

【Document to be filed】 Interim Financial Report

【Provisions to base upon】 Article 24-5-1, paragraph 1 of the Financial Instruments and Exchange Act

【Filing to】 Director-General of the Kanto Local Finance Bureau

【Date of filing】 November 13, 2025

【Fiscal Period】 For the first half of 79th term (from April 1, 2025 to September 30, 2025)

【Company name】 HIROSE ELECTRIC CO., LTD.

【Title and name of representative】 Shin Kamagata, President

【Location of head office】 2-6-3 Nakagawa Chuoh, Tsuzuki-Ku, Yokohama, Kanagawa, Japan

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【Contact person】 Masakazu Yamaoka, General Manager of Finance Department

【Place where the document to be filed is available for public inspection】 Tokyo Stock Exchange, Inc.
(2-1, Nihonbashi-kabutocho, Chuo-ku, Tokyo, Japan)

【Company Information】

1. Overview of the Company

1. Changes in major management indicators

(Yen in millions)

	78 th Fiscal Term Consolidated Cumulative	79 th Fiscal Term Consolidated Cumulative	78 th Fiscal Term
Fiscal period	From April 1, 2024 to September 30, 2024	From April 1, 2025 to September 30, 2025	From April 1, 2024 to March 31, 2025
Revenue (Second quarter from April 1 to Sep 30)	94,519	102,025	189,420
Profit before income taxes	23,846	22,101	46,218
Profit attributable to owners of parent	17,531	15,523	33,033
Comprehensive income attributable to owners of parent	13,214	21,979	21,450
Equity attributable to owners of parent	370,119	377,371	370,147
Total Assets	414,715	426,947	416,866
Earnings per share attributable to owners of the parent-Basic (Yen)	518.17	459.37	976.33
Earnings per share attributable to owners of the parent-Diluted (Yen)	518.17	459.37	976.33
Ratio of total equity attributable to owners of parent (%)	89.2	88.4	88.8
Cash flows from operating activities	26,953	22,730	55,682
Cash flows from investing activities	(23,086)	(9,570)	(42,947)
Cash flows from financing activities	(7,947)	(15,423)	(16,671)
Balance of cash and cash equivalents at end of the period	85,665	84,024	85,666

(Notes)

1. We prepare the condensed interim consolidated financial statements. The transition of the major management indicators is not included.
2. The financial data above are based on the condensed interim consolidated financial statements and consolidated financial statements prepared in accordance with International Financial Reporting Standards (IFRS).
3. The exercise period of the 7th series of stock acquisition rights expired on September 30, 2024. As a result, for the 79th interim consolidated fiscal period, diluted earnings per share are the same amount as basic earnings per share since there are no residual shares.

2. Description of Business

There were no significant changes in the business activities of our group (the Company and its affiliates) during the current interim-consolidated fiscal period.

There were also no changes in major subsidiaries.

2. Business Overview

1. Risk Factors

There were no new business and other risks or material changes in business and other risks that were reported in the annual securities report for the previous fiscal year during the current interim consolidated accounting period.

2. Management Analysis of Financial Position, Operating Results and Cash Flows

The forward-looking statements below were determined as of September 30, 2025.

(1) Overview of Operating Results

During the six months ended September 30, 2025, Japan's economy saw resilient consumer spending underpinned by robust inbound demand. However, rising raw material costs and inflationary pressures weighed on corporate earnings. The manufacturing sector continues to face a challenging environment due to factors such as U.S. tariff policies and heightened geopolitical risks.

In overseas market, inflation slowed in Europe and the United States, while consumption and manufacturing activity remained subdued due to persistently high interest rates. China continued to experience adjustments in its real estate market, delaying the recovery of domestic demand. The global economy slowed moderately.

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. In July, we acquired S.E.R. (Shinagawa-ku, Tokyo), a company engaged in the semiconductor test equipment business, as a subsidiary.

Business performance showed signs of recovery in business for the industrial equipment market, with favorable results for the consumer equipment market and stable business for the automotive equipment market. As a result, the revenue in fiscal 2025 increased by 7.9 % to JPY 102,025 million compared to the same period of the previous fiscal year. Operating profit decreased by 7.9% to JPY 20,461 million and profit attributable to owners of parent decreased by 11.5% to JPY 15,523 million as compared with the six months of fiscal 2024.

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 the six months of fiscal 2025 increased by 5.5% to JPY 90,283 million, operating profit decreased by 14.3% to JPY 17,726 million compared with the six months of fiscal 2024.

[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 the six months of fiscal 2025 increased by 38.4% to JPY 8,754 million, operating profit increased by 91.1% to JPY 2,696 million compared with the six months of fiscal 2024.

