
Analytical & Medical Solutions Business Briefing

June 26, 2019

Hitachi High-Technologies Corporation

Analytical & Medical Solution Business Group

1. FY2018 Performance

Record high revenues: 206.4 billion yen,
EBIT margin: 14% (Science & Medical Systems)

2. Aiming to Pursue Social Value and Business Value

Realize a sustainable society
EBIT margin: 15% or more

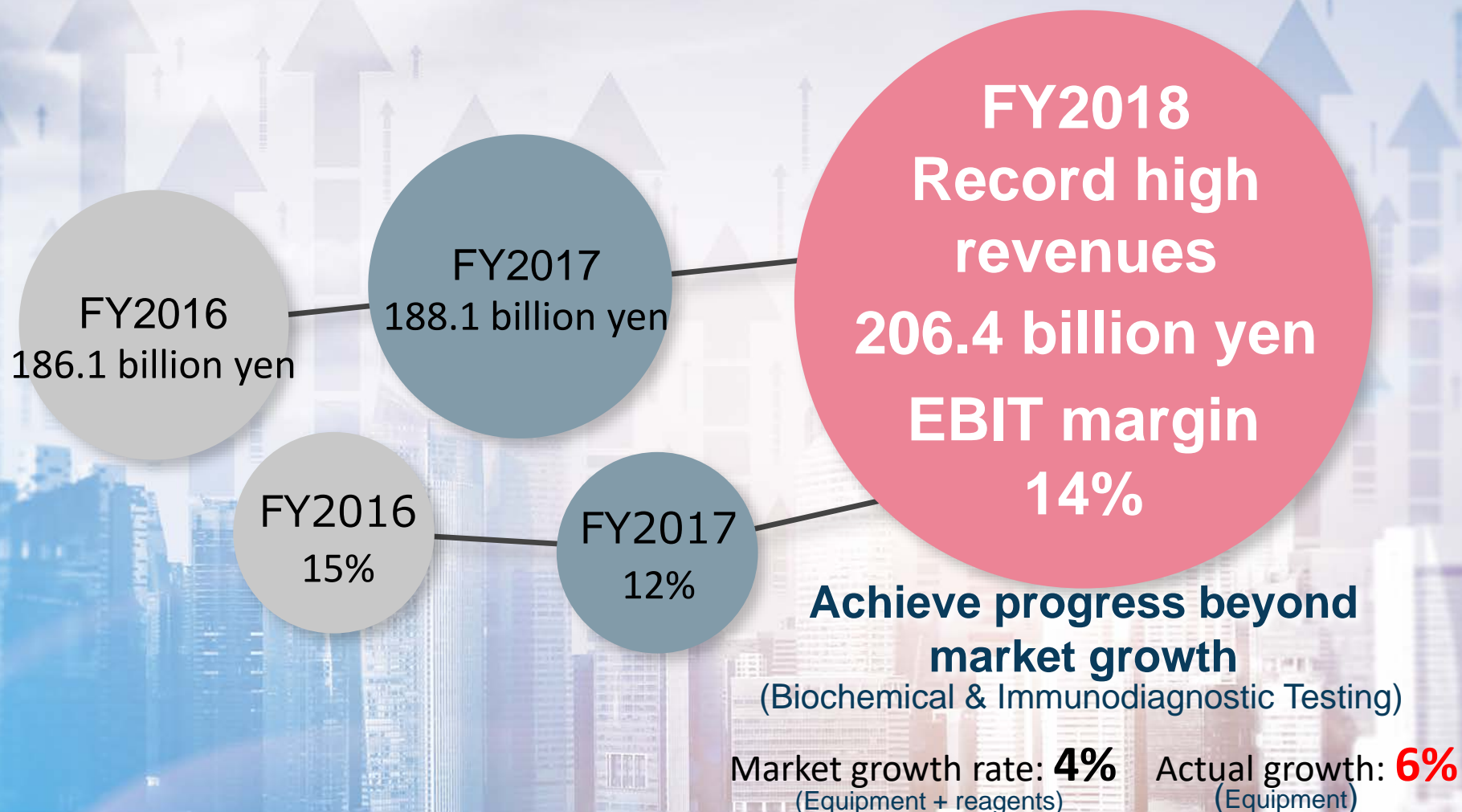
3. Engines Supporting Business Growth Strategy

Focused Solutions (FS)
System Collaboration Business (SCB)
Global manufacturing system
Global sales and digital marketing
Business investment

