

Innovative  
Productive  
Only one Hirata

オンリーワンの生産設備を創造する  
世界のシステムインテグレータ



Designed by 3DesignG

# Mid-term Management Plan (FY 2018-2020)

Hirata Corporation

# Group Slogan of Mid-term Management Plan for FY2018 – 2020



**“Hirata is striving to become the Top Integrator of Production Systems for Our Global Customers.”**

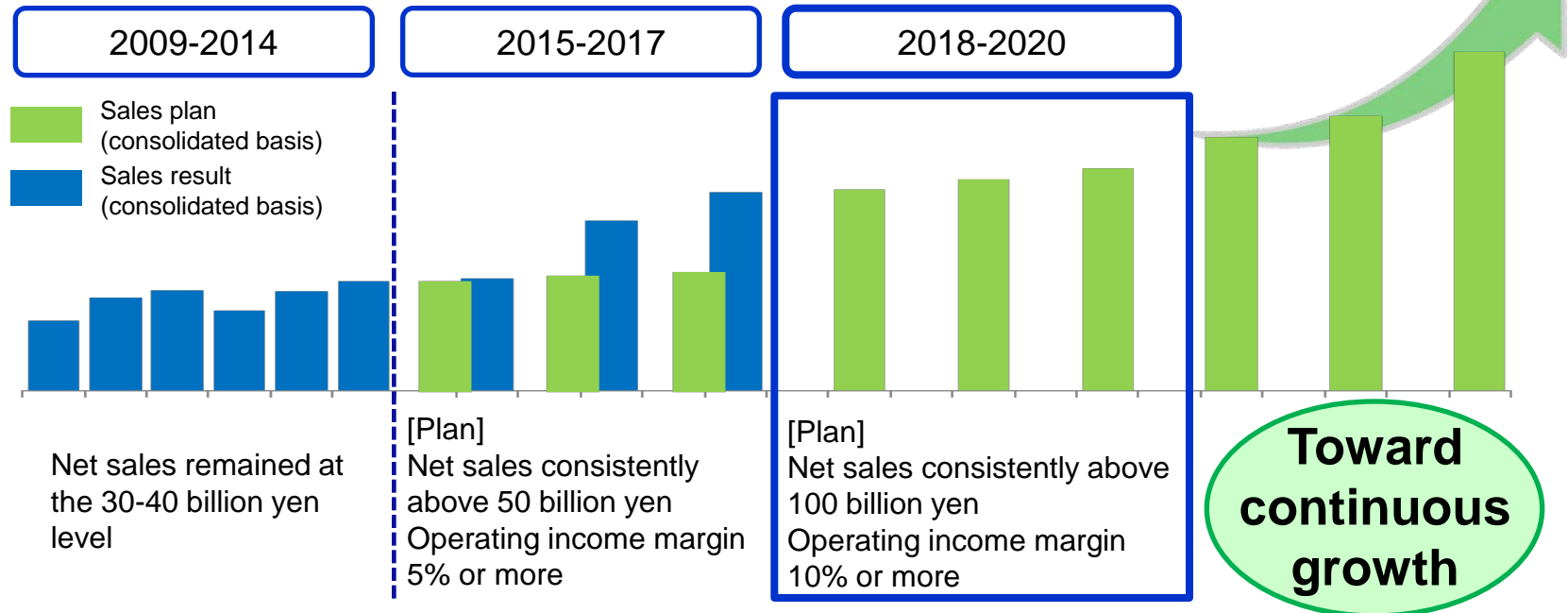
# Outline and Positioning

## 2018-2020 Aims of Medium-term Management Plan

**Strengthening  
management bases**  
- Toward continuous growth -

## Fundamental Principles

- Strengthening order-receiving/  
production/development systems
- Deepening and expanding existing business
- Venturing into growing markets
- Establishing mass production business and  
commercialization



# Targets for the final fiscal year (2020)

- Consistently achieving consolidated net sales above 100 billion yen
- Targeting operating income margin of 10% or more

Total sales  
(in billions of yen)

1000

Operating margin  
(in billions of yen)

500

10%

0



# Fundamental Principles

## 2018-2020 Aims of Medium-term Management Plan

### To strengthen our management base

- ✓ **Expansion of scale (net sales and profit)** to ensure growth potential
- ✓ **Improvement of profit structure** to ensure management stability

## Fundamental Principles

### Strengthening order-receiving/ production/development systems

- Strengthen capital investment and research & development activities.
- Utilize M&A and strategic alliances.

