



FY17 Financial Results [IFRS]

- FY18 Outlook / Status of Progress on the Mid-Term Management Strategy -

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

Hitachi High-Technologies Corporation

FY17 Financial Results [IFRS]

- FY18 Outlook / Status of Progress on the Mid-Term Management Strategy -

1. Outline of FY17 (Highlights)
2. FY18 Outlook
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1. Outline of FY17 (Highlights)

Note: YY/M denotes the year and month of the accounting period-end
(e) denotes the figures announced on January 2018

Outline of FY17 (Highlights)

(100 million yen)

	FY17 Results	YoY		vs. Previous Forecast (e)	
		Increase/Decrease	Ratio	Increase/Decrease	Ratio
Revenues	6,877	+431	+7%	−23	−0%
Adjusted Operating Income*1	555	−18	−3%	+45	+9%
EBIT*2	552	+16	+3%	+32	+6%
Income before Income Taxes	556	+17	+3%	+36	+7%
Net Income*3	409	+7	+2%	+19	+5%
Net Income per Share	297.27 yen	+5.19 yen		+13.69 yen	
Cash Dividend per Share	85.00 yen	+5.00 yen		+5.00 yen	
ROE	10.9%	−0.9%		+0.5%	
FCF	+162	−154		+128	

▪Exchange rate : 1USD=111 yen, 1EUR=130 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

*3 Net Income is presented as net income attributable to Hitachi High-Technologies Corporation stockholders

Outline of FY17 (Revenues and EBIT by Segment)

(100 million yen)		FY17 Results		FY16 Results		YoY		FY17 Outlook ^(e)	
		Revenues	EBIT	Revenues	EBIT	Revenues	EBIT	Revenues	EBIT
Science & Medical Systems		1,881	227	1,861	271	+1%	-44	1,880	224
Electronic Device Systems		1,357	317	1,245	270	+9%	+46	1,355	303
Industrial Systems		765	10	789	22	-3%	-12	765	9
Advanced Industrial Products		2,943	37	2,629	22	+12%	+15	2,950	37
Total		6,877	552	6,445	536	+7%	+16	6,900	520

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

vs. FY16 Results

Revenues (644.5 Ybn → 688.7 Ybn +43.1 Ybn)

- | | |
|---------------------------------|---|
| ■ Electronic Device Systems: | Increased 11.2 Ybn due to strong sales of CD-SEMs to customers investing in mass production of memory |
| ■ Advanced Industrial Products: | Increased 31.4 Ybn due to growth in materials transactions and strong sales of semiconductor-related components |

EBIT (53.6 Ybn → 55.2 Ybn +1.6 Ybn)

- | | |
|---------------------------------|--|
| ■ Science & Medical Systems: | Decreased 4.4 Ybn due to inventory adjustments in the supply chain with customers for clinical analyzers and strategic investment for growth |
| ■ Electronic Device Systems: | Increased 4.6 Ybn for the same reason as revenues |
| ■ Advanced Industrial Products: | Increased 1.5 Ybn for the same reason as revenues |

Outline of FY17 (Statement of Financial Position in Summary)

As of end of March 2018 (100 million yen)

			vs. 17/3				vs. 17/3
Current Assets		4,955	+224	Current Liabilities		2,055	+68
Cash and Cash Equivalents	1,924	+26		Trade Payables	1,321	+107	
Trade Receivables	1,593	+128		Others	734	-39	
Inventories	1,165	+157		Non-Current Liabilities		273	-45
Others	273	-87		Retirement and Severance Benefits	232	-29	
Non-Current Assets		1,278	+132	Others	41	-16	
Property, Plant and Equipment	738	+30		Equity		3,905	+333
Intangible Assets	170	+91		Total Hitachi High-Tech Stockholders' Equity	3,901	+332	
Others	370	+12		Non-controlling Interests	4	+1	
Total Assets		6,233	+356	Total Liabilities & Shareholder Equity		6,233	+356

Note: • Total Hitachi High-Tech Stockholders' Equity per Share: 2,836.26 yen (vs.17/3 +241.08 yen)
• Total Hitachi High-Tech Stockholders' Equity Ratio : 61.9%

Outline of FY17 (Statement of Cash Flows)

(100 million yen)

	18/3		18/3
Cash Flow from Operating Activities	+292	Cash Flow from Financing Activities	-127
Net Income	+411	Dividends Paid	-117
Depreciation and Amortization	+118	Others	-10
Working Fund	-143	Effect of Exchange Rate Changes	-9
Income Tax Expense and Refund	-237		
Others	+143		
Cash Flow from Investing Activities	-130		
Proceeds from Sale / Purchase of Investments in Securities and Other Financial Assets	-11		
Proceeds from Sale / Purchase of Property, Plant, Equipment and Intangible Assets	-140		
Others	+22		
Free Cash Flow	+162		
		Cash and Cash Equivalents	18/3
		At the Beginning of Year	+1,898
		Net Increase (Decrease)	+26
		At the End of Term	+1,924



2. FY18 Outlook

Note: YY/M denotes the year and month of the accounting period-end
(e1) denotes the figures announced on April 2018

FY18 Outlook (Highlight)

(100 million yen)

	FY18 Outlook (e1)	FY17 Results	YoY	
			Increase / Decrease	Ratio
Revenues	7,800	6,877	+923	+13%
Adjusted Operating Income*1	630	555	+75	+13%
EBIT*2	630	552	+78	+14%
Income before Income Taxes	630	556	+74	+13%
Net Income*3	450	409	+41	+10%
Net Income per Share	327.21 yen	297.27 yen	+29.94 yen	
Cash Dividend per Share	95.00 yen	85.00 yen	+10.00 yen	
ROE	11.1%	10.9%	+0.1%	
FCF	+32	+162	-130	

