



HOSIDEN CORPORATION

Financial Results Briefing for the Fiscal Year Ended March 31, 2025

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Empowering Tomorrow's Connections



Greeting

Thank you very much for taking time out of your busy schedule to attend our company briefing today.

Before our president, Kenji Furuhashi, provides a more detailed explanation, I would like to briefly go over the materials you have on hand, focusing on the full-year results for fiscal year 2024 and the forecast figures for fiscal year 2025.

Agenda

Chapter 1

Part 1 FY2024 Full-Year Results

Part 2 FY2025 Full-Year Forecast

Part 3 Topics

Part 4 Supplementary Materials

Chapter 2

**Part 1 Message from Kenji Furuhashi,
President & CEO**

Part 2 Q&A



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Chapter 1 Part 1

FY2024 Full-Year Results

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FY2024 Full-Year Results

	FY2023		FY2024		YoY	
	(millions)	Profit Margin (%)	(millions)	Profit Margin (%)	(millions)	(%)
Net sales	218,910	-	247,571	-	+28,661	+13.1
Operating profit	12,925	5.9	13,573	5.5	+648	+5.0
Ordinary profit	18,160	8.3	14,776	6.0	▲3,384	▲18.6
Profit attributable to owners of parent	11,632	5.3	10,037	4.1	▲1,595	▲13.7
Net assets	134,870		140,317		+5,447	+4.0

FY2024 Full-Year Results

Sales

▪ Overall net sales were 247.6 billion yen, increased by 13.1% year-on-year (increased by 28.7 billion yen in value), as a result of the 20.7 billion yen increase in the amusement-related business, a 7.9 billion yen increase in the mobile communications related business, a 1.9 billion yen increase in the automotive equipment business. In contrast, there was a 1.7 billion yen decrease in other businesses.

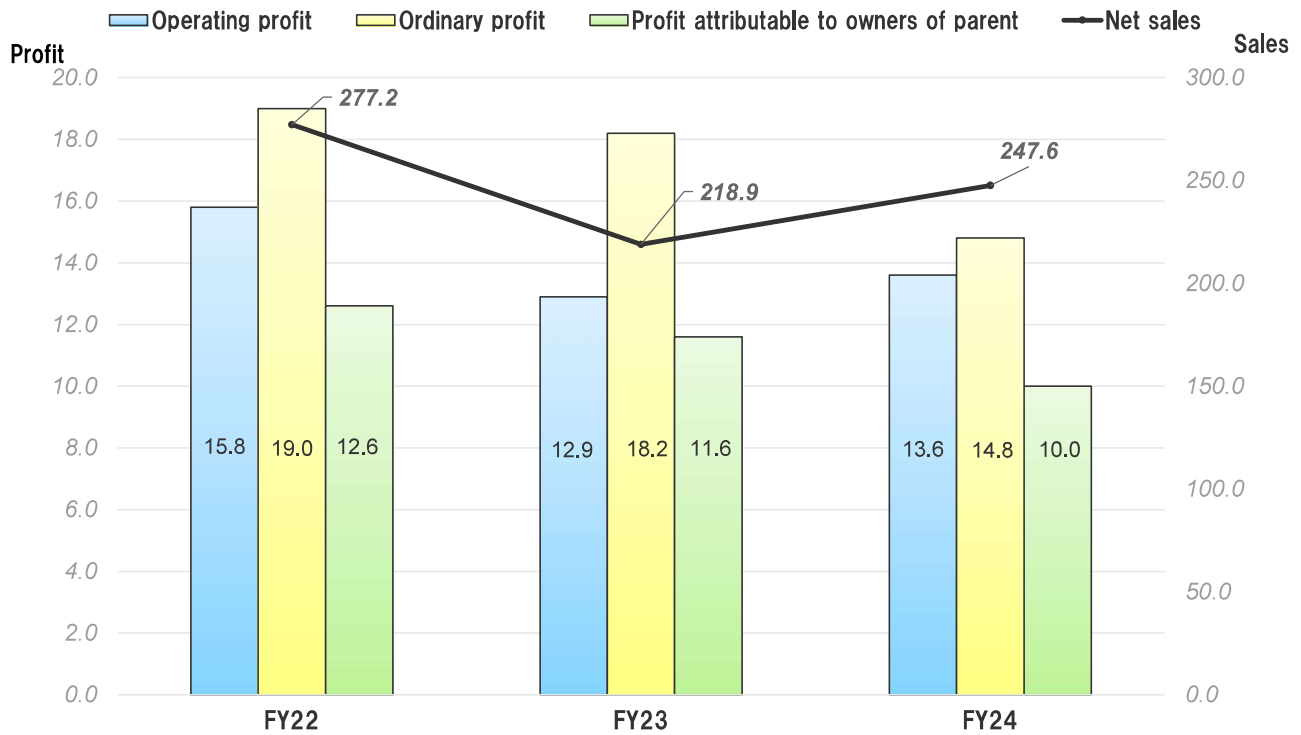
Profit

▪ In terms of profits, operating profit was 13.6 billion yen, increased by 5.0% year-on-year (increased by 600 million yen in value), mainly due to improvement in profitability for mobile communications, in addition to the increase in sales.

In non-operating income, although there was a foreign exchange gain of approximately 4.2 billion yen in the previous fiscal year, the gain for the current fiscal year significantly declined to about 50 million yen and ordinary profit was 14.8 billion yen, down 18.6% year-on-year (down 3.4 billion yen in value).

FY22~24 Trend in Business Results

(Unit : Billions of yen)



FY22~24 Trend in Business Results

This graph shows the trends in net sales, operating profit, ordinary profit, and net income over the three-year period from fiscal year 2022. Due to the continued depreciation of the yen, ordinary profit consistently exceeded operating income.

FY2024 Full-Year Results: Sales by Market

	FY2021 (millions) Proportion (%)		FY2022 (millions) Proportion (%)		FY2023 (millions) Proportion (%)		FY2024 (millions) Proportion (%)	
Mobile Communications	41,808	20.1	43,949	15.9	46,347	21.2	54,231	21.9
Amusement	120,818	58.2	186,914	67.4	124,813	57.0	145,479	58.8
Automotive	30,029	14.5	28,641	10.3	28,774	13.1	30,629	12.4
Other	14,953	7.2	17,740	6.4	18,976	8.7	17,232	7.0
Total	207,608	100.0	277,244	100.0	218,910	100.0	247,571	100.0

FY2024 Full-Year Results: Sales by Market

Amusement

- Sales to major customers decreased by 23.6% year-on-year in the first half but increased by 89.0% in the second half, resulting in a increase of 16.6% for the full year to 145.5 billion yen.

Mobile communications

- Sales increased by 17.0% year-on-year to 54.2 billion yen due to an increase in electro-mechanical components sales to major customers. This was due to the robust demand for the new model by a major customer.

