

Business Results for Second Quarter FY2010

Creative Links to World Electronic

Nov 10th 2010

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 FY2010

[1Q FY2010]

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

• 1Q FY2010 settled on 32.1 % YoY in order level (5.1% over 4Q FY2009), 30.0% YoY in sales level (5.5% over 4Q FY2009)

[2Q FY2010]

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

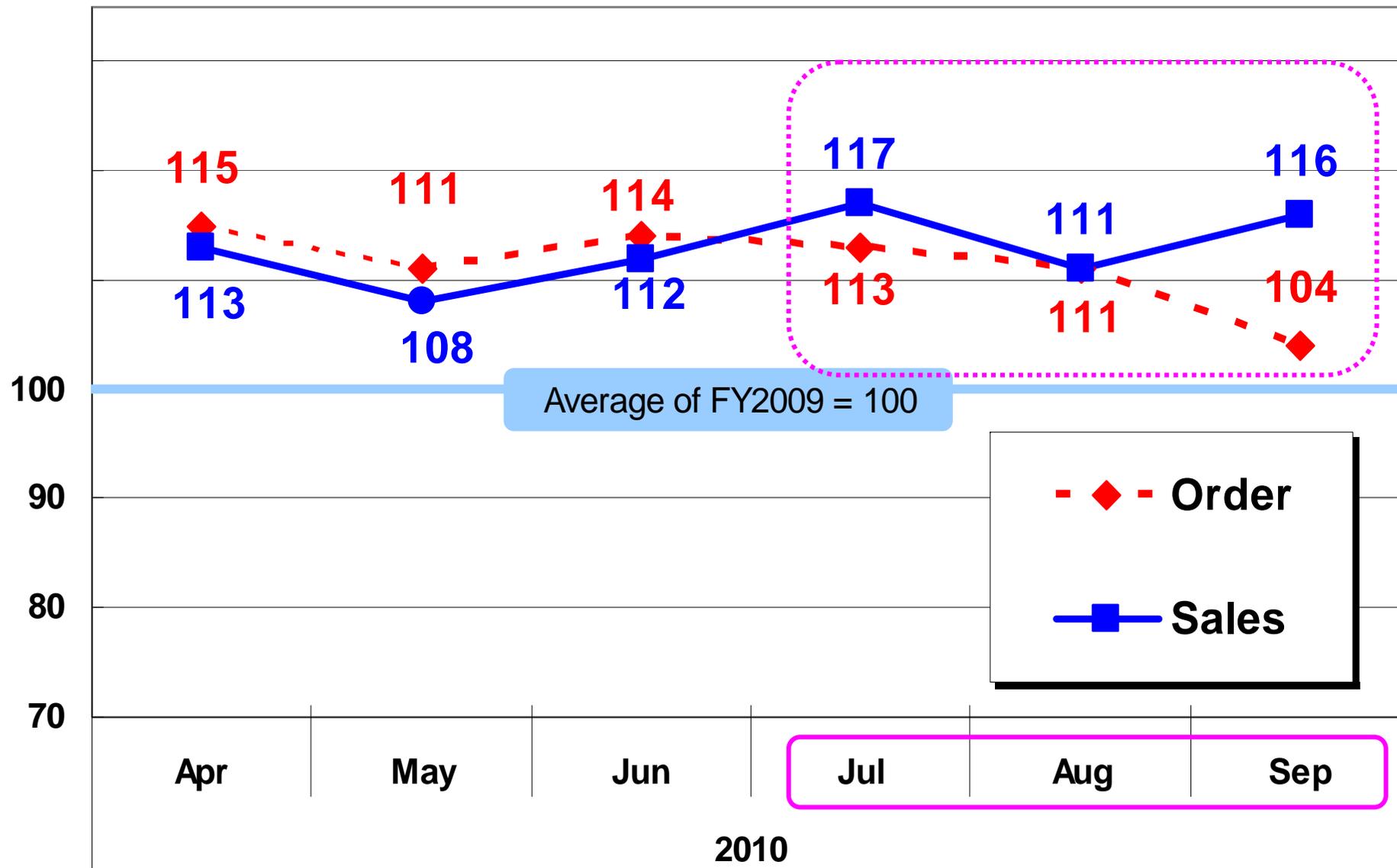
• 2Q FY2010 settled on -2.6% YoY in order level (-9.6% over 1Q FY2010), +9.2% YoY in sales level (+3.2% over 1Q FY2010)

[1Q & 2Q FY2010]

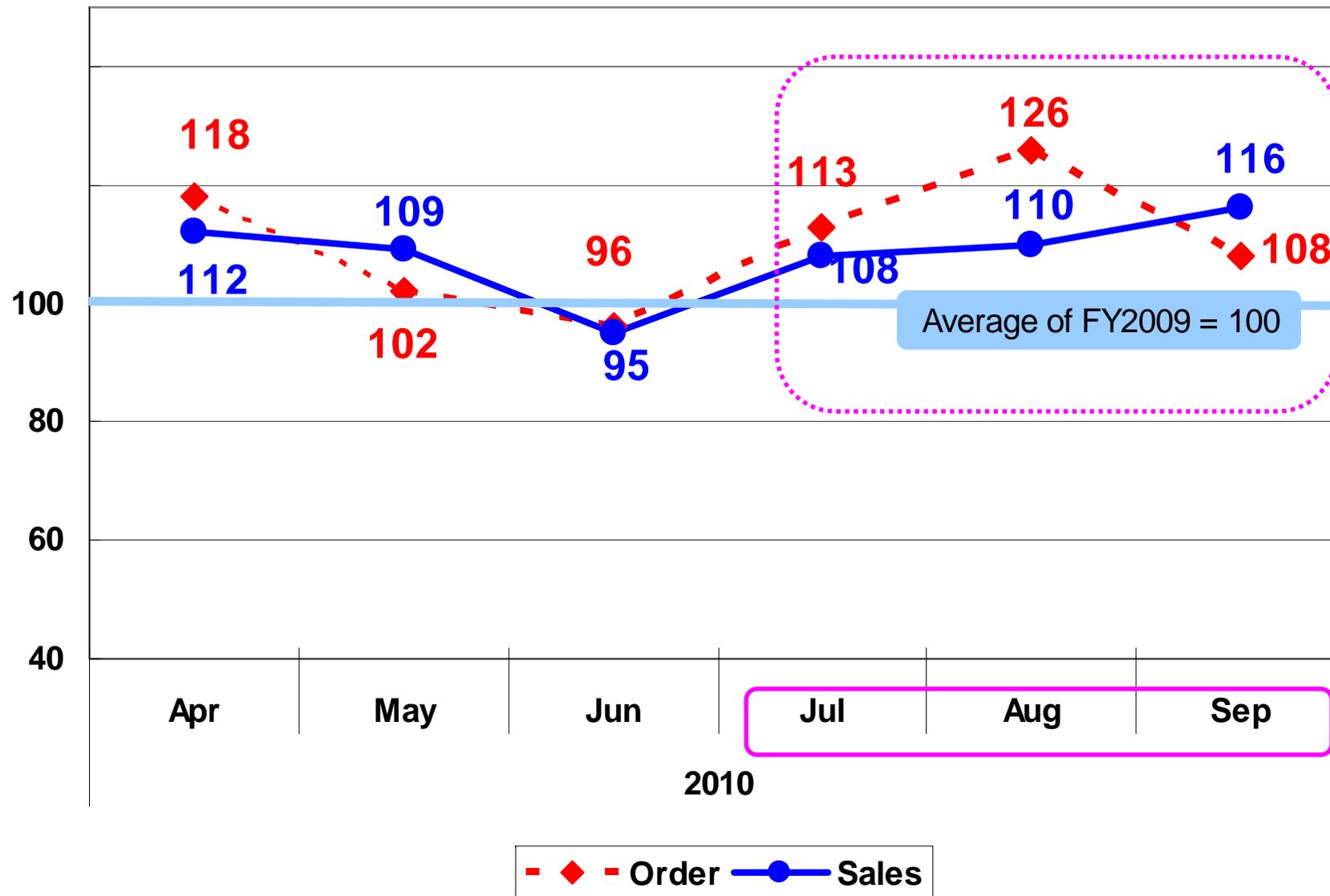
• 1Q & 2Q (total) FY2010 settled on 474.5 hundred million yen in order level (+13.0% YoY), 475.4 hundred million yen in sales level(+18.5% YoY), 134.1 hundred million yen in recurring profit (+33.0% YoY).

