Business Results for the Third Quarter of FY2025

February 4, 2026
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.

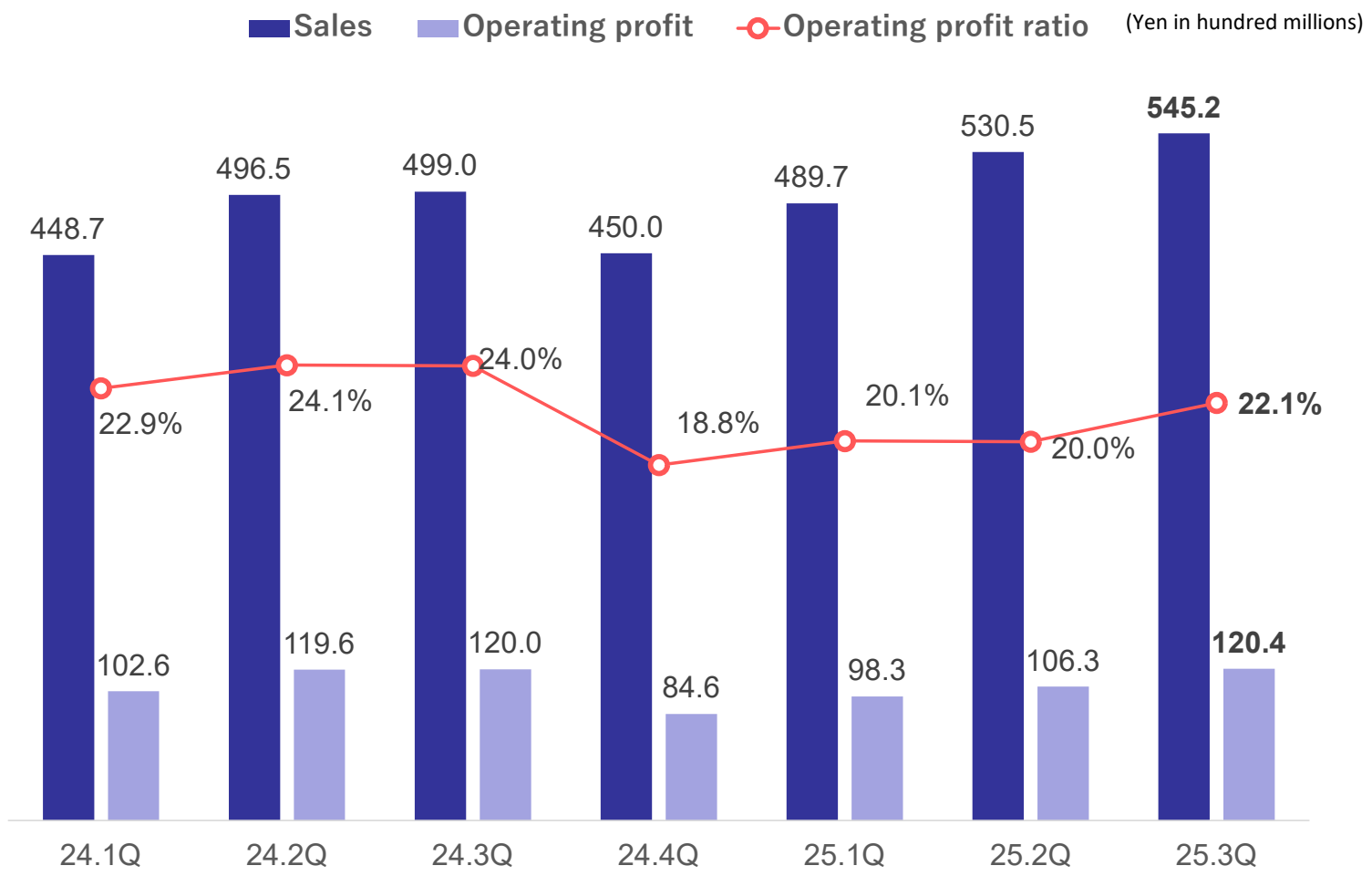
Summary of the business results (FY2025.1Q-3Q From Apr 2025 to Dec 2025)

Overall sales remained solid; however, rising material costs—particularly for metals—continued to be a burden from the second quarter, ultimately putting pressure on profits. For the general industrial market, recovered to near historical peak levels, excluding the period of excess demand in FY2022, exceeding our plan. While the smartphone segment was weak, the consumer and mobile segment continued to be stable as expected, and the automotive-related segment continued to be strong. Cumulative sales were +8.4% year-on-year, operating profit was -5.0%, and operating profit margin was 20.8%. Orders received in the third quarter totaled 161.74 billion yen, +11.6% year-on-year.

(Yen in hundred millions)

	FY2024			FY2025			YoY
	1H (24.4-9)	3Q (24.10-12)	1Q-3Q (24.4-12)	1H (25.4-9)	3Q (25.10-12)	1Q-3Q (25.4-12)	2025.1Q-3Q / 2024.1Q-3Q
Orders	975.9	473.3	**1,449.2**	1,061.5	555.9	**1,617.4**	+11.6%
Sales	945.2	499.0	**1,444.2**	1,020.2	545.2	**1,565.5**	+8.4%
Operating Profit	222.2	120.0	**342.1**	204.6	120.4	**325.0**	-5.0%
Operating Profit ratio	23.5%	24.0%	**23.7%**	20.1%	22.1%	**20.8%**	-2.9pt

Changes in sales and operating profit (FY2024.1Q - FY2025.3Q / Consolidated basis)



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Business Results for FY2025.1Q-3Q

(Yen in hundred millions)

	FY2024.3Q (Dec 31, 2024)	FY2025.3Q (Dec 31, 2025)	Increase/Decrease (YoY)	Increase/Decrease Ratio (YoY)
Sales	**1,444.2**	**1,565.5**	**+121.3**	**+8.4%**
COGS Ratio	54.4%	57.6%	+3.2	
SGA Ratio	21.9%	21.5%	-0.4	
Operating Profit	**342.1**	**325.0**	**-17.1**	**-5.0%**
(%)	23.7%	20.8%	-2.9	
Profit before tax	**374.7**	**352.9**	**-21.7**	**-5.8%**
(%)	25.9%	22.5%	-3.4	
Net profit	**275.8**	**248.1**	**-27.7**	**-10.0%**
(%)	19.1%	15.8%	-3.3	
Shareholder's Equity Ratio	**89.0%**	**88.3%**		
Earnings Per Share	**815.25yen**	**738.35yen**		

