



English translation

**Financial Results for the First Quarter of Year Ending March 31, 2022 [IFRS] (Consolidated)**

July 30, 2021

Company name: HIROSE ELECTRIC CO., LTD.  
 URL: <https://www.hirose.com/corporate/en/>  
 Stock listing: Tokyo Stock Exchange – First Section  
 Code: 6806  
 Representative: Kazunori Ishii, President and Representative Director  
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Scheduled date of filing of Japanese quarterly securities report: August 12, 2021  
 Scheduled date of dividend payable: —  
 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 First Quarter of the Year Ending March 31, 2022 (From April 1, 2021 to June 30, 2021)****(1) Consolidated Operating Results** (Percentage represents year-on-year changes)

	Sales revenue		Operating profit		Income before tax		Quarterly income		Quarterly profit attributable to owners of the parent company		Total amount of quarterly comprehensive income	
		%		%		%		%		%		%
FY2021 1Q	38,442	40.3	9,094	54.2	9,443	55.0	6,686	51.4	6,686	51.4	6,827	25.0
FY2020 1Q	27,400	(3.0)	5,896	10.4	6,092	7.4	4,417	8.6	4,417	8.6	5,462	639.1

	Basic quarterly earnings per share	Diluted quarterly earnings per share
	Yen	Yen
FY2021.1Q	185.84	185.80
FY2020.1Q	121.78	121.78

(Yen in millions)

**(2) Consolidated financial position**

	Total assets	Total equity	Total equity attributable to owners of the parent	Ratio of total equity attributable to owners of the parent
				%
FY2021.1Q	357,045	314,005	314,005	87.9
FY2020	370,504	326,092	326,092	88.0

## 2. Dividends

	Annual dividend per share (Yen)				
	1st quarter end	2nd quarter end	3rd quarter end	Fiscal year end	Total
	Yen	Yen	Yen	Yen	Yen
FY2020	—	120.00	—	120.00	240.00
FY2021	—				
FY2021 (Forecast)		130.00	—	130.00	260.00

(Note) Revision of previously announced dividend targets during this reporting period: None

## 3. Forecast of Consolidated Business Performance for the Year ending March 31, 2022 (April 1, 2021 to March 31, 2022)

(Yen in millions)  
(Percentage represents year-on-year changes)

	Sales revenue		Operating profit		Profit before income taxes		Profit attributable to owners of the parent		Basic earnings per share
		%		%		%		%	Yen
2nd quarter end (cumulative total)	77,000	26.2	17,500	35.7	18,000	39.7	13,000	39.2	367.80
Fiscal year end	150,000	12.3	33,000	18.3	34,000	20.0	25,000	25.5	707.30

(Note) Revision of previously announced business forecast during this reporting period: Yes

### \*Notes

#### (1) Changes in Significant Subsidiaries during This Period

(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 stock)

As of June 30, 2021: 38,175,942      As of March 31, 2021: 38,175,942

##### 2. Number of treasury stock at the end of the period:

As of June 30, 2021: 2,830,335      As of March 31, 2021: 1,891,247

##### 3. Weighted-average number of shares outstanding during the period:

For the three months ended June 30, 2021: 35,974,808      For the three months ended June 30, 2020: 36,267,146

\*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 forecast of business performance, stated in this document are based on information currently possessed by Hirose or certain assumption that Hirose has deemed as 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 as a result of various factors. For the assumptions used and other notes, please refer to “1. Overview of Operating Results and Financial Condition (3) 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, August 2, 2021 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 the First Quarter of the Year Ending March 31, 2022." 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 first quarter of the fiscal year ending March 31, 2022, the restriction of economic and social activity, and the stagnation of consumer spending has been prolonged due to repeated declaration of a state of emergency affected by the increased number of cases of COVID-19. On the other hand, exports recovered and business sentiment has been polarized depends on industry.

In overseas market, COVID-19 vaccination has been progressing. In Europe and the United States, the resume of economic activity is becoming remarkable. In China where the economic activity has recovered in advance, the activity level remained strong and the business condition is recovering clearly.

