May 7, 2024

Company name: HIROSE ELECTRIC CO., LTD.
Representative: Kazunori Ishii
President and Representative Director
(Code: 6806, Tokyo Stock Exchange – Prime Market)
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Notice of Changes in Shareholder Return Policy

HIROSE ELECTRIC CO., LTD. (the "Company"), at the Board of Directors meeting held on May 7, 2024, resolved to change its shareholder return policy as follows.

The Company places priority on the distribution of results through dividends as a means of returning profits to shareholders. Its basic policy is to aim a stable increase in dividends by increasing earnings per share, while expanding corporate value and strengthening the corporate structure over the long term.

While the Company had previously set a medium-term target of achieving ROE of 10% and a dividend payout ratio of 50%, to achieve further implement its basic policy of striving for stable dividend increases, the Company determined DOE (Dividend on Equity) as a shareholder return indicator, which is less susceptible to the single-year performance, and to set a medium-term target of 5% DOE from FY2024 onward.

Based on the policy, the Company will return profits to shareholders through dividend payments, taking into consideration its performance on a consolidated basis and the accumulation of internal reserves. Also, with the view of returning profits to shareholders, the Company will consider implementing share repurchases as appropriate to improve capital efficiency.

In the case normal business operations become impossible due to unexpected large-scale conflicts, natural disasters, infectious diseases, etc., or if it becomes necessary to invest a large amount of M&A funds, this policy might be reviewed.