

Financial Statements Briefing Session for 2023/03 Term

(From April 1, 2022 to March 31, 2023)



May 16, 2023

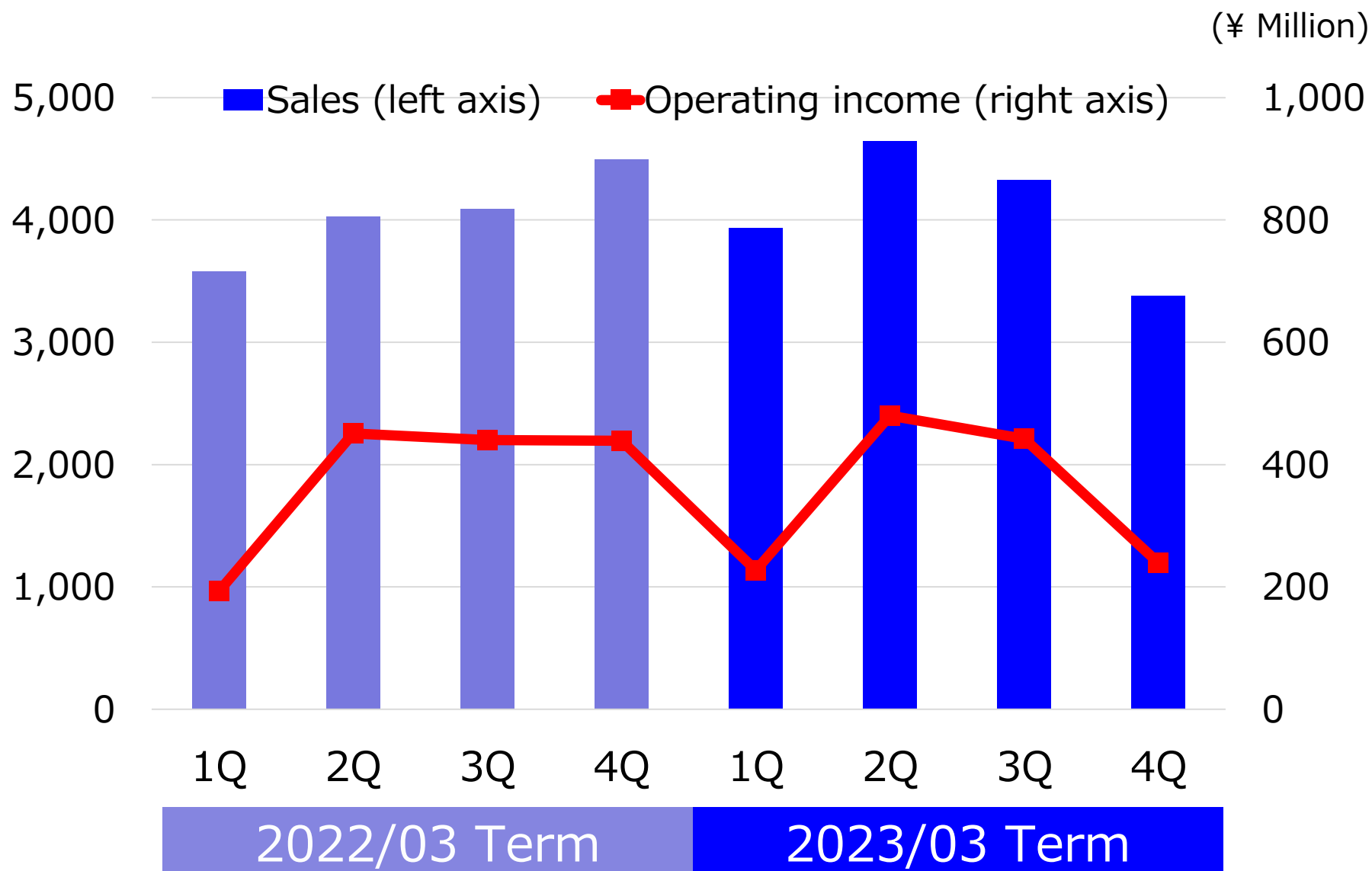
- I . Overview of Consolidated Financial Results for 2023/03 Term
- II . Progress of Medium-term Management Plan "Master Plan 2022"
- III . Forecast of Consolidated Financial Results for 2024/03 Term

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Consolidated Financial Statements for 2023/03 Term Highlights (Part1)

