



HOKURIKU

# Fiscal Year ended March 31, 2025 Financial Results Briefing Material

May 2025

HOKURIKU ELECTRIC INDUSTRY CO., LTD

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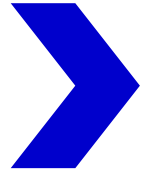
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## 1. FY2024

## Financial Results

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# Summary of Financial Results

- Net sales: JPY 43.19 Bn +2.37 Bn YoY
- Operating income: JPY 2.60 Bn +0.33 Bn YoY
- Ordinary income: JPY 2.85 Bn -0.26 Bn YoY
- Profit attributable to owners of parent: JPY 2.19 Bn -0.34 Bn YoY

(100 Millions of yen)

	FY2023 Results	FY2024 Results	YoY Change	
			Amount	%
Net sales	408.1	431.9	+23.7	+5.8
Operating income	22.7	26.0	+3.3	+14.5
Ratio of operating income to net sales	5.6%	6.0%	—	—
Ordinary income	31.1	28.5	-2.6	-8.3
Profit attributable to owners of parent	25.4	21.9	-3.4	-13.5
Exchange rate (End of term) 1US\$=JPY	151.41	149.52	—	—



# Sales Amount by Product

- **Modules:** Increase in new markets and for new customers.
- **Electronic Component Devices:** Orders for resistors and sensors increased due to progress in inventory adjustments by customers.

