

## Report of Consolidated Financial Results

### For the Three Months Ending June 30, 2004

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

#### 1. Basis of Reporting

- (1) Number of consolidated and equity-method subsidiaries and affiliates  
 Consolidated subsidiaries: 39  
 Equity-method nonconsolidated subsidiaries: 0  
 Equity-method affiliates: 1
- (2) Change in scope of consolidation and application of equity method  
 Consolidated: Added: 0 Eliminated: 1  
 Equity method: Added: 0 Eliminated: 0

#### 2. Summary Report of Fiscal Year 2004 Q1 Earnings (April 1, 2004–June 30, 2004)

##### (1) Results of Operations

(Millions of Yen, %)

	Net Sales	Change	Operating Income	Change	Ordinary Income	Change
FY2004 Q1	¥239,376	+29.9%	¥7,987	+431.7%	¥7,913	+330.1%
FY2003 Q1	¥184,225	+2.3%	¥1,502	+15.9%	¥1,840	+3.2%
FY2003	¥831,050	—	¥13,798	—	¥13,673	—

	Net Income	Change	Net Income per Share	Diluted Net Income per Share
FY2004 Q1	¥4,718	+510.3%	¥34.29	—
FY2003 Q1	¥773	+3.7%	¥5.62	—
FY2003	¥7,162	—	¥50.56	—

Note: Percentage changes for net sales, operating income, ordinary income and net income indicate percentage increase compared with the 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
FY2004 Q1	¥445,629	¥164,365	36.9%	¥1,194.73
FY2003 Q1	¥381,317	¥155,166	40.7%	¥1,127.81
FY2003	¥462,875	¥160,480	34.7%	¥1,164.99

(3) Earnings Outlook (For the Year Ending March 31, 2005)

(Millions of Yen)

	Net Sales	Ordinary Income	Net Income	Net Income per Share (¥)
FY 2004 Interim	¥454,000	¥10,500	¥4,800	—
FY2004	¥880,000	¥18,800	¥9,700	¥69.01

General Notes:

1. 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.
2. 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, 2004, amounted to ¥239.4 billion, up 29.9% from the same period a year earlier. Ordinary income climbed more than four times, to ¥7.9 billion. Net income rose soared over six times, to ¥4.7 billion. Segment operating results were as follows.

#### *Electronic Device Systems*

Sales of semiconductor manufacturing equipment improved compared with the same period in the previous fiscal year, reflecting increased capital investment by domestic producers. Sales of mainstay critical dimension-measurement scanning electron microscopes (CD-Measurement SEMs) to South Korea and Taiwan remained strong. Vigorous capital investment by liquid crystal display (LCD) makers in Asia generated robust sales of LCD-related manufacturing equipment. The integration of Hitachi Electronics Engineering Co., Ltd. (currently Hitachi High-Tech Electronics Engineering Co., Ltd.), into our Group also boosted segment sales, which reached ¥51.0 billion, up 100.4%.

#### *Life Science*

Domestic and overseas sales of clinical diagnostic instruments weakened compared with the same period a year earlier. Sales of biotechnology-related equipment also fell, owing to a slowdown in demand for DNA sequencers in the United States that countered solid domestic sales of liquid chromatographs. As a result, segment sales declined 12.0%, to ¥19.6 billion.

#### *Information Systems & Electronic Components*

Sales of semiconductors for cellular phones to Asia and optical pick-ups for DVD players improved, reflecting buoyant demand for digital consumer electronics. In addition, OLED (organic light emitting diodes) production equipment sold well in South Korea and Taiwan. These factors boosted segment sales 19.9%, to ¥88.1 million.

#### *Advanced Industrial Products*

The expansion of the digital optical electronics market supported firm sales of optical components for LC projectors and optical media materials. Liquid-crystal and flat-panel display parts for cellular phones performed well, as did silicon wafers. Accordingly, we recorded segment sales of ¥80.7 billion, up 28.1%.

