

Hirata

The Global Production Engineering Company



Consolidated Financial Results for the Nine Months Ended December 31, 2022

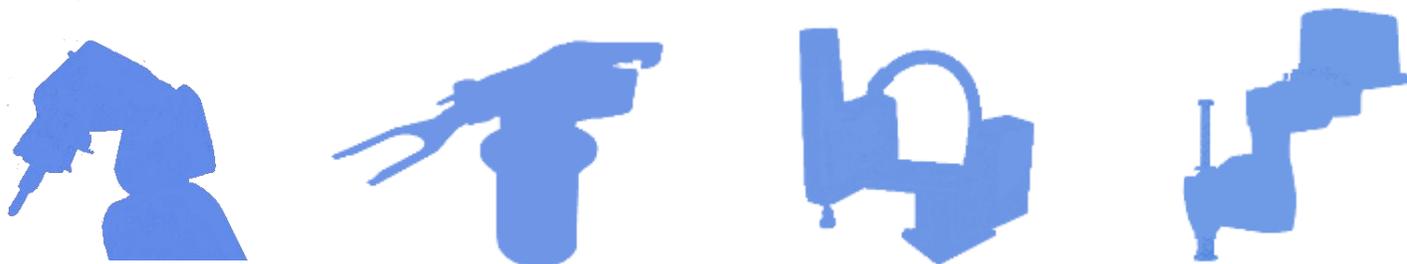
February, 2023

Hirata Corporation

Note : This document has been translated from the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.

Financial Results

The Nine-month Period Ended December 31, 2022 (April 1, 2022 - December 31, 2022)



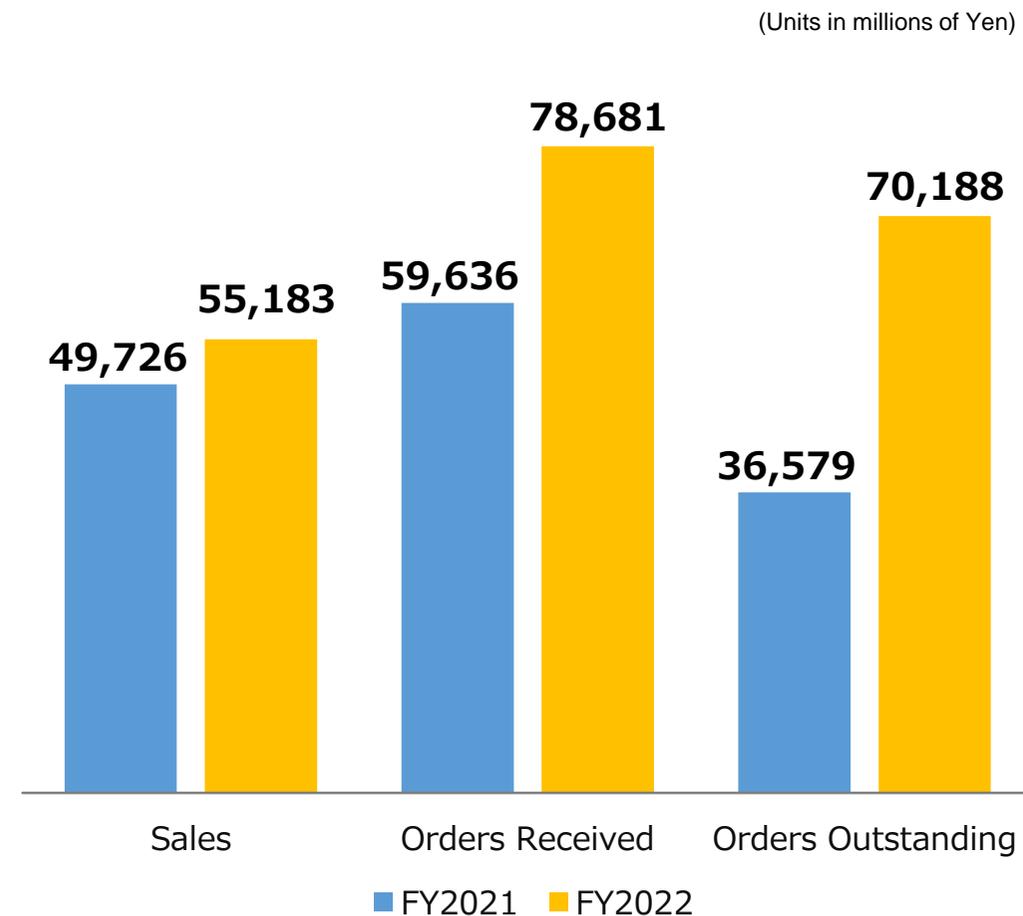
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Overview (Cumulative total in the third quarter)

- Sales : Net sales increased from the same period of the previous fiscal year against the backdrop of an increase in orders received particularly for the automobile-related business and the easing of restrictions on activities by overseas affiliates and other factors.
- Operating Profit : The profit margins exceeded those of the same period of the previous fiscal year due to increased net sales and the controlling of outsourcing costs by expanding in-house production.

