

Technology to Inspire Innovation



***Presentation of Financial Results for
1st Half of FY2011
and
Prospects for FY2011***

**6807 Japan Aviation Electronics Industry, Limited
Yasutaka Akiyama, President**

2011.10. 26

- I. Financial Results for 1H of FY2011**
- II. Prospects for 2H of FY2011 & FY2011**

I. Financial Results for 1H of FY2011

(Unit: ¥100 million)

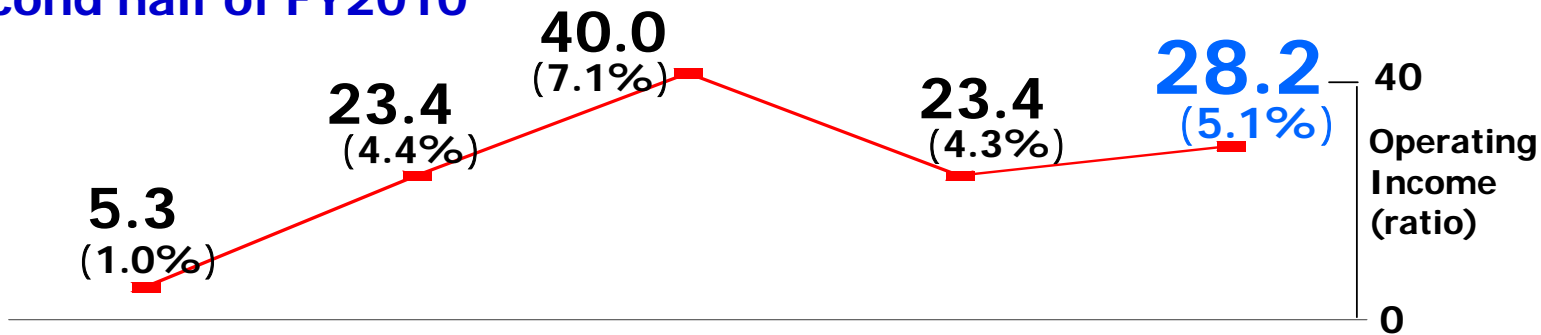
1. Financial Results for 1H of FY2010 (consolidated)

Major Items	1Q	2Q	1st Half	% of 2 nd Half of FY2009	% of Previous Year	Original Forecast
Sales	261	288	549	101%	97%	553
Operating Income	10.6	17.6	28.2	121%	71%	30
Ordinary Income	8.2	14.7	22.9	109%	66%	27
Net Income	4.9	9.2	14.1	101%	69%	17
Average Exchange Rate (JPY/USD)	81.71	77.86	79.75	-	-	80.00

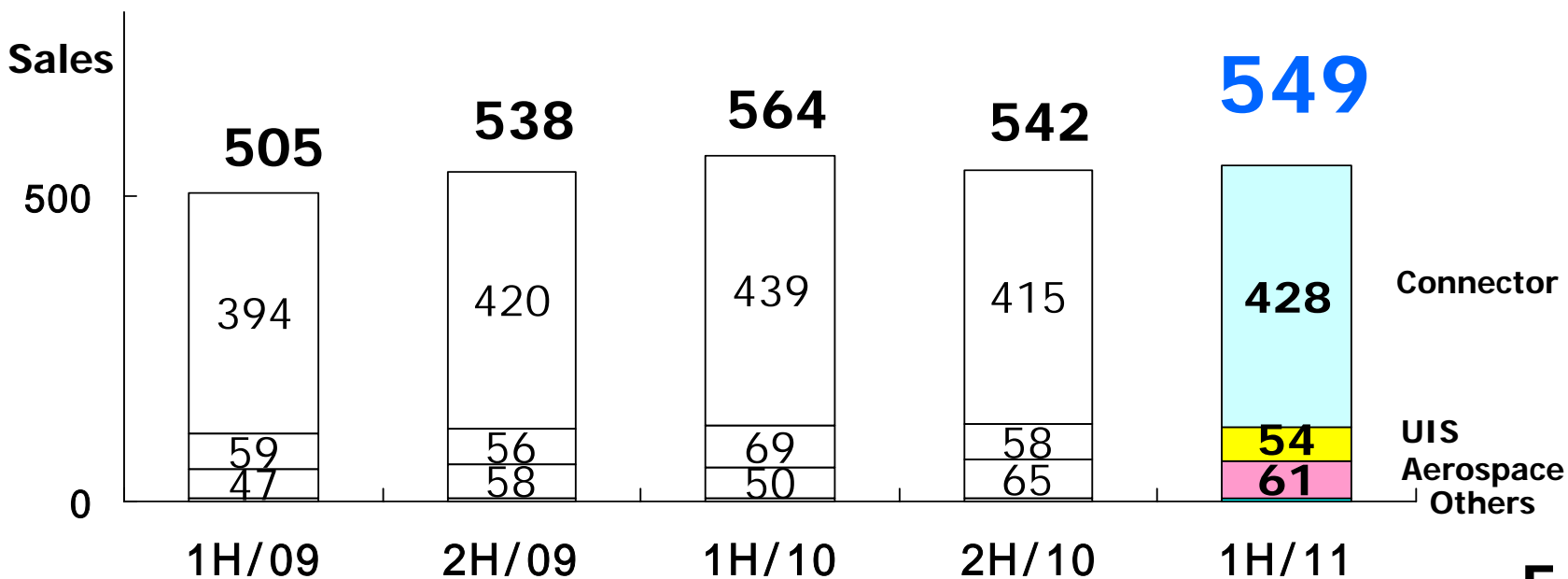
1(1). Highlights of the 1st Half Results

