

Interim Financial Statements Briefing Session for 2019/03 Term

(From April 1, 2018 to September 30, 2018)



November 13, 2018

- I. Overview of Interim Financial Results for
2019/03 Term

- II. Plan for consolidated performance for
2019/03 Term

Interim Consolidated Financial Results for 2019/03

Term Highlights (Part1)

(¥ Million)	2019/03 Term (Interim)	2018/03 Term (Interim)	Year-on-year percentage change	Plan performance values (May 11, 2018)
Sales Amount	7,433	6,721	10.6%	7,000
Optical Disc Mold Group	4,342	3,744	16.0%	3,900
Optical Communicati ons Group	3,091	2,977	3.8%	3,100
Operating Profit	796	450	76.8%	550
Ordinary Profit	874	484	80.5%	580
Net Profit	571	540	5.6%	400

Interim Consolidated Financial Results for 2019/03 Term Highlights (Part2)

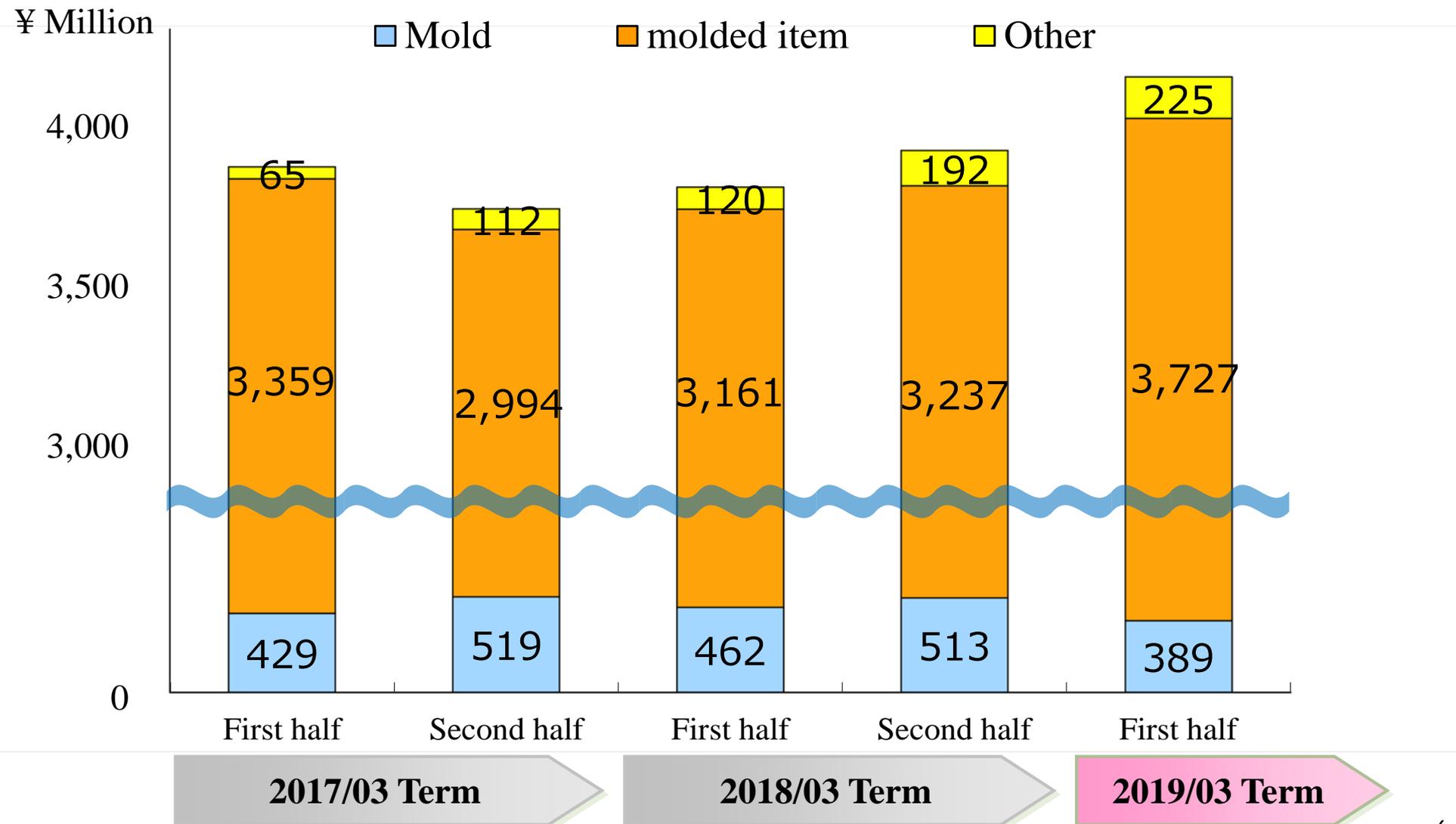
(¥ Million)	2019/03 Term (Interim)	2018/03 Term (Interim)	Year-on-year percentage Change
Orders Received	7,844	6,861	14.3%
Orders Backlog	2,170	1,784	21.7%
Equipment Investment	674	565	19.2%
Depreciation Expenses	635	552	15.1%
R & D Expenses	209	203	2.7%

