

FY2017 Financial Results Briefing

May 17, 2018



MEIKO ELECTRONICS CO., LTD.
(Securities Identification Code: 6787)

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Financial Results Highlights in FY2017

Net sales

1. Net sales grew positively, increasing by 13.2% over previous year, to total 108,500 million yen.
- Sales remained strong in the automotive and smartphone markets.
 - Sales of HDI PCBs substantially increased.

Profit

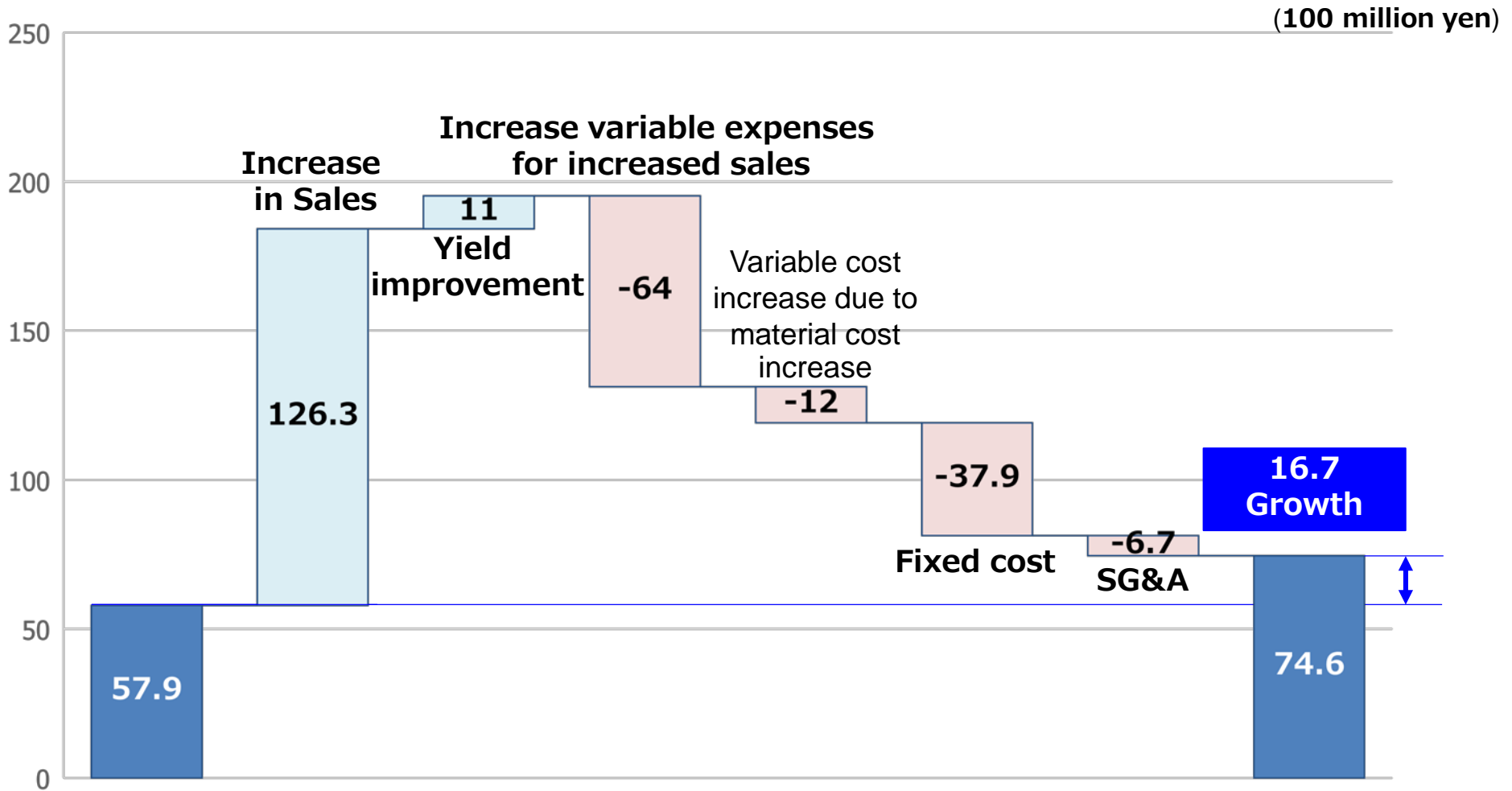
1. Operating income amounted to 7,460 million yen, up 1,670 million yen over previous year.
2. Ordinary income totaled 4,800 million yen, up 1,820 million yen over previous year.
3. Net income to owners of parent company amounted to 4,370 million yen, up 2,600 million yen over previous year.

FY2017 Consolidated Business Performance

(100 million yen)

	FY2016 performance	FY2017 performance	Year-on-year	
			Increase	%
Net sales	959.1	1,085.4	126.3	13.2%
Operating income	57.9 6.0%	74.6 6.9%	16.7	28.8%
Ordinary income	29.8 3.1%	48.0 4.4%	18.2	61.1%
Net income	17.7 1.8%	43.7 4.0%	26.6	146.9%
Average Exchange rate (Yen/USD)	108.69	110.66		
Interest-bearing debt	527	513	▲14	
Capital adequacy ratio	27.3%	29.9%	+2.6%	
R O E	6.3%	13.2%	+6.9%	

