

FY13 2nd Quarter Financial Results

October 25, 2013

 Hitachi High-Technologies Corporation

President and Chief Executive Officer Masao Hisada
Vice President and Executive Officer Shunichi Uno

FY13 2nd Quarter Financial Results

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I

Outline of FY13 Q1-Q2

(Note) YY/M denotes the year and month of the accounting period-end.
(e) denotes the forecast for the previous period. (Jul. 2013)

Outline of FY13 Q1-Q2 (Highlights)

(100 million yen)

	Results	YoY		vs. Previous Forecast	
		Increase/Decrease	Ratio	Increase / Decrease	Ratio
Sales	2,907	-200	-6%	+7	+0%
Operating Income	63	-97	-61%	+1	+2%
Ordinary Income	66	-99	-60%	+3	+5%
Net Income	36	-75	-68%	-2	-6%
Net Income per Share	26.10 yen	-54.67 yen		-1.53 yen	
Cash Dividend per Share	10.00 yen	±00.00 yen		±00.00 yen	
FCF	+27		-12		+18

(Note) Previous forecast, published July 2013.

Outline of FY13 Q1-Q2 (Explanation of Deviations)

Explanation of deviations vs. previous forecast (July 2013)

Sales (290.0Ybn → 290.7Ybn +0.7Ybn)

- | | |
|------------------------------|---|
| ■ Electronic Device Systems: | Decreased 2.2Ybn due to change in delivery time for metrology and inspection equipment. |
| ■ Fine Technology Systems: | Decreased 4.7Ybn due to lag in recording time for FPD manufacturing equipment. |
| ■ Science & Medical Systems: | Increased 1.1Ybn due to recovery in clinical analyzers for the overseas market. |
| ■ Industrial & IT Systems: | Increased 1.6Ybn due to launch of new mobile phone models for the U.S. market. |

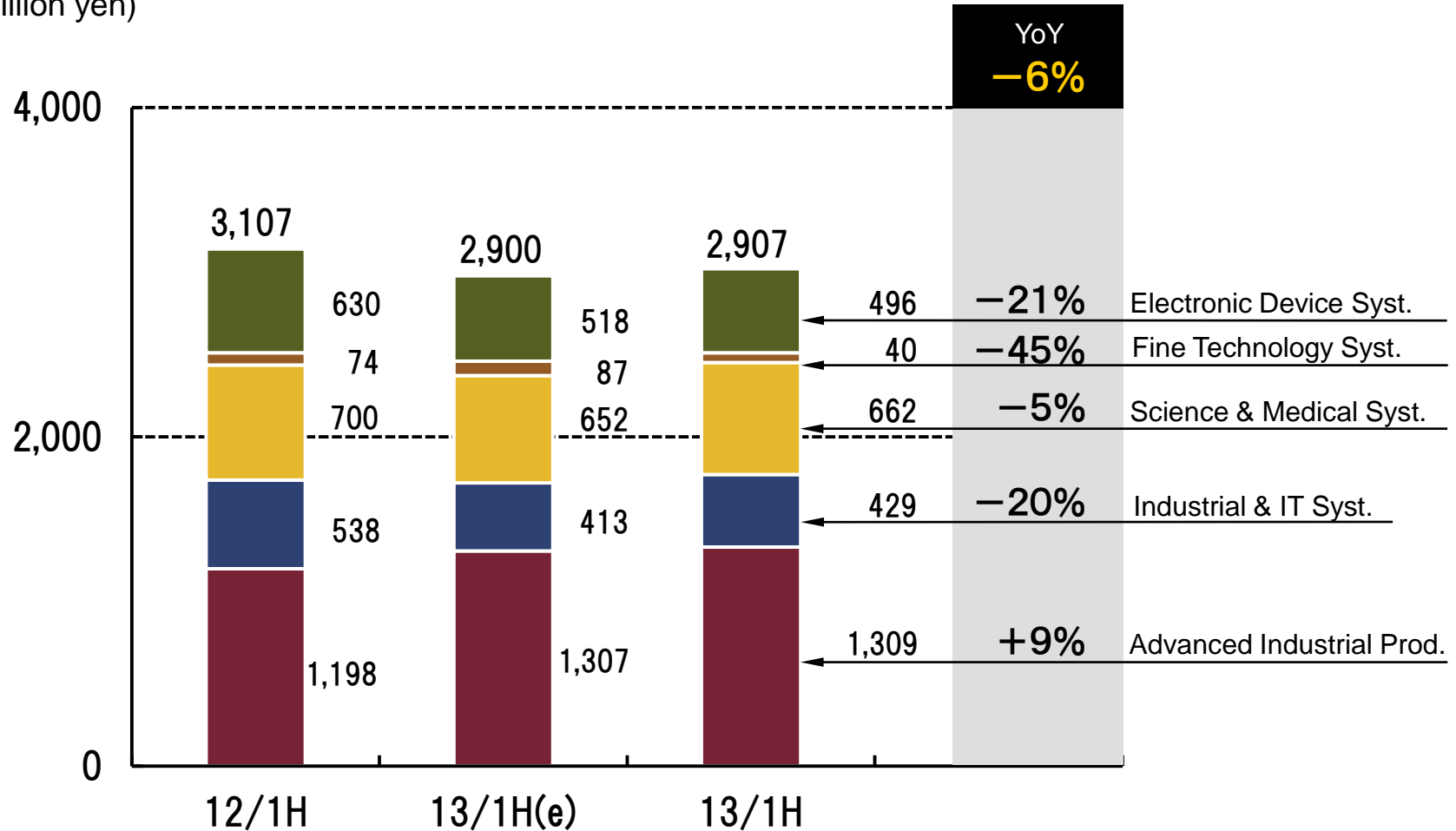
Operating Income (6.2Ybn → 6.3Ybn +0.1Ybn)

- | | |
|------------------------------|--|
| ■ Electronic Device Systems: | Increased 0.3Ybn due to accumulation of components and services (process equipment). |
| ■ Fine Technology Systems: | Decreased 1.4Ybn due to substantially the same reasons as above. |
| ■ Science & Medical Systems: | Increased 1.2Ybn due to substantially the same reasons as above. |

Outline of FY13 Q1-Q2 (Sales)

Sales

(100 million yen)

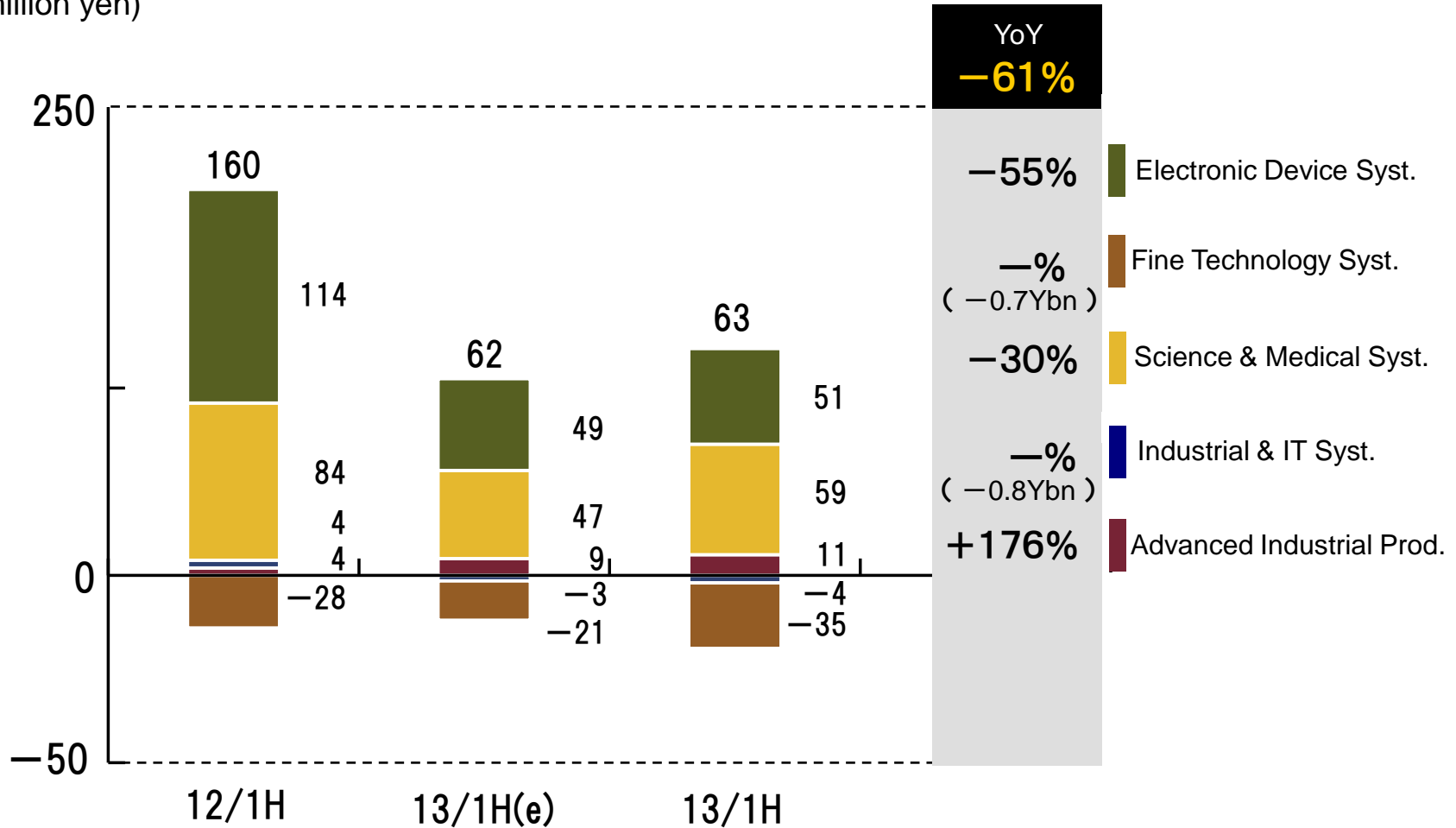


Note: Elimination such as subtractions in intersegment transactions, etc., are included in the totals.

