

# Hirata

The Global Production Engineering Company

## Financial Results for the Fiscal Year Ended March 31, 2022

Hirata Corporation



# I. Financial Results and Outlook

---

The Fiscal Year ended March 31, 2022 (April 1, 2021 through March 31, 2022)

**Hirata**



# I. Summary of Financial Results

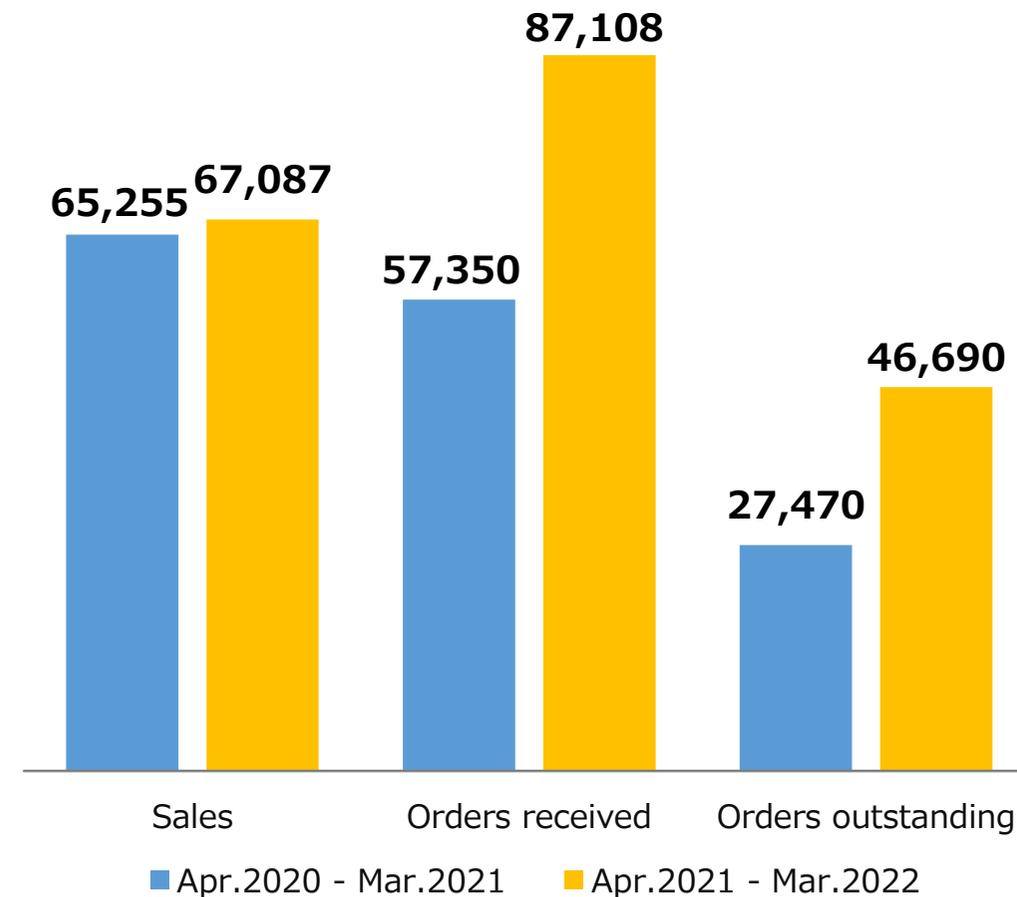
## Overview

The sales of automobile- and semiconductor-related business remained steady against the backdrop of strong capital investment in next generation vehicle including EV and silicon wafer transfer equipment, resulting in good sales as total. On the other hand, profit margins declined due to sales declined for some projects and sales decreased for highly profitable projects.

(Units in millions of Yen)

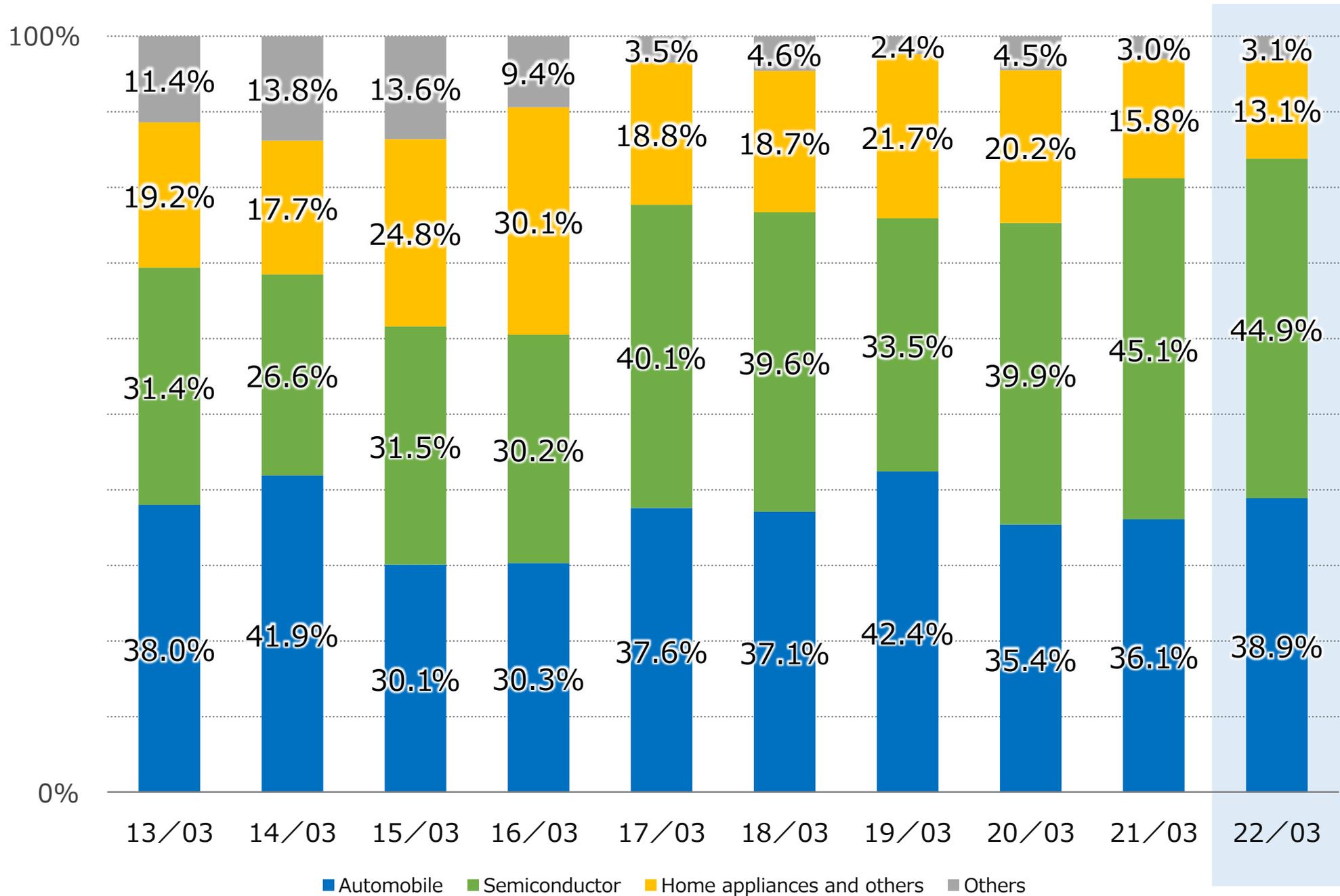
	Apr. 2020 – Mar. 2021 (Actual)	Apr. 2021 – Mar. 2022 (Actual)	YoY Change
Sales	65,255	<b>67,087</b>	—
Operating income	4,995	<b>3,856</b>	—
Ordinary income	5,176	<b>4,258</b>	—
Profit attributable to owners of the parent company	4,075	<b>2,682</b>	—

