



**HIROSE ELECTRIC CO.,LTD.**



**Tatsuro Nakamura** Chairman and Representative Director  
**Kazunori Ishii** President and Representative Director  
**Sakae Kushida** Vice Chairman and Representative Director

We are pleased to report the results of operations for fiscal 2013, the year ended March 31, 2014 (the 67th fiscal term, from April 1, 2013 to March 31, 2014).

## Business Overview

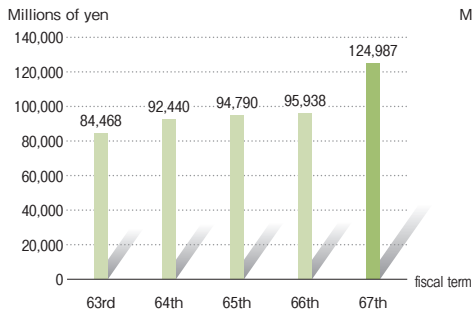
During the fiscal year ended March 31, 2014, the Japanese economy showed a basic recovery trend. Under the government's economic stimulus measures and the Bank of Japan's monetary policy, the yen depreciated and share prices rose. Other signs of recovery included improvements in corporate earnings and the employment situation.

On the other hand, it seems that a full-fledged recovery may require more time. Factors include consumer spending being affected by price increases due to the yen's depreciation beginning to trickle through to food and daily goods, and concerns of a temporary slowdown due to the consumption tax hike.

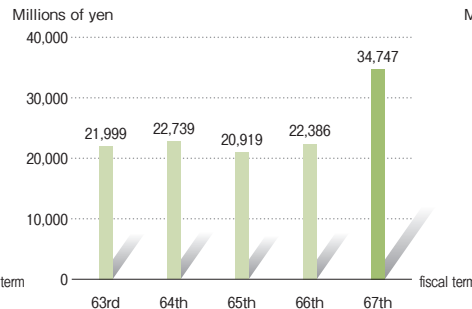
In such a business environment, the Hirose Electric Group was active in expanding its global business while enhancing the alliance with consolidated subsidiary HIROSE KOREA CO., LTD., in which the Company raised its investment ratio to 97% in November 2012, in diverse aspects of sales, development and production. We also continued to reinforce our development and sales systems for high-value-added products in the pursuit of swifter responses to increasingly

## Financial Highlights

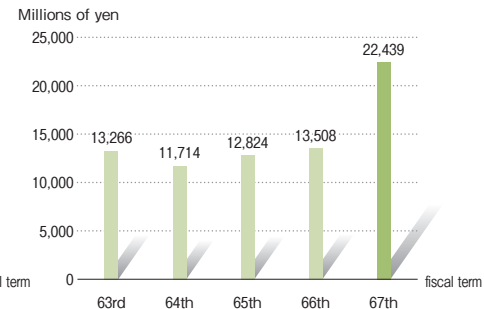
### Net sales



### Ordinary income



### Net income



sophisticated market needs. This significant role has been mainly shouldered at the Yokohama Center in Tsuzukiku, Yokohama, into which the Product Development, Engineering, Sales & Marketing Divisions and other functions have been consolidated.

As a result, consolidated net sales for the year under review amounted to a record high of ¥124,987 million, an increase of 30.3% year on year. Operating income increased 57.3% year on year to ¥33,005 million, ordinary income rose 55.2% year on year to ¥34,747 million and net income advanced 66.1% year on year to ¥22,439 million.

The management environment in which the Group operates is expected to shift to a full-fledged recovery, supported by the effects of the government's economic stimulus measures and the Bank of Japan's monetary policy.

Nevertheless, there are numerous factors that could cause concern, including an increase in personnel costs attendant on the recovery of business results, a rise in raw material costs due to the yen's depreciation, the impact of the consumption tax hike, and the slowdown in emerging economies. As such, the outlook for the economic environment still allows no room for optimism.

The Group expects further sales growth in the automobile field along with an expansion in automotive electronics, and the growth of the industrial machinery/equipment and

communications equipment fields. We also expect to maintain and expand our mass production businesses such as smart phones and tablet PCs, where further price competition is expected to be driven by consumers' preferences for lower-priced products.

