

**Business Results for the year ended
March 31, 2011**

Creative Links to World Electronic

May 10th 2011

**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 FY2010

{1Q FY2010}

Although partial adjustment for overseas mobile, orders and sales for automotive and industrial area increased steadily.

{2Q FY2010}

Steady increase in sales, especially in overseas mobile phone and automotive market. However, in order, there were adjustment after August mainly in the industrial area, bringing 2Q slightly in a lower level than 1Q.

{3Q FY2010}

Orders for partial smartphone and e-book etc. has increased steadily. However, adjustment is still continued in the industrial market.

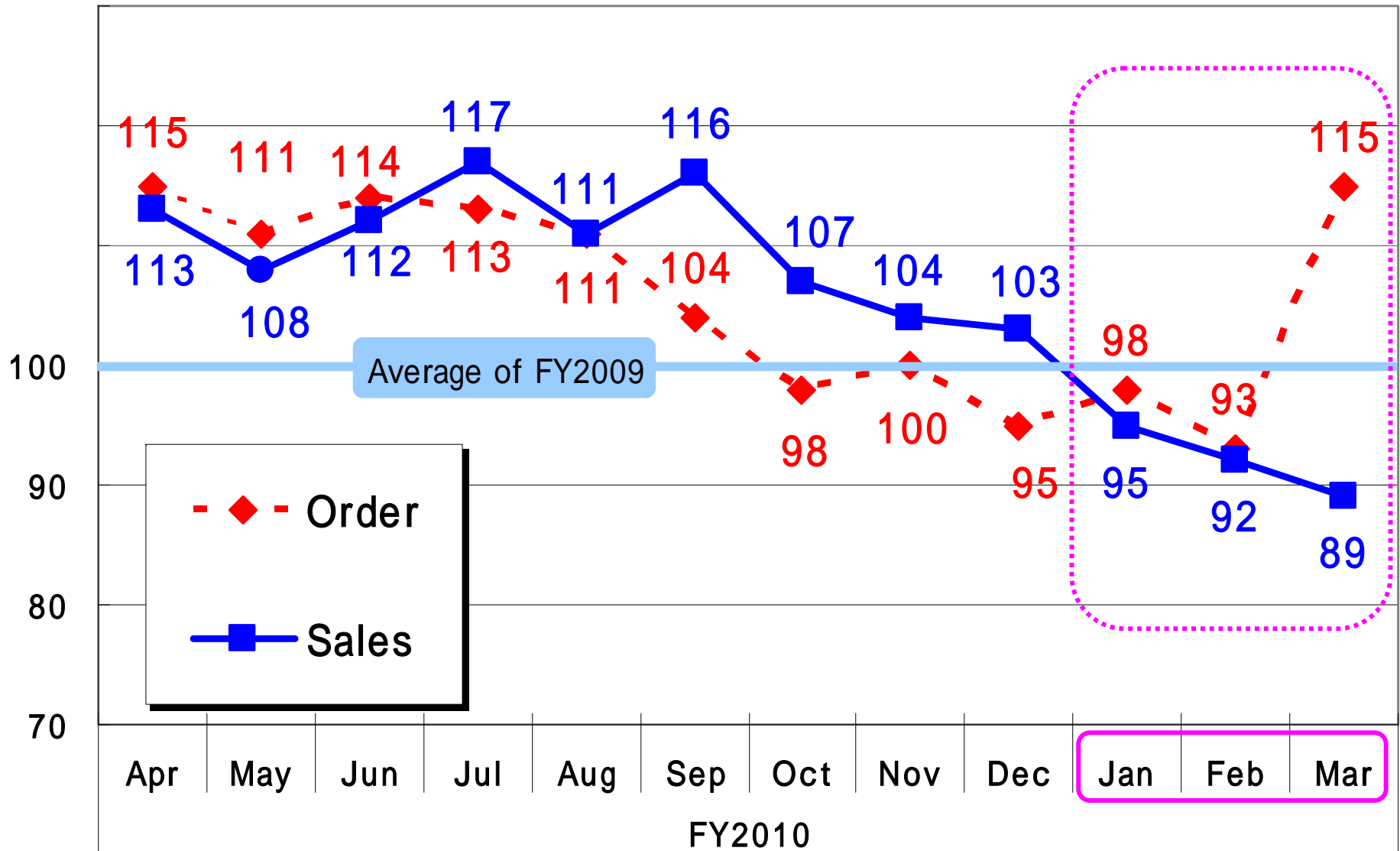
{4Q FY2010}

Although part of digital consumer electronic orders were slow, orders for smartphone and e-book, etc. have increased steadily. Orders have increased in March mainly in the industrial, mobile phone and smartphone area due to the end of inventory adjustment and effect of earthquake.

