

HIROSE ELECTRIC CO., LTD

Financial Results Briefing for the First Quarter of the Fiscal Year Ending March 31 2022

Q&A Summary

Q1 :

As for the trend of general industrial, how do you see continuity of demand trends and reactionary decline?

A1 :

In the first quarter, orders for general industrial were strong. However, there is a possibility that adjustments will be made in the future and we factored the risk into the forecast.

Q2 :

How is the impact of the increase in material prices?

A2 :

In the variation analysis of the first quarter results, COGS ratio was improved but the variable expense ratio increased slightly.

Q3 :

Regarding the shareholder return policy disclosed in May, you plan to acquire treasury shares of JPY40 billion by FY2024. Is there any possibility that the JPY40 billion share buyback will be increased?

A3 :

As of now, there is no change in our policy. We will update the policy including the dividend in the second quarter or future meeting.

Q4 :

What is your view of the impact of the spread of COVID-19 in Southeast Asia?

A4 :

Our factory in Malaysia and Indonesia are currently in operation under restrictions and our employees are being vaccinated as planned.

Q5 :

Are there any changes in order trends?

A5 :

Although we feel that it is excessive because of bulk orders and longer delivery times, we are still receiving strong orders.

Q6 :

Do you have sufficient production capacity for general industrial? Are there any plans to increase capacity?

A6 :

Based on strong orders, we are sure that production capacity is insufficient. However we are doing facility expansion, production adjustment and delivery adjustment because we have always produced a wide variety of products in general industrial. The situation of the frontline is difficult to deal with mass production right now.

Q7 :

Could you please tell me the reason why annual sales forecast for automotive was revised upward?

A7 :

When we disclosed the previous forecast in May, the automobile industry was not able to return to full production in the springtime. Currently the market condition is improving and we updated the forecast.

Disclaimer

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.