

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"

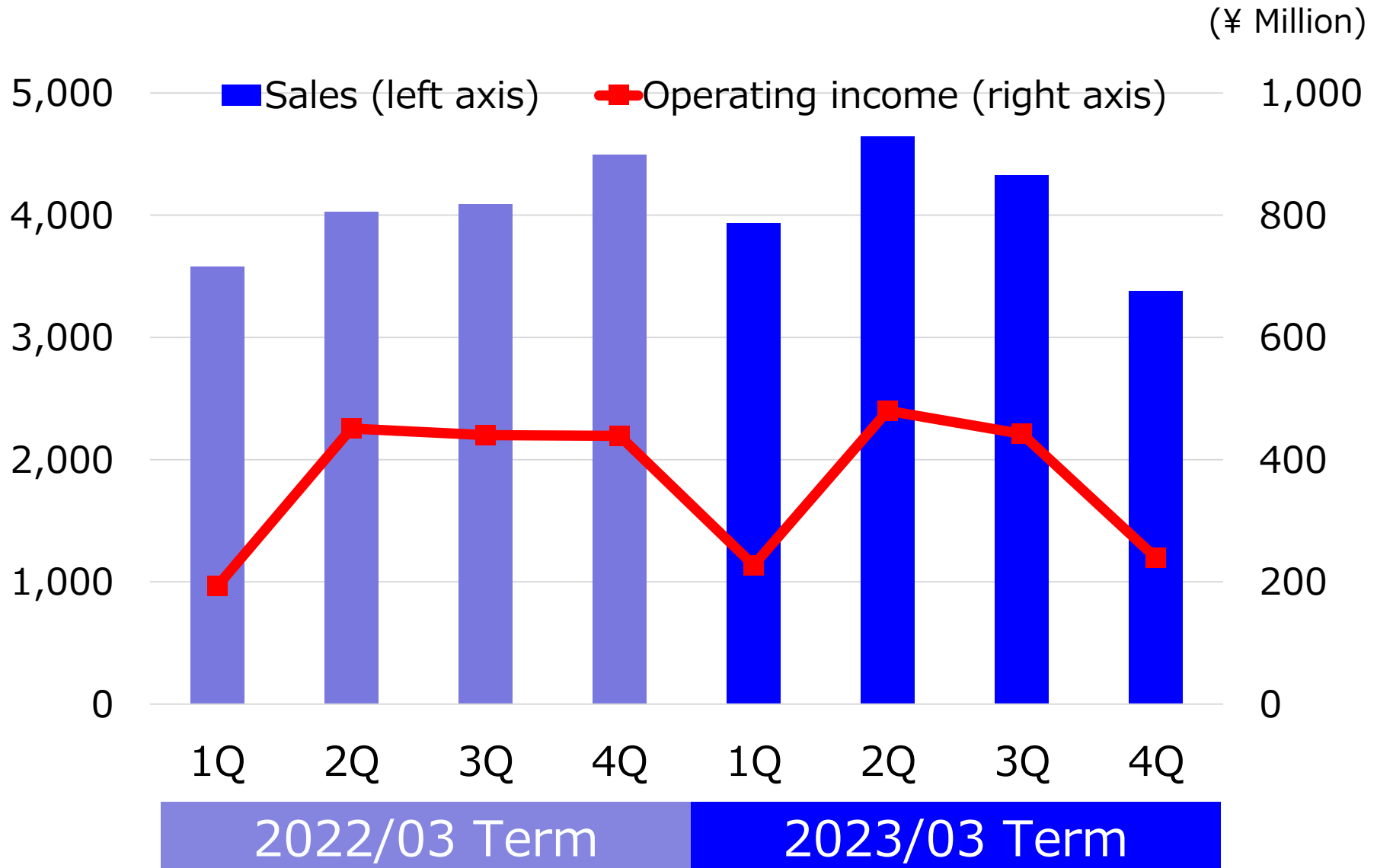
- III . Forecast of Consolidated Financial Results for 2024/03 Term

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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



