

Hirata

The Global Production Engineering Company



Quarterly Financial Results for the Nine-month Period Ended December 31, 2023

February 2024

Hirata Corporation
(6258)

Company Name	HIRATA Corporation
Headquarters	111 Hitotsugi, Ueki, Kita, Kumamoto, 861-0198 Japan
Representatives	Yuichiro Hirata, President
Date Established	Dec. 29, 1951
Capital	2,633 million yen
Our business	Manufacture and sales of various manufacturing line systems, Industrial robot and logistic equipment
Stock Exchange Listings	Tokyo Stock Exchange, Prime Market (Code:6258)
Employees	Consolidated 2,234 (Full-time employees 1,882) Non-Consolidated 1,359 (Full-time employees 1,054) ※As of March 31, 2023
Plants and office	7 bases in Japan (4 bases in Kumamoto 1 each in Tochigi, Shiga, Tokyo)
Subsidiaries	3 subsidiaries in Japan (2 Kumamoto, 1 in Tokyo) 9 overseas subsidiaries (America, Mexico, Germany, Singapore, Thailand, Malaysia, China, Taiwan)

I. FY2023 Third Quarter Results (Consolidated)

- Financial Summary P 5
- Factor Analysis on Changing Operating Profit P 6
- Sales, Received Orders, and Backlog of Orders by Business Segment P 7
- Details of Received Orders and Sales by Business Segment P 8
- Operating Profit and Operating Profit Ratio by Business Segment P 9
- Countermeasures for Impact of External Environment on Business P 9
- Balance Sheet P 10

II. FY2023 Full Year Forecasts(Consolidated)

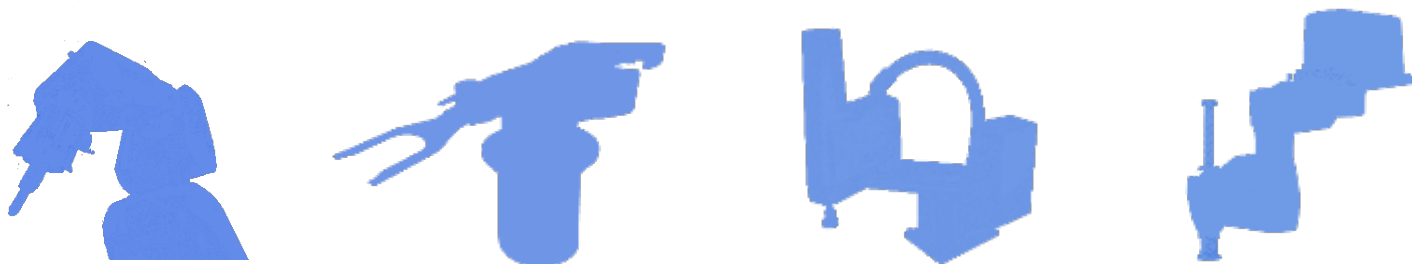
- Revision of Full Year Forecast P 12
- Reasons for revision of Full-year forecasts and 4Q outlook P 13
- Transition and Forecast of Dividends and Dividend Ratio per Share P 15

III. Reference Data

- Sales Composition Ratio by Business Segment P 17
- Quarterly Trends (Received Orders /Sales/Operating Profit Ratio) by Business Segment P 18
- R&D, CAPEX, Depreciation and Amortization P 21
- Transition of FCF(Free Cash Flow) P 22
- Transition of CCC(Cash Conversion Cycle) P 23
- Responses to the main anticipated external environment P 24
- Topics P 26
- Business overview by segment P 27

※ **FY2023 Third Quarter** : From April 1, 2023 to December 31, 2023
※ **FY2023 Full Year** : From April 1, 2023 to March 31, 2024

I . FY2023 Third Quarter Results (Consolidated)



Hirata

I . FY2023 Third Quarter Results (Consolidated)

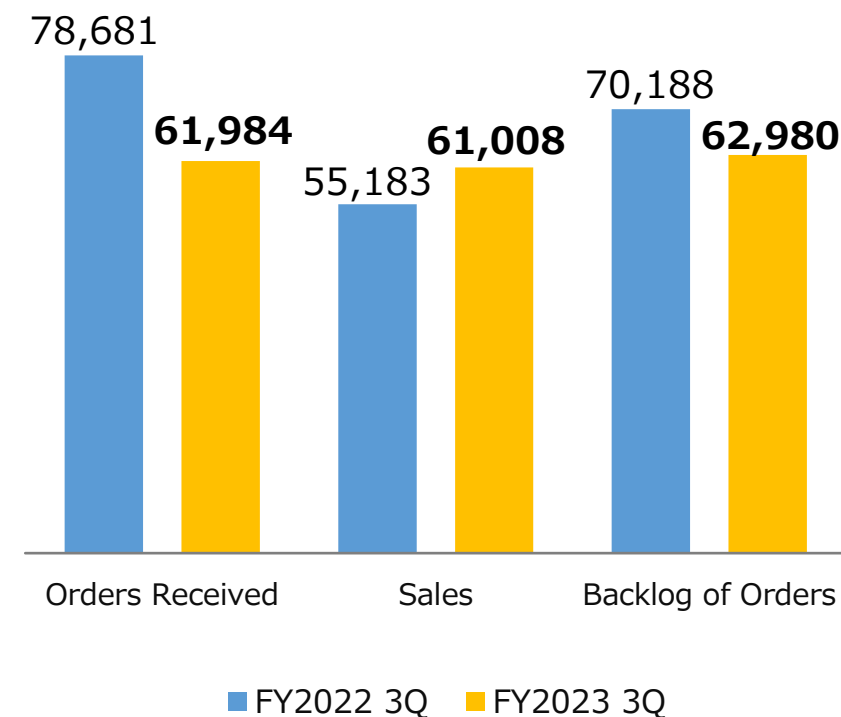
Financial Summary (accumulation for the third quarter)

- Orders Received** : Orders received decreased in all segments(automobile, semiconductor, and other automatic labor-saving equipment) due to a decline in capital investment resulting from inventory adjustment in the semiconductor market, decrease in orders for large automotive projects, and a decrease in logistics-related projects, resulting in a year-on-year decrease in overall orders received.
- Sales** : **Sales increased** over the same period of the previous year due to an increase in the EV related business of EDU and battery projects, offsetting the decline in semiconductor and other automatic labor-saving equipment.
- Operating Profit** : **Operating profit increased** over the same period of the previous year due to higher sales in the EV- related business and improvement of cost ratio by promoting price shifting, leading to an improvement in the automobile- and semiconductor-related cost ratios.

(Units in millions of Yen)

	FY2022 3Q	FY2023 3Q	YoY Change	
			Amount of +/-	Percentage of +/-
Orders Received	78,681	61,984	△16,697	△21.2%
Sales	55,183	61,008	+5,825	+10.6%
Operating Profit (profit ratio)	4,473 (8.1%)	5,903 (9.7%)	+1,430 (+1.6pt)	+32.0%
Ordinary Profit	4,447	6,103	+1,656	+37.3%
Profit attributable to owners of parent	3,223	4,647	+1,424	+44.2%
Backlog of Orders	70,188	62,980	△7,207	△10.3%

(Units in millions of Yen)



