

July 25, 2003

## Report of Consolidated Financial Results

### For the Three Months Ending June 30, 2003

<p>Registered Company Name: Hitachi High-Technologies Corporation</p> <p>Code No: 8036</p> <p>URL: <a href="http://www.hitachi-hitec.com/">http://www.hitachi-hitec.com/</a></p> <p>Representative: Masaaki Hayashi, President, Chief Executive Officer and Director</p> <p>Contact: Tatsuya Akutagawa, General Manager, Investor Relations, General Affairs Dept.</p>	<p>Stock Listings: Tokyo, Osaka</p> <p>Head Office: Tokyo</p> <p>Telephone: (03) 3504-5138</p>
--	--

#### 1. Basis of Reporting

- (1) Number of consolidated and equity-method subsidiaries and affiliates  
 Consolidated subsidiaries: 37  
 Equity-method nonconsolidated subsidiaries: 0  
 Equity-method affiliates: 1
- (2) Change in scope of consolidation and application of equity method  
 Consolidated: Added: 2 Eliminated: 1  
 Equity method: Added: 0 Eliminated: 0

#### 2. Summary Report of Fiscal Year 2003 1Q Earnings (April 1, 2003–June 30, 2003)

##### (1) Results of Operations

(Millions of Yen, %)

	Net Sales	Change	Operating Income	Change	Ordinary Income	Change
FY2003 Q1	¥184,225	+2.3%	¥1,502	+15.9%	¥1,840	+3.2%
FY2002 Q1	¥180,092	—	¥1,296	—	¥1,784	—
FY2002	¥778,229	—	¥11,844	—	¥12,104	—

	Net Income	Change	Net Income per Share	Diluted Net Income per Share
FY2003 Q1	¥773	+3.7%	¥5.62	—
FY2002 Q1	¥746	—	¥5.41	—
FY2002	¥5,928	—	¥40.92	—

Note: Percentage changes for net sales, operating income, ordinary income and net income indicate percentage increase or decrease same quarter of the previous fiscal period.

##### (2) Financial Position

(Millions of Yen, %)

	Total Assets	Total Shareholders' Equity	Shareholders' Equity Ratio	Shareholders' Equity per Share
FY2003 Q1	¥381,317	¥155,166	40.7%	¥1,127.81
FY2002 Q1	¥376,629	¥152,302	40.4%	¥1,106.13
FY2002	¥389,704	¥155,161	39.8%	¥1,125.60

(3) Earnings Outlook (For the Year Ending March 31, 2004)

(Millions of Yen)

	Net Sales	Ordinary Income	Net Income	Net Income per Share
FY 2003 Interim	¥379,800	¥5,280	¥2,220	¥16.14
FY2003	¥785,400	¥12,120	¥5,940	¥41.79

General Notes:

1. The above projections are unchanged from the initial forecasts published when the Company announced its results for the period ended March 31, 2003.
2. Projections made in this report are based on information available at the time of publication. Owing to various factors, actual results may differ from these projections.
3. Net income per share forecasts exclude earnings that are not distributed to holders of common stock in the Company.

## Results of Operations

### (1) *Overview*

Net sales for the three months ended June 30, 2003, amounted to ¥184.2 billion, up 2.3% from the same period a year earlier and equivalent to 48.5% of our forecast for first-half net sales, published when we announced our fiscal 2003 first-half results. Ordinary income totaled ¥1.8 billion, up 3.2%. Net income rose 3.7%, to ¥773 million. Ordinary income and net income both represented 34.8% of our respective first-half forecasts. First-quarter segment operating results were as follows:

#### *Electronic Device Systems*

Despite an increase in sales of semiconductor manufacturing equipment from the first quarter of fiscal 2002, bolstered by an increase in capital investment by domestic semiconductor manufacturers, sales of mainstay CD- Measurement SEMs and other process evaluation equipment, were lackluster. Sales of LCD-related manufacturing equipment lagged, reflecting a slowdown in investment by liquid crystal display (LCD) panel makers in Asia, weakening overall results. As a consequence, segment sales declined 9.3% from the first quarter of fiscal 2002, to ¥25.4 billion.

#### *Life Science*

In the area of clinical analyzers, sales in overseas markets were firm. Results were also bolstered by brisk sales of DNA sequencers for the US market. As a result, segment sales advanced 12.9%, to ¥22.3 billion.

