



HIROSE ELECTRIC CO., LTD

Q2 Financial Results Briefing for the Fiscal Year Ending March 2026

November 6, 2025

Event Summary

[Company Name]	HIROSE ELECTRIC CO., LTD	
[Company ID]	6806-QCODE	
[Event Language]	JPN	
[Event Type]	Earnings Announcement	
[Event Name]	Q2 Financial Results Briefing for the Fiscal Year Ending March 2026	
[Fiscal Period]	FY2025 Q2	
[Date]	November 6, 2025	
[Time]	10:30 – 11:34 (Total: 64 minutes, Presentation: 20 minutes, Q&A: 44 minutes)	
[Venue]	Webcast	
[Number of Speakers]	4	
	Shin Kamagata	President and Representative Director
	Kosei Matsunaga	Director, Group President, Administration Group
	Rie Yamada	Manager, Corporate Communication & Investor Relations Office
	Hideaki Shimizu	Corporate Communication & Investor Relations Office

Presentation

Yamada: Hello, everyone. It's time to begin the HIROSE ELECTRIC financial results briefing. Thank you for joining us today. Let me introduce today's speakers. Mr. Kamagata, President. Mr. Matsunaga, Director and Group President. Mr. Shimizu, Corporate Communication and Investor Relations Office.

My name is Yamada, and I will be your facilitator today. Today's event is held online. Thank you for your cooperation.

First, let me provide you with an overview of the event. This is the presentation material we will be using today for the financial briefing. Please be sure to download the PDF file from the link on your screen and keep it handy for your reference. Similarly, there is a link to the financial results that were recently disclosed on the TSE on November 4. For those who would like to access the Notice of Revision of Full-year Earnings Forecasts and other supplemental materials, please visit our investor relations website.

I will begin by presenting the financial results for H1 of the fiscal year ending March 31, 2026, based on the materials. Our President, Mr. Kamagata, will inform you about the revision of the earnings forecast for the latter half of the year. We will take your questions in the remaining time. Mr. Kamagata and Mr. Matsunaga will address questions as they arise. The closing time is set to 11:30 AM.



Summary of the business results (FY2025.1H From April 2025 to September, 2025)

Although overall sales were strong, an increase in labor costs, material costs including metal materials, were factors in the decline in profits. For the general industrial market, progress exceeded the initial forecast while maintaining a recovery trend. Automobiles and mobility-related segment also continued to be strong. For the smartphone market, the increase in volume was as expected, both sales and operating profit were affected by sales price adjustment etc. Cumulative sales were +7.9% YoY, operating profit was -7.9%, and operating profit margin was 20.1%. Orders received in the second quarter totaled 106.15 billion yen, +8.8% YoY.

(Yen in hundred millions)

	FY2024			FY2025			YoY
	1Q (24.4-6)	2Q (24.7-9)	1H (24.4-9)	1Q (25.4-6)	2Q (25.7-9)	1H (25.4-9)	
Orders	484.8	491.1	975.9	520.1	541.4	1,061.5	+8.8%
Sales	448.7	496.5	945.2	489.7	530.5	1,020.2	+7.9%
Operating profit	102.6	119.6	222.2	98.3	106.3	204.6	-7.9%
Operating profit ratio	22.9%	24.1%	23.5%	20.1%	20.0%	20.1%	-3.4pt

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I will now move on to the prepared presentation. Please look at page three first. Performance summary.

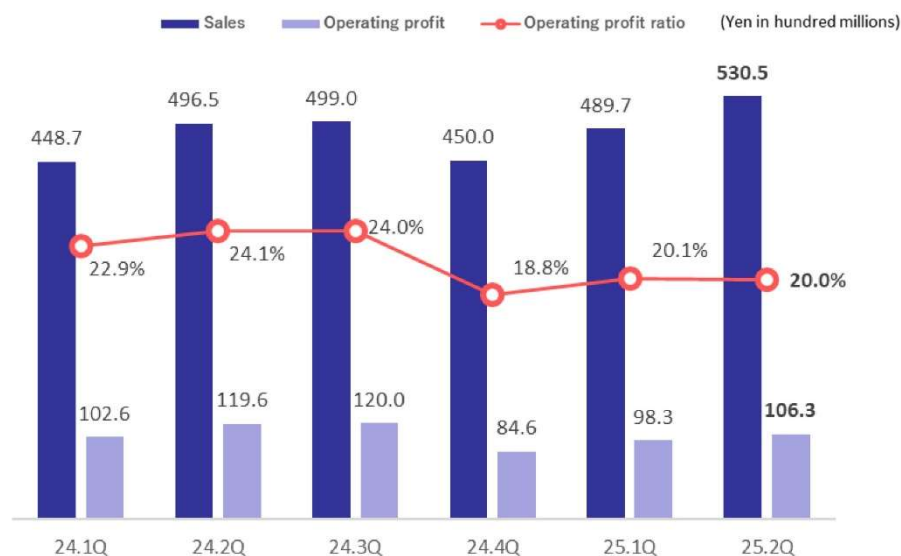
Results for Q2. Overall sales were strong, totaling JPY102.02 billion, up 7.9% YoY. Increases in metal and other material costs, labor costs, and other factors pushed down profits, resulting in a cumulative operating profit of JPY20.46 billion, down 7.9% YoY.

