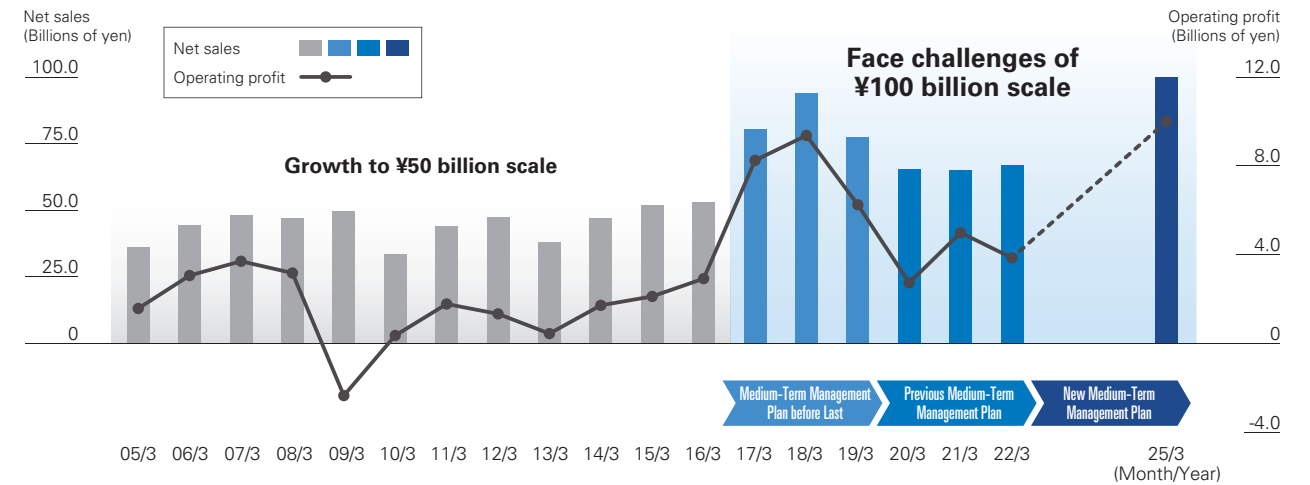


Medium-Term Management Plan

Previously, the Hirata Group had grown as a company by its involvement in new markets, with new customers, and new product technologies.

In addition to our manufacturing capabilities, from the medium-term management plan before last (FY2015-2017) to the previous medium-term management plan (FY2018-2020), we have been aiming for further growth by further pursuing our unique business model of being a system integrator of production facilities and our global ability to respond that is chosen by our customers around the world. As a result, we have been able to solidify our business foundation, exceeding net sales of ¥50 billion and reaching the point at which we can aim for net sales of ¥100 billion.

Under the new Medium-Term Management Plan from FY2022, we will work on strengthening our profitability, which is an issue for further growth, and our management bases that sustain that profitability.



Medium-Term Management Plan before Last (FY2015-2017)

From breakthrough to growth trajectory

Positioning
Full-scale entry into growth markets (EVs, etc.) Including production and sales systems, establish foothold as global company

- Basic Policies**
1. Initiatives geared toward globalization
 2. New development of domestic market
 3. Initiatives geared toward new businesses

Management Targets and Results

	Plan	Actual
Net sales (Billions of yen)	50.0	Approx. 50.0-90.0
Operating profit ratio	5% or more	Approx. 5-10%

Far exceeding the plan

- Achievements and Issues**
- Achievements**
- Review of sales bases and production system in China
 - Established Thai base as joint venture with local capital to strengthen business foundation in Southeast Asia
 - New plant in North America began operations, strengthened production system
 - Entry into EV business
 - Sales of unit products
 - Established Overseas Business Headquarters to strengthen cooperation with Group companies overseas
- Issues**
- Management system unable to keep pace with increasing number of orders received
 - Plenty of room left for deepening business in growth markets
 - No progress made in development of new business areas

Previous Medium-Term Management Plan (FY2018-2020)

Accumulation of achievements, establishment of evaluations

Build up track record in growth markets and establish evaluations in global market by strengthening systems

1. Strengthening order receiving/production/development systems
2. Deepening and expanding existing business
3. Venturing into growth markets
4. Establishing mass production business and commercialization

	Plan	Actual
Net sales (Billions of yen)	100.0	Approx. 60.0-70.0
Operating profit ratio	10% or more	Approx. 4-8%
Capital investment (Billions of yen)	Cumulative total 15.0	Cumulative total 9.8
R&D expenses (Billions of yen)	Cumulative total 5.0	Cumulative total 3.0

Approx. 30-40% down on plan

- Achievements**
- Promotion of commercialization of key components
 - Development of organizational management system and internal rules to promote investment development
 - Expansion of business scale in semiconductor transfer field
 - Building of track record as top company in EV field
 - Expanded lineup of ECO electric series products, standard product registration with major automotive-related manufacturers
- Issues**
- Enhancing the performance of the investment/R&D plan promotion system
 - Thorough management of project profitability
 - Technological developments that meet customer needs
 - Strengthening of collaborative system between Group companies
 - Expansion of business scale by developing new sales channels for ECO electric series products