[Other products]

This segment includes micro switches and instruments for connectors. Segment sales for the six months of fiscal 2025 increased by 14.5% to JPY 2,988 million. Operating profit decreased by 67.6% to JPY 39 million, compared with the six months of fiscal 2024.

(2) Overview of Cash Flows

Cash and cash equivalents at the first half of the fiscal year ending March 31, 2026, decreased by JPY 1,642 million to JPY 84,024 million compared to the end of the fiscal year ended March 31, 2025

a. Cash flows from operating activities

Cash flows from operating activities increased by JPY 22,730 million. (In the 2Q cumulative total for fiscal 2024, it increased by JPY 26,953 million.) This increase was mainly due to a rise in capital by appropriating interim profit before tax, JPY 22,101 million, and depreciation and amortization, JPY 9,469 million.

b. Cash flows from investing activities

Cash flows from investing activities decreased by JPY 9,570 million. (In the 2Q cumulative total for fiscal 2024, it decreased by JPY 23,086 million.) This was due mainly to purchase of property, plant and equipment of JPY 10,705 million and purchase of investments of JPY 9,537 million.

c. Cash flows from financing activities

Cash flows from financing activities decreased by JPY 15,423 million. (In the 2Q cumulative total for fiscal 2024, it decreased by JPY 7,947 million.) This is due to the dividend payments of 8,290 million yen and the expenditure of 6,587 million yen for the acquisition of treasury stock, among other factors.

(3) Analysis of financial condition

Total assets for the six months of fiscal 2025 increased by JPY 10,081 million to JPY 426,947 million compared to the end of the previous consolidated fiscal year mainly because trade and other receivables, etc. increased. Total liabilities increased by JPY 2,857 million to JPY 49,576 million because of the increases in other current liabilities and deferred tax liabilities. Total equity increased by JPY 7,224 million to JPY 377,371 million, primarily due to the recognition of interim profit. As a result, the equity ratio attributable to owners of the parent decreased by 0.4 percentage points compared to the end of the previous fiscal year, reaching 88.4%.

(4) Assumptions used for accounting estimates

There are no significant changes in the accounting estimated from “Management Analysis of Financial Position, Operating Results and Cash Flows” stated in the annual securities report of FY2025 and assumptions used for the estimates.

(5) Research and development

Our research and development expenses for the six months ended September 30, 2025, were JPY 4,828 million. As the achievement of research and development activities, fixed assets including tools appropriated to JPY 1,839 million. When these amounts are added up, the total of R&D investment was JPY 6,666 million. There were no significant changes in research and development activities for the period.

3. Material Agreements, etc.

There were no decisions or conclusions about significant business agreements during the six months ended September 30, 2025.

3. Information on the Company

1. Information on the Company's Shares

(1) Total number of shares, etc.

① Total Number of Shares

Class	Total number of shares authorized to be issued (Shares)
Common stock	80,000,000
Total	80,000,000

② Issued Shares

Class	Number of shares issued as of the end of second quarter (Shares) (September 30, 2025)	Number of shares issued as of the filing date (Shares) (November 13, 2025)	Stock exchange on which the Company is listed or authorized financial instruments firms' association where the Company is registered	Description
Common stock	35,693,969	35,693,969	Tokyo Stock Exchange, Inc. (prime market)	The number of shares per unit of shares is 100 shares
Total	35,693,969	35,693,969	-	-

(2) Information on the share acquisition rights, etc.

① Details of share option plans

Not applicable.

② Other information about share acquisition rights

Not applicable.

(3) Information on Moving Strike Convertible Bonds

Not applicable.

(4) Changes in the total number of shares issued, common stock, etc.

Date	Change in the total number of shares issued (Shares)	Balance of the total number of shares issued (Shares)	Change in common stock (Yen in millions)	Balance of common stock (Yen in millions)	Change in capital reserve (Yen in millions)	Balance of capital reserve (Yen in millions)
From April 1 to September 30, 2025	-	35,693,969	-	9,404	-	12,007

