

# Business Results of Third Quarter, FY2012

*Creative Links to World Electronic*

Feb 1<sup>st</sup>, 2013

Hirose Electric  
Co., Ltd

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## 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.

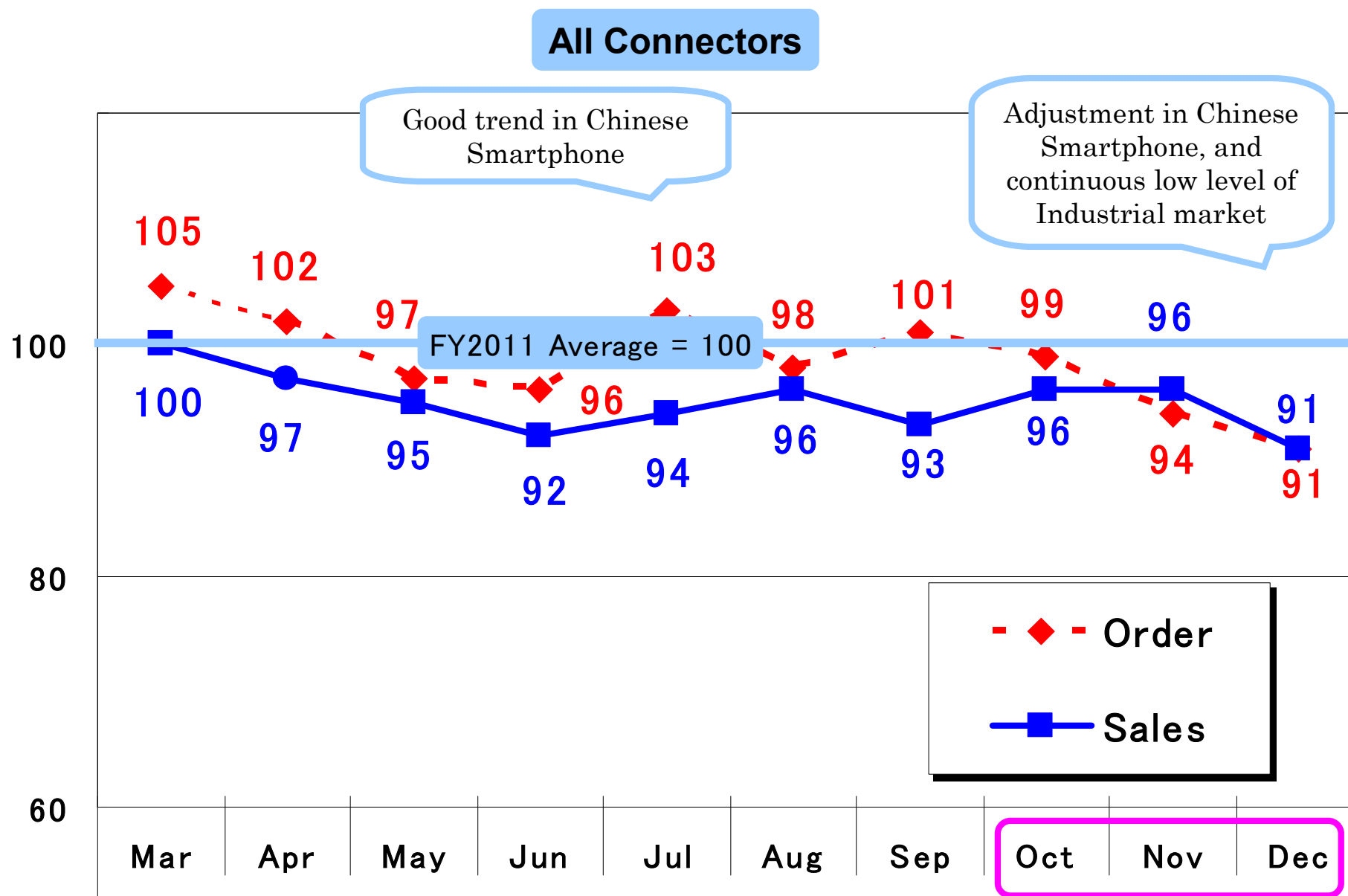
## [3Q FY2012]

◎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.

