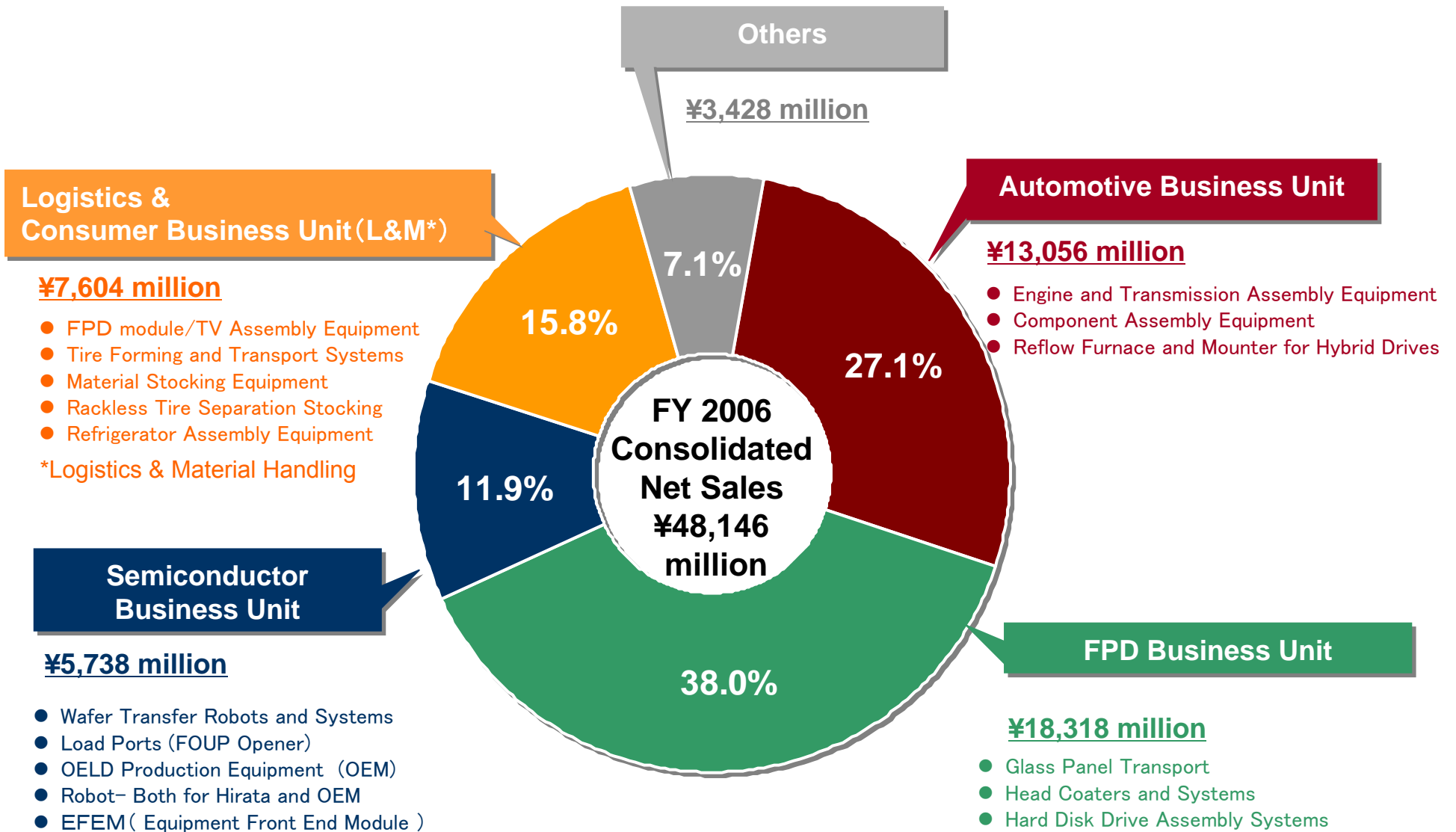


The Global Production Engineering Company
Hirata

Financial Results
The Fiscal Year ended on March 2007

Consolidated Net Sales by Business Unit



Change from FY 2005

<Change>

Change of divisions with reorganization of business unit

Kansai Division deals with Automotive related production facility and belongs to Automotive Business Unit has been transferred to FPD Business Unit dealing with FPD related production facility.

<Reason for change>

Because the sales of FPD related has been growing since the middle of FY 2006 in Kansai Division which has manufactured and sold FPD related production equipment including Automotive related and PDP related production equipment.

<Comparison of net sales by business unit of FY 2005>

(¥ in millions)

	FY 2005				Increase and decrease
	Before		After		
	Amount	Composition ratio	Amount	Composition ratio	
Net Sales	44,457	100.0%	44,457	100.0%	0
Automotive	17,456	39.3%	13,419	30.2%	▲ 4,036
FPD	10,431	23.5%	14,467	32.5%	+ 4,036
Semiconductor	5,022	11.3%	5,022	11.3%	0
L&M	8,519	19.2%	8,519	19.2%	0
Others	3,027	6.8%	3,027	6.8%	0

Performance for Fiscal Year ended on March 2007

Summary of Consolidated Financial Results on March 2007

P/L

- Posted record-setting net sales for second consecutive terms, FY2005 and FY2006
Net Sales : ¥ 48,146 million (8.3% up from the previous fiscal year) Operating Income : ¥ 3,706 million (20.9% up)
Ordinary Income : ¥ 3,420 million (12.6% up) Net Profit : ¥ 1,869 million (46.3% up)

B/S

- Reduction in interest-bearing debt (FY 2005 ¥19,500 million→FY 2006 ¥17,600 million)
- Rising net assets ratio (FY 2005 24.8%→FY 2006 35.8%)

C/F

- Cash flow from financing activities : Proceeds from stock issuance ¥3,040 million

Year-End Dividends

- ¥ 22.5 per share is planned (Ordinary dividends ¥17.5 + Commemorative dividend ¥5 (60years anniversary))

Consolidated Financial Results FY2006

(¥ in millions)

	FY 2005	FY 2006	Increase and Decrease	Rate of Change	
Net sales	44,457	48,146	+ 3,689	+ 8.3%	
Operating income	3,065 (6.9%)	3,706 (7.7%)	+ 641	+ 20.9%	
Ordinary income	3,038 (6.8%)	3,420 (7.1%)	+ 381	+ 12.6%	
Income before income taxes and minority interests	2,624 (5.9%)	3,104 (6.4%)	+ 479	+ 18.3%	
Net income	1,278 (2.9%)	1,869 (3.9%)	+ 591	+ 46.3%	
R&D expenses	311	921	+ 610	+ 196.3%	
Capital expenditures	596	967	+ 371	+ 62.2%	
Depreciation and amortization	555	588	+ 32	+ 5.8%	
The exchange rate against the U.S dollar	Average	¥110.20	¥116.41	+ ¥6.21	+ 5.6%
	End of term	¥118.07	¥119.12	+ ¥1.05	+ 0.9%

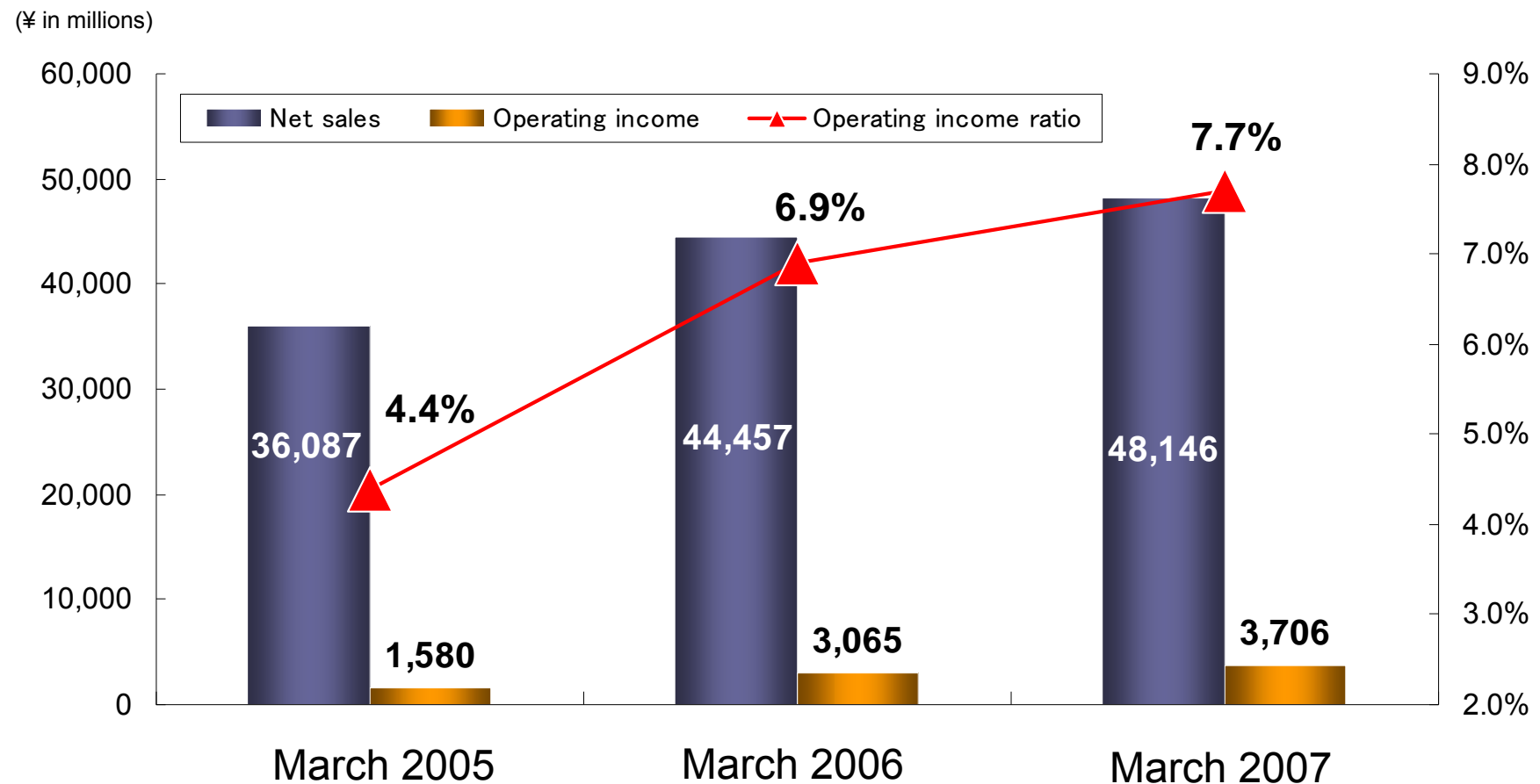
Increased both in sales and profit, achieving the planned value.