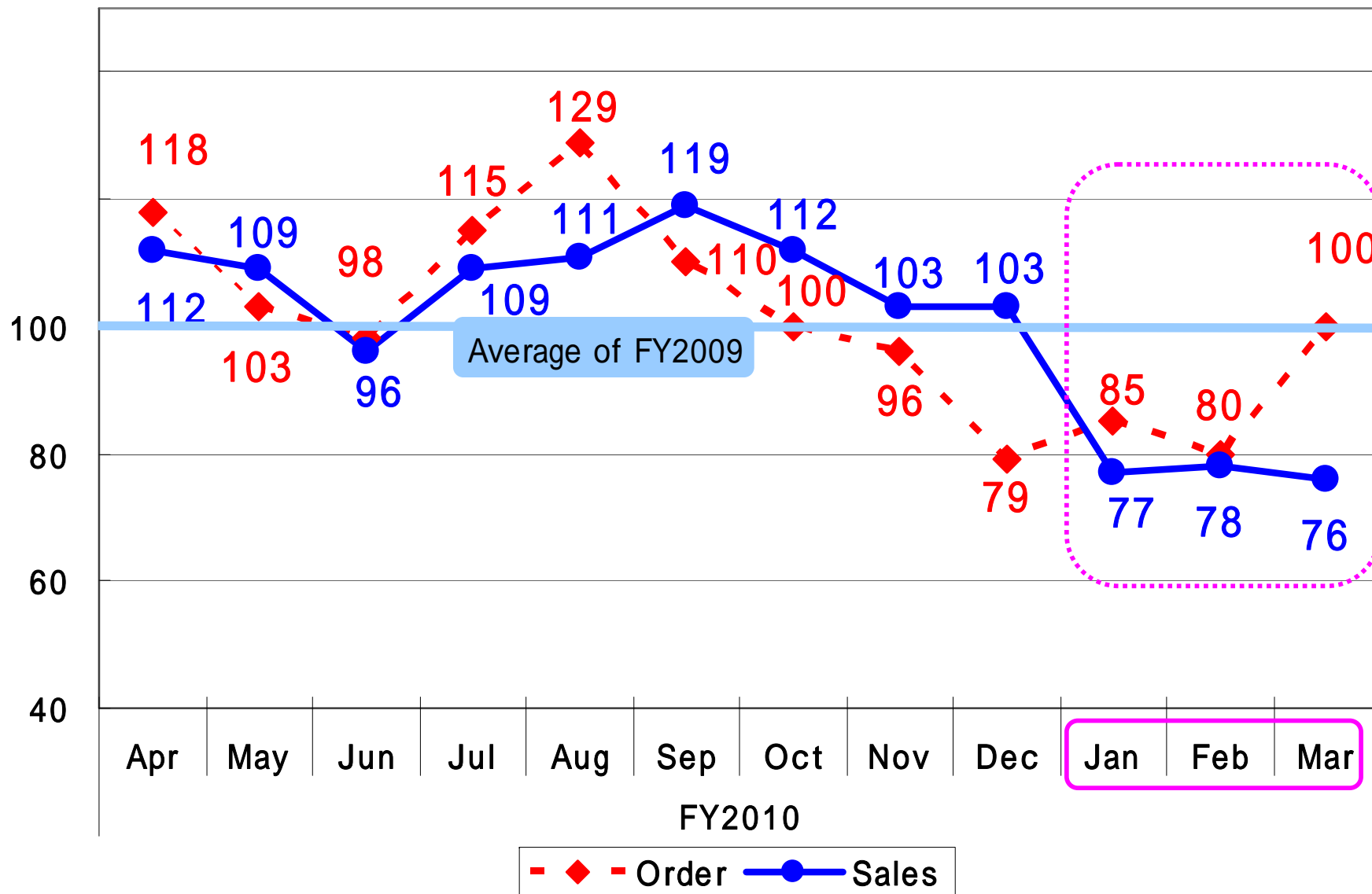
{ FY2010 Annual Total }

FY2010 Annual Total Order 946.5 hundred million yen (8.5% YOY)
Sales 924.4 hundred million yen (9.4% YOY)
Recurring Profit 227.4 hundred million yen (3.4% YOY)

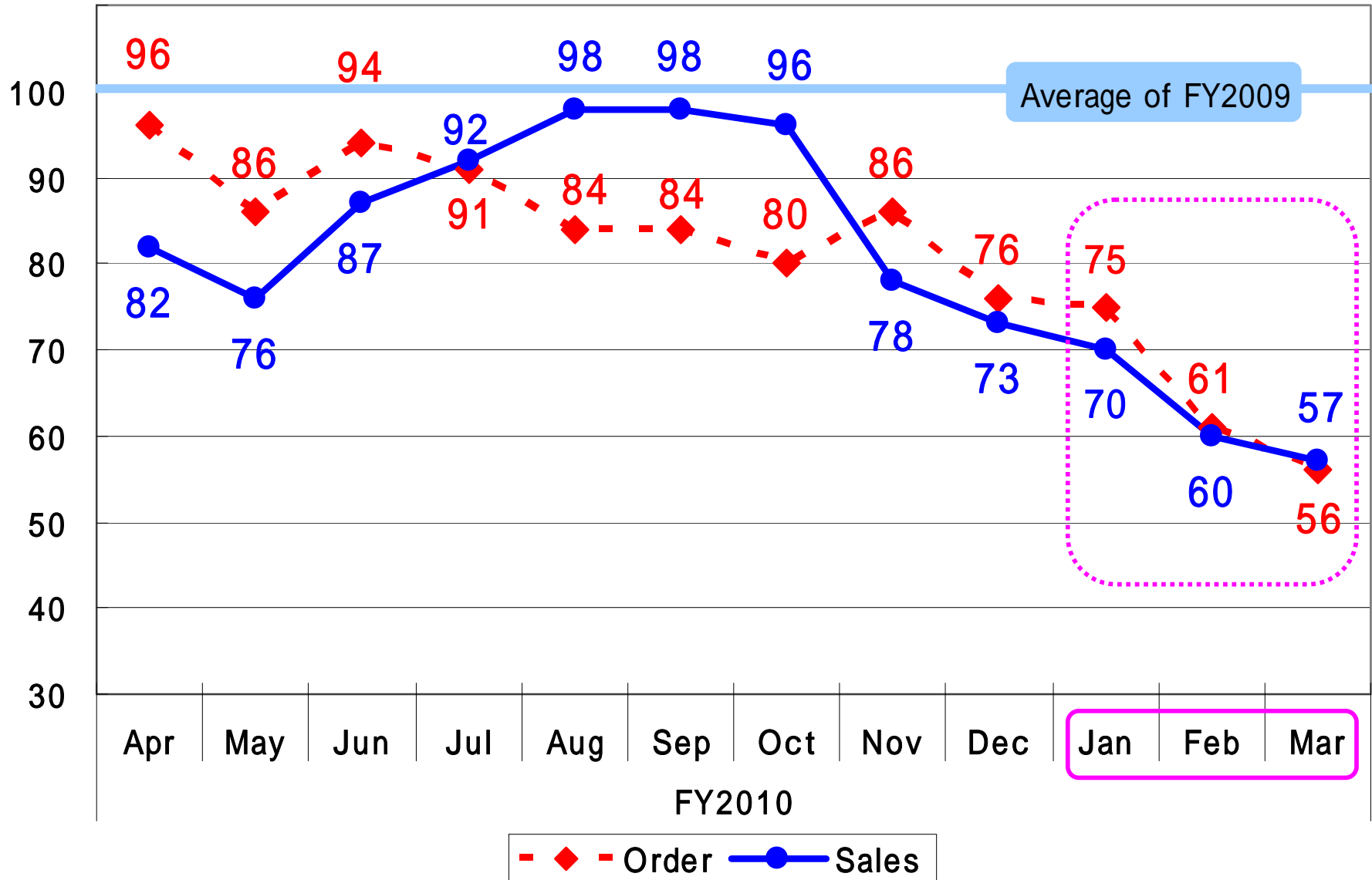
2010 Orders and Sales Changes (Domestic Consolidation Basis, Index Number)



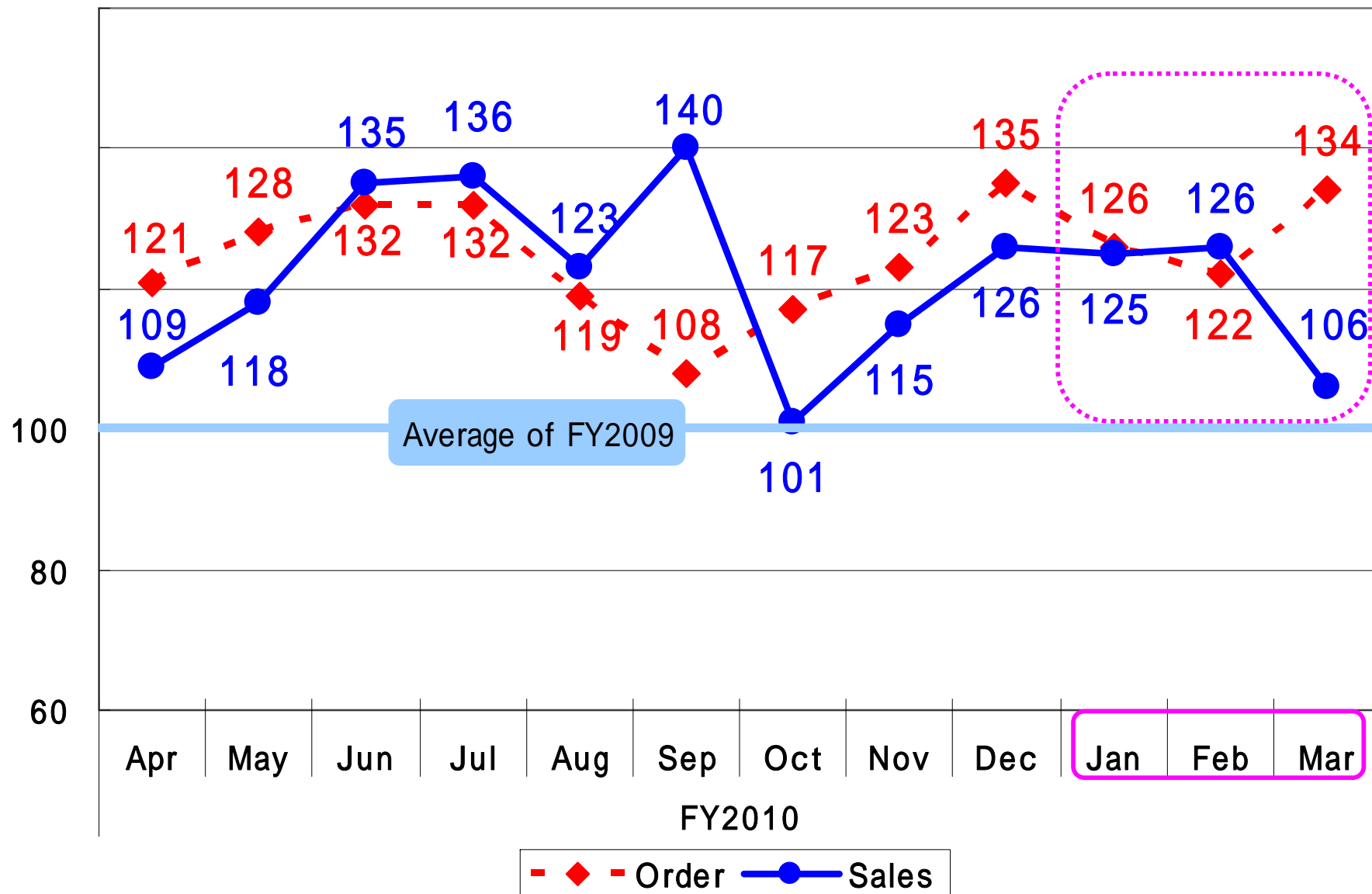
(Mobile)



