

Hirata

The Global Production Engineering Company

Quarterly Financial Results for the nine-month period ended December 31, 2021

Hirata Corporation



I. Financial Results and Outlook

The nine-month period ended December 31, 2021 (April 1, 2021 - December 31, 2021)

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I. Summary of Financial Results

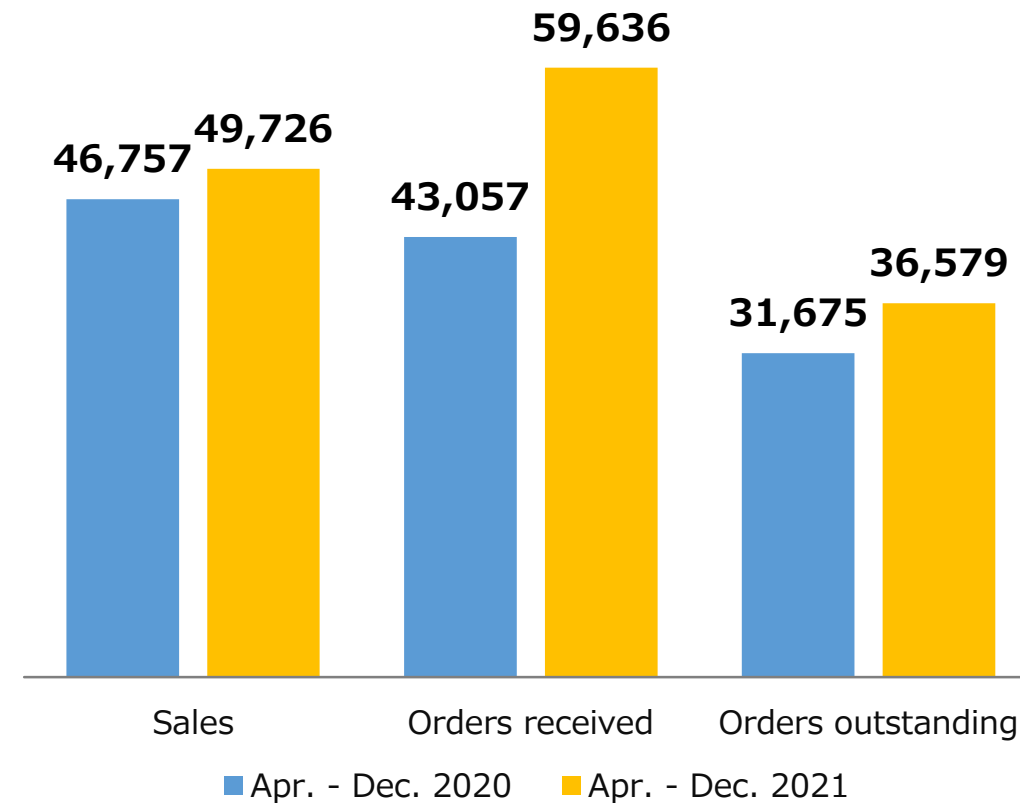
Overview

Against the backdrop of global efforts toward carbon neutrality, the sales of automobile-related business were strong due to robust capital investment in next generation vehicle such as electric vehicle(EV), resulting in increased sales and profits. Orders received were up significantly, mainly for semiconductor-related business.

(Units in millions of Yen)

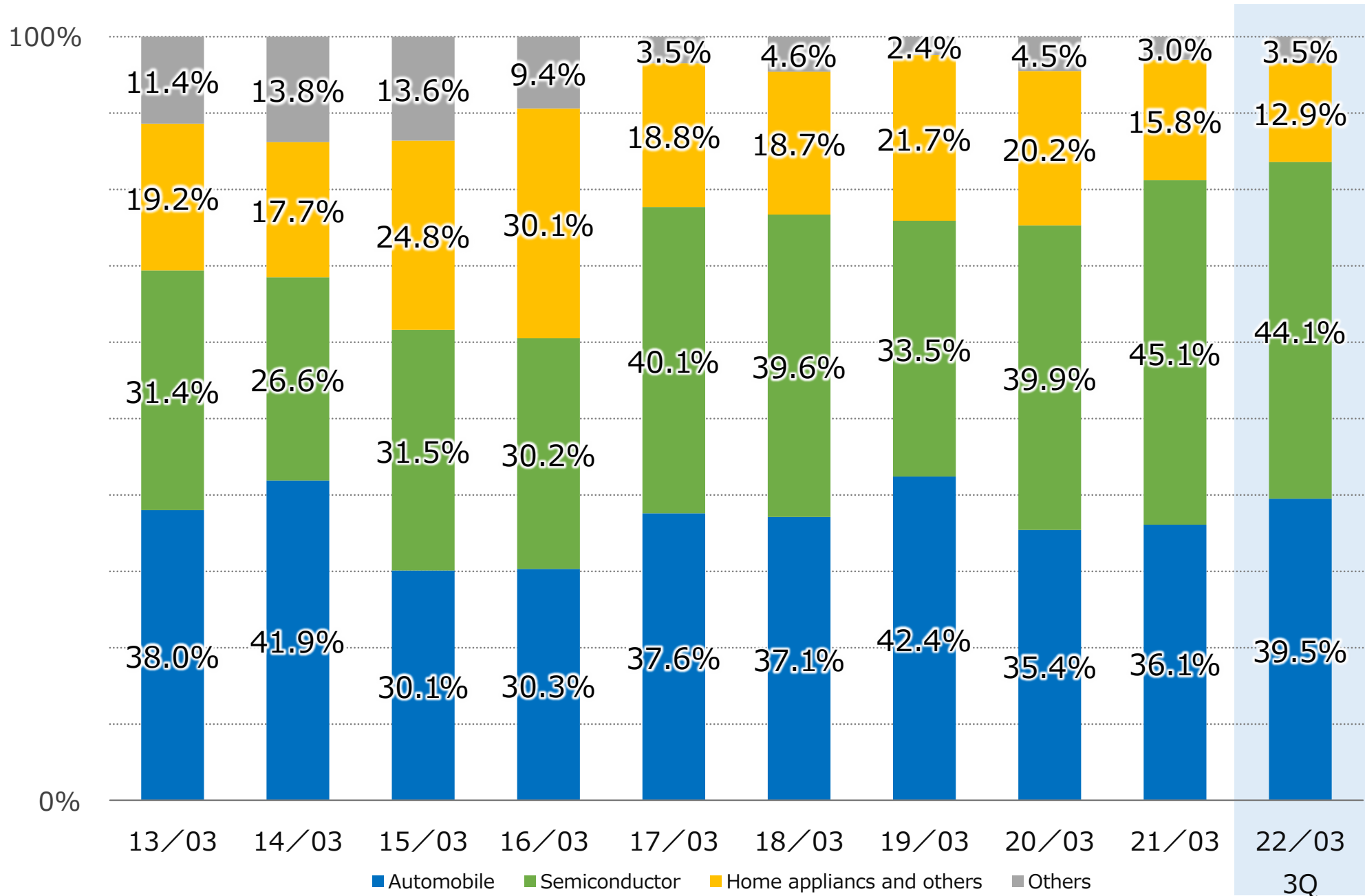
	Apr. – Dec. 2020 (Actual)	Apr. – Dec. 2021 (Actual)	YoY Change
Sales	46,757	49,726	—
Operating income	3,659	3,720	—
Ordinary income	3,777	4,024	—
Quarterly net income attributable to owners of the parent company	2,402	2,746	—

