FY2020 Second Quarter Financial Results Briefing

November 12, 2020

MEIKO ELECTRONICS CO., LTD.

(Securities Identification Code: 6787)

This presentation contains forward-looking statements concerning Meiko Group's future plans, strategies and performance. However, Meiko does not publish this presentation as a disclosure document based on the Financial Instruments and Exchange Act of Japan.

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

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

1 FY2020 Key Financials

2 Strategic Goals

3 Technology Roadmap

1st Half Results and Full-Year Outlook FY2020- Consolidated

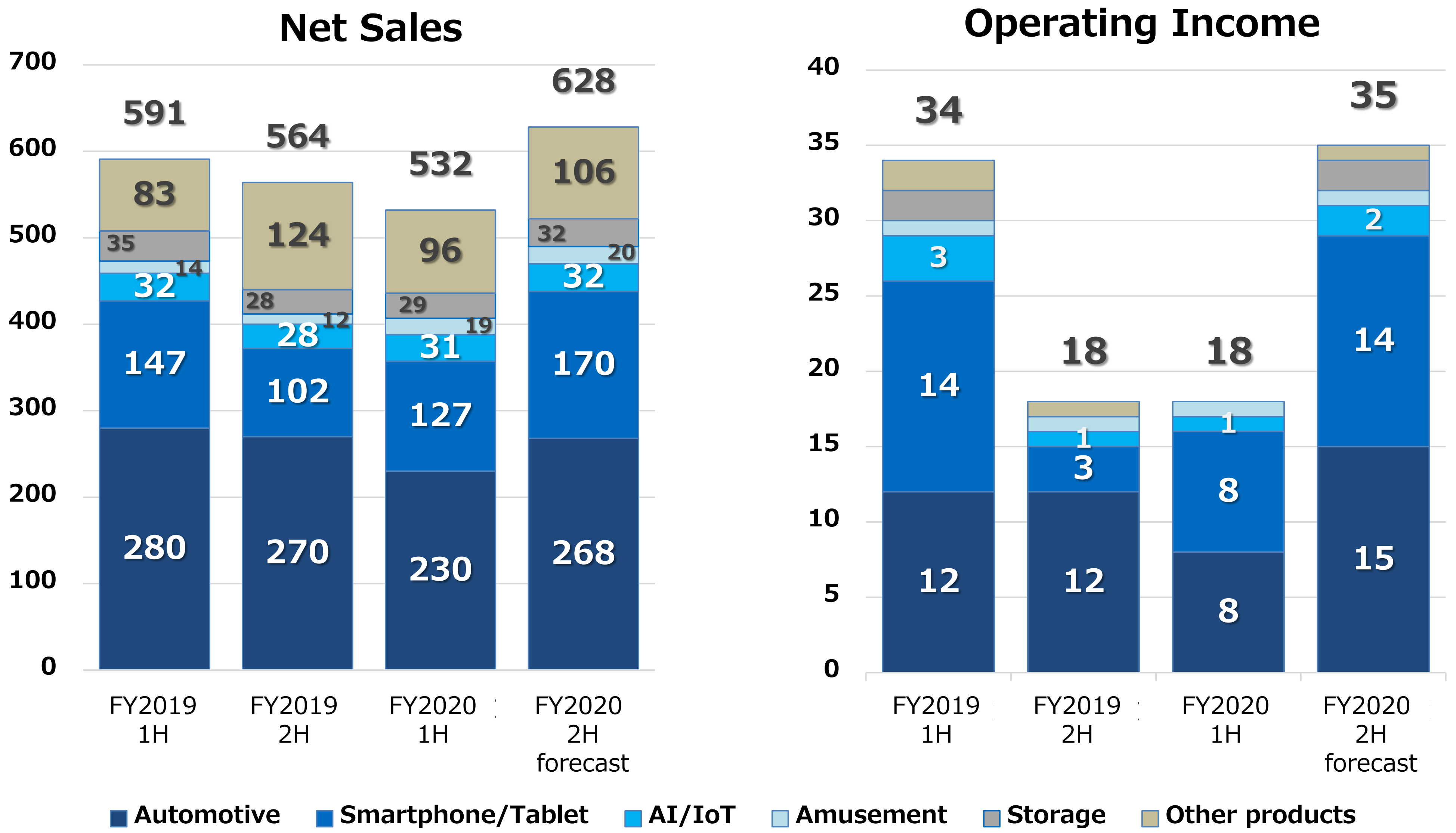
(100 million yen)

	FY19 1st half results	FY20 1st half results	Year-on-year		FY20 2nd half forecast	FY20 full-year forecast
			Diff.	%		
Net sales	591	532	-59	-10.0%	628	1,160
Operating income	34	18	-16	-46.8%	35	53
	5.8%	3.4%			5.6%	4.6%
Ordinary income	30	6	-24	-81.5%	29	35
	5.1%	1.1%			4.6%	3.0%
Net income	24	2	-22	-91.8%	25	27
	4.0%	0.4%			4.0%	2.3%
Average FX rate (JPY/USD)	108.66	106.30			106.00	106.15

