

## Hirose Sales up +18.1% in Calendar Year 4Q

For fiscal year 2024, Hirose reported sales of 49.9 billion yen in the third quarter, versus 42.3 billion yen in the third quarter of 2023. This is a year-over-year increase in sales of +18.1%. Bookings were also up, increasing +29.4%, from 36.6 billion yen to 47.3 billion. This increase resulted in a year-over-year increase in net profits of +23.9% or 1.936 billion yen.

### Calendar 4Q Results

	FY 2023 - 3Q Oct-Dec 2023	FY 2024 - 3Q Oct-Dec 2024	YoY Percent Change
<b>Sales</b>	42.3	49.9	<b>18.1%</b>
<b>Bookings</b>	36.6	47.3	<b>29.4%</b>
<b>Operating Profit</b>	10.0	12.0	<b>19.5%</b>
<b>Net Profit</b>	8.1	10.0	<b>23.9%</b>

Yen in Billions

On a quarter-over-quarter basis, sales increased +0.5% to 49.9 billion yen, while bookings decreased -3.7% to 47.3 billion yen.

Over the past three quarters, sales increased +15.4% to 144.4 billion yen, while bookings increased +29.4% to 144.9 billion yen. Note, bookings increase from first half 2023 to first half 2024 percent increase was the same as three-quarters 2023 over three-quarters 2024.

### Results Last Three Quarters

	CY 2023 - 1Q-3Q April-Dec 2023	CY 2024 - 1Q-3Q April-Dec 2024	YoY Percent Change
<b>Sales</b>	125.2	144.4	<b>15.4%</b>
<b>Bookings</b>	112.0	144.9	<b>29.4%</b>
<b>Operating Profit</b>	27.2	34.2	<b>25.6%</b>
<b>Net Profit</b>	20.7	27.6	<b>33.2%</b>

Yen in Billions

It was noted in the presentation that “in Q3 of FY2024, the recovery in the general industrial machinery market was still not encouraging, but the automotive and mobility-related market remained strong. Sales for the smartphone market and consumer mobile devices continued to hover at a high level despite a slight QoQ decline”.

### Hirose Sales by Business Results Last Three Quarters

Business	Actual 1Q-3Q FY2023	Actual 1Q-3Q FY2024	Percent Change 2023/2024	3QFY2024 Composition Ratio
General Industrial	40.1	34.8	-13.2%	25%
Smartphone	26.8	36.2	35.1%	26%
Consumer/Mobile Equipment	18.6	26.9	44.6%	19%
Telecom Infrastructure Equipment	3.3	4.0	21.2%	3%
Automotive/ Mobility-related	31.0	37.3	20.3%	26%
All Other Equipment	5.4	5.2	-3.3%	1%
<b>Total</b>	<b>125.2</b>	<b>144.4</b>	<b>15.4%</b>	<b>100%</b>

Yen in Billions

Note All Other Equipment includes Connector and Non-Connector Sales so Ratio Exceeds 100%

### FY 2025/CY 2024 Forecast and Beyond

Hirose's business forecast for the year ending March 31, 2025, once again 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, and in February of 2025, it was increased to 190 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	51	47	-7%
Smartphone	36	47	32%
Consumer/Mobile Equipment	25	34	36%
Automotive/ Mobility-related	43	50	16%
All Other Equipment	11	12	5%
<b>Total</b>	<b>166</b>	<b>190</b>	<b>15%</b>

Yen in Billions

According to Hirose "there is gradual recovery in industrial machinery. We currently predict that a full recovery will not occur until after the summer of 2025. Usually, our top brands have led the way in this gradual recovery, but this time, we have seen a slight increase in orders from distributors. This is only to the extent that the supply chain has begun to replenish normalized inventories, as a full-fledged recovery is not yet in sight. We are going to continue and look at this".

“Next, the businesses for smartphones and mobile terminals. This one has been revised upward from the previous JPY42.5 billion to JPY47 billion. YoY ratio has been revised from +20% to +32%. This is because the decline brought about by seasonal fluctuations has been gradual, and the situation of the South Korean and US markets in 3Q were good.”

“Now, let us go to consumer and mobile devices segment. We revised this figure from JPY32.5 billion to JPY34.5 billion. We changed it from YoY plus 28% to YoY plus 36%. We are seeing strong sales in edge computing devices, such as mobile PCs and tablets, as well as strong sales in wireless earphones, and VR and other wearable devices, all of which are performing better than expected.”

“Finally, I would like to move on to automotive and mobility segment. We revised the sales forecast in this segment from JPY49.5 billion to JPY50 billion, and from YoY +15% to YoY +16%. The EV market is said to be weak, but we see that the South Korean and Chinese market is strong.”

### ***Bishop & Associates Comments***

Over the first three quarters of Hirose’s FY 2024, Hirose has shown just how strong their product offering is. After a difficult fiscal year 2023, Hirose has come back with vengeance, particularly in the business areas of smartphones and consumer/mobile equipment. Both business segments are expected to exhibit YOY growth exceeding 30% in Japanese yen. As indicated in the preceding chart, Hirose is presently forecasting FY2024 sales growth of 15.0% which in US dollars equates to growth of approximately 7.0%.