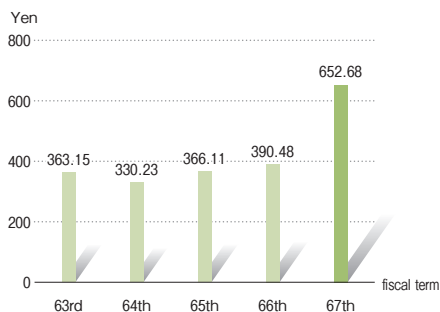
In this business environment, the Group intends to pursue leading-edge technologies, conduct more efficient distribution and concentration of resources and consistently carry out reforms and innovations. Such aggressive initiatives also include the reinforcement of high-value-added product development capabilities to meet market needs, the promotion of manufacturing efficiency and further improvement of product quality, all of which would serve to improve our cost competitiveness. At the same time, we will work to promote globalization with an eye to dispersing risk across production bases and growing and expanding our businesses going forward, develop domestic and overseas sales channels, and strengthen our management foundations toward profitable growth in an effort to improve our corporate value.

We look forward to your continued support and encouragement.

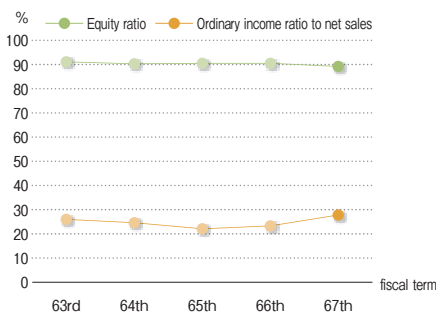
June 2014

Tatsuro Nakamura  
Chairman and Representative Director

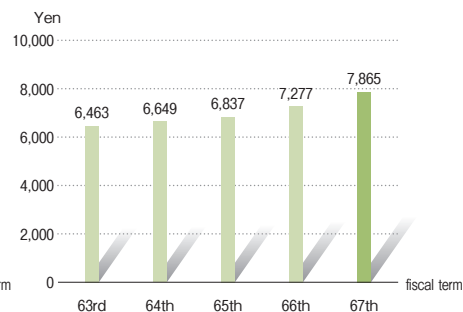
■ Net income per share



■ Equity ratio & Ordinary income ratio to net sales



■ Net assets per share



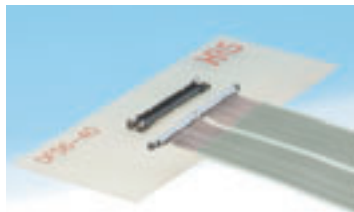
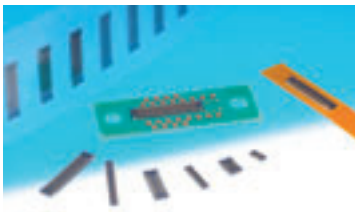
### Multi-Pin Connectors

Our flagship multi-pin connectors include a variety of connector types such as circular and rectangular connectors, connectors for ribbon cables, connectors used for printed circuit boards including FPCs (flexible printed circuit boards) and nylon connectors.

The major applications of these connectors include a wide range of fields such as smartphones and mobile phones, tablet PCs and Ebook readers, communications equipment and automotive electronics, as well as industrial fields such as measuring and control equipment, FA equipment and medical electronics equipment. Further expansion in demand is

expected along with the further development of a sophisticated information and communications networked society and an eco-friendly, energy conservation-oriented society.

Consolidated segment net sales for the year under review increased 32.2% year over year to ¥101,967 million and operating income rose 62.2% to ¥28,435 million due to steady orders and sales, primarily for the South Korean and Chinese smartphone and mobile phone markets, and for the automobile market, accompanied by a recovery in business in the industrial machinery/equipment market.

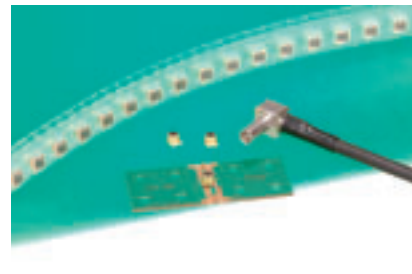


## Coaxial Connectors

Coaxial connectors are a special type of high-performance connector used primarily for microwave and other high-frequency signals. Their applications include microwave communications devices, satellite communications equipment, electronic measuring instruments, smartphones and mobile phones, and switching and transmission equipment and other

electronic equipment. Optical fiber connectors and coaxial switches are also included in this segment.