Dividend per share	15 yen	0			20 yen	20 yen

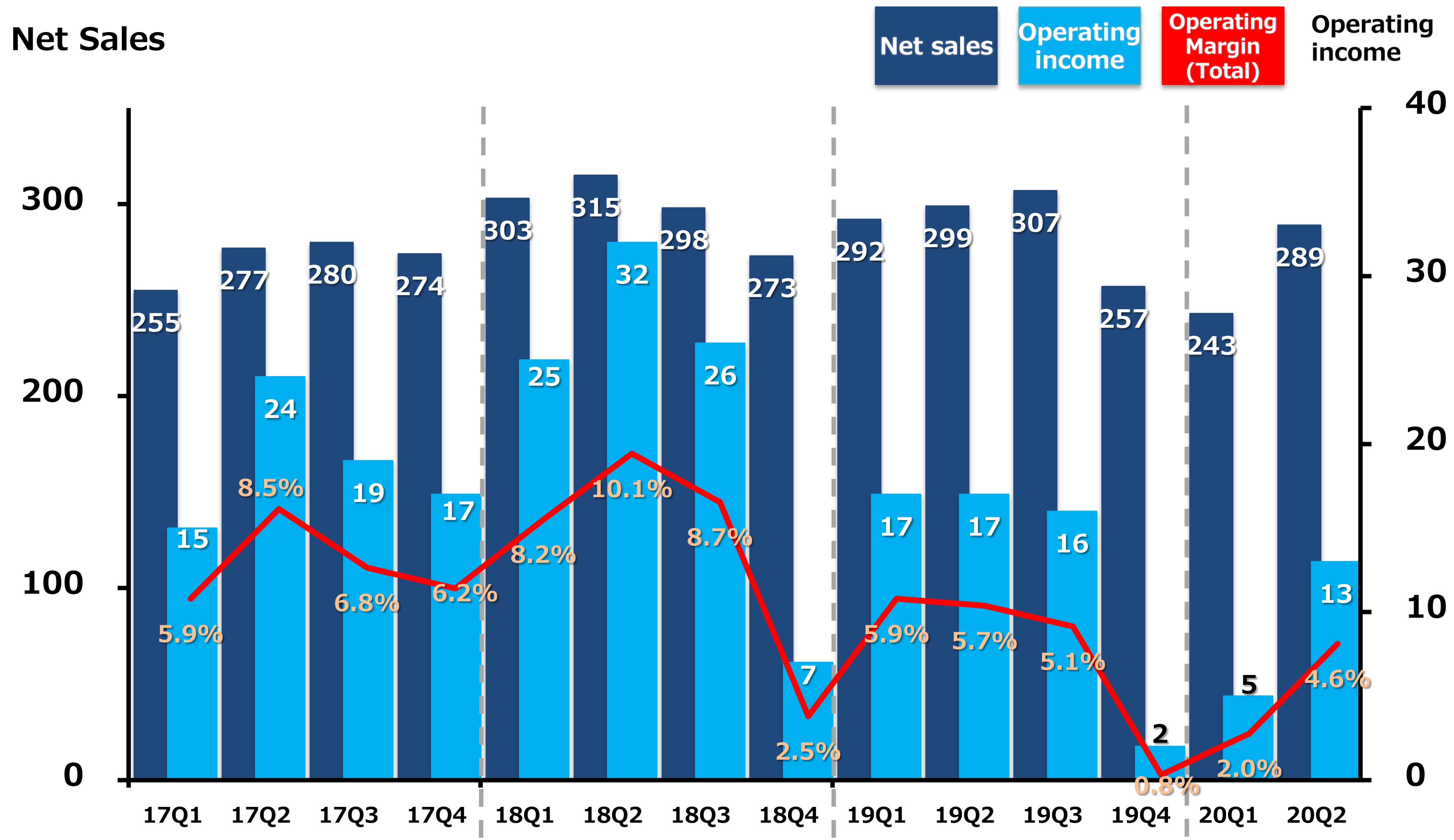
Half-Yearly Net Sales and Operating Income

(100 million yen)