Analysis of operating profit change FY2016→FY2017

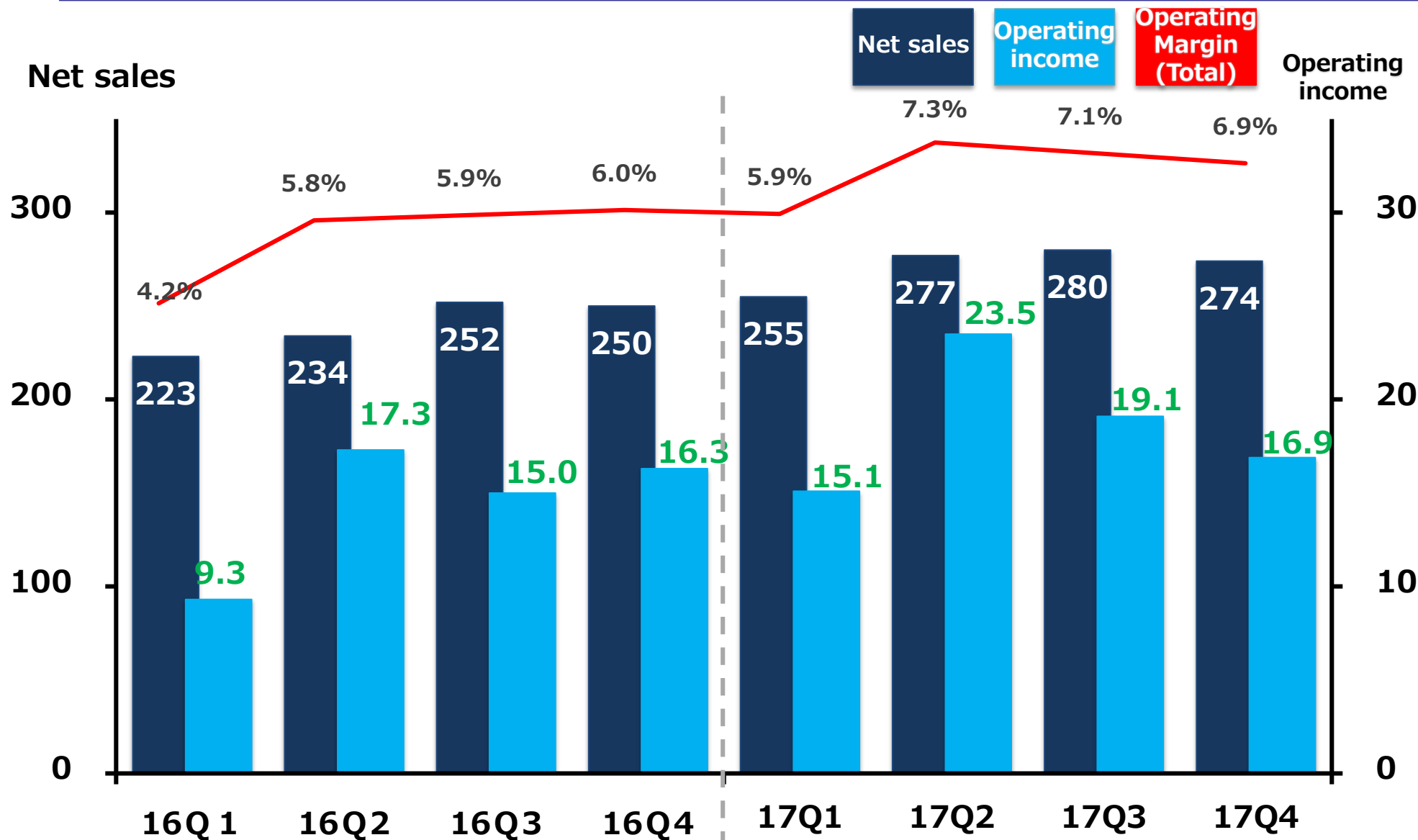


FY2016 performance
(Exchange rate 108.69yen/us\$)

FY2017 performance
(Exchange rate 110.66yen/us\$)

Net sales , Operating income

(100 million yen)