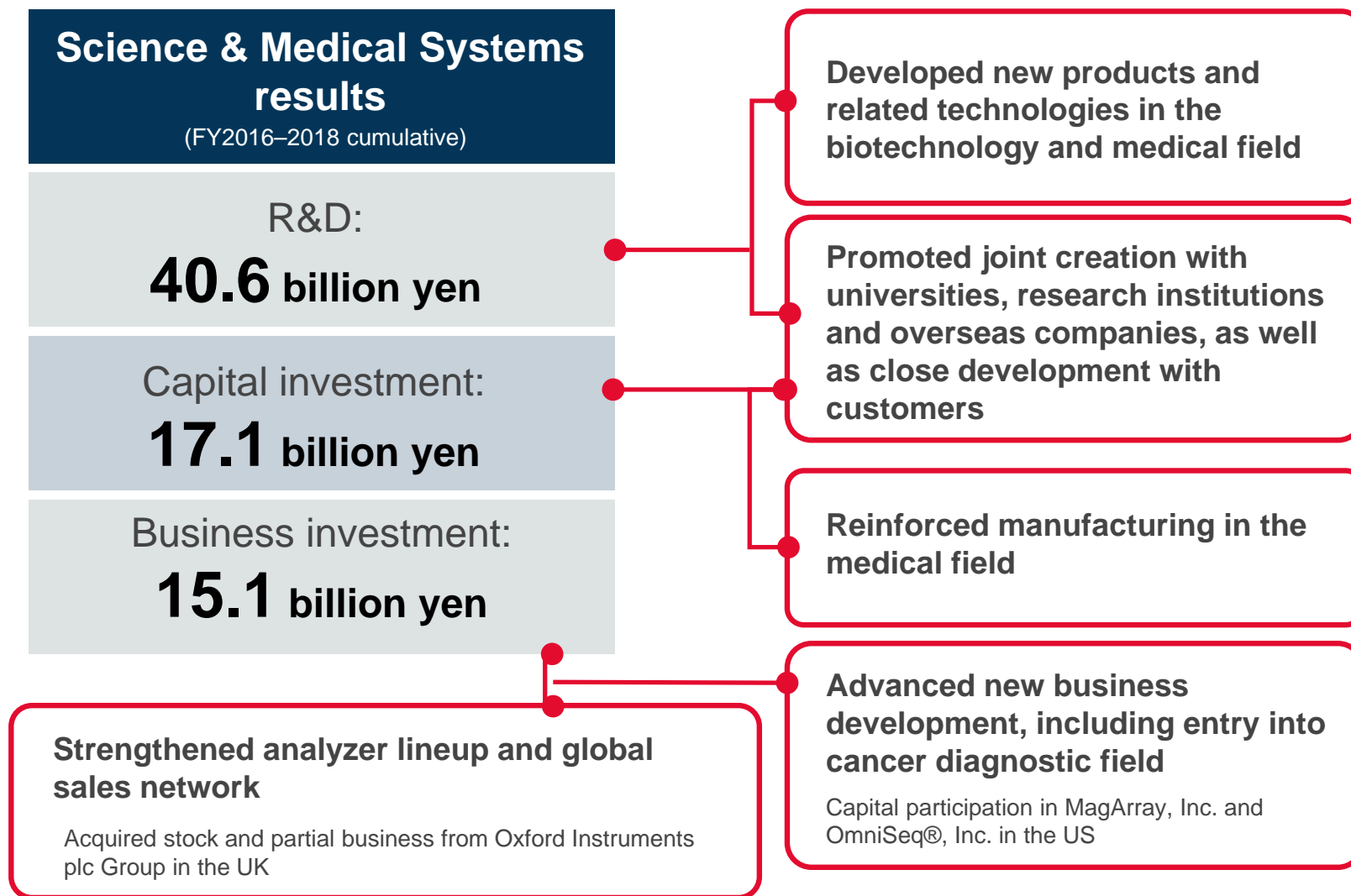
4. Focused Solutions

Introducing dedicated equipment to meet customer needs

Continuously secure earnings in core businesses



Reinforcing Resources and Investment in 2018 Mid-Term Management Strategy





Aiming to Pursue Social Value and Business Value

Realize a sustainable society through business growth

Contribute to the realization of a sustainable society through the Analytical & Medical Solutions Business

Medical

Environment

Energy

Safety and security

Analytical & Medical Solutions

Observation

Measurement

Analysis

FS

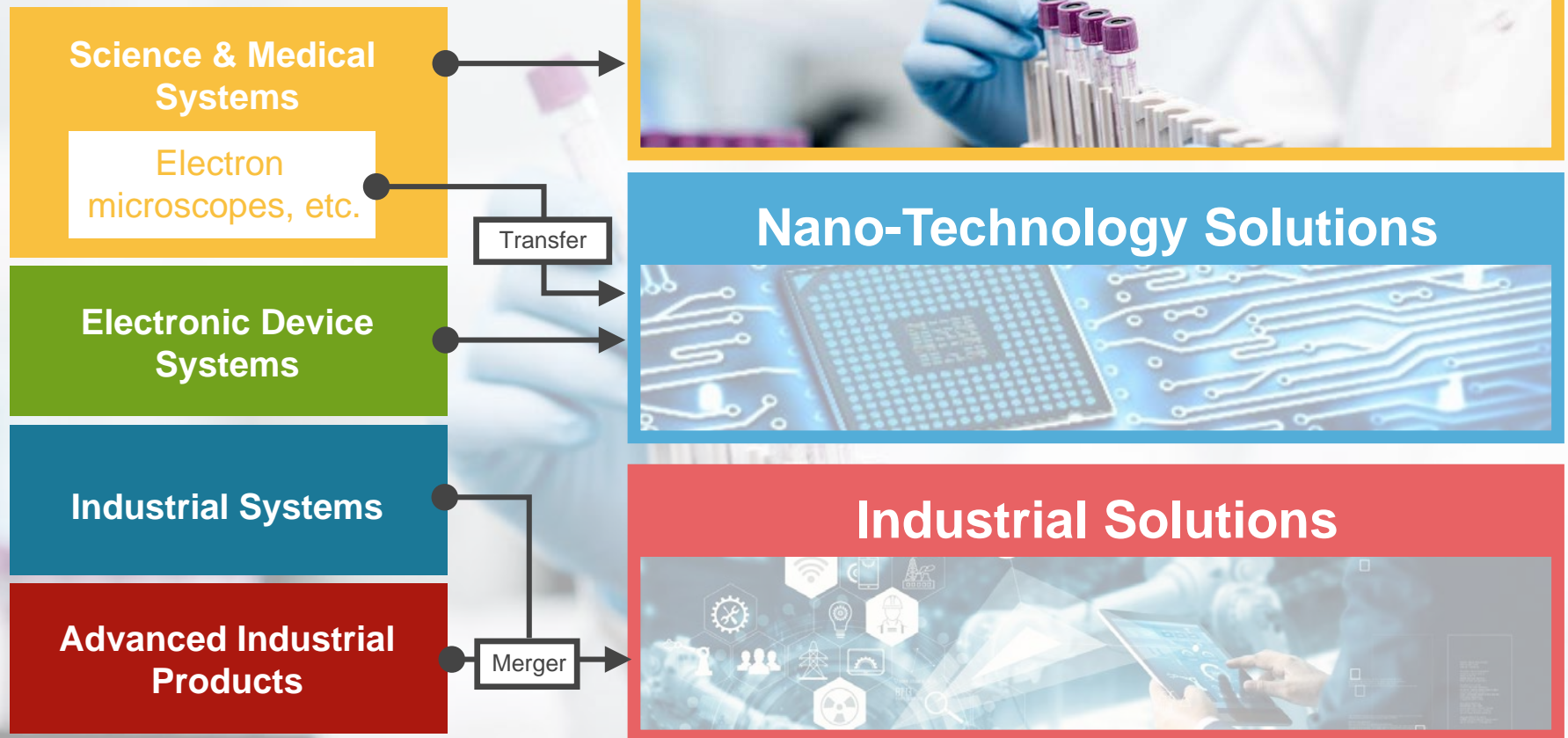
(Focused Solutions)

- Healthy, safe, and secure lives
- Sustained development of science and industry
- Sustainable global environment



