

# Hirata

The Global Production Engineering Company

## Year-End Financial Results for Fiscal Year Ended March 31, 2021

Hirata Corporation



# I. Financial Results and Outlook

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The Fiscal Year ended on March 31, 2021 (April 1, 2020 through March 31, 2021)

**Hirata**



# I. Summary of Financial Results

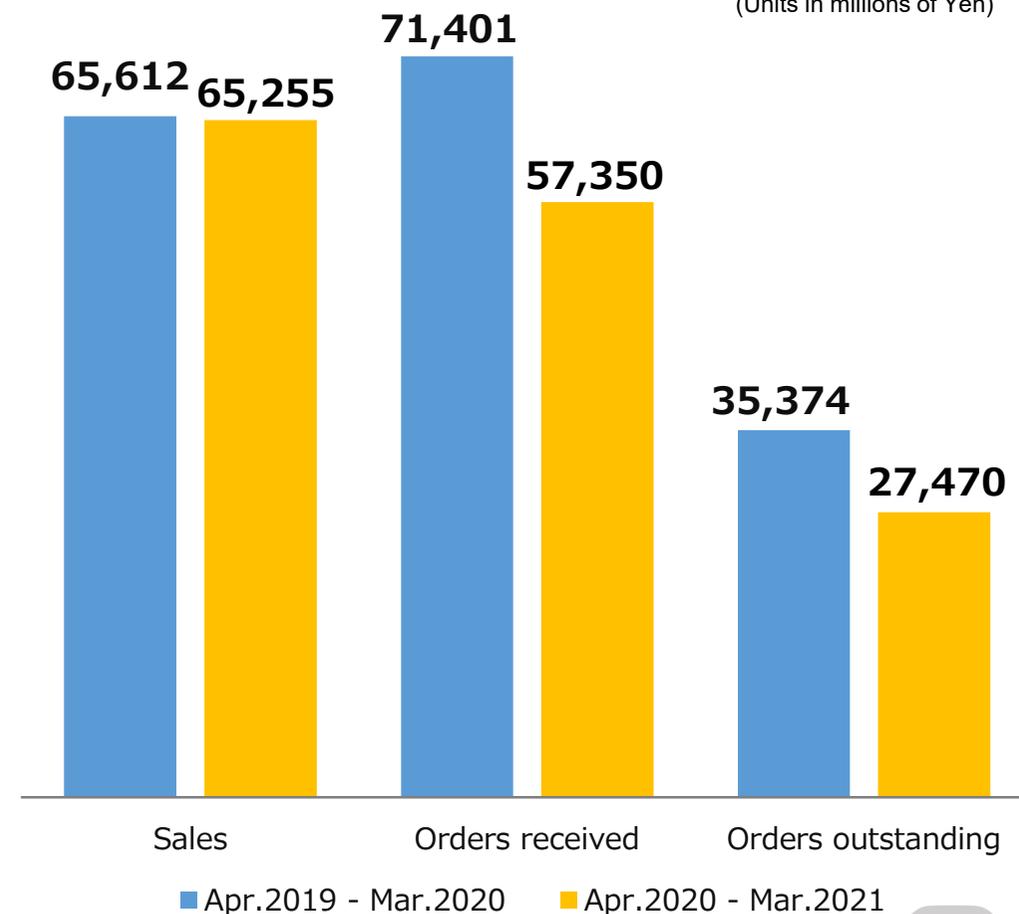
## Overview

With the full-scale 5G and the expansion of telecommuting due to the corona disaster, the increase in demand for data centers had a major impact, and the sales of semiconductor related business remained at a higher level than the previous year. We, on the other hand, faced a severe situation where customer factories were closed and our sales activities were restricted. As a result, we ended up with decrease in sales and increase in profits although the sales were slow, expenses were curtailed at the same time.

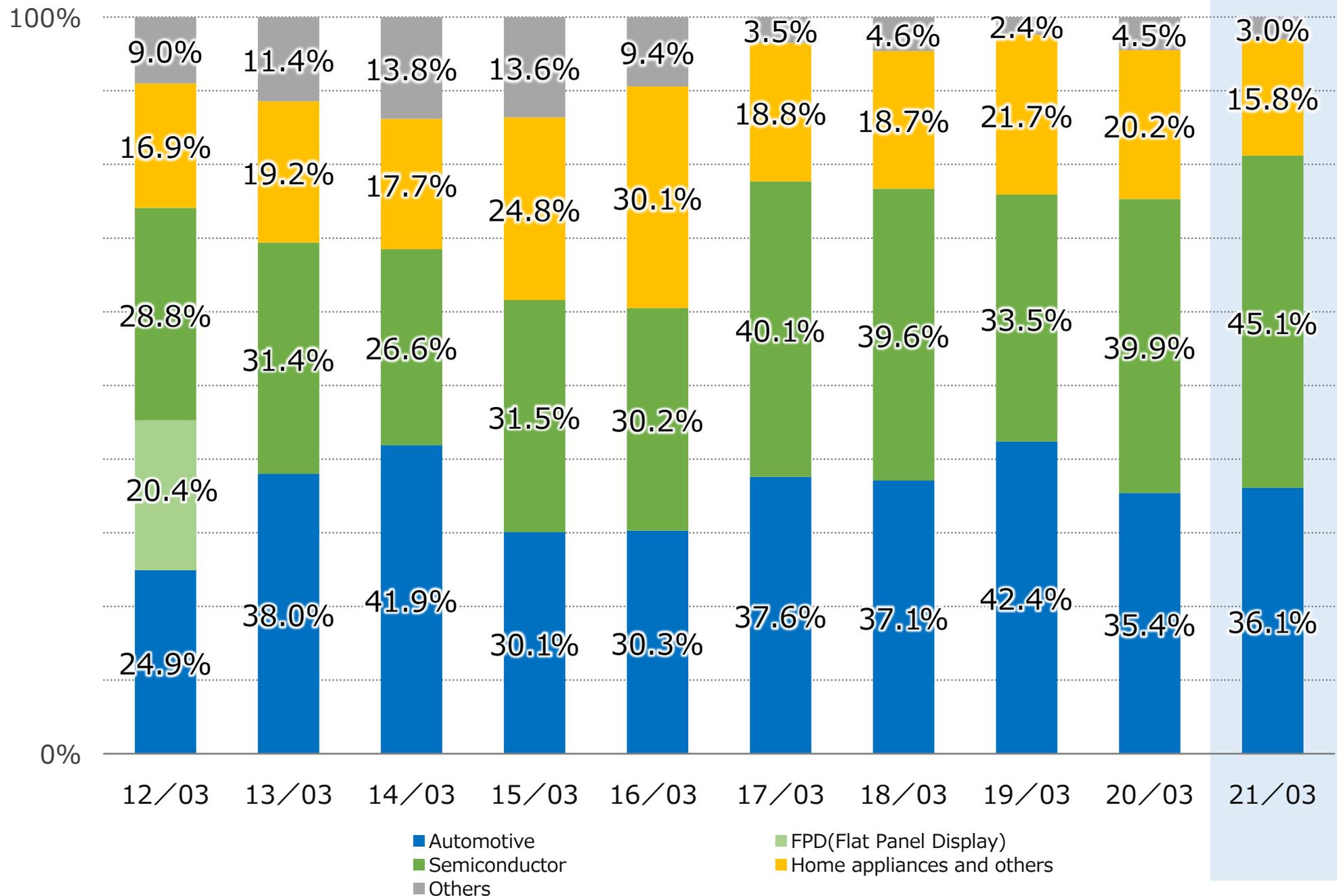
(Units in millions of Yen)

