Hirose Electric Business Results for the Third Quarter of FY2024

Business Results for the Third Quarter of FY2024

February 4, 2025

Hirose Electric Co., Ltd.

〔6806〕

Cautionary Statement

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.

Summary of the business results (FY2024.1Q-3Q From April 2024 to December 2024)

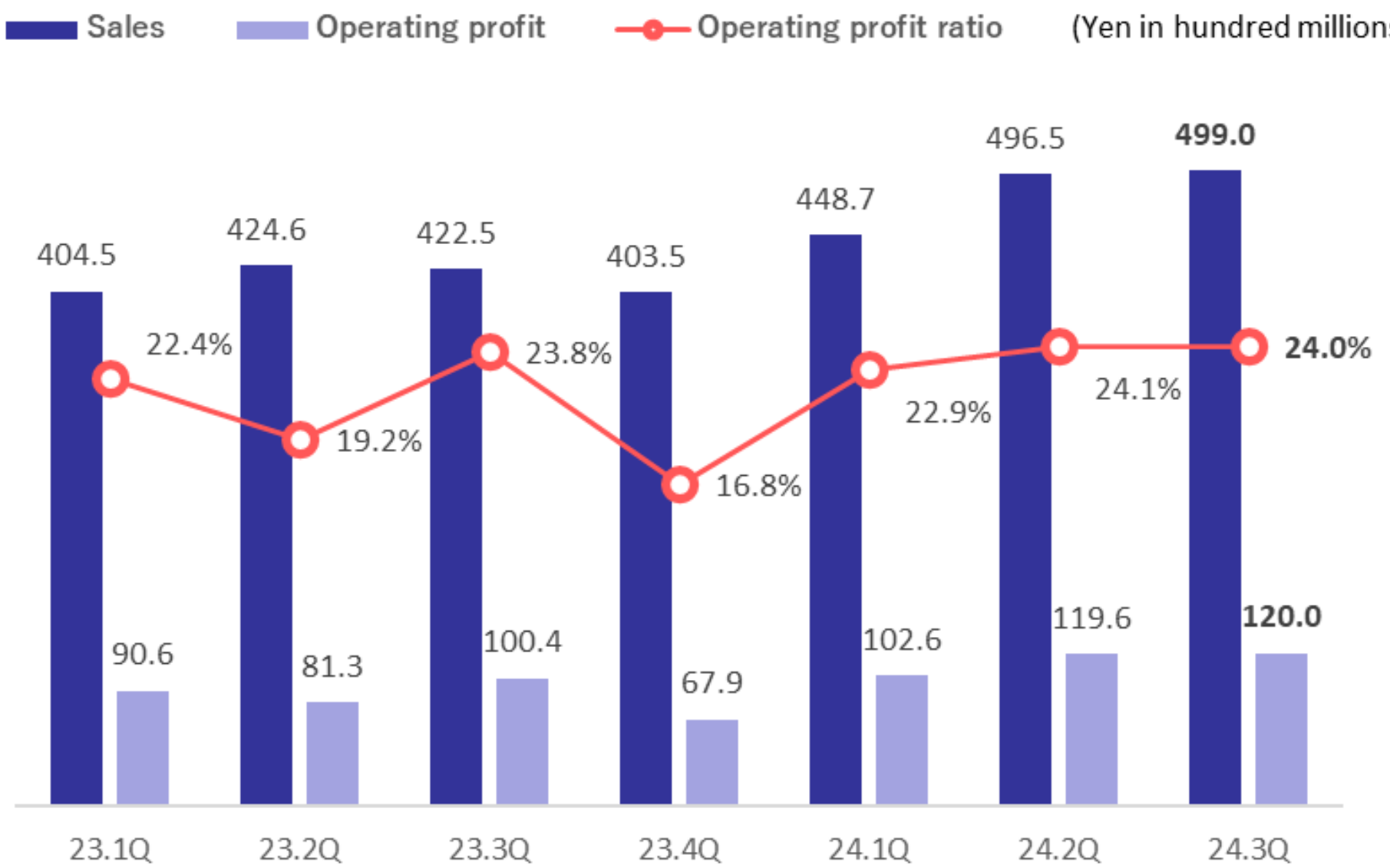
Although there is still no clear sign of recovery in the General Industrial market, the performance in the Automotive/Mobility-related market continued to be robust. In the Smartphone and Consumer/Mobile Equipment, the sales slightly decreased compared to the previous quarter, it remained at a high level. For the cumulative total of the 3Q, sales increased by 15.4% YoY, operating profit increased by 25.6%, and the operating profit margin was 23.7%

(Yen in hundred millions)

	FY2023			FY2024			YoY
	1H (23.Apr-Sep)	3Q (23.Oct-Dec)	1Q-3Q (23.Apr-Dec)	1H (24.Apr-Sep)	3Q (24.Oct-Dec)	1Q-3Q (24.Apr-Dec)	FY2024.1Q-3Q / FY2023.1Q-3Q
Orders	754.7	365.6	**1,120.0**	975.9	473.3	**1,449.2**	+29.4%
Sales	829.1	422.5	**1,251.6**	945.2	499.0	**1,444.2**	+15.4%
Operating profit	171.9	100.4	**272.3**	222.2	120.0	**342.1**	+25.6%
Operating profit ratio	20.7%	23.8%	**21.8%**	23.5%	24.0%	**23.7%**	+1.9pt

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Changes in sales and operating profit (FY2023.1Q - FY2024.3Q / Consolidated basis)



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Business Results for FY2024.1Q-3Q