Operating margin was 20.1%. By segment, sales to the general industrial equipment market maintained a recovery trend and exceeded the initial plan. Business for Automobiles and mobility-related also remained strong. On the other hand, for the smartphone market, while volume growth was in line with expectations,

both sales and operating profit were affected due to price response and other factors. Orders received totaled JPY106.15 billion, up 8.8% YoY.



Changes in sales and operating profit (FY2024.1Q-FY2025.2Q / Consolidated basis)



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Next, page four shows quarterly sales and profit trends.

In Q2, sales were JPY53.05 billion, operating profit was JPY10.63 billion, and operating margin was exactly 20%.



Business Results for FY2025.1H

					(Yen in hundred millions)	
	FY2024.1H (Sep 30, 2024)	FY2025.1H (Sep 30, 2025)	Increase / Decrease (YoY)	Increase / Decrease ratio (YoY)		
Sales	945.2	1,020.2	+75.0	+7.9%		
COGS Ratio	54.7%	57.9%	+3.2			
SGA Ratio	21.7%	21.8%	+0.1			
Operating profit	222.2	204.6	-17.6	-7.9%		
(%)	23.5%	20.1%	-3.4			
Profit before tax	238.5	221.0	-17.5	-7.3%		
(%)	25.2%	21.7%	-3.5			
Net profit	175.3	155.2	-20.1	-11.5%		
(%)	18.5%	15.2%	-3.3			
Shareholder's Equity ratio	89.2%	88.4%				
Earnings Per Share	518.17 yen	459.37 yen				
	</					

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Page five is a summary of the financial results. As reported earlier, sales for H1 were JPY102.02 billion, up 7.9% from the same period last year. The operating profit was JPY20.46 billion, down 7.9%. The operating margin was 20.1%. The profit before profit taxes was JPY22.1 billion. The net profit was JPY15.52 billion. The equity ratio was 88.4%, and net profit per share was JPY459.37.

As shown in the lower right-hand corner, the actual exchange rates were JPY146.04 for USD1, JPY168.06 for EUR1, and JPY10.5 for KRW100.



FY2025.1H Major Changes year-on-year

Sales 75.0 hundred millions yen Increased (945.2 → 1,020.2)	General Industrial	: + 59
	Smartphone	: - 6
	Consumer/Mobile equipment	: - 4
	Automotive/Mobility-related	: + 19
COGS Ratio 3.2 pt Deteriorated (54.7% → 57.9%)	Variable Expense Ratio	: 38.1% → 41.2%
	Depreciation Ratio	: 7.7% → 7.8%
	Labor Cost Ratio	: 7.5% → 7.8%
SGA Ratio 0.1 pt Deteriorated (21.7% → 21.8%)	205.6 → 222.0 hundred millions yen (+16.4)	
Financial income / costs 0.1 hundred millions yen Increased (+16.3 → +16.4)	Exchange Gain or Loss	: - 5.9 → - 1.8
	Interest received and others.	: + 16.4 → + 15.9

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Page six summarizes the major changes from the previous year. Of the JPY7.5 billion increase in sales, JPY5.9 billion came from general industrial machinery, negative JPY0.6 billion from smartphones and mobile terminals, negative JPY0.4 billion from consumer mobile devices, and an additional JPY1.9 billion from automotive mobility.

The cost of sales ratio deteriorated by 3.2 points to 57.9% from 54.7% last year. Mainly, the variable cost ratio increased from 38.1% to 41.2%, which was affected by material and purchase costs increase. Other changes included a depreciation ratio of 7.7% to 7.8% and a labor cost ratio of 7.5% to 7.8%.