	Apr. 2019 – Mar. 2020 (Actual)	Apr. 2020 – Mar. 2021 (Actual)	YoY Change
Sales	65,612	<b>65,255</b>	△0.5%
Operating income	2,736	<b>4,995</b>	<b>+82.5%</b>
Ordinary income	2,861	<b>5,176</b>	<b>+80.9%</b>
Profit attributable to owners of the parent company	1,744	<b>4,075</b>	<b>+133.6%</b>

(Units in millions of Yen)

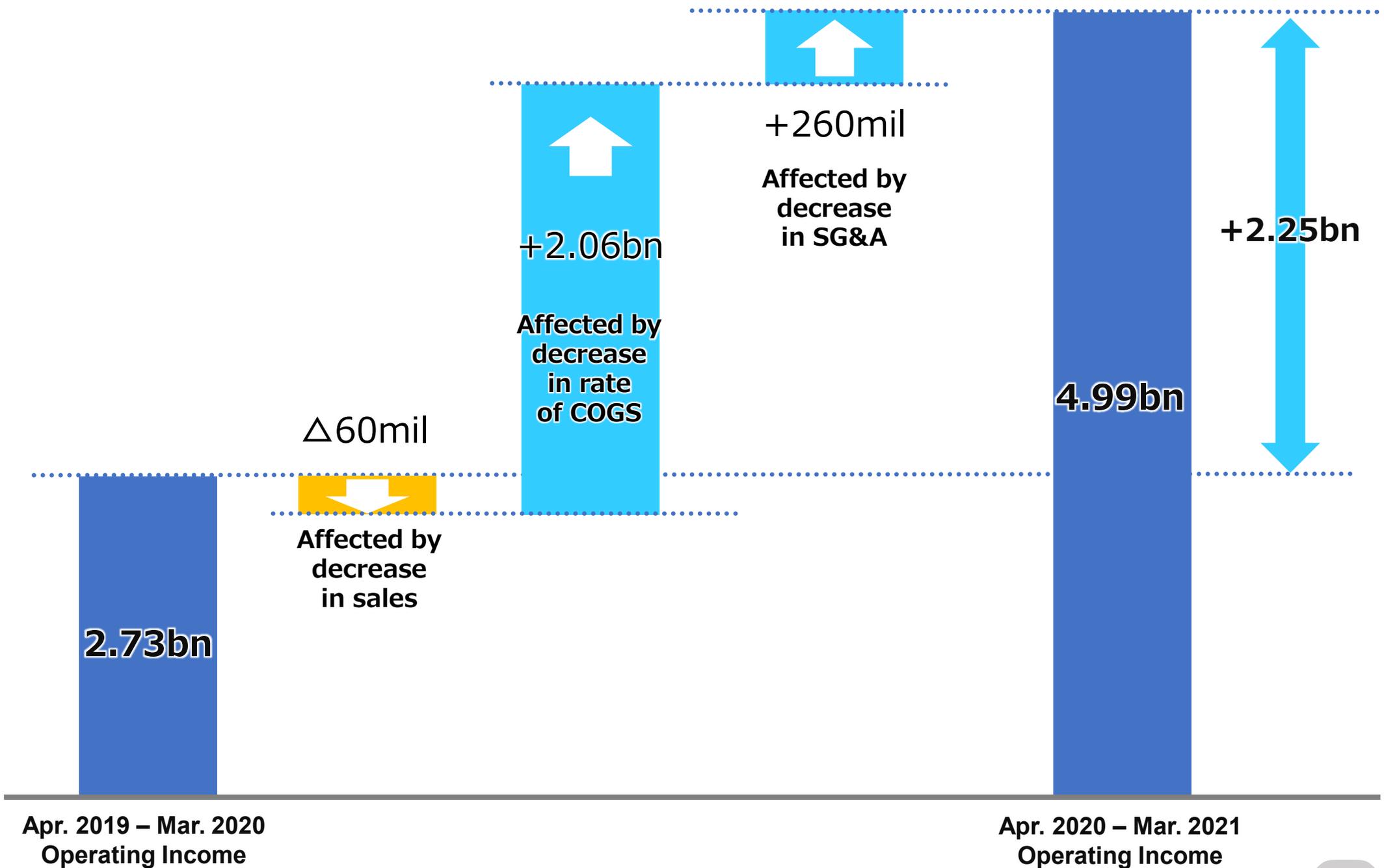


# I. Breakdown of Sales by Business Unit



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

# I. Factor Analysis on Changing Operating Income



Apr. 2019 – Mar. 2020  
Operating Income

Apr. 2020 – Mar. 2021  
Operating Income

# I. Balance Sheet

## Balance Sheet

(Units in millions of Yen)

Asset	Apr. 2019 – Mar. 2020	Apr. 2020 – Mar. 2021	YoY Change
Current Assets	57,792	<b>61,251</b>	<b>+3,458</b>
Fixed Assets	27,617	<b>31,543</b>	<b>+3,926</b>
Tangible Fixed Assets	21,737	<b>23,539</b>	<b>+1,802</b>
Intangible Fixed Assets	533	<b>496</b>	$\Delta$ 36
Investments and other assets	5,346	<b>7,507</b>	<b>+2,160</b>
<b>Total Assets</b>	<b>85,409</b>	<b>92,794</b>	<b>+7,385</b>

Liabilities	Apr. 2019 – Mar. 2020	Apr. 2020 – Mar. 2021	YoY Change
Current Liabilities	28,831	<b>25,935</b>	$\Delta$ 2,895
Fixed Liabilities	9,585	<b>14,860</b>	<b>+5,274</b>
<b>Total Liabilities</b>	<b>38,416</b>	<b>40,795</b>	<b>+2,379</b>

Net Assets			
Total Net Assets	46,993	<b>51,999</b>	<b>+5,005</b>
Capital Ratio	54.4%	<b>55.5%</b>	<b>+1.1Point</b>

### Main impact factors

#### Assets

Buildings and structures	+3,978
Construction in progress	$\Delta$ 3,062
Retirement benefit asset	+2,481

#### Liabilities/Net Assets

Debt with interest	+4,157
Accumulated earnings	+3,660
Trade payables	$\Delta$ 1,792

# I. Assumed exchange rate, etc.

## Assumed exchange rate

(Units in Yen)

Assumed exchange rate	From Apr 1, 2020 to Mar 31, 2021 (Actual rate)	From Apr 1, 2021 (Applied assumption rate)
Exchange rate (against USD)	106.70	100.00

## Transition of our stock prices

(Units in Yen)

Transition of our stock prices	Apr. 1, 2018 to Mar. 31, 2019	Apr. 1, 2019 to Mar. 31, 2020	Apr. 1, 2020 to Mar. 31, 2021		
			Jan.	Feb.	Mar.
Highs	10,580	8,150	8,850	8,830	7,110
Lows	4,285	3,505	7,470	6,500	6,270
End of period	7,640	4,605	8,280	6,520	6,860

## PER/PBR/ROE

PER/PBR/ROE	Apr. 1, 2018 to Mar. 31, 2019	Apr. 1, 2019 to Mar. 31, 2020	Apr. 1, 2020 to Mar. 31, 2021
PER (x)	17.33	27.39	17.47
PBR (x)	1.72	1.03	1.38
ROE (%)	10.06	3.77	8.32

