

Technology to Inspire Innovation

The background of the slide features a close-up photograph of several pink cosmos flowers against a clear blue sky. The flowers are in various stages of bloom, with some in sharp focus and others blurred in the foreground and background.

*Presentation of Financial Results for
1st Half of FY2012
and Prospects for FY2012*

2012.10.24

**6807 Japan Aviation Electronics Industry, Limited
Yasutaka Akiyama, President**

- . Financial Results for 1H of FY2012**
- . Prospects for 2H of FY2012 & FY2012**

. Financial Results for 1H of FY2012

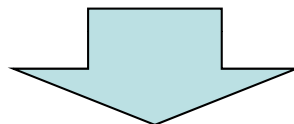
Market Environment

World economy : Prolonged European debt crisis, stagnation in the growth of both developed and emerging economies

Electronics market : Continuing slump in all sectors except some handheld devices and automotive mainly due to the economic slowdown and the prolonged appreciation of the yen

Basic Business Policies of FY2012

Further growth with efforts centered on smartphone and automotive markets



Development of operations in line with the policies announced in the beginning of the fiscal year

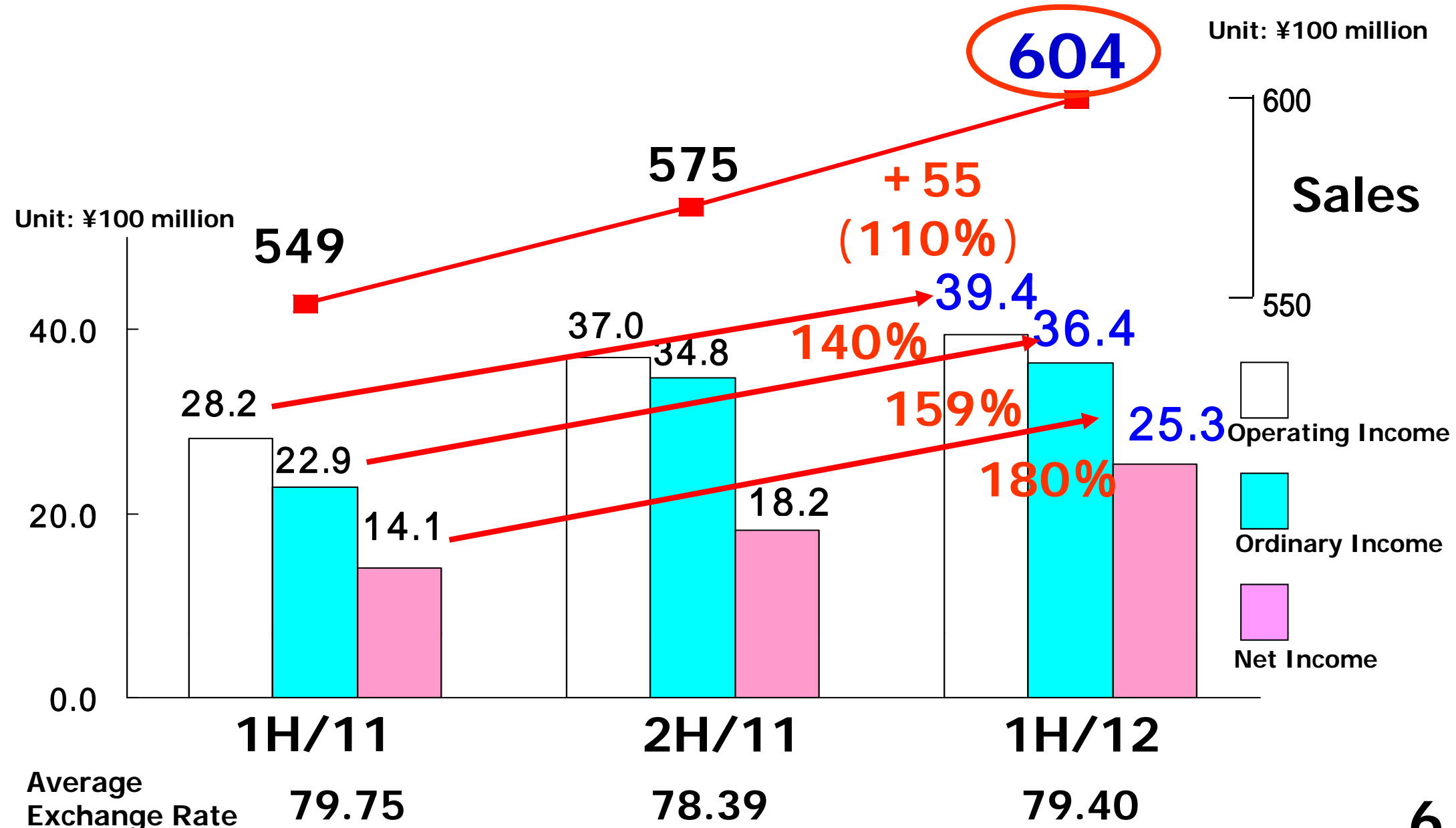
Increasing revenue and profit from both the same period of the previous fiscal year and the preceding half of the fiscal year

Capturing demand for devices with potential for growth in the telecommunications sector, with focus on smartphones

Maintaining strong performance in the automotive sector based on information system connectors for car navigation systems, etc.

