

Business Results for Second Quarter, FY2009

Creative Links to World Electronics

November 11th, 2009

**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 2Q FY2009

[1Q FY2009]

• Partial correction in connectors for oversea mobile. However, orders for domestic digital consumer electronic and automobile have increased steadily.

• 1Q FY2009 settled on -30.7% YoY in order level (+35.8% over 4Q FY2008), -31.1% YoY in sales level (+24.2% over 4Q FY2008)

[2Q FY2009]

• Sales for mobile has increased steadily. Digital consumer electronics and automotives, despite the ups and downs due to the summer vacation, are basically recovering. Automotives especially have topped last year level.

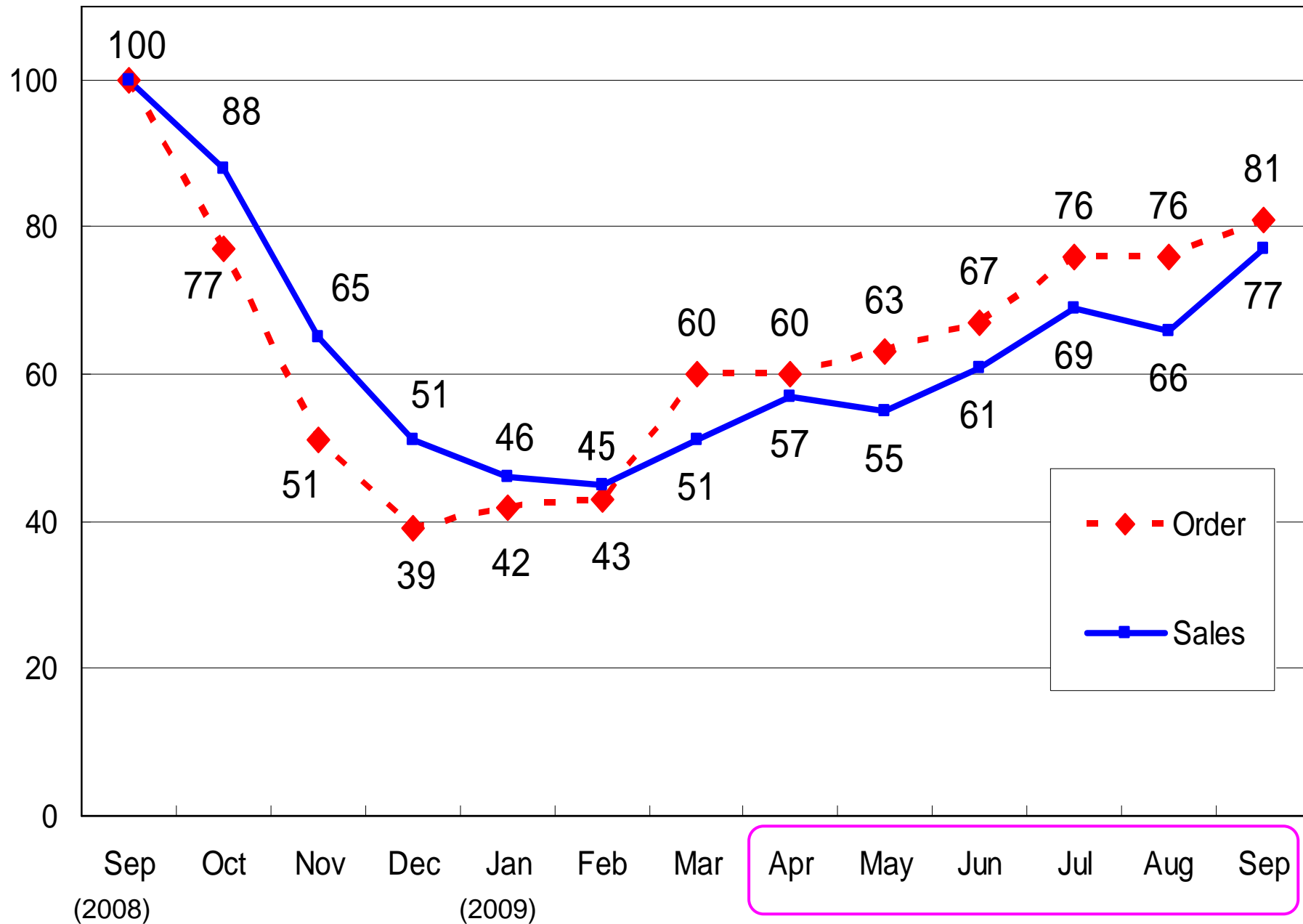
• 2Q FY2009 settled on -19.6% YoY in order level (+22.5% QoQ), -23.5% YoY in sales level (+22.9% QoQ)

[1Q + 2Q FY2009]

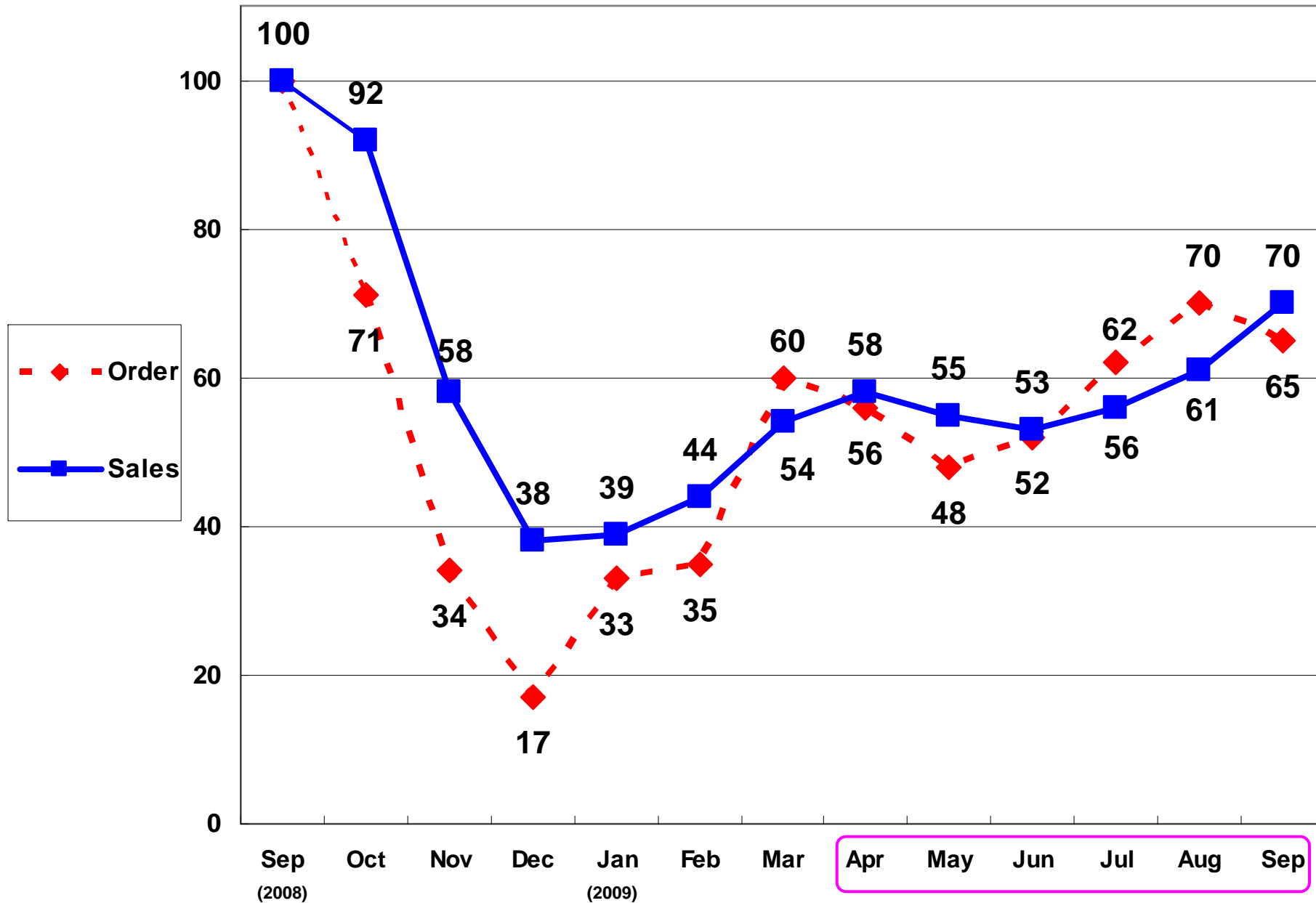
• 1Q + 2Q (in total) FY2009 settled on 419.8 hundred million yen in order level (-25.0% YoY), 401.2 hundred million yen in sales level (-27.1% YoY), 100.8 hundred million yen in ordinary profit (-38.3% YoY).

