

【Document to be filed】 Quarterly Financial Report

【Provisions to base upon】 Article 24-4-7, paragraph 1 of the Financial Instruments and Exchange Act

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

【Date of filing】 February 13, 2024

【Fiscal Period】 3rd quarter of 77th term (from October 1, 2023 to December 31, 2023)

【Company name】 HIROSE ELECTRIC CO., LTD.

【Title and name of representative】 Kazunori Ishii, President

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

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【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)

	76 th Fiscal Term Consolidated Third Quarter	77 th Fiscal Term Consolidated Third Quarter	76 th Fiscal Term
Fiscal period	From April 1, 2022 to December 31, 2022	From April 1, 2023 to December 31, 2023	From April 1, 2022 to March 31, 2023
Revenue (Third quarter from Oct 1 to Dec 31)	142,165 (47,461)	125,162 (42,252)	183,224
Quarterly profit before tax or profit before tax	40,984	30,634	48,591
Quarterly profit attributable to owners of parent (Third quarter from Oct 1 to Dec 31)	29,230 (8,593)	20,714 (8,116)	34,648
Quarterly comprehensive income attributable to owners of parent	35,373	30,689	40,974
Equity attributable to owners of parent	344,215	356,893	349,853
Total Assets	394,765	395,368	401,357
Quarterly earnings per share -basic (Yen) (Third quarter from Oct 1 to Dec 31)	844.14 (249.62)	602.04 (236.25)	1,002.04
Quarterly earnings per share -diluted (Yen)	843.99	601.99	1,001.87
Ratio of total equity attributable to owners of parent (%)	87.2	90.3	87.2
Cash flows from operating activities	32,082	28,518	45,648
Cash flows from investing activities	3,982	(18,445)	6,403
Cash flows from financing activities	(33,991)	(24,475)	(34,171)
Balance of cash and cash equivalents at end of the quarter	72,326	75,344	88,029

(Notes) 1. We prepare the condensed quarterly consolidated financial statements, and the transition of the major management indicators are not included.

2. The financial data above are based on the condensed quarterly consolidated financial statements and consolidated financial statements prepared in accordance with International Financial Reporting Standards (IFRS).

2. Description of Business

There were no significant changes in our business during the cumulative third quarter of the fiscal year ending March 31, 2024.

There were also no changes in major subsidiaries.

2. Business Overview

1. Risk Factors

Regarding the business and financial situation stated in this report, there were no matters that may have significant impact on the investment decision and no significant changes in the risk factors stated in the annual securities report for the previous fiscal year during the nine months ended December 31, 2023.

There were no material events.

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

Forward-looking statements below were determined as of December 31, 2023.

(1) Overview of Operating Results

Regarding Japanese economy in the cumulative third quarter of the fiscal year ending March 31, 2024, the Japanese economy showed a recovery in personal consumption due to the normalization of the economy, and an improvement in business confidence in the service industry and automotive industry due in part to the recovery of inbound demand. However, business confidence in the manufacturing sector such as electronic and information devices weakened due to a global decline in capital investment and a drop in demand for semiconductors. In overseas market, in Europe and the United States, consumer spending remained strong, but capital investment was sluggish, and the economic outlook remained uncertain. In China, the economic outlook remains unpredictable as consumer spending, exports, and imports remain sluggish, triggered by the real estate recession.

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. As a result, the sales for the automotive business remained solid, but sales for the industrial and consumer electronics were sluggish.

The revenue in the cumulative third quarter decreased by 12.0% to JPY 125,162 million compared to the same period of the previous fiscal year. Operating profit decreased by 31.4% to JPY 27,231 million, and quarterly profit attributable to owners of parent decreased by 29.1% to JPY 20,714 million as compared with the third quarter of fiscal 2022..

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 these 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, 2024 decreased by 13.0% to JPY 111,900 million, operating profit decreased by 34.7% to JPY 23,995 million compared with the third quarter of the fiscal 2022.

[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 2023 decreased by 0.2% to JPY 9,017 million. Operating profit increased by 8.9% to JPY 2,590 million.

[Other products]

This segment includes micro switches and instruments for connectors. Segment sales for the cumulative third quarter of the

fiscal 2023 decreased by 4.5% to JPY 4,245 million, operating profit increased by 25.2% to JPY 646 million.