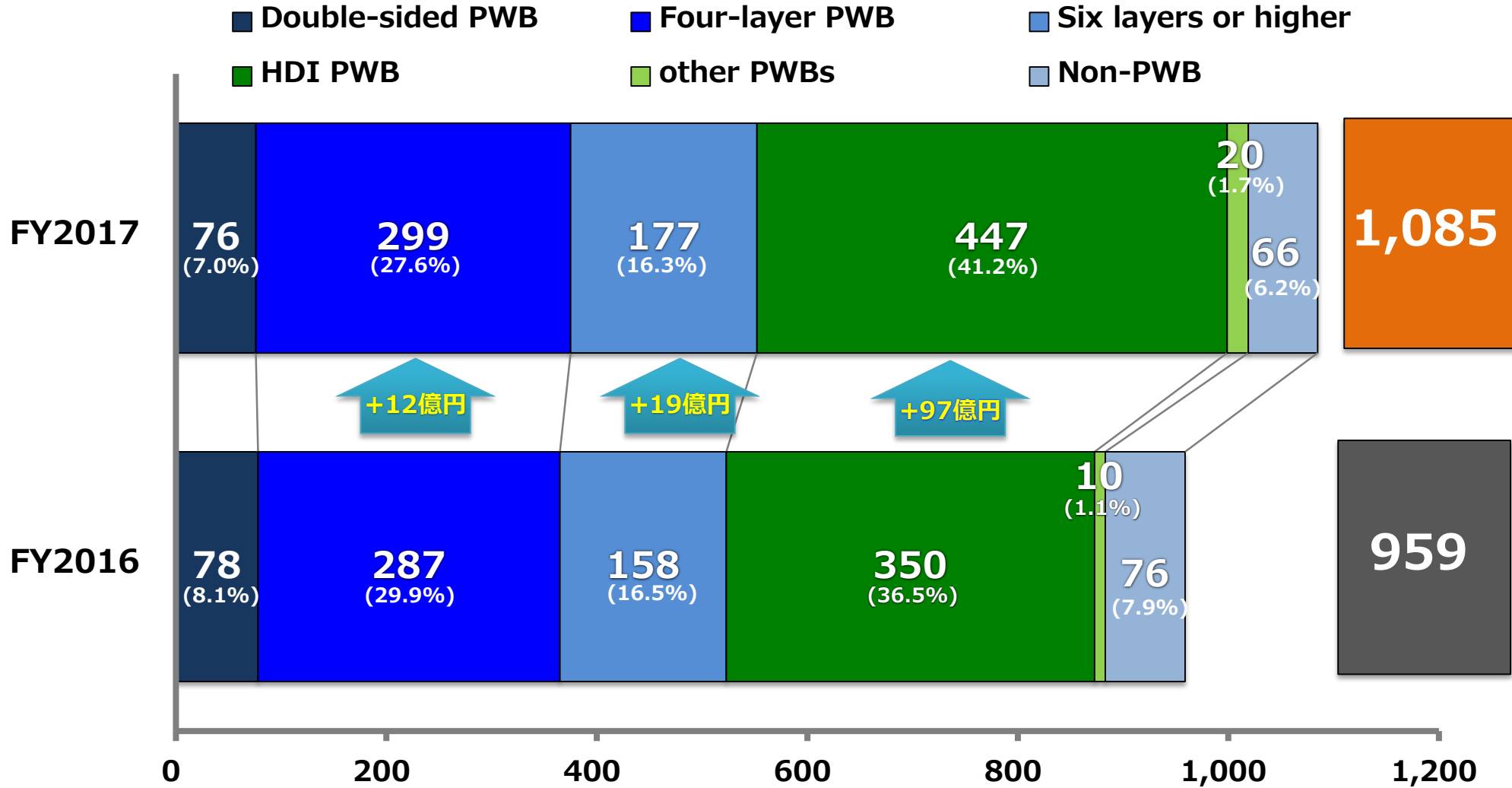
FY2017 Product Revenue

(100 million yen)

	FY2016		FY2017		Difference	
	Sales	Operating income %	Sales	Operating income %	Sales %	Operating income %
Automotive	437.0	31.0 7.1%	482.8	37.2 7.7%	45.8 10.5%	6.2 20.0%
Smartphones	253.5	19.0 7.5%	331.2	27.5 8.3%	77.7 30.7%	8.5 44.7%
Others	268.6	7.9 2.9%	271.4	9.9 3.6%	2.8 1.0%	2.0 25.3%
Total	959.1	57.9 6.0%	1,085.4	74.6 6.9%	126.3 13.2%	16.7 28.8%

By product

(100 million yen)



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Future Outlook

Overall

- Sales will remain strong in both automotive and smartphone markets.