SG&A expenses increased by JPY1.64 billion, mainly due to an increase in distribution costs. The rate worsened by 0.1 points to 21.8%. The financial account balance was negative JPY180 million, compared to negative JPY590 million due to foreign exchange gains/losses, and interest profit decreased slightly, resulting in a total increase of JPY10 million.

FY2025.1H YoY Variation Analysis

(Yen in hundred millions)

	Sales	Operating Profit	(%)	Profit before tax	(%)
FY2024.1H Actual	945.2	222.2	23.5%	238.5	25.2%
Exchange rate	-31.9	-20.1		-17.0	
Labor cost increase		-22.0		-22.0	
Depreciation cost increase		-6.1		-6.1	
Increase in the product	106.9	30.6		27.6	
Variable amount total	75.0	-17.6		-17.5	
FY2025.1H Actual	1,020.2	204.6	20.1%	221.0	21.7%

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This is followed by an analysis of Q2 year-to-date changes versus the same period last year on page seven. Foreign exchange effects were negative JPY3.19 billion in sales and negative JPY2.01 billion in operating profit. The increase in personnel expenses was JPY2.2 billion, depreciation and amortization expenses increased by JPY610 million, and the increase in the volume of goods increased by JPY3.06 billion, resulting in a negative JPY1.76 billion decrease in operating profit.

Consolidated Balance Sheet (1)

(Yen in hundred millions)

	Account	Mar 31, 2025	Sep 30, 2025	Increase / Decrease	Remarks
Assets	Cash and Cash equivalents	856.7	840.2	-16.5	Profit before tax +221, Share Buyback -66, Capital investment (including buildings, etc.) -115, Dividend Payment -83, Payment of corporate tax, etc. -85
	Trade and other receivables	403.9	481.1	+77.2	Increased sales
	Inventories	250.9	258.9	+8.0	
	Other financial assets	1,513.7	1,528.2	+14.5	Securities +58, Time deposit decreased -44
	Property, plant and equipment	863.8	895.1	+31.3	Increase in production facilities
	Right-of-use asset	49.4	50.8	+1.4	
	Others	230.2	215.1	-15.1	Refund of Consumption Tax Outstanding
	Total Assets	4,168.7	4,269.5	+100.8	
	Total of cash in bank	1,604.5	1,544.0	-60.5	

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Continued on page eight is the B/S assets section. Cash has decreased due to share buybacks and capital expenditures. Inventories were plus JPY0.8 billion. The impact of foreign exchange rate fluctuations is included, and the Company's view is that the real increase is slight.

Tangible fixed assets increased by JPY3.13 billion due to an increase in production facilities and other assets.



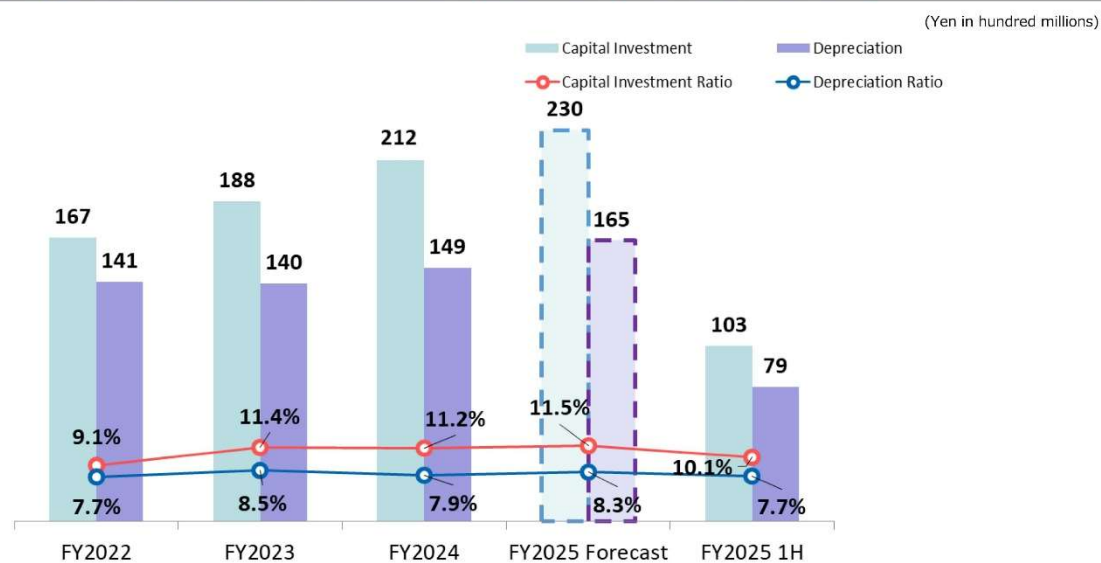
Consolidated Balance Sheet (2)

