

# Corporate Social Responsibility Report 2015

The Global Production Engineering Company  
**Hirata**  
Hirata Corporation  
[www.hirata.co.jp](http://www.hirata.co.jp)



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CSR1308-E1508NI03

Hirata Corporation

# President's Message

## Preface

Hirata Corporation strives to become an exceptional company which contributes to society alongside our stakeholders.

Please read the issue of our 2015 CSR report compiled by Hirata Corporation including our technology and efforts towards society.

## Customer trust is the basis of our management philosophy.

Since 1951, Hirata Corporation has always challenged the future with cutting-edge technology and contributed to the development of society by providing production systems for the world's top manufacturers in various fields of industry such as automobile, semiconductor, and consumer electronics.

We focus our business operations based on the following management philosophies: "Full utilization of individual potential", "Challenge technological innovation", "Respect humanity", "Open doors to creative life", "Contribute to society", and "Ensure customer success".

Hirata Corporation creates an integrated manufacturing business structure which opens the doors for development, new project proposal and design, parts processing, assembly,

operational trial, production establishment, and maintenance/support system. This is owed to the cooperation of sales and production in Japan, North America, Asia, and Europe.

Based on our integrated production system and global network, we demonstrate our comprehensive strength through Production Engineering, Manufacturing, and Support, swiftly and flexibly responding to the demands of our customers.

By observing consumer production philosophy in all parts of the world, we provide systems suitable for local labor practices, customs, and practical challenges focusing on safer standard to maintain the trust of our customers and continuation of large facilities.

## For a prospering, comfortable society

Through fair and honest business practice which includes our compliances and disclosure of information in a prompt manner, Hirata Corporation has built a strong trust relationship with not only our customers, but all stakeholders (employees), business partners (suppliers), stockholders, investors and local community.

We believe it is our company responsibility to be an important public entity of society which

continues to pursue growth under a relationship of mutual trust.

Creating a friendly work environment for our employees to ensure satisfaction by developing a variety of human resources and provisions for opportunity. Hirata Corporation will relay corporate responsibility about environmental problems and regional contribution to promoting our CSR in order to realize a rich and comfortable society through sound and honest business activities.

## Conclusion

Hirata Corporation attained a record consolidated net sales of 52.1 billion Yen in 2014. We sincerely thank our stakeholders for their support.

Due to this achievement, we have formulated a new mid-term business plan scheduled to be implemented in 2015.

With our slogan, "One Hirata For Next Stage - Win the race across the globe -", we aim to continuously improve our corporate values and sustainable growth.

We appreciate your continued support for and cooperation in our endeavors.



President  
Yuichiro Hirata

## Editorial policy

With a view to widely informing of the business activities of Hirata Corporation and the relationships with our stakeholders, we hereby issue the CSR Report 2015.

By closer communications with stakeholders through the Report, we will improve our activity level. We truly appreciate your direct opinions and comments.

### Scope of Report

Period covered: Fiscal Year 2014 (from April 1, 2014 to March 31, 2015)

Subject Organization: Hirata Corporation, non-consolidated (consolidated results are added to the changes in business results)

Published: August 2015 Next scheduled report: August 2016

Reference Guidelines: GRI "Sustainability Reporting Guidelines 3.1"

The Ministry of the Environment, "Environmental Report Guidelines (2012 Ed.)"

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## Management Philosophy, CSR Policy



Hirata Corporation will continue to contribute to sustainable social development under its management philosophy and CSR Policy in conducting business activities and through the activities of every employee in mutual support and cooperation with our many stakeholders.

### Management Philosophy

- MAKES THE BEST USE OF ITS MEMBERS.
- CHALLENGES TECHNICAL INNOVATION.
- RESPECTS HUMANITY.
- OPENS THE DOOR TO THE CREATIVE LIFE.
- CONTRIBUTES TO THE SOCIETY.
- MAKES OUR CUSTOMERS SUCCESSFUL.

### CSR Policy

#### 1 Through technological innovations, we manufacture products that contribute to social development.

Through ceaseless technological innovation, by realizing each customer's desire for quality, safety and productivity, we will meet the expectations of society.

#### 2 We respect human rights of all persons who are involved with our company.

We respect the individuality and personality of everyone involved with our company and build up a workplace, where employees can feel pride and job satisfaction.

#### 3 We comply with related laws, social norms and internal regulations and carry out fair and impartial business activities.

We carry out fair and impartial business activities in compliance with laws, etc., and secure transparency through timely and appropriate information disclosure. Through these activities, we maintain a sound investment environment.

#### 4 We build up appropriate relationships with all stakeholders.

We formulate appropriate relationships based on mutual trust with all stakeholders, including business partners and cooperate with each other for sustainable growth.

#### 5 We make efforts to protect the environment and contribute to society through all corporate activities.

By striving to protect the environment, we ensure a safe and healthy life for local residents and actively contribute to society.

## Overview of Company and Business



<b>Company Name</b>	Hirata Corporation
<b>Headquarters</b>	3-9-20 Togoshi, Shinagawa, Tokyo 142-0041 JAPAN TEL. 81-3-3786-1226 FAX. 81-3-3786-1264
<b>Representatives</b>	Yuichiro Hirata, President
<b>Date Established</b>	Dec. 29, 1951
<b>Accounts Closed</b>	Mar. 31 (annually)
<b>Employees</b>	Employees Consolidated 1,978 Non-Consolidated 1,265
<b>Capital</b>	2,633 million yen
<b>Stock Exchange Listings</b>	Tokyo Securities Exchange JASDAQ (Code : 6258)
<b>Issued Number of Shares</b>	10,756,090 shares
<b>Number of Shareholders</b>	2,371
<b>Production base</b>	Kumamoto prefecture: Kumamoto Plant Kumamoto Plant (East Plant) Kusuno Plant Shichijo Plant Tochigi prefecture: Kanto Plant Shiga prefecture: Kansai Plant

※As of March 31, 2015

## Business Results



## Products Information



### Main Product Line Introduction

## Automotive Production Equipment Business

We engage in the manufacturing and sale a wide range of products and major components such as power transmissions and drive-train such as the engine and transmission, electronic devices as controlling computers, automotive electronic components such as sensors, air compressors for air conditioners, ABS brake modules, and etc.

