

# **Business Results for First Quarter, FY2012**

***Creative Links to World Electronic***

**Aug 1<sup>st</sup> 2012**

**Hirose Electric  
Co.,Ltd**

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## Cautionary Statement

**In this material, there are descriptions based on current estimation by Hirose Electric.**

**Hirose cautions you that a number of important risks, uncertainties and others could cause actual results to differ materially from those discussed in the \*forward-looking statements. Thank you for your understanding.**

**\*Forward-looking statements include, but are not limited to, those statements using words such as "believe," "expect," "plans," "strategy," "prospects," "forecast," "estimate," "project," "anticipate," "aim," "may" or "might" and words of similar meaning in connection with a discussion of future operations, financial performance, events or conditions. These statements are based on management's assumptions and beliefs in light of the information currently available to it.**

## [FY2011]

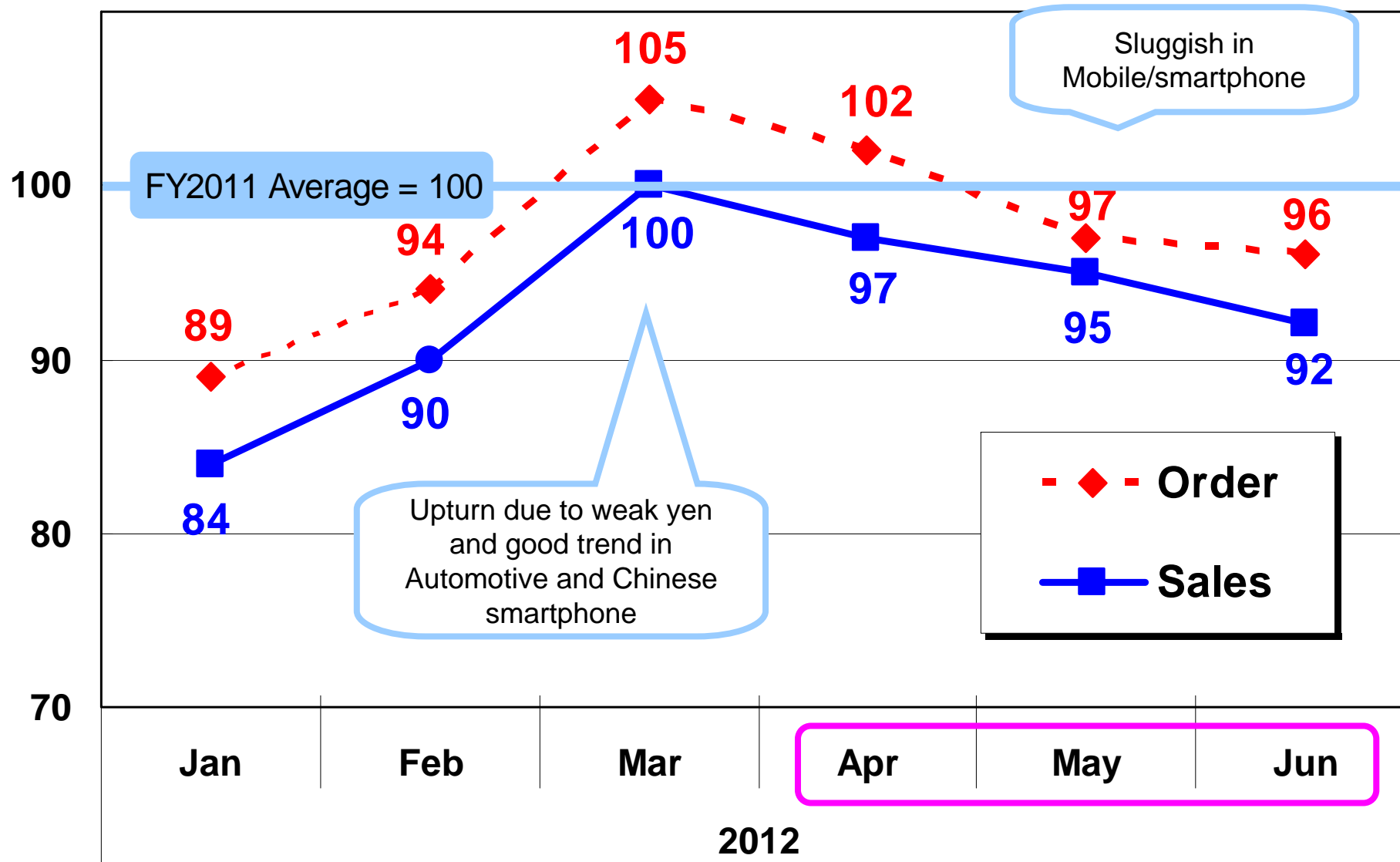
- Order level of April were high because of the ahead-of-schedule order influence after the earthquake. However, order level of May and June were sluggish mainly due to the order rebound, and the Automotive production have decrease due to the earthquake.
- Recovery seen in Mobile/Smartphone and Automotive market, which were sluggish in 1Q. On the other hand, although the level is not high, sales were fairly steady.
- The order/sales levels of Mobile/Smartphone and Industrial market were low. The order level for Digital consumer electronics were partially influenced by the Thai flood, but slight recovery seen in December.
- Automotive continues to keep the high level. In March, Chinese smartphone have increased rapidly, and a sign of recovery is seen in General industrial.

