

FY2018 Financial Results Briefing

May 16, 2019



MEIKO ELECTRONICS CO., LTD.

(Securities Identification Code: 6787)

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FY2018 Results

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FY2019 Plan

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The prospect in the future

Financial Results Highlights in FY2018

Net sales

- Net sales increased 10,400 million yen to 118,900 million yen.**
- **Automotive increased 13% year on year to 54,700 million yen**
 - **Smartphones are flat year on year to 32,500 million yen**
 - **Sales in other fields increased 14% year on year to 31,700 million yen**

Profit

**Operating income amounted to 8,926 million yen,
up 1,469 million yen over previous year.**

**Ordinary income totaled 8,600 million yen,
up 3,815 million yen over previous year.**

**Net income to owners of parent company amounted to 6,743
million yen, up 2,370 million yen over previous year.**

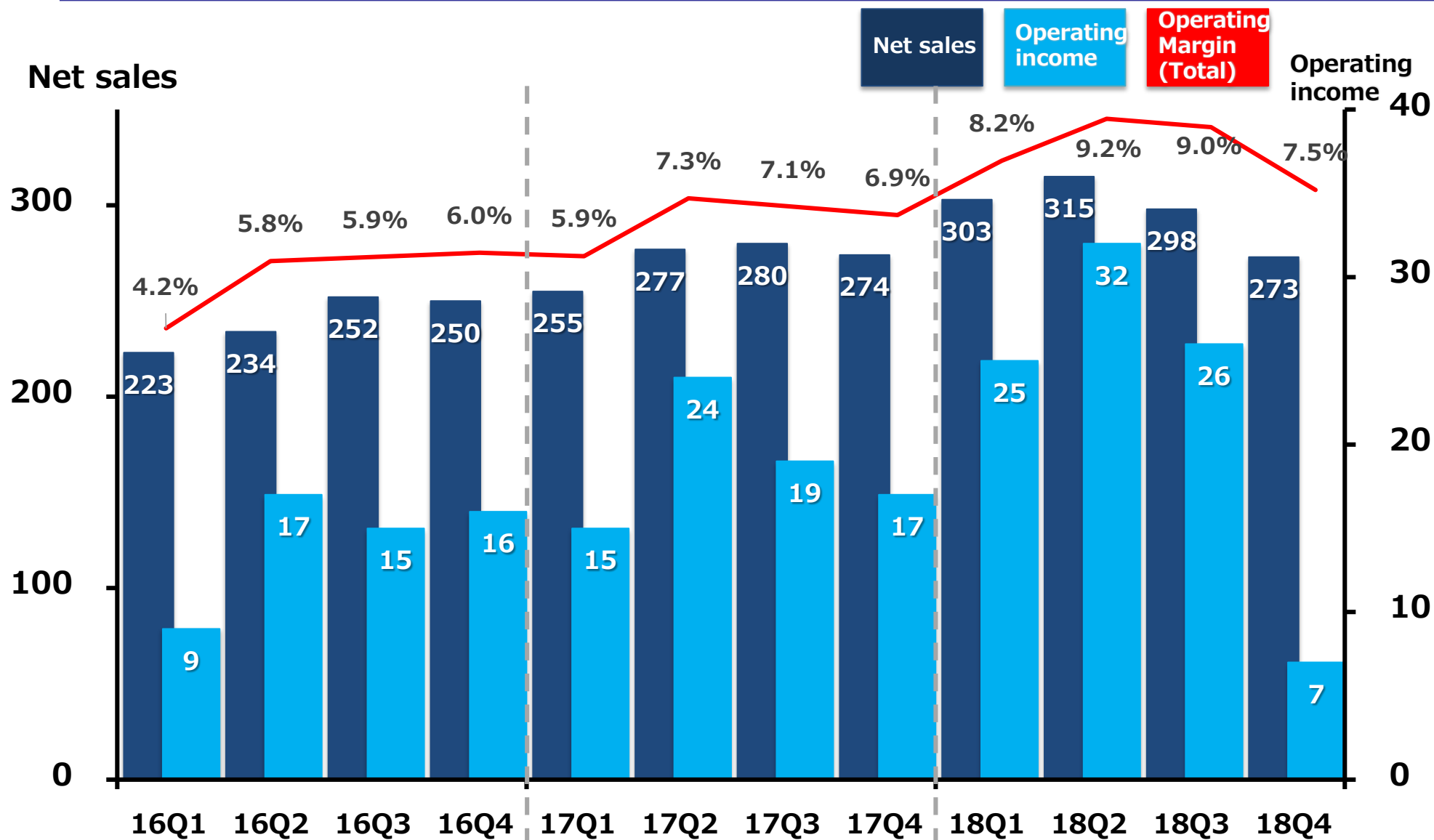
FY2018 Consolidated Business Performance

(100 million yen)

	FY2017 performance	FY2018 performance	Year-on-year	
			Increase	%
Net sales	1,085	1,189	104	9.6%
Operating income	74	89	15	19.7%
	6.9%	7.5%		
Ordinary income	48	86	38	79.6%
	4.4%	7.2%		
Net income	43	67	24	54.2%
	4.0%	5.6%		
Average Exchange rate (Yen/USD)	110.66	111.04		

Net sales , Operating income

(100 million yen)



