

Financial Results for FY2014 and Prospects for FY2015

April 28, 2015

6807 Japan Aviation Electronics Industry, Ltd.

- . Financial Results for FY2014
- . Prospects for FY2015

. Financial Results for FY2014

Achieved the highest financial results for two consecutive years

- Demand for overseas Mobile Devices grew substantially while the one for Automotive and Industrial Equipment & Infrastructure steadily increased
- Yen depreciation pushed up Sales and Incomes for the 2nd half
- Sales and Net Income increased by 1.2 times and 1.5 times respectively from the previous year

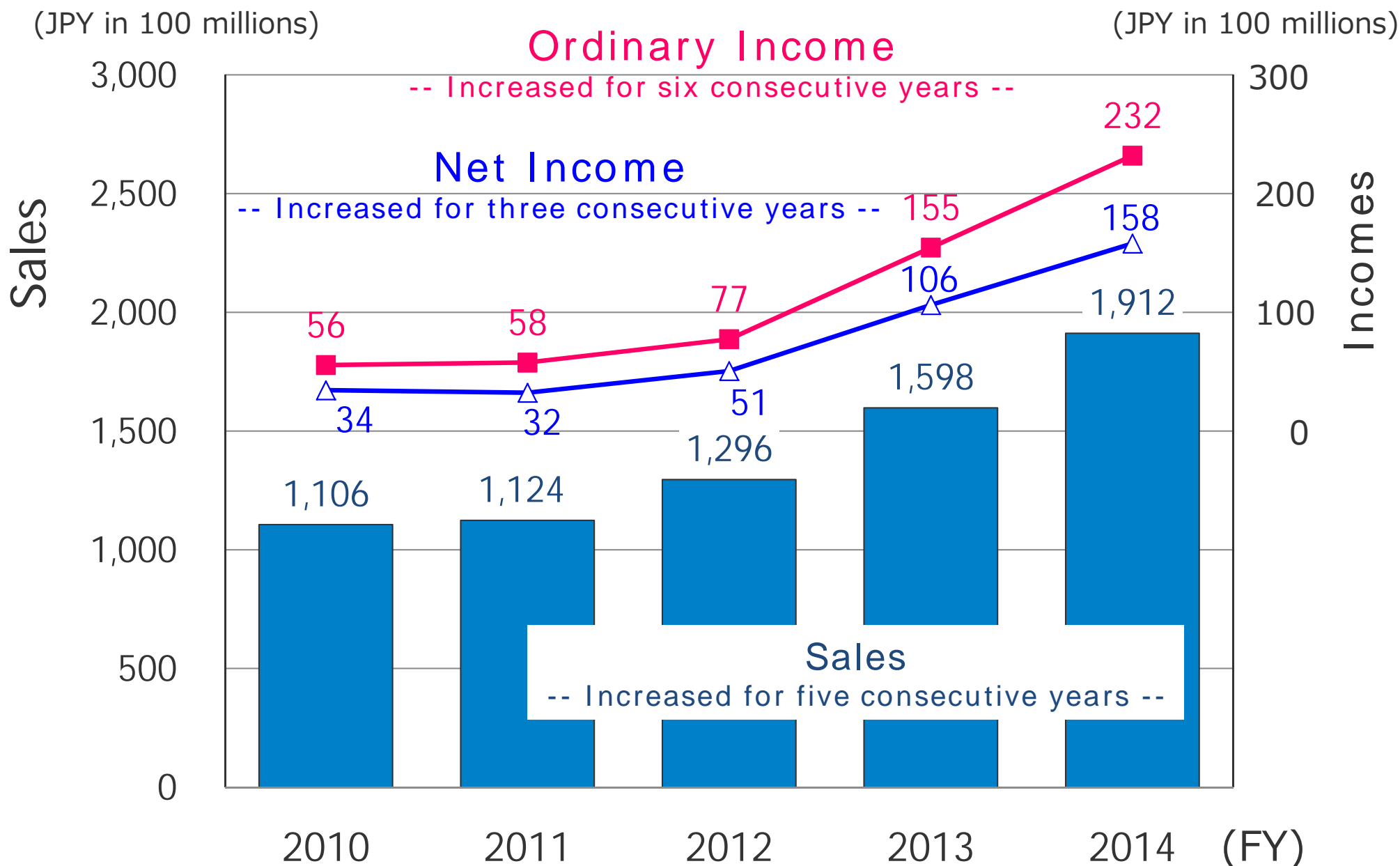
1-2. Sales & Incomes

(JPY in 100 millions)

	FY2013		FY2014		% of Previous Year	
Sales	1,598	(%)	1,912	(%)	314	120%
Operating Income	165	10.3%	259	13.5%	94	157%
Ordinary Income	155	9.7%	232	12.1%	77	150%
Net Income	106	6.6%	158	8.2%	51	148%
Average Exchange Rate (JPY/USD)	100.17		109.76		—	

※ Amounts less than 100 million yen are rounded off.

1-3. Sales & Incomes Growth



※ Amounts less than 100 million yen are rounded off

■ Sales ■ Ordinary Income ▲ Net Income

- Connector and UIS grew by double digits from the previous year
- By market, overseas Mobile Devices and Automotive substantially contributed to the growth

