

# Results for Fiscal Year Ended March 31, 2010



May 25, 2010



This datum is based on the data as of March 31, 2010. The opinion and forecast described here is based on our judgment at that time and may possibly be changed without notice.

# Subject

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1. Operating results for the Fiscal Year Ended March 31, 2010
2. Forecast for the Fiscal Year Ending March 31, 2011
3. Business Strategies

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1. Operating results for the Fiscal Year Ended  
March 31, 2010

## 1-1 Highlight

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Sales decreased, but income increased.

- Although sales decreased by 21.2% compared with the previous fiscal year, there was recovery trend after 2Q. Since the fixed cost decreased with the effect of streamlining measures, such as the closing of a factory and personnel reduction, operating income turned into the black after 2Q.

Operating income improved in 3 business segment other than precision component parts.

- Financial results in 3 business segment such as precision spring, plastic, and motor improved sharply due to the effect of fixed cost reduction and so on. On the other hand, operating loss increased in precision component parts business, because of declined hinge sales for cellular phones and the delay in launch of hinge business for laptop computer market.

Net income sharply improved.

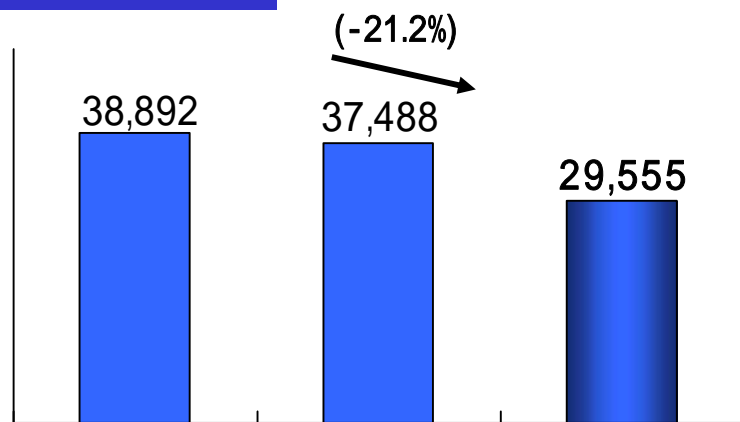
- Net income increased 3,200 million yen year on year to –380 million yen, since the extraordinary loss accompanied by the streamlining measures, which was taken in the previous fiscal year, decreased sharply.

## 1-2 Summary of Consolidated Financial Results

(Million yen)	Year ended Mar. '09 Full year	Year ended Mar. '10 Full year	Y to Y Change	
			Amount	Ratio
Net Sales	37,488	29,555	-7,933	-21.2%
Gross Profit	6,876	6,041	-835	-12.1%
Operating Income	- 1,507	- 274	1,233	-
Operating Income ratio	-4.0%	-0.9%	-	-
Ordinary Income	- 1,484	- 569	915	-
Net Income	-3,595	-380	3,215	-

## 1-3 Trend of Sales and Income (Consolidated)

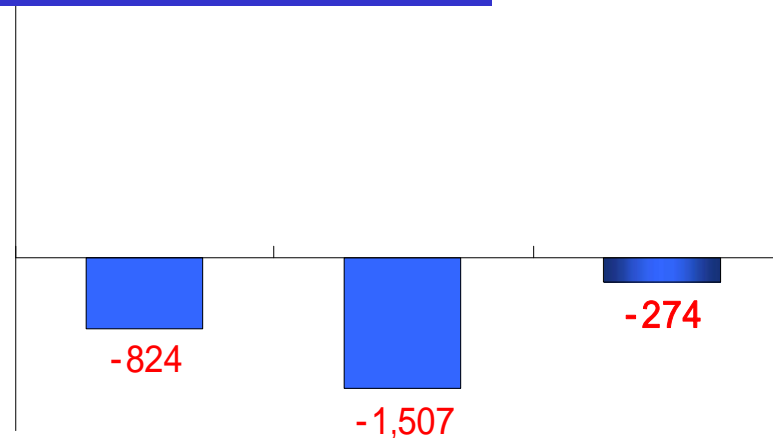
Net Sales



FY end Mar.'08 Mar.'09F Mar.'10

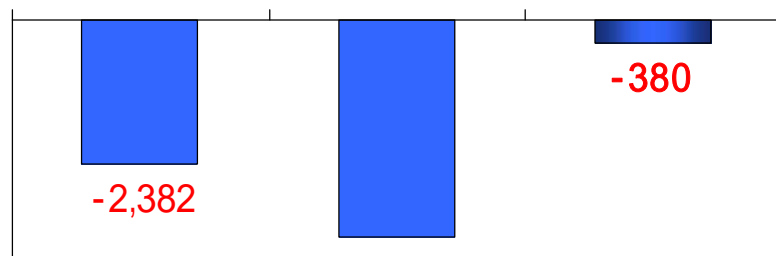
Operating Income

(Million yen)



