

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

(From April 1, 2010 to September 30, 2010)



November 15, 2010

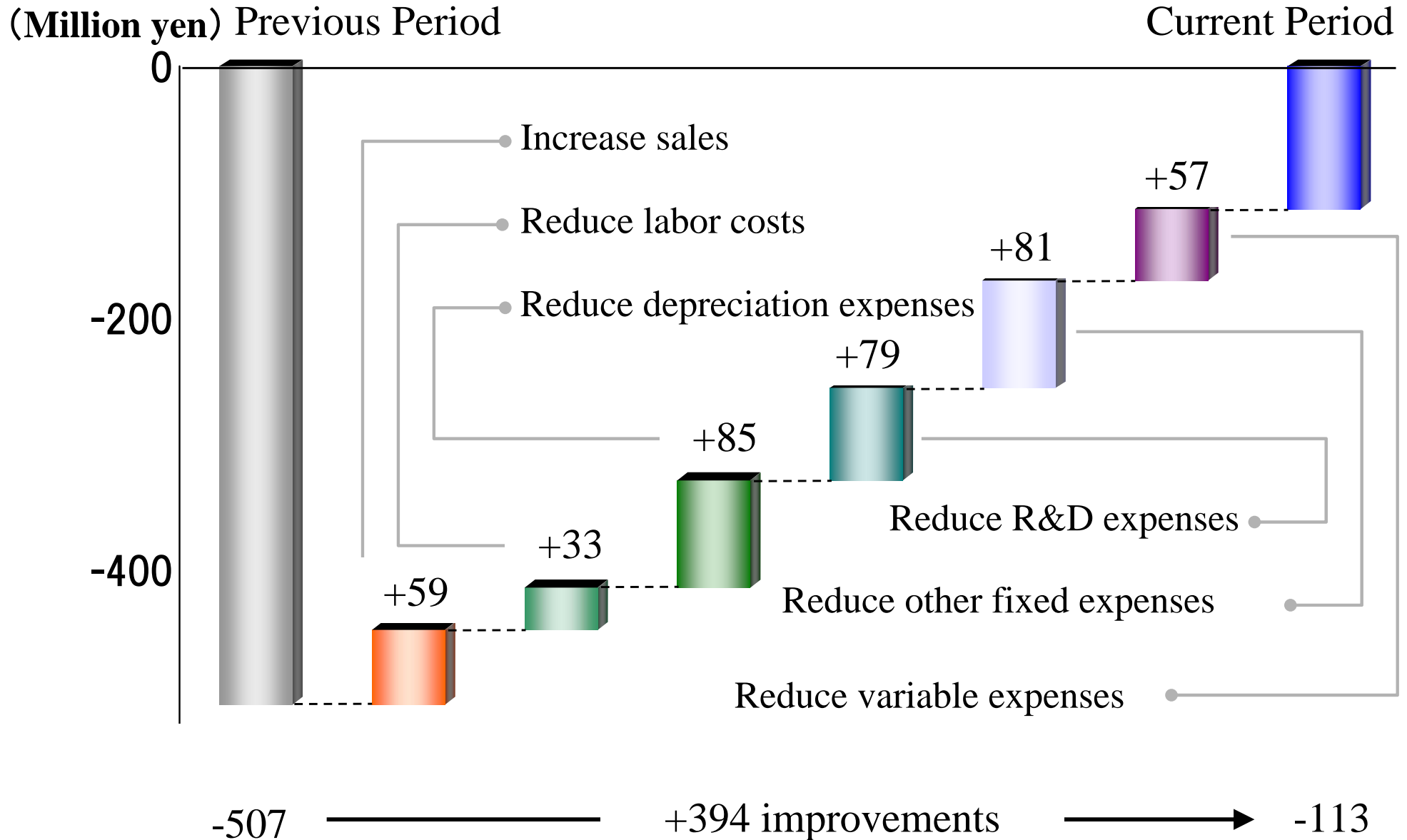
- I . Overview of Interim Financial Results for 2011/03 Term
- II . Forecast of Consolidated Financial Results for 2011/03 Term
- III . Progress of “Master Plan 2010”

- I . Overview of Interim Financial Results for 2011/03 Term
- II . Forecast of Consolidated Financial Results for 2011/03 Term
- III . Progress of “Master Plan 2010”