## [1Q FY2012]

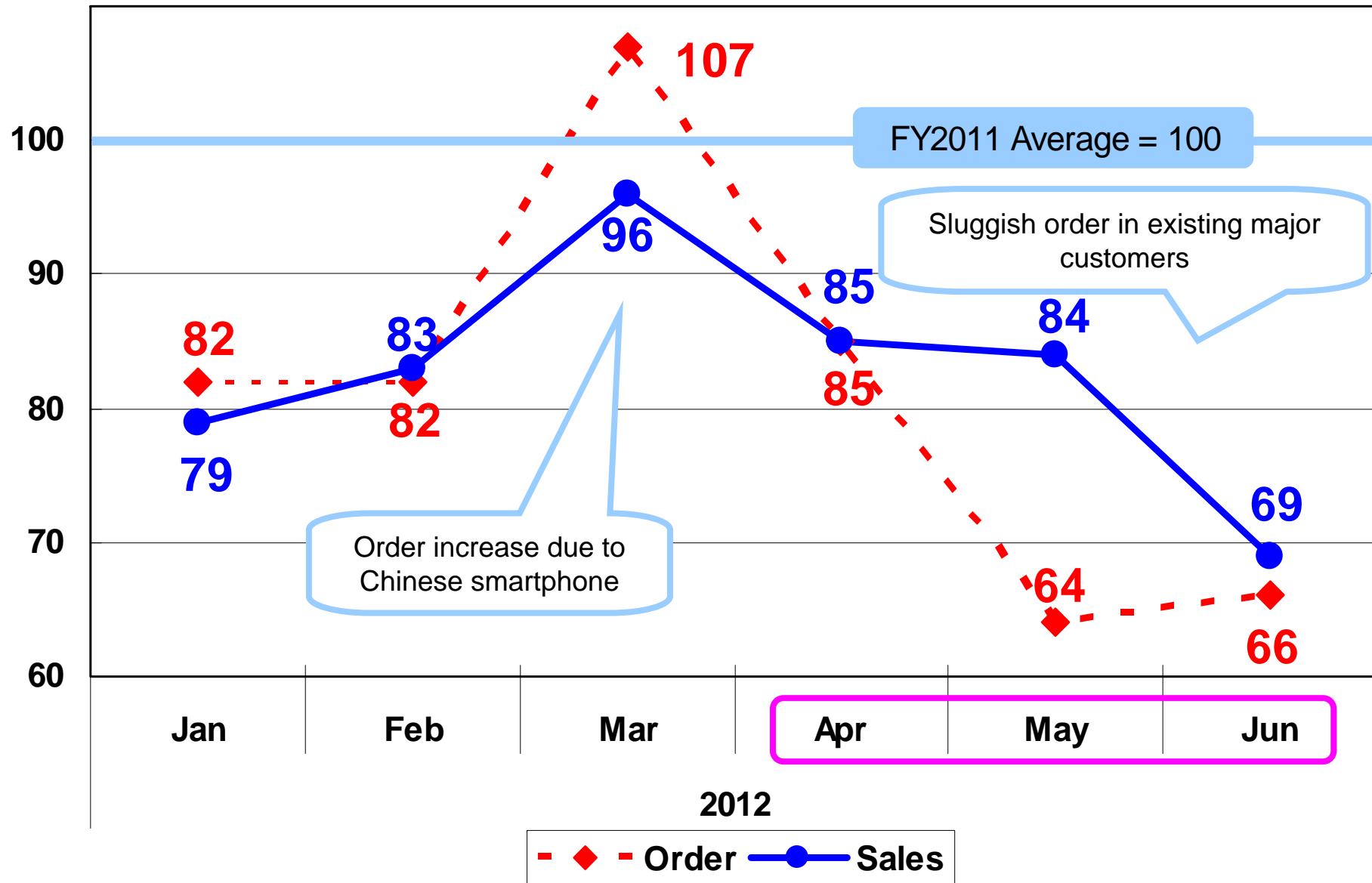
**• Except for the South Korean market with strong orders, order level is low in Mobile/Smartphone market. On the other hand, Automotive continues to maintain the high level order, and order of Digital consumer electronics has also increased in May and June.**

**• 1Q FY2012 results settled on**  
**Order : 231.4 hundred million yen (-6.2% YoY, 6.1% over 4Q FY2011)**  
**Sales: 230.9 hundred million yen (-7.1% YoY, 2.5% over 4Q FY2011)**  
**Recurring Profit: 57.6 hundred million yen (Ratio 25.0%, -9.6% YoY, 49.2% over 4Q FY2011)**

