

Hirose Electric Business Results for FY2024

Business Results for FY2024

May 12, 2025

Hirose Electric Co., Ltd.
〔6806〕

Cautionary Statement

In this material, there are descriptions based on current estimation by Hirose Electric. Hirose cautions you that a number of important risks, uncertainties and others could cause actual results to differ materially from those discussed in the *forward-looking statements. Thank you for your understanding.

*Forward-looking statements include, but are not limited to, those statements using words such as “believe,” “expect,” “plans,” “strategy,” “prospects,” “forecast,” “estimate,” “project,” “anticipate,” “aim,” “may” or “might” and words of similar meaning in connection with a discussion of future operations, financial performance, events or conditions. These statements are based on management’s assumptions and beliefs in light of the information currently available to it.

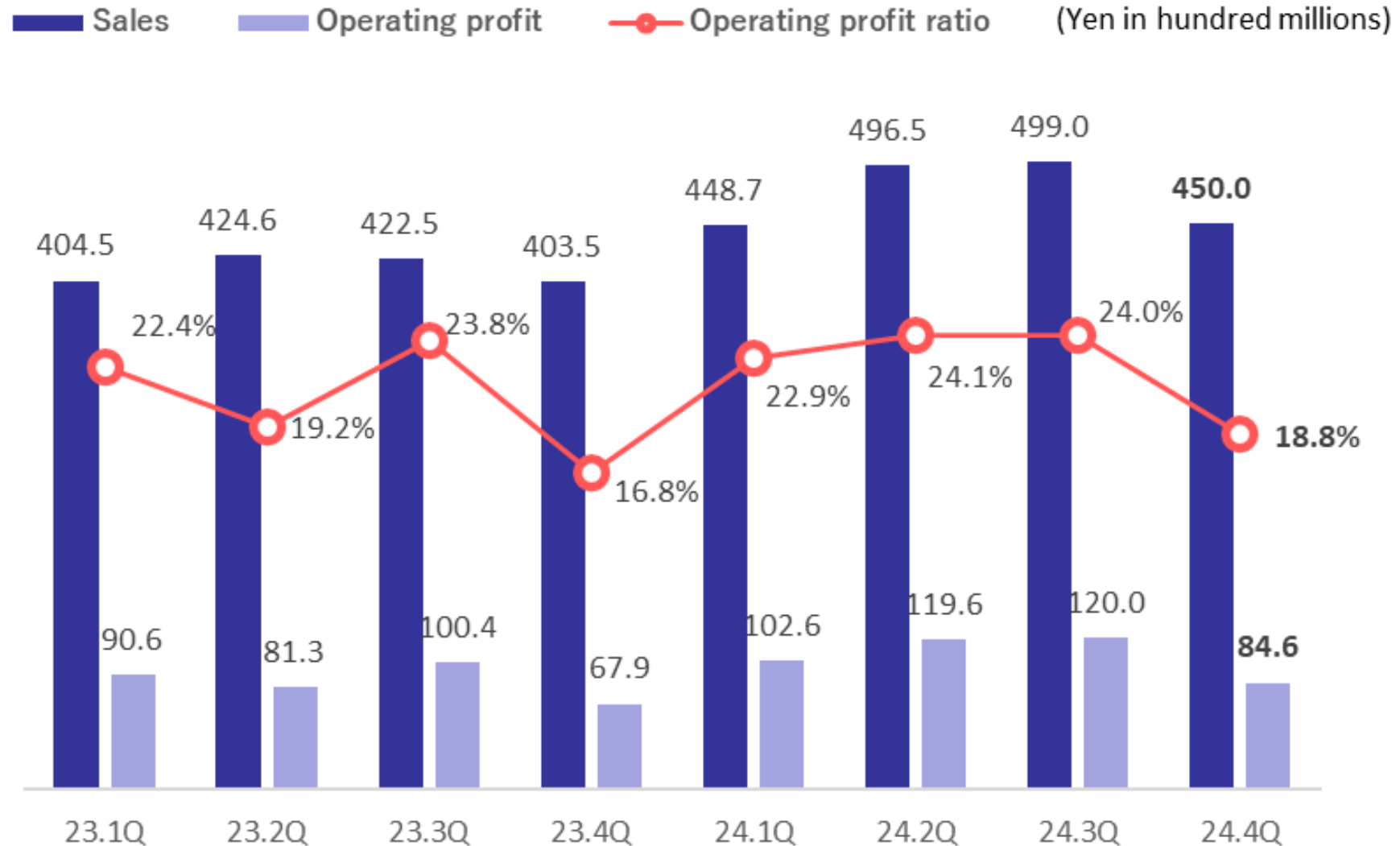
Summary of the Business Results (FY2024 from April to March, 2025)

The recovery in the General Industrial sector was very gradual. The Consumer/Mobile equipment sector rebounded, and the Smartphone sector performed well. The Automotive/Mobility-related sector maintained a high level as well. Overall, sales rose 14.4% YoY and operating profit increased by 25.4%.

(Yen in hundred millions)

	FY2023年			FY2024			YoY
	1H 2023. Apr-Sep	2H 2023.Oct- 2024.Mar	FY23 2023.Apr- 2024.Mar	1H 2024. Apr-Sep	2H 2024.Oct- 2025.Mar	FY24 2024.Apr- 2025.Mar	FY2024/ FY2023
Orders	754.4	769.6	1,524.0	975.9	950.7	1,926.6	+26.4%
Sales	829.1	826.0	1,655.1	945.2	949.0	1,894.2	+14.4%
Operating profit	171.9	168.3	340.2	222.2	204.5	426.7	+25.4%
Operating profit ratio	20.7%	20.4%	20.6%	23.5%	21.4%	22.5%	+1.9pt

Changes in Sales and Operating Profit (FY2023.1Q~FY2024.4Q / Consolidated basis)



Business Results for FY2024

(Yen in hundred millions)	FY2023 (FY ended Mar 31, 2024)	FY2024 (FY ended Mar 31, 2025)	Increase/Decrease (YoY)		Increase/Decrease ratio (YoY)
Sales	1,655.1	1,894.2	+239.1		+14.4%
COGS Ratio	56.2%	54.9%	-1.3pt		
SGA Ratio	22.5%	22.4%	-0.1pt		
Operating Profit	340.2	426.7	+86.5		+25.4%
(%)	20.6%	22.5%	+1.9pt		
Profit before tax	387.6	462.2	+74.6		+19.2%
(%)	23.4%	24.4%	+1.0pt		
Net Profit	264.8	330.3	+65.5		+24.8%
(%)	16.0%	17.4%	+1.4pt		
ROE	7.4%	9.0%		FY2023	FY2024
Shareholder’s Equity Ratio	90.3%	88.8%	1US\$	144.62 yen	152.58 yen
Earnings Per Share	772.38 yen	976.37 yen	1 €	156.80 yen	163.75 yen
			100won	10.97 yen	10.97 yen

FY2023 to FY2024 Major Changes

Sales

239.1 hundred millions yen **Increased**
(1,655.1 → 1,894.2)

Smartphone : +109
Consumer/Mobile Equipment : +94
Automotive/Mobility-related : +63

COGS Ratio

1.3 pt Improved (56.2% → 54.9%)

