

# Business Results for First Quarter, FY2010

*Creative Links to World Electronic*

Aug 6<sup>th</sup> 2010

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 1Q FY2010

## (Business Situation of FY2009)

On 1Q, orders for domestic digital consumer electronic and automotive have increased steadily

On 2Q, mobile sales have increased steadily. Digital consumer electronics and automotive are basically recovering, and automotive especially have topped the previous year level

On 3Q, adjustments in mobile and digital consumer electronics due to seasonal reason. At the same time, automotive relatively steady and signs of recovery in the industrial area as well

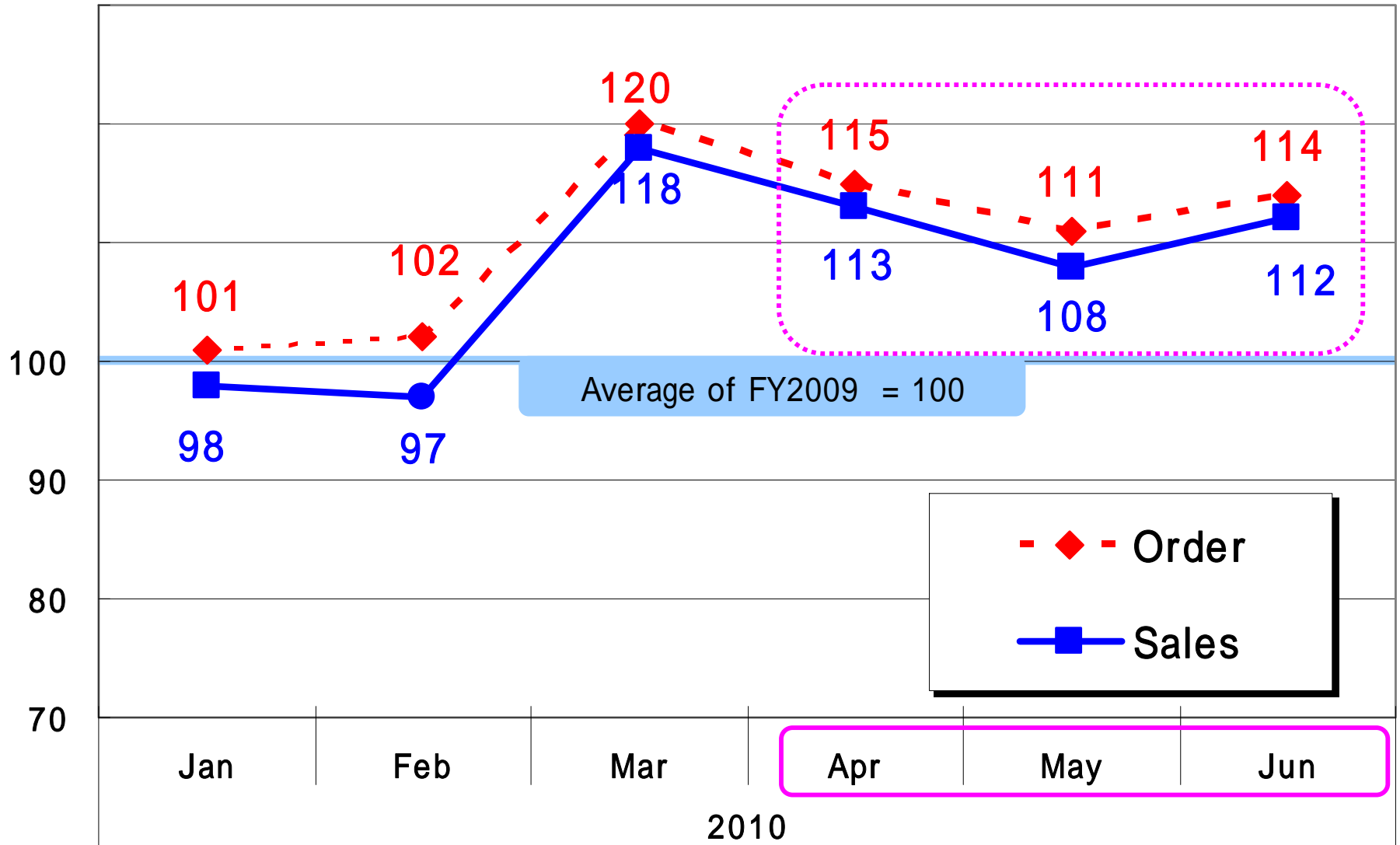
On 4Q, automotive and industrial continuously increasing steadily. Mobile also increasing, especially connectors for China. Recorded an annual peak in March, both in order and sales.

