

Business Results of Second Quarter, FY2013

Creative Links to World Electronic

Nov 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 2Q FY2013

[1Q FY2012 (Apr – Jun)]

- 1Q : Good trend in Korean and Chinese Smartphone/Mobile market and Automotive market. And although the trend is not strong, Industrial market shows a sign of recovery.

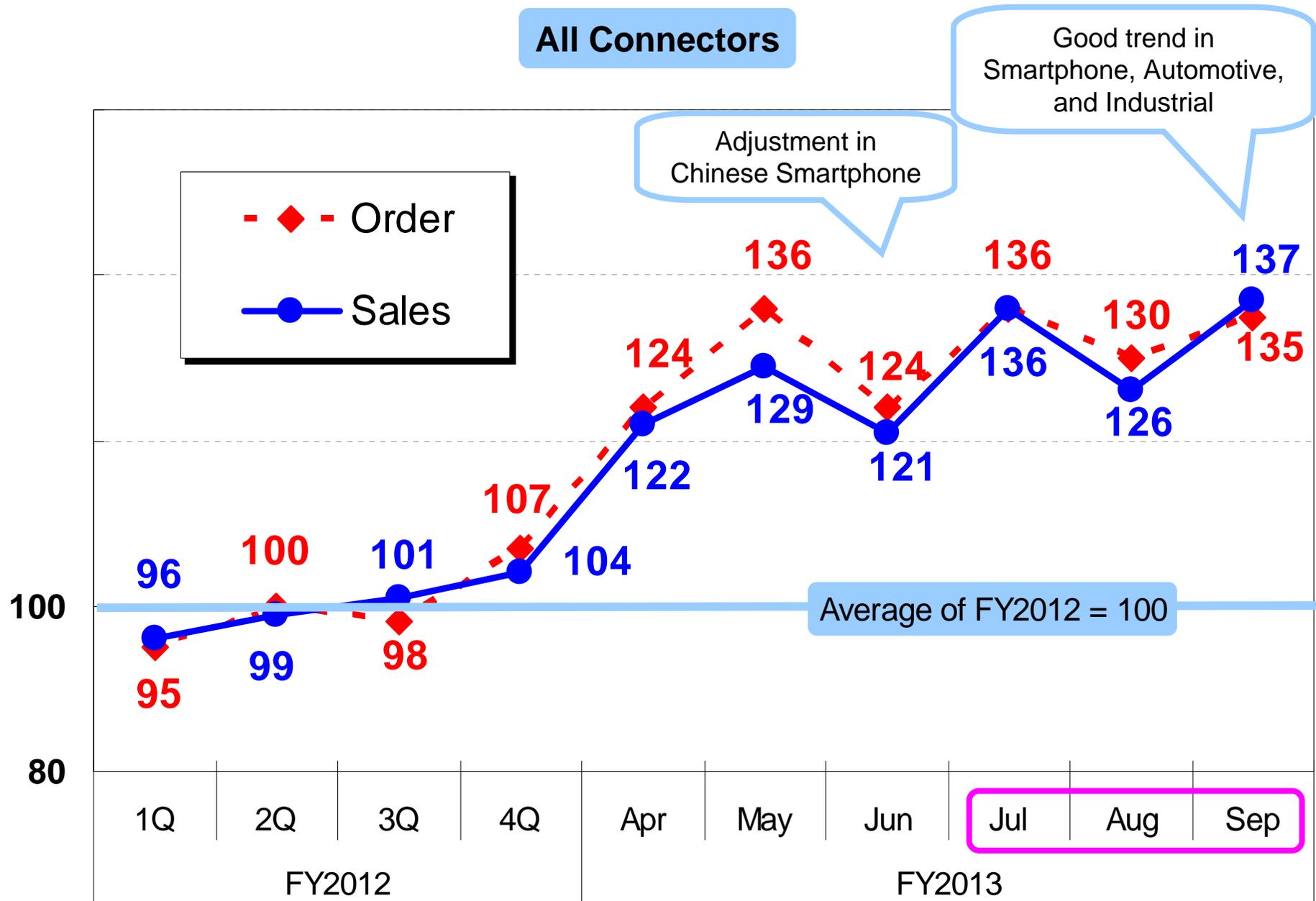
[2Q FY2013 (Jul – Sep)]

- Industrial and Automotive market had maintained the high level order that exceeds last year's level. Although there was an impact of inventory adjustment in Chinese market, order for Smartphone/Mobile had continued the good trend, especially in Korean market.