(5) Status of Major Shareholders

Name or title	Address	Number of shares held (hundred shares)	Ratio of shares (excluding treasury stock) held to total number of shares issued (%)
The Master Trust Bank of Japan, Ltd. (Trust Account)	8-1, Akasaka 1-chome, Minato-ku, Tokyo	46,054	13.72
The Hirose Foundation	1-7-27 Roppongi, Minato- ku, Tokyo	31,476	9.38
The Custody Bank of Japan, Ltd. (Trust Account)	8-12, Harumi 1-chome, Chuo-ku, Tokyo	29,157	8.68
JP Morgan Chase & Co. Bank 380055 (Standing Proxy: Mizuho Bank, Ltd.)	270 PARK AVENUE, NEW YORK, NY 10017, U.S.A. (15-1, Konan 2-chome, Minato-ku, Tokyo)	20,043	5.97
State Street Bank and Trust Company 505223 (Standing proxy: Mizuho Bank, Ltd.)	P.O. BOX 351 BOSTON MASSACHUSETTS 02101 U.S.A. (15-1, Konan 2-chome, Minato-ku, Tokyo, Japan)	12,551	3.74
H.S. Planning Ltd.	5-10, Higashi Shinagawa 1-chome, Shinagawa-ku, Tokyo	12,465	3.71
National Mutual Insurance Federation of Agricultural Cooperatives	7-9, Hirakawa cho 2-chome, Chiyoda-ku, Tokyo	9,791	2.92
Mizuho Trust & Banking Co. (Trust Account) 0700210	3-3, Marunouchi 1-chome, Chiyoda-ku, Tokyo	8,707	2.59
Mizuho Trust & Banking Co. (Trust Account) 0700211	3-3, Marunouchi 1-chome, Chiyoda-ku, Tokyo	8,652	2.58
State Street Bank and Trust Company 505001 (Standing proxy: Mizuho Bank, Ltd.)	ONE CONGRESS STREET, SUITE 1, BOSTON MASSACHUSETTS (15-1, Konan 2-chome, Minato-ku, Tokyo, Japan)	7,425	2.21
Total	-	186,321	55.50

(Note) 1. The number of shares held is rounded down to the nearest hundred shares.

2. All shares held by The Master Trust Bank of Japan, Ltd., The Custody Bank of Japan, Ltd., Mizuho Trust & Banking Co. (Trust Account) 0700210 and Mizuho Trust & Banking Co. (Trust Account) 0700211 are related to the trust business.

3. The number of shares held in trust for JPMorgan Chase Bank 380055, State Street Bank and Trust Company 505223 and State Street Bank and Trust Company 505001 as of September 30, 2025, are not stated because the Company is unable to ascertain the number of shares related to the trust business.
4. In addition to the above, there are 21,210 hundred shares of treasury stock. The treasury stock does not include the Company's shares (832 hundred shares) held by the trust established by the Company for directors, executive officers, and employees.
5. In a substantial shareholding report made available to the public on September 3, 2025, Nomura Holdings, Inc. and its joint holder Nomura Asset Management Co. are listed as holding the following shares as of August 29, 2025, but as the Company is unable to confirm the number of shares beneficially owned as of September 30, 2025, they are not included in the above list of major shareholders.

The details of the large shareholding report are as follows.

Name or title	Address	Number of shares held (hundred shares)	Percentage of shares held (%)
Nomura Holdings, Inc.	1-13-1 Nihonbashi, Chuo-ku, Tokyo	552	0.15
Nomura Asset Management Co.	2-2-1 Toyosu, Koto-ku, Tokyo	26,629	7.46

6. In a substantial shareholding report made available to the public on September 21, 2022, First Eagle Investment Management LLC stated that it held the following shares as of September 15, 2022. However, the Company is unable to confirm the number of shares beneficially owned as of September 30, 2025, and is therefore not included in the above list of major shareholders. The details of the large shareholding report are as follows.

Name or title	Address	Number of shares held (hundred shares)	Percentage of shares held (%)
First Eagle Investment Investment Management LLC	1345 Avenue of the Americas, New York, NY 10105-0048 U.S.A.	26,104	7.01

(6) Information on voting rights.

① Issued shares

(As of September 30, 2025)

Classification	Number of shares (Shares)	Number of voting rights	Description
Shares without voting rights	-	-	-
Shares with restricted voting rights (treasury shares, etc)	-	-	-
Shares with restricted voting rights (others)	-	-	-
Shares with full voting rights (treasury shares, etc.)	(treasury shares) Common stock 2,121,000	-	Standard stocks which there is no restriction on contents of the right of the stock
Shares with full voting rights (others)	Common stock 33,512,600	335,126	Same as above
Shares less than one unit	Common stock 60,369	-	Same as above
Number of issued shares	35,693,969	-	-
Total number of voting rights	-	335,126	-

- (Notes)
1. The common stock in the column “Shares with full voting rights (other)” includes 83,200 shares (832 voting rights) of the Company's stock held by the trusts established by the Company for the delivery of shares to directors and executive officers and for the delivery of shares to employees.
 2. The number of shares of common stock in the “shares less than one unit” column includes 59 shares held in the name of Japan Securities Depository Center, Inc.

