

Co-creation with Production Partners

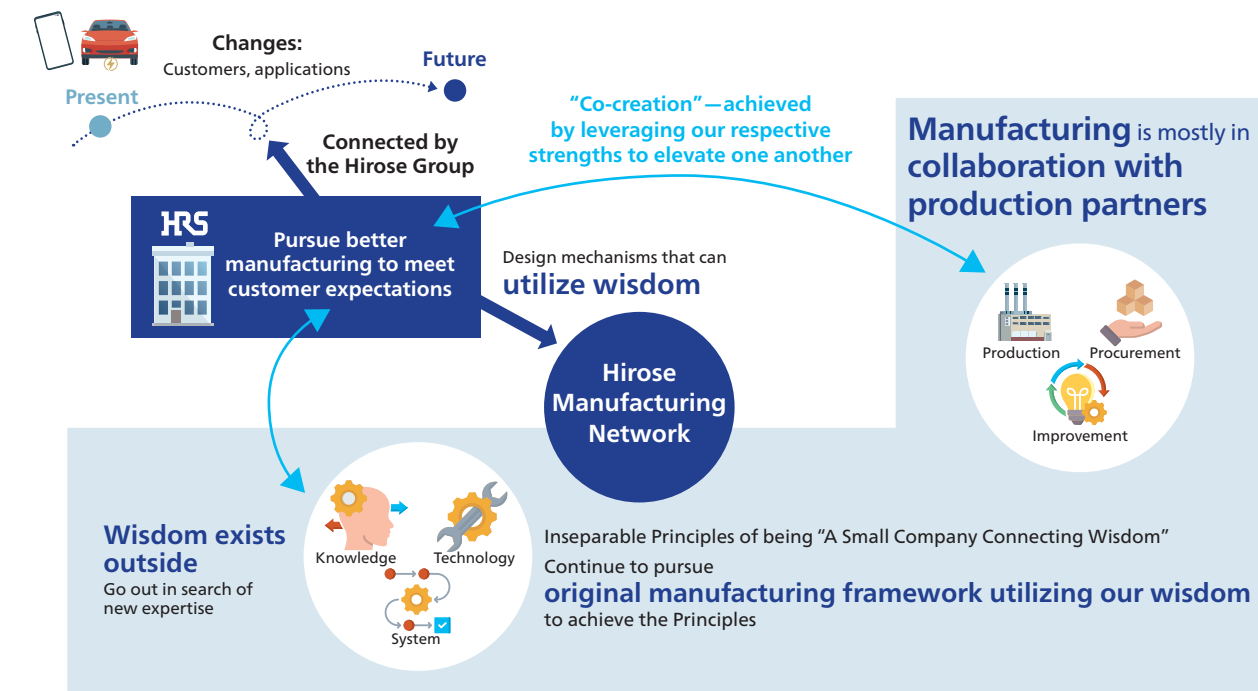
Hirose Manufacturing Network

Hideki Sakai, the second President, formulated the slogan “A Small Company Connecting Wisdom” at about the time Hirose Electric became a listed company. Today, these words exist as our Inseparable Principles. Sakai also treasured the words, “Everyone except me is a teacher” and “Learn with an earnest attitude.” He was passionate in earnestly gaining knowledge that did not exist in-house and connecting wisdom to provide value to customers. We inherit that spirit and continue to take on challenges to achieve these Principles within the current manufacturing framework. The key to connecting wisdom is our production partners.

The Hirose Group employs a production system centered around outsourced manufacturing. We entrust the manufacturing of molded parts and metal components, along with the assembly and processing, all required for connectors, to our production partners. Presently, our business is supported by more than 800 production partners. However, unlike the common relationship that is referred to as principal business entity and subcontractors, we work together on the production processes and quality as well as implementing activities to improve the production sites. There are many episodes that symbolize the relationship between the Hirose Group and its production partners. One time, when customer demand surged, we devoted ourselves to close collaboration in launching multiple production lines simultaneously to increase output. When the Company faced critical situations due to the Great East Japan Earthquake or floods, our production partners voluntarily came in to provide support. Such bonds form the foundation of Hirose Group’s manufacturing. Thanks to our production partners, we have been able to focus on marketing, product design, and sales activities, enabling us to build our current global customer base. We call the collaboration between the Hirose Group, which focuses on design, marketing, and sales, and our production partners responsible for manufacturing the Hirose Manufacturing Network. The high-value-added products created from this Network are chosen by the world’s leading global customers. Meanwhile, the world’s leading companies demand continuous evolution. The Hirose Group and its production partners strive to continue meeting and exceeding the expectations of the global standards.

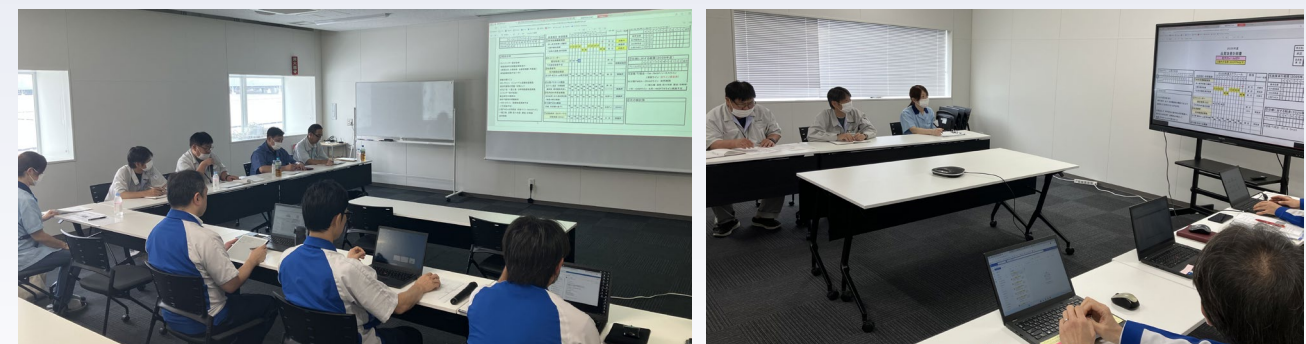
While the Hirose Group’s commitment to learning diverse knowledge remains unchanged, we also need the capability to handle critical manufacturing processes in-house to ensure superb manufacturing. To this end, we have established an in-house manufacturing framework to possess a high level of knowledge so that we can work in friendly competition with production partners. In addition, since our founding, our domestic factories have organized forums to connect the collective wisdom of production partners in pursuit of quality improvement. We are still pursuing co-creation with production partners through activities such as Q-up meeting, My Quality Assurance essays, and R&D.

The Hirose Group will continue to evolve together with production partners and will aim to connect even more wisdom and build a manufacturing framework that will enable co-creation of greater values.



Q-up Meetings

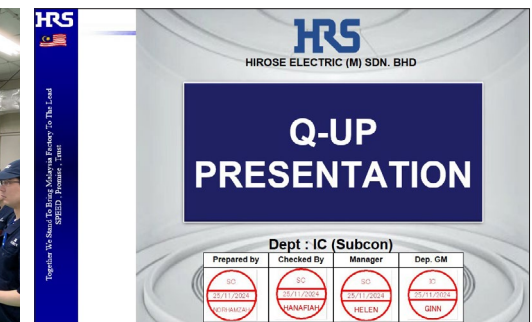
Manufacturing by the Hirose Group involves working in unison with production partners that possess diverse expertise, continuing and collaborating on production and improvement activities that leverage their strengths to ensure the stable supply of high-value-added products. Collaboration with partner companies is essential for maintaining high quality. “Q-up (Quality-up) meeting” is one of the many initiatives. Q-up meetings are held monthly, by industry sector, in an aim to connect the wisdom through mutual learning and information sharing between the Hirose Group and production partners as well as among production partners.



The meetings bring together production partners who are competitors within the same industry, and each company discloses and reports on its quality status and examples of improvement. The meetings serve as a platform not only for the Company but also for other production partners to share opinions and advice, so production partners are actively participating to incorporate best practices. Exchanging opinions on common industry-wide issues and challenges and sharing certain know-hows have also contributed to the overall improvement of the Hirose Manufacturing Network. Q-up meetings are our unique initiative. As we believe that the sites of our production partners are extensions of our own, we work together with them to align our quality targets and approaches to improve quality. This initiative has also been expanded to overseas factories in countries including Malaysia and Indonesia.



Q-up meeting at the Indonesia factory



Materials for Q-up meeting at the Malaysia factory

Message from a Production Partner Participating in Q-up Meetings

Mr. Masayoshi Kanno
General Manager of Production Division, Onogawa Co., Ltd.

Learning directly from improvement cases and quality enhancement initiatives of other companies provides us with an opportunity for many insights and lessons. We find many hints, especially in the ingenious ideas on site and approaches to tackling challenges, that can be applied to our own improvement activities. This leads to the adoption of new perspectives and methods, and also contributes to enhancing on-site capabilities. Internally, the mindset of taking initiative to drive improvements by ourselves is taking root, and our employees are now proactively submitting improvement proposals, which is one great outcome. We also feel that these activities where production partners learn from and elevate each other have strengthened our ability to meet customer demands for quality, delivery deadline, and cost. We intend to continue leveraging such opportunities to foster mutual growth and deepen our relationships of trust.

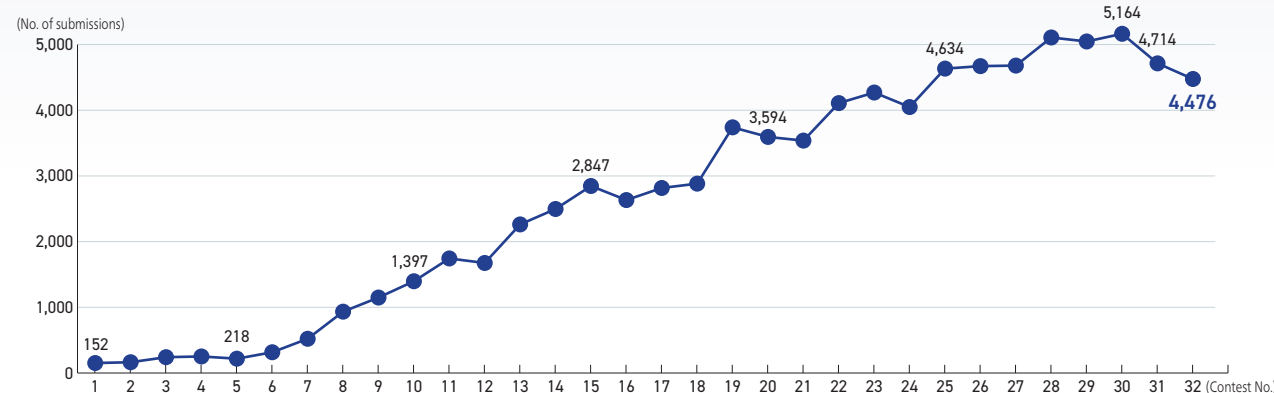
Co-creation with Production Partners

“My Quality Assurance” Essays

In July 1993, the Company acquired ISO 9001 certification, a set of international standards for quality management. We worked to systematize and standardize our operations in preparation for the acquisition. However, the General Manager of the Quality Assurance Department at the time believed that simply establishing systems and standardization did not necessarily ensure improved product quality; rather, that the commitment to high quality shown by employees who ensure built-in quality on site is crucial. Drawing from this idea, the Hirose Group began calling for “My Quality Assurance” essays from its employees in 1994. The aim was to provide employees with the opportunity to reflect on their own thoughts and practices for quality assurance by writing an essay once a year. From the outset, the Company also encouraged participation of employees of production partners who actually performed the tasks on site. Thanks to their active participation, we received 2,501 submissions in 2023 from production partners in and outside of Japan (reaching a total of 5,164 submissions). In addition, in 2024, the Company presented special awards to production partners that submitted essays for 30 consecutive years, and other production partners that submitted more than 250 essays for five years in a row. The awareness of high quality that the employees of production partners and the Hirose Group have built together through this activity underpins the Company’s quality.



Total number of submissions of “My Quality Assurance” essays



Message from a Production Partner Participating in the “My Quality Assurance” Essay Award



Mr. Shinsuke Yamazaki
Representative Director and President
of Toshin Industries Co., Ltd.

First of all, I would like to express my deepest gratitude to Hirose Electric and all of our employees for coming this far to receive many “My Quality Assurance” essay awards every year. When I revisit the essays written by the same employees a few years ago, I can clearly see their growth, and it truly drives home the saying that persistence pays off. Today, writing an essay every year has become a valuable opportunity for our employees to reassess their own work and quality awareness. But, in the beginning, while some of the writings about current job responsibilities and future goals were interesting in a certain way, they were far from what could be called proper papers. While I never comment on the quality or structure of their writing, I don’t just leave them to their own devices. Around this time every year, after the essays are submitted, the managers spend several days meeting individually with each of their subordinates. The act of discussing the content of the submitted essays, such as each person’s attitude toward quality and what they should do going forward, leads to enhancing the critical thinking skills and quality awareness of our employees. The opposite of love is indifference. The annual writing of the “My Quality Assurance” essays serves as an opportunity to build bonds with subordinates and foster a shift in mindset within the company.

Story on Co-creation with Production Partners

Hirose Manufacturing Network: Connecting wisdom to grow and evolve with production partners

Dialogue between the Director and
Production Group President and a Member
of the Production Purchasing Team



J. K.
Koriyama AMC Production
Section, Koriyama Hirose
Electric Co., Ltd.



Yoshihiro Gunji
Director of the Company and
Group President-Production
of the Company

From its founding to the present day, the Hirose Group has grown together with the production partners. As the business rapidly expands and the external environment changes, the relationships with them continue to evolve. Despite these changes, the management approach of the Hirose Group—connecting various wisdom and building upon the Hirose Manufacturing Network, which is centered around production partners—remains unchanged. How has the Company built relationships with production partners from the past to the present, and what values do we continue to cherish today? We share a conversation between the Director and Production Group President, who understands the history with production partners, and a member of the purchasing team who communicates daily with production partners at the manufacturing sites.

Please tell us about the main duties you handle and the things you keep in mind when you usually communicate with production partners.

J. K. I work in the purchasing section for the manufacturing of automotive connectors. I handle purchasing, including mass-production orders and prototype quotations, for molded parts, pressed terminals, and plating. I usually communicate with over a dozen production partners. Their scale and characteristics vary. However, with any production partner, I always keep in mind that their evaluation of me becomes the evaluation of the entire Hirose Group—that I am, in essence, the Company’s “face.” Especially in situations where I strongly feel the significant impact of my words or actions and the weight of my responsibility, I am

always careful about how I express myself and how I choose my words. Also, there are many occasions in which the production partners teach me or train me with their knowledge and expertise. So, in such a situation, I focus on maintaining a humble attitude toward learning.

Have you noticed any changes in your relationships with production partners from the past to the present?

Gunji I have been with the Company for 41 years now. It wouldn’t be an exaggeration to say that my career has been in the manufacturing section, working alongside production partners. Meanwhile, the Hirose Group’s business has doubled in scale over the past 20 years, so I feel that the nature of our relationships with production

Story on Co-creation with Production Partners



I treasure the relationships with production partners that allow us to connect wisdom and engage in open communication.

partners has also changed along with the expansion of scale. When I joined the Company, we were still small, so a single contact person who understood the background and flow of the job handled everything alone with multiple capabilities and skills. Then, as the Company grew bigger, the jobs became more and more specialized and divided, making it difficult to coordinate information between the preceding and subsequent processes. Especially when the Hirose Group fully entered the automotive business, customers would sometimes request specifications that we had never handled before. When we made difficult requests to the production partners, they would joke, "Hirose's common sense is nonsense in the world." As the mindset of the people working is becoming diversified, I feel the difficulty of maintaining the exact same relationships as in the days when the Company was smaller.

During the 20 years of rapid growth, were there any specific challenges or difficulties you faced?

J. K. Discussions about cost are an area where our interests can conflict with those of outside parties. Therefore, we make sure to discuss the issues thoroughly by hearing out partners' concerns from the perspective, "How can we achieve the pricing that customers want?" As an example from the past, we received a customer request—via our headquarters sales department—to reduce the price of an automotive connector that

was already in mass production for delivery to that customer. Because we had to respond quickly, I rushed to the production partner and tried to negotiate. But at that time, the sales figures of that product were not yet growing as anticipated, and the production partner bluntly told us, "We haven't seen increase in sales volume yet, and you're asking us to reduce cost now? No way." While I agreed with them in my mind, I explained just how crucial the customer was to the Hirose Group. Then, to assess how far we could realistically accommodate the reduction, we sat down and laid the product quotation on the desk, and worked together to determine the target cost and the challenges in achieving that target. Thanks in part to the cooperative relationship we had built over time, we received an initial response on the same day. The customer continued the product order, and this has become a big business today.

Gunji We are truly grateful when production partners speak candidly with us, and we want to maintain an equal relationship where we can be honest with each other. One instance that made me truly realize this was when a production partner provided us with a full-page, lengthy critique on A4 paper detailing our issues and their requests. I rushed to the site immediately, but the production partner told me frankly, "Hirose makes unreasonable demands, no matter what." The reason this situation arose was due to a lack of thorough communication starting from the specification-setting phase. This led to a series of misunderstandings, and problems were not being resolved immediately, resulting

I want to learn from any complaints and feedback to improve future manufacturing.



in accumulated dissatisfaction. It would be ideal if we could avoid such problems altogether, but when difficulties do arise, we make it a point to address them sincerely and discuss them thoroughly until both parties are satisfied. Repairing a relationship that had soured due to differences in understanding can sometimes lead to building a better relationship. Finally the partner said, "We became a fan of Hirose because they were serious in resolving the issues." Again, the best approach is to avoid causing problems in the first place. But, when dealing with so many partner companies over such a long history, it is difficult to avoid all problems. Therefore, I strive to engage sincerely while maintaining the mindset of learning from outside, including any dissatisfactions or criticisms.

Have you ever been thanked or felt positive in your daily activities?

J. K. We are regularly holding problem-sharing sessions with certain production partners. In the meetings, participants are encouraged to freely share any difficulties encountered in their daily work, without specifying particular topics. We started it with assembly and processing companies, but since they were so successful, we expanded them to press and molding companies as well. The problem-sharing sessions with production partners are on one-on-one basis. One company thanked us, saying, "Hirose is the only one who listens to our concerns on a regular basis," and I was genuinely happy.

As in the earlier example where dissatisfaction piled up, there are things you may hesitate to communicate in the normal course of business, so I feel it is important to create this kind of opportunities regularly and maintain close communication.

What are the challenges going forward? What is your future vision?

Gunji The relationship between production partners and the Hirose Group is also changing with the times. But some things never change, even as times change. One of those is the unchanging philosophy of "connecting wisdom" inherited from Sakai, our second President. Certainly, managing all manufacturing in-house might offer greater freedom and convenience in some respects. But out there are people whose wisdom surpasses anything we could ever imagine. Our strength lies in building a network that enables us to work with these individuals, combining external expertise with internal wisdom to create high-value-added products. I believe the ideal form of the Hirose Manufacturing Network is a cycle where we give back to everyone involved in the network through business, enabling mutual growth and the continuous creation of value. Looking ahead, we anticipate a highly competitive environment with overseas manufacturers. We will further enhance the Hirose Manufacturing Network by sharing the Hirose Group's future direction with our production partners and aim to achieve even greater levels of excellence.



