

Business Results of FY2012

Creative Links to World Electronic

May 9th, 2013

**Hirose Electric
Co.,Ltd**

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.**

Business Situation of FY2012

[1Q FY2012]

• Except for the Korean company 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.

[2Q FY2012]

• Although Automotive were influenced by the subsidy discontinuation and European economy, it still maintained high level exceeding last year. Good trend in Mobile/Smartphone market especially in the Korean and Chinese market. Low order level in the Industrial market.

[3Q FY2012]

• Strong order in Chinese Mobile/Smartphone in October, followed by its adjustment phase. Automotive were impacted by China's boycott of Japanese goods etc, but seem to recover in December. Low level continues in Digital consumer electronics and Industrial market.

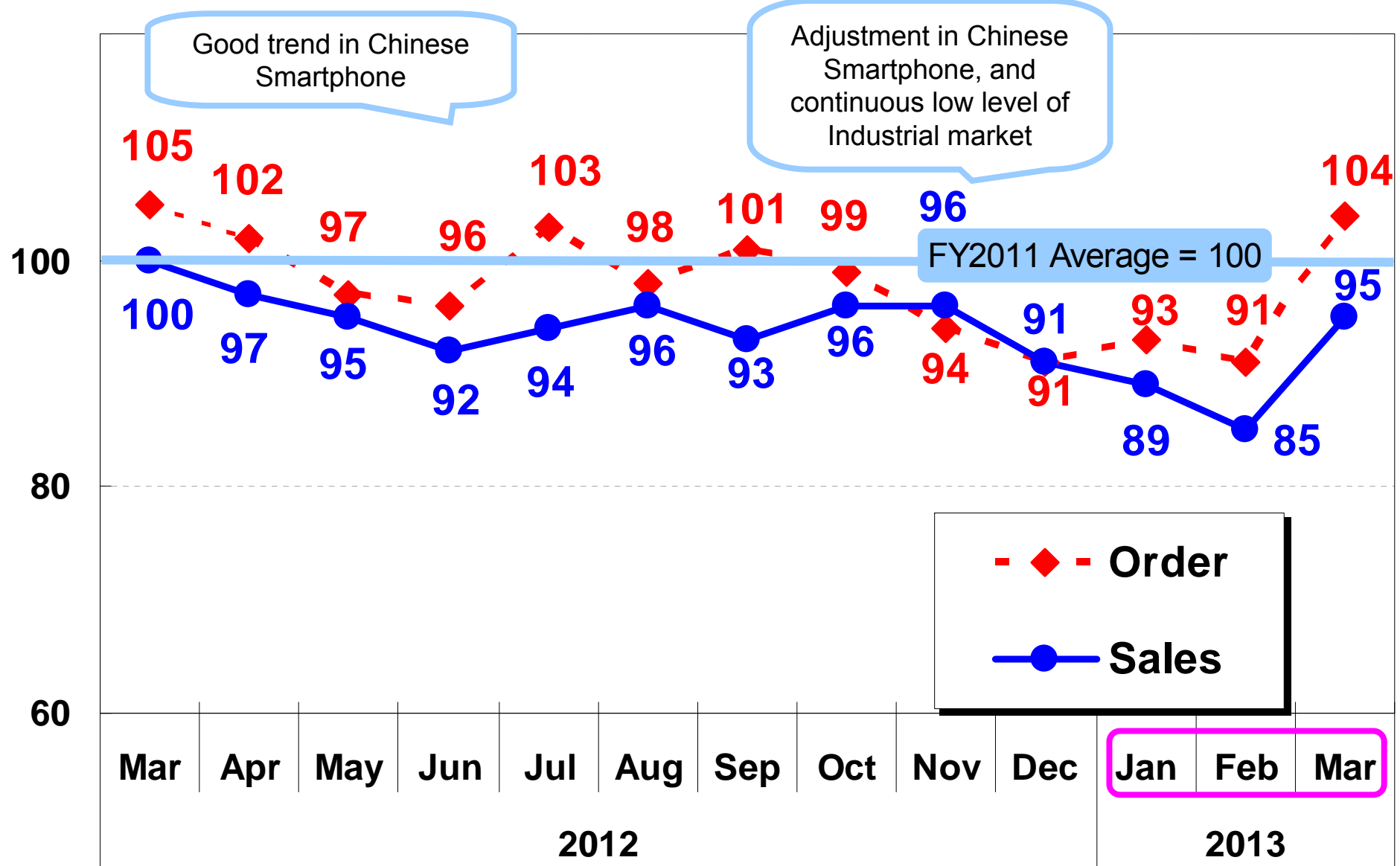
[4Q FY2012]

Sluggish Industrial market gradually shows a sign of recovery. In the Mobile/Smartphone market order, Korean market continues the good trend, and Chinese market has recovered from February. Automotive market grew steadily.

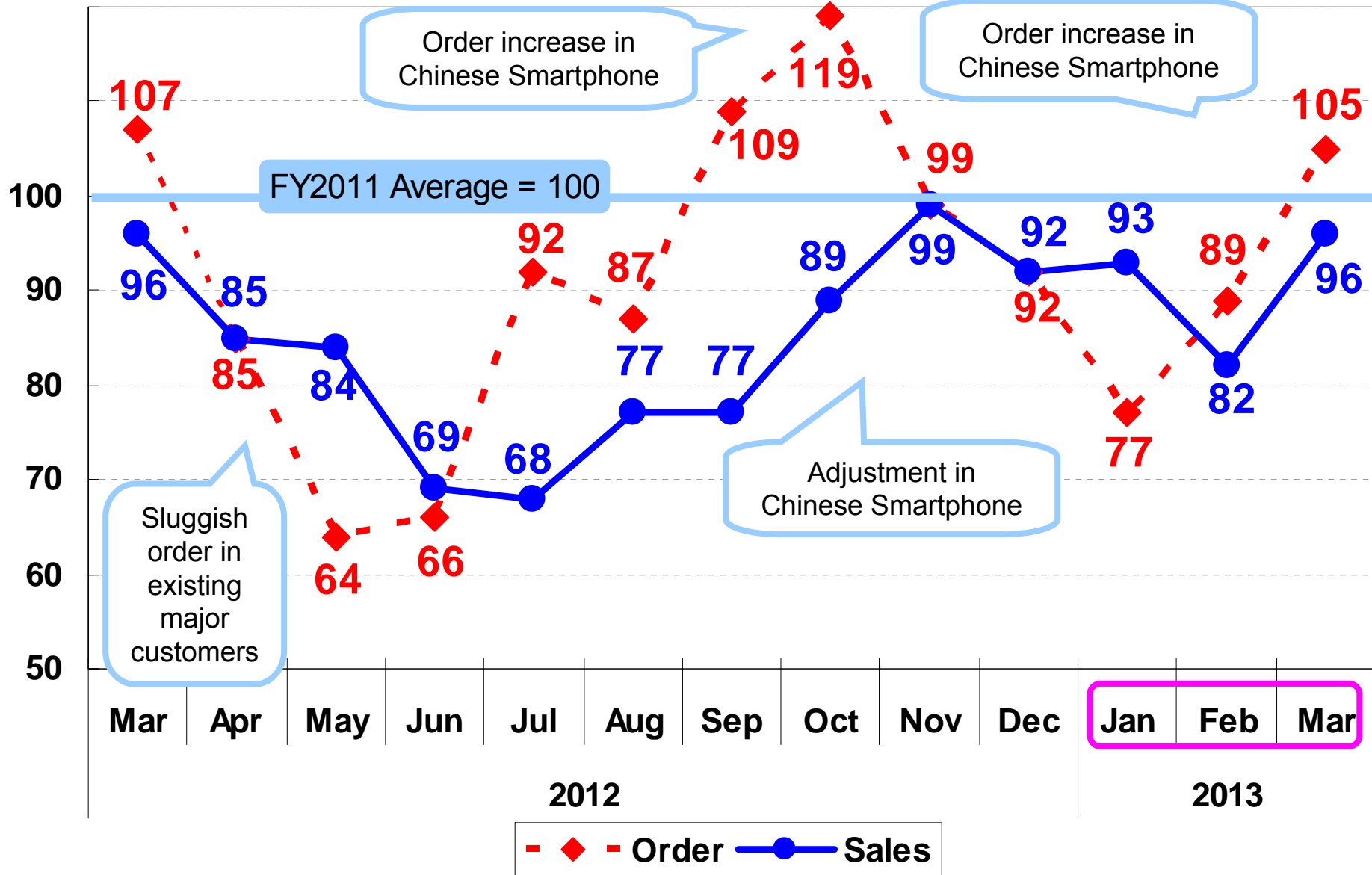
[FY2012 Annual Total]

