



For First Quarter, FY2017

Business Results



- CONNECTING THE FUTURE -

31st July, 2017

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 1Q FY2017

FY 2016
1Q

Smartphone market orders had slightly exceeded expectation for Chinese market, etc. Automotive market trend was stable. Industrial market sales started weak, but ended with an upward trend.

FY 2016
4Q

Automotive market trended steadily. Smartphone market have increased slightly from 3Q. Industrial market overall trended steadily, lead by the good trend in FA related equipment.

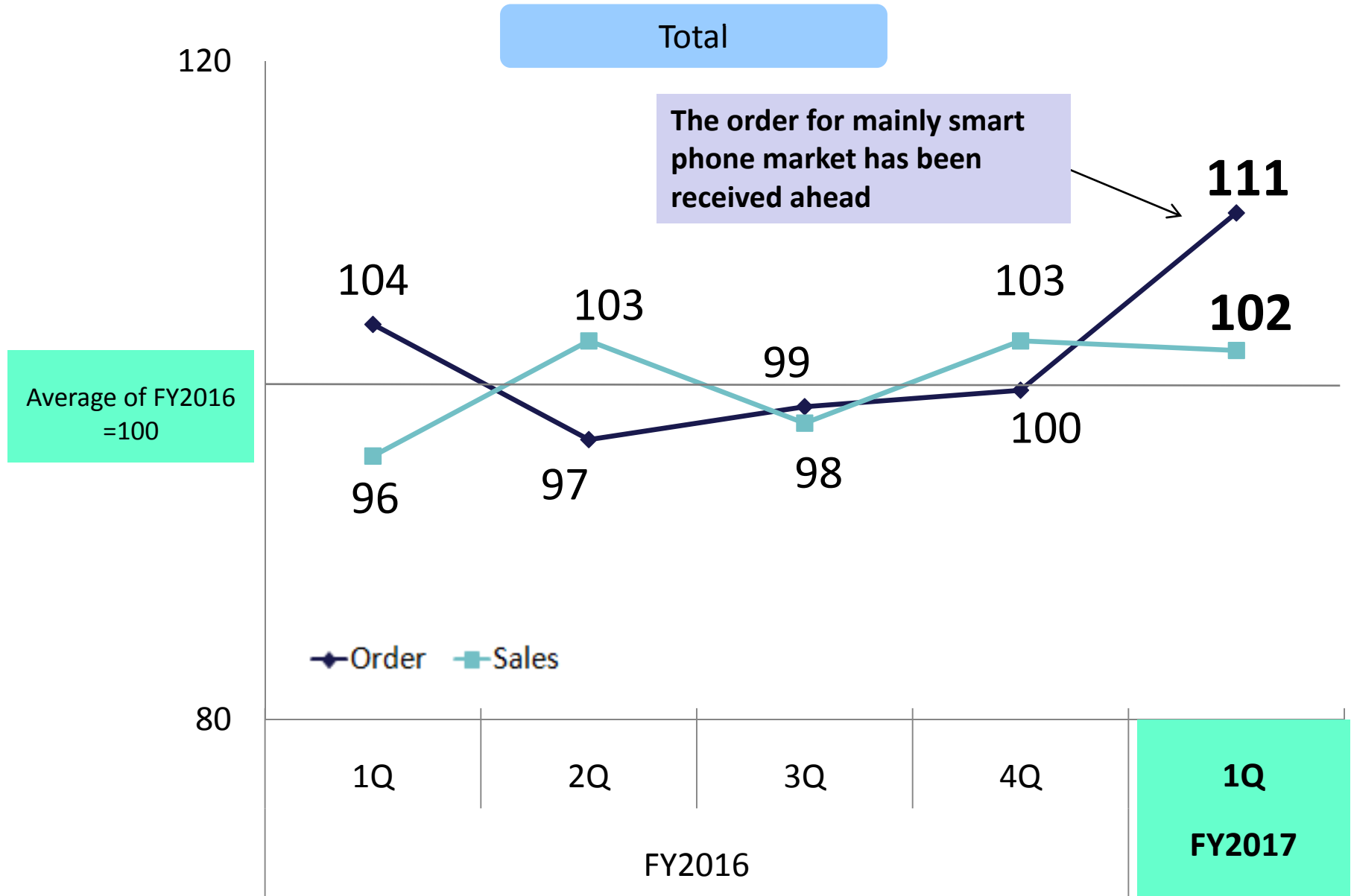
FY 2017
1Q (Apr-Jun)

Smartphone market sales had slightly decreased due to the delay of the starting up in Chinese market. Industrial market overall had grown significantly because of the good trend in FA related equipment. Automotive market had remained flat from 1Q.2016