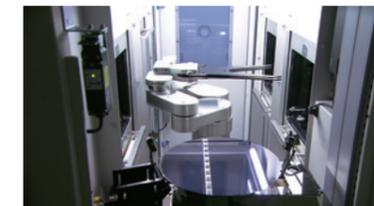


Clutch assembly line

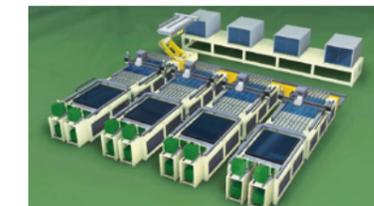
## Semiconductor Production Equipment Business

In the field of the semiconductor related production facility, we manufacture and sell load port which transfers silicon wafers to individual processing devices. Wafer transfer robots for atmospheric and vacuum environment and EFEM (Equipment Front End Modules) which integrates the load port and wafer transfer robots.

For FPDs (Flat Panel Displays), we manufacture and sell panel coating device "head coaters," panel glass cutting devices and glass laminating devices, etc.



Wafer transfer robot



Glass cutting device

## Home Appliances and Other Production Equipment

We manufacture and sell production equipment for manufacturers of electronic and electric machinery and equipment, including such home appliances as flat TVs, refrigerators and vacuum cleaners.

Our products adapt to automatic assembly systems with various sizes and shapes, including high-speed assembly of small condensers, incorporated into electronic components, compressors for refrigerators and air conditioners.

They also adapt to transportation equipment and manufacturing devices of automotive tires.



Home electronics component assembly system



Topics

We will introduce the main topics for April 2014 to March 2015.

**We have founded an affiliated company, KOYA, which manufactures and sells organic EL-related products.**

KOYA Corporation was established on August 7, 2014, in the Koshi, Kumamoto Prefecture, for the service research, development, manufacture, and sales.

KOYA Corporation is a unique company capable of integrated manufacturing from the ITO substrate pale of organic EL in Japan and develops its business for the growth of organic EL lighting - the next generation of lighting.



**We received the Japan Machinery Federation Chairman's Award conjointly with Sakura Finetek Japan Co., LTD.**

"Tissue-Tek Smart Section" automated continuous slicer for preparing pathological specimen which designs were contracted and manufactured with Sakura Finetek Japan Co., LTD., received the "Japan Machinery Federation Chairman's Award" on October 15, 2014. The award was conjointly received with Sakura Finetek Japan Co., LTD. as the "6th Robot Award" sponsored by Ministry of Economy and the Japan Machinery Federation.



※ "Tissue-Tek Smart Section" is a registered trademark of Sakura Finetek Japan Co., LTD.

**We were recognized as an excellent supplier from Dyson LTD.**

Hirata Corporation was granted as an excellent supplier from Dyson LTD., in Singapore on June 11, 2014.

Dyson LTD. has held supplier meeting since 2013. This year, 4 companies (including Hirata Corporation) were commended and recognized amongst the world as a large contributor to Dyson's business.

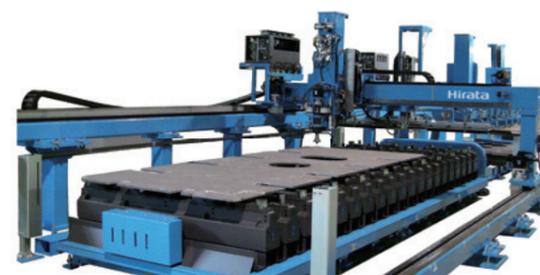
We are the only company to provide production equipment for Dyson LTD. We strive to manufacture and meet the customer expectations for the future.



**We started development and sales of a form recognition round chamfering system for large-scale steel plate.**

Hirata Corporation developed an automated round chamfering system with a readout feature which analyzes the form of large-scale steel plates and begun sales in October 2014. The product's main functions and features are as follows:

- 1. Teachingless:**Automated readout of steel plate forms via vision systems.
- 2. Perfect Automation:**This enables the round chamfering of both sides in the same direction without the need to reverse the steel plate.
- 3. Burden Release:**Decreases workload, cost, and occupational hazards.



Management

**Corporate Governance, Risk Management**

We continue to enhance our corporate governance and risk management structure to maintain trust and meet the expectation of our stakeholders.

**Corporate Governance Framework**

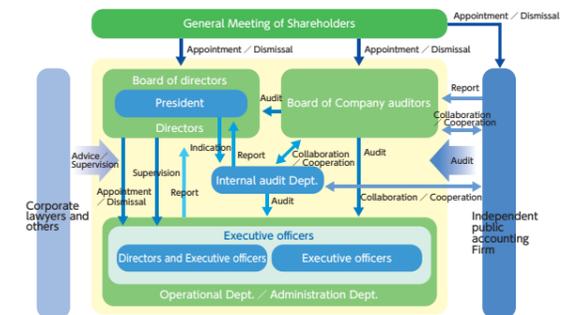
Hirata Corporation has built up a corporate governance system through its board of directors, its supreme decision-making authority, and the board of auditors, which audits the appropriateness of the status of execution of duties by directors and the following institutions as well.

The Internal Audit Department, which was established as a department directly reporting to the President, conducts audits of the Business and Administration Divisions in collaboration and cooperation with auditors.

Hirata Corporation has accounting audits performed under an audit engagement with an audit corporation and receives advice on proper accounting methods upon consultation on important accounting matters as needed.