Increase in revenue and profit from the second half of FY2010

(Unit: ¥100 million)



(Unit: ¥100 million)



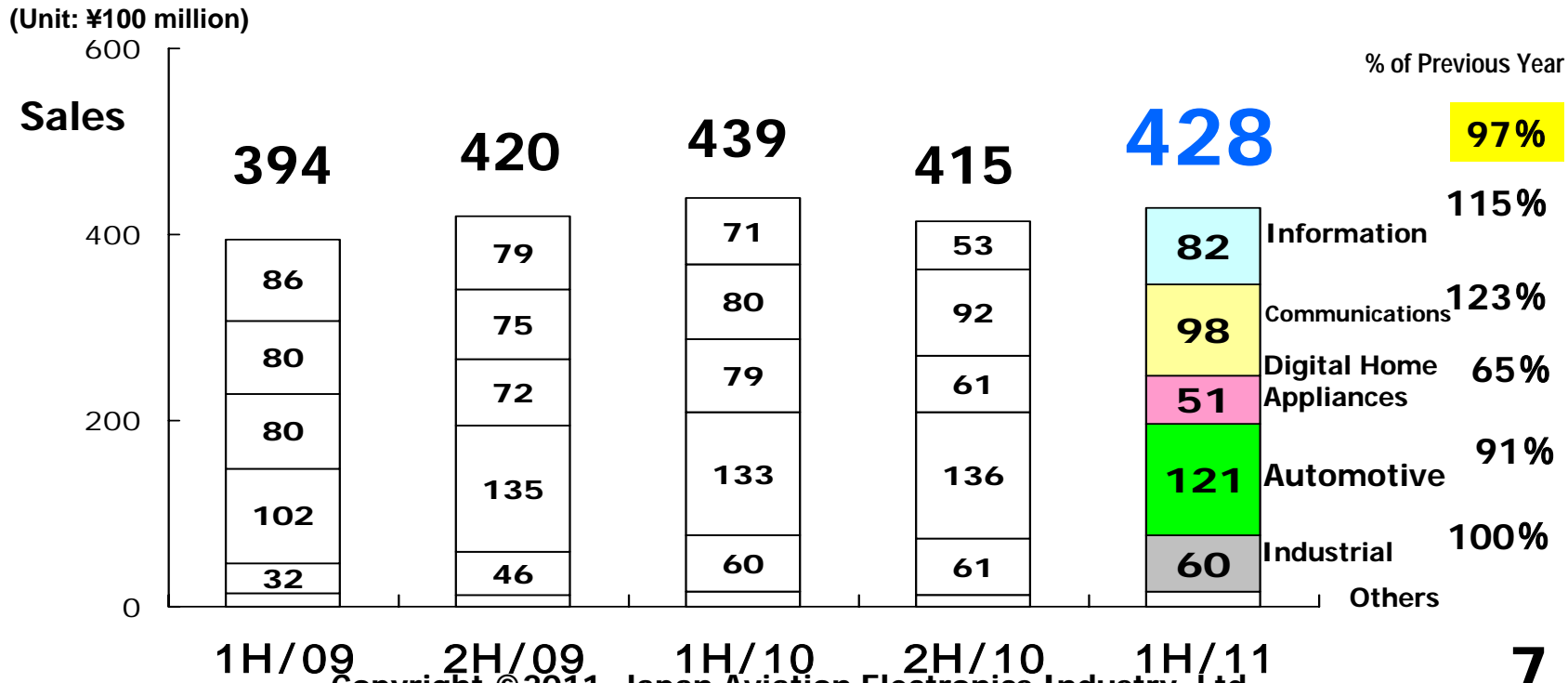
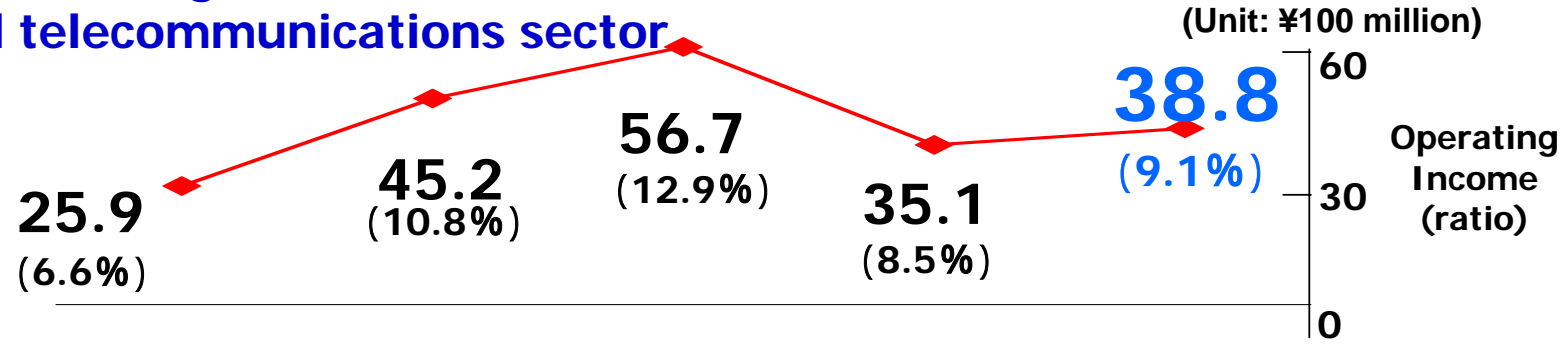
1 (2). Factors for Achieving Sales Volume and Profit in the First Half

