

Business Results for First Quarter, FY2015

Creative Links to World Electronic

Jul 31st, 2015

**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 FY2015

[FY2014]

• 1Q : Korean Smartphone market sluggish, and Chinese Smartphone market in adjustment phase after bullish April order. Automotive and Industrial market continued the steady order.

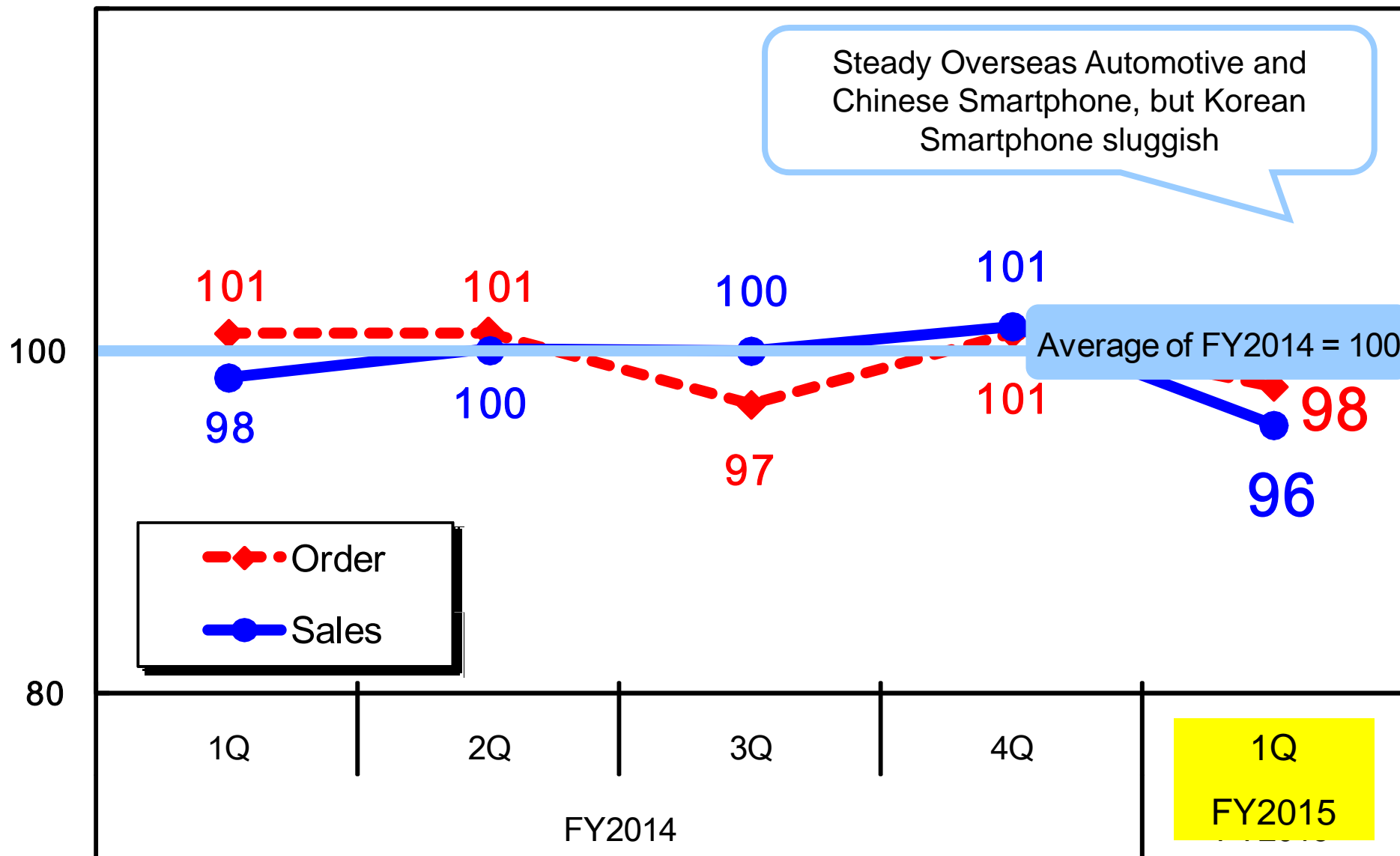
• 4Q : Smartphone market had been slow in Jan-Feb, but large pick-up in Mar, especially in the Chinese market. Industrial market continued the steady trend.

[1Q FY2015 (Apr-Jun)]

