



HIROSE ELECTRIC CO., LTD.

Q3 Financial Results Briefing for the Fiscal Year Ending March 2024

February 2, 2024

Event Summary

[Company Name]	HIROSE ELECTRIC CO., LTD.	
[Company ID]	6806-QCODE	
[Event Language]	JPN	
[Event Type]	Earnings Announcement	
[Event Name]	Q3 Financial Results Briefing for the Fiscal Year Ending March 2024	
[Fiscal Period]	FY2023 Q3	
[Date]	February 2, 2024	
[Venue]	Webcast	
[Number of Speakers]	3	
	Shin Kamagata	Corporate Board Director, Group President, Administration Group
	Rie Yamada	Manager, Corporate Communication & Investor Relations Office
	Satoshi Ashida	Corporate Communication & Investor Relations Office

Presentation

Yamada: Now that the time has arrived, we begin the financial results briefing of HIROSE ELECTRIC CO., LTD.

Thank you for joining us today. Mr. Kamagata, the Group President of Administration Group, and I, Yamada, and Ashida of the Communication & Investor Relations Office are attending today's briefing from our side. Please note that this event is held online again.

I would like to explain about today's briefing. Please download the PDF file of today's material from the link on the screen and have it at your hand. Also there is a link for the flash report disclosed on the TSE yesterday, February 1. Other disclosure materials, including the notice of revision of full-year earnings forecasts, are available on our IR page. We will mention page number of the slide during the presentation so please move your slides accordingly.

The question-and-answer session will take place in an interactive manner, resembling a face-to-face meeting. Participants will ask questions through a telephone line, and we will answer back. We will announce your name in the order we receive questions. Kindly wait for your turn, and we appreciate your patience and cooperation.

I would like to begin a presentation for the financial results for Q3 of the fiscal year ending March 31, 2024 based on the materials.

Mr. Kamagata, the Group President of Administration Group, is supposed to give the second half of the presentation, including the full-year earnings forecast and other initiatives, but since he has a sore throat today and it may be difficult for you to listen, so I, Yamada will continue instead.

We will take your questions in the reminder of time, and Kamagata is available to answer then. Closing time is scheduled for 11:30 AM. We appreciate your cooperation.

Summary of the business results (FY2023.1Q-3Q From April 2023 to December 2023)

- In FY2023.3Q, sales for Automotive/Mobility-related segment increased and for Smartphone segment kept steady. However, as for General Industrial and Consumer/Mobile Equipment segments, tough market condition continued. In FY2023.1Q-3Q totally, sales was -12.0% YoY and Operating profit was -31.4% YoY. Operating profit ratio was 21.8%.

(Yen in hundred millions)

	FY2022			FY2023			YoY
	1H (22.Apr-Sep)	3Q (22.Oct-Dec)	1Q-3Q (22.Apr-Dec)	1H (23.Apr-Sep)	3Q (23.Oct-Dec)	1Q-3Q (23.Apr-Dec)	FY2023.1Q-3Q / FY2022.1Q-3Q
Orders	915.2	367.3	1,282.5	754.4	365.6	1,120.0	-12.7%
Sales	947.0	474.6	1,421.6	829.1	422.5	1,251.6	-12.0%
Operating profit	271.7	125.0	396.7	171.9	100.4	272.3	-31.4%
Operating profit ratio	28.7%	26.3%	27.9%	20.7%	23.8%	21.8%	-6.1pt

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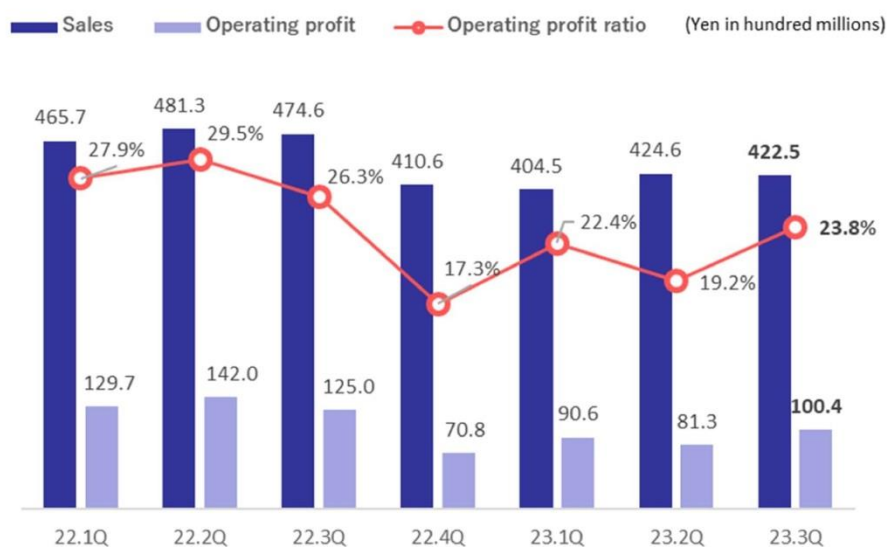
Let us begin with page three, please. Summary of the business results.

