

FY09 Financial Results

*Accomplishing Business Structural Reforms in FY09 &
Engineering a V-shaped Recovery for FY10*

April 26, 2010

 **Hitachi High-Technologies Corporation**

President, Chief Executive Officer
Hidehito Obayashi, Ph.D.

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FY09 Financial Results

I Outline of FY09

II FY10 Management Policy

III FY10 Outlook

IV Data

I Outline of FY09

(Note) YY/M denotes the year and month of the accounting period-end.

Outline of FY09 (Highlights)

(100 million yen)

	Results	YoY		vs. Previous Forecast	
		Increase/Decrease	Ratio	Increase/Decrease	Ratio
Sales	6,169	-1,581	-20%	+169	+3%
Operating Income	-16	-165	-	+37	-
Ordinary Income	-5	-170	-	+40	-
Net Income	-28	-99	-	+25	-
Net Income per Share	-20.55yen	-71.99yen		+17.98yen	
Cash Dividend per Share	15.00yen	-15.00yen		+5.00yen	
ROE	-1.2%		-4.2%		-
FIV	-122		-101		-
FCF	+141		+17		-

*Previous Forecast (Published values for Q3/Jan. 2010)

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4

■ FIV (Hitachi's economic value-added evaluation index)

FIV (Future Inspiration Value) = after-tax operating income - cost of capital

vs. Previous Forecast

1. Sales/Operating Income (Published values for Q3/Jan. 2010)

Sales (600.0Ybn → 616.9Ybn +16.9Ybn)

- Electronic Device Systems: Investment recovery for semiconductor manufacturing equipment led to the growth of 2.1Ybn
- Life Sciences : Favorable performance of clinical analyzers led to the growth of 2.0Ybn
- Information Systems & Electronic Components: Sales growth in mobile phone business for the U.S. market led to the growth of 5.0Ybn
- Advanced Industrial Products: Price rise for materials and demand recovery for automotive components led to the growth of 7.8Ybn

Operating Income (-5.3Ybn → -1.6Ybn +3.7Ybn)

- Electronic Device Systems: Sales growth in semiconductor manufacturing equipment and recovery in production operation led to the growth of 2.2Ybn
- Life Sciences: Favorable performance of clinical analyzers led to the growth of 0.8Ybn
- Information Systems & Electronic Components: Sales growth in mobile phone business for the U.S. market led to the growth of 0.5Ybn

2. Business Structural Reforms (Published values for Q2/Oct. 2010)

	Previous Forecast	Results	Increase/Decrease
Fixed Cost Reduction	-8.5Ybn	-8.5Ybn	±0Ybn
Proper disposition of employees	-1,450 employees	-1,500 employees	-50 employees

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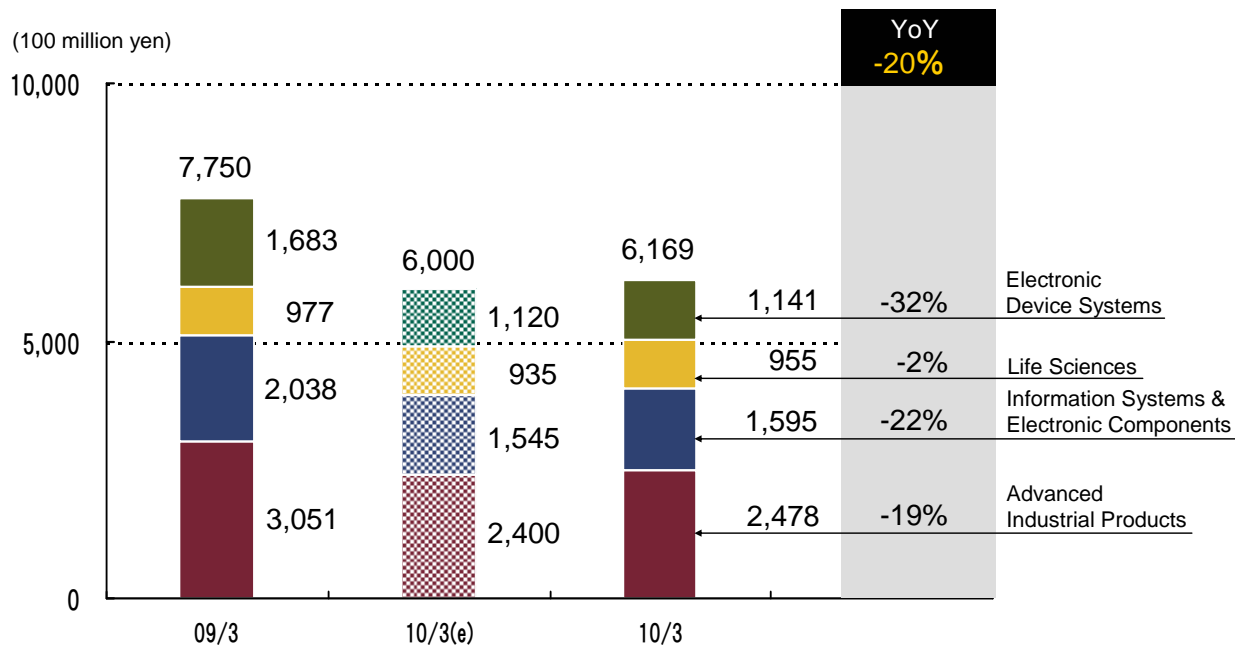
5

■ Sales/Operating Income

Explanation of deviations are shown above.

We revised our forecasts upward in light of the bottoming-out of the global recession and the recovery of investment in semiconductor manufacturing equipment.

Sales



(e) Previous Forecast (Published Values for Q3/Jan. 2010)

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6

■ Explanation of YoY Variations

• Electronic Device Systems

Declined 32% YoY as we stopped handling certain semiconductor manufacturing equipment (trading products) and customers curbed investment, mainly in LCD manufacturing equipment.

• Life Sciences

Declined 2% YoY overall. Although biotechnology-related business, products such as DNA sequencers remained firm, the decrease was attributable to decline in medical due to saturation of market for clinical chemistry and immunodiagnostic analyzers.

• Information Systems & Electronic Components

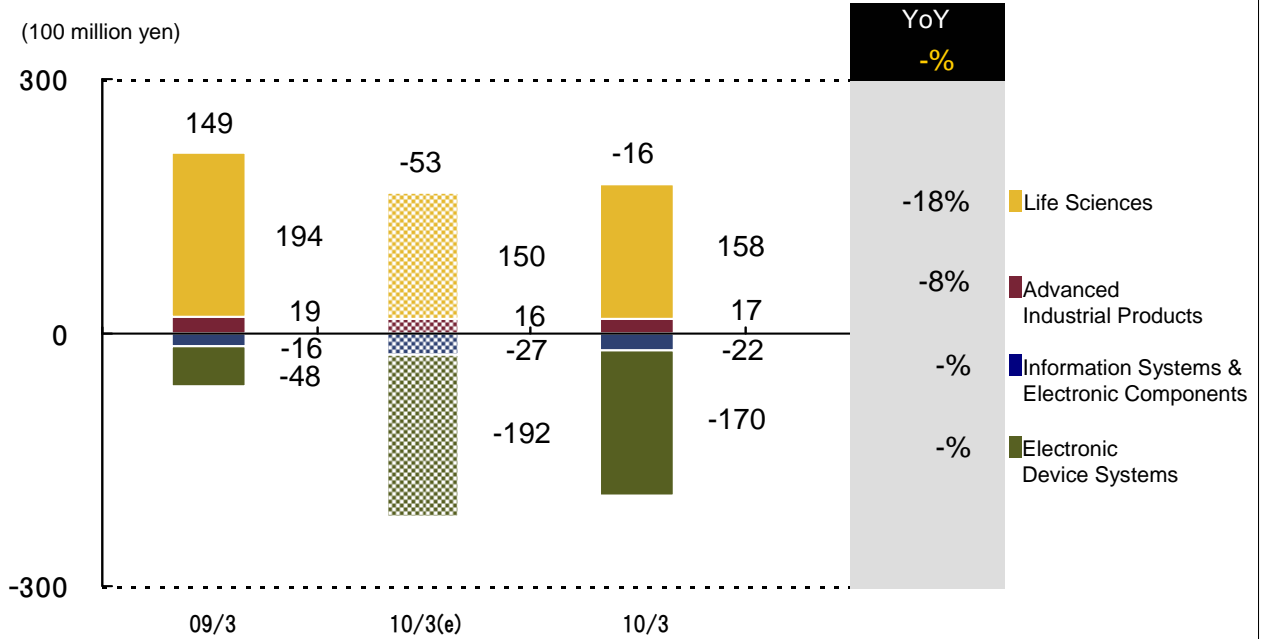
Declined 22% YoY due to such factors as curbed capital expenditure mainly in chip mounters as a result of the global economic deterioration and a decline in demand for information systems, semiconductor devices, and other products.

• Advanced Industrial Products

Except for certain trading products such as solar cell-related devices and materials, industrial materials and electronic materials saw sales decline 19% YoY.

Outline of FY09 (Operating Income by Segment)

Operating Income



(e) Previous Forecast (Published Values for Q3/Jan. 2010)

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7

■ Explanation of YoY Variations

Similar reasons as the sales can be said for the deterioration of operating income.

