

Consolidated Financial Results for the Year Ended March 31, 2025 (IFRS)

May 9, 2025

Company name: HIROSE ELECTRIC CO., LTD.
 URL: <https://www.hirose.com/corporate/en/>
 Stock listing: Tokyo Stock Exchange – Prime Market
 Code: 6806
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Scheduled date for Regular General Meeting of Shareholders: June 24, 2025
 Scheduled date of filing of Japanese annual securities report: June 24, 2025
 Scheduled date of dividend payable: June 25, 2025
 Supplemental materials: Yes
 Earnings presentation held: Yes (For institutional investors and analysts)

(Amount Unit: Yen in Millions)
 (Amounts are rounded to nearest million yen)

1. Consolidated Financial Results for the Year Ended March 31, 2025 (From April 1, 2024 to March 31, 2025)**(1) Consolidated Operating Results**

(Percentage represents year-on-year changes)

	Revenue		Operating profit		Profit before tax		Profit		Profit attributable to owners of parent		Total amount of comprehensive income	
		%		%		%		%		%		%
FY2024	189,420	14.4	42,672	25.4	46,218	19.2	33,033	24.7	33,033	24.7	21,450	(48.2)
FY2023	165,509	(9.7)	34,017	(27.2)	38,761	(20.2)	26,480	(23.6)	26,480	(23.6)	41,404	1.0

	Basic earnings per share	Diluted earnings per share	Profit ratio to equity attributable to owners of parent	The ratio of profit before tax to total assets	Operating profit ratio
	Yen	Yen	%	%	%
FY2024	976.33	976.33	9.0	11.3	22.5
FY2023	772.38	772.33	7.4	9.6	20.6

(Reference) Share of profit (loss) of investments accounted for using the equity method:

Fiscal year ended March 31, 2025: —

Fiscal year ended March 31, 2024: —

(Yen in millions)

(2) Consolidated financial position

	Total assets	Total equity	Total equity attributable to owners of parent	Ratio of total equity attributable to owners of parent	Total equity attributable to owners of parent per share
				%	Yen
FY2024	416,866	370,147	370,147	88.8	10,939.60
FY2023	403,450	364,173	364,173	90.3	10,764.21

(3) Consolidated Cash Flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of year
FY2024	55,682	(42,947)	(16,671)	85,666
FY2023	41,049	(13,935)	(28,187)	90,341

2. Dividends

	Annual dividends					Dividends for the year (Total)	Dividend payout ratio (consolidated)	Ratio of total dividends to total equity attributable to owners of parent (consolidated)
	1st quarter end	2nd quarter end	3rd quarter end	Fiscal year end	Total			
	Yen	Yen	Yen	Yen	Yen	Yen in millions	%	%
FY2023	—	220.00	—	220.00	440.00	15,021	57.0	4.2
FY2024	—	245.00	—	245.00	490.00	16,617	50.2	4.5
FY2025 (Forecast)	—	245.00	—	245.00	490.00		59.2	

3. Consolidated Financial Forecasts for the Year ending March 31, 2026 (From April 1, 2025 to March 31, 2026)

(Yen in millions)

(Percentage represents year-on-year changes)

	Revenue		Operating profit		Profit before tax		Profit attributable to owners of parent		Basic earnings per share
		%		%		%		%	Yen
2nd quarter end (cumulative total)	95,500	1.0	19,500	(12.2)	20,000	(16.1)	14,000	(20.1)	413.77
Fiscal year end	191,000	0.8	38,500	(9.8)	40,000	(13.5)	28,000	(15.2)	827.53

*Notes

- (1) Significant changes in the scope of consolidation during the period: None
(Changes in specified subsidiaries resulting in the change in scope of consolidation) : None

(2) Changes in Accounting Policies and Changes in Accounting Estimates:

1. Changes in accounting policies required by IFRS : None
2. Changes in accounting policies due to other reasons : None
3. Changes in accounting estimates : None

(3) Number of Shares Issued (Ordinary Shares)

1. Number of shares issued at the end of the period (including treasury shares)
As of March 31, 2025: 35,693,969 As of March 31, 2024: 36,250,438
2. Number of treasuries at the end of the period:
As of March 31, 2025: 1,858,461 As of March 31, 2024: 2,419,652
3. Weighted-average number of shares outstanding during the period:
Year ended March 31, 2025: 33,834,183
Year ended March 31, 2024: 34,283,724

*This financial results report is not subject to audit by certified public accountants or audit firms.