Changes in Business Management System

2018 Mid-Term Management Strategy



Analytical & Medical Solutions

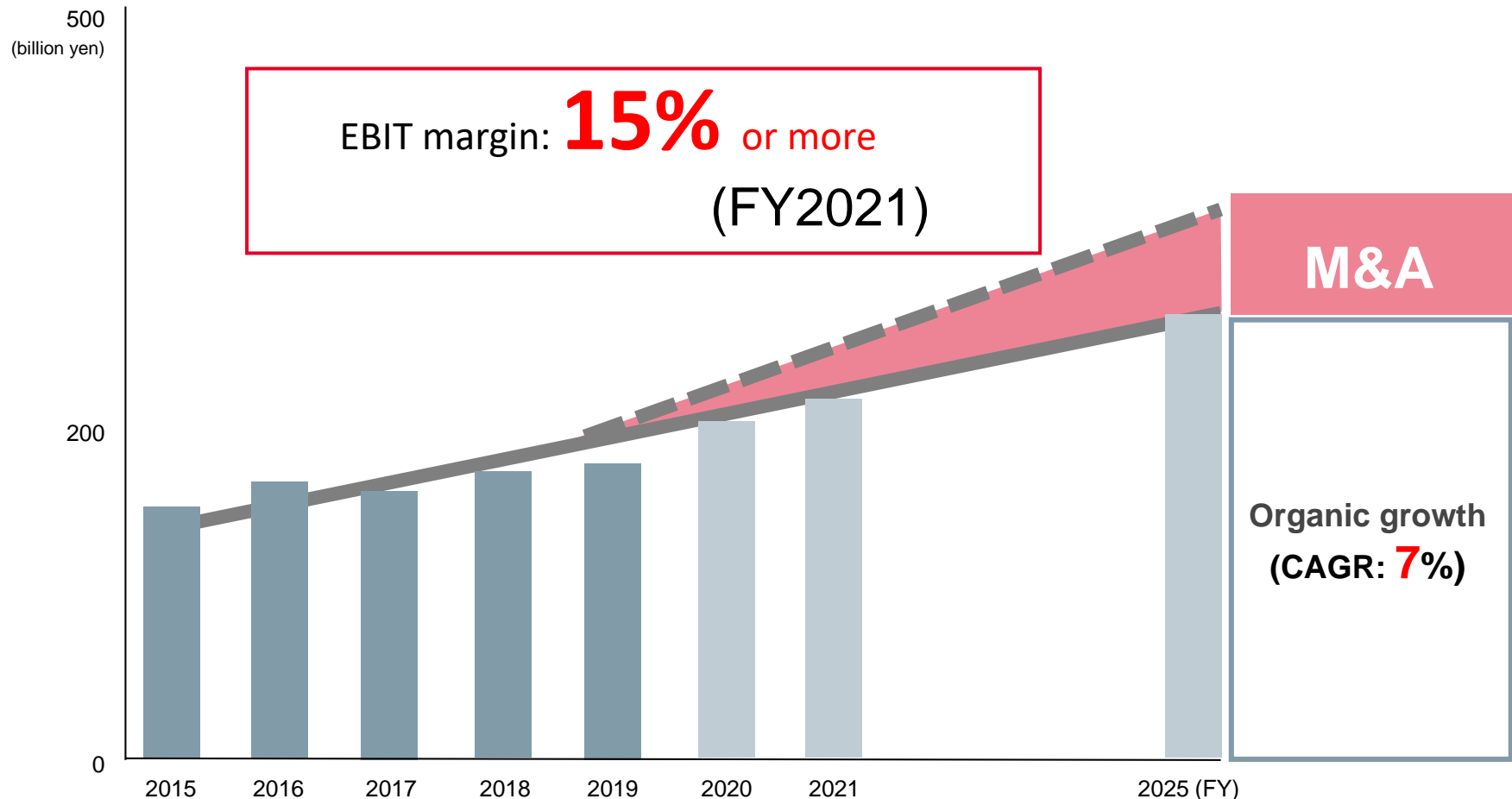
**Create new value in
the fields of
Bio/Medical, analysis,
etc., by utilizing
“analysis technology”**



Target: Secure Profitability

→ Business management with profitability as a KPI

→ Organic business growth + M&A



(Calculated by restating the results for Science & Medical Systems within the scope of Analytical & Medical Solutions)



Engines Supporting Business Growth Strategy

- Focused Solutions (FS)
- System Collaboration Business (SCB)
- Global manufacturing system
- Global sales and digital marketing
- Business investment

Provide Focused Solutions (FS)

Develop general-purpose products into dedicated products to meet customer needs and create markets

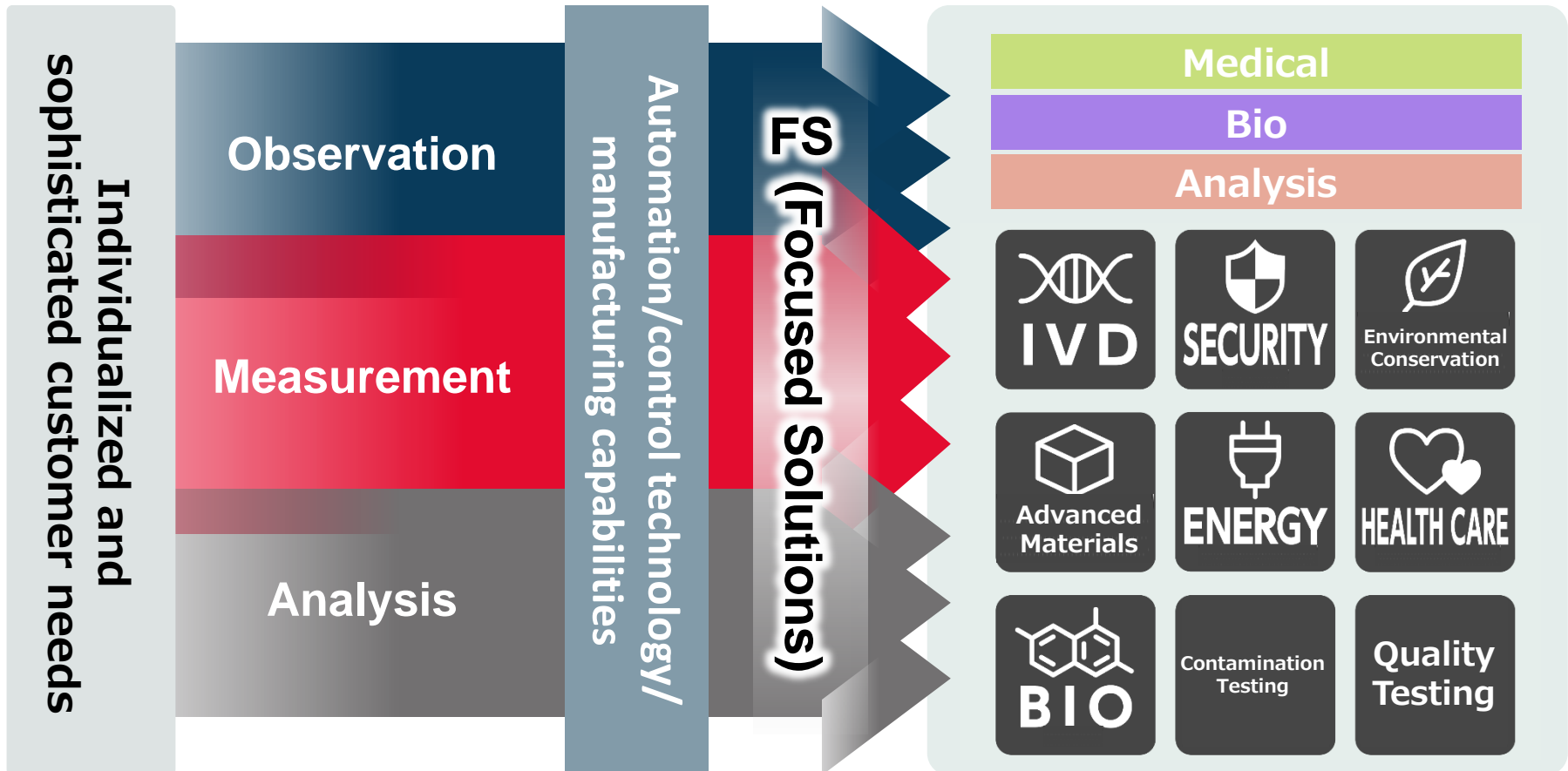
General-purpose
market

>>>

Provide dedicated
equipment/solutions (FS)