Consolidated segment net sales for the year under review increased 21.8% year over year to ¥16,794 million and operating income increased 36.6% year over year to ¥4,339 million.



## Other Products

The other products segment includes medical electronics and health equipment such as interference wave EMSs, micro switches and instruments for connectors.

Consolidated segment net sales for the year under review increased 24.4% year over year to ¥6,226 million and operating income decreased 16.3% year over year to ¥230 million.



# Consolidated Financial Statements

## Consolidated Balance Sheets

(Millions of yen)

Account item	Current fiscal year	Previous fiscal year
	As of March 31, 2014	As of March 31, 2013
<b>(Assets)</b>		
Current assets	200,930	180,817
Non-current assets	99,820	97,063
Property, plant and equipment	31,697	31,022
Intangible assets	1,345	1,191
Investments and other assets	66,777	64,850
<b>Total assets</b>	<b>300,751</b>	<b>277,881</b>
<b>(Liabilities)</b>		
Current liabilities	26,031	21,730
Non-current liabilities	5,554	4,084
<b>Total liabilities</b>	<b>31,586</b>	<b>25,815</b>
<b>(Net assets)</b>		
Shareholders' equity	257,805	247,310
Capital stock	9,404	9,404
Capital surplus	14,441	14,365
Retained earnings	295,725	278,804
Treasury shares	△61,766	△55,263
Accumulated other comprehensive income	10,490	4,152
Subscription rights to shares	63	74
Minority interests	804	529
<b>Total net assets</b>	<b>269,164</b>	<b>252,066</b>
<b>Total liabilities and net assets</b>	<b>300,751</b>	<b>277,881</b>

Note: Amounts less than ¥1 million are truncated.

## Consolidated Statements of Income

(Millions of yen)

Account item	Current fiscal year	Previous fiscal year
	From April 1, 2013 to March 31, 2014	From April 1, 2012 to March 31, 2013
Net sales	124,987	95,938
Cost of sales	69,061	55,451
Gross profit	55,925	40,486
Selling, general and administrative expenses	22,920	19,501
Operating income	33,005	20,985
Non-operating income	1,823	1,507
Non-operating expenses	81	106
Ordinary income	34,747	22,386
Extraordinary income	—	138
Extraordinary losses	253	327
Income before income taxes and minority interests	34,493	22,197
Income taxes-current	11,577	7,468
Income taxes-deferred	253	692
Income before minority interests	22,662	14,035
Minority interest in income	223	526
<b>Net income</b>	<b>22,439</b>	<b>13,508</b>

Note: Amounts less than ¥1 million are truncated.

## Consolidated Statements of Cash Flows

(Millions of yen)

Account item	Current fiscal year	Previous fiscal year
	From April 1, 2013 to March 31, 2014	From April 1, 2012 to March 31, 2013
Operating activities	34,606	26,370
Investing activities	△18,820	△19,677
Financing activities	△12,028	△4,994
Effect of exchange rate change on cash and cash equivalents	1,615	1,861
Net increase/decrease in cash and cash equivalents	5,372	3,559
Cash and cash equivalents, beginning of the year	45,551	41,992
<b>Cash and cash equivalents, end of the year</b>	<b>50,924</b>	<b>45,551</b>

Note: Amounts less than ¥1 million are truncated.

## Consolidated Statement of Changes in Equity (From April 1, 2013 to March 31, 2014)

(Millions of yen)

Item	Shareholders' equity					Accumulated other comprehensive income				Subscription rights to shares	Minority interests	Total net assets
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' 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 current period	9,404	14,365	278,804	△55,263	247,310	3,384	767	—	4,152	74	529	252,066
Changes of items during period												
Dividends of surplus			△5,517		△5,517				—			△5,517
Net income			22,439		22,439				—			22,439
Purchase of treasury shares				△6,813	△6,813				—			△6,813
Disposal of treasury shares		76		310	386				—			386
Net changes of items other than shareholders' equity					—	1,365	4,952	19	6,338	△10	275	6,603
Total changes of items during period	—	76	16,921	△6,502	10,494	1,365	4,952	19	6,338	△10	275	17,098
Balance at end of current period	9,404	14,441	295,725	△61,766	257,805	4,750	5,720	19	10,490	63	804	269,164

Note: Amounts less than ¥1 million are truncated.