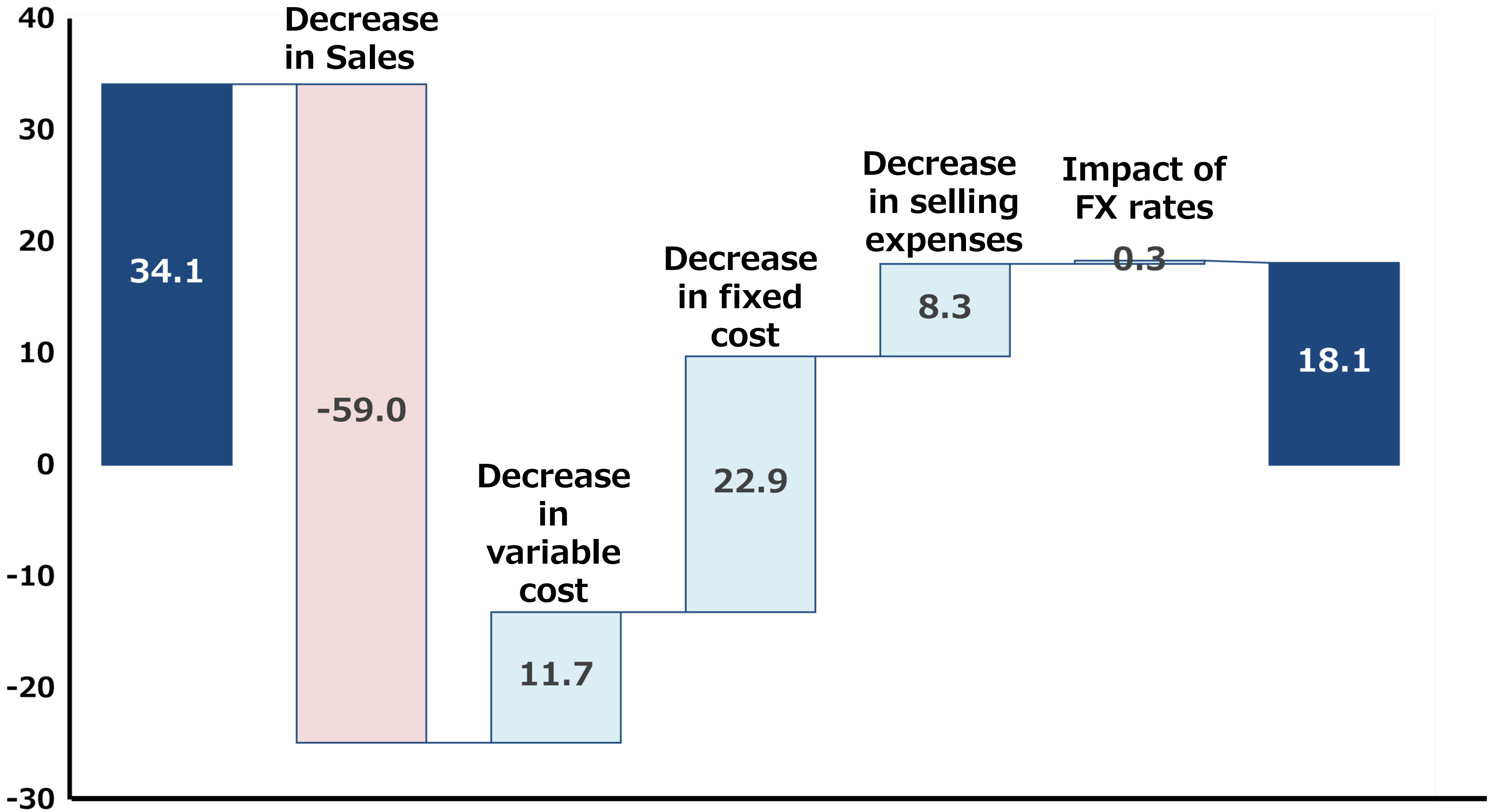
Quarterly Net Sales and Operating Income

(100 million yen)



Analysis of Operating Income Change FY2019 1st half → FY2020 1st half

(100 million yen)