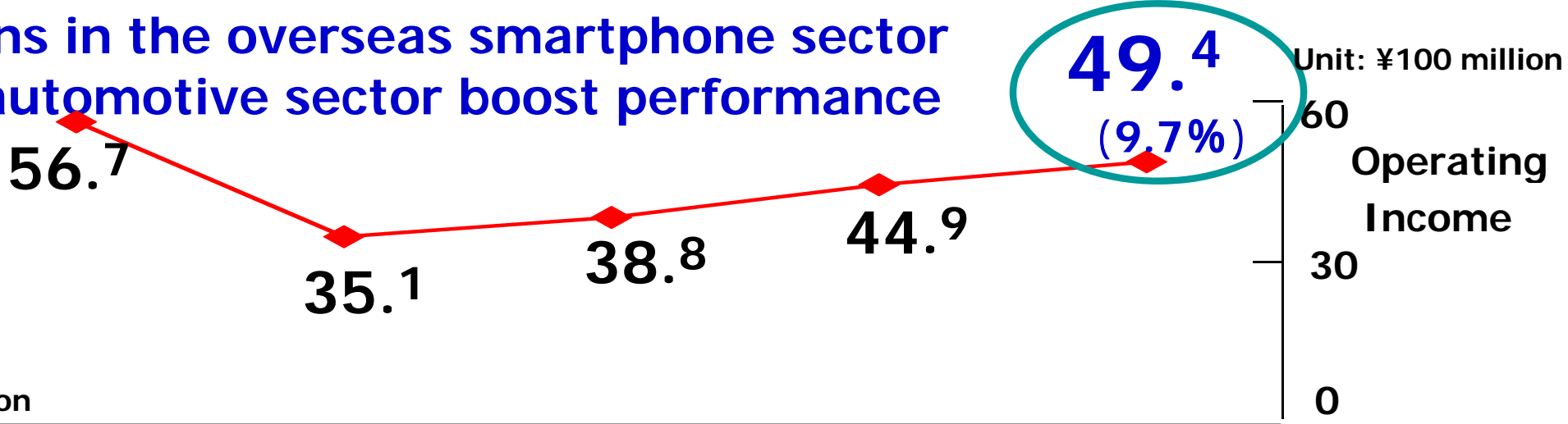
1.(2) Financial Results for 1H of FY2012 (Consolidated)

Increased revenue and profit from both the same period of the previous fiscal year, and the preceding half fiscal year

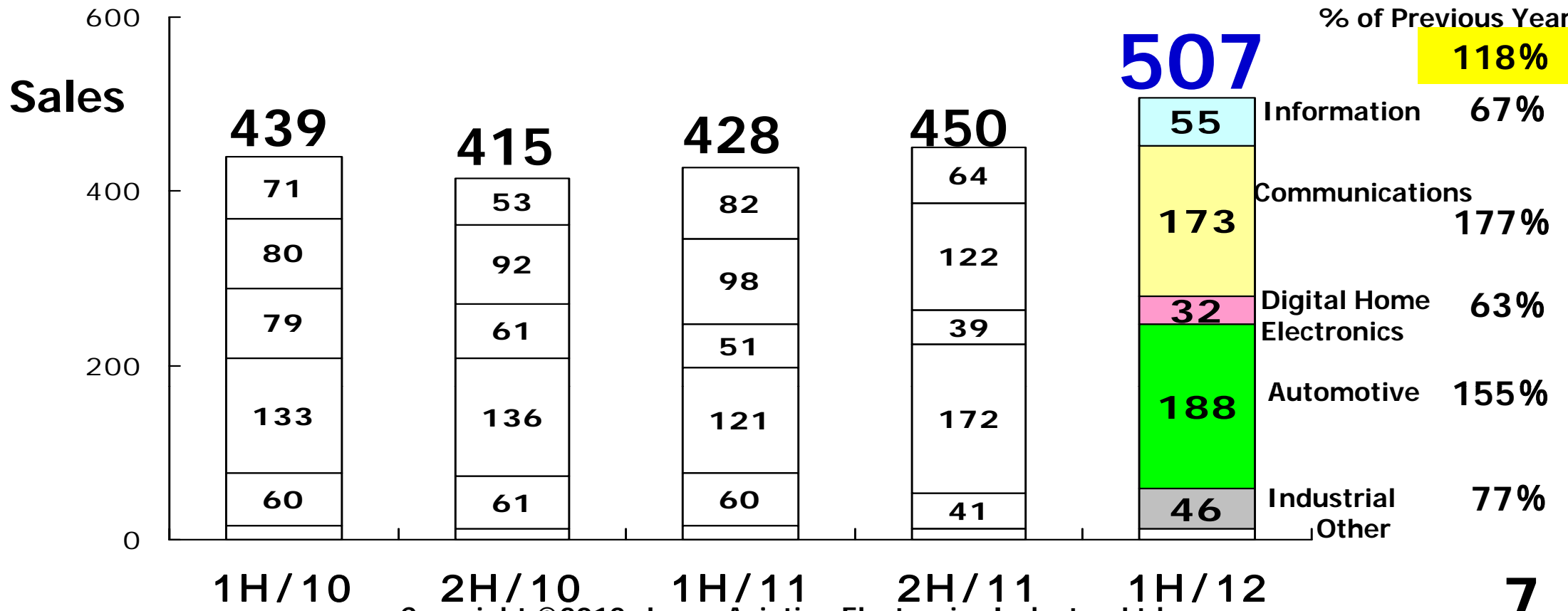


2. Connector

Operations in the overseas smartphone sector and the automotive sector boost performance



