

# Long-Term Vision 2030

May 12, 2023

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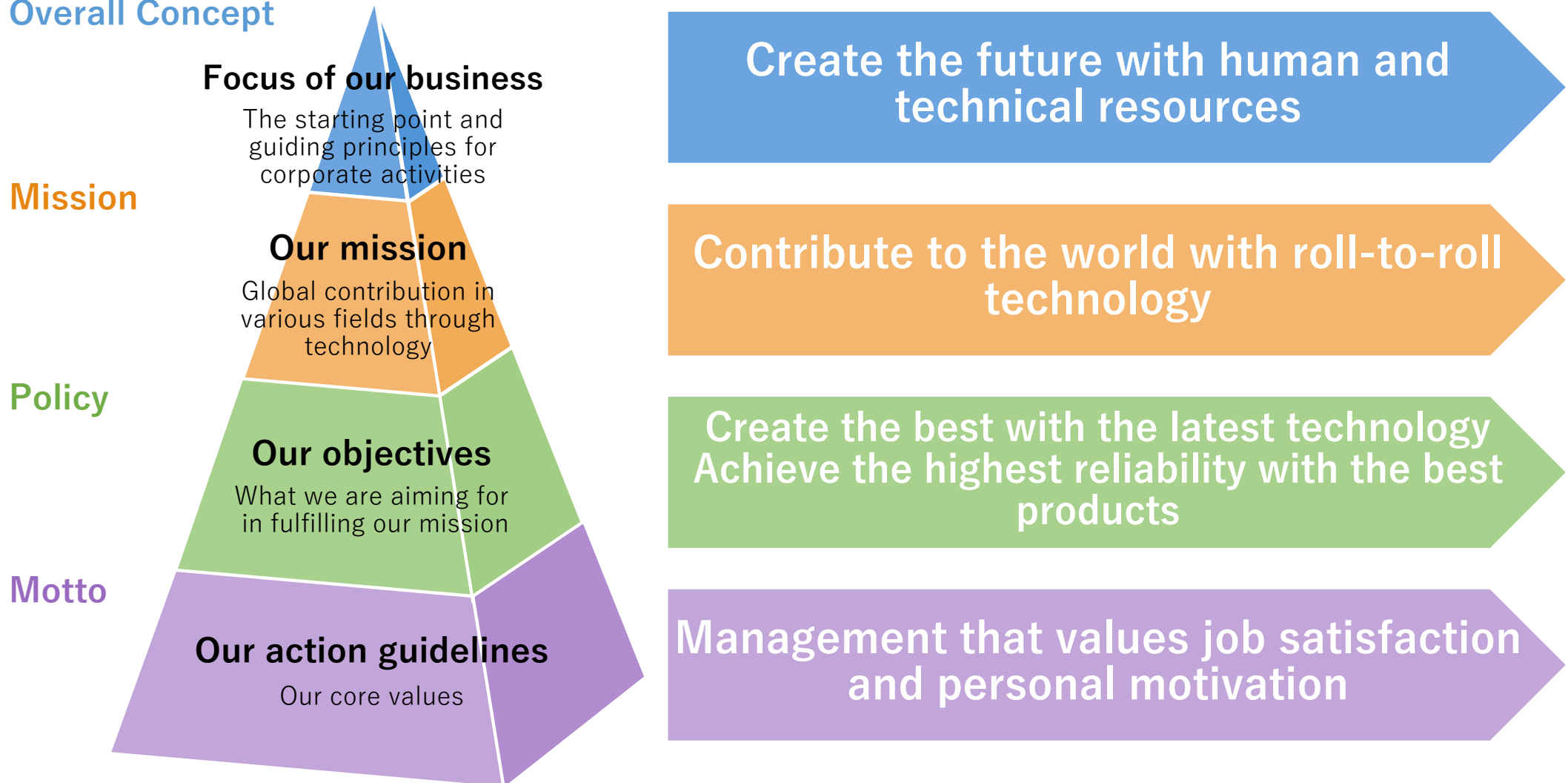
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# Corporate Philosophy

## Contribute to society through our business activities

### Overall Concept



# History of Value Delivery

## Achievement of high added value through roll-to-roll processing in cutting-edge fields of the times

### Our strengths/ competitive advantages

#### ■ Coating technology

- Thin and uniform high-precision coating
- Drying specific to material and application