(2) Overview of Cash Flows

Cash and cash equivalents at the cumulative third quarter of the fiscal year ending March 31, 2024 decreased by JPY 12,685 million to JPY 75,344 million compared to the end of the fiscal year ended March 31, 2023.

a. Cash flows from operating activities

Cash flows from operating activities increased by JPY 28,518 million. (In the fiscal 2022.3Q, it increased by JPY 32,082 million.) This increase was mainly due to a rise in capital by appropriating quarterly profit before tax, JPY 30,634 million, and depreciation and amortization, JPY 12,558 million.

b. Cash flows from investing activities

Cash flows from investing activities decreased by JPY 18,445 million. (In the fiscal 2022.3Q, it increased by JPY 3,982 million.) This is mainly due to payment for purchase of tangible fixed assets, JPY 25,841 million.

c. Cash flows from financing activities

Cash flows from financing activities decreased by JPY 24,475 million. (In the fiscal 2022.3Q, it decreased by JPY 33,991 million.) This is because of decrease in capital by payment for share buy-back, JPY 6,556 million and dividends paid, JPY 17,215 million.

(3) Analysis of financial condition

Total assets of FY2023.3Q decreased by JPY 5,989million to JPY 395,368 million compared to the end of the previous consolidated fiscal year mainly because cash and cash equivalents decreased. Total liabilities decreased by JPY 13,029 million to JPY 38,475 million due to the decrease in income taxes payables, and trade and other payables. Quarterly profit was recorded and other components of equity including translation adjustment increased. As a result, total equity increased by JPY 7,040 million to JPY 356,893 million. The ratio of total equity attributable to owners of parent resulted 90.3%, increased by 3.1% compared with the previous consolidated fiscal year end.

(4) Assumptions used for accounting estimates

There are no significant changes in the accounting estimates from “Management Analysis of Financial Position, Operating Results and Cash Flows” stated in the annual securities report of FY2022 and assumptions used for the estimates.

(5) Research and development

Our research and development expenses for the nine months ended December 31, 2023 were JPY 5,856 million. As the achievement of research and development activities, fixed assets including tools appropriated to JPY 2,352 million. When these amounts are added up, the total of R&D investment amount was JPY 8,208 million. There were no significant changes in research and development activities for the period.

3. Material Agreements, etc

There were no decision or conclusion of significant business agreement during the three months ended December 31, 2023.

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)
Ordinary share	80,000,000
Total	80,000,000

② Issued Shares

Class	Number of shares issued as of the end of third quarter (Shares) (December 31, 2023)	Number of shares issued as of the filing date (Shares) (February 13, 2024)	Stock exchange on which the Company is listed or authorized financial instruments firms association where the Company is registered	Description
Ordinary share	36,250,438	36,250,438	Tokyo Stock Exchange, Inc. (prime market)	The number of shares per unit of shares is 100 shares
Total	36,250,438	36,250,438	—	—

(Note) The number of shares issued as of the filing date do not include the share issued by share acquisition rights from February 1, 2024 to the filing date of this report.

(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 issued shares (Thousand Shares)	Balance of the total number of issued shares (Thousand 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 Oct 1, 2023 to Dec 31, 2023	—	36,250	—	9,404	—	12,007

(5) Information on voting rights

We cannot identify the description of shareholders registry as of December 31, 2023, and stated the information based on shareholders registry as of September 30, 2023.

① Issued shares

(As of September 30, 2023)

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) Ordinary share 1,807,900	–	Standard stocks which there is no restriction on contents of the right of the stock
Shares with full voting rights (others)	Ordinary share 34,372,000	343,720	Same as above
Shares less than one unit	Ordinary share 70,538	–	Same as above
Number of issued shares	36,250,438	–	–
Total number of voting rights	–	343,720	–

(Notes) 1. The ordinary shares in “Shares with full voting rights (others)” includes 8,800 shares (the number of voting rights: 88) corresponding to the Company’s shares owned by the Board Incentive Plan trust in which beneficiaries include directors and executive officers.

2. The ordinary shares in “Shares less than one unit” includes 59 shares registered in the name of Japan Securities Depository Center.

3. The ordinary shares in “Shares less than one unit” includes 40 treasury shares held by HIROSE group.

② Treasury Shares and Others

(As of September 30, 2023)

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	1,807,900	–	1,807,900	4.99
Total	–	1,807,900	–	1,807,900	4.99

(Notes)1. The above list does not include the Company’s shares owned by the Board Incentive Plan trust in which beneficiaries include directors and executive officers.