## (1Q FY2010)

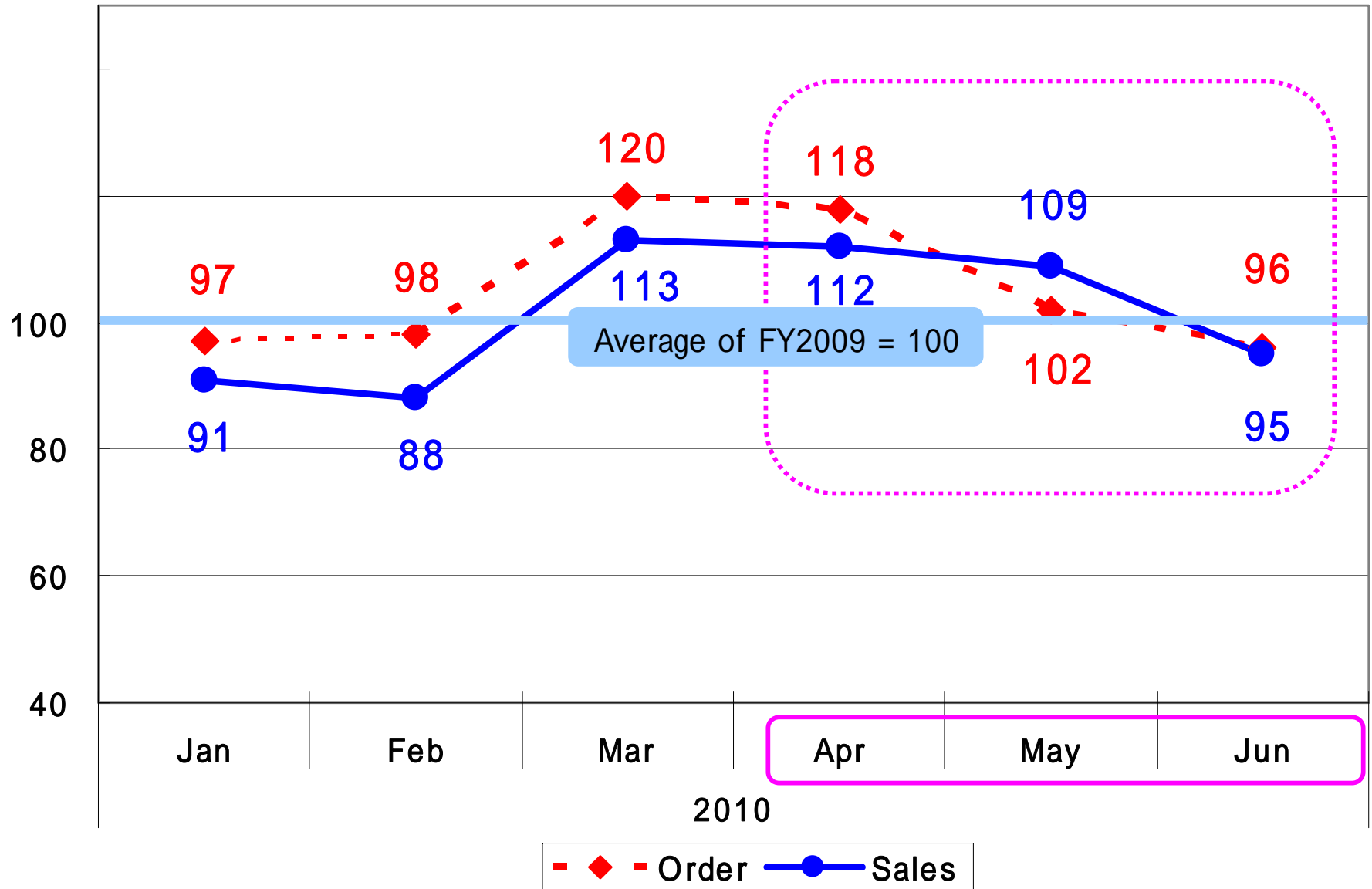
Although partial adjustment for overseas mobile, orders and sales for automotive and industrial area increased steadily

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)

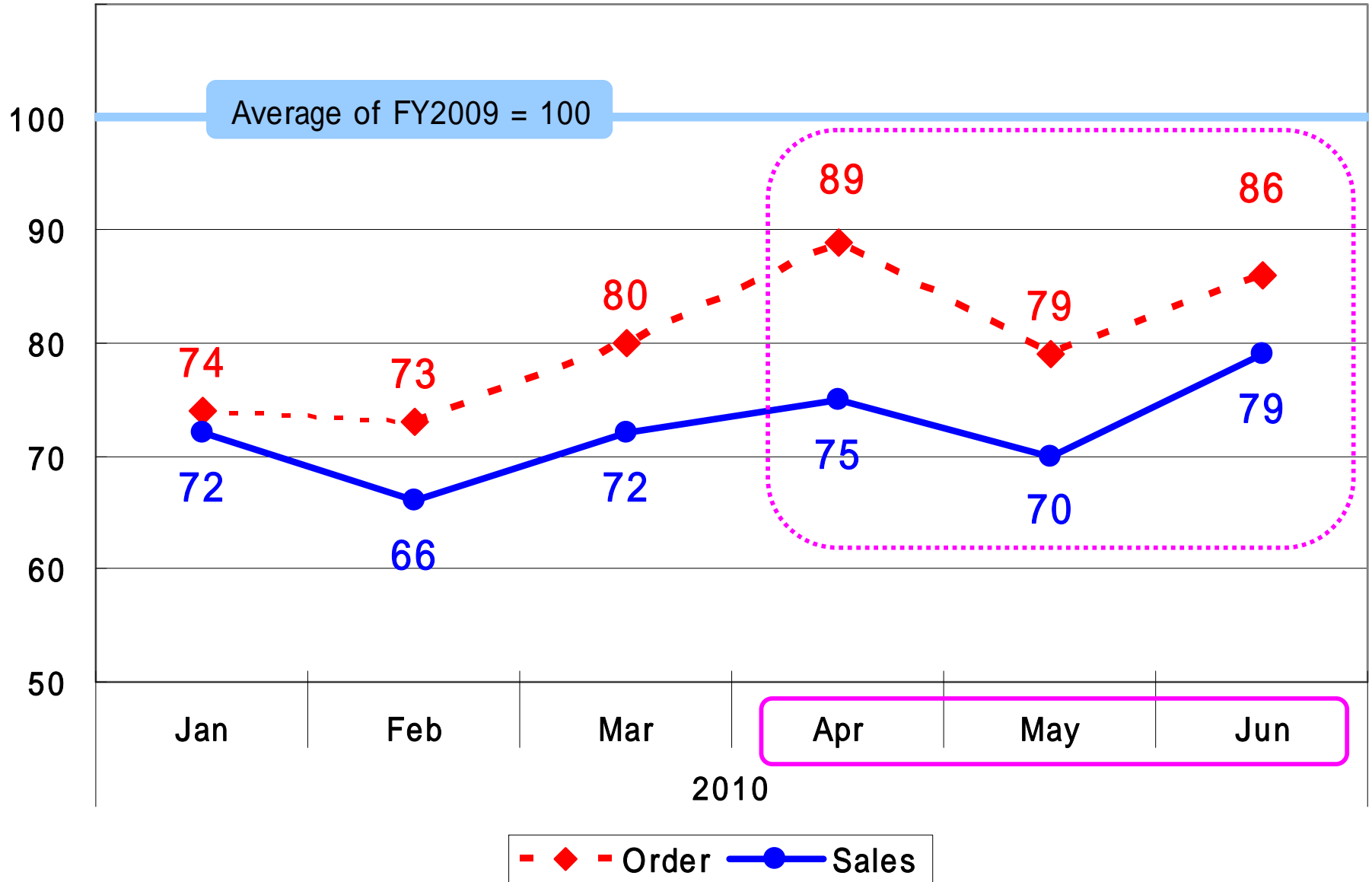
# FY2010 Orders and Sales Changes (Domestic Consolidation Basis, Index Number)