Variable Expense Ratio : 39.4% → 37.9%
Depreciation Ratio : 8.2% → 7.9%
Labor Cost Ratio : 7.8% → 7.7%

SGA Ratio

0.1 pt Improved (22.5% → 22.4%)

372.4 → 424.7 (52.3 hundred millions yen increased)

Financial income / cost

12.0 hundred millions yen **Decreased**
(+47.4 → +35.4)

Exchange Gain or Loss : +9.1 → -7.2
Interest received and others : +26.3 → +32.7

FY2024 YoY Variation Analysis

(Yen in hundred millions)

	Sales	Operating Profit	(%)	Profit before tax	(%)
FY2023 Actual	1,655.1	340.2	20.6%	387.6	23.4%
Exchange rate	48.4	28.6		12.4	
Labor cost increased		-49.4		-49.4	
Depreciation cost increased		-12.8		-12.8	
Increase in the product	190.7	120.1		124.4	
Total amount of changes	239.1	86.5		74.6	
FY2024 Actual	1,894.2	426.7	22.5%	462.2	24.4%

Consolidated Balance Sheet (1)

		Account	Mar 31, 2024	Mar 31, 2025	Increase/ Decrease	Remarks
Asset		Cash and cash equivalents	903.4	856.7	-46.7	Profit before tax +461 Investment for equipment (Including buildings) -298 Dividends paid -157, Gained securities and others -216
		Trade and other receivables	394.2	403.9	+9.8	By sales increase
		Inventories	243.6	250.9	+7.3	
		Other financial assets	1,422.0	1,513.7	+91.7	Gained securities and others +167, Time deposit -75
		Property, plant and equipment	809.5	863.8	+54.3	Koriyama new factory +30, Korea factory expansion +18
		Right-of-use asset	56.3	49.4	-6.9	
		Others	205.5	230.2	+24.7	Software +16
		Total	4,034.5	4,168.7	+134.2	
		Total of cash in bank	1,726.3	1,604.5	-121.8	

Consolidated Balance Sheet (2)

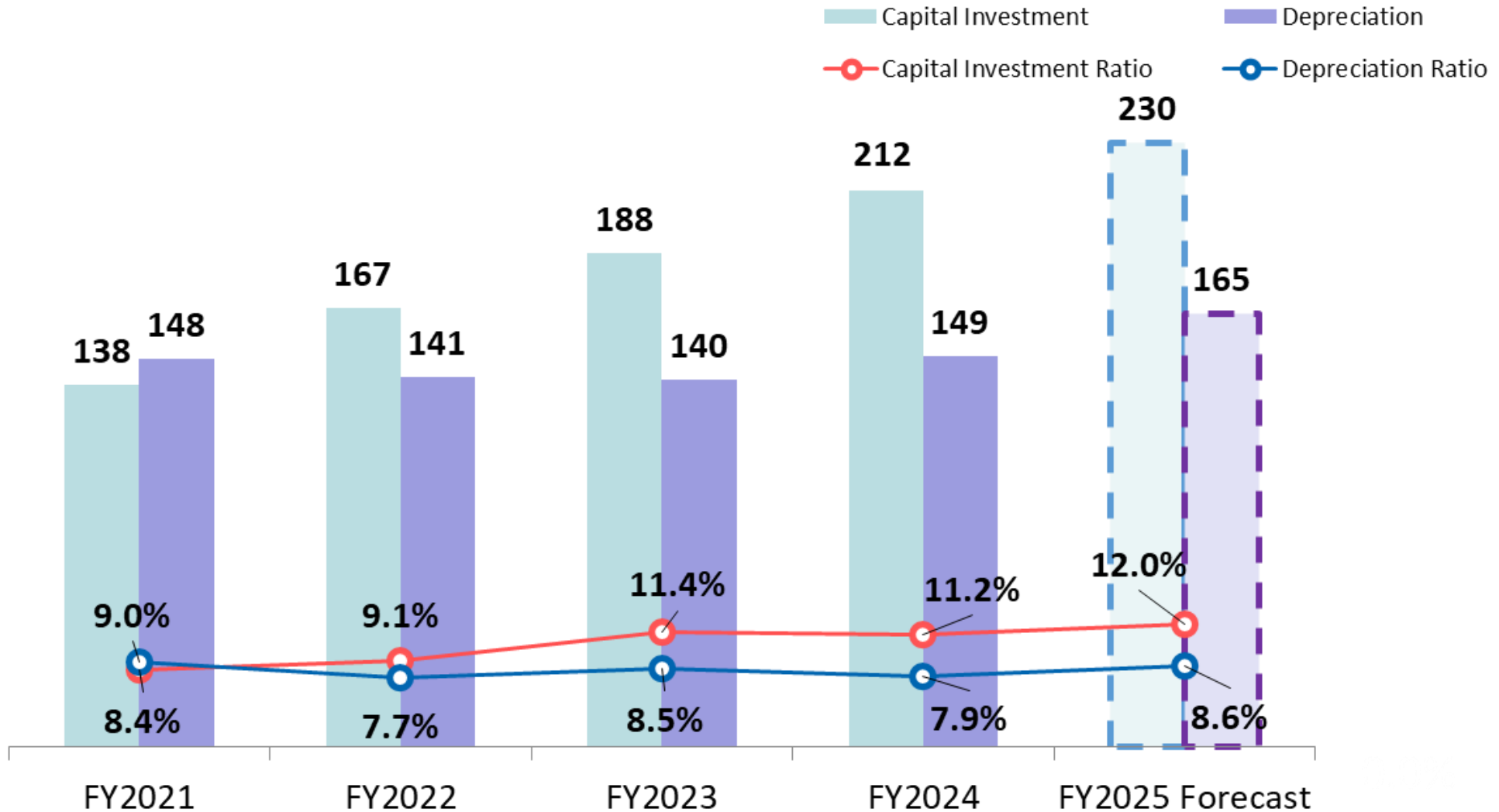
Liabilities

Shareholder's Equity

Account	Mar 31, 2024	Mar 31, 2025	Increase/ Decrease	Remarks
Payables and other Debt	117.3	129.0	+11.7	
Lease Liabilities	59.3	52.0	-7.3	
Income Taxes Payable	25.0	81.4	+56.4	By profit increase
Others	191.2	204.8	+13.6	Provision for bonuses and others
Total	392.8	467.2	+74.4	
Capital Stock and Capital Surplus	205.9	206.3	+0.4	
Retained Earnings	3,408.1	3,489.7	+81.6	Net profit +330 Dividends paid -157 Cancellation of treasury shares -83
Treasury Shares	- 358.1	- 274.6	+83.4	Cancellation of treasury shares +83
Others	385.8	280.1	-105.8	Foreign currency translation adjustment -102
Total	3,641.7	3,701.5	+59.7	
Total Liabilities and Shareholder's Equity	4,034.5	4,168.7	+134.2	

