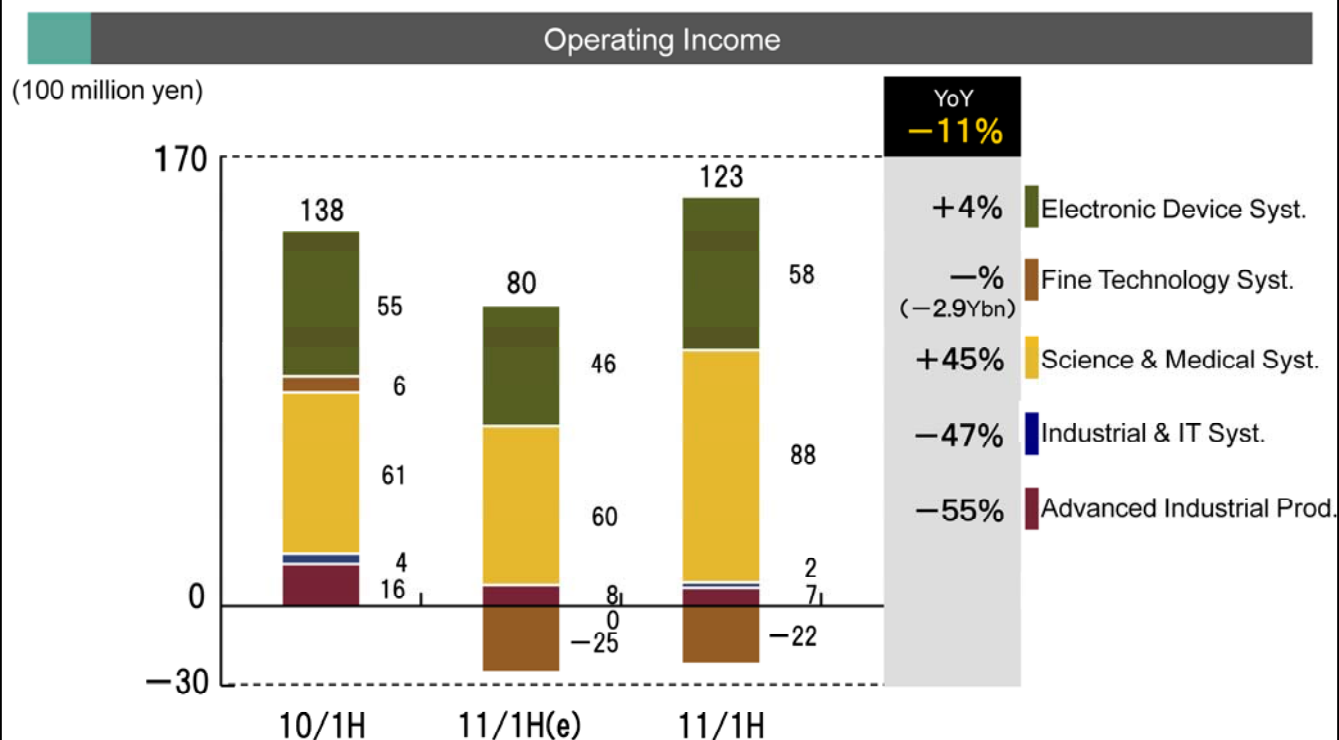
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6

■ Explanation of YoY Variations

- Electronic Device Systems
Decrease in back-end & assembly equipments due to delay in capex caused by the sluggish memory market. However, robust sales of process equipment based on miniaturization will lead to YoY 11% increase.
- Fine Technologies Systems
Delay of capex for FPD manufacturing equipment caused by price down of TV panels and decline in HD manufacturing equipment capex will lead to YoY 34% decrease.
- Science & Medical Systems
Accelerated delivery which was delayed from FY10 due to earthquake and medical /biotechnology-related new products will lead to YoY 13% increase.
- Industrial & IT Systems
Customers' production decrease caused by the earthquake can be seen, but good start of new mobile phones for the U.S. market will lead to YoY 2% increase.
- Advanced Industrial Products
Sluggish demands for industrial and electronic materials due to earthquake lead to YoY 14% decrease.

FY11 Q1-Q2 (Operating Income by Segment)



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

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7

■ Explanation of YoY Variations

Similar reasons as the sales can be applied for the operating income.

II

FY11 Outlook

Note: YY/M denotes the year and month of the accounting period end
(e) denotes the forecast for the previous period (July 2011)
(e1) denotes the forecast for the current period (October 2011)

FY11 Outlook (Highlights)

(100 million yen)

	FY11 Outlook	YoY		vs. Previous Forecast	
		Increase / Decrease	Ratio	Increase / Decrease	Ratio
Sales	6,500	-34	-1%	-300	-4%
Operating Income	280	+1	+0%	±0	±0%
Ordinary Income	280	-15	-5%	±0	±0%
Net Income	180	+2	+1%	±0	±0%
Net Income per Share	130.87yen	1.80yen		±00.00yen	
Cash Dividend per Share*	30.00yen	+10.00yen		+10.00yen	
ROE	7.2%	-0.3%		±0%	
FIV	+44	Δ15		±0	
FCF	+150	Δ71		±0	

