

HOSIDEN REPORT 2025



Hosiden Corporation

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Right Beside You, No Matter Where You Are

Supporting the evolution of world's technology with our exceptional technical strengths and contributing to the development of sustainable society.



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●Reporting period

From April 1, 2024 to March 31, 2025

●Organizational scope of this report

Hosiden Group (Hosiden Corporation and 22 related companies in Japan and overseas)

●Future forecasts and predictions

This report does not merely cover the past and present of the Hosiden Group, but also contains future forecasts and predictions. These forecasts and predictions are hypotheses or judgments based on the information available at the time of their writing (May), and contain elements of uncertainty. Therefore, the results of future business activities and other future situations may differ from the forecasts and predictions indicated in this report.

Message from the President

Receiving orders for new projects in the amusement sector
We strive to steadily execute the tasks of our Medium-Term Management Plan, ensuring that these efforts will lead us to the next stage of growth.

President and CEO

Kenji Furuhashi



Receiving orders for large new projects as a result of constant efforts to improve our technical capabilities

Since its establishment in 1950, the Hosiden Group has contributed to the development of society and industry as a comprehensive electronic component manufacturer. The Group began in the field of acoustic components upon its establishment, then broadened its market to include the provision of liquid crystal displays (LCDs) to personal computer manufacturers, and on to components for mobile communication in Japan and overseas in line with the popularization of mobile phones. The gaming device-related products that the Group started working on during that time eventually grew as a pillar of our business. At the same time, in addition to appropriately responding to needs for automotive equipment components, we have continued to constantly promote R&D with a view to the future and create new products the market would demand.

To date, the Group has worked to accumulate core technologies in a broad range of fields, spanning electro-mechanics, acoustics, wireless, optics, power supply, and analytics. The efforts have made us one of the top electronic component manufacturers in the world boasting an extensive portfolio of technologies. Today, we offer a host of electronic components on a global scale.

As a components manufacturer, the first thing our customers demand is QCD, or quality, cost and delivery. While meeting these requirements is the baseline, the key to winning orders is whether we can offer something extra on top. For example, in the case of parts for a new products that evolve significantly with each generation, we are required to respond accurately to the pace or stage of their advancement. In some cases, customers may request advancements in the manufacturing process itself.

Having been recognized for our responsiveness to such requests, in the automobile industry supply chain, for example, we are positioned as a Tier 1 supplier, or a trusted manufacturer directly providing parts to finished vehicle manufacturers. As they head into the era of CASE (Connected, Autonomous/Automated, Shared, and Electric), automobiles are rapidly evolving from a simple means of transport to a space where people enjoy their travel time. In this context, we have received high reputation for our modules such as acoustic products that enhance in-car comfort. Furthermore, the automotive equipment components we provide are necessary regardless of engine type. This includes electric vehicles (EVs) and plug-in hybrid vehicles (PHVs), which will be the mainstream in the future.

Based on the belief that “devices that are one step ahead of the times will bring the market with them,” we

will further focus on the development of next-generation technologies while constantly anticipating emerging needs.

Orders for new amusement-related products contributed to year-on-year increases in sales and operating profit for FY2024.

In FY2024, our performance for the second half grew considerably thanks to orders for new products for the amusement-related market. We had already applied the new product to participate in the competition; however, to win the orders, we needed to precisely grasp the customer’s needs, then materialize them at a level exceeding their demands. Thanks above all to the hard work of the departments in charge, the product successfully passed the extremely rigorous checks, covering quality as well as delivery dates and other scheduling requirements.

As for mobile communication, while the smartphone market as a whole is not growing, we are experiencing robust sales to our main customers, achieving sales growth of 17% year on year. Regarding automotive-related products, our new products were approved by customers, although the automobile market as a whole has been sluggish. This, combined with our success in newly commencing transactions with an automobile manufacturer in Europe as a Tier 1 supplier, has led to an increase in sales of 6% year on year. In the other sector, sales declined 9% year on year due to a sales decline in the medical and health-related products.

As a result, net sales increased by 13% year on year to 247,500 million yen. Operating profit was up 5% to 13,500 million yen, and ordinary profit decreased by 18.6% to 14,700 million yen. The decline in ordinary profit was attributable to the appreciation of the yen, which almost fully eliminated the foreign exchange gains of 4.2 billion yen in the previous fiscal year. The equity-to-asset ratio has fallen to 70.1% from the previous fiscal year’s 77.1%. This is due to an increase in inventory resulting mainly from the preparation of materials at the time of our launch of new products in the amusement-related business. This poses no problem though, as inventory reduction is underway outside of amusement area.

Evolving our manufacturing processes in response to customer’s request

In the mobile communication-related market, we have received a new request from our customer. In addition to the existing supplier selection criteria of QCD, the progress of automation has now been added as a new criterion. The aim behind this request is to enhance competitiveness

across the customer's entire supply chain. Therefore, we are also committed to reducing costs by thoroughly implementing efficient manufacturing through automation.

While the Group has always endeavored to improve efficiency in order to meet cost reduction demands, it has achieved even greater saving in labor costs by advancing automation in our plants. Specifically, through strict streamlining, we have reduced headcount by about 35%. Previously, production worth 40 billion yen required roughly 1,500 workers. Today we can produce 54 billion yen worth of goods with about 1,000 people.

We are not stopping here; we continue to push forward with additional initiatives, focusing on mechanization. As a result, today we see fewer people on the factory floor, with robots moving around. Learning from the production lines of customers who have already achieved a high level of automation, we will further promote automation and mechanization, refining our manufacturing sites.

Expanding capex: Our new Vietnam Plant is nearing completion.

Capital investment in FY2024 came to 6.7 billion yen, a sizeable increase from 2.8 billion yen in the previous fiscal year. The reason for the increase is broadly twofold: investments in metal molds for our new products in the amusement-related business and investment in automation at our production plants for mobile communication. We are not only investing in automation for new amusement-related products, but are also promoting the automation of production lines for older products.

Building No. 8 at our new Vietnam Plant is scheduled to be completed this fiscal year, after the start of construction had been delayed while waiting for a permission from the Vietnamese government. The new plant, which has a floor area of 24,000 m² and cost 2.0 billion yen in total, will be the largest ever in our plants. Solar panels will be installed across its entire rooftop. The addition of this plant will greatly increase our production capacity in Vietnam, while scaling back the number of plants in China from the previous six to three. At the state-of-the-art plant equipped with advanced automation and mechanization, we will promote labor saving to further improve production efficiency.

The final year of our Medium-Term Management Plan —With targets partially achieved ahead of schedule, we will formulate the next plan.

Formulating a company-wide Medium-Term Management Plan has been difficult for the Group as its mainstay sales to amusement operators depend greatly on customer

demand. Internally, we prepare management plans incorporating such circumstances. However, we have refrained from disclosing them publicly. For the first time, in 2023, we have shared a three-year plan through FY2025 for our focus markets in fields excluding amusement in line with requests for information disclosure. The plan covers the mobile communication-related market, automotive-related market, the medical and health device market, and the IoT/IoE-enabled device market, and includes our main components.

Regarding the progress, we have already achieved our three-year targets for mobile communication in the previous fiscal year. As for automotive-related business, we anticipate falling short of targets as of FY2025 but expect to meet them by FY2027. This forecast is based on our proposal of modules that finished vehicle manufacturers find easy to use, which use devices we developed for use in next-generation automobiles.

Our remaining challenge is to establish the fourth pillar for the Company, a business that will generate an additional 10 billion yen. For this, we are looking into options including M&As, and determined to take decisive action should we have the opportunity. Our potential partners are component manufacturers that are a natural extension of our technologies. If realized, M&As with such manufacturers will generate synergies with the Group, which is also a component manufacturer, for not only technology, but also for customer expansion. On the basis of these developments, we will announce another new Medium-Term Management Plan in the next fiscal year.

Forecasting significant sales growth centered on amusement

For our forecast for FY2025, we expect sales to grow by 64% overall as a result of an increase in sales to amusement operators. Growth in sales to the amusement market is forecast to be 108% over the previous fiscal year. The greatest challenge in achieving this target is to rebuild our production system. We will work to reconstruct our plant structure, including securing sufficient personnel to ensure delivery of the required volume.

For mobile communication, we envision sales on par with the previous year, driven by customer demand for new products. At the same time, we will work on the second phase of automation and mechanization, which is required by our customers, to further boost production efficiency. Regarding automotive-related business, the Group envisions a sales increase of 8% year on year due to growth in electro-mechanical components, despite sluggish growth expected from automobile manufacturers worldwide.

As for the other sector, markets as a whole are becoming increasingly active compared to the previous fiscal year, allowing us to find new customers. For example, sensing products related to social infrastructure, specifically water level sensors, are growing. Due in part to the increased public attention on the accident caused by the rupturing of water pipes, this sector is anticipated to grow in the future. In developing our business in this sector, we will pursue a diversified approach, expanding beyond existing channels to include referrals from agencies and financial institutions. As a result, we expect sales in the other sector to grow by 5% year on year.

Environmental friendliness as a corporate obligation —Promoting initiatives for decarbonization

We view initiatives for carbon neutrality as a corporate responsibility. Accordingly, we will take on the challenge of reducing carbon intensity by 20% from FY2013 level by the end of FY2025 as a medium-term target and by about 46% from FY2013 level by the end of FY2030 as a long-term target. To that end, we have installed solar panels in Japan in addition to our new Vietnam Plant, endeavoring to reduce CO₂.

In addition, starting from April 1, 2025, we have switched to electricity derived from renewable energy at all our business sites in Japan. All of our electricity supplied by power companies in Japan is guaranteed to be derived from renewable energy sources. Of course this comes at a cost, but it is factored in our plans.

Our next challenge is to achieve carbon neutrality in the Group. If we are going to incorporate the emissions from our overseas business sites and Vietnam Plant as well, we will eventually have to address carbon neutrality by purchasing environmental certificates.

FY2025 financial forecasts: The unavoidable effects of tariffs

For FY2025, while we forecast net sales of 406.0 billion yen, operating profit is expected to decline by 4% year on year to 13.0 billion yen. This is primarily due to the significant impact of appreciation of the yen, expected particularly in the first half of the fiscal year. The resulting impact of exchange rates will push operating profit downwards by 2.5 billion yen. Further, we anticipate that U.S. tariffs will have a negative impact of 3.0 billion yen. Moreover, with a foreign exchange loss of 2.0 billion yen, we estimate a total decline of 7.5 billion yen in ordinary profit. Currently, we have products shipped from China to the U.S., and are working to change their area of production. In some cas-

es, however, such change takes time as it also requires customers' approval. That said, the tariffs are not borne by customers. Even should they drop by 115%, our U.S. subsidiary would be in a grim situation. Thus, we are prepared to face the inevitable impact of the U.S. tariffs this fiscal year.

Cash at the end of March 2025 decreased by approximately 30.0 billion yen year on year. This is because cash is absolutely needed in preparing for new products for the amusement-related market. However, it is also true that a company's credit is based on its cash position. While our equity-to-asset ratio has fallen, it remains above 70%. Therefore, we maintain an A-level rating.



Ensuring growth outside of amusement as well and striving for corporate growth

Looking at the business environment for FY2025, the key will be how strongly we can grow sales of new products for the amusement-related market. Obviously we need to keep up with our customers' sales forecasts, and we are also fully prepared to accommodate any requests for increased production. Moreover, we plan to secure growth outside of the amusement-related market. Should our profits fall nonetheless, please understand that the effects of tariffs and exchange rates are in play.

With respect to shareholder returns, while sustaining a consolidated dividend payout ratio of 30%, we aim to achieve the repurchase of own shares for a total of 10.0 billion yen over a three-year period, with approximately 4.0 billion yen remaining. Going forward, the Group will continue to pursue the improvement of its corporate value through dialogue with investors. Therefore, we would like to ask for the continued support of all of our stakeholders.

Growth Strategy

Direction of Growth

As a manufacturer of electronic components, the Hosiden Group contributes to the development of the electronics market by constantly supplying high-quality products backed by advanced technology and a complete quality management system in a timely manner, in line with what is demanded by the market. We intend to continue to develop the following growth strategy, centered on the expansion of our numerous core technologies. In addition, we will continue to pursue further growth as a Group by supporting our customers' corporate strategies through highly original technologies and high-value-added products in an increasingly sophisticated and diverse market driven by the rapid development of AI and ADAS (Advanced Driver Assistance Systems) technologies.

Going forward, we intend to further accelerate the development of products with the three pillars of automotive-, mobile communication-, and amusement-related businesses as our core. In addition, we will actively develop new fields such as medical/health-related and IoT-related (Internet of Everything: everything is connected to the Internet) businesses by leveraging the core technologies we have developed in our three pillars. In particular, aiming to develop medical equipment into a new core business, we expanded the scope of our ISO 13485 quality management certification in June.

- Expand our existing core technologies, promote further advancement, innovation, and expansion, and make every effort to develop new products that the future market will demand
- Increase the Company's technical capabilities and competitiveness by expanding the employment of engineers and upgrading the skills of current engineers

- Improve technological capabilities to expand the range of in-house products using cutting-edge technologies and increase market share, sales, and profits
- Mass-produce as many one-of-a-kind products as possible by increasing the speed of advanced development and product commercialization, and also aim to obtain patents for our unique technologies that give us a competitive advantage

Our Strengths

The core technologies in the Hosiden Group include electro-mechanical design technology, high-frequency design technology, acoustic design technology, optical design technology, circuit design technology, metal mold design technology, simulation technology, analytical technology, software technology, EMC measurement design technology, and sensor development and application technology. Our strength lies in this wide accumulation of technologies

and know-how. Going forward, together with advancing these technologies, we will promote Group-wide sharing to further develop unique technological products that meet market needs.

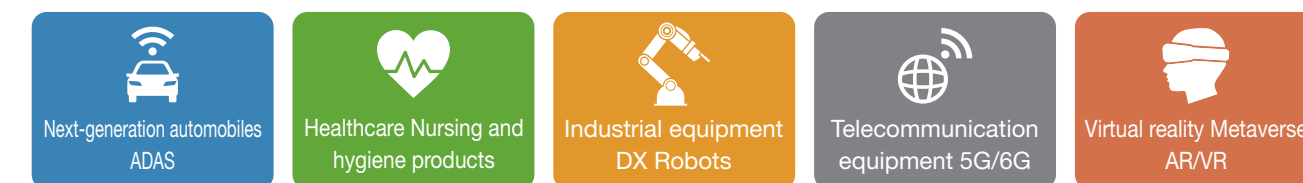
Meanwhile, in production, we intend to promote automation and labor saving by rapidly reducing costs and stabilizing quality through the use of industrial robots and other measures.



Areas of Focus

Focus markets that we are cultivating through our growth strategy include the automotive industry, which is becoming more sophisticated in pursuit of safety, security, and comfort; mobile communications; amusement; medical/health/cosmetics-related equipment; 5G-related equipment; disaster prevention-related equipment; and IoT-related equipment. Going forward, we will have a global perspective to strengthen cooperation in technology development, production, and sales within the Group.

In addition, we will strengthen the technology and R&D systems of the Company and its Group companies and respond to technological trends such as higher performance, multifunctionality, high-speed transmission, wireless, high-frequency, digital, mobile, and power-saving features of electronic devices. We will also actively work to speed up and improve the efficiency of development of new products with high added value. As such, we will cultivate new markets and new customers.



TOPICS

Earned Supplier Quality Excellence Award from General Motors Company

This award is given to suppliers that satisfy GM's stringent quality performance standards at an excellent level. Our main factories for General Motors earned the award.



Earned Excellence Performance Award and Commodity Leader Award from Subaru of Indiana Automotive, Inc. (SIA)

The Company received the Excellence Performance Award in recognition of its place as the top performing supplier on the supplier scorecard for the second consecutive year. It has also earned the Commodity Leader Award by ranking first in the Electrical category.



