

Business Results for Second Quarter FY2010

Creative Links to World Electronic

Nov 10th 2010

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 FY2010

{ 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)

{ 2Q FY2010 }

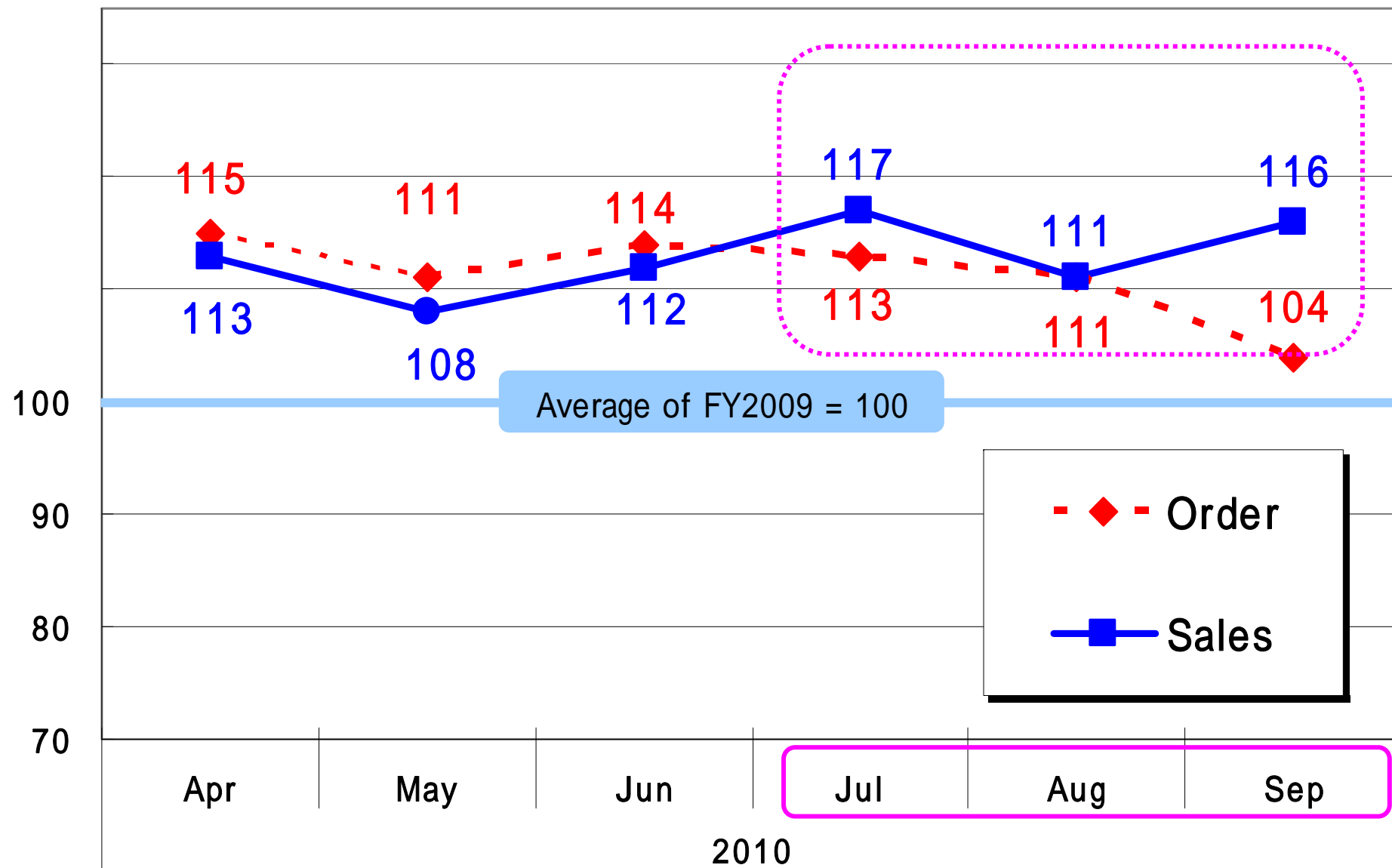
Steady increase in sales, especially in overseas mobile phone and automotive market. However, in order, there were adjustment after August mainly in industrial area, bringing 2Q slightly in a lower level than 1Q.

2Q FY2010 settled on -2.6% YoY in order level (-9.6% over 1Q FY2010), +9.2% YoY in sales level (+3.2% over 1Q FY2010)