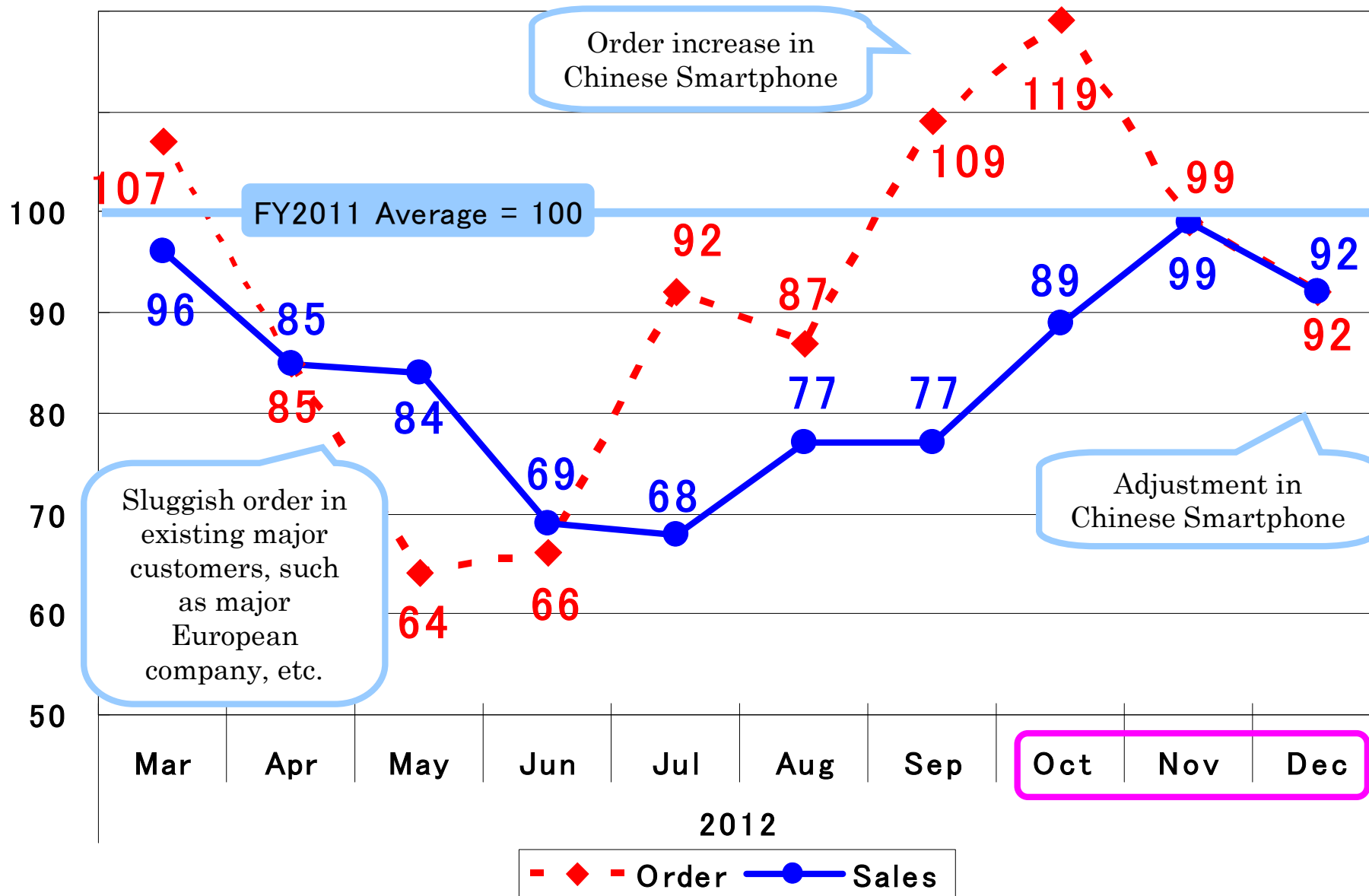
◎3Q FY2012 settled on 7.4% YoY in order level (-2.7% over 2Q FY2012), 5.0% YoY in sales level (2.4% over 2Q FY2012)

## [1Q - 3Q FY2012]

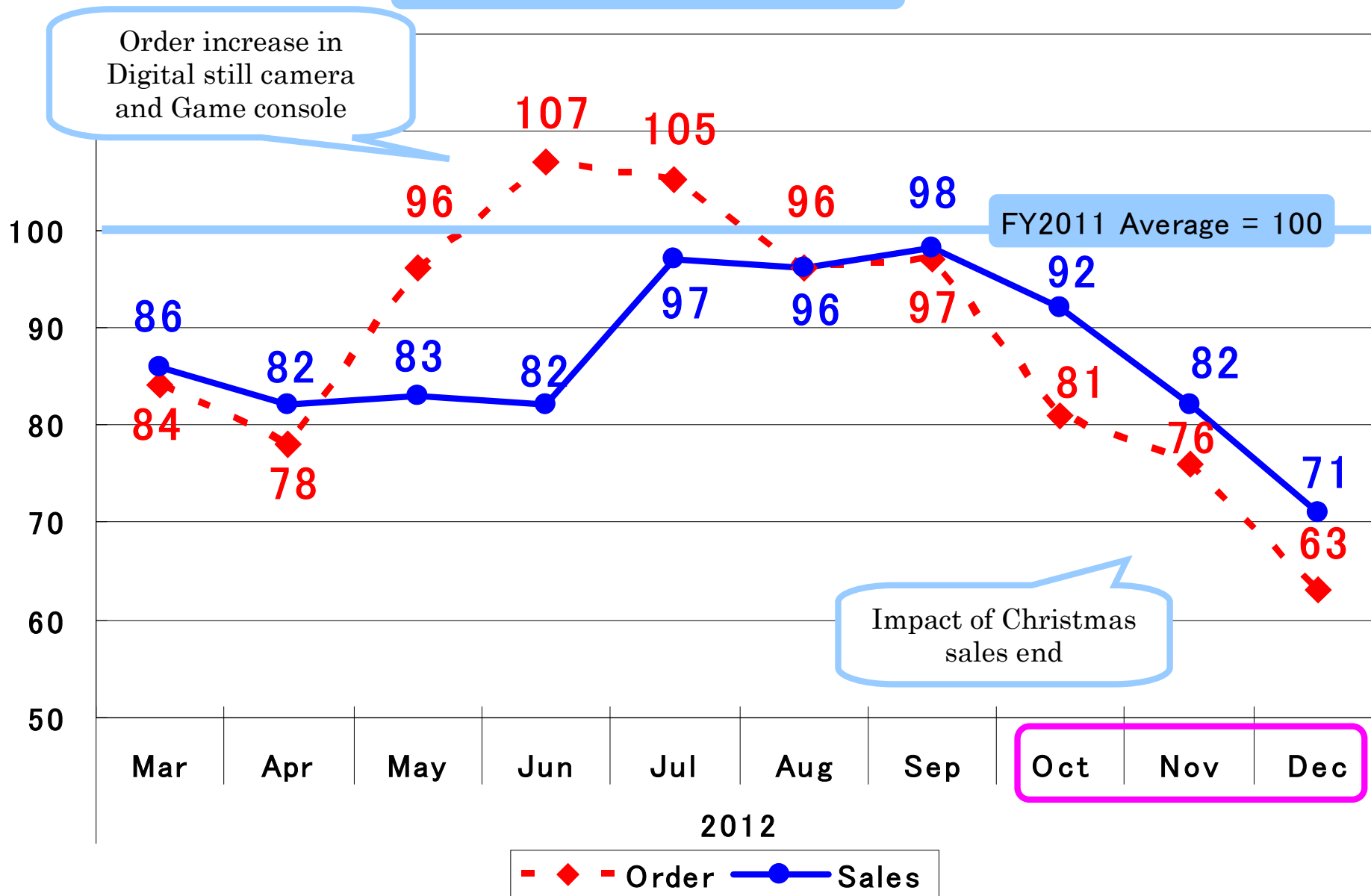
◎1Q - 3Q (total) FY2012 settled on 713.2 hundred million yen in order level (1.7% YoY), 710.1 hundred million yen in sales level (-1.7% YoY), 172.0 hundred million yen in recurring profit (Ratio 24.2%, 0.8% YoY).