(¥ Million)	2023/03 Term	2022/03 Term	Year-on-year percentage Change	Estimated value of business results (May13, 2022)
Sales Amount	16,282	16,188	0.6%	18,400
Precision Machinery	8,303	8,478	-2.1%	9,720
Fiber Optic Components & Instrumental	7,979	7,710	3.5%	8,680
Operating Profit	1,390	1,524	-8.8%	1,740
Ordinary Profit	1,606	1,641	-2.1%	1,760
Net Profit	1,082	1,150	-5.9%	1,240

Quarterly transition in consolidated earnings



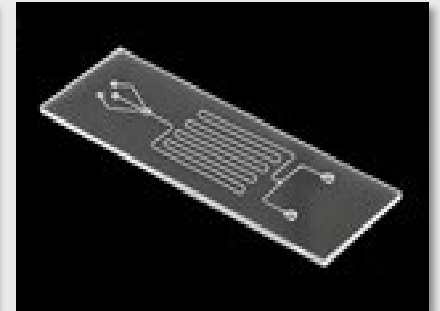
Consolidated Financial Statements for 2023/03 Term Highlights (Part2)

(¥ Million)	2023/03 Term	2022/03 Term	Year-on-year percentage change
Orders Received	17,509	17,241	+1.6%
Orders Backlog	5,252	4,026	+ 30.5%
Equipment Investment	976	1,476	-33.8%
Depreciation Expenses	1,233	1,260	-2.1%
R & D Expenses	453	437	+3.7%

Main products and technologies of the Precision Machinery Division

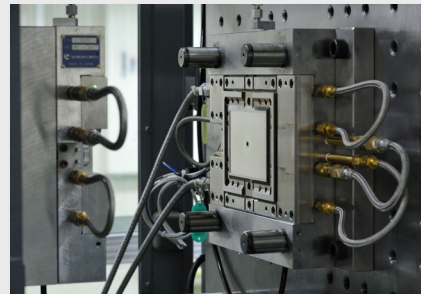
◆ Molded products

Automotive insert molded products
Metal press molded products
Resin injection molded products, etc.



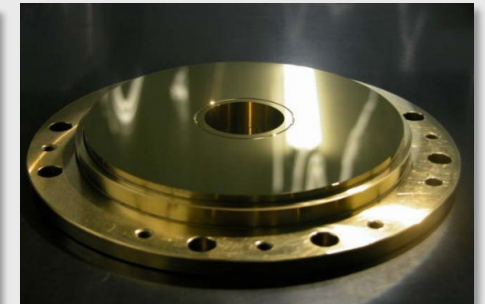
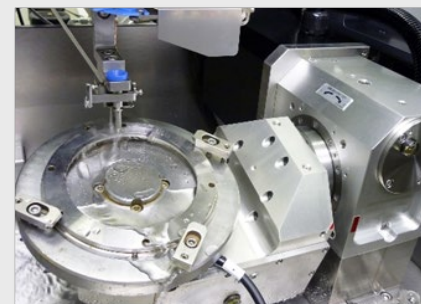
◆ Molds

Molds for data-archive discs
Other precision molds



◆ Other

Precision processed metal parts, etc.