Outline of FY09 (Income Statement in Summary)

For the year ended March 31, 2010

(100 million yen)

	Results	YoY	
		Increase/Decrease	Ratio
Sales	6,169	-1,581	-20%
Cost of Sales	5,377	-1,330	-20%
Gross Profit	792	-250	-24%
Selling, General and Administrative Expenses	808	-85	-10%
Operating Income	-16	-165	-
Other Income	-19	-6	-25%
Other Expense	8	-2	-20%
Ordinary Income	-5	-170	-
Extraordinary Profit	6	-3	-35%
Extraordinary Loss	22	-13	-37%
Income Before Income Taxes and Minority Interests	-21	-160	-
Income Taxes	7	-61	-90
Net Income	-28	-99	-

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8

■ Points

- Selling, General and Administrative Expenses -8.5Ybn
(Personnel expense -2.6Ybn, Others -5.9Ybn)
- Other Income -0.6Ybn
(Dividends income -0.5Ybn, Others -0.2Ybn)
- Extraordinary Loss -1.3Ybn
(Losses on sale/devaluation of investment securities -0.5Ybn, Impairment losses -0.5Ybn, Restructuring charges -0.5Ybn, Others +0.2Ybn)

Outline of FY09 (Balance Sheet in Summary)

Year ended March 31, 2010

(100 million yen)

		vs. 09/3			vs. 09/3
Current Assets		3,248	-158	Current Liabilities	
Cash & Deposits/Deposit to Hitachi Group Cash Management Fund	1,017	+118	Notes & Accounts Payable	1,100	-38
Notes & Accounts Receivable	1,445	-98	Others	457	-74
Inventories	572	-148	Fixed Liabilities		259
Others	213	-30	Retirement and severance benefits	253	-1
Fixed Assets		863	-7	Others	6
Tangible Fixed Assets	559	-25	Net Assets		2,294
Intangible Fixed Assets	49	+7	Shareholder Capital	2,293	-56
Investments & Other Assets	254	+12	Assessments/Exchange Difference etc.	-1	+7
			Minority Interests	3	+0
Total Assets	4,110	-165	Total Liabilities & Shareholders' Equity		4,110
					-165

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9

■ Points (vs. year ended March 31, 2009)

• Current Assets

Inventories: -14.8Ybn

(Work in process -13.5Ybn, Others -1.3Ybn)

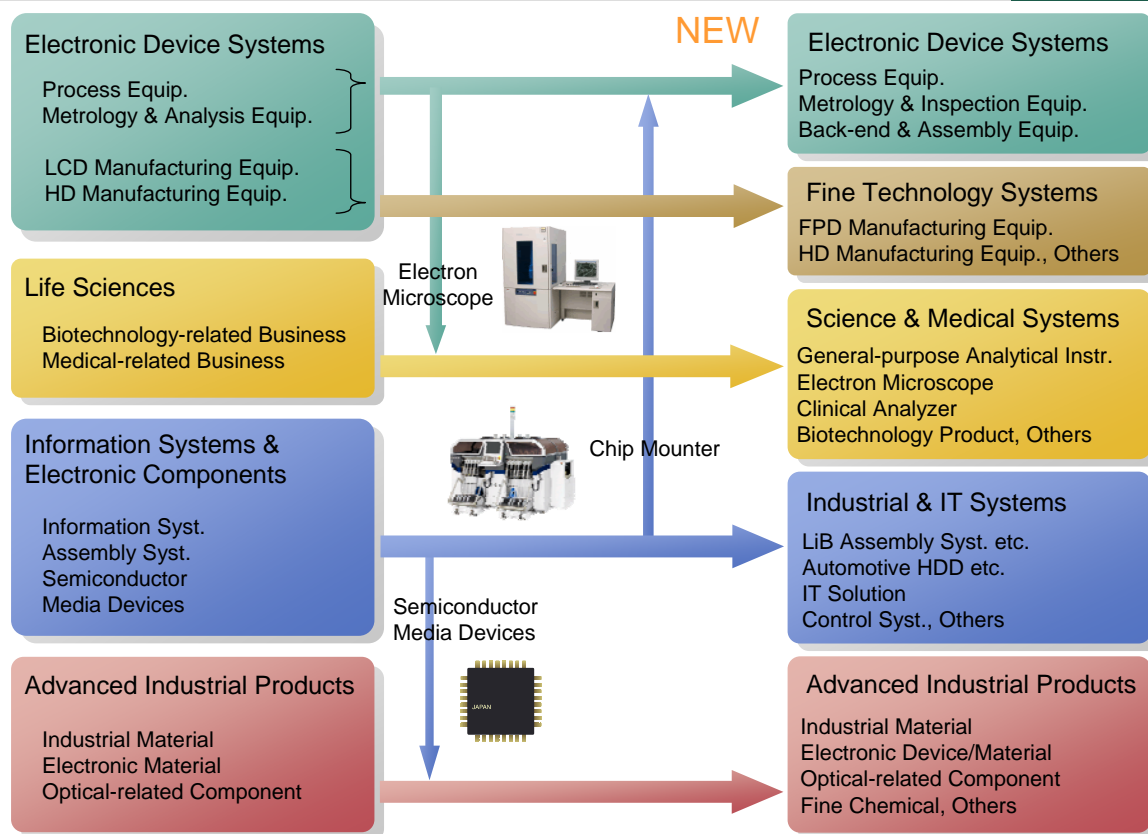
• Equity Ratio: 55.7% (+1.0%)

• Book-value per Share: 1,666.00yen (-35.74yen)

II

FY10 Management Policy

Changes in Segment Classification



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12

■ Changes in Segment Classification

From FY10 accounting standards will be changed and we will shift from our previous segments to segments based on Management Approach.

New segment (parentheses are old segment)

- Electronic Device Systems
Chip moulder (Information Systems & Electronic Components) is moved to Back-end & Assembly Equipment.
- Fine Technology Systems
Independent segment is established for LCD/HD Manufacturing Equipment (Electronic Device Systems).
- Science & Medical Systems
Electron Microscope (Electronic Device Systems) is moved to this segment.
- Industrial & IT Systems
Information Systems & Electronic Components changed its name after moving chip moulder, semiconductor and media devices.
- Advanced Industrial Products
Semiconductor and Media Devices (Information Systems & Electronic Components) are added.

*For details, please refer to "Restatement of FY09 Sales by Segment" (p.37)

Engineering a V-Shaped Recovery & Accelerating Growth Strategies

1. Steadily Implement Management Reforms

- Develop the new business creation initiative
- Transform into a truly global company
- Strengthen trading functions
- Strengthen cash flow management

2. Implement Business Strategy Adapted to the Changes in the Management Environment

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13

■ FY10 Management Policy

1. Steadily Implement Management Reforms

Under severe circumstances, active actions will be taken not only for temporary emergencies but also for future preparation.

2. Implement Business Strategy Adapted to the Changed in the Management Environment

Take the environment change caused by the Lehman Shock as a big paradigm shift and look over and update the company's strategies.

Develop the new business creation initiative



Transform into a true global company



Strengthen trading functions

- Established a new strategic planning division to control the trading divisions
(Strategic Function)
- Established the Energy & Environmental Solutions Div.
(Focus on Growing Fields)
- Promote transition to high value-added business
(Selection & Focus)

Strengthen cash flow management

Introduction of new management system
Promote expansion and regeneration (Triple C) of consolidated cash flow

Consolidation	Cash-Flow	Challenge !
-WW business consolidation -Promote integrated operation of manufacturing, sales and service	-Consolidated/divisional introduction of BS and CF	-Spiral up due to PDCA cycle -New business creation initiative

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14

■ Steadily Implement Management Reforms

1. Develop the new business creation initiative

- Started from FY09.
- The new businesses that will be tackled are ones that go beyond the bounds of existing operations and have the potential to become a pillar of the Hitachi High-Tech Group in the future.
- A new system, called C Pro, has been constructed. from FY10.C Pro is a company-wide project to implement the Hitachi High-Tech Group growth strategy. The "C" in C Pro represents both "Corporate" and "Challenge".

2. Transform into a true global company

Set a global grand design and accelerate company-wide actions mainly in the four subject mentioned in the diagram.

3. Strengthen trading functions

Promote acceleration of the trading division's portfolio reform and contribution to the Hitachi Group's Social Innovation Business.

4. Strengthen cash flow management

Take drastic measures from the cash flow perspective by reviewing the PDCA cycle and by utilizing IT effectively.

Segments	Management Environment	Business Strategy
Electronic Device Systems	<ul style="list-style-type: none"> • Semiconductor Manufacturing Market not expected to return to past peak levels • Push ahead with technological development geared toward further scaling • Shift added value from front-end to back-end processes (Near physical limits for front-end scaling) 	<ul style="list-style-type: none"> • Strengthen post-sales and move into non-semiconductor fields • Continue to introduce new products geared toward scaling • Cultivate back-end process and mounting systems as a source of revenue
Fine Technology Systems	<ul style="list-style-type: none"> • Intensifying price-competitiveness due to increasing China-oriented investment in the LCD manufacturing equipment market • Recover HD manufacturing market through enhanced density and increased production 	<ul style="list-style-type: none"> • Promote drastic cost cut • Shift resources to new products and businesses
Science & Medical Systems	<ul style="list-style-type: none"> • Gentle growth in the electron microscope market, rising need for new material analysis • Single-digit growth in markets for in vitro diagnostics and DNA sequencers • Growth in immunodiagnostics but clinical chemistry field saturated 	<ul style="list-style-type: none"> • Create synergies with the electronic microscope/ analytical business • Expand revenues by maintaining and deepening SCB* *System Collaboration Business • Expand business in growing markets such as genetics etc.
Industrial & IT Systems	<ul style="list-style-type: none"> • Rapid growth in the eco-vehicle (EV, HEV etc.), energy and environment (solar, wind power etc.) • Rise in the emerging markets 	<ul style="list-style-type: none"> • Focus on eco-vehicle, environment, and new energy-related markets • Expand high value added business through collaboration with proprietary product divisions • Expand business in the emerging market
Advanced Industrial Products		

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15

■ Implement Business Strategy Adapted to the Changes in the Management Environment

The framework of each segment's strategy is shown above.

Details will be explained later in this presentation.