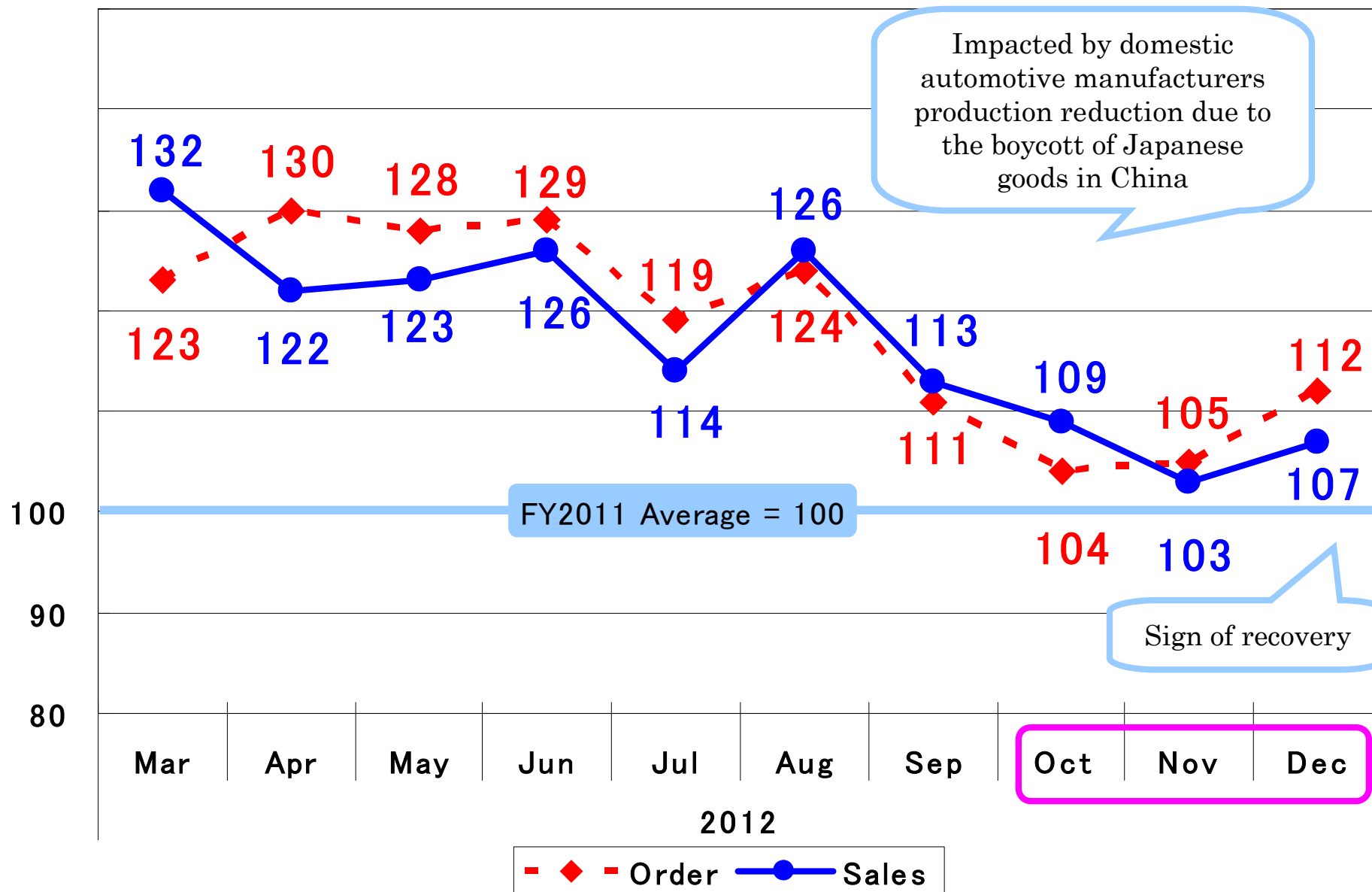
### Mobile / Smartphone



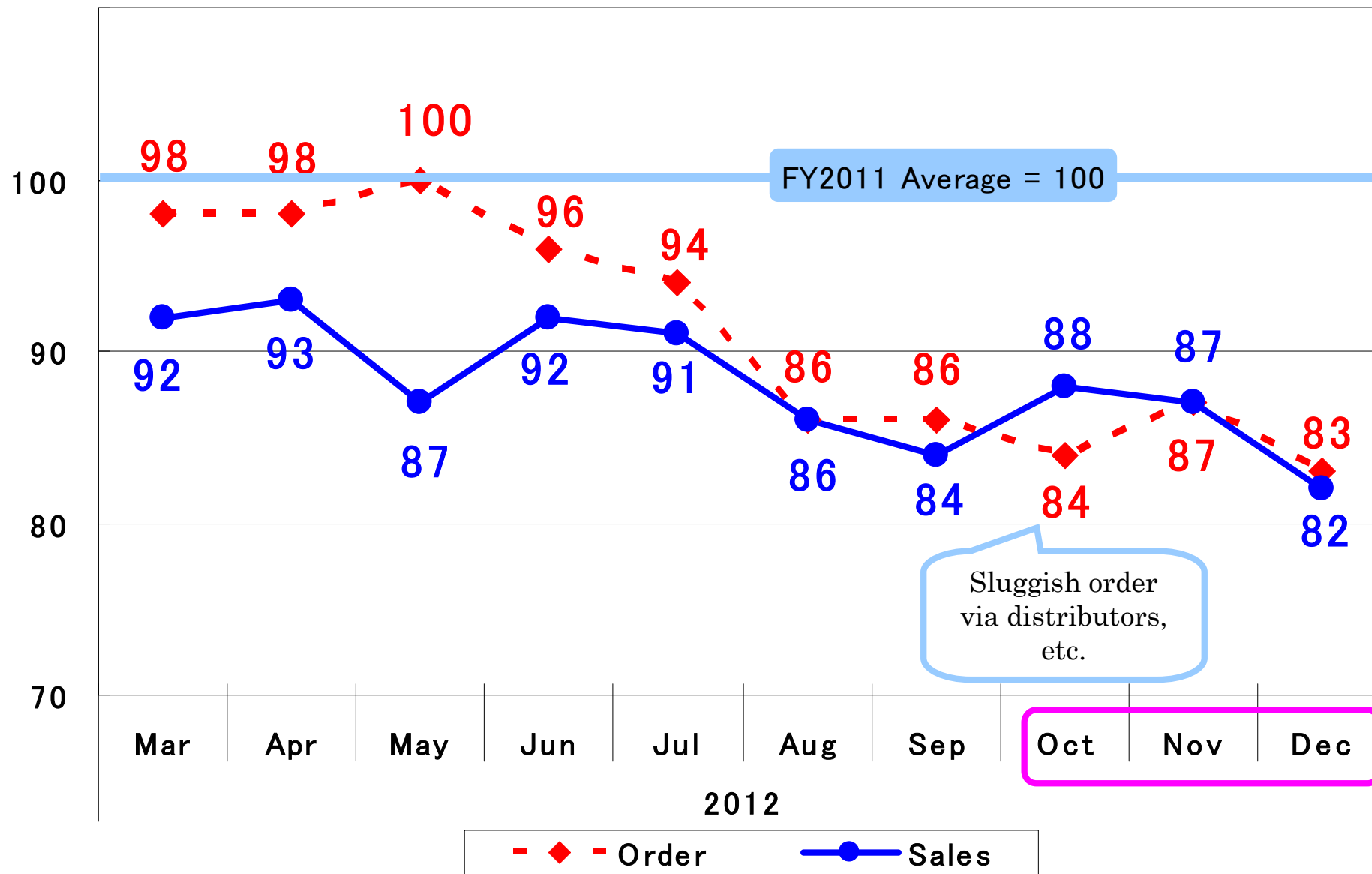
### Digital Consumer Electronic



