

# Financial Results for FY2020

Technology to Inspire Innovation

**April 27, 2021**

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

**I. Financial Results for FY2020**

**II. Prospects for FY2021**

# **I. Financial Results for FY2020**

## **(From April 1, 2020 to March 31, 2021)**

# Net Sales and Profits

(JPY in 100millions)

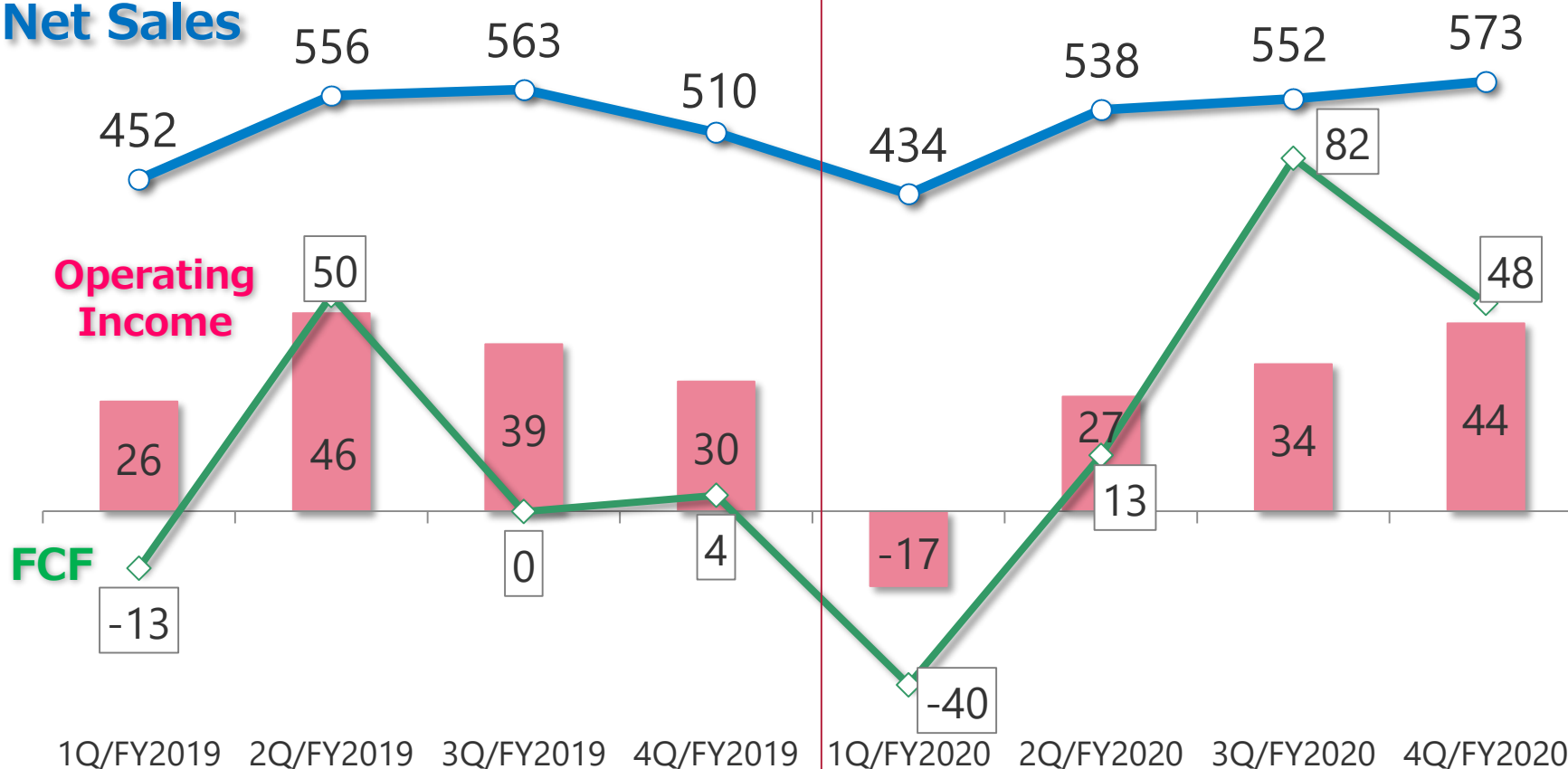
	FY2019			FY2020			Year/Year Change		Projections (announced Jan, 2021)
	1H	2H		1H	2H		2H		
<b>Net Sales</b>	<b>1,008</b>	<b>1,073</b>	<b>2,081</b>	<b>972</b>	<b>1,125</b>	<b>2,097</b>	105%	101%	<b>2,070</b>
<b>Operating Profit</b> to Net Sales	<b>71</b> 7.1%	<b>69</b> 6.4%	<b>140</b> 6.7%	<b>9</b> 0.9%	<b>78</b> 6.9%	<b>87</b> 4.2%	113%	62%	<b>70</b>
<b>Ordinary Profit</b> to Net Sales	<b>73</b> 7.2%	<b>69</b> 6.4%	<b>142</b> 6.8%	<b>8</b> 0.8%	<b>71</b> 6.3%	<b>79</b> 3.8%	102%	55%	<b>57</b>
<b>Net Profit</b> to Net Sales	<b>58</b> 5.8%	<b>52</b> 4.9%	<b>110</b> 5.3%	<b>4</b> 0.4%	<b>53</b> 4.7%	<b>57</b> 2.7%	101%	52%	<b>39</b>
<b>Capital Investments</b>	<b>126</b>	<b>119</b>	<b>245</b>	<b>96</b>	<b>86</b>	<b>182</b>	(Including loss by scrapping of production facilities)		
<b>Depreciation</b>	<b>93</b>	<b>111</b>	<b>204</b>	<b>97</b>	<b>114</b>	<b>211</b>			
<b>Average Exchange Rate (JPY/USD)</b>	<b>108.6</b>	<b>108.8</b>	<b>108.7</b>	<b>106.9</b>	<b>105.3</b>	<b>106.1</b>			
<b>Dividend (JPY)</b>	<b>20.0</b>	<b>20.0</b>	<b>40.0</b>	<b>10.0</b>	<b>15.0</b>	<b>25.0</b>			