	FY2024.3Q	FY2025.3Q
1US$	152.57yen	**148.74yen**
1 €	164.83yen	**171.83yen**
100won	11.11yen	**10.55yen**

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FY2025.1Q-3Q Major Changes

(Yen in hundred millions)

Sales

121.3 hundred million yen Increased
(1,444.2 → 1,565.5)

General Industrial	: + 99
Smartphone	: − 21
Automotive / Mobility-related	: + 30
Telecommunications	: + 5

COGS Ratio

3.2 pt Decreased (54.4% → 57.6%)

Variable Cost Ratio	: 37.8% → 40.7%
Depreciation Cost Ratio	: 7.7% → 7.7%
Labor Cost Ratio	: 7.6% → 7.8%

SGA Ratio

0.4 pt Improved (21.9% → 21.5%)

316.4 → 336.0 (+19.6)

Financial income / costs

4.6 hundred million yen Decreased (+32.5 → +27.9)

Exchange Gain or Loss : −1.1 → +0.2
Decrease in securities valuation gains: −5.8

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FY2025.1Q-3Q YoY Variation Analysis

(Yen in hundred millions)

	Sales	Operating Profit	(%)	Profit before tax	(%)
FY2024.1Q-3Q Actual	**1,444.2**	**342.2**	**23.7%**	**374.7**	**25.9%**
Exchange rate	-26.9	-17.0		-16.9	
Labor cost increase		-26.2		-26.2	
Depreciation cost increase		-10.5		-10.5	
Increase in the product and others	148.2	36.5		31.8	
Total amount of changes	**121.3**	**-17.2**		**-21.8**	
FY2025.1Q-3Q Actual	**1,565.5**	**325.0**	**20.8%**	**352.9**	**22.5%**

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Consolidated Balance Sheet （1）

(Yen in hundred millions)

	Account	Mar 31, 2025	Dec 31, 2025	Increase/ Decrease	Remarks
Asset	Cash and Cash Equivalents	**856.7**	**863.4**	**+6.7**	Profit before tax +248, Share buybacks -150, Capital investment (including buildings, etc.) -165, Dividend payment -165, Securities and time deposit maturity redemption +275
	Trade and other Receivables	**403.9**	**501.6**	**+97.7**	Increased sales
	Inventories	**250.9**	**278.9**	**+28.0**	
	Other Financial Assets	**1,513.7**	**1,436.8**	**-76.9**	Securities +60, Time deposits decrease -137
	Property, Plant and Equipment	**863.8**	**908.7**	**+44.9**	Increase in production facilities
	Right-of-use Asset	**49.4**	**57.8**	**+8.4**	
	Others	**230.2**	**231.1**	**+0.9**	Consumption tax refund receivable
	Total	**4,168.7**	**4,278.3**	**+109.6**	
	Total of cash in bank	**1,604.5**	**1,458.0**	**-146.5**	

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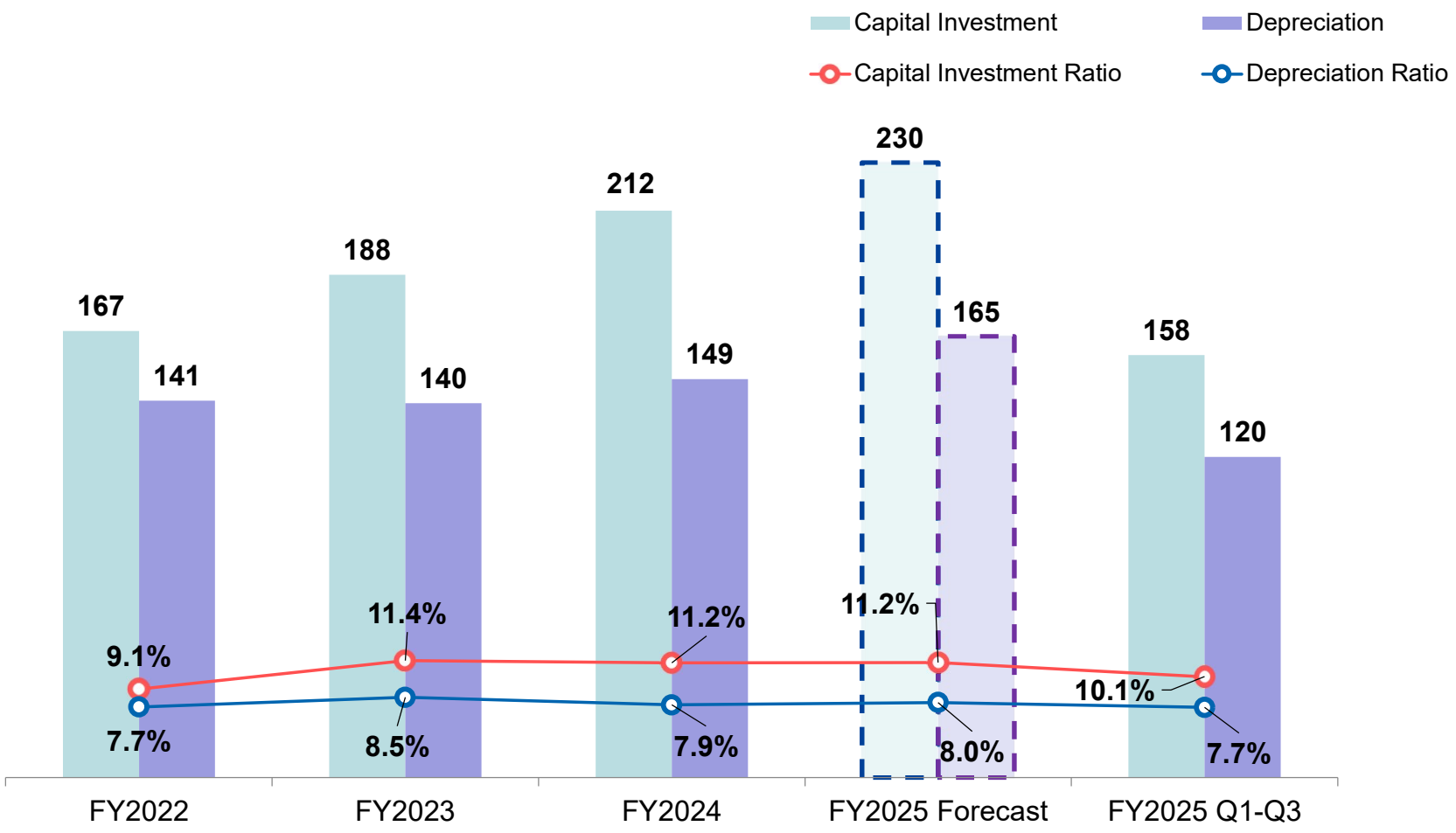
Consolidated Balance Sheet （2）

