

Hirata

Security code : 6258
November 2024

Financial Results Explanatory Materials

FY2024 (March 2025)
Second quarter

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

Table of
Contents

- I. FY2024 Second Quarter Results (Consolidated)
- II. FY2024 Full Year Forecasts (Consolidated)
- III. Capital Policy
- IV. Reference Data

※FY2024 represents the fiscal year ending March 31, 2025.

Company Profile

Company Name	HIRATA Corporation
Address	111 Hitotsugi, Ueki, Kita, Kumamoto, 861-0198 Japan
Representatives	Yuichiro Hirata, President
Date Established	December 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 (Symbol:6258)
Employees	Consolidated 2,432 Non-Consolidated 1,535 ※As of September 30, 2024
Plants and office	7 bases in Japan(4 bases in Kumamoto 1 each in Tochigi, Shiga, Tokyo)
Subsidiaries	3 subsidiaries in Japan(2 in Kumamoto, 1 in Tokyo) 9 overseas subsidiaries(America, Mexico, Germany, Singapore, Thailand, Malaysia, 2 in China, Taiwan)

I . FY2024 Second Quarter Results (Consolidated)

Financial Summary

※Second Quarter Cumulative Period

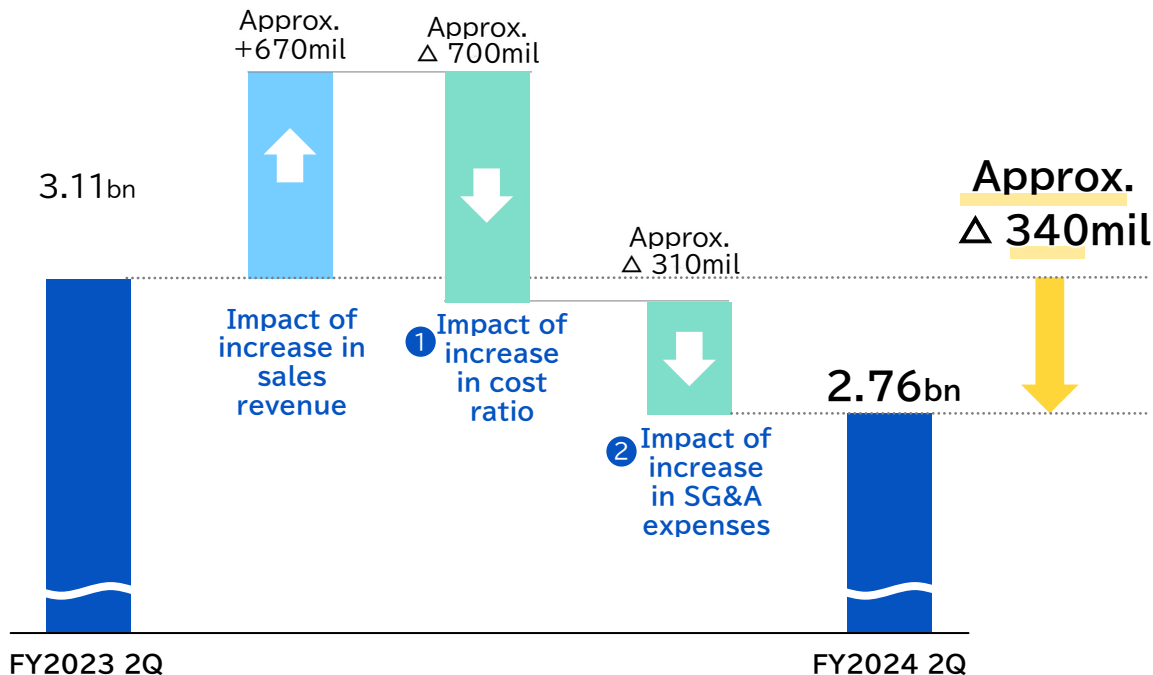
- **Order received** We have received multiple large projects related to automobiles. In addition, the semiconductor industry has shown signs of recovery in the second quarter, resulting in an increase compared to the same period last year.
- **Sales** The production of the projects we have received orders for, mainly in the automotive sector, has progressed, resulting in an increase compared to the same period last year.
- **Operating profit** We have brought forward the recording of some expenses that were traditionally recorded in the fourth quarter. Additionally, the deterioration of the cost ratio for some projects in the first quarter has had an impact, resulting in a decrease compared to the same period last year.

(Units in millions of Yen)

	FY2023 2Q	FY2024 2Q	YoY Change	
	Actual results	Actual results	Amount of +/-	Percentage of +/-
Orders Received	42,724	43,975	1,250	2.9%
Net Sales	37,394	40,365	2,970	7.9%
Operating Profit (Profit ratio)	3,111 (8.3%)	2,765 (6.8%)	▲346	▲11.1%
Ordinary Profit	3,281	2,708	▲572	▲17.5%
Profit attributable to owners of parent	2,303	1,803	▲499	▲21.7%
Backlog of Orders	67,334	69,014	1,679	2.5%

Factor Analysis on Changing Operating Profit

- Operating profit decreased approximately 340 million yen from the same period of the previous year.
 - Main factors for increase : Increase in sales
 - Main factors for decrease : Increase in cost ratio and the selling and administrative expenses, etc. in some projects



① Impact of increase in cost ratio
 Cost ratio 77.4% ⇒ 79.1%

Main factors for increase in cost ratio

- Advance recognition of a portion of the bonus reserve that was traditionally recorded in Q4 (personnel expenses)
- Increase in labor costs due to wage hikes and staff increases
- Development elements of some projects exceed expectations
- Increase in depreciation expenses

② Impact of increase in SG&A expenses

Main factors for increase in SG&A expenses

- Advance recognition of a portion of the bonus reserve that was traditionally recorded in Q4 (personnel expenses)
- Increase in personnel costs due to wage hikes and staff increases.

Results by Segment

(Units in millions of Yen)		FY2023 2Q	FY2024 2Q	Amount of +/-	Percentage of +/-
Received orders	Total	42,724	43,975	1,250	2.9%
	Automobile	19,404	24,733	5,329	27.5%
	Semiconductor	13,838	13,393	▲444	▲3.2%
	Other Automatic Labor-saving Equipment	8,091	4,724	▲3,367	▲41.6%
	Others	1,390	1,123	▲266	▲19.2%
Net Sales	Total	37,394	40,365	2,970	7.9%
	Automobile	16,585	18,895	2,309	13.9%
	Semiconductor	13,431	14,174	742	5.5%
	Other Automatic Labor-saving Equipment	6,268	6,186	▲81	▲1.3%
	Others	1,109	1,109	0	0.0%
Operating profit	Total	3,111	2,765	▲346	▲11.1%
	Automobile	1,014	1,298	284	28.0%
	Semiconductor	2,240	1,801	▲438	▲19.6%
	Other Automatic Labor-saving Equipment	▲106	▲308	▲202	-
	Others (including elimination)	▲36	▲26	9	-
Backlog of orders	Total	67,334	69,014	1,679	2.5%
	Automobile	34,460	44,988	10,528	30.6%
	Semiconductor	22,160	18,689	▲3,470	▲15.7%
	Other Automatic Labor-saving Equipment	9,844	4,833	▲5,011	▲50.9%
	Others	869	502	▲366	▲42.2%

Results by Segment : Automobile-related

- Received orders increased compared to the same period last year. Although a slowdown in growth is observed in the overall EV market, this is the result of receiving large orders for EV battery charge and discharge related equipment and EDU assembly lines.
- Sales increased compared to the same period last year. This is the result of progress in the production of EV-related projects (mainly EDU and battery-related) and internal combustion engine projects that were ordered in the previous term.
- The change in the timing of recognizing some expenses (from Q4 to Q2) lowered operating profit, but the increase in revenue outweighed this effect, leading to an increase in profit, with operating profit rising compared to the same period last year.