**Automotive**

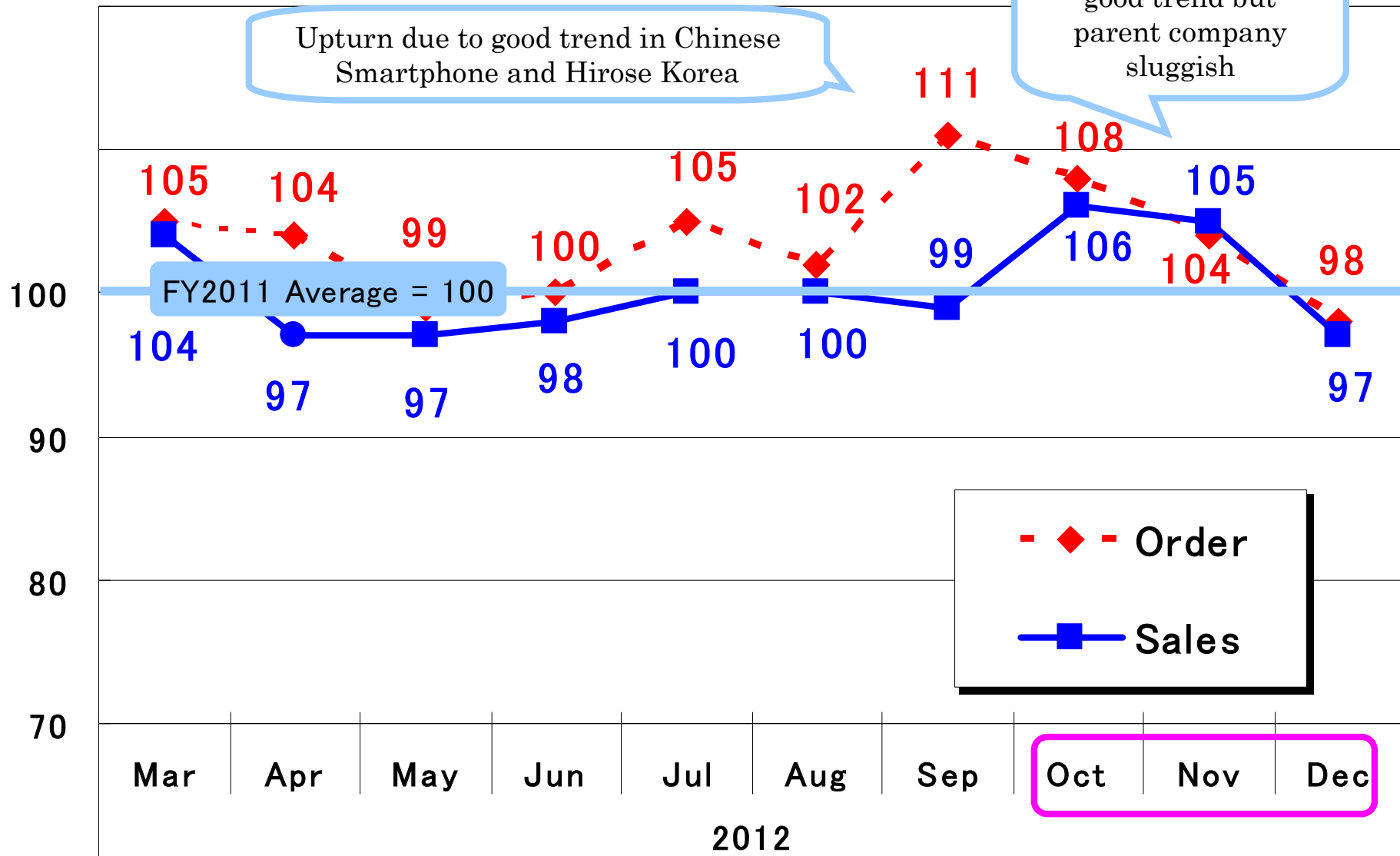


**Associated Electric Equipment,  
FA Controlling Device, and Others**