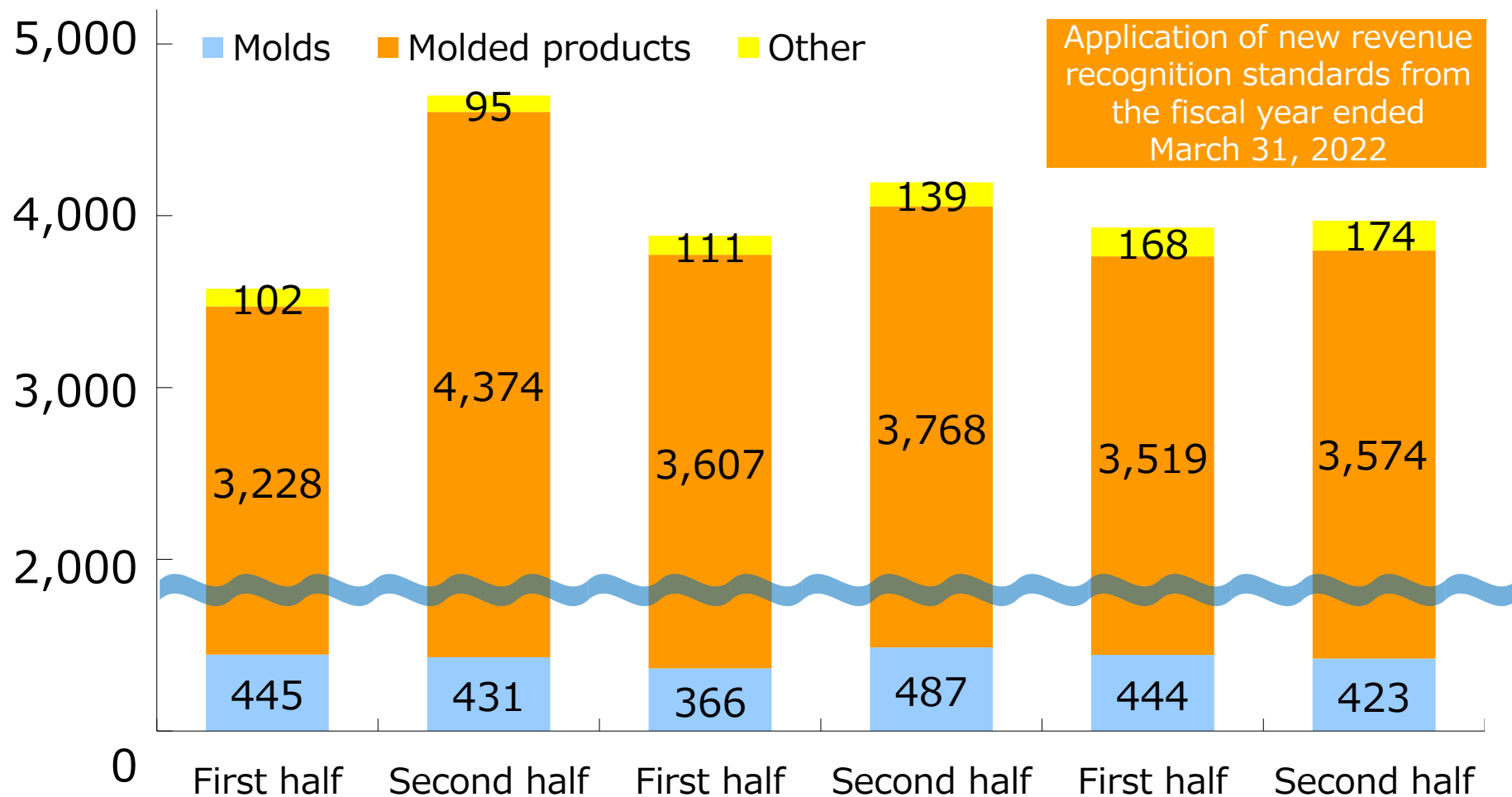


Business Results by Segment/ Precision Machinery

(¥ Million)	2023/03 Term	2022/03 Term	Year-on-year percentage change
Sales Amount	8,303	8,478	-2.1%
Operating Expenses	7,911	8,097	-2.3%
Operating Profit	392	381	+2.9%
Operating Profit Ratio	4.7%	4.5%	—

Sales Amounts by Product / Precision Machinery

¥ Million



2021/03 Term

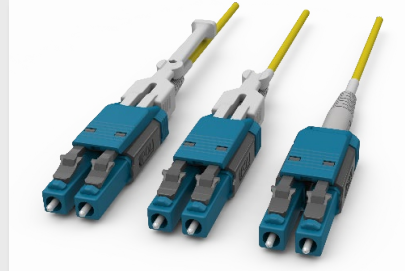
2022/03 Term

2023/03 Term

Main products and technologies of the Optical Products Division

◆ Optical communication network components

Optical connectors
Ferrules, etc.

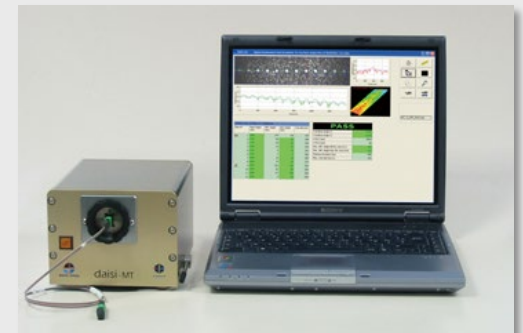


◆ Manufacturing machinery and equipment

Optical connector polishing machines



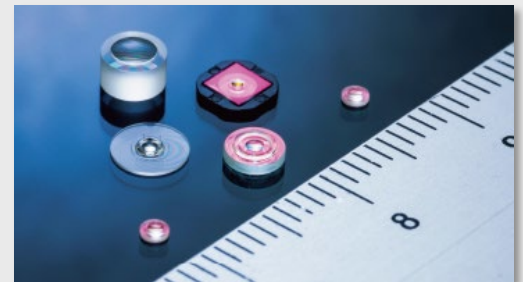
Inspection equipment for optical connector end faces



Optical electric field sensors, etc.