#### ■ Ability to contribute to customers' productivity

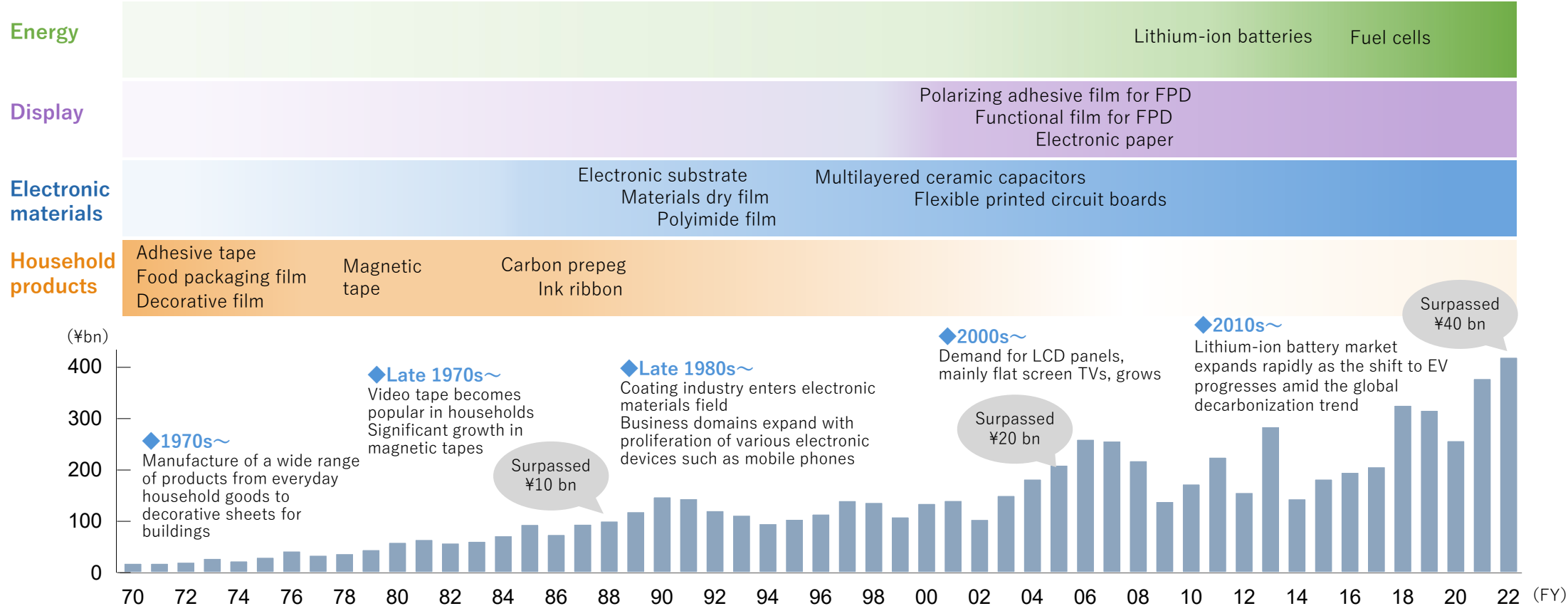
- High speed operation × larger size
- Stable operation and high yield

#### ■ Customer base and delivery record

- Technical proposals at Technicum\*
- Joint development with the world's top companies