② Treasury Shares and Others

(As of September 30, 2025)

Name of shareholder	Address	Number of shares held under own name (Shares)	Number of shares held under the name of others (Shares)	Total number of shares held (Shares)	Ownership percentage to the total number of issued shares (%)
(Treasury shares) HIROSE ELECTRIC	2-6-3 Nakagawa Chuoh, Tsuzuki-Ku, Yokohama, Kanagawa	2,121,000	-	2,121,000	5.94
Total	-	2,121,000	-	2,121,000	5.94

- (Notes)
1. The above list does not include the Company's shares, owned by the trust in the delivery of shares to executive officers and the trust in the delivery of shares to employees.

2. Information of the board members

Not applicable.

4. Financial Information

1. Method of Preparation of the Condensed Interim Consolidated Financial Statements

The Company's condensed interim consolidated financial statements are Type 1 interim consolidated financial statements and have been prepared in accordance with International Accounting Standard No. 34 "Interim Financial Reporting" in accordance with Article 312 of the "Regulations Concerning Terms, Forms and Preparation Methods of Consolidated Financial Statements" (Ministry of Finance Ordinance No. 28 of 1976).

2. About Audit Certification

Pursuant to Article 193-2, Paragraph 1 of the Financial Instruments and Exchange Law, the Company's condensed interim consolidated financial statements for the interim period (from April 1, 2025 to September 30, 2025) were reviewed by KPMG AZSA LLC during the period.

【1】 Condensed Consolidated Financial Statements

(1) Condensed Consolidated Statements of Financial Position

(Yen in millions)

	Note	As of March 31, 2025	As of September 30, 2025
Assets			
Current assets			
Cash and cash equivalents	10	85,666	84,024
Trade and other receivables	10	40,394	48,110
Inventories		25,091	25,889
Other financial assets	10	87,589	80,373
Other current assets		10,036	7,561
Total current assets		248,776	245,957
Non-current assets			
Property, plant and equipment		86,384	89,512
Right-of-use assets		4,937	5,077
Intangible assets		6,615	7,211
Other financial assets	10	63,785	72,447
Deferred tax assets		2,291	2,472
Retirement benefit assets		3,586	3,401
Other non-current assets		492	870
Total non-current assets		168,090	180,990
Total assets		416,866	426,947

(Yen in millions)

	Note	As of March 31, 2025	As of September 30, 2025
Liabilities			
Current liabilities			
Trade and other payables	10	12,896	14,020
Lease liabilities		1,048	1,135
Other financial liabilities	10	44	1,116
Income taxes payable		8,139	5,512
Other current liabilities		6,937	8,540
Total current liabilities		29,064	30,323
Non-current liabilities			
Lease liabilities		4,153	4,199
Other financial liabilities	10	-	166
Retirement benefit liability		304	377
Deferred tax liabilities		12,087	13,377
Other non-current liabilities		1,111	1,134
Total non-current liabilities		17,655	19,253
Total liabilities		46,719	49,576
Equity			
Share capital		9,404	9,404
Capital surplus		11,224	11,326
Retained earnings		348,972	356,206
Treasury shares	6	(27,462)	(34,030)
Other components of equity		28,009	34,465
Total equity attributable to owners of parent		370,147	377,371
Total equity		370,147	377,371
Total liabilities and equity		416,866	426,947

(2) Condensed Consolidated Statement of Profit or Loss
(For the six months ended September 30, 2024 and 2025)

(Yen in millions)

	Note	For the first half of the year ending March 31, 2025 (From Apr 1, 2024 to Sep 30, 2024)	For the first half of the year ending March 31, 2026 (From Apr 1, 2025 to Sep 30, 2025)
Revenue	8	94,519	102,025
Cost of sales		51,731	59,109
Gross profit		42,788	42,916
Selling, general and administrative expenses		20,555	22,199
Other income		303	289
Other expenses		320	545
Operating profit		22,216	20,461
Financial income		2,262	1,871
Financial costs		632	231
Profit before tax		23,846	22,101
Income tax expense		6,315	6,578
Profit		17,531	15,523
Profit attributable to: Owners of parent		17,531	15,523
Earnings per share:			
Basic (yen)	9	518.17	459.37
Diluted (yen)	9	518.17	459.37

(3) Condensed Consolidated Statement of Comprehensive Income
(For the six months ended September 30, 2024 and 2025)

(Yen in millions)

	Note	For the first half of the year ending March 31, 2025 (From Apr 1, 2024 to Sep 30, 2024)	For the first half of the year ending March 31, 2026 (From Apr 1, 2025 to Sep 30, 2025)
Profit		17,531	15,523
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Equity instruments measured at fair value through other comprehensive income		174	529
Total items that will not be reclassified to profit or loss		174	529
Items that may be reclassified to profit or loss			
Exchange differences on translation of foreign operations		(4,472)	5,906
Debt instruments measured at fair value through other comprehensive income		(19)	21
Total items that may be reclassified to profit or loss		(4,491)	5,927
Total other comprehensive income after tax		(4,317)	6,456
Total comprehensive income		13,214	21,979
Total amount of comprehensive income attributable to:			
Owners of parent		13,214	21,979