Over the previously announced data, sales settled on +4.2%, ordinary profit settled on +18.6%.

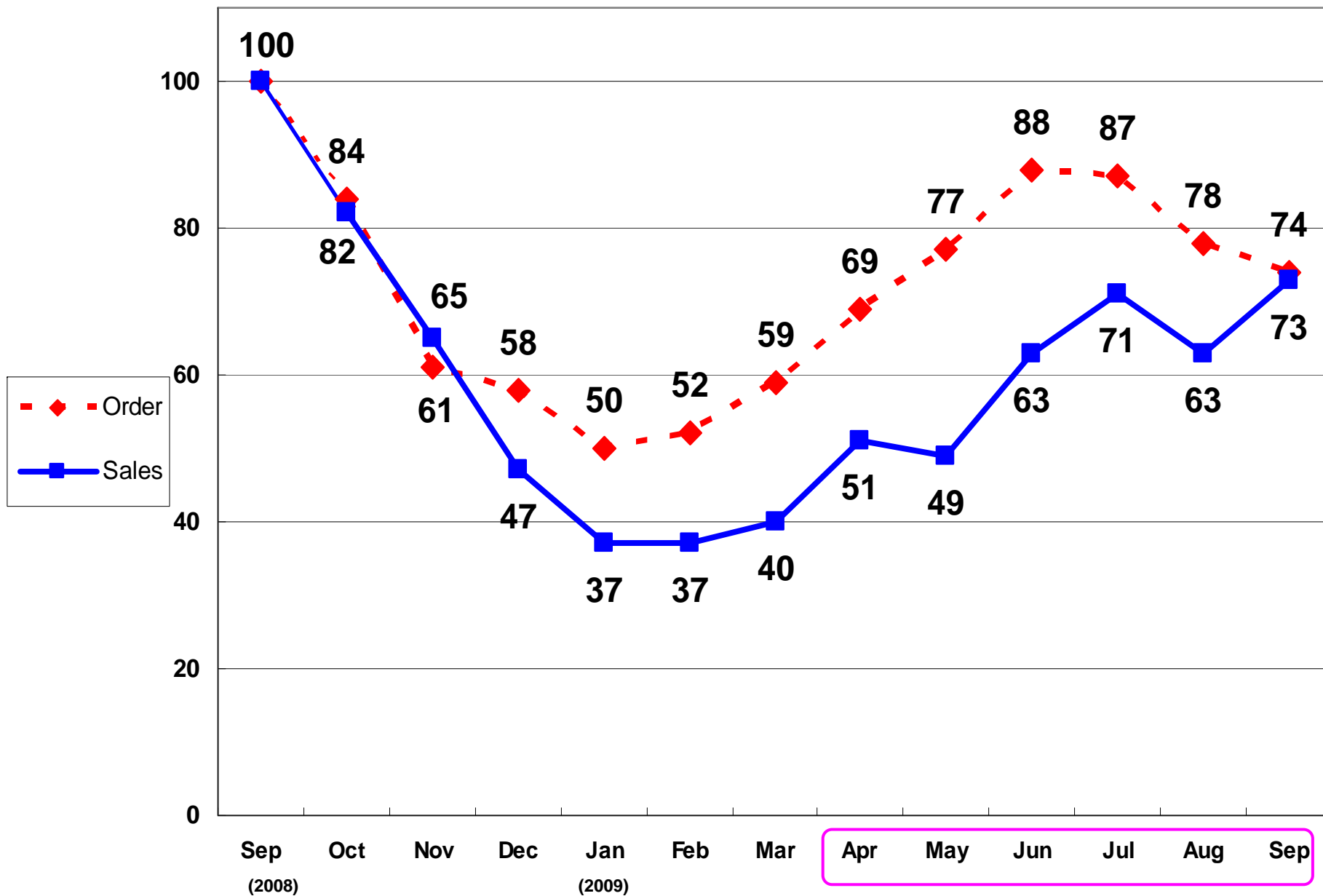
2008 Sep - 2009 Sep Orders and Sales (Domestic Consolidation Basis, Index Number)



