

Interim Financial Statements Briefing Session for 2020/03 Term

(From April 1, 2019 to September 30, 2019)



November 12, 2019

- I. Overview of Interim Financial Results for
2020/03 Term

- II. Plan for consolidated performance for
2020/03 Term

Interim Consolidated Financial Results for 2020/03

Term Highlights (Part1)

(¥ Million)	2020/03 Term (Interim)	2019/03 Term (Interim)	Year-on-year percentage change	Plan performance values (May 10, 2019)
Sales Amount	7,936	7,433	6.8%	8,290
Optical Disc Mold Group	4,337	4,342	(0.1%)	4,590
Optical Communicati ons Group	3,599	3,091	16.4%	3,700
Operating Profit	944	796	18.6%	950
Ordinary Profit	934	874	6.9%	970
Net Profit	622	571	8.9%	670

Interim Consolidated Financial Results for 2020/03 Term Highlights (Part2)

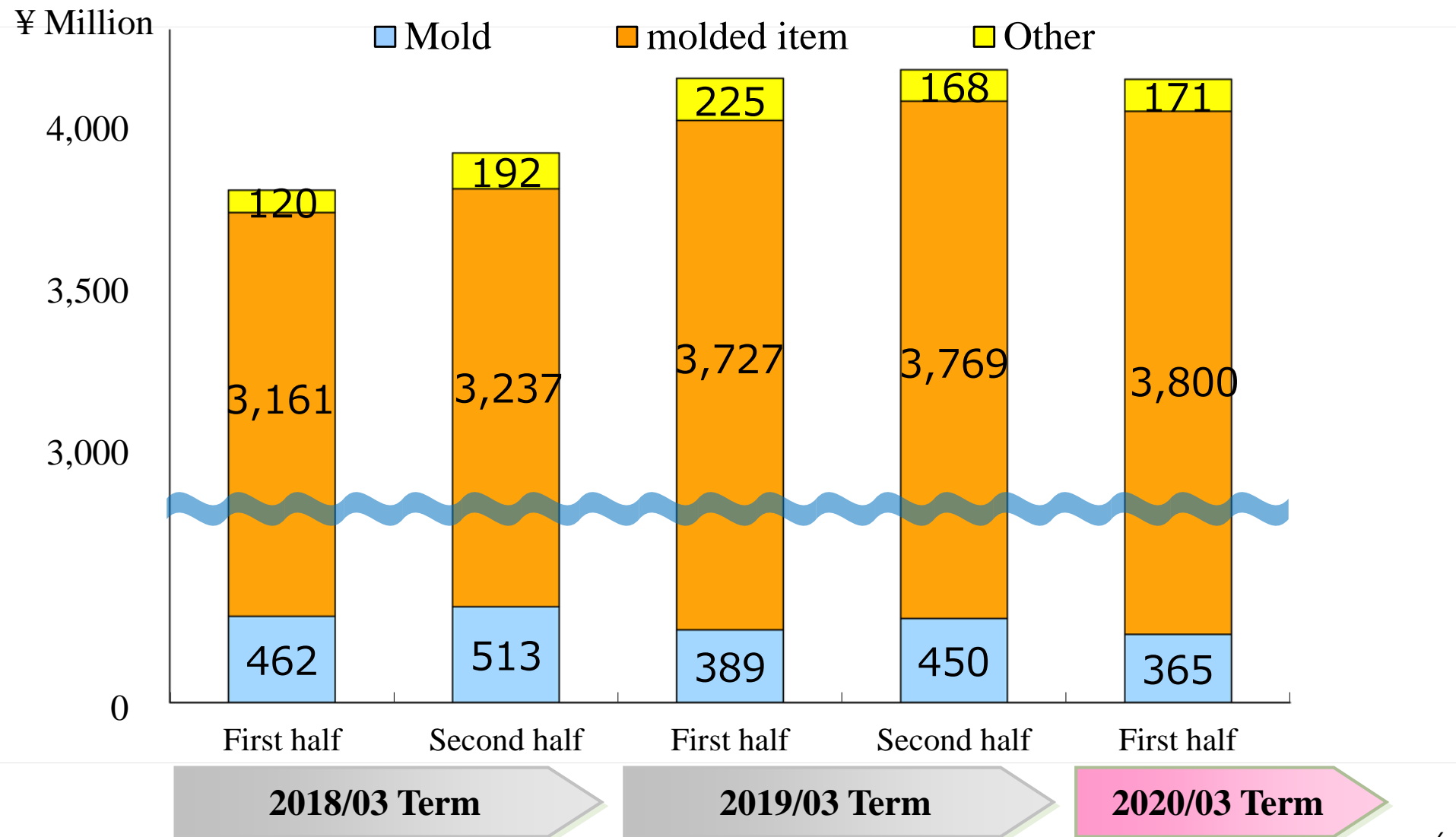
(¥ Million)	2020/03 Term (Interim)	2019/03 Term (Interim)	Year-on-year percentage Change
Orders Received	8,191	7,844	4.4%
Orders Backlog	2,703	2,170	24.5%
Equipment Investment	1,004	674	48.9%
Depreciation Expenses	663	635	4.3%
R & D Expenses	248	209	18.9%