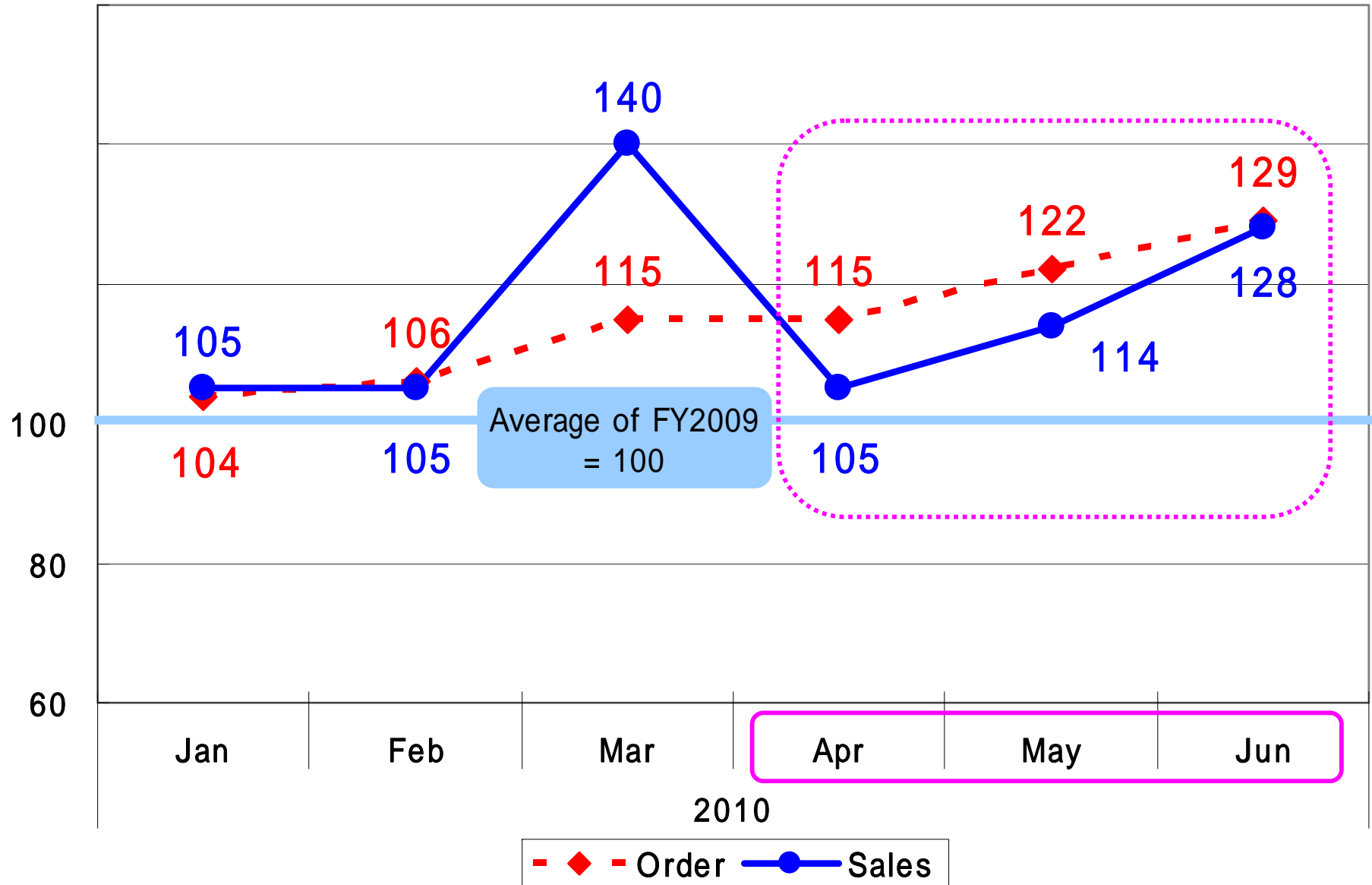
**Mobile**



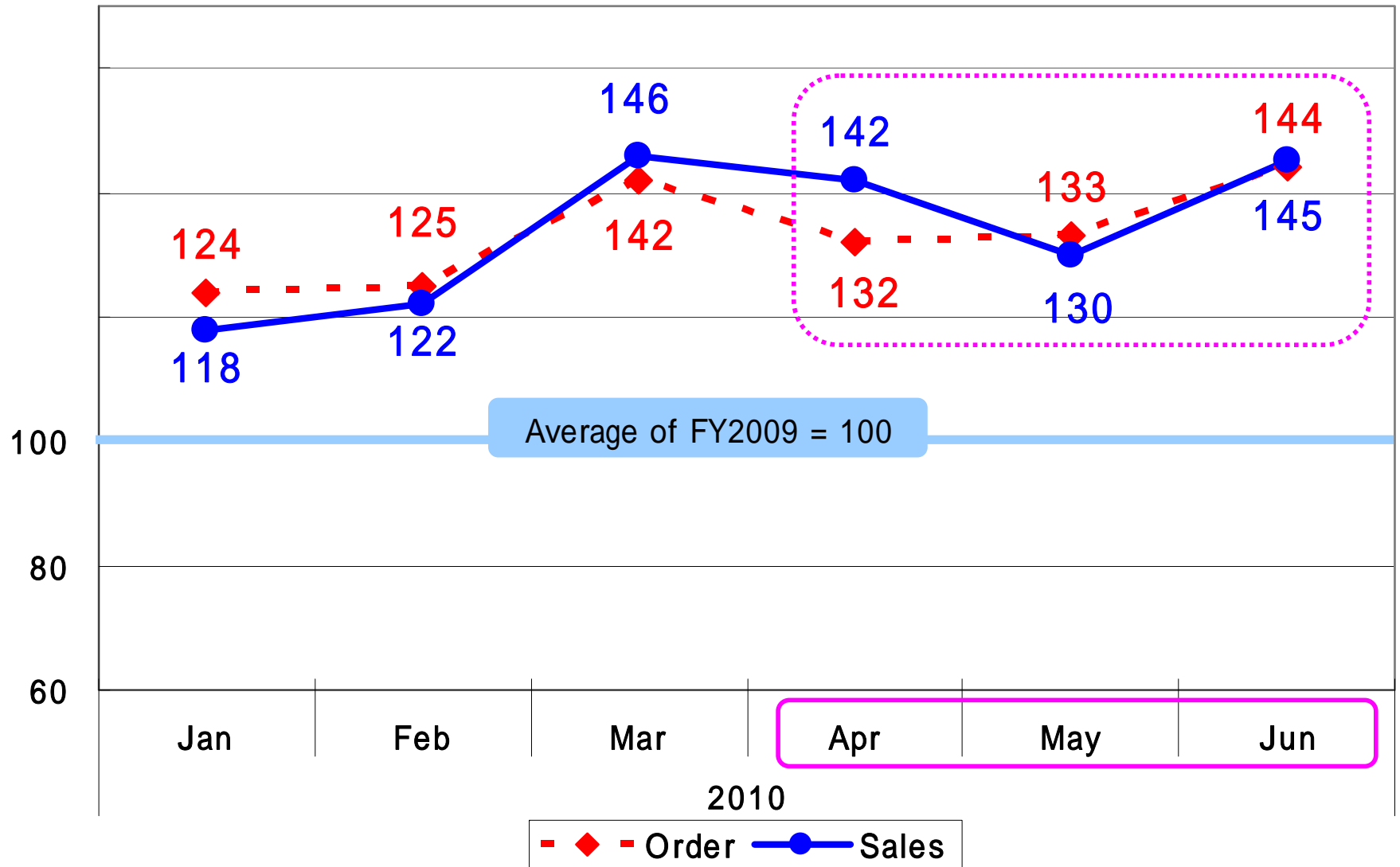
**Digital Consumer Electronic**



**Automotive**