In Q3 of FY2023, sales for the automotive/mobility-related segment grew. While sales of the smartphone segment remained strong, the market for the general industrial and the consumer/mobile equipment continued to be struggle.

Cumulative sales to Q3 of FY2023 were -12%, operating income was -31.4%, and operating margin was 21.8% YoY.

Orders decreased compared to Q2 of this fiscal year and were at about the same level as in Q3 of the previous year. Q3 cumulative order total was -12.7% compared to the same period last year, indicating a slow recovery.

Changes in sales and operating profit (FY2022.1Q-FY2023.3Q / Consolidated basis)



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Continuing on page four. The graph is showing quarterly sales and profit trends.

In Q3 of FY2023, sales were JPY42.25 billion, operating income was JPY10.04 billion, and operating margin was 23.8%.

While sales remained almost flat, operating income was secured.

Business Results for FY2023.1Q-3Q

(Yen in hundred millions)	FY2022.3Q (Dec 31, 2022)	FY2023.3Q (Dec 31, 2023)	Increase / Decrease (YoY)	Increase / Decrease Ratio (YoY)
Sales	1,421.6	1,251.6	-170.0	-12.0%
COGS Ratio	50.8%	55.6%	+4.8	
SGA Ratio	21.5%	22.1%	+0.6	
Operating Profit	396.7	272.3	-124.4	-31.4%
(%)	27.9%	21.8%	-6.1	
Profit before tax	409.8	306.3	-103.5	-25.3%
(%)	28.8%	24.5%	-4.3	
Net profit	292.3	207.1	-85.2	-29.1%
(%)	20.6%	16.5%	-4.1	
Total Assets	3,947.6	3,953.7		
Shareholder's Equity Ratio	87.2%	90.3%		
Earnings Per Share	844.14円	602.04円		

	FY2022 3Q	FY2023 3Q
1US\$	136.51 yen	143.29 yen
1 €	140.59 yen	155.29 yen
100 won	10.35 yen	10.90 yen

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Next, page five. This is a summary of the business results.

Sales totaled JPY125.16 billion, down 12% YoY. Operating income was JPY27.23 billion, -31.4% YoY, and operating margin was 21.8%.

Profit before income taxes was JPY30.63 billion, net profit was JPY20.71 billion, total assets were JPY395.37 billion, shareholder's equity ratio was 90.3%, and net income per share was JPY602.04.

Actual exchange rates were JPY143.29 to USD1, JPY155.29 to EUR1, and JPY10.90 per KRW100.

FY2023.1Q-3Q Major Changes

Sales

170.0 hundred million yen Decreased
(1,421.6 → 1,251.6)

General Industrial : -126
Consumer / Mobile Equipment : -69

COGS Ratio

4.8 pt Deteriorated
(50.8% → 55.6%)

Variable Expense Ratio : 37.6% → 39.2%
Depreciation Ratio : 7.1% → 8.1%
Labor Cost Ratio : 6.6% → 7.4%

SGA Ratio

0.6 pt Deteriorated
(21.5% → 22.1%)

305.1 → 276.3
(Decreased by 28.8 hundred million yen)

Financial income / costs

20.8 hundred million yen Improved
(+13.2 → +34.0)

Exchange Gain or Loss : -0.8 → +4.5
Interest received and others : +10.3 → +19.5

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The next slide, page six. Summary of major changes from the previous year.

Of the JPY17 billion decrease in sales, JPY12.6 billion was for the general industrial and JPY6.9 billion was for the consumer/mobile equipment. COGS fell 4.8 percentage points from last year's 50.8% to 55.6%. It is the same as in Q2.

The variable expense ratio increased by 1.6 percentage points. It is because of an increase in procurement costs due to price hikes and a deterioration due to a decline in the capacity utilization ratio caused by production decrease.

As I explained in Q2, after increasing inventories last fiscal year, orders declined sharply in H2. So we decreased production sharply toward the end of the fiscal year. This has resulted in accounting for the elimination of unrealized profit on inventory in Q1 of the current fiscal year.

SG&A expenses saw a significant decrease of JPY2.88 billion, primarily attributed to a reduction in distribution costs. However, the ratio experienced a 0.6-percentage-point deterioration. Consequently, the SG&A to sales ratio stood at 22.1%.

Financial income improved by JPY2.08 billion due to increases in both foreign exchange gains and interest income.

FY2023.1Q-3Q YoY Variation Analysis

(Yen in hundred millions)

	Sales	Operating Profit	(%)	Profit before tax	(%)
FY2022.1Q-3Q Actual	1,421.6	396.7	27.9%	409.8	28.8%
Exchange rate	56.5	36.5		42.2	
Labor cost decrease		13.0		13.0	
Decrease in freightage and packing expenses		16.8		16.8	
Increase in Loss on retirement of fixed assets		-8.4		-8.4	
Decrease in the product	-226.5	-129.1		-113.9	
Deterioration of Cost rate		-53.2		-53.2	
Total amount of changes	-170.0	-124.4		-103.5	
FY2023.1Q-3Q Actual	1,251.6	272.3	21.8%	306.3	24.5%

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Please continue on page seven. This is a YoY variation analysis of the current cumulative total to Q3 versus the previous year.

