

January 26, 2005

Report of Consolidated Financial Results For the Nine Months Ending December 31, 2004

Registered Company Name:	Hitachi High-Technologies Corporation	Stock Listings:	Tokyo, Osaka
Code No:	8036	Head Office:	Tokyo
URL:	http://www.hitachi-hitec.com/	Telephone:	+81-3-3504-5138
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: 37
Equity-method non-consolidated subsidiaries: 0
Equity-method affiliates: 1

- (2) Change in scope of consolidation and application of equity method

Consolidated: Added: 0, Eliminated: 3
Equity method: Added: 0, Eliminated: 0

2. Financial Highlights

(For the Nine Months Ended December 31, 2004 and 2003, and the Year Ended March 31, 2004)

(1) Business performance(consolidated)

(Amounts less than one million yen have been rounded. Millions of Yen, %)

	Net Sales	Change	Operating Profit	Change	Ordinary Income	Change
FY2004 Q1-Q3	¥706,083	+17.6%	¥23,706	+173.0%	¥21,509	+134.1%
FY2003 Q1-Q3	600,228	+3.9	8,685	-2.8	9,189	-5.4
FY2003	831,050	+6.8	13,798	+16.5	13,673	+13.0

	Net Income	Change	Net Income per Share (Yen)	Diluted Net Income per Share
FY2004 Q1-Q3	¥12,370	+163.4%	¥89.92	—
FY2003 Q1-Q3	4,697	+0.9	34.14	—
FY2003	7,162	+20.8	50.56	—

Note: Percentage changes for net sales, operating profit, ordinary income and net income indicate percentage increase or decrease from 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 (Yen)
FY2004 Q1-Q3	¥435,209	¥170,256	39.1%	¥1,237.59
FY2003 Q1-Q3	411,580	157,248	38.2	1,142.98
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 (Yen)
FY2004	¥907,000	¥23,400	¥13,300	¥95.18

General Notes:

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. Predicted net income per share for the period was calculated by subtracting the forecast of the amount not to be returned to ordinary shareholders.

Results of Operations

(1) *Overview*

Over the interim period of three quarters (April 1, 2004 – December 31, 2004), sales totaled ¥706,083 million, up 17.6% on the same period for the previous year. Ordinary income was ¥21,509 million, up 134.1%, while quarterly (current) net income was ¥12,370 million, a 163.4% increase.

The following reviews the situation by business segment.

Electronic Device Systems

In semiconductor manufacturing equipment, sales of mainstay CD-measurement SEMs were supported by brisk overseas capital investment, while sales of etching systems were also firm, pushing sales of both product categories up on the same period in the previous year.

Sales of liquid crystal display-related manufacturing equipment were firm despite some changes in the capital investment plans of LCD panel makers in Asia and other regions.

As a result, Electronic Device Systems segment sales totaled ¥166,224 million, up 74.8% on the same period in the previous year.

Life Science

In the Clinical Diagnostic Instrument category, the trend toward medical cost constraints continued, and sales declined compared to the same period in the previous year.

In the bio-technology product area, demand for general-purpose instruments weakened, while sales of DNA sequencers to the United States were also lackluster. As a result, sales across the whole sector were down.

The above factors were reflected in Life Science segment sales of ¥58,790 million, 8.7% down on the same period last year.

Information Systems & Electronic Components

The mobile phone market, which had been strong, entered a phase of inventory adjustment, and sales of rechargeable mobile phone batteries to Asia declined. Sales to the Asia region of optical pick-ups for DVDs, and information home appliances to the United States were sluggish.

Sales of chip mounters stalled in the face of postponement or cancellation of plans by customers.

Reflecting these circumstances, the segment recorded sales of ¥241,071 million, a 0.3% increase on the same period in the previous year.

Advanced Industrial Products

Steel products, plastics, and similar items continued to rise in price, with demand for iron and steel, nonferrous materials and plastics strong. Optical-related components and materials were firm, despite signs of a fall in the digital electronics field from the second half of the period.

As a result, sales for this segment were up 19.7%, to ¥239,997 million.

(2) Outlook for the full term

The growth of the Chinese economy is expected to slow, while the US economy is slated to enter an adjustment phase, and these factors are expected to slow the rate of growth of the world economy.

