2021 Mid-Term Management Strategy
and FY19 Outlook

April 25, 2019

Masahiro Miyazaki     President and Chief Executive Officer
Shinji Sakurai     Vice President and Executive Officer
Hitachi High-Technologies Corporation
2021 Mid-Term Management Strategy and FY19 Outlook

1. Review of the 2018 Mid-Term Management Strategy

2. 2021 Mid-Term Management Strategy

3. FY19 Outlook

4. FY19 Outlook by Segment
1. Review of the 2018 Mid-Term Management Strategy

Note: YY/M denotes the year and month of the accounting period-end
### 2018 Mid-Term Management Strategy Policy

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

<table>
<thead>
<tr>
<th>Revenues (FY15-18 CAGR)</th>
<th>Market growth ratio</th>
<th>Results</th>
</tr>
</thead>
<tbody>
<tr>
<td>Achieve progress beyond market growth</td>
<td></td>
<td></td>
</tr>
<tr>
<td>The biochemical and Immunodiagnostics testing</td>
<td>*1 4%</td>
<td>6%</td>
</tr>
<tr>
<td>Scientific Instruments</td>
<td>4%</td>
<td>4%</td>
</tr>
<tr>
<td>Front-end semiconductor manufacturing equipment</td>
<td>*2 19%</td>
<td>13%</td>
</tr>
</tbody>
</table>

*1 Equipment and reagents cumulative  
*2 Calendar Year

<table>
<thead>
<tr>
<th>Profitability / Service ratio</th>
<th>FY16 Results</th>
<th>FY17 Results</th>
<th>FY18 Results</th>
</tr>
</thead>
<tbody>
<tr>
<td>Instruments</td>
<td>Maintain EBIT margin of 10% or more</td>
<td>13%</td>
<td>13%</td>
</tr>
<tr>
<td>Materials</td>
<td>Achieve absolute EBIT of 5.0 Ybn or more</td>
<td>2.3 Ybn</td>
<td>3.7 Ybn</td>
</tr>
<tr>
<td>EBIT from service business*3</td>
<td>Maintain the ratio at 50% or more</td>
<td>57%</td>
<td>54%</td>
</tr>
</tbody>
</table>

*3 Service business: product maintenance services, IT solutions, trading services, and others
Review of the 2018 Mid-Term Management Strategy

Strategic investment for growth (FY16-18 cumulative) | Cumulative Results
--- | ---
R&D : 80.0 Ybn | 81.1 Ybn
Capital Investment : 40.0 Ybn | 54.6 Ybn
Business Investment : 30.0 Ybn | 19.7 Ybn

**R&D**
- Developed new products and related technologies for the biotechnology and medical field
- Advanced development in close contact with customers by increasing engineers at engineering sites

**Capital Investment**
- Promoted global open innovation by expanding demonstration and development bases for scientific instruments (Established Hitachi High-Tech Science Parks)
- Expanded development and demonstration systems at engineering sites
- Enhanced responsiveness to higher production by expanding production facilities and production areas

**Business Investment**
- Strengthened product lineup and global sales network for scientific instruments (Acquired stock and partial business from Oxford Instruments plc Group in the UK)
- Advanced new business development, including entry into cancer diagnostic field (Capital participation in MagArray, Inc. and OmniSeq®, Inc. in the US)
2. 2021 Mid-Term Management Strategy

Note: YY/M denotes the year and month of the accounting period-end
Changes in Business Environment

Social Issues

- Energy
- Water scarcity
- Rapid Urbanization
- Human Rights Problems
- Environmental
- Lack of Infrastructure
- Economic Disparity

Paradigm Shift

- Globalization
- Multi-polarization
- Analog
- Digital
- Scalable
- Individualization
- Product centric
- Possession
- Closed
- Customer centric
- Share
- Open
Response required of the Company

Yardstick for measuring corporate value

For our sustainable growth, we need to strengthen our “Ability to respond to society”

