

FY12 2nd Quarter Financial Results

*1H operating income reached 16Ybn thanks to good performance in
Electronic Device Systems*

October 25, 2012

 **Hitachi High-Technologies Corporation**

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FY12 2nd Quarter Financial Results

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I

Outline of FY12 Q1-Q2

(Note) YY/M denotes the year and month of the accounting period-end.
(e) denotes the forecast for the previous period. (Jul. 2012)

FY12 Q1-Q2 (Highlights)

(100 million yen)

	Results	YoY		vs. Previous Forecast	
		Increase/Decrease	Ratio	Increase / Decrease	Ratio
Sales	3,107	-108	-3%	-23	-1%
Operating Income	160	+37	+30%	+25	+18%
Ordinary Income	165	+40	+32%	+28	+21%
Net Income	111	+32	+41%	+26	+31%
Net Income per Share	80.77yen	+23.39yen		+18.97yen	
Cash Dividend per Share	10.00yen	-10.00yen		±00.00yen	
FCF	+38		-61		+11

(Note) Previous forecast, published July 2012.

Explanation of deviations vs. previous forecast (July 2012)

Sales (313.0Ybn → 310.7Ybn -2.3Ybn)

- | | |
|---------------------------------|--|
| ■ Electronic Device Systems: | Increased 0.7Ybn due to growth in shipment of metrology equipment. |
| ■ Fine Technology Systems: | Decreased 0.6Ybn due to initial investment delays of HD manufacturing equipment. |
| ■ Science & Medical Systems: | Increased 2.0Ybn due to earlier-than-expected shipment of clinical analyzers for the overseas market. |
| ■ Industrial & IT Systems: | Increased 1.2Ybn due to good performance of automatic assembly systems for emerging markets triggered by increased automobile demands. |
| ■ Advanced Industrial Products: | Decreased 6.0 Ybn due to sluggish demands of consumer products. |

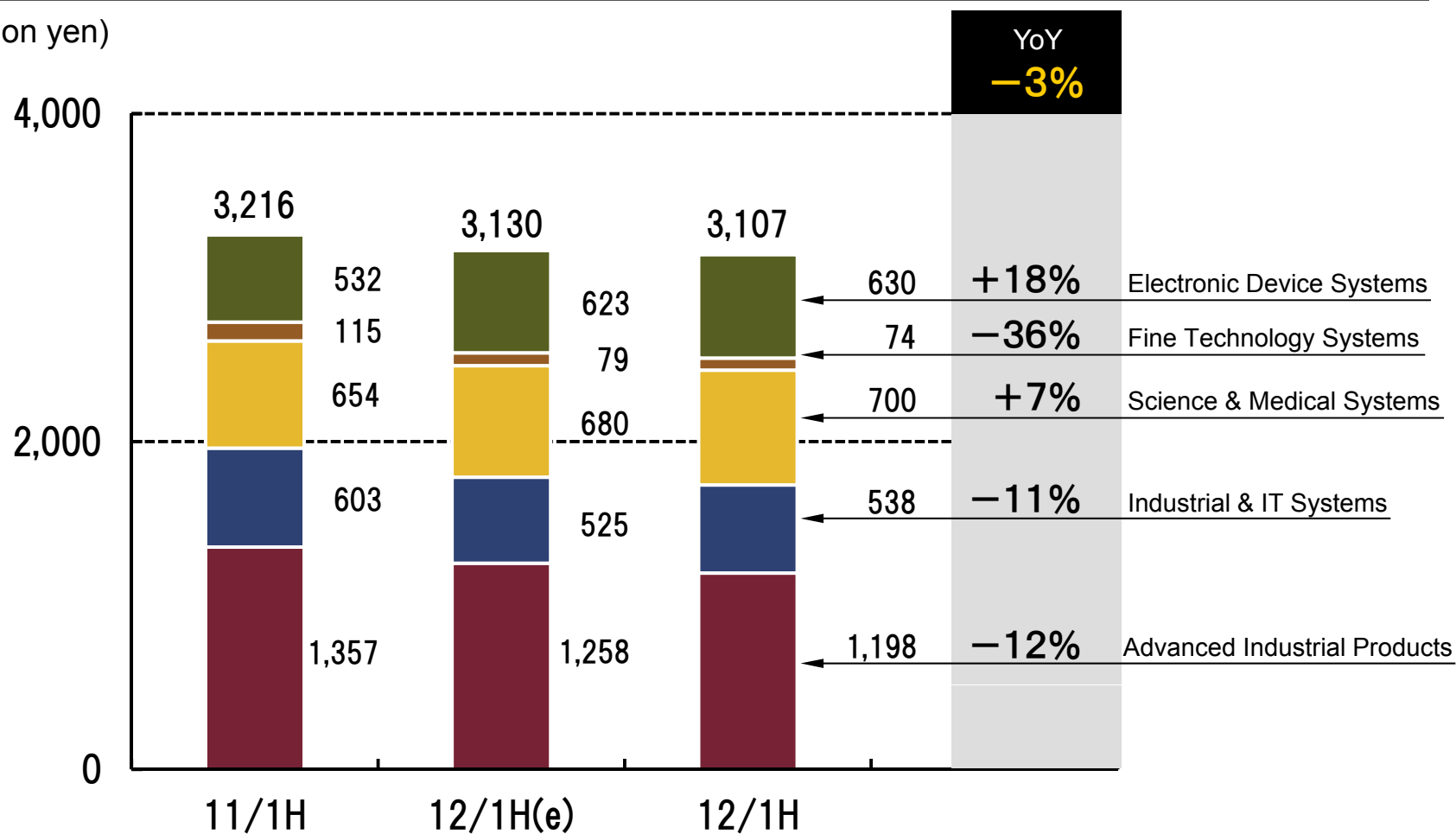
Operating Income (13.5Ybn → 16.0Ybn +2.5Ybn)

- | | |
|------------------------------|--|
| ■ Electronic Device Systems: | Increased 1.4Ybn due to the same reasons as above and improved capacity utilization. |
| ■ Science & Medical Systems: | Increased 1.0Ybn due to the same reasons as above. |

FY12 Q1-Q2 (Sales)

Sales

(100 million yen)

