Hitachi High-Tech

HITACHI
Inspire the Next

Report on the 96th Business Term
Year ended March 31, 2015
(April 1, 2014 to March 31, 2015)

Hitachi High-Technologies Corporation

(Code No.: 8036)

Contents

(Attached Documents for the 96th Ordinary General Meeting of Shareholders)

The following items are provided by posting on the Company's website (http://www.hitachi-hightech.com/) in accordance with laws and regulations and the Articles of Incorporation. The Consolidated Financial Statements and Unconsolidated Financial Statements audited by the Accounting Auditors and the Board of Corporate Auditors include, in addition to the documents stated in this Report, documents (1), (2), (3) and (4) below.

(1) Consolidated Statements of Changes in Net Assets
(2) Notes to Consolidated Financial Statements
(3) Unconsolidated Statements of Changes in Net Assets
(4) Notes to Unconsolidated Financial Statements

(Notice of the 96h Ordinary General Meeting of Shareholders: Attached Documents)

Business Report (from April 1, 2014 to March 31, 2015)

1. Information on Current State of Hitachi High-Technologies Group

(1) Business Overview and Results of Hitachi High-Technologies Group

The Japanese economy during the period under review showed temporary signs of a slowdown, primarily due to the impact of the consumption tax hike in April. However, from the latter half of the year, thanks to additional money easing measures and the drastic fall in crude oil prices, the economy headed towards a moderate recovery, as corporate earnings improved mainly among the major corporations. Meanwhile overseas, the economy was also on a general recovery trend as the European economy, while being enveloped by financial instability, showed signs of picking up and the employment and housing situations improved in the US, despite the slowdown in economic growth among the emerging economies.

Under such circumstances, the enterprise group consisting of the Hitachi High-Technologies Corporation (the "Company") and its subsidiaries (hereinafter referred to as the "Group"), in an effort to realize its Corporate Vision of "becoming a global leader in high-tech solutions," and enable further growth, engaged in initiatives to strengthen its business portfolio. During the period under review, the Group further solidified its collaboration with major customers in the US and European medical analytical systems business and the semiconductor manufacturing equipment business, and developed new products which contributed robustly to sales during the period under review. Meanwhile, the Group continued its transition from the FPD manufacturing equipment business to the FA equipment manufacturing business while at the same time transferred and withdrew from the semiconductor back-end process equipment business. Moreover, in the social/industrial infrastructure field, where the Group's core competence lies, the Group continued to bolster the technological foundations of its science system business through M&As and improved the product line-up for its cutting-edge users, while also upgrading its sales network, including its distributers, both in Japan and overseas. In terms of global expansion, the Group established a subsidiary in Mexico following those in India and Russia, in an effort to capture the industrial infrastructure-related demands of the emerging markets.

In order to enhance its cost-competitiveness, the Group also promoted thorough streamlining of business processes through company-wide operational reform activities, named the Smart Transformation Project, in addition to activities to reduce expenses and costs.

As a result, the Group's consolidated business performance for the fiscal year ended March 31, 2015 was JPY637,497 million in net sales, JPY44,134 million in operating income, JPY42,169 million in ordinary income and JPY28,129million in net income, thus marking an increase in the profit rate from the previous fiscal year. Going forward we will strive to further expand our business and reinforce efficient management and corporate governance to meet the expectations of our shareholders.

The following is a report on the Group's business results by industry segment in the fiscal year ended March 31, 2015.

● Electronic Device Systems Segment

Net sales **JPY 124,480 million (Up 6.2% year-on-year)**

Operating income **JPY 17,196 million (Down 16.1% year-on-year)**

Main Business Contents

Manufacturing/sales of and installation/maintenance services for Semiconductor Manufacturing Equipment such as Etching Systems, CD-Measurement SEM (CD-SEM), Inspection Systems, Die Bonders; and Surface Mount Systems such as Chip Mounters

Overview

Sales of the process equipment business increased significantly due to strong sales to major customers.

Sales of the metrology equipment business decreased due to the impact of postponement in certain investments for mass production of CD-Measurement SEM, despite the growth in the number of inspection system units sold.

Sales of the back-end process and mounting equipment business increased against the backdrop of strong capital investments by the customers. The Group transferred its back-end process (bonding equipment) business and withdrew from its surface mounting equipment(chip mounters) business.

As a result of the above, the segment generated sales in the amount of JPY124,480million (up 6.2% year-on-year) and posted an operating income of JPY17,196million (down 16.1%).

● Fine Technology Systems Segment

Net sales **JPY10,037 million (Down 41.7% year-on-year)**

Operating income (loss) **(JPY△654million) (—)**

Main Business Contents

Manufacturing/sales of and installation/maintenance services for Railroad Inspection Equipment, HD Manufacturing Equipment, FA Equipment and FPD Manufacturing Equipment

Overview

Sales of the industrial infrastructure business decreased significantly as a result of downsizing the unprofitable businesses of FPD manufacturing equipment. Sales of the railroad inspection equipment business increased under the social infrastructure inspection business.

As a result, while segment sales decreased by 41.7% to JPY10,037 million, operating loss improved by JPY6,565 million compared to the previous term to JPY654 million (Operating loss of JPY7,219 million was posted in the previous term) due to the effects of business structure reforms. .

● Science & Medical Systems Segment

Net sales **JPY164,136 million (Up 9.2% year-on-year)**

Operating income **JPY24,974million (Up 37.9% year-on-year)**

Main Business Contents

Manufacturing/sales of and installation/maintenance services for various Analyzers and Measuring Equipment such as Spectrophotometers, Chromatographs, X-ray Fluorescence Analyzers and Thermal Analyzers; Electron Microscopes; Biotechnology Equipment and Clinical Analyzers

Overview

Sales of the science systems business (electron microscopes and analyzers) decreased due to the impact of postponed capital investments in the domestic market in reaction to the consumption tax hike and the execution of the supplementary budget, despite the increase in sales in the US and European markets.

Sales of the biotechnology equipment and clinical analyzer business increased significantly thanks to strong sales in the emerging markets amid the sluggish recovery in the European market, and a growth in sales of clinical chemistry / immunodiagnostic analyzers and specimen pre-processing system packages to major customers in the US market.

As a result of the above, the segment generated sales in the amount of JPY164,136 million (up 9.2% year-on-year) and posted an operating income of JPY24,974 million (up 37.9% year-on-year).

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● Industrial & IT Systems Segment

Net sales	**JPY84,858million (Down 9.1% year-on-year)**
Operating income	**JPY110 million (Down 82.4% year-on-year)**

Main Business Contents

Sales of Automated Assembly Systems of Lithium Ion Batteries, Hard Disk Drives, Power Generating and Electrical Substation Facilities, Design and Manufacturing Solutions, Video Conferencing Systems and Communication Equipment, and manufacturing/sales of and installation/maintenance services for Measuring Equipment and Related Systems

Overview

Sales of the industrial solutions business increased reflecting the strong performance by automated assembly systems for automobile parts on the back of aggressive capital investments by customers, in addition to the posting of sales from the **solar** photovoltaic system EPC (*) projects as well as the growing sales of solar power-related materials.

Sales of the ICT solutions business fell drastically due to the decrease in sales of mobile phones in the telecommunication device segment, despite the increased sales of hard-disk drive equipment for automobiles.

As a result of the above, the segment generated sales JPY84,858million (down 9.1% year-on-year) and posted an operating income of JPY110 million (down 82.4% year-on-year).

(*) EPC: Engineering, Procurement and Construction

● Advanced Industrial Products Segment

Net sales	**JPY258,882 million (Down 3.1% year-on-year)**
Operating income	**JPY2,150 million (Down 0.4% year-on-year)**

Main Business Contents

Sales of Steel Products, Nonferrous Metals, Materials for Circuit Board, Plastic Resins and Engineering Plastics, Materials and Related Equipment for Batteries, Automotive Components, Silicon Wafers, Optical Devices & Materials, Raw Materials for Optical Disc, Electronic Materials & Components for Semiconductors and Petroleum Products

Overview

Sales of automotive and transport vehicle-related components increased due to the continuing strong performance of the US and Chinese markets.

Sales of electronic-related components decreased as materials for batteries slumped, despite the strong sales of materials for smartphones including reinforced glass intended for the Chinese market.

As a result of the above, the segment generated sales in the amount of JPY258,882 million (down 3.1% year-on-year) and posted an operating income of JPY2,150 million (down 0.4% year-on-year).

■ **Sales by Segment**

Segment	FY 2013		FY 2014 (year under review)		Year-on-year Change
	Amount Million yen	Percentage %	Amount Million yen	Percentage %	%
Electronic Device Systems	117,263	18.3	124,480	19.5	6.2
Fine Technology Systems	17,217	2.7	10,037	1.6	(41.7)
Science & Medical Systems	150,360	23.5	164,136	25.7	9.2
Industrial & IT Systems	93,344	14.6	84,858	13.3	(9.1)
Advanced Industrial Products	267,042	41.8	258,882	40.6	(3.1)
Others and Adjustments	(6,110)	(0.9)	(4,897)	(0.7)	-
Consolidated net sales - Total	639,116	100.0	637,497	100.0	(0.3)

Note: Others and Adjustments represent sales from indirect and ancillary businesses and elimination of sales between the segments.

■ **Sales by Region**

Region		FY 2013		FY 2014 (year under review)		Year-on-year Change
		Amount Million yen	Percentage %	Amount Million yen	Percentage %	%
	North America	85,444	13.4	65,004	10.2	(23.9)
	Europe	78,026	12.2	97,679	15.3	25.2
	Asia	200,042	31.3	205,421	32.2	2.7
	Other regions	8,911	1.4	6,168	1.0	(30.8)
Overseas		372,423	58.3	374,272	58.7	0.5
Japan		266,693	41.7	263,225	41.3	(1.3)
Consolidated net sales - Total		639,116	100.0	637,497	100.0	(0.3)

(2) Challenges the Group Faces

In Japan, the recovery trend is expected to continue as personal consumption picks up on the back of improved employment conditions and rising real wages, while capital investments are also expected to gradually recover in the wake of improved corporate earnings.

In the US, improved employment and growing domestic demand are expected to drive further the economy.

Meanwhile, uncertainty continues to prevail over the global economy in general, as certain parts of Europe are still subject to financial instability and geopolitical risks and concerns grow over the sluggish economic growth rate of China and the emerging countries.

Under such circumstances, the Group faces the challenge of reinforcing its existing businesses while at the same time determining the regions and business areas to be targeted from a more global perspective and implementing measures that will realize growth in such areas.

To this end, the Group shall address the following challenges while enforcing "Ethics and Integrity" and consistently maintaining an awareness of CSR (*1) in order to become an enterprise group trusted by the general public and its shareholders.

(*1) CSR; Corporate Social Responsibility

(Medium/Long-term Challenges)

The Group in October 2011 drew up the "Long-term Management Strategy (CS11: Corporate Strategy 2011)," which would serve as the roadmap for business promotion as well as the basis for its decision-making for the next ten years. The specific policies and targets of this Strategy are as follows.

1) In the three business domains of "Biotechnology and healthcare," "Social/industrial infrastructure" and "Advance industrial systems," which have been determined as targets for realizing growth, the Group will shift its resources to growth areas and continue to reinforce its business portfolio.
2) The Group will aim for overseas sales to exceed more than two-thirds of total sales by fiscal year 2020, and to this end will strengthen its responses to the ever-expanding global market. The Group will also accelerate its global expansion by cooperating with the overseas group companies to establish a framework and secure resources for strengthening regional marketing and product development capabilities.
3) The Group will enhance its business creation capabilities born from the fusion of its manufacturing functions (technical development capabilities, manufacturing and service capabilities") and trading functions (global sales force and sourcing)," which have been paired with the Hitachi Group's "comprehensive strengths."

Furthermore, the Group intends to accelerate the reinforcement of its business portfolio and the development of new businesses through aggressive investments so that by 2020 nearly one third of net sales will be from new businesses.

(Immediate Challenges)

For the purpose of accelerating the realization of CS11, in addition to fulfilling the medium/long-term challenges, the Group will engage in the following initiatives from the customers' perspective:

1) In the highest priority area of "Biotechnology and healthcare," in addition to the existing core businesses of in vitro diagnostics, such as clinical chemistry/immunodiagnostic analyzers, and DNA sequencers, the Group will expand into the new business fields such as life informatics (*2). The Group will not only expand its business domains through reinforced collaboration with strategic partners but also consider the possibility of and proactively promote M&As and alliances.
   (*2) Life informatics: Business segment coined by the Company to describe the fusion of IT with biotechnology and healthcare, which uses computers to gather and analyze data relating to genetics and health management to offer new solutions.
2) In the Group's core competence of "Social/industrial infrastructure," business size will be expanded by expanding the product lineup of science systems. In addition, in the trading business, focus will be shifted to the social and industrial infrastructure field, namely automobiles and transport vehicles while also accelerating the supply chain solution business in an effort to upgrade business size and profitability.
3) In the "Advanced industrial systems" field, the Group will accelerate the expansion of its customer share by deepening the collaboration with its important customers as well as focus on capturing new customers in the

electronic device system business. In addition, the Group will enhance its competitive edge by realization of its common product platform.