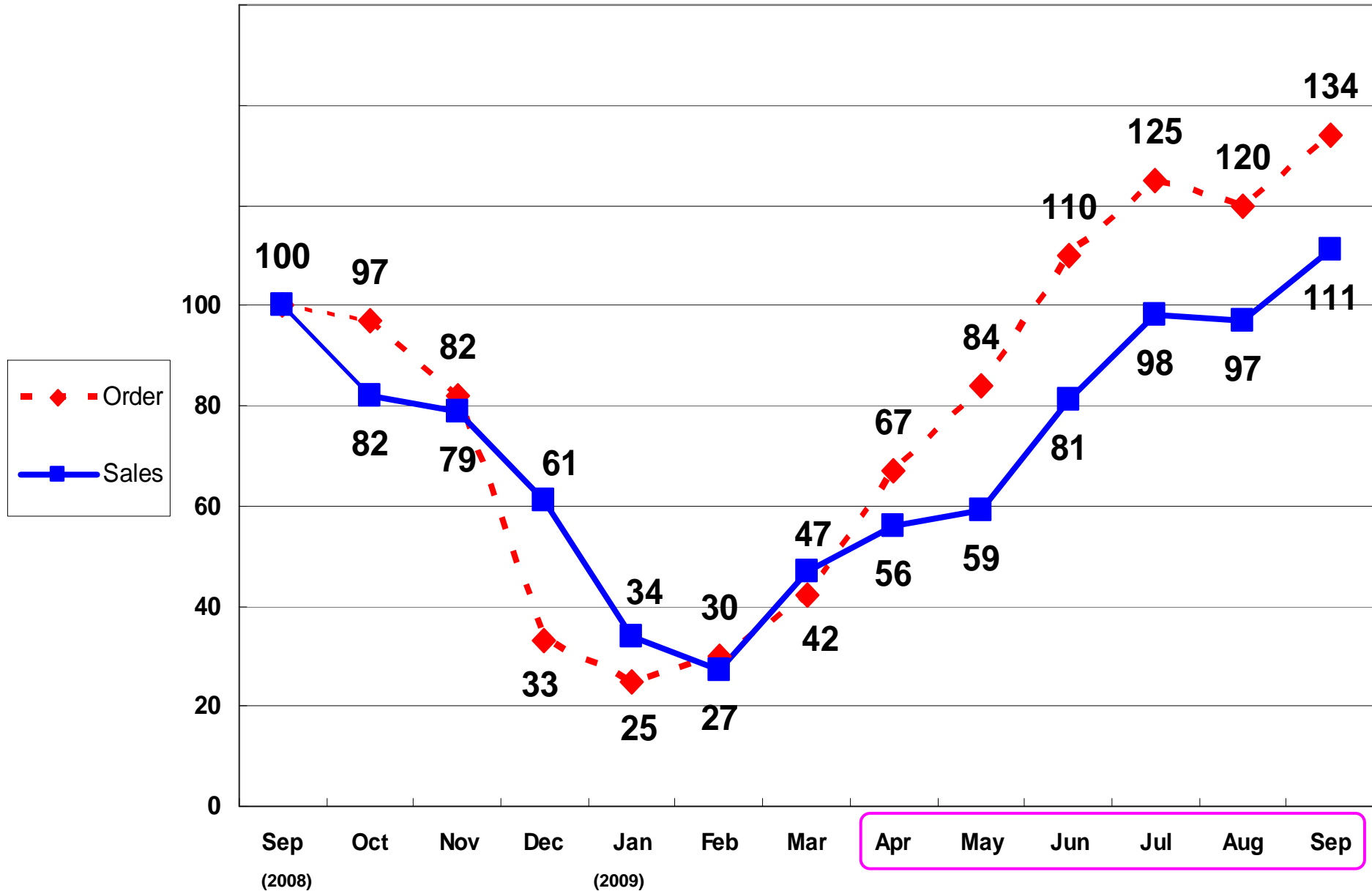
<Mobile>



<Digital Consumer Electronic>



<Automotive>



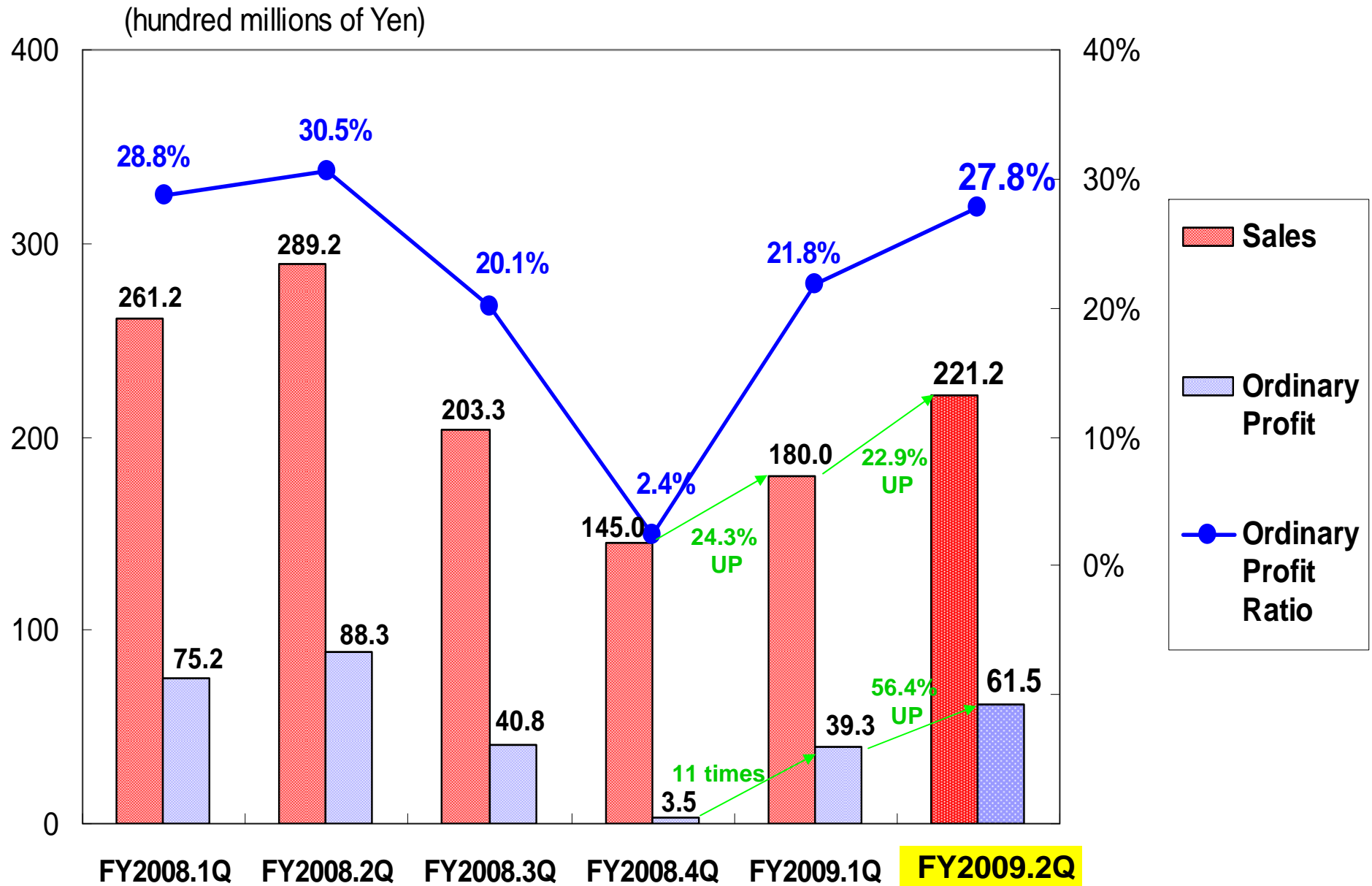
Business Results for Second Quarter, FY2009