Progress of the Medium-Term Management Plan

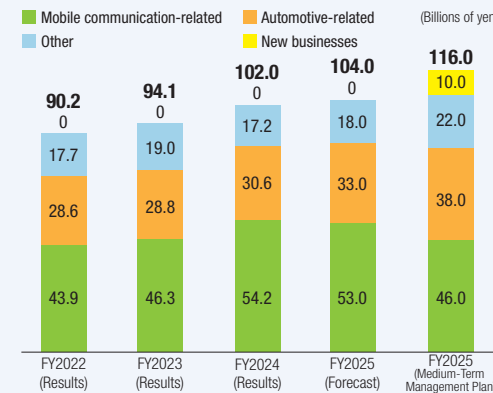
The progress of the three-year Medium-Term Management Plan ending in FY2025 is as follows. Please note that sales in the amusement-related business are strongly influenced by customer demand, making it extremely difficult for the

Company to formulate a medium-term management plan for this field. Amusement-related sales are therefore excluded from the Medium-Term Management Plan.

Progress of the Medium-Term Management Plan

When comparing the Medium-Term Management Plan with the current sales forecast for FY2025 by equipment type, we expect to achieve the target for mobile communication-related sales, while we anticipate that it will be difficult to achieve the sales targets for automotive-related and other.

- Mobile communication-related demand grew, driven by strong sales mainly of high-end models from major customers.
- Automotive-related sales have not fully recovered for many customers, and we expect that it will be difficult to achieve the target of the Medium-Term Management Plan. However, due to large-volume transactions expected to begin mass production and sales in the second half of FY2025, we expect to approach the Medium-Term Management Plan target in FY2026 with one-year delay.
- For other sales, we expect that it will be difficult to achieve the Medium-Term Management Plan target, as sales for medical and health-related, IoT-related, and wireless module-related sales have not grown as much as initially planned. Although efforts are underway concerning new businesses, we do not, at this time, have expectations for realization.



Business Expansion into Growth Markets

Automotive-related

FY2024 Results

Global automobile production in 2024 increased slightly by 0.8% year on year, but sales did not proceed as originally planned for some of our clients being automakers, due to sluggish sales in China. Under these circumstances, the Company saw a year-on-year increase of 14.7% in audio components and a year-on-year increase of 4.3% in electro-mechanical components, resulting in a year-on-year increase of 6.4% to 30.6 billion yen for automotive-related sales as a whole.

High-speed transmission connectors to transmit information

For cars, the advent of the CASE (Connected, Autonomous, Shared, and Electricity) era has led to advances in the electrification and multifunctionality of in-vehicle components. As a result, automotive equipment now increasingly incorporates high-speed digital interfaces. These interfaces are used mainly for video transmission, requiring all video-related automotive equipment to handle digital video signals and transmission at high speeds. Such video-related equipment focuses mainly on integrated ECUs and zone ECUs, and includes displays such as CIDs (Center Information Displays), HUDs (Head Up Displays), and meters; ADAS cameras; and other sensors. With sharper video images, more sophisticated image processing technology, and lower fuel consumption and costs resulting from fewer and lighter cables, the increasingly widespread use of high-speed digital interfaces offers substantial advantages for general consumers, automakers, and Tier 1 suppliers, as well as helping to reduce CO₂ emissions.

Hosiden will undertake all the process from development to commercialization of a connector and harness assembly for high-speed digital interfaces.

Acoustic products to transmit audio

As the autonomous driving capability of cars advances, people will seek comfort and convenience inside their cars while traveling, in addition to safety and security. Hosiden will contribute to the development of autonomous driving technology through various applications enabled by acoustic products compatible with next-generation Automotive Audio Bus (A²B) technology. Such applications include not only hands-free phone communications, but also active noise control (ANC), in-car communication, voice guidance, and reproduction of warning tones.

A²B digital microphones with beamforming capability that enables accurate detection of a speaker's voice facilitate comfortable hands-free phone communications, while also possessing acoustic characteristics suitable for ANC use. When combined with A²B speakers, they enable smooth in-car communication between the front and back seats. Meanwhile, A²B acceleration sensors can be used for ANC that cancels out road noise by instantaneously emitting a counteracting noise in the opposite audio wave phase. We are also developing and commercializing products for use on vehicle exteriors, such as A²B array microphones that detect approaching emergency vehicles, and speakers that warn pedestrians when an electric vehicle, which emits no engine noise, is approaching.

Charger-related products to transmit electric power

Now that everybody uses smartphones, demand for in-vehicle charging capacity is increasing. As a result, USB chargers that can charge devices quickly are required not only for the driver's seat, as was the case previously, but for each individual seat. Hosiden is leveraging its accumulated know-how regarding AC adapters to enhance its product lineup of USB chargers capable of delivering a stable power supply. We are also commercializing wireless chargers compatible with the Qi wireless charging standard.

Other

FY2024 Results

In addition to a decline in medical and health-related sales, sales of microphones used in audio equipment decreased in the second half of the fiscal year, resulting in a 0.2% year-on-year decrease to 17.2 billion yen.

Connecting machines through IoT/IoE

We are bringing together the technologies we have cultivated in the wireless, electro-mechanical, power supply, and sensing domains to develop a large number of IoT/IoE-enabled units. With these units, we aim to use DX to save labor when undertaking inspections of equipment subject to regular inspections, such as plant equipment, utility installations, and infrastructure. One example is our vibration sensor, which will contribute to the rapid development of plant-related DX (i.e., labor saving and improvement of production efficiency, which have now become social issues). The sensor's configuration enables it to be supplied more cheaply than existing vibration measurement devices, whilst retaining the level of performance necessary to successfully detect abnormalities or predict mechanical failures.

Saving lives through medicine

Hosiden has cultivated high-speed image transmission technology in its AV equipment-related business. With televisions offering 4K and 8K resolution already on the market, we commercialized a high-speed transmission connector to handle the large-capacity video signals, which we are now supplying to customers. In the medical field too, endoscopes leveraging 4K and 8K technology are already in practical use. Use of a high-definition endoscope improves the surgeon's visibility and boosts the accuracy of surgery. Hosiden developed a connector for endoscopes that rapidly transmits high-volume image data, and is now supplying this connector to customers. We are also developing a product to meet the demand for lag-free transmission of high-resolution data to enable progress during surgery to be observed from another room.



Financial Strategy

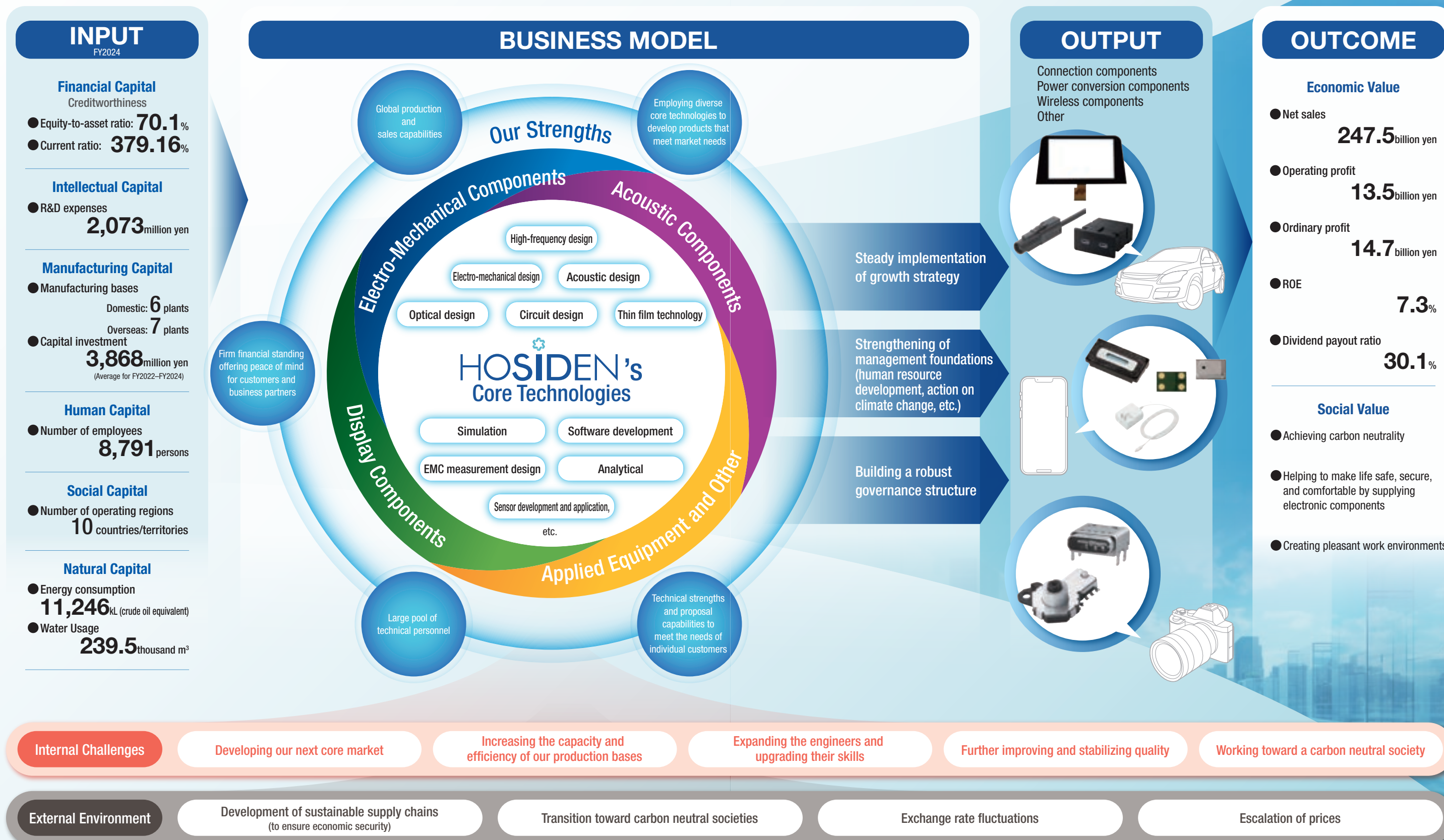
- Amusement-related sales are therefore excluded from our Medium-Term Management Plan. Sales in the amusement-related business fluctuate in the short term, but over the medium- to long term the business is a stable source of cash inflow. We are using this cash to fund new businesses, as well as growth in our businesses targeting the automotive-related market and other markets, which should be our third and fourth pillars next to the businesses targeting the amusement-related market and the mobile communication-related market.
- Our basic approach with regard to cash allocation during the Medium-Term Management Plan is to use 30% of the acquired profits (i.e., funds) for payment of dividends and around 30–40% for purchase and cancellation of treasury shares, returning to shareholders. The remaining funds will be used primarily for investment in growth markets with a focus on the automotive-related market and other markets, as well as investment in new businesses, redemption of convertible bonds, initiatives contributing to carbon neutrality, and investment in human capital.

- Investment in growth markets includes new investments for R&D, market development, and promoting the employment of engineers, as well as plant construction and equipment installation in newly emergent markets and other growth markets.
- We are seeking to develop new businesses by pursuing M&A and technical alliances, prioritizing research into prospective acquisitions that could benefit from collaborative use of our technologies to help create products with high added value and expand our business. Our main target products are sensor devices for industrial equipment incorporating our technologies.
- As for sales other than those to the amusement-related market, the company targets 116.0 billion yen in FY2025, up approximately 25.7 billion yen (28.5%) against FY2022. Moreover, we aim to increase operating profit excluding the amusement-related business through our efforts in developing and promoting the sale of high-value-added products for the automotive-related and other markets, as well as our proactive new business development initiatives.

Value Creation Process

Corporate Philosophy

Supporting the evolution of world's technology with our exceptional technical strengths and contributing to the development of sustainable society.

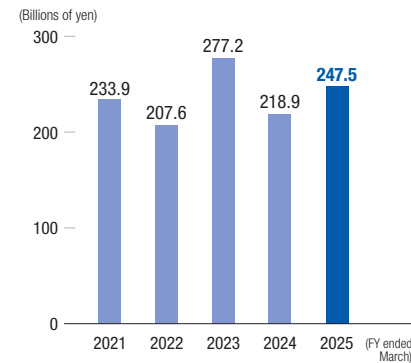


Financial/Non-Financial Highlights

Financial Data

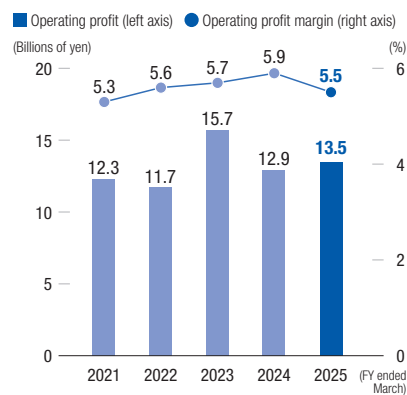
Net sales

247.5 billion yen



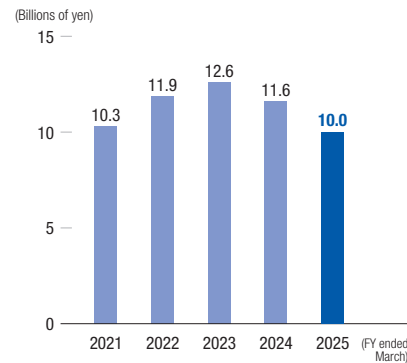
Operating Profit/Operating Profit Margin

Operating profit **13.5** billion yen
Operating profit margin **5.5**%



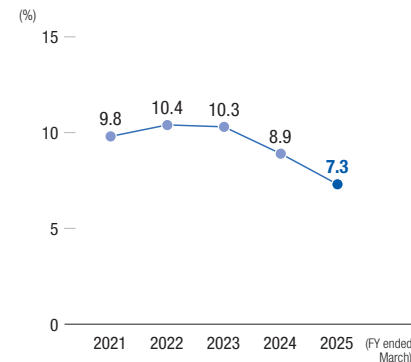
Profit Attributable to Owners of Parent

10.0 billion yen



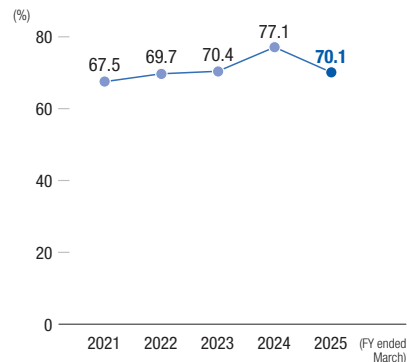
Return on Equity (ROE)