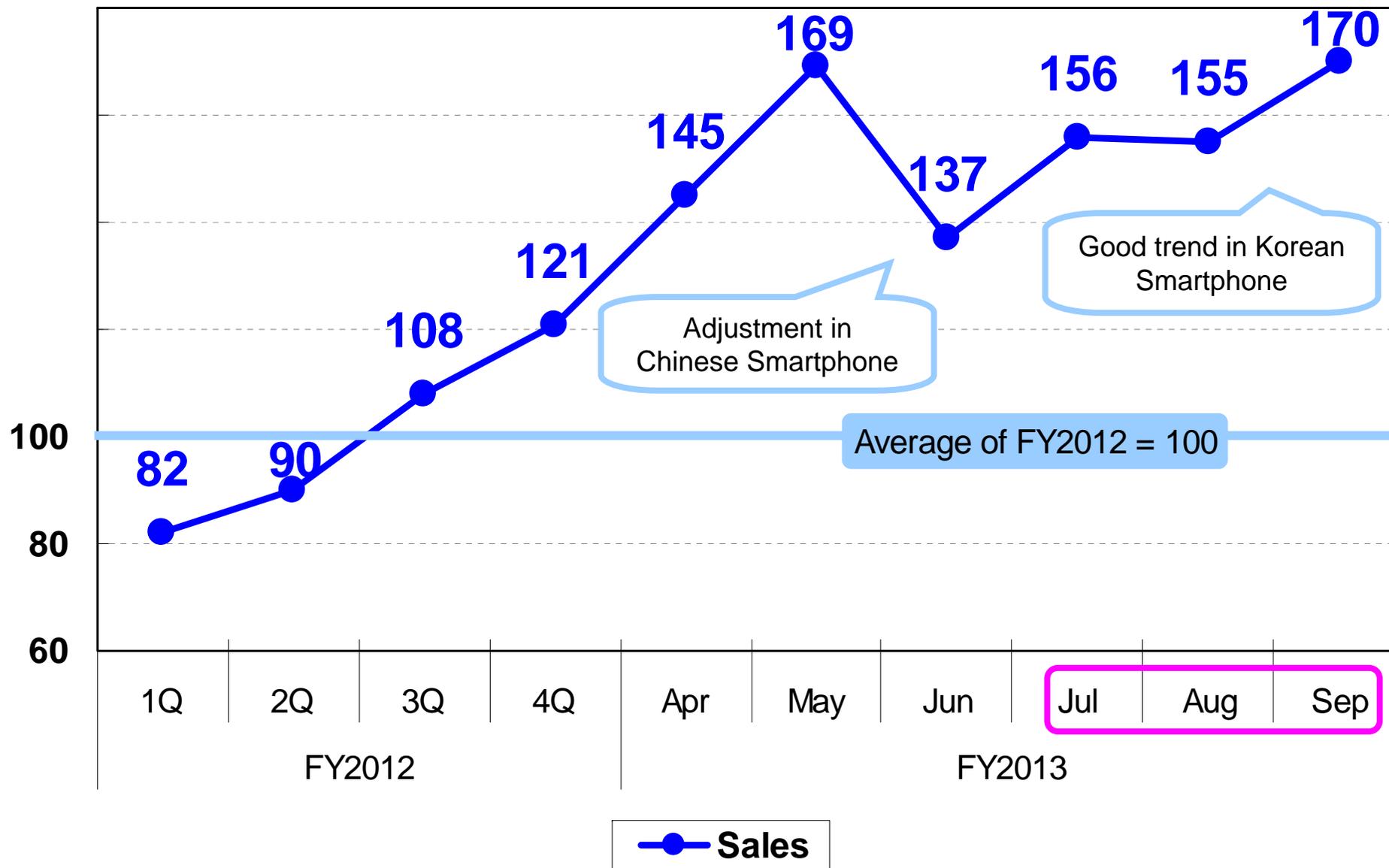
- 2Q FY2013 settled on 32.8% YoY in order level (4.2% over 1Q FY2013), 34.9% YoY in sales level (7.5% over 1Q FY2013)

[1Q & 2Q FY2013 (Apr – Sept)]

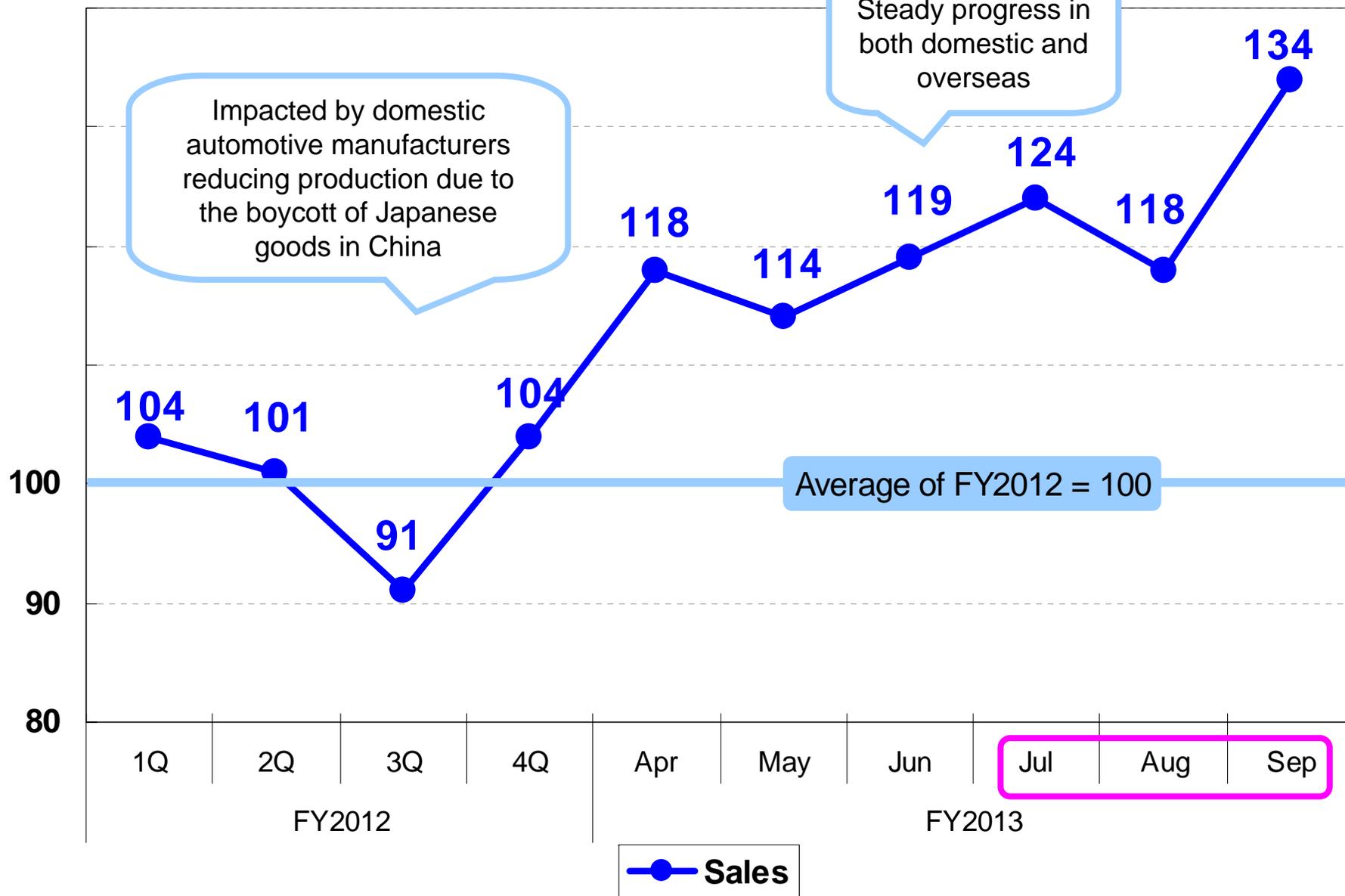
- 1Q & 2Q (total) FY2013 settled on 635.6 hundred million yen in order level (33.6% YoY), 616.7 hundred million yen in sales level (31.8% YoY), 182.7 hundred million yen in recurring profit (Ratio 29.6%, 59.7% YoY).