2-2. Sales by Business Segment

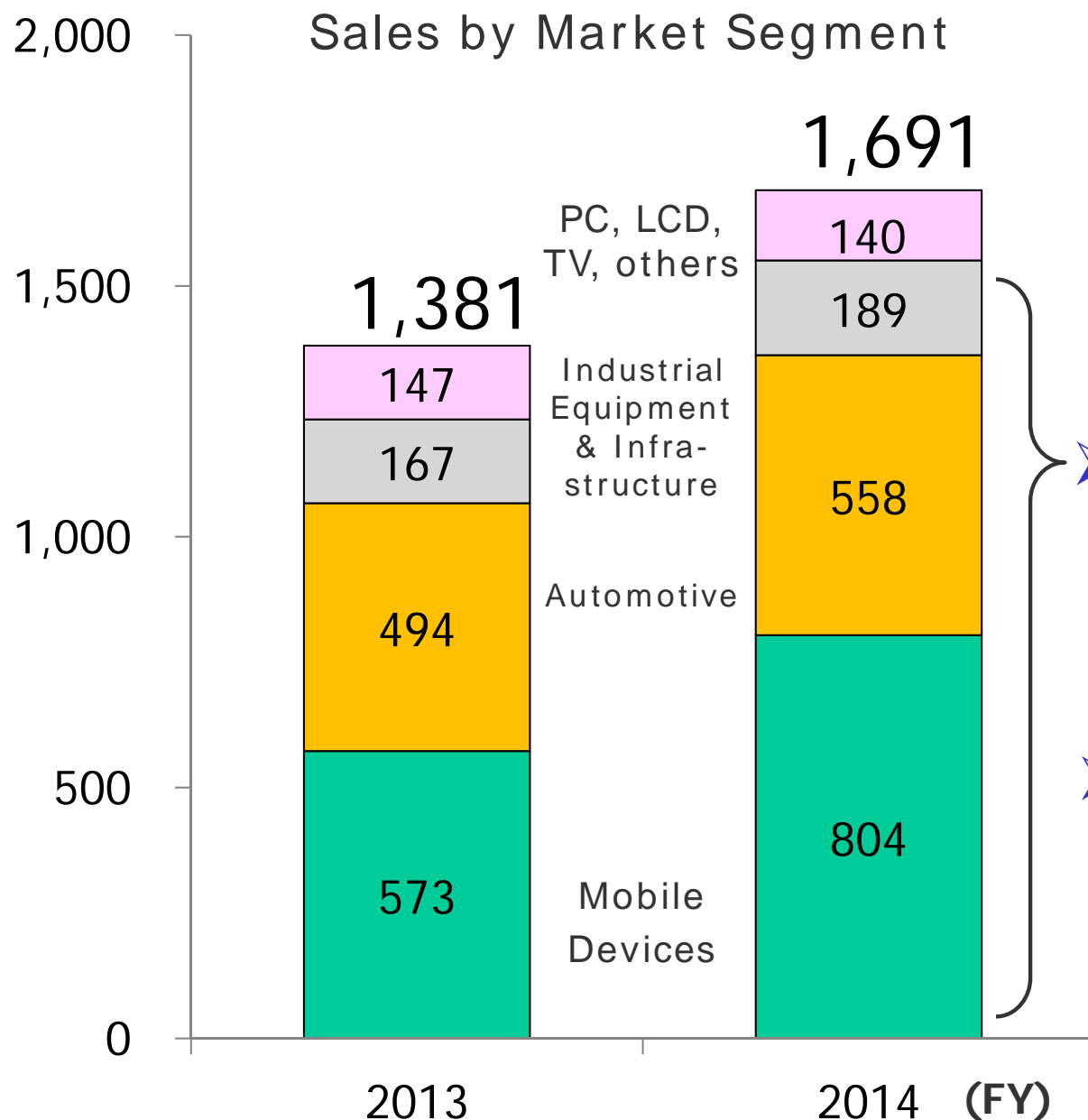
(JPY in 100 millions)

	FY2013		FY2014		% of Previous Year	
		(%)		(%)		(%)
Connector	1,381	86%	1,691	88%	310	122%
UIS	63	4%	71	4%	8	113%
Aerospace	146	9%	142	7%	-4	97%
Others	8	1%	8	1%	0	104%
Total	1,598	100%	1,912	100%	314	120%

※ Amounts less than 100 million yen are rounded off.

2-3. Connector Business

(JPY in 100 millions)

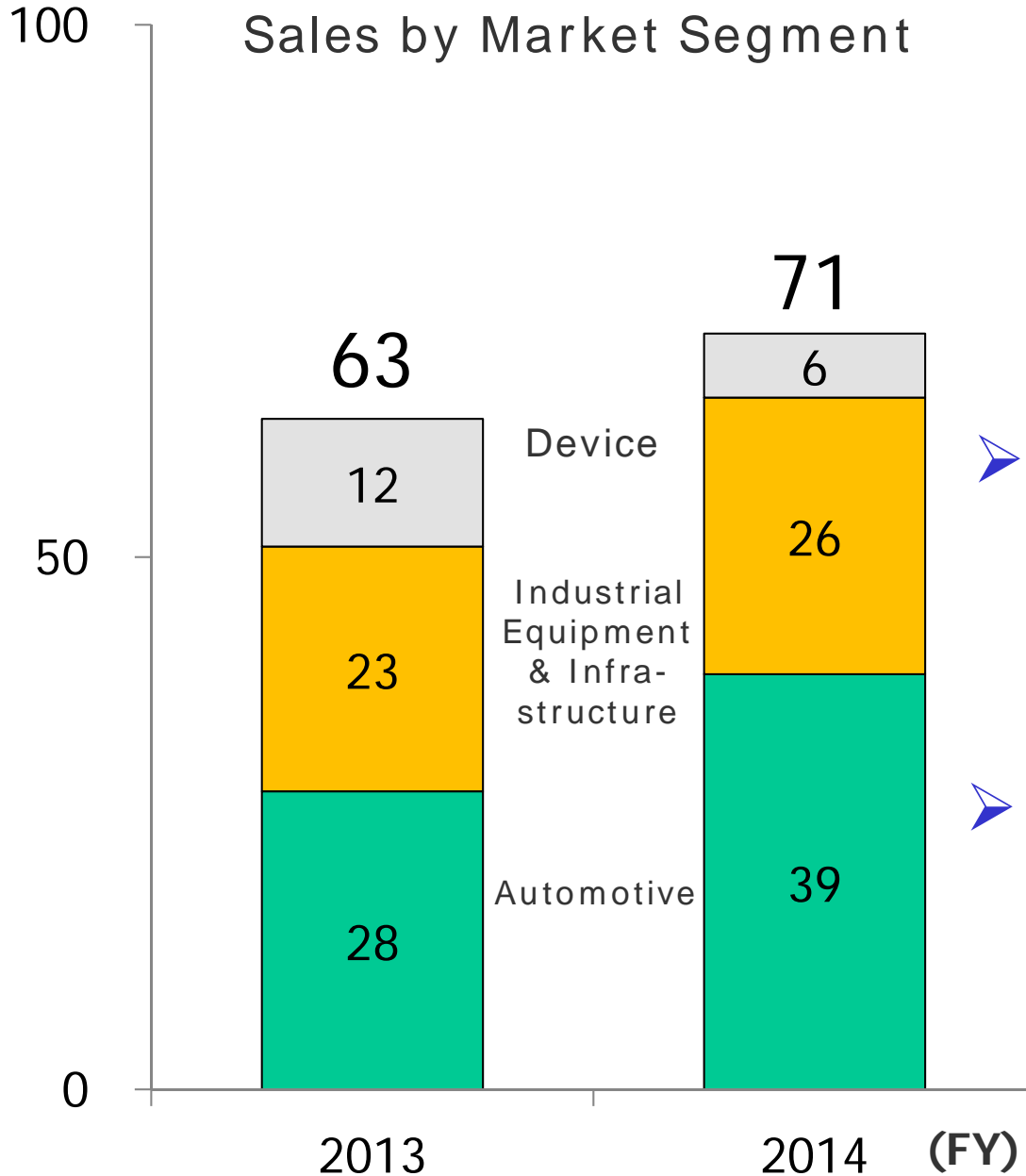


➤ Double digits growth in three key segments

➤ 1.4 times growth in Mobile Devices driven by its overseas sales

2-4. UIS Business

(JPY in 100 millions)