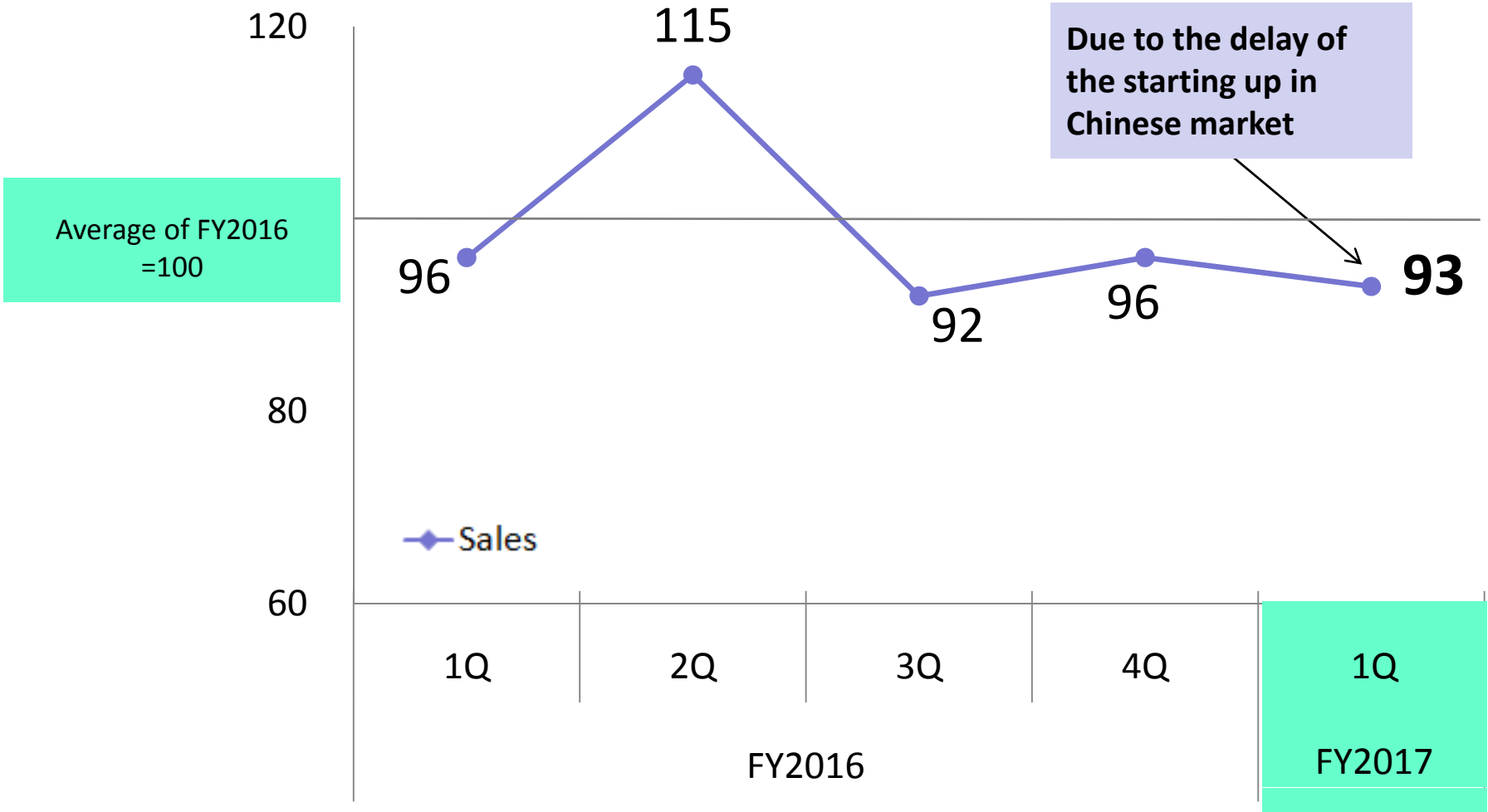
FY2017 1Q
Results settled on

Order: **323.0**hundred million yen
(YoY **+6.8%**, over 4Q FY2016 **+10.8%**)
Sales : **294.7**hundred million yen
(YoY **+6.6%**, over 4Q FY2016 **-0.4%**)
Recurring Profit : **74.0**hundred million yen ※Profit Ratio **25.1%**
(YoY **+2.3%**, over 4Q FY2016 **+3.0%**)

FY2016 1Q – FY2017 1Q Orders and Sales (Consolidated Basis, Index Number)