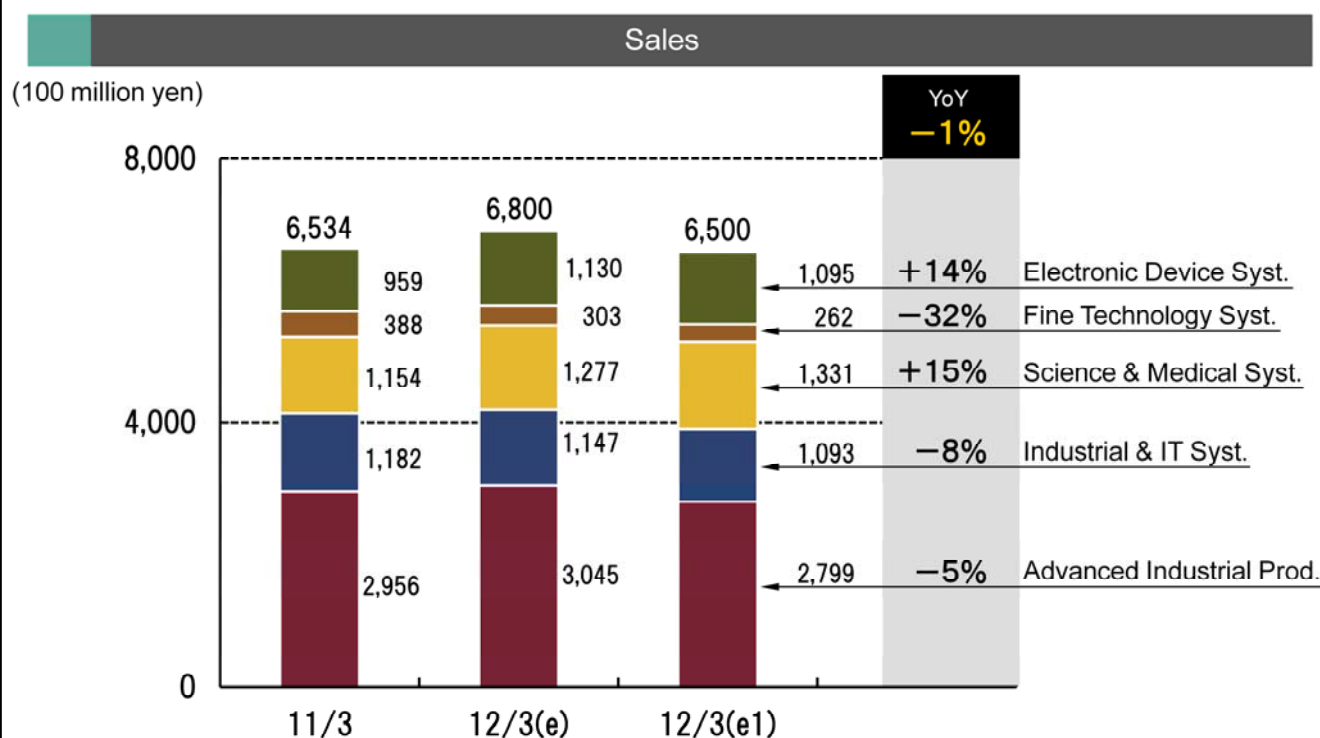
*Includes memorial dividend of 10yen (in commemoration of 10 years of operation)

(Note) Previous forecast, published June 2011

FX rate estimate: 1USD= 80yen, 1EUR= 110yen

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FY11 Outlook (Sales by Segment)



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

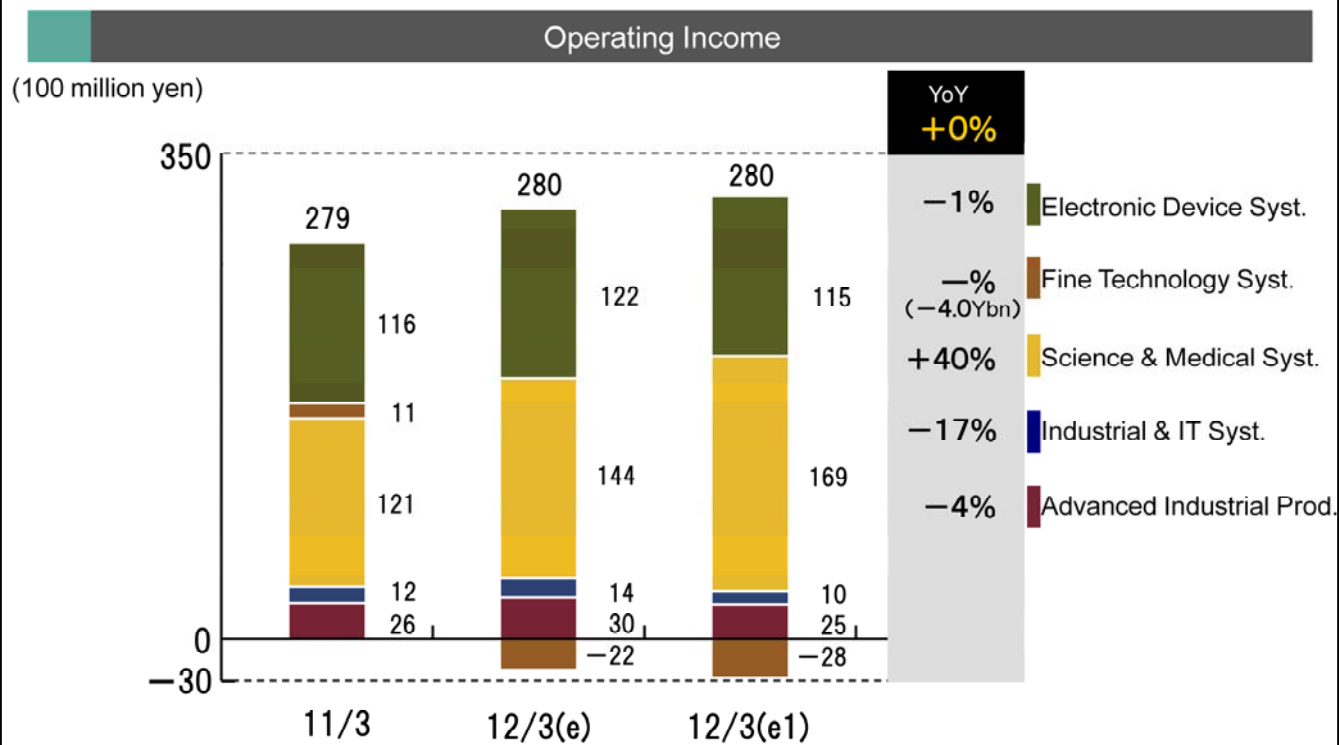
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10