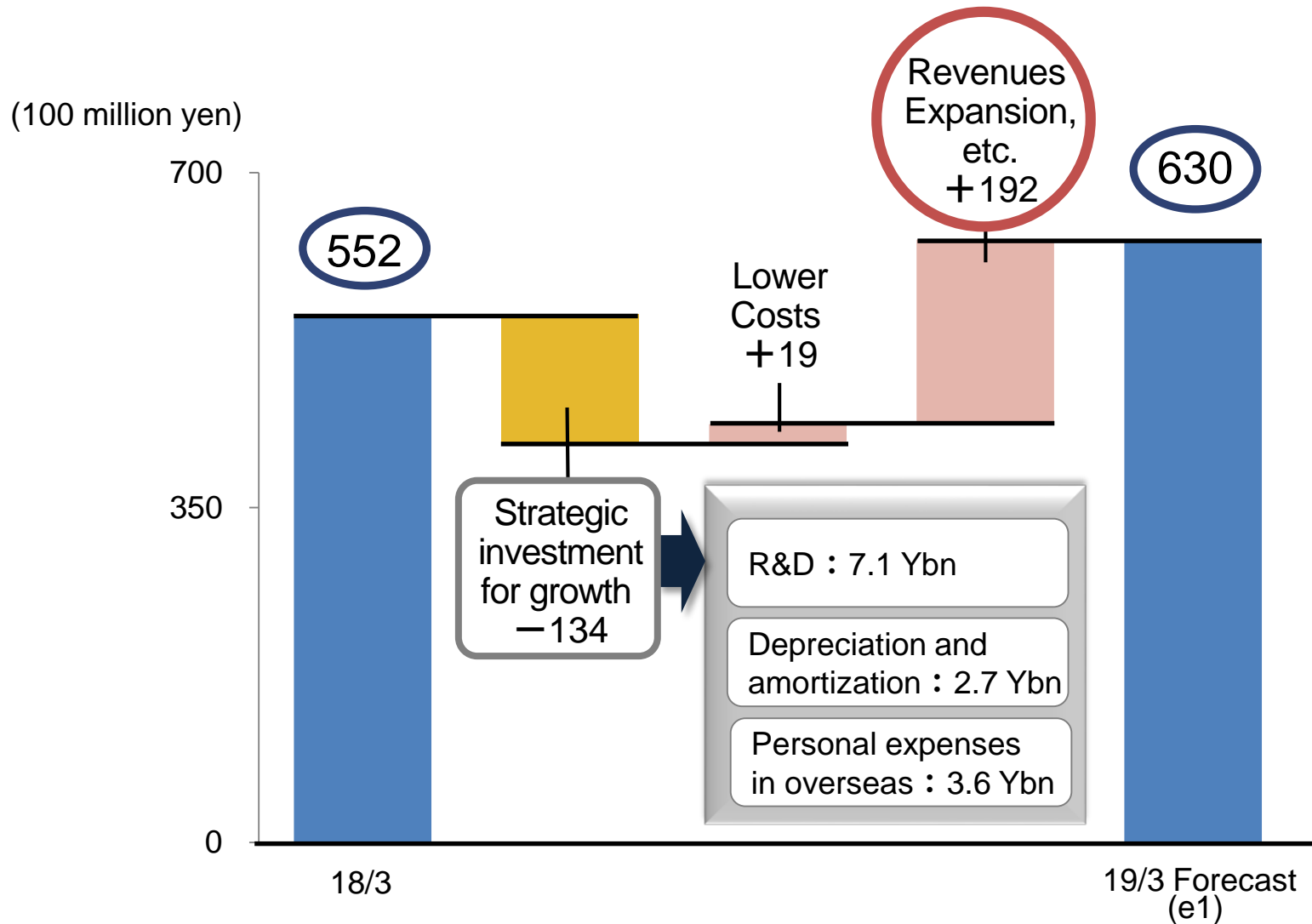
*FX rate estimate : 1USD=105 yen, 1EUR=130 yen

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

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FY18 Outlook (Factors behind Change YoY: EBIT)



Science & Medical Systems

Biotechnology and Medical Products

- The biochemical testing market has matured, and the immunodiagnostics, genetic, and bacterial testing markets are expanding
- Market price decrease from greater downward pressure on medical spending

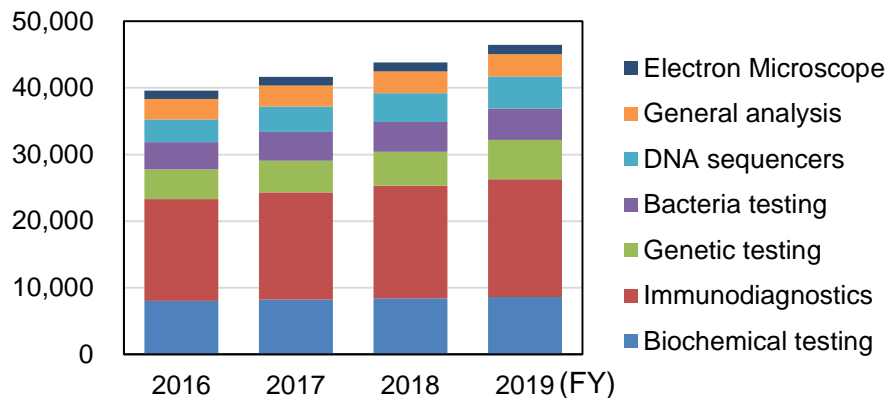
Scientific Systems

- Growth in demand for rechargeable batteries, semiconductors, RoHS-compliant, investment also active

Market scale by Science & Medical Systems (incl. reagents)

(100 million yen)

Source: Estimated by Hitachi High-Tech
based on SDI/Kalorama, etc.



