



Meiko Electronics Co., Ltd.

Security Code #6787

FY2012 (ended March 2013)

May 21, 2013

Disclaimer

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These forward-looking statements are not historical facts, rather they represent assumptions and beliefs based on comprehensive data currently available.

Furthermore, the PWB business is subject to a number of risks and uncertainties that relate to raw material price, conditions of customers' market, technological trends, foreign currency exchange rates, tax rules, regulations, disasters, international conflicts and other factors. Meiko therefore wishes to caution that actual results may differ materially from our expectations.

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I. FY2012 Results



1. Summary of FY2012

■ Net Sales

Resulted in 60.7 billion yen, lower by 11.3 billion yen than planned at the beginning of fiscal year.

■ Plants in China

- Decrease of order of PCBs for smartphone in USA.
- Sharp decrease on Japanese TV market.
- Decrease of order & production, raise of wage caused by anti-Japanese movements in China.

■ Vietnam Plant

- Accelerated mass production of PCBs for smartphone toward Asian customers.
- Delay of launch of mass production caused by cut in capital investment.

2. Consolidated Financial Results

Unit: million yen

	FY2011	YoY	FY2012	YoY
Net Sales	62,972	-15.7%	60,709	-3.6%
Operating Income (loss)	812	-75.4%	-605	-
%	1.3%		-1.0%	
Ordinary Income (loss)	222	-89.6%	-386	-
%	0.4%		-0.6%	
Net Income (loss)	1,158	-	-1,567	-
%	1.8%		-2.6%	
Net Income (loss) per share (yen)	61.73	-	-83.52	-

Exchange rate

1USD - 78.96JPY

1USD - 83.31JPY

3. Overseas Production Sites

Guangzhou Plant

Unit: million yen

	FY2012	YoY	FY2013	YoY
Net Sales	27,661	-2.5%	26,246	-5.1%
Operating Income	1,570	63.5%	1,913	21.8%
margin	5.7%		7.3%	

exchange rate 1USD=83.31JPY 1USD=95.00JPY

Wuhan Plant

	FY2012	YoY	FY2013	YoY
Net Sales	17,665	-7.1%	22,859	29.4%
Operating Income	-2,638	-381.4%	250	-
margin	-14.9%		1.1%	

exchange rate 1USD=83.31JPY 1USD=95.00JPY

Vietnam Plant

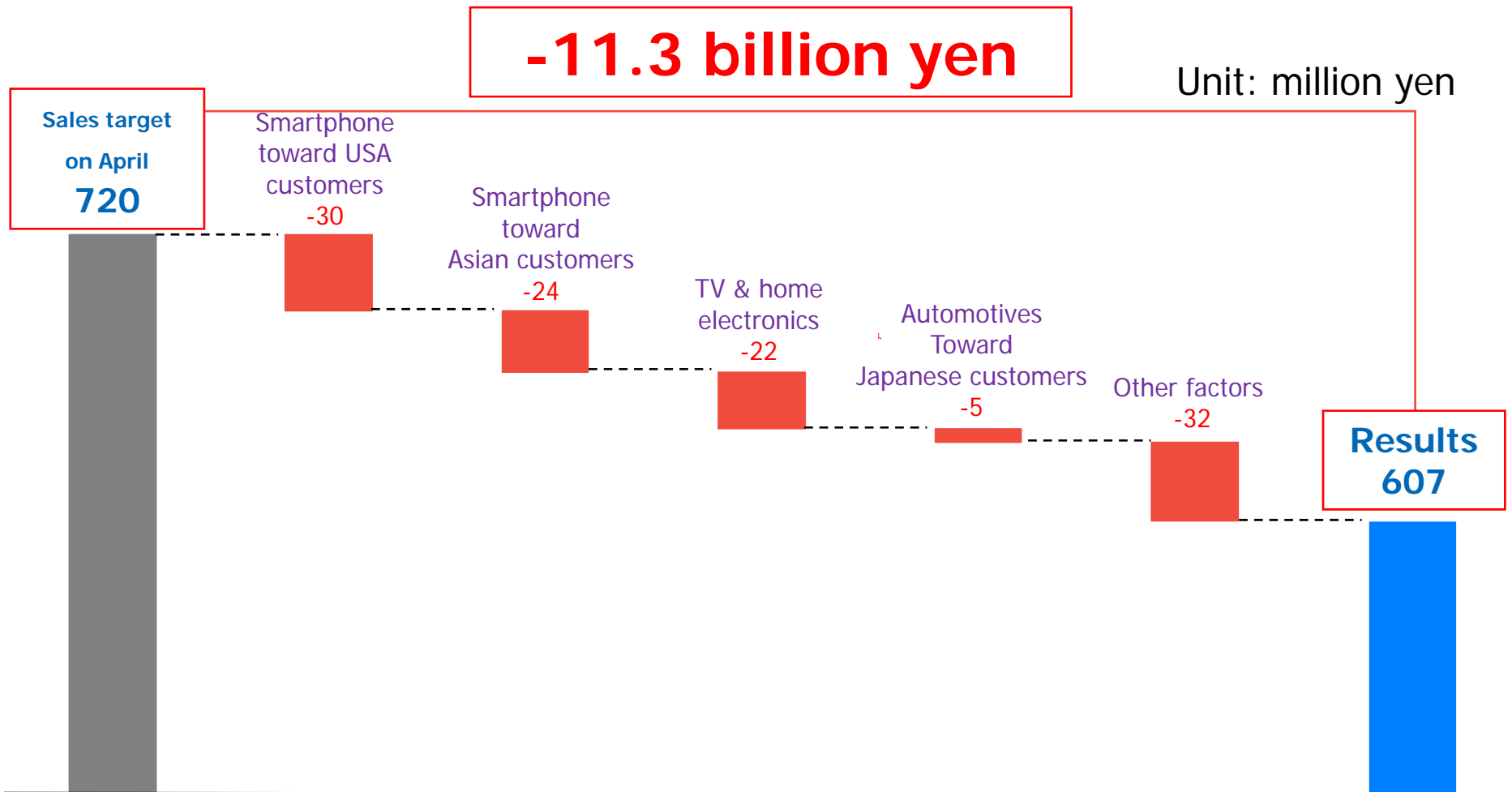
	FY2012	YoY	FY2013	YoY
Net Sales	3,390	304.1%	10,273	203.0%
Operating Income	-1,461	-93.0%	1,025	-
margin	-43.1%		10.0%	

exchange rate 1USD=83.31JPY 1USD=95.00JPY

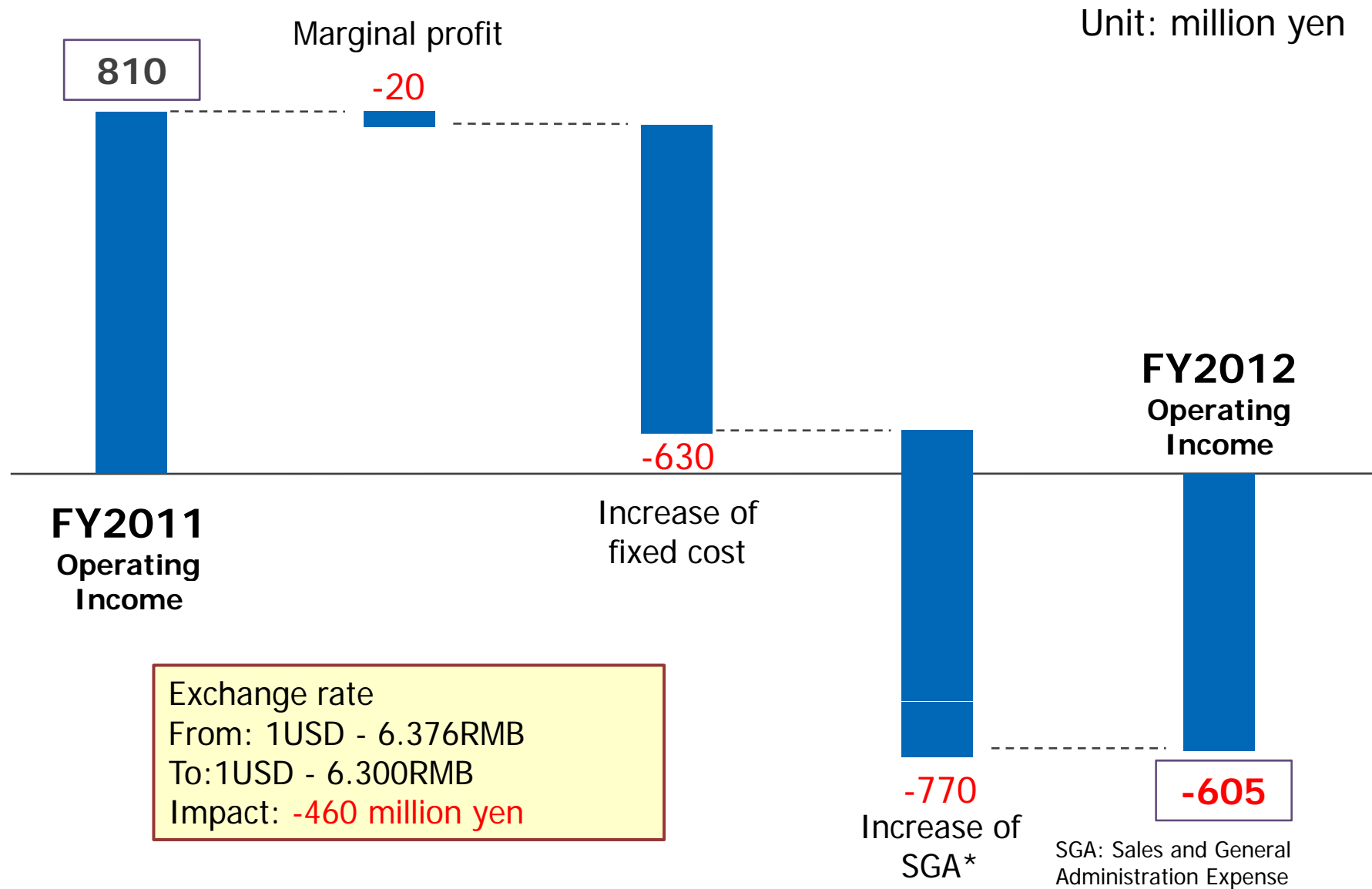
Including CAD, tool,
and half-finished
PCBs.

