



FY16 Financial Results [IFRS]

- Status of Progress on the Mid-Term Management Strategy / FY17 Outlook -

April 26, 2017

| | |
|-------------------|---|
| Masahiro Miyazaki | President and Chief Executive Officer |
| Shunichi Uno | Senior Vice President and Executive Officer |

Hitachi High-Technologies Corporation

FY16 Financial Results [IFRS]

– Status of Progress on the Mid-Term Management Strategy /FY17 Outlook –

1. Outline of FY16 (Highlights)
2. Status of Progress on the Mid-Term Management Strategy
3. FY17 Outlook
4. Business Strategy by Segment
5. Summary
6. Reference



1. Outline of FY16 (Highlights)

Note: YY/M denotes the year and month of the accounting period-end
(e) denotes the previous forecast (January 2017)

Outline of FY16 (Highlights)

| (100 million yen) | FY16 Results | YoY | | vs. Previous Forecast (e) | |
|-----------------------------|--------------|-------------------|-------|---------------------------|-------|
| | | Increase/Decrease | Ratio | Increase/Decrease | Ratio |
| Revenues | 6,445 | +156 | +2% | +145 | +2% |
| Adjusted Operating Income*1 | 573 | +102 | +22% | +48 | +9% |
| EBIT*2 | 536 | +54 | +11% | +18 | +4% |
| Income before Income Taxes | 539 | +54 | +11% | +19 | +4% |
| Net Income | 402 | +42 | +12% | +12 | +3% |
| Net Income per Share | 292.08 yen | +30.40 yen | | +8.50 yen | |
| Cash Dividend per Share | 80.00 yen | +15.00 yen | | +10.00 yen | |
| ROE | 11.9% | +0.3% | | +0.3% | |
| FCF | +316 | +70 | | +76 | |

Notes : • Exchange rate: 1USD=108 yen, 1EUR=119 yen

*1 Adjusted operating income is presented as revenues less cost of sales as well as selling, general and administrative expenses

*2 EBIT(Earnings before interest and taxes) is presented as income before income taxes less interest income and interest expenses

Outline of FY16 (Revenues and EBIT by Segment)

| (100 million yen) | | FY16 Results | | FY15 Results | | YoY | | FY16 Outlook (e) | |
|------------------------------|--|--------------|------|--------------|------|----------|------|------------------|------|
| | | Revenues | EBIT | Revenues | EBIT | Revenues | EBIT | Revenues | EBIT |
| Science & Medical Systems | | 1,861 | 271 | 1,770 | 266 | +5% | +5 | 1,860 | 271 |
| Electronic Device Systems | | 1,245 | 270 | 1,027 | 153 | +21% | +117 | 1,243 | 265 |
| Industrial Systems | | 916 | 21 | 985 | 11 | -7% | +10 | 908 | 16 |
| Advanced Industrial Products | | 2,502 | 23 | 2,568 | 35 | -3% | -12 | 2,459 | 22 |
| Total | | 6,445 | 536 | 6,290 | 482 | +2% | +54 | 6,300 | 518 |

Notes: • Elimination such as subtractions in intersegment transactions, etc., are included in the totals

• In FY15 EBIT, impacts have been 3.8 Ybn due to partial transition from a defined benefit pension plan to a defined contribution pension plan

vs. FY15 Results

Revenues (629 Ybn → 644.5 Ybn +15.6 Ybn)

| | |
|---------------------------------|--|
| ■ Science & Medical Systems: | Increased 9.1 Ybn due to growth in large orders for clinical analyzers and higher sales of clinical analyzers for the Chinese market |
| ■ Electronic Device Systems: | Increased 21.8 Ybn due to a strong sales from customers' steady investments for next-generation cutting-edge process and capital investment in mass production of memory |
| ■ Advanced Industrial Products: | Decreased 6.6 Ybn due to the impact of low materials prices and a decline in sales of smartphone-related materials and components |

EBIT (48.2 Ybn → 53.6 Ybn +5.4 Ybn)

| | |
|------------------------------|--|
| ■ Electronic Device Systems: | Increased 11.7 Ybn for the same reason as revenues |
|------------------------------|--|

□ In FY15 EBIT, impacts have been 3.8 Ybn due to partial transition from a defined benefit pension plan to a defined contribution pension plan

Outline of FY16 (Statement of Financial Position in Summary)

As of end of March 2017 (100 million yen)

| | | | vs. 16/3 | | | | vs. 16/3 |
|-------------------------------|--------------|--------------|-------------|---|--------------|--------------|-------------|
| Current Assets | | 4,732 | +614 | Current Liabilities | | 1,987 | +310 |
| Cash and Cash Equivalents | 1,898 | +204 | | Trade Payables | 1,213 | +114 | |
| Trade Receivables | 1,466 | +120 | | Others | 774 | +196 | |
| Inventories | 1,009 | +75 | | Non-Current Liabilities | | 318 | -104 |
| Others | 360 | +215 | | Retirement and severance benefits | 261 | -70 | |
| Non-Current Assets | | 1,146 | -47 | Others | 57 | -35 | |
| Property, Plant and Equipment | 708 | +1 | | Equity | | 3,572 | +362 |
| Intangible Assets | 79 | -24 | | Total Hitachi High-Tech Stockholders' Equity | 3,569 | +361 | |
| Others | 359 | -23 | | Non-controlling Interests | 3 | +0 | |
| Total Assets | | 5,878 | +567 | Total Liabilities & Shareholder Equity | | 5,878 | +567 |

Note: • Total Hitachi High-Tech Stockholders' Equity per Share: 2,595.18 yen (vs.16/3 +262.68 yen)
• Total Hitachi High-Tech Stockholders' Equity Ratio : 60.7%

Outline of FY16 (Statement of Cash Flows)

(100 million yen)

| (100 million yen) | | 17/3 | | | 17/3 | |
|-------------------------------------|---|------|-------------------------------------|-------|----------------|------|
| Cash Flow from Operating Activities | | +605 | Cash Flow from Financing Activities | | −105 | |
| | Net Income | +402 | | | Dividends Paid | −103 |
| | Depreciation and Amortization | +105 | | | Others | −1 |
| | Working Fund | −31 | Effect of Exchange Rate Changes | | −7 | |
| | Income Tax Expense and Refund | −36 | | | | |
| | Others | +165 | | | | |
| Cash Flow from Investing Activities | | −289 | | | | |
| | Proceeds from Sale / Purchase of Investments in Securities and Other Financial Assets | +75 | | | | |
| | Proceeds from Sale / Purchase of Property, Plant, Equipment and Intangible Assets | −112 | | | | |
| | Others | −252 | | | | |
| Free Cash Flow | | +316 | | | | |
| | | | 17/3 | | | |
| | | | Cash and Cash Equivalents | | | |
| | | | At the Beginning of Year | 1,694 | | |
| | | | Net Increase (Decrease) | +204 | | |
| | | | At the End of Term | 1,898 | | |



2. Status of Progress on the Mid-Term Management Strategy

Note: YY/M denotes the year and month of the accounting period-end
(e) denotes the previous forecast (October 2016)

Mid-Term Management Strategy (1)

(Material Disclosed with Financial Results in April 2016)

Basic Policy

“Move forward with the Courage to Change and Be Changed”

Transform to more customer-centric organization

Respond in detail to individualized needs, and provide solutions with highly expertise

Transform to autonomous and decentralized organization

Promote changing awareness to “Think, Decide and Act Autonomously” with the perspective of total optimization

Mid-Term Management Strategy Policy

Keep profits by main business, and promote resource strengthening & investments

~FY15

- Recover from earthquake devastation
- Structural reform (OLED, chip mounter, etc.)