Unit: ¥100 million



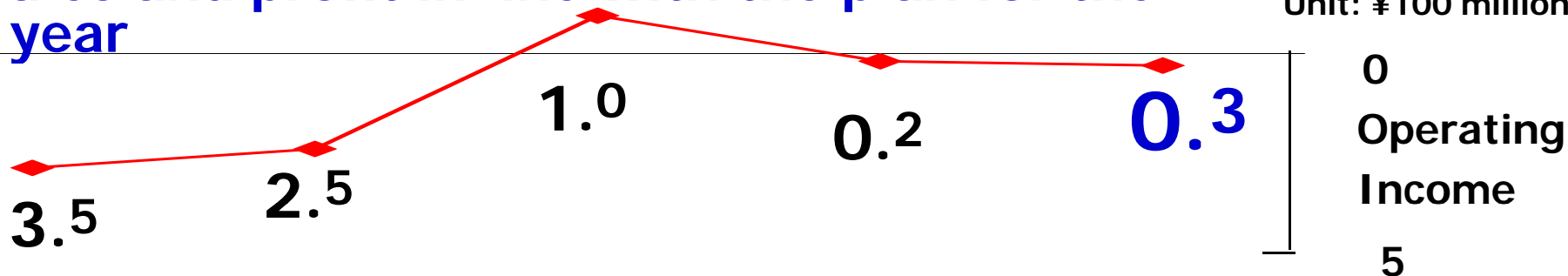
3. UIS



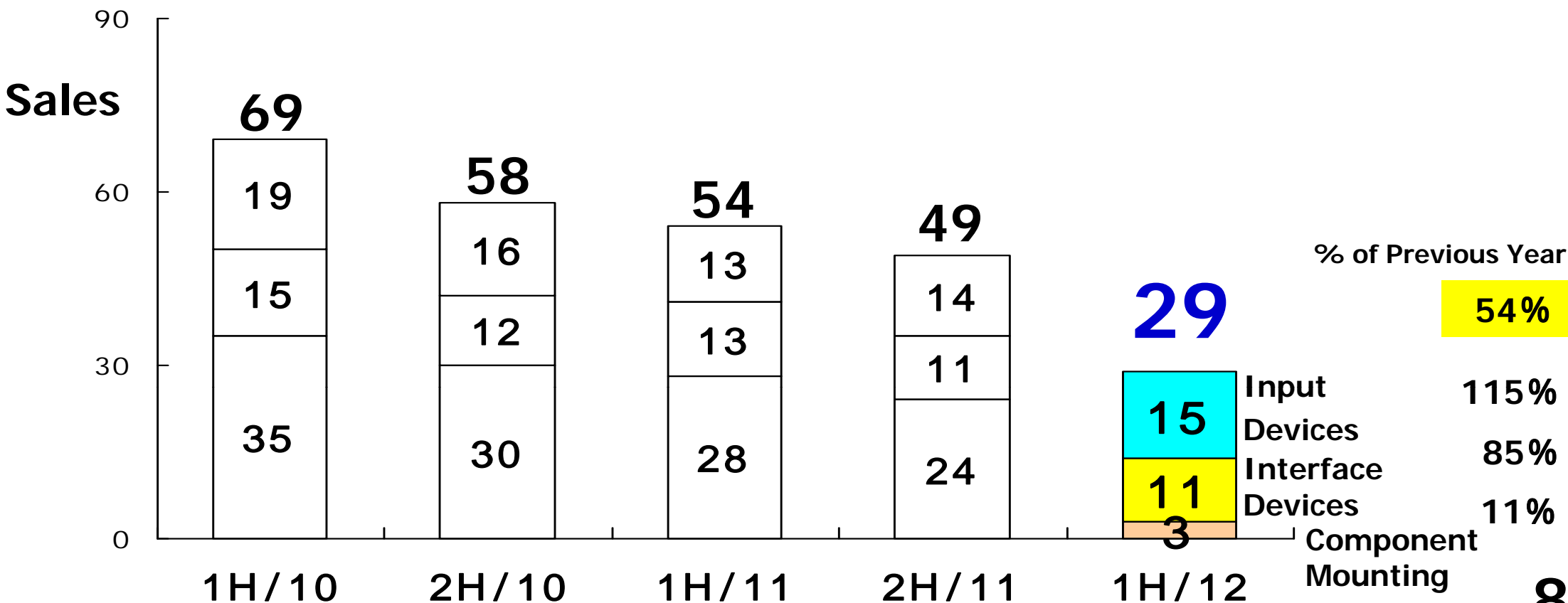
Component mounting business is closed

Volume of sales and profit in line with the plan for the 1H of fiscal year

Unit: ¥100 million



Unit: ¥100 million



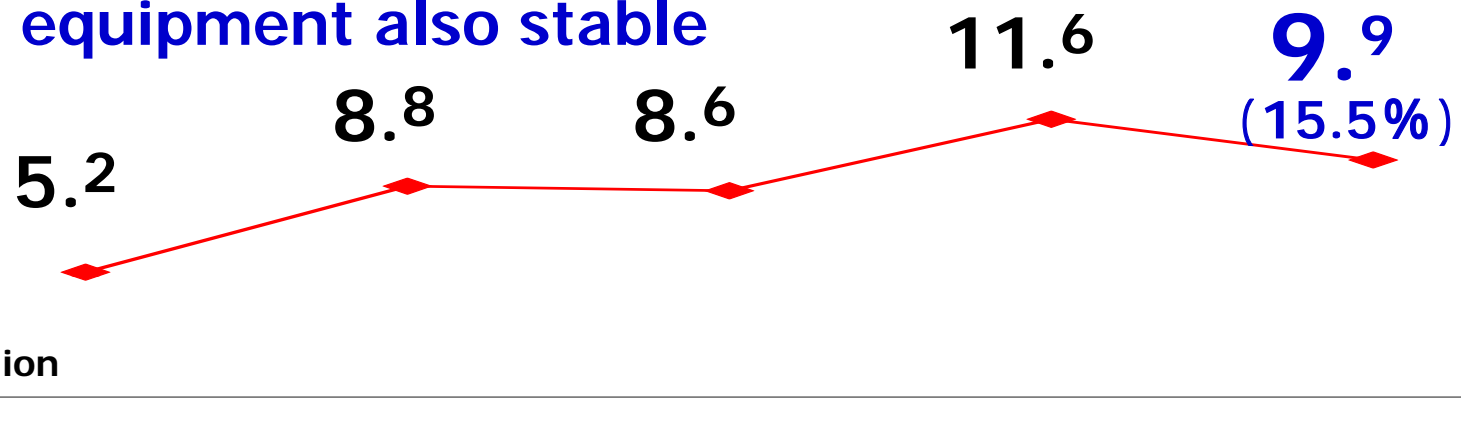
4. Aerospace