(Units in millions of Yen)



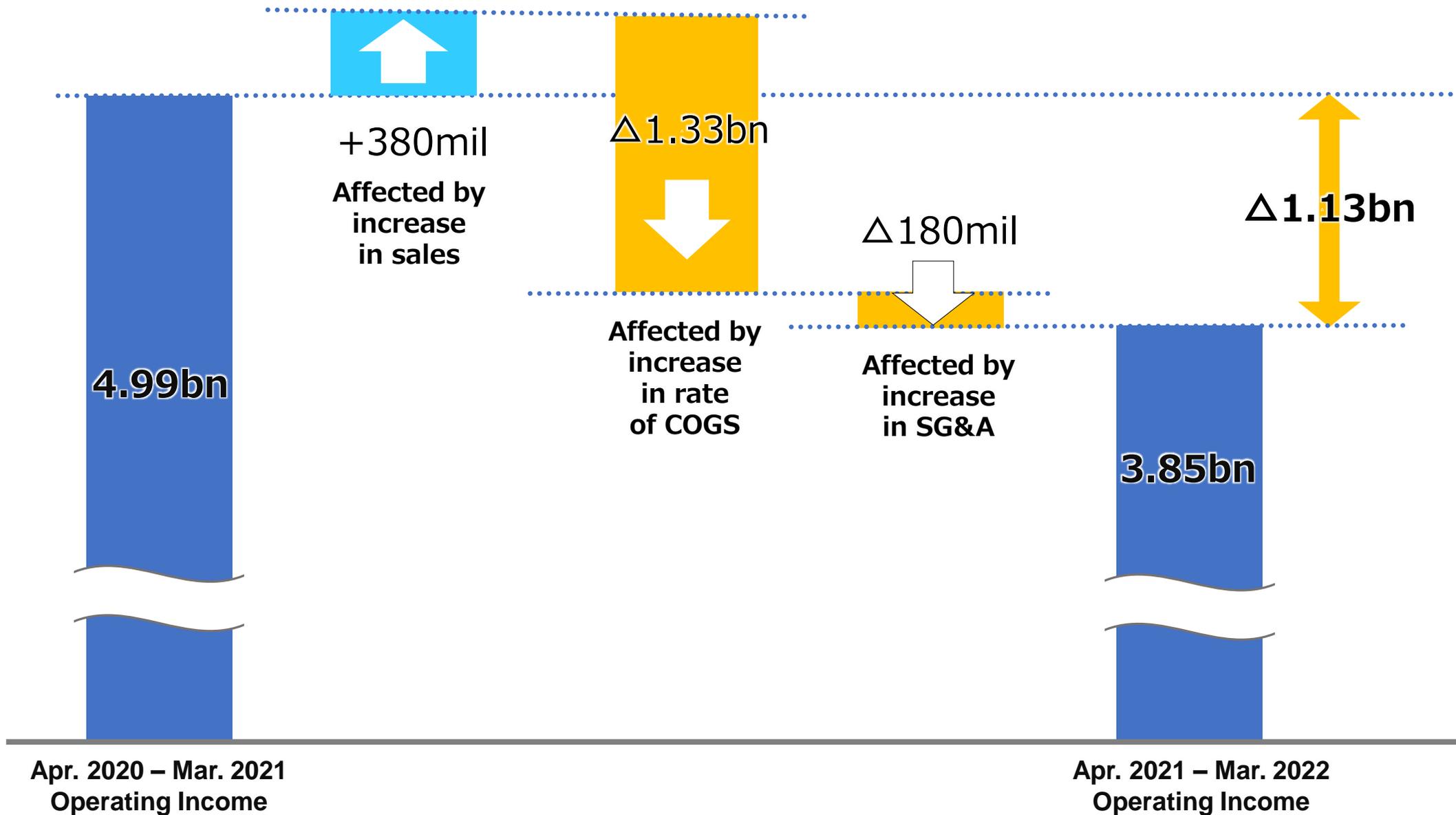
※The year-on-year change rate is not shown due to the application of accounting standards for revenue recognition, etc.

# I. Breakdown of Sales by Business Unit



※The figures are calculated after the application of accounting standards for revenue recognition, etc., from the fiscal year ended March 31, 2022.

# I. Factor Analysis on Changing Operating Income



Apr. 2020 – Mar. 2021  
Operating Income

Apr. 2021 – Mar. 2022  
Operating Income

※The figures are calculated after the application of accounting standards for revenue recognition, etc., from the fiscal year ended March 31, 2022.

## Balance Sheet

(Units in millions of Yen)

Assets	Apr. 2020 – Mar. 2021	Apr. 2021 – Mar. 2022	YoY Change
Current Assets	61,251	<b>67,003</b>	<b>+5,752</b>
Fixed Assets	31,543	<b>32,482</b>	<b>+938</b>
Tangible Fixed Assets	23,539	<b>23,526</b>	$\Delta$ 13
Intangible Fixed Assets	496	<b>499</b>	+2
Investments and other assets	7,507	<b>8,456</b>	<b>+949</b>
<b>Total Assets</b>	<b>92,794</b>	<b>99,485</b>	<b>+6,691</b>

Liabilities	Apr. 2020 – Mar. 2021	Apr. 2021 – Mar. 2022	YoY Change
Current Liabilities	25,935	<b>31,612</b>	<b>+5,676</b>
Fixed Liabilities	14,860	<b>12,935</b>	$\Delta$ 1,924
<b>Total Liabilities</b>	<b>40,795</b>	<b>44,547</b>	<b>+3,751</b>

Net Assets			
Total Net Assets	51,999	<b>54,938</b>	<b>+2,939</b>
Capital Ratio	55.5%	<b>54.8%</b>	$\Delta$ 0.7pt

## Main impact factors

## Assets

Inventories	+ 3,564
Trade receivables, etc	+ 1,922
Retirement benefit assets	+ 1,210

## Liabilities/Net Assets

Debt with interest	+ 5,046
Retained earnings	+ 2,324
Trade payables	$\Delta$ 1,440

# I. Assumed exchange rate, etc.

## Assumed exchange rate

(Units in Yen)

Assumed exchange rate	From Apr 1, 2021 to Mar 31, 2022 (Actual rate)	From Apr 1, 2022 (Applied assumption rate)
Exchange rate (against USD)	108.76	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		
			Jan.	Feb.	Mar.
Highs	8,150	8,850	6,720	6,090	5,580
Lows	3,505	4,110	5,400	5,020	4,795
End of period	4,605	6,860	5,740	5,210	5,400

## PER/PBR/ROE

PER/PBR/ROE	Apr. 1, 2019 to Mar. 31, 2020	Apr. 1, 2020 to Mar. 31, 2021	Apr. 1, 2021 to Mar. 31, 2022
PER (x)	27.39	17.47	20.90
PBR (x)	1.03	1.38	1.03
ROE (%)	3.77	8.32	5.06

※The figures are calculated after the application of accounting standards for revenue recognition, etc., from the fiscal year ended March 31, 2022.

