

Financial Results Summary for the Second Quarter of the Fiscal Year Ending March 2024

(From April 1, 2023 to September 30, 2023)



November 14, 2023

- I. Overview of Interim Financial Results for
2024/03 Term

- II. Plan for consolidated performance for
2024/03 Term

I. Overview of Interim Financial Results for 2024/03 Term

II. Plan for consolidated performance for 2024/03 Term

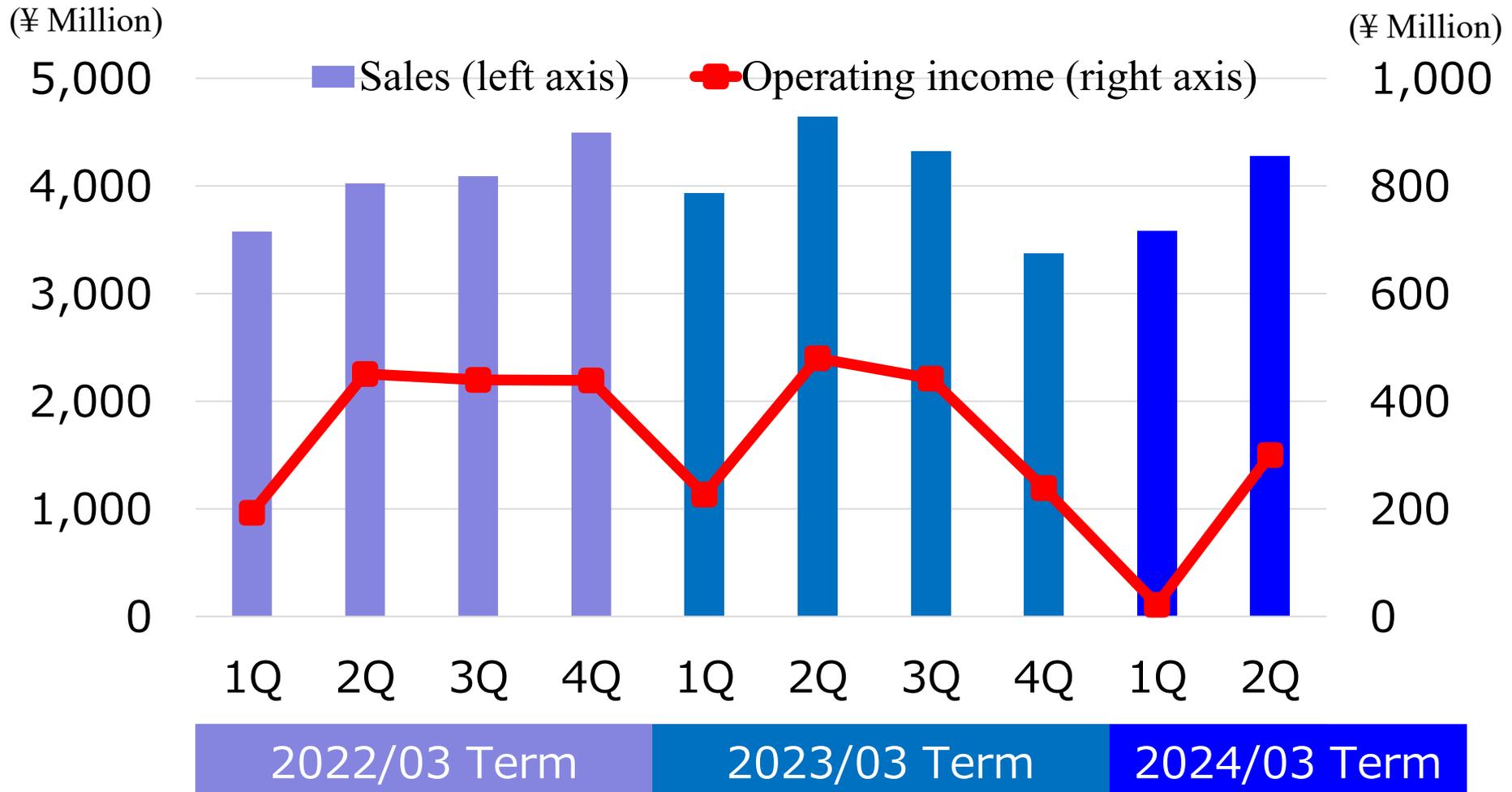
Interim Consolidated Financial Results for 2024/03 Term Highlights (Part1)