Risks / Opportunities

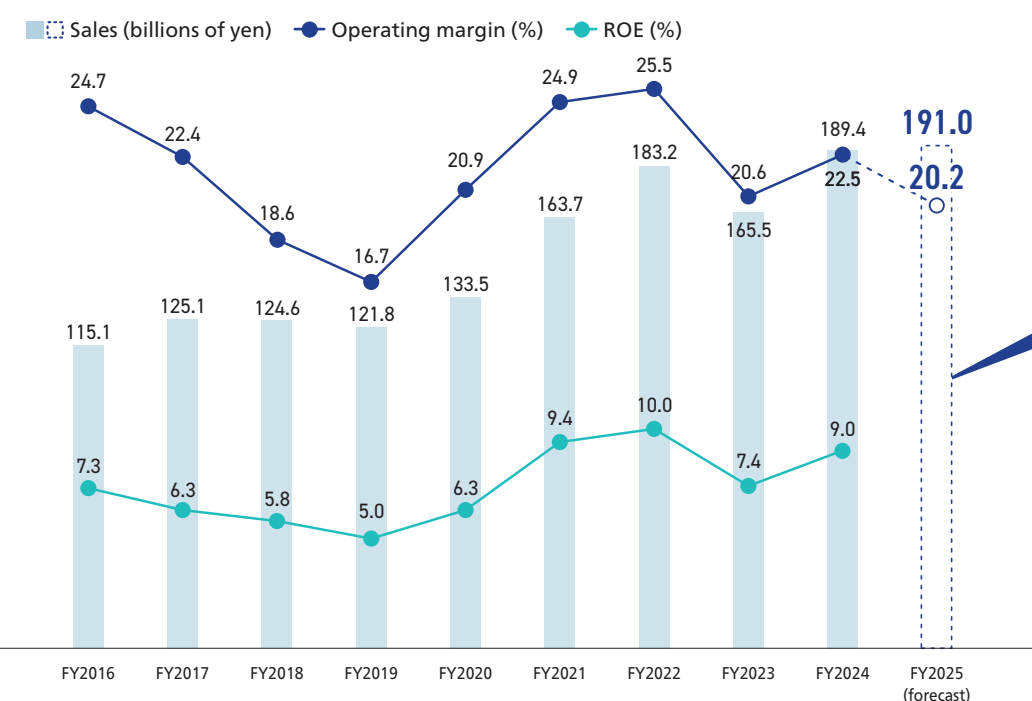
Megatrends	Characteristics of the Company and its connectors	Risks / Opportunities		Our initiatives
Demographic changes Global population growth and declining birthrates and aging populations, particularly in developed countries	▶ The Company's main locations are in Japan, a country that is facing the challenges of an aging population and declining birth rate ahead of other countries (approx. 50% of its production capacity is located in Japan, as well as its headquarters and R&D functions).	Risks	• Labor shortages due to a declining working population • Increasing labor costs due to the competition for talent • Shrinking market due to declining consumer purchasing power	• Initiatives for deepening human capital development (reinforcing investment in human capital) • Strengthen the development of connectors for industrial equipment with a focus on changeover points in smart factories • Promote production methods and standardization in response to variable-type, variable-volume production
		Opportunities	• Market expansion due to progress in automation & uncrewed operation in all areas • Emergence of new equipment to extend or replace functions performed by humans	
Climate change Realization of carbon-free society by implementing mitigation and adaptation measures against global climate change	▶ Connectors are primarily manufactured with electric power. ▶ The Company has established its customer base with the world's leading companies.	Risks	• Loss of customer trust due to our poor response • Impact on our sites by infectious diseases and floods resulting from climate change • Increased costs due to compliance with excessive regulations	• Develop the automotive sector into one of the three pillars, focusing on the changeover points in line with CASE • Proactive introduction of renewable energy to our sites and responding to initiatives • Relocation of Koriyama factory due to high flood risk
		Opportunities	• Increased use of connectors due to energy shift from fossil fuels to electricity (EVs are a typical example) • Increased demand for connectors due to the enhancement of power infrastructure such as storage batteries • Increased demand for sensors, IoT devices, etc., due to energy management and energy conservation	
Resource circularity The advent of a recycling-oriented society in response to the challenges of resource scarcity caused by global population growth and mass consumption	▶ Connectors are mainly made of plastic and metal parts (+ plating).	Risks	• Insufficient response to recycling requests resulting in loss of customer trust • Environmental impact of wastewater and industrial waste from plants	• Enhance our downsizing capabilities • Water-saving technology for plating and wastewater management • Promote the use of regrind materials
		Opportunities	• Growing demand for high-quality products that do not cause defects • Resource conservation through pursuing downsizing technologies to make our products more appealing	
Discontinuous technological advancement Development of various technologies such as AI, IoT, 5G and AR/VR for the advancement of digitalization and the resulting explosive increase in the volume of information	▶ Connectors, as pathways for electricity and connecting components for functional modules, advance along with the progress of electrification in various markets. ▶ The Company develops its business focusing on four Key Technologies (high-speed, high-frequency, high-power, and downsizing) in a wide range of markets consisting of the three pillars (consumer devices, automotive, and general industrial equipment).	Risks	• Decline in existing advantage due to shift in market structure • Risks associated with the transfer of added value from hardware to software	• Establish a business portfolio based on the three-pillar strategy • Provide high-speed transmission solutions through analytical simulation (integration of software and hardware) • Develop new growth drivers
		Opportunities	• More variations of connectors due to diversification of applications • Development of expertise in the three-pillar fields due to cross-field development of technology • Explosive growth in information volume increases demand for high-speed technology in connectors	
Division in the world Exclusion of other countries and/or increased restrictions due to political issues between nations and disruption of production and/or logistics due to disputes, etc.	▶ The Company has 60 plants and sales offices in 15 countries and regions around the world, with international sales accounting for over 80% of all sales.	Risks	• Procurement risk due to disruptions in global supply chains • Decrease in value of global companies due to preferential treatment of domestic companies (localization) • Intensifying competition due to market segmentation	• Ensure flexible production by reinforcing our network of production partners • Promote multi-country production and inventories and develop the next-generation SCM system suitable for that
		Opportunities	• Earn customer trust by strengthening supply chain resilience • Growing expectations for global support for customers' supply chains	
Diversification of values and increased awareness of human rights Diversification of work lifestyles and personal preferences based on the premise of society becoming more diverse	▶ In line with the HIROSE Philosophy, we connect the wisdom of our diverse partners and focus on the development of original and differentiated products. ▶ Approximately 70% of our employees are from overseas locations, realizing a global workforce with diverse values.	Risks	• Decreased ability to execute cross-segmentation and cross-functional activities due to decreased cohesiveness in the Group • Wrong predictions about product trends against a backdrop of diversifying needs • Damage to corporate value due to the occurrence of human rights issues	• Pass down the HIROSE Philosophy • Strengthen contact points with customers (e.g. holding of Hirose Technology Exhibition) • Promote KENKO Investment for Health • Human rights risk assessment and governance through RBA Audits
		Opportunities	• Diversification of electronic devices and market expansion reflecting personal preferences • Advancement of innovation through the acquisition of diverse human capital • Earn customer trust and increase employee loyalty through respect for human rights	

Medium-Term Business Plan Results and Medium-Term Business Targets

We have announced our targets for sales, operating margin, and ROE as medium-term business targets for FY2028. Our three-pillar strategy (consumer devices, automotive, and general industrial equipment), which we have been actively pursuing since around 2016, has steadily improved our competitiveness and presence in each market. We aim to achieve our business targets for FY2028 through the establishment of these three pillars, and we will start to develop new business growth drivers as the next step. We believe that the development of new technologies and the creation of new business fields and markets are essential for achieving long-term sales growth and for continuing to be a “High Flier.” We will move forward at an even faster speed with the aim of providing high added value to our stakeholders and enhancing our corporate value.

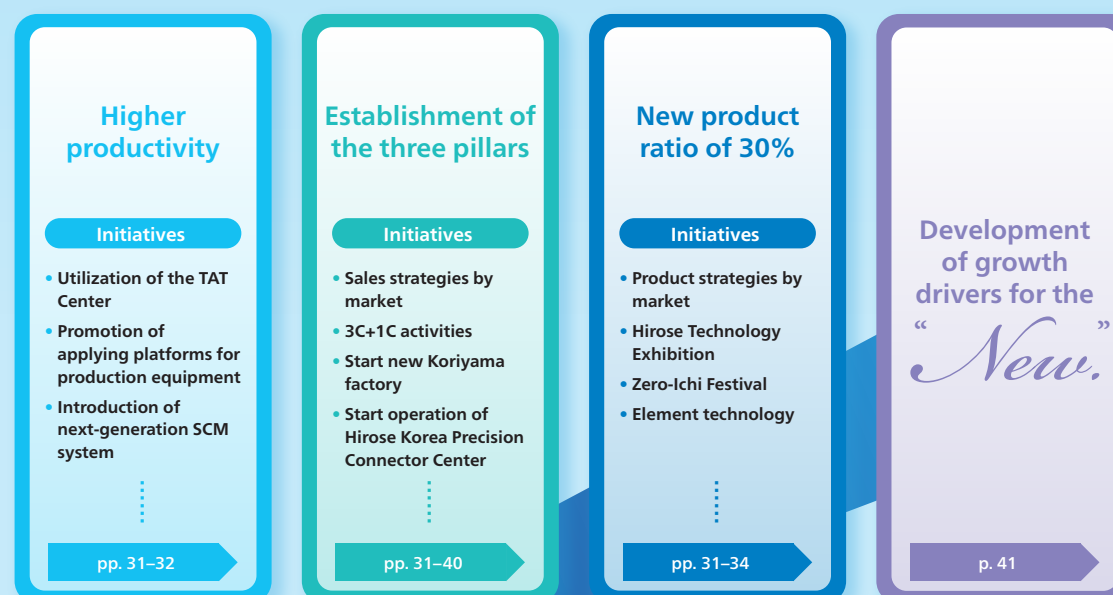
Review of our results

Since FY2016, we have made significant investment, particularly in the automotive and general industrial equipment sectors, in order to establish the three pillars (consumer devices, automotive, and general industrial equipment) as our market portfolio strategy. As a result of our success in accumulating business capital such as superior human capital, equipment, and know-how, sales in these markets have grown, and we were able to achieve record highs in both sales and operating profit in FY2022. Both sales and operating profit declined year on year in FY2023 due to the significant impact of market conditions, including protracted inventory adjustments of general industrial equipment segment and the economic downturn in China. In FY2024, however, growth in consumer devices and automotive sectors enabled us to achieve record-high sales again. To further strengthen our business foundation, we aim to establish a more balanced market portfolio over the medium term that is driven by the automotive market, which is in its growth phase. In this Medium-Term Business Plan, we will work simultaneously on strengthening our long-term business platform and on promoting initiatives aimed at achieving business growth.



Initiatives for business growth

In addition to continued growth in sales, the Medium-Term Business Plan has also set a target for an increase in the operating margin. To achieve this, it is important to increase the amount of added value per unit, establish a competitive advantage in each market of the three pillars, and release valuable new products on an ongoing basis, to which end we will implement medium-term initiatives. We are also exploring and developing areas that will serve as new growth drivers to achieve growth over an even longer period than that covered by the Medium-Term Business Plan.



Medium-term business targets for FY2028

Sales:
¥240.0 billion

Operating margin:
25% or more

ROE:
10% or more

Strengthening our business platform

We have set the following targets with the goal of building a sustainable business platform, including sustainability initiatives.

Addressing climate change	60% reduction in CO ₂ emissions (Scopes 1 and 2) by FY2027 (relative to FY2021) Carbon neutrality by FY2050
Diversity	Target percentage of female managers: 15% (FY2034) Target hiring ratio of women: 30% or more per year
HIROSE Philosophy	100% implementation of the “Connect and Evolve with the HIROSE Philosophy” campaign across all departments and locations
KENKO Investment for Health	Continued acquisition of certification across all domestic locations
Capital policy	Steady achievement of an ROE of 10% (FY2028), a dividend on equity (DOE) ratio of 5%, and acquisition of treasury shares



Medium-Term Business Plan Initiatives for Business Growth

Higher productivity

We have achieved high profitability by following the HIROSE Philosophy of being "A Small Company of Smart People." In order to achieve our medium-term business targets for FY2028, we need to strengthen profitability while expanding our scale. To this end, we will strive to increase sales and profit per unit. For us to continue to be a "High Flier" going forward, we will strengthen our initiatives to engage in business operations that allow each and every one of our employees to generate high added value.

Utilization of the TAT Center

We established the Tohoku Advanced Technology Center (TAT Center) in March 2024 with the goal of further stimulating two-way cooperation among production engineers, factories, and production partners. By further enhancing activities to reduce the lead time from development to manufacturing of production equipment, we will respond to customer requests in a timely manner, while developing equipment engineers and improving productivity.



Promotion of applying platforms for production equipment

In the time of significantly increasing uncertainty, demand forecasting has become more challenging than before. The Company has been developing platforms for its production equipment to enhance flexibility by increasing the versatility of the equipment so they can be used for the production of various products. Having equipment that can handle the production of various types could increase utilization rates and also meet the needs of our business continuity plan (BCP). While securing redundancy, we will also aim to build a highly profitable corporate structure.



Introduction of next-generation SCM system

In order to respond more promptly and flexibly to an increasingly complex external environment, we will renew and standardize our production and sales management system across the globe. The introduction of this next-generation supply chain management (SCM) system will transform business processes and optimize operations. The new system connects a series of corporate activities, from manufacturing and sales to accounting, which will enable us to improve operational efficiency and expedite decision-making. In FY2024, we began operations at some of our overseas sales subsidiaries and are gradually expanding the rollout.



Establishment of the three pillars

We aim to establish a market portfolio strategy that we have been working on since the 2010s. To maintain and accelerate the current growth trend to achieve our FY2028 sales target of ¥240.0 billion, we will solidify our business platform in the consumer devices, automotive, and general industrial equipment markets. While our initiatives to date have allowed us to expand our products, customers, and scope of adoption, we will continue to take steps to further strengthen these areas.

New Koriyama factory Detailed article on pp. 35-36

To fully leverage the production capabilities of our production partners, we must further strengthen our own manufacturing engineering capabilities. The new Koriyama factory was built with the aim of creating a mechanism that could exceed expectations as a matter of course. Launched in FY2024, the factory will contribute to further improving customer satisfaction and accelerating our business.



Start of operation of Hirose Korea Precision Connector Center

As a leading company for micro-connectors, the Hirose Korea Precision Connector Center, which we have been expanding to strengthen its product competitiveness and manufacturing expertise, was completed and launched. HIROSE KOREA CO., LTD., which is equipped with manufacturing, sales, and technological functions all within South Korea, not only ensures prompt response but also serves as an important base for development and production in the global market, and we will continue to strengthen its functions going forward.



3C+1C activities Detailed article on pp. 39-40

Our 3C+1C activities are one of the key efforts we focus on to create markets and improve added value, and these activities involve actively working with not only the 3Cs (the Company, Customers, and Competitors) but also with the 1C (Co-operators). Connectors enable connections between electronic components, such as printed circuit boards and cables. In order to maximize added value for our customers, we will continue to actively cooperate with electronic component manufacturers and various other companies and organizations.



New product ratio of 30%

This key guideline of having the Company achieve 30% of sales from new products is an essential initiative for achieving our sales and operating margin targets for FY2028. In order to meet this guideline on an ongoing basis, it is essential for us to possess development capabilities for creating products that are "Always Taking the Lead, Pursuing the Cutting Edge, Achieving Differentiation," as well as the marketing capabilities to anticipate market trends. Having the right corporate culture for these efforts is paramount, and we will continue to implement systems to encourage these challenges.

Hirose Technology Exhibition

The Hirose Technology Exhibition is our private show held once every three years, to which many of our customers from Japan and overseas are invited. The 16th iteration of this Exhibition will be held in 2025. Our unreleased new products and conceptual products are exhibited at the show, accompanied by commentary from our development personnel. The event provides an opportunity for us to discover areas of improvement and potential new needs through communication with customers. Customers have also shown their appreciation for the moments of inspiration gleaned from our cross-field proposals.



Zero-Ichi Festival

This in-house exhibition event is held once every three years to provide opportunities for engineers to give shape to their ideas. It aims to foster a corporate culture that encourages taking on new challenges. The exhibits are not limited to connectors or the work the engineers have been tasked with; rather, the event serves as an opportunity for participating engineers to showcase their own ideas and help develop each other's creative ideas. In FY2024, the production engineering department also held the Zero-Ichi Festival for the first time, generating significant excitement.

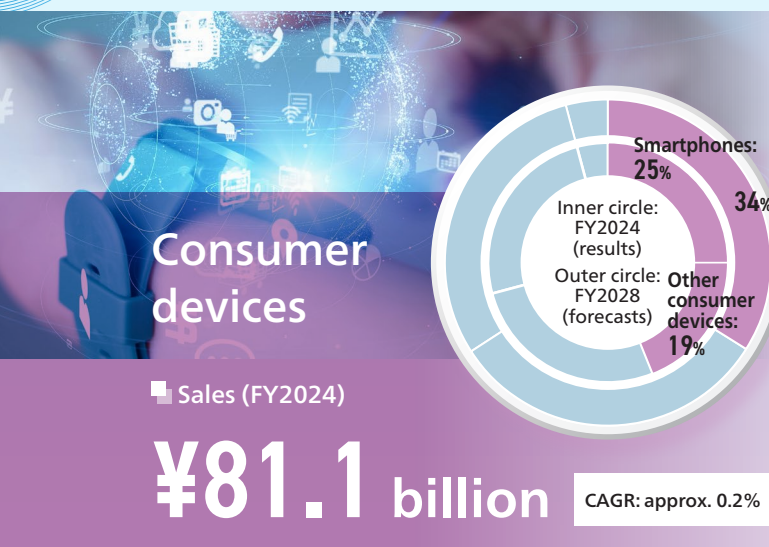


Element technology

Driven by our aim of "Always Taking the Lead, Pursuing the Cutting Edge, Achieving Differentiation," we also focus on the development of element technology for the medium to long term. As a company whose extensive market spans the three pillars, we are actively cooperating with other companies and production partners to develop element technology, thereby offering a wide range of solution proposals by leveraging the knowledge of each company. In recent years, we have been holding more and more in-house exhibitions and seminars with the aim of sharing knowledge across different departments.



Medium-Term Business Plan Business Strategy by Market



Market characteristics and trends

Intensifying competition among connector manufacturers in the mature smartphone market and emergence of opportunities in the other consumer devices markets due to the evolution of wearable devices

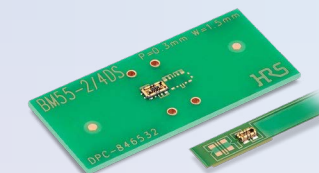
- ▶ Market with overwhelmingly large volume and high volatility
- ▶ Rapid technological changes such as the introduction of AI and expansion of extended reality (XR), leading to the importance of speed of response to changes
- ▶ Growing requirements for connector specifications (e.g., downsizing, high-density, high-power, etc.) as device functions improve
- ▶ Emergence of new connector suppliers such as local manufacturers

Product life cycle	Short	Medium	Long
Volume	Large	Medium	Small
Demand for custom-made products	Low	Medium	High

Growth strategies

Aim to maintain and strengthen our development capabilities, cost competitiveness, and ability to respond promptly as a leading micro-connector company

- ▶ Sales activities focused on expanding business with leading global customers
- ▶ Wide range of marketing activities targeting startup companies and others in order to maintain and expand market share in the wearable devices market, which is expected to grow
- ▶ Promote standardization of production equipment and pursue compact integrated production line in order to respond flexibly to drastic changes



- BM55 Series**
- World's smallest class
 - Power & signal hybrid
 - Fully armored micro-connector

Cross-field strategies

- ▶ Deploy downsizing capabilities cultivated in the consumer device sector to other fields and products with other applications



- ▶ Improve quality assurance capabilities by expanding the high quality standards of the automotive sector to other fields



Market characteristics and trends

**Increasingly rapid change in the automotive market, both in terms of technology and industrial structure
Promising market where electronic control is advancing and on which electronic component manufacturers are focused**

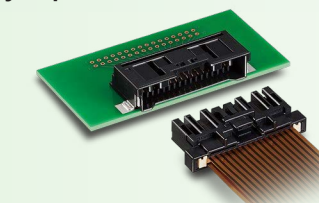
- ▶ Advancement of intelligent operations as exemplified by automated driving
- ▶ Changes in customers' design concepts due to growing importance of software
- ▶ Changes in industrial structure due to rapid growth of emerging EV manufacturers
- ▶ Trend of medium- to long-term EV expansion is expected to continue despite slowing EV market growth in recent times

Product life cycle	Short	Medium	Long
Volume	Large	Medium	Small
Demand for custom-made products	Low	Medium	High

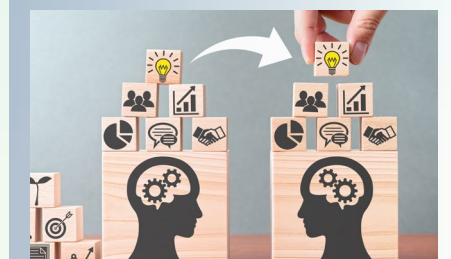
Growth strategies

**A field where steady results are being achieved and which will drive medium-term growth
Invest proactively in order to continuously expand customer and product bases**

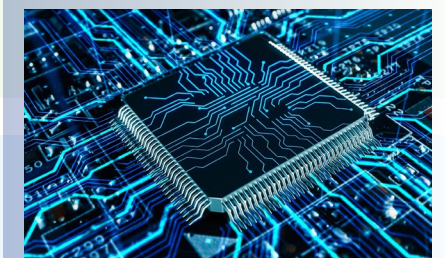
- ▶ Expand collaboration with OEMs and Tier 1 manufacturers starting from the development stage by leveraging our downsizing, high-durability, high-frequency, and high-speed transmission technological capabilities
- ▶ Concentrate on launching products focused on changeover points such as CASE
- ▶ Promote the application of platforms for production equipment to improve cost competitiveness
- ▶ Localize development and production processes for expansion into overseas markets



- ZK1 Series**
- Withstand temperatures of 125°C
 - High vibration resistance
 - FPC-to-Board Connector



- ▶ Product development based on forecasting technological changes for key modules such as semiconductors, as well as trends in respective markets



Market characteristics and trends

**Growing market opportunities as implementation of smart technology gains pace
Demand for optimal solutions that can serve as the next industry standard**

- ▶ Development of smart factories due to growing need for automation
- ▶ Growing importance of connectors due to electrification of industrial equipment, and increasingly stricter specification requirements
- ▶ Market where we can leverage our various downsizing, high-power, high-speed, and high-frequency technologies due to the wide range of applications

Product life cycle	Short	Medium	Long
Volume	Large	Medium	Small
Demand for custom-made products	Low	Medium	High

Growth strategies

Aim to expand the market by leveraging the product series we have accumulated and our customer base while cooperating with new companies and organizations

- ▶ Expand global distribution network and web promotion to approach more customers worldwide
- ▶ Develop solutions through cooperation with various organizations and companies
- ▶ Expand business with non-FA customers such as those involved in medical equipment and storage batteries by leveraging cross-field knowledge
- ▶ Expand solution proposals by implementing cross-licensing with other companies in the industry



- MT Series**
- Power & signal hybrid-type
 - IP67 waterproof rating
 - Lever-Lock Connector

- ▶ Expand cooperation with other companies to strengthen solutions, including connector peripherals



CAGR: compound annual growth rate from FY2024 through FY2028

New Koriyama Factory: Creating Moving Experiences

The new factory supporting continued growth of connectors for automotive and industrial equipment markets

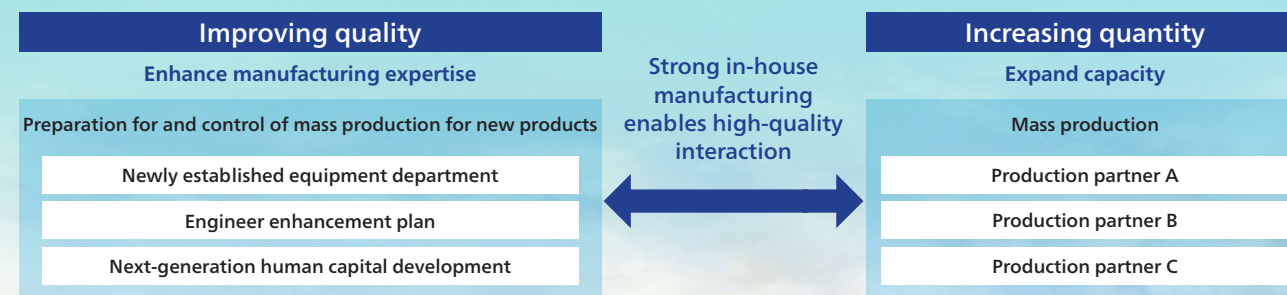
In June 2024, we opened the new Koriyama factory in Koriyama City, Fukushima Prefecture to manufacture connectors for the automotive and general industrial equipment markets. In relocating from the old factory and building a new facility, we adopted the concept “New Koriyama factory: creating moving experiences.” To create moving experiences that could surprise our customers and employees, it is essential to create a mechanism that could exceed expectations as a matter of course—both in tangible aspects such as buildings and equipment, and in intangible aspects such as actual operations. In terms of tangible aspects, we constructed a highly flexible building that supports our business continuity plan (BCP) measures, together with equipment that enables us to respond proactively to changes in customer needs. Going forward, we will focus on four key initiatives in intangible aspects, starting with strengthening our manufacturing engineering capabilities. By creating an environment where on-site employees can work with motivation, we will contribute to the expansion of our automotive business, one of the Hirose Group’s three pillars.

