



English translation

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

January 31, 2022

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  
 Information on contact: Keiji Hara, General Manager of Accounting Department, Administration Group  
 Department Tel: +81-45-620-7410

Scheduled date of filing of Japanese quarterly securities report: February 14, 2022  
 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 Third Quarter of the Year Ending March 31, 2022 (From April 1, 2021 to December 31, 2021)

(1) Consolidated Operating Results (Cumulative) (Percentage represents year-on-year changes)

	Revenue		Operating profit		Profit before tax		Quarterly profit		Quarterly profit attributable to owners of parent		Total amount of quarterly comprehensive income	
		%		%		%		%		%		%
FY2021 3Q	122,004	23.9	31,018	46.0	32,168	54.5	23,787	58.8	23,787	58.8	25,930	37.6
FY2020 3Q	98,479	7.6	21,242	31.1	20,814	23.0	14,982	25.1	14,982	25.1	18,842	66.7

	Basic quarterly earnings per share	Diluted quarterly earnings per share
	Yen	Yen
FY2021.3Q	669.01	668.82
FY2020.3Q	413.09	413.07

(Yen in millions)

(2) Consolidated financial position

	Total assets	Total equity	Equity attributable to owners of parent	Ratio of equity attributable to owners of parent
				%
FY2021.3Q	373,574	327,578	327,578	87.7
FY2020	370,504	326,092	326,092	88.0

## 2. Dividends

	Annual dividends				
	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	—	160.00	—		
FY2021 (Forecast)				160.00	320.00

(Note) Revision of previously announced dividend forecast: 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)

	Revenue		Operating profit		Profit before tax		Profit attributable to owners of parent		Basic earnings per share
		%		%		%		%	Yen
Fiscal year end	161,000	20.6	38,000	36.3	39,000	37.7	28,000	40.6	788.60

(Note) Revision of previously announced business forecast: 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 shares)

As of December 31, 2021: 38,175,942 As of March 31, 2021: 38,175,942

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

As of December 31, 2021: 2,821,941 As of March 31, 2021: 1,891,247

##### 3. Weighted-average number of shares outstanding during the period (quarterly cumulative):

For the nine months ended December 31, 2021: 35,555,478

For the nine months ended December 31, 2020: 36,267,399

\*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 Thursday, February 3, 2022 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 Third 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 third quarter of the fiscal year ending March 31, 2022, we could see the signs of recovery in production and consumption activities after the state of emergency was lifted at the end of September, 2021. However, the infection has spread again from the beginning of 2022 and uncertainty of Japanese economy has been appearing.

In overseas market, American and European countries are moving toward the living with COVID-19 and the economic activity has been restarted. As a result, we can see the signs of recovery in business conditions. In China, although recovery speed has decreased in summertime, Chinese economy has been improved from autumn and continues to be strong.

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.

Hirose's newly released compact FPC-to-board connector, the BM50 Series, has been recognized as a CES® Innovation Awards Honoree in the Mobile Devices & Accessories category. Selection for the CES® 2022 Innovation Awards program was held prior to the Consumer Electronics Show (CES) 2022, the world's largest trade show. Hirose's new products have been evaluated in the market.

As a result, the sales for mainly consumer electronics and industrial business has been strong, and the revenue in the cumulative third quarter increased by 23.9% to JPY 122,004 million compared to the same period of the previous fiscal year. Operating profit increased by 46.0% to JPY 31,018 million, and quarterly profit attributable to owners of parent increased by 58.8% to JPY 23,787 million as compared with the cumulative third quarter of fiscal 2020.

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. 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 cumulative third quarter of the fiscal year ending March 31, 2022 increased by 24.6% to JPY 109,823 million, operating profit increased by 42.7% to JPY 28,587 million compared with the cumulative third 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 of Wi-Fi and Bluetooth for smartphone and PC, GPS antenna connection for automobile 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 cumulative third quarter of the fiscal 2021 increased by 19.4% to JPY 8,512 million. Operating profit increased by 97.3% to JPY 2,205 million.

#### [Other products]

This segment includes micro switches and instruments for connectors. Segment sales for the cumulative third quarter of the fiscal 2021 increased by 13.7% to JPY 3,669 million, operating profit increased by 144.7% to JPY 227 million.