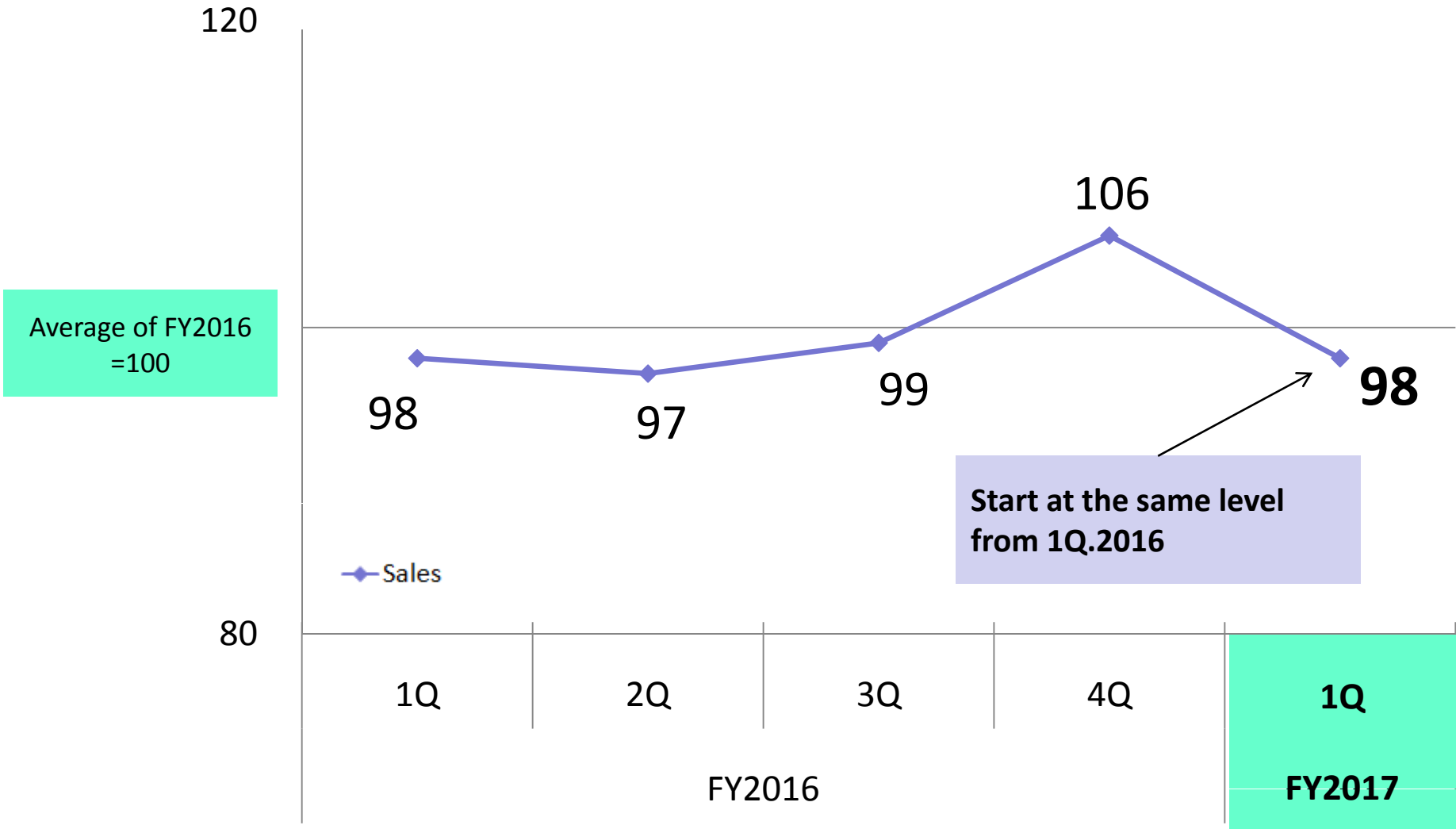


Smartphone / Mobile



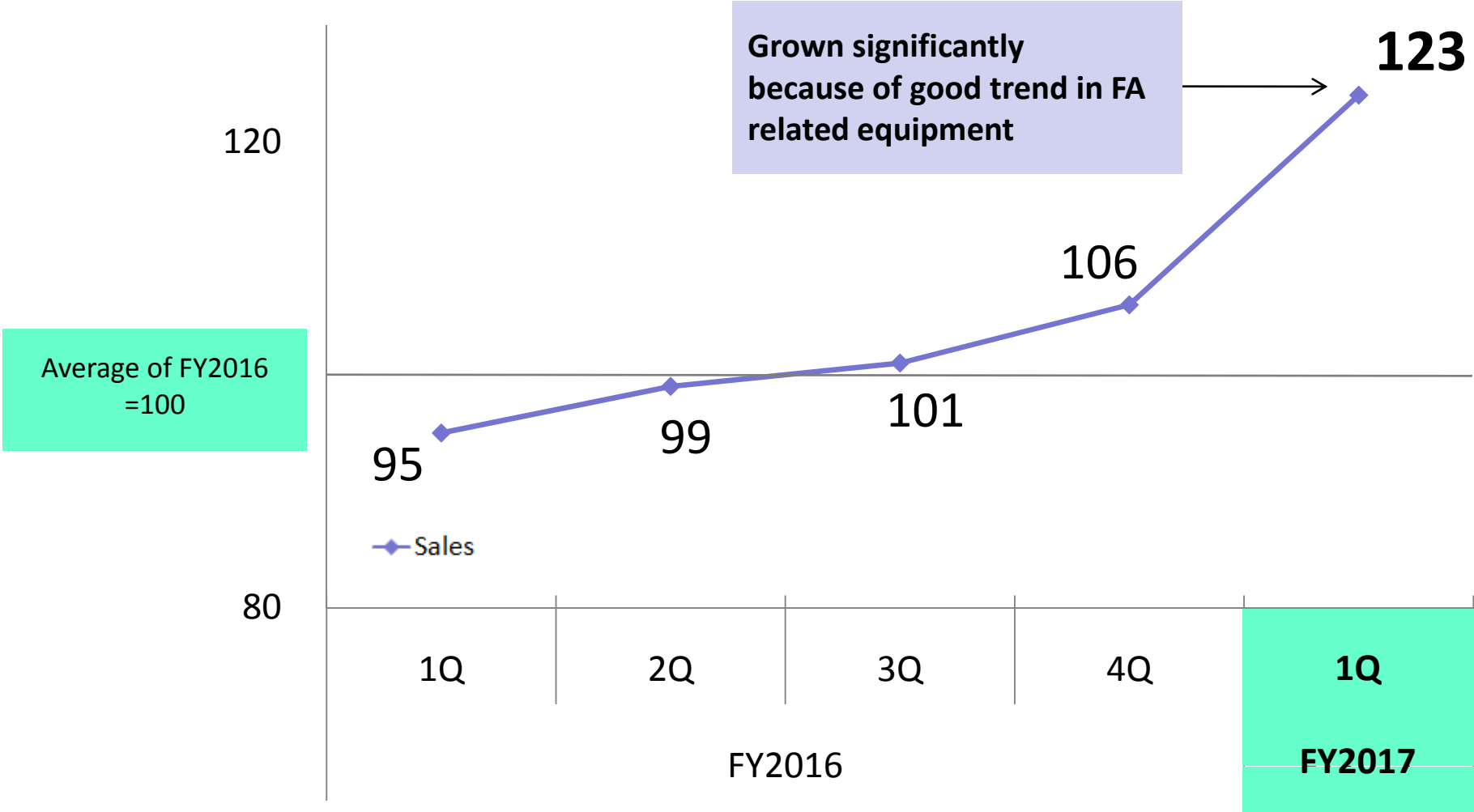
FY2016 1Q – FY2017 1Q Sales by Markets (Consolidated Basis, Index Number)