# Net Sales, Income and FCF

- ▶ FCF was negative due to sharp decline in profits in the 1Q and non achievement of inventory reductions
- ▶ FCF increased from 2Q onward due to recovery in business performance and solid financial base

(JPY in 100millions)

## Net Sales



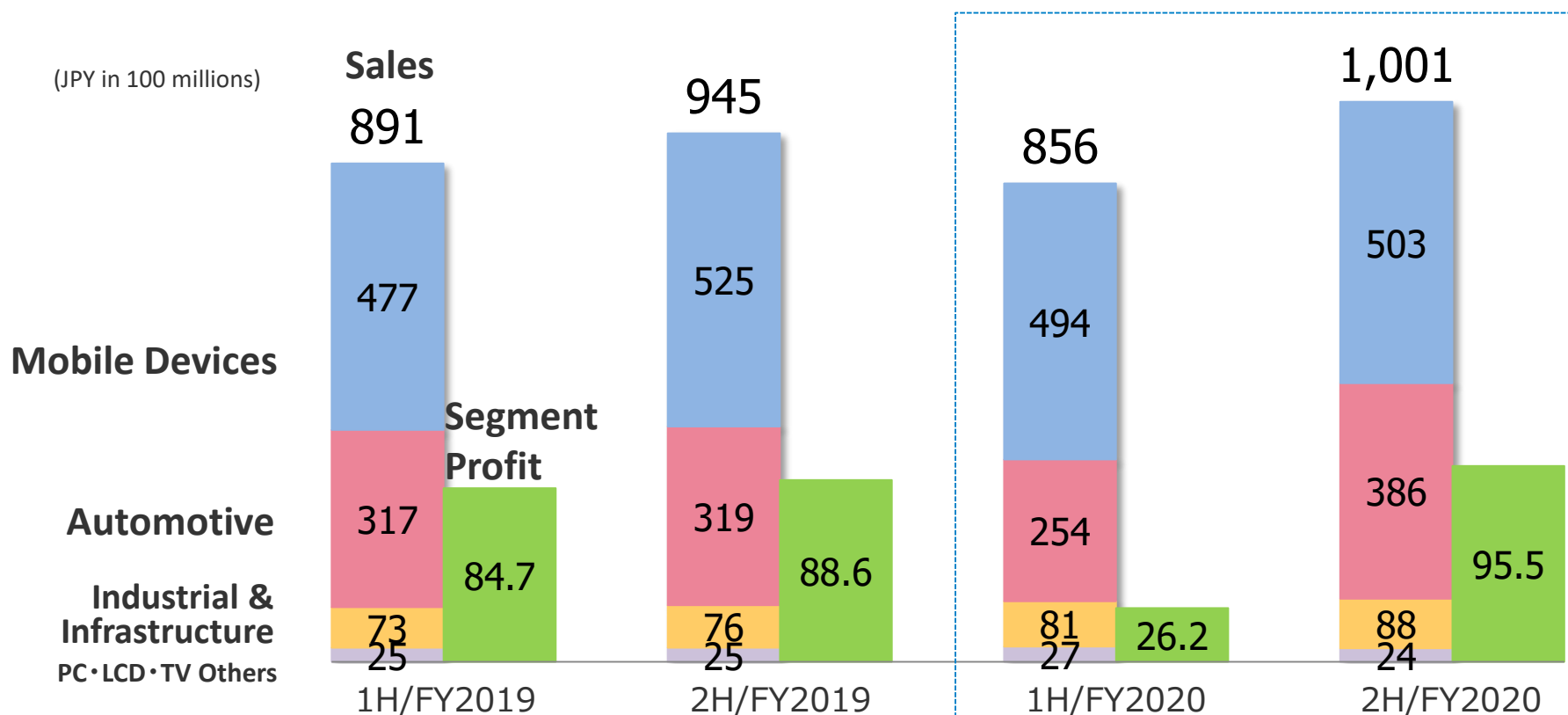
# Net Sales and Profits By Business Segment