Under this situation, Hirose group has been expanding global business mainly for smartphone market, automotive market and industrial market, and promoting reinforcement of development, sales and production system for new products with highly added value to respond advanced market needs quickly. The sales for mainly consumer electronics, automotive and industrial business has grown. As a result, sales revenue in the first quarter increased by 40.3% to JPY 38,442 million compared to the same period of the previous fiscal year. Operating profit increased by 54.2% to JPY 9,094 million, and quarterly profit attributable to owners of the parent company increased by 51.4% to JPY 6,686 million as compared with the first quarter of fiscal 2020.

The business results by 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. This kind of connectors are used widely, such as for smartphones, tablet PC, communication equipment, automotive electronics, measuring and control equipment, FA equipment, and medical electronics equipment, as well as other industrial equipment. We expect that demands for this connectors will grow associated with progress of advanced information and telecommunications network society, and energy saving society considering environment in the future. Segment sales for the first quarter of the fiscal year ending March 31, 2022 increased by 41.6% to JPY 34,417 million, operating profit increased by 49.2% to JPY 8,426 million compared with the first quarter of the fiscal 2020.

#### [Coaxial connectors]

Coaxial connectors are a special type of high-performance connector used primarily for microwave and other high-frequency signals. This is used mainly for antenna connection for Wi-Fi and Bluetooth communication in smartphones and PCs, GPS antenna connection for automobiles and high frequency signal connection for wireless communication devices and electronic measuring instruments. Optical fiber connectors and coaxial switches are also included in this segment. Segment sales for the first quarter of the fiscal 2021 increased by 23.2% to JPY 2,748 million. Operating profit increased by 137.2% to JPY 623 million.

#### [Other products]

This segment includes micro switches and instruments for connectors. Segment sales for the first quarter of the fiscal 2021 increased by 49.4% to JPY 1,277 million, operating profit resulted JPY 45 million (FY2020.1Q: operating loss JPY 15 million.)

### (2) Overview of Financial Condition

Total assets of FY2021.1Q decreased by JPY 13,459 million to JPY 357,045 million compared to the end of the previous consolidated fiscal year mainly because other financial assets decreased. Total liabilities decreased by JPY 1,372 million to JPY 43,040 million due to the decrease in income tax payable. Although quarterly profit was recorded and other components of equity including foreign currency translation adjustment increased, treasury shares increased because of off-auction own share repurchase and retained earnings declined due to the dividend of surplus. As a result, total equity decreased by JPY 12,087 million to JPY 314,005 million. Total equity attributable to owners of the parent resulted 87.9%. (FY2021 88.0%)

### (3) Future Outlook

The business for general industrial, automotive and consumer electronics is expected to exceed our initial estimates, and we revise our business forecast as follows.

(Revision of business forecast of first half, FY2021)

(Yen in millions)

	Sales revenue	Operating profit	Income before tax	Quarterly profit attributable to owners of the parent	Basic quarterly earnings per share
Forecast previously announced (A)	70,000	13,500	13,500	9,500	261.82 yen
<b>Revised forecast (B)</b>	<b>77,000</b>	<b>17,500</b>	<b>18,000</b>	<b>13,000</b>	<b>367.80 yen</b>
Change (B-A)	7,000	4,000	4,500	3,500	—
Rate of change (%)	10.0	29.6	33.3	36.8	—
(Ref.) Results for the first half of fiscal year ended Mar 31, 2021	61,036	12,893	12,887	9,338	257.48 yen

(Revision of business forecast of FY2021)

(Yen in millions)

	Sales revenue	Operating profit	Income before tax	Profit attributable to owners of the parent	Basic earnings per share
Forecast previously announced (A)	138,000	26,500	26,500	19,000	523.64 yen
<b>Revised forecast (B)</b>	<b>150,000</b>	<b>33,000</b>	<b>34,000</b>	<b>25,000</b>	<b>707.30 yen</b>
Change (B-A)	12,000	6,500	7,500	6,000	—
Rate of change (%)	8.7	24.5	28.3	31.6	—
(Ref.) Results for the fiscal year ended Mar 31, 2021	133,538	27,885	28,332	19,916	549.10 yen

Premise for full year exchange rate: 1US\$ = 107.87 yen, 1€ = 129.82 yen, 1 South Korean won = 0.0971 yen.