Over the announced data, sales settled on +2.2%, recurring profit settled on +1.6%.

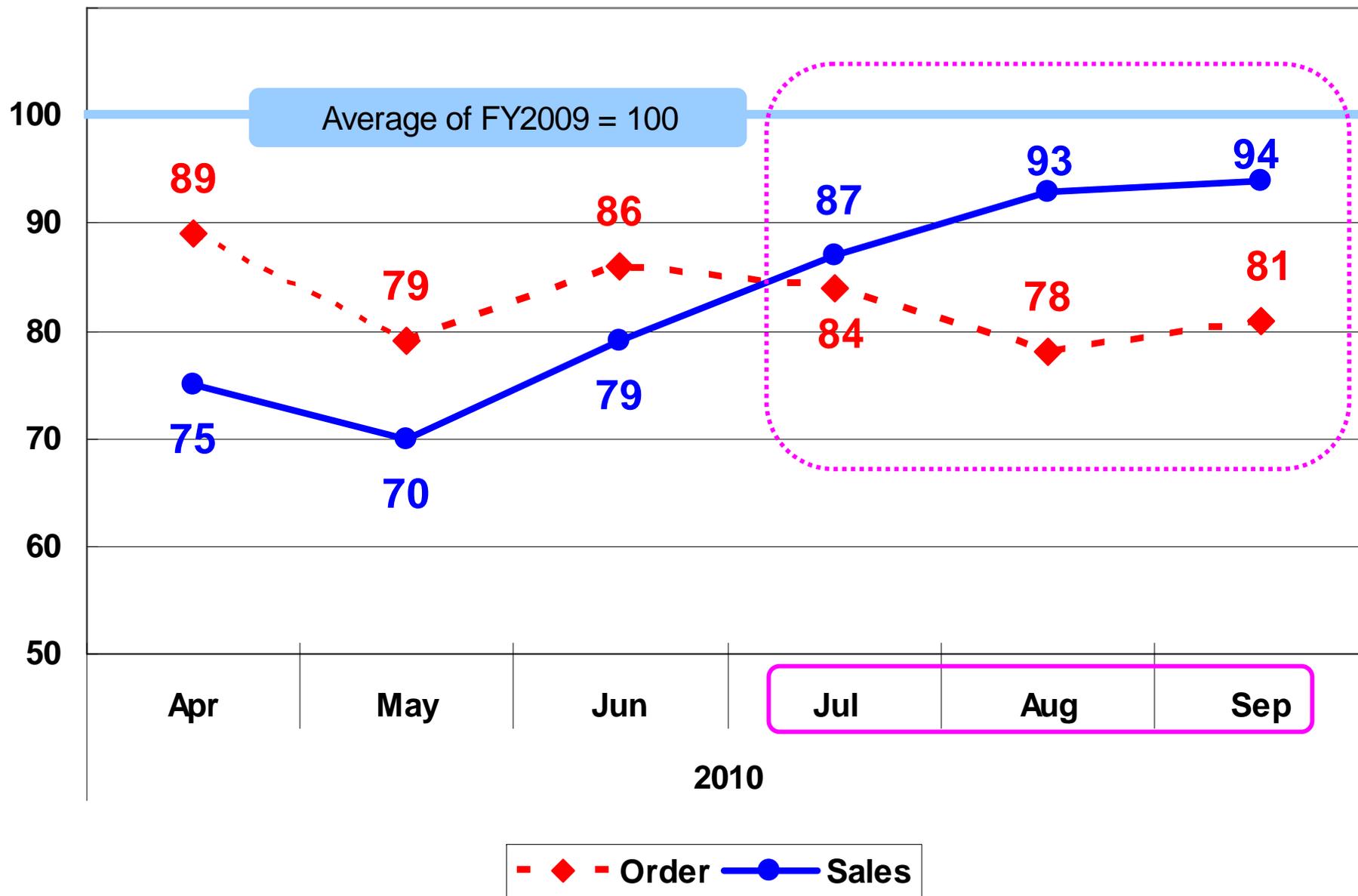
FY2010 Apr-Sep Orders and Sales Changes (Domestic Consolidation Basis, Index Number)