Excluding other non-
PCB business.

4. Analysis on Sales Target Unachieved

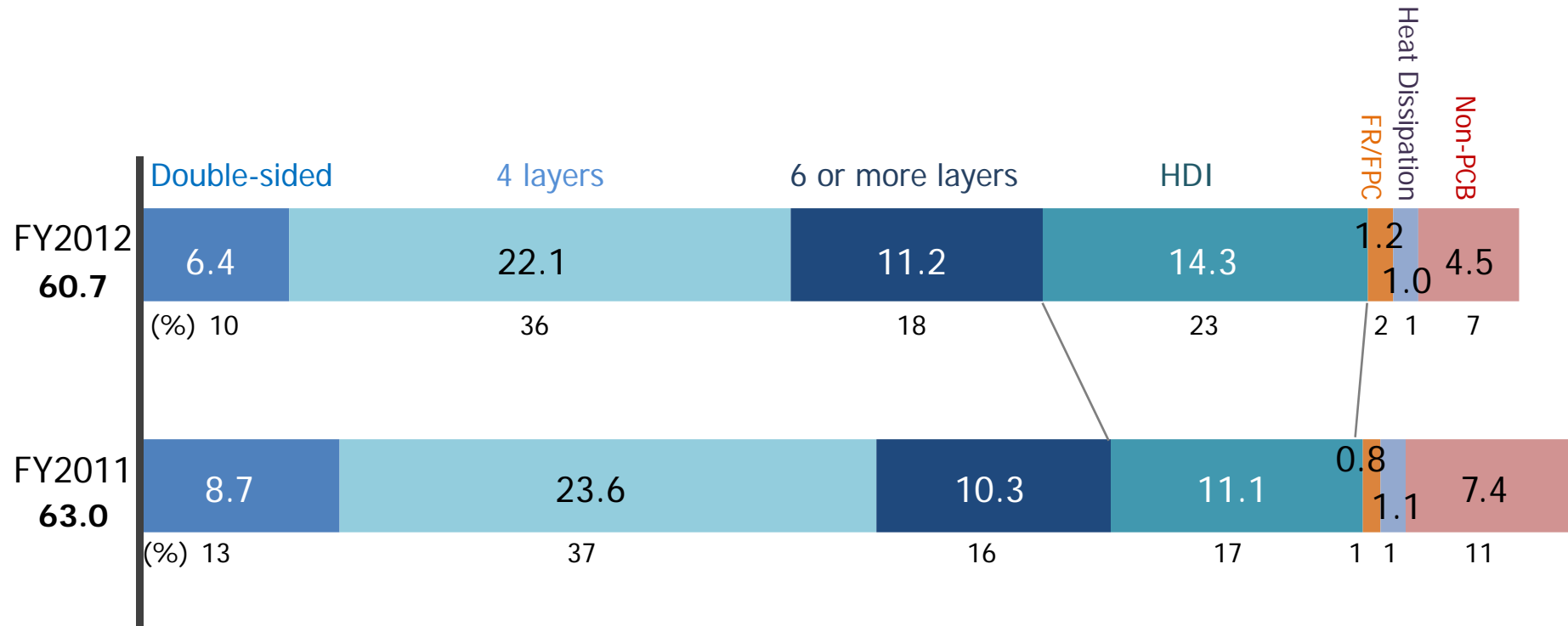


5. Analysis on Operating Income



6. Sales Results – by product

Unit: billion yen

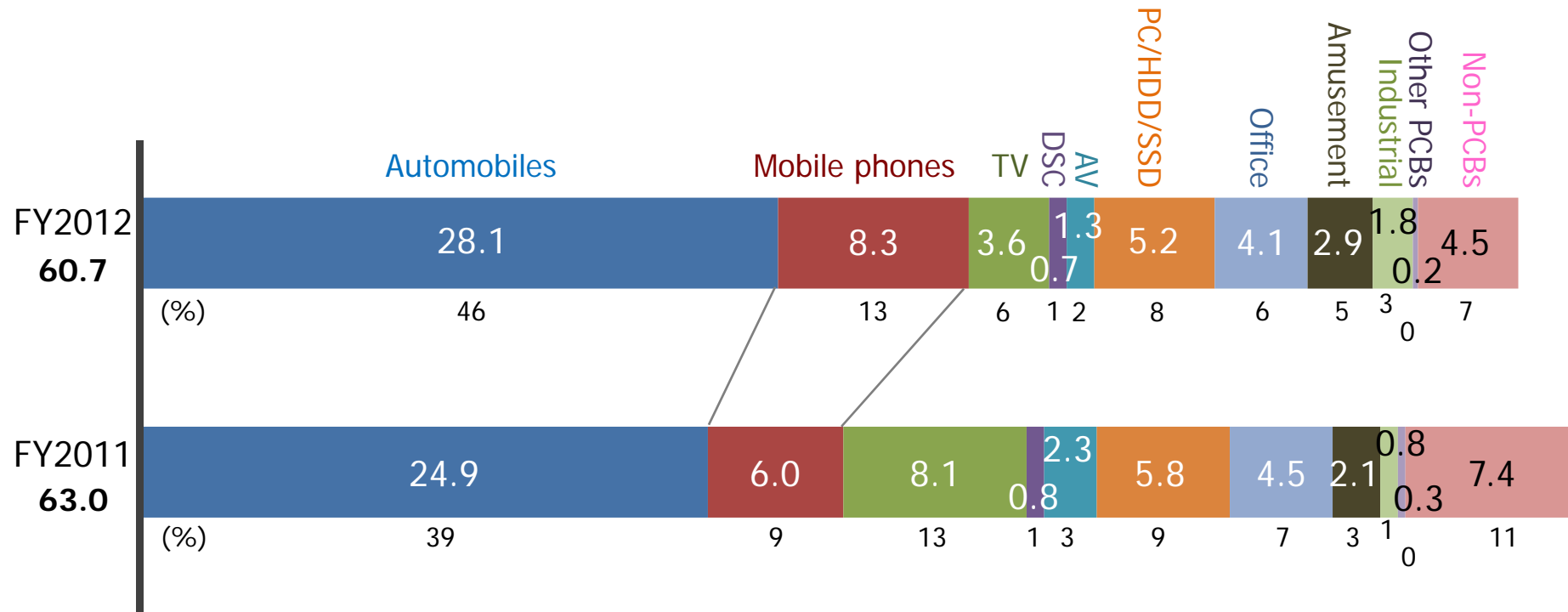


FY2012 1USD - 83.31JPY

FY2011 1USD - 78.98JPY

7. Sales Results – by application

Unit: billion yen