Green Italics Numbers: Previously (May/2009) announced data

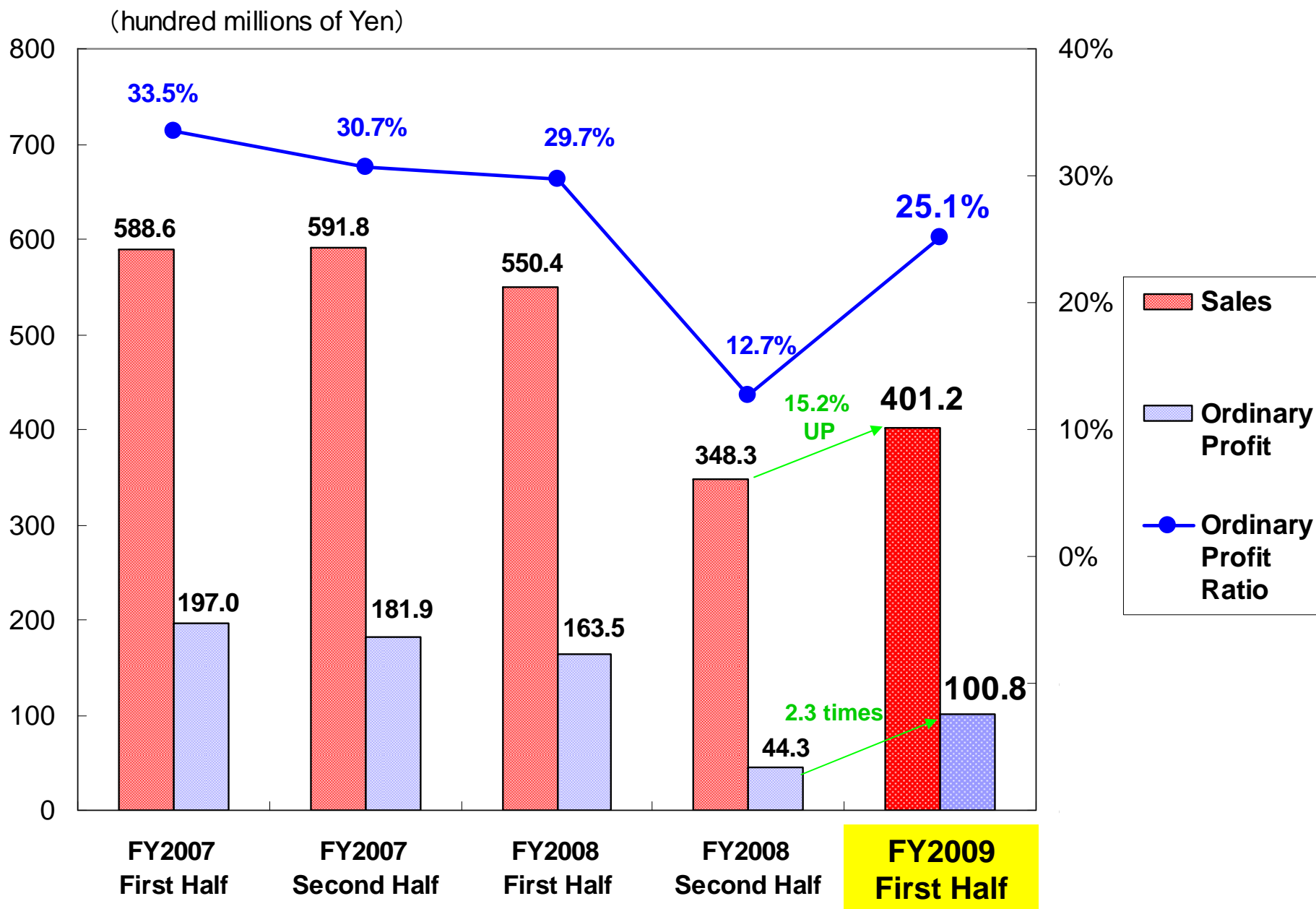
(hundred millions of Yen)

	(A)FY2008 1Q & 2Q	(B)FY2009 1Q & 2Q	Changes over prior same period (B)-(A)	Changes over prior same period (B)/(A)	Major Changes over prior same period (unit: hundred millions of Yen)
Sales	550.4	<i>385.0</i>	<i>+16.2</i>	<i>+4.2%</i>	[Sales] 149.2 decrease Foreign Domestic Subsidiaries HST -153.0 -4.3 8.1 [COGS Ratio] 1.8 point increase Purchase Cost Ratio 42.3% --> 42.2% Depreciation Ratio 7.1% --> 7.5% Labor Cost 4.0% --> 4.3% [SGA Ratio] 3.1 point increase 12.8 Cost cut, but increase from major decrease of sales [Non-operating Expenses] Equity Method Profit 1.9-->3.9 Interest Received and Dividend 8.5-->6.2 note) The green italics numbers in the "Changes over prior same period" box are the changes over the previously announced data.
(COGS Ratio)	(55.4%)	(57.2%)	(+1.8%)	-27.1%	
(SGA Ratio)	(17.1%)	(20.2%)	(+3.1%)		
Operating Profit	151.3	<i>75.0</i>	<i>+15.4</i>	<i>+20.5%</i>	
(%)	27.5%	22.5%	(-5.0%)	-40.2%	
Ordinary Profit	163.5	<i>85.0</i>	<i>+15.8</i>	<i>+18.6%</i>	
(%)	29.7%	25.1%	(-4.6%)	-38.3%	
Net Profit	96.9	<i>50.0</i>	<i>+11.5</i>	<i>+23.0%</i>	
(%)	17.6%	15.3%	(-2.3%)	-36.5%	
Total Assets	2,685.9	2,524.4	-161.5	-6.0%	
Shareholders' Equity Ratio	88.5%	91.8%			
Income Per Share	256.7Yen	167.8Yen			