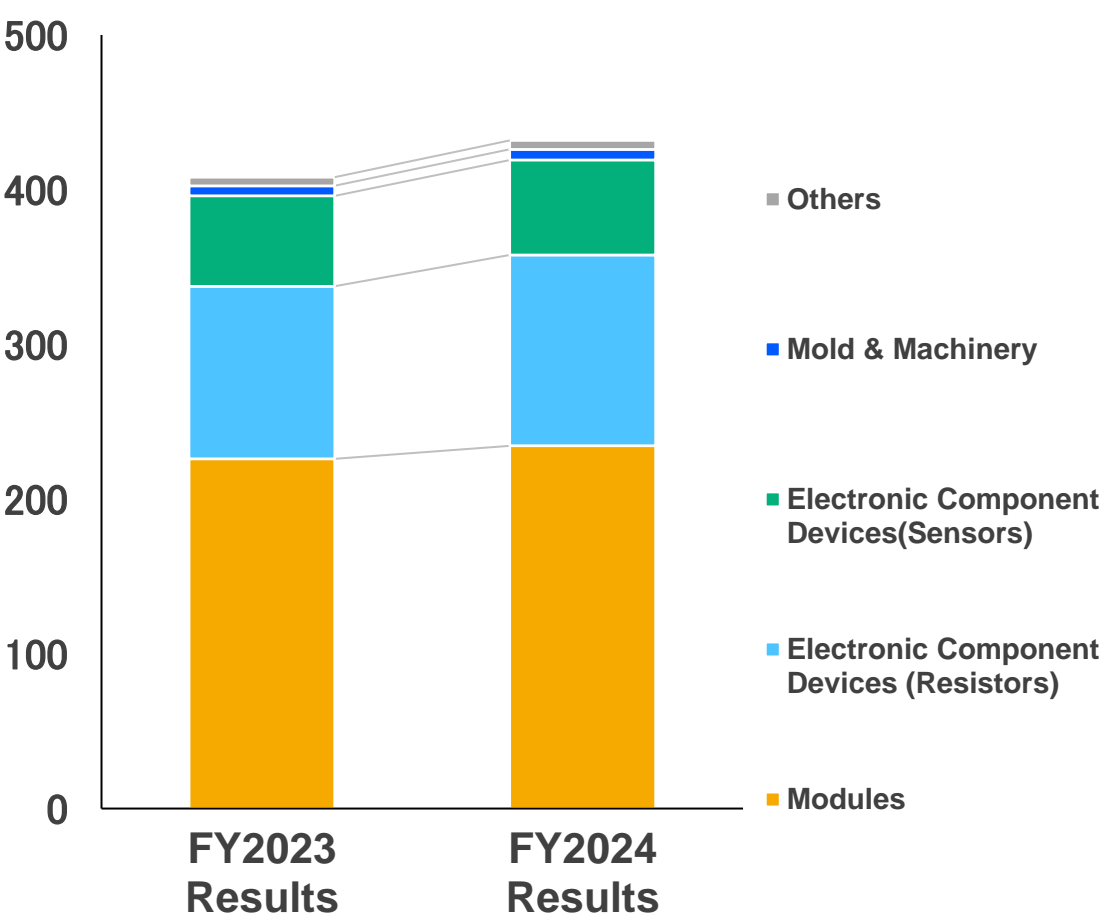
Module products

Sales: JPY 23.44 Bn +0.84 Bn YoY

Electronic Component Devices products

Sales: JPY 18.47 Bn +1.47 Bn YoY

	FY2023 Results		FY2024 Results		YoY Change	
		%		%	Amount	%
Modules	226.1	55.4	234.4	54.3	+8.4	+3.7
Electronic Component Devices (Resistors)	111.6	27.3	123.4	28.6	+11.8	+10.6
Electronic Component Devices (Sensors)	58.4	14.3	61.3	14.2	+2.9	+5.0
Mold & Machinery	6.6	1.6	7.0	1.6	+0.4	+6.4
Others	5.5	1.4	5.7	1.3	+0.2	+3.5
Total	408.1	100.0	431.9	100.0	+23.7	+5.8



# Sales Amount Breakdown by Market

> **Mobility market sales:**

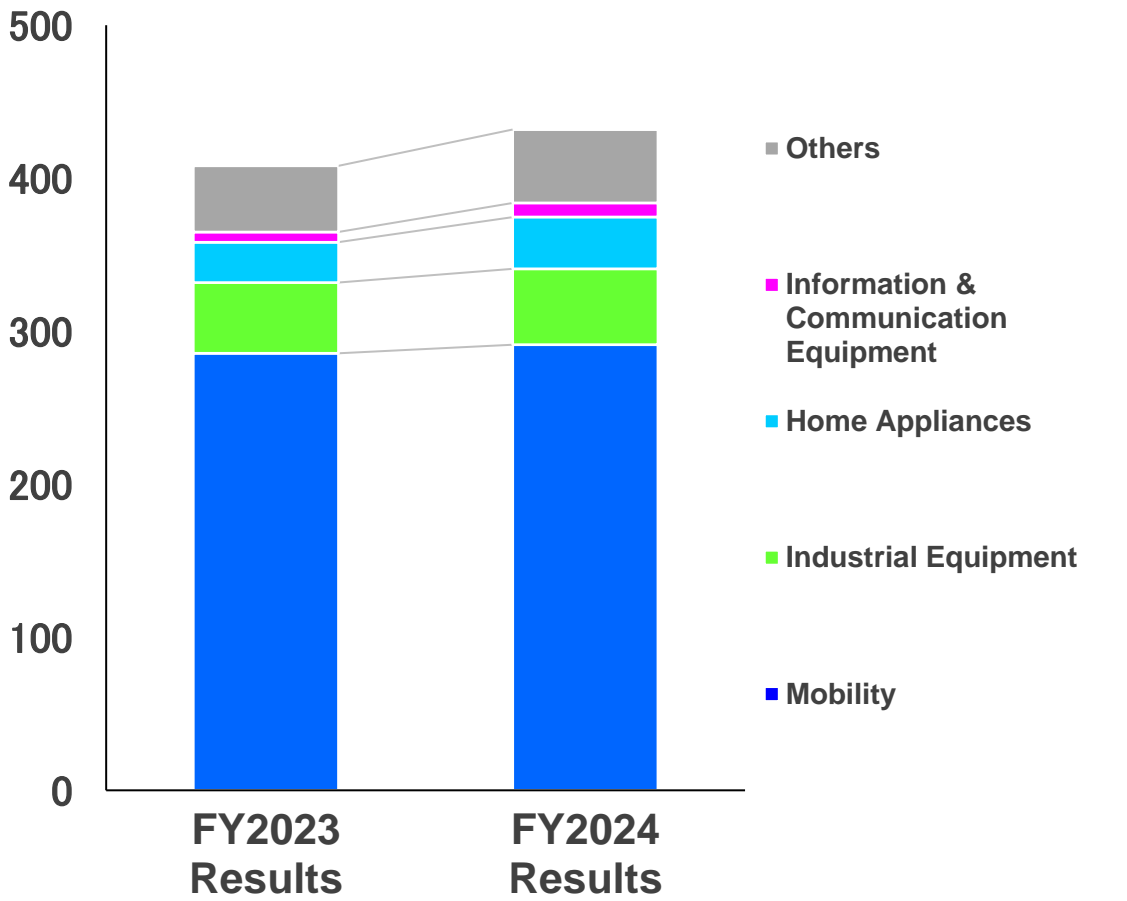
Decreased due to sluggish EV sales and automakers' production adjustments, but increased in new markets and for new customers.

