

Business Results of Third Quarter, FY2012

Creative Links to World Electronic

Feb 1st, 2013

**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 3Q FY2012

[1Q FY2012]

- Except for the Korean company with strong orders, order level is low in Mobile/Smartphone market. On the other hand, Automotive continues to maintain the high level order, and order of Digital consumer electronics has also increased in May and June.

[2Q FY2012]

- Although Automotive were influenced by the subsidy discontinuation and European economy, it still maintained high level exceeding last year. Good trend in Mobile/Smartphone market especially in the Korean and Chinese market. Low order level in the Industrial market.

[3Q FY2012]

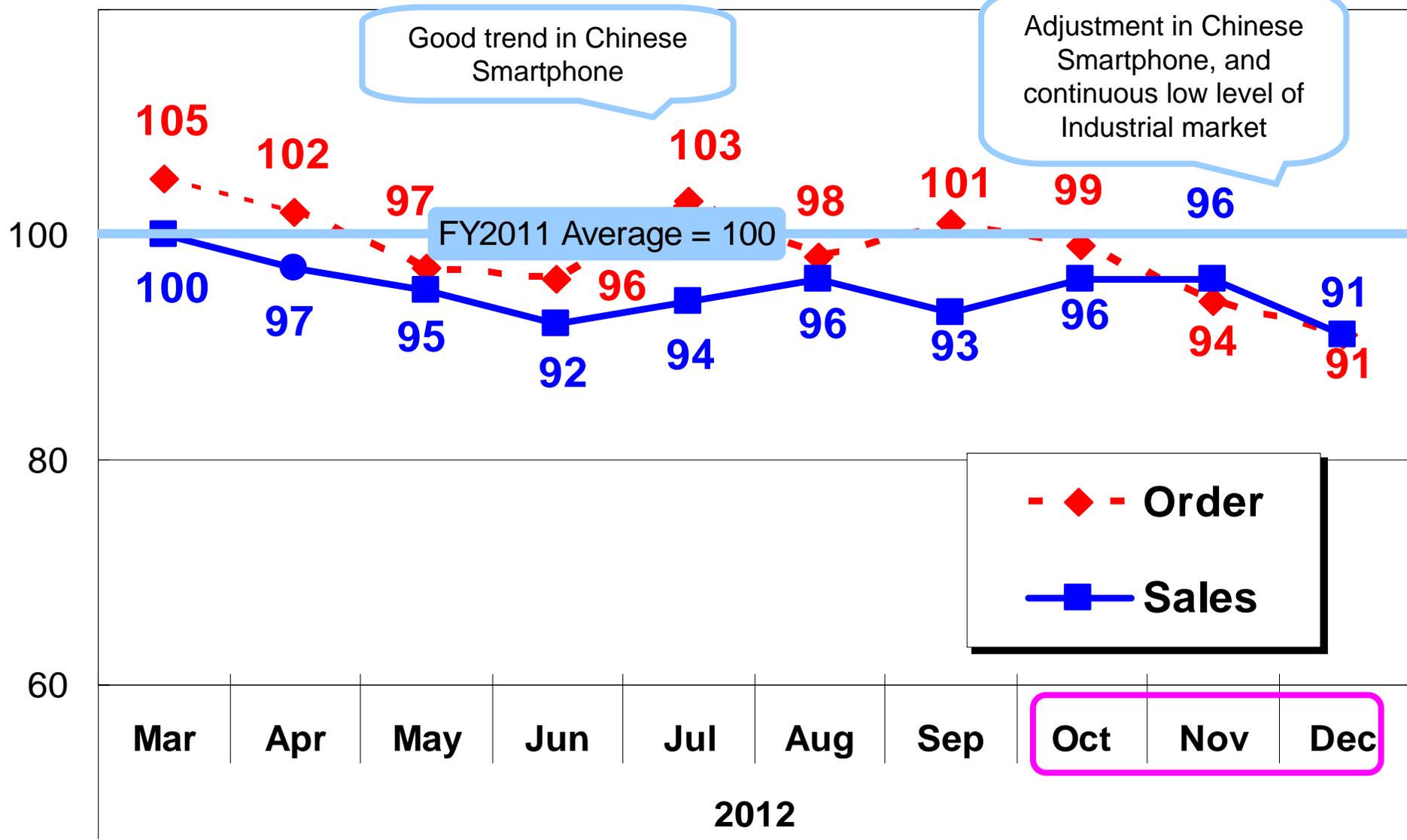
- **Strong order in Chinese Mobile/Smartphone in October, followed by its adjustment phase. Automotive were impacted by China's boycott of Japanese goods etc, but seem to recover in December. Low level continues in Digital consumer electronics and Industrial market.**

- **3Q FY2012 settled on 7.4% YoY in order level (-2.7% over 2Q FY2012), 5.0% YoY in sales level (2.4% over 2Q FY2012)**

