

# **Business Results for First Quarter, FY2014**

***Creative Links to World Electronic***

**Aug 1<sup>st</sup>, 2014**

**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 1Q FY2014

## [FY2013]

• 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.

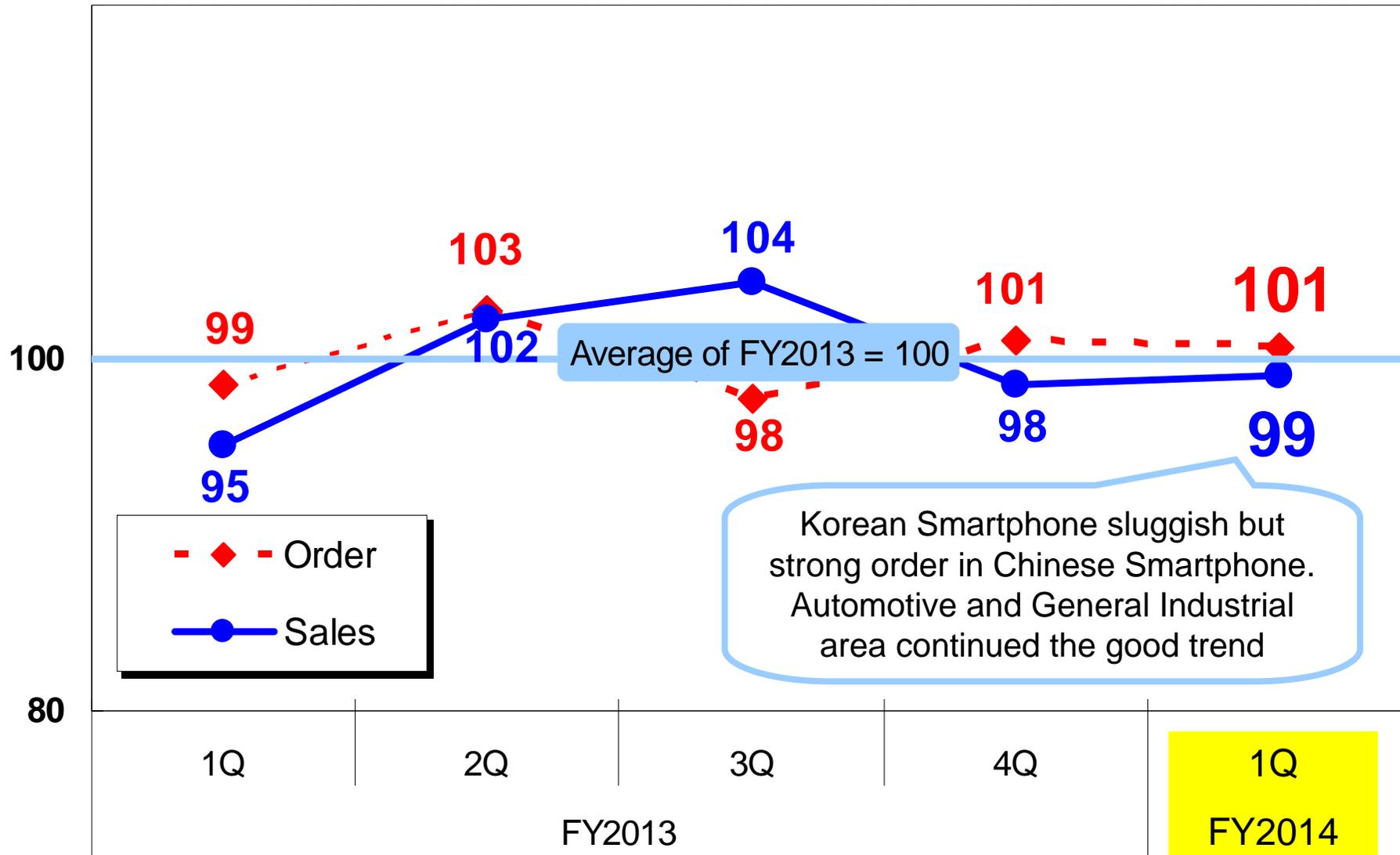
• 4Q : Sluggish Industrial market gradually shows a sign of recovery. In the Smartphone/Mobile market order, Korean market continues the good trend, and Chinese market has recovered in February. Automotive market grew steadily.