(¥ Million)	2024/03 Term (Interim)	2023/03 Term (Interim)	Year-on-year percentage change	Plan performance values	
				May 12, 2023 Initial plan	August 10, 2023 Revised plan
Sales Amount	7,864	8,581	-8.4%	8,320	7,720
Operating Profit	322	708	-54.5%	580	40
Ordinary Profit	473	869	-45.5%	590	200
Net Profit	301	649	-53.6%	380	100

- Operating income declined compared with the year-earlier period as sales remained flat in the Optical Products Business.
- Sales of highly profitable products surpassed expectations, exceeding the plan revised on August 10.

Interim Consolidated Financial Results for 2024/03 Term Highlights (Part2)

■ Quarterly transition in consolidated earnings



Corrections to orders received and order backlog figures of previous fiscal years

FY 03/2023 full year

	Correction		Error	
	Amount (million yen)	Change in percent year on year	Amount (million yen)	Change in percent year on year
Orders received	16,090	-5.0%	17,509	+1.6%
Order backlog	2,571	-7.0%	5,252	+30.5%

- Correction reports were submitted for the securities reports for the 47th Term (FY 03/2019) to the 51st term (FY 03/2023) to the Kanto Local Finance Bureau on October 20.
- Fault in the aggregation program for the order backlog at consolidated subsidiary Fuji Electronics Industries Co., Ltd.
- This has no effect on the financial statements.

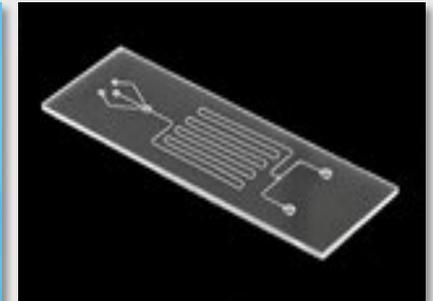
Interim Consolidated Financial Results for 2024/03 Term Highlights (Part3)

(¥ Million)	2024/03 Term (Interim)	2023/03 Term (Interim)	Year-on-year percentage Change
Orders Received	7,378	8,602	-14.2%
Order backlog	2,085	2,784	-25.1%
Equipment Investment	202	598	-66.1%
Depreciation Expenses	503	615	-18.2%
R & D Expenses	230	219	+4.7%