Business Results by Segment Optical Disc Mold Group

(¥ Million)	2019/03 Term (Interim)	2018/03 Term (Interim)	Year-on-year percentage change
Sales Amount	4,342	3,744	16.0%
Operating Profit	445	235	89.5%
Operating Profit Ratio	10.2%	6.3%	—



Sales Amounts by Product Optical Disc Mold Group



Business Results by Segment Optical Communications Group

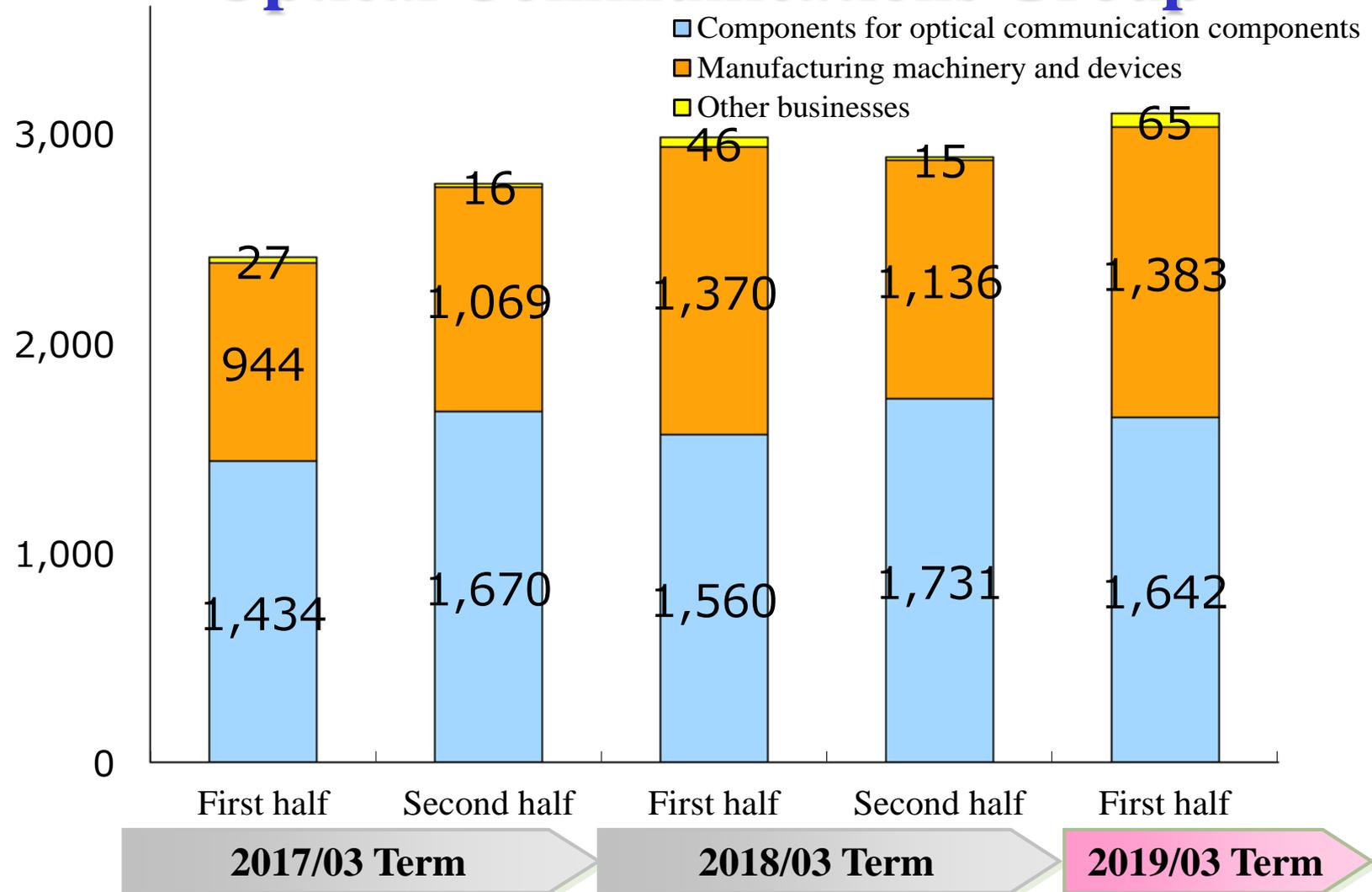
(¥ Million)	2019/03 Term (Interim)	2018/03 Term (Interim)	Year-on-year Percentage change
Sales Amount	3,091	2,977	3.8%
Operating Profit	350	215	62.9%
Operating Profit Ratio	11.3%	7.2%	—