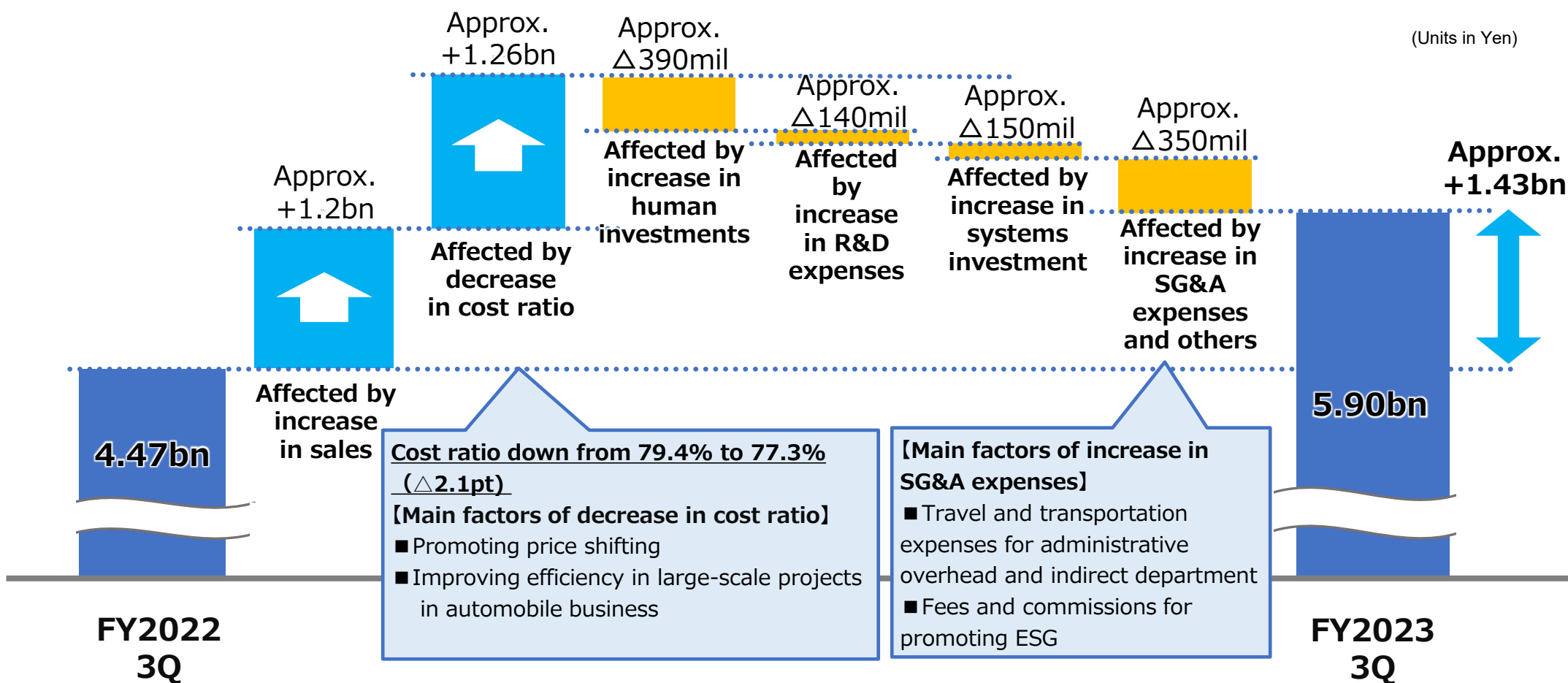
I . FY2023 Third Quarter Results (Consolidated)

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

■ Operating profit increased approximately 1.43 billion yen from the same period of the previous year.

【 Main factors for increase 】 The increase in sales and the improvement of cost ratio by promoting price shifting

【 Main factors for decrease 】 The increase in SG&A expenses due to various investment executions and business expansion associated with the reclassification of the novel coronavirus to class 5.



I . FY2023 Third Quarter Results (Consolidated)

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

(Units in millions of Yen)

	Business Segment	FY2022 3Q	FY2023 3Q	YoY Change	
				Amount of +/-	Percentage of +/-
Received orders	Automobile	32,787	28,426	△4,360	△13.3%
	Semiconductor	27,502	19,675	△7,826	△28.5%
	Other Automatic Labor-saving Equipment	16,632	12,081	△4,551	△27.4%
	Others	1,758	1,800	+41	+2.4%
	Total	78,681	61,984	△16,697	△21.2%
Sales	Automobile	21,152	26,842	+5,690	+26.9%
	Semiconductor	20,411	20,126	△284	△1.4%
	Other Automatic Labor-saving Equipment	11,960	12,174	+214	+1.8%
	Others	1,659	1,864	+205	+12.4%
	Total	55,183	61,008	+5,825	+10.6%
Backlog of Orders	Automobile	35,410	33,225	△2,184	△6.2%
	Semiconductor	23,751	21,302	△2,449	△10.3%
	Other Automatic Labor-saving Equipment	10,522	7,927	△2,595	△24.7%
	Others	503	524	+20	+4.2%
	Total	70,188	62,980	△7,207	△10.3%

I . FY2023 Third Quarter Results (Consolidated)

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

- Automobile-related** Although there were many inquires for both EV and internal combustion engine-related products and we received a large order for battery-related products during the quarter, received orders decreased year-on-year. Sales increased year-on-year, as a result of continued strong EV-related sales, mainly EDU and battery projects.
- Semiconductor-related** Received orders decreased year-on-year due to capital investment restrains, etc. caused by the impact of inventory adjustments in the semiconductor market. Sales decreased a bit year-on-year due to a decrease in other semiconductor-related projects, although wafer transfer-related production is progressing.

(Units in millions of Yen)

			FY2022 3Q		FY2023 3Q		YoY Change	
			Actual results	Segment composition	Actual results	Segment composition	Amount of +/-	Percentage of +/-
Received orders	Automobile-related	EV	25,057	76.4%	21,481	75.6%	△3,575	△14.3%
		Others	7,730	23.6%	6,945	24.4%	△784	△10.2%
	Semiconductor-related	Wafer Transfer	16,385	59.6%	13,054	66.3%	△3,330	△20.3%
		Others	11,118	40.4%	6,621	33.7%	△4,496	△40.4%
	Other Automatic Labor-saving Equipment	Organic EL	3,712	22.3%	3,315	27.4%	△396	△10.7%
		Others	12,920	77.7%	8,766	72.6%	△4,154	△32.2%

Sales	Automobile-related	EV	13,435	63.5%	20,481	76.3%	+7,046	+52.5%
		Others	7,718	36.5%	6,361	23.7%	△1,356	△17.6%
	Semiconductor-related	Wafer Transfer	11,067	54.2%	13,842	68.8%	+2,775	+25.1%
		Others	9,344	45.8%	6,284	31.2%	△3,060	△32.7%
	Other Automatic Labor-saving Equipment	Organic EL	3,626	30.3%	3,076	25.3%	△548	△15.1%
		Others	8,334	69.7%	9,097	74.7%	+763	+9.2%

I . FY2023 Third Quarter Results (Consolidated)

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

- Automobile-related** Profit margin improved due to higher EV-related sales, promoting price shifting and improvement and reduction of cost ratio by increased proficiency.
- Semiconductor-related** The profit margin improved due to an increase in the sales composition of the relatively profitable wafer transfer related business and reduction of cost ratio by promoting price shifting.
- Other Automatic Labor-saving Equipment** Although sales increased in FPDs for automotive applications, profit margins deteriorated year-on-year mainly due to lower sales of Organic EL.

(Units in millions of Yen)

	Automobile-related		Semiconductor-related		Other Automatic Labor-saving Equipment		Others		Consolidation elimination		Total	
	FY2022 3Q	FY2023 3Q	FY2022 3Q	FY2023 3Q	FY2022 3Q	FY2023 3Q	FY2022 3Q	FY2023 3Q	FY2022 3Q	FY2023 3Q	FY2022 3Q	FY2023 3Q
Sales	21,152	26,842	20,411	20,126	11,960	12,174	1,659	1,864	△0	△0	55,183	61,008
Operating profit	891	1,917	2,624	3,652	957	375	△3	△45	3	3	4,473	5,903
Operating profit ratio	4.2%	7.1%	12.9%	18.1%	8.0%	3.1%	△0.2%	△2.4%	-	-	8.1%	9.7%

Countermeasures for Impact of External Environment on Business

(Countermeasures to external environments other than those listed below are described on page 24.)

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•promoting standardization •Price revision and reflection on estimates •Developing new suppliers globally •Design change [Positive impact] •Actively expanding orders for overseas projects
Exchange rate (progress in yen depreciation)	[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 Third Quarter Results (Consolidated)

Balance Sheet

(Units in millions of Yen)

Assets	FY2022	FY2023 3Q	YoY Change
Current Assets	79,655	86,959	+7,303
Cash and deposits	11,134	9,744	△1,390
Trade receivables, etc.	51,435	58,727	+7,291
Inventories	14,219	14,945	+725
Others	2,865	3,542	+676
Tangible Assets	34,867	38,229	+3,361
Tangible fixed Assets	24,302	26,888	+2,585
Intangible fixed Assets	749	853	+103
Investment and other assets	9,815	10,487	+672
Total Assets	114,522	125,188	+10,665

Liabilities	FY2022	FY2023 3Q	YoY Change
Current Liabilities	43,193	45,982	+2,789
Fixed Liabilities	11,754	15,082	+3,328
Total Liabilities	54,947	61,064	+6,117

Net Assets	FY2022	FY2023 3Q	YoY Change
Total Net Assets	59,575	64,123	+4,548

<Main factors of increase/decrease>

- **Trade receivables :**
Increase in trade receivables due to sales increased
- **Inventories :** Increase in order received and advance arrangements for parts and materials in preparation for supply shortages
- **Tangible fixed Assets :**
Rebuilding of Kansai factory,
Expansion of Shichijo factory
Introduction of R&D equipment
- **Current Liabilities ・Fixed Liabilities :**
Increased borrowing due to strong demand for funds for increased production and capital investment

II. FY2023 Full Year Forecasts (Consolidated)



Hirata

II. FY2023 Full Year Forecasts (Consolidated)

Revision of Full Year Forecast

On February 9, 2024, we revised our full-year forecasts for the fiscal year ending March 31, 2024.

