

Business Results for Second Quarter, FY2008

Nov.11 2008

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 Results Summary for Second Quarter, FY2008

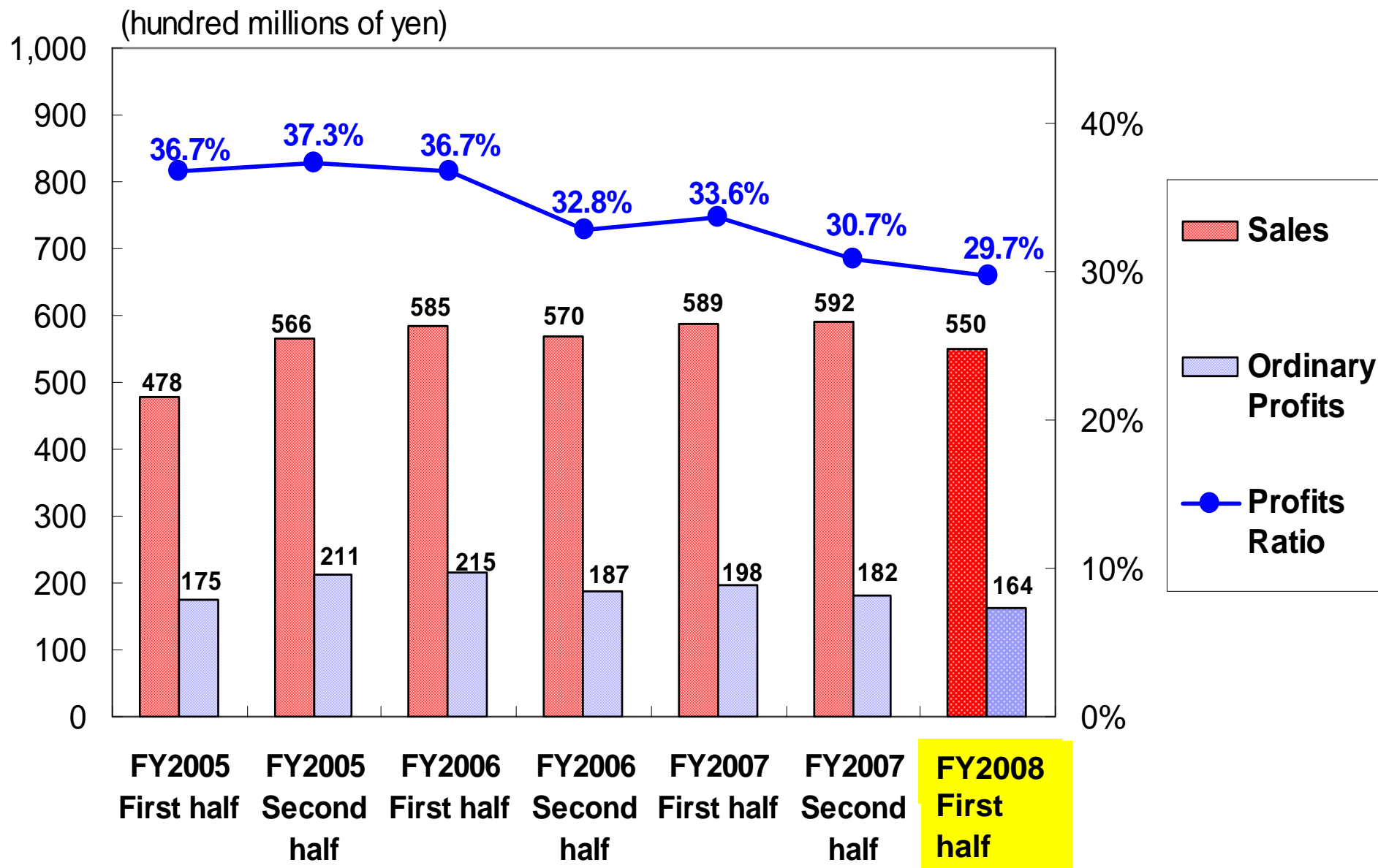
(hundred millions of yen)

	(A)FY2007 1Q & 2Q	(B)FY2008 1Q & 2Q	(B)-(A)	(B)/(A)
Sales	588.6	555.0 550.4	-38.2	-6.5%
(COGS Ratio)	(52.8%)	(55.4%)	(+2.6%)	
(SGA Ratio)	(15.8%)	(17.1%)	(+1.3%)	
Operating Profit	184.9	150.0 151.3	-33.6	-18.2%
(%)	31.4%	27.5%	(-3.9%)	
Ordinary Profit	197.9	162.0 163.5	-34.4	-17.4%
(%)	33.6%	29.7%	(-3.9%)	
Net Profit	117.1	93.0 96.9	-20.2	-17.3%
(%)	19.9%	17.6%	(-2.3%)	
Total Assets	2,732.5	2,685.9	-46.6	-1.7%
Shareholder's Equity Ratio	87.9%	88.5%		
Income per share	303.69Yen	256.71Yen		