Business Results by Segment Optical Disc Mold Group

(¥ Million)	2020/03 Term (Interim)	2019/03 Term (Interim)	Year-on-year percentage change
Sales Amount	4,337	4,342	(0.1%)
Operating Profit	403	445	(9.5%)
Operating Profit Ratio	9.3%	10.2%	—



Sales Amounts by Product Optical Disc Mold Group



Business Results by Segment Optical Communications Group

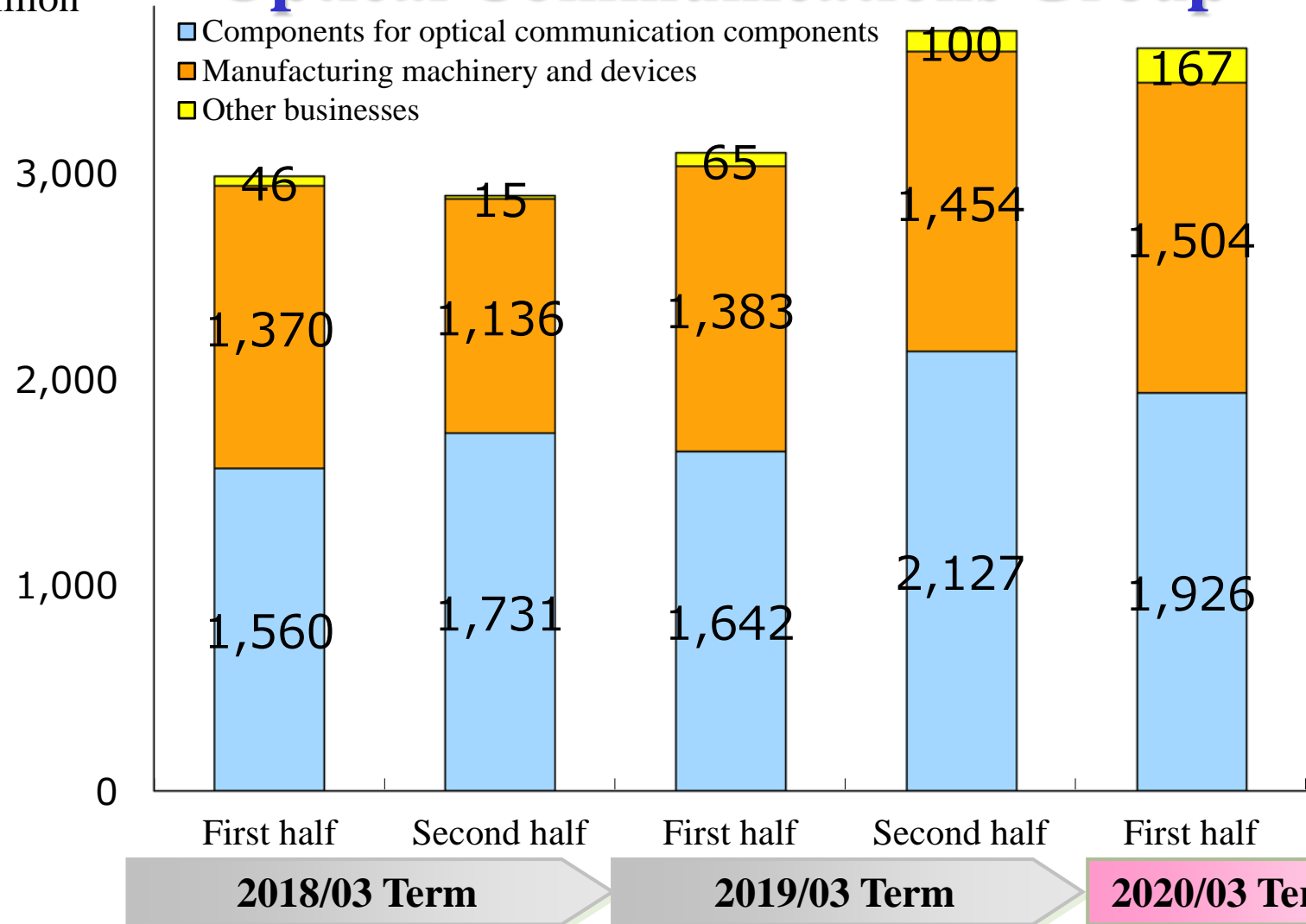
(¥ Million)	2020/03 Term (Interim)	2019/03 Term (Interim)	Year-on-year Percentage change
Sales Amount	3,599	3,091	16.4%
Operating Profit	540	350	54.2%
Operating Profit Ratio	15.0%	11.3%	—