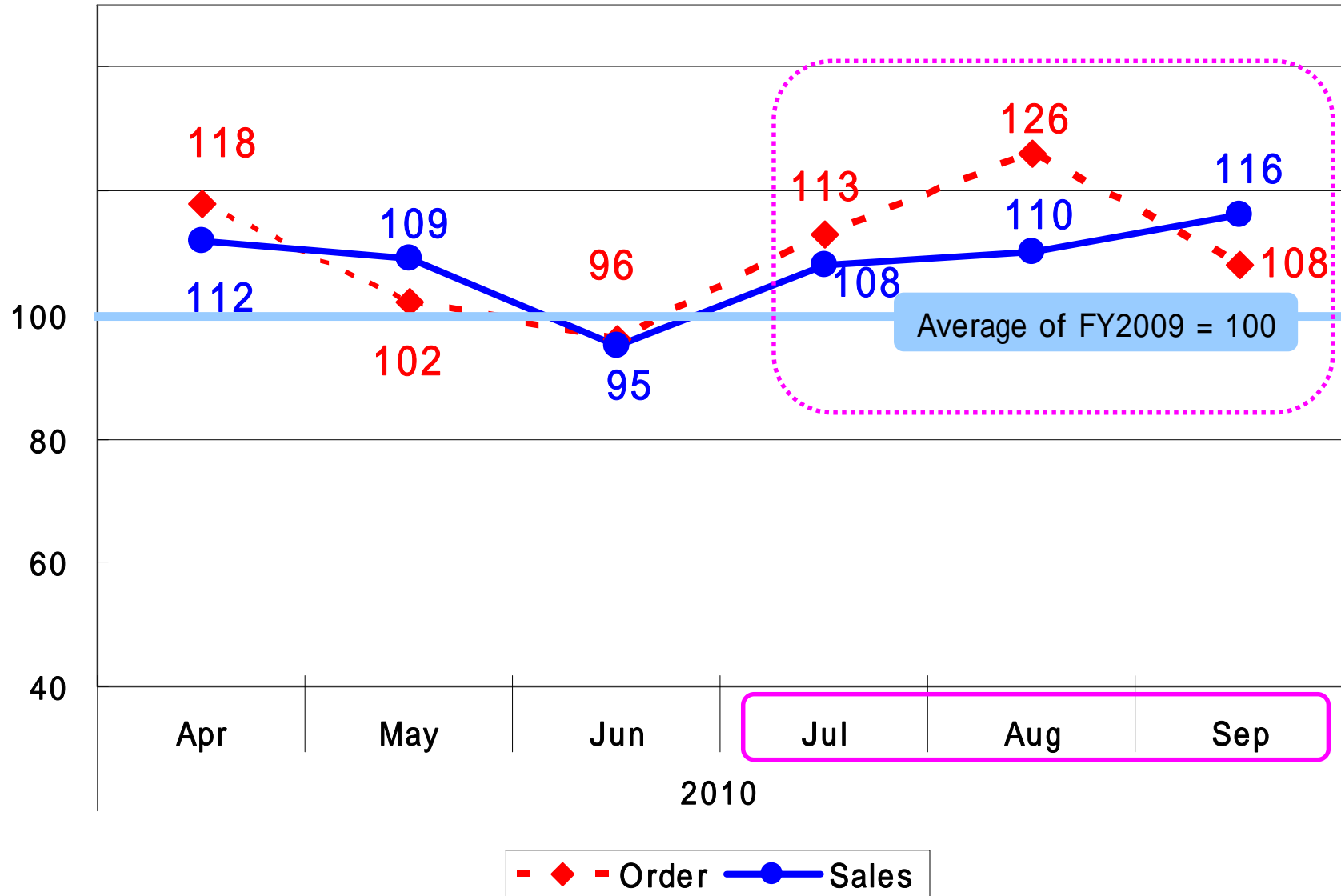
{ 1Q & 2Q FY2010 }

1Q & 2Q (total) FY2010 settled on 474.5 hundred million yen in order level (+13.0% YoY), 475.4 hundred million yen in sales level(+18.5% YoY), 134.1 hundred million yen in recurring profit (+33.0% YoY).

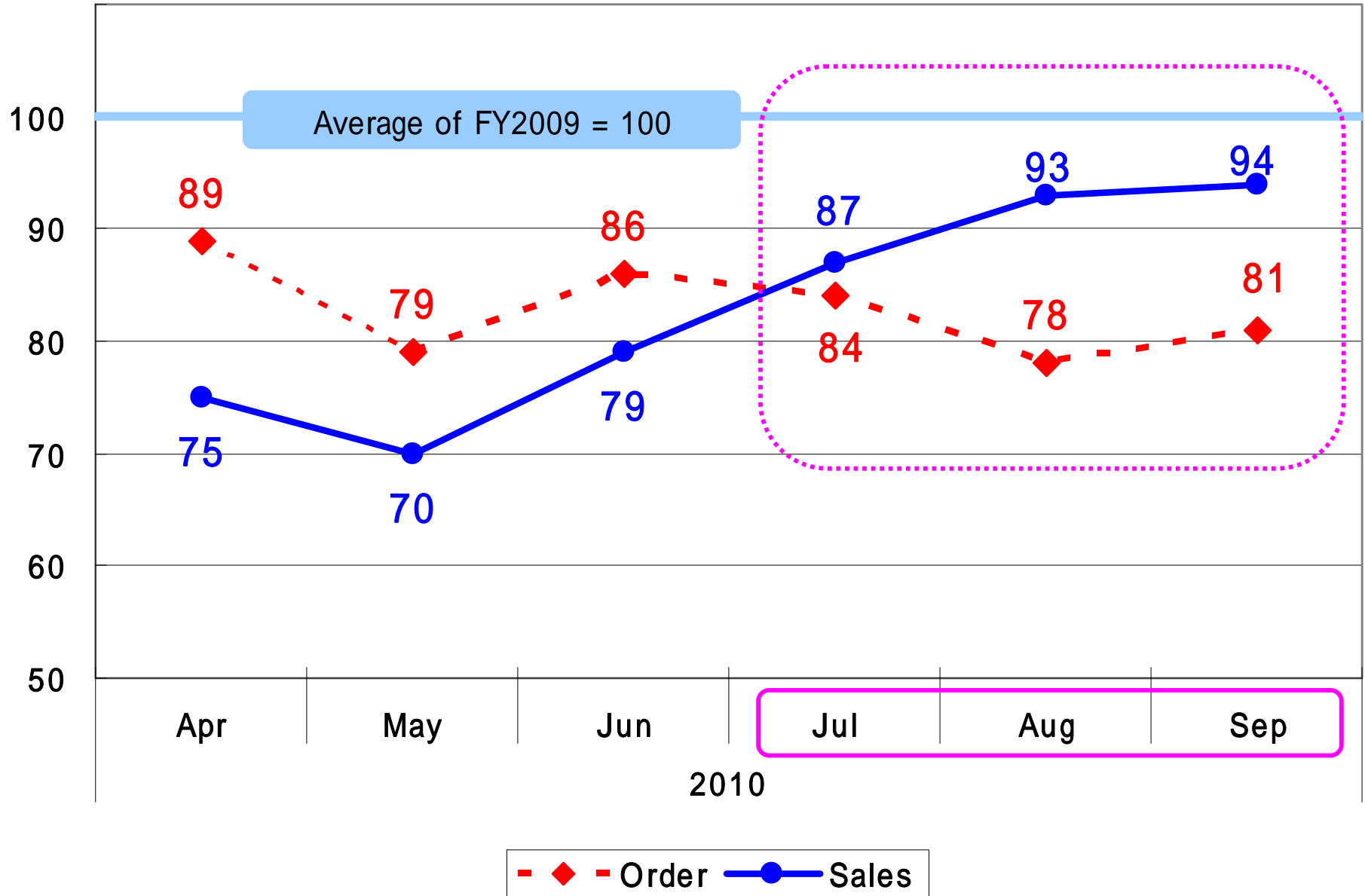
Over the announced data, sales settled on +2.2%, recurring profit settled on +1.6%.



