

Financial Statements Briefing Session for 2024/03 Term

(From April 1, 2023 to March 31, 2024)



May 17, 2024

- I . Overview of Consolidated Financial Results for 2024/03 Term
- II . Progress of Medium-term Management Plan “Master Plan 2022”
- III . Forecast of Consolidated Financial Results for 2025/03 Term
- IV . Response to achieve management with awareness of capital cost and share price

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

II . Progress of Medium-term Management Plan “Master Plan 2022”

III . Forecast of Consolidated Financial Results for 2025/03 Term

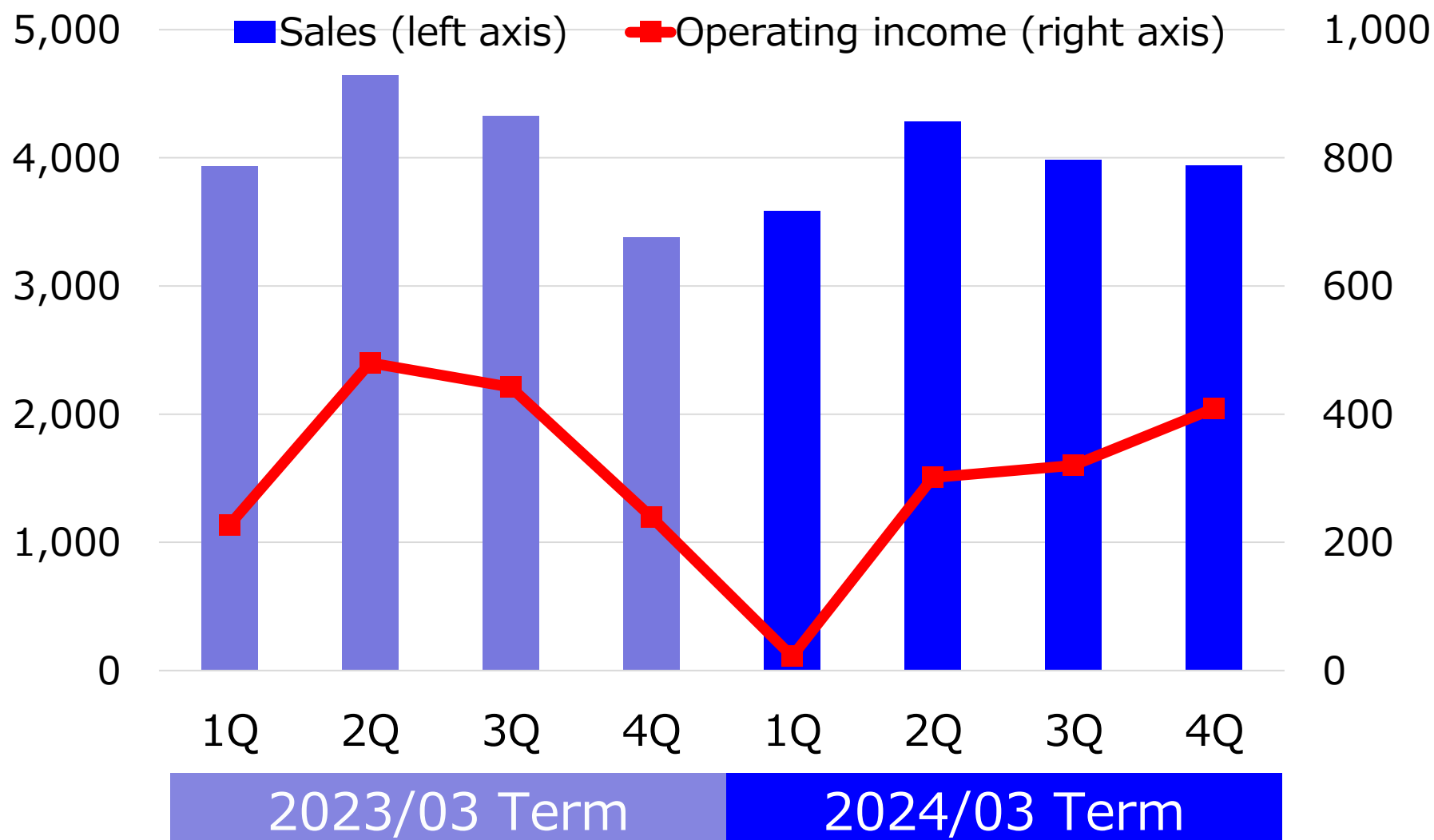
IV . Response to achieve management with awareness of capital cost and share price

Consolidated Financial Statements for 2024/03 Term Highlights (Part1)

(¥ Million)	2024/03 Term	2023/03 Term	Year-on-year percentage Change	Estimated value of business results (November 10, 2023)
Sales Amount	15,785	16,282	-3.1%	16,350
Precision Machinery	8,716	8,303	5.0%	8,850
Fiber Optic Components & Instrumental	7,069	7,979	-11.4%	7,500
Operating Profit	1,052	1,390	-24.3%	680
Ordinary Profit	1,269	1,606	-21.0%	850
Net Profit	761	1,082	-29.7%	470