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

(¥ Million)	2011/03 Term (Interim)	2010/03 Term (Interim)	Year-on-year percentage change	Estimated value of business results (May 14, 2010)
<b>Sales Amount</b>	<b>2,467</b>	<b>2,310</b>	<b>6.8%</b>	<b>2,400</b>
Optical Disc Mold Group	<b>464</b>	<b>411</b>	<b>13.1%</b>	<b>500</b>
Optical Communications Group	<b>2,002</b>	<b>1,899</b>	<b>5.5%</b>	<b>1,900</b>
<b>Operating Profit</b>	<b>(113)</b>	<b>(507)</b>	<b>—</b>	<b>(350)</b>
<b>Ordinary Profit</b>	<b>(122)</b>	<b>(407)</b>	<b>—</b>	<b>(340)</b>
<b>Net Profit</b>	<b>(568)</b>	<b>(338)</b>	<b>—</b>	<b>(630)</b>

# Factors for Improvement in Operating Loss



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

(¥ Million)	2011/03 Term (Interim)	2010/03 Term (Interim)	Year-on-year percentage change
<b>Orders Received</b>	<b>2,518</b>	<b>2,370</b>	<b>6.6%</b>
<b>Orders Backlog</b>	<b>457</b>	<b>457</b>	<b>0.0%</b>
<b>Equipment Investment</b>	<b>148</b>	<b>209</b>	<b>(29.2%)</b>
<b>Depreciation Expenses</b>	<b>156</b>	<b>242</b>	<b>(35.4%)</b>
<b>R &amp; D Expenses</b>	<b>250</b>	<b>329</b>	<b>(23.9%)</b>

