

May 13, 2025
HIRATA Corporation

Q&A Summary for FY2024 Financial Results

(Held on May 13, 2025)

【Our company explanators】

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【Explanation contents】

- FY2024 Results
- FY2025 Full Year Forecasts
- New Medium-Term Management Plan

【Question-and-Answer session】

Q1	I would like to request additional information regarding the sales targets of the new medium-term management plan from the perspective of production capacity.
A	While the effects of capital investment during the previous medium-term period are becoming evident, the current production space is insufficient to meet the target levels of the new medium-term plan, so further capital investment will be necessary."
Q2	I would like to know about the segment-specific outlook and the likelihood of achievement for the fiscal year 2027 plan.
A	Regarding sales, the automobile-related segment is positioned as a core business, and we expect to maintain the current level, while aiming for increased revenue in the semiconductor-related segment. As for profits, taking into account the recent shortfall, we have set a level that is highly achievable.
Q3	While there are prospects for expanding the scale of the semiconductor business, how will the product composition change

	over the next three years? Additionally, what are the differentiating factors for increasing market share?
A	The focus of growth will remain on wafer transport-related products. Although there are also transport systems for PLP and substrates, we envision expansion while maintaining the current ratio. I believe that our existing track record of delivering various products will work to our advantage in increasing market share in the future.
Q4	Considering the shortfall in the previous medium-term plan, what are your thoughts on the areas for improvement?
A	Since semiconductor-related products are manufactured at various factories, we are considering consolidating our locations. As orders are determined by the customers' timing, it is important to secure production space and resources that can accommodate multiple concentrated orders, as well as to operate them efficiently. We will also aim for efficiency improvements through digital transformation (DX) and the renewal of core systems.
Q5	What is the turning point from the traditional business model?
A	We primarily operate on a made-to-order basis, but we have been improving efficiency by promoting standardization even for customized products. We will focus on this aspect and reduce unnecessary development elements. An internal project related to the standardization of software and machinery has also been launched to enhance efficiency and document our know-how.
Q6	I would like to know about the impact of U.S. tariffs.
A	Generally, tariffs are to be paid by the customers, who is the importers, according to the contract. Therefore, there is no direct impact on us, but since it becomes a cost for the customers, it could lead to requests for price reductions. If capital investment increases, it would naturally present business opportunities for us as a production equipment manufacturer. However, U.S. policies themselves are also unstable, and the outlook remains quite uncertain.
Q7	It appears that Hirata's share in the Taiwanese foundry market is increasing. What is the current situation?
A	We do not disclose sales figures by customers, so we would appreciate your insights based on the increase in sales. It can be said that having multiple suppliers for procurement helps mitigate risks for customers.

Q8	What is the status of transactions with local Chinese manufacturers in the semiconductor sector? I would like to know about future trends and potential expansions.
A	<p>Our main focus is on domestic customers, followed by Southeast Asia, the United States, and China, where our current transactions are limited. However, we believe there is room for expansion in the Chinese market, and we plan to further strengthen our production in China, which we are already undertaking. We also have a sales company in China, and these two entities will support the Chinese market.</p> <p>Given the rise of local Chinese manufacturers, we will work on developing new products and improving quality to prevent a decline in competitiveness.</p> <p>Production and sales in China are also needed from a geopolitical perspective.</p>
Q9	Orders for other automatic labor-saving equipment have increased in the fourth quarter, and I would like to know about the latest situation.
A	<p>Due to the large-scale equipment related to organic EL, panel manufacturers have started producing locally, which led to some losses in organic EL-related orders at the beginning of the period. However, there were fairly large orders in the fourth quarter. While we cannot say that future orders will expand, there is a demand for replacements and performance improvements, so we expect continuous orders in this area.</p>
Q10	I would like to know about the order status and future outlook for automobile-related equipment, which is one of Hirata's strengths.
A	<p>The market is experiencing significant changes due to the breakdown of domestic automobile manufacturers' mergers and North American tariff policies, leading to delays and revisions in capital investment, which have impacted our orders. However, since the beginning of this fiscal year, the situation has been recovering. While there may be delays in investment, we believe that the necessity for the equipment itself remains unchanged.</p>

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