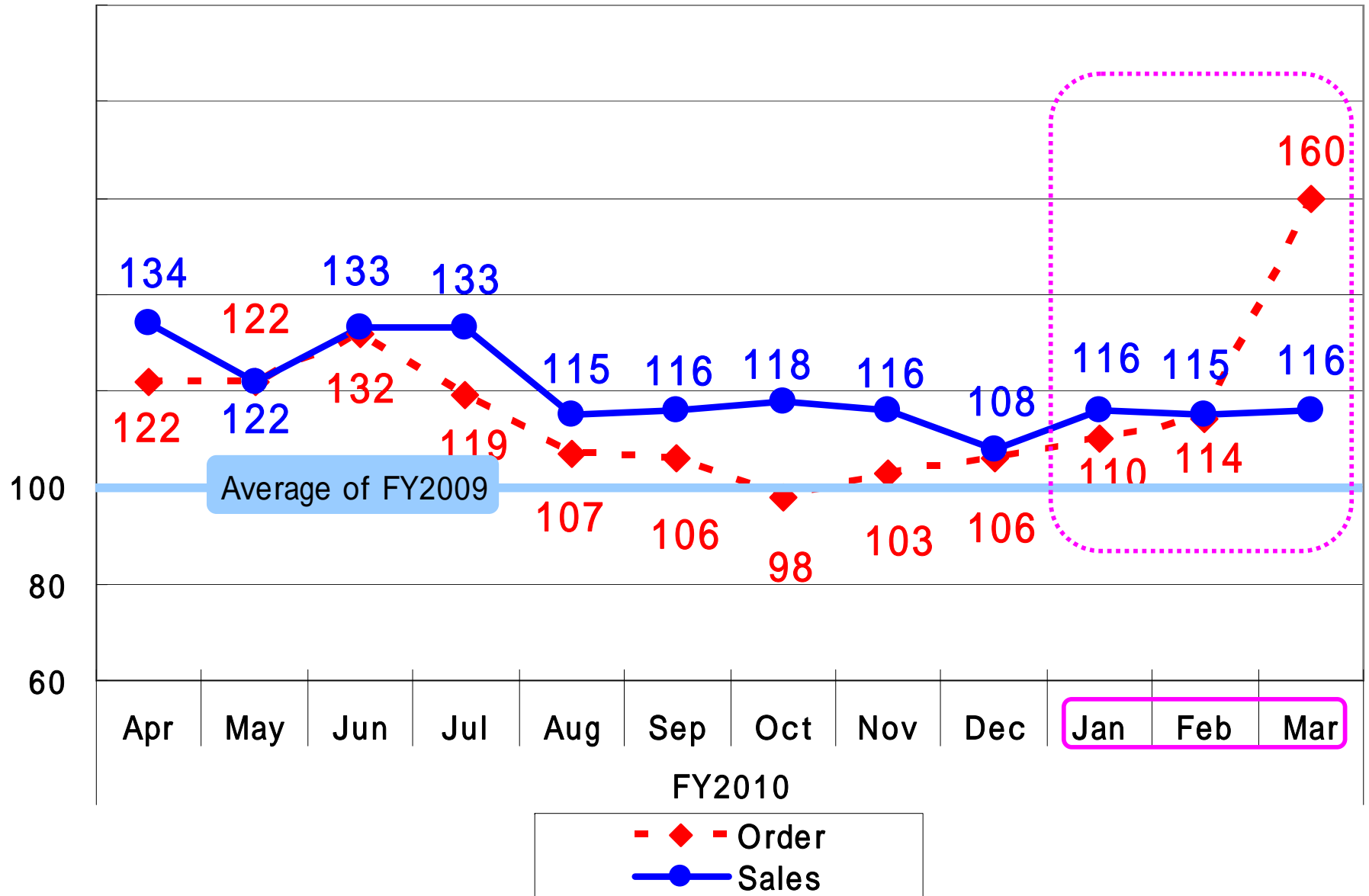
(Digital Consumer Electronic)



(Automotive)



(Associated Electric Equipment, FA Controlling Device, and Others)



Business Results for FY2010

Note) Green Italics: Officially announced amount on Feb 2011 (unit: hundred millions of Yen)

	(A)FY2009	(B)FY2010	(B)-(A)	(B)/(A)
Sales	844.7	924.4	79.7	9.4%
(COGS Ratio)	<i>(56.7%)</i>	<i>(56.9%)</i>	<i>(+0.2%)</i>	
(SGA Ratio)	<i>(19.1%)</i>	<i>(19.3%)</i>	<i>(+0.2%)</i>	
Operating Profit	204.1	220.3	16.2	7.9%
(%)	<i>24.2%</i>	<i>23.8%</i>	<i>(-0.4%)</i>	
Recurring Profit	220.0	227.4	7.4	3.4%
(%)	<i>26.0%</i>	<i>24.6%</i>	<i>(-1.4%)</i>	
Net Profit	132.7	117.1	-15.6	-11.7%
(%)	<i>15.7%</i>	<i>12.7%</i>	<i>(-3.0%)</i>	
Total Assets	2,529.0	2,601.4	72.4	2.9%
Shareholders' Equity Ratio	91.1%	90.3%		
Income Per Share	363.15Yen	330.23Yen		
Dividend Per Share	120Yen	150Yen		
Dividend Payout Ratio	33.0%	45.4%		