# Business Results by Segment

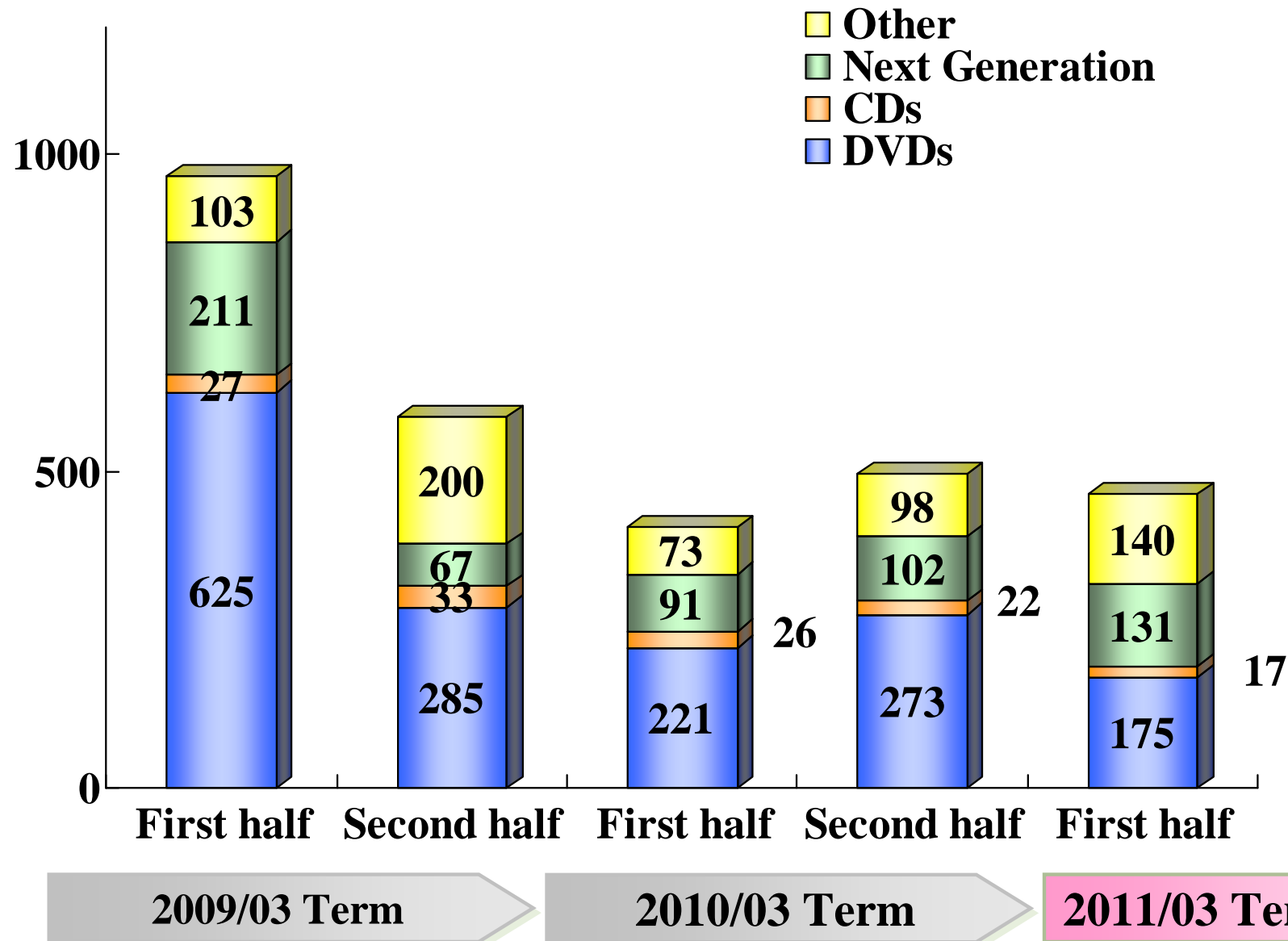
## Optical Disc Mold Group

(¥ Million)	2011/03 Term (Interim)	2010/03 Term (Interim)	Year-on-year percentage change
<b>Sales Amount</b>	<b>464</b>	<b>411</b>	<b>6.2%</b>
<b>Operating Expenses</b>	<b>666</b>	<b>791</b>	<b>(15.8%)</b>
<b>Operating Profit</b>	<b>(201)</b>	<b>(379)</b>	<b>—</b>
<b>Operating Profit Ratio</b>	<b>(43.2%)</b>	<b>(92.4%)</b>	<b>49.1%</b>