■ Explanation of YoY Variations

- Electronic Device Systems
Growth in process equipment for U.S. customer leads to YoY 14% increase.
- Fine Technologies Systems
Delay of capex for FPD manufacturing equipment caused by price down of TV panels and decline in HD manufacturing equipment capex lead to YoY 32% decrease.
- Science & Medical Systems
Investment recovery of electron microscopes and analytical instruments in the semiconductor /new energy-related field and new medical/biotechnology-related products lead to YoY 15% increase.
- Industrial & IT Systems
Robust sales of mobile phones for the U.S. market triggered by the launch of new models. However, business decline in automotive HDDs due to earthquake lead to YoY 8% decrease.
- Advanced Industrial Products
Sluggish demands for industrial and electronic materials continue due to earthquake lead to YoY 5% decrease.

FY11 Outlook (Operating Income by Segment)

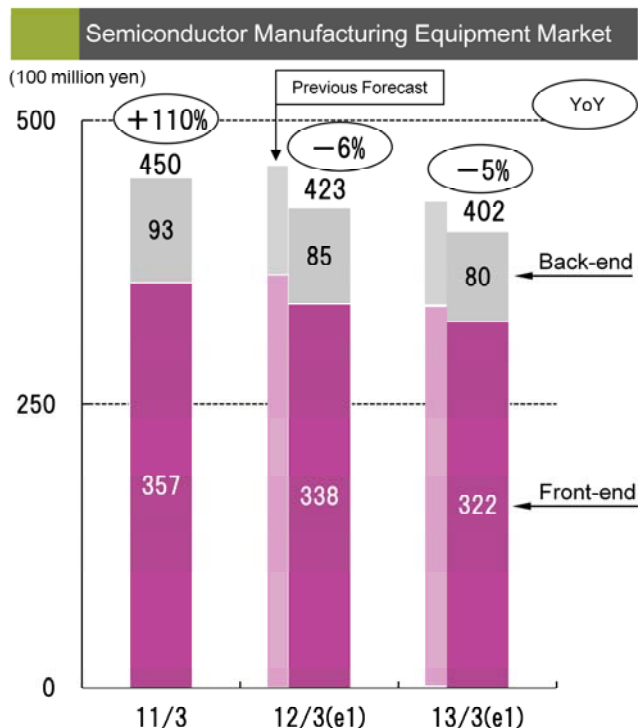


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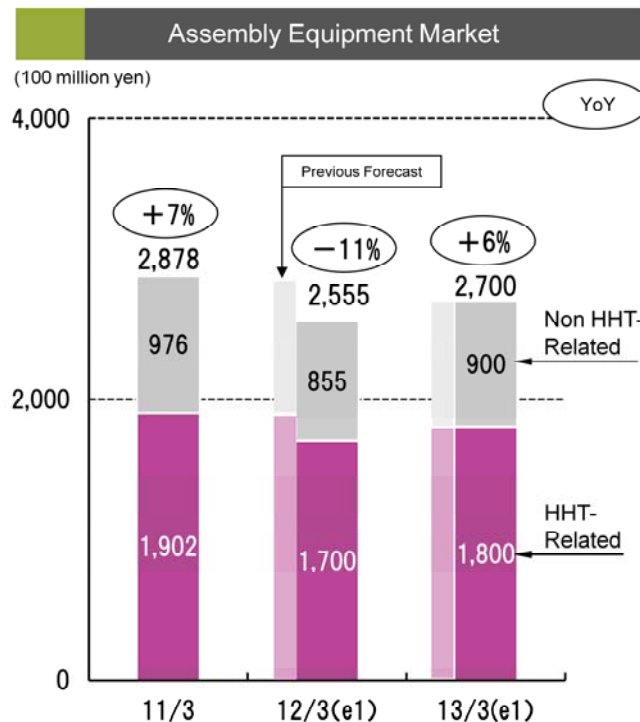
11

■ Explanation of YoY Variations

Similar reasons as the sales can be applied for the operating income.



(Source) Created by HHT, based on Gartner's data (Sep. 2011).
Previous forecast is based on published values in June, 2011.



(Source) Created by HHT, based on Japan Robot Association's data (June 2011). Previous forecast is based on published values in June, 2011.

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12

■ Explanation of Semiconductor Manufacturing Equipment Market

FY11: Positive investments in foundries, MPU and memory manufacturers in Q1.

However, due to the overflow of semiconductor inventories, restraints in investments is expected in Q2, leading to YoY 6% decline.