Automotive



FY2016 1Q – FY2017 1Q Sales by Markets (Consolidated Basis, Index Number)

Associated Electric Equipment,
FA Controlling Device, and Others



Business Results for 1Q, FY2017^①

Hundred millions of Yen

	FY2016 1Q	FY2017 1Q	Increase / Decrease	Increase / Decrease Ratio
Sales	276.4	294.7	18.3	6.6%
COGS Ratio	52.8%	52.1%	-0.7%	
SGA Ratio	21.5%	24.0%	+2.5%	
Operating Profit	71.0	70.4	-0.6	-1.0%
(%)	25.7%	23.9%	-1.8%	
Recurring Profit	72.3	74.0	1.7	2.3%
(%)	26.2%	25.1%	-1.1%	
Net Profit	52.9	50.6	-2.3	-4.3%
(%)	19.1%	17.2%	-1.9%	
Total Assets	3,102.6	3,293.9	191.4	6.2%
Shareholder's Equity Ratio	90.1	90.1		
Income Per Share	151.32Yen	145.49Yen		

Business Results for 1Q, FY2017^②

Major changes over prior same period



Unit: hundred millions of Yen

■ Sales

18.3 Increase

Hirose : + **16.7**

Subsidiaries : + **1.6**

■ COGS Ratio

0.7 point Increase

Purchase Cost Ratio : 38.9%→**37.3%**

Depreciation Ratio : 4.2%→**5.1%**

■ SGA Ratio

2.5 point decrease

due to the increase in personal expenses, etc

■ Non-Operating Profit

2.4 Improved

Foreign Exchange Gain / Loss: -2.4→**-0.5**

Business Results for 1Q, FY2017^③ Currency Effect

	FY2016 1Q	FY2017 1Q
Currency rate : US\$	108.14 Yen	111.09 Yen
Currency rate : €	122.02 Yen	122.19 Yen
Currency rate: 100won	9.30 Yen	9.85 Yen