7.3%



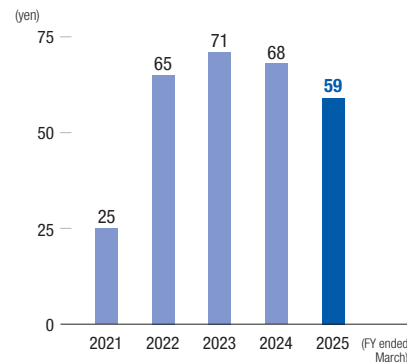
Equity-to-Asset Ratio

70.1%



Dividend per Share

59 yen



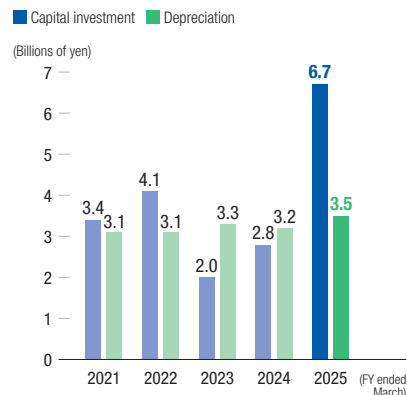
Inventories/Inventory Turnover

Inventories **73.3** billion yen
Inventory turnover **3.4** times



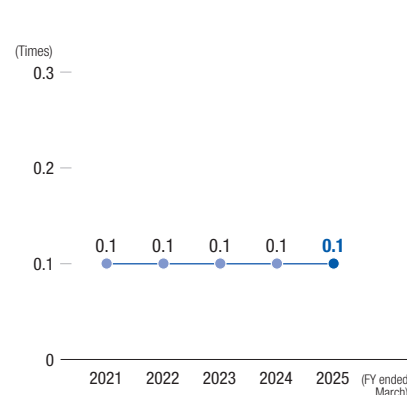
Capital Investment/Depreciation

Capital investment **6.7** billion yen
Depreciation **3.5** billion yen



D/E Ratio

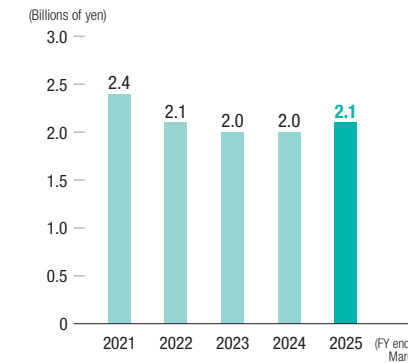
0.1 times



Non-Financial Data

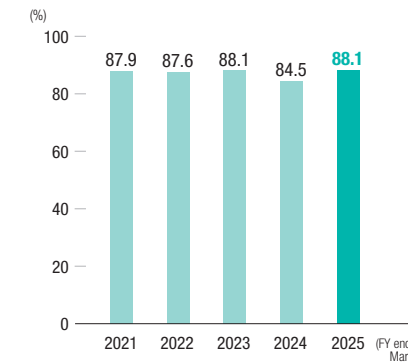
R&D expenses

2.1 billion yen



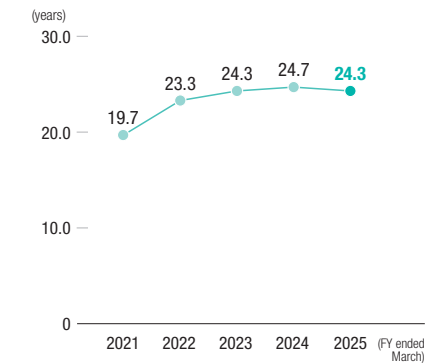
Overseas Employee Ratio

88.1%



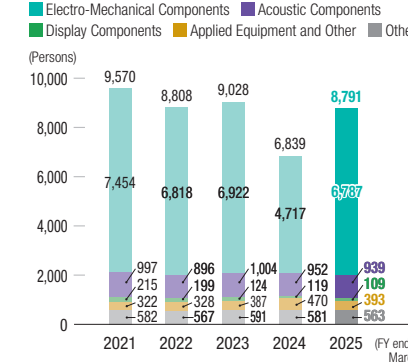
Average Service Years

24.3 years



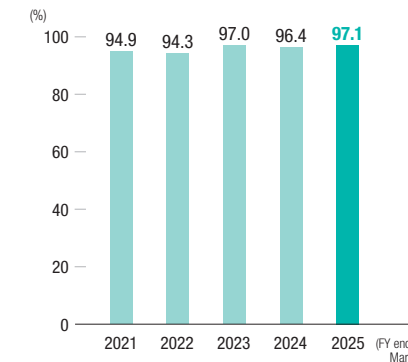
Number of Employees by Segment

8,791 persons



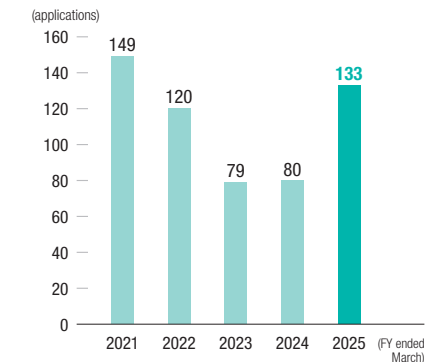
Overseas Production Ratio (Estimated)

97.1%



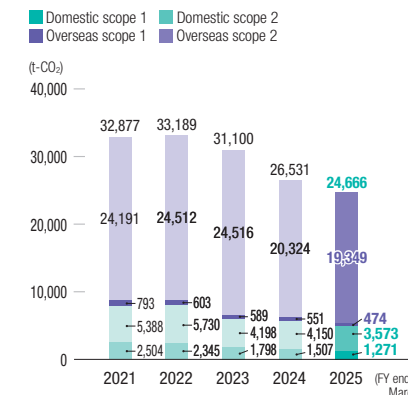
Number of Patent Applications

133 applications



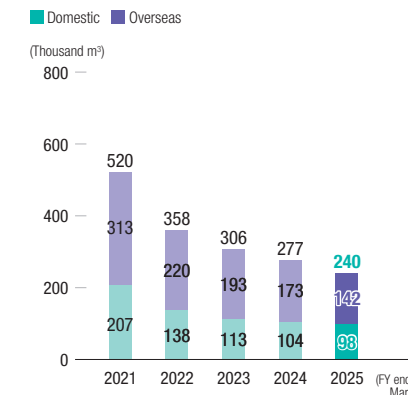
CO₂ Emissions [Scope 1, Scope 2]*

Domestic scope 1 **1,271** t-CO₂
Domestic scope 2 **3,573** t-CO₂
Overseas scope 1 **474** t-CO₂
Overseas scope 2 **19,349** t-CO₂



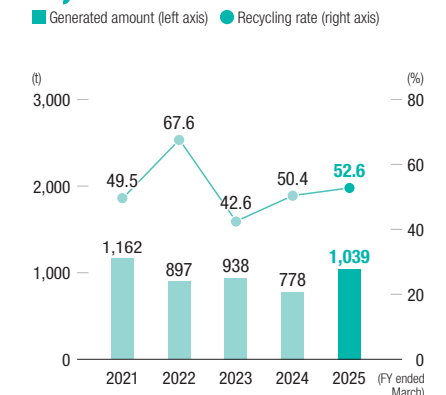
Water Usage

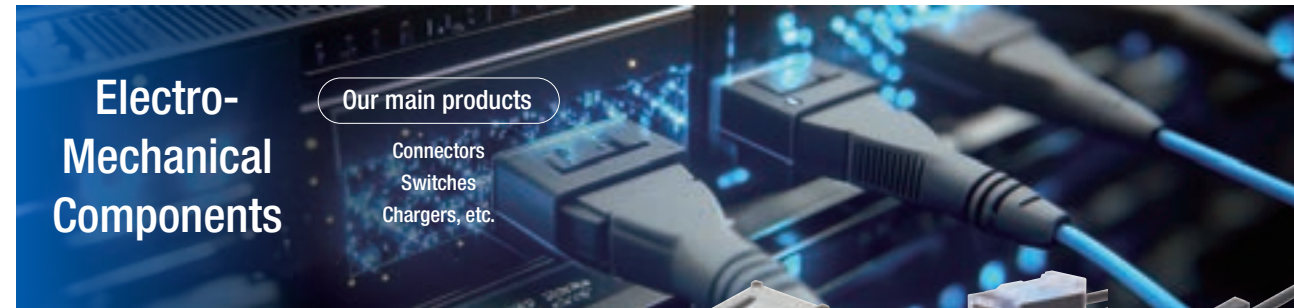
Domestic **98** thousand m³
Overseas **142** thousand m³



Waste Generated and Recycling Rate

Waste generated **1,039** t
Recycling rate **52.6**%





Electro-Mechanical Components

Our main products

Connectors
Switches
Chargers, etc.

Aiming to achieve long-term, stable growth by expanding and enhancing automotive-related electro-mechanical components

Medium- to long-term vision

The shift to electric vehicles and autonomous driving requires electrification and multifunctionality of in-vehicle components. Hosiden considers high-speed transmission, downsizing, and ease of installation when developing connectors.

To improve the usability of small mobile devices in vehicles, we are working on the commercialization of not only high-capacity USB chargers compatible with USB Type C PD (Power Delivery) standard used for charging these devices, but also wireless chargers compatible with the Qi wireless power supply standard.

Overview of the fiscal year ended March 31, 2025

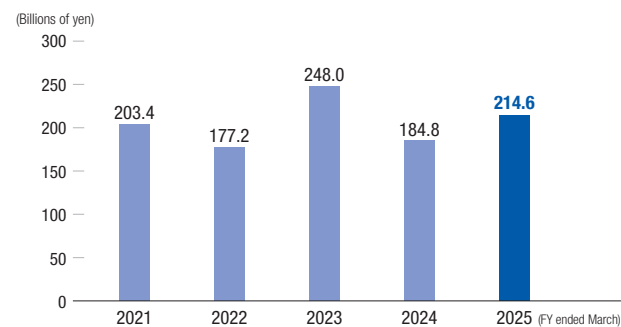
Sales of amusement-related and mobile communication-related products to major customers remained strong. As a result, the Group posted net sales of 214,600 million yen and operating profit of 10,700 million yen.

Initiatives

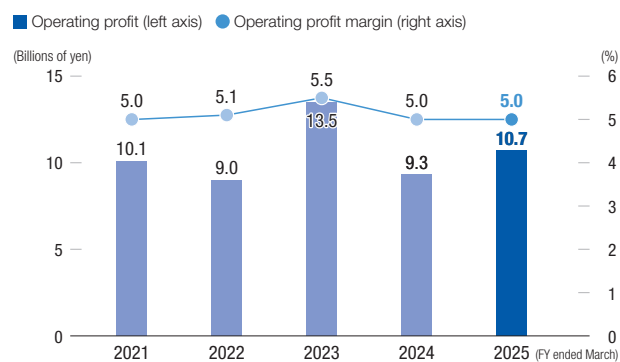
With regard to automotive-related products, we are commercializing and expanding sales of high-speed connectors, USB chargers, wireless chargers, and other products to meet demands not only for ADAS, but also for components necessary for the electrification of vehicles and the shift to EVs. In addition to automotive-related business, we will also develop, commercialize, and expand sales of electro-mechanical components, primarily connectors, needed as a result of the increasing sophistication of medical, health, hygiene, and industrial devices.

Net sales and operating profit

Net sales



Operating profit

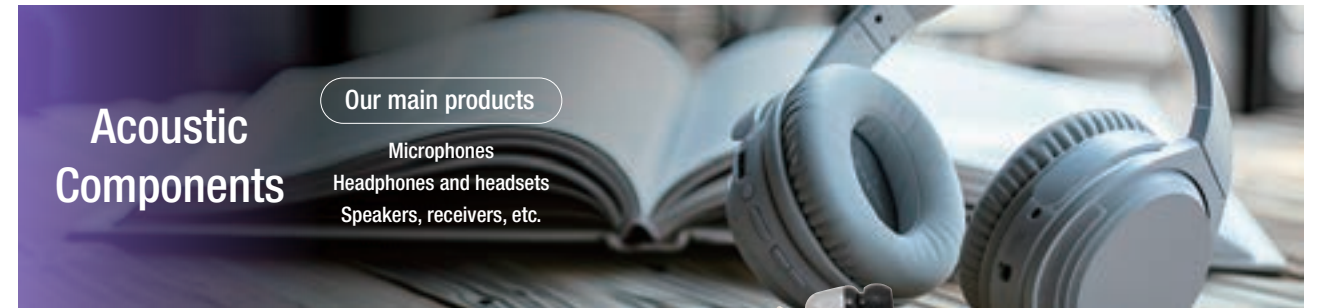


TOPICS

Floating Connectors for Camera

Hosiden has developed a PCB-mount floating coaxial connector capable of high-speed communication for an automotive camera as well as one integrated into a rear enclosure and completed preparations for mass production starting this fiscal year (initial production capacity: 200,000 units per month). The product supports not only 360-degree viewing when parking but also sensing while driving.

The main characteristics of the product are (1) the floating mechanism (patented) capable of absorbing positional deviations of up to 0.5 mm in XYZ directions and angular misalignment shift of up to 1.5 degrees, (2) the smallest connector in the industry, and (3) excellent EMC performance.



Acoustic Components

Our main products

Microphones
Headphones and headsets
Speakers, receivers, etc.

Aiming to improve profit margins by expanding and enhancing automotive-related acoustic products

Medium- to long-term vision

The development of autonomous driving technology has turned a car into a "moving room," and people are seeking comfort and convenience in their cars in addition to safety and security. To improve the quality of phone communication and quietness in vehicles, cars will be increasingly outfitted with A²B (Automotive Audio Bus) compatible acoustic products such as A²B digital microphones, A²B speakers, and A²B acceleration sensors. A²B array microphones are now in demand not only for in-vehicle use but also for the exterior (surface) of vehicles to detect approaching emergency vehicles. Hosiden is developing in-vehicle A²B products to meet these market needs.

Overview of the fiscal year ended March 31, 2025

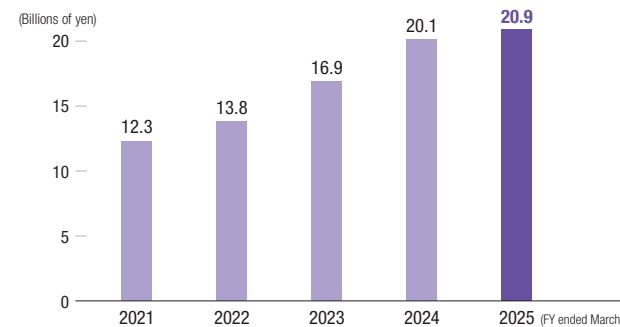
Sales of the automotive-related business grew in line with the recovery trend in production at automakers. Meanwhile, sales of AV equipment-related products declined. As a result, the Group posted net sales of 20,900 million yen and operating profit of 1,800 million yen.

Initiatives

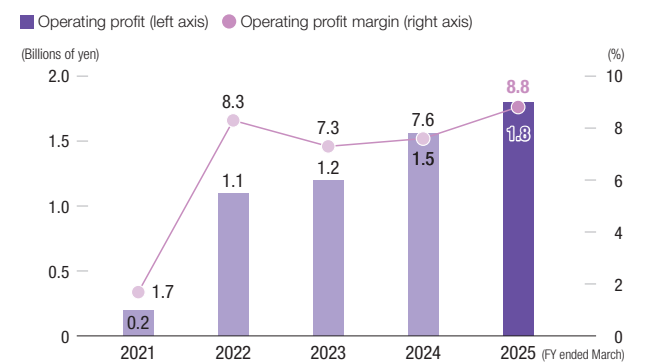
Vehicles are expected to be increasingly outfitted with ultra-wideband directional microphones, A²B microphones and A²B speakers for active noise control (ANC), all of which are for in-vehicle use in hands-free phone communications and voice recognition, and A²B array microphones on the exterior (surface) of vehicles for detecting approaching emergency vehicles. We will develop, commercialize, and expand sales of these automotive-related acoustic products with higher potential demand.

Net sales and operating profit

Net sales



Operating profit



TOPICS

Waterproof A²B Microphone

As vehicles become more multifunctional, installation of an A²B microphone that supports digital communication is increasing in the area of in-vehicle devices. At the same time, there is growing need for a microphone designed with autonomous driving technology in mind capable of detecting emergency vehicles. A microphone must be waterproof since it is installed outside the vehicle, but in general, making a model designed for detecting sound (air vibrations) be waterproof means reduced air vibration transmission, which then leads to

deterioration of acoustic performance. To address this issue, we used our acoustic design know-how we built up over many years to develop an A²B microphone with two contradicting features: waterproof and acoustic performance. Being waterproof while realizing excellent acoustic performance is what makes this product special. It can be used for a wide range of purposes including detection of sirens of emergency vehicles and voice recognition from outside the vehicle, which must withstand high-pressure washing.



