

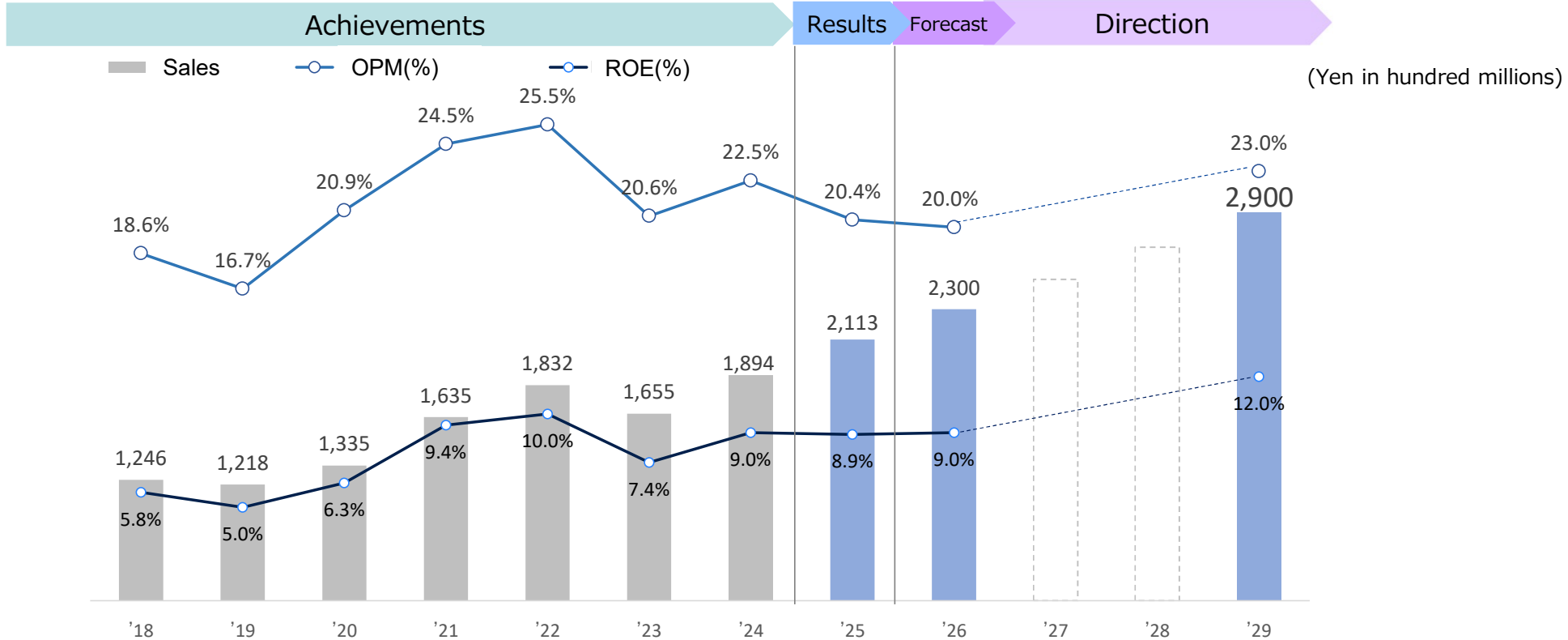
## Hirose Electric Business Results Briefing for FY2025

# “2026” Medium and Long-term Growth Strategy

May 12, 2026  
**Hirose Electric Co., Ltd.**  
President  
Shin Kamagata

# Image of Business Growth

➤➤ To create new growth areas and accelerate medium- to long-term growth ➤➤

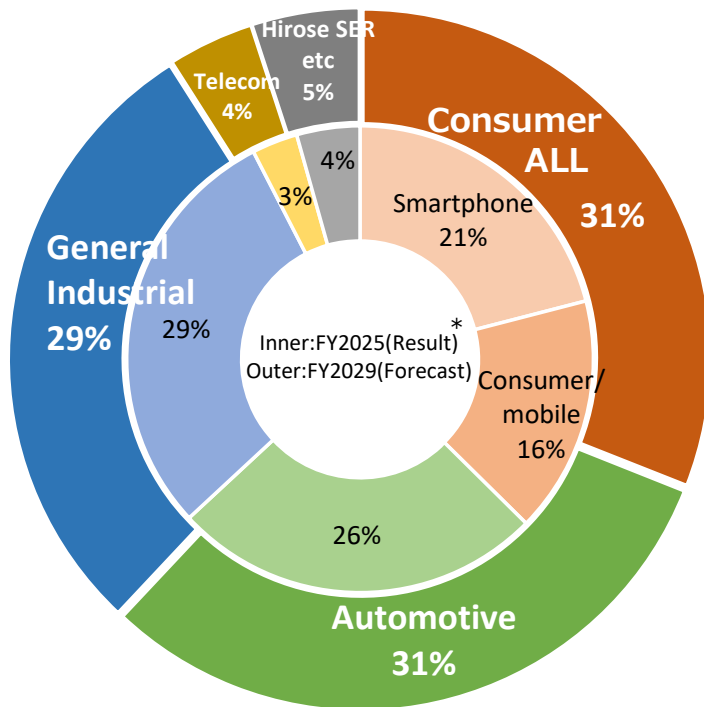


➤➤ In addition to our unchanged market segment strategies, we will grasp the expansion of demand and achieve sustainable growth. ➤➤