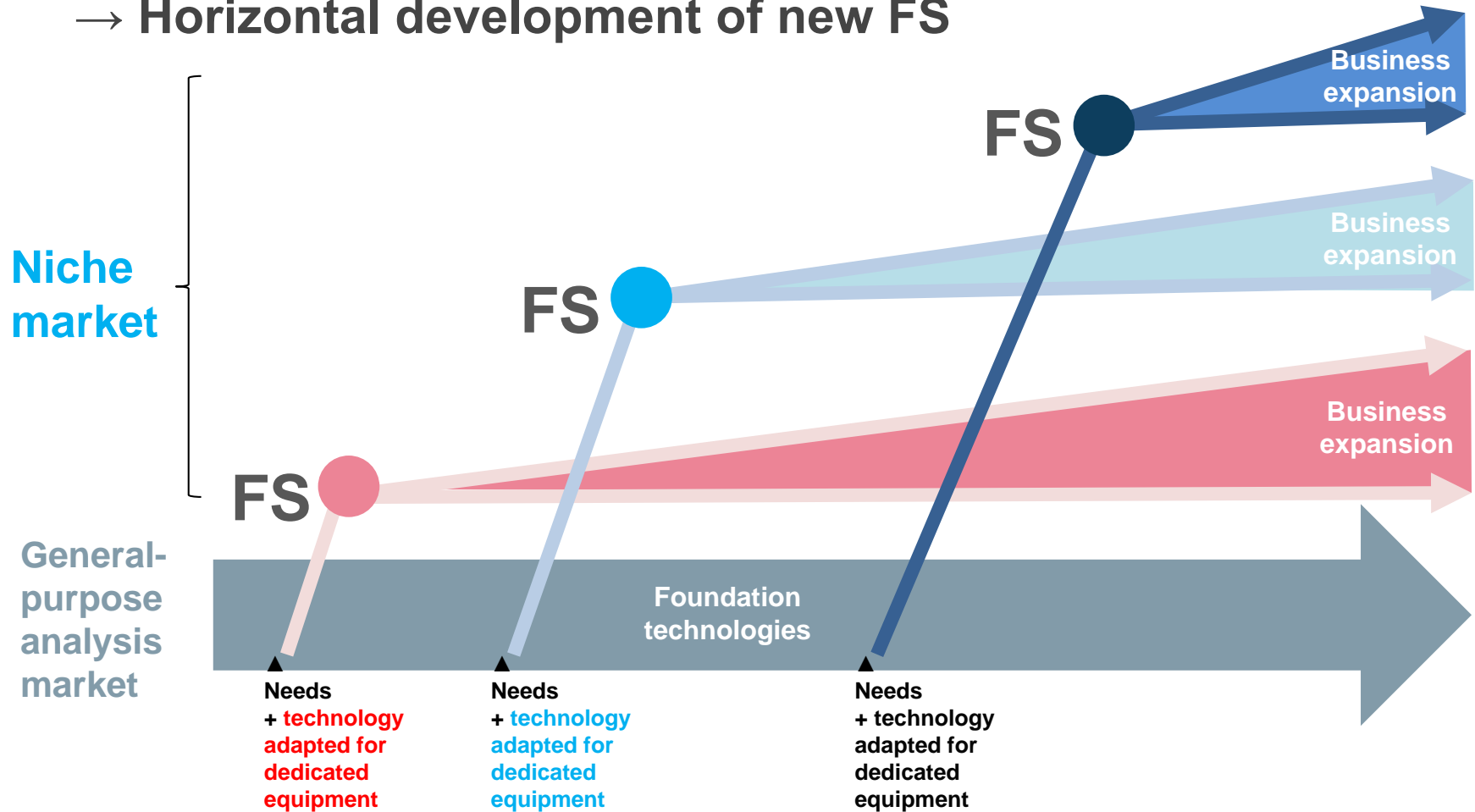
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Create niche markets

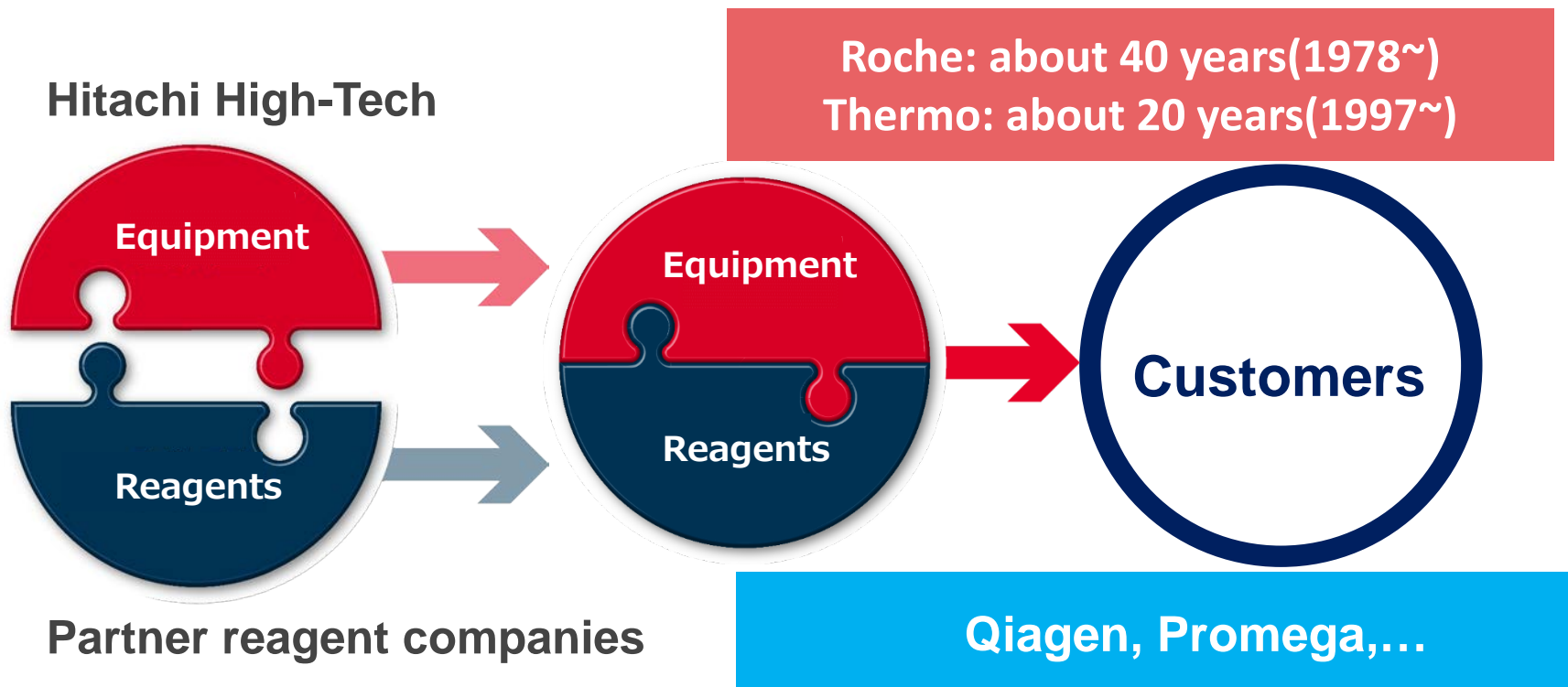


FS to meet “customer needs at the point of change in era”

