Hirata
The Global Production Engineering Company

Quarterly Financial Results for the Six-month Period Ended September 30, 2023

November, 2023

Hirata Corporation (6258)

Table of Contents

※ **FY2023 Second Quarter** : From April 1, 2023 to September 30, 2023
※ **FY2023 Full Year** : From April 1, 2023 to March 31, 2024

Ⅰ. FY2023 Second Quarter Results (Consolidated)

Ⅰ. FY2023 Second Quarter Results (Consolidated)

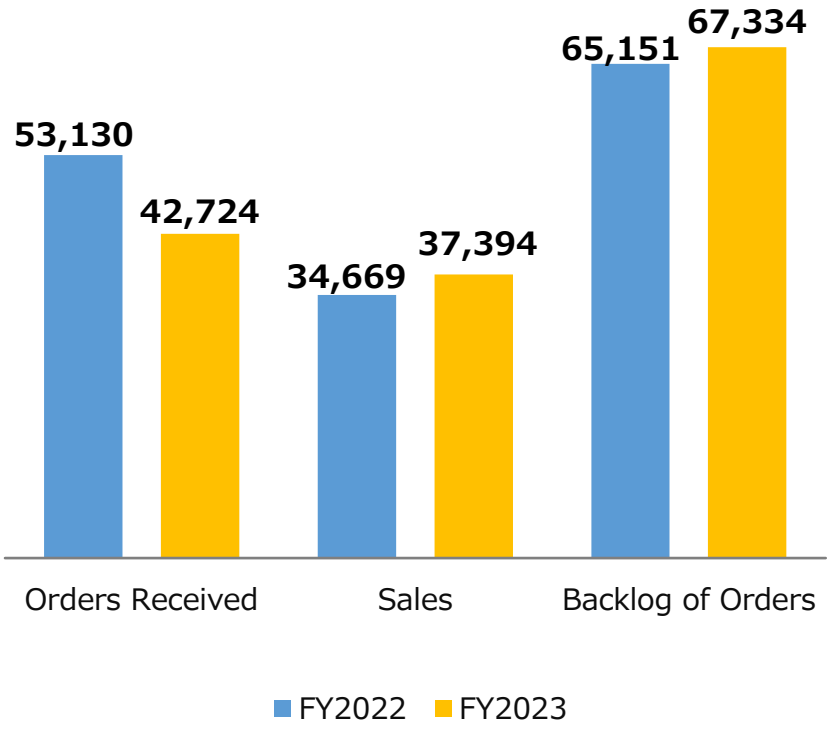
Financial Summary (accumulation for the second quarter)

■**Orders Received :** Semiconductor market inventory adjustments and other factors led to a decline in semiconductor related orders, resulting in a year-on-year decrease in orders received.
■**Sales : Sales increased** over the same period of the previous year due to progress in sales of large-scale projects in the EV related business.
■**Operating Profit : Operating profit increased** over the same period of the previous year due to higher sales in the automobile- and semiconductor-related segments and reduction in cost ratio.

(Units in millions of Yen)

	FY2022	**FY2023**	YoY Change	
			Amount of +/−	Percentage of +/−
Orders Received	53,130	**42,724**	△10,406	△19.6%
Sales	34,669	**37,394**	+2,725	+7.9%
Operating Profit (profit ratio)	2,377 (6.9%)	**3,111 (8.3%)**	+734 (+1.4pt)	+30.9%
Ordinary Profit	2,255	**3,281**	+1,025	+45.5%
Profit attributable to owners of parent	1,743	**2,303**	+559	+32.1%
Backlog of Orders	65,151	**67,334**	+2,182	+3.3%

(Units in millions of Yen)



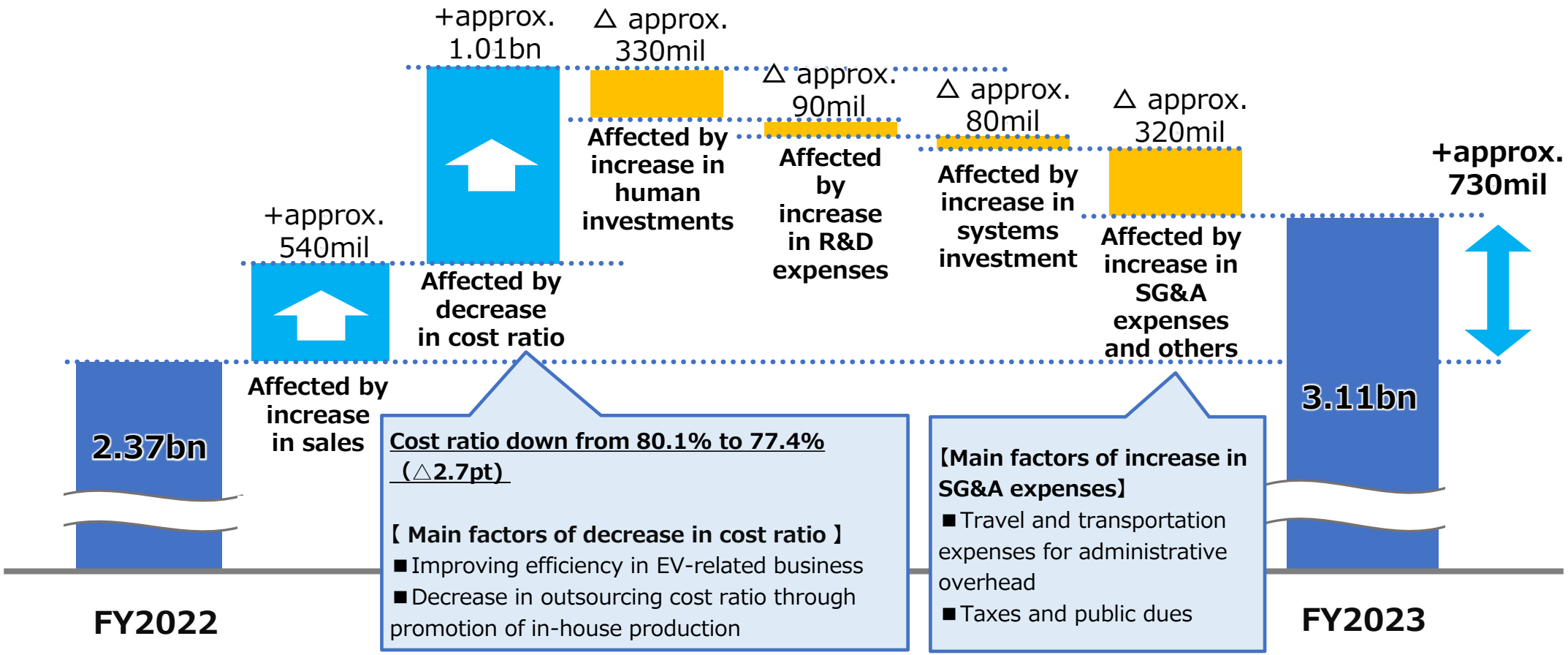
Ⅰ. FY2023 Second Quarter Results (Consolidated)

Factor Analysis on Changing Operating Profit (accumulation for the second quarter)

■ **Operating profit increased approximately 730 million** yen from the same period of the previous year.

【 **Main factors for increase** 】**The increase in sales** and **the reduction of the cost of sales ratio**

【 **Main factors for decrease** 】**The increase in SG&A expenses** (Revised salaries, increased staffing, increased R&D, etc.)