III

FY10 Outlook

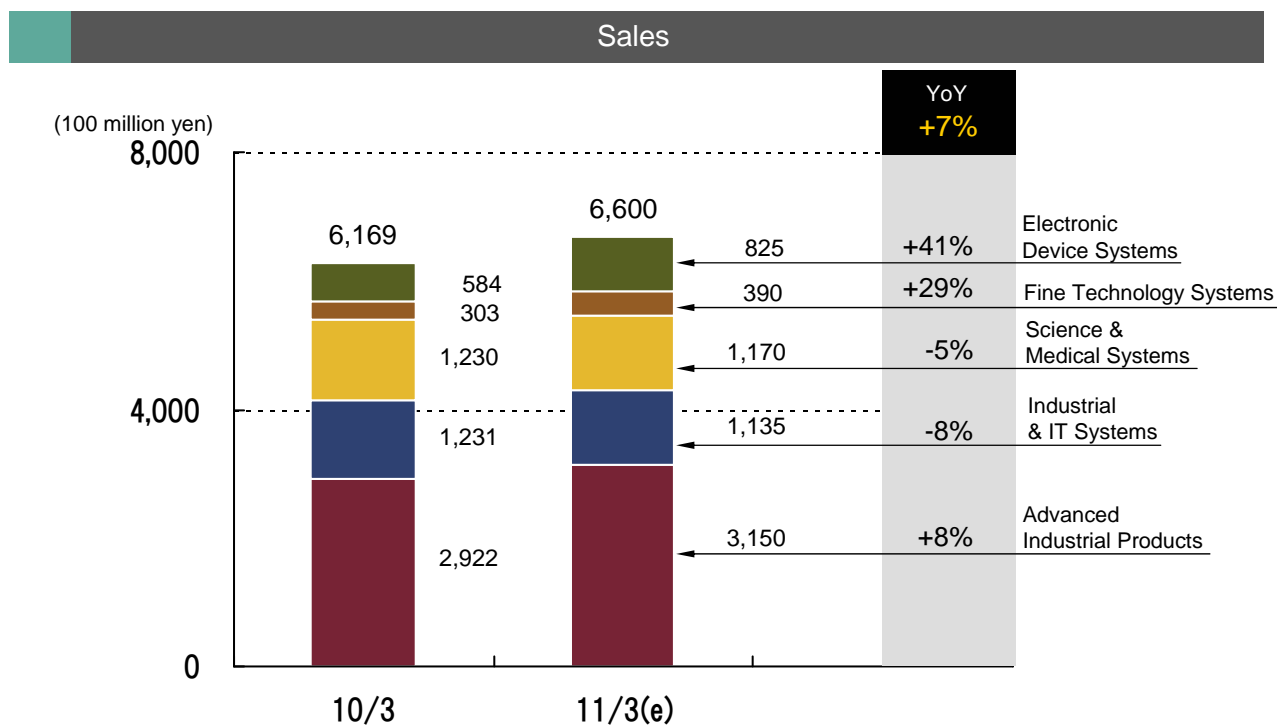
(Note) YY/M denotes the year and month of the accounting period-end.

FY10 Outlook (Highlights)

(100 million yen)

	FY10 Outlook	FY09 Results	YoY	
			Increase/Decrease	Ratio
Sales	6,600	6,169	+431	+7%
Operating Income	172	-16	+188	—
Ordinary Income	175	-5	+180	—
Net Income	106	-28	+134	—
Net Income per Share	77.07yen	-20.55yen	+97.62yen	
Cash Dividend per Share	20.00yen	15.00yen	+5.00yen	
ROE	4.6%	-1.2%	+5.8%	
FIV	-12	-122	+111	
FCF	+115	+141	-26	

FX Rate Estimate : 1USD= 85 yen
1EUR=125 yen

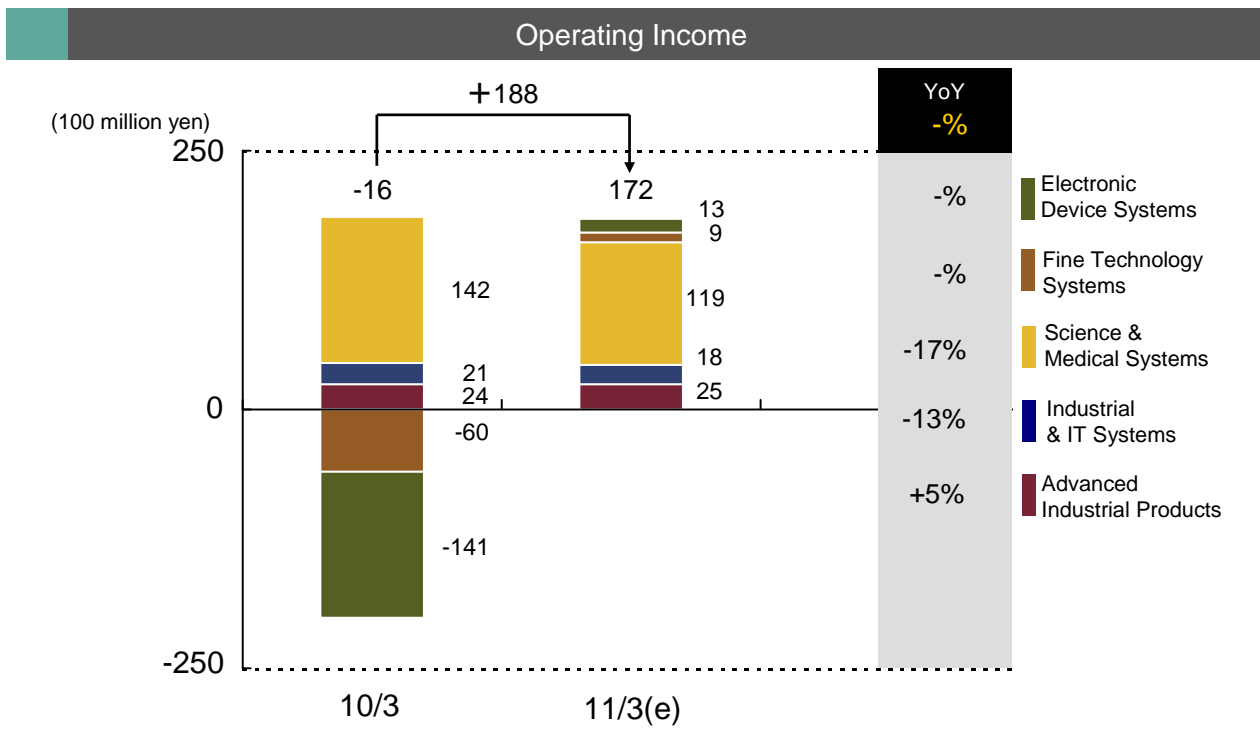


(note) Elimination such as intersegment transactions etc. are included in the totals

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■ Explanation of YoY Variations

- Electronic Device Systems**
 Expected to rise 41% YoY, in part due to resumption of investment in volume production by memory device manufacturers.
- Fine Technology Systems**
 Expected to rise 29% YoY on the back of invigorated investment mainly for LCD manufacturing equipment for China and HD manufacturing equipment, despite declines in LCD manufacturing equipment (including trading products) for Japan.
- Science & Medical Systems**
 Although semiconductor and new energy-related field demand for analytical systems and other products continues to recover, expected to decline 5% YoY due to absence of supplementary budget projects enacted in FY09.
- Industrial & IT Systems**
 Expected to decline 8% YoY, despite recovery in assembly systems and products for eco-friendly autos, due to such factors as decline in demand for current models in U.S. mobile phone business.
- Advanced Industrial Products**
 Expected to rise 8% YoY, due to the price rise for materials and recovery in demands for automotive-related components.



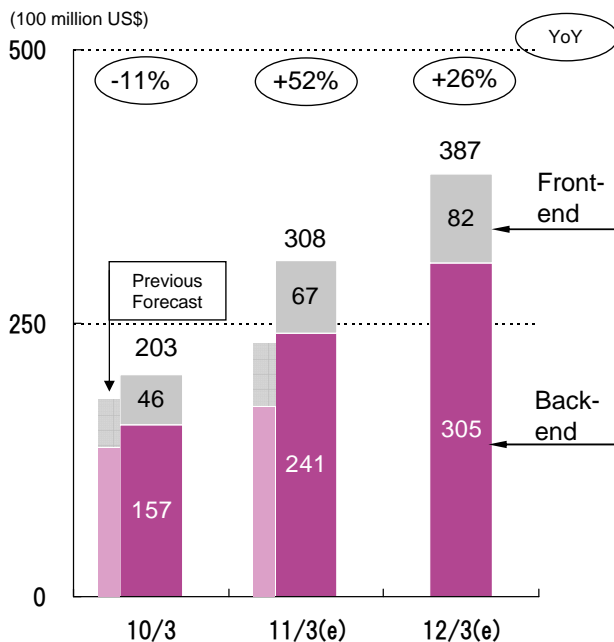
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■ Explanation of YoY Variations

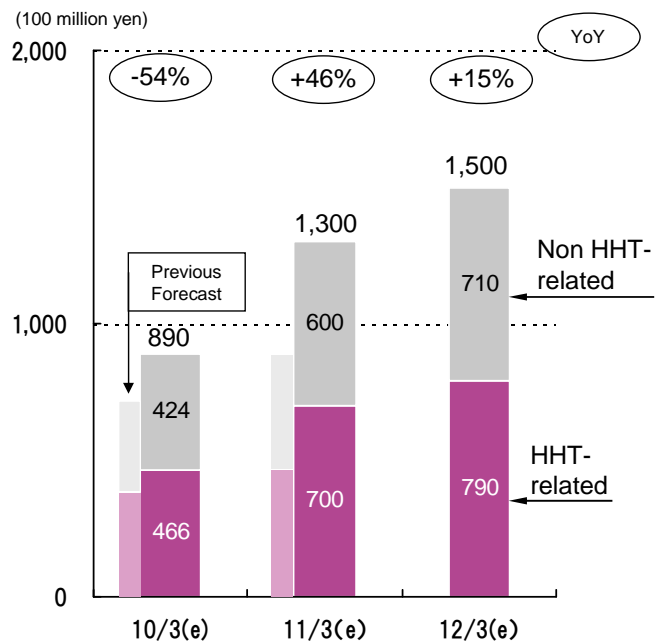
Similar reasons as the sales can be said for improvement in operating income.

