

**Technology to Inspire Innovation**

# **Financial Results for 3Q FY2018**

**January 28, 2019**

**6807 Japan Aviation Electronics industry, Ltd.**

# Net Sales and Incomes

(JPY in 100 millions)

	3Q FY2017	3Q FY2018	Year/Year		3Q FY2017	3Q FY2018	Year/Year	
	9 months ended	9 months ended	Change		3 months ended	3 months ended	Change	
	Dec 31, 2017	Dec 31, 2018	9 months		Dec 31, 2017	Dec 31, 2018	3 months	
<b>Net Sales</b>	<b>1,922</b>	<b>1,784</b>	<b>-138</b>	93%	<b>677</b>	<b>604</b>	<b>-73</b>	89%
<b>Operating Income</b> to Net Sales	<b>162</b> 8.4%	<b>155</b> 8.7%	<b>-7</b>	96%	<b>67</b> 9.9%	<b>61</b> 10.1%	<b>-6</b>	91%
<b>Ordinary Income</b> to Net Sales	<b>150</b> 7.8%	<b>163</b> 9.1%	<b>12</b>	108%	<b>66</b> 9.7%	<b>57</b> 9.4%	<b>-9</b>	86%
<b>Net Income</b> to Net Sales	<b>110</b> 5.7%	<b>118</b> 6.6%	<b>9</b>	108%	<b>48</b> 7.0%	<b>41</b> 6.8%	<b>-6</b>	87%
<b>Average Exchange Rate (JPY/USD)</b>	<b>111.7</b>	<b>111.1</b>			<b>113.0</b>	<b>112.9</b>		

※ Amounts less than 100 million JPY are rounded off.

# Net Sales by Market Segment

(JPY in 100 millions)

	3Q FY2017 9 months ended Dec 31, 2017	3Q FY2018 9 months ended Dec 31, 2018	Year/Year Change 9 months	3Q FY2017 3 months ended Dec 31, 2017	3Q FY2018 3 months ended Dec 31, 2018	Year/Year Change 3 months
Mobile Devices	1,077	886	-191 82%	385	304	-81 79%
Automotive	512	557	45 109%	181	188	7 104%
Industrial & Infrastructure	236	252	16 107%	82	81	-1 99%
Others	97	88	-9 91%	29	31	2 107%
<b>Total</b>	<b>1,922</b>	<b>1,784</b>	<b>-138 93%</b>	<b>677</b>	<b>604</b>	<b>-73 89%</b>

Domestic Sales	473	498	25 105%	165	166	1 101%
Overseas Sales	1,449	1,286	-163 89%	512	438	-74 86%

※ Amounts less than 100 million JPY are rounded off.

# Net Sales by Business Segment

(JPY in 100 millions)

	3Q FY1027	3Q FY2018	Year/Year		3Q FY2017	3Q FY2018	Year/Year	
	9 months ended	9 months ended	Change		3 months ended	3 months ended	Change	
	Dec 31, 2017	Dec 31, 2018	9 months		Dec 31, 2017	Dec 31, 2018	3 months	
Conenector	1,769	1,603	-166	91%	627	541	-86	86%
UIS	64	63	-1	98%	22	20	-3	88%
Aerospace	83	111	28	134%	26	41	16	160%
Others	6	7	0	105%	2	2	-0	96%
<b>Total</b>	<b>1,922</b>	<b>1,784</b>	<b>-138</b>	<b>93%</b>	<b>677</b>	<b>604</b>	<b>-73</b>	<b>89%</b>

※ Amounts less than 100 millions JPY are rounded off.

