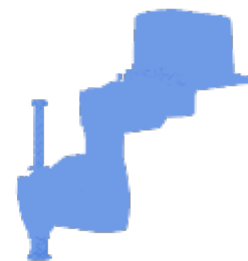
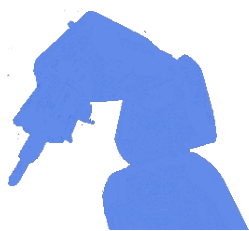


Progress Report of Medium-Term Management Plan (FY2022-2024)



Hirata

Progress of Medium-Term Management Plan (FY2022-2024)

Looking Back on Quantitative Objectives (Net sales, Operating profit, Capital expenditures)

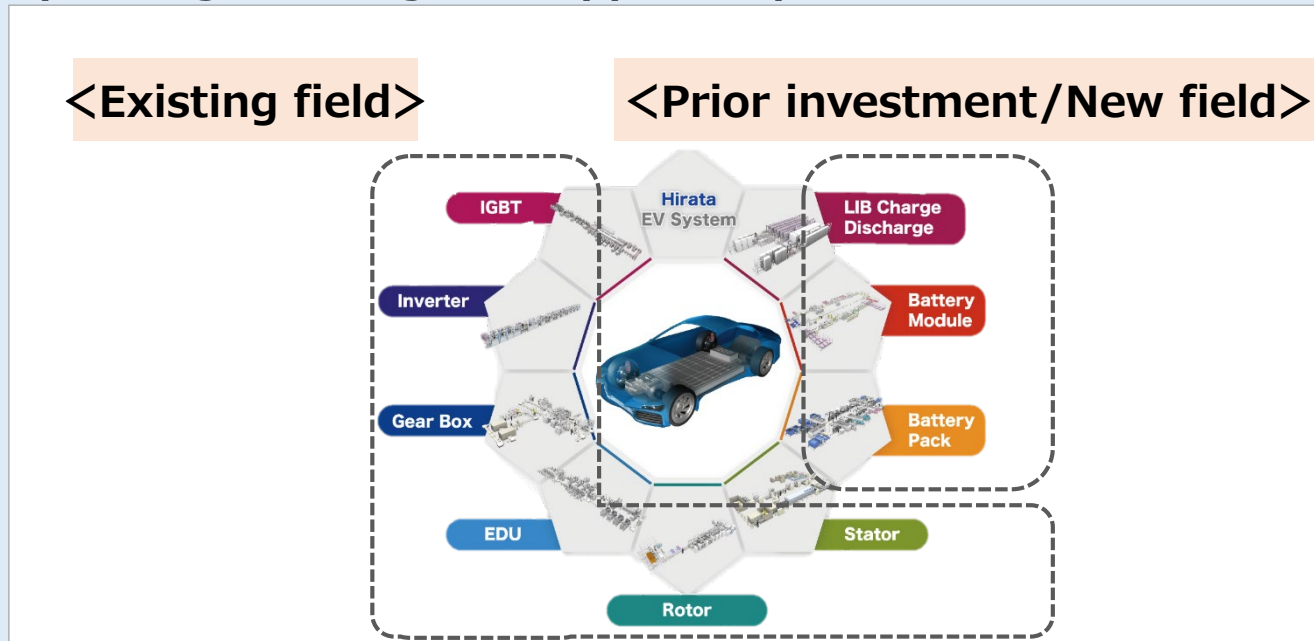
(Unit : hundred million yen)