(Yen in hundred millions)

	Account	Mar 31, 2025	Dec 31, 2025	Increase/ Decrease	Remarks
Liabilities	Payables and other Debt	**129.0**	**154.4**	**+25.4**	Accounts payable increase due to increased purchases +20
	Lease Liabilities	**52.0**	**60.7**	**+8.7**	
	Income Taxes Payable	**81.4**	**39.1**	**-42.3**	Domestic corporate tax payment
	Others	**204.8**	**247.7**	**+42.9**	Increase in deferred tax liabilities
	Total	**467.2**	**502.0**	**+34.8**	
Shareholder's Equity	Capital stock and capital surplus	**206.3**	**207.8**	**+1.5**	
	Retained earnings	**3,489.7**	**3,572.9**	**+83.2**	Net income +248, dividend payment -165
	Treasury shares	**- 274.6**	**- 424.5**	**-149.8**	Share Acquisition -150
	Others	**280.1**	**420.1**	**+140.0**	Exchange Conversion Adjustment (due to appreciation of KRW etc.) +120
	Total	**3,701.5**	**3,776.3**	**+74.8**	
	Total Liabilities and Shareholder's Equity	**4,168.7**	**4,278.3**	**+109.6**	

Business Expenditure and Amortization Expense (Consolidated Basis)

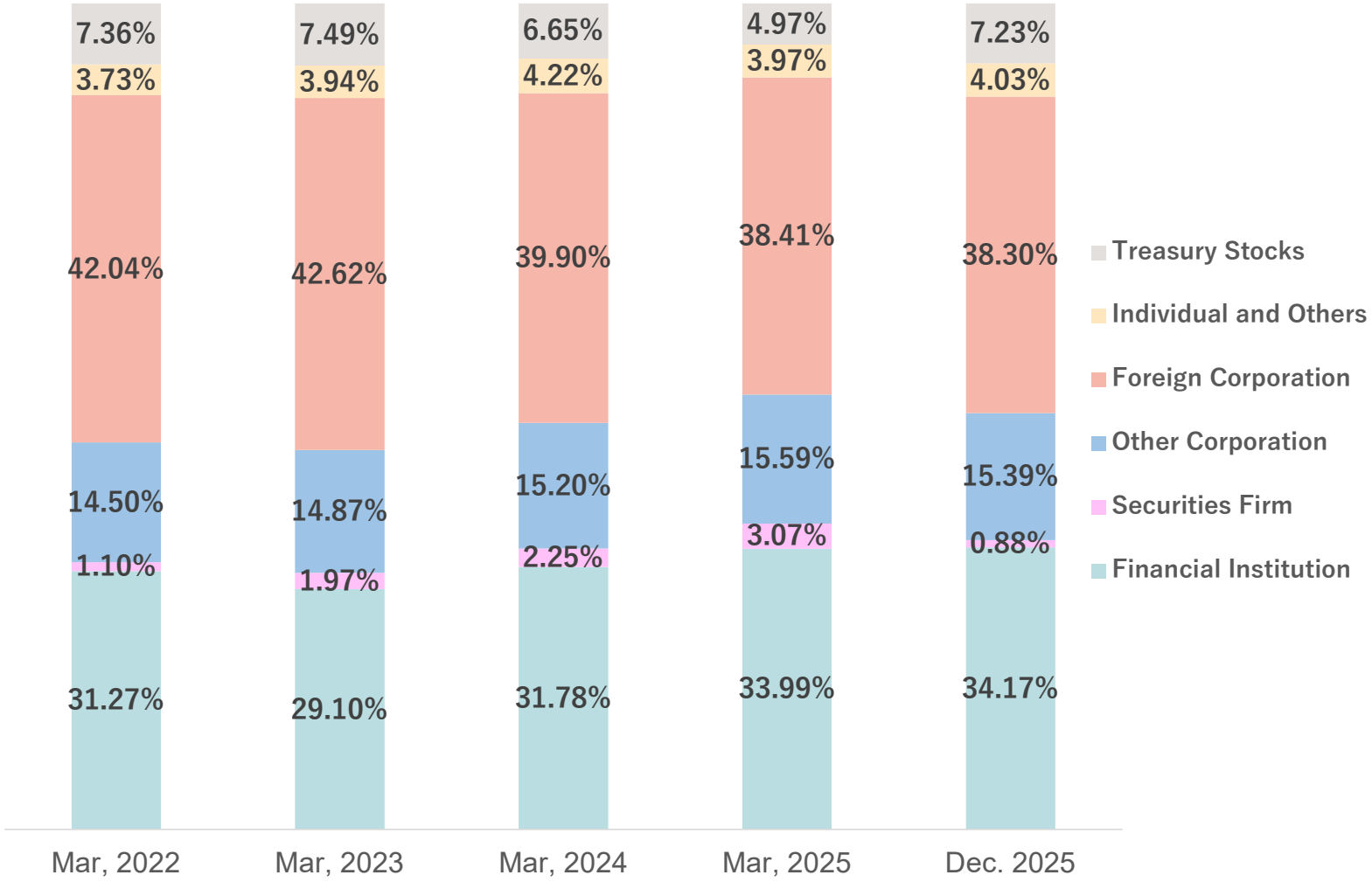
(Yen in hundred millions)