#### *Information Systems & Electronic Components*

Sales of semiconductors for cellular phones in Asia fell, while sales of TV/TVCRs and other products for the US market flagged. Despite these declines, segment results were stable, owing to firm sales of transformer-related products in Asia and the Middle East and the acquisition of a chip moulder business. Segment sales amounted to ¥73.5 billion, a 5.1% increase.

#### *Advanced Industrial Products*

Despite sluggish sales of silicon wafers and notebook personal computer (PC)-related products, brisk sales of CDR/DVD components in India supported stable segment results. As a consequence, segment sales edged up 1.0%, to ¥63.0 billion.

## Consolidated Statements of Income

For the three months ended June 30, 2003 and 2002, and the year ended March 31, 2003

(Millions of Yen, %)

	FY2003 Q1	FY2002 Q1	Change	FY 2002
Net sales	¥184,225	¥180,092	+2.3%	¥778,229
Cost of sales	161,885	158,956	+1.8	684,007
Gross profit	22,340	21,136	+5.7	94,222
Selling, general and administrative expenses	20,838	19,840	+5.0	82,378
Operating income	1,502	1,296	+15.9	11,844
Other income:				
Interest	84	111	-24.2	676
Dividends	65	81	-19.9	145
Equity in earnings of affiliates	—	114	—	70
Others	317	298	+6.5	1,903
	466	605	-22.9	2,794
Other expenses:				
Interest	27	25	+6.7	208
Equity in losses of affiliates	8	—	—	—
Others	94	92	+2.2	2,325
	129	117	+10.2	2,533
Ordinary income	1,840	1,784	+3.2	12,104
Extraordinary gains	—	—	—	—
Extraordinary losses	—	—	—	—
Income before income taxes and minority interests	1,840	1,784	+3.2	12,104
Income taxes	1,022	967	+5.7	5,789
Minority interests	45	71	-37.4	388
Net income	¥ 773	¥ 746	+3.7%	¥ 5,928

# Consolidated Balance Sheets

As of June 30, 2003 and March 31, 2003

(Millions of Yen)

ASSETS	FY2003 Q1	FY 2002	Change
Current assets:			
Cash and Cash Equivalents	¥ 40,152	¥ 51,675	-¥11,522
Notes and accounts receivables	167,022	181,469	-14,447
Marketable securities	75	2,164	-2,089
Inventories	49,627	37,741	+11,886
Others	20,342	17,761	+2,580
Less: Allowance for doubtful receivables	(1,586)	(1,623)	+37
	275,631	289,186	-13,555
Property, plant and equipment:			
Buildings and structures	21,111	21,170	-59
Land	21,356	21,347	+10
Others	14,193	14,582	-389
	56,660	57,099	-438
Intangible fixed assets	8,919	4,051	+4,867
Investments and other assets:			
Investments in securities	22,297	21,601	+695
Others	19,003	18,966	+36
Less: Allowance for doubtful receivables	(1,192)	(1,200)	+8
	40,107	39,368	+739
	105,686	100,518	+5,168
Total assets	¥381,317	¥389,704	-¥ 8,387

(Millions of Yen)

LIABILITIES AND SHAREHOLDERS' EQUITY	FY2003 Q1	FY2002	Change
Current liabilities:			
Notes and accounts payables	129,979	¥141,356	-¥11,377
Short-term debt	26,070	20,766	+5,304
Accrued expenses	16,188	20,465	-4,277
Other current liabilities	21,816	22,517	-701
	194,053	205,105	-11,052
Long-term liabilities:			
Retirement allowances	26,904	23,524	+3,380
Reserve for directors' retirement account	890	1,466	-576
Others	122	121	+1
	27,916	25,111	+2,805
Total liabilities	221,969	230,216	-8,247
Minority interests	4,182	4,327	-145
Shareholders' equity:			
Common stock	7,938	7,938	—
Capital surplus	35,745	35,745	—
Accumulated earnings	109,067	109,633	-566
Net unrealized holding gain on securities	3,381	2,923	+458
Foreign currency translation adjustments	(735)	(853)	+118
Less: Treasury stock, at cost	(230)	(226)	-4
Total shareholders' equity	155,166	155,161	+6
Total liabilities, minority interests and shareholders' equity	¥381,317	¥389,704	-¥ 8,387