(JPY in 100millions)		FY2019			FY2020			Year/Year Change	
		1H	2H		1H	2H		2H	
Connector	Sales	891	945	1,836	856	1,001	1,857	106%	101%
	Segment Profit	84.7	88.6	173.3	26.2	95.5	121.6	108%	70%
	to Net Sales	9.5%	9.4%	9.4%	3.1%	9.5%	6.5%		
UIS	Sales	39	51	90	45	55	101	108%	112%
	Segment Profit	-1.9	-2.5	-4.4	-0.4	1.9	1.5	—	—
	to Net Sales	-5.0%	-4.8%	-4.9%	-0.9%	3.5%	1.5%		
Aerospace	Sales	75	73	149	67	66	133	89%	89%
	Segment Profit	9.5	3.2	12.8	2.5	0.4	2.9	11%	23%
	to Net Sales	12.7%	4.4%	8.6%	3.8%	0.5%	2.2%		
Unallocatable cost/ Others	Sales	4	3	7	3	3	6	91%	92%
	Segment Profit	-21.3	-20.2	-41.5	-19.1	-19.9	-39.0	—	—
Total	Sales	1,008	1,073	2,081	972	1,125	2,097	105%	101%
	Operation Profit	71.1	69.2	140.2	9.2	77.9	87.1	113%	62%
	to Net Sales	7.1%	6.4%	6.7%	0.9%	6.9%	4.2%		

# Connector Business [Net Sales and Profit]

- ▶ **Mobile Device:** Demand remained high for smartphones
- ▶ **Automotive:** Increased sales due to continued strong demand and expansion of production capacity
- ▶ **Industrial & Infrastructure:** Performance was solid due to recovering demand for capital investment in semiconductors and smartphones mainly in China

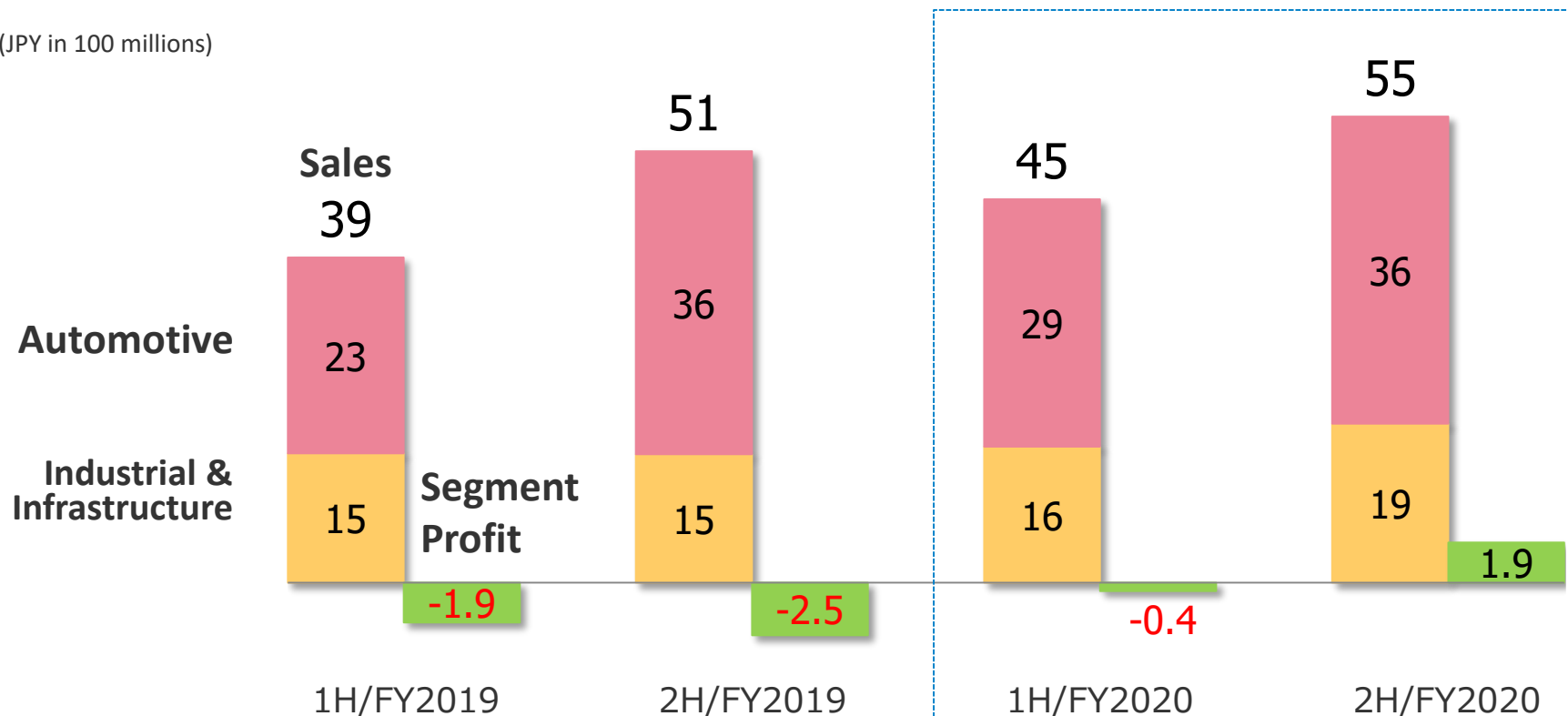
## Sales by Market Segment • Segment Profit