## [1Q FY2014]

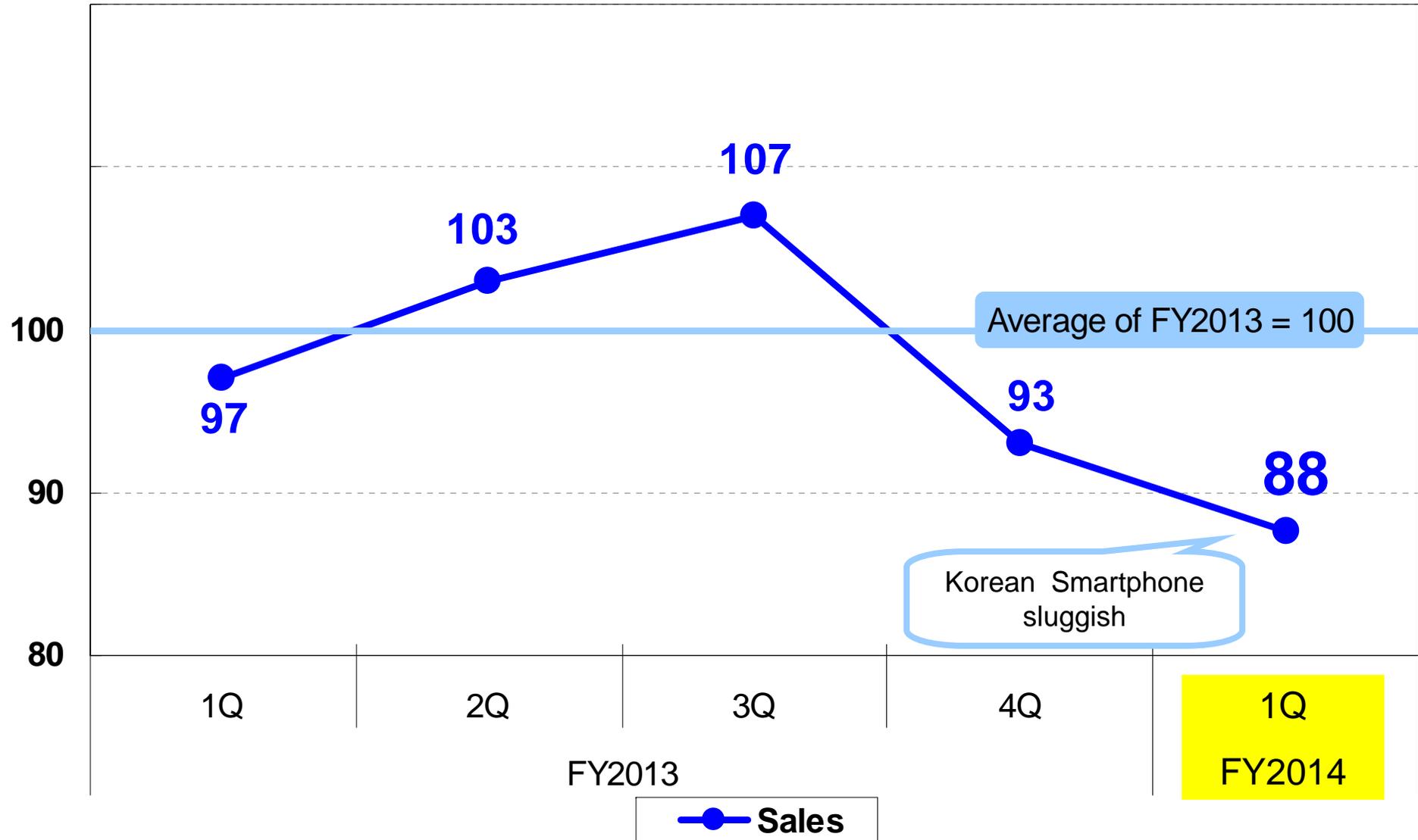
• **Korean Smartphone/Mobile phone market sluggish, and Chinese Smartphone/Mobile phone market in adjustment phase after bullish April order. Automotive and Industrial market continued the steady order.**

• **1Q FY2014 results settled on**  
**Order : 317.8 hundred million yen (+2.1% YoY, -0.4% over 4Q FY2013)**  
**Sales: 309.5 hundred million yen (+4.2% YoY, +0.7% over 4Q FY2013)**  
**Recurring Profit: 85.8 hundred million yen (Ratio 27.7%, -1.5%YoY, +17.4% over 4Q FY2013)**