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

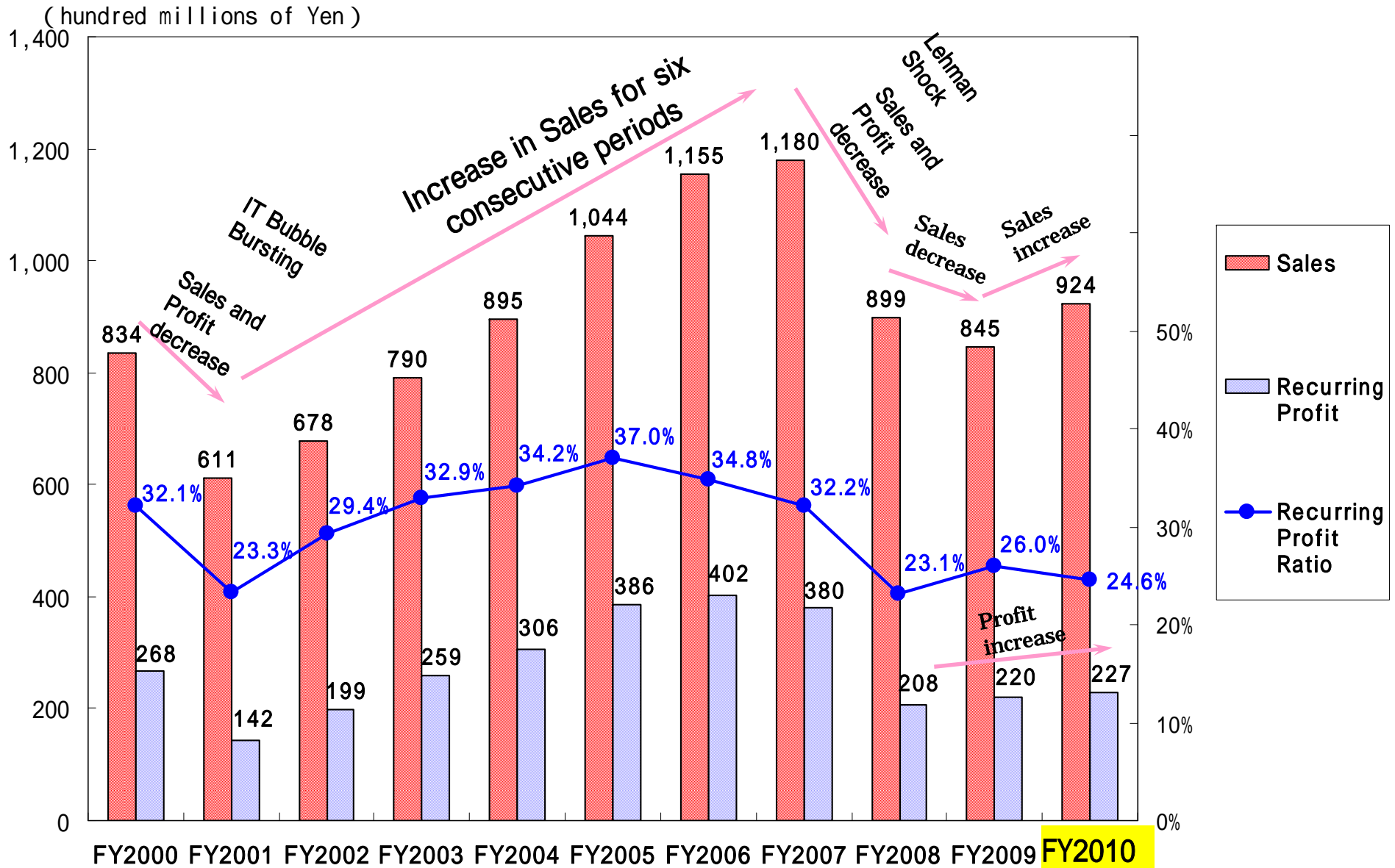
[Sales]	79.7 increase
Hirose	Foreign Subsidiaries
+ 43.9	+6.1
	Hirose Korea
	+25.6
[COGS Ratio]	0.2 point increase
Prurchase Cost Ratio	42.2% 42.6%
Depreciation Ratio	7.9% 6.6%
Labor cost and other expense ratio	6.6% 7.7%
[SGA Ratio]	0.2 point increase
Due to increase in labor and shipping cost	
[Non-Operating Expenses]	
Equity Method Profit	+4.1 +4.7
Interest Received & Dividend	11.3 8.5
Foreign Exchange Loss	2.1 7.5
[Extraordinary Losses]	
Losses on step acquisition of Hirose Korea	19.0
Losses due to natural disaster (Tohoku earthquake)	3.6

FY2010 Effect of Tohoku Earthquake

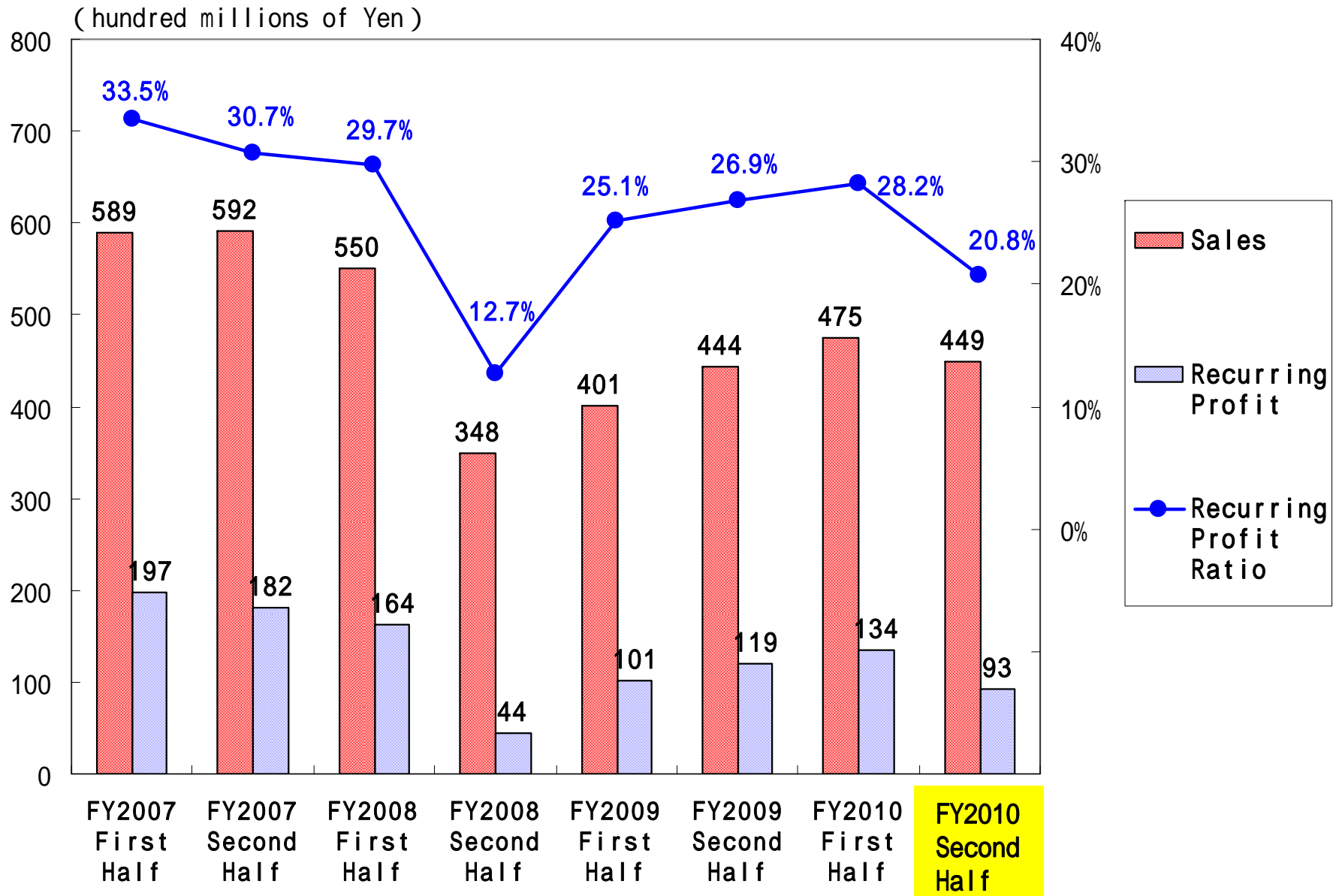
1. Sales and Operating Profit	
Sales	App. 16 decrease
Operating Profit	App. 10 decrease
2. Extraordinary Losses (due to natural disaster)	
Fixed assets waste	1.5
Inventory waste	1.1
Plant ceiling repair	0.8
Automotive & parking lot repair	0.2
Total	0

unit: hundred millions of Yen

Sales and Profits



Sales and Profits by Half-Yearly



Changes in Consolidated Balance Sheet

(hundred millions of Yen)

