

Hirata

The Global Production Engineering Company

Quarterly Financial Results for the Three-month Period Ended June 30, 2021

Hirata Corporation



I. Financial Results and Outlook

The three-month period ended June 30, 2021 (April 1, 2021 - June 30, 2021)

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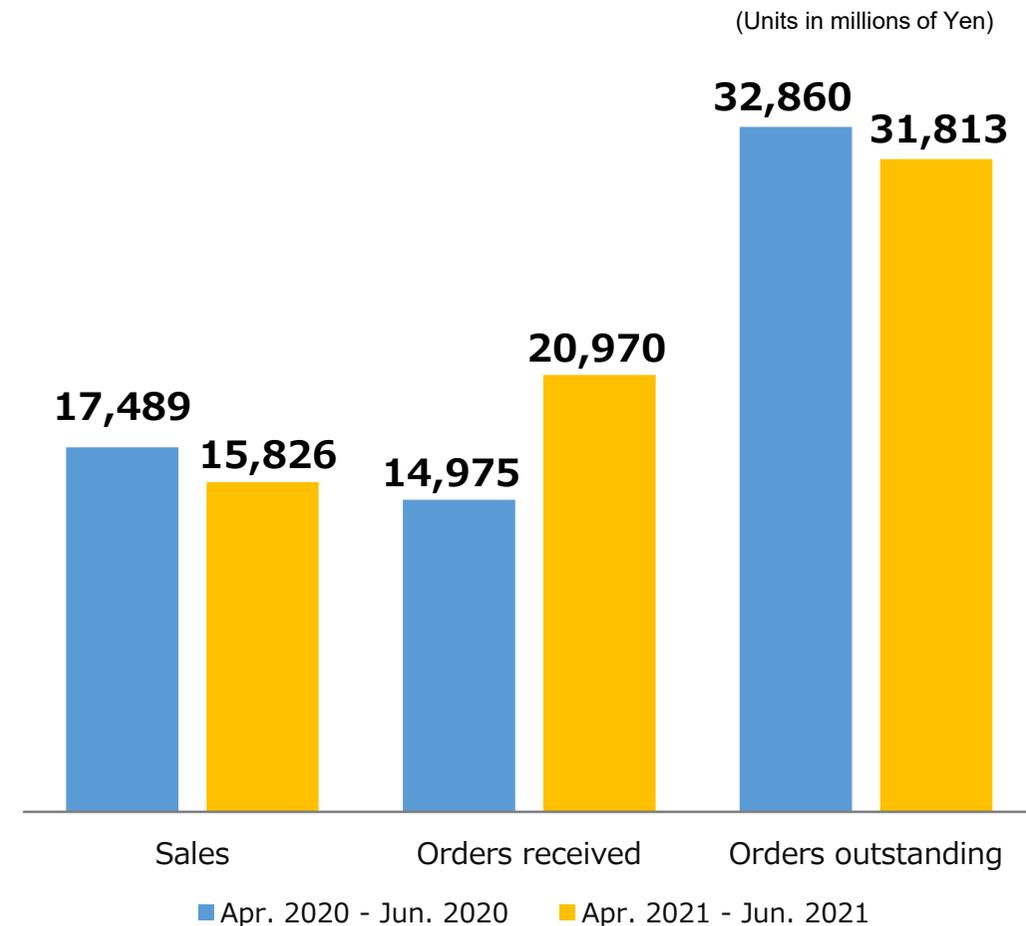
I. Summary of Financial Results

Overview

The sales of automobile-related business were strong due to robust capital investment in next generation vehicle such as electric vehicle(EV). The sales of organic EL-related business, on the other hand, remained weak.

