

Hirose 2Q FY 2025 Sales up +6.8% **Bookings up +10.2%**

For 2nd quarter fiscal year 2025 (07/01/2025 – 09/30/2025), Hirose reported sales of 53.1 (53.05) billion yen, versus 49.7 (49.65) billion yen in 2nd quarter fiscal year 2024. This is a year-over-year increase in sales of +6.8%. Bookings were also up, increasing +10.2%, from 49.1 (49.11) billion yen to 54.1 (54.14) billion. Unfortunately, as stated by Hirose, “although overall sales were strong, an increase in labor costs, material costs including metal materials, were factors in the decline in profits”, with “operating profit down -11.1% and net profit down -8.8%.

Fiscal Year 2025 Results

	FY 2024 - 2Q	FY 2025 - 2Q	YoY
	July-Sept 2024	July-Sept 2025	Percent Change
Sales	49.7	53.1	6.8%
Bookings	49.1	54.1	10.2%
Operating Profit	12.0	10.6	-11.1%
Net Profit	9.1	8.3	-8.8%

Yen in Billions

According to Hirose, “During the six months ended September 30, 2025, Japan's economy saw resilient consumer spending underpinned by robust inbound demand. However, rising raw material costs and inflationary pressures weighed on corporate earnings. The manufacturing sector continues to face a challenging environment due to factors such as U.S. tariff policies and heightened geopolitical risks”. From a regional perspective, “in overseas market, inflation slowed in Europe and the United States, while consumption and manufacturing activity remained subdued due to persistently high interest rates. China continued to experience adjustments in its real estate market, delaying the recovery of domestic demand”.

On a quarter-over-quarter sequential basis, sales increased +8.3% to 53.1 billion yen, while bookings increased +4.1% to 54.1 billion yen, and operating profit increased +8.1%.

**Quarter over Quarter Sequential Change
Fiscal Year 1Q 2025 versus 2Q2025**

	FY 2025 - 1Q Apr-June	FY 2025 - 2Q July-Sept 2025	QoQ Percent Change
Sales	49.0	53.1	8.3%
Bookings	52.0	54.1	4.1%
Operating Profit	9.8	10.6	8.1%

Yen in Billions

On a quarter-over-quarter (QoQ) bases by business, general industrial sales, had the greatest overall sales, growing to 14.4 billion yen, with a QoQ percent change of +2.1%. From a QoQ percentage increase, the greatest increase was seen in smartphones, where sales grew from 10.4 billion yen to 12.2 billion yen, an increase of +17.3%. Smartphones were followed by telecom infrastructure equipment where QoQ percent change was +15.4%. Although this is a strong QoQ, because telecom infrastructure equipment only counted for 3% of total sales.

**Quarter-Over-Quarter Change by Business
4Q2024 versus 1Q2025**

Business	Actual 1Q FY2025	Actual 2Q FY2025	QoQ Percent Change
General Industrial	14.1	14.4	2.1%
Smartphone	10.4	12.2	17.3%
Consumer/Mobile Equipment	8.6	9.0	4.7%
Telecom Infrastructure Equipment	1.3	1.5	15.4%
Automotive/ Mobility-related	12.8	13.7	7.0%
All Other Equipment	1.7	2.1	23.5%
Total	49.0	53.1	8.3%

Yen in Billions

As indicated by Hirose, “Business performance showed signs of recovery in business for the industrial equipment market, with favorable results for the consumer equipment market and stable business for the automotive equipment market”. From a year-over-year perspective, the business showing the most growth was general industrial, where half-year year-over-year sales were up a strong +26.1%, followed by automotive/mobility-related, where sales were up +7.7%. Although general industrial and automotive/mobility-related businesses were up year-over-year, two businesses, which accounted for 41% of Hirose’s total sales, smartphone and consumer/mobile equipment were down, -2.6% and -2.2% respectively.

**Hirose Year-Over-Year Change by Business
With Composition Ratio
1H FY2024 versus 1H FY2025**

Business	Actual 1H FY2024	Actual 1H FY2025	YoY Percent Change	2QFY2025 Composition Ratio
General Industrial	22.6	28.5	26.1%	29%
Smartphone	23.2	22.6	-2.6%	23%
Consumer/Mobile Equipment	18.0	17.6	-2.2%	18%
Telecom Infrastructure Equipment	2.7	2.8	3.7%	3%
Automotive/ Mobility-related	24.6	26.5	7.7%	26%
All Other Equipment	3.4	4.0	16.9%	1%
Total	94.5	102.0	7.9%	100%

Yen in Billions

From a year-over-year quarterly perspective, like half year, the greatest percent change was seen in general industrial, where sales grew +25.6%, followed by automotive/mobility-related where sales grew +12.3%. All other businesses saw a decline in year-over-years sales, with the greatest decline in smartphones, which accounted for 23% of total business, followed by telecom infrastructure equipment, which accounted for 3% of total business. These two businesses declined -8.3% and -7.1% respectively. From a yen perspective, the greatest decline was in smartphones and consumer/mobile equipment, where sales in yen dropped 1.1 billion yen and 0.6 billion yen.