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

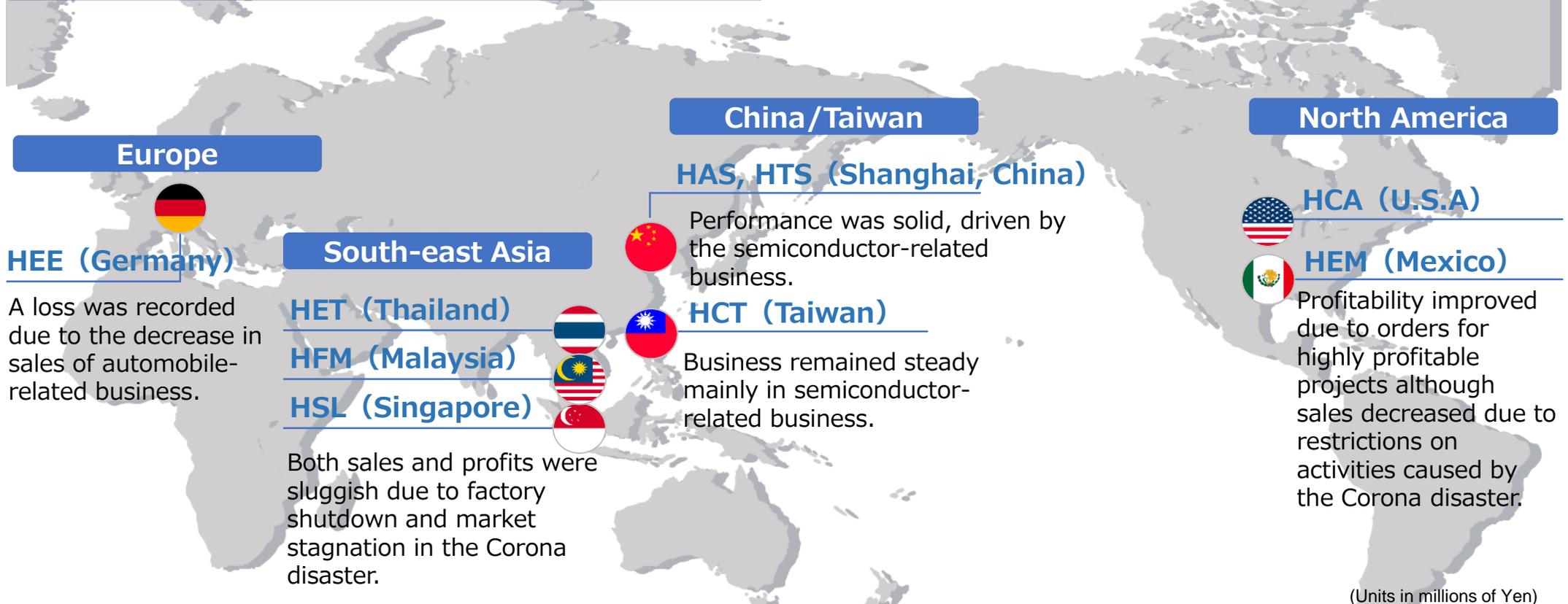
(Units in millions of Yen)

	<b>Business unit</b>	<b>Apr. 2020 – Mar. 2021</b>	<b>Apr. 2021 – Mar. 2022</b>	<b>YoY Change</b>
Sales	Automobile	23,543	26,109	–
	Semiconductor	29,409	30,125	–
	Home appliances & others	10,324	8,806	–
	Others	1,978	2,046	–
	<b>TOTAL</b>	<b>65,255</b>	<b>67,087</b>	<b>–</b>
Orders received	Automobile	22,388	36,405	–
	Semiconductor	24,605	39,005	–
	Home appliances & others	8,416	9,634	–
	Others	1,940	2,064	–
	<b>TOTAL</b>	<b>57,350</b>	<b>87,108</b>	<b>–</b>
Orders outstanding	Automobile	13,559	23,775	–
	Semiconductor	10,168	18,304	–
	Home appliances & others	3,341	4,206	–
	Others	400	404	–
	<b>TOTAL</b>	<b>27,470</b>	<b>46,690</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	<b>22/3</b>	21/3	<b>22/3</b>	21/3	<b>22/3</b>	21/3	<b>22/3</b>	21/3	<b>22/3</b>
Sales	54,773	<b>56,635</b>	5,375	<b>6,364</b>	4,050	<b>3,169</b>	1,056	<b>918</b>	65,255	<b>67,087</b>
Operating Income	4,784	<b>3,259</b>	273	<b>273</b>	31	<b>454</b>	△106	△ <b>53</b>	4,983	<b>3,934</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., from the fiscal year ended March 31, 2022.

# 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 2020 – Mar 2021	Apr 2021 – Mar 2022	YoY Change	Apr 2020 – Mar 2021	Apr 2021 – Mar 2022	YoY Change
Organic EL related business	5,883	<b>5,749</b>	–	11,067	<b>6,209</b>	–
Electric vehicle related business	6,489	<b>18,199</b>	–	5,132	<b>14,010</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 21% of its total semiconductor-related sales. Compared to the same period last year, the amount of orders received decreased by approximately 134 million yen and sales decreased by approximately 4.858 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 54% of its total automobile-related sales. Compared to the same period last year, the amount of orders received increased by approximately 11.710 billion yen and sales increased by approximately 8.878 billion yen on a monetary basis after applying the accounting standard for revenue recognition, etc.

# I. Topics - Large-scale orders in FY2021

## — Hirata won large-scale orders in FY2021.

Our order received status for automobile- and semiconductor-related business was good in FY2021. Particularly in relation to automobile-related business, Hirata won large-scale orders.

Hirata won a larger-scale order for electric vehicle related equipment as we disclosed in September 2021. The customer is a startup EV manufacturer and a first time customer 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. The sales of this project will be recognized in stages until the project completion by the percentage-of-completion method.

Hirata also received a large-scale order of internal combustion engine equipment from a customer with whom we have a good track record, as we disclosed in January 2022. The expected value of the order is around 5.8 billion JPY. The sales of this project will be recognized in stages until the project completion by the percentage-of-completion method.

While Hirata is fully engaged in electric vehicle related production equipment, we have having inquiries for engines, transmission and so on for internal combustion cars. For the time being, we expect to receive both electric vehicle- and internal combustion-related equipment.

# I. Topics - Transition to Prime Market / Winning a prize

## — Hirata has moved to Prime Market in Tokyo Stock Exchange since April 4, 2022.

In line with market restructuring of TSE, Hirata has moved to Prime Market from the first section in Tokyo Stock Exchange since April 4, 2022. The Prime market requires higher standards of governance than ever before, and we are strengthening our governance structure by, for example, planning to increase the number of outside directors, subject to approval at the General Meeting of Shareholders. We aim to further enhance our corporate value as a listed company in the prime market.



Commemorative plaque of transitioning to the new segment market

## — Hirata received CAPEX award from Hitachi Astemo, Ltd.

Hirata received CAPEX award from Hitachi Astemo, Ltd. at Partner Day 2021 held on October 14, 2021. This award is for equipment suppliers that have been able to increase the productivity of customer's operations globally. We were the only equipment manufacturer to receive this award, providing power module line and production equipment of power device to the customer.