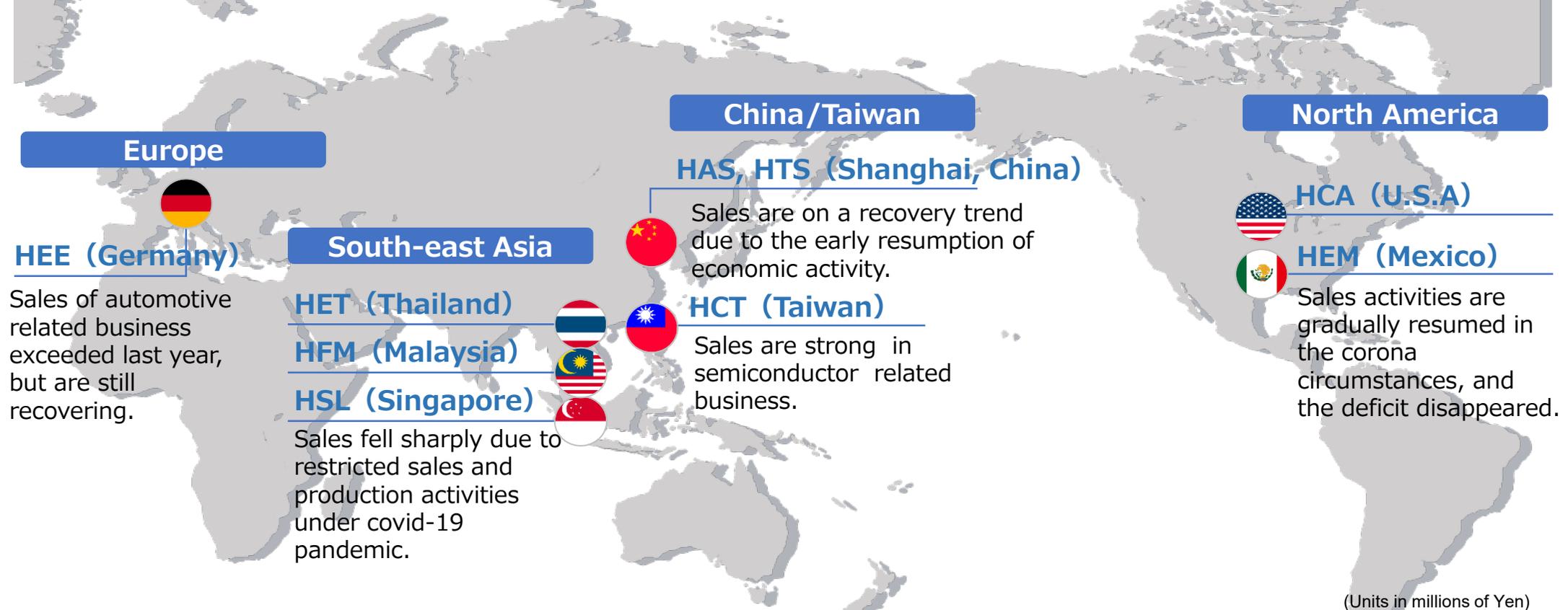
# I. Sales, Orders Received and Outstanding by Business Unit

(Units in millions of Yen)

	<b>Business Unit</b>	<b>Apr. 2019 – Mar. 2020</b>	<b>Apr. 2020 – Mar. 2021</b>	<b>YoY Change</b>
<b>Sales</b>	Automotive	23,225	23,543	+ 1.4%
	Semiconductor	26,166	29,409	+ 12.4%
	Home appliances & others	13,240	10,324	△22.0%
	Others	2,979	1,978	△33.6%
	<b>TOTAL</b>	<b>65,612</b>	<b>65,255</b>	<b>△0.5%</b>
<b>Orders received</b>	Automotive	23,188	22,388	△3.4%
	Semiconductor	33,038	24,605	△25.5%
	Home appliances & others	12,369	8,416	△32.0%
	Others	2,804	1,940	△30.8%
	<b>TOTAL</b>	<b>71,401</b>	<b>57,350</b>	<b>△19.7%</b>
<b>Orders outstanding</b>	Automotive	14,714	13,559	△7.8%
	Semiconductor	14,972	10,168	△32.1%
	Home appliances & others	5,249	3,341	△36.3%
	Others	438	400	△8.7%
	<b>TOTAL</b>	<b>35,374</b>	<b>27,470</b>	<b>△22.3%</b>

# I. Global Business Overview

## Sales by region



	Japan		Asia		North America		Europe		TOTAL	
	20/3	21/3	20/3	21/3	20/3	21/3	20/3	21/3	20/3	21/3
Sales	53,509	<b>54,773</b>	7,461	<b>5,375</b>	4,014	<b>4,050</b>	626	<b>1,056</b>	65,612	<b>65,255</b>
Operating Income	3,082	<b>4,784</b>	866	<b>273</b>	△1,047	<b>31</b>	△125	△ <b>106</b>	2,775	<b>4,983</b>

Please note that total figure of operating income is before consolidation adjustments between regional segments.

# I. Topics - Business update on Organic EL/EV businesses

## Business update on Organic EL/EV businesses

(Units in millions of Yen)

	Amount of orders received			Sales		
	Apr 2019 – Mar 2020	<b>Apr 2020 – Mar 2021</b>	<b>YoY Change</b>	Apr 2019 – Mar 2020	<b>Apr 2020 – Mar 2021</b>	<b>YoY Change</b>
Organic EL related business	15,492	<b>5,883</b>	<b>△9,610</b>	9,771	<b>11,067</b>	<b>+1,296</b>
Electric vehicle related business	2,486	<b>6,489</b>	<b>+4,003</b>	2,110	<b>5,132</b>	<b>+3,023</b>

### ● Organic EL related business

The sales of organic EL related business accounted for about 38% of its total semiconductor sales, which was the increase of about 13% on a year-to-year comparison. The incoming orders were decreased by about 62% on a year-to-year comparison.

### ● Electric vehicle related business

The sales of EV related business accounted for about 22% of its total automotive sales, which was the increase of about 143% on a year-to-year comparison. The incoming orders increased by about 161% on a year-to-year comparison.

## Received the production support award from Hitachi Automotive Systems

Hirata received the production support award from Hitachi Automotive systems (currently Hitachi Astemo, Ltd., hereinafter, "Hitachi AMS") on October 6, 2020. Hirata responded to the request for shortened delivery time for rotor assembly equipment ordered in year 2020, and contributed to the early start-up of Hitachi AMS. This led to this evaluation.



## Business tie-up and basic contract signed with SONIRE

Hirata has signed a contract with SONIRE Therapeutics Inc. (hereinafter, "SONIRE") regarding a business alliance such as joint development and manufacturing of High Intensity Focused Ultrasound therapy system on January 18, 2021. High Intensity Focused Ultrasound therapy system, which is being developed by SONIRE, is a product targeted at the treatment of pancreatic cancer, which is said to be an incurable disease. By fusing SONIRE's high intensity focused ultrasound technology with Hirata's robot technology, we aim to support doctors who treat patients and aim for patient-friendly, non-invasive cancer treatment.

# II Market Trend and Forecast for FYE March 2022

The Fiscal Year ended on March 31, 2021 (April 1, 2020 through March 31, 2021)

**Hirata**



## II. Forecasts for FYE March 2022: Earnings Forecast

(Units in millions of Yen)

	FYE March 2021 (Actual)		FYE March 2022* (Forecast)	
<b>Sales</b>	65,255		67,000	
<b>Automotive</b>	23,543		25,000	
<b>Semiconductor</b>	29,409		31,000	
<b>Home appliances &amp; others</b>	10,324		10,000	
<b>Others</b>	1,978		1,000	
<b>Operating Income (margin)</b>	4,995	(7.7%)	3,500	(5.2%)
<b>Ordinary Income (margin)</b>	5,176	(7.9%)	3,700	(5.5%)
<b>Profit attributable to owners of the parent company (margin)</b>	4,075	(6.2%)	2,600	(3.9%)

(\*) The accounting standard for revenue recognition is applied from the beginning of the fiscal year ending March 2022.