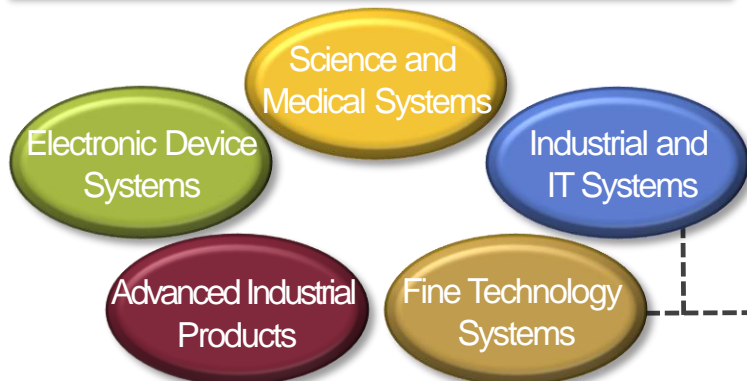
~FY18

- Form growth cycle for 2020 (R&D, IT/service, in-organic investments)

Split businesses into “Instruments” & “Materials” to achieve growth strategies

Before: Management by segment

Split business into “Instruments” & “Materials”
in accord with business model
Establish value propositions and targets



Instruments

Industrial Systems

Science and Medical Systems

Electronic Device Systems

Materials

Advanced Industrial Products

Mid-Term Management Strategy (2)

(Material Disclosed with Financial Results in April 2016)

KPI

Formulate and execute growth strategies to achieve targets

| | | |
|---------------|---|---|
| Revenues | Achieve progress beyond market growth | Revenues CAGR by business > Market growth rate |
| Profitability | Instruments | Maintain an EBIT margin of 10% or more |
| | Materials | Achieve an absolute EBIT of ¥5 billion or more (FY2018) |
| Service ratio | Maintain the ratio of EBIT from service business* to overall at 50% or more | |

Investment strategy Proactively make investments to execute growth strategies

Size of Investment

(FY2016-FY2018 cumulative)

| | | |
|---------------------|-------------|---|
| R&D | ¥80 billion | Increase investments centered on the biotechnology and medical products business (Increase by 30% versus FY2013-FY2015) |
| Capital investment | ¥40 billion | <ul style="list-style-type: none">• Manufacturing ability expansion, and technology strengthening to support business• Strengthening collaboration with customers through demonstration facilities expansion |
| Business investment | ¥30 billion | <div>Biotechnology and Healthcare</div> <div>Social and Industrial Infrastructure</div> <div>+</div> <div>Make additional business investments using cash on hand</div> |

Shareholder returns Maintain a stable dividend, targeting a dividend payout ratio of 30%

* Service business: product maintenance services, IT solutions, trading services, and others

Status of Progress on the Mid-Term Management Strategy (FY17)

Profitability

Instruments

Maintain an EBIT margin of 10% or more

FY16 Results

FY16 Outlook(e)

FY15 Results

13%

12%

11%

Maintained above 10% due to a strong performance in sales of clinical analyzers in Science & Medical Systems and process, metrology and inspection equipment in Electronic Device Systems

Materials

Achieve an absolute EBIT of ¥5 billion or more (FY2018)

FY16 Results

FY16 Outlook(e)

FY15 Results

2.3 Ybn

2.2 Ybn

3.5 Ybn

Decrease in EBIT due to the impact of lower prices for materials and weaker sales of smartphone-related materials and components, but results to pass previous forecast (e)

Service ratio

Maintain the ratio of EBIT from service business to overall at 50% or more

FY16 Results

FY16 Outlook(e)

FY15 Results

57%

61%

59%

Higher sales of in-house products caused ratio to dip, but still maintained above 50%



3. FY17 Outlook

Note: YY/M denotes the year and month of the accounting period-end

FY17 Outlook (Highlights)

| (100 million yen) | FY17 Outlook | FY16 Results | YoY | |
|-----------------------------|--------------|--------------|---------------------|-------|
| | | | Increase / Decrease | Ratio |
| Revenues | 6,800 | 6,445 | +355 | +6% |
| Adjusted Operating Income*1 | 460 | 573 | −113 | −20% |
| EBIT*2 | 460 | 536 | −76 | −14% |
| Income before Income Taxes | 460 | 539 | −79 | −15% |
| Net Income | 350 | 402 | −52 | −13% |
| Net Income per Share | 254.49 yen | 292.08 yen | −37.59 yen | |
| Cash Dividend per Share | 75.00 yen | 80.00 yen | −5.00 yen | |
| ROE | 9.5% | 11.9% | −2.4% | |
| FCF | +30 | +316 | −286 | |

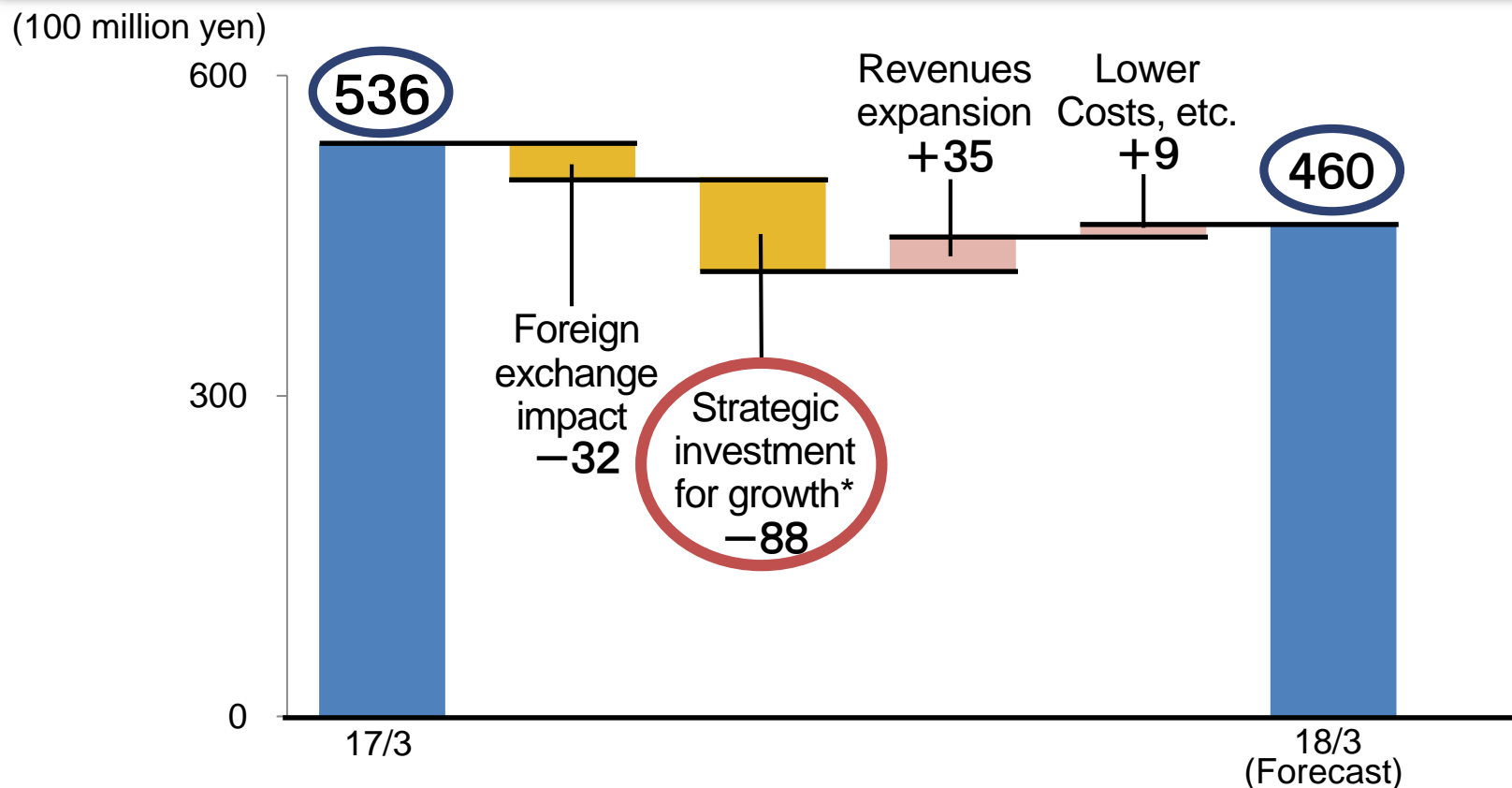
Notes : • FX rate estimate: 1USD=105 yen, 1EUR=110 yen