(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.

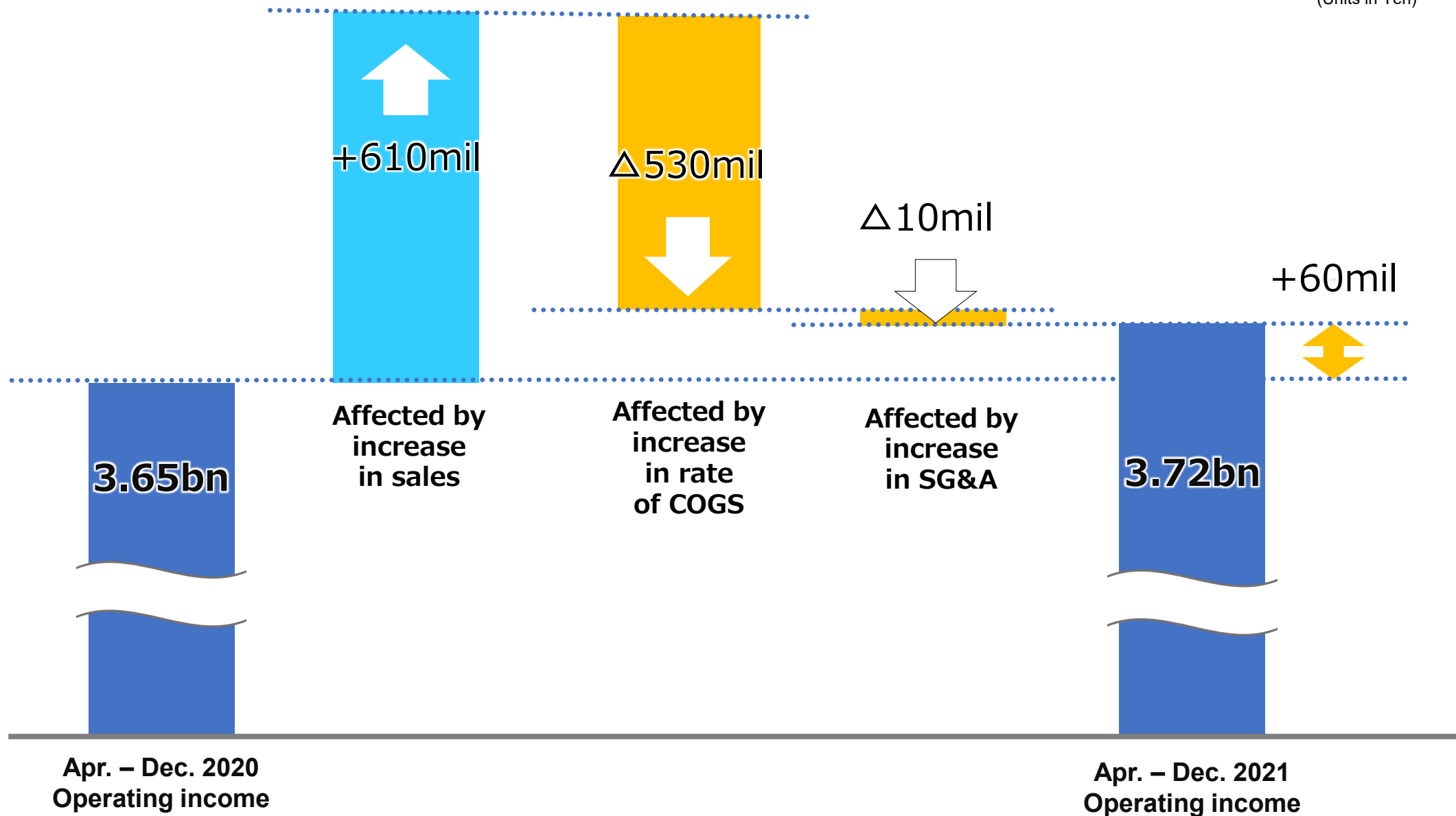
I. Breakdown of Sales by Business Unit



※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)