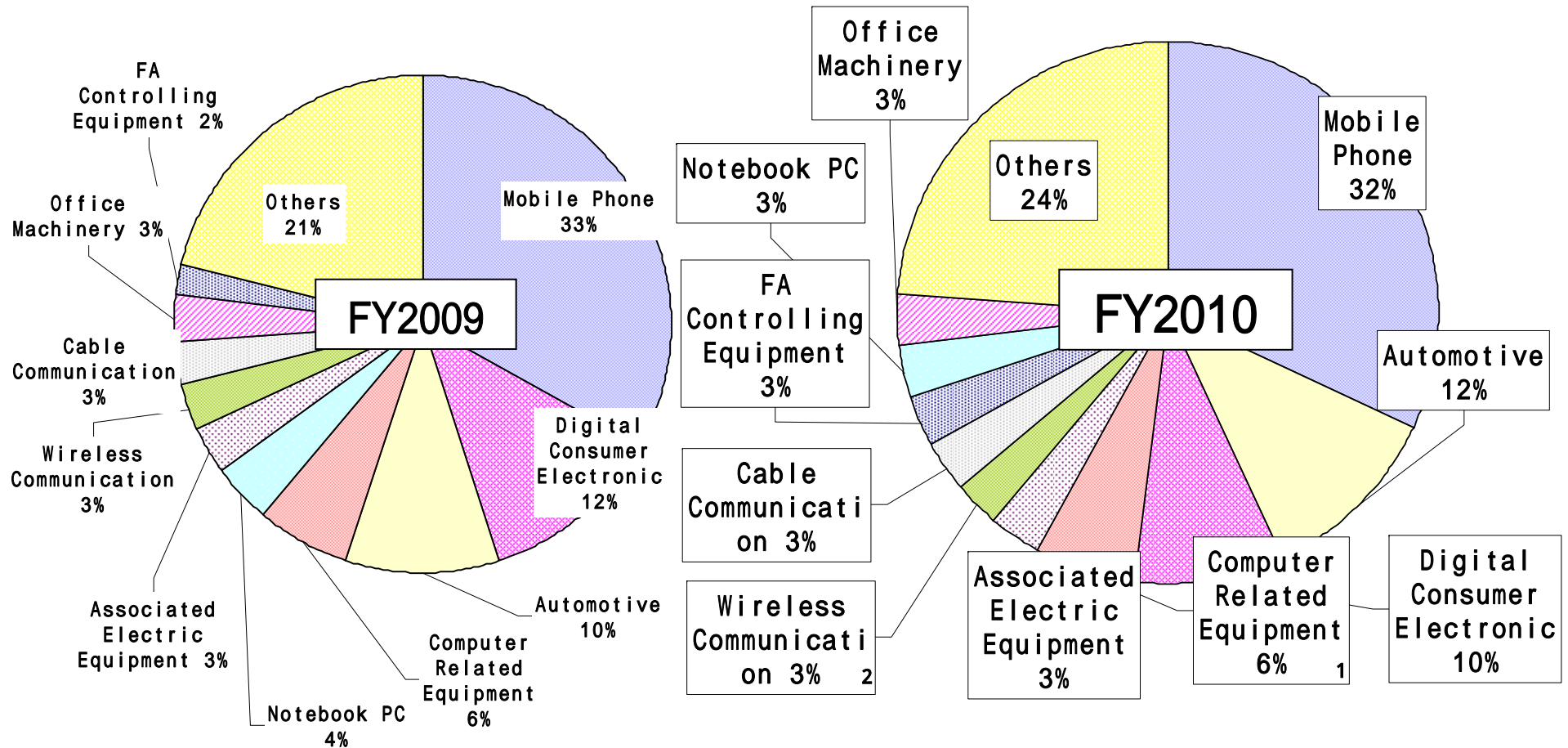
Account	(A) Mar 31, 2010	(B) Mar 31, 2011	(B) - (A)	Remark
Cash and Cash in Bank	1,095.7	1,094.2	-1.5	
Trade Receivables	240.1	230.6	-9.5	Hirose sales: FY2009/4Q FY2010/4Q -23.0
Inventories	63.0	72.7	9.7	Hirose Korea +13.3
Investment Securities	652.6	641.6	-11.0	Affiliated company stock -44.1 Hirose Korea +13.9, Corporate bond +19.2
Others	477.6	562.3	84.7	Tangible fixed assets +59.9
Total Assets	2,529.0	2,601.4	72.4	

Changes in Consolidated Balance Sheet

(hundred millions of Yen)

Account	(A) Mar 31, 2010	(B) Mar 31, 2011	(B) - (A)	Remark
Notes Payable and Account Payable	120.1	109.4	-10.7	Purchase decrease due to production decrease
Income Taxes Payable, etc	48.9	40.6	-8.3	
Others	55.9	75.7	19.8	
Total Liabilities	224.9	225.7	0.8	
Retained Earnings	2,552.6	2,620.6	68.0	Net income 117.1 - Dividend 47.9
Treasury Stocks	-465.4	-493.2	-27.8	Share buyback
Valuation Variance	23.5	21.2	-2.3	Stock price fallen
Translation Adjustment	-45.1	-38.2	6.9	
Others	238.5	265.3	26.8	Minority interest
Total Shareholders' Equity	2,304.1	2,375.7	71.6	
Total Liabilities and Shareholders' Equity	2,529.0	2,601.4	72.4	

