

September 28, 2010

Start of Design Building Construction and Consolidation of Design Functions at Naka Division Move to bolster competitiveness via reforms to enhance manufacturing capabilities

Hitachi High-Technologies Corporation (TOKYO:8036, Hitachi High-Tech) has initiated construction of a new design building at the Naka Division (Hitachi Naka-shi, Ibaraki Prefecture), home to the Nanotechnology Products Business Group.

Once the new seven-floor building is built, design functions will be consolidated within the division. Together with the manufacturing building built in May 2009, this configuration will give Hitachi High-Tech the highly efficient production framework needed to stay in synchronization with a rapidly changing market environment.

The Naka Division is engaged primarily in the development, design and manufacture of semiconductor metrology and inspection systems, electron microscopes and medical systems. The new design building under construction is a seven-floor, steel-framed structure boasting a total floor area of approximately 25,000 square meters. Construction began in September 2010, and is set to conclude in October 2011, when operations will commence.

Furthermore, the Naka Division is currently enacting a set of reforms designed to enhance manufacturing capabilities, and continues to take steps to minimize production lead times, reduce inventories, reform logistics within the division, and improve production methods, among other actions. The consolidation at the new design building of design functions formerly dispersed throughout the division is one such measure in this area. By applying "Business Microscope®," (*) a system from Hitachi High-Tech for organizational visualization, to analyze communication between engineers, then utilizing the results to carry out floor design, for example, we hope to put an environment in place that will allow engineers to better focus on design, thus raising the efficiency and shortening the time required for development.

The construction of the design building is one component of ongoing construction to refurbish and replace aging structures at the Naka Division that began with the start of construction in March 2008 of the manufacturing building (machine processing/medical system assembly), which completed in May 2009. The design building, as part of this sequence of work, represents the largest investment to date to outfit facilities at the Naka Division. Construction is scheduled to conclude in October 2011, coinciding with the tenth anniversary of Hitachi High-Tech.

Going forward, Hitachi High-Tech is committed to continuing efforts to address manufacturing capabilities for its next decade in business.

[Overview of New Building]

<Design Building (tentative name)>

Seven-floor, steel-framed structure

Total floor area: approx. 25,000 square meters

Total investment: approx. ¥5 billion

[Reference]

“Business Microscope®” (*) website:

<http://www.hitachi-hitec.com/global/business-microscope/index.html> (*)

(*) “Business Microscope®” is a registered trademark of Hitachi, Ltd.



Conceptual image of the design building, Naka Division

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