	Segment	Target for the final year of the medium-term management plan (FY2024)		1 st year results (FY2022)		2 nd year forecast (FY2023)		Progress
Net Sales	Automotive-related	400		302		380		○ : Increase in orders
	Semiconductor-related	400		289		310		△ : Improving in production efficiency is an issue.
	Other automatic labor-saving equipment/Other	200		191		210		○ : We expect demand recovery in home electronics sector.
	TOTAL	1,000		784		900		△ : Improving in production capacity expansion is an issue.
Operating Profit (Profit Ratio)	Automotive-related	20	(5%)	15.5	(5.1%)	-	-	○ : Improved profitability in the EV business
	Semiconductor-related	60	(15%)	34.4	(11.9%)	-	-	△ : Price pass-through due to soaring material prices is an issue.
	Other automatic labor-saving equipment/Other	20	(10%)	9.1	(4.7%)	-	-	△ : Profitability worsened in specific projects.
	TOTAL	100	(10%)	59.2	(7.5%)	54.0	(6.0%)	△ : Profitability improvement in each segment is an issue.
*Operating income by segment for FY2023 is not disclosed.								
Accumulated Capital Investment (Rate of Progress)	Investment to strengthen production/development capacity	60		21.6	(36.0%)	57.8	(96.3%)	○ : We took steps to address the increase in orders in automotive and semiconductor segment.
	Capital investment in biogenetic resource R&D	40		0.8	(2.0%)	14.5	(36.2%)	△ : There are delays in equipment arrangements due to the impact of Corona and other factors.
	IT system-related investment	10		4.6	(46.0%)	6.0	(60.0%)	○ : We significantly updated core systems.
	TOTAL	110		27.0	(24.5%)	78.3	(71.1%)	○ : Ensuring implementation in this term is an issue.

Looking Back on Qualitative Objectives Basic policy (1) Business expansion in growth markets

Initiatives to strengthen profitability in automotive-related equipment

<Expanding the range of supported processes>



■ **Existing field** : Regarding the following, significant progress was made in standardizing the entire line and developing customers : EDU assembly line for EV, IGBT module assembly line, inverter assembly line, gear-box assembly line, rotor assembly line, and stator assembly line.

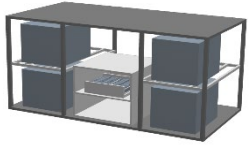




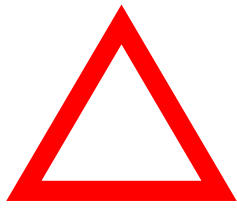
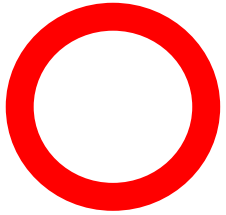
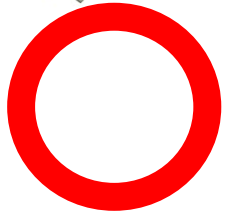
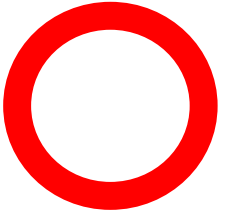
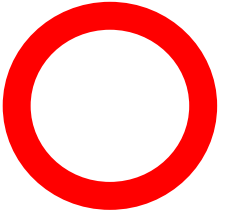
■ **Prior investment/New field** : We have already begun development and prototyping for standardization of the entire line and entry into the cell manufacturing process for the following: battery module/battery-pack manufacturing process and Chargers/Dischargers (in cell manufacturing processes).

Progress of Medium-Term Management Plan (FY2022-2024)

Looking Back on Qualitative Objectives Basic policy (1) Business expansion in growth markets

Initiatives to strengthen profitability in automotive-related equipment

<Development of key device in battery field>

<p>Chargers/Dischargers</p> 	<p>Improvement of Automated Warehouses</p> 	<p>Dual Head Wire Bonding Machine</p> 	<p>AGV Improvement</p> 	<p>Plant Simulation (Software)</p> 
				

■ **Development progress of key device : 4 out of 5 development themes** defined in the medium-term management plan **are completed.**