Increased in employees for structure change in order to strengthen research and development.

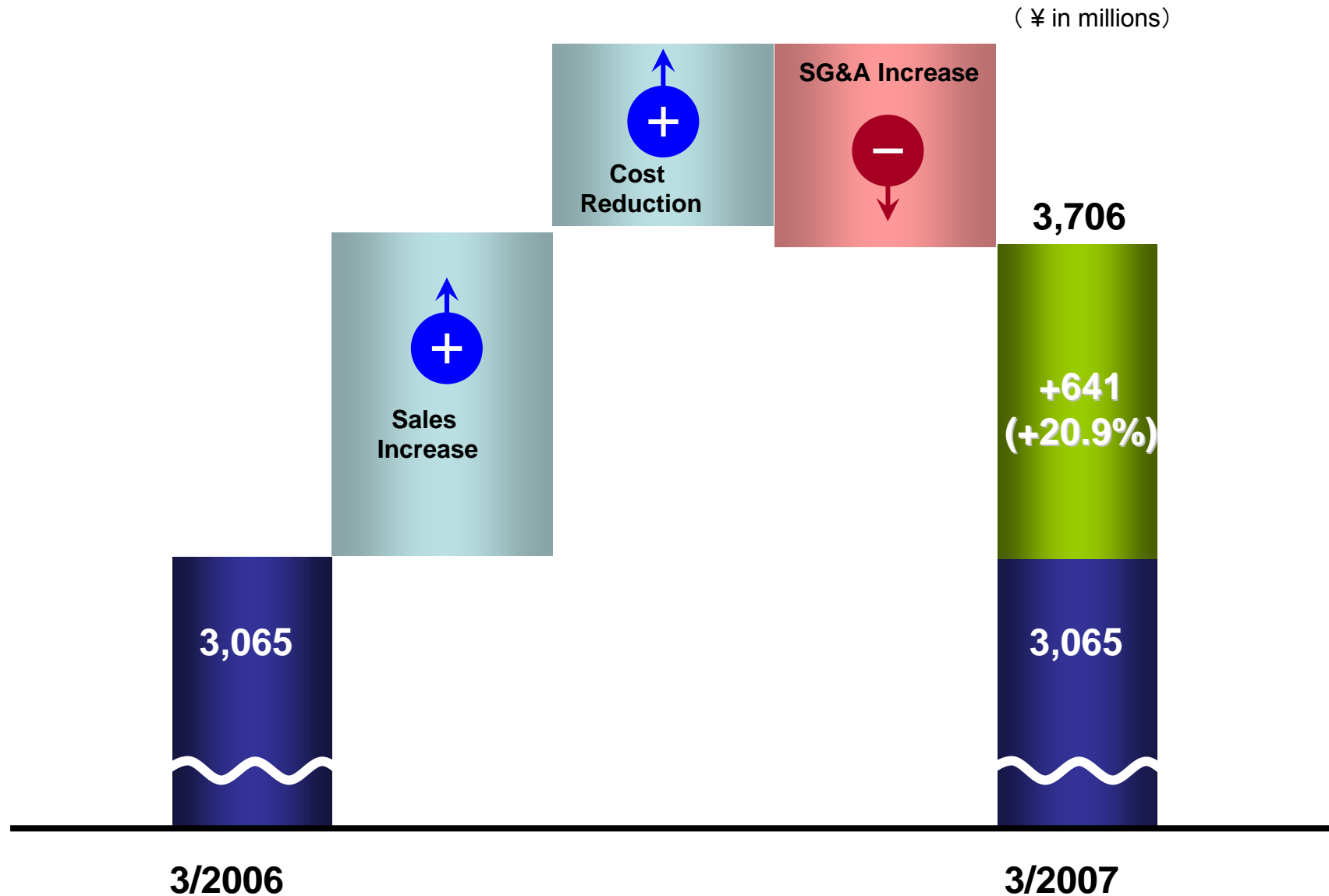
Cost for the new Unit Plant and large processing machines.

Consolidated Net Sales / Operating Income

Steady sales are being maintained by high level of investment in the automotive industry, the spread of large flat panel televisions, and good capital investment in the Semiconductor industry. Sales records have been achieved in the last two consecutive periods.



Factor Analysis on Changing Operating Income



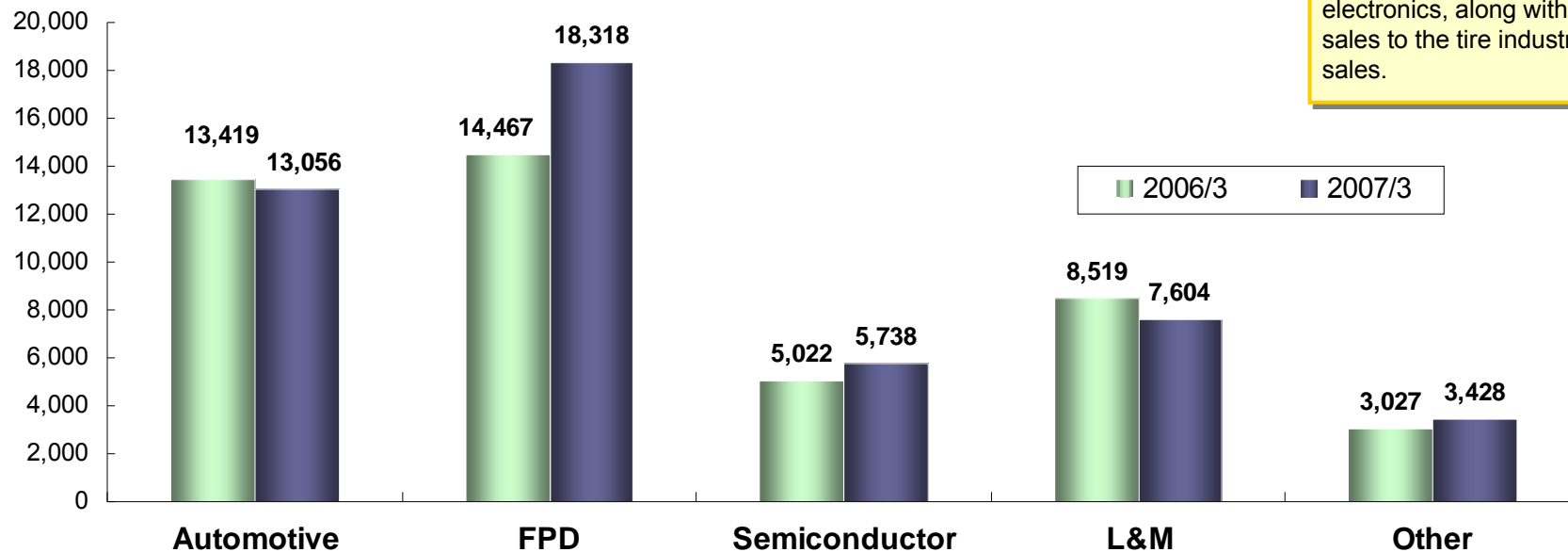
FY 2006 Consolidated Net Sales by Business Unit

(¥ in millions)

	March 2006		March 2007		Increase and decrease	Rate of change
	Sale proceeds	Sales composition ratio	Sale proceeds	Sales composition ratio		
Net sales	44,457	100.0%	48,146	100.0%	+ 3,689	+ 8.3%
Automotive	13,419	30.2%	13,056	27.1%	▲ 363	▲ 2.7%
FPD	14,467	32.5%	18,318	38.0%	+ 3,851	+ 26.6%
Semiconductor	5,022	11.3%	5,738	11.9%	+ 716	+ 14.3%
L&M	8,519	19.2%	7,604	15.8%	▲ 915	▲ 10.7%
Other	3,027	6.8%	3,428	7.1%	+ 401	+ 13.2%