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



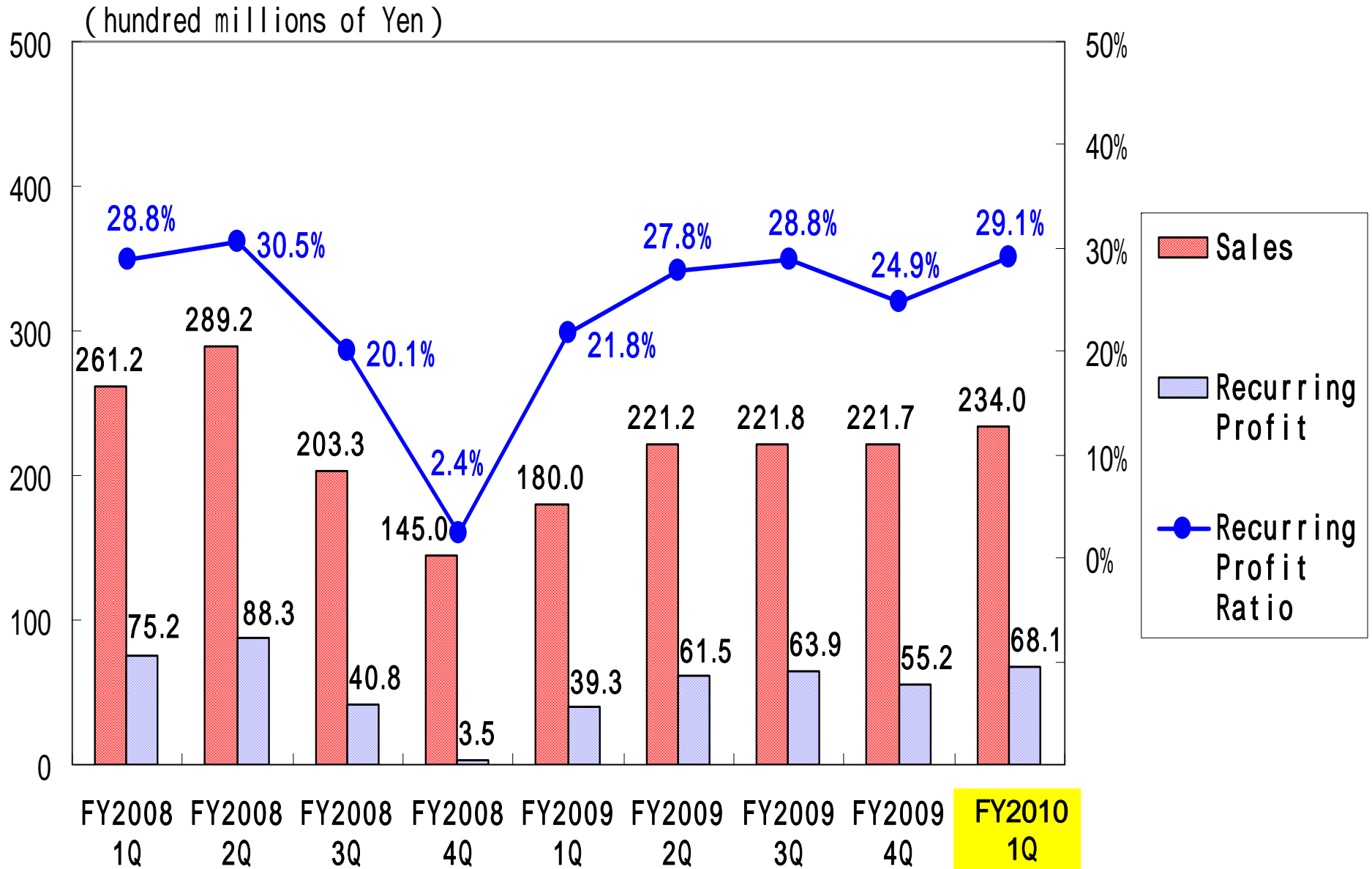


# Business Results for First Quarter, FY2010

(hundred millions of Yen)