4) The Group will continue to shift its human resources to overseas and priority domains by taking into account the characteristics of each business domain and region, and proactively increase the number of sales/services engineers, thereby developing a framework that will steadily capture growth opportunities.

5) By strengthening corporate governance, the Group will enhance transparency and efficiency, which, in turn, will lead to the enhancement of corporate value.

We, therefore, ask for the continuing support and guidance of our shareholders.

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(3) Financing Activity of the Group

There were no financing activities within the Group by such means as the issue of corporate bonds or new shares or borrowings in the fiscal year under review.

(4) Capital Investments by the Group

In the fiscal year under review, there were no new capital investments that impacted the production capacity of the Group.

(5) Trends in Assets and Results of Operation of the Group

[Trends in Assets and Results of Operation of the Group]

	FY 2011	**FY 2012**	**FY 2013**	**FY 2014 (under review)**
Net sales (million yen)	645,865	575,468	639,116	637,497
Ordinary income (million yen)	26,233	20,098	31,102	42,169
Net income (million yen)	14,265	12,166	18,032	28,129
Net income per share (yen)	103.71	88.45	131.11	204.52
Net assets (million yen)	253,012	267,189	272,968	302,324
Total assets (million yen)	442,162	433,639	494,934	536,595

Note: Net income per share is calculated based on the total average number of outstanding shares during the period excluding treasury stock.

[Trends in Assets and Results of Operation of the Company]

	FY 2011	**FY 2012**	**FY 2013**	**FY 2014 (under review)**
Net sales (million yen)	476,410	396,352	390,806	411,158
Ordinary income (million yen)	14,030	12,412	29,468	34,011
Net income (million yen)	7,849	7,873	13,532	25,784
Net income per share (yen)	57.06	57.24	98.39	187.48
Net assets (million yen)	201,547	207,279	216,810	238,328
Total assets (million yen)	359,570	338,693	376,471	414,571

Note: Net income per share is calculated based on the total average number of outstanding shares during the period excluding treasury stock.

(6) Major Business Offices of the Group

[Offices of the Company] (As of March 31, 2015)

Name	Location
Head Office	Minato-ku, Tokyo
Hokkaido Branch Office	Sapporo City, Hokkaido Prefecture
Tohoku Branch Office	Sendai City, Miyagi Prefecture
Ibaraki Branch Office	Hitachi City, Ibaraki Prefecture
Chubu Branch Office	Nagoya City, Aichi Prefecture
Kansai Branch Office	Osaka City, Osaka Prefecture
Kyushu Branch Office	Fukuoka City, Fukuoka Prefecture

[Production Bases of the Company]

Name	Location
Naka Region	Hitachinaka City, Ibaraki Prefecture
Kasado Region	Kudamatsu City, Yamaguchi Prefecture

[Major Subsidiaries]

The major locations of the subsidiaries are as stated in “(8) Major Parent Company and Subsidiaries.”

(7) Employees of the Group

[Number of Employees in the Group] (As of March 31, 2015)

Segment	Number of employees	(Change from the end of the preceding year)
Electronic Device Systems	2,450	(-213)
Fine Technology Systems	415	(-232)
Science & Medical Systems	4,304	(+342)
Industrial & IT Systems	1,074	(-31)
Advanced Industrial Products	604	(-39)
Group-wide (common)	1,165	(-319)
Total	10,012	(-492)

Notes: 1. The number of employees refers to the number of persons on the payroll.
2. The number of employees referred to in "Group-wide (common)" is the number of members of the administration division who cannot be classified into any particular business segment.

[Number of Employees in the Company]

Number of employees (Change from the end of the preceding year)	3,768 (-41)
Average number of years of service	19 years and 3 months
Average age	42 years and 5 months

Note: The number of employees refers to the number of persons on the payroll.

(8) Major Parent Company and Subsidiaries

[Parent Company]

The Company's parent company is Hitachi, Ltd., which owns 71,135,619 shares of its outstanding shares. The Company purchases power-generation-related equipment and components, etc. from its parent company, and sells various information equipment, power-generation-related components, etc. to its parent company.

[Subsidiaries]

There are 33 consolidated subsidiaries, including the following major subsidiaries.

The Company's major subsidiaries are as follows.

Company name / Main business activities	Location of Head Office / Capital	Equity Stake
Hitachi High-Tech Solutions Corporation	Chuo-ku, Tokyo	
Design, manufacturing and sales of measuring equipment, etc., and development and sales of software	JPY400 million	100%
Hitachi High-Tech Materials Corporation	Minato-ku, Tokyo	
Sales of energy, functional chemicals, etc.	JPY200 million	100%
Hitachi High-Tech Fielding Corporation	Shinjuku-ku, Tokyo	
Maintenance services for semiconductor manufacturing equipment, analyzers and measuring equipment	JPY1,000 million	100%
Hitachi High-Tech Fine Systems Corporation	Kodama-gun, Saitama Prefecture	
Design, manufacturing, sales and maintenance services of electronic-related products, inspection systems, etc.	JPY1,485 million	100%
Hitachi High-Tech Manufacturing & Service Corp.	Hitachinaka City, Ibaraki Prefecture	
Manufacturing of clinical analyzers and semiconductor manufacturing equipment	JPY230 million	100%
Hitachi High-Tech Instruments Co., Ltd.	Kumagaya City, Saitama Prefecture	
Design, manufacturing and maintenance services of semiconductor mounting systems and equipment related to Back-end Processes in semiconductor manufacturing, etc.	JPY450 million	100%
Hitachi High-Tech Science Corporation	Minato-ku, Tokyo	
Design, manufacturing and sales of analyzers, measuring equipment and observation equipment	JPY100 million	100%
Hitachi High Technologies America, Inc.	USA	
Sales of semiconductor manufacturing equipment, communication equipment, industrial materials, etc.	USD7,950 thousand	100%
Hitachi High-Technologies Europe GmbH	Germany	
Sales of semiconductor manufacturing equipment, clinical analyzers, etc.	EUR3,129 thousand	100%
Hitachi High-Technologies (Singapore) Pte. Ltd.	Singapore	
Sales of semiconductor manufacturing equipment, electronic materials, etc.	SGD3,800 thousand	100%
Hitachi High-Technologies (Thailand) Ltd.	Thailand	
Sales of industrial materials, electronic components, etc.	TB 230,000 thousand	100%
Hitachi High-Technologies (Shanghai) Co., Ltd.	China	
Sales of industrial materials, electronic materials, chip mounters, etc.	USD2,600 thousand	100%
Hitachi High-Technologies Hong Kong Limited	China	
Sales of industrial materials, electronic materials, electronic components, etc.	HKD15,000 thousand	100%

Notes:
1. Effective March 16, 2015, the Company and Hitachi High-Tech Instruments jointly established Fasford Technology Co., Ltd., through an incorporation-type corporate split to succeed the business of back-end processes in semiconductor manufacturing, and as of March 31, 2015 transferred all issued shares of Fasford Technology Co., Ltd. to TY Holdings Co., Ltd..
2. Hitachi High-Technologies (Thailand) Ltd. is a wholly-owned subsidiary of Hitachi High-Technologies (Singapore) Pte. Ltd..

2. Matters Concerning the Company's Stock (As of March 31, 2015)

(1) Total Number of Shares

Authorized	350,000,000 shares
Issued	137,738,730 shares
Common Stock	JPY7,938,480,525
Number of Shares per Unit	100 shares

(2) Number of Shareholders 7,173 shareholders

(3) 10 Largest Shareholders

Name	Shareholding shares	Shareholding Ratio %
Hitachi, Ltd.	71,135,619	51.72
Japan Trustee Services Bank, Ltd. (Trust Account)	5,317,100	3.87
The Master Trust Bank of Japan, Ltd. (Trust Account)	4,545,800	3.31
Hitachi High-Technologies Corp.'s Shareholding Association	1,719,019	1.25
State Street Bank and Trust Company 505225	1,378,830	1.00
Nomura Bank (Luxembourg) S.A. S/A Nomura Multi Currency Japan Stock Leaders Fund	1,267,700	0.92
JP Morgan Chase Bank 385093	1,264,500	0.92
Goldman, Sachs & Co. Reg.	1,201,452	0.87
Pictet and Cie (Europe) S.A.	980,300	0.71
Japan Trustee Services Bank, Ltd. (Trust Account 9)	952,300	0.69

Note: Shareholding ratio is calculated by deducting treasury stock (206,223 shares).

3. Directors and Executive Officers

(1) Name, Position and Responsibilities, etc. of Directors and Executive Officers

[Directors] (As of March 31, 2015)

Position	Name	Committee Membership	Significant Concurrently-held Positions
Chairman of the Board	Kazuhiro Mori	Nominating Committee Compensation Committee	Outside Director, Isuzu Motors Limited
Director	Masao Hisada	Nominating Committee Compensation Committee	
Director	Yoshikazu Dairaku	Audit Committee	
Director	Hideyo Hayakawa	Nominating Committee Audit Committee	
Director	Hiromichi Toda	Nominating Committee Audit Committee	
Director	Toyoaki Nakamura	Nominating Committee Compensation Committee	Representative Executive Officer, Hitachi, Ltd. Outside Director, Hitachi Appliances, Inc. Outside Director, Hitachi Consumer Marketing, Inc.

Notes:
1. Director Yoshikazu Dairaku was nominated at the 95th Ordinary General Meeting of Shareholders held on June 19, 2014 and appointed.
2. Directors Kazuhiro Mori, Hideyo Hayakawa, Hiromichi Toda and Toyoaki Nakamura are outside directors set forth in Article 2, Item 15 of the Company Law.
3. Director Masao Hisada also serves concurrently as an Executive Officer.
4. Director Toyoaki Nakamura is a Representative Executive Officer of Hitachi, Ltd.
5. The relationship between Hitachi, Ltd. and the Company is as described in "1. Information on Current State of Hitachi High-Technologies Group (8) Major Parent Company and Subsidiaries." Hitachi Appliances, Inc., and Hitachi Consumer Marketing, Inc. and the Company have the same parent company.
6. Director Kazuhiro Mori is an Outside Director of Isuzu Motors Limited and the Company conducts transactions including the procurement of materials with Isuzu Motors Limited.
7. Director Toyoaki Nakamura is an Outside Director of Hitachi Appliances, Inc., and the Company conducts transactions including procurement with Hitachi Appliances, Inc.
8. Other than the above, there are no connections between the Company and the Companies in which its Directors concurrently hold significant positions that are worth noting.
9. Directors Hideyo Hayakawa and Hiromichi Toda are registered as independent corporate officers with the Tokyo Stock Exchange, Inc.

[Executive Officers] (As of March 31, 2015)

Position	Name	Responsibilities
Representative Executive Officer, President, Chief Executive Officer	Masao Hisada	Overall management execution
Senior Vice President and Executive Officer	Takashi Matsuzaka	R&D, Intellectual Property, New Business Creation, Services, CTO(*1)
Representative Executive Officer, Senior Vice President and Executive Officer	Toshio Kajimoto	Marketing & Sales Strategy, Science &Medical Systems, CMO (*2)
Senior Vice President and Executive Officer	Naoki Mitarai	Human Resources, CSR & Corporate Communications, Legal, Internal Control, Compliance & Risk Management, Environmental Management, Group Company Management, CHRO (*3), CRO (*4)
Senior Vice President and Executive Officer	Masahiro Miyazaki	Corporate Strategy, Fine Technology Systems, CSO (*5)
Vice President and Executive Officer	Morihiro Nishida	IT Strategy, Smart Transformation Project Promotion, CIO(*6)
Vice President and Executive Officer	Syunichi Uno	Accounting and Finance, Trade Compliance Management, Internal Control, IR(*7),CFO(*8)
Vice President and Executive Officer	Katsutaka Kimura	Electronic Device Systems
Vice President and Executive Officer	Hidenori Nagao	Global Trading
Executive Officer	Toshiyuki Ikeda	Science & Medical Systems
Executive Officer	Ryuichi Nakashima	Auditing
Executive Officer	Junichi Hashimoto	Global Trading
Executive Officer	Hirohide Omoto	Electronic Device Systems
Executive Officer	Hiroshi Tajima	Global Trading
Executive Officer	Joji Honda	Corporate Manufacturing, Procurement, Quality Assurance

Notes: 1. The above Executive Officers were nominated at the meetings of the Board of Directors held on February 4 and February 24, 2014, and appointed on April 1, 2014.
2. Executive Officer Masao Hisada concurrently serves as a Director.
3. The following Executive Officers concurrently serve as representatives of the Company's subsidiaries.
Masahiro Miyazaki, Chairman of the Board and Representative Director, Hitachi High Technologies America, Inc.
Toshiyuki Ikeda, Representative Director and President, Hitachi High-Tech Science Corporation
Joji Honda, Chairman, Hitachi Instrument (Suzhou), Ltd.

