

Results for the Fiscal Year Ended March 31, 2012



May 25, 2012



This datum is based on the data as of March 31, 2012. The opinion and forecast described here is based on our judgment at that time and may possibly be changed without notice.

Subject

1. Operating Results for the Fiscal Year Ended March 31, 2012
2. Forecast for the Fiscal Year Ended March 31, 2013
3. Business Strategies

1. Operating Results for the Fiscal Year Ended March 31, 2012

1-1 Consolidated Financial Results for the Fiscal Year Ended March 2012

(Million yen)

(Million yen)	Year ended Mar. '11 Full year	Year ended Mar. '12 Full year	Y to Y Change	
			Amount	Ratio
Net Sales	31,459	25,191	△6,268	△19.9%
Gross Profit	6,192	5,341	△851	△13.7%
Operating Income	552	612	60	10.9%
Operating Income ratio	1.8%	2.4%	0.7%	—
Ordinary Income	326	470	143	43.9%
Net Income	-152	226	379	—

1-2 Highlight

◆Decreased sales and increased income

Sales declined largely year on year mainly due to exclusion of Motor subsidiary, Fuji Micro Co., Ltd. and the impact from the Great East Japan Earthquake and floods in Thailand. The operating income increased 10.9% year on year reflecting the improved profitability in Plastic business and decrease of operating loss in hinge business. The ordinary income also increased 43.9% year on year.

◆Net income marked the black for the first time in 5 years

Net income turned to be ¥226 million and marked the black for the first time in 5 years since the year ending March 2007. Extraordinary income from the receipt of insurance payment for the Thai plant which has been hit by the flood and income accompanied by the pension system transition and a drastic decrease in the extraordinary losses from the previous year were the main factors.

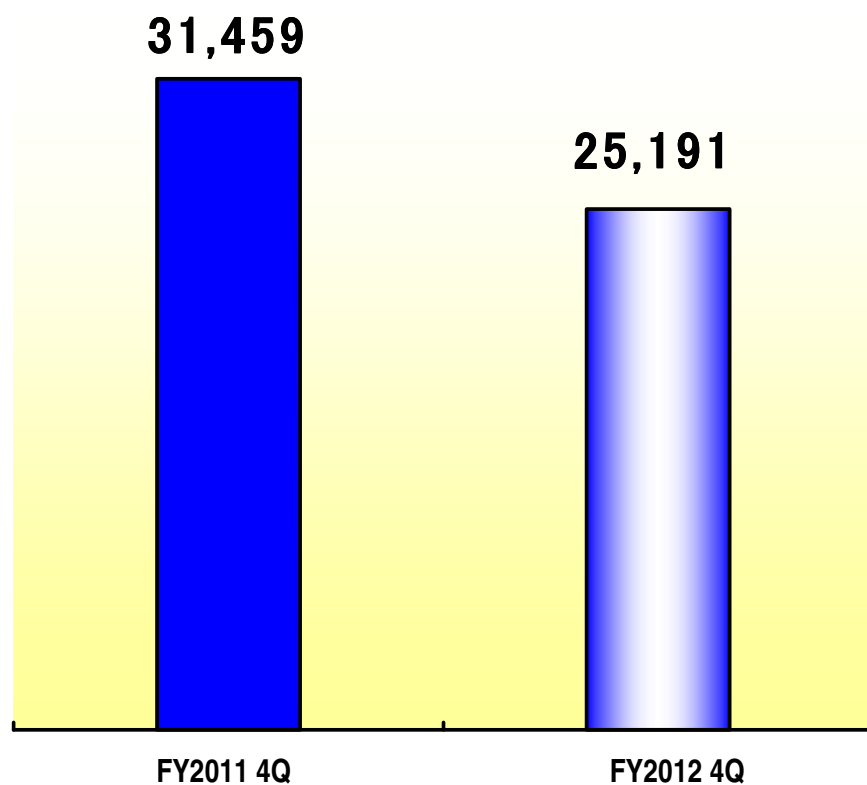
◆Contraction and reorganization of Hinge business

Strawberry Corp. became a wholly owned subsidiary of Advanex in November 2011 and alienated its PC related business in February 2012. Hinge business was reorganized by contraction from the mobile phone market.

1-3 Trend of Sales and Income (Consolidated)

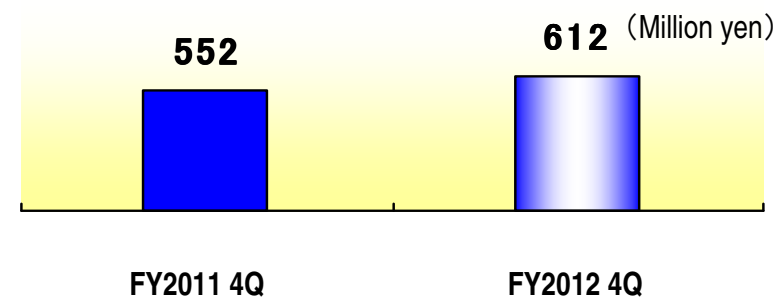
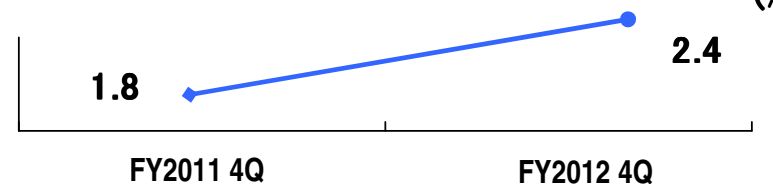
Net Sales

(Million yen)