> **Industrial Equipment , Home Appliances , Information and Communication Equipment , Others market sales:**

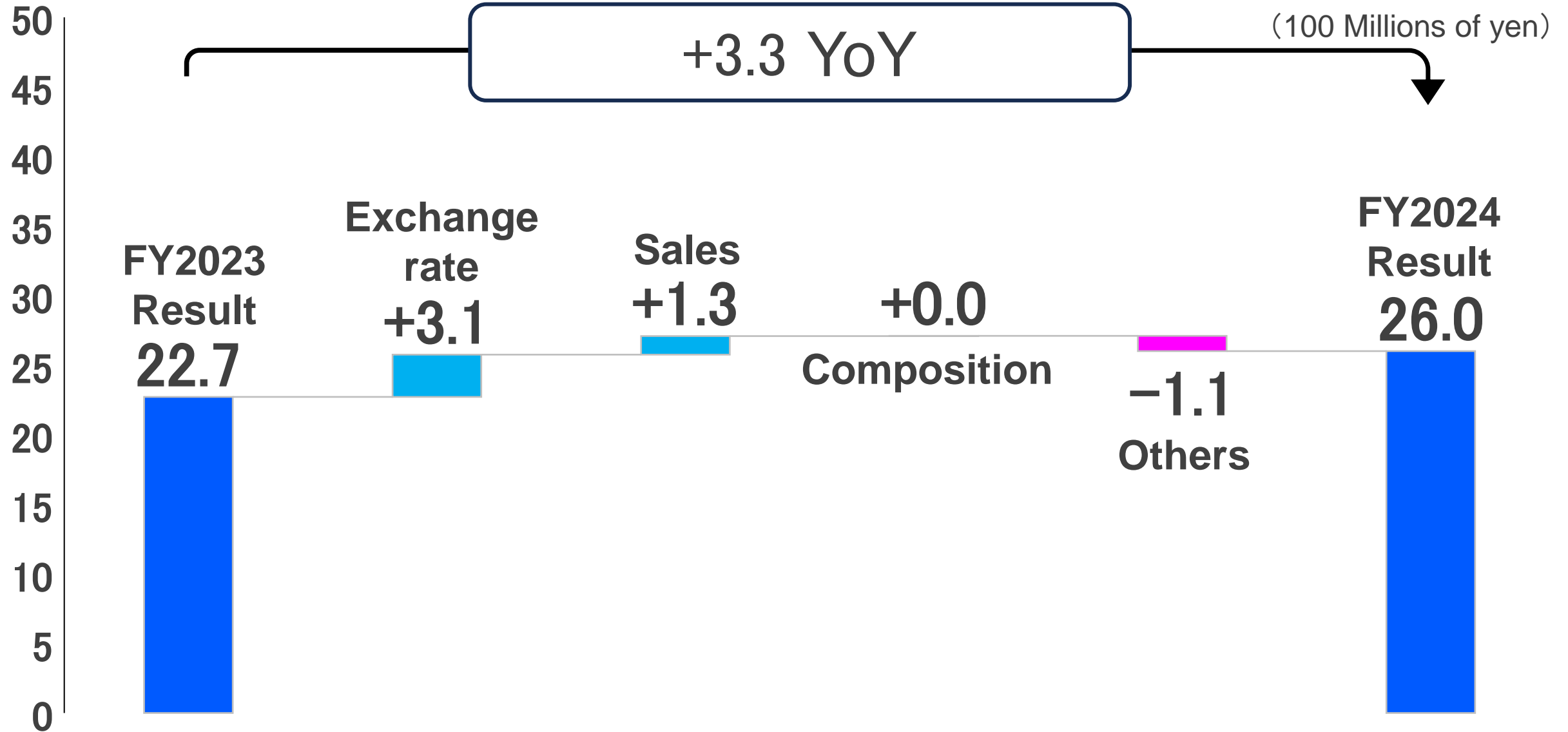
Orders increased due to progress in inventory adjustments by customers.