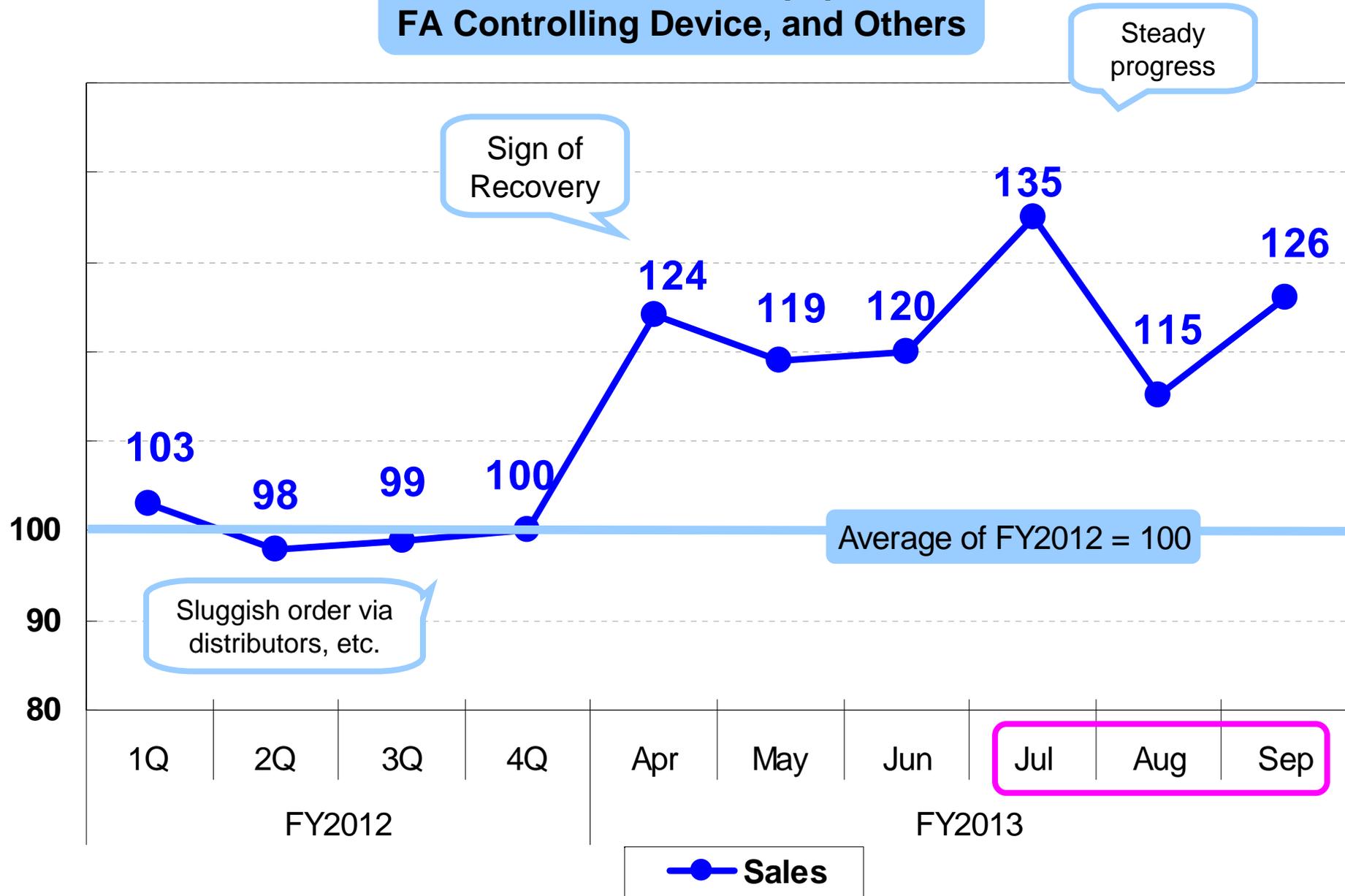
Smartphone / Mobile



Automotive



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



Business Results for 2Q FY2013

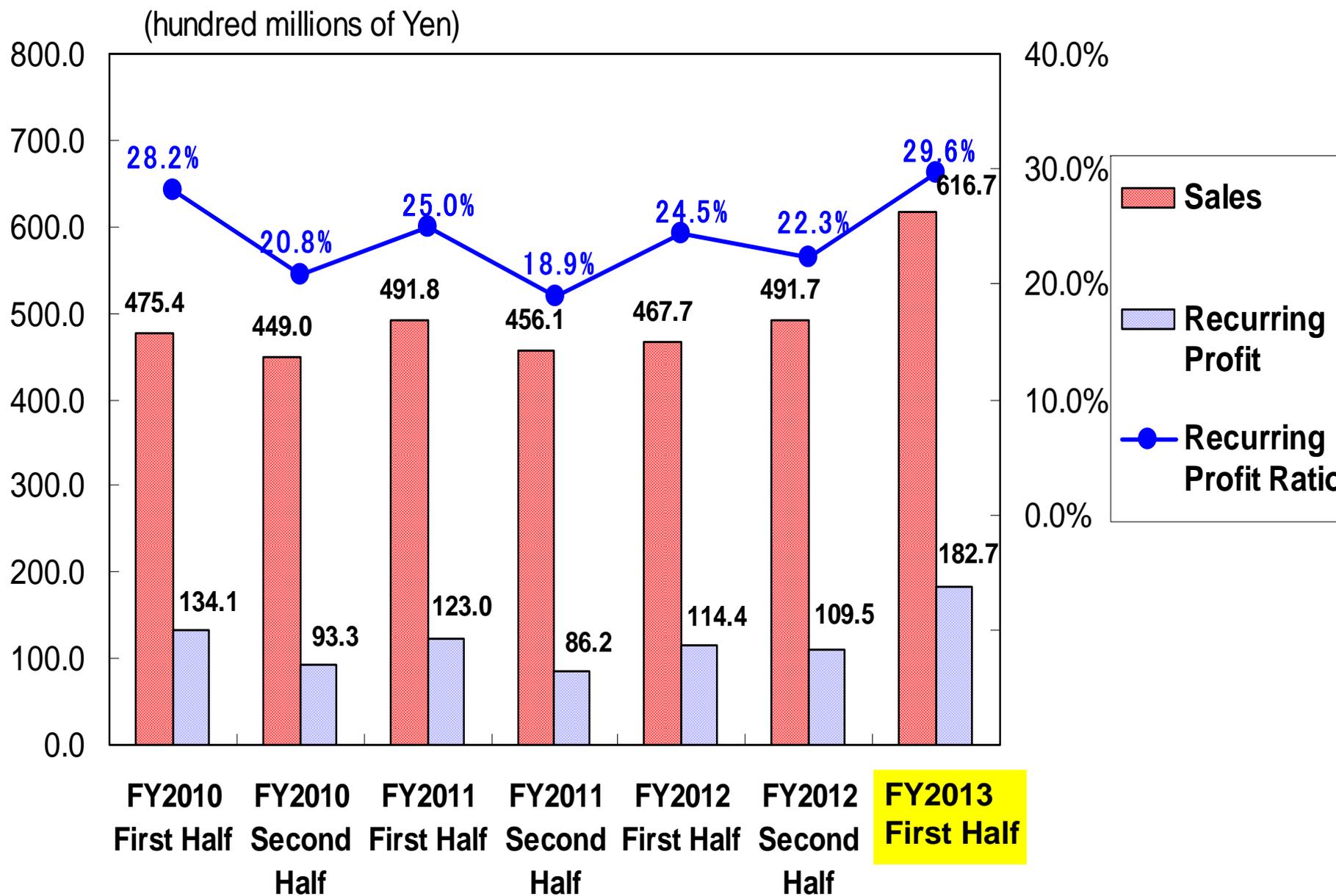
(hundred millions of Yen)

	(A)FY2012 1Q & 2Q	(B)FY2013 1Q & 2Q	(B)-(A)	(B)/(A)
Sales	467.7	580.0 616.7	149.0	31.8%
(COGS Ratio)	(56.5%)	(54.0%)	(-2.5%)	
(SGA Ratio)	(20.0%)	(17.7%)	(-2.3%)	
Operating Profit	109.6	145.0 174.5	64.9	59.2%
(%)	23.4%	28.3%	(+4.9%)	
Recurring Profit	114.4	155.0 182.7	68.3	59.7%
(%)	24.5%	29.6%	(+5.1%)	