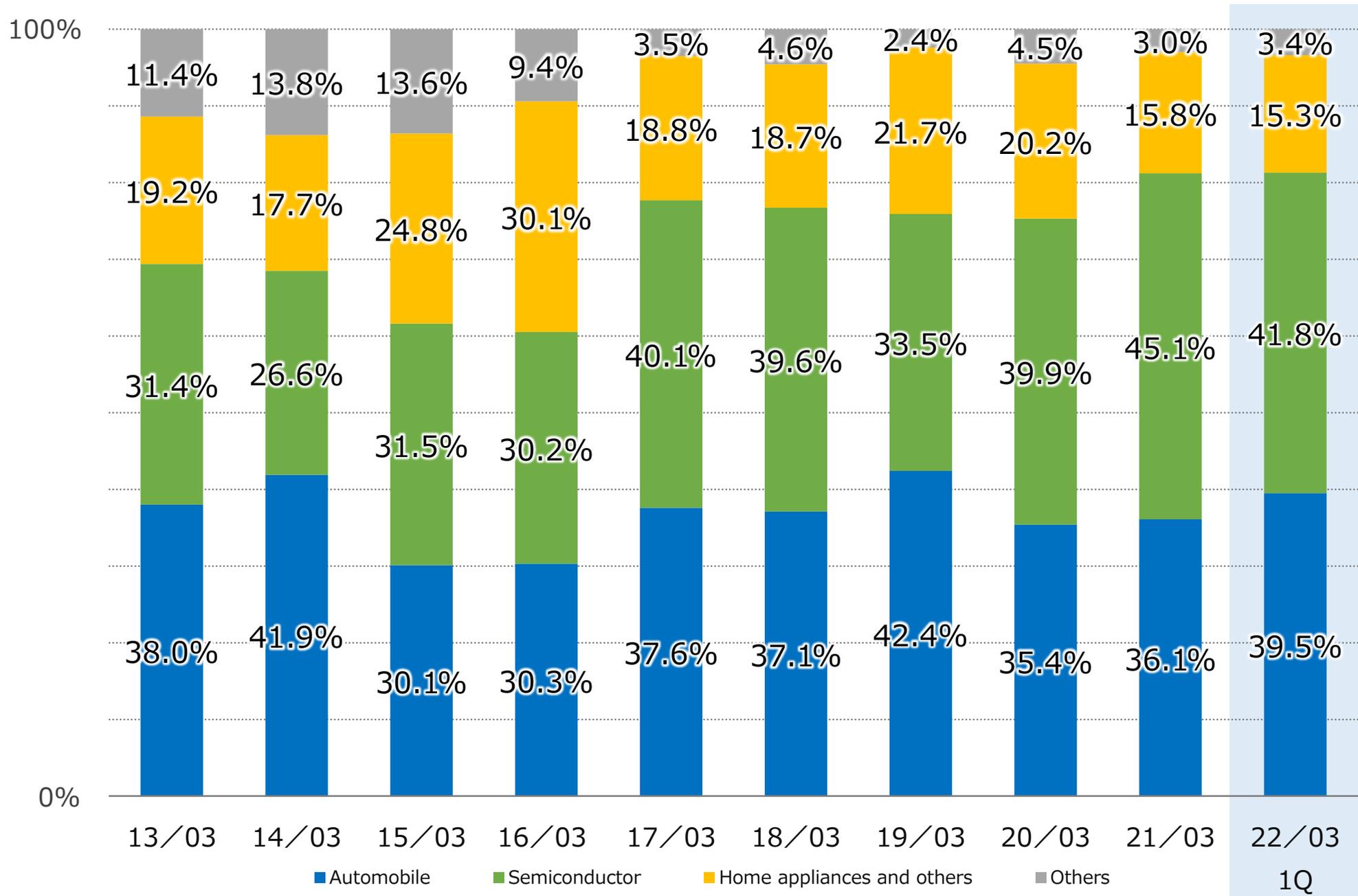
(Units in millions of Yen)

	Apr. 2020 – Jun. 2020 (Actual)	Apr. 2021 – Jun. 2021 (Actual)	YoY Change
Sales	17,489	15,826	—
Operating income	1,518	1,335	—
Ordinary income	1,552	1,296	—
Quarterly net income attributable to owners of the parent company	951	917	—



※The year-on-year change rate is not shown due to the application of accounting standards for revenue recognition, etc.