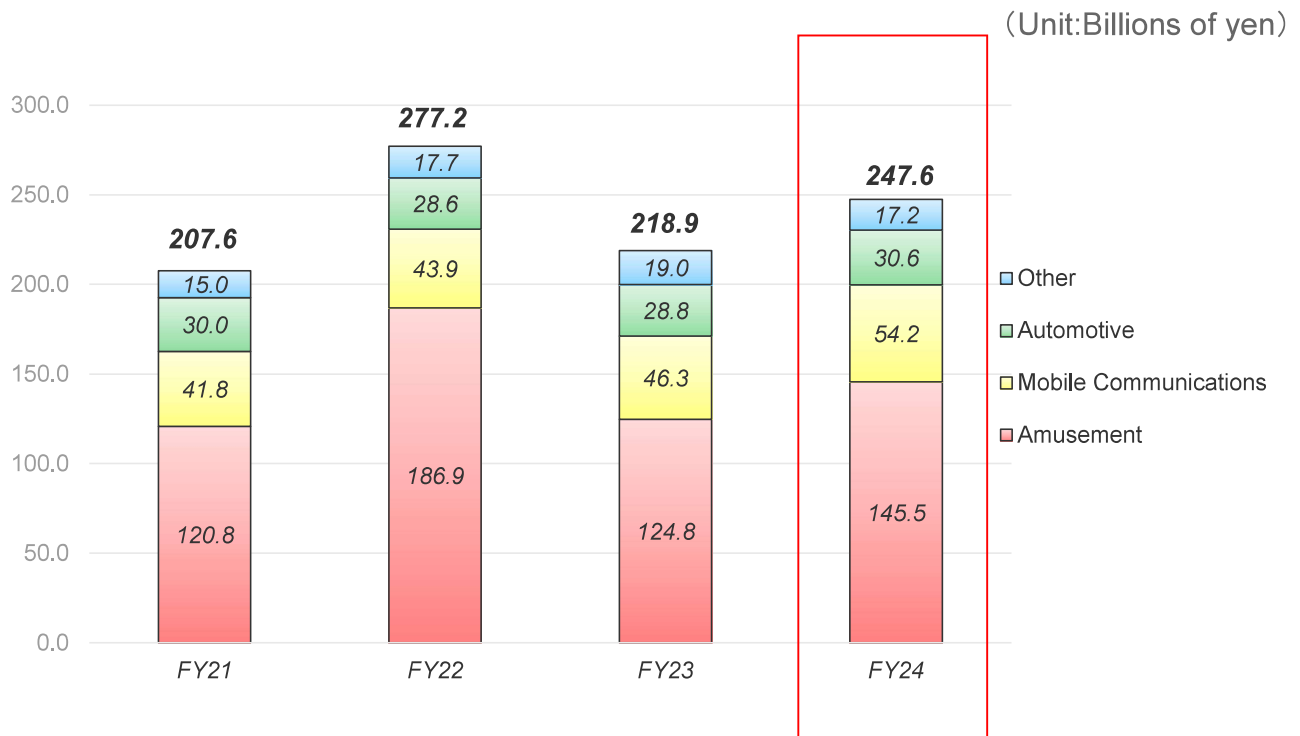
Automotive

- Although there was a decline in display components and applied equipment and other components, acoustic components increased by 14.7% and electro-mechanical components by 4.3% compared to the previous fiscal period. Overall sales increased by 6.4% from the previous year to 30.6 billion yen.

Other

- Sales for other businesses decreased by 9.2% year-on-year to 17.2 billion yen, due to a decline in sales of medical and health-related products, as well as microphones used in audio equipment.

FY2024 Full-Year Results: Sales by Market



FY2024 Full-Year Results: Sales by Segment

	FY2021 (millions) Proportion (%)		FY2022 (millions) Proportion (%)		FY2023 (millions) Proportion (%)		FY2024 (millions) Proportion (%)	
Electro-mechanical components	177,211	85.4	248,063	89.5	184,874	84.5	214,652	86.7
Acoustic components	13,818	6.7	16,907	6.1	20,183	9.2	20,997	8.5
Display components	8,431	4.0	3,902	1.4	2,481	1.1	2,201	0.9
Applied equipment and other	8,148	3.9	8,372	3.0	11,372	5.2	9,721	3.9
Total	207,608	100.0	277,244	100.0	218,910	100.0	247,571	100.0

FY2024 Full-Year Results: Sales by Segment

Electro-mechanical components

- Driven primarily by demand in the amusement and mobile communications, sales increased by 16.1% year-on-year to about 214.7 billion yen.

Acoustic components

- Although sales of microphones used in audio equipment declined in the second half, growth in the automotive equipment led to a 4.0% year-on-year increase, reaching about 21.0 billion yen.

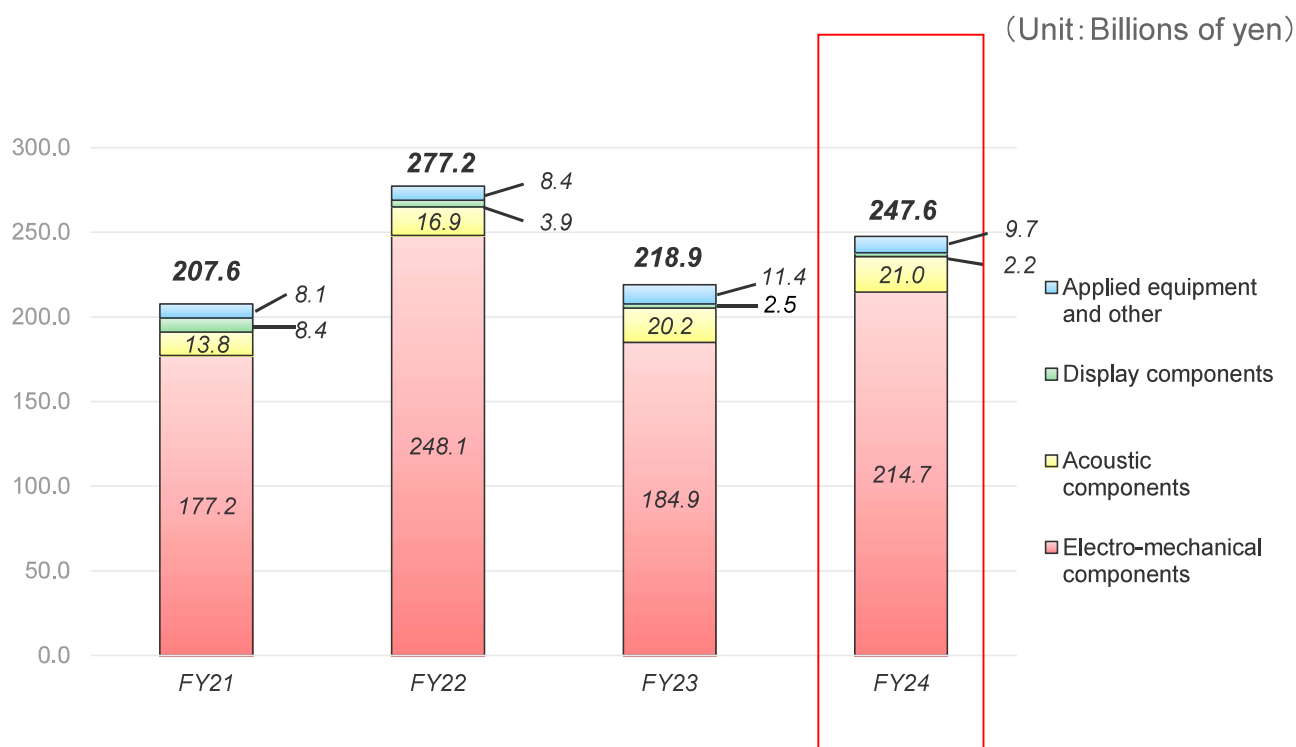
Display components

- Due to a decline in the automotive equipment, sales decreased by 11.3% year-on-year to about 2.2 billion yen.