					(Yen in hundred millions)
	Account	Mar 31, 2025	Sep 30, 2025	Increase / Decrease	Remarks
Liabilities	Payables and other debt	129.0	140.2	+11.2	Increase in accounts payable due to increased purchases +16
	Lease liabilities	52.0	53.3	+1.3	
	Income taxes payable	81.4	55.1	-26.3	Domestic corporate tax payment
	Others	204.8	247.1	+42.3	Bonus provision increase, Increase in deferred tax liabilities
	Total	467.2	495.8	+28.6	
Shareholder's Equity	Capital stock and Capital surplus	206.3	207.3	+1.0	
	Retained Earnings	3,489.7	3,562.1	+72.4	Net income +158 Dividend Payment -83
	Treasury Shares	- 274.6	- 340.3	-65.7	
	Others	280.1	344.7	+64.6	Adjust for substitution conversion (By KRW appreciated, etc.) +59
	Total	3,701.5	3,773.7	+72.2	
Total Liabilities and Shareholder's Equity		4,168.7	4,269.5	+100.8	

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Next, page nine provides information on liabilities and net assets. As for the liabilities, there was a total increase due to an increase in the provision for other bonuses and an increase in deferred tax liabilities. Treasury stock in the net assets section is the result of the share buyback program that has been underway since August of this fiscal year through the end of September.

Changes in Capital Investment and Depreciation (Consolidated basis)



(*Excluded: Investment in land, building and software)

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Continuing on. Page 10 is the capital expenditure and depreciation. Capital expenditures in H1 totaled JPY10.3 billion, and depreciation was JPY7.9 billion. There is no change to the FY2024 forecast of JPY23 billion in capital expenditure and JPY16.5 billion in depreciation and amortization.

No information is provided in the document. R&D expenses for the Q2 cumulative period were JPY6.6 billion, actual. The forecast of R&D expenses for FY2025 remains unchanged at JPY14 billion.

Numbers of Employee (Financial Report Basis)

(Number of Employee)

■ Domestic ■ Overseas

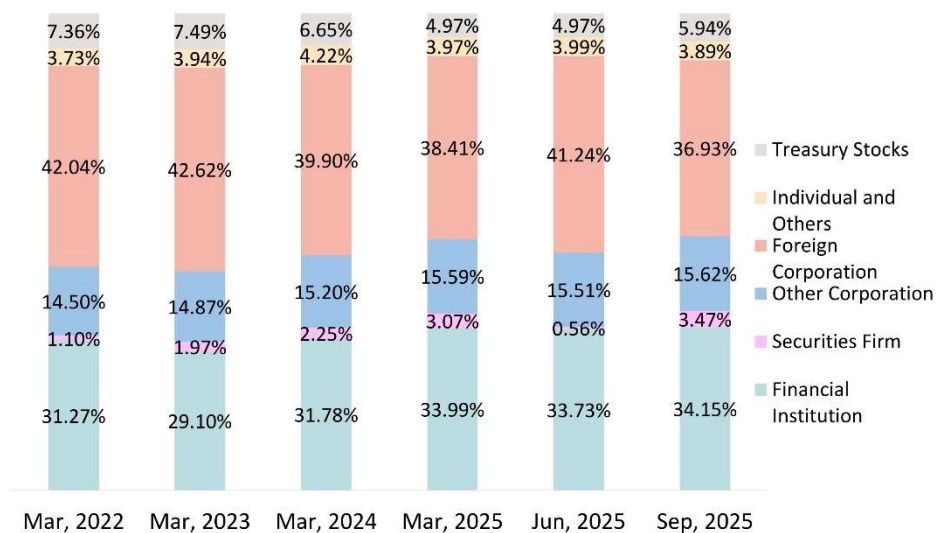


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Continuing on, page 11, employee headcount. The number of employees has increased significantly since the end of FY2025, adding 214 people in Japan. This includes 140 employees of SER, a company we acquired as a subsidiary at the end of July 2025.