# Non-consolidated Financial Statements

## Non-consolidated Balance Sheets (Millions of yen)

Account item	Current fiscal year As of March 31, 2014	Previous fiscal year As of March 31, 2013
<b>(Assets)</b>		
Current assets	102,050	98,388
Non-current assets	58,038	59,268
Property, plant and equipment	13,497	15,642
Intangible assets	1,156	933
Investments and other assets	43,384	42,691
<b>Total assets</b>	<b>160,088</b>	<b>157,657</b>
<b>(Liabilities)</b>		
Current liabilities	13,071	11,355
Non-current liabilities	2,337	1,410
<b>Total liabilities</b>	<b>15,409</b>	<b>12,765</b>
<b>(Net assets)</b>		
Shareholders' equity	139,885	141,451
Capital stock	9,404	9,404
Capital surplus	14,441	14,365
Retained earnings	177,805	172,944
Treasury shares	△61,766	△55,263
Valuation, translation adjustments and others	4,730	3,366
Subscription rights to shares	63	74
<b>Total net assets</b>	<b>144,679</b>	<b>144,891</b>
<b>Total liabilities and net assets</b>	<b>160,088</b>	<b>157,657</b>

Note: Amounts less than ¥1 million are truncated.

## Non-consolidated Statements of Income (Millions of yen)

Account item	Current fiscal year From April 1, 2013 to March 31, 2014	Previous fiscal year From April 1, 2012 to March 31, 2013
Net sales	86,212	70,825
Cost of sales	59,605	47,796
Gross profit	26,606	23,028
Selling, general and administrative expenses	15,536	13,864
Operating income	11,070	9,164
Non-operating income	6,420	5,045
Non-operating expenses	1,095	1,224
Ordinary income	16,394	12,985
Extraordinary losses	197	286
Income before income taxes	16,197	12,698
Income taxes-current	5,875	4,648
Income taxes-deferred	△56	122
<b>Net income</b>	<b>10,378</b>	<b>7,927</b>

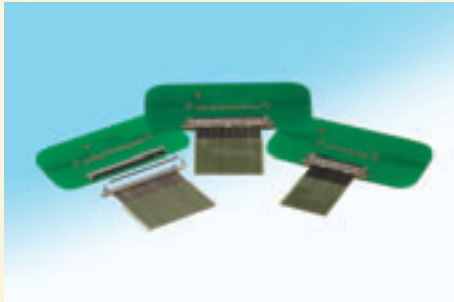
Note: Amounts less than ¥1 million are truncated.

## Introduction of Our New Products

The Company launches many new products every year into the market. The following product series are part of our recent introductions:

### DF81 Series

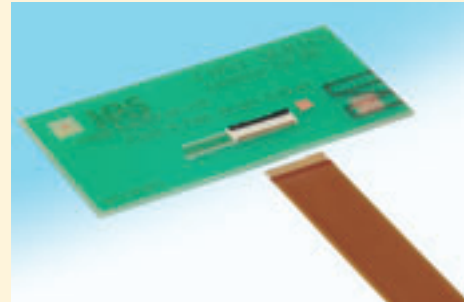
A space-saving, low height, board-to-micro-coaxial cable connector with outstanding high speed signal transmission performance. Meets the needs for higher signal transmission speeds and higher component density in the notebook PC and tablet PC market with high speed transmission standard USB 3.1 (10Gbps) and Embedded DisplayPort 1.4 (5.4 Gbps). The DF81 series also realizes the world's lowest height and smallest mounting area. In addition, multiple grounding points provide enhanced noise resistance during high speed signal transmission.



### FH53 Series

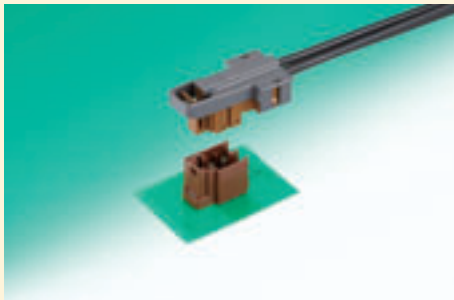
A back-flip connector for FPC developed to meet the needs for a smaller footprint on the board to support further sophistication of small devices such as smartphones, tablet PCs, and digital cameras.