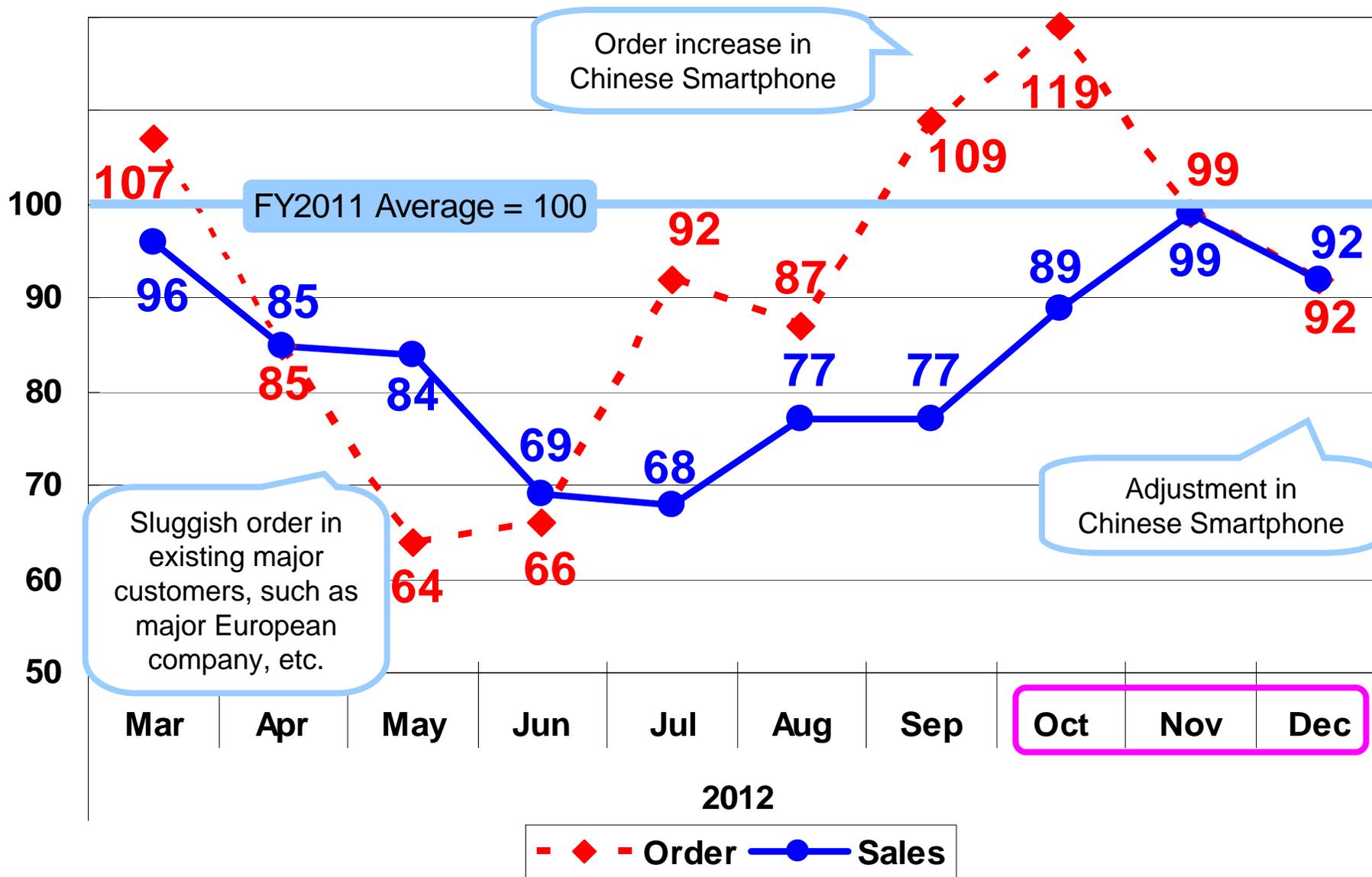
[1Q - 3Q FY2012]

- **1Q - 3Q (total) FY2012 settled on 713.2 hundred million yen in order level (1.7% YoY), 710.1 hundred million yen in sales level (-1.7% YoY), 172.0 hundred million yen in recurring profit (Ratio 24.2%, 0.8% YoY).**