Capture of growing demand for devices in the information and telecommunications sector

Further slashing of costs through shift to internal production and manufacturing improvements

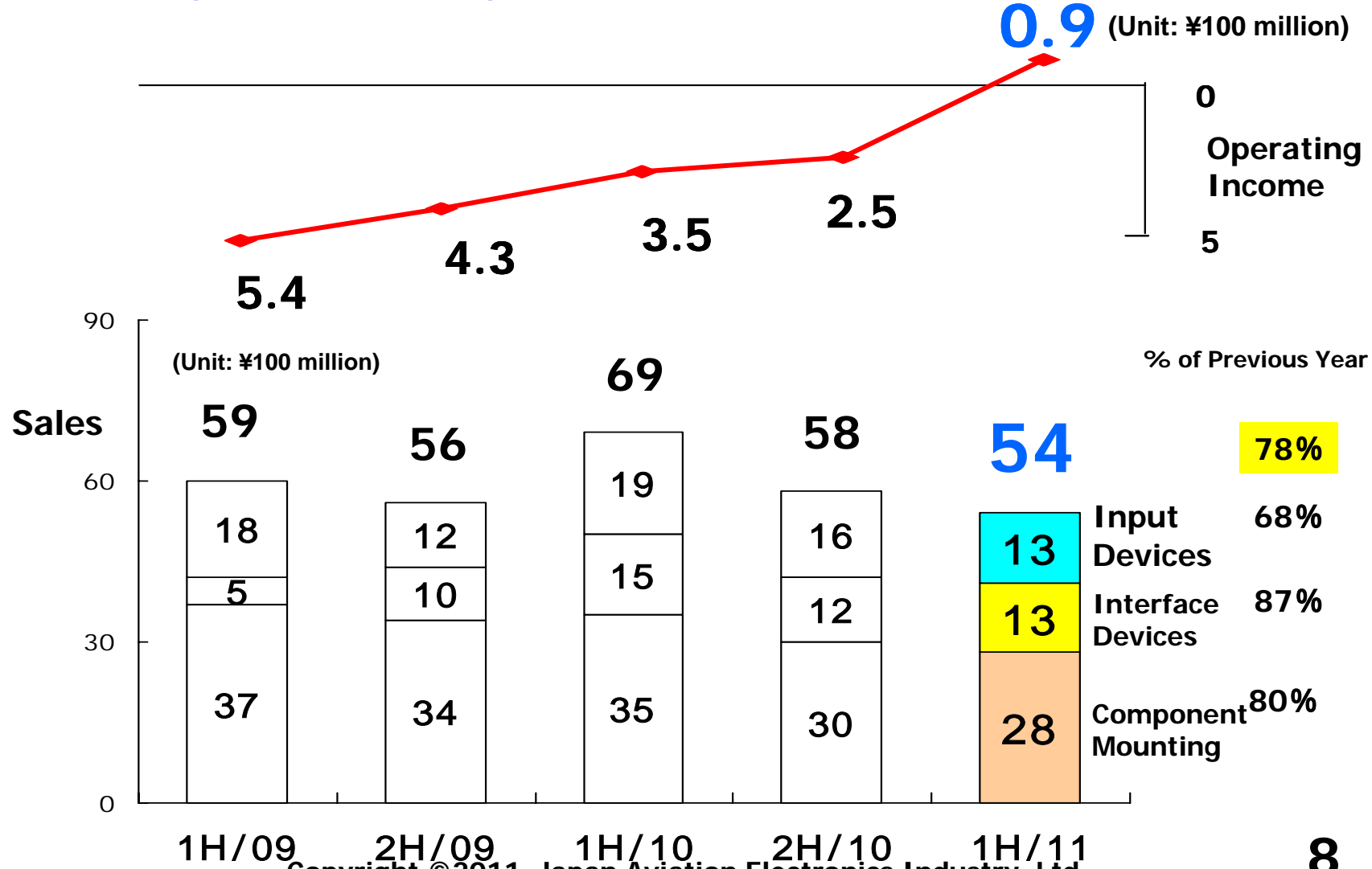
2. Connector

Significant growth of the information and telecommunications sector



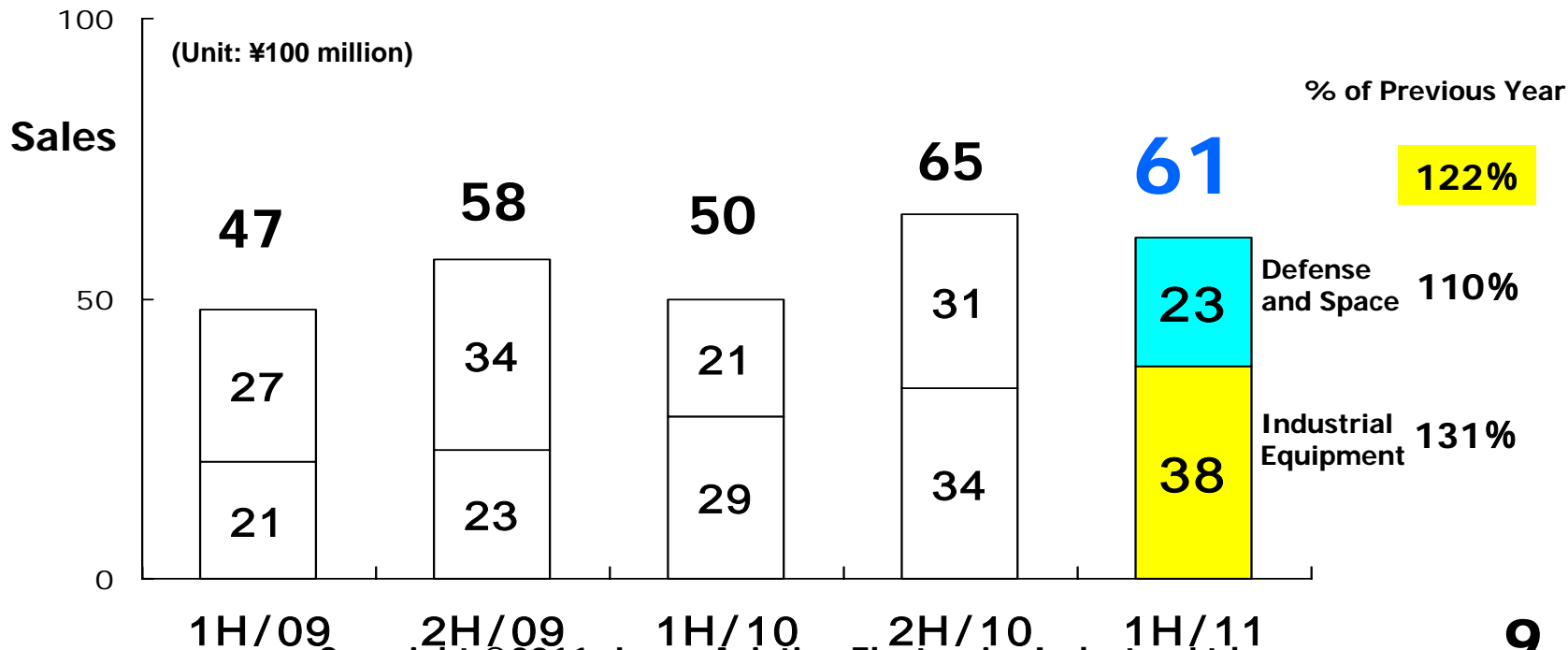
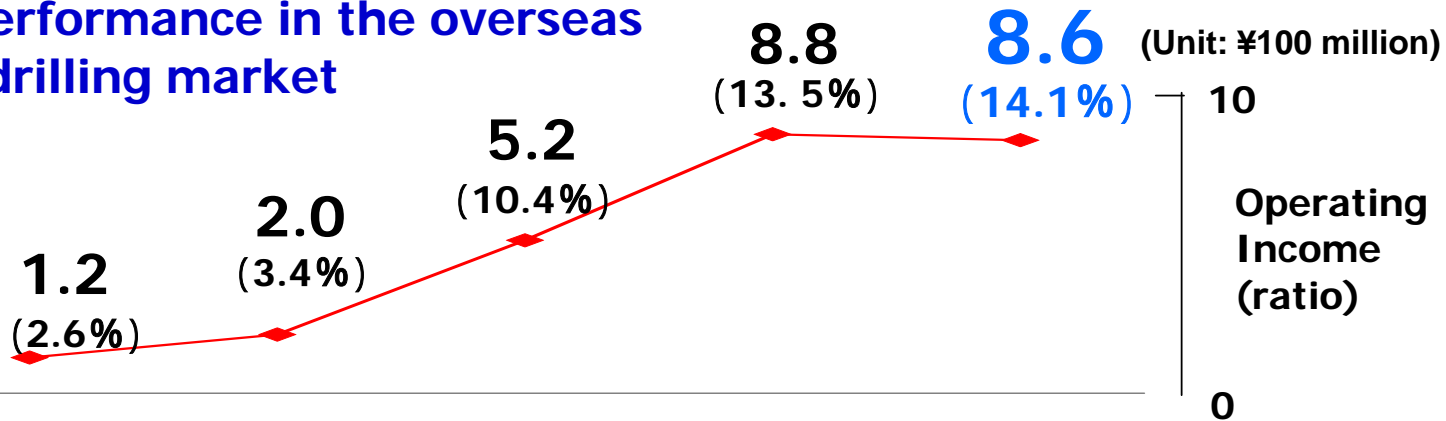
3. UIS

