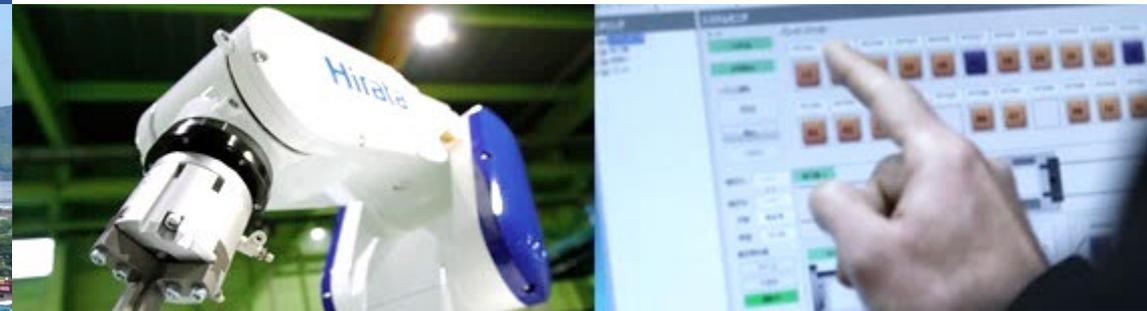


# Hirata

The Global Production Engineering Company

## Quarterly Financial Results for the six-month period ended September 30, 2021

Hirata Corporation



# I. Financial Results and Outlook

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The six-month period ended September 30, 2021 (April 1, 2021 - September 30, 2021)

**Hirata**



# I. Summary of Financial Results

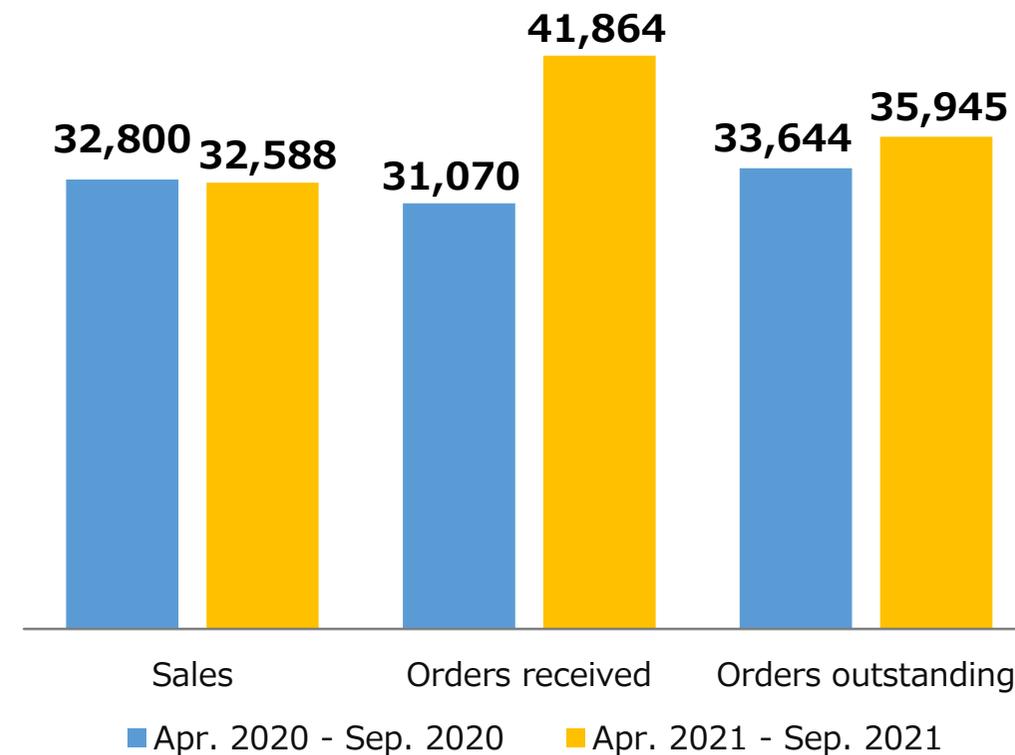
## Overview

The sales of automobile-related business were strong due to robust capital investment in next generation vehicle such as electric vehicle(EV). That of semiconductor-related business, on the other hand, were flat as the sales of organic EL-related business decreased compared to the level of the same period last year, when sales were pretty strong. Orders received were up significantly, mainly for semiconductor-related business.

(Units in millions of Yen)