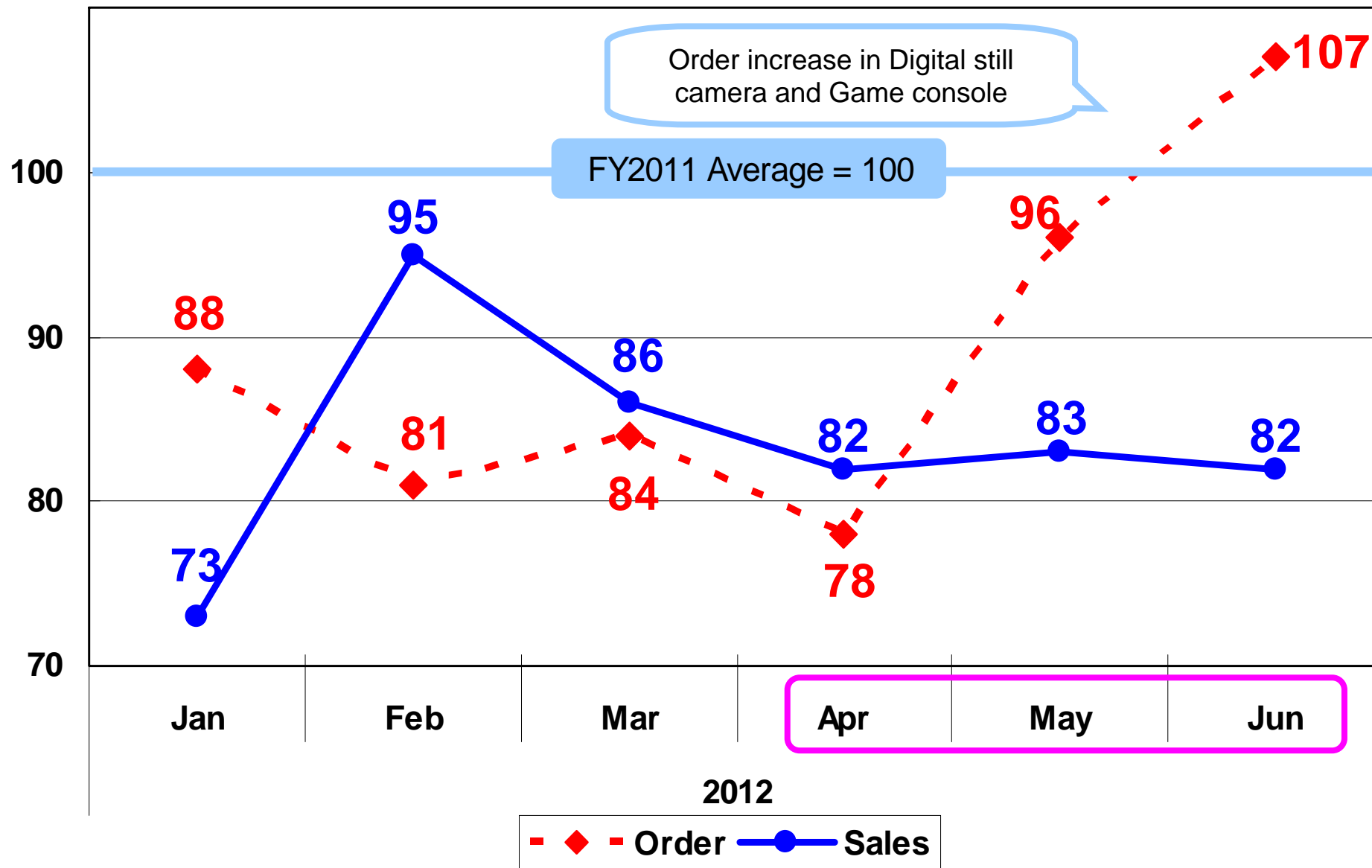
**All Connectors**



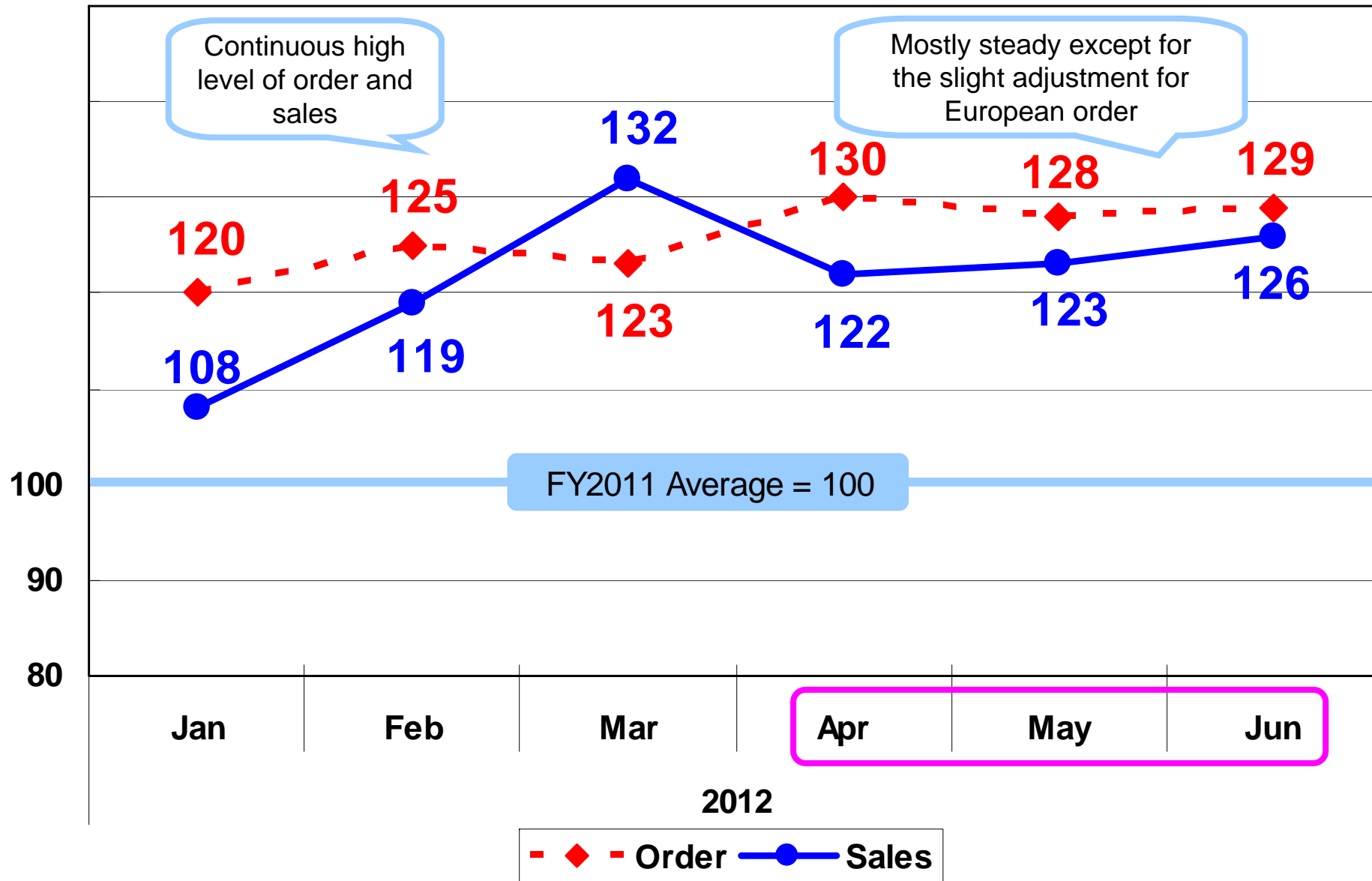
**Mobile / Smartphone**



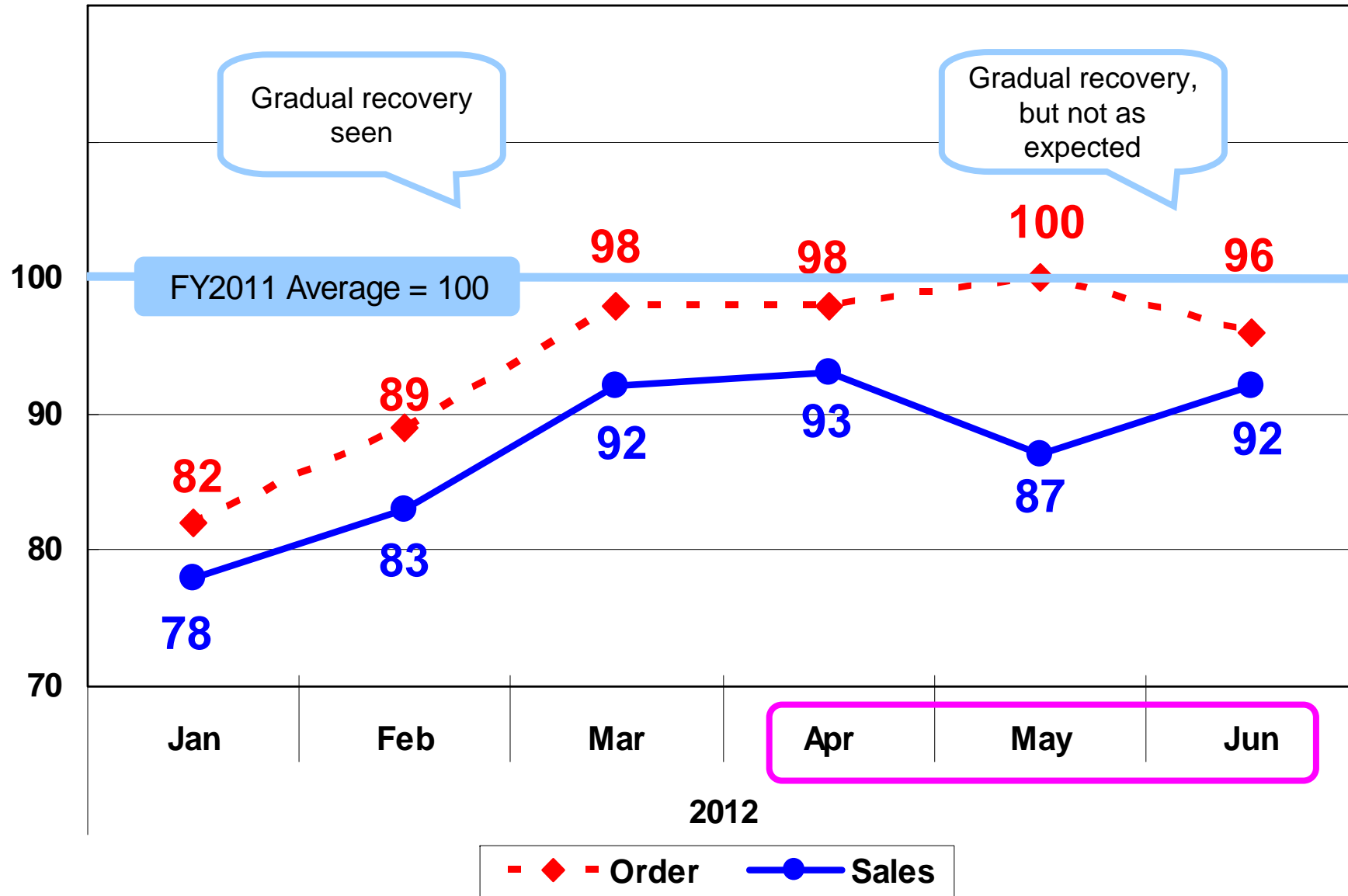
### Digital Consumer Electronic



**Automotive**

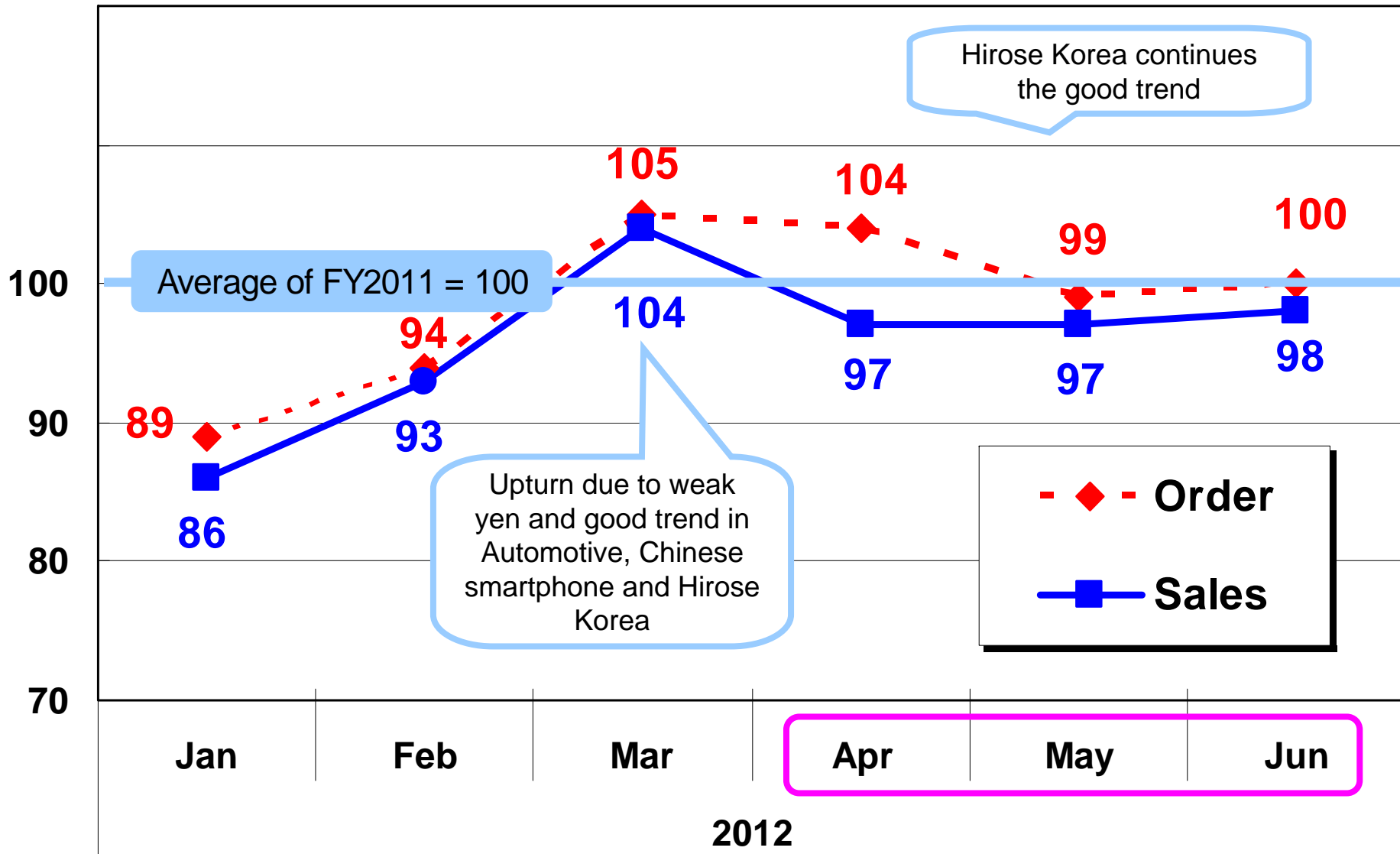


**Associated Electric Equipment,  
FA Controlling Device, and Others**





**Consolidated Sales / Order**

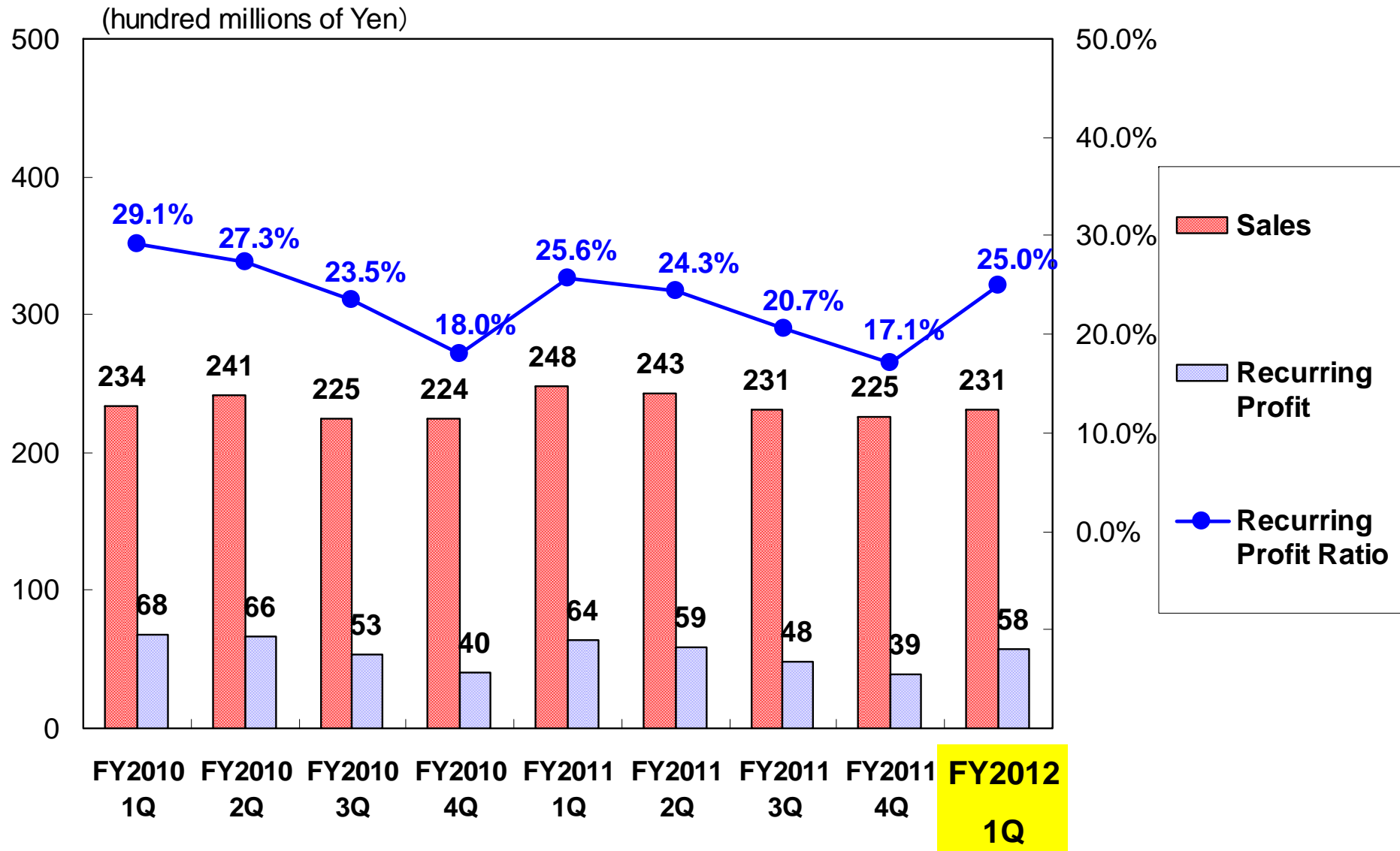


# Business Results for 1Q FY2012

(unit:hundred millions of Yen)

	(A)FY2011 1Q	(B)FY2012 1Q	(B)-(A)	(B)/(A)	Major changes over prior same period (unit: hundred millions of Yen)						