(Units in millions of Yen)

	FY2023 2Q		FY2024 2Q		YoY Change	
	Results	Segment composition	Results	Segment composition	Amount of +/-	Percentage of +/-
Received orders	19,404	-	24,733	-	5,329	27.5%
EV	15,606	80.4%	18,690	75.6%	3,084	19.8%
Others	3,797	19.6%	6,042	24.4%	2,245	59.1%
Net Sales	16,585	-	18,895	-	2,309	13.9%
EV	12,869	77.6%	12,794	67.7%	▲74	▲0.6%
Others	3,716	22.4%	6,100	32.3%	2,384	64.2%
Backlog of orders	34,460	-	44,988	-	10,528	30.6%
Operating profit	1,014	-	1,298	-	284	28.0%
Operating profit ratio	6.1%	-	6.9%	-	-	-

Results by Segment : Semiconductor-related

- Received orders are on par with the same period last year. Although orders other than wafer transport were below the same period last year, wafer transport-related orders showed a recovery trend in the second quarter.
- Sales increased compared to the same period last year. This is the result of progress in the production of wafer transport due to the increase in orders.
- Operating profit decreased compared to the same period last year. This is due to a reduction in some high-margin projects and the change in the timing of recognizing certain expenses (from Q4 to Q2) has led to a decrease in operating profit.

(Units in millions of Yen)

	FY2023 2Q		FY2024 2Q		YoY Change	
	Results	Segment composition	Results	Segment composition	Amount of +/-	Percentage of +/-
Received orders	13,838	-	13,393	-	▲444	▲3.2%
Wafer transfer	8,668	62.6%	11,046	82.5%	2,378	27.4%
Others	5,169	37.4%	2,346	17.5%	▲2,823	▲54.6%
Net Sales	13,431	-	14,174	-	742	5.5%
Wafer transfer	7,857	58.5%	9,871	69.6%	2,014	25.6%
Others	5,574	41.5%	4,302	30.4%	▲1,271	▲22.8%
Backlog of orders	22,160	-	18,689	-	▲3,470	▲15.7%
Operating profit	2,240	-	1,801	-	▲438	▲19.6%
Operating profit ratio	16.7%	-	12.7%	-	-	-

Results by Segment : Other Automatic Labor-saving Equipment

- Received orders decreased compared to the same period last year. It fell below the previous year's level, which had been supported by orders from the organic EL and home appliance sectors. This was also influenced by factors such as the postponement of customer capital investments.
- Sales were on par with the same period last year. Although production of ordered projects progressed, it resulted in sluggish performance due to factors such as customer investment delays.
- Operating profit decreased compared to the same period last year. This was influenced by the deterioration of the cost ratio in some projects, as well as the change in the timing of recognizing certain expenses (from Q4 to Q2) has led to a decrease in operating profit.

(Units in millions of Yen)

	FY2023 2Q		FY2024 2Q		YoY Change	
	Results	Segment composition	Results	Segment composition	Amount of +/-	Percentage of +/-
Received orders	8,091	-	4,724	-	▲3,367	▲41.6%
Net Sales	6,268	-	6,186	-	▲81	▲1.3%
Backlog of orders	9,844	-	4,833	-	▲5,011	▲50.9%
Operating profit	▲106	-	▲308	-	▲202	-
Operating profit ratio	▲1.7%	-	▲5.0%	-	-	-

Balance Sheet

(Units in millions of Yen)

Assets	FY2023	FY2024 2Q	YoY change
Current Assets	88,554	85,556	▲2,997
Cash & deposits	10,652	8,456	▲2,196
Trade receivables, etc.	59,504	60,425	920
Inventories	14,264	14,484	219
Others	4,131	2,190	▲1,941
Tangible Assets	42,233	42,284	51
Tangible fixed assets	27,437	26,954	▲483
Intangible fixed assets	904	1,038	133
Investment & other assets	13,891	14,291	400
Total Assets	130,787	127,841	▲2,946

Liabilities	FY2023	FY2024 2Q	YoY change
Current liabilities	49,864	42,040	▲7,823
Fixed liabilities	15,621	18,723	3,102
Total Liabilities	65,485	60,764	▲4,721

Net Assets			
Total net assets	65,302	67,077	1,775

Main factors for increase/decrease

- Cash and deposits decreased as payments for factory expansion costs and accounts payable progressed.
- Current liabilities decreased due to the payments for factory expansion costs and bonuses, which led to a reduction in accounts payable and accrued expenses, as well as partial repayment of short-term borrowings.
- Fixed liabilities increased due to the rise in large projects and long-term projects, leading to an increase in long-term borrowings.

II. FY2024 Full Year Forecasts (Consolidated)

Full Year Forecast

- Sales are expected to increase to 100 billion yen, with operating profit projected to rise to 7.5 billion yen.

※The information remains unchanged from the fiscal year 2023 financial statement announcement on May 10, 2024.

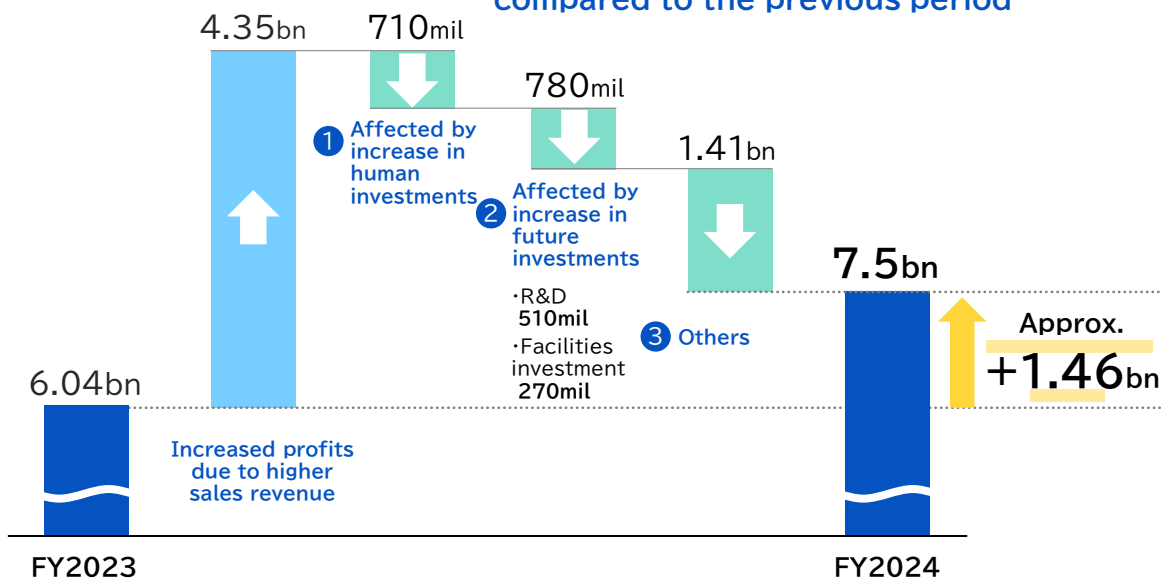
(Units in millions of Yen)

	FY2023	FY2024	YoY Change	
	Results	Full year forecast	Amount of +/-	Percentage of +/-
Net Sales	82,839	100,000	17,160	20.7%
Automobile-related	36,984	50,000	13,015	35.2%
Semiconductor-related	27,390	29,000	1,609	5.9%
Other Automatic Labor-saving Equipment	16,083	19,000	2,916	18.1%
Others	2,381	2,000	△381	△16.0%
Operating Profit (x)	6,047 (7.3%)	7,500 (7.5%)	1,452	24.0%
Ordinary Profit (x)	6,259 (7.6%)	7,300 (7.3%)	1,040	16.6%
Profit attributable to owners of parent (x)	4,344 (5.2%)	4,700 (4.7%)	355	8.2%

Key Points of Full Year Forecast (Operating Profit)

- We will actively implement investments in human resources and growth to achieve “profitability enhancement” and “strengthening of management foundation” for the next phase of growth.
- We anticipate an increase in operating profit compared to the previous period.
- ※The information remains unchanged from the fiscal year 2023 financial statement announcement on May 10, 2024.