(Yen in hundred millions)	FY2023.3Q (Dec 31, 2023)	FY2024.3Q (Dec 31, 2024)	Increase/Decrease (YoY)	Increase/Decrease Ratio (YoY)
Sales	**1,251.6**	**1,444.2**	**+192.6**	**+15.4%**
COGS Ratio	55.6%	54.4%	-1.2	
SGA Ratio	22.1%	21.9%	-0.2	
Operating Profit	**272.3**	**342.1**	**+69.8**	**+25.6%**
(%)	21.8%	23.7%	+1.9	
Profit before tax	**306.3**	**374.7**	**+68.4**	**+22.3%**
(%)	24.5%	25.9%	+1.4	
Net profit	**207.1**	**275.8**	**+68.7**	**+33.2%**
(%)	16.5%	19.1%	+2.6	
Total Assets	**3,953.7**	**4,222.9**		
Shareholder's Equity Ratio	**90.3%**	**89.0%**		
Earnings Per Share	**602.04 yen**	**815.25 yen**		

	FY2023 3Q	FY2024 3Q
1US$	143.29 yen	**152.57 yen**
1 €	155.29 yen	**164.83 yen**
100won	10.90 yen	**11.11 yen**

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FY2024.1Q-3Q Major Changes

Sales

192.6 hundred million yen Increased
(1,251.6 → 1,444.2)

Smartphone : +94
Consumer/Mobile equipment : +83
Automotive/Mobility-related : +63

COGS Ratio

1.2 pt Improved (55.6% → 54.4%)

Variable Cost Ratio : 39.2% → 37.8%
Depreciation Ratio : 8.1% → 7.7%
Labor Cost Ratio : 7.4% → 7.6%

SGA Ratio

0.2 pt Improved (22.1% → 21.9%)

276.3 → 316.4 (Increased by 40.1)

Financial income / costs

1.5 hundred million yen Decreased
(+34.0 → +32.5)

Exchange Gain or Loss : +4.5 → -1.1
Interest Received and Others : +19.5 → +24.9

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FY2024.1Q-3Q YoY Variation Analysis

(Yen in hundred millions)

	Sales	Operating Profit	(%)	Profit before tax	(%)
FY2023.1Q-3Q Actual	**1,251.6**	**272.3**	**21.8%**	**306.3**	**24.5%**
Exchange rate	49.3	26.1		20.8	
Labor cost increase		-36.7		-36.7	
Depreciation cost increase		-9.6		-9.6	
Increase in the product and others	143.3	90.0		93.9	
Total amount of changes	**192.6**	**69.8**		**68.4**	
FY2024.1Q-3Q Actual	**1,444.2**	**342.1**	**23.7%**	**374.7**	**25.9%**

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Consolidated Balance Sheet (1)

(Yen in hundred millions)

	Account	Mar 31, 2024	Dec 31, 2024	Increase/ Decrease	Remarks
Asset	Cash and Cash Equivalents	**903.4**	**809.1**	**-94.3**	Profit before tax +375 Capital investment(including building)-213 Dividend payment -157, Securities and others -137
	Trade and other Receivables	**394.2**	**467.4**	**+73.2**	By sales increase
	Inventories	**243.6**	**246.1**	**+2.5**	
	Other Financial Assets	**1,422.0**	**1,537.2**	**+115.2**	Securities and others +131 Time deposit -21
	Property, Plant and Equipment	**809.5**	**882.9**	**+73.4**	Koriyama new factory +31 Korea factory expansion +35
	Right-of-use Asset	**56.3**	**55.0**	**-1.3**	
	Others	**205.5**	**225.2**	**+19.7**	Software+11
	Total	**4,034.5**	**4,222.9**	**+188.4**	
	Total of cash in bank	**1,726.3**	**1,607.5**	**-118.8**	

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Consolidated Balance Sheet (2)

(Yen in hundred millions)