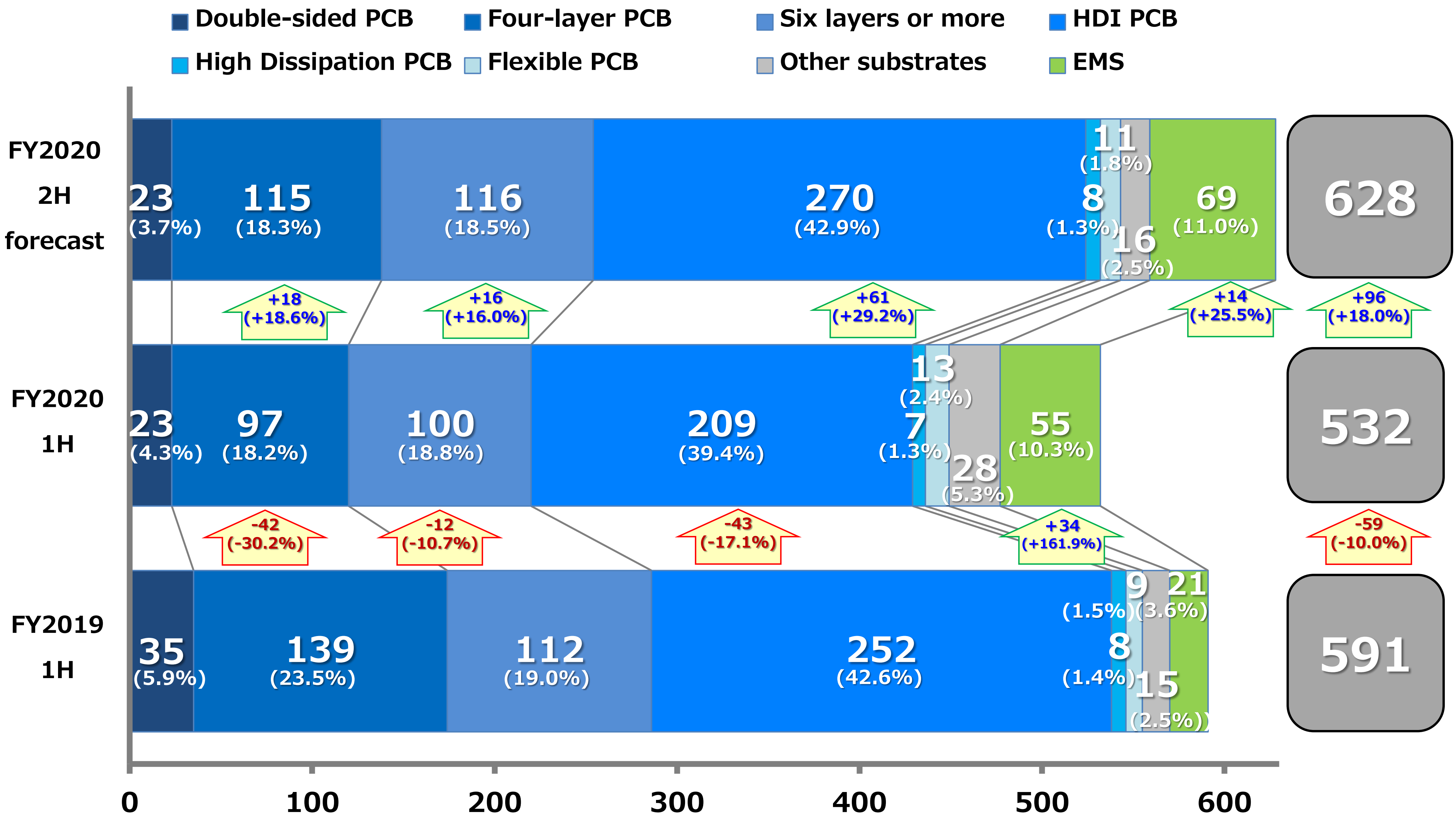


Operating Income
FY2019 1st half results
FX rate 108.66yen/US$

Operating Income
FY2020 1st half results
FX rate 106.30yen/US$

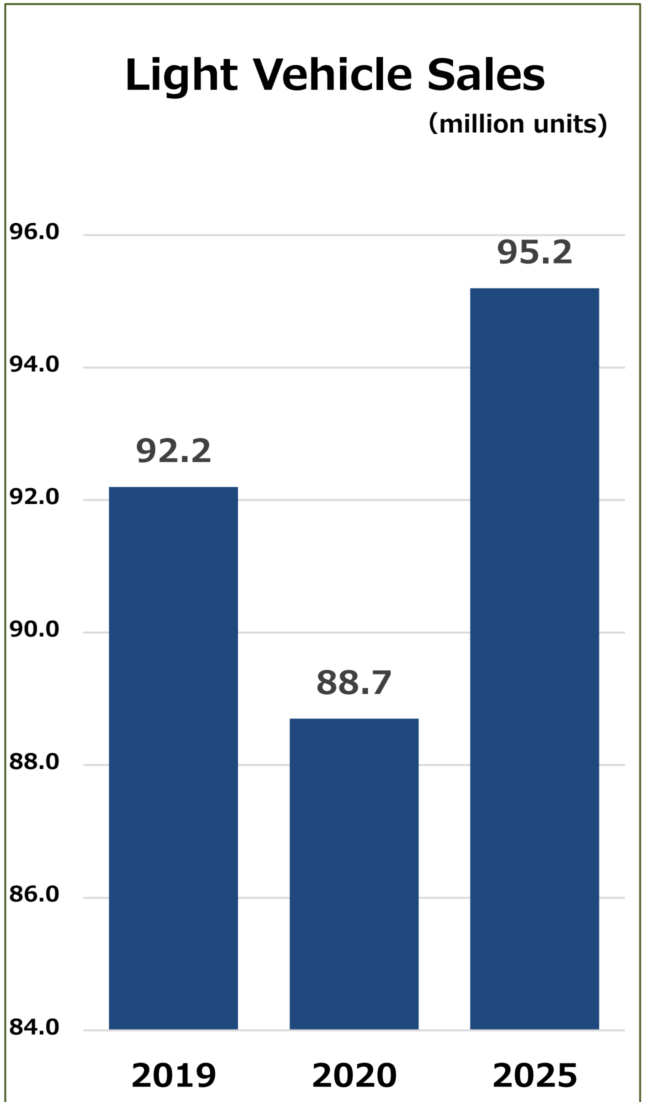
Sales by Product Specification

(100 million yen)