Distribution of Shareholders



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Continuing on, page 12, stock distribution trends. Treasury stock rose from 4.97% to 5.94%, which is due to share repurchases. In addition, the percentage of foreign corporations decreased to 37%.

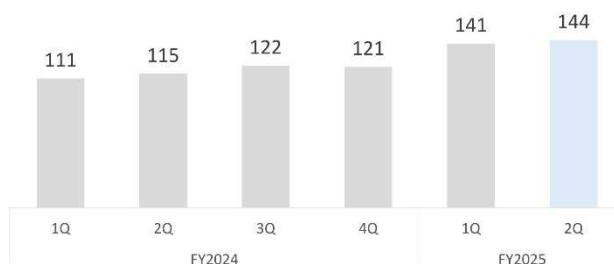
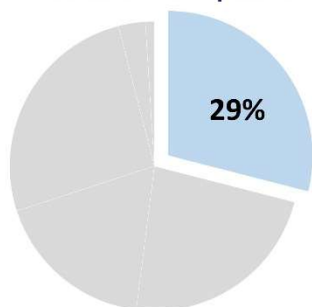
Sales by Application _ General Industrial

(Yen in hundred millions)

	FY2024			FY2025			YoY
	1Q	2Q	1H	1Q	2Q	1H	FY2025.1H / FY2024.1H
Sales	111	115	226	141	144	285	+26%

● FY2025 1H Composition ratio

● Changes in quarterly sales



- The recovery remains moderate, but the upward trend has been maintained, with performance exceeding initial forecasts.

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Continuing on page 13, here are the results by sector.

Initially, sales will be for general industrial machinery. Sales for H1 were JPY28.5 billion, a YoY increase of 26% and a slight increase of 2% in Q2 compared to Q1. Although the recovery trend is still not as strong as expected, it has maintained a recovery trend and exceeded our initial forecast of JPY50 billion for the full year.

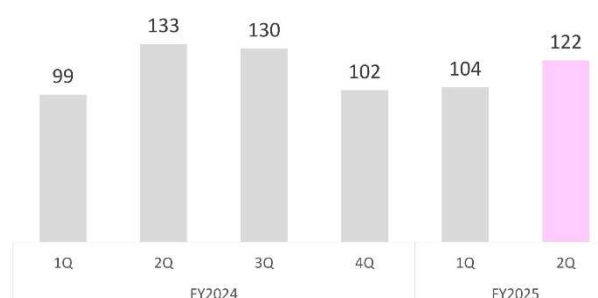
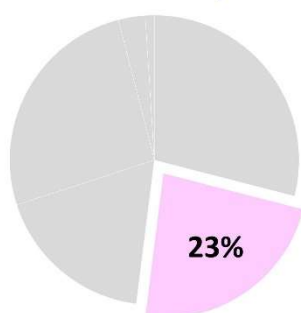
Sales by Application _ Smartphone

(Yen in hundred millions)

	FY2024			FY2025			YoY
	1Q	2Q	1H	1Q	2Q	1H	FY2025.1H / FY2024.1H
Sales	99	133	232	104	122	226	-3%

● FY2025 1H Composition ratio

● Changes in quarterly sales



- Although the volume increased as expected, price adjustments made for specific customers had an impact on sales results.

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Next, page 14 provides information on smartphone mobile devices. Sales in Q2 were JPY12.2 billion, up JPY1.8 billion from JPY10.4 billion in Q1, due to seasonality, but not as much growth as expected. Although the volume of goods increased as expected, sales were affected by the price response of a certain customer.

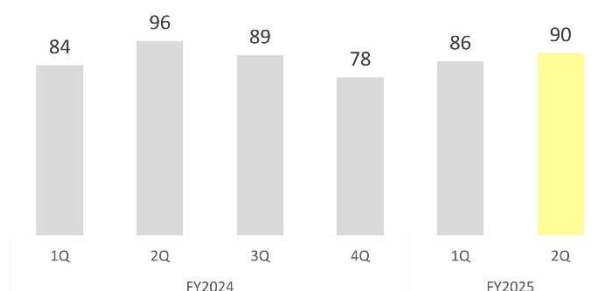
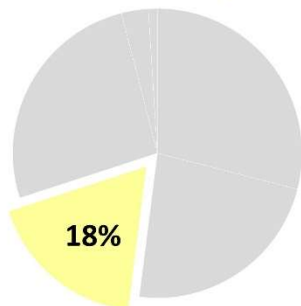
Sales by Application _ Consumer/Mobile Equipment

(Yen in hundred millions)

	FY2024			FY2025			YoY
	1Q	2Q	1H	1Q	2Q	1H	FY2025.1H / FY2024.1H
Sales	84	96	180	86	90	176	-2%

● FY2025 1H Composition ratio

● Changes in quarterly sales



- Despite a slowdown in the notebook PC and tablet market, sales increased due to seasonality.