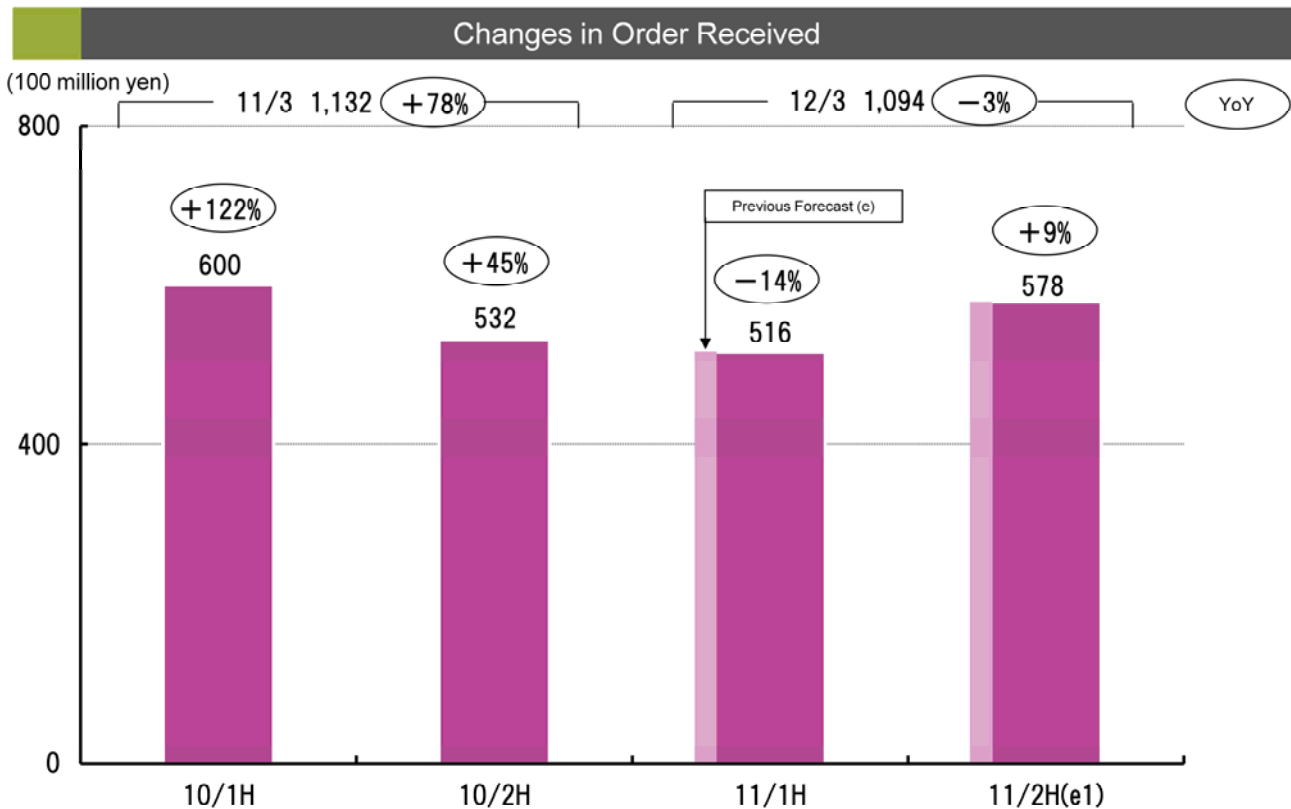
FY12: Positive investments such as foundries will settle down, leading to YoY 5% decline.

■ Explanation of Assembly Equipment Market

FY11: Productions for smartphones and tablet devices increase but investment restraints from EMS, ODM* which started from Q2 due to sluggish growth in PCs and flat TVs leads to YoY 11% decline.

FY12: In addition to increasing smartphones and tablet devices production, PCs will grow due to the introduction of Ultrabooks, triggering mass investments from major EMS for China etc., leading to YoY 6% growth.

*Original Design Manufacturing

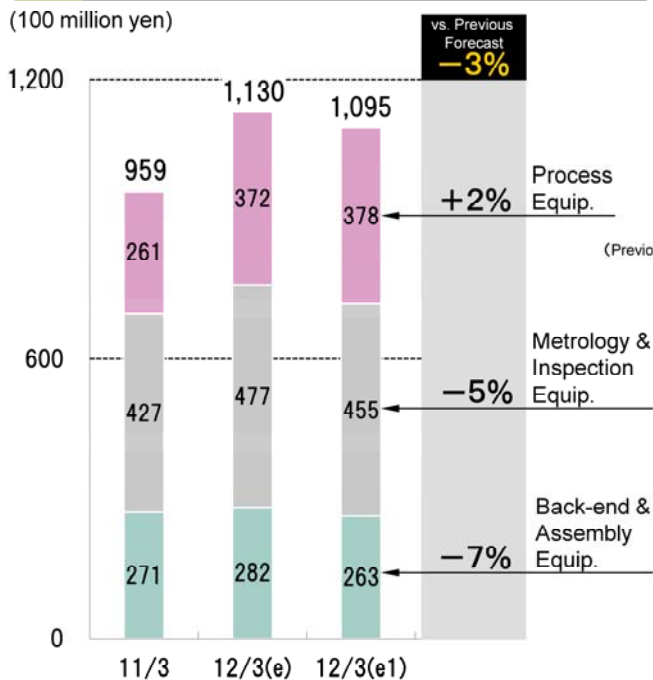


■ Circumstances of Orders Received

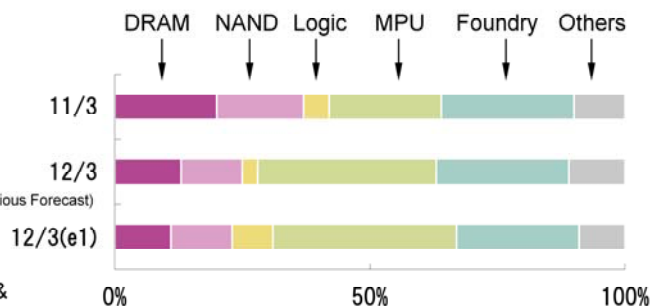
11/1H: Restraints in investment from DRAM-related manufacturers led to YoY 14% decline ,
QoQ 3% decline

11/2H: The macro economy not being clear, by securing orders coming from the
cutting-edge /miniaturization-related investments and mobile device-related investments,
lead to YoY 9% increase, QoQ 12% increase.

Sales Change in Main Businesses



Sales Ratio by Fields (Front-end Equip.)



*Previous forecast is based on published values in June, 2011.

FY10: Large-scale investments related to memories will be expected in 1H. Investments will continue in foundries as well.

FY11: Ratio of MPU will rise due to positive investments. However, ratio related to DRAM will decrease due to investment restraints.

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14

■ Explanation of Deviations

Process Equipment

Active investments from main customers and increase in the number of processes applied lead to 2% increase from previous forecast.