Foreign exchange effects were positive JPY5.65 billion in sales and JPY3.65 billion in operating income. Labor costs decreased by JPY1.3 billion and packing and freight costs decreased by JPY1.68 billion. Loss on retirement of fixed assets continued from Q2 and amounted to JPY840 million.

The cost ratio worsened due to a decrease in capacity utilization, resulting in a decrease of JPY5.32 billion, and a decrease of JPY12.91 billion as a result of a decrease in the products.

Consolidated Balance Sheet (1)

(Yen in hundred millions)

	Account	Mar 31, 2023	Dec 31, 2023	Increase / Decrease	Remarks
Asset	Cash and cash equivalents	880.3	753.4	-126.9	Transfer from time deposit +77, Dividends paid -172, Buyback -65 Shortening terms of payment in Japan -91
	Trade and other receivables	419.3	392.4	-26.9	Sales decreased
	Inventories	277.3	249.4	-27.9	Actual inventory -37, Influence of weaker yen +9
	Other financial assets	1,546.8	1,516.4	-30.4	Investment for Koriyama new factory
	Property, plant and equipment	638.0	785.0	+147.0	Koriyama new factory and TAT center +71 Korea factory expansion +29
	Right-of-use asset	52.8	49.5	-3.3	
	Others	199.1	207.6	+8.5	Intangible assets increased +6
	Total	4,013.6	3,953.7	-59.9	
	Total of cash in bank	1,854.0	1,670.6	-183.4	

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Continued on page eight, this is the B/S assets.

Cash was -JPY12.69 billion due to dividends of JPY17.2 billion and share buybacks, while transfers from term deposits added JPY7.7 billion.

Inventories continued to decrease. Since this includes the impact of yen depreciation, we are aware that the actual inventory decrease is JPY3.7 billion. Other financial assets decreased due to investment in the new Koriyama plant, etc. and were transferred to the account of property, plant, and equipment.

Consolidated Balance Sheet (2)

		Account	Mar 31, 2023	Dec 31, 2023	Increase / Decrease	Remarks	(Yen in hundred millions)
Liabilities		Payables and other debt	208.0	116.5	-91.4	Shortening terms of payment in Japan, Production decreased	
		Lease liabilities	54.8	52.2	-2.6		
		Income Taxes Payable	82.1	35.5	-46.6	Payment of corporate tax	
		Others	170.1	180.5	+10.4		
		Total	515.0	384.7	-130.3		
Shareholder's Equity		Capital stock and Capital surplus	206.0	205.8	-0.2		
		Retained Earnings	3,452.0	3,348.1	-103.9	Net profit +207, Dividends paid -172, Cancellation of treasury shares -139	
		Treasury Shares	-398.4	-323.7	+74.7	Cancellation of treasury shares +139, Buyback -65	
		Others	239.0	338.7	+99.7	Foreign currency translation adjustment +88	
		Total	3,498.5	3,568.9	+70.4		
		Total Liabilities and Shareholder's Equity	4,013.6	3,953.7	-59.9		

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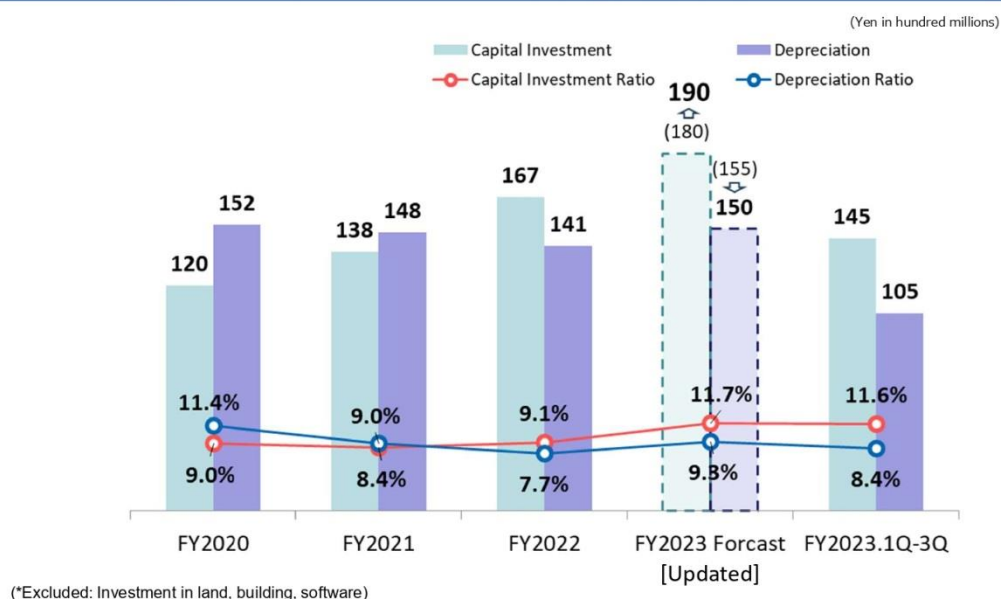
Next, page nine is liabilities and shareholder's equity.