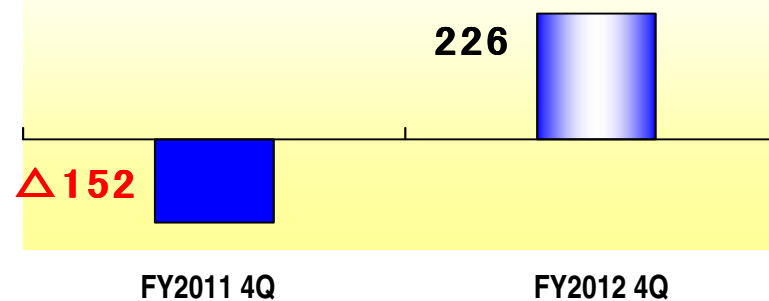
Operating Income - Margin(%)

(%)



Net Income

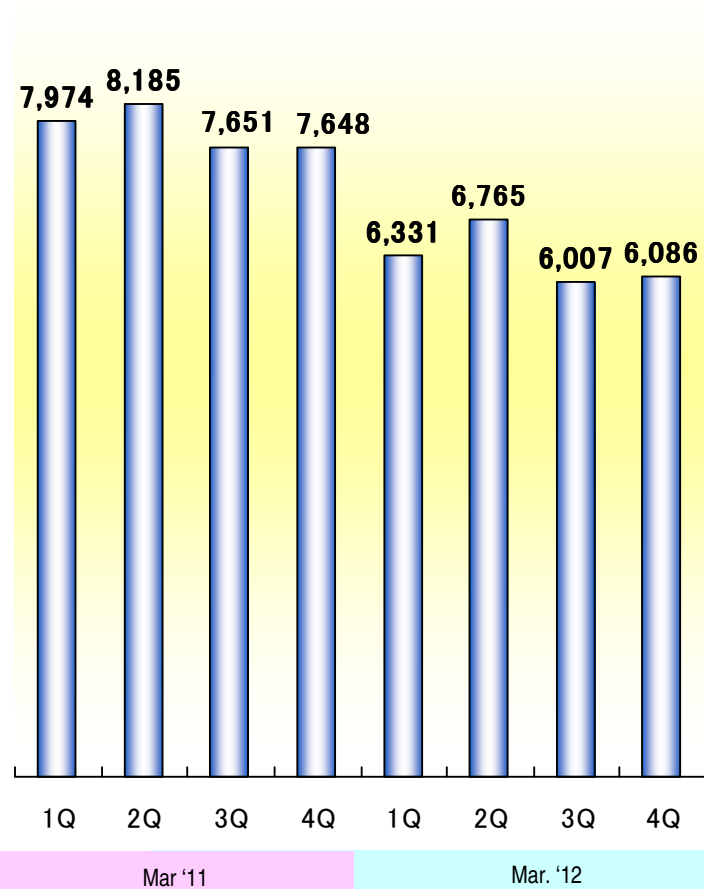
(Million yen)



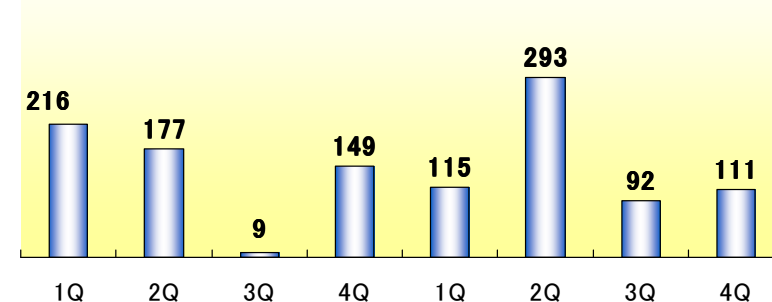
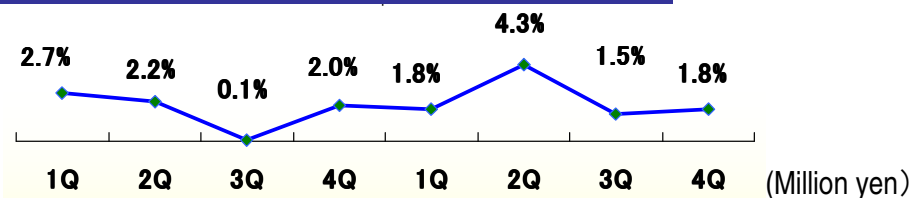
1-4 Quarterly Transition of Sales and Income(Consolidated)

Net Sales

(Million yen)

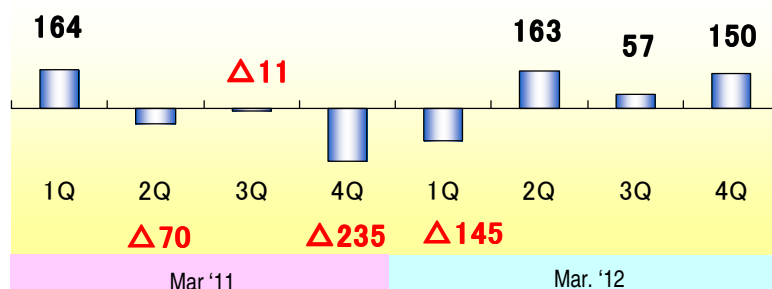


Operating Income · Margin(%)



Net Income

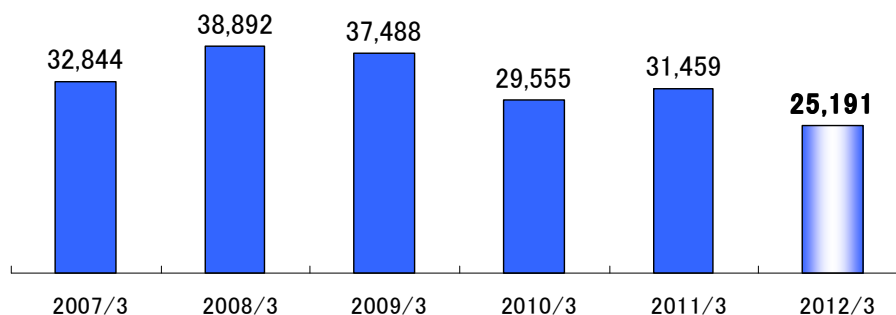
(Million yen)