For important matters of compliance, the Company consults with legal advisers as appropriate to receive useful advice.

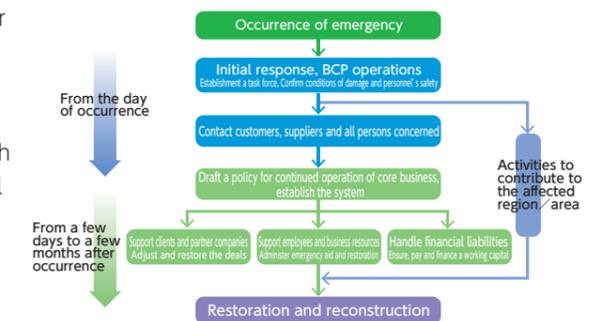
Furthermore, the Company has introduced a management meeting and executive officer system. Executive officers promptly and precisely carry out each responsibility and participate in discussions related to the importance of business during management meetings.



**BCP (Business Continuity Plan)**

To avoid unanticipated disasters and problems from hindering uninterrupted business operation, we consider all possible risks in advance, and take prevention, protection and reduction measures into consideration to ensure continued business operation, giving our customers piece of mind against risks while ensuring that business returns to normal within the shortest time possible after a disaster.

- In the unlikely event that our company itself is the victim of a disaster, we make re-establishment of our business a priority to ensure that we are there to meet the needs of our customers and/or stricken areas that require assistance.
- In advance of any possible phenomena (disasters, unanticipated problems), we implement precautions and restoration plans taking into account any possible risks which may exert a large effect on core business operations, as well as continually practice disaster prevention and BCP training.
- During normal hours, we provide training for our employees, implementing a clearly defined plan of action for emergencies and disasters.



We have introduced a safety verification system to swiftly and efficiently ensure the welfare of our employees in disasters by performing emergency drills regularly.

**Information Security**

Hirata Corporation established a management system focusing on an information security committee which strives to prevent the exposure of confidential information. We can protect informational assets and devices from threats by constantly improving our information security management regulations to deviate from leaks, threats, damages.

## Compliance, Corporate Ethics

We are committed to ensuring thorough implementation of compliance and corporate ethics to conduct fair and impartial business activities.

### Compliance Charter

#### Fundamental Principles

Because of our "global" nature, we at Hirata Corporation as well as each of our Group companies abide by a set of established rules we call our "Code of Conduct" and strive for total compliance to it in order to effectuate commercial endeavors that are both fair and transparent always in accordance with legal statutes both domestically and abroad along with societal norms and in-house regulations.

#### Code of Conduct

Based on our business principles, we at Hirata are fully aware of our mission and role as a corporate entity with respect to our valued customers, shareholders, business partners, employees as well as the members of our local community and, in order to make a contribution to society at large, the following Code of Conduct is applied to all employees of every company in the Hirata Group with every single employee having the responsibility of maintaining and improving upon them.

#### 1. Abiding by legal statutes and regulations

We at Hirata shall always abide by relevant laws and internal regulations whenever engaging in business activities, always compliant with social ethics.

#### 2. Engaging in fair and just business

We at Hirata, as a company that develops and provides optimal products and systems that benefit society, shall prioritize customer satisfaction and work to build fair, just and transparent relations with business partners.

#### 3. Disclosure of corporate information

We at Hirata shall disclose information on the management of our company as well as on the condition of our activities to shareholders and investors at the suitable time and in an appropriate and fair method always in accordance with relevant laws and statutes.

We shall take all the proper precautions whenever handling non-disclosed corporate information (insider information) making sure there is no profit-sharing or favors bestowed to individuals involved in the transaction of equity and other securities based on this information or to other parties.

#### 4. Proper management and utilization of corporate assets

We at Hirata shall manage our company's tangible and non-tangible assets in accordance with internal regulations and never for personal gain or in ways contrary to corporate objectives.

#### 5. Contribution to society

We at Hirata, as a good corporate citizen, shall place our energy in protecting the environment, reusing natural resources and developing the local community with the hope of entrenching ourselves deeply within the community.

We are against antisocial movements and organizations that threaten the order and security of the citizenry and vow never to associate with them.

#### 6. Respecting the individual

We at Hirata shall strive to respect the rights, privacy, character and individuality of each and every single individual and make for a happy workplace for all.

#### 7. Controlling confidential information

We at Hirata are devoted to the strict management of not only our valued customers' personal information but also our own secret corporate information and employees' confidential data, which we vow never to illegally or unfairly disclose or leak either during their employment or after their departure from this company.

#### 8. Duty of practice and accountability

We at Hirata shall promptly report any and all infractions to this Code of Conduct in the event of their detection during the course of the execution of business in accordance to the same. Should such a report be issued, the employee or employees in question shall be protected from liability.

### Compliance Education

Hirata Corporation provides various opportunities for employee education in order to thoroughly comply with related laws in Japan and overseas, various regulations of the Company and any other norms socially required for compliance.

In addition to providing basic education on the necessity of compliance and the concept to all employees, the Company established programs by managerial ladder and department on such subjects as the Subcontract Law, corruption prevention, export control, confidential management, prevention of insider trading, labor management, occupational safety and environmental protection, etc...

Matters concerning the occurrence of compliance, we are trained to relate with the individual and strive for the improvement of their compliance awareness and reoccurrence prevention.

### Helpline

Hirata Corporation established an external reporting contact (Hirata Helpline) in May 2008 under the "Code of Conduct" for employees to report problems which might violate laws and internal regulations and to address with the potential risks which violate laws and internal regulations as early as possible.

"Hirata Helpline" has a principle of anonymous reporting and a whistle-blower shall not face retaliation due to whistleblowing.