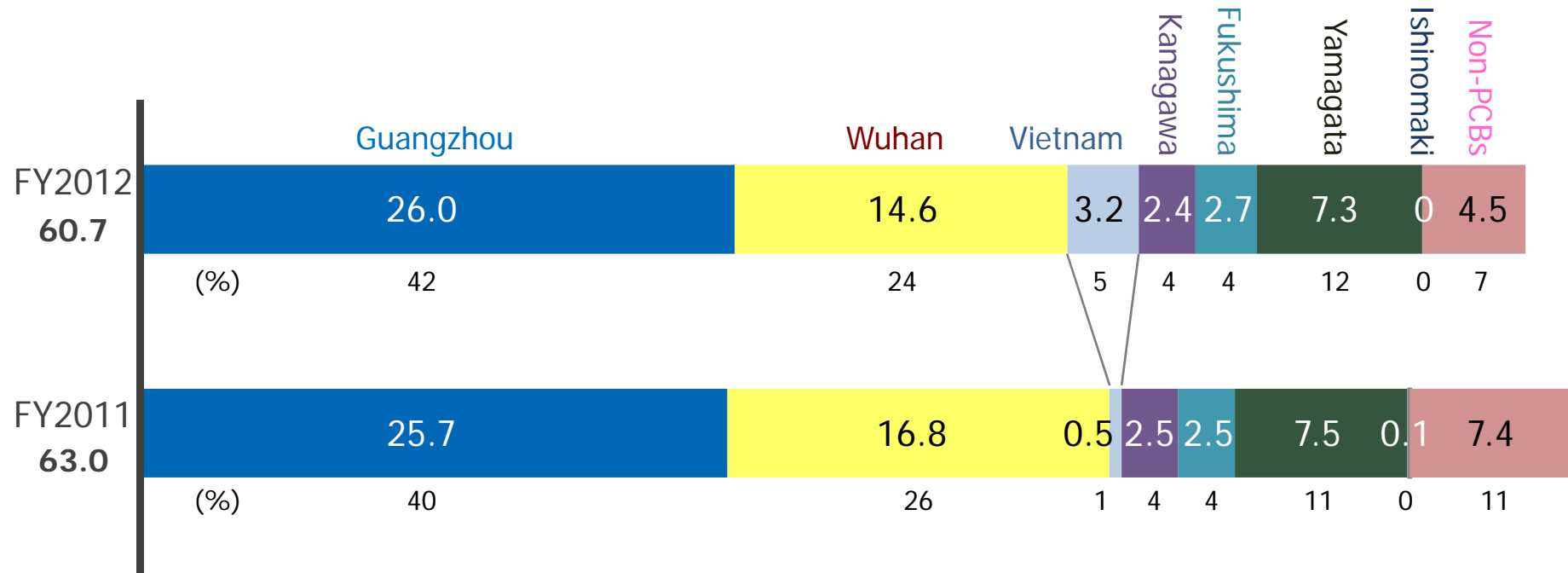


FY2012 1USD - 83.31JPY

FY2011 1USD - 78.98JPY

8. Sales Results – by factory

Unit: billion yen

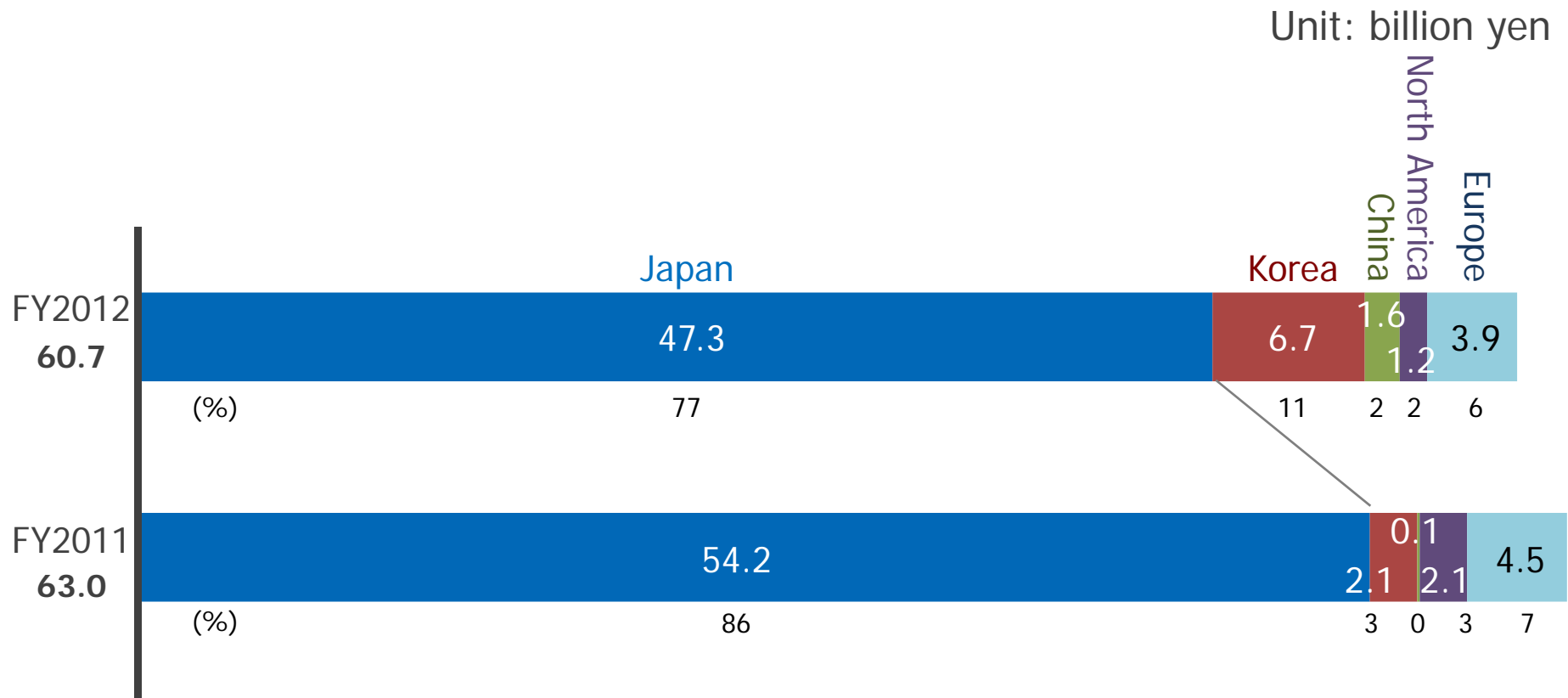


FY2012 1USD - 83.31JPY

FY2011 1USD - 78.98JPY

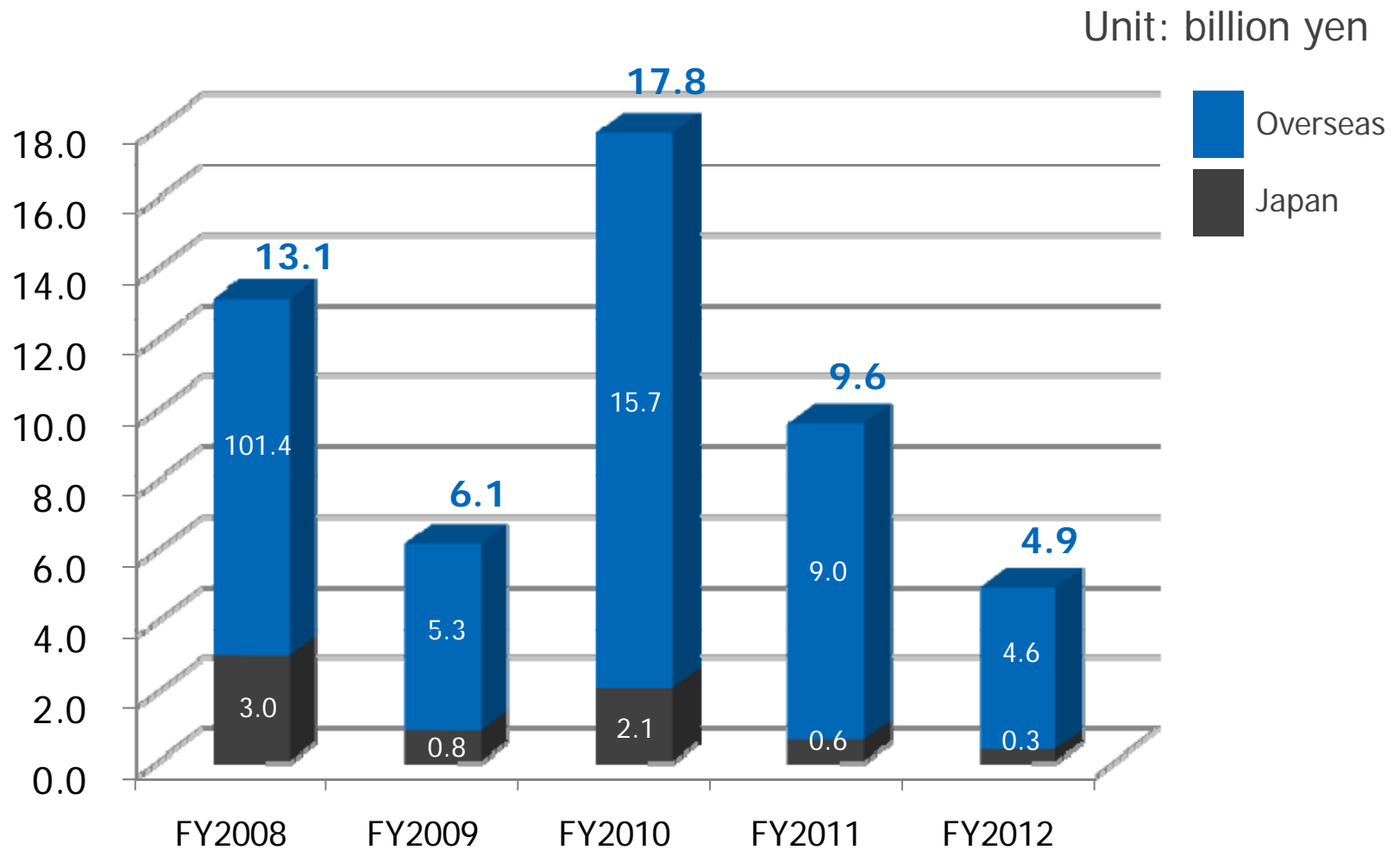
Consists of PCB sales only.
Excluding CAD, tool, and half-finished PCBs.