Display Components

Our main products

Capacitive touch panels

Launching mass production of products including electronic rearview mirrors and transparent heater devices for the automotive market
Aiming to further expand business through display lamination operations

Medium- to long-term vision

Displays and devices using display technology are increasingly becoming important as human machine interfaces (HMIs) that connect virtual and real spaces.

As new products using liquid crystal panels such as electronic mirrors are emerging, we plan to make proposals to match these new markets and product uses.

Based on our experience with the display business, our strength is the ability to provide end-to-end solutions from designs required for product introduction to evaluation and manufacturing. We will develop products using our liquid crystal technology as well as touch panel technology to contribute to society.

Overview of the fiscal year ended March 31, 2025

Sales of automotive-related products decreased resulting in a decline of touch panel sales. As a result, the Group posted net sales of 2,200 million yen and an operating loss of 200 million yen.

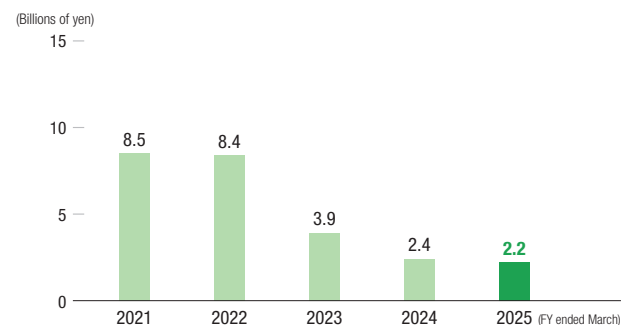
Initiatives

In the automotive market, enhancement of driving assistance and the spread of autonomous driving will create significant changes in how driving assistance information is displayed and how people spend their time in a vehicle. The roles of display monitors including driving status displays, for example, will become increasingly important. How people spend their time while traveling will change, and in-vehicle display screens will become bigger as the monitors are used as new entertainment devices. For these reasons, we will install large-sized lamination equipment in the clean room to start mass production of laminated products.

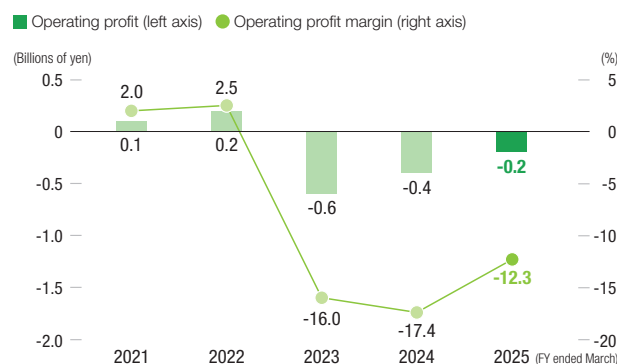
At the same time, we will accelerate development and commercialization, and expand sales of products such as touch panels for plumbing equipment that remain operable even when wet and non-contact haptic touch interfaces.

Net sales and operating profit

Net sales



Operating profit

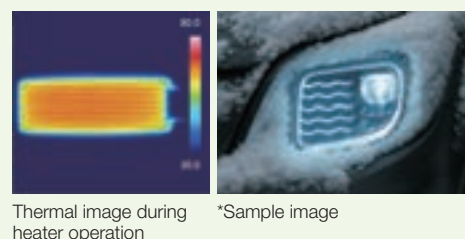


TOPICS

Film Heater

As headlamps have transitioned to LEDs, which generate less heat, snow on the headlamps does not melt and sticks in snowy areas, lowering visibility. To meet the need to melt snow on the headlamp covers in snowy areas, we have developed a snow-melting film heater.

When affixed to the headlamp lenses, the film heater supplements the heat generated by LED headlamps, melts the snow, and secures the light distribution. They will contribute to driving safety by securing sufficient brightness during snowy weather.



Thermal image during heater operation

*Sample image



Applied Equipment and Other

Our main products

Wireless devices
IoT devices
(sensor modules, sensor units)

Producing more unique module and unit products by combining a wide variety of core technologies including electro-mechanical technology, wireless technology, and power supply technology

Medium- to long-term vision

We have developed and commercialized several IoT devices including vibration sensors, ranging sensors, and explosion-proof meter-reading sensors that we announced through a press release and are making steady progress in developing new markets. We aim to bring to the market as many products as possible that help solve social issues such as recent labor shortages, rising labor costs, CO₂ reduction, and in particular various disasters that have become a major concern in recent years.

Overview of the fiscal year ended March 31, 2025

The Group posted net sales of 9,700 million yen and operating profit of 1,200 million yen due to decreased sales of medical and health device-related products.

Initiatives

We are currently mass-producing chargers with a built-in battery for the medical device-related business and will expand our charger lineup. In response to the recent growing demand for larger battery capacity and high-speed charging of mobile and wearable devices, we will further develop and commercialize high-capacity chargers.

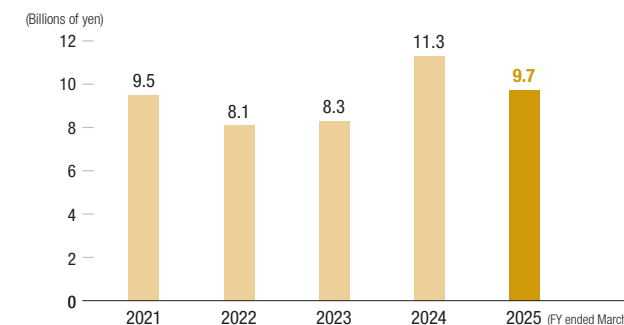
In the wireless communication area, in addition to our mainstay product Bluetooth® module, we are developing a module and module-integrated unit compatible with Matter, the next generation smart home protocol, to enable sales activities with a strong emphasis on time to market (TTM).

In the sensor area, we are improving operability of the touch sensor for in-vehicle door handles to enhance user satisfaction and business expansion.

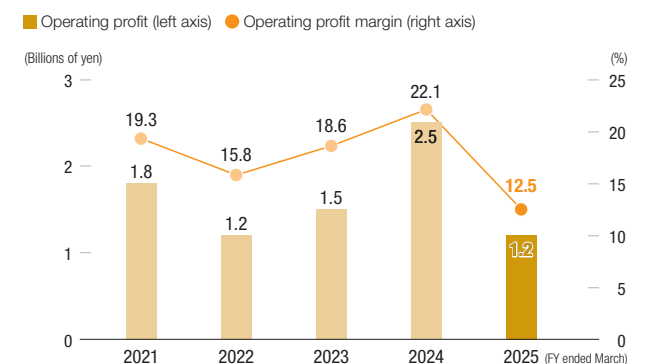
Leveraging the electro-mechanical, wireless, acoustic, and other sensor technologies, we are also committed to developing IoT-related products such as vibration sensor units and IoT ranging sensor units.

Net sales and operating profit

Net sales



Operating profit



TOPICS

Multi-purpose Millimeter-wave Sensor

We developed a general-purpose engineering sample of a millimeter-wave ranging sensor we commercialized in 2024 and began offering it for trial use to make it accessible to more customers for a wide range of purposes. The product comes as a package of a set of peripheral hardware (HW) devices such as control circuits, wireless communication interfaces, battery power supply and the necessary internal firmware (FW) bundled inside a waterproof housing. The package will help system integrators and service providers handle the product easily.

The sensor mounting mechanism, which tends to require customization because different shapes are required for different purposes, is designed as an attachment to be put either on the top or bottom of the sensor so that the product

can be used at minimal initial cost. We have also minimized both the product functions and size by configuring it so that users arrange their own Gateway terminals to connect the product to the cloud server via Bluetooth® LE.

The sensor can be used to detect the remaining liquid volume in a tank at a plant or in infrastructure equipment, monitor the water level in culverts or gutters, and monitor the paddy field water level. It can also be used for human presence sensing that requires privacy consideration such as monitoring of public toilet, office, hotel room, and restaurant occupancy since it does not require a transparent window, which is otherwise required in laser-based and optical-based sensors.

Interview with Young Engineers



Engineering Department 2,
Engineering Section 3

Ko Yamaguchi

Responsible for design and
development of hearing aid
chargers

Research and Development
Department

Kotaro Yoneda

Responsible for development of
connectors and high-frequency
current sensors

Engineering Department 2,
Engineering Section 2

Ryoga Matsunaga

Responsible for design work (circuit and board design)
and evaluation (acoustic evaluation, electrical
evaluation, and reliability testing) of automotive
microphone products and automotive sensor products

Aiming to contribute to society through manufacturing

—Young engineers' vision for the future of Hosiden—

Technological development is a crucial function that underpins manufacturing companies at their very core. Indispensable to this technological development are the young employees leading the next generation. In this interview, young engineers engaged in new product development mainly in automotive- and medical and health-related areas, which Hosiden positions as growth markets, openly discussed their thoughts on the products they are working on, their values, and their connection with our Medium-Term Management Plan, as well as their future prospects.

Meeting customer needs while thinking ahead

—You are all involved in manufacturing. Have you always enjoyed making things?

Yamaguchi: At university, I studied applied physics, specifically, quantum mechanics in the engineering department. But when looking for a job, if you narrow it down to applied physics, your options will be quite limited. Then, when I wondered what kind of work I can do to be of service to society, I thought simply making a product would be a way to contribute to society.

Matsunaga: As a child, I loved playing with building blocks. Every time I put the pieces together, I was excited to see what shape I could make this time. At university, I majored in electronic information. However, for my job,

I wanted to do something that involved manufacturing. I found Hosiden appealing, as it handles products related to communications and offers opportunities to be involved in design.

Yoneda: I also loved handicrafts since I was small, and always wanted to get a job in the manufacturing industry when I grew up. At university, I studied mechanical engineering and went on to the master's course, so it was kind of natural for me to go on to work in the manufacturing field.

—Please tell us about the work you are currently involved in.

Matsunaga: My responsibilities include the design and evaluation of automotive microphone and automotive sensor products. In the case of microphone, for example,

the basic shape of circuits is fixed. Using that as a base, we adjust the design to the customers' specifications. More specifically, they are requirements of temperature range and sensitivity properties. In some cases, sensitivity is needed only at night. So, we use software to simulate and design products according to the conditions. Based on the results, we create a prototype from a board design and evaluate it in an anechoic chamber.



*Waterproof microphone
assembly with complete
waterproofing

Yoneda: I am involved in the development of connectors and high-frequency current sensors. Used for signal output from automotive cameras, connectors are an essential technology for ensuring the safety of automobiles in this era of "CASE" (Connected, Autonomous, Shared, and Electric). As a part directly linked to safety, what's required the most is reliability. That is to say, it's an absolute prerequisite that video data can be sent through connectors without loss. In addition to mechanical strength, environmental requirements must be met, such as an ability to operate without problems even at -40°C.



*Ultra-low profile coaxial camera
connector for automotive camera
supporting high-speed digital signals

Yamaguchi: The products I'm working on are hearing aid chargers. I am involved in their design and development. We ask hearing aid manufacturers for the basic specifications of chargers, and design and develop products that meet these requirements. Meeting performance requirements is a must, but design requirements are also quite strict, because hearing aids are expensive products and many users are particular about the appearance. The development process takes roughly a year to a year and a half.



*Hearing aid charger with
attention to design

—I heard Mr. Yoneda is involved also in the development of high-frequency current sensors. What kind of products are those?

Yoneda: Put simply, the sensors detect signs of malfunction from noise. Specifically, these sensors are used

for monitoring and maintenance of power conversion devices and power facilities in the industrial sector. In plants, many high-voltage cables are used. If the cables degrade, they may cause power outage or a fire. To prevent such accidents, high-frequency current sensors are used to detect high-frequency noise with high sensitivity. The sensors, not humans, monitor and help prevent troubles before they occur, as a solution to the labor shortage that has become an issue at manufacturing sites.



*High-frequency current sensor that
detects signs of malfunction from noise

Having clear awareness of the value we provide to customers

—What kind of values are provided to customers by the products you work on?



Yamaguchi: Where hearing aid chargers are concerned, our direct customers are hearing aid manufacturers. Accordingly, the direct values we provide to the manufacturers are sales from the hearing aids, their end products, and improved profitability. For that reason, having a quality design that is chosen by the end users will be important. Needless to say, ensuring safety is a fundamental prerequisite.

—What do you think about the value to the end users?

Yamaguchi: Users of hearing aids are people with hearing difficulties. I assume they are mainly elderly people, and the value of hearing aids is to enhance the quality of their daily lives by resolving the inconvenience they experience from hearing difficulties.

—Mr. Matsunaga, you are in charge of automotive microphones, right?

Matsunaga: What our clients require is excellent acoustic properties. When it comes to talking while driving, for example, the value of microphones comes from the ability to clearly pick up the speaker's voice. For this reason, noise cancellation is another important value. I think the value for end users, or people using cars, is enhanced comfort and safety in the car. A value directly linked to safety in particular is the improved precision of the vehicular emergency call system "Ecall." Ecall, which detects the sound of emergency vehicles outside the car, is an indispensable equipment for responding to emergency vehicles during autonomous driving. Specifically, it is used in a system that detects the sound of an emergency vehicle coming from 100m away, and automatically stops the car based on the judgement by AI.

—Mr. Yoneda, are your connectors also related to autonomous driving?



Yoneda: Yes, the role of connectors is to reliably transmit video data input from car's cameras without loss. This is also the value we provide to our customers. If the video data is distorted, there is a risk of a problem occurring in the next process. Given this, we can view the value to end users, namely people who use the cars, as ensuring safety through proper data transfer.

Creating products that support the society of tomorrow

—In what ways do the products you are involved in help support society?

Matsunaga: Automotive microphones are used for voice communication. Users can make comfortable hands-free calls while driving safely. For this purpose, the active noise control function eliminates unwanted noise in the vehicle.

The other item, Ecall, is a product for enhancing safety. We believe they both contribute to society by offering comfort and safety needed in this era of autonomous driving. Perhaps a little further down the road, when fully autonomous driving becomes a reality, it is highly likely that various operations will be all performed using voice recognition. A key to achieve this will be the precision of the microphone.

Yamaguchi: Speaking from the viewpoint of chargers, lithium-ion battery fire incidents have been often discussed recently. Lithium-ion batteries are used in chargers, and these batteries have a risk of ignition due to internal short-circuit caused by aging. To avoid such problems, we first design circuits to prevent hazardous conditions, and take measures to prevent fire from spreading in the event the battery ignites by enclosing them in flame-retardant resin. In this sense, we support society by providing safe medical products.

Yoneda: Connectors support the safety of society as automotive products. The other item, high-frequency current sensors, help solve the issue of labor shortages. Such contributions to labor-saving are not limited to sensors, but also apply to our other IoT products in general. At present, sensors need a power supply. However, if an energy harvesting technology allows sensors to be installed anywhere they are needed without a power supply, it will lead to a revolutionary innovation.

Taking on the challenge of manufacturing with a view to the Medium-Term Management Plan

—Hosiden's Medium-Term Management Plan upholds the themes of "saving lives," "transmitting information," and "connecting information." How do your manufacturing work relate to these themes?

Yamaguchi: As I am involved in products for the medical and health-related market, the relevant theme will be "saving lives." Looking at the hearing aids I am currently involved with, I think our ultimate challenge would be the development of hearing aids themselves. Not being able to hear, or even being hard of hearing, is a problem for people. By solving such problems relating to hearing, we help save lives. With this in mind, we can imagine scenarios where hearing aids can detect and help people escape from imminent danger. In addition, from my experience of talking with a hearing aid user in my generation, I gained new insight into the importance of the design of the device for young people.