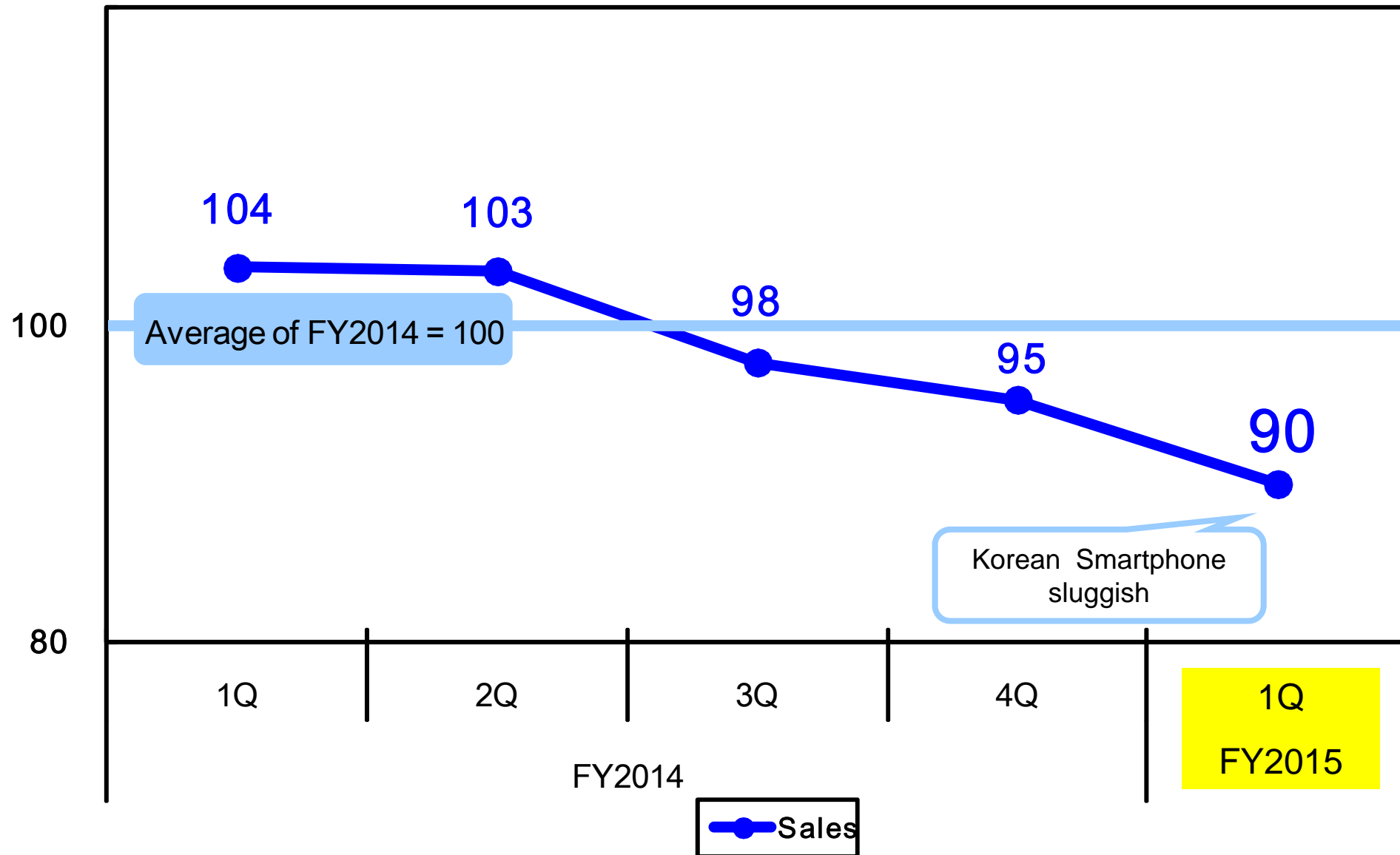
• Smartphone was fairly steady in Chinese market but sluggish in Korean market. Automotive enjoyed a stable trend in overseas market.

• 1Q FY2015 results settled on
Order : 309.3 hundred million yen (-2.7% YoY, -2.7% over 4Q FY2014)
Sales: 302.2 hundred million yen (-2.4% YoY, -5.2% over 4Q FY2014)
Recurring Profit: 78.8 hundred million yen (Ratio 26.1%, -8.2%YoY,
-4.4% over 4Q FY2014)