Net Profit	68.0	95.0 116.1	48.1	70.6%
(%)	14.5%	18.8%	(+4.3%)	
Total Assets	2,664.8	2,934.2	269.4	10.1%
Shareholders' Equity Ratio	90.1%	89.3%		
Income Per Share	196.6Yen	336.7Yen		

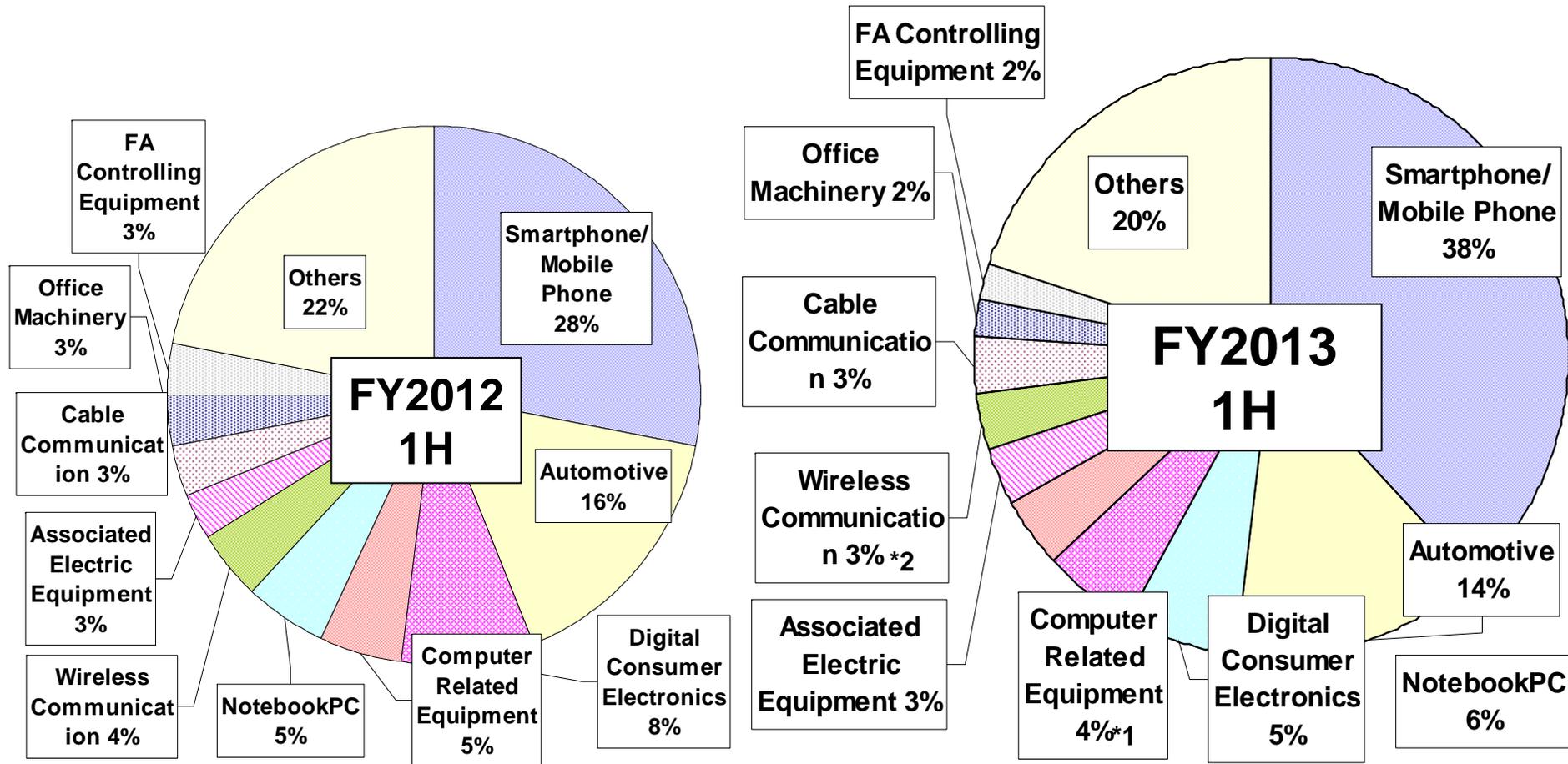
Major changes over prior same period (unit: hundred millions of Yen)	
[Sales]	149.0 increase
Hirose	Subsidiaries
+65.6	+83.4
[COGS Ratio]	2.5 point decrease
Purchase Cost Ratio 42.5% => 39.2%	
[SGA Ratio]	2.3 point decrease
Ratio improvement due to sales increase.	
[Non-Operating Expenses]	
Foreign Exchange Loss -1.6 => -0.2	