Social Report

## Together with Customers

We are working hard to meet the needs of our customers regarding quality, safety and productivity and provide products and services that satisfy them.

### Quality Assurance

Hirata Corporation has constructed a framework to promote the Quality Management System (QMS). We pursue the QMS to embark on quality assurance activities on a sectorial basis under the responsibility and authority of a quality control manager. Management Review (MR) are held twice a year to analyze the status of operation and review the QMS to make company-wide quality goals and improvements.

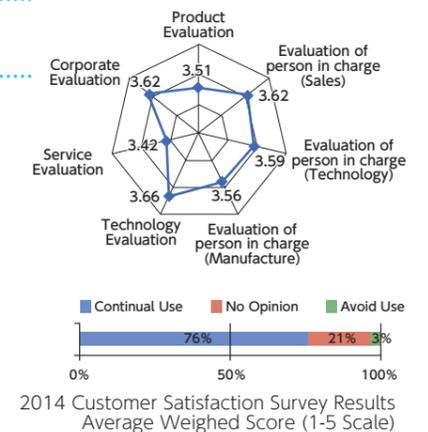
We strive for continuous improvement and quality progress through target management.

### Customer Satisfaction

Hirata Corporation collects customer feedback and demands to foster the improvement of products and increase customer satisfaction on sales department, technical department and production department for each division.

Furthermore, customer satisfaction surveys were distributed simultaneously to all companies in 2014.

We will make continuous efforts to improve our business and further increase customer satisfaction for the future.



## VOICE

### Aim to increase the satisfaction of customers

Bio Device Gr. Equipment Dept. 1  
Equipment Business Div. **Toshiya Tagawa**

Interviews regarding customer satisfaction improvements with the personnel in charge of Bio Device Gr. Equipment Dept. 1, who received the Robot Award and Japan Machinery Federation Chairman's Award conjointly with Sakura Finetek Japan Co.,Ltd.



Development of automation equipment in substitute to human labor has been a long-standing issue for the customer. The customer was searching a partner who was consistently capable of designing, manufacturing and development of software.

We started a partner relationship with Sakura Finetek Japan Co.,LTD thanks to our performances in various fields and industries with our ISO13485 certification (international standard of medical devices).

Our challenge was to automate the essence and know-how derived from the customers' experience and performance plus lower costs for its mass production.

We shared a conceptual drawing included with customer

opinions for each detailed process and movements with 3-dimensional moving images to clearly show the complications inside the equipment.

In order to install and transport the product easily in a hospital, we made a small and flexible structure which enabled it to change through various settings and fine-tuning.

I was able to participate in the award ceremony because the customer proposed our joint names. I am sincerely grateful to the customer for their consideration and prided that the success met their expectations.

My goal is to manufacture based on the satisfaction of the users and prove worthy of their trust.

## Together with Business Partners

We are working to build cooperative relationships based on trust with our business partners to secure good long-term business partnerships.

### Suppliers Meeting

We held the 2014 Supplier Meeting in Kumamoto City's Ueki Culture Hall in May 2014 with attendants from 189 suppliers and 129 companies.

We awarded 9 companies with the Excellent Supplier Award and 4 companies with the Highest Revenue Reward factoring in the quality, cost, and delivery deadlines for 2013. After the explanation of business trend and procurement policy, 2 companies were given a special award for their remarkable performance in overseas and supply chain at the meeting. In addition, a tour was held of Kumamoto's plan to deepen the understanding of Hirata Corporation.



### Supplier skill training and seminar course

A welding skill training course was held for our suppliers three times in August, 2014. While 5 study meets were held for 17 management staff regarding coaching, management, and financial affairs with specialists such as professional coaches, small and medium enterprise management consultants, and tax counsellors. These seminars and skill training courses will continually be held to build a reliable and collaborate relations.



#### VOICE

### Thank you for your kind consideration.

Kouguchi Precision Industry Co., Ltd. **Hironori Kouguchi**

We are a precision cutting company processing various metals such as iron and aluminum which has been working with the Hirata Corporation for over 25 years.

I thank Hirata Corporation for the opportunity to participate in this study meet. Through this coaching seminar, I realized that we must be a great listener to understand a person through the introduction training provided.

I learned techniques to identify strengths and weaknesses through the visualization of our

management style during the management seminar and understood my company's constitution via financial analysis from the financial seminar.

These skills are extremely useful towards our business's success as well as the communication with employees and negotiation with financial institutions.

I was impressed by Hirata Corporation's kind consideration to train suppliers and immediately wanted to relay my recently acquired knowledge to all my employees.



## Together with Employees

We are working to develop a workplace where individuality and personality of employees are respected and they can take pride and satisfaction in their work.

### Global Human Resources Policies

By combining our basic policies concerning the mechanisms and operations of the Hirata Group's various common systems as "Human Resource Policies," and implementing specific measures based on these, we will strengthen our commitment to being a company where employees can act with pride and satisfaction through their work.

#### 1. Based upon our Corporate Philosophy

We shall respect the individual character and the human rights of all people working in the Group.

We definitely do not do any harsh and inhumane treatment including sexual harassment, sexual abuse, corporal punishment, mental or physical coercion or verbal abuse of workers.

We definitely do not employ child labor or forced labor.

We shall treat and appraise each and every employee in a fair and impartial manner.

We definitely do not discriminate against any employee on the basis of nationality, race, religion, age, gender, physical or mental disability, or other legally protected attributes.

#### 2. We carry out our HR activities in compliance with applicable laws and regulations.

We shall comply with all applicable laws and regulations of each region regarding employees' rights.

The rights of workers to associate freely, join or not join labor unions, seek representation, and join workers councils in accordance with local laws shall be respected.

#### 3. We aim for a fair, equal and transparent HR system.

The human resource policies have to be reasonable and persuasive to the employees. We shall clearly explain the contents of the policies to the employees and make it open to the maximum extent.