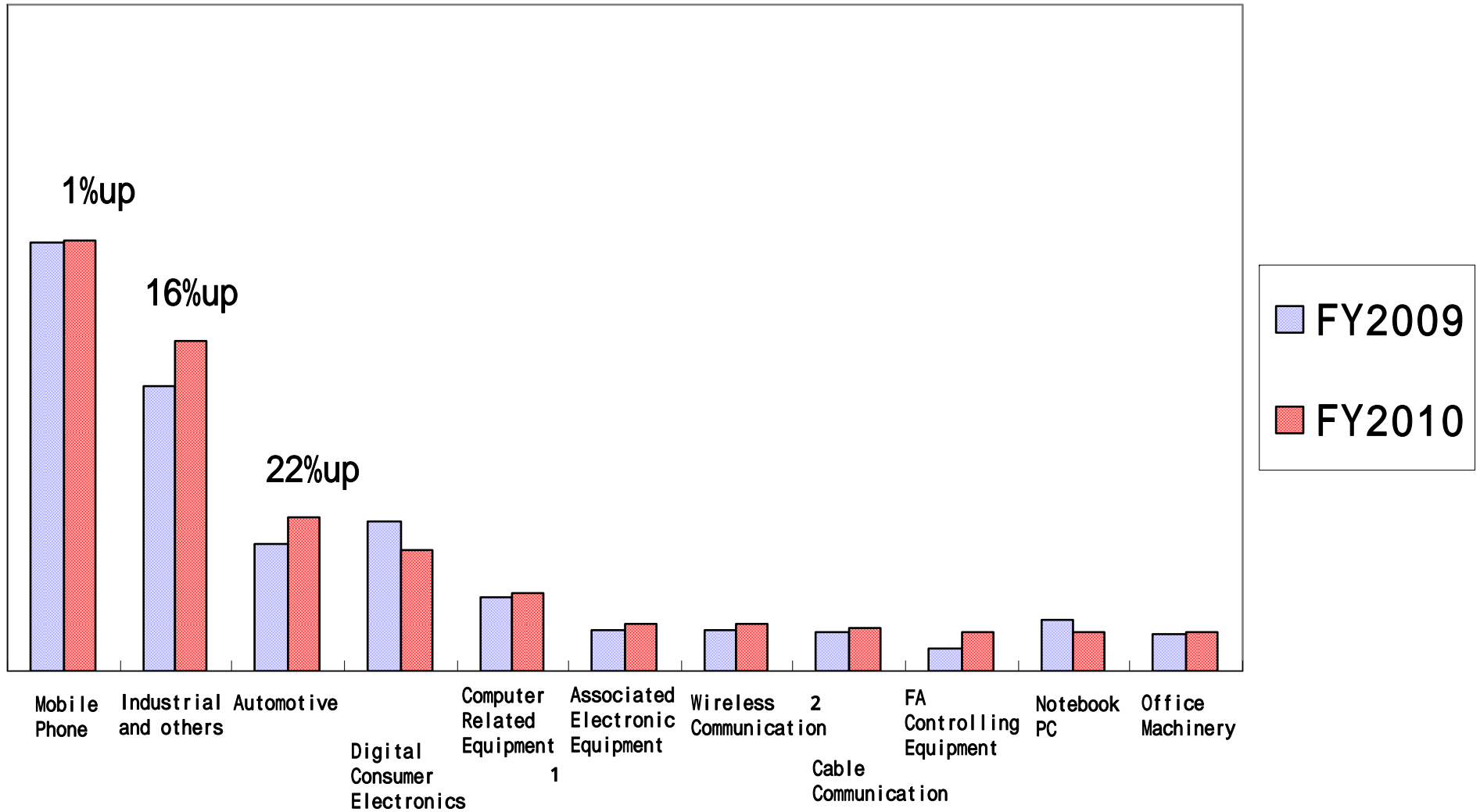
Sales Ratio (in round numbers)



Please be noted that as this is in round number, 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.

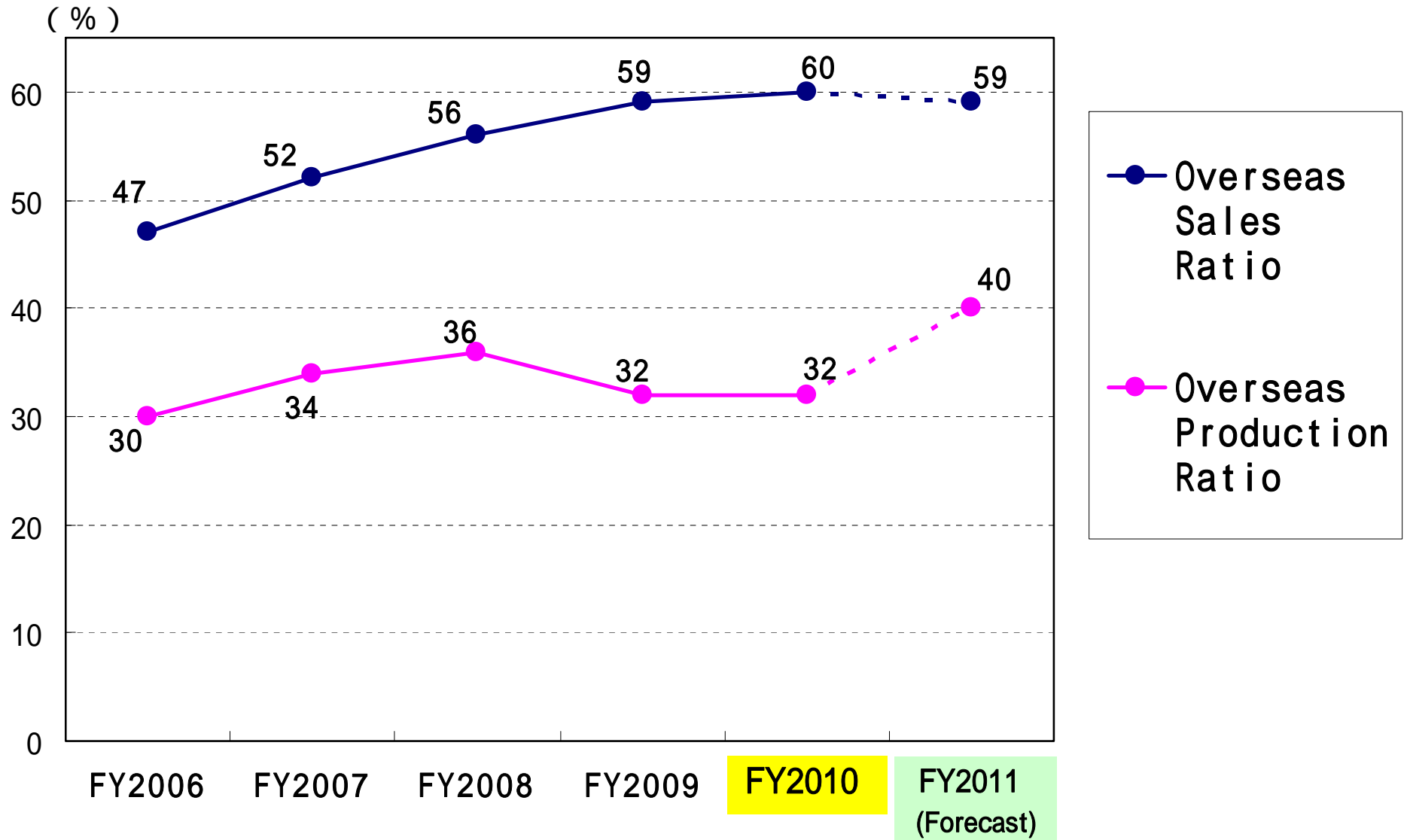
Sales Changes by Markets (in round numbers)