All Connectors

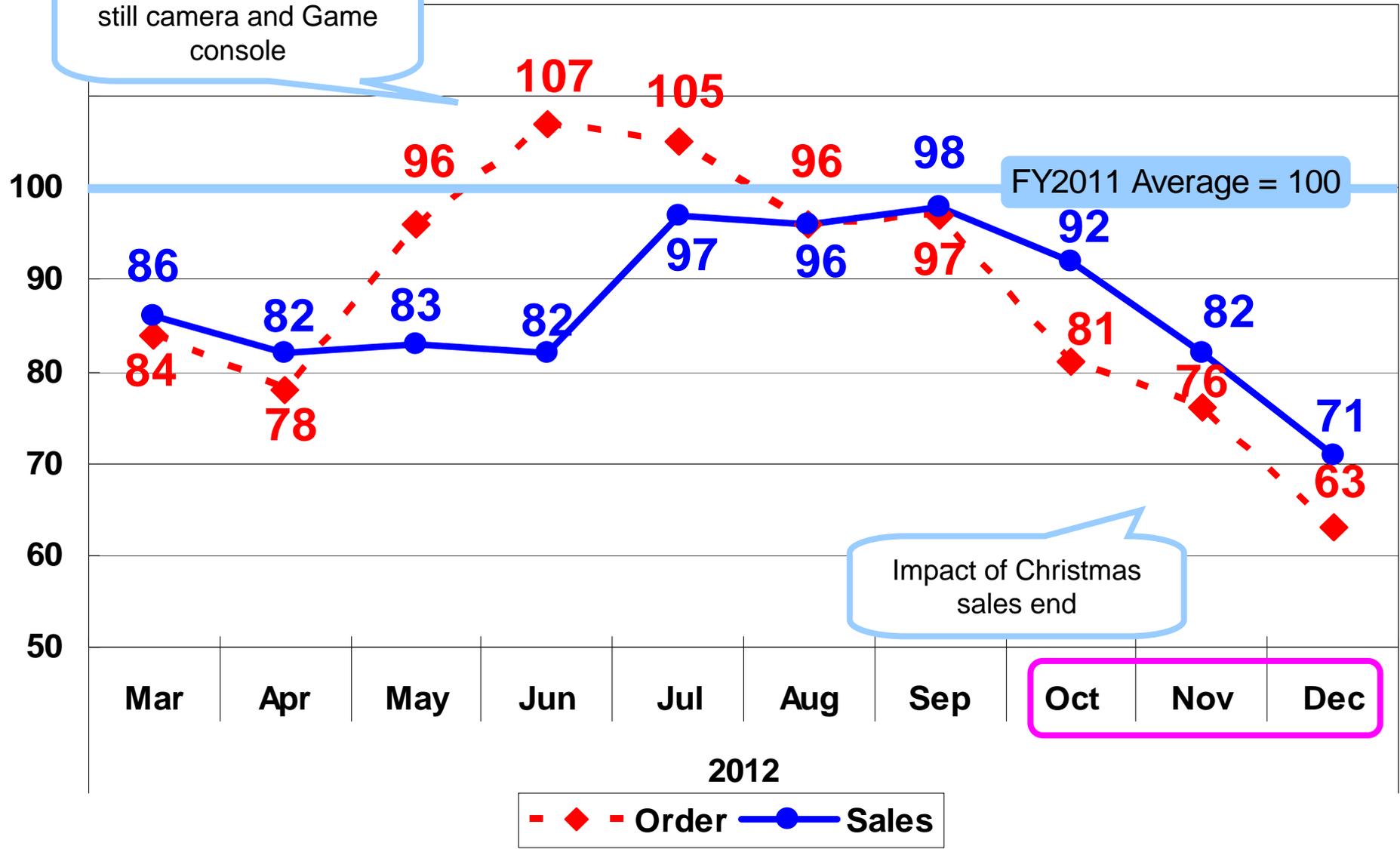


Mobile / Smartphone

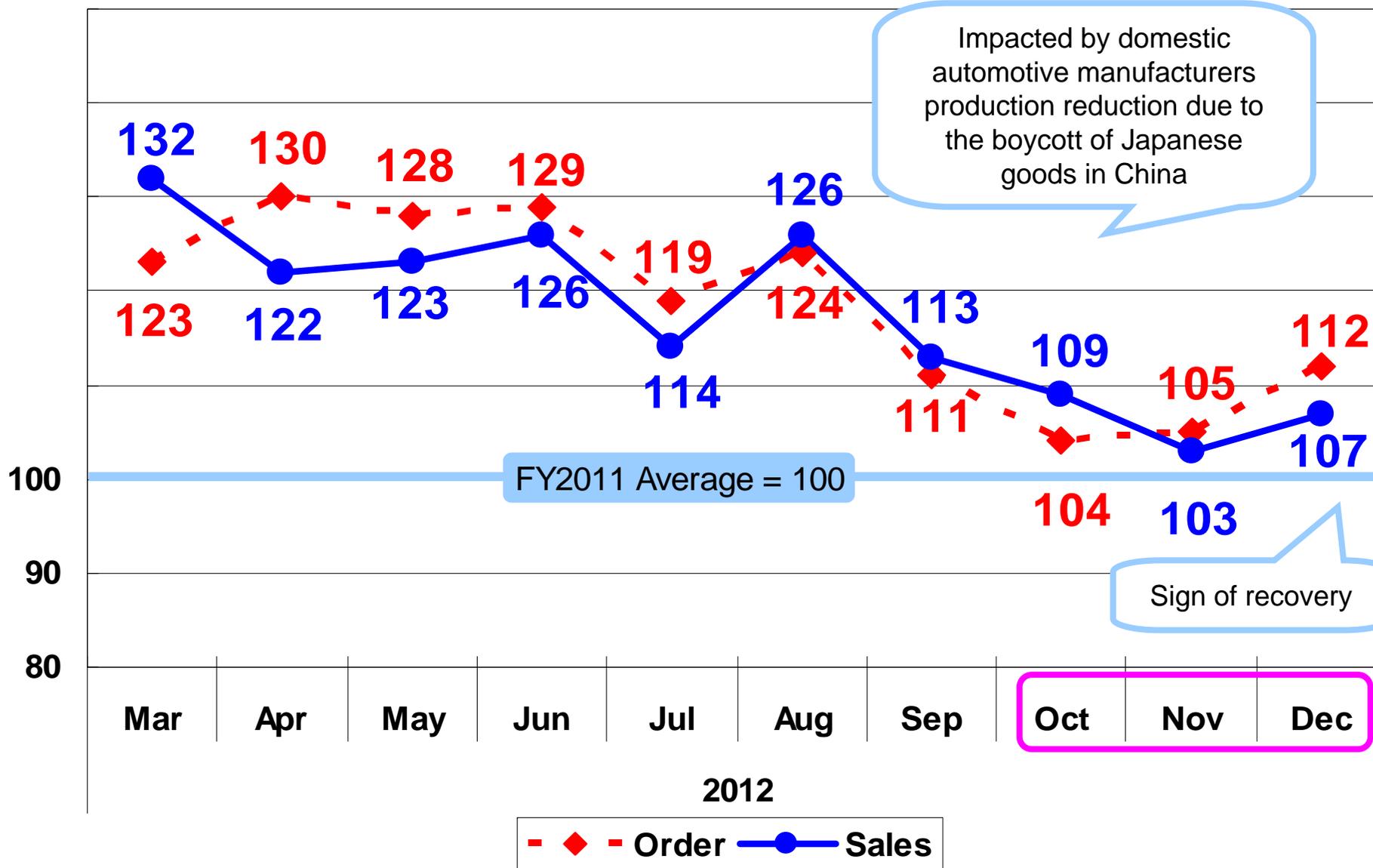