Outline of FY13 Q1-Q2 (Operating Income)

Operating Income

(100 million yen)



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

Outline of FY13 Q1-Q2 (Balance Sheet in Summary)

As of end of September 2013 (100 million yen)

		vs. 13/3			vs. 13/3	
Current Assets		3,392	+86	Current Liabilities	1,457	+84
Cash & Deposits/Deposit to Hitachi Group Cash Management Fund	1,138	-43	Notes & Accounts Payable	905	+61	
Notes & Accounts Receivable	1,121	+14	Others	552	+23	
Inventories	772	+69	Fixed Liabilities	585	+293	
Others	360	+45	Retirement and severance benefits	567	+302	
Fixed Assets	1,183	+153	Others	18	-8	
Tangible Fixed Assets	738	+74	Net Assets	2,533	-139	
Intangible Fixed Assets	133	-6	Shareholder Capital	2,637	-1	
Investments & Other Assets	312	+85	Accumulated Other Comprehensive Income (Loss)	-110	-139	
			Minority Interests	6	+2	
Total Assets	4,575	+238	Total Liabilities & Shareholders' Equity	4,575	+238	

- Shareholders' Equity per Share 1,837.47yen (vs. 13/3 -102.34yen)

- Equity Ratio 55.2%(vs. 13/3 -6.3%)

Outline of FY13 Q1-Q2

(Cash Flow Statement in Summary)

(100 million yen)

	13/1H		13/1H
Cash Flow from Operating Activities	+78	Cash Flow from Financing Activities	-22
Income Before Income Taxes and Minority Interests	+66	Dividends Paid	-14
Depreciation and Amortization	+44	Others	-8
Working Fund	-26	Effect of Exchange Rate Changes	+14
Income Taxes Paid	-27		
Others	+22		
Cash Flow from Investing Activities	-51		
Capital Expenditures Proceeded from Sales/Purchase of Securities	+1		
Capital Expenditures Proceeded from Sales/Purchase of Property and Equipment	-84		
Others	+32		
Free Cash Flow	+27		
			13/1H
		Cash and Cash Equivalents	
		At the Beginning of Year	1,235
		Net Increase (Decrease)	+19
		At the End of Term	1,254

II

Status Quo of FY13 Management Policy

1. Strengthen business portfolio by shifting resources to growing fields



Life Sciences

- Concluded collaborative technology development agreement with Base4 Innovation Ltd. (U.K.)
- ➔ Commenced joint development of next-gen. nanopore DNA sequencing technology and product development for clinical testing
- Concluded general sales agency agreement for Japan regarding bacterial genetic testing equipment and reagents of Nanosphere, Inc. (U.S.)
- ➔ Commenced sales for genetic analysis research applications, developed and introduced reagents for in-vitro diagnostics



Nanosphere Inc.'s
Verigene System



Social Innovation / Environment and New Energy

- Launch new businesses in Fine Technology Systems
- ➔ FA equipment, printed electronics, railroad inspection equipment, etc.
- Promote the Social Innovation Business through ties with the Hitachi Group
- ➔ Expand the sales and procurement business as the Hitachi Group's trading company



Next-generation Electronics

- Expand business in growth markets
- ➔ Wafer defect inspection system, OLED manufacturing equipment, after-sale service, etc.

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



Overseas Bases

- Established local subsidiary in India (Apr. 2013)
 - ➔ Develop business in infrastructure facilities, and automotive and pharmaceutical fields
- Establish local subsidiary in Russia (Planned for Jan. 2014)
 - ➔ Develop business in social infrastructure, automotive, and construction machinery fields



The building where Hitachi High-Technologies India Private Limited's office is located



Manufacturing Bases

- Naka Division completed Logistics & Manufacturing Building (Oct. 2013)
 - ➔ Achieve substantially reduced lead time and highly efficient manufacturing
- Augment production facility in Suzhou, China (Planned for Dec. 2013)
 - ➔ Increase production of clinical analyzers and expand production items



Naka Division
Logistics & Manufacturing Building

3. Create new business by accelerating research and development



Electronic Device Systems

- Promote collaboration with customers from the initial development stage by upgrading and expanding engineering sites
- ➔ Process Engineering Center (Oregon, U.S.)
Demonstration Laboratory (Texas, U.S.)
Process Innovation Center Taiwan (Hsinchu, Taiwan)



Process Engineering Center



Science & Medical Systems

- Analytical instruments business design and domestic sales functions integrated into Hitachi High-Tech Science Corporation (Oct. 2013)
- ➔ Concentrate functions spread throughout the group and integrate the business for greater efficiency and overall optimization
- Concluded joint technology development agreement with OpGen, Inc. (U.S.) regarding human genome mapping analytical service (Oct. 2013)
- ➔ Establish service businesses that utilize whole genome mapping technologies to evaluate genome sequence correctness

III

FY13 Outlook

Note: YY/M denotes the year and month of the accounting period end.
(e) denotes the forecast for the previous period. (April 2013)
(e1) denotes the forecast for the current period. (October 2013)

FY13 Outlook (Highlights)

(100 million yen)

	FY13 Outlook	YoY		vs. Previous Forecast	
		Increase/Decrease	Ratio	Increase / Decrease	Ratio
Sales	6,400	+645	+11%	±0	±0%
Operating Income	280	+90	+48%	±0	±0%
Ordinary Income	280	+79	+39%	±0	±0%
Net Income	197	+75	+62%	±0	±0%
Net Income per Share	143.23yen	+54.78yen		±00.00yen	
Cash Dividend per Share	20.00yen	±00.00yen		±00.00yen	
ROE	7.7%		+3.0%		±0.0%
FCF	+50		-15		+20

Notes

- Previous forecast is based on published values in April 2013
- FX rate estimate: 1USD=95yen, 1EUR=130yen

Explanation of deviations vs. previous forecast (April 2013)

Sales (640.0Ybn → 640.0Ybn ±0 Ybn)

- Electronic Device Systems: Increased 3.3Ybn due to increase in shipment of process equipment and metrology and inspection equipment for Asian and U.S. markets
- Fine Technology Systems: Decreased 2.9Ybn due to investment plan changes for FPD manufacturing equipment
- Science & Medical Systems: Increased 4.4Ybn due to recovery in clinical analyzers for the overseas market
- Industrial & IT Systems: Decreased 7.3Ybn due to decrease in demands for industrial assembly systems

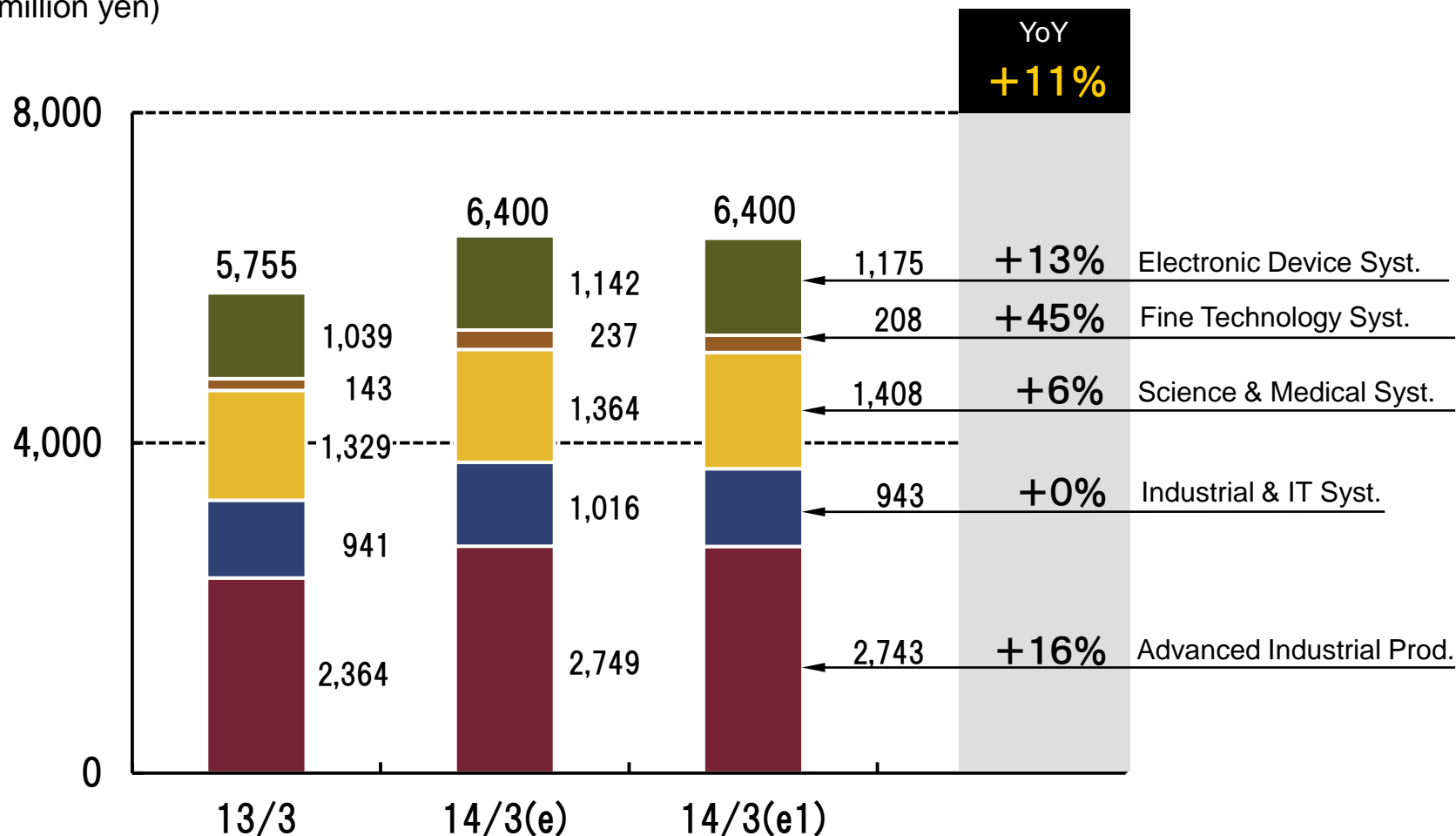
Operating Income (28.0Ybn → 28.0Ybn ±0 Ybn)