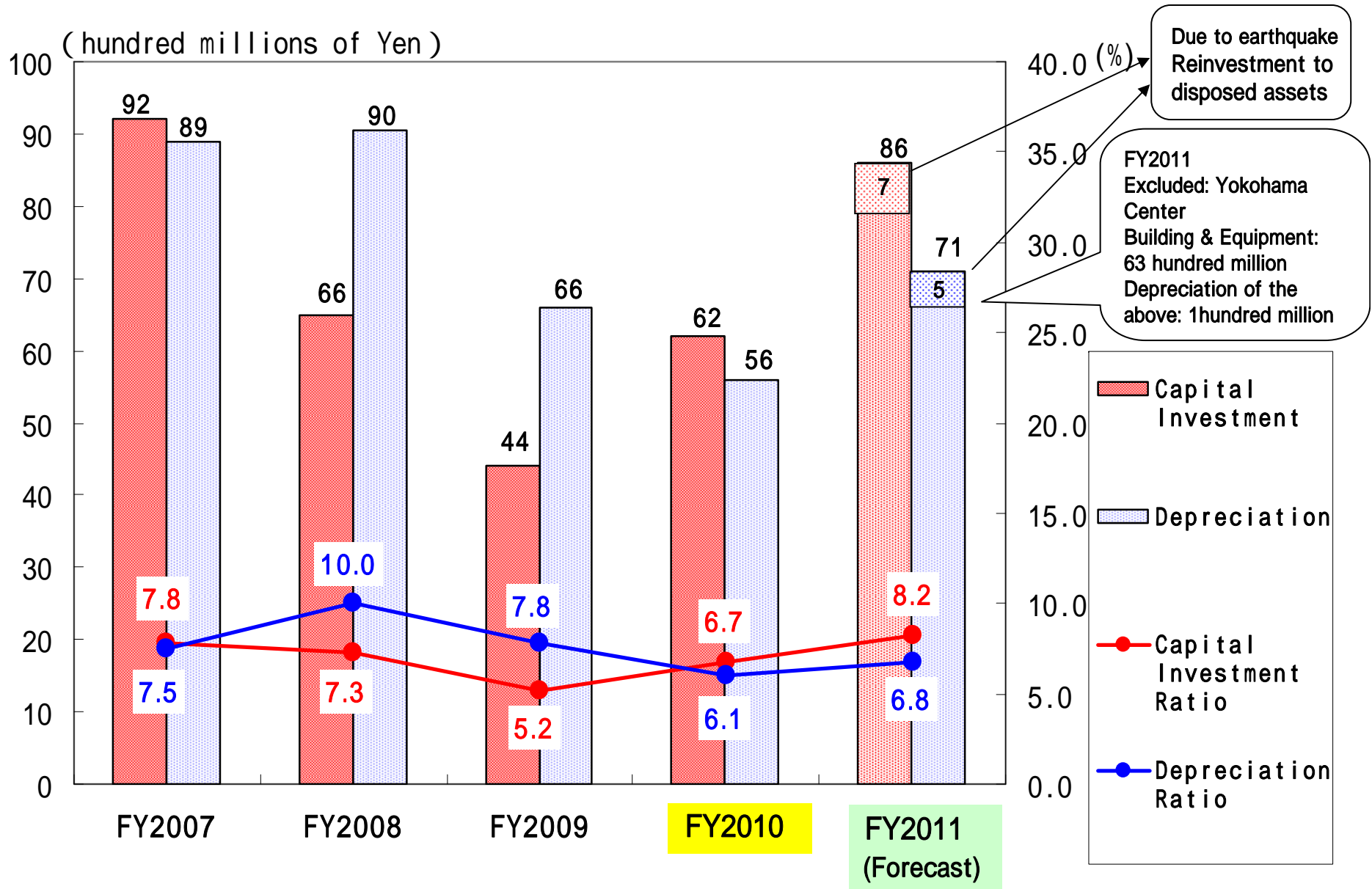
1 Computer Related Equipment Notebook PC not included.