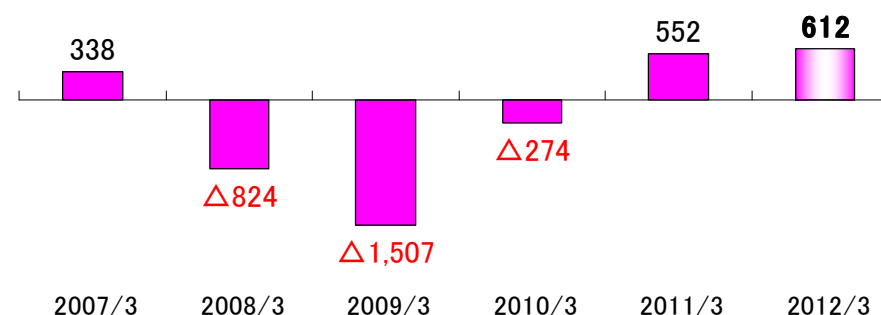
(Reference) Transition of Financial Results

(Million Yen)

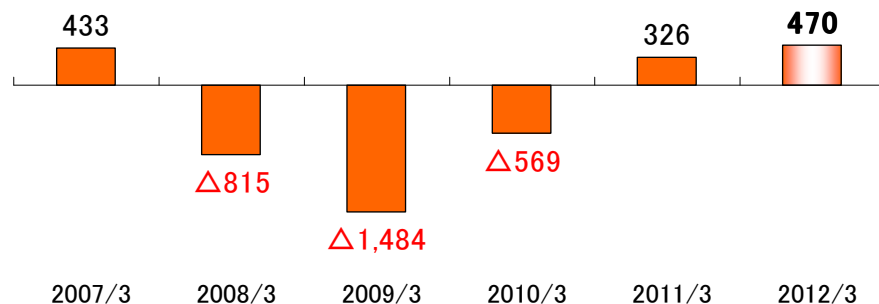
Net Sales



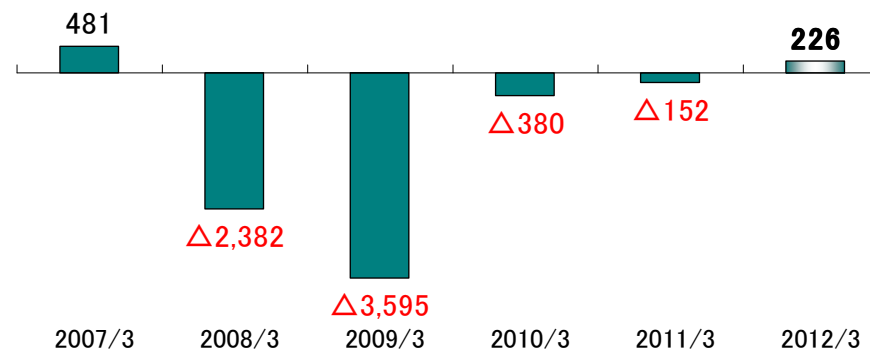
Operating Income



Ordinary Income

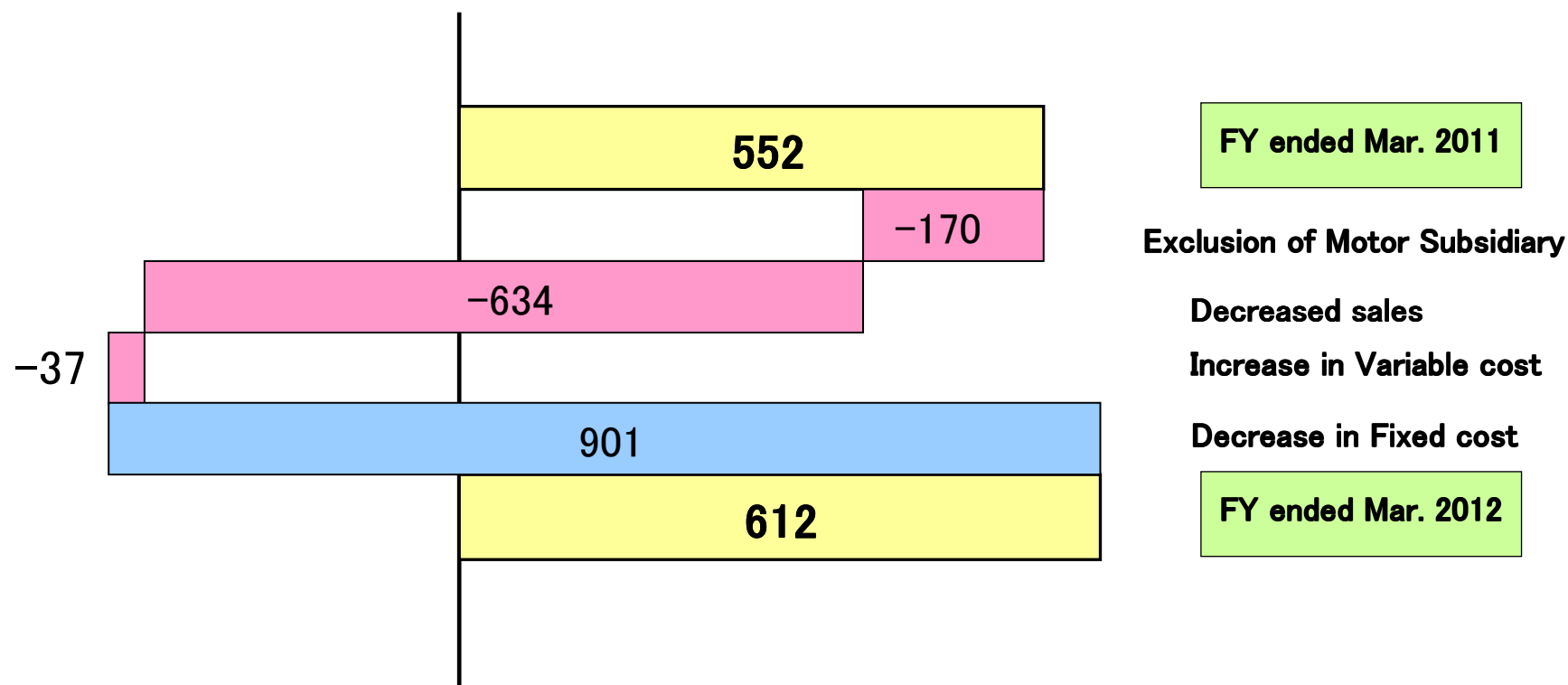


Net Income

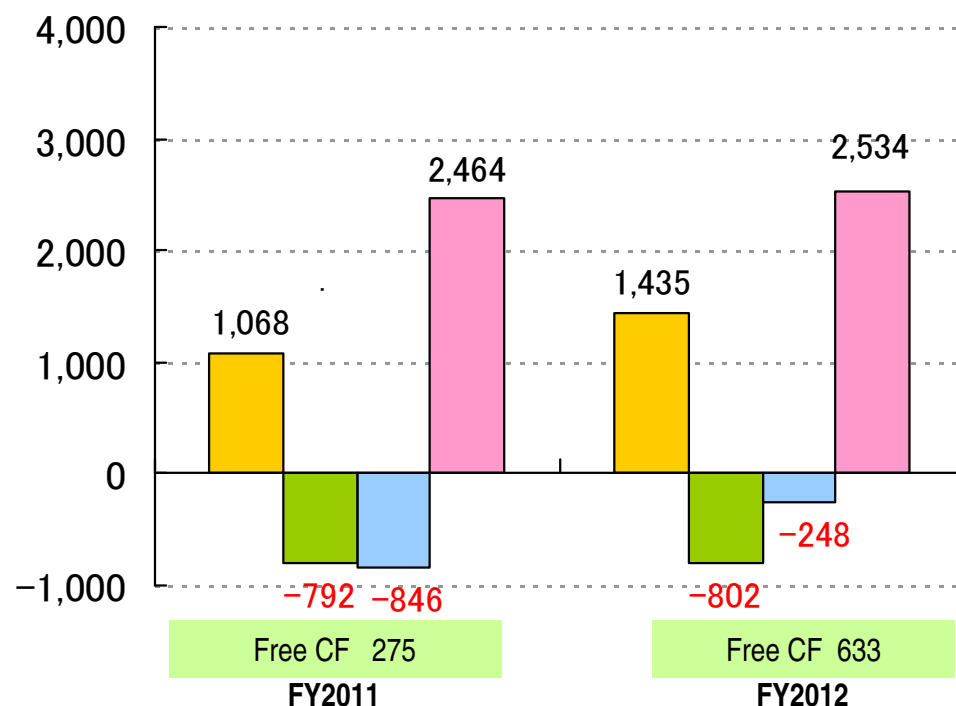


1-5 Analysis of Increase and Decrease of Operating Income

(Million yen)



1-6 Consolidated Cash Flows



■ Operating CF