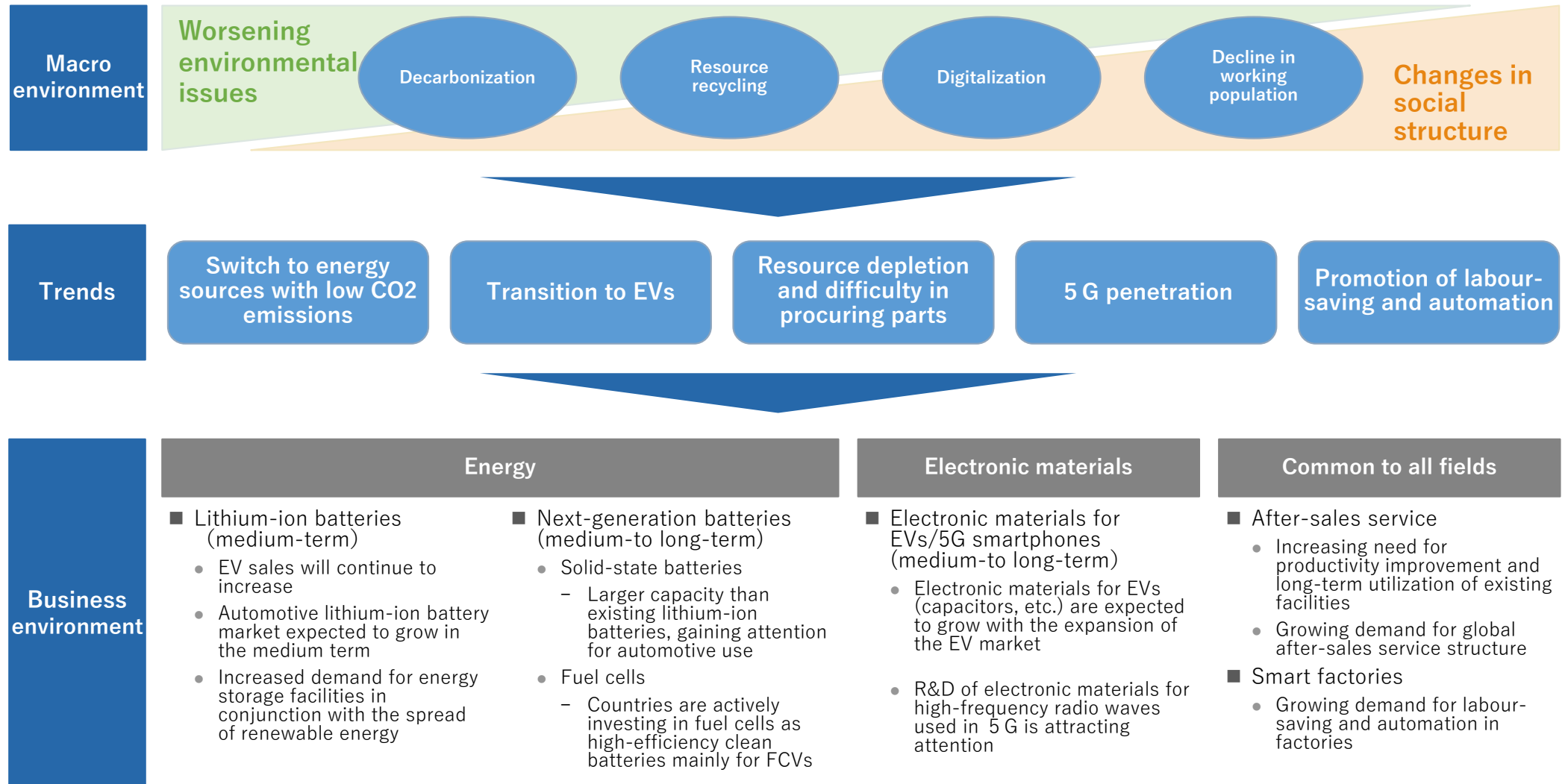
### ◆ Historical changes in segment products and sales

\*Technicum R&D testing facility



# Business Environment

## Expand business domains to growth markets in response to changing environment



## Our objectives for FY2030

### Global leader in coating machines

~ Enhance corporate value by establishing a stable revenue base ~

- Cutting-edge fields : No. 1 market share in energy and electronic materials
- Globalization through expansion of overseas network from sales to manufacturing to maintenance
- Contribute to industrial development and the global environment through coating technology