<b>Sales</b>	248.4	230.9	-17.5	-7.1%	<p><b>[Sales]</b> 17.5 decrease</p> <p>Oversea</p> <table border="0"> <tr> <td>Hirose</td> <td>subsidary</td> <td>Hirose Korea</td> </tr> <tr> <td>-23.7</td> <td>+0.9</td> <td>+4.7</td> </tr> </table> <p><b>[COGS Ratio]</b> 0.1 point increase</p> <p>Purchase cost ratio 42.6% → 42.5%</p> <p>Depreciation ratio 5.5% → 5.7%</p> <p>Labor cost 4.9% → 5.0%</p> <p><b>[SGA Ratio]</b> 1.1 point increase</p> <p>Ratio deterioration due to sales decrease</p> <p><b>[Non-Operating Expenses]</b></p> <p>Interest received &amp; Dividend 2.5 → 2.4</p> <p>Foreign exchange loss 1.4 → 0.1</p>	Hirose	subsidary	Hirose Korea	-23.7	+0.9	+4.7
Hirose	subsidary	Hirose Korea									
-23.7	+0.9	+4.7									
(COGS Ratio)	(56.6%)	(56.7%)	(+0.1%)								
(SGA Ratio)	(18.7%)	(19.8%)	(+1.1%)								
<b>Operating Profit</b>	61.4	54.2	-7.2	-11.7%							
(%)	24.7%	23.5%	(-1.2%)								
<b>Recurring Profit</b>	63.7	57.6	-6.1	-9.6%							
(%)	25.6%	25.0%	(-0.6%)								
<b>Net Profit</b>	37.9	33.8	-4.1	-10.8%							
(%)	15.3%	14.7%	(-0.6%)								
<b>Total Assets</b>	2,628.2	2,615.6	-12.6	-0.5%							
<b>Shareholders' Equity Ratio</b>	89.5%	90.3%									
<b>Income Per Share</b>	107.4Yen	97.8Yen									

# Quarterly Sales and Profits



# Changes in Consolidated Balance Sheet

(hundred millions of Yen)