There is no revision of dividend forecast.

## 2. Condensed Quarterly Consolidated Financial Statements and Primary Notes

### (1) Condensed Quarterly Consolidated Statement of Financial Position

(Yen in millions)

	As of March 31, 2021	As of June 30, 2021
Assets		
Current assets		
Cash and cash equivalents	57,837	62,725
Trade and other receivables	36,620	38,688
Inventories	16,915	17,941
Other financial assets	131,274	118,227
Other current assets	5,401	2,876
Total current assets	248,047	240,457
Non-current assets		
Tangible fixed assets	61,182	60,810
Right of use assets	4,357	4,665
Intangible assets	3,295	3,219
Other financial assets	48,918	43,262
Deferred tax assets	2,515	2,500
Retirement benefit assets	1,780	1,726
Other non-current assets	410	406
Total non-current assets	122,457	116,588
Total assets	370,504	357,045

(Yen in millions)

	As of March 31, 2021	As of June 30, 2021
Liabilities		
Current liabilities		
Trade and other payables	19,511	21,887
Lease liabilities	821	858
Other financial liabilities	102	122
Accrued tax payables	6,532	3,183
Other current liabilities	5,046	4,398
Total current liabilities	32,012	30,448
Non-current liabilities		
Lease liabilities	3,581	3,860
Other financial liabilities	134	87
Retirement benefit liabilities	320	320
Deferred tax liabilities	7,616	7,572
Other non-current liabilities	749	753
Total non-current liabilities	12,400	12,592
Total liabilities	44,412	43,040
Equity		
Common stock	9,404	9,404
Common surplus	11,230	11,230
Retained earnings	317,265	319,562
Treasury stocks	(21,874)	(36,434)
Other components of equity	10,067	10,243
Total equity attributable to owners of the parent	326,092	314,005
Total equity	326,092	314,005
Total liabilities and equity	370,504	357,045



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

(Yen in millions)

	For the first quarter of the year ended March 31, 2021 (From April 1, 2020 to June 30, 2020)	For the first quarter of the year ending March 31, 2022 (From April 1, 2021 to June 30, 2021)
Sales revenue	27,400	38,442
Cost of sales	15,900	21,177
Gross profit	11,500	17,265
Selling, general and administrative expenses	7,128	8,213
Other income	1,590	86
Other expenses	66	44
Operating profit	5,896	9,094
Financial income	336	361
Financial expenses	140	12
Profit before income taxes	6,092	9,443
Corporate income tax expenses	1,675	2,757
Quarterly profit	4,417	6,686
Quarterly profit attributable to:		
Owners of the parent	4,417	6,686
Quarterly Earnings per share:		
Basic (yen)	121.78	185.84
Diluted (yen)	121.78	185.80

## (Condensed Quarterly Consolidated Statement of Comprehensive Income)

(Yen in millions)

	For the first quarter of the year ended March 31, 2021 (From April 1, 2020 to June 30, 2020)	For the first quarter of the year ending March 31, 2022 (From April 1, 2021 to June 30, 2021)
Quarterly income	4,417	6,686
Other comprehensive income		
Items that will not be reclassified to profit or loss		
Remeasurements of defined benefit plans	—	(35)
Financial assets measured at fair value through other comprehensive income	479	(143)
Total items that will not be reclassified to profit or loss	479	(178)
Items that may be reclassified to profit or loss		
Exchange differences on translating foreign operations	554	305
Debt instruments measured at fair value through other comprehensive income	12	14
Total items that may be reclassified to profit or loss	566	319
Total other comprehensive income after tax	1,045	141
Total quarterly comprehensive income	5,462	6,827
Total amount of quarterly comprehensive income attributable to:		
Owners of the parent	5,462	6,827