Initiatives that new Koriyama factory focuses on

- 1 Strengthening of manufacturing engineering capabilities**
- 2 Promotion of digital transformation (DX)**
- 3 BCP and environmental measures**
- 4 Contribution to the local community**

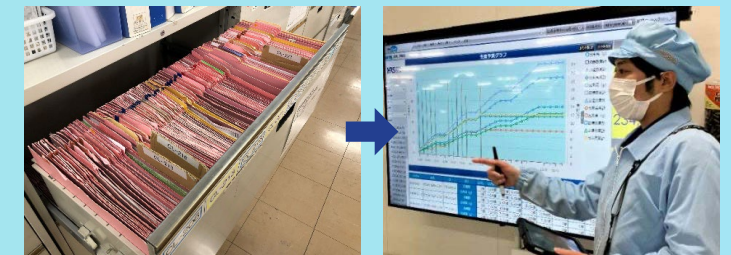
1 Strengthening of manufacturing engineering capabilities

To expand our automotive business at the new Koriyama factory, we will enhance our in-house manufacturing engineering capabilities to fully leverage the production capacities of our production partners. Specifically, we will pursue productivity improvements at mass production sites and implement equipment upgrades and standardization through our newly established equipment department, while simultaneously developing human capital. By strengthening our in-house manufacturing engineering capabilities, we will achieve advanced collaboration with our production partners aiming for volume expansion, thereby elevating the entire Hirose Manufacturing Network.



2 Promotion of digital transformation (DX)

In 2023, we launched a DX reform led by a working team. The Company digitized various inspection data and production volume forecasts and results that were previously recorded on paper. Employees can now centrally manage daily operational data using a single tablet and have real-time access to necessary information. The automated aggregation has made it easier to detect abnormal values, allowing employees to focus on improvement efforts and leading to enhanced productivity and quality. We will gradually expand the promotion of DX initiatives to our production partners.



Traditional management of paper-based drawings and documents

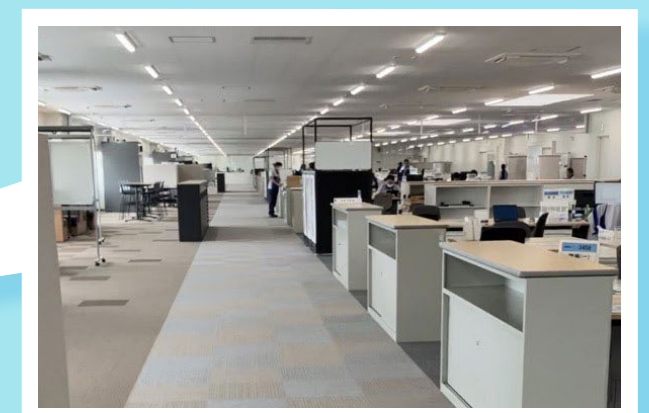
Centralized management through digitalization

3 BCP and environmental measures

The new factory is equipped with earthquake-resistant features and will not collapse even in the event of the largest earthquake ever recorded in Japan. We have created a supplier map detailing production items so that the same products can be manufactured at other sites. We have allocated BCP space at the Koriyama factory to enable production should other sites be affected by disasters. Additionally, by implementing climate change countermeasures such as installing a solar power generation system across the entire corrugated metal roof, the factory has obtained a Net Zero Energy Building (ZEB) rating under the Building-Housing Energy-efficiency Labeling System (BELS), which is difficult to obtain for factory-use buildings.

4 Contribution to the local community

We invite local junior high school students to factory tours. We also hold running clinics for local high school students in collaboration with the Komazawa University Track & Field Team, which the Company sponsors, at the athletics stadium for which KORIYAMA HIROSE ELECTRIC has acquired the naming rights.



Office

Further Enhancement of Global Collaboration

The Company operates on a global scale, with international sales accounting for more than 80% of total sales. Our customers' global business operations are accelerating, and to enhance their satisfaction, we believe that further strengthening our global support system is essential. To achieve the medium-term business targets for FY2028, we will further strengthen global collaboration within the Hirose Group.

Initiatives to enhance the Hirose Group's global support and collaboration

The Company operates sales offices and R&D centers around the world and has business relationships with many global companies. We have projects with various customers that involve conducting development across multiple locations worldwide, with mass production taking place in other countries. To carry out such projects and meet customer demands, the manufacturing, sales, and engineering departments of the Hirose Group also collaborate globally.

■ To meet and exceed the expectations of customers, the Hirose Group is working continuously to strengthen collaboration.

① Human capital development through bi-directional secondments between Japan and overseas locations

We dispatch personnel from Japan to our global locations, and our global offices also send human capital to Japan. This enables us to understand local business practices and trends while also improving engineering and marketing skills.

② Campaign to Connect and Evolve with the HIROSE Philosophy

We strive to share and practice the values, centered around the Philosophy Committee, which is composed of members representing all global sites.

③ Strengthening collaboration by our sales organizations based on markets

To create global synergies in sales and marketing, we have established sales organizations in Japan based on markets. For each of the consumer devices, automotive, and general industrial equipment segments, the sales team based on markets will strengthen collaboration mainly to ensure that our efforts are not siloed by geographical area.

④ Production transfers and multi-location production

The Company implements optimized production on a global scale. We conduct multi-location production and production transfers, taking into account the capacity of each factory and customer requirements.

⑤ Introduction of next-generation SCM system

To enable faster information sharing and decision-making, we are renewing our supply chain management system worldwide.

■ Example of a project with global customers



In this example of a global project, development is conducted at customer sites in Europe and China, and the Hirose Group's sales departments support development at each site. The design department in Japan handles the product design, and mass production takes place in Southeast Asia. While individual communication with each customer site is important, in order to provide the best possible service to our customers, collaboration within the Hirose Group is also essential to lead the project to success.

Message from the New COO of HIROSE EU

Peter Vijverberg assumed the office of new COO of HIROSE EU. He shares the Company's initiative in the EU market and future aspirations.



Peter Vijverberg

President and COO of
HIROSE ELECTRIC EUROPE B.V.

Europe continues to represent both opportunity and challenge. Demand for connectors in industrial automation, automotive and consumer electronics remains strong, while supply chain volatility, geopolitical tensions, and rising energy costs make adaptability more important than ever. Despite these challenges, Hirose Europe has reformed itself and is on the path of growth from Q1-FY25 results after a 2 years decline —evidence of both the resilience of our teams and the trust placed in us by our customers and distributors.

A central part of our approach is co-creation with our customers. We believe innovation thrives when our European engineering and Expats expertise are combined with the insights from our customers. This is why we continue to expand our technical capabilities across Europe, with engineering centres in Nuremberg and Paris bringing together both European engineers and Japanese colleagues. This collaboration enables us to deeply understand customer requirements and to develop tailor-made solutions—from compact, high-power connectors for electric vehicles, to miniaturized, high-speed connectors for industrial and digital applications.

Industrial is a big part of our Business, and we are proud to support one of the biggest Customers we have with many strategic projects. Our collaboration goes far beyond catalogue supply, as we co-create new solutions tailored to their needs in automation, electrification, and digitalization. Examples are the joint development of PLC Board-to-Board connectors and Interface servo motor connectors. Together with Global engineering support it enabled this customer to balance cost efficiency with the high quality that is required worldwide.

The co-creation mindset extends to the broader markets and ideas. With products like the ix Industrial™ and “New product line-up” for industrial market segment. This can position Hirose to capture new opportunities in robotics, automation, and power applications. By leveraging flagship partnerships such as we have we create a blueprint so that we ensure that

innovations, co-developed with customers can scale across EMEA region and beyond.

Looking toward the future, we have set ambitious targets for Europe. Our vision is to grow 2 times current revenues within the coming 5 years. To achieve this, we must expand our customer base, strengthen our distribution network, and invest in EU engineering future connector developments that anticipate next-generation requirements—whether for automation, electrification, or sustainable infrastructure.

Equally important, we aim to climb into the Top 10 connector companies in EMEA. Achieving this milestone will be a reflection of our ability to combine operational excellence with innovation and customer trust.

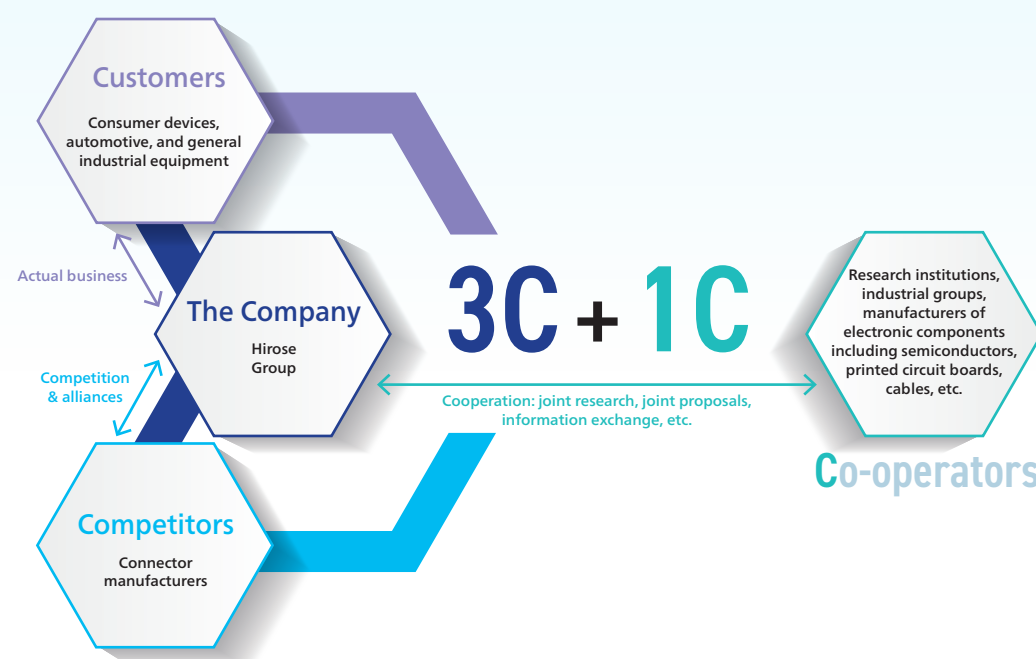
Internally, we are building a robust and resilient organization. We continue to refine our processes under ISO 9001 standards, ensuring transparency, quality, and continuous improvement. At the same time, we recognize that our people are our greatest asset. We are committed to supporting their growth through training, development, and creating an engaging workplace culture where everyone can thrive. A motivated and empowered workforce is central to achieving our Mid-Term sales target and our broader ambition to shape the future of connectivity in Europe.

As President and COO of Hirose Europe, my commitment is to lead with ambition, clarity, and responsibility. We will continue to build on our strong foundation, driving growth and supporting the development of next-generation connectors, and securing a place among the Top 10 connector companies in EMEA.

3C+1C Activities

What are 3C+1C activities?

Our 3C+1C activities are one of the key efforts we focus on to create markets and improve added value. These activities involve actively working with not only the 3Cs (the Company, Customers, and Competitors), but also with other companies and organizations that we position as the 1C (Co-operators). For over half a century, the Company has focused on actively connecting knowledge from inside and outside the Company to create new value, which we position as “connecting wisdom.” Collaborating with production partners, identifying customer needs, and analyzing competing products are all naturally important. However, it is essential to develop products and propose solutions through collaboration with the 1C, namely other market participants, to create added value that exceeds the expectations of our customers. The Hirose Group’s 1C co-operators are mainly semiconductor and PCB manufacturers, and through collaboration with them, we can gain multifaceted insights and analysis into technological trends and customer challenges that cannot be obtained only through the exploration of customer needs. These initiatives lead to the development of products that are “Always Taking the Lead, Pursuing the Cutting Edge, Achieving Differentiation.”



Co-creation activities with THine Electronics, Inc.

THine Electronics, Inc. (“THine”), a fabless semiconductor maker that plans, designs, and sells mixed-signal LSIs, is an important value co-creation partner of the Hirose Group. We have been engaged in co-creation activities for about 20 years, and most recently, we have worked on a joint proposal concerning optical communication.

The +1C activity presented here is a collaborative proposal using THine’s SerDes IC*1 (THCS25x series) and Hirose Electric’s active optical connector*2 (BF4M series). In recent years, various applications including medical devices and industrial equipment require high-speed transmission, lower noise, skew reduction, less cabling, and insulation. Customer demand for optical communication has been growing as a feasible solution.

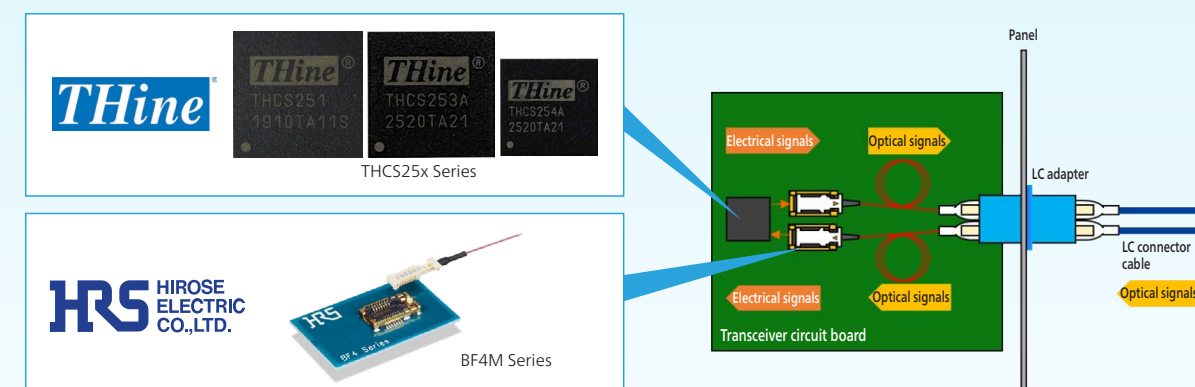
The +1C product collaboration proposal between THine and Hirose Group can satisfy these requirements.

THine’s SerDes IC (THCS25x series) enables high-speed transmission, noise and skew reductions, and reduced cabling, while Hirose Electric’s BF4M series is capable of supporting the input and output. Our active optical connectors enable insulation and long-distance connections, allowing us to provide customers with both the ease of use of electricity and the benefits of optical communication. By combining the two products, we can satisfy the needs of our customers.

*1. SerDes IC: Serializer/Deserializer IC

*2. Active optical connector: An optical connector with a built-in photoelectric conversion element that converts between electrical and optical signals

Product collaboration proposal



Actual activities—Case study

Preparation of collaborative documents

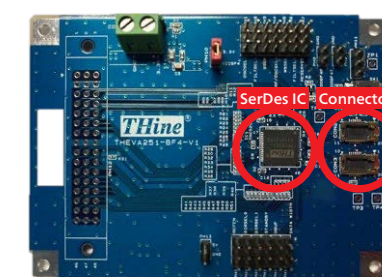
Both companies prepared collaborative proposal documents for customers. Documents were downloadable from the website.

光通信	電圧	距離	動作
THCS25xシリーズ BF4Mシリーズ	THCS25xシリーズ BF4Mシリーズ	~100m @40Gbps	下段シリアル伝送ユニット 伝送距離 短縮
電圧降下 (5V/6V)	THCS25xシリーズ BF4Mシリーズ	~10m @40Gbps	伝送距離 短縮 ノイズ、スキュー対策
電圧降下 (5V/6V)	THCS25xシリーズ BF4Mシリーズ	1~2m	伝送距離

Development and sales of evaluation board

Jointly designed and developed the evaluation board for sales promotion.

*The evaluation board is sold at THine.



Sales activities on both ends

In addition to usual sales activities, conducted proposal activities at private and open exhibitions to promote the collaborative proposal.



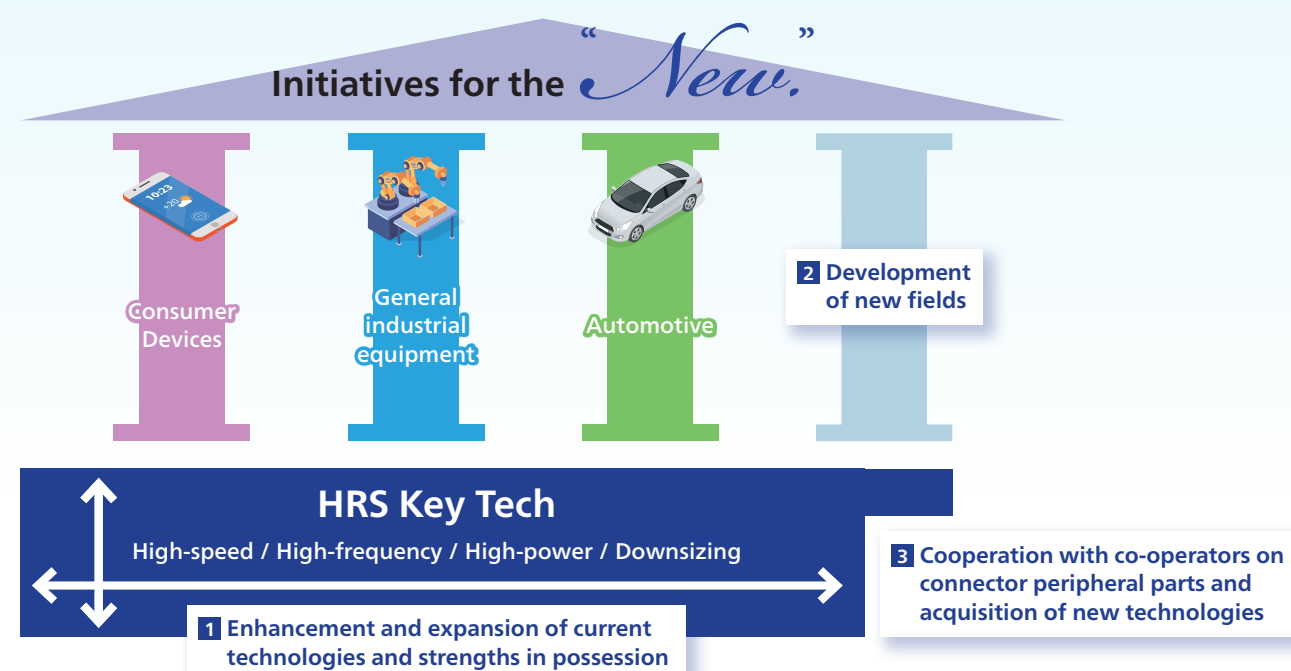
Message from THine Electronics, Inc.