- We will focus on HDI PCBs in the new applications.
- We will focus on flexible PCBs and module mounting(EMS).

Investments

- Build third factory in Vietnam.
- Increase Japan domestic investment.
- Invest in labor saving.

Consolidated financial prospect for FY2018

(100million yen)

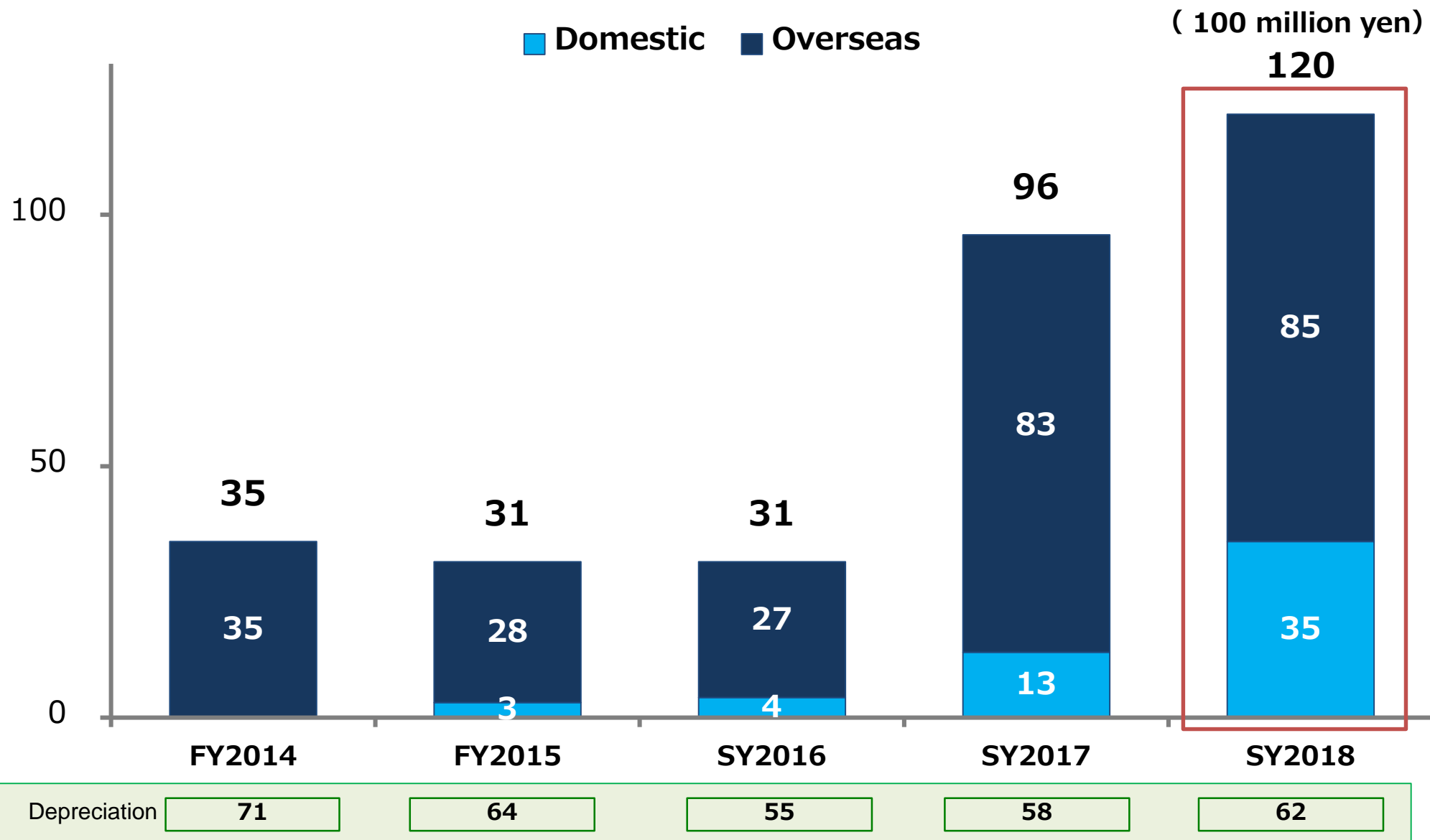
	FY2017	FY2018	Difference	
			increase	%
Net Sales	1,085.4	1,180	94.6	8.7%
Operating income	74.6 6.9%	82 6.9%	7.4	9.9%
Ordinary income	48.0 4.4%	68 5.8%	20.0	41.7%
Net income	43.7 4.0%	60 5.1%	16.3	37.3%
Exchange rate (Yen/USD)	110.66	106		

