Financial Results for the 1st Half of
the Fiscal Year ending March 31, 2015

Consolidated Financial Results
for the 1st Half of FY2014
## Financial Results Highlights

<table>
<thead>
<tr>
<th></th>
<th>Six months ended September 30, 2013</th>
<th>Six months ended September 30, 2014</th>
<th>Comparison</th>
<th>Comparison (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Net Sales</strong></td>
<td>20,413</td>
<td>21,647</td>
<td>+1,234</td>
<td>+6.0%</td>
</tr>
<tr>
<td><strong>Operating Income</strong></td>
<td>926</td>
<td>1,200</td>
<td>+274</td>
<td>+29.7%</td>
</tr>
<tr>
<td><strong>Net Income</strong></td>
<td>1,221</td>
<td>2,340</td>
<td>+1,119</td>
<td>+91.6%</td>
</tr>
</tbody>
</table>

We announced on May 30 net income will increase significantly because of selling a piece of land of Kawagoe Works to Japan Radio.

## Net Sales (Y o Y)

![Net Sales Chart]

- Electronic Devices: 17,458
- Microwave tubes & Radar Components: 20,413
- Microwave Applications: 1,421
- Others: 1,533
- SAW: 3,457
- Opt & RF Devices: 498
- MOS IC: 1,300
- Bipolar IC: 3,191
- Electronic Devices: 21,647 (+6.0%)

- Electronic Devices: 19,039 (+9.1%)
**Trends in Quarterly Performance**

- **Net Sales**
  - Microwave Tubes and Radar Components
  - Microwave Application Products
  - Electronic Devices

- **Operating Income/Net Income**
  - Operating Income
  - Net Income

*Operating income after segment income adjustment*
Factors for Change in Operation Income for FY2014 1H (Y o Y)

Increase of sales, etc. +1,398
Others +126
Payroll cost △663
Depreciation cost △117
Repairs Cost △339
Electricity Charges △131
Increase of sales, etc. △1,398
Payroll cost △663
Depreciation cost △117
Repairs Cost △339
Electricity Charges △131

Trends in Cash Flows

Operating Activities
Investing Activities
Financing Activities
FCF

FY2013 1H: 1,705
FY2013 2H: 2,537
FY2014 1H: 1,842

△500 △1,030 △1,077
△1,030 △944 △1,854
△1,731

FY2013 1H FY2013 2H FY2014 1H
Inventory Trends

Outlook for Financial Results for FY2014
### Outlook (Budget Comparison)

**New Japan Radio Co., Ltd.**

<table>
<thead>
<tr>
<th></th>
<th>1st Half</th>
<th>2nd Half</th>
<th>FY2014</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Budget</td>
<td>Actual</td>
<td>Budget</td>
</tr>
<tr>
<td><strong>Net Sales</strong></td>
<td>22,000</td>
<td>21,647</td>
<td>23,000</td>
</tr>
<tr>
<td><strong>Operating Income</strong></td>
<td>1,300</td>
<td>1,200</td>
<td>1,700</td>
</tr>
<tr>
<td><strong>Net Income</strong></td>
<td>1,300</td>
<td>2,340</td>
<td>1,700</td>
</tr>
</tbody>
</table>

### Net Sales Forecasts (YoY)

**New Japan Radio Co., Ltd.**

<table>
<thead>
<tr>
<th></th>
<th>Six months ended September 30, 2013</th>
<th>Six months ended September 30, 2014</th>
<th>Expt.</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Electronic Devices</strong></td>
<td>35,870</td>
<td>45,000 (+6.9%)</td>
<td></td>
</tr>
<tr>
<td></td>
<td>18,117</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Microwave tubes &amp; Radar Components</td>
<td>6,892</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Microwave Applications</td>
<td>6,795</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Others</td>
<td>2,767</td>
<td></td>
<td></td>
</tr>
<tr>
<td>SAW</td>
<td>1,297</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Opt &amp; RF Devices</td>
<td>3,023</td>
<td></td>
<td></td>
</tr>
<tr>
<td>MOS IC</td>
<td>3,186</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Bipolar IC</td>
<td>4,208</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Trends in Quarterly Performance

**Net Sales**

- Microwave Tubes and Radar Components
- Microwave Application Products
- Electronic Devices

**Operating Income/Net Income**

- Operating Income
- Net Income

*Operating income after segment income adjustment*
Growth Strategy

DEFENSE
- Production Shift Abroad
- Business Shift to In-vehicle equipment market
- Strengthening of the sales network

FORWARD
- MEMS
- SAW Filter
- Products for wearable equipment

For Sustainable Growth

FORWARD Drives Our Growth.