Applied equipment and other

- Mainly due to lower sales in the medical and health-related products, sales decreased by 14.5% year-on-year to about 9.7 billion yen.

FY2024 Full-Year Results: Sales by Segment



Summary of FY2024

Overall	<ul style="list-style-type: none"> • Sales increased by 13% year-on-year. Sales increased in each of the amusement, mobile communications, and automotive equipment. • Operating profit increased by 5%. This was due to increased sales and improved profit margins in the mobile communications.
Amusement	<ul style="list-style-type: none"> • Sales increased by 17% due to higher demand from major customers, with particularly strong growth in the second half.
Mobile Communications	<ul style="list-style-type: none"> • Sales to major customers were strong, increasing by 17.0% year-on-year. Demand was particularly strong in the first quarter. Profit margins improved due to automation.
Automotive	<ul style="list-style-type: none"> • Overall sales in automotive equipment increased by 6.0% year-on-year owing to the sales increase in acoustic components and electro-mechanical equipment segments.
Other	<ul style="list-style-type: none"> • In addition to a decline in sales of medical and health-related products, sales of microphones used in audio equipment also decreased in the second half, resulting in a 9% year-on-year decrease in overall sales in the other businesses.

Summary of FY2024

This concludes the summary of our fiscal 2024 performance presented on this page.



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Chapter 1 Part 2

FY2025 Full-Year Forecast

FY2025 Full-Year Forecast

	FY2024		FY2025				YonY	
	Result (millions) Profit Margin(%)		1H/Forecast (millions)	2H/Forecast (millions)	FY/Forecast (millions) Profit Margin(%)		(millions)	(%)
Net sales	247,571	-	213,000	193,000	406,000	-	+158,429	+64.0
Operating profit	13,573	5.5	5,500	7,500	13,000	3.2	▲573	▲4.2
Ordinary profit	14,776	6.0	4,000	8,000	12,000	3.0	▲2,776	▲18.8
Profit attributable to owners of parent	10,037	4.1	2,800	5,600	8,400	2.1	▲1,637	▲16.3

FY2025 Full-Year Forecast

Sales

- Sales are expected to increase by 64.0% from the previous fiscal year to 406.0 billion yen(increase of 158.4 billion yen). This increase is primarily driven by an anticipated rise of about 156.5 billion yen in sales for the amusement sector.

Operating profit

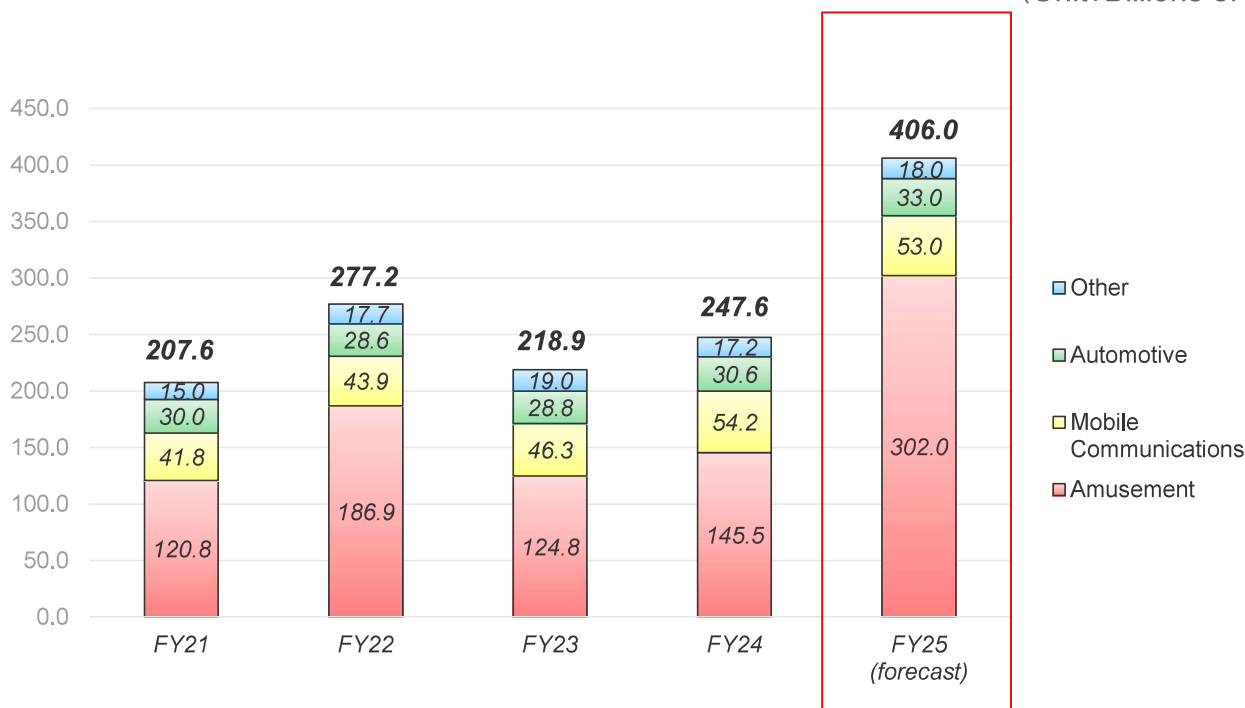
- While sales are expected to grow significantly, mainly due to the amusement sector, operating profit is forecast to decline by 4.2% year-on-year to 13.0 billion yen(decrease of 600million yen), due to the reasons outlined below.
 - ①As both sales and purchases are mostly conducted in US dollars, the appreciation of the yen (from 150 to 143 yen) is expected to reduce operating profit by approximately 2.5 billion yen.
 - ②Additional tariff costs of around 3.0 billion yen resulting from U.S. tariff policies.
 - ③Depreciation is expected to increase by 1.6 billion yen.
- ※①,② are expected to have a significant impact in the first half, substantially reducing first-half profit.

Ordinary profit

- The appreciation of the yen is expected to result in a non-operating foreign exchange loss of approximately 2.0 billion yen.
- ※Exchange rate and U.S. tariff assumptions are based on figures as of May 8, 2025.

FY2025 Full-Year Forecast: Sales by Market

(Unit: Billions of yen)



FY2025 Full-Year Forecast: Sales by Market

Overall Sales

- We expect an increase of 64%, primarily driven by strong growth in sales for the amusement equipment.

Amusement

- Sales in amusement-related equipment are expected to increase by 107.6% year-on-year to 302.0 billion yen (increase of 156.5 billion yen). There was an announcement that sales by major customers are expected to increase for FY2024. we anticipate a corresponding increase in demand for our products as well.

Mobile Communications

- Sales in mobile communications are expected to decrease by 2.3% year-on-year to 53.0 billion yen (decrease of 1.2 billion yen). Due to the impact of the stronger yen, we expect a slight decline in sales on a yen basis, although customer demand is expected to remain on par with the previous year.