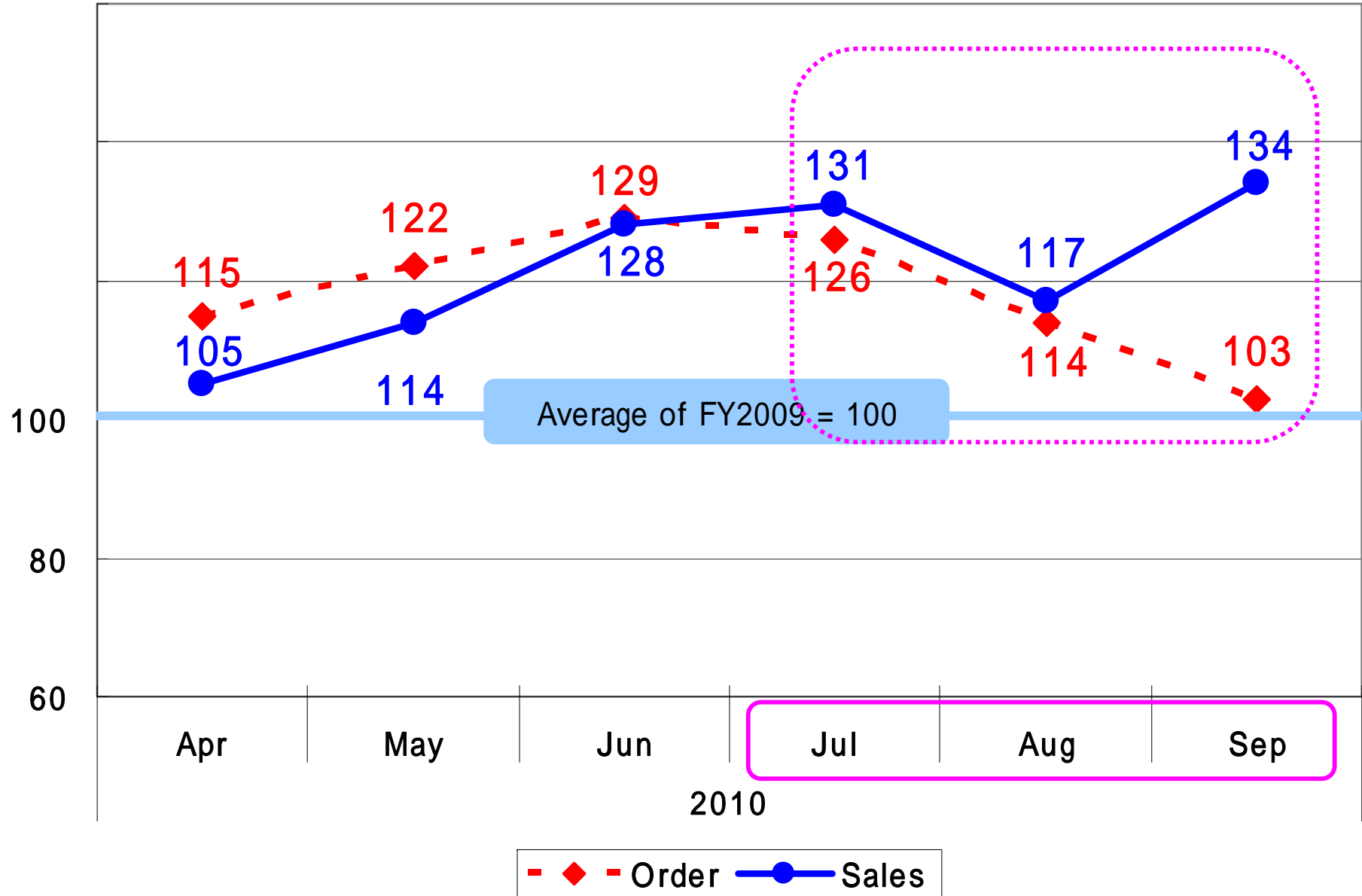
Mobile



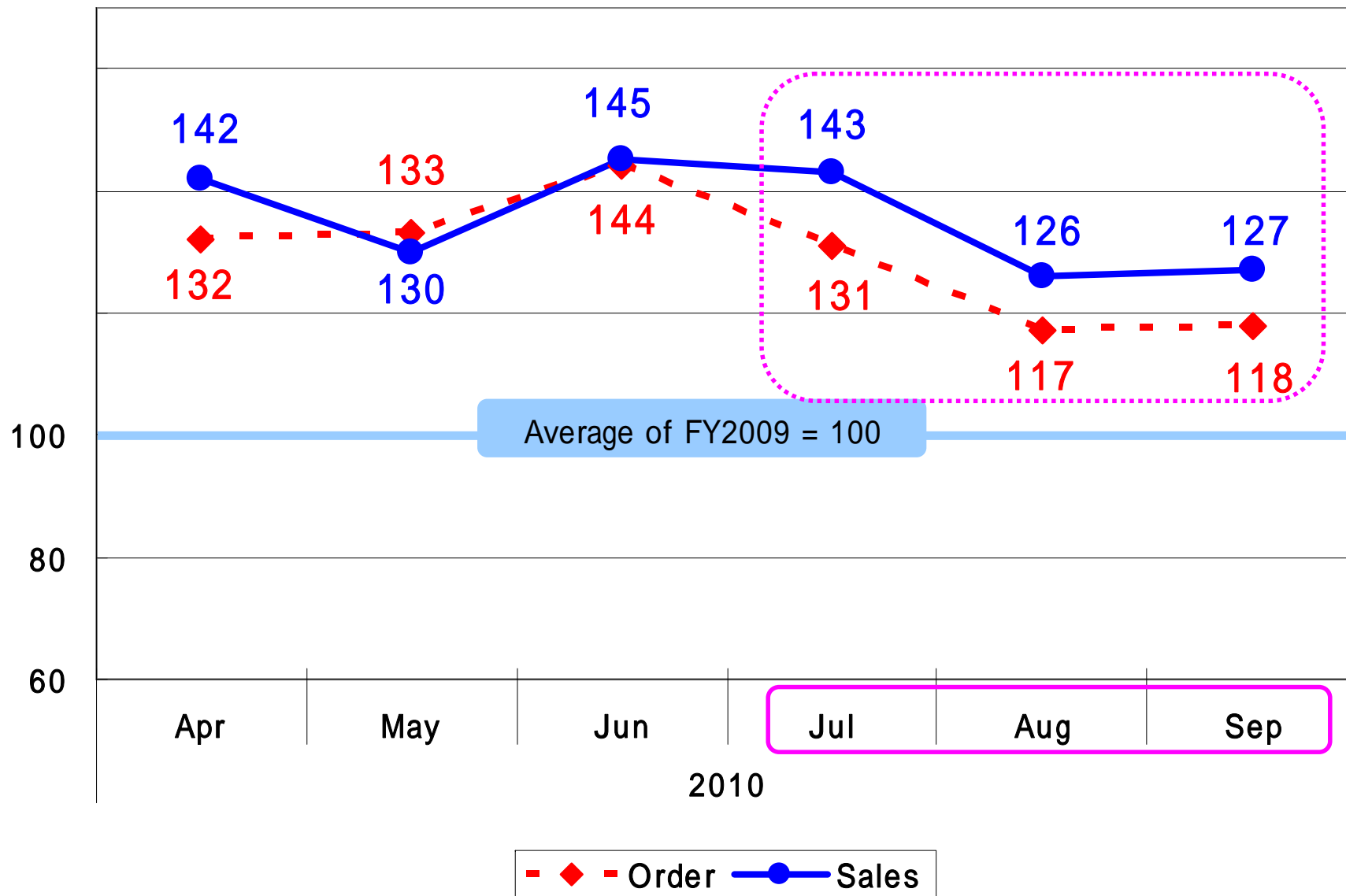
Digital Consumer Electronic



Automotive



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



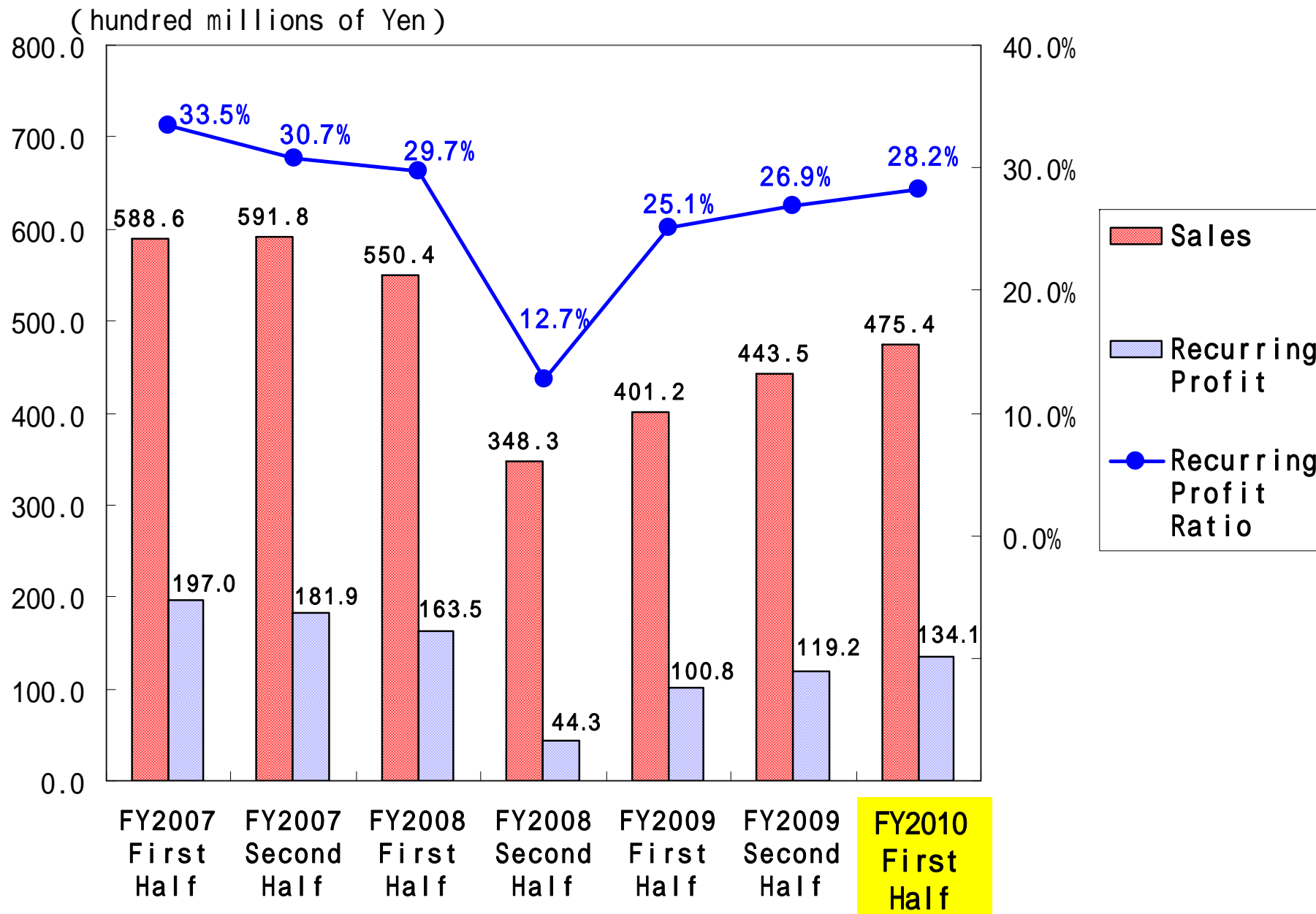
Business Results for Second Quarter, FY2010

Green Italics: Previously (May/2010) announced data (hundred millions of Yen)

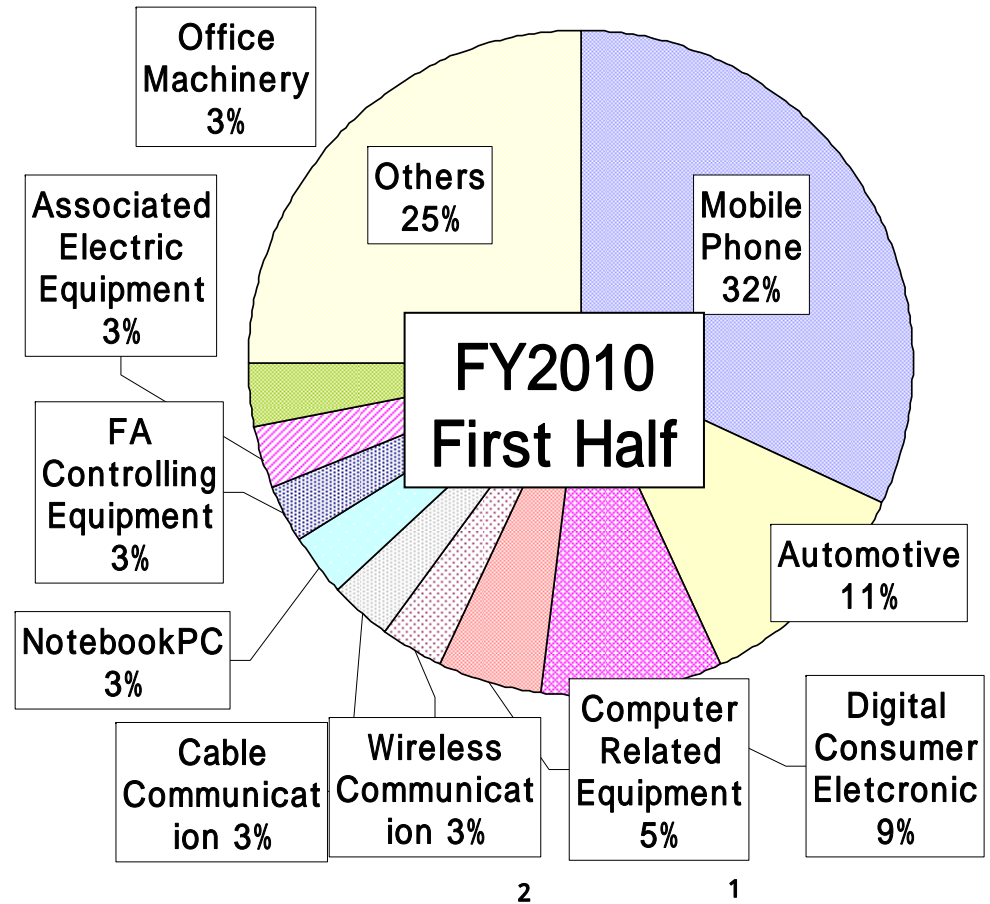
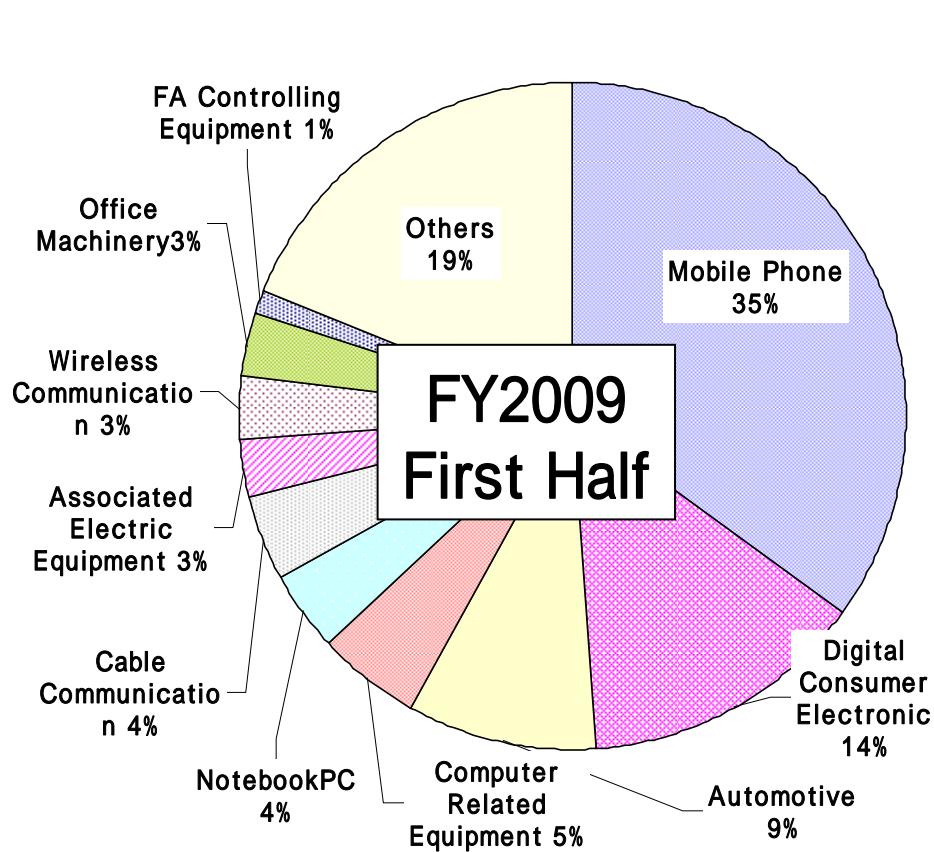
| | (A)FY2009 1Q & 2Q | (B)FY2010 1Q & 2Q | (B)-(A) | (B)/(A) | Major Changes over prior same period (unit: hundred millions of Yen) |
|-----------------------------------|----------------------|----------------------|----------------|--------------|--|
| Sales | 401.2 | 475.4 | 74.2 | 18.5% | <p>[Sales] 74.2 increase Foreign Hirose +68.8 Subsidiaries +1.5 HST +3.9</p> <p>[COGS Ratio] 3.2 point decrease Purchase Cost Ratio 42.2% 42.2 % Depreciation