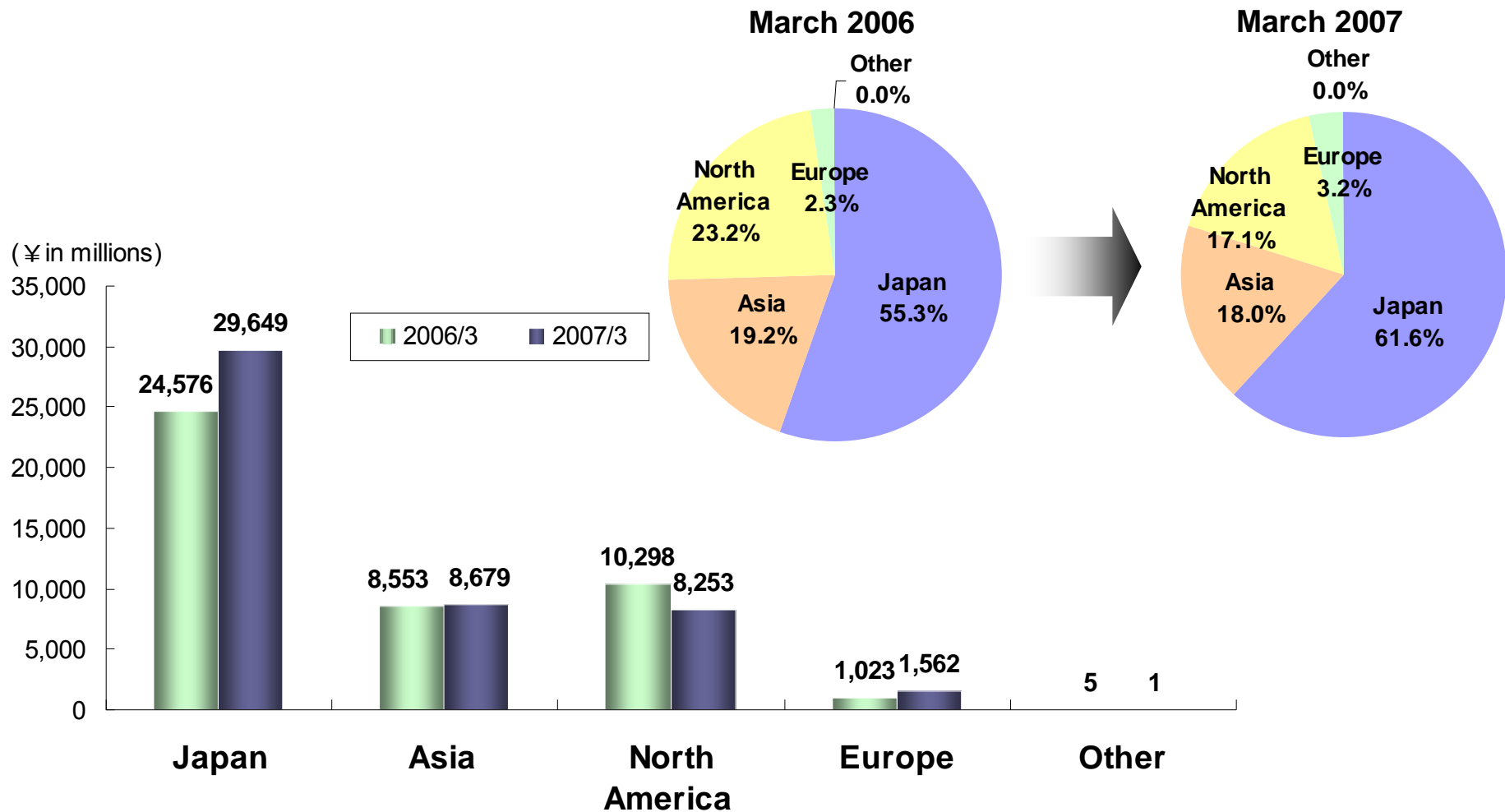
- Reduction in sales to North American automotive manufactures.
- Increase in domestic sales due healthy economic conditions.
- Increase in domestic sales for memory manufacturing equipment due to an increase in demand for consumer electronics.
- Reduction in North American and South East Asian capital investment for consumer electronics, along with sluggish sales to the tire industry lowered sales.

(¥ in millions)



Consolidated Net Sales by Region

Domestic increased 6.3 points while North America dropped 6.1, comparing with the previous year.



Consolidated Balance Sheet

(¥ in millions)

	FY 2005	FY 2006	Increase and Decrease	Rate of Change
Current assets	40,310	35,391	▲ 4,919	▲ 12.2%
Cash and deposit with banks	5,845	5,453	▲ 392	▲ 6.7%
Notes and accounts receivable	21,557	19,571	▲ 1,985	▲ 9.2%
Inventories	10,671	8,722	▲ 1,949	▲ 18.3%
Fixed assets	19,103	18,949	▲ 153	▲ 0.8%
Tangible fixed assets	14,714	14,979	+ 265	+ 1.8%
Intangible fixed assets	159	148	▲ 10	▲ 6.7%
Investments and other assets	4,229	3,821	▲ 408	▲ 9.7%
Total assets	59,413	54,341	▲ 5,072	▲ 8.5%
Current liabilities	32,396	23,601	▲ 8,795	▲ 27.1%
Notes and accounts payable	12,310	7,242	▲ 5,067	▲ 41.2%
Long term liabilities	12,161	11,155	▲ 1,006	▲ 8.3%
Total liabilities	44,558	34,756	▲ 9,801	▲ 22.0%
Capital stock	1,099	2,633	+ 1,534	+ 139.6%
Capital surplus	685	2,322	+ 1,637	+ 238.8%
Retained earnings	8,006	9,703	+ 1,696	+ 21.2%
Treasury stock	▲ 151	0	+ 150	▲ 99.4%
Total net assets	14,746	19,584	+ 4,837	+ 32.8%
Total liabilities and net assets	59,413	54,341	▲ 5,072	▲ 8.5%
Total assets turnover	0.75 times	0.89 times	0.14 times	+ 18.4%