New Medium-Term Management Plan (FY2022-2024)

Strengthening profitability and management foundation for further growth

Expand business in growth markets, improve profitability, and strengthen the management foundation that sustains them

1. Business expansion in growth markets
2. Strengthening competitiveness as a global company
3. Strengthening of ESG management initiatives
4. Realization of management in line with new normal era

	Target
Net sales (Billions of yen)	100.0
Operating profit (Billions of yen)	10.0
Operating profit ratio	10%
ROE	11%

Taking advantage of added impetus provided by a growing market, enhance plan's feasibility

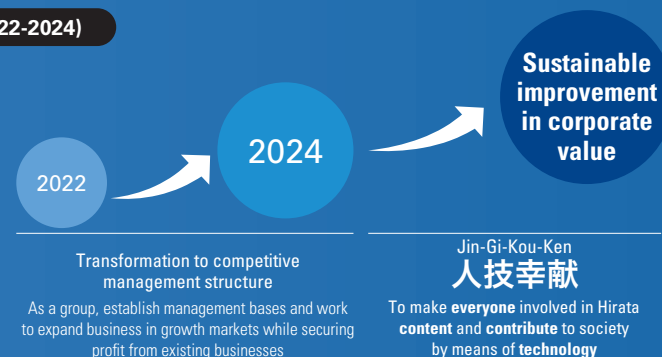
- Basic Policies and Measures**
- (1) Business expansion in growth markets**
 - Recognition of EV and semiconductor markets as growth markets
 - Review of business portfolio
 - Recognize EVs/semiconductors as growth markets and concentrate resources
 - Efforts to create new businesses and expand business areas
 - (2) Strengthening competitiveness as a global company**
 - Global support
 - Optimize development and production systems within the Group and strengthen cooperation
 - Business initiatives
 - Thorough profitability management utilizing DX, strengthening of product competitiveness
 - (3) Strengthening of ESG management initiatives**
 - Improving corporate value through ESG management
 - Formulation of basic sustainability policy
 - Building of a promotion system
 - Identify materiality (important issues), visualize goal setting and initiatives
 - Appropriate information disclosure and enhanced dialogue with stakeholders
 - (4) Realization of management in line with new normal era**
 - Initiatives for DX
 - Virtual commissioning utilizing an emulator
 - Utilization of new technologies (XR, AI, etc.)
 - Remote meetings/maintenance



Medium-Term Management Plan (FY2022- 2024)

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

In formulating the new Medium-Term Management Plan, we reexamined our founding principles and management philosophy while believing that “To make everyone involved in Hirata content and contribute to society by means of technology” (=Jin-Go-Kou-Ken) was of itself the Hirata Group’s mission.



Management Targets

Under the new Medium-Term Management Plan we set the following management indicators.

	FY2021 Results	FY2024 Plan	FY2024 Plan			
			Automotive-related equipment	Semiconductor-related equipment	Other automated, labor-saving equipment/Other	Total
Net sales	67 billion yen	100 billion yen	40 billion yen	40 billion yen	20 billion yen	100 billion yen
Operating profit	3.8 billion yen	10.0 billion yen	2.0 billion yen	6.0 billion yen	2.0 billion yen	10.0 billion yen
Operating profit ratio	5.7%	10.0%	5%	15%	10%	10%
ROE	5.1%	11.0%				

Note: Please refer to pages 28-29 for details of financial and capital strategies.

Basic Policies and Measures

Based on our Jin-Go-Kou-Ken concept, we have established four basic policies and measures to resolve social issues through our business activities over the medium term.

- To strengthen our profitability, we will engage in:
- (1) Business expansion in growth markets
 - (2) Strengthening competitiveness as a global company
- To strengthen our management foundation, we will engage in:
- (3) Strengthening of ESG management initiatives
 - (4) Realization of management in line with new normal era

Basic Policy (1)

Business expansion in growth markets

For existing businesses, we have defined businesses that respond to growth markets and that we regard as being driven by social issues, such as environmental impact reduction and DX, and other businesses.

Positioning the EV and semiconductor markets in particular as growth markets on which to concentrate resources, we will also continue to seek greater efficiency in other businesses, such as FPD and home electronics.

Having also positioned business related to plant genetic resources as a business that will present new challenges, we will also strive to build an internal structure with an eye toward commercialization.

Basic Policy (2)

Strengthening competitiveness as a global company

Global response	Optimization of development/production systems within the Group Strengthening of cooperation within the Group
Business Initiatives	Thorough DX-based profitability management system Strengthening of product competitiveness

For our global response to expand profits in growth markets such as EVs and semiconductors, we will optimize business collaboration between each business unit and each Group company to create synergies in terms of orders, development, and production systems.