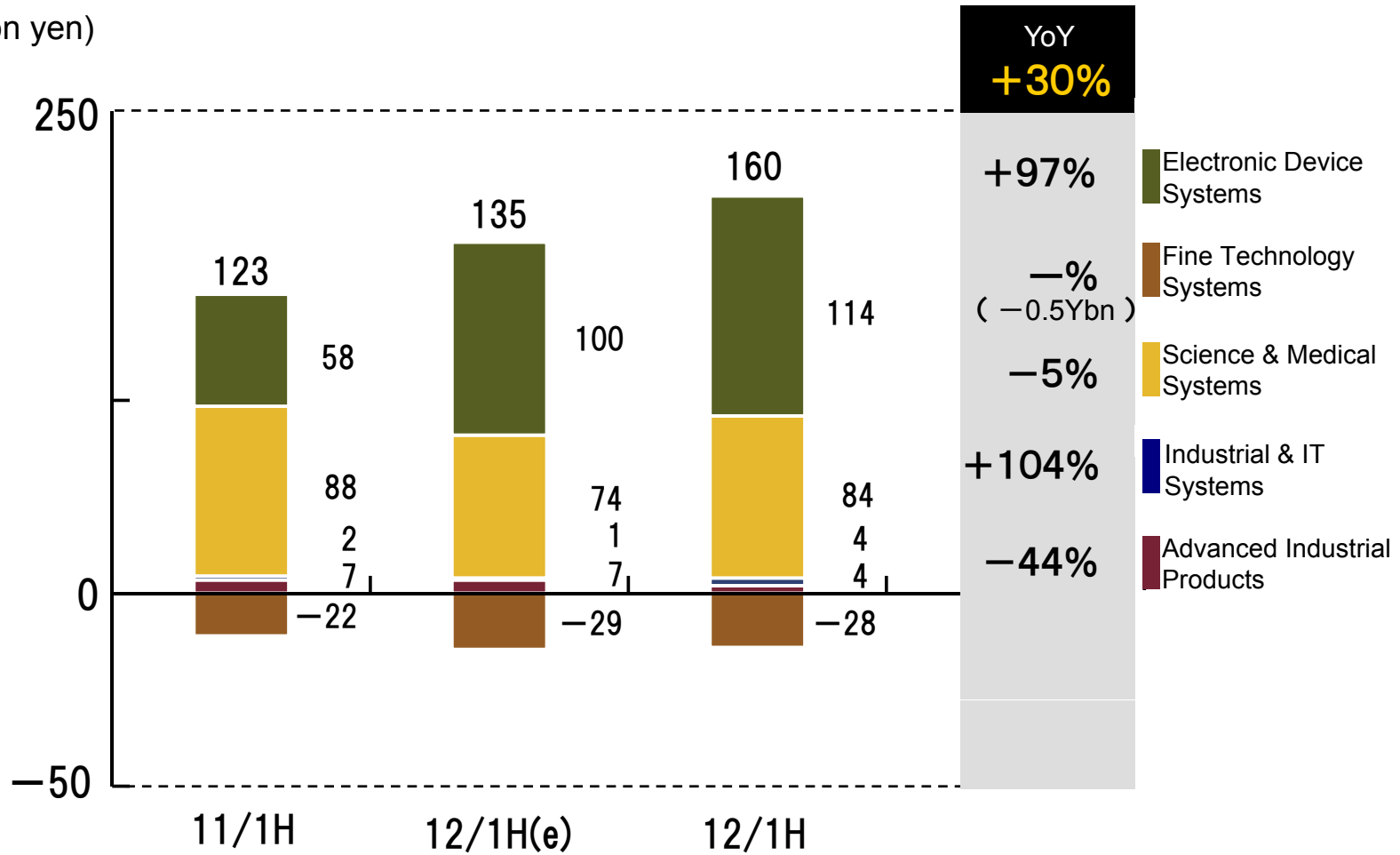


Note: Elimination such as subtractions in intersegment transactions, etc., are included in the totals.

FY12 Q1-Q2 (Operating Income)

Operating Income

(100 million yen)



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

FY12 Q1-Q2 (Balance Sheet in Summary)

As of end of September 2012 (100 million yen)

		vs. 12/3			vs. 12/3	
Current Assets		3,398	-139	Current Liabilities	1,384	-232
Cash & Deposits/Deposit to Hitachi Group Cash Management Fund	1,322	+101	Notes & Accounts Payable	931	-124	
Notes & Accounts Receivable	1,177	-123	Others	453	-108	
Inventories	662	-24	Fixed Liabilities	281	+5	
Others	238	-93	Retirement and severance benefits	271	+6	
Fixed Assets	883	-1	Others	10	-1	
Tangible Fixed Assets	612	+15	Net Assets	2,616	+86	
Intangible Fixed Assets	64	+1	Shareholder Capital	2,641	+97	
Investments & Other Assets	207	-18	Accumulated Other Comprehensive Income (Loss)	-28	-12	
			Minority Interests	3	+0	
Total Assets	4,281	-141	Total Liabilities & Shareholders' Equity	4,281	-141	

- Shareholders' Equity per Share 1,900.13yen(vs. 12/3 +62.29yen)

- Equity Ratio 61.0%(vs. 12/3 +3.9%)

FY12 Q1-Q2 (Cash Flow Statement in Summary)

(100 million yen)

	12/1H		12/1H
Cash Flow from Operating Activities	+85	Cash Flow from Financing Activities	-14
Income Before Income Taxes and Minority Interests	+163	Dividends Paid	-14
Depreciation and Amortization	+37	Others	-0
Working Fund	+7	Effect of Exchange Rate Changes	-17
Income Taxes Paid	-79		
Others	-44		
Cash Flow from Investing Activities	-47		
Capital Expenditures Proceeded from Sales/Purchase of Securities	+14		
Capital Expenditures Proceeded from Sales/Purchase of Property and Equipment	-70		
Others	+9		
Free Cash Flow	+38		
		Cash and Cash Equivalents	12/1H
		At the Beginning of Year	1,216
		Net Increase (Decrease)	+7
		At the End of Term	1,223

II

Status Quo of FY12 Management Policy

Status Quo of FY12 Management Policy①

1. Strengthen business portfolio by shifting resources to growing fields

Proprietary Product Division

- Secured new orders from major customers by developing new products. (Inspection and assembly systems/Electronic Device Systems)
- Continue business reforms such as consolidating office/manufacturing sites, cutting fixed costs and shifting resources to growth fields.(Fine Technology Systems)
- Expand product lineup and core technology including M&A. (Science & Medical Systems)



Trading Division

- Shifting from consumer electronics field to social innovation and environment/new energy field
- Contribute to Hitachi Group's social innovation business. (Hitachi Group global sales/procurement)
- Early start up of environment and new energy field. (Concentrating resources/forming projects)



Status Quo of FY12 Management Policy②

2. Act globally – Expand and accelerate global business by focusing on target region

- Expanded manufacturing/development functions
 - Started integrated manufacturing system for analytical instruments for the emerging markets at the factory in Dalian, China. (FY2012)
 - Group-wide utilization of Suzhou, China's factory expansion. (FY2013)
 - Establish a process engineering center at major customer's nearby site in the U.S. to promote prior investment of next generation technologies.(FY2014)
- Deepen collaboration with good customers and promote global activities as a Hitachi Group trading company.



Development Center in
Dalian (China)

3. Create new business by accelerating research and development

- Promote C-Project.
(FY2012 new theme: Spherical shaped solar cells Sphelar®-related business.)
- Promote R&D such as environmental/new energy and life sciences with Hitachi, Ltd.'s laboratories.



See-through Glass with Spherical
Shaped Solar Cells Sphelar®

III

FY12 Outlook

Note: YY/M denotes the year and month of the accounting period end.
(e) denotes the forecast for the previous period. (April 2012)
(e1) denotes the forecast for the current period. (October 2012)

FY12 Outlook (Highlights)

(100 million yen)

	FY12 Outlook	YoY		vs. Previous Forecast	
		Increase/Decrease	Ratio	Increase / Decrease	Ratio
Sales	6,400	-59	-1%	-200	-3%
Operating Income	300	+45	+18%	±0	±0%
Ordinary Income	300	+38	+14%	+6	+2%
Net Income	202	+59	+42%	+14	+7%
Net Income per Share	146.87yen	+43.16yen		+10.18yen	
Cash Dividend per Share	20.00yen	-10.00yen		±00.00yen	
ROE	7.7%	+2.0%		+0.5%	
FIV	+59	+26		+2	
FCF	+100	-83		±0	