- Ability to solve customers’ and society’s problems
- Organizational ability to conduct global operations and enable diverse working styles
- Ability to meet society’s demands and expectations as well as fulfill our social responsibilities
Identifying Materiality

Hitachi High-Tech Group’s 5 Materialities to address through our business characteristics and business models

**Materiality 1**  Contributing to a sustainable global environment

**Materiality 2**  Contributing to healthy, safe, secure lives

**Materiality 3**  Contributing to the sustained development of science and industry

**Materiality 4**  Establishing a sound management foundation

**Materiality 5**  Developing and utilizing diverse human resources

Goals to be aimed for through business activities

Goals to be aimed for through all corporate activities
Changes in Value Sought by Customers

Customers’ needs

Product value

Utility value

Value created from user experiences when customers use products

Solution from “Objects” and “Things”

Automation

Automate “things” and business processes for customers

Productivity

Create new business opportunities, improve productivity

Provide new utility value

Digitalization

Objects (Products)

Things (Service)

Sensing

Accumulation

Big Data

Analysis

Feedback

Company Activity

Customers

Utility value

Value created from user experiences when customers use products

Automation

Automate “things” and business processes for customers

Productivity

Create new business opportunities, improve productivity

Provide new utility value

Digitalization

Objects (Products)

Things (Service)
Toward a New Hitachi High-Tech

Corporate Vision

Simplify our customers’ high-tech processes

Mission

Our mission is to help our customers be fast-moving, successful, cutting-edge businesses

Explanatory Phrase

Our observation, measurement and analysis systems maximize yields while minimizing waste and safeguarding profit. Our processes, production systems, components and materials help our customers stay ahead of the curve.

Change company name / Relocate headquarters

Hitachi High-Technologies Corporation

Hitachi High-Tech Corporation

Copyright ©2019 Hitachi High-Technologies Corporation All Rights Reserved.
Management Policy

Focused Solutions Company in Global Growing Market

Basic strategy

Focusing on customers’ issues, providing solutions, through its technologies, products, and services, based on our core technologies in “Observation, Measurement, and Analysis”.
Basic Stance on Business Development

**Provide Focused Solutions**

**Turn general markets into rare specialized markets, and establish “an indispensable presence” in these markets**

**Expand globally**

Create new specialized markets

- Provide dedicated equipment and solutions
- New Fields

**General market**

Individualized and sophisticated customers’ issues and needs

- Bio/Medical
- Device Tech

**Core Competence**

- Strong technology and product
- Observation, Measurement, Analysis
- Automation and Control Technology
- Manufacturing Capabilities

**Foundations of customers and suppliers**

- Global Sales Capabilities
- Business Finding Capabilities
Business Development in Growth Fields

Further growth of existing top businesses + Create and Expand New Top businesses

**Bio/Medical**
- Clinical analyzers for hospital and clinical test center
  - Increase weight of preventive medicine
  - Testing for Emerging Countries
  - Mass spectroscopy applications
- 1st generation DNA Sequencer for genome research
  - Apply biotechnology to next medical care
  - Gene Testing System for IVD
  - Cell Culture Process Monitor
- Clinical analyzers
- DNA sequencer

**Device Tech**
- Semiconductor in-line etching and inspection equipment
  - Integrated Solutions: Etching x Inspection x Defect Analysis
  - Device evolution → Complicated process → Yield ratio issue
- CD-SEM

**New Fields**
- Electron microscopes and analytical Instruments mainly targeting laboratories
  - Develop towards industrial fields (RoHS II, LiB contamination test, etc.)
  - Contract inspection services for manufacturers
  - Mobility, Pharmaceutical, Environment, Quality, Social and Industrial infrastructure
- SEM

Copyright ©2019 Hitachi High-Technologies Corporation All Rights Reserved.
Changes in Business Management System

2018 Mid-Term Management Strategy

- Science & Medical Systems
  - Electron Microscope, etc.
  - Transfer

- Electronic Device Systems

- Industrial Systems

- Advanced Industrial Products
  - Merger

2021 Mid-Term Management Strategy

Analytical & Medical Solutions

- Create new value in the field of Bio/Medical, safety/security, etc. by utilizing “analysis technology”

Nano-Technology Solutions

- Integrate and strengthen “Electron beam technology"
- Provide integrated solutions for semiconductor
- Create new applications for new materials and Bio, etc.