# II Market Trend and Forecast for FYE March 2023

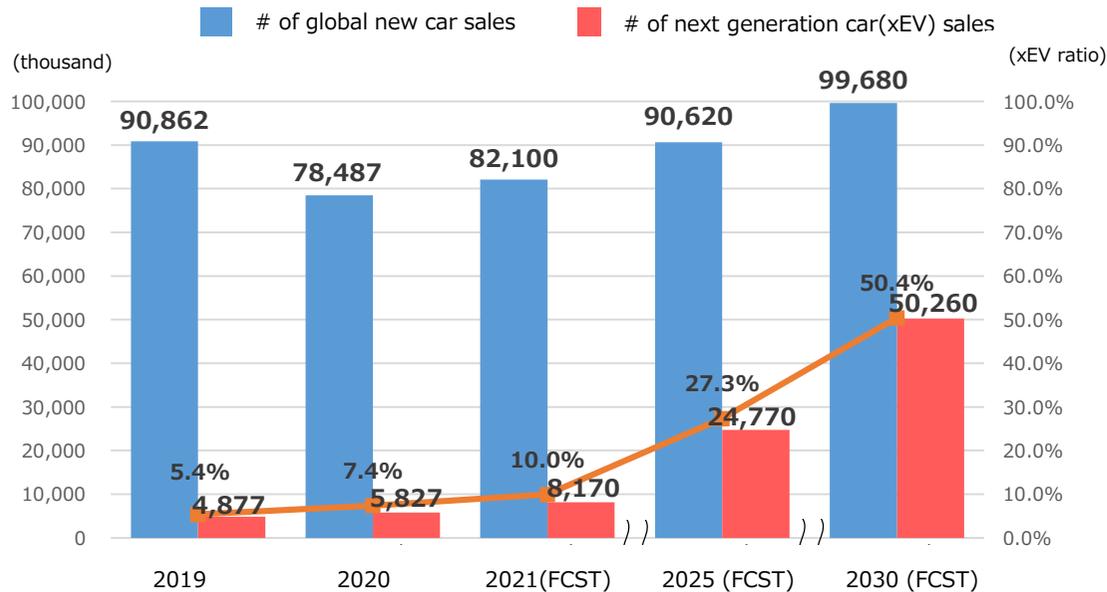
The Fiscal Year ended March 31, 2022 (April 1, 2021 through March 31, 2022)

**Hirata**



## II. Forecasts for FYE March 2023: Market trend and business outlook

### Trends & forecast of global new car sales



### Automobile-related market

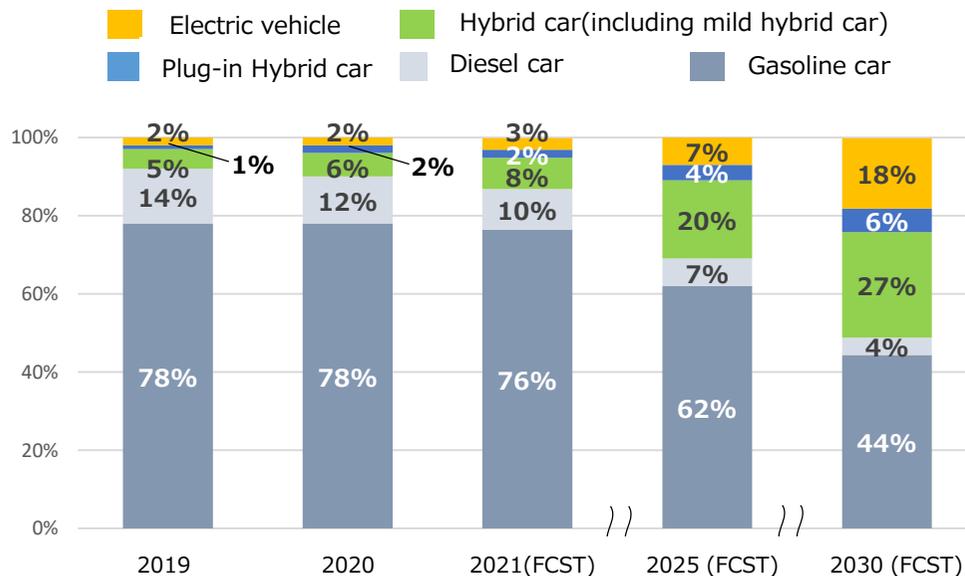
#### Industry trends

- Electric vehicle market, including EVs, HEVs and PHEVs is expanding rapidly worldwide due to policies to promote new energy vehicles to meet countries' CO<sub>2</sub> emission targets.
- Rapidly declining battery prices will accelerate the expansion of electric vehicle market share, and thus it is expected that car manufactures' capital investment for EV would increase.
- As to internal combustion engine cars, both the number of sales and composition rate are expected to decline slowly.

Source : Yano Research Institute Ltd.

[Trends & forecasts of composition ratio by drive system to new car sales worldwide]

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



### Hirata's prospects

#### ■ Electric vehicle related and parts production equipment

- We try to expand our business domain by market growth potential and leveraging our strengths, positioned as a priority issue in the medium term management plan.
- We also focus on the enhancement of product strength through standardization and the development of key device.

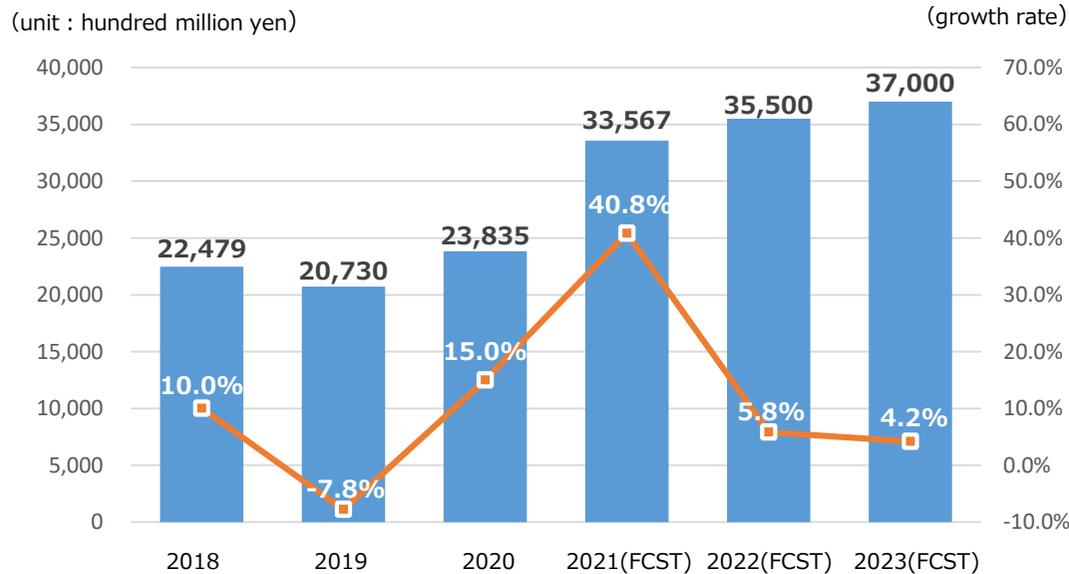
#### ■ Internal combustion engine car production equipment

- 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.

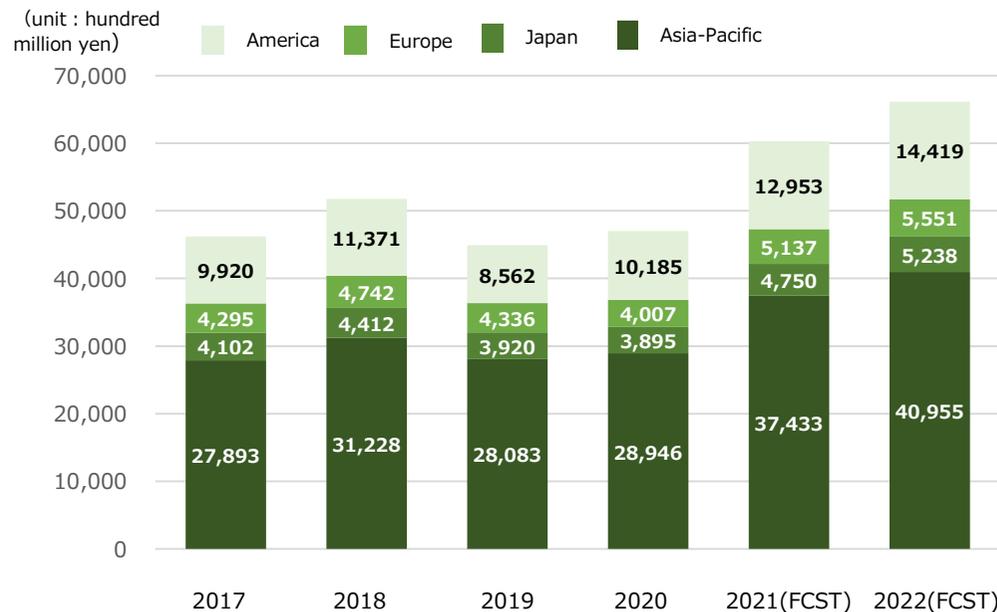
Source : Boston consulting group's analysis

