

Hirata

The Global Production Engineering Company

Year-End Financial Results for Fiscal Year Ended March 31, 2016

May 25, 2016

Hirata Corporation



I Financial Results

The Fiscal Year ended on March 31, 2016 (April 1, 2015 through March 31, 2016)

Hirata



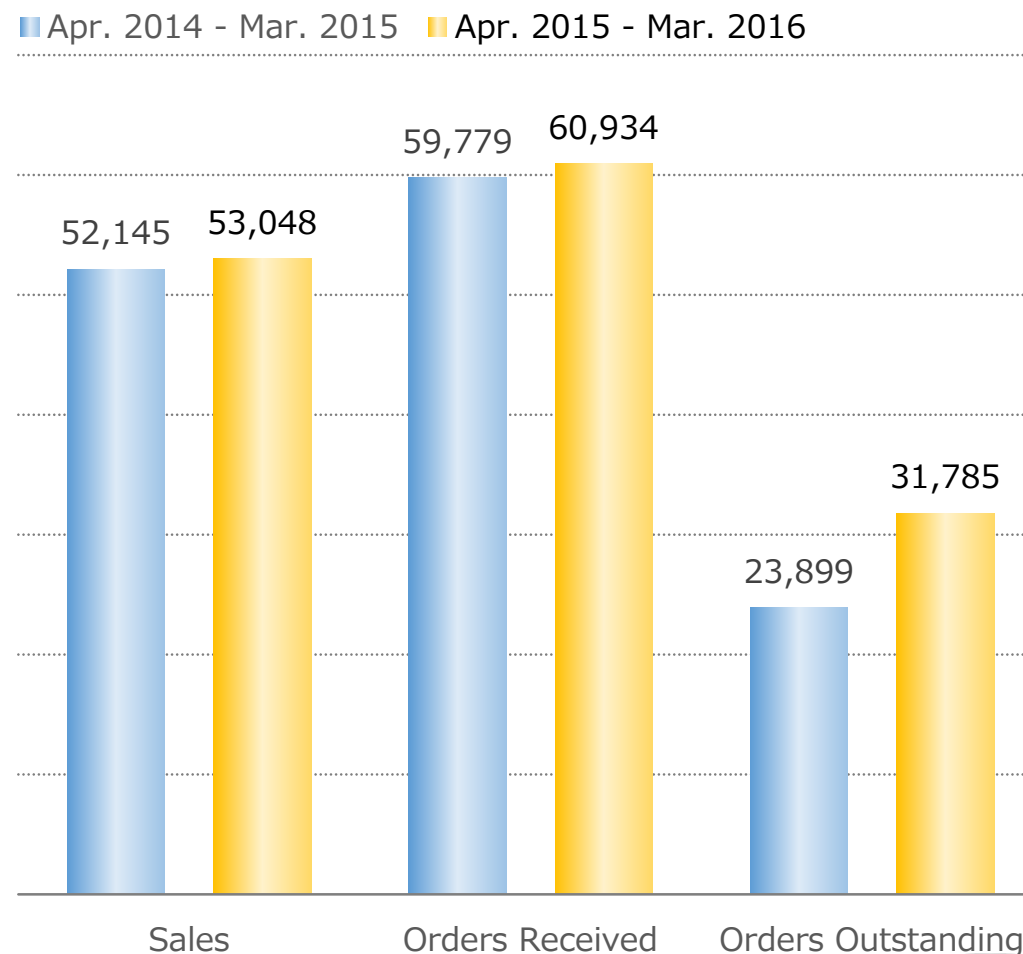
Overview

We reached a record sales along with increased profit for three consecutive year. Each business unit remained strong and contributed to overall performance with power train production equipment in North America and part related equipment in Japan in automotive related business, wafer transfer equipment and production equipment for organic EL in semiconductor related business and vacuum clear and tire production equipment in home appliances related business. The number of orders received and orders outstanding exceed those of last year.

(Unit: millions of Yen)