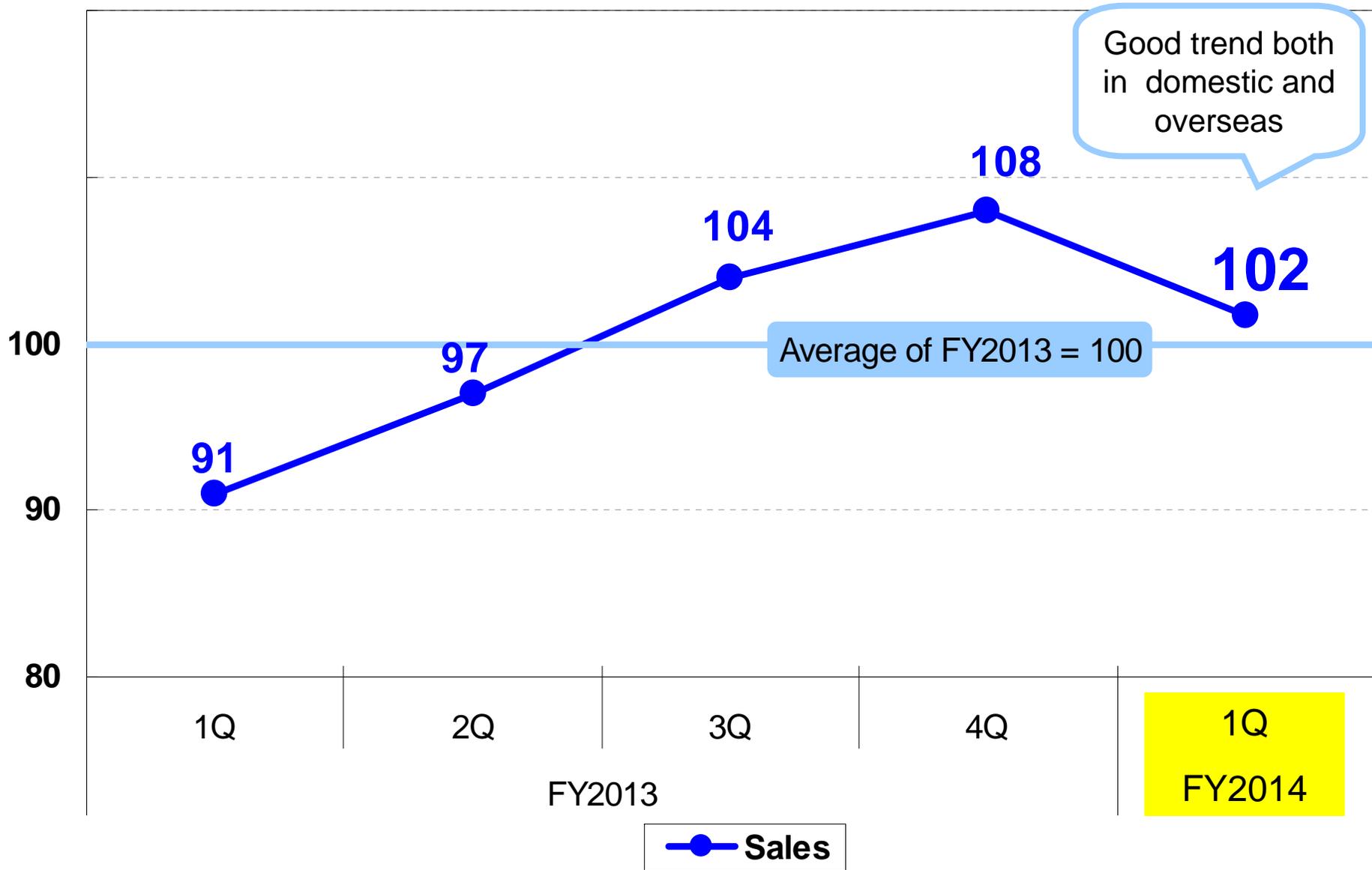
**Total**



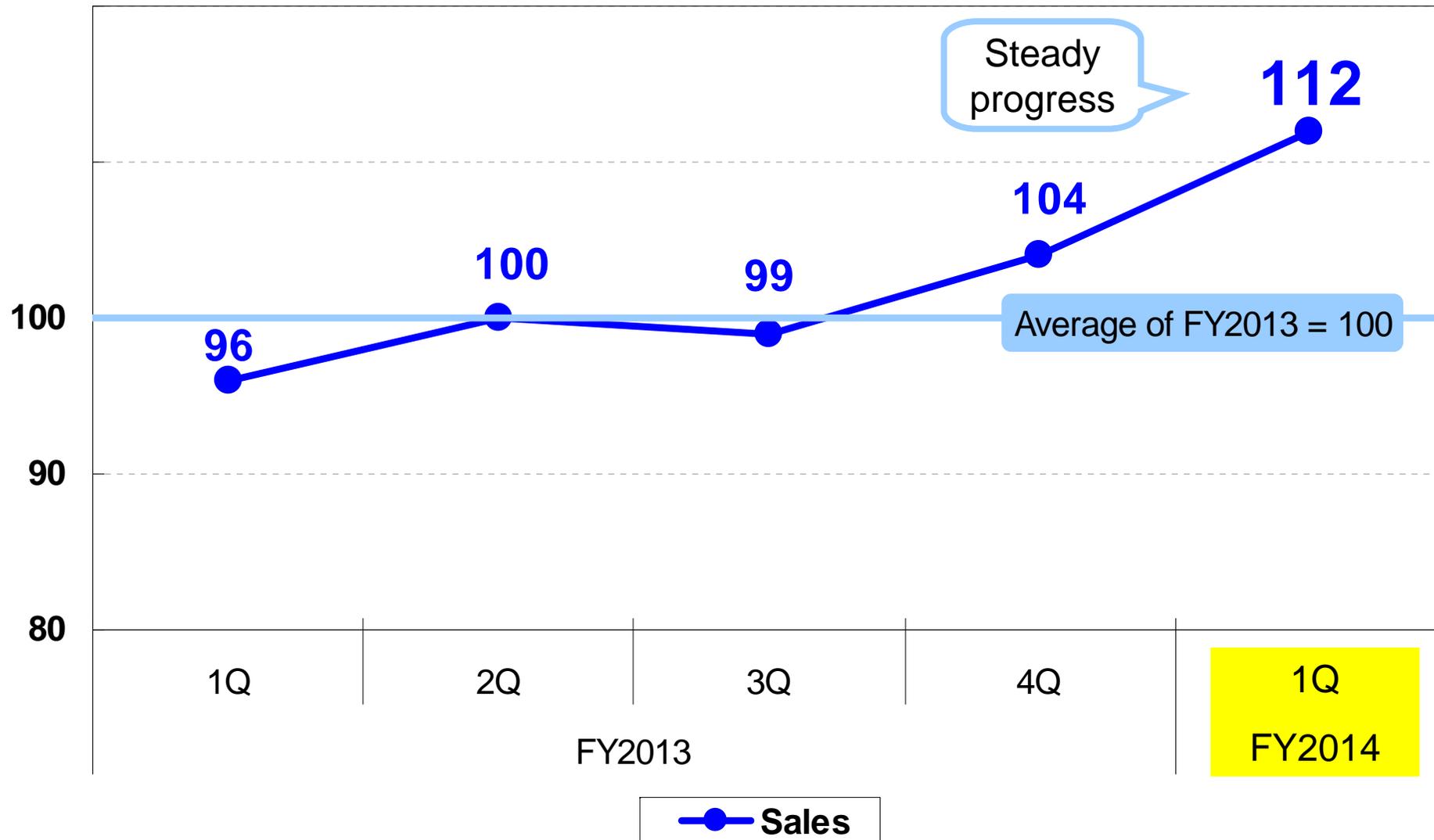
**Smartphone / Mobile**



**Automotive**



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



# Business Results for 1Q, FY2014

(hundred millions of Yen)