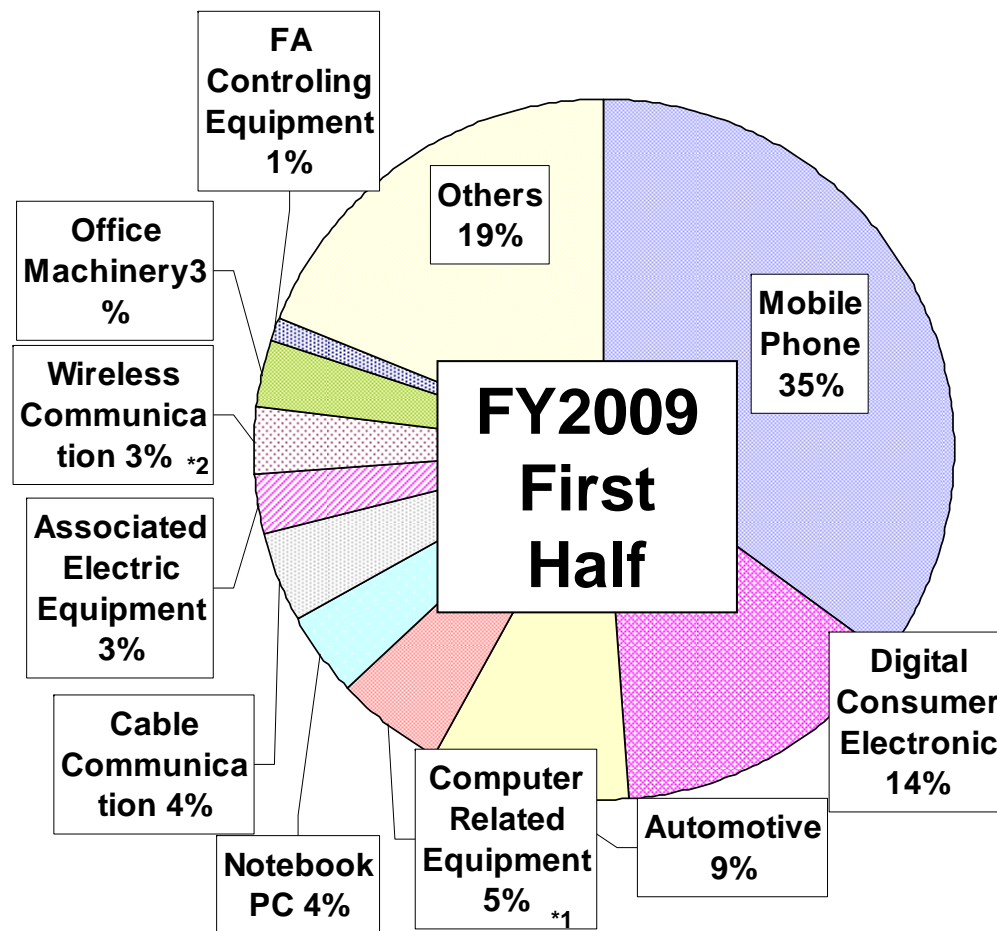
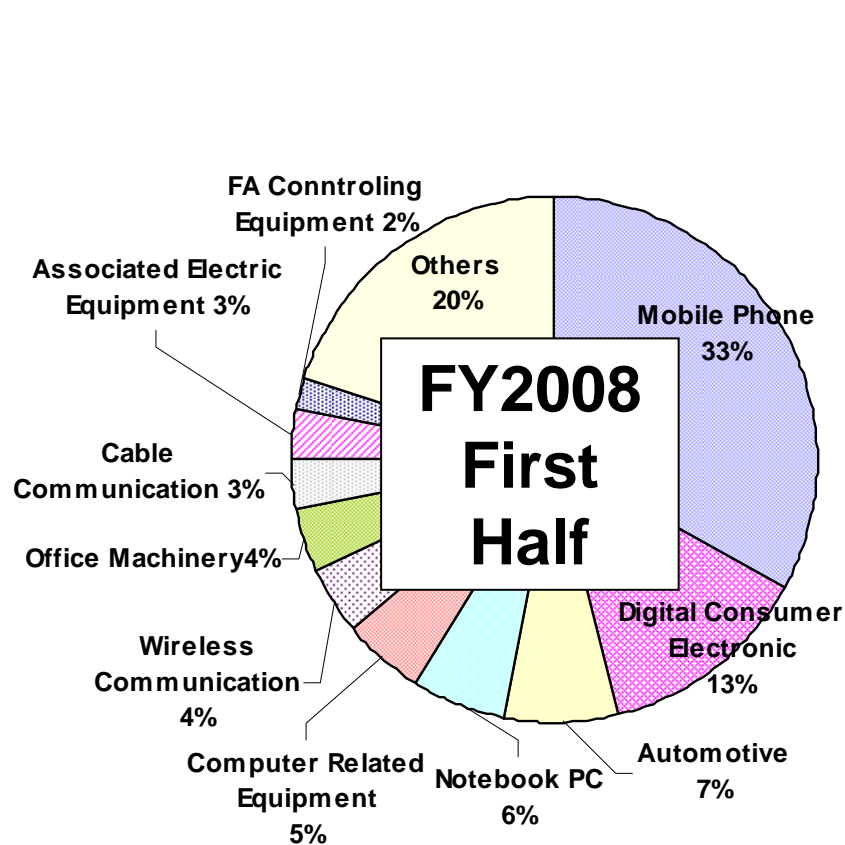
Sales and Profits by Quarter



Sales and Profits by Half-yearly



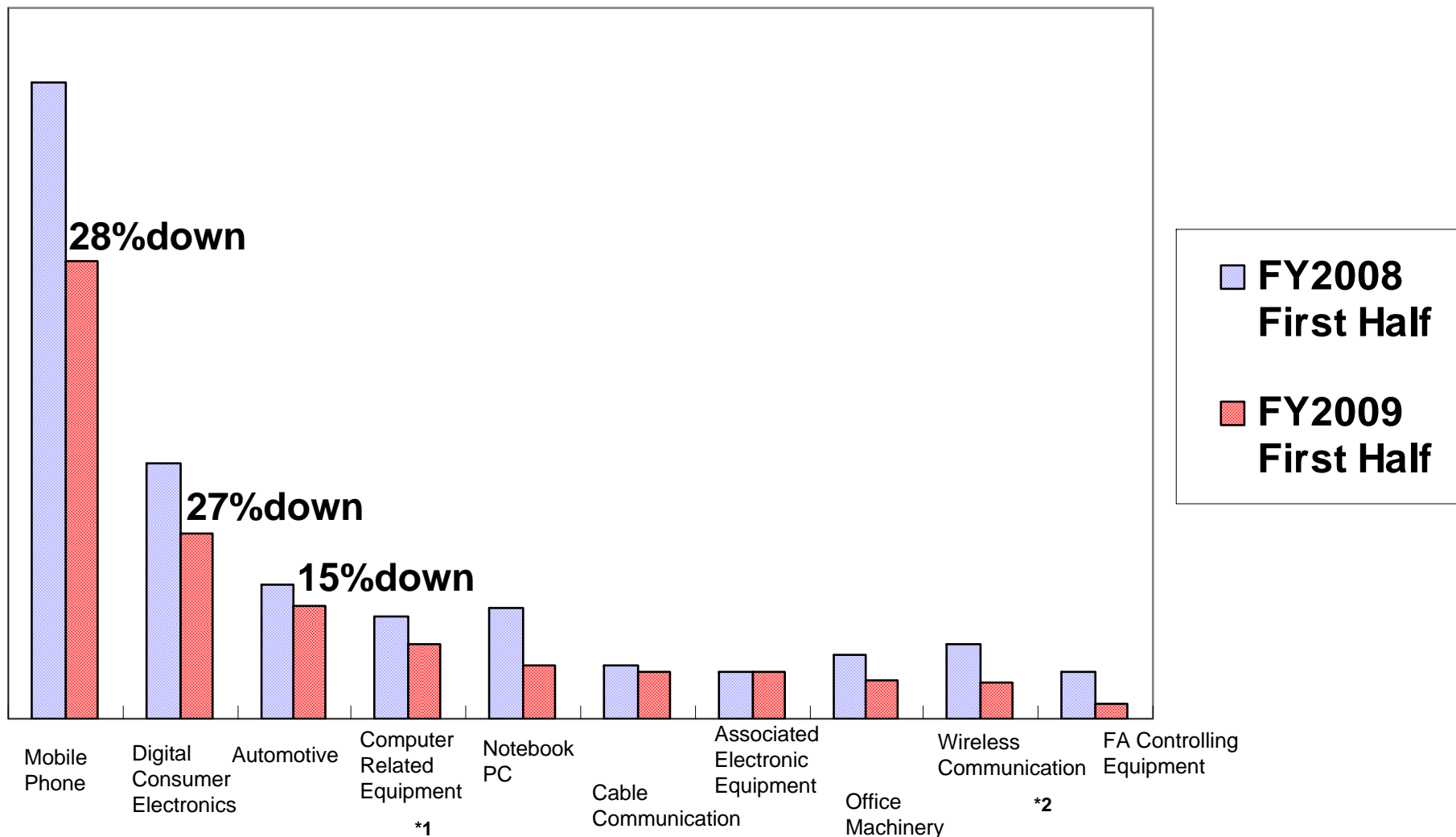
Sales by Market



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 (in round numbers)