**• FY2012 Annual Total
Order 972.6 hundred million yen (5.8% YoY), Sales 959.4 hundred million yen (1.2% YoY), Recurring Profit 223.9 hundred million yen (Ratio 23.3%, 7.0% YoY).**

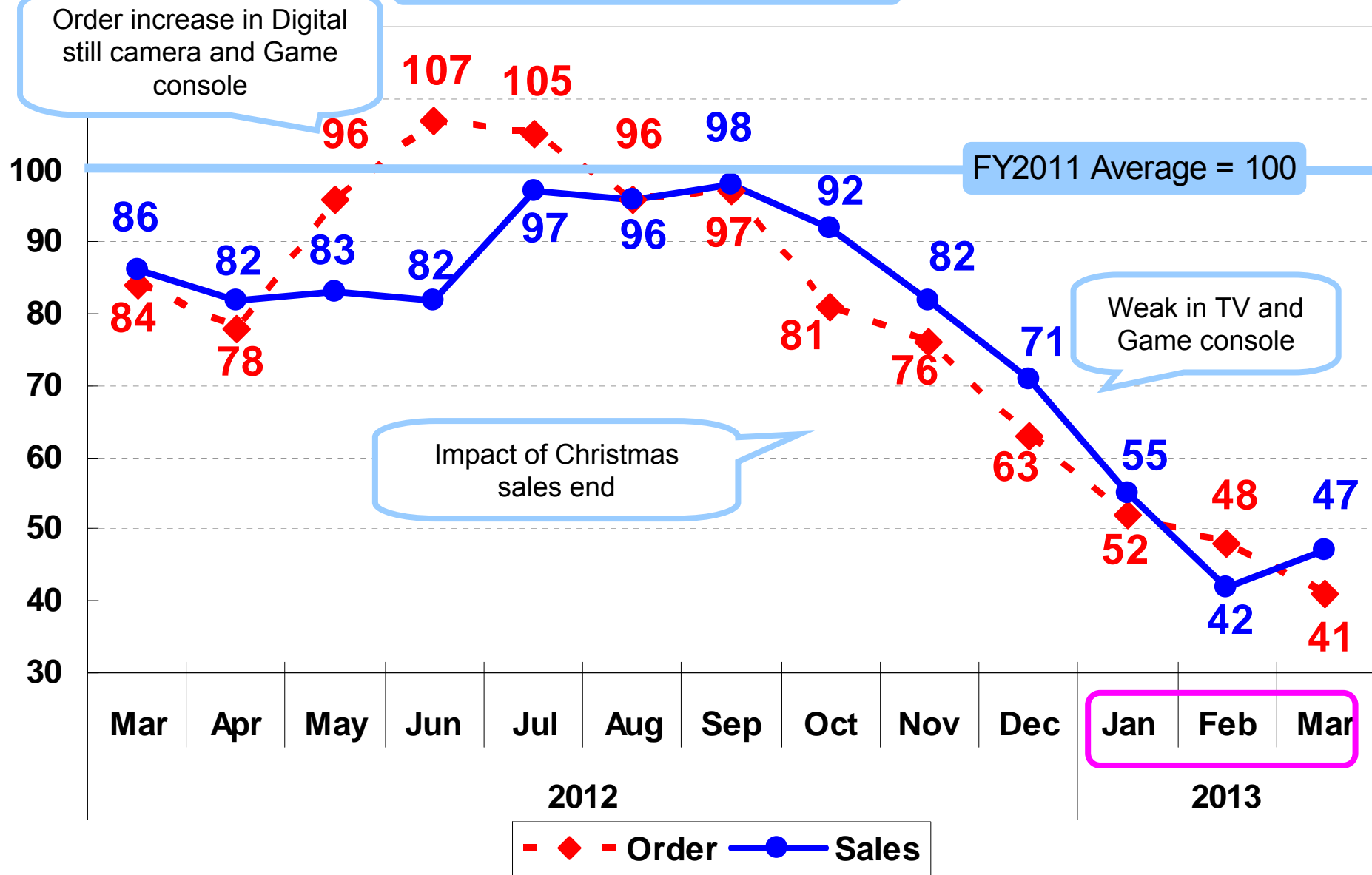