	(A)FY2009 1Q	(B)FY2010 1Q	(B)-(A)	(B)/(A)	Major Changes over prior same period (unit: hundred millions of Yen)
<b>Sales</b> (COGS Ratio) (SGA Ratio)	<b>180.0</b> <i>(59.1%)</i> <i>(21.9%)</i>	<b>234.0</b> <i>(53.2%)</i> <i>(18.3%)</i>	<b>54.0</b> <i>(-5.9%)</i> <i>(-3.6%)</i>	<b>30.0%</b>	<b>[Sales] 54.0 increase</b> Foreign Hirose +49.8      Subsidiaries +1.8      HST +2.4
<b>Operating Profit</b> (%)	<b>34.3</b> <i>19.0%</i>	<b>66.6</b> <i>28.5%</i>	<b>32.3</b> <i>(+9.5%)</i>	<b>94.4%</b>	<b>[Cogs Ratio] 5.9 point decrease</b> Purchase Cost Ratio 42.4%      41.1 % Depreciation Ratio 7.6%      4.5 % Labor Cost 4.7%      3.9%
<b>Recurring Profit</b> (%)	<b>39.3</b> <i>21.8%</i>	<b>68.1</b> <i>29.1%</i>	<b>28.8</b> <i>(+7.3%)</i>	<b>73.3%</b>	<b>[SGA Ratio] 3.6 point decrease</b> Although 3.4 increase, sales increased as well
<b>Net Profit</b> (%)	<b>23.7</b> <i>13.1%</i>	<b>43.1</b> <i>18.4%</i>	<b>19.5</b> <i>(+5.3%)</i>	<b>82.2%</b>	<b>[Non-Operating Expenses]</b> Equity Method Profit 1.3      1.7 Interest Received & Dividend 3.4      2.5 Foreign Exchange Gain or Loss 0.8      3.1
<b>Total Assets</b>	<b>2,485.2</b>	<b>2,529.1</b>	<b>43.9</b>	<b>1.8%</b>	
<b>Shareholders' Equity Ratio</b>	<b>93.2%</b>	<b>91.0%</b>			
<b>Income Per Share</b>	<b>64.5Yen</b>	<b>120.9Yen</b>			

# Sales and Profits by Quarter



# Changes in Consolidated Balance Sheet

(hundred millions of Yen)

Account	(A) Mar 31, 2010	(B) Jun 30, 2010	(B) - (A)	Remark
Cash and Cash in Bank	1,095.7	1,086.0	-9.7	Dividend and Tax payment, and Foreign currency translation difference
Trade Receivables	240.1	244.1	4.0	Increase in Sales (FY2009 4Q 221.7 FY2010 1Q 234.0 +12.3)
Inventories	63.0	68.2	5.2	Increase in Sales and Production
Investment Securities	652.6	649.7	-2.9	Foreign currency translation difference in affiliated company, etc.
Others	477.6	481.1	3.5	
<b>Total Assets</b>	<b>2,529.0</b>	<b>2,529.1</b>	<b>0.1</b>	

# Changes in Consolidated Balance Sheet

(hundred millions of Yen)