Mr. Hiroki Noumi
Manager, Business Development
Department, THine Electronics, Inc.

Almost all of the transmission lines through which signals from THine Electronics’ core products—high-speed serial interface ICs—pass have some type of connector installed. This means that they are inextricably linked to Hirose Electric’s globally acclaimed low-profile, high-performance connectors. In addition to the collaboration in conventional electrical signal connectors, our ongoing collaborative proposals with active optical connectors over the past few years have been very well received by customers. This is due to their high compatibility, enabling easy optical conversion simply by connecting any digital signal, from low to high speeds. As we wish to continue strengthening our collaboration, we look to Hirose Electric to proactively execute proposals with speed from the new product hypothesis stage, so as to promptly propose potential value—revealed through our collaborative activities—that customers haven’t yet recognized.

As the next step in establishing the three pillars we have been working on to date, we aim to further expand our business and technologies. “New” as perceived by us includes a variety of things. By “New,” we refer to new value creation that leads to high added value, including “New” technologies, “New” markets, and “New” creations with partners. Therefore, we are not only engaged in initiatives aimed at the development of new markets and technologies but also in “New” initiatives concerning the strengthening of existing markets and technologies. With the aim of providing new value, we are actively acquiring external expertise and technologies through alliances and M&A while taking various initiatives.

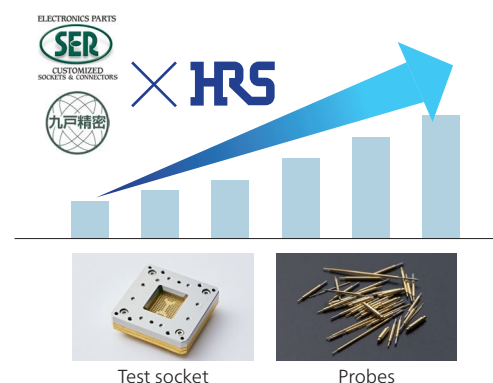


TOPICS Making entry into the semiconductor inspection equipment market

Semiconductors are key components that drive social evolution and represent a market with potentials for long-term growth. The performance of equipment is determined by the performance of the semiconductors it incorporates, so the specifications required for connectors will vary accordingly. We aim for further business expansion by strengthening our engagement with those markets and enhancing our ability to anticipate technological trends, thereby improving our capacity to propose solutions to customers.

Made S.E.R. Corporation a wholly-owned subsidiary

As of July 28, 2025, the Hirose Group welcomed S.E.R. Corporation and its wholly-owned subsidiary Kunohe Seimitsu Co., Ltd. as new members of the Group. We will aim for further business expansion by leveraging their strengths in semiconductor test sockets and small probes that enable high-speed, high-frequency connections.



We will allocate the abundant cash flows generated through our business to proactive business investments for future growth, while enhancing returns to shareholders. We are committed to improving capital efficiency through new value creation and enhancing our corporate value over the medium to long term in order to meet the expectations of our stakeholders.

Medium-term targets (FY2028)

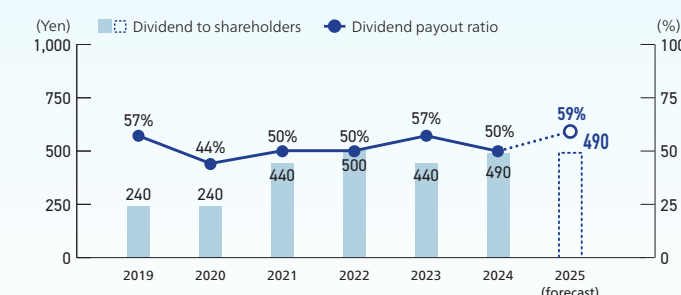
1 Returns to shareholders Dividend on equity (DOE) ratio: 5%

In FY2024, we introduced a new indicator for shareholder returns: a dividend on equity (DOE) ratio of 5%. This indicator is aimed at achieving a stable increase in dividends and is less susceptible to the impact of single-year performance. In addition to continuing to provide stable dividends, we will also strive to increase dividends by improving earnings per share.

*This policy may be revised due to the following factors.

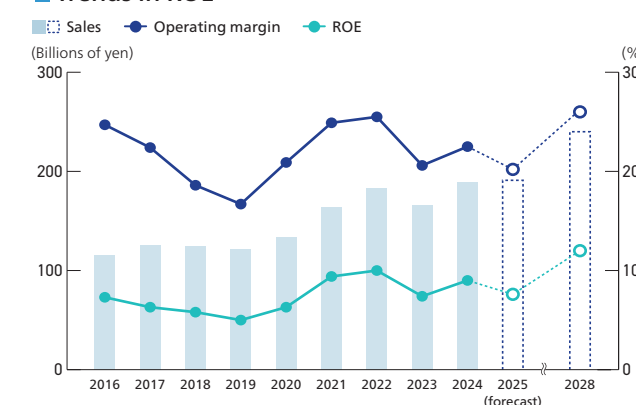
- (1) In the event of sudden and unexpected changes in the business environment (conflicts, natural disasters, infectious diseases, etc.)
- (2) In the event that the need arises for substantial outlay of funds for M&A

Trends in dividend payout ratio



Acquisition of treasury shares

Trends in ROE



The Company has decided on a policy to acquire its treasury shares of up to ¥60 billion over a four-year period from FY2025 to FY2028.

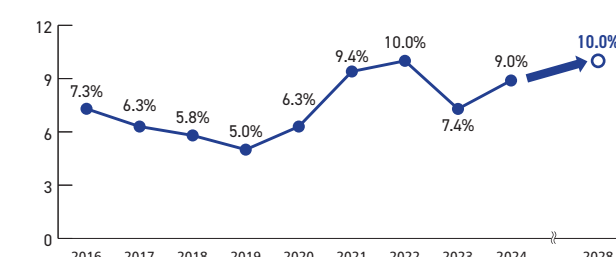
For the purpose of enhancing returns to shareholders and improving capital efficiency, the Company decided in May 2025 on a policy to acquire its treasury shares of up to ¥60 billion over a four-year period from FY2025 to FY2028.

For FY2025, the Board of Directors has resolved to buy back up to 1,050,000 shares or up to ¥15 billion worth of shares on the market.

2 Capital efficiency Stable achievement of a 10% ROE target through FY2028

Our capital cost is expected to be 6% to 7%, and we believe that an ROE of 10% is a level that meets the expectations of our shareholders. Although ROE dropped to 7.4% in FY2023, it recovered to 9.0% in FY2024 against the backdrop of strong sales in the consumer devices market, including smartphones, and steady growth in automotive and mobility-related segment sales. We will further improve productivity to achieve an ROE target of 10% in FY2028 and to stably maintain that level.

Trends in ROE



Sustainability

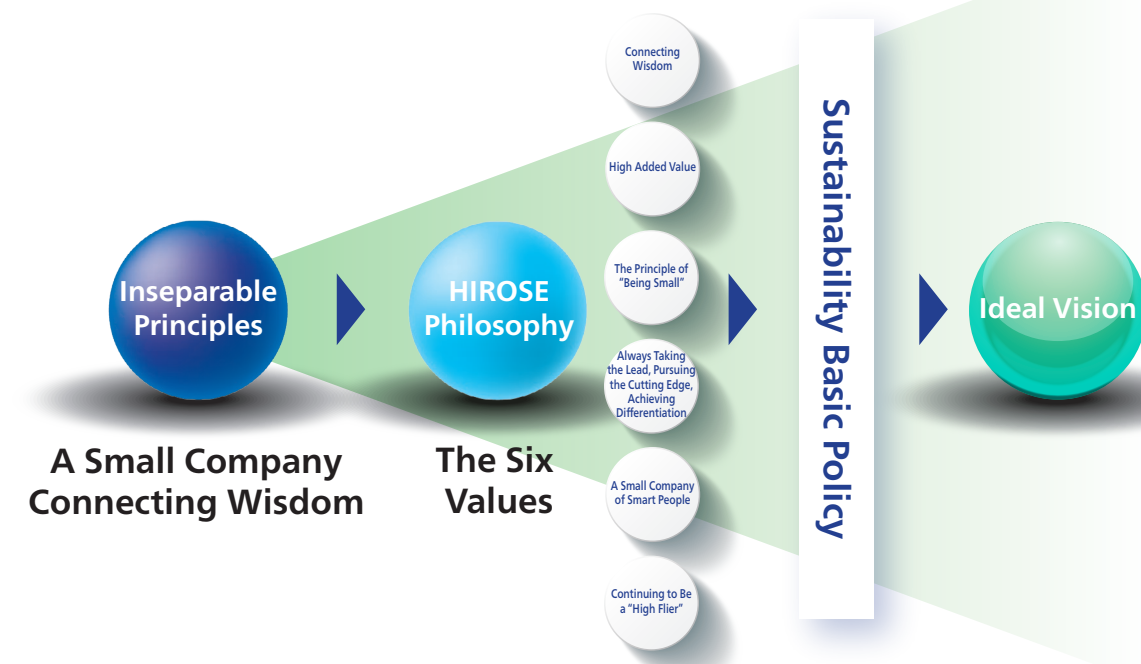
Sustainability basic policy

Based on our Inseparable Principles of being “A Small Company Connecting Wisdom,” as a specialized connector manufacturer that connects products using amassed human wisdom, the Hirose Group believes that the mated/unmated function of the connectors itself can contribute to the reduction of environmental impact. By providing high-quality connectors, the Group aims to contribute to a sustainable society and achieve continuous growth.

- Contribute to the realization of a prosperous society through products, receiving high praise from customers by forward-looking development that responds to changes in the times and market.
- Comply with laws and regulations of countries and regions, international rules, and internal rules while faithfully operating in accordance with social codes and corporate ethics.
- Recognize the importance of global environment protection and promote corporate activities that consider the conservation of biodiversity and environmental protection.

Sustainability promotion system

Management decision-making is mainly conducted by the Group Presidents’ Meeting, which consists of the President and the persons responsible for the execution of each functional group, and the Board of Directors, which receives planning proposals from the Group Presidents’ Meeting and makes resolutions on them. The decisions are made in coordination with the CSR and Risk Committee and other committees depending on the theme. Moreover, in FY2021, we started a project to promote understanding of sustainability inside the Company. Comprising mid-level employees who will carry the Company forward into the future, as well as the Director responsible for the Administration Group who participates as an observer, this project promotes sustainability in cooperation with the Board of Directors.



Participation in the UN Global Compact

The UN Global Compact is a voluntary initiative in which each company provides creative and responsible leadership, acts as a good corporate citizen, and participates in global framework development for realizing sustainable growth. UN Global Compact signatory companies engage in activities aimed at this goal on the basis of each company’s chief executive’s commitment to ten essential CSR principles related to the protection of human rights, elimination of unfair labor practices, environmental action, and anti-corruption. The Hirose Group, as a global company, will further promote CSR activities with the aim of realizing a sustainable society by participating in the UN Global Compact.

Message from the New Director and Group President–Administration

Human capital is our greatest asset in generating corporate value

The Hirose Group’s ESG initiatives

In this era of dramatic social and environmental changes, the Hirose Group is re-examining its responsibilities as a corporation and promoting initiatives toward the realization of a sustainable society. While prioritizing environmental, social, and governance (ESG) perspectives, we are committed to enhancing corporate value by leveraging our technologies and human capital.

For the Company, addressing climate change is a material issue, and we are strengthening our efforts toward energy saving and carbon neutrality. We have many specific examples such as installing solar panels at our own factories and activities that led to official recognition for various environmental measures. In addition, to accelerate progress toward achieving carbon neutrality, we are steadily taking actions to obtain Science-Based Targets (SBT) certification in 2026. Our products are also widely utilized in environmentally responsible fields such as electric vehicles and renewable energy equipment, so our products themselves contribute to the creation of a sustainable society. We believe that our initiatives for the environment will enhance our competitiveness as a corporation while also paving the way for a more prosperous future society.

One of the values of the HIROSE Philosophy is “a small company of smart people,” which mentions improving productivity. Productivity is expressed numerically as operating profit per employee. While our goal is to continuously increase this profit amount, it is our people and organization that actually take action. Since we believe that human capital is our greatest asset in generating corporate value, we are undertaking initiatives to develop employees, invigorate our people and talent, create an environment that supports growth and achievement, and realize both a comfortable workplace environment and a sense of motivation. One example is the “trial shuttle” introduced on a pilot basis last year. By experiencing the jobs of other departments for several weeks to several months, participants can expect numerous benefits, such as gaining an understanding of the processes before and after their own department’s work, building professional networks, and broadening their perspective. As part of our efforts to promote the advancement of women, we started a program in which experienced employees who serve as role models talk about their job experiences and provide participants with insights as they consider their own career paths. We want to take these initiatives that lead to the development and invigoration of human capital even further and elevate the overall performance of the entire organization by enabling each employee to perform at their highest potential.

Kosei Matsunaga
Director and Group President–Administration



Sound corporate governance, including compliance, is essential for achieving sustained growth and enhancing corporate value. We are also emphasizing the creation of a system that enables employees to take the initiative in self-inspection of operations through internal controls, thereby supporting sound governance across the entire organization. The basic principle is to maintain daily communication and ensure timely reporting, contacting, and consulting. And to uphold the trust placed in us as a company, the most important thing is to honestly reflect on problems that have occurred and have the mindset to learn from them. We value a culture that focuses not on blaming failures, but on turning the insights gained from them into opportunities for future growth.

Future aspirations

I myself have built a long career in the sales department, but I am now taking on the important theme of sustainability in the Administration Group, a new field for me. While I still have much to learn every day, there are things I see and notice because I come from a different background. So, I aim to leverage this perspective to make myself useful. I will also place greater emphasis on developing and invigorating talent with the goal of systematically developing our employees, while keeping in mind the system for inter-group transfers. I believe that fostering a sense of unity across the five groups and aiming for a stronger organization will ultimately lead to offering greater value to our customers. As we strive toward a sustainable future, I will personally commit to ensuring that the Hirose Group continues to make steady progress in the areas of environment, society, and governance.



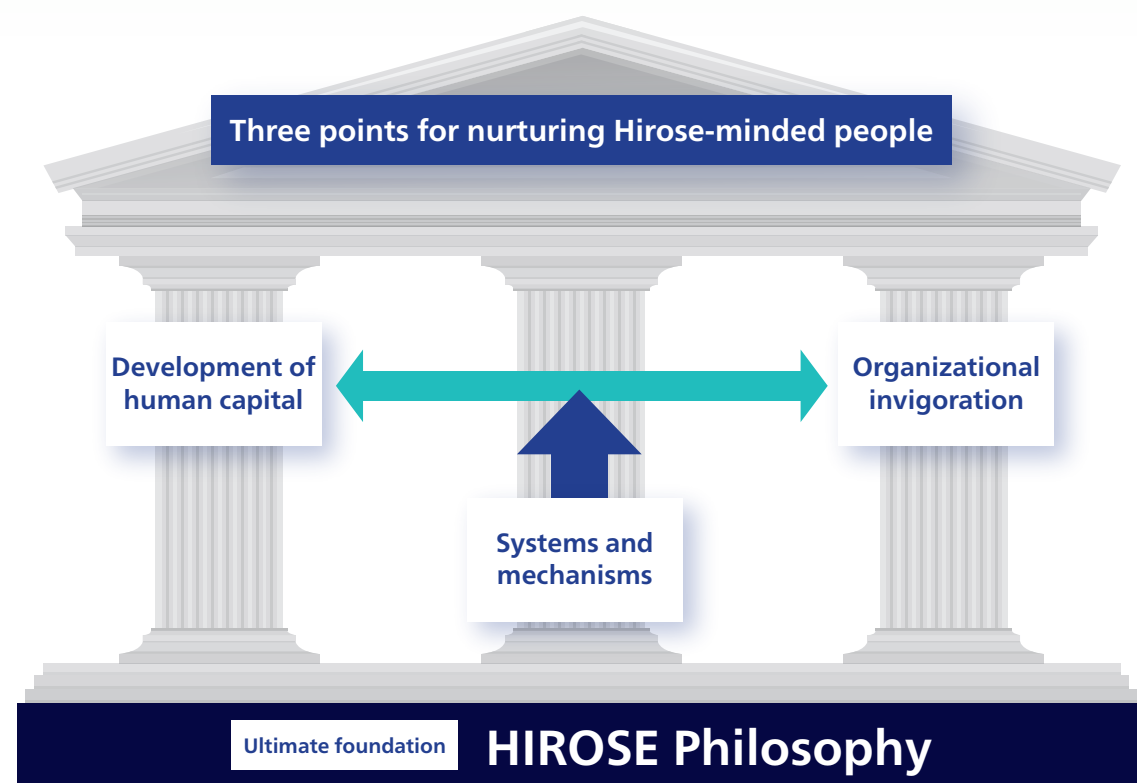
Human Capital Strategy for Continuous Growth and Development

Human capital strategy of the Hirose Group

The Hirose Group positions the growth and invigoration of its people as the key to sustainable corporate growth. We aim to continue being a company that evolves by taking on challenges and working diligently and energetically. Connecting the wisdom of each employee and pursuing original products are the source of our competitiveness and the pillar that supports the Hirose Group. In order to continue to spark innovation in a business environment with significant changes, we must let our diverse and excellent employees maximize their abilities and create an organization that supports employee innovation. Understanding that employee happiness and growth are essential for the medium- to long-term growth and increase in corporate value of the Hirose Group, we aim to become a company where employees can actively work.

Human capital vision of the Hirose Group

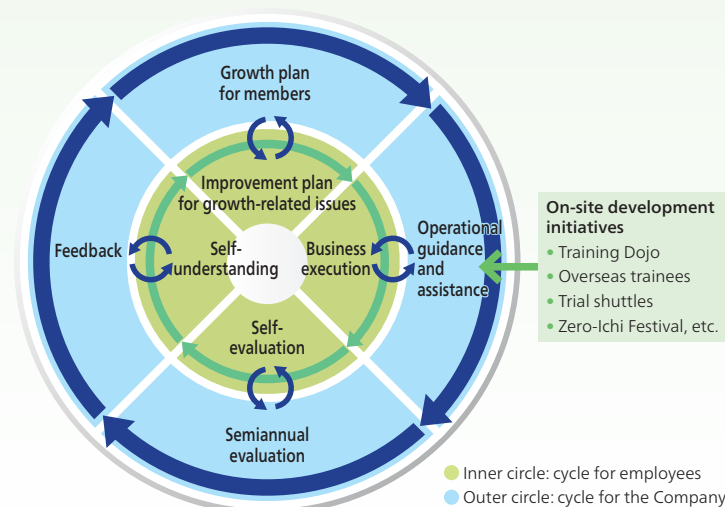
1. Persons who connect wisdom from inside and outside the company and produce new value
2. Persons who focus on teamwork and maximize the performance of organization
3. Persons who constantly learn with an earnest and humble attitude and continue to grow
4. Persons who take on challenges and set high targets with a sense of personal responsibility and speed
5. Persons who have strong thoughts and will to realize high profits, and have creativity and a sense of innovation and improvement



Initiatives for human capital development and enhanced employee interaction

For the Hirose Group to realize its Ideal Vision, each employee must maintain an independent, entrepreneurial mindset, while the Company must systematically develop human capital who will drive its business in five to ten years' time. To this end, we will develop a diverse pool of human capital who carries a variety of work experience and human skills.

Human capital development cycle



Development initiatives



Ayumi

First-year employees make daily entries in *Ayumi*, a personal work journal, and receive one-on-one advice from their mentors.



Zero-Ichi Festival

A festival organized by the engineering departments where employees are free to present ideas on what they love.



Training Dojo

En masse lecture-style training conducted by the engineering departments for all new employees on common knowledge and know-how.



Trial shuttles

A system that allows employees to voluntarily engage in trial work in departments they are interested in for a certain period.

Enhanced employee interaction

Accepting overseas employees for training

As part of our efforts to develop global human capital and enhance employee interaction, we are implementing initiatives to accept employees from overseas plants and offices as trainees at our headquarters and factories in Japan. The objective is for the trainees to acquire technical and operational knowledge through practical experience and apply it to advancing business operations back home. We deepen mutual understanding through cross-cultural exchange, which helps to build a global organization. The program also leads to strengthened collaboration between organizations through the building of personal networks.

Number of trainees accepted (Apr. 2022–Sep. 2025)

Trainee's affiliation (country)	Number of trainees accepted at locations in Japan
United States	2
Taiwan	1
China	7
Malaysia	6
Indonesia	2
South Korea	13
Total	31

Example of trainee activities



Z. P. HIROSE USA

Training site: Hirose Electric (engineering department)
Period: one year from 2023

During my training in Japan, I helped bring the DF51 branching adapter to production as my main project. The project gave me a lot of experience with the various aspects of connector design. Being able to get feedback so quickly from many different engineers helped me to quickly gain the experience I needed for my job in the U.S. I also created a connector concept and participated in the Zero-Ichi Festival, where I won an award for my use of virtual reality to show connectors in a 3D environment. My colleagues passed on a lot of knowledge to me, and I enjoyed my time in Japan!