Payables are due to the shortening terms of domestic payment sites and a decrease in production.

Net assets were -JPY17.2 billion due to dividend payments and -JPY6.5 billion due to share buybacks.

In other areas, there is a foreign currency translation adjustment of JPY8.8 billion from the yen's depreciation.

Changes in Capital Investment and Depreciation (Consolidated basis)



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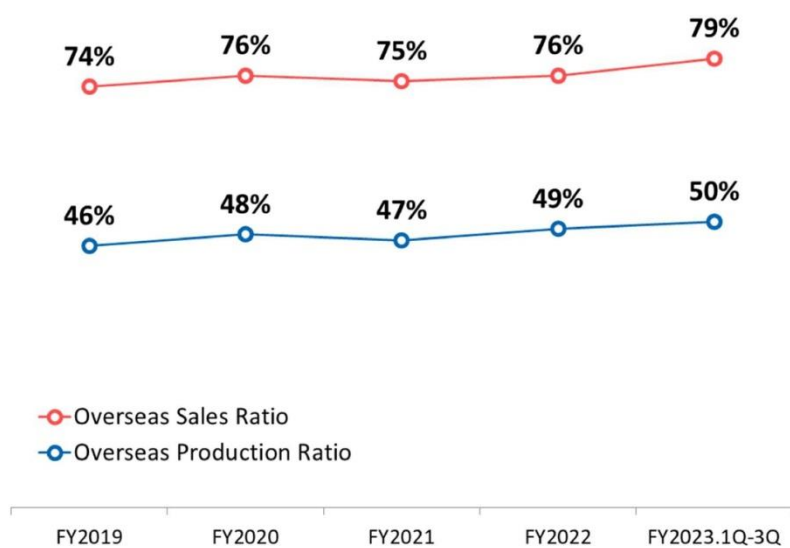
Continuing on page 10. This is change in capital investment and depreciation.

Capital investments for the cumulative Q3 totaled JPY14.5 billion, with amortization of JPY10.5 billion. We expect the investment to increase from JPY18 billion to JPY19 billion for the full-year forecast for FY2023. We will continue to make the necessary investments for future expansion as announced in Q2, although we will conduct a careful examination of expenses. Therefore we have raised our forecast because we are preparing for production as part of preparations for the future.

Amortization was revised downward from JPY15.5 billion to JPY15 billion, a decrease from the previous forecast in a view of progress through Q3.

Although not stated in the materials, the actual R&D expenses for the Q3 were JPY8.2 billion. The FY2023 forecast for R&D expenses remains unchanged at JPY12.5 billion.

Overseas production and sales ratio



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Then page 11. This is the change of overseas sales ratio and overseas production ratio.

Overseas sales accounted for 79% for the cumulative Q3, which indicates that it is affected by the slump in sales in the general industrial.

Overseas production ratio is 50%.

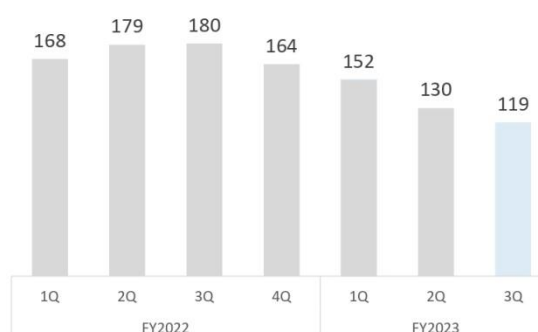
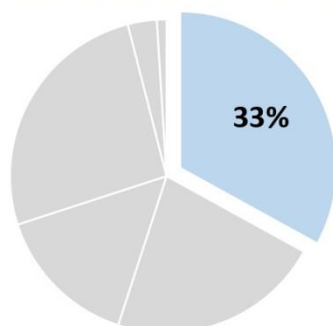
Sales by Application_General Industrial

(Yen in hundred millions)

	FY2022			FY2023			YoY
	1H	3Q	1Q-3Q	1H	3Q	1Q-3Q	FY2022.1Q-3Q / FY2023.1Q-3Q
Sales	347	180	527	282	119	401	-24%

● FY2023.1Q-3Q Composition ratio

● Changes in quarterly sales



- Due to order taken remained weak, 3Q sales was lower than 2Q. Sales composition ratio by General Industrial kept to decrease from 1Q 39%, 2Q 35% to 3Q 33%.

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Continuing on page 12, here are the results by application.