Metrology & Inspection Equipment

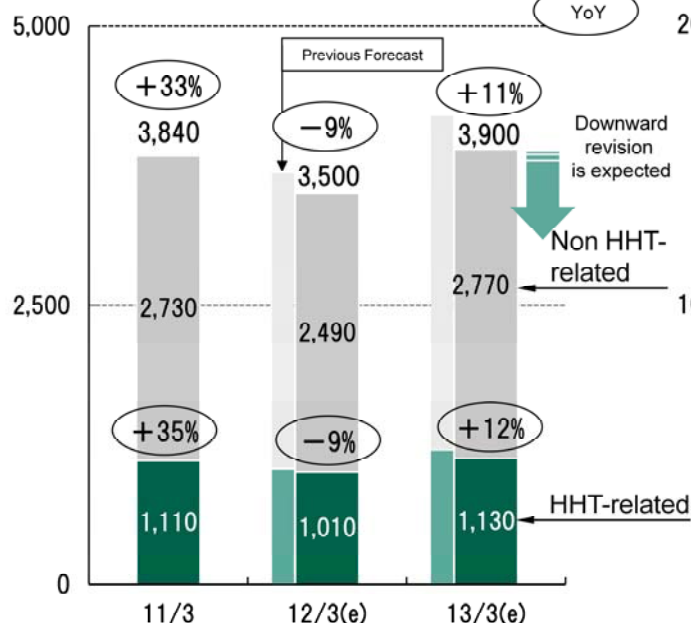
Delays of inspection equipments for memory and wafer manufacturers lead to 5% decline from previous forecast.

Back-end & Assembly Equipment

Mobile device-related investments can be expected but due to unclear demands of DRAM and consumer products lead to 7% decline from previous forecast.

FPD Manufacturing Equipment Market

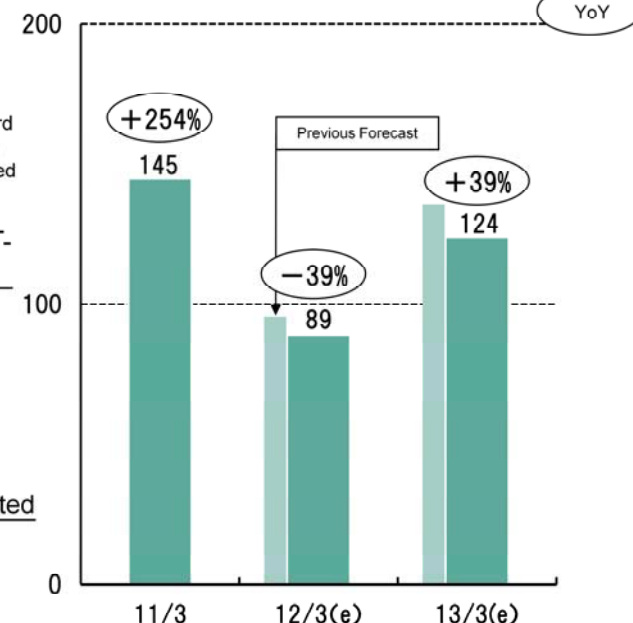
(100 million yen)



(Source) Created by HHT, based on SEAJ data (Jul. 2011).
Previous forecast is based on published values in June, 2011.

HD Manufacturing Equipment Market (HHT-related)

(100 million yen)



(Source) HHT's estimation
Previous forecast is based on published values in June, 2011.

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15

■ Explanation of FPD Manufacturing Equipment Market

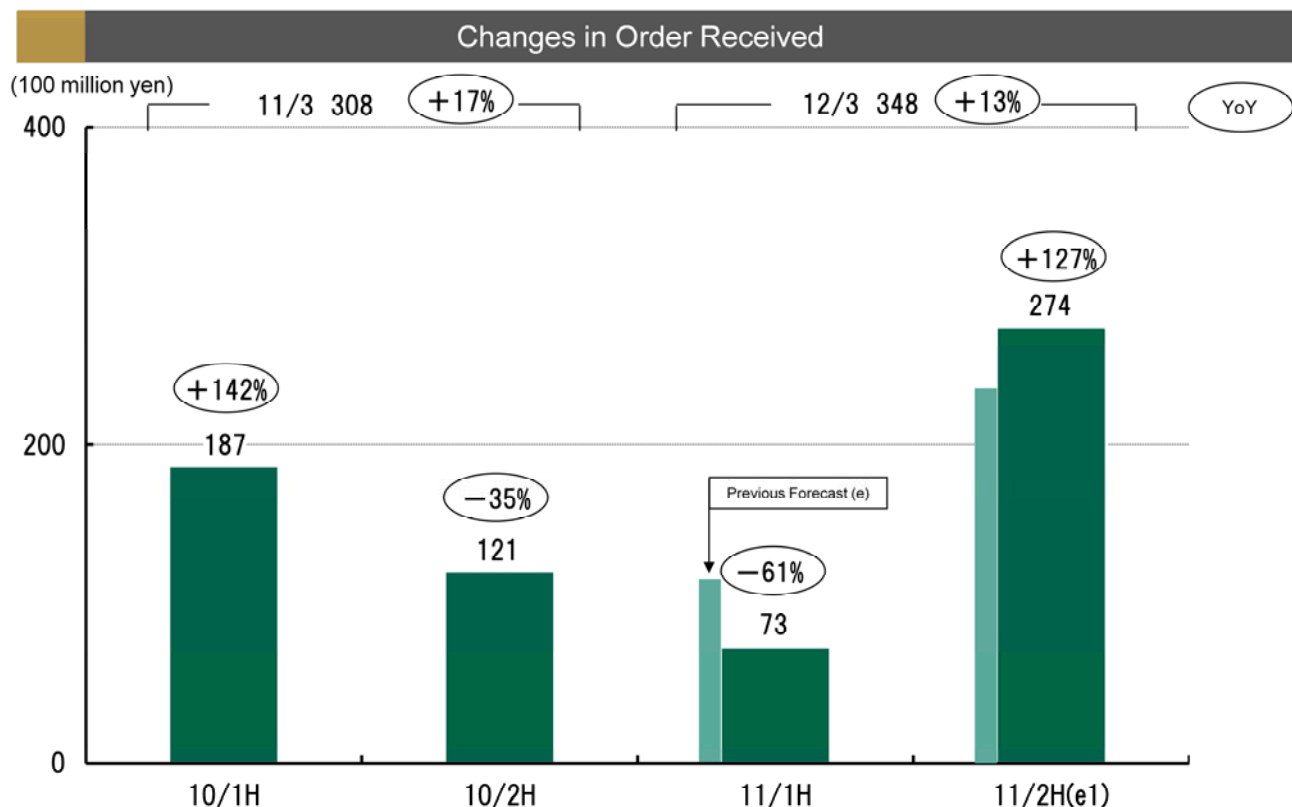
FY11: Additional delay is expected in the China investment project from Korea and Taiwan Region due to deterioration of the macro economy.
Investment size and timing is still unclear, leading to YoY 9% decline.

