

Business Results of Third Quarter, FY2013

Creative Links to World Electronic

Feb 3rd, 2014

**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.**

[1Q FY2012 (Apr – Jun)]

- 1Q : Good trend in Korean and Chinese Smartphone/Mobile market and Automotive market. And although the trend is not strong, Industrial market shows a sign of recovery.

[2Q FY2012 (Jul – Sep)]

- 2Q : Industrial and Automotive market had maintained the high level order that exceeds last year's level. Although there was an impact of inventory adjustment in Chinese market, order for Smartphone/Mobile had continued the good trend, especially in Korean market.

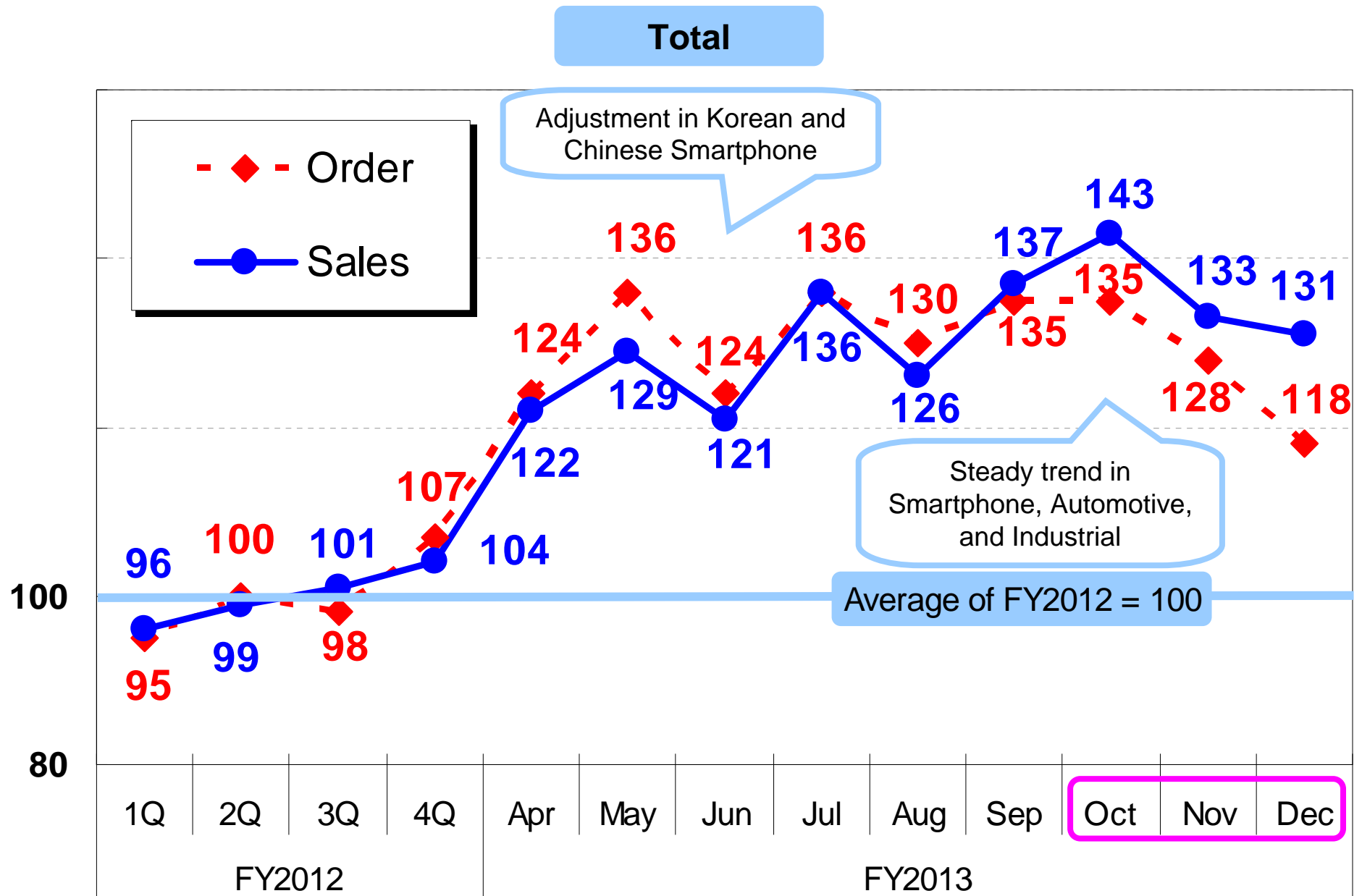
[3Q FY2013 (Oct – Dec)]

- **Strong order in Smartphone/Mobile market in Oct, followed by adjustment. Automotive and Industrial market steadily maintained a high order level.**