(*Excluding land, building, and software investment)

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Distribution of Shareholders



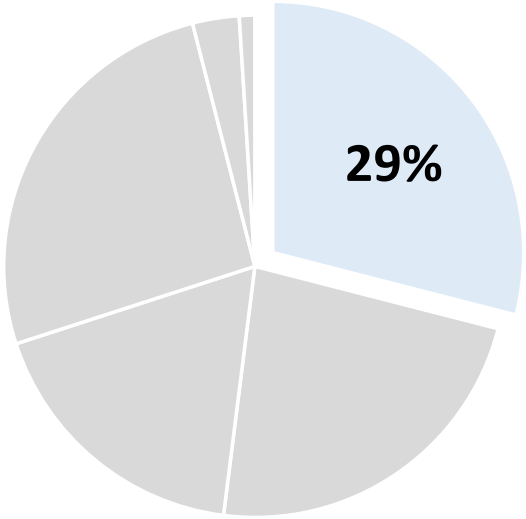
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Sales by Application _ General Industrial

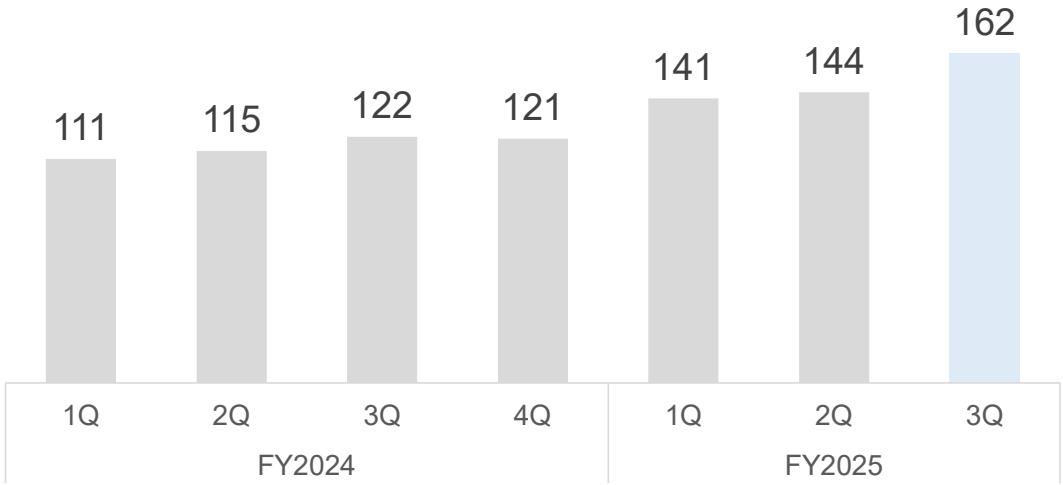
(Yen in hundred millions)

	FY2024			FY2025			YoY
	1H	3Q	1Q-3Q	1H	3Q	1Q-3Q	FY2025.1Q-3Q /FY2024.1Q-3Q
Sales	226	122	348	285	**162**	**447**	+28%

- **FY2025 1Q-3Q Composition ratio**



- **Changes in quarterly sales**



■ Sales have rebounded to levels higher than FY21, before the COVID-19-related demand spike.

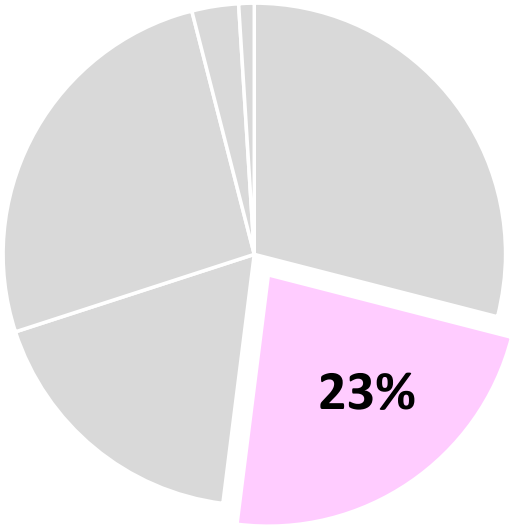
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Sales by Application _ Smartphone

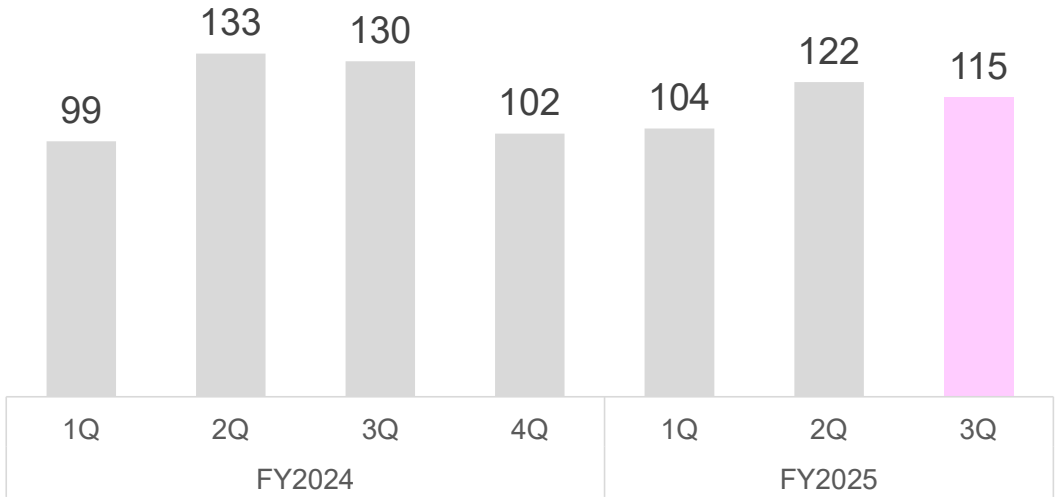
(Yen in hundred millions)

	FY2024			FY2025			YoY
	1H	3Q	1Q-3Q	1H	3Q	1Q-3Q	FY2025.1Q-3Q/ FY2024.1Q-3Q
Sales	232	130	362	226	**115**	**341**	-6%

- **FY2025 1Q-3Q Composition ratio**



- **Changes in quarterly sales**



■ While performance varied by region, results were soft overall.