### Deepening and expanding existing business

- Regional strategy by product and market, centered on North America, Europe, and China

### Venturing into growing markets

- Venture into the EV market, focusing on motors/EDU, batteries, and inverters

### Establishing mass production business and commercialization

- Modularization of individual design products
- Development from mass production to commercialization

\*EDU: Electric Drive Unit. A core component of electric vehicles. Consists of an electric motor and gearbox.

## Strengthening order-receiving/production/development systems

We expect opportunities for receiving orders to increase in the semiconductor and automobile fields.

To cope with the production expansion while providing the products with the quality required by customers, we will implement the following capital investment and research and development over the next three years.

(Unit: 100 million yen)

	Mid-term Management Plan for 2015-2017 (Actual)	Mid-term Management Plan for 2018-2020
<b>Amount of capital investment and other items</b>	55	<b>150</b>

- Increase in-house fabrication of machined components by introducing/updating machining devices (e.g., machining centers) and keeping plant infrastructure up to date
- Improve operational efficiency by introducing RPA and using AI
- Investment related to M&A and strategic alliances

(Unit: 100 million yen)

	Mid-term Management Plan for 2015-2017 (Actual)	Mid-term Management Plan for 2018-2020
<b>Research and Development</b>	20	<b>50</b>

- Develop process equipment (laser welding, terminal molding, paste coating) for EV, batteries, etc.
- Deepen industry-academia collaboration projects
- Develop process machines (coating, lamination, laser cutting) compatible with next-generation equipment in the semiconductor field.
- Develop robotics.



## Strengthening order-receiving/production/development systems



Conceptual image

**New Plant in Kumamoto scheduled to be completed in 2020  
(Investment: Over 7 billion yen)**

In response to an increase in orders and production in growing markets, we will upgrade to new equipment to improve production efficiency in new plants where integrated production is possible, from machining parts to assembling.

We will also establish a clean room there to manufacture various products including robots designed for clean rooms.

**Construction started on January 15, 2018**

**Floor area of the new plant: 15,841 m<sup>2</sup>**

## Utilizing M&A and strategic alliances as means for our growth strategy

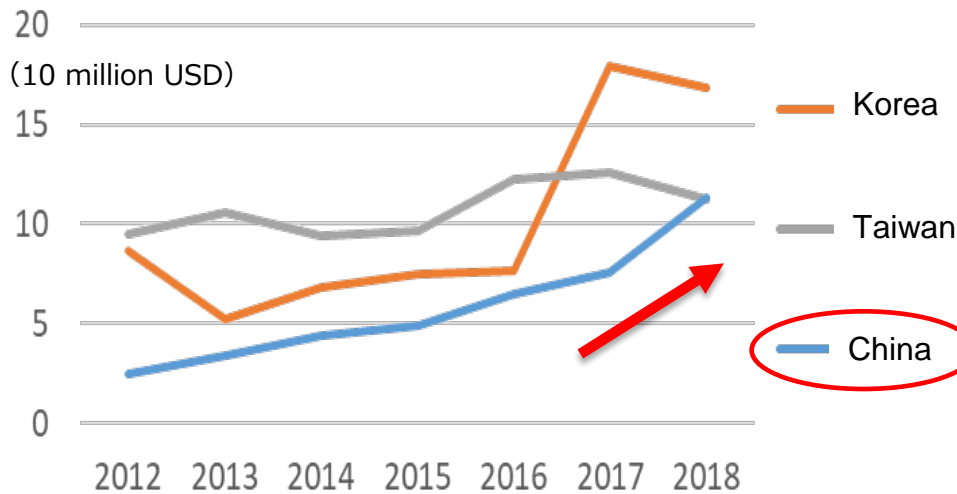
To efficiently and effectively strengthen our corporate structure, we will enhance production capacity and technical and marketing capabilities by promoting alliances with partner and peer companies in Japan and overseas.