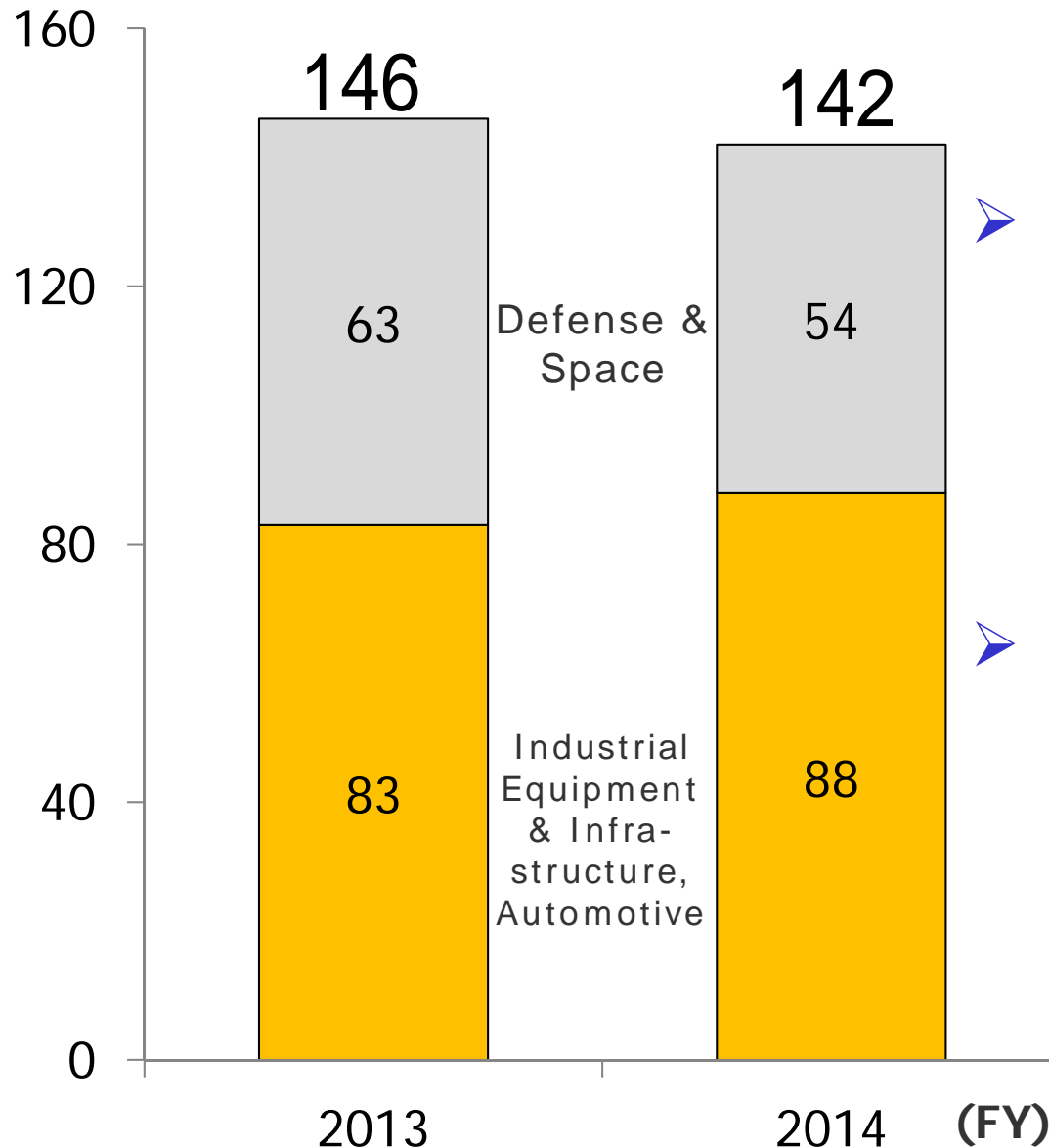


- 113% growth led by Industrial Equipment and medical demands
- 139% growth led by domestic Automotive customers

2-5. Aerospace Business

(JPY in 100 millions)

Sales by Market Segment



➤ Sluggish sales in Defense during 2H

➤ Growth achieved for the year owing to oil drilling use despite oil price down

2-6. Sales by Market Segment

(JPY in 100 millions)

	FY 2013		FY 2014		% of Previous Year	
		(%)		(%)		(%)
Mobile Devices	573	36%	804	42%	231	140%
Automotive	525	33%	604	32%	79	115%
Industrial Equipment & Infrastructure	270	17%	296	15%	26	110%
Others	230	14%	208	11%	-22	90%
Total	1,598	100%	1,912	100%	314	120%

※ Amounts less than 100 million yen are rounded off.

2-7. Sales by Region

(JPY in 100 millions)

	FY 2013		FY 2014		% of Previous Year	
		(%)		(%)		(%)
Domestics	550	34%	551	29%	1	100%
Overseas	1,048	66%	1,361	71%	313	130%
Total	1,598	100%	1,912	100%	314	120%

※ Amounts less than 100 million yen are rounded off.