Automotive

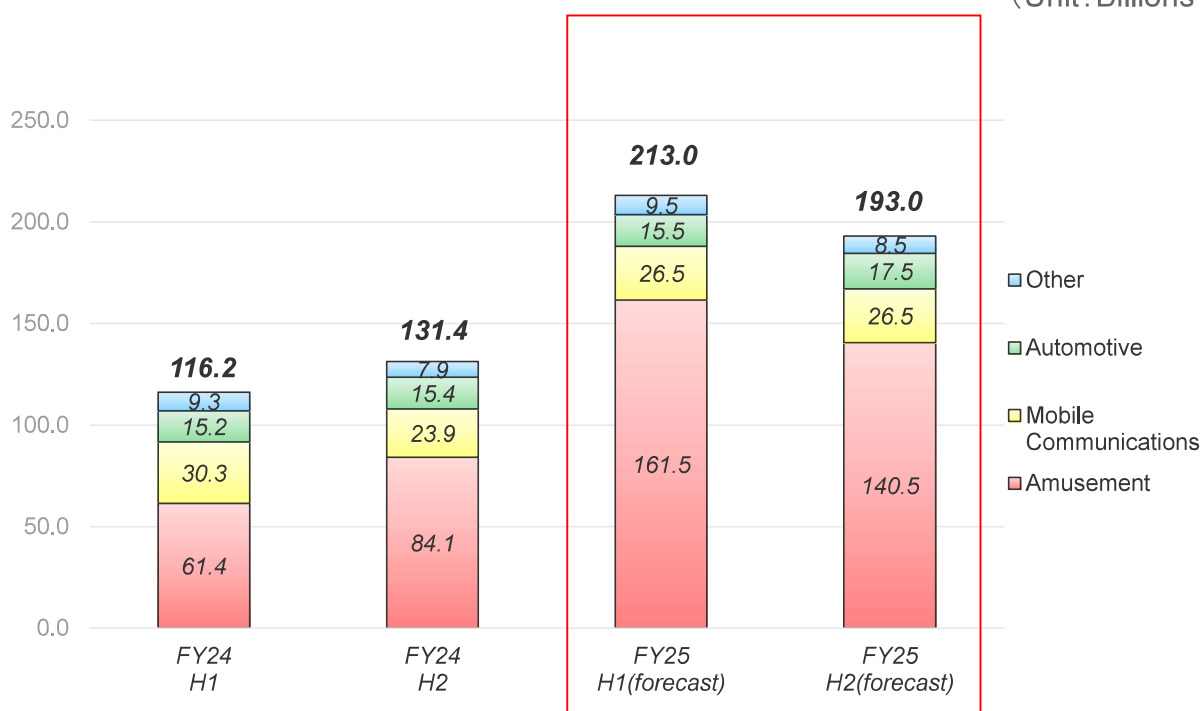
- Sales in automotive equipment are expected to increase by 7.7% year-on-year to 33.0 billion yen (increase of 2.4 billion yen). This is mainly due to expected growth in electro-mechanical components.

Other

- Sales for other businesses are expected to increase by 4.5% year-on-year to 18.0 billion yen (increase of 800 million yen). This is mainly attributable to increased demand in the medical and healthcare related.

FY2025 Full-Year Forecast: Sales by Market(H1/H2)

(Unit : Billions of yen)

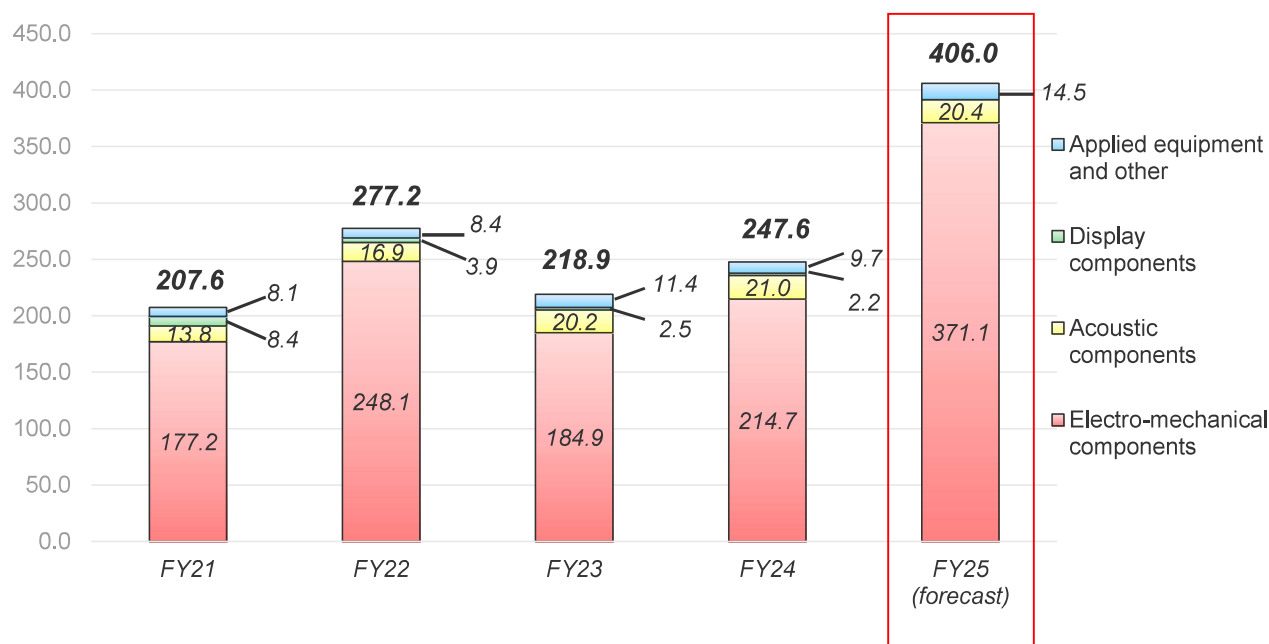


FY2025 Full-Year Forecast: Sales by Market (H1/H2)

For FY2025, we forecast sales of 213.0 billion yen in the first half and 193.0 billion yen in the second half, reflecting anticipated seasonality-driven declines in demand for amusement-related products.

FY2025 Full-Year Forecast: Sales by Segment

(Unit : Billions of yen)



FY2025 Full-Year Forecast: Sales by Segment

Electro-mechanical components

- We forecast sales of 371.1 billion yen, mainly driven by increases in the amusement and automotive equipment.