- Create new niche markets
- Horizontal development of new FS



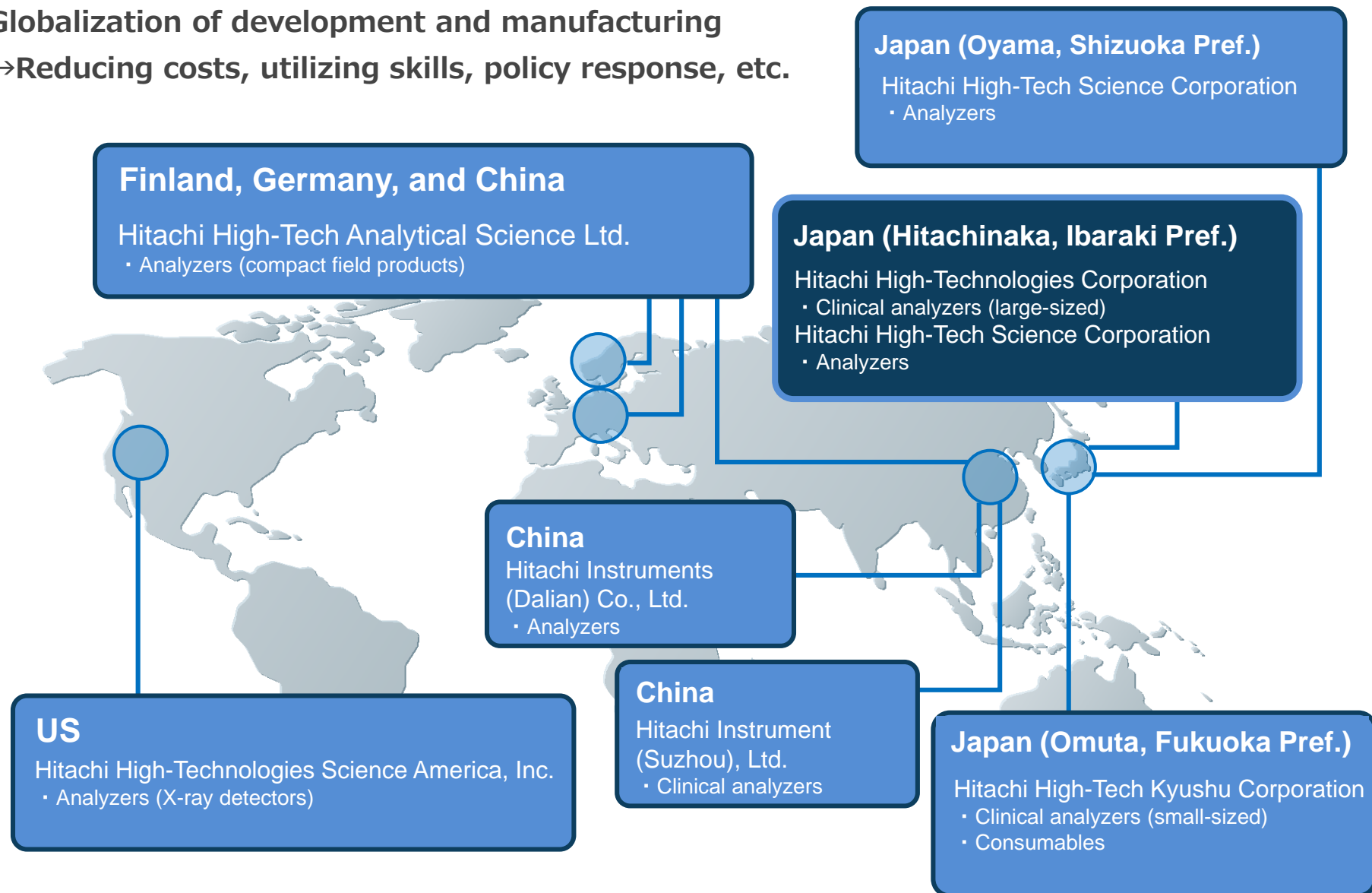
Open innovation for developing best solutions (strong equipment + strong reagents) for customers through equal business partnerships with strong reagent companies



Roche: Roche Diagnostics
Thermo: Thermo Fisher Scientific Inc.
Qiagen: QIAGEN N.V.
Promega: Promega Corporation

Global Optimization of Manufacturing

Globalization of development and manufacturing
→Reducing costs, utilizing skills, policy response, etc.