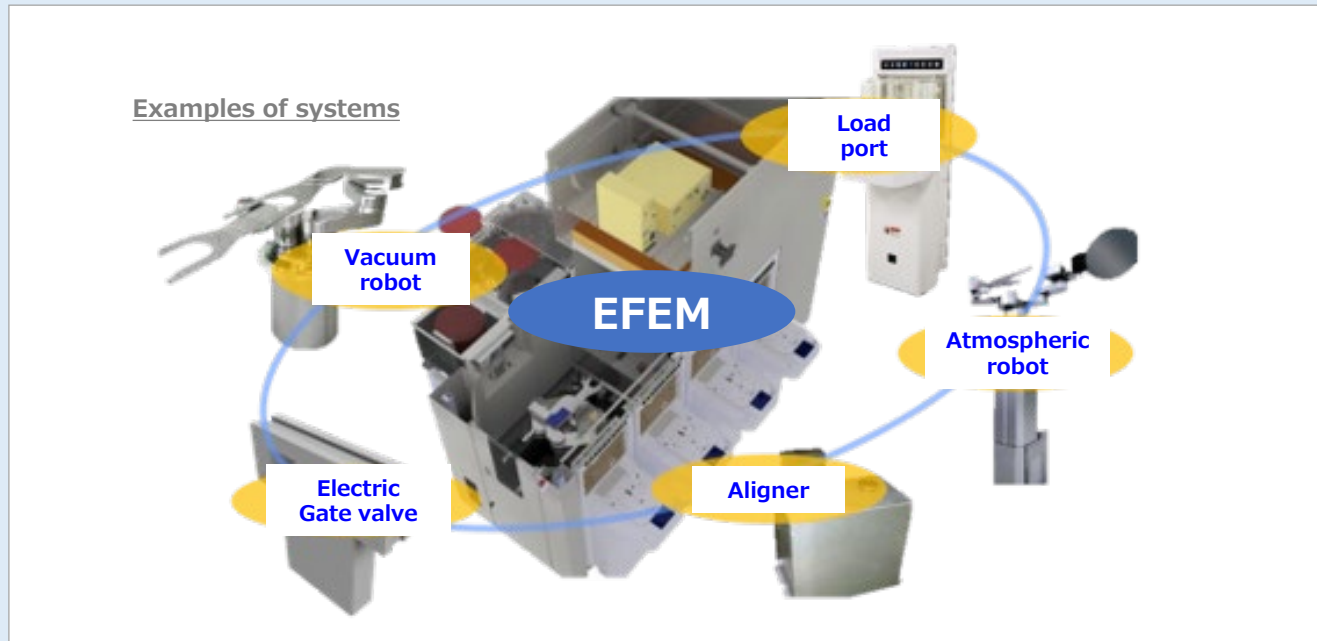
①Chargers/Dischargers ②Improvement of Automated Warehouses ③Dual Head Wire Bonding Machine (Hard wiring device with two heads) ④AGV Improvement ⑤Plant Simulation(Software)

▶ The development of Chargers/Dischargers is targeted to be completed by the end of FY2024.

Looking Back on Qualitative Objectives Basic policy (1) Business expansion in growth markets

Initiatives to strengthen profitability in semiconductor-related equipment

<Strengthening efforts to adopt standard products for EFEM>



- **Production efficiency** : Strengthening cooperation with suppliers to reduce the risk of delays in component deliveries and improve productivity
- **Development of next-generation device** : We have already begun development of semiconductor transfer equipment for semiconductor miniaturization.

※EFEM (Equipment Front End Module) : It is located in front of the process equipment that processes wafers and panels. The Equipment Front End Module passes wafers and panels between the pods and the process equipment and the sorter transfers wafers and panels in a clean environment.

Progress of Medium-Term Management Plan (FY2022-2024)

Looking Back on Qualitative Objectives Basic policy (1) Business expansion in growth markets

Initiatives to strengthen profitability in Other automatic labor-saving equipment

■ Concentration on areas where profitability is expected :

- Be a partner with Sonia Therapeutics about medical / chemistry & physics device.
- Completion of joint development of a cancer treatment device for clinical trials (clinical trials in humans) (Patients with unresectable pancreatic cancer are eligible.)
- Clinical trials in humans have already begun.
- We began development of next equipment for mass production.