The FH53 series achieves high density with pitch 0.2 mm, depth 3.2 mm, and height 0.65 mm, while providing excellent operability and high FPC retention force due to a proprietary FPC retaining structure.



### GT36 Series

A power and coaxial combined micro connector developed for automobile roof antennas. Previously the main method was to connect the coaxial line directly to the substrate; however, using the GT36 as a connector enables a simplified mounting process and quality stability. The GT36 series features a right-angle connector for the cable side connector to enable a space-saving wiring arrangement on the vehicle body. The power supply section uses AWG#20-22 with a 1 A amperage rating and the coaxial section is compliant with DC to 2.5 GHz, 1.5 C-2V, 1.5 D-2V, 2.5 D-2V.



### PQ50WT Series

The PQ50WT series connectors were developed as a power and signal connector for industrial equipment such as robots or mounters. In addition to handling high voltages and large currents, they use die-cast covers for durability in harsh environments, and are specified to satisfy requirements for toughness and water resistance.

They can be used in combination of various types of housing and terminals depending on their application, and enable current to be split at the connector section by using Hirose's original split crimp terminal.





◎ Domestic bases

TOHOKU HIROSE ELECTRIC CO., LTD.



ICHINOSEKI HIROSE ELECTRIC CO., LTD.



KORIYAMA HIROSE ELECTRIC CO., LTD.



Kansai Branch

Chubu Sales Office

Head Office



Kikuna Office



Yokohama Center



◎ Overseas bases

HIROSE ELECTRIC EUROPE B.V.



HIROSE ELECTRIC(SUZHOU)CO., LTD.



HIROSE ELECTRIC (SHANGHAI) CO., LTD.



HIROSE KOREA CO., LTD.



HIROSE ELECTRIC(DONGGUAN)CO., LTD.



HIROSE ELECTRIC TECHNOLOGIES(SHENZHEN)CO., LTD.



HIROSE ELECTRIC(U.S.A.), INC.



HIROSE ELECTRIC MALAYSIA SDN. BHD.



HIROSE ELECTRIC TAIWAN CO., LTD.



HIROSE ELECTRIC SINGAPORE PTE. LTD.



HIROSE ELECTRIC HONG KONG CO., LTD.



HIROSE ELECTRIC HONG KONG TRADING CO., LTD.

P.T. HIROSE ELECTRIC INDONESIA



## Company Profile (As of March 31, 2014)

Trade name	HIROSE ELECTRIC CO., LTD.
Date of incorporation	June 15, 1948
Number of employees	708(excluding part-timers)
Capital stock	¥9,404,379,401

## Directors and Corporate Auditors (As of June 27, 2014)

Chairman and Representative Director	Tatsuro Nakamura
Vice Chairman and Representative Director	Sakae Kushida
President and Representative Director	Kazunori Ishii
Senior Managing Director	Yoshikazu Yoshimura
Director	Kazuhisa Nikaido
Director	Kazuyuki Iizuka
Director	Makoto Kondo
Director	Mitsuo Nakamura
Outside Director	Kensuke Hotta
(Standing)Audit & Supervisory Board Member	Yoshikazu Chiba
Audit & Supervisory Board Member	Toshio Matsubara
Outside Audit & Supervisory Board Member	Terukazu Sugishima
Outside Audit & Supervisory Board Member	Akira Seshimo
Outside Audit & Supervisory Board Member	Kentaro Miura

### Notes:

1. Director Kensuke Hotta is an outside director as stipulated in Article 2, Item 15, of the Companies Act.
2. Audit & Supervisory Board Members Terukazu Sugishima, Akira Seshimo and Kentaro Miura are outside corporate auditors as stipulated in Article 2, Item 16, of the Companies Act.