*1 Adjusted operating income is presented as revenues less cost of sales as well as selling, general and administrative expenses

*2 EBIT(Earnings before interest and taxes) is presented as income before income taxes less interest income and interest expenses

Promote strategic investments to form a growth cycle toward 2020

- Investments in new products development -related R&D 4.2 Ybn
- Capital investment to enhance manufacturing capacity and production technology, strengthen collaboration with customers 2.5 Ybn
- Human resource investments to reinforce overseas staff 2.0 Ybn



| | Segment | YoY | Concrete Initiatives |
|-------------------------------|---------------------------|----------|---|
| Research and Development | Science & Medical Systems | +1.6 Ybn | <ul style="list-style-type: none"> - Product lineup upgrades to expand business <ul style="list-style-type: none"> ▶ New business: Second-generation DNA sequencers, gene testers, etc. ▶ Existing businesses: Develop next generation models for clinical analyzers and others - Growth in server applications, higher flash memory demand, expanding IoT market <ul style="list-style-type: none"> ▶ Strengthen products for 3D-NAND and non-advanced semiconductor sectors |
| | Electronic Device Systems | +2.0 Ybn | |
| Depreciation and amortization | Science & Medical Systems | +1.5 Ybn | <ul style="list-style-type: none"> - Create cost-competitive production set-up <ul style="list-style-type: none"> ▶ Expand capacity at production sites - Strengthen global development sites <ul style="list-style-type: none"> ▶ Upgrade overseas demo labs and R&D sites - Strengthen the on-site development framework for early collaboration <ul style="list-style-type: none"> ▶ Boost capital investment linked to prototypes and demo machine for customers |
| | Electronic Device Systems | +1.0 Ybn | |
| Personal expenses in overseas | Science & Medical Systems | +0.7 Ybn | <ul style="list-style-type: none"> - HR investment to support global operations <ul style="list-style-type: none"> ▶ Establish Hitachi High-Tech Diagnostics (Shanghai), strengthen sales and service framework by making Sweden's Spectral Solutions AB a subsidiary - Reinforce development framework to respond to new customer requirements <ul style="list-style-type: none"> ▶ Reinforce the staff at engineering sites |
| | Electronic Device Systems | +0.8 Ybn | |



4. Business Strategy by Segment

Note: YY/M denotes the year and month of the accounting period-end
(e) denotes the current forecast (April 2017)

Vision

Aim to be global player in all IVD market

Market Environment

【C&I*1Market (Equip.+ reagent)】

- Mature market (2015-2018 CAGR)
 - Biochemical testing 2% - Immunodiagnostics 5%
- Growth maintained in China and emerging markets (notably in immunoassay), but hard competition
- Less investment in reagents and equipment; market price decrease from greater downward pressure on medical spending

【Genetic and bacterial testing market (Equip.+ reagent)】

- Stable growth market (2015-2018 CAGR)
 - Genetic testing 10% - Bacterial testing 7% (Business field with the highest growth in the in-vitro diagnostics market)
- Genetic research and diagnostics field
Applications for CE*2 sequencers expanding to analysis uses beyond DNA analysis; double-digit growth in second-generation sequencers in clinical research (cancer panels, etc.)

*1 C&I : Clinical chemistry & Immunodiagnostics

*2 CE : Capillary Electrophoresis

Hitachi High-Tech

Basic Strategy and Management Issue

Expansion of existing operations and creation of new core businesses

- Prioritized investments in existing and new businesses
 - Building extension at Hitachi High-Tech Kyushu
 - Strengthen product development capabilities, enhanced price competitiveness
 - Business development, centered on establishment of new company, Hitachi High-Tech Diagnostics (Shanghai)
 - Respond to Chinese regulation plus growth in reagent demand
- Continued growth-oriented investment
 - Promote M&As and collaboration to expand business fields

■ Maintaining the scale of existing businesses (maintain and expand volume share)

- Foreign exchange impact of the stronger yen
- Lower market prices
- Increased demand from Chinese market

- Continued introduction of new products
- Enhanced focus on SCB*3

Maintain top share

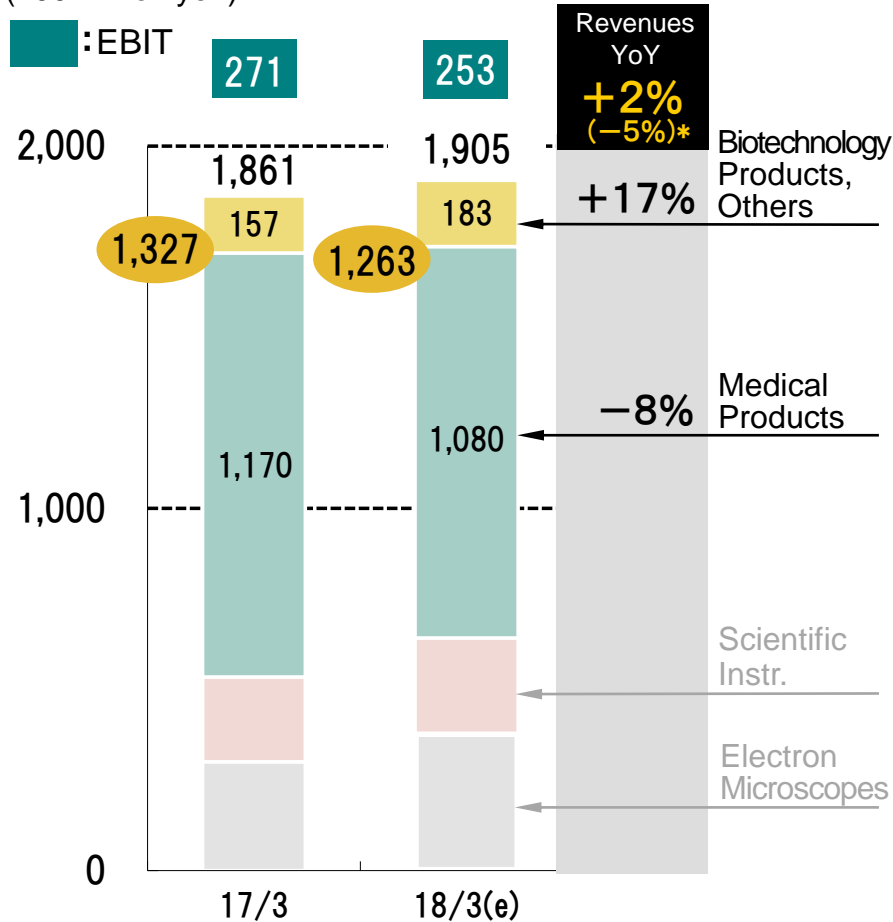
■ Strengthen measures for new growth markets