Efforts to biological genetic resource research

■ Scheduled to be operational in the first half of FY 2024 :

- Join research and development agreement with Argentina's National Institute of Agricultural Technology (INTA) and Indonesian Agency for Agricultural Research and Development (IAARD)
- Progress was made in verifying business feasibility and establishing an R&D structure. Research development laboratory is scheduled to be operational in the first half of FY 2024.

Looking Back on Qualitative Objectives Basic policy (2) Strengthening competitiveness as a global company

■ Reviewing the business strategies in each region :

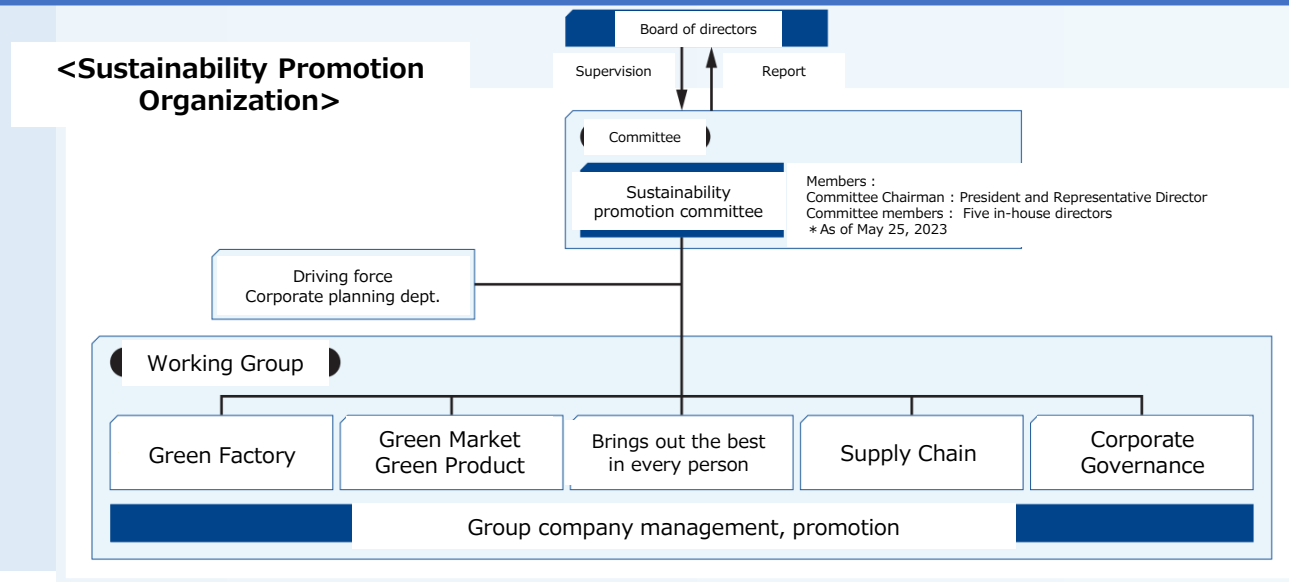
- Overseas affiliated companies consider shifting business to areas where high value-added and mass production can be expected.
- We expand business domain from the existing EV-related focus to semiconductor-related business in China.

Progress of Medium-Term Management Plan (FY2022-2024)

Looking Back on Qualitative objectives Basic policy (3) Strengthening of ESG management initiatives

■ Establishment of Sustainability Promotion Organization :

- Formulation of sustainability basic policy
- Establishment of sustainability promotion committee and expansion of company-wide initiatives while linking them to medium-to long-term management strategies.
- External information disclosure is also enhanced.



Looking Back on Qualitative objectives Basic policy (4) Realization of management in line with new normal era

■ Began using new technologies :

- Production efficiency improved by promoting the use of emulators, remote pre-shipment inspection, and logistics analysis.
- As for emulator, we have begun to expand the business fields in which they are utilized and to improve their functions.
- In addition, we will expand the use of the metaverse through VR, etc.