

Corporate Social Responsibility Report

CSR REPORT 2020



Top Message

■ Committing to Overcome Corona Shock Together with Our Stakeholders

As the new coronavirus pandemic still expanding across the world, the global economy is facing the biggest crisis since the World War II. In this hard time where the world markets are unpredictable, Hirata Corporation is here to support our customers worldwide and will overcome the corona shock together with our stakeholders.

In the turbulent world markets, we will be responding to the inevitable shift with the focus on the demographic aging, skyrocketing healthcare costs, electric vehicles, and more. Our business will further be shaped around the Sustainable Development Goals (SDGs) for more commitment to the stakeholders and contribution to society.

■ Toward Our Sustainable Operations

Hirata has activated its Business Continuity Plan (BCP) in 2020 to prevent the spread of the new coronavirus and minimize its effects on our business. We will continue to review our system to keep our business running in this contingency. Long stretch of disasters or emergencies places great stress on people. Hirata opened a healthcare center and an in-house gym to promote employees' health (closed as of the end of May 2020 to prevent infection spreading). We will drive our healthcare programs including mental health and sound management, a foundation for Hirata's manufacturing.

Our new Kumamoto headquarters factory will be completed in June 2020. Equipped with IoT and 5G technologies, the new factory will be thriving in manufacturing toward environmental load reduction and further reinforcement of our operating base.

In this unprecedented corona shock across the world, Hirata will thrive through this difficult time with its stakeholders. Finally, I sincerely hope this new coronavirus global pandemic passes off soon.

President
Yuichiro Hirata



Contents

Top Message	1
Management Philosophy	2
CSR Policy and Overview of Company and Business ...	3
Products Information	4
Topics	5

Management

Corporate Governance	6
Compliance, Corporate Ethics	7
Risk Management	8

Social Report

Together with Customers	9
Together with Business Partners	10
Together with Employees	11
Together with Shareholders and Investors ...	14
Together with Local Communities	15

Environmental Report

Environmental Management	16
Environmental Conservation in Business Activities ...	18
Environmental Consideration for Products ...	19

Editorial Policy

In order to inform the business activities of Hirata Corporation and the relationships with our stakeholders, we hereby issue the CSR Report 2020.

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

Target Period	: FY2019 (April 1, 2019 to March 31, 2020)
Organization	: Hirata Corporation, non-consolidated (consolidated results are added to the changes in business results)
Published	: June 2020 (Next scheduled report: June 2021)
Guidelines referred:	GRI "GRI Standards 2016" The Ministry of the Environment, "Environmental Report Guidelines (2018 edition)"
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Management Philosophy

Under the management philosophy and CSR policy, Hirata Corporation will continue to contribute to developing a sustainable society, cooperating and providing mutual support with our many stakeholders to conduct business activities and activities of every single employee.

- 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.**
By realizing the customer's desire for quality, safety, and productivity, we will meet these expectations of society through our ceaseless technological innovations.
- 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 will build a workplace, where employees can feel pride and satisfaction in their job.
- 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, and business partners and will 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 will actively contribute to the society.



About the Sustainable Development Goals (SDGs)

The Sustainable Development Goals are universal call included as a part of the 2030 Agenda for Sustainable Development which was adopted in the UN Summit held on September 2015 to action toward realizing a better, sustainable world by 2030.

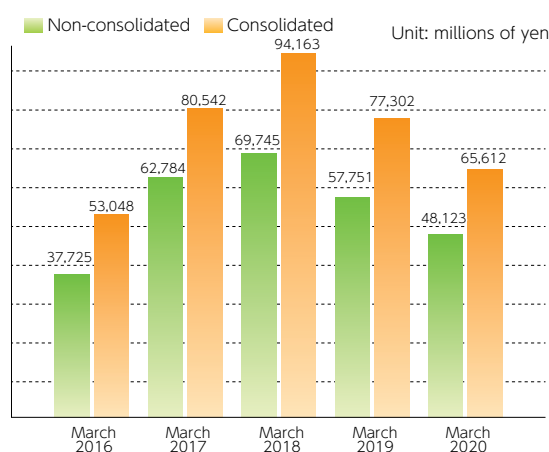
The SDGs represent 17 Goals pledge to leave no one behind of this planet. The SDGs are a global common objective for all nations.

Overview of Company and Business

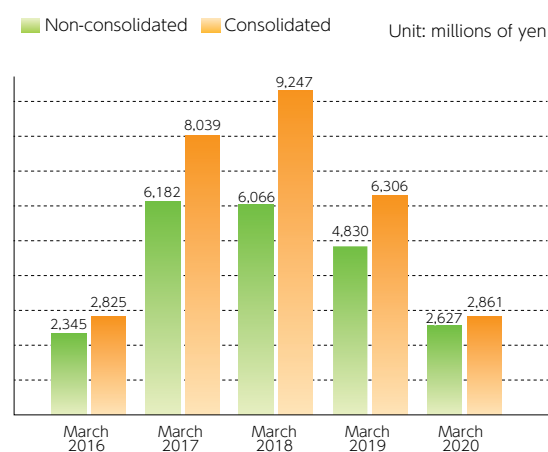
Company Name	Hirata Corporation	Capital	2,633 million yen
Headquarters	111 Hitotsugi, Ueki, Kita, Kumamoto, 861-0198 Japan TEL: 81-96-272-0555 FAX: 81-96-272-7901	Stock Exchange Listings	The First Section of the Tokyo Stock Exchange (Code: 6258)
Representative	President and Representative Director Yuichiro Hirata	Issued Number of Shares	10,756,090 shares
Date Established	December 29, 1951	Number of Shareholders	8,756
Accounts Closed	March 31 (annually)	Production base	Kumamoto prefecture: Kumamoto plant, Kumamoto east plant, Kusuno plant, Shichijo plant Tochigi prefecture: Kanto plant Shiga prefecture: Kansai plant
Employee Number	Consolidated 2,201 employees (1,849 employees full-time)Non-consolidated 1,362 employees (1,058 employees full-time)		

