

Hirose Reports Business Results for Second Quarter of their FY2025 Calendar Year July 2024 through September 2024

For fiscal year 2024, second quarter, Hirose reported sales of 49.7 billion yen, versus 42.5 billion yen in the second quarter of 2023. This is a year-over-year increase in sales of +16.9%. Bookings were also up, increasing +27.3%, from 38.6 billion yen to 49.1 billion. This increase resulted in a year-over-year increase in net profits of +37.9% or 2.5 billion yen.

Hirose Electric 2Q Fiscal Year 2023 vs. 2Q Fiscal Year 2024

	FY 2023 - 2Q	FY 2024 - 2Q	YoY
	July-Sept 2023	July-Sept 2024	Percent Change
Sales	42.5	49.7	16.9%
Bookings	38.6	49.1	27.3%
Operating Profit	8.1	12.0	47.1%
Net Profit	6.6	9.1	37.9%

Yen in Billions

On a quarter-over-quarter basis, sales increased +10.7% to 49.7 billion yen, while bookings increased +1.3% to 49.1 billion yen.

Hirose Electric 2Q2024 vs. 3Q2024 Quarter-over-Quarter Change

	FY 2024 - 1Q	FY 2024 - 2Q	QoQ
	Apr-June 2024	July-Sept 2024	Percent Change
Sales	44.9	49.7	10.7%
Bookings	48.5	49.1	1.3%
Operating Profit	10.3	12.0	16.6%

Yen in Billions

On a half-over-half basis, sales increased +14.0% to 94.5 billion yen, while bookings increased +29.4% to 97.6 billion yen.

Hirose Electric
CY 1H2024 vs. CY 1H2024
Half-over-Half Change

	CY 2023 - 1H	CY 2024 - 1H	YoY
	April-Sept 2023	April-Sept 2024	Percent Change
Sales	82.9	94.5	14.0%
Bookings	75.4	97.6	29.4%
Operating Profit	17.2	22.2	29.2%
Net Profit	12.6	17.5	39.2%

Yen in Billions

It was noted in the presentation that although the recovery in the general industrial equipment market is still lagging, sales for the smartphone market and consumer mobile devices continued to grow, while sales for automotive and mobility-related applications remained strong.

Hirose Sales by Business
2QFY2023 vs 2QFY2024
With Business Composition Ratio

Business	Actual 2Q FY2023	Actual 2Q FY2024	Percent Change 2023/2024	2QFY2024 Composition Ratio
General Industrial	13.0	11.5	-11.5%	24%
Smartphone	9.7	13.3	37.1%	25%
Consumer/Mobile Equipment	6.8	9.6	41.2%	20%
Telecom Infrastructure Equipment	1.2	1.4	16.7%	3%
Automotive/ Mobility-related	10.2	12.2	19.6%	27%
All Other Equipment	1.6	1.7	6.3%	1%
Total	42.5	49.7	16.9%	100%

Yen in Billions

Note All Other Equipment includes Connector and Non-Connector Sales

FY 2025/CY 2024 Forecast and Beyond

Hirose's business forecast for the year ending March 31, 2025, has changed slightly as noted below. In May, it was anticipated that sales would grow to 176 billion yen, in November of 2024, this was changed to 182 billion yen as shown in the table below.

Hirose Fiscal Year 2024 Forecast

Business	Actual Total FY2023	Forecast Total FY2024	Percent Change 2023/2024
General Industrial	50.5	45.5	-9.9%
Smartphone	35.5	42.5	19.8%
Consumer/Mobile Equipment	25.3	32.5	28.5%
Automotive/ Mobility-related	42.9	49.5	15.4%
All Other Equipment	11.4	12.0	5.3%
Total	165.5	182.0	10.0%

Yen in Billions

According to Hirose “the recovery in industrial machinery is still less encouraging than we expected at the beginning of the fiscal year, and our final forecast for FY2024 is smaller. In May, we had estimated JPY50 billion, but we revised our estimate to JPY45.5 billion.”

“As for smartphones, the strength of sales in H1 of the year was largely due to North American market, and we believe that the fluctuations in H1 of the year were quite dynamic. In addition, because of seasonal factors in this field, there is usually a relative decline in H2 of the year. Therefore, we have taken this into account, and also considered the possibility of fluctuations in H1 of the year. The value reflects a risk of uncertainty. In May, we forecasted JPY40 billion, but we revised our estimate to JPY42.5 billion. “

“We believe that the growth in the consumer and mobile segment was not only due to the extremely strong market conditions in H1 of the year, but also to the fact that customer inventories have settled down, and we believe that H1 results reflect our high market share. As with the smartphone business mentioned earlier, there are seasonal factors in this area, so we expect a downward trend in H2 of the year compared to H1. We factored in the risk of fluctuation in H2. As a result, we updated JPY27.5 billion to JPY32.5 billion. “

“The automotive and mobility business is currently performing well, but there is some talk of brakes being applied to the external environment, and we have revised our forecast from JPY46.5 billion to JPY49.5 billion

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 Hirose's forecast, the industry will remain positive in 2024. Presently Hirose is predicting an increase of +10.0% in comparison to Bishop's calendar year forecast of 5.8%.