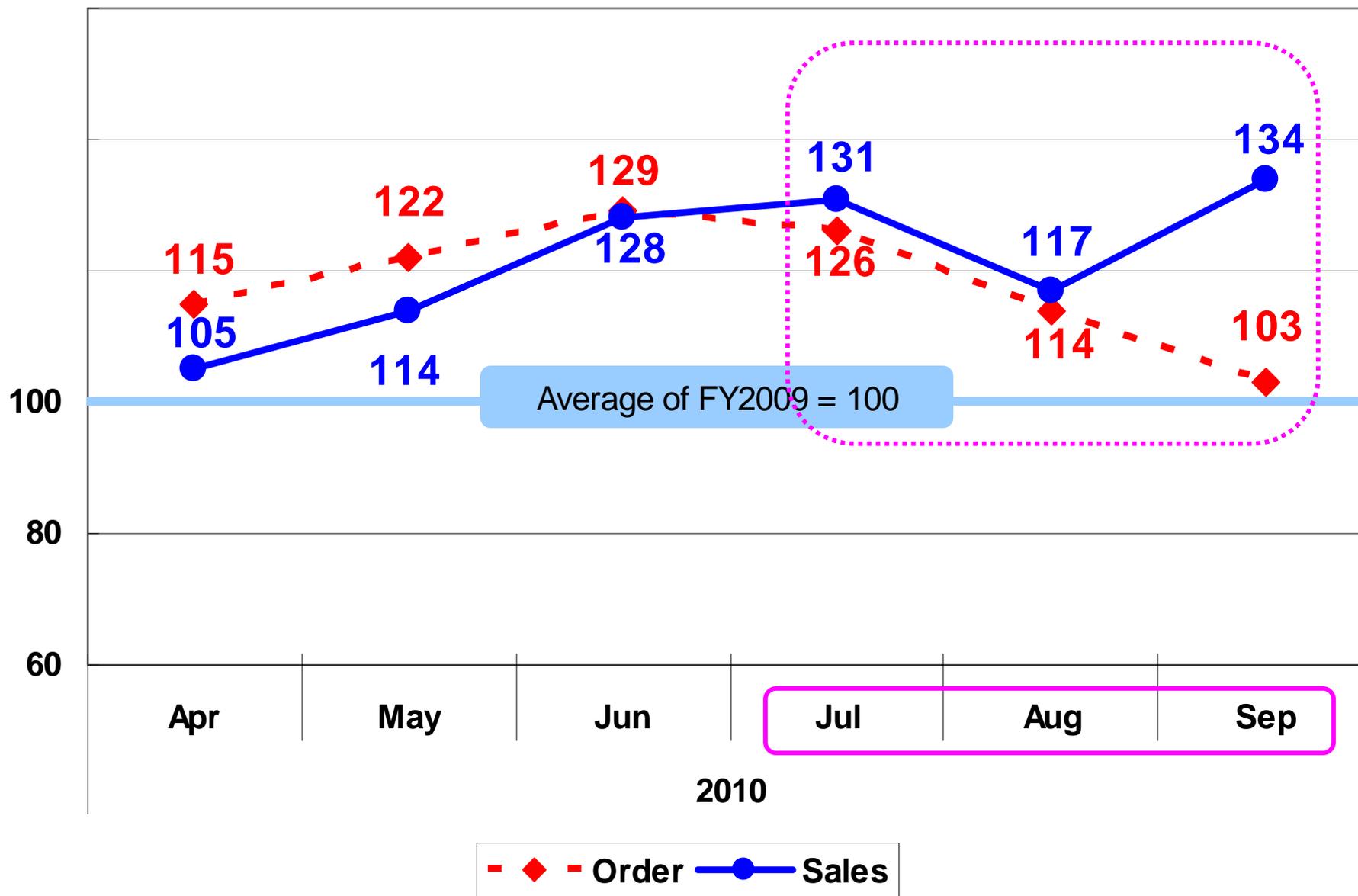
Mobile



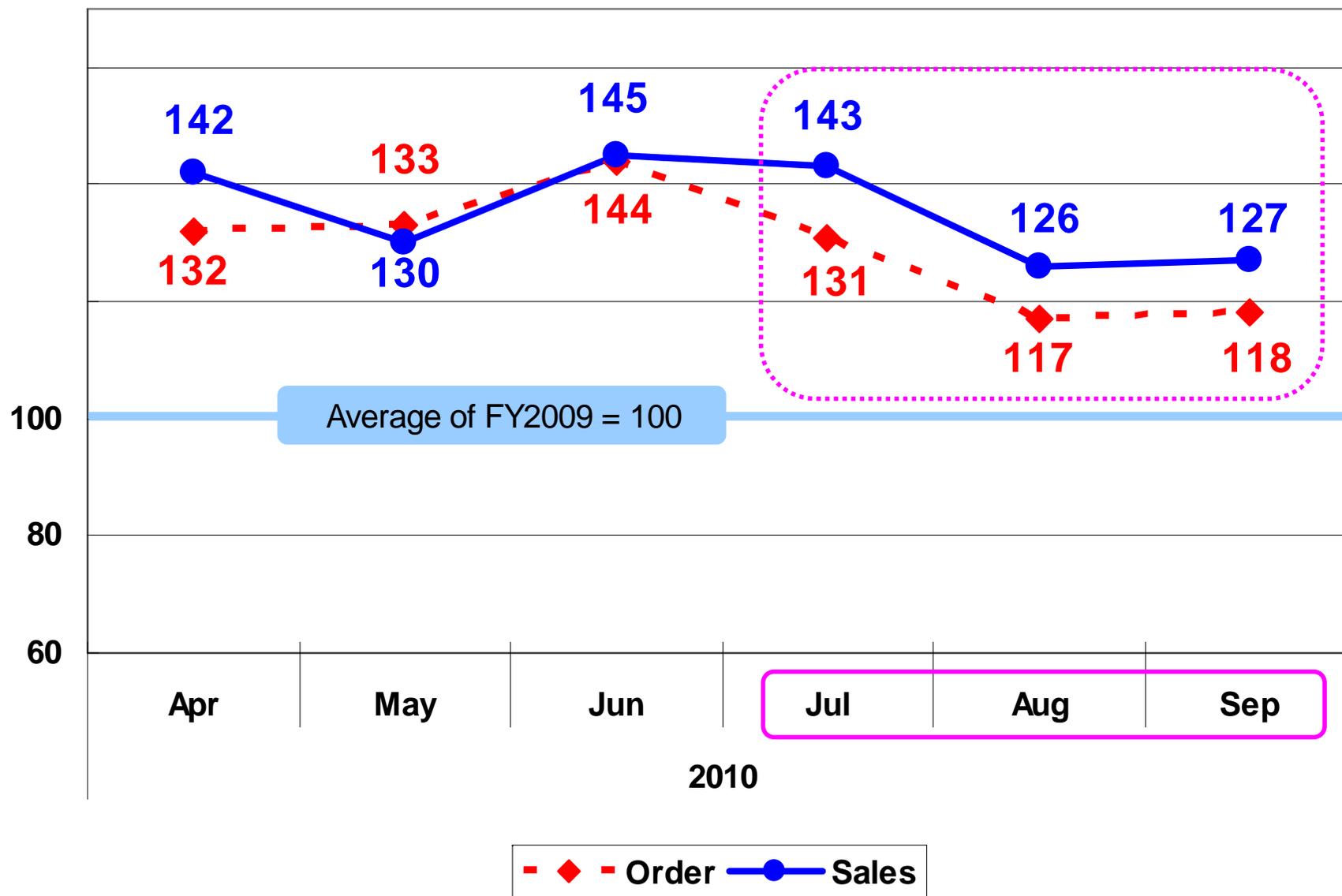
Digital Consumer Electronic



Automotive



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