# Operating Income by Business Segment

(JPY in 100 millions)

	3Q FY2017 9 months ended Dec 31, 2017	3Q FY2018 9 months ended Dec 31, 2018
<b>Connector</b>	<b>186</b> 10.5%	<b>171</b> 10.6%
<b>UIS</b>	<b>6</b> 9.7%	<b>4</b> 6.5%
<b>Aerospace</b>	<b>1</b> 1.3%	<b>13</b> 11.6%
<b>Unallocatable costs/Others</b>	<b>-32</b>	<b>-33</b>
<b>Total</b>	<b>162</b> 8.4%	<b>155</b> 8.7%

Year/Year  
Change

9 months

**-16**

**-2**

**12**

**-1**

**-7**

	3Q FY2017 3 months ended Dec 31, 2017	3Q FY2018 3 months ended Dec 31, 2018
	<b>75</b> 11.9%	<b>65</b> 12.0%
	<b>2</b> 10.9%	<b>1</b> 3.2%
	<b>0</b> 0.7%	<b>6</b> 14.5%
	<b>-10</b>	<b>-10</b>
	<b>67</b> 9.9%	<b>61</b> 10.1%

Year/Year  
Change

3 months

**-10**

**-2**

**6**

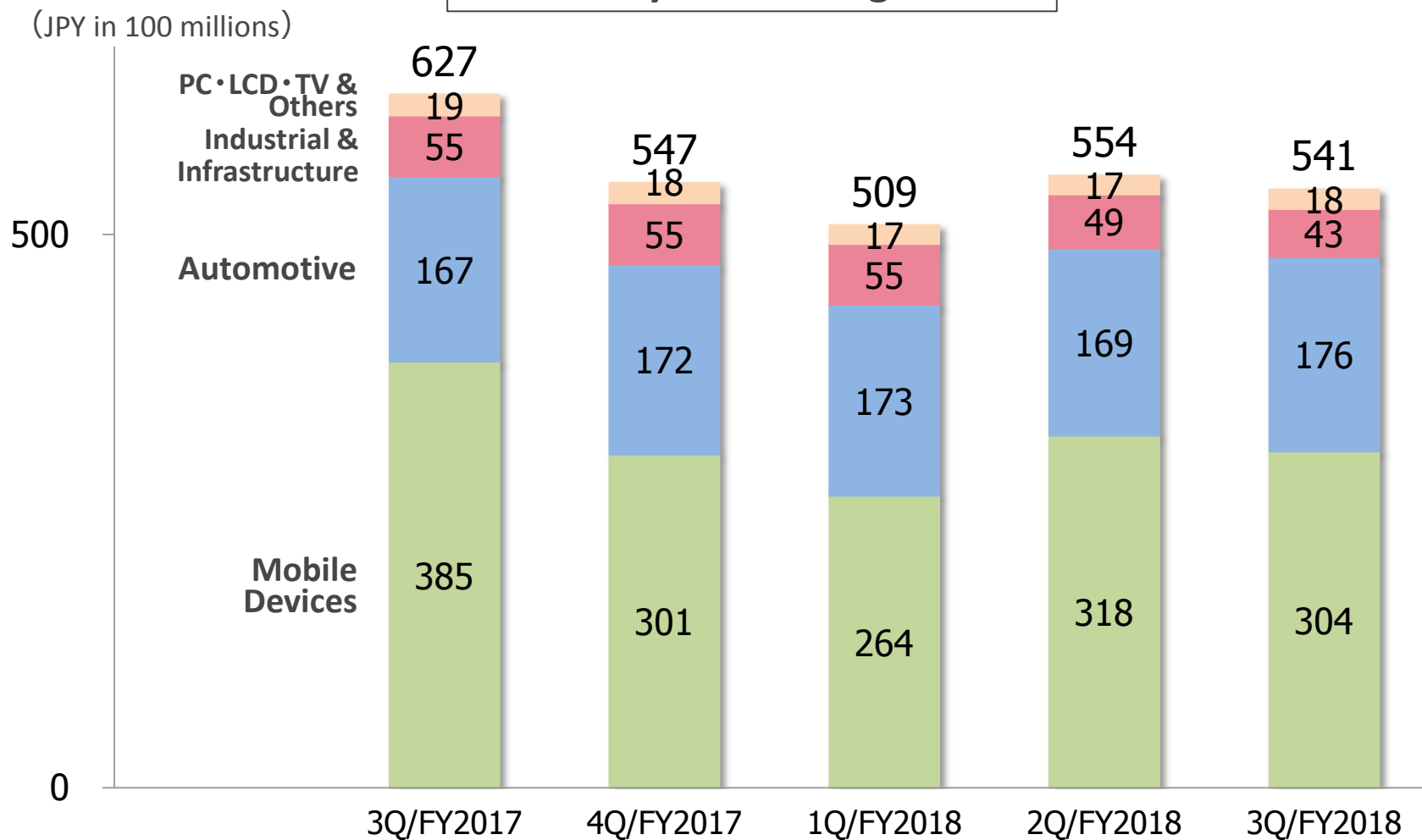
**0**

**-6**

※ Percentages(%) for 3QFY2017 & 3QFY2018 indicate Operating Income to Net Sales Ratios.

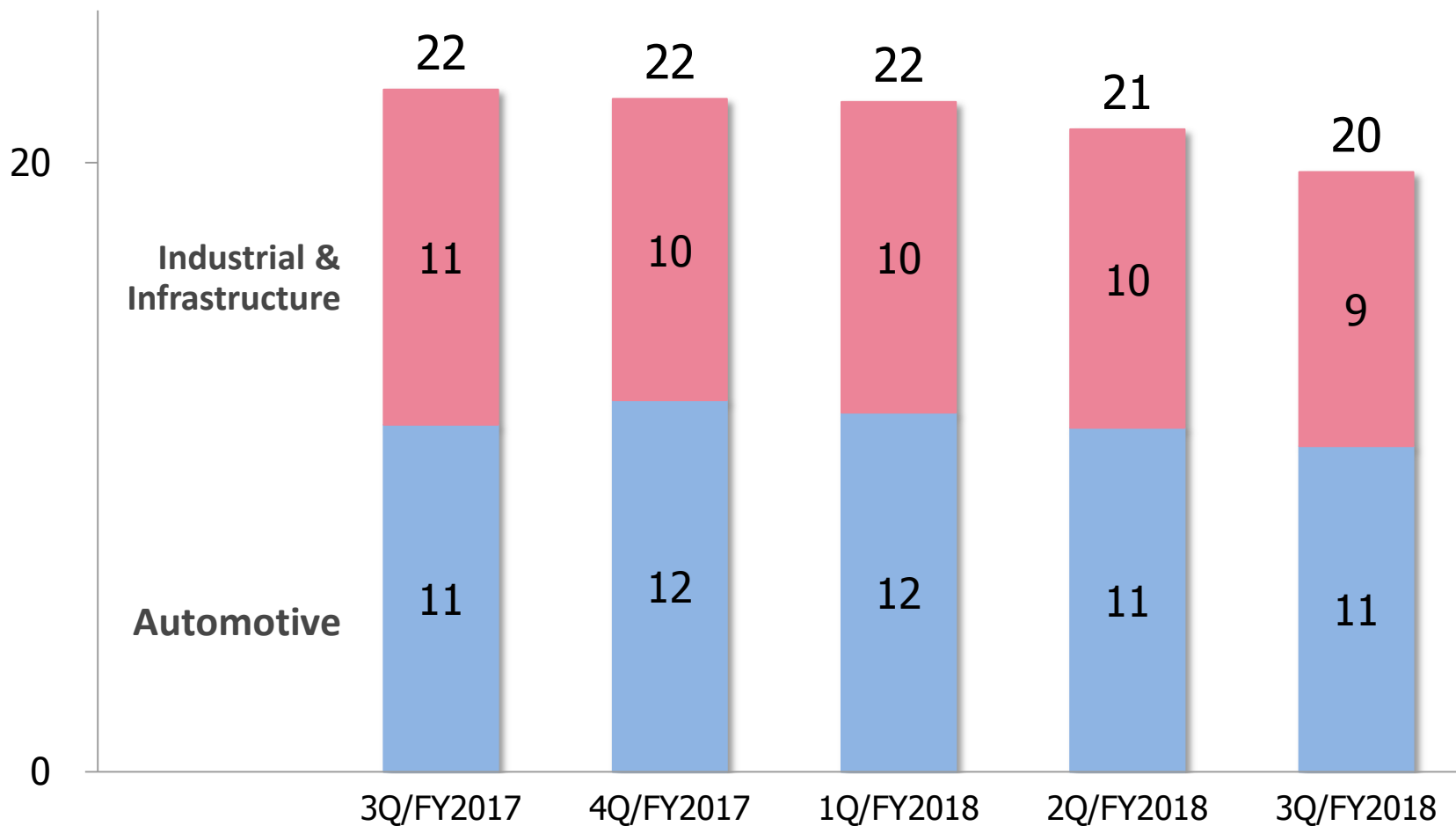
※ Amounts less than 100 million yen are rounded off.