All Connectors



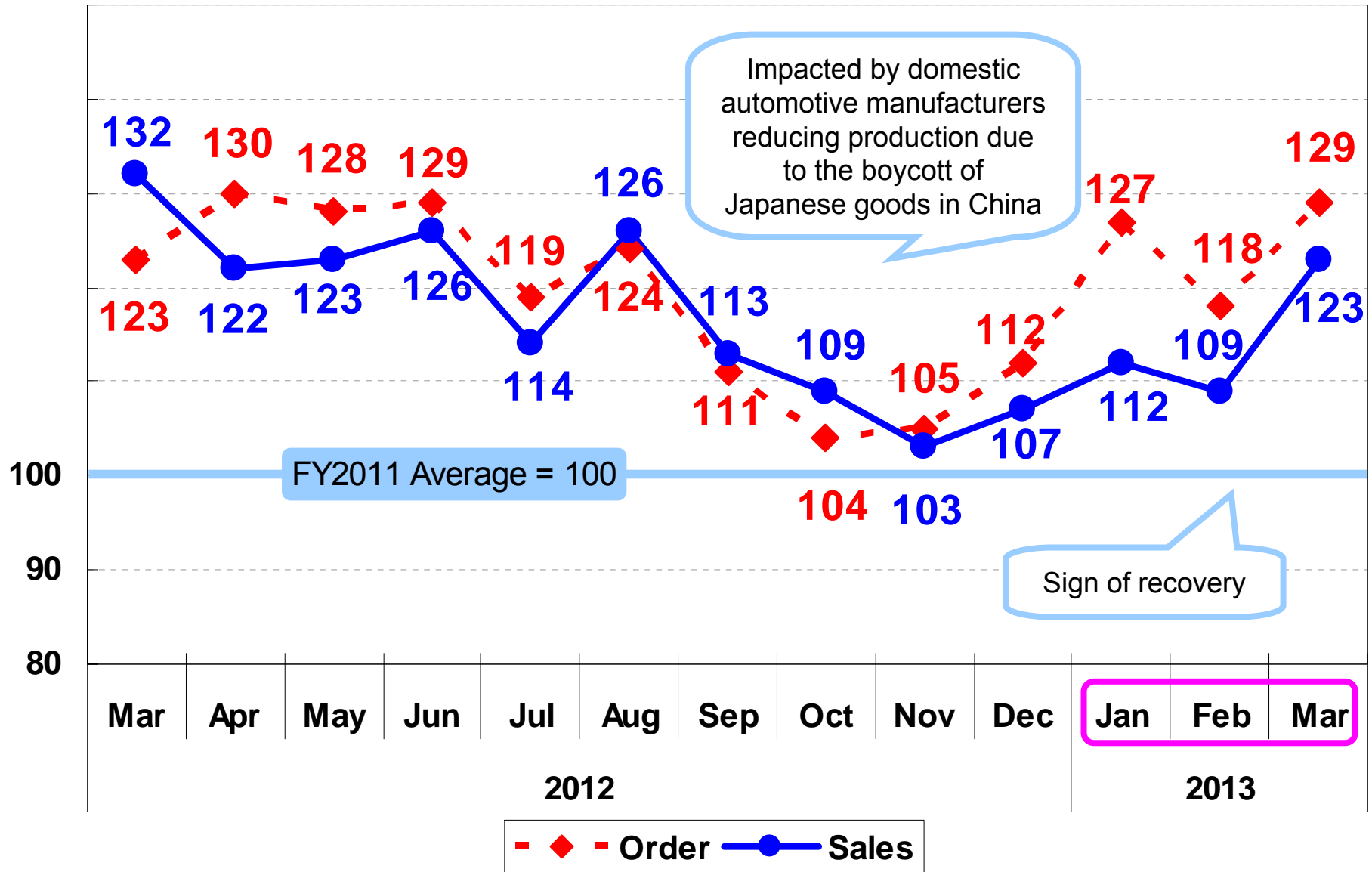
Smartphone / Mobile Phone



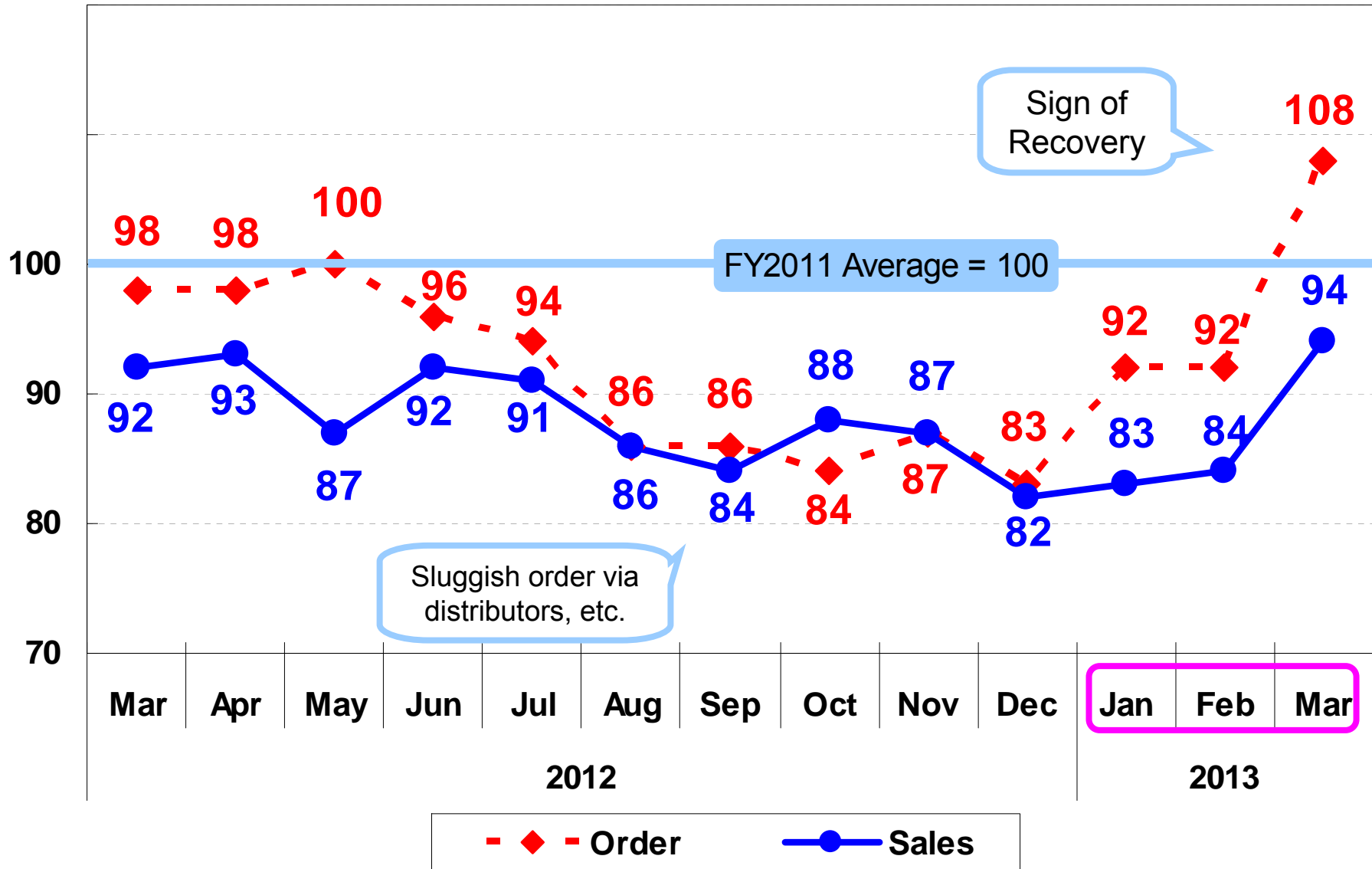
Digital Consumer Electronic



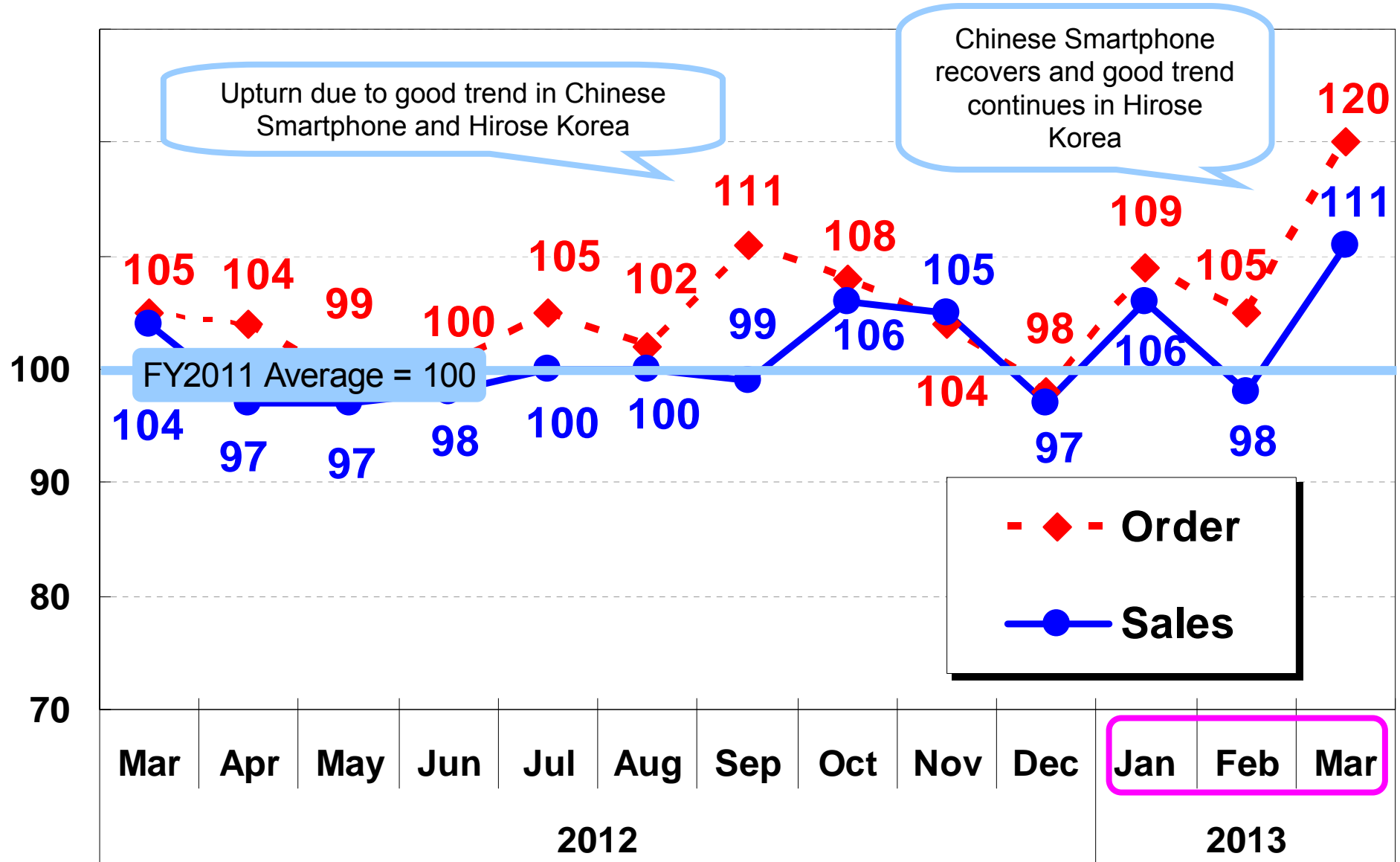
Automotive