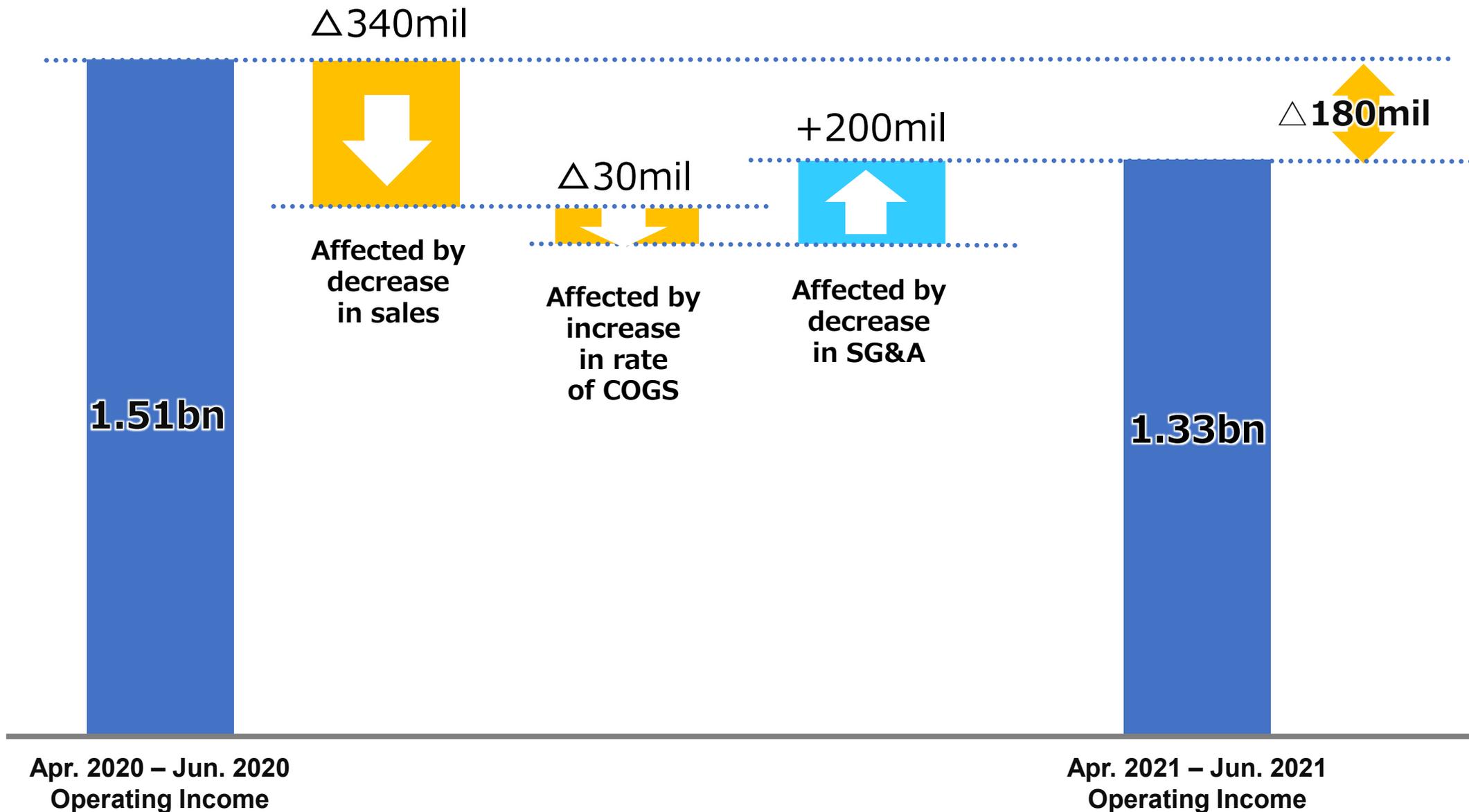
I. Breakdown of Sales by Business Unit



※The figures are calculated after the application of accounting standards for revenue recognition, etc., effective from April 2021.

I. Factor Analysis on Changing Operating Income

(Units in Yen)



※The figures are calculated after the application of accounting standards for revenue recognition, etc., effective from April 2021.

I. Balance Sheet

Balance Sheet

(Units in millions of Yen)

Assets	Apr. 2020 - Mar. 2021	Apr. 2021 - Jun. 2021	YoY Change
Current Assets	61,251	63,941	+2,690
Fixed Assets	31,543	31,407	Δ 136
Tangible Fixed Assets	23,539	23,368	Δ 170
Intangible Fixed Assets	496	503	+6
Investment and other assets	7,507	7,534	+27
Total Assets	92,794	95,348	+2,553

Liabilities	Apr. 2020 - Mar. 2021	Apr. 2021 - Jun. 2021	YoY Change
Current Liabilities	25,935	25,281	Δ 653
Fixed Liabilities	14,860	17,146	+2,286
Total Liabilities	40,795	42,428	+1,632

Net Assets			
Total Net Assets	51,999	52,919	+920
Capital Ratio	55.5%	55.0%	Δ 0.5pt

Main impact factors

Assets

Cash on hand and in banks	+1,910
Trade receivables	+1,351

Liabilities/Net Assets

Debt with interest	+1,883
Accrued liability	Δ 1,177
Advances received	+1,147

I. Assumed exchange rate, etc.

Assumed exchange rate

(Units in Yen)

Assumed exchange rate	From Apr. 1, 2021 to Jun. 30, 2021 (Actual rate)	From Jul. 1, 2021 (Applied assumption rate)
Exchange rate (against USD)	107.93	100.00

Transition of our stock prices

(Units in Yen)

Transition of our stock prices	Apr. 1, 2019 to Mar. 31, 2020	Apr. 1, 2020 to Mar. 31, 2021	Apr. 1, 2021 to Mar. 31, 2022		
			April	May	June
High	8,150	8,850	7,690	7,400	6,860
Low	3,505	4,110	6,890	6,120	6,320
End of period	4,605	6,860	7,190	6,470	6,620

PER/PBR/ROE

PER/PBR/ROE	Apr. 1, 2019 to Mar. 31, 2020	Apr. 1, 2020 to Mar. 31, 2021	Apr. 1, 2021 to Jun. 30, 2021
PER (x)	27.39	17.47	—※
PBR (x)	1.03	1.38	1.31
ROE (%)	3.77	8.32	—※

※There is no information on PER & ROE due to incomparable numbers on the basis of quarterly profit.

※The figures are calculated after the application of accounting standards for revenue recognition, etc., effective from April 2021.

I. Sales, Orders Received and Outstanding by Business Unit

(Units in millions of Yen)

	Business unit	Apr 2020 - Jun 2020	Apr 2021 - Jun 2021	YoY Change
Sales	Automobile	5,088	6,255	—
	Semiconductor	9,375	6,613	—
	Home appliances & others	2,493	2,425	—
	Others	532	532	—
	TOTAL	17,489	15,826	—
Orders received	Automobile	7,388	6,832	—
	Semiconductor	5,547	11,204	—
	Home appliances & others	1,606	2,482	—
	Others	433	450	—
	TOTAL	14,975	20,970	—
Orders outstanding	Automobile	17,014	14,057	—
	Semiconductor	11,144	14,016	—
	Home appliances & others	4,362	3,435	—
	Others	339	304	—
	TOTAL	32,860	31,813	—

※The year-on-year change rate is not shown due to the application of accounting standards for revenue recognition, etc.

I. Global Business Overview

Sales by region



(Units in millions of Yen)

	Japan		Asia		North America		Europe		TOTAL	
	21/3 1Q	22/3 1Q	21/3 1Q	22/3 1Q	21/3 1Q	22/3 1Q	21/3 1Q	22/3 1Q	21/3 1Q	22/3 1Q
Sales	15,525	13,424	789	1,288	731	763	443	349	17,489	15,826
Operating income	1,725	1,042	△54	18	△112	206	△68	113	1,489	1,381

※Total figure of operating income is before consolidation adjustments between regional segments.