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Continuing on page 15, this section is for consumer and mobile devices. The sub-segment notebook PC and tablet market slowdown, among other factors, resulted in a YoY decline of 2% in the Q2 cumulative period. This segment also experienced seasonal growth in Q2 from Q1, resulting in JPY9 billion in Q2.

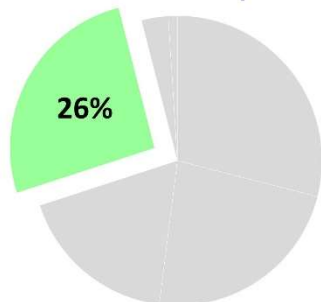
Sales by Application _ Automotive/Mobility-related

(Yen in hundred millions)

	FY2024			FY2025			YoY
	1Q	2Q	1H	1Q	2Q	1H	FY2025.1H / FY2024.1H
Sales	124	122	246	128	137	265	+8%

● FY2025 1H Composition ratio

● Changes in quarterly sales



- It was a solid result aligned with the FY25 growth forecast of +7%.

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Next is page 16, for automotive and mobility-related products. Q2 was JPY13.7 billion, and the cumulative total is JPY26.5 billion, an increase of 8% from the same period last year in H1, or JPY26.5 billion as a percentage of the total, or 26%. We believe that this is a steady transition.

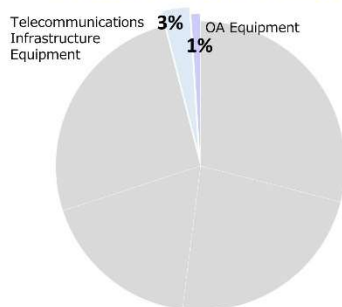
Sales by Application _ Telecommunications infrastructure equipment / OA equipment

(Yen in hundred millions)

	FY2024				FY2025		YoY FY2025.1H /FY2024.1H
	1Q	2Q	1H	1Q	2Q	1H	
Telecommunications Infrastructure Equipment	13	14	27	13	15	28	+4%
OA Equipment (Office machine)	4	5	9	5	5	10	+11%

● FY2025 1H Composition ratio

● Changes in quarterly sales



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Page 17 shows sales trends for telecommunications infrastructure equipment and office equipment. We have nothing special to comment on here.

The remaining slides will be presented by President Kamagata.

Business Forecast for the Year Ending March 31, 2026 (Consolidated)

We will revise the forecast announced in May 2025 due to currency trends and stronger general industrial business performance.

	FY2024 Actual (FY ended March 31, 2025)		FY2025 Forecast (FY ending March 31, 2026)			First Half Over the Previous Actual Amount		For the Year Over the Previous Actual Amount	
	First half	For the Year	First Half Actual	Forecast for the Year (As of May, 2025)	Revised Forecast for the Year	Amount change	%	Amount change	%
(Yen in hundred millions)									
Sales	945.2	1,894.2	1,020.2	1,910.0	2,000.0	+75.0	+7.9%	+105.8	+5.6%
COGS Ratio	54.7%	54.9%	57.9%	57.6%	56.5%				
Operating Profit	222.2	426.7	204.6	385.0	400.0	-17.6	-7.9%	-26.7	-6.3%
(%)	23.5%	22.5%	20.1%	20.2%	20.0%				
Profit before Tax	238.5	462.2	221.0	400.0	430.0	-17.5	-7.3%	-32.2	-7.0%
(%)	25.2%	24.4%	21.7%	20.9%	21.5%				
Net Profit	175.3	330.3	155.2	280.0	300.0	-20.1	-11.5%	-30.3	-9.2%
(%)	18.5%	17.4%	15.2%	14.7%	15.0%				
Earnings per Share	—	976.37yen	—	827.53yen	891.76yen				
Dividend per Share	245yen	490yen	245yen	490yen	490yen				
Consolidated Dividend Payout Ratio	—	50.2%	—	59.2%	54.9%				
						[exchange rate]	FY2024 Results	FY2025 Forecast	
						1US\$	152.58 yen	147.00 yen	
						1€	163.75 yen	171.00 yen	
						100KRW	10.97 yen	10.50 yen	

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Kamagata: This is Kamagata, President of the Company. Thank you very much for your continued support. I will begin my review on page 18.