Business Results for Second Quarter, FY2010

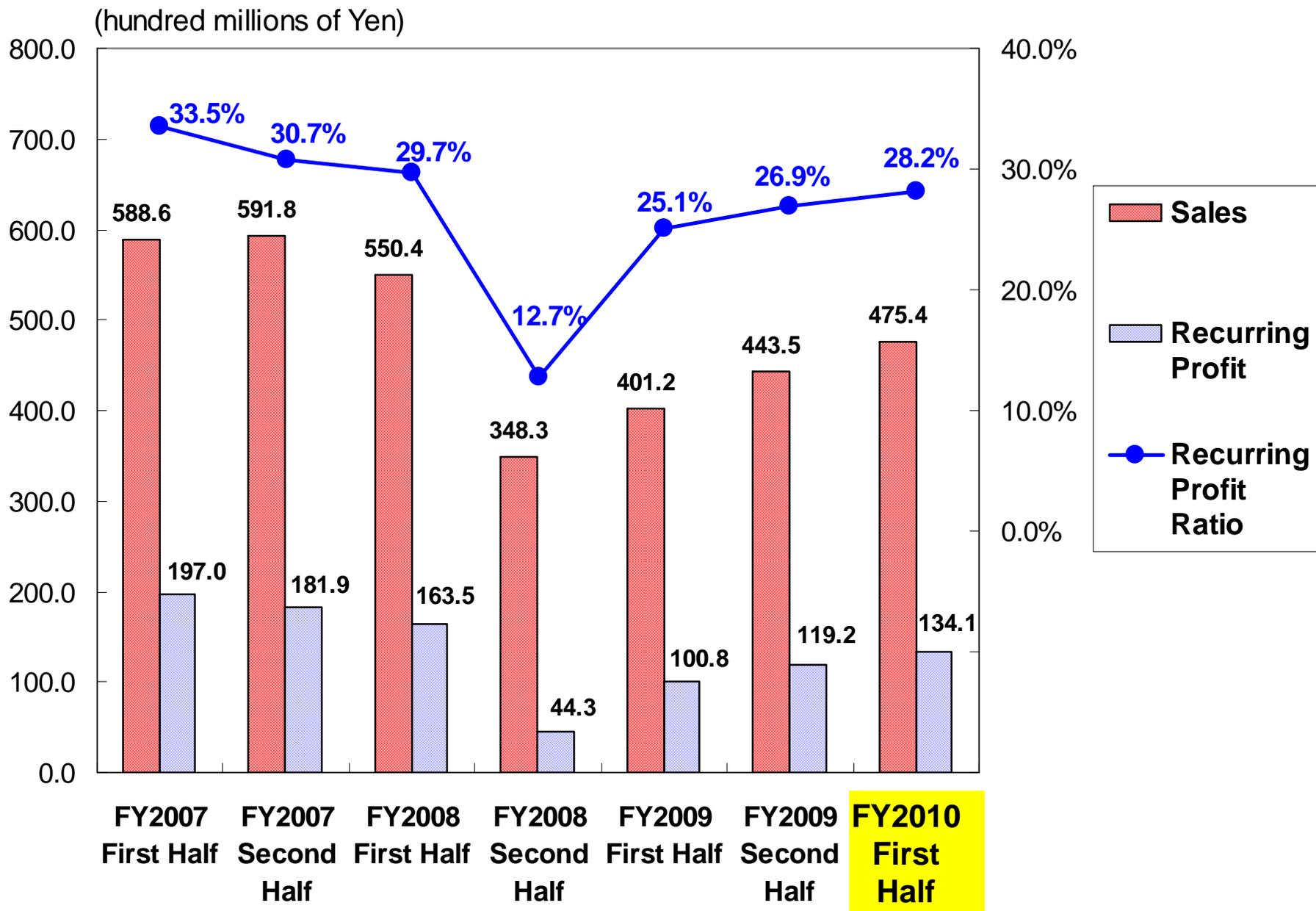
Green Italics: Previously (May/2010) announced data

(hundred millions of Yen)