Acoustic components

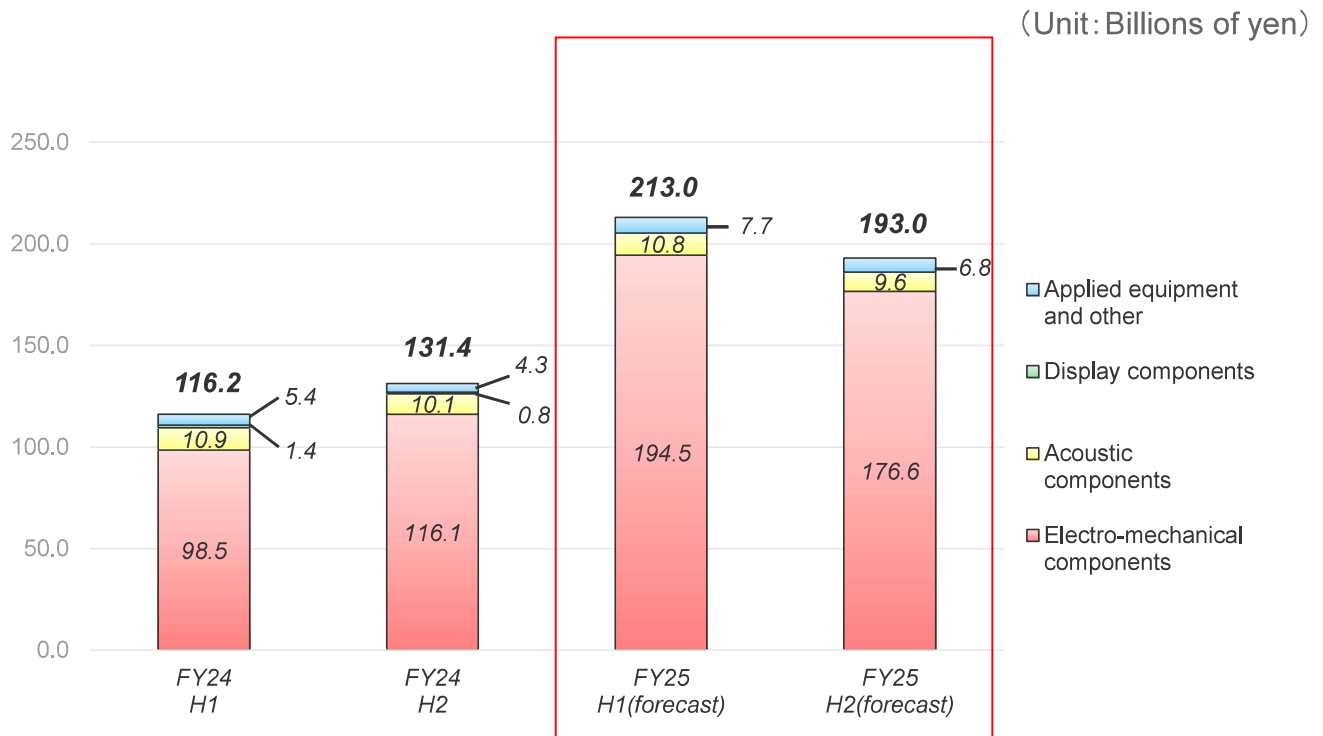
- We forecast sales of 20.4 billion yen, mainly due to an expected decline in the automotive equipment sector.

Applied equipment and other

- Although sales for the amusement-related are expected to decline, increases in the medical, healthcare, and automotive equipment are anticipated, with total sales forecast at 14.5 billion yen.

*The display components, which had been presented separately until the previous fiscal year, has been combined with the "Applied equipment and other components" starting in fiscal 2025, due to its low monetary significance.

FY2025 Full-Year Forecast: Sales by Segment(H1/H2)



FY2025 Full-Year Forecast: Sales by Segment(H1/H2)

Sales for FY2025 are expected to be 213.0 billion yen in the first half and 193.0 billion yen in the second half. This reflects the anticipated seasonality in demand for amusement-related products—primarily included under electro-mechanical components—leading to a slight decline in the second half, consistent with the explanation by “Sales by Market”.

Summary of Forecast (FY2025)

Sales

- Overall, sales are expected to increase by 64%, primarily driven by strong growth in the amusement-related.
- Sales for the amusement-related are expected to increase by 108% year-on-year. Major customer has announced plans for increased sales in FY2025, and we anticipate a corresponding rise in demand for our products.
- Mobile communications are expected to remain roughly in line with the previous year, supported by demand for new products from major customers.
- Automotive equipment is expected to increase by 8% year-on-year increase for the fiscal year, mainly due to the expansion of electro-mechanical components.
- In others, including medical and healthcare, a 5% year-on-year increase is anticipated, reflecting recovery in these areas.

Profit

- Operating and ordinary income are expected to decline due to the appreciation of the yen (from 150 JPY to 143 JPY), with a significant impact anticipated in the first half.
- Tariff burdens on U.S. exports are increasing but are expected to ease in the second half due to production shifts from China to countries in southeast Asia.
- As a result, the impact of yen appreciation and tariffs will be heavier in the first half, leading to lower operating profit compared to the second half.
- Depreciation expenses are expected to increase by 1.6 billion yen compared to the previous fiscal year.

Summary of Forecast (FY2025)

This concludes the summary of our FY2025 performance forecast.

The impact of U.S. tariffs is primarily related to products for the automotive equipment manufactured in China. Potential indirect effects on our business resulting from future changes in production locations or supply chains by our customers are not included in the current assumptions.

Forecast Assumptions

(Unit: Millions of yen)

	FY21	FY22	FY23	FY24	FY25 (Forecast)		
					H1	H2	FY
Capital Investment	4,179	2,038	2,833	6,734	2,900	4,700	7,600
Depreciation	3,186	3,385	3,150	3,541	2,200	2,900	5,100
R&D expenses	2,187	2,020	1,977	2,073	1,250	1,250	2,500

Forecast Assumption

Capital investment

- We expect an increase mainly in the amusement and mobile communications equipment. The primary factors behind this increase are additional production equipment, automation investments, and capital investment in the ongoing construction of Building 8 in Vietnam.

Depreciation

- We expect an increase of about 1.6 billion yen compared to the previous fiscal year, mainly due to mold-related capital investments made from Q2 to Q3 last year, as well as additional mold investments in Q1 of the current fiscal year.

R&D expenses

- The budget remains unchanged from the previous fiscal year at 2.5 billion yen, including development expenses for the web exhibition planned for FY2027.



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Chapter 1 Part 3

Topics

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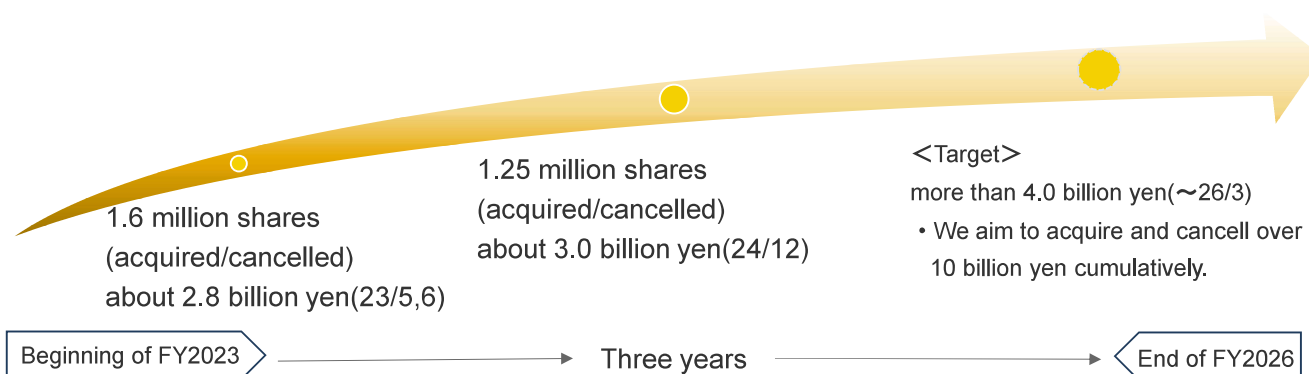
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Shareholder Returns (Current Status and Goals)

- Maintaining a consolidated dividend payout ratio of 30%.

	Interim dividend	Year-end dividend	Annual dividend
March 2024	24	44	68
March 2025	19	40	59
March 2026(Forecast)	25	25	50

• We will acquire more than 10 billion yen of treasury shares and cancel the same number of shares in the three years(23/4~26/3).