Digital Consumer Electronic

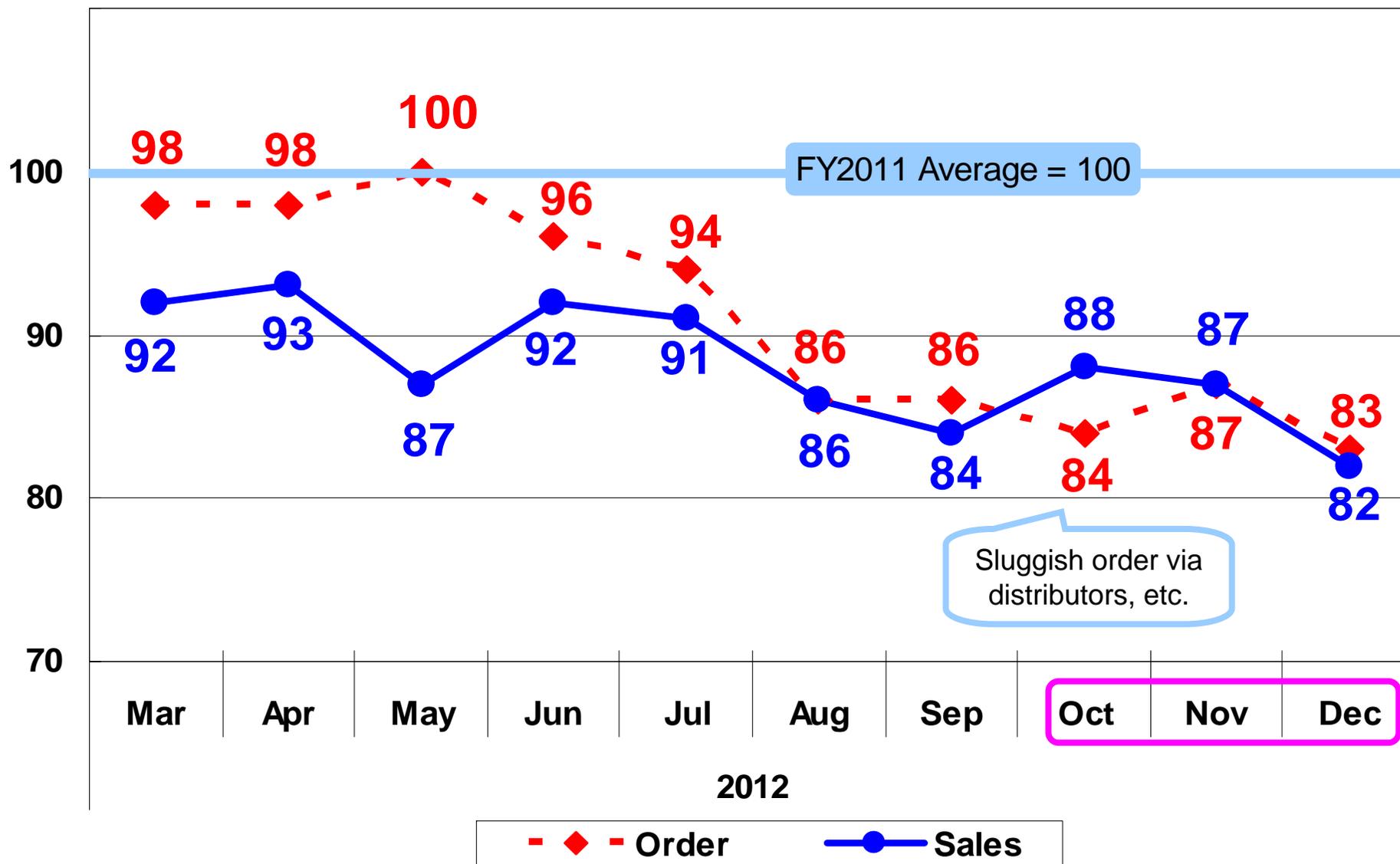
Order increase in Digital still camera and Game console