**FY2030 Consolidated numerical targets**

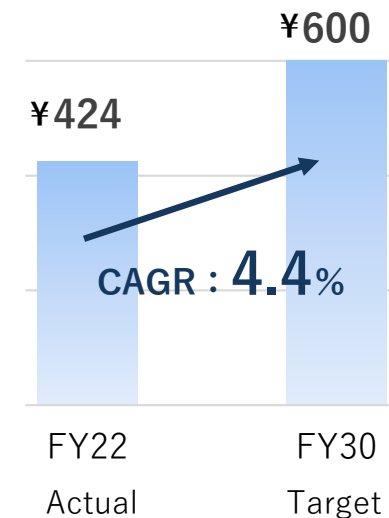
Net sales  
**¥60bn**

Operating profit margin  
**12%**

ROE  
Stable at  
**10% or more**

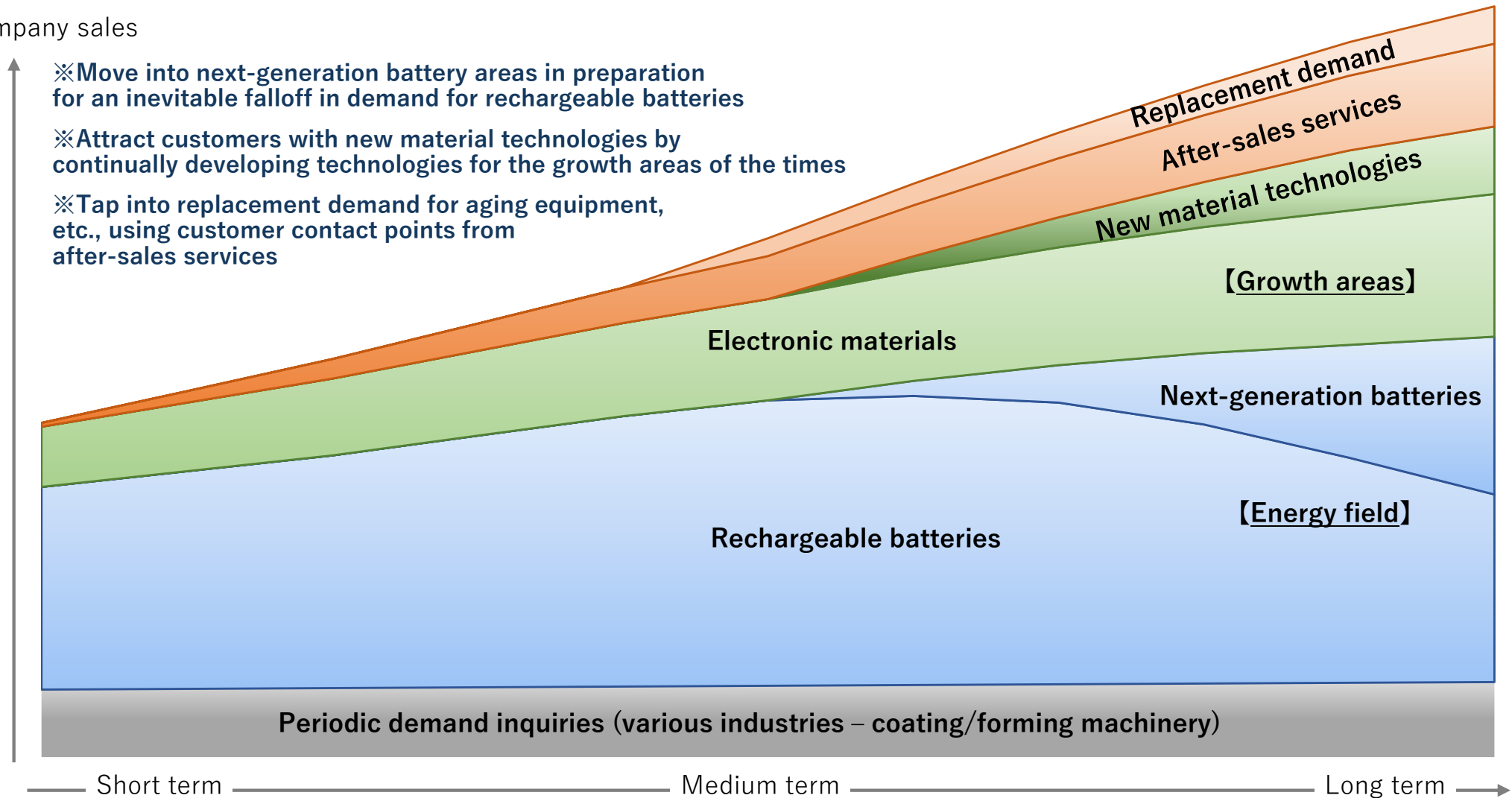
Management indicators	FY2022 Actual	FY2030 Target
Net sales	¥42.4bn	¥60bn
Operating profit margin	7.3%	12.0%
ROE	6.4%	10.0%

Net sales (Unit: ¥100mn)