◆ Other

Micro lenses, etc.

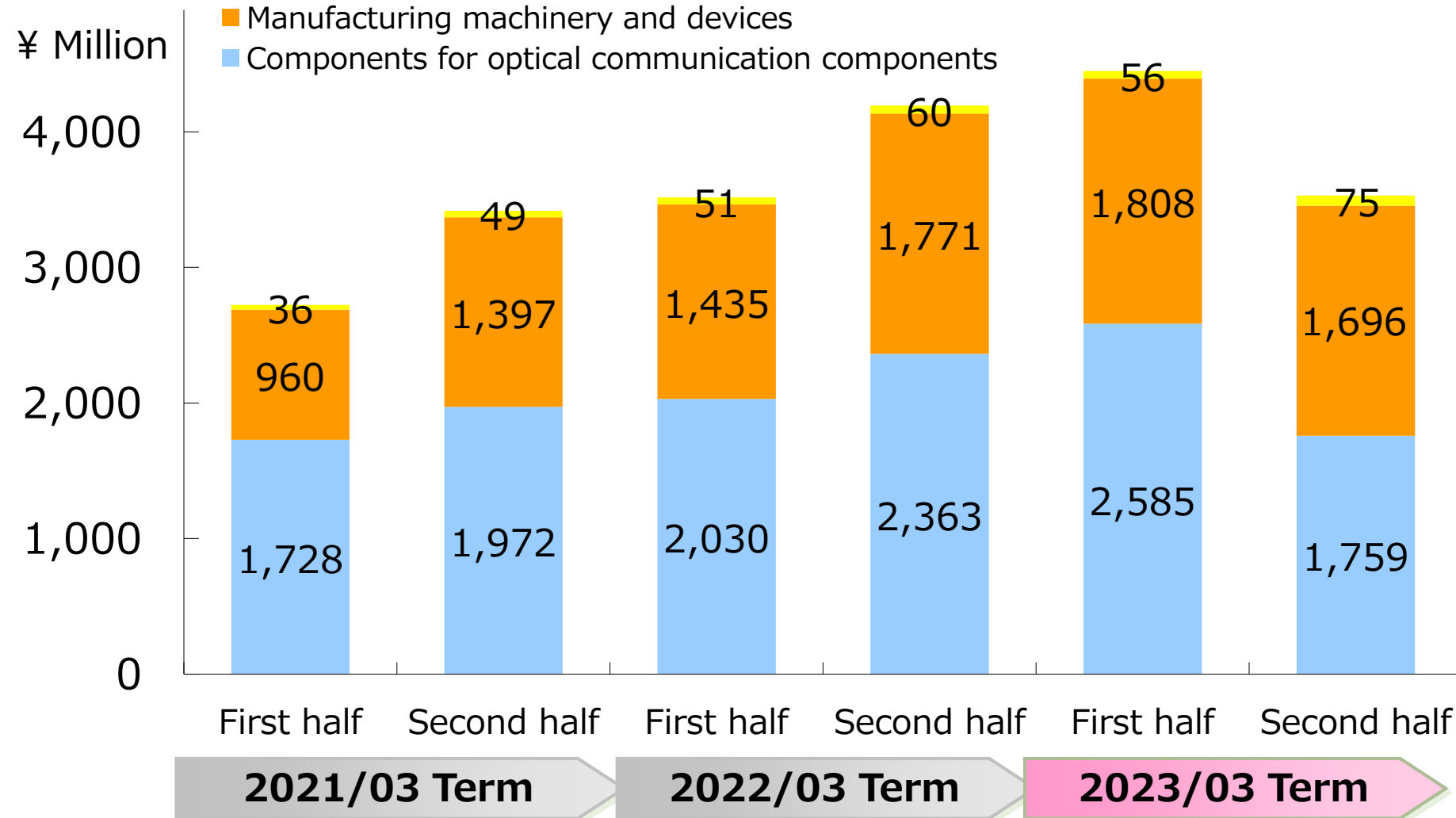


Business Results by Segment/ Fiber Optic Components & Instrumental

(¥ Million)	2023/03 Term	2022/03 Term	Year-on-year percentage change
Sales Amount	7,979	7,710	-3.5%
Operating Expenses	6,981	6,567	+6.3%
Operating Profit	998	1,143	-12.7%
Operating Profit Ratio	12.5%	14.8%	—

