

# NEWS RELEASE

**Hitachi High-Tech**

**HITACHI**

**Hitachi High-Technologies Corporation**  
24-14, Nishi-shimbashi 1-chome, Minato-ku, Tokyo 105-8717, JAPAN

May 24, 2012

## Hitachi High-Tech Signs Memorandum of Understanding Regarding Acquisition and Subsequent Consolidation of SII NanoTechnology Inc.

Hitachi High-Technologies Corporation (TOKYO: 8036, Hitachi High-Tech) announced today that it has reached a basic agreement with Seiko Instruments Inc. (SII) to acquire all of the shares of its wholly owned subsidiary SII NanoTechnology Inc. (SII NanoTech). Once complete, this transfer of ownership will make SII NanoTech a wholly owned subsidiary of Hitachi High-Tech.

Pending regulatory approval, the parties plan to conclude a share transfer agreement that will aim to carry out the share acquisition in fall 2012.

### 1. Reasons for the Acquisition

Hitachi High-Tech leverages its own world-leading technology, and global sales capability and network to promote business. Guided by its corporate vision of “Becoming a global top in high-tech solutions,” the Hitachi High-Tech Group has formulated its Long-term Management Strategy (CS11: Corporate Strategy 2011), and is aggressively promoting business development in growth fields. In this context, Science & Medical Systems, one of the Group’s in-house product divisions, is pursuing a three-pronged growth strategy: (1) Reinforce and augment core technologies, (2) Enter new and growth markets, and (3) Strengthen the competitiveness and lineup of general-purpose analytical instruments.

SII NanoTech, for its part, is a company with a history in the development, manufacture and sale of competitive products in analytical and measuring instruments and other cutting-edge fields, grounded in the management philosophy of providing its customers solutions and contributing to social progress through the pursuit of proprietary technology.

SII NanoTech’s operations are highly compatible with and complementary to Hitachi High-Tech’s own business. Consequently, Hitachi High-Tech determined that the conversion of SII NanoTech into a wholly owned subsidiary has the potential to enhance its own core technologies, particularly in X-rays, thermal analysis, ion optics, and physical measurement technologies. The move is also expected to strengthen Hitachi High-Tech’s business portfolio through the addition of products to the lineup.

Going forward, Hitachi High-Tech will strive to create synergies with Science & Medical Systems’ manufacturing, sales and services, while simultaneously launching cutting-edge applications, in a bid to further enhance competitiveness and enter new and growth markets.

### 2. Overview of the Subsidiary to be Transferred

(1) Name	SII NanoTechnology Inc.
(2) Location	8, Nakase 1-chome, Mihama-ku, Chiba-shi, Chiba 261-8507, Japan
(3) Representative	Kenji Kawasaki, President & CEO
(4) Business lines	Development, manufacture and sale of analytic, measurement and observation instruments.
(5) Capital	100 million yen
(6) Date of establishment	Mar. 1, 2000 (Date of corporate separation: Dec. 1, 2003)
(7) Principal shareholders and ownership	Seiko Instruments Inc. 100%

(8) Relationship between Hitachi High-Tech	Capital relationships	No noteworthy capital relationships exist between Hitachi High-Tech and SII NanoTech. Similarly, no noteworthy capital relationships exist between individuals or affiliated companies associated with Hitachi High-Tech and individuals or affiliated companies associated with the subsidiary to be transferred.
	Personal relationships	No noteworthy capital relationships exist between Hitachi High-Tech and SII NanoTech. Similarly, no noteworthy personal relationships exist between individuals or affiliated companies associated with Hitachi High-Tech and individuals or affiliated companies associated with the subsidiary to be transferred.
	Transactional relationships	No noteworthy capital relationships exist between Hitachi High-Tech and SII NanoTech. Similarly, no noteworthy transactional relationships exist between individuals or affiliated companies associated with Hitachi High-Tech and individuals or affiliated companies associated with the subsidiary to be transferred.