Semiconductor Manufacturing Equipment Market



(Source) Gartner (Mar. 2010)/HHT's estimation
Previous forecast is based on Gartner (Sep. 2009)/HHT's estimation

Assembly Equipment Market



(Source) Created by HHT, based on Japan Robot Association's data (Dec. 2009)
Previous forecast is based on published values for Q2/Oct. 2009

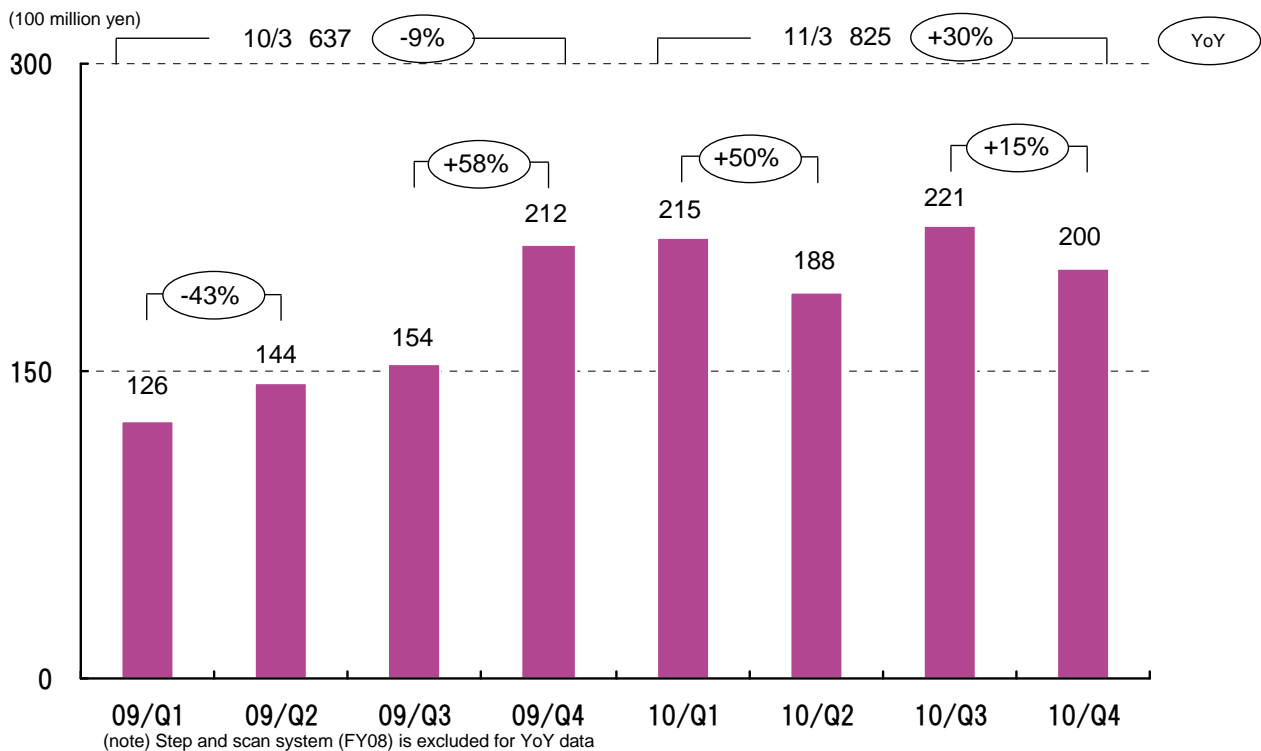
■ Circumstances of the Semiconductor Manufacturing Equipment Market

- FY09: The semiconductor and semiconductor manufacturing equipment markets both contracted during the first six months amid an environment of global economic recession. In 2H of the year, the application market recovered, centered on notebook PCs and smartphones, leading to a recovery of both markets. However, growth was negative 11%.
- FY10: Demand for applications will remain strong. High growth anticipated for the semiconductor market, primarily memory devices. Significant positive 52% growth forecast as semiconductor manufacturers who had been holding off on investment actively launch investment in 2H.

■ Circumstances of the Assembly Equipment Market

- FY09: Significant negative 54% growth even as the slowdown in capital expenditure hit bottom and demand expanded in late FY09, particularly for Asia.
- FY10: Recovery in demand for mounting equipment expected to grow even stronger in 1H, particularly in Asia. Significant positive 46% growth forecast despite uncertainty about trends in 2H.

Changes in Order Received



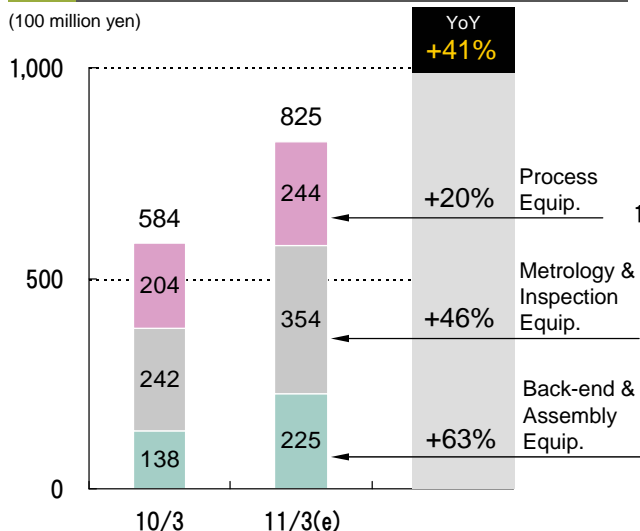
■ Circumstances of Orders Received

- 10/1H: Orders will remain at the high levels seen in FY09 2H thanks to resumption of capital expenditure to enable production increases, mainly for major overseas semiconductor manufacturers and back-end process and mounting in Asia. Even with a lull in orders in Q2, expected to rise 10% compared to FY09 2H, and 50% YoY.
- 10/2H: Orders will rise, driven by investment in memory device and MPU manufacturers expected to rise 4% compared to FY10 1H, and 15% YoY.

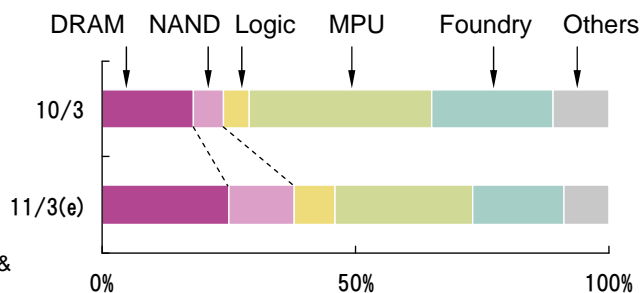
FY10 Strategies

1. Put in effort to growing fields
2. Take capital expenditures by strengthening technologies in scaling and in our unique areas of superiority

Sales Change in Main Business



Sales Ratio by Fields (Front-end Equip.)



FY09: Secured sales to MPU makers amid overall market contraction
 FY10: Proportion of DRAM, NAND back to FY08 levels as memory device manufacturers resume investment

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22

■ FY10 Strategies

1. Put in effort to growing fields
 - Promote expansion of sales for NAND, ASSP, DRAM and MPU along with growth in smartphones, netbooks and other notebook PCs, and flat-screen TVs.
 - Grow sales in response to back-end process, expansion to emerging economies.
2. Take capital expenditures by strengthening technologies in scaling and in our unique areas of superiority
 - Focus on double patterning, computational lithography application, advanced gate etching, non-volatile material devices, systematic defect inspection, etc.

■ Explanations of YoY Deviations

Process Equipment

- Resumption of Capex by major logic, foundry and memory device customers leads to +20%.

Metrology & Inspection Equipment

- Both Asia and Japan markets are expected to remain firm until 2H, but we will pay attention to risk factors such as the sustainability of economic stimulus measures and expect +46%.
 CD-SEM: Increase due to continued investment towards scaling and expanding scale of volume production from 2H of FY09.
 Inspection Equipment: Expect resumption of Capex by materials and equipment manufacturers in addition to device manufacturers.

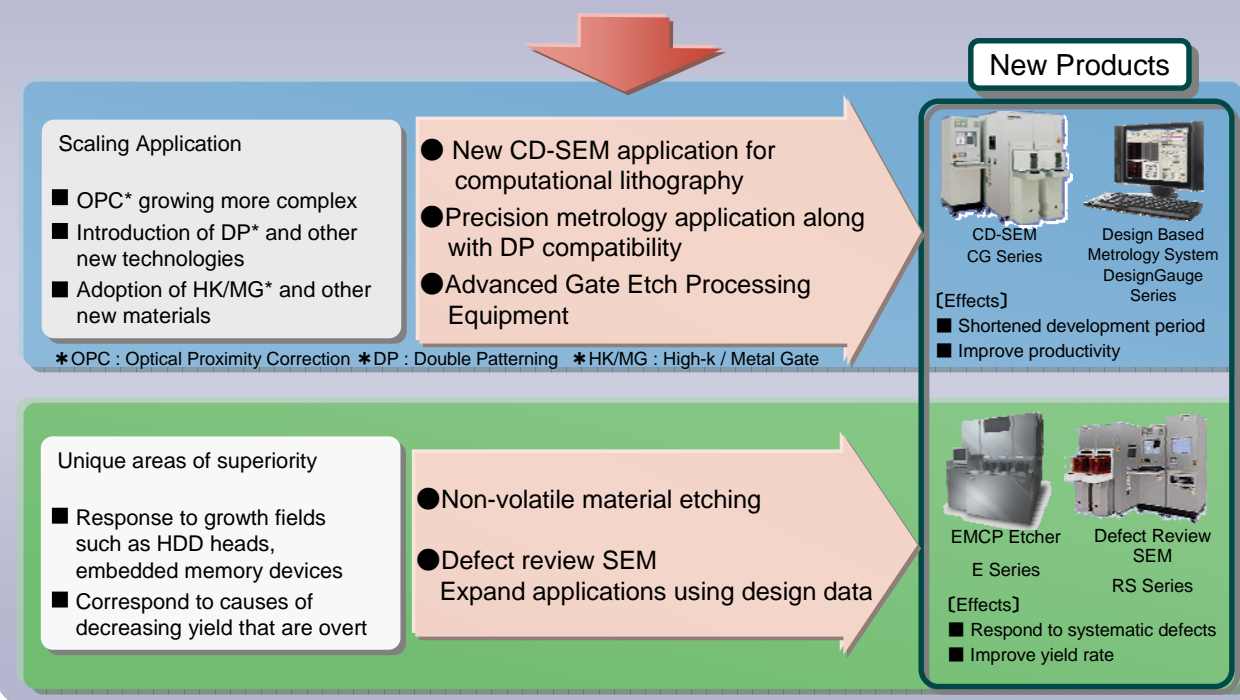
Back-end & Assembly Equipment

- Investment will remain firm, centered around China. Expect to invest to increase production due to increase in number of chips and chip laminate resulting in +63%.