Defense and space grew year on year

Industrial equipment also stable

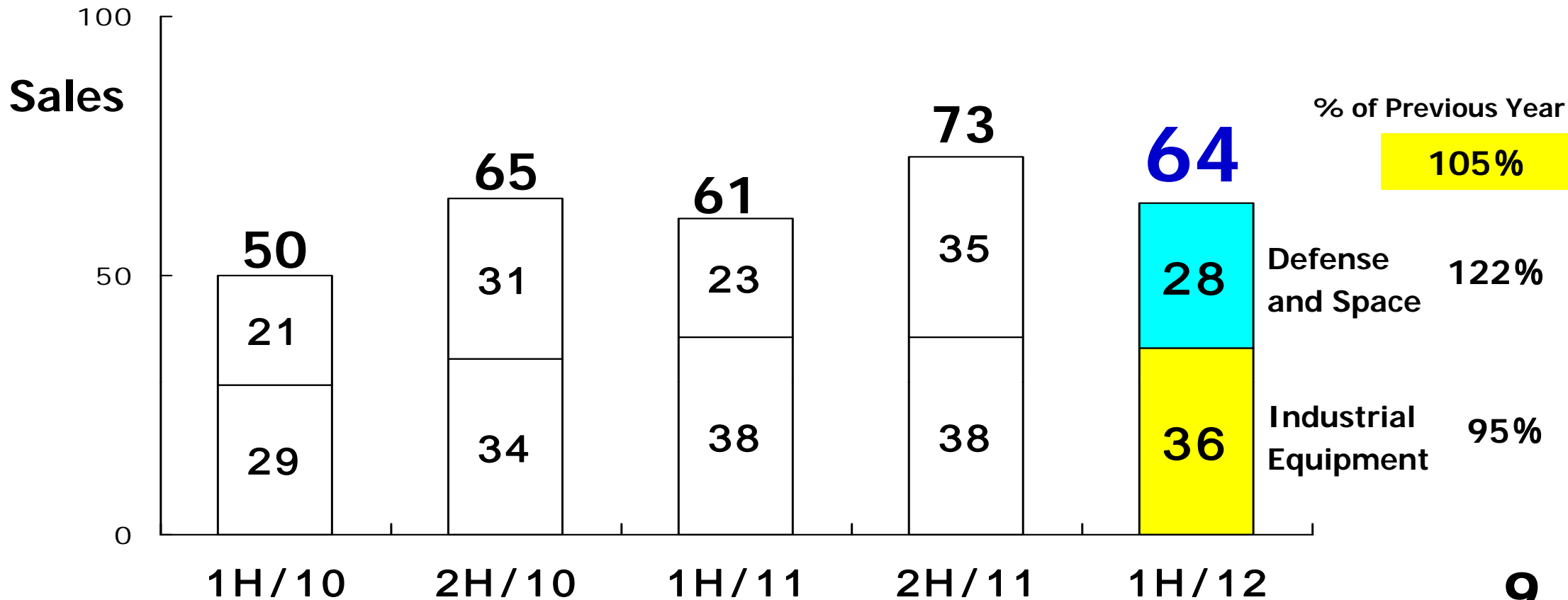
Unit: ¥100 million



Unit: ¥100 million

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Operating Income



5. Changes in Sales by District/Overseas Ratio



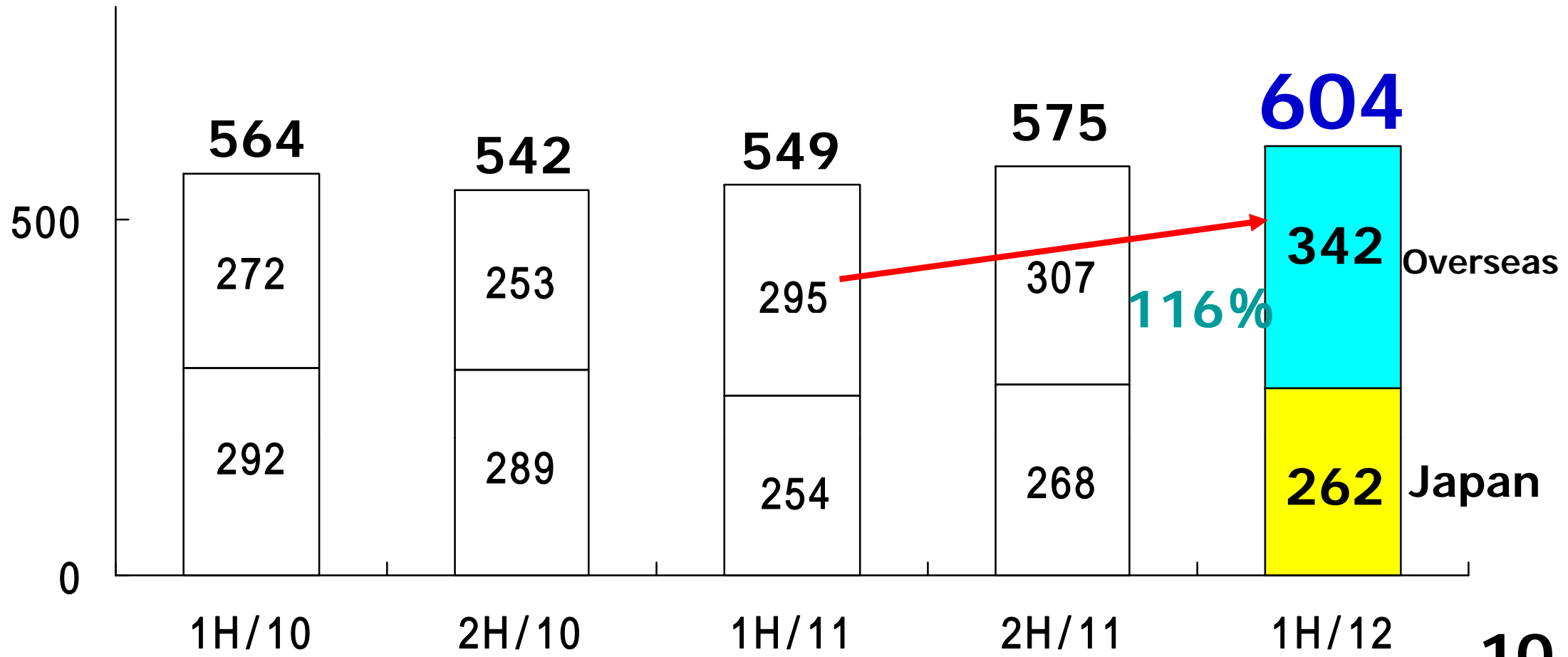
(%)

56.6%

(Compared to 2^H of FY2011: +3.2%)