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



Consolidated Sales / Order



Business Results for FY2012

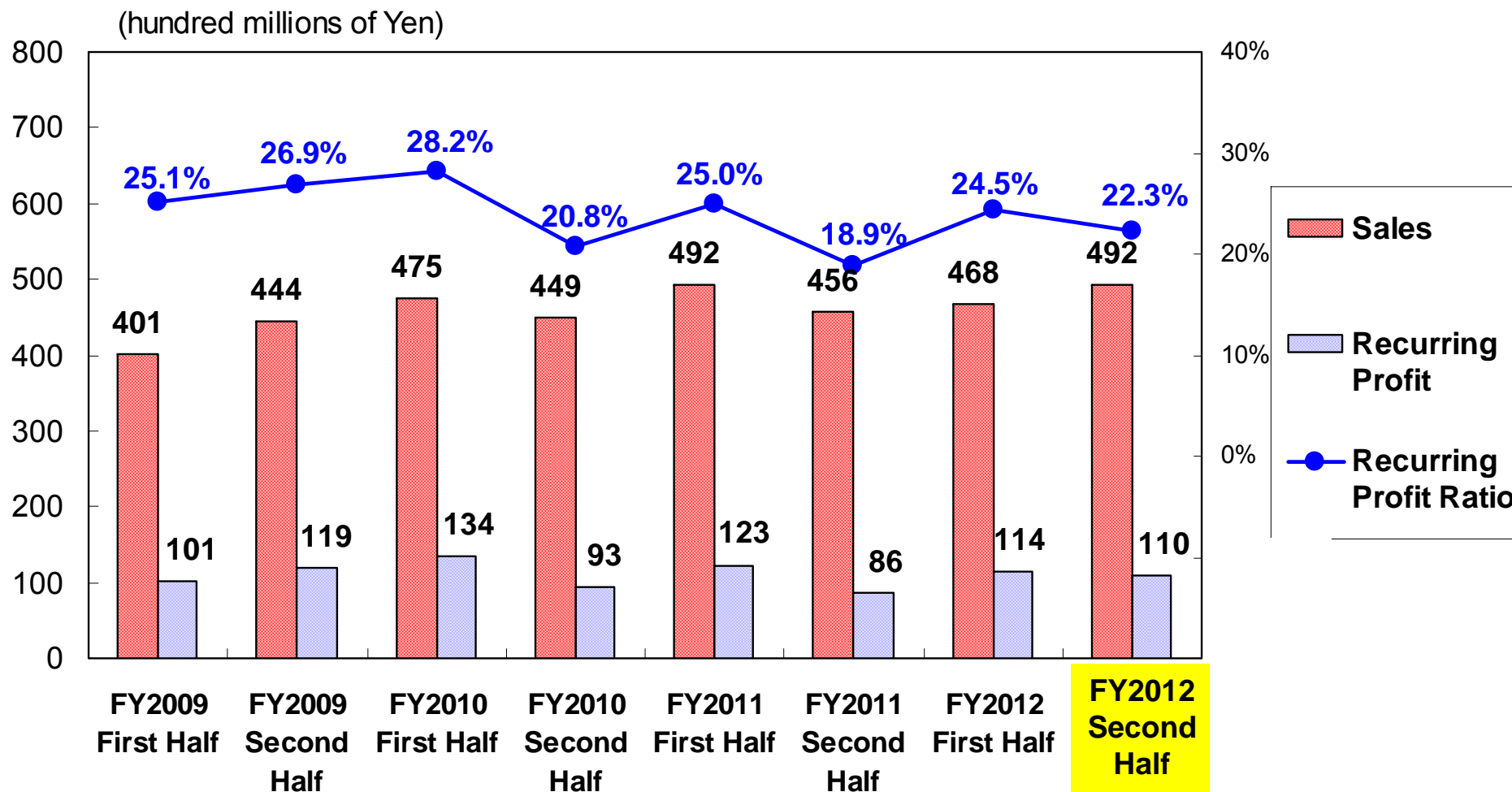
note) Green Italics number : data announced on November 2012

(hundred millions of Yen)