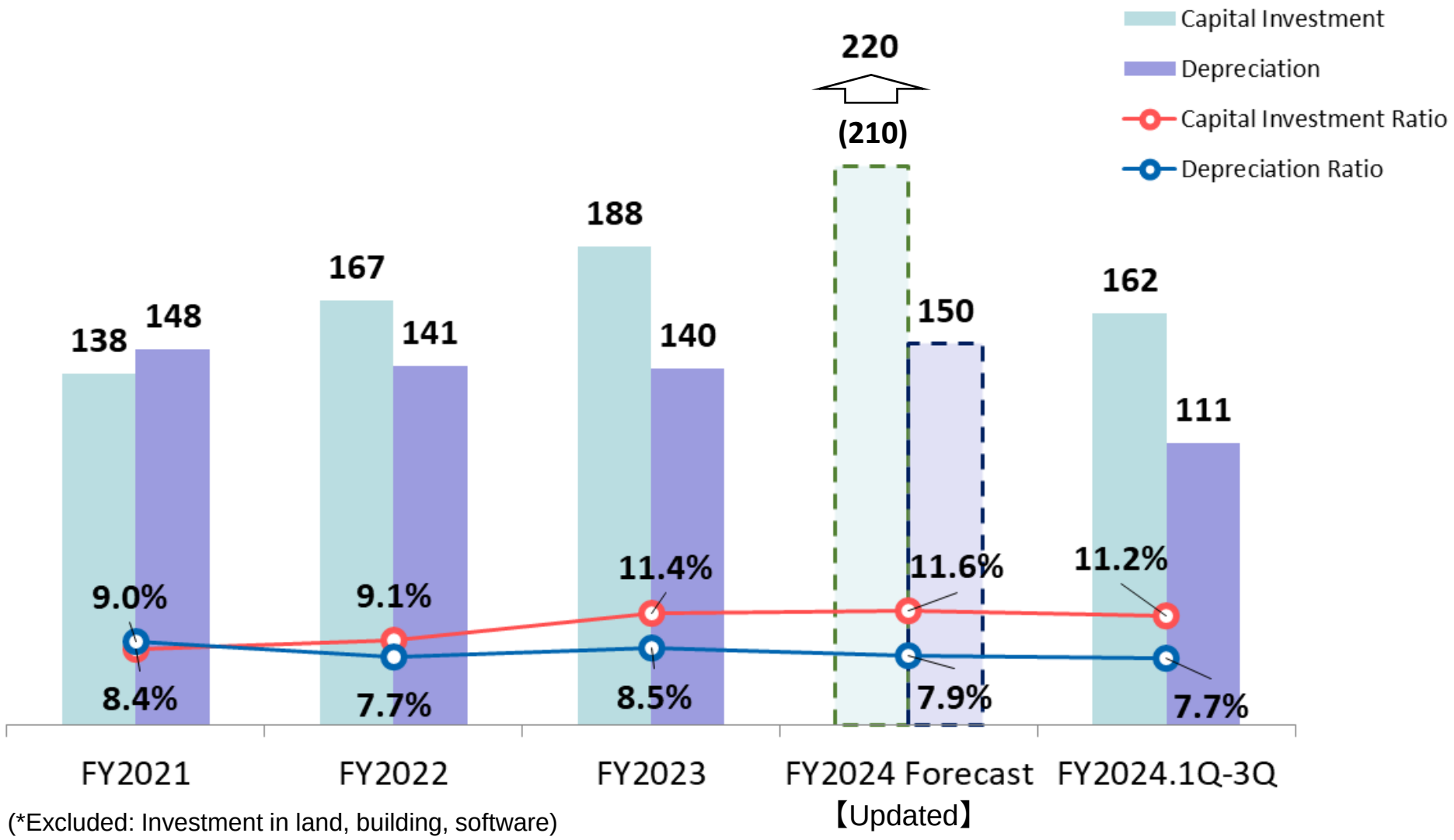
Account	Mar 31, 2024	Dec 31, 2024	Increase/ Decrease	Remarks
Payables and other Debt	**117.3**	**130.5**	**+13.2**	
Lease Liabilities	**59.3**	**58.0**	**-1.3**	
Income Taxes Payable	**25.0**	**54.2**	**+29.2**	By profit increase
Others	**191.2**	**221.3**	**+30.1**	Provision for bonuses, Deferred tax liability
Total	**392.8**	**464.0**	**+71.2**	
Capital Stock and Capital surplus	**205.9**	**206.1**	**+0.1**	
Retained Earnings	**3,408.1**	**3,445.4**	**+37.3**	Net profit +279 Dividend paid -157 Cancellation of treasury shares -83
Treasury Shares	**- 358.1**	**- 274.6**	**+83.5**	Cancellation of treasury shares +83
Others	**385.8**	**382.1**	**-3.7**	Foreign currency translation adjustment -10 Valuation difference on other investment securities+7
Total	**3,641.7**	**3,758.9**	**+117.2**	
Total Liabilities and Shareholder's Equity	**4,034.5**	**4,222.9**	**+188.4**	

Liabilities

Shareholder's Equity

Changes in Capital Investment and Depreciation (Consolidated basis)

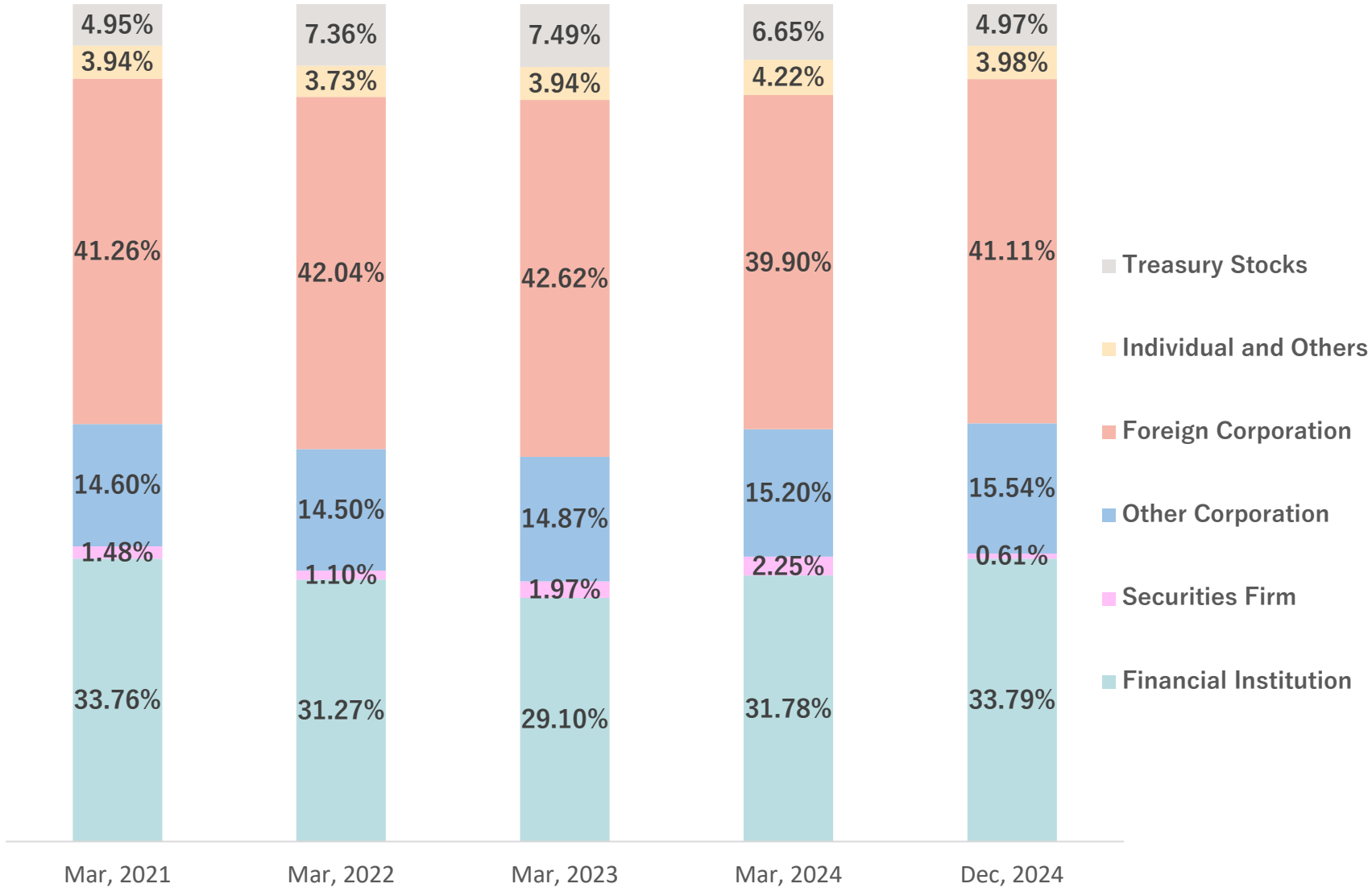
(Yen in hundred millions)