## Continuous growth via development of technologies for the cutting-edge applications of the times

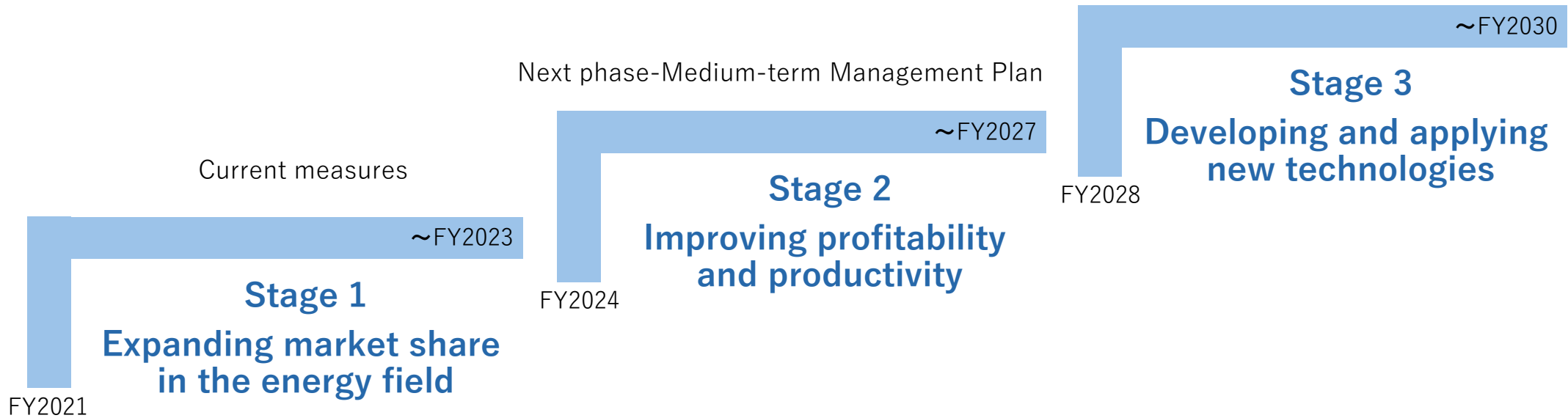
Company sales





# Medium-to long-term Growth Stages

## Business expansion focused on energy field and growth areas



### Long-term Vision 2030 『Core principles』

<b>1</b>	Strong push toward standardization/mass production	<b>4</b>	Pursuing smart factory technologies
<b>2</b>	Enhancing customer service structure	<b>5</b>	Business development that embodies market needs
<b>3</b>	Continued strengthening of global development	<b>6</b>	Expanding human capital

# Basic Principles : Key Strategic Themes

## Key strategic themes to create a stable revenue base

1	<b>Strong push toward standardization/mass production</b>	Raising overall profitability through the pursuit of shifts to standardized formats and mass production models and the reduction in manufacturing costs by cutting raw material costs and the number of in-house processes
2	<b>Enhancing customer service structure</b>	Establishing a system of services to benefit customers as a one-stop shop for everything from development, manufacturing, installation and ancillary work, pilot operations, and manufacturing startup through to maintenance
3	<b>Continued strengthening of global development</b>	Continuing to expand our overseas network structure including marketing, manufacturing and maintenance work through alliances with local partners, especially in North America, Europe, and Asia
4	<b>Pursuing smart factory technologies</b>	Strengthening technologies that contribute to labor saving, automated operations, and higher productivity at customers' factories via predictive maintenance and troubleshooting, with a focus on remote technologies
5	<b>Business development that embodies market needs</b>	Pioneering business development rooted in our core technologies that contributes to greater functionality and advancement in production technologies in next-generation growth areas
6	<b>Expanding human capital</b>	Developing and expanding our workforce, particularly in our core strength of engineers, and creating work environments and a corporate culture in which diverse human resources can get job satisfaction

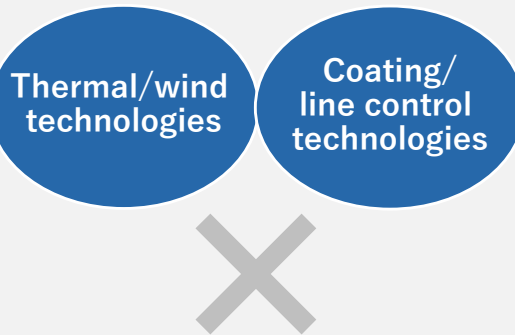
# Value Creation Process

## Sustainably raising corporate value by contributing to society through our business activities

### View on external environment

- Worsening environmental issues
  - Energy reform
  - Countermeasures for intensifying natural disasters
  - Resource recycling society
- Changes in social structure
  - Decline in working population from lower birth rate
  - Diversifying values and working styles
  - Digitalization
- Contributing to society as a corporate citizen
  - Importance of corporate social responsibility
  - Increasing ESG awareness