Main factors for increase/decrease compared to the previous period



- Personnel investment**
710 million yen
 - Increase in hiring to meet future demand growth
 - Increase in personnel expenses to address the rapid increase in prices and ensure stable talent acquisition, etc.
- Growth investment**
780 million yen
 - Accelerating the development of next-generation product in existing businesses
 - Capital investment for improving productivity, etc.
- Others**
1.41 billion yen
 - Increase in selling, general, and administrative expenses due to sales expansion
 - Increase in procurement cost, etc.

*The impact amount: increase/decrease for full year 2024 compared to full year 2023 results

Progress Status Against the Full year Forecast

- As of the end of the second quarter, the progress rate against the full year forecast is approximately 40% for sales and approximately 37% for operating profit.

	FY2023	FY2024 2Q	FY2024	(Units in millions of Yen)
	Results	Results	Full year forecast	Progress rate against the forecast
Net Sales	82,839	40,365	100,000	40.4%
Automobile-related	36,984	18,895	50,000	37.8%
Semiconductor-related	27,390	14,174	29,000	48.9%
Other Automatic Labor-saving Equipment	16,083	6,186	19,000	32.6%
Others	2,381	1,109	2,000	55.5%
Operating Profit (x)	6,047 (7.3%)	2,765 (6.8%)	7,500 (7.5%)	36.9%

- Although both sales and operating profit have been delayed in progress until the second quarter due to impacts such as customers postponing investments, there is an outlook to achieve the full year forecast through recovery in the second half.
- Although production load will increase in the second half, production capacity has improved due to capital investments and human resource investments during the period. External resources will also be utilized to address any shortfalls.
- In the second half, in addition to a high revenue growth effect, an improvement in profit margins is expected as the number of projects with high novelty and many development elements (which have high cost ratios) decreases.

Ⅲ. Capital Policy

Transition and Forecast of Dividends and Dividend Ratio per Share

(Units in Yen)

	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024 forecast
Dividends per Share	40.00	65.00	65.00	90.00	100.00	120.00
Dividend Ratio (%)	23.8	16.6	25.2	21.9	23.9	26.5

Note: Dividend ratio is on a consolidated basis.

<Our approach to dividends>

We consider the return of profits to shareholders as one of the most important management challenges and strive to strengthen our financial position. Taking into account our consolidated performance and future business development, we aim for a consolidated dividend payout ratio of 20% or more as a general guideline, and we strive to provide stable and continuous dividends.

For the current fiscal year, we anticipate a year-end dividend of 120 yen.

Regarding our future approach to dividends, we will continue to consider it as part of our capital policy, which includes shareholder return strategies.

Acquisition of Treasury Shares

- To improve capital efficiency and respond to changes in the business environment, we will acquire treasury shares as part of our flexible capital policy.

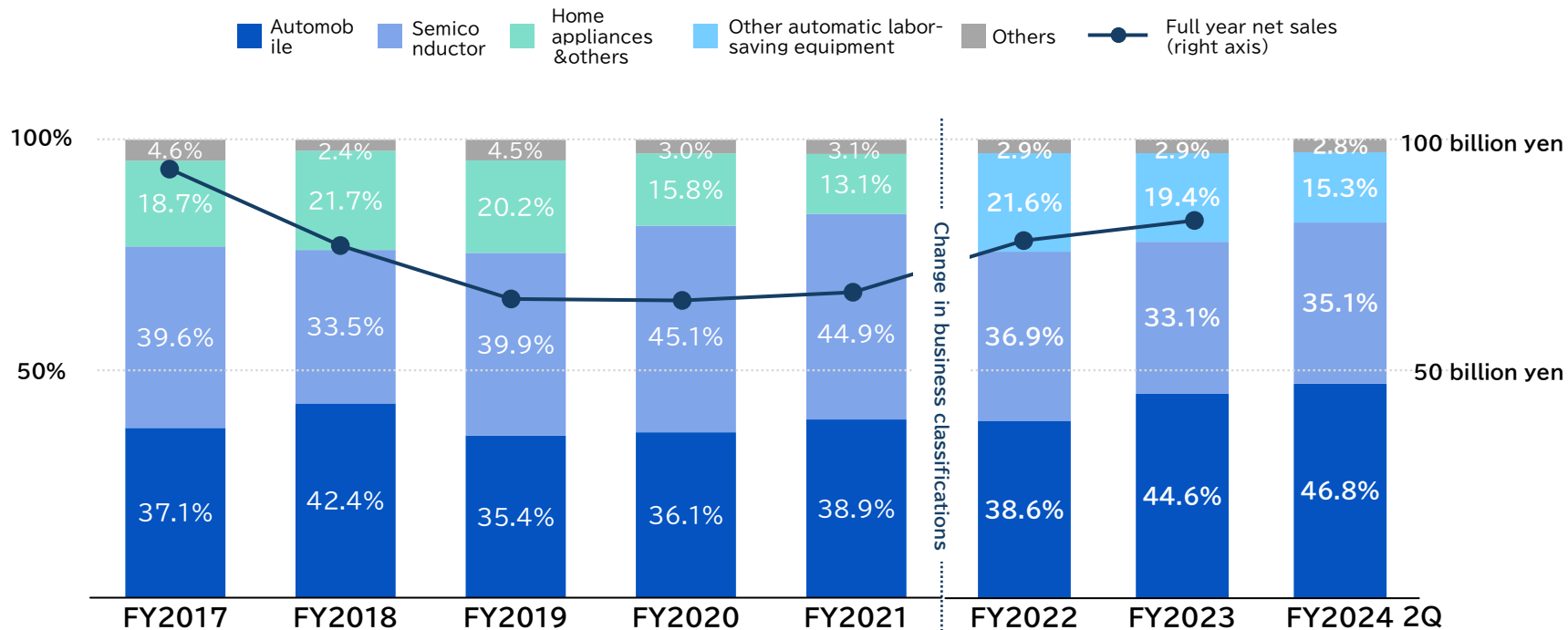
Important matters	Contents
Type of shares to be acquired	Our common stock
Total number of shares that can be acquired	250,000 stocks(maximum) (Percentage of total number of shares issued (excluding treasury stock)2.4%)
Total acquisition cost of the shares	1 billion yen(maximum)
Acquisition period	From November 11, 2024 to March 31, 2025

(For reference) Status of treasury stock holdings as of September 30, 2024.

·Total number of issued shares (excluding treasury shares)	10,386,997
·Number of treasury shares	369,093