	(A) FY2011 (FY ended Mar 31, 2012)	(B) FY2012 (FY ended Mar 31, 2013)	(B)-(A)	(B)/(A)
Sales	947.9	959.4	11.5	1.2%
(COGS Ratio)	<i>(59.3%)</i>	<i>(57.8%)</i>	<i>(-1.5%)</i>	
(SGA Ratio)	<i>(20.1%)</i>	<i>(20.3%)</i>	<i>(+0.2%)</i>	
Operating Profit	195.5	209.8	14.3	7.3%
(%)	20.6%	21.9%	(+1.3%)	
Recurring Profit	209.2	223.9	14.7	7.0%
(%)	22.1%	23.3%	(+1.2%)	
Net Profit	128.2	135.0	6.8	5.3%
(%)	13.5%	14.1%	(+0.6%)	
Total Assets	2,614.9	2,778.8	163.9	6.3%
Shareholders' Equity Ratio	90.5%	90.5%		
Income Per Share	366.11Yen	390.48Yen		
Dividend Per Share	130Yen	140Yen		
Consolidated Payout Ratio	35.5%	35.9%		
Exchange Rate: US\$	79.08Yen	83.10Yen		
Exchange Rate: €	108.98Yen	107.14Yen		
Exchange Rate: 100 Won	7.14Yen	7.48Yen		

Major changes over prior same period (unit: hundred millions of Yen)	
[Sales]	11.5 increase
Hirose Japan	-52.3
Subsidiaries	+63.8
[COGS Ratio]	1.5 point decrease
Purchase Cost Ratio	42.7% → 40.3%
Depreciation Ratio	7.6% → 7.2%
Labor Costs and other expense ratio	9.0% → 10.3%
[SGA Ratio]	0.2 point increase
Due to increase in personnel and R&D expenses, etc.	
[Non-Operating Expenses and Loss]	
Equity Method Profit	+0.5 → +0.9
Interest Received & Dividend	9.1 → 8.5
Foreign Exchange Gain	+0.3 → +0.2
[Extraordinary Gain/Loss]	
	+6.4 → -1.9
Last Fiscal Year	Subsidy from Yokohama-shi +9.2 etc.
This Fiscal Year	Miyako Reconstruction subsidy +1.4

Sales and Profits by Half-Yearly



Changes in Consolidated Balance Sheet

(hundred millions of Yen)

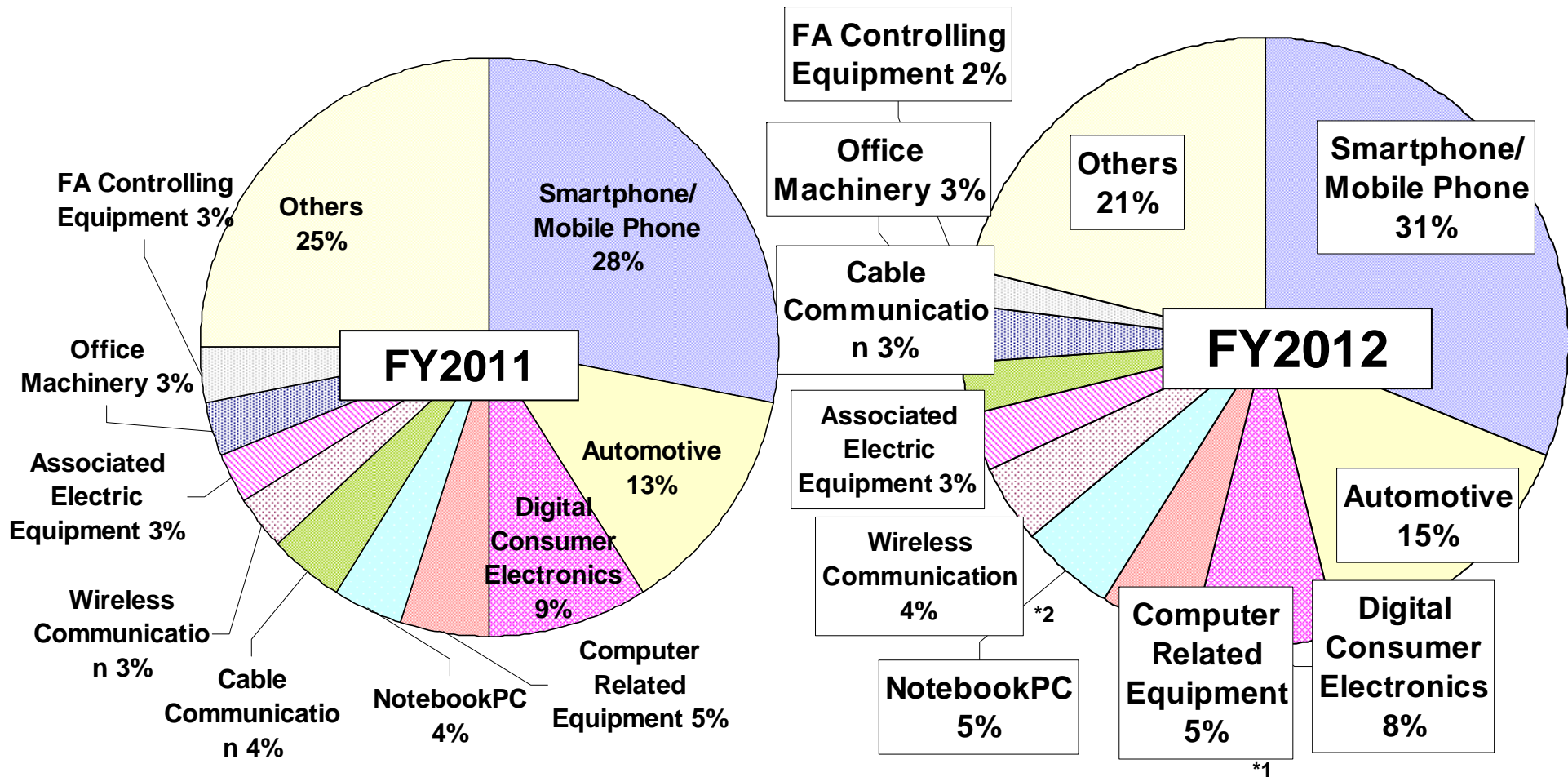
Account	(A) Mar 31, 2012	(B) Mar 31, 2013	(B) - (A)	Remark
Cash and Cash in Bank	1,077.0	1,157.0	80.0	Increase in Hirose Japan and domestic subsidiaries
Trade Receivables	233.4	241.9	8.5	
Inventories	71.9	79.1	7.2	
Noncurrent Assets	279.6	322.1	42.5	Increase in machinery, equipment, and metal molds, etc
Investment Securities	590.1	602.2	12.1	Stocks Market Valuation, etc
Others	362.9	376.5	13.6	
Total Assets	2,614.9	2,778.8	163.9	

Changes in Consolidated Balance Sheet

(hundred millions of Yen)

Account	(A) Mar 31, 2012	(B) Mar 31, 2013	(B) - (A)	Remark
Notes Payable and Account Payable	104.2	108.0	3.8	
Income Taxes Payable, etc	32.1	38.9	6.8	
Others	82.6	111.2	28.6	Increase in Accounts payable-facilities, Deferred tax liabilities, etc.
Total Liabilities	218.9	258.1	39.2	
Retained Earnings	2,696.2	2,788.0	91.8	Net Profit 135.0 - Dividend 43.2
Treasury Stocks	-546.9	-552.6	-5.7	Share buyback on Feb 2013 (75,000 shares), etc
Valuation Variance	23.9	33.8	9.9	Higher stock price (Nikkei closing price: 10,083yen →12,398yen)
Translation Adjustment	-45.0	7.7	52.7	Due to weak yen
Others	267.8	243.8	-24.0	Decrease in minority interests due to additional acquisition of Hirose Korea share
Total Shareholders' Equity	2,396.0	2,520.7	124.7	
Total Liabilities & Shareholders' Equity	2,614.9	2,778.8	163.9	