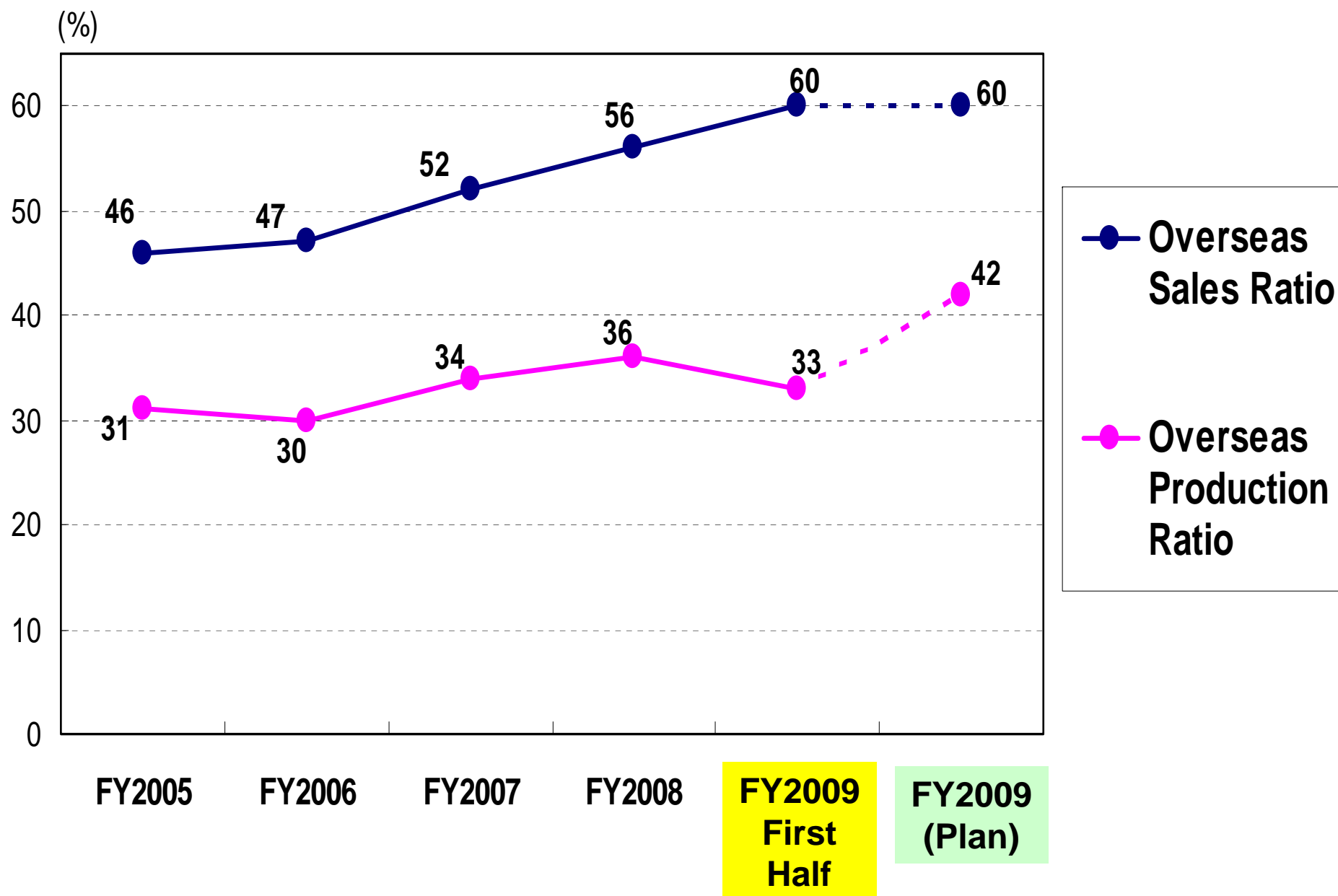


As this is in round number, please be noted that some ratio difference may occur. Thank you for your understanding.

*1 Computer Related Equipment – Notebook PC not included.

*2 Wireless Communication - Mobile Phone not included.

Overseas Production and Sales Ratio



Changes in Consolidated Balance Sheet

(hundred millions of Yen)

Account	(A)Mar 31, 2009	(B)Sep 30, 2009	(B)-(A)	Remarks
Cash and Cash in Bank	1,177.3	1,169.5	-7.8	Due to dividend, share buyback, etc.
Trade Receivables	186.9	228.0	41.1	Increase in Sales (FY2008 4Q 145.0 -->FY2009 2Q 221.2)
Inventories	56.2	57.7	1.5	Increase in Sales and Production
Investment Securities	548.1	600.5	52.4	Increase in Corporate Bond
Others	483.5	468.7	-14.8	
Total Assets	2,452.0	2,524.4	72.4	

Changes in Consolidated Balance Sheet

(hundred millions of Yen)