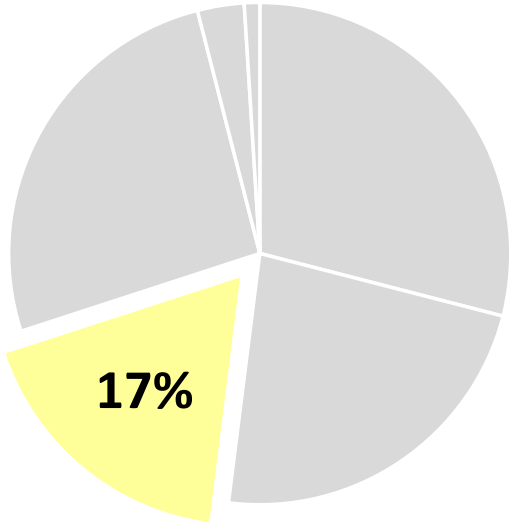
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Sales by Application _ Consumer / Mobile Equipment

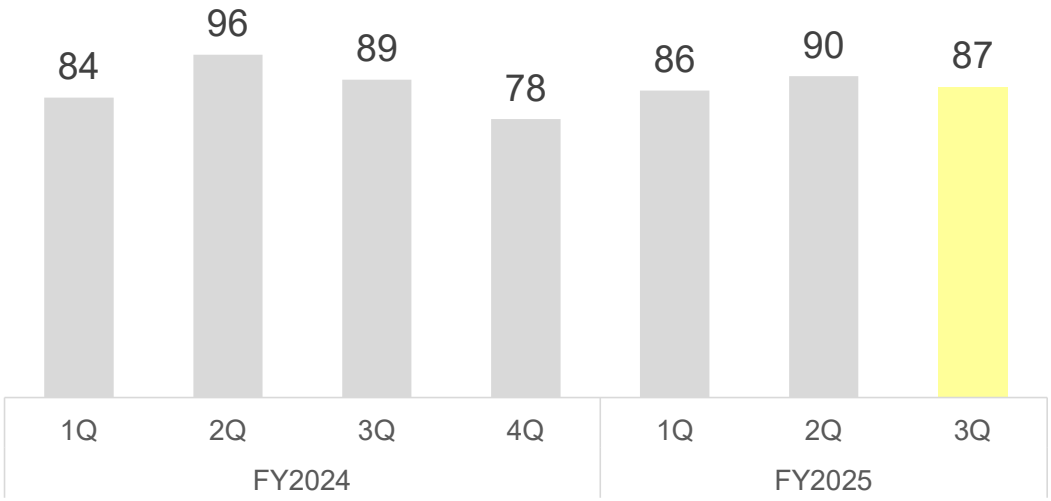
(Yen in hundred millions)

	FY2024			FY2025			YoY
	1H	3Q	1Q-3Q	1H	3Q	1Q-3Q	FY2025.1Q-3Q /FY2024.1Q-3Q
Sales	180	89	269	176	**87**	**263**	-2%

- **FY2025 1Q-3Q Composition ratio**



- **Changes in quarterly sales**



■ Declined from 2Q due to seasonality but remained resilient.

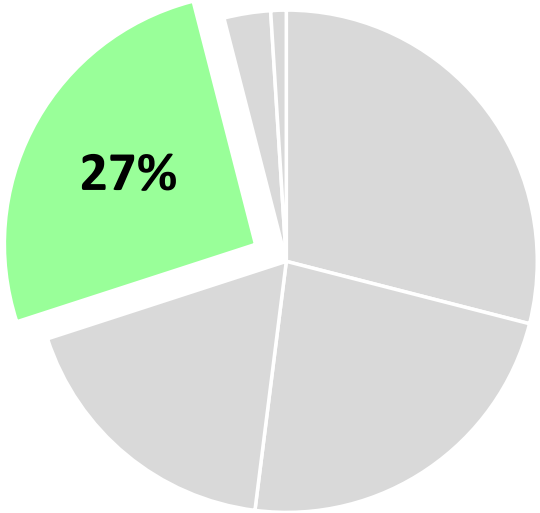
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Sales by Application _ Automotive / Mobility-related

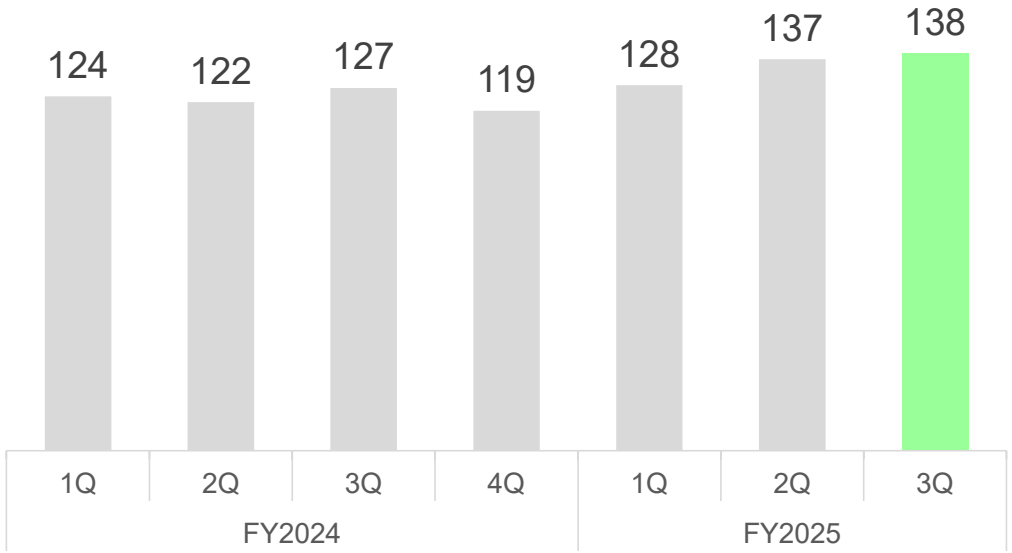
(Yen in hundred millions)

	FY2024			FY2025			YoY
	1H	3Q	1Q-3Q	1H	3Q	1Q-3Q	FY2025.1Q-3Q /FY2024.1Q-3Q
Sales	246	127	373	265	**138**	**403**	+8%

- **FY2025 1Q-3Q Composition ratio**



- **Changes in quarterly sales**



■ Performance remained solid, supported by a diverse customer base.