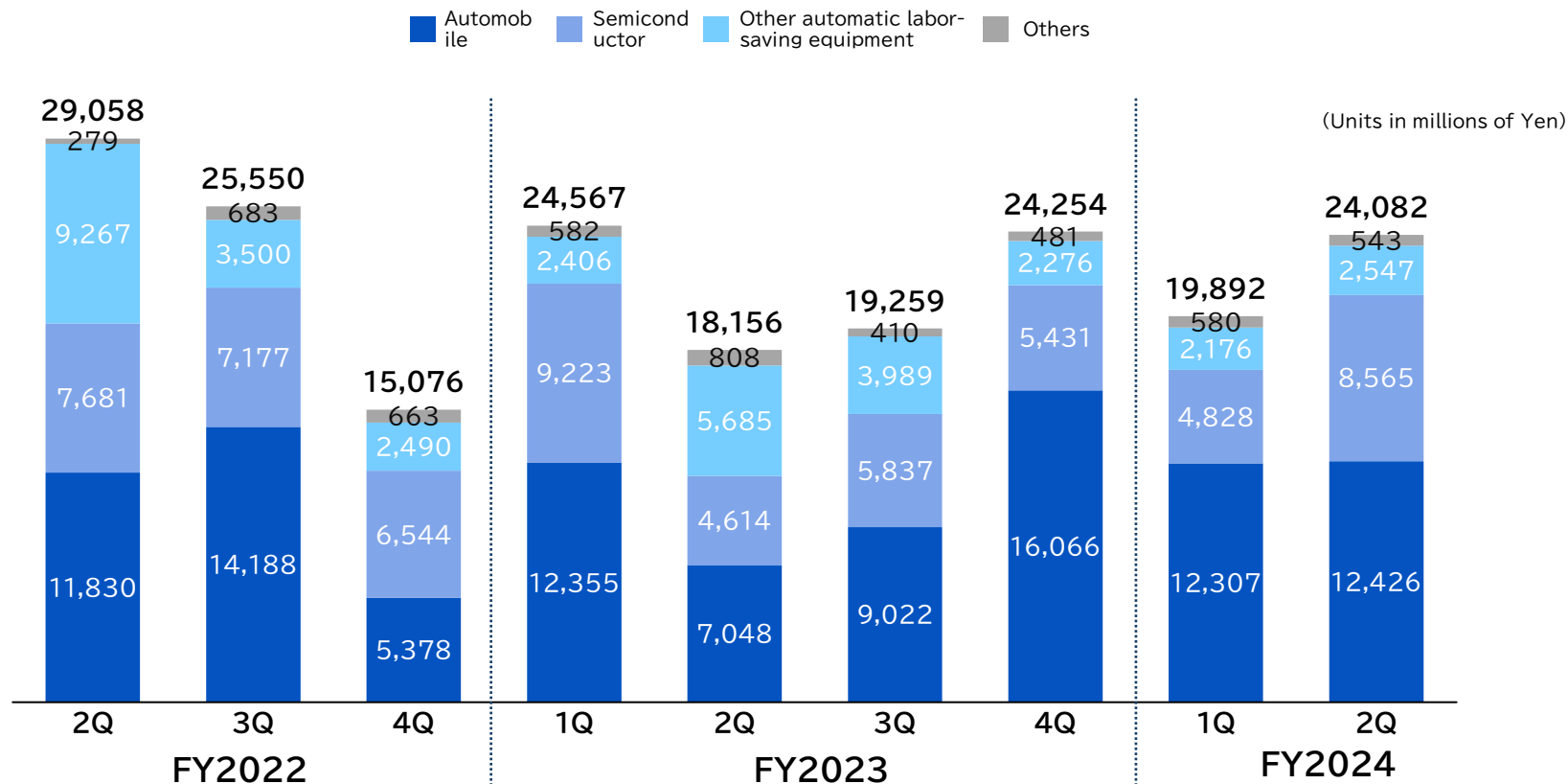
IV. Reference Data

Net Sales Composition Ratio by Business Segment

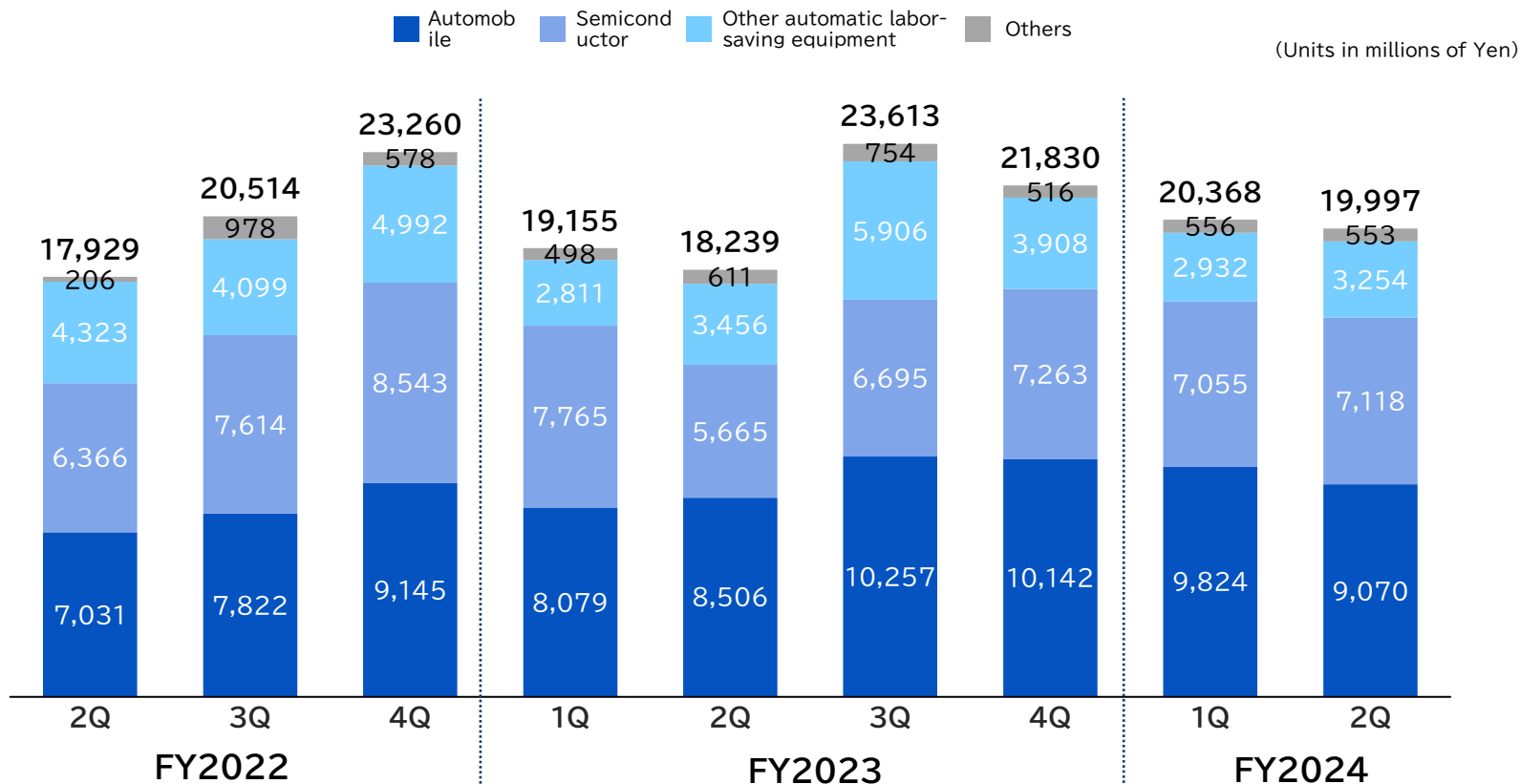


*We changed our business classifications effective from FY2022.

Quarterly Trends by Business Segment [Received Orders]



Quarterly Trends by Business Segment [Net Sales]