9. Sales Results – by nationality



FY2012 1USD - 83.31JPY
 FY2011 1USD - 78.98JPY

10. Capital Investment



-Inspection basis

II. FY2013 Forecast



1. Consolidated Forecast for FY2013

Unit: million yen

	FY2012		FY2013					
	Results	Ratio to Sales	First fiscal half		Second fiscal half		Full year	
			Plan	Ratio to Sales	Plan	Ratio to Sales	Plan	Ratio to Sales
Net Sales	60,709	-	37,600	-	39,400	-	77,000	-
Operating Income	(605)	-1.0%	1,500	4.0%	2,200	5.6%	3,700	4.8%
Ordinary Income	(386)	-0.6%	950	2.5%	1,750	4.4%	2,700	3.5%
Net Profit	(1,567)	-2.6%	200	0.5%	800	2.0%	1,000	1.3%
Depreciation	6,282	-	3,009	-	3,143	-	6,152	-
EBITDA	5,677	9.4%	4,509	12.0%	5,343	13.6%	9,852	12.8%
Capital Investment	4,960	-	3,590	-	430	-	4,020	-

Exchange rate

FY2012 1USD - 83.31JPY

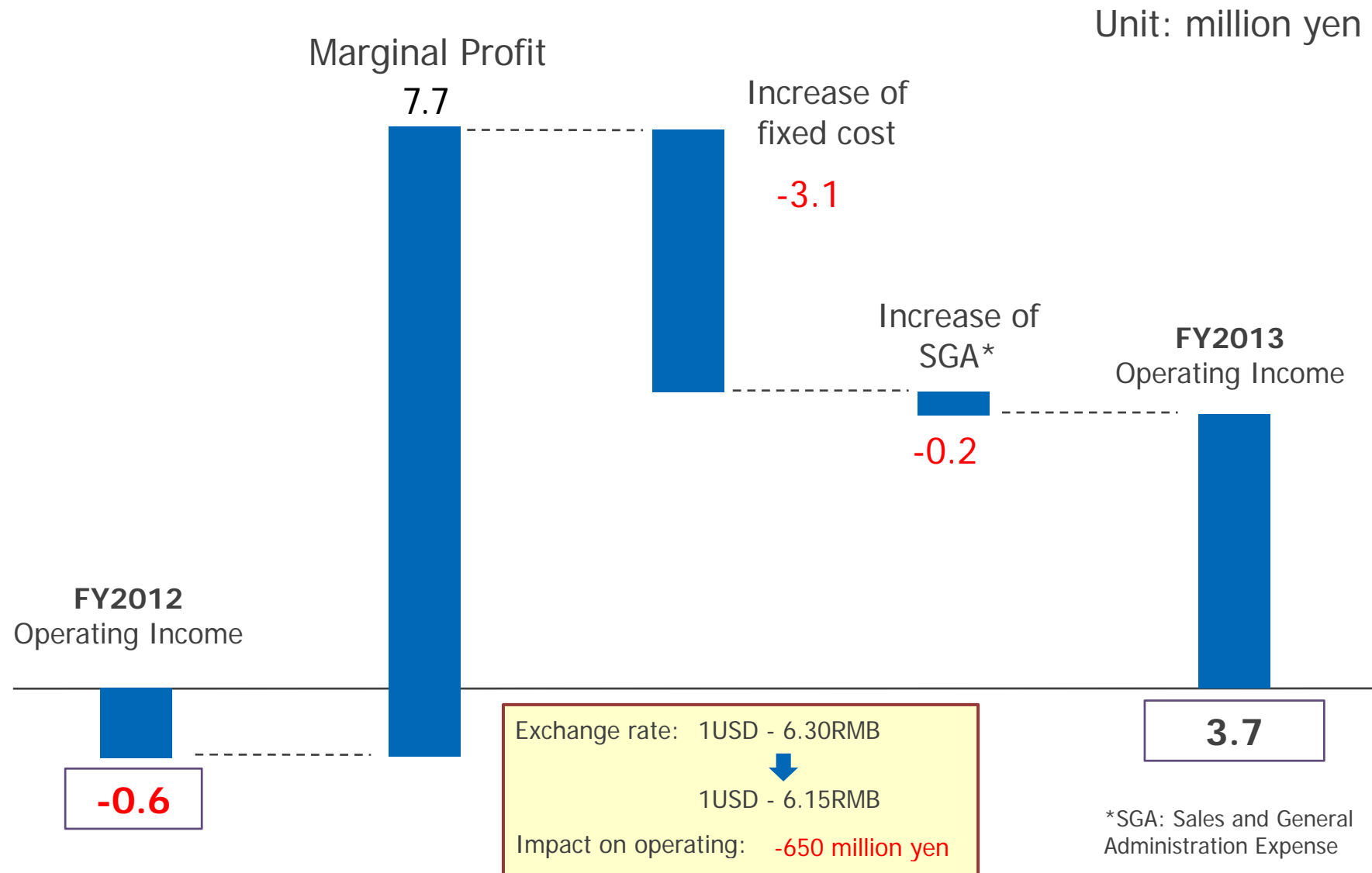


FY2013 1USD - 95.00JPY

Capital investment: inspection basis

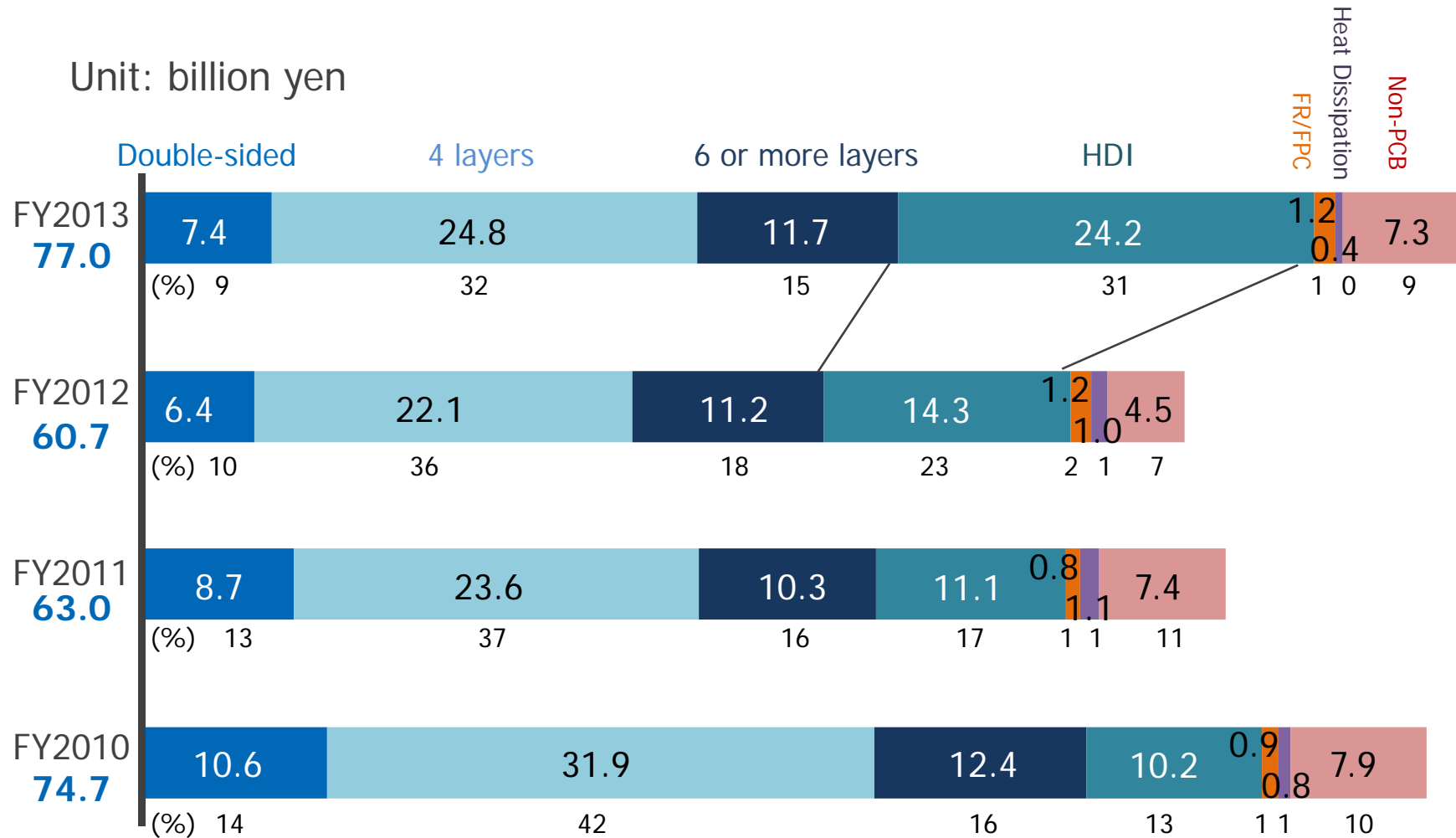
Mid-term plan would be announced on November; on the basis of the first fiscal half result.