(*1) CTO：Chief Technology Officer
(*2) CMO：Chief Marketing Officer
(*3) CHRO：Chief Human Resources Officer
(*4) CRO：Chief Risk management Officer
(*5) CSO：Chief Strategy Officer
(*6) CIO：Chief Information Officer
(*7) IR：Investor Relations
(*8) CFO：Chief Financial Officer

[Other Material Information Concerning Directors and Executive Officers of the Company]

The Company changed its Executive Officers on April 1, 2015. The new lineup of Executive Officers is as follows.

(As of April 1, 2015)

Position	Name	Responsibilities
Representative Executive Officer, President, Chief Executive Officer	Masahiro Miyazaki	Overall management execution
Representative Executive Officer, Executive Vice President and Executive Officer	Naoki Mitarai	Human Resources, Corporate Communications, CSR/Legal, Internal Control, Compliance & Risk Management, Export Control, Environmental Management, Group Company Management, CHRO, CRO
Senior Vice President and Executive Officer	Toshiyuki Ikeda	Science & Medial Systems, Services
Senior Vice President and Executive Officer	Katsutaka Kimura	Electronic Device Systems
Vice President and Executive Officer	Syunichi Uno	Accounting and Finance, Trade Compliance Management, Internal Control, IR,CFO
Vice President and Executive Officer	Shinji Sato	Corporate Planning, Marketing & Sales Strategy, CSO, CMO
Vice President and Executive Officer	Ryuichi Nakashima	IT Strategy, Smart Transformation Project Promotion, CIO, CTrO(*)
Vice President and Executive Officer	Junichi Hashimoto	Advanced Industrial Products Business
Executive Officer	Hirohide Omoto	Electronic Device Systems
Executive Officer	Hiroshi Tajima	Industrial & IT Systems, Fine Technology Systems
Executive Officer	Joji Honda	Corporate Manufacturing, Procurement, Quality Assurance
Executive Officer	Tsutomu Okada	Science & Medical Systems
Executive Officer	Yuji Sato	R&D, Intellectual Property, New Business Creation, CTO
Executive Officer	Masao Hisada	Support of overall management execution

(*) CTrO: Chief Transformation Officer

(2) Matters Concerning Outside Directors

[Major Activities of Outside Directors]

Name	Major Activities
Kazuhiro Mori	Mr. Mori has attended all meetings of the Board of Directors (16 meetings total) held in the fiscal year under review, and based on his extensive experience in business administration and his sophisticated insight into corporate management in general as well as his extensive expertise in the field of group management, has been expressing opinions that contribute to the Company's management and to the reinforcement of the Company's supervising functions.
Hideyo Hayakawa	Mr. Hayakawa has attended all meetings of the Board of Directors (16 meetings total) and all meetings of Audit Committee (17 meetings total) held in the fiscal year under review, and based on his extensive knowledge and experience in business administration as well as his extensive knowledge and experience in the field of legal works, has been expressing opinions based on his awareness of legality, corporate governance and effectiveness of internal control, as well as opinions from the perspective of general shareholders' interest in regard to agenda items in general.
Hiromichi Toda	Mr. Toda attended all meetings of the Board of Directors (16 meetings total) as well as meetings of the Audit Committee (17 meetings total) held in the fiscal year under review, and has been expressing opinions based on his extensive knowledge and experience in corporate management in general, as well as opinions from the perspective of general shareholders' interest in regard to agenda items in general.
Toyoaki Nakamura	Mr. Nakamura attended 15 of the 16 meetings of the Board of Directors held in the fiscal year under review, and has been expressing opinions based on his rich experience in corporate management and his extensive knowledge and experience in the fields of accounting and finance.

[General Intent of Limited Liability Agreement with Outside Directors]

The Company has concluded, with each Outside Director, a limited liability agreement that limits the liability for damages set forth in Article 423, Paragraph 1 of the Company Law to the minimum liability limit stipulated in Article 425, Paragraph 1 of the Company Law, under the provision of paragraph 2 of Article 23 of the Articles of Incorporation.

(3) Compensation for Directors and Executive Officers

[Policy on the Determination of Compensation of Directors and Executive Officers]

The policy on the determination of the amount of compensation, etc. of Directors and Executive Officers of the Company has been set forth as follows by the Compensation Committee by obtaining advice from outside experts.

1. Basic Policy

1) Directors and Executive Officers in charge of the management of the Company will be paid compensation for executing management aimed at making it an enterprise trusted by all of its stakeholders and contributing to social progress and development through business activities that emphasize value creation through high-tech solutions.

2) The standard level of compensation for Directors and Executive Officers of the Company will be determined in consideration of each individual's duties commensurate with his/her position, the Company's business performance including the Group companies, business environment, the average rate in the business world, and other such factors.

2. Specific Policy

(1) Compensation for Directors

Compensation for Directors will consist of a monthly salary and a year-end allowance. Also, health management services will be provided as a nonmonetary reward.

- The monthly salary to be received by the Company's Directors will be fixed in amount considering that the Directors' duties are to perform supervisory functions. The level of pay will be determined by distinguishing between full-time and part-time Directors, subject to variation depending on the Committees to which they belong and the nature of their respective duties.
- The amount of year-end allowance paid will be capped at 1.5 times the monthly salary; however, the amount may be cut depending on the Company's business performance.
- As a nonmonetary reward, Directors in a position (with a duty) that has a major impact on management will be provided with health management services from a medical institution under a contract with the Company, in order to avert and reduce their health risks as a part of corporate risk management.

A Director concurrently serving as an Executive Officer will not be paid compensation as a Director.

(2) Compensation for Executive Officers

Compensation for Executive Officers will consist of a monthly salary and a performance-linked component. Also, health management services will be provided as a nonmonetary reward to Executive Officers.

- Compensation received by Executive Officers of the Company, as a general rule, will be fixed in amount by position (duty), and will be determined by adding an extra amount depending on the authorities and responsibilities.
- The performance-linked component will be set within a range based on the standard bonus on a position-by-position basis, depending on the Company's business performance during the fiscal year, the business performance of the division under the control of the Executive Officer, the results of operations in his/her charge, and efforts/contributions made towards management.
- As a nonmonetary reward, Executive Officers in a position (with a duty) that has a major impact on management and execution of operations will be provided with health management services from a medical institution under a contract with the Company, in order to avert and reduce their health risks as a part of corporate risk management.

[Amount of Compensation to Directors and Executive Officers] (FY2014)

	Total amount of remuneration by type				
	Monthly Salary		Year-end Allowance or Performance-linked Component		Total
	Number	Amount (millions of yen)	Number	Amount (millions of yen)	Amount (millions of yen)
Directors	6	105	5	13	117
Outside Directors	4	72	4	9	81
Executive Officers	15	349	15	180	529

Note: 1. The number of Directors and the amount do not include Directors who concurrently serve as Executive Officers.
2. The above Monthly Salary includes the monthly salary paid to one Director who retired upon the expiry of term of office at the close of the 95th Ordinary General Meeting of Shareholders of the Company held on June 19, 2014.

[Amount of Compensation, etc. received by Outside Directors as Officers from the Parent Company, etc. of the Company in Fiscal Year ended March 31, 2015]

The amount of compensation, etc. received by Outside Directors as officers from the parent company of the Company or its subsidiaries (excluding the Company) totaled JPY75 million.

4. Matters Concerning Accounting Auditor

(1) Name of accounting auditor Ernst & Young ShinNihon LLC

(2) Fees to accounting auditor

1) Fees, etc. for the fiscal year ended March 31, 2015: JPY 78 million

2) Total amount of cash and other financial benefits payable by the Company and its subsidiaries: JPY98 million

Notes 1. The above amounts include the auditing fees, etc. for audits under the Financial Instruments and Exchange Law, as the amount of auditing fees, etc. for audits under the Company Law and audits under the Financial Instruments and Exchange Law are not clearly distinguished under the audit agreement between the Company and the accounting auditor, and in practice, cannot be distinguished from each other.

2. Among the Company's major subsidiaries (referred to in "1. Information on Current State of Hitachi High-Technologies Group (8) Major Parent Company and Subsidiaries"), overseas subsidiaries have been audited by auditing firms other than the Company's accounting auditor.

(3) Details of non-auditing services for which the Company pays consideration to the accounting auditors

The Company commissions the accounting auditors to conduct seminar services for which it pays compensation.

(4) Dismissal and non-retention policy on accounting auditors

1. Dismissal

(1) In the event the Audit Committee determines that the causes provided for in Articles 340, Paragraph 1, Item 1 or 2 of the Company Law apply to an accounting auditor, due to such reasons as that it can reasonably be expected that the accounting auditor, which is an auditing firm, is ordered by the Prime Minister of Japan to suspend its operations, in whole or in part, or to dissolve the firm pursuant to Article 34-21, Paragraph 2 of the Certified Public Accountants Law, the Audit Committee shall determine the contents of the agenda on the dismissal of the accounting auditor to be submitted to the general meeting of shareholders.

(2) In the event significant adverse effects on the audit of financial statements are reasonably expected in the case of the preceding paragraph, the Audit Committee shall dismiss the accounting auditor by unanimity. Should this occur, the Audit Committee member selected by the Audit Committee shall give a report on the dismissal of the accounting auditor and the reason therefor at the first general meeting of shareholders to be convened after said dismissal.

2. Non-retention

(1) In the event individuals selected by an accounting auditor, which is an auditing firm, from among its employees to perform their duties as accounting auditors are found to fall under any or all of the items under Article 340, Paragraph 1 of the Company Law or breach the obligation(s) of CPAs provided for in the Certified Public Accountants Law, should said auditing firm fail to select promptly individuals to perform their duties as accounting auditors in the place of the former, the Audit Committee shall determine the contents of the agenda item on the non-retention of the accounting auditor to be submitted to the general meeting of shareholders.

(2) In the event it is determined that an adequate performance of duties cannot be ensured with respect to the matters related to the performance of duties by accounting auditors provided for in Article 131 of the Regulations of Companies' Financial Statements, the Audit Committee shall determine the contents of the agenda item on the non-retention of the accounting auditor to be submitted to the general meeting of shareholders.

5. Policy on Determination of Distribution of Surplus etc.

The Company's basic policy for allocating profits is to generate appropriate returns for shareholders while enhancing its financial position and management foundations. Specifically, the Company endeavors to pay stable dividends in consideration of the balance with retained earnings.

In the fiscal year ended March 31, 2015, the Company, taking into account various circumstances including the financial results for the year, has decided to pay the year-end dividend of JPY25.00 per share, resulting in an annual dividend of JPY 45.00 per share including the interim dividend of JPY 20 per share, which has already been paid.

Retained earnings will be utilized for securing and expanding trade rights, promoting the development of new businesses and new technologies, and in investments aimed at establishing a business model that generates high earnings and improving management efficiency, in an effort to further enhance business competitiveness.

6. Summary of Resolution of Board of Directors on Enhancing Structures and Other Things to Ensure Adequacy of Business Operations

Item	Details of the Resolution
1. System related to storage and management of information associated with execution of duties by Executive Officers of the Company	(1) Approval documents resolved by the Board of Directors and by the Executive Officers shall be permanently stored under Document Storage Rules. (2) Filing, retention, storage or disposal of documents shall be handled with precision according to the Document Storage Rules, Information Security Management Rules and other related rules.
2. Provisions related to management of risk of loss and other systems of the Company	(1) The Company shall establish Risk Management Regulations, which have been prepared to help boost the soundness of its management, shareholders' interests and social credibility, and develop a system to properly identify and manage risks. (2) The Company, pursuant to the Risk Management Regulations, shall create the position of Chief Risk management Officer (hereinafter "CRO") in charge of overseeing compliance-related risks as group-wide risks, estimate and assess specific risks in advance, and, in terms of individual risks, determine the division in charge of the risks in consideration of their attributes and deal with such risks accordingly, and develop a framework for dealing with such risks at each Committee and each division. (3) The CRO shall be responsible for communicating information in a speedy and appropriate manner in the event of an emergency and setting up an emergency task force.
3. System to ensure efficient execution of duties by Executive Officers of the Company	(1) When making important decisions, Executive Officers shall engage in deliberations at the Executive Committee and the Management Committee of the Business Group, in accordance with internal rules including the Executive Committee Regulations and Approval Regulations, etc. (2) The Company shall check and improve the business promotion status through management control processes ("Medium to long term plans," "Annual budgets," "Performance outlook," "Quarterly financial closing," "Monthly closing," and "Profit/loss management by segment"). (3) The Internal Auditing Division shall conduct internal audits to verify the effective utilization of management resources. The results of the internal audits shall be reported to the Executive Committee and feedback shall be provided. (4) Members of the Audit Committee shall attend important internal meetings (Budget / Medium-term Management Plan Deliberation Committee, Internal Control Management Committees, Executive Committee, etc.) as observers, as necessary, in addition to conducting investigation or physical inspection including subsidiaries, to fulfill checking functions from the viewpoint of management efficiency.