FY2018 Full-year forecast

(100million yen)

	FY2017		FY2018		Difference	
	Sales	Operating income %	Sales	Operating income %	Sales %	Operating income %
Automotive	482.8	37.2 7.7%	511.4	38.9 7.6%	28.6 5.9%	1.7 4.6%
Smartphones	323.8	27.0 8.3%	357.0	32.1 9.0%	25.8 7.8%	4.6 16.7%
Others	278.8	10.6 3.8%	311.6	11 3.5%	40.2 14.8%	1.1 11.1%
Total	1,085.4	74.6 6.9%	1,180.0	82 6.9%	94.6 8.7%	7.4 9.9%

2018 Investments



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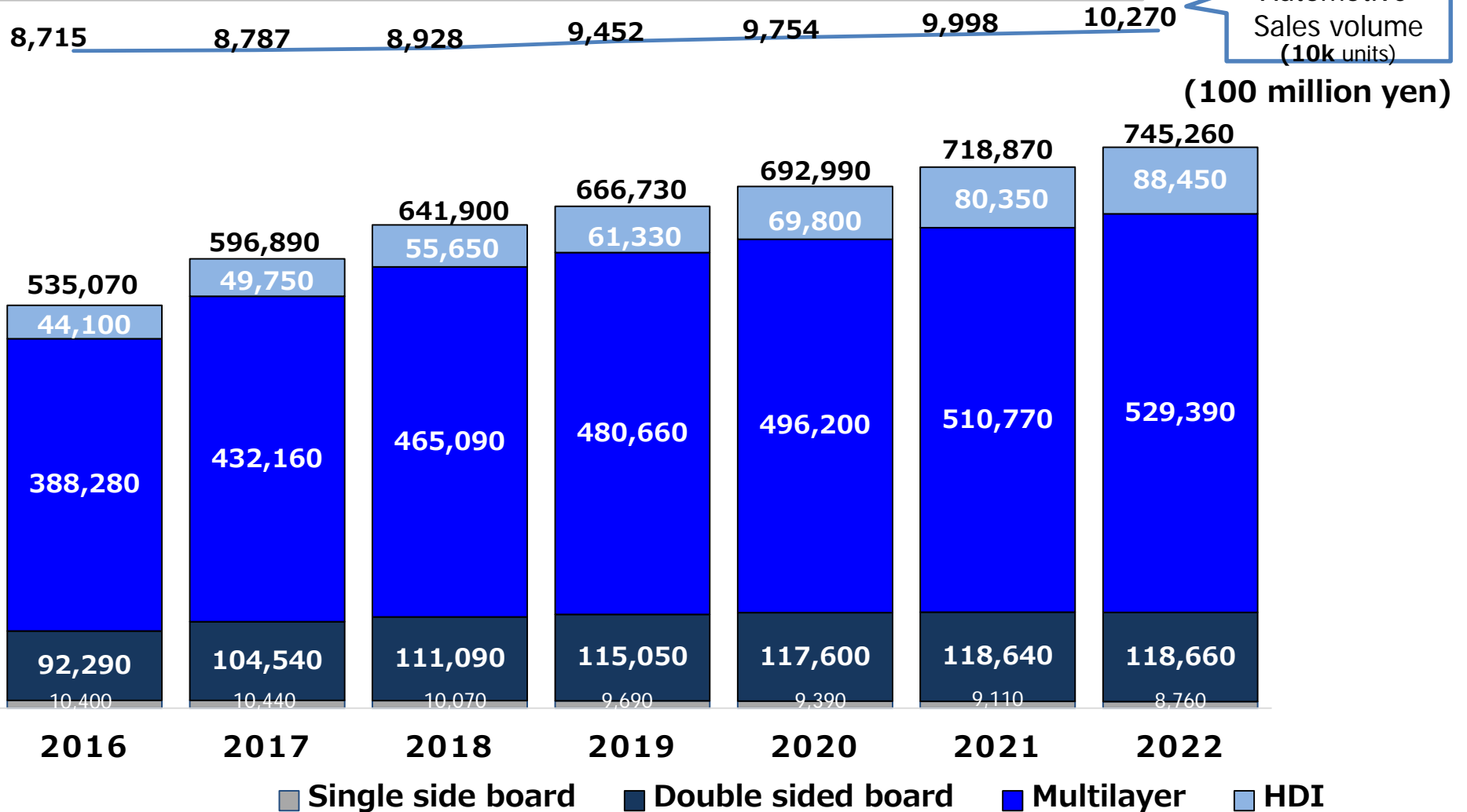
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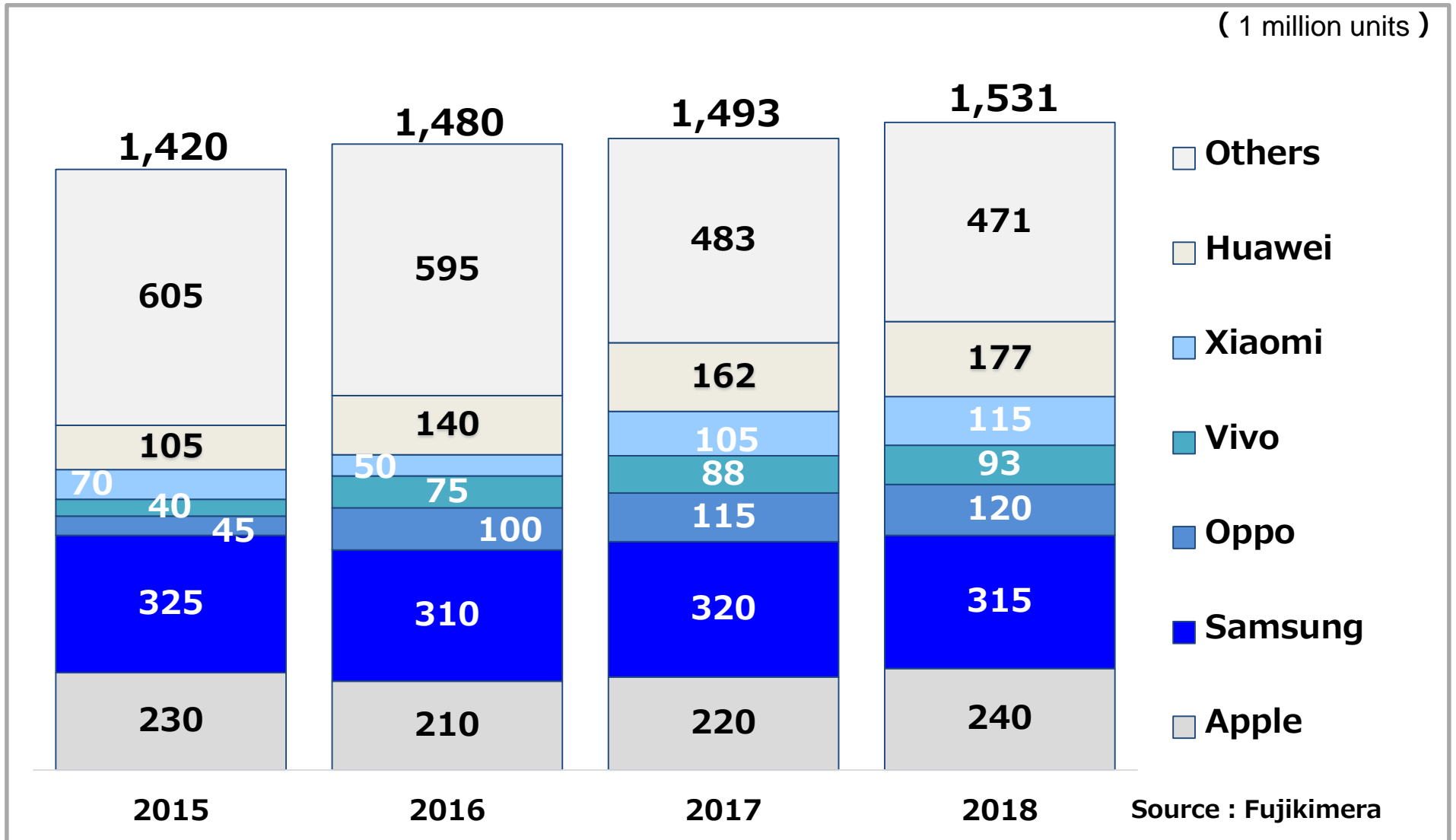
Industry trends -Automobile-

Usage of PWBs in cars is growing faster than the car sales growing rate.