(100 Millions of yen)

	FY2023 Results		FY2024 Results		YoY Change	
		%		%	Amount	%
Mobility	285.6	70.0	291.2	67.4	+5.6	+2.0
Industrial Equipment	46.3	11.3	49.6	11.5	+3.3	+7.2
Home Appliances	26.4	6.5	33.8	7.8	+7.4	+28.1
Information & Communication Equipment	6.7	1.6	9.3	2.1	+2.6	+39.0
Others	43.2	10.6	48.0	11.1	+4.8	+11.1
Total	408.1	100.0	431.9	100.0	+23.7	+5.8



# Changes in Operating income (YoY)



# Balance Sheet

- Total assets increased JPY 1.55 Bn mainly due to increase in Cash and deposits and Trade receivables.
- Total liabilities declined by JPY 1.06 Bn due to net decrease in Borrowings.

(Millions of yen)

	FY2023	FY2024	YoY Change
<b>Current assets</b>	<b>29,029</b>	<b>30,625</b>	<b>+1,596</b>
Cash and deposits	10,112	11,931	+1,819
Trade receivables	8,016	8,650	+633
Inventories	9,252	8,108	-1,143
<b>Non-current assets</b>	<b>12,616</b>	<b>12,569</b>	<b>-46</b>
<b>Total assets</b>	<b>41,645</b>	<b>43,195</b>	<b>+1,549</b>
<b>Current liabilities</b>	<b>11,492</b>	<b>11,279</b>	<b>-212</b>
Trade payables	5,736	5,802	+66
Short-term borrowings	3,856	3,409	-446
<b>Non-current liabilities</b>	<b>10,046</b>	<b>9,202</b>	<b>-844</b>
<b>Total liabilities</b>	<b>21,538</b>	<b>20,482</b>	<b>-1,056</b>
<b>Total net assets</b>	<b>20,106</b>	<b>22,713</b>	<b>+2,606</b>
<b>Total liabilities and net assets</b>	<b>41,645</b>	<b>43,195</b>	<b>+1,549</b>

- Net assets increased by JPY 2,606 million

- Profit attributable to owners of parent +2,194
- Dividends from surplus -489
- Acquisition of treasury stock, etc. -364
- Foreign currency translation adjustments due to appreciation of Asian currencies against the yen +1,148