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

Balance Sheet

(Units in millions of Yen)

Assets	Apr. 2020 - Mar. 2021	Apr. 2021 - Dec. 2021	YoY Change
Current Assets	61,251	64,676	+3,425
Fixed Assets	31,543	31,612	+68
Tangible Fixed Assets	23,539	23,234	Δ 304
Intangible Fixed Assets	496	506	+9
Investment and other assets	7,507	7,871	+364
Total Assets	92,794	96,289	+3,494

Liabilities	Apr. 2020 - Mar. 2021	Apr. 2021 - Dec. 2021	YoY Change
Current Liabilities	25,935	28,281	+2,346
Fixed Liabilities	14,860	13,324	Δ 1,535
Total Liabilities	40,795	41,606	+810
Net Assets			
Total Net Assets	51,999	54,683	+2,684
Capital Ratio	55.5%	56.3%	+0.8pt

Main impact factors

Assets

Trade receivables, etc	+2,469
Inventories	+2,349
Cash and deposits	Δ 974

Liabilities/Net Assets

Accumulated earnings	+2,388
Debt with interest	+2,164
Accrued expenses	Δ 1,150

I. Assumed exchange rate, etc.

Assumed exchange rate

(Units in Yen)

Assumed exchange rate	From Apr. 1, 2021 to Dec. 31, 2021 (Actual rate)	From Jan. 1, 2022 (Applied assumption rate)
Exchange rate (against USD)	108.41	107.00

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		
			October	November	December
High	8,150	8,850	7,160	7,060	6,470
Low	3,505	4,110	6,420	5,970	5,780
End of period	4,605	6,860	6,910	5,970	6,390

PER/PBR/ROE

PER/PBR/ROE	Apr. 1, 2019 to Mar. 31, 2020	Apr. 1, 2020 to Mar. 31, 2021	Apr. 1, 2021 to Dec. 31, 2021
PER (x)	27.39	17.47	—※
PBR (x)	1.03	1.38	1.22
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

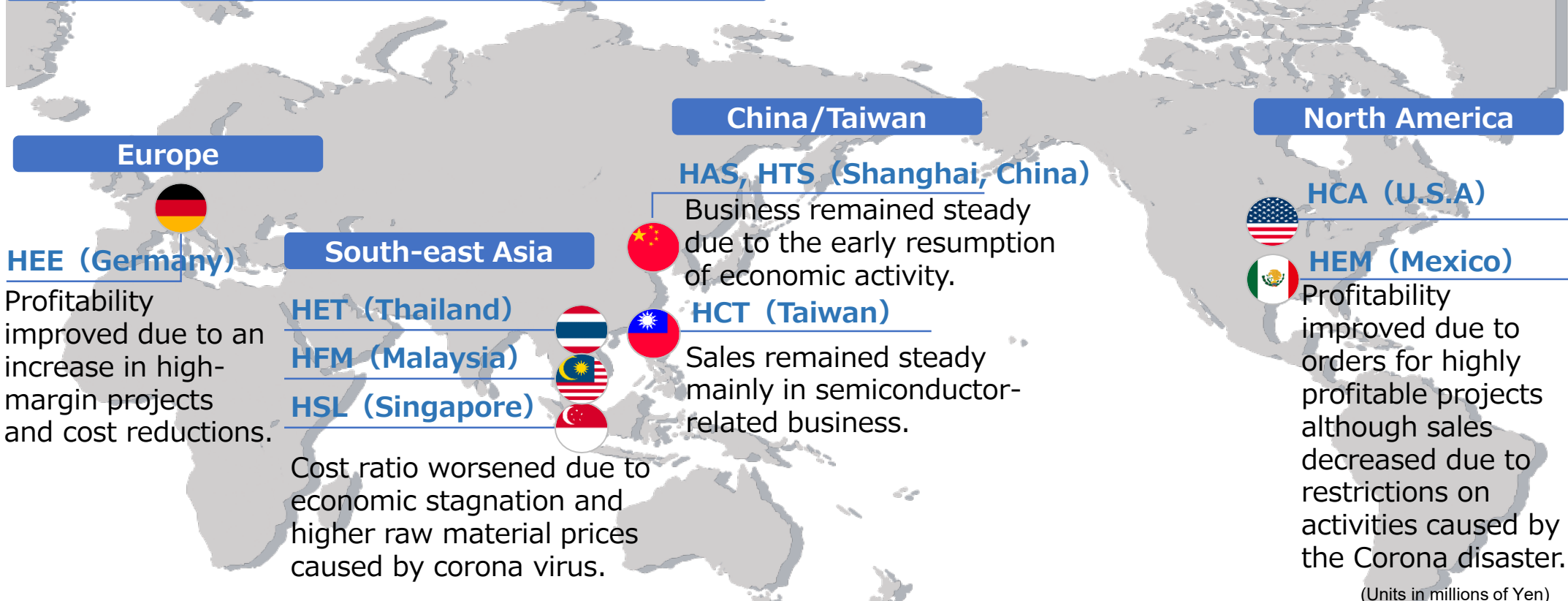
(Units in millions of Yen)