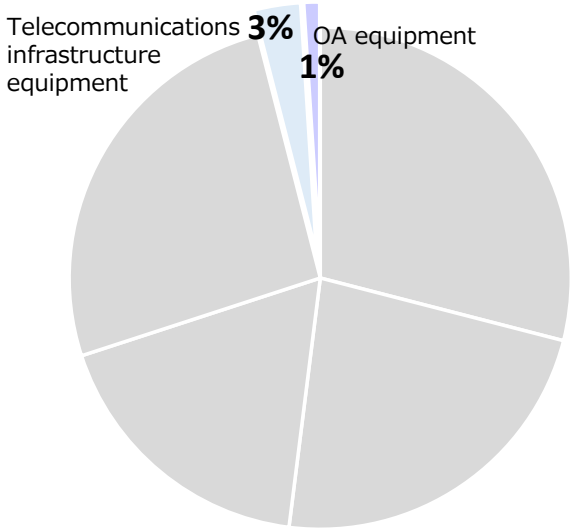
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Sales by Application _ Telecommunications infrastructure equipment / OA equipment

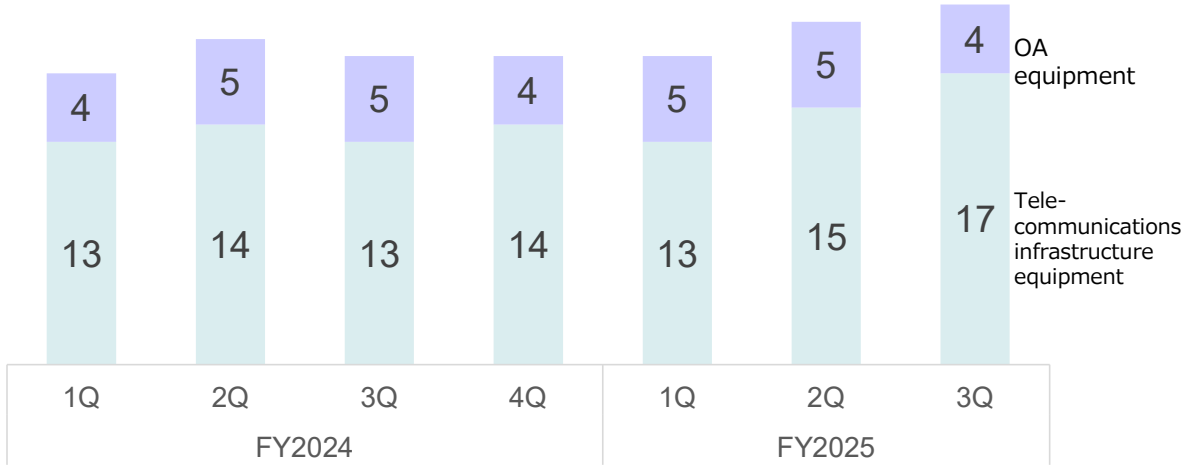
(Yen in hundred millions)

	FY2024			FY2025			YoY
	1H	3Q	1Q-3Q	1H	3Q	1Q-3Q	FY2025.1Q-3Q /FY2024.1Q-3Q
Telecommunications infrastructure equipment	27	13	40	28	**17**	**45**	+13%
OA equipment	9	5	14	10	**4**	**14**	±0%

● **FY2025 1Q-3Q Composition ratio**



● **Changes in quarterly sales**



■ Supported by a strong market, our demand continued to grow gradually.

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

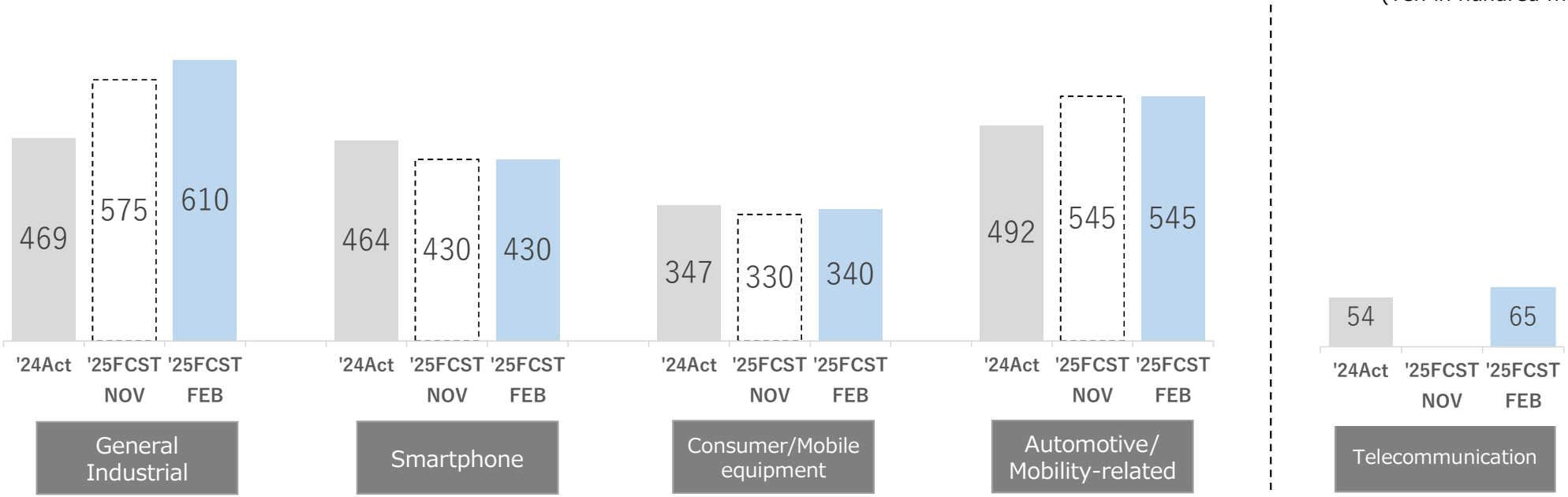
We revise the forecast, as the general industrial business is expected to outperform the forecast announced in November 2025 .