2. Analysis on Operating Income



3. Sales Forecast – by product

Unit: billion yen

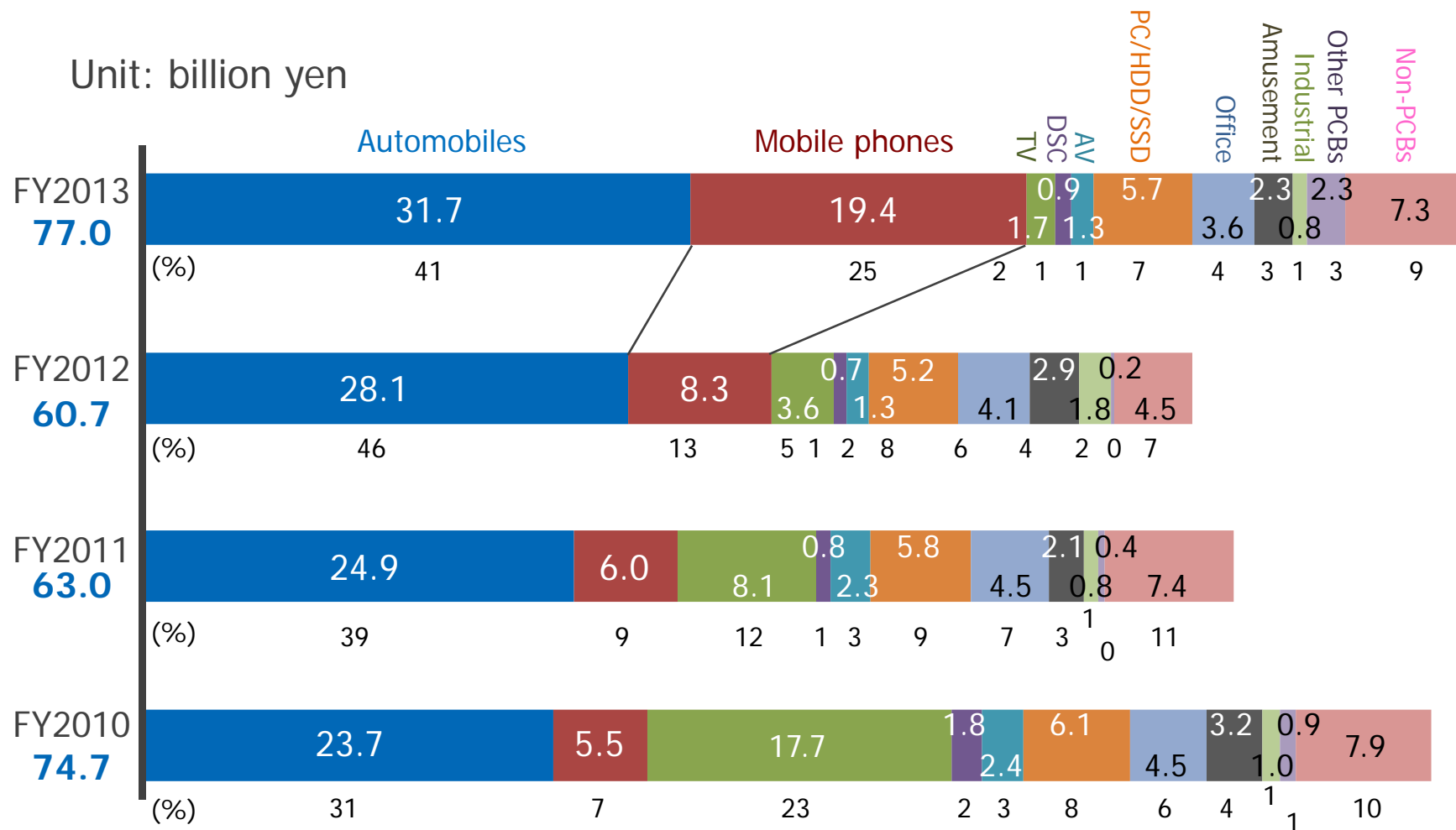


FY2013 : 1USD - 95.00JPY
 FY2011 : 1USD - 78.98JPY

FY2012 : 1USD - 83.31JPY
 FY2010 : 1USD - 85.22JPY

4. Sales Forecast – by application

Unit: billion yen



FY2013 : 1USD - 95.00JPY

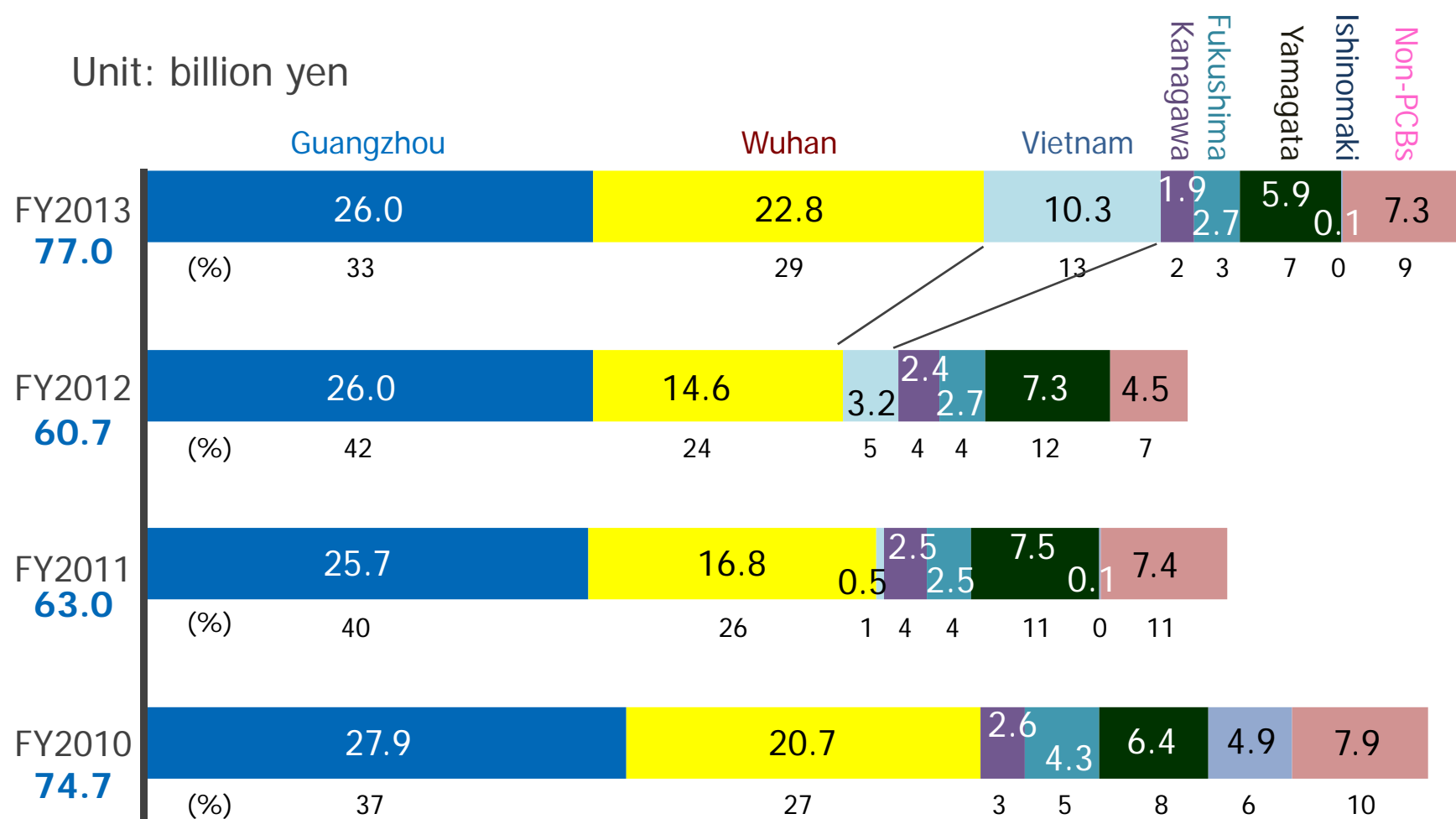
FY2012 : 1USD - 83.31JPY

FY2011 : 1USD - 78.98JPY

FY2010 : 1USD - 85.22JPY

5. Sales Forecast – by factory

Unit: billion yen



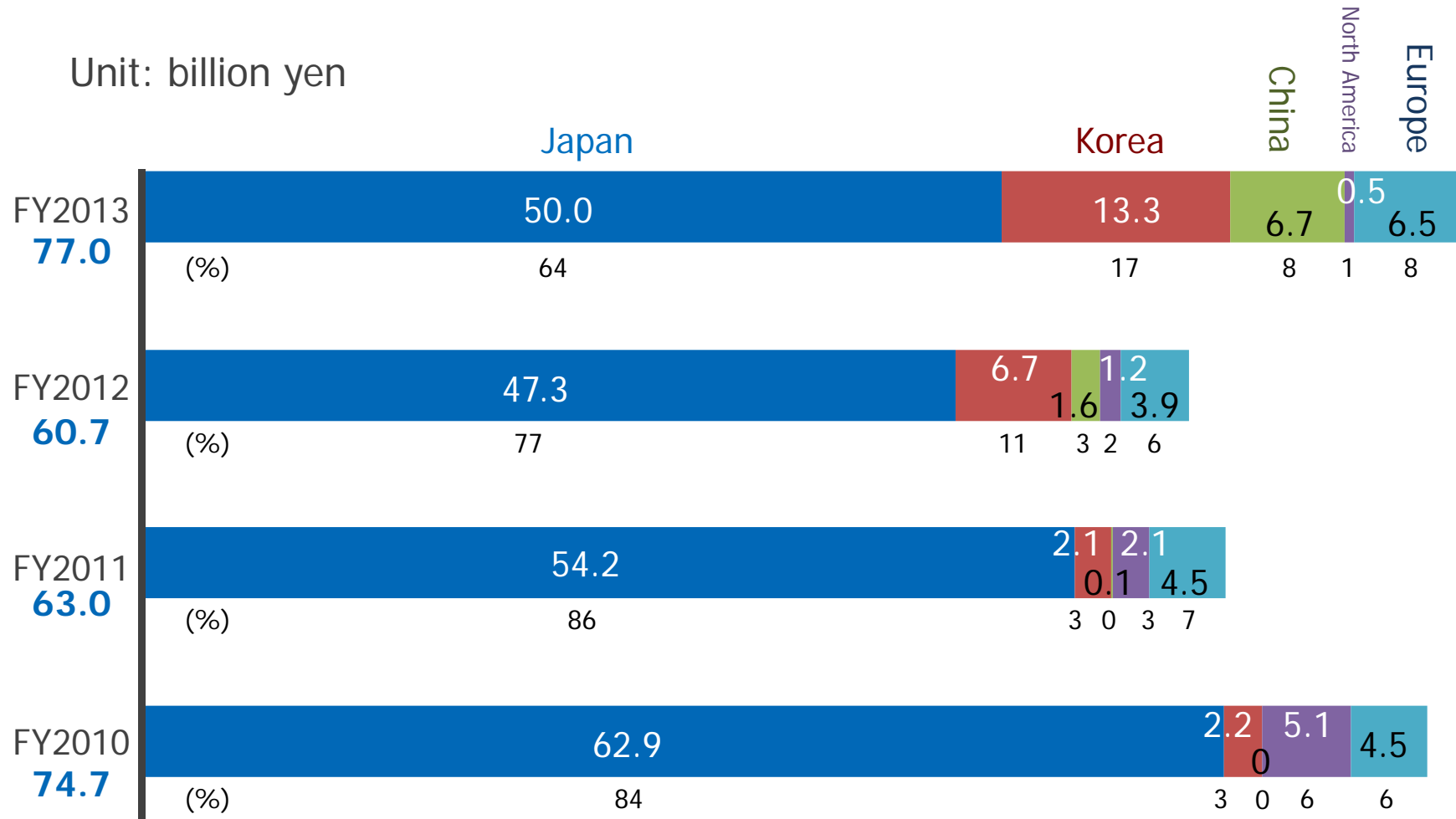
FY2013 : 1USD - 95.00JPY
 FY2011 : 1USD - 78.98JPY