Decline in notes and accounts receivables

Decline in inventories

Decline in notes and account payable

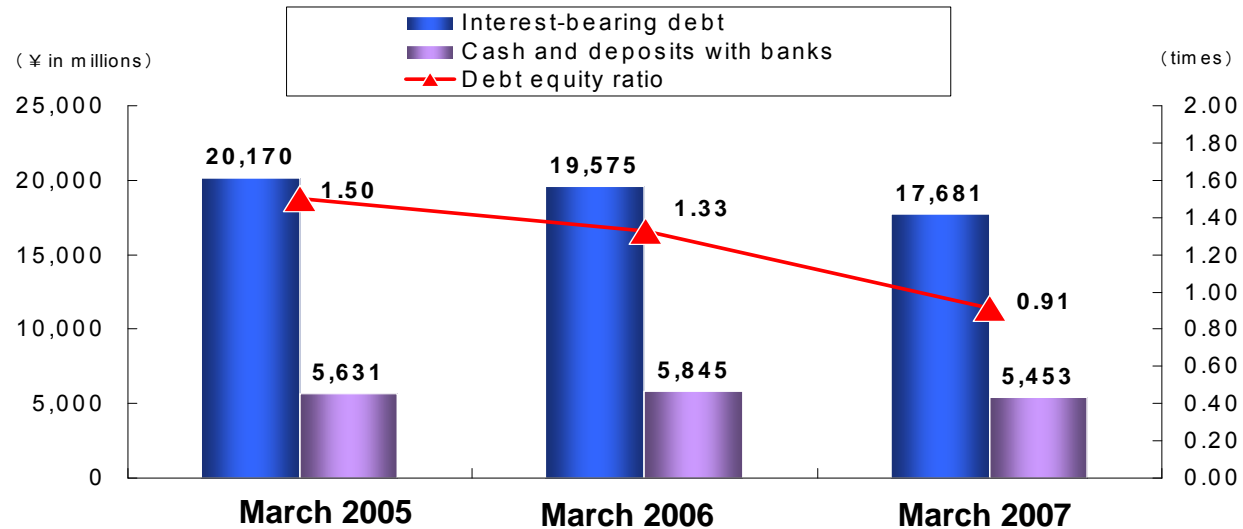
Reduce long term liabilities

Increase due to capital increase by public offering to list on JASDAQ exchange

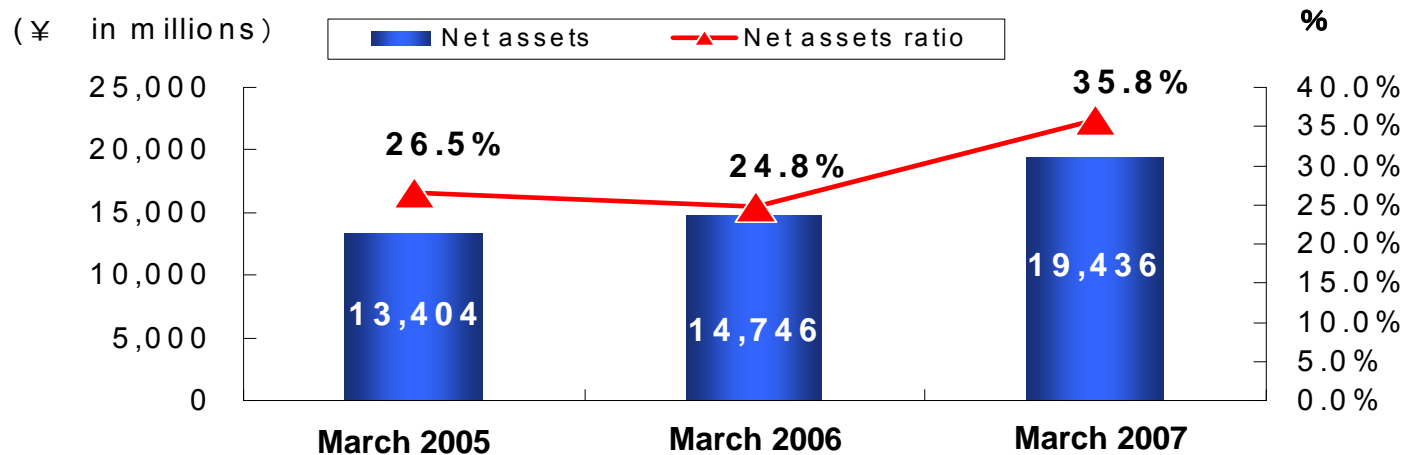
Internal reserve for future investment
 < Investment choices >
 ・Improve cost-competitiveness
 ・Strengthen development system of technology and manufacturing.
 ・Develop global strategies

Interest-bearing Debt / Net Assets

Interest bearing debt and D/E Ratios

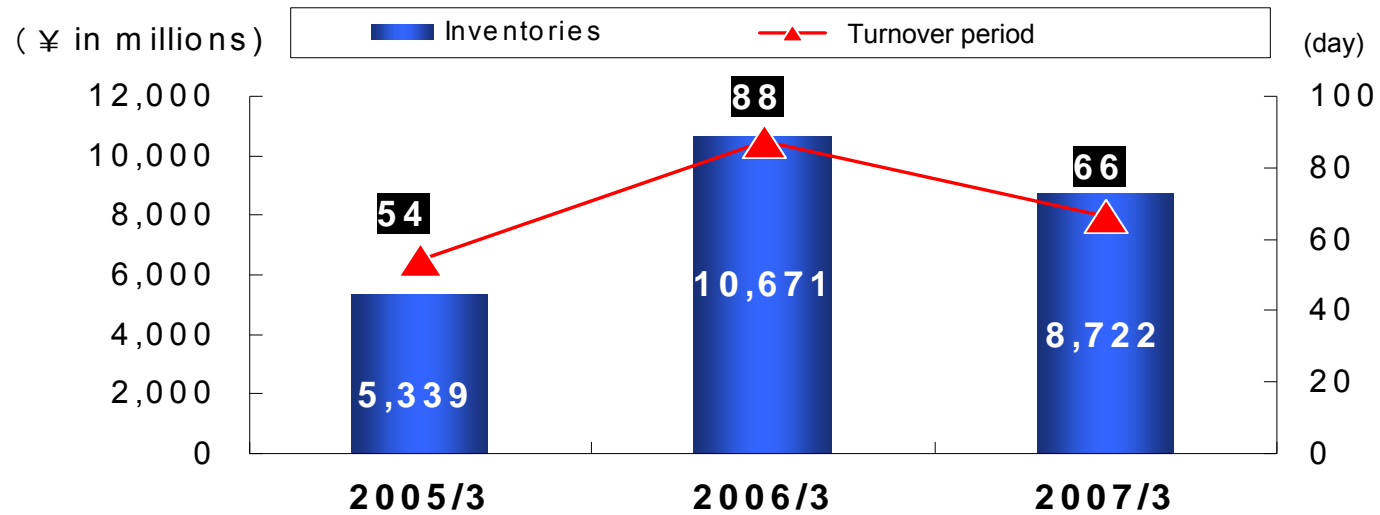


Net Assets

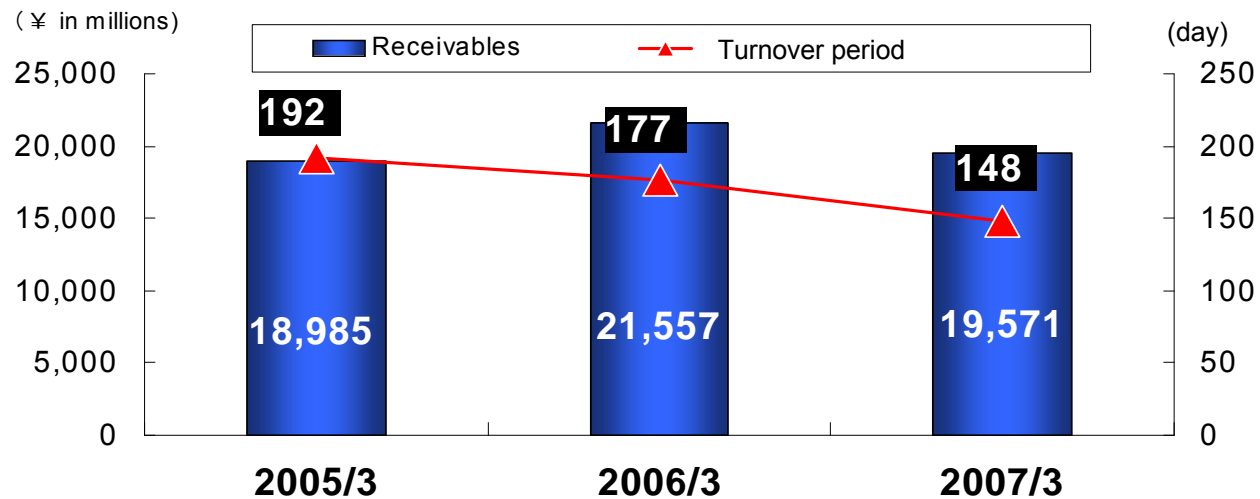


Inventory / Receivables

Inventory



Receivables



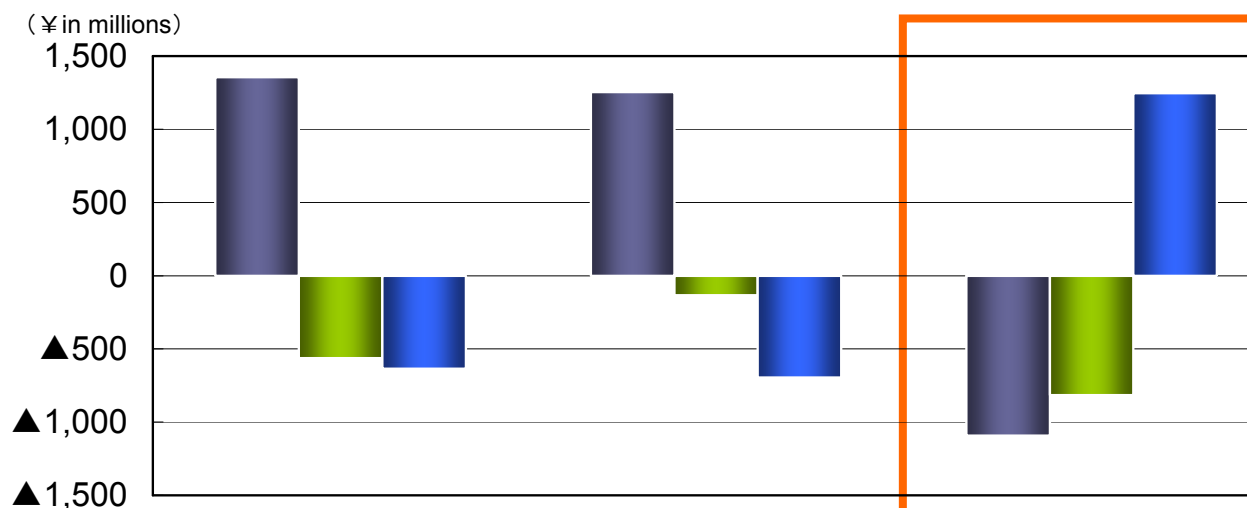
Consolidated Cash Flows

Cash and equivalents at year-end ¥ 5,220million (Decline ¥ 624 million compared with the previous year)

Income before income taxes and minority interests is ¥ 3,104 million, on the other hand, ¥1,092million expenditure
 Operating activities : posted by decreasing in advances received and increasing corporate taxes and other.