### (2) Overview of Financial Condition

Total assets of FY2021.3Q increased by JPY 3,070 million to JPY 373,574 million compared to the end of the previous consolidated fiscal year mainly because cash and cash equivalent increased. Total liabilities increased by JPY 1,585 million to JPY 45,996 million due to the increase in trade and other payables. Although Hirose repurchase treasury shares, quarterly profit was recorded and retained earnings increased. As a result, total equity increased by JPY 1,486 million to JPY 327,578 million. The ratio of total equity attributable to owners of parent resulted 87.7%, decreased by 0.3% compared with the previous consolidated fiscal year end.

### (3) Future Outlook

The business for general industrial, smartphone and consumer electronics is expected to exceed the previous estimates, and we revised our business forecast announced in November, 2021 as follows.

(Revision of business forecast of FY2021)

	Revenue	Operating profit	Profit before tax	Profit attributable to owners of parent	Basic earnings per share
Forecast previously announced (A)	156,000	35,000	36,000	26,000	732.32 yen
<b>Revised forecast (B)</b>	<b>161,000</b>	<b>38,000</b>	<b>39,000</b>	<b>28,000</b>	<b>788.60 yen</b>
Change (B-A)	5,000	3,000	3,000	2,000	—
Rate of change (%)	3.2	8.6	8.3	7.7	—
(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\$ = JPY 111.58, 1€ = JPY 129.97, 1 South Korean won = JPY 0.0960

There is no revision in 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 December 31, 2021
Assets		
Current assets		
Cash and cash equivalents	57,837	73,803
Trade and other receivables	36,620	43,639
Inventories	16,915	19,267
Other financial assets	131,274	119,073
Other current assets	5,401	5,325
Total current assets	248,047	261,107
Non-current assets		
Property, plant and equipment	61,182	59,637
Right-of-use assets	4,357	4,633
Intangible assets	3,295	3,629
Other financial assets	48,918	39,967
Deferred tax assets	2,515	2,523
Retirement benefit asset	1,780	1,732
Other non-current assets	410	346
Total non-current assets	122,457	112,467
Total assets	370,504	373,574

(Yen in millions)

	As of March 31, 2021	As of December 31, 2021
Liabilities		
Current liabilities		
Trade and other payables	19,511	22,079
Lease liabilities	821	826
Other financial liabilities	102	91
Income taxes payable	6,532	4,654
Other current liabilities	5,046	5,272
Total current liabilities	32,012	32,922
Non-current liabilities		
Lease liabilities	3,581	3,873
Other financial liabilities	134	132
Retirement benefit liability	320	332
Deferred tax liabilities	7,616	7,983
Other non-current liabilities	749	754
Total non-current liabilities	12,400	13,074
Total liabilities	44,412	45,996
Equity		
Share capital	9,404	9,404
Capital surplus	11,230	11,243
Retained earnings	317,265	331,013
Treasury shares	(21,874)	(36,327)
Other components of equity	10,067	12,245
Total equity attributable to owners of parent	326,092	327,578
Total equity	326,092	327,578
Total liabilities and equity	370,504	373,574



(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 cumulative third quarter of the year ended March 31, 2021 (From Apr 1, 2020 to Dec 31, 2020)	For the cumulative third quarter of the year ending March 31, 2022 (From Apr 1, 2021 to Dec 31, 2021)
Revenue	98,479	122,004
Cost of sales	56,602	66,035
Gross profit	41,877	55,969
Selling, general and administrative expenses	22,112	24,947
Other income	1,835	240
Other expenses	358	244
Operating profit	21,242	31,018
Financial income	839	1,172
Finance costs	1,267	22
Quarterly profit before tax	20,814	32,168
Income tax expense	5,832	8,381
Quarterly profit	14,982	23,787
Quarterly profit attributable to:		
Owners of parent	14,982	23,787
Quarterly Earnings per share:		
Basic (yen)	413.09	669.01
Diluted (yen)	413.07	668.82

## (Condensed Quarterly Consolidated Statement of Comprehensive Income)

(Yen in millions)