Sales By Market Segment

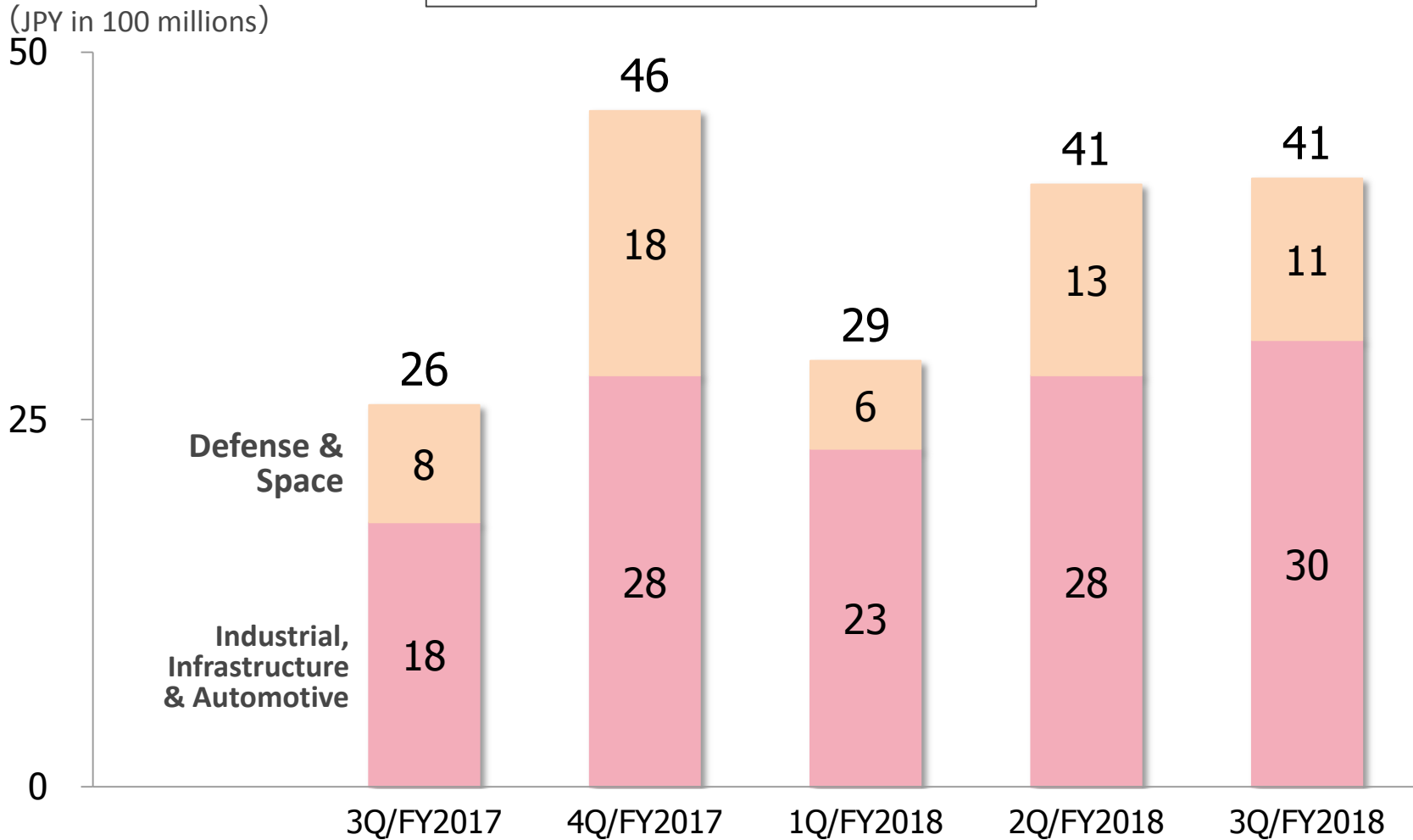


## Sales By Market Segment

(JPY in 100 millions)