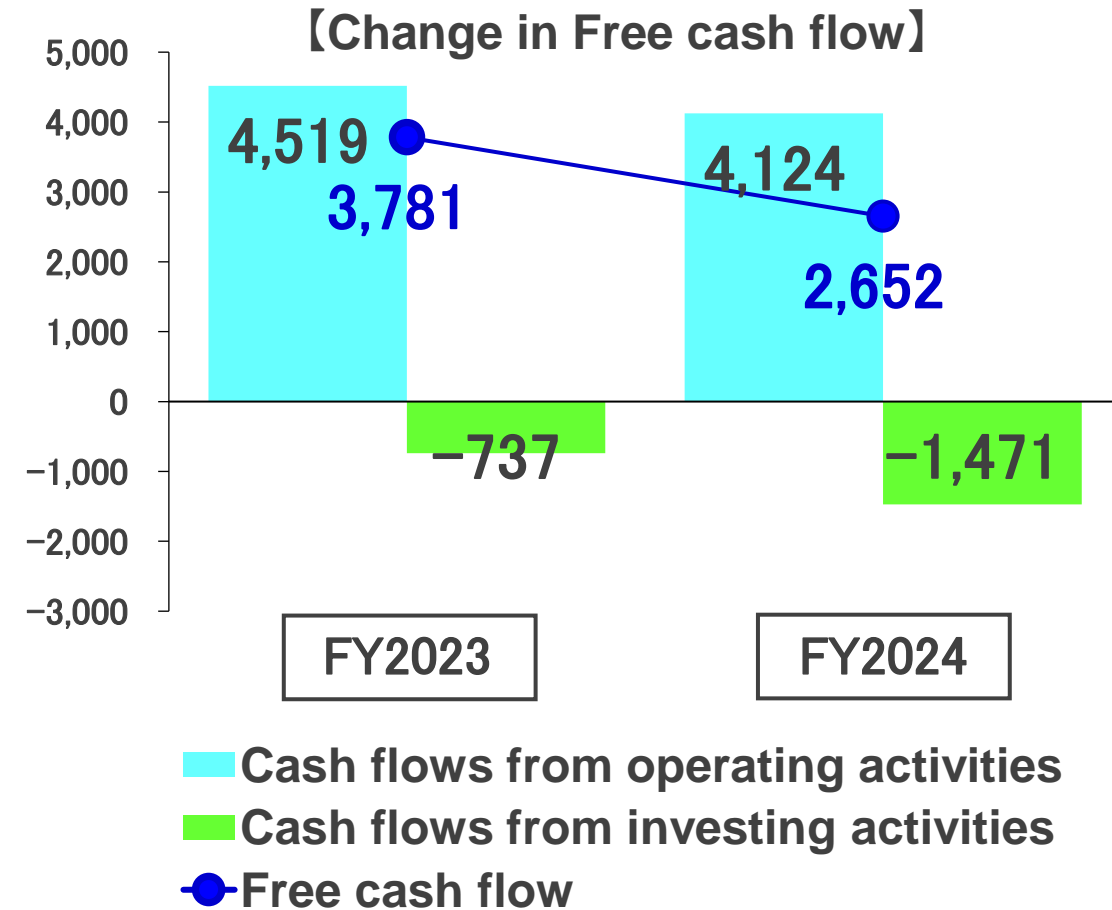


# Cash Flows

- **Operating activities:** Decrease in income before income taxes.
- **Investing activities:** Mainly due to the purchase of Non-current assets.
- **Financing activities:** Decrease in borrowings. Dividend payments and share repurchases.

(Millions of yen)

	FY2023	FY2024	YoY Change
Net cash provided by operating activities	4,519	4,124	-395
Net cash provided by investing activities	-737	-1,471	-734
Free cash flow	3,781	2,652	-1,129
Net cash provided by financing activities	-2,476	-1,905	+571
Cash and cash equivalents at end of period	8,018	9,303	+1,285





## 2. FY2025 Financial Forecast

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- Business Environment
- Financial Forecast
- Sales Amount by Product
- Sales Amount Breakdown by Market
- Changes in Operating income (YoY)
- Capital expenditures/  
Depreciation/R&D expenses
- Return to Shareholders

# Business Environment

## FY2024

### ◇ Global Economy

- The U.S.A. remains firm, centered on consumer spending, while in China, exports showed a recovery trend, but China's domestic demand remained sluggish.

### ◇ Electronics Market

- Despite a recovery in the production of Information & Communication Equipment, demand for electronic components remained generally flat due to a slowdown in electric vehicles in the mobility sector and the impact of operation stoppages at some customers.

## FY2025

### ◇ Global Economy

- Uncertainty is expected to continue due to the implementation of tariff policies by the U.S.A. and ongoing geopolitical tensions.

### ◇ Electronics Market

- Although demand for components in the mobility sector is slowing due to the slowdown of electrified vehicles and other factors, demand is expected to grow over the medium to long term due to continued technological innovation accompanying the progress of electrification.
- Weakness in industrial equipment, consumer electronics, and other sectors due to the sluggish Chinese economy and other factors, but demand is expected to recover moderately in the second half of the fiscal year.

# Financial Forecast

- Net sales: JPY 40.80 Bn -2.39 Bn YoY
- Operating income: JPY 2.00 Bn -0.60 Bn YoY
- The impact of The U.S.A. tariff policy is not yet reflected in the financial forecast due to a number of uncertain factors at this point.

(100 Millions of yen)

	FY2024 Results	FY2025 Forecast	YoY Change	
			Amount	%
Net sales	431.9	408.0	-23.9	-5.5
Operating income	26.0	20.0	-6.0	-23.1
Ratio of operating income to net sales	6.0%	4.9%	—	—
Ordinary income	28.5	17.0	-11.5	-40.3
Profit attributable to owners of parent	21.9	12.0	-9.9	-45.3
Exchange rate (End of term) 1US\$=JPY	149.52	140.00	—	—

# Sales Amount by Product

➤ Although demand for components is on an increasing trend against the backdrop of electrification of mobility and other factors, sales decreased due to the impact of foreign exchange rate fluctuations and other factors.