※The figures are calculated after the application of accounting standards for revenue recognition, etc., effective from April 2021.

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			Amount of sales		
	Apr. – Jun. 2020	Apr. – Jun. 2021	YoY Change	Apr. – Jun. 2020	Apr. – Jun. 2021	YoY Change
Organic EL related business	2,046	2,070	–	5,098	1,706	–
Electric vehicle related business	494	4,262	–	744	3,349	–

※The year-on-year change rate is not shown due to the application of accounting standards for revenue recognition, etc.

● Organic EL related business

The sales of organic EL-related business accounted for about 26% of its total semiconductor-related sales. Compared to the same period last year, orders received increased by approximately 24 million yen and sales decreased by approximately 3.392 billion yen after applying the accounting standard for revenue recognition, etc.

● Electric vehicle related business

The sales of EV-related business accounted for about 54% of its total automobile-related sales. Compared to the same period last year, orders received increased by approximately 3.768 billion yen and sales increased by approximately 2.605 billion yen after applying the accounting standard for revenue recognition, etc.

II Market Trend and Forecast for FYE March 2022

The three-month period ended June 30, 2021 (April 1, 2021 - June 30, 2021)

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II. Forecasts for FYE March 2022: Earnings Forecast

(Units in millions of Yen)

	FY2021/3 (Actual)		FY2022/3※ (Forecast)	
Sales	65,255		67,000	
Automobile	23,543		25,000	
Semiconductor	29,409		31,000	
Home appliances & others	10,324		10,000	
Others	1,978		1,000	
Operating Income (margin)	4,995	(7.7%)	3,500	(5.2%)
Ordinary Income (margin)	5,176	(7.9%)	3,700	(5.5%)
Profit attributable to owners of the parent company (margin)	4,075	(6.2%)	2,600	(3.9%)

※The figures are calculated after the application of accounting standards for revenue recognition, etc., effective from April 2021.

The reasons of the full-year forecast and measures for achieving 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

Automobile-related business

The market for next generation 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 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 continue to manufacture and support a variety of production equipment in the EV market as well.

Semiconductor-related business

Full-scale 5G, work from home, and online lesson are increasing worldwide. There is also active capital investment in semiconductors, including CPU for data centers and components related to automated driving. Continued positive growth is expected in the future, and Hirata will continue to secure orders for semiconductor capital investment and strive to secure orders for organic EL related equipment.

Home appliances-related and other business

Demand of 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 countries such as Southeast Asia. Hirata will secure orders for production equipment from tire manufactures and prepare to win orders for next generation models of a high-performance home appliance manufacturer, which is our main customer of this business field.

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)
Dividends per share	125.00 including memorial dividend 25.00yen	125.00	40.00	65.00	55.00
Dividend ratio(%)	19.5	28.4	23.8	16.6	22.0

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.

The dividend per share for the fiscal year ending March 2022 is planned to be 55.00yen.

Ⅲ. Reference Data

The three-month period ended June 30, 2021 (April 1, 2021 - June 30, 2021)

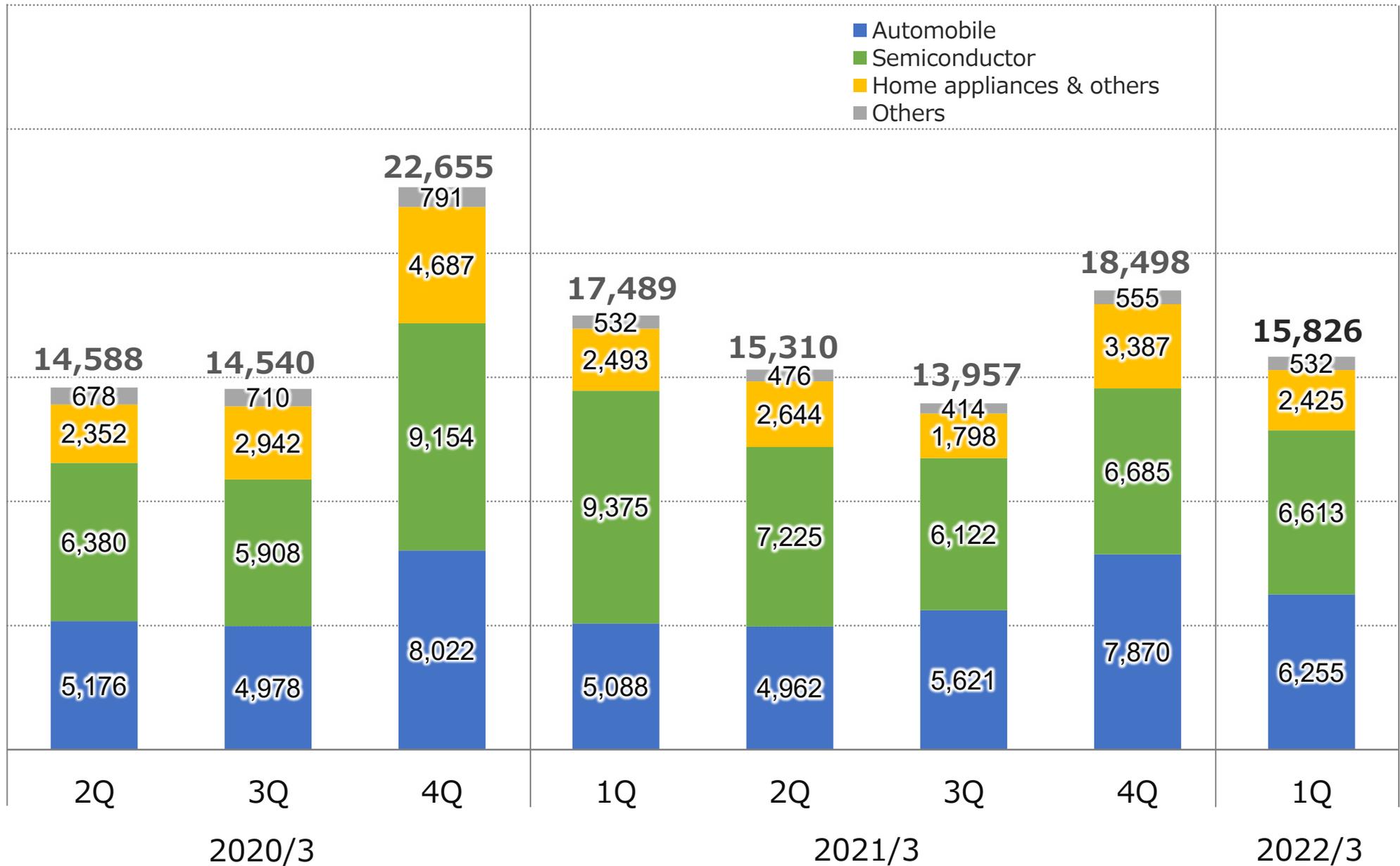
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III. Quarterly Trends of Sales by Business Unit