Ratio 7.5% 5.0 % Labor Cost 4.3% 3.8%</p> <p>[SGA Ratio] 1.9 point decrease Although 6.3 increase, sales increased as well</p> <p>[Non-Operating Expenses] Equity Method Profit 3.9 3.3 Interest Received & Dividend 6.2 4.3 Foreign Exchange Loss 1.5 5.4</p> |
| (COGS Ratio) | <i>(57.2%)</i> | <i>(54.0%)</i> | <i>(-3.2%)</i> | | |
| (SGA Ratio) | <i>(20.2%)</i> | <i>(18.4%)</i> | <i>(-1.9%)</i> | | |
| Operating Profit | 90.4 | 131.1 | 40.6 | 44.9% | |
| (%) | <i>22.5%</i> | <i>27.6%</i> | <i>(+5.1%)</i> | | |
| Recurring Profit | 100.8 | 134.1 | 33.3 | 33.0% | |
| (%) | <i>25.1%</i> | <i>28.2%</i> | <i>(+3.1%)</i> | | |
| Net Profit | 61.5 | 83.3 | 21.8 | 35.5% | |
| (%) | <i>15.2%</i> | <i>17.5%</i> | <i>(+2.2%)</i> | | |
| Total Assets | 2,524.4 | 2,565.1 | 40.7 | 1.6% | |
| Shareholders' Equity Ratio | 91.8% | 90.4% | | | |
| Income Per Share | 167.8Yen | 234.0Yen | | | |