(4) Condensed Consolidated Statement of Changes in Equity

(Yen in millions)

	Note	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
Profit				17,531			17,531	17,531
Other comprehensive income						(4,317)	(4,317)	(4,317)
Total of comprehensive income		-	-	17,531	-	(4,317)	13,214	13,214
Dividend of surplus	7			(7,443)			(7,443)	(7,443)
Purchase of treasury shares					(8)		(8)	(8)
Disposal of treasury shares			(10)		63		53	53
Cancellation of treasury shares	6		(8,274)		8,274		-	-
Share-based payment transactions			115		15		130	130
Transfer to retained earnings			8,143	(8,143)			-	-
Total transactions with owners		-	(26)	(15,586)	8,344	-	(7,268)	(7,268)
Balance as of September 30, 2024		9,404	11,157	342,751	(27,463)	34,270	370,119	370,119

	Note	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, 2025		9,404	11,224	348,972	(27,462)	28,009	370,147	370,147
Profit				15,523			15,523	15,523
Other comprehensive income						6,456	6,456	6,456
Total of comprehensive income		-	-	15,523	-	6,456	21,979	21,979
Dividend of surplus	7			(8,290)			(8,290)	(8,290)
Purchase of treasury shares			(0)		(6,587)		(6,587)	(6,587)
Disposal of treasury shares			0				0	0
Share-based payment transactions			102		20		122	122
Total transactions with owners		-	102	(8,290)	(6,567)	-	(14,755)	(14,755)
Balance as of September 30, 2025		9,404	11,326	356,206	(34,030)	34,465	377,371	377,371

(5) Condensed Consolidated Statement of Cash Flows

(Yen in millions)

	Note	For the first half of the FY2024 (From April 1, 2024 to September 30, 2024)	For the first half of the FY2025 (From April 1, 2025 to September 30, 2025)
Cash flows from operating activities:			
Profit before tax		23,846	22,101
Depreciation and amortization		8,958	9,469
Impairment loss (reversal of impairment loss)		-	445
Financial income		(2,262)	(1,871)
Financial costs		632	231
Decrease (increase) in trade and other receivables		(6,359)	(6,724)
Decrease (increase) in inventories		434	84
Increase (decrease) in trade and other payables		697	1,361
Others		1,944	4,932
Subtotal		27,890	30,028
Interest received		1,152	1,358
Dividends received		200	223
Income taxes paid		(2,289)	(8,879)
Net cash provided by operating activities		26,953	22,730
Cash flows from investing activities			
Net decrease (increase) in time deposits		(1,633)	5,216
Proceeds from sale and redemption of investments		4,390	6,317
Purchase of investments		(10,651)	(9,537)
Purchase of property, plant and equipment		(14,329)	(10,705)
Cash inflows from acquisition of subsidiaries		-	78
Others		(863)	(939)
Net cash used in investing activities		(23,086)	(9,570)
Cash flows from financing activities			
Purchase of treasury shares		(8)	(6,587)
Dividends paid		(7,443)	(8,290)
Repayments of lease liabilities		(549)	(519)
Others		53	(27)
Net cash used in financing activities		(7,947)	(15,423)
Effect of exchange rate changes on cash and cash equivalents		(596)	621
Increase (decrease) in cash and cash equivalents		(4,676)	(1,642)
Cash and cash equivalents at the beginning of the year		90,341	85,666
Cash and cash equivalents at the end of the period		85,665	84,024

【Notes to Condensed Consolidated Financial Statements】

1. Reporting Entity

HIROSE ELECTRIC (the “Company”) is a corporation located in Japan. Our subsidiaries (hereinafter referred to as the “Group”) and we manufacture and sell mainly multi-pin connectors, coaxial connectors and other electronic components.

2. The Basis for preparation of the statements

(1) Compliance with IFRS

Our condensed interim consolidated financial statements are prepared in accordance with IAS 34 “Interim Financial Reporting” pursuant to the provision of Article 93 of the Regulations for Quarterly Consolidated Financial Statements, as the company meets the criteria of a “Designated IFRS Specified Company” defined in Article 1-2 of the Regulations.

The condensed interim consolidated financial statements do not include all the information that must be disclosed in the annual consolidated financial statements and therefore should be used in conjunction with the consolidated financial statements for the year ended March 31, 2025.

Condensed interim consolidated financial statements of the company were authorized by our president, Shin Kamagata, on November 13, 2025.