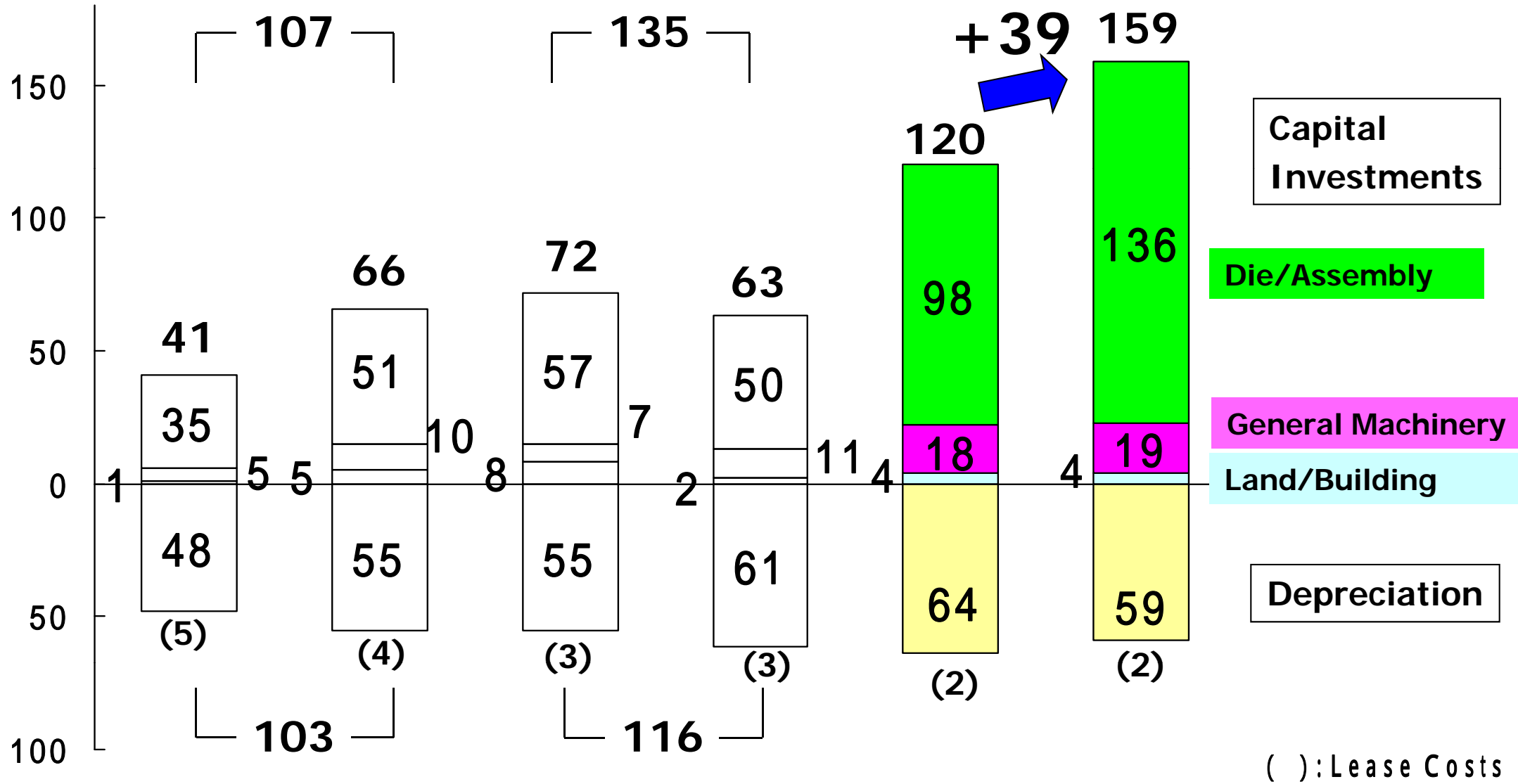
Overseas Ratio

Unit: ¥100 million



6. Capital Investments and Depreciation

Unit: ¥100 million



1H/10 2H/10 1H/11 2H/11 1H/12Plan 1H/12Result (FY)

. Prospects for 2H of FY2012 & FY2012

1. Basic Business Policies

“Technology to Inspire Innovation”

Enhance global marketing and technology development capabilities, promote optimum strong product developments

Promote “manufacturing technology innovation” based on automation and in-house production.



“Manufacturing technology” to overcome problem of the high yen

Continuation of domestic production

**Achieving volume of sales and profit
in the smartphone and automotive