Business Results

Net sales



Ordinary income



*As of March 31, 2020



Products Information

Main Product Line Introduction

Automotive Production Equipment Business

We engage in the manufacture and sales of a wide range of production equipment, such as power transmission/driving devices for engines and transmissions, so-called power trains as well as drive units and packaging for electric vehicles (EV), computers to control electronic devices, automotive electronic components for various sensors, air compressors for air conditioners, ABS brake modules, motors for hybrid cars, and driving inverters.



Clutch assembly line

Semiconductor Production Equipment and Panel Device Manufacturing Business

In the field of the semiconductor related production facility, we manufacture and sell load ports which transfer silicon wafers into individual processing devices, wafer transfer robots for atmospheric and vacuum environment, as well as EFEMs (Equipment Front End Modules) that integrates these components.

In the panel device manufacturing field, we mainly engage in consignment manufacturing of liquid crystal glass conveyance systems, resist coating systems, and evaporation equipment related to organic electroluminescence (organic EL). In addition, we also manufacture and sell cutting apparatus for tempered glass, vacuum platforms for processing, and other products.



Wafer transfer robot



Laser glass cutting system



Vacuum platform

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 are capable of adapting to automatic assembly systems with various sizes and shapes, including high-speed assembly of vacuum cleaner motors and small built-in electronic component capacitors as well as compressors for refrigerators and air conditioners.

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



Automatic assembly systems of home appliances



Topics

Discover some of our stories from April 2019 through March 2020.

Receives Regional Special Award from JATCO Ltd

Hirata received Regional Special Award from JATCO Limited. We have proposed this prize-winning work, ACS* concept-based equipment for JATCO's transmission assembly line, which then was approved as a JSL (JATCO Standard Line). Highly evaluated was its integration of units that led to strict meeting of deadlines and early stabilization of quality. Every year JATCO recognizes the parts and equipment manufacturers who are contributing to quality improvement and manufacturing. In this fiscal year, 37 suppliers in total for four categories were awarded, including Hirata.

* ACS: Hirata's unique concept to standardize equipment processes



Desktop award from JATCO

Exhibits at 21st China International Industry Fair 2019

Hirata had a booth in the 21st China International Industry Fair 2019 from September 17 to 21, 2019 jointly with our Robot Department, two group companies in China, and distributors in China. The Fair attracted 2,610 exhibitors and 182,000 visitors. The Hirata booth, displaying a 6-station reducer assembling demonstration machine including a newly designed robot, was packed with more-than-expected 1,600 visitors. We will continue to strive to develop new markets and customers.



Hirata booth crowded with visitors

Hirata Field Engineering Headquarters Factory Relocates

Hirata Field Engineering Co., Ltd., a group company of ours, moved its headquarters factory to the Semicon Techno Park in Koshi City, Kumamoto on March 25, 2020, from Kumamoto City. The new premises are three times larger than before. The building even has a floor designed based on ideas from employees like shared spaces and desks, providing a comfortable workspace. With this refreshing change, the whole staff is ready to work toward go for further business development.

* The headquarters factory has relocated on April 1, 2020.



New headquarters factory



Management

Relevant SDGs



Corporate Governance

We are enhancing corporate governance to meet the expectation of trust from all of our stakeholders.

Basic Stance

At Hirata Corporation, as a company targeting the global market, we promote the effective management as well as the emphasis on corporate governance to fulfill the social responsibilities, while also enriching the risk management/compliance system and by planning to strengthen the competitiveness of business to improve the corporate value.

Moreover, we believe that companies should assume and stand in the shoes of the public, public interest, and social factors and keep a good relationship with all of our stakeholders will lead to the improvement of shareholder return.

Corporate Governance Framework

The corporate governance system is as follows as of June 25, 2020:

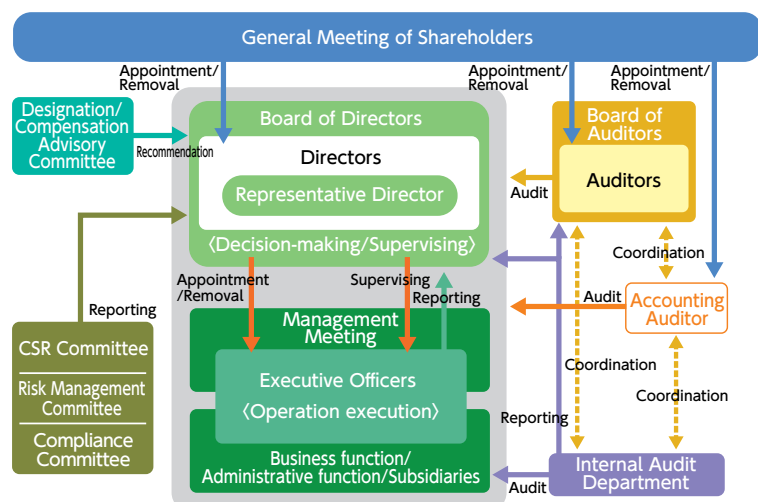
〈Board of Directors〉 It is held once a month as a scheduled meeting or ad hoc as required to decide important matters including the management policy and the intermediate or annual management plan of the Hirata group and supervise the progress of the management plan and the operation execution status of the management personnel. Two of the five directors constituting the Board of Directors are outside directors in order to strictly exercise the surveillance function over the Board of Directors. Their term is one year in order to clarify their management responsibility as a director.