Ⅰ. FY2023 Second Quarter Results (Consolidated)

Sales, Received Orders, and Backlog of Orders by Business Segment (accumulation for the second quarter)

(Units in millions of Yen)

	Business Segment	FY2022	FY2023	YoY Change	
				Amount of +/−	Percentage of +/−
Orders Received	Automobile	18,598	**19,404**	+805	+4.3%
	Semiconductor	20,325	**13,838**	△6,486	△31.9%
	Other Automatic Labor-saving Equipment	13,132	**8,091**	△5,040	△38.4%
	Others	1,074	**1,390**	+315	+29.3%
	Total	53,130	**42,724**	△10,406	△19.6%
Sales	Automobile	13,330	**16,585**	+3,254	+24.4%
	Semiconductor	12,797	**13,431**	+634	+5.0%
	Other Automatic Labor-saving Equipment	7,860	**6,268**	△1,591	△20.3%
	Others	680	**1,109**	+428	+63.0%
	Total	34,669	**37,394**	+2,725	+7.9%
Backlog of Orders	Automobile	29,043	**34,460**	+5,417	+18.7%
	Semiconductor	24,188	**22,160**	△2,027	△8.4%
	Other Automatic Labor-saving Equipment	11,122	**9,844**	△1,277	△11.5%
	Others	798	**869**	+70	+8.9%
	Total	65,151	**67,334**	+2,182	+3.3%

Ⅰ. FY2023 Second Quarter Results (Consolidated)

Details of Received Orders and Sales by Business Segment (accumulation for the second quarter)

■ **Automobile -related** : Both received orders and sales increased year-on-year, as a result of continued strong EV-related orders against the backdrop of increased electrification for decarbonization.

■ **Semiconductor -related** : Received orders decreased year-on-year due to the impact of inventory adjustments in the semiconductor market. Sales increased due to progress in the production of wafer transportation-related projects that had already been orders, and overall sales increased year-on-year.

(Units in millions of Yen)

			FY2022		**FY2023**		**YoY Change**	
			Actual results	Segment composition	**Actual results**	**Segment composition**	**Amount of +/−**	**Percentage of +/−**
Received Orders	Automotive -related	**EV**	15,295	82.2%	**15,606**	**80.4%**	+311	+2.0%
		Others	3,302	17.8%	3,797	19.6%	+494	+15.0%
	Semiconductor-related	**Wafer Transfer**	10,552	51.9%	**8,668**	**62.6%**	△1,883	△17.9%
		Others	9,772	48.1%	5,169	37.4%	△4,602	△47.1%
	Other Automatic Labor-saving Equipment	**Organic EL**	2,649	20.2%	**2,242**	**27.7%**	△407	△15.4%
		Others	10,482	79.8%	5,849	72.3%	△4,632	△44.2%
Sales	Automotive -related	**EV**	7,883	59.1%	**12,869**	**77.6%**	+4,986	+63.2%
		Others	5,447	40.9%	3,716	22.4%	△1,731	△31.8%
	Semiconductor-related	**Wafer Transfer**	6,751	52.8%	**7,857**	**58.5%**	+1,105	+16.4%
		Others	6,045	47.2%	5,574	41.5%	△471	△7.8%
	Other Automatic Labor-saving Equipment	**Organic EL**	1,661	21.1%	**1,039**	**16.6%**	△621	△37.4%
		Others	6,198	78.9%	5,228	83.4%	△969	△15.6%

Ⅰ. FY2023 Second Quarter Results (Consolidated)

Operating Profit and Operating Profit Ratio by Business Segment (accumulation for the second quarter)

■ **Automobile -related** : Profit margin improved due to higher EV-related sales and increased proficiency.

■ **Semiconductor -related** : The profit margin improved due to an increase in the sales composition of the relatively profitable wafer transfer related business.

※All figures are cumulative comparisons up to 2Q.

(Units in millions of Yen)

	Automobile-related		Semiconductor-related		Other Automatic Labor-saving Equipment		Others		Consolidation elimination		Total	
	FY2022	**FY2023**	FY2022	**FY2023**	FY2022	**FY2023**	FY2022	**FY2023**	FY2022	**FY2023**	FY2022	**FY2023**
Sales	13,330	**16,585**	12,797	**13,431**	7,860	**6,268**	681	**1,109**	△0	**△0**	34,669	**37,394**
Operating profit	486	**1,014**	1,433	**2,240**	464	**△106**	△9	**△38**	2	**2**	2,377	**3,111**
Operating profit ratio	3.6%	**6.1%**	11.2%	**16.7%**	5.9%	**△1.7%**	△1.5%	**△3.5%**	-	**-**	6.9%	**8.3%**

Countermeasures for Impact of External Environment on Business

(Countermeasures to external environments other than those listed below are described on page 28.)

Major external environment	Impact on business	Major countermeasures
-Soaring raw materials and component prices -Insufficient supply of components	【Negative impact】 ・Component prices remain high. ・Procurement lead time has passed its peak and is gradually improved.	【Negative impact】 ・Advance arrangement of parts and materials ・Promotion of standardization ・Price revision and reflection on estimates ・Developing new suppliers globally ・Design change 【Positive impact】 ・Actively expanding orders for overseas projects
Exchange rate	【Positive impact】 ・Increased price competitiveness relative to overseas competitors due to yen depreciation. 【Negative impact】 ・Increase in procurement costs of overseas procured goods(raw materials and components) due to yen depreciation	

Ⅰ. FY2023 Second Quarter Results (Consolidated)

Balance Sheet

(Units in millions of Yen)

Assets	FY2022	FY2023 2Q	YoY Change
Current Assets	79,655	**82,725**	**+3,070**
Cash and deposits	11,134	10,461	△673
Trade receivables, etc.	51,435	55,536	+4,100
Inventories	14,219	14,464	+245
Others	2,865	2,263	△602
Tangible Assets	34,867	**38,028**	**+3,161**
Tangible fixed Assets	24,302	26,040	+1,738
Intangible fixed Assets	749	839	+89
Investment and other assets	9,815	11,148	+1,333
Total Assets	114,522	**120,754**	**+6,231**

Liabilities	FY2022	FY2023 2Q	YoY Change
Current Liabilities	43,193	**44,882**	**+1,689**
Fixed Liabilities	11,754	**14,133**	**+2,379**
Total Liabilities	54,947	**59,015**	**+4,068**

Net Assets			
Total Net Assets	59,575	**61,738**	**+2,163**

<Main factors of increase/decrease>

- **Trade receivables** :
  Increase in trade receivables due to sales progress
- **Tangible fixed Assets** :
  Completion of Kansai factory,
  Introduction of R&D equipment
- **Investment and others** :
  Revaluation of owned stocks due to price increase
- **Current Liabilities ・Fixed Liabilities** :
  Increased demand for funds for production

Ⅱ. FY2023 Full Year Forecasts (Consolidated)

Ⅱ. FY2023 Full Year Forecasts (Consolidated)

Full Year Forecast

※There is no change to the full year forecast announced on May 12, 2023.

Sales:90 billion yen, Operating profit:5.4 billion yen
Forecast for increase in sales and decrease in profit

(Units in millions of Yen)

	FY2022 Actual results		① FY2023 Full year forecast		YoY change		② FY2023 1H Actual results	①-② Difference b/t full year forecasts and 1st half results
					Amount of +/−	Percentage of +/−		
Sales	78,443	-	**90,000**	-	**+11,556**	**+14.7%**	**37,394**	**52,606**
Automobile-related	30,298	-	38,000	-	+7,701	+25.4%	16,585	21,415
Semiconductor-related	28,954	-	31,000	-	+2,045	+7.1%	13,431	17,569
Other Automatic Labor-saving Equipment	16,952	-	18,000	-	+1,047	+6.2%	6,268	11,732
Others	2,238	-	3,000	-	+761	+34.0%	1,109	1,891
Operating Profit (%)	5,920	(7.5%)	**5,400**	**(6.0%)**	**△520**	**△8.8%**	**3,111**	**2,289**
Ordinary Profit (%)	5,802	(7.4%)	**5,500**	**(6.1%)**	**△302**	**△5.2%**	**3,281**	**2,219**
Profit attributable to owners of parent (%)	4,269	(5.4%)	**3,900**	**(4.3%)**	**△369**	**△8.7%**	**2,303**	**1,597**

Ⅱ. FY2023 Full Year Forecasts (Consolidated)

Hirata The Global Production Engineering Company

The 1st half progress against Full-year forecasts and the 2nd half outlook (sales)

In the first half, progress rates were low for some projects due to production delays and project cancellations due to customer circumstances. However, sales are expected to increase in the second half of the year by recovering from delayed projects and receiving orders for new projects.