First, I am sure that you are already familiar with our earnings forecast for the current fiscal year. We have made an upward revision this time. Sales were JPY191 billion in May, and we revised them upward to JPY200 billion. The Company has also revised its operating profit forecast upward by JPY38.5 billion to JPY40 billion.

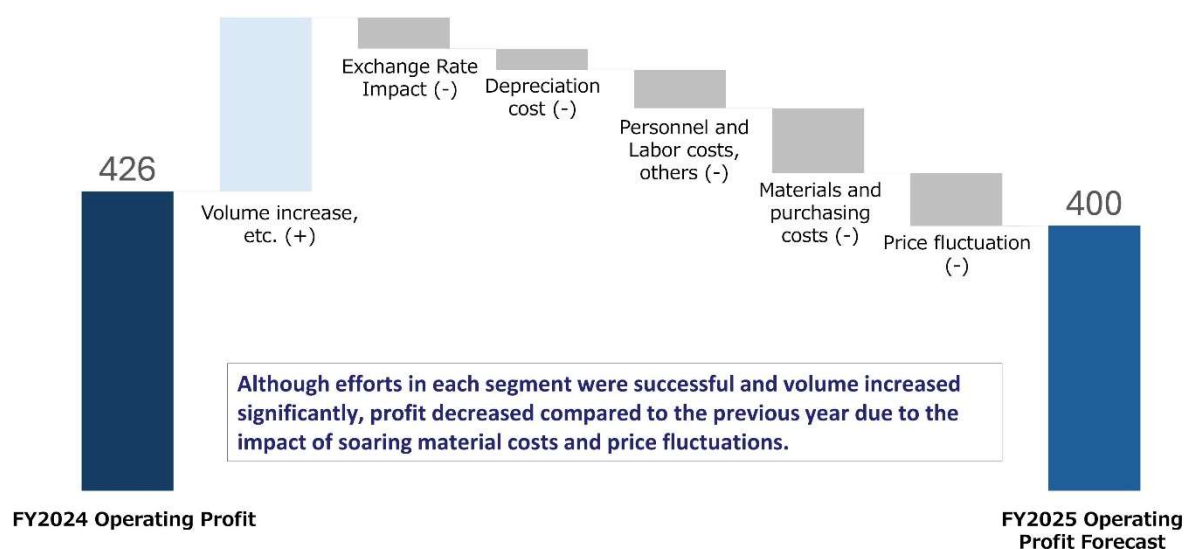
The operating profit margin is 20%. Pre-tax profit is 43 billion, or 21.5%. Net profit is 15%, JPY30 billion. Net profit per share is JPY891.76.

The assumptions of exchange rate for our full-year forecast for FY2025 are JPY147 for USD1, JPY171 for EUR1, and JPY10.5 for KRW100.



FY2025 Year-on-year Operating Profit Variance Analysis

(Yen in hundred millions)



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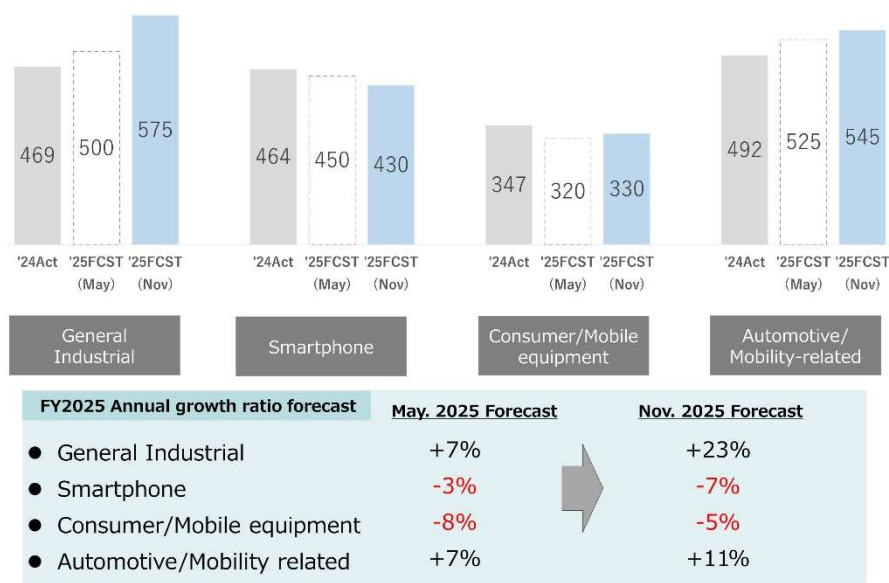
Page 19, please. This is a waterfall graph comparing the operating profit forecast for FY2025 against the operating profit for FY2024. This is a new analysis we prepared this time.