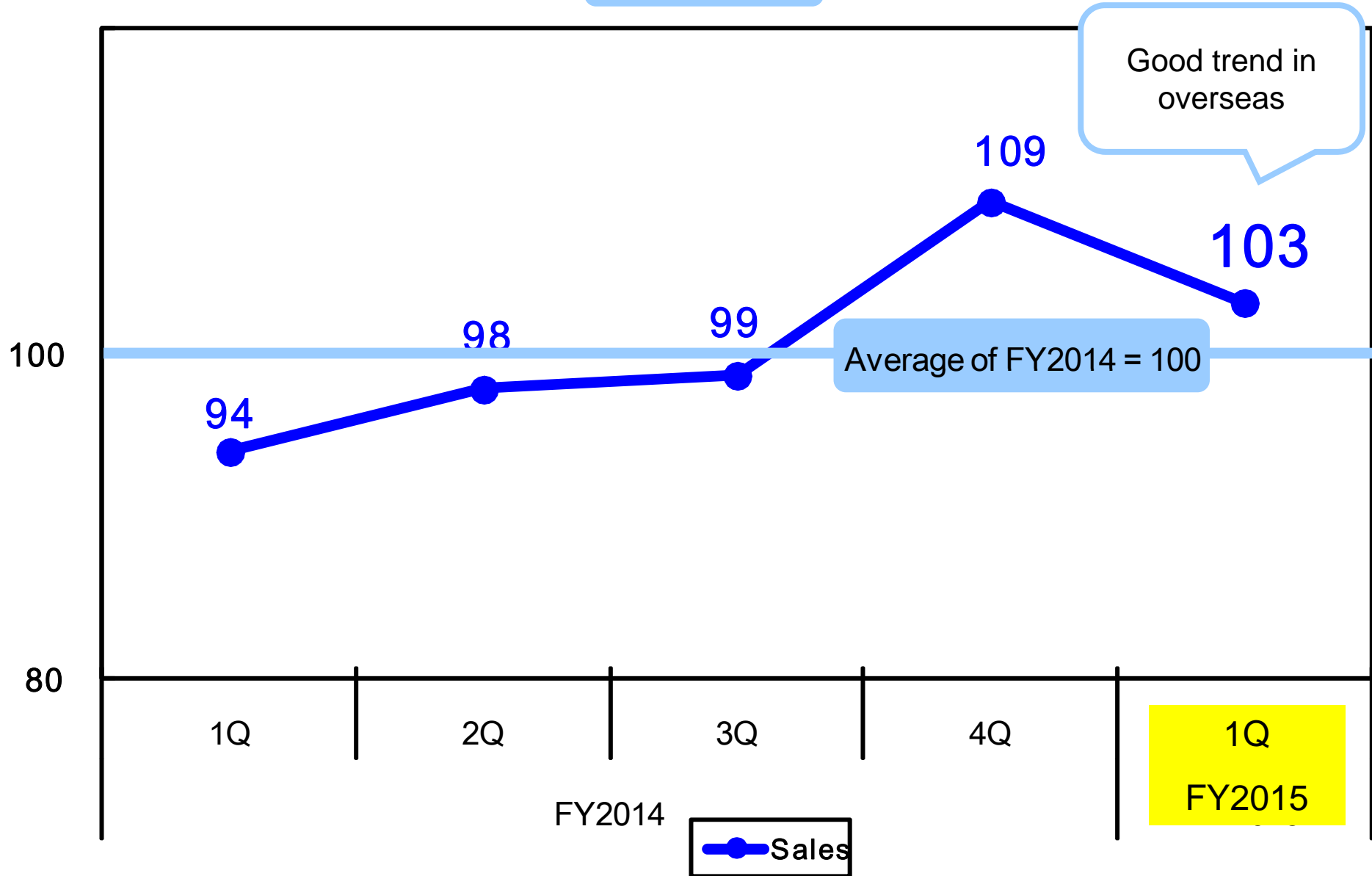
Total



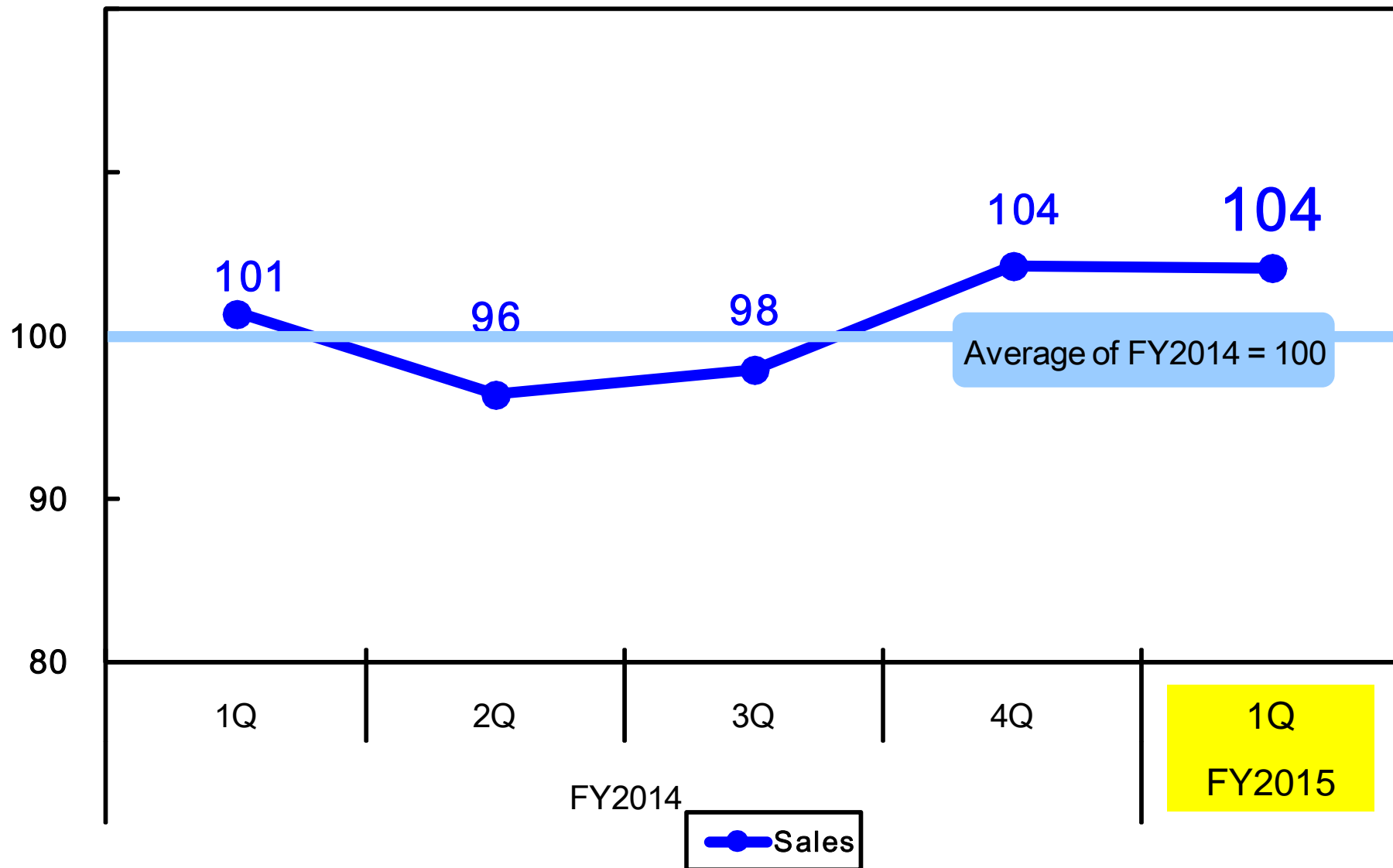
Smartphone / Mobile



Automotive



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



Business Results for 1Q, FY2015

(hundred millions of Yen)

	(A) FY2014 1Q	(A) FY2015 1Q	(B)-(A)	(B)/(A)
Sales	309.5	302.2	-7.3	-2.4%
(COGS Ratio)	(54.5%)	(54.4%)	(-0.1%)	
(SGA Ratio)	(18.6%)	(21.2%)	(+2.6%)	
Operating Profit	83.1	73.5	-9.6	-11.6%
(%)	26.9%	24.3%	(-2.5%)	
Recurring Profit	85.8	78.8	-7.0	-8.2%