(2) Functional currency and presentation currency

The condensed consolidated financial statements of the company are presented in Japanese yen, which is the functional currency of us, and the amounts are described in unites of JPY 1 million. The amounts are also rounded to the nearest million yen.

3. Material Accounting Policies

Material accounting policies applied in the condensed quarterly consolidated financial statements are the same as the policies applied in the consolidated financial statements for the year ended March 31, 2025. The income tax expense for the six months ended September 30, 2025, was calculated based on an estimated annual effective tax rate.

4. Significant accounting estimates and judgements

In preparing the condensed consolidated financial statements, HIROSE ELECTRIC applies accounting policies and makes judgments that affect the reported amounts of assets, liabilities, revenues, and expenses, also uses accounting estimates and assumptions. The company collects past experiences and available information, and considers various factors thought to be rational at the closing date. These estimates and assumptions are based on the best judgement of the executive. However, the figures based on these estimations and assumptions might be different from the actual result.

We continually review our estimates and underlying assumptions. We recognize the impact of revised estimates in the period in which the estimates are revised and in future periods.

Critical accounting estimates and judgments in the condensed consolidated financial statements are, in principle, the same as those used in the consolidated financial statements for the previous fiscal year.

5. 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 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 on reportable segments

The revenue stated in reportable segments is operating profit on a basis.

For the first half of the fiscal year ending March 31, 2025 (from April 1, 2024 to September 30, 2024)

(Yen in millions)

	Reportable segments			Others *	Amount of condensed quarterly consolidated financial statements
	Multi-pin connectors	Coaxial connectors	Total		
Revenue					
Revenue from external customers	85,585	6,325	91,910	2,609	94,519
Total revenue	85,585	6,325	91,910	2,609	94,519
Operating profit	20,686	1,411	22,097	119	22,216
Financial income	-	-	-	-	2,262
Financial costs	-	-	-	-	632
Profit before tax	-	-	-	-	23,846

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

For the first half of the fiscal year ending March 31, 2026 (from April 1, 2025 to September 30, 2025)

(Yen in millions)

	Reportable segments			Others *	Amount of condensed quarterly consolidated financial statements
	Multi-pin connectors	Coaxial connectors	Total		
Revenue					
Revenue from external customers	90,283	8,754	99,037	2,988	102,025
Total revenue	90,283	8,754	99,037	2,988	102,025
Operating profit	17,726	2,696	20,422	39	20,461
Financial income	-	-	-	-	1,871
Financial costs	-	-	-	-	231
Profit before tax	-	-	-	-	22,101

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

6. Paid-in capital and other equity

Previous Interim Consolidated Accounting Period (From April 1, 2024 to September 30, 2024)

The Company cancelled 556,469 shares of treasury stock on June 6, 2025, based on the resolution of the Board of Directors meeting held on May 30, 2024. As a result, treasury stock decreased by 8,274 million yen during the current interim consolidated accounting period, resulting in 27,463 million yen in treasury stock at the end of the current interim consolidated accounting period.

The amount of the above retirement was reduced from other capital surplus in “Capital surplus,” while the amount exceeding other capital surplus was reduced from “Retained earnings.”

Current Interim Consolidated Accounting Period (From April 1, 2025 to September 30, 2025)

The Company acquired 346,700 shares of treasury stock, based on the resolution of the Board of Directors meeting held on August 4, 2025. As a result, treasury stock increased by 6,587 million yen during the current interim consolidated accounting period, bringing the total amount of treasury stock to 34,030 million yen as of the end of the period.

The amount of the above retirement was reduced from other capital surplus in “Capital surplus,” while the amount exceeding other capital surplus was reduced from “Retained earnings.”

7. Dividends

(1) Dividends paid

For the six months ended September 30, 2024 (From April 1, 2024 to September 30, 2024)

	Total amount of dividends (Yen in millions)	Resource of dividends	Dividends per share (Yen)	Record date	Effective date
June 21, 2024 Ordinary General Meeting of Shareholders	7,445	Retained earnings	220.00	March 31, 2024	June 24, 2024

Notes: Total amount of dividends by the resolution of the board of directors held on June 21, 2024, includes dividends, JPY 2 million corresponding to the Company’s shares owned by the Board Incentive Plan trust in which beneficiaries include directors and executive officers.

For the six months ended September 30, 2025 (From April 1, 2025 to September 30, 2025)

	Total amount of dividends (Yen in millions)	Resource of dividends	Dividends per share (Yen)	Record date	Effective date
June 24, 2025 Ordinary General Meeting of Shareholders	8,310	Retained earnings	245.00	March 31, 2025	June 25, 2025

Notes: Total amount of dividends by the resolution of the board of directors held on June 24, 2025, includes dividends, JPY 21 million corresponding to the Company’s shares owned by the Board Incentive Plan trust in which beneficiaries include directors and executive officers.