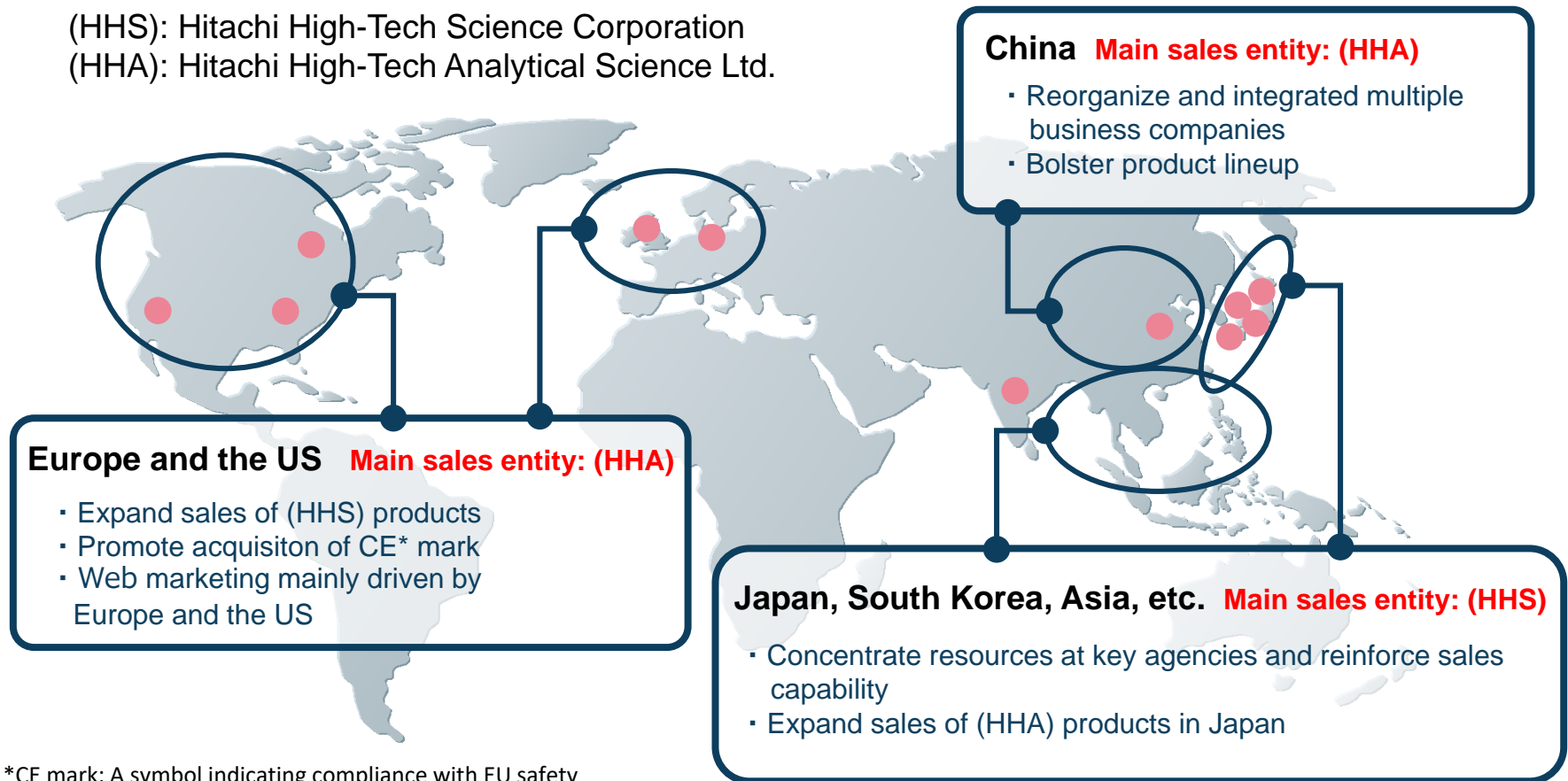
Strengthen Global Sales

Maximum use of sales & service network acquired through M&A

→(HHS) and (HHA) to provide sales and services for both companies' products in their respective areas

(HHS): Hitachi High-Tech Science Corporation

(HHA): Hitachi High-Tech Analytical Science Ltd.



*CE mark: A symbol indicating compliance with EU safety standards, required for products sold in Europe

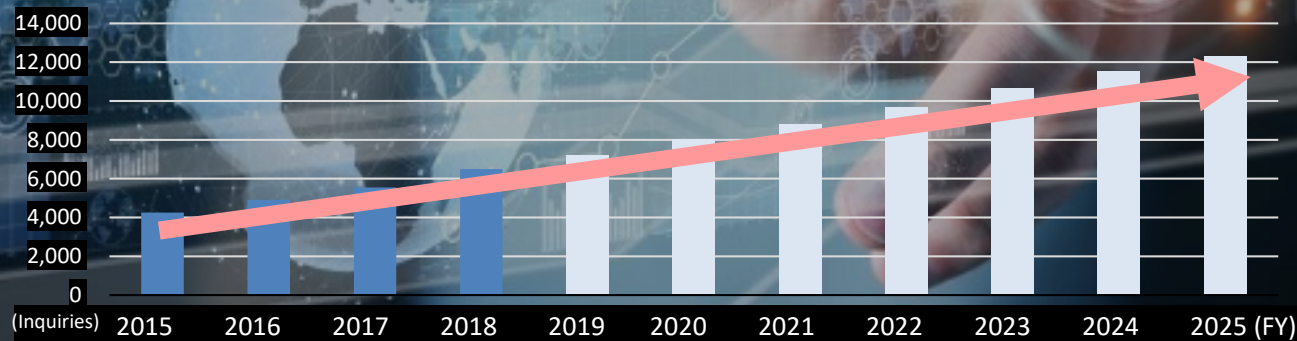
Strengthen Sales Capability through Digital Marketing

Strengthen web marketing to increase customer contact points
Strengthen customer trust through service solution portal website
Grasp purchasing sentiment and market needs through
monitoring and data analysis



Strengthen sales capability

Number of inquiries received online



Business investment: Approx. 15.1 billion yen (FY2016–2018)

Accumulate experience of M&A and PMI*



Continuous and proactive investment



A close-up photograph of two hands, one from a person wearing a striped shirt and the other from a person in a dark jacket, holding two interlocking wooden puzzle pieces. The hands are positioned over a laptop keyboard, which is slightly out of focus. The background is a bright, sunlit window, creating a warm, golden glow. The text 'Focused Solutions' is overlaid on the left side of the image in a large, bold, white font with a black outline. Below it, the text 'Introducing dedicated equipment to meet customers needs' is also in white with a black outline, but in a smaller font.

Focused Solutions

Introducing dedicated equipment to meet customers needs

Medical market

Likely to remain brisk, expect growth in emerging markets to continue

CAGR: **2–4%**

Biotechnology market

Strong growth in genetics-related areas

CAGR: **4–12%**

**Become a global player
in all in-vitro diagnostics
markets**

Realize a healthy society through IVD*

- Maintain and expand top share in clinical chemistry and immunodiagnostic analyzers

- Expand business into new in-vitro diagnostic fields

- Develop next-generation genetic analysis products

- Expand the bio business scope through new entry

*IVD: In-Vitro Diagnostics, In-vitro diagnostic clinical equipment

Further Growth in Existing Business: Roche (SCB)

HITACHI
Inspire the Next

cobas pro

New
Products



Daily maintenance "0" minutes (clinical chemistry module section)
Long-term continuous use of reagent (up to 6 months)
Next-generation global standard for medium- to large-sized facilities



**Streamlining and labor-saving for
testing operations in line with global
optimization of medical fees**

Health

Hitachi High-Tech

cobas e801

World's fastest and largest level*
of throughput
Dramatically improved operability
Reagent change possible during
measurement operation, etc.

*Depend on the module configuration



Respond to the increase in samples and
high sensitivity in line with the increase in
the demand of immunoassay testing
24-hour non-stop operation



3500

The world's first multifunction device* for
clinical chemistry, immunoassay, and
blood coagulation testing
Enables faster testing and more efficient
clinical testing operations

*Hitachi High-Technologies investigation



Improve operation of multiple devices
by a small number of operators at ER
departments and small- to medium-
sized clinics



NEXTAGE

Humanoid robots offer high
versatility and flexibility



FUTURE

Respond to declining workforces in advanced countries
Reduce testing laboratory operation costs

Genetic Analysis

Sanger DNA sequencers

Next-generation
DNA sequencers

Collaboration with
universities

Low-throughput Mid-throughput High-throughput

Joint research lab with Keio University



Completed
product image



©Thermo Fisher Scientific



Provide genetic analysis systems and molecular diagnostic solutions



Expansion in fields of application for genetic testing (Research, diagnostics, DNA tests, etc.)
Expectation for equipment for easy use, simplicity and reliability



Verigene System®

**Multiplex Sepsis test covered by National Health Insurance:
1,700 points (=17,000 JP Yen)**

Blood culture gram positive (BC-GP)

Blood culture gram negative (BC-GN)

**Microorganism and Antimicrobial resistance
genes identified within 2.5 hours for early
diagnosis of Blood Stream Infection**



**For patient, improve Quality of Life
(early diagnosis and appropriate antibiotics therapy)
For hospital, reduce medical expenses
(avoid unnecessary antibiotics administration and
minimize length of patient's stay at hospital)**



MagArray

Trace amount biomarker testing using
ultra high sensitivity detection technology

Started lung cancer screening test business
(2018)



Growing needs for diagnosis to determine
treatment policy for cancer diagnosis and
effective testing methods for companion
diagnosis



Analytical market

Robust demand for general equipment, growth in
dedicated industrial measurement equipment

CAGR: **3–4%**

**Become a major global
player in analytical
instruments markets**

Realize a safer and
more secure society

- Provide solutions for each field
- Launch new strategic products
- Strengthen global sales and service system