(%)	27.7%	26.1%	(-1.6%)	
Net Profit	52.3	52.2	-0.1	-0.3%
(%)	16.9%	17.3%	(+0.4%)	
Total Assets	3,015.5	3,219.2	203.7	6.8%
Shareholders' Equity Ratio	89.6%	90.3%		
Income Per Share	153.4Yen	146.6Yen		

Major changes over prior same period (unit: hundred millions of Yen)

[Sales] 7.3 decrease
 Hirose +1.2 Subsidiaries -8.5

[COGS Ratio] 0.1 point decrease

Purchase Cost Ratio 40.4% → 40.2%

[SGA Ratio] 2.6 point increase

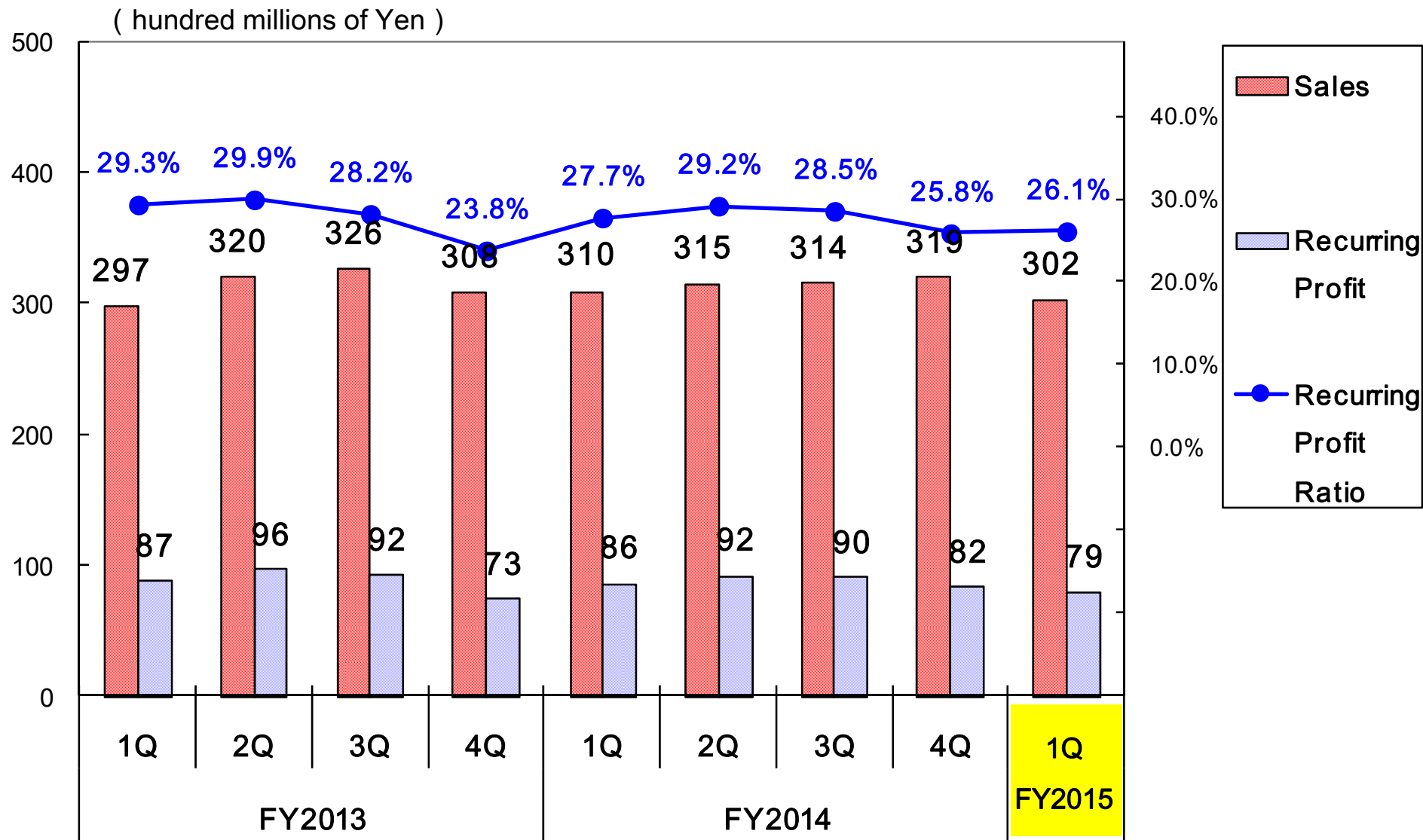
Increase in personnel expenses etc.