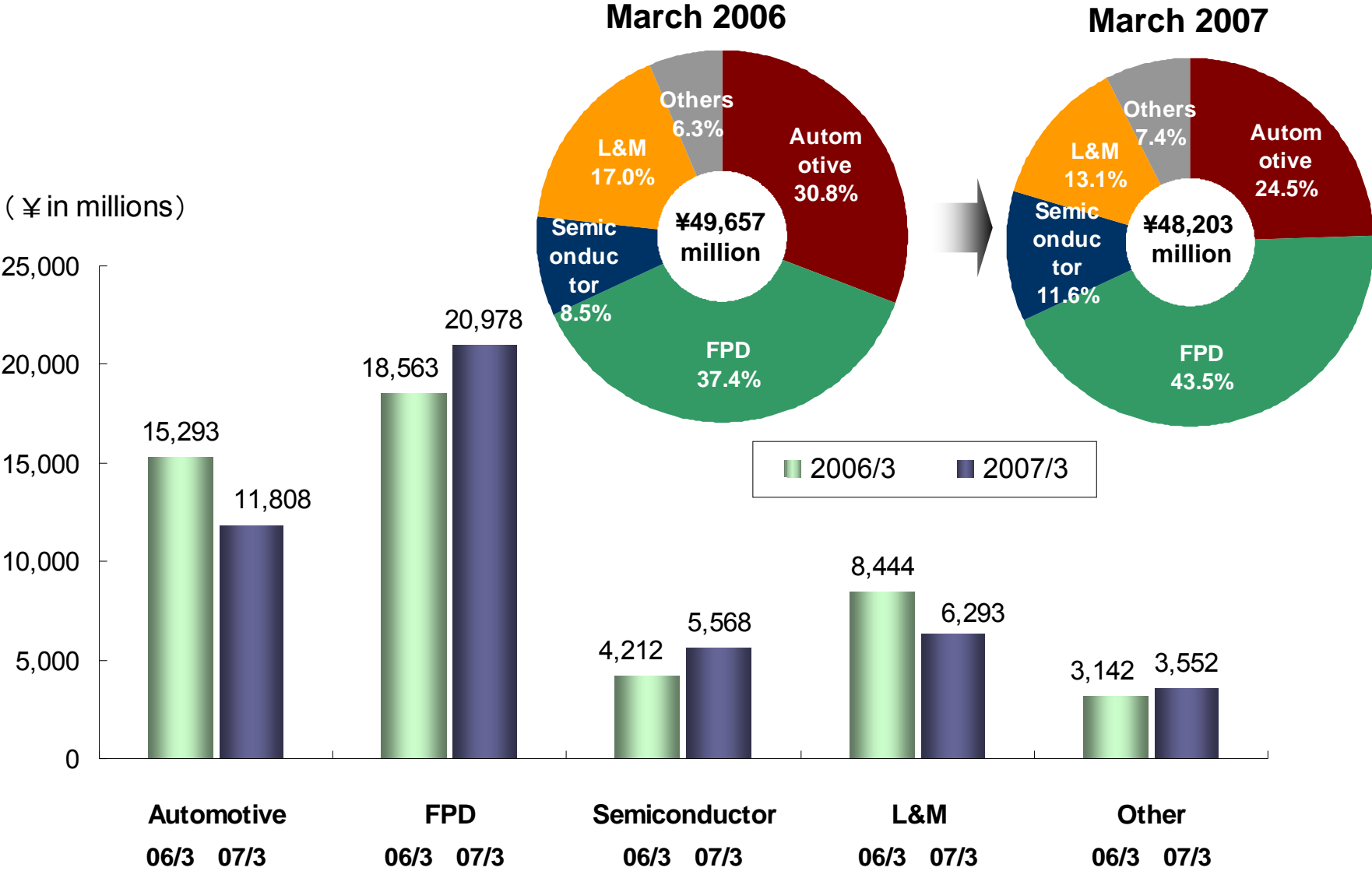
Investing activities : ¥815 expenditure posted due to purchases of tangible fixed assets.

Financing activities : ¥1,245million income posted due to proceeds from stock issuance and net decrease in short-term borrowings

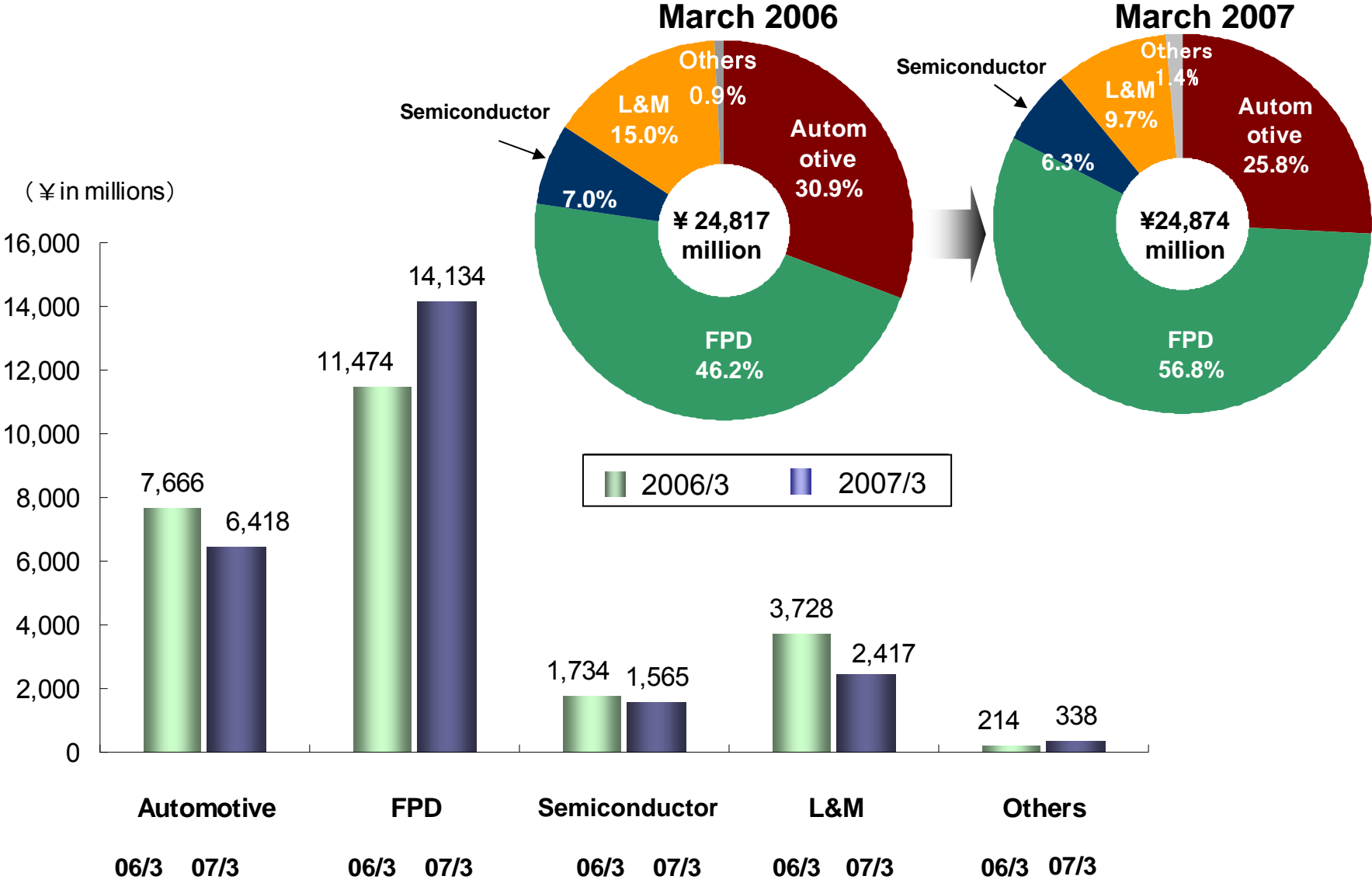


	Mar-05	Mar-06	Mar-07
Operating activities	1,355	1,253	▲ 1,092
Investing activities	▲ 564	▲ 133	▲ 815
Financing activities	▲ 636	▲ 695	1,245
Cash and cash equivalents at end of period	5,351	5,845	5,220

Consolidated Orders Received by Business Unit



Consolidated Orders Backlog by Business Unit



Performance Forecasts for FY 2007

Consolidated Performance Points for FY 2007(March, 2008)

■ Due to continued revenue and profits growth over 4 periods, continued growth and stable profits are expected.