Source : Fujikimera

Industry trends -smartphone-



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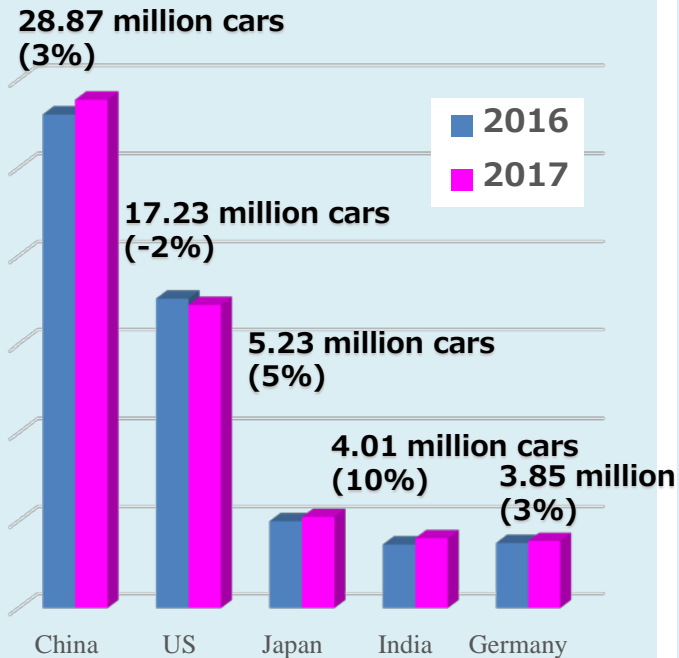
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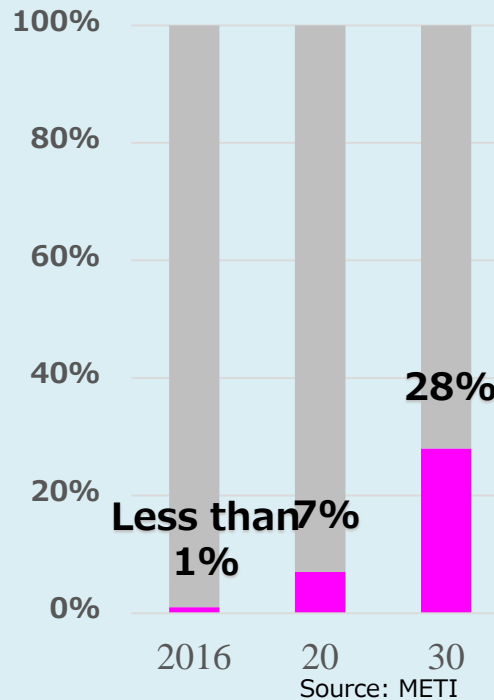
Automotive Market Trend