Quarterly transition in consolidated earnings

(¥ Million)



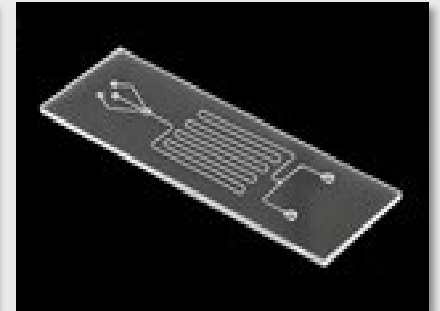
Consolidated Financial Statements for 2024/03 Term Highlights (Part2)

(¥ Million)	2024/03 Term	2023/03 Term	Year-on-year percentage change
Orders Received	15,507	16,090	-3.6%
Orders Backlog	2,292	2,571	-10.8%
Equipment Investment	388	976	-60.2%
Depreciation Expenses	973	1,233	-21.1%
R & D Expenses	459	453	+1.3%

Main products and technologies of the Precision Machinery Division

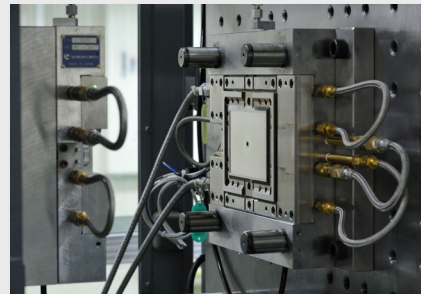
◆ Molded products

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



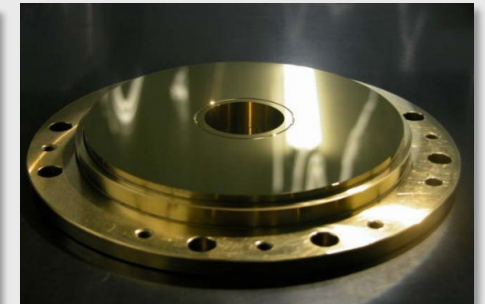
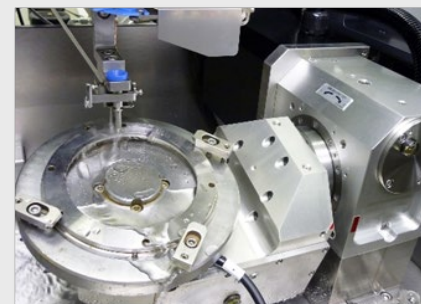
◆ Molds

Molds for data-archive discs
Other precision molds



◆ Other

Precision processed metal parts, etc.