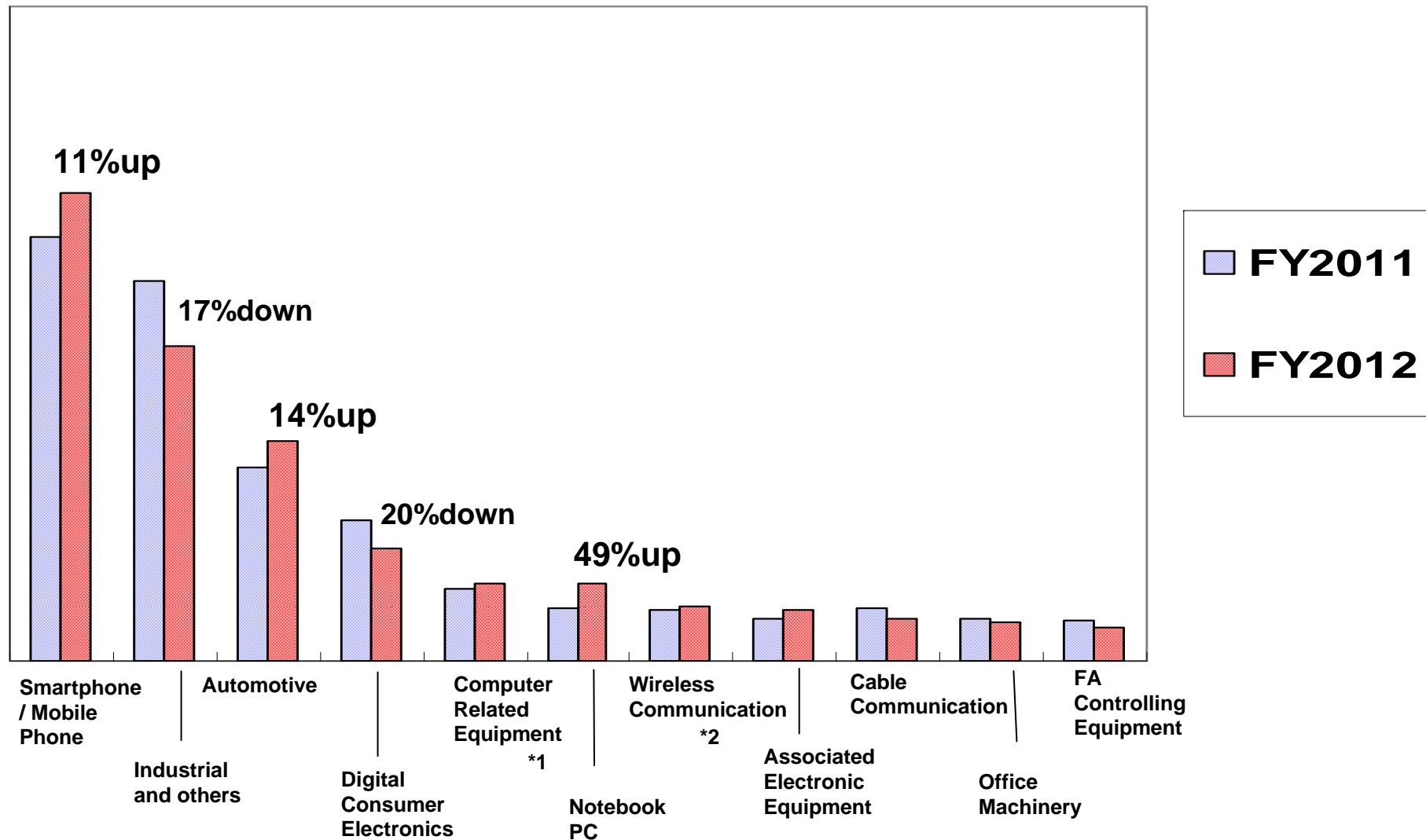
Sales by Market (Round Number) [Consolidated Basis]



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.

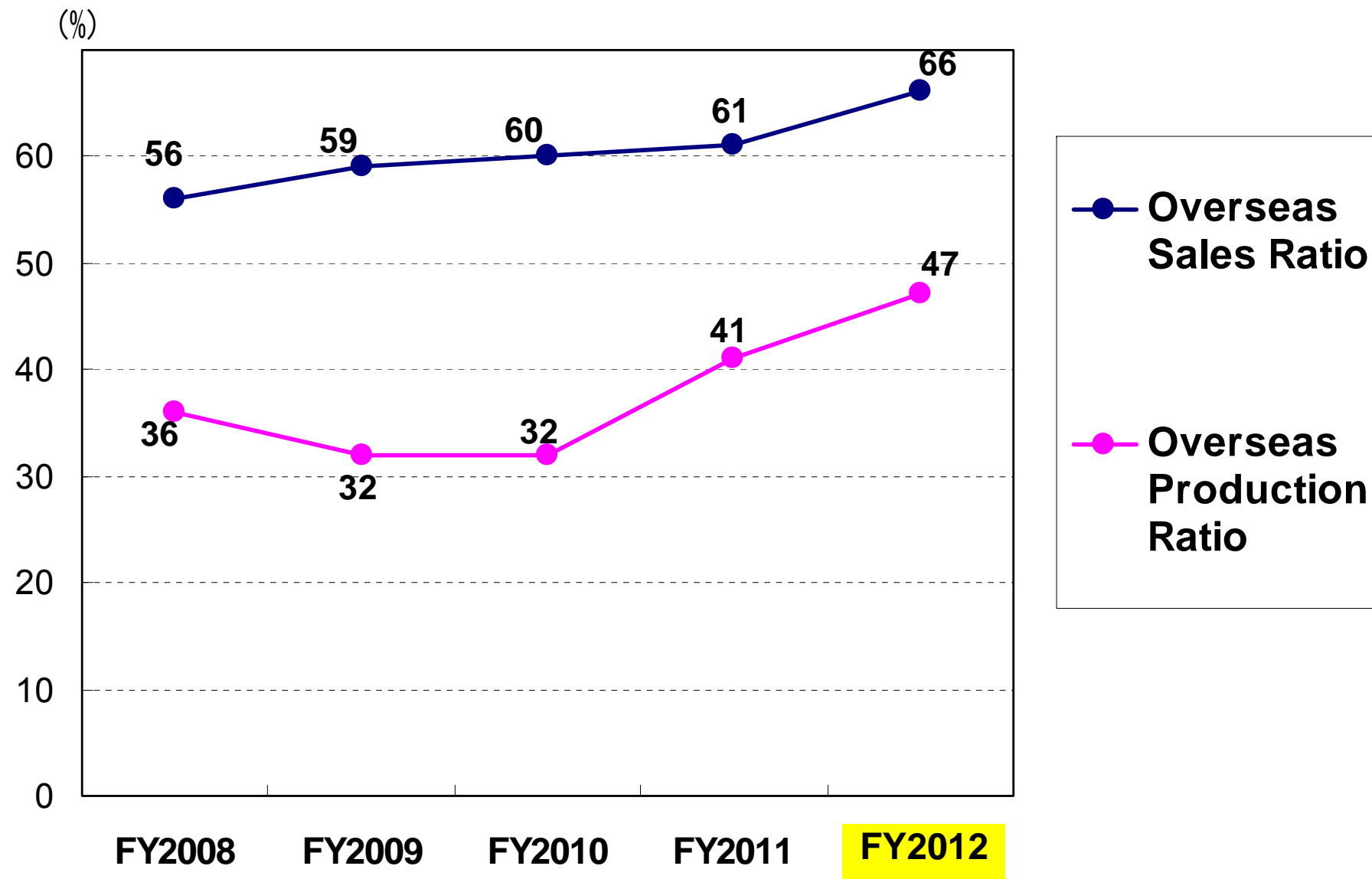
Sales Changes by Market (Round Number) [Consolidated Basis]