*Explanation for appropriate use of forecast and other notes

(Cautionary statements with respect to forward-looking statements)

Forward-looking statements, such as forecasts of business performance, stated in this document are based on information currently possessed by Hirose or certain assumption that Hirose has deemed rational. We cannot make any assurances that the contents mentioned in these forward-looking statements will ever materialize. Actual financial performance could be significantly different from our expectations because of various factors. For the assumptions used and other notes, please refer to “1. Overview of Operating Results and Financial Condition (4) Future Outlook” on page 6.

(Method of obtaining supplementary materials on the financial results)

We are planning to hold a financial results briefing for institutional investors and analysts on Monday, May 12, 2025, online. The presentation materials distributed in this briefing will be published on our website on the day.

(English translation)

This is the statement translated into English from the Japanese original of "Financial Results for Year Ended March 31, 2025." In the event of any discrepancy between this English translation and the Japanese original, the later shall prevail.

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1. Overview of Operating Results and Financial Condition

(1) Overview of Operating Results

In the fiscal year ended March 31, 2025, the Japanese economy showed a moderate recovery due to strong inbound demand and progress in price shifting, but the outlook remains uncertain due to the weak yen, high energy and raw material prices, and concerns about inflation.

In overseas market, in the U.S., consumer spending was strong, but turned weak after the beginning of the year, and business conditions in the manufacturing sector deteriorated due to sluggish capital investment. In Europe, the German economy, which is the driving force of the region, has been sluggish, weighing down the recovery, and in China, domestic demand, including the real estate market, remains weak, making the economic outlook even more unpredictable.

Under this situation, Hirose group has been expanding global business mainly for smartphone market, automotive market, and industrial market. And we have been promoting reinforcement of development, sales, and production system for new products with highly added value to respond advanced market needs quickly. Indeed, the Tohoku Advanced Technology Center (Morioka City, Iwate Prefecture), the New Koriyama Factory (Koriyama City, Fukushima Prefecture) and Hirose Korea's Precision Center were completed and started operation in March, June and December respectively.

Although business in the industrial equipment market has not fully recovered, business in the smartphone, consumer, and automobile markets has remained strong. As a result, the revenue in fiscal 2024 increased by 14.4% to JPY 189,420 million compared to the same period of the previous fiscal year. Operating profit increased by 25.4% to JPY 42,672 million and profit attributable to owners of parent increased by 24.7% to JPY 33,033 million as compared with the fiscal 2023.

The business results by reportable segments are as stated below.

[Multi-pin connectors]

Our flagship multi-pin connectors include a variety of connector types such as circular connectors, rectangular connectors, connectors for ribbon cables, connectors for printed circuit boards, connectors used for FPCs (flexible printed circuits boards) and nylon connectors. These types of connectors are used widely, such as for smartphones, communication equipment, automotive electronics, measuring and control equipment, FA equipment, and medical electronics equipment, as well as other industrial equipment. We expect that demand for these connectors will grow associated with the progress of advanced information and telecommunications network society, and energy saving society considering environment in the future. Segment sales for fiscal 2024 increased by 15.0% to JPY 170,849 million, operating profit increased by 31.4% to JPY 39,391 million compared with fiscal 2023.

[Coaxial connectors]

Coaxial connectors are a special type of high-performance connectors used primarily for microwave and other high-frequency signals. This is used mainly for antenna connection of Wi-Fi and Bluetooth for smartphone and PC, GPS antenna connection for automobiles and high-frequency signal connection for wireless communication device and electronic measuring instruments. Optical fiber connectors and coaxial switches are also included in this segment. Segment sales for fiscal 2024 increased by 17.1% to JPY 13,668 million, operating profit increased by 2.3% to JPY 3,378 million.