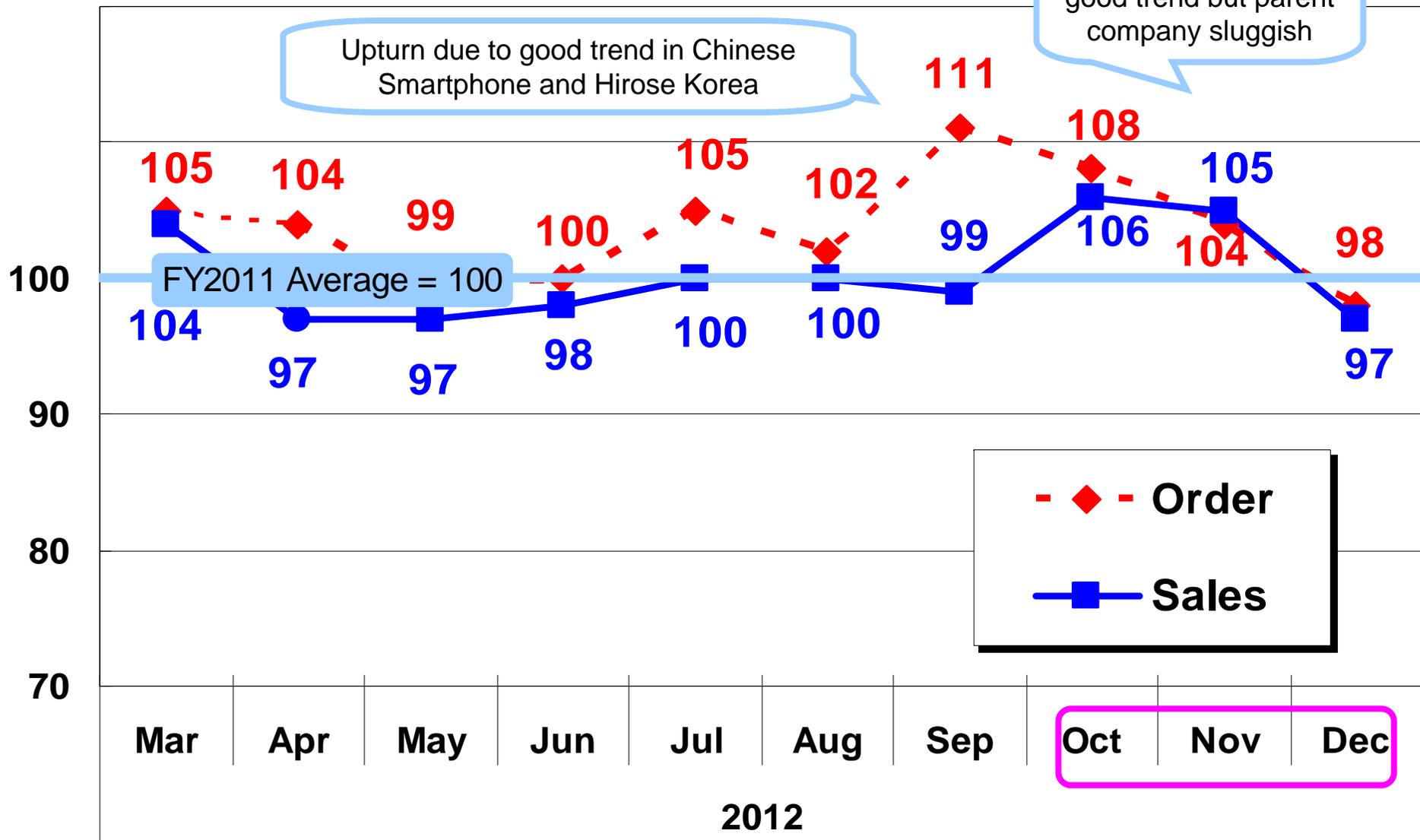
Automotive



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



Consolidated Sales / Order

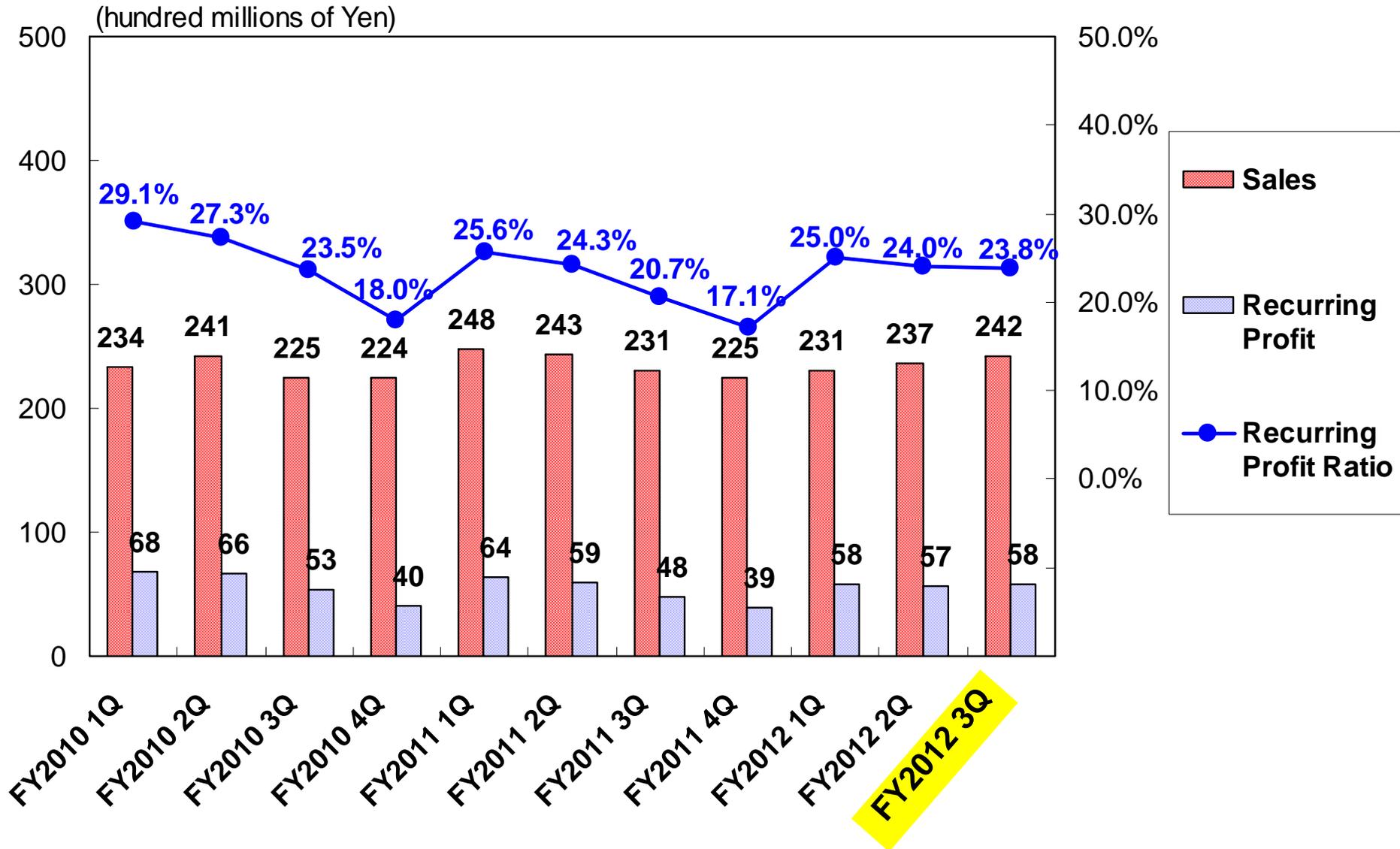


Business Results for 3Q FY2012

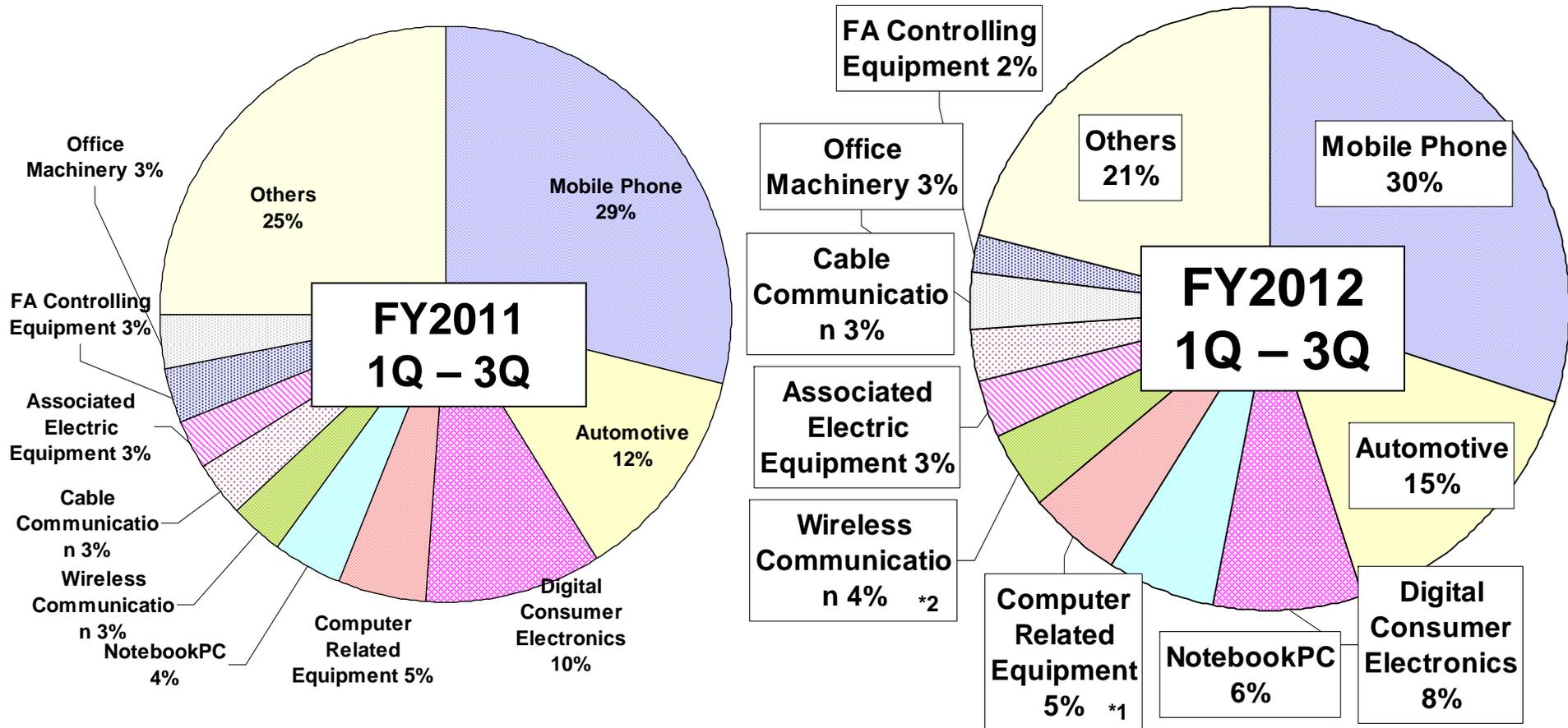
(hundred millions of Yen)