Electronic Device Systems

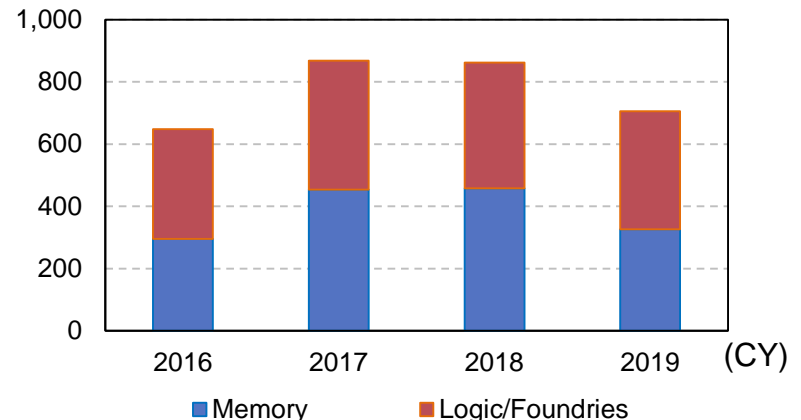
- High activity in the FY2018 semiconductor manufacturing equipment market continuing from FY2017
- Continued active investment in both DRAM and 3D-NAND memory
- Logic/Foundries continued mass production investment in 10-7 nm and development investment for 7-5 nm

Semiconductor manufacturing equipment investment trend

CapEx

(100 million USD)

Source: Gartner (Q4 /2017)





3. FY18 Outlook by Segment

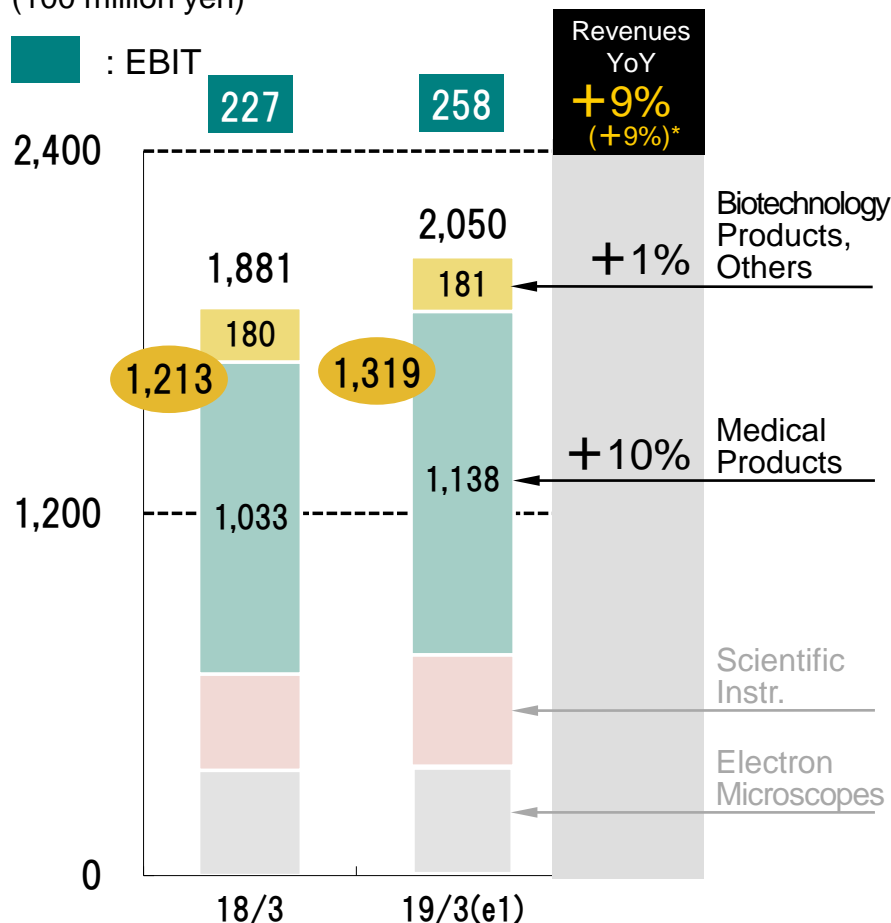
Note: YY/M denotes the year and month of the accounting period-end
(e1) denotes the figures announced on April 2018

Vision

Aim to be global player in all IVD market

Revenues / EBIT Trend

(100 million yen)



*YoY change for the biotechnology and medical products business

Concrete Initiatives in FY18

- Continue sales expansion for “cobas e801” new high-speed immunodiagnostic analyzer

Immunoassays module “e801” for “cobas 8000” integrated clinical chemistry and immunoassay analysis



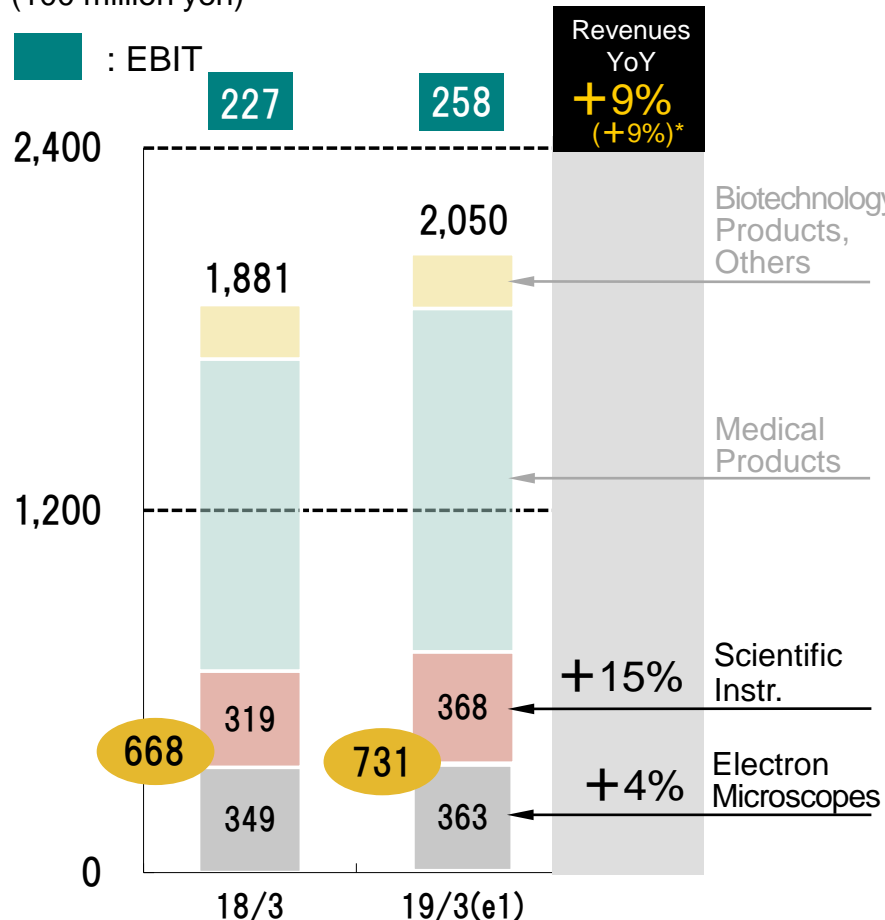
- Open new market by expanding sales of new Hitachi’s composite automated analyzer “3500”
- Start sales of new products for the biotechnology field
 - Compact CE sequencer/gene testers, etc.
- Develop new business in the high precision cancer diagnostic field
 - Collaboration with MagArray, Inc./OmniSeq®, Inc. in the U.S.