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

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Distribution of Shareholders



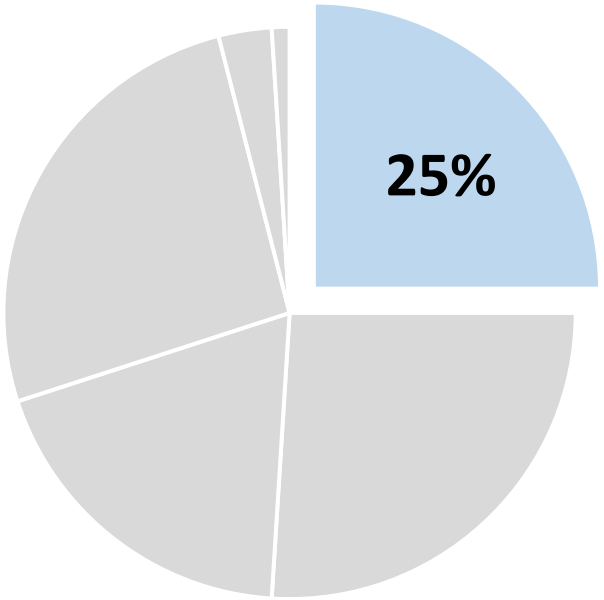
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Sales by Application _ General Industrial

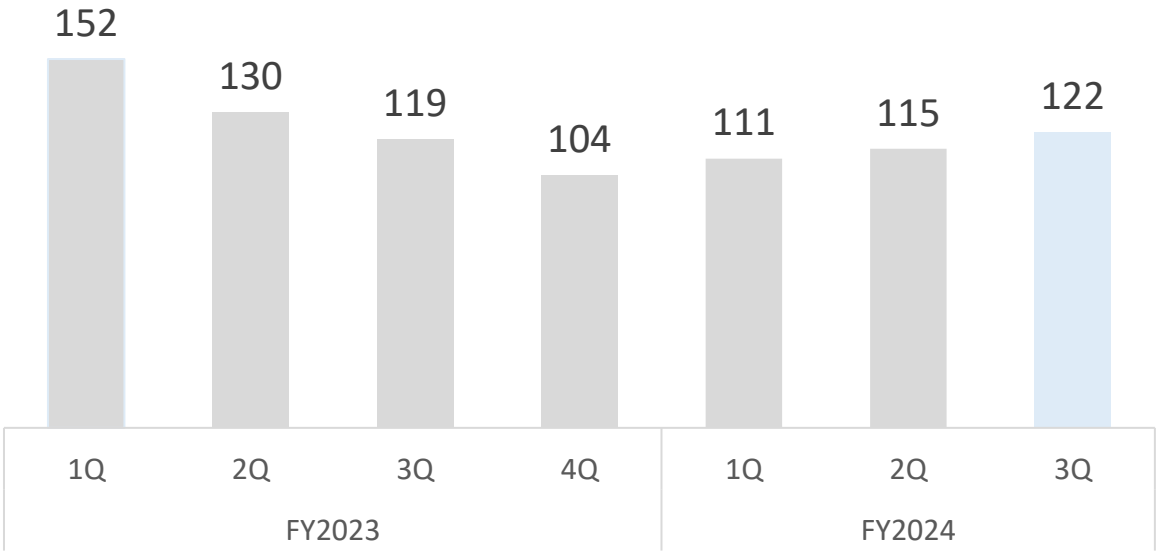
(Yen in hundred millions)

	FY2023			FY2024			YoY
	1H	3Q	1Q-3Q	1H	3Q	1Q-3Q	FY2023.1Q-3Q /FY2024.1Q-3Q
Sales	282	119	401	226	**122**	**348**	-13%

- **FY2024 1Q-3Q Composition ratio**



- **Changes in quarterly sales**



■ Continued with a slight increase since hitting the bottom in 4Q of the previous year.