LIBS Vulcan+



Rapid onsite testing, easy operation, and toughness

XRF X-MET8000



Optical Emission Spectrometers

Handles a wide range of metal elements with complete mobility



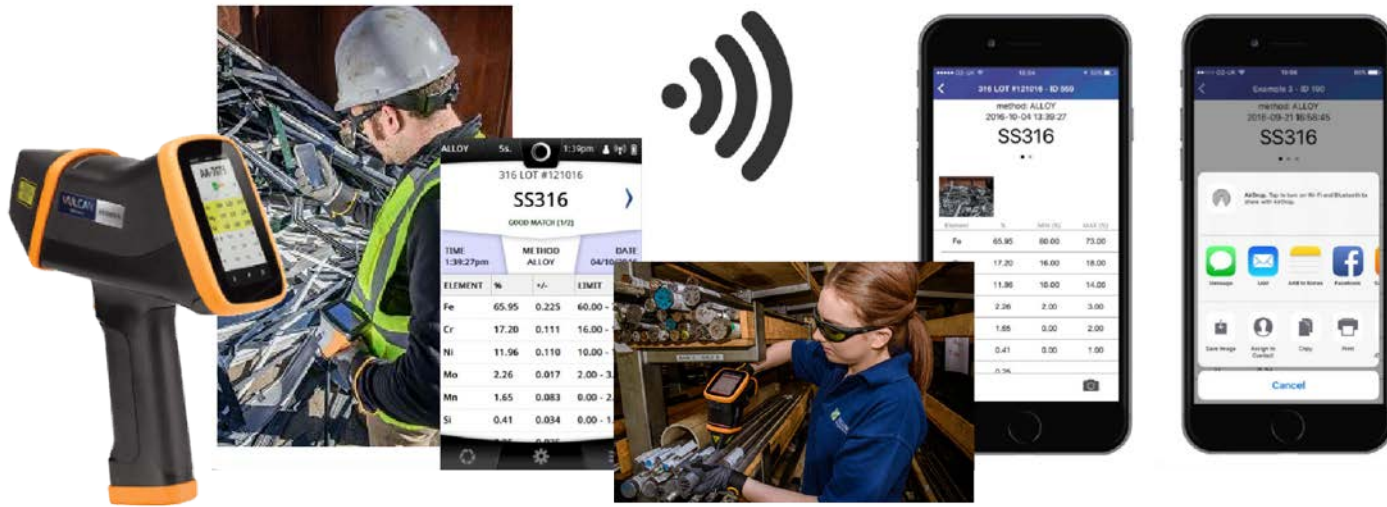
**Quality
Testing**

Rapid analysis in the field for metal manufacturing and recycling quality management

Industry

Cloud data service

ExTOPE connect



Centralized management of multiple measurement on-site data using cloud systems

**Quality
Testing**

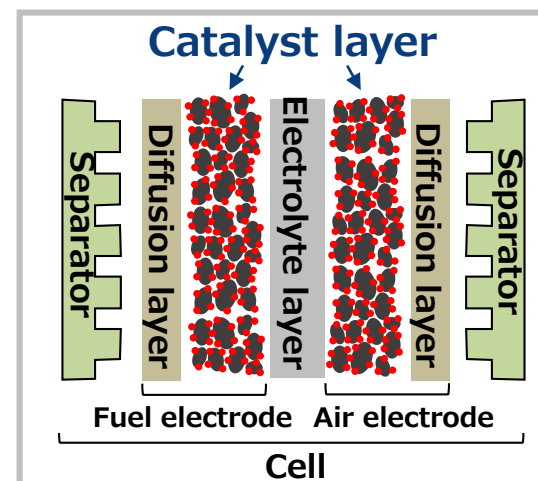
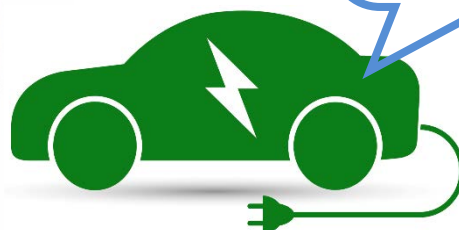
**Centralized management of
measurement data by quality
controllers**

Industry

EA8000

Trace metal contaminant
inspection equipment

Automatic, NDI (Non-Destructive Inspection) of trace
contaminants and element identification
Contribute to development and quality management of next-
generation batteries



Structure of a fuel cell

Contaminant
Testing

Improved yields of lithium-ion rechargeable
and fuel cell batteries
Identification of trace metal contaminants
that cause heating and fires

Industry

HM1000A

Onsite rapid screening test
(10 minutes or less)

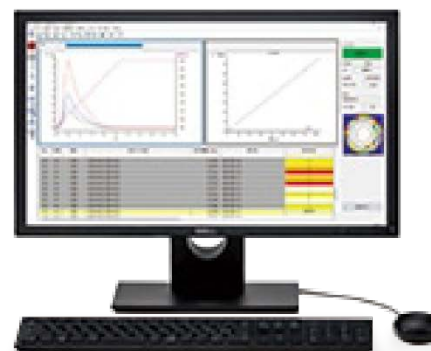
Combine cloud systems and
AI to increase analysis
functions



EXTOPE

×

AI

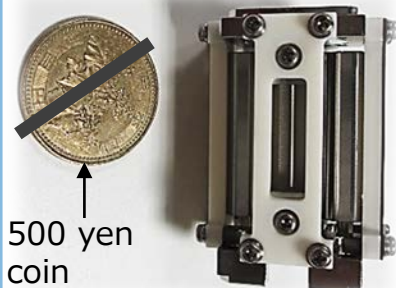


**High-speed, simple, low-cost
measurement of substance restricted
under revised RoHS Directive
Increase screening test accuracy**



FS for Mass Spectrometry Technology

Mass
spectrometry
technology



Example:
One of the world's
smallest mass
spectrometers



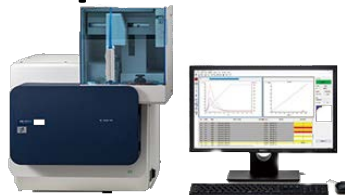
For clinical testing



**Contribute to
early diagnosis
and accurate
treatment**



For phthalate scanning



**Comply with
revised
RoHS Directive**



For security



**Contribute
to a safe,
secure
society**



FS (Focused Solutions)