### (2) *Outlook for the Interim Period Ending September 30, 2004*

The global economy is expected to improve, as the U.S. economy continues expanding steadily and the Chinese economy maintains its high growth rate. During the second half of 2004, the Company anticipates further increases in income and sales, albeit at a slower pace. For the period ending September 30, 2004, the Company is targeting consolidated net sales of ¥454.0 billion, a 17.9% increase from the corresponding period in fiscal 2003; ordinary income of ¥10.5 billion, a 67.5% rise; and net income of ¥4.8 billion, up 63.9%.

# Consolidated Statements of Income

For the three months ended June 30, 2004 and 2003, and the year ended March 31, 2003

(Millions of Yen, %)

	FY2004 Q1	FY2003 Q1	Change	FY 2003
Net sales	¥239,376	¥184,225	+29.9%	¥831,050
Cost of sales	208,010	161,885	+28.5	730,186
Gross profit	31,365	22,340	+40.4	100,864
Selling, general and administrative expenses	23,378	20,838	+12.2	87,066
Operating profit	7,987	1,502	+431.7	13,798
Other income:				
Interest	68	84	-19.0	510
Dividends	82	65	+25.2	122
Equity in earnings of affiliates	69	—	—	42
Others	383	317	+20.8	1,139
	602	466	29.1	
Other expenses:				
Interest	38	27	+41.5	165
Equity in losses of affiliates	—	8	—	—
Others	638	94	+579.6	1,774
	676	129	+424.3	1,939
Ordinary income	7,913	1,840	+330.1	13,673
Extraordinary gains	—	—	—	—
Extraordinary losses	—	—	—	—
Income before income taxes and minority interests	7,913	1,840	+330.1	13,673
Income taxes	3,101	1,022	+203.4	6,446
Minority interests	95	45	+111.6	65
Net income	¥4,718	¥773	+510.3%	¥7,162

# Consolidated Balance Sheets

As of June 30, 2004 and March 31, 2004

(Millions of Yen)

ASSETS	FY2004 Q1	FY 2003	Change
Current assets:			
Cash	¥ 30,960	¥ 41,747	-¥10,787
Notes and accounts receivable	225,297	234,613	-9,316
Short-term investments	4,182	4,092	91
Inventories	63,164	55,860	+7,303
Others	22,031	24,558	-2,527
Less: Allowance for doubtful receivables	(2,640)	(2,645)	+5
	342,994	358,226	-15,232
Property, plant and equipment:			
Land	22,463	22,446	+17
Others	38,494	39,589	-1,095
	60,957	62,035	-1,078
Intangible assets	10,756	11,419	-663
Investments and other assets:			
Investments in securities	15,445	15,323	+121
Others	16,430	16,839	-410
Less: Allowance for doubtful receivables	(952)	(967)	+15
	30,922	31,195	-273
	102,635	104,649	-2,014
Total assets	¥445,629	¥462,875	-¥ 17,246

(Millions of Yen)

LIABILITIES AND SHAREHOLDERS' EQUITY	FY2004 Q1	FY2003	Change
Current liabilities:			
Notes and accounts payable	172,240	¥188,316	-¥16,076
Short-term debt	25,598	26,996	-1,399
Accrued expenses	19,681	25,039	-5,357
Other current liabilities	25,180	22,181	2,999
	242,699	262,533	-19,834
Long-term liabilities:			
Long-term debt	1,000	2,000	-1,000
Retirement allowances	32,729	32,690	+38
Reserve for directors' retirement account	760	1,220	-459
Others	339	326	+14
	34,828	32,236	-1,407
Total liabilities	277,527	298,768	-21,241
Minority interests	3,736	3,626	+110
Shareholders' equity:			
Capital	7,938	7,938	—
Capital surplus	35,745	35,745	—
Retained earnings	117,906	114,427	+3,480
Net unrealized holding gain on securities	5,013	4,897	+116
Foreign currency translation adjustments	(1,996)	(2,286)	+290
Less: Treasury stock, at cost	(241)	(241)	-1
Total shareholders' equity	164,365	160,480	+3,885
Total liabilities, minority interests and shareholders' equity	¥445,629	¥462,875	-¥ 17,246