- Electronic Device Systems: Increased 3.5Ybn due to increases in sales and capacity utilization
- Fine Technology Systems: Decreased 5.1Ybn due to decreases in sales and capacity utilization
- Science & Medical Systems: Increased 2.7Ybn due to increase in sales, etc.

FY13 Outlook (Sales)

Sales

(100 million yen)

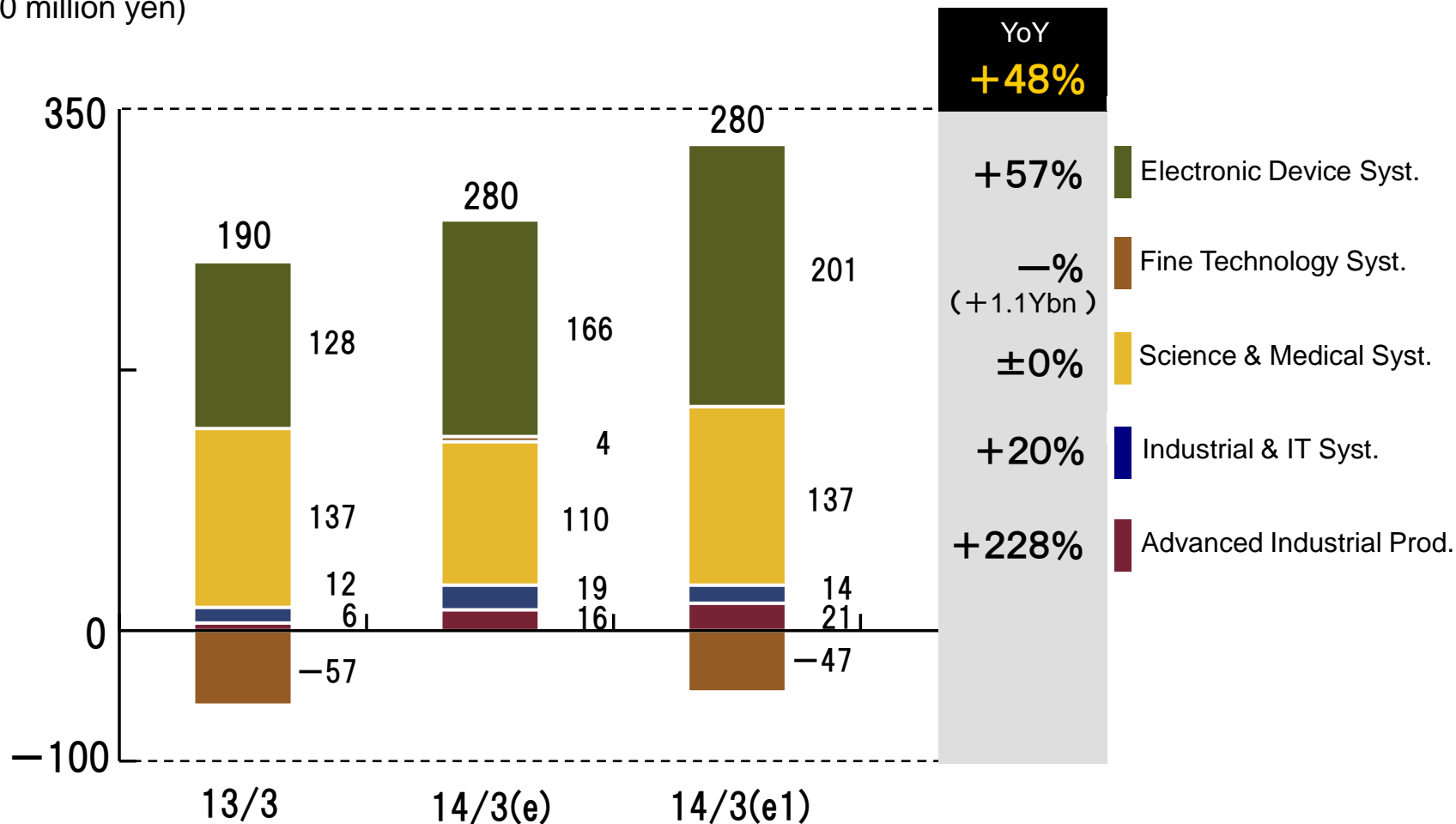


Note: Elimination such as subtractions in intersegment transactions, etc., are included in the totals.

FY13 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

- Firm growth in cutting-edge ASSP and NAND supported by strong growth in mobile devices (smartphones and tablets) and SSD (overall semiconductor sales: +5.2% YoY)
- Slowdown in MPU due to further decline in PCs (3Q -8.6% YoY). DRAM to see sharp rise in average unit price atop production adjustment and shift to low power products for mobile devices. Firm growth in NAND atop increased onboard capacity for smartphones

Semiconductor Manufacturing Equipment Market

- The first half of FY2013 saw aggressive investment in 28nm miniaturization by major foundries, but momentum is waning under investment restraint
- The second half of FY2013 is forecast to see the equipment market increase 5% year on year. Major foundries are expected to bring forward 20nm investment and memory makers to restart investments, driving growth

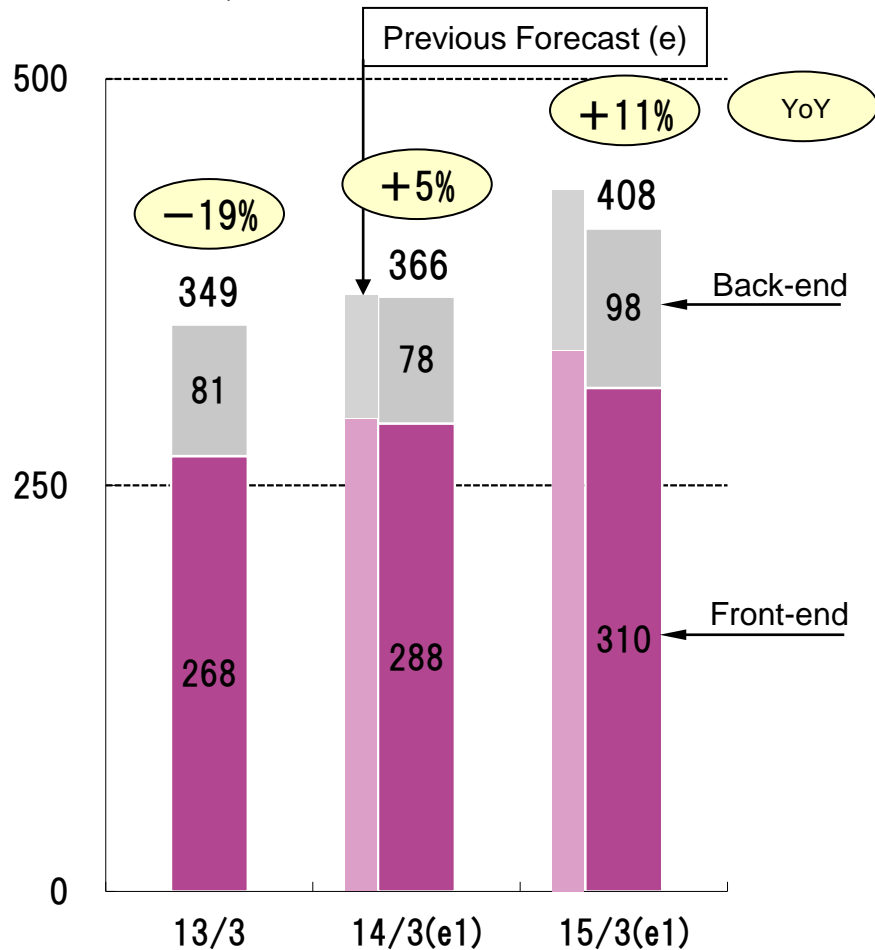
Assembly Equipment Market

- In FY2013, demand for products for smartphones and tablets has grown 15%, but demand volume for products for PCs has fallen 12%. Overall, the forecast is for a decline of 8% year on year