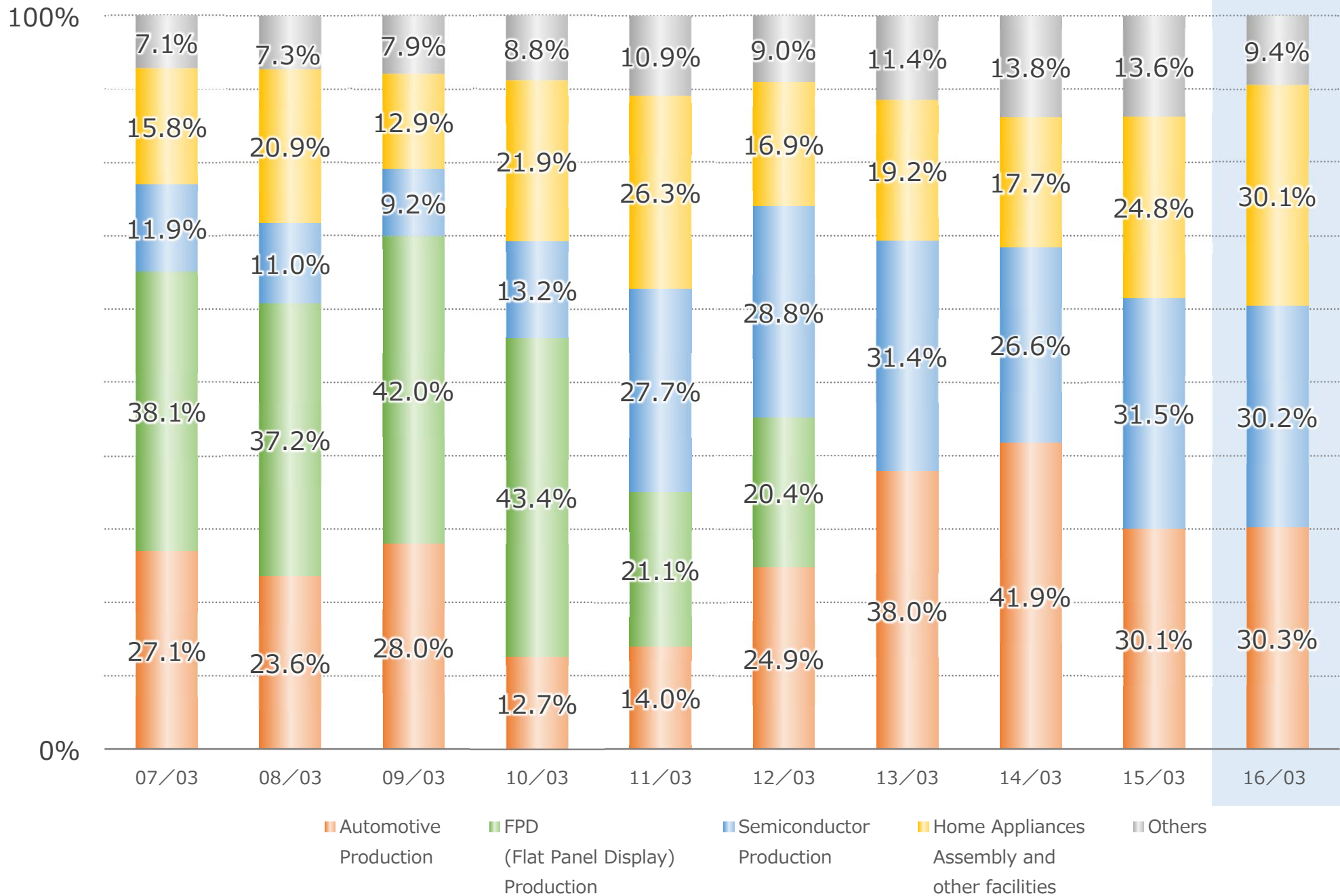
	Apr. 2014 - Mar. 2015	Apr. 2015 - Mar. 2016	Rate of Change
Sales	52,145	53,048	+1.7%
Operating Income	2,123	2,924	+37.8%
Ordinary Income	1,962	2,825	+44.0%
Profit Attributable to owners of the parent company	946	1,713	+81.0%

(Unit: millions of Yen)