# Sales Amounts by Product

## Optical Disc Mold Group

¥ Million





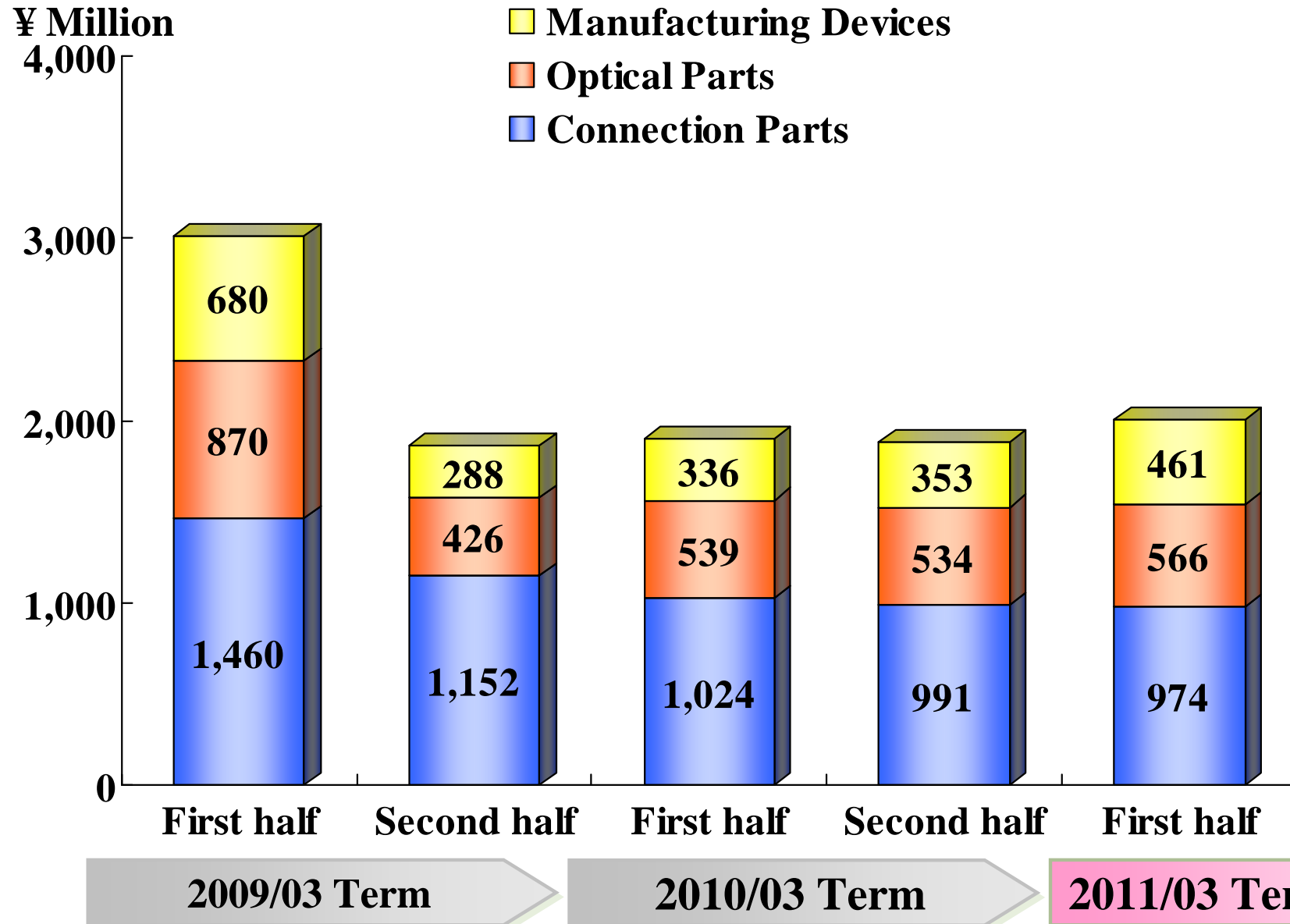
# Business Results by Segment

## Optical Communications Group

(¥ Million)	2011/03 Term (Interim)	2010/03 Term (Interim)	Year-on-year percentage change
Sales Amount	2,002	1,899	5.5%
Operating Expenses	1,915	2,026	(5.5%)
Operating Profit	87	(127)	—
Operating Profit Ratio	4.4%	(6.7%)	11.1%

# Sales Amounts by Product

## Optical Communications Group



# Consolidated Balance Sheet

(¥ Million)

Items	2011/03 Term	2010/03 Term	Amount (Increase/Decrease)
<b>[Assets]</b>			
<b>Current Assets</b>	15,054	15,654	(600)
<b>Fixed Assets</b>	5,620	6,005	(384)
<b>Total Assets</b>	20,675	21,660	(984)
<b>[Liabilities and Net Assets]</b>			
<b>Current Liabilities</b>	695	954	(259)
<b>Fixed Liabilities</b>	594	626	(31)
<b>Net Assets</b>	19,385	20,079	(693)
<b>Total Liabilities/Net Assets</b>	20,675	21,660	(984)

# Consolidated Cash Flow Statement

(¥ Million)

Items	2011/03 Term	2010/03 Term
CF - Operating	(590)	(3)
CF - Investing	348	(197)
CF- Financing	0	(157)
Increase in Cash	(303)	(297)
Balance at the beginning of term	1,671	2,218
Balance at the end of term	1,368	1,921

- I . Overview of Interim Financial Results for 2011/03 Term
- II . Forecast of Consolidated Financial Results for 2011/03 Term**
- III . Progress of “Master Plan 2010”

# Forecast of Consolidated Business Results for 2011/03 Term

(¥ Million)	Results for the first half	Forecast of the second half	Forecast of the full year	Results for the previous year	Year-on-year percentage change
<b>Sales Amount</b>	2,467	2,362	4,830	4,683	3.1%
<b>Operating Profit</b>	(113)	(82)	(195)	(925)	—
<b>Ordinary Profit</b>	(122)	(13)	(135)	(716)	—
<b>Net Profit</b>	(568)	(177)	(745)	(1,342)	—
<b>Equipment Investment</b>	148	214	362	403	(10.2%)
<b>Depreciation Expenses</b>	156	125	282	489	(42.3%)
<b>R &amp; D Expenses</b>	250	139	389	642	(39.4%)