(2) The dividend whose record date falls in six months ended September 30, 2024, and the effective date falls in the next period

For the six months ended September 30, 2024 (From April 1, 2024 to September 30, 2024)

	Total amount of dividends (Yen in millions)	Resource of dividends	Dividends per share (Yen)	Record date	Effective date
November 1, 2024 Ordinary General Meeting of Shareholders	8,309	Retained earnings	245.00	September 30, 2024	December 2, 2024

Notes: The total amount of dividends resolved by the Board of Directors on November 1, 2024, includes JPY 19 million of dividends for the Company's shares held by the Trust for Delivery of Company Shares to Directors and Executive Officers and the Trust for Delivery of Company Shares to Employees, which were established by the Company.

For the six months ended September 30, 2025 (From April 1, 2025 to September 30, 2025)

	Total amount of dividends (Yen in millions)	Resource of dividends	Dividends per share (Yen)	Record date	Effective date
November 4, 2025 Ordinary General Meeting of Shareholders	8,225	Retained earnings	245.00	September 30, 2025	December 1, 2025

Notes: The total amount of dividends resolved by the Board of Directors on November 4, 2025, includes JPY 20 million of dividends for the Company's shares held by the Trust for Delivery of Company Shares to Directors and Executive Officers and the Trust for Delivery of Company Shares to Employees, which were established by the Company.

8. Breakdown of Revenue

The organization of our group is composed based on the types of connectors and the location of our customers. Based on this classification, the board of directors decides the allocation of resources and evaluates business performance.

The relationship between the sales revenue analyzed by the customer's location and the sales revenue in each reportable segment is as below.

For the cumulative second quarter of the fiscal year ending March 31, 2025 (from April 1, 2024 to September 30, 2024)

(Yen in millions)

		Reportable Segments		Others	Total
		Multi-pin connectors	Coaxial connectors		
Customer location	Japan	13,277	772	448	14,497
	China	36,098	2,168	135	38,401
	Korea	13,986	892	1,816	16,694
	Others	22,224	2,493	210	24,927
Total		85,585	6,325	2,609	94,519

For the cumulative second quarter of the fiscal year ending March 31, 2026 (from April 1, 2025 to September 30, 2025)

(Yen in millions)

		Reportable Segments		Others	Total
		Multi-pin connectors	Coaxial connectors		
Customer location	Japan	15,038	870	922	16,830
	China	35,083	3,590	65	38,738
	Korea	15,348	629	1,748	17,725
	Others	24,814	3,665	253	28,732
Total		90,283	8,754	2,988	102,025

In Japan, we sell circular and rectangular connectors, connectors for printed circuit boards and connectors for automotive, and major customers are mainly in general industrial and automotive market.

In China, our main products are connectors for printed circuit boards and coaxial connectors, and the main customers are smartphone and consumer manufacturers.

In Korea, our main products are connectors for printed circuit boards, rectangular connectors, automotive connectors, coaxial connectors and other electronic equipment. The main customers are in smartphone, consumer and automotive markets.

Regarding other area, we sell various connectors including connectors for printed circuit boards to the customers located in Europe, North America and other Asian countries.

9. Earnings per Share

	For the six months ended September 30, 2024 (From Apr 1, 2024 to Sep 30, 2024)	For the six months ended September 30, 2025 (From Apr 1, 2025 to Sep 30, 2025)
The basis of calculation for earnings per share -basic		
Profit attributable to owners of parent	(Yen in millions) 17,531	(Yen in millions) 15,523
Profit used for calculation of basic earnings per share	(Yen in millions) 17,531	(Yen in millions) 15,523
Weighted average shares during the period	(Thousand Shares) 33,833	(Thousand Shares) 33,792
Earnings per share – basic	(Yen) 518.17	(Yen) 459.37
The basis of calculation for earnings per share -diluted		
Profit used for the calculation of basic earnings per share	(Yen in millions) 17,531	(Yen in millions) 15,523
Profit used for the calculation of diluted earnings per share	(Yen in millions) 17,531	(Yen in millions) 15,523
Weighted average shares during the period	(Thousand Shares) 33,833	(Thousand Shares) 33,792
Number of shares increased by stock acquisition right	(Thousand Shares) -	(Thousand Shares) -
Weighted average shares-Diluted	(Thousand Shares) 33,833	(Thousand Shares) 33,792
Diluted earnings per share	(Yen) 518.17	(Yen) 459.37

Note: In the calculation of basic earnings per share and diluted earnings per share, the Company's shares held by the Trust for Directors and Executive Officers and the Trust for Employee Stock Issuance are treated as treasury stock, and the number of such shares is deducted from the average number of common shares outstanding during the period.