	Business unit	Apr. – Dec. 2020	Apr.- Dec. 2021	YoY Change
Sales	Automobile	15,672	19,628	–
	Semiconductor	22,723	21,948	–
	Home appliances & others	6,937	6,402	–
	Others	1,423	1,747	–
	TOTAL	46,757	49,726	–
Orders received	Automobile	18,145	18,708	–
	Semiconductor	17,466	31,402	–
	Home appliances & others	6,020	7,786	–
	Others	1,425	1,739	–
	TOTAL	43,057	59,636	–
Orders outstanding	Automobile	17,186	12,559	–
	Semiconductor	9,715	18,878	–
	Home appliances & others	4,332	4,761	–
	Others	440	378	–
	TOTAL	31,675	36,579	–

※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 3Q	22/3 3Q	21/3 3Q	22/3 3Q	21/3 3Q	22/3 3Q	21/3 3Q	22/3 3Q	21/3 3Q	22/3 3Q
Sales	40,436	42,774	2,596	4,129	2,823	2,133	900	688	46,757	49,726
Operating income	4,010	3,367	△105	△ 18	11	417	△199	34	3,717	3,800

※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. – Dec. 2020	Apr. – Dec. 2021	YoY Change	Apr. – Dec. 2020	Apr. – Dec. 2021	YoY Change
Organic EL related business	4,850	3,529	—	9,973	4,376	—
Electric vehicle (EV) related business	6,011	12,862	—	3,466	10,838	—

※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 20% of its total semiconductor-related sales. Compared to the same period last year, the amount of orders received decreased by approximately 1.322 billion yen and sales decreased by approximately 5.596 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 55% of its total automobile-related sales. Compared to the same period last year, the amount of orders received increased by approximately 6.851 billion yen and sales increased by approximately 7.372 billion yen on a monetary basis after applying the accounting standard for revenue recognition, etc.

II Market Trend and Forecast for FYE March 2022

The nine-month period ended December 31, 2021 (April 1, 2021 - December 31, 2021)

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II. Forecasts for FYE March 2022: Earnings Forecast

Hirata announced its revised earnings forecast for the full year on February 10, 2022.

(Units in millions of Yen)

	FY2021/3 (Actual)		FY2022/3 forecast announced on May 10, 2021		FY2022/3 forecast announced on February 10, 2022	
Sales	65,255		67,000		68,000	
Automobile	23,543		25,000		27,000	
Semiconductor	29,409		31,000		31,000	
Home appliances & others	10,324		10,000		8,000	
Others	1,978		1,000		2,000	
Operating income (margin)	4,995	(7.7%)	3,500	(5.2%)	4,200	(6.2%)
Ordinary income (margin)	5,176	(7.9%)	3,700	(5.5%)	4,500	(6.6%)
Profit attributable to owners of the parent company (margin)	4,075	(6.2%)	2,600	(3.9%)	3,000	(4.4%)

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

As to the amendment of the full-year forecast

As to the earnings forecast ending March 31, 2022, both non-consolidated and consolidated sales are expected to increase, and each profit is expected to increase accordingly compared to our original forecast. This is because orders have been strong throughout the division, mainly in semiconductor-related business, and production has been increasing as well.

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 cope with the strong demand for semiconductor investment and secure continuous orders, which preparing for a recovery in demand 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(forecast)	
					Announcement on May 10, 2021	Announcement on February 10, 2022
Dividends per share	125.00 <small>including memorial dividend 25.00yen</small>	125.00	40.00	65.00	55.00	65.00
Dividend ratio(%)	19.5	28.4	23.8	16.6	22.0	22.5

Note: Dividend ratio is on a consolidated basis.

About dividend forecast

We fully consider profit return to our shareholders as a 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.

As to the next dividend, Hirata revised it up to 65.00 yen on the basis of the dividend policy, taking the profit level of the earnings forecast and the dividend ratio of the previous year into consideration.

Ⅲ. Reference Data

The nine-month period ended December 31, 2021 (April 1, 2021 - December 31, 2021)