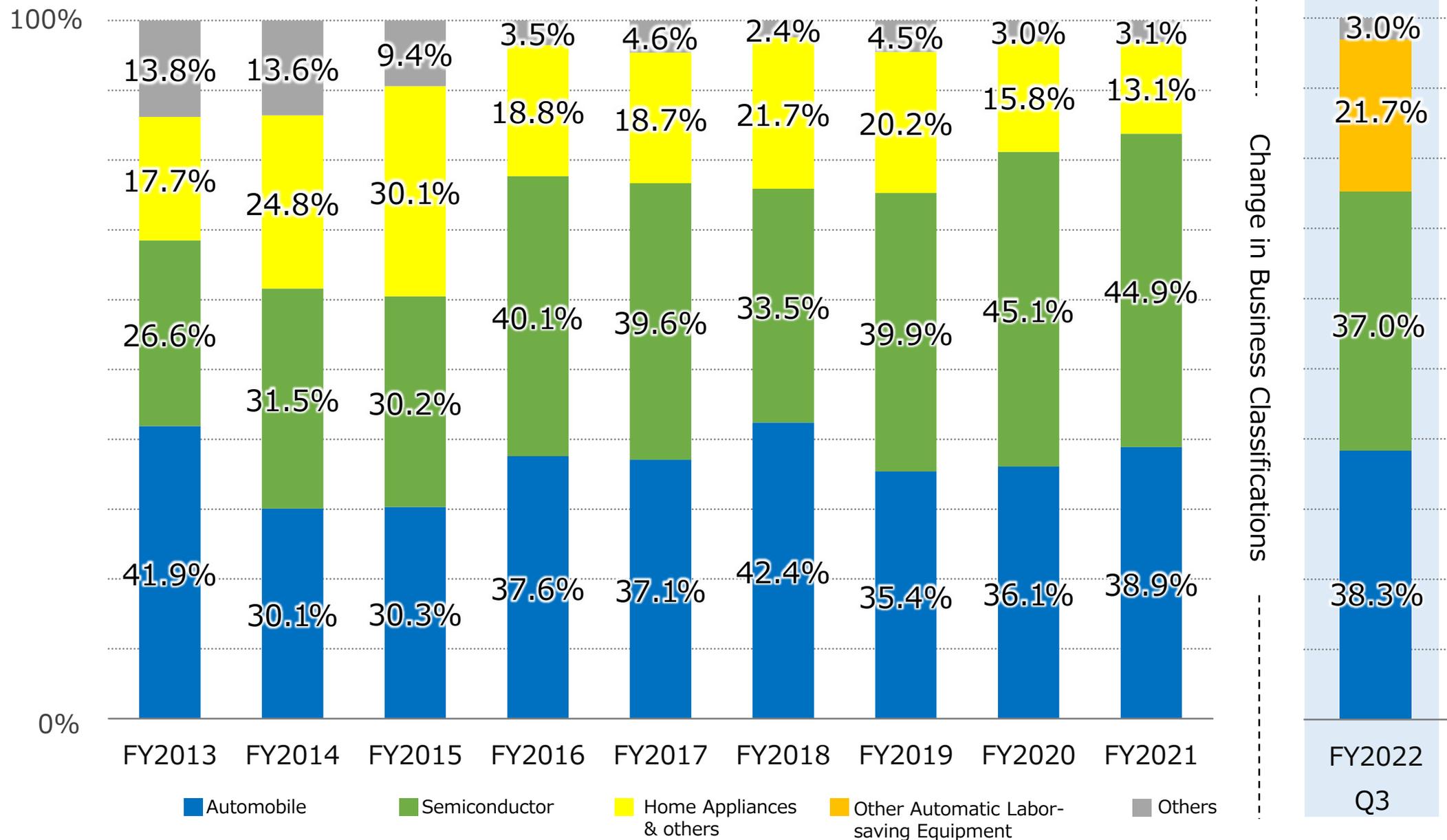
(Units in millions of Yen)

	FY2021	FY2022	YoY Change
Sales	49,726	55,183	+11.0%
Operating Profit	3,720	4,473	+20.3%
Ordinary Profit	4,024	4,447	+10.5%
Profit attributable to owners of parent	2,746	3,223	+17.4%
Orders Received	59,636	78,681	+31.9%
Orders Outstanding (As of Dec., 2022)	36,579	70,188	+91.9%



Financial Results

Breakdown of Sales by Business Segment

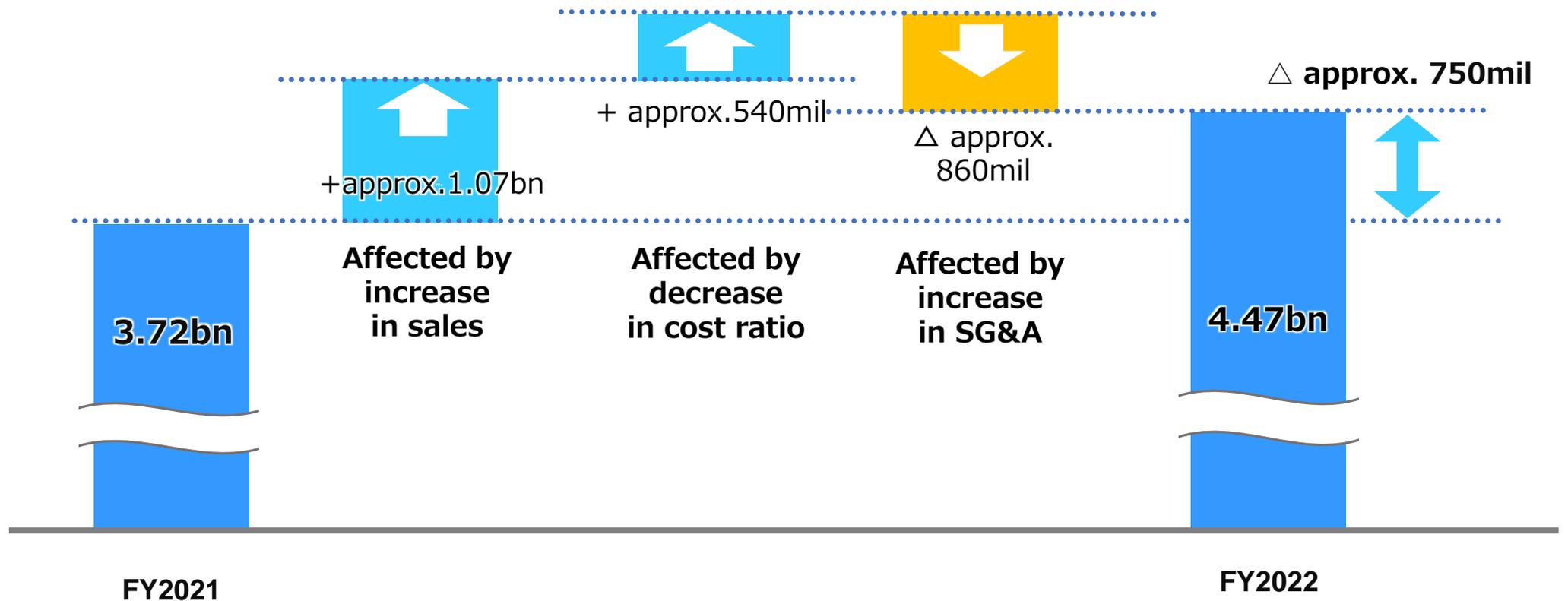


※We changed our business classifications effective from the first quarter of the current fiscal year. For details, please refer to page 9 of this document.