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

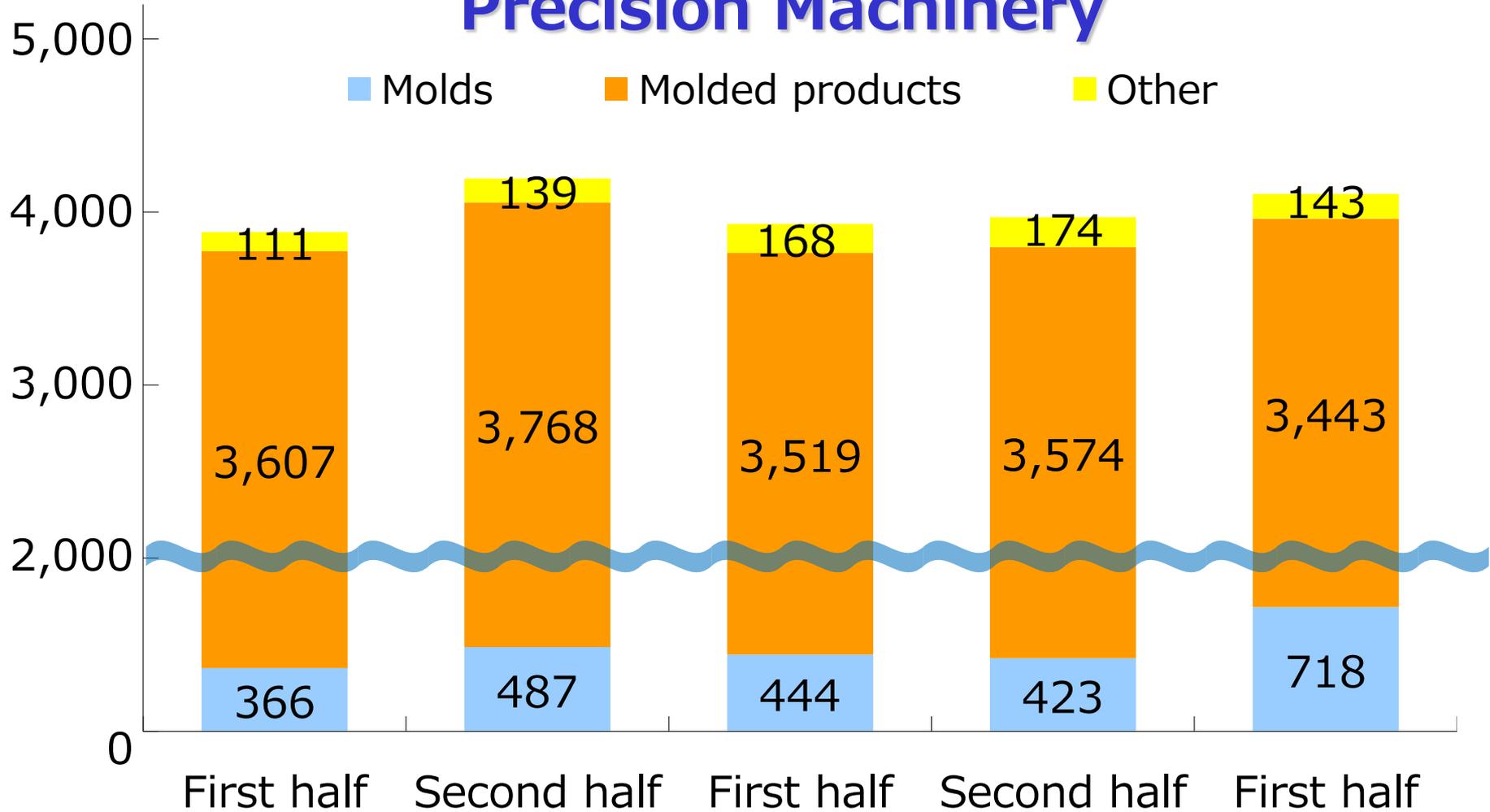
Precision processed metal parts, etc.



Sales Amounts by Product / Precision Machinery

¥ Million

■ Molds ■ Molded products ■ Other



2022/03 Term

2023/03 Term

2024/03 Term

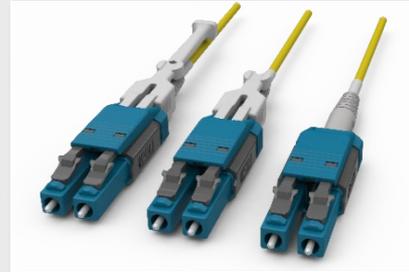
Business Results by Segment Optical Disc Mold Group

(¥ Million)	2024/03 Term (Interim)	2023/03 Term (Interim)	Year-on-year percentage change	Plan performance values (May 12, 2023)
Sales Amount	4,304	4,131	+ 4.2%	4,490
Operating expenses	4,095	3,929	+ 4.2%	4,320
Operating Profit	209	201	+ 3.5%	170
Operating Profit Ratio	4.9%	4.9%	—	3.8%

Main products and technologies of the Optical Products Division

◆ Optical communication network components

Optical connectors
Ferrules, etc.

