

Financial Statements

Briefing Session for 2014/03 Term

(From April 1, 2013 to March 31, 2014)



May 20, 2014

- I . Overview of Consolidated Financial Results for 2014/03 Term
- II . Business Outlook
- III . Forecast of Consolidated Financial Results for 2015/03 Term

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Consolidated Financial Statements for 2014/03 Term Highlights (Part1)

(¥ Million)	2014/03 Term	2013/03 Term	Year-on-year percentage change	Estimated value of business results (May 10, 2012)
Sales Amount	10,381	4,986	108.2%	10,000
Precision Machinery	5,515	1,233	347.2%	6,100
Fiber Optic Components & Instrumental	4,866	3,753	29.7%	3,900
Operating Profit	226	(190)	—	250
Ordinary Profit	263	(30)	—	330
Net Profit	(27)	(126)	—	50

Consolidated Financial Statements for 2014/03 Term Highlights (Part2)

(¥ Million)	2014/03 Term	2013/03 Term	Year-on-year percentage change
Orders Received	10,686	4,873	119.3%
Orders Backlog	800	341	134.6%
Equipment Investment	595	256	132.3%
Depreciation Expenses	859	262	228.1%
R & D Expenses	359	244	47.0%

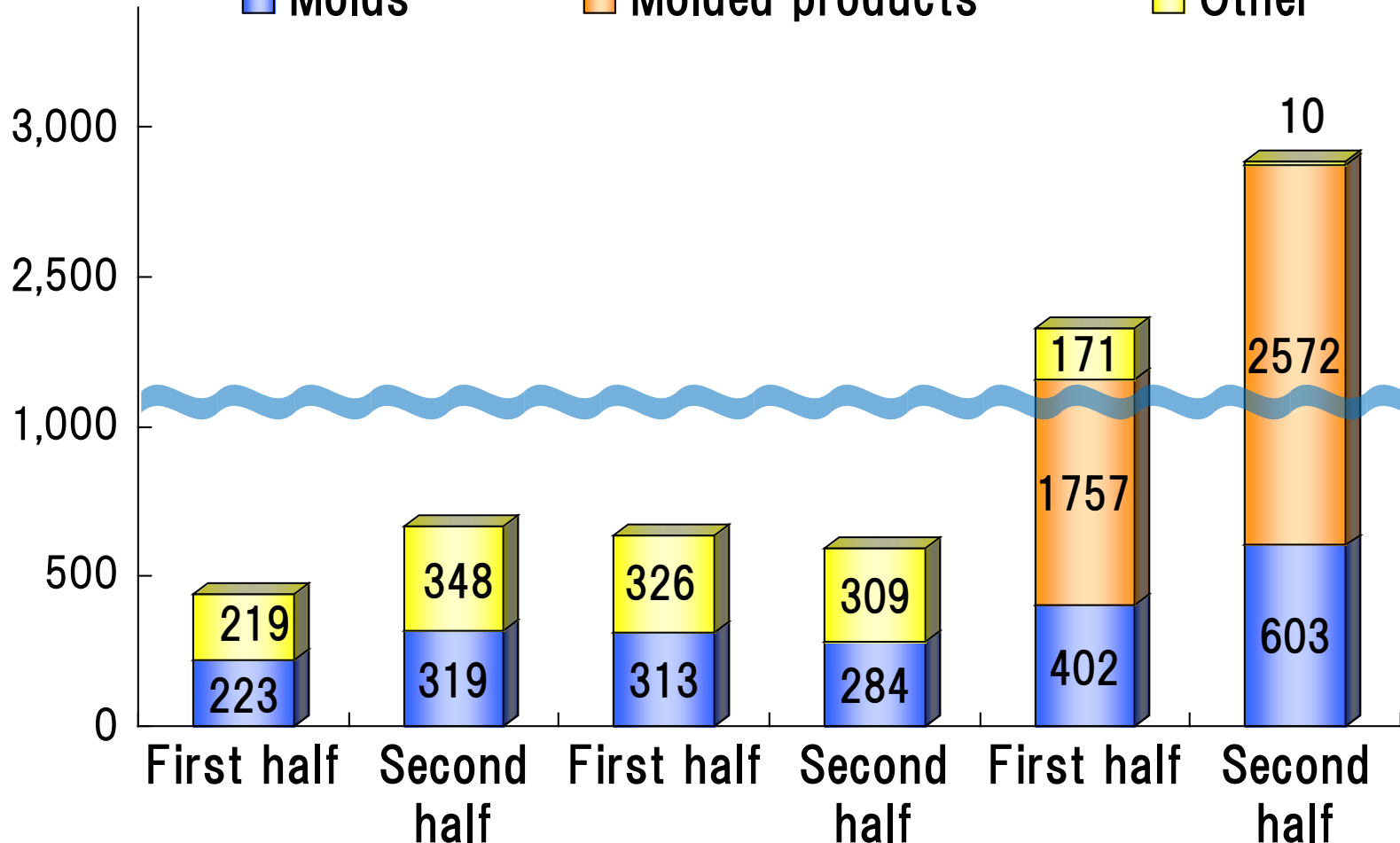
Business Results by Segment/ Precision Machinery