	(A) FY2013 1Q	(B) FY2014 1Q	(B)-(A)	(B)/(A)
<b>Sales</b>	<b>297.2</b>	<b>309.5</b>	<b>12.3</b>	<b>4.2%</b>
(COGS Ratio)	(54.8%)	(54.5%)	(-0.3%)	
(SGA Ratio)	(18.0%)	(18.6%)	(+0.6%)	
<b>Operating Profit</b>	<b>80.9</b>	<b>83.1</b>	<b>2.2</b>	<b>2.8%</b>
(%)	27.2%	26.9%	(-0.3%)	
<b>Recurring Profit</b>	<b>87.1</b>	<b>85.8</b>	<b>-1.3</b>	<b>-1.5%</b>
(%)	29.3%	27.7%	(-1.6%)	
<b>Net Profit</b>	<b>54.0</b>	<b>52.3</b>	<b>-1.7</b>	<b>-3.1%</b>
(%)	18.2%	16.9%	(-1.3%)	
<b>Total Assets</b>	<b>2,854.8</b>	<b>3,017.5</b>	<b>162.7</b>	<b>5.7%</b>
Shareholders' Equity Ratio	89.4%	89.6%		
Income Per Share	156.6Yen	153.4Yen		

## Major Changes over prior same period (hundred millions of Yen)

[Sales] 12.3 increase  
 Hirose Japan +22.0  
 Subsidiaries -9.7

[COGS Ratio] 0.3 point decrease

Purchase Cost Ratio 40.7% => 40.4%

[SGA Ratio] 0.6 point increase

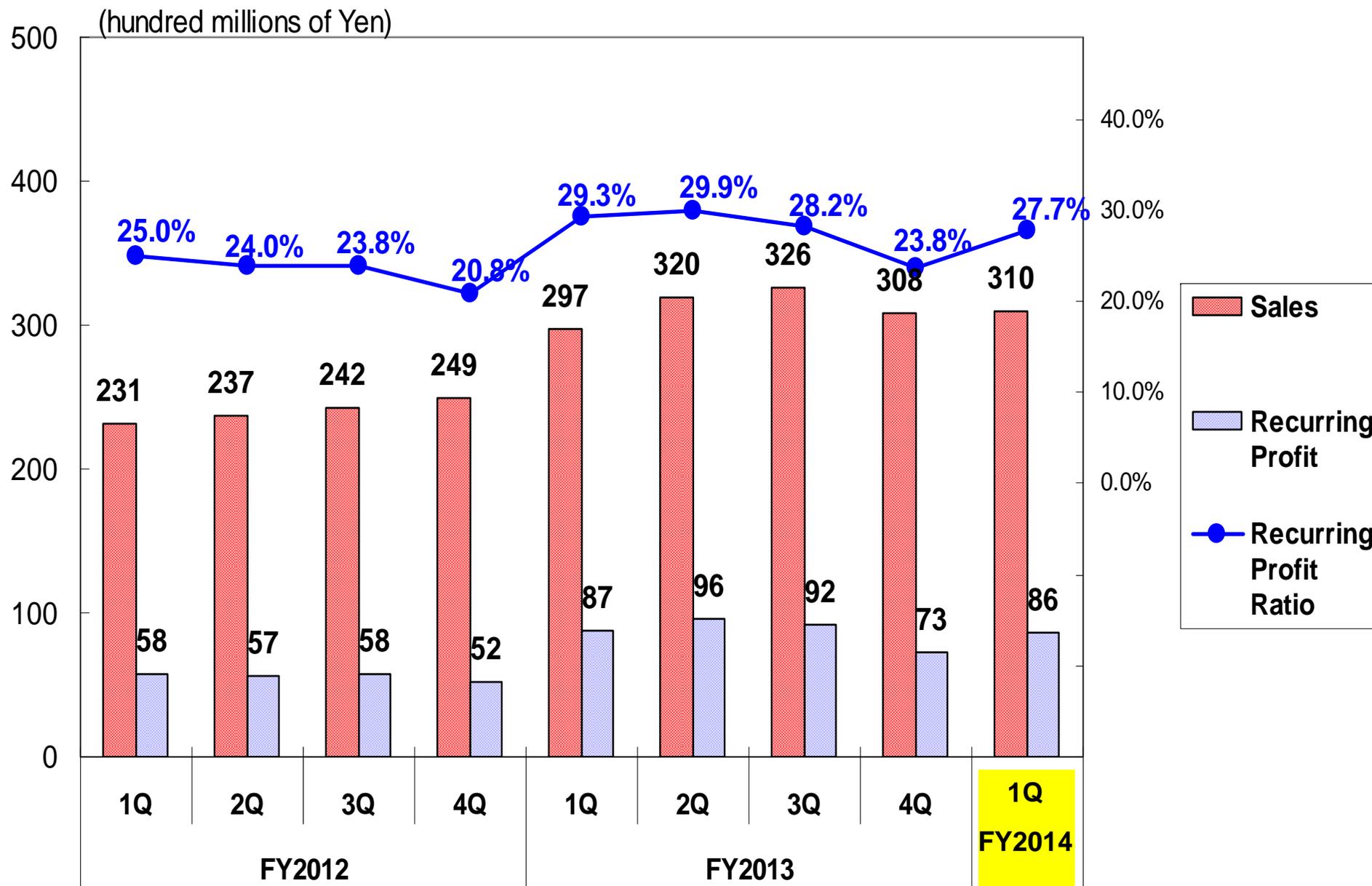
Increase in personnel expenses, etc.