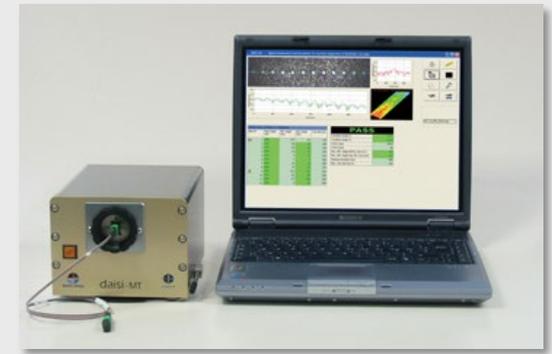


◆ Manufacturing machinery and equipment

Optical connector polishing machines



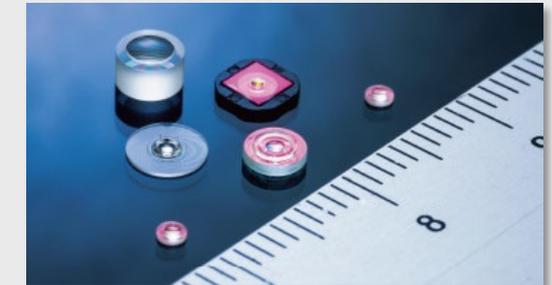
Inspection equipment for optical connector end faces



Optical electric field sensors, etc.

◆ Other

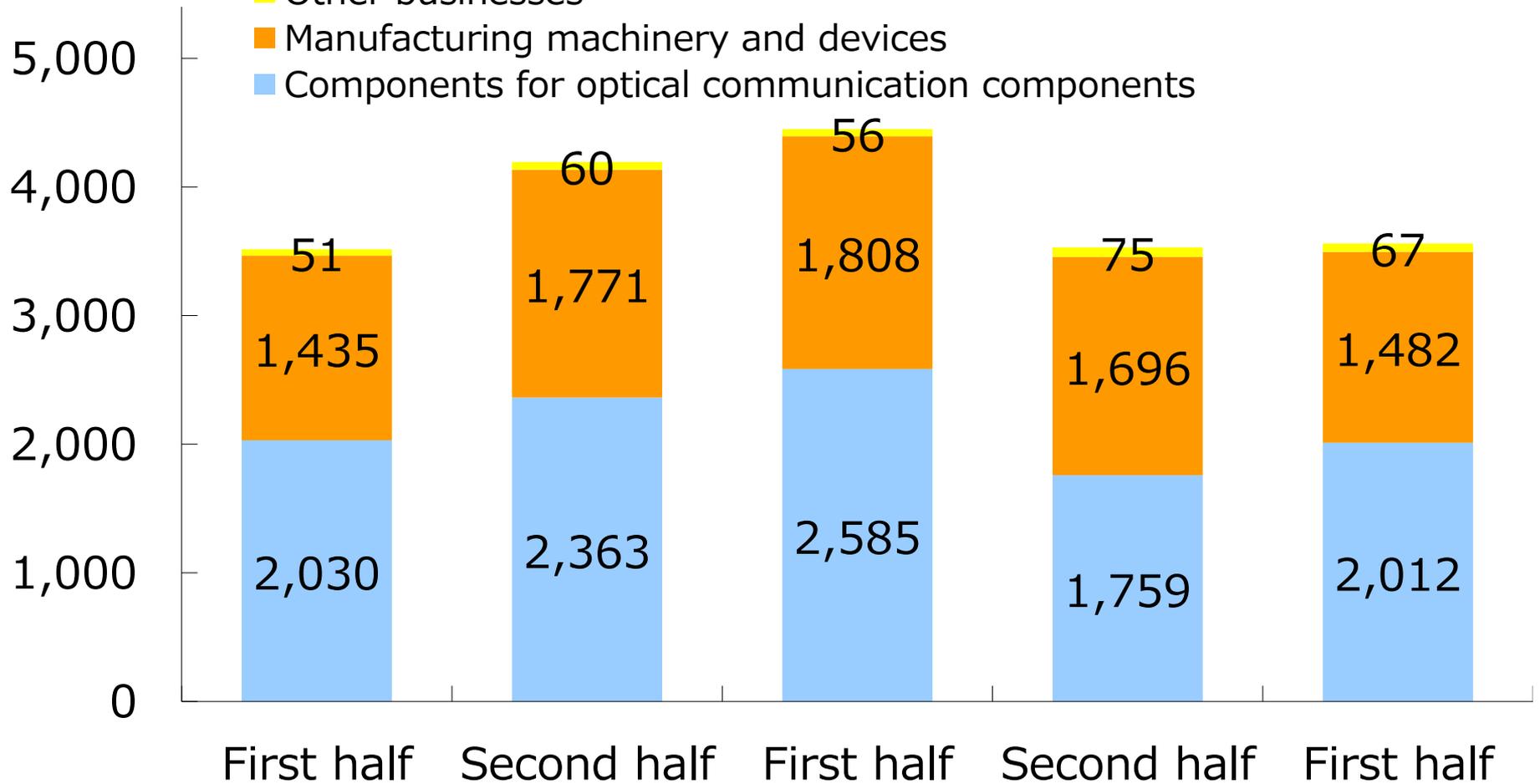
Micro lenses, etc.



