

# **Financial Statements Briefing Session for 2011/03 Term**

(From April 1, 2010 to March 31, 2011)

- I . Overview of Consolidated Financial Results for  
2011/03 Term
- II . Progress of Long-term Management Plan  
“Master plan 2010” and Business Outlook
- III . Forecast of Consolidated Financial Results for  
2012/03 Term

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## Consolidated Financial Statements for 2011/03 Term Highlights (Part1)

(¥ Million)	2011/03 Term	2010/03 Term	Year-on-year percentage change	Estimated value of business results (Nov. 12, 2010)
<b>Sales Amount</b>	4,779	4,683	+2.1%	4,830
Optical Disc Mold Group	893	906	Δ1.5%	900
Optical Communications Group	3,886	3,776	+2.9%	3,930
<b>Operating Profit</b>	Δ164	Δ925	—	Δ195
<b>Ordinary Profit</b>	Δ19	Δ716	—	Δ135
<b>Net Profit</b>	Δ512	Δ1,342	—	Δ745

## Consolidated Financial Statements for 2011/03 Term Highlights (Part2)

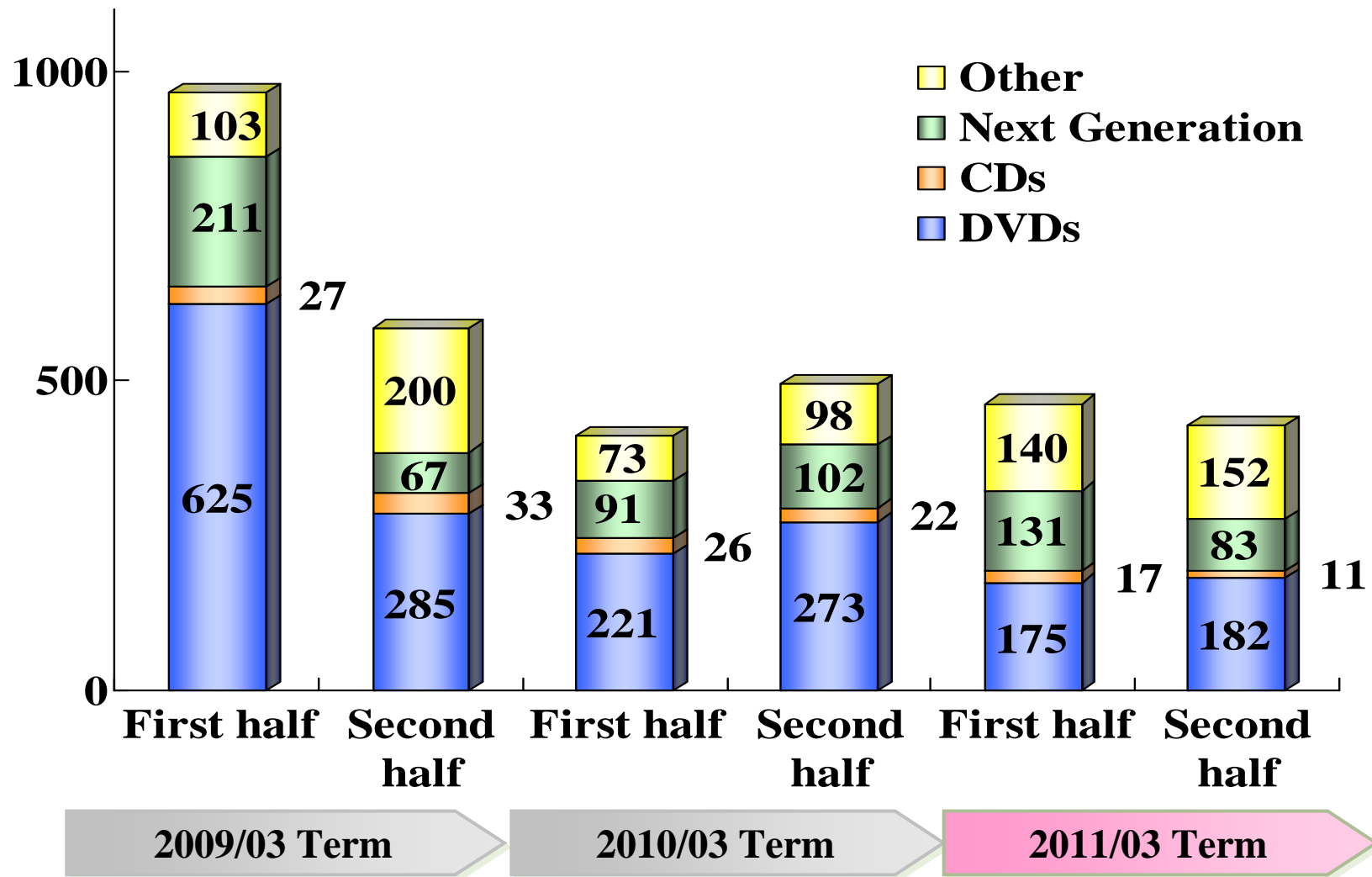
(¥ Million)	2011/03 Term	2010/03 Term	Year-on-year percentage change
Orders Received	4,871	4,698	+3.8%
Orders Backlog	499	412	+22.6%
Equipment Investment	320	403	△20.5%
Depreciation Expenses	287	489	△41.3%
R & D Expenses	435	642	△32.2%