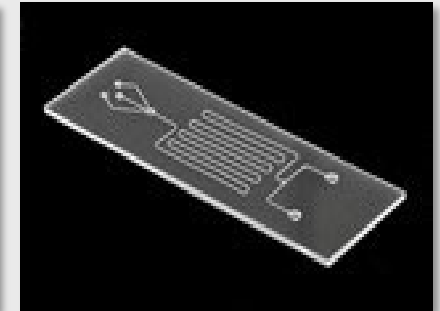
Consolidated Financial Statements for 2023/03 Term Highlights (Part2)

| (¥ 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

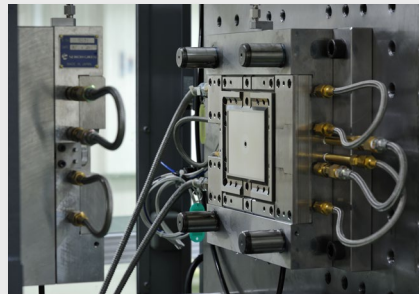
◆ Molded products

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



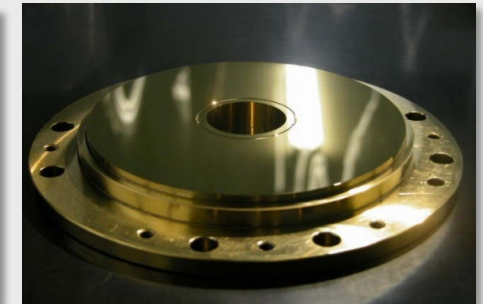
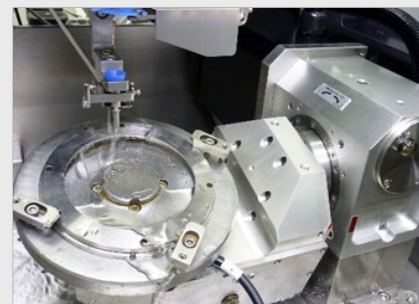
◆ Molds

Molds for data-archive discs
 Other precision molds



◆ Other

Precision processed metal parts, etc.