Operating Income grew 1.6 times from the previous year

- Connector substantially generated income by sales increase and yen depreciation
- UIS turned into surplus

3-2. Operating Income by Business Segment

(JPY in 100 millions)

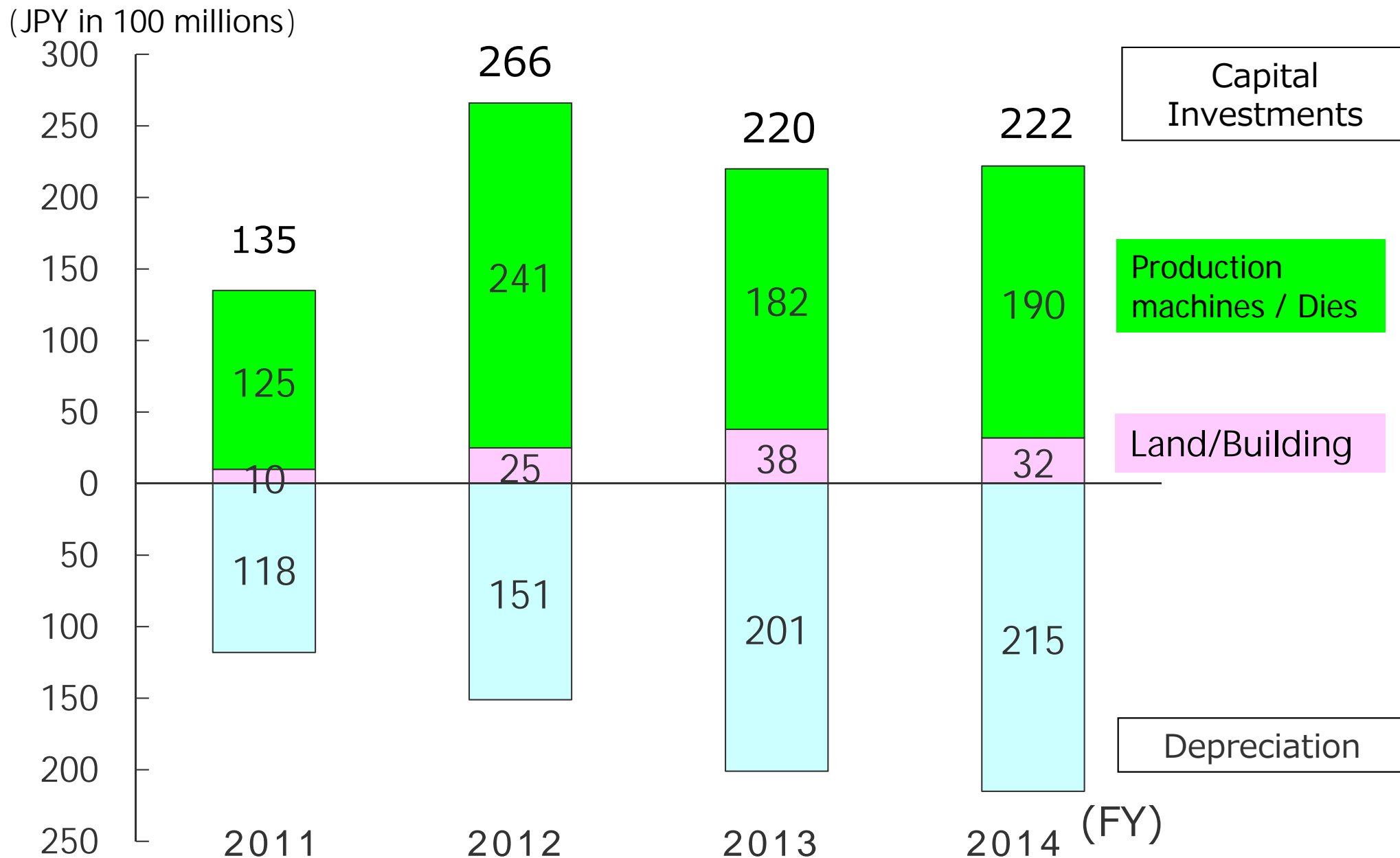
	FY 2 0 1 3		FY 2 0 1 4		% of Previous Year	
		(%)		(%)		(%)
Connector	193	14.0%	287	17.0%	94	149%
UIS	-0	-0.5%	4	5.1%	4	turnaround
Aerospace	9	6.3%	7	4.9%	-2	76%
Unallocatable Costs/Others	-37	-	-39	-	-2	-
Total	165	10.3%	259	13.5%	94	157%

※ Percentages (%) for FY2013 and FY2014 indicate Operating Income to Sales Ratios