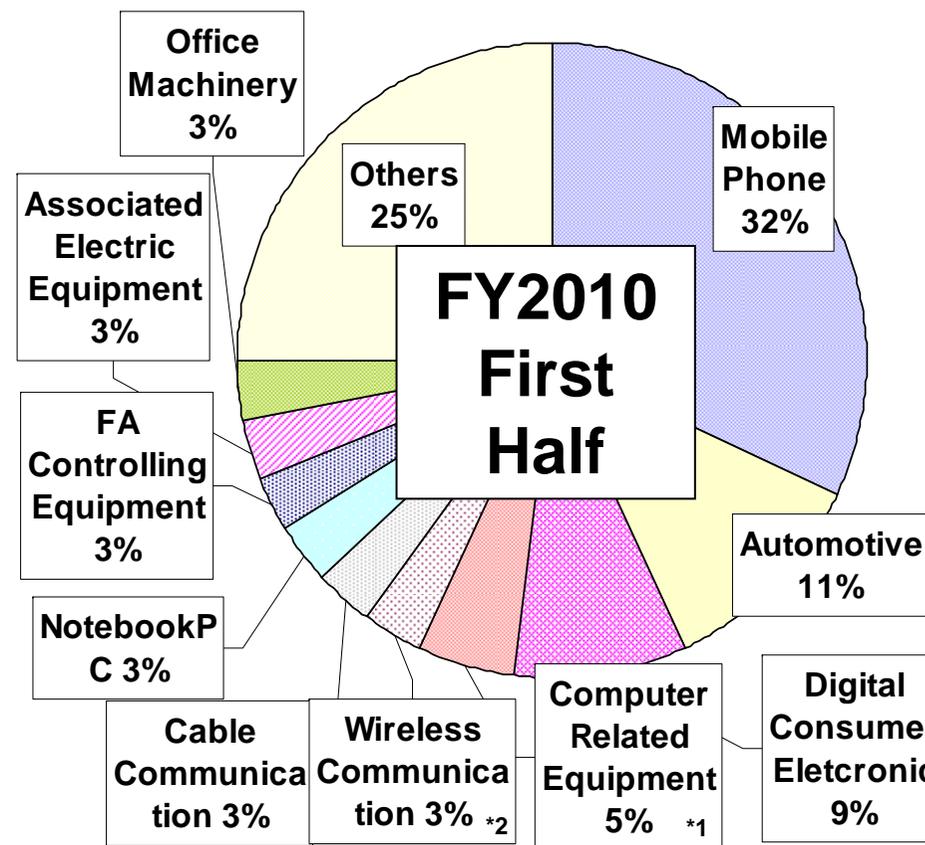
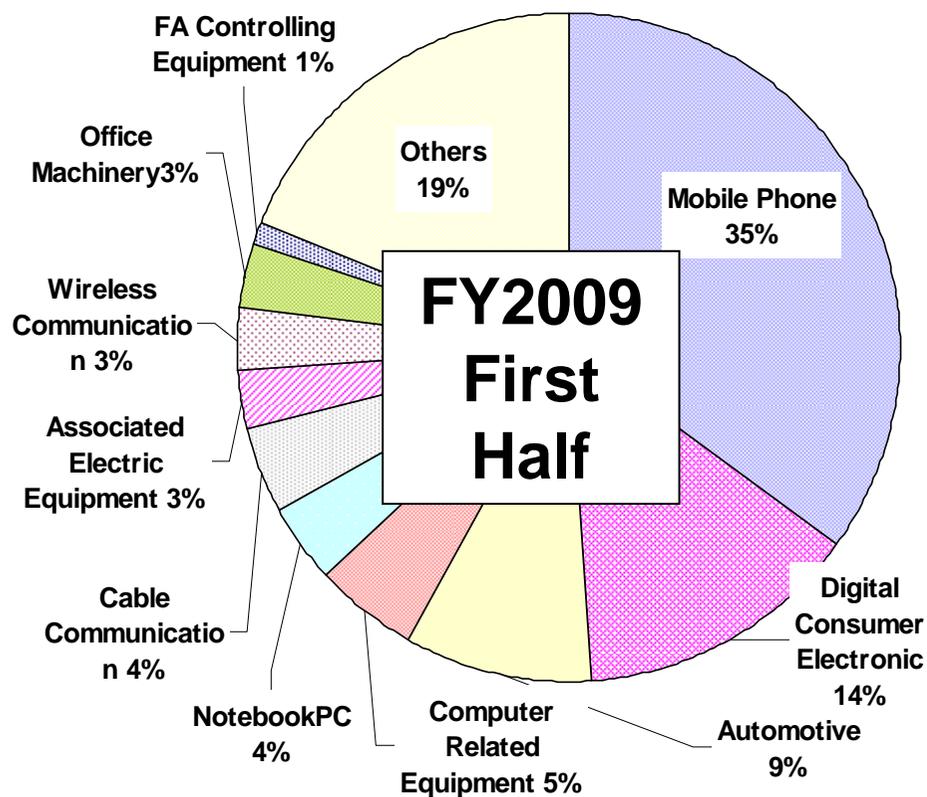
	(A)FY2009 1Q & 2Q	(B)FY2010 1Q & 2Q	(B)-(A)	(B)/(A)	Major Changes over prior same period (unit: hundred millions of Yen)						
Sales	401.2	<i>465.0</i>	<i>10.4</i>	<i>2.2%</i>	<p>[Sales] 74.2 increase</p> <p style="text-align: center;">Foreign</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 33%;">Hirose</td> <td style="width: 33%;">Subsidiaries</td> <td style="width: 33%;">HST</td> </tr> <tr> <td style="text-align: right;">+68.8</td> <td style="text-align: right;">+1.5</td> <td style="text-align: right;">+3.9</td> </tr> </table> <p>[COGS Ratio] 3.2 point decrease</p> <p>Purchase Cost Ratio 42.2% -->42.2 % Depreciation Ratio 7.5% -->5.0 % Labor Cost 4.3% -->3.8%</p> <p>[SGA Ratio] 1.9 point decrease</p> <p>Although 6.3 increase, sales increased as well</p> <p>[Non-Operating Expenses]</p> <p>Equity Method Profit 3.9-->3.3 Interest Received & Dividend 6.2-->4.3 Foreign Exchange Loss 1.5-->5.4</p>	Hirose	Subsidiaries	HST	+68.8	+1.5	+3.9
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+68.8	+1.5	+3.9									
(COGS Ratio)	<i>(57.2%)</i>	<i>(54.0%)</i>	<i>(-3.2%)</i>								
(SGA Ratio)	<i>(20.2%)</i>	<i>(18.4%)</i>	<i>(-1.9%)</i>								
Operating Profit	90.4	<i>125.0</i>	<i>6.1</i>	<i>4.8%</i>							
(%)	<i>22.5%</i>	<i>27.6%</i>	<i>(+5.1%)</i>								
Recurring Profit	100.8	<i>132.0</i>	<i>2.1</i>	<i>1.6%</i>							
(%)	<i>25.1%</i>	<i>28.2%</i>	<i>(+3.1%)</i>								
Net Profit	61.5	<i>80.0</i>	<i>3.3</i>	<i>4.1%</i>							
(%)	<i>15.2%</i>	<i>17.5%</i>	<i>(+2.2%)</i>								
Total Assets	2,524.4	2,565.1	40.7	1.6%							
Shareholders' Equity Ratio	91.8%	90.4%									
Income Per Share	167.8Yen	234.0Yen									

YoY increase in all sales, operating profit, recurring profit, and net profit.