# Business Results by Segment/ Optical Disc Mold Group

(¥ Million)	2011/03 Term	2010/03 Term	Year-on-year percentage change
Sales Amount	893	906	Δ1.5%
Operating Expenses	1,248	1,623	Δ23.1%
Operating Profit	Δ354	Δ716	—
Operating Profit Ratio	Δ39.7%	Δ79.0%	+39.3%

# Sales Amounts by Product / Optical Disc Mold Group

¥ Million



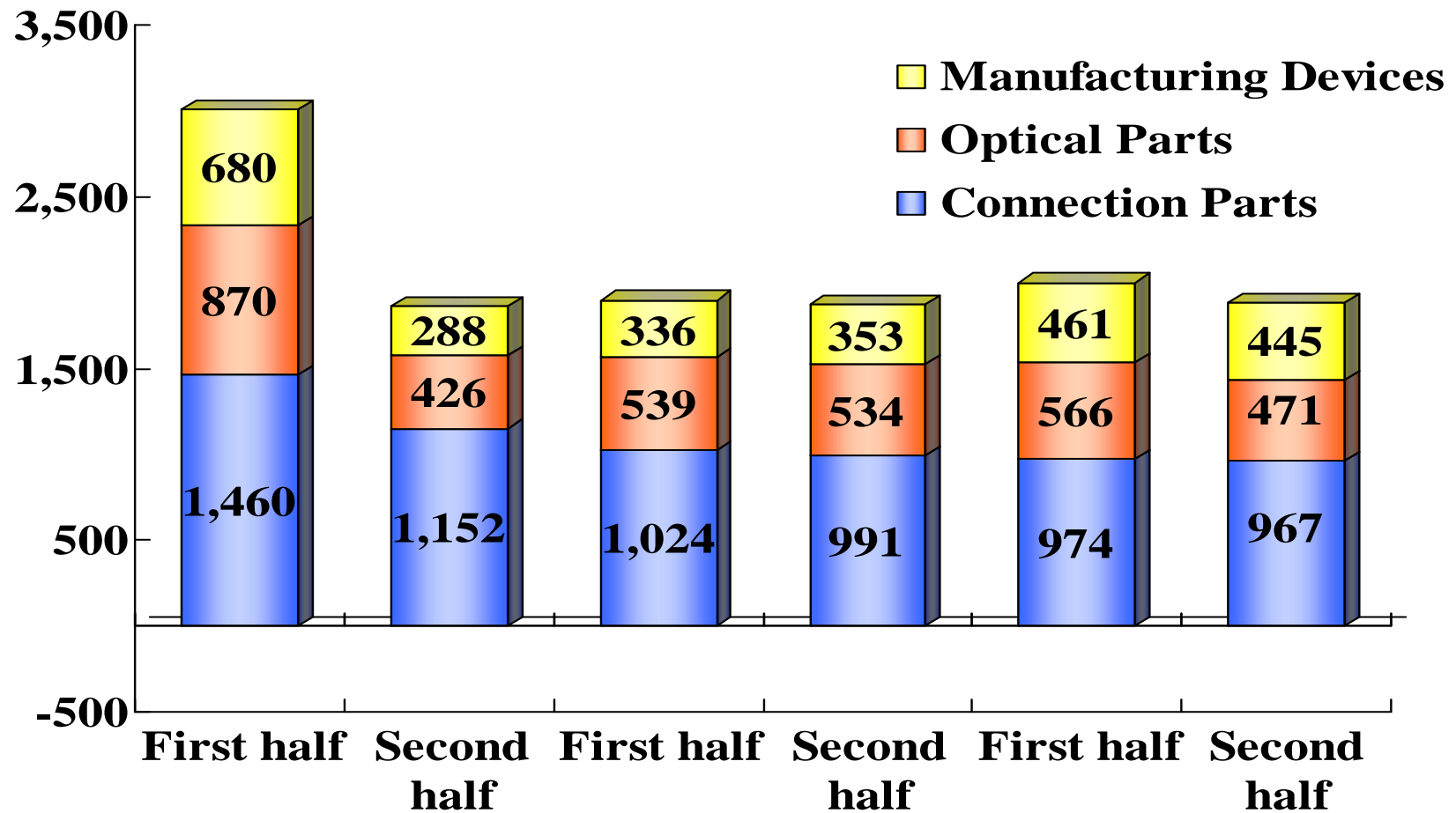
## Business Results by Segment/ Optical Communications Group