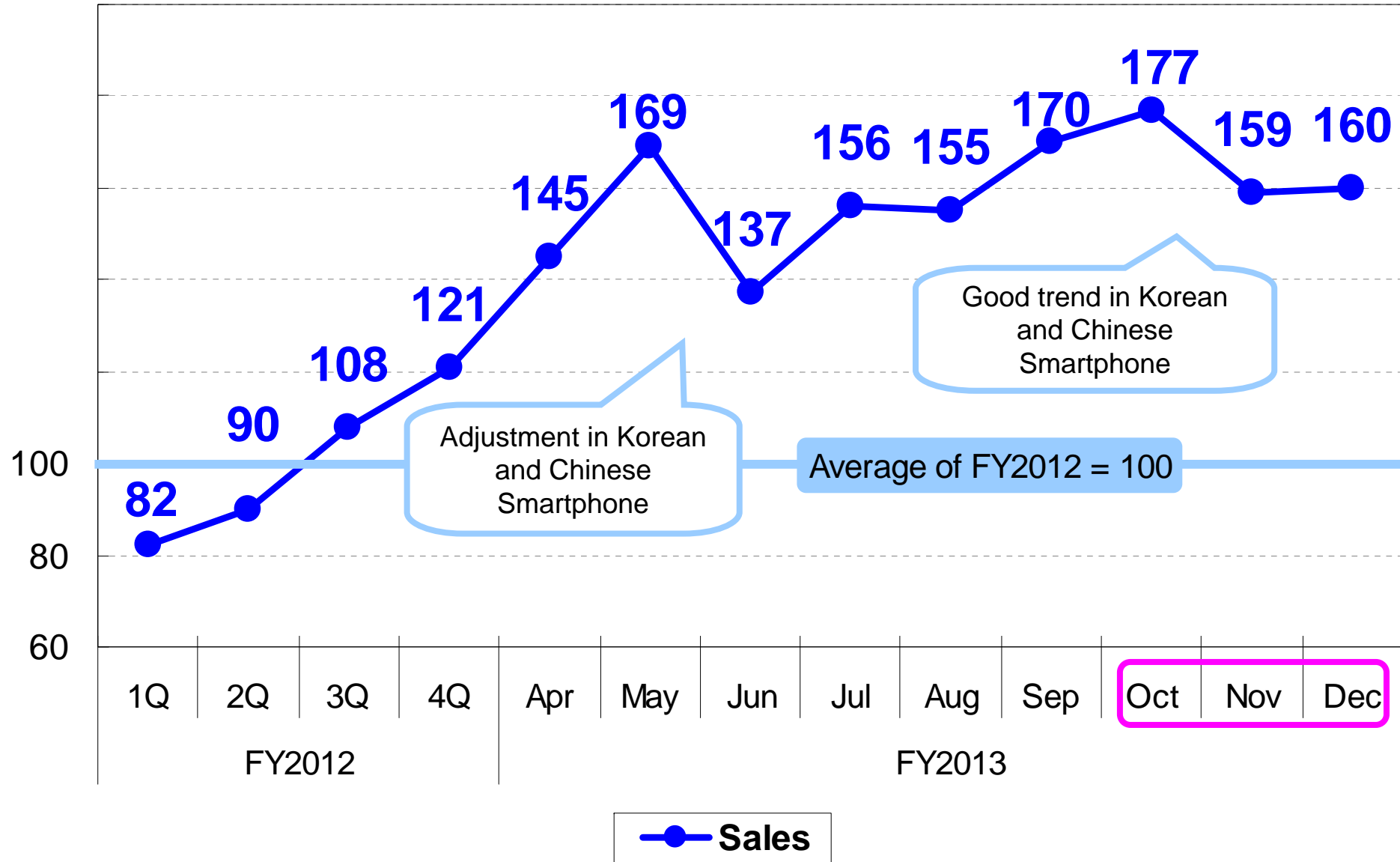
- **3Q FY2013 settled on 29.9% YoY in order level (-4.9% over 2Q FY2013), 34.2% YoY in sales level (1.9% over 2Q FY2013)**

[1Q - 3Q FY2013 (Apr – Dec)]

