

# **HIROSE ELECTRIC CO., LTD**

## **Financial Results Briefing for the Fiscal Year Ending March 2019**

### **Q&A Summary**

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#### **Q1:**

Could you please tell us how each application's direction is currently being viewed for 1Q?

#### **A1:**

We expect that smartphone will be positive, automotive will be flat and general industrial will recover.

We need to pay attention to the movement of 5G for smartphone and the trend in general industrial.

We feel like that the market trend has been becoming brighter than before.

#### **Q2:**

Sales for Automotive is expected to increase in this fiscal year. What will contribute to the increase?

#### **A2:**

We are trying to expand our business with the popular trend of ICT-oriented in overall automotive market.

#### **Q3:**

I would like to know the results and plans of R&D expenditures, and foreign exchange sensitivity.

#### **A3:**

R&D expenditures : FY2018 actual..13 billion yen, FY2019 forecast..13 billion yen

Regarding the foreign exchange sensitivity, we expect sales of about 570 million yen per U.S. dollar.

#### **Q4:**

Could you please tell the amount of sales increase for automotive in medium-term?

#### **A4:**

We have not disclosed any actual figures for mid-term, but we expect the growth in automotive market.

#### **Q5:**

Unfortunately, the demand environment deteriorated sharply and the sales decreased in the last fiscal year. As a result, the sales has not grown in the past few years. What do you think about this situation?

#### **A5:**

It is important for us to catch the cause accurately.

Unlike the cycle of consumers, it takes a long time to receive orders even we have strengthened the automotive and general industrial market.

Therefore, we have to prepare ahead.

## **Disclaimer**

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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.