Sales Amounts by Product

Optical Communications Group

¥ Million



Consolidated Balance Sheet

(¥ Million)

[Assets]	2019/03 Term (Interim)	2018/03 Term	Amount (Increase/Decrease)
Current Assets	16,578	15,859	719
Fixed Assets	10,327	10,337	(10)
Total Assets	26,905	26,197	708
[Liabilities and Net Assets]			
Current Liabilities	3,211	2,688	523
Fixed Liabilities	1,061	1,024	36
Net Assets	22,632	22,484	148
Total Liabilities/Net Assets	26,905	26,197	708

Consolidated Cash Flow Statement

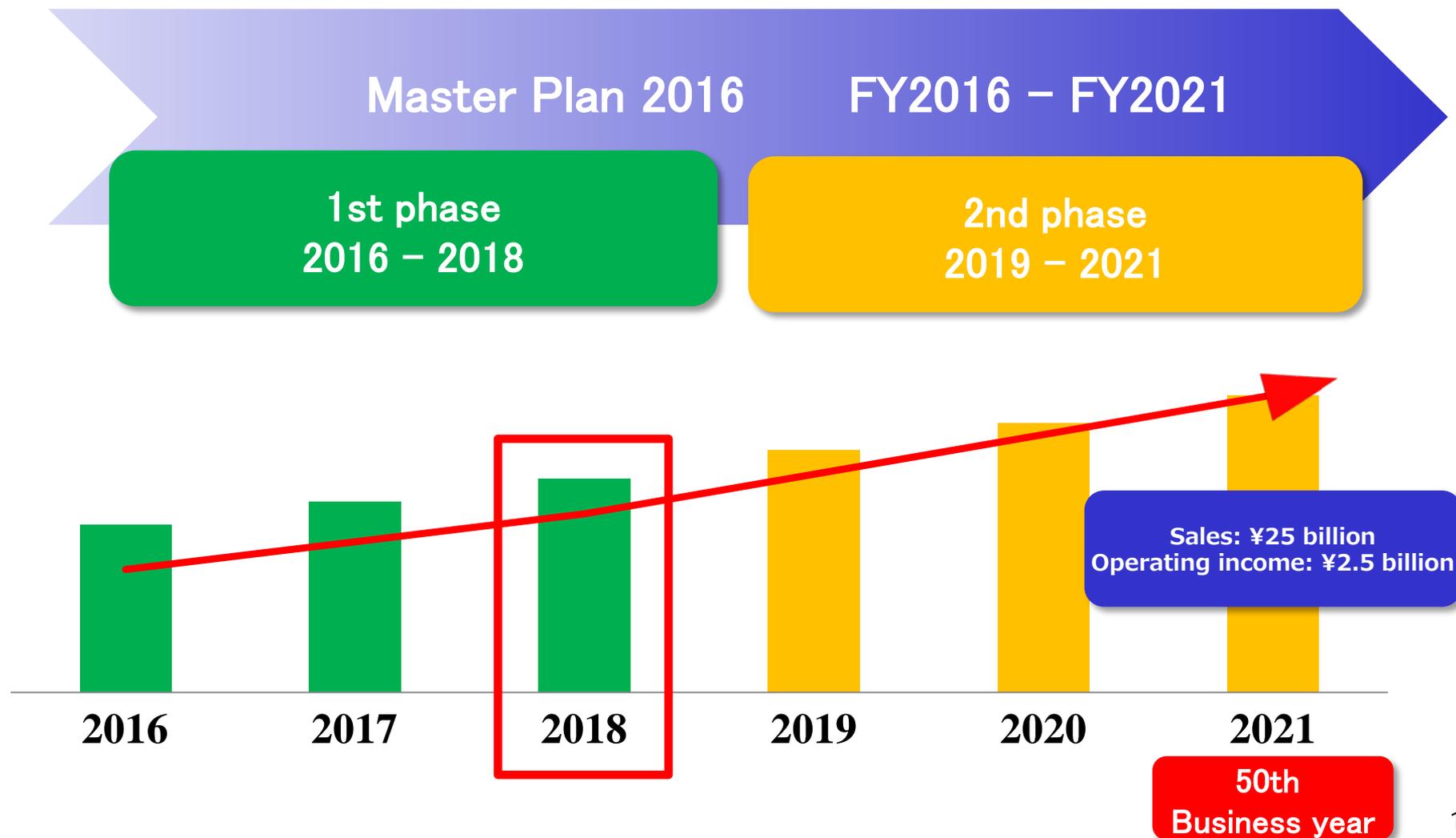
(¥ Million)	2019/03 Term (Interim)	2018/03 Term (Interim)
CF - Operating	698	901
CF - Investing	(848)	(1,756)
CF- Financing	(253)	(185)
Increase in Cash	(472)	(1,053)
Balance at the beginning of term	3,305	4,066
Balance at the end of term	2,833	3,012