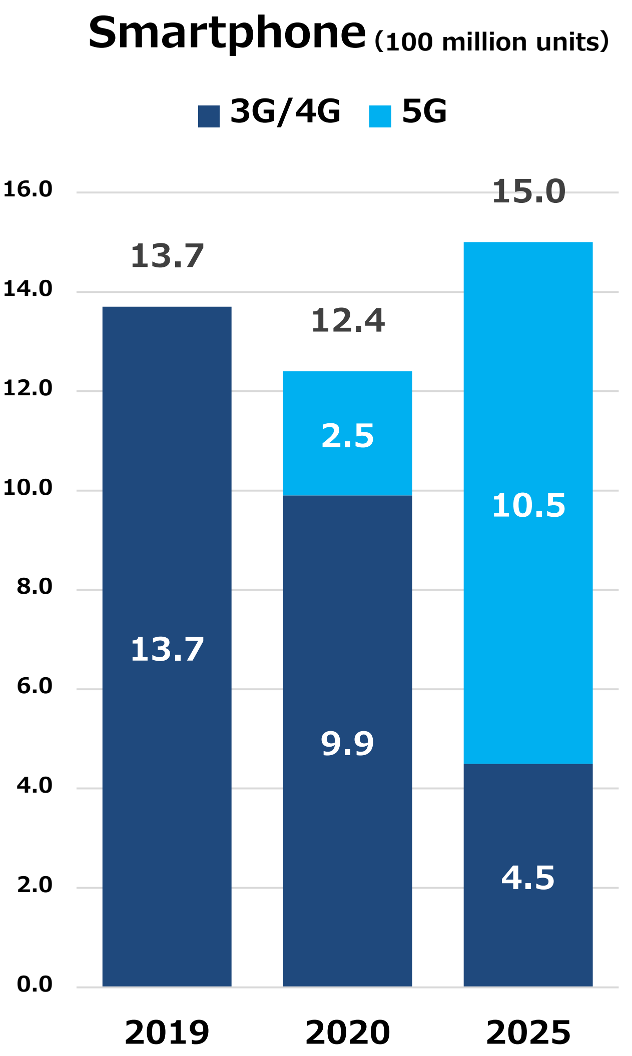


1	FY2020 Key Financials
2	**Strategic Goals**
3	Technology Roadmap

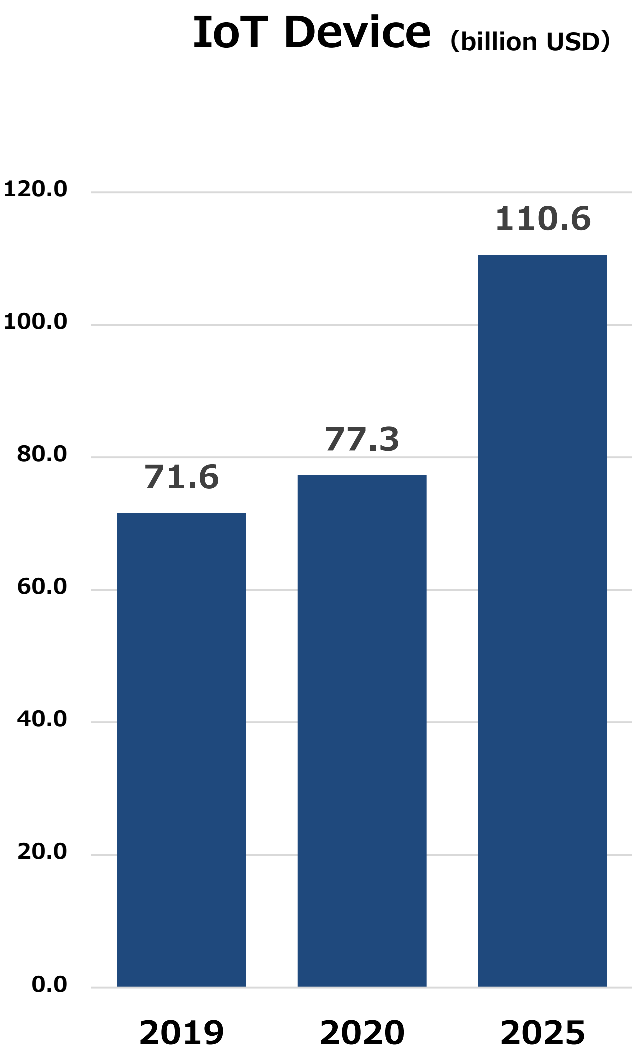
Global Market Forecast



Source: MarkeLines and SMBC Nikko



Source: Edited IDC data



Source: Edited Markets and markets data

Strategic Goals

Revenue Growth

- Advanced automotive field
- Advanced smartphone field
- 5G・Module field
- EMS business

Operating Margin Increase

- Increase sales portion of advanced fields
- Productivity improvement
- Fixed cost and SG&A cost reduction
- Profitability improvement of Japan business

Financing Strategy

- Commitment line:
  30 billion yen, 5 years
- Interest bearing debt reduction
- Self-capital ratio improvement
- ROIC improvement