[Non-Operating Expenses and Loss]

Foreign Exchange Gain/Loss +1.8 => -1.9

Exchange Rate:US\$	98.76Yen	102.16Yen
Exchange Rate:€	128.95Yen	140.07Yen
Exchange Rate:100Won	8.81Yen	9.95Yen

# Sales and Profit by Quarter



# Changes in Consolidated Balance Sheet

(hundred millions of Yen)

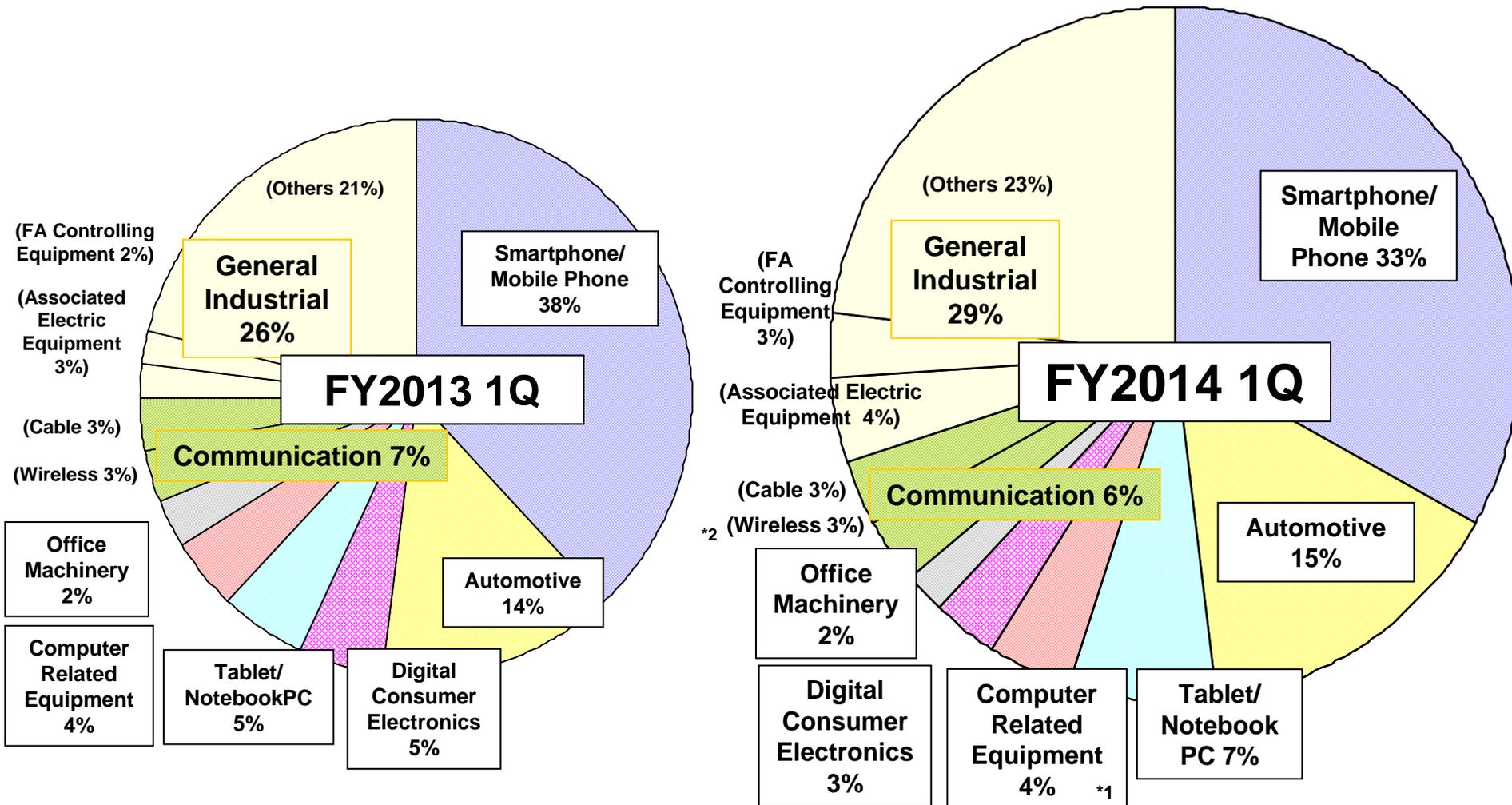
Account	(A) Mar 31, 2014	(B) Jun 30, 2014	(B) - (A)	Remark
Cash and Cash in Bank	1,262.4	1,271.4	9.0	Increase in Hirose Japan, etc.
Trade Receivables	294.7	296.6	1.9	Increase due to sales increase
Securities	303.2	287.5	-15.7	Redemption
Inventories	84.0	86.2	2.2	
Noncurrent Assets	330.4	351.8	21.4	Increase in machinery, equipment, and metal molds,
Investment Securities	620.1	624.1	4.0	Stocks market evaluation, etc.
Others	112.7	99.9	-12.8	
<b>Total Assets</b>	<b>3,007.5</b>	<b>3,017.5</b>	10.0	