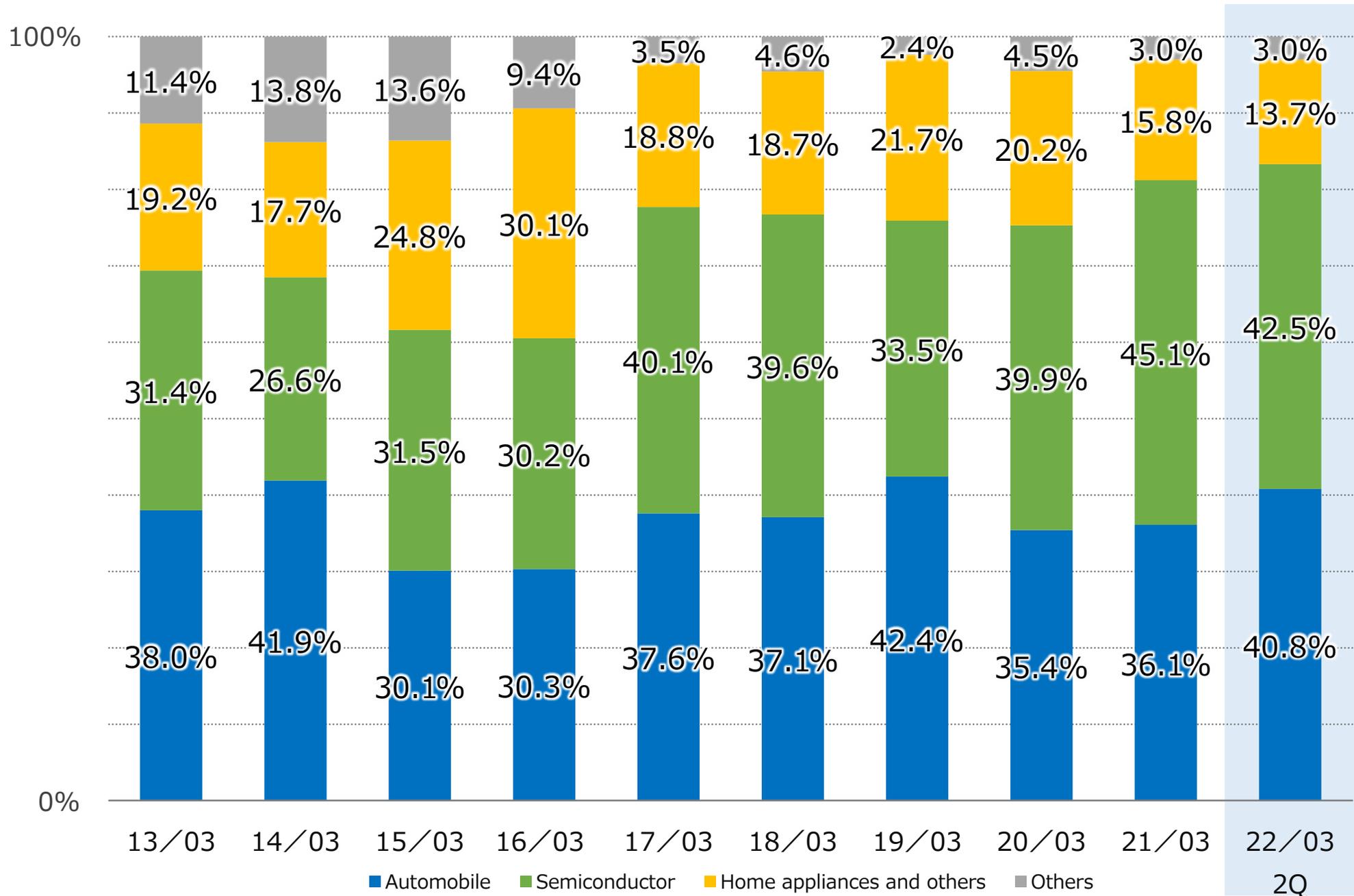
	Apr. 2020 – Sep. 2020 (Actual)	Apr. 2021 – Sep. 2021 (Actual)	YoY Change
Sales	32,800	32,588	—
Operating income	2,741	2,527	—
Ordinary income	2,841	2,810	—
Quarterly net income attributable to owners of the parent company	1,781	1,983	—

(Units in millions of Yen)



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

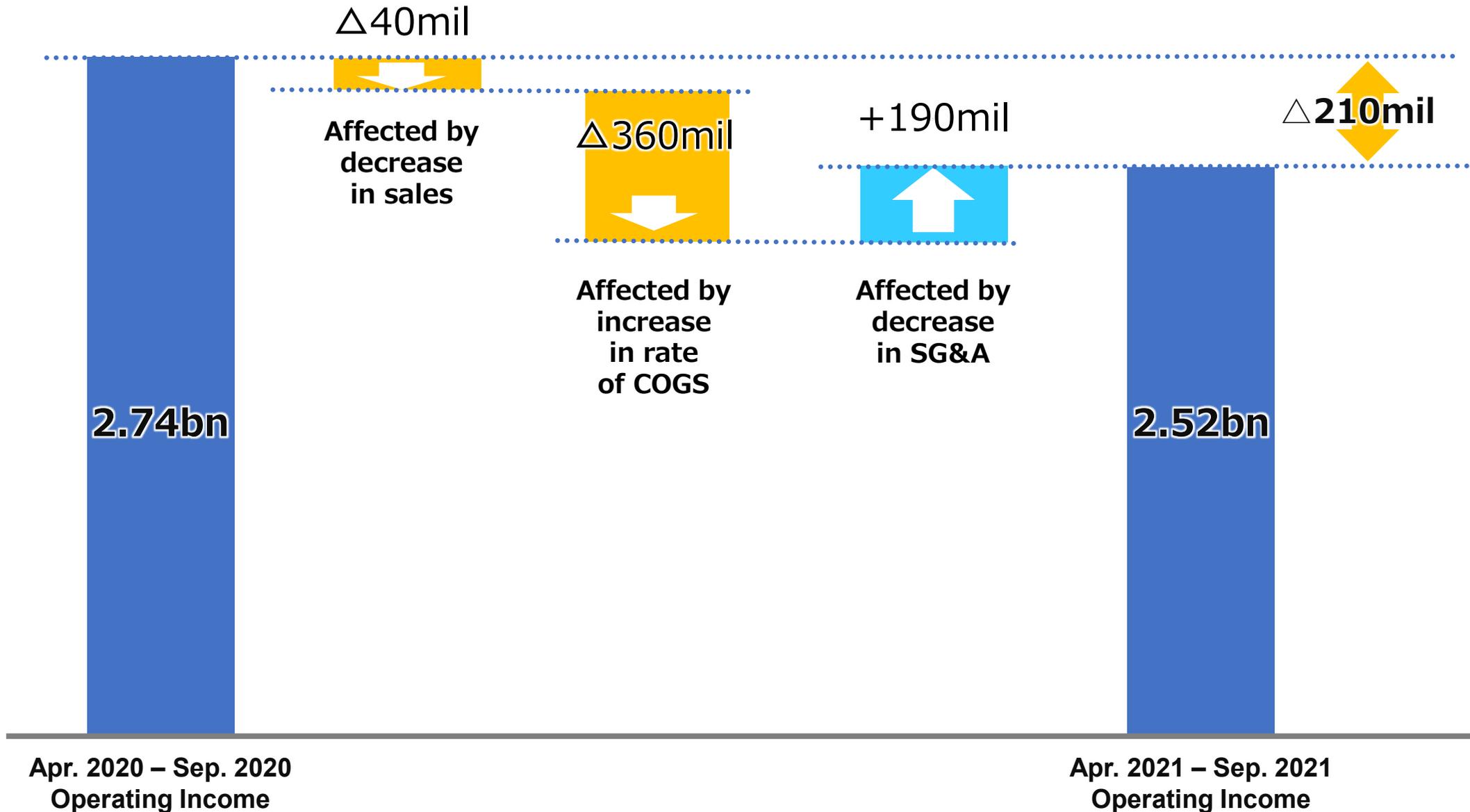
# I. Breakdown of Sales by Business Unit