■ Investing CF
■ Financing CF
■ Balance at beginning of the period

< Status of CF for Mar '12 >

Operating CF

Income was recorded and net cash increased ¥1,435 million due to the fund reserve reflecting depreciation and amortization and decrease of trade notes and accounts receivable, etc.

Investing CF

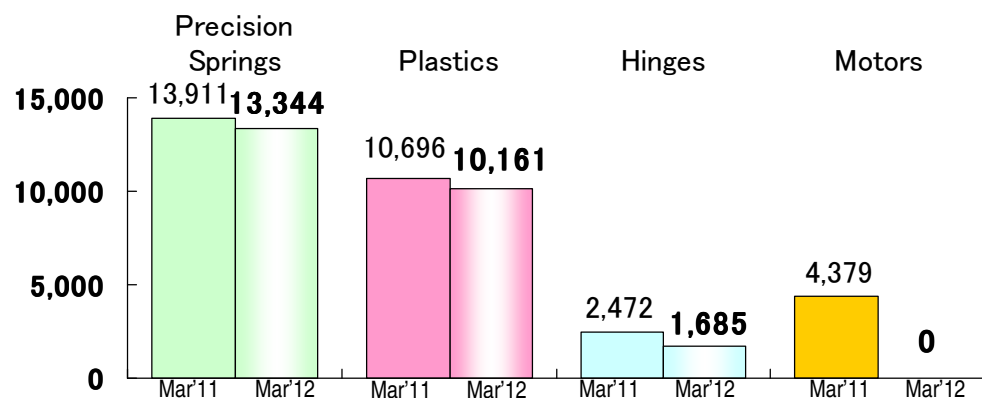
The fund decreased ¥802 million by capital investment in production sites in Japan and Asian countries.