The first one is for the general industrial. The cumulative Q3 sales for FY2023 totaled JPY11.9 billion, for the cumulative total of JPY40.1 billion, a negative 24% compared to the same period last year. Another step down from the JPY13 billion in Q2.

The sales composition ratio was 39% in Q1, and 35% in H1 which has shrunk to 33% in the cumulative Q3 results. Although inventories at customers appear to be shrinking, they have yet to lead to new orders, and orders continue to be sluggish.

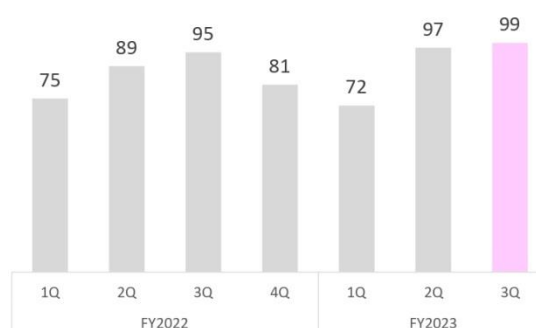
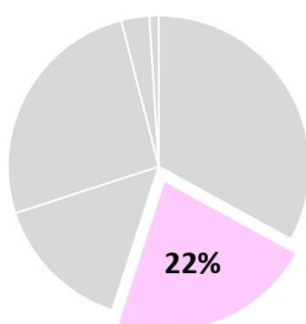
Sales by Application_Smartphone

(Yen in hundred millions)

	FY2022			FY2023			YoY
	1H	3Q	1Q-3Q	1H	3Q	1Q-3Q	FY2022.1Q-3Q / FY2023.1Q-3Q
Sales	164	95	259	169	99	268	+3%

● FY2023.1Q-3Q Composition ratio

● Changes in quarterly sales



■ As expected, sales for Smartphone was steady due to the usual seasonality.

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Next, page 13. The smartphone.

The cumulative Q3 sales for FY2023 totaled JPY26.8 billion, an increase of 3% YoY. The small increase of JPY200 million from Q2 is due to the fact that the uptake of parts in Q2 was more brisk than usual.

Overall progress goes as planned.

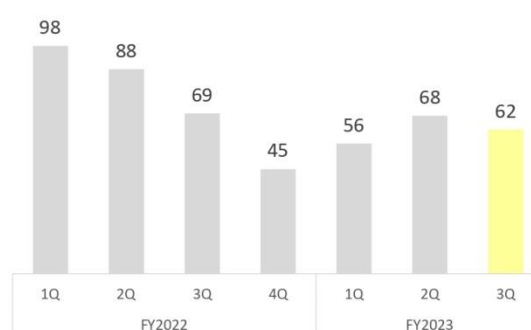
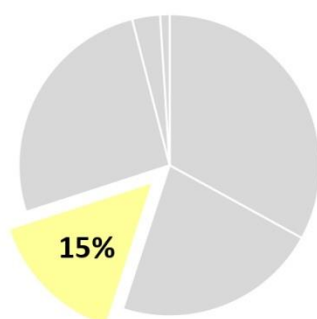
Sales by Application_Consumer/Mobile Equipment

(Yen in hundred millions)

	FY2022			FY2023			YoY
	1H	3Q	1Q-3Q	1H	3Q	1Q-3Q	FY2022.1Q-3Q / FY2023.1Q-3Q
Sales	186	69	255	124	62	186	-27%

● FY2023.1Q-3Q Composition ratio

● Changes in quarterly sales



■ Demand stayed weak and the sales did not turn to pick up.

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Continuing on page 14. The consumer/mobile equipment.

The cumulative Q3 sales totaled JPY18.6 billion, a decrease of 27% YoY. Although the sales had been gradually increasing from Q4 of FY2022 to Q2 of FY2023, they started to decrease in Q3.

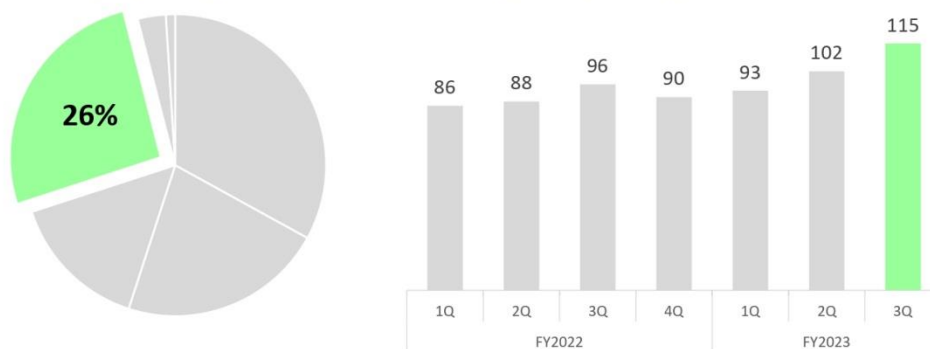
While inventories have been eliminated, actual demand is weak.