Vision

Aim to be a global major player in analytical instruments market

Revenues / EBIT Trend

(100 million yen)



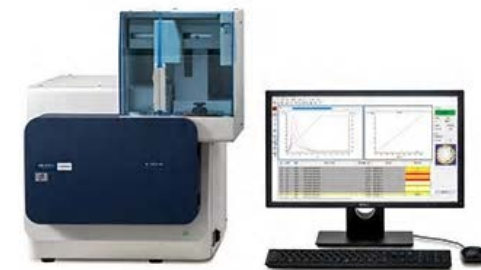
Concrete Initiatives in FY18

- Expand sales of “Ethos NX5000” new composite FIB-SEM system
- Develop and expand sales of high-value-added TSS* (dedicated equipment)
 - Rechargeable battery testing equipment (X-ray fluorescence contaminant analyzers, SEMs, etc.)
 - RoHS II-compliant “HM1000”
- Accelerate Global Development
 - Strengthen sales capabilities by maximizing Group synergies
 - Promote collaboration with customers by Hitachi High-Tech Science Park

*TSS: Targeted Solution Systems



High-Performance Composite FIB-SEM “ETHOS NX5000”



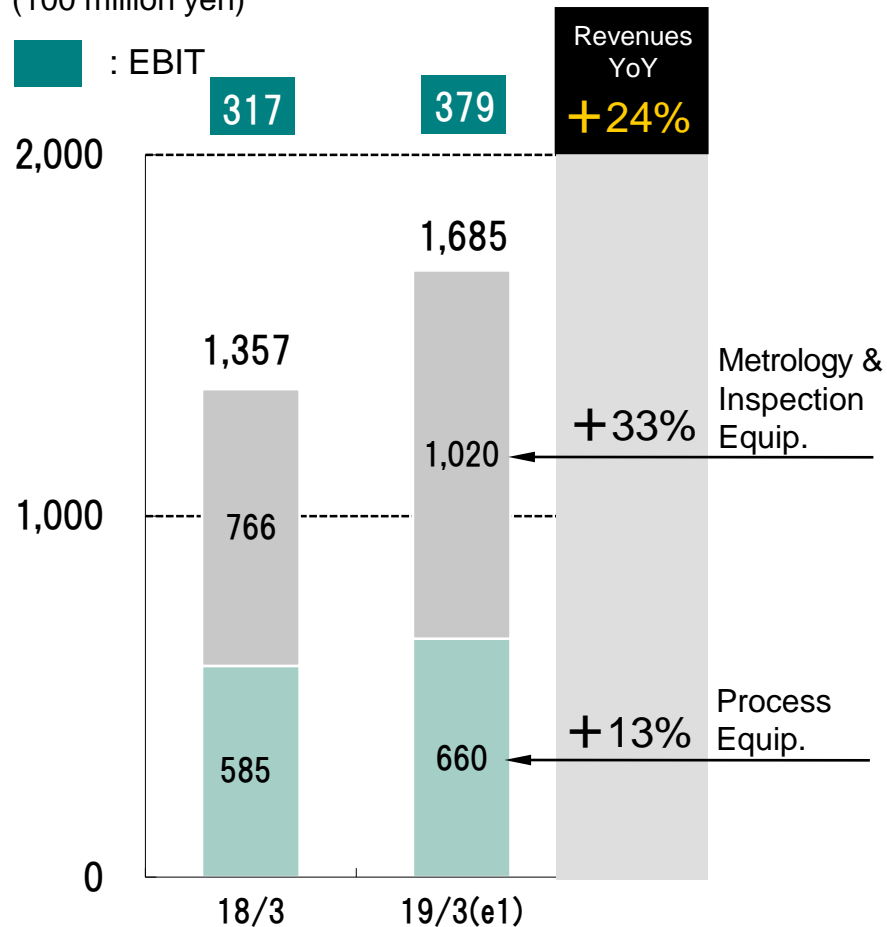
Screening Equipment for Phthalates “HM1000”

Vision

Pursuit and creation of new value in partnership with customers

Revenues / EBIT Trend

(100 million yen)



Concrete Initiatives in FY18

- Strengthen product portfolio in response to diversifying customer needs
 - Conduct active R&D investment (+29% compared with FY17)
 - Deepen joint creation with customers through early collaboration
 - Provide solutions through links between process / metrology and inspection equipment
- Establish highly efficient production systems
 - Increase production efficiency through module assembly format and automation
 - Strengthen production facilities and extend production area

“Enhanced Microwave ECR Etching Module”