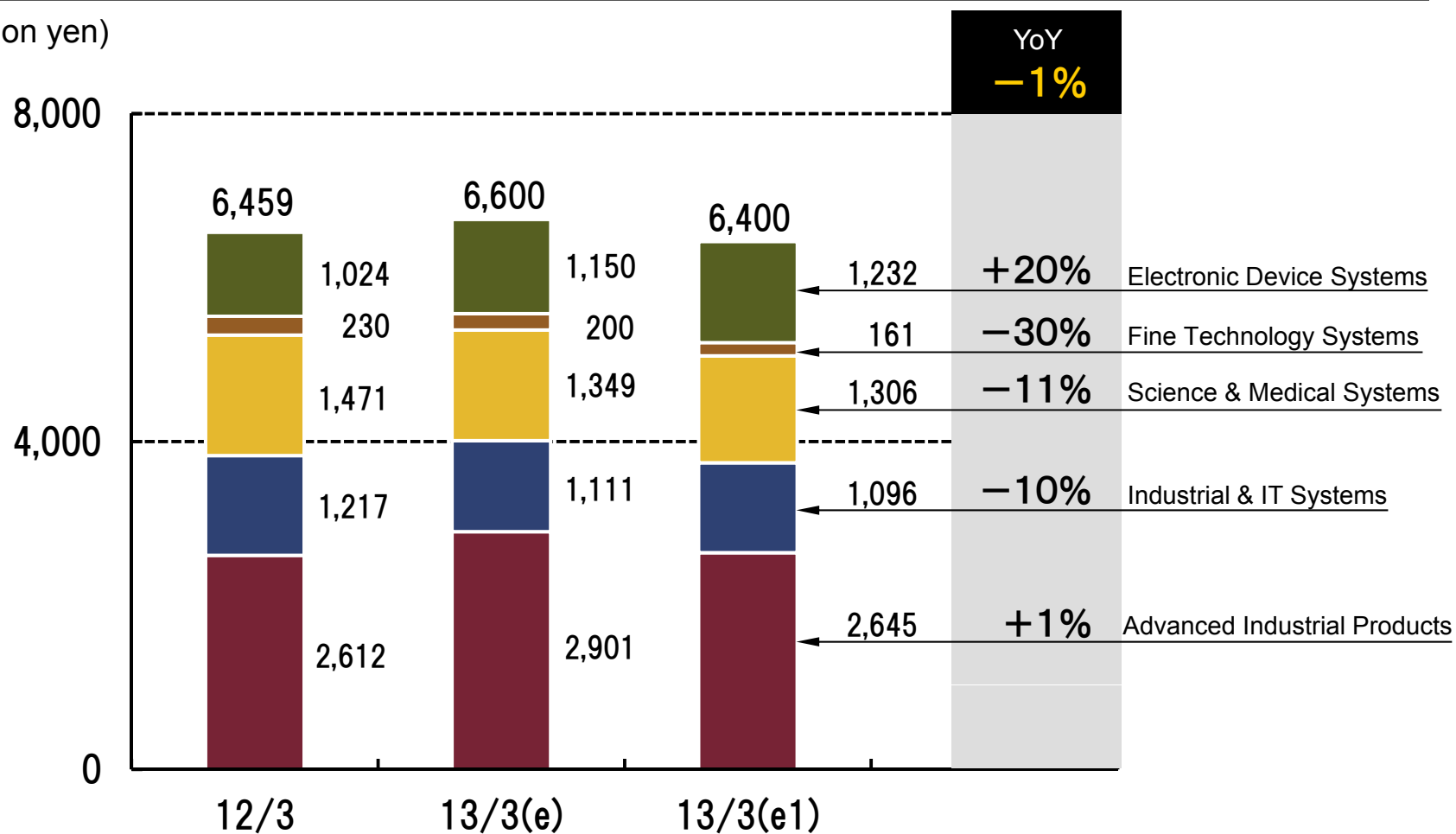
Note: Cash dividends per share of FY11 includes memorial dividend of 10yen (in commemoration of 10 years of operation)

FX rate estimate: 1USD=80yen, 1EUR=100yen

FY12 Outlook (Sales)

Sales

(100 million yen)

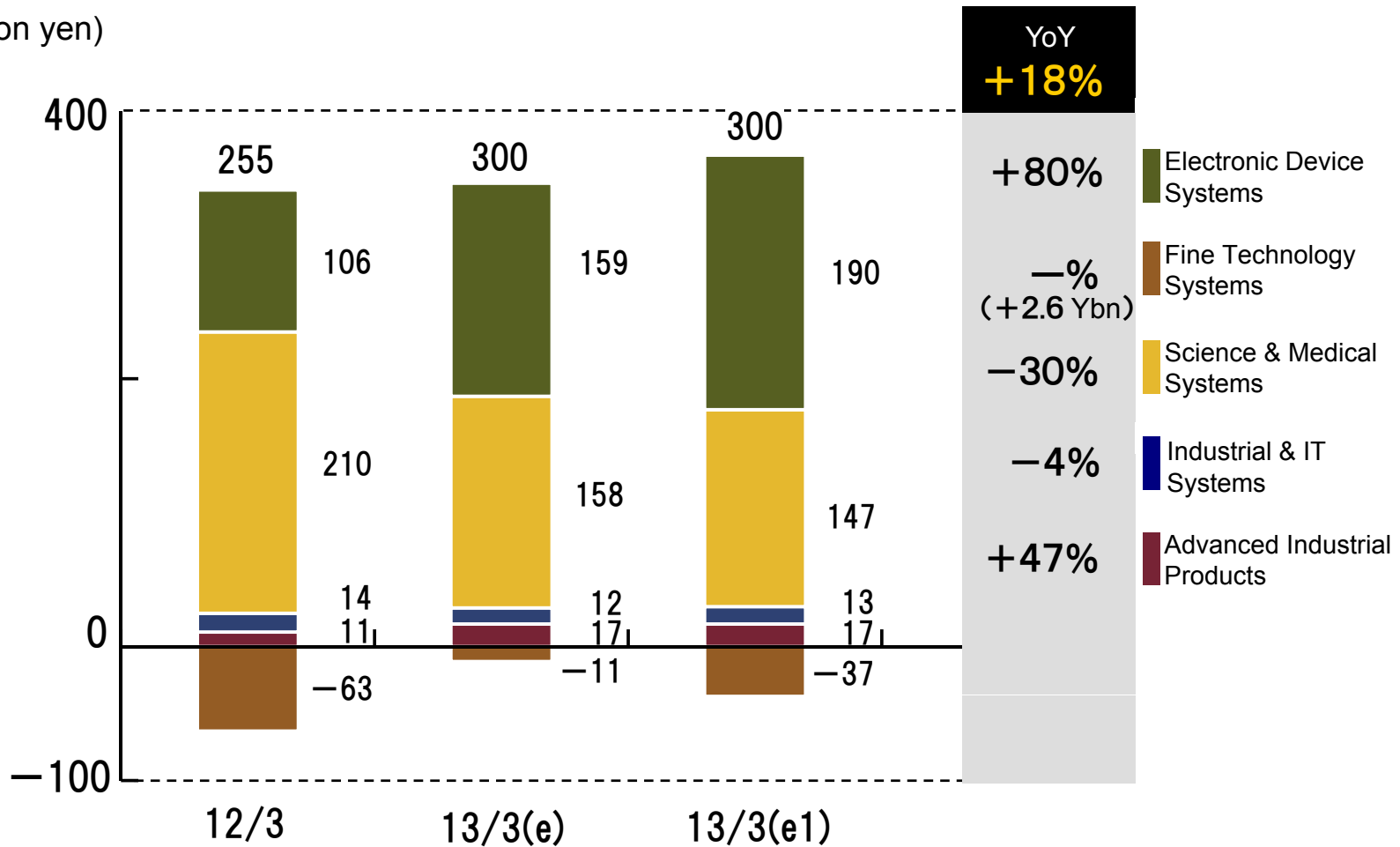


Note: Elimination such as subtractions in intersegment transactions, etc., are included in the totals.

FY12 Outlook (Operating Income)

Operating Income

(100 million yen)



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

Business Environment

Semiconductor Devices Market

- High growth related to mobile devices in cutting-edge ASSP and embedded NAND supported by a high growth rate in the mobile sector (smartphone shipments up 49%, tablet shipments up 80%).
- Slow growth in PC shipments in FY2012, up 0.2% year on year, creating an oversupply in general-purpose DRAM. Growth anticipated in low-power DRAM for mobile devices only. MPU growth also slowing.