※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)



Apr. 2020 – Sep. 2020  
Operating Income

Apr. 2021 – Sep. 2021  
Operating Income

※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 - Sep. 2021	YoY Change
Current Assets	61,251	<b>63,590</b>	<b>+2,339</b>
Fixed Assets	31,543	<b>31,614</b>	<b>+70</b>
Tangible Fixed Assets	23,539	<b>23,350</b>	$\Delta$ 189
Intangible Fixed Assets	496	<b>523</b>	<b>+26</b>
Investment and other assets	7,507	<b>7,740</b>	<b>+233</b>
<b>Total Assets</b>	<b>92,794</b>	<b>95,204</b>	<b>+2,409</b>

Liabilities	Apr. 2020 - Mar. 2021	Apr. 2021 - Sep. 2021	YoY Change
Current Liabilities	25,935	<b>27,748</b>	<b>+1,812</b>
Fixed Liabilities	14,860	<b>13,471</b>	$\Delta$ 1,388
<b>Total Liabilities</b>	<b>40,795</b>	<b>41,219</b>	<b>+424</b>

Net Assets			
Total Net Assets	51,999	<b>53,984</b>	<b>+1,985</b>
Capital Ratio	55.5%	<b>56.2%</b>	<b>+0.7pt</b>

### Main impact factors

#### Assets

Inventories	+1,129
Trade receivable, etc	+963
Cash and deposits	+854

#### Liabilities/Net Assets

Accumulated earnings	+1,625
Advance received	+1,251
Accrued expenses	$\Delta$ 815

# I. Assumed exchange rate, etc.

## Assumed exchange rate

(Units in Yen)

Assumed exchange rate	From Apr. 1, 2021 to Sep. 30, 2021 (Actual rate)	From Oct. 1, 2021 (Applied assumption rate)
Exchange rate (against USD)	107.83	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		
			July	August	September
High	8,150	8,850	6,680	6,950	7,420
Low	3,505	4,110	6,060	6,080	6,610
End of period	4,605	6,860	6,140	6,760	6,890

## PER/PBR/ROE

PER/PBR/ROE	Apr. 1, 2019 to Mar. 31, 2020	Apr. 1, 2020 to Mar. 31, 2021	Apr. 1, 2021 to Sep. 30, 2021
PER (x)	27.39	17.47	—※
PBR (x)	1.03	1.38	1.34
ROE (%)	3.77	8.32	—※

※There is no information on PER &amp; 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

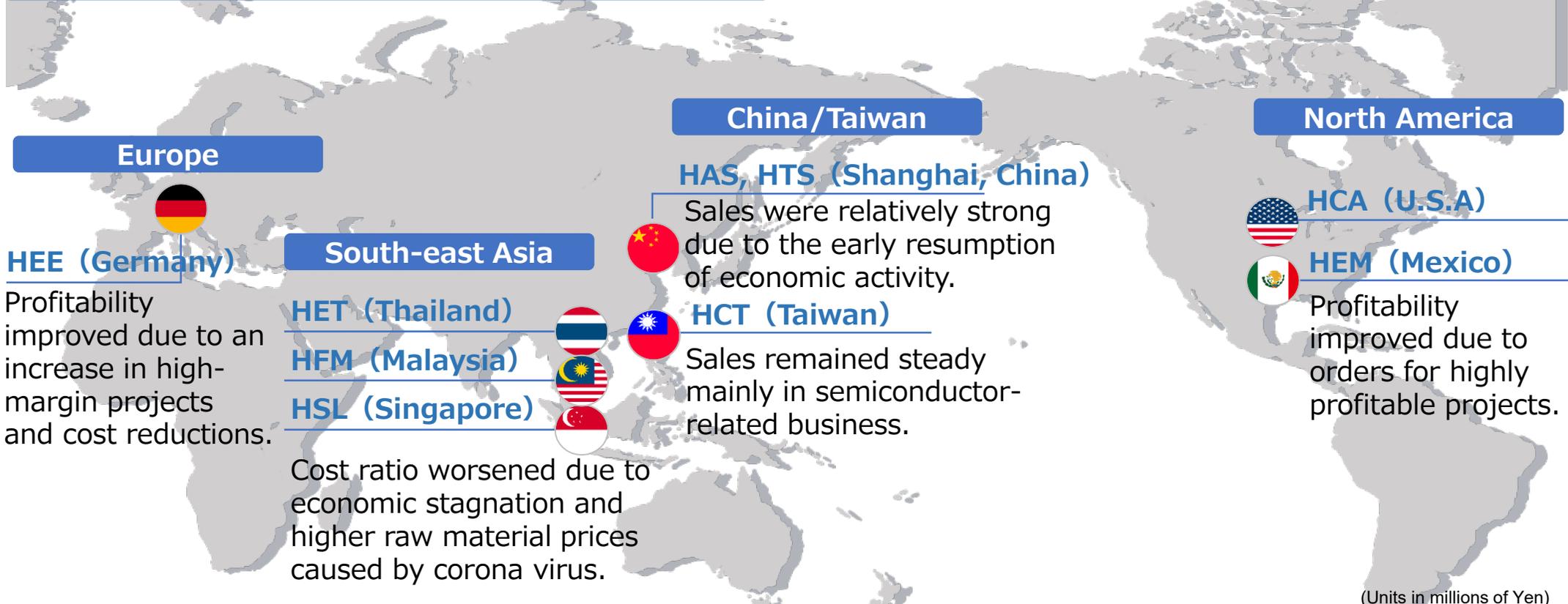
(Units in millions of Yen)