	(A)FY2011 1Q - 3Q	(B)FY2012 1Q - 3Q	(B)-(A)	(B)/(A)	Major changes over prior same period (unit: hundred millions of Yen)
Sales	722.7	710.1	-12.6	-1.7%	[Sales] -12.6 decrease Hirose Japan -49.1 Subsidiaries +36.5
(COGS Ratio)	(58.5%)	(56.9%)	(-1.6%)		[COGS Ratio] 1.6 point decrease
(SGA Ratio)	(19.5%)	(20.1%)	(+0.6%)		Purchase Cost Ratio 42.8% →40.5% Depreciation Ratio 6.9% →6.5 % Labor Cost 5.0% →5.6%
Operating Profit	159.2	163.2	4.0	2.5%	[SGA Ratio] 0.6 point increase
(%)	22.0%	23.0%	(+1.0%)		Mainly due to sales decrease
Recurring Profit	170.6	172.0	1.4	0.8%	[Non-Operating Expenses]
(%)	23.6%	24.2%	(+0.6%)		Interest Received & Dividend 7.2→6.5 Foreign Exchange Gain/Loss 0.2→-1.3
Net Profit	106.7	101.2	-5.5	-5.2%	[Extraordinary Gain/Loss]
(%)	14.8%	14.3%	(-0.5%)		+7.8→-1.0
Total Assets	2,584.6	2,697.1	112.5	4.4%	Last 3Q: Subsidy from Yokohama-shi 9.4
Shareholders' Equity Ratio	90.6%	91.0%			
Income Per Share	303.9Yen	292.5Yen			

Quarterly Sales and Profits



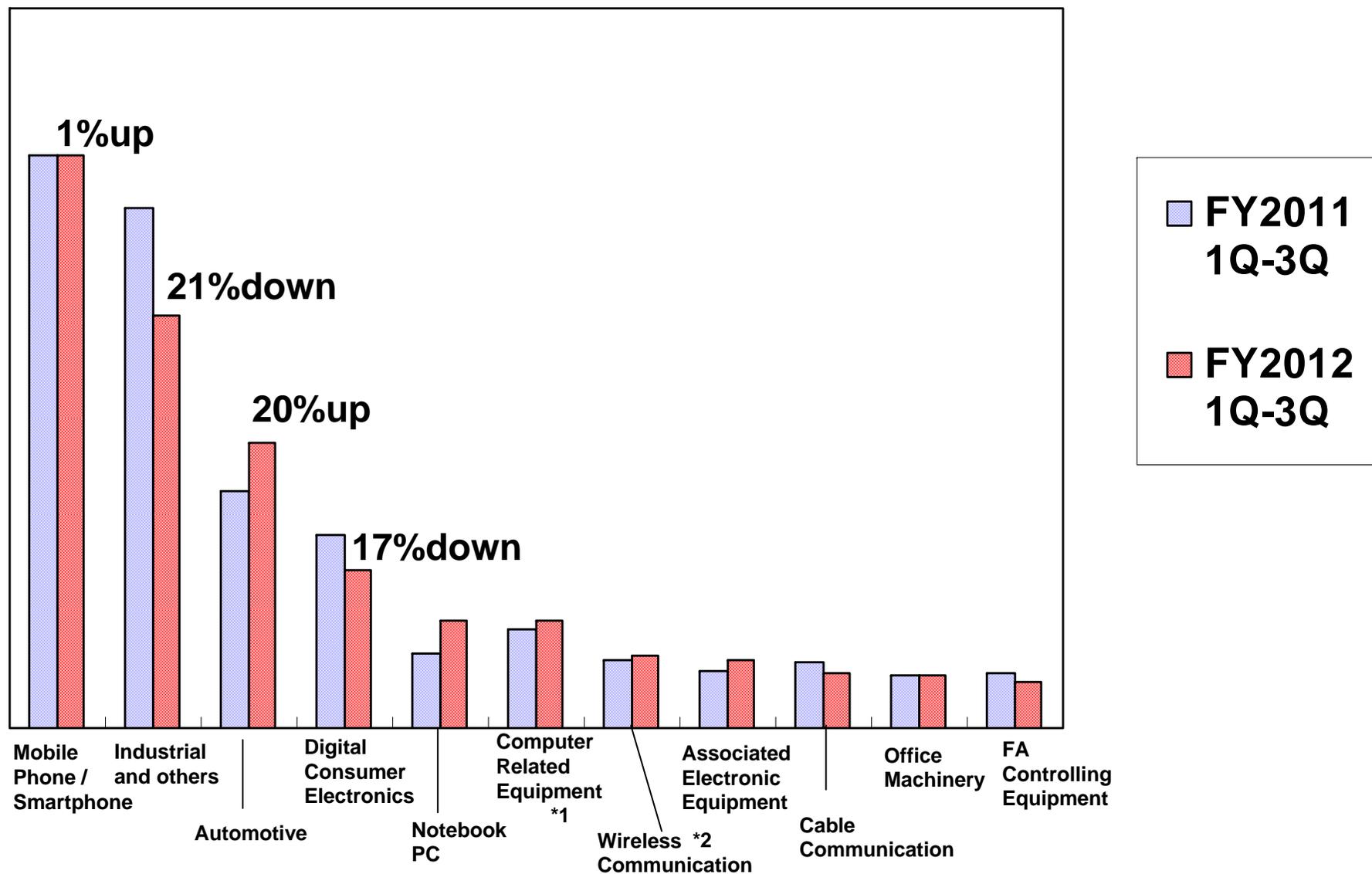
Sales by Market (Round Number) [Consolidated Basis]