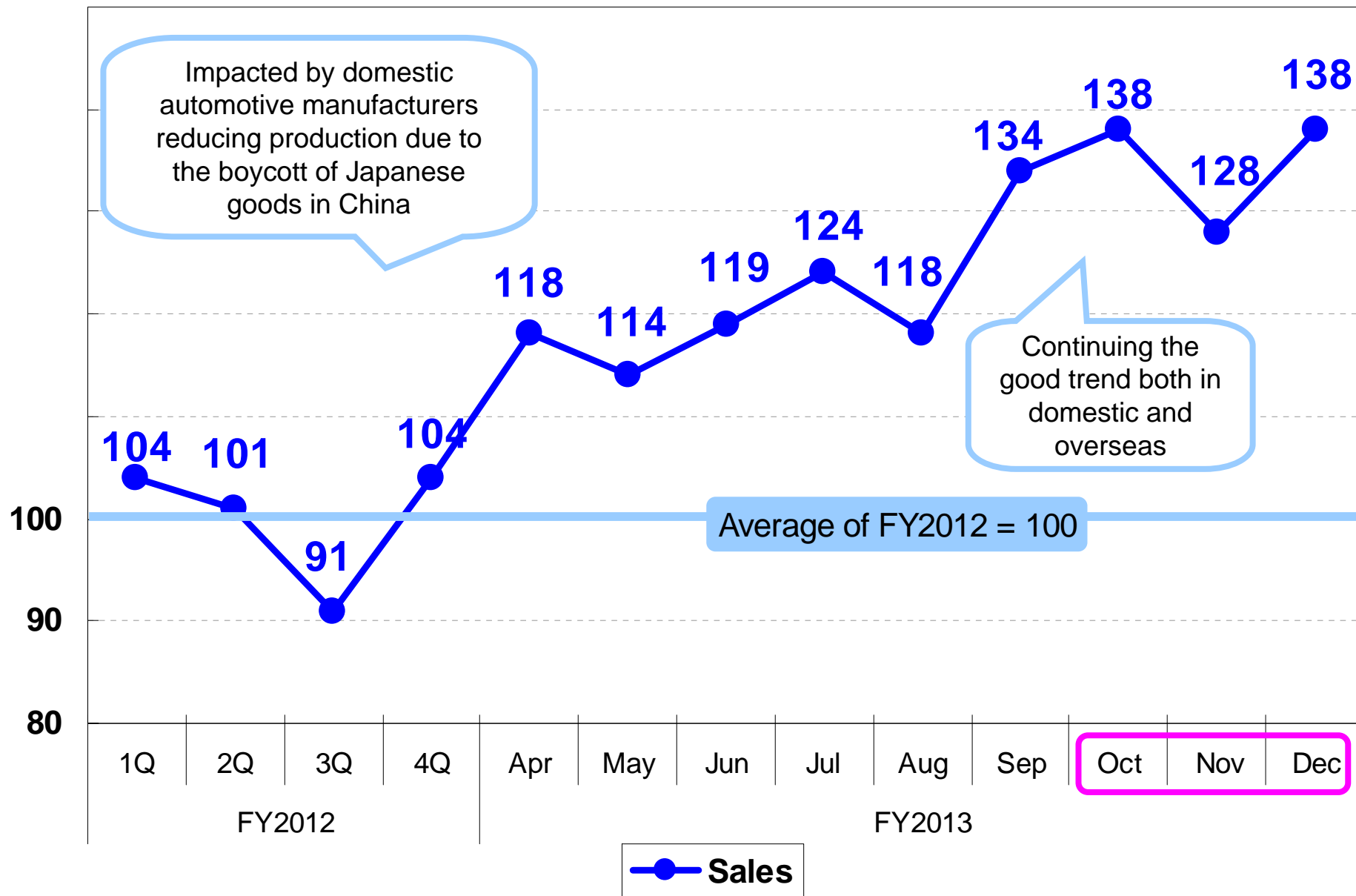
- **1Q - 3Q (total) FY2013 settled on 944.2 hundred million yen in order level (32.4% YoY), 942.3 hundred million yen in sales level (32.7% YoY), 274.4 hundred million yen in recurring profit (Ratio 29.1%, 59.5% YoY).**