Item	Details of the Resolution
4. System to ensure that the execution of duties by Executive Officers and Employees of the Company conforms to laws and regulations and the Articles of Incorporation	(1) Strict observance of the law shall be the premise of all corporate activities in accordance with the "Corporate Vision" and "Code of Corporate Conduct", and internal rules, including the "Corporate Vision," shall be made available for perusal at all times via in-house intranet. (2) The CRO shall be the officer responsible for internal controls. Additionally, the Company shall establish an Internal Control Management Committee, which will be chaired by the CRO, that oversees compliance and group-wide risks, and reinforce compliance with laws and regulations by the executive officers and employees. (3) The Internal Control Management Committee, by conducting training that takes into account the attributes of the organization, shall operate the "Priority management division system," to the end of preventing violations of laws, regulations and internal rules, and the recurrence thereof. (4) The Compliance Committee, which will be chaired the Officer in Charge of Compliance and Risk Management, shall be established to conduct information gathering and confirmation, request improvements, approve compliance programs, report on the results, etc. (5) In order to reinforce and promote the compliance system, the Officer in Charge of Compliance and Risk Management shall appoint the Hitachi High-Tech Group Compliance Manager as a person to assist the Officer in Charge of Compliance and Risk Management, as well as appoint Compliance Managers ("Administrative CMs") as the compliance officers for each Business Group and Branch Office (Administrative Organization), in addition to Managers to assist the Administrative CMs. (6) In-house workshops shall be periodically held by divisions in charge of legal affairs and compliance. (7) The Internal Auditing Division shall conduct internal audits to identify whether duties are executed in compliance with laws and regulations as well as the Articles of Incorporation. The results of the internal audits shall be reported to the Executive Committee and feedback shall be provided (8) Information shall be gathered and investigation shall be conducted based on the internal reporting system.
5. System to ensure the appropriateness of business operations within the corporate group comprising the stock company, its parent company and subsidiaries	(1) Arrangement with parent company 1) In terms of transactions between the parent company and Group companies, checks shall be conducted by multiple divisions so that they are performed appropriately in compliance with laws and regulations. 2) The Company shall be subjected to audits periodically conducted by its parent company and be informed of the audit results and receive appropriate feedback. (2) Management system of subsidiaries 1) The Company shall periodically receive reports on the execution of operations and financial position (budget, financial statements) of its subsidiaries. Material actions of its subsidiaries shall also be subject to the Company's management instruction, pursuant to the Company's internal rules.

Item	Details of the Resolution
	2) The Company shall check the progress of its subsidiaries' businesses through medium-term business plans, annual budgets and other means. 3) The Internal Auditing Division shall periodically conduct operational audits and accounting audits on the subsidiaries. 4) The Audit Committee shall periodically conduct interviews with subsidiaries. 5) Risks of the subsidiaries shall also be included in the scope of the Risk Management Regulations. 6) The Internal Control Management Committee shall establish a risk management structure based on a compliance risk management system including subsidiaries, and reinforce and improve internal controls. In addition, the "Priority management division system" shall be operated including subsidiaries in its scope. 7) Information shall be gathered and investigation shall be conducted based on the internal reporting system, which will include the subsidiaries. 8) The Company shall thoroughly enforce the strict observance of the law by conducting education by such means as holding workshops at each job rank and compliance training, which will include the subsidiaries. Additionally, the Company shall reinforce and promote the compliance system by appointing an Administrative CM and a Manager at each subsidiary. 9) The "Hitachi High-Technologies Group Code of Conduct," comprising the concrete code of conduct to be applied to the corporate group comprising the Company's parent company, the Company and the Company's subsidiaries, shall be established, and corporate activities shall be conducted that are rooted in corporate ethics and compliance, in line with "ethics and integrity."
6. Matters concerning Directors and employees who assist the duties of the Audit Committee of the Company	(1) The Company shall establish a Board of Directors Office and appoint Audit Committee staff, who will belong to the Board of Directors' Office. (2) The Audit Committee staff shall assist the duties of the Audit Committee. (3) As the need arises, the Internal Auditing Division and administrative divisions shall assist with the duties of the Audit Committee.
7. Matters concerning independence of Directors and employees mentioned above from Executive Officers	(1) The Audit Committee shall receive a report on personnel reshuffling regarding the Audit Committee staff, who have been appointed to the Board of Directors Office, in advance, and may propose changes in such personnel reshuffling to the Executive Officer in charge of Human Resources and General Affairs by stating the reason for such changes. (2) If an Audit Committee staff belonging to the Board of Directors Office is to be disciplined, the Executive Officer in charge of Human Resources and General Affairs shall obtain approval from the Audit Committee in advance. (3) An Audit Committee staff belonging to the Board of Directors Office shall not serve concurrently as an employee of another division and shall only follow the orders of the Audit Committee.
8. System concerning reporting to the Audit Committee of the Company and system to ensure	(1) Agenda items of the Company and subsidiaries put forward for deliberation or reported at meetings of the Management Committee shall be reported to members of the Audit Committee without delay.

Item	Details of the Resolution
that reporting to the Audit Committee will not be subject to disadvantageous treatment	(2) Results of internal audits conducted by the Internal Auditing Division on the Company and subsidiaries shall be reported without delay to members of the Audit Committee. (3) The status of reporting, through the internal reporting systems of the Company and subsidiaries, especially matters of particular importance, shall be reported to members of the Audit Committee by the Head of the Compliance Committee. (4) When a report on the execution of operations of the Company or subsidiaries is requested by members of the Audit Committee, or there is a risk of occurrence of a material deficiency at the Company or subsidiaries, a report shall be made promptly to members of the Audit Committee. (5) Persons who have made reports described in (1) and (4) above shall not be subject to disadvantageous treatment on the grounds of having made such reports.
9. Matters relating to the policy regarding the handling of expenses or debts resulting from the execution of the duties of members of the Audit Committee of the Company, including procedures for the advance payment or indemnification of expenses, etc.	(1) When advance payment of expenses or other payment is requested by members of the Audit Committee, the Company shall promptly process the expense or debt except for cases that the expense is obviously deemed unnecessary for the execution of duties by the member of the Audit Committee in question.
10. Other systems to ensure that audits by the Audit Committee are effectively implemented	(1) The Audit Committee shall utilize the Internal Auditing Division in charge of internal audits and the accounting auditor as necessary, such as entrusting them with some audit matters and receiving reports on the results of the audits, and conduct audits through collaborative efforts. (2) The results of audits conducted by the Audit Committee and the Internal Auditing Division shall be reported to the Board of Directors and the Management Committee and feedback shall be provided.

Note: The above represents the details of the resolutions of the meeting of the Board of Directors held on April 27, 2015.

Consolidated Financial Statements
Consolidated Balance Sheets

	Fiscal 2014 (As of March 31, 2015)	Fiscal 2013 (As of March 31, 2014)
	(Millions of yen)	
Assets		
Current assets	**419,683**	**377,031**
Cash and deposits	25,153	22,548
Trade notes and accounts receivable	138,294	135,067
Marketable securities	2,020	1,002
Merchandise and finished goods	48,910	34,930
Work in process	36,533	36,313
Raw materials	4,270	3,923
Deferred tax assets	10,288	9,974
Advances to suppliers	3,772	2,967
Deposit to Hitachi group cash management fund	129,053	112,139
Other	21,629	18,655
Allowance for doubtful receivables	(239)	(486)
Fixed assets	**116,912**	**117,903**
Property, plant and equipment	**75,177**	**75,110**
Buildings and structures	32,914	32,659
Machinery, equipment and vehicles	11,879	11,637
Tools, furniture & fixtures	8,497	7,792
Land	20,308	21,703
Construction in progress	1,579	1,319
Intangible assets	**12,579**	**12,993**
Goodwill	3,407	4,075
Software	6,067	5,559
Other	3,106	3,359
Investments and others	**29,156**	**29,800**
Investments in securities	11,648	11,928
Long-term loan receivables	396	230
Deferred tax assets	13,942	14,305
Other	3,478	3,652
Allowance for doubtful receivables	(308)	(315)
Total assets	**536,595**	**494,934**

	Fiscal 2014 (As of March 31, 2015)	Fiscal 2013 (As of March 31, 2014)
	(Millions of yen)	
Liabilities		
Current liabilities	**188,812**	**170,891**
Trade notes and accounts payable	122,076	105,683
Accrued income taxes	9,662	8,069
Accrued expenses	21,360	19,822
Advances from customers	18,431	21,048
Provision for product warranty expensive	3,147	2,690
Other	14,136	13,578
Long-term liabilities	**45,460**	**51,076**
Deferred tax liabilities	182	306
Reserve for retirement benefits for senior executives	255	224
Net defined benefit liability	43,738	49,303
Other	1,285	1,242
Total liabilities	**234,272**	**221,966**
Net assets		
Shareholders' equity	**299,370**	**276,751**
Common stock	7,938	7,938
Capital surplus	35,745	35,745
Retained earnings	256,030	233,402
Treasury stock	(343)	(334)
Accumulated other comprehensive income	**2,304**	**(4,293)**
Unrealized holding gains on securities	7,157	5,744
Deferred profit or loss on hedges	(636)	(368)
Foreign currency translation adjustment	6,334	2,241
Remeasurements of defined benefit plans	(10,550)	(11,910)
Minority interests	**649**	**511**
Total net assets	**302,324**	**272,968**
Total liabilities and net assets	**536,595**	**494,934**

Consolidated Statements of Income

	Years ended March 31	
	2015	2014
	(Millions of yen)	
Net sales	**637,497**	**639,116**
Cost of sales	498,341	515,752
Gross profit	**139,157**	**123,364**
Selling, general and administrative expenses	95,023	92,933
Operating income	**44,134**	**30,431**
Other income	**1,217**	**1,452**
Interest income	451	405
Dividends income	209	185
Reversal of allowance for doubtful receivables	165	144
Other	392	719
Other deductions	**3,181**	**781**
Interest expenses	39	56
Equity in losses of affiliates	40	59
Foreign exchange losses	2,276	—
Loss on disposal of property, plant and equipment	623	484
Other	204	182
Ordinary income	**42,169**	**31,102**
Extraordinary gain	**399**	**4**
Gain on transfer of business	351	—
Gain on sales of property, plant and equipment	43	—
Gain sales of investments in securities	4	4
Extraordinary loss	**2,431**	**3,127**
Restructuring charges	1,749	2,603
Impairment losses	682	443
Losses on devaluation of investments in securities	—	81
Income before income taxes and minority interests	**40,137**	**27,979**
Income taxes-current	13,146	12,226
Income taxes-deferred	(1,230)	(2,577)
Income before minority interests	**28,220**	**18,330**
Minority interests	92	299
Net income	**28,129**	**18,032**

Unconsolidated Financial Statements
Unconsolidated Balance Sheets

	Fiscal 2014 (As of March 31, 2015)	Fiscal 2013 (As of March 31, 2014)
	(Millions of yen)	
Assets		
Current assets	**319,857**	**283,189**
Cash and deposits	2,309	2,770
Notes receivable	3,296	7,153
Electronically recorded monetary claims-operating	4,359	—
Accounts receivable	91,311	84,808
Marketable securities	2,020	1,002
Merchandise and finished goods	23,682	16,010
Work in process	29,231	28,471
Raw materials	2,652	2,318
Advances paid	2,801	2,808
Prepaid expenses	60	38
Deferred tax assets	4,719	4,474
Short-term loan receivables	30,008	26,769
Deposit to Hitachi Group cash management fund	129,053	112,139
Other	11,112	9,455
Allowance for doubtful receivables	(16,755)	(15,027)
Fixed assets	**94,714**	**93,282**
Property, plant and equipment	**54,388**	**54,451**
Buildings	22,907	22,336
Structures	690	623
Machinery and equipment	6,207	6,622
Vehicles	96	73
Tools, furniture & fixtures	6,175	5,577
Land	17,217	18,118
Construction in progress	1,096	1,103
Intangible assets	**4,003**	**3,617**
Patents	4	5
Software	3,955	3,578
Other	44	34
Investments and others	**36,324**	**35,214**
Investments in securities	11,482	11,802
Affiliated companies' common stock	15,510	15,405
Investments in companies	81	0
Investments in affiliated companies	2,385	2,385
Long-term loan receivables	242	—
Long-term loan receivables to employees	35	73
Past-due operating claims	130	125
Long-term prepaid expenses	34	42
Deferred tax assets	4,882	3,739
Other	1,844	1,950
Allowance for doubtful receivables	(301)	(307)
Total assets	**414,571**	**376,471**