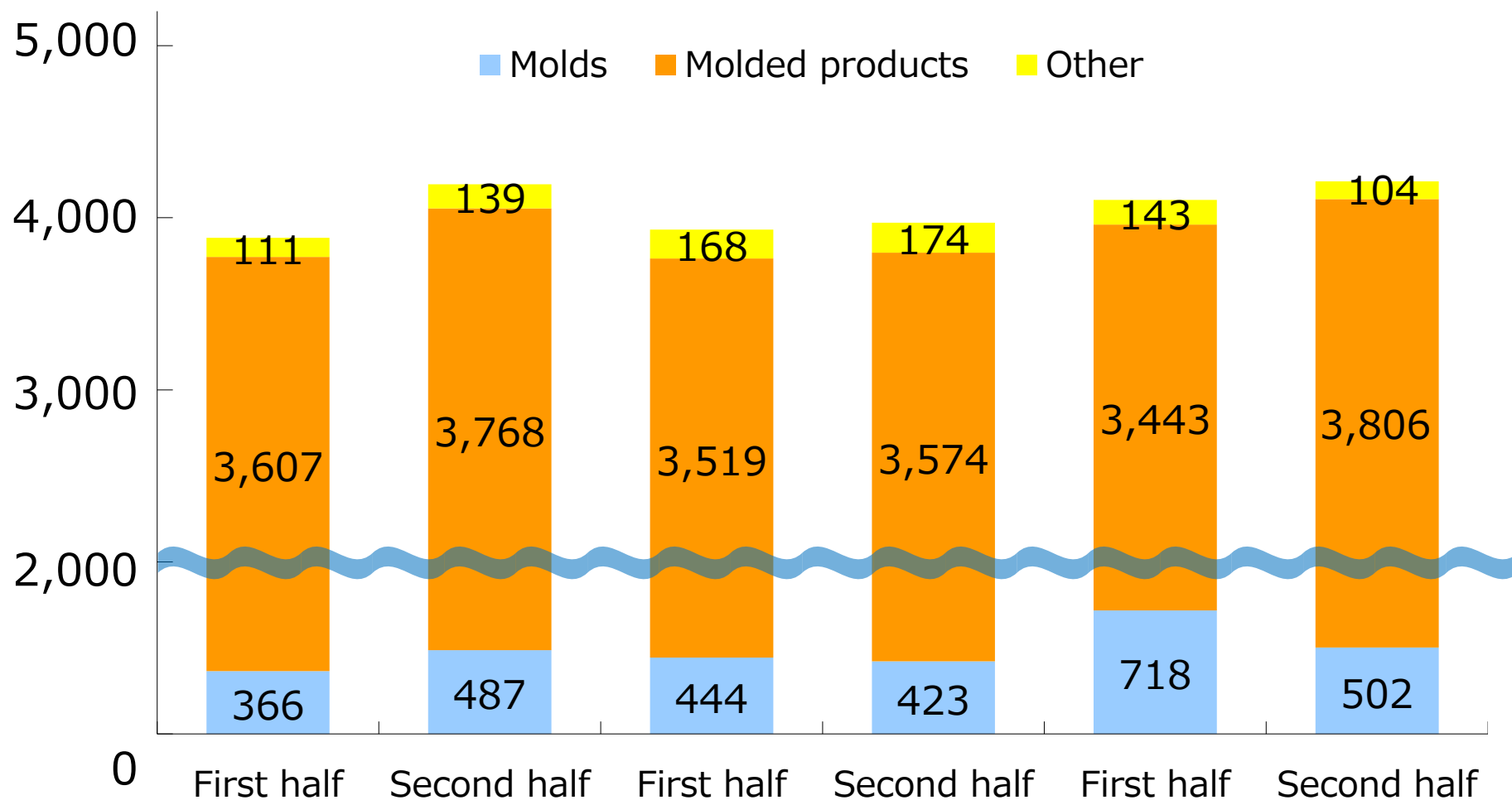


Business Results by Segment/ Precision Machinery

(¥ Million)	2024/03 Term	2023/03 Term	Year-on-year percentage Change
Sales Amount	8,716	8,303	+5.0%
Operating Expenses	8,052	7,911	+1.8%
Operating Profit	664	392	+69.2%
Operating Profit Ratio	7.6%	4.7%	—

Sales Amounts by Product / Precision Machinery

¥ Million



2022/03 Term

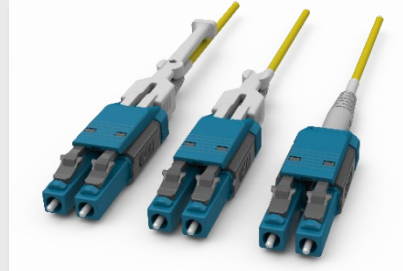
2023/03 Term

2024/03 Term

Main products and technologies of the Optical Products Division

◆ Optical communication network components

Optical connectors
Ferrules, etc.

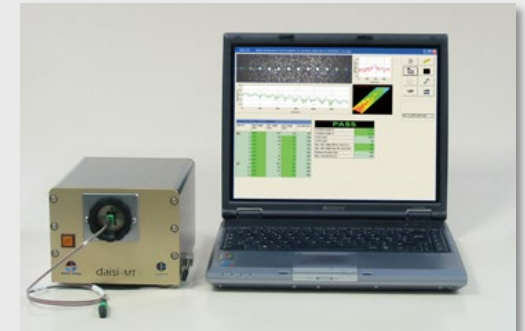


◆ Manufacturing machinery and equipment

Optical connector polishing machines



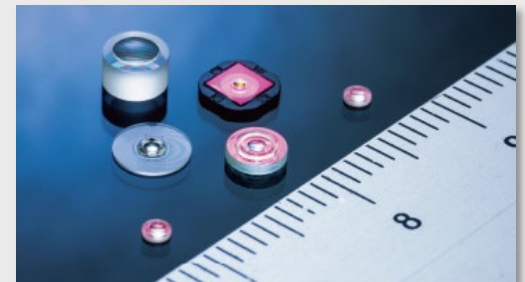
Inspection equipment for optical connector end faces



Optical electric field sensors, etc.

◆ Other

Micro lenses, etc.