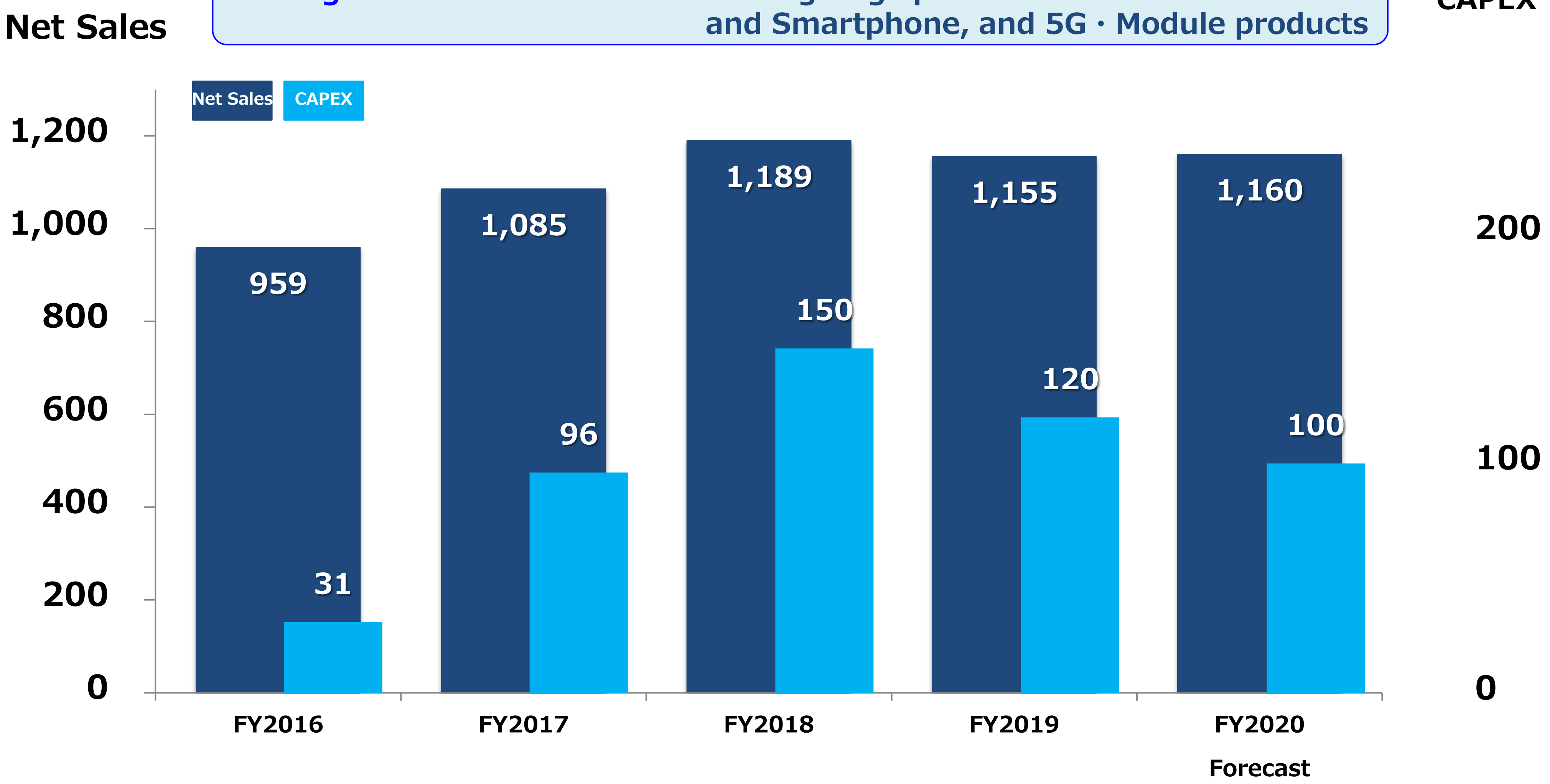
Investment Strategy

- 5G・Module
- Automotive
- Smart factory

CAPEX Highlights

(100 million yen)

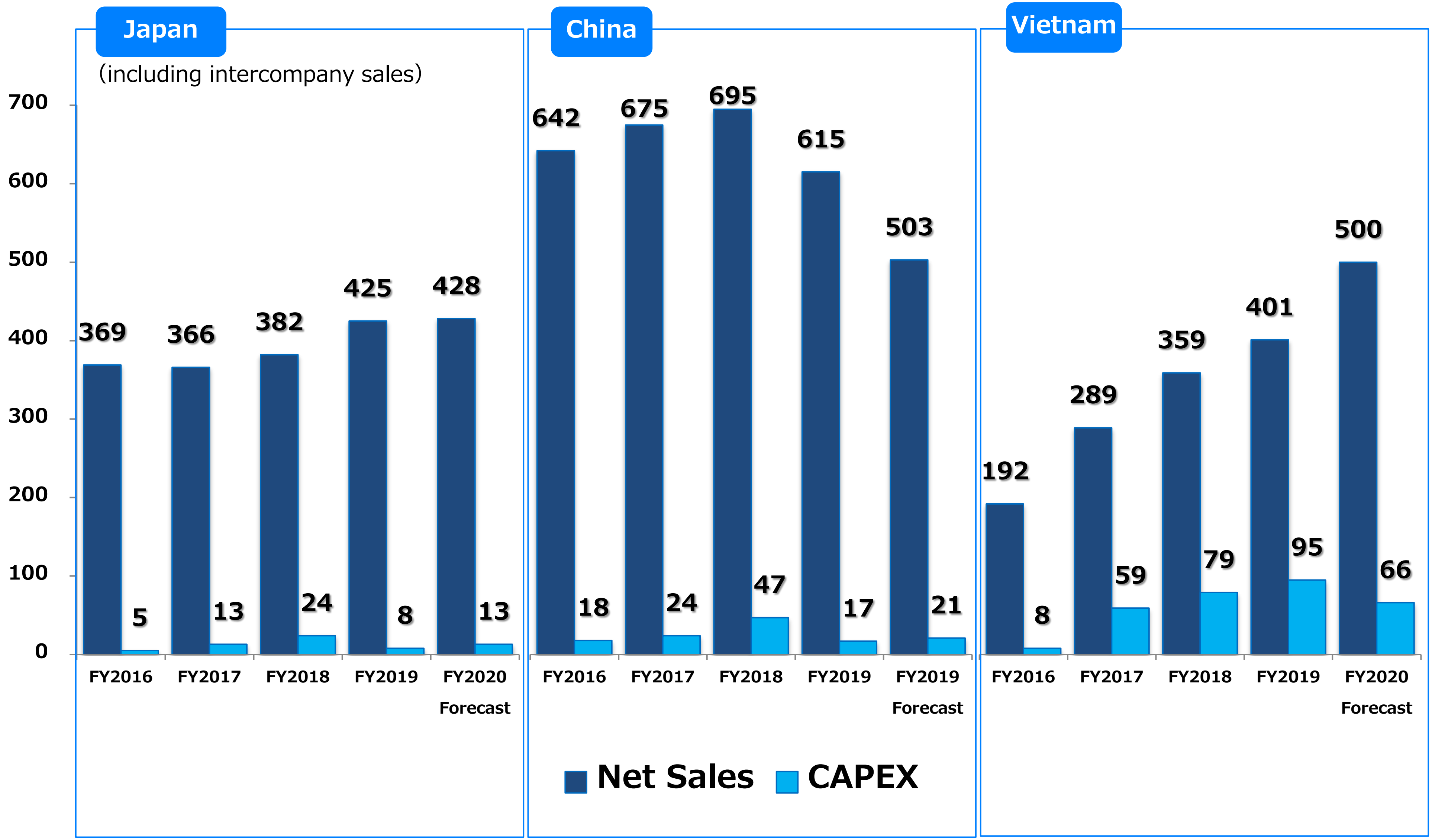
Strategic investment area: Cutting-edge products for Automotive and Smartphone, and 5G・Module products