(¥ Million)	2011/03 Term	2010/03 Term	Year-on-year percentage change
Sales Amount	3,886	3,776	+2.9%
Operating Expenses	3,695	3,985	△7.3%
Operating Profit	190	△208	—
Operating Profit Ratio	4.9%	△5.5%	+10.4%



# Sales Amounts by Product / Optical Communications Group

¥ Million



2009/03 Term

2010/03 Term

2011/03 Term

## Consolidated Balance Sheet

(¥ Million)

Items	2011/03 Term	2010/03 Term	Amount (Increase/Decrease)
[Assets]			
Current Assets	15,203	15,654	△451
Fixed Assets	5,385	6,005	△620
Total Assets	20,588	21,660	△1,071
[Liabilities and Net Assets]			
Current Liabilities	681	954	△272
Fixed Liabilities	600	626	△26
Net Assets	19,306	20,079	△772
Total Liabilities/Net Assets	20,588	21,660	△1,071

# Consolidated Cash Flow Statement

(¥ Million)

Items	2011/03 Term	2010/03 Term
CF - Operating	Δ320	30
CF - Investing	391	Δ436
CF- Financing	0	Δ158
Increase in Cash	Δ46	Δ547
Balance at the beginning of term	1,671	2,218
Balance at the end of term	1,624	1,671

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# Main Points of Business Renovation

## 1. Restructuring of Operations

**Selection and concentration of business resources to build a lean corporate structure**

## 2. Business Expansion Strategy

**Expand business through a global market-in business strategy and product strategy**

## 3. Organizational Reformation

**Change to an organization by structure function while clarifying the independent profitability management and responsibility for profit and loss.**

# Progress of “Master Plan 2010”

## 1. Restructuring Operations

Priority Measures	Status of Implementation
<p>◆ <b>Review of Unprofitable Businesses and Products</b></p>	<p><b>Withdrew from the Production of Isolators Reduced Milestone Business</b></p>
<p>◆ <b>Optimization of Production Facilities</b></p>	<p><b>Suspended Operations of Hong Kong Seikoh Giken Consolidation of Plants (Plant No.4 ⇒ HQ Plant)</b></p>
<p>◆ <b>Selection and Concentration of Development Investment</b></p>	<p><b>Narrowed Down the Development Plans</b></p>
<p>◆ <b>Optimization of Business Resources</b></p>	<p><b>Implemented Soliciting Voluntary Early Retirement Program Sold Plant No.1</b></p>