Semiconductor Manufacturing Equipment Market

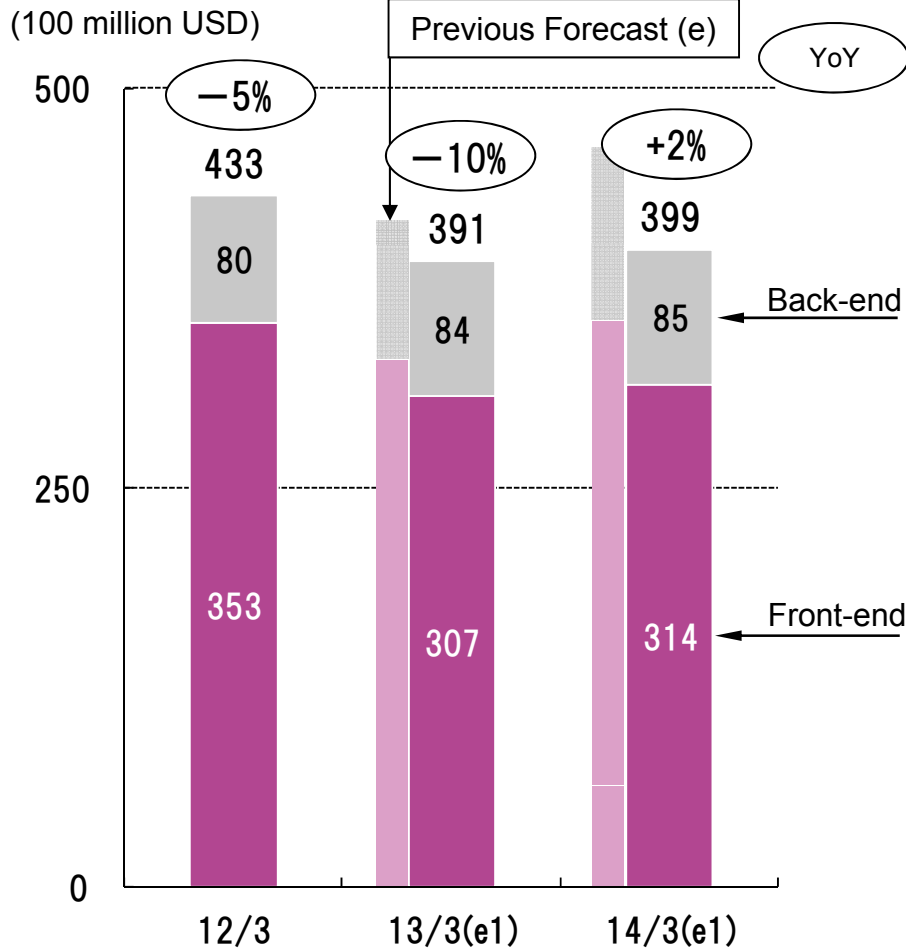
- The equipment market in FY2012 has seen aggressive investment in 28nm miniaturization by major foundries (Korea, Taiwan). However, market growth is projected to decline by 10%, reflecting restrained DRAM investment from the slowdown in PCs and production adjustments as NAND sales prices decline.
- Continued rapid growth in cutting-edge mobile devices such as smartphones and tablets, coupled with flat PC production volume, is expected to leave the FY2013 market largely unchanged from FY2012.

Assembly Equipment Market

- In FY2012, demand for products for smartphones was up 17%, while demand volume fell 15% for products for PCs
- Overall growth of 4% projected for the high-speed mounter market.

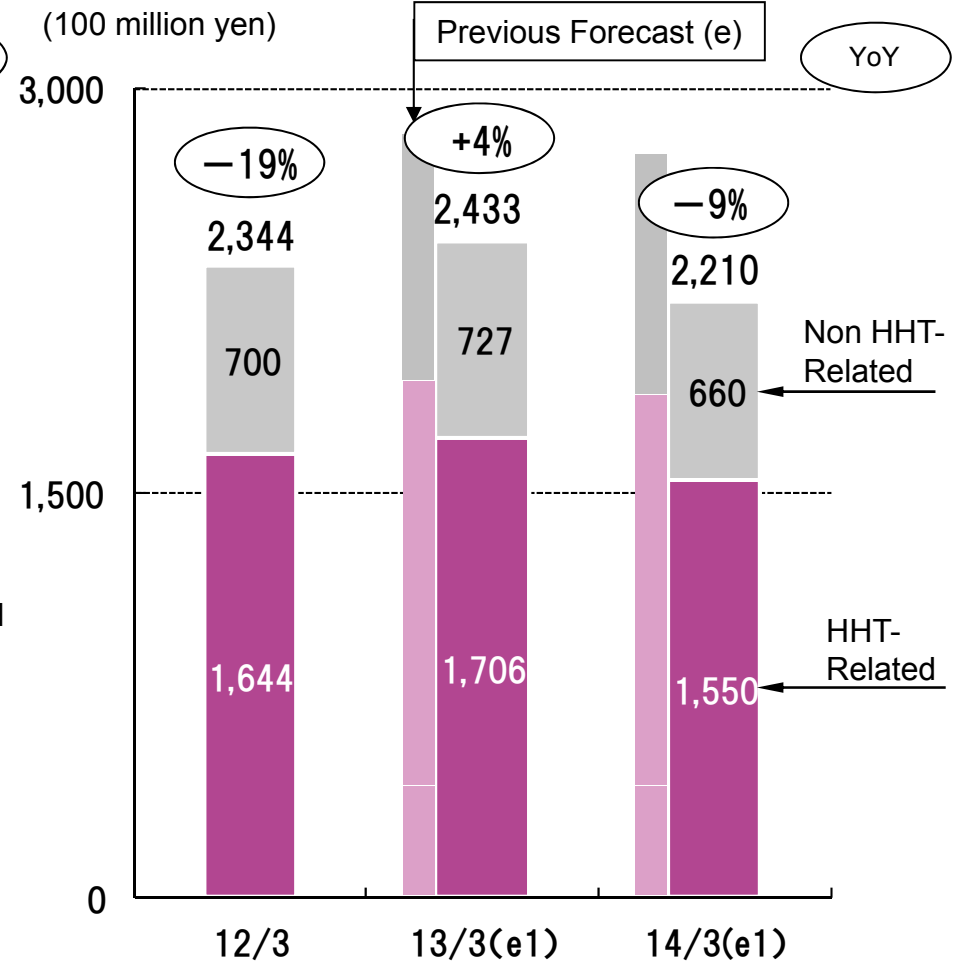
FY12 Outlook (Electronic Device Systems) ②