(Yen in hundred millions)	FY2024 Actual (FY ended March 31, 2025)		FY2025（FY ending March 31, 2026）			1Q-3Q over the previous actual amount		For the year over the previous actual amount	
	1Q-3Q	For the year	1Q-3Q Actual	2025.Nov forecast	Revised forecast	Amount change	%	Amount change	%
Sales	1,444.2	1,894.2	**1,565.5**	**2,000.0**	**2,050.0**	+121.3	+8.4%	+155.8	+8.2%
COGS ratio	54.4%	54.9%	57.6%	**56.5%**	**57.6%**				
Operating Profit	342.1	426.7	**325.0**	**400.0**	**410.0**	-17.1	-5.0%	-16.7	-3.9%
(%)	23.7%	22.5%	20.8%	**20.0%**	**20.0%**				
Profit before Tax	374.7	462.2	**352.9**	**430.0**	**440.0**	-21.7	-5.8%	-22.2	-4.8%
(%)	25.9%	24.4%	22.5%	**21.5%**	**21.5%**				
Net Profit	275.8	330.3	**248.1**	**300.0**	**305.0**	-27.7	-10.0%	-25.3	-7.7%
(%)	19.1%	17.4%	15.8%	**15.0%**	**14.9%**				
Earnings Per Share		976.33yen	738.35yen	**891.76yen**	**911.47yen**				
Dividend Per Share	245yen	490yen	245yen	**490yen**	**490yen**				
Consolidated Dividend Payout Ratio	—	50.2%	—	**54.9%**	**53.8%**				

	FY2024 Actual	FY2025 Forecast (Revised)
1US$	152.58yen	**150.00yen**
1 €	163.75yen	**174.00yen**
100won	10.97yen	**10.50yen**

Annual Sales Forecast Revision by Field (Approximate)

(Yen in hundred millions)

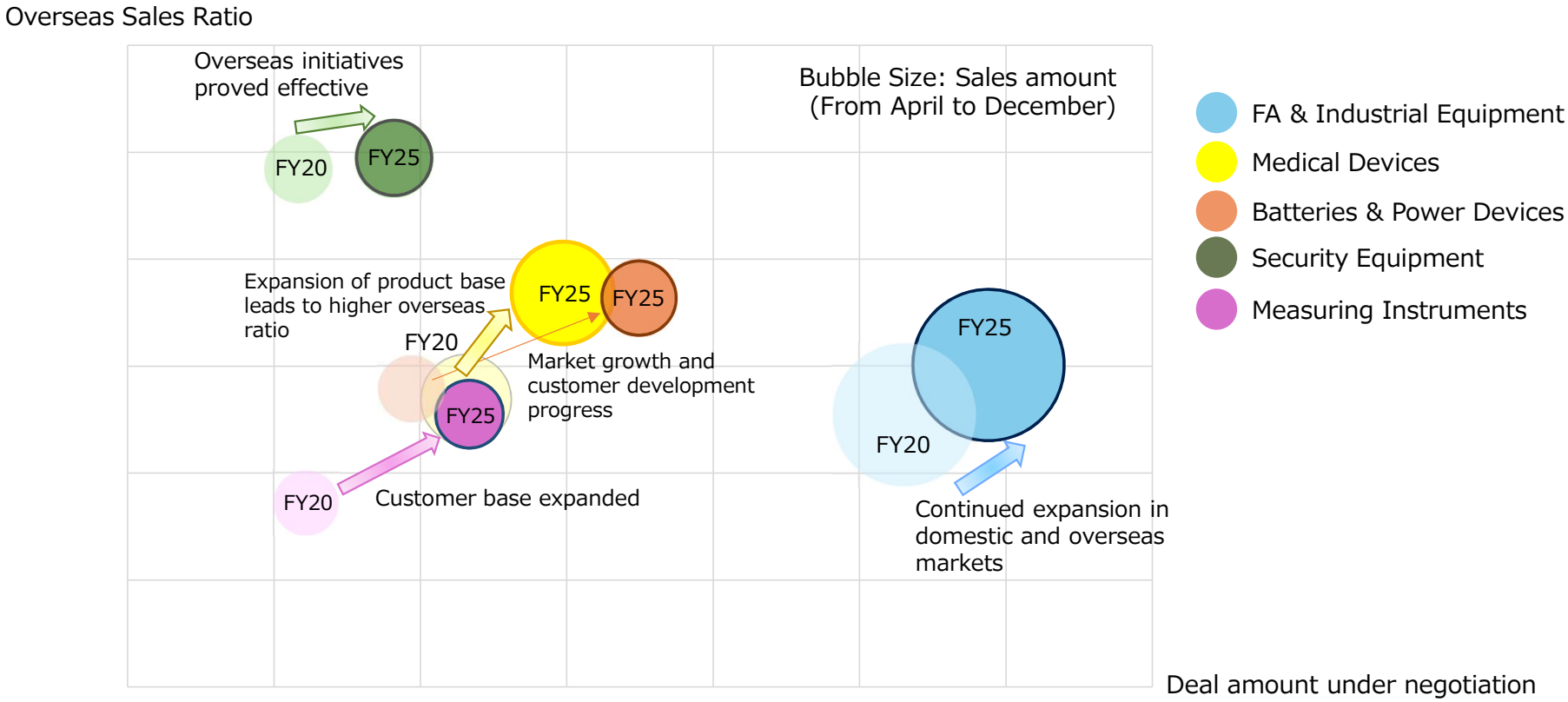


FY2025 Forecast for the previous year	2025 Nov. FCST	2025 Feb. FCST	
● General Industrial	+23%	**+30%**	Following pages
● Smartphone	-7%	**-7%**	
● Consumer/Mobile equipment	-5%	**-2%**	
● Automotive/Mobility-related	+11%	**+11%**	
● Telecommunication	-	**+20%**	Following pages

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General Industrial: Shift toward growth by subsegment

Changes in the “General Industrial” Segment (FY20 vs FY25)



In addition to the progress in inventory adjustments, the General Industrial segment grows steadily due to product development and market development. Expects as a continuous growth driver.