Sales Amounts by Product / Fiber Optic Components & Instrumental

- Other businesses
- Manufacturing machinery and devices
- Components for optical communication components



Consolidated Balance Sheet (¥ Million)

[Assets]	2023/03 Term	2022/03 Term	Amount (Increase/Decrease)
Current Assets	21,758	20,635	+ 1,123
Fixed Assets	9,584	9,703	(119)
Total Assets	31,342	30,339	+ 1,003
[Liabilities and Net Assets]			
Current Liabilities	3,311	3,367	(55)
Fixed Liabilities	1,555	1,477	+ 78
Net Assets	26,475	25,494	+ 981
Total Liabilities/ Net Assets	31,342	30,339	+ 1,003

Consolidated Cash Flow Statement

(¥ Million)	2023/03 Term	2022/03 Term
CF - Operating	2,299	1,868
CF - Investing	(950)	(2,328)
CF- Financing	(513)	(429)
Increase in Cash	995	(678)
Balance at the beginning of term	4,198	4,877
Balance at the end of term	5,193	4,198

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Medium-term Management Plan "Master Plan 2022"

(Fiscal years 2022 to 2026)

Long-term management policies

Corporate vision targeted by the Group

"A company needed by society"

Contributing to **supporting and sustaining** society

- Creation of a resource recycling society
- Creation of a decarbonized society



Contributing to the **progress and development** of society

- Creation of a rich and comfortable society
- Creation of a safe and secure society



Fundamental policy of the Master Plan 2022

To truly become a "company needed by society"

Change & Growth

Perceive "changes in the environment"

as "opportunities for growth"

Balance maximization of economic value
and optimization of social value

Base technologies and areas of contribution

Information and communication



Automobiles



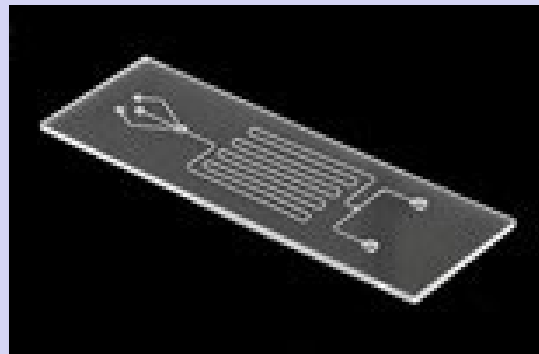
Medical and biotechnology



Deployment of superior base technologies to growth markets



Precision processing
technology



Precision molding
technology



Optical technology

Medium-term management targets (P&L indicators)

Medium-term management targets: Net sales of 25 billion yen, operating income of 2.5 billion yen or more (¥ Million)

■ Consolidated sales **25,000**

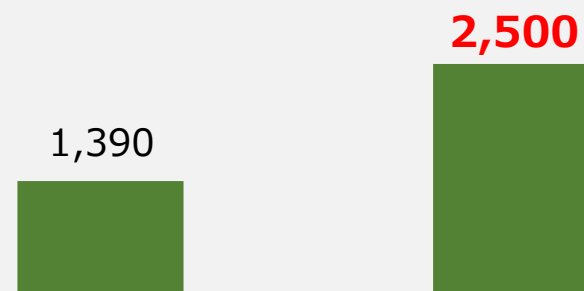


Fiscal Year 2022 results

2026 plan

■ Precision Machinery Business ■ Optical Products Business

■ Consolidated operating income **2,500**



Fiscal Year 2022 results

2026 plan

(¥ Million)	FY2022 results	FY2026 plan	Vs. FY2022
Precision Machinery Business	8,303	11,500	139%
Optical Products Business	7,979	13,500	169%
Consolidated sales	16,282	25,000	154%
Consolidated operating income	1,390	2,500	180%
Operating income margin	8.5%	10%	+ 1.5%