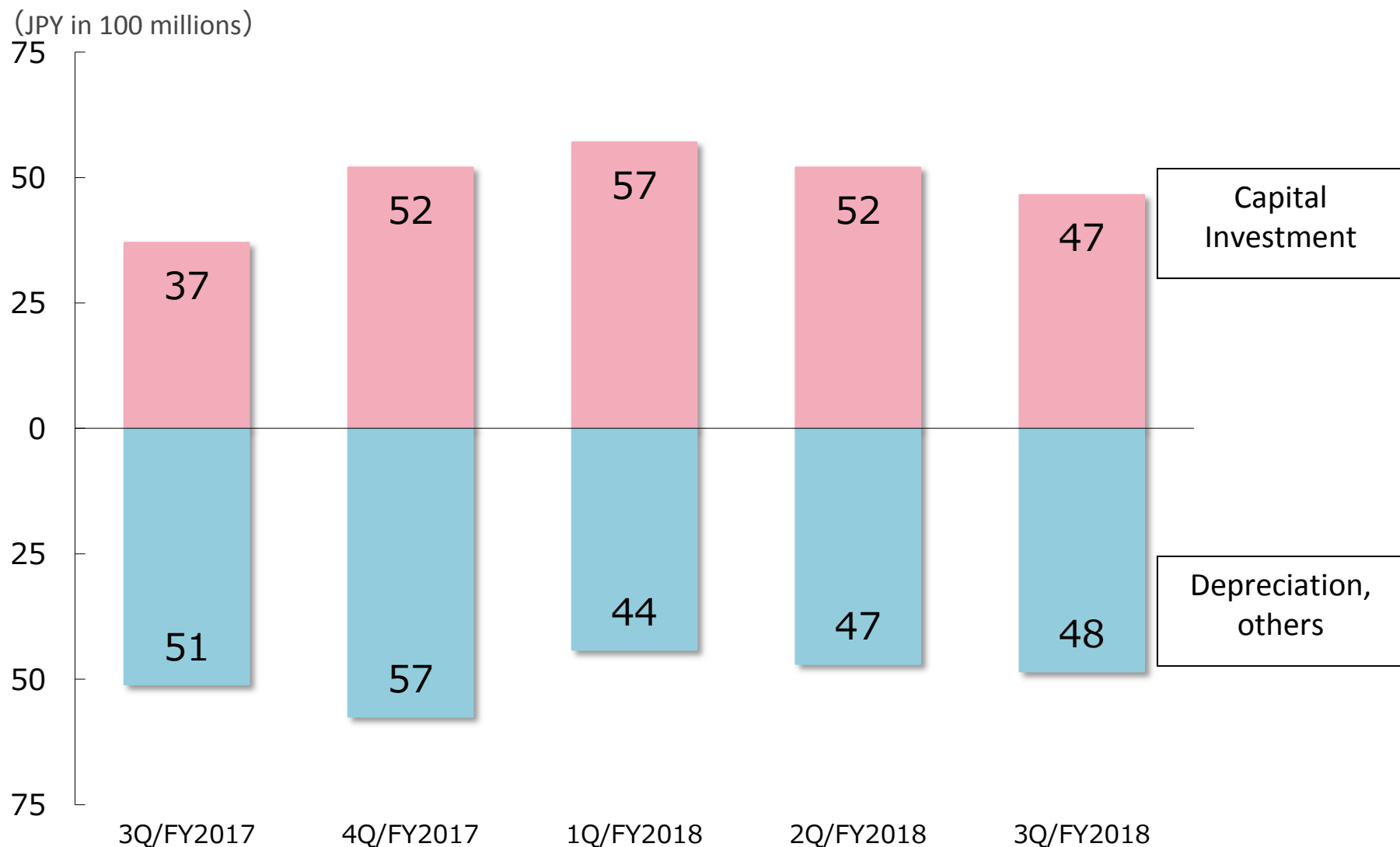


### Sales By Market Segment





# Capital Investment & Depreciation



# Revision of Projections for FY2018

- ▶ In light of the unstable economic conditions spread in the latter part of third-quarter, we have revised our prior consolidated forecasts for the full fiscal year due to the expected stagnation in the mobile device and industrial & infrastructure markets

(JPY in 100 millions)

	FY2017	Revised Projections for FY2018			Change from Previous Projections	FY2018 Projections (announced Oct, 2018)
		FY2018	Year/Year Change			
<b>Net Sales</b>	<b>2,539</b>	<b>2,220</b>	<b>-319</b>	87%	<b>-195</b>	<b>2,415</b>
<b>Operating Income</b> to Net Sales	<b>206</b> 8.1%	<b>172</b> 7.7%	<b>-34</b>	83%	<b>-20</b>	<b>192</b> 8.0%
<b>Ordinary Income</b> to Net Sales	<b>174</b> 6.8%	<b>175</b> 7.9%	<b>1</b>	101%	<b>-21</b>	<b>196</b> 8.1%
<b>Net Income</b> to Net Sales	<b>129</b> 5.1%	<b>130</b> 5.9%	<b>1</b>	100%	<b>-15</b>	<b>145</b> 6.0%

※ Amounts less than 100million JPY are rounded off.

# Projections for Net Sales by Business Segment

(JPY in 100 millions)

	FY2017	Revised Projections for FY2018			Change from Previous Projections	FY2018 Projections (announced Oct, 2018)