FY2012 : 1USD - 83.31JPY
 FY2010 : 1USD - 85.22JPY

Consists of PCB sales only.
 Excluding CAD, tool, and
 half-finished PCBs.

6. Sales Forecast – by nationality

Unit: billion yen



FY2013 : 1USD - 95.00JPY

FY2012 : 1USD - 83.31JPY

FY2011 : 1USD - 78.98JPY

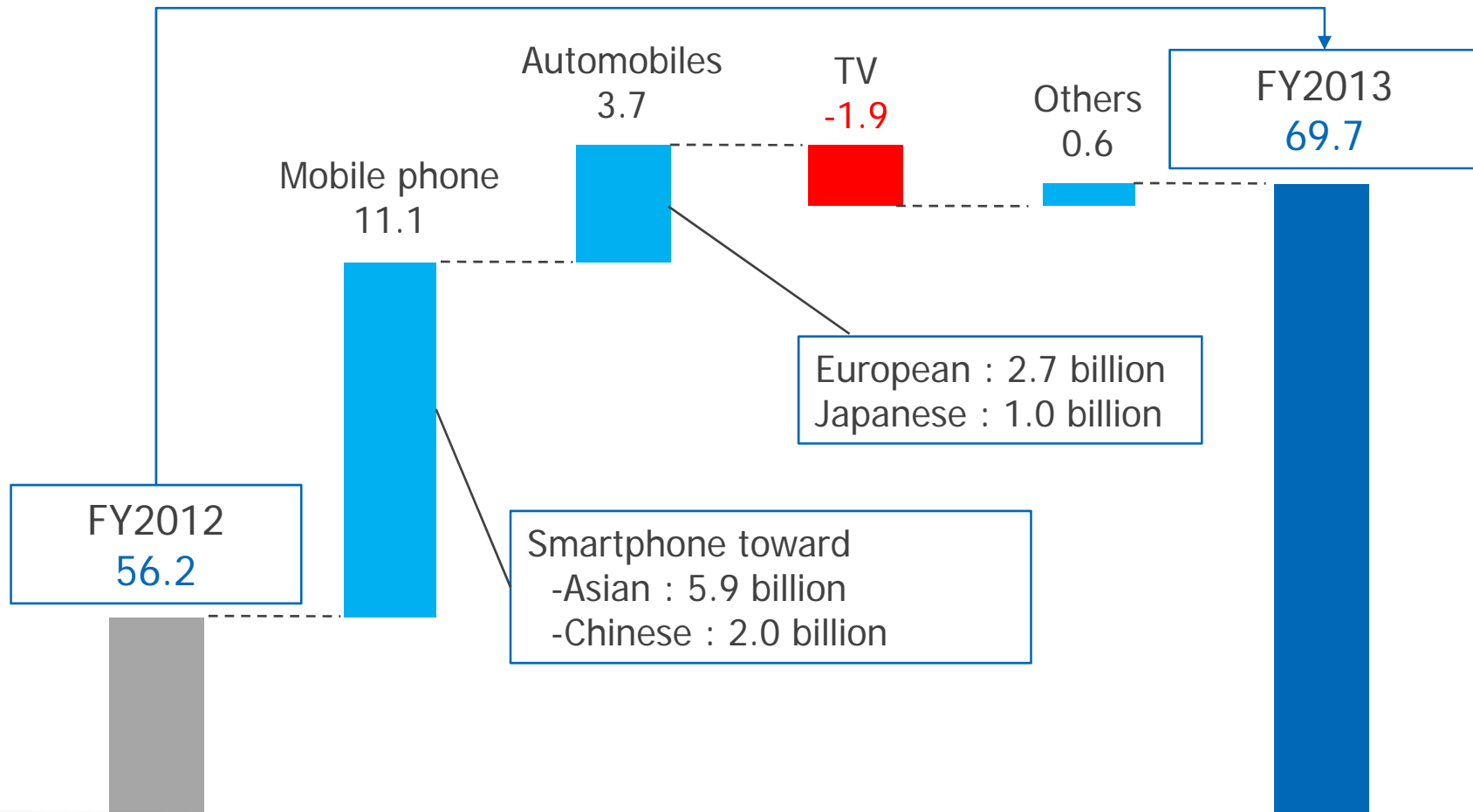
FY2010 : 1USD - 85.22JPY

7. Analysis on Sales Forecast by Market

Unit: billion yen

+13.5 billion

FY2012 average exchange rate : 83.31JPY
 FY2013 exchange rate assumption : 95.00JPY
 Impact in net sales : **7.5 billion**



8. FY2013 Business Strategy

Breaking the vicious circle, and achieving V-shaped turnaround

Sales Strategy

- Aggressive expansion toward mobile & automotive market.
- Exploring the market for SSD/FPC/Heat Dissipation PCB

Production Strategy

- Improving profitability of Wuhan Plant by increasing production.
- Expansion of production in Vietnam Plant.
- Resumption of Ishinomaki Factory.

Technology Strategy

- Developing the differentiating method of new flexible PCB & Heavy Copper PCB.
- Further developing embedded devices PCB, new Rigid-Flex PCB, and high layer count PCB.

9. Initiatives & Forecast - Guangzhou Plant

- Aiming for the world's finest automotive-oriented plant through aggressive sales promotion and improving quality & lead time.
- Optimization of human resource synchronized with production volume through improvement of productivity per capita.
- Further improving profitability by cutting the costs of subsidiary materials and expendables.

Unit: million yen

	FY2012	YoY	FY2013	YoY
Net Sales	27,661	-2.5%	26,246	-5.1%
Operation Income	1,570	63.5%	1,913	21.8%
%	5.7%		7.3%	

Exchange rate 1USD - 83.31JPY

1USD - 90.00JPY

10. Initiatives & Forecast - Wuhan Plant

- 1st Factory starts PCBs for SSD and automotive; shifting from TV-oriented production.
- 2nd Factory focuses on PCBs for smartphone toward customers in China and Asia, shifting from North America.
- Optimization of human resource synchronized with production volume through improvement of productivity per capita.

Unit: million yen

	FY2012	YoY	FY2013	YoY
Net Sales	17,665	-7.1%	22,859	29.4%
Operation Income	-2,638	-381.4%	250	-
%	-14.9%		1.1%	

Exchange rate 1USD - 83.31JPY

1USD - 90.00JPY

11. Initiatives & Forecast - Vietnam Plant

- Establishment of producing high-end PCBs for smartphone with the best quality and speed.
- Establishment of all-in-one production of FPC & EMS business.
- Accelerating the joint venture for automotive segment with Schweizer Electronic AG.
- Exploring customers in Vietnam and neighboring countries, taking advantage of location of the plant.

Unit: million yen

	FY2012	YoY	FY2013	YoY
Net Sales	3,390	304.1%	10,273	203.0%
Operation Income	-1,461	-93.0%	1,025	-
%	-43.1%		10.0%	

Exchange rate 1USD - 83.31JPY

1USD - 90.00JPY

12. Ishinomaki Factory

- Resumed with a view to area rehabilitation including employment and to save the most advanced technology inside Japan.
- Introducing the pilot line of module PCB, embedded devices PCB, new FPC and new heavy copper PCB.
- Sales target would be 150 million yen for the first year; it sold 5 billion yen before the Earthquake.
- Inauguration ceremony held on May 17, inviting the Governor of Miyagi Prefecture and the Mayor of Ishinomaki City.