# Progress of “Master Plan 2010”

## 2. Business Expansion Strategy

Priority Measures	Status of Implementation
◆ Strengthening of Sales Activities in the Chinese Market	Strengthened the Sales Organization of Hangzhou Seikoh Giken
◆ New Business Development	Appointed Staff Members Dedicated to New Business Development

## 3. Organization Reformation

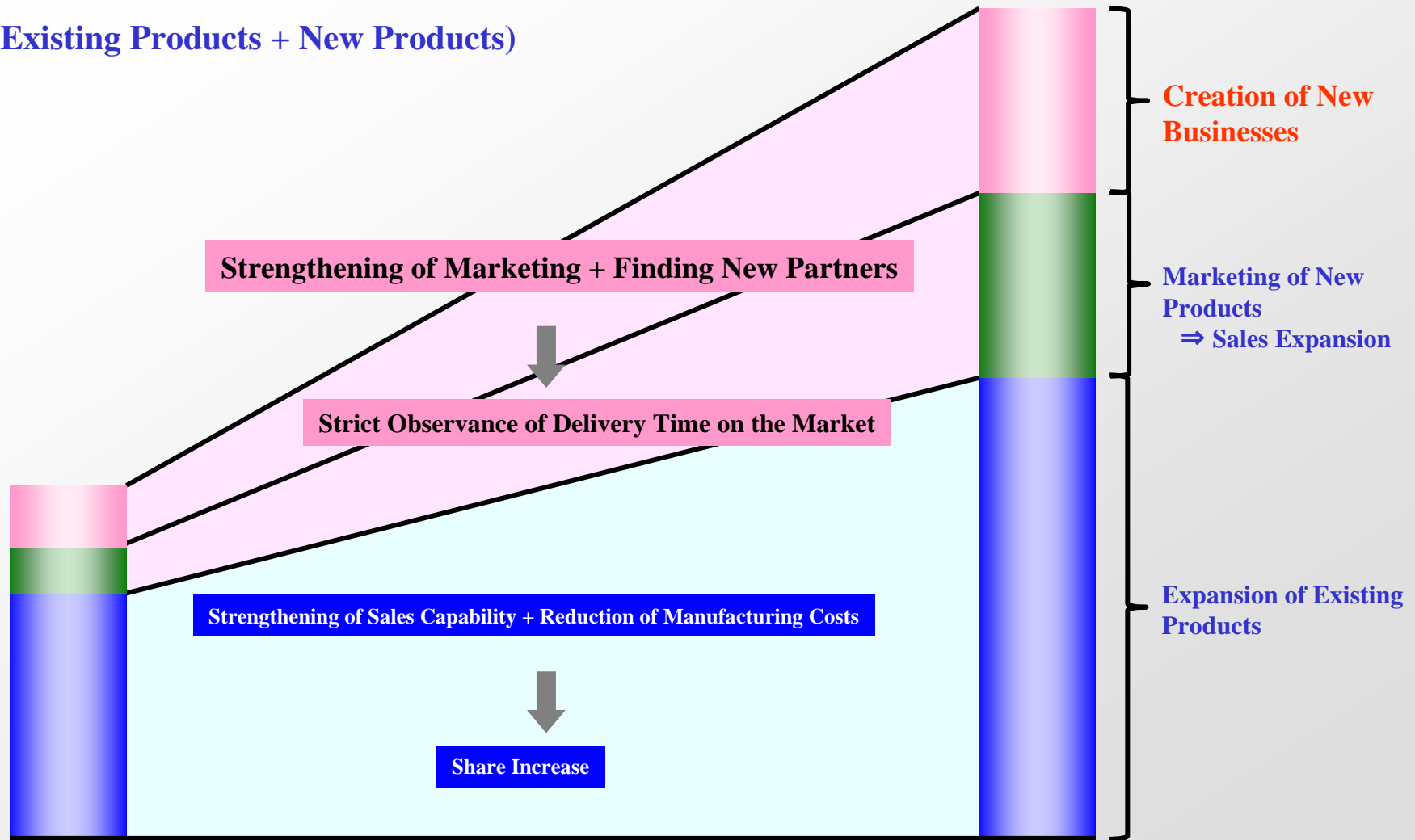
Priority Measures	Status of Implementation
◆ Reorganization	Changed to Organization by Function based on Sales, Technology Development, and manufacturing
◆ Visualization of Profitability	Introduced Profitability Management Method based on Organizational Unit