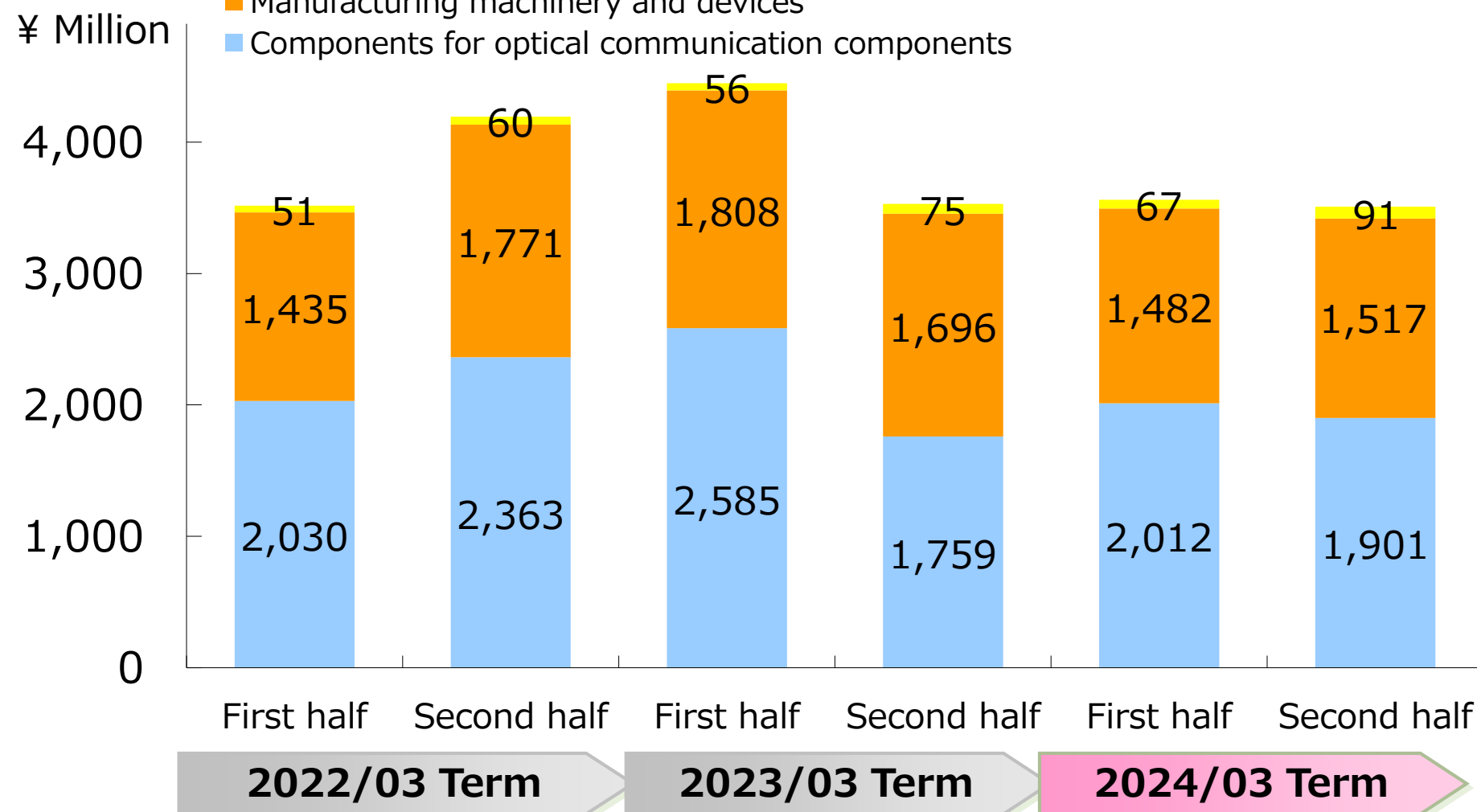
Business Results by Segment/ Fiber Optic Components & Instrumental

(¥ Million)	2024/03 Term	2023/03 Term	Year-on-year percentage change
Sales Amount	7,069	7,979	-11.4%
Operating Expenses	6,681	6,981	-4.3%
Operating Profit	388	998	-61.1%
Operating Profit Ratio	5.5%	12.5%	—

Sales Amounts by Product / Fiber Optic Components & Instrumental

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

¥ Million



Consolidated Balance Sheet (¥ Million)

[Assets]	2024/03 Term	2023/03 Term	Amount (Increase/Decrease)
Current Assets	22,738	21,758	+ 979
Fixed Assets	9,487	9,584	(96)
Total Assets	32,226	31,342	+ 883
[Liabilities and Net Assets]			
Current Liabilities	3,425	3,311	+114
Fixed Liabilities	1,614	1,555	+ 58
Net Assets	27,186	26,475	+ 710
Total Liabilities/ Net Assets	32,226	31,342	+ 883

Consolidated Cash Flow Statement

(¥ Million)	2024/03 Term	2023/03 Term
CF - Operating	1,797	2,299
CF - Investing	(1,533)	(950)
CF- Financing	(507)	(513)
Increase in Cash	(127)	995
Balance at the beginning of term	5,193	4,198
Balance at the end of term	5,065	5,193

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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



Base technologies and areas of contribution

Information and communication



Automobiles



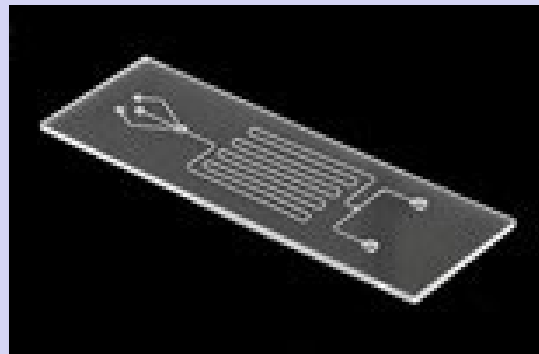
Medical and biotechnology



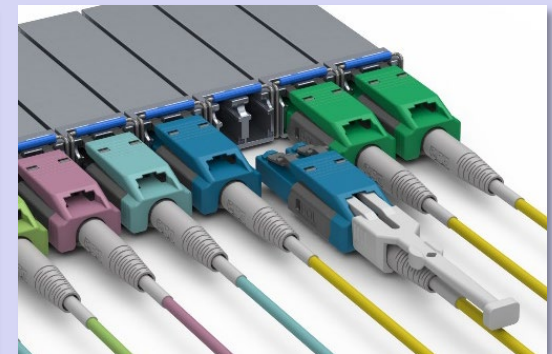
Deployment of superior base technologies to growth markets