Financing CF

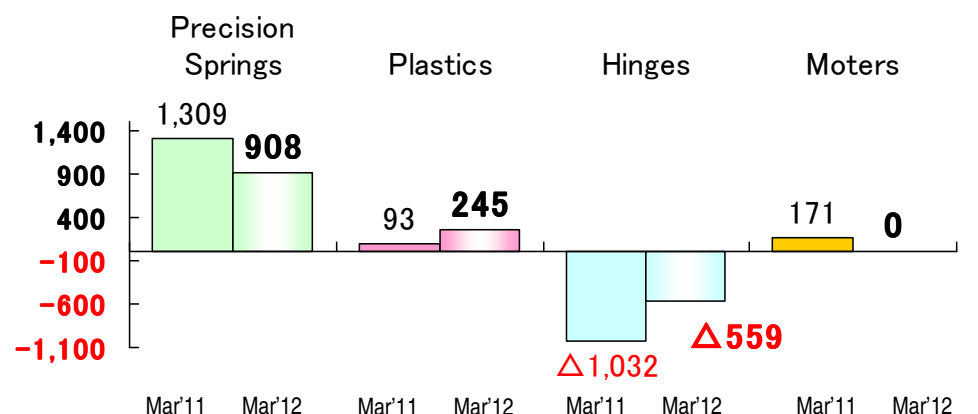
The fund decreased ¥248 million by the repayment of interest-bearing debt.

1-7 Net Sales and Operating Income by Business Segment

Net Sales



Operating Income



Precision Springs

- Domestic sales in the OA equipment decreased due to the impact of the earthquake. Domestic earnings were improved due to the increase of profitable products for PC related market.
 - In overseas, sales decreased due to the floods in Thailand and earnings decreased because of decreased sales and increased cost in UK.
- < Sales : -4.1%, Operating Income : a decrease of ¥401 million >

Plastics

- Domestic sales to automotive market recorded solid performance. Although sales to OA equipment decreased, sales for highly profitable trial products, etc. increased and loss decreased for insert moldings. In addition, earnings in overseas improved due to growing sales in Vietnam, etc.
- < Sales : -5.0%, Operating Income : an increase of ¥ 152 million >

Hinges

- In the second half of the fiscal year, net sales decreased due to the downsizing of mobile phone business and alienation of PC related business. Operating loss decreased by rise in sales price and reduction of fixed costs such as labor cost.
- < Sales : -31.8%, Operating Loss : a decrease of ¥ 473 million >

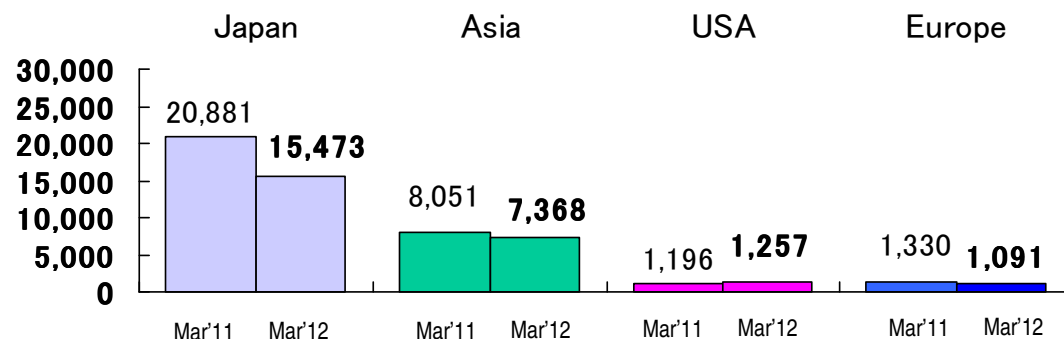
Motors(excluded from business segment)

Fuji Micro Co., Ltd. was changed to equity method affiliate.

1-8 Net Sales and Operating Income by Geographical Segment

Net Sales

(Million Yen)



< Factors for change from the previous year >

Japan

In addition to the decreased sales due to exclusion of Motor subsidiary, sales in Plastics decreased due to the impact of the earthquake and customer's shift to overseas production. Hinge business was also downsized.

In Precision Springs, earnings improved due to increased sales for PC related products. In Plastics, earnings were improved due to the increase of profitable products. Loss in Hinge business decreased after 2nd quarter.

< Sales : -25.9%, Operating income : an increase of ¥392 million >

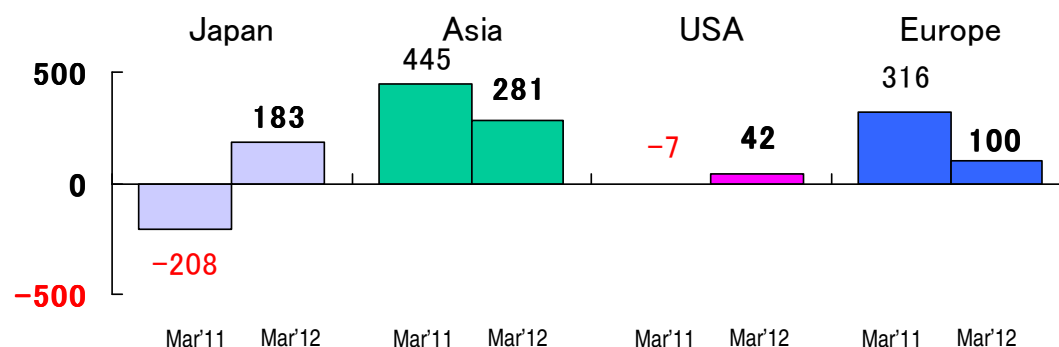
Overseas

In Europe, sales and income decreased due to decreased sales of Tangless Coilthread and increased cost. In Asia, though earnings in Plastics were improved, sales and income in Precision Springs decreased affected by the earthquake in Japan and floods in Thailand, etc.