FY13 Outlook (Electronic Device Systems) ②

Semiconductor Manufacturing Equipment Market

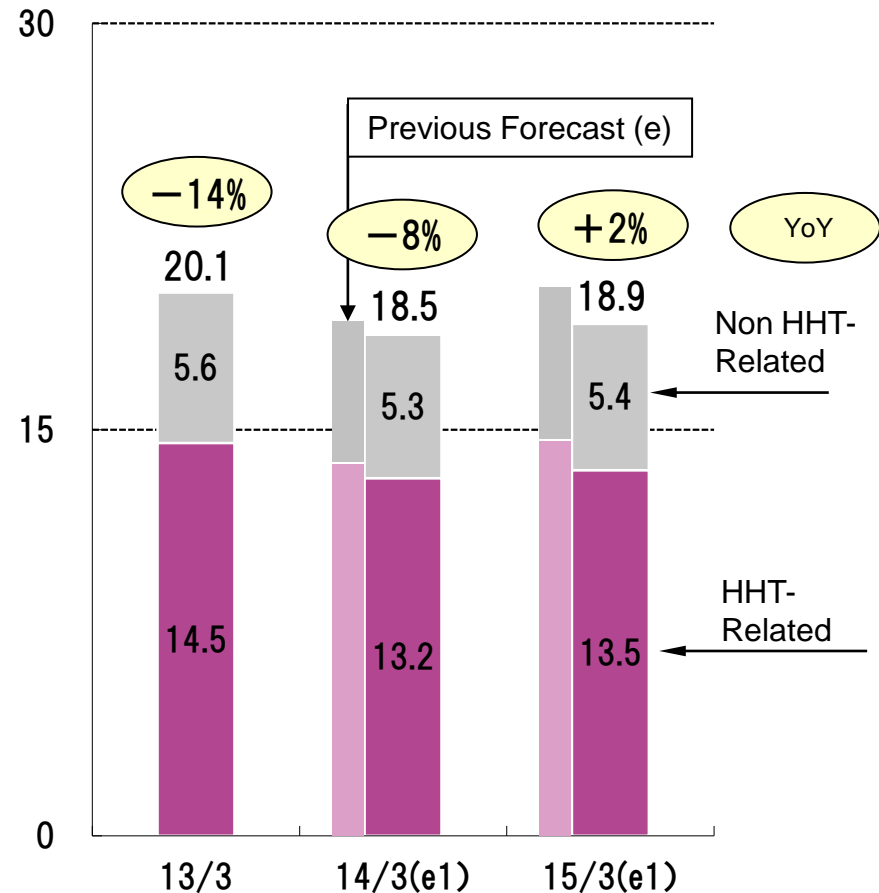
(100 million USD)



(Source) Gartner(Sep. 2013)/ HHT's estimation

Assembly Equipment Market

(10 billion yen)

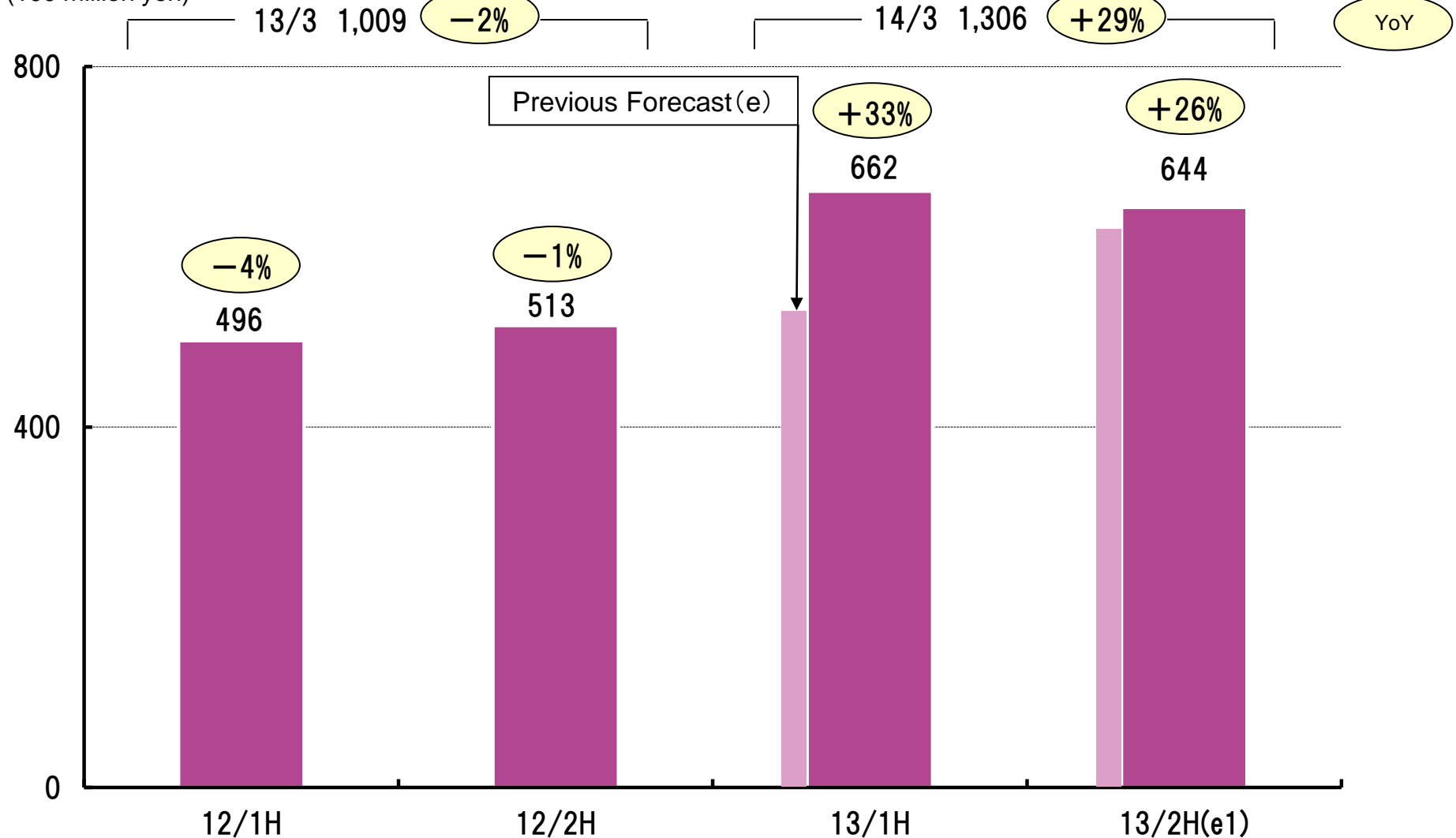


(Source) Calculated using HHT's market prediction model

FY13 Outlook (Electronic Device Systems) ③

Changes in Order Received

(100 million yen)



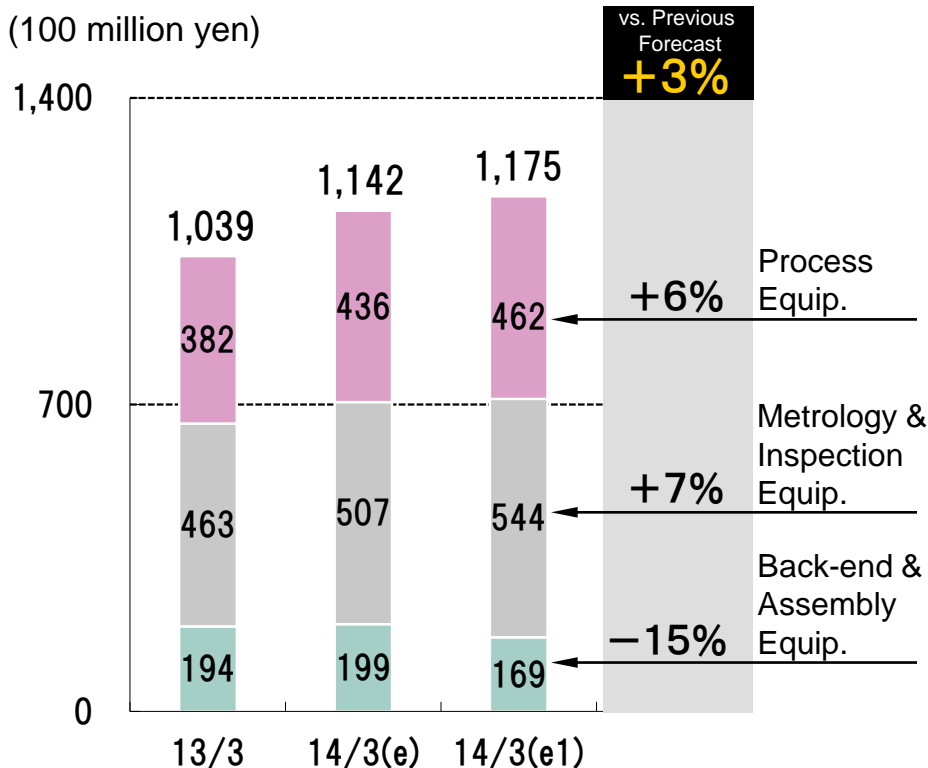
Previous forecast (e), published July 2013

Future Actions

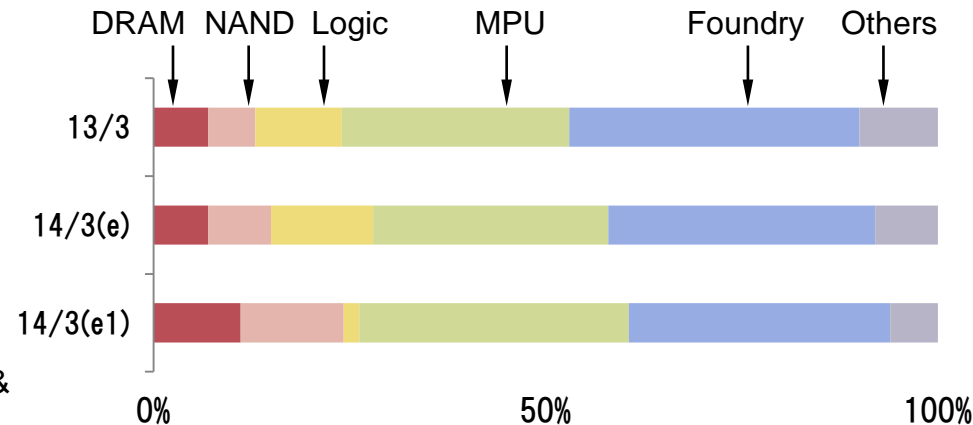
1. Aim to become the “global segment leader” in business fields related to advanced miniaturization
2. Expand share among major customers for etching, metrology and inspection equipment for multiple exposure, 3-D devices, and new-material memory devices, where the number of process steps will increase

Sales Change in Main Businesses

(100 million yen)



Sales Ratio by Fields (Front-end Equip.)