- Strengthen DNA analysis applications for CE sequencers
- New business development, including joint project with QIAGEN N.V. of Germany

*3 SCB: System Collaboration Business

Revenues / EBIT Trend

(100 million yen)



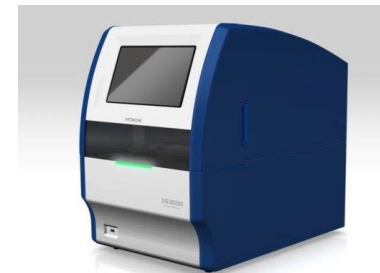
Concrete Initiatives in FY17

- Secure earnings by expanding sales of new products
 - Worldwide launch of cobas e801 high-speed immunodiagnostic analyzer
 - Higher domestic market share from increased sales of new LABOSPECT 008 α clinical chemistry analyzer
- Collaboration with Chinese reagent manufacturers
 - Expand business by offering solutions based on locally supplied Chinese reagents
- Actively invest in technical development to reinforce existing operations and develop new growth markets
- Rapidly establish new businesses in growth markets
 - Promote collaboration business with Promega Corporation of US on compact CE sequencer, and its sales launch in Japan
 - Expand sales in Japan of simultaneous multiple gene testing reagents for Verigene rapid bacterial testing systems



For more efficient analysis

Hitachi's clinical analyzer
LABOSPECT 008 α



Compact CE sequencer
(completed image)

Vision

Aim to be a global major player in analytical instruments market

Market Environment

【 Electron Microscopes 】

- Market growth rate of 2-3% (2015-2018 CAGR)
Market composition by region (FY2015) :
Japan 17%, EU 22%, US 15%, China 22%, Asia & Others 24%
- Sluggish public sector demand in Japan and downturn in Europe, but firm s electronic device-related demand in China and the rest of Asia
- High demand for multipurpose analysis and reaction process observation in the environment and new energy field
- Enhancing demand for internal structural 3D analysis from high-performance materials to biological samples

【 Scientific Instruments 】

- Market growth rate of 2-3% (2015-2018 CAGR)
Virtually flat domestic market due to decline in public-sector demand
- Enhancing demand for high-precision, high-throughput dedicated machines in cutting-edge new fields such as life science, environment and new energy, and new materials

Basic Strategy and Management Issue

Strengthen global operation and provide solutions

- Strengthen global sales and marketing functions
 - Strengthen and reorganize the worldwide sales framework and promote globalization of web content
- Shift toward solutions business
 - Strengthen line-up of multi-purpose analyzers and analytical instruments
 - Deliver solutions based on development of field-specific applications and high value-added dedicated equipment
- Promote further growth investment (enhance product lineups, etc.)
- Strengthen global presence
 - Worldwide expansion of electron microscopes and scientific instruments
- Strengthen competitiveness through response to market trends

Respond to multi-purpose analysis
and analysis needs

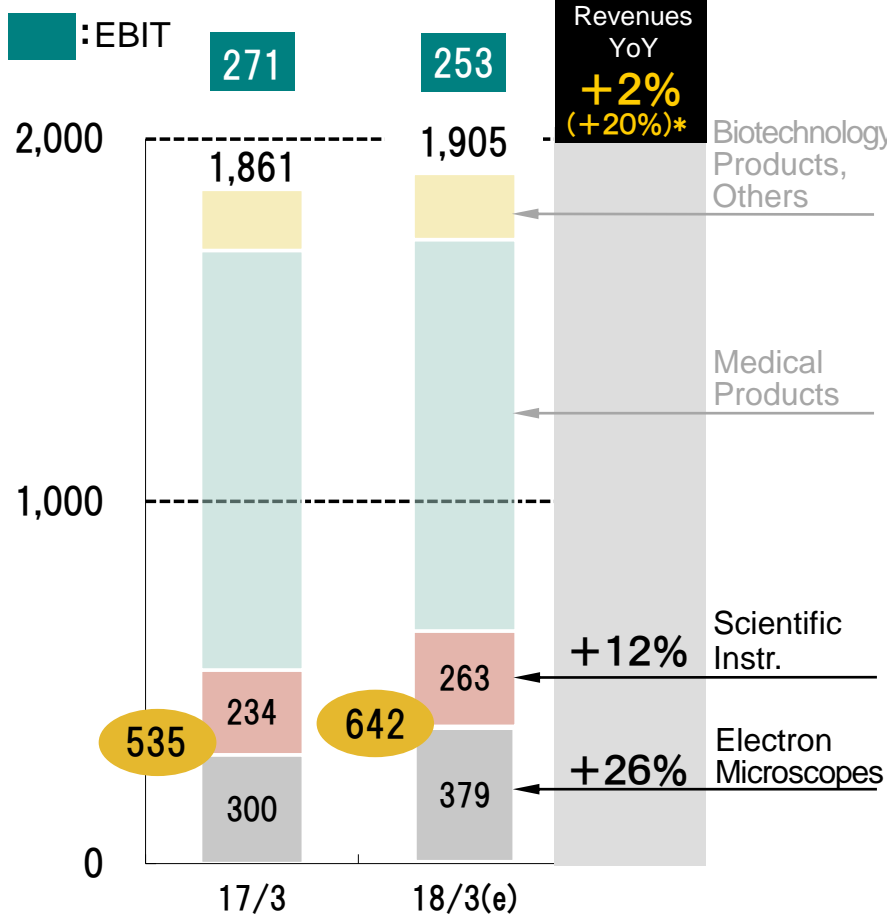
Solutions provided by field

Provide products aimed at realizing
a safe and secure society

Enter non-destructive testing
and analysis business

Revenues / EBIT Trend

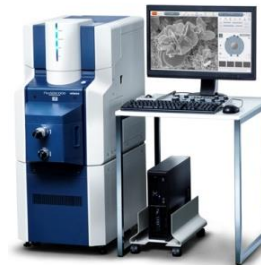
(100 million yen)



*YoY change for the scientific systems business

Concrete Initiatives in FY17

- Strengthen the global sales network and marketing functions
 - Expand sales, pursue development of research and new businesses by establishing applications labs (in U.S., UK and China)
- Development and sales of high value-added, dedicated equipment
 - RoHS II-compliant phthalic acid bromide testers
 - Metal particle contamination inspection equipment for fuel cells and LiBs
 - Food testing equipment (fluorescence fingerprint, others)
 - Correlative Light and Electron Microscopy (CLEM*) systems
 - Develop solutions for growth markets in new materials/semiconductor and biotech fields



FlexSEM 1000 (SEM)

Rapid detection and elemental identification of metal particle

- Lighter and more compact
- Better analysis in low-acceleration zone
- High-resolution observation



X-ray Particle Contaminant Analyzer EA8000

* CLEM(Correlative light and electron Microscopy) : A microscopy method of observation using both light and scanning electron microscopes