FY12: Even though investments increase for small/middle size panels, there is the possibility of delay in the China investment project from Korea and Taiwan Region.
YoY 11% increase is expected based on SEAJ's July 2011 guidance, but negative growth can be expected based on recent situations.

■ Explanation of HD Manufacturing Equipment Market

FY11: Sluggish macro economy and PC demands triggered HDD's downward revision.
Mergers and acquisitions among HDD manufacturers will have an effect on mass production investment plans, leading to YoY 39% decline.

FY12: Delays from disks and glass substrates' mass production investment plans scheduled in FY11 will recover, leading to YoY 39% increase.



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16

■ Circumstances of Orders Received

11/1H: YoY 61% decline, QoQ 39% decline.

FPD

Delays in investment of proximity exposure and module assembly systems for large size panels.

HD

Delays in mass production investment plans due to deterioration of the economy and merger and acquisitions among HDD manufacturers.

11/2H: YoY 127% increase, QoQ 275% increase

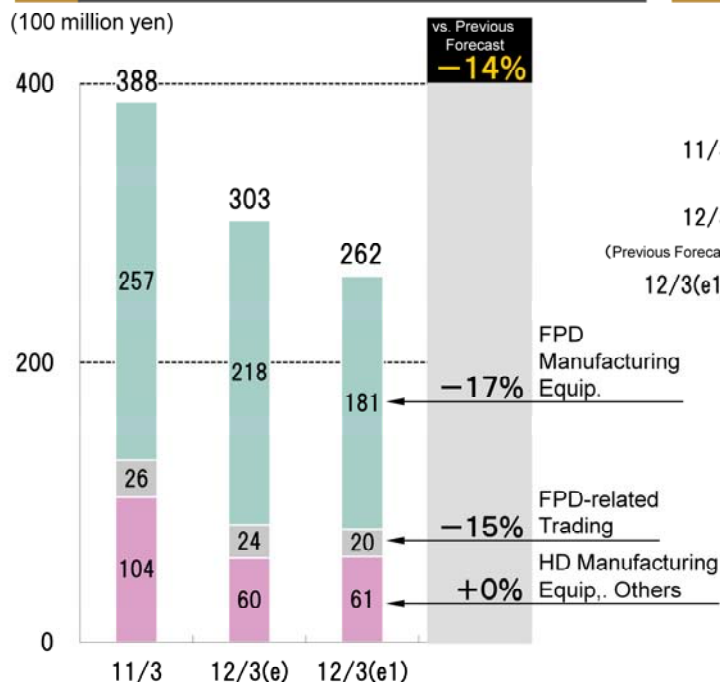
FPD

Expect large size panel facilities, small/middle size panels and touch panel investments, mainly in China.

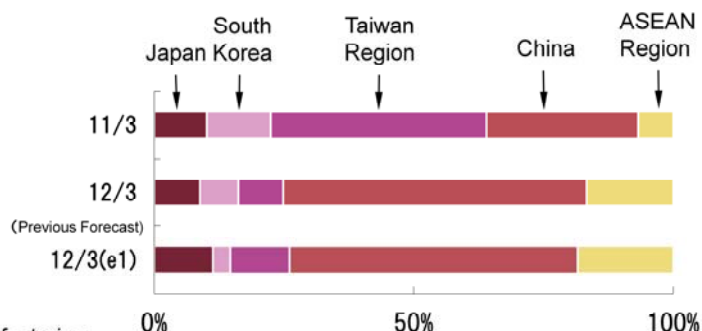
HD

Expand new concept disk testers and glass substrate inspection systems to mass production lines.
Better relationship with current customers and earn new customers as well for magnetic field shape inspection systems.

Sales Change in Main Businesses



Sales Ratio by Region (FPD-related Equip.)



*Previous forecast is based on published values in June, 2011.

FY10: Though decline in active investments for FPD-related equipments triggered by decline in panel costs were seen, investments from Korea and Taiwan Region continued.

FY11: Main investments for FPD-related equipments shifts to China.

Increasing sales ratio in the ASEAN region for HD-related equipments.