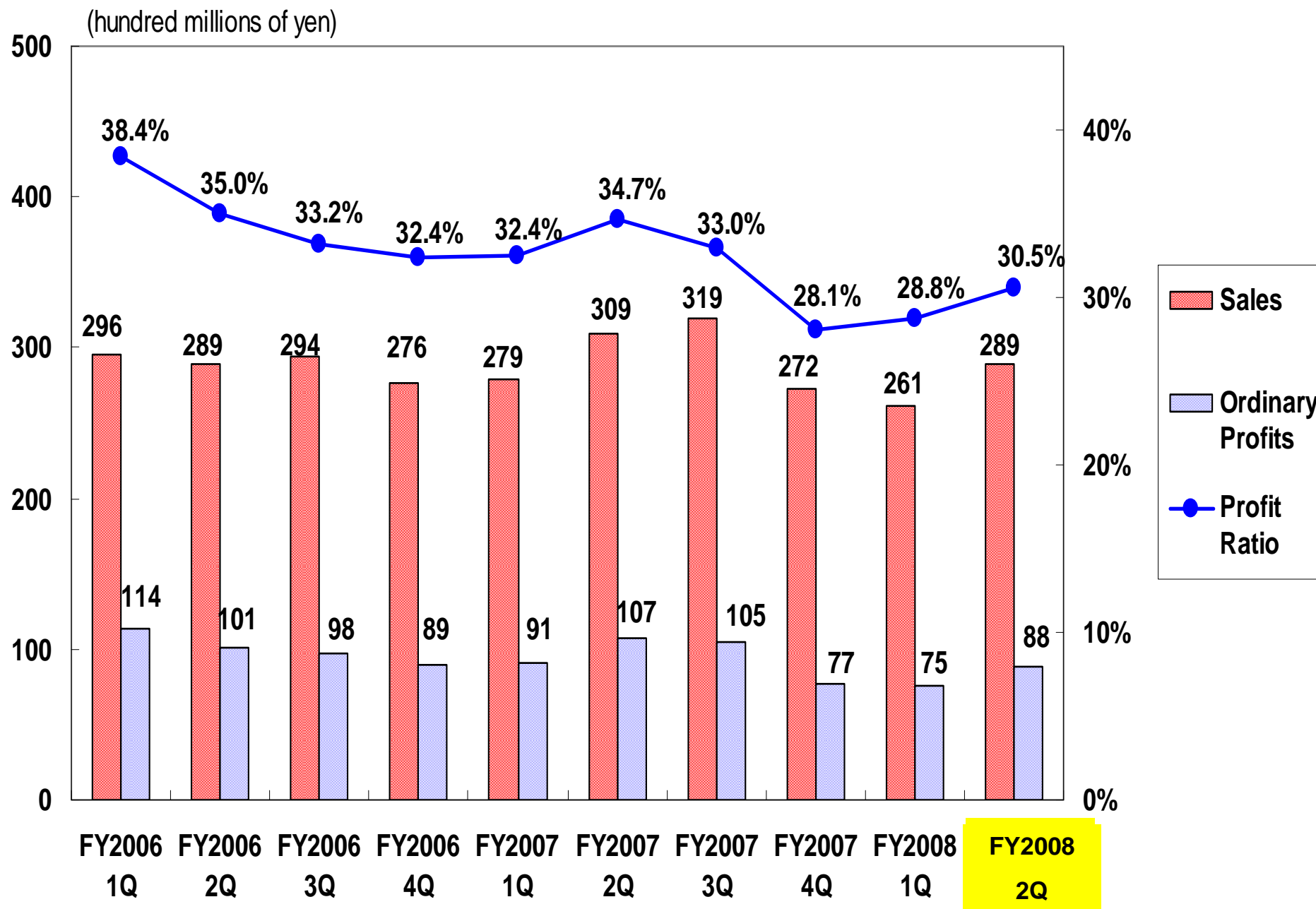
Major Changes over the prior same period (hundred millions of yen)

[Sales]	38.2 decrease
	Foreign
	Hirose Subsidiaries
	-28.5 -9.7
[COGS Ratio]	2.6 point increase
Purchase Cost Ratio	47.3% => 48.8%
Depreciation Ratio	5.5% => 6.5%
[SGA Ratio]	1.3 point increase
	Increase in IT related cost, etc.
[Non-operating expenses]	
Equity method profit	4.3=>1.9
Interest received and dividend	6.6=>8.5

Sales and Profits (FY2005 first half - FY2007 first half)



Sales and Profits by Quarter (FY2006/1Q-FY2008/2Q)



Changes in Consolidated Balance Sheet

(hundred millions of yen)

Account	(A)Mar. 31, 2008	(B)Sep. 30, 2008	(B)-(A)	Remarks
Cash and Cash in bank	1,252.5	1,265.4	12.9	Small increase of cash in Koriyama Hirose and Foreign subsidiaries.
Trade Receivables	312.1	306.0	-6.1	Increase in foreign sales ratio.(2007/Q4 52.2%---2008/2Q 58.1%)
Investment Securities	533.2	521.4	-11.8	Stock prices fallen.
Others	585.8	593.1	7.3	
Total Assets	2,683.6	2,685.9	2.3	