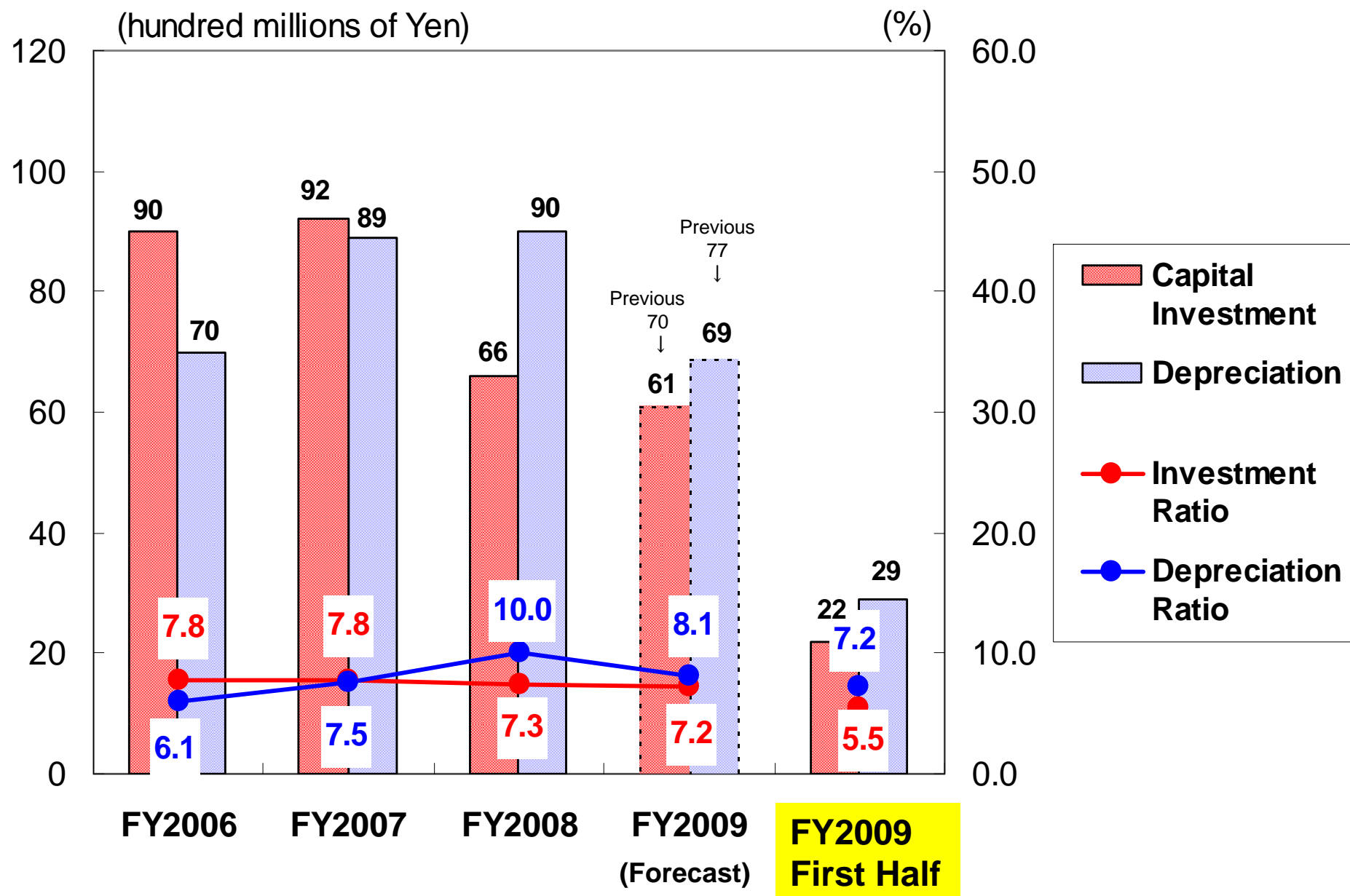
Account	(A)May 31, 2009	(B)Sep 30, 2009	(B)-(A)	Remarks
Notes Payable and Accounts Payables	68.0	112.9	44.9	Purchase increase due to production increase
Income Tax Payables, etc.	25.9	38.2	12.3	
Others	56.0	56.4	0.4	Increase in other Account Payables
Total Liabilities	149.9	207.5	57.6	
Retained Earnings	2,460.4	2,503.3	42.9	Net Income 61.5 - Dividend 18.3
Treasury Stocks	-365.3	-395.3	-30.0	Share buyback
Valuation Variance	19.0	24.0	5.0	Stock Price Risen
Translation Adjustment	-50.4	-53.5	-3.1	
Others	238.4	238.4	0.0	
Total Shareholders'	2,302.1	2,316.9	14.8	
Total Liabilities and Shareholders' Equity	2,452.0	2,524.4	72.4	

Cash Flow

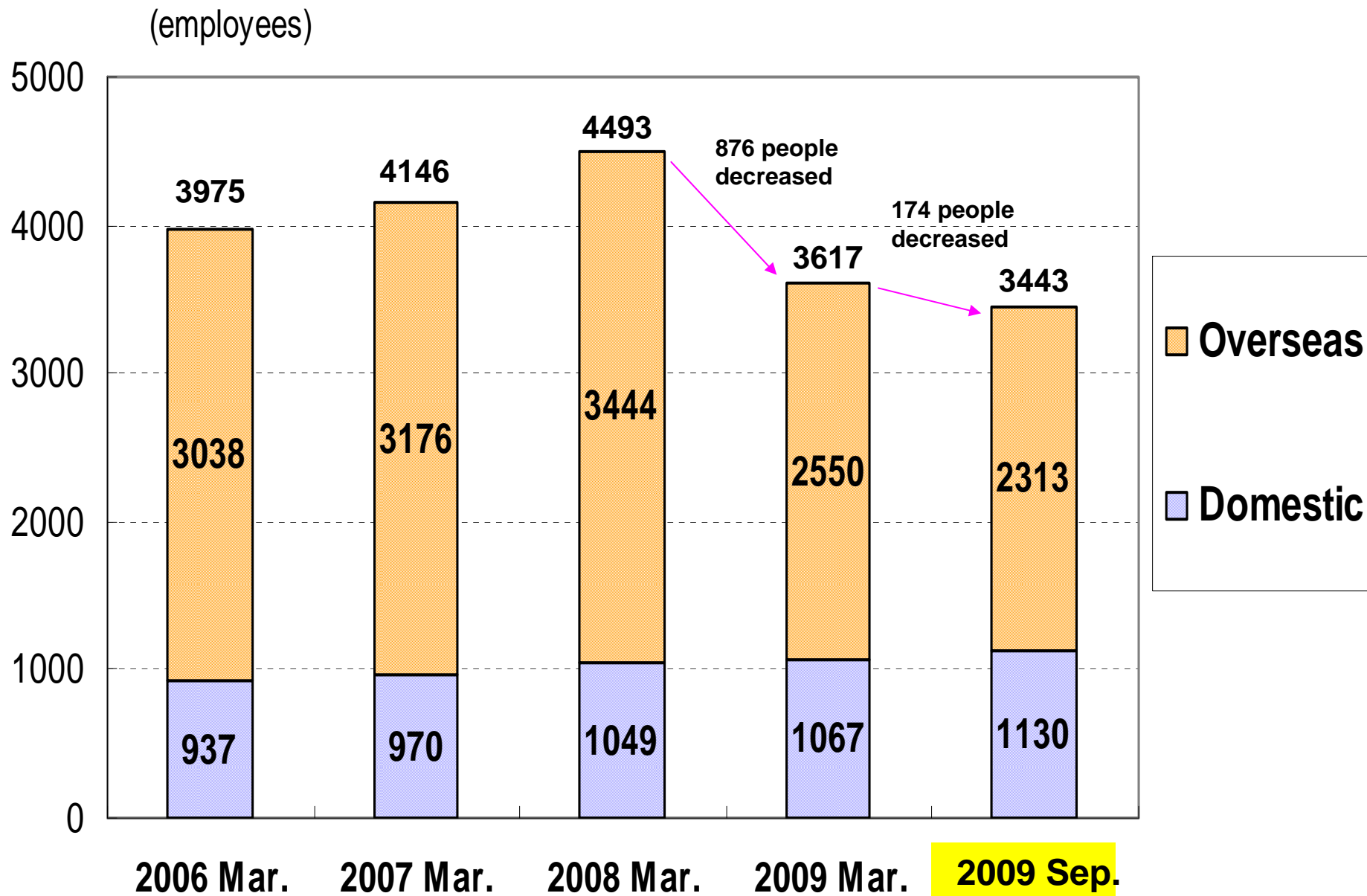
(hundred millions of Yen)