**Consolidated Sales / Order**



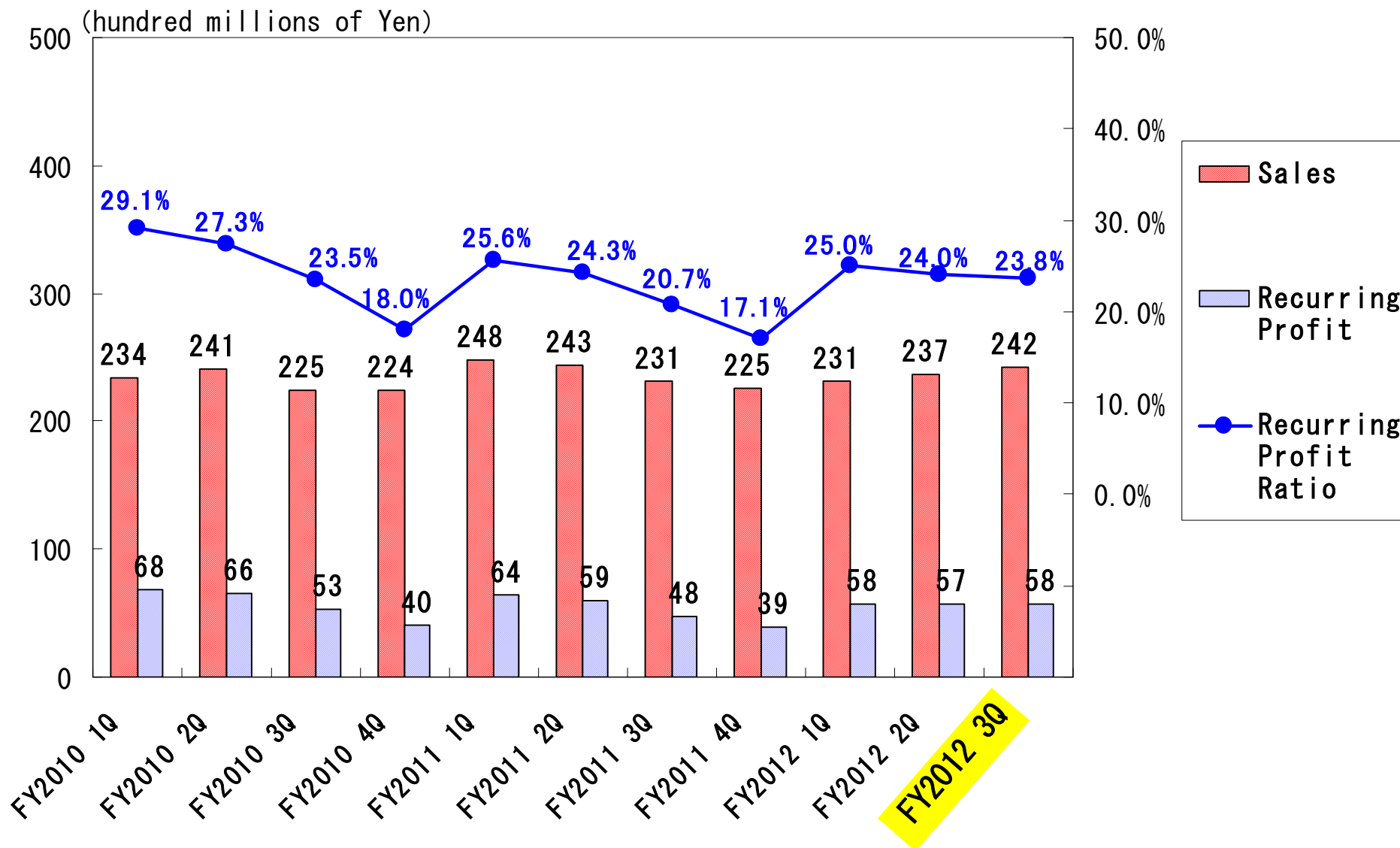
# Business Results for 3Q FY2012

(hundred millions of Yen)