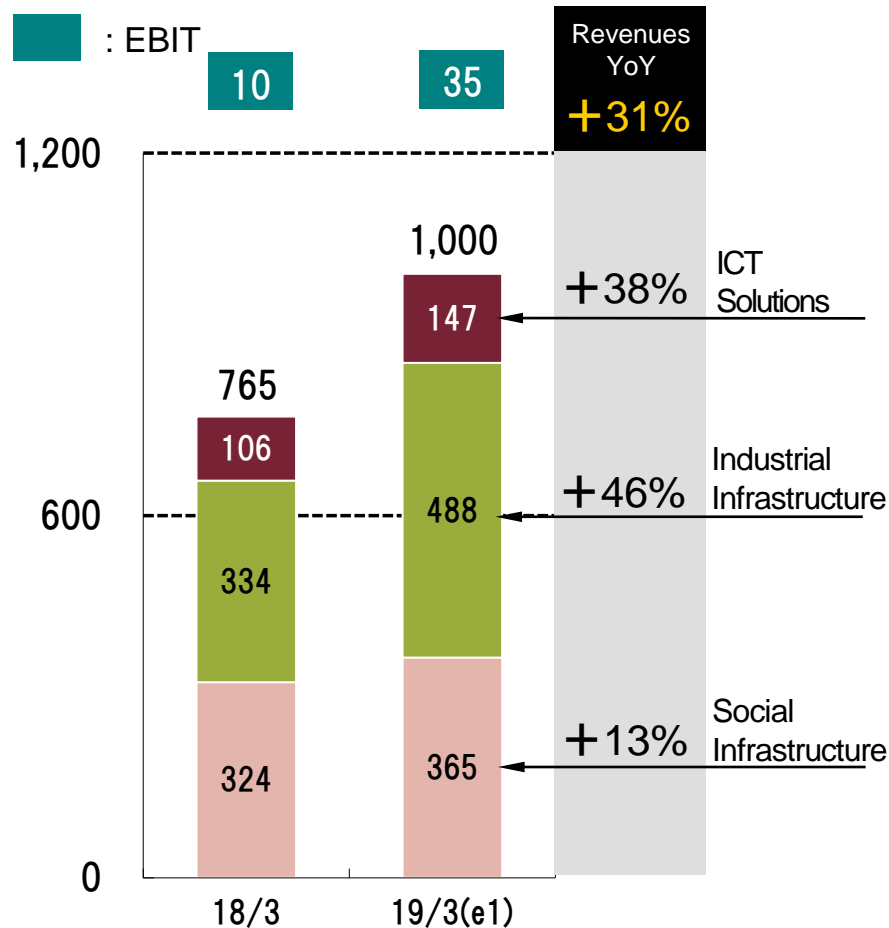
Conductor Etch System 9000-Series

Vision

Aim to be only one solution provider in industrial field

Revenues / EBIT Trend

(100 million yen)



Concrete Initiatives in FY18

Social Infrastructure

Railway inspections

- Develop business for public and private railways in addition to the JR Group

Control systems

- Advance support for smart-process automation through control systems and big data analysis

Industrial Infrastructure

Auto Assembly

- Expand sales of high function equipment for LiB* manufacturing

Thin-films

- Realize optimal solutions through provision of system products

ICT Solutions

IoT

- Solve management issues in the manufacturing industry by combining OT and AI.

* LiB: Lithium-ion Battery



Integrated Control System



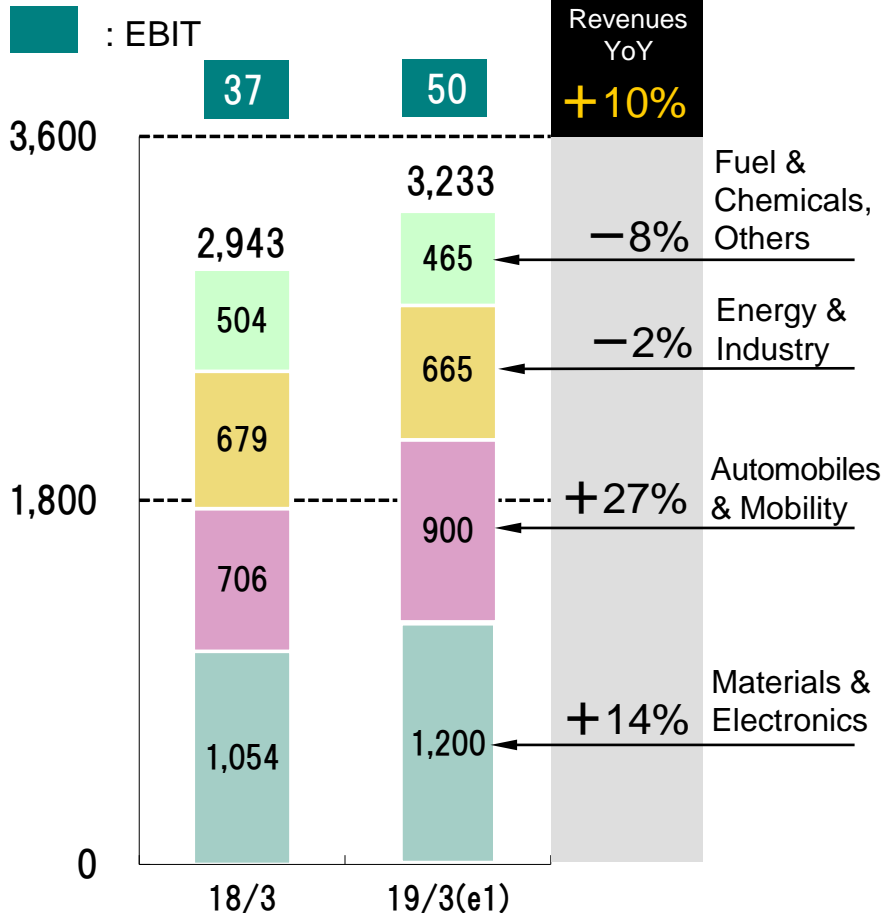
Predictive Diagnostic Systems

Vision

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

Revenues / EBIT Trend

(100 million yen)



Concrete Initiatives in FY18

Clarify target domains and shift to customer-focused organization structure

Railway-related business

Expand FVC* service through collaboration with overseas partner companies

- Promote parts and repair business (U.K.)
- Start collaboration with Chinese interior manufacturer



Shared factory as a service (Start business in Thailand)