[Non-Operating Profit/Loss]

Foreign Exchange Loss/Gain -1.9 → +1.2

Exchange Rate: US\$	102.16Yen	121.36Yen
Exchange Rate: €	140.07Yen	134.16Yen
Exchange Rate: 100Won	9.95Yen	11.07Yen

Sales and Profit by Quarter



Changes in Consolidated Balance Sheet

(hundred millions of Yen)

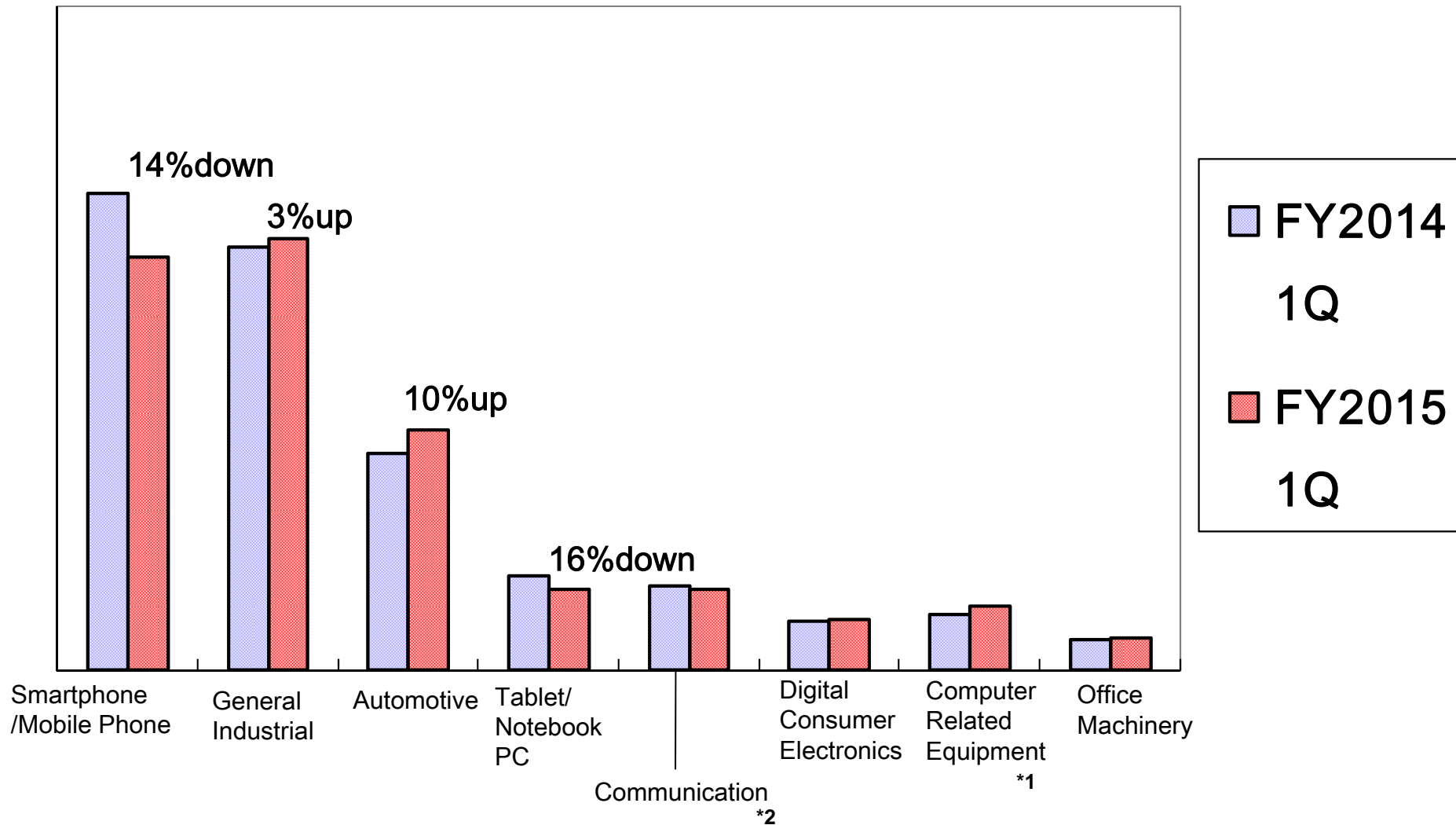
Account	(A) Mar 31, 2015	(B) Jun 30, 2015	(B) - (A)	Remark
Cash and Cash in Bank	1,477.6	1,524.0	46.4	Increase in Hirose Japan, etc.
Trade Receivables	305.6	296.5	-9.1	Decrease due to sales decrease
Securities	260.2	260.6	0.4	
Inventories	91.4	90.5	-0.9	
Noncurrent Assets	376.9	381.7	4.8	Increase in machinery, equipment, and metal molds, etc.
Investment Securities	583.9	537.0	-46.9	Transfer to securities, etc.
Others	101.1	128.9	27.8	
Total Assets	3,196.7	3,219.2	22.5	