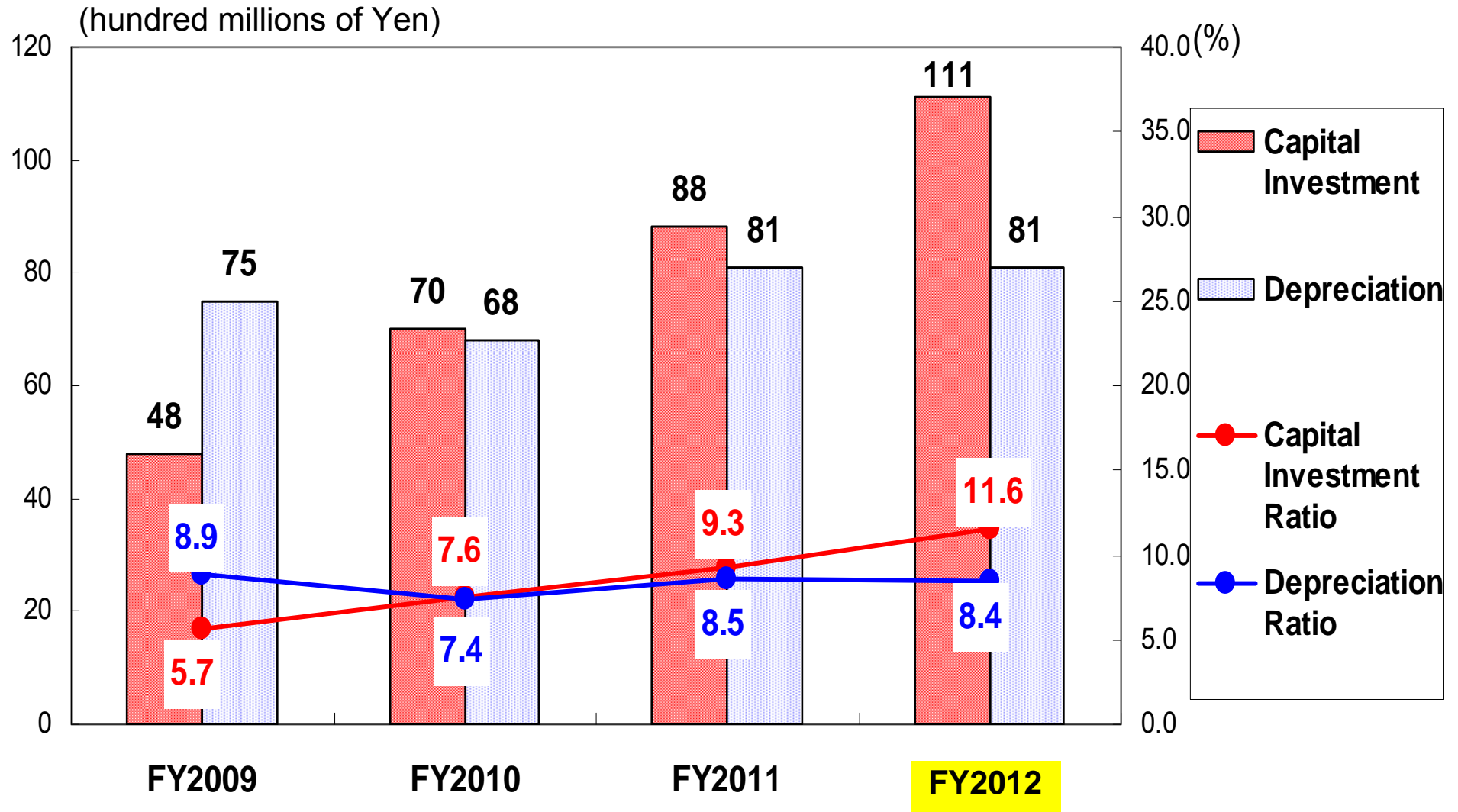
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Overseas Production and Sales Ratio