LA8080 AminoSAAYA

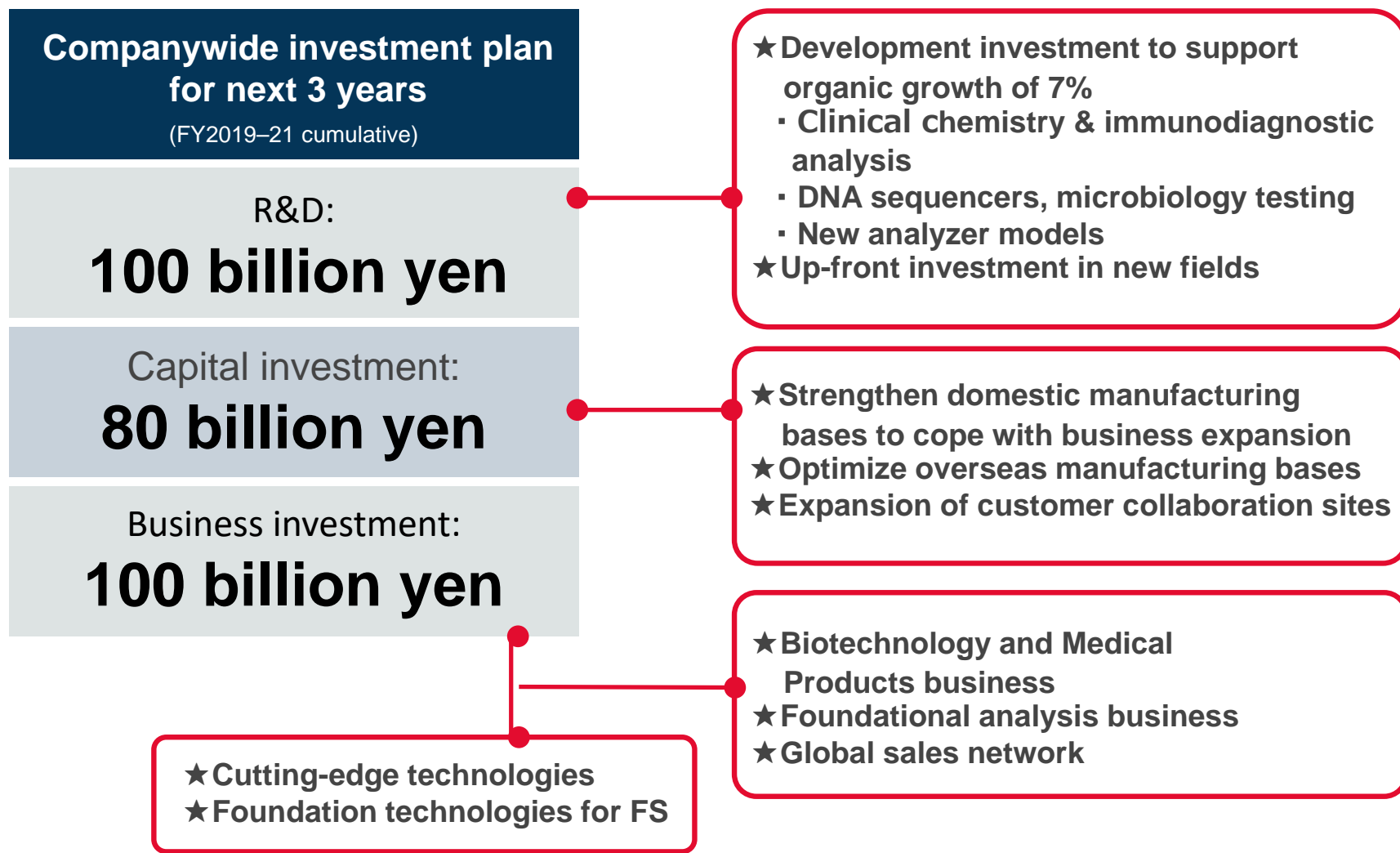
Firm position as a leader in high data reliability since its launch in 1962



**Quality
Testing**

Increase in needs ranging from analysis of umami components in food to research and quality-control for health supplements, biotech and pharmaceutical products.

Health





Science for a better tomorrow

Key Messages Today

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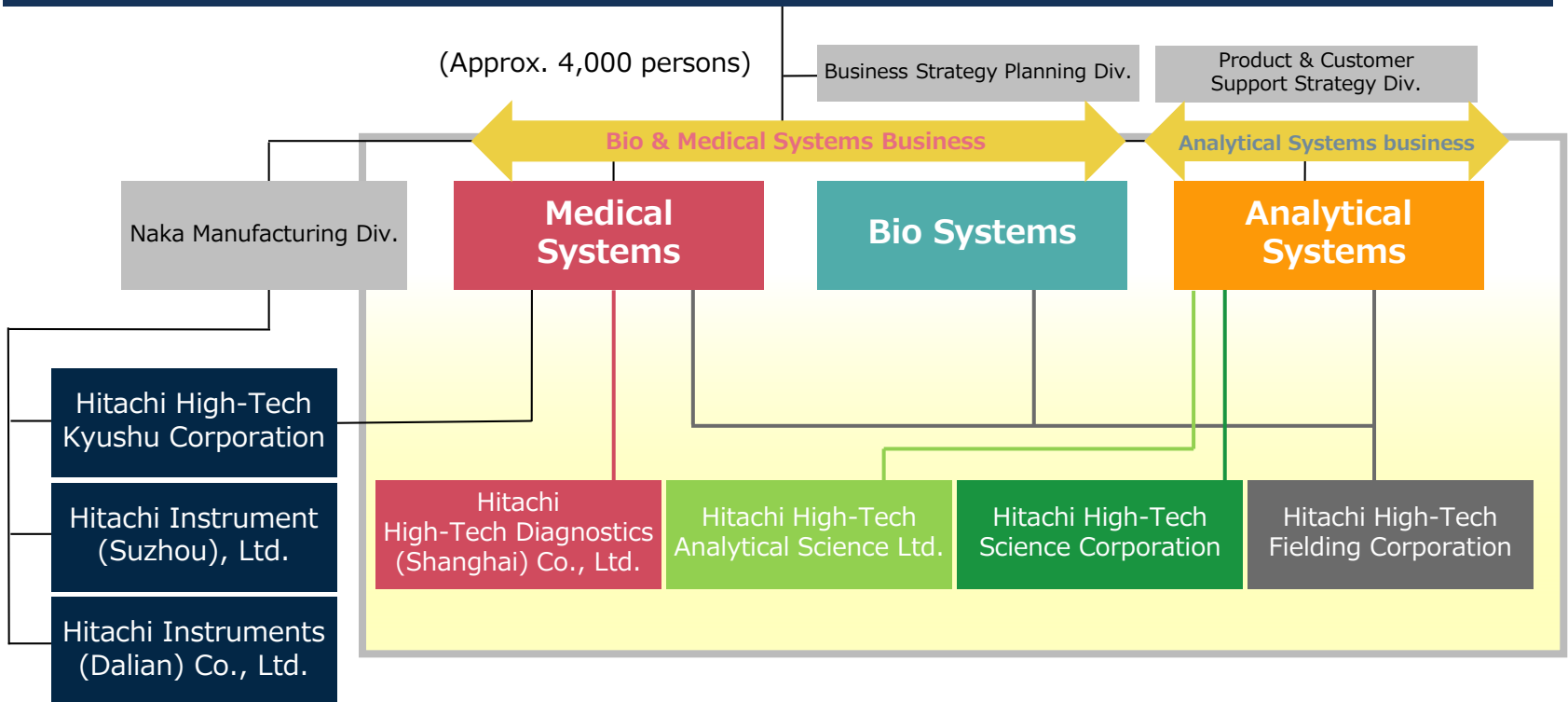
3. Engines Supporting Business Growth Strategy

FS, SCB, global manufacturing system, global sales, digital marketing,
business investment

4. Focused Solutions

Introducing dedicated equipment to meet customer needs

Analytical & Medical Solutions Business Group



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.

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