[Other products]

This segment includes micro switches and instruments for connectors. Segment sales for fiscal 2024 decreased by 7.8% to JPY 4,903 million. Operating loss amounted to JPY 97 million, compared with operating income of JPY 728 million in the same period of the previous year.

(2) Overview of Financial Condition

Total assets for the fiscal 2024 increased by JPY 13,416 million to JPY 416,866 million compared to the end of the previous consolidated fiscal year mainly because fixed assets and other financial assets increased. Total liabilities increased by JPY 7,442 million to JPY 46,719 million because of the increase in corporate tax payable and other current liabilities. Total shareholders' equity increased by JPY 5,974 million to JPY 370,147 million, mainly due to an increase in retained earnings and a decrease in treasury stock. As a result, the ratio of total equity attributable to owners of parent resulted in 88.8%, decreased by 1.5 points compared with the previous consolidated fiscal year end.

(3) Overview of Cash Flows

Cash and cash equivalents (funds) on a consolidated basis for the fiscal 2024 decreased by JPY 4,675 million to JPY 85,666 million compared to the end of the previous consolidated fiscal year

a. Cash flows from operating activities

Cash flows from operating activities for fiscal 2024 increased by JPY 55,682 million. (In fiscal 2023, it increased by JPY 41,049 million.) This was mainly due to an increase in funds resulting from income before income taxes of JPY 46,218 million, and depreciation and amortization of JPY 17,941 million, and a decrease in funds resulting from JPY 6,719 million yen in income tax payments.

b. Cash flows from investing activities

Cash flows from investing activities for fiscal 2024 decreased by JPY 42,947 million. (In fiscal 2023, it decreased by JPY 13,935 million.) This was mainly due to a decrease in funds resulting from expenditure of JPY 27,846 million for acquisition of investments and of JPY 26,681 million for the purchase of property, plant and equipment.

c. Cash flows from financing activities

Cash flows from financing activities for fiscal 2024 decreased by JPY 16,671 million. (In fiscal 2023, it decreased by JPY 28,187 million.) This is because of the decrease in capital by dividends paid, JPY 15,732 million.

(4) Future Outlook

As for the outlook for the next fiscal year (ending March 31, 2026), the Japanese economy is expected to see growth in consumer spending and inbound demand, but the outlook remains uncertain due to rising labor costs and higher resource costs, and a slowdown in global demand for goods. In addition, in overseas markets, the U.S. reciprocal tariff policy is expected to have a significant impact, the Chinese economy is expected to remain sluggish, and geopolitical risks such as the situation in the Middle East and Ukraine are expected to make the economic outlook even more unpredictable. In this environment, we expect the electronics industry, to which our group belongs, to be significantly affected.

However, demand for electronic components for the smartphone, consumer, and automotive markets is expected to remain strong, and business in the industrial equipment market is expected to recover. The current consolidated financial forecasts for the next fiscal year are as follows, which assume that there will be no disruptions to global economic activities and the Group's production activities, raw material procurement, and other supply chain activities.

We project net sales of JPY 191,000 million (up 0.8% year-on-year), operating income of JPY 38,500 million (down 9.8% year-on-year), income before income taxes of JPY 40,000 million (down 13.5% year-on-year), and net income attributable to owners of the parent of JPY 28,000 million yen (down 15.2% year-on-year).

The exchange rates assumed in the forecast are US\$1 = 138.00 yen, Euro1 = 155.00 yen, and 1 Korean won = 0.0980 yen.

(5) Basic Profit Distribution Policy and Dividends for fiscal 2024 and fiscal 2025

Regarding profit distribution, we had set a target of 5% DOE based on the Shareholder return policy stated on “Notice of Changes in Shareholder Return Policy” published on May 7, 2024. Also, with the view of returning profits to shareholders, we will consider implementing such repurchases as appropriate to improve capital efficiency. To realize this, we reinforce our management base, establish the route to growth and enhance our financial structure further based on basic management policy.