Factor Analysis on Changing Operating Profit (Cumulative total in the third quarter)

(Units in millions of Yen)

	Sales	Cost of Sales	Cost to Sales Ratio	Selling, General and Administrative Expenses	Operating Profit	Operating Profit Ratio
FY2022	55,183	43,814	79.4%	6,895	4,473	8.1%



Financial Results

Balance Sheet

(Units in millions of Yen)

Assets	FY2021	FY2022 Q3	YoY Change
Current Assets	67,003	75,161	+8,157
Fixed Assets	32,482	34,187	+1,705
Tangible Fixed Assets	23,526	24,005	+479
Intangible Fixed Assets	499	714	+214
Investment and other assets	8,456	9,467	+1,011
Total Assets	99,485	109,349	+9,863

Liabilities	FY2021	FY2022 Q3	YoY Change
Current Liabilities	31,612	38,890	+7,278
Fixed Liabilities	12,935	10,934	△2,000
Total Liabilities	44,547	49,824	+5,277

Net Assets	FY2021	FY2022 Q3	YoY Change
Total Net Assets	54,938	59,524	+4,586
Capital Ratio	54.8%	54.1%	△0.7pt

Main impact factors

Assets

Inventories	+4,073
Cash and deposits	+1,644
Trade receivables	+1,462

Liabilities/Net Assets

Retained earnings	+2,587
Debt with interest	+2,532
Contract liabilities	+2,279

Assumed Exchange Rate, etc.

Assumed Exchange Rate

(Units in Yen)

Assumed Exchange Rate	From Apr. 1, 2022 to Dec. 31, 2022 (Actual Rate)	From Jan. 1, 2023 (Applied Assumption Rate)
Exchange Rate (against USD)	120.69	120.00

PER/PBR/ROE

PER/PBR/ROE	FY2020	FY2021	FY2022 Q3
PER (x)	17.47	20.90	— ※
PBR (x)	1.38	1.03	0.96
ROE (%)	8.32	5.06	— ※

※PER and ROE will be disclosed at the time of the financial results.

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

Overview by Business Segment

Sales, Orders Received and Outstanding by Business Segment (Cumulative total in the third quarter)

(Units in millions of Yen)

	Business Segment	FY2020	FY2021	YoY Change
Sales	Automobile	19,628	21,152	+7.8%
	Semiconductor	14,510	20,411	+40.7%
	Other Automatic Labor-saving Equipment	13,840	11,960	△13.6%
	Others	1,747	1,659	△5.1%
	Total	49,726	55,183	+11.0%
Orders Received	Automobile	18,708	32,787	+75.3%
	Semiconductor	25,407	27,502	+8.2%
	Other Automatic Labor-saving Equipment	13,781	16,632	+20.7%
	Others	1,739	1,758	+1.1%
	Total	59,636	78,681	+31.9%
Orders Outstanding	Automobile	12,559	35,410	+181.9%
	Semiconductor	16,419	23,751	+44.7%
	Other Automatic Labor-saving Equipment	7,220	10,522	+45.7%
	Others	378	503	+33.0%
	Total	36,579	70,188	+91.9%

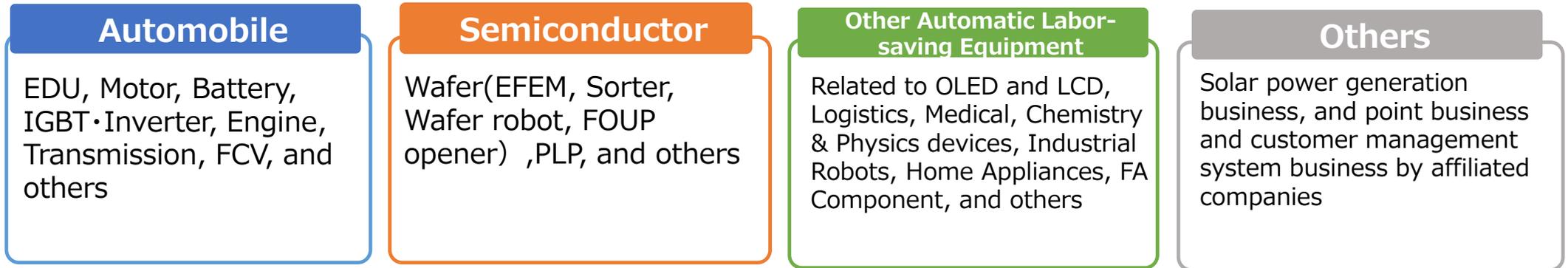
Overview by Business Segment

Classification Review of Business Segment (reposting)

We have changed our business segment started from April 2022 as below:

- Previous segment : Automobile, Semiconductor, Home Appliances and others, and others
- Current segment: **Automobile, Semiconductor, Other Automatic Labor-saving Equipment, and Others**

We have also reclassified OLED and LCD, previously included in Semiconductor-related segment, to Other Automatic Labor-saving Equipment segment. In conjunction with this change, we have changed our disclosure segments from geographic to business fields.



Sales and Operating Income by Business Segment (Cumulative total in the third quarter)

(Units in millions of Yen)

	Automobile		Semiconductor		Other Automatic Labor-saving Equipment		Others		Consolidation elimination		Total	
	FY2021	FY2022	FY2021	FY2022	FY2021	FY2022	FY2021	FY2022	FY2021	FY2022	FY2021	FY2022
Sales	19,628	21,152	14,510	20,411	13,840	11,960	1,752	1,659	△5	△0	49,726	55,183
Operating Profit	209	891	1,880	2,624	1,488	957	137	△3	3	3	3,720	4,473
Operating Profit Ratio	1.1%	4.2%	13.0%	12.9%	10.8%	8.0%	7.9%	△0.2%	-	-	7.5%	8.1%

Overview by Business Segment

Quarterly Progress Rate of Sales by Business Segment

Current Period

(Units in millions of Yen)