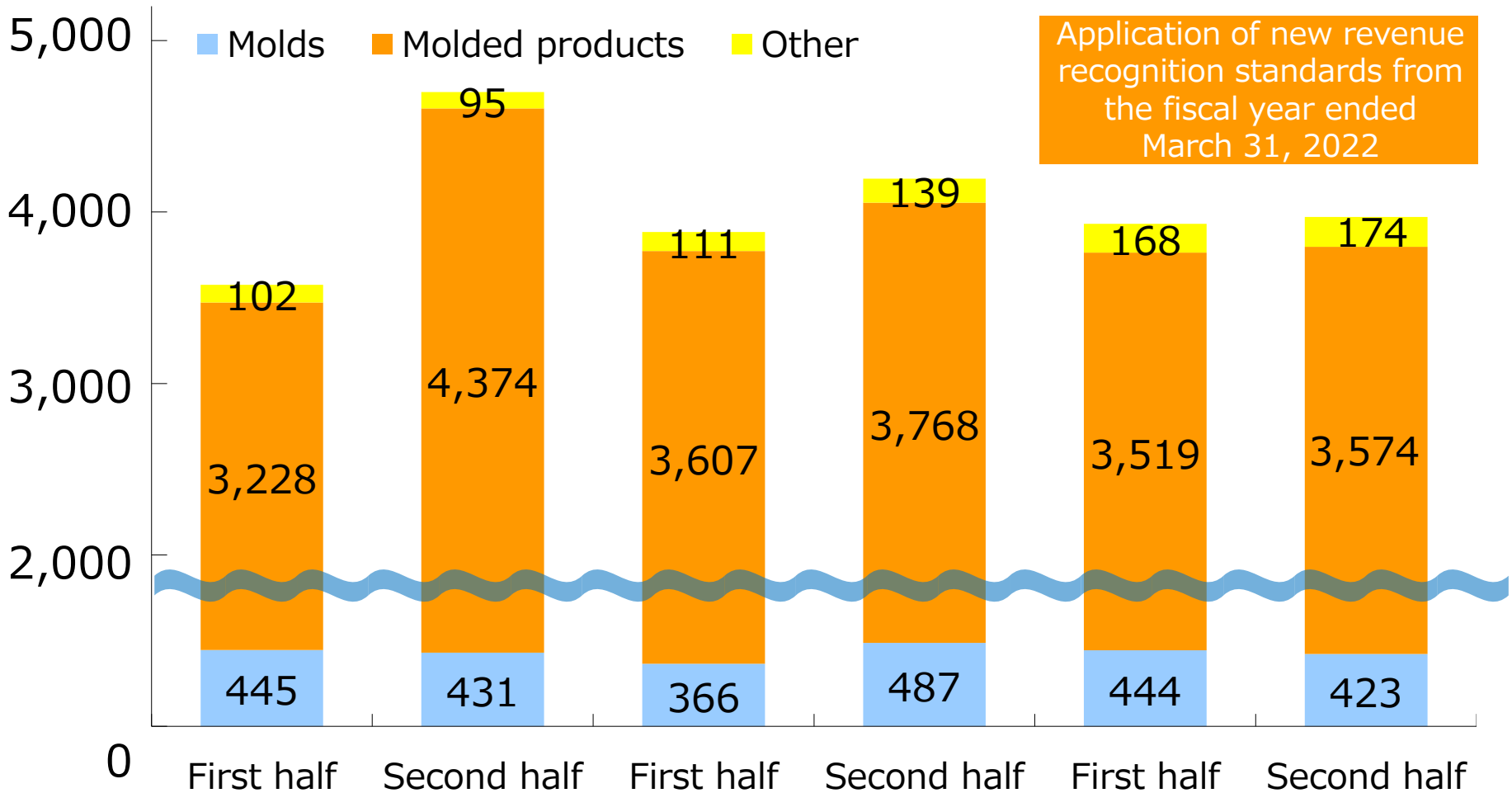


Business Results by Segment/ Precision Machinery

| (¥ 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



2020/03 Term

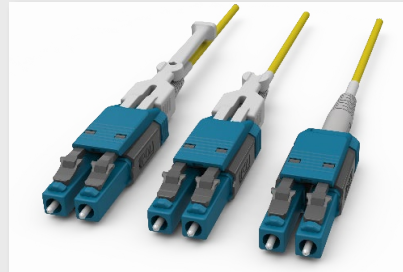
2021/03 Term

2022/03 Term

Main products and technologies of the Optical Products Division

◆ Optical communication network components

Optical connectors
Ferrules, etc.

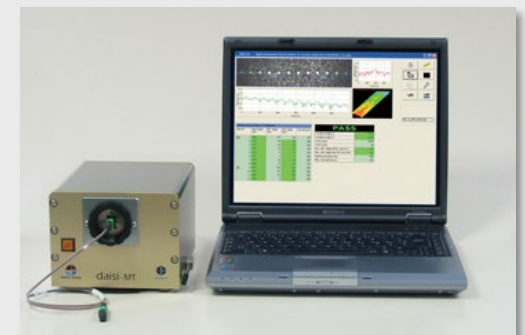


◆ Manufacturing machinery and equipment

Optical connector polishing machines



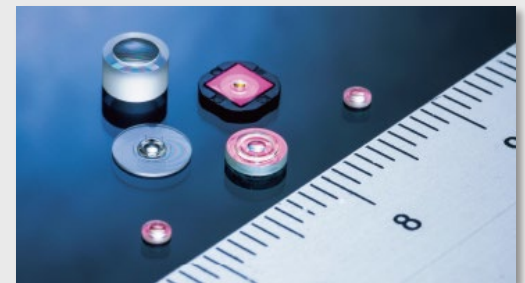
Inspection equipment for optical connector end faces



Optical electric field sensors, etc.

◆ Other

Micro lenses, etc.