Sales Amounts by Product / Fiber Optic Components & Instrumental

¥ Million

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



2022/03 Term

2023/03 Term

2024/03 Term

Business Results by Segment/ Fiber Optic Components & Instrumental

(¥ Million)	2024/03 Term (Interim)	2023/03 Term (Interim)	Year-on-year percentage change	Plan performance values (May 12, 2023)
Sales Amount	3,560	4,450	-20.0%	3,830
Operating expenses	3,446	3,943	-12.6%	3,420
Operating Profit	113	506	-77.6%	410
Operating Profit Ratio	3.2%	11.4%	—	10.7%

Consolidated Balance Sheet

(¥ Million)

[Assets]	2024/03 Term (Interim)	2023/03 Term	Amount (Increase/Decrease)
Current Assets	21,522	21,758	-236
Fixed Assets	9,750	9,584	+166
Total Assets	31,272	31,342	-70
[Liabilities and Net Assets]			
Current Liabilities	2,991	3,311	-320
Fixed Liabilities	1,570	1,555	+14
Net Assets	26,711	26,475	+235
Total Liabilities/Net Assets	31,272	31,342	-70

Consolidated Cash Flow Statement

(¥ Million)	2024/03 Term (Interim)	2023/03 Term (Interim)
CF - Operating	63	863
CF - Investing	-1,250	-573
CF- Financing	-487	-492
Increase in Cash	-1,554	-11
Balance at the beginning of term	5,193	4,198
Balance at the end of term	3,639	4,186