	Fiscal 2014 (As of March 31, 2015)	Fiscal 2013 (As of March 31, 2014)
	(Millions of yen)	
Liabilities		
Current liabilities	**160,877**	**141,525**
Notes payable	12	137
Accounts payable	86,709	77,785
Other accounts payable	6,708	6,966
Accrued expenses	12,066	10,762
Income taxes	6,853	5,358
Advances received	7,774	10,545
Deposits received	38,744	28,583
Current portion of guarantee deposits received	639	595
Other	1,373	795
Long-term liabilities	**15,366**	**18,136**
Deferred tax liabilities for land revaluation	47	51
Accrued pension liability	14,908	17,634
Asset retirement obligations	411	403
Other	0	48
Total liabilities	**176,243**	**159,661**
Net assets		
Shareholders' equity	**231,596**	**211,109**
Common stock	**7,938**	**7,938**
Capital surplus	**35,745**	**35,745**
Capital reserve	35,723	35,723
Others	21	21
Retained earnings	**188,255**	**167,760**
Earned surplus reserve	1,385	1,385
Others	186,871	166,376
Reserve for advanced depreciation of fixed assets	1,499	1,479
General reserve	157,995	151,095
Retained earnings brought forward	27,377	13,801
Treasury stock	**(343)**	**(334)**
Valuation and translation adjustments	**6,733**	**5,701**
Unrealized holding gains on securities	**7,140**	**5,731**
Deferred profit or loss on hedges	**(539)**	**(366)**
Revaluation reserve for land	**131**	**337**
Total net assets	**238,328**	**216,810**
Total liabilities and net assets	**414,571**	**376,471**

Unconsolidated Statements of Income

	Years ended March 31	
	2015	**2014**
	(Millions of yen)	
Net sales	**411,158**	**390,806**
Cost of sales	323,731	312,431
Gross profit	**87,426**	**78,376**
Selling, general and administrative expenses	56,224	55,339
Operating income	**31,203**	**23,037**
Other income	**7,242**	**7,973**
Interest income	373	323
Interest income on securities	40	52
Dividends income	5,991	6,473
Other	838	1,125
Other deductions	**4,433**	**1,541**
Interest expenses	148	92
Foreign exchange losses	1,975	—
Loss on disposal of property, plant and equipment	499	378
Provision of allowance for doubtful accounts for affiliated companies	1,779	896
Other	32	176
Ordinary income	**34,011**	**29,468**
Extraordinary gain	**893**	**4**
Gain on transfer of business	892	—
Gain on sales of investments in securities	0	4
Extraordinary loss	**1,047**	**8,382**
Impairment losses	821	444
Restructuring charges	226	—
Provision of allowance for doubtful accounts for affiliated companies	—	5,257
Loss on devaluation of stocks of affiliated companies	—	2,600
Loss on devaluation of investments in securities	—	81
Income before income taxes	**33,856**	**21,090**
Income taxes-current	9,636	9,369
Income taxes-deferred	(1,563)	(1,811)
Net income	**25,784**	**13,532**

Audit Report

Transcript of Accounting Auditors' Audit Report on Consolidated Financial Statements

INDEPENDENT AUDITORS' REPORT

May 15, 2015

To Mr. Masahiro Miyazaki, President & Chief Executive Officer
Hitachi High-Technologies Corporation

Ernst & Young ShinNihon LLC
Limited Liability Shitei Shain
Gyomu Shikko Shain CPA Takayuki Ozaki
Limited Liability Shitei Shain
Gyomu Shikko Shain CPA Takahiro Saga

We have audited the consolidated balance sheets, the consolidated statements of income, the consolidated statements of changes in net assets, and the notes to the consolidated financial statements of Hitachi High-Technologies Corporation for the business year (from April 1, 2014 to March 31,2015) for the purpose of reporting under Article 444, Paragraph 4 of the Company Law.

Management's Responsibility for Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of consolidated financial statements in accordance with generally accepted accounting standards in Japan. This responsibility includes designing and operating internal controls, which management considers necessary for the preparation and fair presentation of consolidated financial statements that are free from material misstatements, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements from an independent viewpoint, based on our audit. We conducted our audit in accordance with auditing standards generally accepted in Japan. Those standards require that we plan and perform the audit according to such plan to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures select and apply depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate for the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the accounting policies used and the manner of their application, as well as the accounting estimates made by management, in addition to evaluating the overall presentation of the consolidated financial statements.

We believe that our audit provides sufficient and appropriate audit evidence to act as a basis for our opinion.

Auditors' Opinion

In our opinion, the consolidated financial statements referred to above presented fairly, in every significant aspect, the financial position and the results of operations of the Company and its consolidated subsidiaries for the period of the consolidated financial statements in accordance with the corporate auditing standards generally accepted in Japan.

Relationship of Interest

We have no interest in the Company which should be disclosed pursuant to the provision of the Certified Public Accountants Law.

Transcript of Accounting Auditors' Audit Report on Unconsolidated Financial Statements

INDEPENDENT AUDITORS' REPORT

May 15, 2015

To Mr. Masahiro Miyazaki, President & Chief Executive Officer
Hitachi High-Technologies Corporation

Ernst & Young ShinNihon LLC
Limited Liability Shitei Shain
Gyomu Shikko Shain CPA Takayuki Ozaki
Limited Liability Shitei Shain
Gyomu Shikko Shain CPA Takahiro Saga

We have audited the unconsolidated balance sheets, the unconsolidated statements of income, the unconsolidated statements of changes in net assets, the notes to the unconsolidated financial statements and their supporting schedules of Hitachi High-Technologies Corporation for the 96th business term (from April 1, 2014 to March 31, 2015) pursuant to Article 436, Paragraph 2, Item 1 of the Company Law.

Management's Responsibility for Unconsolidated Financial Statements

Management is responsible for the preparation and fair presentation of unconsolidated financial statements and their supporting schedules in accordance with generally accepted accounting standards in Japan. This responsibility includes designing and operating internal controls, which management considers necessary for the preparation and fair presentation of unconsolidated financial statements and their supporting schedules that are free from material misstatements, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these unconsolidated financial statements and their supporting schedules from an independent viewpoint, based on our audit. We conducted our audit in accordance with auditing standards generally accepted in Japan. Those standards require that we plan and perform the audit according to such plan to obtain reasonable assurance about whether the unconsolidated financial statements and their supporting schedules are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the unconsolidated financial statements and their supporting schedules. The procedures select and apply depend on the auditors' judgment, including the assessment of the risks of material misstatement of the unconsolidated financial statements and their supporting schedules, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the unconsolidated financial statements and their supporting schedules in order to design audit procedures that are appropriate for the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the accounting policies used and the manner of their application, as well as the accounting estimates made by management, in addition to evaluating the overall presentation of the unconsolidated financial statements and their supporting schedules.

We believe that our audit provides sufficient and appropriate audit evidence to act as a basis for our opinion.

Auditors' Opinion

In our opinion, the unconsolidated financial statements and their supporting schedules referred to above presented fairly, in every significant aspect, the financial position and the results of operations of the Company for the period of the unconsolidated financial statements and their supporting schedules based on the corporate accounting standards generally accepted in Japan.

Relationship of Interest

We have no interest in the Company which should be disclosed pursuant to the provision of the Certified Public Accountants Law.

Transcript of Audit Committee's Audit Report

AUDIT REPORT

We, the Audit Committee of the Company, audited the performance by Directors and Executive Officers of their duties during the 96th business term (from April 1, 2014 to March 31, 2015). We hereby report as follows on the method and results thereof:

1. Method of Audit

(1) We received reports from the Directors, Executive Officers and employees on the contents of the of the resolutions of the Board of Directors concerning the matters as listed in Article 416, Paragraph 1, Item 1 (ro) and (ho) of the Company Law, and the systems (internal control systems) established thereunder, confirmed the contents of such reports, and conducted exchanges of opinions, as necessary.

(2) We conducted the following activities in accordance with the audit policy and assignment of audit duties, as determined by the Audit Committee.

1) We attended important meetings including the Board of Directors and Executive meetings, and received reports from and conducted interviews with Directors and Executive Officers on the execution of their duties.

2) We inspected important decision documents, etc.

3) We made investigations into the state of activities and property at the head office and the principle business offices of the Company.

4) We received reports from or conducted interviews with subsidiaries about their business operation.

(3) We received reports from the internal auditing division and other relevant departments and exchanged opinions on the status of internal control.

(4) We monitored and examined whether the Accounting Auditors maintained their independence and performed their auditing duties adequately, as well as received reports from the Accounting Auditors on the performance status of their duties and requested explanations as necessary. We also received a notice from the Accounting Auditors to the effect that "structures for ensuring that duties are appropriately performed" (matters stipulated in each item under Article 131 of the Regulations of Companies' Financial Statements) were being developed pursuant to the "Quality Management Standards for Auditing" (Business Accounting Council, October 28, 2005) and requested explanations as necessary.

(5) With respect to internal controls for financial reporting, we received reports from or conducted interviews with Executive Officers, etc. and Ernst & Young ShinNihon LLC about the status of evaluation and audit of such internal controls, and requested explanations as necessary.

We audited the business reports and their supporting schedules, the consolidated financial statement (the consolidated balance sheets, the consolidated statements of income, the consolidated statements of changes in net assets, and the notes to consolidated financial statements) and the unconsolidated financial statements (the unconsolidated balance sheets, the unconsolidated statements of income, the unconsolidated statements of changes in net assets, and the notes to unconsolidated financial statements), and their supporting schedules for this business term in accordance with the foregoing method.

2. Results of Audit

(1) Results of Audit on Business Report, etc.

We are of the opinion:

1) that the business report and its supporting schedules fairly present the state of the Company in accordance with the laws, regulations and the Articles of Incorporation.
2) that, in connection with the performance by Directors and Executive Officers of their duties, no dishonest act or material fact of violation of laws, regulations or the Articles of Incorporation exists.
3) that the contents of the resolution by the Board of Directors concerning internal control systems are appropriate. Further, there is nothing to note with respect to the contents of the description of said internal control systems in the Business Report and the performance by Directors and Executive Officers of their duties related to said internal control systems, including internal controls for financial reporting.

(2) Results of Audit on Consolidated Financial Statements and Unconsolidated Financial Statements and Their Supporting Schedules

We are of the opinion that the method and results of the audit made by the Company's Accounting Auditors, Ernst & Young ShinNihon LLC are appropriate.

May 20, 2015

Audit Committee, Hitachi High-Technologies Corporation
Yoshikazu Dairaku
Hideyo Hayakawa
Hiromichi Toda

Note: Mr. Hideyo Hayakawa and Mr. Hiromichi Toda are Outside Directors pursuant to Article 2, Item 15 of the Company Law.

(Translation)

Matters for Internet Disclosure of the 96th Ordinary General Meeting of Shareholders

Hitachi High-Technologies Corporation

The above documents are posted on the Company's website to provide necessary information to our shareholders in accordance with the provisions of applicable laws, regulations and the Articles of Incorporation of the Company.

Consolidated Statements of Changes in Net Assets

FY2014 (under review) (April 1, 2014 to March 31, 2015) (Millions of yen)

	Shareholders' equity				
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at April 1, 2014	7,938	35,745	233,402	(334)	276,751
Change during year					
Dividends from surplus			(5,501)		(5,501)
Net income			28,129		28,129
Acquisition of treasury stock				(8)	(8)
Disposal of treasury stock		0		0	0
Net changes during year in items other than shareholders' equity					
Total change during year	—	0	22,627	(8)	22,619
Balance at March 31, 2015	7,938	35,745	256,030	(343)	299,370

	Accumulated other comprehensive income					Minority interests	Total net assets
	Unrealized holding gains on securities	Deferred profit or loss on hedges	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at April 1, 2014	5,744	(368)	2,241	(11,910)	(4,293)	511	272,968
Change during year							
Dividends from surplus							(5,501)
Net income							28,129
Acquisition of treasury stock							(8)
Disposal of treasury stock							0
Net changes during year in items other than shareholders' equity	1,413	(268)	4,093	1,360	6,598	139	6,737
Total change during year	1,413	(268)	4,093	1,360	6,598	139	29,356
Balance at March 31, 2015	7,157	(636)	6,334	(10,550)	2,304	649	302,324

Notes to Consolidated Financial Statements

1. All figures are rounded off to the nearest million yen.

2. Notes concerning important matters serving as basis of preparation of consolidated financial statements

(1) Scope of consolidation

1) Number of consolidated subsidiaries: 33

Name of companies: Hitachi High-Tech Solutions Corporation, Hitachi High-Tech Materials Corporation, Hitachi High-Tech Fielding Corporation, Hitachi High-Tech Fine Systems Corporation, Hitachi High-Tech Manufacturing & Service Corp., Hitachi High-Tech Instruments Co., Ltd., Hitachi High-Tech Science Corporation, Hitachi High Technologies America, Inc., Hitachi High-Technologies Europe GmbH, Hitachi High-Technologies (Singapore) Pte. Ltd., Hitachi High-Technologies (Thailand) Ltd., Hitachi High-Technologies (Shanghai) Co., Ltd., Hitachi High-Technologies Hong Kong Limited and 20 other companies

Hitachi High-Technologies Mexico S.A.de C.V. was established effective April 1, 2014 and has been included in the scope of consolidation from the fiscal year under review; Hitachi High-Tech AW Cryo, Inc. was established effective June 2, 2014 and has been included in the scope of consolidation from the fiscal year under review

2) Number of non-consolidated subsidiaries: 0

(2) Application of equity method

1) Number of non-consolidated subsidiaries accounted for by the equity method: 0

2) Number of affiliates accounted for by the equity method: 1

Name of company: Chorus Call Asia Corporation

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3) Matters to note regarding procedures for the application of the equity method

The fiscal year for Chorus Call Asia Corporation ends on December 31.