### Our strengths



### Business resources

<b>Financial capital</b>	◆ Robust financial base
<b>Intellectual/manufacturing capital</b>	◆ Coating technologies ◆ Numerous instrumentation technologies ◆ Technicum handles technological integration and establishment of core technologies
<b>Social capital</b>	◆ Joint development with the world's top companies ◆ Supply chain with strong dialog-focused ties
<b>Human capital</b>	◆ Ingraining of the Hirano spirit ◆ Hirano Academy ◆ Working-style reform

### Contribute to the world with roll-to-roll technology

#### Long-term Vision 2030

#### Objectives

To become the global leader in coating machines

#### Core Principles

1. Strong push toward standardization/mass production
2. Enhancing customer service structure
3. Continued strengthening of global development
4. Pursuing smart factory technologies
5. Business development that embodies market needs
6. Expanding human capital



#### Output

#### Financial value

- Net sales: ¥60bn
- ROE: 10% or more
- Contributing to a sustainable global environment
  - Reduction in CO2 emissions
    - 37% YoY cut vs. FY2021 via introduction of solar power (per ¥mn in sales)
  - Prolonging equipment life by strengthening maintenance business
- Active investment in human capital, the basis of value creation

#### Non-financial value



Creating the future with human and technical resources

# Capital Policy

## Larger and more stable shareholder returns while retaining sufficient funds for investment in continuous growth

### Growth investment

#### ■ Strategic investment

- Enhance Technicum (R&D testing facility)
- Strengthen smart factory technologies
- Boost remote, labor-saving, and automated operation technologies
- Expand global procurement and production structures (including with domestic and overseas partners)
- Invest in factory infrastructure
- Expand after-sales service structure
- Technological development and business development for next-generation growth areas

#### ■ Foundation strengthening

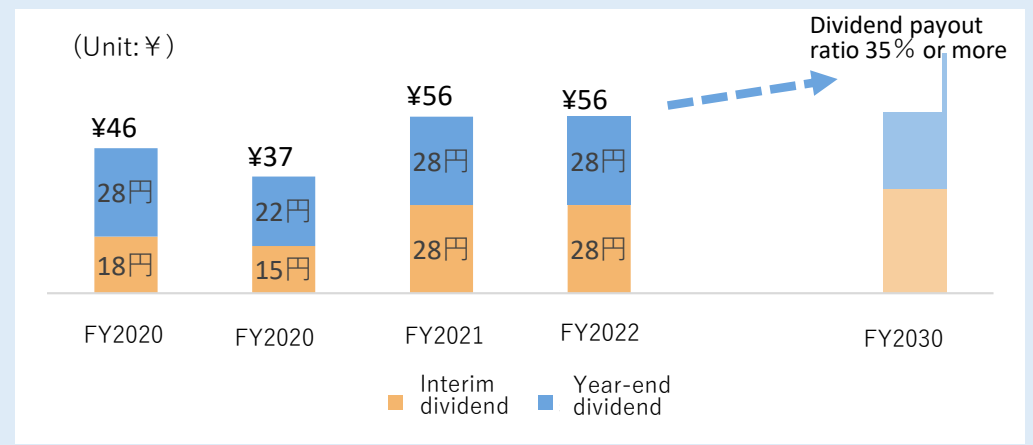
- Expand investment in human capital (train engineers, working-style reforms, etc.)
- Invest in systems to improve operating efficiency
- R&D and equipment investment to reduce environmental load

### Shareholder returns

#### ■ Shareholder returns

- Maintain current DPS as the minimum level and the dividend payout ratio at 35% or more
- Focus on capital efficiency to improve and stabilize ROE
- Consider share buybacks based on share price trends
- Policy of larger and more stable shareholder returns while retaining sufficient funds for investment in growth

### Dividends per share



# Disclaimer

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