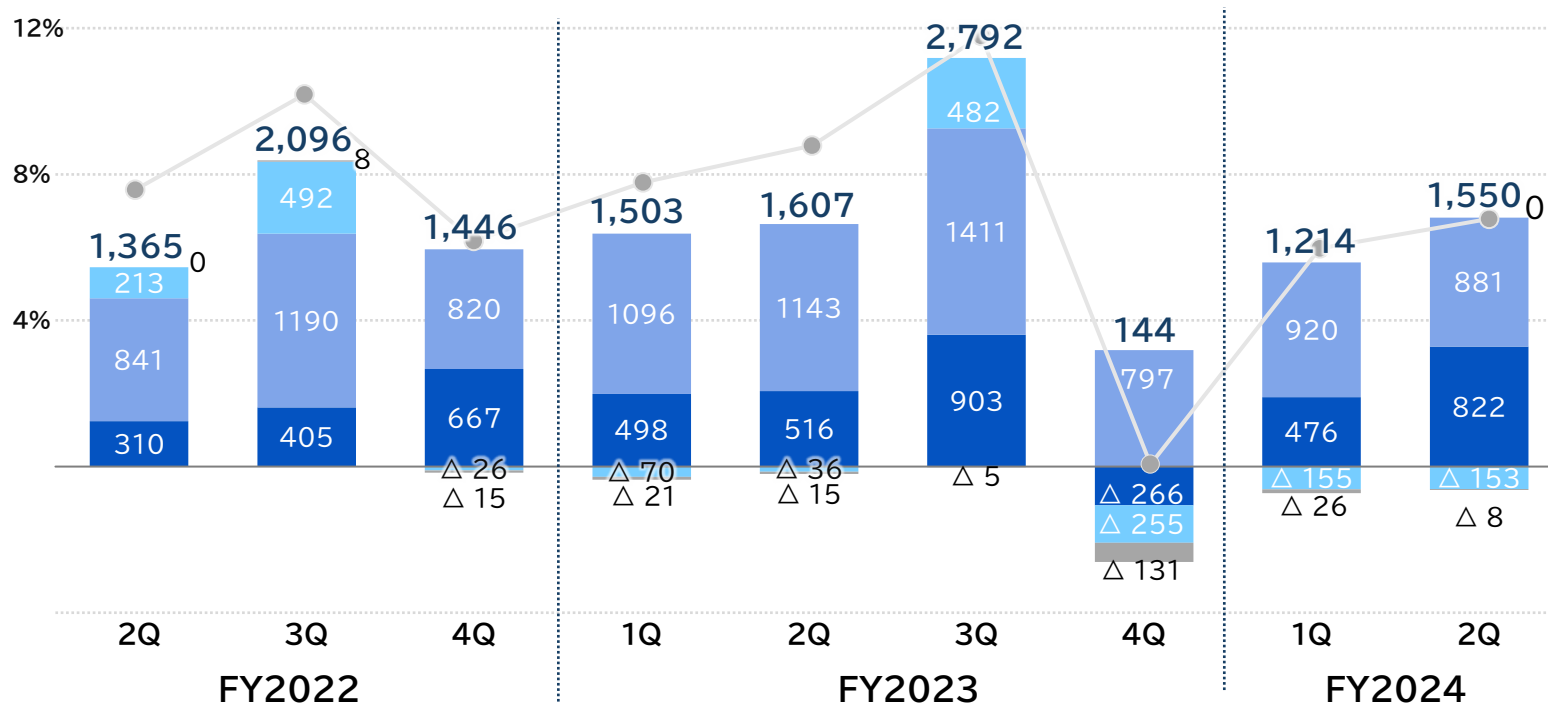


Quarterly Trends by Business Segment [Operating Profit]

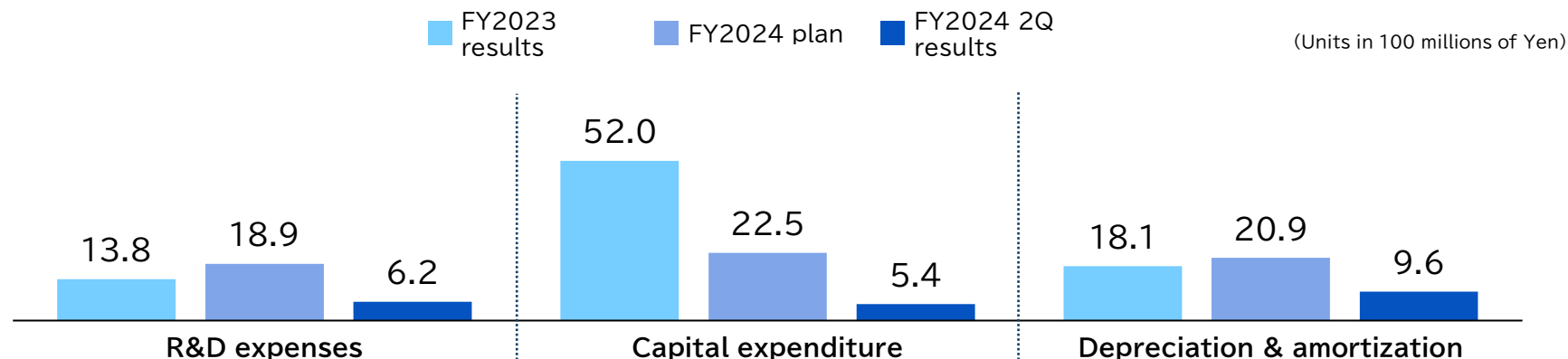
*Others includes elimination

■ Automobile
 ■ Semiconductor
 ■ Other automatic labor-saving equipment
 ■ Others
 ● Operating profit ratio (Left axis)

(Units in millions of Yen)



R&D, CAPEX, Depreciation and Amortization

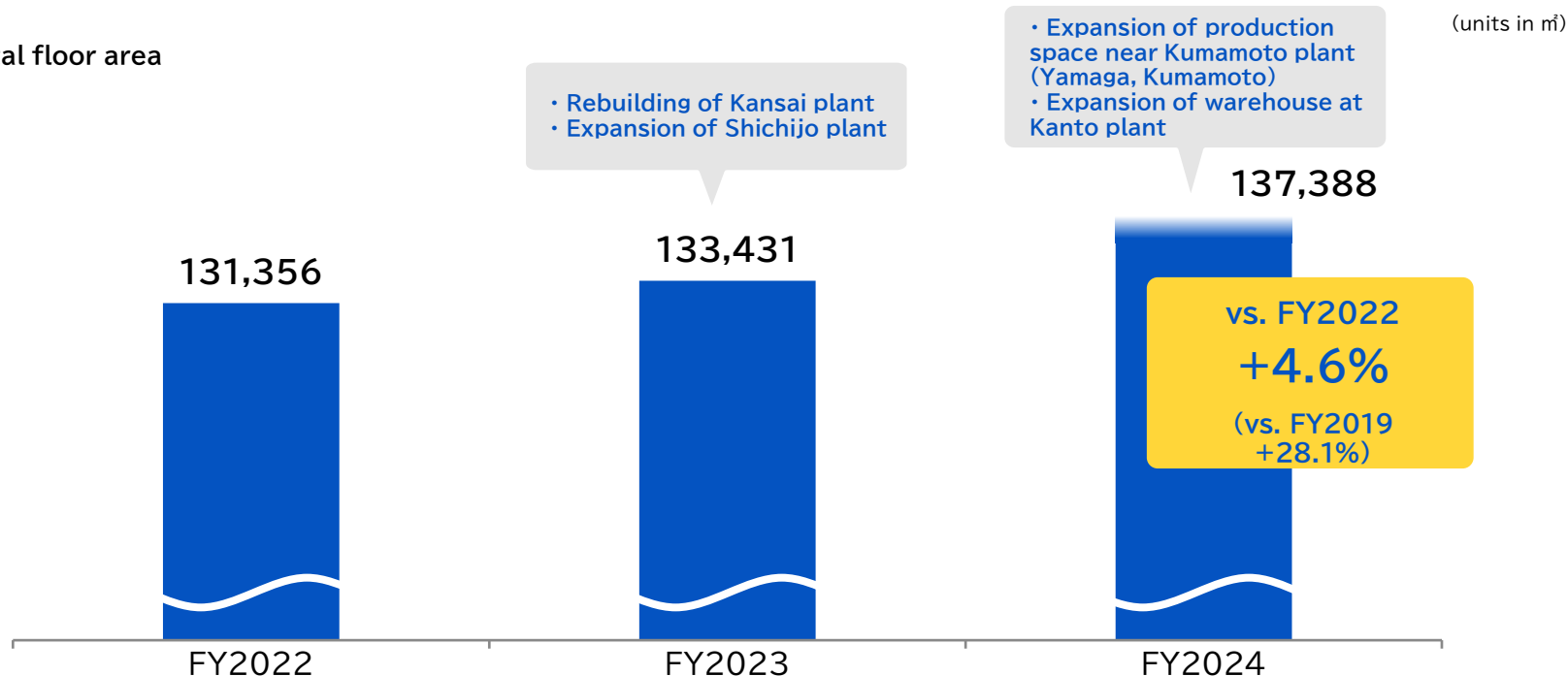


Main investments		FY2023 Results	FY2024 plan	Reasons for increase/decrease
R&D expenses	Next generation product development in existing businesses	Approx. 9.2	Approx. 12.3	Promoting development of mass-produced products
	Plant genetic resource related business	Approx. 4.5	Approx. 6.6	Increased in depreciation and personnel expenses
Capital investment	Plant rebuilding and expansion	Approx. 22.6	Approx. 3.6	Large-scale rebuilding and expansion have halted until the previous period.
	Plant genetic resource related business	Approx. 15.3	Approx. 0.1	The introduction of major equipment was completed by the previous period.
	Information system related	Approx. 2.1	Approx. 1.8	The implementation of the next-generation core system has been ongoing since the previous fiscal year.
	Others	Approx. 12.0	Approx. 17.1	There is a gathering of small-scale investments for the purpose of improving productivity.

