

July 26, 2002

## Summary Report of Consolidated Financial Results

For the First Quarter of Fiscal 2002, Ending March 31, 2003

Registered		Stock Listings:	Tokyo, Osaka
Company Name:	Hitachi High-Technologies Corporation	Head Office:	Tokyo
Code No:	8036	Telephone:	(03) 3504-5138
URL:	<a href="http://www.hitachi-hitec.com/">http://www.hitachi-hitec.com/</a>		
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### 1 Business Performance

#### (1) Results of Operations (For the Three Months Ended June 30, 2002)

(Millions of Yen, %)

	Net Sales	Change	Operating Income	Change	Ordinary Income	Change	Net Income	Change
FY2002 Q1	¥180,092	—	¥1,296	—	¥1,784	—	¥746	—
FY2001	¥738,289	-13.0%	¥9,940	-32.3%	¥10,321	-37.0%	¥5,507	-28.4%

#### (2) Financial Position (As of June 30, 2002, and March 31, 2002)

(Millions of Yen, %)

	Total Assets	Total Shareholders' Equity	Shareholders' Equity Ratio
FY2002 Q1	¥376,629	¥152,302	40.4%
FY2001	¥382,533	¥155,154	40.6%

#### (3) Scope of Consolidation and Application of Equity Method

Consolidated subsidiaries: 34

Unconsolidated subsidiaries: –

Equity-method affiliates: 1

#### Notes:

1. Financial data for the first quarter of fiscal 2002 has not been audited.
2. This is the first time the Company has published quarterly results. Accordingly, figures for the same period of the previous year are unavailable.
3. Amounts less than one million yen have been rounded.

## 2. Earnings Outlook (For the Six Months Ending September 30, 2002, and the Year Ending March 31, 2003)

(Millions of Yen)

	Net Sales	Ordinary Income	Net Income
FY2002 Interim	¥376,000	¥4,380	¥1,830
FY2002 Full Year	¥787,000	¥10,600	¥5,600

Note: The projections made in this report are based on information available at the time of publication. Owing to various factors, actual results could differ from these forecasts.

### Results of Operations

#### (1) *Summary of the First Quarter of Fiscal 2002*

In the fiscal first quarter, ending June 30, 2002, net sales amounted to ¥180.1 billion, equal to 47.9% of the first-half forecast for fiscal 2002. Ordinary income came to ¥1.8 billion and net income totaled ¥746 million, 40.7% and 40.8% of the respective first-half forecasts for fiscal 2002. Operating results for each segment were as follows:

##### *Electronic Device Systems*

We recorded firm sales of semiconductor manufacturing equipment overseas, mainly in Asia. Sales of liquid crystal display (LCD) manufacturing equipment to South Korea were strong. However, with semiconductor manufacturers worldwide restraining capital investment for the second consecutive term, sales of etching systems in the Japanese, European and U.S. markets weakened, helping to push down segment sales to ¥28.0 billion.

##### *Life Science*

Domestic and overseas sales of clinical chemistry analyzers were brisk. In Japan, sales to the private sector were strong. Sales of clinical chemistry modulars rose in Europe and the United States. We also recorded firm sales of DNA sequencers in the United States. As a consequence, segment sales were stable, reaching ¥19.7 billion.

##### *Information Systems & Electronic Components*

Demand for semiconductors has bottomed out and is showing signs of recovery. Accordingly, sales of optical pick-ups for CDs and DVDs and sales of chip mounters in Asia were stable. We also recorded robust sales of televisions and television-video cassette recorders (TVCRs) in the United States. Reflecting these factors, segment sales were firm, amounting to ¥70.0 billion.

##### *Advanced Industrial Products*

Conditions in the telecommunications industry remained severe during the period under review. As a consequence, sales of optical communications components fell. In contrast, domestic sales of personal computer (PC)-related products and silicon wafers remained brisk, contributing to firm segment sales of ¥62.4 billion.