	<b>Business unit</b>	<b>Apr 2020 - Sep 2020</b>	<b>Apr 2021 - Sep 2021</b>	<b>YoY Change</b>
<b>Sales</b>	Automobile	10,051	13,302	—
	Semiconductor	16,600	13,853	—
	Home appliances & others	5,138	4,461	—
	Others	1,009	971	—
	<b>TOTAL</b>	<b>32,800</b>	<b>32,588</b>	<b>—</b>
<b>Orders received</b>	Automobile	15,543	16,378	—
	Semiconductor	11,444	19,059	—
	Home appliances & others	3,146	5,465	—
	Others	936	960	—
	<b>TOTAL</b>	<b>31,070</b>	<b>41,864</b>	<b>—</b>
<b>Orders outstanding</b>	Automobile	20,206	16,556	—
	Semiconductor	9,815	14,630	—
	Home appliances & others	3,256	4,382	—
	Others	365	375	—
	<b>TOTAL</b>	<b>33,644</b>	<b>35,945</b>	<b>—</b>

※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 & operating income by region



(Units in millions of Yen)

	Japan		Asia		North America		Europe		Total	
	21/3 2Q	<b>22/3 2Q</b>	21/3 2Q	<b>22/3 2Q</b>	21/3 2Q	<b>22/3 2Q</b>	21/3 2Q	<b>22/3 2Q</b>	21/3 2Q	<b>22/3 2Q</b>
Sales	28,627	<b>27,985</b>	1,681	<b>2,604</b>	1,805	<b>1,481</b>	685	<b>517</b>	32,800	<b>32,588</b>
Operating income	3,011	<b>2,147</b>	△52	△1	△89	<b>348</b>	△147	<b>75</b>	2,721	<b>2,568</b>

※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. – Sep. 2020	Apr. – Sep. 2021	YoY Change	Apr. – Sep. 2020	Apr. – Sep. 2021	YoY Change
Organic EL related business	2,732	<b>2,140</b>	—	8,231	<b>3,313</b>	—
Electric vehicle related business	5,070	<b>12,644</b>	—	1,384	<b>6,887</b>	—

※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 24% of its total semiconductor-related sales. Compared to the same period last year, orders received decreased by approximately 592 million yen and sales decreased by approximately 4.918 billion yen on a monetary basis after applying the accounting standard for revenue recognition, etc.

### ●Electric vehicle related business

The sales of EV-related business accounted for about 52% of its total automobile-related sales. Compared to the same period last year, orders received increased by approximately 7.573 billion yen and sales increased by approximately 5.502 billion yen on a monetary basis after applying the accounting standard for revenue recognition, etc.

## Development of wire bonding machine with dual head for electric vehicle

Hirata Corporation is pleased to announce that we have developed the world's largest wire bonding machine with dual head that can handle large battery module for electric vehicle. This machine is used for the process of connecting between the electrodes of cells mounted on battery with metal wires. One of the features of this machine is that it has two bonding heads, which reduces the cycle time, which is an issue when dealing with large battery. In addition, the processing capacity has been doubled compared to the conventional system. Setting the bonding head standby position out the area allows for easy maintenance and easy access to the battery cell in case of trouble.



**Wire bonding machine with dual head**

## Receipt of a large-scale purchase order for electric vehicle related assembly equipment

Hirata Corporation is pleased to announce that we have awarded a large-scale purchase order for electric vehicle(EV) related assembly equipment. The customer is a startup EV manufacturer in the North America and a first time customers for Hirata. The expected value of the order is around 4 billion JPY including the portion to be handled by our US operation. The scope of the order is to deliver the complete assembly line for the electric drive unit. We are currently in the design phase of the project. The sales of this project will be recognized in stages until the project completion by revenue recognition standard.

# I. Topics – Workplace vaccination

## Workplace vaccination at Hirata

Hirata Corporation successfully ended workplace vaccination for the novel coronavirus, that was started on June 28 and completed on August 9, without any confusion in both the first and second rounds at our head office in Kumamoto. We handled the vaccination of more than five thousand people, including Hirata's executives, employees, affiliates and subcontractors, family members, and friends who wanted to be vaccinated. We had to deal with a series of unfamiliar issues, such as managing the storage of vaccines under strict temperature control and introducing a vaccination reservation system online, but we were able to manage the project smoothly. We hope that we were able to contribute in some way to creating an environment where people can live with peace of mind.



One of Hirata's employee who got vaccinated.



The large entrance hall of our head office was suitable for a waiting area.

# II Market Trend and Forecast for FYE March 2022

The six-month period ended September 30, 2021 (April 1, 2021 - September 30, 2021)

**Hirata**



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

(Units in millions of Yen)

	FY2021/3 (Actual)		FY2022/3※ (Forecast)	
<b>Sales</b>	65,255		67,000	
<b>Automobile</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 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

Active capital investment is expected due to a global shortage of semiconductors as a result of rising demand for semiconductor on the back of the spread of full-scale 5G and work from home. On the other hand, the situation remains tight, with delays in the delivery of parts due to shortages of raw materials needed for production. 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 saturation, 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)
<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.