Production space (Non-consolidated · End of period)

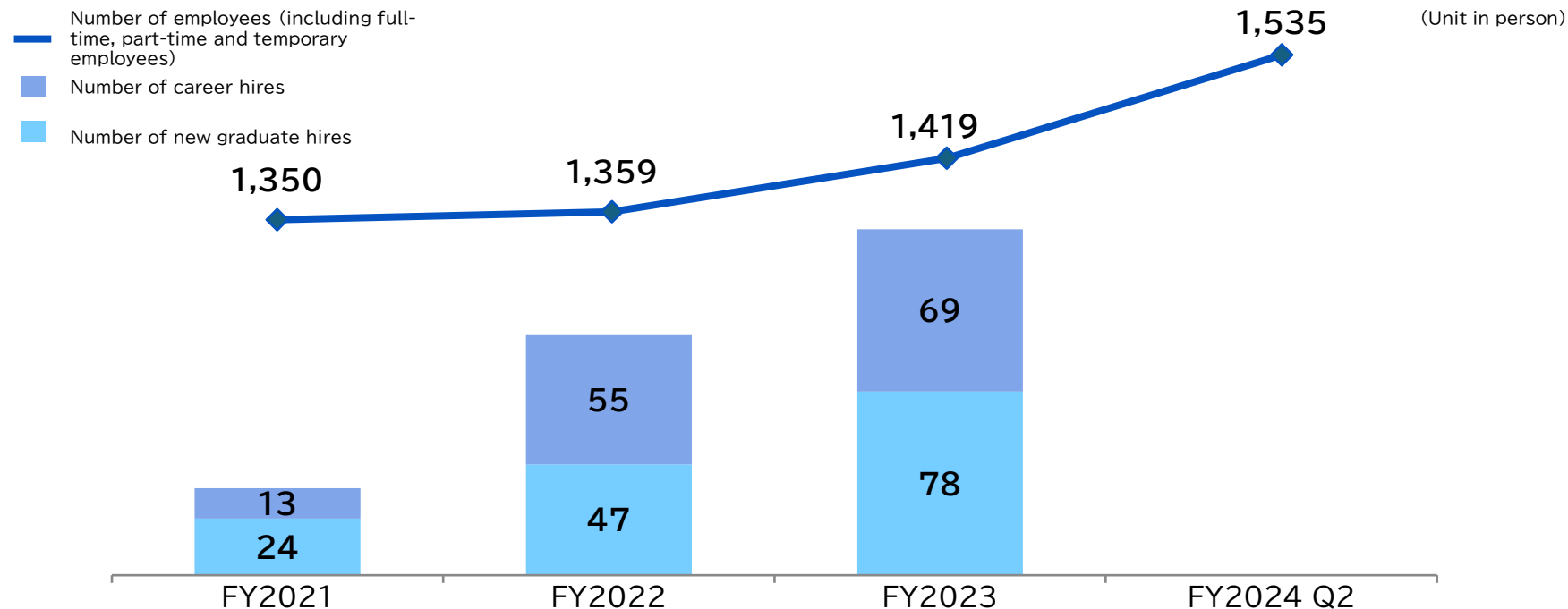
- We are actively working on the continuous expansion of production space to increase our production capacity.
- We will secure additional production space in Yamaga City, which is adjacent to Kumamoto City, for the fiscal year 2024 as well.

■ Total floor area



Number of recruits · employees (Non-consolidated · End of period)

- In anticipation of business expansion, we are committed to ensuring a continuous supply of talented professionals.
- We are working on talent retention through various measures such as wage improvements, workstyle reforms, enhancing employee benefits, and providing quality education and training opportunities.



Potential opportunities/risks from the main external environment and countermeasures

Assumed main external environment	Assumed opportunities / risks	Main countermeasures
Exchange rate (depreciation of the yen)	<ul style="list-style-type: none"> Opportunity <ul style="list-style-type: none"> Relative increase in price competitiveness against overseas competitors Risk <ul style="list-style-type: none"> Increase in the effective purchase price of overseas procured goods 	<ul style="list-style-type: none"> Aggressive expansion of orders for overseas projects Promotion of local production overseas
U.S. presidential election	<ul style="list-style-type: none"> Risk <ul style="list-style-type: none"> Refraining from investment due to concerns about EV market trends 	<ul style="list-style-type: none"> Understanding investment trends through close information exchange with customers Securing new customers and projects by expanding the scope of services Diversification of core business and optimization of resource allocation
Mass-production of new type batteries	<ul style="list-style-type: none"> Opportunity <ul style="list-style-type: none"> Expanding business opportunities through the pursuit of new technologies and the ability to mass-production Risk <ul style="list-style-type: none"> Deterioration in profitability due to the burden of development factors 	<ul style="list-style-type: none"> Participating from the research and development stage of our customers and developing and proposing that meet their requirements Reducing R&D expenses through external sourcing/procurement
Proliferation of generative AI	<ul style="list-style-type: none"> Opportunity <ul style="list-style-type: none"> Increase in demand related to semiconductor related business Risk <ul style="list-style-type: none"> Missing orders due to lack of production capacity and human resources 	<ul style="list-style-type: none"> Improvement of QCD to obtain continuous inquiries from existing customers Resource investment in semiconductor field =Pre-investment in human resources and production capacity in anticipation of an expansion in orders
Concentration of semiconductor-related industries in Kumamoto and Kyushu	<ul style="list-style-type: none"> Opportunity <ul style="list-style-type: none"> Increase in demand related to semiconductor related business Risk <ul style="list-style-type: none"> Intensification of competition for talent acquisition 	<ul style="list-style-type: none"> Improvement of QCD to obtain continuous inquiries from existing customers Resource investment in semiconductor field =Pre-investment in human resources and production capacity in anticipation of an expansion in orders Recruiting new talent actively Implementing wage revisions and retention measures taking into account societal trends




Topic : Receipt of large project orders

The list of large-scale purchase order projects we disclosed starting from FY2023 and onwards

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	Engine assembly equipment for internal combustion engines	Approximately 13 billion yen
		May	Battery charging and discharging related equipment for EVs	Approximately 2.5 billion yen
		August	Battery charging and discharging related equipment for EVs	Approximately 5.6 billion yen
		August	EDU assembly equipment for EVs	Approximately 8.7 billion yen

- The cumulative order amount of battery charging and discharging related equipment since the fiscal year 2022 has exceeded 15 billion yen.
- Our ability to handle large-scale projects and the track record of delivering battery charging and discharging related equipment for EVs have been highly evaluated, leading to continuous order acquisition.

Strengthening our efforts in ESG management

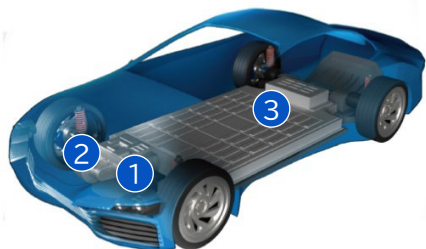
2022	Oct.	Human Rights Policy is formulated and Procurement Basic Policy is revised.	
2023	Apr.	The Sustainability Promotion Committee is established. Sustainability page is established in our web page and the dissemination of ESG information is been strengthened.	
	Sep.	We signed the UN Global Compact.	 <p>WE SUPPORT UN GLOBAL COMPACT</p>
	Oct.	Human rights due diligence is implemented.	
	Nov.	We express our support for the Keidanren's "Corporate Code of Conduct."	
2024	Jan.	Code of Conduct of the Hirata Group is established. Human Rights Respect Working Group within the Sustainability Promotion Committee is established.	 FTSE Blossom Japan Index  FTSE Blossom Japan Sector Relative Index
	Jun.	Hirata has been selected as a constituent stock for the followings: 「FTSE Blossom Japan Index」 「FTSE Blossom Japan Sector Relative Index」	

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

Main/Expansion Fields of EV-related business

Production equipment handled by Hirata



*Completed product image

1 EDU assembly equipment

Main field

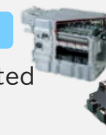
Manufacturing EV-drive parts assembly equipment called EDU (ELECTRIC DRIVE UNIT) combined with in-vehicle motors and gearboxes