(¥ Million)	2014/03 Term	2013/03 Term	Year-on-year percentage change
Sales Amount	5,515	1,233	347.2 %
Operating Expenses	5,599	1,472	280.2 %
Operating Profit	(84)	(239)	—
Operating Profit Ratio	(1.5 %)	(19.4 %)	—

Sales Amounts by Product / Precision Machinery

¥ Million

■ Molds
 ■ Molded products
 ■ Other



2012/03 Term

2013/03 Term

2014/03 Term

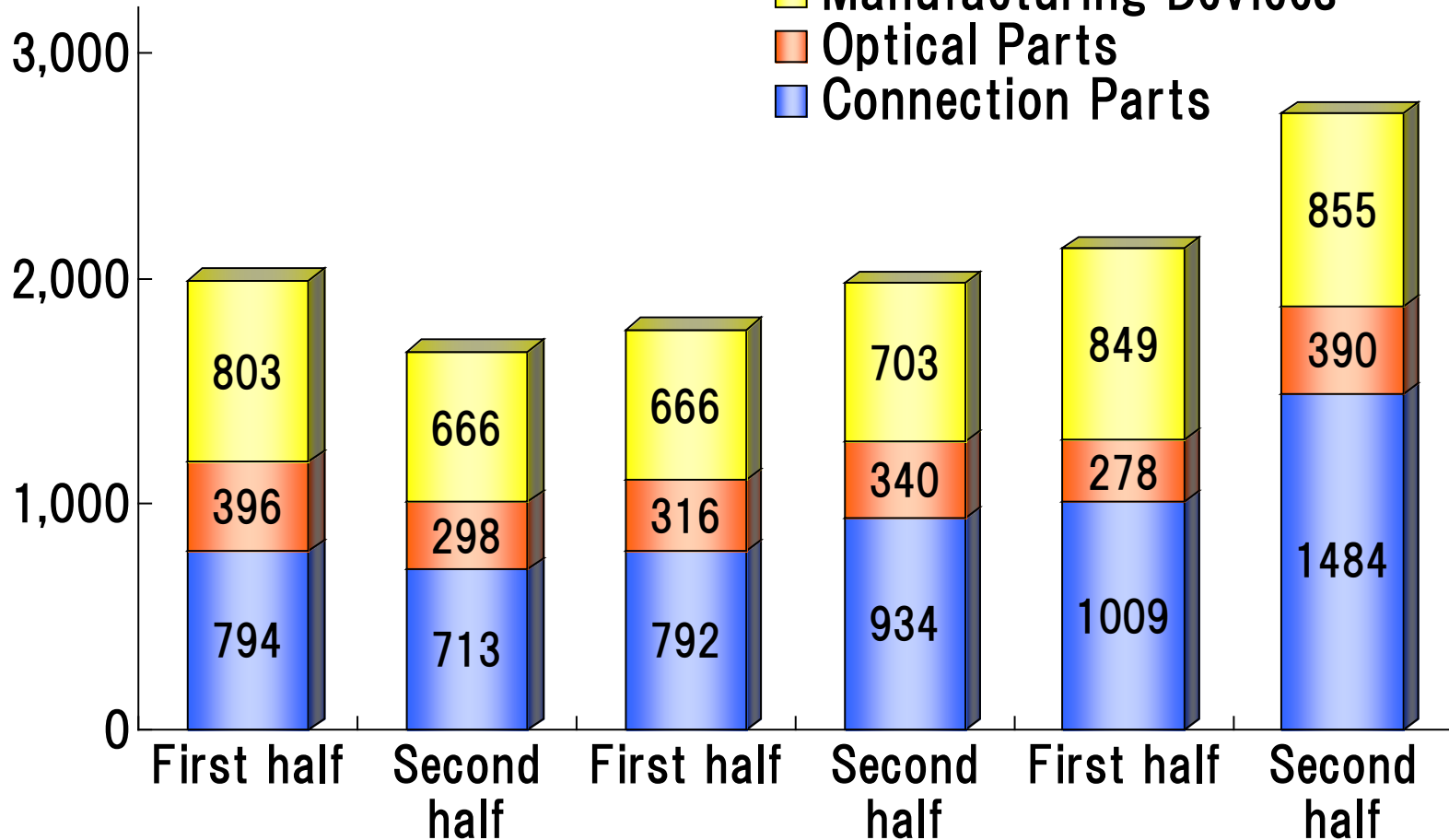
Business Results by Segment/ Fiber Optic Components & Instrumental