	1 st Quarter (Apr. – Jun.)	2 nd Quarter (Jul. – Sep.)	3 rd Quarter (Oct. – Dec.)	4 th Quarter (Jan. – Mar.)	Cumulative Total Value	Projected figures at the end of the fiscal year announced on Nov. 11	Progression Rate
Sales	16,739	17,929	20,514		55,183	80,000	69.0%
Automobile	6,298	7,031	7,822		21,152	32,000	66.1%
Semiconductor	6,430	6,366	7,614		20,411	30,000	68.0%
Other Automatic Labor-saving Equipment	3,536	4,323	4,099		11,960	16,000	74.8%
Others	474	206	978		1,659	2,000	83.0%

Overview by Business Segment

Business Update on EV/Wafer transfer/Organic EL Businesses (Cumulative total in the third quarter)

(Units in millions of Yen)

	Amount of Orders Received			Amount of Sales		
	FY2021	FY2022	YoY Change	FY2021	FY2022	YoY Change
Electric Vehicle (EV)	12,862	25,057	+94.8%	10,838	13,435	+24.0%
Wafer transfer	15,703	16,385	+4.3%	9,448	11,067	+17.1%
Organic EL	3,529	3,712	+5.2%	4,376	3,626	△17.2%

● Electric Vehicle (EV) business

EV related orders received accounted for about 76% and EV related sales accounted for about 64% of its automobile related business. Compared to the same period last year, orders received increased by approximately 12.195 billion yen and sales increased by approximately 2.597 billion yen.

● Wafer transfer business

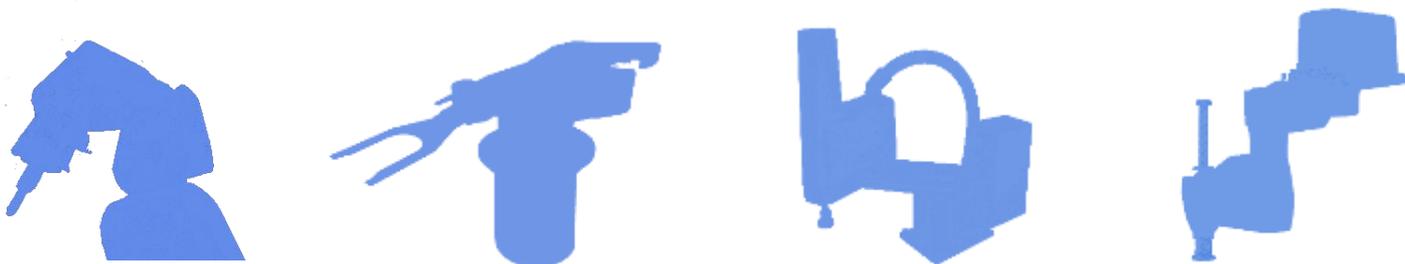
Wafer transfer related orders received accounted for about 60% and wafer transfer related sales accounted for about 54% of its semiconductor related business. Compared to the same period last year, orders received increased by approximately 682 million yen and sales increased by approximately 1.618 billion yen.

● Organic EL business

Organic EL related orders received accounted for about 22% and organic EL related sales accounted for about 30% of its other automatic labor-saving equipment. Compared to the same period last year, orders received increased by approximately 183 million yen and sales decreased by approximately 751 million yen.

Forecast for FYE March 2023

The Nine-month Period Ended December 31, 2022 (April 1, 2022 - December 31, 2022)



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(Units in millions of Yen)

Full Year Earnings Forecast (reposting)

We announced the revision of our full year earnings forecast on November 11, 2022.

	FY2021 Actual figures		FY2022 Forecast announced on May 13, 2022		FY2022 Forecast announced on November 11, 2022	
Sales	67,087		80,000		80,000	
Automobile	26,109		33,000		32,000	
Semiconductor	20,928		28,000		30,000	
Other Automatic Labor-saving Equipment	18,002		16,000		16,000	
Others	2,046		3,000		2,000	
Operating Profit (margin)	3,856	(5.7%)	3,000	(3.8%)	5,000	(6.3%)
Ordinary Profit (margin)	4,258	(6.3%)	2,900	(3.6%)	5,000	(6.3%)
Profit attributable to owners of parent(margin)	2,682	(4.0%)	2,000	(2.5%)	3,500	(4.4%)

※Net sales by business segment for FY2021 are shown after the change in business segmentation, which is effective from FY2022.

Revision of Full-Year Earnings Forecast

- Net sales are expected to be at the same level as the forecast at the beginning of the period. On the other hand, despite the impact of soaring raw material prices and logistics costs, each profit was revised upward to a level well above the initial forecast as a result of efforts to reduce cost of sales and to control SG&A expenses by reviewing each project in the administrative and overhead departments including R&D expenses that had been planned.

Transition and Forecast of Dividends and Dividend Ratio per Share (reposting)

(Unit in Yen)

	FY2018	FY2019	FY2020	FY2021	FY2022	
					Forecast as of May 13, 2023	Forecast as of November 11, 2023
Dividends per Share	125.00	40.00	65.00	65.00	50.00	85.00
Dividend Ratio(%)	28.4	23.8	16.6	25.2	25.9	25.2

Note: Dividend ratio is on a consolidated basis.

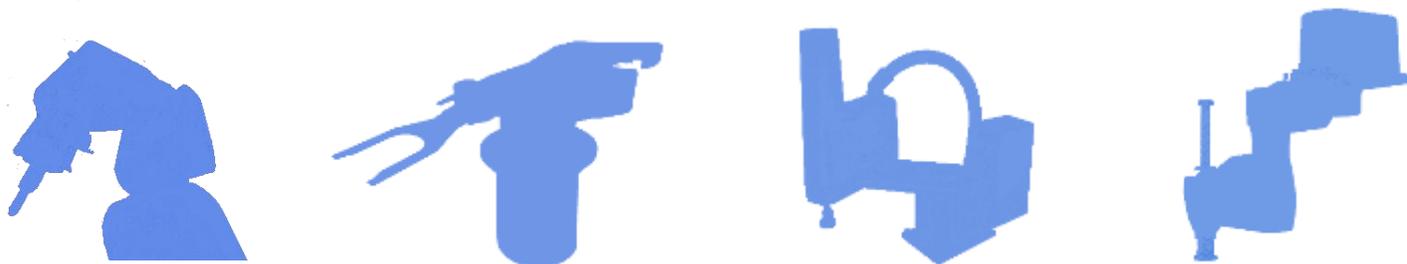
About Dividend Forecast

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.