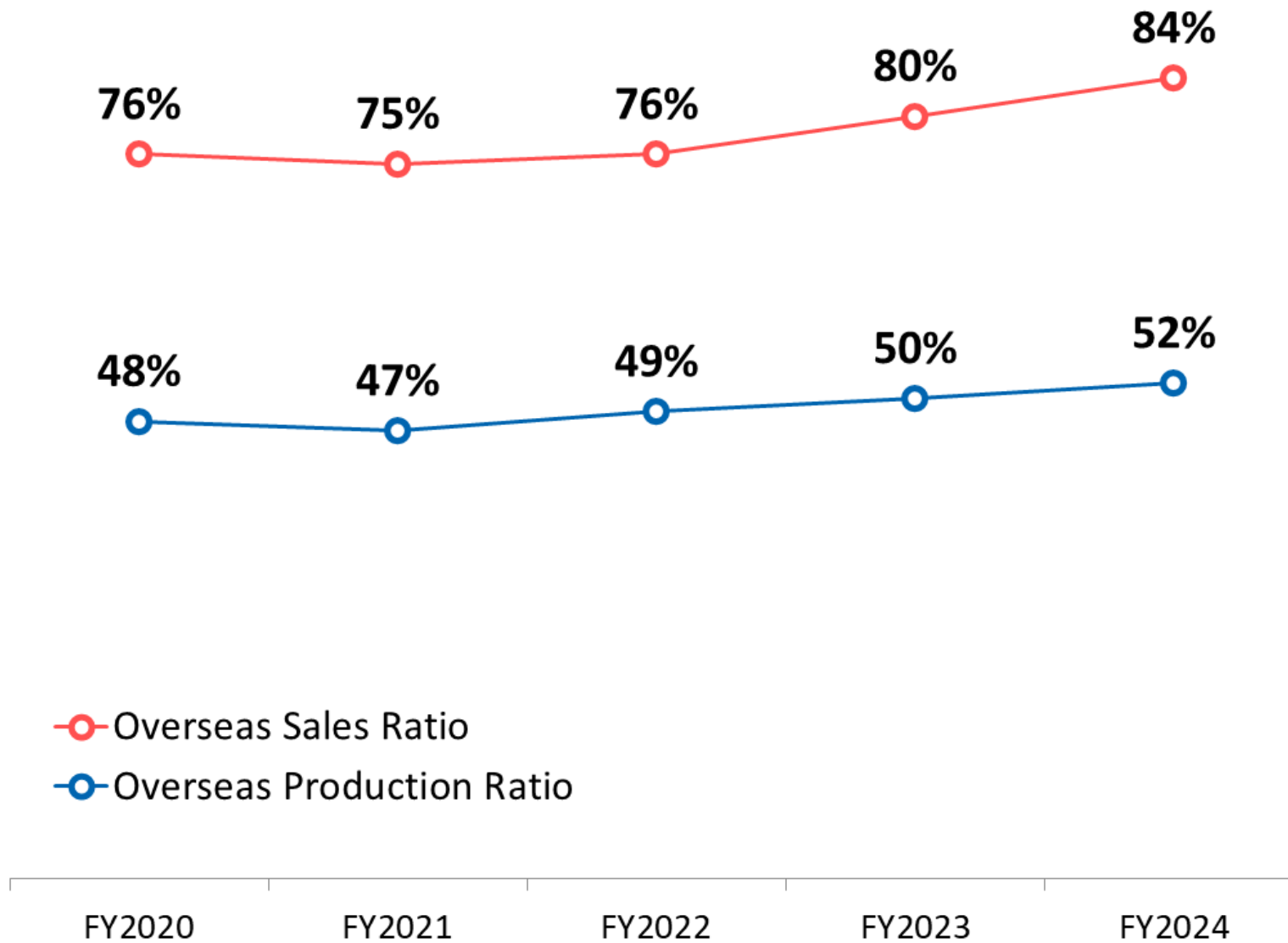
Changes in Capital Investment and Depreciation (Consolidated basis)

(Yen in hundred millions)



(*Excluded: Investment in land, building, software)

Overseas Production and Sales Ratio

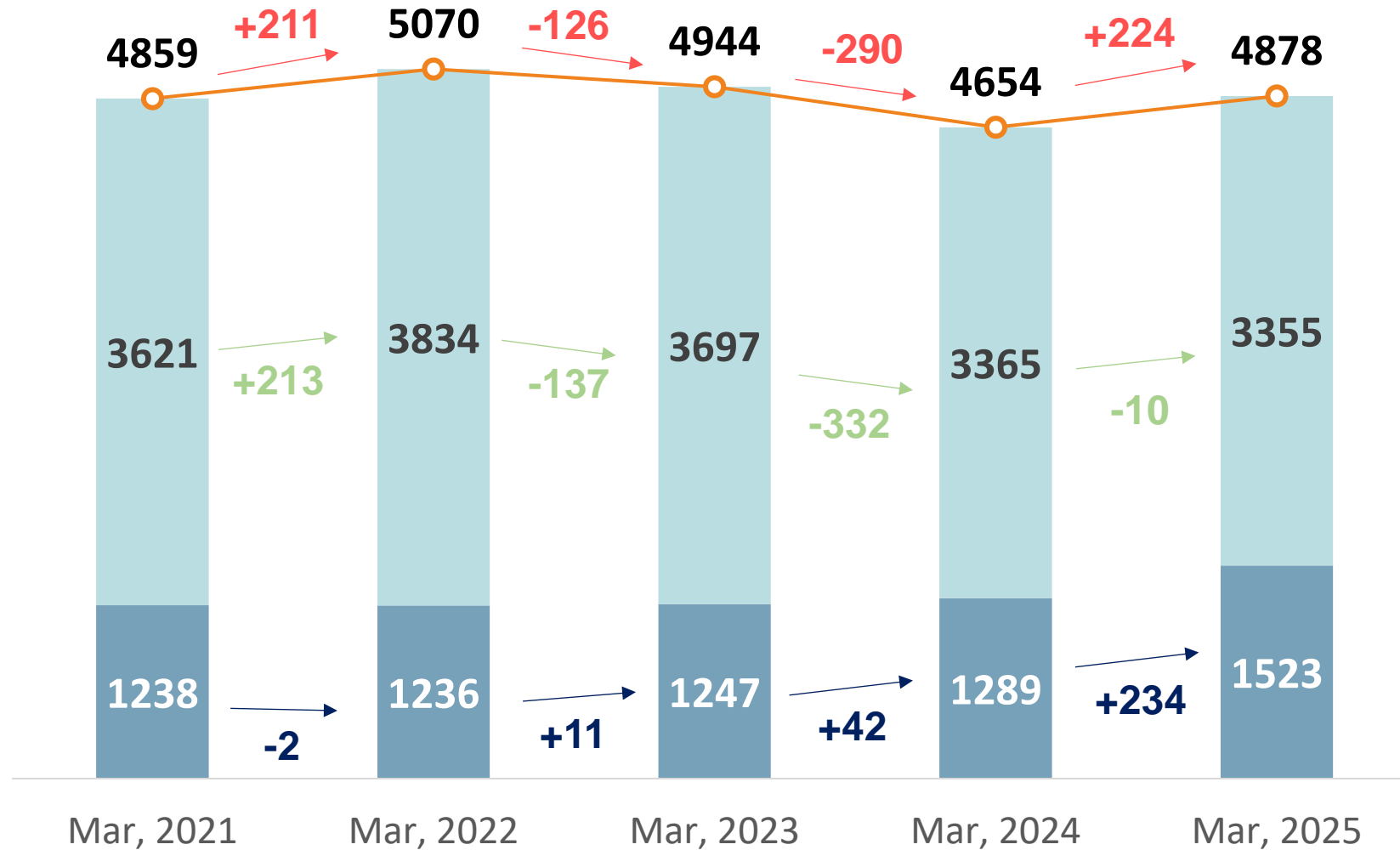


Number of Employees (Financial Report Basis)