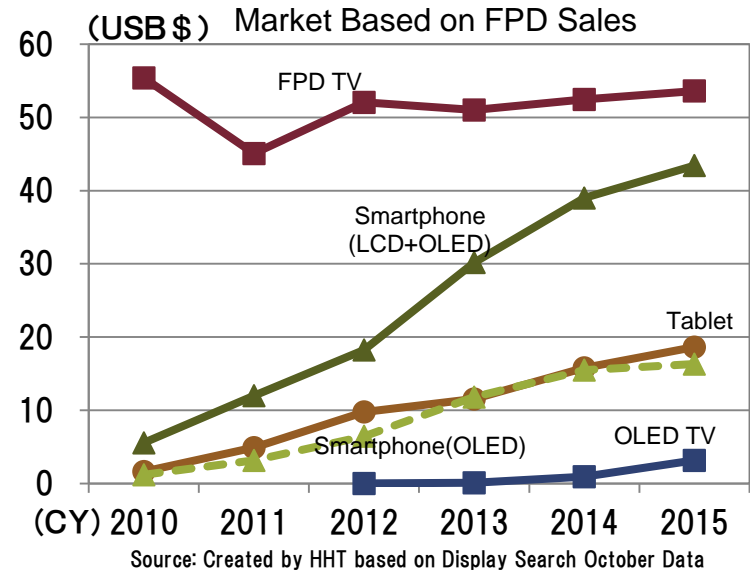
FY2012: Firm growth atop large-scale foundry investment. NAND-related investment was restrained

FY2013: Sales to expand on continued foundry investment, greater number of process orders won for MPU. Logic sales to decrease due to customers' investment plan changes. Increase in NAND and DRAM related investment

Business Environment

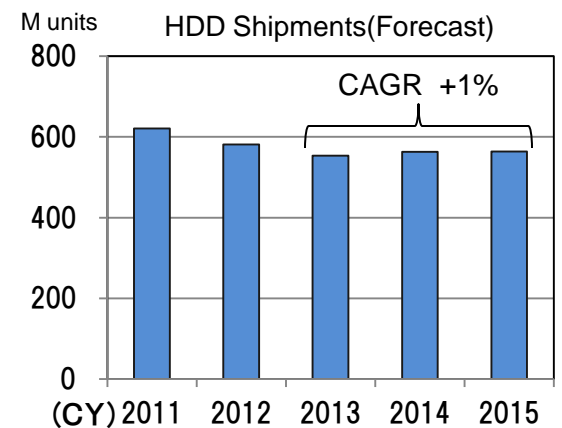
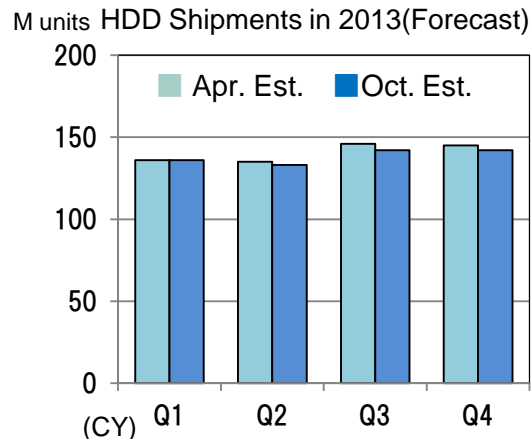
FPD market trend

- Smartphone market expected to continue growing
- OLED TV business will start from 2015
- The notebook PC/monitor market is expected to contract, while strong growth is expected in the tablet PC market
- Investment to continue for high-definition small/middle-sized panels and OLEDs and large-sized panels



HD market trend

- HDD shipments to remain lackluster on stalling growth in tablet and notebook PCs
- Investments will be limited to improvements of performance in high-density and production yield
- Slower growth rate for HDD shipments (CY2013-2015 CAGR +1%)

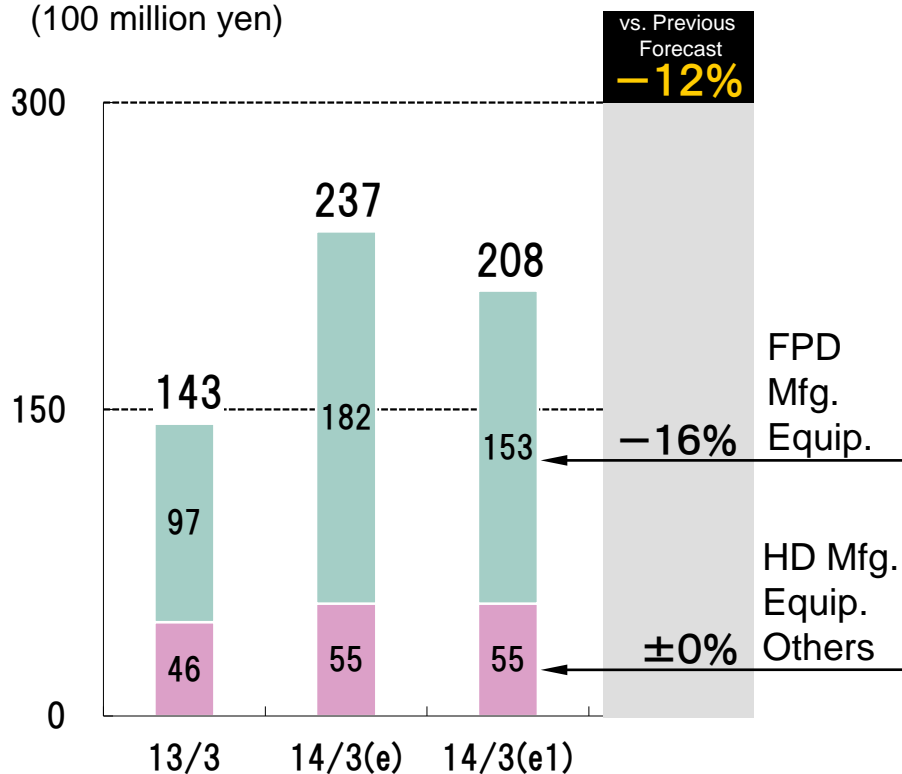


Future Actions

1. Quickly establish OLED business
2. Promote growth strategies through business portfolio reorganization (start new businesses by investing in new products)

Sales Change in Main Businesses

(100 million yen)



Action Plans

- Accelerate new business creation
 - Environment and new energy business: LIBs equip. Printed electronics equip. FA equip. (for automobiles)
 - Social infrastructure business: Railroad inspection equipment, social infrastructure inspection
- Achieve shift to mass production through new technology



Touch panel manufacturing equipment



Direct patterning exposure system for the printed electronics

Business Environment

Scientific Instruments

- The Electron Microscope market should see sluggish private-sector capital investment. Growth in demand is anticipated primarily from universities and government offices, supported by the Japanese government's supplementary budget. Furthermore, investment should continue in cutting-edge fields (new energy, new materials) for the next generation. Overall market growth is projected at CAGR 3–4%
- The analytical instruments market is projected to grow slightly by CAGR 2–3% worldwide. In liquid chromatographs, the largest market sector, demand is expanding for ultra-high speed liquid chromatographs due to the need for shorter analysis times and high-sensitivity analysis. Demand for X-ray fluorescence analysis equipment is projected to increase with expansion in the scope of application of environmental regulations such as RoHS regulations