- ▶ **Automotive:** Demand for film type touch sensors began to recover in the second half of the fiscal year.
- ▶ **Industrial and Infrastructure:** Demand remained sluggish as a whole, however recovered in certain areas.

## Sales by Market Segment • Segment Profit

(JPY in 100 millions)

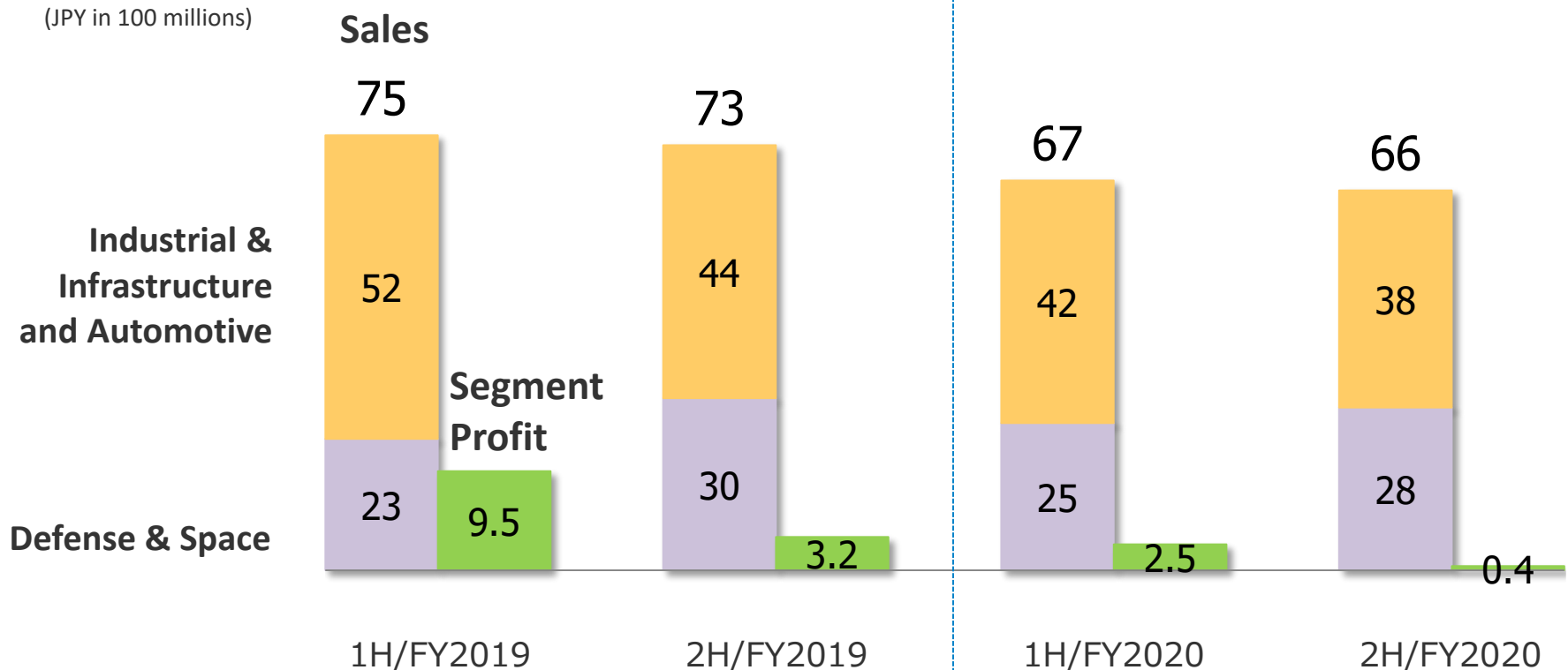




- ▶ **Industrial and Infrastructure:** Linear motors for semiconductor manufacturing equipment showed a recovery trend. Sensors for oil drilling remained sluggish.

## Sales by Market Segment • Segment Profit

(JPY in 100 millions)



## **Ⅱ . Prospects for FY2021**

## ▶ Business Environment

- The global economy to recover by economic measures in each country and the start of vaccination
- No further significant decline in demand or lock-downs due to COVID-19 assumed

## ▶ Market Prospect

- Smartphone market to re-expand by shift to 5G
- Automotive market is heading toward recovery, but concern of semiconductor shortage still remains
- Industrial & infrastructure market is on a recovery trend in many markets such as factory automation, semiconductor and 5G communications infrastructures

# Prospects for FY2021

(JPY in 100millions)

	FY2020			FY2021		Year/Year Change	
	1H	2H		1H Projections	Projections		
<b>Net Sales</b>	<b>972</b>	<b>1,125</b>	<b>2,097</b>	<b>1,130</b>	<b>2,230</b>	<b>133</b>	106%
<b>Operating Profit</b> to Net Sales	<b>9</b> 0.9%	<b>78</b> 6.9%	<b>87</b> 4.2%	<b>80</b> 7.1%	<b>155</b> 7.0%	<b>68</b>	178%
<b>Ordinary Profit</b> to Net Sales	<b>8</b> 0.8%	<b>71</b> 6.3%	<b>79</b> 3.8%	<b>75</b> 6.6%	<b>145</b> 6.5%	<b>66</b>	184%