Achieving surplus through structural improvements

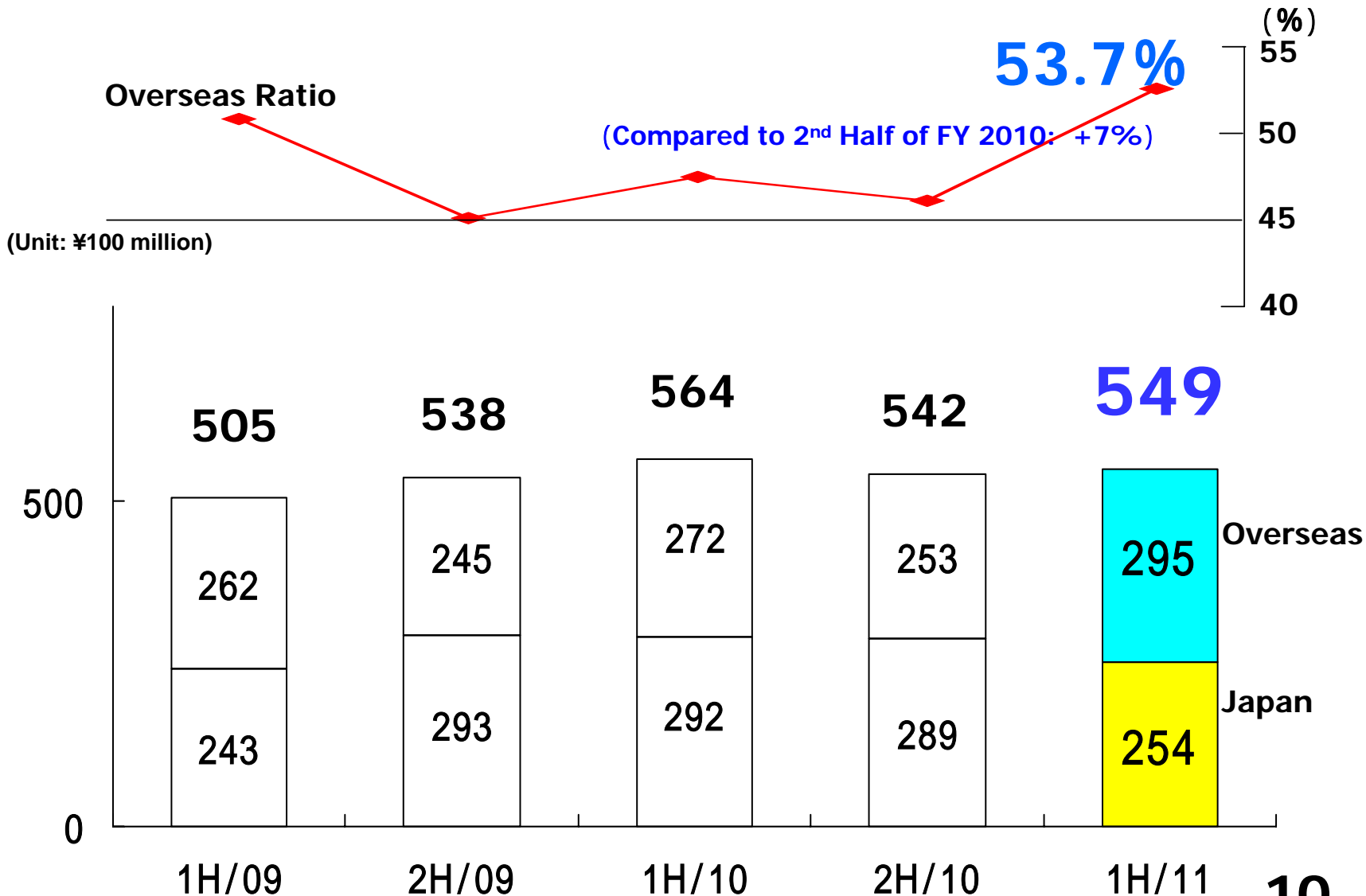


4. Aerospace

Stable performance in the overseas oil field drilling market



5. Changes in Sales by District/Overseas Ratio



II. Prospects for 2H of FY2011 & FY2011

1. Basic Business Policies

- (1) Promote sustainable growth globally by capturing the trend of double standard and new emerging markets.
- (2) Enhance global marketing and technology development capabilities, promote optimum product developments through carrying out our global slogan **“Technology to Inspire Innovation.”**
- (3) Promote “manufacturing technology innovation” based on in-house production.