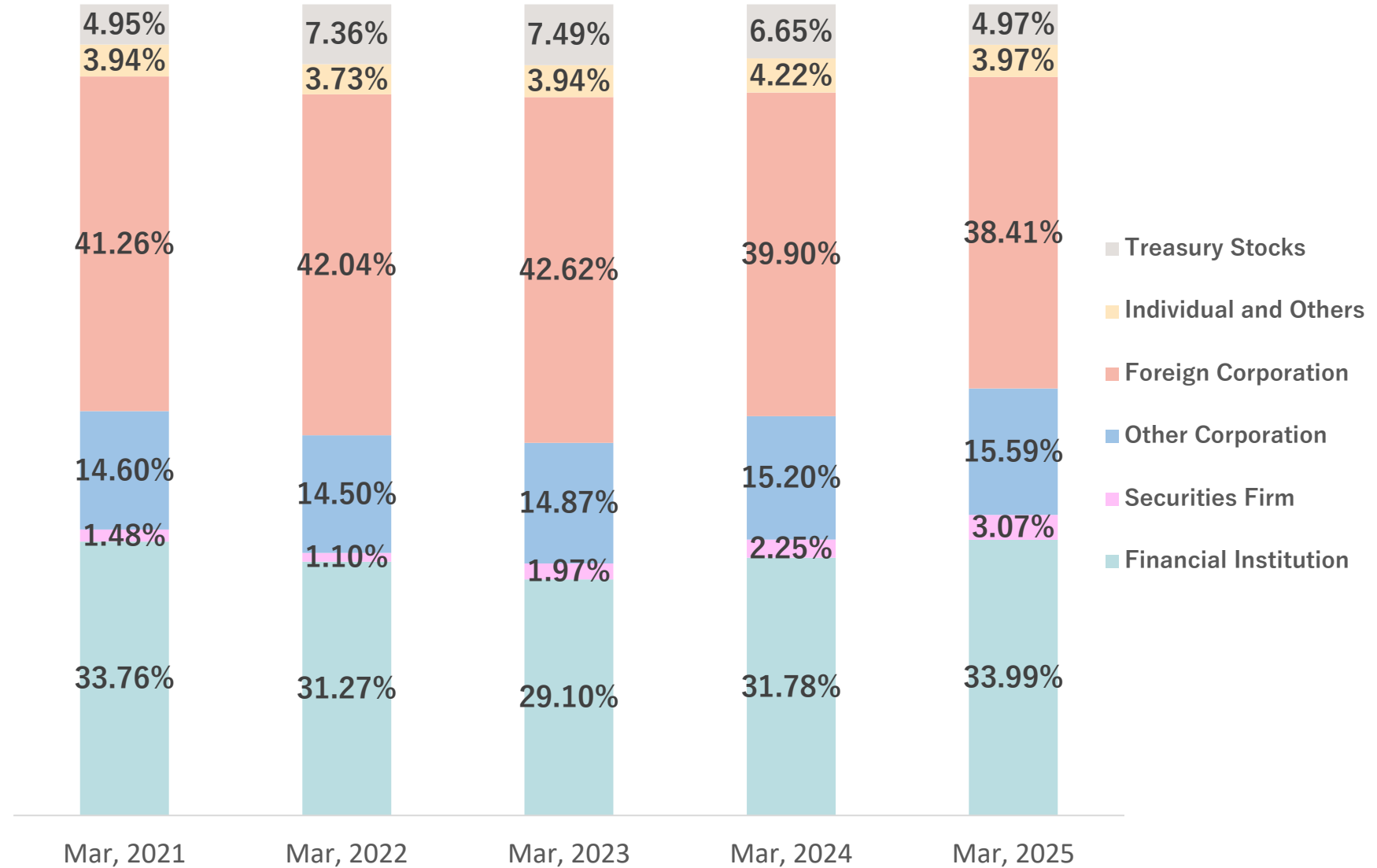
(Number of employees)

■ Domestic

■ Overseas



Distribution of Shareholders

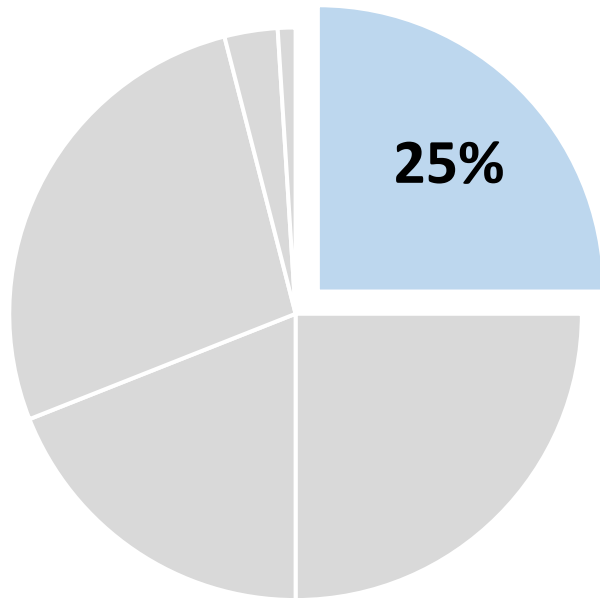


Sales by Application _ General Industrial

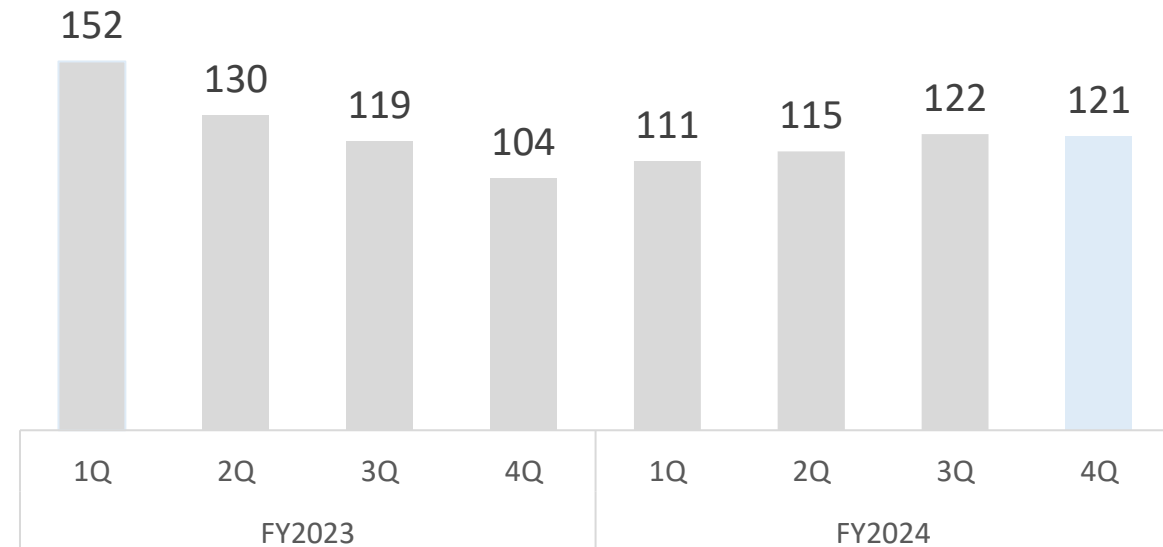
(Yen in hundred millions)