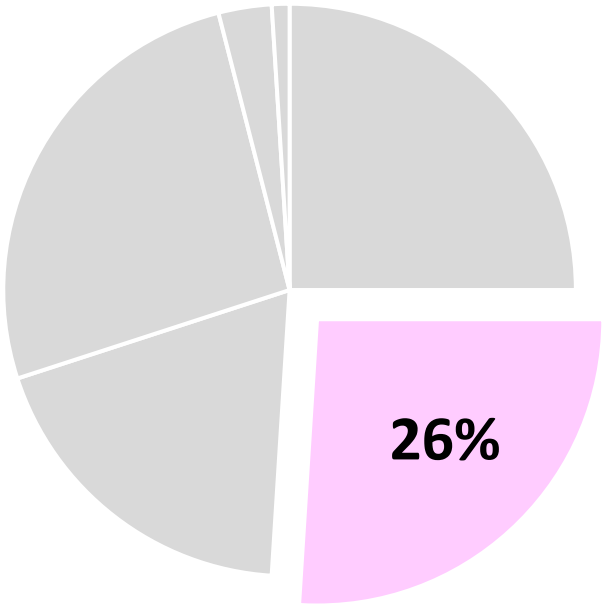
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Sales by Application _ Smartphone

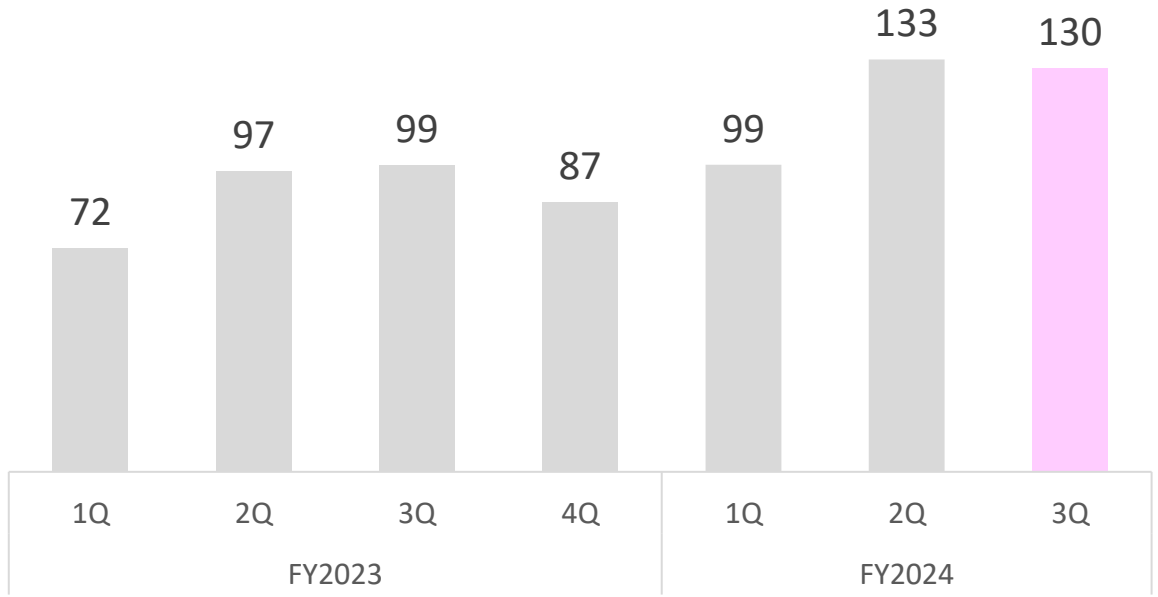
(Yen in hundred millions)

	FY2023			FY2024			YoY
	1H	3Q	1Q-3Q	1H	3Q	1Q-3Q	FY2023.1Q-3Q /FY2024.1Q-3Q
Sales	169	99	268	232	**130**	**362**	+35%

- **FY2024 1Q-3Q Composition ratio**



- **Changes in quarterly sales**



■ Due to the usual seasonality, the sales remained at the same level as 2Q.

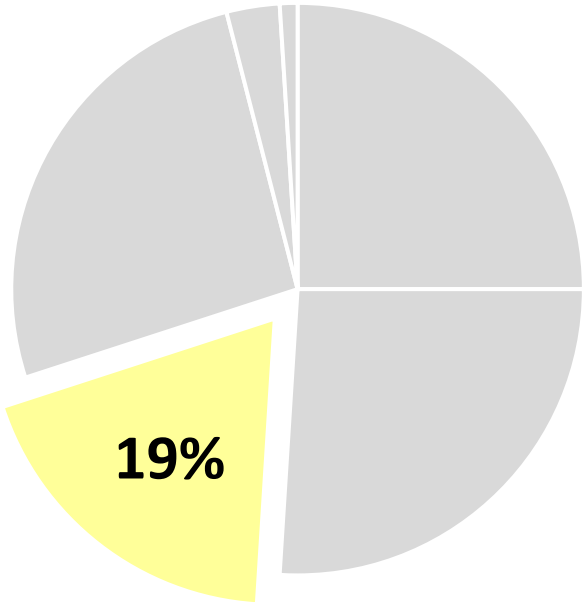
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Sales by Application _ Consumer/Mobile Equipment