## II. Forecasts for FYE March 2023: Market trend and business outlook

### Japanese equipment sales forecast of semiconductor production equipment



### Global semiconductor market forecast by region



### Semiconductor-related market

#### Industry trends

- A further increase in investment, especially in foundries, is expected to accelerate on an even large scale, with active logic foundry investment continuing from 2019.
- 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.
- It is expected that the market would expand in Asia region including China, Taiwan and South Korea.

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

#### Hirata's prospects

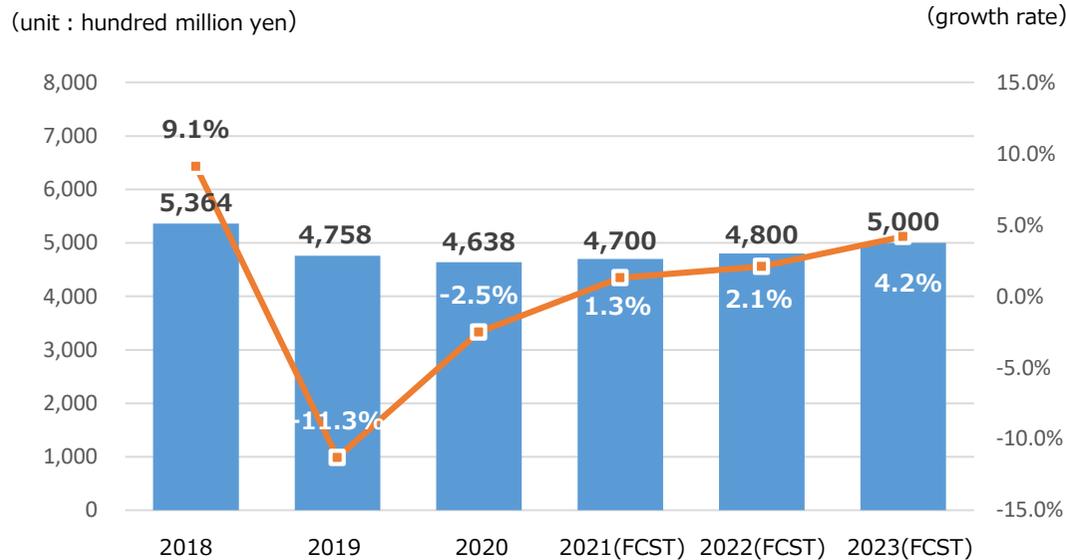
##### ■ Semiconductor related production equipment

- We will develop our internal system such as expansion of our lineup of compatible products and increasing production capacity in order to meet strong demand, positioned as a priority issue in the medium term management plan.
- We will also work with our affiliates to further expand sales channels.

Source : WSTS semiconductor market forecast in fall 2021 (WSTS(WORLD SEMICONDUCTOR TRADE STATISTICS))

## II. Forecasts for FYE March 2023: Market trend and business outlook

### Japanese equipment sales forecast of FPD production equipment



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

### Organic EL-/Liquid crystal panel-related market

#### Industry trends

##### Organic EL related industry

- Demand is growing for TVs and smartphones, driven by falling average unit prices.

##### LCD related industry

- The market is expected to shrink due to a lull in capital investment.

#### Hirata's prospects

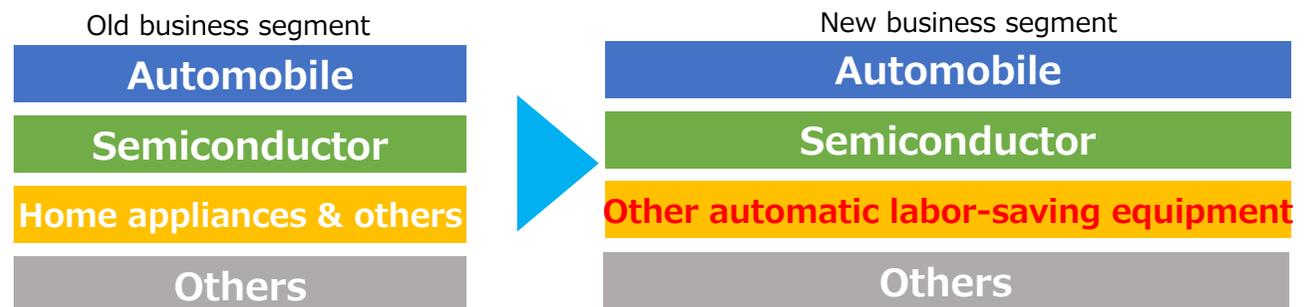
##### Organic EL related industry

- We will continue to monitor market trends and secure orders.

### Review of the business segment

We have changed our business segment as below, starting from April 2022. Organic EL and LCD, which used to be categorized in semiconductor segment, would be re-categorized in other automatic labor-saving equipment.

The financial summary for the FY ended March 31, 2022 is presented in the business segment before the change.



## II. Forecasts for FYE March 2023: Earnings Forecast

(Units in millions of Yen)

	FYE March 2022 (Actual)		FYE March 2023 (Forecast)	
<b>Sales</b>	67,087		80,000	
<b>Automobile</b>	-		33,000	
<b>Semiconductor</b>	-		28,000	
<b>Other automatic labor-saving equipment</b>	-		16,000	
<b>Others</b>	-		3,000	
<b>Operating Income (margin)</b>	3,856	(5.7%)	3,000	(3.8%)
<b>Ordinary Income (margin)</b>	4,258	(6.3%)	2,900	(3.6%)
<b>Profit attributable to owners of the parent company (margin)</b>	2,682	(4.0%)	2,000	(2.5%)

※The sales forecasts by segment for the fiscal year ending March 31, 2023 are posted in the new segment.  
 The sales results by segment for the fiscal year ended March 31, 2022 are not posted in the new segment.

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

- We expect capital investment in the EV market to expand over the mid- to long-term. We also expect semiconductor equipment manufacturers to continue to make vigorous capital investments against the backdrop of the spread of 5G and teleworking, as well as the progress of self-driving cars and IoT.
- As the first year of the Company's new Mid-term Management Plan (FY2022-2024), the Group is working to strengthen product competitiveness and develop new products in the EV-related equipment business, optimize the production system in the semiconductor-related equipment business. We will also aim to strengthen our competitiveness as a global company and work to implement management adapted to the new-normal era by strengthening ESG management initiatives and by introducing and utilizing digital transformation (DX) to enhance corporate value.

## II. Forecasts for FYE March 2023: Dividend Forecast

### Dividends and dividend ratio per share

(Unit in Yen)

	FYE Mar 2019	FYE Mar 2020	FYE Mar 2021	FYE Mar 2022	FYE Mar 2023 (estimate)
Dividends per share	125.00	40.00	65.00	<b>65.00</b>	<b>50.00</b>
Dividend ratio(%)	28.4	23.8	16.6	<b>25.2</b>	<b>25.9</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, 2022 in the board meeting held on May 13, 2022. In addition, the dividend per share for the fiscal year ending March 2023 is planned to be 50.00 yen.