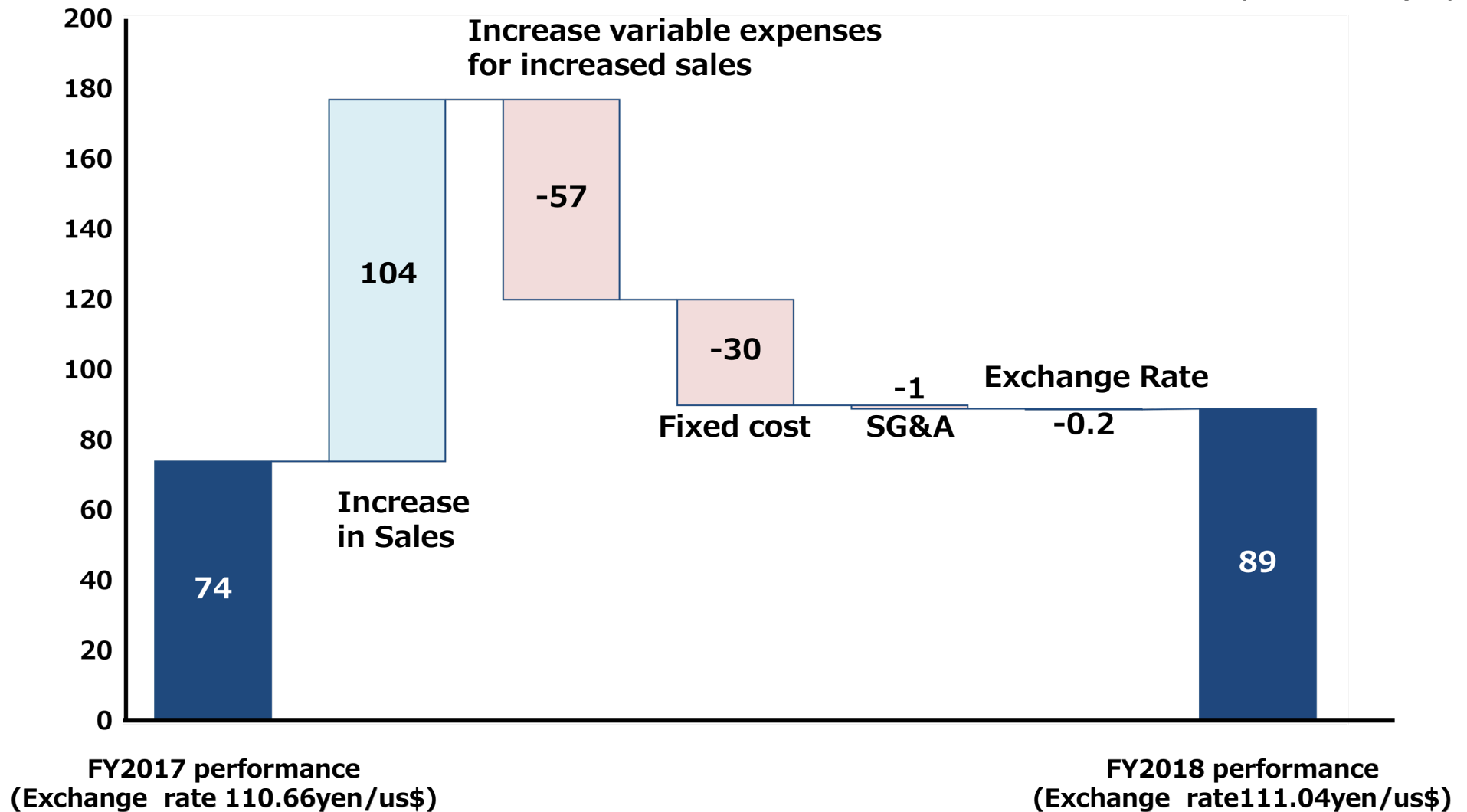
FY2018 Product Revenue

(100 million yen)

	FY2017		FY2018		Difference	
	Sales	Operating income %	Sales	Operating income %	Sales %	Operating income %
Automotive	483	37 7.7%	547	39 7.1%	64 13.3%	2 5.4%
Smartphones	324	27 8.3%	325	38 11.7%	1 0.3%	11 40.7%
Others	278	10 3.6%	317	12 3.8%	39 14.0%	2 20.0%
Total	1,085	74 6.9%	1,189	89 7.5%	104 9.6%	15 19.7%