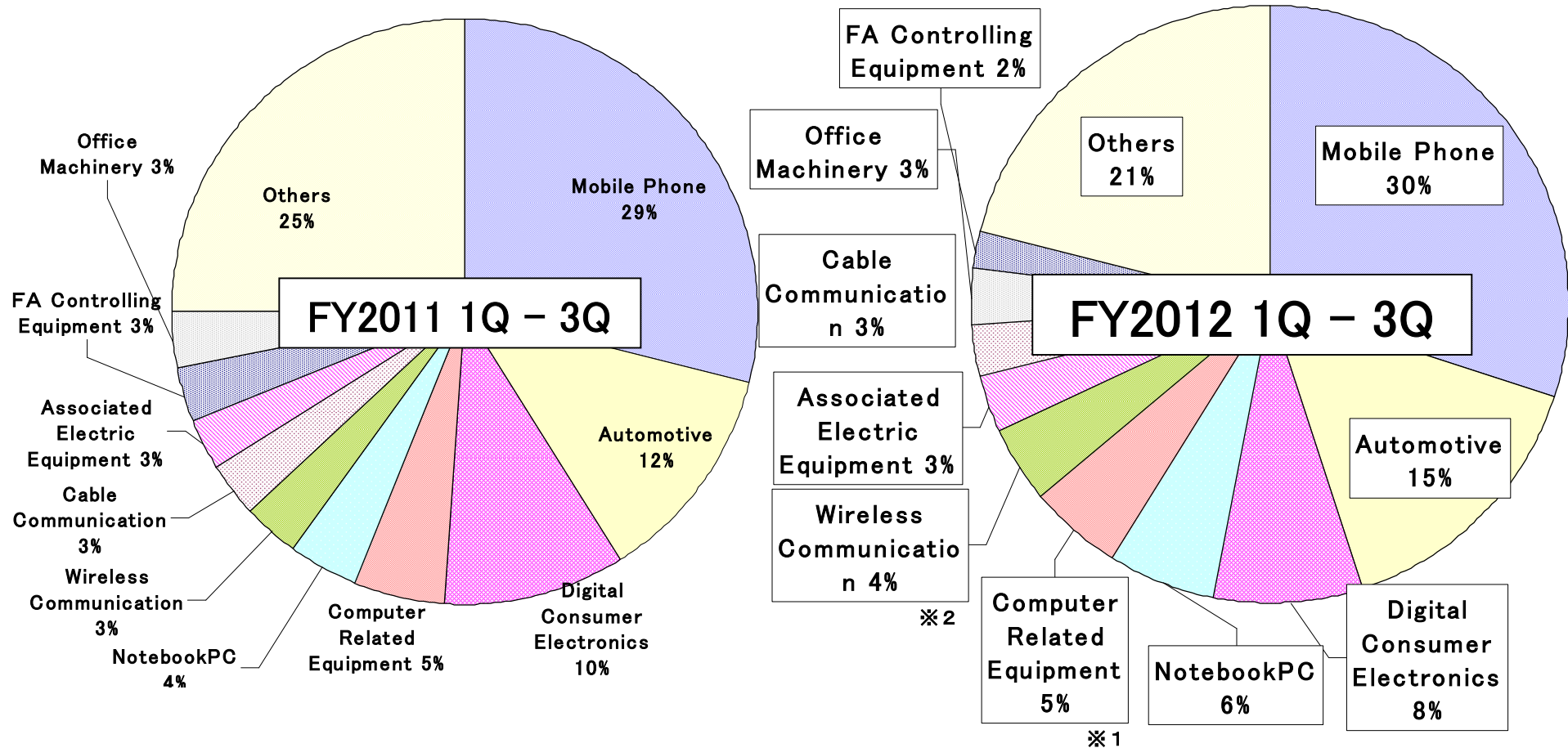
	(A)FY2011 1Q - 3Q	(B)FY2012 1Q - 3Q	(B)-(A)	(B)/(A)	Major changes over prior same period (unit: hundred millions of Yen)
<b>Sales</b>	<b>722.7</b>	<b>710.1</b>	<b>-12.6</b>	<b>-1.7%</b>	[Sales] -12.6 decrease Hirose Japan -49.1      Subsidiaries +36.5
(COGS Ratio)	(58.5%)	(56.9%)	(-1.6%)		[COGS Ratio]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

Last 3Q: Subsidy from Yokohama-shi 9.4

# Quarterly Sales and Profits



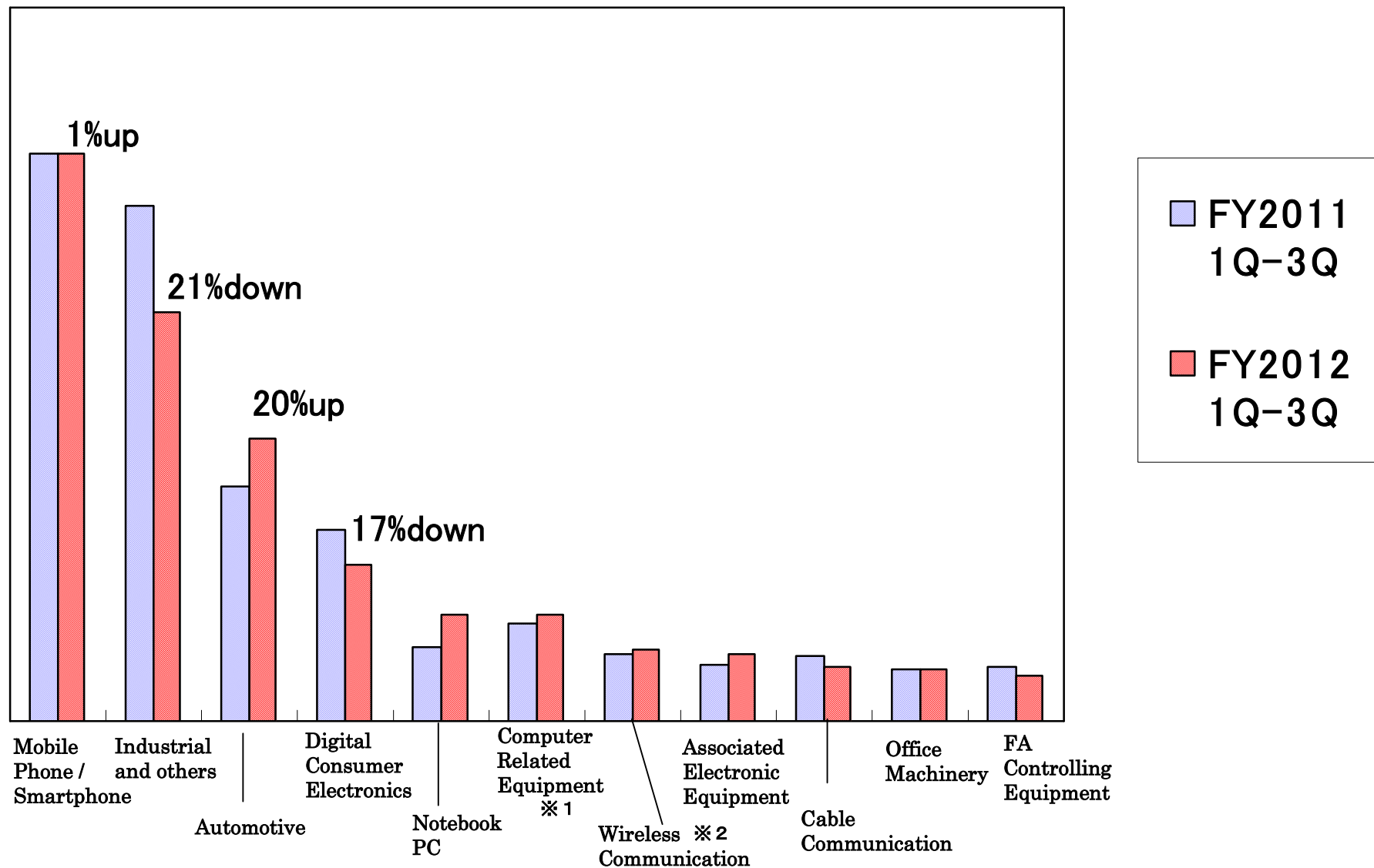
# Sales by Market (Round Number) [Consolidated Basis]