Financial statements as of March 31, 2015 that have been prepared by provisionally settling accounts in accordance with the annual closing of accounts have been used.

(3) End of fiscal year, etc. of consolidated subsidiaries

The following consolidated subsidiaries have a different fiscal year end from the consolidated fiscal year end.

Name of companies: Giesecke & Devrient K.K and 8 other companies

End of fiscal year: December 31

Consolidation procedures have been taken based on financial statements as of March 31, 2015 prepared by provisionally settling accounts in accordance with the annual closing of accounts.

(4) Accounting standards

1) Basis and method of valuation of significant assets

(i) Securities

Available-for-sale securities

Securities with fair value: Securities with fair value are stated at the quoted market price, etc. as at the end of the fiscal year. Selling cost is calculated based on moving-average method. (Unrealized holding gains/losses are directly charged or credited to Net Assets.)

Securities without fair value: Securities without fair value are stated at cost determined by the moving average method.

(ii) Derivatives

Derivatives are marked to market.

(iii) Inventories

Merchandise, finished goods, semi-finished goods, raw materials:

Stated at cost determined principally by the moving-average method (however, the amount stated in the balance sheet was computed by reducing the book value to reflect deterioration in profitability).

Work in process:

Stated at cost by specific identification method (however, the amount stated in the balance sheet was computed by reducing the book value to reflect deterioration in profitability).

2) Method of depreciation of significant depreciable assets

(i) Property, plant and equipment

Depreciation of property, plant and equipment is calculated by the straight-line method.

(ii) Intangible assets

Intangible assets are principally amortized by the straight-line method. However, software for internal use is amortized over its estimated in-house useful life (five years). The amount of amortization of software for sale for the fiscal year is the amortization amount based on the expected sales volume, or the equally allocated amount over the remaining effective period (within three years), whichever is larger.

3) Accounting standard for significant allowances

(i) Allowance for doubtful receivables

In order to prepare against losses due to bad debt, etc., allowances are mainly provided for, in the case of general claims, by using the rate based on the Company's history of credit losses, and in the case of specific claims such as doubtful claims, by applying the estimated amount deemed uncollectible in consideration of their collectability on an individual basis.

(ii) Provision for product warranty expensive

To prepare for expenses associated with field services for products, the projected amount of service expenses within the warranty period is recorded based on the Company's past records.

(iii) Reserve for retirement benefits for senior executives

To prepare for the payment of reserve for retirement benefits for senior executives, some domestic consolidated subsidiaries record the amount payable at the end of the fiscal year under the Rules on Retirement and Severance Benefits for Senior Executives.

4) Significant hedge accounting method

(i) Hedge accounting method

Deferred hedge accounting method is applied.

(ii) Hedging instruments and hedged items

Hedging instruments:	Forward exchange contracts
Hedged items:	Risk of fluctuations in cash flow due to exchange rate volatility associated with scheduled receivables and payables based on transactions denominated in foreign currencies

(iii) Hedging policy

The Company and its subsidiaries perform forward exchange transactions capped at the contract amount (including transactions for which contracts are yet to be signed but have an extremely high possibility of being executed) for the purpose of averting risks of exchange rate volatility in foreign-currency-denominated transactions according to in-house risk management policies.

(iv) Method of evaluating hedge effectiveness

In principle, the Company evaluates hedge effectiveness by comparing the changes in the market price of the hedged items or cumulative changes in cash flows from the hedged items with the corresponding changes in the hedging instruments over the duration from the point of commencing hedging to the point of conducting the evaluation, based on their respective changes in amount and other such factors.

5) Amortization method and amortization period of goodwill

Goodwill is amortized over a period of not more than twenty years based on the equal installment method, upon estimating the period in which the effects of investment remain. However, goodwill items in small amount are written off in full in the fiscal year in which they accrued.

6) Accounting method for retirement benefits

To prepare for accrued pension liability, the Company and its consolidated subsidiaries record a net defined benefit liability in the amount of retirement benefit obligations from which pension assets have been deducted based on the projected amount of retirement benefit obligations and pension assets at the fiscal year end. In the calculation of retirement benefit obligations, the method of attributing benefits to periods before the end of the current fiscal year is based on the standard benefit formula.

Prior service costs are amortized using the straight-line method over the average remaining years of service of the employees when incurred.

Actuarial differences are amortized using the straight-line method over the average remaining years of service of the employees when incurred from the following fiscal year.

Unrecognized actuarial differences and unrecognized prior service costs are stated after adjustments for tax effects, as remeasurements of defined benefit plans under accumulated other comprehensive income in net assets.

7) Other important matters for the preparation of consolidated financial statements

(i) Accounting for consumption tax, etc.

Consumption tax, etc. is excluded.

(ii) Adoption of consolidated taxation system

The Company and its certain consolidated subsidiaries have adopted the consolidated taxation system.

3. Notes to consolidated balance sheets

(1) Accumulated depreciation of property, plant and equipment: JPY 83,050 million

(2) Collateralized assets and secured liabilities

Collateralized assets	
Investments in securities (Note)	JPY110million
Long-term loan receivables (Note)	JPY242 million
Others (Note)	JPY 11 million
Secured liabilities	
Accounts payable	JPY21 million

Note: Among the collateralized assets above, JPY81 million of investments in securities, JPY242 million of long-term loans receivables and JPY 11 million of others represent the maximum amount of the guarantees.

(3) Guarantees

Employees (Housing loans) JPY193 million

(4) Export bill discount JPY 23 million

(5) Notes endorsed JPY6million

4. Notes to consolidated statements of income

(1) Gain on sales of property, plant and equipment

Gain on sales of property, plant and equipment refer to proceeds from the partial sales of idle assets (buildings and land).

(2) Restructuring charges

Restructuring charges refer to expenses incurred in conjunction with the execution of structural reforms.

Breakdown:	Additional retirement benefits	JPY1,096 million
	Impairment loss	JPY653 million
	Total	JPY1,749 million

(Note) Loss on impairment of assets

Location	Purpose	Type	Impairment Loss (million yen)
Head Office Region Hitachi High-Tech Instruments Co., Ltd. (Kumagaya City,, Saitama Prefecture)	Assets for the chip mounters business	Buildings, machinery and equipment, tools, furniture & fixtures, and land	653
Total			653

Among the assets for the chip mounters business, in terms of buildings and land, the difference between the appraisal value obtained from a real estate appraiser as a measurement based on the net selling price and the book value was declared as impairment loss under extraordinary losses, while in terms of other assets, the book value was declared in full as impairment loss under extraordinary losses, since they were removed from their conventional applications and the invested amount was no longer expected to be recoverable due to the decision to dispose of such assets.

(3) Loss on impairment of assets

When determining signs of impairment, the Company and its consolidated subsidiaries classify the assets according to administrative and accounting categories based on business units.

The Company and its consolidated subsidiaries accounted for the impairment losses of the following assets.

Location	Purpose	Type	Impairment Loss (million yen)
Naka Region (Hitachinaka City, Ibaraki Prefecture)	Idle assets	Buildings, tools, furniture & fixtures, and land	354
Head Office Region (Minato-ku, Tokyo)	Assets for the IT Systems business	Tools, furniture & fixtures, software and long-term prepaid expenses	169
Head Office Region (Minato-ku, Tokyo)	Assets determined to be disposed of	Machinery and equipment, tools, furniture & fixtures and others	124
Others	Assets determined to be disposed of	Machinery and equipment	35
Total			682

In the case of idle assets, the difference between the appraisal value obtained from a real estate appraiser as a measurement based on the net selling price and the book value was declared as an impairment loss under extraordinary losses.

In the case of assets for the IT Systems business, the book value has been reduced to the recoverable value due to the lack of prospects for generating sufficient cash flow in the future and such amount of decrease was declared impairment loss under extraordinary losses. The recoverable value of such assets was measured based on value in use and the discount rate used in the calculation of value in use was 7.0%.

In the case of assets determined to be disposed of, the difference between the net selling price and the book value was declared as an impairment loss under extraordinary losses, since they were removed from their conventional applications and the invested amount was no longer expected to be recoverable due to the decision to dispose of such assets.

5. Notes to consolidated statements of changes in net assets

(1) Class and number of shares issued

(shares)

Class of shares	Total number of shares as at April 1, 2014	Increase during fiscal year ended March 31, 2015	Decrease during fiscal year ended March 31, 2015	Total number of shares as at March 31, 2015
Common stock	137,738,730	-	-	137,738,730

(2) Stock acquisition rights, etc.

Not applicable.

(3) Cash dividends

1) Total amount of cash dividends

Resolution	Class of shares	Total amount of cash dividends (million yen)	Cash dividend per share (yen)	Record Date	Effective Date
Meeting of Board of Directors held on May 23, 2014	Common stock	2,751	20.00	March 31, 2014	June 2, 2014
Meeting of Board of Directors held on October 23, 2014	Common stock	2.751	20.00	September 30, 2014	November 28, 2014

2) Cash dividends whose record date falls in FY2014 but effective date falls in FY2015

Proposal	Class of shares	Financial source of cash dividends	Total amount of cash dividends (million yen)	Cash dividend per share (yen)	Record Date	Effective Date
Meeting of Board of Directors held on May 25, 2015	Common stock	Retained earnings	3,438	25.00	March 31, 2015	June 3, 2015

6. Notes on financial instruments

(1) Status of financial instruments

Efforts are made to reduce customers' credit risks regarding trade notes and accounts receivable according to credit management regulations. Short-term investments and investments in securities, which are mainly comprised of bonds for the purpose of investment of funds, shares held for business promotion purposes and other investment of funds.

When investing funds, the Group focus first and foremost on the safety of principal and income, and also on ensuring proper liquidity.

Most of trade notes and accounts payable have maturities of less than one year.

Derivative transactions are utilized mainly to mitigate the risk of changes in cash flow due to foreign currency fluctuations. The Group does not enter into speculative derivative transactions.

(2) Estimated fair value of financial instruments

Carrying value of financial instruments on the consolidated balance sheets as of March 31, 2015 and unrealized gains and losses are shown in the following table. The following table does not include financial instruments for which it is extremely difficult to determine the fair value. (Refer to Note 2.)

	Carrying value (million yen)	Estimated fair value (million yen)	Unrealized gains (losses) (million yen)
Cash and deposits	25,153	25,153	-
Trade notes and accounts receivable	138,294		
Less allowance for doubtful receivables*1	(224)		
Net amount	138,070	138,069	(0)
Deposits to Hitachi Group cash management fund	129,053	129,053	-
Deposits included in Others under current assets	12,852	12,852	-
Short-term investments and investments in securities			
Other securities	13,520	13,520	-
Total assets	318,648	318,648	(0)
Trade notes and accounts payable	122,076	122,076	(0)
Total liabilities	122,076	122,076	(0)
Derivative transactions*2			
Those to which hedge accounting is not applied	(547)	(547)	-
Those to which hedge accounting is applied	(943)	(943)	-
Total derivative transactions	(1,490)	(1,490)	-

*1: This represents allowance for doubtful receivables provided for trade notes and accounts receivable.

*2: These represent net assets or liabilities arising from derivative transactions. The figures in parentheses indicate net liabilities.

(Note 1) Method to Determine the Estimated Fair Value of Financial Instruments and Other Matters Related to Securities and Derivative Transactions

Assets

Cash and deposits, deposits to Hitachi Group cash management fund and deposits included in Others under current assets

The fair value approximates the carrying amount because of the short-term nature. Thus, the carrying amount is used as fair value.

Trade Notes and Accounts Receivable

The fair value approximates the carrying amount because the majority of them are settled in the short-term.

Short-Term Investments and Investments in Securities

While the fair values of listed shares are measured by quoted market prices, the fair values of bond securities are measured by the prices obtained from financial institutions.