<The first half progress in full year forecasts>

(Units in millions of Yen)

	Full year forecast	First half results	Progress rate
Sales	**90,000**	37,394	**41.5%**

<First half results and second half outlook per business segment >

(Units in millions of Yen)

Business segment	Full year forecast	First half of the fiscal year			Second half outlook
		Results	Progress rate	Main factors	
Automobile-related	38,000	16,585	**43.6%**	・Production delay for battery project due to customer circumstances	・Sales are expected to increase as a result of efforts to make up delays projects.
Semiconductor-related	31,000	13,431	**43.3%**	・Customer planned delays and projects cancellations in fields other than wafer transfer equipment	・Sales are expected to increase as a result of efforts to receive new orders.
Other Automatic Labor-saving Equipment	18,000	6,268	**34.8%**	・Planning delays due to development delays at a customer for a project already ordered by a home appliance manufacturer at a subsidiary	・Sale are expected to increase by promoting organic EL related production, which was ordered in 2Q.

Ⅱ. FY2023 Full Year Forecasts (Consolidated)

The 1st half progress against Full-year forecasts and the 2nd half outlook (operating profit)

● Human investment, including wage revision and acquisition of human resources, generally progress as planned. We expect the second half of the fiscal year to be in line with the plan at the beginning of the fiscal year.
● As for R&D and system investments, we expect to increase expenses in the second half of the fiscal year.

< The first half progress in full year forecasts >

(Units in millions of Yen)

	Full year forecast	First half results	Progress rate
Operating profit	**5,400**	3,111	**57.6%**

< First half results and second half outlook per business segment >

(Units in millions of Yen)

Main factors affecting profit and loss	Full year impact initial forecast	State of progress in the first half of the fiscal year (The impact on operating profit is shown on page 5.)	Second half outlook
①Human investment	620 million yen	・Wage revision at a rate higher than in FY2022. ・Recruitment of new graduates and career professionals progressed as planned.	・We expect the second half of the fiscal year to be in line with our plan for 80 career hires for the full year.
②R&D investment	630 million yen	・Progress was made in installing equipment at plant genetic resources research facility, but some costs were unaccounted for due to project delays caused by factors in the contracting partner countries(Indonesia and Argentine)	・The first half delay is scheduled to be paid off in the second half of the fiscal year, and we expect an increase in expenses in the second half of the fiscal year.
③System investment	300 million yen	・Implementation projects of ERP and PLM are moving forward as planned, both in terms of progress and cost incurred.	・We expect an increase in expenses for promoting ERP and PLM implementation projects in the second half of the fiscal year as planned.

※ERP(Enterprise Resources Planning) : This is a system to manage accounting, sales, inventory control, production, etc. across the board.
※PLM(Product Lifecycle Management) : This system centrally manages information on product design, procurement, manufacturing, sales, and maintenance associated with production activities.

Ⅱ. FY2023 Full Year Forecasts (Consolidated)

Transition and Forecast of Dividends and Dividend Ratio per Share

※There is no change to the full year forecast announced on May 12, 2023.

	FY2018	FY2019	FY2020	FY2021	**FY2022**	**FY2023 (Forecast)**
Dividends per Share (yen)	125.00	40.00	65.00	65.00	**90.00**	**90.00**
Dividend Ratio (%)	28.4	23.8	16.6	25.2	**21.9**	**24.0**

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 our consolidated performance and business deployment into consideration.

As for the annual dividends for the current fiscal year, we plan to pay a year-end dividend of 90 yen per share.

Ⅲ. Progress report of the medium-term management plan(FY2022-2024)

Ⅲ. Progress report of the medium-term management plan(FY2022-2024)

Hirata The Global Production Engineering Company

Review on quantitative targets (sales, operating profit, capital investment)

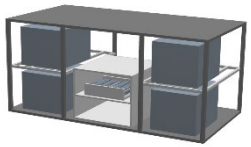
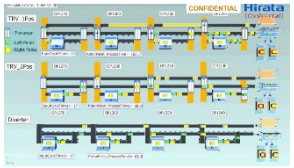
(Units in one hundred millions of Yen)

	Segment	Medium-term plan final year targets (FY2024)		1st year results (FY2022)		2nd year forecast (FY2023)		2nd year results Accumulated total of 2Q		Progress
Sales	Automobile-related	**400**		**302**		**380**		**165**		○ : Orders for large projects are being received.
	Semiconductor-related	**400**		**289**		**310**		**134**		△ : Temporary decrease in advanced semiconductors
	Other Automatic Labor-saving Equipment ・Others	**200**		**191**		**210**		**73**		△ : Delay in order receipt timing for Organic EL business
	Total	**1,000**		**784**		**900**		**373**		△ : Delay in sales timing
Operating profit (Profit ratio)	Automobile-related	**20**	**(5%)**	**15.5**	**(5.1%)**	-	-	**10.1**	**(6.1%)**	○ : Price shifting is progressing in EV business
	Semiconductor-related	**60**	**(15%)**	**34.4**	**(11.9%)**	-	-	**22.4**	**(16.7%)**	○ : Increase in wafer related business
	Other Automatic Labor-saving Equipment ・Others	**20**	**(10%)**	**9.1**	**(4.7%)**	-	-	**△1.4**	**(△1.9%)**	× : Profitability deteriorated in specific projects (Logistics, etc.)
	Total	**100**	**(10%)**	**59.2**	**(7.5%)**	**54**	**(6.0%)**	**31.1**	**(8.3%)**	○ : Profit margin improvement in automobile and semiconductor have been successful.
	※Forecast of operating income per segment for FY2023 is not disclosed.									
Capital investment Accumulated amount (Progress rate)	Expansion of production and development capacity	**60**		**21.6**	**(36.0%)**	**57.8**	**(96.3%)**	**35.8**	**(59.6%)**	○ : Plant capacity is being increased.
	R&D for plant genetic resources research	**40**		**0.8**	**(2.0%)**	**14.5**	**(36.2%)**	**11.0**	**(27.5%)**	△ : Business feasibility verification phase
	Information system related	**10**		**4.6**	**(46.0%)**	**6.0**	**(60.0%)**	**6.1**	**(61.0%)**	○ : Introduction of core systems is progressing.
	Total	**110**		**27.0**	**(24.5%)**	**78.4**	**(71.1%)**	**53.0**	**(48.1%)**	○ : Steady progress is being made in investment.