※ Percentages (%) of Previous Year indicate growth rates

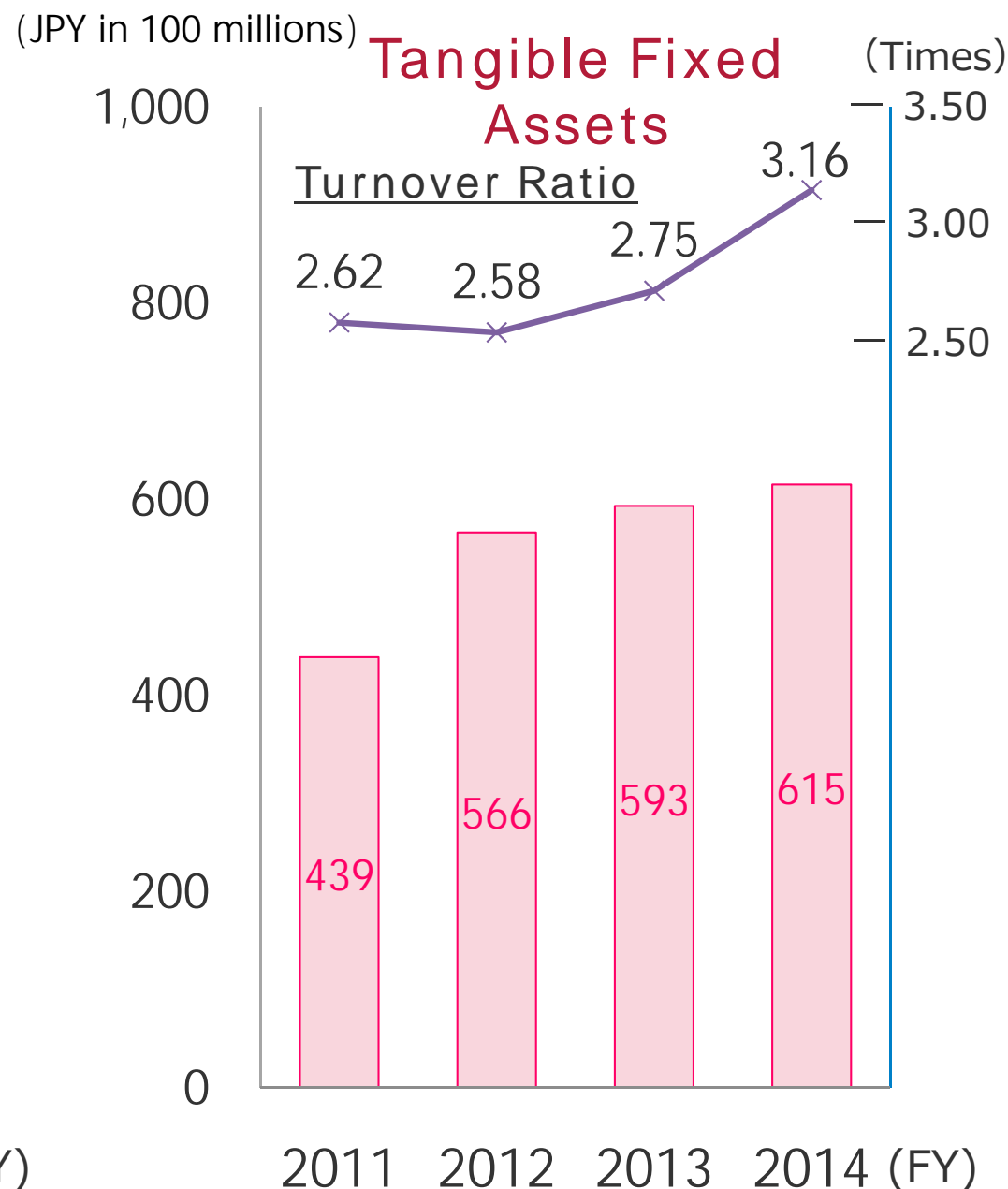
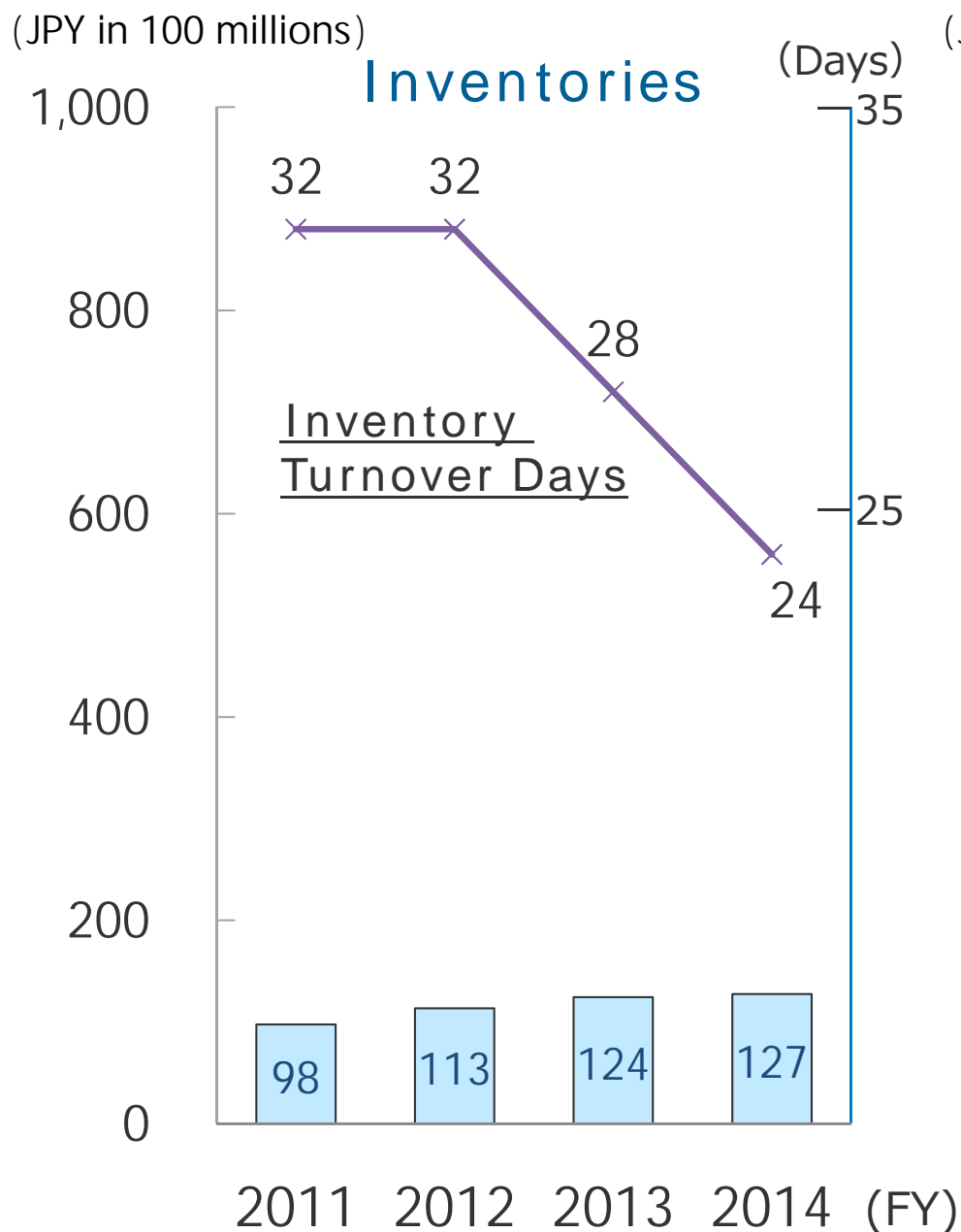
※ Amounts less than 100 million yen are rounded off

4-1. Capital Investment & Depreciation



Depreciation includes loss on retirement of fixed assets

4-2. Improvement of Asset Efficiency



※ Amounts less than 100 million yen are rounded off

- FY 2014 Year-end Dividends :
JPY 10 (originally expected)
JPY 5 (additional) JPY 15 (Total)

- FY 2015 (Expected)
Interim : JPY 15
Year-end : JPY 15 Annual JPY 30

. Prospects for FY2015

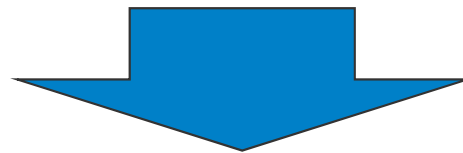
- Mobile Devices
Smartphone to maintain the considerable market but slow its growth rate; Wearable to expand onward

- Automotive
Grow as much as this year worldwide despite various growth rates by region

- Industrial Equipment & Infrastructure
Expect weaker capital investment in emerging market but grow moderately overall

- Follow basic principles
 - Expand sales with right product launch by enhancing global marketing and technology development
 - Increase profitability by technology and management innovations on the basis of in-house sourcing
 - Continue investment for growth and generate profits

- Enhance product launch to three key markets (Mobile Devices, Automotive, Industrial Equipment & Infrastructure)



Keep up growing to achieve the highest financial record for three consecutive years

2-1. Prospects for FY2015

(JPY in 100 millions)