Sales by Application_Automotive/Mobility-related

	FY2022			FY2023			YoY
	1H	3Q	1Q-3Q	1H	3Q	1Q-3Q	FY2022.1Q-3Q / 2023.1Q-3Q
Sales	174	96	270	195	115	310	+15%

● FY2023.1Q-3Q Composition ratio

● Changes in quarterly sales



- Sales continues to increase steadily as well as 2Q and reached to the highest record again. The composition ratio expanded from 24% in the 1st half to 26%.

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Next, on page 15, the automotive/mobility-related sales.

The cumulative total was JPY31 billion, growing from JPY10.2 billion in Q2 to JPY11.5 billion in Q3, or an increase of 15% YoY.

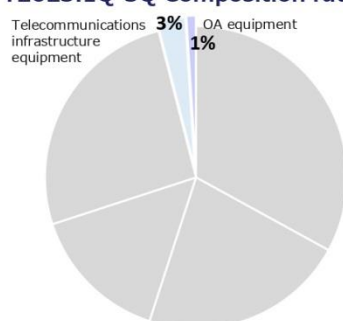
The composition ratio to sales was 24% in H1 of the year, but reached 26% in Q3, continuing to reach a record high.

Sales by Application_Telecommunications infrastructure equipment / OA equipment

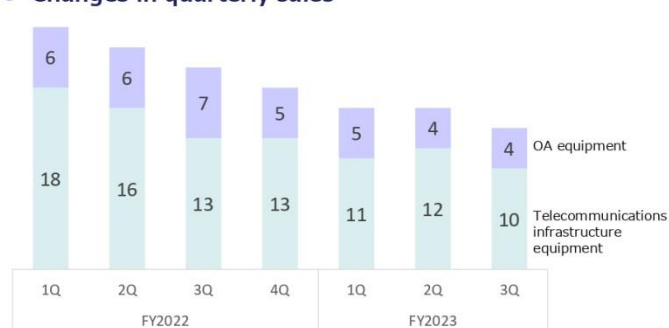
(Yen in hundred millions)

	FY2022			FY2023			YoY
	1H	3Q	1Q-3Q	1H	3Q	1Q-3Q	FY2022.1Q-3Q / FY2023.1Q-3Q
Telecommunications infrastructure equipment	34	13	47	23	10	33	-30%
OA equipment	12	7	19	9	4	13	-32%

● FY2023.1Q-3Q Composition ratio



● Changes in quarterly sales

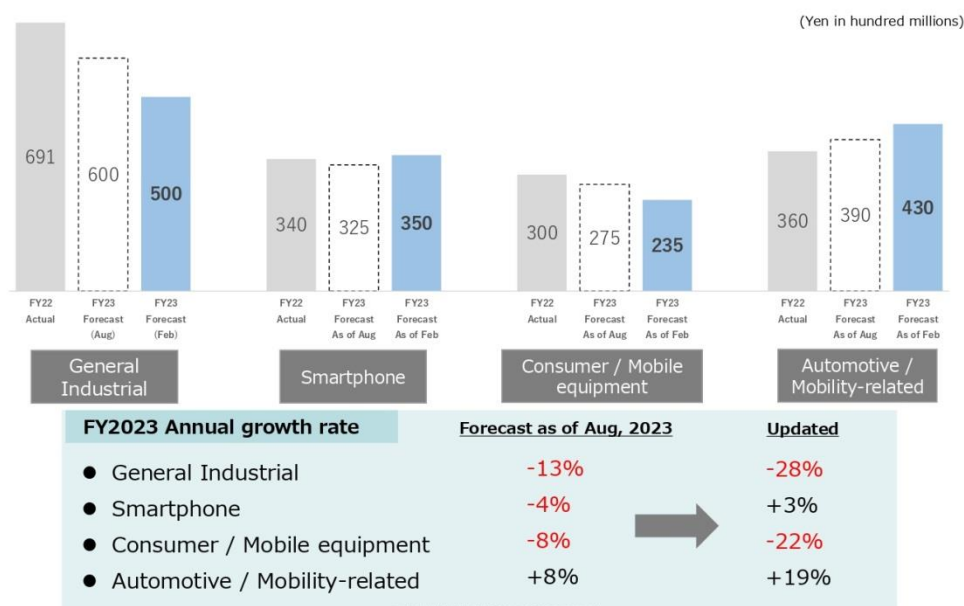


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Page 16 shows sales of the telecommunications infrastructure equipment/OA equipment.

We have nothing special to comment here.

Annual sales forecast by industry segment [Updated]



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I, Yamada, will continue, replacing Mr. Kamagata, Group President, Administration Group.

See page 17. This is an updated annual sales forecast by industry segment.

The dotted white line shows the forecast as of August 2023, and the blue line shows the updated full-year forecast based on the progress up to Q3.

First, the general industrial. We reported earlier that orders continue to be sluggish. In addition to a larger-than-expected inventory held by our customers, end equipment is weak due to stagnant capital investment in China, which contributes to a slow digestion of the inventory.