Sales by Business Unit

(Units in millions of Yen)

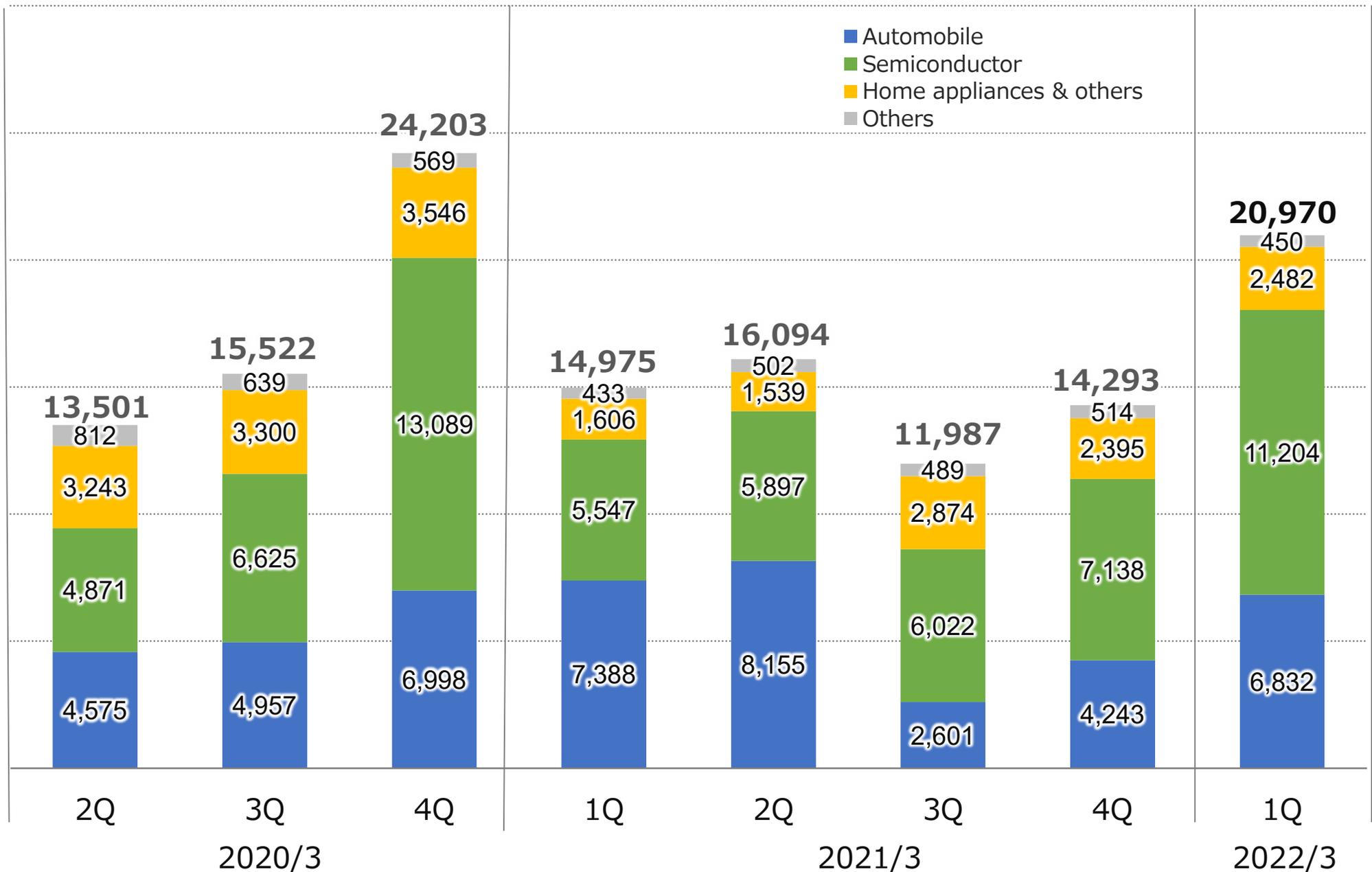


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III. Quarterly Trends of Received Orders by Business Unit