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

# Ⅲ. Reference Data

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The six-month period ended September 30, 2021 (April 1, 2021 - September 30, 2021)

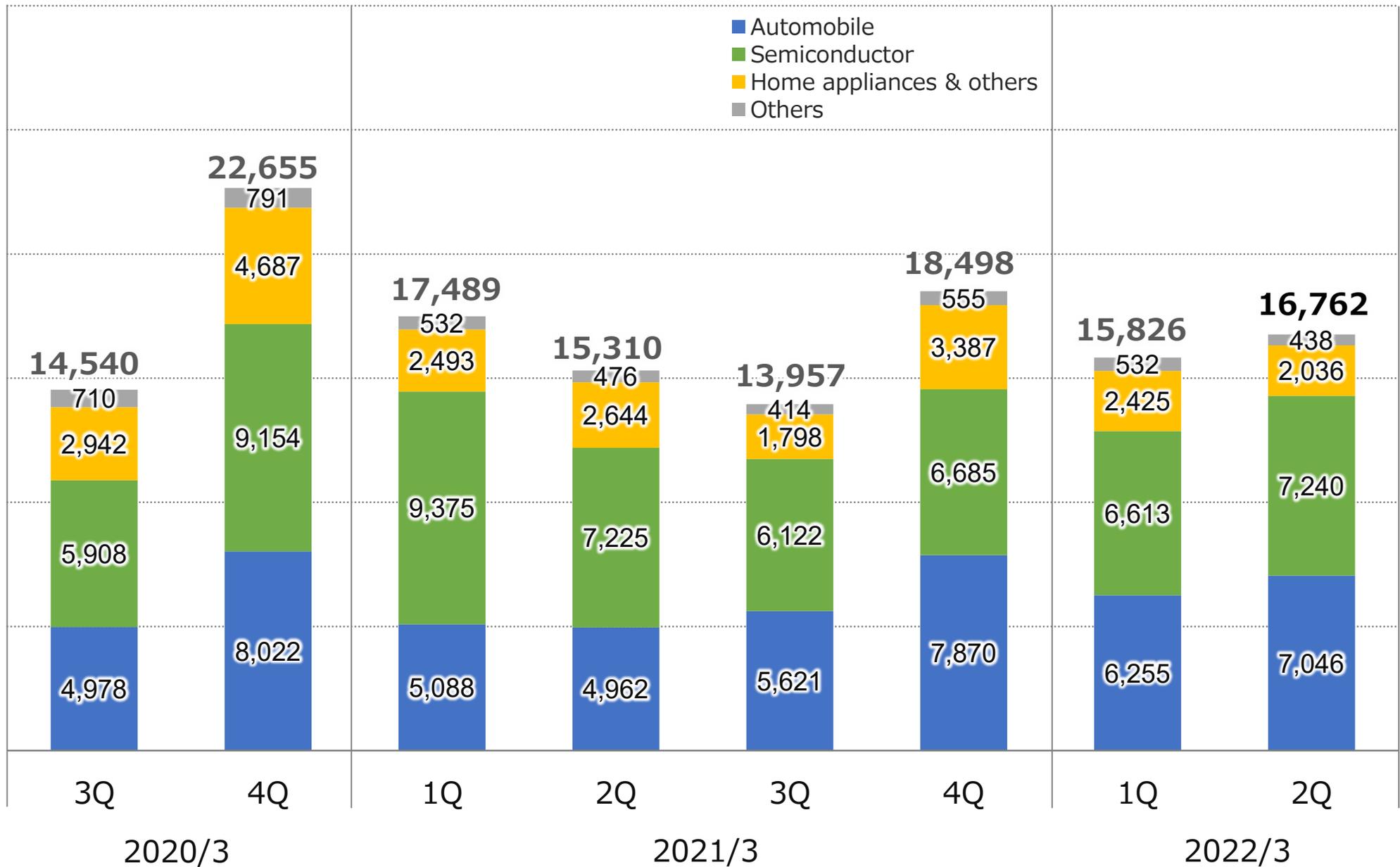
**Hirata**



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

#### Sales by Business Unit

(Units in millions of Yen)