Shareholder Returns (Current Status and Goals)

Shareholder returns are as described.

Construction of a new factory in Vietnam

Purposes

- To increase production capacity
(in the past there were 6 factories in China, now there are 3)
- Expansion in countries and regions other than China, including tariff measures in the United States

New Factory

- Building 8 of Hosiden Vietnam (Bac Giang)
- Floor area: 24,000m² (1 floor 6,000m² x 4 floors, solar panels installed on the roof)
- Construction to begin in 2024, scheduled to be completed in summer 2025



Hosiden Vietnam (Bac Giang)

(The construction site is framed in red)

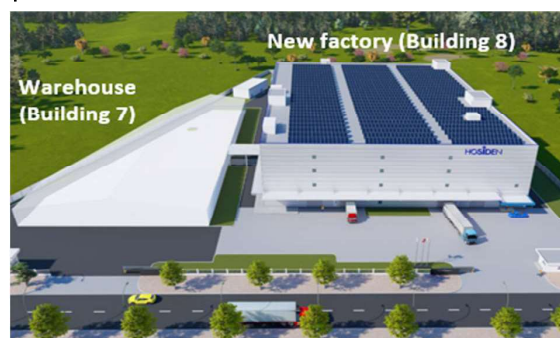


Image of Building 8

Construction of a new factory in Vietnam

The Vietnam factory produces products for major customers in the amusement-related and mobile communications segments. The current floor area, including the warehouse space, is over 50,000 sqm.

To enhance the production capacity, we have commenced the construction of a new building with floor area of 24,000 sqm. Due to delays in obtaining government approval, the start of construction was postponed, and completion is now expected within fiscal year 2025.

Installation of Solar Panels

In operation



Hosiden Wakayama



Hosiden Kyushu



Hosiden Besson 1st phase
(United Kingdom)

In operation



Hosiden Tokyo Engineering
& Production Dept.



Hosiden Head Office
Building No.5

Starting operation in FY2025



Hosiden Vietnam (Bac Giang)
(Image of new building)

Initiatives for Carbon Neutrality

CO₂ reduction targets

- Medium-term target: 20% reduction in intensity by the end of FY2025 compared to FY2013.
- Long-term target: Aim for 46% reduction by the end of FY2030 compared to FY2013 levels.

Efforts to reduce CO₂ by installing solar panels

Site	Annual CO ₂ reduction	CO ₂ reduction rate	Operation started from
Hosiden Wakayama	124 tons	25.2%	Oct. 2022
Hosiden Kyushu	187 tons	17.4%	Feb. 2023
Hosiden Besson (UK)	33 tons	39.4%	Apr. 2023 (1 st phase) Sep. 2023 (2 nd phase)
Hosiden Tokyo Engineering & Production Dept.	35 tons	29.0%	Sep. 2024
Hosiden Head Office Building 5	100 tons	10.0%	Dec. 2024
Hosiden Vietnam (Bac Giang)	700 tons	5.9%	FY2025 (Plan)

Installed solar panels on the roof of our head office building 3 beginning April 2014

Working to switch to LED lighting in offices and production buildings, purchasing electricity using renewable energy, etc.



• **CDP (Carbon Disclosure Project) Score**

*CDP is an international NGO founded in the United Kingdom in 2000.

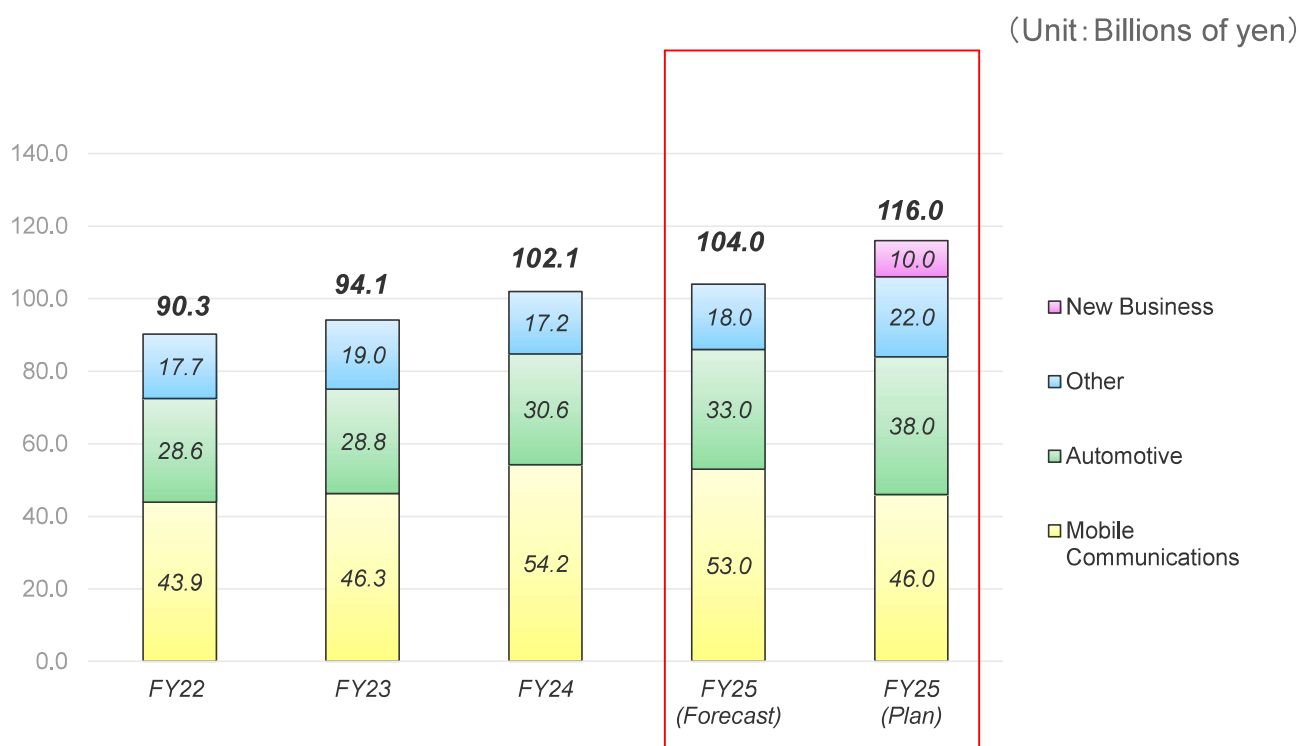
*A criterion used by both institutional and individual investors in selecting investments.