markets**

**Strengthening operations in the field of
industrial devices and initiatives for
entry into new markets**

**Continuation of efforts to reduce
costs through manufacturing reforms**

Smartphone

Board to Board

I/O



SIM Card

Micro SD Card

Automotive (including EV/HEV)



Capacitive Touch Panel



Information/Communications



Resolver



Resolver to
Digital Converter

Industrial/Communications Infrastructure Markets

**General Purpose
Rectangular I/O**

**Compact
Circular I/O**



**Robot / Numerical
Control Machine**

**Board to Board
(Floating)**



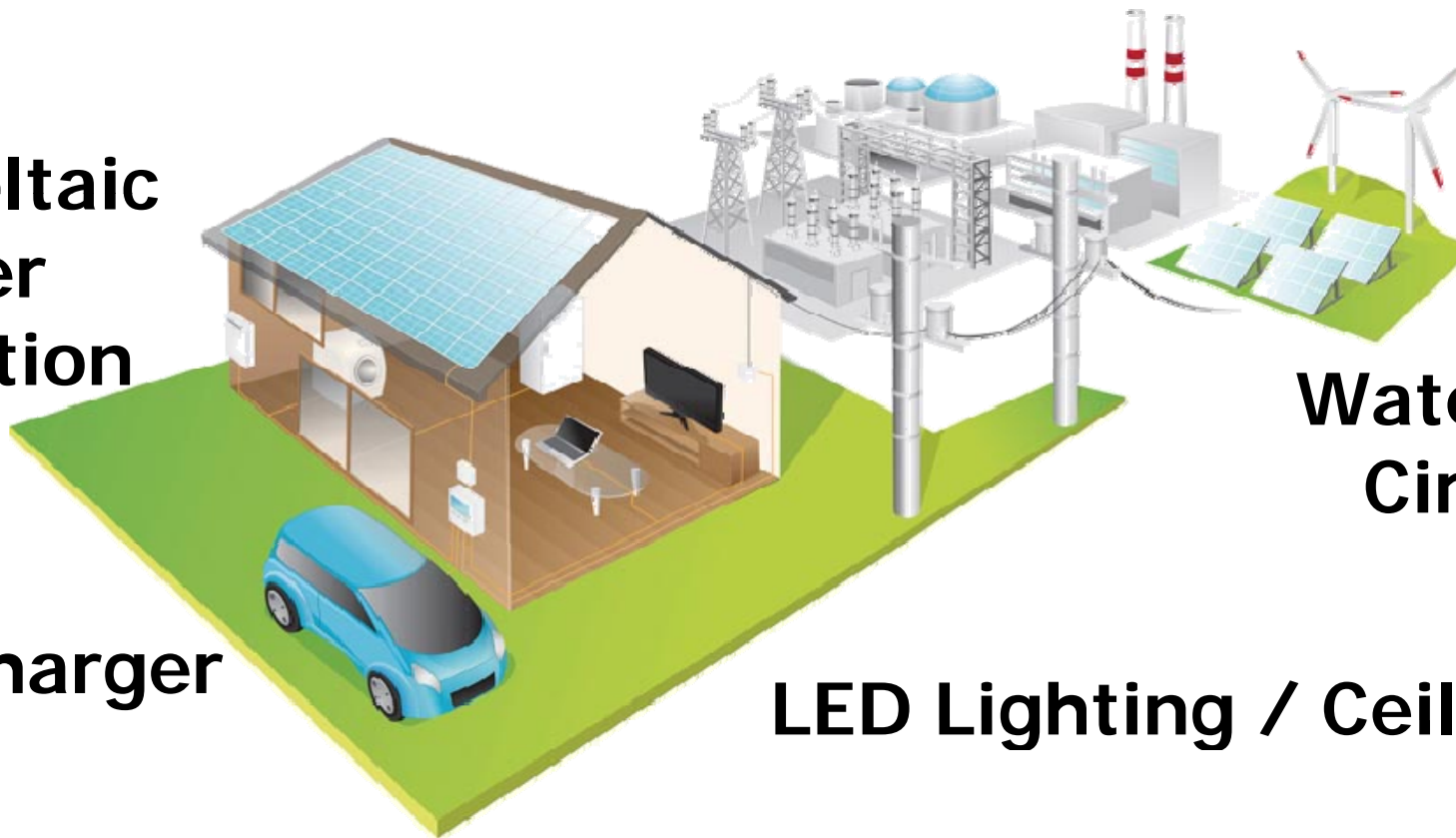
**Communications Base
Station / Antenna**