- Expansion of production sites and spaces to increase capacity
- Acquisition of parts/components and production know-how
- Acquisition of new markets
- Acquisition of sales and marketing channels



# Deepening and expanding existing business / Venturing into growing markets

Sales of semiconductor production equipment by region (Actual and forecast)



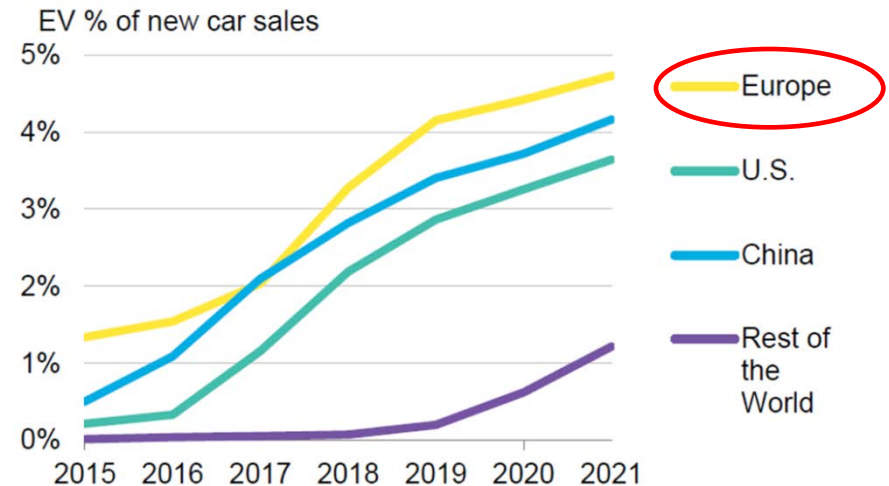
## Acquiring new regions and customers in the semiconductor field

- Accommodate increasing demand for semiconductors in association with the expansion of applications
- Respond to the domestic production of semiconductors in China
- Development and proposals in Hirata's specialty areas (vacuum, coating, lamination, lasers, and robotics technologies)

## Acquiring new regions and customers in the EV field

- Acquire European customers and secure market share in Europe, which is leading global efforts related to automotive fuel economy restriction.
- Development and proposals in Hirata's specialty areas (motors/EDU, batteries, inverters)

Forecast of the share of EV (%) in the number of new cars sold in each country

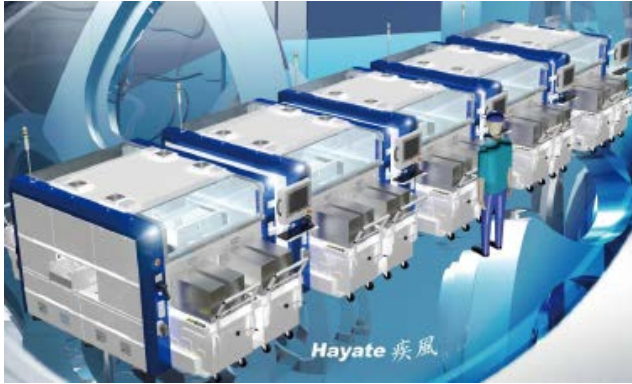




# Establishing mass production business and commercialization

## Mass Production

### Move to mass production by modularizing individual design products



- Reduce cost by mass production.
- Launch high-performance and high-quality production lines in short lead time by combining standard modules (ACS concept).
- Develop a system by which products needed in the market are offered for sale with the required quantity and timing.