2. Information of the board members

Not applicable.

4. Financial Information

1. Condensed Quarterly Consolidated Financial Statements

(1) Condensed Quarterly Consolidated Statements of Financial Position

(Yen in millions)

	Note	As of March 31, 2023	As of December 31, 2023
Assets			
Current assets			
Cash and cash equivalents	10	88,029	75,344
Trade and other receivables	10	41,931	39,237
Inventories		27,735	24,941
Other financial assets	10	91,218	84,680
Other current assets		7,745	8,104
Total current assets		256,658	232,306
Non-current assets			
Property, plant and equipment		63,795	78,500
Right-of-use assets		5,277	4,946
Intangible assets		4,212	4,848
Other financial assets	10	63,466	66,963
Deferred tax assets		2,966	3,009
Retirement benefit assets		4,635	4,451
Other non-current assets		348	345
Total non-current assets		144,699	163,062
Total assets		401,357	395,368

(Yen in millions)

	Note	As of March 31, 2023	As of December 31, 2023
Liabilities			
Current liabilities			
Trade and other payables	10	20,796	11,651
Lease liabilities		1,070	1,075
Other financial liabilities	10	11	—
Income taxes payable		8,205	3,548
Other current liabilities		7,005	5,584
Total current liabilities		37,087	21,858
Non-current liabilities			
Lease liabilities		4,409	4,144
Other financial liabilities	10	130	89
Retirement benefit liability		290	294
Deferred tax liabilities		8,858	11,332
Other non-current liabilities		730	758
Total non-current liabilities		14,417	16,617
Total liabilities		51,504	38,475
Equity			
Share capital		9,404	9,404
Capital surplus		11,191	11,179
Retained earnings		345,201	334,812
Treasury shares	6	(39,840)	(32,374)
Other components of equity		23,897	33,872
Total equity attributable to owners of parent		349,853	356,893
Total equity		349,853	356,893
Total liabilities and equity		401,357	395,368

(2) Condensed Quarterly Consolidated Statement of Profit or Loss
(For the nine months ended December 31, 2022 and 2023)

(Yen in millions)

	Note	Nine months ended December 31, 2022	Nine months ended December 31, 2023
Revenue	8	142,165	125,162
Cost of sales		72,187	69,624
Gross profit		69,978	55,538
Selling, general and administrative expenses		30,505	27,627
Other income		323	289
Other expenses		129	969
Operating profit		39,667	27,231
Financial income		1,501	3,472
Financial costs		184	69
Profit before tax		40,984	30,634
Income tax expense		11,754	9,920
Profit		29,230	20,714
Profit attributable to:			
Owners of parent		29,230	20,714
Earnings per share:			
Basic (yen)	9	844.14	602.04
Diluted (yen)	9	843.99	601.99

(For the three months ended December 31, 2022 and 2023)

(Yen in millions)

	Note	3rd quarter ended December 31, 2022	3rd quarter ended December 31, 2023
Revenue		47,461	42,252
Cost of sales		24,287	23,527
Gross profit		23,174	18,725
Selling, general and administrative expenses		10,723	8,462
Other income		102	90
Other expenses		55	313
Operating profit		12,498	10,040
Financial income		710	1,364
Financial costs		1,471	450
Profit before tax		11,737	10,954
Income tax expense		3,144	2,838
Profit		8,593	8,116
Profit attributable to: Owners of parent		8,593	8,116
Earnings per share:			
Basic (yen)	9	249.62	236.25
Diluted (yen)	9	249.58	236.23

(3) Condensed Quarterly Consolidated Statement of Comprehensive Income
(For the nine months ended December 31, 2022 and 2023)

(Yen in millions)

	Note	Nine months ended December 31, 2022	Nine months ended December 31, 2023
Profit		29,230	20,714
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Remeasurements of defined benefit plans		—	—
Equity instruments measured at fair value through other comprehensive income		275	1,164
Total items that will not be reclassified to profit or loss		275	1,164
Items that may be reclassified to profit or loss			
Exchange differences on translation of foreign operations		5,940	8,791
Debt instruments measured at fair value through other comprehensive income		(72)	20
Total items that may be reclassified to profit or loss		5,868	8,811
Total other comprehensive income after tax		6,143	9,975
Total quarterly comprehensive income		35,373	30,689
Total amount of quarterly comprehensive income attributable to:			
Owners of parent		35,373	30,689