### Reasons for full-year performance forecasts and measures to achieve the business plan

- Sales are expected to exceed the previous year's level due to increased investment in production equipment for next generation vehicles and the driving of the booming semiconductor market. Profits, however, are expected to fall below the previous year's level.
- Hirata will work with our overseas subsidiaries to increase local procurement and local production ratios and focus on business expansion in order to expand global orders and strengthen cost competitiveness. Hirata will also work to improve profitability by strengthening our production system by optimizing the allocation of production resources and promoting the expansion of the in-house production rate.

## II. Forecasts for FYE March 2022: Business Environment

### Automotive related business

The market for electric vehicles, including electric vehicles(EV), hybrid vehicles(HV), plug-in hybrid vehicles(PHV), and fuel cells, is expanding rapidly as countries around the world come up with promotion policies one after another. In the EV market, emerging manufacturers have announced their entry into the market one after another, and this market is expected to be exposed to fierce competition. However, Hirata will take advantage of the market supremacy based on our experience and achievements so far and manufacture production equipment of various parts in the EV market as well.

### Semiconductor related business

Full-scale 5G, work from home, and online lessons are increasing worldwide, and CPUs for data centers and part related to autonomous driving are stimulating factors for semiconductor capital investment. Continued positive growth is expected in the future, and Hirata will continue to secure orders for semiconductor capital investment and strive to secure strong orders for organic EL related equipment.

### Home appliances and other business

Demand for some home appliances is accelerating due to teleworking and increased hours at home with the epidemic of coronavirus. On the other hand, the penetration rate of white goods in the Chinese market is approaching 100%, and the market is expected to move from China to emerging regions such as Southeast Asia. Hirata will secure orders for production equipment for tire manufacturers and prepare to win orders for next-generation models of a high-performance home appliance manufacturer, which is our main customer.

## II. Forecasts for FYE March 2022: Dividend Forecast

### Dividends and dividend ratio per share

(Unit in Yen)

	FYE Mar 2018	FYE Mar 2019	FYE Mar 2020	FYE Mar 2021	FYE Mar 2022 (estimate)
<b>Dividends per share</b>	125.00 <small>including memorial dividend 25.00yen</small>	125.00	40.00	65.00	<b>55.00</b>
<b>Dividend ratio(%)</b>	19.5	28.4	23.8	16.6	<b>22.0</b>

Note: Dividend ratio is on a consolidated basis.

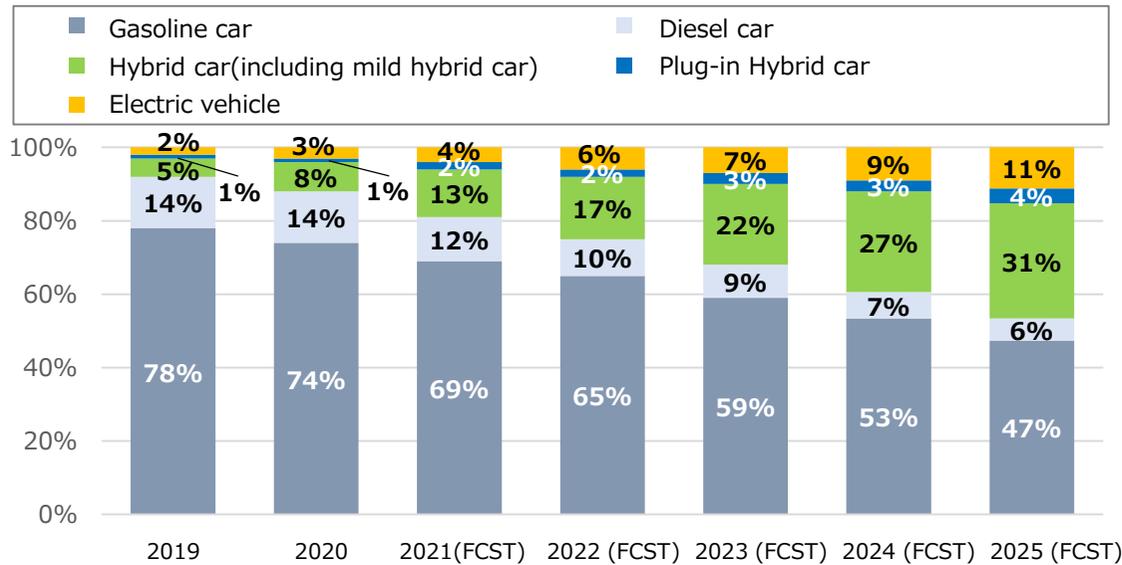
### About dividend forecast

We fully consider profit return to our shareholders as one of the highest priority issue. So, we endeavor to pay dividend stably and continually to be more than 20% of the consolidated dividend ratio as a guide by strengthening our financial characteristic and also taking into consideration our consolidated performance and business deployment.

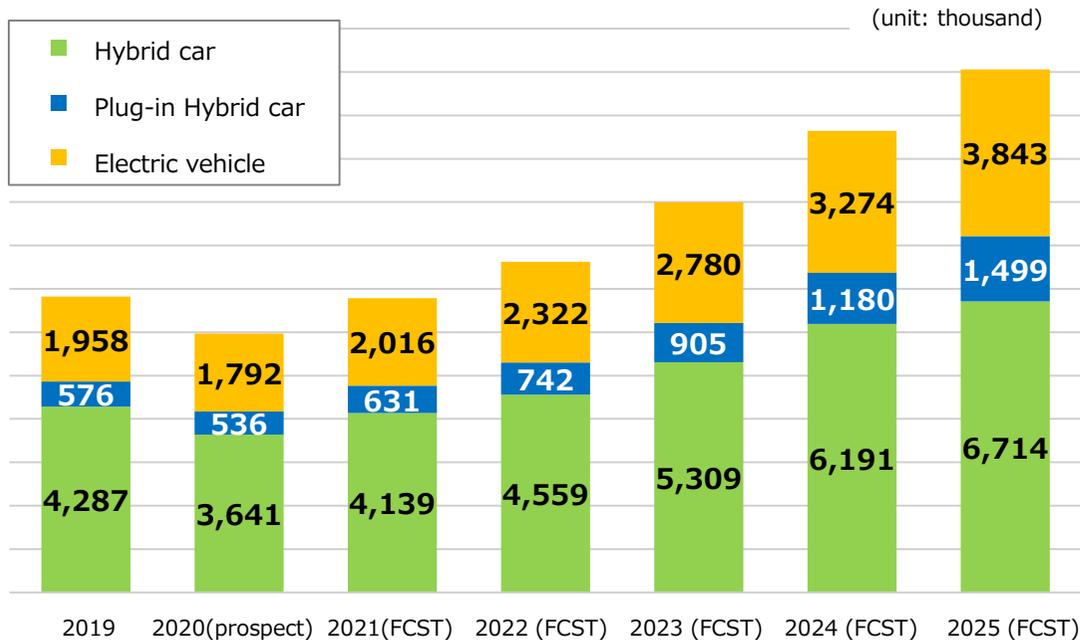
After comprehensively considering the above basic policy and the business environment surrounding our company, Hirata resolved to pay a dividend of 65.00 yen per share for the fiscal year ended March 31, 2021 in the board meeting held on May 14, 2021. In addition, the dividend per share for the fiscal year ending March 2022 is planned to be 55.00 yen.

## II. Forecasts for FYE March 2022: Market trend and business outlook

### Composition ratio by drive system to new car sales



### Forecast of the market size of environmentally friendly vehicles



### Automotive related market

#### «Industry trends»

- World demand
  - The market for electric vehicle such as EVs, HVs, and PHVs is expanding rapidly due to the new energy vehicle promotion policies of each country.
  - The sale of internal combustion engine car peaked in 2017 and is expected to continue shrinking in the long run.