Ⅲ. Progress report of the medium-term management plan(FY2022-2024)

Initiatives to strengthen profitability in automobile-related business

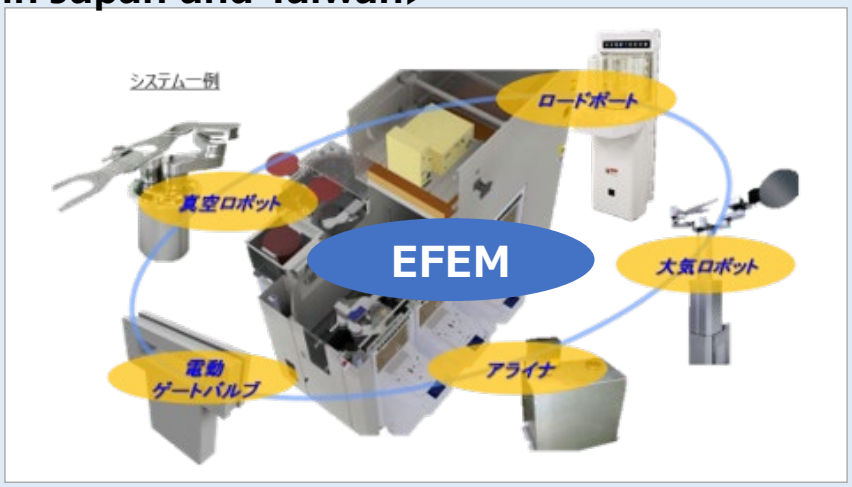
<Development of key devices in the battery field>

	Charging and discharging machine	Automated warehouse improvements	Dual-head wire bonding machine	AGV improvements	Plant simulation (software)
Plans					
Results	**Strategy change** (Switching from in-house production to external procurement)	**Development completed** (Orders and inquires are on increase due to the expansion of processes to be handled)			

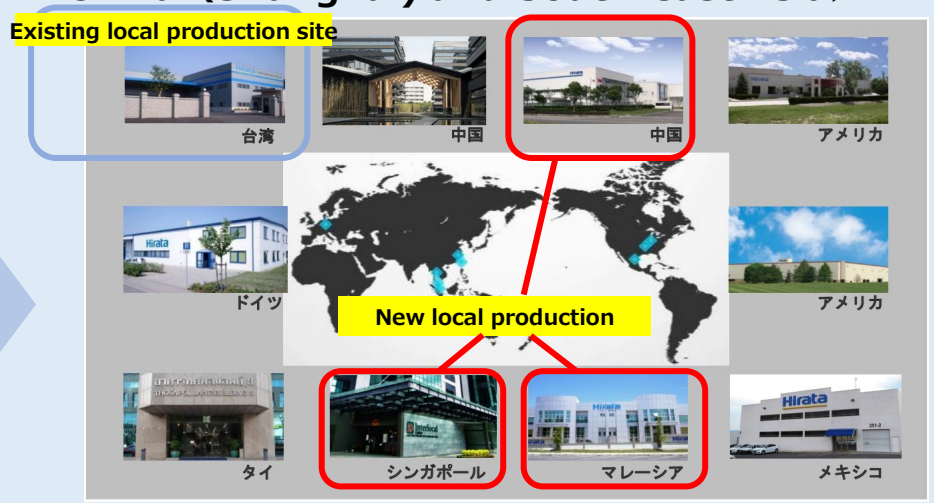
Ⅲ. Progress report of the medium-term management plan(FY2022-2024)

Initiatives to expand local production in semiconductor-related business

<Products that can be manufactured in Japan and Taiwan>



<Transitioning to China（Shanghai) and South-east Asia>



■**Expansion of Local production** : We strengthen the relationship with overseas subsidiaries and expand local production for semiconductor-related business.

- We build a system that enables production and sales in China(Shanghai) and South-east Asia(Malaysia, Singapore) in addition to Taiwan.
- One of our overseas subsidiaries, Hirata Automated Machinery (Shanghai) Co.,Ltd. located in China(Shanghai) and Hirata Corporation have entered into a load port technology license agreement. We expand local production in China.
- We promote local procurement of parts and materials to reduce transportation costs from Japan, shorten lead times, and avoid trade risks.

※ EFEM(Equipment Front End Module) : Equipment located in front of the process equipment that processes wafers and panels, and that transfers wafers and panels between the container and the process equipment in a clean environment.

※ Load Port : Equipment for transferring wafers in storage containers in and out of semiconductor manufacturing equipment when wafers are transferred between semiconductor manufacturing equipment.

Ⅲ. Progress report of the medium-term management plan(FY2022-2024)

Initiatives to plant genetic resources research

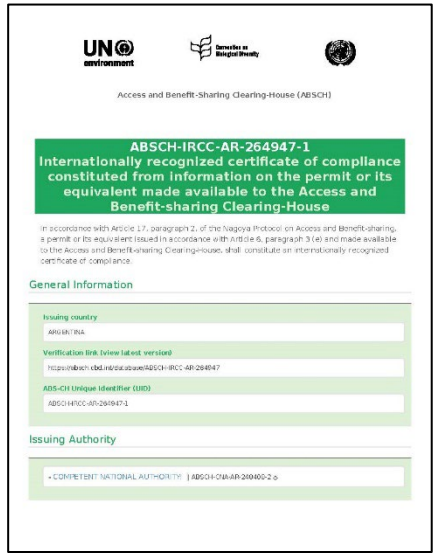
■ **Conditions are being developed for the start of research development starting from FY2024** :

- Based on the joint research and development with Argentina for the exploration and utilization of plant genetic resource, we obtained an International Recognized Certificate of Compliance(IRCC) under the Nagoya protocol to the convention on Biological Diversity for a plant in the province of Rio Negro, Argentina.

- The following activities are now possible in Rio Negro, Argentina by obtaining the above certification:
  ① Approaches to plant genetic resources within a region that do not limit the research to specific plants
  ② Acting as an intermediary between the donor country and the user country/company, providing research materials and selling raw materials

- Major equipment is being installed in the factory lab in HQ/Kumamoto factory. The goal is to achieve operating proficiency of the equipment by the end of FY 2024.

※ IRCC : International certificate of compliance certifying that the genetic resources were acquired in accordance with formal international procedures.


Access and Benefit-Sharing Clearing-House (ABSCH)

ABSCH-IRCC-AR-264947-1
Internationally recognized certificate of compliance constituted from information on the permit or its equivalent made available to the Access and Benefit-sharing Clearing-House

General Information

Issuing country
ARGENTINA

Verification link (view latest version)