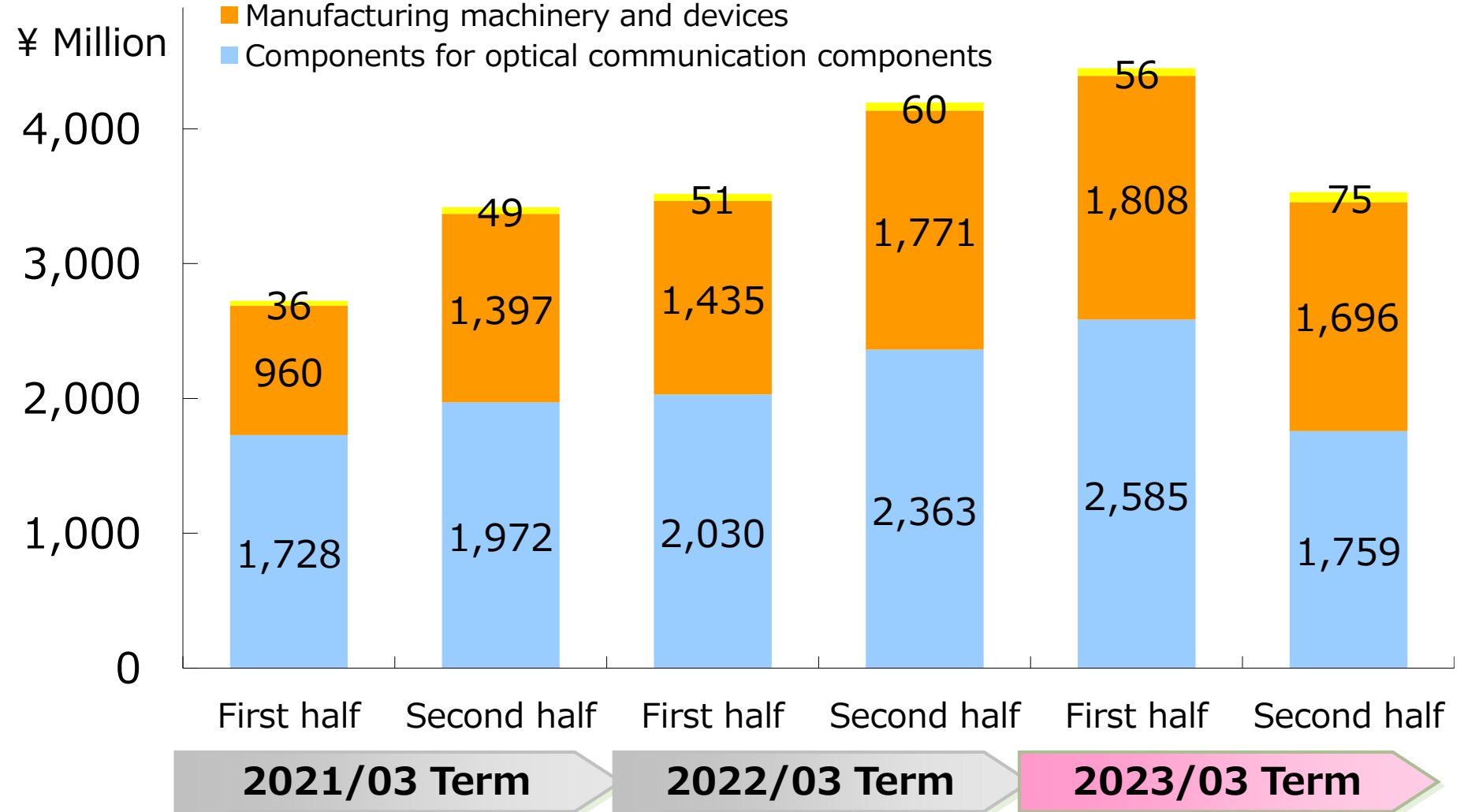


Business Results by Segment/ Fiber Optic Components & Instrumental

| (¥ 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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- II . Progress of Medium-term Management Plan "Master Plan 2022"**
- III . Forecast of Consolidated Financial Results for 2024/03 Term