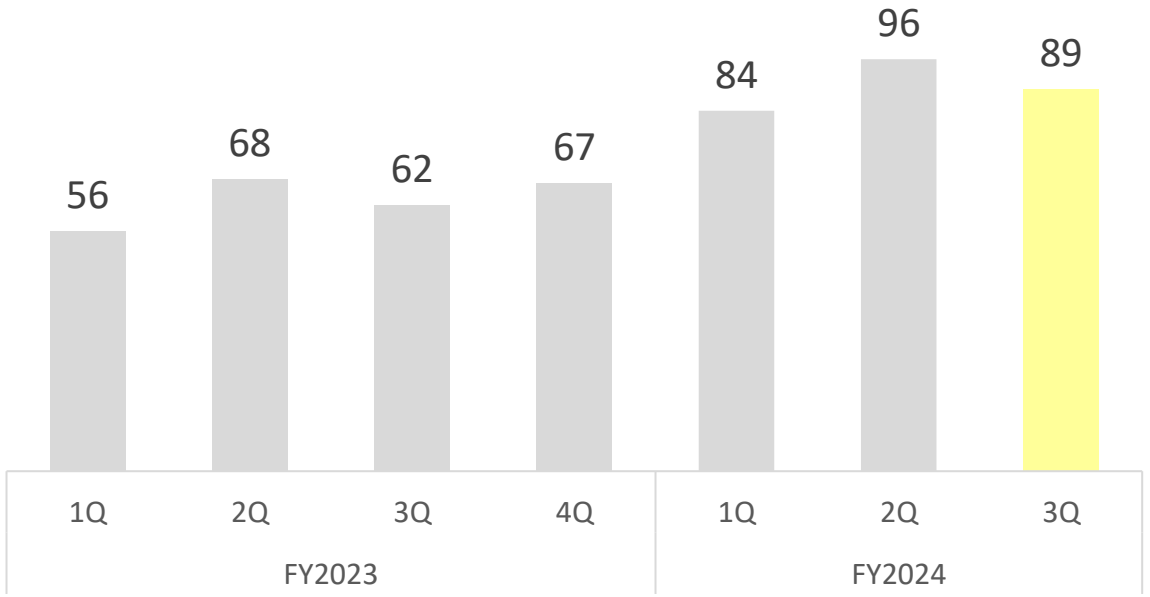
(Yen in hundred millions)

	FY2023			FY2024			YoY
	1H	3Q	1Q-3Q	1H	3Q	1Q-3Q	FY2023.1Q-3Q /FY2024.1Q-3Q
Sales	124	62	186	180	**89**	**269**	+45%

- **FY2024 1Q-3Q Composition ratio**



- **Changes in quarterly sales**



■ Due to the seasonality, the sales decreased slightly from 2Q.

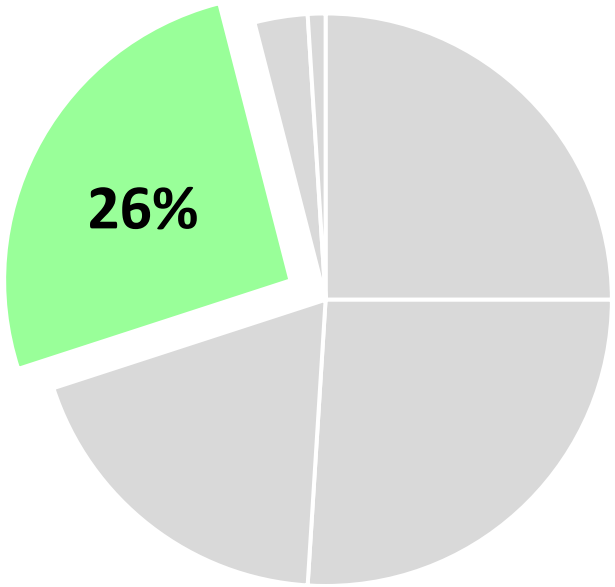
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Sales by Application _ Automotive/Mobility-related

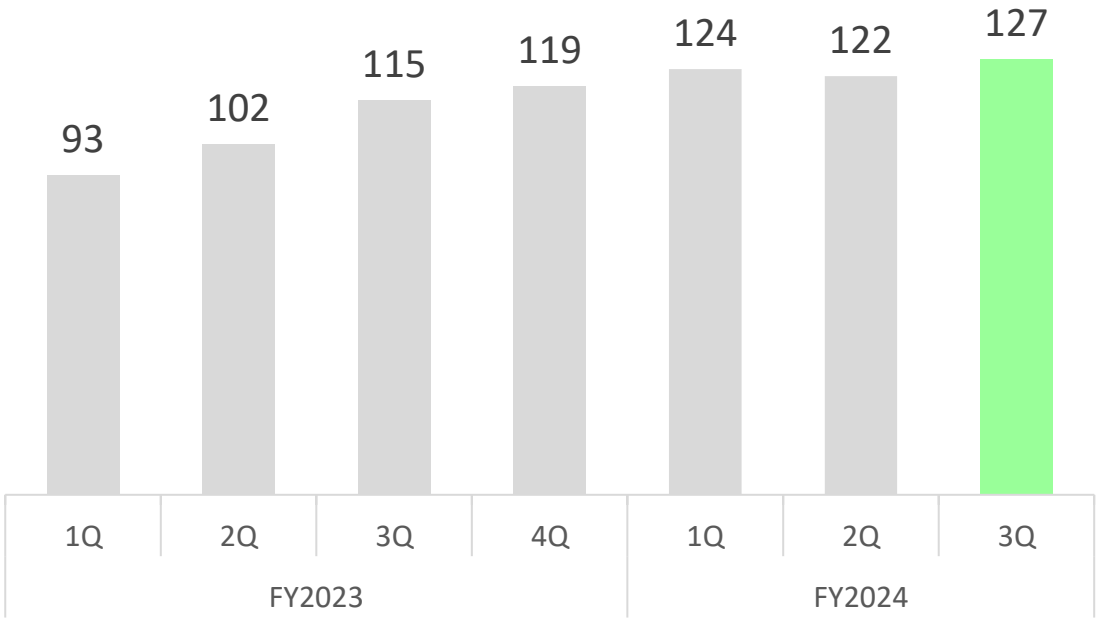
(Yen in hundred millions)

	FY2023			FY2024			YoY
	1H	3Q	1Q-3Q	1H	3Q	1Q-3Q	FY2023.1Q-3Q /FY2024.1Q-3Q
Sales	195	115	310	246	**127**	**373**	+20%

- **FY2024 1Q-3Q Composition ratio**



- **Changes in quarterly sales**



■ Although the overall market conditions are not favorable, our sales showed steady trends.