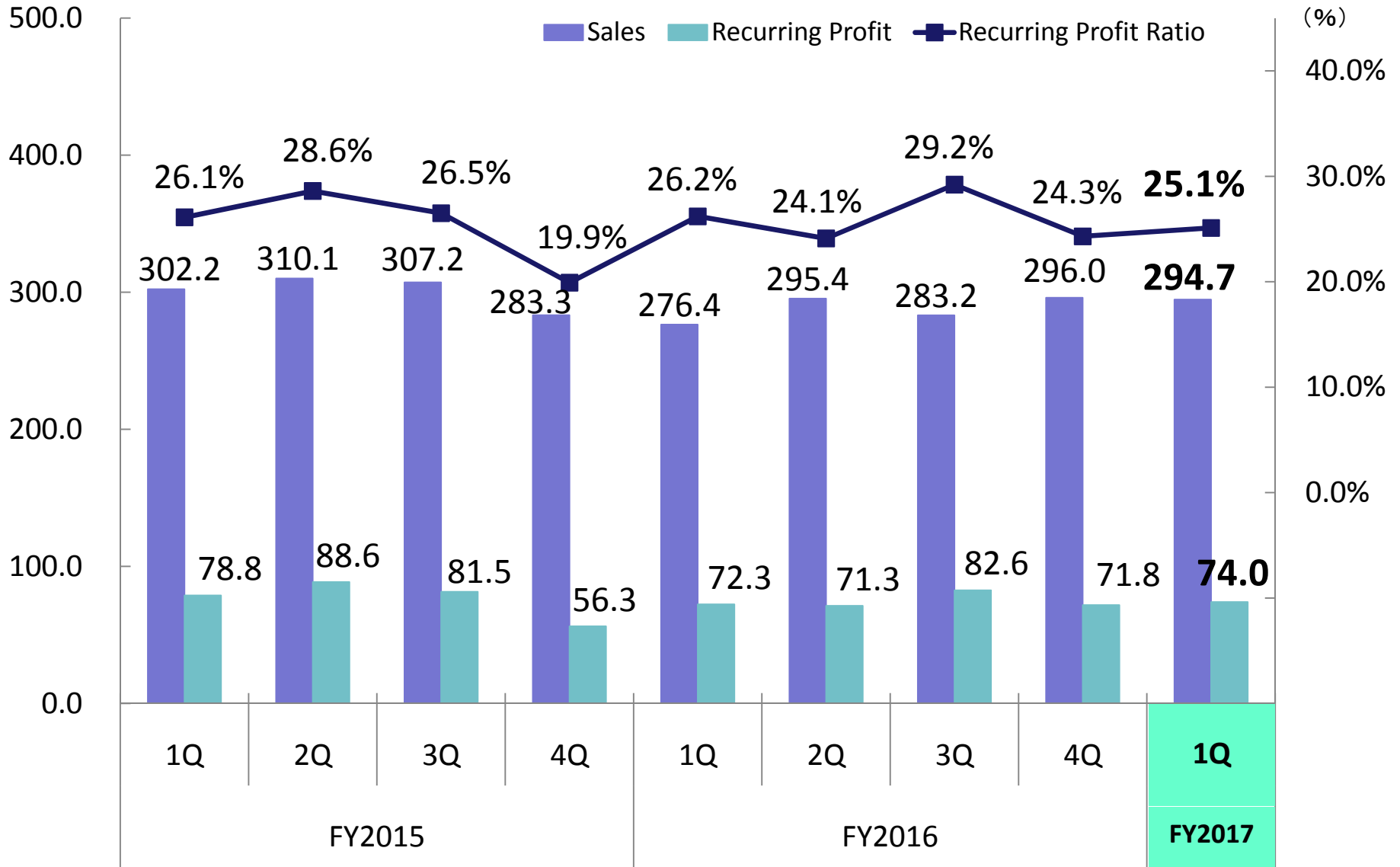


Unit : hundred millions of Yen

YoY currency effect amount	
Sales	+ 6.7
Operating profit	+1.6
Recurring profit	+3.6

Quarterly Sales and Profits

(Hundred millions of Yen)



Changes in Consolidated Balance Sheet

Unit: hundred of million Yen

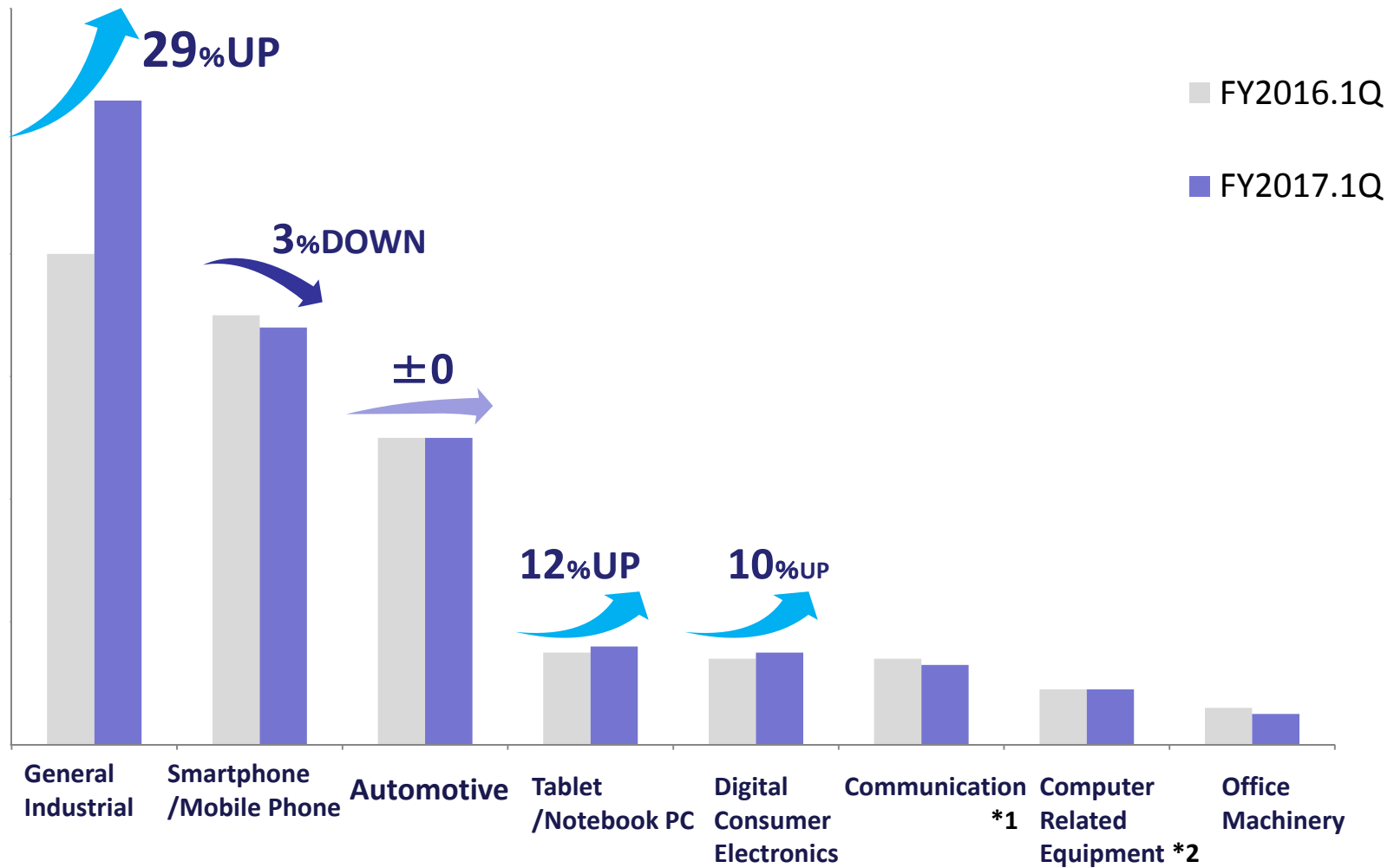
	Account	Mar 31, 2017	Jun 30, 2017	Increase/ Decrease	Remark
A S S E T S	Cash and Cash in Bank	1,852.5	1,892.5	40.0	Increase due to government bond redemption, etc
	Trade Receivables	284.9	286.4	1.5	
	Securities	218.9	174.4	-44.5	Decrease due to government bond redemption, etc
	Inventories	88.9	99.8	10.9	Increase in the products (would be reflected to 2Q Sales)
	Noncurrent Assets	455.9	468.4	12.5	Increase in machinery, equipment and metal molds, etc.
	Investment Securities	264.5	284.5	20.0	Increase in corporate bond,etc
	Others	101.4	87.9	-13.5	Decrease in other accounts receivable (tax refund), etc.
	Total Assets	3,267.0	3,293.9	26.9	