Industrial Solutions

- Change to high value-added business concentrating on OT*1 such as "FA*2/PA*3, IoT, FVC*4 solution"

*1 OT : Operational Technology
*2 FA : Factory Automation
*3 PA : Process Automation
*4 FVC : Full Value Chain
Analytical & Medical Solutions

**Basic policy**

Strengthen products, technologies and sales networks through in-house development + alliances and M&A

### Market Environment

- **Medical market**
  - Likely to remain brisk, expect growth in emerging markets to continue
  - CAGR: 2〜4%

- **Biotechnology market**
  - Strong growth in genetics-related areas
  - CAGR: 4〜12%

- **Analytical market**
  - Robust demand for general equipment, growth in dedicated industrial measurement equipment
  - CAGR: 3〜4%

### Action Plan

- **Deepen SCB*1 in existing core businesses**
  - Expand business scope into clinical chemistry and immunoassays field and new in-vitro diagnostics testing field

- **Develop solutions for new markets**
  - Genetic and bacterial testing, DNA sequencers, etc.

- **Strengthen analytical systems business**
  - Continuously create new FS*2
  - Increase sales worldwide

---

*1 SCB: System Collaboration Business
*2 FS: Focused Solution

Copyright ©2019 Hitachi High-Technologies Corporation All Rights Reserved.
## Basic Policy

Contribute to customers’ cutting-edge R&D and mass production through “Processing” in addition to “Observation, Measurement, and Analysis”

### Market Environment

- **Semiconductor manufacturing equipment market (Front-end)**
  - Recovery on memory investments should pick up in 2020
  - 3% growth on 3 year cumulative basis

- **Analysis equipment market**
  - Continue stable growth (FY19 ➔ FY21) 146.7 Ybn ➔ 150.0 Ybn
  - Growth in the battery field of the materials market

### Action Plan

- **Integrate and strengthen “Electron beam technology”**
  - Increase competitiveness by integrating technologies of measurement and defect analysis

- **Provide integrated solutions for semiconductor**
  - Respond to customers’ diverse needs as the sole equipment manufacturer with processing, measurement and defect analysis

- **Develop business in materials and biotechnology fields**
  - Provide solutions by collaborating with partners in growth fields such as batteries and drug discovery

Source: Estimated by Hitachi High-Tech based on Gartner, VLSI-Research
Basic policy

Create high value added businesses based on resolving customers’ issues through OT*1

Market Environment

● CASE*2-related markets
  • Increase demand for EV*3-use LiBs*4 and various types of materials and advanced devices with robust capital investment for expanding production capability

● 5G-related markets
  • Full-scale investment in the related materials, parts and manufacturing equipments has started mainly in Korea, the US and China

● Expand initiatives to improve productivity and stabilize operation by using AI/IoT in manufactures

Action Plan

● Change to solution provider by utilizing high expertise
  • Fuse customer-facing and engineering capabilities

● Strengthen digital solution and analytical evaluation services contributing to automation and improvement of productivity in manufactures

● Develop focused solutions
  • Strengthen collaboration with partners, including for business investment and original technologies

---

*1 OT：Operational Technology
*2 CASE：Connected, Autonomous, Shared & Services, Electric
*3 EV：Electric Vehicle
*4 LiB：Lithium-ion Battery
## Management Targets