10. Fair Values of Financial Instruments

(1) Method of measuring fair values

(Cash and cash equivalents, trade and other receivables, trade and other payables)

Since these subjects are settled in a short term, book value is rational approximate value of fair values.

(Other financial assets, other financial liabilities)

In other financial assets, time deposits which term exceed three months are usually settled within a year, and the book value is rational approximate value of fair values. However, long-term deposits include deposits encompassing derivatives, and the fair values of these deposits encompassing derivatives are obtained from financial institutions.

If there is an active market, the equity instruments are measured using published market price. If there is no active market, it is mainly measured by using valuation techniques such as the market approach, income approach, or net asset approach.

Regarding debt instruments, if there is an active market, it is measured using published market price. If there is no active market, it is measured using observable postulate including credit rating or discount rate.

Derivatives are assessed based on forward exchange rate, etc.

Among other financial liabilities, short-term borrowings and similar items are due within a relatively short period, and therefore their book values are considered to approximate fair value reasonably.

(2) Financial instruments measured by amortized cost

The fair values of financial instruments measured by amortized cost are as below.

Financial instruments which book value is a rational approximate value of fair value are not included below table.

(Yen in millions)

	As of March 31, 2025		As of September 30, 2025	
	Book Value	Fair Value	Book Value	Fair Value
Other Financial Assets				
Long-term deposit	1,000	972	1,000	970
Debt Instruments	16,434	16,613	20,728	21,061

(3) Financial instruments measured at fair value

① The fair value hierarchy

Financial instruments measured at fair values are classified into 3 levels.

Level 1: Unadjusted quoted prices for identical assets or liabilities in active markets

Level 2: Fair values calculated using observable value directory or indirectly except for Level 1.

Level 3: Fair values calculated by measurement including unobservable inputs.

The levels of the fair value of financial instruments measured at fair value are as follows.

In the fiscal year ended March 31, 2025 (As of September 30, 2024)

(Yen in millions)

	Level 1	Level 2	Level 3	Total
Other financial assets				
Financial assets measured at fair value through profit or loss				
Debt instruments	-	20,992	-	20,992
Derivatives	-	9	-	9
Financial assets measured at fair value through other comprehensive income				
Debt instruments	22,551	-	-	22,551
Equity instruments	16,003	-	602	16,605
Total of assets	38,554	21,001	602	60,157
Other financial liabilities				
Financial liabilities measured at fair value through profit or loss				
Derivatives	-	44	-	44
Total of liabilities	-	44	-	44

In the fiscal year ending March 31, 2026 (As of September 30, 2025)

(Yen in millions)

	Level 1	Level 2	Level 3	Total
Other financial assets				
Financial assets measured at fair value through profit or loss				
Debt instruments	-	20,836	-	20,836
Derivatives	-	1	-	1
Financial assets measured at fair value through other comprehensive income				
Debt instruments	23,484	-	-	23,484
Equity instruments	16,791	-	602	17,393
Total of assets	40,275	20,837	602	61,714
Other financial liabilities				
Financial liabilities measured at fair value through profit or loss				
Derivatives	-	11	-	11
Total of liabilities	-	11	-	11

Transfer between levels of the fair value hierarchy is recognized on the day when the event or change in circumstances that the transfer occurred. There was no transfer between level 1 and level 2 for the year ended March 31, 2025, and for the six months ended September 30, 2025.

② Information on fair value measurement classified into level 2 and level 3

Debt instruments classified into level 2 of the fair value hierarchy are measured using observable postulate including credit rating or discount rate in the market. Derivatives are assessed based on the forward exchange rate.

The fair value of equity instruments classified as Level 3 are measured using valuation techniques such as the market approach, income approach, or net asset approach, and significant changes in fair value when unobservable inputs are replaced with reasonably possible alternative assumptions are not expected to occur.

Financial instruments classified into Level 3 are measured based on accounting policies of Hirose group and the result of the measurement is approved by a responsible person of administration group.

There are no significant changes in financial assets classified as Level 3 for the cumulative second quarter of the fiscal 2024 and 2025.

11. Significant subsequent events

Not applicable.

【2】 Others

The interim dividend of the fiscal year ending March 2026 was resolved at the board of director's meeting held on November 4, 2025, as follows.

1. Total amount of dividends	JPY 8,225 million
2. Amount per share	JPY 245.00
3. Effective date of payment request and payment start date	December 1, 2025

(English translation)

This is the statement translated into English from the Japanese original of "Interim Financial Report for the First Half of the Year Ending March 31, 2026." In the event of any discrepancy between this English translation and the Japanese original, the later shall prevail.