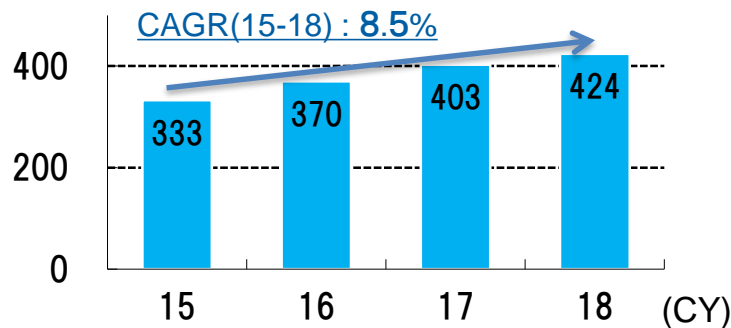
Vision

Pursuit and creation of new value in partnership with customers

Market Environment

Semiconductor manufacturing equipment market (front-end)

(100 million USD) *Front-end equipment including WLP*¹ devices



Source: Gartner (April 2017) / Company's estimation

Growth rate

- Forecast in April 2016: 4.1%
- ⇒ Forecast in April 2017: Upwardly revised to 8.5% or more
- Hitachi High-Tech's results:
- FY16 revenues grew 21% year on year

Investment trends among primary customers

- Memory manufacturer: Continue actively investing in 3D-NAND
- Logic and foundries: 7 nm mass-production start-up and 5 nm process under development
- China: Foreign and major domestic companies continue investment

Hitachi High-Tech

*1 WLP: Wafer Level Package

Basic Strategy and Management Issues

Create global top products and develop new business domains

Response to new needs (Business development into new fields)

- Overlay measurement (SEM)
- Pattern shape evaluation (SEM)
- MRAM*² process-related equipment

Develop the IOT market (Enhance the product lineup)

- Small-diameter SEM
- Equipment for power devices
- WLP*-related products

Growth of earnings base (Provide top share products)

- CD-SEM
- Conductor etching
- Inspection equipment

Service businesses

- Expand CIP*³ menu
- Provide big data solutions

Continued growth of earnings base

- Development by accelerating early collaboration
- Provide products and solutions to address new needs
- Strengthen development bases in Japan and overseas to accelerate development
- Expand service businesses

Develop the IoT market

- Enhance the product lineup

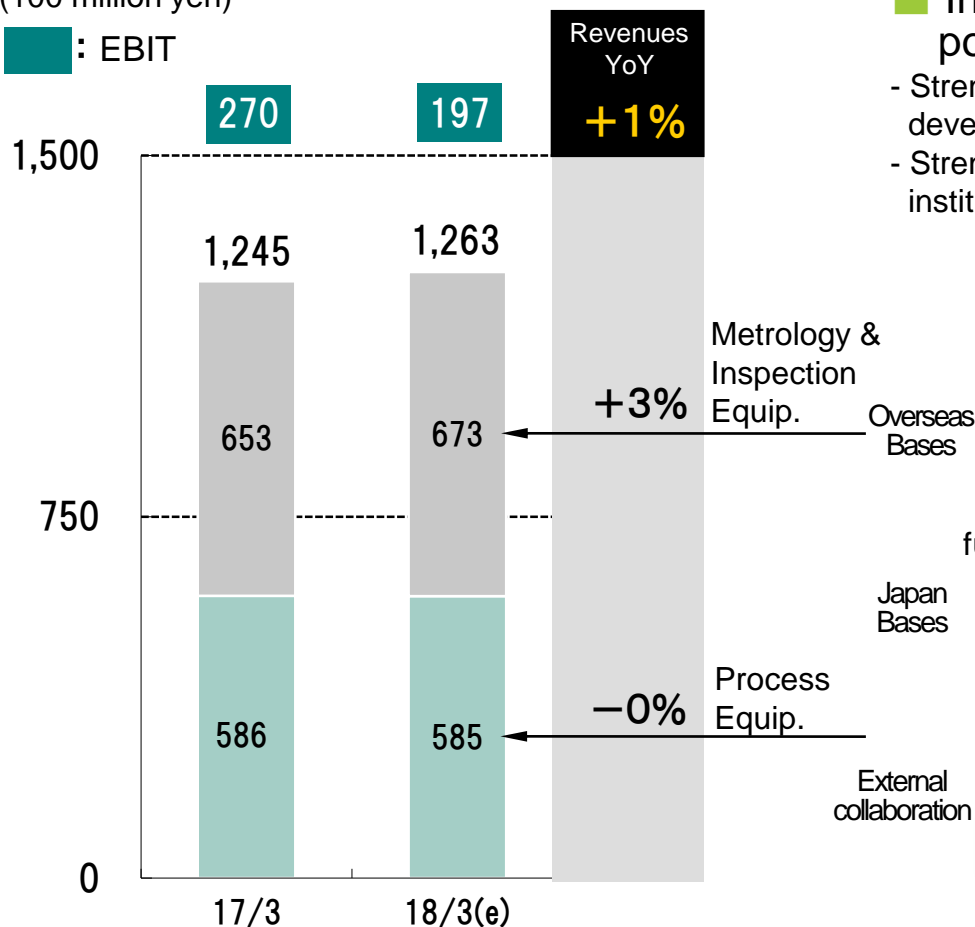
*2 MRAM: Magnetoresistive Random Access Memory

*3 CIP: Continued Improvement Plan

Revenues / EBIT Trend

(100 million yen)

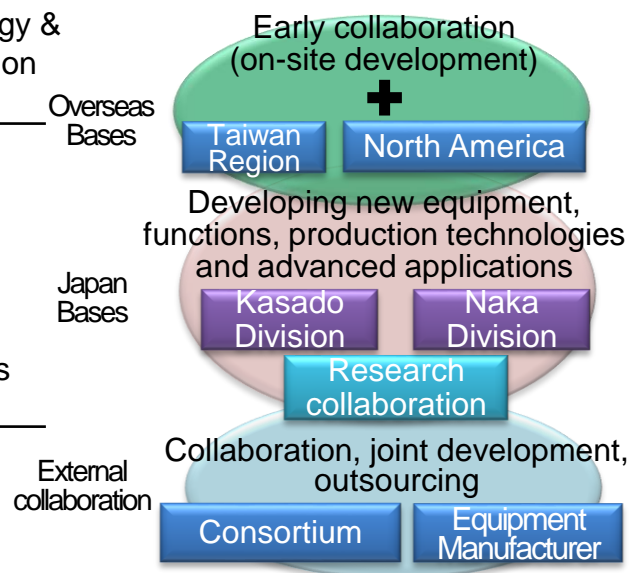
■ : EBIT



Concrete Initiatives in FY17

Increased R&D investment to upgrade product portfolio (YoY +2 Ybn)

- Strengthen human resources and capital expenditures at development bases in Japan and overseas
- Strengthen external collaboration, including with research institutions



New models for new requirements



High-speed Defect Review SEM CR6300

New models for the IoT market



Mirror Electron Inspection System Mirelis VM1000

Strengthen development bases in Japan and overseas

(human resources and capital expenditures)

Vision

Aim to be only one solution provider in industrial field

Market Environment

Social Infrastructure

- Control systems
IoT and big data analysis driving higher demand for Smart-process automation
- Railway inspections: Steady expansion in market size
[Market growth rate] 7% (CAGR 2016-2018)