	For the cumulative third quarter of the year ended March 31, 2021 (From Apr 1, 2020 to Dec 31, 2020)	For the cumulative third quarter of the year ending March 31, 2022 (From Apr 1, 2021 to Dec 31, 2021)
Quarterly profit	14,982	23,787
Other comprehensive income		
Items that will not be reclassified to profit or loss		
Remeasurements of defined benefit plans	—	(35)
Equity instruments measured at fair value through other comprehensive income	469	(50)
Total items that will not be reclassified to profit or loss	469	(85)
Items that may be reclassified to profit or loss		
Exchange differences on translation of foreign operations	3,358	2,219
Debt instruments measured at fair value through other comprehensive income	33	9
Total items that may be reclassified to profit or loss	3,391	2,228
Total other comprehensive income after tax	3,860	2,143
Total quarterly comprehensive income	18,842	25,930
Total amount of quarterly comprehensive income attributable to:		
Owners of parent	18,842	25,930

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

(Yen in millions)

	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, 2020	9,404	11,293	308,343	(24,456)	1,557	306,141	306,141
Quarterly profit			14,982			14,982	14,982
Other comprehensive income					3,860	3,860	3,860
Total of quarterly comprehensive income	—	—	14,982	—	3,860	18,842	18,842
Dividend of surplus			(8,704)			(8,704)	(8,704)
Purchase of treasury shares		(0)		(5)		(5)	(5)
Disposal of treasury shares		10		84		94	94
Cancellation of treasury shares		(2,381)		2,381		—	—
Transfer to retained earnings		2,340	(2,344)		4	—	—
Total transactions with owners	—	(31)	(11,048)	2,460	4	(8,615)	(8,615)
Balance as of December 31, 2020	9,404	11,262	312,277	(21,996)	5,421	316,368	316,368

	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, 2021	9,404	11,230	317,265	(21,874)	10,067	326,092	326,092
Quarterly profit			23,787			23,787	23,787
Other comprehensive income					2,143	2,143	2,143
Total of quarterly comprehensive income	—	—	23,787	—	2,143	25,930	25,930
Dividend of surplus			(10,010)			(10,010)	(10,010)
Purchase of treasury shares		(2)		(14,576)		(14,578)	(14,578)
Disposal of treasury shares		1		123		124	124
Share-based payment transactions		20				20	20
Transfer to retained earnings		(6)	(29)		35	—	—
Total transactions with owners	—	13	(10,039)	(14,453)	35	(24,444)	(24,444)
Balance as of December 31, 2021	9,404	11,243	331,013	(36,327)	12,245	327,578	327,578

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

(Segment information)

##### 1. Business segment

###### (1) Overview of reportable segments

In the reportable segments 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 reportable segments are “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 reportable segments

For the cumulative third quarter of the fiscal year ended March 31, 2021 (from April 1, 2020 to December 31, 2020)

(Yen in millions)

	Reportable segments			Others*	Amount of condensed quarterly consolidated financial statements
	Multi-pin connectors	Coaxial connectors	Total		
Revenue					
Revenue from external customers	88,121	7,131	95,252	3,227	98,479
Total revenue	88,121	7,131	95,252	3,227	98,479
Operating profit	20,032	1,117	21,149	93	21,242
Financial income	—	—	—	—	839
Financial costs	—	—	—	—	1,267
Quarterly profit before tax	—	—	—	—	20,814

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

##### 2. Geographic information

	Japan	China	Korea	Others	Total
Revenue	23,102	37,666	13,980	23,731	98,479
Percentage of consolidated revenue (%)	23.5	38.2	14.2	24.1	100.0

For the cumulative third quarter of the fiscal year ending March 31, 2022 (from April 1, 2021 to December 31, 2021)

(Yen in millions)

	Reportable segments			Others *	Amount of condensed quarterly consolidated financial statements
	Multi-pin connectors	Coaxial connectors	Total		
Revenue					
Revenue from external customers	109,823	8,512	118,335	3,669	122,004
Total revenue	109,823	8,512	118,335	3,669	122,004
Operating profit	28,587	2,205	30,791	227	31,018
Financial income	—	—	—	—	1,172
Financial costs	—	—	—	—	22
Quarterly profit before tax	—	—	—	—	32,168

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

## 2. Geographic information

	Japan	China	Korea	Others	Total
Revenue	30,538	44,138	15,979	31,349	122,004
Percentage of consolidated revenue (%)	25.0	36.2	13.1	25.7	100.0