Sales Amounts by Product

Optical Communications Group

¥ Million



Consolidated Balance Sheet

(¥ Million)

[Assets]	2020/03 Term (Interim)	2019/03 Term	Amount (Increase/Decrease)
Current Assets	17,058	17,544	(485)
Fixed Assets	10,497	10,141	355
Total Assets	27,555	27,686	(130)
[Liabilities and Net Assets]			
Current Liabilities	3,383	3,378	4
Fixed Liabilities	1,158	1,102	56
Net Assets	23,013	23,204	(191)
Total Liabilities/Net Assets	27,555	27,686	(130)

Consolidated Cash Flow Statement

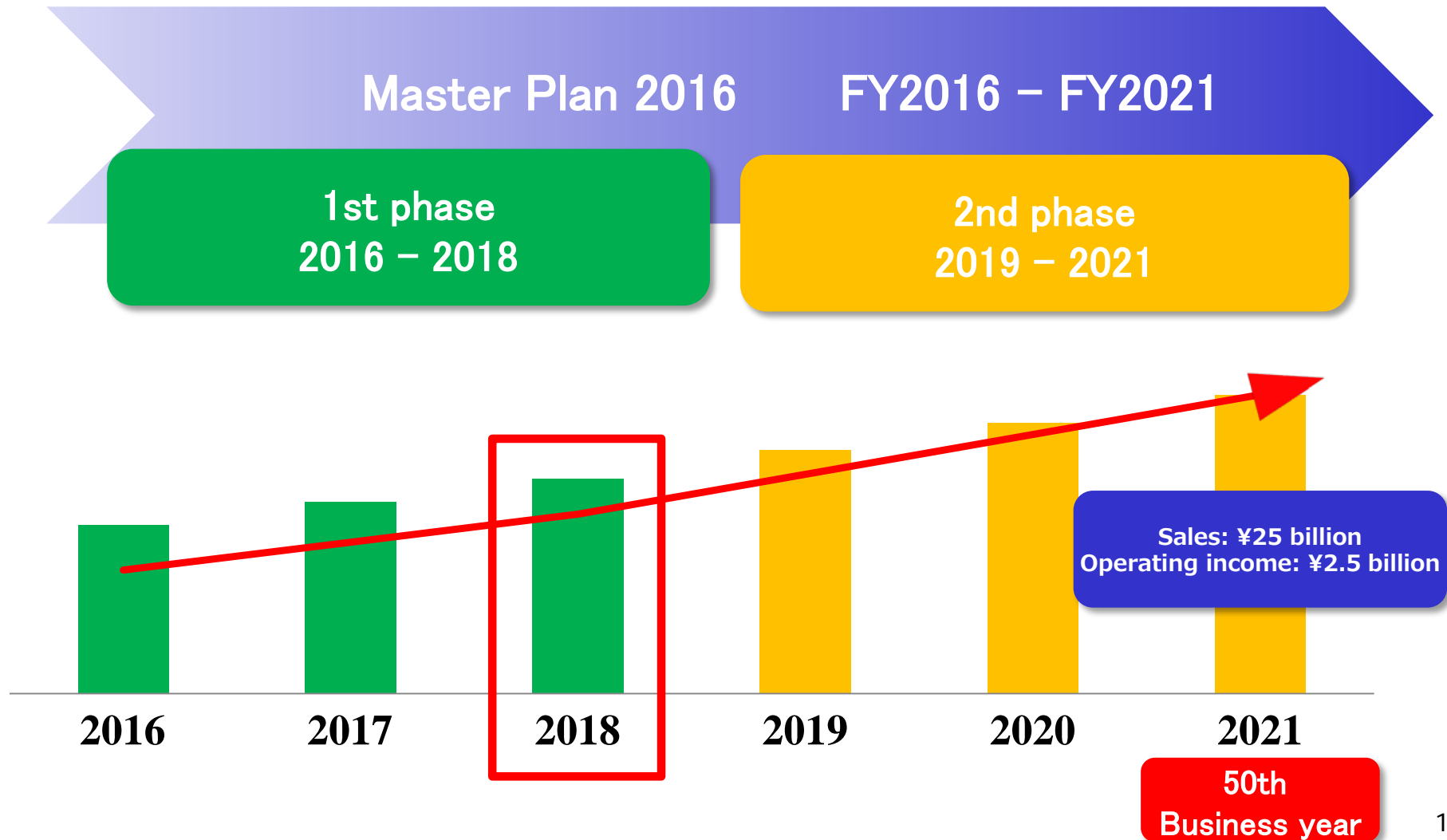
(¥ Million)	2020/03 Term (Interim)	2019/03 Term (Interim)
CF - Operating	1,149	698
CF - Investing	(568)	(848)
CF- Financing	(711)	(253)
Increase in Cash	(191)	(472)
Balance at the beginning of term	3,816	3,305
Balance at the end of term	3,624	2,833

I. Overview of Interim Financial Results for
2020/03 Term

II. Plan for consolidated performance for
2020/03 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 2nd Phase

■ Fundamental strategies for FY 2019 - FY 2021

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 corporate functions
- Implement growth promoting investments
- Strengthen quality control and patent strategy

Plan for consolidated performance for 2020/03 Term

(¥ Million)	Results for the first half	Forecast of the second half	FYE March 2020 projection values	Results for the 2019/03 Term
Sales Amount	7,936	9,264	17,200	15,502
Operating Profit	944	856	1,800	1,619
Ordinary Profit	934	916	1,850	1,754
Net profit	622	628	1,250	1,232
Equipment Investment	1,004	1,242	2,246	1,238
Depreciation Expenses	663	972	1,635	1,390
R & D Expenses	248	252	500	450

Plan for the 2nd half by division

(Precision machinery related products)

(¥ Million)	Results for the first half	Forecast of the second half	Announced projection values	Results for the 2019/03 Term
Sales Amount	4,337	5,143	9,480	8,729
Operating Profit	403	257	660	753

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
- Reduce production lead times
- Boost archive discs
- Develop repeat business

■ Accelerate new product development and new technology development

- Accelerate new business development for molded products
→ Automotive, medical, and bio science applications
- Enhance precision mold technology, thin-wall molding technology, and micro-transfer technology
- Improve production automation (FA) technology

Plan for the 2nd half by division

(Optical related products)

(¥ Million)	Results for the first half	Forecast of the second half	Announced projection values	Results for the 2019/03 Term
Sales Amount	3,599	4,121	7,720	6,773
Operating Profit	540	600	1,140	865

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 models of optical connector polishing machines
- Increase sales of 4K and 8K compatible optical transmission units
- Increase sales of micro lenses

■ Accelerate new product development and new technology development

- Attain volume production of optical devices compatible with 100G and 400G large-volume, high-speed data transmission
- Develop production automation equipment for optical components
- Market launch of 5G compatible optical electric field sensors