2 Wireless Communication - Mobile Phone not included.

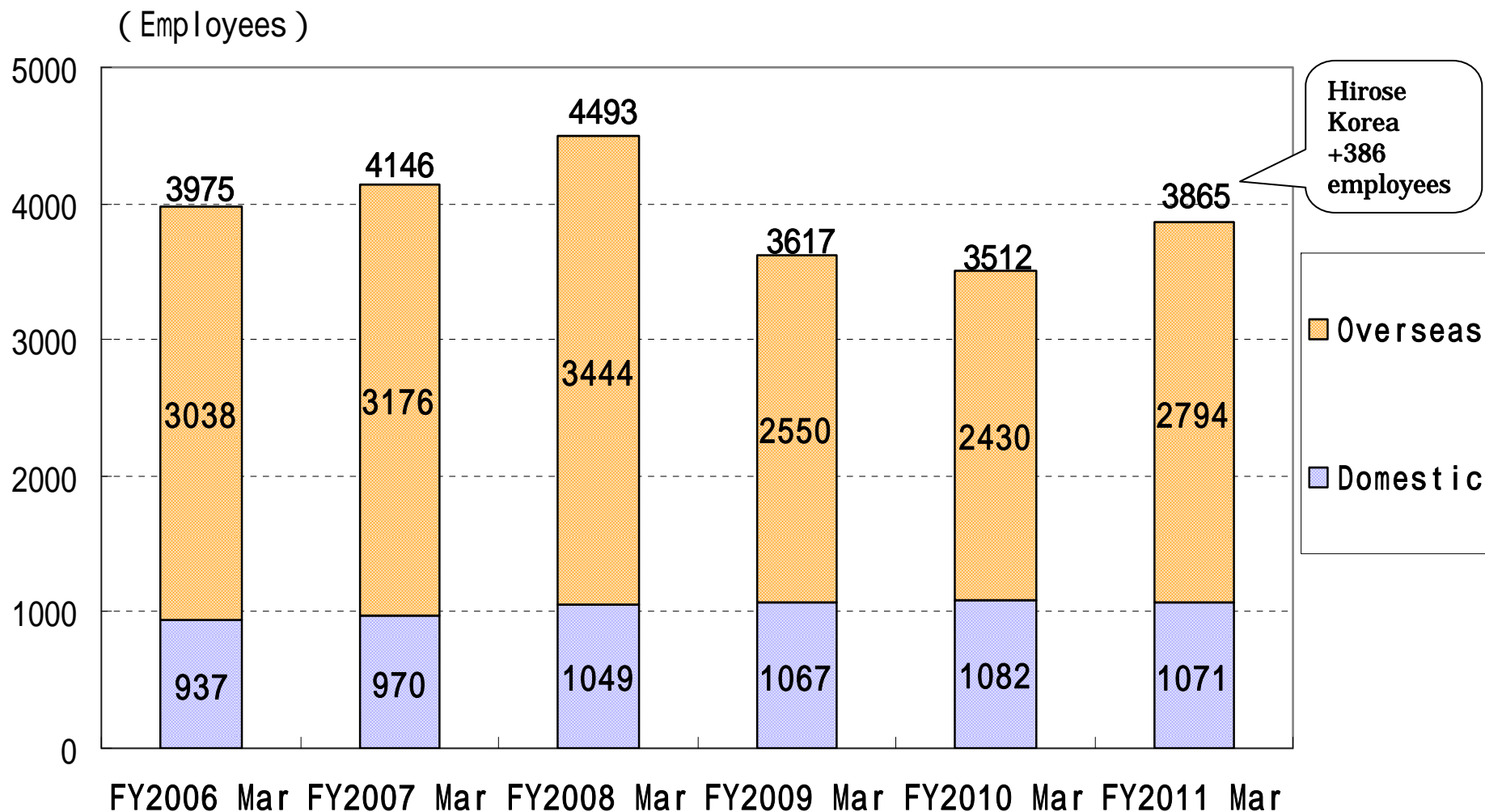
Overseas Production and Sales Ratio



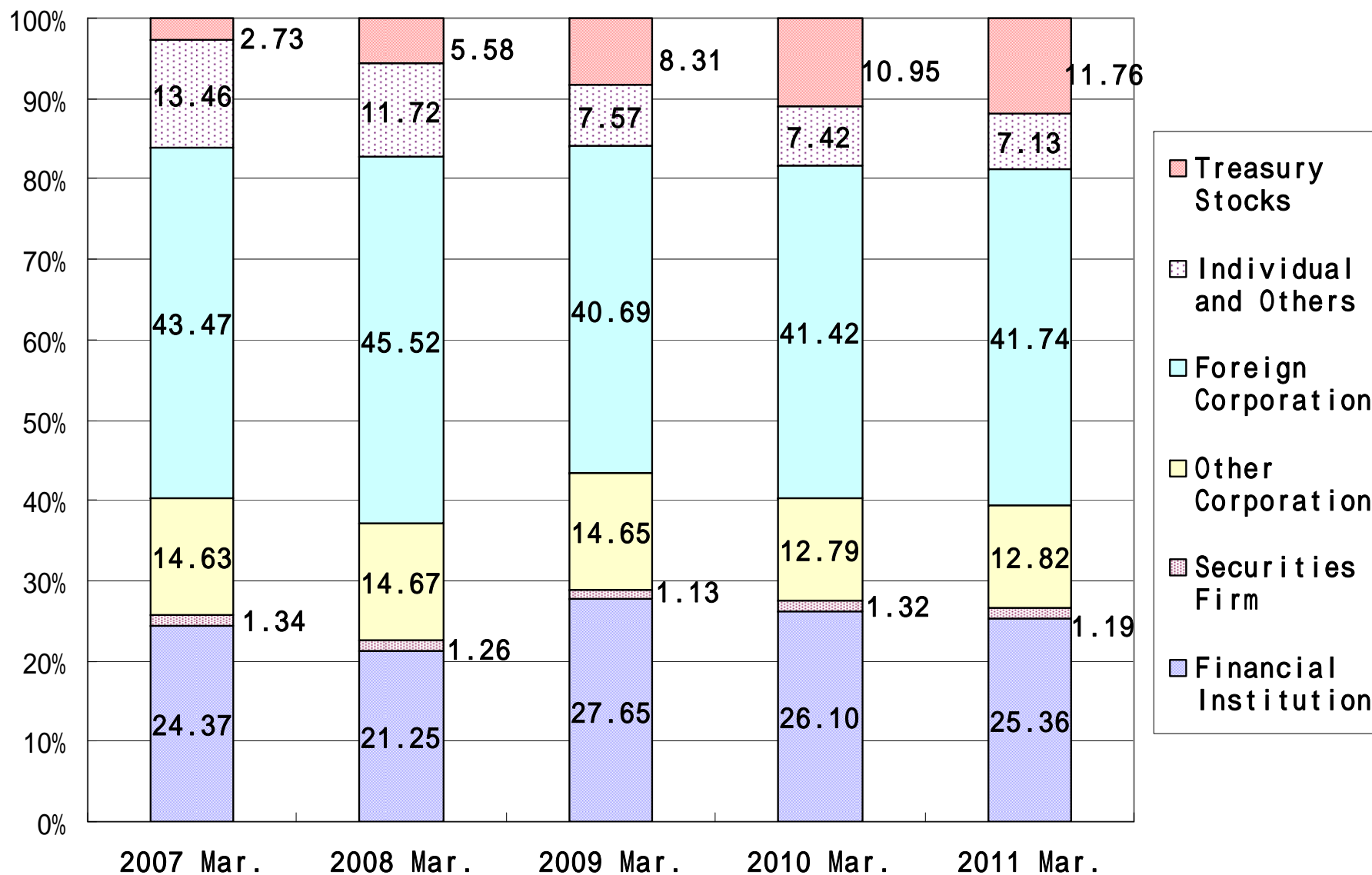
Capital Investment and Depreciation Changes



Number of Employees (financial report basis)



Distribution of Shareholders



Business Forecast of the Year Ended March 31, 2012

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

(hundred millions of Yen)

	FY2010 (Actual)			FY2011 (Forecast)			First Half		Second Half		For the Year	
	First Half	Second Half	For the Year	First Half	Second Half	For the Year	Over the Previous Actual Amount		Over the Previous Actual Amount		Over the Previous Actual Amount	
							Amount Change	% Change	Amount Change	% Change	Amount Change	% Change
Sales (COGS Ratio)	475.4 (54.0%)	449.0 (60.0%)	924.4 (56.9%)	510.0 (57.6%)	540.0 (58.5%)	1,050.0 (58.1%)	34.6	7.3%	91.0	20.3%	125.6	13.6%
Operating Profit (%)	131.1 27.6%	89.2 19.9%	220.3 23.8%	124.0 24.3%	126.0 23.3%	250.0 23.8%	-7.1	-5.4%	36.8	41.3%	29.7	13.5%
Recurring Profit (%)	134.1 28.2%	93.3 20.8%	227.4 24.6%	127.0 24.9%	133.0 24.6%	260.0 24.8%	-7.1	-5.3%	39.7	42.6%	32.6	14.3%
Net Profit (%)	83.3 17.5%	33.8 7.5%	117.1 12.7%	77.0 15.1%	83.0 15.4%	160.0 15.2%	-6.3	-7.6%	49.2	145.6%	42.9	36.6%
Income Per Share	-	-	330.23Yen	-	-	453.08Yen						
Dividend Per Share	75Yen	75Yen	150Yen	75Yen	75Yen	150Yen						
Dividend Payout Ratio	-	-	45.4%	-	-	33.1%						

Locations in Japan

Sales HQ



Corporate HQ



(Tokyo)

Tohoku Hirose (Miyako)



Ichinoseki Hirose



Koriyama Hirose



Engineering Center



(Yokohama)



Effect of the Tohoku Earthquake and Future Action (2/4)

3/11(Fri) 14:46 Tohoku Region Pacific Coast Earthquake (M9.0)
 Immediate power & water outage in Tohoku area. Mobile phone also hard to access.

	Tohoku Hirose (Miyako City)	Koriyama Hirose (Koriyama City)	Ichinoseki (Ichinoseki City)	Subcontractors (70 companies in Tohoku area)		
				Company A (Kamaishi City)	Company B (Higashimatsushima City)	Company C (Iwaki City)
3/14 (Mon)	All employees safe (Partial losses in families, buildings)			Plant destroyed ↓	Effect of nuclear disaster ↓ Close operation ↓ Resume operation	
3/17(Thu)	No big damages to buildings, manufacturing equipment, etc. Power & water outage, cut off in communication, distribution Production stop ↓	Although partial damage to building, manufacturing equipment, etc., mostly have recovered Recovery in power & communication. Gradual restoration in production ↓	Minor damage to buildings, manufacturing equipment, under repair Recovery in power & communication, prospect of gradual production resume ↓			
3/24(Thu)	Power & water recovery, resume production ↓		Shipment also resumed ↓			
3/31(Thu)	Communication line recovery Most employees able to come to work Production, shipment resume to full-scale	Building, manufacturing equipment, etc. also recovered Production & shipment mostly back to normal	Building, manufacturing equipment, etc. also recovered Production & shipment mostly back to normal	Production shift to China, Indonesia, Korea, Toyama, etc.	With the possibility of radioactive materials contamination, promoting a backup plan	

Effect of Aftershock on Apr. 7th (Thu): Blackout & water outage at Tohoku Hirose and Ichinoseki
 Hirose (4/7-4/9) Back to normal from 4/10

Influence to the closing account of FY2010

1 . Sales and Operating Profit

Sales : App. 1.6 decrease

Operating Profit : App. 1.0 decrease

2 . Extraordinary Losses (due to natural disaster)

Fixed assets waste 1.5

Inventory waste 1.1

Plant ceiling repair 0.8

Automotive & parking lot repair 0.2

Total 3.6

Influence to the closing account of FY2011

1 . Reinvestment for Disposed Fixed Assets (Mainly mold, tools, etc.)

Mold 3.0

Tools 3.0

Machinery & Equipment 1.0

7.0

2 . Depreciation due to the above

5.0 / Annual

Unit: hundred million yen

Production Materials secured

Metal and resin already secured, no influence to production

Measures for the Radioactive Contamination Problem

- Shipping product
 - Inspection done by Geiger Counter
 - Inspection done by carriers (For product to overseas)
- Subcontractor C Promoting the transference to Iwate as a backup plan

Measures for the Summer Electricity Shortage

- Summer time system → Already performed
- Discontinue billboard (Gotanda station)
- Conduct partial conservation of electricity
- Considering conducting summer dress down (Cool Biz)
- Considering manufacture shift change if necessary

Risk Management of Mass-produced goods' Production Location

Taking actions to shift production location to overseas (China, Indonesia, Korea, etc.) and other domestic areas (Toyama, etc.)