		FY2018	Year/Year Change			
Connector	2,316	1,976	-340	85%	-189	2,165
UIS	86	82	-4	95%	-6	88
Aerospace	129	152	23	118%	0	152
Others	9	10	1	117%	0	10
<b>Total</b>	<b>2,539</b>	<b>2,220</b>	<b>-319</b>	87%	<b>-195</b>	<b>2,415</b>

※ Amounts less than 100million JPY are rounded off.

# Projections for Net Sales by Market Segment

(JPY in 100 millions)

	FY2017	Revised Projections for FY2018			Change from Previous Projections	FY2018 Projections (announced Oct, 2018)
		FY2018	Year/Year Change			
Mobile Devices	<b>1,379</b>	<b>1,046</b>	<b>-333</b>	76%	<b>-133</b>	<b>1,179</b>
Automotive	<b>698</b>	<b>736</b>	<b>38</b>	105%	<b>-26</b>	<b>762</b>
Industrial & Infrastructure	<b>327</b>	<b>319</b>	<b>-8</b>	97%	<b>-37</b>	<b>356</b>
Others	<b>135</b>	<b>119</b>	<b>-16</b>	88%	<b>1</b>	<b>118</b>
<b>Total</b>	<b>2,539</b>	<b>2,220</b>	<b>-319</b>	87%	<b>-195</b>	<b>2,415</b>

※ Amounts less than 100million JPY are rounded off.

**Technology to Inspire Innovation**



**JAE**



<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 January 28, 2019, 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 transparency, 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.