Changes in Consolidated Balance Sheet

(hundred millions of yen)

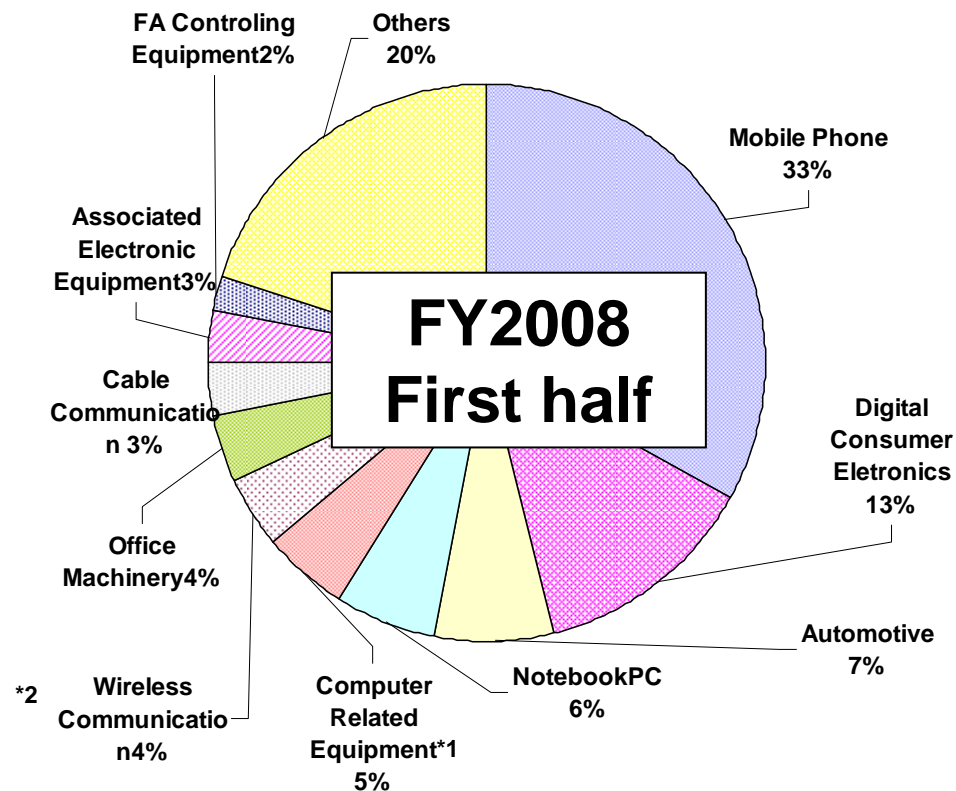
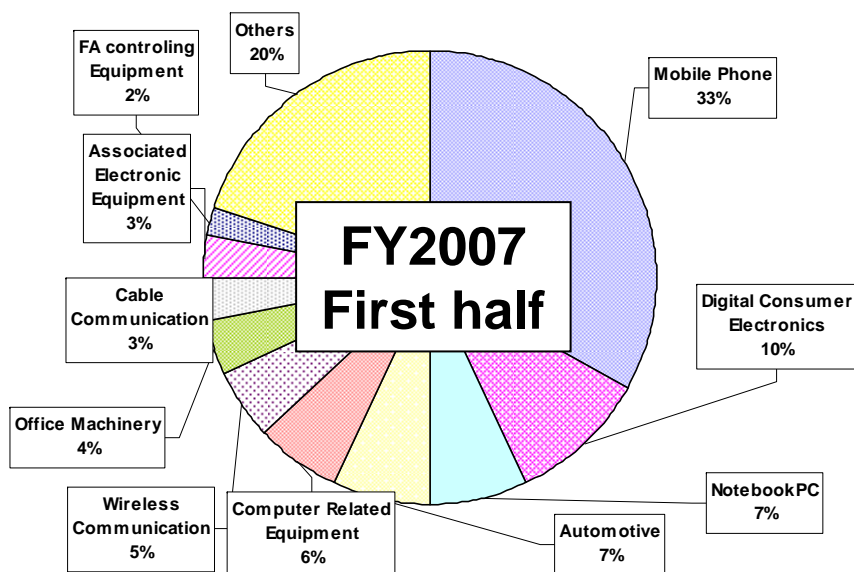
Account	(A)Mar. 31, 2008	(B)Sep. 30, 2008	(B)-(A)	Remarks
Notes payables and Accounts payables	162.7	160.5	-2.2	Purchase decrease
Income Tax Payables, etc.	58.8	64.3	5.5	Tax payment -54 Tax appropriated +63
Others	89.4	85.0	-4.4	Accounts payable -3.2
Total Liabilities	310.9	309.8	-1.1	
Retained Earnings	2,388.3	2,454.3	66.0	Net income 96.9 - Dividend 30.2
Treasury Stocks	-265.0	-315.2	-50.2	
Valuation Variance	25.6	23.9	-1.7	Stock prices fallen
Translation Adjustment	-14.2	-25.2	-11.0	Adjustment due to strong yen.
Others	238.0	238.3	0.3	
Total Shareholder's Equity	2,372.7	2,376.1	3.4	
Total Liabilities and Shareholder's Equity	2,683.6	2,685.9	2.3	