Exchange Rate:US\$	79.41Yen	98.85Yen
Exchange Rate:€	100.64Yen	130.00Yen
Exchange Rate:100Won	6.96Yen	8.87Yen

Half-Yearly Sales and Profits



Sales by Market (round number) [Consolidated Basis]

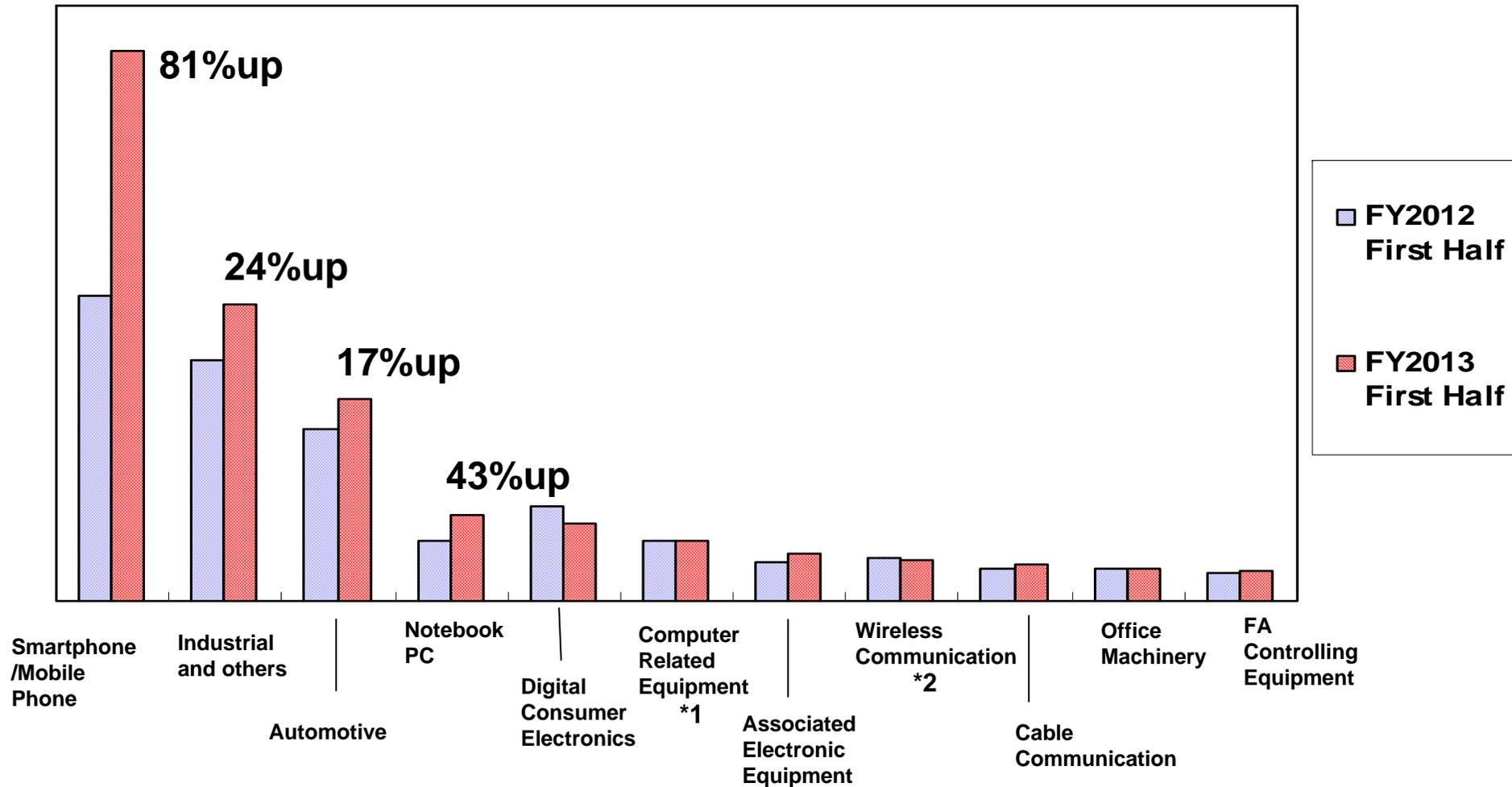


As this is in round number, please be noted that some ratio difference may occur. Thank you for your understanding.

*1 Computer Related Equipment – Notebook PC not included.

*2 Wireless Communication - Mobile Phone not included.