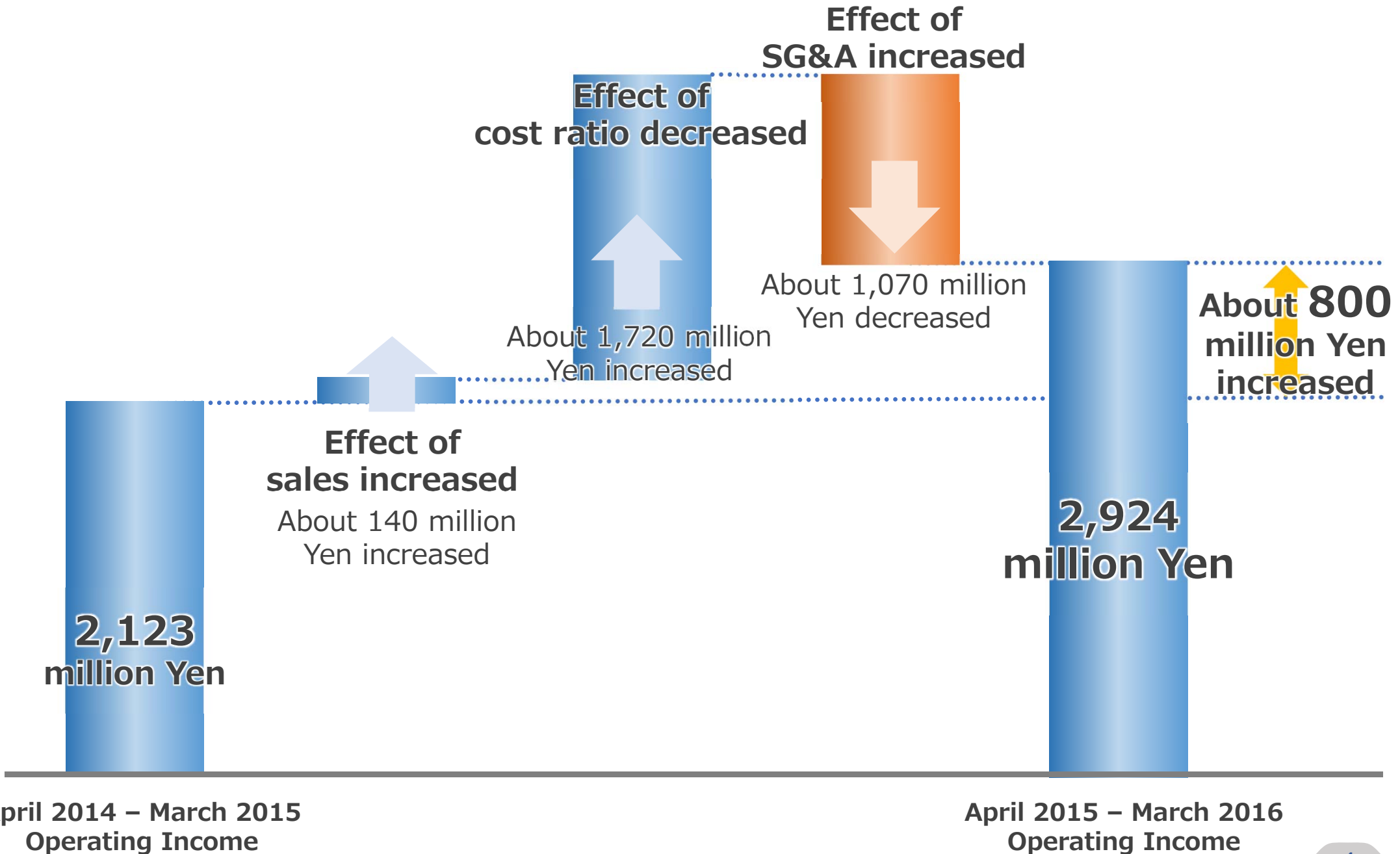


I Financial Results

Net Sales by Business Unit



*The figure of FPD related business was integrated into that of semiconductor related business since April 2012.



I Financial Results

Net Sales, Orders Received and Orders Outstanding by Business Unit

(Unit: millions of Yen)

	Business Unit	Apr. 2014 – Mar. 2015	Apr. 2015 – Mar. 2016	Rate of Change
Net Sales	Automotive	15,713	16,065	+ 2.2%
	Semiconductor	16,402	16,014	△2.4%
	Home Appliances & others	12,916	16,000	+23.9%
	Others	7,113	4,968	△30.2%
	TOTAL	52,145	53,048	+ 1.7%
Orders Received	Automotive	19,373	21,428	+ 10.6%
	Semiconductor	15,889	21,153	+ 33.1%
	Home Appliances & others	17,925	13,717	△23.5%
	Others	6,590	4,634	△29.7%
	TOTAL	59,779	60,934	+ 1.9%
Orders Outstanding	Automotive	9,803	15,166	+ 54.7%
	Semiconductor	3,673	8,813	+ 139.9%
	Home Appliances & others	9,171	6,888	△24.9%
	Others	1,250	916	△26.7%
	TOTAL	23,899	31,785	+ 33.0%

Effect of the earthquakes in the Kumamoto region

- **Confirmed some cosmetic damage in our factories caused by the earthquakes in the Kumamoto region on April 14 & 16, 2016, but had little impact on our production operation.**

We express our heartfelt sympathy to anyone affected by the recent earthquakes in the Kumamoto region. We also deeply appreciate your continuing support and encouragement. We faced the tragic loss of one employee, but there has been some cosmetic damage to our factories and some internal production equipment that require adjustment, but the effect on our production capacity was negligible and we have performed a constant production operation fortunately. Transportation network in and around Kumamoto, which was our major concern, functions smoothly with quick restoration.