**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



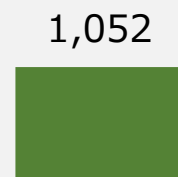
Fiscal Year 2023 results

2026 plan

■ Precision Machinery Business ■ Optical Products Business

■ Consolidated operating income

2,500



Fiscal Year 2023 results

2026 plan

(¥ Million)	FY2023 results	FY2026 plan	Vs. FY2023
Precision Machinery Business	8,716	11,500	132%
Optical Products Business	7,069	13,500	191%
Consolidated sales	15,785	25,000	158%
Consolidated operating income	1,052	2,500	238%
Operating income margin	6.7%	10%	+ 3.3%

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, 2024 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

Investment in India-based Radiant Polymers



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.

The fiscal year ended March 31, 2024 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



Exhibits at trade shows both in Japan and overseas increased to 16 from 10 times in FY2022

Includes joint exhibits with consolidated subsidiaries such as Fuji Electronics Industries and DATA PIXEL

Held private shows in-house with major customers, strengthening relationships with existing customers

The fiscal year ended March 31, 2024 business measures

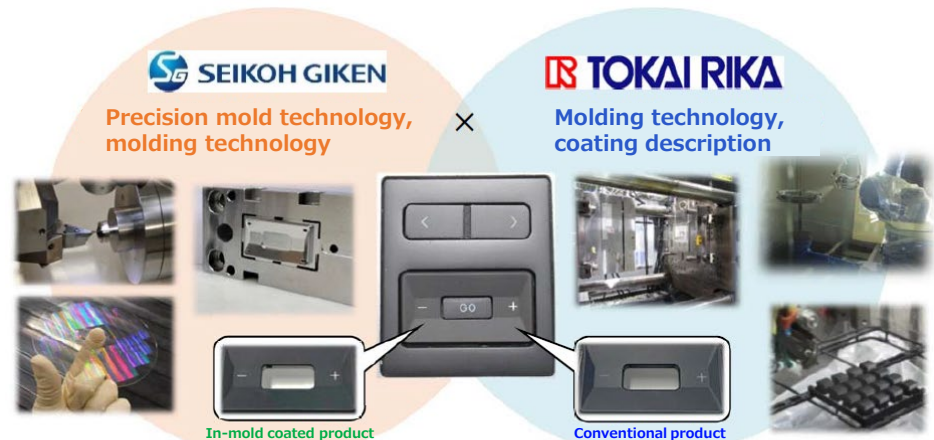
Maximization of economic value

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

In-mold coating technology is currently being prepared for practical application



Ensure the same appearance as conventional products

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

Eliminating the coating and drying process reduces CO2 during production by approximately 60%.

Promoting the general use of technology with a view to its application for other than automotive parts

The fiscal year ended March 31, 2024 business measures

Maximization of economic values

Improving manufacturing capabilities

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

Workforce restructure of 79 people at Seikoh Giken Dairen



Investment for optical communication networks has stagnated and demand has dropped for zirconia ferrules.

Reducing fixed costs for a stronger management structure

Aiming to increase sales by adding cut metal parts and optical connector assembly

The fiscal year ended March 31, 2024 business measures

Optimization of Social values

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

Toward Carbon Neutrality



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



Matsudo SDGs caravan certificate
No. 2310044



Ministry of the Environment
We support the "National Movement for New and
Prosperous Lifestyles toward Decarbonization"
(also known as Decokatsu).

Aiming to reduce our greenhouse gas emissions in FY2026 by 17% in comparison with FY2020

Strengthening energy-saving measures for the entire Group / Switching to energy-saving equipment

Considering the introduction of renewable energy

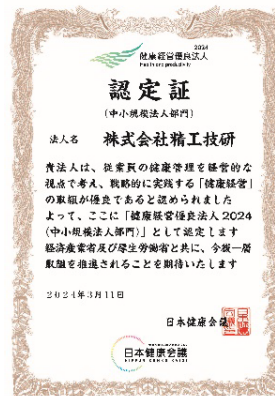
The fiscal year ended March 31, 2024 business measures

Optimization of Social values

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

Human capital investment / Promotion of health and productivity management



In October 2022, implemented Healthy Company Declaration and started health management activities.

Held walking events, installed health equipment and provided information on health matters.

In March 2024, certified as an "Excellent Health Company 2024 (Small and Medium Enterprise Category)".