Human Capital Strategy for Continuous Growth and Development

Acquiring human capital

The Company is also focusing on initiatives to steadily secure talented human capital who will support its future. We have implemented personnel system reforms and initiatives aimed at improving the working environment for our employees. Going forward, we are expanding our reach to job seekers by building relationships with universities, expanding internship opportunities, and participating in overseas career forums, while also strengthening our recruitment activities to secure diverse human capital who are aligned with our corporate culture.

Diversity and organizational invigoration

New ideas are always required to achieve continuous growth globally and to evolve and develop the Company.

A diverse organization where a wide range of employees play active roles can generate new ideas. Having each employee take on challenges without fear of failure and work actively with a sense of motivation will lead to the maximization of organizational capabilities. By maximizing organizational capabilities, we will promote the creation of a workplace where the organization as a whole can continue to grow and evolve.

Promotion of women's participation and advancement

Policy

- 1 Aim to be a company where diverse employees can play active roles
- 2 Systematically and consciously secure and develop capable female human capital
- 3 Promote the creation of flexible systems and frameworks that allow talented and diverse human capital to continue working

▶ **Percentage of female managers in FY2034: 15%**
(approx. 8.8 times of that in FY2024)

▶ **Hiring ratio of women: 30% or more per year**

▶ **Percentage of female employees in FY2034: 30%**
(approx. 1.5 times of that in FY2024)

Career role model lectures



We invite female employees with diverse backgrounds who play active roles to serve as speakers, sharing their experiences and values regarding work. This initiative aims to broaden participants' perspectives as they consider their career development. We aim to create an opportunity for female employees to gain insights to depict their own unique career paths.

Engaging mid-career hires

With an eye on continued global growth, we are actively promoting mid-career recruitment focused on expertise.

In recent years, more and more employees who once chose to resign from the Hirose Group are rejoining the Company. The Hirose Group, which places great importance on alignment with the HIROSE Philosophy, aims to create an environment in which employees from diverse backgrounds, regardless of their origins, can play active roles.

Percentage of mid-career hires

▶ **50% of the Board of Directors**
*Excluding Outside Directors (as of June 30, 2025)

▶ **37% of managers and above**
*Excluding subsidiaries (as of March 31, 2025)

Engagement

Initiatives aimed at improving engagement

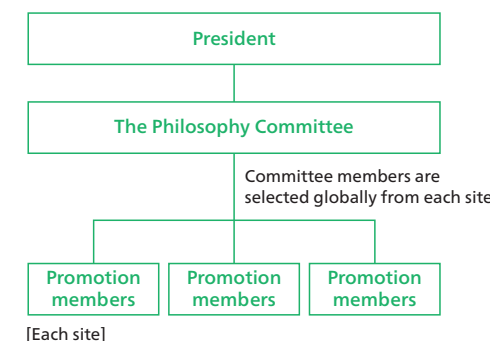
FY2020	Program for paid leave by the hour
FY2021	Hot desking
FY2022	Eligibility for shortened work hours for childcare (expanded from first-year to third-year elementary school students) Completed stepwise revision of annual paid leave entitlement
FY2023	System that allows employees to take leave due to their spouse's job transfer Introduction of regional employee system (April 1, 2024) Stock incentive plan
FY2024	Expansion of employees eligible for congratulatory gift upon their child's admission to elementary school Expansion of support for employees on an unaccompanied assignment and those relocating due to transfers

Many of the successful initiatives to improve engagement originated from bottom-up proposals through the employee-driven "Iki-Iki" Project organized in FY2019. In recent years, our activities have focused not only on improving the work environment but also on maximizing organizational strength.

HIROSE Philosophy

Throughout its history, the Hirose Group has created various values based on its Inseparable Principles, "A Small Company Connecting Wisdom," and has grown by passing these down and practicing them. The HIROSE Philosophy is a system that encompasses six of these values that we have selected by carefully examining them to determine which of them are the most fundamental. To continue growing in an era of change marked by continuing globalization and diversification, the Group needs a unifying force that will inform all of its decisions and strategies. A corporate culture is a driving force for growth that is superior to any strategy, and the Hirose Group will achieve growth by sharing and practicing these values globally.

Organizational structure to promote HIROSE Philosophy



Results of survey on HIROSE Philosophy

Item	FY2023	FY2024	Change
I align with the content of the HIROSE Philosophy.	4.12	4.23	+0.11
I understand what I should do in accordance with the HIROSE Philosophy.	3.92	4.09	+0.17
I am taking specific actions in accordance with the HIROSE Philosophy.	3.63	3.84	+0.21

Steps to pass down the HIROSE Philosophy



As a result of the dialogue meetings and the "Connect and Evolve with the HIROSE Philosophy" activities facilitated by the Philosophy Committee members selected from each department of headquarters and domestic factories, and each overseas site, more employees are aligning with the values of the Philosophy. In order for the Philosophy to be practiced and passed down, it is essential for us to follow and ascend the four steps. We believe that connecting the shared and aligned values to specific actions will help establish the Philosophy and promote unconscious practice. To this end, we are gradually shifting the focus of the Connect and Evolve activities to the Practice and Establishment steps, while continuing with intra- and inter-departmental dialogue activities and dialogue meetings with the President and other officers.

Philosophy Day



The Company has designated August 15th, its founding anniversary, as Philosophy Day to globally reflect on the HIROSE Philosophy. Through the streaming of the President's message and the sharing of examples of HIROSE Philosophy activities, we seek to raise awareness about practicing the Philosophy.



Co-creation with Communities

Our community contribution activities

Our community contribution activities began with the voices from our employees who wanted to make our company known to local communities and contribute to them. While we have played a part in contributing to local communities mainly through our business activities so far, we had no point of contact with local residents as we are a business-to-business company. However, our Investor Relations Office was restructured into the Corporate Communication and Investor Relations Office in 2022 to strengthen its corporate communications function. We gradually increased the number of opportunities to engage with local residents through events that we hosted jointly with local companies. Our employees have indicated that community contribution activities instill in them a sense of pride in the Company and increase their motivation to work. Moving forward, we will continue to create opportunities to connect people within local communities while enhancing employee engagement.

Cultural events with local residents

In October 2024, we held a cultural event for local residents of Tsuzuki Ward, Yokohama City in collaboration with neighboring companies. The entrance lobby of our headquarters was opened to the public for one day only, inviting the local residents to attend a chorus concert in the hall and to see our product showroom. Visitors told us that they enjoyed the facilities not usually accessible to the public. We will strive to continue building good relationships with everyone in the community.



Running clinic for high school students in Koriyama City

In July 2025, KORIYAMA HIROSE ELECTRIC, our manufacturing subsidiary, sponsored a running clinic for high school track team students from Koriyama City at the HRS Kaiseizan Athletics Stadium. A total of 64 students from five schools in Koriyama City participated. The event served as a bridge connecting Koriyama City, the Komazawa University Track & Field Team, and local residents, thereby contributing to the local community.



Workplace experience programs for local junior high school students

In November 2024, we held a workplace experience program for two junior high schools in Tsuzuki Ward. Students experienced a real workplace, touching real electronic components, circuit boards, 3D printers, and other items they usually would not see. Participants shared feedback such as, "Through the workplace experience program, I became interested in jobs handling electronic components." We provided them with an opportunity to reflect on their future career planning.



Support for student formula car projects of Indian Institutes of Technology, etc.

HIROSE ELECTRIC INDIA is actively engaged in supporting the development of students who are expected to become the next generation of engineers and researchers. The company supports several student teams, including Indian Institute of Technology Madras and COEP Technological University, in the development of EV racing cars by providing sample materials, technical advice, and sponsorship. HIROSE ELECTRIC INDIA will continue to support the development of next-generation engineers through sustainable partnerships with higher education institutions, including professors, students, and alumni.



KENKO Investment for Health

The Hirose Group believes that people are the key to growth, so we are working to realize workplace environments where each employee can continue to participate actively while demonstrating their full potential. One way we are working to achieve this is by advancing activities for maintaining and enhancing employee health and raising health consciousness. We expect our investment in employee health to yield organizational invigoration, including increases in employee engagement and productivity, and to ultimately enhance business performance and corporate value.

In 2023, the Hirose Group's efforts were recognized, and the Company was certified as one of the Outstanding Organizations (large enterprise category) under the 2023 Certified Health & Productivity Management program, now known as KENKO Investment for Health, and has maintained this certification since. The KENKO Investment for Health Committee, which discusses related challenges, has set goals to prevent the three major health risks among employees (cancer, heart disease, and cerebrovascular disease) by promoting better diet and exercise habits to combat obesity, improving lifestyle such as smoking cessation, and reducing health risks including mental illness by limiting long working hours. In addition to these conventional goals, the Committee is also revising the medium-term targets for the end of FY2027 and taking actions to provide a better working environment for employees.

Declaration of KENKO Investment for Health

At the Hirose Electric Group, we believe that all of our employees being healthy physically and mentally and energetically approaching their work leads to the continued growth and development of the Company. We pledge that the employees, the Company, and its health insurance association will come together to promote activities to maintain and improve employee health.

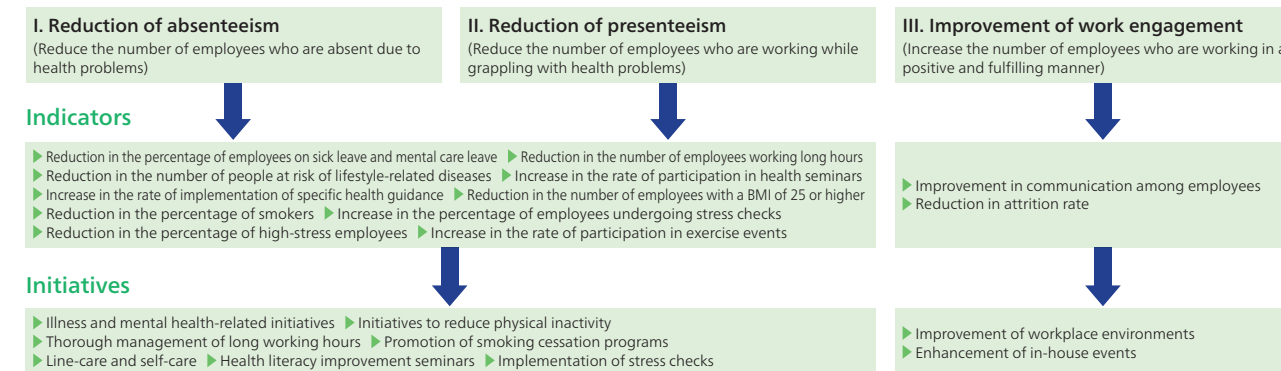
April 2022, President and Representative Director

KENKO Investment for Health plan

Goals to be achieved through KENKO Investment for Health

We aim to ensure that all employees take an interest in their health, to increase the number of employees who are healthy in body and mind, to enhance engagement, and thereby to improve individual performance and achieve the continued growth and development of the Company.

Individual targets for addressing the ultimate issue



Results of initiatives

Item	FY2023	FY2024
Percentage of smokers	18.7%	17.1%
Percentage of employees undergoing stress checks	95.4%	94.6%
Percentage of high-stress employees	10.7%	12.5%
Presenteeism	40.1%	36.3%
Percentage of employees with a BMI of 25 or higher	23.3%	25.9%
Percentage of employees with a habit of exercising for 30 minutes or more per week	24.0%	23.8%
Rate of participation in health literacy improvement seminars	83.5%	86.8%



Climate Change

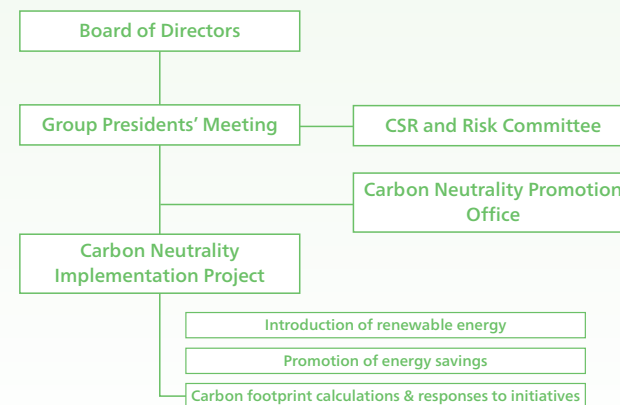
Response to climate change

The Hirose Group has been addressing various social issues with the aim of realizing its Ideal Vision of “Co-creating Our Future Society with the Power to Connect.” In addressing critical climate change challenges, the Company conducts scenario analyses based on the TCFD recommendations. As a connector manufacturer that serves a wide range of markets, including consumer devices, automotive, and general industrial equipment, the Hirose Group not only develops products that contribute to the electrification of automobiles and smart factories but also is committed to decarbonizing itself.

Governance and risk management

Management decisions regarding issues of climate change are made by the Group Presidents’ Meeting, which consists of the President and the persons responsible for the execution of each functional group, and the Board of Directors, which receives planning proposals from the Group Presidents’ Meeting to make resolutions.

In FY2023, we formed the Carbon Neutrality Implementation Project, a cross-departmental organization, and in FY2025, we established the Carbon Neutrality Promotion Office. We are advancing activities for CO₂ reduction and responses to various initiatives.



Scenario analysis: risks and opportunities

We have identified risks and opportunities based on the financial impact of climate change under the 1.5°C and 4°C global warming scenarios, and conducted an evaluation of the impact on our business.

▶ 1.5°C scenario	Society strengthens various regulations seeking carbon neutrality and business partners have responded accordingly. Taking action with respect to renewable energy and energy conservation becomes an imperative.
▶ 4°C scenario	Society holds to the status quo. Physical risk mounts amid a lack of effort to promote a shift to lower-carbon and decarbonization.

By 2050 (long term, 4°C scenario), sales and profits are projected to decrease by approximately ¥1.2 billion and ¥100 million, respectively. By 2030 (medium term, 1.5°C scenario), sales and profits are projected to increase by approximately ¥1.2 billion and ¥2.8 billion, respectively.

	Risks / Opportunities		Description	Response policy	Magnitude of impact
Risks	Physical risk (4°C)	Extreme weather events (floods) —Long term	Product supply risk Acute flood risks are scattered across some Group sites and production partners in Japan	Impact is limited as a result of implementing inventory decentralization and establishing multi-site production systems based on our business continuity plan (BCP)	Medium
			Equipment damage risk Damage to facilities of our Group companies and production partners due to acute flooding	Relocated a factory in a high-risk area to higher ground Fire insurance covers part of the risk	Medium
	Transition risk (1.5°C)	Introduction of a carbon tax —Medium term	In case of direct impacts only	Impact is limited as part of our production is outsourced to production partners	Medium
			In case suppliers pass on the carbon tax	Greater impact compared to the above. Strengthen collaboration with production partners, other suppliers, and customers towards reducing the burden	Medium
		Customer requirements —Medium term	Risk of losing business orders due to failure to meet customers' GHG emissions reduction requirements	Implement GHG emission reductions steadily while closely monitoring customer trends and striving to achieve carbon neutrality in the production process	Large Approx. ¥20 billion
		Surge in raw material costs —Medium term	Risk of tight supply and price surges for components such as copper, iron, and resin due to climate change	Implement procurement strategies considering market conditions	—

	Risks / Opportunities	Description	Response policy	Magnitude of impact
Opportunities (1.5°C)	Spread of next-generation automobiles —Medium term	Spread of next-generation vehicles (EVs) will expand our product market and present significant growth opportunity	Develop a business strategy in view of the shift to EVs Increase competitiveness with products that address size and weight reductions and better energy efficiency	Large Approx. ¥20 billion
	Regulations on recycling and plastics —Medium term	Regulations on plastics may become more stringent, particularly in the European automotive industry	Monitor industry trends and introduction of regulations to appropriately manage the impact on the Group's business	—
	Expansion of right to repair —Medium term	Rules to facilitate product repairs based on the right to repair are progressing primarily in Europe and the U.S. Demand for durable products may increase	Progress in the right to repair legislation is positively assessed as likely to contribute to the expansion of the connector market Monitor the regulation details and applications to which they apply going forward	—

Risks and/or opportunities expected to emerge by 2050 and by 2030 are considered “long term” and “medium term,” respectively. Impacts of ¥5 billion or more, ¥1 billion to ¥5 billion, and less than ¥1 billion are considered “large,” “medium,” and “small,” respectively. Items indicated by “—” are classified as non-quantitative due to various uncertainties.

Indicators and targets

▶ 60% reduction in CO₂ emissions by FY2027 (relative to FY2021)

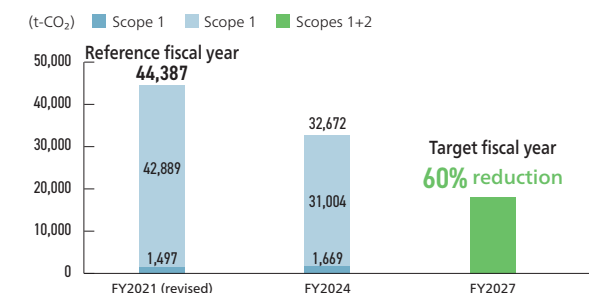
▶ Carbon neutrality by FY2050

Based on the results of the scenario analysis, the target to limit climate change impact to 1.5°C or less was resolved at a Board of Directors meeting in FY2022. Our electrification efforts to date have nearly succeeded in limiting our CO₂ emissions to those generated from purchased electricity (Scope 2), and we are now promoting the introduction of renewable energy, mainly at production sites, as the most effective way to reduce emissions. We have been making progress in reducing emissions as planned since the reference fiscal year, and we are also considering the introduction of high-quality electricity with added potential besides reducing emissions.

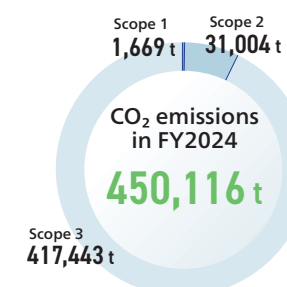
As of the end of March 2025, six out of our eight factories have achieved 100% renewable energy use. By implementing this initiative, we will further reduce emissions.

Our Company is currently working toward obtaining Science-Based Targets (SBT) certification in FY2025, which verifies that our greenhouse gas reduction targets are based on scientific evidence. As much of our production is handled by production partners, we will further advance reduction activities not only for Scopes 1 and 2 emissions but also across the entire value chain.

CO₂ emissions



*Emissions for the reference fiscal year have been recalculated following a revision to the scope of calculation, etc.



Measurement of Scope 3 emissions

(t-CO₂)

Category No.	Category	FY2024
1	Purchased goods and services	183,523
2	Capital goods	81,901
3	Fuel- and energy-related activities (not included in scope 1 or scope 2)	6,367
4	Upstream transportation and distribution	51,701
5	Waste generated in operations	385
6	Business travel	182
7	Employee commuting	1,973
8	Upstream leased assets	-
9	Downstream transportation and distribution	529
10	Processing of sold products	88,238
11	Use of sold products	509
12	End-of-life treatment of sold products	1,402
13	Downstream leased assets	58
14	Franchises	-
15	Investments	673
	Scope 3 total	417,443

*Emissions are calculated following a revision to the scope of calculation, etc., from the previous fiscal year or earlier

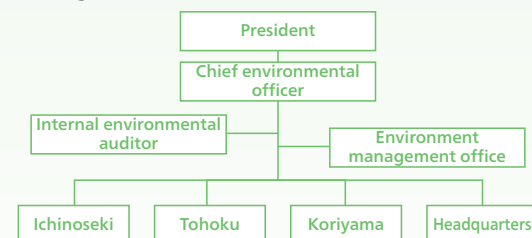


Environment

Environmental management structure

We have established an environmental management system for the entire Hirose Group, headed by the President and Representative Director. We set environmental targets and engage in environmental management activities in accordance with the Group's overall targets, which conform to our Basic Environmental Policy. Each month, we hold management review meetings upon sharing information on managing progress toward achieving the environmental targets across the entire Group, and furthermore report such findings to management on a quarterly basis. We receive instructions from top management on how to make improvements.

Organizational structure



Environmental audits

The Hirose Group carries out internal environmental audits every year to make sure that its environmental management system is working effectively and being properly maintained in accordance with ISO 14001. To maintain and renew ISO 14001 certification, we undergo periodic external reviews by external certification bodies.

ISO 14001 certification

In FY2002, the Hirose Group, including the three domestic plants, acquired an integrated certification, demonstrating our commitment to environmental protection across the entire Group. All of our overseas plants have acquired ISO 14001 certification.

Initiatives for the environment No inclusion, no mixing and no production of environmentally hazardous substances

The Hirose Group promotes initiatives to ensure no inclusion, no mixing, and no production of environmentally hazardous substances with respect to its products. We accordingly promote green procurement activities upon having formulated the Hirose Electric Group Green Procurement Guideline with the aim to preferentially procure parts and materials that have a low impact on the environment. Moreover, we have completed efforts that entailed shifting to substitutions involving our main products and building a warranty system in alignment with the RoHS directive*1 encompassing laws and regulations relating to chemical substances. We have also been meeting the compliance requirements on the list of substances of very high concern (SVHC) associated with the REACH regulation*2, and publicly disclosing information regarding chemicals used in our products, in response to customer requests. We consistently strive to develop environmentally friendly products, which involves setting environment-related criteria in the design and development process and checking chemical substances used in connectors in the design phase. We have also established a high-level quality control system with regard to hazardous materials contained in products, such as by installing X-ray fluorescence spectrometers in our plants.