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



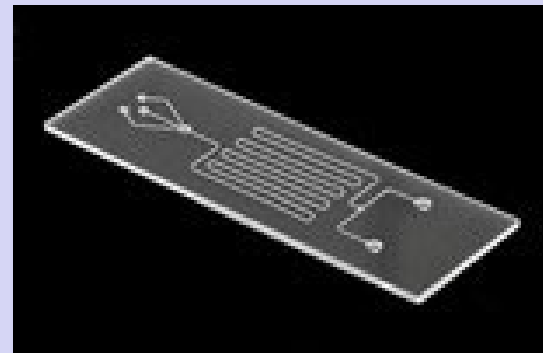
Medical and biotechnology



Deployment of superior base technologies to growth markets



Precision processing technology



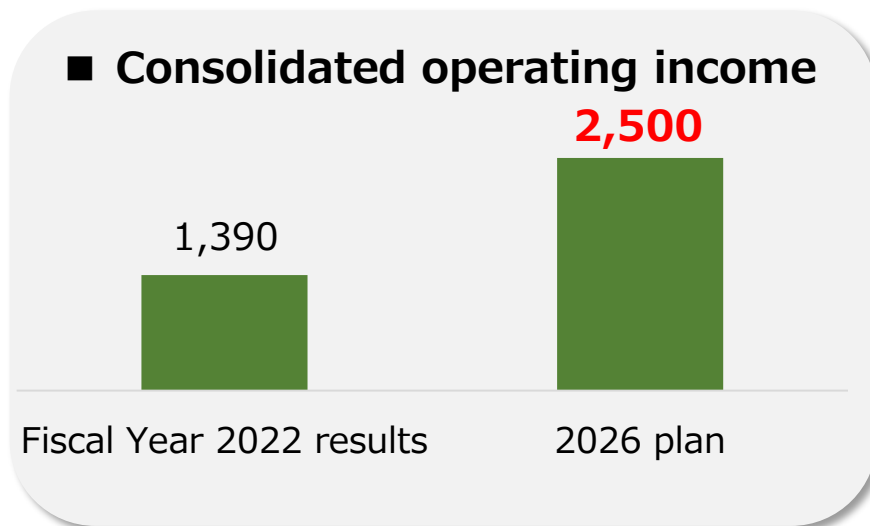
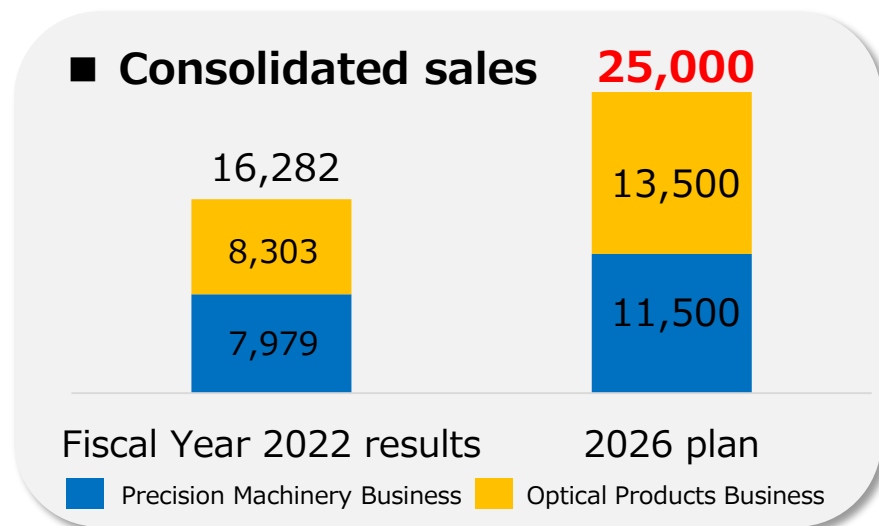
Precision molding technology