# III. Reference Data

---

The Fiscal Year ended March 31, 2022 (April 1, 2021 through March 31, 2022)

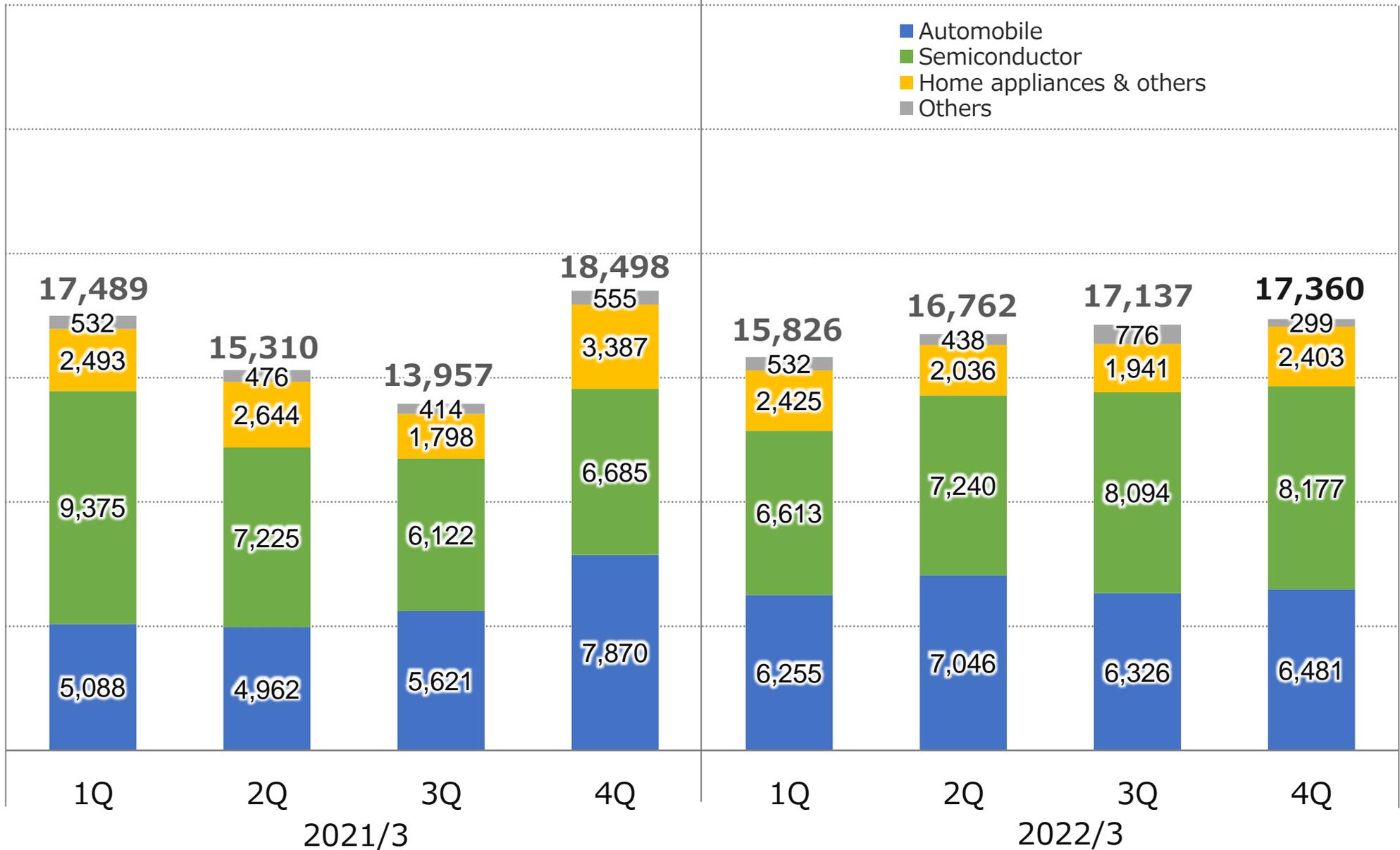
**Hirata**



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

#### Sales by Business Unit

(Units in millions of Yen)

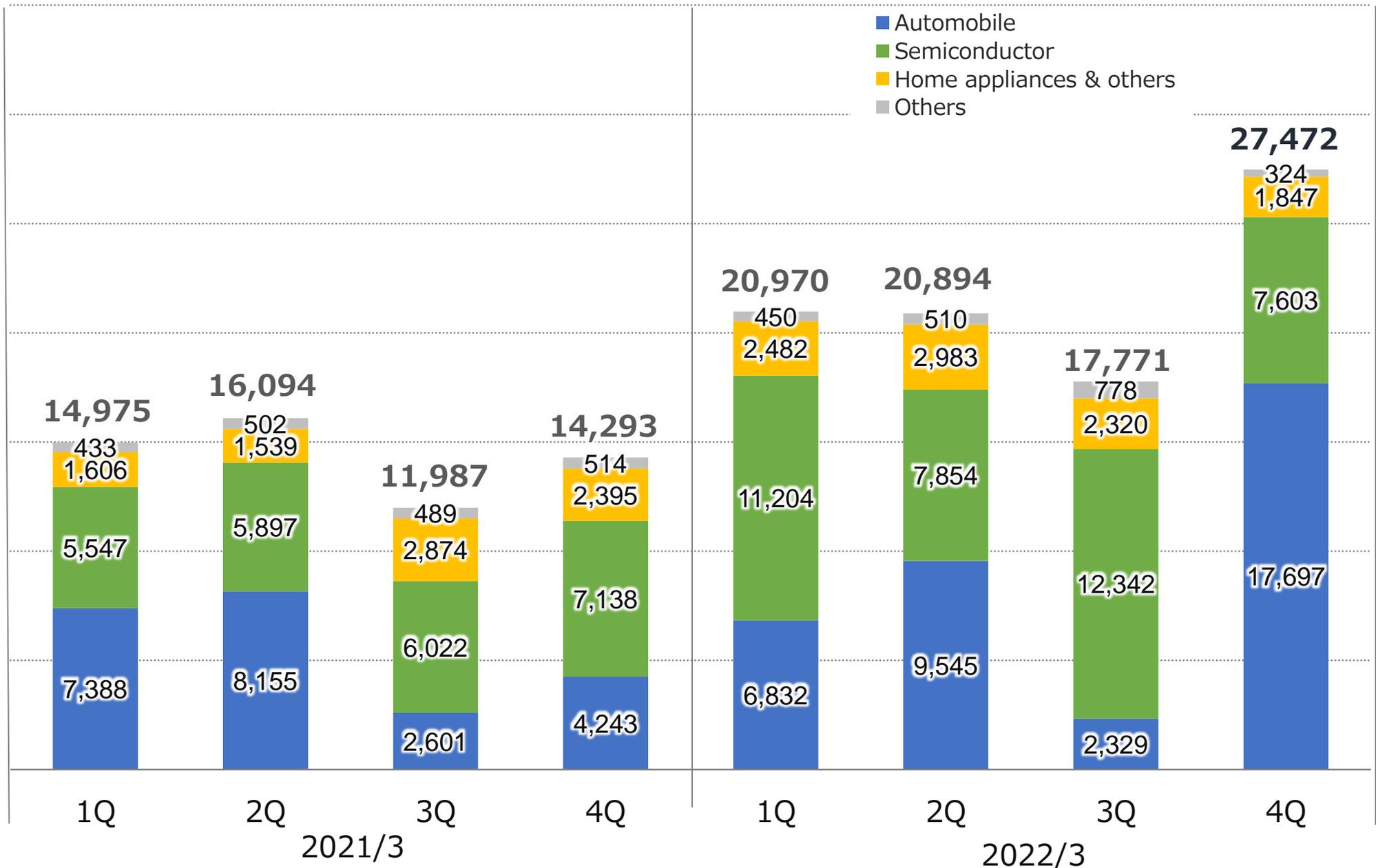


※The figures are calculated after the application of accounting standards for revenue recognition, etc., effective from April 2021.