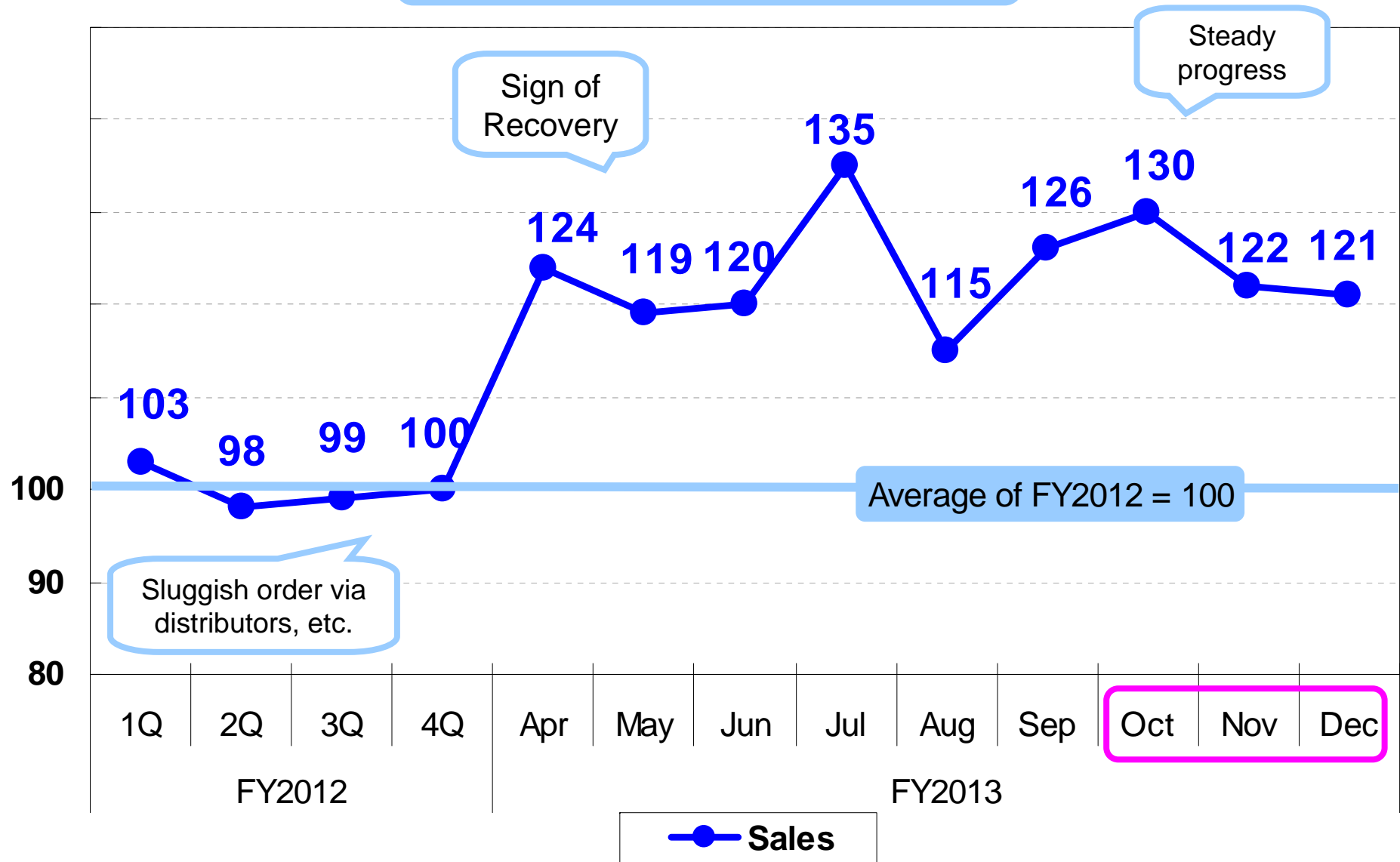
Smartphone / Mobile Phone



Automotive



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



Business Results for 3Q FY2013

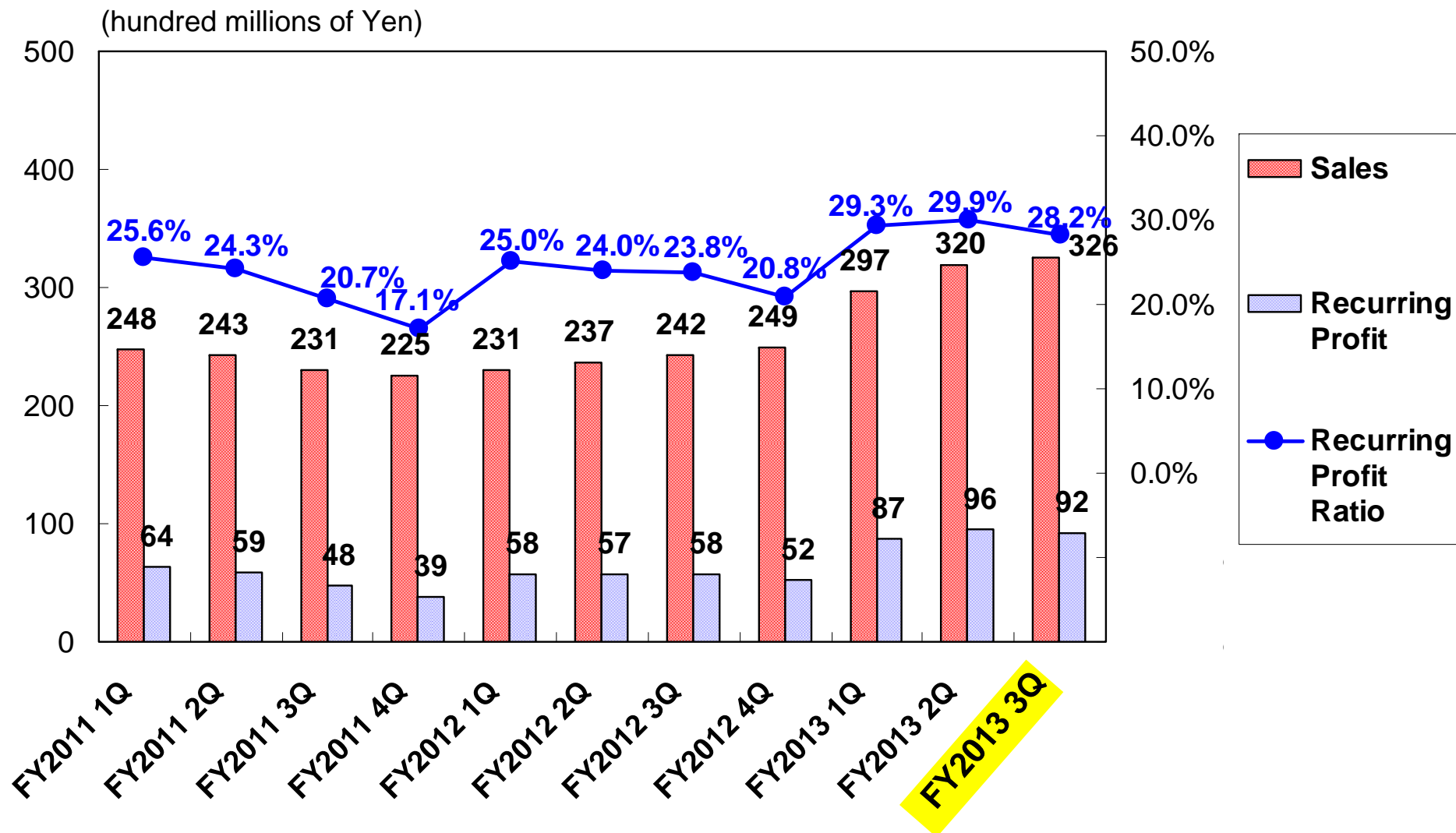
(hundred millions of Yen)