Received Orders by Business Unit

(Units in millions of Yen)

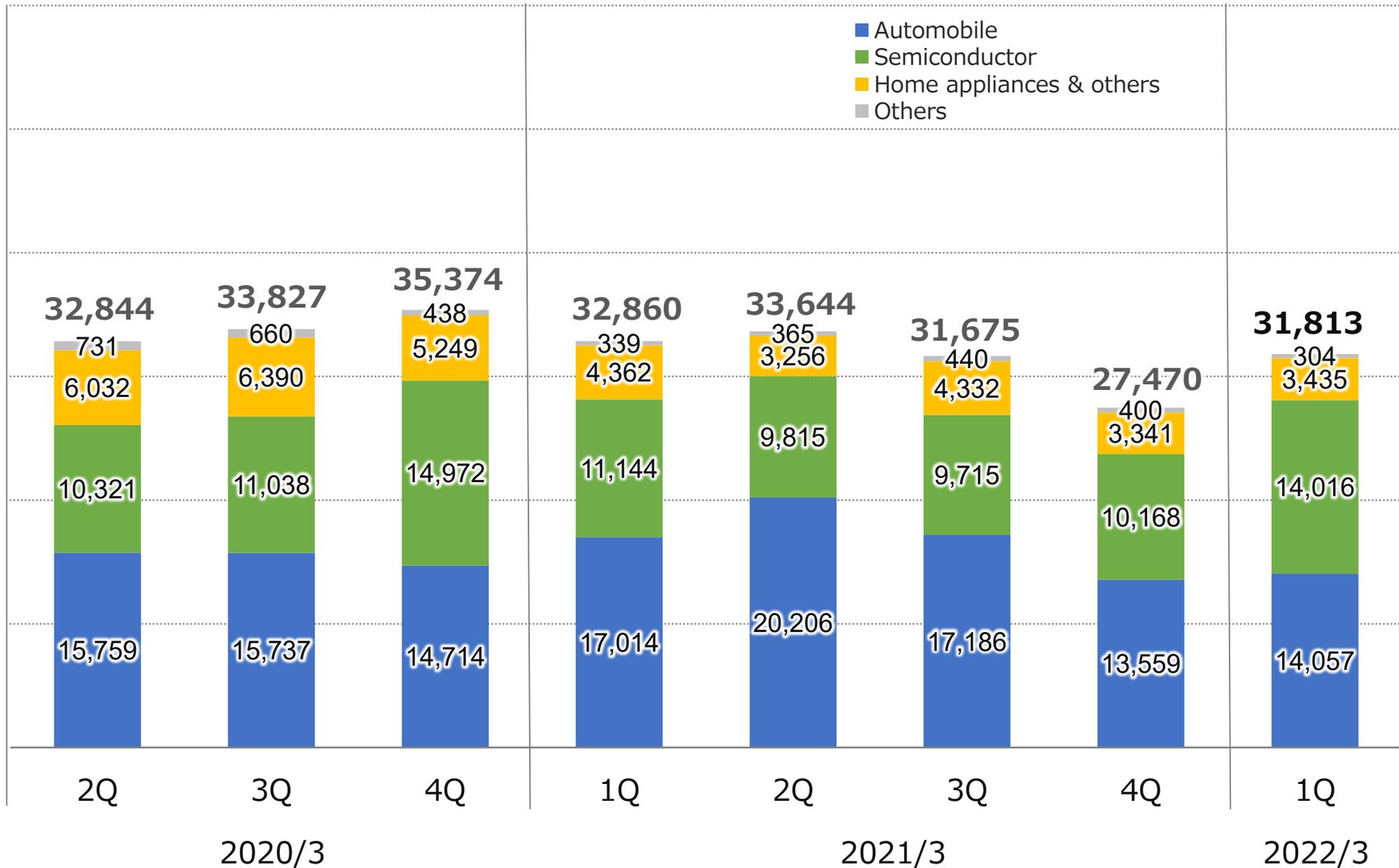


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III. Quarterly Trends of Orders Outstanding by Business Unit

Orders Outstanding by Business Unit

(Units in millions of Yen)