(¥ Million)	2014/03 Term	2013/03 Term	Year-on-year percentage change
Sales Amount	4,866	3,753	29.7 %
Operating Expenses	4,555	3,703	23.0 %
Operating Profit	310	49	531.9 %
Operating Profit Ratio	6.4 %	1.3 %	—

Sales Amounts by Product / Fiber Optic Components & Instrumental

¥ Million

- Manufacturing Devices
- Optical Parts
- Connection Parts



2012/03 Term

2013/03 Term

2014/03 Term

Consolidated Balance Sheet

(¥ Million) [Assets]	2014/03 Term	2013/03 Term	Amount (Increase/Decrease)
Current Assets	13,255	14,867	(1,611)
Fixed Assets	10,228	5,959	4,268
Total Assets	23,483	20,826	2,657
[Liabilities and Net Assets]			
Current Liabilities	2,068	594	1,474
Fixed Liabilities	1,061	655	405
Net Assets	20,353	19,576	777
Total Liabilities/ Net Assets	23,483	20,826	2,657

Consolidated Cash Flow Statement

(¥ Million)	2014/03 Term	2013/03 Term
CF - Operating	827	285
CF - Investing	(557)	366
CF- Financing	(58)	0
Increase in Cash	401	740
Balance at the beginning of term	2,199	1,459
Balance at the end of term	2,601	2,199