**Fiber Optic
Connector**

Smart grid · LED Lighting · Energy

**Photovoltaic
Power
Generation**



Quick Charger

Storage Battery

**Waterproof
Circular**

LED Lighting / Ceiling Light

Space × 1.6, Stamping machines × 3, and Molding machines × 2 (FY)

04	05	06	07	08
<p>Wujiang 5,800m²</p> 	 <p>Hirosaki press line 3,400m²</p>	<p>Wuxi</p>  <p>17,000m²</p> <p>Yamagata press line</p>  <p>10,000m²</p> <p>Akishima</p>  <p>5,000m²</p> <p>Shinsyu</p>  <p>2,500m²</p>	<p>Philippines 8,000m²</p>  <p>Akishima logistics</p>  <p>5,000m²</p>	<p>Radio frequency anechoic chamber and material analysis center 11,000m²</p>  <p>Hirosaki new factory 24,000</p>  <p>Wujiang new factory 3,300</p> 

Number:
Increased floor area (m²)



JAE Philippines, Inc.



Construction of a second plant

Response to the expansion and globalization of the automotive business

Hiroasaki



Adding a new factory building

Yamagata



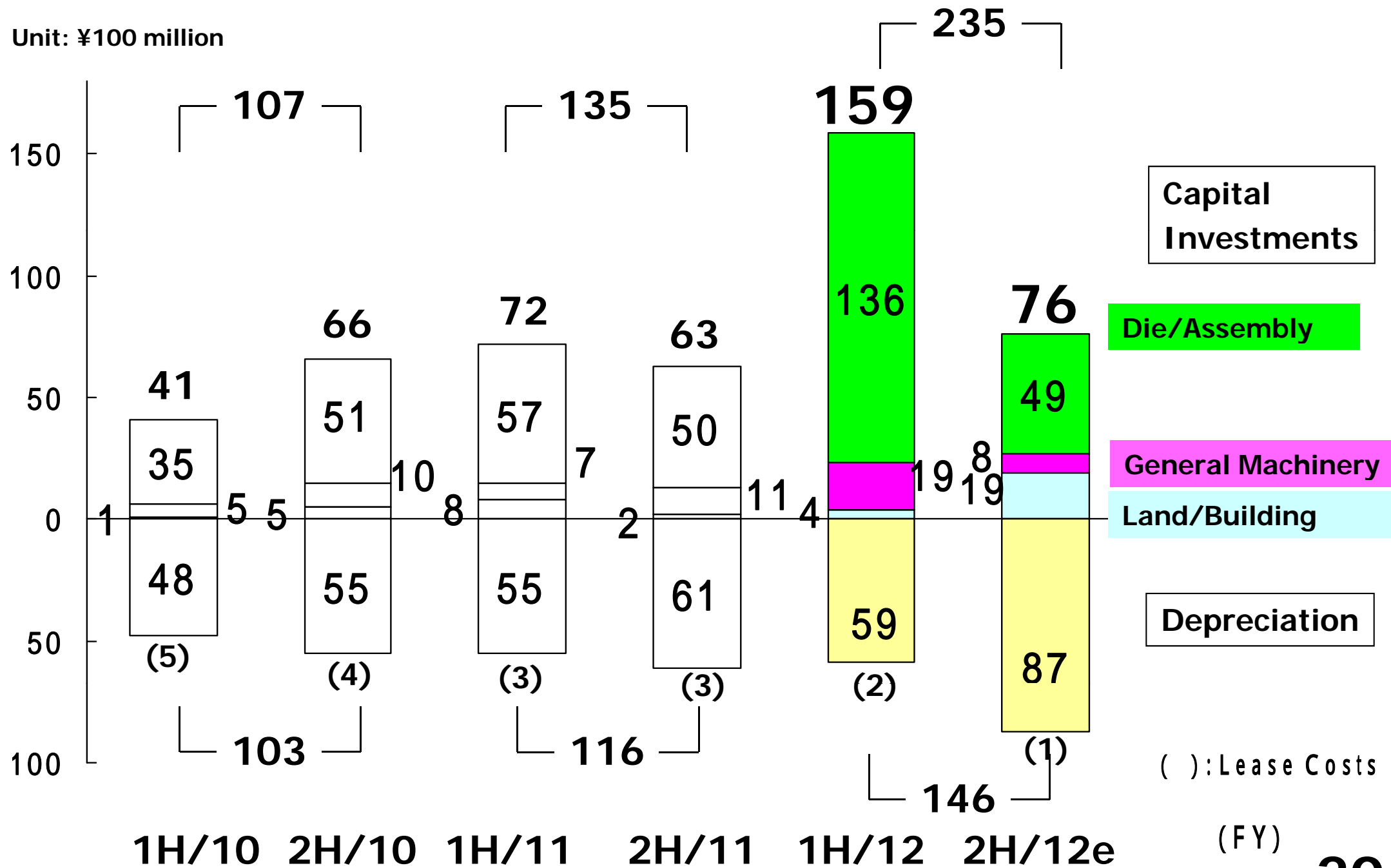
Adding a new factory building

Increase the production capacity of automated machinery for the lineup of highly sophisticated products for handheld devices and automotive

3. Capital Investments and Depreciation



Unit: ¥100 million



4. Prospects for Fiscal 2012

(consolidated)

Unit: ¥100 million

Major Items	2 nd Half			Full Year	
		<i>Compared to 1st Half</i>	<i>% of Previous Year</i>		<i>% of Previous Year</i>
Sales	696	115%	121%	1,300	116%
Operating Income	50.⁶	128%	137%	90	138%
Ordinary Income	43.⁶	120%	125%	80	139%
Net Income	24.⁷	98%	136%	50	155%

* Estimated average exchange rate during 2nd Half of 2012: ¥78/\$

4(1). Prospects for Sales by Business Segment and Region



Unit: ¥100 million

Business Segment	FY2012		FY2011		FY2010	
	2 nd Half	Compared to 1 st Half	% of Previous Year	Full Year	% of Previous Year	Full Year
Connector	583	115%	130%	1,090	124%	1,090
UIS	27	93%	55%	56	54%	56
Aerospace	80	125%	110%	144	107%	144
Other	6	-	-	10	-	10
Total	696	115%	121%	1,300	116%	1,300
Japan	273	104%	102%	535	103%	535
Overseas	423	124%	138%	765	127%	765

4 (2). Prospects for Sales by Major Connector Market Segment



Unit: ¥100 million

FY2012 Market	2 nd Half	Compared to 1 st Half	% of Previous Year	Full Year	
					% of Previous Year
Information	55	100%	86%	110	75%
Communications	257	149%	211%	430	195%
Digital Home Electronics	33	103%	85%	65	72%
Automotive	175	93%	102%	363	124%
Industrial	49	107%	120%	95	94%
Other	14	108%	117%	27	96%
Connector Total	583	115%	130%	1,090	124%
Japan	190	101%	100%	379	102%
Overseas (Ratio to the Total)	393 (67%)	124% (+4%)	151% (+9%)	711 (65%)	141% (+7%)

4 (3). Prospects for Operating Income by Business Segment

Unit: ¥100 million