We expect it will start recovering from the latter of Q3 and forecasted for JPY60 billion as of August 2023. However, as you saw earlier, there was no increase in the results from Q2 to Q3, and it is difficult to expect a sharp recovery in Q4. Therefore, we have updated our forecast to JPY50 billion, -28% from the previous forecast of -13% for FY2023. There is no difference in the situation between direct sales and distributors. Market inventory is decreasing overall, albeit gradually.

Next, I would like to talk about the smartphone. Since the Chinese market has been recovering since Q2, and the Korean market is performing better than we had expected, we have revised our forecast announced in August of JPY32.5 billion (-4%) to JPY35 billion (+3%).

Now, the consumer/mobile equipment. In the August update revision, we noted that sales had a slower start than anticipated. Despite a positive trend until Q2 due to seasonal factors, it did not persist and declined again in Q3. The wearable product group, in which we hold a high market share, did not experience growth in the end market, preventing the uptake of parts and materials. Since it is difficult to recover in Q4 due to a seasonal factor, we have revised our forecast of JPY27.5 billion to JPY23.5 billion.

In the automotive, we made a positive revision, reflecting the continued strong performance since the beginning of the period and our hope for Q4. The demand for EVs in China and other applications has been rising. Along with the return of production, the demand for antennas and infotainment applications is also growing.



Business Forecast for the Year Ending March 31, 2024 (Consolidated)

Sales forecast for General Industrial and Consumer / Mobile equipment segments are expected to be lower from the one shown in Aug. 2023, and we revised the forecast as below. The forecast for dividend per share remains unchanged.

	FY2022 (FY ended March 31, 2023) Actual		FY2023 (March 31, 2024)			1Q-3Q Over the Previous Actual Amount		For the Year Over the Previous Actual Amount																	
	1Q-3Q	For the Year	1Q-3Q Actual	2023.8 Forecast	Revised Forecast	Amount Change	%	Amount Change	%																
Sales	1,421.6	1,832.2	1,251.6	1,720.0	1,620.0	-170.0	-12.0%	-212.2	-11.6%																
COGS ratio	50.8%	51.9%	55.6%	55.2%	52.2%																				
Operating Profit	396.7	467.5	272.3	385.0	330.0	-124.4	-31.4%	-137.5	-29.4%																
(%)	27.9%	25.5%	21.8%	22.4%	20.4%																				
Profit before tax	409.8	485.9	306.3	410.0	360.0	-103.5	-25.3%	-125.9	-25.9%																
(%)	28.8%	26.5%	24.5%	23.8%	22.2%																				
Net Profit	292.3	346.5	207.1	290.0	260.0	-85.2	-29.1%	-86.5	-25.0%																
(%)	20.6%	18.9%	16.5%	16.9%	16.0%																				
Earnings Per Share	—	1,002.04円	—	842.25円	757.73円	<table><tr><td>Exchange rate</td><td>FY2022 Actual</td><td>FY2023 3Q Actual</td><td>FY2023 forecast</td></tr><tr><td>1US\$</td><td>135.47円</td><td>143.29円</td><td>142.00円</td></tr><tr><td>1 €</td><td>140.97円</td><td>155.29円</td><td>155.00円</td></tr><tr><td>100 won</td><td>10.37円</td><td>10.90円</td><td>10.70円</td></tr></table>				Exchange rate	FY2022 Actual	FY2023 3Q Actual	FY2023 forecast	1US\$	135.47円	143.29円	142.00円	1 €	140.97円	155.29円	155.00円	100 won	10.37円	10.90円	10.70円
Exchange rate	FY2022 Actual	FY2023 3Q Actual	FY2023 forecast																						
1US\$	135.47円	143.29円	142.00円																						
1 €	140.97円	155.29円	155.00円																						
100 won	10.37円	10.90円	10.70円																						
Dividend Per Share	220円	500円	220円	440円	440円																				
Consolidated Dividend Payout Ratio	—	49.9%	—	52.2%	58.1%																				

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Next page, please. Business forecast for FY2023. The revised figures are in the red circled area.

We forecasted sales of JPY172 billion in August, but we have revised them to JPY162 billion, a decrease of JPY10 billion. The delay in recovery for the general industrial is a major factor.

In addition, operating income has been revised from JPY38.5 billion to JPY33 billion. The operating margin was projected to be at 22.4%, but it is now at 20.4%.

Earnings per share is JPY757.73 for the full-year, but the dividend per share remains the same at JPY440 shown in Q2, for a payout ratio of 58.1%.

The exchange rate assumptions for the full-year are JPY142 to USD1, JPY155 to EUR1, and JPY0.1070 to KRW1.

We apologize for the need for repeated revisions, starting with the initial forecast announced in May and further adjustments made in August. We are issuing this revised announcement to provide you the latest one based on our current situation, without any embellishment.