Sales and Profits by Half-yearly



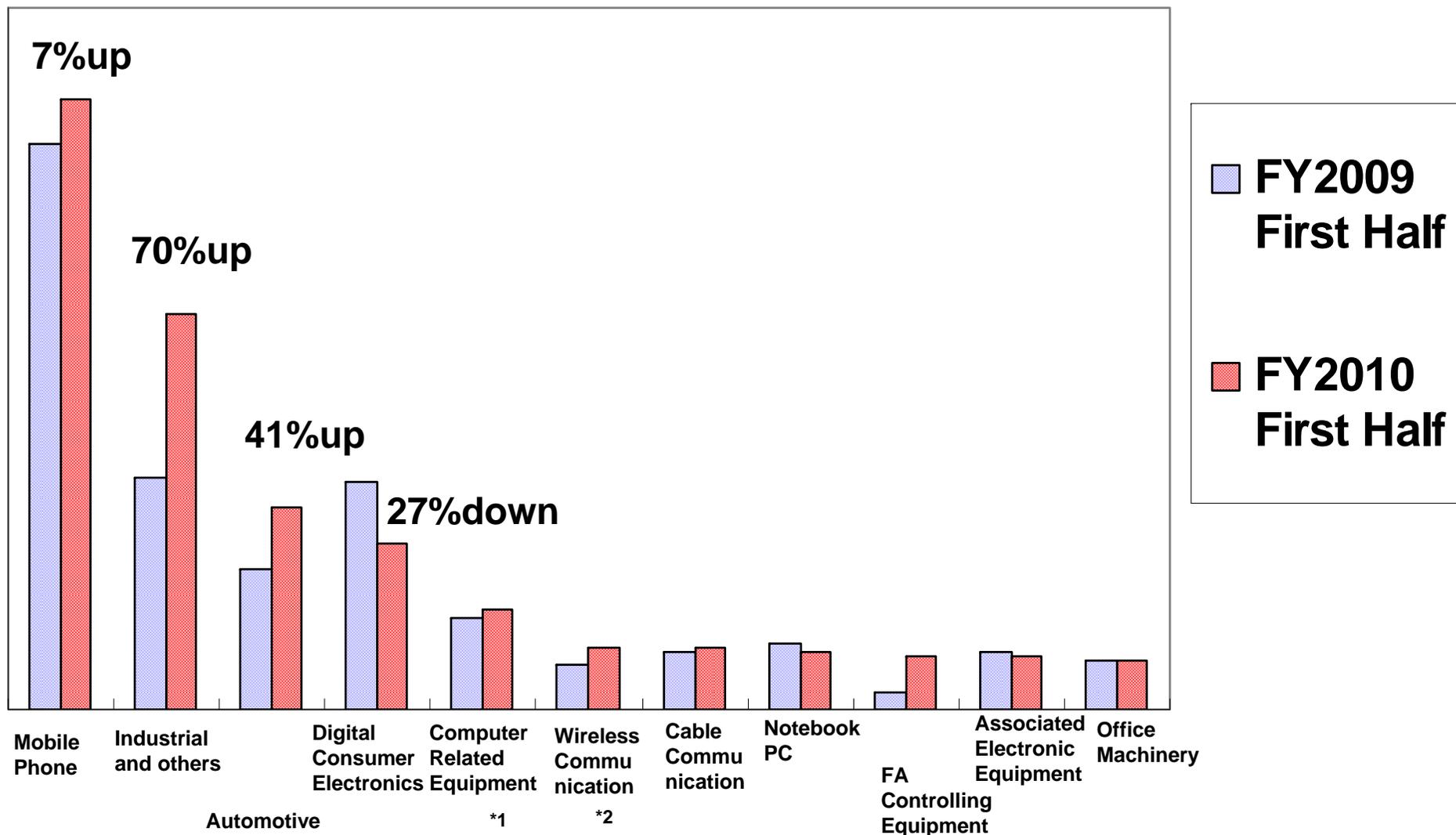
Sales by Market



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.

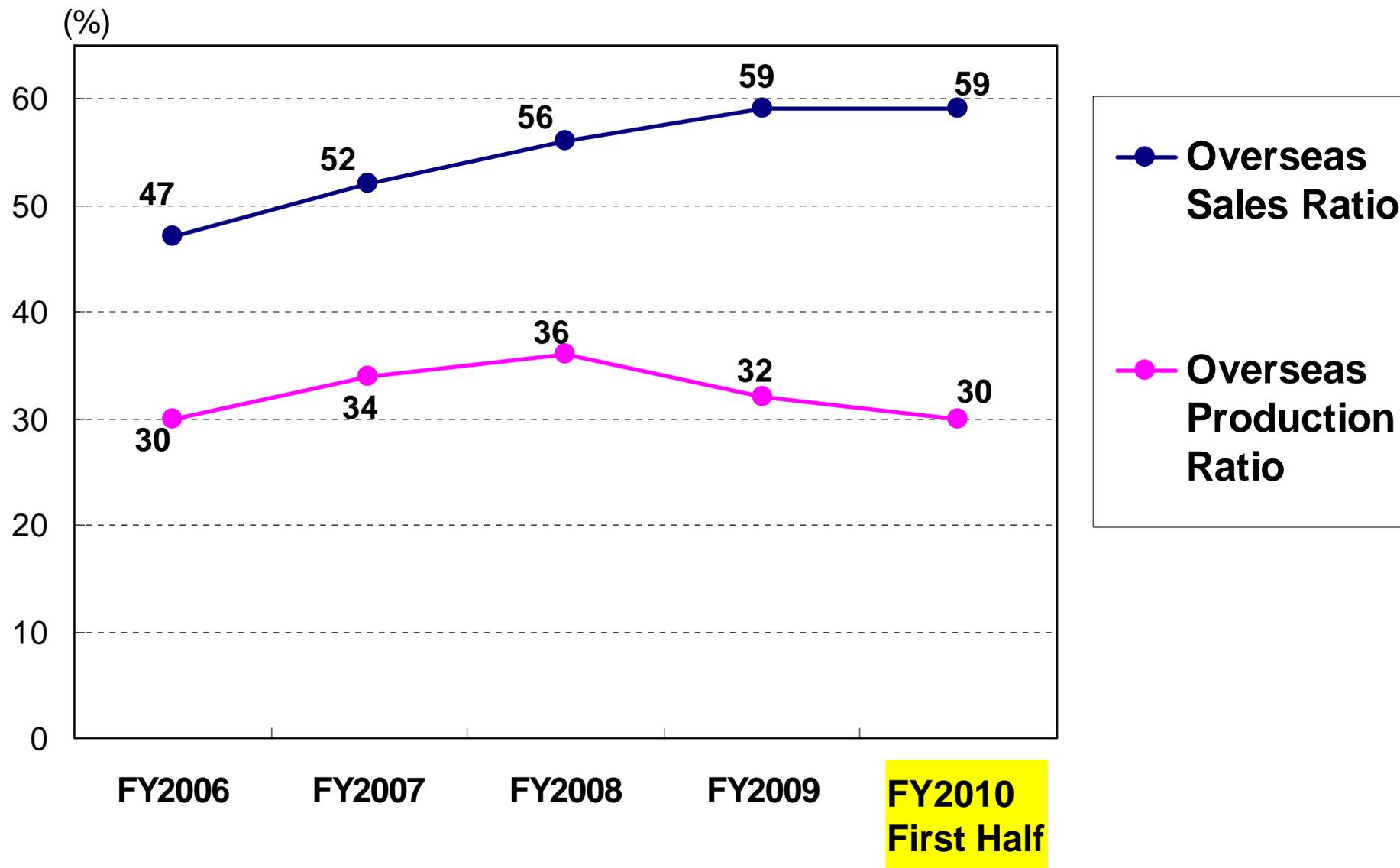
Sales Changes by Markets (in round numbers)



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)