Sales Changes by Markets (round number)[Consolidated Basis]

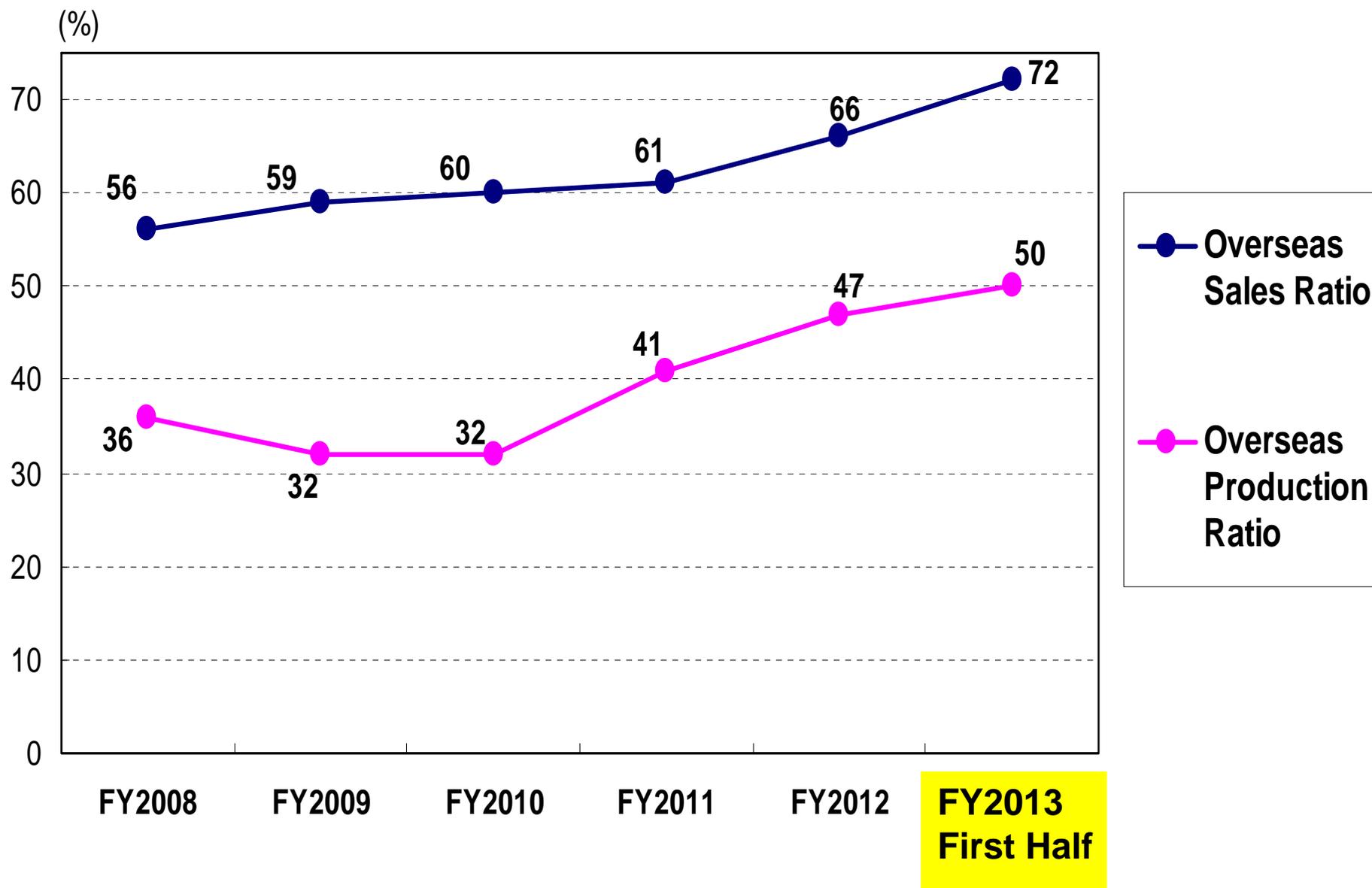


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*1 Computer Related Equipment – Notebook PC not included.

*2 Wireless Communication - Mobile Phone not included.

Overseas Production and Sales Ratio



Changes in Consolidated Balance Sheet

(hundred millions of Yen)

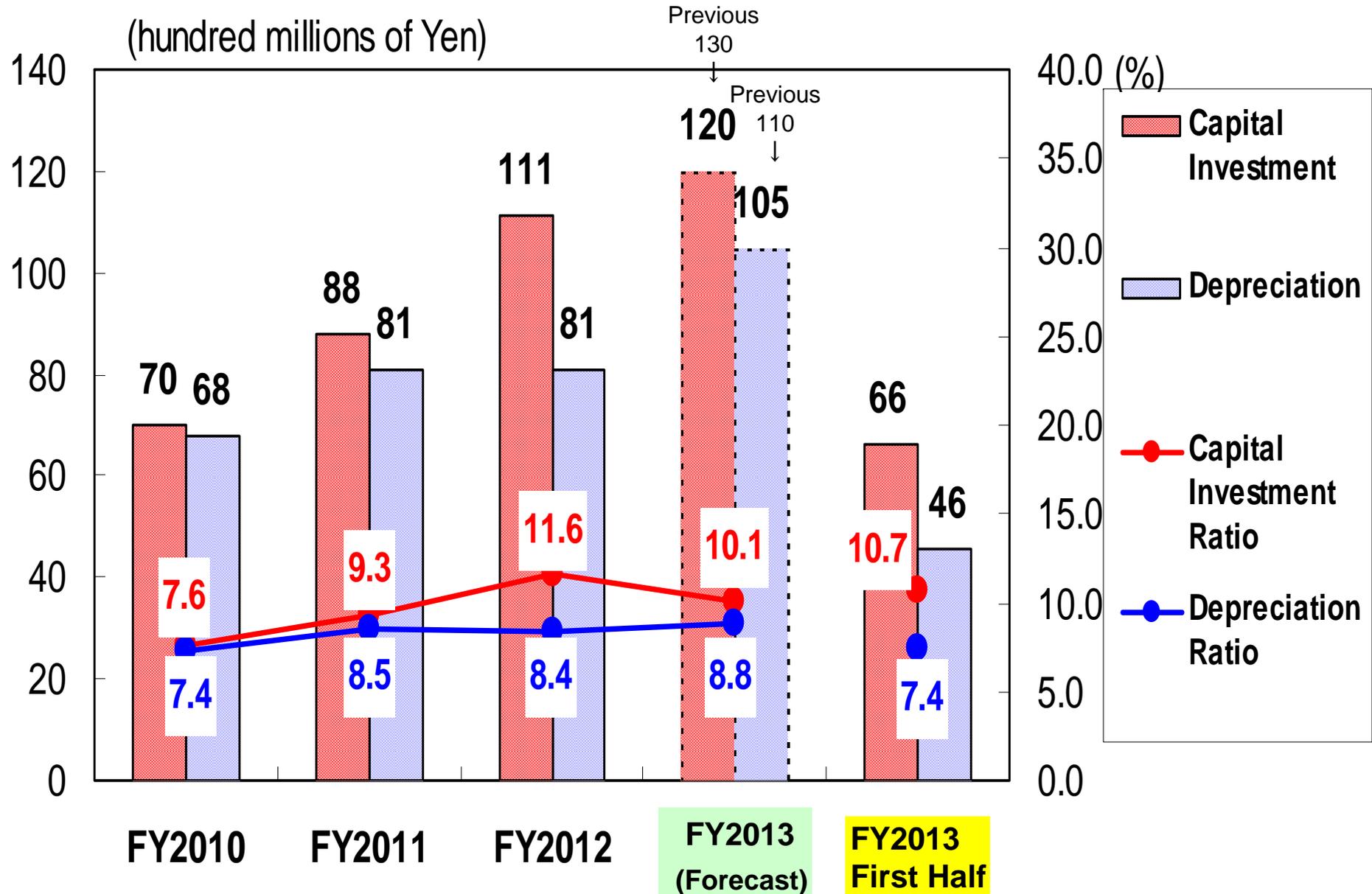
Account	(A) Mar 31, 2013	(B) Sep 30, 2013	(B) - (A)	Remark
Cash and Cash in Bank	1,157.0	1,217.0	60.0	Increase in Hirose Japan and overseas subsidiaries, etc.
Trade Receivables	241.9	288.8	46.9	Increase due to sales increase
Inventories	79.1	87.7	8.6	
Fixed Assets	322.1	342.8	20.7	Increase in machinery, equipment, and metal molds, etc.
Investment Securities	602.2	620.5	18.3	Stocks Market Valuation, etc.
Others	376.5	377.4	0.9	
Total Assets	2,778.8	2,934.2	155.4	