*1 RoHS directive: This was promulgated on February 13, 2003, and enforced on July 1, 2006, in the European Union (EU). This directive restricts the use of specified toxic substances in electric and electronic products: Lead, mercury, cadmium, hexavalent chromium, polybrominated biphenyl (PBB), polybrominated diphenyl ether (PBDE), and four kinds of phthalate esters (DEHP, BBP, DBP, DIBP).

*2 REACH regulation: Regulation concerning registration, evaluation, authorization and restriction of chemicals, promulgated on December 30, 2006, and enforced on June 1, 2007, in the European Union (EU). This regulation prohibits selling products that contain unregistered chemicals within the EU. It also includes regulations governing the conduct of producers and importers, and the supplier's obligation to make relevant information public.

TOPICS

Ichinoseki Plant: Contributing to society through energy-saving seminars and hosting observational factory tours

At the Ichinoseki Plant, we actively engage in activities such as dispatching lecturers to seminars and hosting observational factory tours for companies in the Tohoku region. This is to share our energy-saving initiatives and expertise, which we have developed over the years, as a reference for various companies. We also obtain a wealth of information through exchanges with other companies and apply it to our initiatives.

Additionally, we aim to promote energy-saving activities by disseminating information through professional journals and media.



Environmental education

We provide environmental education for all staff so that employees recognize the importance of environmental protection activities and have a clear understanding of their responsibilities when engaging in these activities. We determine the competencies required at each site and conduct department-specific education, new employee training, and theme-specific education on biodiversity and other topics to develop these competencies. In addition, we provide specialized education and training for workers engaged in work that may have a significant impact on the environment.

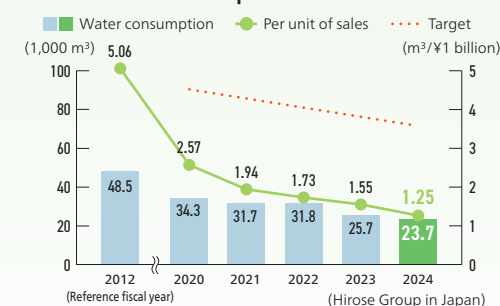


Emergency response training for reflow systems

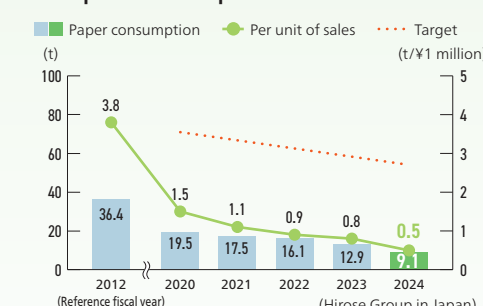
Effective utilization of resources

We are committed to initiatives for recycling resources in production and logistics, making efficient use of water resources, promoting recycling, and reducing and reusing waste, premised on the notion that making efficient use of the Earth's finite resources constitutes a substantial corporate responsibility. Moreover, we have achieved downsizing of connectors in each field, which contributes to downsizing of customers' products and realization of fewer materials.

Water consumption



Paper consumption



Water consumption

Reduction target: Intensity reduction of 1% on average (compared with that in FY2012) each fiscal year toward FY2030

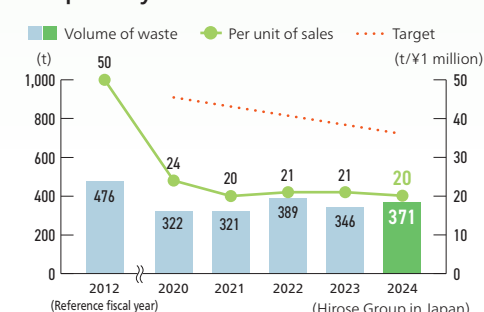
Reduction target by FY2024: 11.4%
Result: Reduction of 75.3%

Paper consumption

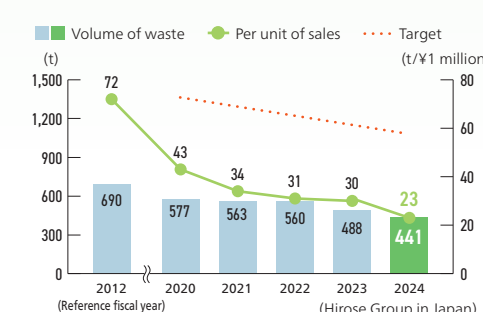
Reduction target: Intensity reduction of 1% on average (compared with that in FY2012) each fiscal year toward FY2030

Reduction target by FY2024: 11.4%
Result: Reduction of 87.4%

Specially controlled industrial waste



General industrial waste



Waste

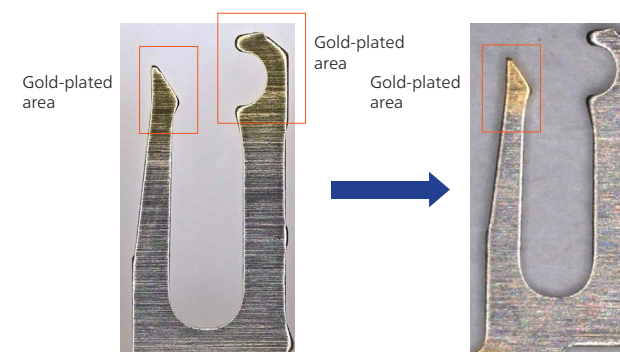
Reduction target: Intensity reduction of 1% on average (compared with that in FY2012) each fiscal year toward FY2030

Reduction target by FY2024: 11.4%
Results: Special waste 60.5% reduction
General waste 67.7% reduction

Recovery of metal materials and waste reduction

In our cutting process, we work with a variety of metals, which results in the generation of a large amount of metal shavings. These metal shavings are sorted and collected by material, and we efficiently manage them using dedicated boxes. Additionally, by separating the metal shavings from the machining oil, we prepare them in a state that is easier to recycle, thereby working towards waste reduction.

Additionally, our plating line handles gold. Generally, gold is said to have higher CO₂ emissions and a greater environmental impact compared to other metals. To use gold efficiently, in addition to our system for recovering and reusing gold in the plating line, we are also focusing on gold-saving plating processes.



We are continuously working on gold-saving plating initiatives and are committed to the efficient use of rare metals.





Human Rights

Basic approach to human rights

The Hirose Group believes that human rights are the foundation for achieving its objective of realizing environments in which diverse human capital can fully and actively work and for growing sustainably on a global scale. Based on this, we have made respect for human rights and individuals fundamental to every aspect of our business activities and we expressly forbid any discriminatory and inhumane behavior. In line with our Inseparable Principles of “A Small Company Connecting Wisdom,” the Hirose Group has created new value through co-creation with a wide range of stakeholders. In order to realize these Inseparable Principles, we recognize that it is essential to respect the human rights of all stakeholders, including not only those within the Company but also our customers and production partners in Japan and overseas. In FY2012, we expressed our support for the UN Global Compact and we actively and consistently advance CSR activities that ensure the rights of all people involved in our business activities are respected, contribute to the development of a sustainable society, and enhance corporate value.

Formulating the human rights policy

In order to instill the Hirose Group’s basic approach to human rights, we reviewed the previous Hirose Group Basic Policy on Labor Management, which was a policy in the Annex of the Hirose Electric Group Code of Conduct, and re-established it as the Hirose Group Human Rights Policy in October 2023. The policy stipulates that we should (i) understand and uphold the principles of human rights as set forth in the International Bill of Human Rights and the ILO Declaration on Fundamental Principles and Rights at Work, which are international norms, (ii) be committed to respecting human rights based on the UN Guiding Principles on Business and Human Rights, and (iii) uphold the Ten Principles of the UN Global Compact in our business activities as a signatory to the UN Global Compact. In addition to identifying priority issues, we will work with our business partners, such as production partners, and their related parties, with a spirit of co-creation to respect human rights, with the expectation that they will uphold and practice this policy.

Priority issues related to human rights

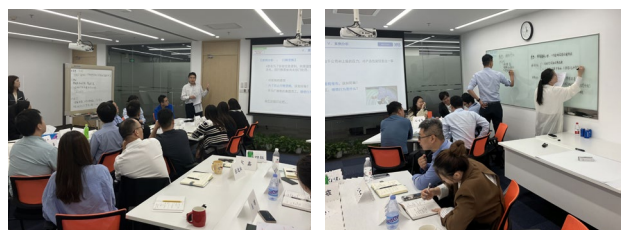
The Hirose Group recognizes that the following items related to business activities are priority issues concerning human rights, and is committed to putting the Human Rights Policy into practice.

- Prohibition of child labor
- Prohibition of forced labor
- Prohibition of discrimination
- Prohibition of inhumane treatment
- Due consideration for working hours
- Appropriate payment of wages and allowances
- Respect for freedom of association and the right to collective bargaining
- Ensure occupational health and safety
- Protection of privacy
- Responsible procurement of minerals

Initiatives for human rights

1 Conducting global seminars

The Hirose Group is conducting education globally to instill its Code of Conduct and prevent harassment. Some overseas subsidiaries have held group discussions during seminars for executives on creating a workplace where no harassment or other violations of the Code of Conduct occur, reaffirming the importance of respect for human rights and compliance with laws and regulations. We will hold these group discussions in other countries and regions.



2 Conducting RBA VAP audits

Factories of the Hirose Group believe that practicing the initiatives in accordance with the Code of Conduct set by the RBA*1 ensures the respect for the human rights of their employees and the creation of a better working environment, and we promote audits in accordance with the Validated Assessment Program (VAP)*2.

*1 RBA: Responsible Business Alliance, an alliance of companies and standards committed to improving labor conditions, health and safety, environmental protection, ethics and management in the electronics industry supply chain.

*2 VAP: A standard based on which audits are carried out by an audit body accredited by the RBA, which assesses the state of development of the management system and compliance with applicable standards.

Audit implementation status based on new RBA-compliant standards

Certification scheduled to be obtained at the Indonesia factory by the end of FY2025

With this, all factories in the Hirose Group will have obtained certification.

The factories in Japan (Miyako, Ichinoseki, Koriyama), South Korea, China (Suzhou, Dongguan), and Malaysia have already obtained certification. Currently, they maintain and renew their certifications through biennial audits.

2025: Ichinoseki Plant achieves PLATINUM Status

ICHINOSEKI HIROSE ELECTRIC received high evaluations in all categories of labor conditions, health and safety, environment, ethics and management systems in the RBA VAP audit, achieving the highest possible score of 200 points and obtaining PLATINUM Status. We are steadily achieving results across the entire Group. In the past, we have also achieved PLATINUM Status in Miyako and South Korea, and our locations in Dongguan, Suzhou and Malaysia have earned SILVER Status. We ensure the respect the human rights of employees at all locations and are committed to creating a better work environment.

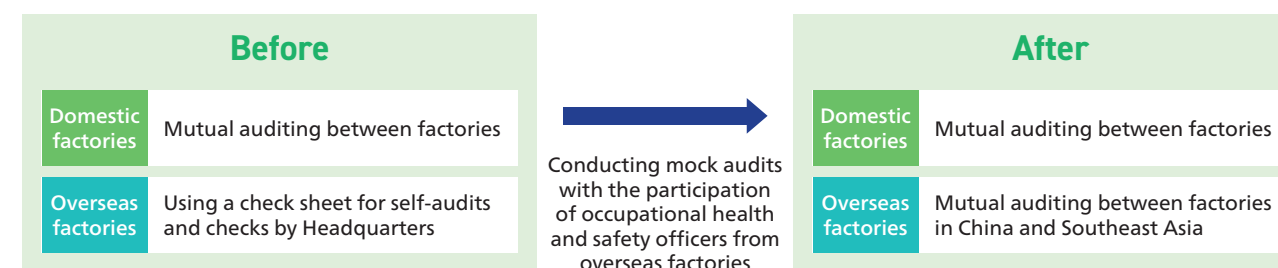


3 Enhancement of the compliance hotline

We have a system in place that allows for reporting of negative influences on human rights from both inside and outside the Company. In addition to an internal report system for Hirose Group employees, we have established a compliance hotline that allows external stakeholders to file complaints and directly seek remedies. This enables stakeholders who have experienced human rights violations to access relief. In addition, the system accepts anonymous reports, and if the whistleblower’s name is required, the whistleblower is given the opportunity to specify the scope of the personnel handling their personal information before submitting the report.

4 Strengthening of the occupational health and safety management system

Since 2012, the Hirose Group has conducted internal audits to improve occupational health and safety for employees. In Japan, mutual auditing is conducted between Headquarters, Kikuna Office, and the three domestic factories, whereas overseas factories have been limited to self-audits. To strengthen health and safety globally, we conducted mock audits with members involved in health and safety from Headquarters and each overseas factory. Starting in FY2026, we plan to transition to a system of mutual auditing between overseas factories.





BCP

Based on its policy of continuing or rapidly restoring its operations even after an unexpected interruption of its business while putting the highest priority on the safety of human life, the Hirose Group has formulated a Business Continuity Plan (BCP). The BCP addresses risks such as a major earthquake or fire, or an infectious disease, and sets out concrete countermeasures.

Rolling out BCP across the entire supply chain

Based on our belief that it is important to conduct BCP in cooperation with companies in the supply chain, we check production partners' systems for developing BCPs. We ask production partners to predict the effects of hypothetical events such as infectious diseases or major disasters and to draw up countermeasures in advance, working to achieve business continuity across the entire supply chain. The floods that occurred in Koriyama, Fukushima Prefecture, in FY2019 inflicted damage on the Koriyama factory and many production partners. Based on this experience, we have prepared for various risks by checking flood countermeasures of production partners and strengthening emergency response training.

BCP initiatives

Hirose Group's BCP initiatives

FY2009 - Established the Business Continuity Plan - Worked to raise awareness and educate internally	FY2011 - Lessons learned from earthquake resulted in revisions to BCP, countermeasures headquarter functions, and methods for confirming personal safety - FY2012: Introduced personal safety confirmation system	FY2014 BCP drawn up for 4 overseas factories	FY2015 Implemented first-response training at Japanese locations for major disasters	FY2017 Set up Disaster Countermeasures Task Force at the Headquarters and implemented first-response training	FY2019 - Major revisions to BCP - FY2019 onward: Implemented training for measures aimed at product supply during emergencies	FY2021 Drew up Policy on Product Supply During Emergencies
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Putting BCP into practice

March 2011 Put BCP into practice in response to damage from Great East Japan Earthquake	October 2019 Put BCP into practice in response to flooding at Koriyama factory	February 2020 onward COVID-19 countermeasures implemented	June 2024 New Koriyama factory completed
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Joint initiatives with production partners

FY2013 Implemented BCP questionnaire survey for production partners	FY2014 Introduced personal safety confirmation system at production partners	FY2015 - Conducted briefings to support production partners developing BCPs - Continued support for developing BCPs	FY2019 Implemented first-response training at factories predicated on damage to production partners, which has been repeated every year since	FY2020 - Added flooding to checklist for production partners - FY2020 onward: Periodic checks on status of production partner initiatives
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Business continuity management (BCM)

We create hypothetical scenarios of disasters and emergency situations that could impact the environment, and in the Basic Documents on Business Continuity Management, we document countermeasures and procedures to address emerging risks. We also conduct regular first-response training for major disasters, as well as training in the use of the personal safety confirmation system. At factories, we strive to confirm the effectiveness of the procedures and raise awareness among those in positions of responsibility by implementing first-response training for emergency, as well as training based on simulations that assume damage to the factory and suspension of supply from production partners. In addition, based on our experience with COVID-19 countermeasures, we have drawn up a Policy on Product Supply During Emergencies, and are working on initiatives such as separating the place of production from the place where inventories are stored and diversifying procurement of raw materials. We are improving and strengthening BCM in order to fulfill our responsibility to supply products in an environment where emergency situations are occurring more frequently.

Basic Documents on Business Continuity Management

The basic policy set out in these Documents is to (1) secure the safety of employees and their families, (2) maintain supply to customers, and (3) minimize damage by rapidly restoring operations.

Responsible Procurement

In order to build robust partnerships with production partners and perform corporate operations together, the Hirose Group has clarified its purchasing policy in the Purchase Management Rules, on which it bases the conduct of its purchasing activities. While building trust and cooperation with production partners, which are important partners, we are striving to achieve responsible and sustainable procurement.

Compliance in order to fulfill social responsibility across the entire supply chain

Production partners Follow and ensure fair trade and ethics, human rights and labor, occupational safety, environmental protection, and information control.

Major production partners Agreement with the Hirose Group Code of Conduct

The Code of Conduct was created in conformity with the code of conduct of the Responsible Business Alliance (RBA), and we also ask production partners to carry out their CSR activities in alignment with the RBA Code of Conduct.

CSR procurement initiatives

Communication with production partners

Partnerships with production partners are essential for the promotion of CSR procurement, and we implement regular CSR surveys while rolling out check sheets and implementing audits and confirmation visits as required. At the same time, to enable production partners to consult and report on compliance problems related to Hirose Group transactions, the Hirose Group notifies them of the existence of the Hirose Group's internal report system, and engages in regular activities to raise awareness for use of the system by production partners.

To address the increasing complexity of the supply chain, we will further strengthen our cooperation with production partners and intensify our promotion of CSR procurement.

Green procurement activities

The Company has drawn up the Hirose Electric Group Green Procurement Guideline, in accordance with which it works to prioritize the procurement of parts, materials, and raw materials that have low environmental impacts. In order to comply with relevant laws and regulations, it is essential to manage chemical substances from raw materials to finished products and to cooperate with the entire supply chain. The Guideline clarifies the requirements for production partners and summarizes prohibited and controlled substances. In addition to having been made available on our website, the Guideline has been distributed to production partners in all countries. We have asked our production partners to establish their own environmental management systems, comply with laws and regulations, reinforce quality control of chemical substances contained in products, and submit information including data on such chemicals, in accordance with the Guideline. The Hirose Group has set management of the most recent version of the Guideline as a CSR target for production partners, and has confirmed that more than 97% have updated to the most recent version. Going forward, we will continue to promote green procurement activities in cooperation with the entire supply chain.

Our actions for responsible procurement of minerals

As part of our efforts to fulfill social responsibilities in the supply chain, we are taking steps to procure minerals that do not contribute to conflicts or to human rights and labor problems, and have established the Responsible Minerals Procurement Policy. We have asked production partners to investigate the routes by which minerals are procured, and also to procure minerals from smelters that are certified under trustworthy international frameworks, such as the Responsible Minerals Initiative (RMI). While instilling the Hirose Group's initiatives in production partners, we are working on developing a grasp of the status of procurement across the entire supply chain, as well as on avoiding the use of conflict minerals.

Activities for responsible procurement of minerals

1. We establish a management system of mineral procurement that complies with the OECD Due Diligence Guidance.
2. We raise awareness of "Responsible Minerals Procurement" throughout the supply chain.
3. We identify and evaluate supply-chain risks by using globally standardized survey programs such as the latest CMRT, EMRT, etc.
4. When problematic mineral procurement is identified, we immediately take corrective action.
5. We disclose results of mineral procurement surveys upon customers' request.