Shelves fallen by the earthquakes



Fallen jigs over processing machine

— The head office relocation

● **At the board meeting held on May 12, 2016, it is resolved to bring up a matter of relocating the head office as partial modification of the articles of incorporation to the 65th annual meeting of stockholders holding on June 23, 2016.**

This is to submit a bill of relocating the head office locating Shinagawa, Tokyo to Kumamoto where Kumamoto operations center is currently located. Hirata located its head office in Tokyo in 1981 in order to expand its business, its presence around the world, collecting information and so on. Ever since, Hirata has achieved its purposes by having good business with many companies in the world and gaining its name recognition. The headquarters functions as well as the home base of technology and production are in Kumamoto while the head office is in Tokyo. Hirata is to enhance its operational efficiency by relocating its head office to Kumamoto.

~ **Hirata moves forward together with Kumamoto**
where Hirata was born and raised ~



The current location of the head office :
Togoshi, Shinagawa, Tokyo



The proposed site for the head office :
Ueki, Kita, Kumamoto

Expanding a facility for organic EL related business

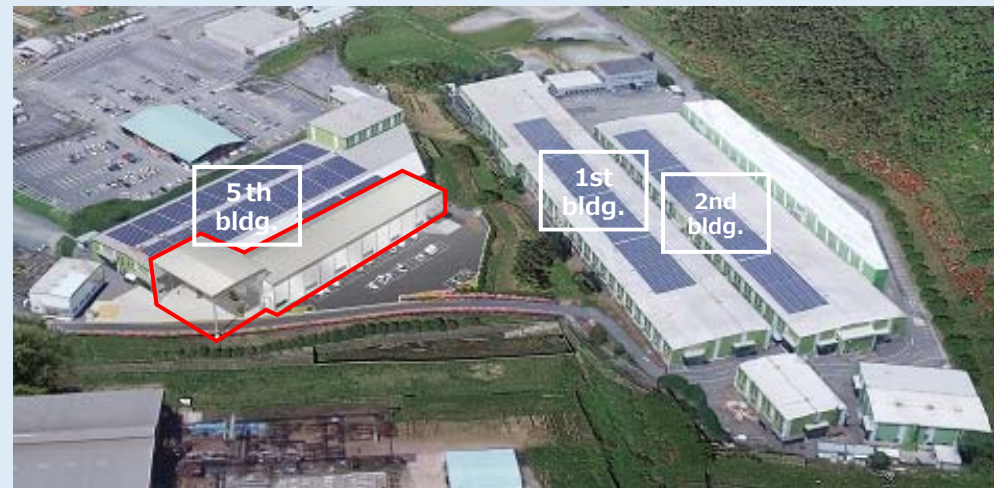
● Planning to expand a facility in order to meet the rapidly increasing needs of organic EL related business

We are to expand production space of a clean room in order to meet incoming orders of organic EL related business at our Kumamoto-east factory located in Ueki, Kita, Kumamoto. The expanding area is around 2,570 square meter and the estimated completion date is the end of October, 2016 as scheduled. There is no effect of earthquakes on expanding the facility. We expect the cost of 700 million Japanese yen.



The location of expanding area is at Ueki, Kita, Kumamoto

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Conceptual drawing

(The red-lined space is the expanding area)

● About organic EL related business

Hirata also works in research and development about organic EL manufacturing equipment together with Dr. Adachi at department of applied molecular science division, Kyusyu University. The Cabinet Office, Government of Japan focuses on his research about organic EL among FIRST program, which the Cabinet Office supports unique and cutting-edge research conducted based on the ideas of researchers. Hirata's technology plays an important role of the research. Hirata has technical capabilities to produce devices used in each process of organic EL production equipment such as base plate cleansing, wet etching, coating, vacuum thin-film process and so on.

II March 2017 Fiscal Year Forecast

The Fiscal Year ended on March 2016 (April 1, 2015 through March 31, 2016)

Hirata



	March 2016 Fiscal Year Results (April 2015 – March 2016)		March 2017 Fiscal Year Forecast (April 2016 – March 2017)	
Sales	53,048		60,000	
Automotive	16,065		20,000	
Semiconductor	16,014		20,000	
Home Appliances & others	16,000		15,000	
Others	4,968		5,000	
Operating Income (ratio)	2,924	(5.5%)	3,500	(5.8%)
Ordinary Income (ratio)	2,825	(5.3%)	3,500	(5.8%)
Profit Attributable to owners of the parent company (ratio)	1,713	(3.2%)	2,300	(3.8%)