# Changes in Consolidated Balance Sheet

(hundred millions of Yen)

Account	(A) Mar 31, 2014	(B) Jun 30, 2014	(B) - (A)	Remark
Notes Payable and Account Payable	113.8	120.3	6.5	Increase due to production increase
Income Taxes Payable	78.4	43.6	-34.8	Tax payment
Others	123.7	140.4	16.7	Increase in account payables
<b>Total Liabilities</b>	<b>315.9</b>	<b>304.3</b>	<b>-11.6</b>	
Retained Earnings	2,957.2	2,972.5	15.3	Net profit 52.3 - Dividend 37.5
Treasury Stocks	-617.7	-617.5	0.2	
Valuation Variance	47.5	49.5	2.0	Higher stock price (Net closing price: 14,828 yen => 15,162 yen)
Translation Adjustment	57.2	61.2	4.0	Due to weak yen
Others	247.4	247.5	0.1	
<b>Total Shareholders' Equity</b>	<b>2,691.6</b>	<b>2,713.2</b>	<b>21.6</b>	
<b>Total Liabilities &amp; Shareholders' Equity</b>	<b>3,007.5</b>	<b>3,017.5</b>	<b>10.0</b>	

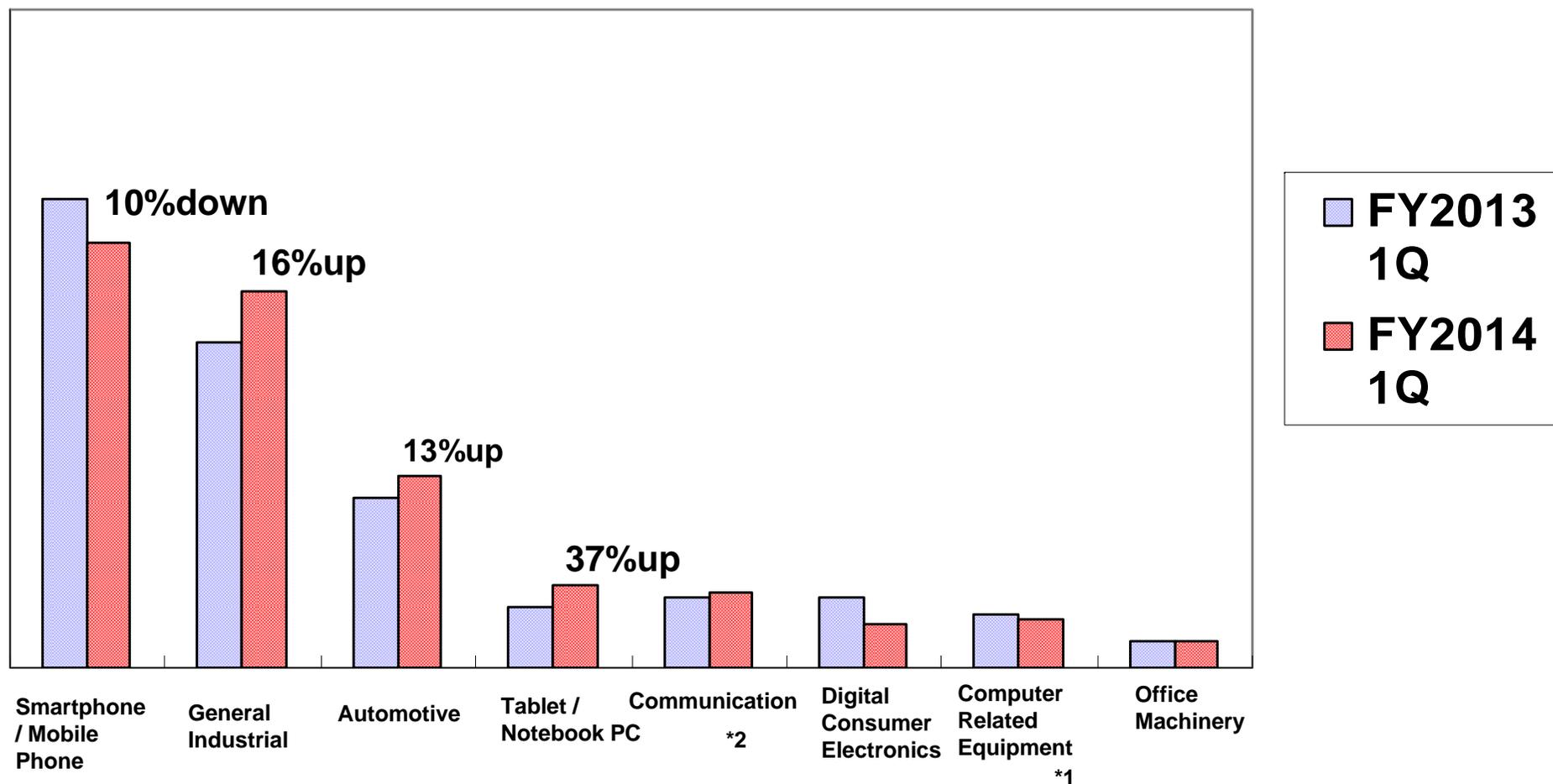
# Sales by Market (Round Number) [Consolidated Basis]