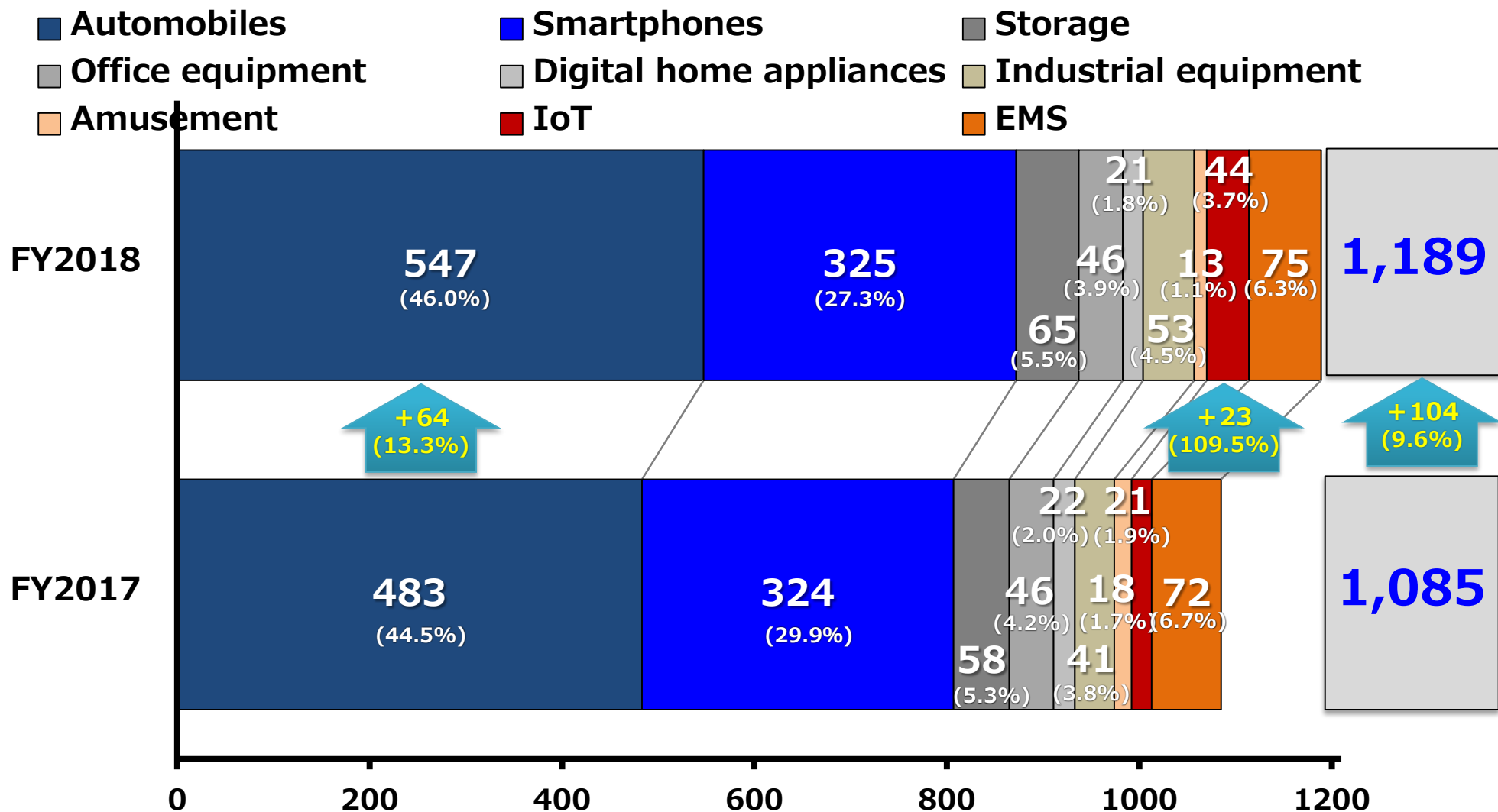
Analysis of operating profit change FY2017→FY2018

(100 million yen)