I. Overview of Interim Financial Results for
2019/03 Term

II. Plan for consolidated performance for
2019/03 Term

Medium-Term Management Plan Master Plan 2016

- Six-year medium-term plan ending in FY 2021, the 50th business year of the Company



Fundamental Strategies for the 1st Phase

■ Fundamental strategies for FY 2016 - FY 2018

1. Strengthen earnings of existing businesses

- Strengthen sales capabilities
- Raise price-competitive strength
- Accelerate new product development and new technology development

2. Optimize business portfolio

- Create next generation businesses
- Streamline loss-making businesses

3. Strengthen business foundations

- Strengthen human resources capabilities
- Implement growth promoting investments
- Strengthen management administration

Plan for consolidated performance for 2019/03 Term

(¥ Million)	Results for the first half	Forecast of the second half	Revised plan for the 2019/03 Term	Previously announced projection values	Results for the 2018/03 Term
Sales Amount	7,433	7,417	14,850	14,500	13,547
Operating Profit	796	554	1,350	1,150	930
Ordinary Profit	874	576	1,450	1,200	1,053
Net profit	571	429	1,000	830	914
Equipment Investment	674	981	1,655	1,655	1,171
Depreciation Expenses	635	719	1,354	1,354	1,238
R & D Expenses	209	251	460	460	429

Plan for the 2nd half by division

(Precision machinery related products)

(¥ Million)	Results for the first half	Forecast of the second half	Forecast of the 2019/03 Term	Previously announced projection values	Results for the 2018/03 Term
Sales Amount	4,342	4,008	8,350	8,000	7,686
Operating Profit	445	235	680	590	493

Transformation into a business for high added-value molded products with precision molds and manufacturing technology at the core

- Strengthen sales capabilities
- Raise price-competitive strength

- Accelerate volume production at the Chitose plant
- Strengthen relationships with existing customers
- Boost molds for data-archive discs
- Acquire repeat business

- Accelerate new product development and new technology development

- Prepare new business in molded products for trading at an early stage → Automotive, medical, and bio science applications
- Enhance precision mold technology, thin-wall molding technology, and micro-transfer technology

Plan for the 2nd half by division

(Optical related products)

(¥ Million)	Results for the first half	Forecast of the second half	Forecast of the 2019/03 Term	Previously announced projection values	Results for the 2018/03 Term
Sales Amount	3,091	3,409	6,500	6,500	5,860
Operating Profit	350	320	670	560	436

Take steps to expand market shares in the growing markets surrounding data centers and 5G technology

■ Strengthen sales capabilities ■ Raise price-competitive strength

- Increase sales of connectors for data centers
- Increase sales of multi-core compatible new optical connector types and new models of optical connector polishing machines
- Enhance productivity by shifting components to in-house manufacture and promote production automation

■ Accelerate new product development and new technology development

- Accelerate development of optical connectors suited for 100G / 400G large-volume, high-speed data transmission
- Develop optical electric field sensors suited for 5th generation mobile communications system (5G) application
- Development of micro lens modules