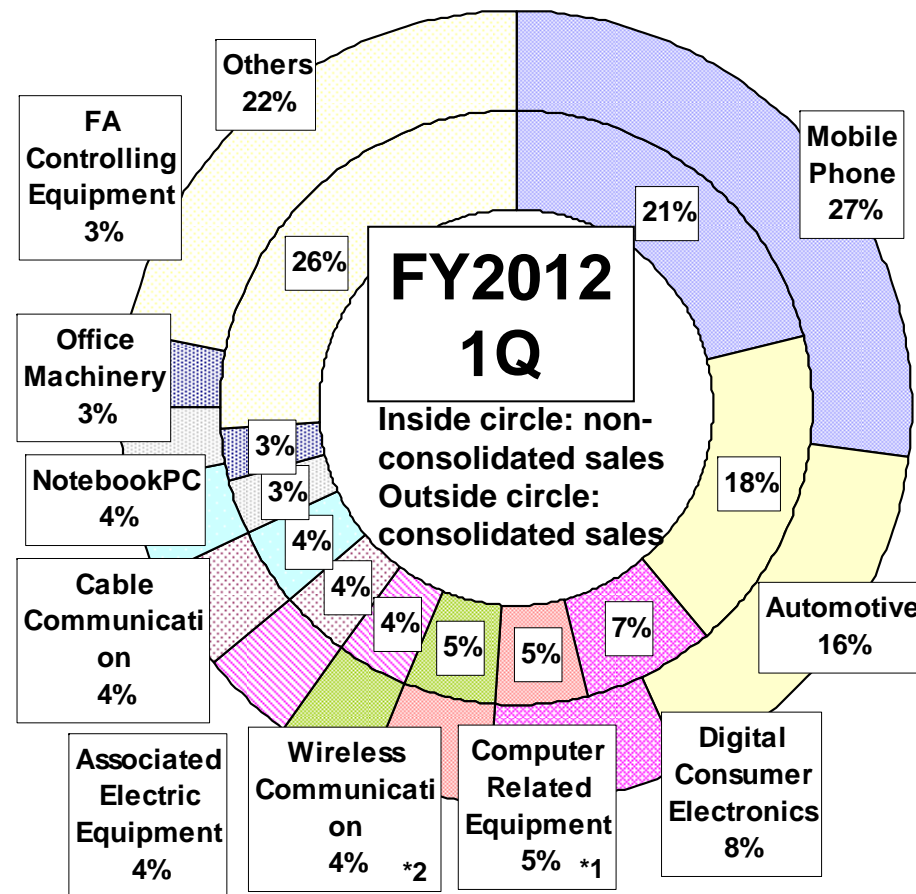
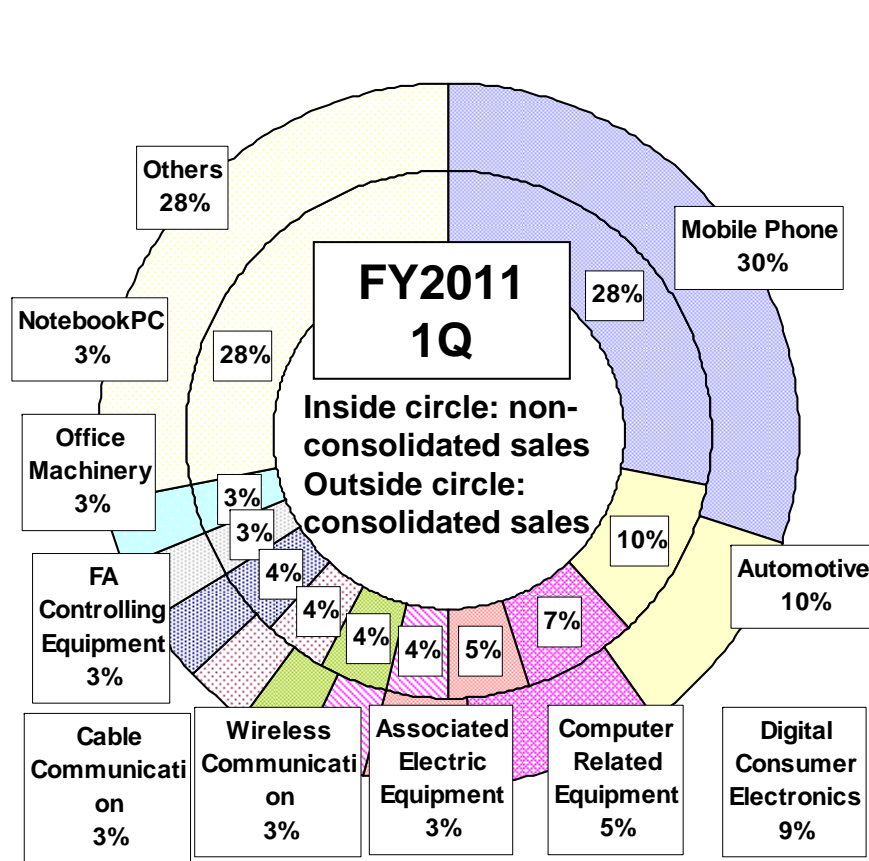
Account	(A)Mar 31, 2011	(B)Jun 30, 2012	(B) - (A)	Remark
Cash and Cash in Bank	1,077.0	1,101.8	24.8	Increase in Hirose and domestic subsidiary
Trade Receivables	233.4	231.2	-2.2	
Inventories	71.9	70.5	-1.4	
Investment Securities	590.1	562.3	-27.8	Corporate bonds, shift to short-term bonds
Others	642.5	649.8	7.3	Increase in corporate bond (short-term), etc.
<b>Total Assets</b>	<b>2,614.9</b>	<b>2,615.6</b>	<b>0.7</b>	

# Changes in Consolidated Balance Sheet

(hundred millions of Yen)

Account	(A)Mar 31, 2011	(B)Jun 30, 2012	(B) - (A)	Remark
Notes Payable and Account Payable	104.2	113.1	8.9	Purchase increase due to production increase
Income Taxes Payable, etc	32.1	22.0	-10.1	Decrease due to tax payment
Others	82.6	88.5	5.9	
<b>Total Liabilities</b>	<b>218.9</b>	<b>223.6</b>	<b>4.7</b>	
Retained Earnings	2,696.2	2,711.0	14.8	Net income 33.8 - Dividend 19.0
Treasury Stocks	-546.9	-546.9	0.0	
Valuation Variance	23.9	22.9	-1.0	Closing price of Nikkei Average: 10,083.56 yen (2012/Mar)→9,006.78 yen (2012/Jun)
Translation Adjustment	-45.0	-62.2	-17.2	Due to strong yen
Others	267.8	267.2	-0.6	
<b>Total Shareholders' Equity</b>	<b>2,396.0</b>	<b>2,392.0</b>	<b>-4.0</b>	
<b>Total Liabilities and Shareholders' Equity</b>	<b>2,614.9</b>	<b>2,615.6</b>	<b>0.7</b>	