	(A) FY2008 2Q	(B) FY2009 2Q	Main Changes	
Cash Flows from Operating Activities	141.6	120.2	Pre-Tax Net Income	100.3
			Depreciation	37.6
			Accounts Payables Increase	43.3
			Corporation Tax	-20.6
Cash Flows from Investing Activities	-120.6	-113.9	Increase of time deposit over 3 months period	-29.6
			Changes in tangible securities	100.0
			Acquisition of tangible fixed assets	-32.3
			Acquisition of investment securities	-151.5
Cash Flows from Financing Activities	-80.4	-48.5	Dividend Payment	-18.4
			Share Buyback acquisition	-30.1
Effect of Exchange Rate Change	-1.0	-3.7		
Decrease in Cash and Cash Equivalents	-60.3	-45.9		
Cash and Cash Equivalents, Beginning Balance	602.5	537.6		
Beginning Balance Adjustment due to Changes in Criteria of Consolidation		4.1	Due to newly consolidated HST	
Cash and Cash Equivalents, Ending Balance	542.2	495.8		

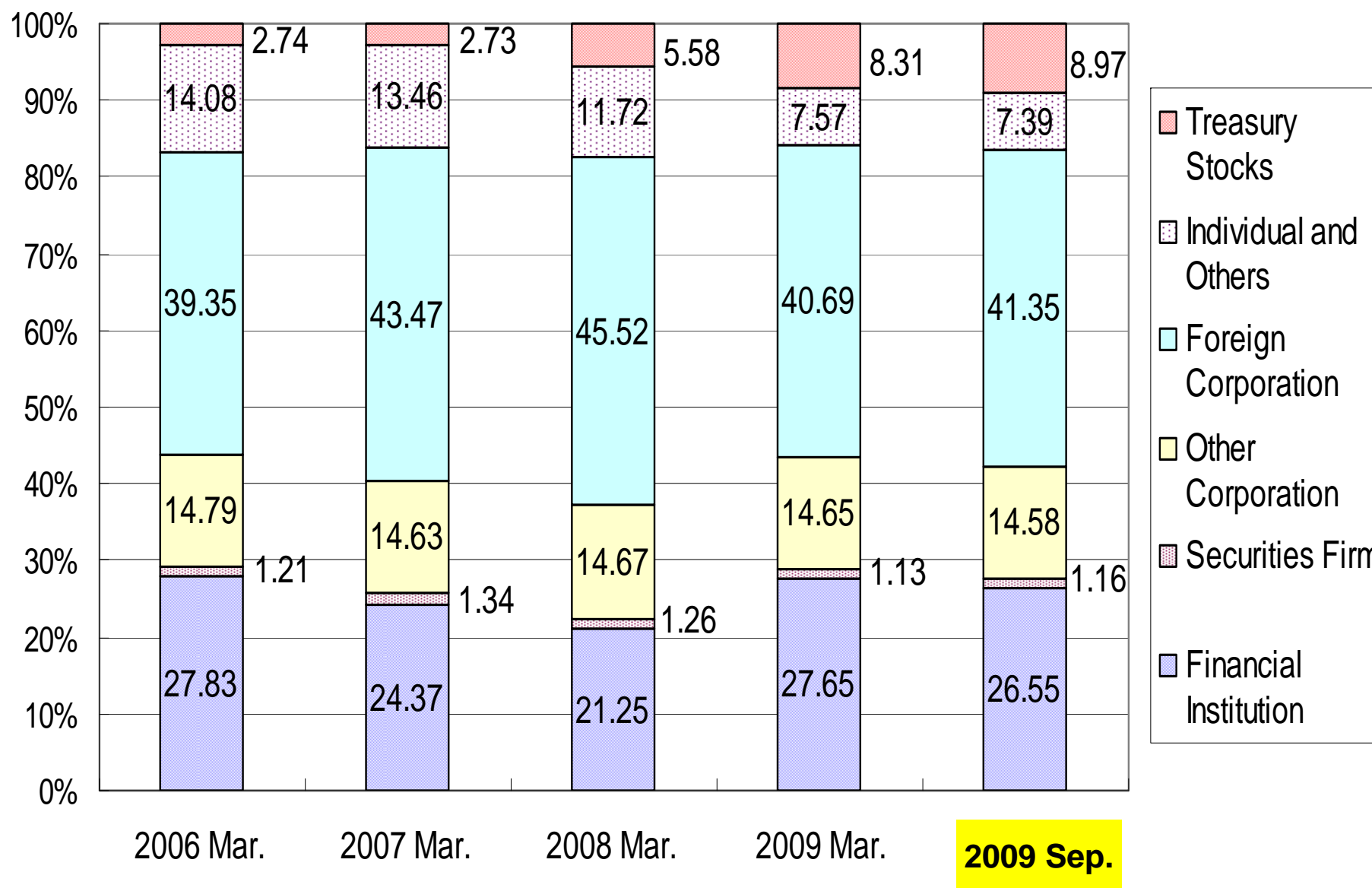
Capital Investment and Depreciation Change (Domestic Consolidated Basis)



Number of Employees (based on financial report)



Distribution of Shareholders



Business Forecast for the Year Ended March 31, 2010



Green Italics
Number: Previously
(May/2009)
announced data

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

(hundred mililons of Yen)

	FY2008 (Actual)			FY2009 (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)	550.4 (55.4%)	348.3 (64.7%)	898.7 (59.1%)	<i>385.0</i> 401.2 (57.2%)	<i>465.0</i> 448.8 (59.1%)	<i>850.0</i> 850.0 (58.2%)	-149.2	-27.1%	100.5	28.9%	-48.7	-5.4%
Operating Profit (%)	151.3 27.5%	40.4 11.6%	191.7 21.3%	<i>75.0</i> 90.4 22.5%	<i>105.0</i> 99.6 22.2%	<i>180.0</i> 190.0 22.4%	-60.9	-40.3%	59.2	146.5%	+10	+5.6%
Ordinary Profit (%)	163.5 29.7%	44.3 12.7%	207.8 23.1%	<i>85.0</i> 100.8 25.1%	<i>115.0</i> 109.2 24.3%	<i>200.0</i> 210.0 24.7%	-62.7	-38.3%	64.9	146.5%	+10	+5.0%
Net Profit (%)	96.9 17.6%	36.2 10.4%	133.1 14.8%	<i>50.0</i> 61.5 15.3%	<i>70.0</i> 63.5 14.1%	<i>120.0</i> 125.0 14.7%	-35.4	-36.5%	27.3	75.4%	+5	+4.2%
Income Per Share	-	-	356.57Yen	-	-	343.13Yen	*Although the management environment after 3Q remains unclear, we have conducted upward revision (profit) for the forecast, based on the result of the first half.					
Dividend Per Share	80Yen	50Yen	130Yen	60Yen	60Yen	120Yen						
Dividend Payout Ratio	-	-	36.5%	-	-	35.0%						

note) The green italics numbers in the "For the Year" box are the changes over previously announced data.