	(A)FY2012 1Q-3Q	(B)FY2013 1Q-3Q	(B)-(A)	(B)/(A)
Sales	710.1	942.3	232.2	32.7%
(COGS Ratio)	(56.9%)	(54.4%)	(-2.5%)	
(SGA Ratio)	(20.1%)	(18.0%)	(-2.1%)	
Operating Profit	163.2	260.3	97.1	59.5%
(%)	23.0%	27.6%	(+4.6%)	
Recurring Profit	172.0	274.4	102.4	59.5%
(%)	24.2%	29.1%	(+4.9%)	
Net Profit	101.2	174.1	72.9	72.0%
(%)	14.3%	18.5%	(+4.2%)	
Total Assets	2,697.1	2,997.0	299.9	11.1%
Shareholders' Equity Ratio	91.0%	89.5%		
Income Per Share	292.5Yen	505.5Yen		

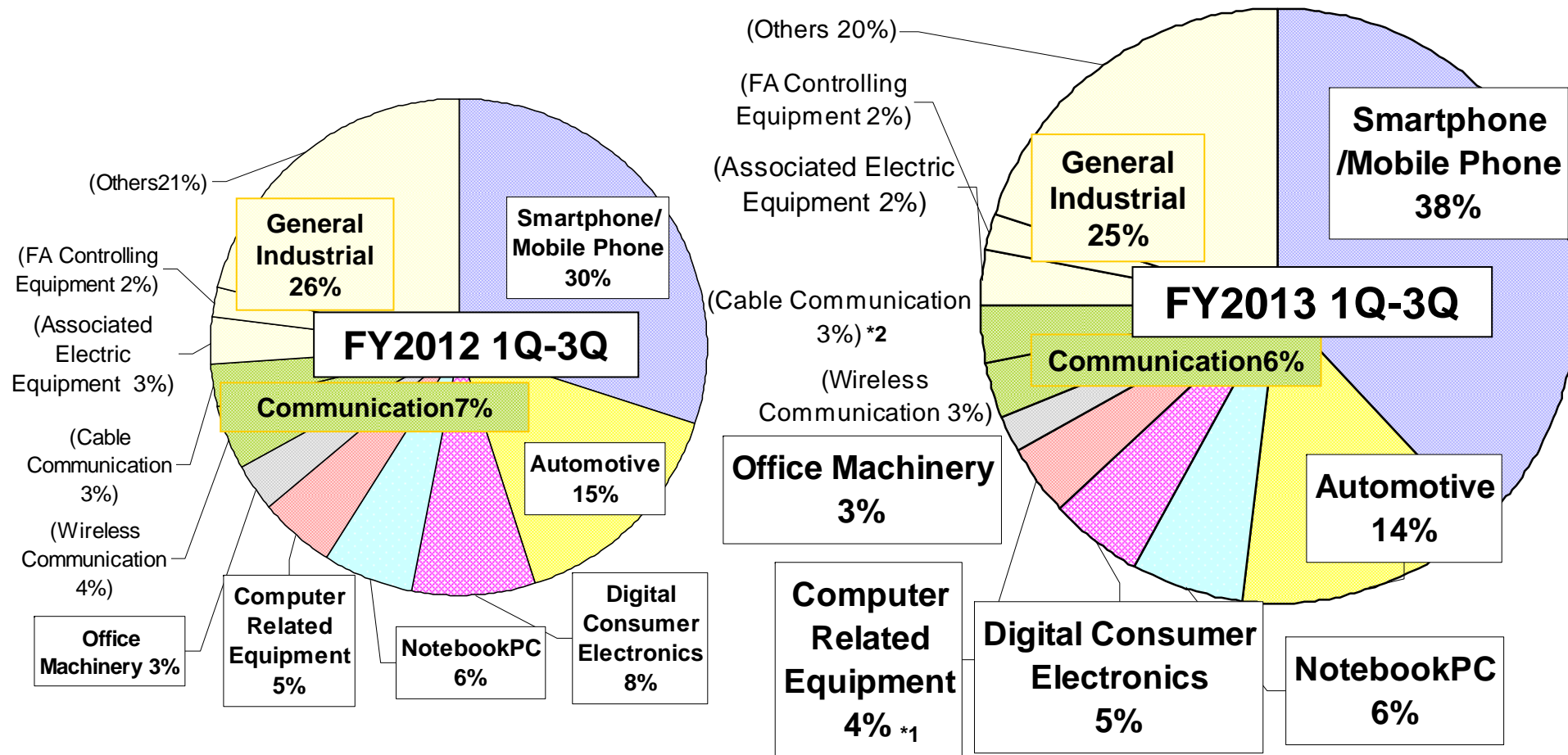
Major changes over prior same period (unit: hundred millions of Yen)	
[Sales]	232.2 increase
Hirose	Subsidiaries
+109.4	+122.8
[COGS Ratio]	2.5 point decrease
Purchase Cost Ratio	40.5% -> 37.1%
Depreciation Ratio	6.5% -> 7.2%
[SGA Ratio]	2.1 point decrease
Ratio improvement due to sales increase	
[Non-Operating Profit]	
Foreign Exchange Gain/Loss -1.3 -> +1.2	