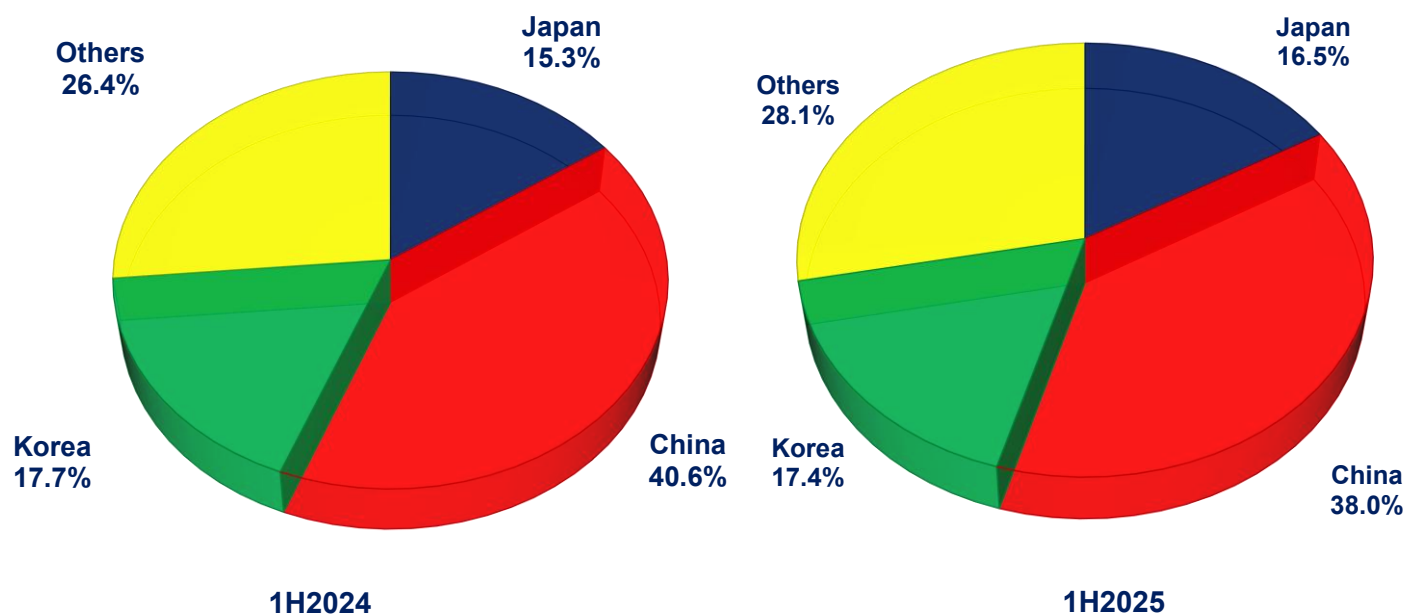
**Hirose Year-Over-Year Change by Business
2Q FY2024 versus 2Q FY2025**

Business	Actual 2Q FY2024	Actual 2Q FY2025	YoY Percent Change
General Industrial	11.5	14.4	25.6%
Smartphone	13.3	12.2	-8.3%
Consumer/Mobile Equipment	9.6	9.0	-6.3%
Telecom Infrastructure Equipment	1.4	1.3	-7.1%
Automotive/ Mobility-related	12.2	13.7	12.3%
All Other Equipment	1.8	1.7	-5.6%
Total	49.8	52.3	5.1%

Yen in Billions

From a regional standpoint, China recorded the most sales in 1H2025, capturing 38.0% of half-year sales, up down from 40.6% in 1H2024. China is followed by Others, which includes North America and Europe, who represented 28.1% of total sales, up from 26.4% in 2024. Japan represented 16.5% of total sales, up from 15.3% in 1H2024.

Hirose 1H2024 vs 1H2025 Sales By Region of the World



Half-Year and Full Year FY 2025 versus FY 2026 Forecast

Hirose's forecast for the year ending March 31, 2026, is shown below. This is up from their May 2025 forecast of 191 billion yen in sales, and 38.5 billion yen in operating profit.

Hirose Fiscal Year 2025 Forecast

	Actual First Half FY Ending 9/31/2024	Actual First Half FY Ending 9/31/2025	Forecast Total FY Ending 3/31/2026
Sales	94.5	102.0	200.0
Operating Profit	22.2	20.5	40.0
Net Profit	17.5	15.5	30.0

Yen in Billions

It was also announced during the quarter that the ZE150HV Series designed for powertrains of EV and HEV has been honored in the Vehicle Tech & Advanced Mobility category of the CES Innovation Awards. According to Hirose, "with this award, our product becomes the fifth to be recognized by the CES Innovation Awards, following the FX26 Series and BM46 Series at CES 2020, the BM50 Series at CES 2022, and the BM55 Series at CES 2023. This also marks our first recognition for a wire connector."

Bishop & Associates Comments

Like Bishop's outlook for 2025, sales are anticipated to stay positive through the next quarter. As is expected, the percentage growth could fluctuate based on future economic conditions. These include the continued implementation of tariffs by the United States, the need to possibly raise connector prices because of the continued increase in raw material costs, wage and overhead increases, as well as other factors. We agree with Hirose's decision to increase their forecast, as Bishop is in the process of updating their 2025 forecast. Bishop's updated forecast should be available at the end of November, and like Hirose's will reflect an increase in 2025 total sales.