**Recorded Surplus in March 2011 on Single-Month Basis**

# Image of Long-Run Development

Expansion of Existing Business + **Creation of New Businesses**

(Existing Products + New Products)





# Future Management Policies

**1. Generate profits (on a Pre-Tax Profit Basis)**

**2. Establish Business Foundation**

⇒ **Establish Solid Business Foundation that Yields Profits**

[1] **Strengthen Sales System**

[2] **Enhance Price Competitiveness**

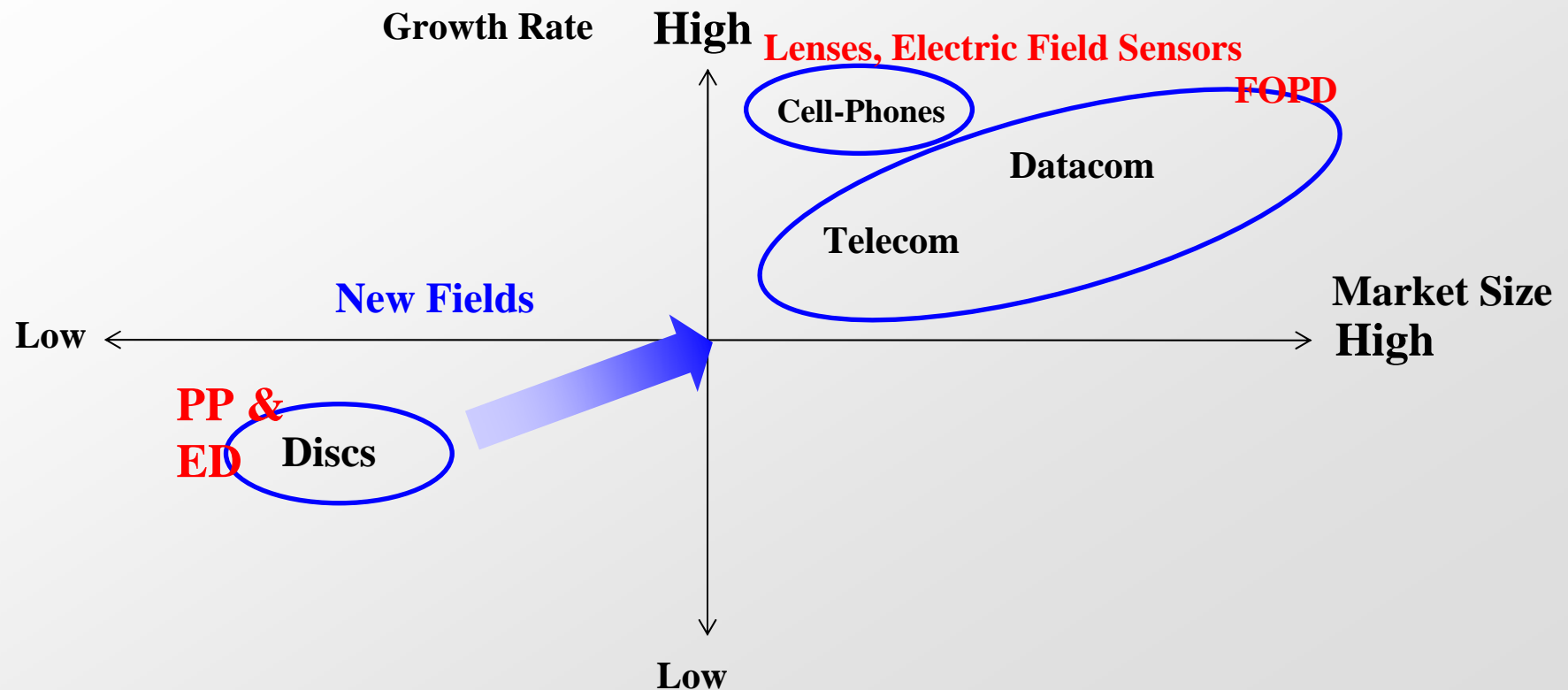
**3. Strengthen the Foundation for Creating New Businesses and Products**