Industrial Infrastructure

- Automobile component assembly: Growing investment in environment and safety-related fields
- LiB*¹ manufacturing equipment: Accelerated EV*²/PHV*³ development in Europe, the U.S. and China due to stricter environmental regulations
[EV/PHV market growth rate] 47% (CAGR 2016-2020)
- Flexible devices: Market growing due to high demand for smartphones and other devices
[Market growth rate] 46% (CAGR 2016-2020)

ICT Solutions

- IoT: Accelerated development of smart manufacturing facilities
[Market growth rate] 15% (CAGR 2016-2020)

*1 LiB: Lithium-ion Battery *2 EV: Electric Vehicle

*3 PHV: Plug-in Hybrid Vehicle

*4 EPC : Engineering, Procurement and Construction

Hitachi High-Tech

Basic Strategy and Management Issues

- Supply optimized solutions to social and industrial fields
- Business expansion through joint creation with partners

| | |
|---------------------------|---|
| Social Infrastructure | Supply control systems and railway inspection systems featuring integrated IoT technology |
| Industrial Infrastructure | Supply next-generation production systems for advanced manufacturing |

- Strengthen engineering capabilities
- Leverage global procurement capabilities

Social Infrastructure

| | |
|---------------------|---|
| Control systems | - Expand within domain by integrating cloud-based services with product and solution sales |
| Railway inspections | - Expand existing business while developing new operations in the rail transportation field |
| Energy | - Mega-solar business (EPC* ⁴) and power generation business in Cuba |

Industrial Infrastructure

| | |
|---------------|--|
| Auto assembly | - Tap into firm demand from facility investments by automobile component and LiB manufacturers |
| Thin-films | - Start up thin-film equipment business in rapidly growing flexible devices market |

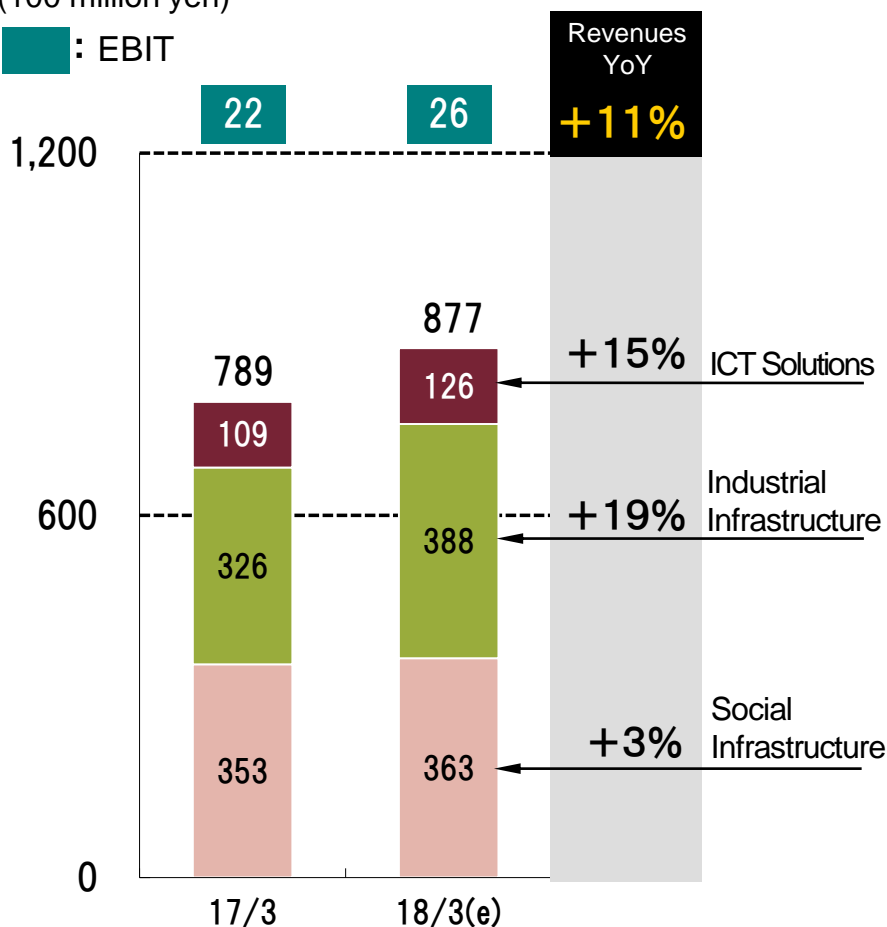
ICT Solutions

| | |
|-----|---|
| IoT | - Supply solutions to improve manufacturing productivity or support restructuring |
|-----|---|

Revenues / EBIT Trend

(100 million yen)

■ : EBIT



Concrete Initiatives in FY17

Social Infrastructure

Control systems

- Strengthen control systems and big data analysis (such as BD-CUBE predictive diagnostic systems) to meet "Smart-process automation" needs

Railway inspections

- Expand business in railway inspection equipment mounted on operating railcars
- Propose smart maintenance to develop solutions business

Energy

- Promote power modernization project for Cuba

Industrial Infrastructure

Auto Assembly

- Upgrade high-end materials lineup for automobile components and LiB production equipment, and develop major customers

Thin-films

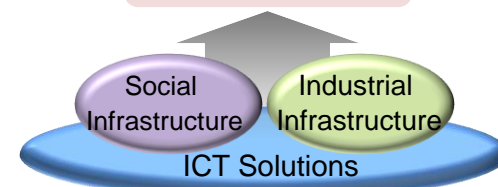
- Accelerate development of thin-film operations via stronger collaboration with partner companies

ICT Solutions

IoT

- Provide factory productivity and product quality improvement solutions

Creating Businesses with High Added Value



Expanding Solutions / Strengthening Infrastructure

* Under a business segment reorganization, some products in Industrial Systems were transferred to Advanced Industrial Products in FY17. 17/3 Figures are restated

* Please refer to page 34 to check the results before restated

Vision

Become a business organizer of Full Value Chain as a product, for manufacturers

Market Environment

■ Automobile market

- +1.2% growth year on year in 2017 (global sales)
China: Flat U.S.: Minor decrease
Japan • Brazil • ASEAN: Steady

■ Materials market

- Mild recoveries in domestic naphtha and crude oil markets
- Rising steel and nonferrous metal prices

■ Electronics market

- Firm demand for automobile-use semiconductors
【Market growth rate】 more than 5% (CAGR 2015-2020)
- Growing automobile-related LiB demand due to EV uptake

■ Optical communications market

- Steady market growth, emergence of manufacturers from China and Taiwan region
- Rapid expansion of 100GB optical transceivers
【Market growth rate of 100GB optical transceivers】
In 2017: +34% (YoY)