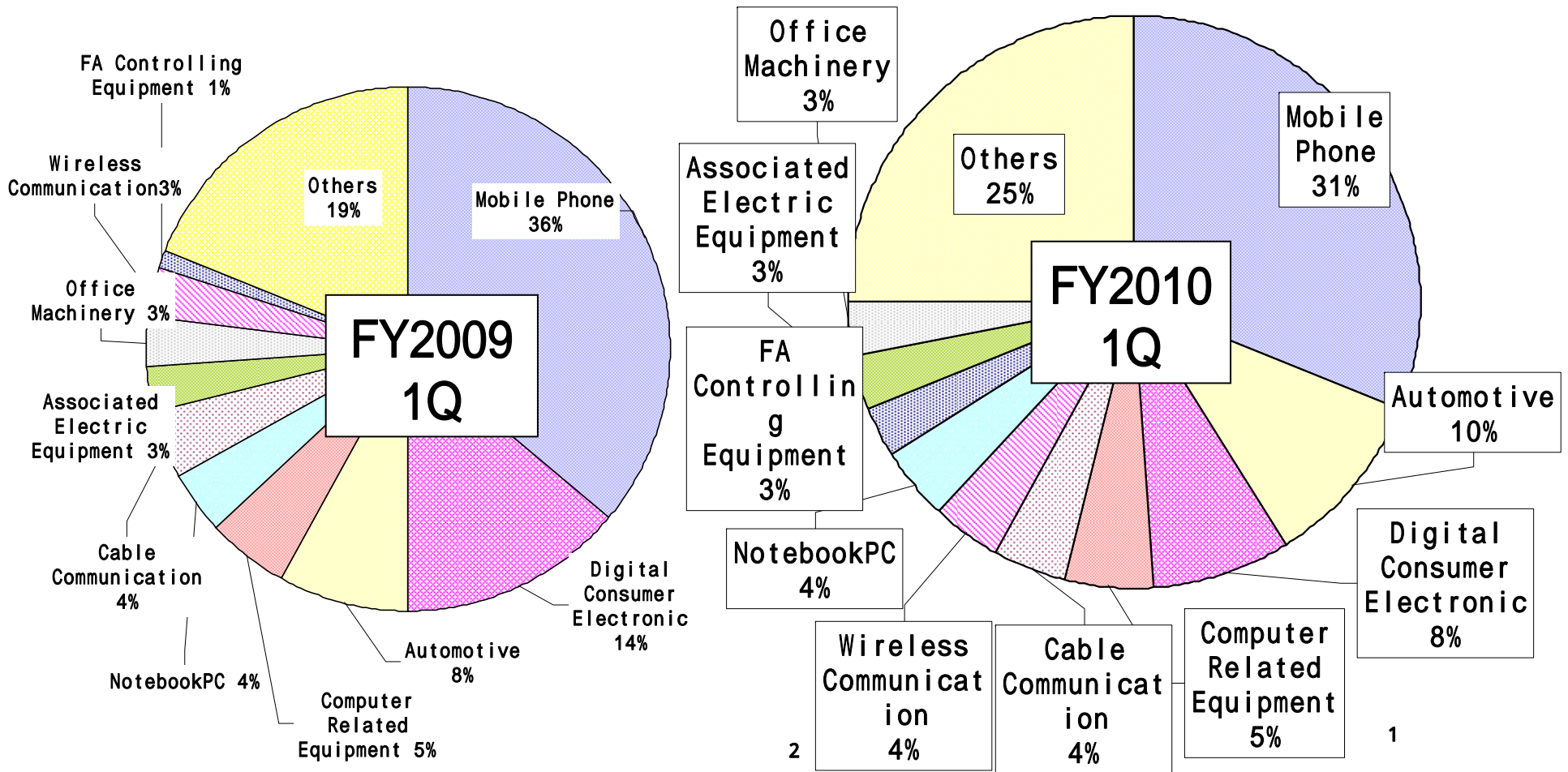
Account	(A) Mar 31, 2010	(B) Jun 30, 2010	(B) - (A)	Remark
Notes Payable and Accounts Payable	120.1	133.3	13.2	Purchase increase due to production increase
Income Taxes Payable, etc	48.9	29.0	-19.9	Tax payment
Others	55.9	65.2	9.3	Increase in Accounts payables
<b>Total Reliabilities</b>	<b>224.9</b>	<b>227.5</b>	<b>2.6</b>	
Retained Earnings	2,552.6	2,573.1	20.5	Net Income 43.1 - Dividend 21.4
Treasury Stocks	-465.4	-465.4	0.0	
Valuation Variance	23.5	21.0	-2.5	Stock price fallen
Translation Adjustment	-45.1	-65.5	-20.4	Due to strong Yen
Others	238.5	238.4	-0.1	
<b>Total Shareholders' Equity</b>	<b>2,304.1</b>	<b>2,301.6</b>	<b>-2.5</b>	
<b>Total Liabilities and Shareholders' Equity</b>	<b>2,529.0</b>	<b>2,529.1</b>	<b>0.1</b>	

# Cash Flow

(hundred millions of Yen)

	(A) FY2009 1Q	(B) FY2010 1Q	Main Changes
Cash Flows from Operating Activities	<b>61.1</b>	<b>46.7</b>	Pre-tax Net Income 69.7 Depreciation 13.6 Accounts Payable increase 15.5 Corporation tax <b>-47.2</b>
Cash Flows from Investing Activities	<b>-62.0</b>	<b>4.1</b>	Refund of Time Deposit over 3 months period 30.0 Acquisition of Tansible Fixed Assets <b>-13.4</b> Acquisition of Investment Securities <b>-61.2</b> Refund of Securities 50.0
Cash Flows from Financing Activities	<b>-17.9</b>	<b>-20.9</b>	Dividend Payment <b>-20.9</b>
Effect of Exchange Rate Change	<b>2.4</b>	<b>-10.0</b>	
Increase in Cash and Cash Equivalents	<b>-16.4</b>	<b>19.9</b>	
Cash and Cash Equivalents, beginning Balance	<b>537.6</b>	<b>568.3</b>	
Beginning Balance Adjustment due to Changes in Criteria of Consolidation	<b>4.1</b>	<b>0.3</b>	Due to Newly consolidated Hirose Suzhou.
Cash and Cash Equivalents, ending Balance	<b>525.3</b>	<b>588.6</b>	

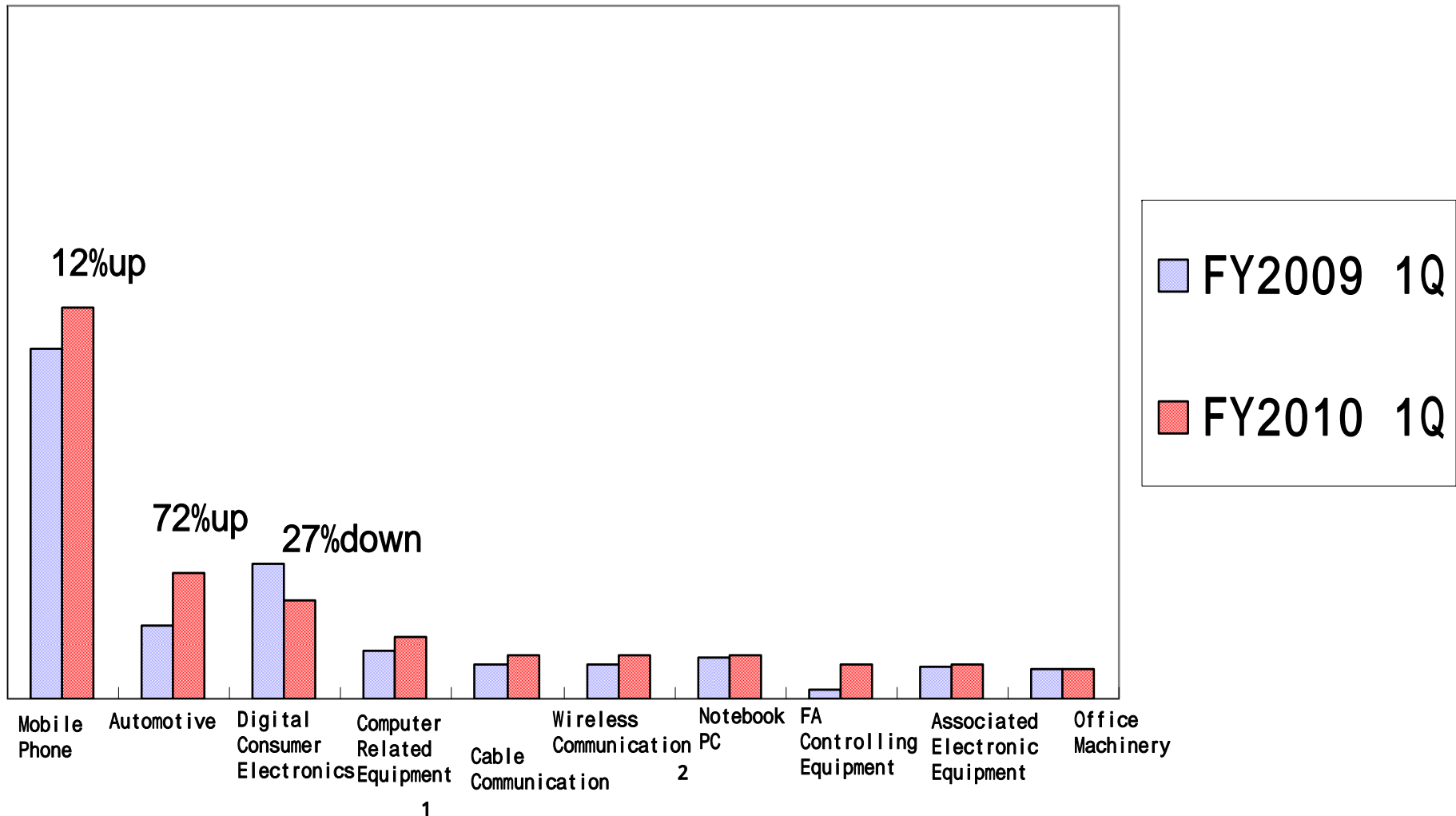
# Sales Ratio (in round numbers)