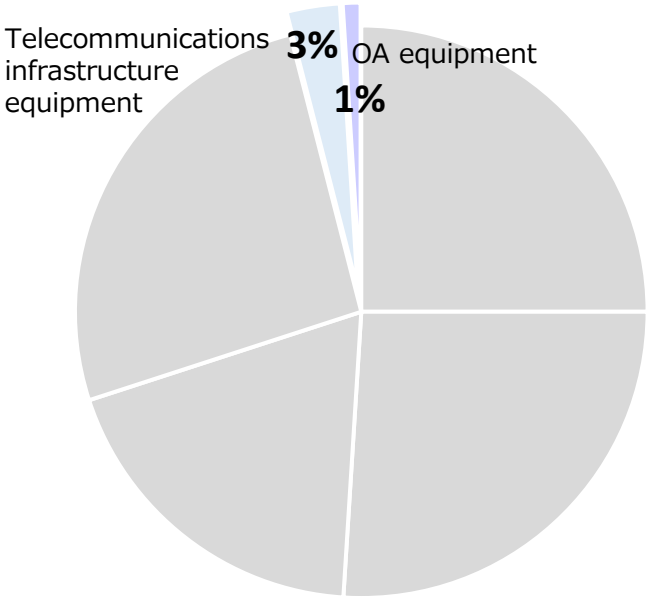
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Sales by Application _ Telecommunications infrastructure equipment / OA equipment

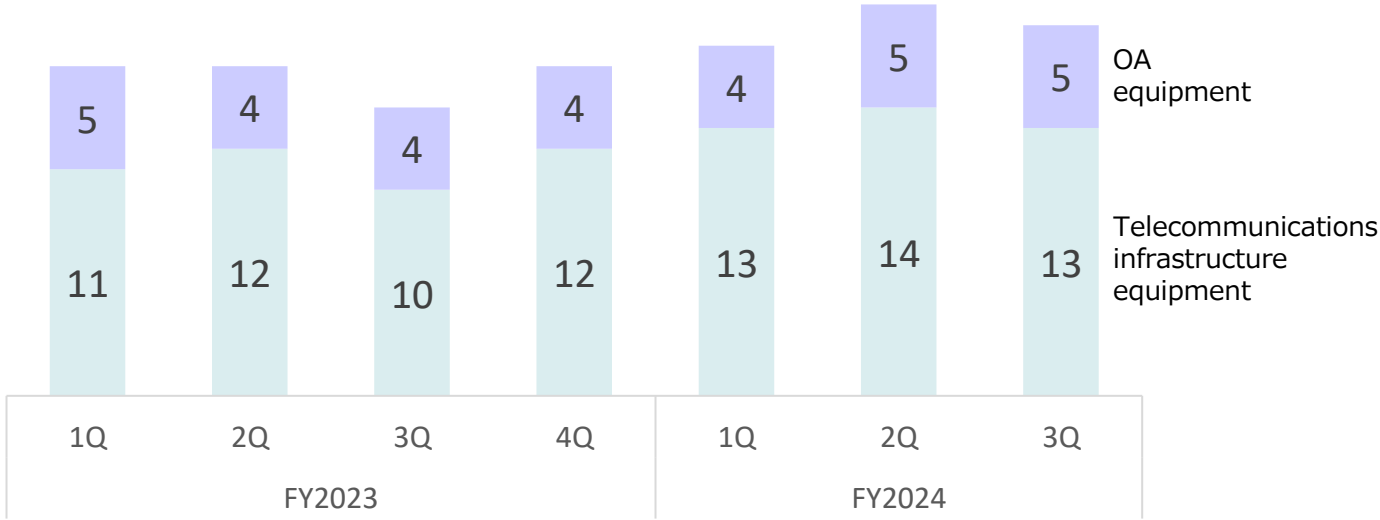
(Yen in hundred millions)

	FY2023			FY2024			YoY
	1H	3Q	1Q-3Q	1H	3Q	1Q-3Q	FY2023.1Q-3Q /FY2024.1Q-3Q
Telecommunications infrastructure equipment	23	10	33	27	**13**	**40**	+21%
OA equipment	9	4	13	9	**5**	**14**	+8%

● FY2024 1Q-3Q Composition ratio



● Changes in quarterly sales



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Business Forecast for the Year Ending March 31, 2025 (Consolidated)