Module products

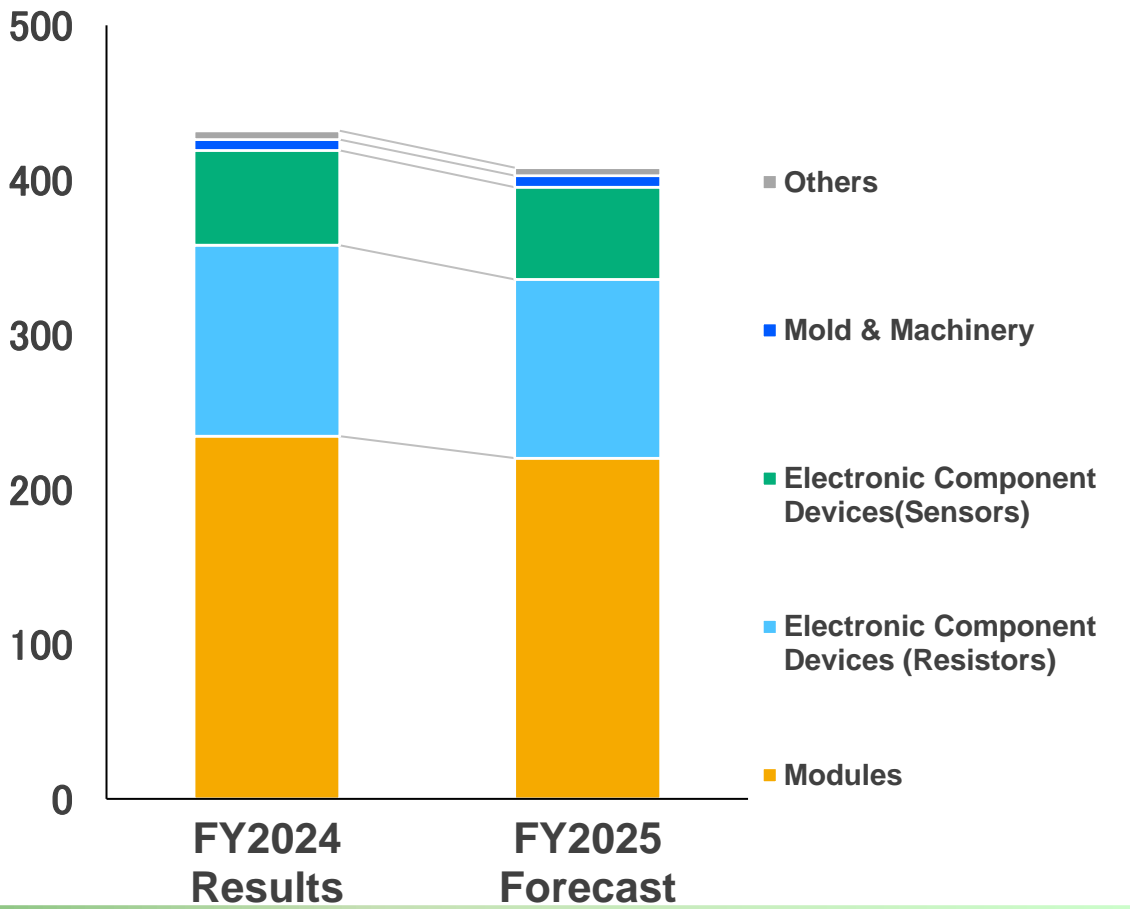
Sales: JPY 22.03 Bn -1.42 Bn YoY

Electronic Component Devices products

Sales: JPY 17.51 Bn -0.96 Bn YoY

(100 Millions of yen)