〈Management Meeting〉 It consists of 13 executive officers (3 interlocking directors and 10 full-time executive officers) elected by the Board of Directors, and deliberates the resolution matters of the Board of Directors in advance and decides various matters on the execution of operation based on the management policy and the plans specified by the Board of Directors. It is held once a month as scheduled or ad hoc as required. In order to clarify the operational responsibility, all of the executive officers are elected as commissioned officers and their term is one year.

〈Board of Auditors〉 It is established to audit the appropriateness of the duty execution status of the directors in the Board of Directors. The Board of Auditors consists of four auditors all of which are outside auditors. The auditors have a high degree of professionalism and perform an appropriate audit from the standpoint of the outside auditor.

〈Accounting Auditor〉 We enter into an audit contract with KPMG AZSA LLC. and are receiving their accounting audit. We consult the auditing company on important accounting issues as needed and receive advices about appropriate measures.

〈Designation/Compensation Advisory Committee〉 It has been established as an arbitrary advisory organization of the Board of Directors. The purpose of this committee is to deliberate important matters such as the designation and compensation of directors and executive officers, secure the objectivity and transparency of these matters and further enhance the corporate governance system.





Relevant SDGs



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 Corporation 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 logic.

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 of this Code of Conduct in the event of their detection during the course of the execution of business in accordance with the same. Should such a report be issued, the employee or employees in question shall be protected from liability.

Promotion of Compliance

Training programs were provided for our group employees on laws for subcontracting, labor management, safety assurance export control, harassment, etc. The compliance committee met twice a year for a regularly scheduled meeting and deliberated on the social trends including law amendments and misconducts, the implementation state of compliance measures in Hirata, promotion programs, law compliance state, etc. The Compliance Department issued a compliance newsletter for raising compliance awareness.

Helpline

From May 2008, Hirata Corporation, under our Code of Conduct, established an external reporting contact, called Hirata Helpline, in addition to the internal reporting contact for employees to report problems that violate laws and internal regulations, and to address potential risks that may 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. The investigation result will be reported to the Compliance Committee and addressed appropriately.



Relevant SDGs



Risk Management

We have developed a risk management system which enables us to accurately determine various risk factors and respond to them appropriately and promptly.

Risk Management System

With Administration Division Director as risk management manager, we have been working on minimizing risks associated with compliance, information security, incidents, and disasters that may seriously affect Hirata Group's business operations. Furthermore, we set up Risk Management Committee for further enhancement of our integrated risk management system across the entire Group. The Risk Management Committee oversees integrated risk management, including preparation of risk response policy and related rules, risk information collection/analysis, and development of countermeasures such as loss avoidance/reduction/transfer. Through the Committee's regular monitoring and risk management auditing of our operating organizations and group companies, we ensure that our risk management system is appropriately built and operated with continuous improvement.

BCP (Business Continuity Plan)

To ensure our business continuity in unexpected disasters and problems, we are promoting the BCP (Business Continuity Plan) for preventing, defending against, and reducing risks that are identified in advance.

Regarding the new coronavirus, we took actions such as aid deliveries from Japan in liaison with our subsidiaries in China (HAS and HME) and temporary suspension of business trip.

Then, with the spreading of infection across Japan, we launched a BCP Task Force and implemented measures at each section responsible for business operations, human resources, premises, networks, and procurement based on the government policy.

Consequently, Hirata Group has no employees infected as of the end of May 2020, with almost no impact on our operations. We will continue our measures until the pandemic is over.

« Main measures taken »

- Remote working
- Social distancing in factories, offices, and places for shared use
- Cancellation and postponement of business trip
- Temperature taking before going to work
- Distribution of hygiene supplies like masks and sanitizers
- Reduction of office meetings (utilization of video/Web meeting)
- Regular disinfection of facilities and places for shared use
- Supplier impact survey



Disinfecting regularly

Information Security

In order to protect information and information assets (information devices and the like) from threats such as leakage and damage and to safely carry out business activities, Hirata Corporation is working to develop information security management regulations and prevent leakage of confidential information and other similar incidents through systems and activities centering on the information security committee.

Export Control

In the global community, the importance of security trade controls has been increasing against the backdrop of global threats (terrorism and the development of nuclear weapons, etc.). Hirata Corporation has established the "Regulations for Security Export Controls" to help implement appropriate security trade controls designed to maintain global peace and safety and has strengthened security export control systems regarding the appropriateness of goods and technologies, responses to the revision of laws, employee education, and internal audit procedures. We have also obtained the "special blanket permission for export and services (program relating to use)" and the "special blanket permission for service transactions" by which individual permission from the Minister of Economy, Trade and Industry is not required with respect to some goods and services.



Social Report

Together with Customers

As the best partner of our customers, we deliver reliability and satisfaction to the world by materializing various customer requests for quality, safety, and productivity.

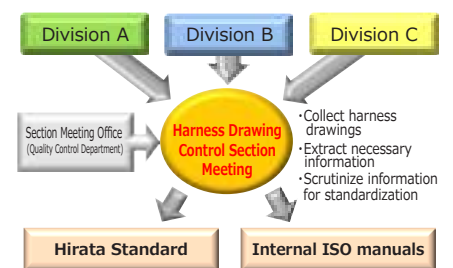
Quality Assurance

As part of quality assurance, Hirata is working on product quality improvement to deliver more reliable, safer products.