Based on our dividend policy, we have revised our dividend forecast for the next fiscal year to 85 yen, taking into consideration the profit level based on our earnings forecast and the dividend payout ratio of the previous fiscal year.

Reference Data

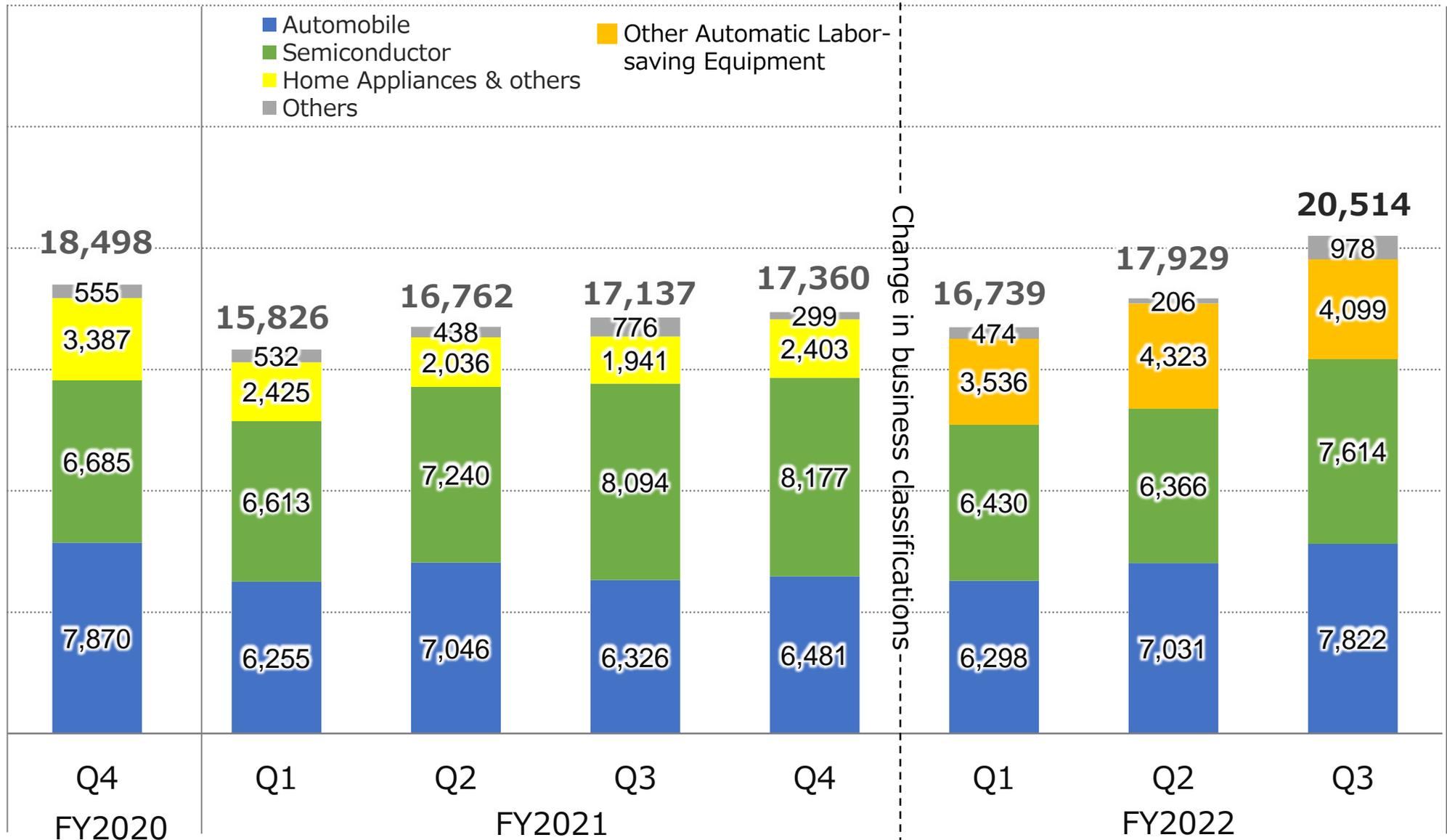
The Nine-month Period Ended December 31, 2022 (April 1, 2022 - December 31, 2022)



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Quarterly Trends of Sales by Business Unit

(Units in millions of Yen)