<table>
<thead>
<tr>
<th>KPI</th>
<th>FY18 Results</th>
<th>FY21 Goal</th>
</tr>
</thead>
<tbody>
<tr>
<td>EBIT margin</td>
<td>8.8%</td>
<td>10% or more</td>
</tr>
<tr>
<td>ROE</td>
<td>11.9%</td>
<td>10% or more</td>
</tr>
<tr>
<td>ROA*</td>
<td>7.3%</td>
<td>7% or more</td>
</tr>
</tbody>
</table>

### Investment Strategy

<table>
<thead>
<tr>
<th>Investment Strategy</th>
<th>FY16-FY18 Results (Cumulative)</th>
<th>FY19-FY21 Plan (Cumulative)</th>
</tr>
</thead>
<tbody>
<tr>
<td>R&amp;D</td>
<td>81.1 Ybn</td>
<td>100.0 Ybn</td>
</tr>
<tr>
<td>Capital Investment</td>
<td>54.6 Ybn</td>
<td>80.0 Ybn</td>
</tr>
<tr>
<td>Business Investment</td>
<td>19.7 Ybn</td>
<td>100.0 Ybn</td>
</tr>
</tbody>
</table>

### R&D
- Strengthen foundation of measurement and analysis technologies
- Develop new business in the Bio/medical fields

### Capital Investment
- Build smart factories that use digital technologies
- Reinforce business foundation through digital transformation

### Business Investment
- Strengthen biotech and analysis-related businesses
- Obtain cutting-edge technologies, such as cancer diagnosis

### Shareholder returns policy

<table>
<thead>
<tr>
<th>FY18 Results</th>
<th>FY19-FY21 Goal</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dividend payout ratio</td>
<td>30%</td>
</tr>
</tbody>
</table>

*ROA(Return On Assets) : Net income before deducting non-controlling interests / total assets (end of the fiscal year) x 100

Distribute a stable dividend of at least 100 yen per share annually
Reinforcement of business foundation

Digital Transformation Project

- New business process to realize the growth strategy
- Simplify Business process
- Digitalize Management

Design and Manufacturing Reform Project
Administration Reform Project

Sales, Manufacture and Service is connected to customers in one platform

Reform customer centric business style

Accelerate cash generation and expand business
Initiatives in Sustainability

**Diversity Management**
- Reassess training programs to support women at work
- Encourage diverse human resources’ success in the workplace such as senior, disabilities and international

**Environmental Management**
- Accelerate switch to renewable energy
- Resource saving with eco-design products
- Expand activities to preserve ecosystems

**Working Style Reforms**
- Realize diverse workstyle by choice of working time and place
- Promote work life balance by reducing work hours

**Social Contribution**
- Expand science education support activities
- Contribute to regional sports promotion through corporate sports teams
3. FY19 Outlook

Note: YY/M denotes the year and month of the accounting period-end
(e1) denotes the figures announced on April 2019
## FY19 Outlook (Highlights: Earning Forecast)

<table>
<thead>
<tr>
<th></th>
<th>FY19 Outlook(e1)</th>
<th>FY18 Results</th>
<th>YoY</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenues</td>
<td>7,100</td>
<td>7,311</td>
<td>−211 (−3%)</td>
</tr>
<tr>
<td>Adjusted Operating Income*¹</td>
<td>560</td>
<td>667</td>
<td>−107 (−16%)</td>
</tr>
<tr>
<td>EBIT*²</td>
<td>560</td>
<td>642</td>
<td>−82 (−13%)</td>
</tr>
<tr>
<td>Income before Income Taxes</td>
<td>560</td>
<td>648</td>
<td>−88 (−14%)</td>
</tr>
<tr>
<td>Net Income*³</td>
<td>410</td>
<td>484</td>
<td>−74 (−15%)</td>
</tr>
</tbody>
</table>

*Exchange rate: 1USD=110 yen, 1EUR=125 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.
FY19 Outlook (Highlights: Management Indicators)