¥ in millions*%

	FY 2004	FY 2005	Amount of change	Rate of change	FY 2006	Amount of change	Rate of change	FY 2007 (Forecast)	Amount of change	Rate of change
Net sales	36,087	44,457	+8,369	+23.2%	48,146	+3,689	+8.3%	50,000	+1,853	+3.8%
Operating income	1,580	3,065	+1,484	+93.9%	3,706	+641	+20.9%	3,800	+94	+2.5%
Ordinary income	1,382	3,038	+1,656	+119.8%	3,420	+381	+12.6%	3,600	+179	+5.2%
Net income	706	1,278	+572	+80.9%	1,869	+591	+46.3%	2,000	+130	+7.0%

Continued Growth and Profit Stability

✓ Strengthen Global Operations

- Strengthen marketing and Hirata Companies cooperation
- Create an Overseas Business HQ, more efficient use of resources through efficient centralized management

✓ Strengthen Profitability

- Cost reduction through more efficient manufacturing activities through increasing the speediness of the availability of production information

Strengthening Technical Capability

✓ Drastic increase in Robotics technologies, core to our production systems

- Form a Fundamental Engineering Department, gathering in engineers, and efficient R&D

Increase Customer Satisfaction

✓ Strengthen Service

- Responding to market change and the voice of the customer, Hirata Koei was changed in 2/2007 in name and operation to Hirata Field Engineering which began operations in 4/2007

Compliance Thoroughness

- ✓ Enhance the functions of corporate governance that strengthens respect for the rules, regulations, and procedures, and strengthens the management of confidential information. (as published in 2006 Corporate Compliance Charter)

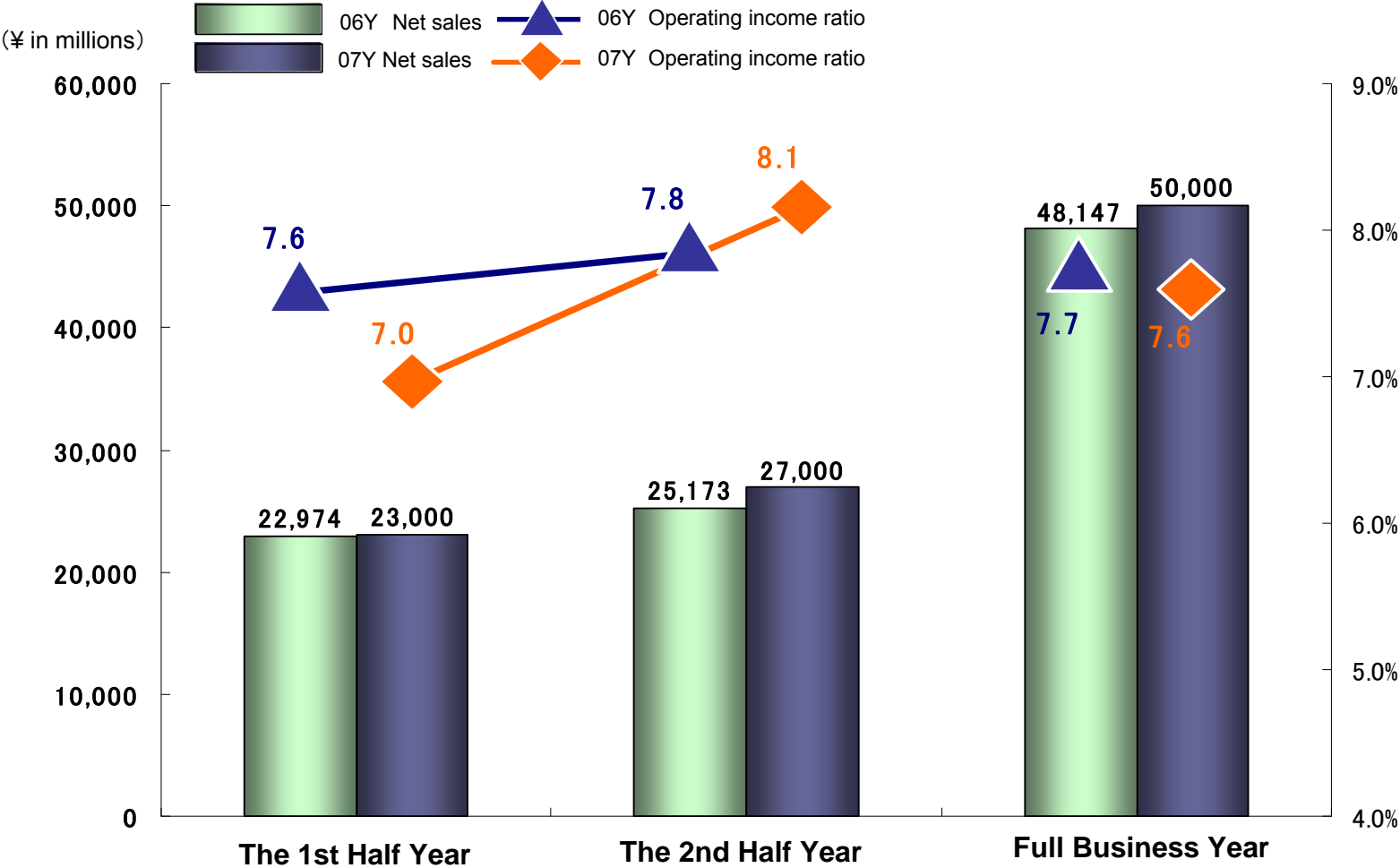
Return Profits to Shareholders

✓ Continue Stable Dividends

- Forecasted to pay out a 17.5 ¥ dividend at the end of period of 3/2008.
(Forecasted for 3/2007 is also 17.5¥/share with an additional 5¥ 60th Anniversary dividend totaling 22.5¥)

Forecast for FY 2007 Consolidated Net Sales / Operating Income

Operating income ratio 8.1% in the 2nd half year, 7.6% in full business year

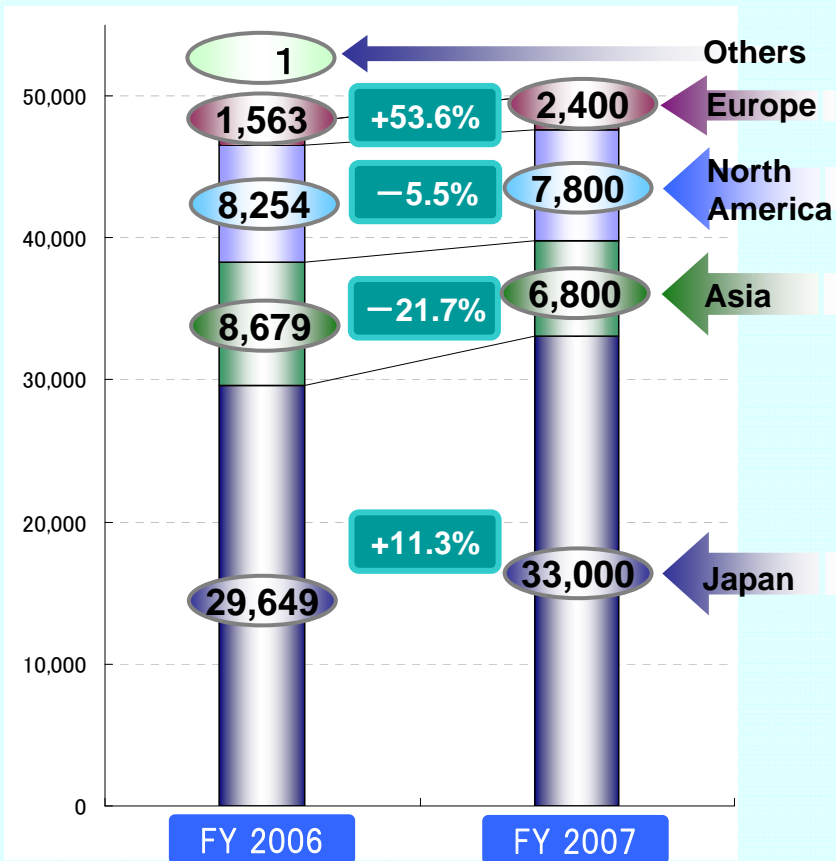


Forecast for FY2007(March, 2008) Net Sales by Regions and Business Unit

Net Sales by Region

FY 2006
¥48,146million

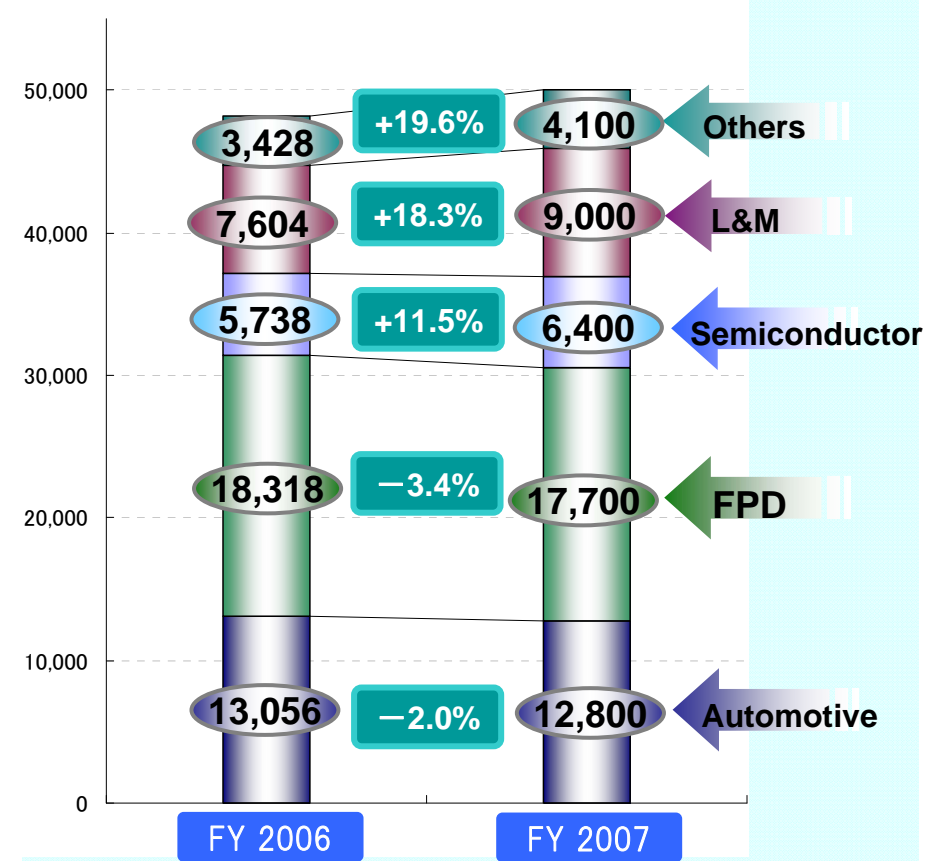
FY 2007
¥50,000million



Net Sales by Business Unit

FY 2006
¥48,146million

FY 2007
¥50,000million



Forecast for FY 2007 (March, 2008) Sales Trends(06Y→07Y)

Automotive Industry

- ▶ **Engine and Transmission Assembly Equipment**
 - ✓ Increase of sales through Flexible Powertrain Base Machine Modularity
- ▶ **Automotive Components Assembly Equipment**
 - ✓ Sales increase of equipment for safety, energy-saving, and environmental components
- **Areas**
 - ✓ Increases in Domestic, Stability in North America, and Growth in China.