Provide production base, facilities, infrastructure, and management services for Japanese manufacturers expanding overseas

Mold-die management services

Provide one-stop service from mold-die check to storage and purchasing

*FVC : Full Value Chain



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

Note: YY/M denotes the year and month of the accounting period-end
(e1) denotes the figures announced on April 2018

Status of Progress on KPIs

Revenues

Achieve progress beyond market growth

Revenues CAGR by business > Market growth rate

FY15~18 (CAGR)	Market	Hitachi High-Tech's Forecast (e1)
The biochemical and Immunodiagnostics testing	*1 4%	3%
Scientific Instruments	4%	7%
Front-end semiconductor manufacturing equipment	*2 13%	18%

*1 Equipment and reagents cumulative *2 CY

Service ratio

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

17/3 Results	18/3 Results	19/3 Outlook (e1)
57%	54%	48%

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

Profitability

Instruments

Maintain an EBIT margin of 10% or more

17/3 Results	18/3 Results	19/3 Outlook (e1)
13%	13%	14%

Materials

Achieve an absolute EBIT of
5.0 Ybn or more (FY2018)

17/3 Results	18/3 Results	19/3 Outlook (e1)
2.3 Ybn	3.7 Ybn	5.0 Ybn

Continue to execute growth strategy,
aim to achieve all KPIs

Size of
Investment

¥80 billion

Increase investments centered on the biotechnology and medical products business (Increase by 30% versus FY2013-FY2015)

17/3 Results

23.6 Ybn

18/3 Results

26.7 Ybn

19/3 Outlook (e1)

33.8 Ybn



Total(e1)

84.1 Ybn

Science & Medical Systems

Strengthen existing operations and creation new core businesses, along with developing high-value-added dedicated equipment

- Next middle and compact type clinical analyzers
- Next-generation DNA sequencers
- Apply mass spectroscopy to the diagnosis fields
- Electron microscope-related automation technology

Electronic Device Systems

Enhance the product portfolio and respond to new needs

- Equipment to handle 3D structure and new materials
- Equipment for semiconductor devices of automobiles and IoT

Size of
Investment

¥40 billion

- Strengthening collaboration with customers through demonstration facilities expansion
- Manufacturing ability expansion, and technology strengthening to support business

17/3 Results

14.4 Ybn

18/3 Results

15.7 Ybn

19/3 Outlook (e1)

23.8 Ybn



Total (e1)

53.9 Ybn

Science & Medical Systems

Hitachi High-Tech Science Park
(Scientific instrument demonstration
and development facility)

- Establish new facilities in the U.K. and China in addition to the U.S.
- Build a global network covering 9 locations in 5 countries

Electronic Device Systems

Strengthen local development functions
at PEC*1 and PICT*2

- Develop solutions through links between wavelength CD-SEM/etcher

Strengthen customer support structure
in China

Deepen
collaboration

Strengthen
manufacturing
capability

Actively promote mass-production response
+ automation and adoption of robotics and IoT

*1 PEC : Process Engineering Center *2 PICT : Process Innovation Center Taiwan

Size of
Investment

¥30 billion

Biotechnology
and Healthcare

Social and Industrial
Infrastructure



Make additional business
investments using cash on hand

Investment
domains

- Genetic and bacterial testing: Equipment, reagents, and software for cancer and infectious disease diagnosis
- Electron microscopes and scientific instruments: Strengthen technology and sales channels

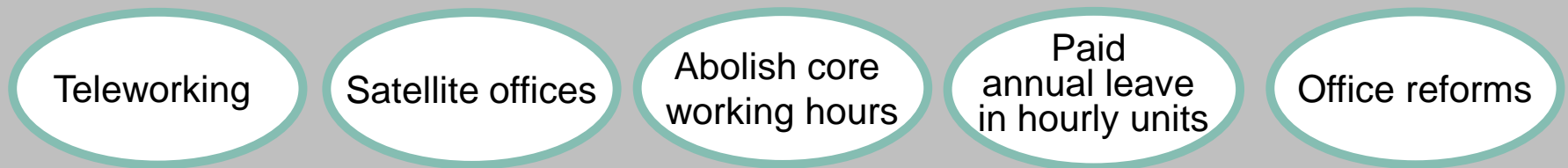
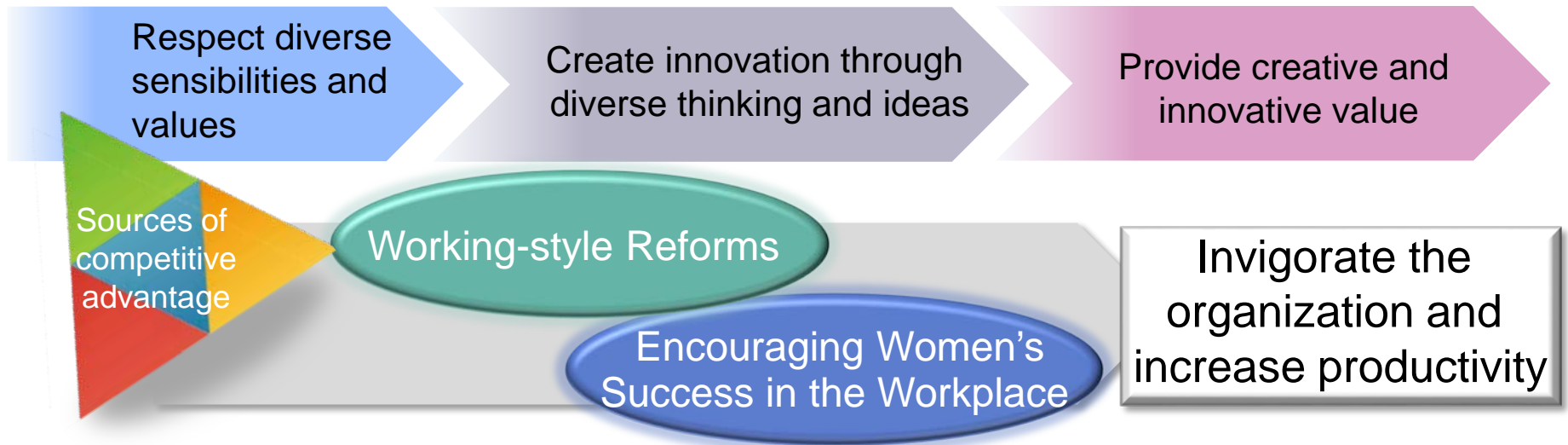
Science & Medical Systems		Size of investment	Investment case
Biotechnology and Medical Products	September 2016	Paid-in capital of joint venture : CNY 19.62 million	Establishing a joint venture and starting alliance for expand business in Chinese IVD* market
	May 2017	0.9 Ybn	Starting a capital and business alliance in the genetic testing business with Precision System Science Co., Ltd.
	September 2017	2.4 Ybn	Capital Participation in U.S. Company MagArray, Inc.
	March 2018	Not disclosed	Capital Participation in U.S. Company OmniSeq®, Inc.
Scientific Systems	July 2017	11.3 Ybn	Business acquisition of Oxford Instruments plc Group's partial business