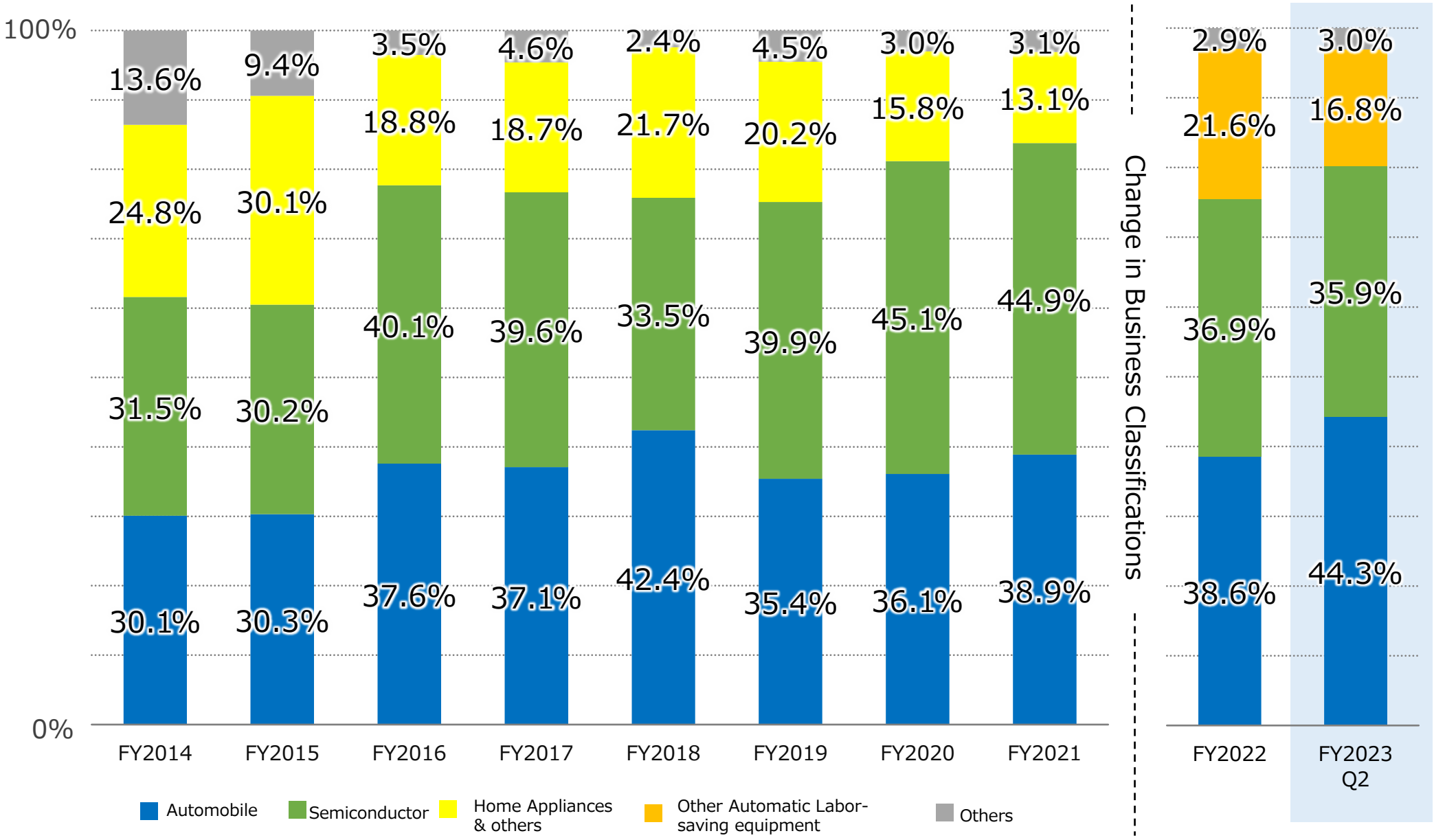
ABS-CH Unique Identifier (UID)
ABSCH-IRCC-AR-264947-1

Issuing Authority

Ⅳ. Reference Data

Ⅳ. Reference Data

Sales Composition Ratio by Business Segment

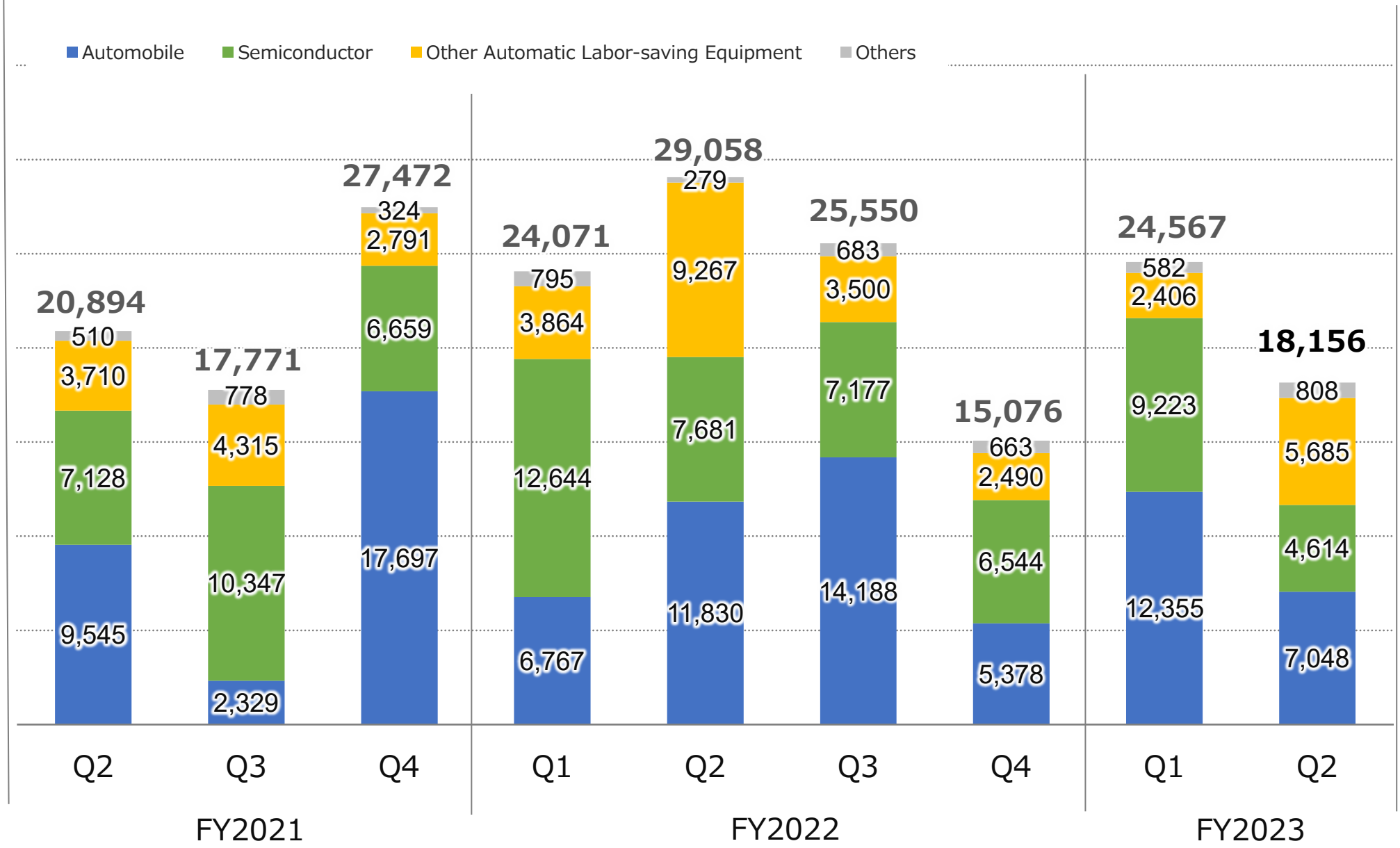


※We changed our business classifications effective from FY2022.