Accounting Auditor

KPMG AZSA LLC

## Stock Information(As of March 31, 2014)

Total number of shares issued	34,109,871 shares
	(Excluding 5,910,865 shares of treasury shares)
Number of shareholders	3,969

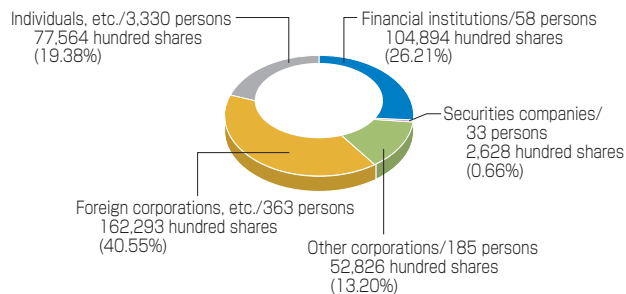
## Major Shareholders(Top 10)

Name of shareholder	Number of shares held	Ratio of shareholding
	Hundreds of shares	%
State Street Bank and Trust Company	34,436	10.10
Hirose International Scholarship Foundation	28,550	8.37
State Street Bank and Trust Company 505223	19,796	5.80
Japan Trustee Services Bank, Ltd. (Trust Account No. 4)	17,969	5.27
The Master Trust Bank of Japan, Ltd. (Trust account)	9,129	2.68
Japan Trustee Services Bank, Ltd. (Trust account)	8,816	2.58
Japan Trustee Services Bank, Ltd. (Re-trust account of The Sumitomo Mitsui Trust & Banking Co., Ltd., and the retirement benefit trust account of Sumitomo Mitsui Banking Corporation)	8,162	2.39
Mizuho Trust & Banking Co., Ltd. Trust Account 0700028	7,898	2.32
Mizuho Trust & Banking Co., Ltd. Trust Account 0700029	7,847	2.30
HS Kikaku Co., Ltd.	7,600	2.23

Note: In addition to the 10 major shareholders above, the Company owns 59,108 hundred shares of treasury shares. The ratio of shareholding is calculated after excluding treasury shares.

## Distribution of Shares

### Distribution of Shares by Shareholder Type



## Shareholder information

<b>Fiscal term</b>	From April 1 of a calendar year to March 31 of the next calendar year
<b>Ordinary General Meeting of Shareholders</b>	June every year
<b>Record date</b>	Ordinary General Meeting of Shareholders: March 31 every year Year-end dividend: March 31 every year Interim dividend: September 30 every year (As required, another record date may be decided with prior public notice.)

**[Share-related notifications and inquiries regarding change of address, etc.]**  
Shareholders who have accounts at securities companies are requested to direct their notifications and inquiries regarding change of address, etc., to their respective securities companies where shareholders have their accounts. Shareholders who do not have accounts at securities companies are requested to call the telephone number as stated below.

<b>Number of shares in one voting unit</b>	100
<b>Method of public notices</b>	The Company's Web site below shall be used for its public notices. ( <a href="http://www.hirose.co.jp/investor/index.htm">http://www.hirose.co.jp/investor/index.htm</a> ) If an electronic public notice should fail due to accident or any other unavoidable circumstances, the Company shall post a public notice in the Nihon Keizai Shimbun.
<b>Shareholders' register manager and account management institution for special accounts</b>	Sumitomo Mitsui Trust Bank, Limited 4-1, Marunouchi 1-chome, Chiyoda-ku, Tokyo
<b>Handling office of shareholders' registry administrator</b>	Securities Agency Department, Sumitomo Mitsui Trust Bank, Limited 4-1, Marunouchi 1-chome, Chiyoda-ku, Tokyo
<b>(Mailing address)</b>	Securities Agency Department, Sumitomo Mitsui Trust Bank, Limited 8-4, Izumi 2-chome, Suginami-ku, Tokyo 168-0063
<b>Phone:</b>	0120-782-031 (Toll free, available only in Japan)
<b>URL:</b>	<a href="http://www.smtb.jp/personal/agency/index.html">http://www.smtb.jp/personal/agency/index.html</a>

**[Special accounts]**  
For shareholders who was yet to have used JASDEC (Japan Securities Depository Center, Inc.) by the share certificate dematerialization date, the Company opened a transfer account (hereinafter "special account") at The Sumitomo Mitsui Trust Bank, Limited, as mentioned above, which serves as the shareholders' registry administrator. You are requested to use the above telephone number when making inquiries about the special account and notifications of matters such as change of address.



The Company's Web site

<http://www.hirose.co.jp>