(For the three months ended December 31, 2022 and 2023)

(Yen in millions)

	Note	3rd quarter ended December 31, 2022	3rd quarter ended December 31, 2023
Quarterly profit		8,593	8,116
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Equity instruments measured at fair value through other comprehensive income		(396)	(194)
Total items that will not be reclassified to profit or loss		(396)	(194)
Items that may be reclassified to profit or loss			
Exchange differences on translation of foreign operations		(1,179)	(2,853)
Debt instruments measured at fair value through other comprehensive income		(54)	35
Total items that may be reclassified to profit or loss		(1,233)	(2,818)
Total other comprehensive income after tax		(1,629)	(3,012)
Total quarterly comprehensive income		6,964	5,104
Total amount of quarterly comprehensive income attributable to:			
Owners of parent		6,964	5,104

(4) Condensed Quarterly 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, 2022		9,404	11,250	338,818	(36,306)	18,903	342,069	342,069
Profit				29,230			29,230	29,230
Other comprehensive income						6,143	6,143	6,143
Comprehensive income		—	—	29,230	—	6,143	35,373	35,373
Dividend of surplus	7			(17,473)			(17,473)	(17,473)
Purchase of treasury shares	6		(1)		(15,890)		(15,890)	(15,890)
Disposal of treasury shares			(6)		101		95	95
Cancellation of treasury shares	6		(12,228)		12,228		—	—
Share-based payment transactions			41				41	41
Transfer to retained earnings	6		12,107	(11,249)		(858)	—	—
Total transactions with owners		—	(87)	(28,721)	(3,560)	(858)	(33,227)	(33,227)
Balance as of December 31, 2022		9,404	11,163	339,326	(39,866)	24,188	344,215	344,215

(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, 2023		9,404	11,191	345,201	(39,840)	23,897	349,853	349,853
Profit				20,714			20,714	20,714
Other comprehensive income						9,975	9,975	9,975
Comprehensive income		—	—	20,714	—	9,975	30,689	30,689
Dividend of surplus	7			(17,215)			(17,215)	(17,215)
Purchase of treasury shares	6		(0)		(6,556)		(6,557)	(6,557)
Disposal of treasury shares			(9)		97		89	89
Cancellation of treasury shares	6		(13,905)		13,905		—	—
Share-based payment transactions			14		20		34	34
Transfer to retained earnings	6		13,888	(13,888)			—	—
Total transactions with owners		—	(12)	(31,103)	7,466	—	(23,649)	(23,649)
Balance as of December 31, 2023		9,404	11,179	334,812	(32,374)	33,872	356,893	356,893

(5) Condensed Quarterly Consolidated Statement of Cash Flows

(Yen in millions)

	Note	Nine months ended December 31, 2022	Nine months ended December 31, 2023
Cash flows from operating activities			
Profit before tax		40,984	30,634
Depreciation and amortization		12,557	12,558
Finance income		(1,501)	(3,472)
Finance costs		184	69
Decrease (increase) in trade and other receivables		(1,388)	4,077
Decrease (increase) in inventories		(5,934)	3,701
Increase (decrease) in trade and other payables		(2,000)	(9,478)
Other		946	2,296
Subtotal		43,848	40,385
Interest received		1,035	1,414
Dividends received		379	402
Income taxes paid		(13,180)	(13,683)
Net cash provided by (used in) operating activities		32,082	28,518
Cash flows from investing activities			
Net decrease (increase) in time deposits		23,400	7,755
Proceeds from sale and redemption of investments		9,777	8,202
Purchase of investments		(14,274)	(7,490)
Purchase of property, plant and equipment		(13,849)	(25,841)
Other		(1,072)	(1,071)
Net cash provided by (used in) investing activities		3,982	(18,445)
Cash flows from financing activities			
Purchase of treasury shares		(15,890)	(6,556)
Dividends paid		(17,473)	(17,215)
Repayments of lease liabilities		(722)	(793)
Other		94	89
Net cash provided by (used in) financing activities		(33,991)	(24,475)
Effect of exchange rate changes on cash and cash equivalents		1,859	1,717
Net increase (decrease) in cash and cash equivalents		3,932	(12,685)
Cash and cash equivalents at beginning of period		68,394	88,029
Cash and cash equivalents		72,326	75,344

【Notes to Condensed Quarterly Consolidated Financial Statements】

1. Reporting Entity

HIROSE ELECTORIC is a corporation located in Japan. Our subsidiaries 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 quarterly 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 quarterly 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, 2023.