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

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

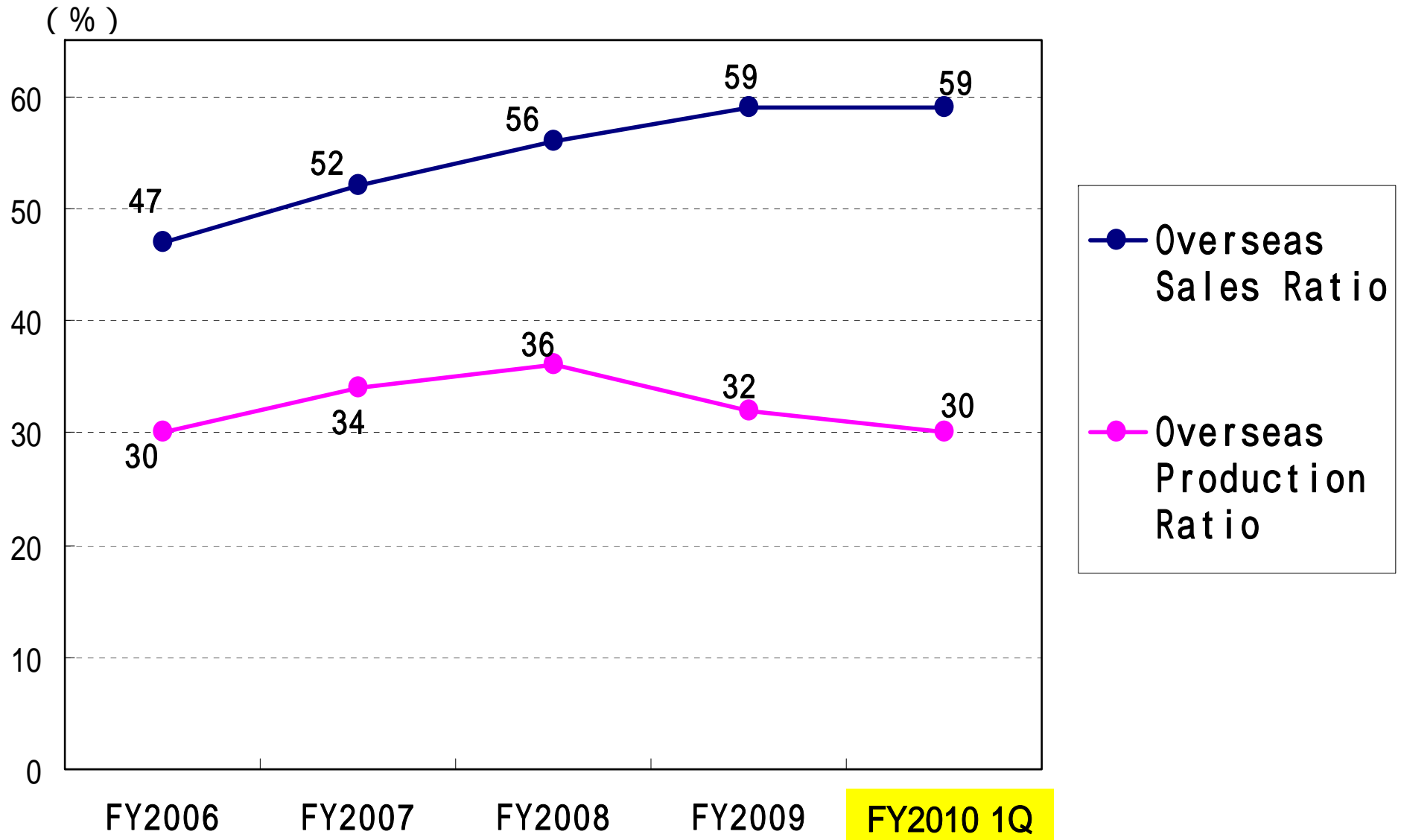
# Sales Changes by Markets (in round numbers)