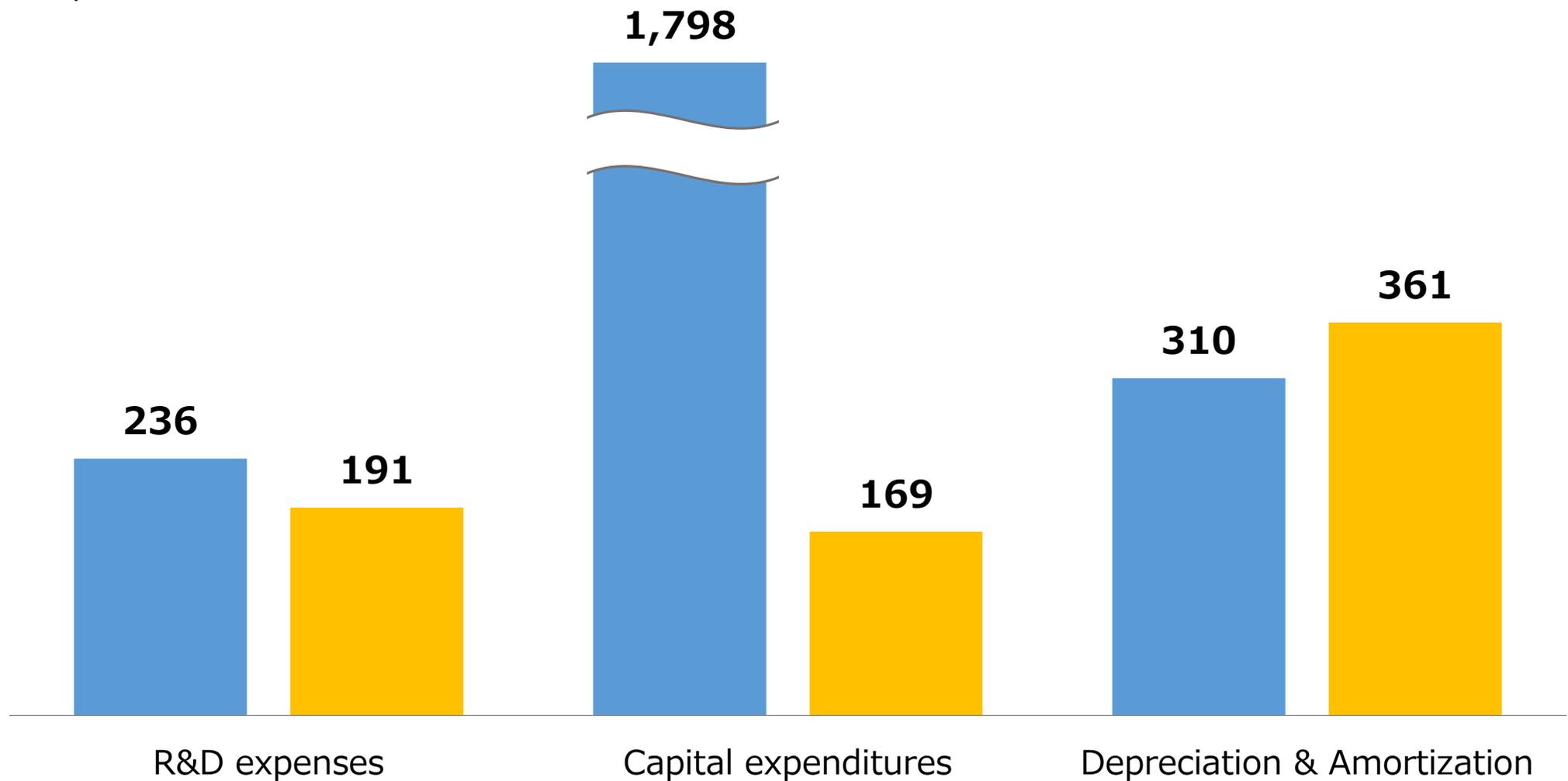


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(Units in millions of Yen)