	FY2023				FY2024				YoY
	1H	3Q	4Q	FY23	1H	3Q	4Q	FY24	FY2023/ FY2024
Sales	282	119	104	505	226	122	121	469	-7%

● FY2024 Composition ratio



● Changes in quarterly sales



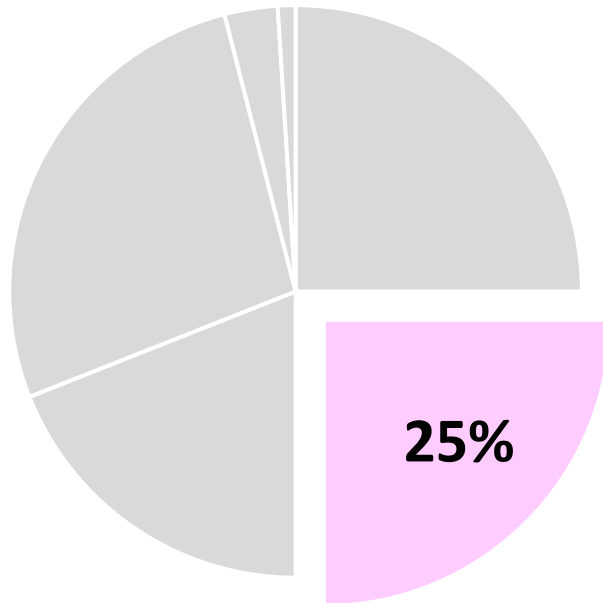
■ While the recovery trend is gradual, the sales in 4Q remained flat as expected.

Sales by Application _ Smartphone

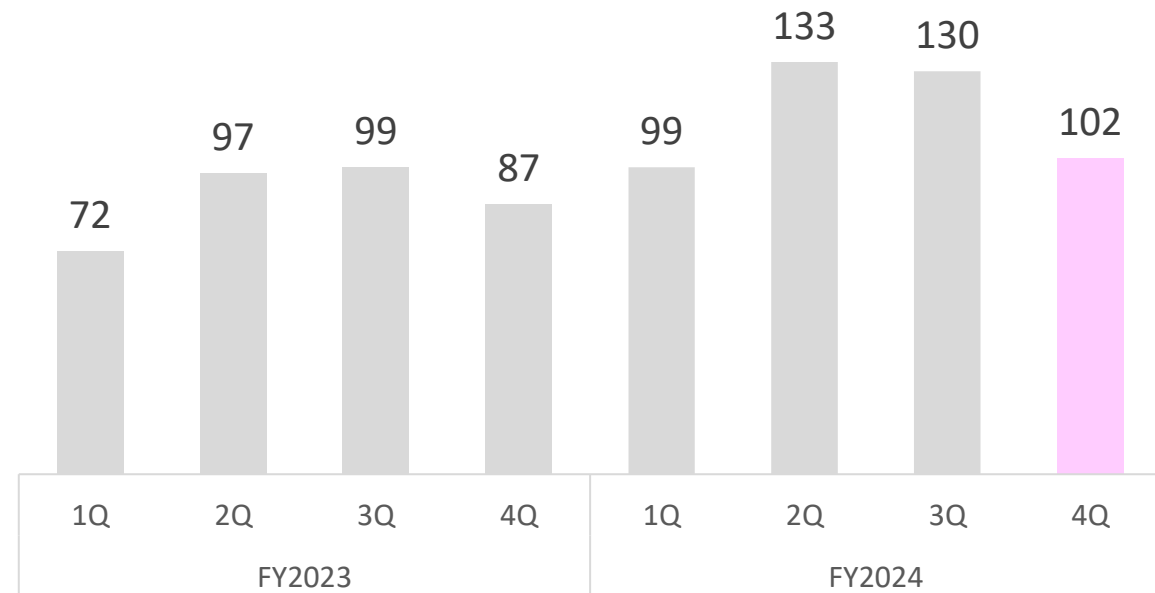
(Yen in hundred millions)

	FY2023				FY2024				YoY
	1H	3Q	4Q	FY23	1H	3Q	4Q	FY24	FY2023/ FY2024
Sales	169	99	87	355	232	130	102	464	+31%

● FY2024 Composition ratio



● Changes in quarterly sales



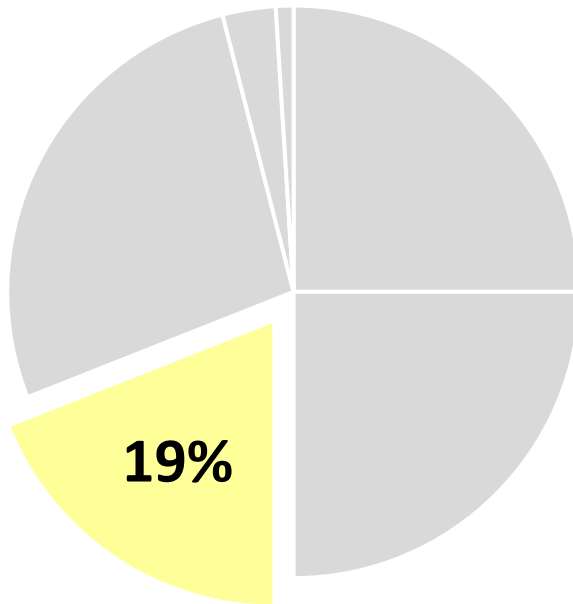
■ Sales in 4Q decreased due to seasonality, however, sales in FY24 reached the highest in record.

Sales by Application _ Consumer/Mobile Equipment

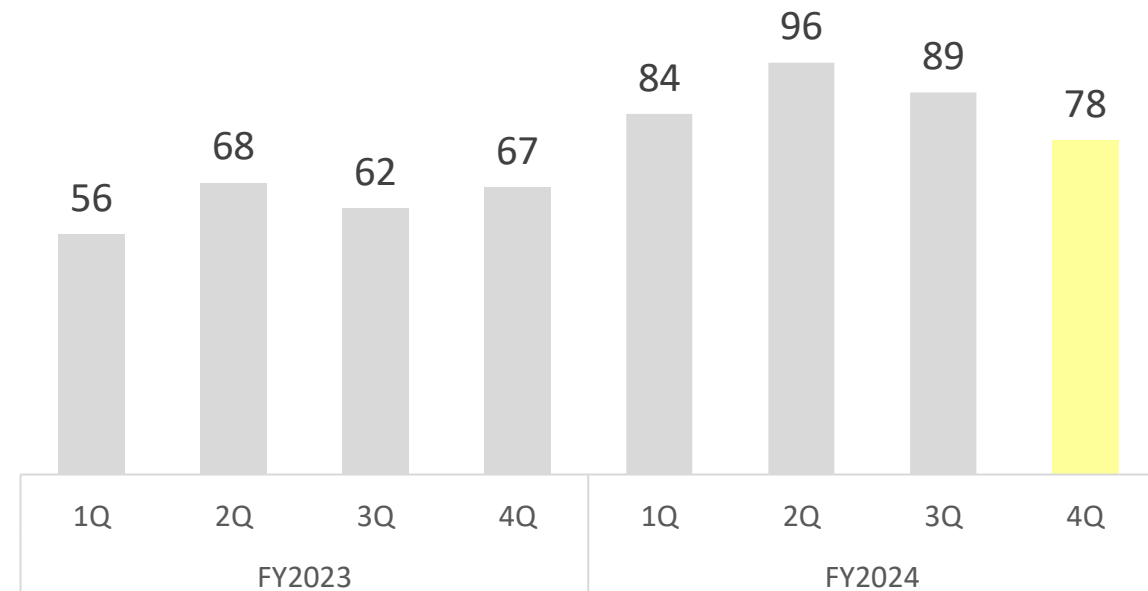
(Yen in hundred millions)