Biotechnology & Medical Products

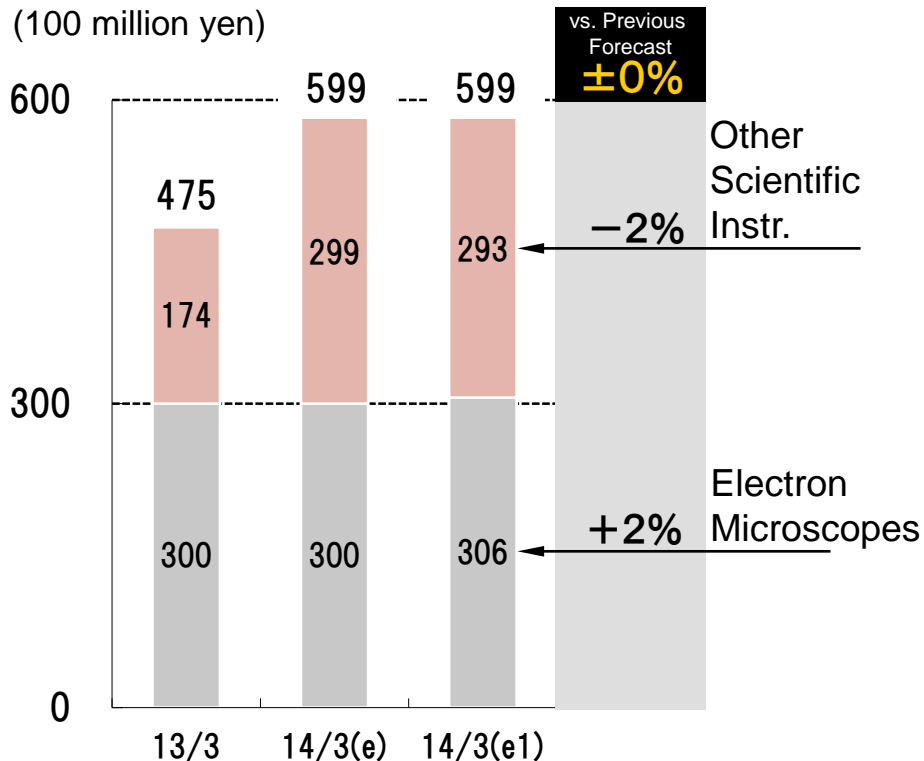
- The clinical chemistry and immunodiagnostic analyzer market is projected to continue growing by CAGR 4–5%. Within this market, demand for equipment will see slower growth temporarily due to restrained purchasing in the European market. However, firm growth is expected over the medium term due to increased demand in China and other emerging markets
- In the DNA sequencer market, growth of only 3% is projected for 2013, based on research budget cuts in Western countries. Within this market, CE* sequencers should see firm growth in replacement demand in application fields such as medical jurisprudence and medical science

* CE: Capillary Electrophoresis

Future Actions

1. Maximize synergies with Hitachi High-Tech Science Corporation
2. Expand sales by capturing supplementary budget projects and launching new products

Sales Change in Main Businesses



Action Plans

- Maximize synergies with Hitachi High-Tech Science
 - Integrate Hitachi High-Tech's the analytical instruments business into Hitachi High-Tech Science (Oct. 2013)
 - Expand business volume by strengthening core technologies and the product portfolio
 - Promote joint development (FIB-SEM and others)
 - Expand sales by utilizing the sales networks of both companies
- Steadily capture supplementary budget projects
- Expanded sales of new products (month launched)
 - SEM/SU8200 series (May 2013)
 - Ultra-high speed liquid chromatograph/ChromasterUltra Rs (Sept. 2013)
 - Spectrophotometer/UH4150 (Sept. 2013)
 - X-Ray fluorescence analyzer/EA 1000VX (Sept. 2013)
 - ICP optical emission spectrometer/SPECTROBLUE TI (Aug. 2013)



Field-emission scanning electron microscope SU8200 series

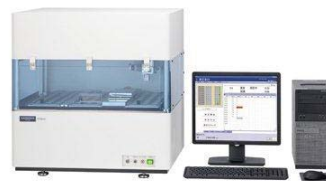
Measures to ensure the safety and security of society through analyzers

Contribute to public safety and security, which is the foundation of society, through high value-added dedicated machines

Dedicated machines	LIB inspection equipment	Analyzer for inspecting the cadmium content of rice	RoHS inspection equipment
Applications	High-speed detection and elemental identification of trace metallic contaminants that cause quality control issues in lithium-ion rechargeable batteries and fuel cells	Rapid quantitative analysis of food such as rice, without sample preparation, to determine if it satisfies the cadmium concentration criteria of 0.4 ppm	Simple, fast and non-destructive measurement of environmentally hazardous substances such as cadmium, lead and mercury
Features	<ul style="list-style-type: none"> - Detects metal particles about 20 μm in diameter from a 250 x 200 mm sample in a few minutes - All-in-one instrument (one unit for particle detection, observation and elemental analysis) 	<ul style="list-style-type: none"> - Measurement of brown rice without preparation - About 2 minutes of measurement time is needed to judge whether a sample of contaminant-free brown rice is below the criteria - Simple measurement and evaluation - Automatic measurement - Automatic report preparation 	<ul style="list-style-type: none"> - High-speed measurement - Automatic measurement using sample material determination function - Upgraded analysis tools and centralized data management functions - Available for hazardous substances other than RoHS restricted elements
Customers	Battery and materials manufacturers, etc.	Agricultural testing centers, etc.	Electronics manufacturers, etc.



EA8000



EA1300VX

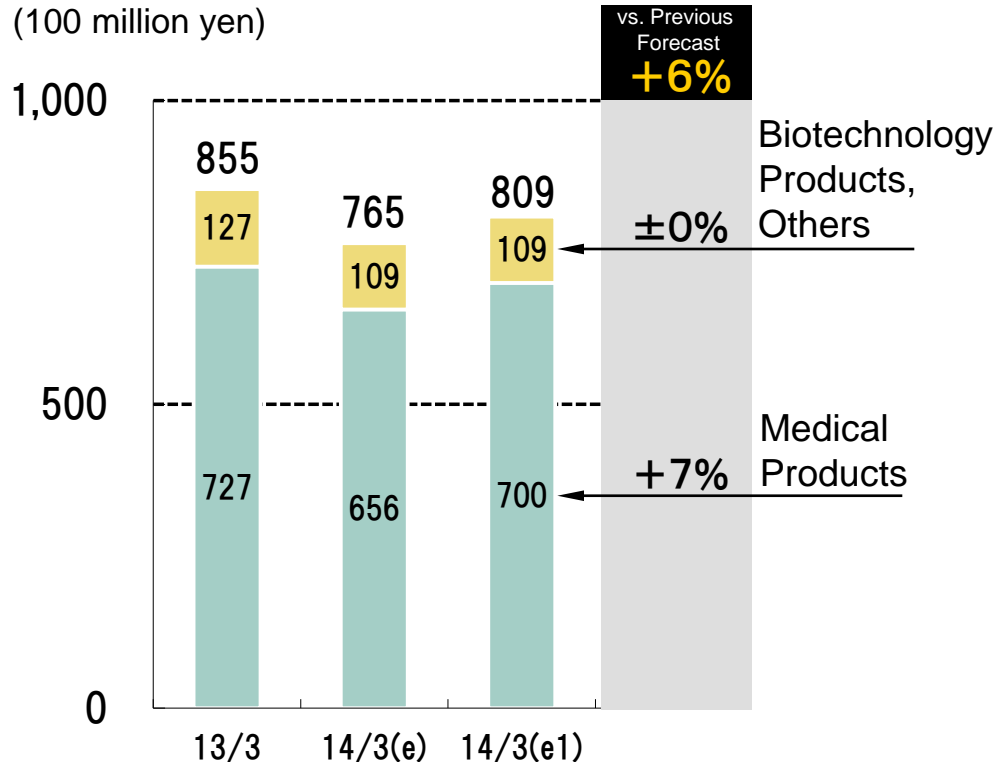


EA1000VX

Future Actions

1. Expand sales to large and medium-sized hospitals by combining automated clinical chemistry and immunodiagnostic systems with automated clinical laboratory test systems
2. Expand sales of CE sequencers to the fields of medical jurisprudence and medical research, and develop next-generation sequencers for the in-vitro diagnostics market

Sales Change in Main Businesses



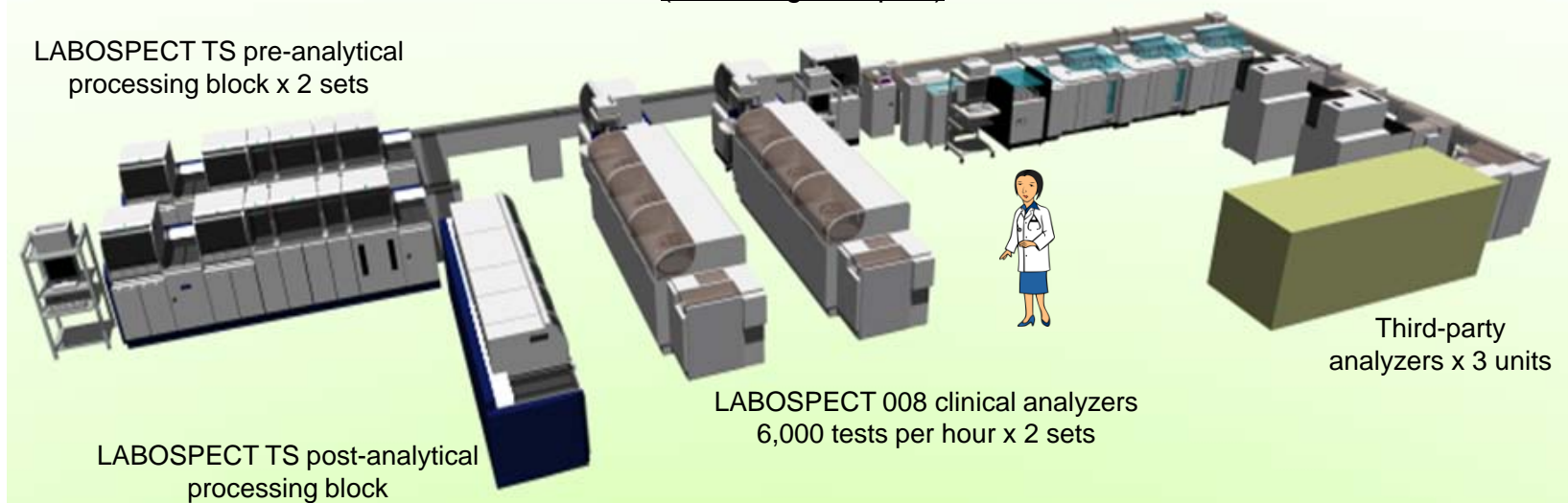
Action Plans

- Expand global sales of integrated large and medium-sized clinical chemistry and immunodiagnostic systems and new automated clinical laboratory testing systems to large hospitals
- Expand sales of the new LABOSPECT series (clinical chemistry analysis (006) and automated clinical laboratory testing systems (TS)) in the Japanese market
- Capture replacement demand for CE sequencers in the fields of medical jurisprudence and medical science
- Continue development of a next-generation nanopore DNA sequencing system for in vitro diagnostics. Pursue collaborative technology development with Base4 Innovation Ltd. (U.K.)