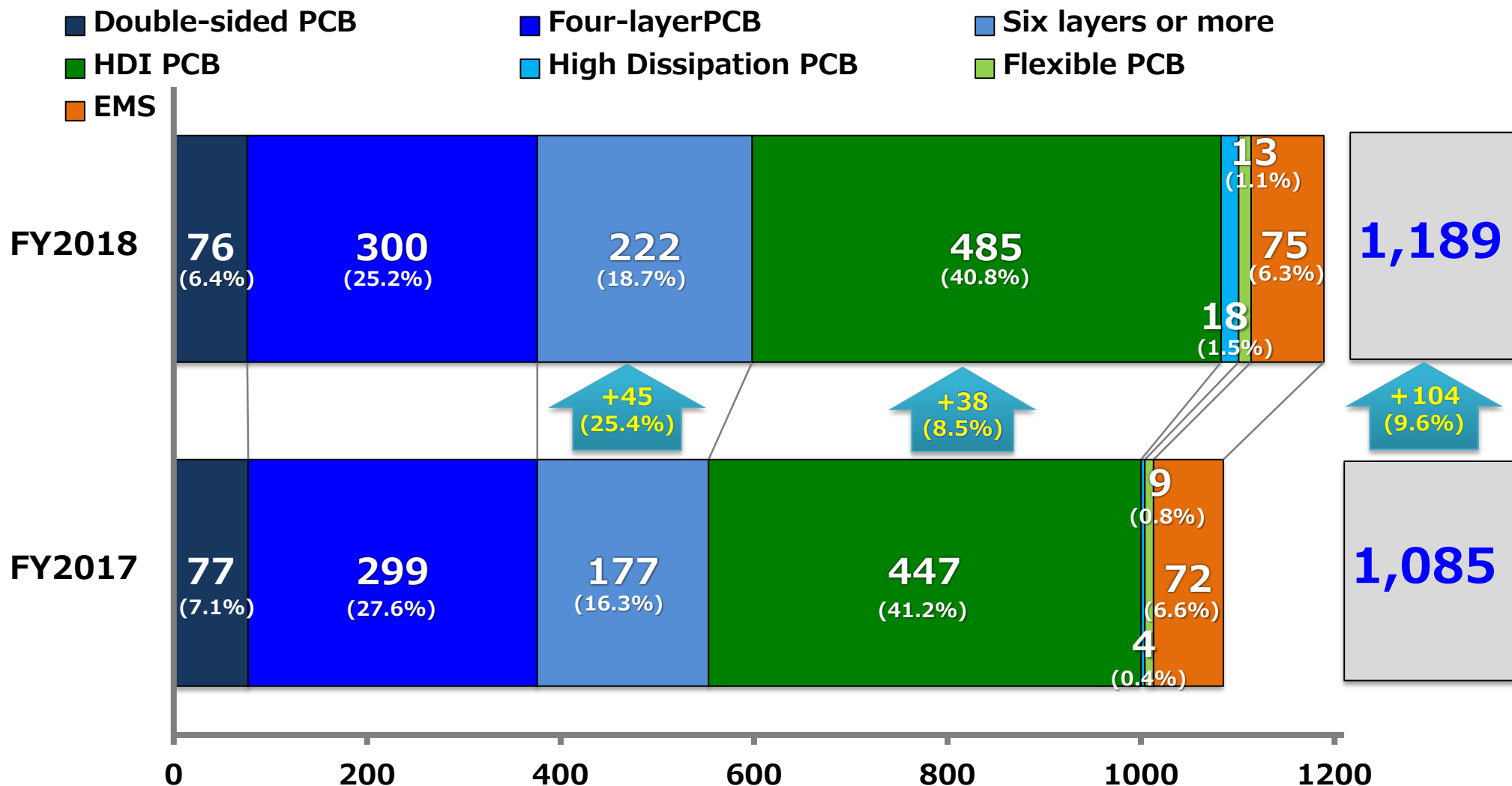
By product Application

(100 million yen)



By product specification

(100 million yen)



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The prospect in the future

The prospect in the future

Net sales

- Affected by a drop in demand in the previous quarter, but gradually recovering
- Automotive are expected to increase as demand recovers and new business starts
 - Smartphone is likely to reduce build-up substrates for other applications
 - Others are expected to increase for IoT, AI home appliances, and amusement
- For the full year, it will increase 10,400 million from fiscal 2018 120,000 million yen.

Operating income

- Operating income is expected to be 7,500 million yen, down 1,400 million yen from the previous year
- Ordinary income expected to be 6,300 million yen, down 2,300 million yen from the previous year
- Net income expected to be 5,300 million yen, down 1,400 million yen from the previous year

Consolidated financial prospect for FY2019

(100million yen)

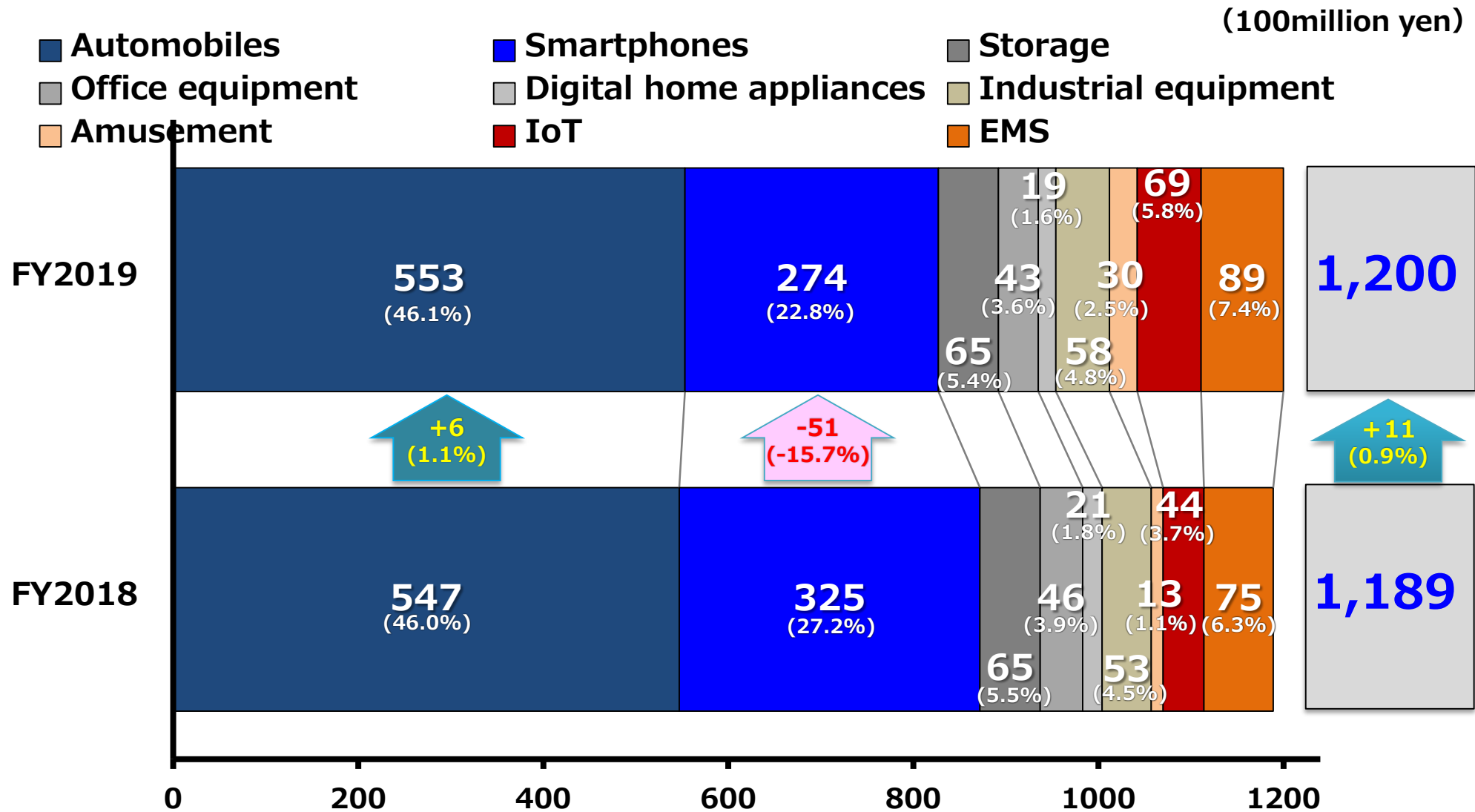
	FY2018	FY2019	Difference	
			increase	%
Net Sales	1,189	1,200	11	0.9%
Operating income	89 7.5%	75 6.3%	-14	-16.0%
Ordinary income	86 7.2%	63 5.3%	-23	-26.8%
Net income	67 5.6%	53 4.4%	-14	-21.4%
Exchange rate (Yen / USD)	111.04	111.00		