Against this background, for the period ended March 31, 2005, Hitachi High-Technologies' sales are expected to reach ¥907,000 million, an increase of 9.1% over the previous year, with ordinary income of ¥23,400 million, up 71.1%, and current net income of ¥13,300 million, up 85.7%.

In the future, we will continue to aim to be global leader in the high-tech solutions field, to respond to customer and market needs swiftly, and to try to fulfill our goals.

Consolidated Statements of Income

For the nine months ended December 31, 2004 and 2003, and the year ended March 31, 2004

(Millions of Yen, %)

	FY2004 Q3	FY2003 Q3	Change	FY 2003
Net sales	¥706,083	¥600,228	+17.6%	¥831,050
Cost of sales	611,004	526,970	+15.9	730,186
Gross profit	95,078	73,258	+29.8	100,864
Selling, general and administrative expenses	71,372	64,574	+10.5	87,066
Operating profit	23,706	8,685	+173.0	13,798
Other income:				
Interest	242	306	-20.9	510
Dividends	158	121	+30.4	122
Equity in earnings of affiliates	99	37	+168.4	42
Others	1,592	669	+138.0	1,139
	2,091	1,133	+84.5	1,813
Other expenses:				
Interest	124	105	+18.9	165
Others	4,164	524	+694.3	1,774
	4,288	629	+582.0	1,939
Ordinary income	21,509	9,189	+134.1	13,673
Extraordinary gains	5,617	—	—	—
Extraordinary losses	6,301	—	—	—
Income before income taxes and minority interests	20,825	9,189	+126.6	13,673
Income taxes	8,195	4,479	+83.0	6,446
Minority interests	259	14	+1,800.3	65
Net income	¥12,370	¥4,697	+163.4%	¥7,162

Consolidated Balance Sheets

As of December 31, 2004 and March 31, 2004

(Millions of Yen)

<i>ASSETS</i>	FY2004 Q3	FY 2003	Change
Current assets:			
Cash	¥ 33,272	¥ 41,747	-¥8,475
Notes and accounts receivable	216,488	234,613	-18,125
Short-term investments	186	4,092	-3,905
Inventories	69,034	55,860	+13,173
Others	23,979	24,558	-579
Less: Allowance for doubtful receivables	(2,654)	(2,645)	-10
	340,305	358,226	-17,920
Property, plant and equipment:			
Land	20,051	22,446	-2,395
Others	35,088	39,589	-4,500
	55,139	62,035	-6,895
Intangible assets	10,248	11,419	-1,171
Investments and other assets:			
Investments in securities	14,901	15,323	-423
Others	15,581	16,839	-1,259
Less: Allowance for doubtful receivables	(965)	(967)	+2
	29,516	31,195	-1,679
	94,904	104,649	-9,745
<i>Total assets</i>	¥435,209	¥462,875	-¥ 27,665

(Millions of Yen)

LIABILITIES AND SHAREHOLDERS' EQUITY	FY2004 Q3	FY2003	Change
Current liabilities:			
Notes and accounts payable	171,075	¥188,316	-¥17,241
Short-term debt	17,972	26,996	-9,024
Accrued expenses	19,045	25,039	-5,994
Other current liabilities	23,373	22,181	+1,192
	231,465	262,533	-31,068
Long-term liabilities:			
Long-term debt	-	2,000	-2,000
Retirement allowances	28,475	32,690	-4,216
Reserve for directors' retirement account	920	1,220	-299
Others	358	326	+32
	29,753	36,236	-6,483
Total liabilities	261,218	298,768	-37,551
Minority interests	3,735	3,626	+109
Shareholders' equity:			
Capital	7,938	7,938	—
Capital surplus	35,745	35,745	—
Retained earnings	124,183	114,427	+9,757
Net unrealized holding gain on securities	4,748	4,897	-150
Foreign currency translation adjustments	(2,110)	(2,286)	+176
Less: Treasury stock, at cost	(248)	(241)	-7
Total shareholders' equity	170,256	160,480	+9,776
Total liabilities, minority interests and shareholders' equity	¥435,209	¥462,875	-¥ 27,665