## Forecast of Consolidated Business Results for 2011/03 Term (by Segment)

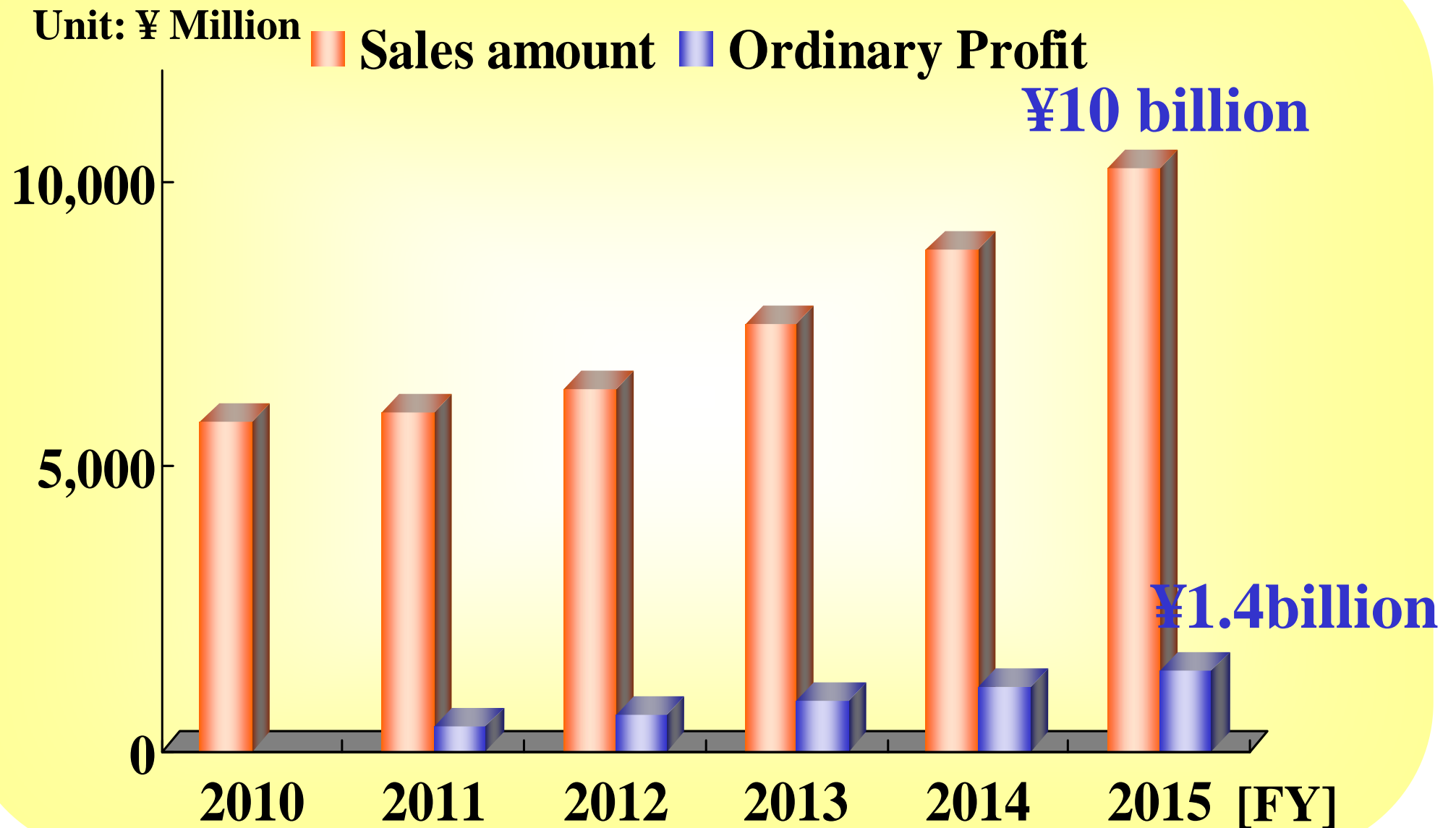
(¥ Million)

	Results for the first half	Forecast of the second half	Forecast of the full year	Results for the previous year	Year-on-year percentage change
<b>Optical Disc Mold Group</b>					
<b>Sales Amount</b>	464	435	900	906	(0.7%)
<b>Operating Profit</b>	(201)	(164)	(365)	(716)	—
<b>Optical Communications Group</b>					
<b>Sales Amount</b>	2,002	1,927	3,930	3,776	4.1%
<b>Operating Profit</b>	87	82	170	(208)	—

- I . Overview of Interim Financial Results for  
2011/03 Term
- II . Forecast of Consolidated Financial Results  
for 2011/03 Term
- III . Progress of “Master Plan 2010”**



# Long-term P/L Plan



# Outline of Master Plan 2010

**Organizational Reformation**

**Restructuring of Operations**

**Business Expansion Strategy**

# Key Issues

Key Issues	First Half Results
Transition to and continuation of new organization	Implemented organizational reform, visualized P/L at the organizational unit level
Reduce fixed assets	Closed some plants
Reduce expenses	Offered voluntary retirement, reduced expenses
Strengthen Seikoh Giken Hangzhou	Continued studies
Review facilities	Closed Seikoh Giken Hong Kong
Review and analyze operations	Reduced Milestones
Review development and examination methods	Narrowed down development projects
Review sales and product strategies	Strengthened China sales organization
	Studied product strategy

# Important Initiatives in Second Half

Key Issues	Second Half Initiatives
<b>Strengthen organization</b>	<b>Partially reorganize organization, implement further P/L visualization</b>
<b>Reduce fixed assets</b>	<b>Sell and consolidate factories</b>
<b>Optimize the number of personnel</b>	<b>Recruit additional volunteer retirees</b>
<b>Strengthen Seikoh Giken Hangzhou</b>	<b>Continue studies</b>
<b>Sales and product strategy</b>	<b>Strengthen China sales</b>
	<b>Establish and implement product strategy</b>

**Achieve to monthly profitability**  
**by 4th quarter FY2010**  
**(January to March 2011)**