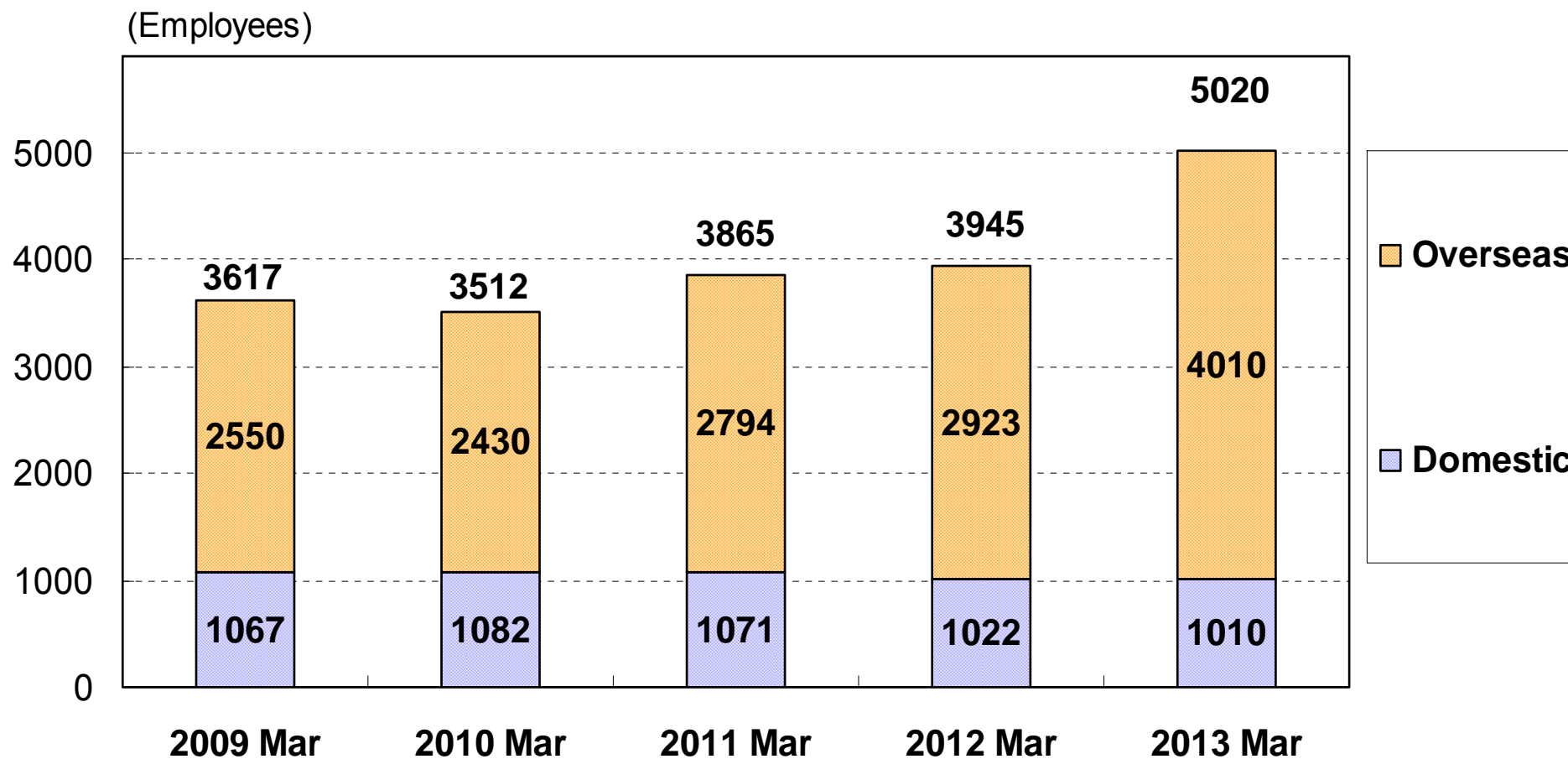


Capital Investment and Depreciation Change (Consolidated Basis)

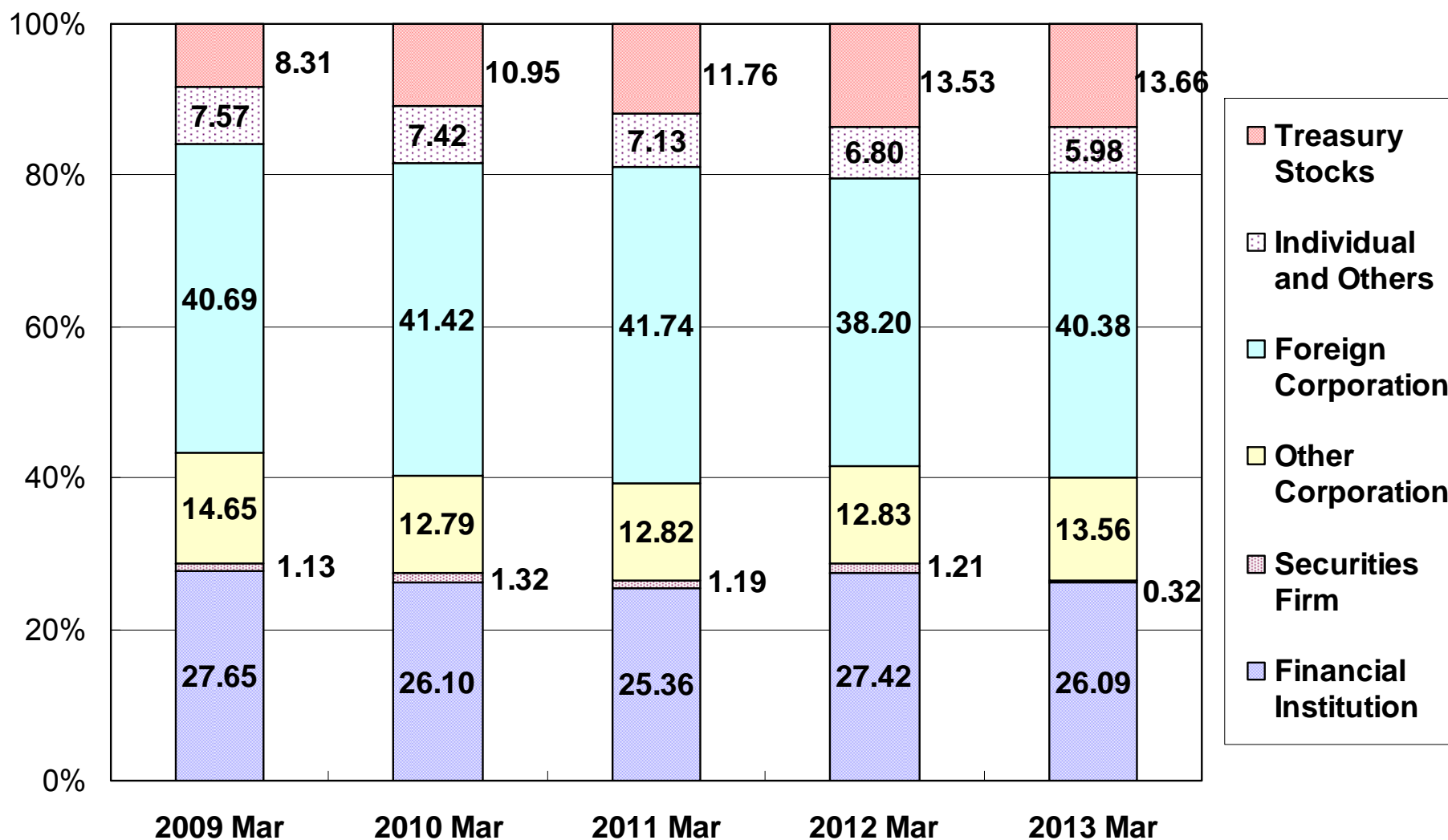


(*Excluded: Building of Yokohama Center and Software investment)

Number of Employees (Financial Report Basis)



Distribution of Shareholders



Business Forecast for the Year Ending March 31, 2014 (Consolidated)

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

(hundred millions of Yen)

	FY2012(FY ended Mar 31,2013) Actual			FY2013 (FY ending Mar 31,2014) 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	%
Sales (COGS)	467.7 (56.5%)	491.7 (59.0%)	959.4 (57.8%)	545.0 (56.9%)	535.0 (57.9%)	1,080.0 (57.4%)	77.3	16.5%	43.3	8.8%	120.6	12.6%
Operating Profit (%)	109.6 23.4%	100.2 20.4%	209.8 21.9%	130.0 23.9%	120.0 22.4%	250.0 23.1%	20.4	18.6%	19.8	19.8%	40.2	19.1%
Recurring Profit (%)	114.4 24.5%	109.5 22.3%	223.9 23.3%	135.0 24.8%	130.0 24.3%	265.0 24.5%	20.6	18.0%	20.5	18.7%	41.1	18.4%
Net Profit (%)	68.0 14.5%	67.0 13.6%	135.0 14.1%	85.0 15.6%	85.0 15.9%	170.0 15.7%	17.0	24.9%	18.0	26.9%	35.0	25.9%
Income Per Share	-	-	390.48Yen	-	-	492.00Yen			FY2012 Actual		FY2013 Forecast	
Dividend Per Share	70Yen	70Yen	140Yen	80Yen	80Yen	160Yen	Exchange Rate: US\$		83.10Yen		95.00Yen	
Consolidated Dividend Payout Ratio	-	-	35.5%	-	-	32.5%	Exchange Rate:€		107.14Yen		125.00Yen	
							Exchange Rate: 100 Won		7.48Yen		8.50Yen	

Sales and Profit, Actual Change and Forecast