Amortization	50	53	58	64	67

SALES/CAPEX Highlights by Country

(100 million yen)



ESG Initiatives

	Key items
E	Carbon dioxide emission
	Reuse of water
	Resource recycling
S	Social contribution
	Women empowerment & Diversity
G	Enhancement of Corporate Governance

Promote disclosure of ESG initiatives
- **Enhance ESG contents on the website**
- **Issue integrated report**


Solar power plant in Fukushima, Japan


Copper recycling plant using electrochemical process


On-site childcare facility

Surgical mask donation


ESG/SDGs
Assessment
Loan

ESG/SDGs評価融資 実行証
ESG/SDGs Assessment Loan

株式会社メイコー 殿

「ESG/SDGs評価融資」において、
株式会社日本総合研究所は貴社のサステイナビリティに向けた企業経営を
『良好なESG・SDGsの取り組みと情報開示を実施されている』と評価し、
株式会社三井住友銀行は同評価に基づき、融資を実行いたしました。

SMBC ※評価については、株式会社日本総合研究所が独自の審査基準で評価したものであり、弊行が評価したものではございません。なお、本証につきましては、原則転載禁止とさせていただきます。

ESG/SDGs assessment loan certificate

Organic vegetable farming in Vietnam

1 FY2020 Key Financials

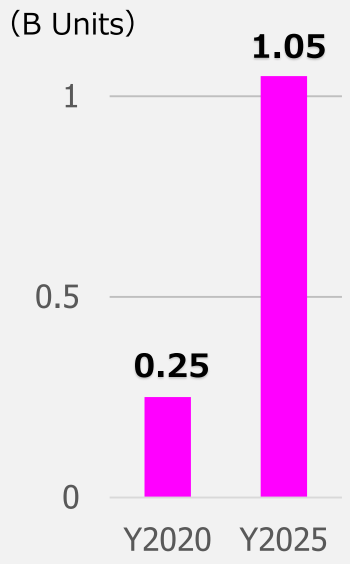
2 Strategic Goals

3 Technology Roadmap

Mid-term Market Trend

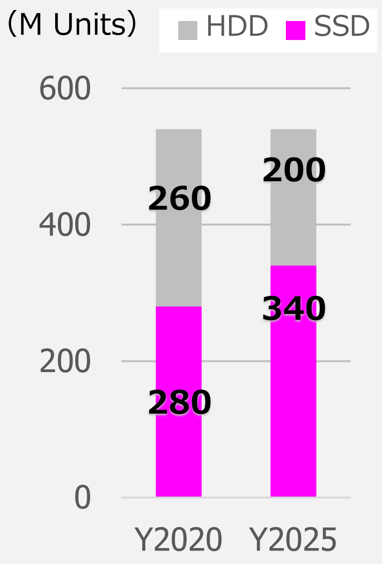
Global pandemic has accelerated social and economic change to cloud connected devices.
5G adoption drives digital transformation across many market sectors.

5G Smartphone



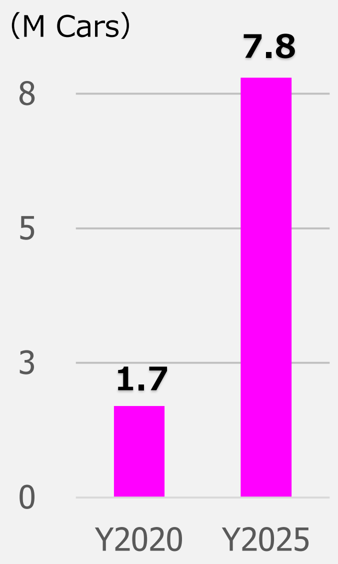
Source : Edit IDC Data

Storage Device



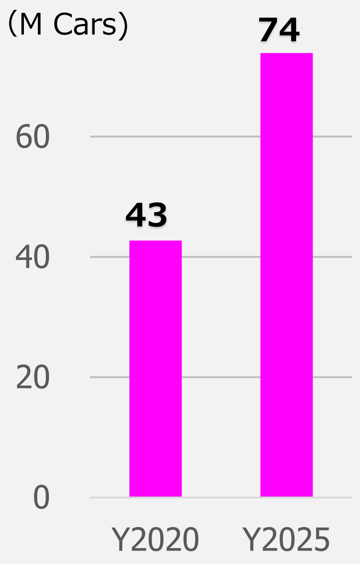
Source : Edit DEMPA PUBLICATIONS Data

Electric Vehicle(EV)



Source : Edit FUJI KEIZAI Data

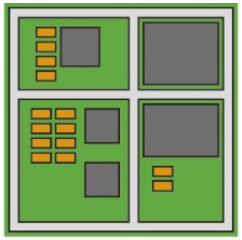
Connected Car



Source : TrendForce

- **5G unleashing full potential of IoT to become an integral part of our economy and lifestyle.**
- **Advanced Analytics and AI processors driving SSD penetration in data centers.**
- **EV and Connected Car growth occurring through Environmental Regulations and competition for Autonomous Driving.**
- **Increased data rates requiring higher complexity and functionality HDI PCB with high-speed signal capability.**