#### 4. We support professional development.

Based upon our Corporate Philosophy of "Makes the best use of its members" , we shall positively support for professional development.

### Support to Ability Development

Hirata Corporation strives to create a work environment where employees can mature and realize their potential under our management philosophy, "Full utilization of individual potential".

With this in mind, we set a basic policy of human affairs where Talent Cultivation is the key to management and aim to support the advancement of employee capabilities.

We upgraded our professional and subject-based education in addition with our systematic implementation of programs of previous stratified curriculums.

Hirata Corporation is a build-to-order company, therefore, it is crucial that the required skills are available for the success of orders. We aim to continuously augment the abilities of employees through project management training.

Furthermore, to cope with globalization, we are committed to fostering a structure which cultivates talented individuals who can perform on a global stage and grow alongside employees.

#### VOICE

### Project Expansion Utilization

Sales Engineering Gr. #1 System Dept.  
Kumamoto Business Div. **Ryouichi Watanabe**

The project management (PM) training are conducted with scientific analysis of a problem on a whiteboard never seen before for groups consisting of members from different departments in order for them to share common perceptions to prevent communication error via "Visualization".

Through "Visualization" we were able to share common perception to prevent communicative error.

We have increasing difficulty managing and

controlling groups for each office and department during project expansion.

We currently understand, plan, practice, do progress management and conclude each project, that we finally connect it with next projects after completion.

We can create a more effective business atmosphere by spreading the importance and necessities of PM through practice and participation of these positions.



## Together with Employees

### Civil Rights and Diversity

#### ■ Efforts for Re-Employment

Under the "Re-Employment System" established in 2006, the Company enters into re-employment agreements with retired employees so that they can continue to apply their skills, utilizing their superior knowledge and experience.

We make efforts so that re-employed persons can work in accordance with their respective lifestyles, adjusting and considering working days and hours based on the desires of re-employed persons and the content of each business contract.

Based on the Law concerning Stabilization of Employment of Older Persons as revised in April 2013, we have revised our re-employment system, and re-employ those who desire until 65 years of age.

Number of re-employed persons above 60 years old (Unit: person)

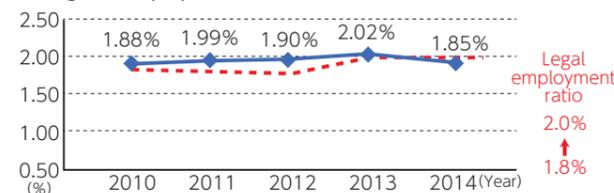
Year	Persons retired by age limit	Persons who sought re-employment	Re-employed persons
2010	7	5	5
2011	16	11	11
2012	25	18	18
2013	23	17	17
2014	11	9	9

#### ■ Active Employment of Disabled Persons

Employment rate of disabled for FY2014 was 1.85%, underrunning the statutory employment rate of 2.0% after the revision.

We strive to recruit individuals by participating in briefing sessions hosted by related organizations and acquiring trainees from vocational schools.

Changes in Employment Ratio of Disabled Persons (%)



#### ■ Harassment Preventive Measures

Power and sexual harassment workshops based on past cases were held in 2014 for managerial positions and higher officials. We aim to ensure that employees are aware of the severe problems caused by power and sexual harassment and must be prevented. The workshop will be held regularly to improve the work environment and create a positive atmosphere.

### Work-Life Balance

Hirata Corporation makes every effort to improve the work environment and strongly believes in a "work-life balance" ensuring that employees can use their time freely by offering the following:

- 1) Fully providing childcare leave, maternity leave, and shorter working hours for childcare.
- 2) Overtime reduction

In regards to childcare leave, we have established a compatible system where an increase of employees has returned to normal work.

In 2014, we have introduced a new system called "Good Life Leave" which enables employees to take three or more days of consecutive leave when using annual paid vacation days. By implementing a work-life balance, we hope efficacy through a rejuvenated mind and body. The new implementation resulted in a utilization rate of 80%. This system will continue for 2015 with an overall goal of 100%.

Number of employees who took childcare and nursing care leave, etc. (Unit: person)

Year		2012	2013	2014
Childcare leave of absence	Female	6	6	15
	Male	0	1	1
Childcare shorter working hours	Female	13	8	10
	Male	0	0	0
Nursing care leave	Female	1	0	1
	Male	0	0	0

## Together with Employees

### VOICE

### Importance of work environment and human relationship Great opportunity to reconsider a life plan

#### Procurement Div. Gao Xue

When I gave birth to my first son, I was able to take childcare leave for a year and 3 months which included 6 months of a waiting period for nursery school. Currently, I am utilizing shorter working hour system.

Women normally return to their respective company after several months of giving birth in China and childcare becomes the responsibility of the grandparent. I grew accustomed to the childcare leave and nursery school system since I was raised in Japan, however, my Chinese acquaintances were quite surprised by this idea. I hesitated enrolling my crying child to school at first, but I realized it was important to balance work and human relationships opposed to focusing solely on childcare.

I noticed trivial matters such as room temperature and impacts of standing and sitting would affect my condition when I was pregnant.

I wish to return the favor to my surrounding colleagues who aided me during this period. During childcare leave, I was able to considerably redefine my life goals. I think it was a great time and opportunity.



#### Another View

As a male employee who took childcare leave, it was an uncommon yet new experience to see my child grow when I took a yearlong childcare leave. Even with more supporting system, I had assumed that men were unable to utilize. We plan to further support and encourage fathers to utilize child care leave.