<table>
<thead>
<tr>
<th></th>
<th>FY19 Outlook(e1)</th>
<th>FY18 Results</th>
<th>YoY</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net Income per Share</td>
<td>298.13 yen</td>
<td>352.06 yen</td>
<td>−53.93 yen</td>
</tr>
<tr>
<td>Cash Dividend per Share</td>
<td>115.00 yen</td>
<td>105.00 yen</td>
<td>+10.00 yen</td>
</tr>
<tr>
<td>ROE</td>
<td>9.4%</td>
<td>11.9%</td>
<td>−2.5%</td>
</tr>
<tr>
<td>ROA*</td>
<td>5.7%</td>
<td>7.3%</td>
<td>−1.6%</td>
</tr>
<tr>
<td>FCF</td>
<td>7.0 Ybn</td>
<td>12.1 Ybn</td>
<td>−5.1 Ybn</td>
</tr>
</tbody>
</table>

*ROA(Return On Assets) : Net income before deducting non-controlling interests / total assets (end of the fiscal year) x 100
FY19 Outlook (Factors behind Change YoY: EBIT)

- Revenue Expansion, etc. +51
- Lower Costs +17
- Strategic investment for growth -102
- Capacity utilization -48

FY18 Results: 642
FY19 Outlook (e1): 560

R&D: 4 Ybn
Depreciation and amortization: 6.2 Ybn
4. FY19 Outlook by Segment

Note: YY/M denotes the year and month of the accounting period-end (e1) denotes the figures announced on April 2019
<table>
<thead>
<tr>
<th>Segment</th>
<th>FY19 Outlook (e1)</th>
<th>FY18 Results</th>
<th>YoY</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Revenues</td>
<td>EBIT</td>
<td>Revenues</td>
</tr>
<tr>
<td>Analytical &amp; Medical Solutions</td>
<td>1,700</td>
<td>276</td>
<td>1,664</td>
</tr>
<tr>
<td>Nano-Technology Solutions</td>
<td>2,055</td>
<td>300</td>
<td>1,871</td>
</tr>
<tr>
<td>Industrial Solutions</td>
<td>3,572</td>
<td>54</td>
<td>3,865</td>
</tr>
<tr>
<td>Total</td>
<td>7,100</td>
<td>560</td>
<td>7,311</td>
</tr>
</tbody>
</table>

Notes: • From FY19 the segment has been changed based on business classification. (Detail: P.31)  
• FY18 Figures are restated  
• Elimination such as subtractions in intersegment transactions, etc., are included in the totals
FY19 Outlook (Analytical & Medical Solutions)

Revenues / EBIT Trend

<table>
<thead>
<tr>
<th>EBIT</th>
<th>2019/3</th>
<th>2020/3(e1)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenues YoY</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Analytical Systems</td>
<td>$1,664</td>
<td>$1,700</td>
</tr>
<tr>
<td>Bio &amp; Medical Systems</td>
<td>$1,388</td>
<td>$1,390</td>
</tr>
</tbody>
</table>

vs. FY18 Results

Revenues: +2%, EBIT: −0.9 Ybn

(+) Increase sales of Analytical Systems
(−) Increase in R&D, impact from foreign exchange rates, etc.

bio and Medical Systems

- Expand sales of cobas e801 and cobas pro (medium size)
- Start sales of new products for the biotechnology field (Compact CE* sequencer / Next generation sequencer)
- Promote solutions business, including reagents and services

Analytical Systems

- Expand sales of phthalates screening equipment for the revised RoHS Directive
- Sales of automotive battery contamination inspection equipment

* CE: Capillary Electrophoresis

*19/3 figures are restated
FY19 Outlook (Nano-Technology Solutions)

Revenues / EBIT Trend

<table>
<thead>
<tr>
<th>EBIT</th>
<th>347</th>
<th>300</th>
</tr>
</thead>
<tbody>
<tr>
<td>2,400</td>
<td>1,871</td>
<td>2,055</td>
</tr>
<tr>
<td>1,200</td>
<td>1,179</td>
<td>1,258</td>
</tr>
<tr>
<td>0</td>
<td>686</td>
<td>792</td>
</tr>
</tbody>
</table>

Revenues YoY

- Metrology & Analysis Systems: +7%
- Process Systems: +16%

*19/3 figures are restated

FY19 Actions

- vs. FY18 Results
  - Revenues: +10%, EBIT: −4.7 Ybn
  - (+) Brisk investment in mass production for cutting-edge next-generation processes
  - (−) Increase costs of strategic investments for growth (R&D) etc.