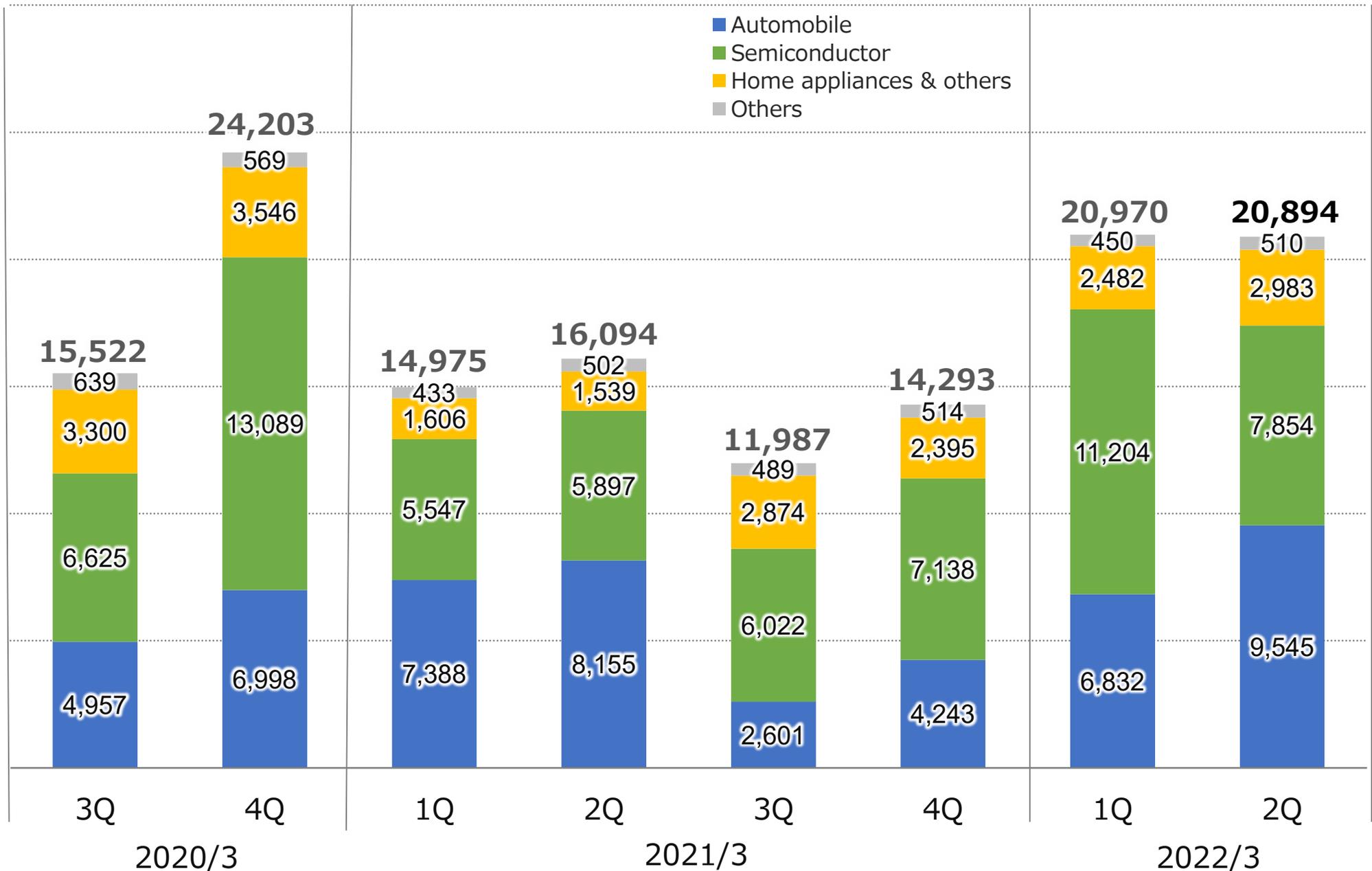


※The figures are calculated after the application of accounting standards for revenue recognition, etc., effective from April 2021.

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

#### Received Orders by Business Unit

(Units in millions of Yen)

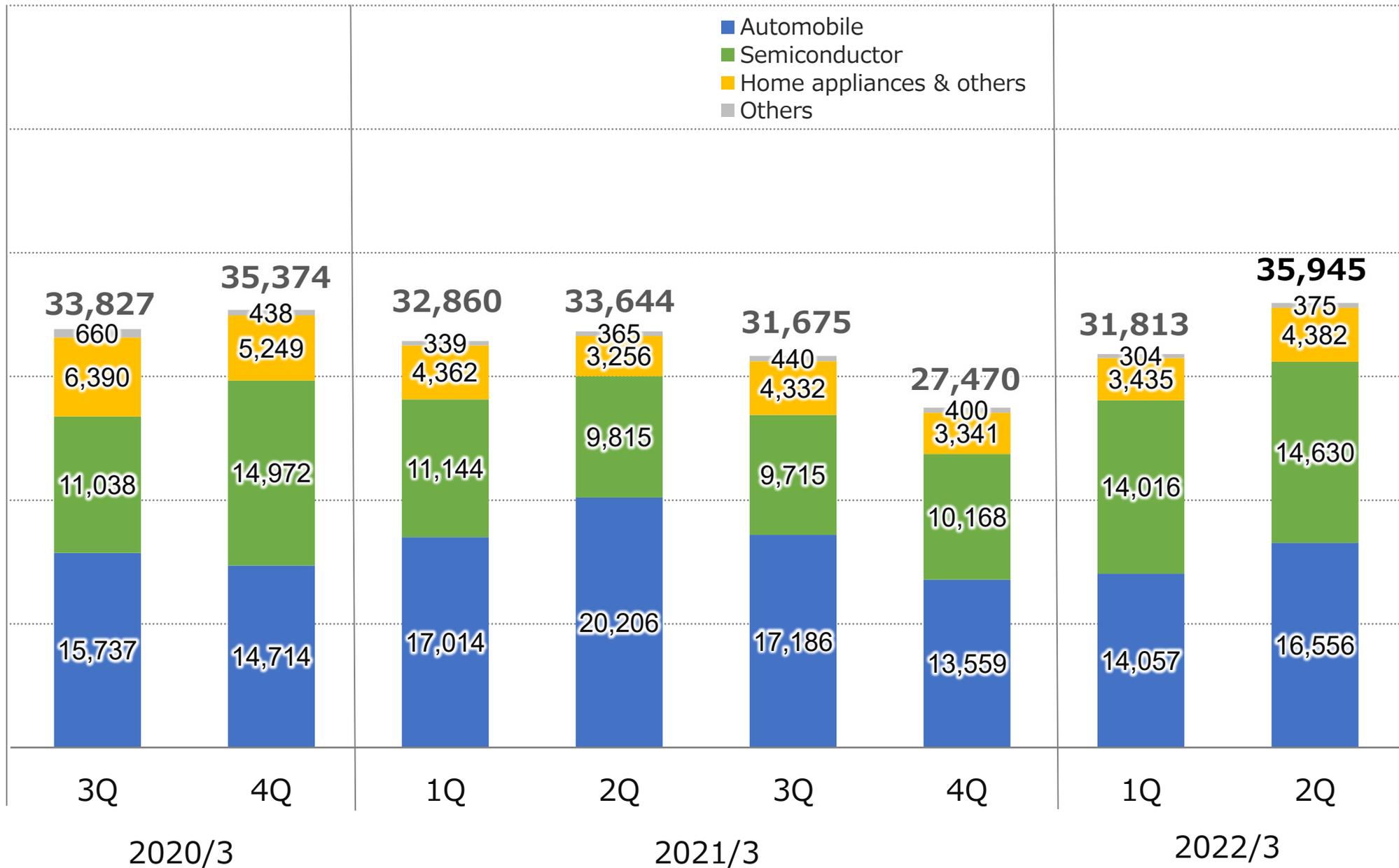


※The figures are calculated after the application of accounting standards for revenue recognition, etc., effective from April 2021.