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]

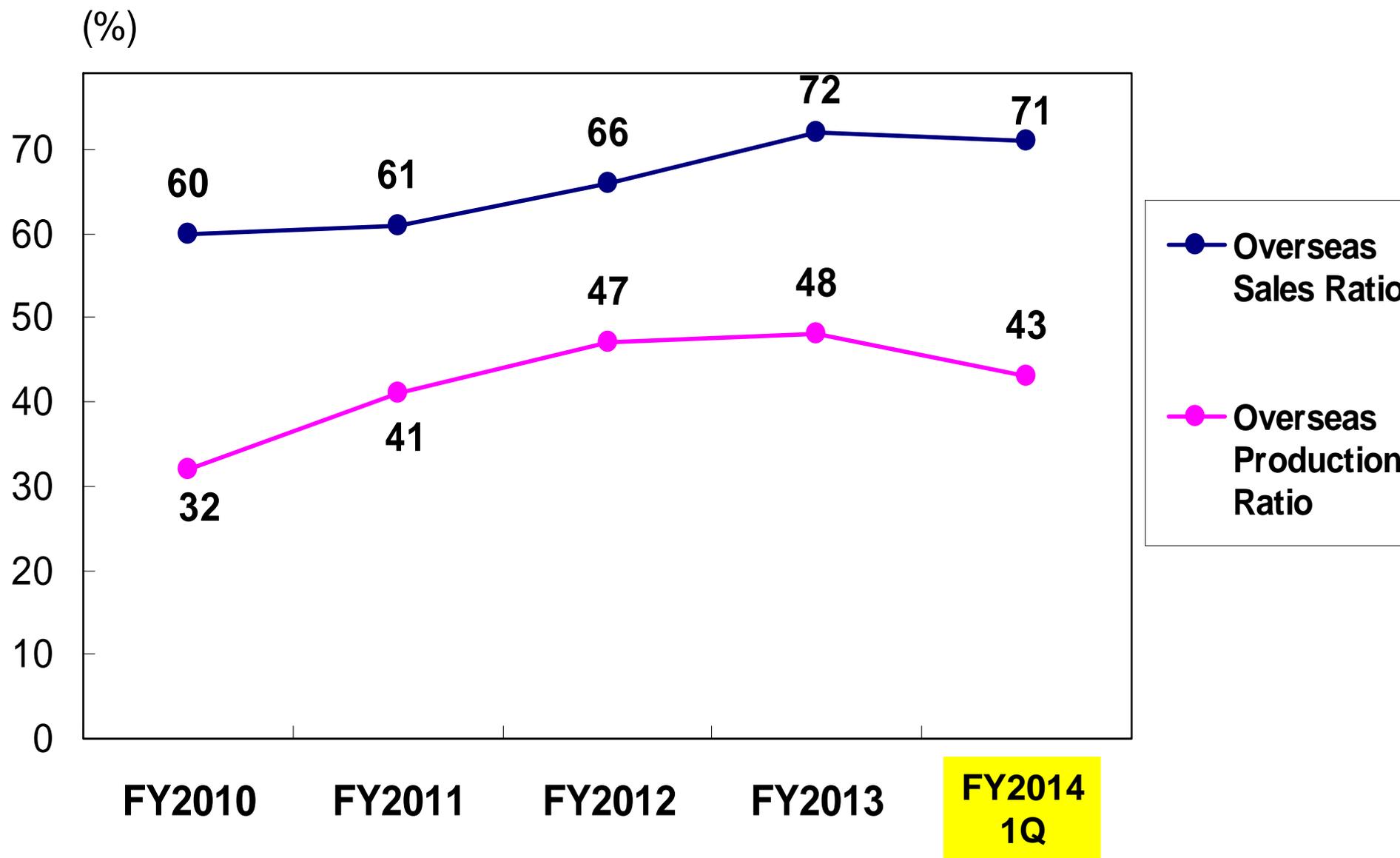


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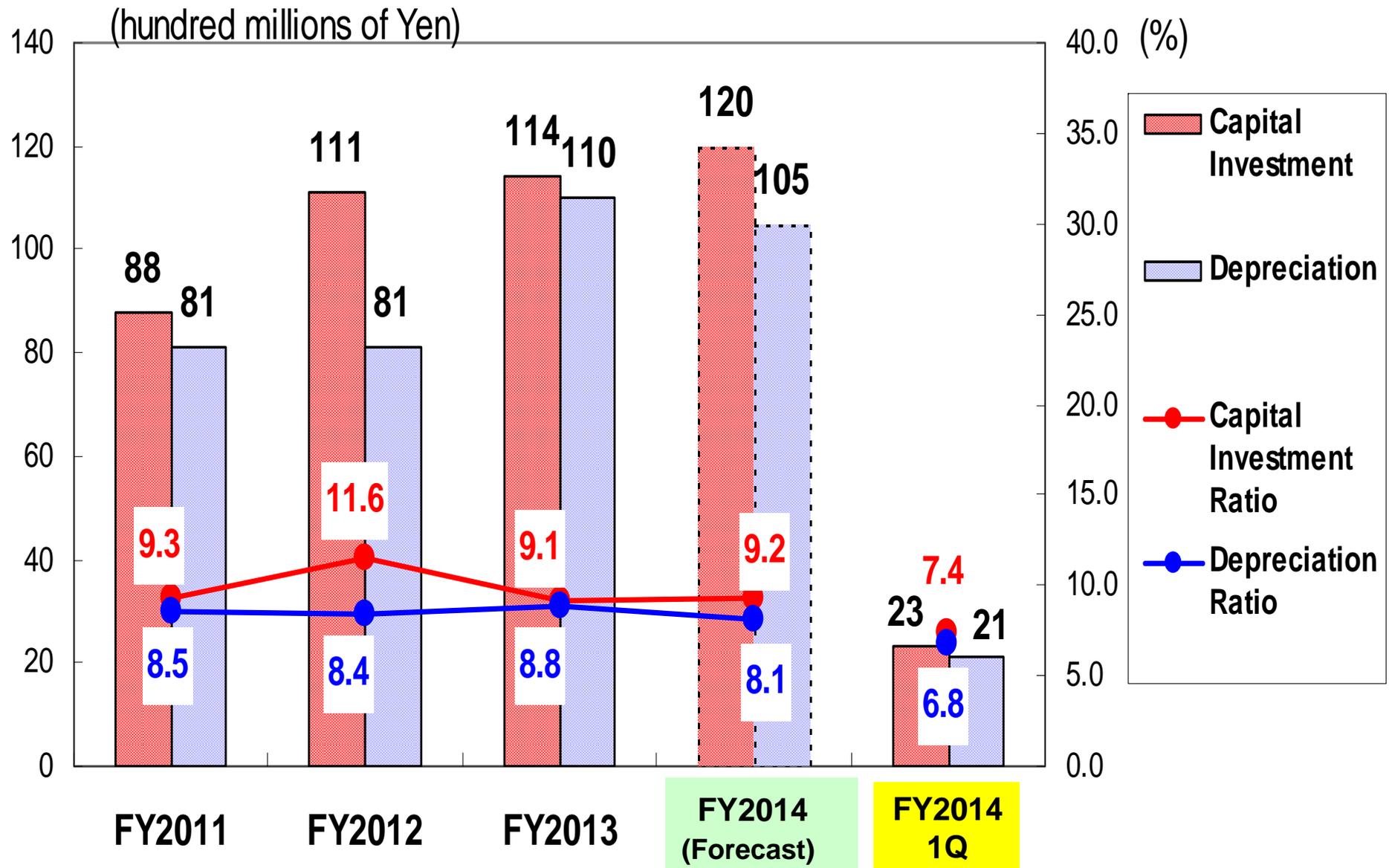
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# Overseas Production and Sales Ratio



# Capital Investment and Depreciation Change (Consolidated Basis)



(\*Excluded: Investment in Yokohama Center building)

# Business Forecast for the Year Ending March 31, 2015 (Consolidated)

No change from the amount announced on FY2014 May

(hundred millions of Yen)

	FY2013(FY ended Mar 31,2014) Actual		FY2014 (FY ending Mar 31,2015) 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	%												
<b>Sales</b> (COGS)	<b>616.7</b> (54.0%)	1,249.9 (55.2%)	<b>650.0</b> (54.0%)	<b>1,300.0</b> (54.2%)	<b>33.3</b>	<b>5.4%</b>	<b>50.1</b>	<b>4.0%</b>												
<b>Operating Profit</b> (%)	<b>174.5</b> 28.3%	330.0 26.4%	<b>180.0</b> 27.7%	<b>360.0</b> 27.7%	<b>5.5</b>	<b>3.1%</b>	<b>30.0</b>	<b>9.1%</b>												