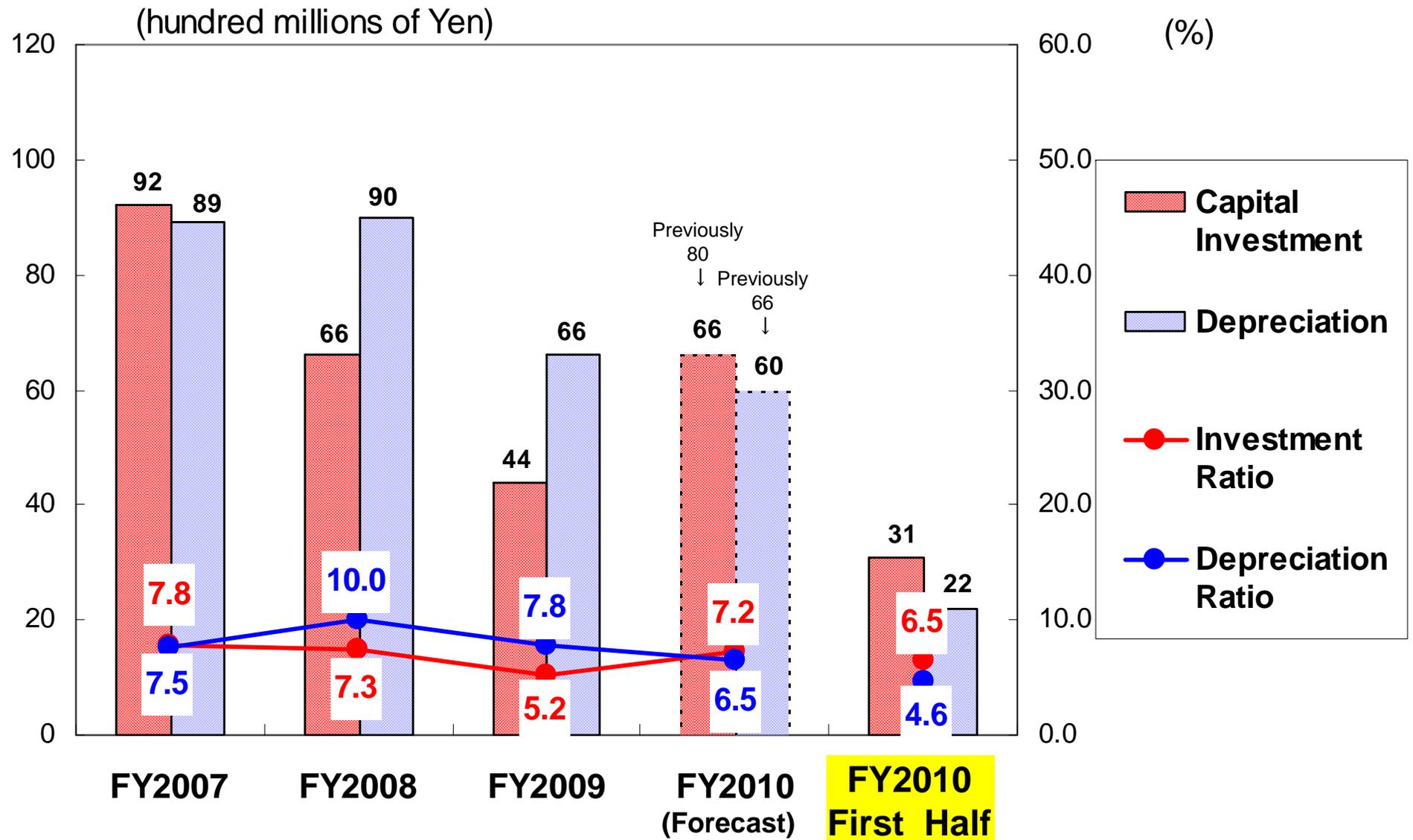
Account	(A)Mar 31, 2010	(B)Sep 30, 2010	(B)－(A)	Remarks
Cash and Cash in Bank	1,095.7	1,103.0	7.3	Increase in domestic subsidiaries
Trade Receivables	240.1	257.4	17.3	Increase in sales (FY2009/4Q 221.7 -->FY2010/1Q 241.4 +19.7)
Inventories	63.0	69.0	6.0	Increase in sales and production
Investment Securities	652.6	653.8	1.2	
Others	477.6	481.9	4.3	
Total Assets	2,529.0	2,565.1	36.1	

Changes in Consolidated Balance Sheet

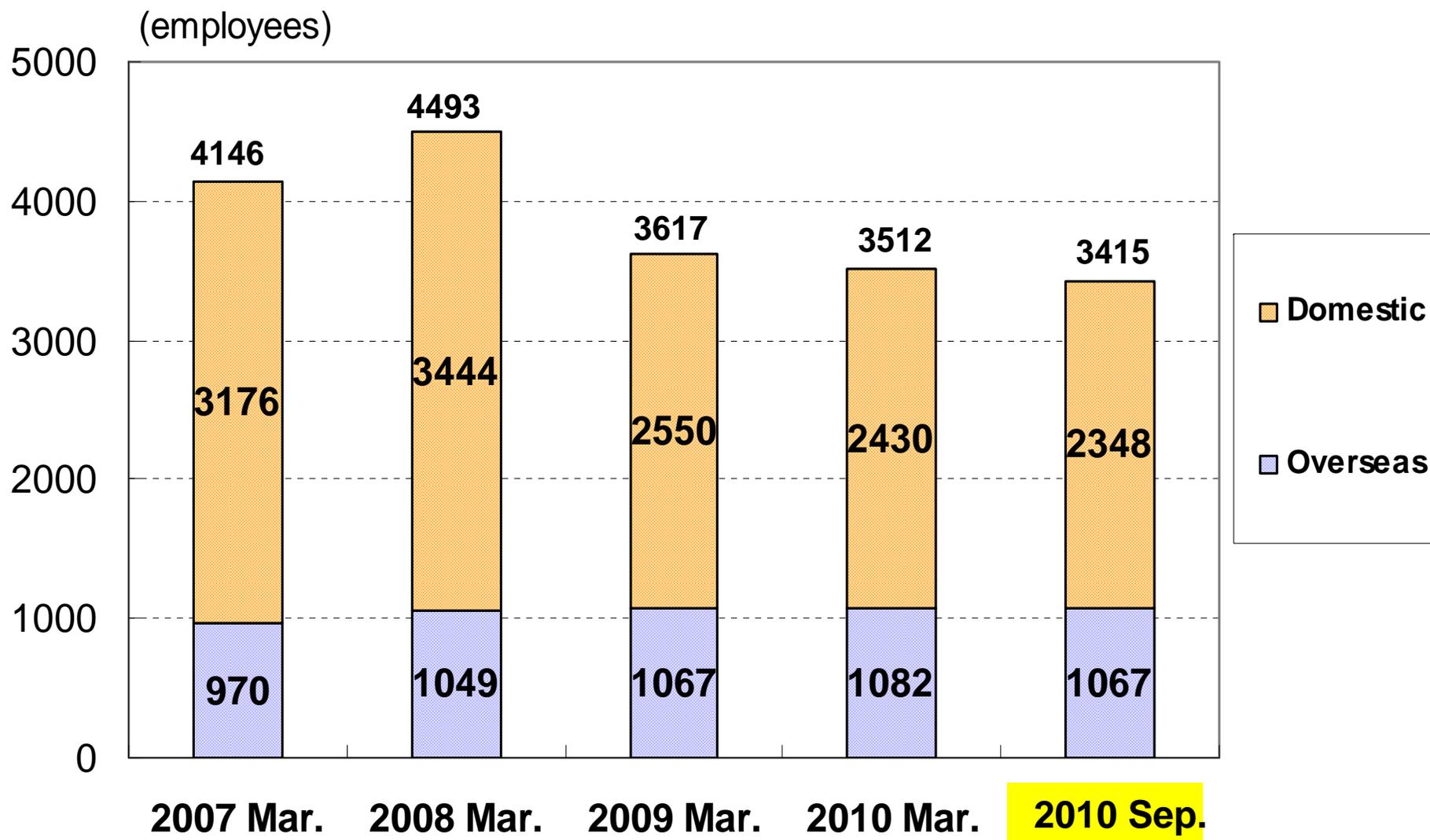
(hundred millions of Yen)