■ Sales Ratio by Field (Front-end Equipment)

- High sales to foundry in FY09, with sales expected to be on an even greater scale in FY10. Relatively higher proportion of DRAM/NAND in FY10 due to resumption of investment by memory device manufacturers .

Resumption of Investment by Semiconductor Manufacturers (DRAM, NAND, MPU, ASSP)



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23

■ Market Trends

Focus on growing DRAM, NAND, MPU and ASSP manufacturers.

■ Market and Customer Demands

Scaling application

- As devices scale down, lithography process becomes more difficult. Introduce complex new technologies such as OPC and DP (double patterning).
- Adopt new materials (HK/MG) to improve device performance. Increase in degree of processing difficulty.

Unique areas of superiority

- Strengthen efforts for HDD heads, embedded memory and other devices expected to grow.
- Manufacturing process likelihood more difficult, becoming a major cause of the sudden increase in design-related systematic defects, decline in yield rate; difficult to inspect. Strengthen measures against this type of non visible defect.

■ Response Measures

- Provide new CD-SEM application for computational lithography. Promote collaboration with EDA vendors.
- Provide new precision metrology application along with DP compatibility.
- Provide etching system with advanced gate process for new materials and non-volatile materials.
- Expand use of applications using DesignGauge design information to other inspection devices, contribute to early discovery of defects.

Make capital expenditures to shorten development period of semiconductor manufacturers, improve productivity, and contribute to improvements in yield rate.

● Expand the back-end memory device market

Expand NAND Application

High Capacity Application

- High integration 3D mounting

DRAM for High-end Products

High Speed Transmitting Application

- New type package

- Adoption of thin film handling control system
- High precision matching multi-layered application
- High speed bonding application for flip chip



(NAND/SiP)
DB-800 series



(DRAM)
CM-700 series

[Effects]

- Cut production cost
- Improve quality & reliability

● Expand the SMT market

Diversification in Components

- Multi-breed
- Becoming compact/thin

High speed/precision Assembly

- High productivity
- High reliability

Expand to Emerging Areas

- High quality
- Easy operation

- Adoption of easy arrangement and high speed head exchange application for multi-breed
- State of the art mechatronics and control technology application
- Smart operation system for high efficient production



Modular Mounter
G4



G5



Printing Equip.
P4

[Effects]

- Flexible production
- Reduce downtime

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24

■ Market Trends (Back-end)

- Back-end market will grow in the memory device field in FY10.
- In the memory field, starting with smartphones, NAND will become highly capacitated and DRAM's transmitting speed will improve for high-end servers/PCs.
- In order to realize the above trends, new technologies such as 3D mounting and new type packaging is promoted.

■ Response Measures

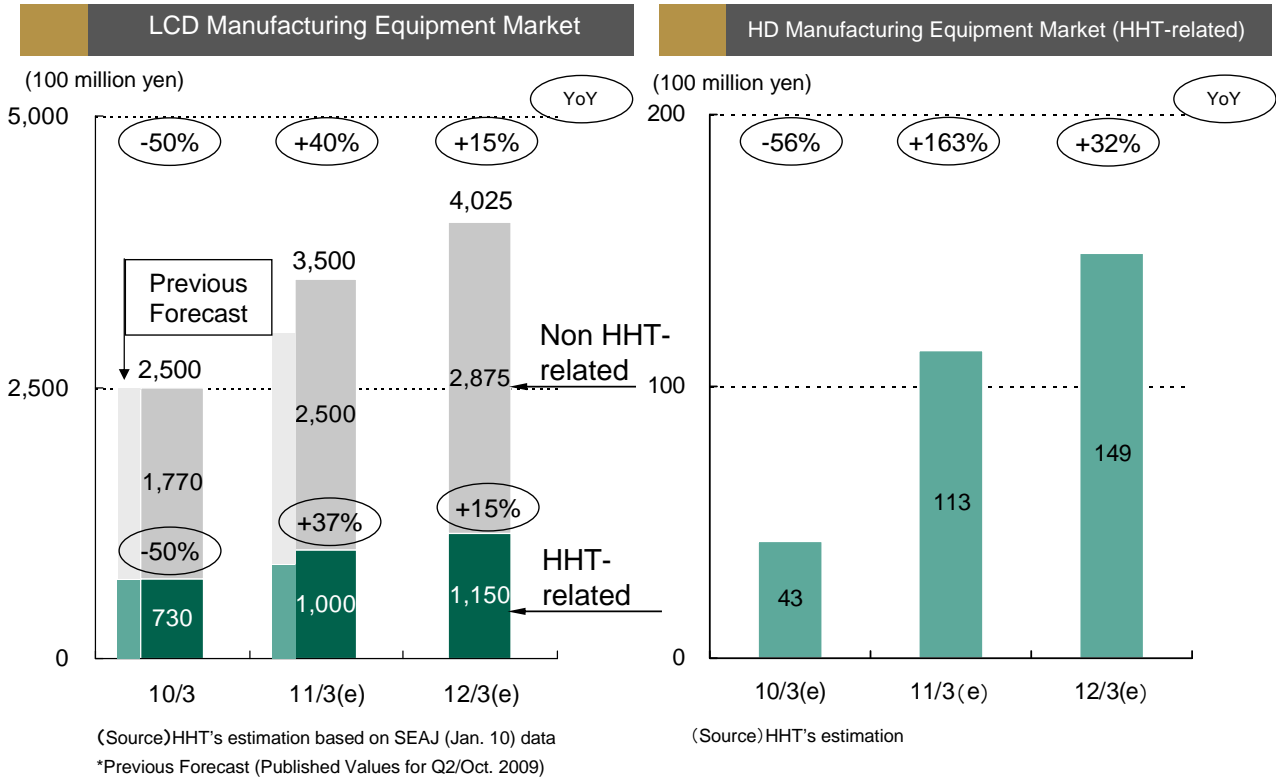
- From April 1, 2010, we merged the die bonder business of Renesas Eastern Japan Semiconductor, Inc. into Hitachi High-Tech Instruments Co., Ltd. in order to strengthen and accelerate synergies in development, design, and manufacturing.
- Plan to introduce groundbreaking equipments with new technologies.

■ Market Trends (SMT)

- Must correspond to devices becoming more compact, multi-functional and high functional by high density mounting.
- Expand sales starting from China and the Asian region, South America and emerging countries.

■ Response Measures

- Launch new equipment corresponded to diversifying components.
- Shorten exchange time for head, component supply tray etc., improve easiness to change the type of products, improve easiness of operation.
- Realize high-operation rate by creating direct drive head and linear motor loaded with state of the art mechatronics and control technology in order to correspond to high-speed, high-density mounting.
- Adoption of the smart operation system that improves maintenance by easy operation due to batch control system.



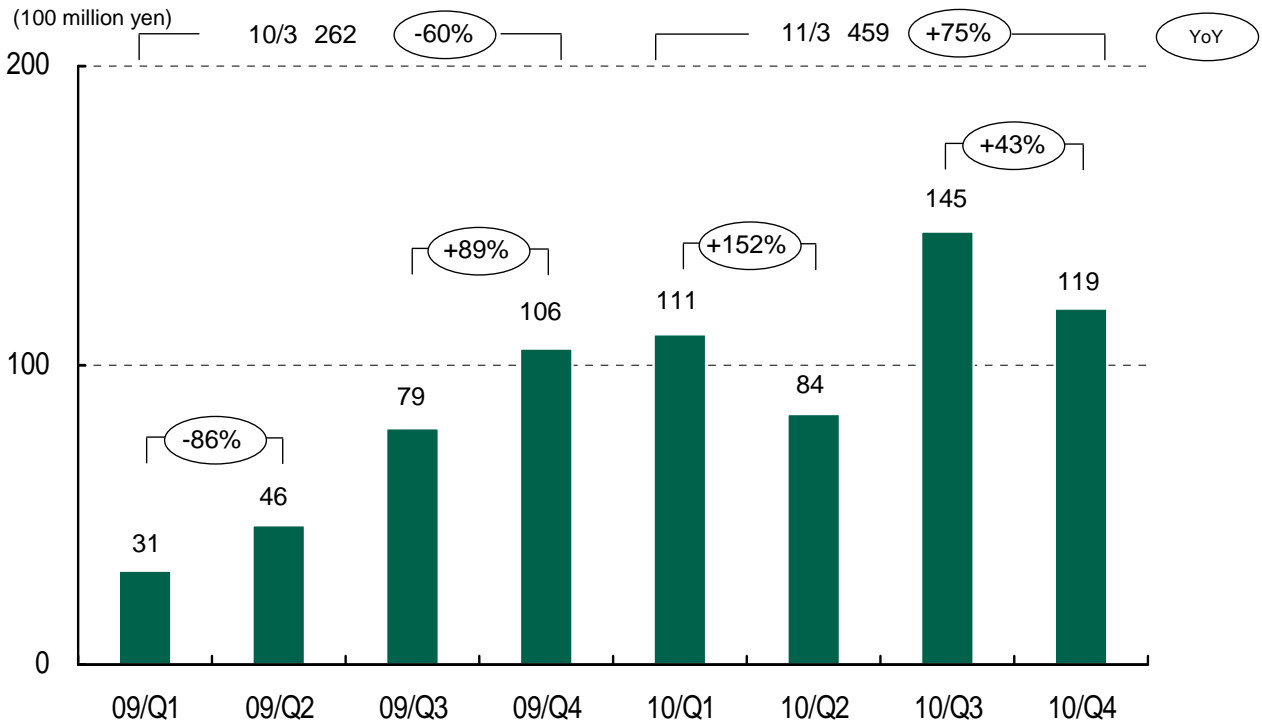
■ Circumstances of the LCD Manufacturing Equipment Market

- FY09: Conditions in 1H were extremely severe as a result of cancellations or delays of investment plans by various companies under the impact of the economic crisis of the later half of 2008. In 2H of FY09, sales of LCD televisions were strong due in part to measures to raise domestic demand in China. Although this resulted in higher operating rates for panel manufacturers, there was little impact on the equipment market, and growth was negative 50%.
- FY10: Positive 40% growth expected as Chinese panel manufacturers, as well as major panel manufacturers in Japan, South Korea and Taiwan region, consider opening new factories in anticipation of demand from China and other emerging economies.