Source : Boston consulting group's analysis

#### « Our prospects »

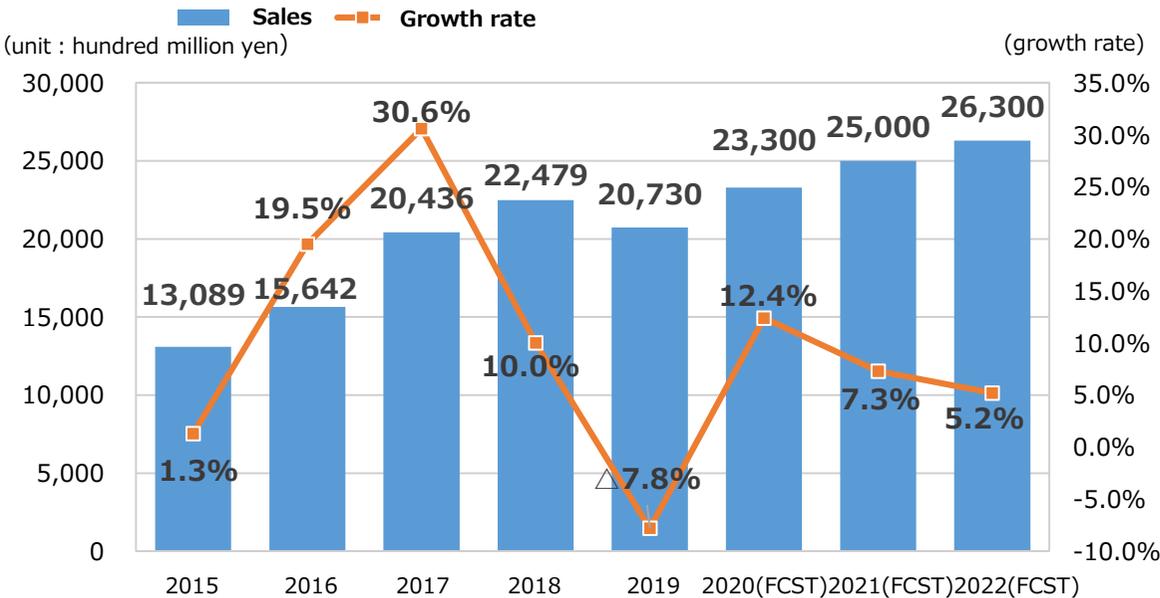
- Electric vehicle related and parts production equipment
  - Inquiries from North America, Europe, China, etc. is expected to continue.
  - In the new energy vehicle market as well, we will focus on expanding orders and aim to improve our market advantage.
- Internal combustion engine car production equipment
  - Although it will decrease in the long term, it is predicted that there will be not sudden change, and we continue to secure orders in parallel with EVs.

Source : Yano Research Institute Ltd.

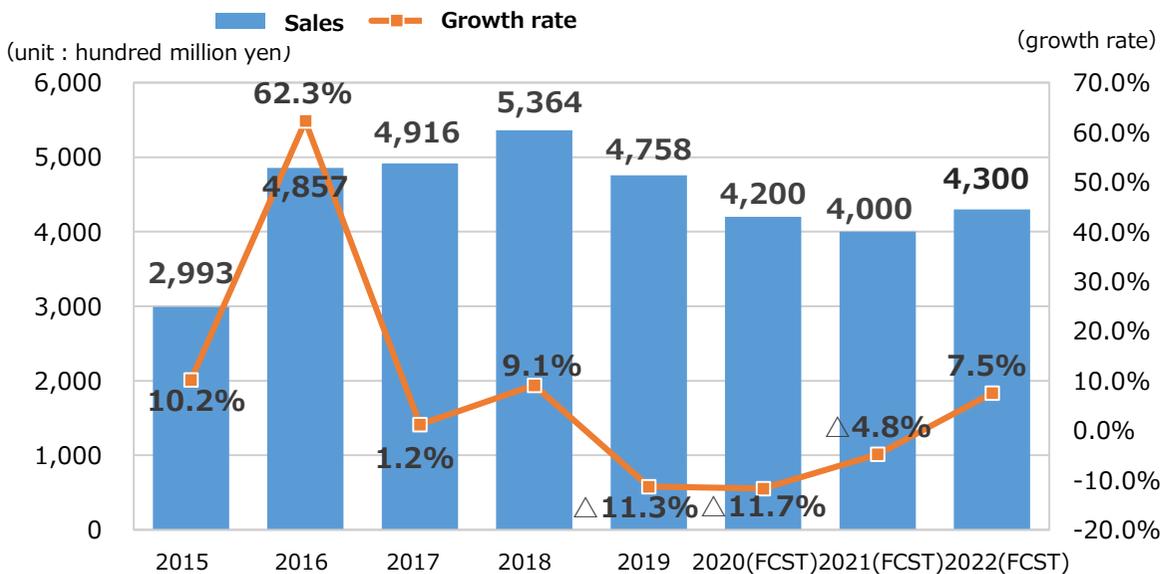
「Global Electric Vehicle production trends & forecasts」

## II. Forecasts for FYE March 2022: Market trend and business outlook

### Sales and growth rate of semiconductor production equipment



### Sales and growth rate of FPD production equipment



### Semiconductor・FPD related market

#### « Industry trends »

##### ➤ Semiconductor related

- The increase in 5G smartphones and lifestyle change will boost demand for semiconductors in 2021, and we are forecasting positive growth.
- There is a shortage of semiconductors in every industry, from automobiles to electric products. Thus, there are plans for large-scale investment overseas in response to the rapid increase in demand.

##### ➤ FPD related

- Gradually recovering from oversupply due to recovery in demand for IT panels such as PC and tablets due to the impact of Corona.

#### « Our prospects »

##### ➤ Semiconductor related manufacturing equipment

We expect an increase in transporting/conveying related orders in response to growing demand.

##### ➤ FPD related manufacturing equipment

Organic EL is a long-term expansion trend. We will also focus on securing orders for LCD market, which is on a declining trend.

Source : Demand forecast of semiconductor/FPD manufacturing equipment for FY2020 to FY2022 announced in January 2021 by Semiconductor Equipment Association of Japan (SEAJ)

## II. Forecasts for FYE March 2022: Market trend and business outlook

### Organic EL/Liquid crystal panel related market

#### « Industry trends »

- Full-sized and medium/small sized LDC...Due to the shift to organic EL, the market for small and medium-sized LCDs is expected to continue to shrinking.
- Organic EL...Volume for smartphones is expected to continue expanding.

The market for TVs and in-vehicle displays are expected to expand in the future.

#### « Our prospects »

- Organic EL related equipment...We will continue to secure orders under strong market trends.

### Home appliances and other markets

#### « Industry trends »

- Home appliances...Shift to emerging regions such as Southeast Asia due to the almost end of demand in the Chinese market.

Demand of some home appliances increased due to increased time spent at home due to COVID-19.

#### « Our prospects »

- Home appliances related equipment...While observing the status of coronavirus, we aim to increase orders in emerging regions in collaboration with our affiliated companies.
- Other than home appliances related equipment...We will work to win orders from a wide range of fields.