2. Important Issues to be Addressed in the 2nd Half

- 1. Precise product development based on global marketing and technology development capacities**
- 2. Obtaining orders and sales by capturing growing domestic and overseas demand**
- 3. Measures to deal with the strong yen by expanding domestic capacities, promotion of cost-cutting efforts**

Smartphone / Tablet PC

LCD I/O

FPC

I/O

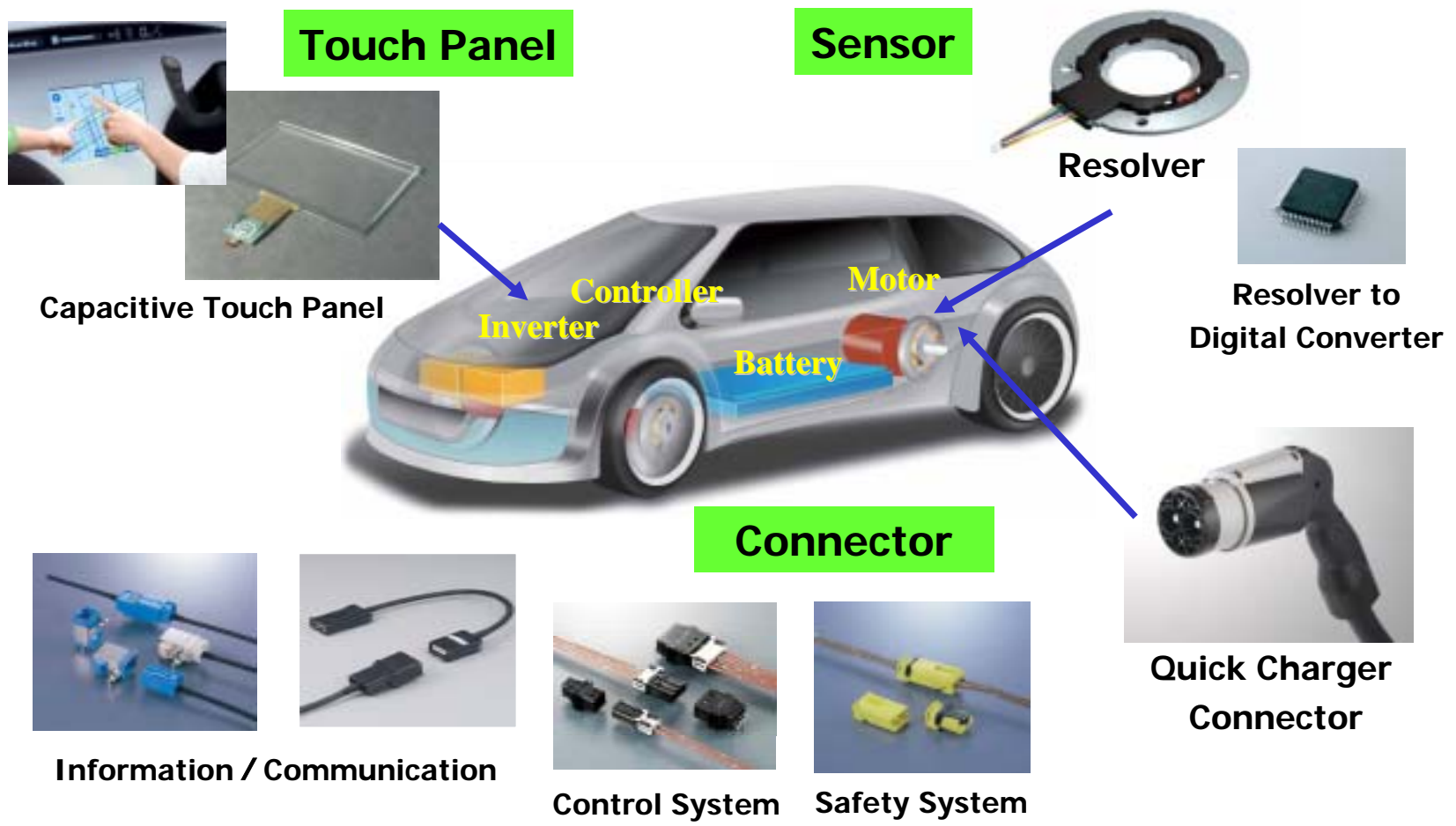


B to B

SIM CARD

**Micro SD
CARD**

Automotive Market (including EV and HEV)