Inauguration
Ceremony

III. Technology Strategy

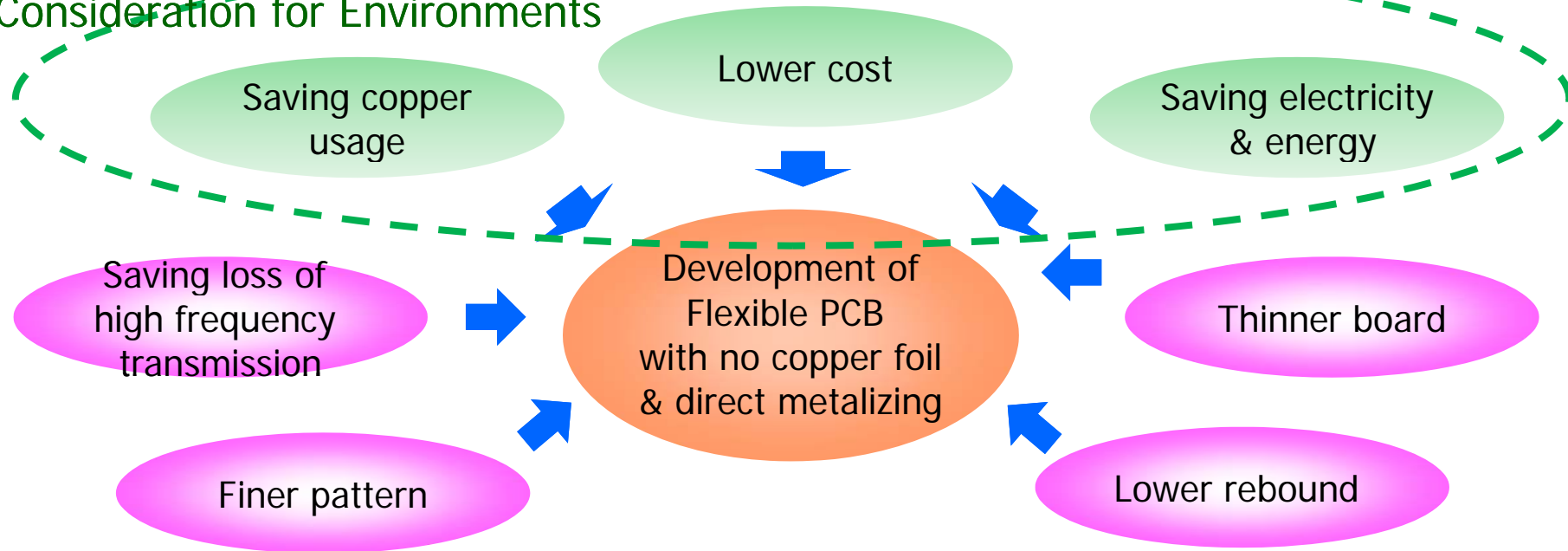


1. Basic Strategy

- Development of the differentiating technology for producing new FPC
 - Cutting costs and improving frequency characteristic by reducing the manufacturing process.
- Development of Embedded Devices PCB
 - miniaturization, high density, high reliability
- Development of New Rigid-flex PCB and High Layer Count PCB
 - saving space and cutting cost
- Development of Brand new Heat Dissipation PCB for large electric currency.

2. Concept of New FPC - MDiM

Consideration for Environments



Meeting the market needs by Meiko's new seeds

Developing new FPC with monocular connection technology

Enables **directly metalize** on the surface of resin.



2. Contrast of Conventional FPC and MDiM

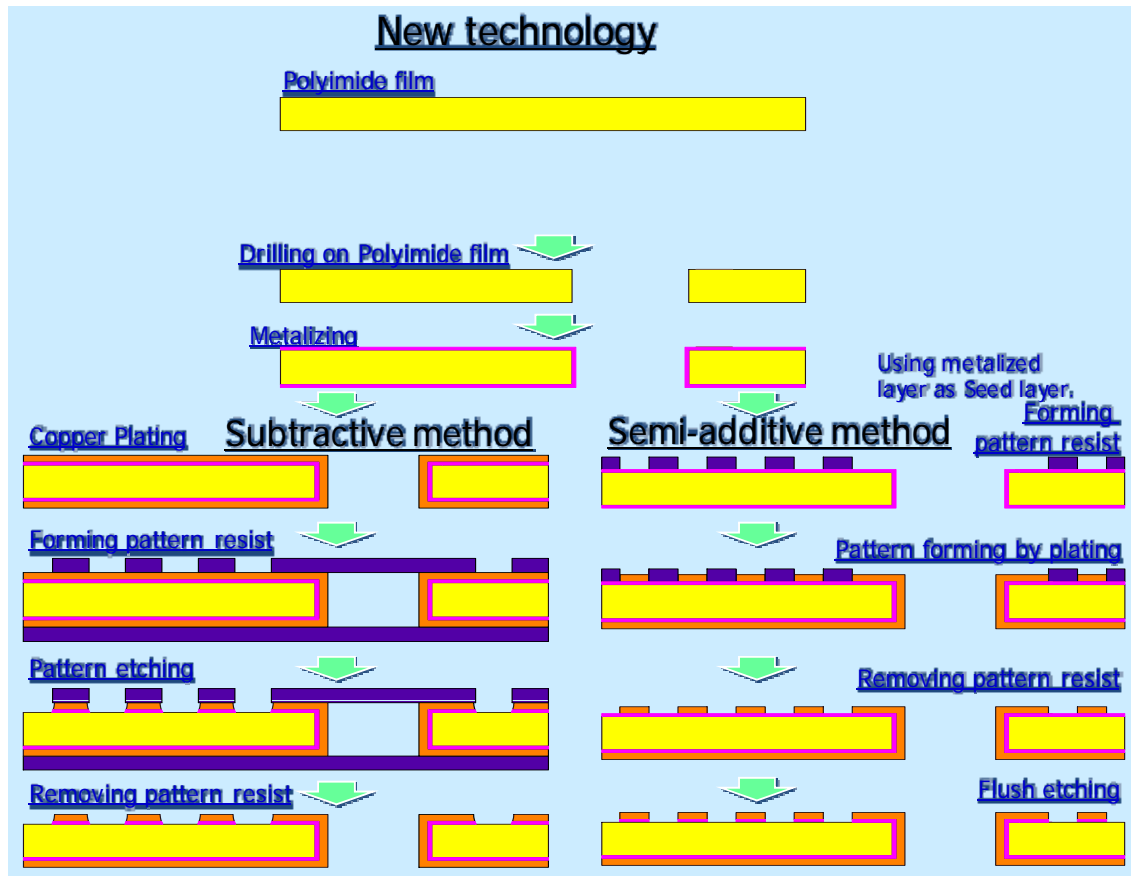
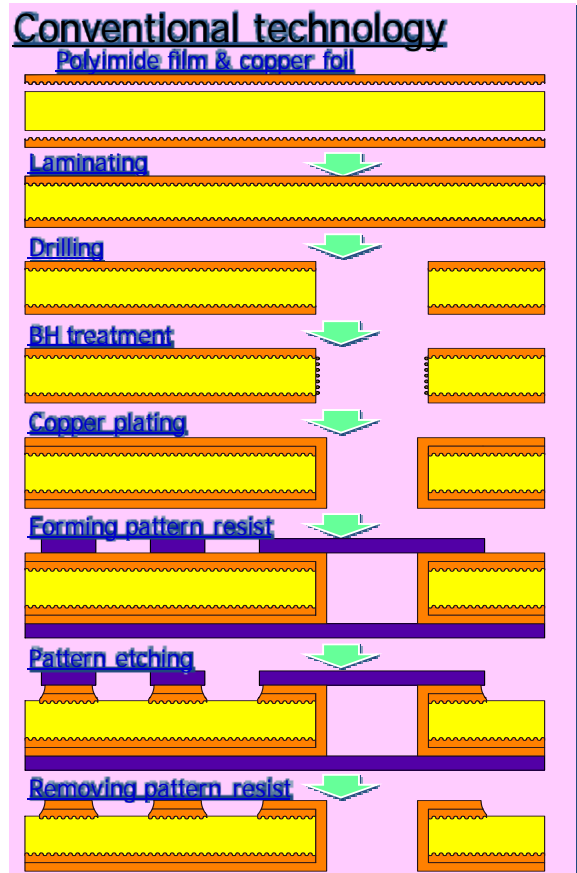
Conventional FPC