I. Overview of Interim Financial Results for
2024/03 Term

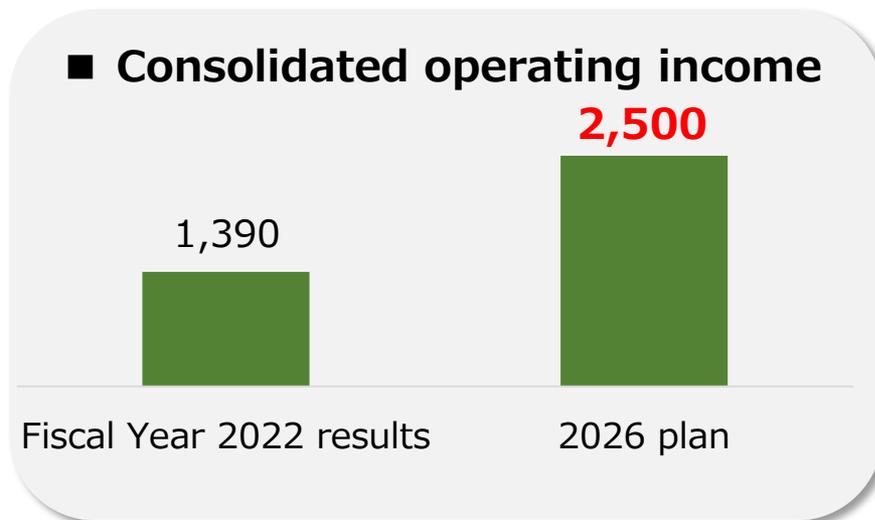
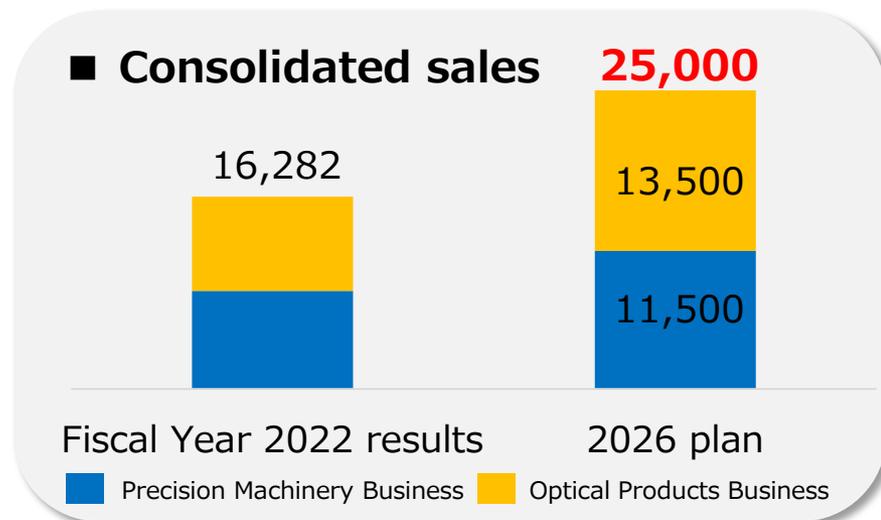
**II. Plan for consolidated performance for
2024/03 Term**



Medium-term Management Plan
"Master Plan 2022"
(Fiscal years 2022 to 2026)

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)



(¥ 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

Revision of the consolidated results projections for 2024/03 Term

(¥ Million)	First-half results	Revised second-half plan	Revised full-year plan (November 10)	Year-earlier actual results	Change in percent year on year
Sales Amount	7,864	8,485	16,350	16,282	+0.4%
Operating Profit	322	357	680	1,390	-51.1%
Ordinary Profit	473	376	850	1,606	-47.1%
Net profit	301	168	470	1,082	-56.6%

- Consolidated net sales maintained year on year.
- Operating income margin worsens with decreased sales for Optical Products Business.
- Seikoh Giken Dalian records an extraordinary loss of 110 million yen due to workforce restructuring.

Plan for the 2nd half by division

(Precision machinery related products)

(¥ Million)	First-half results	Revised second-half plan	Revised full-year plan (November 10)	Year-earlier actual results
Sales Amount	4,304	4,545	8,850	8,303
Operating Profit	209	190	400	392

Transforming from a parts business to a high added value device business including finished goods

Rejuvenating contact points with customers

Accelerating development of new products and new technologies

Improving manufacturing capabilities

- Strengthen participation at trade shows to increase points of contact with new customers
- Increased production of compressor and investor parts for electric vehicles
- Acquisition of new business by strengthening collaboration with India-based Radiant.
- Accelerated development of molded resin products for medical use, such as microfluidic devices
- Exploring commercialization of in-mold coating technology

Plan for the 2nd half by division (Optical related products)

(¥ Million)	First-half results	Revised second-half plan	Revised full-year plan (November 10)	Year-earlier actual results
Sales Amount	3,560	3,939	7,500	7,979
Operating Profit	113	166	280	998

Launch of new highly functional products and strengthening of production capacity through factory expansion and automation

Rejuvenating contact points with customers

Accelerating development of new products and new technologies

Improving manufacturing capabilities

- Strengthen participation at trade shows to increase points of contact with new customers
- Networking and automation of optical connector polishing machines/measuring equipment to achieve better performance
- Examining needs for data center-related products
- Smooth start for SEIKOH GIKEN (Thailand)
- Workforce restructure and productivity enhancement at Seikoh Giken Dalian.