※Reasons for the revision are described on page13 and thereafter.

(Units in millions of Yen)

	FY2022 results		① FY2023 Forecast at beginning of term (Announced on May 12)		② FY2023 Revised Forecast (Announced on February 9)		② - ①		③ FY2023 3Q Cumulative results	② - ③ Difference b/t revised forecast and actual results
							Amount of +/-	Percentage of +/-		
Sales	78,443	-	90,000	-	83,000	-	△7,000	△7.8%	61,008	21,991
Automobile-related	30,298	-	38,000	-	38,000	-	0	-	26,842	11,157
Semiconductor-related	28,954	-	31,000	-	27,000	-	△4,000	△12.9%	20,126	6,873
Other Automatic Labor-saving Equipment	16,952	-	18,000	-	15,000	-	△3,000	△16.7%	12,174	2,825
Others	2,238	-	3,000	-	3,000	-	0	-	1,864	1,135
Operating Profit	5,920	(7.5%)	5,400	(6.0%)	6,200	(7.5%)	+ 800	+14.8%	5,903	296
Ordinary Profit	5,802	(7.4%)	5,500	(6.1%)	6,300	(7.6%)	+ 800	+14.5%	6,103	196
Profit attributable to owners of parent	4,269	(5.4%)	3,900	(4.3%)	3,900	(4.7%)	0	-	4,647	△747

II. FY2023 Full Year Forecasts (Consolidated)

Reasons for revision of Full-year forecasts and 4Q outlook (sales)

Despite efforts to achieve a high level of production in 3Q and 4Q to make up for production delays in 1H due to customers' reasons and other factors, the forecast is not expected to reach the initial forecast, and the full-year forecast has been revised downward.

<Reasons for revision of Full-year forecasts and 4Q outlook>

(Units in millions of Yen)

	Forecast at beginning of term (Announced on May 12)	Revised Forecast (Announced on February 9)	Amount of +/-	Reasons for revision	4Q outlook
Sales	90,000	83,000	△7,000	The forecast was not expected to reach the initial forecast. Despite efforts to achieve a high level of production in 3Q and 4Q to make up for production delays in 1H.	We expect sales to be at a high level as in 3Q and strive to achieve revised forecast.

<Reasons for revision of Full-year forecasts per segment and 4Q outlook>

※Sales by quarter are shown on page 19.

(Units in millions of Yen)

Segment	Forecast at beginning of term (Announced on May 12)	Revised Forecast (Announced on February 9)	Amount of +/-	Reasons for revision	4Q outlook
Automobile-related	38,000	38,000	0	•No revision was made for the delay of battery project in the 1 st half due to customer reasons, as it is expected to be recovered in the 2 nd half of the fiscal year.	•We expect relatively high level of sales, including battery projects that have been delayed, mainly related to EV-related business.
Semiconductor-related	31,000	27,000	△4,000	•Production was pushed back due to delays in customers' capital investment plans.	•Sales are expected to progress by advancing projects for which orders have already been received as planned (mainly wafer transport).
Other Automatic Labor-saving Equipment	18,000	15,000	△3,000	•This was due to delays in customer development of projects for which orders had already been received and the postponement of projects for which orders were anticipated (all home appliances).	•Some of the delayed orders from home appliances manufacturers are expected to progress in 4Q, and sales are expected to increase.

II. FY2023 Full Year Forecasts (Consolidated)

Reasons for revision of Full-year forecasts and 4Q outlook (operating profit)

- Revised full-year forecasts upward due to improved profit margins resulting from progress in price shifting, etc.
- We expect to see an increase in bonus resources and year-end-specific expenses due to higher operating income.

<Reasons for revision of Full-year forecasts and 4Q outlook>

(Units in millions of Yen)

	Forecast at beginning of term (Announced on May 12)	Revised Forecast (Announced on February 9)	Amount of +/-	Reasons for revision	4Q outlook
Operating Profit	5,400	6,200	+ 800	<ul style="list-style-type: none"> • Profitability improved due to progress in price shifting • Some expenses are expected to slide to the next fiscal year. 	<ul style="list-style-type: none"> • Operating income is expected to be low due to an increase in bonus funds accompanying higher profits and year-end-specific expenses such as external standard taxation.

<Main factors affecting profit and loss of 3Q progress and 4Q outlook>

Main factors affecting profit and loss	Full year impact (Forecast at beginning of term)	3Q accumulative impact (results)	3Q progress	Full-year outlook
① Human investment	+620 million yen	+390 million yen	<ul style="list-style-type: none"> • We conducted wage revision at a rate higher than in FY2022. • We hired 47 new graduates and 57 career hires. 	<ul style="list-style-type: none"> • We assume the completion of career recruitment (80 people in total), we expect to achieve our initial plan.
② R&D investment	+630 million yen	+140 million yen	<ul style="list-style-type: none"> • Some costs were unaccounted for due to project delays caused by factors in the contracting partner countries (Indonesia and Argentine) • Delays in R&D in existing areas 	<ul style="list-style-type: none"> • In the plant genetic resources field, unless special circumstances arise in the partner countries, the delayed portion is expected to accrue in the current fiscal year.
③ System investment	+300 million yen	+150 million yen	<ul style="list-style-type: none"> • Implementation projects of ERP and PLM are moving forward as planned. 	<ul style="list-style-type: none"> • Review of expenses to control some cost expenditures

※ Full year impact : Projected increase/decrease for full year 2023 compared to full year 2022 results

※ 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

	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	
						Forecast at beginning of term (Announced on May 12)	Revised Forecast (Announced on February 9)
Dividends per Share (yen)	125.00	40.00	65.00	65.00	90.00	90.00	100.00
Dividend Ratio (%)	28.4	23.8	16.6	25.2	21.9	24.0	26.6

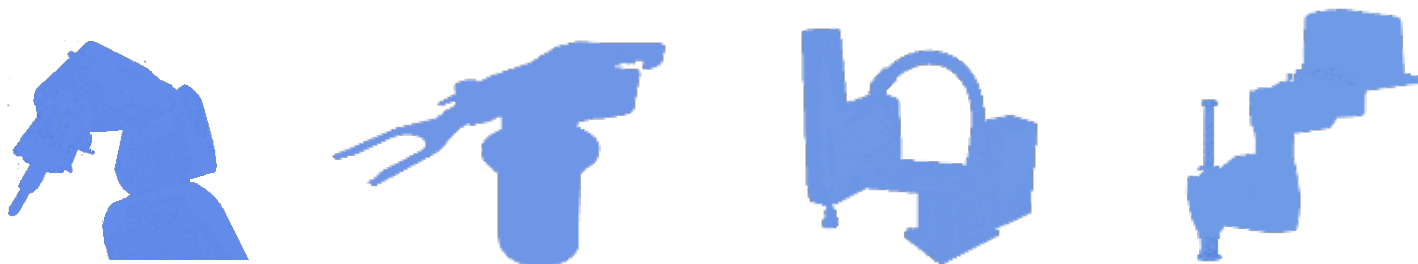
Note: Dividend ratio is on a consolidated basis.

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.