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)



| (¥ 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

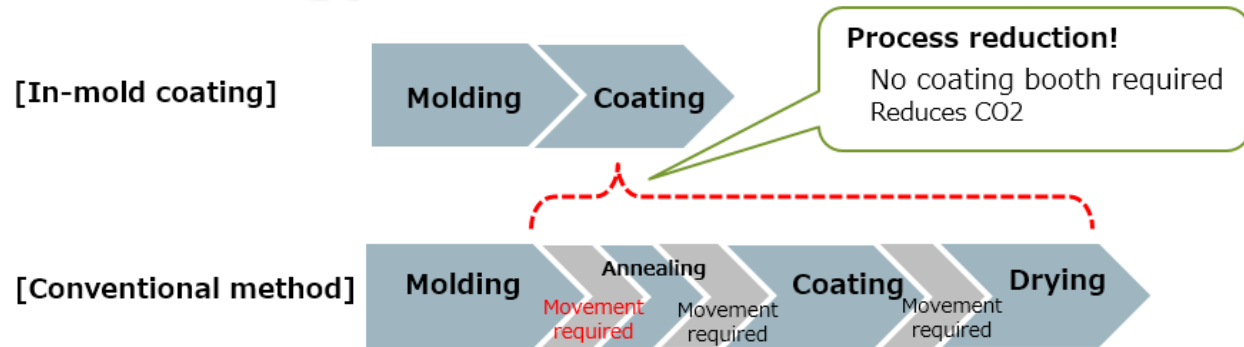
Accelerating development of new products and new technologies

- 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



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

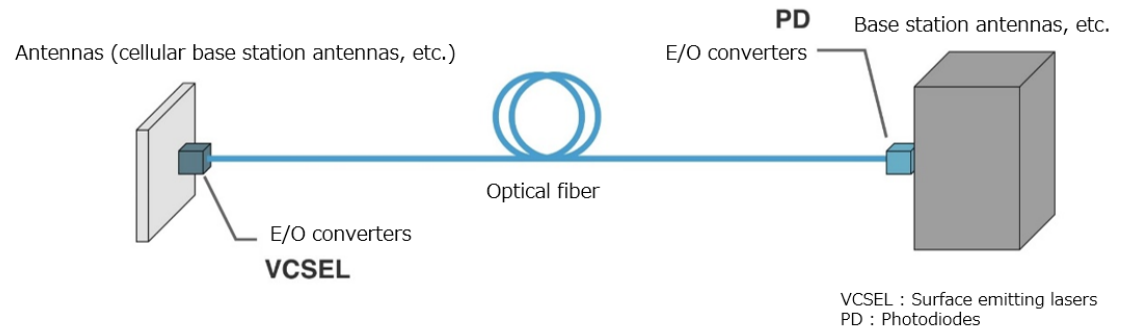
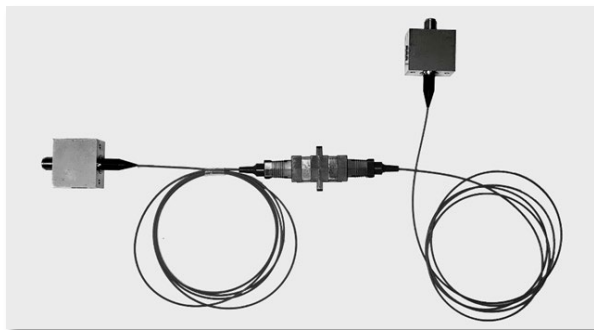
Maximization of economic value

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

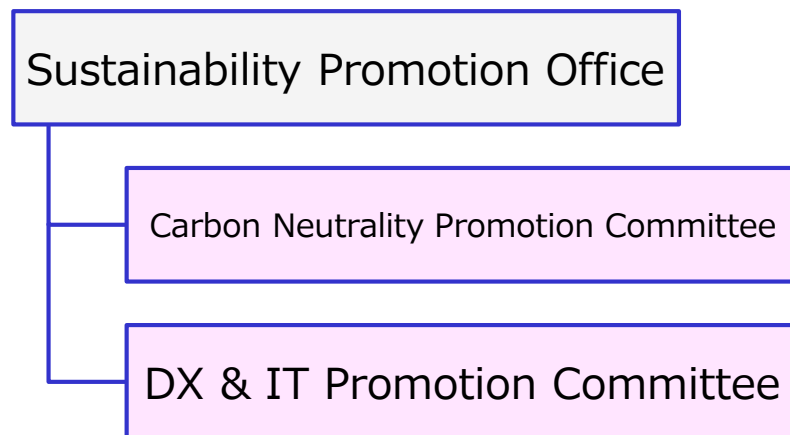
The fiscal year ended March 31, 2023 business measures