	FY2023				FY2024				YoY
	1H	3Q	4Q	FY23	1H	3Q	4Q	FY24	FY2023/ FY2024
Sales	124	62	67	253	180	89	78	347	+37%

- FY2024 Composition ratio



- Changes in quarterly sales



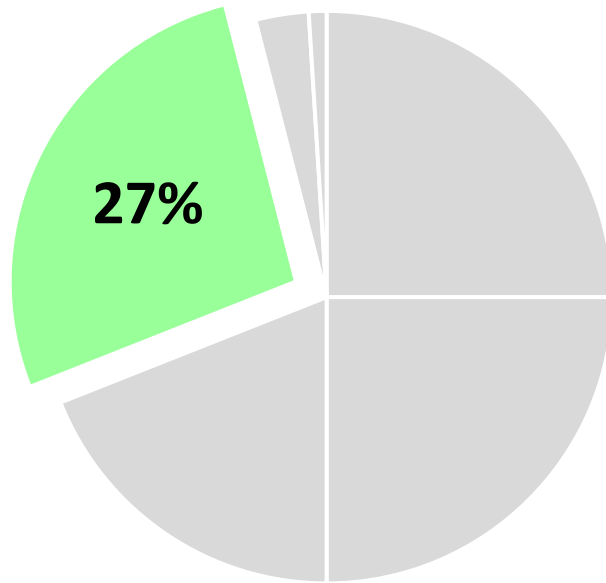
- Sales in 4Q decreased due to seasonality, but the full-year sales exceeded the initial forecast.

Sales by Application _ Automotive/Mobility-related

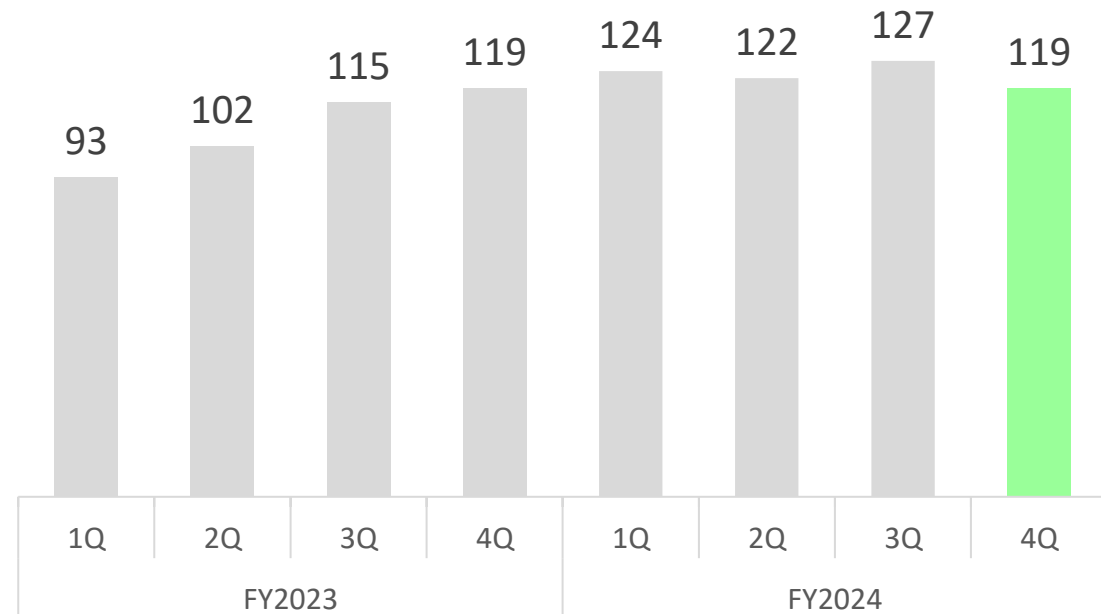
(Yen in hundred millions)

	FY2023				FY2024				YoY
	1H	3Q	4Q	FY23	1H	3Q	4Q	FY24	FY2023/ FY2024
Sales	195	115	119	429	246	127	119	492	+15%

● FY2024 Composition ratio



● Changes in quarterly sales



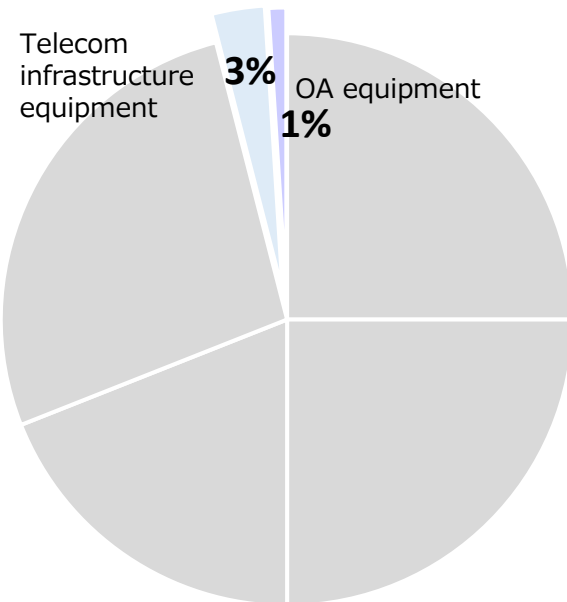
■ Sales in 4Q decreased slightly compared to 3Q, but it remained stable.