Cash Flow

(hundred millions of yen)

	(A)FY2007, Q2	(B)FY2008, Q2	(B)-(A)	Main Changes
Cash Flows from Operating Activities	163.4	141.6	-21.8	Pre-tax income decrease -35.1 Accounts payable decrease -15.4 Inventories increase -10.0 Depreciation increase 5.8 Accounts receivable decrease 23.7 Corporation tax 17.7
Cash Flows from Investing Activities	-71.6	-120.6	-49.0	Increase of time deposit over 3 month's period -61.6 Expenditure of tangible fixed assets decrease 11.2
Cash Flows from Financing Activities	-109.0	-80.4	28.6	Acquisition of treasury stock 29.7 ('07. Apr.-Sep.: 79.8=>'08.Apr.-Sep.: 50.1)
Effect of exchange rate change	0.4	-1.0	-1.4	
Decrease in cash and cash equivalents	-16.8	-60.3	-43.5	
Cash and cash equivalents, beginning balance	1,244.8	602.5	-642.3	
Cash and cash equivalents, ending balance	1,228.0	542.2	-685.8	

Sales Ratio by Markets (in round numbers)



From FY2008, with the updated database, we will be classifying the proportion ratio as the above.

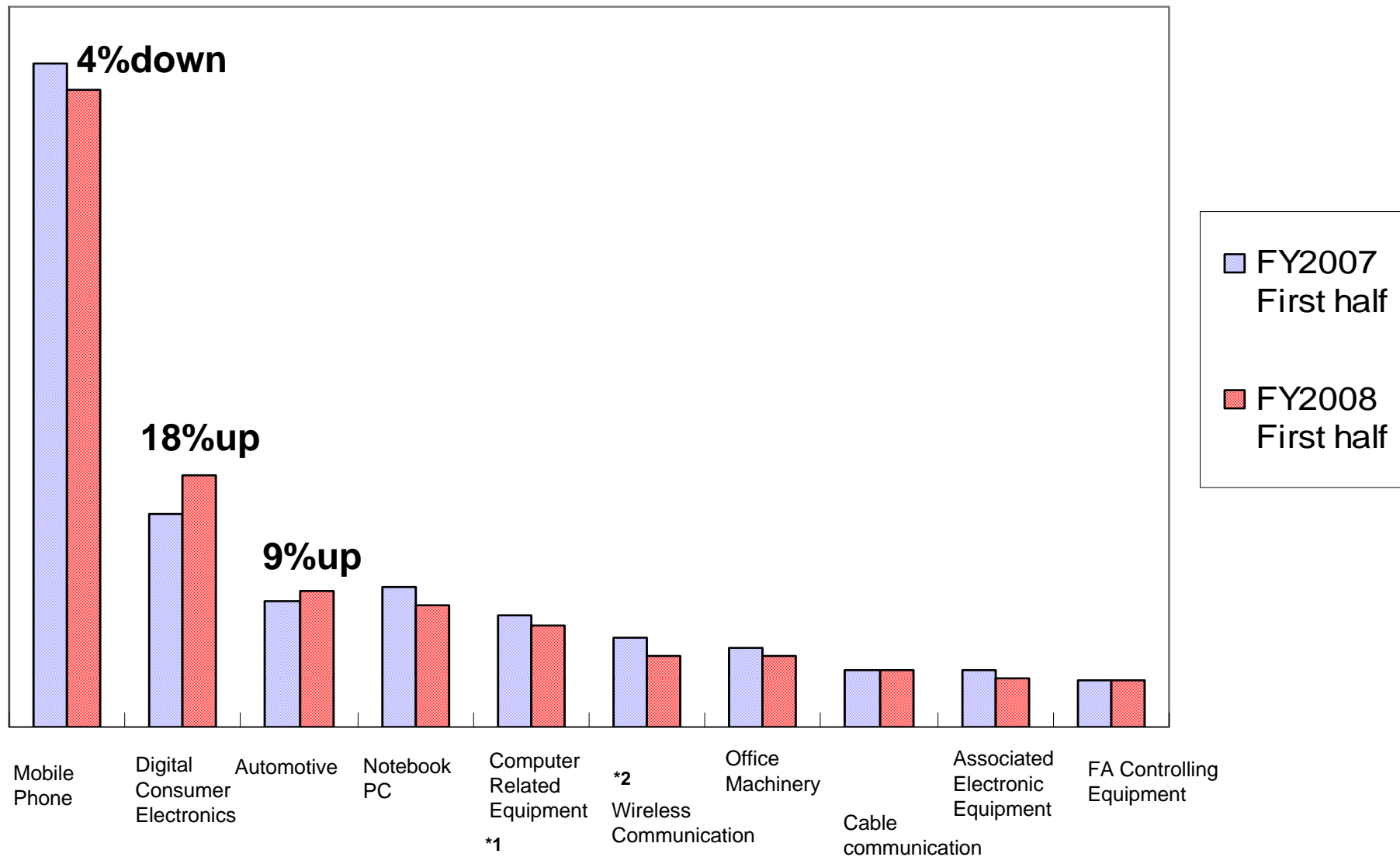
Based on this, the number of FY2007 first half is indicated in similar classification.