FPD Industry

- ▶ **FPD Glass Panel Transport Robot**

Provide the market with 10th Generation Glass Transport Robot
- ▶ **Resist Application Devices**
 - ✓ Strengthening of cooperation with Tokyo Electron (Head coater for large plate glass)
- **Areas**
 - ✓ Decrease in Taiwan, Steady Domestic
 - ✓ Begin marketing and support looking forward to investment in Taiwan



10th Generation Glass Panel Robot announced 5/14/07



Semiconductor Industry

- ▶ **Wafer Transfer Robot**
- ▶ **Load Port**
- ▶ **EFEM (Equipment Front End Module)**
 - ✓ Stable adoption by device manufactures who are significant market share holders

- **Area**
 - ✓ Demand Static in all Areas

Logistics & Material Handling Industry

- ▶ **Electronics Assembly and Transport**
 - ✓ FPD Module process • Increase in Flat Panel TV Assembly Equipment
 - ✓ Steady Orders for Semiconductor Back End Process Handling Equipment

- ▶ **Tire Related Transport Equipment**
 - ✓ Increase in Sales through widening customer base

- **Area**
 - ✓ Excellent capital investment in FPD for product for Europe and North American Markets
 - ✓ Enlarging growth opportunities through world wide network

Medium-Term Business Plan

— **Table of Contents** —

1. Summary

1) Principles and Direction

2. Medium-Term Business Plan “1・2・3・4 Plan”

- 1) Sustain Growth of Capacity and Profits
- 2) Improved Financial Structuring
- 3) Main Challenges
- 4) Business Strategy

Medium-Term Business Plan (Hirata Japan) FY2006 through FY2008

1. Summary

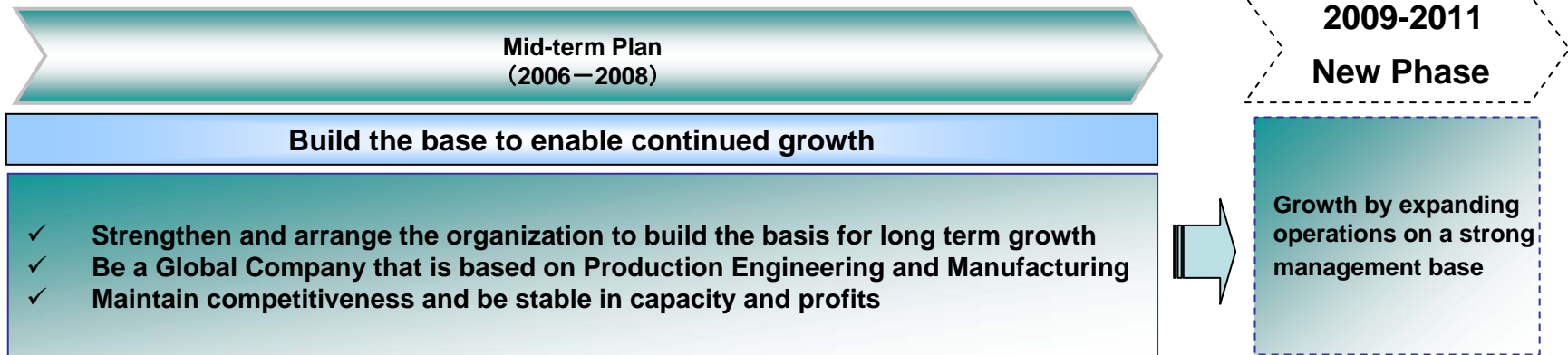
1) Principles and Direction

In 2006, a Mid-term business plan was created and we will report on that plan and our progress in achieving the plan.

2006 was a commemorative year as we celebrated our 60th Anniversary. We prepared for our Initial Public Offering, and made a Mid-term business plan targeting “Strengthening the Base to Provide for Long Term Growth”. Our aim is to respect people, work for technical innovation, prioritize customer profits, and to contribute to overall society in what we do.

We plan to continue these important values while trying to become the leading production engineering company in the Automotive, Flat Panel Display, and Semiconductor Industries.

■ Mid-term Business Plan

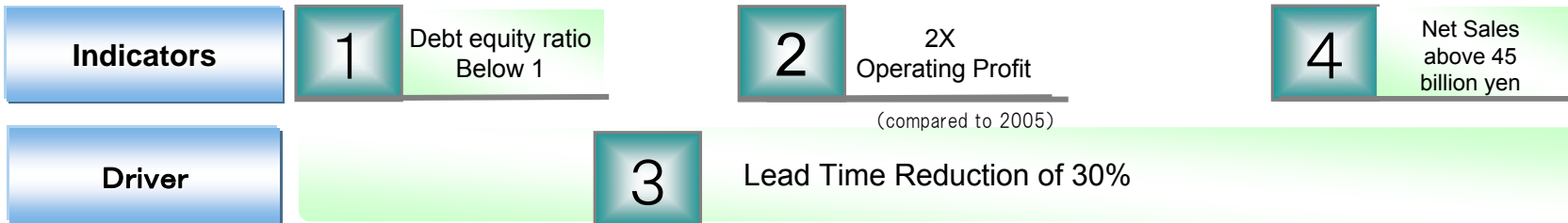
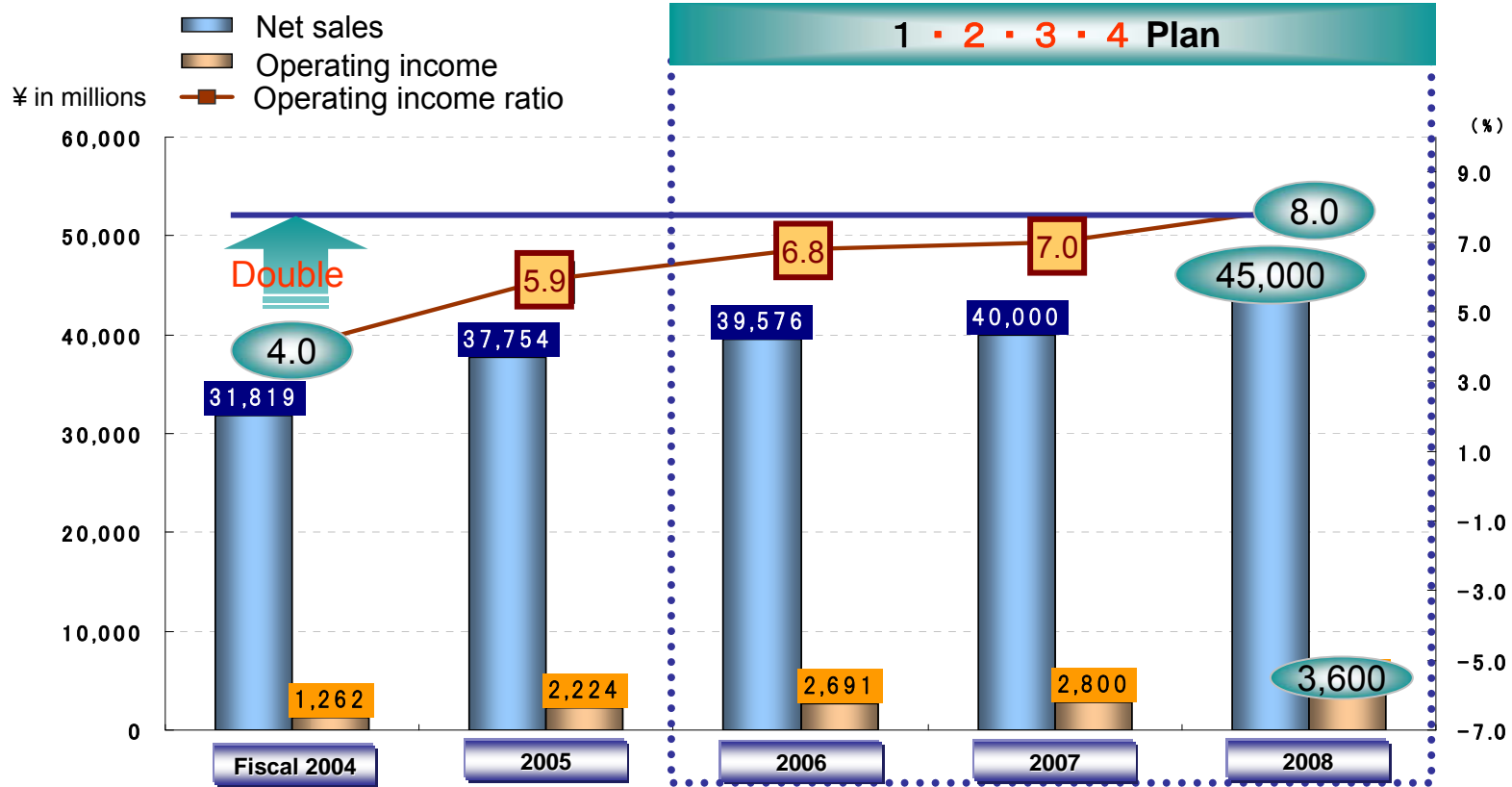