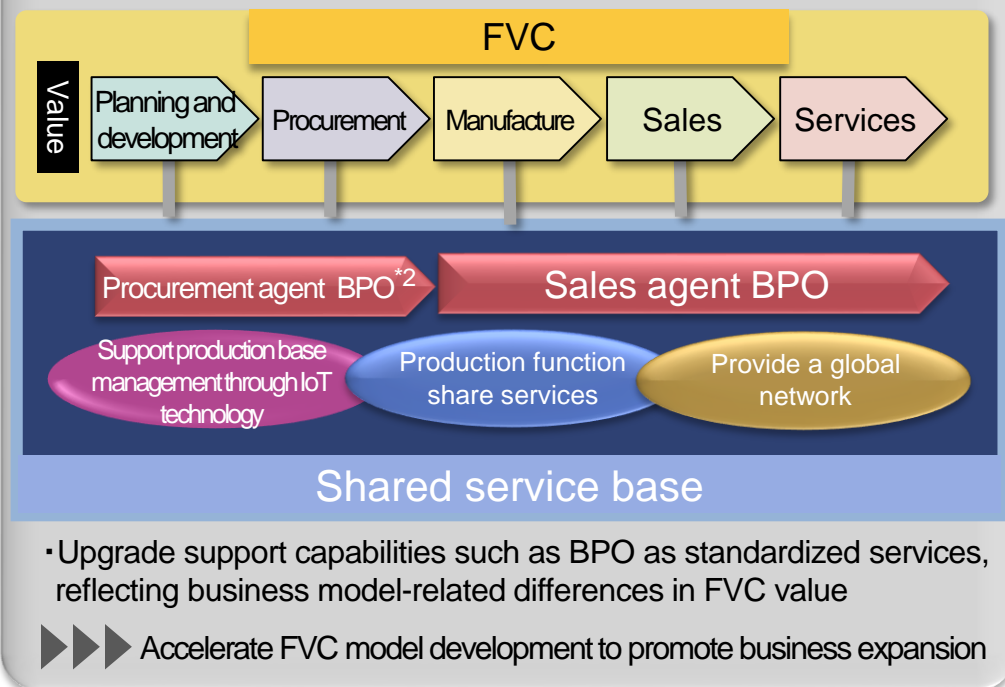
*1 FVC: Full Value Chain

*2 BPO: Business Process Outsourcing

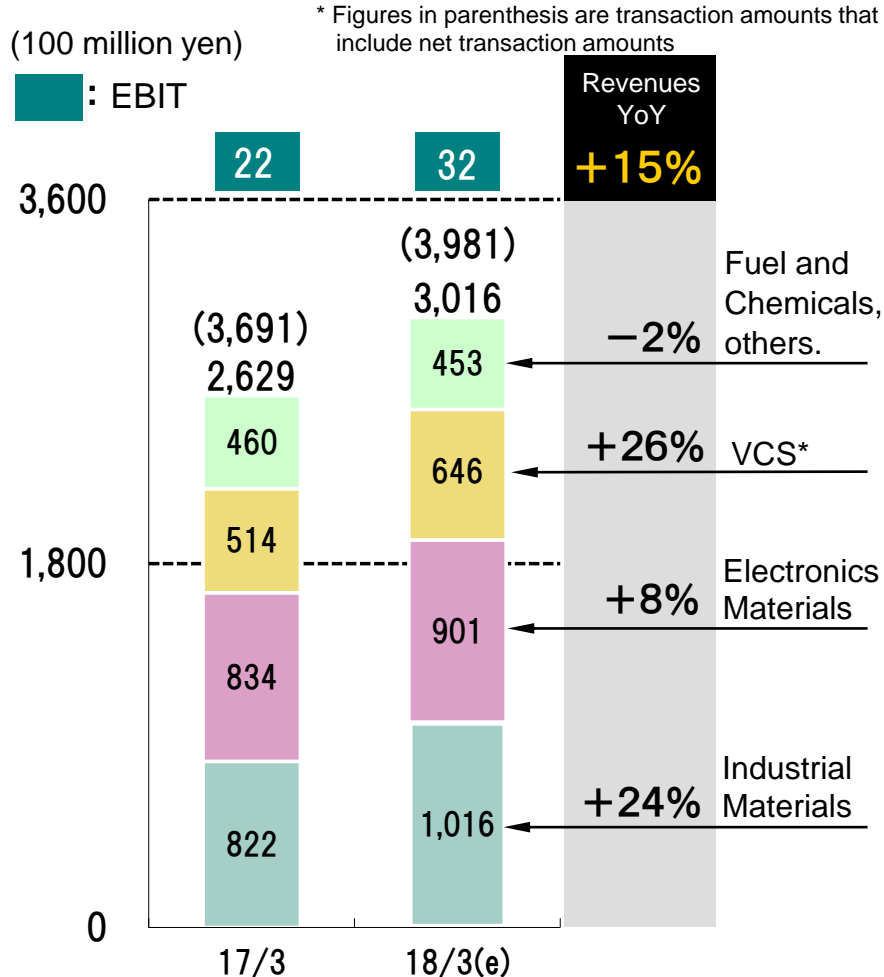
Basic Strategy and Management Issues

Active investment, FVC model development

- Invest to establish new business
 - Invest in FVC model development and build strategic partnerships
- Create shared services base to support FVC



Revenues / EBIT Trend



Concrete Initiatives in FY17

Active investments to expand FVC business

Launch Shared Factory as a Service

- Promote establishment of the Shared Factory as a Service in Thailand
- Support Japanese companies expanding overseas through such means as production management using IoT technology, shared equipment and inventory control



Amata Nakorn Industrial Estate
(Candidate site for Shared Factory as a Service business)

Expand business for the optical communications module EMS business

- Additional investment for production equipment responding to peak demand

Provide global FVC service in the rail transportation field

- Collaborate with overseas partner companies

Develop the South American market

- Acquired a Brazilian mold steel sales company in October 2016 and established Hitachi High-Tech Steel do Brasil Ltda.

⇒ Strengthen sales base, accelerate development of periphery businesses

Establish mold-die management business

- Start service business in Japan

* VCS: Value Chain Solution

* Under a business segment reorganization, some products in Industrial Systems were transferred to Advanced Industrial Products in FY17. 17/3 Figures are restated

* Please refer to page 34 to check the results before restated

5. Summary

- Strengthen resources and conduct strategic investment for inorganic growth toward forming next generation of a growth cycle

| | | | 17/3 Results | 18/3 Outlook (e) |
|---------------------|--|--|--------------|------------------|
| Profitability | Instruments | Maintain an EBIT margin of 10% or more | 13% | 11% |
| | Materials | Achieve an absolute EBIT of 5 Ybn or more (FY2018) | 2.3 Ybn | 3.2 Ybn |
| Service ratio | Maintain the ratio of EBIT from service business to overall at 50% or more | | 57% | 61% |
| R&D | ¥80 billion* | Increase investments centered on the biotechnology and medical products business | 23.6 Ybn | 27.8 Ybn |
| Capital investment | ¥40 billion* | <ul style="list-style-type: none"> Manufacturing ability expansion, and technology strengthening to support business Strengthening collaboration with customers through demonstration facilities expansion | 14.4Ybn | 20.5 Ybn |
| Shareholder returns | Maintain a stable dividend, targeting a dividend payout ratio of 30% | | 27.4% | 29.5% |

*FY2016-FY2018 cumulative



6 . Reference

Note: YY/M denotes the year and month of the accounting period-end
(e) denotes the current forecast (April 2017)

FY17 Outlook (Revenues and EBIT by Segment)

(100 million yen)

| | FY17 Outlook (e) | | FY16 Results | | YoY | |
|------------------------------|------------------|------|--------------|------|----------|------|
| | Revenues | EBIT | Revenues | EBIT | Revenues | EBIT |
| Science & Medical Systems | 1,905 | 253 | 1,861 | 271 | +2% | -18 |
| Electronic Device Systems | 1,263 | 197 | 1,245 | 270 | +1% | -74 |
| Industrial Systems | 877 | 26 | 789 | 22 | +11% | +4 |
| Advanced Industrial Products | 3,016 | 32 | 2,629 | 22 | +15% | +10 |
| Total | 6,800 | 460 | 6,445 | 536 | +6% | -76 |