■ Circumstances of the HD Manufacturing Equipment Market

- FY09: Although the HD industry as a whole was stagnant in 1H under the impact of the global economic slump, demand recovered in 2H against the backdrop of growth in the PC and consumer markets. Equipment showed negative 56% growth, centering on small-scale investments such as those related to improving productivity or quality.
- FY10: In addition to demand in emerging economies, demand in the PC and consumer markets will continue to grow. We anticipate investments to boost production, mainly from disk and substrate manufacturers, and expect significant positive 163% growth.

Changes in Orders Received



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26

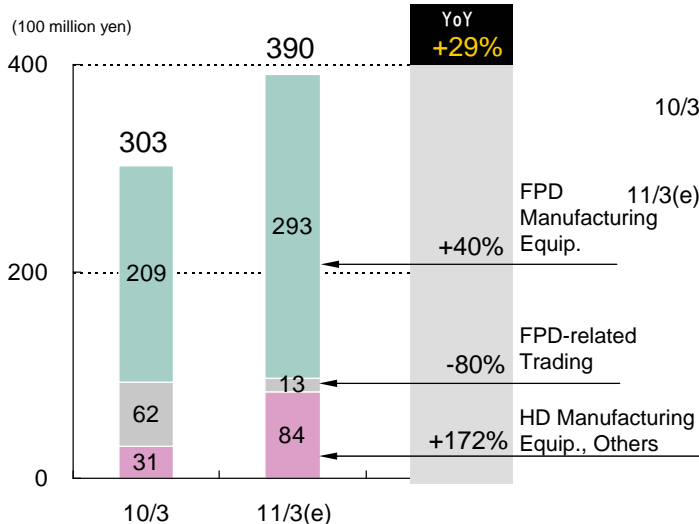
■ Circumstances of Orders Received

- 10/1H: Expected to increase YoY 152% and 5% compared to FY09 2H due to capital expenditure in LCD front-end processing in China and South Korea
- 10/2H: Expected to increase YoY 43% and 35% compared to FY10 1H due to continued investment in front-end processing for LCD as well as the start of investment in back-end processing

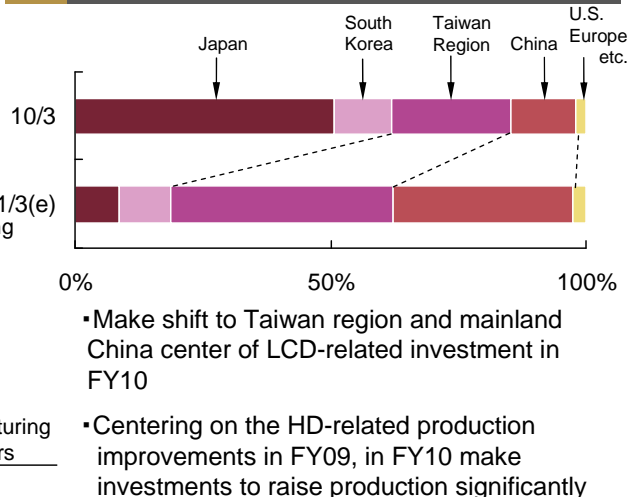
FY10 Strategies

1. Expand business by raising competitiveness of existing products and introducing new products (new-type LCD assembly system / HD inspection equipment)
2. Acceleration of development of new business (OLED manufacturing / inspection equipment)
3. Shift to a business structure that adapts to market changes (strengthen sales power in China/improve cost-competitiveness)

Sales Changes in main products



Sales Ratio by Region (LCD-related equip.)



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27

■ FY10 Strategies

1. Expand business by raising competitiveness of existing products and introducing new products 1) LCD-related
 - Enter the market for high-productivity/high-precision new-type assembly system
- 2) HD-related
 - Bring new products to market
 - Optical disk tester
 - Head element configuration inspection system
 - Improve functionality of surface inspection equipment for substrates
2. Acceleration of development of new business
 - Plan to commercialize manufacturing and inspection equipment for OLED in FY11
3. Shift to a business structure that adapts to market changes
 - 1) Shift sales capabilities to LCD growth markets (China)
 - 2) Strengthen cost-competitiveness and enable quick turnaround through procurement and production system reforms

■ Explanation of YoY Variations

FPD Manufacturing Equipment


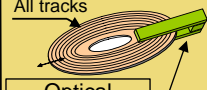
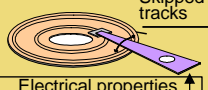
- 40% increase thanks to resumption of capital expenditure in front-end processing of LCD panel manufacturers in China / Taiwan region (proprietary products)

HD Manufacturing Equipment

- 172% increase by the effect of investment to increasing production by raising HDD demand


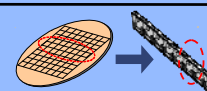
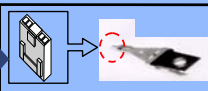
HD inspection: New Concept Leads to Breakthrough

[Optical patterned media inspection system] Improve quality and reduce inspection cost by inspecting entire disk

	New concept device	Conventional device
 <p>Optical patterned media inspection system</p>	 <p>All tracks Optical inspection</p>	 <p>Skipped tracks Electrical properties inspection (inspection head)</p>
Inspection format		
Inspection area	Total surface inspection (quality improvement)	1% of all tracks
Consumables	No need for inspection head (reduce inspection cost)	Use inspection head

Expand market share 20% up

[Head element configuration inspection system] Improve productivity through inspections in the head assembly front-end process

	New concept device	Conventional device
 <p>Head element configuration inspection system</p>	 <p>Wafer Cut</p>	 <p>Slider Assembly</p>
Head assembly		
Inspection format	Measurement of head element configuration	Measurement of electrical properties
Special features	Inspect in front-end Process (improve yield rate/reduce cost)	Final assembly process inspection

Create new markets for head inspection

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■ Market Needs Going Forward

Improve quality and productivity through increased density

Disk field

- Expand market share by introducing a tester that inspects all tracks of all disks quickly and with low running cost by adopting new optical inspection format

Head field

- Create new markets by introducing equipment that significantly improves productivity by conducting inspection in upstream processes

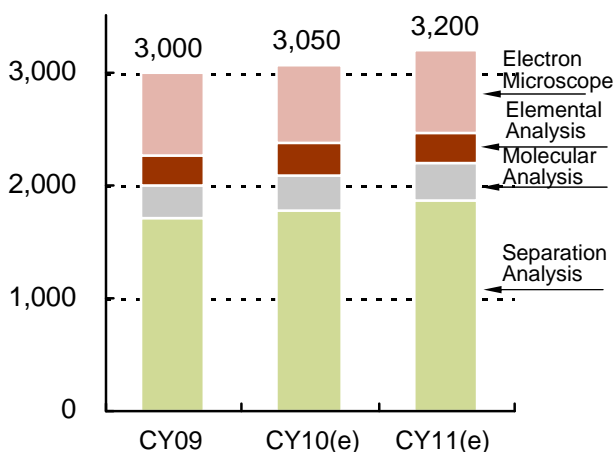
FY10 Strategies

1. Actively expand sales into growth markets (fuel cell, PV, LED, pharmacy, etc.)
2. Strengthen sales of electron microscope to biotech customers and general analysis systems to semiconductors and parts and materials customers

Overview of Analytical Instruments Market (HHT-related)

(100 million yen) (Based on Sales)

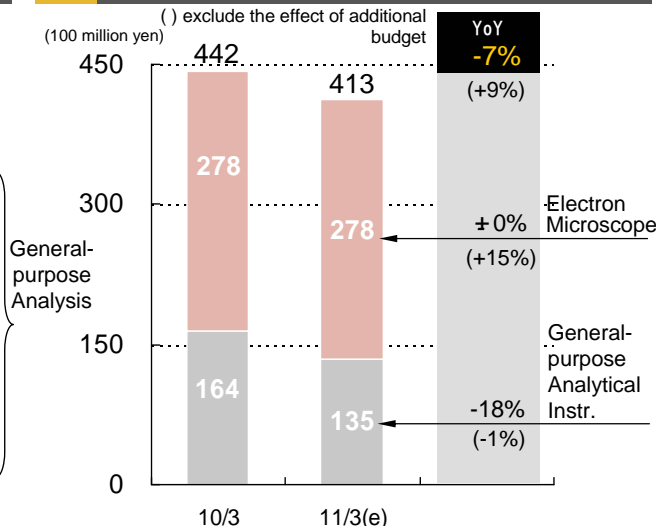
CAGR 3%



(Source)HHT's estimation based on SDI Global Assessment Report 10.5 Edition data, etc.

Changes in Sales

(100 million yen) () exclude the effect of additional budget



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29

■ FY10 Strategies

- Actively expand sales into growth markets by developing and enhancing applications and solutions (fuel cell, PV, LED, pharmacy, etc.)
- Strengthen customer coverage rate through effective use of resources (strengthen sales of electronic microscope to chemical/biotech customers, strengthen sales of general analysis systems to semiconductors and parts and materials customers, share sales distributors, etc.)