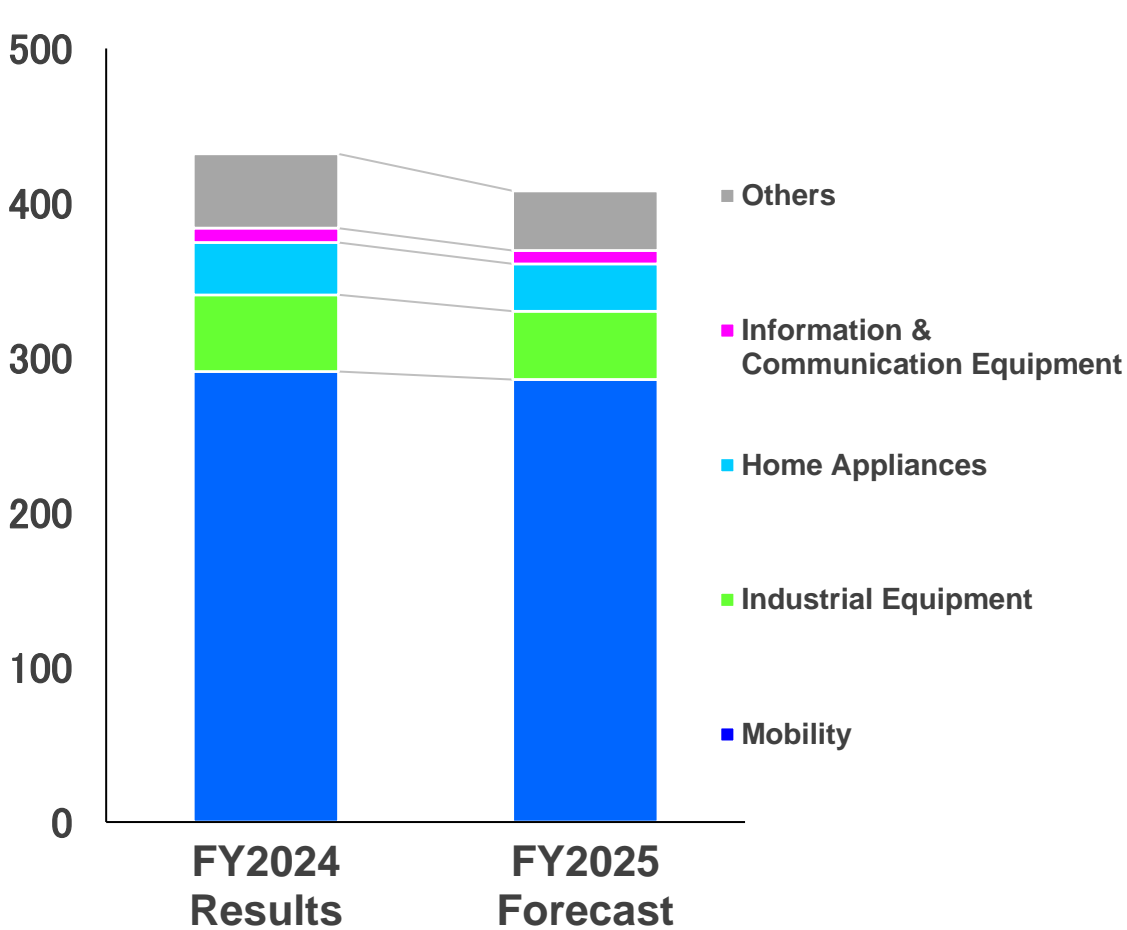
	FY2024 Results		FY2025 Forecast		YoY Change	
		%		%	Amount	%
Modules	234.4	54.3	220.3	54.0	-14.2	-6.0
Electronic Component Devices (Resistors)	123.4	28.6	115.5	28.3	-7.9	-6.4
Electronic Component Devices (Sensors)	61.3	14.2	59.6	14.6	-1.7	-2.8
Mold & Machinery	7.0	1.6	7.5	1.8	+0.5	+7.6
Others	5.7	1.3	5.2	1.3	-0.6	-10.1
Total	431.9	100.0	408.0	100.0	-23.9	-5.5



# Sales Amount Breakdown by Market

- **Mobility:** Increase mainly in new markets and new customers, but overall decrease due to exchange rate fluctuations.
- **Industrial Equipment , Home Appliances , Information and Communication Equipment , Others market sales:**  
Due to the expected decline in production of some models, demand is expected to remain weak on the whole.  
We expect demand to recover in the second half of the fiscal year.

	FY2024 Results		FY2025 Forecast		YoY Change	
		%		%	Amount	%
Mobility	291.2	67.4	286.0	70.1	-5.2	-1.8
Industrial Equipment	49.6	11.5	44.2	10.8	-5.4	-10.9
Home Appliances	33.8	7.8	30.6	7.5	-3.2	-9.5
Information & Communication Equipment	9.3	2.1	8.6	2.1	-0.7	-7.0
Others	48.0	11.1	38.6	9.5	-9.4	-19.6
Total	431.9	100.0	408.0	100.0	-23.9	-5.5