Yoneda: The role of connectors is literally to connect, or to "connect information" in the form of signals. When assuming autonomous driving, the response needs to be as rapid as possible. Accordingly, the constant challenge

is how to connect signals without delay. Hosiden has long provided society with acoustic components such as microphones and speakers, touch panels, and other products in addition to connection components such as connectors. We contribute to the realization of a safe, secure, and efficient society by fulfilling the role of "connecting information."

Matsunaga: Going forward, we seek to reinforce "transmitting information" under the main theme of autonomous driving. Microphones installed outside vehicles are an essential tool for autonomous driving. Given that, we are currently focusing on waterproof microphones. Because the microphones are installed on the exterior of a car, they must be water resistant. On top of that, excellent acoustic properties are also required. To improve the waterproof performance, microphones' sound holes need to be covered even though the microphones must pick up sounds. And yet, reducing sensitivity or altering acoustic properties will defeat the purpose. It is never easy to find a balance between contradictory elements. As far as I know, no other manufacturer is working on this. That is exactly why I believe this challenge is of great significance.

Aiming to contribute to society based on Hosiden's corporate philosophy

—Hosiden's corporate philosophy is stated as:

"Supporting the evolution of world's technology with our exceptional technical strengths and contributing to the development of sustainable society." How will you contribute to achieving this philosophy through your work?

Yoneda: Taking the autonomous driving of cars as an example, we contribute to the realization of a safer and more secure society by reliably communicating information. Looking from a broader perspective, I believe we can contribute to the realization of a more efficient society through the sophistication of human-machine interfaces that link the two together through information.

Matsunaga: Our waterproof microphones symbolize the creation and provision of new, unprecedented value. Through that result, I will do my part for the development of society. We were able to develop waterproof microphones because we recognized the potentials of autonomous driving of cars from an early stage, and have been thinking ahead what would be needed going forward. Already, we have made preparations for mass-production. Obviously, when actually receiving orders, external design to match the car's design and other features will be required. However, I believe the microphones will be an indispensable item in the not-so-distant future where autonomous driving has become widespread.

Yamaguchi: Where hearing aid chargers are concerned, disposal of lithium-ion batteries has become an issue. Definitely, one of our priority tasks to be addressed will be the recycling of batteries. I believe we can contribute to society by improving recyclability of our products. One tangible idea is to first make the battery removable—in the most effortless way possible— before delivering the product to the market. Actually, our past models had easily removable battery. However, the battery is no longer replaceable as a result of prioritizing design aspects. In that sense, I think it is important to have a perspective of "learning from the past to shape the future," as the saying goes, as an approach to manufacturing.

—What are your future prospects and what do you find most rewarding about your work?



Matsunaga: First, my immediate goal is to grow into an independent engineer. I feel I have built a decent level of technical strengths, and now I want to further develop my communication skills by stepping outside the company and explaining our work to our customers. I would also like to gain more experience on the production sites and strengthen my ability to share ideas that win people over in meetings and other opportunities.

Yamaguchi: Like Mr. Matsunaga, I want to develop early on the ability to clearly see the entire process from product design to mass-production. This, together with the skills to negotiate with customers, is essential for working independently. To that end, I need to make a conscious efforts to learn from more experienced colleagues by closely observing how they think about and approach manufacturing.

Yoneda: Of course, I still have a lot of catching up to do. I want to proactively strengthen my design skills, and learn know-how and finer points in other areas. While I am not a product manager, I want to be closely involved in manufacturing, constantly keeping a top-down view of the entire product development process.

Environment

Basic Approach

In the 21st century—the “Environment century,” we are preparing not only for the establishment of a recycling-based society system that recycles wastes to effectively use the earth’s limited resources, but also for the management of substances contained in products to prevent environmental pollution. In addition, companies are required to work toward a carbon neutral society, as global warming has come to be viewed as a social issue.

As a global enterprise that has production bases/sales bases in 10 countries across the world (in addition to Japan, the United States, the United Kingdom, Germany, Malaysia, Singapore, South Korea, China, Thailand, and Vietnam), and that has viewed the environmental preservation from a global standpoint, Hosiden has operated an environmental management system based on the international standard ISO 14001 in all production bases. Furthermore we have set one goal for the whole group, and are making company-wide efforts.

In each local production base, Hosiden is promoting environmental preservation by considering conditions of the region or country, and is working on continual activities by taking the requirements from local society and customers into account.

In addition, we are making efforts from our own point of view to decrease environmental impact starting from the design stage through the total lifecycles of products, which include the management of the substances contained in materials.

Hosiden, as a whole team, will continue to watch environment in all business activities, to aim at continuous improvement of the environment and to contribute to the creation of a more affluent society in the future.

ISO 14001 Environmental Policy

Hosiden Group is committed to upholding biodiversity and minimizing the impact on the global environment in every aspect of its business activities.

Code of Conduct

- 1 Working as a group to address global warming
- 2 Reducing burdens on the environment by preventing pollution in compliance with environmental laws, regulation, and social requirements
- 3 Promoting to develop and design environmentally friendly products
- 4 Promoting all-hands environmental preservation activities and continually improving them

Hosiden Corporation
President and CEO, Kenji Furuhashi

Environmental Management Framework/Environmental Management System

For details, please visit: <https://www.hosiden.com/en/sustainability/environment/philosophy.html>



Regulatory Compliance

Compliance with laws and regulations is fundamental to the establishment of an environmental management system. For this reason, each Group company strives to comply with laws, regulations, and ordinances of the countries and regions where it is located, by keeping abreast of those laws and regulations that

apply and any revisions made, and by taking necessary actions to comply with them. In addition, in order to prevent environmental pollution in advance, each Group company sets its own standards, which are stricter than those set by laws and regulations, and monitors them.

Group Initiatives

For details, please visit: <https://www.hosiden.com/en/sustainability/environment/activitie.html>



Climate Change Initiatives

The Hosiden Group has been participating in the Commitment to a Low Carbon Society in the electrical and electronics industry sector since FY2016 (the plan was renamed the Carbon Neutrality Action Plan in FY2021), and has been working to improve energy efficiency in its business activities in compliance with industry targets.

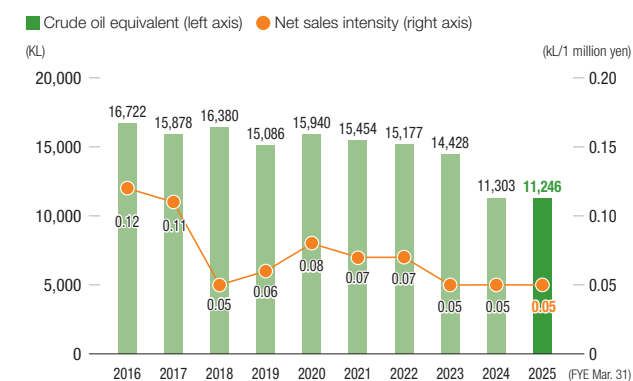
To be specific, the Group is promoting continuous efforts to improve energy intensity by an average of 1% or more per year, as well as to achieve the challenging goal of reducing CO₂ emissions (about 46% reduction from FY2013 levels by the end of FY2030).

We regard the reduction of CO₂ emissions as an activity in which all employees participate, and we are promoting energy conservation by substituting equipment to those with lower emissions. Furthermore, in more familiar areas, we are

implementing appropriate air conditioning temperature control, switching to LED lighting, stopping unnecessary lighting and equipment, reducing the number of company-owned vehicles, and promoting “stop idling” measures for vehicles.

Furthermore, in March 2025, Hosiden announced its commitment to SBTs (Science Based Targets) in order to further drive its decarbonization effort. Through this announcement, Hosiden pledges to obtain the SBT certification within two years and in FY2025 will start GHG emission reduction efforts based on the SBT-standard targets. Also, with the exception of some sales bases, starting from this fiscal year, Hosiden switches electricity purchases at Group companies in Japan to electricity produced 100% from renewable energy sources in order to contribute to reduction of CO₂ emissions.

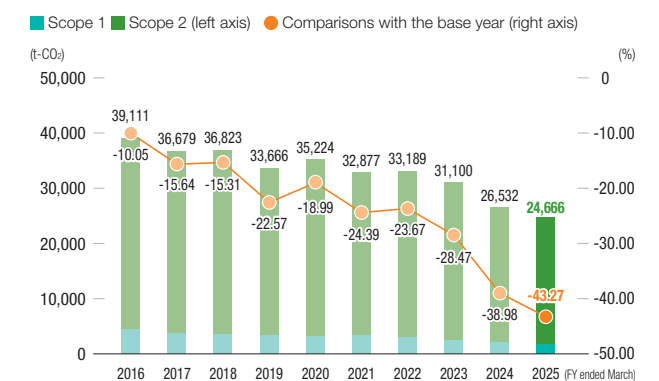
Energy consumption (KL) and net sales intensity



* The graph above shows the transition of the total energy consumption in crude oil equivalent converted from the amount of electricity and fuel used in the Hosiden Group.

* Errors in the electricity-to-crude oil conversion factor for the fiscal year ended March 31, 2024 have been corrected in this graph.

Transition of total CO₂ emissions and comparisons with the base year



* Data from the International Energy Agency (IEA) is used to obtain the CO₂ emission factors at bases that refer to the location-based standard.

Efforts to reduce CO₂ emissions by installing solar panels

Bases	Annual CO ₂ reduction	CO ₂ reduction rate	Operational period
Hosiden Wakayama Corp.	124 tons	25.2%	October 2022
Hosiden Kyushu Corp.	187 tons	17.4%	February 2023
Hosiden Besson Ltd. (UK)	15 tons	20.2%	April 2023 (Phase 1) September 2023 (Phase 2)
Hosiden Corporation Tokyo Engineering & Production Dept.	35 tons	29.0%	September 2024
Hosiden Corporation, Head Office, Building V	100 tons	10.0%	December 2024
Hosiden Vietnam (Bac Giang) Co., Ltd.	700 tons	5.9%	In FY 2025 (scheduled)



Hosiden Wakayama
(Started operation in October 2022)

Hosiden Kyushu
(Started operation in February 2023)

Hosiden Besson Ltd. (UK), Phase 1
(Started operation in April 2023)



Hosiden Corporation Tokyo
Engineering & Production Dept.
(September 2024)



Hosiden Corporation, Head Office,
Building V
(December 2024)



Hosiden Vietnam (Bac Giang) Co.,
Ltd.
(To be operational in FY2025)

In addition to the above, from April 2014, we began operating solar panels on the roof of Building III of Hosiden Corporation’s Head Office, switched to LED lighting in the office and the production building, and are also engaged in purchasing electricity using renewable energy.

CDP (Carbon Disclosure Project) Score

In FY2024, we received a B score.

Changes in Hosiden’s CDP evaluation

Fiscal year	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024
CDP evaluation (climate change)	D–	D–	D	C	B	B

* CDP (Carbon Disclosure Project)

A non-governmental organization (NGO) administered by a British charity that operates a global disclosure system to help investors, companies, nations, regions and cities manage their environmental impacts

Environment

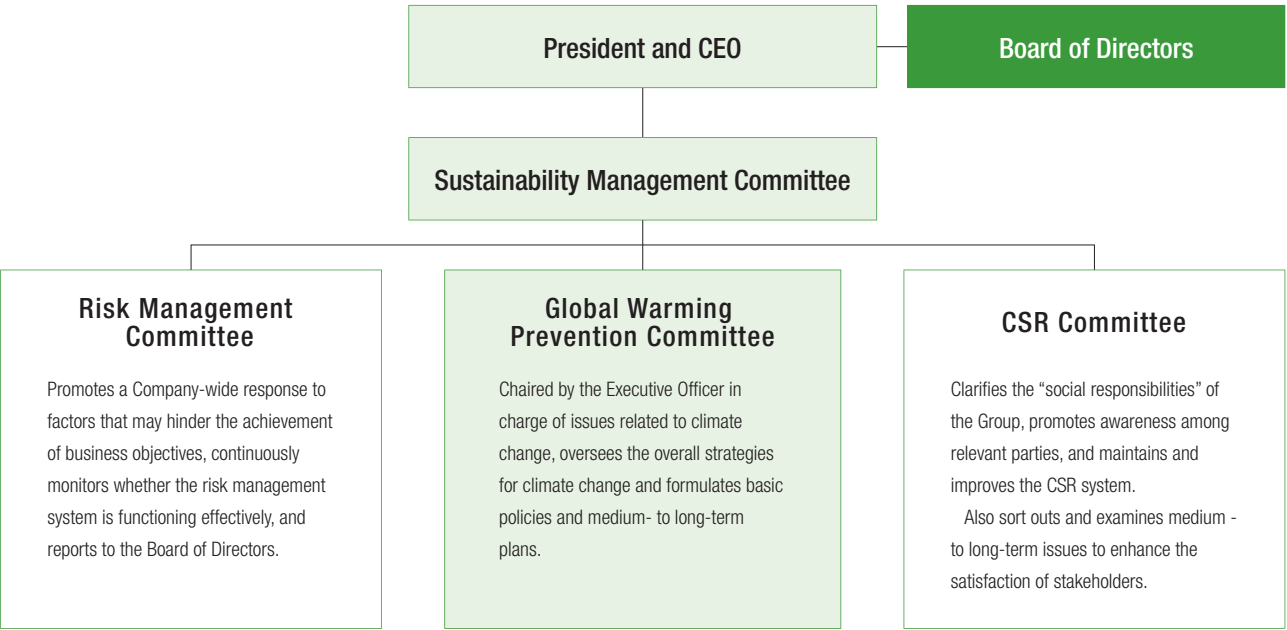
Initiatives for TCFD Recommendations



Governance

With regard to the response to the risks and opportunities related to climate change, the Global Warming Prevention Committee, headed by the President and CEO, promotes the formulation of basic policies, medium- to long-term plans, and information disclosure based on the TCFD. At the same time, the President and CEO provides reports to the Board of Directors as needed. The Global Warming Prevention Committee is chaired by the Executive Officer in charge of issues related to climate change and consists of the heads of the Production Management Division, Management Planning Division, Environmental Management Division, Technology Management Division, and General Affairs Division. The Committee oversees Hosiden's overall strategy on climate change and considers the setting of greenhouse gas emission reduction targets and the introduction of renewable energy. The results of discussions by the Global Warming Prevention Committee are reported to the President, and to the Board of Directors as needed. Matters that require a resolution by the Board of Directors are determined upon approval by the Board of Directors.

Climate change-related governance structure



Strategy

Hosiden believes that climate actions have a great impact on corporate business activities and recognizes the importance of analyzing the magnitude of the impact and developing an appropriate strategy. This has led us to analyze the risks and opportunities in transitioning to a world where warming is limited to 1.5/2°C, analyze the physical risks in a world where warming is 4°C or greater (no actions taken), and evaluate the level of impact and countermeasures for both scenarios in order to identify the risks and opportunities associated with climate change.

* We referred to the 1.5/2°C and 4°C scenarios of the IPCC and IEA for analysis. (IPCC-SSP1-2.6, IPCC-SSP5-8.5, IEA-WEO)
IPCC: Intergovernmental Panel on Climate Change
IEA: International Energy Agency
We analyzed the transition risks and opportunities from the perspectives of regulations, technology, market trends, and stakeholder reputation while focusing on the assumption that the market will make pressing decarbonization demands and require rapid responses in order to catch up with delays in the decarbonization progress. As for the physical risks, we identified acute and chronic risks caused by global warming and analyzed the responses to them.