Exchange Rate:US\$	80.00Yen	99.39Yen
Exchange Rate:€	102.17Yen	132.23Yen
Exchange Rate:100Won	7.13Yen	9.08Yen

Quarterly Sales and Profits



Sales by Market (round number) [Consolidated Basis]

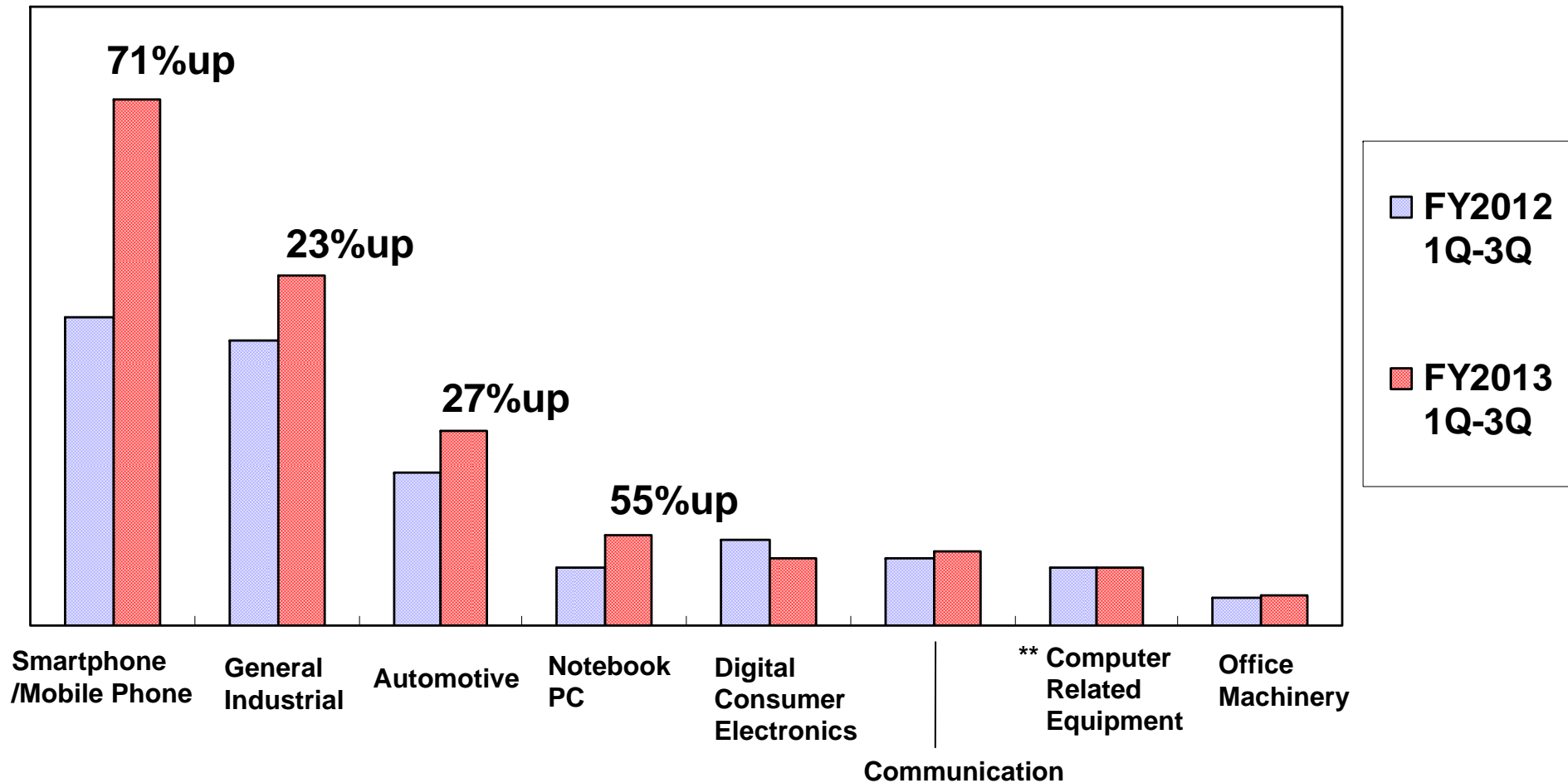


As this is in round number, please be noted that some ratio difference may occur. Thank you for your understanding.

*1 Computer Related Equipment – Notebook PC not included.

*2 Wireless Communication - Mobile Phone not included.