Sales by Application _ Telecommunications Infrastructure Equipment / OA Equipment

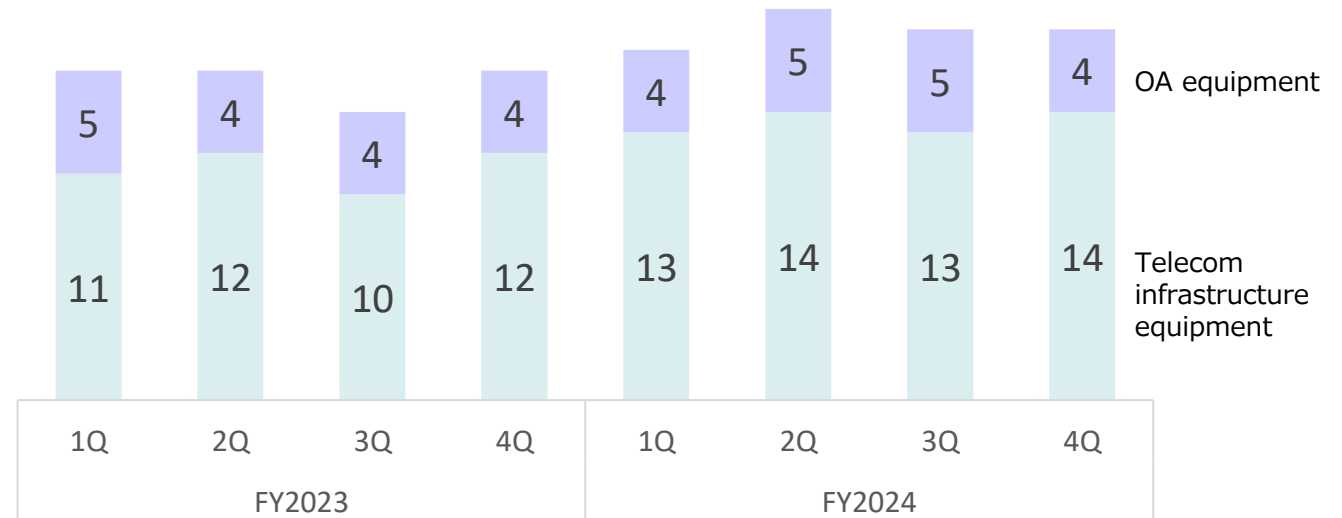
(Yen in hundred millions)

	FY2023				FY2024				YoY
	1H	3Q	4Q	FY23	1H	3Q	4Q	FY24	FY2023/ FY2024
Telecom infrastructure equipment	23	10	12	45	27	13	14	54	+20%
OA equipment	9	4	4	17	9	5	4	18	+6%

● FY2024 Composition ratio



● Changes in quarterly sales

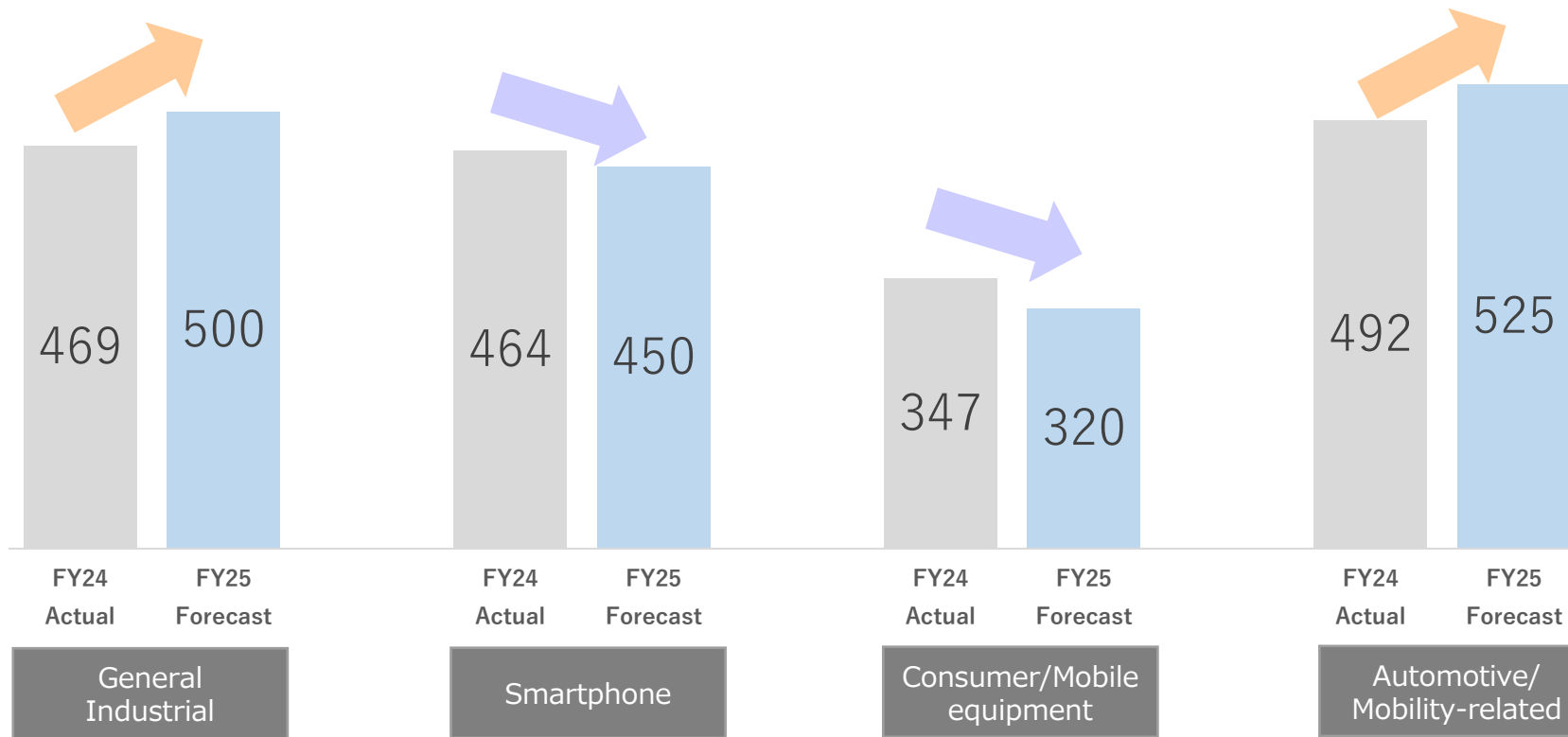


Business Forecast for the Year Ending March 31, 2026 (Consolidated)

	FY2024 Actual (FY ended March 31, 2025)		FY2025 Forecast (FY ending March 31, 2026)		First Half Over the Previous Actual Amount		For the Year Over the Previous Actual Amount	
(Yen in hundred millions)	First Half	For the Year	First Half	For the Year	Amount Change	%	Amount Change	%
Sales	945.2	1,894.2	955.0	1,910.0	+9.8	+1.0%	+15.8	+0.8%
COGS Ratio	54.7%	54.9%	57.1%	57.6%				
Operating Profit	222.2	426.7	195.0	385.0	-27.2	-12.2%	-41.7	-9.8%
(%)	23.5%	22.5%	20.4%	20.2%				
Profit before tax	238.5	462.2	200.0	400.0	-38.5	-16.1%	-62.2	-13.5%
(%)	25.2%	24.4%	20.9%	20.9%				
Net Profit	175.3	330.3	140.0	280.0	-35.3	-20.1%	-50.3	-15.2%
(%)	18.5%	17.4%	14.7%	14.7%				
Earnings per share	—	976.37円	—	827.53円	[Exchange rate]	FY2024 Actual	FY2025 Forecast	
Dividend per share	245円	490円	245円	490円		1US\$	152.58yen	138.00yen
Consolidated Dividend Payout Ratio	—	50.2%	—	59.2%		1 €	163.75yen	155.00yen
						100won	10.97yen	9.80yen

Annual Sales Forecast by Segment (round of number)

(Yen in hundred millions)