Operating income ratio in parentheses

Business Segment	FY2012		Operating income ratio in parentheses		Operating income ratio in parentheses	
	2 nd Half	Compared to 1 st Half	% of Previous Year	Full Year	% of Previous Year	
Connector	65.6 (11.3%)	133%	146%	115 (10.6%)	137%	
UIS	0.8 (3.0%)	+1.1 (¥ 100 million)	+1 (¥ 100 million)	0.5 (0.9%)	0.3 (¥ 100 million)	
Aerospace	8.1 (10.1%)	82%	70%	18 (12.5%)	89%	
Unallocatable Costs / Other	23.9	-	-	43.5	-	
Total	50.6 (7.3%)	128%	137%	90 (6.9%)	138%	

5. Management Reform Phase 3, Mid-Term Financial Target

Unit: ¥100 million

FY		07	11	12e	13e Target
JAE Group	Sales	1,562	1,124	1,300	1,500
	Ordinary Income Ratio	7.8%	5.1%	6.2%	8%
Connector	Sales	1,199	878	1,090	1,200
	Operating Income Ratio	13.6%	9.5%	10.6%	13%

Technology to Inspire Innovation



<General Notes>

The plans, strategies & results forecasts and targets for our company and our consolidated affiliates (hereinafter JAE) noted in these materials are forecasts and targets as of October 24, 2012, and include risks and uncertainties.

The targets noted in these materials are not projections, and do not reflect current projections by the management team with regards to future results. Rather, these are targets to be attained by the management team through implementing business strategies.

Note that actual results may differ greatly from forecasts and targets, etc. based on various factors. Major factors that affect actual business results, etc. are the political and economic situations in Japan, the US, Asia and so forth that involve regions where JAE conducts business operations, demand fluctuations for JAE products (including software products) in the market, deflationary pressures caused by severe competition, the ability to continue supplying over our competitors, the ability to expand business operations in overseas markets, changes to the laws and regulations concerning business activities, and their opacity, potential legal responsibilities, exchange rates, etc, and there may be other factors beyond the ones listed here. Actual results may differ from management targets and other forecasts due to a worsening global economy and the global financial situation, stagnation in the domestic and overseas stock markets, etc. Note that descriptions concerning projections are current as of that day.

Although new risks and factors of uncertainty that occur at any anytime are evident, it is impossible to predict their occurrence or effects. In addition, details describing future predictions may not actually occur due to risk and uncertainties. Do not rely solely on these descriptions.