1. Pursuit of thorough automation and rationalization in domestic production

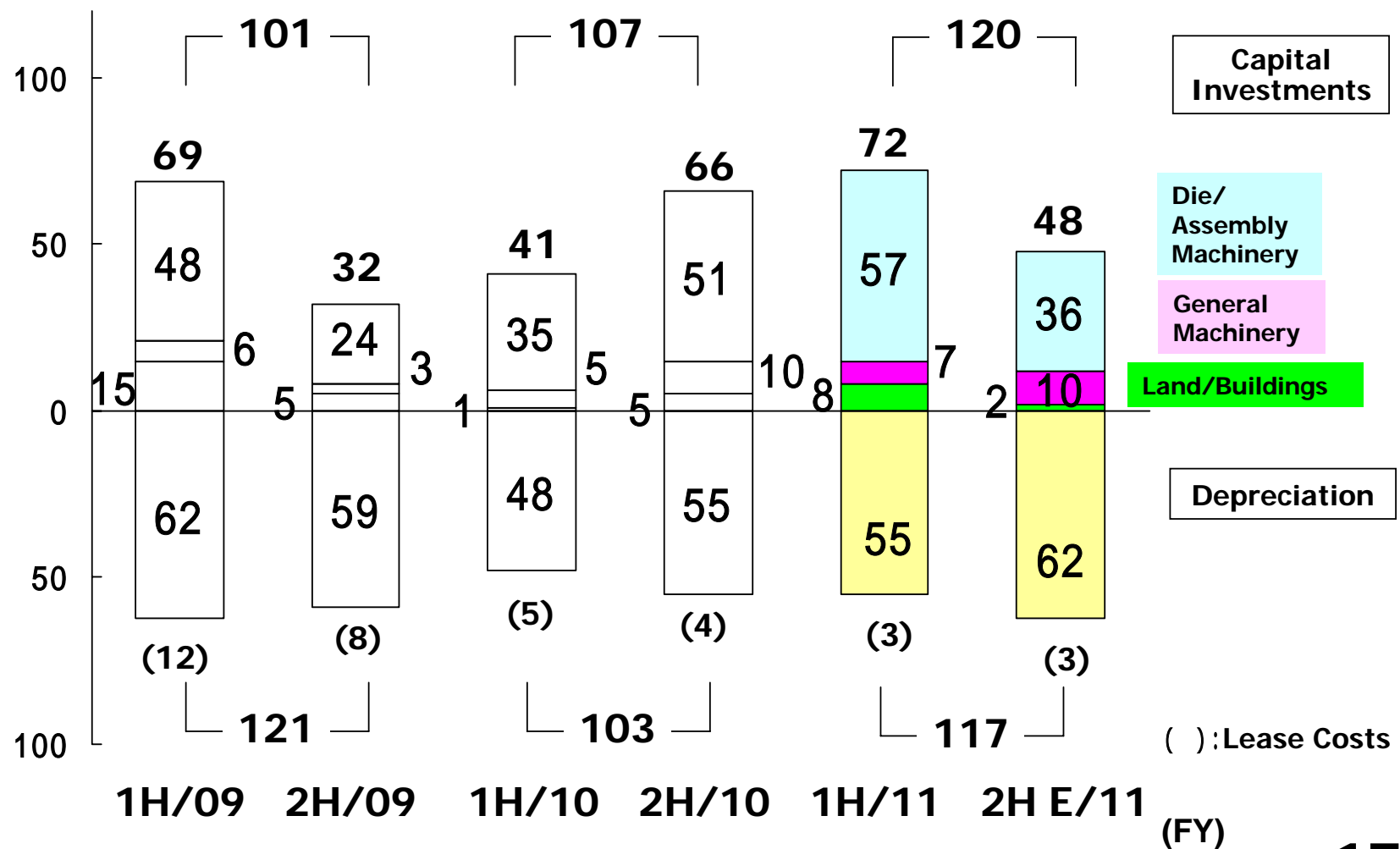


2. Proactive utilization of overseas production facilities

- Review of production maps of existing production facilities
- Expansion of independent product development in Taiwan

3. Capital Investments and Depreciation

(Unit: ¥100 million)



() : Lease Costs

4. Prospects for Fiscal 2010

(consolidated)

(Unit: ¥100 million)

Major Items	2 nd Half			Full Year	
		<i>Compared to 1st Half</i>	<i>% of Previous Year</i>		<i>% of Previous Year</i>
Sales	596	109%	110%	1,145	104%
Operating Income	44	155%	187%	72	114%
Ordinary Income	41	177%	193%	64	114%
Net Income	25	177%	178%	39	114%

Estimated average exchange rate during 2nd Half of 2011: ¥78/\$

4(1). Prospects for Sales by Business Segment and Region

(Unit: ¥100 million)

FY2010 Business Segment	2 nd Half		Full Year		
		<i>Compared to 1st Half</i>	<i>% of Previous Year</i>		<i>% of Previous Year</i>
Connector	467	109%	113%	895	105%
UIS	51	94%	88%	105	83%
Aerospace	74	121%	114%	135	117%
Others	4	-	-	10	-
Total	596	109%	110%	1,145	104%
Japan	282	111%	97%	536	92%
Overseas	314	106%	124%	609	116%

4(2). Prospects for Sales by Major Connector Market Segment

Market \ FY2011	2nd Half			Full Year		
		<i>Compared to 1st Half</i>	<i>% of Previous Year</i>		<i>% of Previous Year</i>	<i>% of Previous Year</i>
Information	80	98%	151%	162	131%	
Communications	112	114%	122%	210	122%	
Digital Home Appliances	55	108%	90%	106	76%	
Automotive	149	123%	110%	270	100%	
Industrial	55	92%	90%	115	95%	
Others	16	100%	133%	32	114%	
Total	467	109%	113%	895	105%	
Japan	201	110%	96%	384	89%	
Overseas <i>(Ratio to the total)</i>	266 <i>(57%)</i>	109% <i>(± 0%)</i>	130% <i>(+ 8%)</i>	511 <i>(57%)</i>	121% <i>(+ 7%)</i>	