<b>Net Profit</b> to Net Sales	<b>4</b> 0.4%	<b>53</b> 4.7%	<b>57</b> 2.7%	<b>55</b> 4.9%	<b>105</b> 4.7%	<b>48</b>	185%

<b>Average Exchange Rate (JPY/USD)</b>	<b>106.9</b>	<b>105.3</b>	<b>106.1</b>	<b>108.0</b>	<b>108.0</b>
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<b>Dividend (JPY)</b>	<b>10</b>	<b>15</b>	<b>25</b>	<b>15</b>	<b>30</b>
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	<b>FY2020</b>	<b>FY2021</b>
<b>Capital Investments</b>	<b>182</b>	<b>210</b>

# Projections for Net Sales by Business Segment

(JPY in 100millions)

	FY2020			FY2021			
	1H	2H		1H Projections	Projections	FY2021/ FY2020	
Connector	856	1,001	1,857	1,015	1,975	118	106%
UIS	45	55	101	55	110	9	109%
Aerospace	67	66	133	55	135	2	102%
Others	3	3	6	5	10	4	156%
Total	972	1,125	2,097	1,130	2,230	133	106%

# Projections for Net Sales by Market Segment

(JPY in 100millions)

	FY2020			FY2021			
	1H	2H		1H Projections	Projections	FY2021/ FY2020	
Mobile Devices	494	503	997	505	990	-7	99%
Automotive	289	429	718	425	820	102	114%
Industrial & Infrastructure	133	138	271	150	310	39	114%
Others	56	55	111	50	110	-1	99%
Total	972	1,125	2,097	1,130	2,230	133	106%

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 April 27, 2021, 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.



# [Reference] Sales by Market Segment

(JPY in 100millions)

	FY2019			FY2020			Year/Year Change		Projections announced Jan, 2021
	1H	2H		1H	2H		2H		
Mobile Devices	477	525	1,001	494	504	998	96%	100%	985
Automotive	343	361	704	289	429	718	119%	102%	710
Industrial & Infrastructure	137	129	267	133	138	271	107%	102%	265
Others	51	58	109	56	55	111	95%	102%	110
Total	1,008	1,073	2,081	972	1,126	2,098	105%	101%	2,070