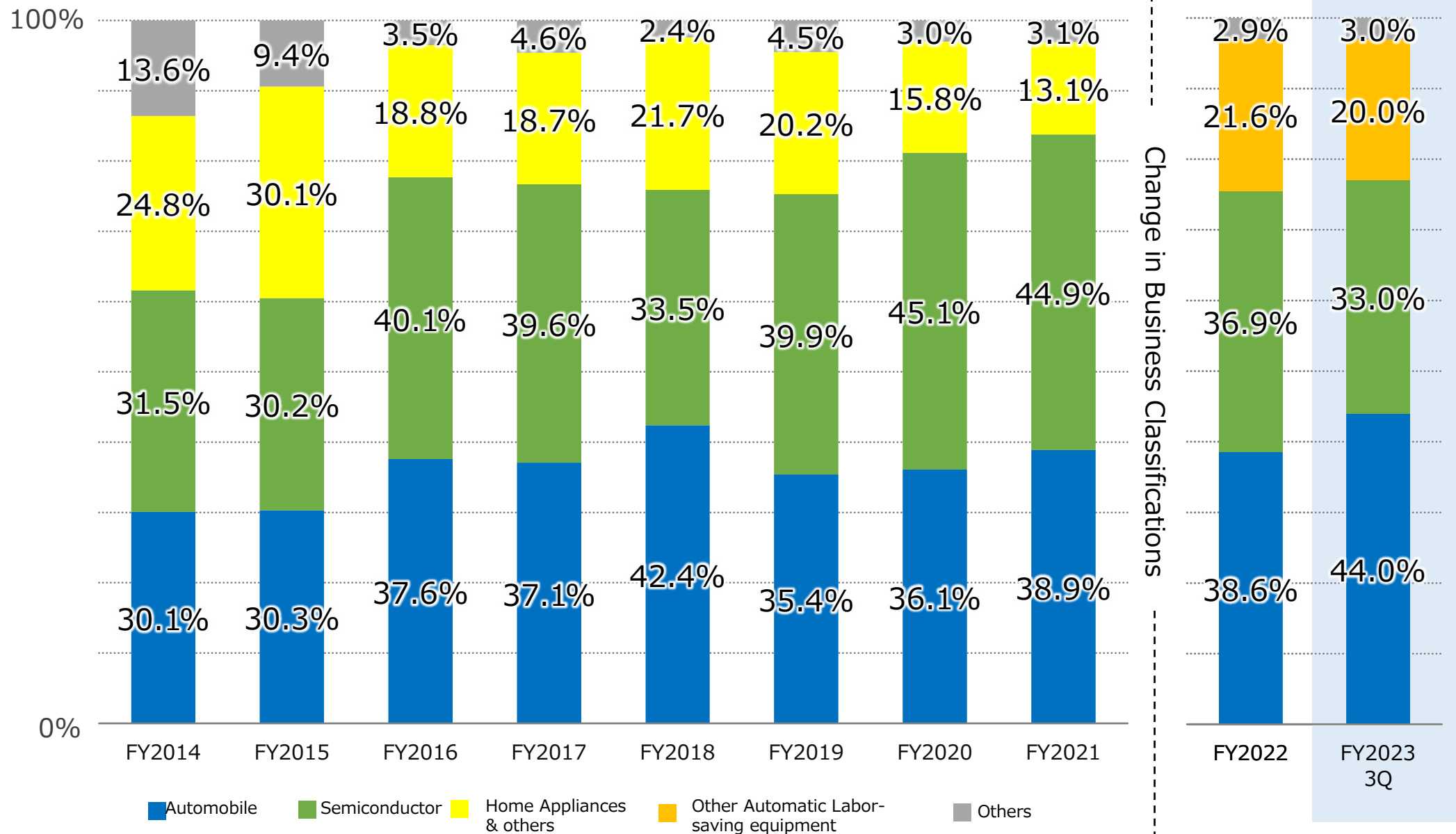
We have revised our dividend forecast for FY2023 to 100 yen per share, considering the upward revision of the profit forecast figures for the current fiscal year's consolidated performance.

III. Reference Data



III. Reference Data ①

Sales Composition Ratio by Business Segment

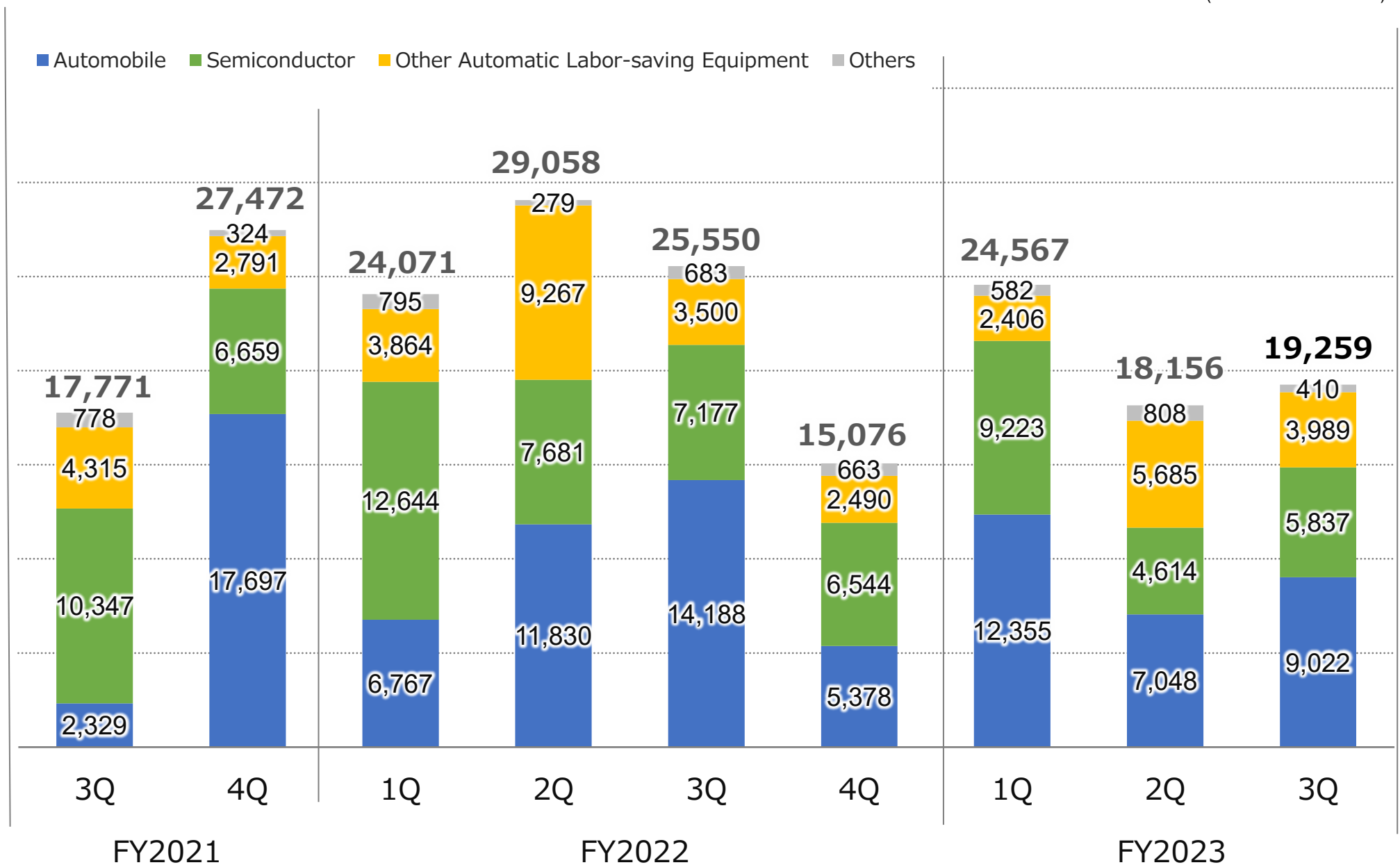


※We changed our business classifications effective from FY2022.