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

*1 Computer Related Equipment – Notebook PC not included.
 *2 Wireless Communication - Mobile Phone not included.

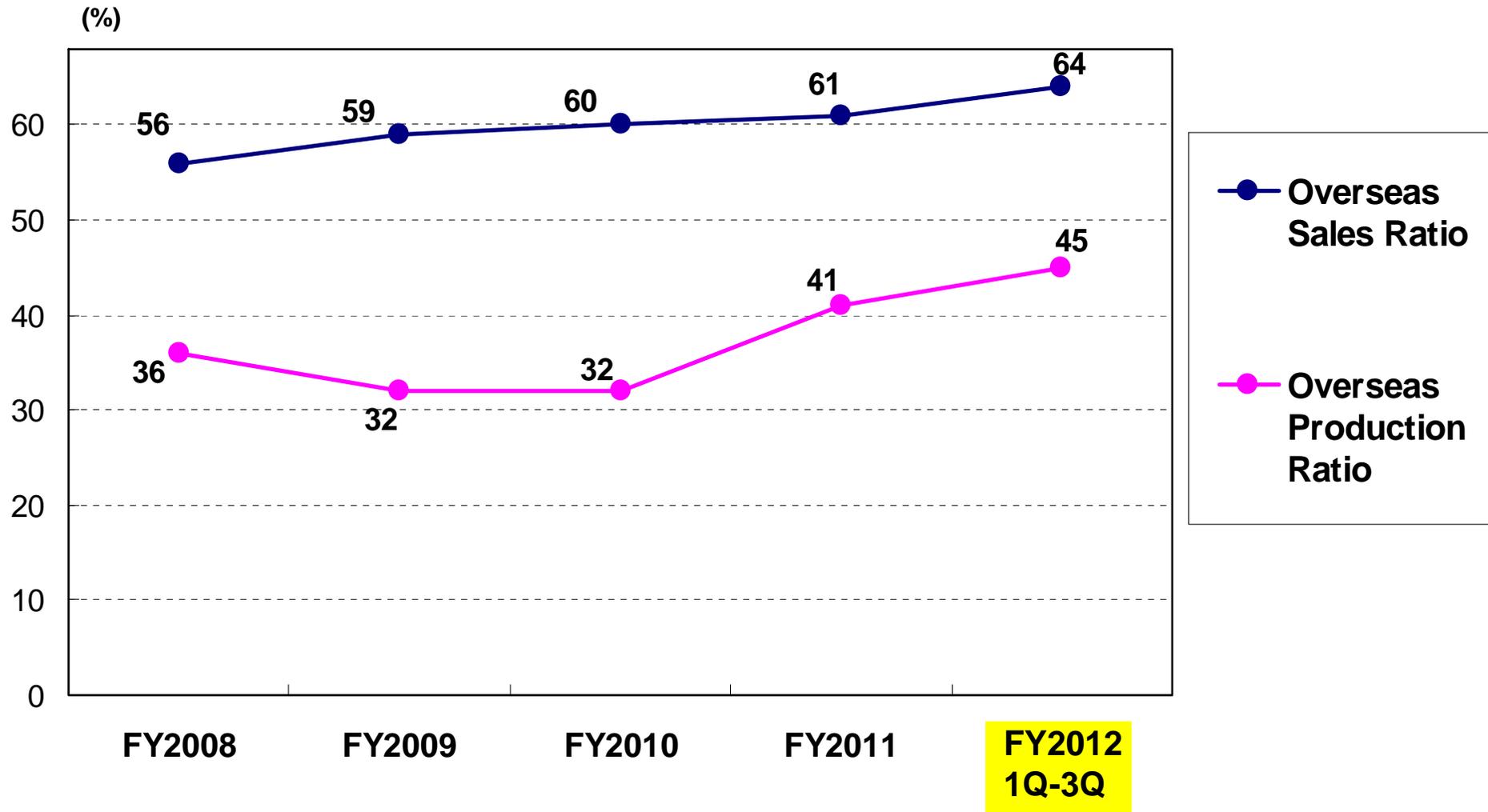
Sales Changes by Market (Round Number) [Consolidated Basis]



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

*1 Computer Related Equipment – 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)