### Occupational Safety and Health

Hirata Corporation motto, "Zero accidents in all employee participation". Hirata Corporation holds a safety and health committee at each plant and a company-wide safety and health committee, a supervisory committee, every month to promote organizational safety and health activities. The company-wide health and safety committee creates plans for constant improvement with the PDCA system (Plan Do Check Act). Each plant's health and safety committee revises the results of patrols and relays all information discussed from the company-wide meet to employees. We strive to ensure the safety of Hirata Corporation factory workers with risk assessment and hazard prediction training during a morning meeting of each job site.

All executives including the CEO makes safety patrols in the plant during "National Safety Week" every July and creates an environment which raises awareness for employee safety. There was one case of an occupation accident which occurred in 2014. We strive for a zero incident fiscal year for 2015.

#### ■ Implementation of Safety and Health Education

We provide courses, appropriate education, and skill training for hazardous operations. Health and safety education is a must for employees and contractors working in our plants.

Handbooks are distributed with the rules regarding Hirata Corporation's health and safety.

### TOPICS

### Training sessions for AED and CPR implementation.



To prepare live saving measures for cardiac arrest due to myocardial infarction (heart attack), we hold seminars for AED usage and CRP training. All Hirata Corporation plants are equipped with an AED.

## Together with Shareholders and Investors

We provide appropriate and timely disclosure of information to our shareholders and investors, with the intent of enhancing IR tools.

### IR Activities

Hirata Corporation believes it is the assumption of impartial and fair price formation of shares that information on investment decisions shall be supplied properly in a timely manner. We recognize it's our responsibility to supply important corporate information which constitutes the basis for investment decision-making for the many market investor participants in a fair, equal, accurate and swift manner.

For such institutional disclosure materials as financial reports and quarterly reports, we have improved our organization system to make correct and timely disclosure of the details of the Company and for material facts and any other important corporate information, we disclose the information promptly after making a formal decision and the occurrence of the facts.

For major IR activities, we hold closing explanation and second quarter closing explanation meetings for institutional investors and also individual consultations with institutional investors and analysts.



Financial results briefing for institutional investors.

### IR Tools

In addition to financial reports, announcements on closings, which are prepared under laws and regulations of financial instruments exchanges, Hirata Corporation makes every possible effort for shareholders and investors to deepen their understanding of the business of Hirata Corporation by independently preparing the following materials.

#### ① Closing explanation materials, quarterly closing explanation materials

These are the materials explaining the summary of the closing of a term in easy to understand language and are used as materials for closing explanation meetings for institutional investors for the final closing and second quarter.



#### ③ Fact Book

These are materials summarizing the consolidated financial statements, consolidated statement of income and closing index for the past five (5) years both in Japanese and English.



#### ④ Materials for explanations at general meetings of shareholders

These are materials used for explanations at general meetings of shareholders.

#### ② Hirata Report

This report, for shareholders, describes the business content, results, plans and topics in easy to understand and is issued and sent by mail after disclosure of the final closing and second quarter closing.



#### ⑤ "To our Shareholders and Investors" on the Hirata Corporation website

This page collects information for our shareholders and investors and posts the information about shares, company profile information for individual investors in addition to the above materials. We intend to promote understanding of Hirata Corporation.



Number 1 and 3 are posted on the Hirata Corporation's website.

## Together with Local Communities

We are diligently engaged in activities that contribute to society in our commitment to be a company rooted in the local community as a good corporate citizen.

### Donations and Cooperation

We have supported the yearly local environmental photo contest, "Watashi no machi no O & X ·Kumamoto" to promote environmental awareness since 2008.

We have contributed in environmental preservation activities by fundraising for the restoration of Aso Grasslands which was certified by Global Geoparks in September 2014.



### Internship

Hirata Corporation provides internships of a "working experience type," by which the Company provides opportunities for students to think "What it means to work at a company" or "How much what I have learned can be applied."

In 2014 during summer and winter season, we accepted nine students in total from technical colleges, universities and technical high schools.

Also, for high school students, we accept a few hundred of them for plant visits in order to help them develop proper views about occupations and select their courses efficiently.

To promote global development, we have established student internships and plant field trips for overseas affiliates in Taiwan.

### Career-related Lectures / Experience Learning

As part of our community-based social contributions, we have been continuously engaged in activities visiting junior high schools in neighborhoods to give career-related lectures and invite students to the company and provide experience learning opportunities.

In July of 2014, we discussed Hirata Corporation's important points and job descriptions with students in the eighth grade of Kumamoto's Municipal Ueki Kita Middle School.

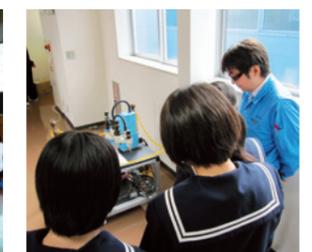
In addition, we provided experiential learning for ten students in the ninth grade of Kumamoto Municipal Kanan Middle School at our Kumamoto headquarters and plant last November.

Students were able to observe SCARA-type robotic teachings and solar panels through interacting with materials and 3D videos after being informed with the business, product, and history of Hirata Corporation.

Student participants were impressed by Hirata Corporation's global expansion, but were more eager to see and touch industrial robots they were unable to interact with earlier.



Students who ask about Hirata Corporation's jobs



Students who operate the robot with enthusiasm

### VOICE

#### Students' feedback

- "The Kipling Method" & "HO-REN-SO" reporting, sharing and consulting technique  
A student in the eighth grade of Kumamoto Ueki Middle School (Occupation lecture)

Today, I learned about work necessities. The explanation of "The Kipling Method" and "HO-REN-SO" was easy to understand and remember.

- Robotic Evolution Amazement

A student in the ninth grade of Kumamoto Kanan Middle School (Learning experience)

I learned that robots have a function to prevent damages to surrounding objects by early detection. I think that robots are evolving  
I wish to have a job which involves robotics and machinery in the future, so this opportunity was a great experience for me.

Environmental Report



# Environmental Management System

Towards the realization of a sustainable society, we have developed the Environmental Management System (EMS) to protect the environment.