For the fiscal year ending March 31, 2025, the Company plans to pay a year-end dividend of 245 yen per share, for a total annual dividend of 490 yen per share, based on the policy of aiming for a 5% dividend on equity (DOE) ratio. For the next fiscal year (ending March 31, 2026), the Company plans to pay interim and year-end dividends of 245 yen each, for an

annual dividend of 490 yen per share, based on the above policy.

Regarding share repurchases, the Company plans to repurchase up to 60 billion yen of its own shares from FY2025 to FY2028, taking into consideration the business environment and stock price levels as appropriate. For details, please refer to the “Notice Relating to Policy Regarding the Current Policy on Own Share Repurchase” released on, May 9, 2025.

We are planning to prepare retained earnings for our research and development investment for future technological innovation, capital investment associated with globalization and M&A to deal with changes in the business environment from the medium- and long-term perspective.

2. Basic Approach to the Selection of Accounting Standards

Since the first quarter of the fiscal year ended March 31, 2019, Hirose group has adopted the International Financial Reporting Standards (“IFRS”) to improve international comparability of financial information in capital market and to promote global management by unifying the financial standards inside our group

3. Consolidated Financial Statements and Primary Notes

(1) Consolidated Statement of Financial Position

(Yen in millions)

	As of March 31, 2024	As of March 31, 2025
Assets		
Current assets		
Cash and cash equivalents	90,341	85,666
Trade and other receivables	39,418	40,394
Inventories	24,359	25,091
Other financial assets	73,066	87,589
Other current assets	7,276	10,036
Total current assets	234,460	248,776
Non-current assets		
Property, plant and equipment	80,949	86,384
Right-of-use assets	5,633	4,937
Intangible assets	5,141	6,615
Other financial assets	69,133	63,785
Deferred tax assets	2,409	2,291
Retirement benefit asset	4,499	3,586
Other non-current assets	1,226	492
Total non-current assets	168,990	168,090
Total assets	403,450	416,866

(Yen in millions)

	As of March 31, 2024	As of March 31, 2025
Liabilities		
Current liabilities		
Trade and other payables	11,729	12,896
Lease liabilities	1,107	1,048
Other financial liabilities	25	44
Income taxes payable	2,497	8,139
Other current liabilities	5,840	6,937
Total current liabilities	21,198	29,064
Non-current liabilities		
Lease liabilities	4,819	4,153
Other financial liabilities	105	—
Retirement benefit liability	310	304
Deferred tax liabilities	12,113	12,087
Other non-current liabilities	732	1,111
Total non-current liabilities	18,079	17,655
Total liabilities	39,277	46,719
Equity		
Share capital	9,404	9,404
Capital surplus	11,183	11,224
Retained earnings	340,806	348,972
Treasury shares	(35,807)	(27,462)
Other components of equity	38,587	28,009
Total equity attributable to owners of parent	364,173	370,147
Total equity	364,173	370,147
Total liabilities and equity	403,450	416,866

(2) Consolidated Statement of Profit or Loss and Comprehensive Income

(Consolidated Statement of Profit or Loss)

(Yen in millions)

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Revenue	165,509	189,420
Cost of sales	93,012	104,048
Gross profit	72,497	85,372
Selling, general and administrative expenses	37,237	42,467
Other income	370	582
Other expenses	1,613	815
Operating profit	34,017	42,672
Financial income	4,835	4,354
Finance costs	91	808
Profit before tax	38,761	46,218
Income tax expense	12,281	13,185
Net profit	26,480	33,033
Profit attributable to:		
Owners of parent	26,480	33,033
Earnings per share:		
Basic (yen)	772.38	976.33
Diluted (yen)	772.33	976.33

(Consolidated Statement of Comprehensive Income)

(Yen in millions)