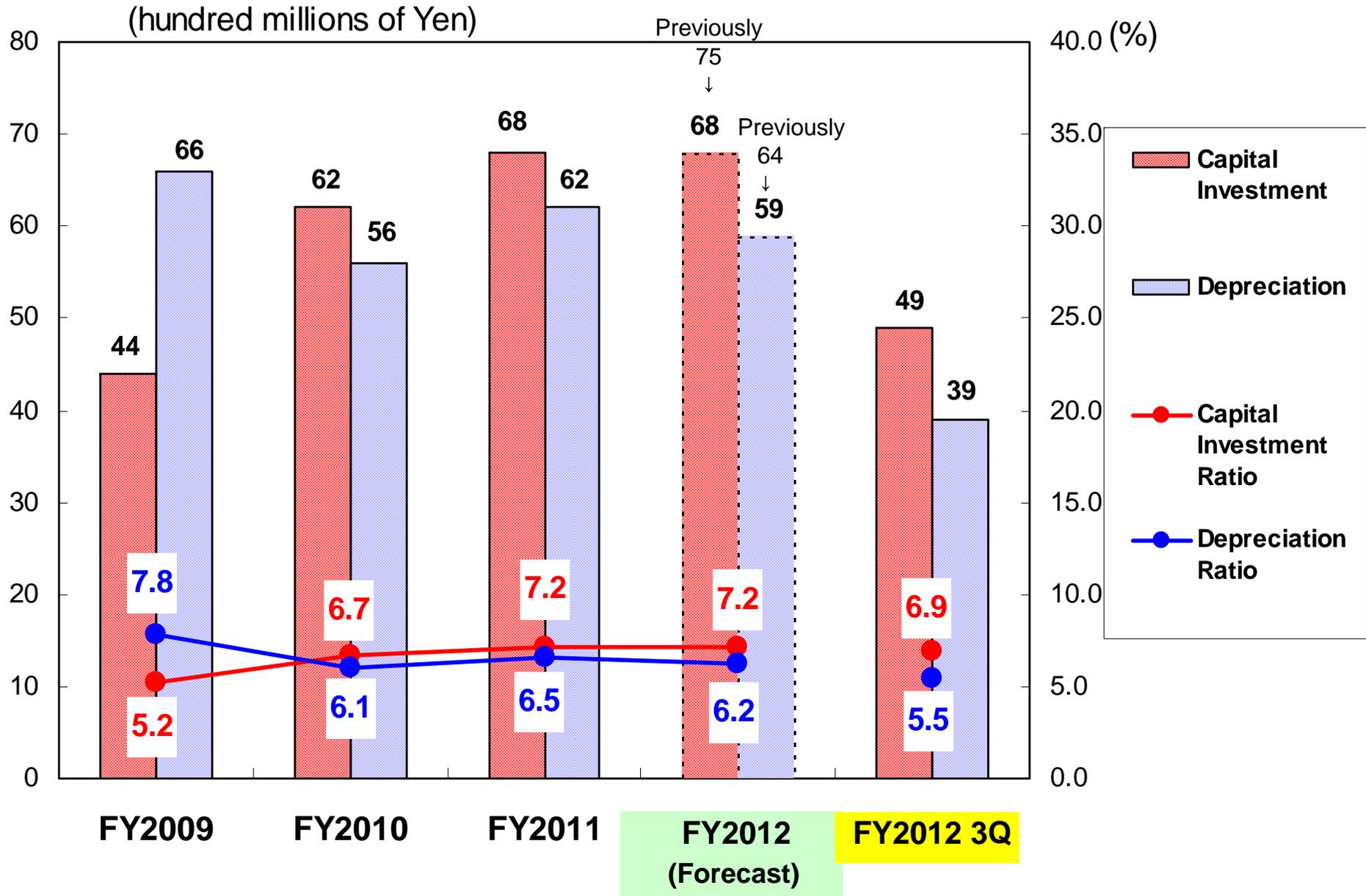
Account	(A)Mar 31, 2012	(B)Dec 31, 2012	(B)-(A)	Remark
Cash and Cash in Bank	1,077.0	1,113.7	36.7	Increase in domestic subsidiaries
Trade Receivables	233.4	242.7	9.3	Increase in Hirose Korea, etc.
Inventories	71.9	76.8	4.9	
Investment Securities	590.1	580.4	-9.7	Shift to short-term bonds in partial corporate bonds
Others	642.5	683.5	41.0	Increase in fixed assets, etc.
Total Assets	2,614.9	2,697.1	82.2	

Changes in Consolidated Balance Sheet

(hundred millions of Yen)

Account	(A)Mar 31, 2012	(B)Dec 31, 2012	(B)-(A)	Remark
Notes Payable and Account Payable	104.2	107.6	3.4	Increase in Hirose Korea, etc.
Income Taxes Payable, etc	32.1	26.1	-6.0	Due to tax payment
Others	82.6	102.6	20.0	Increase in account payable, etc.
Total Liabilities	218.9	236.3	17.4	
Retained Earnings	2,696.2	2,754.2	58.0	Net Profit 101.2- Dividend 43.2
Treasury Stocks	-546.9	-546.9	0.0	
Valuation Variance	23.9	27.1	3.2	
Translation Adjustment	-45.0	-18.1	26.9	Due to weak yen
Others	267.8	244.5	-23.3	Decrease in minority interests due to additional acquisition of Hirose Korea share
Total Shareholders' Equity	2,396.0	2,460.8	64.8	
Total Liabilities and Shareholders' Equity	2,614.9	2,697.1	82.2	

Capital Investment and Depreciation Change (Domestic Consolidated Basis)



(*Excluded: Building investment for Yokohama Center) 17

Business Forecast for the Year Ended March 31, 2013



(hundred millions of Yen)

	FY2011 (Actual)		FY2012 (Forecast)		First Half Over the Previous Actual Amount		For the Year Over the Previous Actual Amount	
	First Half	For the Year	First Half	For the Year	Amount Change	%	Amount Change	%
	Sales (COGS)	491.8 (57.4%)	947.9 (59.3%)	467.7 (56.5%)	950.0 (58.4%)	-24.1	-4.9%	2.1
Operating Profit (%)	116.1 23.6%	195.5 20.6%	109.6 23.4%	200.0 21.1%	-6.5	-5.6%	4.5	2.3%
Recurring Profit (%)	123.0 25.0%	209.2 22.1%	114.4 24.5%	210.0 22.1%	-8.6	-7.0%	0.8	0.4%
Net Profit (%)	73.9 15.0%	128.2 13.5%	68.0 14.5%	130.0 13.7%	-5.9	-8.0%	1.8	1.4%
Income Per Share	-	366.11Yen	-	375.68Yen	[Full Year Forecast] There are no change from the previously announced data on October 31st, 2012			
Dividend Per Share	75Yen	130Yen	70Yen	140Yen				
Dividend Payout Ratio	-	35.5%	-	37.3%				