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17

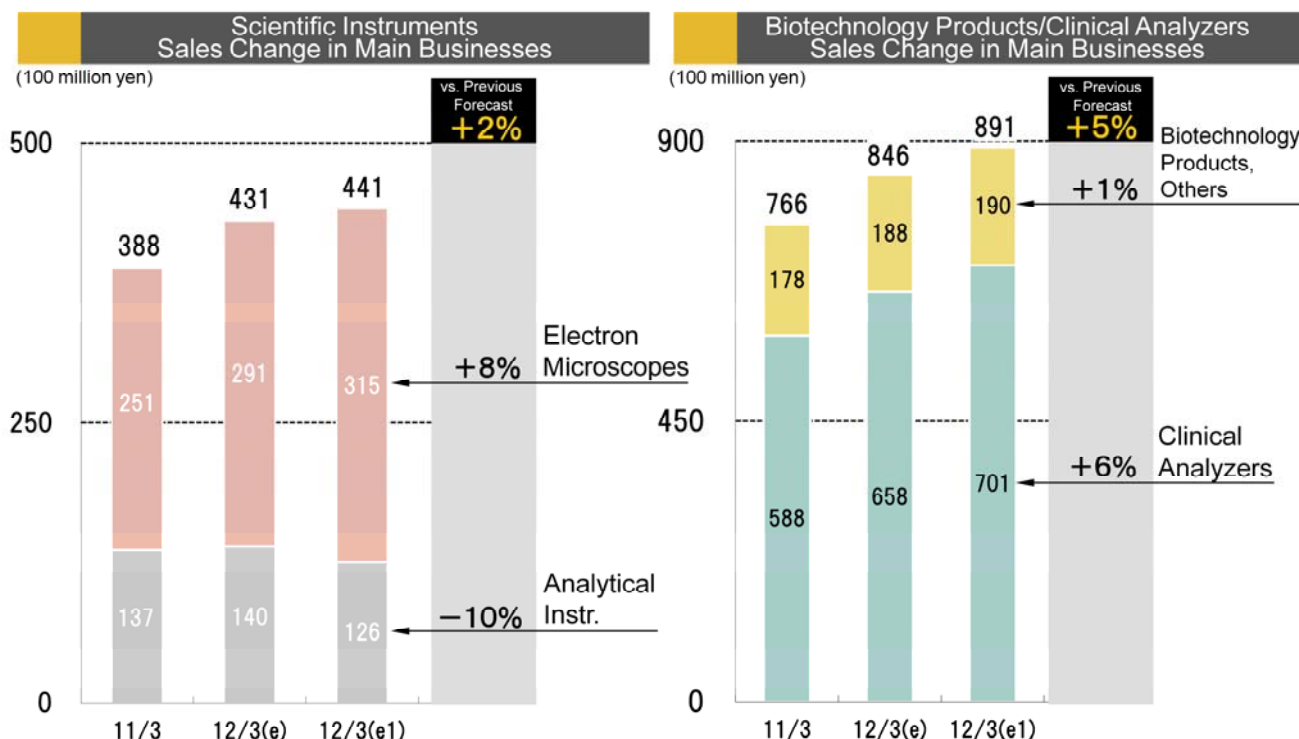
■ Explanation of Deviations

FPD Manufacturing Equipment

Delay in investment plans of proximity exposure systems for China lead to 17% decline from previous forecast.

HD Manufacturing Equipment, Others

Sluggish growth in HDD due to decline in PC demands and merger and acquisitions among HDD manufacturers effecting mass production investments lead to no changes from previous forecast.



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18

■ Explanation of Deviations

Even though there were confusion caused by the Great East Japan Earthquake, overall, firm sales are expected.

Scientific Instruments

Electron Microscopes

Effect of new electron microscope leads to YoY 8% increase from previous forecast.

Analytical Instruments

Confusion caused by the earthquake and delay of new type liquid chromatograph due to the earthquake lead to YoY 10% decline from previous forecast.

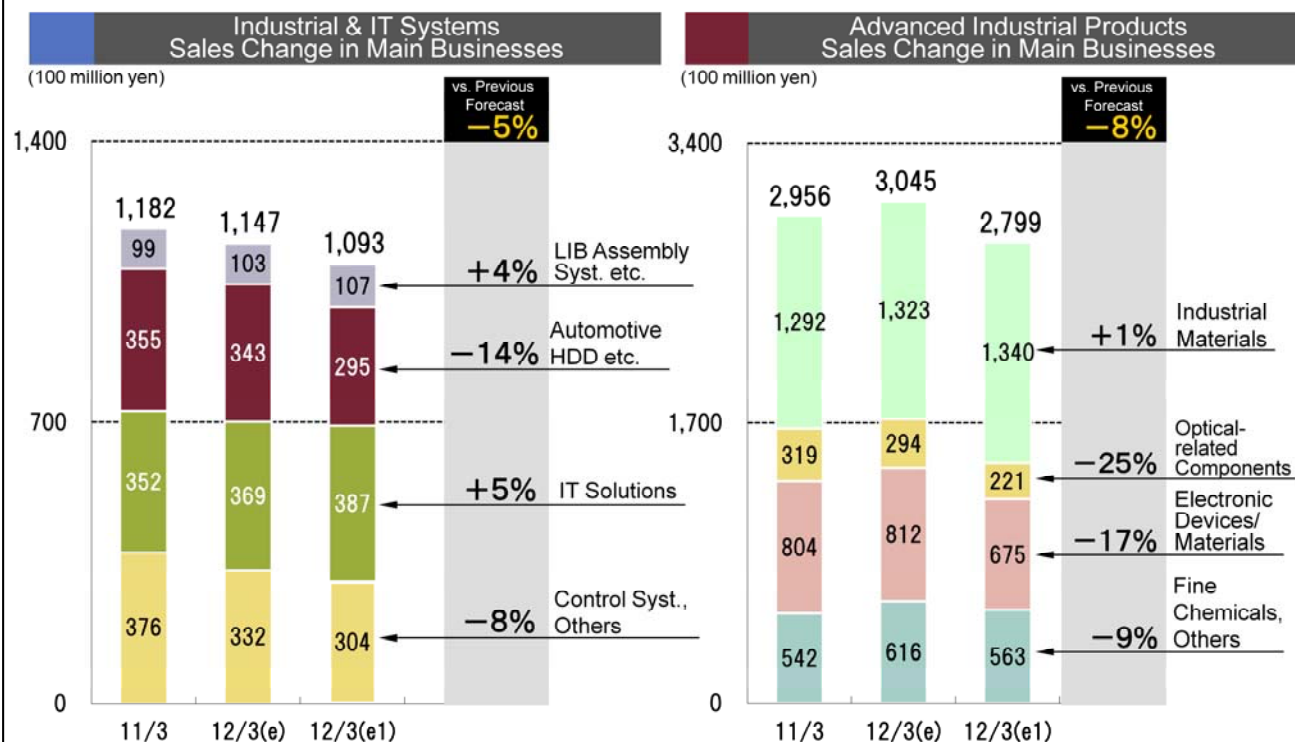
Biotechnology Products/Clinical Analyzers

Biotechnology Products, Others

Launch of new second generation DNA sequencers as planned lead to YoY 1% increase from previous forecast.