New FPC - MDiM

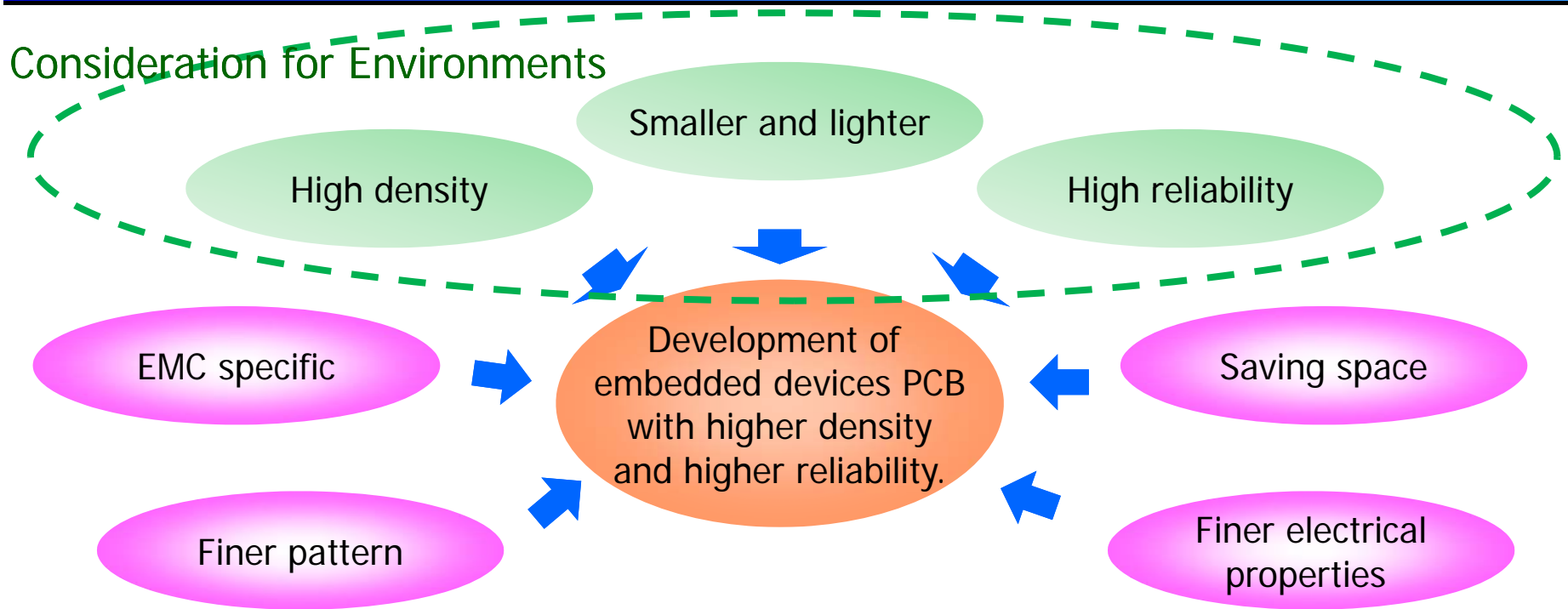
Number of process 9



6



3. Concept of Miniaturization – Embedding Technology



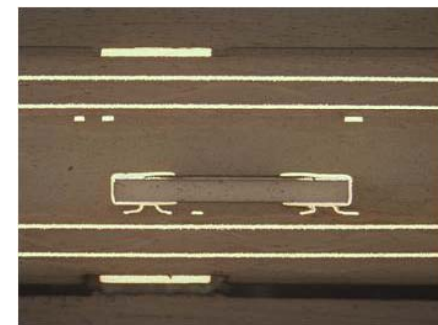
Merit on embedding passive devices into PCB

- Can increase memory capacity by enlarging mounting area for SSD memory chip.
- Can improve electrical property by shortening the wiring to power source capacitors.

Specifics of embedded devices PCB

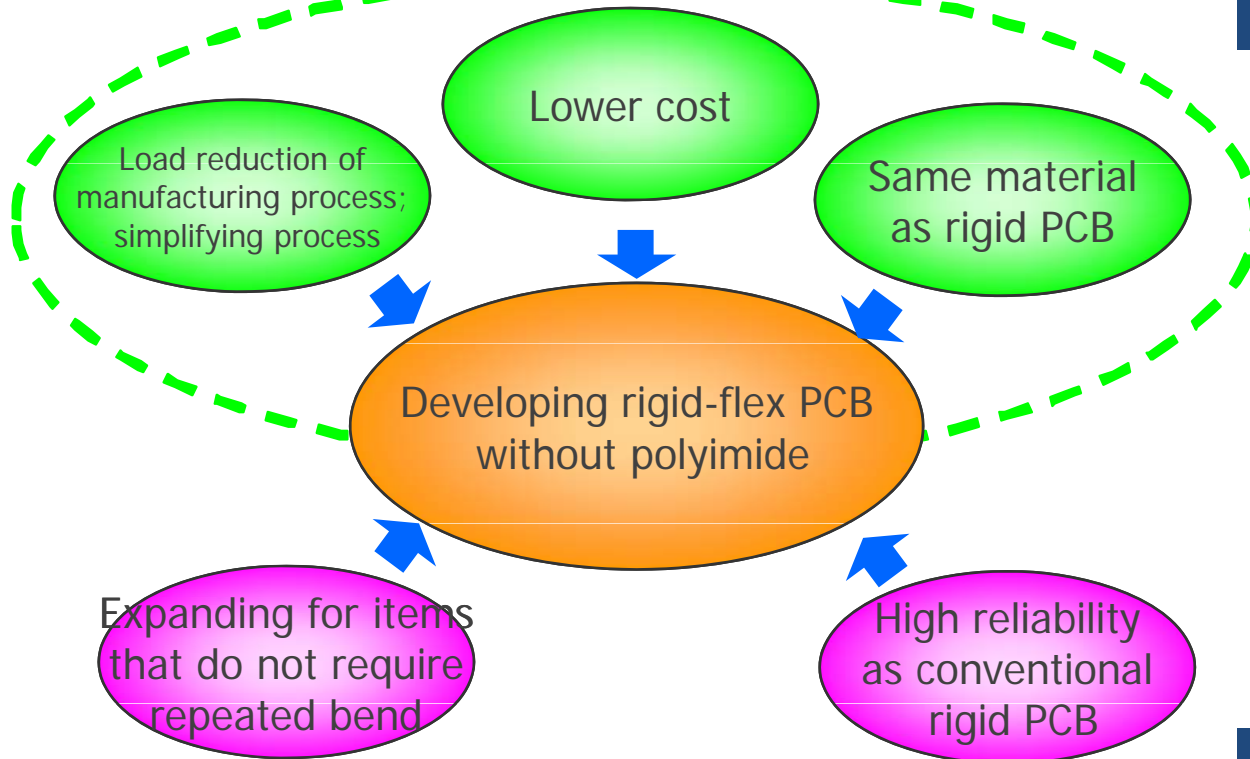
- Enables high reliability and high density by copper plating connection.

Cross section



4. Concept of New Rigid-Flex PCB

Consideration for Environments



FR4 Flex usage

Conventional ECU



FR4-Flex ECU



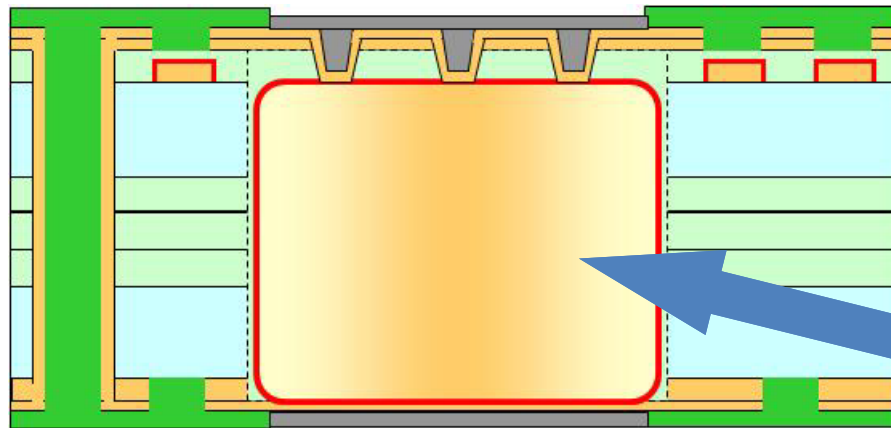
FR4 Flex market

A European automaker forecasts that about half of PCB demand would be replaced with FR4-Flex by 2020 in automobile industry.

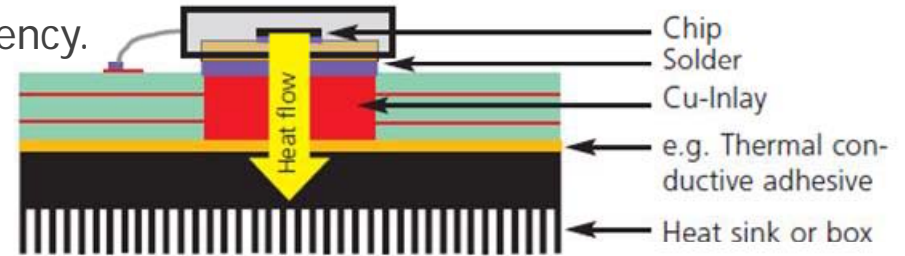


5. New Heat Dissipation PCB

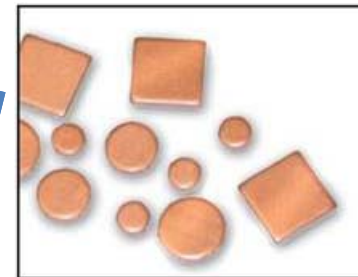
- Developed for the alternative to power PCBs for automotives, mostly made of ceramic, in Europe.
- Used for heat dissipation and large electric current.



Usage



Lump of copper



Market

- Heavy copper technology, demand of which has been sharply growing, has great potential in power PCB for automotive in Europe.
- Growth rate of PCB for drive system by 2015; +44% for battery; +31% for start/stop
- Expected market for heavy copper PCB
 - \$100 mil per year for drive system - 20% for conventional PCB, 80% for special PCB as ceramic
 - \$70 mil per year for engine & brake - 50% for conventional PCB, 50% for special PCB as ceramic

Our new heat dissipation PCB has great potential for alternatives to these area.



Meiko Electronics Co., Ltd.

<http://www.meiko-elec.com/>

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