2 IGBT·Inverter assembly equipment

Main field

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

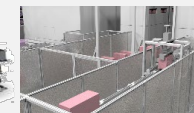


3 Battery-related assembly equipment

Expansion field

(Cell charging / discharge process)

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



Main customers, competitors, superiority

EDU assembly equipment

North America

Customers

- North American automakers (Big Three)
- North American emerging EV manufacturers

IGBT·assembly equipment

Japan

Customers

- Domestic electronic components manufacturers

Battery-related assembly equipment

(cell charging/discharging process)

Japan

Customers

- Domestic battery manufacturers

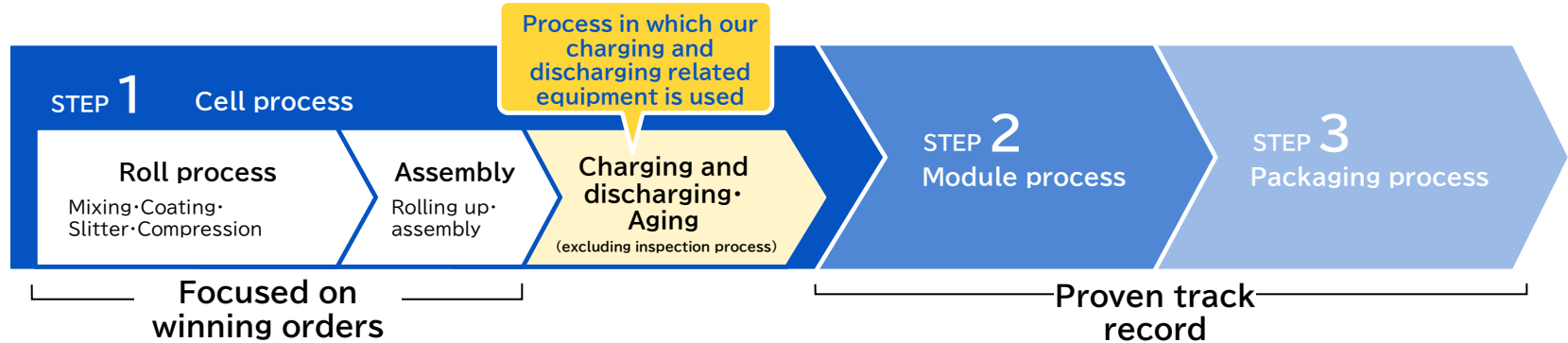
Hirata's superiority

- Ability to handle large facilities, some of which exceed 1 km in total length, solely in-house
- A vast factory that allows us to build the customer's production line in our factory and install it on site after verifying the production capacity and quality
- Integrated system from development to production and maintenance
- Engineering ability to respond to customer requests

Business Overview : Charging and discharging related equipment

- We have charge and discharge equipment that handles the final process of cell manufacturing, which is the “charging and discharging” process.
- We have a competitive advantage in systematization utilizing conveyance and stocking technologies.

Battery manufacturing process



Our products: Charging and discharging related equipment

- The process of activating a assembled cell (battery) by repeatedly charging and discharging it to give it the functionality of a battery
- 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.

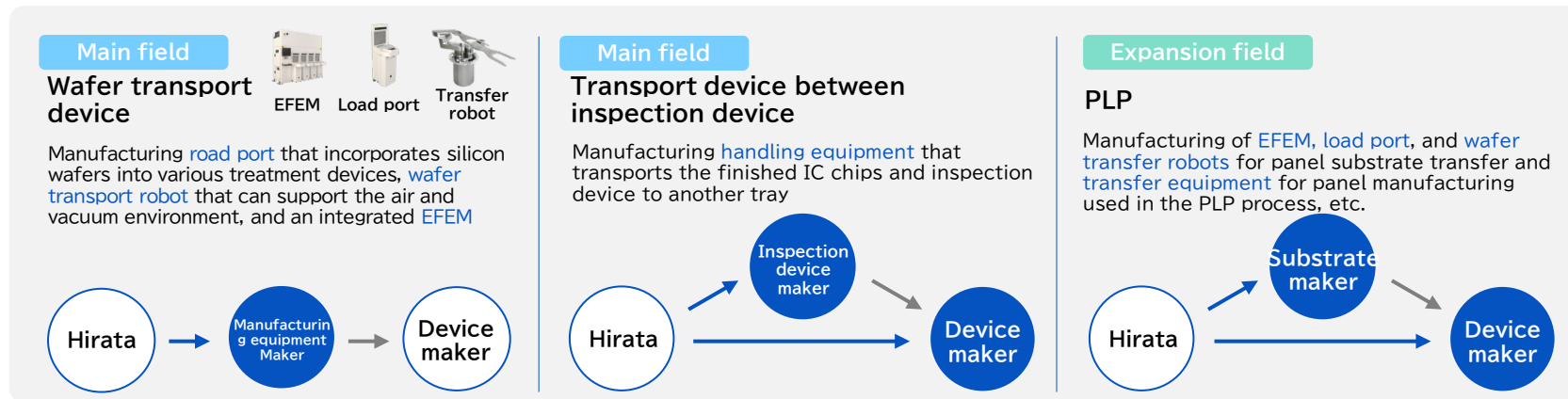
Warehouse system for charging and discharging

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

Main/Expansion Fields of Semiconductor-related business



Main customers, competitors, superiority

<p>Wafer transport device</p> <p>Japan</p> <p>Customers</p> <p>Domestic manufacturing equipment manufacturers</p>	<p>Transport device between inspection device</p> <p>North America, Japan</p> <p>Customers</p> <ul style="list-style-type: none"> • North American device makers • Domestic inspection equipment manufacturers 	<p>PLP</p> <p>North America, Europe, Japan</p> <p>Customers</p> <ul style="list-style-type: none"> • North American device makers • Domestic/European substrate manufacturers
---	--	---

Hirata's superiority

- A wealth of component lineup
- Knowledge technology required for customization and optimization to meet customer requirements
- Integrated system from development to production and maintenance
- Engineering ability to respond to customer requests

Business Overview : 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

Semiconductor manufacturing process

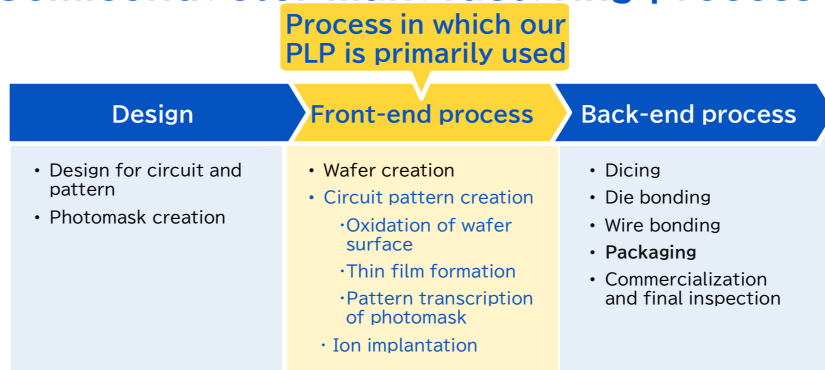
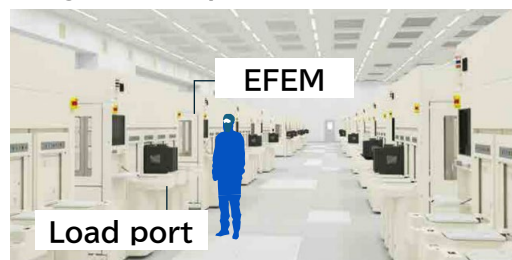


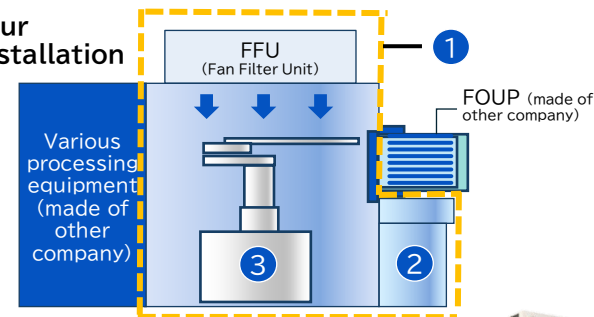
Image of our product installation



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

Our main products

Image of our product installation



- 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.

