

HIROSE ELECTRIC CO., LTD

Financial Results Briefing for the Third Quarter of the Fiscal Year Ending March 2020

Q&A Summary

Q1 :

Could you please tell me the view on the company-wide strategy toward the next fiscal year, while there have been some changes?

A1 :

We are not able to provide a clear answer about next fiscal year today, but we think there is a lot of potential such as the growth of micro connector, expanding automotive business and growing demand along with various changes in the environment, and we are planning to grow our performance steadily.

Q2 :

I would like to ask you what issues you are aware of or the progress of your capital policy and return policy.

A2 :

We are very disappointing that the ROE is on the downward trend because of our weak topline and we prioritize improvement in profitability. We are also considering a reduction in capital to proceed with the two direction, shareholder return and growth investment. We are going to raise the ROE by improving our profitability and capital efficiency.

Q3 :

Regarding product development, how many new products are recognized? Have you been preparing the product development lineup that will drive sales growth?

A3 :

We have been working for automotive in mid-and-long term and enriched a product line-up for the next few years. The market trend in this fiscal year is not good, but we think we are able to expand our sales in the medium term.

Q4 :

Regarding the new coronavirus, I would like to know what constraints you face in launching your production.

A4 :

We can assume that we will secure good health for our workers and people concerned as top priority, and our issue is whether people involved in the operation will come back.

Q5 :

There were comments that some orders for industrial machinery are turning around. What are the areas?

A5 :

Some of the order of FA related items are coming back.

Q6 :

I would like to know a positive factor for your company because of the growth of 5G smartphone?

A6 :

We are expecting the demand will grow from the next fiscal year, but we cannot disclose the details due to the future market trend and competitive environment.

Q7 :

Could you please tell us about the current situation in January to March by field?

A7 :

For smartphones, there is some expectation but the production trend in Asia after Chinese New Year is not clear.

For industrial, the trend will recover gradually from bottoming out.

For automotive, a part of orders have been slightly reversed. However it seems that the recovery will take more time.

Disclaimer

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.