Risk Analysis

Category	Type	Description	Impact	Countermeasures
Risk	Transition	Regulations/ Laws	Medium	Closely watch regulatory developments in each country and promote the decarbonization effort in the production process by saving energy, purchasing electricity produced from renewable energy sources, and installing renewable power generators.
		Technology	Medium	Install energy-efficient equipment for the production process and improve the process efficiency. Also promote designing of products that use decarbonized materials, have a smaller size, and save electricity.
		Market	Great	Have set a decarbonization target at the level required in the market and work toward it. Having announced our commitment to SBTs in March 2025, implement more ambitious initiatives. Also consider responding to individual customer requests by, for example, implementing carbon offsetting using a green certificate.
		Reputation	Medium	Strengthen our decarbonization effort to obtain SBT certification. At the same time, improve our corporate image by trying to obtain a higher rating in, for example, the CDP questionnaire administered by outside rating agencies.
Opportunity		Market	Medium	Strengthen our decarbonization effort to contribute to reduction of Scope 3 emissions from our customers. The objective of obtaining SBT certification is to strengthen the effort to protect the environment.
		Reputation	Small	Actively announce and disclose information on our decarbonization effort to foster greater understanding among investors and customers.
Risk	Physical risk	Acute	Great	As a preparation for sudden-onset disasters, implement business continuation measures including inter-group coordination for production transfer and use of power generators.
		Chronic	Small	When installing new equipment or replacing equipment during updates, switch from fossil fuel to renewable energy and install equipment that saves energy.

Risk Management

In our risk management, we define risk as factors that may hinder Hosiden and its affiliates from achieving their business objectives. Our basic policy for risk management is to prevent any significant adverse impact on our customers, business partners, employees, surrounding areas, and other stakeholders related to the Group when risks materialize. We identify, assess, and manage climate change-related risks with the Global Warming Prevention Committee and the Risk Management Committee. Identified risks are appropriately classified and evaluated based on their impact on the business and frequency of occurrence, and countermeasures are considered and implemented according to the magnitude of materiality. The Risk Management Committee continuously monitors the effectiveness of the risk management system and reports to the Board of Directors.

Indicators and Targets

Hosiden regards global warming as a major problem that affects the survival of the Company and believes it is necessary to engage in a Group-wide effort to prevent global warming. Therefore, we are committed to identifying Group-wide CO₂ emission volumes and setting reduction targets for reducing greenhouse gas emissions. More specifically, we are reducing the use of fossil fuel including heavy oil and gas by choosing the latest energy-saving equipment when updating or installing new equipment. In addition, solar power generation facilities began operating at the Tokyo Engineering & Production Dept. (September 2024) and the Head Office (November 2024) following Hosiden Wakayama, Hosiden Kyushu, and Hosiden Besson Ltd. They will also be installed at Hosiden Vietnam and begin operating in FY2025. Also, with the exception of some sales bases, starting from this fiscal year, Hosiden is reducing a significant amount of CO₂ emissions by switching electricity purchases at Group companies in Japan to electricity produced 100% from renewable energy sources. Hosiden will continue to contribute to realization of a sustainable society and achievement of carbon neutrality.

CO₂ emission reduction targets (Scopes 1 and 2)

● Medium-term target...

● Long-term target...

Social Social

Basic Approach

In 2007, Hosiden Corporation formulated the Hosiden Group Code of Conduct for CSR (Corporate Social Responsibility) with regard to “fair trade and business ethics,” “human rights and labor conditions,” “operational health and safety,” “environmental protection,” etc., in an effort to realize sustainable social development, ongoing value creation, and enhance the competitiveness of the Hosiden Group (Hosiden Corporation and

its affiliated companies). The Hosiden Group will fulfill its primary social responsibility of functioning as an enterprise dedicated to producing and supplying products required by customers and society, and will promote sound business operations in compliance with relevant laws and regulations, and with the Code of Conduct, in order to consistently earn trust.

Fair Trade and Business Ethics

Basic Policy on Responsible Mineral Procurement

As part of matters related to fair trade and business ethics, the Hosiden Group promotes activities in line with the intent of the “Due Diligence Guidance Annex II for Responsible Supply Chains of Minerals from Conflict and High Risk Areas” of the Organization for Economic Co-operation and Development (OECD) in procuring mineral resources, which are important raw materials, from conflict areas and high risk areas (CAHRAs), including the Democratic

Republic of the Congo (DRC) and its neighboring countries. The basic policy is not to use these minerals, which are sources of funds for organizations that cause human rights violations such as forced labor and child labor in mining, environmental destruction, money laundering and other conflicts and illegal acts in mining. The Hosiden Group will work with suppliers to improve transparency in the supply chain.

Human Rights and Labor Conditions

Basic Approach

The Hosiden Group respects the human rights of all persons including external stakeholders and labor rights of its employees by complying with the following statements:

- We employ all employees at their own free will and do not force them to work. In addition, we do not employ any child laborers under the minimum working age.
- We respect the dignity and rights of all people and do not discriminate on the basis of race, ethnicity, nationality, gender, religion, etc. or engage in inhumane acts such as abuse or harassment.
- We guarantee the statutory minimum wage set forth in the country where the company is located, make efforts to pay wages that meet or exceed the living wage standard, and, in order to comply with legally mandated working hours, properly manage the number of working days and hours as well as holidays for employees.
- We respect the constitutional right of workers to join a labor union or take part in collective bargaining.

Operational Health and Safety

Basic Approach

In addition to complying with laws and regulations related to health and safety, we take various initiatives to create a work environment where employees can work safely and in good mental and physical health.

- Implementing health and safety patrols and risk assessment to identify and improve hazardous and unsanitary areas within the Company
- Making recommendations for use of health guidance in cooperation with health insurance associations
- Working hour management using PC log records, setting up simultaneous leaving times and no-overtime days to curb long working hours
- Making internal announcements in accordance with the time of year, such as winter driving precautions, influenza prevention, heat stroke precautions, and taking other unique initiatives

We also have a system in place to help employees and their families stay healthy, such as subsidizing the cost of complete physical checkups taken by dependent spouses.

Human Resources

Diversity

We respect the individuality of our diverse workforce and strive to create a work environment in which all employees can thrive.

Female active participation	Through the establishment of various systems, such as an extra childbirth allowance, we have maintained a 100% return-to-work ratio after maternity or childcare leave, and 20% of all female employees have changed their career path from general to career positions, thus creating a playing field in which female employees can be active over the long term. Currently, we are aiming to increase the number of female new graduates (over 10% of all hires).
Recruitment of foreign nationals	We have established a quota for hiring foreign students and actively advertise job openings to universities.
Senior employees' active participation	We are promoting introduction of a post-retirement re-employment system suited to the abilities, preferences, and lifestyle of each employee and also development of a training system targeting senior employees.

Human Resource Development

In order to realize our management philosophy, we aim to develop “strong employees” who are independent, self-reliant, and self-responsible, and can contribute to the Company’s management and business performance. To this end, we have divided our education system into the following categories according to purpose in our efforts to develop human resources.

In addition, with the objective of enhancing employees’ logical thinking and expertise on product technology, strengthening industry-academia collaboration, and improvement of corporate value through human capital investment, we sponsor young engineers to study in doctoral programs at universities and encourage them to earn their degrees.

Rank-based education	We are working to foster the knowledge, skills, and mindset required by each intake year and position.
Function-specific training	We encourage employees to improve their level of logical thinking, presentation, and other skills essential to becoming “strong employees.”
Global human resources education	We foster a global mindset and provide language education with a view to future success overseas.
Support for participation in external education	To help employees acquire the specialized knowledge and skills required for their work and to promote their self-development, we partially cover the course fees and support participation in external seminars and correspondence courses.

Efforts to Improve Employee Well-being

We are committed to creating a workplace where employees can work with peace of mind by keeping health of them and their families for many years to come.

- Partial coverage of basic course fees and optional fees for complete physical checkups (for the employee and spouse)
- As a measure to raise health awareness among employees and their spouses, we recommend individual employees to undergo reexamination and treatment at medical institutions and receive specific health guidance based on the results of complete physical checkups.
- Partial coverage of the cost of influenza vaccinations (for the employee, spouse, and children)
- Adoption of “Planned Annual Leave System (setting scheduled dates for taking annual paid leaves)” and “Flexible Holiday System (setting any working day as a holiday)” to realize a more balanced work style. The Human Resources Division checks the status of the planned annual leave on a monthly basis.
- In order to realize a work-life balance, we have implemented a number of initiatives to reduce overtime hours, including: (1) Introducing a flextime system, (2) turning off all lights and leaving the office at 8:00 p.m.; and (3) holding meetings between the Company and the labor union to reduce overtime hours.
- Promoting three-minute exercises before the start of the workday (“Exercises for Everyone” are broadcast throughout the building).

- The Company strives to promote physical and mental health by subsidizing the costs of in-house club activities.
- Provision of consecutive leave and incentives for employees who have worked for a certain period of time to give them the opportunity for a mental and physical rest.
- The Company strives to maintain and promote mental and physical health by having training rooms and shower rooms available in the Company.
- The Company has employee cafeterias to provide nutritionally balanced lunches and partially subsidize lunch costs.
- As a welfare association’s project, the Company has purchased a GLTD insurance (group long-term disability income protection insurance) and offers an extra injury and sickness allowance to prepare for incidents that may result in long-term difficulty in working.
- The Company offers health consultation, mental health counseling services, and sports gym facilities in collaboration with the health insurance association, insurance companies, and external welfare services providers.
- The Company has purchased group long-term care insurance to provide financial coverage if an employee, his/her spouse, or a parent is certified as requiring nursing care.
- The Company pays for a matchmaking app subscription to support employees in finding a marriage partner.

Interaction with Local Communities

The Hosiden Group believes that it is essential to build a good relationship and develop together with local communities, which are one of our important stakeholders. Hosiden clearly defines its contribution to local communities in the Hosiden Group Code of Conduct regarding Corporate Social Responsibility (CSR), and promotes activities at each group company.

Specifically, we cooperate to support communities by participating in environmental beautification and cleanup activities and resource collection activities in the community, and sponsoring events related to community revitalization.



Yamato River and Ishikawa River Cleanup Campaign

We Held Cherry Blossoms Viewing Party

We invited Hosiden employees and local residents to a weeping cherry blossoms viewing party on the premises of our Head Office. Although it was a two-day event on Saturday and Sunday, 200 people in total joined our viewing party.



Interview

Human Resources to Realize the Next Hosiden Based on the Business Strategy

-Developing talent to lead our organization into the next generation-



Makiko Wada

General Manager, Personnel Division

The future is uncertain and unpredictable. We have entered a world of VUCA—marked by volatility, uncertainty, complexity, and ambiguity. In this highly uncertain and rapidly changing environment, how should companies sustain its growth? What's needed is the flexibility to adapt to change, the ability to appropriately gather and analyze information, plus the ability to detect and solve problems in advance. All of these are abilities inherent to people. Hosiden engages in the strategic development of human resources, a fundamental asset for a company.

Q What is your basic approach to human resource development?

A We engage in necessary human resource development based on our business strategy.

We start by defining the human resources who are necessary to carry out our medium- to long-term strategy. We first clarify the domains, profiles of human resources needed and roles they are expected to play for the future of the Company. Then, we will determine, as necessary, the required skills and mindset assuming both the business model we seek to achieve and changes in the market. We see HR strategy as something that should always be considered in connection with our management strategy.

Furthermore, we will optimize the overall investment allocation based on human capital management, a concept that human resource development is an investment. Spending on education is not just a cost, but an investment for future growth. Because it is an investment, we need to have a perspective of balancing investments considering the return on investment.

To begin with, human resource development is not something that companies impose on their employees. It is ultimately up to the employees' willingness to grow. For

this reason, companies are required to provide systems to encourage their employees. We foster an atmosphere that inspires their own desire to grow, and create a culture and systems to make that possible. In doing so, it is important to balance diversity and individual optimization. While carefully considering personnel assignments so that each person can leverage and develop his or her individuality, we also actively consider job rotation to help find a workplace where they can make the most of their strengths.

Recently, the early turnover of young employees has gained public attention, but we do not see such a trend in our Company. Our recruits develop attachment to Hosiden, and enjoy their work with enthusiasm. That, more than anything else, is our greatest strengths.

Q Can you share specifics about our employee education programs?

A We provide education suitable for the role required of the employees.

First, in line with our business strategy, we set requirements for human resources that support our future.

Based on these requirements, we define a competency model, which describes behavioral attributes and values required for each job type and rank, and build a systematic education and training systems for each rank, function, and so forth.

We are especially focused on rank-based education. We offer meticulous and comprehensive training during their first ten years with the Company. This includes training for new and young employees up to about their fourth year, as well as leadership training for mid-level employees and supervisors.

Meanwhile, our function-specific training focuses on skills essential for all employees to promote work sophistication and innovation. The skills that we emphasize are logical thinking, conflict management, and basic financial analysis. Developing global talent, or globally competitive human resources, is another priority task for us. Employees registered as candidates for overseas assignments receive training in areas such as language proficiency and cross-cultural understanding.

Generally, we conduct these group trainings to eligible employees at the head office. Trainings serve as a valuable opportunity for employees at same level to meet face-to-face and build cross-functional relationships. We also have systems to support employees in obtaining professional certifications and subsidize expenses when they voluntarily attend external training programs.



Q How are career paths designed, and how do you support career development?

A Hosiden offers two main career tracks: management and specialist.

We provide career paths for both management and specialist positions. The management positions involve organizational administration, human resource development, and executive leadership. Employees are basically nominated by their department and develop necessary capabilities through training in leadership and

strategic thinking and other key areas. In the specialist positions, employees deliver value leveraging their advanced technical or professional expertise. Assignments are decided based on aptitude, and we provide specialized skill training and support for attending external training. While global career path is not an official career track at Hosiden, it involves assignments at our overseas bases and international operations. For eligible employees, we provide support mainly with language learning and cross-cultural understanding.

Having past our corporate maturity phase, Hosiden is now transitioning into a rebuilding phase. At this stage, for all career paths, we seek people with a challenger's spirit who move at their own initiatives. In that sense, our culture of loose hierarchy and the emphasis on open thinking is well suited for developing human resources for the future.

Q What kind of human resources will be needed to drive our future growth?

A We need people who can chart new directions and lead the organization forward.

What we look for are people who can fully demonstrate their creativity and act on their own, rather than simply executing assigned tasks. Instead of waiting for instructions, they should proactively identify challenges and take initiative to solve them. They always positively respond to changes at the workplace or in technology. The leaders of the next generation must also have a variety of capabilities, including the ability to produce results as a team, a global perspective, and the ability to utilize digital tools. We have clearly defined required skills, experience, and mindset for each job type and position through our job grade standards, job classification standards, and competency models.

From a diversity perspective, increasing the ratio of female managers remains a challenge. We are also striving to bridge generational and age-related gaps. We have great expectations for our younger employees. At the same time, I feel we need to change our approach with them. As digital natives, people of this generation value time effectiveness and move very smartly, and are adept at using AI to analyze data and prepare materials. Embracing efforts of employees with new ideas and potentials, and uniting the collective strengths of diverse human resources, Hosiden aims to evolve toward the next generation.

Governance

Basic Approach

We regard corporate governance as an important issue, and our basic approach is to focus on the interests of all stakeholders who

support our corporate activities, under the recognition that it is extremely important to maximize shareholder value.

Basic Policy

- 1 We will strive to ensure the rights and equality of shareholders.
- 2 We will strive to appropriately collaborate with stakeholders other than shareholders (customers, business partners, creditors, local communities, employees, etc.).
- 3 We will strive to ensure appropriate information disclosure and transparency.
- 4 We will strive to appropriately carry out the roles and responsibilities of the Board of Directors to ensure transparent, fair, prompt and decisive decision-making by the Board of Directors.
- 5 We will strive to engage in constructive dialogue with shareholders in order to contribute to sustainable growth and medium- to long-term enhancement of corporate value.

Corporate Governance Structure

In order to build a management system that soundly pushes the Company forward in the face of rising risks associated with globalization and to realize monitoring by Outside Directors, the Board of Directors includes Independent Outside Directors, and an executive officer system has been introduced to separate business decision-making and supervisory functions from business execution functions, thereby reinforcing the functions of both.