No. of new cars sold in major countries



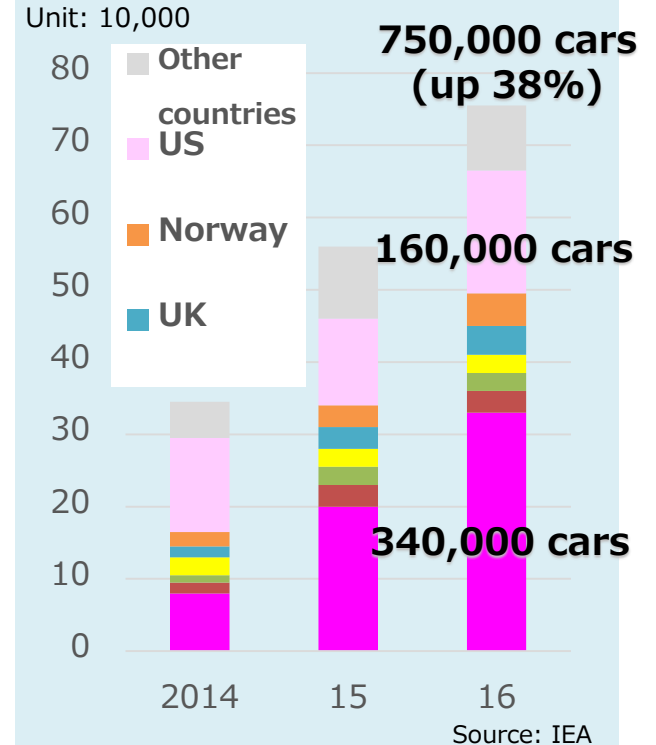
Source: The Nikkei

EV/PHV ratio



Source: METI

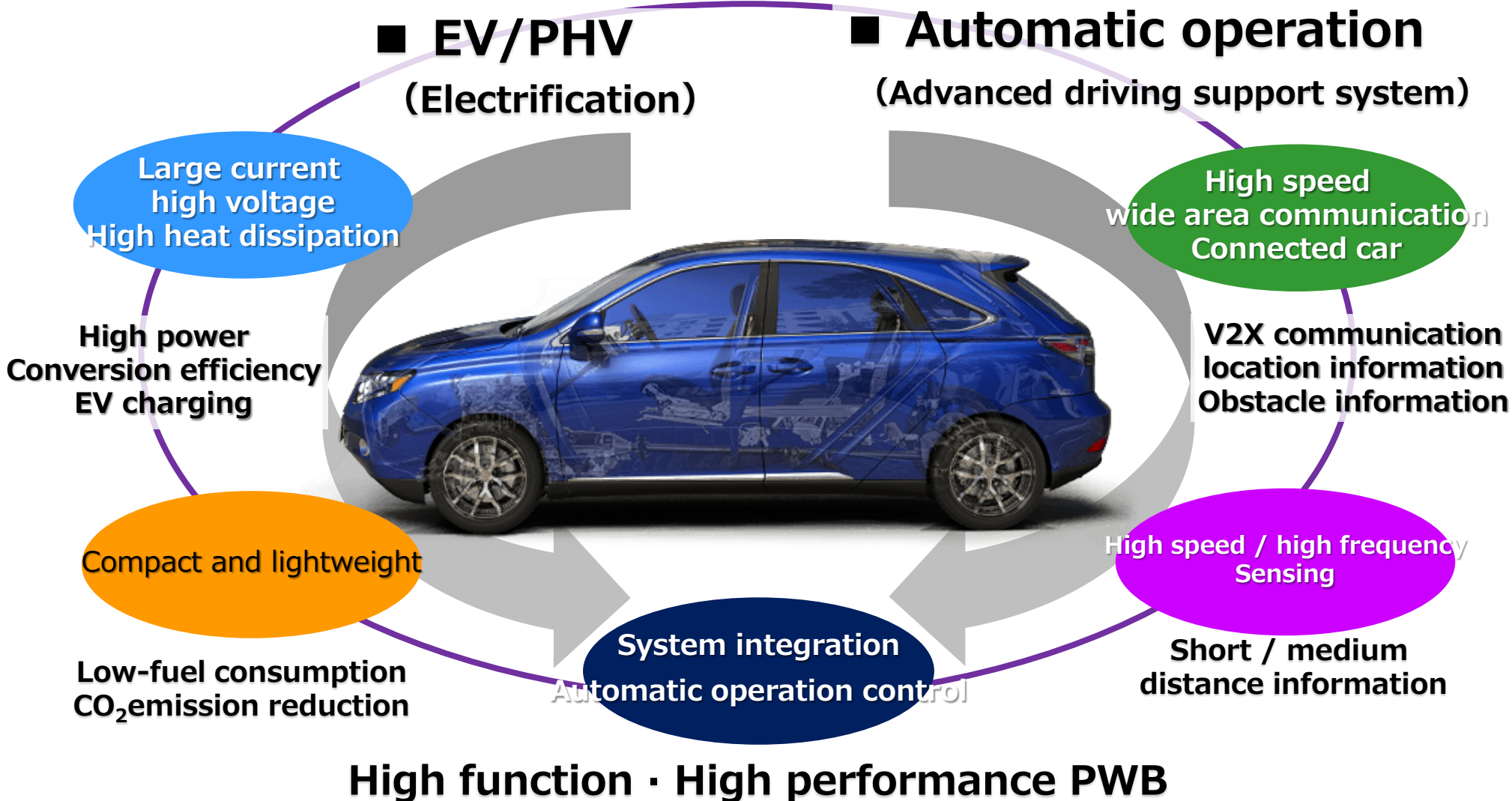
No. EV/PHV sold



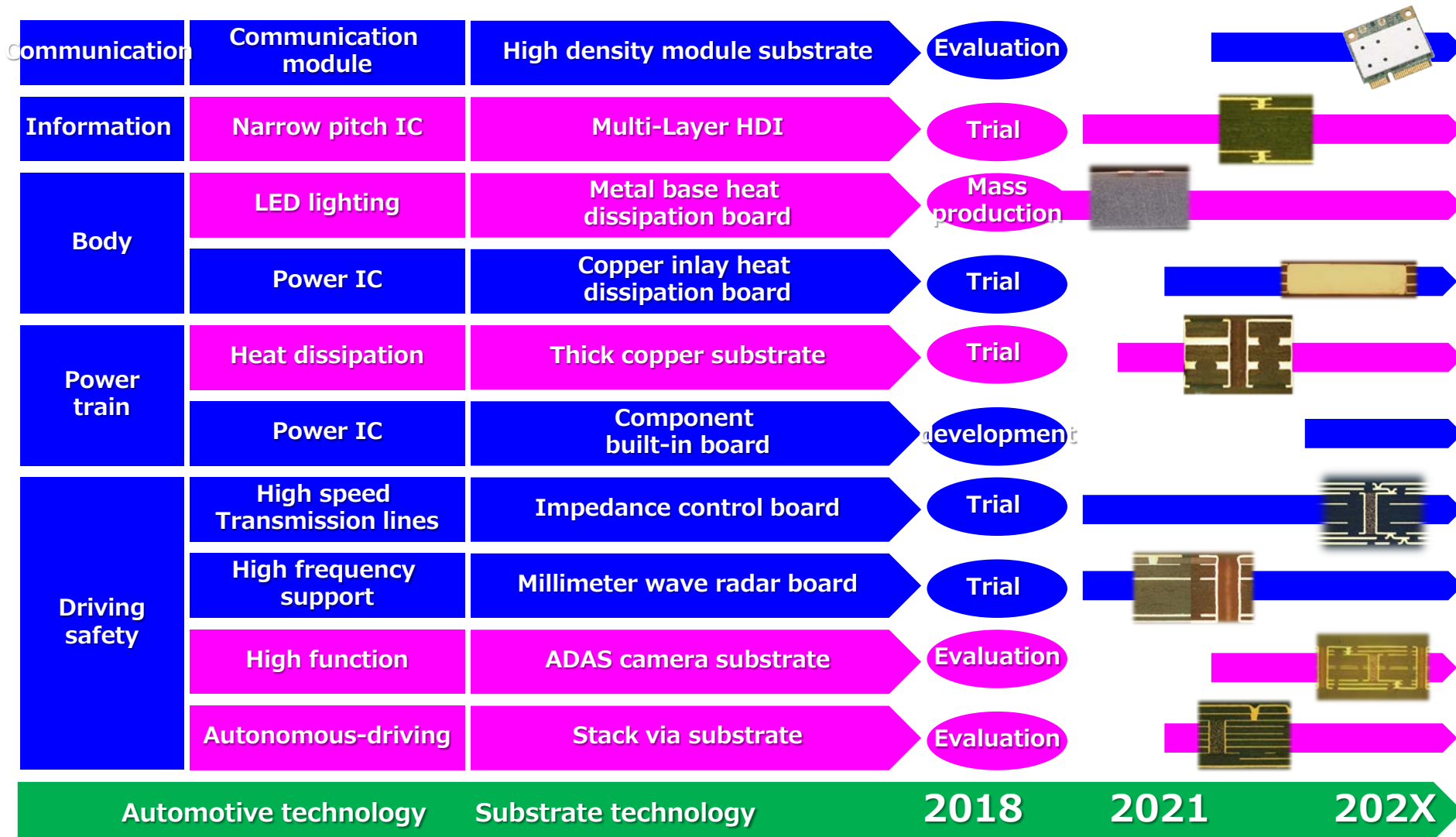
Source: IEA

- As for the number of new cars sold, we can see sales of cars increase in China, and growth rate rise in India.
- EV/PHV ratio will grow considerably from 2020 onward, and we will see the number of EV/PHV sold increase significantly in China.