Semiconductor Manufacturing Equipment Market



(Source) Gartner(Sep. 2012)/ HHT's estimation

Assembly Equipment Market

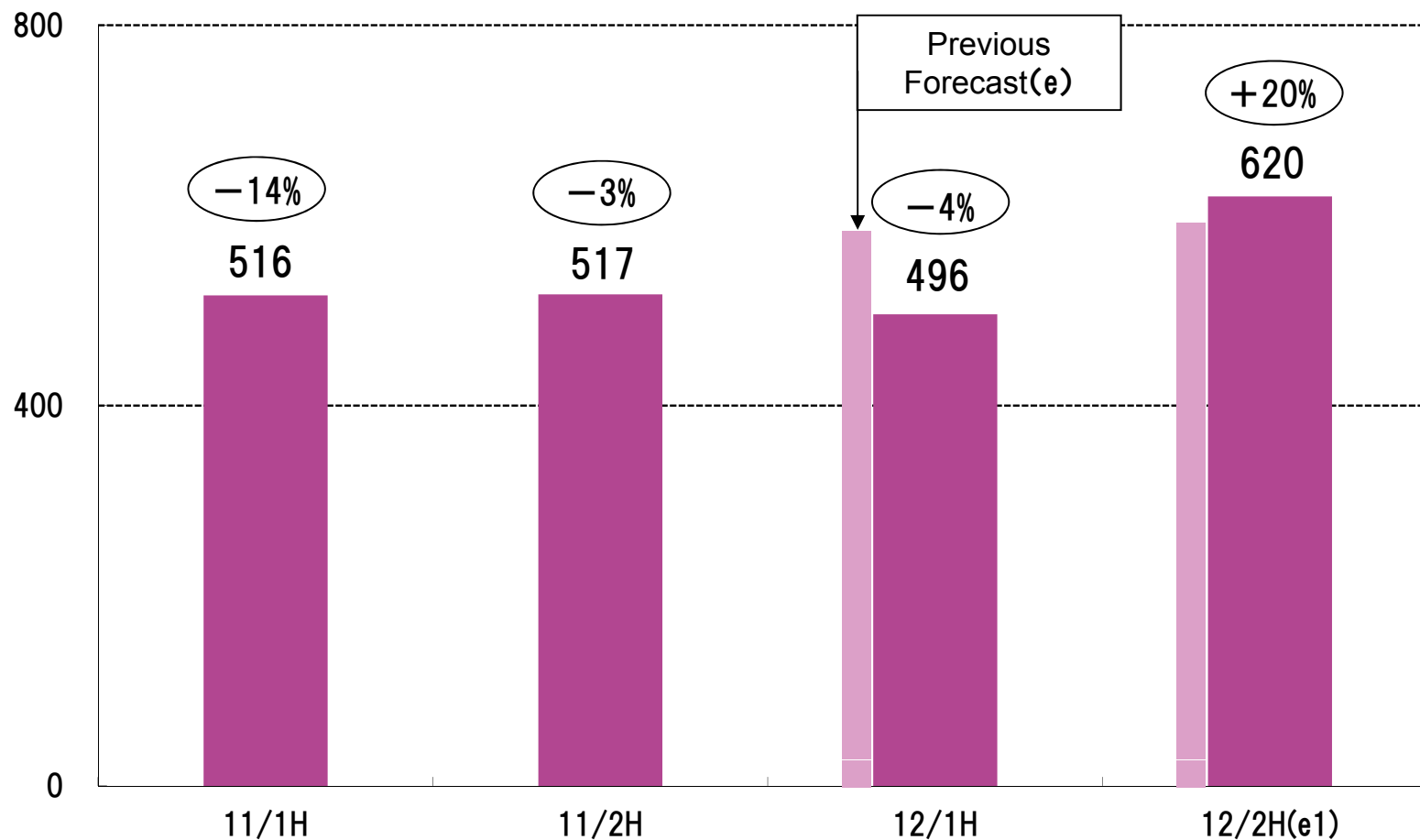


(Source) Created by HHT, based on Japan Robot Association's data (Jul. 2012).

FY12 Outlook (Electronic Device Systems) ③

Changes in Order Received

(100 million yen) 12/3 1,033 **-9%** 13/3 1,116 **+8%** YoY



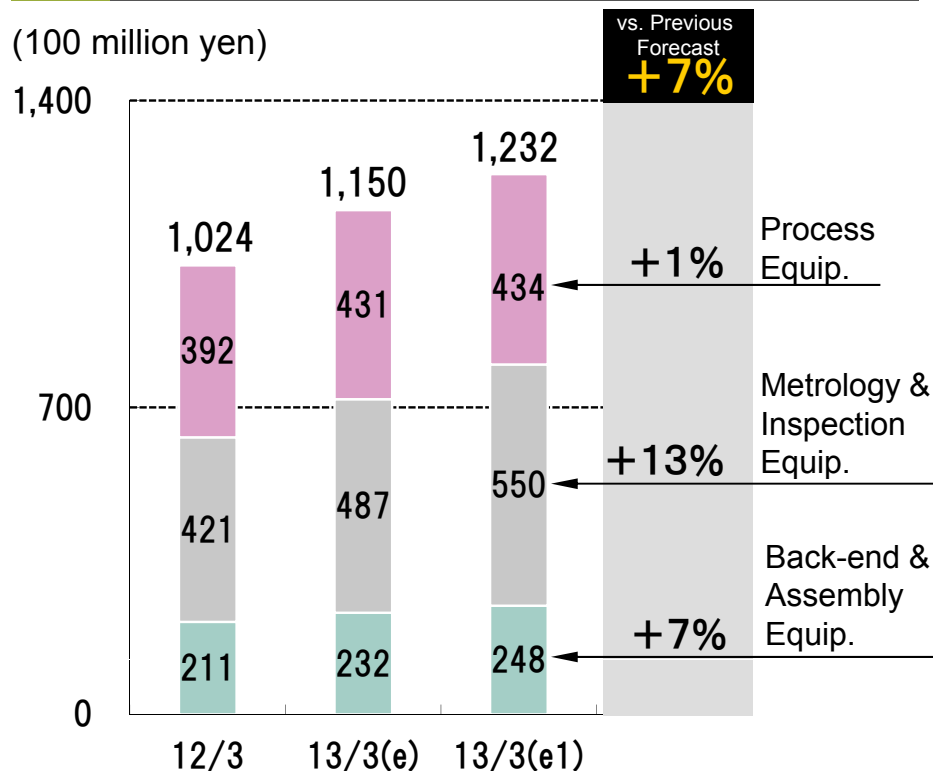
Note: Previous forecast for 12/1H was announced in July.(FY12/Q1)

FY12 Outlook (Electronic Device Systems) ④

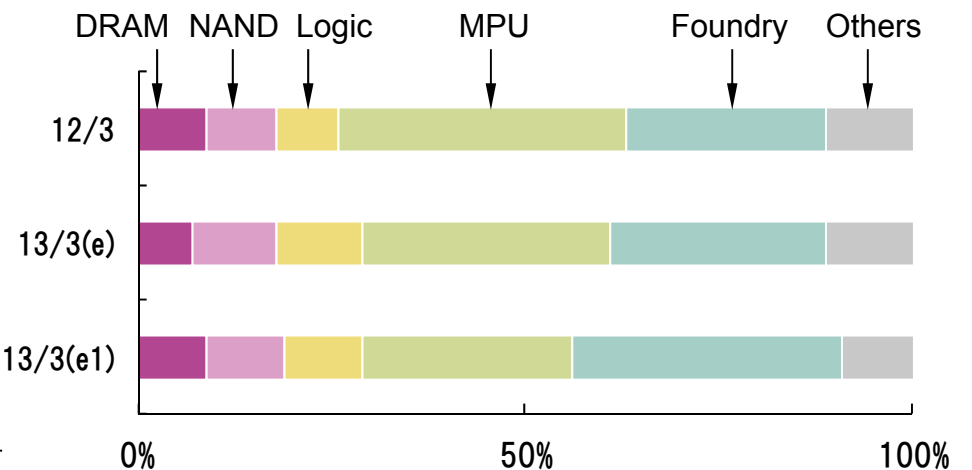
Future Actions

1. Realize customer value by proposing solutions for growth fields* and technological changes**.
 - *Growth fields: Mobile devices and communications
 - **Technological changes: New materials, new structures and accelerating pace of miniaturization
2. Expand Mainstay Product Sales and Expand Market Share Among Customers through New Product Launches

Sales Change in Main Businesses



Sales Ratio by Fields (Front-end Equip.)



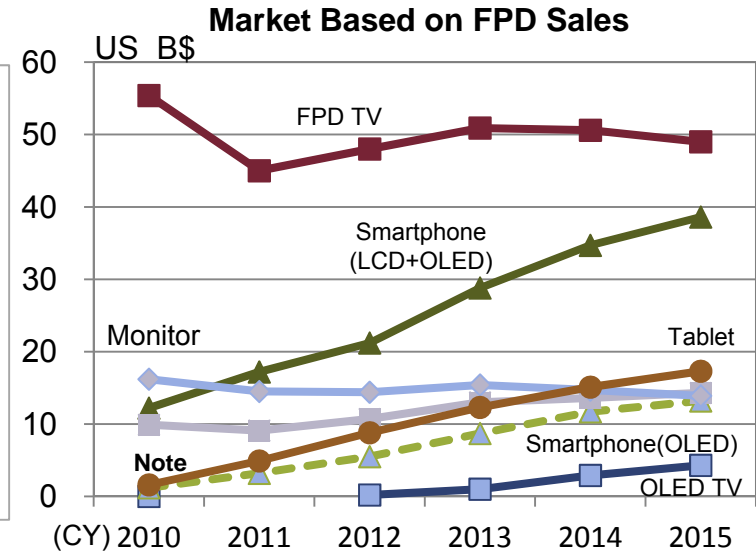
FY2011: Firm MPU growth atop aggressive investment. DRAM-related investment was restrained.

