

Hirose Reports Business Results for First Quarter of their FY2024 Calendar Year April 2024 through June 2024

For fiscal year 2024, first quarter, Hirose reported sales of 44.9 billion yen, versus 40.5 billion yen in the first quarter of 2023. This is a year-over-year increase in sales of +10.9%. Bookings were also up, increasing +31.5%, from 36.9 billion yen to 48.5 billion. This increase resulted in a year-over-year increase in net profits of +39.6% or 2.4 billion yen.

Hirose Electric 1Q Fiscal Year 2023 vs. 1Q Fiscal Year 2024

	FY 2023 - 1Q Apr-June 2023	FY 2024 - 1Q Apr-June 2024	YoY Percent Change
Sales	40.5	44.9	10.9%
Bookings	36.9	48.5	31.5%
Operating Profit	9.1	10.3	13.3%
Net Profit	6.0	8.4	39.6%

Yen in Billions

On a quarter-over-quarter basis, sales increased +11.2% to 44.9 billion yen, while bookings increased +20% to 48.5 billion yen.

Hirose Electric 4Q2023 vs. 1Q2024 Quarter-or-Quarter Change

	FY 2023 - 4Q Jan-Mar 2024	FY 2024 - 1Q Apr-June 2024	QoQ Percent Change
Sales	40.4	44.9	11.2%
Bookings	40.4	48.5	20.0%
Operating Profit	6.8	10.3	51.1%

Yen in Billions

It was noted in the presentation that recovery in the general industrial market had been gradual while sales for products associated with the sale of smartphone and consumer equipment showed strong growth. It was also noted that the automotive market segment has exhibited steady growth, contributing to the double-digit year-over-year sales increase. The following chart shows performance by business.

**Hirose Sales by Business
1QFY2023 vs 1QFY2024
With Business Composition Ratio**

Business	Actual 1Q FY2023	Actual 1Q FY2024	Percent Change 2023/2024	1QFY2024 Composition Ratio
General Industrial	15.2	11.1	-27.0%	26%
Smartphone	7.2	9.9	37.5%	23%
Consumer/Mobile Equipment	5.6	8.4	50.0%	19%
Telecom Infrastructure Equipment	1.6	1.7	6.3%	3%
Automotive/ Mobility-related	9.3	12.4	33.3%	28%
All Other Equipment	1.6	1.4	-12.5%	1%
Total	40.4	44.9	11.1%	100%

Yen in Billions

According to Hirose, “In the first quarter of the fiscal year ending March 31, 2025, the Japanese economy was on a recovery track due to the normalization of economic activities and strong inbound demand. However, the outlook remained uncertain due to soaring energy and raw material prices resulting from the further depreciation of the yen, the slowdown of the Chinese economy, and the impact of intensifying conflicts overseas.”

FY 2025 Outlook and Beyond

Hirose’s business forecast for the year ending March 31, 2025, remains unchanged, with sales anticipated to grow 6.3%, to a total of 176 billion yen.

**Hirose
Fiscal Year 2024 Forecast**

Business	Actual Total FY2023	Forecast Total FY2024	Percent Change 2023/2024
General Industrial	50.5	50.0	-1.0%
Smartphone	35.5	40.0	12.7%
Consumer/Mobile Equipment	25.3	27.5	8.9%
Automotive/ Mobility-related	42.9	46.5	8.5%
All Other Equipment	11.4	12.0	5.2%
Total	165.5	176.0	6.3%

Yen in Billions

As previously stated, Hirose's forecast by business is as follows. "First, in the general industrial machinery, we don't expect a recovery in this sector in the early stages of the current fiscal year due to the lingering effects of market inventories. However, we do expect a turnaround in H2. We project a relatively flat performance at negative 1% or JPY50 billion at the end of the fiscal year."

"The field of smartphones and mobile terminals is projected to grow this fiscal year to JPY40 billion, a positive 13%. This includes expectations due to market share gains backed by product strength in small products. Consumer mobile equipment is projected at JPY25.7 billion versus JPY25.3 billion in FY2023, a positive 9%. The forecast for the automotive and mobility-related business is JPY46.5 billion, positive 8%, and is expected to grow steadily."

Bishop & Associates Comments

After a difficult fiscal year 2023, Hirose is back and going strong, particularly in the areas of smartphones and consumer/mobile equipment. In addition to connector industry sales being down in 2023, with a worldwide decline in connector sales of -2.7%, the yen to dollar exchange rate created and continues to create an even more difficult business environment. With connector bookings and billings both strong through the first half of calendar year 2024, it is anticipated that like forecasted by Hirose, the industry will remain positive in 2024. Presently Hirose is predicting an increase of +6.3% in comparison to Bishop's calendar year forecast of 5.8%.