I . Overview of Consolidated Financial Results for
2014/03 Term

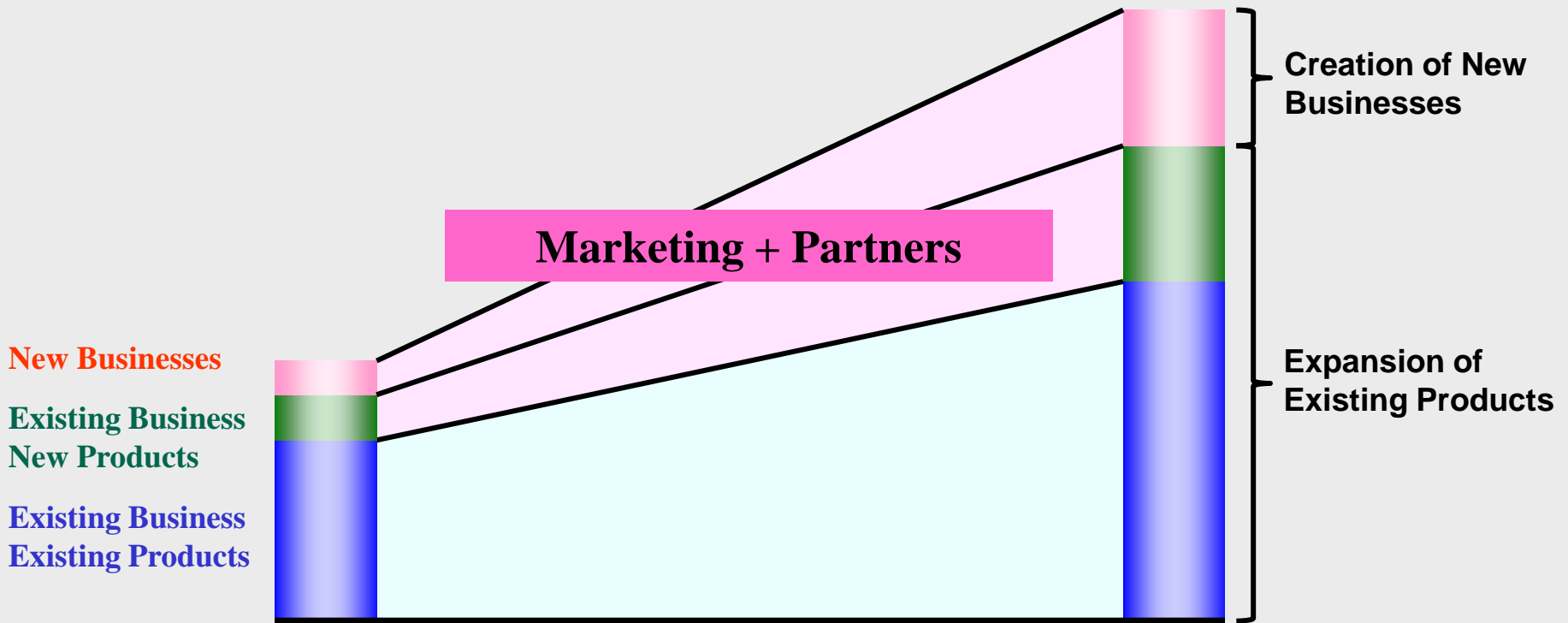
II . Business Outlook

III . Forecast of Consolidated Financial Results for
2015/03 Term

Image of Long-Run Development

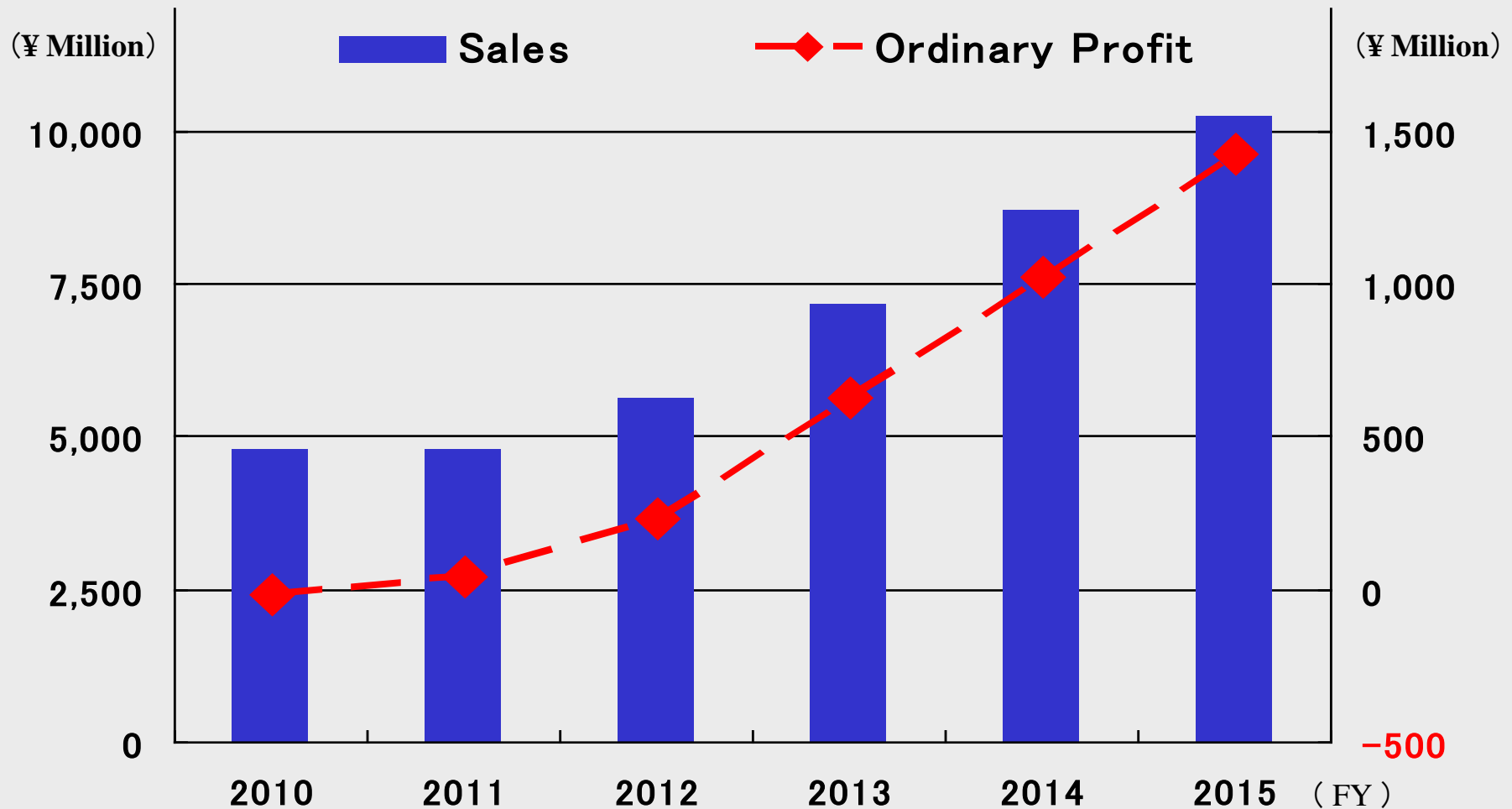
Focus on small size, precision, and optics