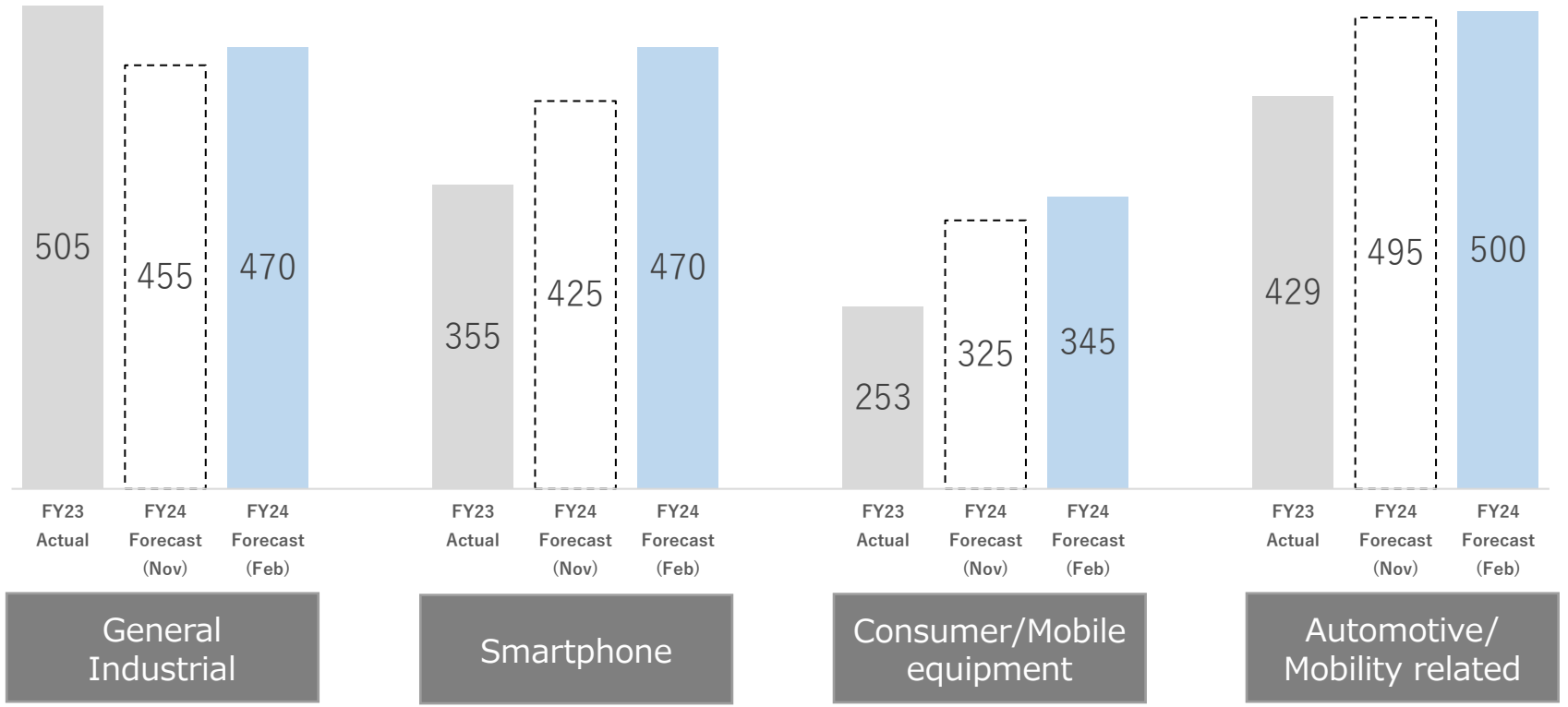
Due to the trend of exchange rate, and the expectations of smartphone and consumer segments to exceed the previous forecast, we revised the forecast of FY2024 announced in November 2024.

(Yen in hundred millions)	FY2023 (FY ended March 31, 2024) Actual		FY2024 (FY ending March 31, 2025)			1Q-3Q over the previous actual amount		For the year over the previous actual amount	
	1Q-3Q	For the year	1Q-3Q Actual	2024.Nov forecast	Revised forecast	Amount change	%	Amount change	%
Sales	1,251.6	1,655.1	**1,444.2**	**1,820.0**	**1,900.0**	+192.6	15.4%	+244.9	14.8%
COGS ratio	55.6%	56.2%	**54.4%**	**56.3%**	**54.7%**				
Operating Profit	272.3	340.2	**342.1**	**380.0**	**420.0**	+69.8	25.6%	+79.8	23.5%
(%)	21.8%	20.6%	**23.7%**	**20.9%**	**22.1%**				
Profit before Tax	306.3	387.6	**374.7**	**410.0**	**450.0**	+68.4	22.3%	+62.4	16.1%
(%)	24.5%	23.4%	**25.9%**	**22.5%**	**23.7%**				
Net Profit	207.1	264.8	**275.8**	**300.0**	**320.0**	+68.7	33.2%	+55.2	20.8%
(%)	16.5%	16.0%	**19.1%**	**16.5%**	**16.8%**				
Earnings Per Share	—	772.38 yen	—	**886.68 yen**	**945.79 yen**				
Dividend Per Share	220円	440 yen	245 yen	**490 yen**	**490 yen**				
Consolidated Dividend Payout Ratio	—	57.0%	—	**55.3%**	**51.8%**				

	FY2023 Actual	FY2024 Forecast (Revised)
1US$	144.62 yen	153.00 yen
1€	156.80 yen	163.00 yen
100won	10.97 yen	11.00 yen

Revised Annual Sales Forecast by Segment (round of number)

(Yen in hundred millions)



FY2024 Annual growth rate forecast	As of Nov. 2024	As of Feb. 2025
● General Industrial	-10%	-7%
● Smartphone	+20%	+32%
● Consumer/Mobile equipment	+28%	+36%
● Automotive/Mobility related	+15%	+16%

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Appendix.

Sales by Industry Segments round number (Quarterly Basis)

(Yen in hundred millions)

	FY2023				FY2024			FY2024.1Q-3Q Composition ratio
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	
General Industrial	152	130	119	104	111	115	**122**	**25%**
Smartphone	72	97	99	87	99	133	**130**	**26%**
Consumer/Mobile equipment	56	68	62	67	84	96	**89**	**19%**
Automotive/Mobility related	93	102	115	119	124	122	**127**	**26%**
Telecommunications infrastructure equipment	11	12	10	12	13	14	**13**	**3%**
OA equipment	5	4	4	4	4	5	**5**	**1%**
Total of Connector Sales	389	413	408	392	434	485	**486**	**100%**
Others	16	12	14	11	14	12	13	
Total	**405**	**425**	**423**	**403**	**449**	**497**	**499**	

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