⇒ **Accelerate the Creation of New Businesses and Products  
that Lead the Next Generation**

# Establishment of Business Foundation/ [1] Strengthening of Sales System

## I. Market Selection Policies

- i) Concentrate on the markets that are large and growing
- ii) Shift from the markets that are shrinking



## **Establishment of Business Foundation/ [1] Strengthening of Sales System**

### **II. Policy by Region**

- i) Development of Asian Market**

### **III. Policy by Business**

- i) FOPD**

- **Enhance Price Competitiveness**
- **Strengthen Sales System (Europe and America, Asia)**

- ii) PP & ED**

- **Speed up New Field Development while Maintaining the Orders Received for Disk Molds**
- **Develop Molded Product Business**

- iii) Lenses**

- **Speed up New Field Development while Increasing the Orders Received for Lenses for Cell-Phones**
- **Develop Mass Production of New Products**
- **Find New Customers**

## **Establishment of Business Foundation / [2] Enhancement of Price Competitiveness**

**I. Establishment of Global Management System**

**II. Collaboration between Manufacturing, Sales,  
and Technology Development**

**III. Increase Manufacturing Sector Profitability**

**IV. Profitability by Department and Product**

**V. Strengthening of Materials Procurement Capability**

**Strengthen the Foundation for New Business and New Product to Create Them**

## **I. Marketing and Sales Expansion of New Products**

- **Connectors and Isolators that Support High Power**
- **Application of Technology used for LN Modulators**
- **New Lenses, etc.**

## **II. Development of New Fields**

- **Resources, Energy, Environment**
- **Medical Care, Health, Welfare, Living**
- **In-Car Product**