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

#### Orders Outstanding by Business Unit

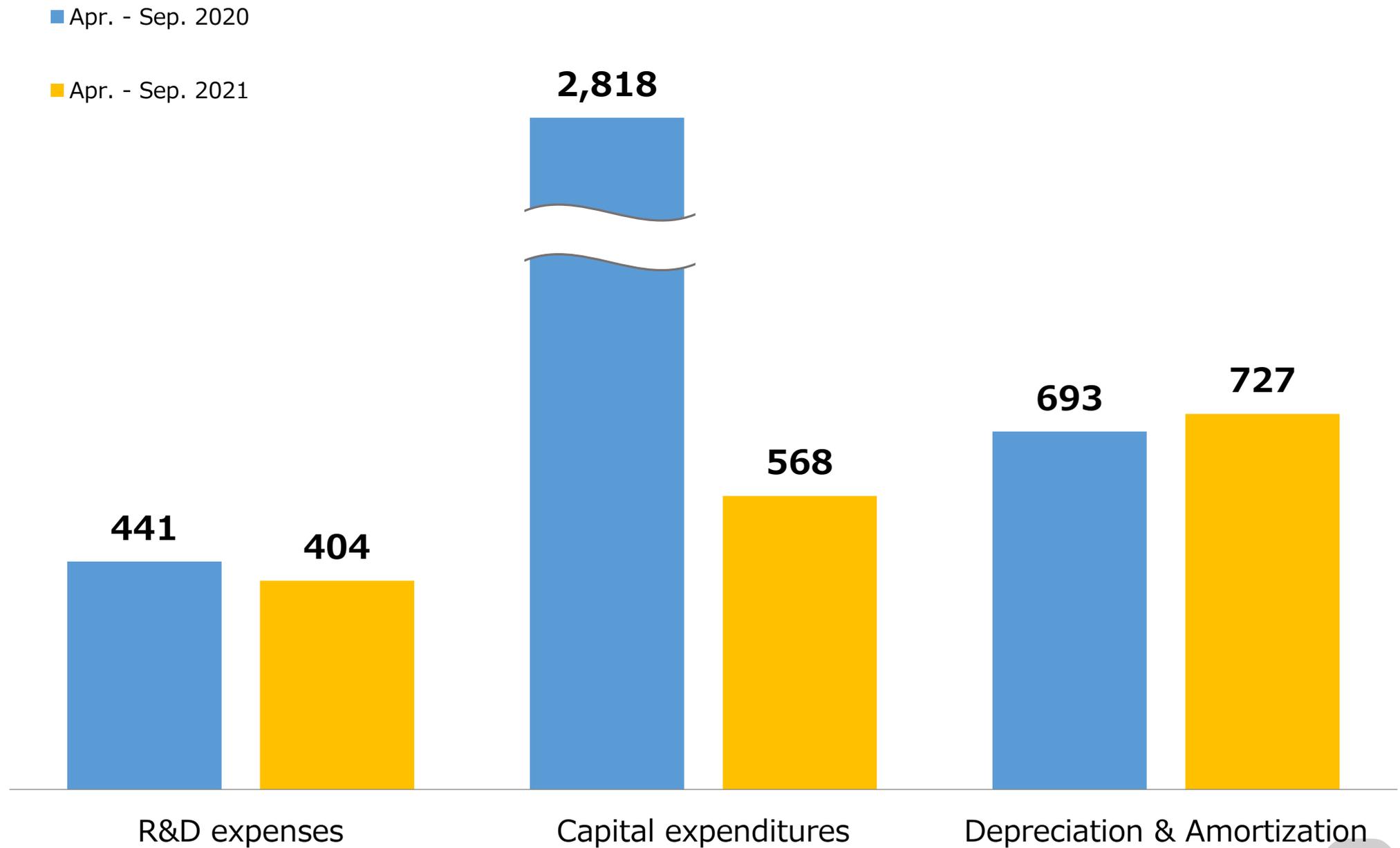
(Units in millions of Yen)



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

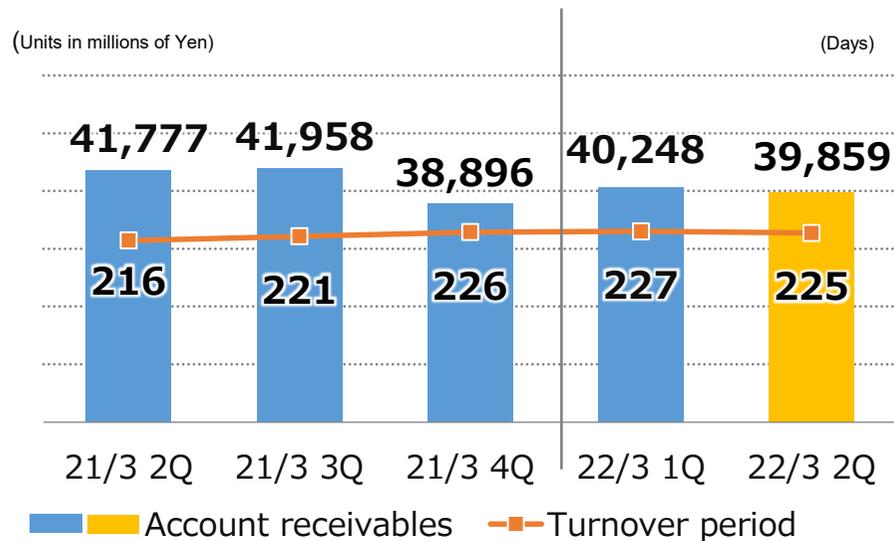
### III. R&D, CAPEX, Depreciation and Amortization