Hirata The Global Production Engineering Company

Quarterly Trends (Received Orders) by Business Segment

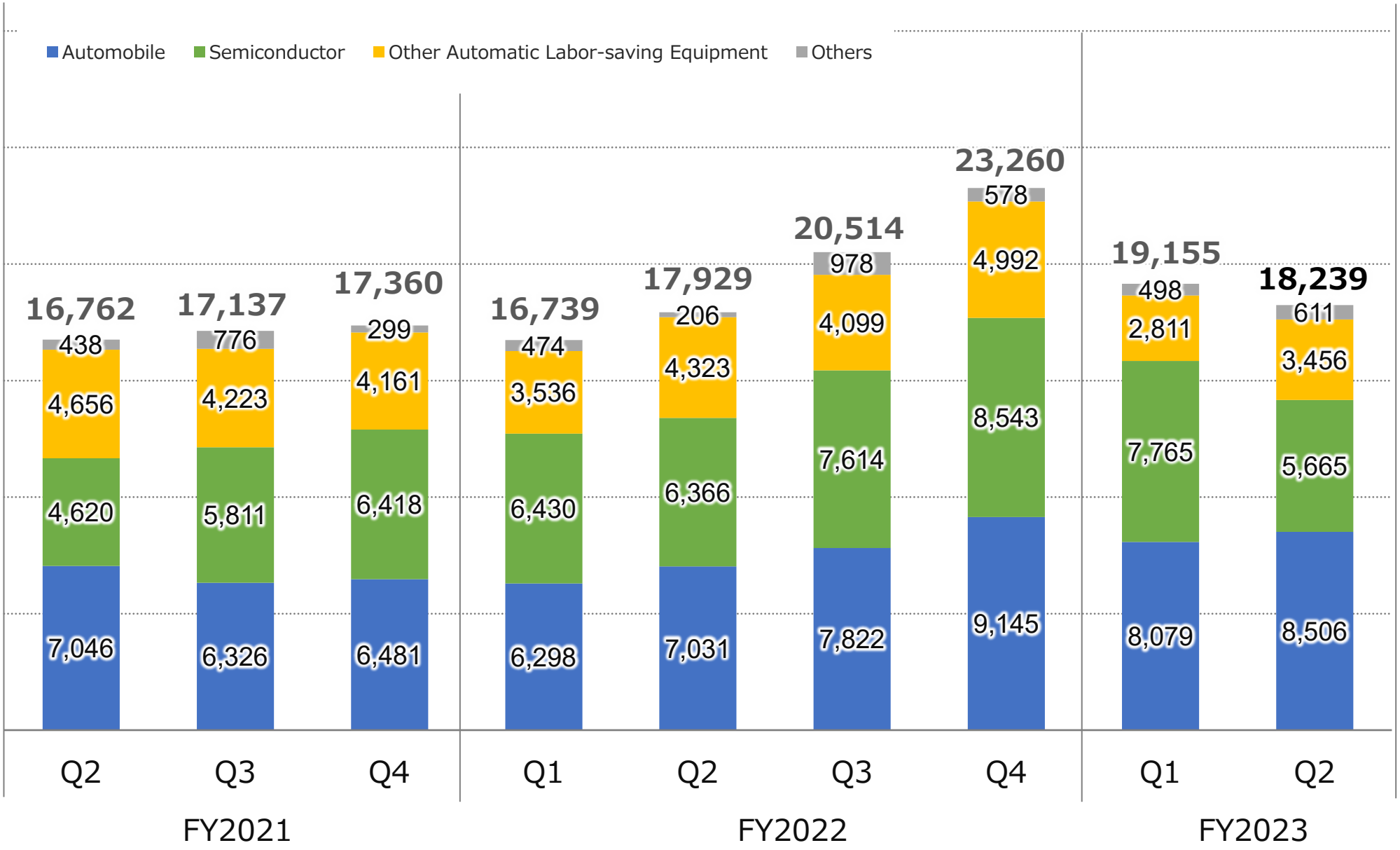
(Units in millions of Yen)



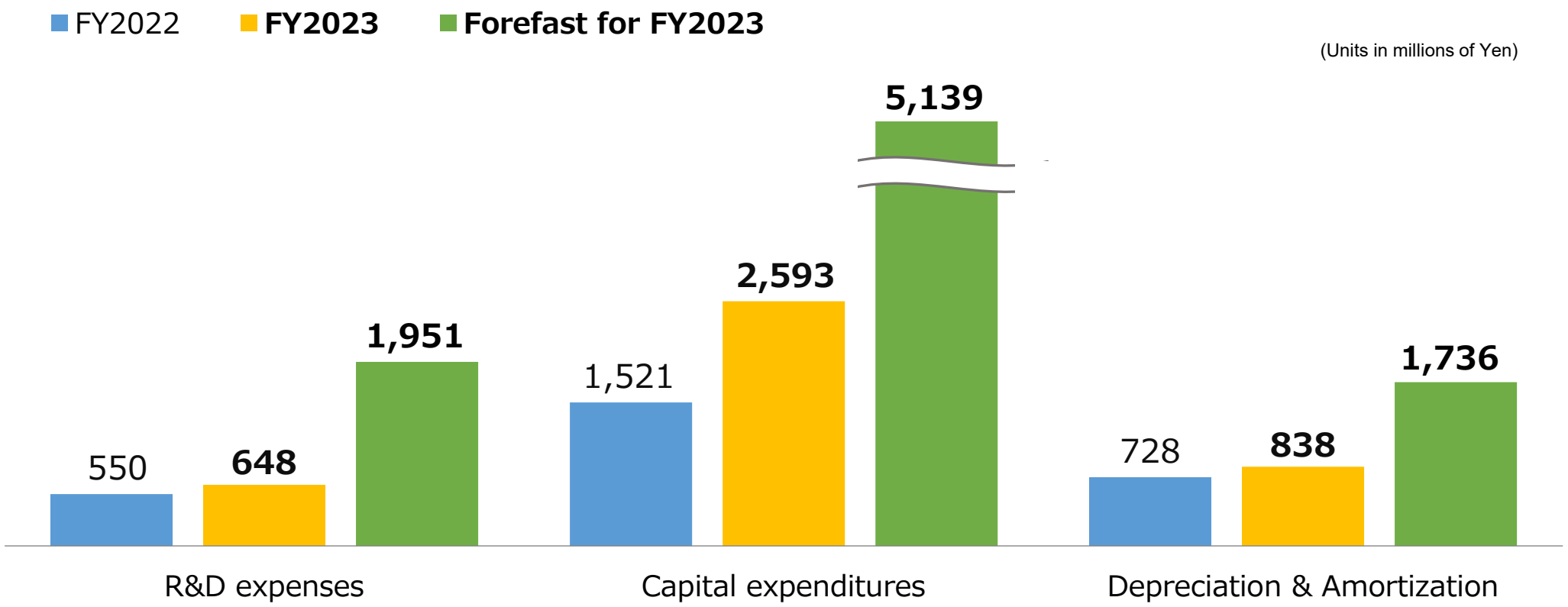
Ⅳ. Reference Data

Quarterly Trends (Sales) by Business Segment

(Units in millions of Yen)



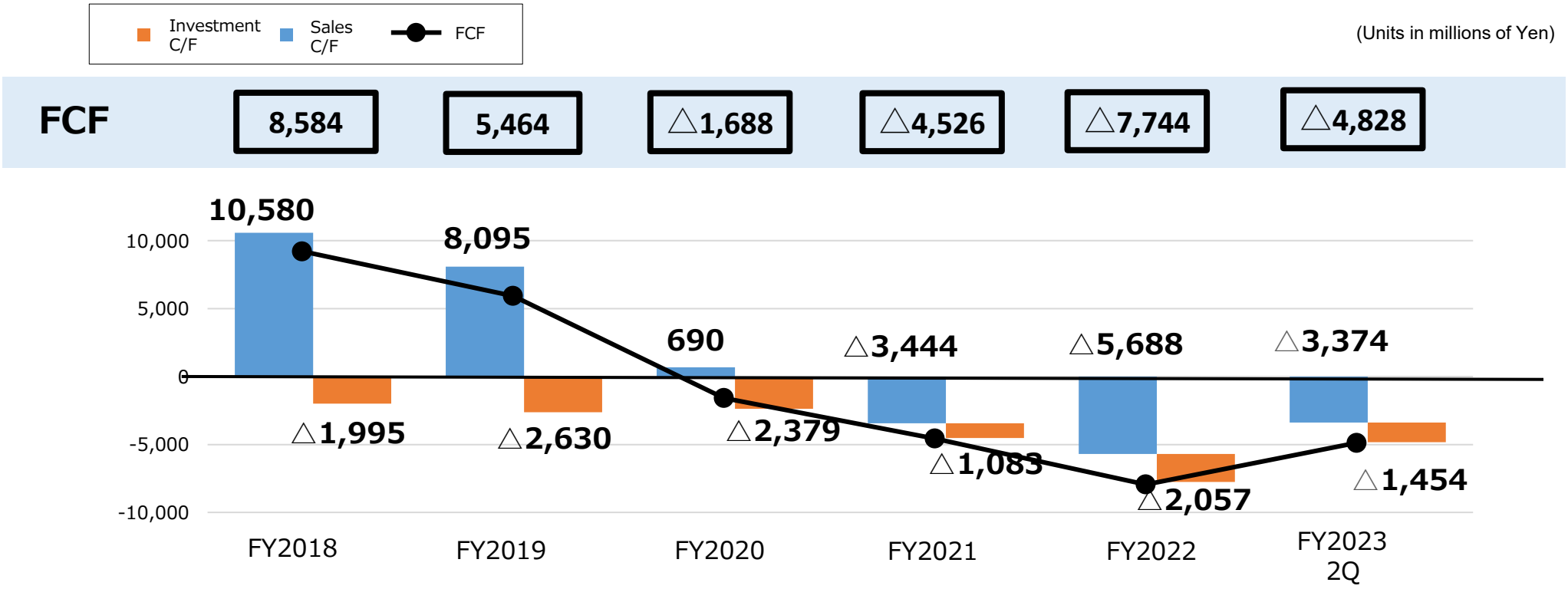
R&D, CAPEX, Depreciation and Amortization（Cumulative total in the second quarter）