FY2019 Product Revenue

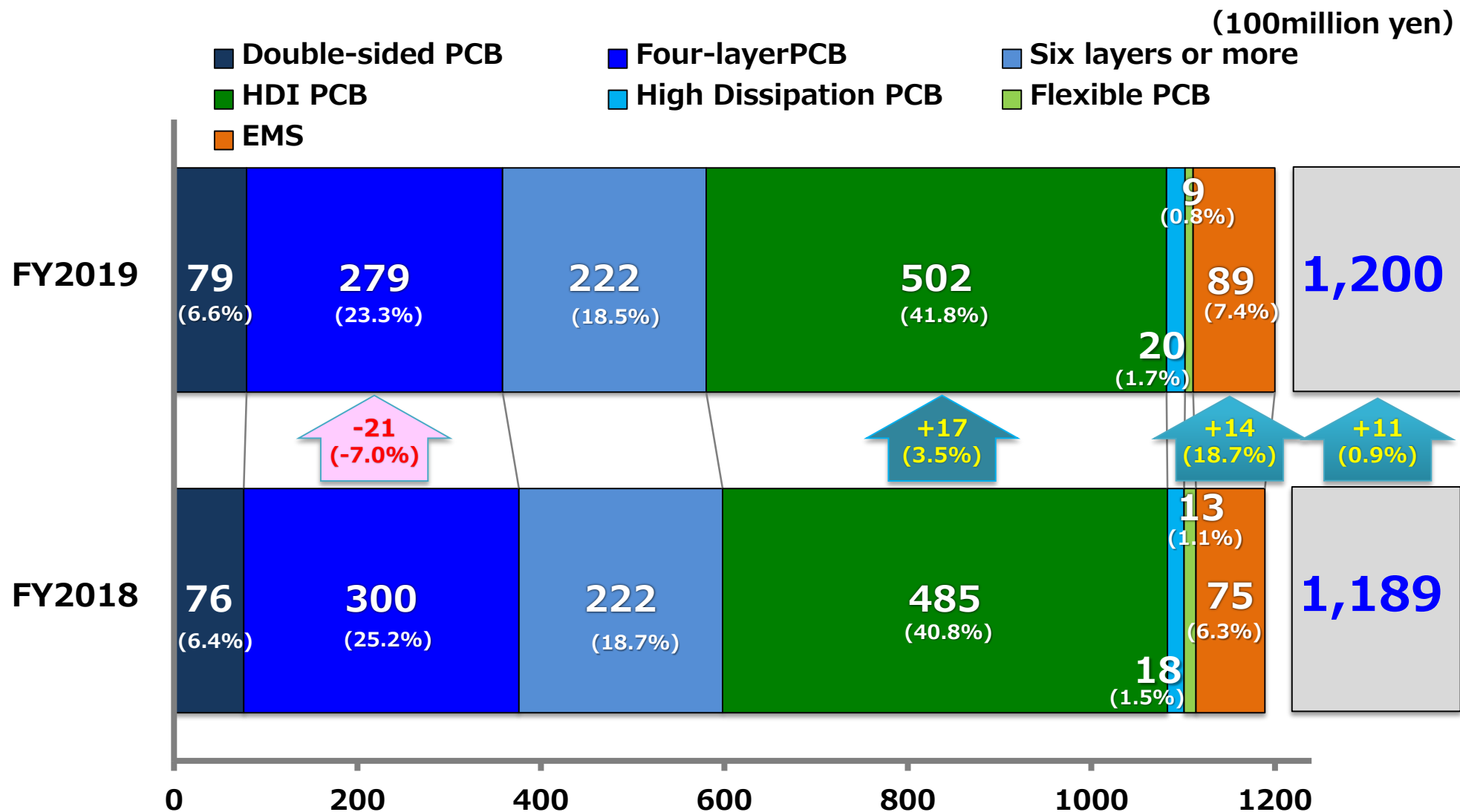
(100million yen)

	FY2018		FY2019		Difference	
	Sales	Operating income %	Sales	Operating income %	Sales %	Operating income %
Automotive	547	39 7.1%	553	40 7.2%	6 1.1%	1 2.6%
Smartphones	325	38 11.7%	274	22 8.0%	-51 -15.7%	-16 -42.1%
Others	317	12 3.8%	373	13 3.5%	56 17.7%	1 8.3%
Total	1,189	89 7.5%	1,200	75 6.3%	11 0.9%	-14 -16.0%