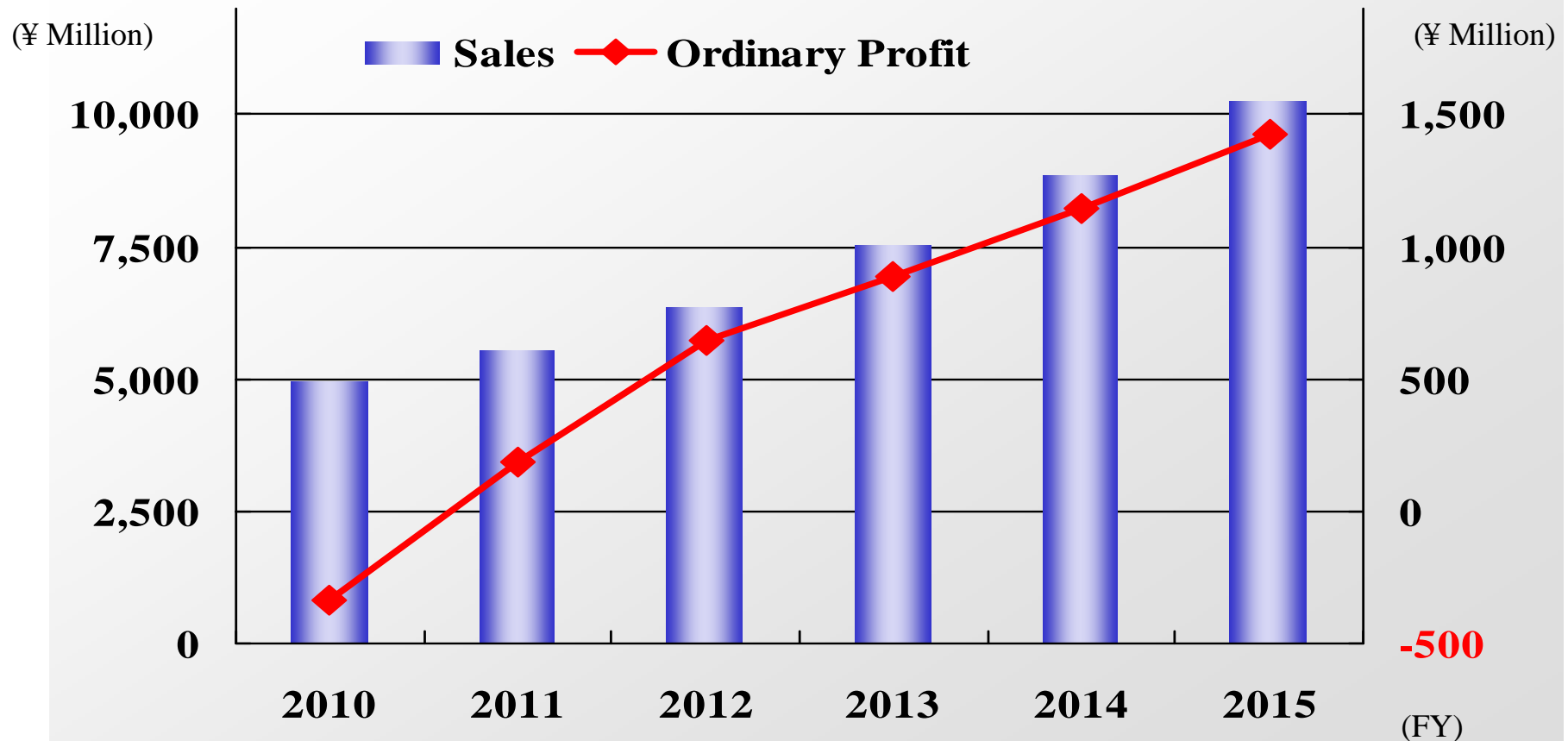
**i) Reinforcement of Marketing Power**

**ii) Active Alliance building with Other Companies**

**⇒ Make Partners**

# Performance Targets for FY2010 to FY2015

- ◆ Generate profits for FY2010 (on a ordinary profit base)
- ◆ Achieve sales of ¥10 billion and an ordinary profit of ¥1.4 billion for FY2015



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# Forecast of Consolidated Business Results for 2012/03 Term

(¥ Million)	First half	Second half	Forecast of the 2012/03 Term	Results for the 2011/03 Term
Sales Amount	2,640	2,790	5,430	4,779
Operating Profit	△70	0	△70	△164
Ordinary Profit	20	100	120	△19
Net profit	10	50	60	△512
Equipment Investment			147	320
Depreciation Expenses			276	287
R & D Expenses			268	435



## Forecast of Consolidated Business Results (by Segment) for 2012/03 Term

(¥ Million)

	Forecast of the First half	Forecast of the Second half	Forecast of the full year	Results for the previous term	Year-on-year percentage change
<b>The Relation of Optical Disc Mold</b>					
<b>Sales Amount</b>	610	690	1,300	893	+46%
<b>Operating Expenses</b>	670	780	1,450	1,248	+16%
<b>Operating Profit</b>	△ 60	△ 90	△ 150	△ 354	—
<b>The Relation of Optical Communications</b>					
<b>Sales Amount</b>	2,030	2,100	4,130	3,886	+6%
<b>Operating Expenses</b>	2,040	2,010	4,050	3,695	+10%
<b>Operating Profit</b>	△ 10	90	80	190	△ 58%