Main items		Investment plan for FY2023	Investment results for FY2023
R&D expenses	Next generation product development in existing businesses	Approx.1.38 billion yen	Approx.470 million yen
	Research of biogenetic resources	Approx.560 million yen	Approx.170 million yen
Capital investment	Increase production capacity and productivity	Approx.2.43 billion yen	Approx.1.42 billion yen
	Research and development facilities	Approx.1.37 billion yen	Approx.1.01 billion yen

Transition of FCF(Free Cash Flow)

Consolidated FCF remained negative due to an increase in orders for large projects and increase capital investment to increase production capacity.



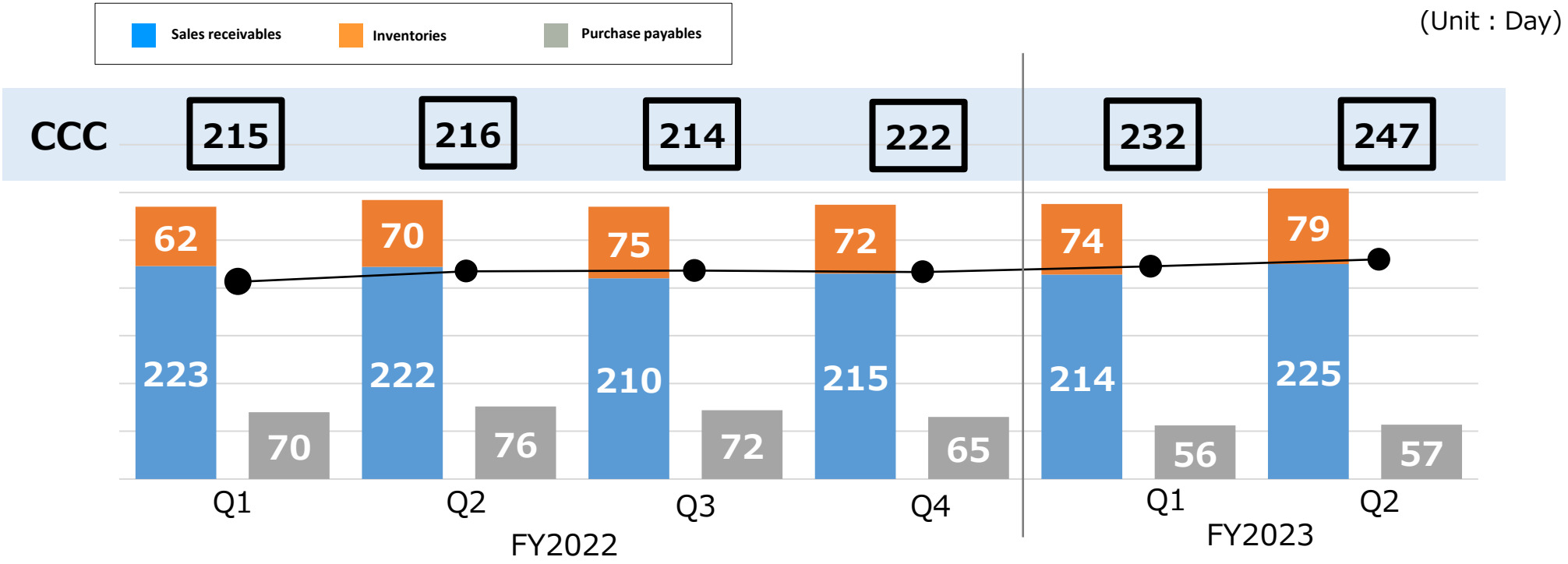
<Countermeasures>
・We continue to negotiate with customers to set and increase advance payments for larger projects and projects with long delivery time, and to collect accounts receivable early.

Ⅳ. Reference Data

Transition of CCC(Cash Conversion Cycle)

CCC deteriorated year-on-year due to an increase in accounts receivable due to an increase in orders for large projects and an increase in accounts receivable and inventory turnover days due to production delays in some projects.

(Unit : Day)



<Countermeasures>
・We continue to negotiate with customers to set and increase advance payments for larger projects and projects with long delivery time, and to collect accounts receivable early.
・We strive to improve procurement lead time and promote inventory reduction.

Ⅳ. Reference Data

Responses to the Assumed opportunities / risks of the major anticipated external environment

Assumed major external environment（FY2023）	Assumed opportunities / risks	Major countermeasures
Strengthening countries' efforts to decarbonize and become carbon neutral	【Opportunity】Increase in demand related to EV and semiconductor related business 【Risk】 Actions taken to reduce GHG emissions（cost increase） Missed orders due to lack of production capacity and human resources	・Improvement of QCD to obtain continuous inquiries from existing customers ・Positioning EVs and semiconductors as growth areas and concentrating resources ＝Upfront investment in human resources and production capacity in anticipation of increased orders (Increase in personnel, Kansai plant reconstruction, Shichijo plant expansion, etc.) ・Establishment of GHG emission reduction targets and study of optimal target achievement measures
U.S. IRA(Inflation Reduction Act) enforcement boosts North American EV market	【Opportunity】Increase in demand related to EV and semiconductor related business 【Risk】 Missed orders due to lack of production capacity and human resources	・Improvement of QCD to obtain continuous inquiries from existing customers ・Positioning EVs and semiconductors as growth areas and concentrating resources ＝Upfront investment in human resources and production capacity in anticipation of increased orders (Increase in personnel, Kansai plant reconstruction, Shichijo plant expansion, etc.)
Rising U.S. interest rates and a weakening yen	【Opportunity】 Increased price competitiveness relative to overseas competitors due to yen depreciation 【Risk】 Increase in procurement costs for overseas procurement(raw materials and parts) due to yen depreciation	・Secure profits by reflecting estimated raw material price hikes and revising prices ・Ongoing cost reduction through standardization, promotion of DX, development of new suppliers, etc.
Establishment of new technology in the battery field	【Opportunity】 Expanding business opportunities by following new technologies and mass production 【Risk】 Deterioration in profitability due to the burden of development factors	・Participate from the customer's R&D stage to develop and propose products that meet the customer's requirements ・Reduction of development costs through external procurement
Soaring raw materials and component prices	【Risk】 ・Deterioration in profit margin due to inability to reflect prices ・Decrease in competitiveness due to price hikes of our products	・Reflecting procurement price increases in estimates and price revisions (Requested to all customers as a company-wide policy) ・Development and launch of high value-added products ・Developing new suppliers ・Promote standardization through design changes
Shortage of parts and materials	【Risk】Sales decline, deterioration of cost ratio and increase in inventories due to production schedule delays and extended production lead times	・Reduction in the number of required parts and materials through standardization ・Secure parts inventory by making advance arrangements・Developing new suppliers ・Promote standardization through design changes

Strengthening of ESG management initiatives

● Signatory to the United Nations Global Compact

＜What is the United Nations Global Compact (UNGC) is about＞

・It is an international initiative that was launched at UN headquarters in July 2000. The purpose of the program is to encourage companies to take proactive and voluntary actions to solve issues such as "protecting the environment" and "eliminating social discrimination.