III. Reference Data ②

Quarterly Trends (Received Orders) by Business Segment

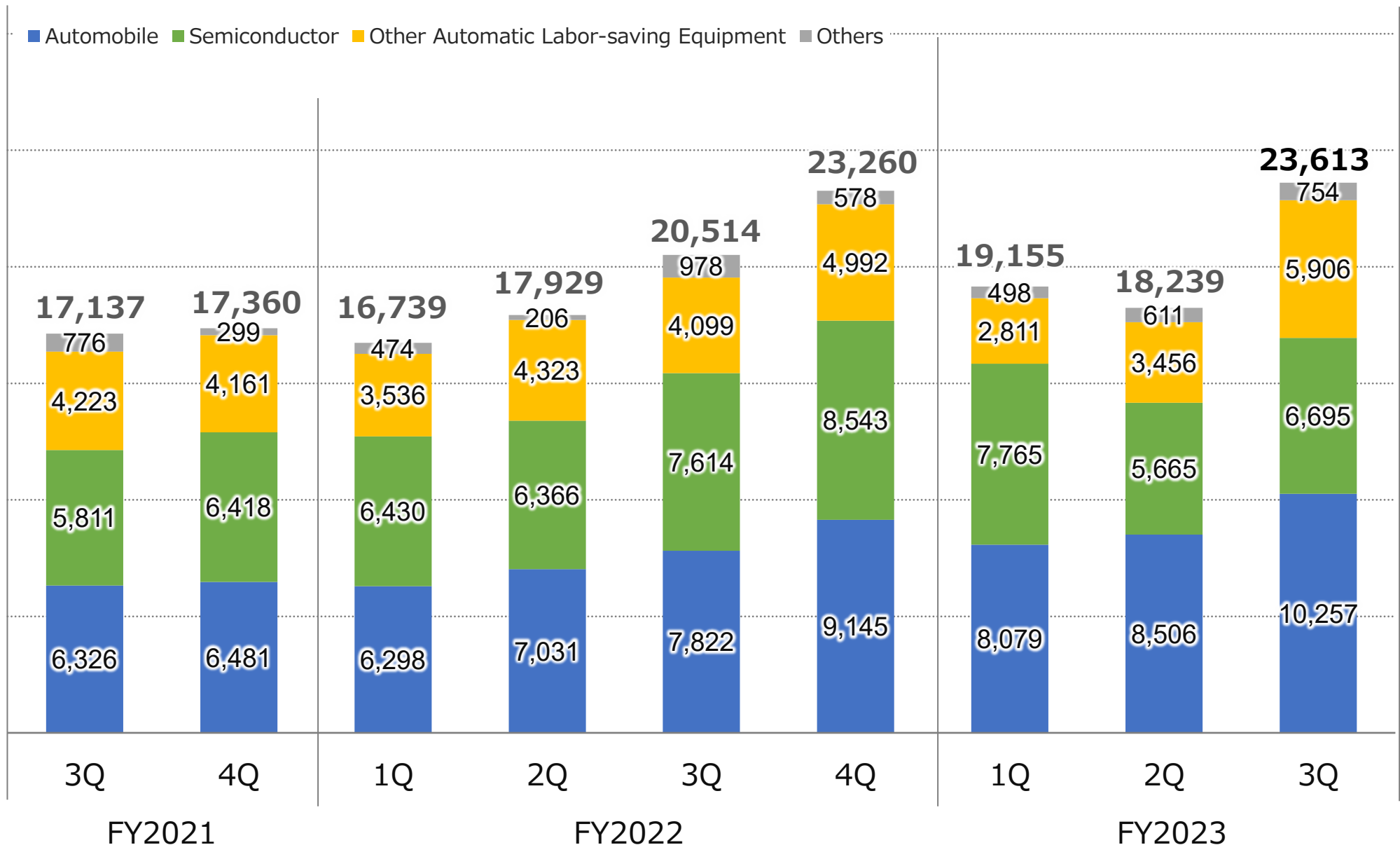
(Units in millions of Yen)



III. Reference Data ②

Quarterly Trends (Sales) by Business Segment

(Units in millions of Yen)



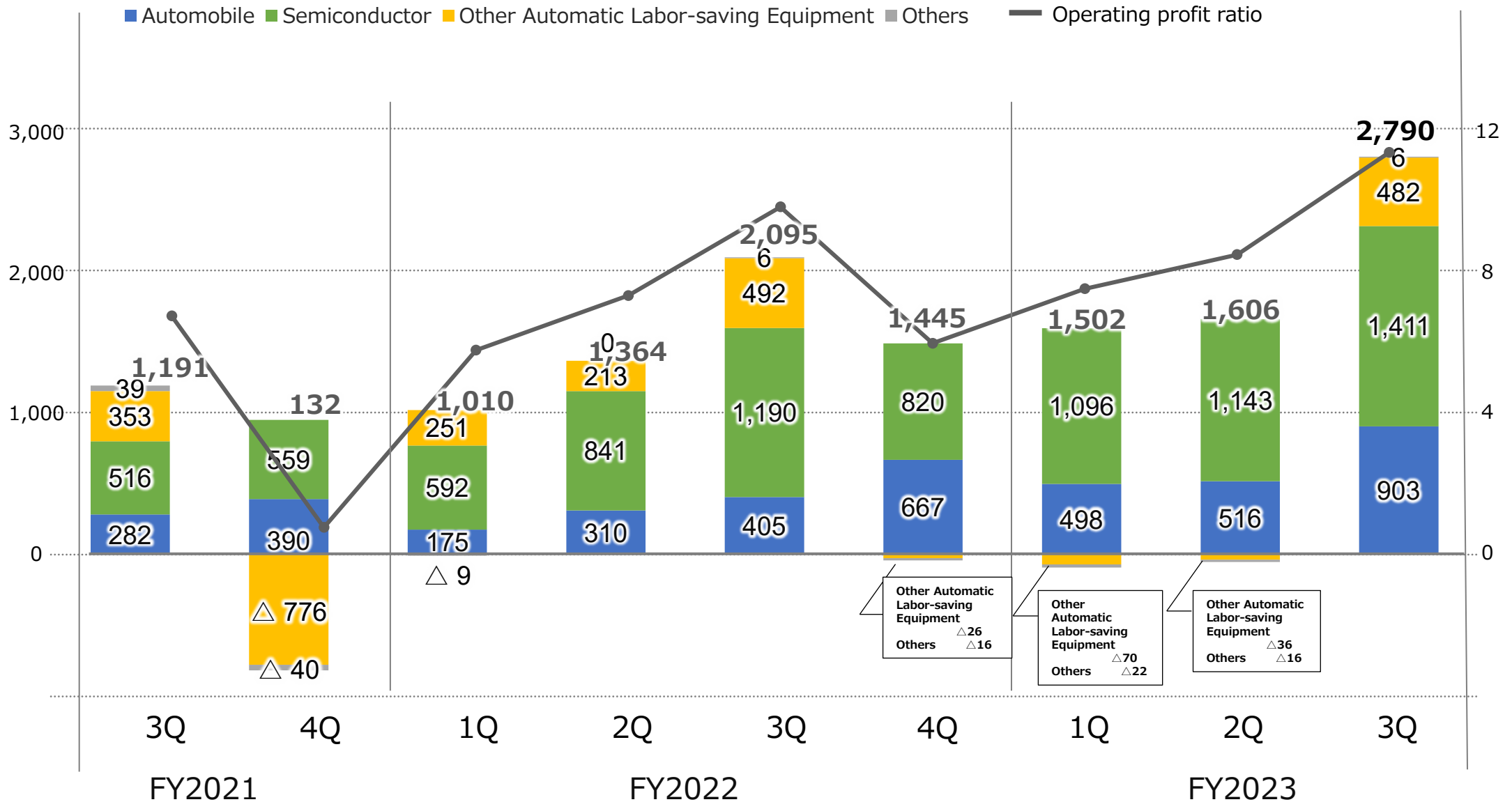
III. Reference Data ②

Quarterly Trends (Received Orders) by Business Segment

※Before consolidation and elimination

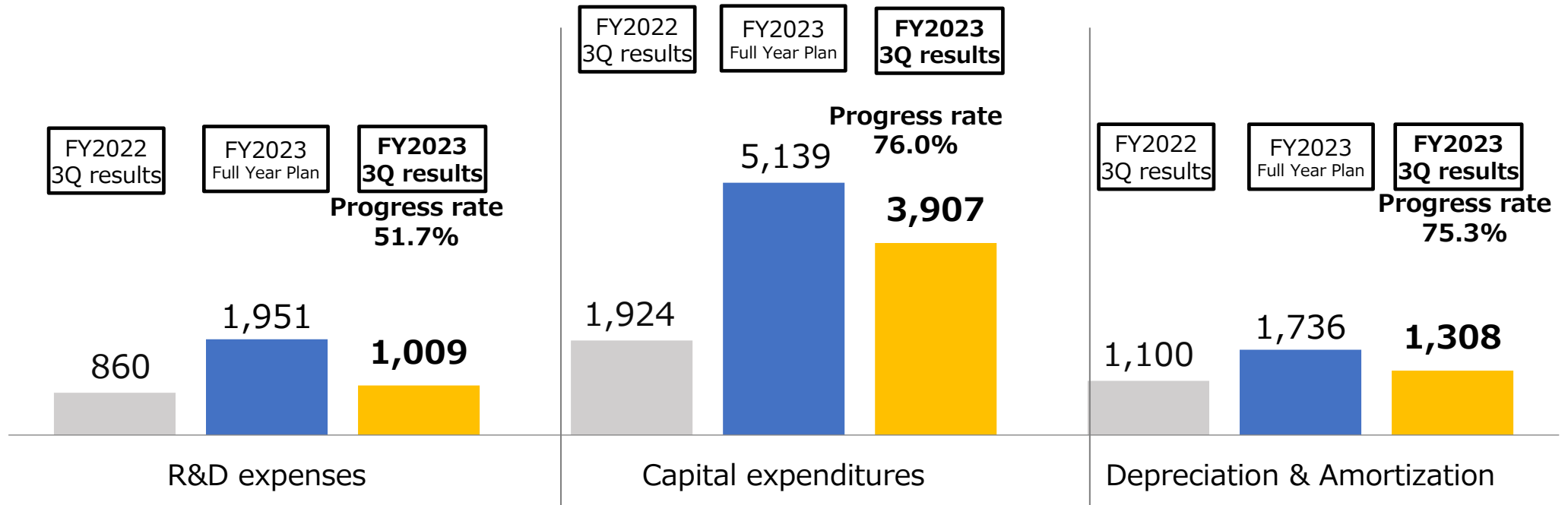
(Units in millions of Yen)