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Forecast of Consolidated Business Results for 2025/03 Term

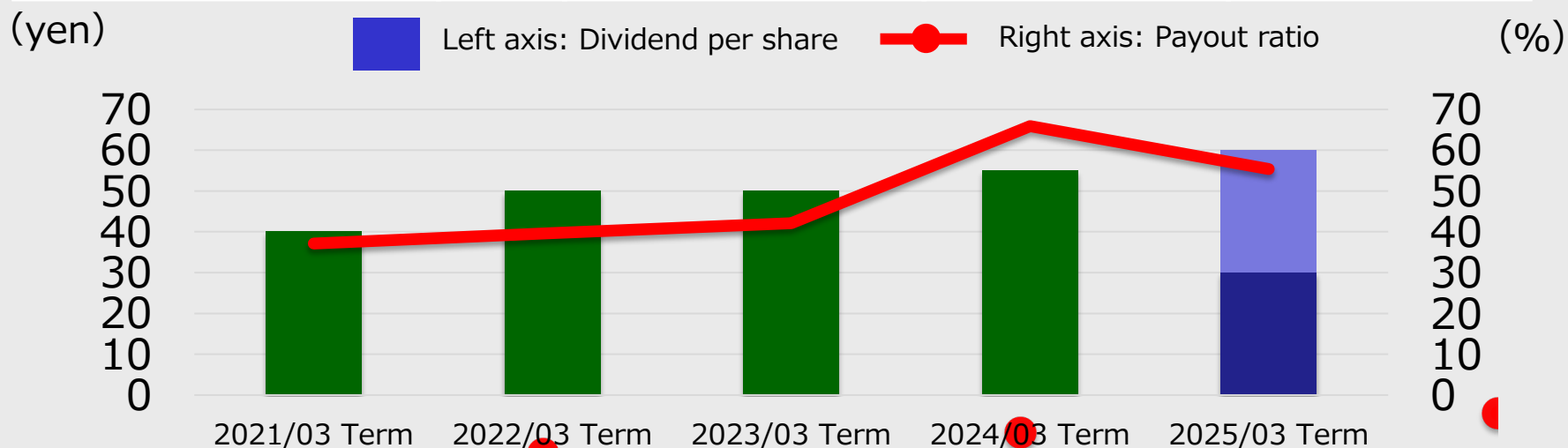
(¥ Million)	First half	Second half	Forecast of the 2025/03 Term	Results for the 2024/03 Term
Sales Amount	8,030	9,270	17,300	15,785
Operating Profit	450	1,000	1,450	1,052
Ordinary Profit	500	1,050	1,550	1,269
Net profit	320	680	1,000	761
Equipment Investment			1,439	388
Depreciation Expenses			1,031	973
R & D Expenses			514	459

Forecast of Consolidated Business Results (by Segment) for 2025/03 Term

(¥ Million)	First half	Second half	Forecast of the 2025/03 Term	Results for the 2024/03 Term
The Relation of Precision Machinery				
Sales Amount	4,340	4,940	9,280	8,716
Operating Expenses	4,090	4,490	8,580	8,052
Operating Profit	250	450	700	664
The Relation of Optical Communications				
Sales Amount	3,690	4,330	8,020	7,069
Operating Expenses	3,490	3,780	7,270	6,681
Operating Profit	200	550	750	388

Concerning shareholder returns

		Forecast of the 2025/03 Term		Results for the 2024/03 Term	Results for the 2023/03 Term
Net income for the period attributable to shareholders of the parent company	million yen	1,000		761	1,082
Dividend per share	yen	Interim 30	60	55	50
		Year-end 30			
Payout ratio	%	54.7		65.9	42.1