Changes in Consolidated Balance Sheet

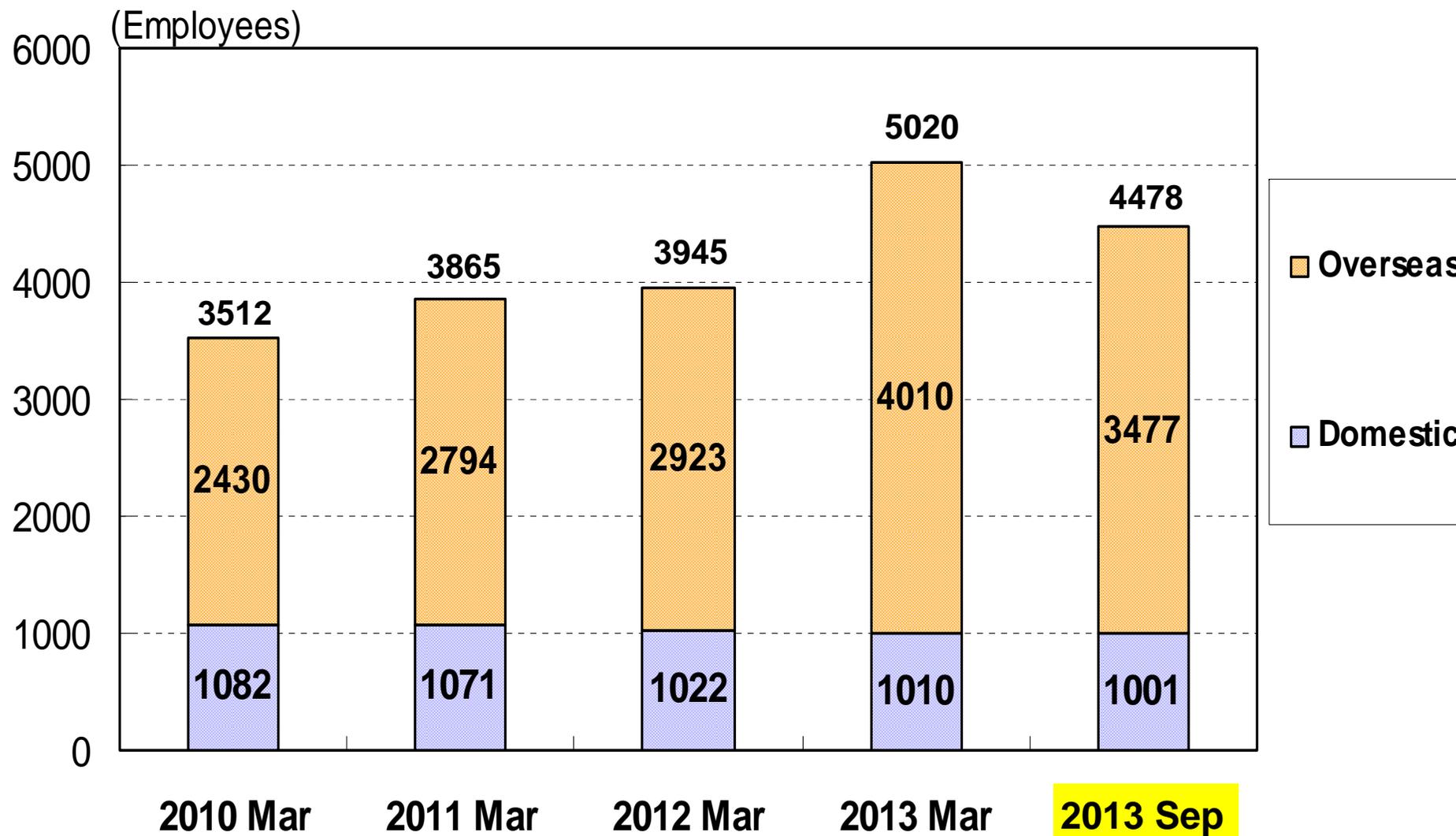
(hundred millions of Yen)