	FY2015							
	1H Projections		% of Previous Year		FY2015 Projections		% of Previous Year	
		(%)		(%)		(%)		(%)
Sales	970		81	109%	2,030		118	106%
Operating Income	124	12.8%	18	117%	270	13.3%	11	104%
Ordinary Income	112	11.5%	12	112%	240	11.8%	8	104%
Net Income	80	8.2%	8	111%	170	8.4%	12	108%

※ Amounts less than 100 million yen are rounded off

※ Estimated average exchange rate during FY2015 : ¥115/US\$

2-2. Prospects for Sales by Business Segment

(JPY in 100 millions)

	FY2015							
	1H Projections		% of Previous Year		FY2015 Projections		% of Previous Year	
		(%)		(%)		(%)		(%)
Connector	875	90%	95	112%	1,800	89%	109	106%
UIS	37	4%	4	113%	78	4%	7	110%
Aerospace	54	6%	-18	75%	144	7%	2	101%
Others	4	0%	0	99%	8	0%	0	100%
Total	970	100%	81	109%	2,030	100%	118	106%

※ Amounts less than 100 million yen are rounded off

2-3. Prospects for Sales by Market Segment

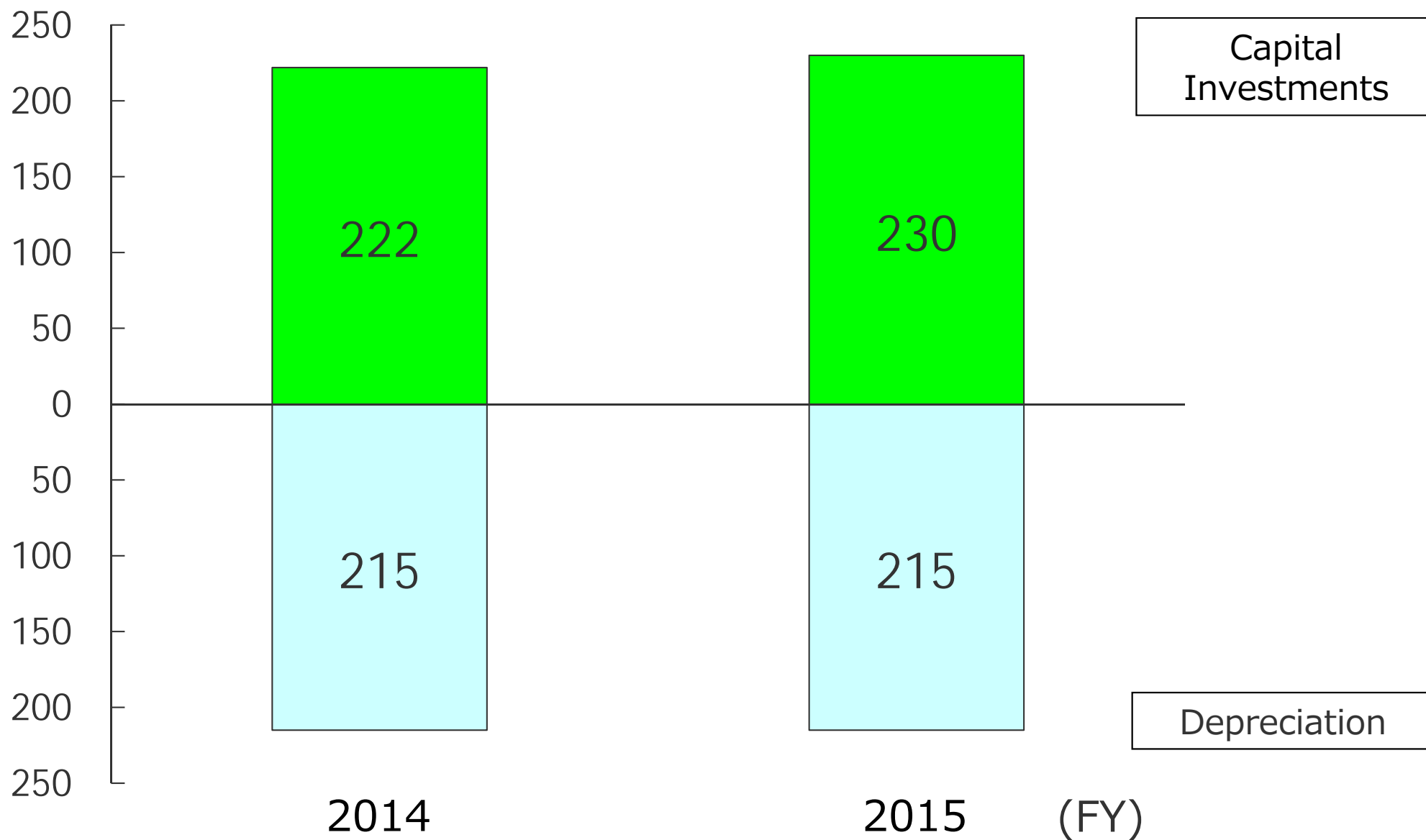
(JPY in 100 millions)

	FY2015							
	1H Projections		% of Previous Year		FY2015 Projections		% of Previous Year	
		(%)		(%)		(%)		(%)
Mobile Devices	415	43%	60	117%	850	42%	46	106%
Automotive	320	33%	41	115%	670	33%	66	111%
Industrial Equipment & Infrastructure	150	15%	1	101%	330	16%	34	111%
Others	85	9%	-22	79%	180	9%	-28	87%
Total	970	100%	81	109%	2,030	100%	118	106%

※ Amounts less than 100 million yen are rounded off

2.4 Prospects for Capital Investment and Depreciation

(JPY in 100 millions)



Depreciation includes loss on retirement of fixed assets

3-1. Strategy (Mobile Devices)