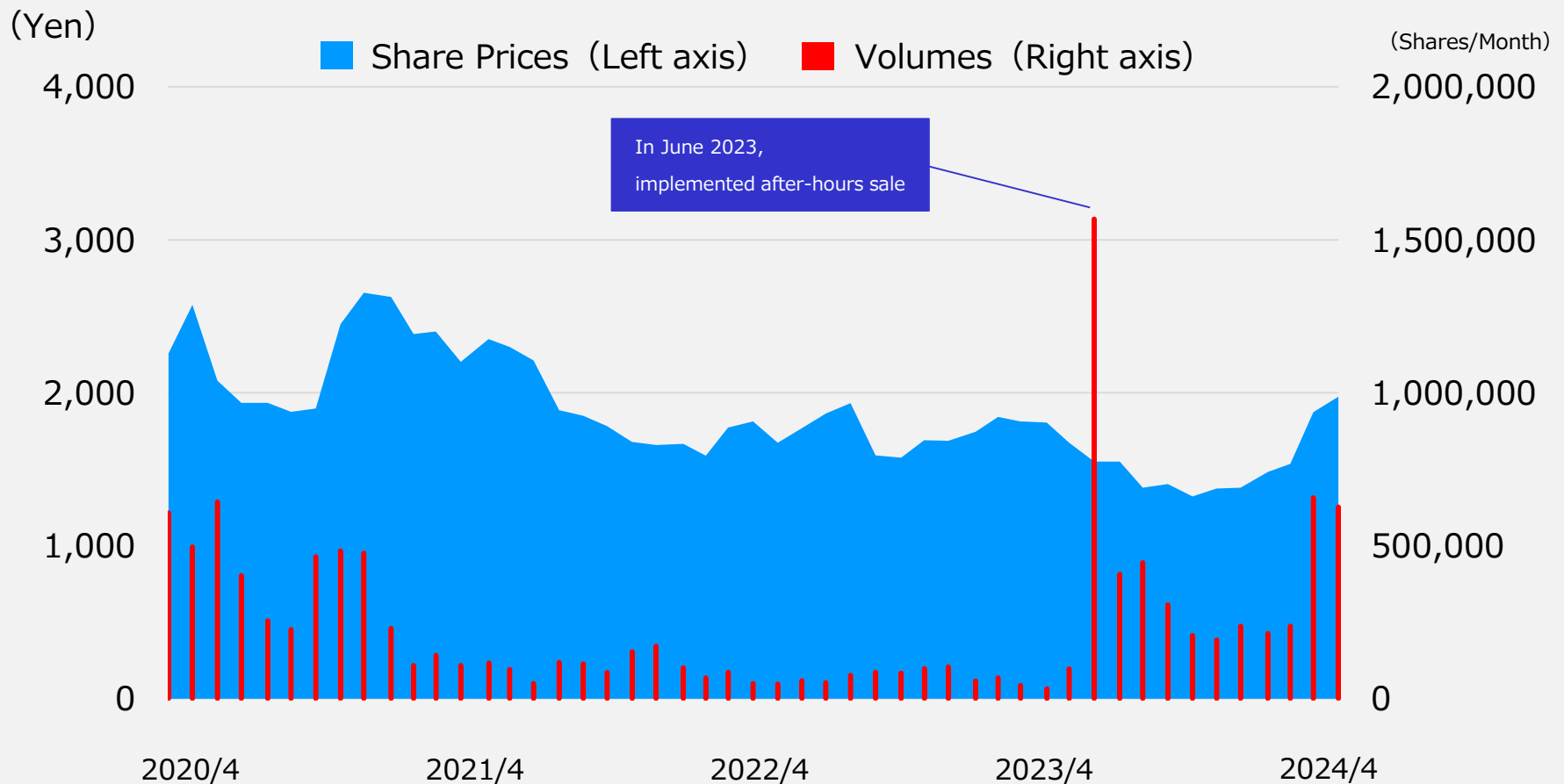
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Share Price Changes

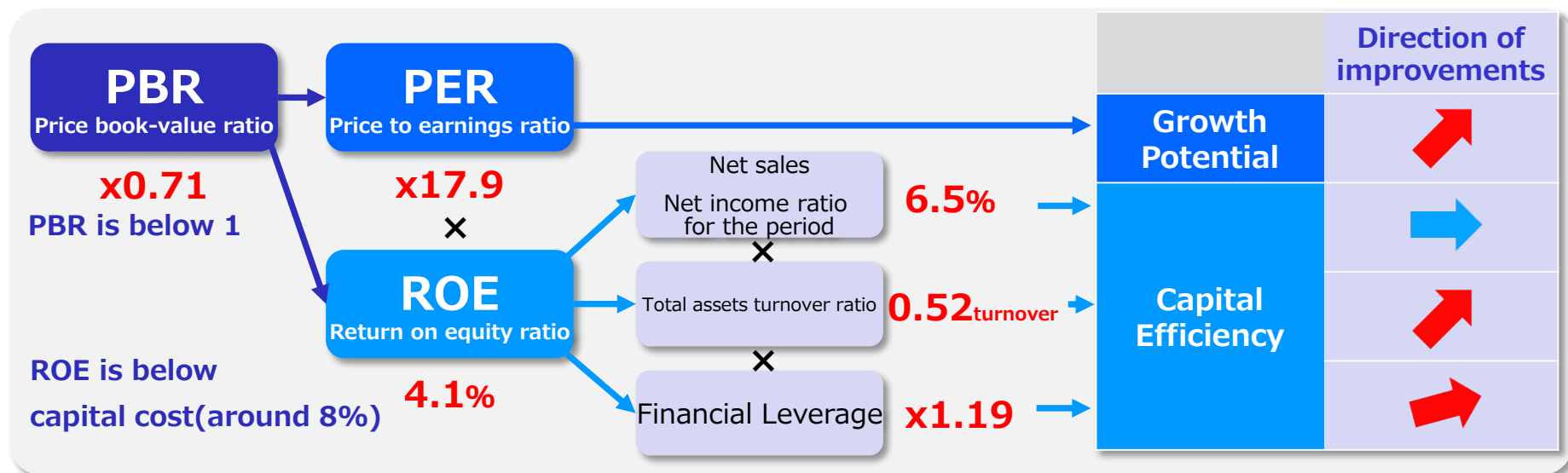
■ Changes in share price/monthly volume

The share price has hovered around 2,000 yen for the past four years.

In June 2023, implemented after-hours sale of approximately 400,000 shares to increase volume.



Status analysis



Indicator	Unit	2019	2020	2021	2022	2023	5year Avg.
PBR	Multiples	0.75	0.90	0.63	0.62	0.63	0.71
PER	Multiples	15.3	22.3	14.1	15.3	22.5	17.9
ROE	%	4.9	4.1	4.5	4.1	2.8	4.1
Net income to net sales ratio for the period	%	7.3	6.6	7.1	6.7	4.8	6.5
Total assets turnover ratio	Turnover	0.57	0.51	0.53	0.52	0.49	0.52
Financial Leverage	Multiples	1.18	1.20	1.19	1.18	1.19	1.19

*Each financial year is calculated using the financial figures and share price at the end of the term.