(Unit : %)



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

(Units in millions of Yen)



Main items		Investment plan for FY2023	Investment results for FY2023 3Q
R&D expenses	Next generation product development in existing businesses	Approx.1.38 billion yen	Approx.710 million yen
	Research of biogenetic resources	Approx.560 million yen	Approx.290 million yen
Capital investment	Increase production capacity and productivity(Expansion of Shichijo factory, rebuilding of Kansai factory, and so on)	Approx.2.43 billion yen	Approx.1.68 billion yen
	Research and development facilities	Approx.1.37 billion yen	Approx.1.33 billion yen

III. Reference Data ④

Transition of FCF(Free Cash Flow)

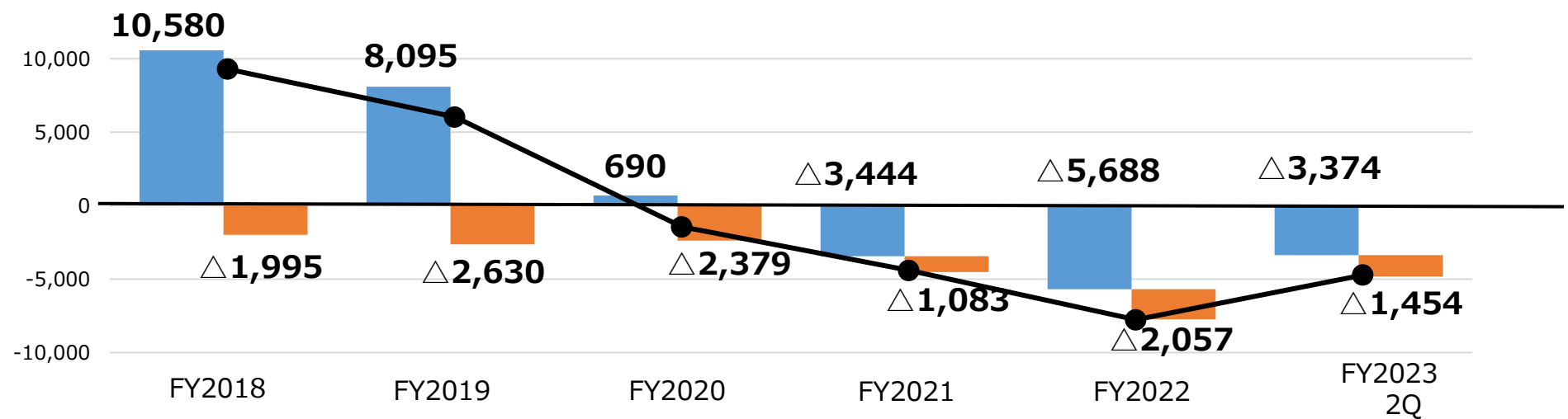
※Consolidated FCF as of 2Q is shown since consolidated FCF for 3Q is not disclosed.

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



(Units in millions of Yen)

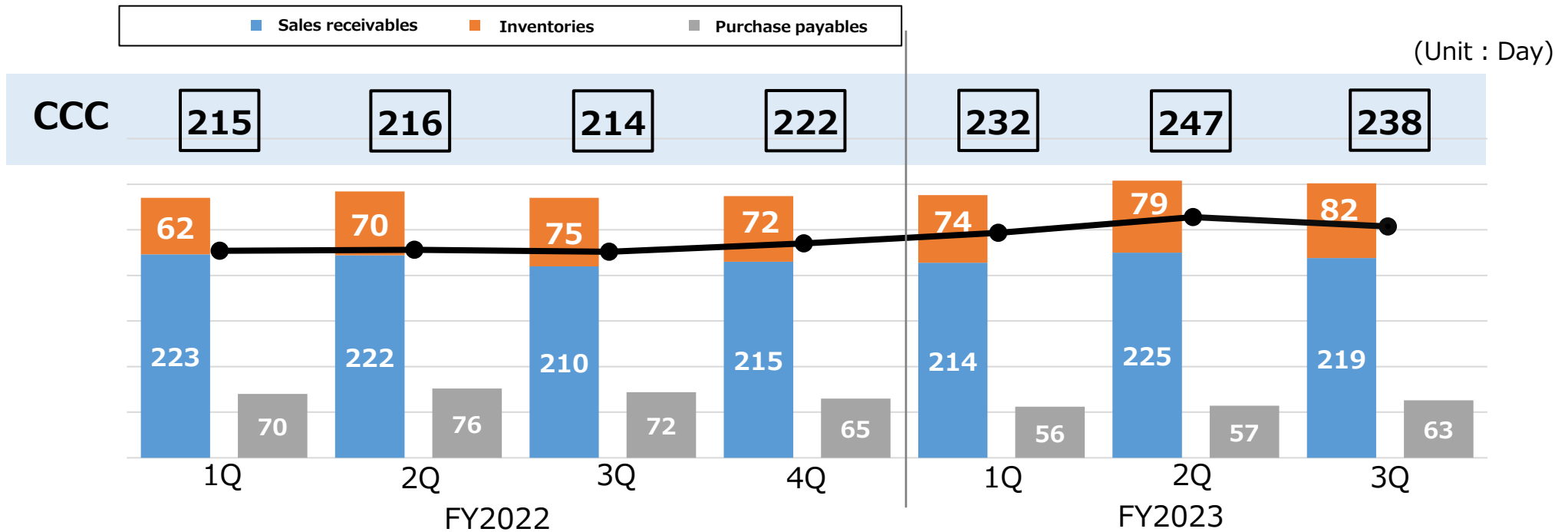
Consolidated FCF	8,584	5,464	△1,688	△4,526	△7,744	△4,828
------------------	-------	-------	--------	--------	--------	--------



<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.

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.



<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.

Responses to the Assumed opportunities / risks of the major anticipated external environment ①

Assumed major external environment (FY2023)	Assumed opportunities / risks	Major countermeasures
Strengthening countries' efforts to decarbonize and become carbon neutral	<p>[Opportunity] Increase in demand related to EV and semiconductor related business</p> <p>[Risk] Actions taken to reduce GHG emissions (cost increase) Missed orders due to lack of production capacity and human resources</p>	<ul style="list-style-type: none"> ●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
Policy change due to change of government in North America	<p>[Risk] •Decreased capital investment by customers due to EV market contraction •Increased materials shortages and procurement costs due to accelerated trade friction</p>	<ul style="list-style-type: none"> ●Understand capital investment trends through close information exchange with customers ●Securing new customers and projects by expanding the areas of service ●Diversify core businesses and optimize resource allocation
U.S. IRA(Inflation Reduction Act) enforcement boosts North American EV market	<p>[Opportunity] Increase in demand related to EV and semiconductor related business</p> <p>[Risk] Missed orders due to lack of production capacity and human resources</p>	<ul style="list-style-type: none"> ●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
Countries' policy shift toward decarbonization and carbon neutrality	<p>[Risk] Decreased capital investment by customers due to EV market contraction</p>	<ul style="list-style-type: none"> ●Understand capital investment trends through close information exchange with customers ●Securing new customers and projects by expanding the areas of service ●Diversify core businesses and optimize resource allocation
Mass production of new methods in battery field	<p>[Opportunity] Expanding business opportunities by following new technologies and mass production</p> <p>[Risk] Deterioration in profitability due to the burden of development factors</p>	<ul style="list-style-type: none"> ●Participate in the customer's research and development phase, and develop and propose products that meet the customer's requirements ●Reduction of development costs through external procurement

III. Reference Data ⑥

Responses to the Assumed opportunities / risks of the major anticipated external environment ②