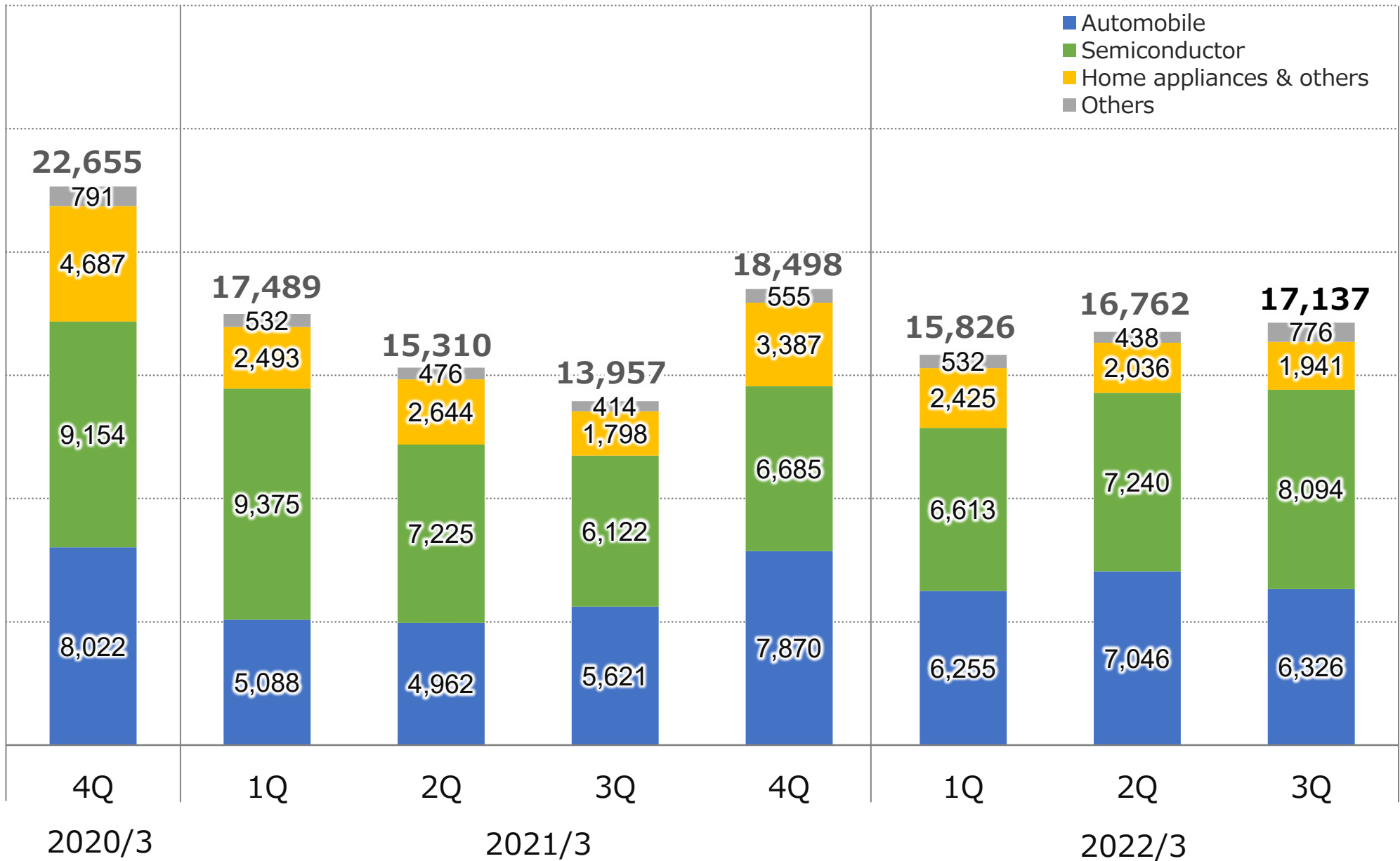
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III. Quarterly Trends of Sales by Business Unit

Sales by Business Unit

(Units in millions of Yen)