From left to right, no figures are included for volume increases and other positive areas. Think about JPY13 billion, roughly JPY2.5 billion in foreign exchange impact, JPY1.6 billion in depreciation of equipment, and about JPY2.9 billion or JPY3 billion in personnel expenses. We included an incentive for increased sales as well as an increase in base salary due to the increased challenges in hiring human resources.

Procurement is approximately JPY5 billion. Ms. Yamada has already addressed this earlier. There is a small increase in warehousing and distribution costs due to increased logistics at the point of rise and purchase of gold and other metals. The price fluctuation is estimated to be approximately JPY4 billion.

Revised Annual Sales Forecast by Segment (round of number)

(Yen in hundred millions)



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Next page, please. We have slightly revised our sales forecast for this year by sector.

From left to right, general industrial machines. Full recovery is yet to be achieved. We believe that the current situation is slightly more positive than we had expected at the beginning of the period, especially for Japanese companies. As of May, we were looking at about 7% plus. As of November, we are forecasting JPY57.5 billion at plus 23%.

We were looking at a negative 3% or JPY45 billion in May for the smartphone business. We are taking a slightly stricter look ahead here and estimate a negative 7%, or JPY43 billion.

Consumer sales were estimated at JPY32 billion, or a negative 8%. The negative side is slightly smaller, at negative 5%, or JPY33 billion.

The automobile sector was up 7% from the previous year as of May, but we have revised our forecast to JPY54.5 billion, an increase of 11%, taking into account the fact that sales are good compared to that we had expected at the beginning of the period.

Technology exhibition held once every three years ended with great success in Yokohama venue.
Less than **5,700 customers** from about **1,500 companies** visited the exhibition
(Increased by +24% compared to the previous show)



FY25 Key Visual

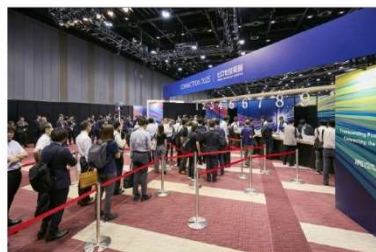


Photo1 at Yokohama venue



Photo2 at Yokohama venue

>>> Incorporate customer feedback into future product development and provide problem-solving solutions.
This will lead to further results creation at the Osaka venue. >>>

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Page 21, please. This is HIROSE's triennial exhibition that we had this year. We hope some of you visited the event. We had 5,700 visitors, an increase of more than 1,000 people compared to the event three years ago in 2022. It indicates a strong interest in our products and concepts.

We will bring the exhibition to the Osaka venue in November and will continue to meet the needs of our growing number of visitors. We've already begun exploring new connector needs based on conversations with customers in Yokohama. We recognized the importance of connecting these sessions with new products. Hence, we're actively applying our full operational capabilities.

ZE150HV Series designed for powertrains of EV and HEV has been honored in the Vehicle Tech & Advanced Mobility category of the CES Innovation Awards.



With this award, our product becomes the fifth to be recognized by the CES Innovation Awards, following the FX26 Series and BM46 Series at CES 2020, the BM50 Series at CES 2022, and the BM55 Series at CES 2023. This also marks our first recognition for a wire connector.

Exhibiting at CES 2026 (Jan. 6 to 9, 2026) @ Las Vegas, US
CES: The world's biggest technology showcase

» Leveraging our advanced, leading-edge, and differentiated product and technological capabilities to achieve sustainable mid- to long-term growth. »

"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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Next page, please. This is the latest information, and I was unsure if this news would become available to share with you today. I am pleased to report that it's here just in time.

CES Innovation Awards. HIROSE will receive this award in 2026 for the new connector. This is our fifth product to receive this type of award following the same awards in 2020, 2022 and 2023. We are committed to supplying the automotive market with connectors for EVs and hybrids to meet the needs of our customers.

That's all from me.

Yamada: That concludes the review using the presentation material.

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.