- Overall
  - Provide solutions through collaboration with etching, measurement and defect analysis

- Process Systems
  - Strengthen engineering sites in Japan and overseas
  - Improve production capacity by expanding production facilities

- Metrology and Analysis Systems
  - Strengthen product portfolio in response to diversifying customer needs
  - Expand sales of new SEM for materials and analysis needs

- New SEM SU3800/SU3900
- Conductor Etch System 9000-Series
- Advanced CD-SEM CG6300
FY19 Outlook (Industrial Solutions)

Revenues / EBIT Trend

(100 million yen)

<table>
<thead>
<tr>
<th>EBIT</th>
<th>Revenues</th>
<th>EBIT</th>
<th>Revenues</th>
</tr>
</thead>
<tbody>
<tr>
<td>64</td>
<td>3,865</td>
<td>54</td>
<td>3,572</td>
</tr>
</tbody>
</table>

4,000

Materials, Fuel, Chemicals & Others
- 5%

3,572

Automobiles & Mobility
- 21%

2,000

Social & Industrial Infrastructure
- 2%

1,341

0

19/3

20/3(e1)

*19/3 figures are restated

FY19 Actions

vs. FY18 Results
Revenues: -8%, EBIT: -1.0 Ybn
(-) Decline in transactions related to automotive parts and materials

- Promote and strengthen digital solutions
  - Expand sales of predictive diagnostic systems “BD-CUBE”
  - Expand sales of AI solutions through collaboration with customers and partner companies

- Expand sales of production systems for EV*1-use LiB*2 and flexible device

- Develop specialized automated systems using robotics, etc.

- Strengthen solutions business for manufactures such as contract analysis evaluation, smart factory and mold-die management services

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

Note: YY/M denotes the year and month of the accounting period-end
### Changes in Segment Classification (From FY19)

<table>
<thead>
<tr>
<th>(Old) Science &amp; Medical Systems</th>
<th>(New) Analytical &amp; Medical Solutions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Biotechnology &amp; Medical Products</td>
<td>Bio &amp; Medical Systems</td>
</tr>
<tr>
<td>Medical Products</td>
<td></td>
</tr>
<tr>
<td>Biotechnology Products, Others</td>
<td></td>
</tr>
<tr>
<td>Scientific Systems</td>
<td></td>
</tr>
<tr>
<td>Electron Microscopes</td>
<td></td>
</tr>
<tr>
<td>Scientific Instruments</td>
<td></td>
</tr>
<tr>
<td>Electronic Device Systems</td>
<td></td>
</tr>
<tr>
<td>Process Equipment</td>
<td></td>
</tr>
<tr>
<td>Metrology &amp; Inspection Equipment</td>
<td></td>
</tr>
<tr>
<td>Industrial Systems</td>
<td></td>
</tr>
<tr>
<td>Social Infrastructure</td>
<td></td>
</tr>
<tr>
<td>Industrial Infrastructure</td>
<td></td>
</tr>
<tr>
<td>ICT Solutions</td>
<td></td>
</tr>
<tr>
<td>Advanced Industrial Products</td>
<td></td>
</tr>
<tr>
<td>Materials &amp; Electronics</td>
<td></td>
</tr>
<tr>
<td>Automobiles &amp; Mobility</td>
<td></td>
</tr>
<tr>
<td>Energy &amp; Industry</td>
<td></td>
</tr>
<tr>
<td>Fuel &amp; Chemicals, Others</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>(New) Nano-Technology Solutions</th>
<th>Industrial Solutions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Process Systems</td>
<td>Social &amp; Industrial Infrastructure</td>
</tr>
<tr>
<td>Metrology &amp; Analysis Systems</td>
<td>Automobiles &amp; Mobility</td>
</tr>
<tr>
<td></td>
<td>Materials, Fuel, Chemicals &amp; Others</td>
</tr>
</tbody>
</table>
Review of the 2018 Mid-Term Management Strategy
(Summary)