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

#### Received Orders by Business Unit

(Units in millions of Yen)

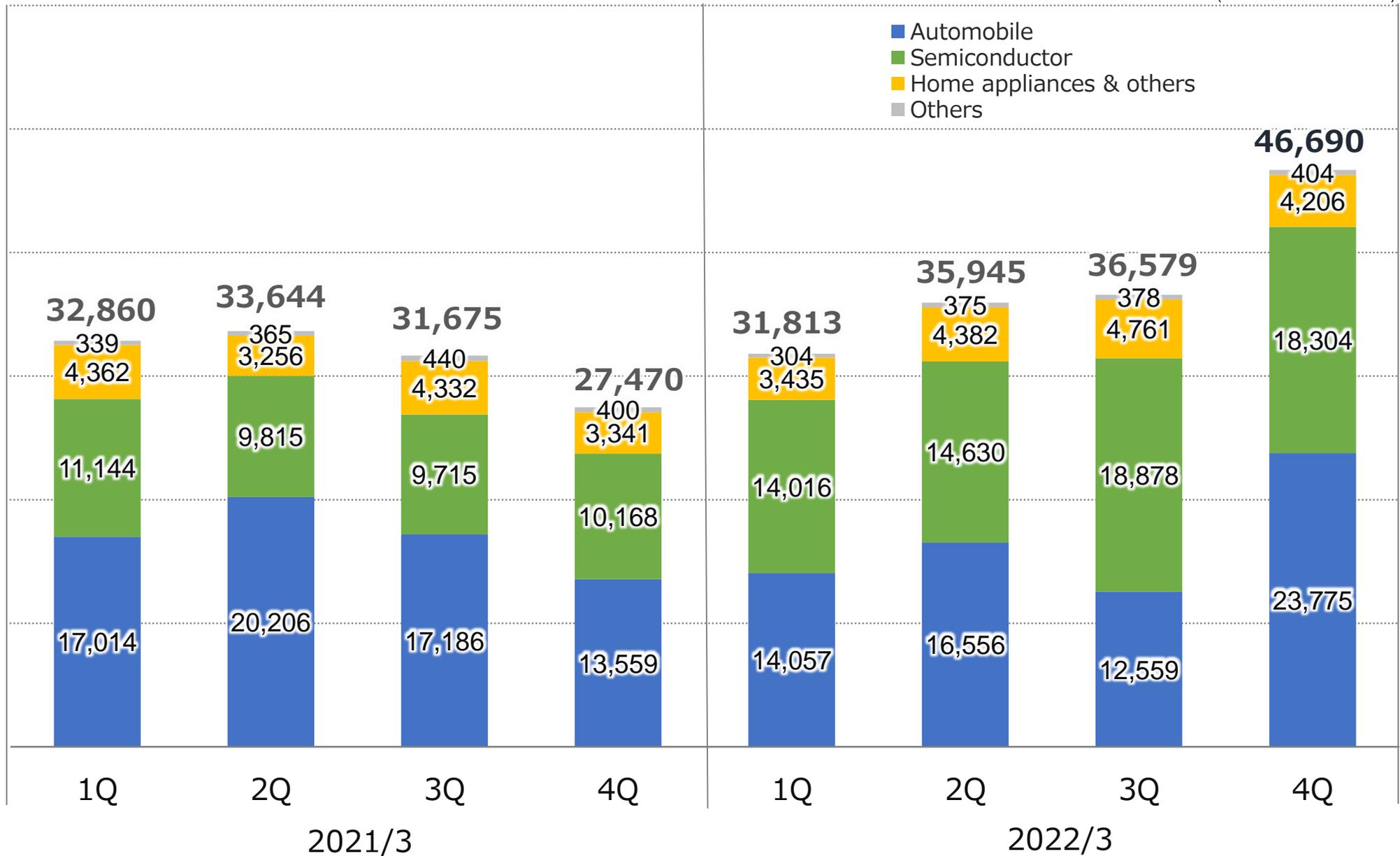


※The figures are calculated after the application of accounting standards for revenue recognition, etc., effective from April 2021.

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

#### Orders Outstanding by Business Unit

(Units in millions of Yen)

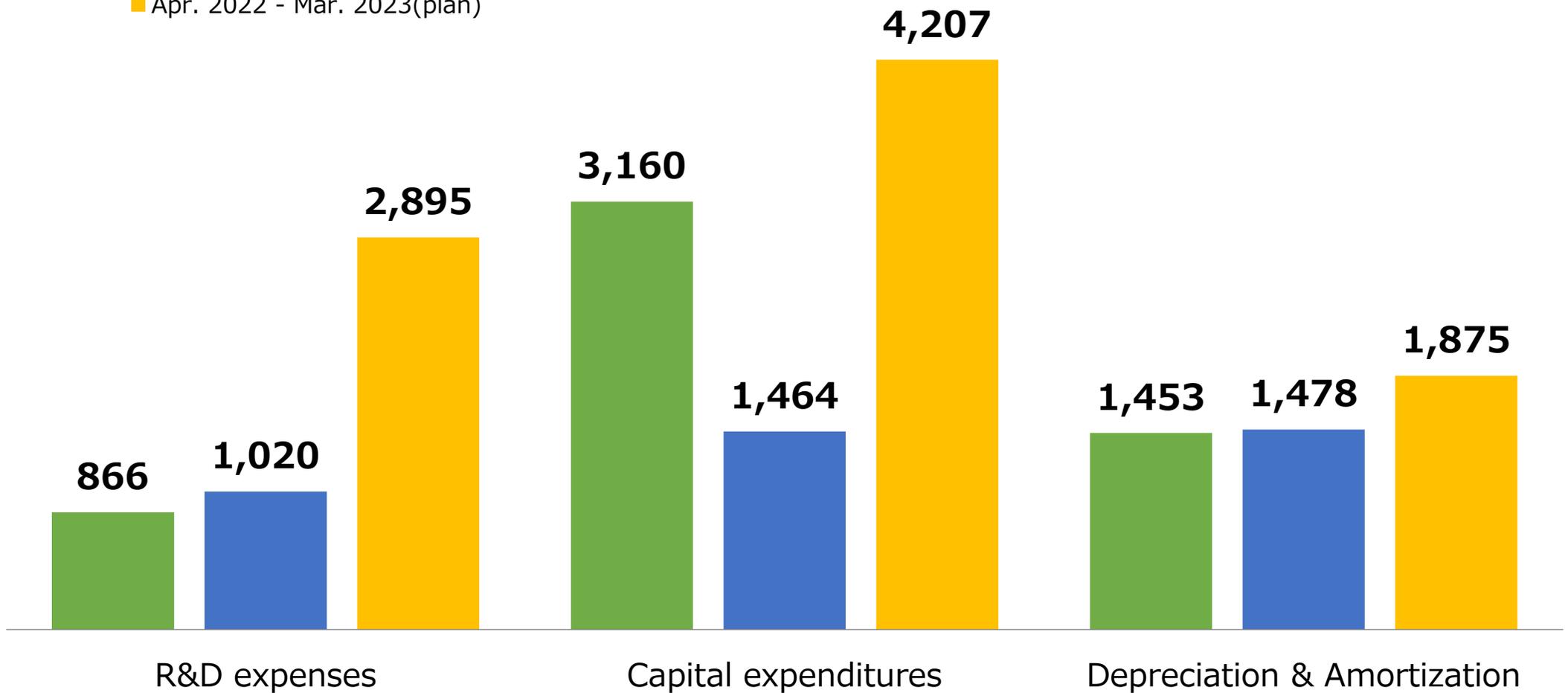


※The figures are calculated after the application of accounting standards for revenue recognition, etc., effective from April 2021.