■ For improved drawing quality

The Harness Drawing Control Section Meeting has been set up for defect reduction and quality improvement of parts manufactured. At the meeting, the wire harness designers from the business divisions extract drawing information necessary for manufacturing wire harnesses. The extracted information is reflected in the HS* and internal manuals to improve drawing quality.

* HS: Hirata Standard, i.e., our company standard



Harness Drawing Control Section Meeting promotion system

■ Assuring design reliability through reliability education (FMEA basics)

In January 2020, a reliability education was provided by an outside lecturer for employees of design and quality assurance departments. The education is intended to help them learn the FMEA* concept leading to product reliability assurance and thus encourage FMEA to be incorporated at the conceptual design phase. This should increase our design quality, allowing us to make our products even more reliable.

We are providing various education programs to upskill our employees to deliver safer and more secure products.

* FMEA: Failure Mode and Effect Analysis



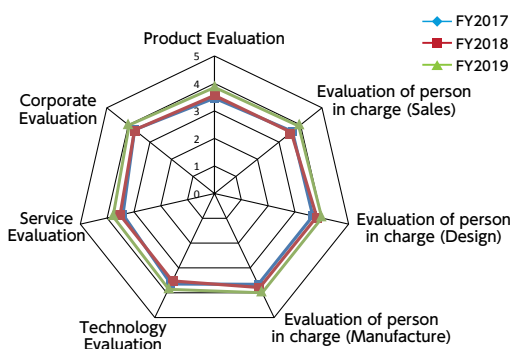
Reliability education session by an outside lecturer

Customer Satisfaction

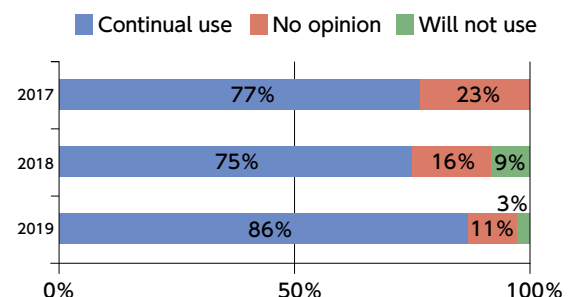
We are working to improve customer satisfaction through the opportunity for each department to interact with customers, collecting customer's opinions and suggestions to improve our products, as well as our service support. Every year, all Hirata Group companies distribute customer satisfaction surveys with a common set of questions to all customers. Based on these valuable opinions, we will strive towards strengthening the service support and cooperation among departments in the future.

Customer satisfaction survey results for FY2017 to FY2019

<Satisfaction weighted average score (5 points max.)>



<Continuity for the future>





Relevant SDGs



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

In June 2019, Hirata held its FY2019 Suppliers Meeting at the Ueki Cultural Center's large hall in Kumamoto City, with a record high number of 303 representatives from 186 companies. The meeting proceeded to share Hirata's financial results and trend, then each business division's trend and policy, and at last the procurement policy.

In addition, awards were granted to those who made a great contribution to Hirata's FY2018 production activities. Six Best Supplier award companies and 11 Excellent Supplier award companies were commended on the stage.



Welding skills workshop

In October 2019, the welding skills workshop was held for 27 persons from 16 suppliers, at a factory of a company having some best welding engineers in Japan. This skills training course will be further improved to help both our welding employees and suppliers' persons upskill for better QCD.



VOICE

Let's boost our manufacturing competence to make progress day by day

Oyo Electric Co., Ltd.

Seichi Chaya, President; **Noritaka Tanoue**, Executive Director of Operations

We are developing, designing, and manufacturing measuring instruments, mechatronics products, and medical equipment leveraging our electronic and optical expertise to meet customers' needs.

Since our start of business with Hirata Corporation in 1996, we have been working on printed board implementation and harnesses at first, and now control boards in addition to them. It is a great honor to receive the Best Supplier award in 2019. We are very happy with the evaluation.

The world's leading Hirata demands higher quality. This drives us to carry out thorough quality control at every process with a sense of tension, resulting in upskilling of each one of us. With this award in mind, we keep going for the best quality any time along with Hirata's manufacturing competence by continuing the endless process of improvement to our operations.





Relevant SDGs



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 Resource 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.

I Respecting human rights and diversity

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

II HR activities in compliance with applicable laws and regulations

We shall comply with all applicable laws and regulations of each region regarding the 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.

III Fair, equal, and transparent HR system

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

IV Support for skill development

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

Support for Capability development

Hirata Corporation thinks, according to its management policy of "making the best use of its members", that one of the most important issues is to provide each employee with the opportunities to challenge and grow, and develop the environments that enable them to fully exercise their abilities.

It is now three years since the launch of the young employees overseas dispatch program, and the members selected for the first year are beginning to come back. They sure will play an active role making use of their experience. This program will continue for fostering young employees.

This fiscal year also focused on the improvement of basic skills across the board. Many employees took the increased opportunities to participate in various basic training courses of specific goals, like thinking training.

We will be improving our human resource development both in quality and quantity, so that we can fully satisfy the expectations of interested parties around us.

VOICE

Communication skills and speed make good relations

Keisuke Teramoto

#1 Engineering Department, #2 Kumamoto Business Division #2 Business Unit

In Singapore, I involved in mechanical design through the first year, then in sales for the second and third years. This experience taught me how important the communication skill is. I rediscovered the importance of exchanging thoughts and ideas accurately.