Clinical Analyzers

Expand sales of new large size blood biochemistry and immunoassay automatic analysis equipment and increased sales in Asia lead to YoY 6% increase from previous forecast.



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19

■ Explanation of Deviations

Industrial & IT Systems

LIB Assembly Systems. etc.

Assembly systems for automobile components will face hardships due to the effect of earthquake and decrease in production. However, LIB assembly systems for automobiles and storage is in good shape which lead to YoY 4% increase from previous forecast.

Automotive HDD, etc.

Effects to the supply chain triggered by the earthquake caused lack of HDD component supplies which lead to YoY 14% decline from previous forecast.

IT Solutions

Good start of new mobile phone model for the U.S. market lead to YoY 5% increase from previous forecast.

Control Systems, Others

Sales slump of FPD manufacturing equipment (trading product) leads to YoY 8% decline from previous forecast.

Advanced Industrial Products

Optical-related Components

Inventory adjustments in modules for light transmission equipments and components in emerging countries lead to YoY 25% decrease from previous forecast.

Electronic Devices/Materials

Moderation of the silicon wafer and FPD-related materials market lead to YoY 17% decline from previous forecast.

III

Data

Changes in Quarterly Results

(100 million yen)

			FY10/Q1	FY10/Q2	FY10/Q3	FY10/Q4	FY11/Q1	FY11/Q2
Sales / Operating Income	Electronic Device Systems	Sales	169	311	193	286	231	301
		Operating Income	7	48	20	41	24	33
	Fine Technology Systems	Sales	67	108	125	88	36	79
		Operating Income	−1	7	8	−3	−13	−10
	Science & Medical Systems	Sales	275	306	262	311	254	401
		Operating Income	30	31	24	36	21	67
	Industrial & IT Systems	Sales	296	295	262	329	301	302
		Operating Income	−3	7	−1	9	−2	4
	Advanced Industrial Products	Sales	802	777	712	666	656	702
		Operating Income	11	5	8	2	4	3
	Others & Elimination/Corporate	Sales	−24	−29	−26	−26	−25	−21
		Operating Income	−1	−4	−3	−1	−3	−7
	Total	Sales	1,585	1,768	1,527	1,655	1,452	1,763
		Operating Income	43	95	57	85	32	91
Ordinary Income			50	93	58	94	36	89
Net Income			35	63	35	44	20	59

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21

■ Capital Expenditures/Depreciation Costs/R&D

(100 million yen)

	10/1H	11/1H	YoY	11/3	12/3 (e1)	YoY
Capital Expenditure	40	55	+38%	90	185	+106%
Depreciation Costs	41	42	+3%	90	102	+14%
R & D	103	114	+10%	208	253	+22%

(Note) Capital Expenditure is based on an acquisition bases

■ Sales by Region

(100 million yen)

		Japan	North America	Europe	Asia	Mainland China	Others	Total
10/1H	S a l e s	1,475	295	356	1,172	517	55	3,353
	R a t i o	44.0%	8.8%	10.6%	34.9%	15.4%	1.6%	100.0%
11/1H	S a l e s	1,330	408	406	979	513	93	3,216
	R a t i o	41.4%	12.7%	12.6%	30.4%	16.0%	2.9%	100.0%

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22

Sales Change in Main Business

(100 million yen)	FY10/Q1	FY10/Q2	FY10/Q3	FY10/Q4	FY11/Q1	FY11/Q2
Electronic Device Systems	169	311	193	286	231	301
Process Equipment	32	77	60	91	92	101
Metrology & Inspection Equipment	79	125	82	142	87	127
Back-end & Assembly Equipment	58	109	51	53	52	72
Fine Technology Systems	67	108	125	88	36	79
FPD Manufacturing Equipment	56	78	103	47	30	66
HD Manufacturing Equipment , Others	11	30	22	41	6	13
Science & Medical Systems	275	306	262	311	254	401
Analytical Instruments	27	44	31	35	29	38
Electron Microscopes	36	79	47	89	55	88
Clinical Analyzers	162	139	146	141	108	206
Biotechnology Products, Others	49	44	38	46	61	67
Industrial & IT Systems	296	295	262	329	301	302
LIB Assembly Systems, etc.	35	21	12	32	13	25
Automotive HDD, etc.	75	82	96	103	87	66
IT Solutions	103	99	66	84	126	130
Control Systems , Others	83	93	88	110	75	80
Advanced Industrial Products	802	777	712	666	656	702
Industrial Materials	336	339	310	307	318	328
Optical-related Components	99	81	71	68	56	57
Electronic Devices /Materials	238	219	192	155	133	171
Fine Chemicals, Others	129	138	138	136	148	145

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Notes on the data

1. All financial statement summaries and results predictions included in this presentation are on a consolidated basis unless otherwise stated. Numerical data is rounded off to the nearest 100 million yen.
2. In its disclosures, Hitachi High-Technologies may make statements that constitute forward-looking statements that reflect management's views with respect to certain future events and financial performance at the time of disclosure. Such statements are based on information available at the time of disclosure and may differ from actual results due to various external factors, both direct and indirect. In the event of a major discrepancy with the items disclosed, the Company will disclose on a case-by-case basis based on the law and/or the timely disclosure rules and regulations of the stock exchanges on which the Company is listed.

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END

FY11 2nd Quarter Financial Results

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Hitachi High-Tech

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