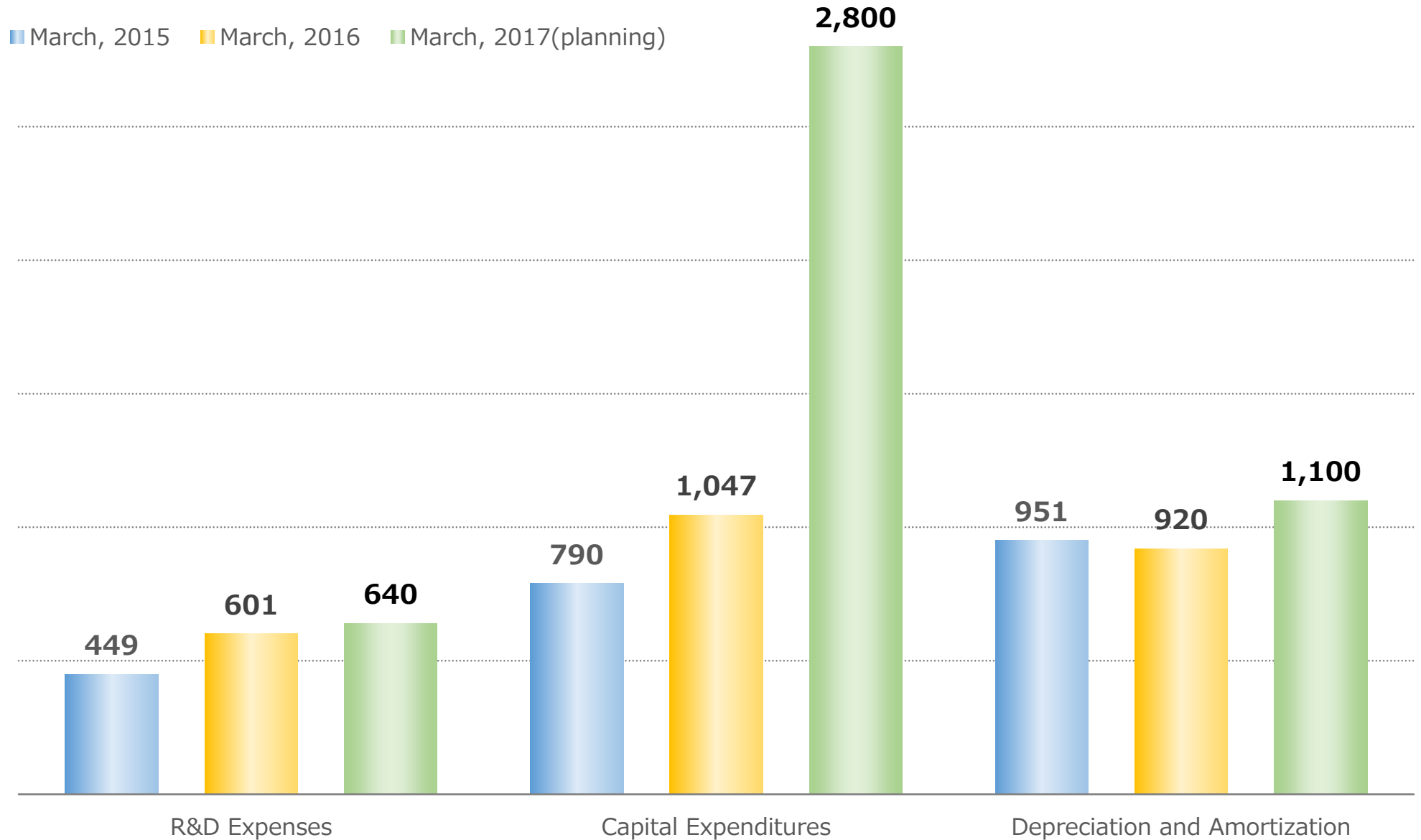
— The measures for achieving our business plan

The estimated sales exceed the record-high sales in the last year, especially with a robust growth in revenue in automotive and semiconductor related business. Hirata covers those for sure in the efficient use of internal resource and partial outsourcing. FYI, the expanding of a facility will be completed in coming October. This makes Hirata more appropriately responsive to organic EL consignment manufacturing projects, which is expected a significant increase.

II March 2017 Fiscal Year Forecast

R&D Expenses, Capital Expenditures, Depreciation and Amortization

(Unit: millions of Yen)



Forecasts and other forward-looking statements presented here represent judgment we made based on information available at the time this presentation was prepared, and involve risks or uncertainties, such as economic conditions, competition with rival companies, and exchange rate. Readers should understand, therefore, that actual results may be significantly different from forecasts referred to or stated here due to changes in business environments and other factors.