Singapore uses English as a common language. Among those who are not English native speakers, I tried to speak in as simple English as possible, and sometimes in Singlish. I think this helped me establish good relations both inside and outside the company. Sales activities need a variety of communication approaches with customers, in-house departments, and suppliers. I have rediscovered that speed matters in these activities. If something got stuck at me, the project would come in late. And if it is at the sales stage, it may lead to an opportunity loss. I will be working hard on my role making use of my experience to contribute to our Group's development and prosperity.

● Transferred from April 2017 to March 2020 ● Transferred to Hirata FA Engineering (S) Pte. Ltd. (Singapore)





Respecting human rights and diversity

■ Efforts for Re-employment

Under the "Re-employment System" established in 2006, Hirata Corporation has entered into re-employment agreements with retired employees so that they can continue to apply their skills, utilizing their superior knowledge and experience. The number of workdays and hours is adjusted for each re-hired person's lifestyle by reflecting his/her wish and the work contents contracted. According to the April 2013 amendment to the Act for Stabilization etc. of Employment of Older Persons etc., our Re-employment System is now rehiring employees who wish to remain employed until age 65 beyond the retirement age.

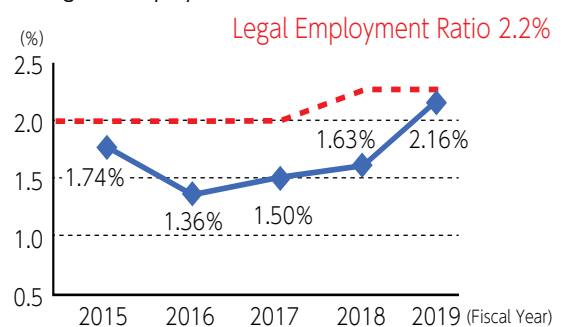
Number of re-employed persons above 60 years old (Unit: persons)

Fiscal Year	Retired Employees	Re-employment Applicants	Re-employed Persons
2015	13	9	9
2016	27	23	23
2017	17	14	14
2018	22	17	17
2019	33	25	25

■ Proactive Employment of Disabled Persons

Our disability employment rate in FY2019 was 2.16%, nearly close to the legal rate 2.2%. We are actively seeking opportunities to hire persons with disabilities through participation in disability career fairs and Web-based public relations. Hirata will continue its effort to meet the legal rate.

Changes in Employment Ratio of Disabled Persons (%)



■ Measures Against Harassment

We hold compliance training for employees (60 minutes/training, 12 times a year) and training for newly appointed section chiefs and supervisors (240 minutes/training, once a year). Both include a training session on how to prevent power harassment or sexual harassment. Furthermore, starting in FY2018, a 90-minute harassment prevention class is provided once a year by an outside expert for all the employees to increase awareness of harassment in general. We are striving across the board to create a pleasant, harassment-free work environment.

■ Retirement Ceremony

Since FY2019, the Retirement Ceremony has been redesigned from twice a year (June and December) to once a year (March, the end of fiscal year). This ceremony is an important opportunity for Hirata to express its appreciation to all the people for their years of devoted service to the company. For the retirees, it will mark a start of the new chapter in life, regardless of whether they have chosen to leave or get re-hired.

Work-life Balance

In addition to our continuous commitment to work-life balance improvements including setting or compensating leave-work-on-time days, we have further decreased the overtime work hours in the special clause under Article 36 (Agreement on Overtime) from 80 to 75 hours in response to the reform of working practices starting on April 2019 which legislates the annual overtime work hours limited to 720 hours. Days on business trip are now managed on the basis of actual time to pay more attention to the employees' healthcare. Furthermore, the interval time system put in practice lowered the company-wide average overtime work hours from 23.56 for FY2018 to 22.11 hours for FY2019, achieving a 1.45-hour reduction. We will continue to take further measures to improve the employees' work-life balance.



VOICE

"My Work-life Balance!"

Kaori Nakayama, Human Resources Department

We are working on the improvement of work-life balance by carrying out various overtime reduction measures, for instance, the interval time system and banning of overtime on Wednesday, salary day, and bonus pay day.

Now we have a gym in our new factory for employees health promotion. The gym is equipped with professional training machines. You can also get an exercise tailored to you by an external fitness instructor. I am spending most of my work time for PC related work and feeling worn out, having not much exercise. So, I started to work out at the gym following the instructor's special program every no overtime Wednesday to refresh myself. The gym also provides an opportunity to communicate with people from other departments usually with little contact. Exercising there has become part of my life, giving me the energy to work.

I would like to keep pursuing my own work-life balance to boost motivation for work and make the most out of life.



Labor Safety and Health

With the slogan, "All employee participation in zero accidents", Hirata has formed safety and health committees in each plant and a company-wide safety and health committee, which oversees the whole company, to promote systematic safety and health activities. Based on the annual plan, the workplace safety has been further improved along the PDCA cycle of implementation, validation, and review, achieving no accidents with lost workdays in FY2019.

The company-wide safety and health committee receives reports from each department relating to activities based on the annual plan, confirms the details of any industrial accident that occurs, discusses how best to prevent any recurrence, and formulates and establishes new rules regarding safety and health. In the safety and health committee held at each plant, we implement safety and health patrols, take corrective action according to the results of the patrols, and keep everyone informed of the contents discussed at the company-wide committee. In addition, we strive to ensure the safety of the Company and customers' plants by means of risk assessment and hazard prediction training (KYT) during the morning meeting held at each work site.