< Sales : -8.1%, Operating Income : a decrease of ¥328 million >

Operating Income

(Million Yen)



1-9 Sales by Market (Consolidated)

(Million yen)	Mar/2011		Mar/2012		Change	
	3Q	%	3Q	%	Amount	%
OA equipment	9,001	28.6%	7,245	28.8%	△1,757	△19.5%
Automotive	6,440	20.5%	6,869	27.3%	429	6.7%
Mobile phone and related	1,788	5.7%	1,231	4.9%	△557	△31.1%
AV/ Home appliance	2,139	6.8%	1,262	5.0%	△877	△41.0%
Precision Components	1,698	5.4%	1,484	5.9%	△214	△12.6%
PC and PC related	1,739	5.5%	1,816	7.2%	77	4.4%
Medical and Healthcare equipment	1,089	3.5%	792	3.1%	△295	△27.1%
Others	7,567	24.0%	4,490	17.8%	△3,073	△40.6%
Total	31,459	100%	25,191	100%	△6,269	△19.9%

2. Forecast for the Fiscal Year Ended March 31, 2013

2-1 Forecast for the Fiscal Year Ended March 31, 2013

◆ **Net sales will remain almost the same as the previous year**

Consolidated sales will remain almost the same because growth in sales to automobile industry is expected in the precision spring and plastic business while sales should go down for OA equipment and PC related products as well as further contraction in the hinge business for the mobile phone market.

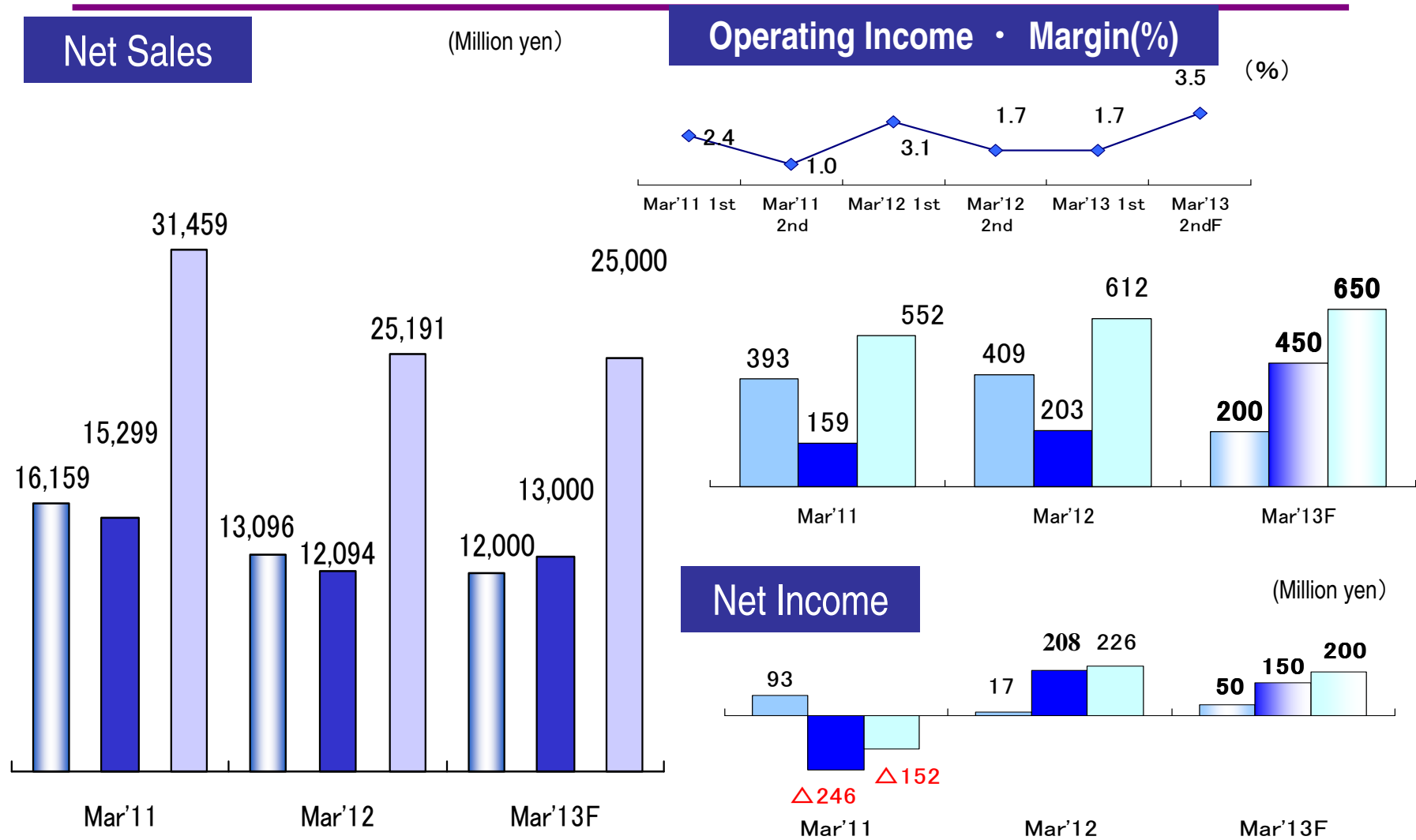
◆ **The loss in Hinge business will be substantially decreased**

Operating income will remain almost the same because the earnings in plastic business will be increased and loss in Hinge business will be decreased while the earnings will be decreased in Precision Spring business. Net income will remain almost the same.