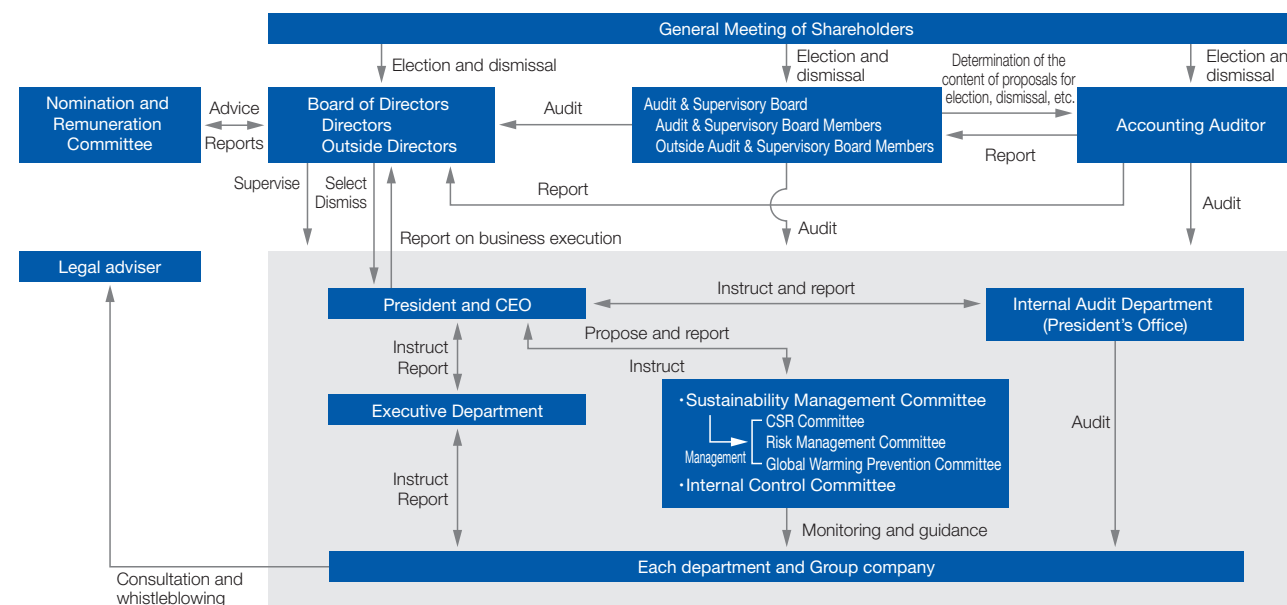
In addition, as the basis of the system for ensuring the efficient execution of duties by Directors, the Board of Directors meets once a month (regular meeting) and also holds extraordinary meetings as necessary.

With regard to the execution of duties by Directors, the Articles of Incorporation, Rules of the Board of Directors, Organization Rules, Rules on Segregation of Duties, and Rules on Administrative Authority stipulate the respective responsible persons and their responsibilities, as well as details of execution procedures, to ensure efficient execution of duties.

In addition, the Company has introduced an Audit & Supervisory Board system. Two of the three Audit & Supervisory Board Members are Outside Audit & Supervisory Board Members. In terms of the management monitoring function, the Company has adopted the current system because it provides a system to monitor the execution of duties by the Directors from an objective standpoint.

With regard to the current election of Outside Audit & Supervisory Board Members, we believe that the Outside Audit & Supervisory Board Members are fully fulfilling their objective of strengthening the auditing function by providing advice and suggestions to the Company's management from an independent standpoint through their attendance at important meetings, including Board of Directors meetings, based on their broad insight and wealth of experience cultivated through their careers.

Organization Chart



Officers (As of June 26, 2025)

Directors



President and CEO
Kenji Furuhashi



Director
Shigemi Dochi



Director
Shingo Sato



Outside Director
Susumu Maruno



Outside Director
Yukari Konishi



Outside Director
Yukiko Hirazawa

Audit & Supervisory Board Members



Full-time Audit & Supervisory Board Member
Tatsuo Kamitani



Outside Audit & Supervisory Board Member
Takayuki Tanemura



Outside Audit & Supervisory Board Member
Masakatsu Maruyama

Policy for Election and Dismissal of Management Executives and Candidates for Directors and Audit & Supervisory Board Members

With regard to the policy for the election and dismissal of management executives and candidates for Directors and Audit & Supervisory Board Members, the Company comprehensively considers the suitable individual for the position, taking into account appropriate and prompt decision-making, sense of responsibility and leadership, necessary knowledge and experience, appropriate risk management, monitoring of business execution, and the ability to cover each function and each business unit in a balanced manner, while also considering reports from the Nomination and

Remuneration Committee. Candidates for Audit & Supervisory Board Members are subject to the approval of the Audit & Supervisory Board. The Company evaluates its business performance, etc. and properly dismisses management executives, when it is deemed appropriate, such as in the case where the senior management is deemed to fail to perform its functions and in the case where a cause for disqualification arises.

Reasons for Election of Outside Directors and Outside Audit & Supervisory Board Members

Name	Reasons for Election
Outside Director Susumu Maruno	Mr. Maruno has expertise cultivated through years of corporate employment and has track records of social and educational activities based on his expertise. He has also been performing activities and expressing views appropriately as an Outside Audit & Supervisory Board Member during his tenure as an Outside Audit & Supervisory Board Member since June 2015 until resignation, and since his election as Outside Director in June 2020. Based on such extensive knowledge and experience, the Company expects Mr. Maruno to reinforce the Company's corporate governance by appropriately supervising the execution of business operations as an Outside Director. Mr. Maruno was an executing person (employee) of Panasonic Corporation (currently Panasonic Holdings Corporation), which is one of the Company's business partners. However, as the amount of transactions with said company represents less than 1% of the Company's consolidated net sales, we think the Company's decision-making will not be influenced by said company. Therefore, we have judged that Mr. Maruno will be able to fully perform his duties as an independent officer without the possibility of causing a conflict of interest with general shareholders.
Outside Director Yukari Konishi	Ms. Konishi has expert knowledge and experience in the electronic components industry to which the Company belongs, and experience as an Outside Audit & Supervisory Board Member at other companies. Based on such extensive knowledge and experience, we have judged that Ms. Konishi will appropriately supervise the execution of business operations as an Outside Director of the Company and reinforce its corporate governance. Ms. Konishi was an executing person (employee) of Panasonic Corporation (currently Panasonic Holdings Corporation), which is one of the Company's business partners. However, as the amount of transactions with said company represents less than 1% of the Company's consolidated net sales, we think the Company's decision-making will not be influenced by said company. Therefore, we have judged that Ms. Konishi will be able to perform her duties as an independent officer without the possibility of causing a conflict of interest with general shareholders.
Outside Director Yukiko Hirazawa	Ms. Hirazawa has considerable knowledge concerning finance and accounting due to her expertise as a certified tax accountant, as well as experience in serving in various positions including the head of a taxation bureau. Based on such experience, we have judged that Ms. Hirazawa will appropriately supervise the execution of business operations as an Outside Director of the Company and reinforce its corporate governance. Furthermore, we have judged that Ms. Hirazawa will be able to fully perform her duties as an independent officer without the possibility of causing a conflict of interest with general shareholders.
Outside Audit & Supervisory Board Member Takayuki Tanemura	Mr. Tanemura has years of experience at a financial institution, and we believe that he will monitor the Directors' performance of their duties from an objective standpoint based on his extensive experience. Although he was an executing person (employee) of Mizuho Bank, Ltd., which is a major business partner of the Company, he is currently not in a position to be influenced by the Bank's intentions. Furthermore, no conflict of interest exists between the Company and Mizuho Bank, Ltd. In addition, the Company has transactions with several financial institutions in addition to Mizuho Bank, Ltd., and does not have a special business relationship only with Mizuho Bank, Ltd. Moreover, the ratio of loans from the bank to our total assets represent less than 1%, and we think the Company's decision-making will not be influenced by said bank. Therefore, we have judged that Mr. Tanemura will be able to fully perform his duties as an independent officer without the possibility of causing a conflict of interest with general shareholders.
Outside Audit & Supervisory Board Member Masakatsu Maruyama	Due to his many years of corporate employment, the Company believes that Mr. Maruyama has extensive experience not only as an engineer, but also in the areas of strategy and management. Based on such extensive knowledge and experience, the Company expects him to monitor the Directors' performance of their duties from an objective standpoint as an Outside Audit & Supervisory Board Member. Mr. Maruyama was an executing person (employee) of Panasonic Corporation (currently Panasonic Holdings Corporation), which is one of the Company's business partners. However, as the amount of transactions with said company represents less than 1% of the Company's consolidated net sales, we think the Company's decision-making will not be influenced by said company. Therefore, we have judged that Mr. Maruyama will be able to fully perform his duties as an independent officer without the possibility of causing a conflict of interest with general shareholders.

Governance

Skills Matrix

In order to achieve medium- to long- term management strategy, expected areas of expertise are defined as 1) Corporate management/ Management strategy, 2) Technology/R&D, 3) Sales/Marketing, 4) Manufacturing, 5) Internationalism, 6) Finance/ Accounting, and 7) Legal affairs/Risk management. Each Director is appropriately placed for each area as shown below.

Name		Areas of expertise						
		Corporate management/ Management strategy	Technology/ R&D	Sales/ Marketing	Manufacturing	Internationalism	Finance/ Accounting	Legal affairs/ Risk management
Directors	Kenji Furuhashi	●	●	●	●	●	●	
	Shigemi Dochi			●	●	●		
	Shingo Sato	●	●	●	●	●	●	
	Susumu Maruno	Outside/ Independent	●			●		●
	Yukari Konishi	Outside/ Independent				●		●
	Yukiko Hirazawa	Outside/ Independent	●			●	●	●
Audit & Supervisory Board Members	Tatsuo Kamitani		●			●		●
	Takayuki Tanemura	Outside/ Independent				●	●	●
	Masakatsu Maruyama	Outside/ Independent	●			●		●

(Note) The above table does not reflect all of the experience and expertise possessed by each Director/Audit & Supervisory Board Member, but only presents those experience and expertise to be particularly expected to provide and considered to be important to achieve medium- to long- term management strategy.

Remuneration of Senior Management and Directors

The remuneration for Directors consists of “monthly remuneration,” “bonuses for Directors,” and “non-monetary remuneration.” The maximum total amount of “monthly remuneration” is resolved at the General Meeting of Shareholders, and the monthly remuneration for each individual Director is determined by the President and CEO, as authorized by the Board of Directors, in accordance with consultation with the Nomination and Remuneration Committee, which is established voluntarily, based on a comprehensive assessment of the individual’s responsibilities and business performance as well as the degree of risk involved. The timing of payment shall be once a month on a designated day.

“Bonuses for Directors” are not performance-linked remuneration that are calculated based on the performance indicators. However, the Company resolves the total amount at the General Meeting of Shareholders by comprehensively considering the business performance for the fiscal year and the actual past payment amount, as well as situation of peer companies in the same industry. The amount of individual bonuses is determined by the President and CEO, as authorized by the Board of Directors, in accordance with consultation with the Nomination and Remuneration Committee, which is

established voluntarily, while taking into consideration the individual’s sales performance and contribution. The timing of payment shall be once a year promptly after the approval of the total amount at the General Meeting of Shareholders. Outside Directors are not eligible for the payment of bonuses for Directors.

“Non-monetary remuneration” has been introduced as a restricted stock remuneration plan for Directors with the aim of providing them with an incentive to sustainably increase the Company’s corporate value and to further share value with shareholders. Restricted stock will be granted within the limit of the amount of remuneration resolved at the General Meeting of Shareholders by way of in-kind contribution of monetary remuneration claims from Directors. The timing and allocation of payment to each individual will be determined by the President and CEO, as authorized by the Board of Directors, in accordance with consultation with the Nomination and Remuneration Committee, which is established voluntarily, while taking into consideration the individual’s responsibilities and business performance as well as the degree of risk involved. The timing of payment shall be determined by resolution of the Board of Directors once a year. Outside Directors are not eligible for the payment of restricted stock remuneration.

Executive Remuneration

Classification of Officers	Total amount of remuneration (millions of yen)	Total amount of remuneration by type (millions of yen)			Number of eligible officers (persons)	
		Performance-linked remuneration	Non-monetary remuneration	Other remuneration		
				Monthly remuneration		Bonuses
Directors (of which, Outside Directors)	197 (16)	—	17 (—)	152 (16)	27 (—)	5 (3)
Audit & Supervisory Board Members (of which, Outside Audit & Supervisory Board Members)	20 (8)	—	—	20 (8)	—	3 (2)

(Notes) 1. The amount of remuneration for Directors does not include the amount of employee salaries of Directors who concurrently serve as employees.
2. The amount of remuneration for Directors includes 27 million yen for the provision for bonuses for directors in the proposal “Payment of Bonuses to Directors,” which was approved at the 75th Ordinary General Meeting of Shareholders held on June 26, 2025.
3. The maximum amount of remuneration for Directors as per the resolution of the General Meeting of Shareholders is 25 million yen per month. (However, bonuses for Directors and salaries and bonuses for employees of Directors who concurrently serve as employees shall not be included.)
4. As for the restricted stock remuneration, which is non-monetary remuneration, monetary remuneration claims of not more than 30 million yen per year shall be granted to eligible Directors separately from the conventional monetary remuneration for Directors as in-kind contributions for granting restricted stock; the total number of shares of the Company’s common stock to be issued or disposed of under the plan shall be not more than 50,000 shares per year; and the transfer restriction period for the restricted stock shall be a period from the delivery of the restricted stock to the date on which the eligible Directors lose their position as the Company’s Director.
5. The maximum amount of remuneration for Audit & Supervisory Board Members as per the resolution of the General Meeting of Shareholders is 3 million yen per month.

Board of Directors

In order to realize sustainable enhancement of corporate value while emphasizing the diversity of the Board of Directors, the Company nominates candidates for Directors who possess the necessary knowledge, experience, ability, and internationality. We have elected three Independent Outside Directors out of six Directors to enhance transparency and objectivity in management, to supervise business execution, and to speed up decision-making

by a small number of talented individuals. In addition, we have introduced an Executive Officer System and implemented a significant delegation of authority from Directors to Executive Officers to clarify the roles of management supervision and business execution functions, as well as to speed up the execution of business operations.

Assessment of Board Effectiveness

In order to improve the function of the Board of Directors, the Company has conducted a self-evaluation by each Director. Based on their results, the Board of Directors verified and evaluated the effectiveness of the Board of Directors as a whole, and confirmed that the Company’s Board of Directors is functioning properly and its effectiveness is ensured.

Nomination and Remuneration Committee

The Nomination and Remuneration Committee consists of two Independent Outside Directors and a Representative Director. Upon consultation from the Board of Directors, the Committee considers matters concerning the election and dismissal of Directors and Audit & Supervisory Board Members, the remuneration for Directors, and successor plans (including development of successors), and provides advice and recommendations to the Board of Directors.

[Members] Kenji Furuhashi (Chairperson), Susumu Maruno, Yukari Konishi

Message from Outside Directors



Susumu Maruno

Capture changes in our management environment and promote the creation of new value that opens up the future

Over time, Hosiden has been contributing to the development of society and industry by providing various products based on its advanced technological capabilities as a comprehensive electronic components manufacturer. Recently, our business environment has become increasingly unstable due to U.S.-China economic frictions and tariff issues, as well as the growing fragmentation of the global economy. Amid such turbulent times, Hosiden pursues efficient organizational management capable of quickly responding to shifts in the business environment, and bold business operations to develop and manufacture innovative new products based on unique technology and bring them to the market on a timely basis. As an Outside Director with a technological background, I am committed to, if in a modest way, to contribute to the development of innovative new products and creation of new businesses that will open up the future, and the creation of new value and the sound development of our business operations.