Account	(A) Mar 31, 2013	(B) Sep 30, 2013	(B) - (A)	Remark
Notes Payable and Account Payable	108.0	124.5	16.5	Increase due to production increase
Income Taxes Payable	38.9	60.6	21.7	
Others	111.2	120.6	9.4	Increase in deferred tax liabilities, etc.
Total Liabilities	258.1	305.7	47.6	
Retained Earnings	2,788.0	2,879.9	91.9	Net Profit 116.1 - Dividend 24.2
Treasury Stocks	-552.6	-569.3	-16.7	Share buyback on May 2013 (130,000 shares), etc.
Valuation Variance	33.8	43.1	9.3	Higher stock price (Nikkei closing price: 12,398yen => 14,456yen)
Translation Adjustment	7.7	29.8	22.1	Due to weak yen
Others	243.8	245.0	1.2	
Total Shareholders' Equity	2,520.7	2,628.5	107.8	
Total Liabilities and Shareholders' Equity	2,778.8	2,934.2	155.4	

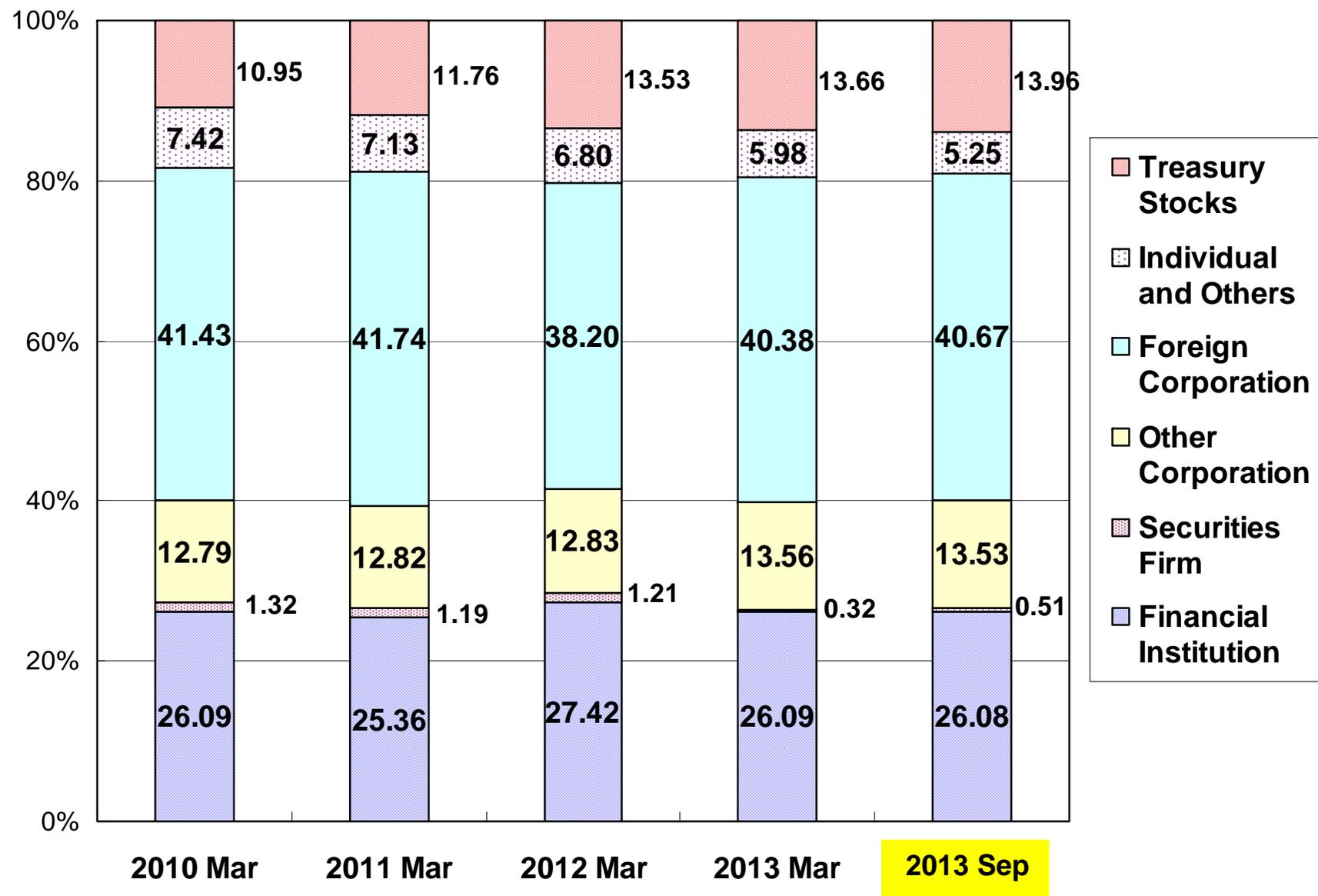
Capital Investment and Depreciation Change (Consolidated Basis)



Number of Employees (Financial Report Basis)



Distribution Shareholders



Business Forecast for the Year Ending March 31, 2014 (Consolidated)

The performance of First half had been strong, and we have upwardly revised the Full year and dividend forecast.

(hundred millions of Yen)

	FY2012 (FY ended Mar 31, 2013) Actual		FY2013 (FY ending Mar 31, 2014) 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)	467.7 (56.5%)	959.4 (57.8%)	580.0 616.7 (54.0%)	1,080.0 1,190.0 (56.4%)	149.0	31.8%	230.6	24.0%
Operating Profit (%)	109.6 23.4%	209.8 21.9%	145.0 174.5 28.3%	250.0 300.0 25.2%	64.9	59.2%	90.2	43.0%
Recurring Profit (%)	114.4 24.5%	223.9 23.3%	155.0 182.7 29.6%	265.0 310.0 26.1%	68.3	59.7%	86.1	38.5%
Net Profit (%)	68.0 14.5%	135.0 14.1%	95.0 116.1 18.8%	170.0 195.0 16.4%	48.1	70.6%	60.0	44.4%
Income Per Share	-	390.48Yen	-	566.29Yen				
Dividend Per Share	70Yen	140Yen	80Yen	160Yen				
Consolidated Dividend Payout Ratio	-	35.9%	-	31.8%				

Exchange Rate:US\$	95.00Yen
Exchange Rate:€	130.00Yen
Exchange Rate:100Won	8.75Yen

On and After FY2013 3Q