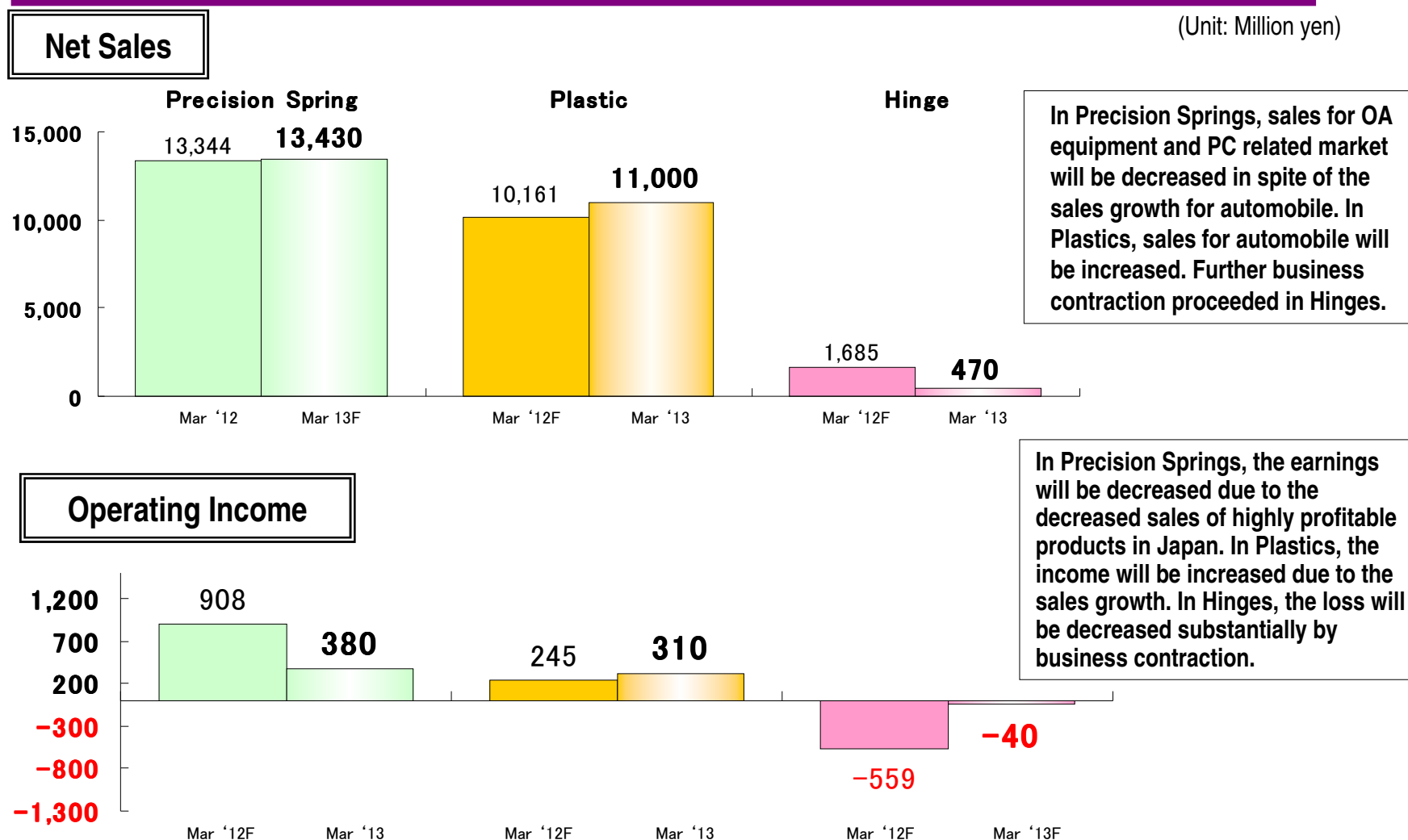
2-2 Forecast for FY Ended March 2013 (Consolidated)

(Million yen)	FY Ended March 2012		FY Ended March 2013		1H to 1H Change (amount)		Y to Y Change (amount)	
	1H	Full Year	1H	Full Year	Amount	%	Amount	%
Net Sales	13,096	25,191	12,000	25,000	-1,096	-8.4%	-191	-0.8%
Operating Income	409	612	200	650	-209	-51.1%	38	6.0%
Operating Income ratio	3.1%	2.4%	1.7%	2.6%	-1.4%	—	0.2%	—
Ordinary Income	190	470	80	350	-110	-58.1%	-120	-25.6%
Net Income	17	226	50	200	33	179.1%	-26	-11.7%

2-3 Transition of Sales and Income (Consolidated)