## Commercialization

### Development and sales promotion of single item goods



- Select components for potential unit sales from our own existing product line.
- Develop new products through alliances with other companies and strengthen sales promotion through the acquisition of sales channels.
- Establish production systems at affiliated companies overseas.
- Unify Hirata branding.  
(Unify the design, color, and other aspects of products)

## Boost “Made in Hirata” ratio

Improve the in-house production ratio of parts used in Hirata products by promoting internal development and commercialization of key components(\*) such as motors.

\*Critical parts and units composing products

# *HIRATA BLUE MOTOR*



**Compact High-Efficiency Eco DC Motor – Our Global Strategy**

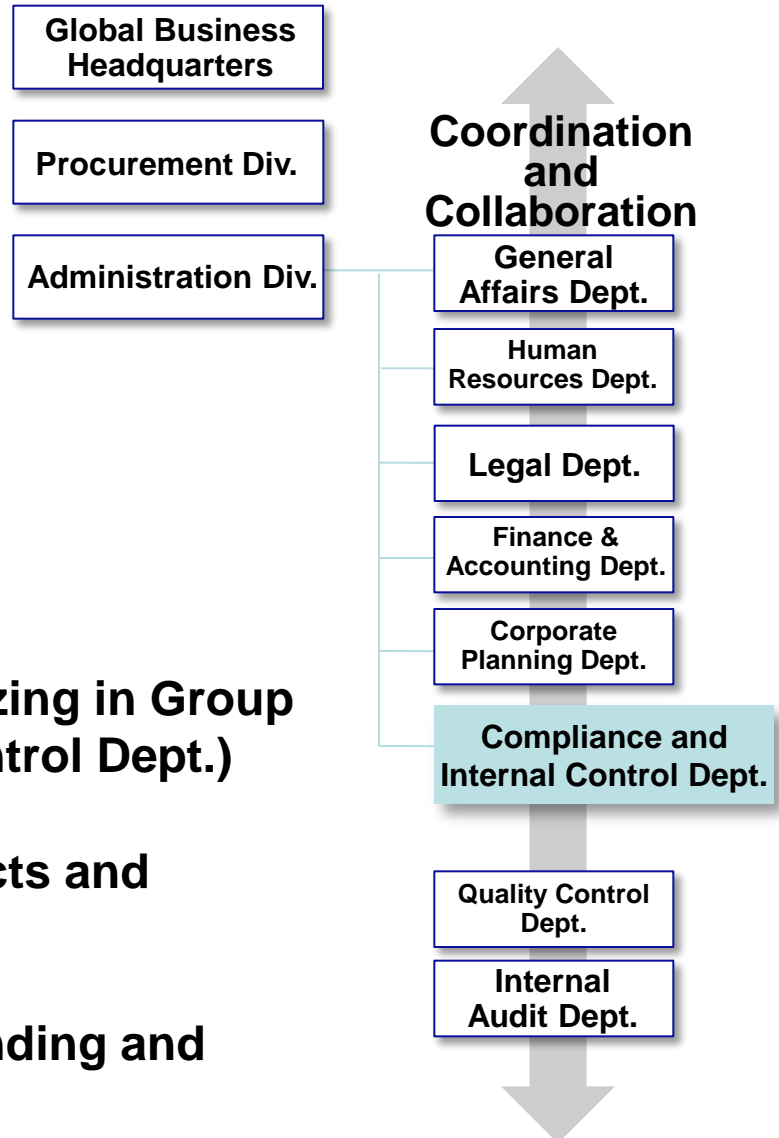
# Corporate Governance Policies

## Enhancing Internal Control of Hirata Group

We will develop the Group's compliance system in a step-by-step manner to respond to growing demands by society for corporate governance and compliance.

We will establish a system by which the entire Group can promote business activities based on unified internal control policies.

- **Newly establishing a department specializing in Group compliance (Compliance and Internal Control Dept.)**
- **Improving reporting routes for misconducts and emergencies**
- **Improving IT infrastructure and understanding and strengthening information security**





**We make it because  
no one else can**