Account	(A)May 31, 2010	(B)Sep 30, 2010	(B)–(A)	Remarks
Notes Payable and Accounts Payables	120.1	133.1	13.0	Purchase increase due to production increase
Income Tax Payables	48.9	52.1	3.2	
Others	55.9	60.4	4.5	Increase in Account Payables
Total Liabilities	224.9	245.6	20.7	
Retained Earnings	2,552.6	2,613.3	60.7	Net income 83.3 - Dividend 21.4
Treasury Stocks	-465.4	-485.4	-20.0	Share buyback
Valuation Variance	23.5	20.0	-3.5	Share price fallen
Translation Adjustment	-45.1	-66.8	-21.7	Due to strong yen
Others	238.5	238.4	-0.1	
Total Shareholders'	2,304.1	2,319.5	15.4	
Total Liabilities and Shareholders' Equity	2,529.0	2,565.1	36.1	

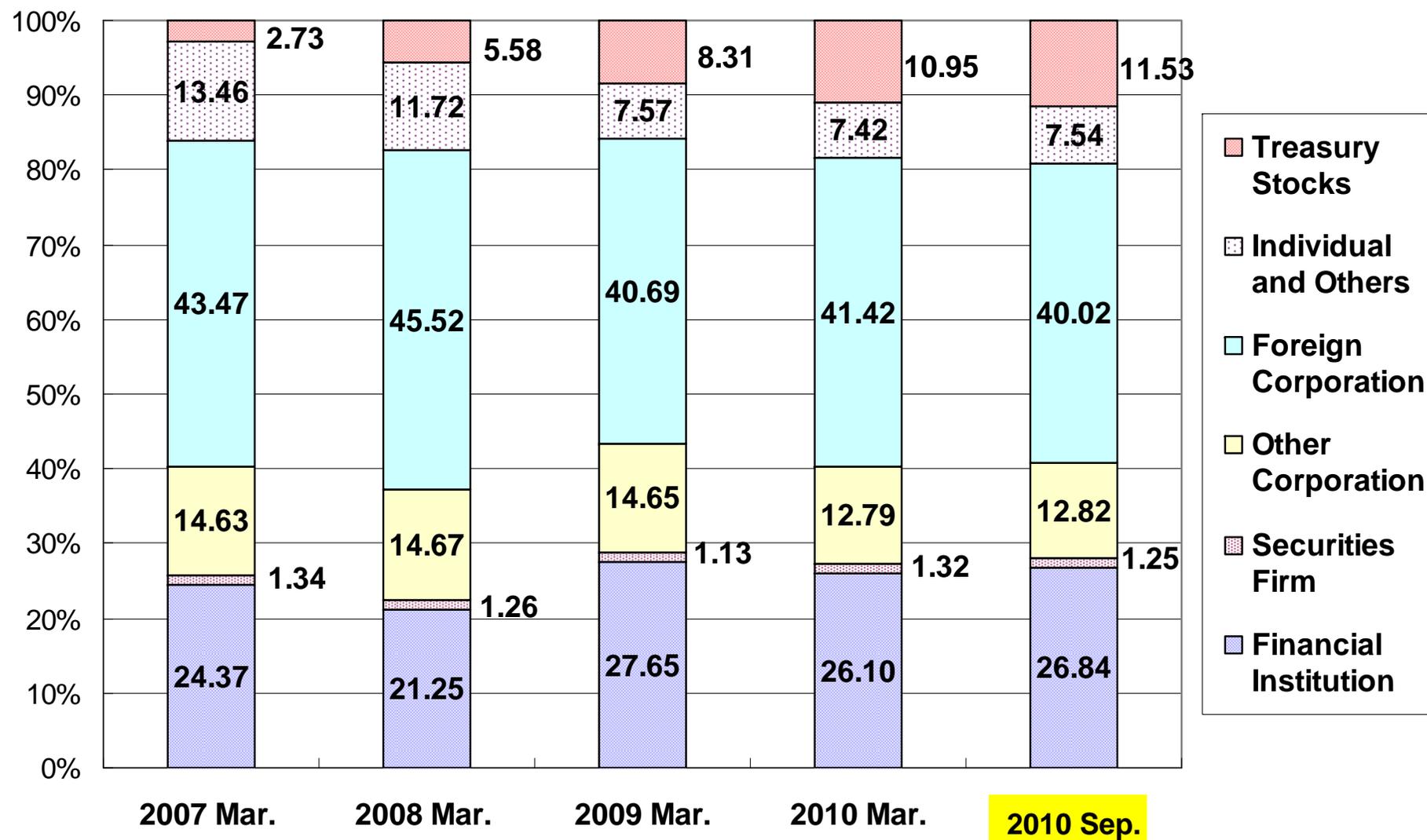
Capital Investment and Depreciation Change (Domestic Consolidated Basis)



Number of Employees (based on financial report)



Distribution of Shareholders



Business Forecast for the Year Ended March 31, 2011



Green Italics
Number: Previously
(May/2010)
announced data

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

(hundred millions of Yen)

	FY2009 (Actual)			FY2010 (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)	401.2 (57.2%)	443.5 (56.2%)	844.7 (56.7%)	465.0 475.4 (54.0%)	475.0 444.6 (58.3%)	940.0 920.0 (56.1%)	74.2	18.5%	1.1	0.2%	75.3	8.9%
Operating Profit (%)	90.4 22.5%	113.7 25.6%	204.1 24.2%	125.0 131.1 27.6%	125.0 98.9 22.2%	250.0 230.0 25.0%	40.7	45.0%	-14.8	-13.0%	25.9	12.7%
Recurring Profit (%)	100.8 25.1%	119.2 26.9%	220.0 26.0%	132.0 134.1 28.2%	133.0 100.9 22.7%	265.0 235.0 25.5%	33.3	33.0%	-18.3	-15.4%	15.0	6.8%
Net Profit (%)	61.5 15.3%	71.2 16.1%	132.7 15.7%	80.0 83.3 17.5%	80.0 61.7 13.9%	160.0 145.0 15.8%	21.8	35.4%	-9.5	-13.3%	12.3	9.3%
Income Per Share	-	-	363.15Yen	-	-	409.55Yen	FY2010 Reason for Downward Revision Influence of strong yen/weak dollar, and less orders than initial estimation due to adjustment in industrial orders. *FY2010 Exchange rate First Half: 88.95 Yen/US\$ Second Half estimation: 80.00 Yen/US\$ Yearly average: 84.48 Yen/US\$					
Dividend Per Share	60Yen	60Yen	120Yen	75Yen	75Yen	150Yen						
Dividend Payout Ratio	-	-	33.0%	-	-	36.6%						