YoY increase in all sales, operating profit, recurring profit, and net profit.

Sales and Profits by Half-yearly



Sales by Market

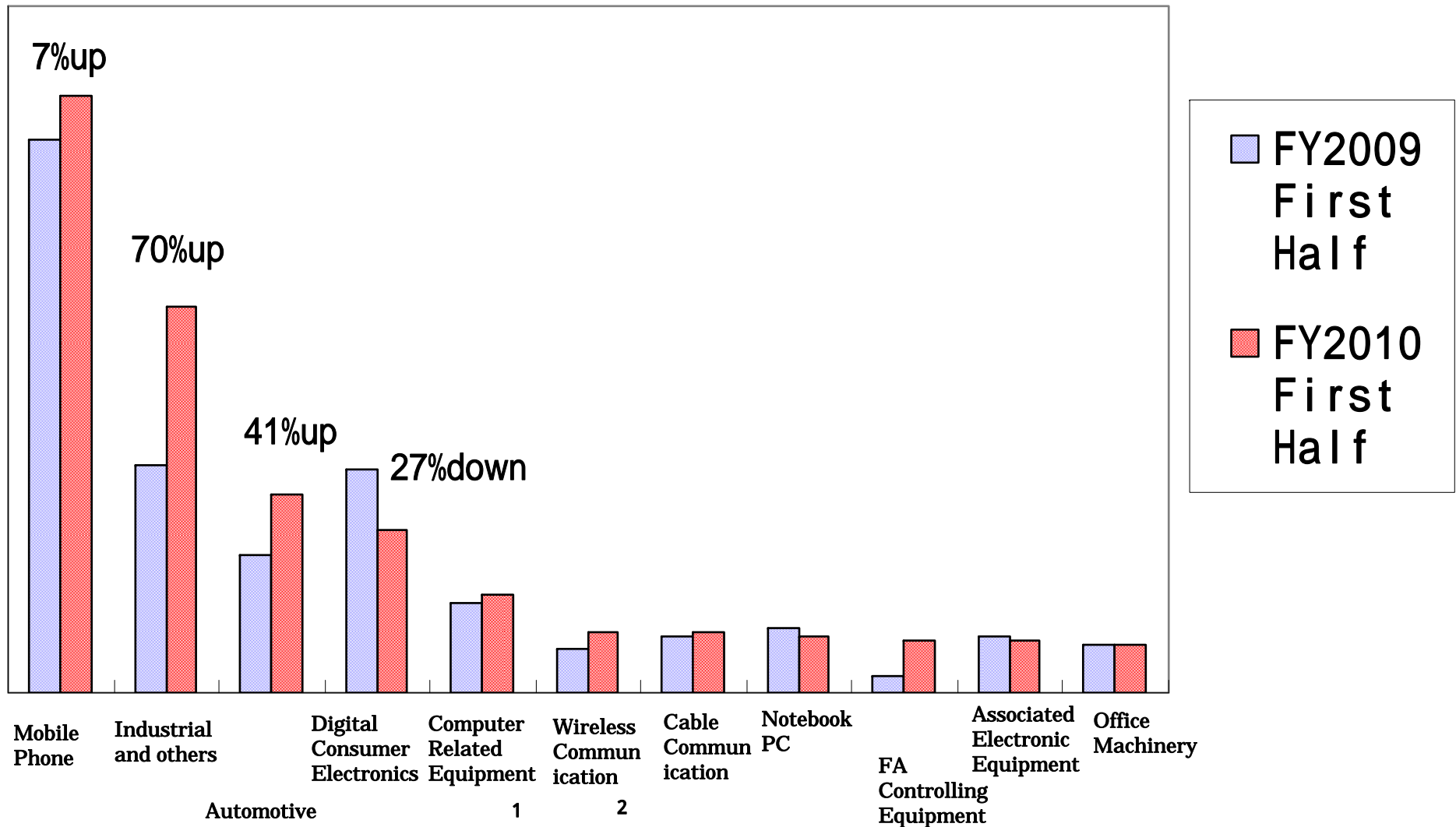


As this is in round number, please be noted that some ratio difference may occur. Thank you for your understanding.