*1 Computer Related Equipment – Notebook PC not included.

*2 Wireless Communication – Mobile phone not included.

Please be noted that as this is in round number, some ratio difference could occur.
Thank you for your understanding.

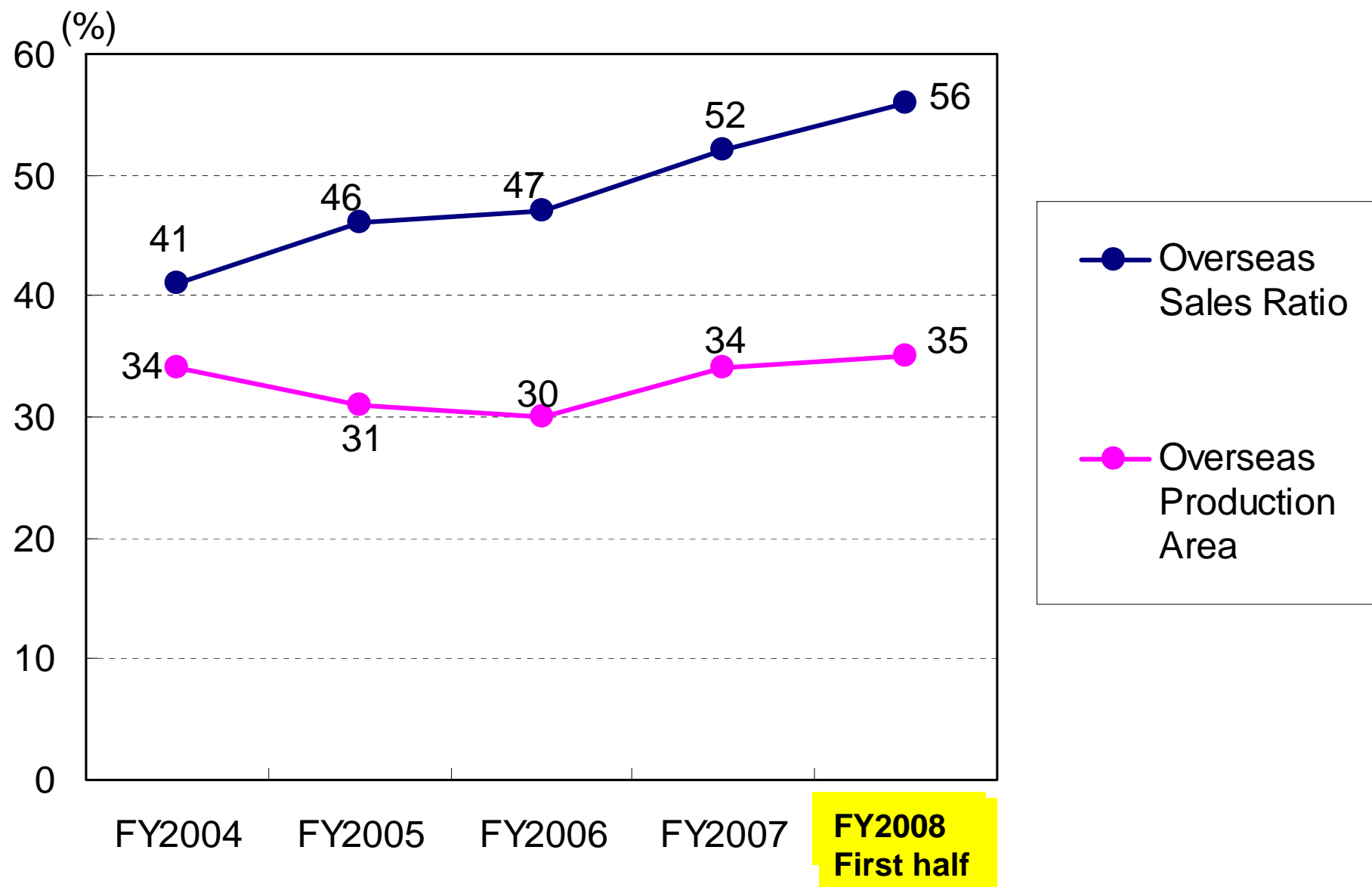
Sales Changes by Markets, FY2007 first half and FY2008 first half