Changes in Consolidated Balance Sheet

Unit: hundred of million Yen

	Account	Mar 31, 2017	Jun 30, 2017	Increase / Decrease	Remarks
Liabilities	Notes Payable and Account Payable	113.9	122.3	8.4	Increase in domestic plant
	Income Taxes Payable	37.6	26.9	-10.7	Tax Payment
	Others	152.5	173.0	20.5	Increase in account payable
	Total	304.0	322.2	18.2	
Shareholders' Equity	Retained Earnings	3,214.9	3,223.8	8.9	Net profit 50.6 - Divident 41.8
	Treasury Stocks	-589.0	-588.6	0.4	
	Valuation Variance	73.7	76.2	2.5	
	Transaction Adjustment	53.1	50.2	-2.9	
	Others	210.3	210.1	-0.2	
	Total	2,963.0	2,971.7	8.7	
	Total Liabilities and Shareholder's Equity	3,267.0	3,293.9	26.9	

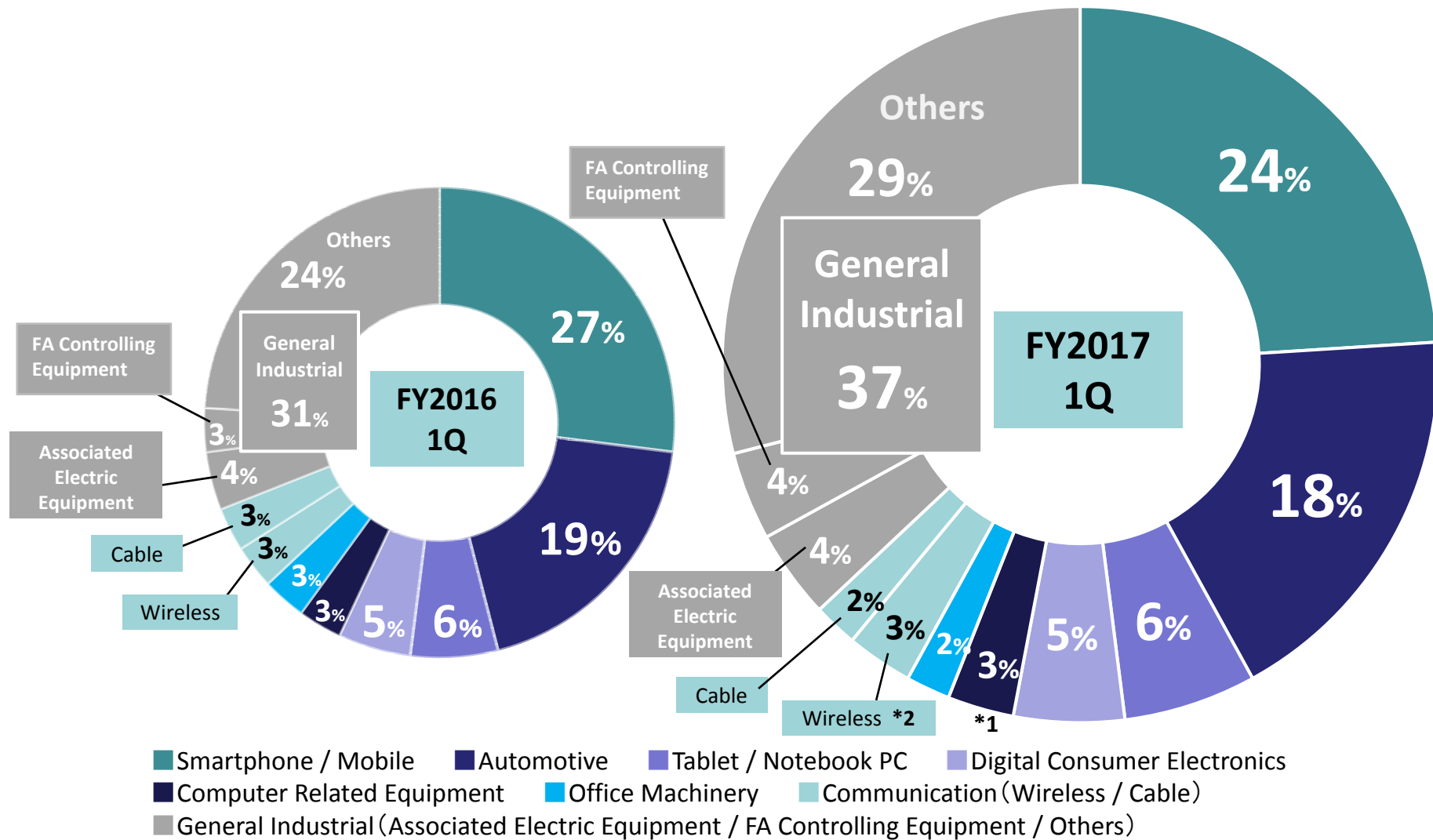
Sales Changes by Application (round number) 【Consolidated Basis】



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

*1 Computer Related Equipment – Tablet/Notebook PC not included.
 *2 Communication - Smartphone / Mobile Phone not included.