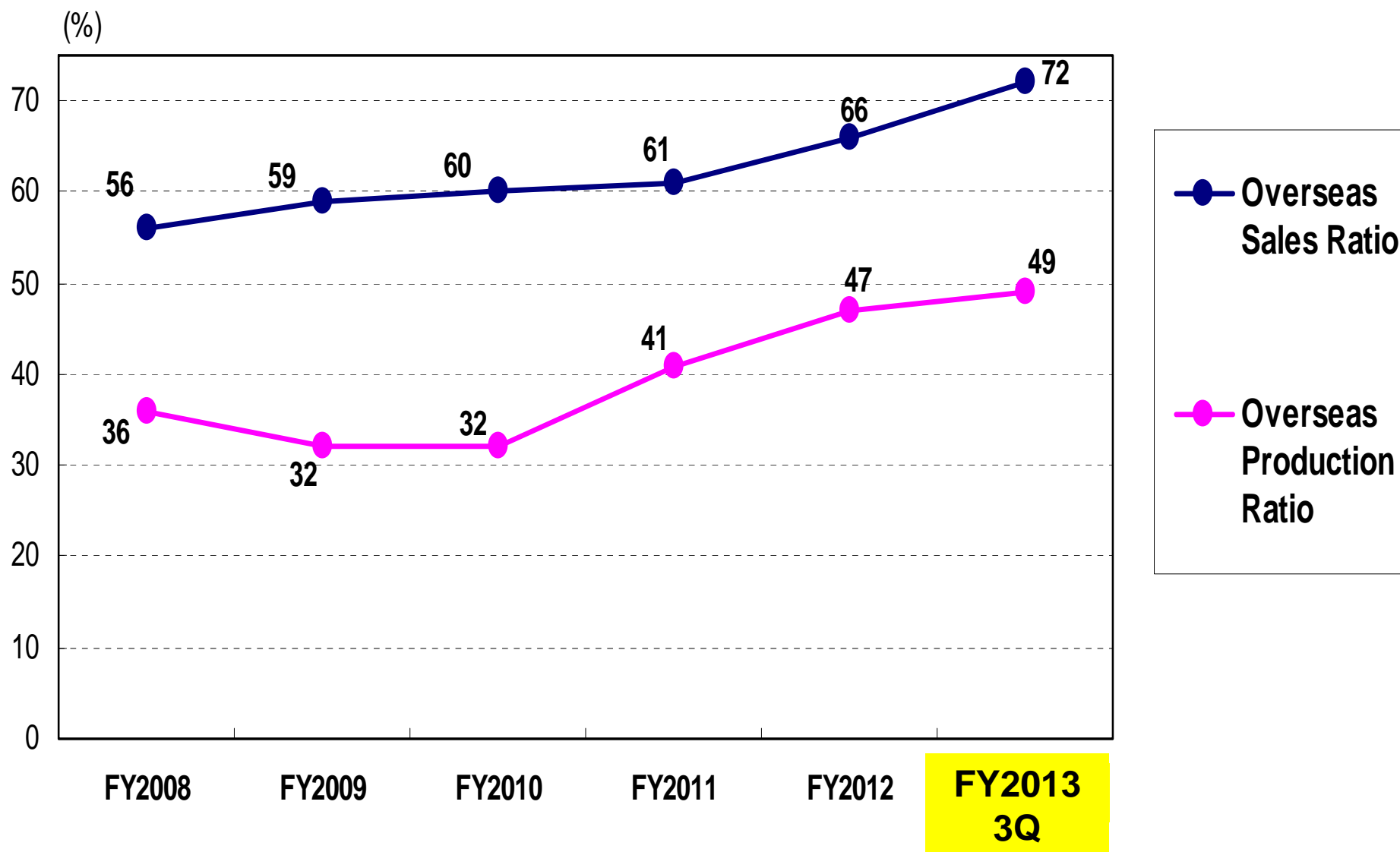
Sales Changes by Markets (round number)[Consolidated Basis]



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

** Computer Related Equipment – Notebook PC not included.

Overseas Production and Sales Ratio



Changes in Consolidated Balance Sheet

(hundred millions of Yen)