(Units in millions of Yen)

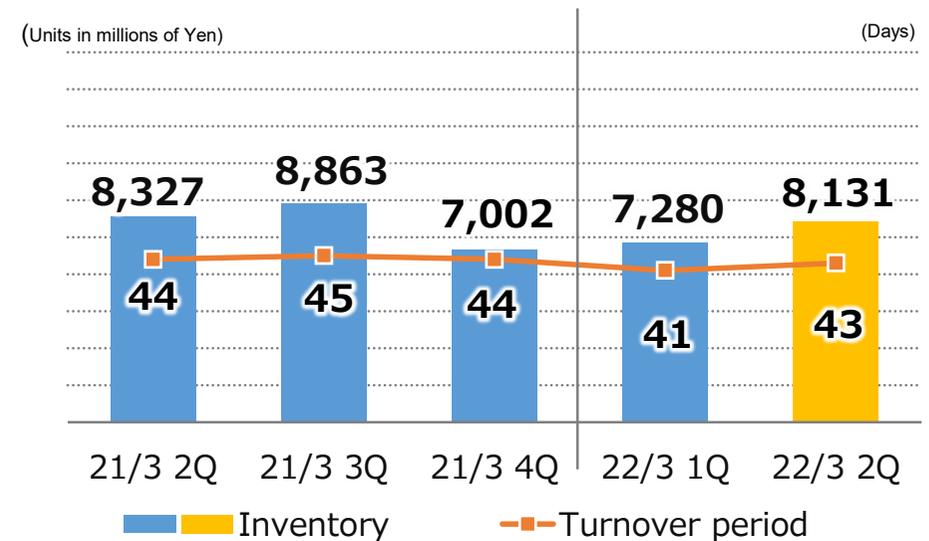


### III. Key Financial KPIs/Indicators

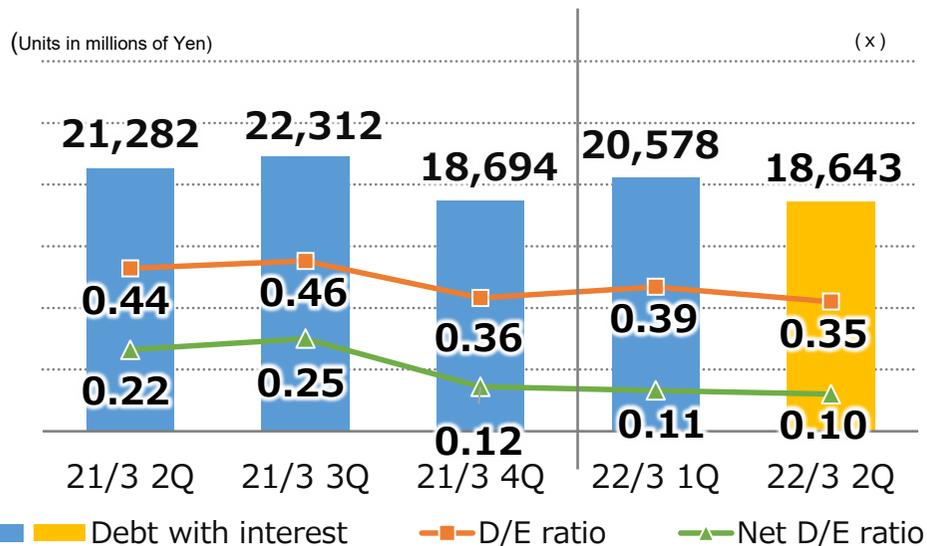
#### Account Receivables/Turnover period



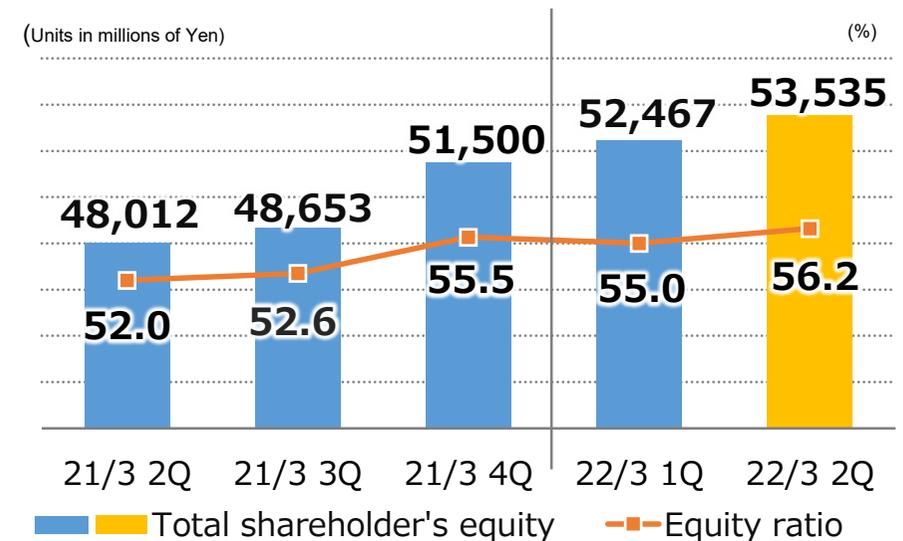
#### Inventory/Turnover period



#### 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.