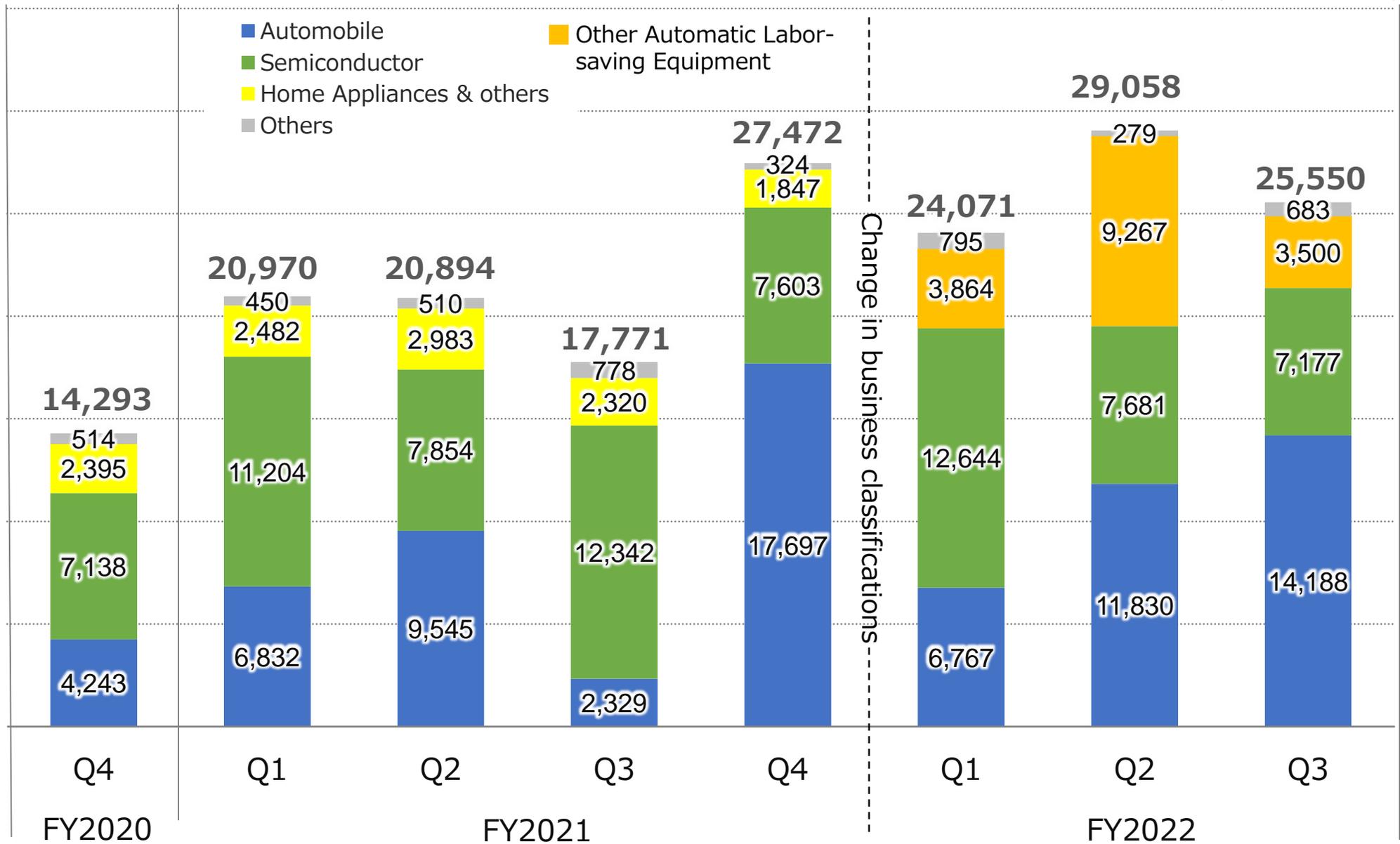


※The figures are calculated after the application of accounting standards for revenue recognition, etc., effective from the fiscal year ended March 31, 2022.

※The figures until the fiscal year ended March 2022 are presented under the former business classifications.

Quarterly Trends of Received Orders by Business Unit

(Units in millions of Yen)

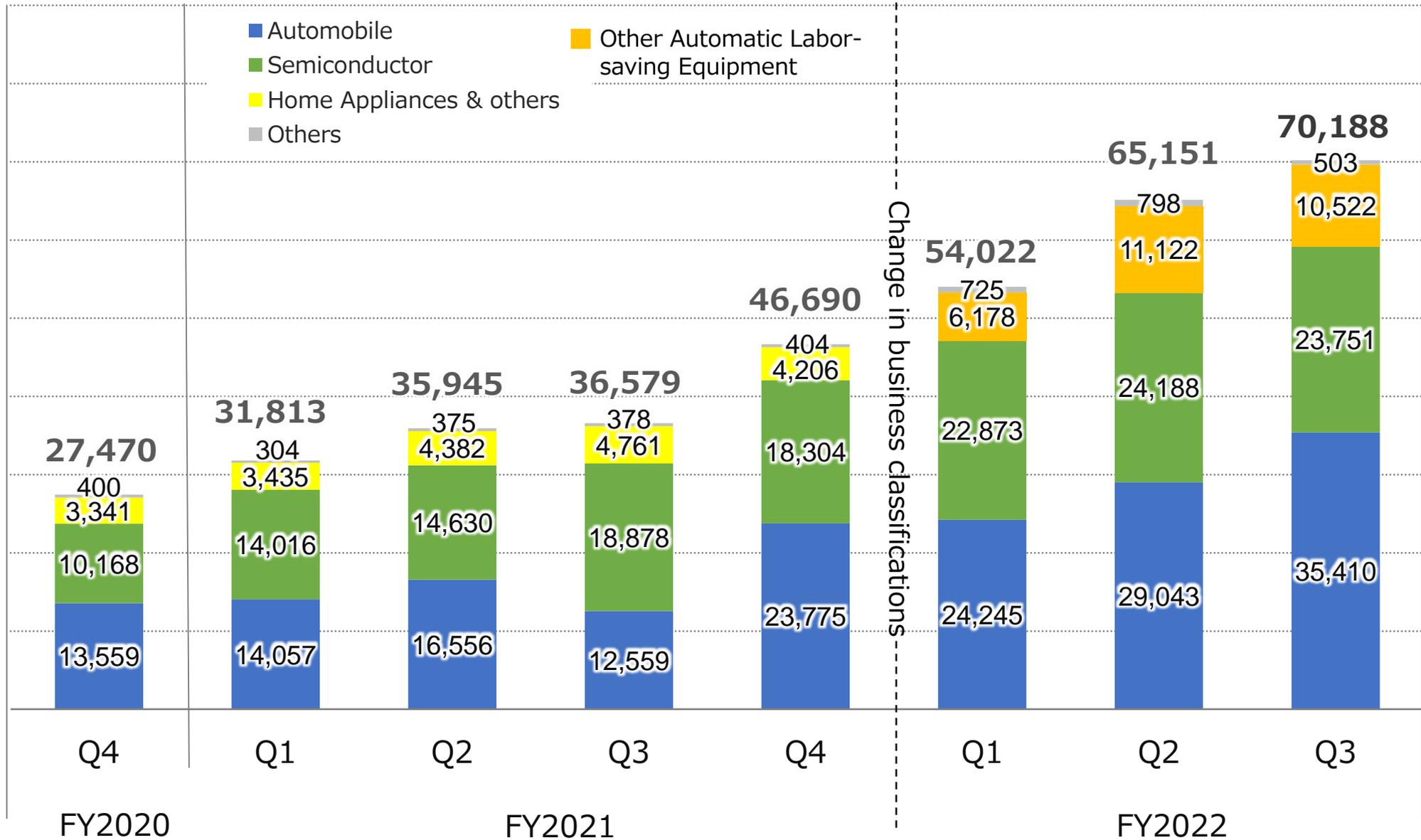


※The figures are calculated after the application of accounting standards for revenue recognition, etc., effective from the fiscal year ended March 31, 2022.

※The figures until the fiscal year ended March 2022 are presented under the former business classifications.