Expansion of Existing Business + Creation of New Businesses



Performance Targets for FY2010 to FY2015

Achieve sales of ¥10 billion and an ordinary profit of ¥1.4 billion for FY2015



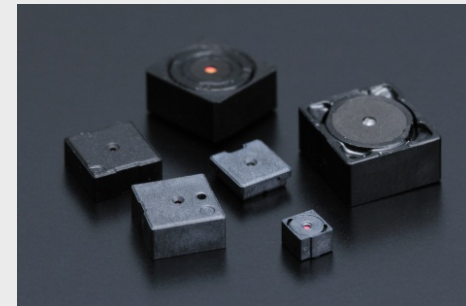
Fundamental policies for fiscal year 2014

- 1) Stimulating greater cooperation within the Group (between companies/between divisions)**
- 2) Strengthening business platforms**
 - (i) Strengthening of sales capabilities**
 - (ii) Strengthening of price competitiveness**
- 3) Materializing new businesses, new market segments and new products**

Business operating policies / Precision machinery operations

Shift to "Molds" + "Molded products"

- Expansion of the molding business
- Expansion of the precision molds business
- Development of new markets and new customers



Business operating policies of the optical products business

Strengthening of sales and marketing geared at growth markets

Strengthening of price competitiveness

- **Strengthening of sales and marketing efforts directed at data centers and China offshore markets**
- **Development of new products and technologies related to multicore and coherent optics**
- **Exhaustive reductions of procurement cost and manufacturing cost**



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Forecast of Consolidated Business Results for 2015/03 Term

(¥ Million)	First half	Second half	Forecast of the 2015/03 Term	Results for the 2014/03 Term
Sales Amount	5,400	6,200	11,600	10,381
Operating Profit	280	360	640	226
Ordinary Profit	280	370	650	263
Net profit	90	170	260	(27)
Equipment Investment			768	595
Depreciation Expenses			840	859
R & D Expenses			350	359

Forecast of Consolidated Business Results (by Segment) for 2015/03 Term

(¥ Million)	First half	Second half	Forecast of the 2015/03 Term	Results for the 2014/03 Term
The Relation of Precision Machinery				
Sales Amount	3,140	3,310	6,450	5,515
Operating Expenses	3,010	3,182	6,192	5,599
Operating Profit	130	128	258	(84)
The Relation of Optical Communications				
Sales Amount	2,260	2,890	5,150	4,866
Operating Expenses	2,110	2,658	4,768	4,555
Operating Profit	150	232	382	310