# Ⅲ. Reference Data

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The Fiscal Year ended on March 31, 2021 (April 1, 2020 through March 31, 2021)

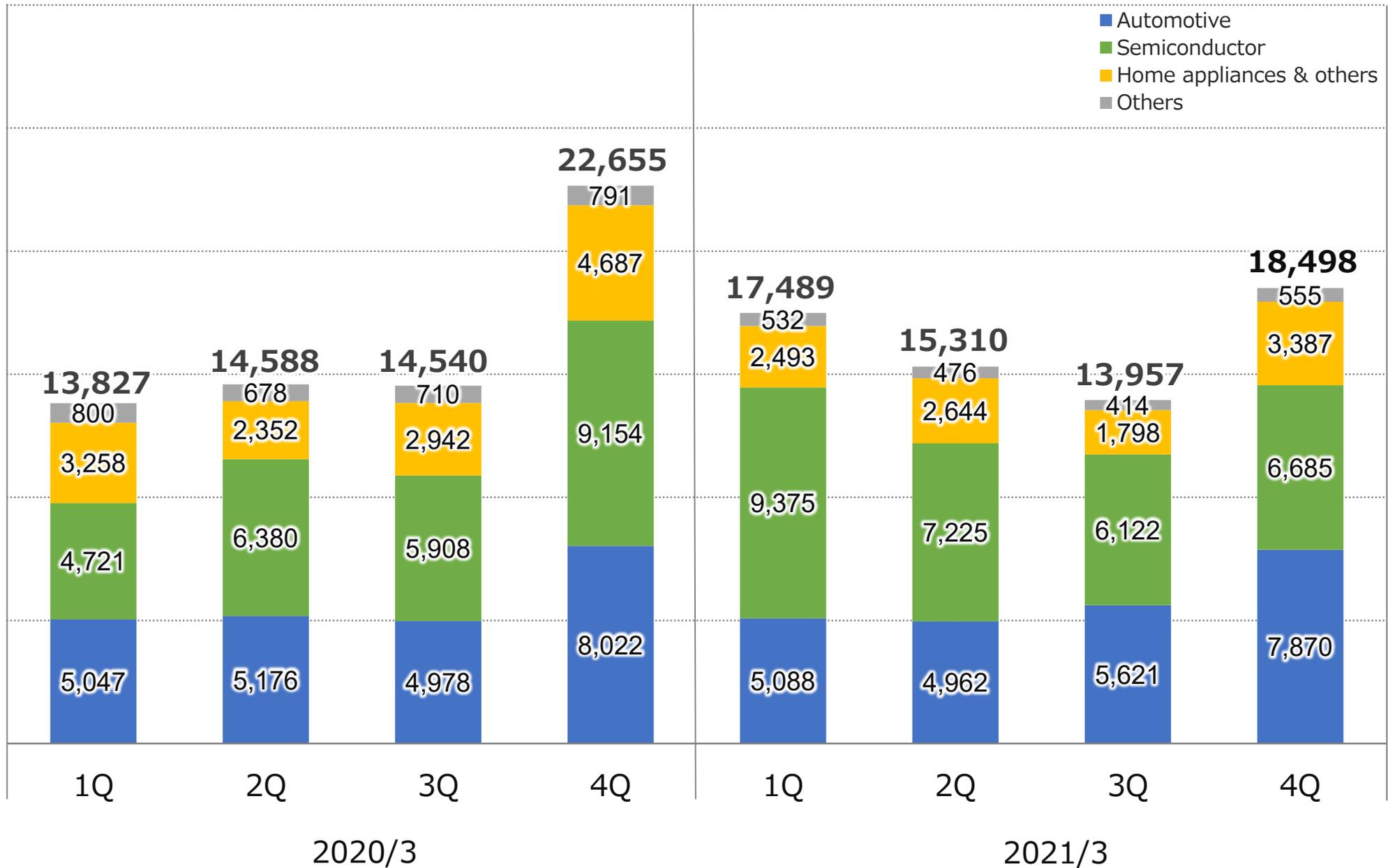
**Hirata**



### III. Quarterly Trends of Sales by Business Unit

#### Sales by Business Unit

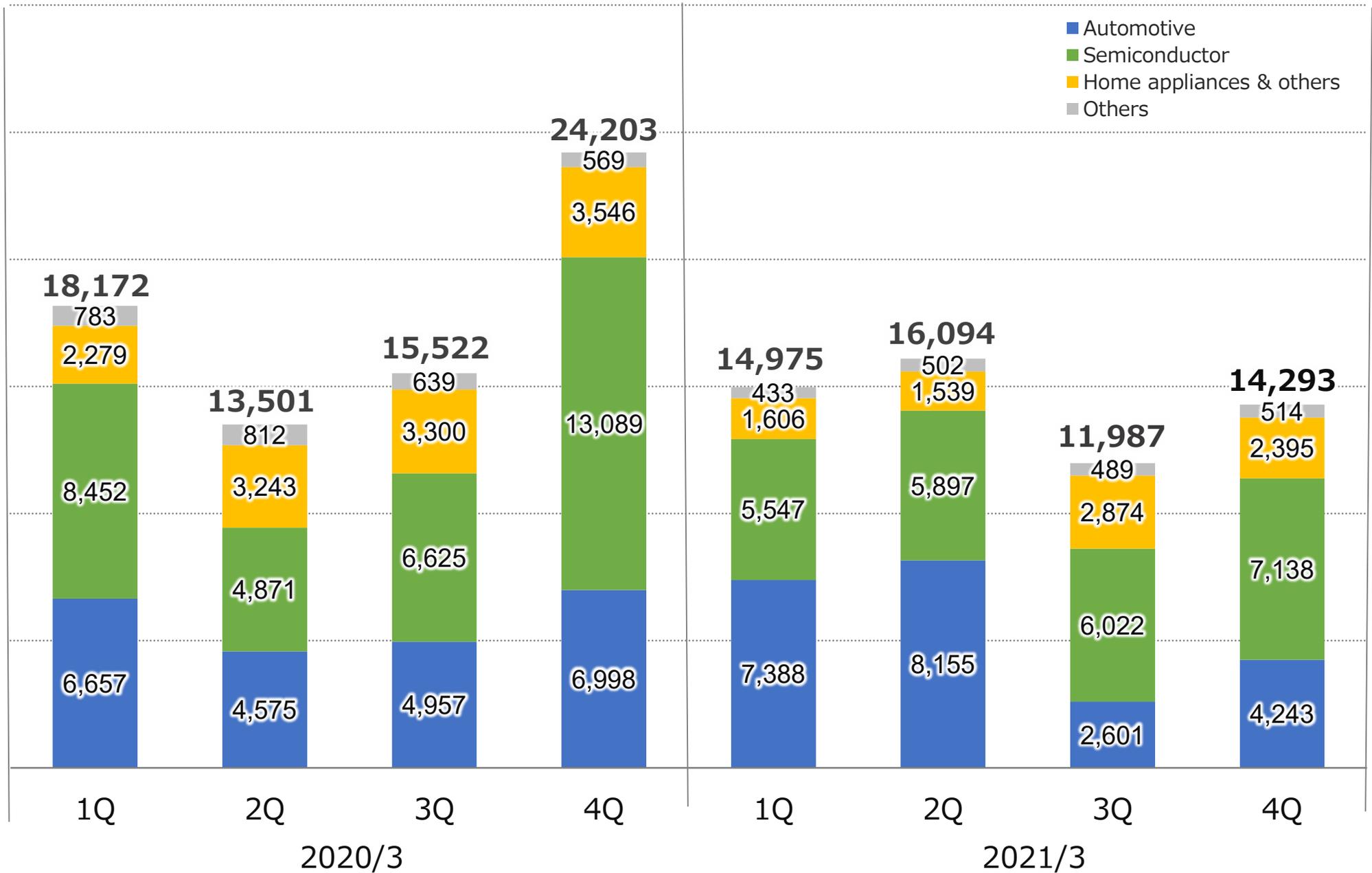
(Units in millions of Yen)