FY2012: Continued large-scale foundry investment. Increase in logic-related investment.

Business Environment

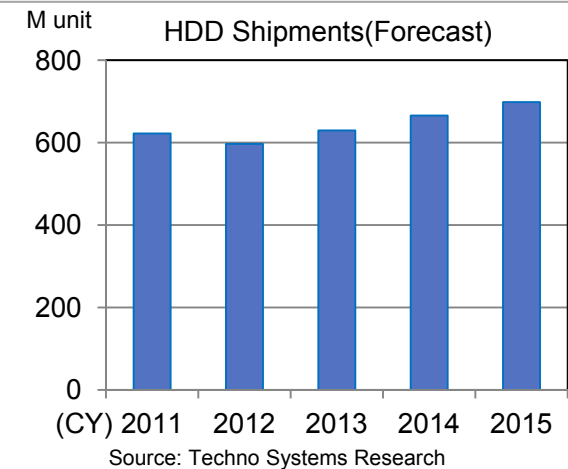
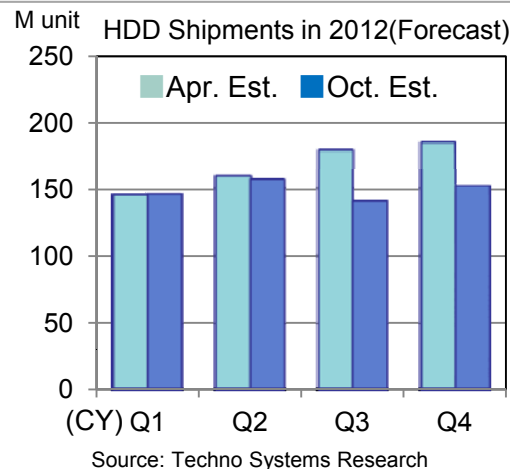
FPD market trend

- FPD TVs will be delayed.
On the other hand, growth in the smartphone market is anticipated.
- Strong continued growth in tablet PCs are anticipated.
- Investments are delayed for large-sized panels due to limited investments used for high-definition, small/middle-sized panels and OLEDs.



HD market trend

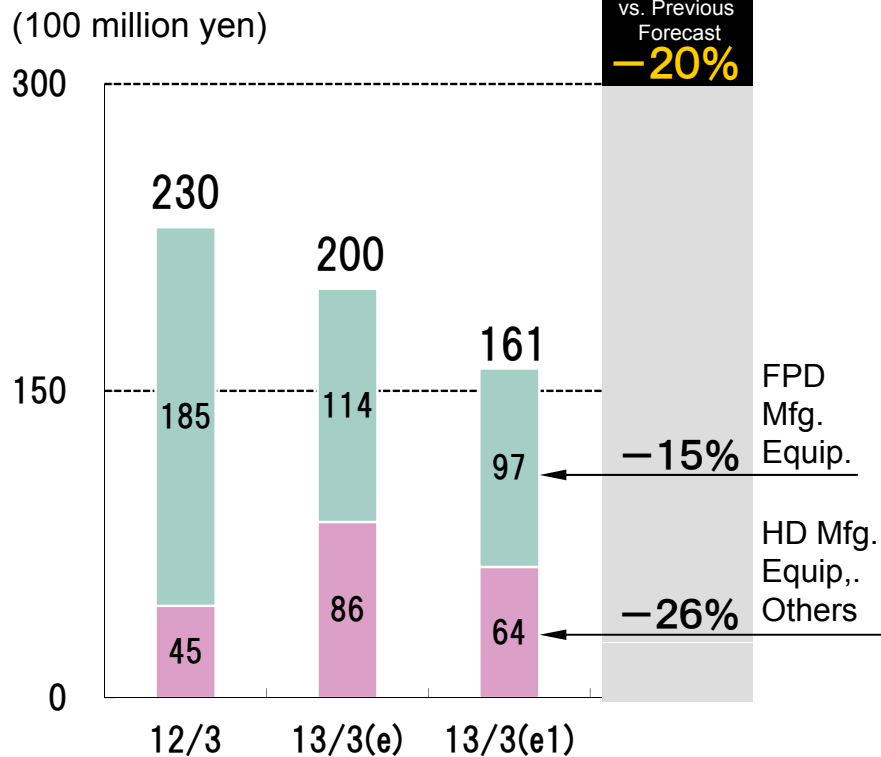
- CY2012/Q2 will show slowdown due to the global economic downturn and sluggish PC market.
- HDD shipments are forecast to about 600 million units, which is less than last year.
- About 5% growth is anticipated from CY2013.



Future Actions

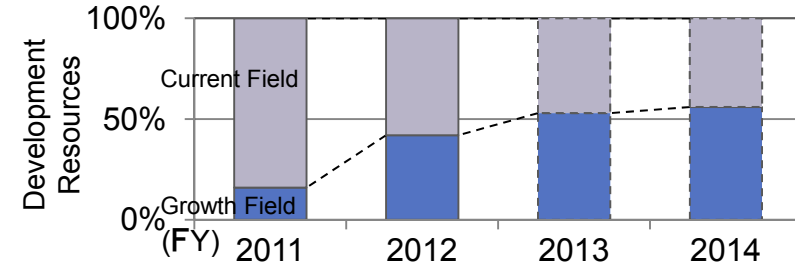
1. Continue promotion of business reforms.
2. Expansion of our core business by introducing new products in a timely manner.

Sales Change in Main Businesses



Business Reform

Shift resources to growth fields



Launch of New Products(HD Mfg. Equip.)

Realization of global top products with new technology



Business Environment

Scientific Instruments

- In electron microscopes, growth in China and the rest of Asia is anticipated. Nevertheless, performance is projected to falter on worsening market conditions in Japan and Europe, followed by a gradual recovery. Sharp declines are projected in demand in the semiconductor/electrical fields, with continued investment in new energy and new materials.
- In analytical instruments, modest growth projected as increased demand from emerging markets offsets the impact of adverse market conditions in Japan and Europe. In liquid chromatographs, the market will shift to super high-speed analytical instruments to meet growing needs for shorter analysis times and greater analytical sensitivity; general-purpose analytical instruments, however, will decline.

