

November 16, 2023  
Hirata Corporation

## Q&A Summary for the Second Quarter of FY2023 Financial Results

(Held on November 16, 2023)

### 【Our company explanators】

Representative Director, President	Yuichiro Hirata
Director, Senior Managing Executive Officer	Shigeru Maeda
Division Director, Business Headquarters	
Director, Executive Officer, Division Director, Research and Development Headquarters	Shigeharu Nishimura
Director, Executive Officer, Division Director, Administration Division	Hideki Ninomiya
Executive Officer, Administration Division, Strategy and Corporate Communication	Michinobu Shuto
General Manager, Finance & Accounting Dept. Administration Division	Kenichi Nishida
General Manager, Corporate Communication Dept. Administration Division	Tatsuya Matsuzono

### 【Explanation contents】

- FY2023 Second Quarter Results (consolidated)
- FY2023 Full Year Forecasts (consolidated)
- Progress report of the medium-term management plan (FY2022-2024)

### 【Question-and-Answer session】

Q1	<b>In response to full -year performance forecasts, the progress of sales in the first half is low, and the progress of operating income is high, but how did it change compared to the plan?</b> → <b>Financial statement explanation material P11</b>
A	The sales in the first half were slightly lower than expected at the beginning of the period due to the delay in planning due to customer reasons.

	<p>At present, we have a plenty of orders, and are expected to be able to recover in the second half.</p> <p>The operating income in the first half exceeded the initial assumption that the planned R &amp; D investments and system -related investments were backwards in the second half.</p>
Q2	<p><b>While sales in the second half are estimated to increase by about 15 billion yen compared to the first half, what are the factors that are expected to decrease in operating profits by 8.2 billion yen?</b></p> <p>→ Financial statement explanation material P11</p>
A	<p>In the second half of the year, the company expects an increase in administrative overhead expenses, including R&amp;D and system-related investments that did not occur in the first half of the year, as well as expenses for plant repairs and the expansion of the Shichijo factory.</p>
Q3	<p><b>Regarding R &amp; D expenses, it is said that the outbreak will be postponed in the second half, but will it be spent as planned for the year throughout the year?</b></p> <p>→ Financial results explanation material P11.13</p>
A	<p>The cost incidence has been shifted to the second half due to the convenience of the contractor's country, but it is currently being discussed with the partner country to generate costs during the current fiscal year.</p> <p>In addition, the introduction of equipment to the R &amp; D Lab has been completed in 90 %, and R &amp; D investments for this term are expected to be implemented as planned.</p>
Q4	<p><b>I want to know about the outlook for orders and the status of inquiries about automobile from the second half of the fiscal year onward.</b></p>
A	<p>We continue to receive inquiries, but the production load is so high that we have no choice but to limit the number of projects for which we receive orders.</p>

	Some say that US EV demand will be slightly stagnant, but we believe that investment is accelerating in Japan, and We believe that inquiries will continue to come in.
Q5	<b>Regarding the operation of the Shichijo factory, the operation has been moved up, but when will it contribute to improving production capacity?</b> → Financial statement explanation material P29
A	Initially, it was planned to operate in July 2024, but at this time it has been expected to be operating in stages since February, and is expected to increase its production capacity.
Q6	<b>Regarding the OLED orders, we assume that you have received orders for G8, but we feel that the size of your company's orders is small compared to the estimated amount of orders from display manufacturers. Can we expect to continue receiving orders in the future?</b> → Financial statement explanation material P7
A	The details cannot be explained, but the G8 project has been received. This is the first order, and there are next inquiries. However, it is a new field for us, so we would like to make steady progress.
Q7	<b>In the financial results explanation, the semiconductor market is in stock adjustment, but I would like to hear the future prospects of your semiconductor.</b> → Financial statement explanation material P11
A	Although some projects for major semiconductor device manufacturers have been stagnant, we continue to receive inquiries about legacy semiconductors and are receiving orders steadily.
Q8	<b>I want to hear about future capital investment plans.</b> → Financial statement explanation material P24

A	<p>We are planning a capital investment plan in anticipation of expanding the amount of orders.</p> <p>Since the EVs and semiconductor field continue to be strong, we would like to consider investing while looking at the future order status.</p> <p>In that case, we would like to consider a multifaceted approach that is not limited to the domestic market.</p>
Q9	<p><b>In the financial statement explanation material, there was a description that there was a cancellation of the project in a field other than the semiconductor wafer transport device, but in which field did it occur? What is the degree of impact on this term's achievements?</b></p> <p style="text-align: right;"><b>→ Financial statement explanation12</b></p>
A	<p>The impact on the full -year performance is extremely minor due to the cancellation of the customer change.</p> <p>We can't answer any more details.</p>
Q10	<p><b>In the progress of the medium-term management plan, the license production by a Chinese subsidiary has been mentioned, but what is the proportion of orders for China?</b></p> <p><b>I want to hear about the strategy as a later entry.</b></p> <p style="text-align: right;"><b>→ Financial statement explanation18</b></p>
A	<p>We would like to refrain from answering details such as ratio.</p> <p>Until now, products for the Chinese market have been produced and exported in Japan, but we plan to proceed in local production for local consumption.</p>
Q11	<p><b>Some US car manufacturers have announced the postponement of the medium -term investment plan of the EV, but is it affected?</b></p>
A	<p>Since the automobile-related equipment we handle often takes years from order to delivery, we closely exchange information with our customers on future capital investment trends.</p> <p>We are aware that there is no impact on our company as you have</p>

	indicated at this time.
Q12	<b>In the automobile -related, IGBT and inverter -related orders in addition to EDU are likely to be increasing, but I want to hear the background.</b> <b>→ Financial statement explanation7</b>
A	Since IGBT and inverters are key components that are indispensable for EVs, the amount of goods is expected to increase in the future according to the expansion of the EV production.

End