1 Computer Related Equipment Notebook PC not included.

2 Wireless Communication - Mobile Phone not included.

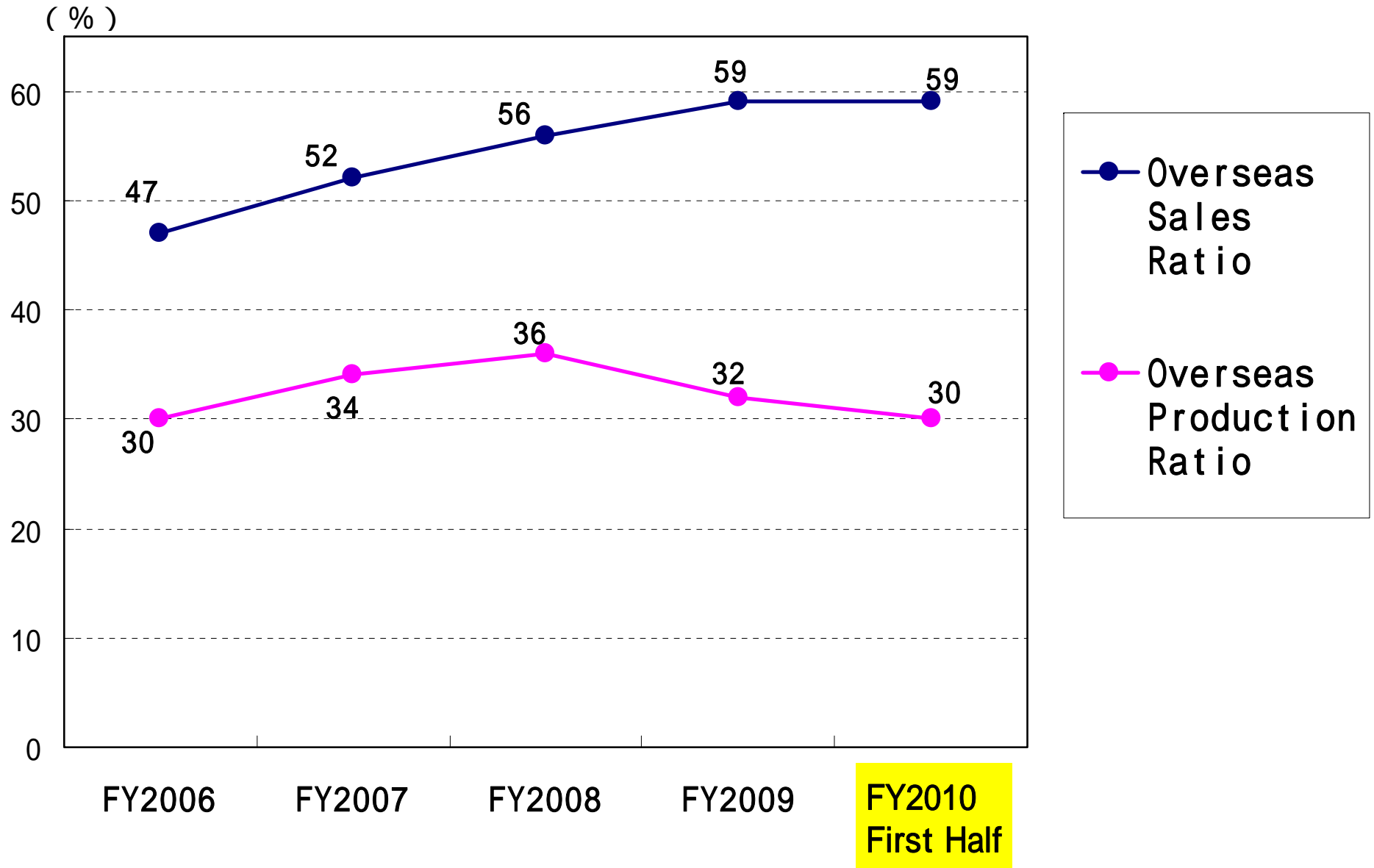
Sales Changes by Markets (in round numbers)



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)

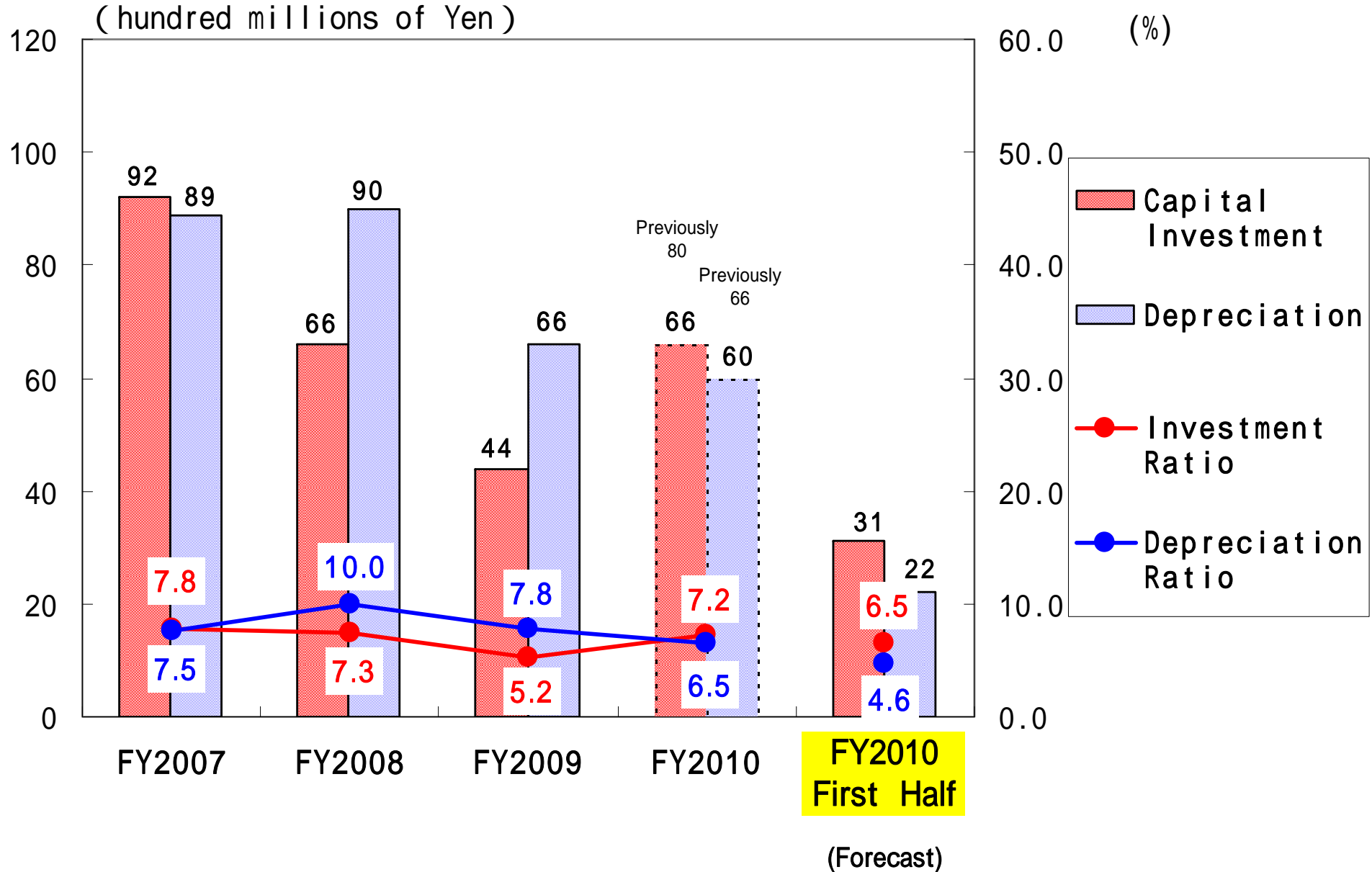
| Account | (A) Mar 31, 2010 | (B) Sep 30, 2010 | (B) - (A) | Remarks |
|-----------------------|------------------|------------------|-------------|--|
| Cash and Cash in Bank | 1,095.7 | 1,103.0 | 7.3 | Increase in domestic subsidiaries |
| Trade Receivables | 240.1 | 257.4 | 17.3 | Increase in sales (FY2009/4Q 221.7 FY2010/1Q 241.4 +19.7) |
| Inventories | 63.0 | 69.0 | 6.0 | Increase in sales and production |
| Investment Securities | 652.6 | 653.8 | 1.2 | |
| Others | 477.6 | 481.9 | 4.3 | |
| Total Assets | 2,529.0 | 2,565.1 | 36.1 | |