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]

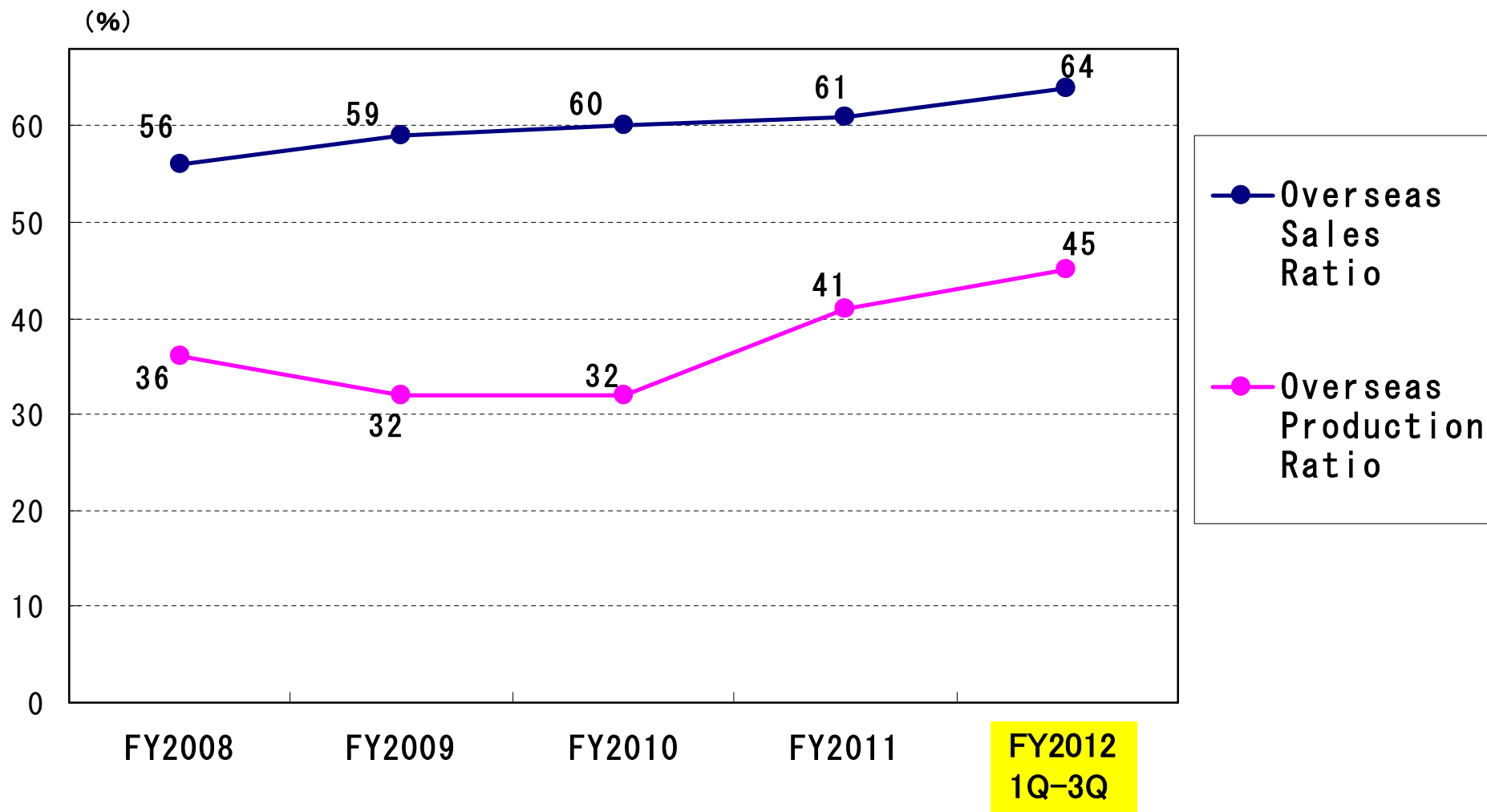


As this is in round number, please be noted that some ratio difference may occur. Thank you for your understanding.