Quarterly Trends of Orders Outstanding by Business Unit

(Units in millions of Yen)



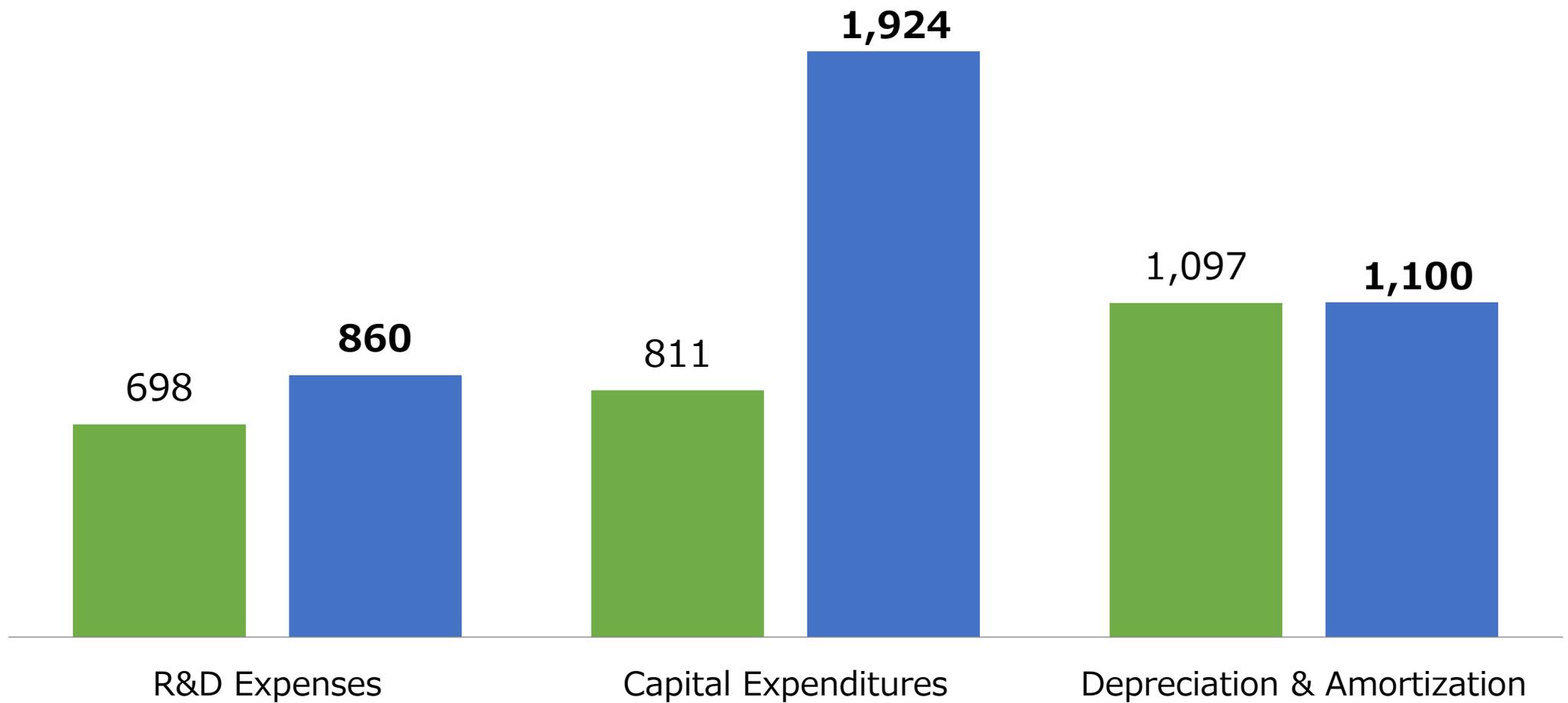
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※The figures until the fiscal year ended March 2022 are presented under the former business classifications.

R&D, CAPEX, Depreciation and Amortization (Cumulative total in the third quarter)

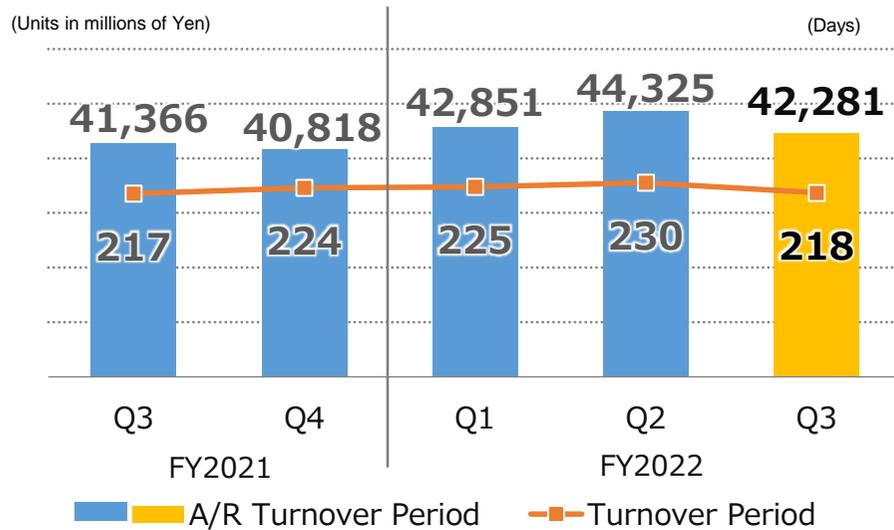
(Units in millions of Yen)