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



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

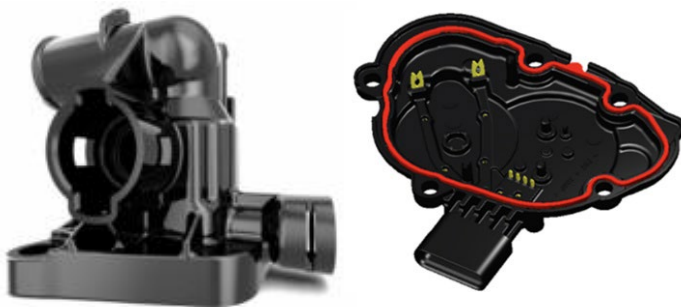
June 2023 (planned)

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



Radiant

Smarter Technology • Better Solutions

| | |
|----------------------------|--|
| ◆ 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

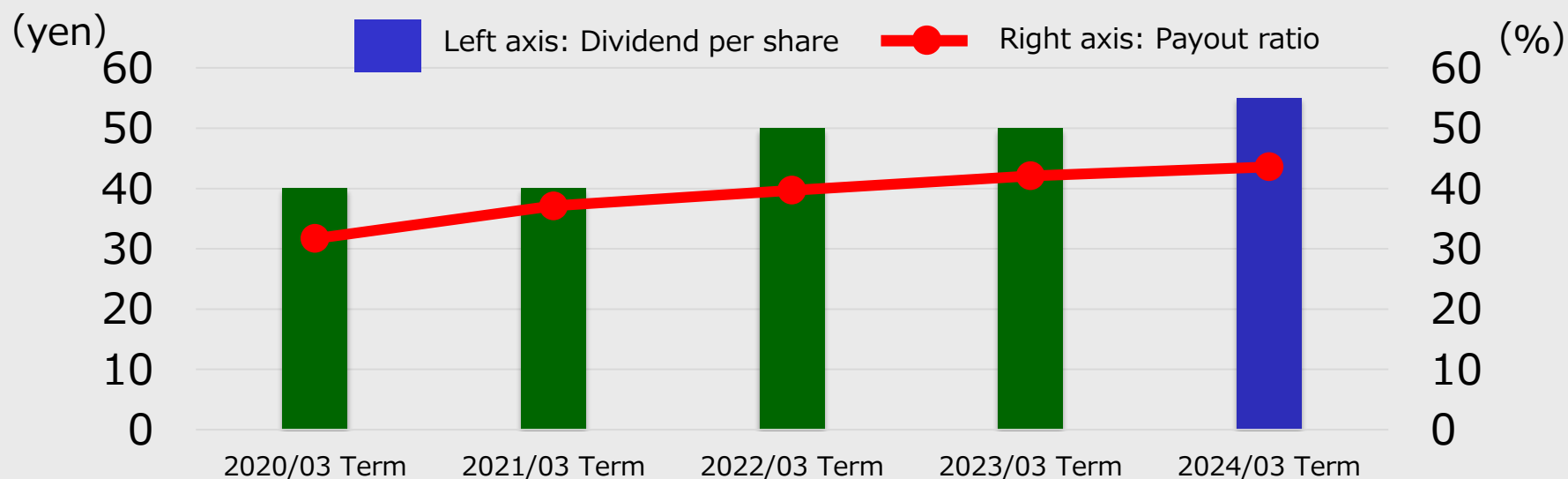
| (¥ Million) | First half | Second half | Forecast of the 2024/03 Term | Results for the 2023/03 Term |
|-----------------------|------------|-------------|------------------------------|------------------------------|
| Sales Amount | 8,320 | 9,140 | 17,460 | 16,282 |
| Operating Profit | 580 | 1,060 | 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 |





SEIKOH GIKEN