## Medium-Term Management Targets

### Strengthening investment in the future for top-line growth

FY2029 Targets	Sales	Operating Margin	ROE
	<b>290 Bil. yen</b>	<b>23% or more</b>	<b>12% or more</b>



- **To accelerate value-driven growth over the med-term and improve capital efficiency.**
- **Further growth of the three pillars**
  - ✓ Consumer: Expanding our industry-leading strong products and customer base
  - ✓ Automotive: Continued to drive growth by expanding supply structure, products, and customers
  - ✓ Industrial Equipment: Expanding areas of growth opportunities. Expand products and sales channels and grow in the global market
- **+“New”**
  - ✓ Actively expanding new areas such as Hirose SER, AI-related, and optical active connectors
- **Actively invest in product development capabilities, production technology capabilities, and global production capacity**
  - ✓ Strengthening capabilities of micro connectors, for General industrial, Automotive markets, and production engineering.
- **Continuously improve quality, invest in non-financial capital such as DX and human resources to strengthen our corporate structure**

\*Composition ratio of total sales, including connectors and others

# Future Investments Overview (FY2023– )

## Expansion of HRS Korea Precision Center



Expansion of micro connector development and production

Added floor area : 19,881㎡ /5 floors  
(Current floor area : 35,389㎡ /5 floors)  
(Total expanded area : 55,270㎡)

•Jan. 2025: Operation started

Expansion:  
**Approx. 3 bil. yen**

**Micro Connectors**

## New Koriyama Factory



Strengthening Manufacturing capability and BCP

New and relocated factory for Advanced manufacturing system for Auto and Industrial

<Land area : 47,720㎡/ Total floor:27,757㎡>

•June 2024: Operation started

Land acquisition + construction  
**Approx. 10 bil. yen**

**Auto/ Industrial Connectors**

## Tohoku Advanced Tech. Center

Advanced software expertise for production equipment, Hub function enabling rapid equipment start-up, Co-creative manufacturing with partner companies



Established the Tohoku Advanced Technology Center (TAT Center), a production equipment development hub, in Morioka, Iwate Prefecture

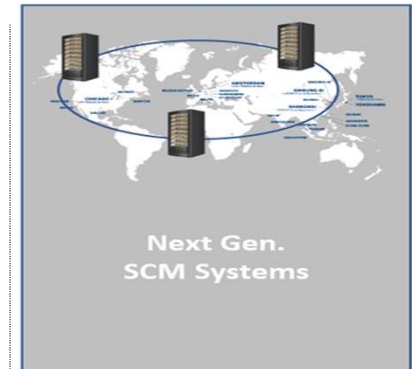
Additional floor : 19,881㎡ /5 floor  
(Present : 35,389㎡ / 5 floor )  
(Total : 55,270㎡)

•Mar 2024: Operation started

Initial investment  
**Approx. 1.5 bil. yen**

**Production Technology**

## Next. Gen SCM System



### Core system renewal

- Oct. 24 : EU system migration
- Dec. 26 : Koriyama system migration
- Apr. 27 : system migration completed

Dev. and Implementation  
**Approx. 8 to 9 bil. yen**

**DX**

# Future Investments Overview (FY2026– )

## Tohoku Advanced Technology Center Plans to Expand Functions

Hirose Electric Co., Ltd. is pleased to announce the expansion of the Tohoku Advanced Technology Center, which has been in operation since March 2024 as a production facility development base in Mukai-Nakano, Morioka City, Iwate Prefecture, with the aim of expanding its functions. The completion of the extension is scheduled for the spring of 2027.



March 2024: Construction to strengthen assembly equipment development capabilities



Improvements to the control equipment software and the development of new heads boosted line productivity and contributed to reducing equipment manufacturing lead time.