Hosiden's CDP score history

FY	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
CDP Score (Climate change)	D ⁻	D ⁻	D ⁻	D ⁺	D ⁻	D ⁻	D ⁻	D ⁺	C ⁺	B ⁺	Undisclosed

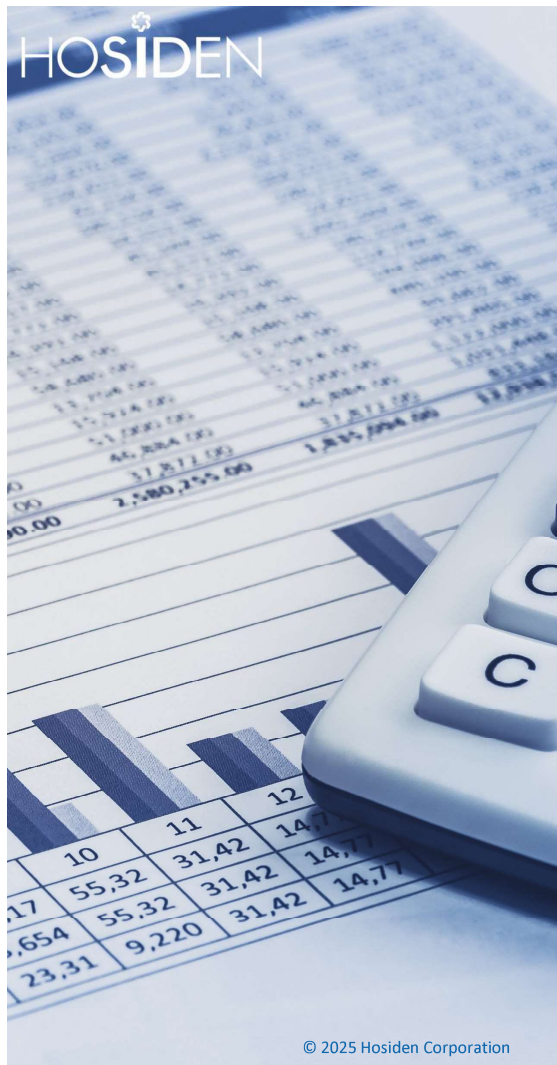
We aim to elevate our position even further.

Progress Status of Medium-Term Management Plan



Progress Status of Medium-Term Management Plan

As for the progress of the three-year mid-term business plan ending in fiscal year 2025, based on the current sales forecast for fiscal 2025 by applications, we expect to achieve the initial plan for mobile communications. However, we anticipate difficulties in meeting the initial targets for automotive equipment and other applications. Sales for mobile communications have been strong, particularly for high-end models from our major customer, leading to increased demand. In the automotive equipment, sales have not fully recovered across many customers, making it difficult to achieve the initial plan. However, a high-volume deal expected to begin mass production and sales in the second half of fiscal 2025 is projected to bring us closer to the target amount in fiscal 2026, albeit one year behind schedule. Sales for other applications, including medical and healthcare-related products, IoE-related products, and wireless modules, are not expected to grow as initially planned, making it difficult to achieve the original targets. Although we are working on new business initiatives, none are expected to materialize at this time.



Chapter 1 Part 3

Others

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Summary of Consolidated Balance Sheets

(Unit: Millions of yen)

	Mar. 31, 2024	Mar. 31, 2025	YonY
Current assets	145,925	171,516	+25,591
(Cash and deposits, Securities)	86,911	59,564	▲27,347
(Inventories)	32,582	73,324	+40,742
Property, plant and equipment	16,641	19,602	+2,961
Intangible assets, Investments and other assets	12,440	9,160	▲3,280
Total assets	175,008	200,279	+25,271
Current liabilities	35,042	45,236	+10,194
Non-current liabilities	5,094	14,725	+9,631
Total liabilities	40,137	59,962	+19,825
Net assets	134,870	140,317	+5,447
Total liabilities and net assets	175,008	200,279	+25,271
Equity ratio	77.1	70.1	▲7.0

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Summary of Consolidated Statements of Income and Consolidated Statements of Comprehensive Income

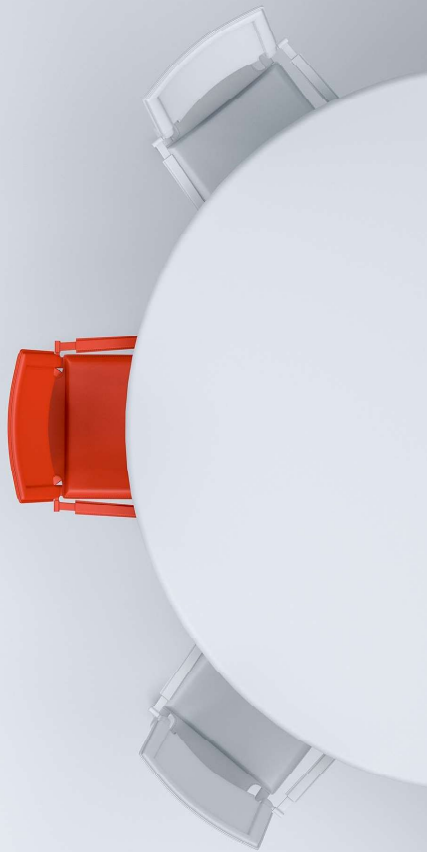
(Unit: Millions of yen)

	FY2023	FY2024	YonY	FY2025 Forecast
Net sales	218,910	247,571	+28,661	406,000
Cost of sales	196,164	224,422	+28,258	383,500
SGA expenses	9,820	9,575	▲245	9,500
Operating profit	12,925	13,573	+648	13,000
Foreign exchange gains/losses	4,214	45	▲4,169	▲2,000
Other	1,022	1,157	+135	1,000
Ordinary profit	18,160	14,776	▲3,384	12,000
Extraordinary profit	14	18	+4	-
Extraordinary losses	965	565	▲400	-
Profit before income taxes	17,210	14,229	▲2,981	12,000
Total income taxes	5,578	4,192	▲1,386	3,600
Profit attributable to owners of parent	11,632	10,037	▲1,595	8,400
Comprehensive income	14,702	10,779	▲3,923	-

Summary of Consolidated Statements of Cash Flows

(Unit: Millions of yen)

	FY2023	FY2024
Profit before income taxes	17,210	14,229
Depreciation	3,150	3,540
Increase (decrease) in receivable, payable and inventories	11,620	▲29,275
Other	▲5,049	▲6,722
Cash flows from operating activities	26,931	▲18,228
Increase (decrease) in time deposits	▲2,125	▲2,419
Payments into long-term deposits	▲3,500	3,000
Purchase of property, plant and equipment	▲2,742	▲6,262
Other	22	▲250
Cash flows from investing activities	▲8,345	▲5,931
Purchase of treasury shares	▲2,817	▲3,000
Dividends paid	▲3,798	▲3,264
Other	▲1,325	952
Cash flows from financing activities	▲7,940	▲5,312
Effect of exchange rate change on cash and cash equivalents	▲1	▲420
Net increase (decrease) in cash and cash equivalents	10,644	▲29,892
Cash and cash equivalents at end of period	76,662	46,769



Chapter2 Part1

Message from Kenji Furuhashi, President & CEO

(As presented at the Financial Results Briefing
for analysts on May 16, 2025.)

1. Review of the Fiscal Year Ending March 2025

• 1-1 Electronic Components Industry

The overall industry did not perform well, and few component manufacturers achieved their initial plans. However, companies supplying components for AI server markets, automotive equipment in partnership with Chinese manufacturers, and smartphones appear to have performed relatively well. Last year marked a turning point where the AI server market emerged as a major segment within the electronic components industry.

• 1-2 Company Overview – Overall

One of our key successes last year was securing new business in the amusement-related. Starting around this time last year, we launched production without a single day of delay from the original schedule, which led to orders for new products. On the other hand, a downside was that the “Other” segment, categorized by application, fell short of our initial plan due to decreased demand in medical, healthcare, and some acoustic products.