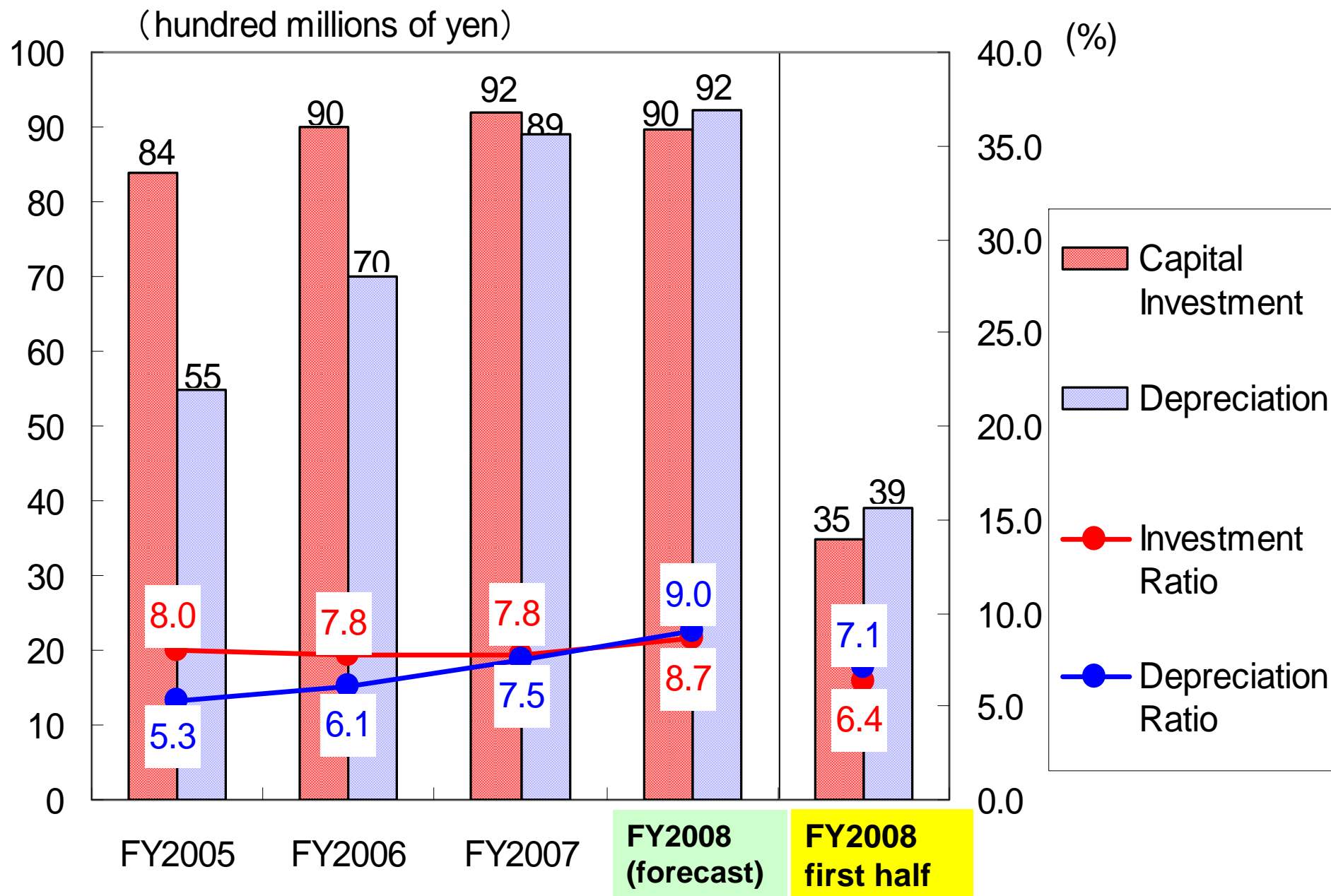
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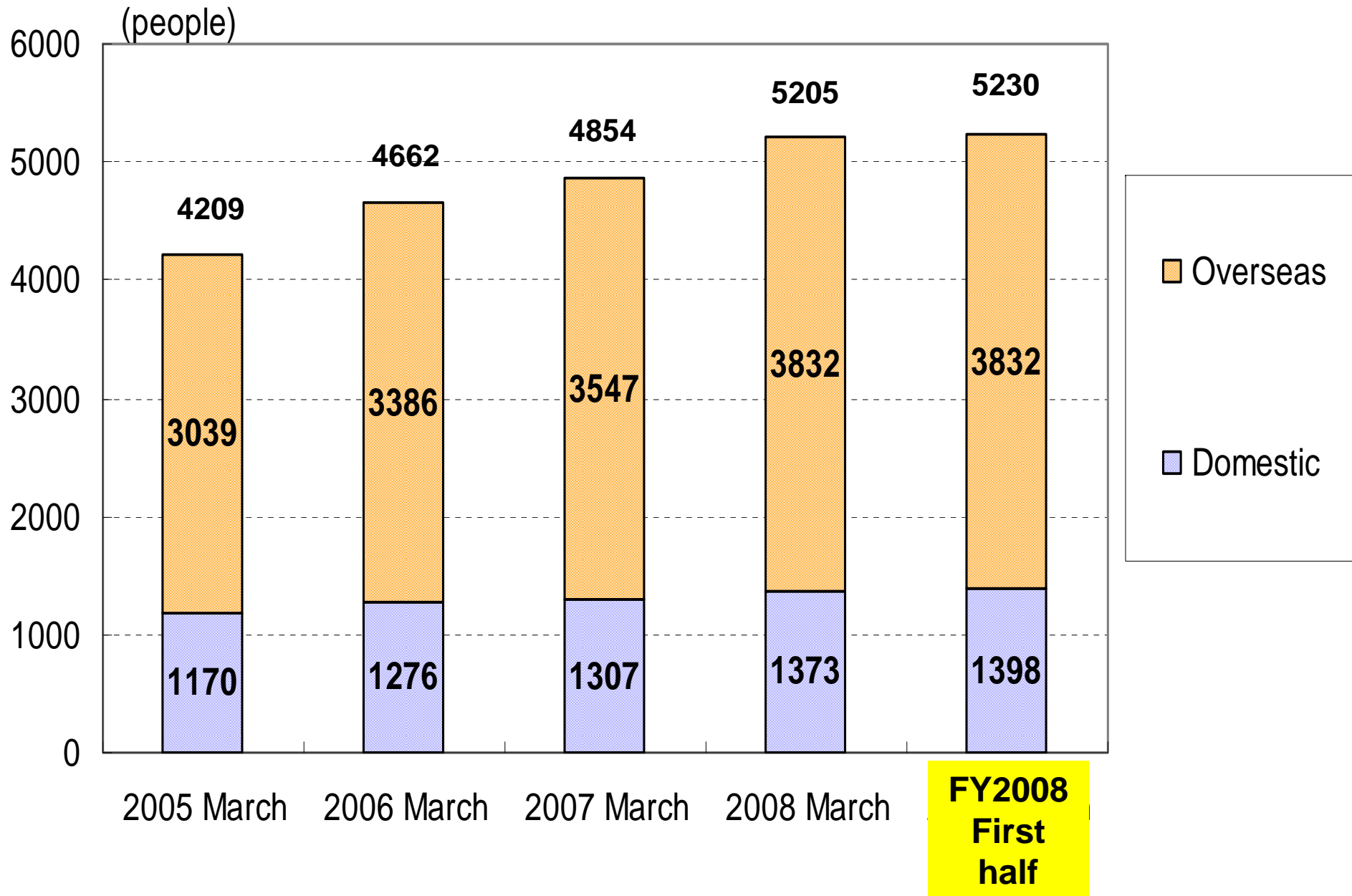
Overseas Production and Sales Ratio