Changes in Consolidated Balance Sheet

(hundred millions of Yen)

Account	(A) Mar 31, 2015	(B) Jun 30, 2015	(B) - (A)	Remark
Notes Payable and Account Payable	115.1	113.2	-1.9	Decrease due to production decrease
Income Taxes Payable	53.2	32.9	-20.3	Tax payment
Others	145.4	163.9	18.5	Increase in account payables, etc.
Total Liabilities	313.7	310.0	-3.7	
Retained Earnings	3,110.4	2,968.7	-141.7	Net profit 52.2 - Dividend 39.0 - Allotment of shares without contribution 154.9
Treasury Stocks	-646.2	-469.1	177.1	Allotment of shares without contribution 179.4
Valuation Variance	69.8	73.3	3.5	Higher stock price (Nikkei closing price: 19,207yen→20,236yen)
Translation Adjustment	119.2	129.8	10.6	Due to weak yen
Others	229.8	206.5	-23.3	Decrease in capital surplus (Loss on disposal of treasury shares)
Total Shareholders' Equity	2,883.0	2,909.2	26.2	
Total Liabilities and Shareholders' Equity	3,196.7	3,219.2	22.5	

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

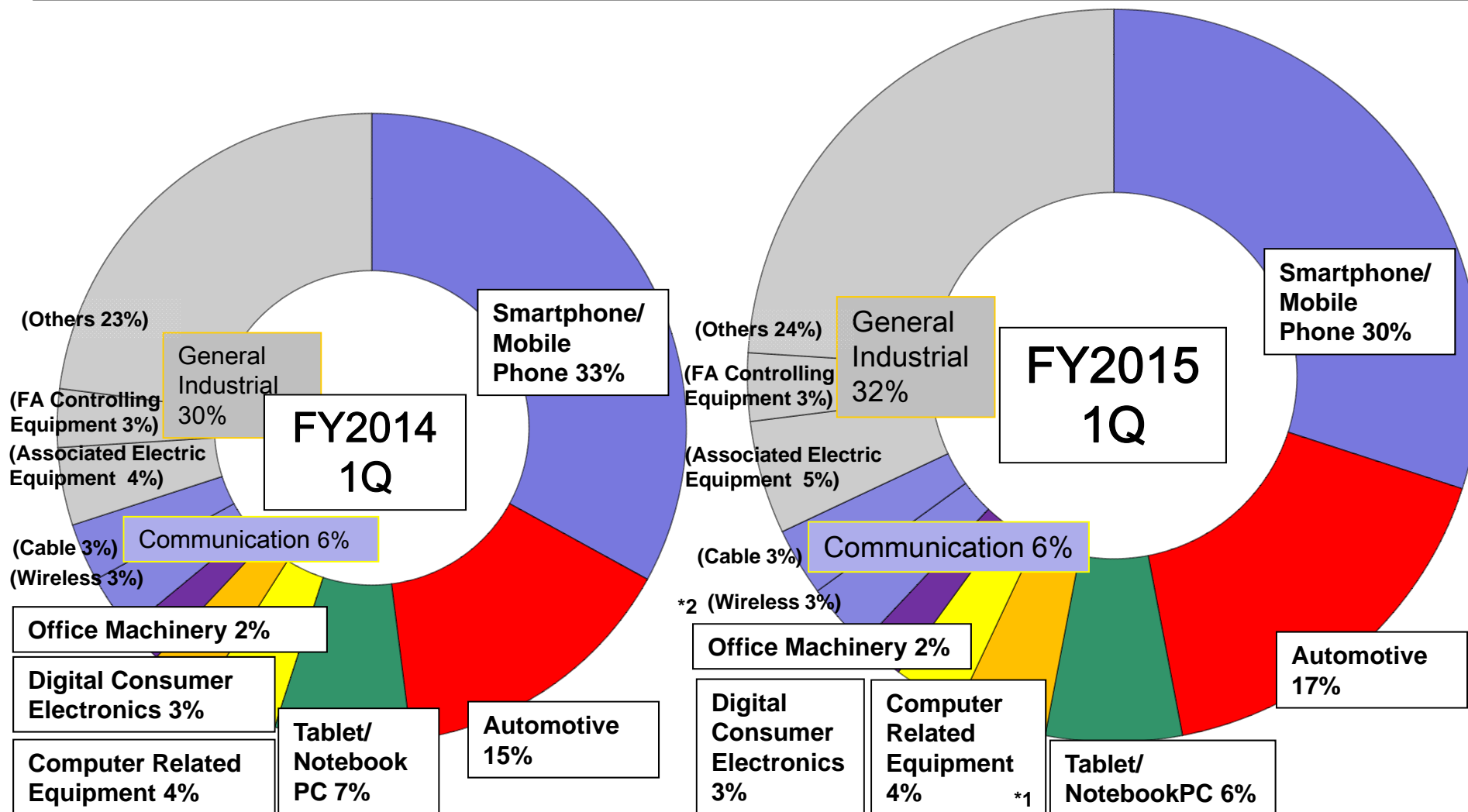


As this is in round number, please be noted that some ratio difference may occur. Thank you for your understanding.