Medium-Term Business Plan (Hirata Japan) FY2006 through FY2008

2. 1.2.3.4 Plan

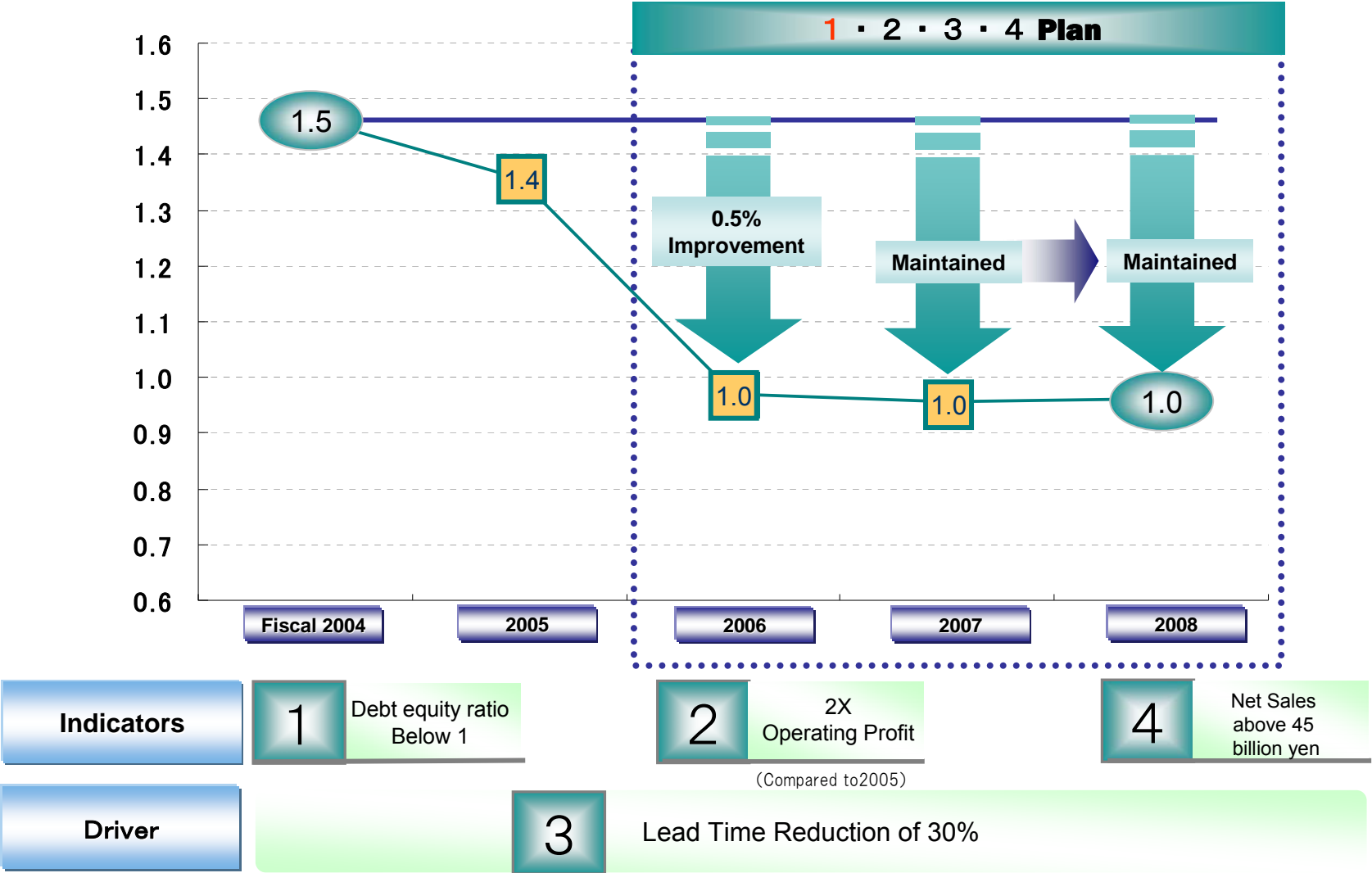
1) Sustained Growth in Capacity and Profits

2



Medium-Term Business Plan (Hirata Japan) FY2006 through FY2008

2) Improve Financial Structure



Medium-Term Business Plan (Hirata Japan) FY2006 through FY2008

3) Main Challenges

Target	Theme	Challenge
<p style="writing-mode: vertical-rl; transform: rotate(180deg);">Become a leading company in the Automotive, FPD, and Semiconductor Industries</p>	<p>Strengthen and arrange the organization to build the basis for long term growth</p>	<ul style="list-style-type: none"> ■ Operational Division Readjustment ✓ Creation of Business Unit and reorganizing divisions ■ Management Structure Improvement ✓ Establish Corporate Compliance Charter ✓ Establish a Compliance Oversight Department
	<p>Be a Global Company that is based on production engineering and manufacturing</p>	<ul style="list-style-type: none"> ■ Strengthen Marketing ✓ Develop Overseas Company Management Group ✓ Establish Hirata Taiwan in 2007 ✓ Start operations of Hirata Field Engineering
	<p>Maintain competitiveness and be stable in capacity and profits</p>	<ul style="list-style-type: none"> ■ Strengthen Manufacturing ✓ New China Factory (in progress) ✓ Introduce new Large 5 face Machining Center in Kumamoto and Utsunomiya ■ Improve Profitability ✓ Lead Time 30% Reduction Project ✓ Prepare for faster production ✓ Enhance Individual Profitability Management ■ Drastic Strengthening of Technology ✓ Establish Core Technologies Engineering Department

4) Business Strategy

Automotive

■ Engine and Transmission Assembly Equipment

- ✓ Increase Market share in North America while maintaining Number 1 status in Japan
- ✓ Develop and market new system concepts

■ Automotive Component Assembly Equipment

- ✓ Develop new products for the manufacture of safety, energy saving, and environmental components
- ✓ Strengthen marketing to main domestic manufacturers

Flat Panel Display

■ Panel Transport Systems

- ✓ Strengthen marketing of Large Panel Transport Module Integrated Systems
- ✓ Develop Robots targeting at Generation 10
- ✓ Strengthen Sales and Service of Taiwanese market.
- ✓ Strengthen Sales and Manufacturing within the Chinese market

■ Resist Application Devices

- ✓ Strengthen the cooperative relationship with Tokyo Electron

Semiconductor

■ Wafer Handling Robot/Load Port/EFEM

- ✓ Strengthen marketing to Device manufactures
- ✓ Strengthen marketing structure in North America

■ Cartesian Robot

- ✓ Cartesian Robot Assembly Cell for Automotive semiconductor components.
- ✓ Cartesian Robot designed for flat panel TV production

Logistics and Material Handling

■ Consumer Electronics Equipment

- ✓ Strengthen the sales and manufacturing capability of equipment for world wide growth in Flat Panel TV demand
 - Central America, strengthen sales to Eastern Europe
 - Strengthen local sales, manufacturing and support

■ Tire Related Equipment

- ✓ Strengthen manufacturing and sales to the industry leaders
 - Broaden marketing to wider base of product offerings
 - Enlarge the business by expanding product line

Manufacturing

- **Prepare Manufacturing Capacity for 50 billion in annual sales**
 - ✓ Establish Unit Factories to improve efficiency and quality
 - ✓ To offset the increase size in customer products, reduce cost and increase delivery speed by furthering implementation of large 5 face machining centers
 - ✓ Establish factory in Shanghai to help support Chinese market

- **Ensure better manufacturing lead times and quality**
 - ✓ Reduce overall lead times from design to manufacturing by furthering 3D CAD/CAM implementation

Research & Development

- **Develop Products that Lead Innovation to the Customer**
 - ✓ Strengthen Core Device planning and development through the evolution of applied technology

- **Strengthen Robotics Technology**
 - ✓ Strengthen Core technologies through focus development of technology elements
 - Improve basic functionality (speed・accuracy)、vision、communication

Cautionary Statement with this document

Business forecasts and future outlook in this document are decided by our own based on information available when we created it, they may have some potential risks and uncertainty including economic trends, competitions with other companies, exchange rates. Please understand that the actual performance could be different drastically from mentioned or defined future forecasts by various factors such as changes in business environment.