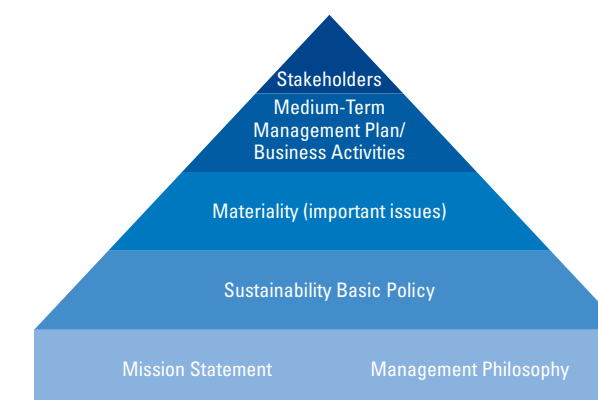
We will also work on front-loading activities as a business initiative to strengthen competitiveness. All departments will cooperate with each other, and at the initial stage of the project will identify the risks related to the content of the inquiry and increase profits by planned responses. We will further strengthen this activity by utilizing DX.

Basic Policy (3)

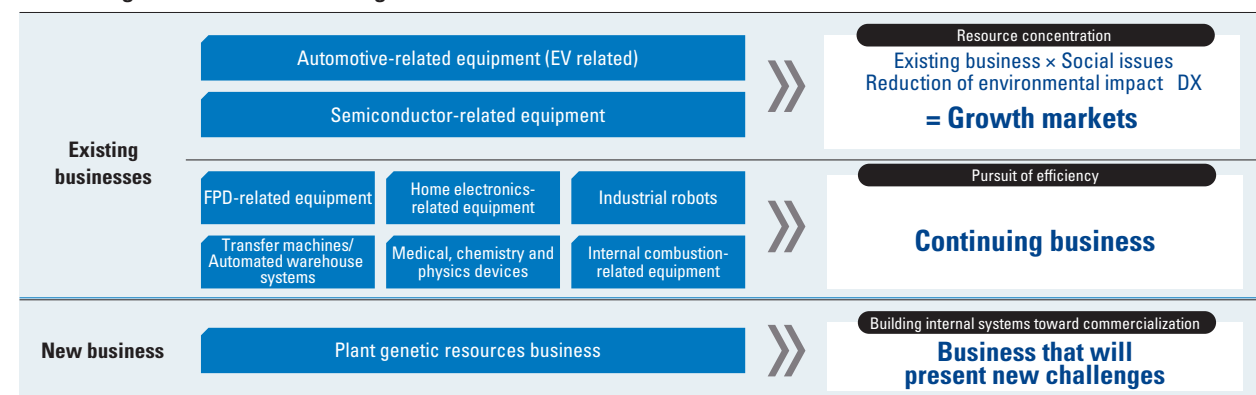
Strengthening of ESG management initiatives

To achieve both business growth and the resolving of social issues as well as to improve corporate value, we formulated a basic sustainability policy, identified materiality, and organized the relationship between our philosophy system and corporate value. During the timeframe of the new Medium-Term Management Plan, we will formulate a specific roadmap, such as setting targets for each materiality.

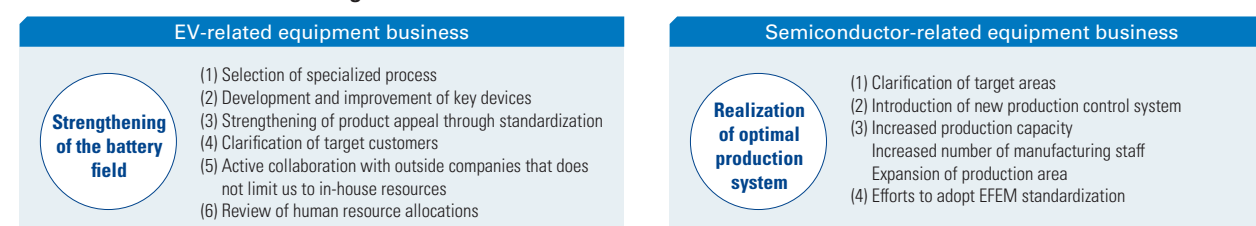
Note: Please refer to pages 30-57 for details of initiatives.



Positioning of Medium-Term Management Plan Period for Each Business



Individual business measures in growth markets



Basic Policy (4)

Realization of management in line with new normal era

We will expand the value provided to customers and society by promoting DX for business. This will include CADVR, which imports existing 3D design data as they are and allows users to hold remote meetings while confirming equipment in the VR space, the use of emulators that virtually verify the CAD data of development systems and industrial programs, and IoT by which we are aiming to digitize and convert to numerical and visual forms every manufacturing process so that plants that can be operated continuously for 24 hours.