・We have signed the United Nations Global Compact (UNGC) and registered as a participating company as of September 10.

● Statement of support for Keidanren (Charter of Corporate Behavior)

・We have established the Sustainability Promotion Committee, a company-wide committee chaired by the President, to promote activities under five themes (materiality), or important management issue.

・ In order to strengthen and enhance our efforts further, we have expressed our support for the Keidanren Charter of Corporate Behavior and will proactively reflect its principles in our newly established "Code of Conduct" (tentative name) and other ESG-related policies.

Topic : Progress of production space expansion plan

● Kansai plant full-scale operation started

・The renewal construction (rebuilding work) of the Kansai factory (Yasu City, Shiga Prefecture), which has been performed in step in 2021, has been completed in October 2023 and started full -scale operation.

・**A new assembly building and an engineering center of 2,800 m²** have been established, and the flow of production has been converted by the process from procurement to machine processing, painting, and assembly by reviewing the layout of the existing building indoor. We will further improve productivity by building a system that can make consistent manufacturing.

・The Kansai Plant mainly manufactures assembly equipment for automotive-related IGBTs and inverters, as well as assembly equipment for home appliance manufacturers.

Kansai plant
Overall map

● The operation of the Shichijo plant expansion part

・The initial plan for expanding the Shichijo plant (Kikuchi City, Kumamoto Prefecture) is **scheduled to start operation in April 2024, ahead of the initial schedule** (start of operation in June 2024). In February 2024, pre-operation is scheduled to start in some completed spaces.

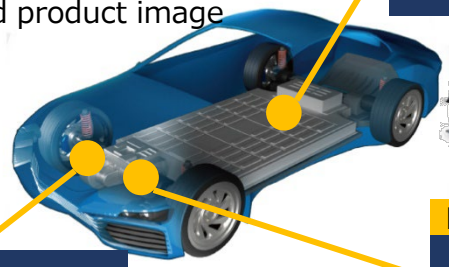
Business overview : Main products of automobile-related business

✓Continued orders from North American automakers (big three), North American emerging EV manufacturers, domestic electronic components manufacturers, focusing on EV related

EV-related major/ expansion fields

<Production equipment handled by Hirata>

※Completed product image



Expansion field

Battery-related assembly equipment (Cell charging / discharge process)

Main field

IGBT･Inverter assembly equipment

Main field

EDU assembly equipment

Main field

EDU assembly equipment

Manufacturing EV-drive parts assembly equipment called EDU (ELECTRIC DRIVE UNIT) combined with in-vehicle motors and gearboxes

Main field

IGBT･ Inverter assembly equipment

Manufacturing of in-vehicle electronic components mounted on EVs and transmissions such as IGBT and inverters

Expansion field

Battery-related assembly equipment(Cell charging / discharge process)

Currently promoting the development of a charging electrical device, which is a key device in the process, manufactures the transfer equipment of the charging and discharge process, which is part of the battery cell process.

Main customers, competitors, superiority

Major fields	Areas	Customers	Hirata's superiority
EDU assembly equipment	North America	･North American automakers (big three) ･North American emerging EV manufacturers	【Common in segment】 〇Integrated system from development to production and maintenance 〇Engineering power to respond to customer requests 〇Customer trust and continuation transactions 【Unique in segment】 ●Ability to handle large facilities, some of which exceed 1 km in total length, solely in-house ●A vast factory that allows to verify the entire production line
IGBT･ Inverter assembly equipment	Japan	Domestic electronic components manufacturers	
Battery-related assembly equipment(Cell charging / discharge process)	Japan	Domestic battery manufacturers	

Ⅳ. Reference Data

Business overview : Main products of semiconductor-related business

✓ Continuing orders mainly for wafer transport devices for domestic device manufacturers and handling devices between inspection devices

Semiconductor-related major/ expansion fields

Main field

Wafer transport device


EFEM


Load port


Transfer robot

Manufacturing **road port** that incorporates silicon wafers into various treatment devices, **wafer transport robot** that can support the air and vacuum environment, and an integrated **EFEM**

<Main trading process>

Main field

Transport device between inspection device

Manufacturing **handling equipment** that transports the finished IC chips and inspection device to another tray.

<Main trading process>

Expansion field

PLP transport device

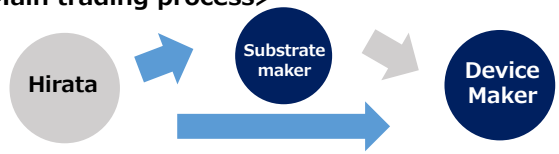

EFEM


Load port


Transfer robot

Manufacturing of **EFEM, load port**, and **wafer transport robots** for panel substrate transfer and **transfer equipment** for panel manufacturing used in the PLP process, etc.

<Main trading process>



Main customers, competitors, superiority

Major fields	Areas	Customers	Hirata's superiority
Wafer transport device	Japn	Domestic manufacturing equipment manufacturer	【Common in segment】 〇Integrated system from development to production and maintenance 〇Engineering power to respond to customer requests 〇Customer trust and continuation transactions 【Unique in segment】 ●A wealth of component lineup ●Knowledge technology required for customization and optimization to meet customer requirements
Transport device between inspection device	North America, Japan	・North American device maker ・Domestic inspection equipment manufacturer	
PLP transport device	North America, Europe, Japan	・North American device maker ・Domestic/European substrate manufacturer	

Hirata The Global Production Engineering Company

Business overview : Other Automatic Labor-saving equipment

✓ **Manufacturing products for various industrial fields such as organic EL vapor equipment, assembly equipment for home appliances, and medical･physics and chemical equipment**

Main･New fields of other automatic labor-saving equipment

Main field
Organic EL Vapor equipment
Contracted the manufacturing of vacuum vapor equipment for organic EL panels

Main field
Assembly equipment for home appliances
Manufacturing all equipment, including motor assembly equipment built into high-performance home appliances

Main field
Medical physiology and chemical equipment
Manufacturing a system for sample tests (pathological tissue specimen device and fully automatic continuous thinning device)

New field for monetization
Focused ultrasound therapy equipment

・Focused ultrasound therapy equipment for Pancreatic Cancer Under Development with SONIRE Therapeutics Inc. (Headquarters: Shinjuku-ku, Tokyo, SONIRE, hereinafter, Sonia)
・Aiming for non-invasive cancer treatment that fuses SONIRE's Ultrasonic Technology with our robot technology
・Started clinical trials in a person and started developing the next mass production device.

Main customers, competitors, superiority

Major fields	Areas	Customers	Hirata's superiority
Organic EL Vapor equipment	Japan	Domestic manufacturing device manufacturer	【Common in segment】 〇Integrated system from development to production and maintenance 〇Engineering power to respond to customer requests 〇Customer trust and continuation transactions 【Unique in segment】 ●Extensive knowledge and expertise in production facilities and equipment in all fields
Assembly equipment for home appliances	Asia	Asian home appliance manufacturer	
Medical･physics and chemical equipment	Japan	Domestic medical specialty manufacturer	

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.