Promote faster clinical laboratory testing and supply high-efficiency solutions worldwide

- Help make clinical laboratory testing faster and more efficient by supplying optimal solutions combining the automated clinical laboratory testing system LABOSPECT TS (cobas8100 in the European) and proprietary automatic analyzers
- Propose optimal systems for each clinical testing laboratory by harnessing Hitachi High-Tech's ability to analyze operations and propose improvements based on its extensive experience as an industry pioneer
- A track record of more than 1,000 systems delivered cumulatively on five continents around the world

Layout of clinical laboratory system scheduled for delivery in FY2013
(For a large hospital)

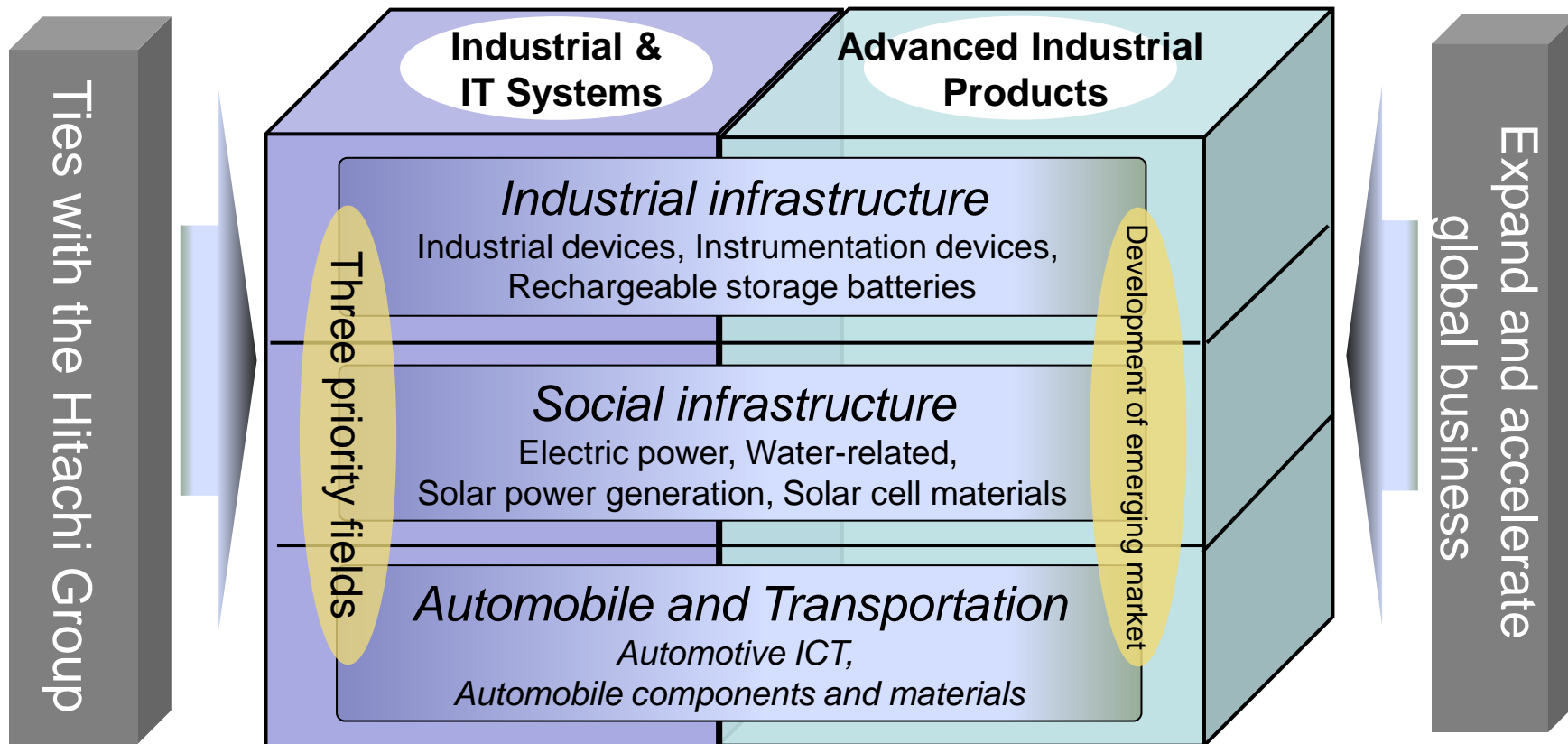


FY13 Outlook (Industrial & IT Systems) (Advanced Industrial Products) ①

FY13 Strategies

Basic Policy

Expand business by promoting the three priority fields

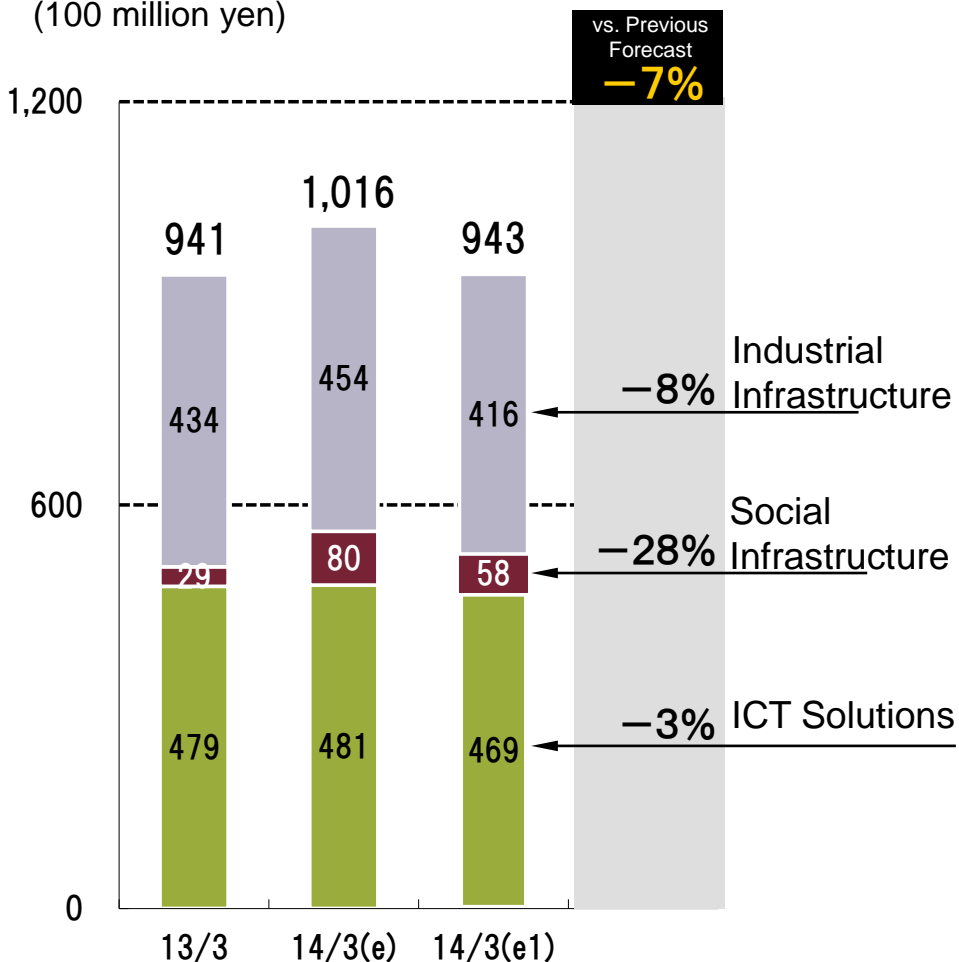


FY13 Outlook (Industrial & IT Systems)

(Advanced Industrial Products) ②

Changes in Sales (Industrial & IT Systems)

(100 million yen)