Sales forecast By product Application in FY2019



Sales forecast by product specification in FY2019



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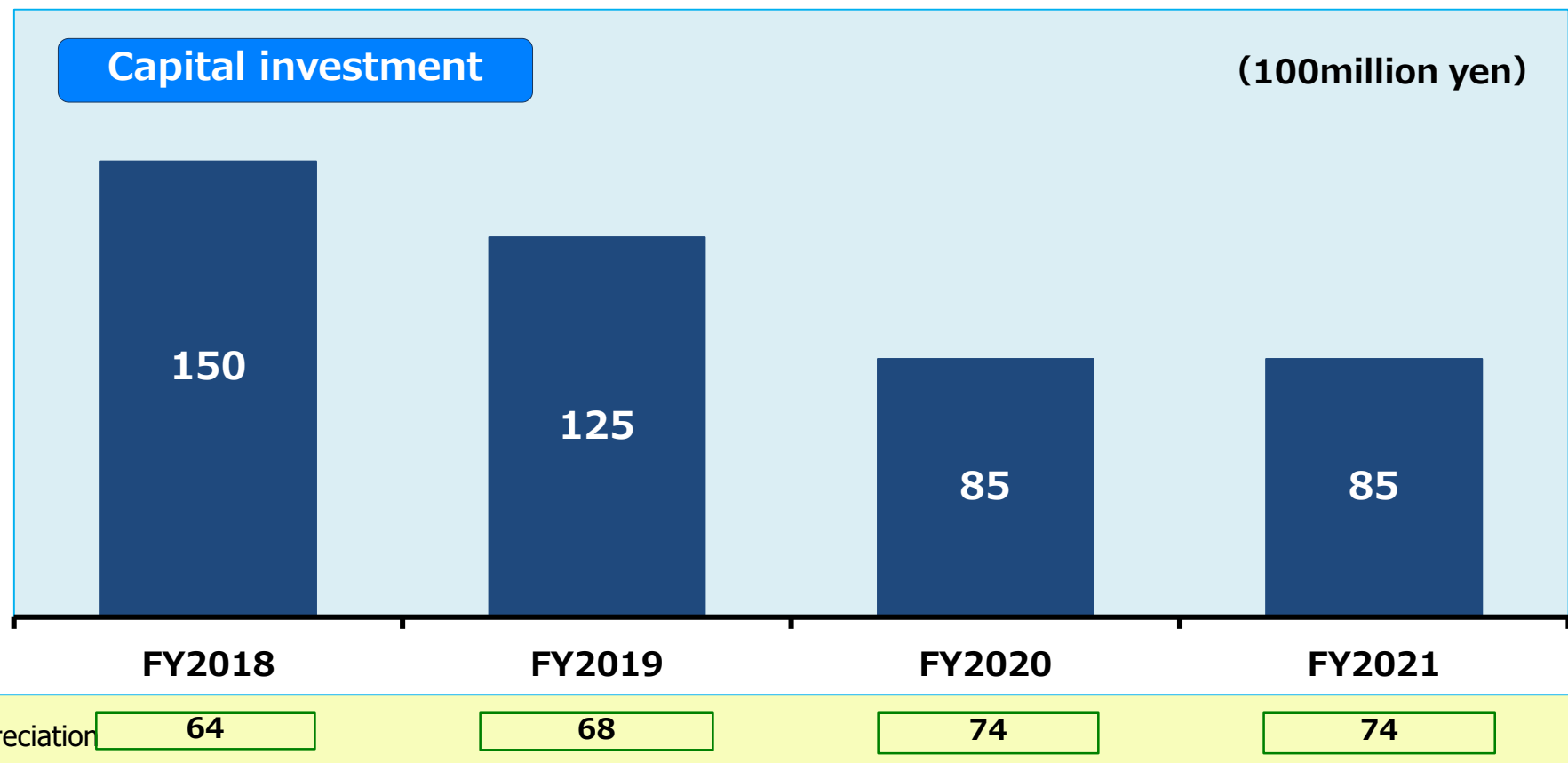
FY2019 Plan

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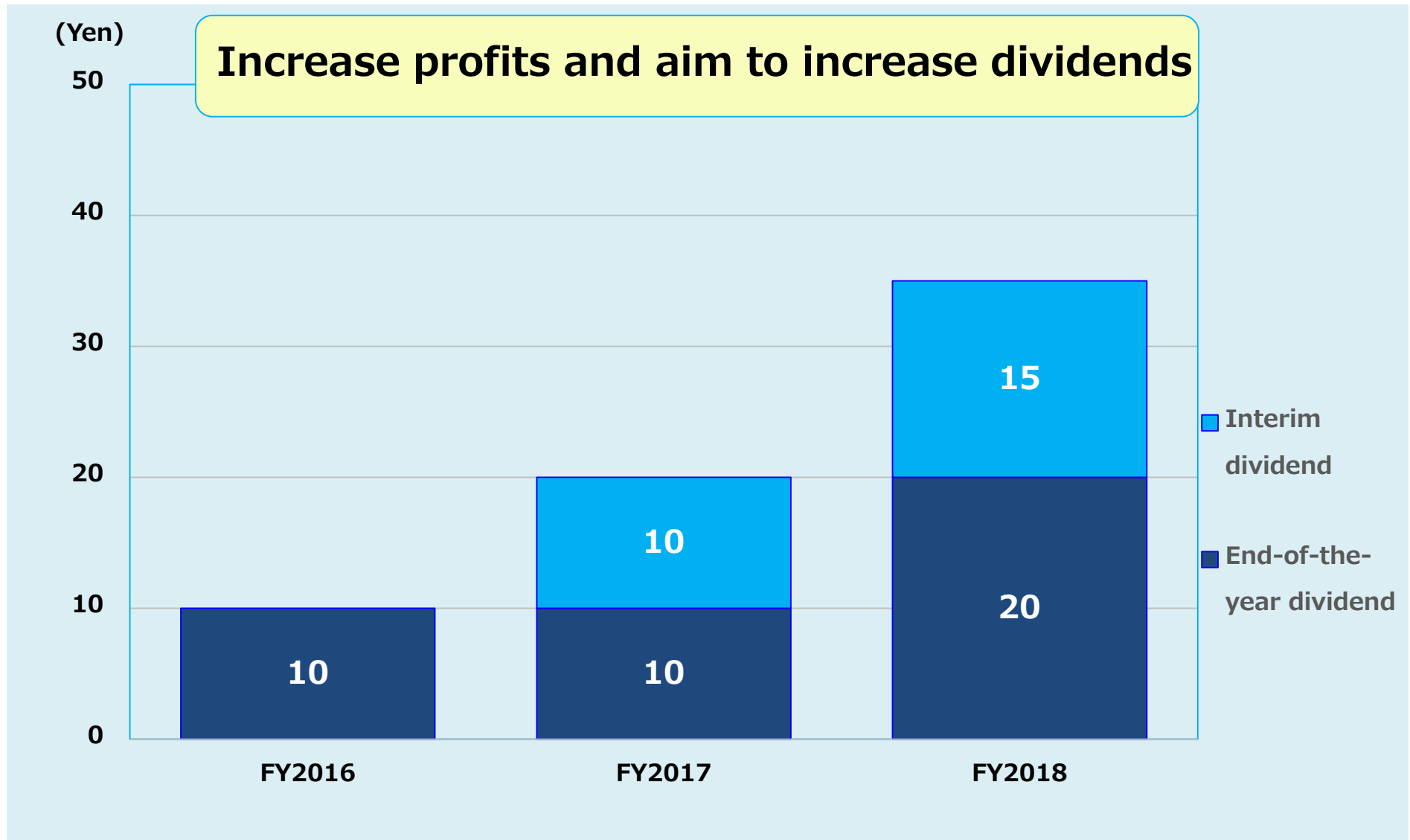
The prospect in the future