New developed product for General Industrial market

Released lever-lock interface connectors "MT" series, improving wiring processes of servo motors. (December 19, 2023)

https://www.hirose.com/corporate/ja/additional/pressreleases/MT_202312.html

Labor shortage

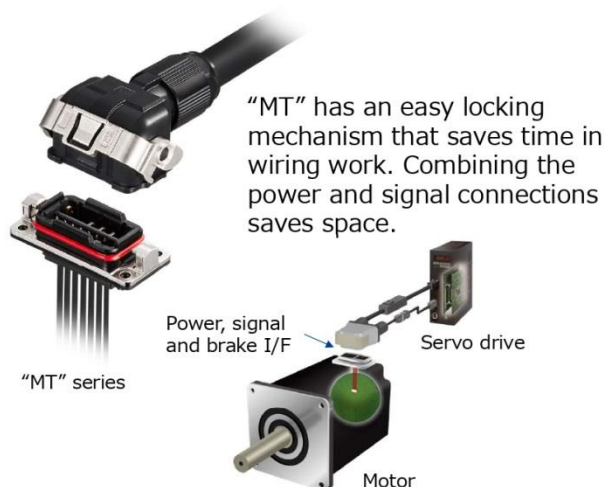
Shifting to smart factory pushes up the demand for automation robot, especially cooperate robot.

Downsizing demand

Motors for robot driver requires multiple connections for power, signal and brake, which occupies the space at the interface area.

Conventional screw tightening type takes time for wiring and holds the risk of screw loosening to the water-proof failure .

Efficient wiring work and high reliability



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From page 19 onward, it shows our initiatives for future growth.

The product life cycle for the industrial machinery market is long and diverse, making the contribution of our existing lineup significant. Our strengths lie in new products with high-added value, and we are set to introduce a new original product for factory automation in December.

We have confidence in both our marketing and technological development capabilities. Our connectors have been developed in response to the needs of our customers, aligning with megatrends such as labor shortages and the challenges they encounter. We plan to make this product for long-term use in the future. Further details can be found in a press release on our website.

Continues to Exhibit at CES 2024

➤ Held an exhibition at CES ® 2024 (January 9 to 12, 2024) at Las Vegas, US ➤



CES: The most powerful tech event in the world

- Approximately **2.5 million square feet** of exhibition space (up 15% from CES 2023)
- More than **4,300 exhibitors** (including 1,400+ startups)
- More than **135,000 participants**
- A record **40+ percent** from **150 countries**, regions and territories
- More than **5,000 global media** participants

CES 2024 Results at Hirose booth:

Number of scans: 1,728

Number of inquiries: 349

Sales team have already begun follow-up on the Leads



*The CES Innovation Awards are based upon descriptive materials submitted to the judges. CTA did not verify the accuracy of any submission or of any claims made and did not test the item to which the award was given.

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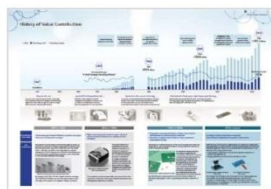
Page 20. A report on our participation in CES, the annual event held in North America every January.

We participated once again as part of our PR efforts for the automotive and consumer markets, also aiming to gather insights into the latest market trends. We received a lot of interests and they are currently being addressed through follow-ups with our sales team.

Information : New Product Catalogue and Integrated report 2023 released

» We have released new Product Catalogue (January 5, 2024)
 Our 32 target applications and connection proposal are listed at the beginning. »

<https://hirose.icata.net/iportal/oc.do?v=HRE00001&c=HRSCS2024JP&d=HRED001>



» English version of Integrated Report 2023 became available on our website (January 30, 2024) »

https://www.hirose.com/corporate/en/ir/integrated_report/

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Page 21. As we usually announce at this time of the year, we have revised our product catalog in January.

The first 16 pages of this catalog introduce our target applications and products. While we typically discuss by each application, we thought it would be beneficial for those attending this meeting to have a better understanding of the specific application.

We released the integrated report 2023 in October of last year, and we are pleased to announce that its English version was made available in late January.

Introduced stock incentive plan for employees

Outline

Hirose Electric board of directors has resolved to introduce a stock incentive plan utilizing trust for domestic employees.

Purpose

Delivering stocks enhance the employees' awareness of company performance and stock price, as well as strengthen the linkage between the engagement of the employees and the corporate value.

Overview of the Plan

The trust founded based on the cash paid by the company holds the stock. Stocks are delivered to the employees through the trust based on the points granted settled in the provisions. All the capital to acquire the stocks is contributed by the company.

https://prd-4s-public.s3.ap-northeast-1.amazonaws.com/sys-master/public/h7d/he5/9333393752094/20231128press_incentive.pdf

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Page 22, the last slide. I would like to mention the stock incentive plan for employees utilizing trust, which was announced on November 28.

Delivering stocks enhances the employees' awareness of company performance and stock price, as well as strengthens the linkage between the engagement of the employees and the corporate value. As shareholders ourselves, we aim to align our daily operations with the perspectives of our investors.

This concludes the explanation based on the provided documents.

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.