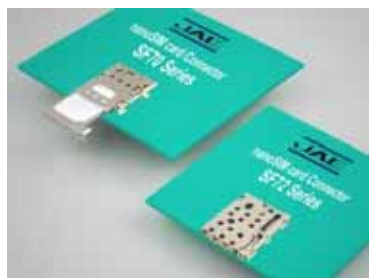
Micro SIM Card Connector



SF58 series

Industry's lowest-in-class Height & Smallest-in-class Dimension

Nano SIM Card Connector



SF70/72 series

Industry's lowest-in-class Height & Smallest-in-class Dimension



DX07 series

USB Type C

Data rate 10 Gbps

Rated current max.5A

Board-to-Board Connector

Industry's narrowest-in-class Pitch & lowest-in-class Height



WP7 series

0.4mm pitch

Stacking height 0.7mm



WP21 series

0.35mm pitch

Stacking height 0.6mm



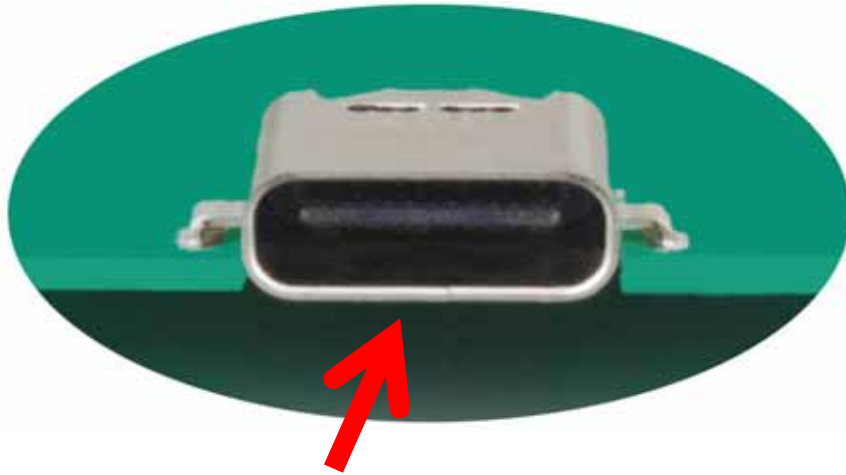
WP25D series

0.35mm pitch

Stacking height 0.7mm

w/ power terminals

A new standardized I/O USB Type C 'DX07'



- Reversible structure for flip-able insert
- High speed transmission (10Gbps)
- High current power supply (5A)



JAE contributed to the standardization

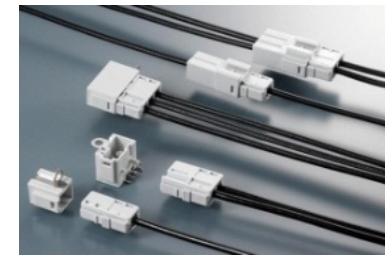
Aiming at the top market share worldwide, offering a total package of products (plug, receptacle and cable)

3-3. Strategy (Automotive)

Capacitive Touch Panel



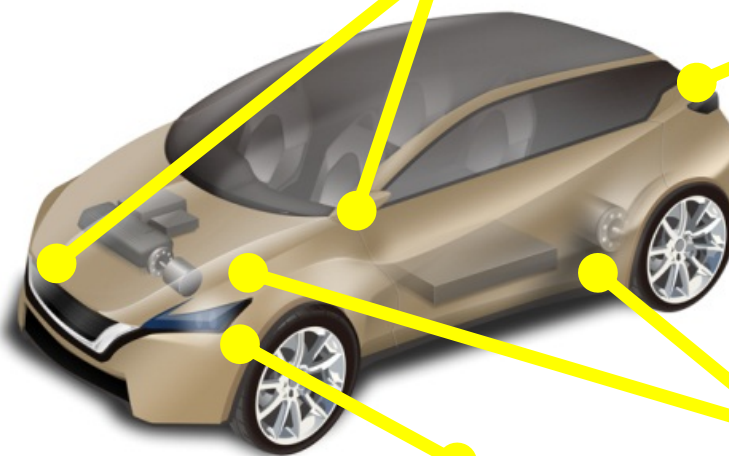
Information / Communication System



Car Navigation

Automotive Digital Camera

Antenna



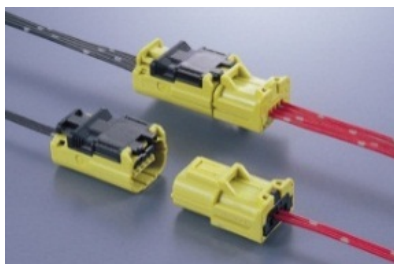
VR type Resolver (EV/HV)