Condensed quarterly consolidated financial statements of the company were authorized by our president, Kazunori Ishii, on February 1, 2024.

(2) Functional currency and presentation currency

The condensed quarterly 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. Significant Accounting Policies

Significant accounting policies applied in the condensed quarterly consolidated financial statements is the same as the policies applied in the consolidated financial statements for the year ended March 31, 2023. Income tax expense for the nine months ended December 31, 2023 was calculated based on estimated annual effective tax rate.

4. Significant accounting estimates and judgements

In preparing condensed quarterly consolidated financial statements, adoption of accounting policies, judgement affects the

reporting amount of assets, liabilities, income and expenses, accounting quotation and assumptions are used. The company collects past experiences and available information, and considered various factors thought as rational at the closing date, and these estimates and assumptions are based on the best judgement of executive. However, the figures based on these estimation and assumptions might be different from the actual result judging from the nature.

We maintain the revision of estimates and the assumptions which could be the basis. We recognize the impact by this revision in the period for revised the estimates and future period.

(1) Significant judgement in application of accounting policies

- Revenue recognition

(2) Issues could be factors of uncertainty of estimates

The assumptions about the future having remarkable risks which may be a factor of significant revision on book value of assets and liabilities after the three months ended December 31, 2023, and the main information regarding uncertainty of other estimates as of the end of the period are included into the following note.

- Matters relating to financial instruments (Notes: 10. Fair values of financial instruments).

Fair values of specific financial instruments are calculated by evaluation technique using unobservable inputs in the market. Unobservable inputs might be influenced by fluctuations in future uncertain economic conditions.

- Inventory Valuation

Inventory is measured by using cost or net realizable value (which is smaller.) When net realizable value drop because of the decrease in demand affected by the changes in market environment, a loss will be incurred.

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 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 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 of reportable segments

The revenue stated in reportable segments is operating profit basis.

For the cumulative third quarter of the fiscal year ended March 31, 2023 (from April 1, 2022 to December 31, 2022)

(Yen in millions)

	Reportable segments			Others*	Amount of condensed quarterly consolidated financial statements
	Multi-pin connectors	Coaxial connectors	Total		
Revenue					
Revenue from external customers	128,690	9,031	137,721	4,444	142,165
Total revenue	128,690	9,031	137,721	4,444	142,165
Operating profit	36,772	2,379	39,151	516	39,667
Financial income	—	—	—	—	1,501
Financial costs	—	—	—	—	184
Profit before tax	—	—	—	—	40,984

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

For the cumulative third quarter of the fiscal year ending March 31, 2024 (from April 1, 2023 to December 31, 2023)

(Yen in millions)

	Reportable segments			Others *	Amount of condensed quarterly consolidated financial statements
	Multi-pin connectors	Coaxial connectors	Total		
Revenue					
Revenue from external customers	111,900	9,017	120,917	4,245	125,162
Total revenue	111,900	9,017	120,917	4,245	125,162
Operating profit	23,995	2,590	26,585	646	27,231
Financial income	—	—	—	—	3,472
Financial costs	—	—	—	—	69
Profit before tax	—	—	—	—	30,634

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

6. Paid-in capital and other equity

For the cumulative third quarter of the fiscal year ended March 31, 2023 (from April 1, 2022 to December 31, 2022)

Following the resolution of director's board meeting held on May 6, 2022, we cancelled 948,853 treasury shares. And following the resolution of director's board meeting held on May 26, 2022, we acquired 936,800 treasury shares. As a result, in the cumulative third quarter of FY2022, treasury shares increased by JPY 3,560 million and our treasury shares totaled JPY 39,866 million at the end of the cumulative second quarter of the fiscal year.

For the cumulative third quarter of the fiscal year ending March 31, 2024 (from April 1, 2023 to December 31, 2023)
Following the resolution of director's board meeting held on May 8, 2023, we cancelled 976,651 treasury shares on May 15, 2023. And following the resolution of director's board meeting held on November 1, 2023, we purchased 403,100 treasury shares. As a result, in the cumulative third quarter of FY2023, treasury shares decreased by JPY 7,466 million and our treasury shares totaled JPY 32,374 million at the end of the cumulative third quarter of the fiscal year.