- 1-3 Amusement Market

In the first half of FY2023, customer demand in the amusement-related was relatively low, which made the year-on-year growth in the first half of FY2024 appear significant. Growth in the second half was driven by the launch of new products. Due to the need for strict information control, we were unable to include any projections for the new products in our guidance during the previous fiscal year. However, with the start of mass production, we announced an upward revision to our full-year forecast in February, and actual results exceeded even the revised forecast.

- 1-4 Mobile Communications Market

Business with a major Korean customer grew significantly, bringing sales to over 54 billion yen, a 17% increase despite a flat smartphone market. While QCD (Quality, Cost, Delivery) had long been the key to gaining share, automation is now also a critical factor. Rising labor costs in Vietnam have further accelerated our push for automation. Since starting automation efforts in August 2023, we've increased output from 40 to 54 billion yen while reducing headcount from 1,500 to 1,000—a major efficiency gain that has strengthened our leading market position. New automation initiatives began in early FY2025, in line with customer efforts to fully automate production lines, even for low-end models. We will continue advancing automation to stay competitive.

- 1-5 Automotive Equipment Market

Although the transportation equipment segment did not see significant market growth, our company achieved an approximately 6% increase.

Excluding China, only a limited number of global automakers have been able to meet the targets they set at the beginning of the previous fiscal year—a trend that has persisted for two consecutive years.

The automotive industry is structured like a pyramid. Tier-0 suppliers are large companies and may receive government support in times of hardship, whereas Tier-1 and Tier-2 suppliers typically receive no such assistance. Our company conducts business with both Tier-1 and Tier-2 suppliers, but when we examine their balance sheets, we find that many of them have credit concerns. We are worried that the base of the automotive pyramid may begin to collapse.

Despite this environment, our company has achieved growth through supplying acoustic-related products to a leading Japanese automaker. Going forward, we aim to expand direct business with automakers as a Tier-1 supplier wherever possible. In the previous fiscal year, we successfully began direct Tier-1 transactions with a European automaker.

Currently, we are not doing business with Chinese automakers that are 100% Chinese-owned, as the business environment remains extremely difficult. However, with Chinese manufacturers, such as BYD, reportedly producing 500,000 units per month, we are internally discussing whether it is truly appropriate to continue avoiding these business opportunities.

- 1-6 Other Market

Sales to the other markets segment declined by 9%. This was primarily due to a decrease in orders in the medical and healthcare business, as well as sluggish growth in consumer audio products. While we have started expanding into other healthcare device and audio manufacturers with the aim of developing this field into our next core business, it was disappointing to see a decline in orders from existing customers.

- 1-7 Profit Overview

Ordinary income declined due to the absence of the 4.2 billion yen foreign exchange gain recorded in the previous fiscal year. Operating income rose 5% YoY, but with sales up 13%, foreign exchange had a negative impact—bringing figures closer to our underlying performance. ROE decreased from 8.9% (FY2024/3) to 7.3% (FY2025/3). Equity ratio declined slightly to 70.1%, mainly due to higher inventories increasing total assets. In the amusement segment, upfront investment was required for new product launches, similar to the previous cycle 8–9 years ago. We expect balance sheet normalization by the end of this fiscal year. Inventory reduction is progressing in non-amusement segments, so no major concerns there.

- 1-8 Capital Investment

Capital expenditures for FY2024 amounted to 6.7 billion yen, marking a significant increase from 2.8 billion yen in the previous year. This sharp rise was primarily due to investments in molds for new amusement products and automation equipment for mobile communications. In addition, automation efforts are underway within the amusement segment itself, not only for new products but also for existing product lines. These combined initiatives led to the substantial increase in capital investment. For FY2025, we plan to invest 7.6 billion yen. This includes continued mold investments, mechanization, automation, and the construction of a new building in Vietnam, which is expected to total approximately 2.0 billion yen. At this stage, we expect the full-year investment plan is achievable.

2. FY2025 Forecast

For FY2025, we project net sales of 406.0 billion yen. However, operating income is expected to be modest at 13.0 billion yen. The operating profit plan factors in negative impacts of approximately 2.5 billion yen due to yen appreciation and 3.0 billion yen due to U.S. tariffs. In terms of ordinary income, we are also forecasting a foreign exchange loss of 2.0 billion yen in non-operating items. In total, we expect downward pressures amounting to 7.5 billion yen on earnings. While we would like to shift production to mitigate the impact of U.S. tariffs, moving to Vietnam or Malaysia would still incur tariffs of 46% and 24%, respectively. Thus, we anticipate that the impact of U.S. tariffs will be unavoidable in this fiscal year. Please note that our assumptions regarding exchange rates and U.S. tariffs are based on information available as of May 8, the day before our financial announcement. We will announce an updated earnings forecast once accurate information has been confirmed.

• 2-1 Amusement Market

In FY2025, we plan to generate 302.0 billion yen in sales from the amusement segment—more than double the previous fiscal year. We are currently operating at full capacity to produce new products; however, securing labor in Vietnam has been a major challenge. Last autumn, our workforce in Vietnam stood at 3,700, but this dropped to 2,700 around the Vietnamese New Year (Tet) at the beginning of the year. After implementing improvements to working conditions, we have since increased the number of workers to 5,800. The new product is scheduled for release on June 5. As it has not yet launched, market evaluation is still pending. Regardless of the year, sales tend to decline after the Christmas season. While we continue to accelerate production, we must remain prepared to hit the brakes at any time. For now, we are keeping our foot on the accelerator.

• Mobile Communications Market

There are rumors that one of our customers will release a thinner model during this fiscal year, but this information remains unconfirmed and should be treated as general market speculation. In the smartphone market, while there is ongoing demand for thinner and lighter devices, there is also increasing demand for larger battery capacity. As such, there is clearly a market need for products that achieve both slim form factors and long battery life. If such products become available, we believe they will perform well. Given this environment, we expect to maintain performance at a level similar to the previous fiscal year.

- 2-3 Automotive Equipment Market

We aim to grow the automotive segment by 7.7% this fiscal year. Although some customers are experiencing delays in launching their new products, we intend to begin business by the end of the year. We have long pursued the goal of doing business with the world's No.1 automaker, particularly in acoustic and electro-mechanical components. We are pleased to say that this vision is gradually starting to take shape.

- 2-4 Conclusion

While we are focused on expanding sales in the amusement segment this fiscal year, we are also committed to ensuring growth in non-amusement segments. We kindly ask for your understanding that the anticipated decline in profit is primarily due to the impacts of foreign exchange and U.S. tariffs.

End



Q & A

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Chapter2 Part2

Main Q&A

(As presented at the Financial Results Briefing for analysts on May 16, 2025.)

Empowering Tomorrow's Connections

■ Main Q&A

Q1

→Regarding the customer's forecast of 15 million units for this year, is our company capable of catching up with that volume? Furthermore, if the customer plans to increase this number further in the next fiscal year (FY2026), will we still be able to keep up with the growth?

A1

→If the customer requests an increase in production during this fiscal year, our response is not a matter of whether we can or cannot—we will make it happen, without fail. The same commitment applies to the next fiscal year as well. Although construction of the new building at our Vietnam plant is currently delayed, it will be operational in FY2026. We are committed to completing Building No. 8 within calendar year 2025 and securing the necessary workforce so that we can fully enhance our production capacity by next spring.



THANK YOU !

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