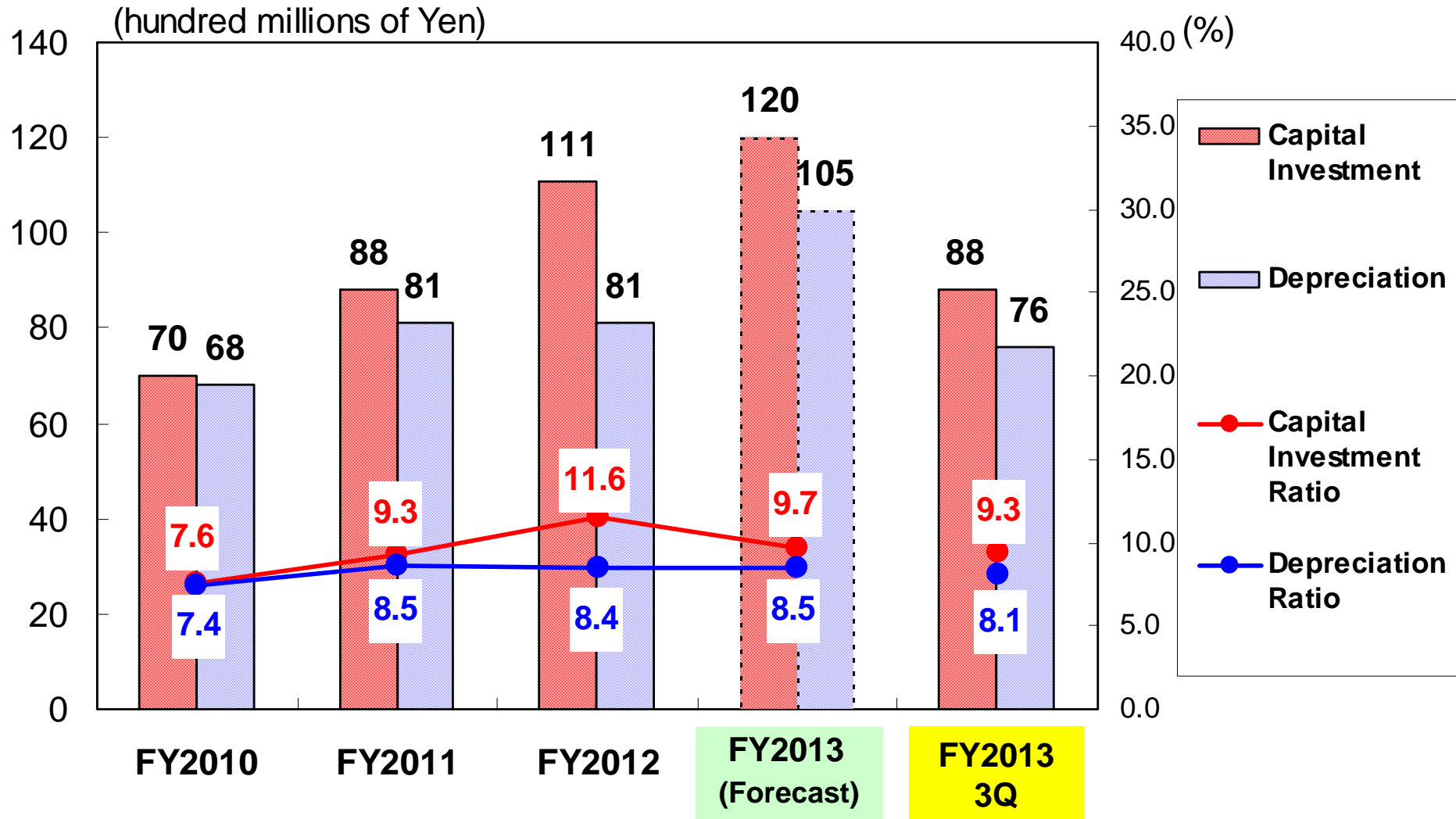
Account	(A) Mar 31, 2013	(B) Dec 31, 2013	(B) - (A)	Remark
Cash and Cash in Bank	1,157.0	1,220.6	63.6	Increase in overseas subsidiaries, etc.
Trade Receivables	241.9	315.0	73.1	Increase due to sales increase
Inventories	79.1	89.8	10.7	
Fixed Assets	322.1	343.4	21.3	Increase in machinery, equipment, and metal molds, etc.
Investment Securities	602.2	635.7	33.5	Stocks Market Valuation, etc.
Others	376.5	392.5	16.0	
Total Assets	2,778.8	2,997.0	218.2	

Changes in Consolidated Balance Sheet

(hundred millions of Yen)

Account	(A) Mar 31, 2013	(B) Dec 31, 2013	(B) - (A)	Remark
Notes Payable and Account Payable	108.0	116.7	8.7	Increase due to production increase
Income Taxes Payable	38.9	56.7	17.8	
Others	111.2	133.5	22.3	Increase in deferred tax liabilities, etc.
Total Liabilities	258.1	306.9	48.8	
Retained Earnings	2,788.0	2,906.9	118.9	Net Profit 174.1 - Dividend 55.2
Treasury Stocks	-552.6	-588.8	-36.2	Share buyback (270,000 shares), etc.
Valuation Variance	33.8	51.4	17.6	Higher stock price (Nikkei closing price: 12,398yen->16,291yen)
Translation Adjustment	7.7	74.0	66.3	Due to weak yen
Others	243.8	246.6	2.8	
Total Shareholders' Equity	2,520.7	2,690.1	169.4	
Total Liabilities and Shareholders' Equity	2,778.8	2,997.0	218.2	

Capital Investment and Depreciation Change (Consolidated Basis)



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

Due to strong performance in 1Q-3Q, we have upwardly revised the forecast of Full year and dividend per share

note) figures in green italics : previously announced data on Oct 31st

(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		For the Year Over the Previous Actual Amount	
	First Half	For the Year	First Half	For the Year	Amount Change	%	Amount Change	%
	Sales (COGS)	467.7 (56.5%)	959.4 (57.8%)	616.7 (54.0%)	<i>1,190.0</i> 1,240.0 (55.2%)	149.0	31.8%	280.6
Operating Profit (%)	109.6 23.4%	209.8 21.9%	174.5 28.3%	<i>300.0</i> 330.0 26.6%	64.9	59.2%	120.2	57.3%
Recurring Profit (%)	114.4 24.5%	223.9 23.3%	182.7 29.6%	<i>310.0</i> 340.0 27.4%	68.3	59.7%	116.1	51.9%
Net Profit (%)	68.0 14.5%	135.0 14.1%	116.1 18.8%	<i>195.0</i> 215.0 17.3%	48.1	70.6%	80.0	59.3%
Income Per Share	-	390.48Yen	-	626.69Yen <i>180Yen</i>				
Dividend Per Share	70Yen	140Yen	90Yen	200Yen	Exchange Rate:US\$	FY2013 1H	FY2013 Full-Year	
Consolidated Dividend Payout Ratio	-	35.9%	-	31.9%	Exchange Rate:€	100.9Yen	99.87Yen	
					Exchange Rate:100Won	136.68Yen	133.34Yen	
						9.54Yen	9.21Yen	