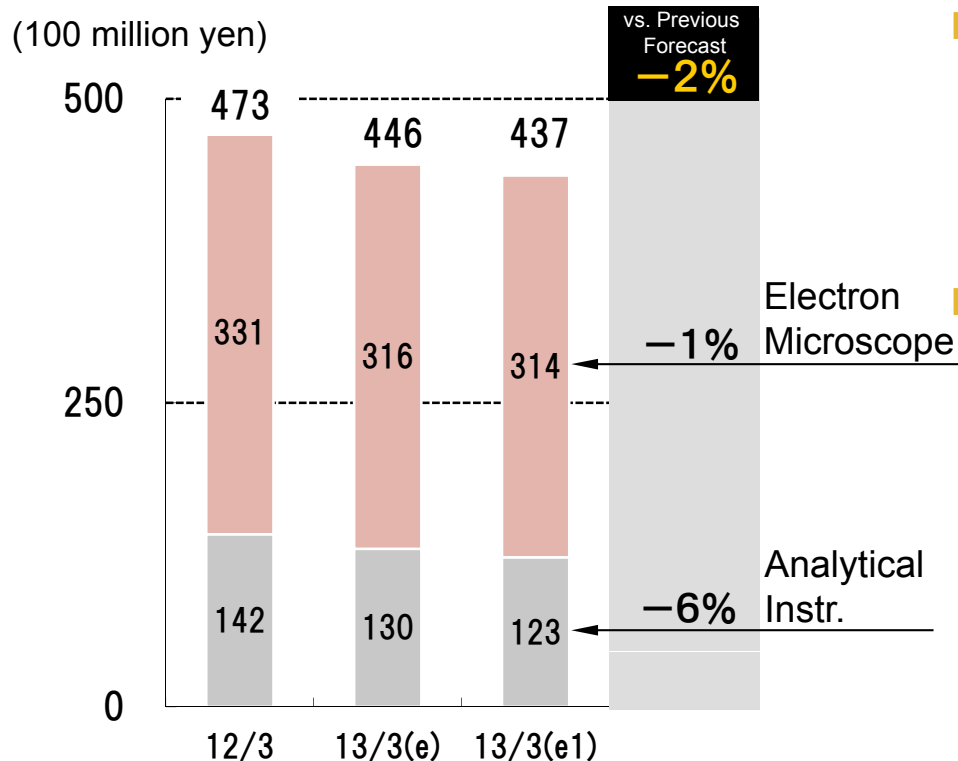
Biotechnology Product/Clinical Analyzer

- In clinical analyzers, in response to the debt crisis that started in southern Europe, governments across Europe are under increased pressure to cut medical costs, leading to delays in device upgrades. Demand for large-scale systems in particular is likely to decline. High market growth in China will continue.
- In DNA sequencers, overall market growth is slowing, reflecting research budget cuts by governments in the U.S. and Europe.

Future Actions

1. Sales expansion through stronger development of cutting-edge applications
2. Continued launches and expanded sales of new products through strengthening core technologies

Sales Change in Main Businesses



Action Plans

- Expand sales to the fields of new energy and new materials through application development
 - Actively utilize Tokyo Solution Laboratory (demonstration lab)
 - Joint application development with customers in cutting-edge fields
- Launches and expanded sales of new products (FY2012 product launches)
 - SU3500 general-purpose SEM (May)
 - ZA3000 atomic absorption spectrometer (June)
 - Primaide general-purpose liquid chromatograph (July)
 - UH5300 compact spectrophotometer (October)



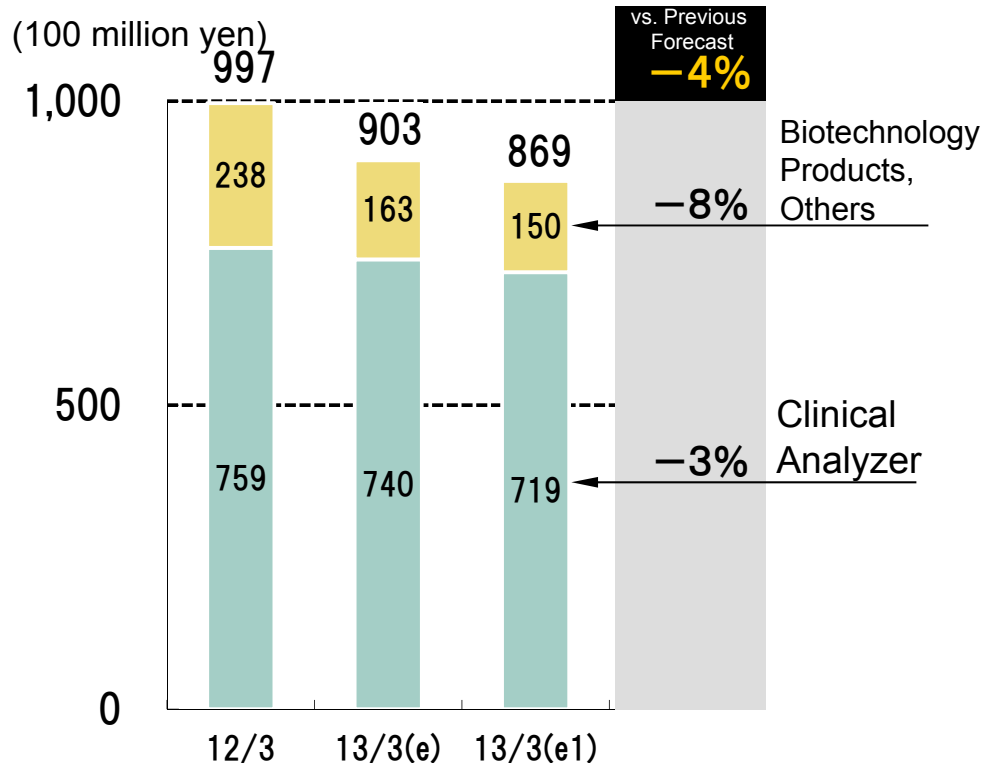
New UH5300 [Industry's first adoption of tablet PCs (iPad)]

Future Actions

1. Strategies for large- and medium-sized system markets through clinical chemistry and immunodiagnostic integrated systems
2. Full-scale entry into the clinical analyzer market through CE* sequencers

*CE: Capillary Electrophoresis

Sales Change in Main Businesses



Action Plans

- Expand sales of large- and medium-sized clinical chemistry and immunodiagnostic integrated systems to large-scale hospitals and testing centers through alliances with overseas partners.
- Work with largest authorized sales agent network in China to capture maximum demand for automated clinical analyzers, which is on the rise
- Ally with overseas partners to obtain first U.S. FDA* medical device approval for CE sequencers and then leverage this for full-scale sales launch in the clinical analyzers testing field.

*FDA: Food and Drug Administration

Basic Strategies in Action

Basic Strategies

Actions in Detail

▪ **Promote Social Innovation**

Globalization

Cooperation with the Hitachi Group

▪ **Promote Environment and
New Energy Field**

ASEAN

- Communications equipment to Indonesia
 - Propose One-Seg broadcasting systems for remote islands
 - Conducted test trials on behalf of Japan's Ministry of Internal Affairs and Communications
- Sending earthquake and tsunami warnings to Indonesia and Thailand
 - Propose disaster-readiness ICT systems that reflect meteorological data from each country

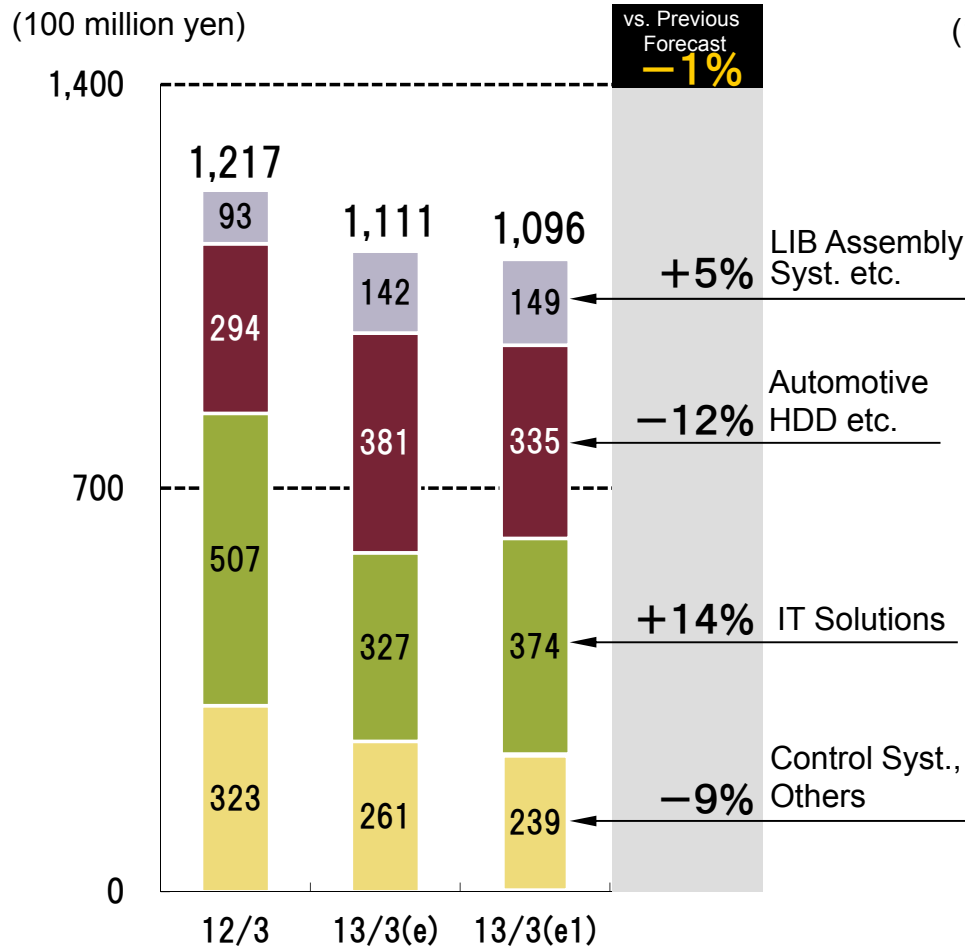
Russia

- Measures to heighten security for social infrastructure facilities
 - Propose ultra-high sensitivity, all-in-one cameras
 - Apply to monitoring unauthorized entry at hydropower plants
 - Use for border security surveillance
- Respond to demand for upgrade of social infrastructure facilities
 - Upgrade water system for the Saint Petersburg Water Authority