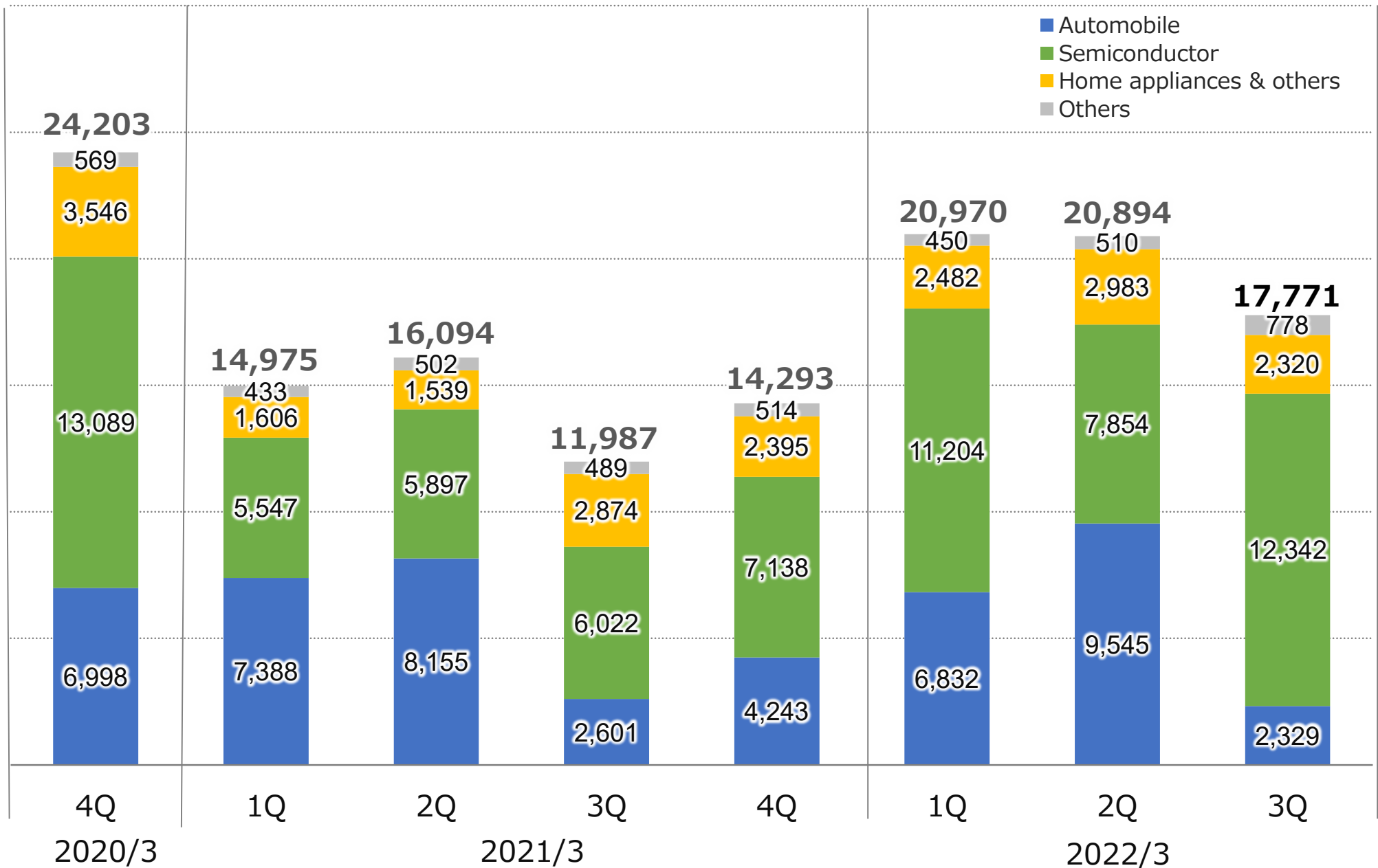


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III. Quarterly Trends of Received Orders by Business Unit

Received Orders by Business Unit

(Units in millions of Yen)

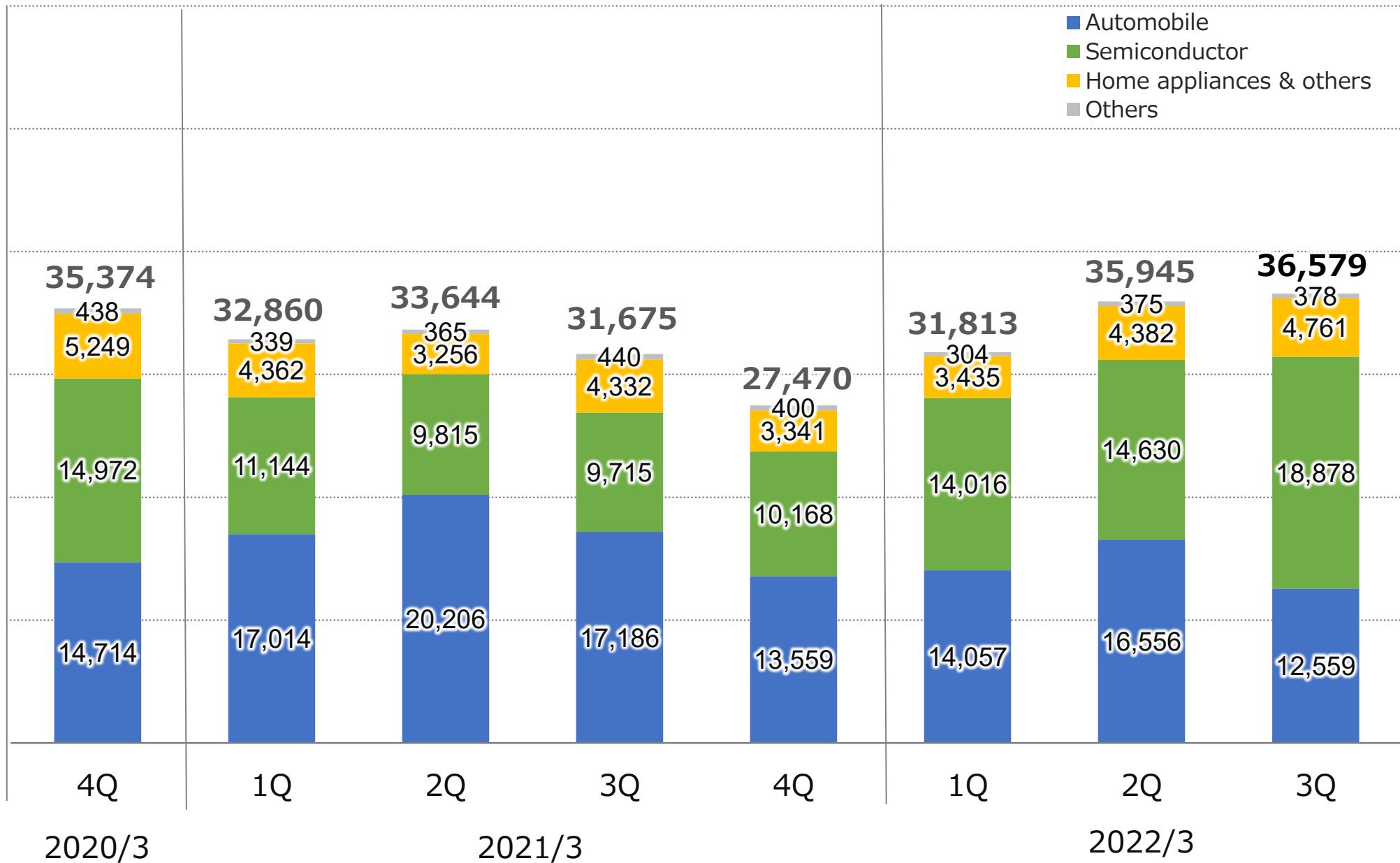


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III. Quarterly Trends of Orders Outstanding by Business Unit