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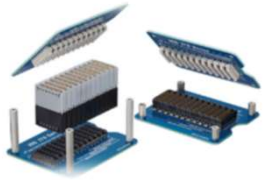
Telecommunications Infrastructure Equipment: AI Server-related Business

AI server-related orders and sales in the "Communication Infrastructure Equipment" segment

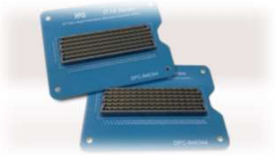
AI server-related (servers, routers, switches, etc.) Orders
AI server-related (servers, routers, switches, etc.) Sales



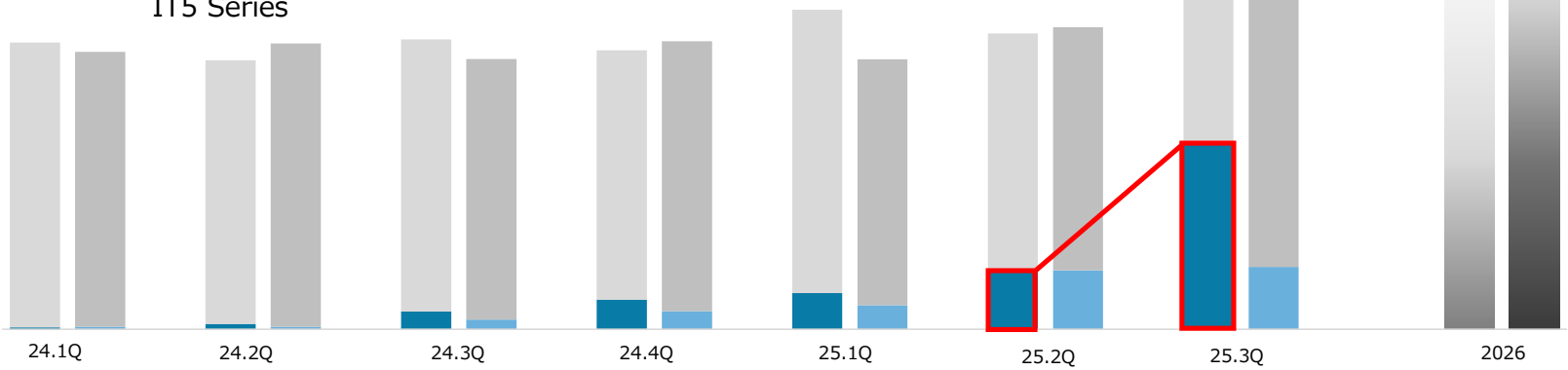
IT5 Series



IT8 Series



IT14 Series



AI server-related orders increased in FY25.3Q. The segment BB ratio, which was previously around 1 times, has been expanded to 1.4 times. While receiving the tailwind of market growth, we would like to aim for further growth by adding our own initiatives.

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Tohoku Advanced Technology Center Plans to Expand Functions
~Further Strengthening of Production Facility Development System~

Hirose Electric Co., Ltd. is pleased to announce the expansion of the Tohoku Advanced Technology Center, which has been in operation since March 2024 as a production facility development base in Mukai-Nakano, Morioka City, Iwate Prefecture, with the aim of expanding its functions. The completion of the extension is scheduled for the spring of 2027.



March 2024: Construction to strengthen assembly equipment development capabilities

Improvements to the control equipment software and the development of new heads boosted line productivity and contributed to reducing equipment manufacturing lead time.

From Spring 2027: Aiming to further strengthen manufacturing capabilities, in addition to the assembly process, we aim to strengthen and optimize equipment development capabilities in all processes, including the front and rear processes.

As productivity improvement efforts are paying off, additional investments are being made for further expansion and development.

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Shareholder Return - Share Buyback

Announced in May 2025:

Decided to acquire treasury shares up to 60 billion yen over the four years from FY2025 to 2028.

- **From August 5, 2025 to November 14, 2025, acquisition completed**
  806,500 shares, 15 billion yen

- **Announced on December 25, 2025, in progress**
  We are currently executing Share Buyback to increase the level of shareholder returns and improve capital efficiency as well as to enable a flexible capital policy in response to changes in the business environment.

Class of shares	Common stock
Total number of shares to be repurchased	Up to 1,000,000 shares (3.03% of total shares outstanding, excluding treasury stock)
Total amount to be paid for repurchase	Up to 15,000,000,000 yen
Period of repurchase	From January 5, 2026 to July 31, 2026
Method of repurchase	Purchase on the Tokyo Stock Exchange

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Appendix.
Sales by Industry Segments round number (Quarterly Basis)

(Yen in hundred millions)

	FY2024				FY2025			FY2025Q3 Composition ratio
	1Q	2Q	3Q	4Q	1Q	2Q	**3Q**	
General Industrial	111	115	122	121	141	144	**162**	**29%**
Smartphone	99	133	130	102	104	122	**115**	**23%**
Consumer/Mobile equipment	84	96	89	78	86	90	**87**	**17%**
Automotive/Mobility related	124	122	127	119	128	137	**138**	**27%**
Telecommunications infrastructure equipment	13	14	13	14	13	15	**17**	**3%**
OA equipment	4	5	5	4	5	5	**4**	**1%**
Total of Connector Sales	434	485	486	438	478	513	**523**	**100%**
Others	14	12	13	12	12	17	22	
Total	**449**	**497**	**499**	**450**	**490**	**530**	**545**	

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