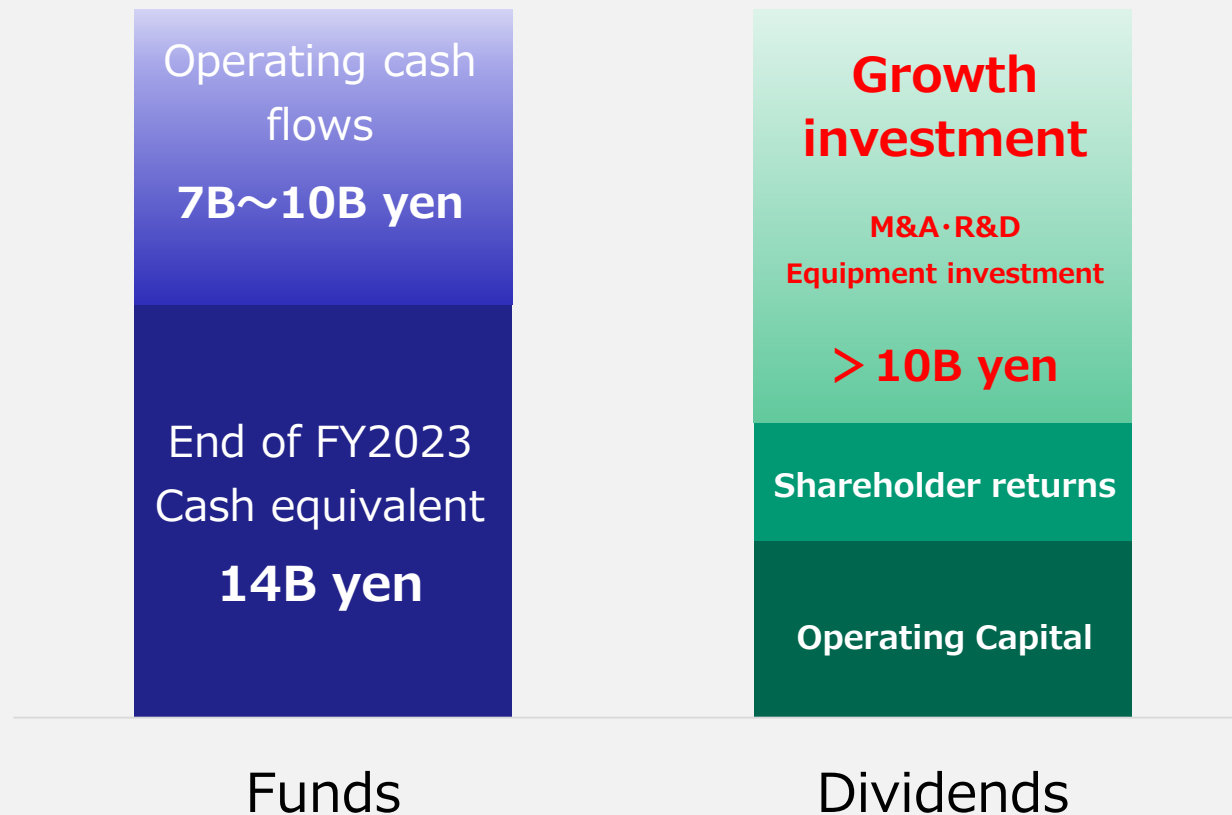
Toward improving a value of Corporation

We will achieve improvements in medium to long term corporate value by implementing the following measures centering on “**business growth**” with the implementation of our medium-term management plan Master Plan 2022

Improvements of PER Fostering growth potentials	IR・corporate PRs	<ul style="list-style-type: none"> Strengthening IR for institutional and individual investors. Improving press releases newspapers and trade journals.
	Sustainability (non-financial information)	<ul style="list-style-type: none"> Developing human resources through human capital investment. Disclosing ESG related information.
	Shareholder Returns	<ul style="list-style-type: none"> Maintaining and improving the dividend level Flexibly acquiring our own stock.
Improvements of ROE Improvements of capital efficiency Target ROE 5%~ Aim for ROE above 8% capital cost over medium term	Maintaining profit margin	<ul style="list-style-type: none"> Improving operational efficiency through IT. Improving production efficiency through automation.
	Improving the total assets turnover ratio	<ul style="list-style-type: none"> Implementing strategic M&A and alliances. Growing the business based on the medium-term business plan.
	Improving financial leverage	<ul style="list-style-type: none"> Using interest bearing liabilities based on investment scale.

Capital allocation

Operating cash flows created over the remaining three years (FY2024 to FY2026) of the medium-term management plan Master Plan 2022 will be actively allocated to growth investment starting with **M&A with the aim of improving capital efficiency.**



Shareholder returns

■ Dividend changes per share

Dividend increases stably over the past 10 years.
Planning to maintain and increase dividend levels in stable manner.