Orders Outstanding by Business Unit

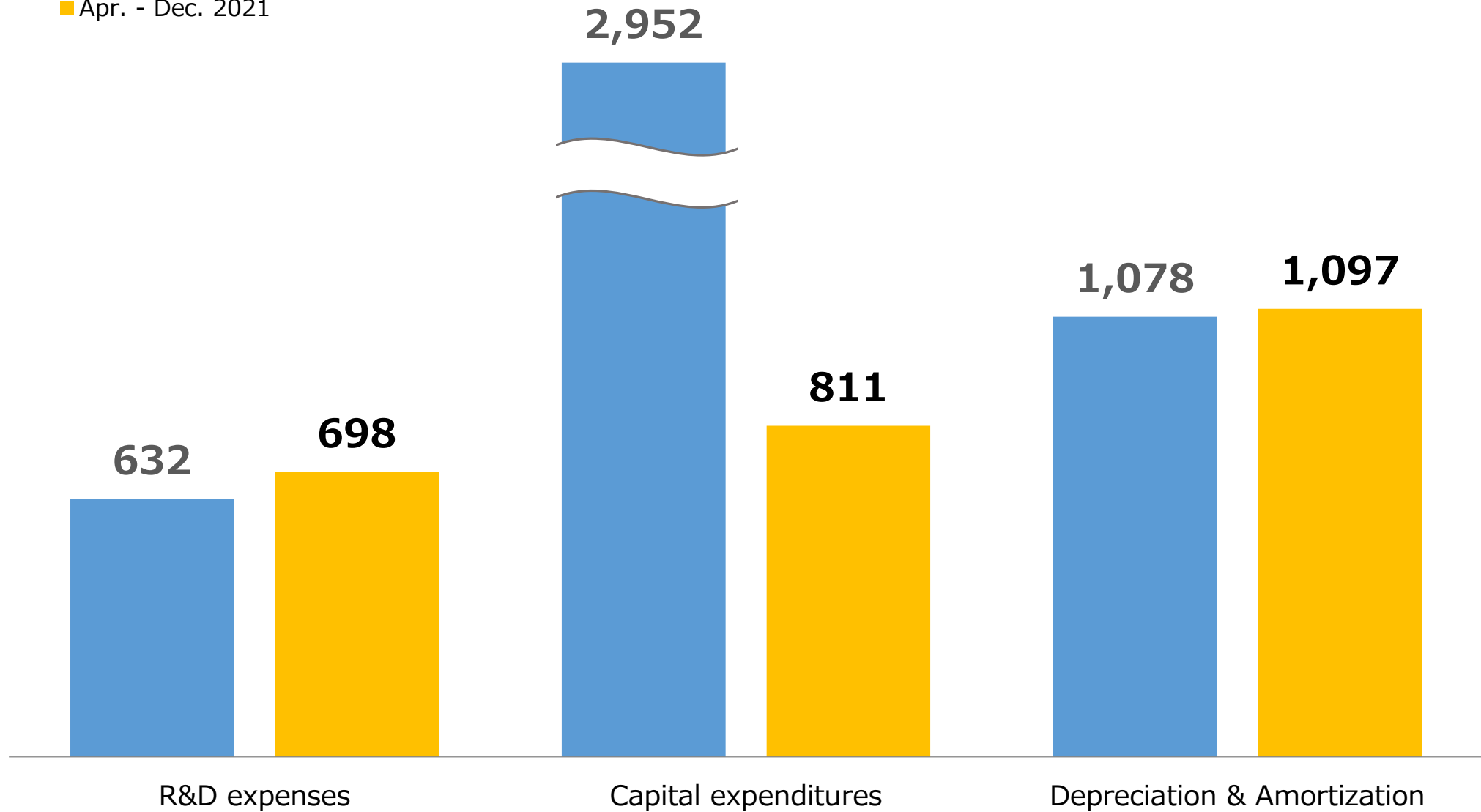
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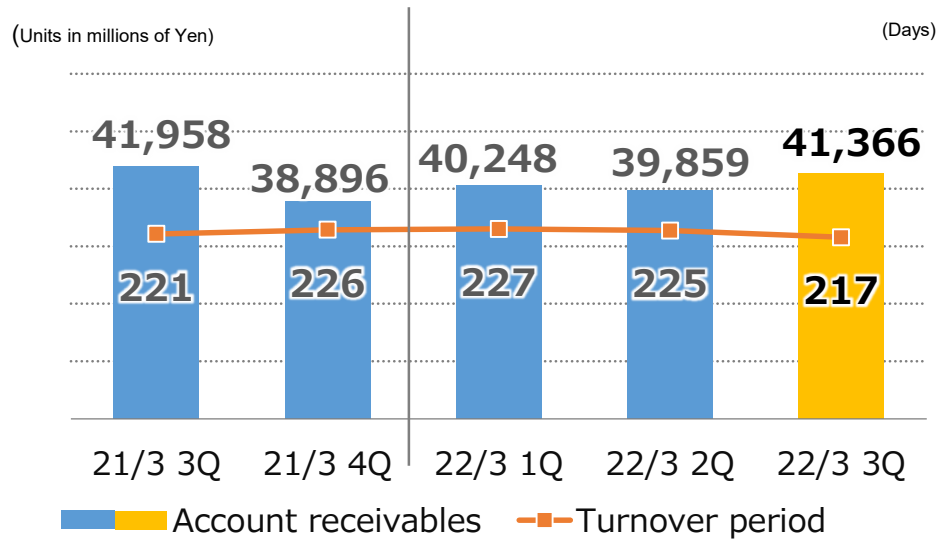
(Units in millions of Yen)