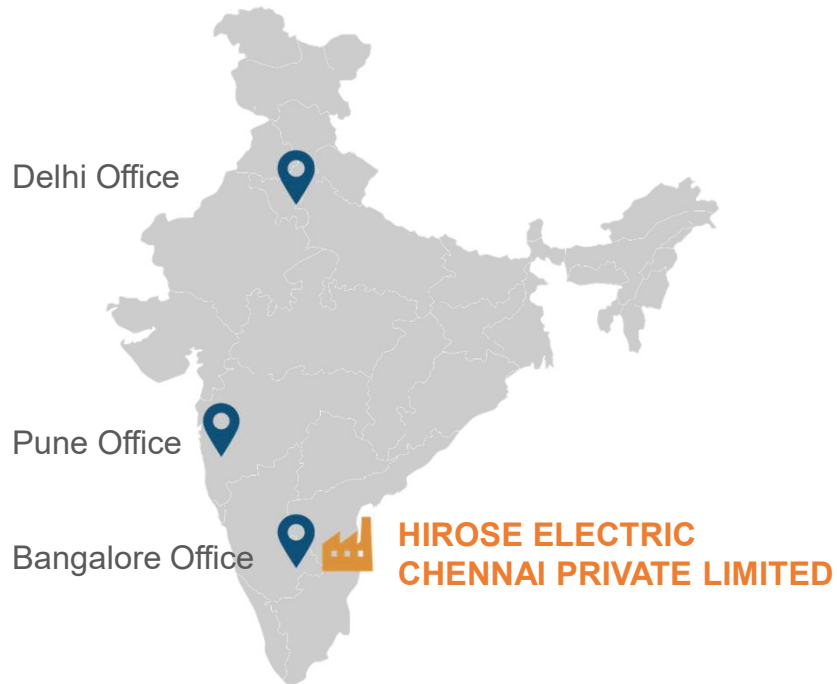


**From Spring 2027: Aiming to further strengthen manufacturing capabilities, in addition to the assembly process, we aim to strengthen and optimize equipment development capabilities in all processes, including the front and rear processes.**

As productivity improvement efforts are paying off, additional investments are being made for further expansion and development.

## Establish a manufacturing base in India

A new manufacturing base will be established in Chennai, Tamil Nadu, India. The company aims to start operation in 2027, mainly in the automotive field.



### Purpose

- ✓ Expanding business in the region, represented by India's growing motorcycle and automobile market
- ✓ Meeting the customers' need of "Make in India"
- ✓ Strengthening the global production network by double-track supply chain

**Strategic investment to simultaneously support further growth in the automotive segment and enhance the supply systems.**

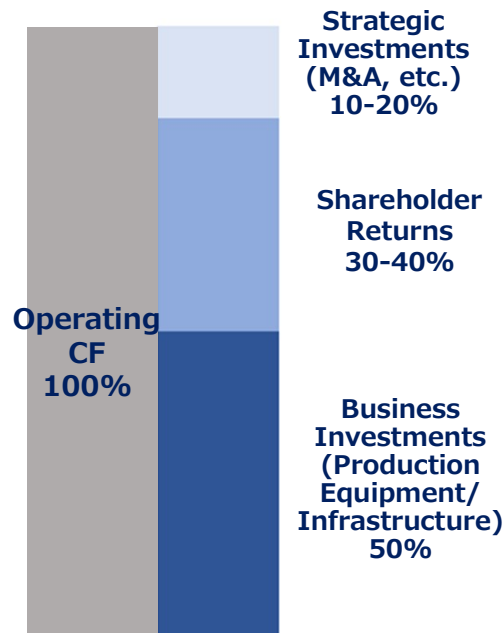
# Capital Policy Update

## FY2026-FY2029 Medium-term Cash Allocation

**To pursue both growth investments and enhanced shareholder returns**

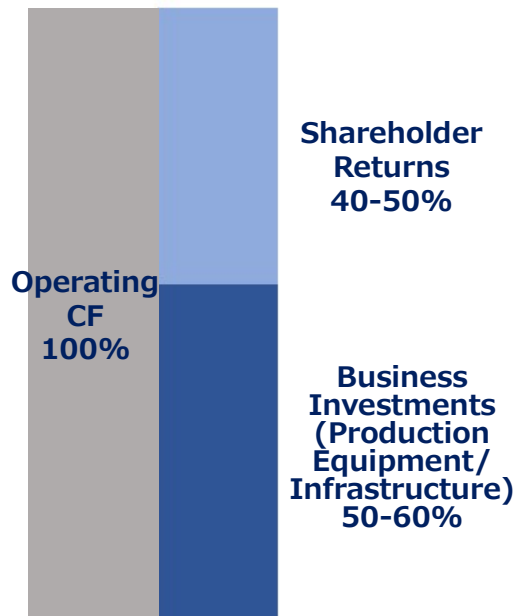
Updated medium-term cash allocation. We aim to achieve both aggressive growth investment and enhanced shareholder returns, and strive to improve capital efficiency.

### FY24-FY27 cumulative image



May 2024 Disclosure  
(2023 Financial Results Briefing Materials)

### FY26-FY29 cumulative image



**May 2026 Update**

### Update details

- Invest 50-60% of the cash generated for medium-term growth
- 40-50% of the cash generated is returned to shareholders (DOE 5%, ongoing share buyback program, etc.)
- Strategic investments such as M&A and capital alliances for further growth will be allocated from cash and other assets currently on hand

\*This policy may be reviewed in the following cases.  
 (1) Unexpected and sudden changes in the environment (conflicts, natural disasters, infectious diseases, etc.).  
 (2) When a huge amount of M&A capital investment is required.