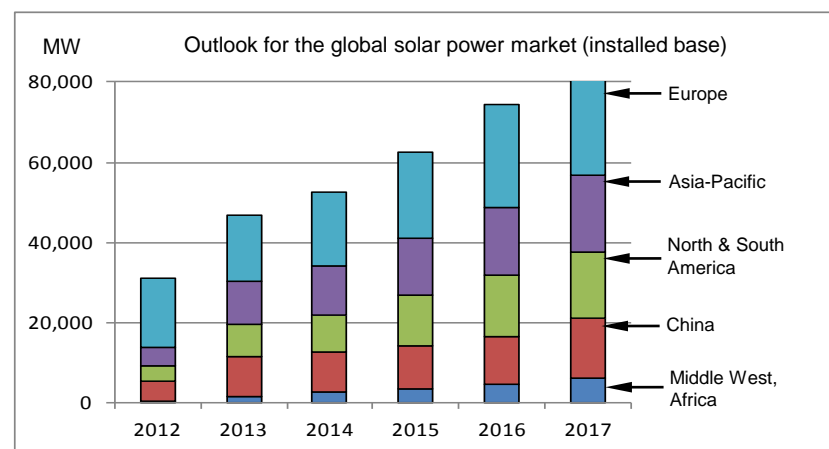
Measures in the three priority fields

Industrial Infrastructure

- Expand sales in the FA equipment business (automobiles and functional films)
- Strengthen the control systems business through reorganization; accelerate overseas business expansion (China and the ASEAN region)

Social Infrastructure

- Step up collaboration with overseas partners in step with global expansion in the solar power generation market
- Enhance sales of components related to solar power generation
- Promote the development of a disaster-readiness ICT system solution business for Indonesia



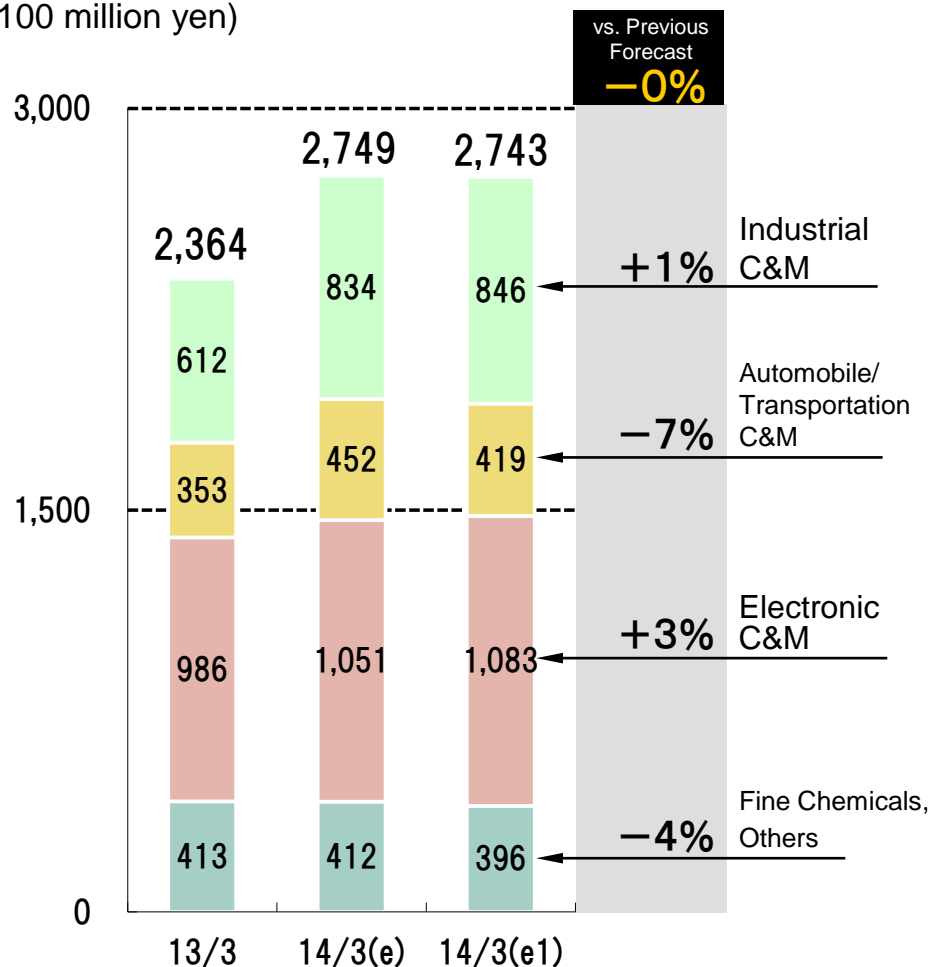
(Source) GLOBAL MARKET OUTLOOK 2013-2017 EPIA

FY13 Outlook (Industrial & IT Systems)

(Advanced Industrial Products) ③

Changes in Sales (Advanced Industrial Products)

(100 million yen)



Measures in the three priority fields

Social infrastructure

In the mobile communications market, demand is shifting from the 3G to the LTE sector, where it is increasing dramatically

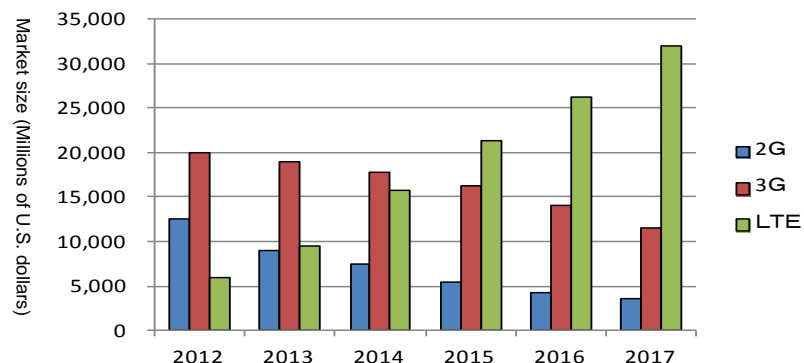
- Business targeting mobile devices and mobile base stations
- Enhance sales of components and materials for mobile devices and components for communications infrastructure devices

Automobile and transportation

Demand growth and energy efficiency are proceeding apace in emerging countries

- Aim to expand sales of related components and materials through vigorous overseas investment

Trend and outlook for the mobile communications market



(Source) 2013 White Paper Information and Communications in Japan, Ministry of Internal Affairs and Communications

IV

Financial Data

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

Changes in Quarterly Results

(100 million yen)

		FY12 Q1	FY12 Q2	FY12 Q3	FY12 Q4	FY13 Q1	FY13 Q2	
Sales / Operating Income	Electronic Device Systems	Sales	293	337	186	224	213	283
		Operating Income	61	52	4	11	13	39
	Fine Technology Systems	Sales	25	48	22	48	12	28
		Operating Income	-14	-14	-12	-17	-20	-15
	Science & Medical Systems	Sales	355	345	241	388	291	371
		Operating Income	52	32	9	44	16	43
	Industrial & IT Systems	Sales	259	279	183	221	171	258
		Operating Income	-2	6	0	7	-9	4
	Advanced Industrial Products	Sales	605	592	583	584	642	667
		Operating Income	2	1	2	-0	6	4
	Others & Elimination/Corporate	Sales	-15	-17	-14	-17	-15	-15
		Operating Income	-6	-13	-3	-16	-7	-12
	Total	Sales	1,523	1,584	1,200	1,447	1,315	1,592
		Operating Income	94	66	1	29	0	63
Ordinary Income		99	66	3	32	5	62	
Net Income		62	49	3	8	-15	51	

■ Capital Expenditures/Depreciation Costs/R&D

(100 million yen)

	12/1H	13/1H	YoY	13/3	14/3 (e1)	YoY
Capital Expenditure	56	117	+108%	117	239	+104%
Depreciation Costs	37	44	+20%	78	99	+27%
R&D	110	103	-7%	218	230	+6%

Note: Capital expenditure is based on acquisition base

■ Sales by Region

(100 million yen)

		Japan	North America	Europe	Asia	Mainland China	Other	Total
12/1H	Sales	1,253	311	411	1,015	439	117	3,107
	Ratio	40.3%	10.0%	13.2%	32.7%	14.1%	3.8%	100.0%
13/1H	Sales	1,180	431	331	921	397	45	2,907
	Ratio	40.6%	14.8%	11.4%	31.7%	13.7%	1.5%	100.0%

Note: The countries and regions included in Europe, Asia, and Other have been revised for 2013.(The Figures for 12/1H are revised results)

Sales Change in Main Business

(100 million yen)	FY12/Q1	FY12/Q2	FY12/Q3	FY12/Q4	FY13/Q1	FY13Q2
Electronic Device Systems	293	337	186	224	213	283
Process Equipment	113	90	78	102	90	110
Metrology & Inspection Equipment	138	156	71	98	82	119
Back-end & Assembly Equipment	42	90	37	24	41	54
Fine Technology Systems	25	48	22	48	12	28
FPD Manufacturing Equipment	16	34	14	34	9	15
HD Manufacturing Equipment , Others	10	15	8	14	3	13
Science & Medical Systems	355	345	241	388	291	371
Electron Microscopes	67	72	54	107	38	78
Other Scientific Instr.	26	44	29	75	51	65
Medical Products	220	201	131	175	171	195
Biotechnology Products, Others	42	28	28	29	31	33
Industrial & IT Systems	259	279	183	221	171	258
Industrial Infrastructure	96	142	76	121	61	93
Social Infrastructure	2	11	5	10	5	6
ICT Solutions	161	125	102	90	105	159
Advanced Industrial Products	605	592	583	584	642	667
Industrial C&M	154	155	143	160	188	192
Automobile/Transportation C&M	84	81	91	96	90	98
Electronic C&M	257	247	254	229	277	278
Fine Chemicals, Others	110	110	95	98	86	98

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

FY13 2nd Quarter Financial Results

For further information

Hiroyuki Kato

General Manager

CSR & Corporate Communications Dept.

CSR Div.

TEL:+81-3-3504-5138 FAX:+81-3-3504-5943

E-mail:kato-hiroyuki@nst.hitachi-hitec.com

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