# Sales by Market (round number)

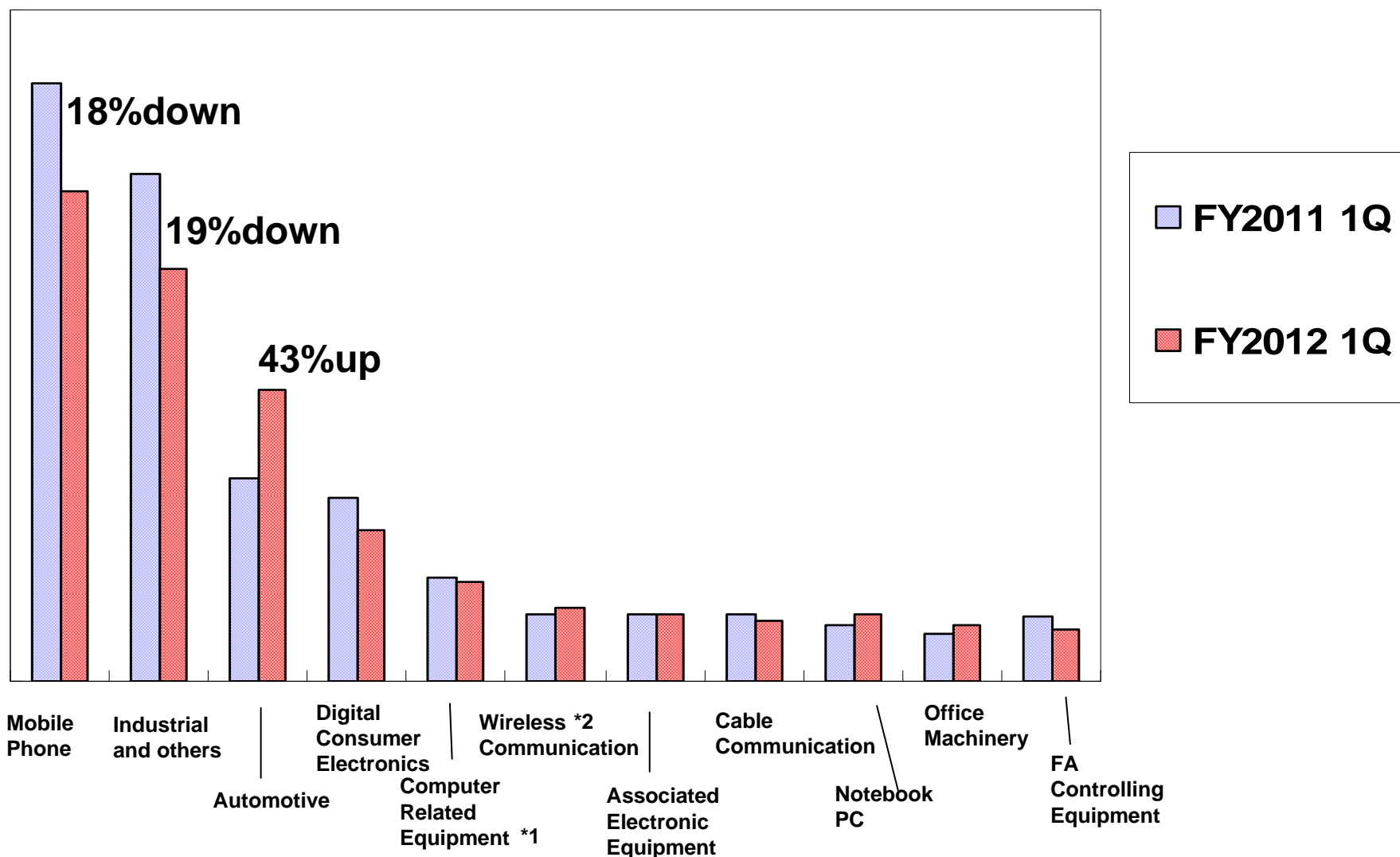


As this is in round number, please be noted that some ratio difference may occur. Thank you for your understanding.

\*1 Computer Related Equipment – Notebook PC not included.

\*2 Wireless Communication - Mobile Phone not included.

# Sales Changes by Markets (in round numbers) [Consolidated basis]

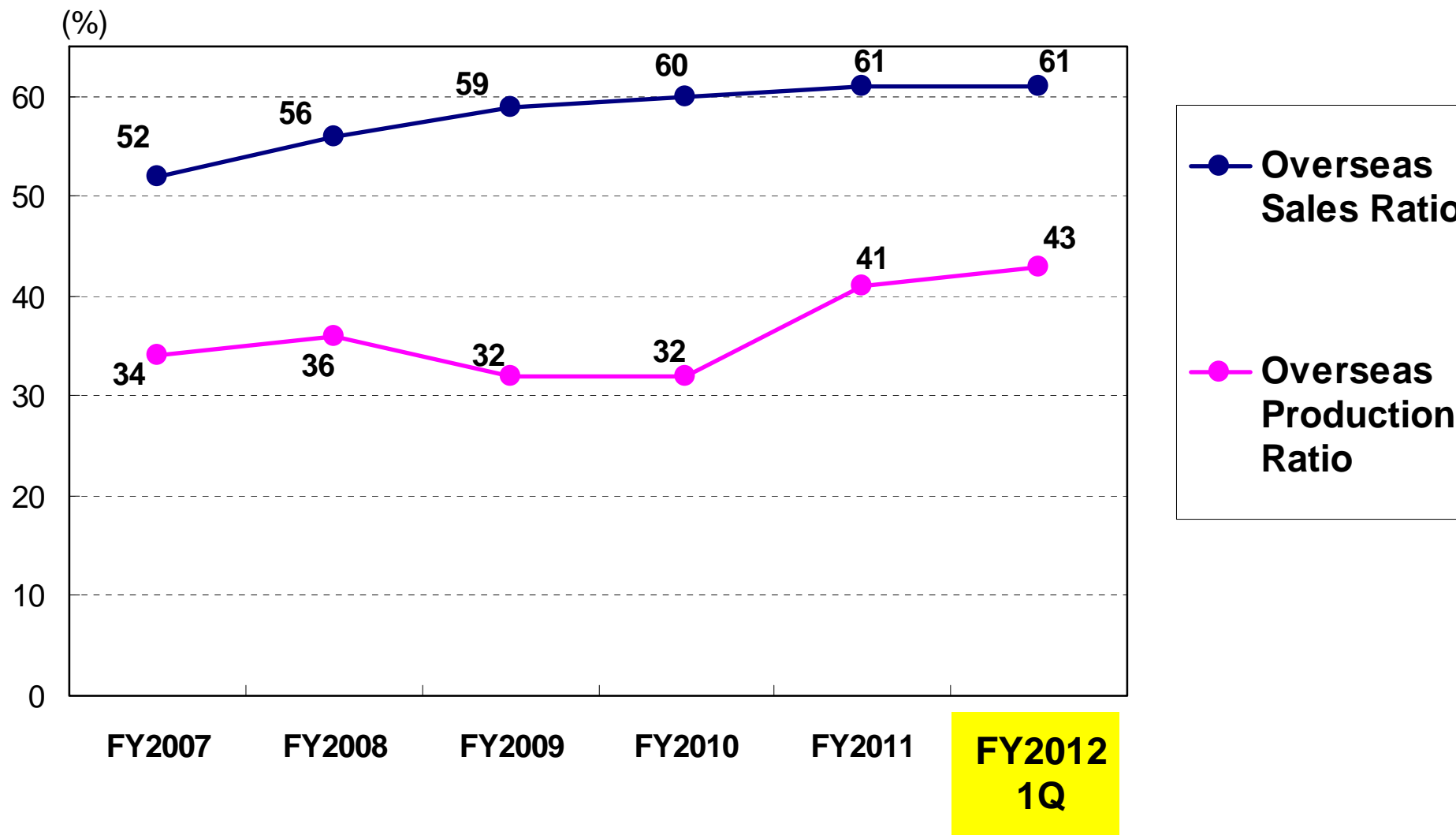


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\*1 Computer Related Equipment – Notebook PC not included.