Changes in Consolidated Balance Sheet

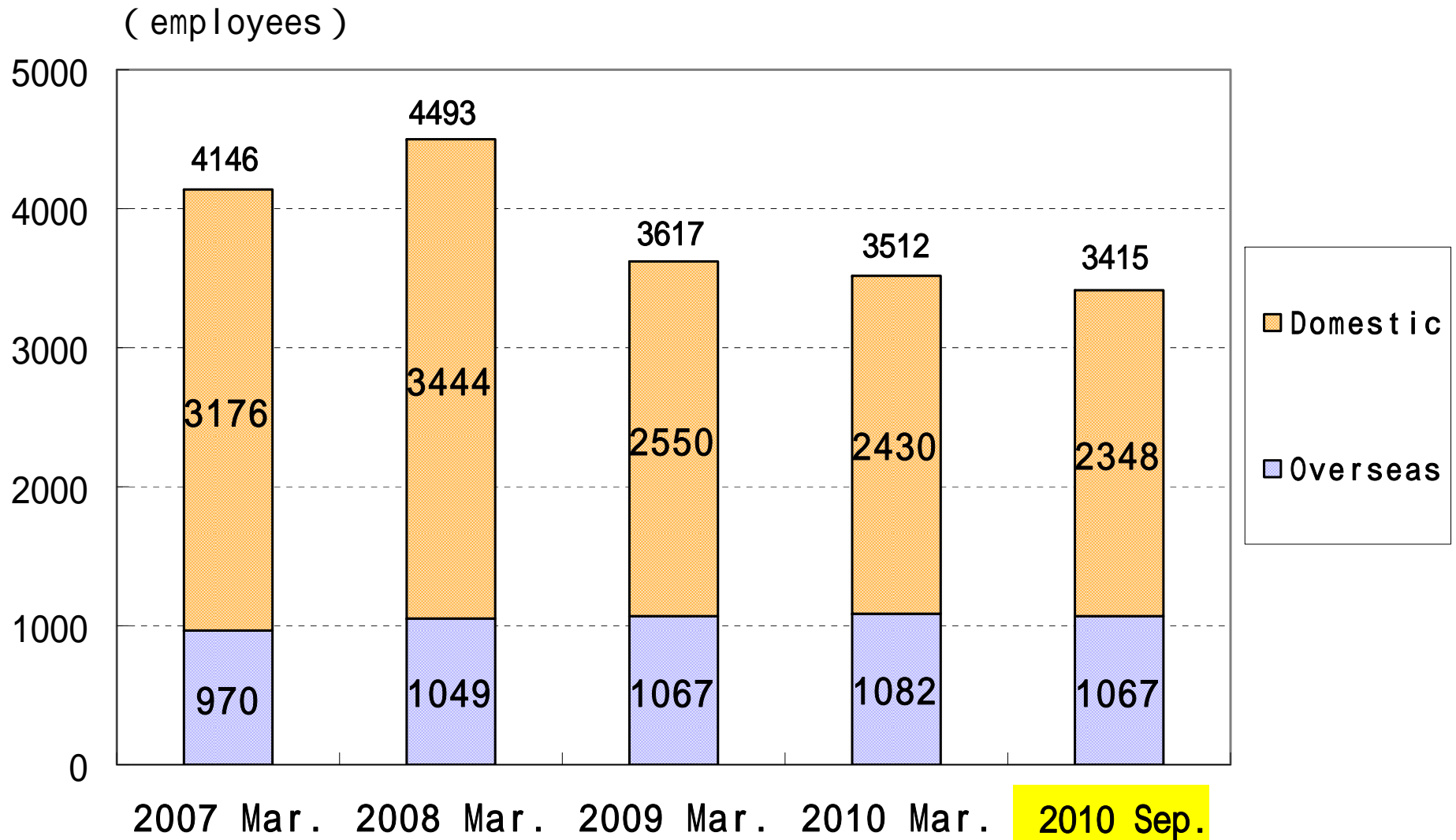
(hundred millions of Yen)

| Account | (A) May 31, 2010 | (B) Sep 30, 2010 | (B) - (A) | Remarks |
|---|------------------|------------------|-------------|--|
| Notes Payable and Accounts Payables | 120.1 | 133.1 | 13.0 | Purchase increase due to production increase |
| Income Tax Payables | 48.9 | 52.1 | 3.2 | |
| Others | 55.9 | 60.4 | 4.5 | Increase in Account Payables |
| Total Liabilities | 224.9 | 245.6 | 20.7 | |
| Retained Earnings | 2,552.6 | 2,613.3 | 60.7 | Net income 83.3 - Dividend 21.4 |
| Treasury Stocks | -465.4 | -485.4 | -20.0 | Share buyback |
| Valuation Variance | 23.5 | 20.0 | -3.5 | Share price fallen |
| Translation Adjustment | -45.1 | -66.8 | -21.7 | Due to strong yen |
| Others | 238.5 | 238.4 | -0.1 | |
| Total Shareholders' Equity | 2,304.1 | 2,319.5 | 15.4 | |
| Total Liabilities and Shareholders' Equity | 2,529.0 | 2,565.1 | 36.1 | |