The amount of cancellation stated above reduced from other capital surplus in "capital surplus" and the amount exceeding other capital surplus reduced from "retained earnings".

7. Dividends

(1) Dividends paid

For the nine months ended December 31, 2022 (From April 1, 2022 to December 31, 2022)

	Total amount of dividends (Yen in millions)	Resource of dividends	Dividends per share (Yen)	Record date	Effective date
June 23, 2022 Ordinary General Meeting of Shareholders	9,902	Retained earnings	280.00	March 31, 2022	June 24, 2022
November 2, 2022 The board of directors	7,576	Retained Earnings	220.00	September 30, 2022	December 1, 2022

Notes: Total amount of dividends by the resolution of the board of directors held on June 23, 2022 includes dividends, JPY 3 million corresponding to the Company's shares owned by the Board Incentive Plan trust in which beneficiaries include directors and executive officers.

Total amount of dividends by the resolution of the board of directors held on November 2, 2022 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 nine months ended December 31, 2023 (From April 1, 2023 to December 31, 2023)

	Total amount of dividends (Yen in millions)	Resource of dividends	Dividends per share (Yen)	Record date	Effective date
June 23, 2023 Ordinary General Meeting of Shareholders	9,643	Retained earnings	280.00	March 31, 2023	June 26, 2023
November 1, 2023 The board of directors	7,578	Retained earnings	220.00	September 30, 2023	December 1, 2023

Notes: Total amount of dividends by the resolution of the board of directors held on June 23, 2023 includes dividends, JPY 3 million corresponding to the Company's shares owned by the Board Incentive Plan trust in which beneficiaries include directors and executive officers.

Total amount of dividends by the resolution of the board of directors held on November 1, 2023 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.

(2) The dividend whose record date falls in nine months ended December 31, 2023 and the effective date falls in the next period

For the nine months ended December 31, 2022 (From April 1, 2022 to December 31, 2022)

Not applicable.

For the nine months ended December 31, 2023 (From April 1, 2023 to December 31, 2023)

Not applicable.

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 third quarter of the fiscal year ended March 31, 2023 (from April 1, 2022 to December 31, 2022)

(Yen in millions)

		Reportable Segments		Others	Total
		Multi-pin connectors	Coaxial connectors		
Customer location	Japan	30,759	1,566	1,037	33,362
	China	46,602	2,511	359	49,472
	Korea	15,430	793	2,575	18,798
	Others	35,899	4,161	473	40,533
Total		128,690	9,031	4,444	142,165

For the cumulative third quarter of the fiscal year ending March 31, 2024 (from April 1, 2023 to December 31, 2023)

(Yen in millions)

		Reportable Segments		Others	Total
		Multi-pin connectors	Coaxial connectors		
Customer location	Japan	24,256	1,345	1,078	26,679
	China	38,938	2,554	339	41,831
	Korea	17,965	946	2,520	21,431
	Others	30,741	4,172	308	35,221
Total		111,900	9,017	4,245	125,162

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, connectors for automotive, coaxial connectors and other electronic equipment. The main customers are in smartphone, consumer and automotive market. 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 nine months ended December 31, 2022 (From Apr 1, 2022 to Dec 31, 2022)	For the nine months ended December 31, 2023 (From Apr 1, 2023 to Dec 31, 2023)
The basis of calculation for quarterly earnings per share -basic		
Quarterly profit attributable to owners of parent	(Yen in millions) 29,230	(Yen in millions) 20,714
Quarterly profit used for calculation of basic quarterly earnings per share	(Yen in millions) 29,230	(Yen in millions) 20,714
Weighted average shares during the period	(Thousand Shares) 34,627	(Thousand Shares) 34,406
Quarterly earnings per share – basic	(Yen) 844.14	(Yen) 602.04
The basis of calculation for quarterly earnings per share -diluted		
Quarterly profit used for the calculation of basic quarterly earnings per share	(Yen in millions) 29,230	(Yen in millions) 20,714
Quarterly profit used for the calculation of diluted quarterly earnings per share	(Yen in millions) 29,230	(Yen in millions) 20,714
Weighted average shares during the period	(Thousand Shares) 34,627	(Thousand Shares) 34,406
Number of shares increased by stock acquisition right	(Thousand Shares) 6	(Thousand Shares) 2
Weighted average shares-Diluted	(Thousand Shares) 34,633	(Thousand Shares) 34,408
Diluted quarterly earnings per share	(Yen) 843.99	(Yen) 601.99