## (3) Condensed Quarterly Consolidated Statement of Changes in Equity

(Yen in millions)

	Common Stock	Capital surplus	Retained earnings	Treasury stock	Other components of equity	Total equity attributable to owners of the parent	Total equity
Balance as of April 1, 2020	9,404	11,293	308,343	(24,456)	1,557	306,141	306,141
Quarterly income			4,417			4,417	4,417
Other comprehensive income					1,045	1,045	1,045
Total of quarterly comprehensive income	—	—	4,417	—	1,045	5,462	5,462
Dividend of surplus			(4,352)			(4,352)	(4,352)
Purchase of treasury stock		(0)		(0)		(0)	(0)
Cancellation of treasury stock		(2,381)		2,381		—	—
Transfer to retained earnings		2,376	(2,376)			—	—
Total transaction with owners	—	(5)	(6,728)	2,381	—	(4,352)	(4,352)
Balance as of June 30, 2020	9,404	11,288	306,032	(22,075)	2,602	307,251	307,251

	Common Stock	Capital surplus	Retained earnings	Treasury stock	Other components of equity	Total equity attributable to owners of the parent	Total equity
Balance as of April 1, 2021	9,404	11,230	317,265	(21,874)	10,067	326,092	326,092
Quarterly income			6,686			6,686	6,686
Other comprehensive income					141	141	141
Total of quarterly comprehensive income	—	—	6,686	—	141	6,827	6,827
Dividend of surplus			(4,354)			(4,354)	(4,354)
Purchase of treasury stock		(1)		(14,571)		(14,572)	(14,572)
Disposal of treasury stock		1		11		12	12
Transfer to retained earnings			(35)		35	—	—
Total transaction with owners	—	(0)	(4,389)	(14,560)	35	(18,914)	(18,914)
Balance as of June 30, 2021	9,404	11,230	319,562	(36,434)	10,243	314,005	314,005

#### (4) Notes on Condensed Quarterly Consolidated Financial Statements

(Segment information)

##### 1. Business segment

###### (1) Overview of reporting segment

In the reporting segment of Hirose group, it is possible to acquire isolated financial information among constituent unit of our group. It is also an object being examined on a regular basis to evaluate our decision of 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 reporting segment is “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 of reporting segment

For the first quarter of the fiscal year ended March 31, 2021 (from April 1, 2020 to June 30, 2020)

(Yen in millions)

	Reporting segments			Others*	Amount of condensed quarterly consolidated financial statements
	Multi-pin connectors	Coaxial connectors	Total		
Sales revenue					
Sales revenue from external customers	24,314	2,231	26,545	855	27,400
Total revenue	24,314	2,231	26,545	855	27,400
Operating profit or (loss)	5,648	263	5,911	(15)	5,896
Financial income	—	—	—	—	336
Financial expenses	—	—	—	—	140
Quarterly income before tax	—	—	—	—	6,092

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

##### 2. Geographic information

	Japan	China	Korea	Others	Total
Sales revenue	7,290	9,789	3,526	6,795	27,400
Percentage of consolidated sales revenue (%)	26.6	35.7	12.9	24.8	100.0

For the first quarter of the fiscal year ending March 31, 2022 (from April 1, 2021 to June 30, 2021)

(Yen in millions)

	Reporting segments			Others *	Amount of condensed quarterly consolidated financial statements
	Multi-pin connectors	Coaxial connectors	Total		
Sales revenue					
Sales revenue from external customers	34,417	2,748	37,165	1,277	38,442
Total revenue	34,417	2,748	37,165	1,277	38,442
Operating profit	8,426	623	9,049	45	9,094
Financial income	—	—	—	—	361
Financial expenses	—	—	—	—	12
Quarterly income before tax	—	—	—	—	9,443

\*"Others" category is not included into reporting segments. "Others" includes micro switches and instruments for connectors.

## 2. Geographic information

	Japan	China	Korea	Others	Total
Sales revenue	9,942	13,498	5,154	9,848	38,442
Percentage of consolidated sales revenue (%)	25.9	35.1	13.4	25.6	100.0