FY2025 Annual Growth Rate Forecast

- | | <u>YoY</u> |
|-------------------------------|------------|
| ● General Industrial | +7% |
| ● Smartphone | -3% |
| ● Consumer/Mobile equipment | -8% |
| ● Automotive/Mobility-related | +7% |

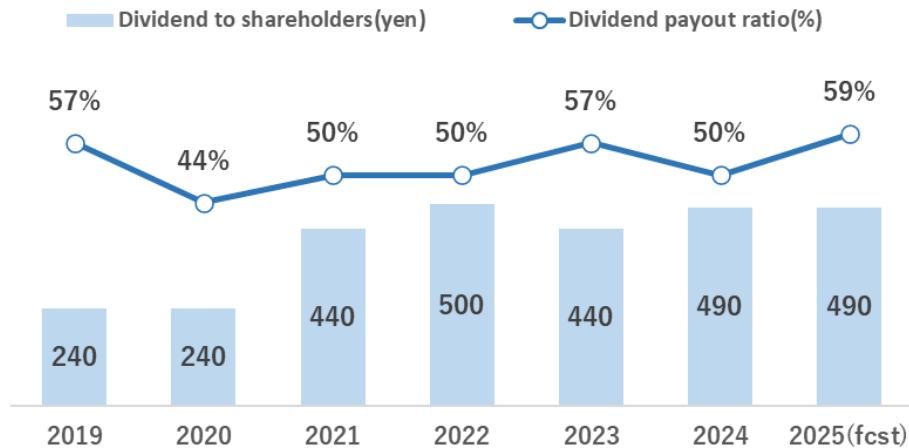
Capital Policy

Mid-Term Basic Policy

Dividend on equity ratio (DOE) : 5%

As Hirose Electric Group, which advocates continuous stable growth and high profits, we have adopted the dividend on equity (DOE) ratio, which is less susceptible to single-year performance, as an indicator of shareholder returns, with the aim of achieving a stable increase in dividends.

Trends in dividend payout ratio



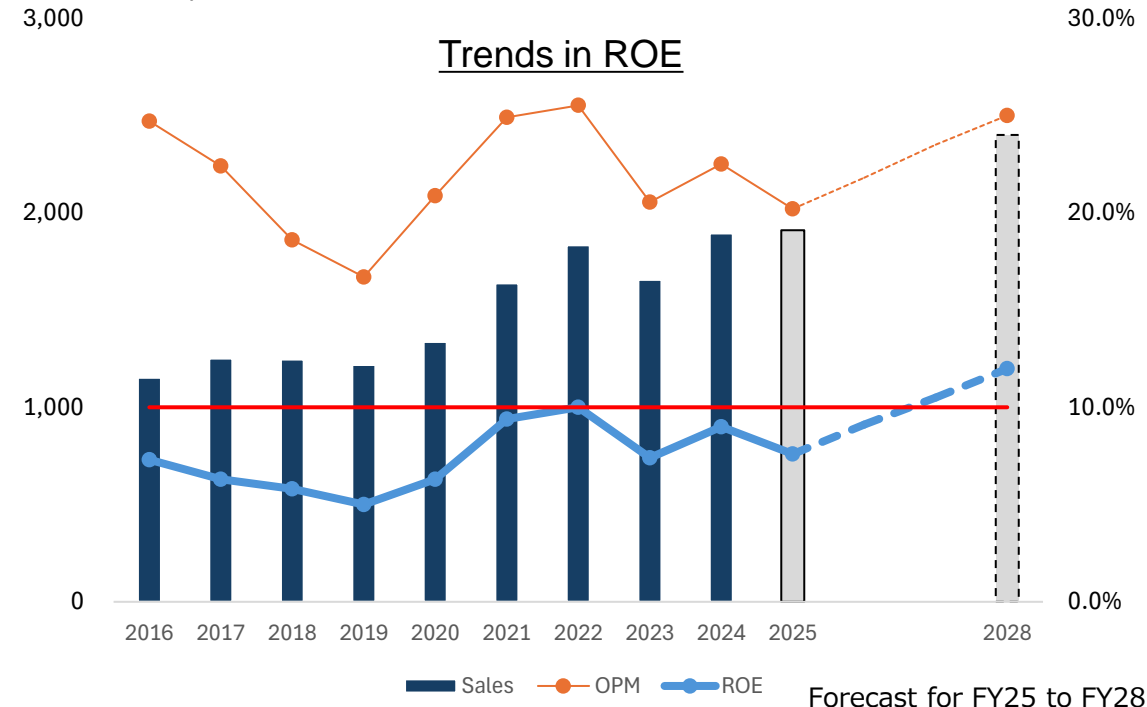
- * This policy might be reviewed in the following cases.
- (1) Unexpected and sudden changes in the environment (conflicts, natural disasters, infectious diseases, etc.)
 - (2) When it becomes necessary to invest a large amount of M&A funds.

Acquisition of Treasury Shares

Purpose of Acquisition: To improve capital efficiency

The company has decided on a policy to acquire treasury shares up to a total of 60 billion yen over the four-year period from FY2025 to FY2028.

(Yen in hundred millions)



Changes in Board Members (On and After Jun. 24, 2025)

Directors (excluding directors who are audit and supervisory committee members)		
Chairman of Board of Directors		Kazunori Ishii
President		Shin Kamagata (Promoted)
Director	Group President, Engineering Group	Shu Obara (Reappointed)
Director	Group President, Sales & Marketing Group	Hiroshi Satoh (Reappointed)
Director	Group President, Production Group	Yoshihiro Gunji (Reappointed)
Director	Group President, Administration Group	Kosei Matsunaga (Newly appointed)
Director	President, Hirose Korea Co., Ltd.	Sang-Yeob LEE (Reappointed)
Outside Director		Tetsuji Motonaga (Reappointed)
Outside Director		Masanori Nishimatsu (Reappointed)
Outside Director		Seiji Sakata (Reappointed)
Outside Director		Yoko Kagami (Newly appointed)
Directors who are audit and supervisory committee members		
Director (Full-time audit and supervisory committee member)		Satoshi Mori (Newly appointed)
Outside Director (Audit and supervisory committee member)		Kentaro Miura
Outside Director (Audit and supervisory committee member)		Kenji Takashima
Outside Director (Audit and supervisory committee member)		Harumi Ishida (Newly appointed)

※ Outside Director, Kensuke Hotta, Yukiko Araki, Director Masanori Ueda will leave from the board member.

[Ratio of outside directors: 47%]

Appendix.

Sales by Industry Segments Round Number (Quarterly Basis)

	FY2023				FY2024				(Yen in hundred millions)
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	FY2024 Composition ratio
General Industrial	152	130	119	104	111	115	122	121	25%
Smartphone	72	97	99	87	99	133	130	102	25%
Consumer/Mobile equipment	56	68	62	67	84	96	89	78	19%
Automotive/ Mobility-related	93	102	115	119	124	122	127	119	27%
Telecom Infrastructure equipment	11	12	10	12	13	14	13	14	3%
OA equipment	5	4	4	4	4	5	5	4	1%
Total of Connector Sales	389	413	408	392	434	485	486	438	100%
Others	16	12	14	11	14	12	13	12	
Total	405	425	423	403	449	497	499	450	