Expand the scale while strengthening the financial position

- Reduce interest-bearing debt through curbing investment
- As a result, improve the equity ratio and the ratio of net debt to sales
- With the completion of a new plant in Vietnam, we aim to double the scale of production in three years



Transition of dividends



MSAP Business Policy

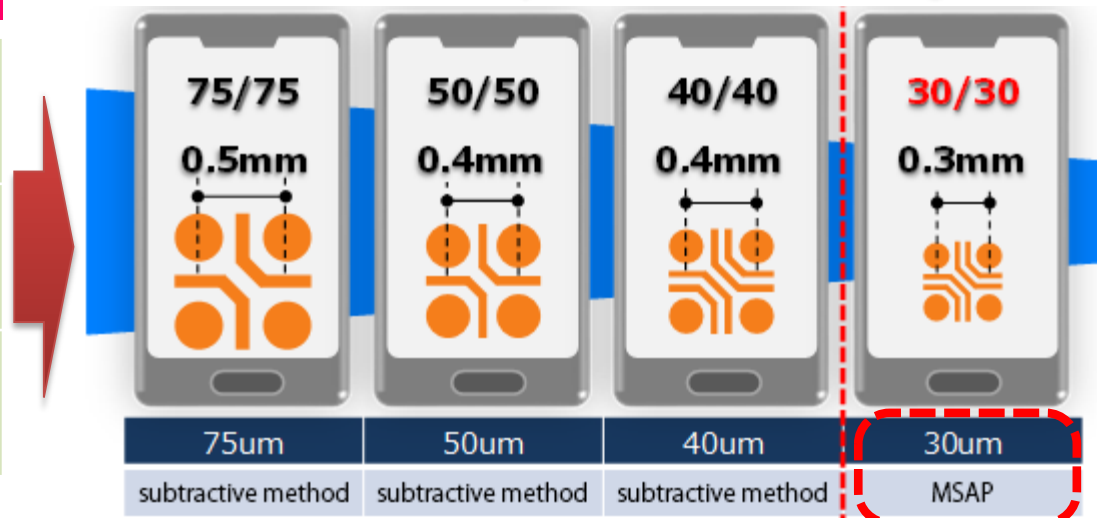
In the smartphone market, requirements for printed circuit boards are changing due to the new communication infrastructure "5G"

2019 "5G" the first year

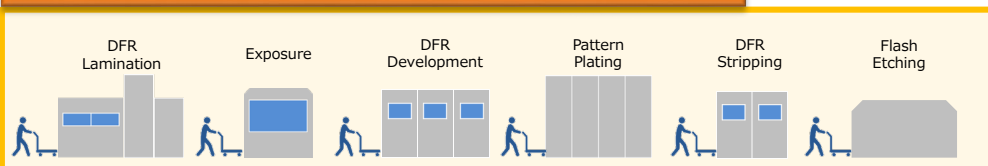


High speed	High definition image
Large capacity	AR / VR training
Ultra low delay	self-driving
	Real-time translation
Simultaneous connection	Smart city
	Remote control

Demand for PCBs in the Smartphone Market Accelerates High Definition

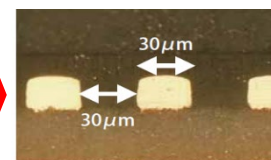
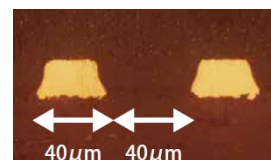
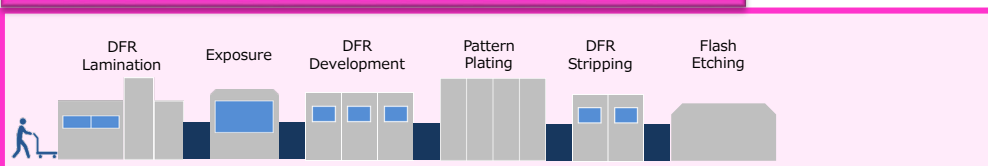