The supplier safety and health meeting is held every month for suppliers' personnel working at our premises. This meeting shares information disclosed in the safety and health committee, and introduces safety/health case studies while collecting suppliers' opinions and feedback.

During the annual National Safety Week in July, the executive officers walk through the factories for safety patrol. A rigorous check is done from a managerial point of view to protect workers.

TOPICS



Handling work safety training provided

Responding to the increase of accidents during handling work in land transportation businesses, we provided a safety training instructed by an outside safety expert from the Land Transportation Safety & Health Association. During the session, our heavy-article loading operation was actually done in the shop floor, and evaluated as a good example in which safety is ensured.



Relevant SDGs



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 Activity Policy

Hirata believes that a fair and equal pricing of shares is on the premise that information on investment decisions are being shared appropriately in a timely manner. Therefore, we recognize the need to fairly, equally, accurately, and quickly provide the investors with important company information that influences investment decisions.

In the case of mandatory disclosure materials, such as annual securities reports, quarterly reports and material facts or other company information, Hirata Corporation discloses the contents thereof correctly.

■ Holding information sessions for investors

With a purpose of publicizing Hirata Corporation and gaining investors, we hold company information sessions and financial results briefing for institutional investors, analysts, and private investors.

In FY2019, the seminar was held in Iwate, Fukushima, Akita, Kagawa, Tokushima, Kyoto, Nagasaki, Shizuoka, and Kanagawa, attracting a large number of local investors.



IR Tools

In addition to mandatory disclosure materials, such as annual securities reports and quarterly financial reports, which are prepared under laws and regulations of financial instrument exchanges, Hirata works to disclose the following materials on our website to allow shareholders and investors a deeper understanding of our business.

1. Briefing documents for financial results and quarterly financial results

These documents explain the summary of financial results in each term for an easier understanding and are used as materials for financial results briefing for institutional investors in the final and second quarter financial results.



3. General Meeting 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 for an easier understanding and is issued and sent by mail after the disclosure of the final and second quarter financial results.



4. "IR Information" on the Hirata Corporation Website

This page is a collection of information for our shareholders and investors with the intention of promoting understanding of Hirata Corporation.





Relevant SDGs



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.

Contribution to Local Communities, Providing Support and Cheering for Hometown

Hirata Corporation will work to help the restoration of Kumamoto through the following community support projects.

■Lecture given in Manufacturing Management class at Kumamoto Gakuen University

On January 14, 2020, Hitoki Hongo, Global Business Headquarters Division Director, gave a lecture in the class "Manufacturing Management" by Kenji Matsuo of the Kumamoto Gakuen University (KGU). This was done under the comprehensive collaboration agreement between the Kumamoto Industrial Federation and KGU for encouraging the students to learn about Kumamoto's manufacturing industry. The lecture was attended by about 40 students, mostly sophomores who are becoming more aware of finding a job. Topics covered were Hirata's profile, history of growth, and year-by-year market environment and Hirata's response. The lecture was closed with Hongo's message to "get your experience and be eager to challenge while young".



■Shareholder Special Benefit Plan, Donation as Support for Restoration of Kumamoto Castle

Hirata has a shareholder special plan for post-earthquake reconstruction assistance to Kumamoto.

A shareholder can donate 3,000 yen by choosing either of the followings:

- QUO card with donation for restoration of Kumamoto Castle
- Donation to Kumamoto City as funding for restoration of Kumamoto Castle



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By courtesy of 460 shareholders who agreed to the plan as of the end of March 2019, a total of 1,380,000 yen was donated to Kumamoto City for restoration of Kumamoto Castle.

■Roasso Kumamoto, Hirata Thanks Match

On September 7, 2019, a thanks match sponsored by Hirata Corporation was held as Roasso Kumamoto vs. Gamba Osaka U-23 in the J3 Football League and gathered 16,027 spectators. In 2020, Hirata Corporation continues to support Roasso Kumamoto as a main sponsor with the people of the local communities.



■Sponsoring Kumamoto Castle Marathon

As an official sponsor of Kumamoto Castle Marathon in February 16, 2020, Hirata supported and assisted the event in Kumamoto. Even in chilly, windy, and rainy weather, 36 employees participated from Hirata and ran with all their might to the cheers.





Environmental Report

Environmental Management

To realize a sustainable society, we are working hard to protect the environment.

Relevant SDGs



Environmental Policy

We at Hirata establish environmental policies and promote environmental activities in line with the policies. We will contribute to protect the global environment by reducing the environmental load in all aspects of our business activities, products, and services.

Particulars of Our Environmental Policy

Hirata Corporation contributes to protecting the global environment by reducing the environmental load of all aspects of our business activities, products, and services in order to achieve a sustainable society.

- ① Working towards manufacturing products with a reduced environmental load, considering the product lifecycle throughout its supply chain.
 - Promoting energy-saving products
 - Promoting recyclable design and manufacturing of products
 - Reducing the amounts of harmful materials used in our products and using substitutes
- ② 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.
- ③ Striving to improve productivity and conserve the environment throughout all our business activities and production processes, including sales, design, manufacturing, installation, and after-sales service.
 - Reducing energy usage and the emission of greenhouse gases
 - Reducing waste and promoting recycle
 - Reducing harmful materials and using substitute article
 - Preventing environmental problems and pollution
 - Preserving biological diversity
- ④ Increasing environmental awareness through implementing education and publicity programs.
- ⑤ Reviewing the EMS regularly to enhance environmental performance and striving for continuous improvement.