Assumed major external environment (FY2023)	Assumed opportunities / risks	Major countermeasures
Diffusion of Generative AI	<p>[Opportunity] Increase in demand related to semiconductor related business</p> <p>[Risk] Missed orders due to lack of production capacity and human resources</p>	<ul style="list-style-type: none"> ● Improvement of QCD to obtain continuous inquiries from existing customers ● Positioning semiconductors as growth areas and concentrating resources = Upfront investment in human resources and production capacity in anticipation of increased orders
Progress of Silicon Islanding in Kyusyu	<p>[Opportunity] Increase in demand related to semiconductor related business</p> <p>[Risk] Insufficient human resources due to competition for talent</p>	<ul style="list-style-type: none"> ● Improvement of QCD to obtain continuous inquiries from existing customers ● Positioning semiconductors as growth areas and concentrating resources = Upfront investment in human resources and production capacity in anticipation of increased orders ● Aggressive hiring of personnel ● Wage revision and retention measures based on other companies' trends
Rising U.S. interest rates and a weakening yen	<p>[Opportunity] Increased price competitiveness relative to overseas competitors due to yen depreciation</p> <p>[Risk] Increase in procurement costs for overseas procurement(raw materials and parts) due to yen depreciation</p>	<ul style="list-style-type: none"> ● 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.
Soaring raw materials and component prices	<p>[Risk]</p> <ul style="list-style-type: none"> • Deterioration in profit margin due to inability to reflect prices • Decrease in competitiveness due to price reflection (sales price increase) 	<ul style="list-style-type: none"> ● 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	<p>[Risk]</p> <p>Decrease in sales, deterioration of cost ratio and increase in inventories due to delay in production schedule and lengthening of production lead time</p>	<ul style="list-style-type: none"> ● 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

Topic : Receipt of large-scale projects

① Receipt of large-scale purchase order for battery charging and discharging related equipment for EVs (disclosed in January 2024)

- We received an order for **3 lines for battery charging and discharging related equipment for EVs, amounting to more than 4 billion yen.**
- The order for battery charging and discharging related equipment for EVs will begin in earnest in FY2022, and our ability to handle large-scale projects and its track record of delivering charging and discharging related facilities have been highly evaluated, and we have received the order.
- We will continue to improve our proficiency in battery charging and discharging related equipment and focus on expanding orders in this field.

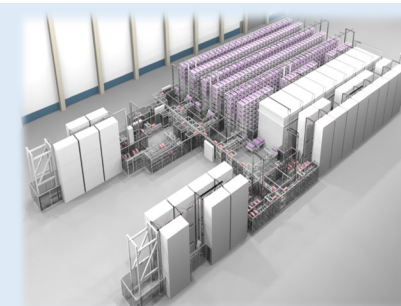


Image of battery charging and discharging related equipment

② Receipt of large-scale purchase order for automotive internal combustion engine related equipment

(disclosed in February 2024)

- We received an order for **automotive internal combustion engine related equipment totaling approximately 13 billion yen.**
- We have an established track record in providing assembly and test equipment for engine and transmission assembly lines for ICE passenger vehicles and light duty trucks. Our recent receipt of orders is a reflection of our excellent track record in this area.
- We are steadily accumulating design and manufacturing expertise in this market and will continue to address the needs of our customers around the world by utilizing our experience and production capacity to meet both ICE and EV market demand.

<The list of large-scale purchase order projects we disclosed in FY2023>

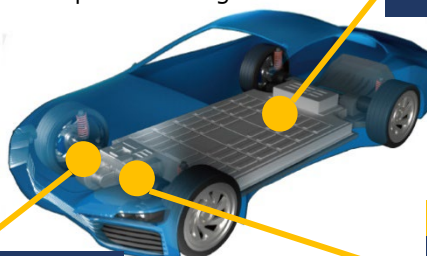
Business segment	Disclosure date		Outline of the equipment	Amount
Automobile-related	2023	June	EDU assembly equipment for EVs	More than 8 billion yen
	2024	January	Battery charging and discharging related equipment for EVs	More than 4 billion yen
		February	Automotive internal combustion engine related equipment	Approximately 13 billion yen

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



Main field
IGBT·Inverter assembly equipment

Main field
EDU assembly equipment

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

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)

Manufacturing of conveying equipment for charging and discharging processes that are part of the battery cell progress.

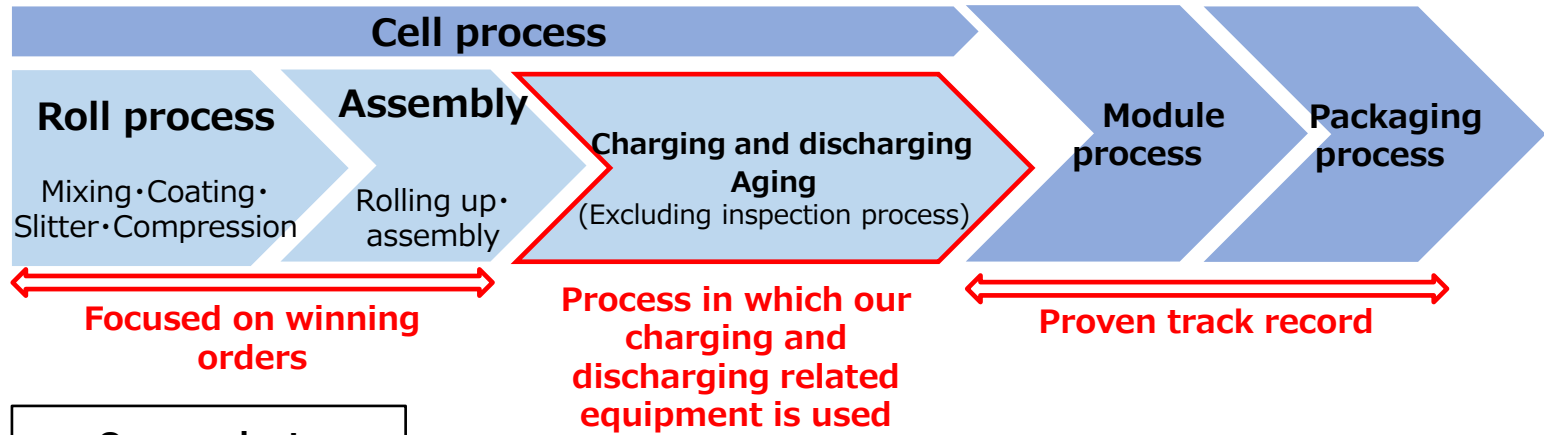
Main Areas, customers, superiority

Major fields	Areas	Customers	Hirata's superiority
EDU assembly equipment	North America	<ul style="list-style-type: none"> •North American automakers (Big Three) •North American emerging EV manufacturers 	<p>【Common in segment】</p> <ul style="list-style-type: none"> ○Integrated system from development to production and maintenance ○Engineering ability to respond to customer requests ○Customer trust and continuation transactions <p>【Unique in segment】</p> <ul style="list-style-type: none"> ●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(charging / discharge process)	Japan	Domestic battery manufacturers	

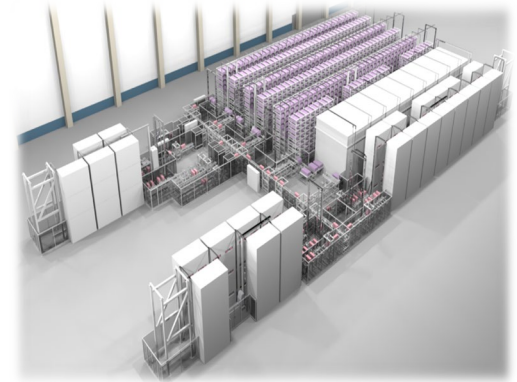
Business overview : Battery manufacturing process and the scope of our charging and discharging related equipment

- Manufacturing of charging and discharging related equipment used in the final charging and discharging process of battery cells
- Delivering to customers as a system incorporating charging and discharging machines, utilizing transfer and stocker technology

Battery manufacturing process



●Image of charging and discharging facilities



Our products

● **Charging and discharging related equipment**

- The process of activating cells (batteries) by applying power to the assembled cells and repeating charging and discharging in the initial stage, after aging, after high temperature testing, etc.
- We deliver the system to the customer by incorporating the charging and discharging machines procured from external suppliers into the transport lines and automated warehouses manufactured by us.

<Transport system>

This system provides optimal transfer between processes according to recipes (process procedures).

<Warehouse system for aging>

The system performs tests in high-temperature environments and measures the performance of cell voltages after a certain period of time in an automated warehouse.

< Warehouse system for charging and discharging >

It is used in a process in which a full charge and discharge are repeated several times. It takes several hours to set the charging capacity, charging speed, and number of repetitions.