Safety System

Body/Chassis System

Power Train System



Air Bag

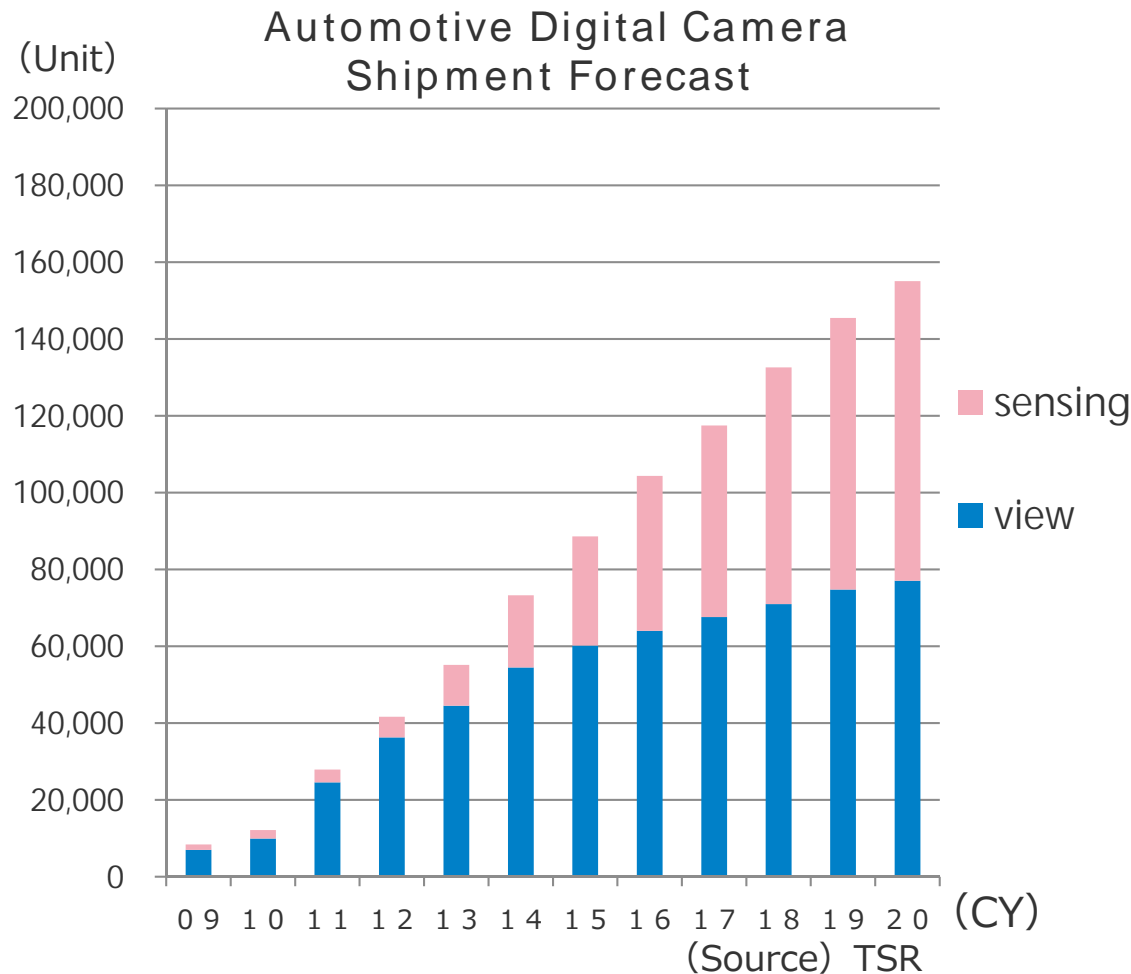


ECU



Resolver to Digital Converter

3-4.Strategy (Automotive)



Automotive Digital Camera Connector



MX55 series

Focus on the camera market anticipated to thrive long and expand customer base globally through solid footprint in Europe

Factory Automation



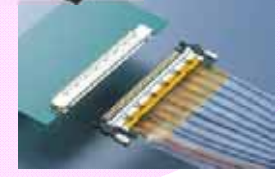
Telecom



Electricity



Medical



Railway Vehicles/Signals



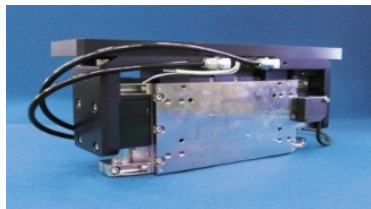
Semiconductor Production/Measuring Equipment



Expand Manufacturing Capability

JAE Shinshu, Ltd built an additional factory building (March, 2015).

Enhance manufacturing capacity
for semiconductor production



Aerospace business unit established JAE Houston, LLC that operates a maintenance and service center for inclinometer package for oil drilling (April, 2015)

Establish a local test and repair facility

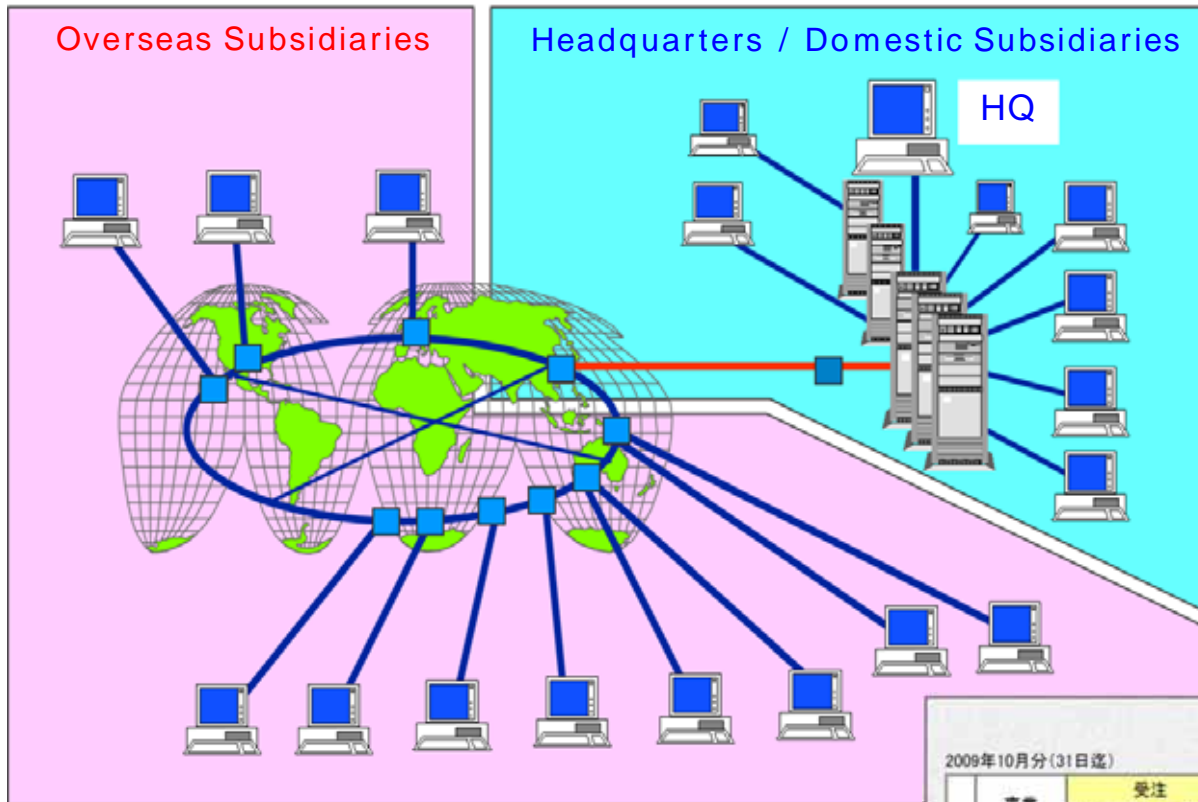
Improve customer satisfaction and expand business by acquiring new needs



Inclinometer
Package for Oil
Drilling



Upgraded an integrated information system



Strengthen consolidated management control

- Advance consolidated cost control
- Improve global control of SCM/ Inventory
- Enhance analysis of manufacturing operations at a global level

Promote management control

- Respond to changes by daily control

受注売上損益ダイリ一進捗

2009年10月分(31日迄) (単位: 億円)

事業	受注			売上			売上GP			事業利益(経常)			棚卸資産			グラフ
	予算	計画	実績	対予算	対計画	対実績	対予算	対計画	対実績	対予算	対計画	対実績	対予算	対計画	対実績	
連結																
コネクタ																9
部品																0
製造																3
その他																7
計																3
事業																
コネクタ社																3
事業部																3
昭島製造																1
部品																4
製造																3
その他																1
計																1

6. Mid-term Financial Target

1

Sales

JPY 250 billion

2

Net Income

JPY 20 billion or more

Technology to Inspire Innovation

The logo features the letters 'JAE' in a large, bold, black, sans-serif font. It is centered between two thick, solid blue horizontal bars, one above and one below.

<Cautionary Statement>

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 April 28, 2015, 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.