### III. Quarterly Trends of Received Orders by Business Unit

#### Received Orders by Business Unit

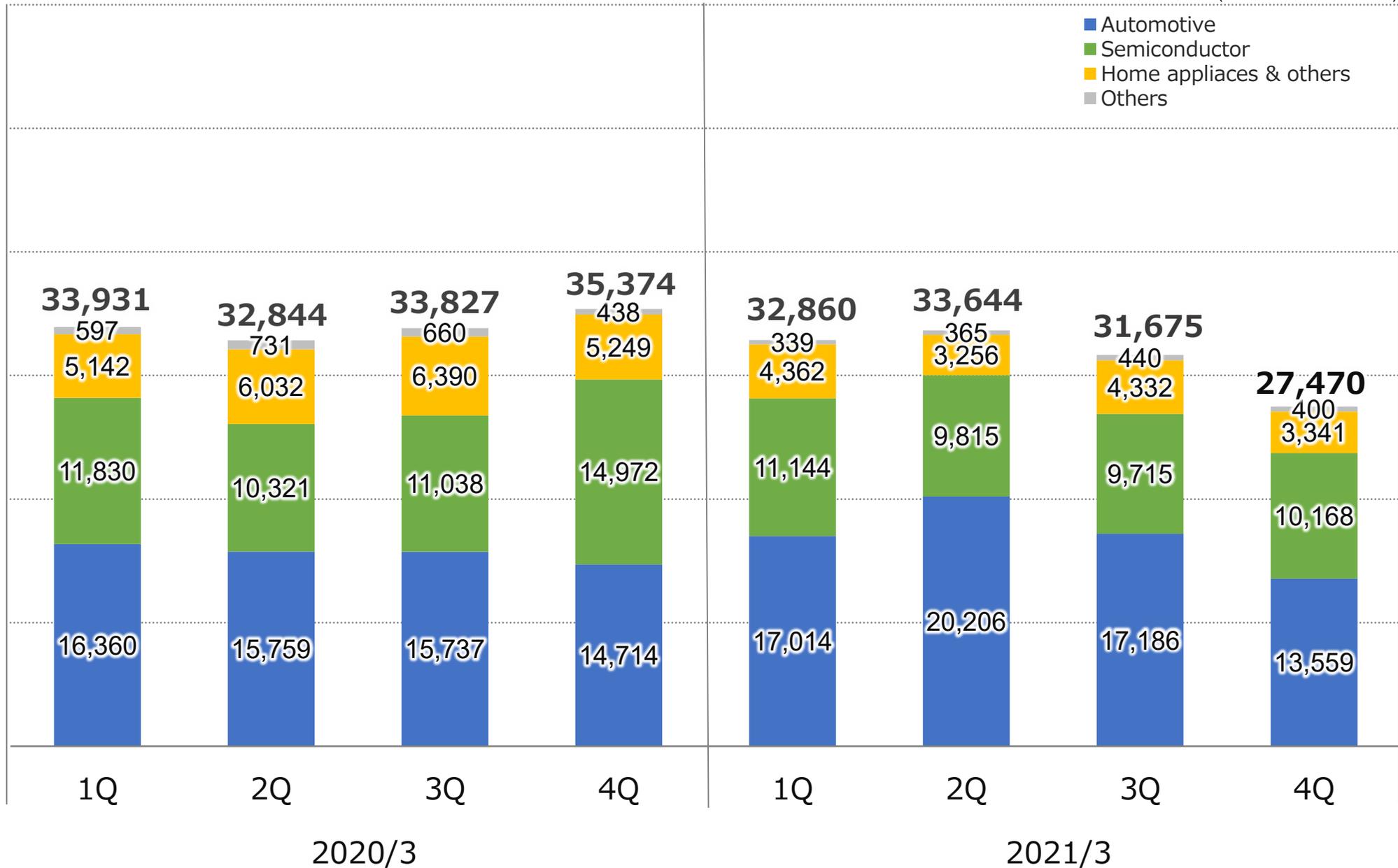
(Units in millions of Yen)



### III. Quarterly Trends of Orders Outstanding by Business Unit

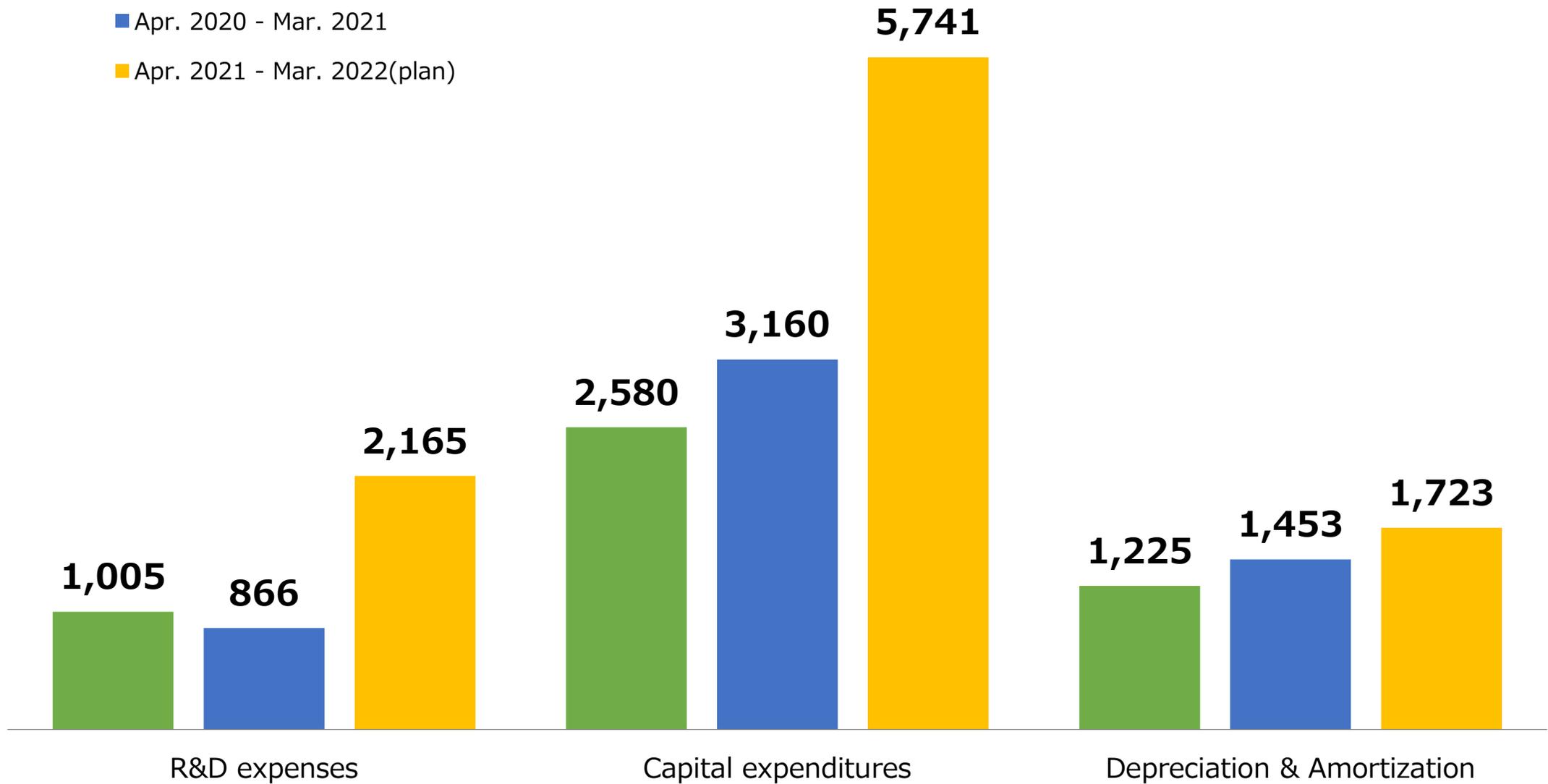
#### Outstanding Orders by Business Unit