*1 Computer Related Equipment – Tablet/Notebook PC not included.

*2 Communication - Smartphone / Mobile Phone not included.

Sales by Application (round number) (Consolidated Basis)

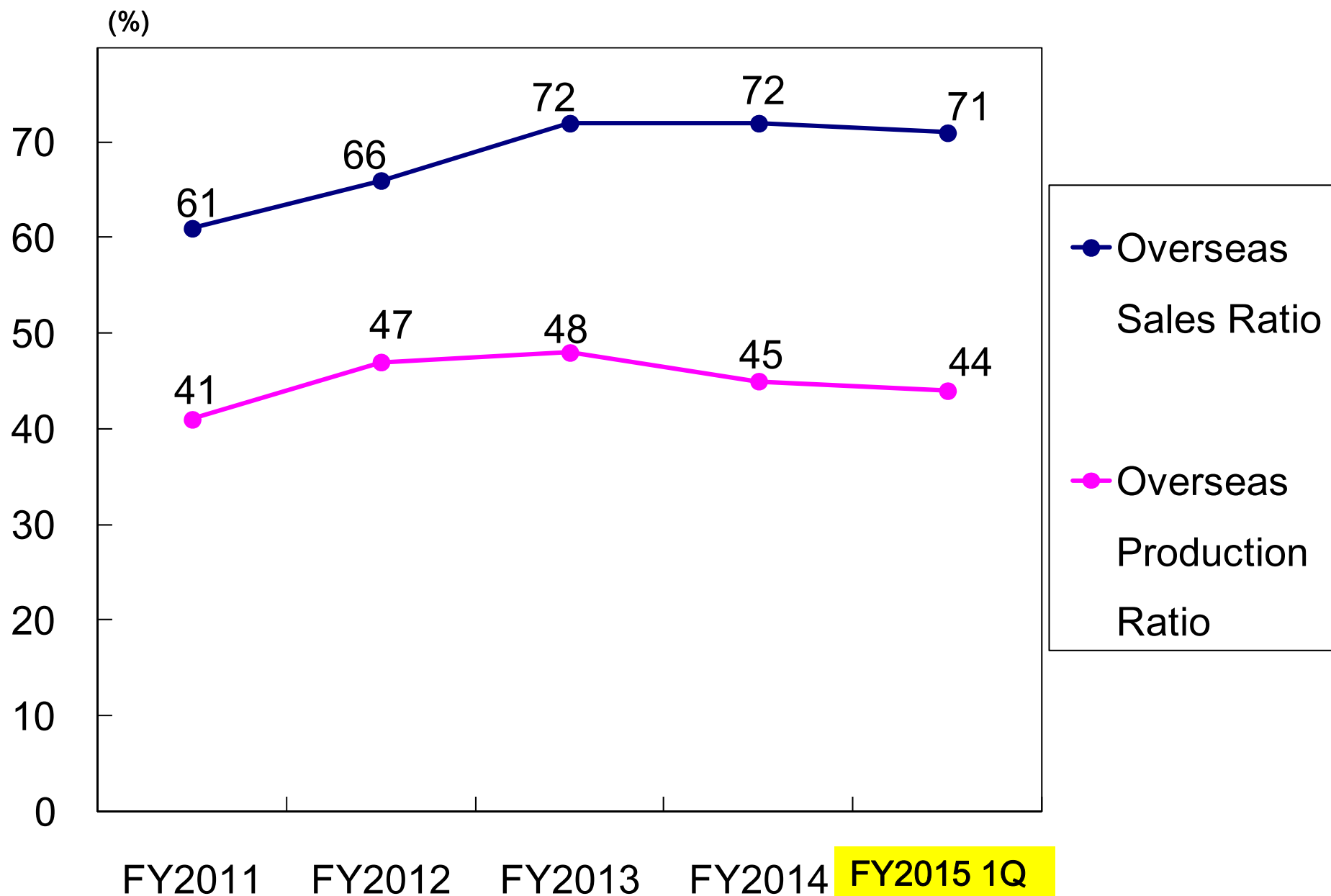


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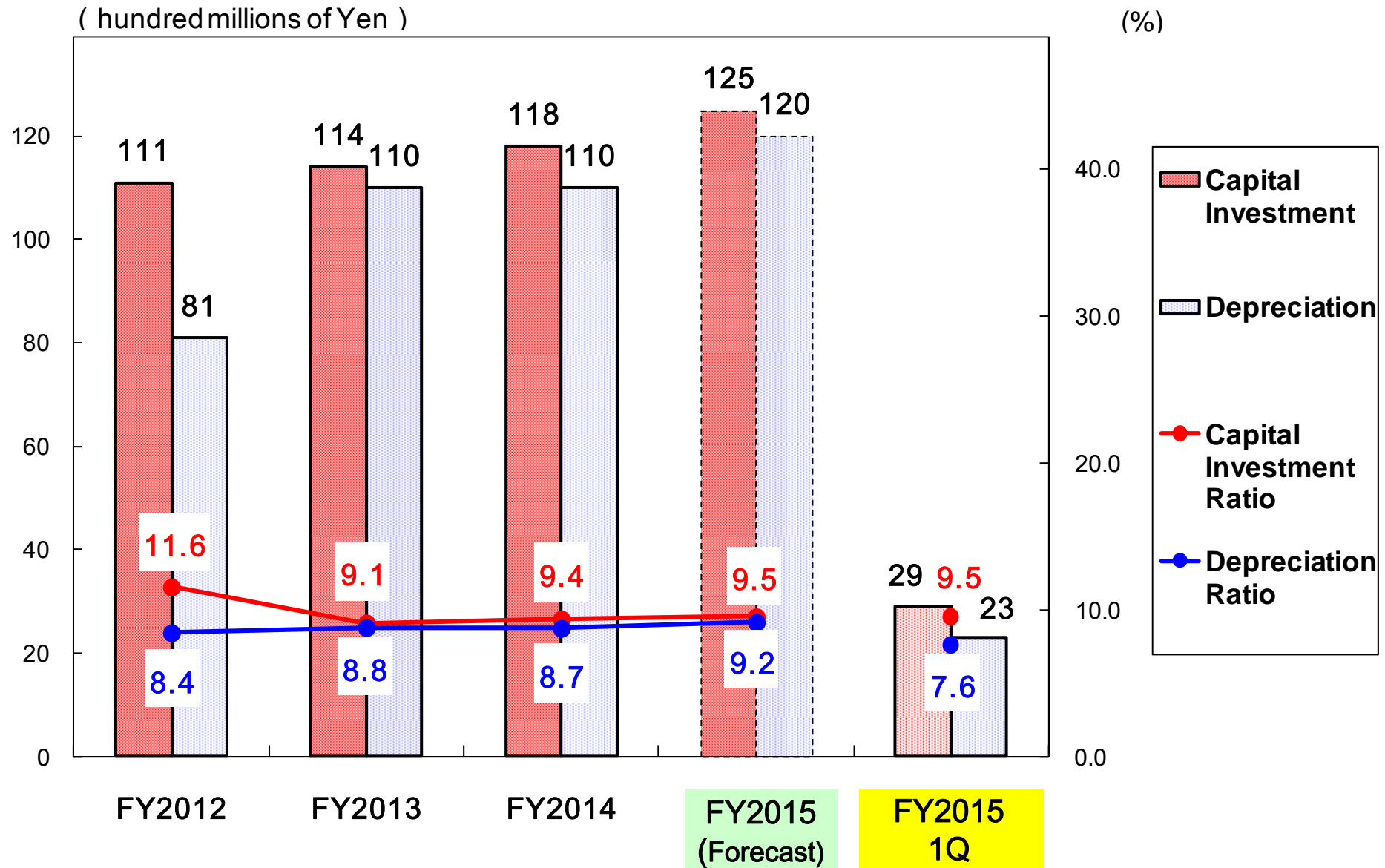
*1 Computer Related Equipment – Tablet/Notebook PC not included.

*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, 2016 (Consolidated)



We will revise previous guidance (Apr/2015) due to slow business in some smartphone

(hundred millions of Yen)

	FY2014 (FY ended Mar 31, 2015)		FY2015 (FY ending Mar 31, 2016)		First Half		For the Year	
	Actual		Forecast		Over the Previous Actual Amount		Over the Previous Actual Amount	
	First Half	For the Year	First Half	For the Year	Amount Change	%	Amount Change	%