Environmental Management System

■ Structure of Promotion for Environmental Management System

Hirata has built up a structure of promotion for the Environmental Management System (EMS) led by top management and environmental management manager and obtained an international standard ISO14001 certification at the Kumamoto, Kanto, and Kansai region production bases.

■ Continual Improvements

The management conducts a management review once a year to review the system taking into account the external and internal issues related to the environment management system and changes in the needs and expectations of the interested parties.

The person in charge in each section embodies the output of management review in the environment meeting to lead to improvements.

Abiding by laws and regulations and preventing pollution

Our environment-related regulatory compliance is confirmed regularly at the ISO Office and through ISO internal audit. In addition, we have our own voluntary standards in some areas to ensure compliance.

We have had no environment-related violations, incidents, or complaints in FY2019. The annual wastewater measurement at all of our factories verifies that the results are within the standards defined in the Water Pollution Prevention Law and each local government's more stringent effluent standard.



Environmental Goals

○ : achieved, △ : nearly achieved, × : unachieved

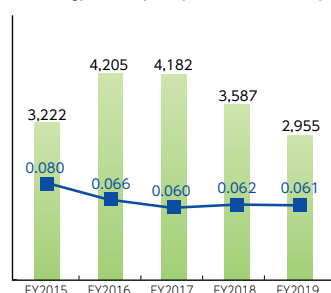
Item	Long-term Goals (FY2018-2020)	FY2019 Accomplishments	Evaluation	FY2020 Plans
Reducing CO ₂ emissions	By the end of 2020, we will decrease more than 3% of the amount of CO ₂ emissions compared to that of FY2017 when measured based on the actual production amounts.	CO ₂ emissions per actual production reduced by 27% over FY2017. The energy inputs per actual production increased by 2% over FY2017. Some lightings were switched to LED and compressors were replaced to reduce energy usage.	○	We continue to make efforts to reduce the CO ₂ emission amount by introducing energy saving equipment and strengthening the energy management practices.
Provision of Products with Reduced Environmental Load	Development of environment-friendly design (energy saving, space/weight saving, substitution of harmful materials)	We conducted product assessments to have achieved energy and space/weight saving products.	○	We continue to conduct product assessments.
Managing chemical substances contained in products	Inspection of Chemical Substances Contained in Our Products	The control system of chemical substances in products put into operation; the scope of investigation on chemical substances expanded. Product hazardousness checked by the investigation on chemical substances in products.	○	The method of investigation on chemical substances in products will be reviewed to enhance our chemical substances investigation.

Environmental Performance

We are pursuing to reduce the environmental load and achieve our environmental goals by understanding the impact made by our business activities.

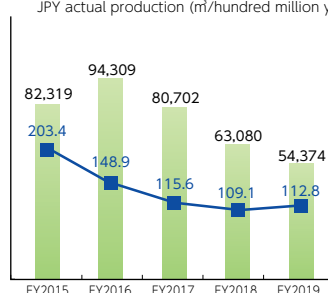
Total energy input

■ Total energy input (In crude oil equivalent)(kℓ)
■ Energy consumption per unit (kℓ /million yen)



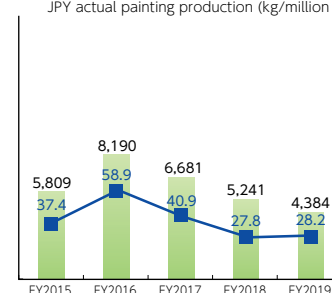
Amount of water resources input

■ Amount of water resources input (m)
■ Amount of water resource input per hundred million JPY actual production (m/hundred million yen)



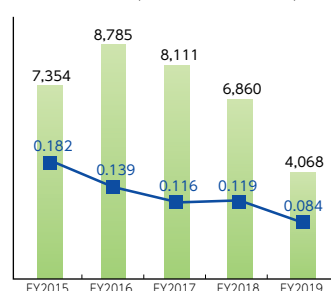
Consumption of PRTR Substances

■ Consumption of PRTR Substances (kg)
■ Amount of PRTR Substances per hundred million JPY actual painting production (kg/million yen)



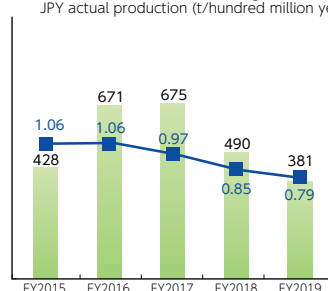
Amount of CO₂ Emissions

■ CO₂ Emissions (t-CO₂)
■ CO₂ emission per unit (t-CO₂/million yen)



Industrial Wastes

■ Amount of industrial wastes (t)
■ Amount of industrial wastes target substances per hundred million JPY actual production (t/hundred million yen)

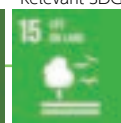


* Actual output is used to calculate energy use and CO₂ emission per unit.

* Figures for Hirata Corporation on an unconsolidated basis.