(9) Three-year operating results and financial condition for the subsidiary to be transferred

Years ended Mar. 31	2009	2010	2011
Total net assets	4,164 million yen	4,276 million yen	4,338 million yen
Total assets	22,754 million yen	21,485 million yen	18,535 million yen
Shareholders' equity per share	69,407 yen	71,271 yen	72,302 yen
Net sales	17,265 million yen	15,222 million yen	15,576 million yen
Operating income	-1,813 million yen	-594 million yen	43 million yen
Ordinary income	-1,240 million yen	125 million yen	470 million yen
Net income	-1,569 million yen	247 million yen	258 million yen
Net income per share	-26,155 yen	4,126 yen	4,305 yen
Cash dividend per share	— yen	— yen	— yen

Note:

1. Operating results and financial condition is a sum of SII NanoTech and its 3 subsidiaries (Epolead Service Inc., SII NanoTechnology USA Inc., SII NanoTechnology (Shanghai) Inc.) since there are no consolidated numerical data.
2. 13 months data is applied for the year ended Mar. 31, 2010 for SII NanoTech and Epolead Service Inc.,
3. The end of Dec. is the settlement day for SII NanoTechnology USA Inc. and SII NanoTechnology (Shanghai) Inc.

3. Overview of the Share Acquisition Counterparty

(1) Name	Seiko Instruments Inc.	
(2) Location	8, Nakase 1-chome, Mihama-ku, Chiba-shi, Chiba 261-8507, Japan	
(3) Representative	Kunio Kamata, President	
(4) Business lines	Development, manufacture and sale of mechatronic, electronic component, system application, and scientific instrument businesses.	
(5) Capital	9,756 million yen	
(6) Date of establishment	Sep. 7, 1937	
(7) Total net assets	31,384 million yen	
(8) Total assets	169,949 million yen	
(9) Principal shareholders and ownership	Seiko Holdings Corporation 100%	
(10) Relationship between Hitachi High-Tech	Capital relationships	No noteworthy capital relationships exist between Hitachi High-Tech and SII. Similarly, no noteworthy capital relationships exist between individuals or affiliated companies associated with Hitachi High-Tech and individuals or affiliated companies associated with SII.

	Personal relationships	No noteworthy capital relationships exist between Hitachi High-Tech and SII. Similarly, no noteworthy personal relationships exist between individuals or affiliated companies associated with Hitachi High-Tech and individuals or affiliated companies associated with SII.
	Transactional relationships	No noteworthy capital relationships exist between Hitachi High-Tech and SII. Similarly, no noteworthy transactional relationships exist between individuals or affiliated companies associated with Hitachi High-Tech and individuals or affiliated companies associated with SII.
	Status of related parties	SII is not party to the interests of Hitachi High-Tech. Neither is Hitachi High-Tech party to the interests of SII, its affiliated companies and associates.

#### 4. Number of Shares Acquired, Acquisition Price and Shareholding Before and After Acquisition

(1) Shareholding prior to transfer	0 shares (No. of voting rights: 0) (Ownership: 0.0%)
(2) Number of shares acquired	60,000 shares (No. of voting rights: 60,000) (Percentage of issued shares: 100.0%) (Acquisition price: TBD)
(3) Shareholding after transfer	60,000 shares (No. of voting rights: 60,000) (Ownership: 100.0%)

#### 5. Schedule

(1) Conclusion of the basic agreement	May 24, 2012
(2) Conclusion of the share transfer agreement (tentative)	Jul. 25, 2012
(3) Date of share transfer (tentative)	Oct. 1, 2012

#### 6. Future Outlook

Discussions are ongoing regarding the specific terms and conditions of the share transfer pursuant to the basic agreement. However, the share acquisition is expected to have only a negligible impact on Hitachi High-Tech's consolidated business performance.

#### **For further information contact:**

Corporate Communications Department  
Hitachi High-Technologies Corporation  
Tel: +81-3-3504-5138