Corporate Governance

Directors (excluding Directors who are Audit & Supervisory Committee Members)

Chairman of the Board
Kazunori Ishii

- April 1982: Joined the Company
- July 2007: Deputy Group President–Engineering
- November 2008: Deputy Group President–Sales & Marketing
- June 2009: Operating Officer
- November 2009: Acting Group President–Sales & Marketing
- June 2010: Director
- June 2011: General Manager–Corporate Innovation Office
- June 2012: Senior Managing Director
- June 2013: Group President–Sales & Marketing; concurrently General Manager–Corporate Innovation Office
- June 2014: President and Representative Director
- June 2015: Chairman of the Board (current position)

Attendance **Board of Directors** 12/12 **Nomination and Remuneration Committee** 4/4

Director
Hiroshi Satoh

- April 1993: Joined MITSUI & CO., LTD.
- July 2001: Joined KEYENCE CORPORATION
- February 2017: Joined the Company
- April 2018: Division General Manager–International Business Division–Sales & Marketing
- June 2019: Director (current position)
- April 2020: Group President–Sales & Marketing; concurrently Division General Manager–International Business Division
- June 2021: Group President–Sales & Marketing (current position)

Attendance **Board of Directors** 12/12

Director
Sang-Yeob Lee

- January 1984: Joined Hanwha Corporation / Explosives
- March 1989: Joined HIROSE KOREA CO., LTD.
- July 2007: Chairman of WEIHAI HIROSE KOREA ELECTRIC CO., LTD. (current position)
- August 2007: Representative Director, the Employee Welfare Fund of HIROSE KOREA CO., LTD. (current position)
- June 2010: Executive Vice President and Representative Director of HIROSE KOREA CO., LTD.
- November 2011: President and Representative Director of HIROSE KOREA CO., LTD. (current position)
- June 2018: Director of the Company (current position)

Attendance **Board of Directors** 11/12

Director
Seiji Sakata

- April 1981: Joined Ricoh Company, Ltd.
- April 2010: Corporate Vice President of Ricoh Company, Ltd.
- April 2012: Corporate Senior Vice President of Ricoh Company, Ltd.
- April 2018: Corporate Executive Vice President of Ricoh Company, Ltd.
- June 2018: Director of Ricoh Company, Ltd.
- April 2019: Chief Technology Officer (CTO) of Ricoh Company, Ltd.
- April 2021: Executive Corporate Officer of Ricoh Company, Ltd.
- June 2023: Outside Director of the Company (current position)
- March 2024: Outside Director of MABUCHI MOTOR CO., LTD. (current position)
- August 2024: Independent Director (Audit and Supervisory Committee Member) of SATORI ELECTRIC CO., LTD. (current position)

Attendance **Board of Directors** 12/12 **Nomination and Remuneration Committee** 4/4

President and Representative Director
Shin Kamagata

- April 1990: Joined NTT DATA Communications Systems Corporation (currently NTT DATA Corporation)
- February 2002: Joined the Company
- June 2002: Manager–Overall Business Innovation Office–Administration
- July 2008: Manager–IT General Administration Office–Administration
- February 2019: General Manager–Corporate Planning Department–Administration; concurrently General Manager–IT General Administration Department
- June 2019: Operating Officer
- June 2021: Acting Group President–Administration; concurrently General Manager–Corporate Planning Department
- June 2021: Director
- June 2024: Group President–Administration; concurrently General Manager–Corporate Planning Department
- June 2025: Senior Managing Director
- June 2025: President and Representative Director (current position)

Attendance **Board of Directors** 12/12 **Nomination and Remuneration Committee** New election

Director
Yoshihiro Gunji

- April 1982: Joined KORIYAMA HIROSE ELECTRIC CO., LTD.
- May 1998: Transferred to TOHOKU HIROSE ELECTRIC CO., LTD.
- August 2016: General Manager of Miyako Plant of TOHOKU HIROSE ELECTRIC CO., LTD.
- January 2021: Transferred to the Company
- June 2021: Deputy Group President–Production (responsible for plants in Japan and Production Control Department)
- June 2021: Operating Officer
- June 2024: Deputy Group President–Production Director (current position)
- June 2024: Group President–Production (current position)

Attendance **Board of Directors** 10/10

Director
Tetsuji Motonaga

- April 1985: Joined Nippon Yusen Kabushiki Kaisha (NYK LINE)
- January 1997: Joined Boston Consulting Group
- September 2001: Joined Fuji Seal, Inc.
- April 2003: Joined Jomon Associates Inc.
- August 2006: Established Ichthyos Co., Ltd.
- April 2015: Representative Director (current position)
- April 2015: Auditor of Keisei Medical Corporation (current position)
- October 2015: Board Chair of Japan Family Business Institute (current position)
- June 2017: Outside Director of the Company (current position)

Attendance **Board of Directors** 12/12 **Nomination and Remuneration Committee** 4/4

Director
Yoko Kagami

- April 1986: Joined Arthur Young & Co. (currently Ernst & Young ShinNihon LLC) as Consultant
- April 2008: Professor of Faculty of Global Media Studies at Komazawa University (current position)
- April 2015: Dean of Faculty of Global Media Studies at Komazawa University
- April 2017: Director at Komazawa University
- April 2021: President at Komazawa University
- December 2024: Executive Director at Komazawa University
- April 2025: Member of Japan Association of Corporate Executives (KEIZAI DOYUKAI) (current position)
- June 2025: Member of the Ministry of Education, Culture, Sports, Science and Technology (MEXT) School Corporation Management Investigation Committee (current position)
- June 2025: Outside Director of the Company (current position)

Attendance **Board of Directors** New election

Director
Shu Obara

- April 1989: Joined the Company
- September 2017: Division General Manager–Industrial Equipment Division–Engineering
- July 2018: Acting Division General Manager–Automotive Division–Engineering
- January 2020: Division General Manager–Automotive Division–Engineering
- June 2020: Operating Officer
- June 2022: Deputy Group President–Engineering; concurrently Division General Manager–Automotive Division
- June 2023: Director (current position)
- June 2025: Group President–Engineering (current position)

Attendance **Board of Directors** 12/12

Director
Kosei Matsunaga

- April 1994: Joined SAN-ESU INC. (currently Mitsubishi Shokuhin Co., Ltd.)
- November 1996: Joined KAWASUMI LABORATORIES, INC. (currently SB-KAWASUMI LABORATORIES, INC.)
- October 1999: Joined the Company
- March 2018: Senior Vice President of HIROSE ELECTRIC (U.S.A.), INC.
- December 2020: General Manager–Global SCM Department–Sales & Marketing of the Company
- October 2023: Deputy Group President–Administration (responsible for General and Legal Affairs, Human Resources, Public Relations and Investor Relations)
- June 2024: Operating Officer
- June 2025: Director (current position)
- June 2025: Group President–Administration (current position)

Attendance **Board of Directors** New election

Director
Masanori Nishimatsu

- April 1980: Joined Nomura Securities Co., Ltd.
- April 2003: Director of Nomura Securities Co., Ltd.
- June 2003: Executive Officer of Nomura Securities Co., Ltd.
- April 2007: Managing Executive Officer of Nomura Securities Co., Ltd.
- June 2010: Director of Nomura Holdings, Inc.
- June 2013: Director of Nomura Securities Co., Ltd.
- April 2015: Representative Director and President of Nomura Land and Building Co., Ltd.
- June 2020: Representative Director and President of Saitama Kaihatsu Corporation
- June 2020: Outside Director of the Company (current position)

Attendance **Board of Directors** 12/12 **Nomination and Remuneration Committee** 4/4

Directors who are Audit & Supervisory Committee Members

Director (Audit & Supervisory Committee Member)
Satoshi Mori

- March 1986: Joined the Company
- August 2012: General Manager–Corporate Innovation Office
- May 2014: General Manager–Presidential Staff Office
- June 2025: Director (Standing Audit & Supervisory Committee Member) (current position)

Attendance **Board of Directors** New election **Audit & Supervisory Committee** New election

Director (Audit & Supervisory Committee Member)
Kentaro Miura

- June 1995: Audit & Supervisory Board Member of T.P.S. Laboratory Co., Ltd. (current position)
- June 2014: Outside Audit & Supervisory Board Member of the Company
- June 2021: Outside Director (Audit & Supervisory Committee Member) of the Company (current position)

Attendance **Board of Directors** 12/12 **Audit & Supervisory Committee** 12/12

Director (Audit & Supervisory Committee Member)
Kenji Takashima

- April 1987: Joined Aoyama Audit Corporation (currently PricewaterhouseCoopers Japan LLC)
- October 1992: Established K.TAKASHIMA Certified Public Accountants Office
- September 2000: President of K.TAKASHIMA Certified Public Accountants Office (current position)
- June 2023: Representative Director of Naka Meguro Net Kaikei LLC
- June 2023: Outside Director (Audit & Supervisory Committee Member) of the Company (current position)

Attendance **Board of Directors** 12/12 **Audit & Supervisory Committee** 12/12

Director (Audit & Supervisory Committee Member)
Harumi Ishida

- October 1988: Joined Aoyama Audit Corporation (currently PricewaterhouseCoopers Japan LLC)
- August 2013: Member of The Commission on Policy Evaluation and Evaluation of Incorporated Administrative Agencies, Ministry of Internal Affairs and Communications
- April 2017: Professor of Faculty of Business Administration at Bunkyo University (current position)
- April 2021: Audit Committee Member in Fujisawa City
- May 2022: Chair of National Diet Library Oversight Committee on Contracts, Etc. (current position)
- August 2024: Chair of Supervisory Commission for Public-Private and Private-Private Competitive Tenderings at Ministry of Internal Affairs and Communications (current position)
- June 2025: Outside Director (Audit & Supervisory Committee Member) of the Company (current position)

Attendance **Board of Directors** New election **Audit & Supervisory Committee** New election

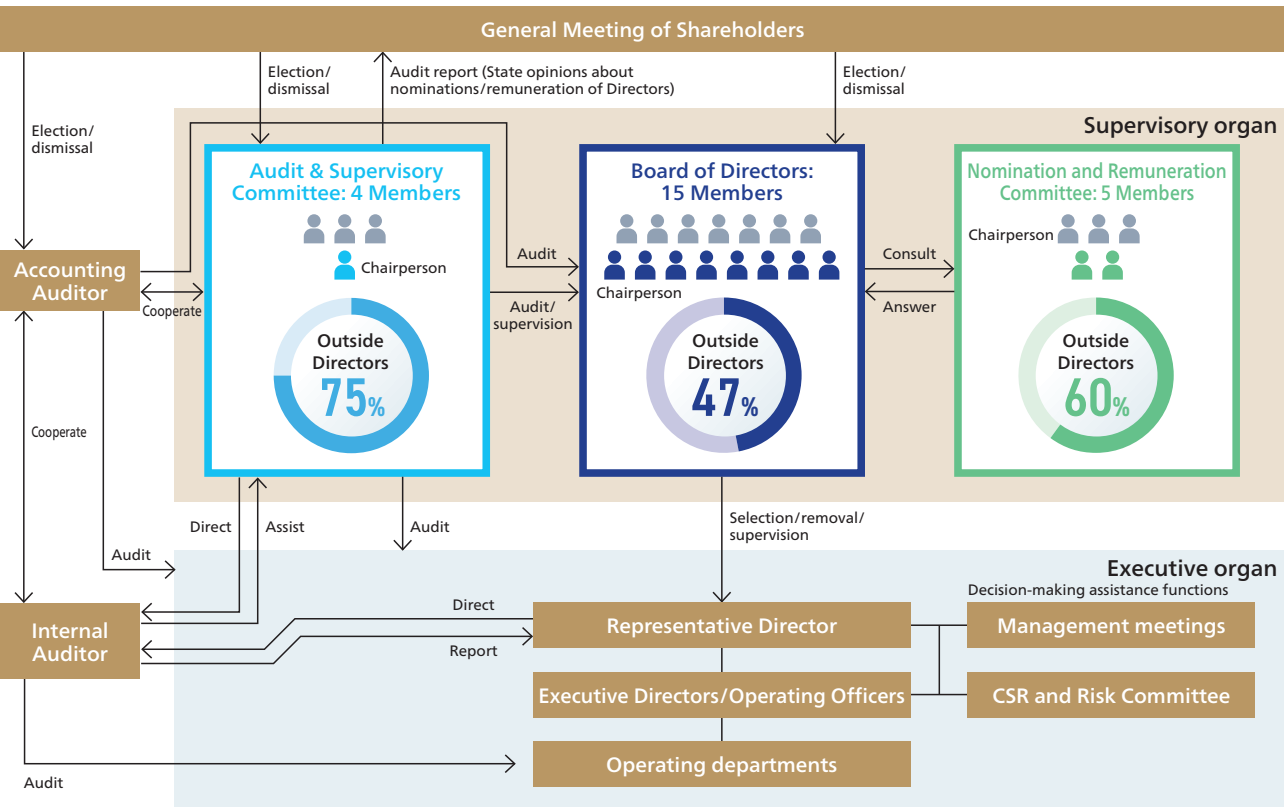
Corporate Governance

Our basic idea of corporate governance

Based on the corporate philosophy of being “A Small Company Connecting Wisdom,” the Hirose Group practices co-creation with stakeholders in order to promote greater management efficiency and achieve a highly profitable structure. In this way we aim to maintain long-term competitiveness in the global market, achieve sustainable growth, and increase corporate value over the medium to long term. To achieve this, we have designated enhancing corporate governance as a priority issue for management, and will implement initiatives in accordance with the following policies.

- (1) We will respect the rights of shareholders and ensure their equality.
- (2) We will strive for appropriate cooperation with all stakeholders, including shareholders, customers, suppliers, employees, and local communities.
- (3) We will ensure transparency through appropriate disclosure of corporate information.
- (4) The Board of Directors will provide major direction for corporate strategy, etc., create an environment that supports senior management to challenge, and provide highly effective supervision over business execution from an independent and objective standpoint.
- (5) We will engage in constructive dialogue with shareholders in order to achieve sustainable growth and increase corporate value over the medium to long term.

Governance structure



Name of meeting	Functions/content
Board of Directors	The Board of Directors supervises the status of business execution by each Director and checks on management functions. The Board of Directors deliberates directions of management, and ensures the appropriateness of management decisions from a variety of perspectives. The Board of Directors discusses the medium-term business plans of each division. Deliberations take place about medium- to long-term company initiatives while receiving advice from Outside Directors.
Audit & Supervisory Committee	In principle, the Audit & Supervisory Committee holds meetings once a month. Each Audit & Supervisory Committee Member grasps the status of operation of management execution, internal controls, compliance, internal audits, and internal regulations based on the audit policy and the audit plan, which were enacted by the Audit & Supervisory Committee at the beginning of the fiscal year. Members perform audits while focusing on the legality and appropriateness of each mechanism.
Nomination and Remuneration Committee	We established the Nomination and Remuneration Committee, the majority of whose members are Independent Outside Directors. We also appoint an Independent Outside Director as Committee Chairperson to further enhance its objectivity and transparency. Issues such as the involvement of the Board of Directors in succession planning for the CEO, and the approach to determining remuneration based on the remuneration policy are considered by the Committee in advance. Therefore, sufficient discussions are conducted before the Board of Directors meets.
General Meeting of Shareholders	We regard the General Meeting of Shareholders as a valuable opportunity for dialogue with shareholders. Then we promote initiatives to invigorate shareholder meetings and to facilitate the exercise of voting rights. In addition to proposals and the matters to be reported, the Company strives to facilitate deeper understanding of the Hirose Group among shareholders by using video to explain the outlook and related issues.
Management meetings	Management meetings are held for discussions and decision-making on our direction over the medium to long term, formulation and execution of business strategy, new businesses, and other matters. Attendance at such meetings consists mainly of Operating Officers and those of higher rank, with members engaging in wide-ranging discussions concerning the management of the Hirose Group, and it is based on these discussions that strategy is decided. The delegation of broad authority to management meetings is aimed at speeding up execution of business.
CSR and Risk Committee	We established the CSR and Risk Committee with the President as Chairperson. The Committee conducts a risk assessment every year, identifies high-priority risk items, and determines targets to achieve and countermeasures to put in place. Action plans drawn up by persons responsible for CSR and risks are deliberated and approved by the Committee. For implementation, promoter teams are established for specific themes and engage in practical promotion of the action plans.

Main contents of discussions by the Board of Directors

1. Matters related to the General Meeting of Shareholders
 - Decisions on proposals to be submitted to the General Meeting of Shareholders
2. Matters related to Directors, Operating Officers, and the Board of Directors
 - Nomination of candidates for Director and Operating Officer
 - Policy for determining officer remuneration
 - Evaluation of the effectiveness of the Board of Directors
3. Matters related to financial results
 - Financial results (approval of financial statements, etc.)
 - Performance outlook
4. Matters related to shares, capital, etc.
 - Cancellation of treasury shares
5. Matters related to the medium-term business plan
 - Medium-term business plans of each headquarters and division
6. Matters related to management of human capital
 - Report and activity plan for passing down the HIROSE Philosophy
 - Plan for promoting the advancement of women
7. Matters related to internal control and risk management
 - Report on internal control activities
 - Report on CSR and risk management activities
8. Matters related to the Audit & Supervisory Committee
 - Report on activity results and activity plans
9. Other matters
 - Intellectual property strategy
 - Report on carbon neutrality activities

Points for making discussions more invigorating

- Providing information to the Board of Directors in advance to stimulate the sharing of opinions during meetings
- Holding Board of Directors meetings at factories and holding concrete discussions after visiting manufacturing sites
- Holding discussions at Board of Directors meetings after having active discussions at management meetings

Corporate Governance

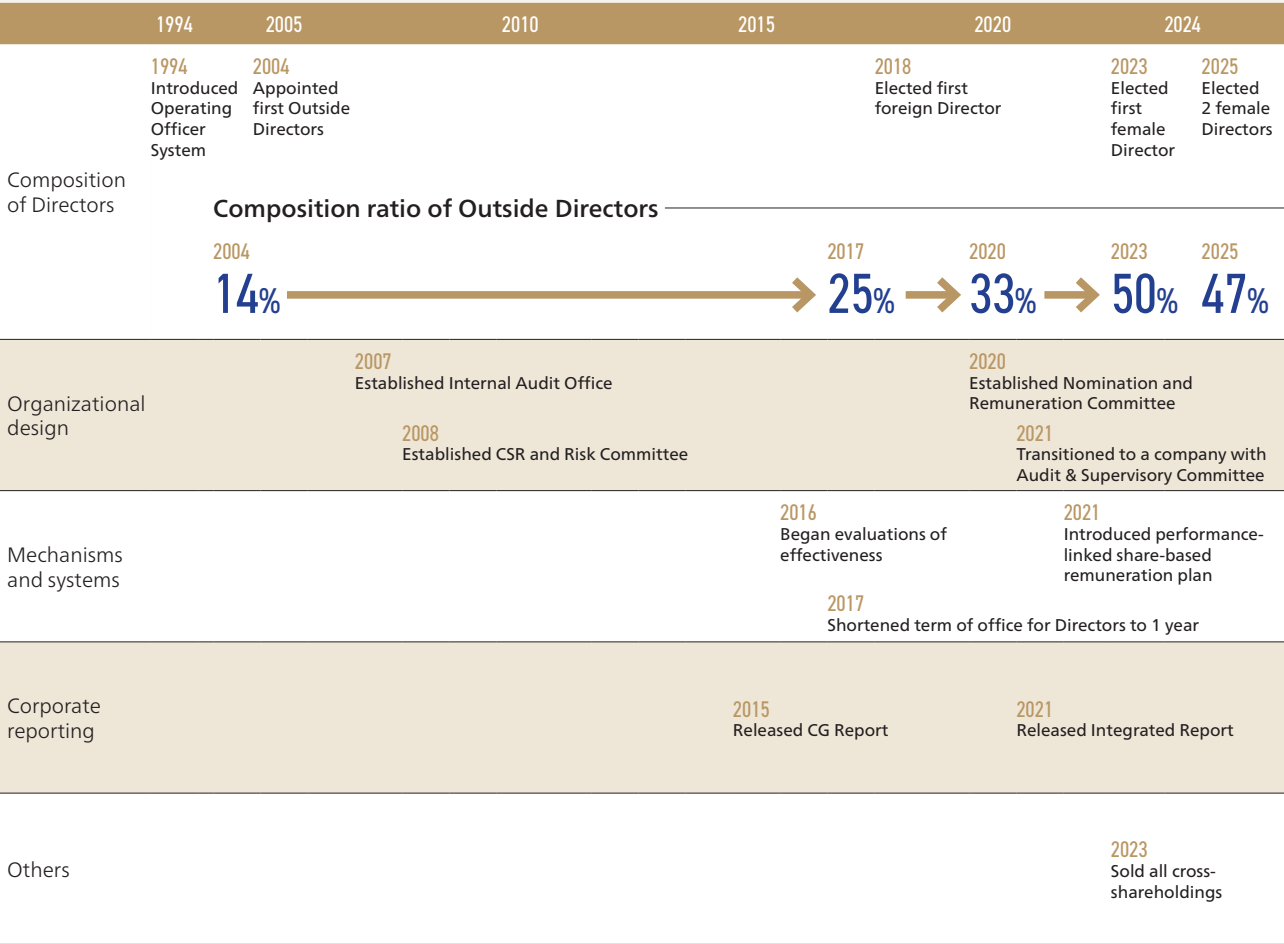
Skill Matrix

The expertise considered necessary to execute the management of the Hirose Group, and the expertise expected of individual Directors, are as follows.