Sales	624.0	1,257.3	655.0	1,310.0	-45.0	-6.9%	-50.0	-3.8%
(COGS)	(54.8%)	(55.0%)	(54.4%)	(54.0%)	-14.0	-2.2%	2.7	0.2%
Operating Profit	167.4	325.9	185.0	355.0	-35.0	-18.9%	-25.0	-7.0%
(%)	<i>26.8%</i>	<i>25.9%</i>	<i>24.6%</i>	<i>26.2%</i>	-17.4	-10.4%	4.1	1.3%
Recurring Profit	177.5	349.6	190.0	365.0	-30.0	-15.8%	-15.0	-4.1%
(%)	<i>28.4%</i>	<i>27.8%</i>	<i>26.2%</i>	<i>27.8%</i>	-17.5	-9.9%	0.4	0.1%
Net Profit	113.0	229.5	130.0	245.0	-20.0	-15.4%	-15.0	-6.1%
(%)	<i>18.1%</i>	<i>18.3%</i>	<i>18.0%</i>	<i>18.3%</i>	-3.0	-2.6%	0.5	0.2%
Income Per Share	-	674.25Yen	-	646.16Yen				
Dividend Per Share	115Yen	230Yen	120Yen	240Yen				
Consolidated Dividend Payout Ratio	-	34.2%	-	37.1%				

[Assumed Exchange Rate]	FY2014 Actual	FY2015 Forecast
Exchange Rate: US\$	109.93Yen	120.55Yen
Exchange Rate: €	138.77Yen	134.83Yen
Exchange Rate: 100Won	10.37Yen	10.80Yen