※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	<b>1,077.0</b>	<b>1,113.7</b>	<b>36.7</b>	Increase in domestic subsidiaries
Trade Receivables	<b>233.4</b>	<b>242.7</b>	<b>9.3</b>	Increase in Hirose Korea, etc.
Inventories	<b>71.9</b>	<b>76.8</b>	<b>4.9</b>	
Investment Securities	<b>590.1</b>	<b>580.4</b>	<b>-9.7</b>	Shift to short-term bonds in partial corporate bonds
Others	<b>642.5</b>	<b>683.5</b>	<b>41.0</b>	Increase in fixed assets, etc.
<b>Total Assets</b>	<b>2,614.9</b>	<b>2,697.1</b>	<b>82.2</b>	

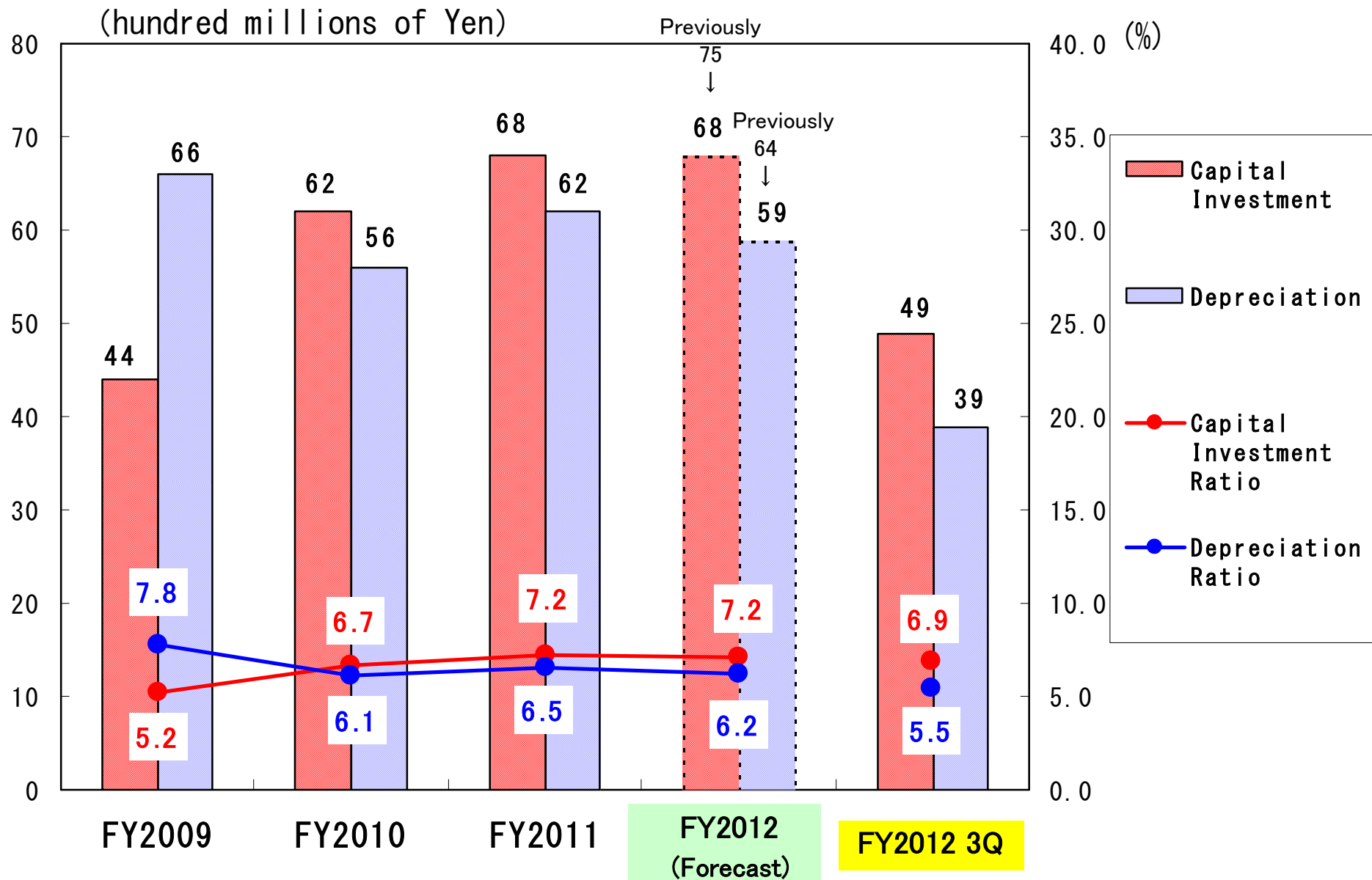
# Changes in Consolidated Balance Sheet

(hundred millions of Yen)

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



# Capital Investment and Depreciation Change (Domestic Consolidated Basis)



# 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)	<b>491.8</b> (57.4%)	<b>947.9</b> (59.3%)	<b>467.7</b> (56.5%)	<b>950.0</b> (58.4%)	<b>-24.1</b>	<b>-4.9%</b>	<b>2.1</b>
Operating Profit (%)	<b>116.1</b> <i>23.6%</i>	<b>195.5</b> <i>20.6%</i>	<b>109.6</b> <i>23.4%</i>	<b>200.0</b> <i>21.1%</i>	<b>-6.5</b>	<b>-5.6%</b>	<b>4.5</b>	<b>2.3%</b>
Recurring Profit (%)	<b>123.0</b> <i>25.0%</i>	<b>209.2</b> <i>22.1%</i>	<b>114.4</b> <i>24.5%</i>	<b>210.0</b> <i>22.1%</i>	<b>-8.6</b>	<b>-7.0%</b>	<b>0.8</b>	<b>0.4%</b>
Net Profit (%)	<b>73.9</b> <i>15.0%</i>	<b>128.2</b> <i>13.5%</i>	<b>68.0</b> <i>14.5%</i>	<b>130.0</b> <i>13.7%</i>	<b>-5.9</b>	<b>-8.0%</b>	<b>1.8</b>	<b>1.4%</b>
Income Per Share	—	366.11Yen	—	375.68Yen	<b>【Full Year Forecast】</b>  There are no change from the previously announced data on October 31st, 2012			
Dividend Per Share	<b>75Yen</b>	<b>130Yen</b>	<b>70Yen</b>	<b>140Yen</b>				
Dividend Payout Ratio	—	<b>35.5%</b>	—	<b>37.3%</b>				