Relevant SDGs

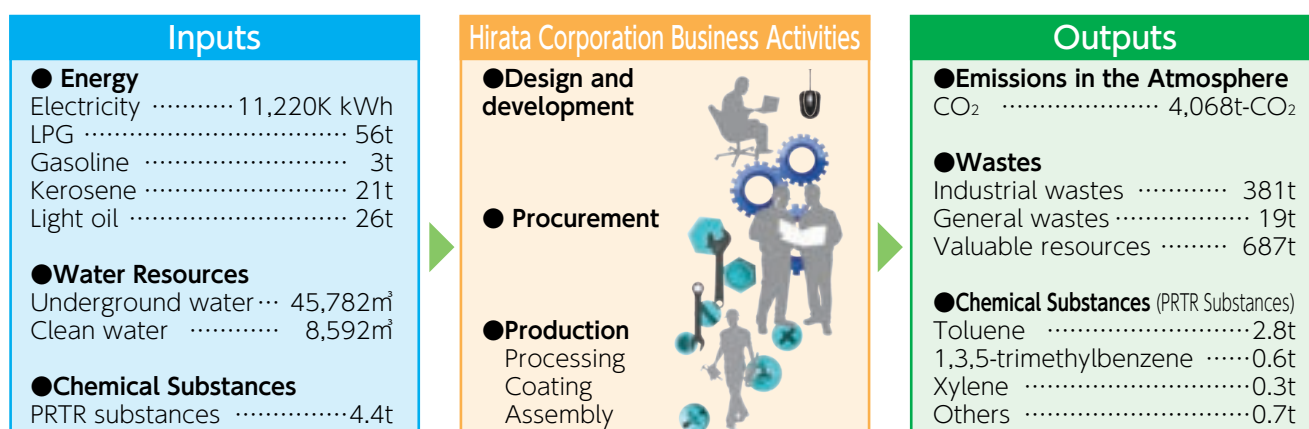


Environmental Conservation in Business Activities

We are proactive in measuring and reducing the environmental load throughout the product lifecycle in design and development, procurement, production, etc.

Environmental Load

Environmental loads in FY2019 are as follows.



Environmental Accounting

The below is a status of environmental preservation cost. We categorize these into investment and cost concerning the "Environmental Accounting Guidelines" by the Ministry of the Environment.

(Unit: thousand yen)

Categories		Major Activities	Investment	Cost
Business area cost	Cost for preventing pollution	<ul style="list-style-type: none"> Rain runoff preventive measures Electric dust collectors introduced 	22,393	7,645
	Global environmental protection cost	<ul style="list-style-type: none"> Installing energy-saving equipment 	9,160	71,291
	Cost of resource cycle	<ul style="list-style-type: none"> Disposal of general and industrial wastes 	—	23,785
Upstream and downstream costs		<ul style="list-style-type: none"> Investigation of chemical substances contained in products 	—	7,714
Administration cost		<ul style="list-style-type: none"> Maintenance of environmental management system Environmental measurement Environmental education 	—	30,185
Social activity cost		<ul style="list-style-type: none"> Nature conservation; beautification Donations to environmental protection groups 	—	1,286
Total			31,553	141,906

TOPICS



Ezu Lake cleanup activity

As part of our biodiversity protection effort, some of the Hirata employees participated in the Ezu Lake cleanup activity hosted by the Kumamoto Prefectural Environmental Conservation Council. The Hirata team weeded out adventive plants together with other participants from member companies, learning the importance of water conservation activities. Hirata will continue its biodiversity protection effort through the Ezu Lake cleanup activity.



Cleaning up hand in hand



Relevant SDGs



Environmental Consideration for 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

■ High-speed transfer platform

We have developed a high-speed transfer platform as an integrated system with atmospheric and vacuum environments for use in semiconductor production process.

Equipped with a multi-stage load lock chamber that can accommodate 25 wafers for environmental care, this high-speed transfer platform can reduce the number of chamber gas exhausts to one-25th and nitrogen gas consumption by 50% compared to the conventional single-wafer model. The wire usage is also cut by over 30% by reorganizing the structure and layout of the control parts inside the equipment, achieving resource saving. Moreover, the number of touches to the work is decreased by adding a traveling axis, employing a single, 4-arm atmospheric transfer robot rather than two robots. The consequence is added longevity of the products and waste reduction.



VOICE

Using our own environmentally-friendly products Toward human-friendly product development

Our high-speed transfer platform uses home-grown environmentally-friendly FOUP opener and vacuum transfer robot. Equipped with our own atmospheric transfer robot and aligner and in-house processed aluminum chamber, this high-speed platform is a product based on our own components with high throughput, low particle, and energy conservation.

This development all started with an intention to appeal our technical expertise at a trade show. Improvement to equipment configuration/robot motion and the resultant production efficiency gain led to elimination of need for the robot to move an extended period of time and reduction of power consumption. In the limited time between day-to-day operations, we had discussions with various departments from configuration to design every day and solved problems by trial and error. This product is a fruit of Hirata's company-wide coordinated effort.

As engineers, we will continue with improvements in a safety-conscious, energy-aware manner to developing more human- and earth-friendly products.



#1 Equipment Business Division, #3 Business Unit
Sales Engineering Department

Junichi Hirakida (right)

#1 Engineering Department

Yusuke Senoue (center)

#2 Engineering Department

Ryuji Nagase (left)

Managing 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 are strengthening management of chemical substances contained in our products around those related to semiconductor and medical equipment as well as mass-produced items.

In FY2019, we introduced the Control System of Chemical Substances Contained in the Products and put it into operation. This has allowed us to investigate into a wider range of targets than before. With the system now in full-scale operation and thanks to suppliers' cooperation, we were able to further proceed the survey on chemical substance inclusion status. The system will be improved for higher efficiency to reduce suppliers' load in investigation.

^{*1} RoHS Directive: Regulations on chemical substances in EU ^{*2} REACH Regulations: Chemical substance management regulations in EU