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Net profit	26,480	33,033
Other comprehensive income		
Items that will not be reclassified to profit or loss		
Remeasurements of defined benefit plans	(340)	(1,005)
Equity instruments measured at fair value through other comprehensive income	1,573	(232)
Total items that will not be reclassified to profit or loss	1,233	(1,237)
Items that may be reclassified to profit or loss		
Exchange differences on translation of foreign operations	13,704	(10,183)
Debt instruments measured at fair value through other comprehensive income	(13)	(163)
Total items that may be reclassified to profit or loss	13,691	(10,346)
Total other comprehensive income after tax	14,924	(11,583)
Total comprehensive income	41,404	21,450
Total amount of comprehensive income attributable to:		
Owners of parent	41,404	21,450

(3) Consolidated Statement of Changes in Equity

	Share capital	Capital surplus	Retained earnings	Treasury shares	Other components of equity	Total equity attributable to owners of parent	Total equity
Balance as of April 1, 2023	9,404	11,191	345,201	(39,840)	23,897	349,853	349,853
Net profit			26,480			26,480	26,480
Other comprehensive income					14,924	14,924	14,924
Total of comprehensive income	—	—	26,480	—	14,924	41,404	41,404
Dividend of surplus			(17,215)			(17,215)	(17,215)
Purchase of treasury shares		(11)		(10,004)		(10,015)	(10,015)
Disposal of treasury shares		(11)		112		101	101
Cancellation of treasury shares		(13,905)		13,905		—	—
Share-based payment transactions		25		20		45	45
Transfer to retained earnings		13,894	(13,660)		(234)	—	—
Total transactions with owners	—	(8)	(30,875)	4,033	(234)	(27,084)	(27,084)
Balance as of March 31, 2024	9,404	11,183	340,806	(35,807)	38,587	364,173	364,173

(Yen in millions)

	Share capital	Capital surplus	Retained earnings	Treasury shares	Other components of equity	Total equity attributable to owners of parent	Total equity
Balance as of April 1, 2024	9,404	11,183	340,806	(35,807)	38,587	364,173	364,173
Net profit			33,033			33,033	33,033
Other comprehensive income					(11,583)	(11,583)	(11,583)
Total of comprehensive income	—	—	33,033	—	(11,583)	21,450	21,450
Dividend of surplus			(15,732)			(15,732)	(15,732)
Purchase of treasury shares				(8)		(8)	(8)
Disposal of treasury shares		(11)		63		52	52
Cancellation of treasury shares		(8,274)		8,274		—	—
Share-based payment transactions		197		15		212	212
Transfer to retained earnings		8,129	(9,134)		1,005	—	—
Total transactions with owners	—	41	(24,866)	8,344	1,005	(15,476)	(15,476)
Balance as of March 31, 2025	9,404	11,224	348,972	(27,462)	28,009	370,147	370,147

(4) Consolidated Statements of Cash Flows

(Yen in millions)

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Cash flows from operating activities:		
Profit before tax	38,761	46,218
Depreciation and amortization	16,847	17,941
Financial income	(4,835)	(4,354)
Financial costs	91	808
Decrease (increase) in trade and other receivables	4,971	(1,875)
Decrease (increase) in inventories	4,820	(1,387)
Increase (decrease) in trade and other payables	(9,371)	1,972
Others	1,909	(77)
Subtotal	53,193	59,246
Interest received	2,117	2,752
Dividends received	421	403
Income taxes paid	(14,682)	(6,719)
Cash flows from operating activities	41,049	55,682
Cash flows from investing activities		
Net increase (decrease) in time deposits	17,896	5,711
Proceeds from sale and redemption of investments	12,030	8,058
Purchase of investments	(10,263)	(27,846)
Purchase of property, plant and equipment	(32,064)	(26,681)
Others	(1,534)	(2,189)
Cash flows from investing activities	(13,935)	(42,947)
Cash flows from financing activities		
Purchase of treasury shares	(10,015)	(8)
Dividends paid	(17,215)	(15,732)
Repayments of lease liabilities	(1,058)	(999)
Others	101	68
Cash flows from financing activities	(28,187)	(16,671)
Effect of exchange rate changes on cash and cash equivalents	3,385	(739)
Decrease (increase) in cash and cash equivalents	2,312	(4,675)
Cash and cash equivalents at the beginning of the year	88,029	90,341
Cash and cash equivalents at the end of the year	90,341	85,666

(5) Notes on Consolidated Financial Statements
 (Note regarding the going concern assumption)
 Not applicable

(Segment information)

1. Business segment

(1) Overview of reportable segments

In the reportable segments of Hirose group, it is possible to acquire isolated financial information among constituent units of our group. It is also an object being examined on a regular basis to evaluate our decision regarding resource allocation and business results by the board of directors.