- Overseas production of EV/PHV will expand, and the demand of printed-wiring boards for EV/PHV will become larger.

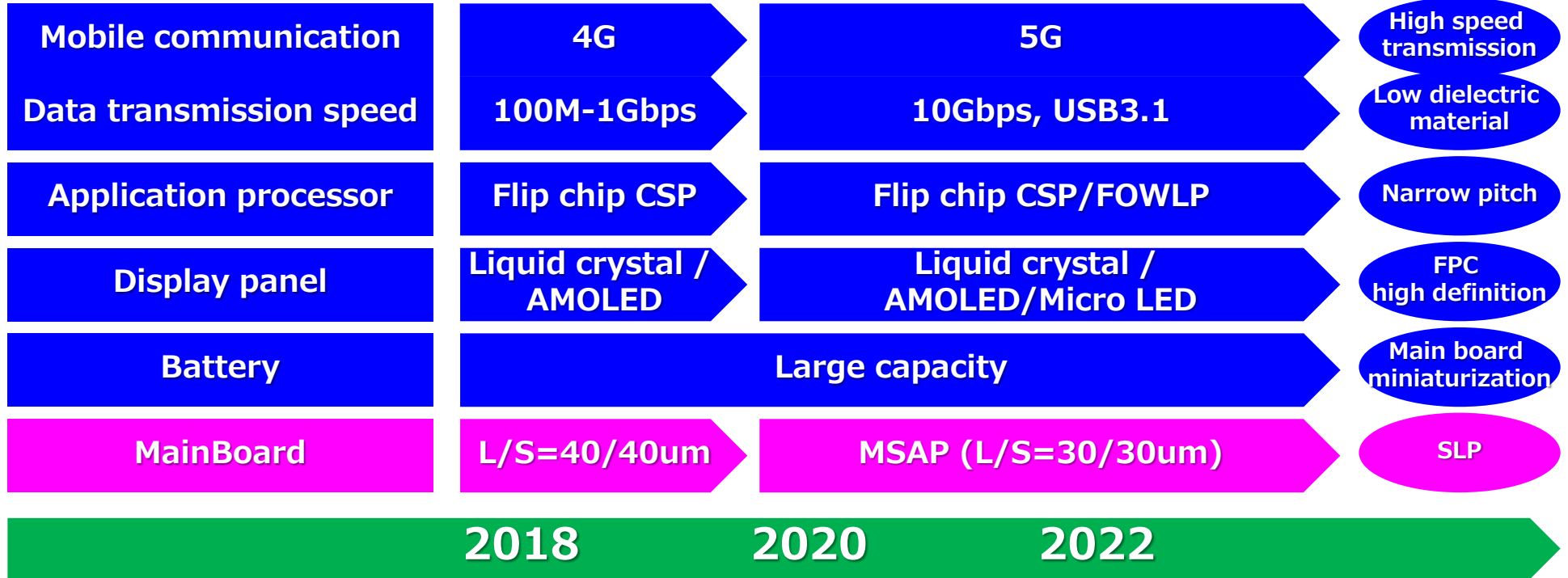
PWB for EV/PHV · Automatic operation



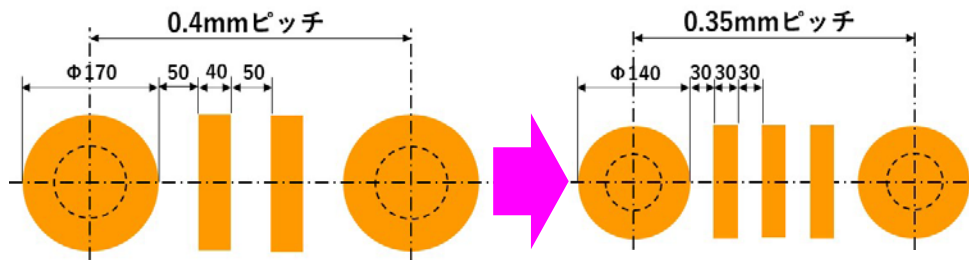
Automotive Technology Trend



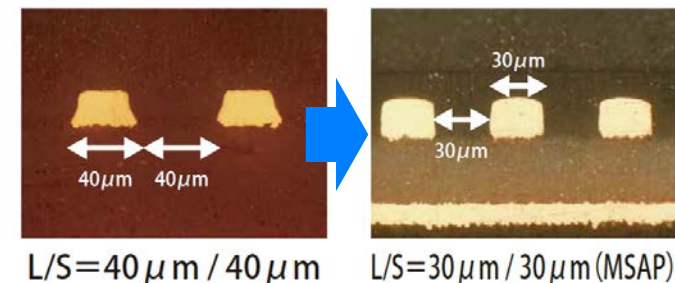
Smartphone mainboard technology roadmap



■ MainIC Mounting part wiring rule



■ MSAP Wiring formation





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