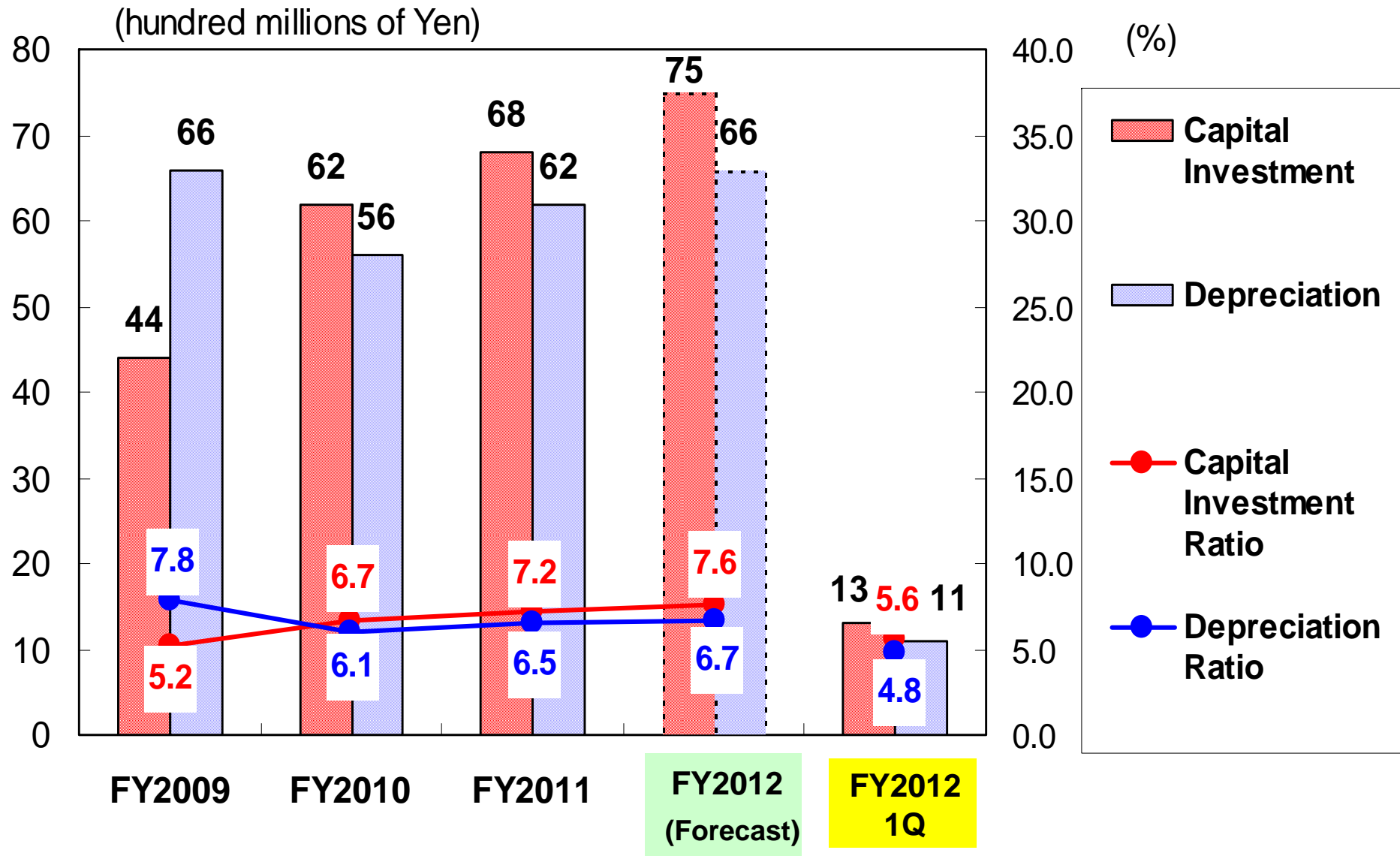
\*2 Wireless Communication - Mobile Phone not included.

# Overseas Production and Sales Ratio





# Capital Investment and Depreciation Change (Domestic Consolidated Basis)



# Business Forecast for the Year Ended March 31, 2013



note) First Half - 1Q & 2Q, Second Half - 3Q & 4Q

(hundred millions of Yen)

	FY2011 (Actual)			FY2012 (Forecast)			First Half Over the Previous Actual Amount		Second Half Over the Previous Actual Amount		For the Year Over the Previous Actual Amount	
	First Half	Second Half	For the Year	First Half	Second Half	For the Year	Amount Change	%	Amount Change	%	Amount Change	%
<b>Sales</b> (COGS)	491.8 (57.4%)	456.1 (61.3%)	947.9 (59.3%)	470.0 (59.2%)	515.0 (58.7%)	985.0 (58.9%)	-21.8	-4.4%	58.9	12.9%	37.1	3.9%
<b>Operating Profit</b> (%)	116.1 23.6%	79.4 17.4%	195.5 20.6%	95.0 20.2%	115.0 22.3%	210.0 21.3%	-21.1	-18.2%	35.6	44.8%	14.5	7.4%
<b>Recurring Profit</b> (%)	123.0 25.0%	86.2 18.9%	209.2 22.1%	100.0 21.3%	120.0 23.3%	220.0 22.3%	-23.0	-18.7%	33.8	39.2%	10.8	5.2%
<b>Net Profit</b> (%)	73.9 15.0%	54.3 11.9%	128.2 13.5%	65.0 13.8%	75.0 14.6%	140.0 14.2%	-8.9	-12.0%	20.7	38.1%	11.8	9.2%
Income Per Share	-	-	366.11Yen	-	-	404.57Yen	<div style="border: 1px solid black; background-color: #e0ffe0; padding: 5px;"> <p><b>There are no revision from the previously announced data on 2012/May.</b></p> </div>					
Dividend Per Share	<b>75Yen</b>	<b>55Yen</b>	<b>130Yen</b>	<b>70Yen</b>	<b>70Yen</b>	<b>140Yen</b>						
Dividend Payout Ratio	-	-	<b>35.5%</b>	-	-	<b>34.6%</b>						