■ Circumstances of the Market

- FY09: The trend for restraint in capital expenditure by manufacturers of electric devices, automotive, semiconductors, displays and related parts and materials rose due to the economic slowdown. In overseas markets, the situation was severe, with continued restraint in private sector capital expenditure and purchasing, delays in the implementation of economic stimulus measures. In 2H, the Company benefited from implementation of additional budgets.
- FY10: Although capital expenditure by general companies remains low, it is picking up in fields such as semiconductors and LiB materials. In general purpose analysis, molecular and elemental analysis related products are on a par, but growth is expected in separation analysis, centering on liquid chromatographs

■ Explanation of YoY Variations (exclude the effect of additional budget)

Electron Microscope

- YoY 15% increase along with sales of new products and recovery of demand in markets for semiconductors and parts and materials

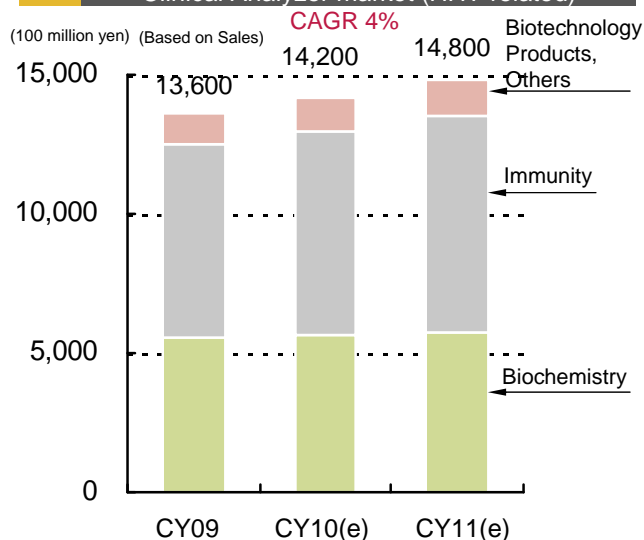
General-purpose analytical Instrument

- YoY 1% decrease after compensating for stagnant private-sector demand through such measures as strengthening sales of liquid chromatographs (separation analysis) in the pharmaceutical field and expanding sales of spectrophotometers (molecular analysis) for the electronics market

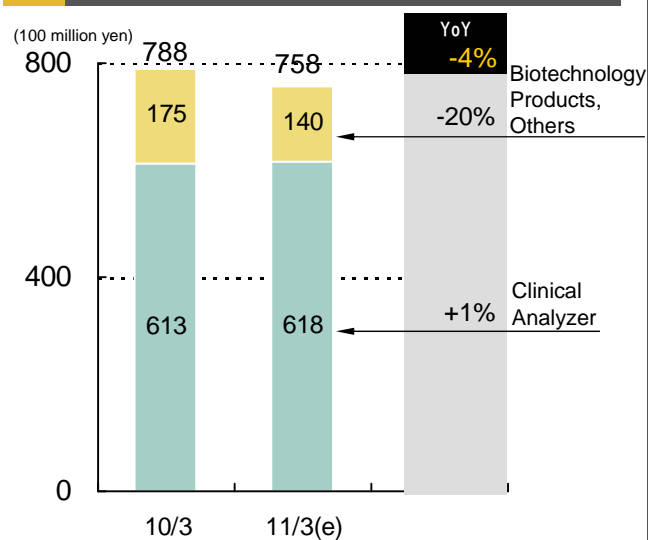
FY10 Strategies

1. Promote SCB with leading companies (SCB: System Collaboration Business)
2. Promote equipment & reagent sales (China / Japan)

Overview of Biotechnology / Clinical Analyzer market (HHT-related)



Changes in Sales



■FY10 Strategies

- Promote SCB with leading companies (biochemistry, immunity, gene, etc.)
- Promote equipment & reagent sales. Expanding domestic Japanese sales of tools for testing HbA1c, one of the factor tested for in metabolic syndrome diagnosis)
*HbA1c: Hemoglobin A1C
- Promote application for DNA sequencers in diagnostic fields and development of next-generation devices

■Circumstances of the Market

- FY09 / FY10: Hospital management environments will deteriorate due to continued restraint in medical expenses leading to increased outsourcing to testing centers. Competition will intensify due to increasing emphasis on cost as a result of independent incorporation of national universities and hospitals. At the same time, there will be a continuously growing need for high-efficiency, high-quality devices. In the immunodiagnostic field, growth of 5% is expected, while the biochemistry field is expected to remain flat. DNA sequencers will growth 6%. Demand will grow in the genome research field, centering around next-generation devices, and the applied market for currently available devices will be comparatively strong.

■Explanation of YoY Variations

- 4% decrease despite working to recover by launching sales of new large-size clinical chemistry and immunodiagnostic systems in reaction to slow down of introduction of pre-analytical process automation systems at large-scale overseas hospitals and the large-lot orders of DNA sequencers in FY09.

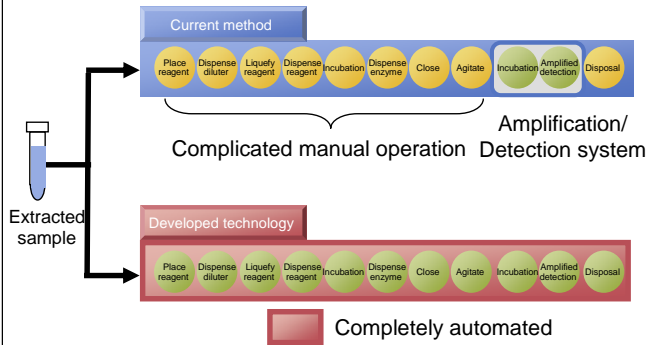
Automated Platform Technology for Genetic Testing - Promote SCB with leading companies -

What is Genetic Testing?

Genetic testing enables early detection and treatment of infectious disease and other illnesses by measuring the type of genes (nucleic acid) in pathogenic organisms and the level of contamination.

Special Features of the Technology

1. Complete automation of a complicated manual operations



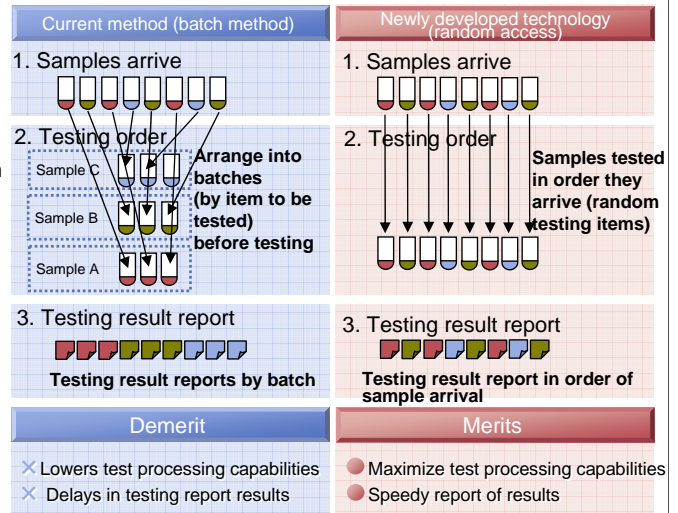
Going Forward

- Promote collaboration with reagent manufacturers
- Plan to bring to market in FY11 (the research market)

Example: Infectious Disease Testing

Genetic Testing	Operability	Speed of Report
Current Method	×	△
Newly Developed Technology	○	○

2. Speedy report using random access



What Is Genetic Testing?

Genetic testing enables early detection and treatment of infectious disease and other illnesses by measuring the type of genes (nucleic acid) in pathogenic organisms and the level of contamination

Example:

By automating testing process, achieved improved operability and saves labor compared to current gene testing. The addition of random access also improves testing workflow, enabling speedy reports of test results

Special Features of the Technology

1. Complete automation of a complicated manual operations
Enables complete automation of testing procedures
2. Speedy report using random access

In the current batch method, after samples are delivered to the laboratory they are arranged by testing item and then tested in a batch. This results in issues of processing capability and delayed testing result reports.

This recently developed technology does not change the order of the testing samples one by one, but instead adopts a random access format in which testing can begin from a single specimen unit in the order in which they were delivered to the laboratory

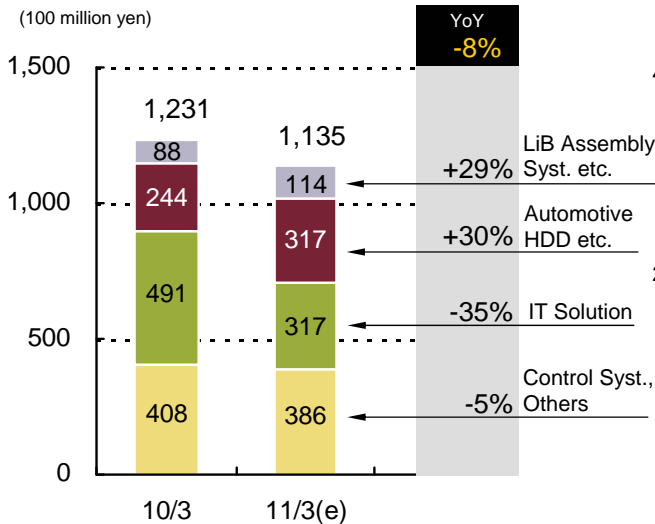
Going Forward

- Promote collaboration with reagent manufacturers, aiming to promote SCB (system collaboration business) in the genetic field
- Plan to bring to academic market in FY11