Liabilities

Trade notes and accounts payable

The fair value approximates the carrying amount because the majority of them are settled in the short-term.

Derivative transactions

Derivative transactions are all forward exchange contracts, and are calculated based on the forward exchange rates.

(Note 2) Financial instruments for which it is extremely difficult to determine the fair value

Classification	**Carrying value (million yen)**
Unlisted equity securities	148
Unlisted foreign bonds	1

Because no quoted market price is available and it is extremely difficult to determine the fair value, the above financial instruments are not included in short-term investments and investments in securities.

7. Notes on per share information

(1) Net assets per share: JPY2,193.48

(2) Amount of net income per share: JPY 204.52

8. Notes on significant subsequent events

Not applicable.

9. Other information

(1) Changes in deferred tax assets and deferred tax liabilities due to changes in the rate of taxes including income taxes

Following the promulgation of the “Act for Partial Revision of the Income Tax Act, etc.” (Act No.9, 2015) and the “Act for the Partial Revision of the Local Tax Act, etc.” (Act No. 2, 2015) on March 31, 2015, the statutory effective tax rate used in the calculation of deferred tax assets and deferred tax liabilities for the fiscal year ended March 31, 2015 has been changed from the previous 35.6% to 33.1% for temporary differences expected to be reversed in the consolidated fiscal year beginning on April 1, 2015, and to 32.3% for those expected to be reversed on and after April 1, 2016.

As a result of this change in tax rate, net value of deferred tax assets (after deduction of deferred tax liabilities) decreased by JPY1,726 million, deferred profit or loss on hedges decreased by JPY22 million, and remeasurements of defined benefit plans decreased by JPY426 million, while income taxes-deferred increased by JPY1,627 million and unrealized holding gains on securities increased by JPY348 million.

(2) Business combination (Corporate split)

1) Outline of corporate split

(i) Name of successor entity

TY Holdings Co., Ltd.

(ii) Details of business subject to corporate split

Semiconductor back-end process equipment business (die bonders business) of the Company and its wholly owned subsidiary, Hitachi High-Tech Instruments Co., Ltd.

(iii) Reason for conducting the corporate split

The Company had utilized the technological and product development capabilities cultivated by Hitachi High-Tech Instruments Co., Ltd. to strengthen the business base of the die bonders business and improve the competitiveness of its products.

However, in a rapidly changing market environment, it is important to conduct business operations at a faster pace if it is to secure stable earnings while meeting customers’ expectations. The Company, therefore, decided to transfer the die bonders business to TY Holdings Co., Ltd. in order to promote further management efficiency.

(iv) Date of corporate split

March 31, 2015

(v) Other items relating to the outline of the transaction including the legal form of the corporate split

The Company and Hitachi High-Tech Instruments Co., Ltd., as the splitting companies in the incorporation-type corporate split, jointly established a new company, Fasford Technology Co., Ltd., and all shares of Fasford Technology Co., Ltd. were transferred to TY Holdings.

2) Outline of accounting treatment

(i) Amount of profit or loss on transfer: JPY 351 million

(ii) Book values and breakdown of the assets and liabilities relating to the transferred business

Current assets	JPY2,287 million
Fixed assets	JPY1,267 million

Total assets	JPY3,555 million
Current liabilities	JPY2,022 million
Long-term liabilities	JPY 453 million
Total liabilities	JPY2,475 million

(iii) Accounting treatment

The profit or loss on transfer, which is the difference between the consideration for the transfer and the amount equivalent to shareholders' equity of the transferred business, is recognized as gain on transfer of business in the Consolidated Statements of Income.

3) Reportable segment in which the split business was included

Electronic Device Systems Segment

4) Estimated amount of profit or loss of the split business recognized in the Consolidated Statements of Income for the fiscal year ended March 31, 2015

Net sales	JPY10,722 million
Operating income	JPY 1,290 million

Unconsolidated Statements of Changes in Net Assets

FY2014 (under review) (April 1, 2014 to March 31, 2015) (Millions of yen)

	Shareholders' equity			
	Common stock	Capital surplus		
		Capital reserve	Others	Total capital surplus
Balance at April 1, 2014	7,938	35,723	21	35,745
Change during year				
Dividends from surplus				
Provision of reserve for advanced depreciation of fixed assets				
Reversal of reserve for advance depreciation of fixed assets				
Reversal of revaluation reserve for land				
Provision of general reserve				
Net income				
Acquisition of treasury stock				
Disposal of treasury stock			0	0
Net changes during year in items other than shareholders' equity				
Total change during year	—	—	0	0
Balance at March 31, 2015	7,938	35,723	21	35,745

	Shareholders' equity				
	Retained earnings				
	Earned surplus reserve	Others			Total Retained earnings
		Reserve for advanced depreciation of fixed assets	General reserve	Retained earnings brought forward	
Balance at April 1, 2014	1,385	1,479	151,095	13,801	167,760
Change during year					
Dividends from surplus				(5,501)	(5,501)
Provision of reserve for advanced depreciation of fixed assets		72		(72)	—
Reversal of reserve for advance depreciation of fixed assets		(53)		53	—
Reversal of revaluation reserve for land				212	212
Provision of general reserve			6,900	(6,900)	—
Net income				25,784	25,784
Acquisition of treasury stock					
Disposal of treasury stock					
Net changes during year in items other than shareholders' equity					
Total change during year	—	19	6,900	13,575	20,495
Balance at March 31, 2015	1,385	1,499	157,995	27,377	188,255

	Shareholders' equity		Valuation and translation adjustments				Total net assets
	Treasury stock	Total shareholders' equity	Unrealized holding gains on securities	Deferred profit or loss on hedges	Revaluation reserve for land	Total valuation and translation adjustments	
Balance at April 1, 2014	(334)	211,109	5,731	(366)	337	5,701	216,810
Change during year							
Dividends from surplus		(5,501)					(5,501)
Provision of reserve for advanced depreciation of fixed assets		—					—
Reversal of reserve for advance depreciation of fixed assets		—					—
Reversal of revaluation reserve for land		212			(212)	(212)	—
Provision of general reserve		—					—
Net income		25,784					25,784
Acquisition of treasury stock	(8)	(8)					(8)
Disposal of treasury stock	0	0					0
Net changes during year in items other than shareholders' equity			1,410	(173)	6	1,243	1,243
Total change during year	(8)	20,487	1,410	(173)	(206)	1,031	21,518
Balance at March 31, 2015	(343)	231,596	7,140	(539)	131	6,733	238,328

Notes to Unconsolidated Financial Statements

1. All figures are rounded off to the nearest million yen.

2. Notes concerning significant accounting policies

(1) Basis and method of valuation of assets

1) Securities

Shares of subsidiaries and shares of affiliated companies:
Stated at cost determined by the moving average method.

Available-for-sale securities

Securities with fair value:
Securities with fair value are stated at the quoted market price, etc. as at the end of the fiscal year. Selling cost is calculated based on the moving-average method. (Unrealized holding gains/losses are directly charged or credited to Net Assets.)
Securities without fair value:
Securities without fair value are stated at cost determined by the moving average method.

2) Derivatives

Derivatives are marked to market.

3) Inventories

Merchandise, finished goods, semi-finished goods, raw materials:
Stated at cost determined by the moving-average method (however, the amount stated in the balance sheet was computed by reducing the book value to reflect deterioration in profitability).
Work in process:
Stated at cost by specific identification method (however, the amount stated in the balance sheet was computed by reducing the book value to reflect deterioration in profitability).

(2) Method of depreciation of depreciable assets

1) Property, plant and equipment

Depreciation of property, plant and equipment is calculated by the straight-line method.

2) Intangible assets

Intangible assets are amortized by the straight-line method. However, software for internal use is amortized over its estimated in-house useful life (five years). The amount of amortization of software for sale for the fiscal year is the amortization amount based on the expected sales volume, or the equally allocated amount over the remaining effective period (within three years), whichever is larger.

(3) Accounting standard for allowances

1) Allowance for doubtful receivables

In order to prepare against losses due to bad debt, etc., allowances are provided for, in the case of general claims, by using the rate based on the Company's history of credit losses, and in the case of specific claims such as doubtful claims, by applying the estimated amount deemed uncollectible in consideration of their collectability on an individual basis.

2) Accrued retirement and severance benefits for employees

To prepare for accrued pension liability, the Company records the allowance based on the projected amount of retirement benefit obligations and pension assets at the fiscal year end. In the calculation of retirement benefit obligations, the method of attributing benefits to periods before the end of the current fiscal year is based on the standard benefit formula.
Prior service costs are amortized using the straight-line method over the average remaining years of service of the employees (thirteen to seventeen years) when incurred.
Actuarial differences are amortized using the straight-line method over the average remaining years of service of the employees (twelve to eighteen years) when incurred from the following fiscal year.

(4) Hedge accounting method

1) Hedge accounting method

Deferred hedge accounting method is applied.

2) Hedging instruments and hedged items

Hedging instruments:

Forward exchange contracts

Hedged items:

Risk of fluctuations in cash flow due to exchange rate volatility associated with scheduled receivables and payables based on transactions denominated in foreign currencies

3) Hedging policy

The Company performs forward exchange transactions capped at the contract amount (including transactions for which contracts are yet to be signed but have an extremely high possibility of being executed) for the purpose of averting risks of exchange rate volatility in foreign-currency-denominated transactions according to in-house risk management policies.

4) Method of evaluating hedge effectiveness

In principle, the Company evaluates hedge effectiveness by comparing the changes in the market price of the hedged items or cumulative changes in cash flows from the hedged items with the corresponding changes in the hedging instruments over the duration from the point of commencing hedging to the point of conducting the evaluation, based on their respective changes in amount and other such factors.

(5) Other important matters serving as the basis of preparation of unconsolidated financial statements

1) Accounting for retirement benefits

The accounting method for previously unrecognized actuarial gains and losses and unrecognized prior services costs is different from the accounting method used in the Consolidated Financial Statements.

2) Accounting for consumption tax, etc.

Consumption tax, etc. is excluded.

3) Adoption of consolidated taxation system

Starting from the fiscal year under review, the Company and its certain consolidated subsidiaries have adopted the consolidated taxation system.

3. Changes in Accounting Policies

Change in presentation

(Unconsolidated Balance Sheets)

“Electronically recorded monetary claims-operating” (JPY 1,855 million in the previous fiscal year), which had been included in “Notes receivable” in the previous fiscal year has been presented separately starting from the fiscal year under review, due to its increased monetary significance.

(Unconsolidated Statements of Income)

“Reversal of allowance for doubtful receivables” (JPY58 million in the fiscal year under review), which had been presented separately in the previous fiscal year has been included in “Other” under “Other income” starting from the fiscal year under review, as the amount has become insignificant.

4. Notes to unconsolidated balance sheets

(1)	Accumulated depreciation of property, plant and equipment:	JPY57,419 million
(2)	Collateralized assets and secured liabilities	
	Collateralized assets	
	Investments in securities (Note)	JPY81 million
	Long-term loans receivable (Note)	JPY242 million
	Others (Note)	JPY11 million
	Note: The amounts of the above collateralized assets represent the maximum amount of the guarantees.	
(3)	Guarantees	JPY1,163million
	The breakdown of guarantees is as follows.	
	2 affiliated companies (guarantee for trade accounts payable)	JPY1,028million
	Employees (home loans)	JPY135 million
(4)	Short-term receivables from affiliated companies	JPY75,731 million
(5)	Short-term payables to affiliated companies	JPY55,533 million

(6) Land revaluation

The Company revaluated its business-purpose land on March 31, 2002 in accordance with the “Act on Revaluation of Land” (Law No.34 promulgated on March 31, 1998). The Company declared the tax component of the valuation difference as “deferred tax liabilities for land revaluation” in the “Liabilities” section and the full amount of such valuation difference minus the tax component as “revaluation reserve for land” in the “Net assets” section according to the “Law to Partially Modify the Act on Revaluation of Land” (Law No.24 promulgated on March 31, 1999).

- Method of revaluation

Calculation by computation method involving reasonable adjustments to the standard price determined under the provisions of the Enforcement Order for the National Land Use Planning Law (Ordinance No.387 promulgated on December 20, 1974) set forth in item 2, Article 2 of the “Enforcement Order on Act on Revaluation of Land” (Ordinance No. 119 promulgated on March 31, 1998).

5. Notes to unconsolidated statements of income

(1) Transactions with affiliated companies

Sales	JPY174,704 million
Purchases	JPY92,098 million
Non-operating transactions	JPY25,472 million

(2) Extraordinary loss

1) Loss on impairment of assets

When determining signs of impairment, the Company and its consolidated subsidiaries classify the assets according to administrative and accounting categories based on business units.

In the fiscal year ended March 31, 2015, the Company accounted for impairment losses for the following assets.