### Revenues (FY15-18 CAGR)

<table>
<thead>
<tr>
<th>Achieve progress beyond market growth</th>
<th>The biochemical and Immunodiagnostics testing</th>
<th>Market growth rate</th>
<th>Results</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>*1 4%</td>
<td>6%</td>
</tr>
<tr>
<td></td>
<td>Scientific Instruments</td>
<td>4%</td>
<td>4%</td>
</tr>
<tr>
<td></td>
<td>Front-end semiconductor manufacturing equipment</td>
<td>*2 19%</td>
<td>13%</td>
</tr>
</tbody>
</table>

### Profitability / Service ratio

<table>
<thead>
<tr>
<th></th>
<th>FY16 Results</th>
<th>FY17 Results</th>
<th>FY18 Results</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Instruments</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Maintain EBIT margin of 10% or more</td>
<td>13%</td>
<td>13%</td>
<td>14%</td>
</tr>
<tr>
<td><strong>Materials</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Achieve absolute EBIT of 5.0 Ybn or more</td>
<td>2.3 Ybn</td>
<td>3.7 Ybn</td>
<td>4.2 Ybn</td>
</tr>
<tr>
<td><strong>EBIT from Service business</strong>*</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Maintain the ratio at 50% or more</td>
<td>57%</td>
<td>54%</td>
<td>61%</td>
</tr>
</tbody>
</table>

### Strategic Investment for Growth (FY16-18 cumulative)

<table>
<thead>
<tr>
<th></th>
<th>Cumulative Results</th>
</tr>
</thead>
<tbody>
<tr>
<td>R&amp;D</td>
<td>80.0 Ybn</td>
</tr>
<tr>
<td>81.1 Ybn</td>
<td></td>
</tr>
<tr>
<td>Capital Investment</td>
<td>40.0 Ybn</td>
</tr>
<tr>
<td>54.6 Ybn</td>
<td></td>
</tr>
<tr>
<td>Business Investment</td>
<td>30.0 Ybn</td>
</tr>
<tr>
<td>19.7 Ybn</td>
<td></td>
</tr>
</tbody>
</table>

### Shareholder returns

- Maintain a stable dividend, targeting a dividend payout ratio of 30%

<table>
<thead>
<tr>
<th></th>
<th>FY16 Results</th>
<th>FY17 Results</th>
<th>FY18 Results</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>27%</td>
<td>29%</td>
<td>30%</td>
</tr>
</tbody>
</table>

*1 Equipment and reagents cumulative  
*2 Calendar Year  
*3 Service business: product maintenance services, IT solutions, trading services, and others
## Capital Expenditure/ Depreciation Costs/ R&D

(100 million yen)

<table>
<thead>
<tr>
<th></th>
<th>FY16 Results</th>
<th>FY17 Results</th>
<th>FY18 Results</th>
<th>FY19</th>
<th>YoY</th>
</tr>
</thead>
<tbody>
<tr>
<td>Capital Expenditure</td>
<td>144</td>
<td>157</td>
<td>245</td>
<td>365</td>
<td>+56%</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Depreciation Costs</td>
<td>105</td>
<td>118</td>
<td>132</td>
<td>191</td>
<td>+11%</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>R&amp;D</td>
<td>236</td>
<td>267</td>
<td>308</td>
<td>348</td>
<td>+15%</td>
</tr>
</tbody>
</table>

Note: Capital expenditure is based on acquisition base.
2021 Mid-Term Management Plan and FY20 Outlook

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.

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.