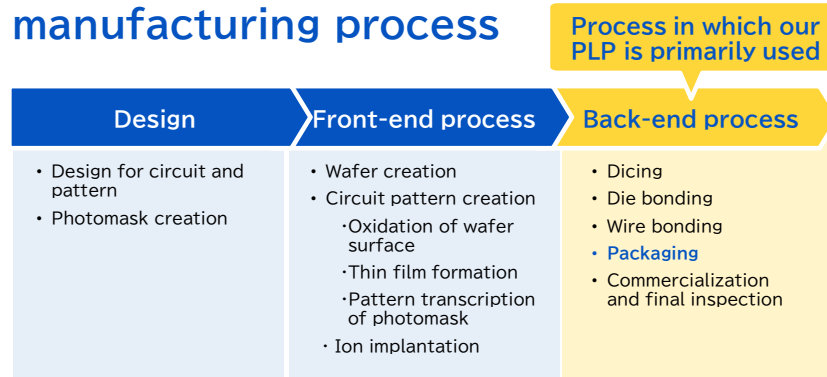


※FOUP : It is a container for wafers that holds multiple wafers and moves them between processes.

Business Overview : PLP

- Designing and manufacturing conveyance equipment used in PLP, an advanced packaging technology that is expected to expand

Semiconductor manufacturing process



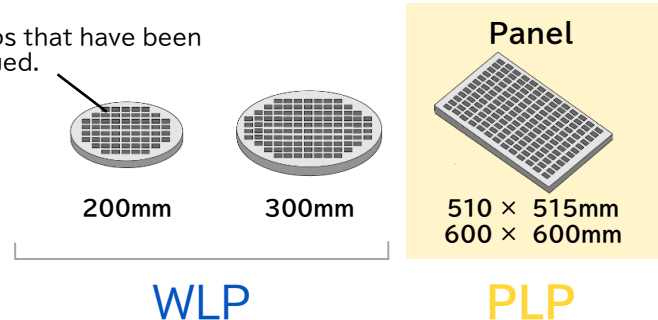
What is PLP (Panel Level Packaging) about?

- The packaging process involves rearranging numerous chips that have been individually cut after circuit formation onto thin, square-shaped substrates and then collectively molding them. This is a packaging technology called “PLP”.
- In PLP, panel substrates larger than the standard 300mm wafer size, such as 510x515mm square, are commonly used.
- The panel substrate uses printed circuit boards, glass substrates for LCD panel manufacturing, and copper plates.

Difference of packaging process

Conventional packaging	Circuits are formed on wafers, and after cutting the chips into smaller pieces, they are individually bonded and encapsulated onto substrates to complete the product.
WLP (Wafer Level Package)	After cutting the chips individually, only the good chips are rearranged on the wafer , and then they are bonded and encapsulated onto the substrate while the chips are still on the wafer. They are then cut individually.
PLP (Panel Level Package)	After cutting the chips individually, only the good chips are rearranged on a square-shaped panel , and then they are bonded and encapsulated onto the substrate while the chips are still on the panel. They are then cut individually.

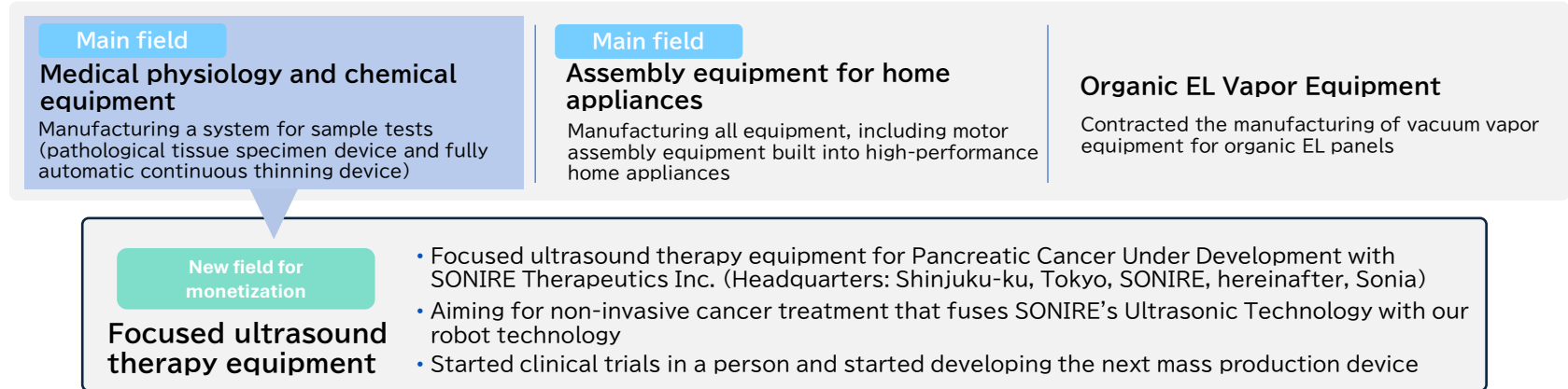
The chips that have been rearranged.



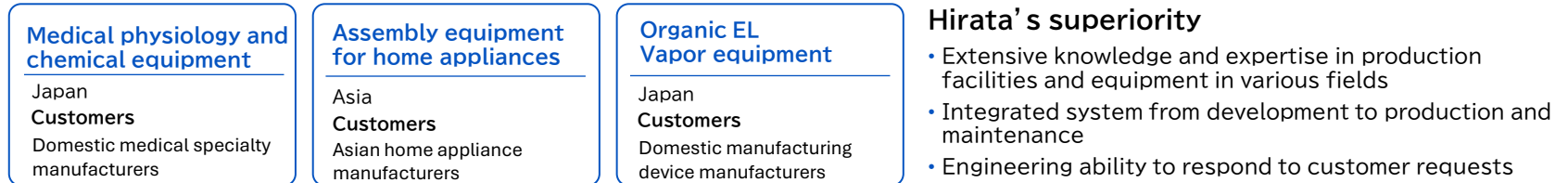
Business Overview : Other Automatic Labor-saving Equipment

- 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 customers, competitors, superiority



Business Overview : High-Intensity Focused Ultrasound (HIFU) cancer treatment device

- Hirata is applying its experience in specimen examination automation and robotics technology in the medical and scientific equipment field to enter the "treatment" domain.

Hirata's existing business Biotechnology equipment department

Automation technology for
specimen examination



Over 20 years of experience in medical devices
(Class I: General medical devices)

New partner SONIRE Therapeutics Inc. (SONIRE)

Clinical, clinical trial, and focused ultrasound technology

Technologies developed over more than 10 years in collaboration with Tokyo Women's Medical University, Tohoku University, and Tokyo Medical University

Hirata's existing technology Robot division

Robot technology

Achievements in
industrial robotics



Entering new fields of business

Conducting clinical trials at SONIRE, while Hirata establishes the manufacturing system.

Joint development
of cancer treatment
devices

Aim for sales launch and mass production
(Class III: Highly managed medical devices)

- Partnership with SONIRE Therapeutics Inc. (SONIRE) in the medical and scientific equipment field
- Joint development of a cancer treatment device for clinical trials (targeting inoperable pancreatic cancer)
- Development of a device for minimally invasive treatment that does not involve skin incisions or organ removal
- Supplied to multiple domestic hospitals, and currently conducting domestic clinical trials at SONIRE. Hirata is providing after-sales service post-delivery
- In the future, we aim to refine the device's safety, usability, and design, and work towards the development of mass-produced devices and the establishment of a mass production system.
- We are planning to expand overseas, aiming for early delivery to overseas hospitals and after-sales service at our overseas locations.

Cautionary statement with this document

Please be aware that the performance forecasts and future predictions mentioned in this document are based on the information available to us at the time of its creation. They are subject to potential risks and uncertainties, such as changes in economic conditions, competition with other companies, and exchange rates. Therefore, please note that actual performance may significantly differ from the future outlook mentioned or described in this document due to various factors, including changes in the business environment.