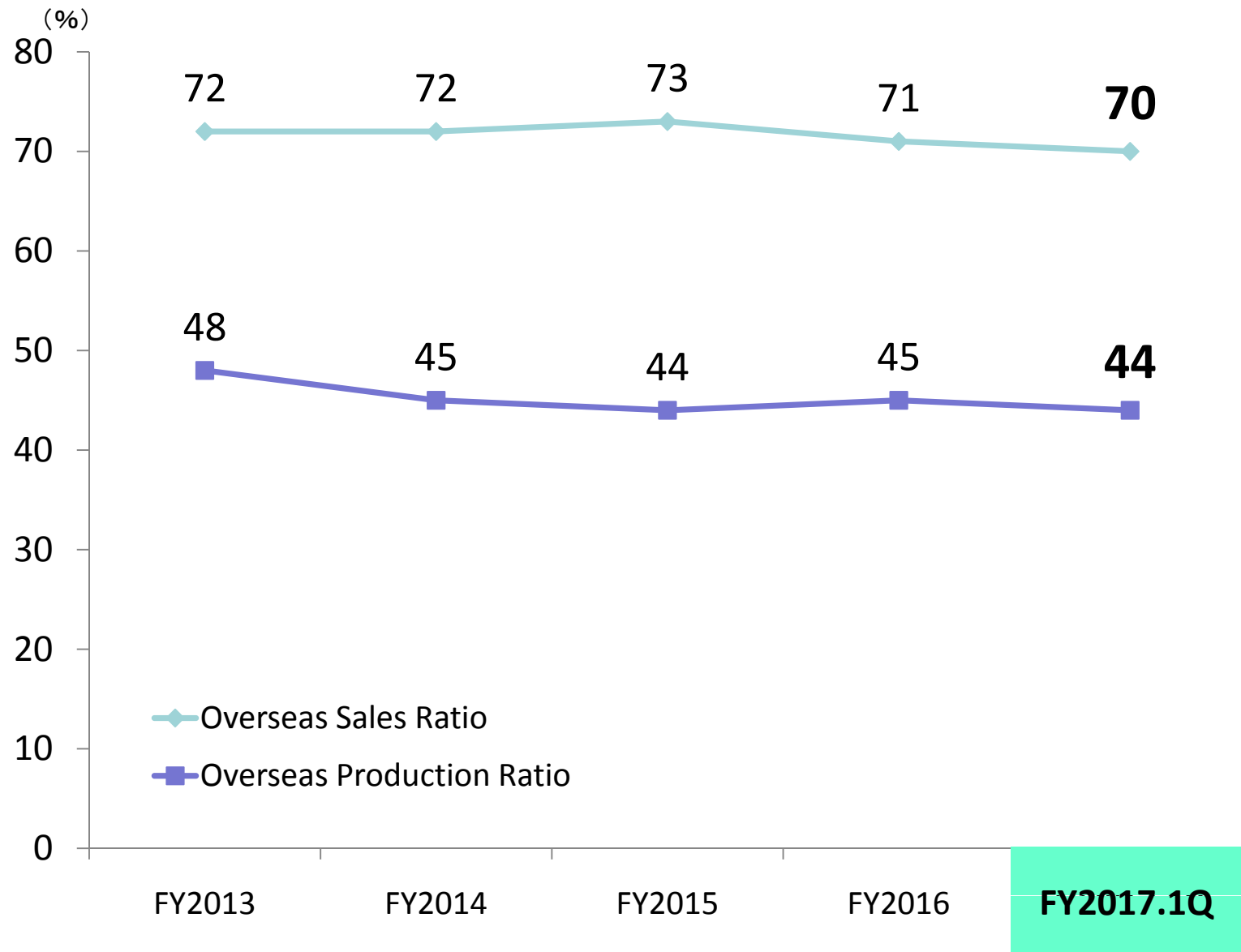
Sales by Application (round number) (Consolidated Basis)