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

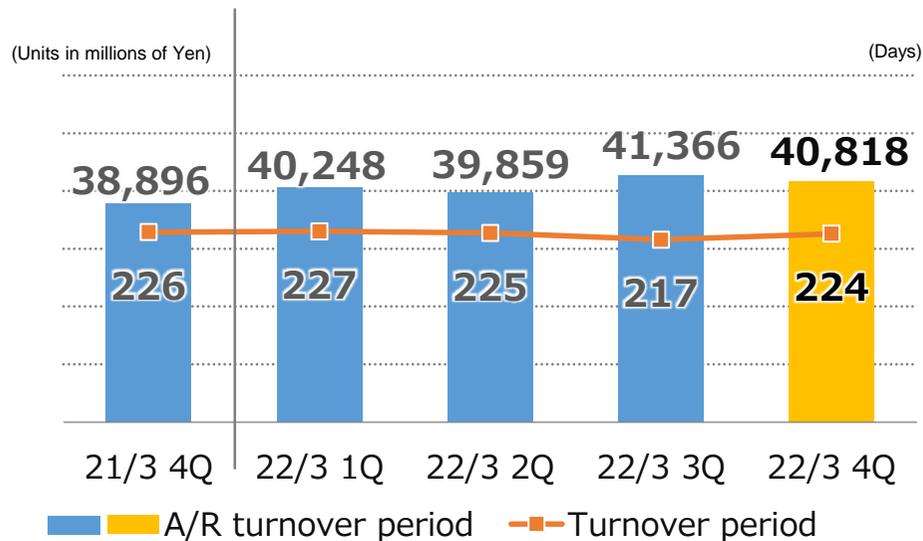
(Units in millions of Yen)

- Apr. 2020 - Mar. 2021
- Apr. 2021 - Mar. 2022
- Apr. 2022 - Mar. 2023(plan)

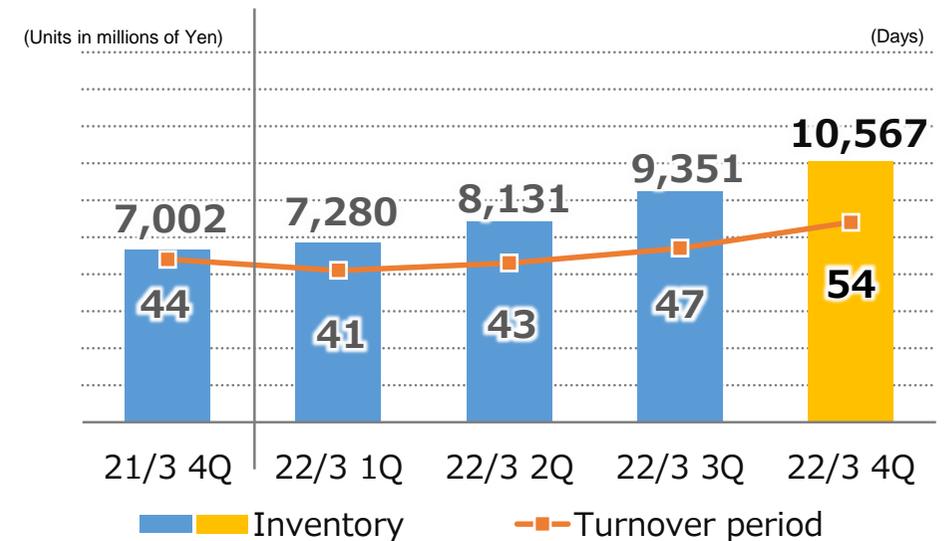


### III. Key Financial KPIs/Indicators

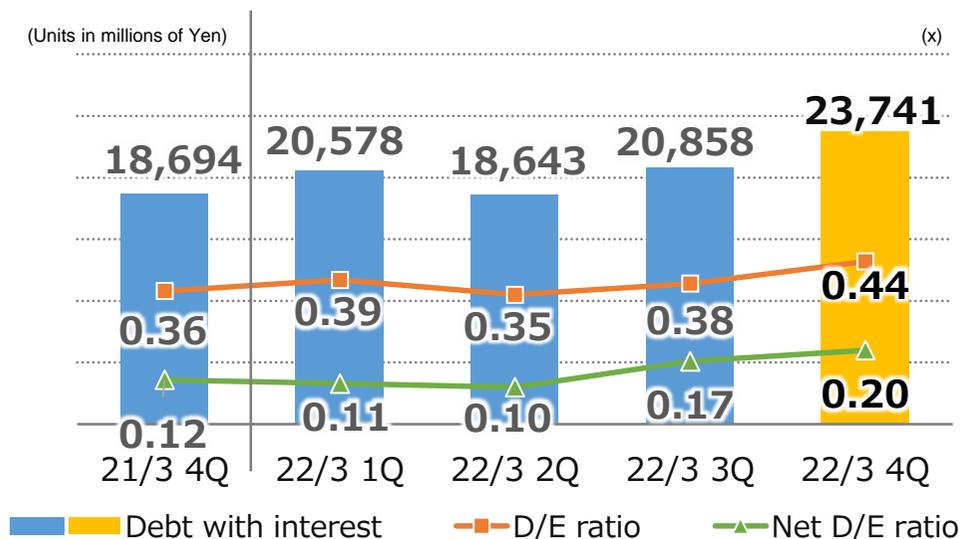
#### Account Receivables/Turnover period



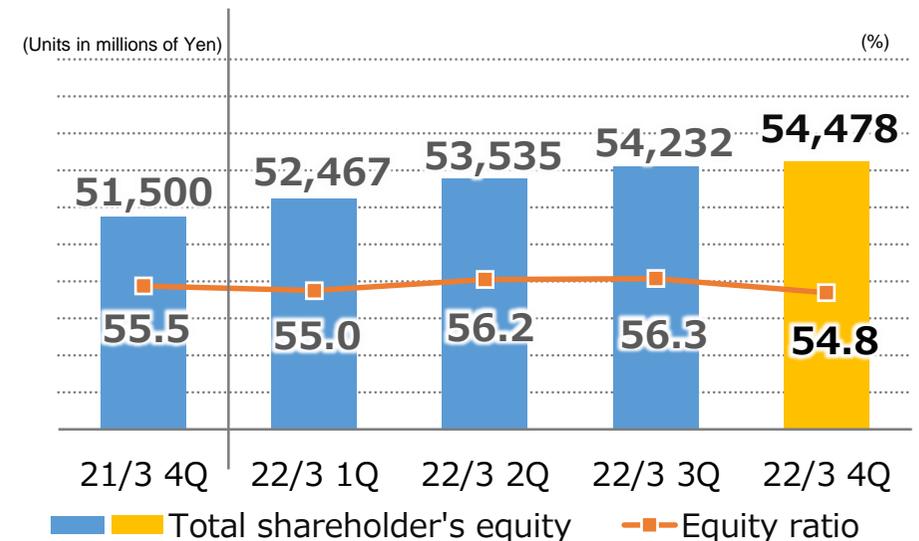
#### Inventory/Turnover period



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



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



※ 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.