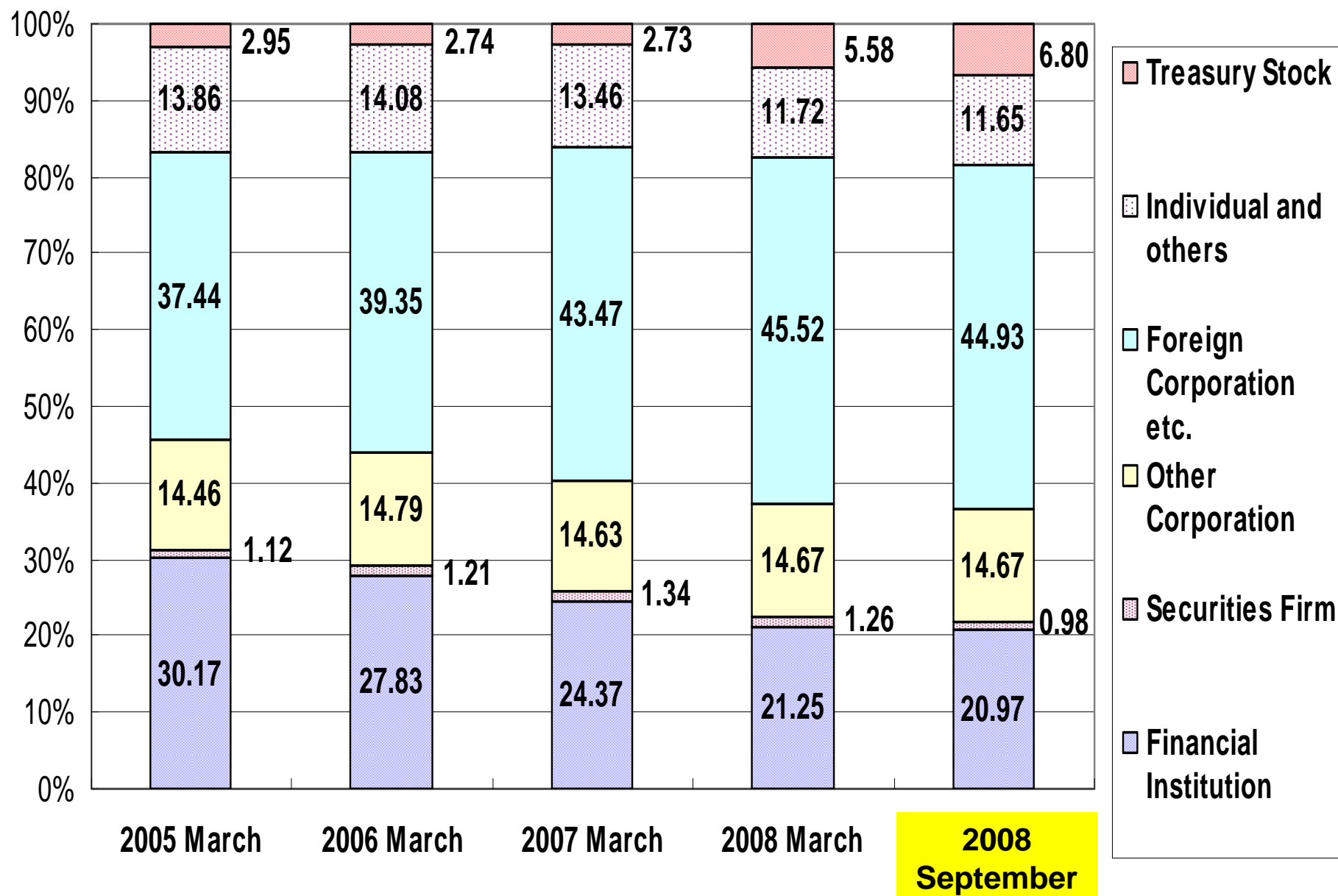
Capital Investment & Depreciation Change