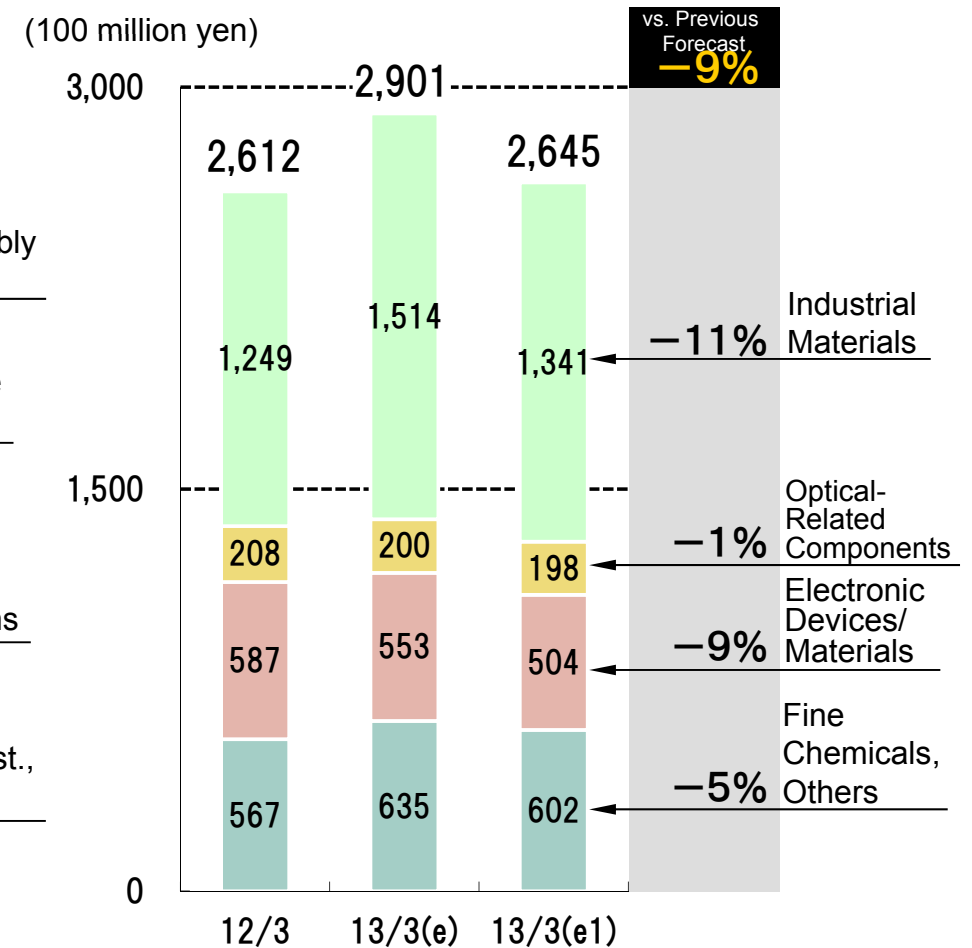
- Promote procurement of components and materials for the Hitachi Group
 - Leverage overseas bases in 27 countries to promote global procurement

FY12 Outlook (Industrial & IT Systems) (Advanced Industrial Products) ②

Changes in Sales (Industrial & IT Systems)



Changes in Sales (Advanced Industrial Products)



IV

Financial Data

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

Changes in Quarterly Results

(100 million yen)

		FY11 Q1	FY11 Q2	FY11 Q3	FY11 Q4	FY12 Q1	FY12 Q2	
Sales / Operating Income	Electronic Device Systems	Sales	231	301	213	279	293	337
		Operating Income	24	33	17	32	61	52
	Fine Technology Systems	Sales	36	79	56	58	25	48
		Operating Income	-13	-10	-19	-21	-14	-14
	Science & Medical Systems	Sales	254	401	394	422	355	345
		Operating Income	21	67	63	59	52	32
	Industrial & IT Systems	Sales	301	302	256	358	259	279
		Operating Income	-2	4	-1	13	-2	6
	Advanced Industrial Products	Sales	656	702	618	636	605	592
		Operating Income	4	3	2	3	2	1
	Others & Elimination/Corporate	Sales	-25	-21	-26	-23	-15	-17
		Operating Income	-3	-7	-5	-9	-6	-13
	Total	Sales	1,452	1,763	1,512	1,731	1,523	1,584
		Operating Income	32	91	55	76	94	66
Ordinary Income		36	89	60	77	99	66	
Net Income		20	59	57	7	62	49	

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

■ Capital Expenditures/Depreciation Costs/R&D

(100 million yen)

	11/1H	12/1H	YoY	12/3	13/3 (e1)	YoY
Capital Expenditure	55	56	+1%	173	170	-2%
Depreciation Costs	41	37	-10%	91	79	-13%
R&D	114	110	-3%	236	240	+2%

Note: Capital expenditure is based on acquisition base


■ Sales by Region

(100 million yen)

		Japan	North America	Europe	Asia	Mainland China	Other	Total
11/1H	Sales	1,330	408	406	979	513	93	3,216
	Ratio	41.4%	12.7%	12.6%	30.4%	16.0%	2.9%	100.0%
12/1H	Sales	1,253	311	412	1,026	439	105	3,107
	Ratio	40.3%	10.0%	13.3%	33.0%	14.1%	3.4%	100.0%

Sales Change in Main Business

(100 million yen)	FY11/Q1	FY11/Q2	FY11/Q3	FY11/Q4	FY12/Q1	FY12/Q2
Electronic Device Systems	231	301	213	279	293	337
Process Equipment	92	101	101	99	113	90
Metrology & Inspection Equipment	87	127	72	134	138	156
Back-end & Assembly Equipment	52	72	40	46	42	90
Fine Technology Systems	36	79	56	58	25	48
FPD Manufacturing Equipment	30	66	45	44	16	34
HD Manufacturing Equipment , Others	6	13	11	14	10	15
Science & Medical Systems	254	401	394	422	355	345
Analytical Instruments	29	38	35	40	24	34
Electron Microscopes	55	88	71	116	68	82
Clinical Analyzers	108	206	232	213	207	187
Biotechnology Products, Others	61	67	57	53	56	42
Industrial & IT Systems	301	302	256	358	259	279
LIB Assembly Systems, etc.	13	25	21	34	43	63
Automotive HDD, etc.	87	66	54	87	80	77
IT Solutions	126	130	107	145	88	73
Control Systems , Others	75	80	75	93	47	65
Advanced Industrial Products	655	702	618	636	605	592
Industrial Materials	318	328	292	310	301	290
Optical-related Components	56	57	47	49	56	52
Electronic Devices /Materials	133	171	149	134	120	127
Fine Chemicals, Others	148	145	130	144	129	123



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

FY12 2nd Quarter Financial Results

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Hitachi HighTech

Bringing the frontier to the forefront.