2-4 Net Sales and Operating Income by Business Segment



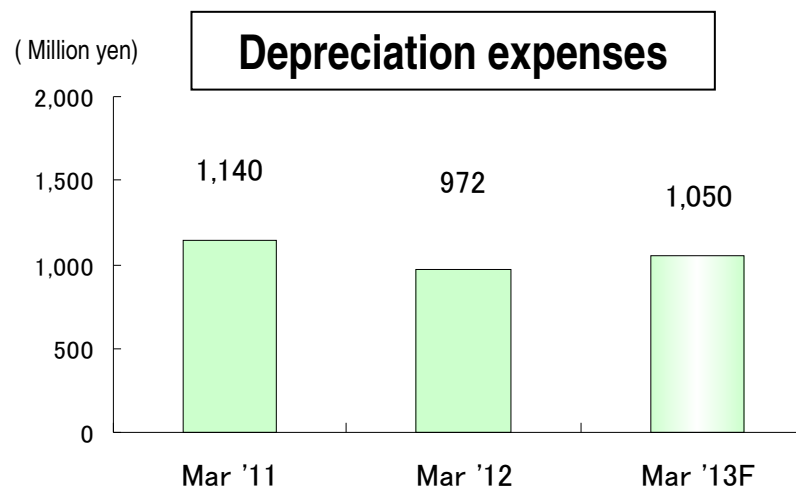
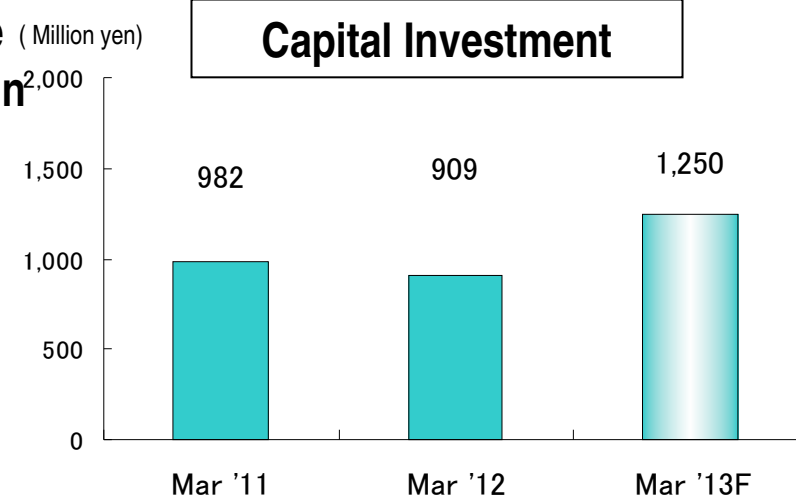
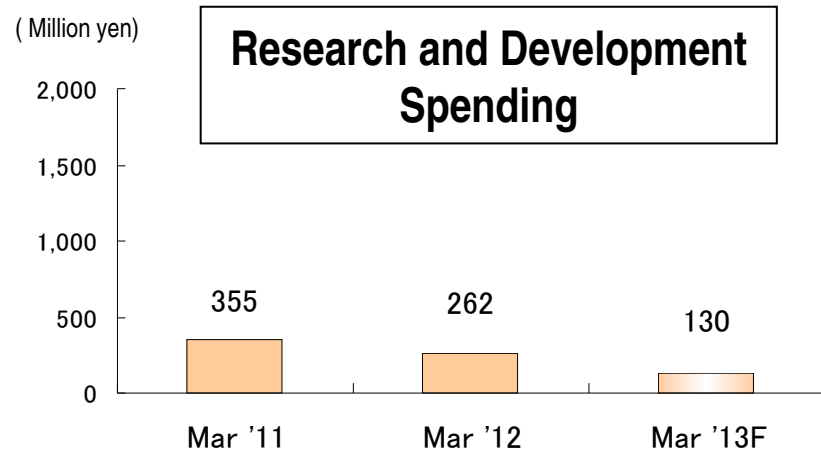
2-5 Capital Investment Plan

- Capital investment will be increased due to the recovery cost and purchase of new machines in Thai plant.

Capital Investment : Machine and Facilities, Equipment for trial products, etc.

Japan:¥400 Million Overseas :¥850 Million

R&D spending: Decline in development spending on Hinge unit



3. Business Strategies

3-1 Reduction of the Company's Stated Capital and Capital Reserve

Objective : To cover the deficit

After the approval at the regular general meeting in June, it is going to be implemented at the end of July. After covering the deficit by net income (including the dividend from subsidiaries) for the fiscal year ending March 2013, one yen of dividend per share will be expected for the term for the first time in 6 years.

Changes for Net Assets (Non-Consolidated) (Million yen)	Mar.2012	Reduction				Jul. 2012
	Balance	Capital Stock	Legal Capital Surplus	Other Capital surplus	General Reserve	Balance
① Capital stock	3,451	-2,451				1,000
② Legal capital surplus	862		-612			250
③ Other capital surplus	1,681			-1,681		0
④ Total capital surplus ②+③	2,544		-612	-1,681		250
⑤ General reserve	200				-200	0
⑥ Retained earnings brought forward	(5,303)	2,451	612	1,681	200	(357)
⑦ Total retained earnings ⑤+⑥	(5,103)	2,451	612	1,681	0	(357)
⑧ Treasury stock	(3)					(3)
⑨ Total shareholders' equity①+④+⑦+⑧	888	0	0	0	0	888
⑩ Other	12					12
⑪ Net assets ⑨+⑩	901	0	0	0	0	901

3-2 Business Strategy (1)

Precision Springs

Mid-term target: Annual sales growth rate of 10%
Operating margins greater than 10% (FY of March 2016)

- Domestic Increase of sales by expanding the area (Finding potential customers)
M&A (Target: Small and medium sized Spring companies)
- Overseas Establish new factories (To correspond main customer's production transfer to overseas)
South China (year 2012), India (year 2014), etc.
- To strengthen group's network
Change the group's structure from individual optimization to total optimization
Unification of management of Headquarter and Asian operations: Appointment of the president of Singapore subsidiary as a board member of Headquarter.

Targeted market: OA equipment, Automobile, Medical service

Strategic products : High-value-added products such as Tangless
Coilthread, Insert collar, TAMONT, Damper

3-3 Business Strategy (2)

Plastics

Strengthening overseas business and improving the margin

- Strengthening sales for automobile
 - Domestic sales for OA equipment will be reduced because of production transfer to overseas
- Strengthening cooperation with overseas marketing, expanding global sales
 - Making subsidiary in Malaysia to wholly-owned company (By acquiring the 30% shares held by local company)
 - Expanding earnings in China and Vietnam
- Strengthening development of high value-added products such as high function gear units and ceramic products, etc.

Hinges

Developing new customers

- Comprehensive marketing for group's rotating technologies
- To open up new demand in markets such as automobile, household equipment and medical service



ADVANCEX

(CONTACT)

Advanex Inc.
Corporate Communication Dept.

TEL: 81-3 - 3822 - 5865 FAX: 81-3 - 3822 - 5873

URL: <http://www.advanex.co.jp>