# Changes in Operating income (YoY)

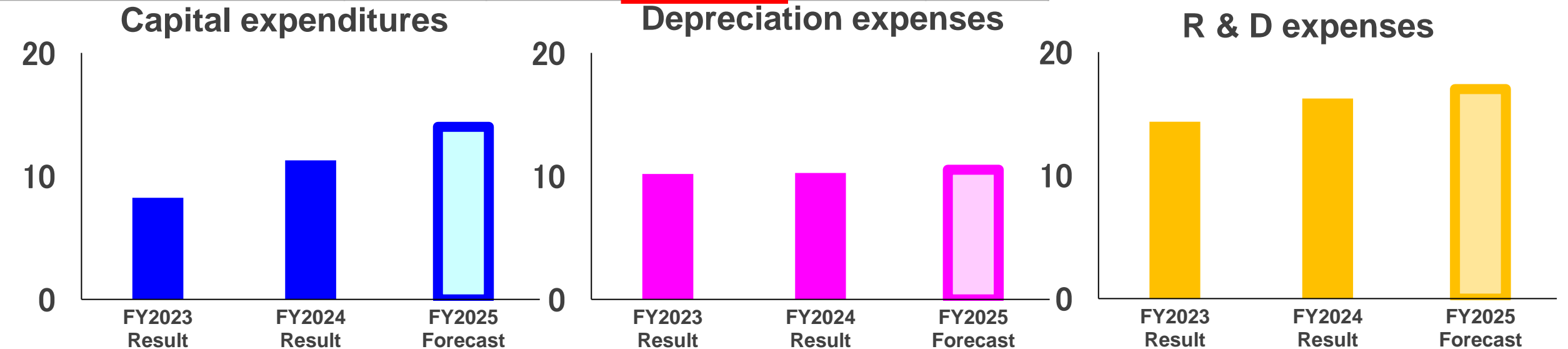


# Capital expenditures/Depreciation/R&D expenses

- The increase in capital investment was mainly due to the expansion of bases and production facilities in ASEAN.  
+0.27 Bn YoY
- R&D will continue to focus on developing solution services/products for social problems and new sensors.  
(100 Millions of yen)

	FY2023 Results	FY2024 Results	FY2025 Forecast	YoY Change	
				Amount	%
Capital expenditures	8.3	11.3	14.0	+2.7	+24.1
Depreciation expenses	10.2	10.3	10.5	+0.2	+2.5
R & D expenses	14.4	16.2	17.0	+0.8	+4.7

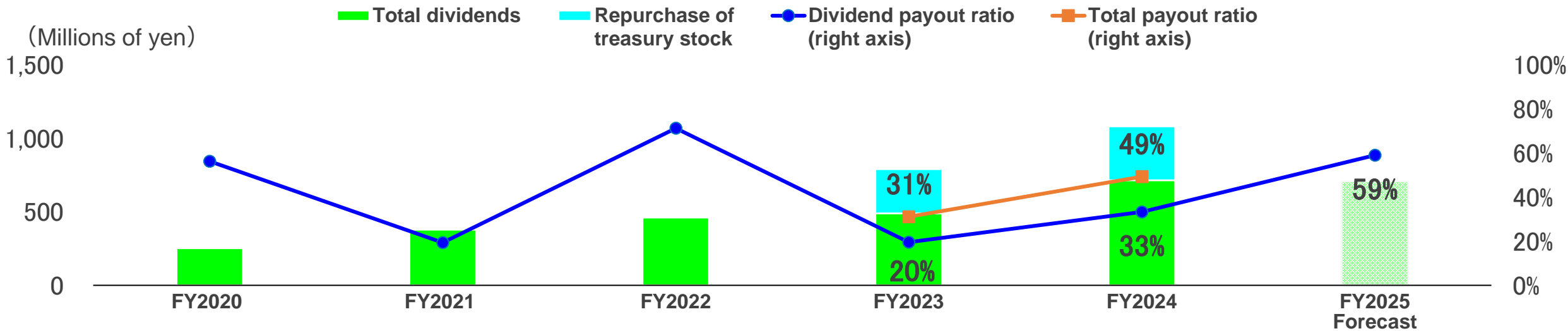
- **Main capital expenditures**
  - the expansion of bases and production facilities in ASEAN
  - DX,IT-related investments
  - Sustainability-related investments
- **Main R&D expenses**
  - Development of new sensors
  - Development of solutions for social problems  
(Environmentally Friendly Products, IoT related products etc.)





# Return to Shareholders

- **Basic Policy:** Further strengthen shareholders returns and improve capital efficiency.
- **Annual dividend:**
  - **FY2024** Dividend increased to 90 yen per share from the previously announced forecast of 80 yen per share.
  - **FY2025** 90 yen per share, the same amount as the previous fiscal year, is planned.



	FY2020	FY2021	FY2022	FY2023	FY2024	FY2025 Forecast
Annual dividend per share(JPY)	30	45	55	60	90	90
Net income per share(JPY)	53.47	232.89	77.36	307.33	270.78	152.94

# ***HOKURIKU ELECTRIC INDUSTRY CO., LTD***

The business outlook described in this material was prepared by the Company based on the information available at the time of preparation of this material, but the results may differ significantly from actual performance due to various factors such as changes in the economic environment and volatile electronics market trends. Therefore, please refrain from relying entirely on the business outlook and target figures in this material. The Company is not liable for any loss that may occur as a result of using this material.