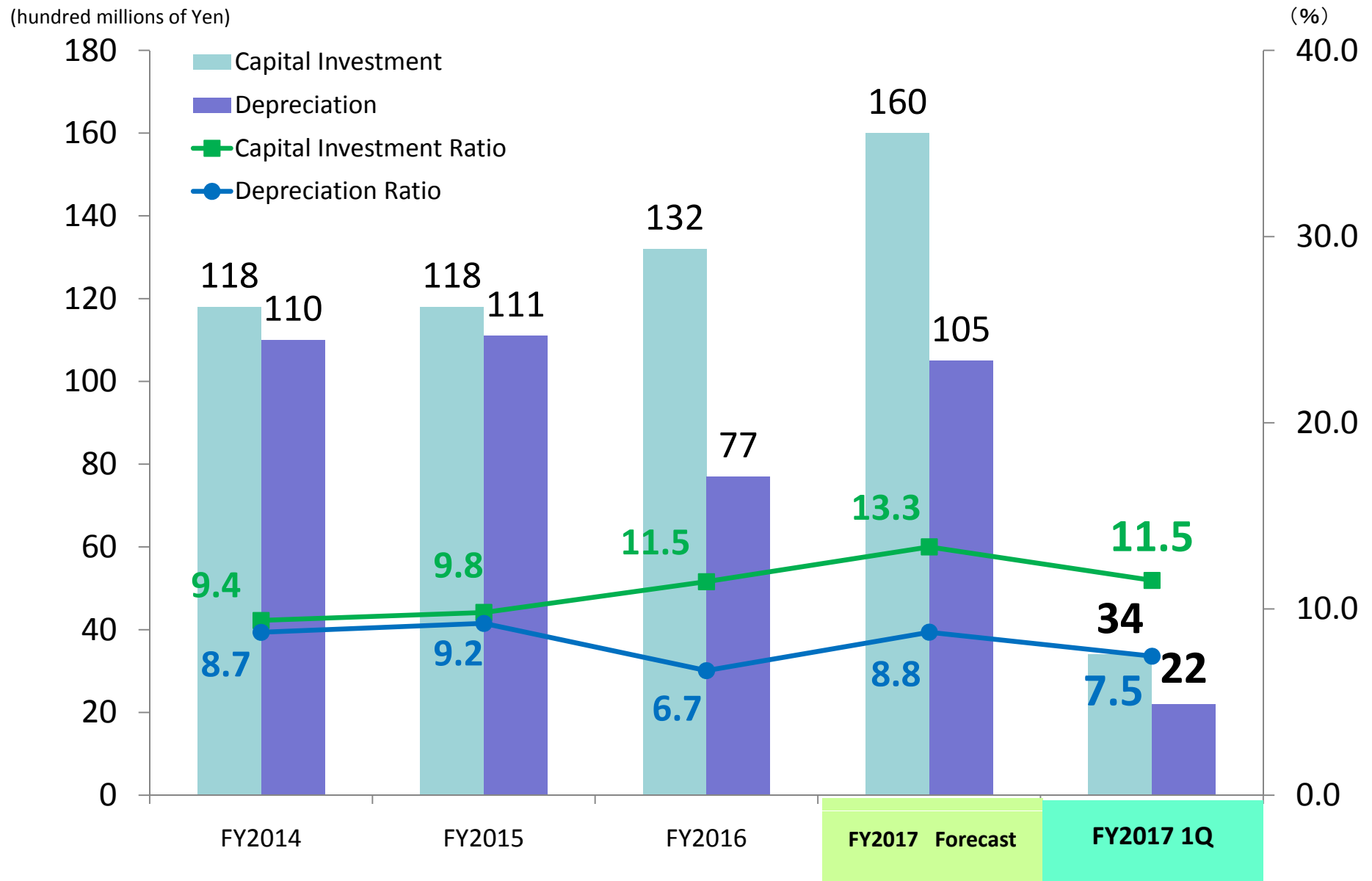
As this is in round number, please be noted that some ratio difference may occur. Thank you for your understanding.

*1 Computer Related Equipment – Tablet/Notebook PC not included.
 *2 Wireless Communication - Smartphone / Mobile Phone not included.

Overseas Production and Sales Ratio



Capital Investment and Depreciation Change (Consolidated Basis)



(*Excluded: Investment in land, building, software)

Business Forecast for the Year Ending March 31, 2018 (Consolidated)



There is no change from previous figures (April, 2017)

Unit: hundred millions of Yen

	FY 2016 (FY ended Mar 31, 2017) Actual		FY 2017 (FY ended Mar 31, 2018) Forecast		First Half Over the Previous Actual Amount		For the Year Over the Previous Actual Amount	
	First Half	For the Year	First Half	For the Year	Amount Change	%	Amount Change	%
Sales	571.8	1,151.0	600.0	1,200.0	28.2	4.9%	49.0	4.3%
COGS	53.4%	53.1%	53.4%	53.4%				
Operating Profit	142.9	284.8	142.0	283.0	-0.9	-0.6%	-1.8	-0.6%
(%)	25.0%	24.7%	23.7%	23.6%				
Recurring Profit	143.6	298.0	146.0	293.0	2.4	1.7%	-5.0	-1.7%
(%)	25.1%	25.9%	24.3%	24.4%				
Net Profit	101.3	213.6	102.0	205.0	0.7	0.7%	-8.6	-4.0%
(%)	17.7%	18.6%	17.0%	17.1%				
Income Per Share	—	611.81 Yen	—	589.08 Yen				
Dividend Per Share	120 Yen	240 Yen	240 Yen	480 Yen				
Consolidated Dividend Payout Ratio	—	39.2%	—	81.5%				

Currency Rate	FY2016 Actual	FY2017 Forecast	(Forecast as of April, 2017)
1US\$	108.38 Yen	110.27 Yen	(110.00 Yen)
1€	118.79 Yen	120.55 Yen	(120.00 Yen)
100won	9.45 Yen	9.81 Yen	(9.80 Yen)

**HRS's 80th anniversary commemorative dividend (240 yen/share annually) is included in FY2017 Dividend Per Share



Becoming a corporate group that
contributes to realize an affluent society...
By connecting wisdom and producing high
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