* IVD: In-Vitro Diagnostics

Continue and advance aggressive investment to realize further growth going forward

Strengthening the Business Foundation

- Diversity Management -



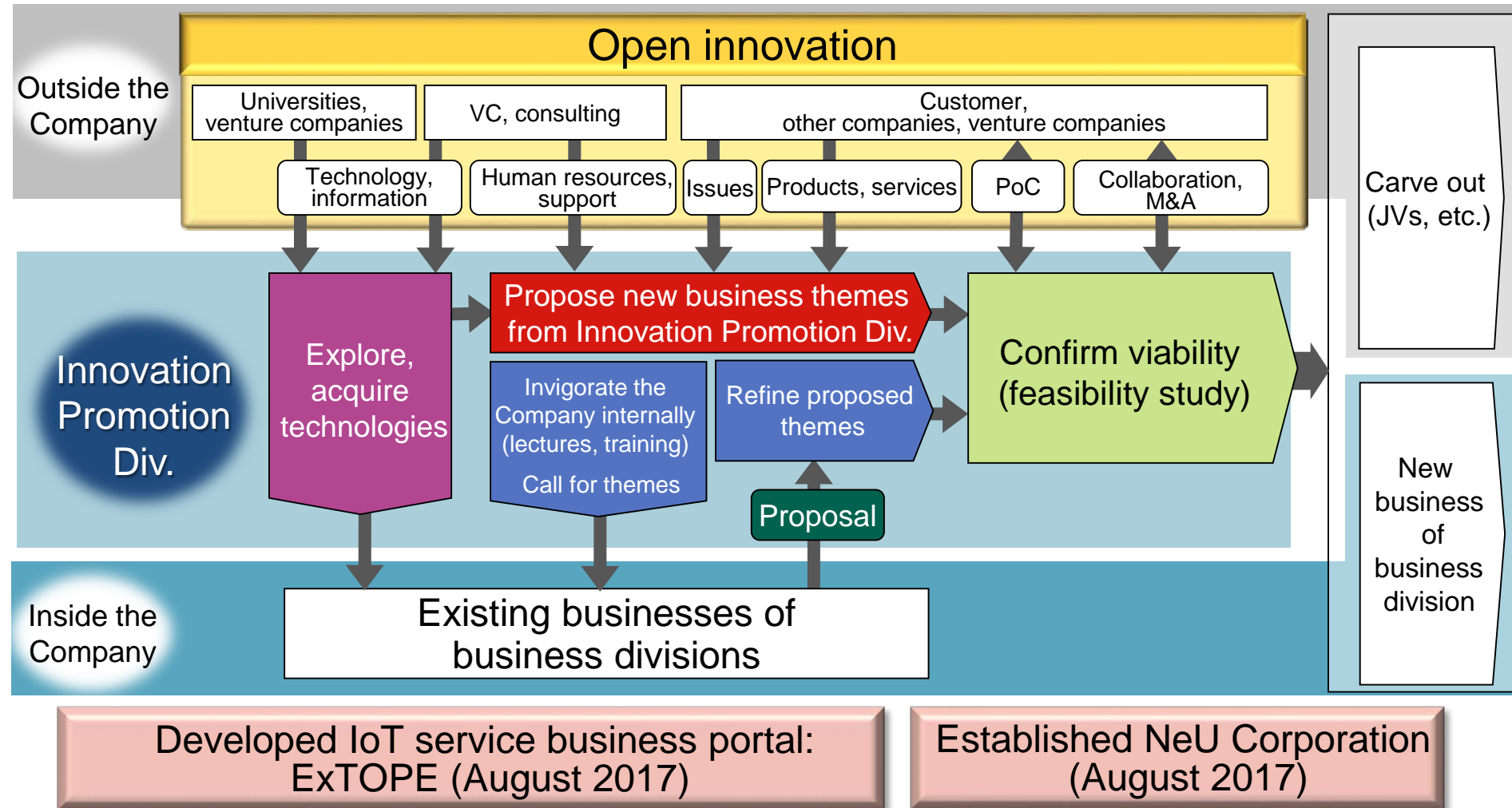
Major KPIs	Hours of overtime	Use of paid leave	Ratio of Women in managerial positions
	Average of 20 hours or less (per person per month)	20 days or more (per person per year)	5%



Strengthening the Business Foundation

- Promote Innovation -

Use various forms of open innovation to promote “new business creation” and “existing business innovation”



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

			17/3 Results	18/3 Results	19/3 Outlook (e1)
Profitability	Instruments	Maintain an EBIT margin of 10% or more	13%	13%	14%
	Materials	Achieve an absolute EBIT of 5.0 Ybn or more (FY2018)	2.3 Ybn	3.7 Ybn	5.0 Ybn
Service ratio	Maintain the ratio of EBIT from service business to overall at 50% or more		57%	54%	48%
R&D	¥80 billion* Increase investments centered on the biotechnology and medical products business		23.6 Ybn	26.7 Ybn	33.8 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 		14.4 Ybn	15.7 Ybn	23.8 Ybn
Shareholder returns	Maintain a stable dividend, targeting a dividend payout ratio of 30%		27.4%	28.6%	29.0%