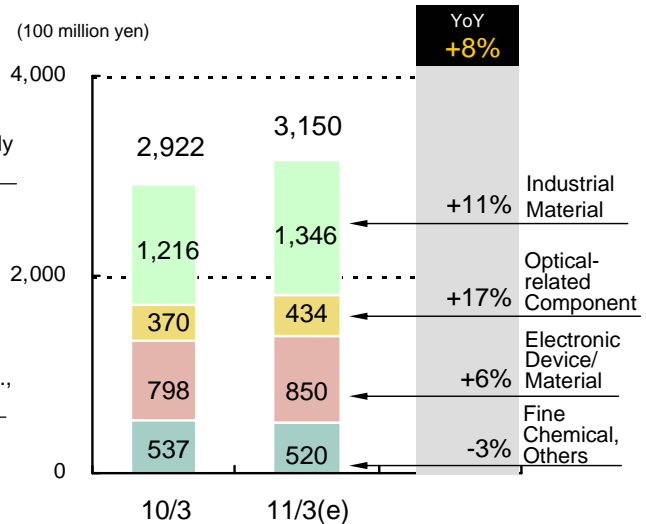
FY10 Strategies

1. Expansion of Energy & Environmental Business (PV, LiB, etc.)
2. Acceleration businesses in developing regions (BRICs – VISTA)

Changes in Sales (Industrial & IT Systems)



Changes in Sales (Advanced Industrial Products)



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32

■FY10 Strategies

1. Expansion of environmental business
→PV-related equipment business by establishing strategic partnership with XeroCoat, Inc. in U.S.
2. Acceleration business strategies in developing regions (BRICs – VISTA)

■Explanation of YoY Variations

Industrial & IT Systems

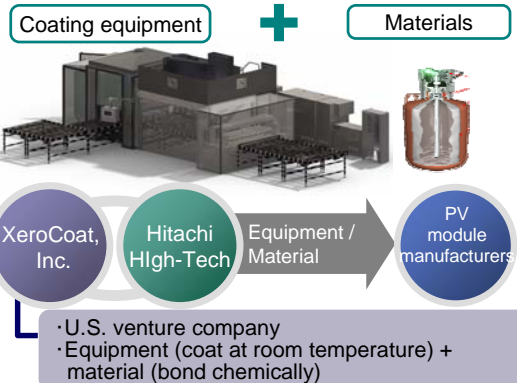
- LiB Assembly Systems etc. expected to rise 29% due to sales of products such as assembly systems for LiB as a result of the spread of eco-friendly vehicles.
- Automotive HDD etc. expected to rise 30% due to increased share of HDDs and rise in battery components and materials.
- IT solution expected to decline 35% amid decline in demand for current models in U.S. mobile handsets, despite introduction of new models in 2H.

Advanced Industrial Products

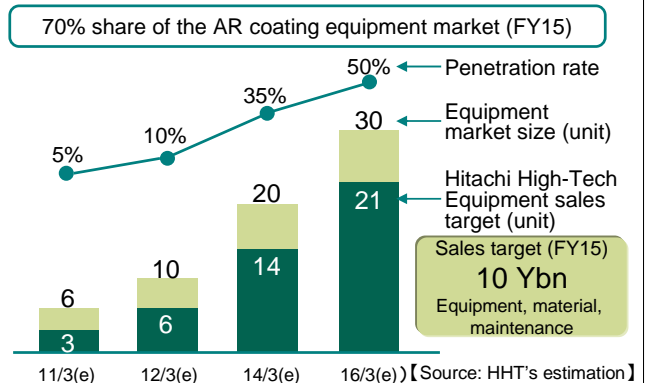
- Industrial Materials expected to increase 11% as a result of expected rise in transactions in iron, steel, plastics and other materials due to increases in volume and price of materials stemming from global economic recovery.
- Optical-related Component expected to grow 17% as new Asian customers' businesses are launched.
- Sales of Electronic Device/Material expected to rise 6% on expected rise in sales of silicon wafers as customers boost production as a result of improvements in the semiconductor market.

Expansion of PV Equipment and Material Business (Establish strategic partnership with XeroCoat)

Anti-reflective(AR) coating equipment and material for PV



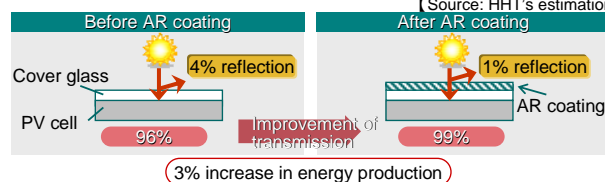
Business Target



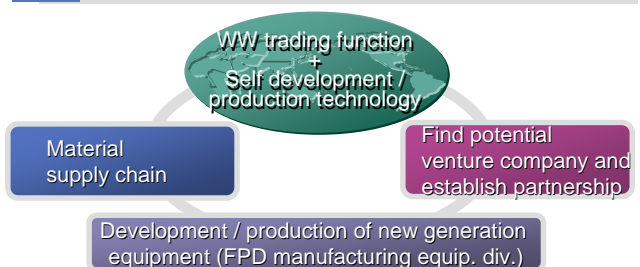
Technology comparison

Method	XeroCoat, Inc.	Sputtering/CVD	Etching	Sol-Gel
Efficiency	○	○	△	△
Easy processing	○	×	×	×
Coating price	200¥/m ²	400¥/m ²	500¥/m ²	600¥/m ²

(Source: HHT's estimation)



Synergy among Trading and Manufacturing Function



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33

■ Anti-Reflective Coating Equipment and Materials for PV

- Establish strategic partnership with XeroCoat, Inc., a U.S. venture company in its unique AR coating equipment and materials for PV

■ Technology Comparison

- Coating price is low compared to other solutions thanks to easy manufacturing process
- 3% improvement in energy production by introducing AR coating. Attractive solution for PV module manufacturers that require greater efficiency in power generation

■ Business Target

- 70% target share of the AR coating equipment market
- Aim to achieve sales 10 Ybn in the AR coating business (equipment, material, maintenance, etc.) and sell 21 units in FY15

■ Synergy among Trading and Manufacturing Function

- Become a global leader through effective resources of HHT's world-wide trading and self development / production function
- Create a value chain throughout the AR coating market (equipment, material, maintenance, etc.)

IV Financial Data

(Note) YY/M denotes the year and month of the accounting period-end.

(100 million yen)

	08/Q1	08/Q2	08/Q3	08/Q4	09/Q1	09/Q2	09/Q3	09/Q4
Sales	1,829	2,404	1,633	1,883	1,325	1,492	1,451	1,901
Operating Income	19	106	23	1	-38	-38	4	56
Ordinary Income	26	113	30	-4	-32	-37	8	57
Net Income	-2	78	20	-25	-20	-33	-3	28

■ Sales by Segment

(100 million yen)

	08/Q1	08/Q2	08/Q3	08/Q4	09/Q1	09/Q2	09/Q3	09/Q4
Electronic Device Systems	250	612	327	494	200	233	238	470
Life Sciences	248	243	213	273	207	233	217	297
Information Systems & Electronic Components	443	616	420	558	352	398	384	462
Advanced Industrial Products	888	933	673	558	566	628	613	672

Capital Expenditure/Depreciation Costs/R&D

(100 million yen)

	09/3	10/3	YoY	11/3(e)	YoY
Capital Expenditure	122	94	-23%	118	+26%
Depreciation Costs	95	96	+1%	103	+8%
R&D	215	193	-10%	222	+15%

*Capital Expenditure is based on an acquisition bases

Context (FY09)

Capital Expenditure: 2.9Ybn decrease

Extension and renovation of Naka Works

R&D: 2.2Ybn decrease

Development of elemental technology in Electronic Device Systems and Life Sciences

Restatement of FY09 Sales by Segment

(unit: 100 million yen)

No.	Segment		Sub-Segment		FY09 Result		(b)-(a)	Ref.No. to be applied
	Old	New	Old	New	(a)Old	(b)New		
1	Electronic Device Systems	Electronic Device Systems	Process Equip.	Process Equip.	201	204	3	8
2			Metrology & Analysis Equip.	Metrology & Inspection Equip.	519	242	-277	11
3				Back-end & Assembly Equip.	0	138	138	8,16
4				Total	720	584	-136	
5		Fine Technology Systems	LCD Manufacturing Equip.	FPD Manufacturing Equip.	224	272	48	8
6			HD Manufacturing Equip.	HD Manufacturing Equip.,Others	17	31	14	8
7				Total	241	303	62	
8			Others		180	0	-180	3,5,6,21,28
9			Total	1,141	887	-254		
10	Life Sciences	Science & Medical Systems	Biotechnology-related Biz.	General-purpose Analytical Instr.		164		13
11				Electron Microscope	213	278	229	2
12			Medical-related Biz.	Clinical Analyzer		613		
13				Biotechnology Product, Others	708	175	80	10
14			Others		34	0	-34	10,11,12,13,28
15				Total	955	1,230	275	
16	Information Systems & Electronic Components	Industrial & IT Systems	Assembly Syst.	LiB Assembly Syst. etc.	162	88	-74	3
17				Automotive HDD etc.	0	244	244	18
18			Information Syst.	IT Solution	733	491	-242	17
19			Semiconductor		193	0	-193	24
20			Media Devices		176	0	-176	24
21			Others	Control Syst., Others	331	408	77	8,28
22				Total	1,595	1,231	-364	
23	Advanced Industrial Products	Advanced Industrial Products	Industrial Material	Industrial Material	1,168	1,217	49	26
24			Electric Material	Electric Device/Material	526	798	272	19,20,26
25			Optical-related Component	Optical-related Component	357	370	13	26
26			Others	Fine Chemical, Others	427	537	110	23,24,25,28
27				Total	2,478	2,922	444	
28	Eliminations & Corporate Items				0	-100	-100	8,14,21,26
29	Company Total				6,169	6,169	0	

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37

Restatement of FY09 Sales by Segment

Example:

No.	Sub-Segment		FY09 Result		(b)-(a)	Ref.No. to be applied
	Old	New	(a)Old	(b)New		
3		Back-end & Assembly Equip.	0	138	138	8,16
8	Others		180	0	-180	3,5,6,21,28
16	Assembly Syst.	LiB Assembly Syst., etc.	162	88	-74	3

(b)-(a)= 13.8Ybn of No.3 is included in (a) of No.8, 16

[Notes on the data]

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- Rates of change up or down are generally calculated in units of yen.
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END

FY09 Financial Results

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