Cost down to maintain our share
Deal with the current situation where the prices continue to fall

Existing Product Line
Expand In-vehicle and Industrial

2012 2013 2014 2015

Future technologies
**Analysis of Net Sales**

- **FY2012 Results**: 36,417 million JPY
- **FY2013 Results**: 42,080 million JPY
- **FY2014 Expectations**: 45,000 million JPY

**FORWARD Drives Our Growth.**

- Contract Manufacturing
- Microwave-related Existing
- Electronic Device Existing

**Ration of customer Application (Electronic Device)**

- **Others**
- **Security**
- **Home Electronics**
- **PC**
- **Communication**
- **Industrial**
- **In-vehicle**
- **Audio Video**

**Exp.:**

- **FY2009**
- **FY2010**
- **FY2011**
- **FY2012**
- **FY2013**
- **FY2014**
**Production Shift Abroad (IC Package Process)**

- **Overseas production ratio**
  - THAI: 43%, 67%, 74%, 73%, 87%, 86%, 91%
  - JAPAN: 50%, 74%, 73%, 87%, 86%, 91%

- **Quantity of output (k pcs.)**
  - FY2012: 0
  - FY2013: 50,000
  - FY2014: 100,000
  - FY2015: 150,000
  - FY2016: 200,000

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**Transfer to Thailand**

**In-vehicle**
### In-vehicle

**Graph:**
- (million yen)
- FY2010: 5,000
- FY2011: 6,000
- FY2012: 7,000
- FY2013: 8,000
- FY2014: 9,000

**Keyless Entry and more**
- CAGR: 17.3%

**Other Products:**
- PCU and more
- Navigation System and more

### Strengthening of the Sales Network

**Map:**
- NJR Europe
- NJR Korea
- NJR上海
- 深圳分公司
- NJR台湾
- Frankfurt, Germany
  - Oct. 2014

**Locations:**
- NJR Singapore
- NJR Corp.
Strengthening of the Sales Network

- Sendai: Oct, 2014 (CLOSE)
- Tokyo: In-vehicle
- Nagoya: OPEN (July, 2014)
- Fukuoka
- Osaka

Ration of customer application in Nagoya Area:
- In-vehicle: Majority

FORWARD

SAW Filter
MEMS
Our Products for Smartphone

MEMS: Micro Electro Mechanical Systems
SAW: Surface Acoustic Wave
LNA: Low Noise Amplifier
**Net Sales (Products for Smartphone)**

- **MEMS**
  - FY2013 1H: 270 million JPY
  - FY2014 1H: 270 million JPY
  - Increase: +38%

- **SAW**
  - FY2013 1H: 270 million JPY
  - FY2014 1H: 270 million JPY
  - Increase: +44%

- **GaAs IC**
  - FY2013 1H: 270 million JPY
  - FY2014 1H: 270 million JPY
  - Increase: +31%

**MEMS Device Products**

- **Cumulative Shipments of MEMS transducer**
  - FY2013: 100 M pcs
  - FY2014 1H: 200 M pcs
  - FY2014 2H: 300 M pcs

- **H/M**
  - FY2013: 100 M pcs
  - FY2014 1H: 200 M pcs
  - FY2014 2H: 300 M pcs
Application Structure of SAW Business

Products Business
- Smart Phone
- Wi-Fi
- Vehicle Installation
- RKE
- GPS
- Specified low power
- Telecommunication
- PHS

Foundry Business

Reflection type photo sensor

Compact surface mount type photo reflector

For wearable equipment

LED
- Photo Detector
- IR LED
- Red LED
- Photo Detector
Thank you for your kind attention.