- Apr. - Dec. 2020
- Apr. - Dec. 2021

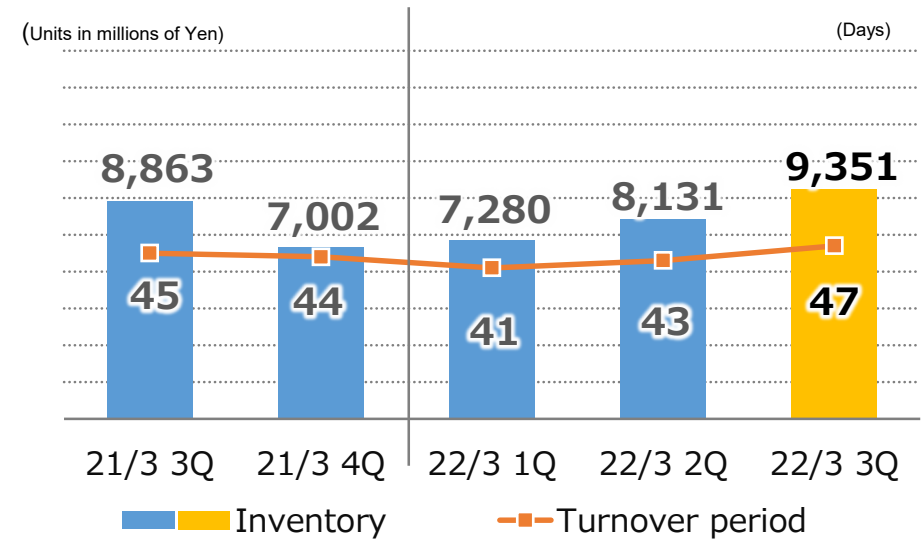


III. Key Financial KPIs/Indicators

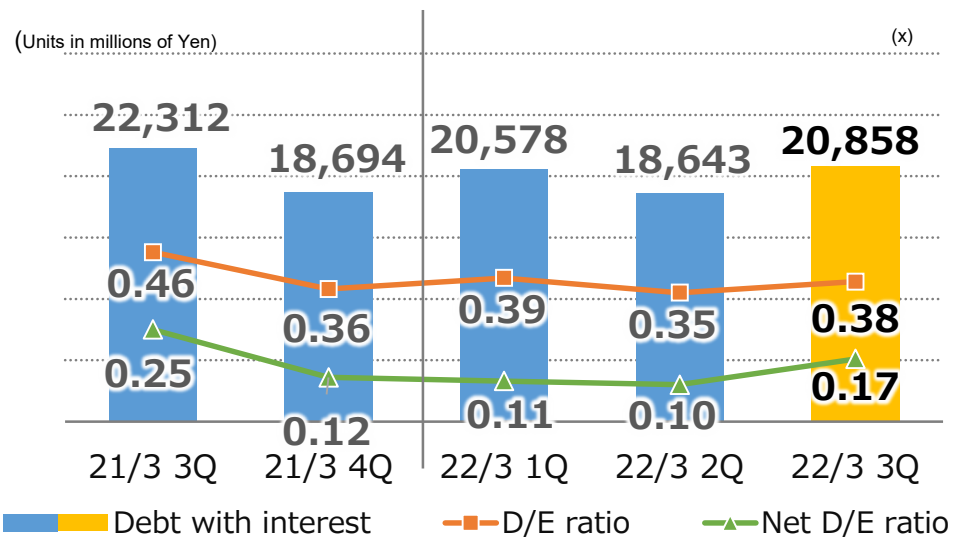
Account receivables/Turnover period



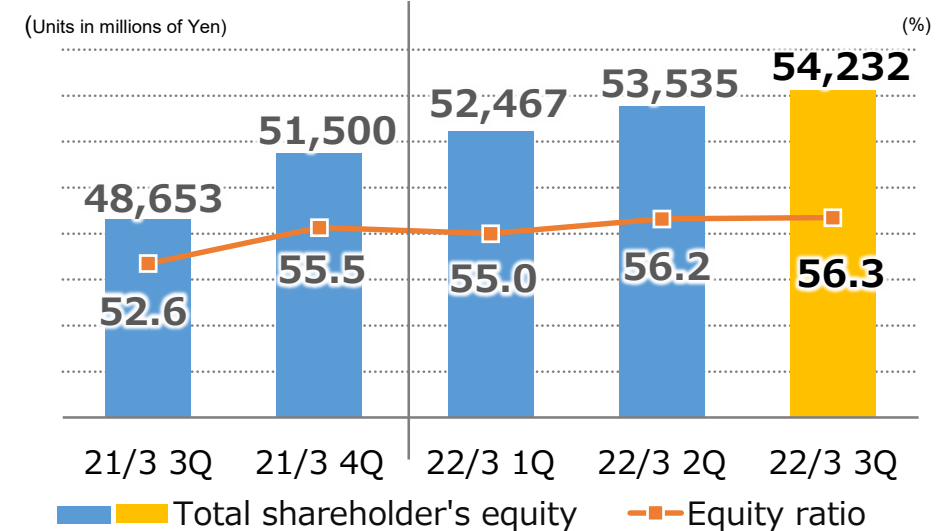
Inventory/Turnover period



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.

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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.