■ FY2021 ■ FY2022

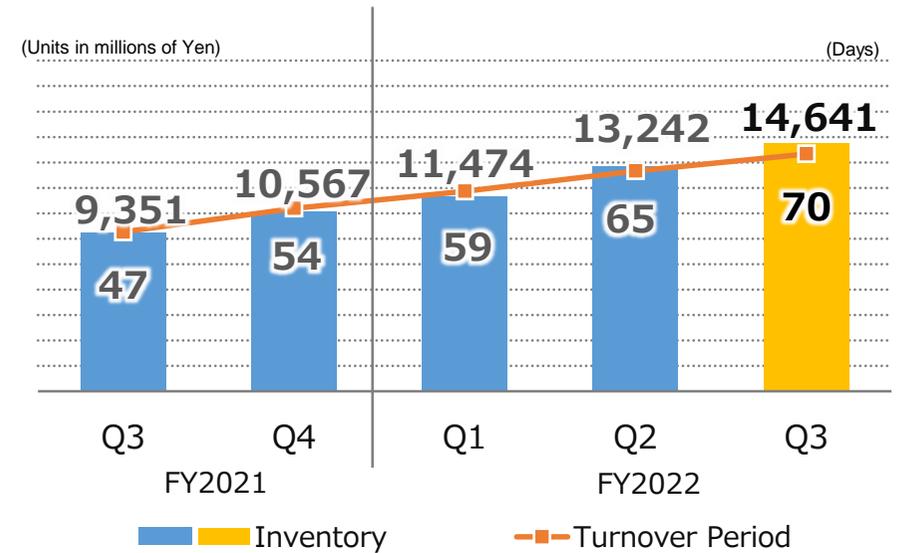


Reference Data

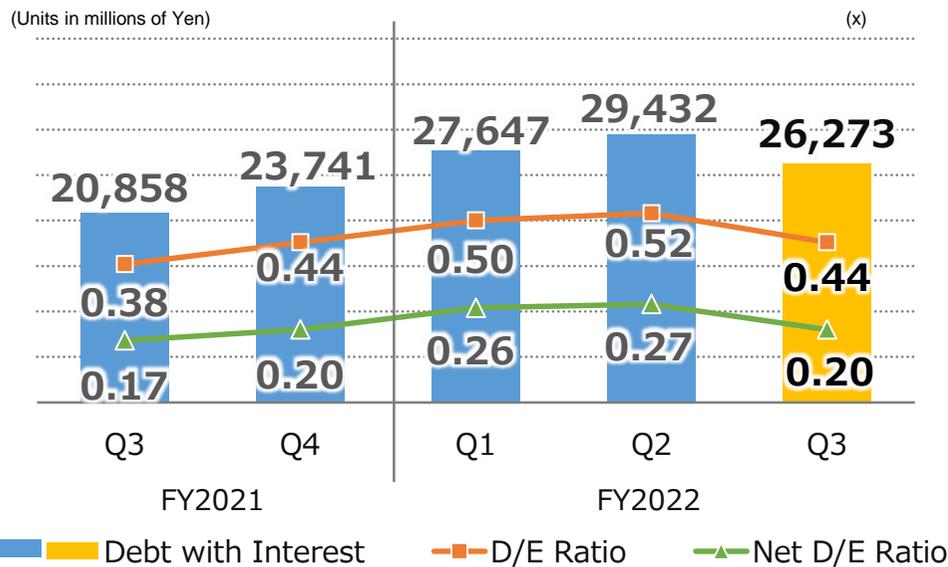
Account Receivables/Turnover Period



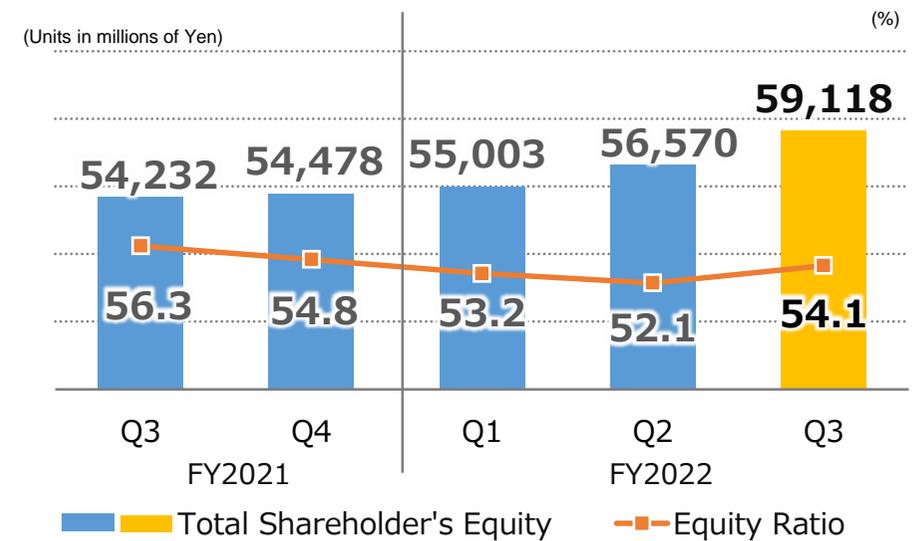
Inventory/Turnover Period



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.

Topic1 : Receipt of Large-Scale POs disclosed on Nov. 16, 2022
● Receipt of Large-scale Purchase Orders from a startup manufacturer in North America for Electric Vehicle Related Equipment (November 2022)

✓ .The expected value of the order is over 7.5 billion yen for EDU(Electric Drive Unit) assembly facilities for electric vehicles.

✓ . Some of the business performance from this project is already factored into the forecast for this current fiscal year. The remainder is expected to contribute to our fiscal performance in subsequent years.

<List of Large-scale Purchase Orders Hirata disclosed in the last two years>

Business Segment	Date of Disclosure		Equipment Overview	Amount of Money
Automobile	2021	Sep.	EDU(Electric Drive Unit) assembly facilities for electric vehicles for a startup manufacturer in North America	Appr. 4 billion yen
	2022	Jan.	Internal combustion engine equipment	Appr. 5.8 billion yen
		Jul.	2 lines of EDU(Electric Drive Unit) assembly facilities for electric vehicles	Over 10 billion yen
		Nov.	EDU(Electric Drive Unit) assembly facilities for electric vehicles for a startup manufacturer in North America	Over 7.5 billion yen

Topic2 : Strengthening ESG management initiatives

We have conducted a preliminary study with outside experts in preparation for the sustainability promotion committee to be fully operational in April 2023.

<E : Environment>

We expressed our support for the TCFD(Task Force on Climate-related Financial Disclosures) recommendations and disclosed the items requested for disclosure in November 2022.

<S : Social>

We formulated our groups' human rights policies in October 2022.

We revised our basic procurement policy and our CSR procurement guideline in November 2022.

<G : Governance>

Our Board of Directors has resolved to transition to a company with an audit and Supervisory committee.

*** The transition will take place after approval at the general meeting of shareholders scheduled to be held in June 2023.**

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.