Fundamental Strategies of the Master Plan 2022

Maximization of economic value: business growth

Rejuvenating contact points with customers

- Improving volume and quality of contacts with customers
- Increased share of deals with existing customers
- Development of new customers

Accelerating development of new products and new technologies

- New product development based on market information
- Strengthened management of development times
- Strategic acquisition of patents

Improving manufacturing capabilities

- Improved production efficiency through AI, automation, etc.
- Stable procurement of good, low-cost materials
- Maintaining quality that meets customer demands

Optimization of social value: sustainability

Reinforcing the management base

- Establishing an environment in which diverse personnel can vibrantly work
- Adoption of cloud, paperless business practices, DX
- Contribution to decarbonization and creation of a resource recycling society

The fiscal year ended March 31, 2023 business measures

Maximization of economic value

Rejuvenating contact points with customers

- Improving volume and quality of contacts with customers
- Increased share of deals with existing customers
- Development of new customers

Strengthening participation in trade shows



Participated in 10 trade shows in Japan and overseas, including OPIE'22 for the first time

Increased contact points with new customers by resuming overseas business trips and revamping the Seiko Giken website, etc.

⇒ Efforts to be continued in the fiscal year ending March 31, 2024 and thereafter

The fiscal year ended March 31, 2023 business measures

Maximization of economic value

Optimization of social value

Accelerating development of new products and new technologies

- New product development based on market information
- Strengthened management of development times
- Strategic acquisition of patents

Development of in-mold coating technology



In-mold coated product Conventional product

[In-mold coating]



Process reduction!

No coating booth required
Reduces CO2

[Conventional method]



Jointly developed in-mold coating technology for compact parts with TOKAI RIKA CO., LTD.

Reduced CO2 emissions and increased production efficiency by eliminating the painting and drying process

Reduction in CO2 emissions: approx. 60%; Factory space saving: approx. 80%

The fiscal year ended March 31, 2023 business measures

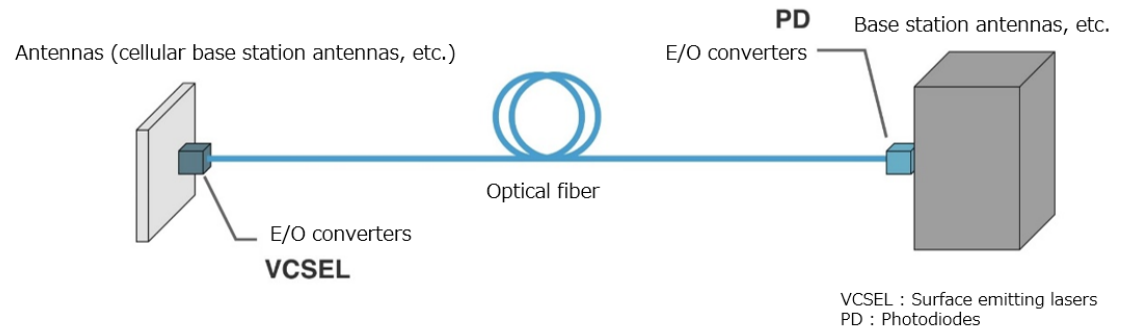
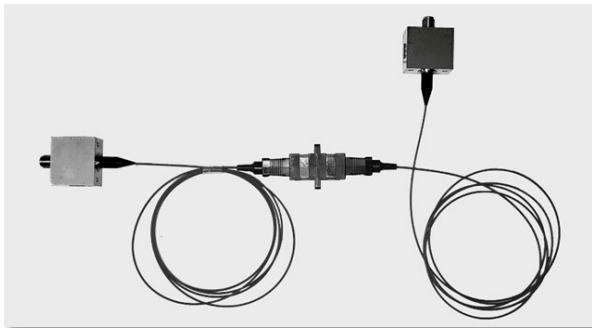
Maximization of economic value

Optimization of social value

Accelerating development of new products and new technologies

- New product development based on market information
- Strengthened management of development times
- Strategic acquisition of patents

Business collaboration between our local 5G-related business and 7Gaa



7Gaa is a startup launched by AIST

Collaborated on the development and manufacture of a 5G compatible 30GHz band analog optical fiber link system

Promoted the spread of local 5G with an ultra-compact, lightweight, low-power consumption, and low-loss product

The fiscal year ended March 31, 2023 business measures

Maximization of economic value

Improving manufacturing capabilities

- Improved production efficiency through AI, automation, etc.
- Stable procurement of good, low-cost materials
- Maintaining quality that meets customer demands