Note: • Elimination such as subtractions in intersegment transactions, etc., are included in the totals
 • Under a business segment reorganization, some products in Industrial Systems were transferred to Advanced Industrial Products in FY17.
 FY16 Figures are restated

Changes in Orders Received and Revenues Ratio by Fields (Electronic Device Systems)

Changes in Orders Received

(100 million yen)

| | Q1 | Q2 | Q3 | Q4 | Total |
|---------------------------------|-----|-----|-----|-----|-------|
| 16/3 Results | 226 | 230 | 302 | 424 | 1,182 |
| 17/3 Results & Forecast (April) | 334 | 309 | 256 | 233 | 1,133 |
| 17/3 Results | 334 | 309 | 256 | 371 | 1,271 |
| 18/3 Forecast (Current) (e) | 583 | | 642 | | 1,225 |



: Results

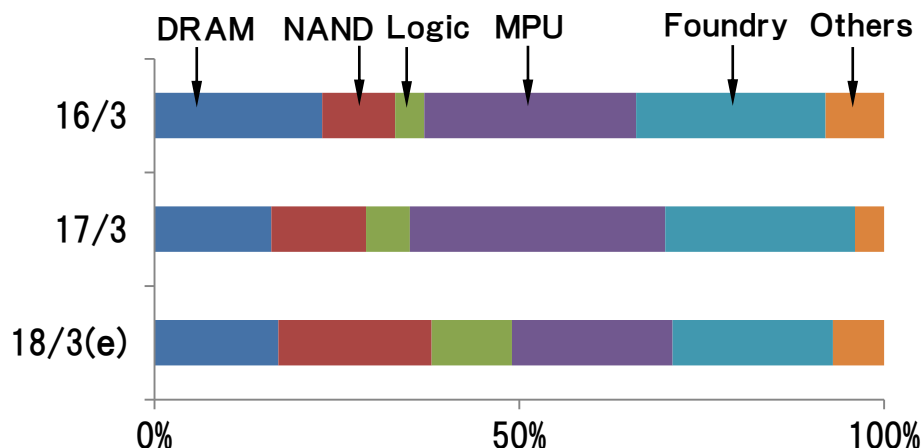


: Previous forecasts



: Current forecast

Revenues Ratio by Fields (Front-end Equip.)



* Based on unit sales

Capital Expenditure/ Depreciation Costs/ R&D / Revenues by Region

■Capital Expenditure/Depreciation Costs/R&D

(100 million yen)

| | 16/3 | 17/3 | YoY | 18/3(e) | YoY |
|---------------------|------|------|------|---------|------|
| Capital Expenditure | 120 | 144 | +19% | 205 | +42% |
| Depreciation Costs | 105 | 105 | −0% | 131 | +24% |
| R&D | 202 | 236 | +17% | 278 | +18% |

Note: Capital expenditure is based on acquisition base

■Revenues by Region

(100 million yen)

| | | Japan | North America | Europe | Asia | Mainland China | Others | Total |
|------|----------|-------|---------------|--------|-------|----------------|--------|-------|
| 16/3 | Revenues | 2,557 | 592 | 883 | 2,189 | 882 | 68 | 6,290 |
| | Ratio | 41% | 9% | 14% | 35% | 14% | 1% | 100% |
| 17/3 | Revenues | 2,498 | 546 | 878 | 2,274 | 841 | 249 | 6,445 |
| | Ratio | 39% | 8% | 14% | 35% | 13% | 4% | 100% |

Changes in Quarterly Results

| (100 million yen) | | | FY16 Q1 | FY16 Q2 | FY16 Q3 | FY16 Q4 |
|---|--------------------------------|----------|------------|------------|------------|------------|
| Revenues / EBIT | Science & Medical Systems | Revenues | 458 | 468 | 422 | 513 |
| | | EBIT | 92 | 53 | 72 | 53 |
| | Electronic Device Systems | Revenues | 279 | 293 | 347 | 326 |
| | | EBIT | 78 | 58 | 91 | 44 |
| | Industrial Systems | Revenues | 184 | 228 | 184 | 320 |
| | | EBIT | −6 | 5 | −1 | 24 |
| | Advanced Industrial Products | Revenues | 599 | 587 | 641 | 675 |
| | | EBIT | 5 | 4 | 8 | 6 |
| | Others & Elimination/Corporate | Revenues | −24 | −24 | −14 | −17 |
| | | EBIT | −5 | −11 | −4 | −30 |
| | Total | Revenues | 1,496 | 1,552 | 1,581 | 1,816 |
| | | EBIT | 164 | 109 | 166 | 98 |
| Income before Income Taxes | | | 165 | 110 | 166 | 99 |
| Net Income Attributable to Hitachi High-Technologies Corporation Stockholders | | | 129 | 80 | 124 | 69 |

Revenues Change in Main Business

| (100 million yen) | FY16/Q1 | FY16/Q2 | FY16/Q3 | FY16/Q4 | FY16 |
|--------------------------------------|------------|------------|------------|------------|--------------|
| Science & Medical Systems | 458 | 468 | 422 | 513 | 1,861 |
| Electron Microscopes | 50 | 88 | 68 | 94 | 300 |
| Scientific Instr. | 42 | 65 | 51 | 76 | 234 |
| Medical Products | 333 | 280 | 257 | 300 | 1,170 |
| Biotechnology Products, Others | 32 | 34 | 47 | 44 | 157 |
| Electronic Device Systems | 279 | 293 | 347 | 326 | 1,245 |
| Process Equipment | 146 | 139 | 165 | 136 | 586 |
| Metrology & Inspection Equipment | 131 | 152 | 181 | 189 | 653 |
| Others | 1 | 2 | 1 | 1 | 5 |
| Industrial Systems | 184 | 228 | 184 | 320 | 916 |
| Social Infrastructure | 76 | 78 | 77 | 123 | 353 |
| Industrial Infrastructure | 53 | 91 | 52 | 130 | 326 |
| ICT Solutions | 55 | 60 | 55 | 67 | 237 |
| Advanced Industrial Products | 599 | 587 | 641 | 675 | 2,502 |
| Industrial Materials | 255 | 252 | 273 | 299 | 1,078 |
| Electronics Materials | 193 | 188 | 203 | 210 | 795 |
| VCS* | 151 | 147 | 165 | 165 | 629 |

* VCS: Value Chain Solution

FY16 Financial Results [IFRS]

- Status of Progress on the Mid-Term Management Strategy / FY17 Outlook -

For further information

Yoshito Yokoi

General Manager, CSR Div.

TEL:+81-3-3504-5138 FAX:+81-3-3504-5943

E-mail: yoshito.yokoi.jp@hitachi-hightech.com

Notes on the data

1. All financial statement summaries and results predictions included in this presentation are on a consolidated basis unless otherwise stated.

Numerical data is rounded off to the nearest 100 million yen.

2. In its disclosures, Hitachi High-Technologies may make statements that constitute forward-looking statements that reflect management's views with respect to certain future events and financial performance at the time of disclosure. Such statements are based on information available at the time of disclosure and may differ from actual results due to various external factors, both direct and indirect. In the event of a major discrepancy with the items disclosed, the Company will disclose on a case-by-case basis based on the law and/or the timely disclosure rules and regulations of the stock exchanges on which the Company is listed.

The information included in this material is for reference when investing, and not a canvass to invest. Brand selection and the final decision is at your own judgment.