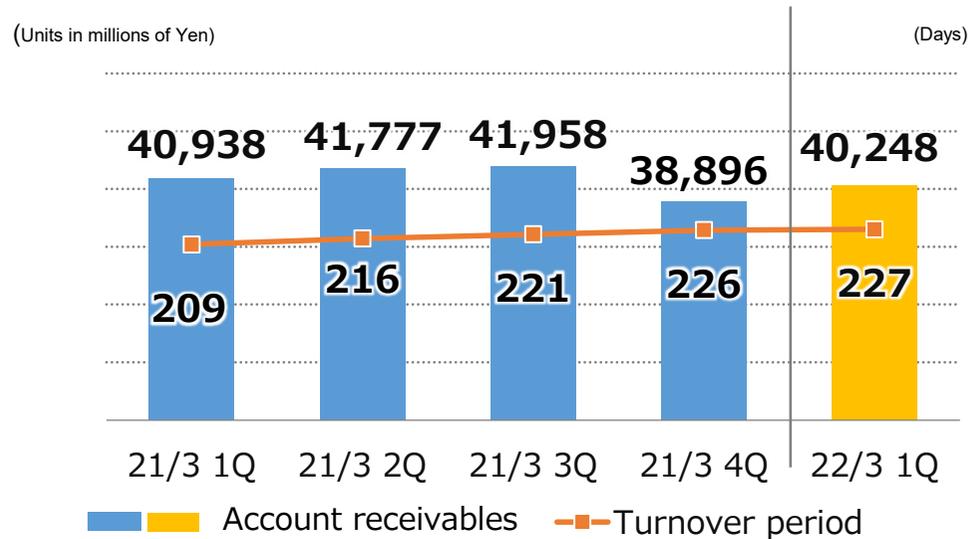
■ Apr. - Jun. 2020

■ Apr. - Jun. 2021

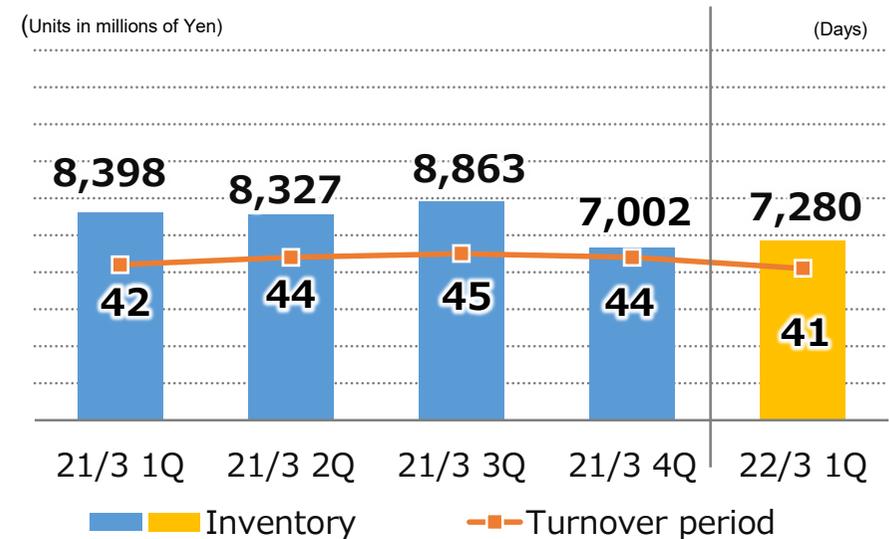


III. Key Financial KPIs/Indicators

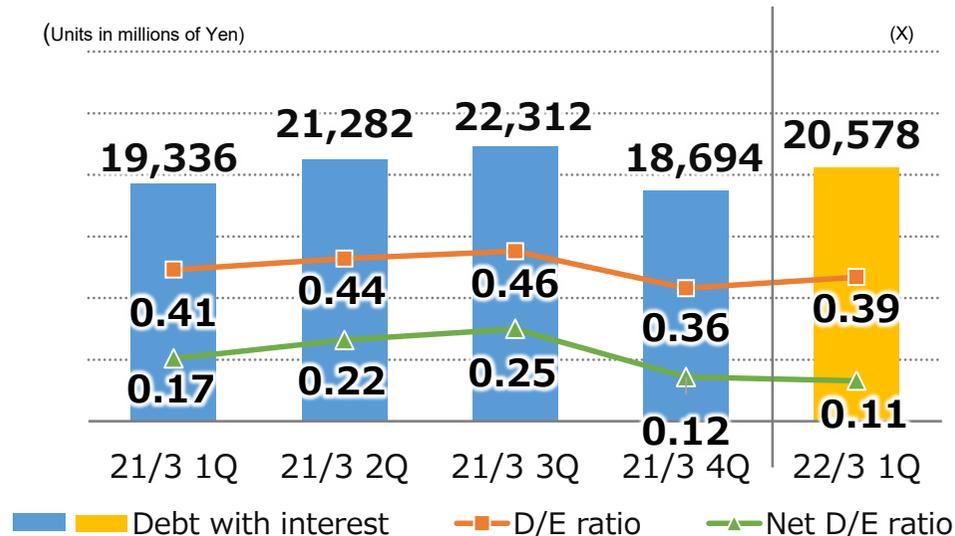
Account Receivables/Turnover period



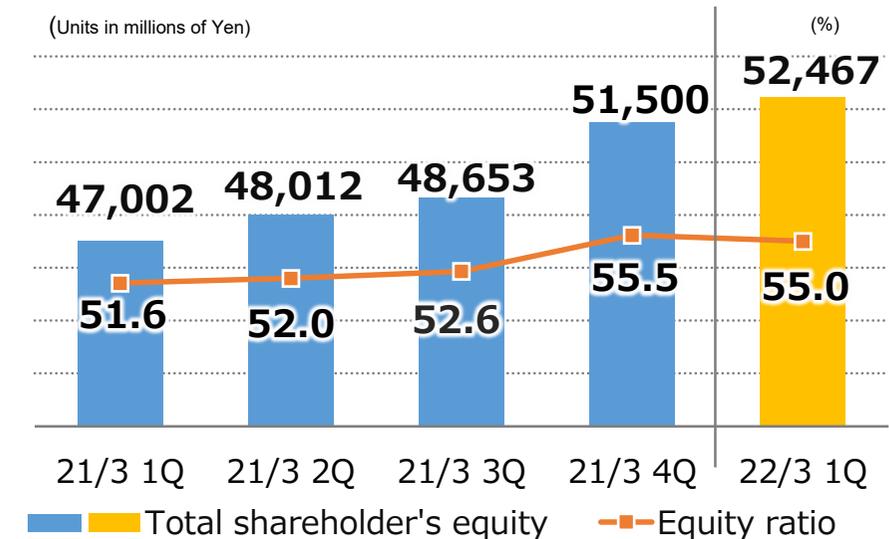
Inventory/Turnover period



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



Total shareholder's equity/Equity ratio



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

※ The figures are calculated after the application of accounting standards for revenue recognition, etc., effective from April 2021.

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.