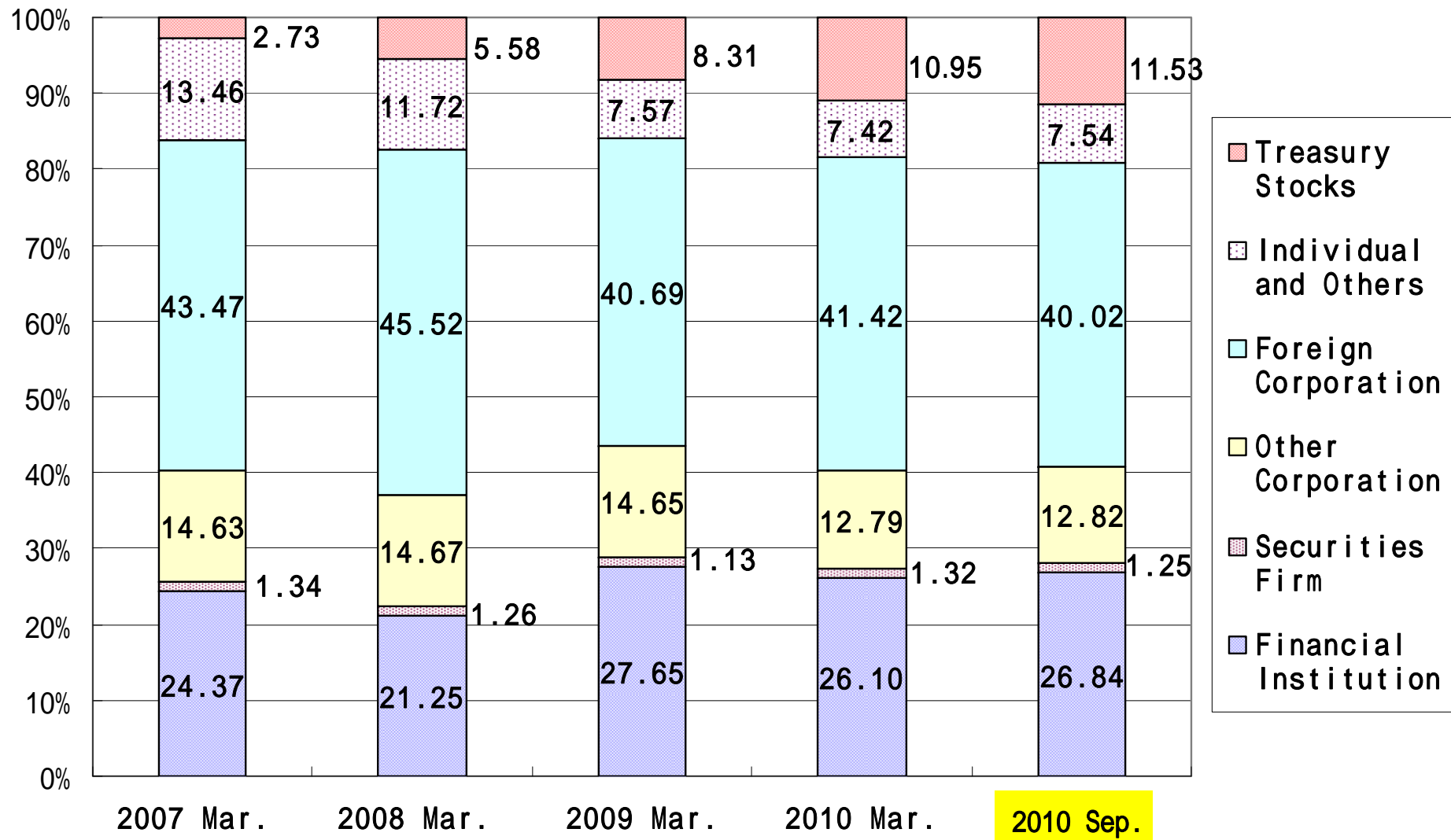
Capital Investment and Depreciation Change (Domestic Consolidated Basis)



Number of Employees (based on financial report)



Distribution of Shareholders



Business Forecast for the Year Ended March 31, 2011

Green Italics Number: note) First Half indicates 1Q & 2Q, Second Half indicates 3Q & 4Q.

(hundred mililons of Yen)

Previously
(May/2010)
announced data

| | FY2009 (Actual) | | | FY2010 (Forecast) | | | First Half | | Second Half | | For the Year | |
|-------------------------|------------------------------|------------------------------|------------------------------|--|--|--|---|---------------------------------|---------------------------------|---------------------------------|---------------------------------|---------------------------------|
| | First Half | Second Half | For the Year | First Half | Second Half | For the Year | Over the previous Actual Amount | Over the previous Actual Amount | Over the previous Actual Amount | Over the previous Actual Amount | Over the previous Actual Amount | Over the previous Actual Amount |
| | | | | | | | Amount Change | % Change | Amount Change | % Change | Amount Change | % Change |
| Sales (COGS Ratio) | 401.2 (57.2%) | 443.5 (56.2%) | 844.7 (56.7%) | <i>465.0</i> 475.4 (54.0%) | <i>475.0</i> 444.6 (58.3%) | <i>940.0</i> 920.0 (56.1%) | 74.2 | 18.5% | 1.1 | 0.2% | -20.0 | -2.1% |
| Operating Profit (%) | 90.4 <i>22.5%</i> | 113.7 <i>25.6%</i> | 204.1 <i>24.2%</i> | <i>125.0</i> 131.1 <i>27.6%</i> | <i>125.0</i> 98.9 <i>22.2%</i> | <i>250.0</i> 230.0 <i>25.0%</i> | 40.7 | 45.0% | -14.8 | -13.0% | 25.9 | 12.7% |
| Ordinary Profit (%) | 100.8 <i>25.1%</i> | 119.2 <i>26.9%</i> | 220.0 <i>26.0%</i> | <i>132.0</i> 134.1 <i>28.2%</i> | <i>133.0</i> 100.9 <i>22.7%</i> | <i>265.0</i> 235.0 <i>25.5%</i> | 33.3 | 33.0% | -18.3 | -15.4% | 15.0 | 6.8% |
| Net Profit (%) | 61.5 <i>15.3%</i> | 71.2 <i>16.1%</i> | 132.7 <i>15.7%</i> | <i>80.0</i> 83.3 <i>17.5%</i> | <i>80.0</i> 61.7 <i>13.9%</i> | <i>160.0</i> 145.0 <i>15.8%</i> | 21.8 | 35.4% | -9.5 | -13.3% | 12.3 | 9.3% |
| Income Per Share | - | - | 363.15Yen | - | - | 409.55Yen | FY2010 Reason for Downward Revision Influence of strong yen/weak dollar, and less orders than initial estimation due to adjustment in industrial orders. *FY2010 Exchange rate First Half: 88.95 Yen/US\$ Second Half estimation: 80.00 Yen/US\$ Yearly average: 84.48 Yen/US\$ | | | | | |
| Dividend Per Share | 60Yen | 60Yen | 120Yen | 75Yen | 75Yen | 150Yen | | | | | | |
| Dividend Payout Ratio | - | - | 33.0% | - | - | 36.6% | | | | | | |