Location	Purpose	Type	Impairment Loss (million yen)
Naka Region (Hitachinaka City, Ibaraki Prefecture)	Idle assets	Buildings, tools, furniture & fixtures, and land	354
Head Office Region (Minato-ku, Tokyo)	Assets for the IT Systems business	Tools, furniture & fixtures, software and long-term prepaid expenses	169
Head Office Region (Nakai-machi, Ashigarakami-gun, Kanagawa Prefecture)	Assets determined to be disposed of	Buildings and land	148
Head Office Region (Minato-ku, Tokyo)	Assets determined to be disposed of	Machinery and equipment, tools, furniture & fixtures, and others	124
Naka Region (Hitachinaka City, Ibaraki Prefecture)	Assets determined to be disposed of	Machinery and equipment	26
Total			821

In the case of idle assets, the difference between the appraisal value obtained from a real estate appraiser as a measurement based on the net selling price and the book value was declared as an impairment loss under extraordinary losses.

In the case of assets for the IT Systems business, the book value has been reduced to the recoverable value due to the lack of prospects for generating sufficient cash flow in the future and such amount of decrease was declared impairment loss under extraordinary losses. The recoverable value of such assets was measured based on value in use and the discount rate used in the calculation of value in use was 7.0%.

In the case of assets determined to be disposed of, the difference between the net selling price and the book value was declared as an impairment loss under extraordinary losses, since they were removed from their conventional applications and the invested amount was no longer expected to be recoverable due to the decision to dispose of such assets.

2) Restructuring charges

Restructuring charges refer to expenses incurred in conjunction with the execution of structural reforms regarding the following assets.

Location	Purpose	Type	Impairment Loss (million yen)
Head Office Region (Kumagaya City, Saitama Prefecture)	Assets for the chip mounters business	Land	226
Total			226

In the case of assets for the chip mounters business, the appraisal value obtained from a real estate appraiser as a measurement based on the net selling price and the book value was declared as an impairment loss under extraordinary losses.

6. Notes to unconsolidated statements of changes in net assets

Treasury stock

(shares)

Class of shares	Total number of shares as at April 1, 2014	Increase during fiscal year ended March 31, 2015	Decrease during fiscal year ended March 31, 2015	Total number of shares as at March 31, 2015
Common stock	203, 551	2,712	40	206,223

Note: The increase of 2,712 shares and the decrease of 40 shares were attributable to the buyback and sales of shares falling short of the share unit.

7. Notes on tax effect accounting

(1) Breakdown of major causes of deferred tax assets and deferred tax liabilities by cause

(Current)

Deferred tax assets	
Amount in excess of deduction limit for loss on doubtful receivables	JPY5,405 million
Accrued bonuses	JPY1,609 million
Accrued enterprise tax denied	JPY554 million
Accrued cost of sales recorded but denied	JPY498 million
Devaluation of inventories	JPY1,366 million
Deferred profit or loss on hedges	JPY266 million
Other	JPY579 million
Deferred tax assets—Subtotal	JPY10,277 million
Valuation reserve	(JPY5,552 million)
Deferred tax assets—Total	JPY4,725 million
Deferred tax liabilities	
Unrealized holding gains on securities	(JPY6million)
Deferred tax liabilities—Total	(JPY6 million)
Net deferred tax assets	JPY4,719 million

(Noncurrent)

Deferred tax assets	
Amount in excess of deduction limit for loss on doubtful receivables	JPY38 million
Accrued retirement and severance benefits for employees	JPY4,845 million
Retirement benefit trust	JPY1,296 million
Loss on devaluation of memberships denied	JPY201 million
Loss on devaluation related to investments denied	JPY2,085million
Excess depreciation	JPY1,803million
Asset retirement obligations	JPY133million
Impairment losses	JPY1,058 million
Other	JPY86 million
Deferred tax assets—Subtotal	JPY11,545 million
Valuation reserve	(JPY2,512 million)
Deferred tax assets—Total	JPY9,033 million

Deferred tax liabilities

Asset retirement obligation	(JPY36 million)
Unrealized holding gains on securities	(JPY3,397 million)
Reserve for advanced depreciation of fixed assets	(JPY717 million)
Other	(JPY1 million)
Deferred tax liabilities—Total	(JPY4,151million)
Net deferred tax assets	JPY4,882million

(2) Changes in deferred tax assets and deferred tax liabilities due to changes in the rate of taxes including income taxes

Following the promulgation of the “Act for Partial Revision of the Income Tax Act, etc.” (Act No.9, 2015) and the “Act for the Partial Revision of the Local Tax Act, etc.” (Act No. 2, 2015) on March 31, 2015, the statutory effective tax rate used in the calculation of deferred tax assets and deferred tax liabilities for the fiscal year ended March 31, 2015 has been changed from the previous 35.6% to 33.1% for temporary differences expected to be reversed in the fiscal year beginning on April 1, 2015, and to 32.3% for those expected to be reversed on and after April 1, 2016.

As a result of this change in tax rate, net value of deferred tax assets (after deduction of deferred tax liabilities) decreased by JPY820 million, deferred profit or loss on hedges decreased by JPY21 million, while income taxes-deferred increased by JPY1,146 million and unrealized holding gains on securities increased by JPY347 million.

8. Notes on transactions with related parties

(1) Parent company and major corporate shareholders, etc.

Attribute	Name of company, etc.	Address	Capital (million yen)	Description of business or occupation	% of voting rights, etc. held by company	Nature of relationship		Description of transaction	Transaction amount (million yen)	Classification	Year-end balance (million yen)
						Sharing of officers, etc.	Relationship with related parties				
Parent company	Hitachi, Ltd.	Chiyoda-ku, Tokyo	458,791	Manufacturing and sale of electric machinery and apparatuses	Direct: 51.8% Indirect: —	1 person	Purchase and sale of various information equipment, power-generation-related components, etc.	Sale of various information equipment, power-generation-related components, etc.	7,011	Accounts receivable Advances received	5,126 74
								Purchase of various power-related equipment and components	4,627	Accounts receivable Advances received	3,012 678
								Receipt of funds Interest received	16,914 241	Deposit to Hitachi group cash management fund Accounts receivable-other	129,053 11

Notes: Terms of Transactions, Policy on Determining Terms of Transactions, etc.

1. For the sale of various equipment, materials, etc., the terms of transactions are determined based on price negotiations every period in the same manner as the terms of ordinary transactions.
2. Deposits paid are subject to the basic agreement concluded between the Company and Hitachi, Ltd. Funds are provided on a daily basis, and the amount of transactions represents the difference from the amount as at the end of the previous period. Interest is determined in consideration of the market interest rate.
3. Of the above amounts, transaction amount does NOT include consumption tax, etc., whereas the year-end balance includes consumption tax, etc.

(2) Sister companies

Attribute	Name of company, etc.	Address	Capital (million yen)	Description of business or occupation	% of voting rights, etc. held by company	Nature of relationship		Description of transaction	Transaction amount (million yen)	Classifi-cation	Year-end balance (million yen)
						Sharing of officers, etc.	Relationship with related parties				
Subsidiary of parent company	Hitachi Capital Corporation	Minato-ku, Tokyo	9,983	Credit and lease sales of electrical home appliances and commercial equipment, etc.	Direct: 2.0% Indirect: —	None	Factoring transactions, etc.	Factoring transactions, etc.	16,828	Accounts payable-trade	11,490

Notes: Terms of Transactions, Policy on Determining Terms of Transactions, etc.

1. Accounts payable-trade to Hitachi Capital Corporation include transactions settled by factoring for which a basic agreement has been concluded between the three parties, namely the Company, the Company's supplier and Hitachi Capital Corporation.
2. The above amount includes consumption tax, etc.

(3) Subsidiaries

Attribute	Name of company, etc.	Address	Capital (million yen)	Description of business or occupation	% of voting rights, etc. held by company	Nature of relationship		Description of transaction	Transaction amount (million yen)	Classifi-cation	Year-end balance (million yen)
						Sharing of officers, etc.	Relationship with related parties				
Subsidiary	Hitachi High-Tech Solutions Corporation	Chuo-ku, Tokyo	400	Design, manufacturing and sale of measuring equipment, etc. Development and sale of software	Direct: 100% Indirect: —	2 persons	Purchase of software, etc.	Deposit disbursed	900	Deposit received	5,100
								Payment of interest	11	Accrued expenses	0
Subsidiary	Hitachi High-Tech Materials Corporation	Minato-ku, Tokyo	200	Sales of energy, functional chemicals, etc.	Direct: 100% Indirect: —	None	Receipt of funds through pooling system	Receipt of funds	622	Deposit received	4,326
								Payment of interest	10	Accrued expenses	1
Subsidiary	Hitachi High-Tech Fielding Corporation	Shinjuku-ku, Tokyo	1,000	Maintenance services for semiconductor manufacturing equipment, analysis and measuring equipment, etc.	Direct: 100% Indirect: —	2 persons	Sale of service components, etc.	Sale of service components, etc.	20,960	Accounts receivable	6,795
								Receipt of funds	1,888	Deposit received	9,416
								Payment of interest	18	Accrued expenses	4
Subsidiary	Hitachi High-Tech Manufacturing & Service Corp.	Hitachinaka City, Ibaraki Prefecture	230	Manufacturing of clinical analyzers, and semiconductor-manufacturing equipment, etc.	Direct: 100% Indirect: —	1 person	Purchase of clinical analyzers, and semiconductor-manufacturing equipment, etc.	Provision for a fee of clinical analyzers, and semiconductor-manufacturing equipment, etc.	13,353	Accounts receivable-other	3,624
								Purchase of clinical analyzers, and semiconductor-manufacturing equipment, etc.	35,364	Accounts payable	5,909
								Receipt of funds	2,576	Deposit received	8,012
								Payment of interest	16		

Attribute	Name of company, etc.	Address	Capital (million yen)	Description of business or occupation	% of voting rights, etc. held by company	Nature of relationship		Description of transaction	Transaction amount (million yen)	Classifi-cation	Year-end balance (million yen)
						Sharing of officers, etc.	Relationship with related parties				
Subsidiary	Hitachi High-Tech Instruments Co., Ltd.	Kumagaya City, Saitama Prefecture	450	Design, manufacturing and maintenance services of semiconductor mounting systems and equipment related to post-processes in semiconductor manufacturing, etc.	Direct: 100% Indirect: —	None	Purchase of semiconductor mounting systems and equipment related to post-processes in semiconductor manufacturing, etc.	Collection of funds Interest received	1,586 44	Short-term loan receivables	12,554
Subsidiary	Hitachi High-Tech Fine Systems Corporation	Kodama-gun, Saitama Prefecture	1,485	Design, manufacturing, sales and maintenance services of electronics-related products and inspection equipment, etc.	Direct 100% Indirect —	2 persons	Provision of loans through pooling system	Provision of loans Receipt of interest	1,210 39	Short-term loans receivable	10,579
Subsidiary	Hitachi High Technologies America, Inc.	USA	USD 7,950 thousand	Sale of semiconductor manufacturing equipment, communication equipment, and industrial materials, etc.	Direct: 100% Indirect: —	1 persons	Sale of semiconductor manufacturing equipment, etc.	Sale of semiconductor manufacturing equipment, etc.	56,455	Accounts receivable Advances received	11,400 2,127
								Receipt of funds Payment of interest	4,154 15	Deposit received	7,243
Subsidiary	Hitachi High-Technologies Europe GmbH	Germany	EUR 3,129 thousand	Sale of semiconductor manufacturing equipment, clinical analyzers, etc.	Direct: 100% Indirect: —	1 person	Sale of semiconductor manufacturing equipment, clinical analyzers, etc.	Sale of semiconductor manufacturing equipment, clinical analyzers, etc.	64,803	Accounts receivable Advances received	6,873 109

Notes: Terms of Transactions, Policy on Determining Terms of Transactions, etc.

1. The terms of transactions for devices, equipment, etc. are determined based on individual negotiations, whereas the terms of sale of materials, etc. are determined based on price negotiations every period, in the same manner as the terms of ordinary transactions.
2. Deposits received and loans are subject to the basic agreement concluded between the Company and its subsidiaries. Funds are provided on a daily basis, and the amount of transactions represents the difference from the amount as at the end of the previous period. Interest is determined in consideration of the market interest rate.
3. Of the above amounts, transaction amount does NOT include consumption tax, etc., whereas the balance includes consumption tax, etc.
4. The Company has recorded a total of JPY16,708million as an allowance for doubtful receivables for subsidiaries. Additionally, a total of JPY1,779 million as provision for allowance for doubtful receivables has been recorded in this fiscal year under other deductions.

9. Notes on per share information

(1) Net assets per share: JPY1,732.89

(2) Amount of net income per share: JPY187.48

10. Notes on significant subsequent events

Not applicable.

11. Other information

Business combination (Corporate split)

Notes on business combinations have been omitted, as they have already been stated in “9. Other information (2) Business combination (Corporate split).”