Establishment of SEIKOH GIKEN (Thailand)



Location	Navanakorn Industrial Zone, Khlong Luang District, Pathum Thani Province, Thailand (Approximately 40 km north of Bangkok)
Capital	50 million Thai Baht (approximately 201 million yen)
Establishment	March 15, 2023
Expatriate employees	Two from Japan and one from Hangzhou, China (planned)
Commencement of mass production	From fiscal year 2024

◆ Main purpose of establishment

Strengthening of systems for mass production of optical communications parts in China, Japan, and Thailand

Strengthening sales framework in the ASEAN region

Development of quality suppliers in the ASEAN region

The fiscal year ended March 31, 2023 business measures

Optimization of social value

Reinforcing the management base

- Establishing an environment in which diverse personnel can vibrantly work
- Adoption of cloud, paperless business practices, DX
- Contribution to decarbonization and creation of a resource recycling society

Established the Sustainability Promotion Office

Sustainability Promotion Office

Carbon Neutrality Promotion Committee

DX & IT Promotion Committee



Registered as a supporter of the Ministry of the Environment's COOL CHOICE initiative

Registered under the "Matsudo City Businesses that Promote Decarbonization" system

Calculation of the Company's greenhouse gas emissions (Scopes 1 and 2)

Strengthening energy-saving measures / switching to energy-saving equipment / conducting energy-saving diagnosis

Making internal operations more efficient and paperless / improving production efficiency through automation and mechanization

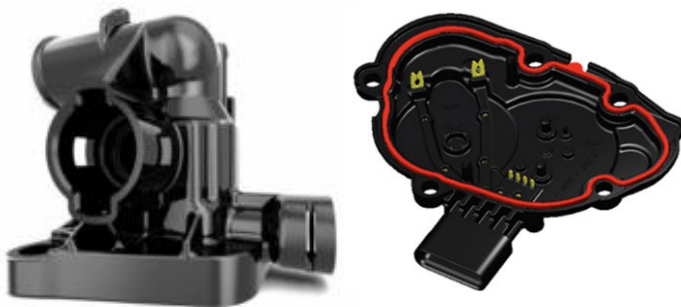
June 2023 (planned)

Maximization of economic value

Rejuvenating contact points with customers

- Improving volume and quality of contacts with customers
- Increased share of deals with existing customers
- Development of new customers

Investment in India-based Radiant



◆ About Radiant

Corporate name	Radiant Polymers Pvt. Ltd.
Capital	124 million Indian rupees
Net sales	2,036 million Indian rupees (as of March 31, 2023)
Number of employees	590

◆ Investment summary

Total amount of investment	Approx. 260 million yen
Investment ratio	Approx. 13%

Radiant Polymers is a leading automotive parts maker in India.

Its customer base includes automobile manufacturers and Tier 1 suppliers in Japan, Europe, North America, South America, and Asia.

It has been invested in by our subsidiary Fuji Electronics Industries, and we are collaborating on technology and sales.

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Forecast of Consolidated Business Results for 2024/03 Term

(¥ Million)	First half	Second half	Forecast of the 2024/03 Term	Results for the 2023/03 Term
Sales Amount	8,320	9,140	17,460	16,282
Operating Profit	580	1,060	1,640	1,390
Ordinary Profit	590	1,080	1,670	1,606
Net profit	380	770	1,150	1,082
Equipment Investment			936	976
Depreciation Expenses			1,061	1,233
R & D Expenses			501	453

Forecast of Consolidated Business Results (by Segment) for 2024/03 Term

(¥ Million)	First half	Second half	Forecast of the 2024/03 Term	Results for the 2023/03 Term
The Relation of Precision Machinery				
Sales Amount	4,490	4,610	9,100	8,303
Operating Expenses	4,320	4,230	8,550	7,911
Operating Profit	170	380	550	392
The Relation of Optical Communications				
Sales Amount	3,830	4,530	8,360	7,979
Operating Expenses	3,420	3,850	7,270	6,981
Operating Profit	410	680	1,090	998

Concerning shareholder returns

		Forecast of the 2024/03 Term	Results for the 2023/03 Term	Results for the 2022/03 Term
Net income for the period attributable to shareholders of the parent company	million yen	1,150	1,082	1,150
Dividend per share	yen	55	50	50
Payout ratio	%	43.6	42.1	39.7