Conventional MSAP production method

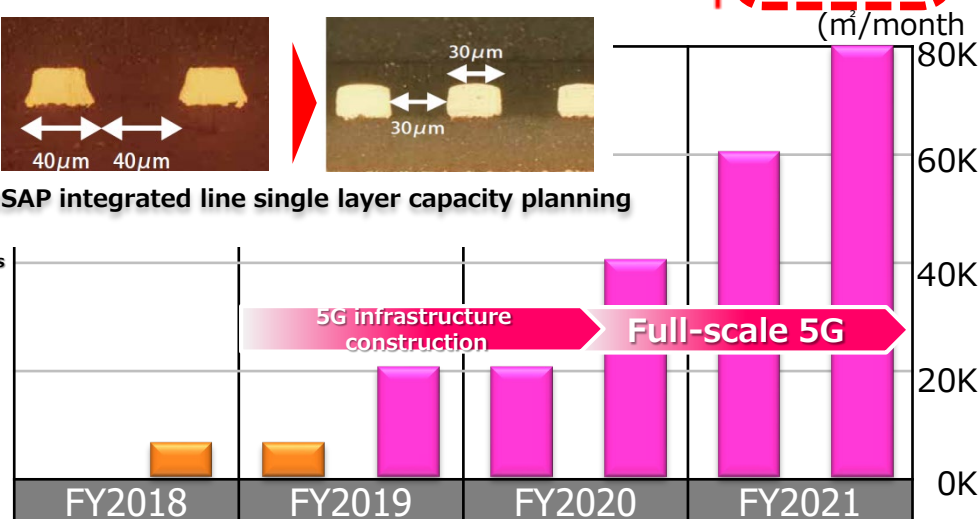


MSAP integrated production from mixed flow production with conventional subtralers
Launch line to significantly improve yield and productivity

MSAP integrated production line



MSAP integrated line single layer capacity planning



FPC business policy

In the future, the FPC market is expected to be used in many vehicles, and we can leverage our strengths.
In the field of communications, we will accelerate the response to a wide range of products such as high-speed communications products.

Flexible printed circuits



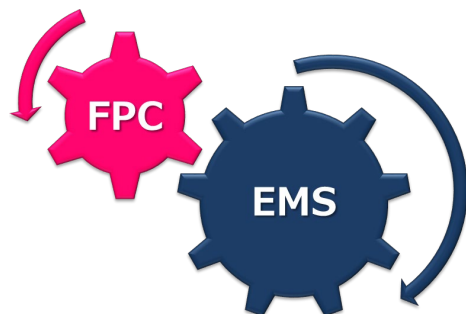
Body (lighting)
Infotainment
Driving safety system

Smartphone
Storage device
Communication infrastructure etc

Focus on market products and mass production points
Automotive = Manufacturing for high heat resistance and low expansion materials
Communication = Low transmission loss FPC driven by 5G
 Established mass production technology for multilayer FPC

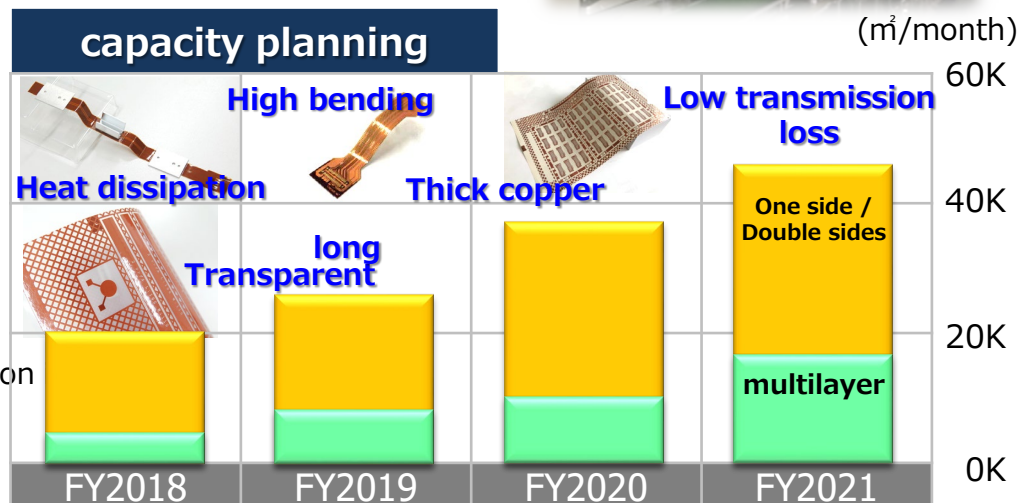


Creating next-generation products and creating synergy effects with EMS business



Vietnam plant: FPC board manufacturing and component mounting / assembly plant Adjacent to each other, integrated production

In the case of manufacturing as well, we can make quicker response than mutual information.



Vietnam factory policy



(1000m²/Month)

Production capacity expansion plan		FY2018	FY2019	FY2020	FY2021
First Factory	FPC (EMS)	20 (12)	25 (16)	35 (22)	45 (28)
Second Factory	MLB for Automotive HDI for Automotive	40 (5)	80 (10)	120 (20)	150 (30)
Third factory	HDI for Smartphone (MSAP) Automotive Development	70 - -	75 (20) -	80 (40) 5	85 (80) 10

※Figures in parentheses are the number of the above production (EMS is the number of lines)

Mass production of the new plant will start in July 2019