*(2) Outlook for Fiscal 2002 Interim Results*

As the economy of the United States recovers, we can expect demand to revive, particularly for information technology (IT)-related equipment. Nevertheless, it is impossible to draw firm conclusions about the future of the economy, and the prospect of renewed demand remains uncertain. By the end of the first half of fiscal 2002, we hope to achieve net sales of ¥376 billion, an increase of 2.5% compared with the same period in fiscal 2001; ordinary income of ¥4.4 billion, a 30.7% decrease; and net income of ¥1.8 billion, a 44.2% reduction. We will meet these targets—which are in line with the earnings forecasts made at the end of fiscal 2001—by capitalizing on our integrated capabilities in manufacturing, sales and customer service to offer added value and respond effectively to overseas demand for IT-related products.

## Consolidated Statements of Income

For the three months ended June 30, 2002, and the year ended March 31, 2002

(Millions of Yen)

	FY2002 Q1	FY2001
Net sales	¥180,092	¥738,289
Cost of sales	158,956	662,257
Gross profit	21,136	76,032
Selling, general and administrative expenses	19,840	66,092
Operating income	1,296	9,940
Other income:		
Interest	111	1,047
Dividends	81	160
Equity in earnings of affiliates	114	159
Others	298	902
	605	2,268
Other deductions:		
Interest	25	183
Others	92	1,703
	117	1,887
Ordinary income	1,784	10,321
Extraordinary gains	—	—
Extraordinary losses	—	—
Income before income taxes and minority interests	1,784	10,321
Income taxes	967	4,682
Minority interests	71	132
Net income	¥ 746	¥ 5,507

## Consolidated Balance Sheets

As of June 30, 2002, and March 31, 2002

(Millions of Yen)

ASSETS	FY2002 Q1	FY2001	Change
Current assets:			
Cash on hand and in banks	¥ 44,626	¥ 43,193	1,433
Trade receivables	163,873	177,127	(13,254)
Marketable securities	3,164	2,098	1,066
Inventories	44,294	37,448	6,846
Others	18,920	16,616	2,303
Less: allowance for doubtful receivables	(2,084)	(2,095)	11
	272,792	274,386	(1,595)
Property, plant and equipment:			
Land	20,784	20,842	(57)
Others	35,515	35,742	(227)
	56,299	56,584	(285)
Intangible fixed assets	3,120	3,187	(67)
Investments and other assets:			
Investments in securities	27,675	31,328	(3,653)
Others	18,168	18,477	(309)
Less: allowance for doubtful receivables	(1,425)	(1,429)	4
	44,418	48,376	(3,958)
	103,838	108,147	(4,309)
Total assets	¥376,629	¥382,533	(5,904)

(Millions of Yen)

	FY2002 Q1	FY2001	Change
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>			
Current liabilities:			
Trade payables	¥129,604	¥129,371	233
Short-term debt	31,062	29,425	1,638
Advances from customers	7,503	9,579	(2,076)
Other current liabilities	26,081	31,392	(5,311)
	194,250	199,766	(5,516)
Long-term liabilities:			
Retirement allowances	23,352	23,283	69
Reserve for directors' retirement account	1,233	1,157	76
Others	162	126	36
	24,747	24,566	181
Total liabilities	218,997	224,332	(5,335)
Minority interests	5,330	3,047	2,282
Shareholders' equity:			
Common stock	7,938	7,938	—
Additional paid-in capital	—	35,723	(35,723)
Capital surplus	35,741	—	35,741
Retained earnings	—	106,733	(106,733)
Accumulated earnings	105,274	—	105,274
Net unrealized holding gain on securities	4,496	4,581	(85)
Foreign currency translation adjustments	(1,066)	290	(1,356)
Less: treasury stock, at cost	(81)	(111)	31
Total shareholders' equity	152,302	155,154	(2,852)
Total liabilities, minority interests and shareholders' equity	¥376,629	¥382,533	(5,904)