## Environmental Policy

We at Hirata Corporation establish environmental policies and promote environmental activities in line with the policies. We contribute to global environmental protection by reducing environmental load on our business activities, products and services.

### 1. ISO (9001/14001) Basic Policy

- Putting customers first, and providing the high-quality products that meet customer satisfaction.
- Producing high value-added and environmentally-friendly original products through efforts in technical innovation and improvement.
- Upholding laws and regulations and making products that are safe and easy to use.
- Working towards the prevention of pollution and the enhancement of quality through the continuous improvement of our EMS/QMS effectiveness.

EMS: Environmental Management System  
QMS: Quality Management System

### 2. Particulars of our environmental policy

- Working towards the manufacturing of products considering the product life cycle through implementing production engineering.
  - Promoting energy-saving products
  - Promoting recyclable design and manufacturing of products
  - Reduction or substitute of harmful materials used in products
- Abiding by environmental laws, treaties, requirements and voluntary standards set as needed. Also, developing coordination and cooperative relations with relevant government agencies and contributing to the local society.
- In order to construct sustainable society, striving to conserve the environment technologically and economically in the business activity and the all production process including sales, designing, manufacturing, installing and service after the sales.
  - Reducing energy usage
  - Reducing waste and promoting recycle
  - Reduction or substitute of harmful materials
  - Preventing environmental problems and pollution
- Increasing environmental awareness through implementing education and publicity programs.
- Reviewing EMS regularly for continuous improvement.

## Environmental Management System

### ■ Environmental Management System Promotion Organization

Hirata Corporation has built up the Environmental Management System (EMS) Promotion Organization led by management and the environmental management manager, and obtained international standard ISO14001 certification at the Kumamoto, Kanto and Kansai plants.

### ■ Internal Audit

Our auditing team, consisting of section chiefs and higher officials, conducts yearly internal audits. Auditors are trained to prioritize certain aspects during inspections and focus not only on the indication, but recommend improvement in conducting effective investigations, promoting management system quality.

## Legal Compliance and Pollution Control

In 2014, we amended issues corresponding to officially registering facilities to meet the specifications of the Anti-water Pollution Act for plants located in Kumamoto, East Kumamoto, and Kansai.

By registering with this administration, we are able to take preventative measures by enhancing our awareness of law changes and complying with assessment regulations.

Drainage measurements are conducted yearly to assess the quality of water in our plants and ensure it meets the requirements standardized by the local administration and water pollution control laws.

## Environmental Targets

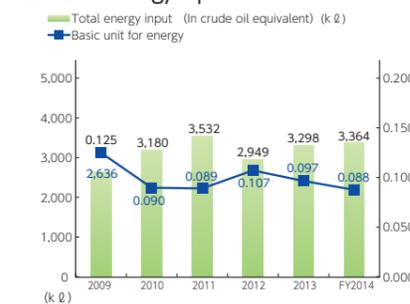
○...achieved, △...nearly achieved, ×...unachieved

Item	Mid and long-term targets (2012 ~ 2014)	Results of 2014	Evaluation	Activity Plan for 2015
Supplying products that reduce environmental loads	Implementation of environmentally-friendly designs	Conducting product assessments and reduced number of components, power consumption, hazardous materials and waste, etc.	○	Product assessments will continue to be conducted.
Countermeasures for chemical substances, hazardous materials	Promotion of Green Procurement	Implementation of management of chemical substances contained in products	△	We aim to enhance organization in the examination of product chemicals substances including the supplier chain.
	Reductions in consumption amounts of materials subject to the PRTR Law	Reduction of more than 10% of actual production amount ratios to the consumption amount of materials subject to the PRTR Law in 2009	○	Promote replacement of materials subject to the PRTR Law.
Water resource countermeasures	Reduction of water consumption	Reduction of more than 5% of actual production amount ratios to the water consumption amount in 2009	○	We examine the recycling water used in the manufacturing process.
Global warming countermeasures	Reduction of energy input	Reduction of more than 5% of actual production amount ratios to energy inputs in 2009	○	Focus efforts on reduction of electricity usage in particular by introduction of energy-saving equipment and reinforcement of energy management.
	Reduction of CO <sub>2</sub> emissions	Reduction of more than 5% of actual production amount ratios to CO <sub>2</sub> emissions in 2009	△	
Waste countermeasures	Reduction of industrial waste amounts	Reduction of more than 5% of actual production amount ratios to waste amounts in 2009	○	We endorse recycling waste plastic.

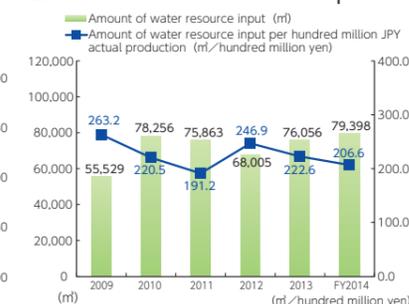
## Environmental Performance

We hope to reduce the burden on the environment and achieve our goal by grasping the impact made by our business activities.