4 (3). Prospects for Operating Income by Business Segment

Unit: ¥100 million

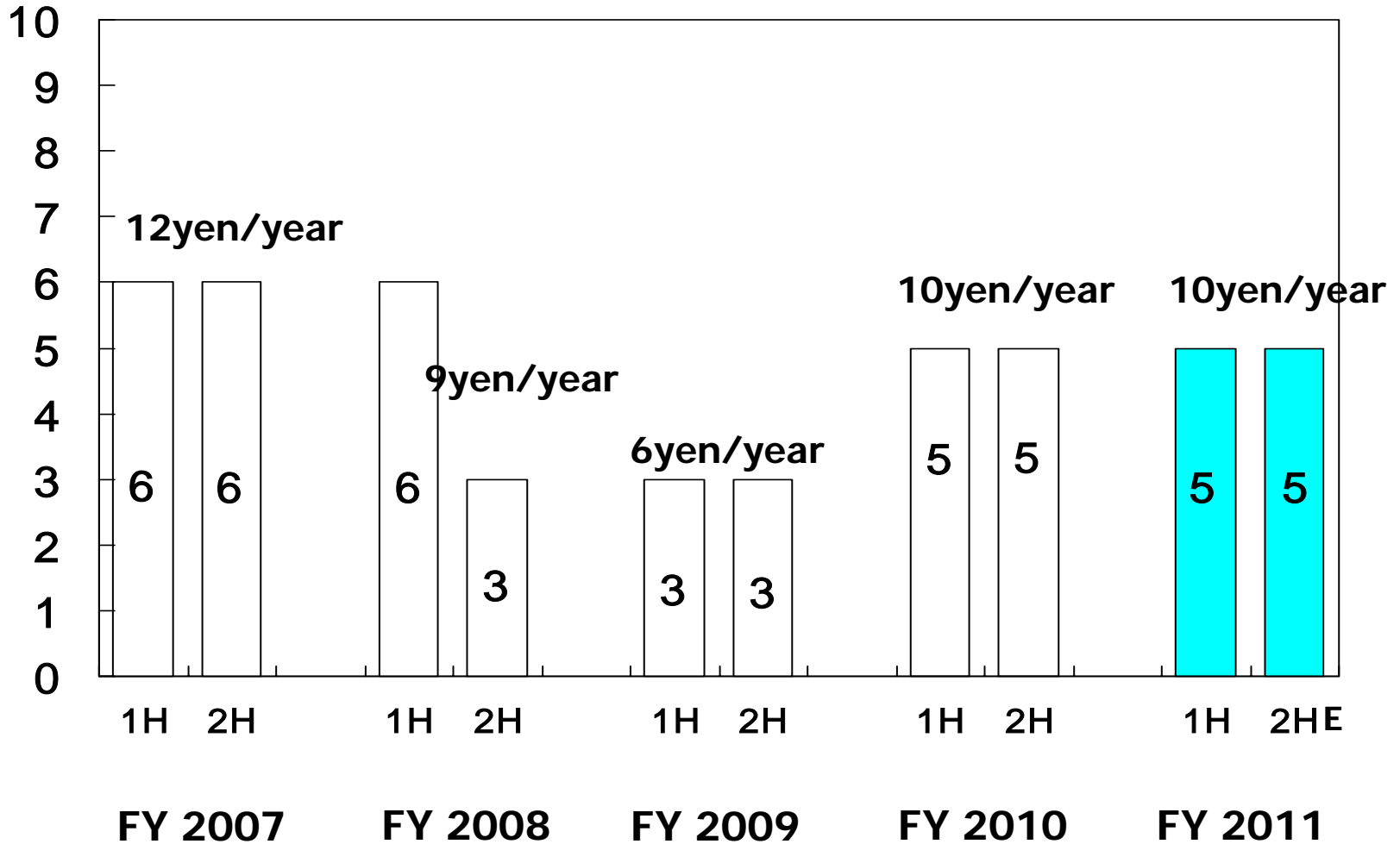
Operating income ratio in parentheses

FY2011 Business Segment	2 nd Half	Operating income ratio in parentheses		Full Year	% of Previous Year
		Compared to 1 st Half	% of Previous Year		
Connector	53 (11.4%)	137%	152%	92 (10.3%)	100%
UIS	0.1 (0.2%)	0.8 million yen	+2.6 million yen	1 (1.0%)	+7 million yen
Aerospace	11 (14.7%)	127%	124%	20 (14.4%)	139%
Un-allocatable costs, others	20	-	-	41	-
Total	44 (7.3%)	155%	187%	72 (6.3%)	114%

5. Returns to Shareholders (Dividends)



Unit: yen



6. Management Reform Phase 3, Mid-Term Financial Target

Unit: ¥100 million

FY		07	10	11e	13e Target
JAE Group	Sales	1,562	1,106	1,145	Over 1,500
	Ordinary Income Ratio	7.8%	5.0%	5.5%	Over 8%
Connector	Sales	1,199	854	895	Over 1,200
	Operating Income Ratio	13.6%	10.7%	10.3%	Over 13%

Technology to Inspire Innovation



<General Notes>

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 October 26, 2011, 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 opacity, 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.