*FY2016-FY2018 cumulative



5. Reference

Note: YY/M denotes the year and month of the accounting period-end
(e1) denotes the figures announced on April 2018

FY18 Outlook (Revenues and EBIT by Segment)

(100 million yen)

	FY18 Outlook (e1)		FY17 Results		YoY	
	Revenues	EBIT	Revenues	EBIT	Revenues	EBIT
Science & Medical Systems	2,050	258	1,881	227	+9%	+31
Electronic Device Systems	1,685	379	1,357	317	+24%	+62
Industrial Systems	1,000	35	765	10	+31%	+26
Advanced Industrial Products	3,233	50	2,943	37	+10%	+12
Total	7,800	630	6,877	552	+13%	+78

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

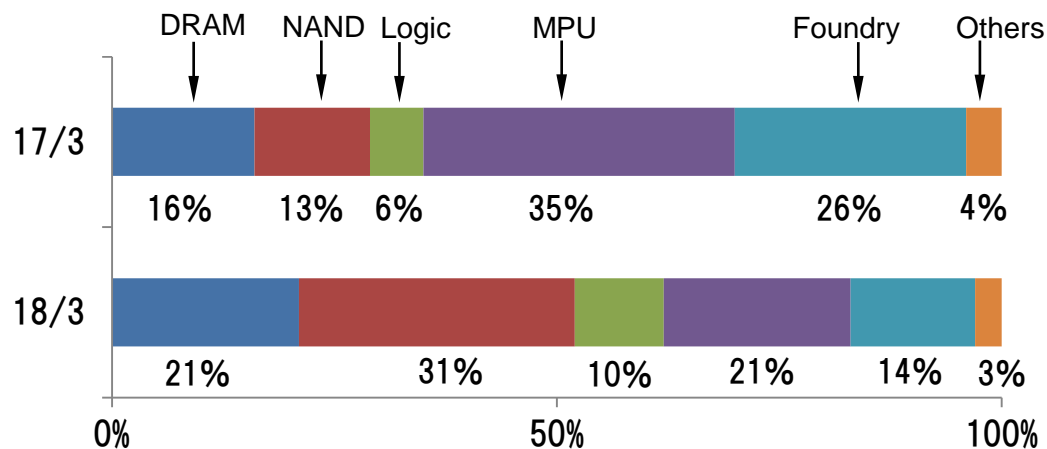
Changes in Orders Received (Results)

(100 million yen)

		Q1	Q2	Q3	Q4	Total
17/3	Process Equip.	139	160	94	187	579
	Metrology & Inspection Equip.	195	149	163	184	691
	Total	334	309	256	371	1,271
18/3	Process Equip.	91	109	185	206	591
	Metrology & Inspection Equip.	217	128	200	378	923
	Total	308	237	385	584	1,514

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)

	17/3	18/3	YoY	19/3(e1)	YoY
Capital Expenditure	144	157	+9%	238	+51%
Depreciation Costs	105	118	+12%	145	+22%
R&D	236	267	+13%	338	+27%

Note: Capital expenditure is based on acquisition base

■ Revenues by Region

(100 million yen)

		Japan	North America	Europe	Asia	Mainland China	Others	Total
17/3	Revenues	2,498	546	878	2,274	841	249	6,445
	Ratio	39%	8%	14%	35%	13%	4%	100%
18/3	Revenues	2,671	537	835	2,565	889	269	6,877
	Ratio	39%	8%	12%	37%	13%	4%	100%

Changes in Quarterly Results

(100 million yen)			FY17 Q1	FY17 Q2	FY17 Q3	FY17 Q4
Revenues / EBIT	Science & Medical Systems	Revenues	397	478	424	581
		EBIT	45	52	52	77
	Electronic Device Systems	Revenues	381	321	281	374
		EBIT	114	64	54	84
	Industrial Systems	Revenues	152	185	159	268
		EBIT	—9	0	—0	19
	Advanced Industrial Products	Revenues	729	746	751	718
		EBIT	11	8	13	5
	Others & Elimination/Corporate	Revenues	—17	—17	—13	—22
		EBIT	—5	—9	—4	—20
	Total	Revenues	1,642	1,714	1,602	1,919
		EBIT	156	115	116	165
Income before Income Taxes			157	116	117	167
Net Income Attributable to Hitachi High-Technologies Corporation Stockholders			117	85	90	117

Revenues Change in Main Business

(100 million yen)	FY17/Q1	FY17/Q2	FY17/Q3	FY17/Q4	FY17
Science & Medical Systems	397	478	424	581	1,881
Electron Microscopes	70	88	68	124	349
Scientific Instr.	45	84	78	112	319
Medical Products	242	256	232	302	1,033
Biotechnology Products, Others	40	50	45	44	180
Electronic Device Systems	381	321	281	374	1,357
Process Equipment	160	158	125	142	585
Metrology & Inspection Equipment	219	161	155	230	766
Others	2	1	1	2	6
Industrial Systems *1	152	185	159	268	765
Social Infrastructure	68	82	69	100	319
Industrial Infrastructure	61	78	66	133	340
ICT Solutions	23	26	24	35	106
Advanced Industrial Products *1	729	746	751	718	2,943
Industrial Materials	240	239	249	241	969
Electronics Materials	231	246	238	229	944
VCS *2	139	141	144	130	554
Fuel and Chemicals, Others	118	121	120	118	477

Notes: *1 The sub-segment classification of Industrial Systems and Advanced Industrial Products has been changed from FY18.

FY17 figures are not restated.

*2 VCS: Value Chain Solution

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For further information

Mitsuru Kuwabara

General Manager, CSR & Corporate Communications Dept.,
CSR Div.

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

E-mail:mitsuru.kuwabara.ya@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.

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