<b>Recurring Profit</b> (%)	<b>182.7</b> 29.6%	347.5 27.8%	<b>185.0</b> 28.5%	<b>370.0</b> 28.5%	<b>2.3</b>	<b>1.3%</b>	<b>22.5</b>	<b>6.5%</b>												
<b>Net Profit</b> (%)	<b>116.1</b> 18.8%	224.4 18.0%	<b>117.0</b> 18.0%	<b>240.0</b> 18.5%	<b>0.9</b>	<b>0.8%</b>	<b>15.6</b>	<b>7.0%</b>												
Income Per Share	-	<b>652.68Yen</b>	-	<b>703.58Yen</b>	<table border="1"> <thead> <tr> <th>[Assumed Exchange Rate]</th> <th>FY2013 Actual</th> <th>On and After FY2014 Jul</th> </tr> </thead> <tbody> <tr> <td>Exchange Rate: US\$</td> <td>100.24Yen</td> <td>101.0Yen</td> </tr> <tr> <td>Exchange Rate: €</td> <td>134.37Yen</td> <td>136.90Yen</td> </tr> <tr> <td>Exchange Rate:100Won</td> <td>9.21Yen</td> <td>9.80Yen</td> </tr> </tbody> </table>				[Assumed Exchange Rate]	FY2013 Actual	On and After FY2014 Jul	Exchange Rate: US\$	100.24Yen	101.0Yen	Exchange Rate: €	134.37Yen	136.90Yen	Exchange Rate:100Won	9.21Yen	9.80Yen
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Dividend Per Share	<b>90Yen</b>	<b>200Yen</b>	<b>115Yen</b>	<b>230Yen</b>																
Consolidated Dividend Payout Ratio	-	<b>30.6%</b>	-	<b>32.7%</b>																