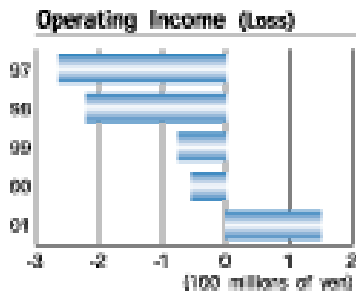
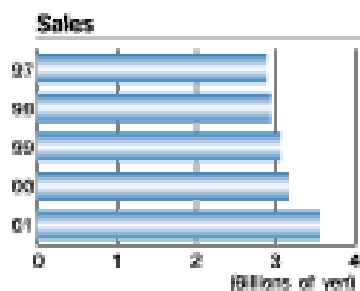


Scientific Instruments



Hitachi Koki's centrifugal separation systems are used primarily in biotechnology-related markets by universities in the fields of medicine, biology, agricultural science, and pharmacology. These systems are also being used by research laboratories and pharmaceutical companies for the separation, condensing, and refining of biological testing materials. More recently, the capabilities of these centrifugal separation systems are being utilized especially in such areas as research and analysis of genome functions and protein structures as well for the research and production of vaccines.

The Scientific Instruments Group develops a diverse array of centrifuges ranging from ultracentrifuges, which have ultrahigh-speed rotation capabilities, to various types of centrifuges with low rotation speeds.

A Review of Fiscal 2001

In fiscal 2001, the Scientific Instruments Group recorded sales of ¥3.6 billion. Net income amounted to ¥150 million, marking the first time in six years this group has recorded a profit.

Looking at performance by type of product, we posted higher growth in sales of our mainstay ultracentrifuges and high-speed refrigerated centrifuges in the United States, Europe, and China, thanks to the well-acclaimed performance capabilities and high quality of these cen-

trifuges. Robust sales of ultracentrifuges for vaccine production were underpinned by investments to upgrade facilities at pharmaceutical companies. Also contributing to sales in this group was the favorable performance of our MG768 automated centrifuge system for preparation processing in genome analysis for new drugs. By geographic region, brisk OEM sales of ultracentrifuges in the United States and Europe also helped lift overall sales of this group.

Principal Issues in the Scientific Instruments Group

Hitachi Koki believes that accelerating the speed of its product development capabilities is essential for responding promptly to today's rapidly changing market needs. As one particularly notable trend, centrifugal separation systems are being used in rapidly evolving biotechnology markets. In response, Hitachi Koki is placing high priority on making continual efforts to promptly ascertain customer needs and to accelerate the development of products that match user needs amid an increasingly competitive environment. In ultracentrifuges, our sole competitor at present is a company in North America. However, this North American company commands close to an 80% share of the world market. We intend to solidify our sales partnership in

North America with Kendro and aim to expand our share of the market to 50% by 2004.

Noteworthy Product Introductions Microplate Robot AP Series

This Microplate AP series is the successor to our MG768. More compact than the MG768, which was used only for preparation processing in genome analysis, the Microplate AP series integrates a cooler that provides it with incubator functions not available with the MG768, thereby extending its range of applied fields to the creation of genome drugs. Also, through close cooperation with the Research and Development Laboratory, we are significantly enhancing the ease of use. Our sales activities are targeted at research centers engaged in genome-related research and companies involved in the research on drug discovery.



Microplate Robot, AP Series