Our business is manufacturing and selling mainly connectors and other products, and we formulate a domestic and global comprehensive strategy for our products and service.

Therefore, Hirose group consists of segments by products based on the shape of connectors. Our reportable segments are “multi-pin connectors” and “Coaxial connectors”.

“Multi-pin connectors” include circular and rectangular connectors implemented to the outside of devices. They also include connectors implemented internal of the devices, such as connectors for ribbon cables, connectors for printed circuit boards, connectors used for FPCs (flexible printed circuit boards) and nylon connectors.

“Coaxial connectors” are a special type of high-performance connectors connecting high-frequency signals such as microwave, and this segment includes optical fiber connectors.

(2) Information on reportable segments

For the fiscal year ended March 31, 2024 (from April 1, 2023 to March 31, 2024)

(Yen in millions)

	Reportable segments			Others*	Amount of consolidated financial statements
	Multi-pin connectors	Coaxial connectors	Total		
Revenue					
Revenue from external customers	148,512	11,676	160,188	5,321	165,509
Total revenue	148,512	11,676	160,188	5,321	165,509
Operating profit	29,988	3,301	33,289	728	34,017
Financial income	—	—	—	—	4,835
Financial costs	—	—	—	—	91
Profit before tax	—	—	—	—	38,761
Other items					
Depreciation and amortization	15,802	678	16,480	367	16,847

*” Others” category is not included into reportable segments. “Others” includes micro switches and instruments for connectors.

2. Geographic information

	Japan	China	Korea	Others	Total
Revenue	33,831	55,315	29,119	47,244	165,509
Percentage of consolidated revenue (%)	20.4	33.5	17.6	28.5	100.0

For the fiscal year ended March 31, 2025 (from April 1, 2024 to March 31, 2025)

(Yen in millions)

	Reportable segments			Others *	Consolidated
	Multi-pin connectors	Coaxial connectors	Total		
Revenue					
Revenue from external customers	170,849	13,668	184,517	4,903	189,420
Total revenue	170,849	13,668	184,517	4,903	189,420
Operating profit	39,391	3,378	42,769	(97)	42,672
Financial income	—	—	—	—	4,354
Financial costs	—	—	—	—	808
Profit before tax	—	—	—	—	46,218
Other items					
Depreciation and amortization	16,918	691	17,609	332	17,941

* “Others” category is not included into reportable segments. “Others” includes micro switches and instruments for connectors.

2. Geographic information

	Japan	China	Korea	Others	Total
Revenue	29,704	74,956	32,930	51,830	189,420
Percentage of consolidated revenue (%)	15.7	39.5	17.4	27.4	100.0

(Earnings per share)

The basis for calculating earnings per share attributable to owners of parent-basic and diluted is as follows.

(Yen in millions)

	For the fiscal year ended March 31, 2024	For the fiscal year ended March 31, 2025
The basis for calculating basic earnings per share		
Earnings attributable to owners of parent	26,480	33,033
Earnings not attributable to ordinary shareholders of owners of parent	—	—
Profit used for calculating basic earnings per share	26,480	33,033
Weighted average number of ordinary shares (Thousand shares)	34,284	33,834
Basic earnings per share (Yen)	772.38	976.33
The basis for calculating diluted earnings per share		
Profit used for calculating basic earnings per share	26,480	33,033
Profit used for calculating diluted earnings per share	26,480	33,033
Weighted average number of ordinary shares (Thousand shares)	34,284	33,834
Increased number of ordinary shares by stock acquisition right (Thousand shares)	2	-
Average number of diluted ordinary shares during the period (Thousand shares)	34,286	33,834
Diluted earnings per share (Yen)	772.33	976.33

(Significant Subsequent Event)

None