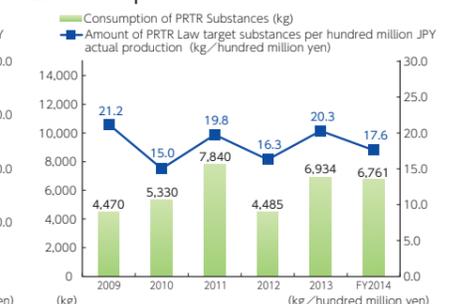
### ■ Total energy input



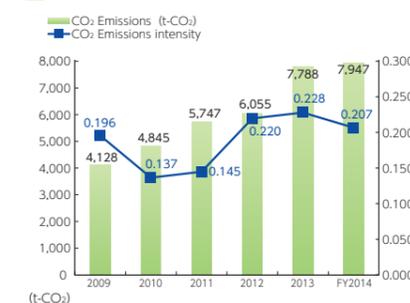
### ■ Amount of water resource input



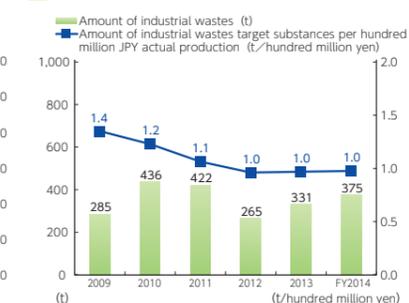
### ■ Consumption of PRTR Substances



### ■ Amount of CO<sub>2</sub> Emissions



### ■ Industrial Wastes



\* Actual production amounts used for calculation of energy use and CO<sub>2</sub> emission intensity.

## TOPICS

### Routine inspection to waste treatment contractor

Visits to our contracted waste treatment company are regularly made to ensure that the waste is properly disposed of. We make efforts to recycle plastic waste due to its high emission.

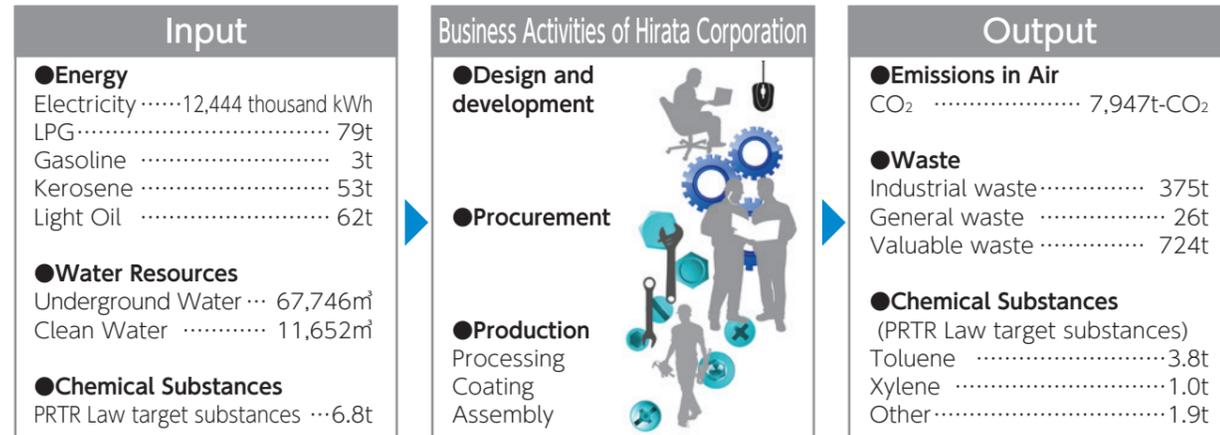


## Consideration for the Environment in Business Activities

We are actively working to determine and reduce the environmental loads for the entire lifecycle of products including design and development, procurement and production.

### Environmental loads

Environmental loads in 2014 are as follows.



### Environmental Accounting

The below is a status of environmental preservation cost.

We categorize these into investment amounts and cost amounts with reference to the "Environmental Accounting Guidelines" by the Ministry of the Environment.

(Unit:thousand of Yen)

Item	Major Activities	Investment amounts	Cost amounts
Business Area Cost	Pollution Prevention Cost	-Noise prevention	— 255
	Global Environmental Protection Cost	-Introduction of energy-saving equipment	1,547 30,022
	Resource Circulation Cost	-Disposal of general waste and industrial waste	— 13,720
Administration Cost	-Maintenance of environmental management system -Environmental measurement -Environmental education	—	23,479
Social Activity Cost	-Nature protection, clean-up -Donations to environmental protection groups	—	66
Total		1,547	67,542

#### TOPICS

### Energy conservation and education of eco-friendly driving implementations.

Energy consumption is the largest factor in environment burden regarding business activities. Most employees commute via privately own vehicles which expend an abundance of fuel. We educated all employees on the importance and various techniques regarding energy conservation and eco-friendly driving in 2014.



Education in the Kansai plant

## Environmental Consideration in Products

We determine the environmental loads caused by products and try to produce products with reduced environmental load, taking their lifecycle into account.

### Environmentally-Friendly Products

#### ■ Eco Electric Series

We develop a series of energy saving transportation products which not only regulate the running cost but also improve productivity.

We propose eco-friendly manufacturing such as automobiles and household appliances to be used as a series.

#### <Features>

- ①Energy Saving:No power consumption while idling. No need for pneumatic tooling like compressors, and reduces CO<sub>2</sub> emission.
- ②Low cost:Minimize lead time by reducing the number of parts and running at only 24-volt power supply.
- ③Compatibility:Identical standards to major domestic air device makers. Easily replaceable.
- ④Safety:Automatch halt via low resistance to reduce risks such as entrapment.



Conveyor (Transportation)



Small stopper (Suspension of work and pallet)  
Balance stopper

#### Eco-electric series five line-up



Turn-lifting module (Work and pallet directional change)



Cylinder (Sliding operation)

### Response to Management of Chemical Substances Contained in Products

In order to respond to chemical substance related laws and regulations in Japan and overseas, including European RoHS Directive (\*1) and REACH Regulations (\*2), we promote strengthened management of chemical substances contained in our products.

In 2014, in the Green Procurement Subcommittee, in-house promotion organization, we shared information and problems concerning laws and regulations and management situation of chemical substances contained in products. Afterwards, we investigated the chemical substances contained in products in which chemical substance management is required.

For chemical risk reduction, we will work actively to strengthen the management system, including the supply chain.

\*1 RoHS Directive: Regulations of hazardous materials of EU

\*2 REACH Regulations: Chemical substance management regulations of EU