(Units in millions of Yen)



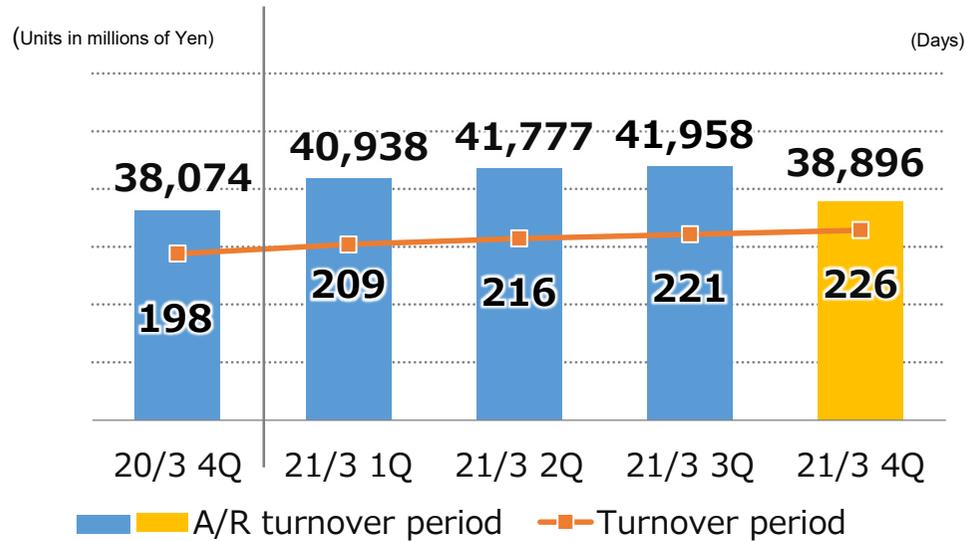
(Units in millions of Yen)

- Apr. 2019 - Mar. 2020
- Apr. 2020 - Mar. 2021
- Apr. 2021 - Mar. 2022(plan)

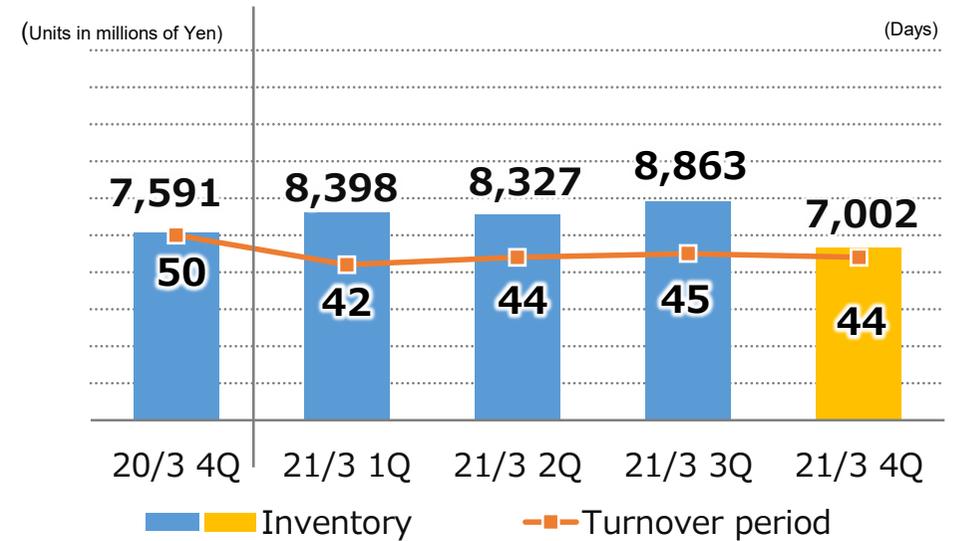


### III. Key Financial KPIs/Indicators

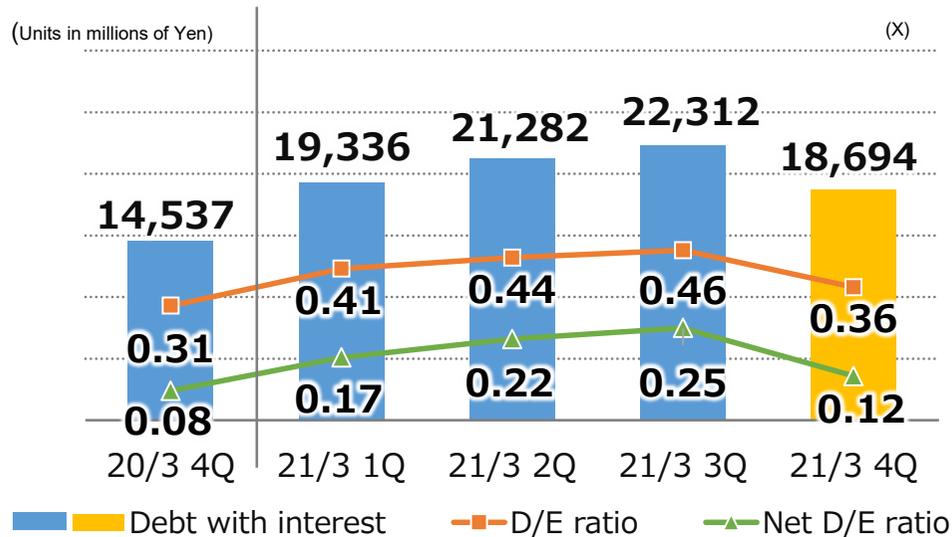
#### Account Receivables/Turnover period



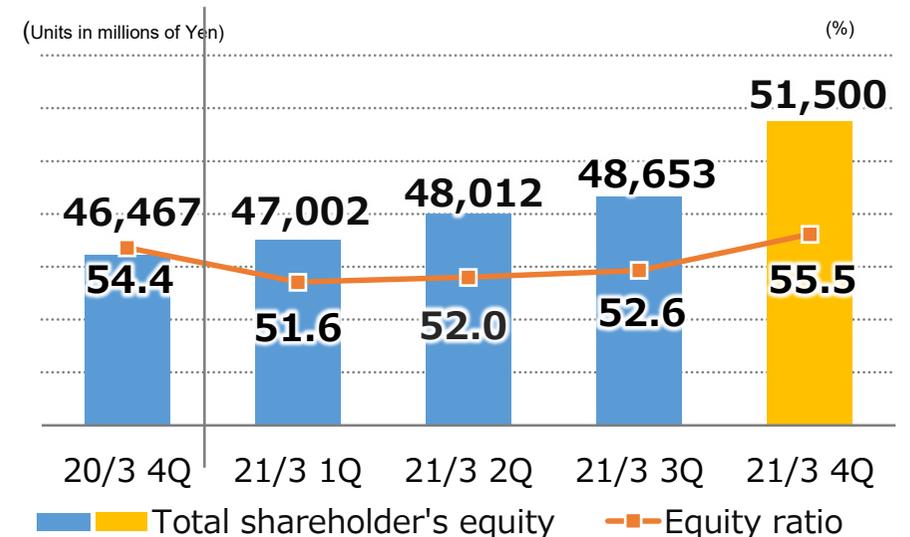
#### Inventory/Turnover period



#### Debt with interest/Debt equity ratio/Net debt equity ratio



#### Total shareholder's equity/Equity ratio



Note) Accounts receivable turnover period and Inventory turnover period list its average number of each quarter.

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.