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

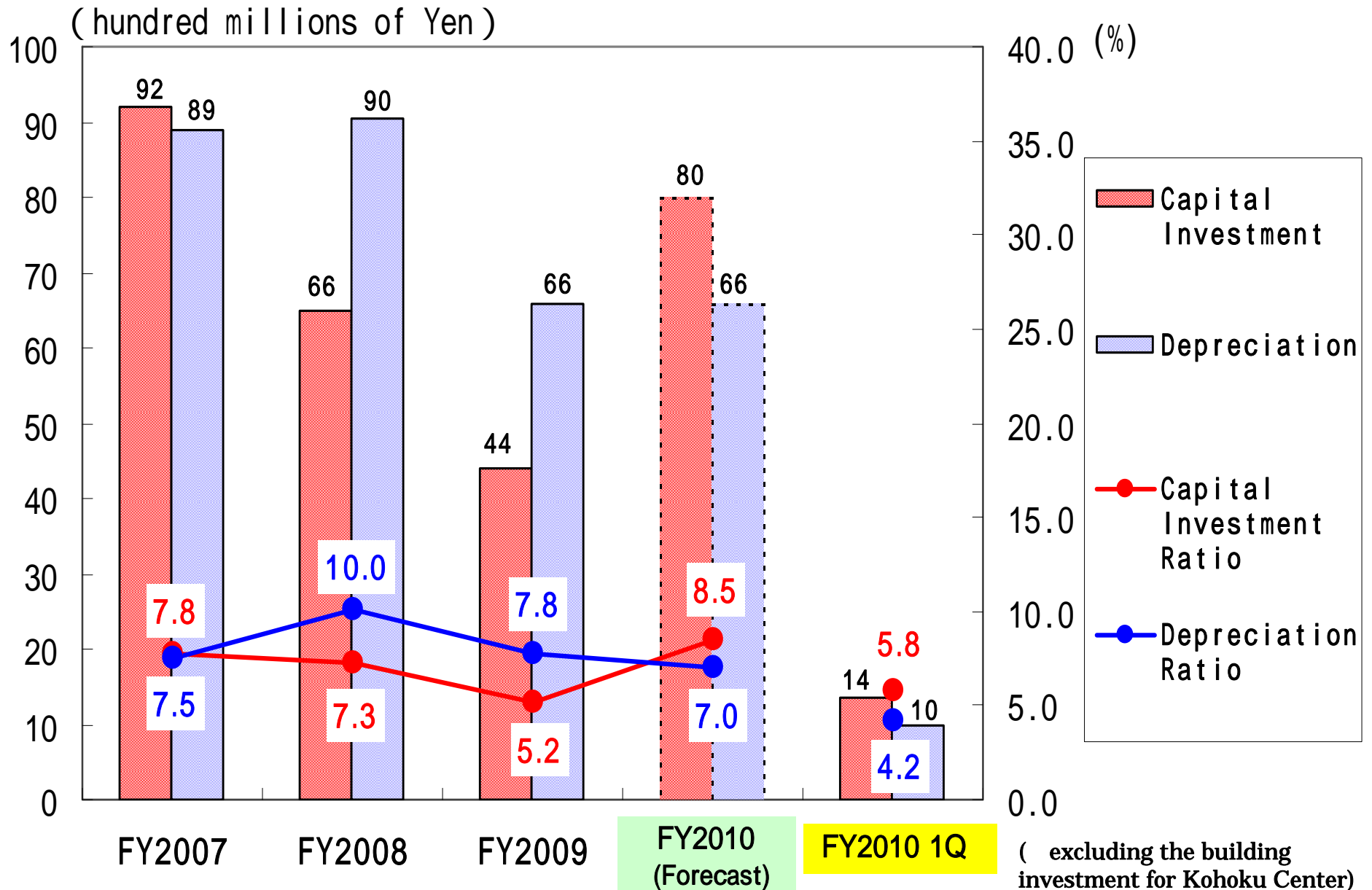
Please be noted that as this is in round number, some ratio difference may occur. Thank you for your understanding.

# Overseas Production and Sales Ratio





# Capital Investment and Depreciation Changes (Domestic Consolidated Basis)



# Business Forecast of the Year Ended March 31, 2011

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

(hundred millions of Yen)

	FY2009 (Actual)			FY2010 (Forecast)			First Half <small>Over the previous Actual Amount</small>		Second Half <small>Over the previous Actual Amount</small>		For the Year <small>Over the previous Actual Amount</small>	
	First Half	Second Half	For the Year	First Half	Second Half	For the Year	増減額	増減率	増減額	増減率	増減額	増減率
<b>Sales</b> (COGS Ratio)	<b>401.2</b> (57.2%)	<b>443.5</b> (56.2%)	<b>844.7</b> (56.7%)	<b>465.0</b> (54.3%)	<b>475.0</b> (55.1%)	<b>940.0</b> (54.7%)	63.8	15.9%	31.5	7.1%	95.3	11.3%
<b>Operating Profit</b> (%)	<b>90.4</b> 22.5%	<b>113.7</b> 25.6%	<b>204.1</b> 24.2%	<b>125.0</b> 26.9%	<b>125.0</b> 26.3%	<b>250.0</b> 26.6%	34.6	38.3%	11.3	9.9%	45.9	22.5%
<b>Recurring Profit</b> (%)	<b>100.8</b> 25.1%	<b>119.2</b> 26.9%	<b>220.0</b> 26.0%	<b>132.0</b> 28.4%	<b>133.0</b> 28.0%	<b>265.0</b> 28.2%	31.2	31.0%	13.8	11.6%	45.0	20.5%
<b>Net Profit</b> (%)	<b>61.5</b> 15.3%	<b>71.2</b> 16.1%	<b>132.7</b> 15.7%	<b>80.0</b> 17.2%	<b>80.0</b> 16.8%	<b>160.0</b> 17.0%	18.5	30.1%	8.8	12.4%	27.3	20.6%
Income Per Share	-	-	363.15Yen	-	-	448.95Yen	No change from the previously announced data on 2010 Mar.					
Dividend Per Share	60Yen	60Yen	120Yen	75Yen	75Yen	150Yen						
Dividend Payout Ratio	-	-	33.0%	-	-	33.4%						