Number of Employees



Composition of Shareholders



Business Forecast For the Year Ended March 31, 2009

**"Previous" regarding the Business forecast of FY2008 on August 7th, FY2008

(hundred millions of yen)

	Previous Forecast(FY2008)			New Forecast(FY2008)			First half <small>Over the previous official amount</small>		Second half <small>Over the previous official amount</small>		For the Year <small>Over the previous official amount</small>	
	First half	Second half	For the Year	First half (Actual)	Second half	For the Year	Amount Changes	% Change	Amount Changes	% Change	Amount Changes	% Change
Sales (COGS Ratio)	555.0 (55.8%)	605.0 (56.0%)	1,160.0 (55.7%)	550.4 (55.4%)	479.6 (58.2%)	1,030.0 (56.7%)	-4.6	-0.8%	-125.4	-20.7%	-130.0	-11.2%
Operating Profit (%)	150.0 27.0%	175.0 28.9%	325.0 28.0%	151.3 27.5%	108.7 22.7%	260.0 25.2%	1.3	0.9%	-66.3	-37.9%	-65.0	-20.0%
Ordinary Profit (%)	162.0 29.2%	188.0 31.1%	350.0 30.2%	163.5 29.7%	116.5 24.3%	280.0 27.2%	1.5	0.9%	-71.5	-38.0%	-70.0	-20.0%
Net Income (%)	93.0 16.8%	112.0 18.5%	205.0 17.7%	96.9 17.6%	68.1 14.2%	165.0 16.0%	3.9	4.2%	-43.9	-39.2%	-40.0	-19.5%
Income per share	-	-	2.49Yen	-	-	42.35Yen						
Dividend per share	80Yen	80Yen	160Yen	80Yen	80Yen	160Yen						
Dividend payout ratio	-	-	29.5%	-	-	36.2%						

FY2008 Business Forecast

(hundred millions of yen)

	Actual (FY2007)			New Forecast (FY2008)			First half Over the same period		Second half Over the same period		For the Year Over the prior year	
	First half	Second half	For the Year	First half	Second half	For the Year	Amounts changes	% Change	Amounts changes	% Change	Amounts changes	% Change
Sales (COGS Ratio)	588.6 (52.8%)	591.8 (55.6%)	1,180.4 (54.2%)	550.4 (55.4%)	479.6 (58.2%)	1,030.0 (56.7%)	-38.2	-6.5%	-112.2	-19.0%	-150.4	-12.7%
Operating Profit (%)	184.9 31.4%	169.6 28.7%	354.5 30.0%	151.3 27.5%	108.7 22.7%	260.0 25.2%	-33.6	-18.2%	-60.9	-35.9%	-94.5	-26.7%
Ordinary Profit (%)	197.9 33.6%	181.9 30.7%	379.8 32.2%	163.5 29.7%	116.5 24.3%	280.0 27.2%	-34.4	-17.4%	-65.4	-36.0%	-99.8	-26.3%
Net Profit (%)	117.1 19.9%	108.9 18.4%	226.0 19.1%	96.9 17.6%	68.1 14.2%	165.0 16.0%	-20.2	-17.3%	-40.8	-37.5%	-61.0	-27.0%
Income per share	-	-	587.4Yen	-	-	442.35Yen						
Dividend per share	80Yen	80Yen	160Yen	80Yen	80Yen	160Yen						
Dividend payout ratio	-	-	27.2%	-	-	36.2%						