	For the three months ended December 31, 2022 (From Oct 1, 2022 to Dec 31, 2022)	For the three months ended December 31, 2023 (From Oct 1, 2023 to Dec 31, 2023)
The basis of calculation for quarterly earnings per share -basic		
Quarterly profit attributable to owners of parent	(Yen in millions) 8,593	(Yen in millions) 8,116
Quarterly profit used for calculation of basic quarterly earnings per share	(Yen in millions) 8,593	(Yen in millions) 8,116
Weighted average shares during the period	(Thousand Shares) 34,425	(Thousand Shares) 34,356
Quarterly earnings per share – basic	(Yen) 249.62	(Yen) 236.25
The basis of calculation for quarterly earnings per share -diluted		
Quarterly profit used for the calculation of basic quarterly earnings per share	(Yen in millions) 8,593	(Yen in millions) 8,116
Quarterly profit used for the calculation of diluted quarterly earnings per share	(Yen in millions) 8,593	(Yen in millions) 8,116
Weighted average shares during the period	(Thousand Shares) 34,425	(Thousand Shares) 34,356
Number of shares increased by stock acquisition right	(Thousand Shares) 6	(Thousand Shares) 2
Weighted average shares-Diluted	(Thousand Shares) 34,431	(Thousand Shares) 34,358
Diluted quarterly earnings per share	(Yen) 249.58	(Yen) 236.23

(Note) At the calculation of basic quarterly earnings per share and diluted quarterly earnings per share, we process the Company's shares owned by the Board Incentive Plan trust in which beneficiaries include directors and executive officers as treasury shares and this kind of shares are deducted from weighted average shares 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 exceeds three months are usually settled within a year, and the book value is rational approximate value of fair values.

When 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 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.

(2) Financial instruments measured by amortized cost

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, 2023		As of December 31, 2023	
	Book Value	Fair Value	Book Value	Fair Value
Other Financial Assets				
Long-term deposit	—	—	1,000	986
Debt Instruments	8,496	8,496	9,715	9,731

(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, 2023 (As of March 31, 2023)

(Yen in millions)

	Level1	Level2	Level3	Total
Other financial assets				
Financial assets measured at fair value through profit or loss				
Debt instruments	—	7,666	—	7,666
Derivatives	—	3	—	3
Financial assets measured at fair value through other comprehensive income				
Debt instruments	26,324	—	—	26,324
Equity instruments	14,810	—	2	14,812
Total of assets	41,134	7,669	2	48,805
Other financial liabilities				
Financial liabilities measured at fair value through profit or loss				
Derivatives	—	141	—	141
Total of liabilities	—	141	—	141

For three months ended December 31, 2023 (As of December 31, 2023)

(Yen in millions)

	Level1	Level2	Level3	Total
Other financial assets				
Financial assets measured at fair value through profit or loss				
Debt instruments	—	11,171	—	11,171
Derivatives	—	94	—	94
Financial assets measured at fair value through other comprehensive income				
Debt instruments	22,455	—	—	22,455
Equity instruments	16,486	—	2	16,488
Total of assets	38,941	11,265	2	50,208
Other financial liabilities				
Financial liabilities measured at fair value through profit or loss				
Derivatives	—	89	—	89
Total of liabilities	—	89	—	89

Transfer between levels of the fair value hierarchy are 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, 2023 and for the three months ended December 31, 2023.

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 forward exchange rate.

Fair value of equity instruments classified into level 3 are mainly assessed by Net Asset Approach. Fair values increase (decrease) along with the rise (decline) in net asset value. Significant changes in fair value are not expected when unobservable inputs are changed to reasonably possible alternative assumptions.

Financial instruments classified into Level 3 is 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 Level 3 for the third quarter of the fiscal 2022 and 2023.

11. Events after the reporting period

Not applicable

2. Others

Interim dividend of the fiscal year ending March 2023 was resolved at the board of director's meeting held on November 1, 2023 as follows.

1. Total amount of dividends	JPY 7,578 million
2. Amount per share	JPY 220.00
3. Effective date of payment request and payment start date	December 1, 2023

(English translation)

This is the statement translated into English from the Japanese original of "Quarterly Financial Report for the Third Quarter of the Year Ending March 31, 2024." In the event of any discrepancy between this English translation and the Japanese original, the later shall prevail.