Name		Corporate Management	Global Management	Technological Development/ Manufacturing/ Quality	Sales/ Marketing	Finance/ Accounting	Legal/ Compliance/ Risk	Organization/ Human Capital Management	Sustainability (ESG)
Kazunori Ishii	Reelection	●	●	●	●		●	●	●
Shin Kamagata	Reelection	●				●	●	●	●
Shu Obara	Reelection		●	●					
Hiroshi Satoh	Reelection		●		●				
Yoshihiro Gunji	Reelection		●	●					●
Kosei Matsunaga	New election		●		●		●	●	●
Sang-Yeob Lee	Reelection	●		●	●		●	●	●
Tetsuji Motonaga	Reelection	●	●		●			●	
Masanori Nishimatsu	Reelection	●	●		●	●		●	
Seiji Sakata	Reelection	●		●	●			●	
Yoko Kagami	New election	●	●					●	
Satoshi Mori	New election			●			●	●	
Kentaro Miura	Reelection			●		●	●	●	●
Kenji Takashima	Reelection	●				●			
Harumi Ishida	New election	●				●			

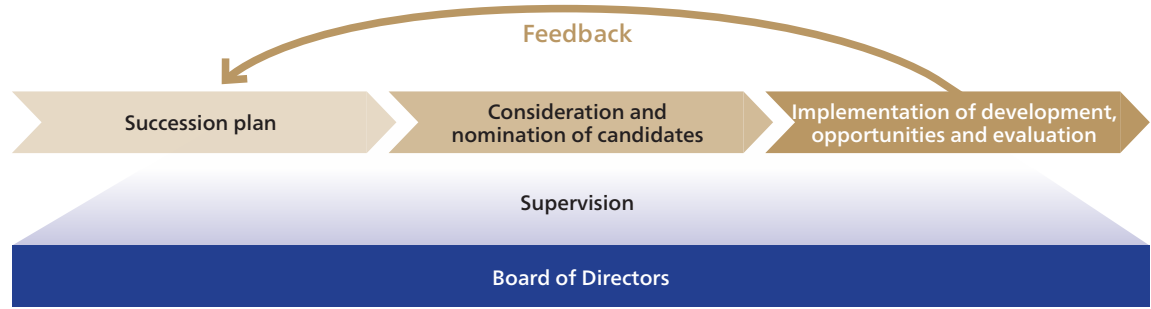
General Management	① Corporate Management	The skills of making decisions as a manager on a company-wide, medium- and long-term basis from the perspective of increasing corporate value
	② Global Management	The skills of formulating strategies, making decisions and conducting business management from a global perspective in response to changes in the international situation
Experience of business lines (execution of business)	③ Technological Development/ Manufacturing/ Quality	The skills of management in the corporate areas of technological development, manufacturing, and quality as they relate to new product development, capital investment, production planning, and the formulation of plans and the making of decisions in relation to the allocation of personnel. And also the maintenance and improvement of product quality are included.
	④ Sales/Marketing	The skills of formulating and monitoring corporate sales and marketing strategies, and implementing specific measures to address customer needs
Experience of functions (supervision)	⑤ Finance/Accounting	The skills of monitoring management issues and risks and performing appropriate reporting and information disclosure, based on a knowledge of accounting and taxation as it pertains to corporate business management
	⑥ Legal/Compliance/Risk	The skills of understanding the gist of legal systems and various regulations and appropriately addressing risks thus identified, as well as introducing and managing relevant mechanisms
	⑦ Organization/Human Capital Management	The skills of formulating and operating corporate personnel systems, as well as building and operating remuneration mechanisms for officers and senior management that take into account management strategy
	⑧ Sustainability	The skills of guiding, in partnership with stakeholders, behavior aimed at the sustainable growth of the environment, society, and the company, based on SDGs, ESG, and other areas of knowledge

Evolution of corporate governance structure



Succession plan

The succession plan for the President and Directors is reviewed by the Nomination and Remuneration Committee, chaired by an Independent Outside Director. Taking into account the constantly changing external environment, we conduct succession planning annually, including discussions and reviews of the requirements for candidates for Director. We will ensure the sustainability of the Company's management by systematically developing and nominating candidates.



Corporate Governance

Evaluation of effectiveness of the Board of Directors

We perform an evaluation of effectiveness of the Board of Directors once a year for all Directors for the purpose of improving the function and effectiveness of the Board of Directors. The results of the evaluation are reviewed and future initiatives are discussed by the Board of Directors as part of efforts to raise the level of dialogue.

Overview of evaluation method

Target persons	Directors (including Outside Directors)
Evaluation method	Questionnaire format (multiple-choice questions + free-form comments)
Evaluation categories	- Composition of the Board of Directors (number of persons, composition balance, etc.) - Operation of the Board of Directors: deliberation time, prior delivery of materials, appropriateness of contents, etc. - Topics of the Board of Directors: direction of corporate strategy, internal controls, establishment and operation of Group-wide risk management system, etc. - Systems to support the Board of Directors: providing training opportunities, etc.

Evaluation results

	Evaluation of FY2024 initiatives	Policies for FY2025
Composition of the Board of Directors	- The ratio and diversity of Outside Directors on the Board of Directors have been improving and were evaluated as appropriate from the perspective of the Company's organizational structure. - There was an opinion that further appointment of female Directors and the systematic appointment of female Inside Directors should be considered.	Deepening discussions on the balance between Inside and Outside Directors and ensuring further diversity, particularly regarding female Inside Directors. Additionally, the HR department promoting the advancement of women.
Operation of the Board of Directors	It was evaluated that although there are issues, such as providing materials to Directors earlier, a sufficient amount of time necessary for deliberation is being secured.	- Continuing to consider further improvements, such as providing materials earlier for business strategies and medium- to long-term plans. - Continuing the practice of flexibly extending or shortening deliberation time according to the content of the agenda and consider further improvements.
Agenda of the Board of Directors	- Deliberation for such as the involvement of the Board of Directors in succession planning for the CEO, and the approach to determining remuneration of Directors in accordance with the remuneration policy was made beforehand by the Nomination and Remuneration Committee, and is therefore sufficient. - The opinion was expressed that there is a need to continue making improvements on sustainability issues.	Promoting visualization to confirm the progress of activities addressing sustainability issues and continuously bring them to the discussion table.
Systems to support the Board of Directors (internal controls, provision of information)	- The risk management structure as part of the Company's strategy has been evaluated as improving year by year and being appropriately managed. - It is desirable to continuously improve the internal control and risk management practices suitable for a global company.	Internal control and the risk management structure will be reviewed as necessary for the entire Group, including overseas, in light of practical execution.

Remuneration structure linked to medium- to long-term corporate value

Basic policy

As an incentive to continuously improve corporate value, the remuneration system for full-time directors of Hirose Electric is linked with shareholder interests. When deciding remuneration for individual Directors, our basic policy is to set an appropriate standard based on their individual responsibilities. Specifically, remuneration for Executive Directors consists of monetary remuneration, which is a combination of basic remuneration that is fixed in accordance with the individual's position, and performance-linked remuneration based on the consolidated operating margin that varies in accordance with corporate results, and performance-linked share-based remuneration that is linked to improvements in performance and shareholder value over the medium to long term. Performance-linked share-based remuneration was introduced in FY2021 to raise awareness of contributions to performance improvements and increases in corporate value over the medium to long term, with the aim of strengthening management by aligning management interests with those of shareholders to provide the same perspective of shareholders. The remuneration for Outside Directors who serve a supervisory function is only the basic remuneration, depending on their duties.

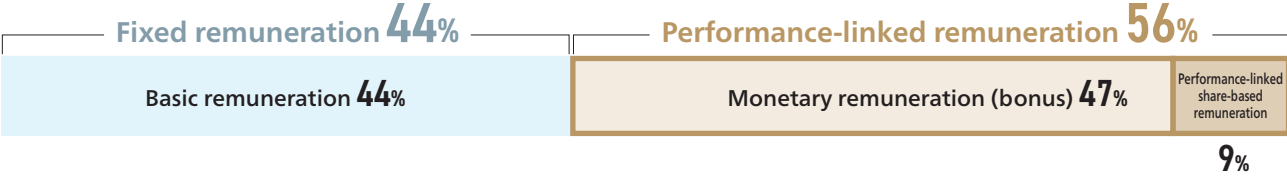
Determination process

The total of monetary remuneration and share-based remuneration is determined based on the following process. We take into account a range of factors such as corporate performance, social conditions, details of the individual's position and duties, and the level of remuneration awarded to officers of other companies, make draft proposals for remuneration of Directors who are not Audit & Supervisory Committee Members, submit it to the Nomination and Remuneration Committee, of which a majority of the members are Independent Outside Directors, receive the consent of the Audit & Supervisory Committee, and the Board of Directors makes a decision after deliberation. This process ensures independence and objectivity.

Overview of remuneration

The composition ratio of remuneration varies according to performance. The ratio is set based on the guideline of “basic remuneration : bonuses : share-based remuneration” of 44:47:9, which was determined by the base indicator of consolidated operating margin decided at a Board of Directors meeting.

Composition of remuneration (excluding that of Outside Directors)



		Composition ratio	Policy
Fixed remuneration	Basic remuneration	44%	Basic remuneration for Directors of Hirose Electric is fixed monthly remuneration (cash), and it is determined in accordance with position, duties, and years of service, and also taking into account a comprehensive range of factors such as levels paid by other companies, the corporate performance of Hirose Electric, and the level of employee bonuses.
	Monetary remuneration (bonus)	47%	This is determined using the following method: Basic remuneration (monthly amount) × Profit coefficient (determined in accordance with the actual consolidated operating margin). In order to raise awareness of performance for each fiscal year, this consists of cash remuneration that reflects key performance indicators (KPIs), the amount being calculated in proportion to the degree to which the consolidated operating margin target is achieved for the 12-month period, and paid as a bonus at a certain time every year. The KPIs and other figures that provide the basis for this are revised as appropriate in accordance with changes in the environment, based on a Nomination and Remuneration Committee report.
	Performance-linked remuneration	9%	This involves increases in the share value and boosts to competitive advantage, and the operating margin has also been set as an important indicator that aims to improve management efficiency.
	Performance-linked share-based remuneration		This is a scheme whereby a trust is established with cash contributed by the Company (hereinafter, “the Trust”), which then acquires the Company's shares, with the Company's shares delivered to each Executive Director through the Trust in an amount equivalent to the number of points (1 point = 1 share) granted by the Company to each Officer. In principle, Executive Directors receive their respective deliveries of such shares when they retire. When the consolidated operating margin for the fiscal year in question is at least 20%, the granted points are calculated by dividing the base amount of 10% of the combined basic remuneration and performance-linked remuneration, by the share price of the Company at the time the shares of the Company were acquired by the Trust.

Corporate Governance

Sharing of information with Outside Directors

With the objective of enhancing discussions by the Board of Directors and the various committees, Hirose Electric strives to provide Outside Directors with appropriate materials and information. Furthermore, in order to promote understanding of the corporate philosophy, values, and our business, the Company has also established informal opportunities outside meetings of the Board of Directors, and is putting in place a support structure for Outside Directors.

Examples of information-sharing

- Early distribution in advance of materials for meetings of the Board of Directors
- Regular business reports from Division General Managers
- Regular observational tours of factories and production partners
- Invitations to the Hirose Technology Exhibition and Zero-Ichi Festival
- Observational factory tours when Outside Directors are first elected



Observational tour of Zero-Ichi Festival

Independence criteria and character requirements for Independent Outside Directors

Hirose Electric selects Independent Outside Directors who satisfy the requirements of Independent Officer as stipulated by financial instruments exchanges and possess track records and relevant knowledge in their respective fields. More specifically, if an Outside Director does not fall under any of the following cases, the Outside Director is determined as having independence.

- In the case where the Outside Director is currently serving, or has once served during the past ten years, as an executive of the Company or any of its subsidiaries
- In the case where the Outside Director is currently serving as an executive of a company with which the Hirose Group engages in transactions, and the amount of the transactions exceeds 2% of consolidated sales of any fiscal year among the last three fiscal years
- In the case where the Outside Director receives, as a legal or accounting expert or consultant, remuneration (excluding remuneration paid as a Director of the Company and remuneration paid to the organization or firm to which the Outside Director belongs) exceeding the average annual amount of ¥10 million directly from the Company during the last three fiscal years
- In the case where the Outside Director belongs to an organization such as a corporation (which includes law firm, audit corporation, tax accountant corporation and consulting firm) or association, and remuneration received from the Company exceeds the higher of either 2% or more of the average annual amount of gross sales of the said organization in the last three fiscal years or ¥100 million or more
- In the case where the Outside Director is currently an employee, etc., of an audit corporation that is the Accounting Auditor of the Company or any of its subsidiaries
- In the case where the Outside Director has once engaged in auditing operations for the Company or any of its subsidiaries as an employee, etc., of an audit corporation that is the Accounting Auditor of the Company or any of its subsidiaries during the last three years
- In the case where a relative within the second degree of consanguinity of the Outside Director is currently serving, or has once served in the past, as an executive of the Company or any of its subsidiaries

Messages from newly elected Outside Directors

Working with the company that makes efforts to change for the creation of new value

After working as a strategy consultant addressing corporate management issues, I have worked for 27 years at Komazawa University, where I was most recently involved in university management as the President. In my role as President, I was responsible for making management decisions, such as envisioning future plans with limited resources and promoting the establishment of both diversity in human capital and digitalization. I am currently responsible for courses such as Global Management, Global Management Theory, Global Strategy Theory, and Seminar Exercises, striving to develop human capital with an international perspective.

The philosophy and societal significance advocated by the Hirose Group deeply resonates with me, and I find great appeal in their attitude of continuing to challenge themselves amidst changes in the global market environment. Based on my past experiences, I aim to objectively support management from the perspectives of diversity and sustainability and contribute to discussions in the Board of Directors. I hope to contribute to the journey of the Hirose Group, which continues to challenge itself in a rapidly changing environment, and to aid in the creation of new value in whatever way I can.



Yoko Kagami
Outside Director

- April 1986: Joined Arthur Young & Co. (currently Ernst & Young ShinNihon LLC) as Consultant
- April 2008: Professor of Faculty of Global Media Studies at Komazawa University (current position)
- April 2015: Dean of Faculty of Global Media Studies at Komazawa University
- April 2017: Director at Komazawa University
- April 2021: President at Komazawa University
- December 2024: Member of Japan Association of Corporate Executives (KEIZAI DOYUKAI) (current position)
- April 2025: Member of the Ministry of Education, Culture, Sports, Science and Technology (MEXT) School Corporation Management Investigation Committee (current position)
- June 2025: Outside Director of the Company (current position)

Striving to provide advice from a shareholder's perspective, understand local sites and field operations, and improve the percentage of female managers

To fulfill the role and responsibility of Outside Director, which is to advise from the perspective of promoting the Company's sustainable growth and increasing medium- to long-term corporate value, I intend to focus my efforts particularly on the following three areas.

The first is "providing advice from a shareholder's perspective." I provide advice from an outside perspective on whether the management strategies and plans are satisfactory from a shareholder's perspective, and whether disclosure documents such as Annual Securities Reports and Integrated Reports effectively communicate the Company's current status and strengths to shareholders and investors. The second is "understanding local sites and field operations." Appropriate advice cannot be provided without a thorough understanding of the business and organizational culture. To connect with the atmosphere and authentic voices of the field, I will make frequent visits to local sites and field operations, striving to understand the Company better. The last is "improving the percentage of female managers." A company where women can work comfortably is an organization with good communication, capable of flexibly incorporating diverse opinions and achieving sustainable growth. Through dialogue with many female employees, I hope to contribute to realizing a company where everyone can shine.



Harumi Ishida
Outside Director

- October 1988: Joined Aoyama Audit Corporation (currently PricewaterhouseCoopers Japan LLC)
- August 2013: Member of The Commission on Policy Evaluation and Evaluation of Incorporated Administrative Agencies, Ministry of Internal Affairs and Communications
- April 2017: Professor of Faculty of Business Administration at Bunkyo University (current position)
- April 2021: Audit Committee Member in Fujisawa City
- May 2022: Chair of National Diet Library Oversight Committee on Contracts, Etc. (current position)
- August 2024: Chair of Supervisory Commission for Public-Private and Private-Private Competitive Tenderings at Ministry of Internal Affairs and Communications (current position)
- June 2025: Outside Director (Audit & Supervisory Committee Member) of the Company (current position)

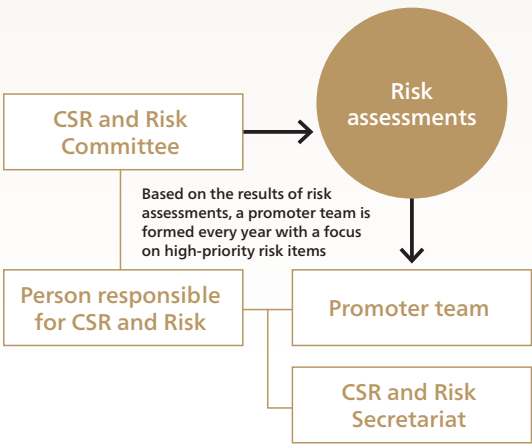
Risk Management

Basic thinking

To appropriately address a variety of risks surrounding the Hirose Group, we enacted the Risk Management Standards, established a CSR and Risk Committee based on these standards along with related organizations operating under the committee, and under such system, we share risks in business execution, and perform risk management. By obtaining an understanding of risks that could have a material impact on the smooth business operation of the Hirose Group and devising effective and efficient measures for preventing them from materializing, or for dealing with them after they have come into being, we seek to minimize the negative impact on people, assets, and other management resources, as well as on our corporate image, win the trust of stakeholders, and work for the stable development of the Hirose Group.

Risk management structure

The Hirose Group established the CSR and Risk Committee with the President as Chairperson. The Committee conducts a risk assessment every fiscal year, identifies high-priority risk items, and determines targets to achieve and countermeasures to put in place. Action plans drawn up by persons responsible for CSR and risks are deliberated and approved by the Committee. For implementation, promoter teams are established for specific themes and engage in practical promotion of the action plans. The CSR and Risk Committee meets once every quarter to check on the progress of action plans, evaluate risks and determine responses, engage in risk control activities, and establish a risk management structure.



Major risks identified in FY2025, and our response

	Risk identified	Response
Hazard risks	- Risk of natural disasters - Risk of computer viruses and cyberterrorism	- Implemented simulated training of major disasters - Implemented training and education to address risks
Operational risks	- Risk of personal information leaks and information being taken out - Product quality risk - Production partner risk (bankruptcy, discontinuance of business, accidents, delays, etc.) - Risk of soaring raw material prices - Risk of delayed deliveries resulting from disasters, etc. - Climate risk (carbon neutrality) - Harassment risk - Risk associated with overseas management - Risk of labor shortage	- Implemented measures for prevention of information leaks - Reviewed initial response procedures for complaints and continued confirmation of quality assurance efforts - Implemented training based on simulations that assume suspension of supply - Implemented measures through the mid-term material procurement working group - Continued to provide procedure manuals for factory crisis management during emergencies - Implemented and measured efforts at each location towards set targets - Implemented measures for education on harassment and mental health - Created specific development plans for overseas managers - Strengthened measures to acquire human capital
Other risks	Risk of secondary damage caused by insufficient preparations for responding to the occurrence of an emergency situation	Created manuals for external communications (media, etc.) during emergencies

Establishing a product supply system for use after a disaster has occurred

We are working to establish production and logistics systems that avoid interruptions in deliveries to customers even in the event of a disaster, such as a natural disaster. We have drawn up a Policy on Product Supply During Emergencies, and incorporated specific measures into the crisis management procedure manuals for each factory. We are also establishing alternative methods for delivery and distribution, diversifying sources of materials and places where inventory is stored, converting products to multiple lines, and taking other measures.

Compliance

Basic thinking

The Hirose Group is keenly aware not only of the need to observe laws and regulations but also of the importance of holding to our own high standards for ethics and sincerity, and of fulfilling our social mission and responsibilities in conducting corporate activities. In order to realize this in an ever-changing management environment, the Hirose Group Code of Conduct clarifies the guidelines and standards for actions of each employee. This Code of Conduct has been translated into English, Chinese, and other languages and distributed to our overseas bases. Through education that uses case studies and other measures that draw on the spirit and meaning of the Code of Conduct, we provide support for employees to understand the Code of Conduct and to incorporate it into their own behavior. By ensuring that each employee holds to a high standard of ethics and acts with sincerity, the Group aims to fulfill its social responsibilities as an organization.

Compliance education

In March 2025, contract seminars conducted by local lawyers were held at the Dongguan and Suzhou factories. At the beginning of the seminar, the General and Legal Affairs Section explained the background of the event and the purpose of the lecture, followed by the lecturer's presentation. To be useful for business operations, in the lecture detailed explanations were provided on important considerations and essential laws regarding contracts in China. A large number of participants gathered at the Dongguan and Suzhou factories, and lively Q&A sessions took place during the seminar. Many questions were raised by the participants, and the lecturer answered them carefully.



Suzhou



Dongguan

Internal report system

In order to swiftly address, resolve, and prevent compliance violations, we established the internal report system in 2008. To ensure compliance at the global level, we have established various counters that provide advice on a wide range of issues. To enable effective use of these counters, we have taken steps to lower the hurdle for internal reporting, and to raise awareness through the use of intranet posters. As an example, starting from FY2025, we have published a compliance hotline on the Company's website and established a new reporting channel specifically for manufacturing departments. In addition, when a questionnaire survey on awareness within the Company of the internal reporting system revealed that employees were concerned about unfair treatment of people using the system to make reports, we used the compliance newsletter to explain our measures for addressing and preventing secondary harm, through regulations established to punish or provide correction to persons who have treated a reporting person unfairly. It is important for the maintenance of compliance that people use the internal reporting counter at the stage where their misgivings are still small, and by communicating in response to employee feedback we are working to foster a sense of security and trust towards the Company.

Internal control system

In order to execute operations appropriately in conformance with laws and regulations, and the Articles of Incorporation, across the entire Hirose Group, the Company has built and operated an internal control system, which is subject to continuous improvements. For domestic and overseas Group companies, internal control audits are implemented, with auditing covering the implementation of the internal control system, operational processes, and IT operating rules. In internal audits, an independent member of the internal audit team directs members of an assessment committee to gather materials for the assessment of the internal control system, verifies the appropriateness and effectiveness of operations within the Internal Audit Division, and requests the submission of measures to resolve issues within said division and provides other instructions, while important matters are reported to the President. Additionally, by working with Directors who are Audit & Supervisory Committee Members, they listen to the status of installation and continuous improvements to the internal control system by relevant departments, and provide instructions, advice, or opinions as necessary, so that management supervision functions appropriately.