5 G Application

Industry	Product	Application	Factory	Status	Features	PCB Stackup
Smart-phone		Main Board	Wuhan Vietnam	Volume	High Speed Fine Line Width & Spacing	10L AnyLayer 12L AnyLayer
		RF Module	Vietnam	Volume	Thin Dielectrics Smaller Microvia	8L AnyLayer
IoT Device		Communication Module	Wuhan	Volume	High Speed SMT Reliability	12L AnyLayer
Connected Car		Communication Module	Vietnam Ishinomaki	Sample	High Speed SMT Reliability	12L AnyLayer 12L HDI
Data Center Storage		SSD	Wuhan	Sample	High Speed Hybrid Structure	16L HDI
		Memory Package	Vietnam	Sample	Thin Dielectrics Fine Line Width & Spacing	3L AnyLayer 4L AnyLayer

PCB Technology Roadmap

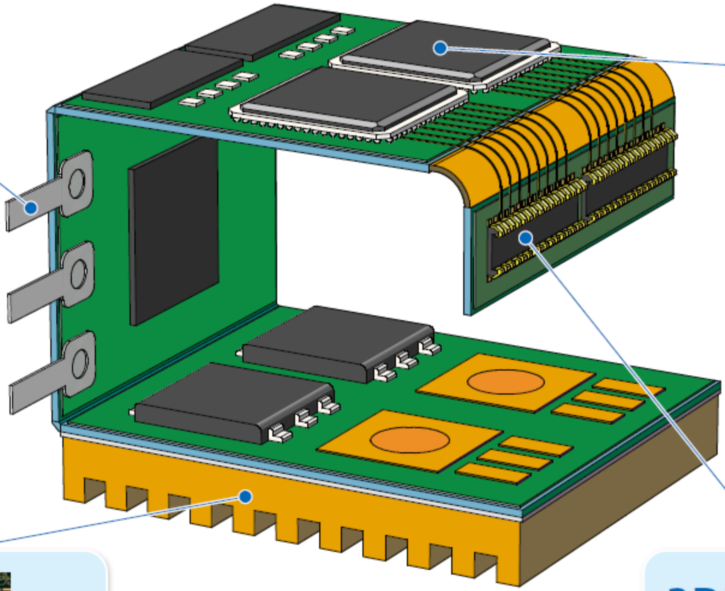
Ethernet Speed	400Gbit/s		800Gbit/s
Bit Rate	8Gbps (Gen3)	16Gbps (Gen4)	32Gbps (Gen5)
Package Module	**Flash Memory / RF Module (MSAP L/S=25/25um)**		**Flash Memory (L/S=20/20um)**
Base Station Server	**Data Center Server SSD (16Layer Low-Loss Transmission Line PCB)**		**Ultra Low-Loss Transmission Line PCB**
Connected Car IoT Device	**Communication Module (12Layer AnyLayer PCB⇒ Low-Loss Transmission Line PCB)**		
Smartphone	**Mother Board (MSAP L/S=30/30um ⇒ 25/25um)**		
Autonomous Driving Electric Vehicle	**ECU Integration (Multi-function Integrated Power PCB)**		**Vehicle Computer (3Layer HDI PCB)**
Autonomous Driving	Level 3		Level 4

Y2020 **Y2021** **Y2025**

Design Proposal for Automotive ECU Integration

多機能統合パワー基板 Multi-function Integrated Power PWB

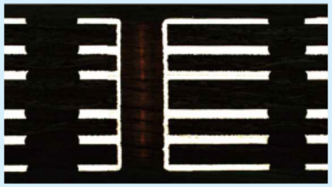
大電流・放熱・3D実装（小型化）の機能を組み合わせたパワー基板
Power PWB with Combination of Larger Current, Heat Dissipation, 3D-Assembly and Miniaturization



大電流
Larger Current

厚銅基板
Heavy-Cu PWB

パワーデバイス・大電流ユニットに対応
Use for Power Device & Larger Current Unit

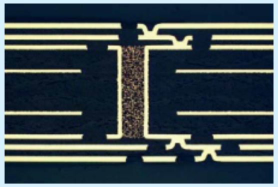


厚銅基板断面
X-section of Heavy-Cu PWB

小型化
Miniaturization

車載ビルドアップ基板
Automotive HDI PWB

レーザービアによる高密度配線
High-Density Wiring by Using Microvia

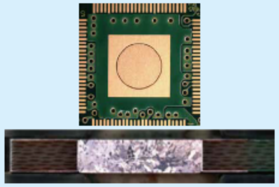


ビルドアップ基板断面
X-section of HDI PWB

放熱
Heat Dissipation

銅インレイ基板
Cu-Inlay PWB

素子からヒートシンクへ放熱
Heat Dissipation from FET to Heat Sink

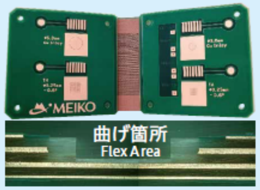


銅インレイ基板断面
X-section of Cu-Inlay PWB

3D実装
3D-Assembly

FR4-Flex基板
Semi-flex PWB

小型・省スペースに組み込み
Assembly into a Limited Space



FR4-Flex基板断面
X-section of Semi-flex PWB