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>

Hirata

➔

Manufacturing equipment Maker

➔

Device Maker

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>

Hirata

➔




Inspection device maker

➔

Device Maker

Expansion field

PLP transport device

EFEM
Load port
Transfer robot

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

<Main trading process>

Hirata

➔

Substrate maker

➔

Device Maker

Main customers, competitors, superiority

Major fields	Areas	Customers	Hirata's superiority
Wafer transport device	Japan	Domestic manufacturing equipment manufacturer	[Common in segment] ○Integrated system from development to production and maintenance ○Engineering ability to respond to customer requests ○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	

Business overview : Semiconductor manufacturing process and the scope of our wafer transport device

● Manufacturing of load ports that take wafers into various processing equipment mainly used in the front-end process of semiconductor manufacturing, wafer transfer robots that transfer wafers, and EFEMs that integrate them

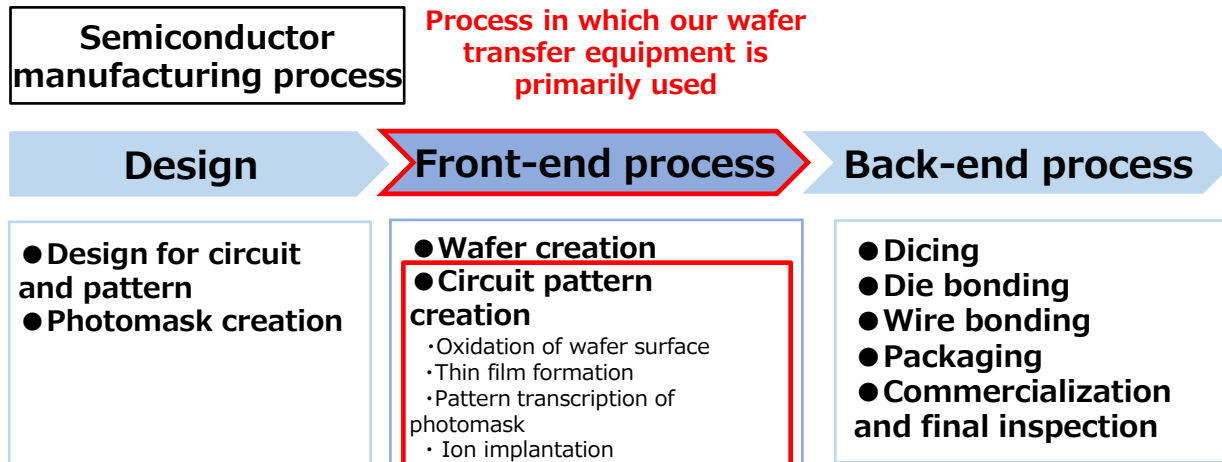
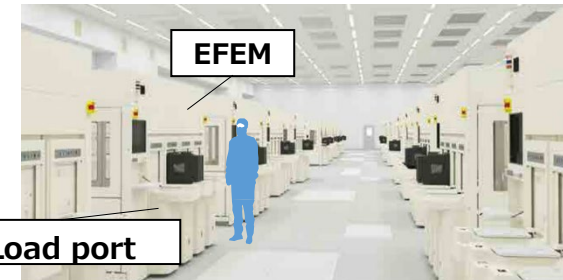


Image of our product installation



Multiple EFEM/load ports are used on a single line because EFEM/load ports are installed at each processing unit.

Our main products

① EFEM (Equipment Front End Module)

It is placed for each processing unit, with a wafer transfer robot inside and a load port on the front.



② Load port

It opens and closes the lid on the back side of the FOUP ※, a device that makes up the EFEM, but is also sold as a stand-alone item.



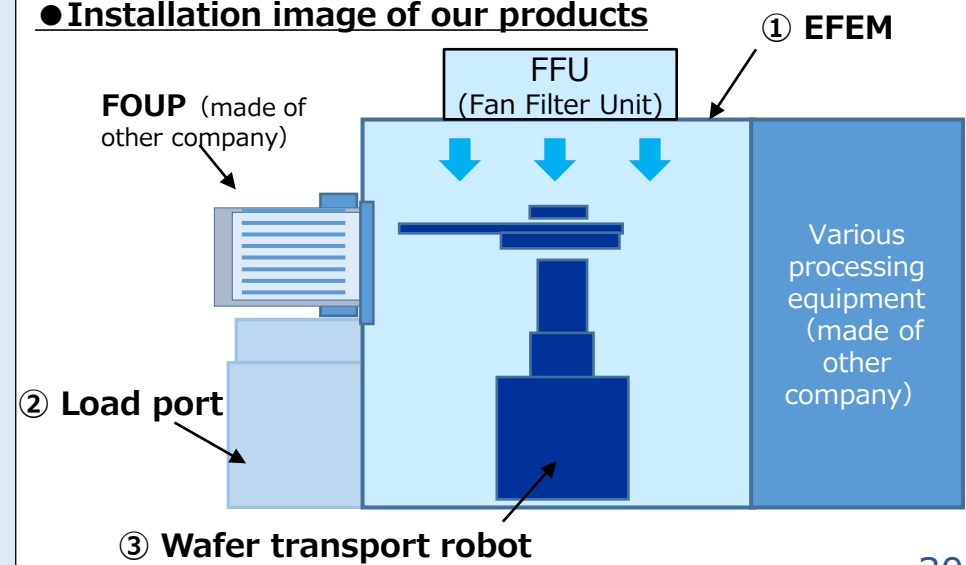
③ Wafer transport robot

Wafers are removed from the FOUP and transferred to the processing equipment. After processing, the wafers are stocked back in the FOUP. It is a device that makes up the EFEM, but is also sold as a stand-alone item.



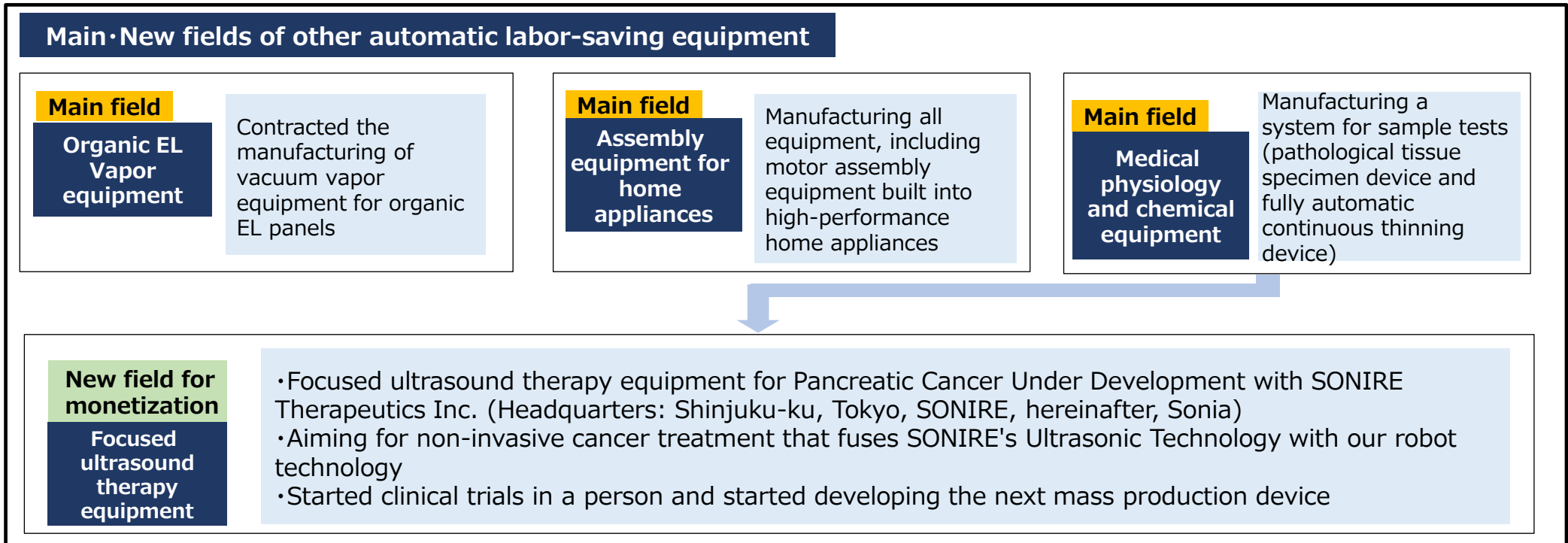
※FOUP : It is a container for wafers that holds multiple wafers and moves them between processes.

Installation image of our products



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 customers, competitors, superiority

Major fields	Areas	Customers	Hirata's superiority
Organic EL Vapor equipment	Japan	Domestic manufacturing device manufacturer	<p>【Common in segment】</p> <ul style="list-style-type: none"> ○Integrated system from development to production and maintenance ○Engineering ability to respond to customer requests ○Customer trust and continuation transactions <p>【Unique in segment】</p> <ul style="list-style-type: none"> ● 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.