Enhance corporate value through stronger governance and diversity

As a comprehensive electronic components manufacturer, Hosiden has contributed to the development of the electronics market by supplying high-performance, high-quality products supported by its advanced technological capabilities and thorough quality assurance system. Amid an uncertain economic outlook, influenced by policy trends such as strengthened U.S. tariffs and fluctuations in exchange rates, it is vital for Hosiden both to maintain and expand the core businesses and to develop new businesses. More than ever, we need to carefully select and focus our business initiatives. To achieve the company’s sustainable growth and enhance corporate value over the medium to long term, the role of the Board of Directors has become even more important. At Hosiden, Executive Officers and other executive employees also participate in Board of Directors meetings to share information on matters such as management strategies and issues, and make prompt decisions. In addition, outside officers are offered opportunities to frankly exchange opinions with the President and CEO, ensuring they can always participate in management from an independent and objective standpoint. Personally, I hope to leverage the experience and skills I have accumulated to help strengthen the compliance and governance systems, while also making modest contributions to diversity initiatives.



Yukari Konishi

New appointment Message from Outside Director



Yukiko Hirazawa

Ensure management soundness and transparency, and contribute to success of diverse talent

I assumed the position of Outside Director in June 2025. After over 40 years of experience in tax administration as a national government employee, I am currently working as a certified public tax accountant. I hope to do my part to ensure the soundness and transparency of corporate management, by drawing on my many years of practical experience at public organizations. In addition, as rapid technological innovation requires companies to secure and develop human resources to lead the next generation and to foster a corporate culture that embraces diversity, Hosiden has put a framework in place to accept a wide range of human resources regardless of nationality, gender, or background. I am the second woman to serve as a Director at Hosiden. Given the importance of diversity in enhancing creativity and competitiveness of a company, I hope I can contribute to the development of an organization where human resources with diverse backgrounds can play active roles. Going forward, in my capacity as Outside Director, I will strive to faithfully fulfill my responsibilities toward Hosiden’s sustainable growth and improvement of corporate value over the medium to long term.

Financial Summery

(Millions of yen)						
Fiscal Year		71st	72nd	73rd	74th	75th
Year End		March 2021	March 2022	March 2023	March 2024	March 2025
Net sales	(Millions of yen)	233,934	207,608	277,244	218,910	247,571
Ordinary profit	(Millions of yen)	13,401	15,786	18,984	18,160	14,776
Profit attributable to owners of parent	(Millions of yen)	10,338	11,901	12,637	11,632	10,037
Comprehensive income	(Millions of yen)	11,932	13,469	14,477	14,702	10,779
Net assets	(Millions of yen)	109,250	119,533	126,753	134,870	140,317
Total assets	(Millions of yen)	161,894	171,525	179,993	175,008	200,279
Net assets per share	(Yen)	1,935.14	2,175.11	2,379.08	2,609.20	2,757.39
Basic earnings per share	(Yen)	178.70	211.57	232.88	224.23	194.76
Diluted earnings per share	(Yen)	166.28	196.32	214.93	205.62	181.88
Equity-to-asset ratio:	(%)	67.5	69.7	70.4	77.1	70.1
Return on equity	(%)	9.8	10.4	10.3	8.9	7.3
Price earnings ratio	(Times)	6.5	5.5	6.9	8.6	10.2
Cash flows from operating activities	(Millions of yen)	12,590	(1,230)	20,765	26,931	(18,228)
Cash flows from investing activities	(Millions of yen)	(2,360)	(3,059)	(9,852)	(8,345)	(5,931)
Cash flows from financing activities	(Millions of yen)	(3,860)	(3,748)	(7,437)	(7,940)	(5,312)
Cash and cash equivalents at end of period	(Millions of yen)	69,522	62,479	66,017	76,662	46,769
Number of employees	(Persons)	9,570	8,808	9,028	6,839	8,791

Note: Net sales do not include consumption taxes.

Consolidated Balance Sheets

(Millions of yen)		
	As of March 31, 2024	As of March 31, 2025
Assets		
Current assets		
Cash and deposits	72,287	59,564
Notes receivable - trade	1,644	1,224
Accounts receivable - trade	21,110	31,918
Securities	14,624	—
Merchandise and finished goods	9,214	8,220
Work in process	3,730	3,207
Raw materials and supplies	19,638	61,897
Trade accounts receivable	1,188	1,170
Other	2,503	4,496
Allowance for doubtful accounts	(15)	(182)
Total current assets	145,925	171,516
Non-current assets		
Property, plant and equipment		
Buildings and structures	21,966	22,510
Accumulated depreciation and impairment	(15,021)	(15,663)
Buildings and structures, net	6,944	6,847
Machinery, equipment and vehicles	27,160	27,614
Accumulated depreciation and impairment	(22,787)	(22,600)
Machinery, equipment and vehicles, net	4,373	5,013
Land	3,031	3,019
Construction in progress	311	874
Other	30,885	31,340
Accumulated depreciation and impairment	(28,905)	(27,492)
Other, net	1,979	3,847
Total property, plant and equipment	16,641	19,602
Intangible assets	405	508
Investments and other assets		
Investment securities	7,057	7,228
Retirement benefit asset	35	—
Deferred tax assets	674	626
Other	4,554	1,052
Allowance for doubtful accounts	(286)	(254)
Total investments and other assets	12,035	8,652
Total non-current assets	29,082	28,763
Total assets	175,008	200,279

(Millions of yen)		
	As of March 31, 2024	As of March 31, 2025
Liabilities		
Current liabilities		
Notes and accounts payable-trade	14,673	35,638
Short-term borrowings	1,050	1,050
Current portion of bonds with share acquisition rights	10,008	—
Income taxes payable	3,253	2,127
Provision for bonuses for directors (and other officers)	140	151
Other	5,916	6,269
Total current liabilities	35,042	45,236
Non-current liabilities		
Bonds with share acquisition rights	—	10,190
Deferred tax liabilities	2,167	2,397
Retirement benefit liability	2,307	1,497
Other	620	640
Total non-current liabilities	5,094	14,725
Total liabilities	40,137	59,962
Net assets		
Shareholders' equity		
Capital	13,660	13,660
Capital surplus	19,596	19,596
Retained earnings	106,744	112,257
Treasury shares	(11,584)	(12,393)
Total shareholder's equity	128,417	133,120
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	3,500	3,464
Foreign currency translation adjustment	2,272	2,922
Remeasurements of defined benefit plans	680	809
Total accumulated other comprehensive income	6,453	7,196
Total net assets	134,870	140,317
Total liabilities and net assets	175,008	200,279

Consolidated Statements of Income

	Fiscal year ended March 31, 2024 (from April 1, 2023 to March 31, 2024)	Fiscal year ended March 31, 2025 (from April 1, 2024 to March 31, 2025)
Net sales	218,910	247,571
Cost of sales	196,164	224,422
Gross profit	22,745	23,148
Selling, general and administrative expenses	9,820	9,575
Operating profit	12,925	13,573
Non-operating income		
Interest income	808	968
Dividend income	142	164
Foreign exchange gains	4,214	45
Other	129	131
Total non-operating income	5,294	1,309
Non-operating expenses		
Interest expenses	41	34
Commission for syndicated loans	—	64
Other	16	8
Total non-operating expenses	58	107
Ordinary profit	18,160	14,776
Extraordinary income		
Gain on sale of non-current assets	14	14
Gain on sale of golf club memberships	—	4
Total extraordinary income	14	18
Extraordinary losses		
Loss on sale and retirement of non-current assets	33	8
Loss on valuation of securities	—	123
Impairment losses	931	432
Other	0	0
Total extraordinary losses	965	565
Profit before income taxes	17,210	14,229
Income taxes - current	5,181	3,876
Income taxes - deferred	396	315
Total income taxes	5,578	4,192
Profit	11,632	10,037
Profit attributable to non-controlling interests	—	—
Profit attributable to owners of parent	11,632	10,037

Consolidated Statements of Comprehensive Income

	Fiscal year ended March 31, 2024 (from April 1, 2023 to March 31, 2024)	Fiscal year ended March 31, 2025 (from April 1, 2024 to March 31, 2025)
Profit	11,632	10,037
Other comprehensive income		
Valuation difference on available-for-sale securities	1,119	(35)
Foreign currency translation adjustment	1,605	650
Remeasurements of defined benefit plans, net of tax	345	128
Total other comprehensive income	3,070	742
Comprehensive income	14,702	10,779
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	14,702	10,779
Comprehensive income attributable to non-controlling interests	—	—

Consolidated Statements of Changes in Equity

Fiscal year ended March 31, 2024 (from April 1, 2023 to March 31, 2024)											(Millions of yen)
Shareholders' equity						Accumulated other comprehensive income				Total net assets	
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholder's equity	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	13,660	19,596	100,808	(10,695)	123,370	2,381	666	334	3,382	126,753	
Changes during period											
Dividends of surplus			(3,798)		(3,798)					(3,798)	
Profit attributable to owners of parent			11,632		11,632					11,632	
Purchase of treasury shares				(2,817)	(2,817)					(2,817)	
Disposal of treasury shares		9		20	29					29	
Cancellation of treasury shares		(9)	(1,897)	1,907	—					—	
Net changes in items other than shareholders' equity						1,119	1,605	345	3,070	3,070	
Total changes during period	—	—	5,936	(889)	5,046	1,119	1,605	345	3,070	8,117	
Balance at end of period	13,660	19,596	106,744	(11,584)	128,417	3,500	2,272	680	6,453	134,870	

Fiscal year ended March 31, 2025 (from April 1, 2024 to March 31, 2025)											(Millions of yen)
Shareholders' equity						Accumulated other comprehensive income				Total net assets	
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholder's equity	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	13,660	19,596	106,744	(11,584)	128,417	3,500	2,272	680	6,453	134,870	
Changes during period											
Dividends of surplus			(3,264)		(3,264)					(3,264)	
Profit attributable to owners of parent			10,037		10,037					10,037	
Purchase of treasury shares				(3,000)	(3,000)					(3,000)	
Disposal of treasury shares		404		528	932					932	
Cancellation of treasury shares		(404)	(1,259)	1,663	—					—	
Net changes in items other than shareholders' equity						(35)	650	128	742	742	
Total changes during period	—	—	5,512	(808)	4,703	(35)	650	128	742	5,446	
Balance at end of period	13,660	19,596	112,257	(12,393)	133,120	3,464	2,922	809	7,196	140,317	

Consolidated Statements of Cash Flows

(Millions of yen)

	Fiscal year ended March 31, 2024 (from April 1, 2023 to March 31, 2024)	Fiscal year ended March 31, 2025 (from April 1, 2024 to March 31, 2025)
Cash flows from operating activities		
Profit before income taxes	17,210	14,229
Depreciation	3,150	3,540
Impairment losses	931	432
Increase (decrease) in allowance for doubtful accounts	(73)	140
Increase (decrease) in retirement benefit liability	(436)	(627)
Interest and dividend income	(950)	(1,132)
Interest expenses	41	34
Loss (gain) on sale and retirement of non-current assets	19	(5)
Loss (gain) on valuation of investment securities	—	123
Decrease (increase) in trade receivables	12,963	(10,032)
Decrease (increase) in inventories	10,073	(40,172)
Decrease (increase) in operating accounts receivable	380	17
Decrease (increase) in other assets	1,095	(1,667)
Increase (decrease) in trade payables	(11,796)	20,912
Increase (decrease) in other liabilities	(38)	91
Other, net	(173)	451
Subtotal	32,394	(13,665)
Interest and dividends received	940	1,086
Interest paid	(49)	(31)
Income taxes paid	(6,354)	(5,617)
Net cash provided by (used in) operating activities	26,931	(18,228)
Cash flows from investing activities		
Payments into time deposits	(12,372)	(15,048)
Proceeds from withdrawal of time deposits	10,247	12,629
Payments into long-term deposits	(3,500)	—
Proceeds from withdrawal of long-term deposits	—	3,000
Purchase of property, plant and equipment	(2,742)	(6,262)
Proceeds from sale of property, plant and equipment	97	78
Purchase of investment securities	—	(149)
Purchase of intangible assets	(179)	(255)
Other, net	103	75
Net cash provided by (used in) investing activities	(8,345)	(5,931)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(1,187)	—
Redemption of bonds with share acquisition rights	—	(9,085)
Proceeds from the issuance of bonds with share acquisition rights	—	10,135
Purchase of treasury shares	(2,817)	(3,000)
Dividends paid	(3,798)	(3,264)
Other, net	(137)	(97)
Net cash provided by (used in) 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 beginning of period	66,017	76,662
Cash and cash equivalents at end of period	76,662	46,769

Company/Stock Information (as of March 31, 2025)

Company Overview

Company name	Hosiden Corporation
Established	September 14, 1950
Capital	13,660 million yen
Fiscal year	April 1 through March 31 of the following year
Number of employees	8,791 (Consolidated), 582 (Non-consolidated)
Head office	4-33, Kitakyuhoji 1-Chome, Yao City, Osaka, 581-0071

Stock Information

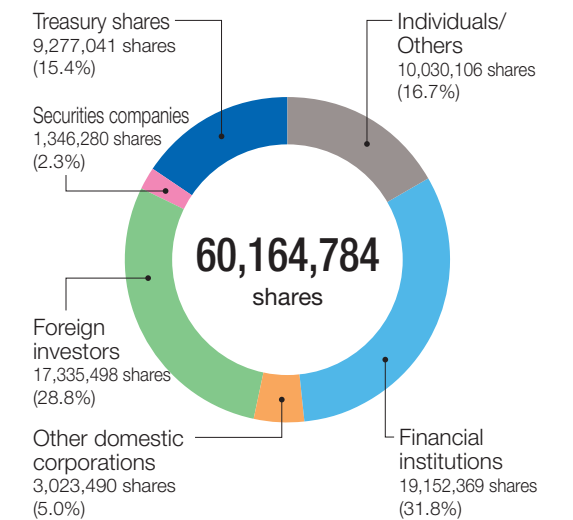
General meeting of shareholders	June every year
Number of shares per unit	100 shares
Total number of authorized shares	150,000,000 shares
Total number of issued shares	60,164,784 shares (Including 9,277,041 treasury shares)
Number of shareholders	11,314

Major Shareholders

Order	Shareholder name	Number of shares held	Shareholding ratio
		shares	%
1	The Master Trust Bank of Japan, Ltd. (Trust account)	7,011,900	13.8
2	Mizuho Trust & Banking Co., Ltd., Retirement benefit trust, Mizuho Bank, Ltd. Account Re-trustee: Custody Bank of Japan, Ltd.	2,535,800	5.0
3	Nippon Life Insurance Company	2,358,555	4.6
4	MSIP CLIENT SECURITIES	2,094,999	4.1
5	Custody Bank of Japan, Ltd. (Trust account)	1,849,200	3.6
6	Tokio Marine & Nichido Fire Insurance Co., Ltd.	1,500,690	2.9
7	MUFG Bank, Ltd.	1,300,030	2.6
8	Yumi Furuhashi	1,204,541	2.4
9	State Street Bank and Trust Company 505001	1,168,696	2.3
10	Hosiden Kyoekai	1,074,100	2.1

(Notes) 1. The top 10 major shareholders are listed.
2. The Company holds 9,277,041 treasury shares, which are not shown in the table above.
3. Shareholding ratio is calculated excluding 9,277,041 treasury shares.

Shareholder Composition (shares)



Our Website

Various information related to the Group (products, technologies, sustainability, IR, and recruitment) is posted on the Company's website. Please refer to the website together with this report.

<https://www.hosiden.com/en/>