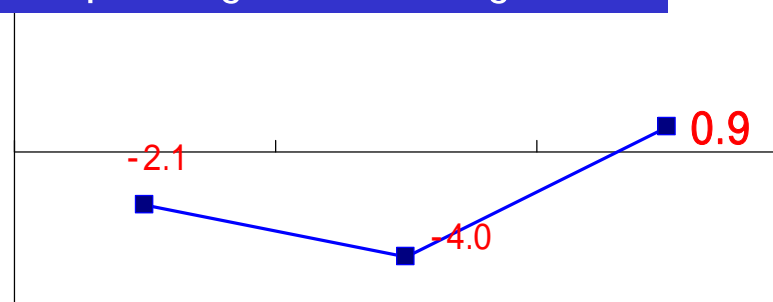
FY end Mar.'08 Mar.'09 Mar.'10

Net Income



FY end Mar.'08 Mar.'09 Mar.'10

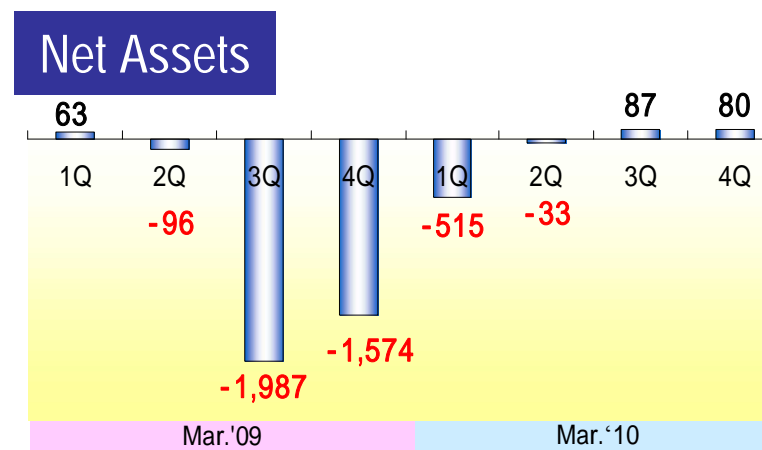
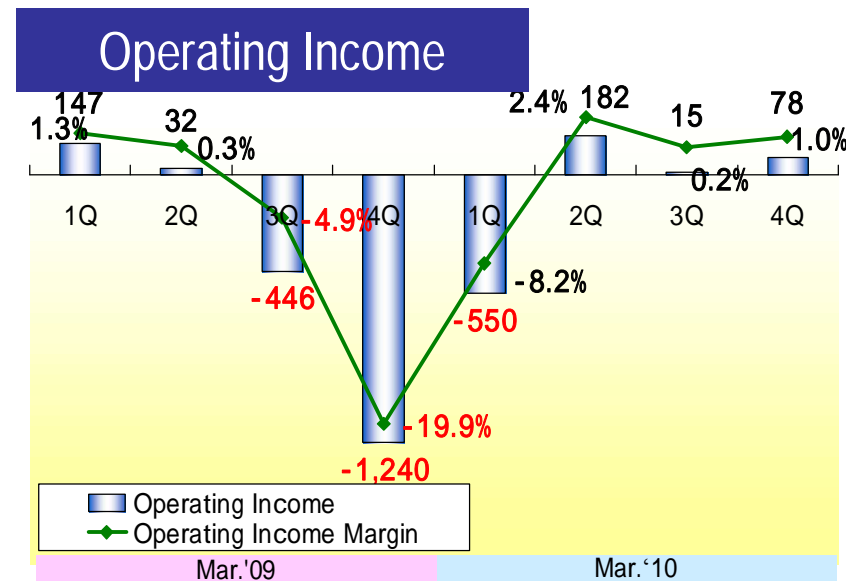
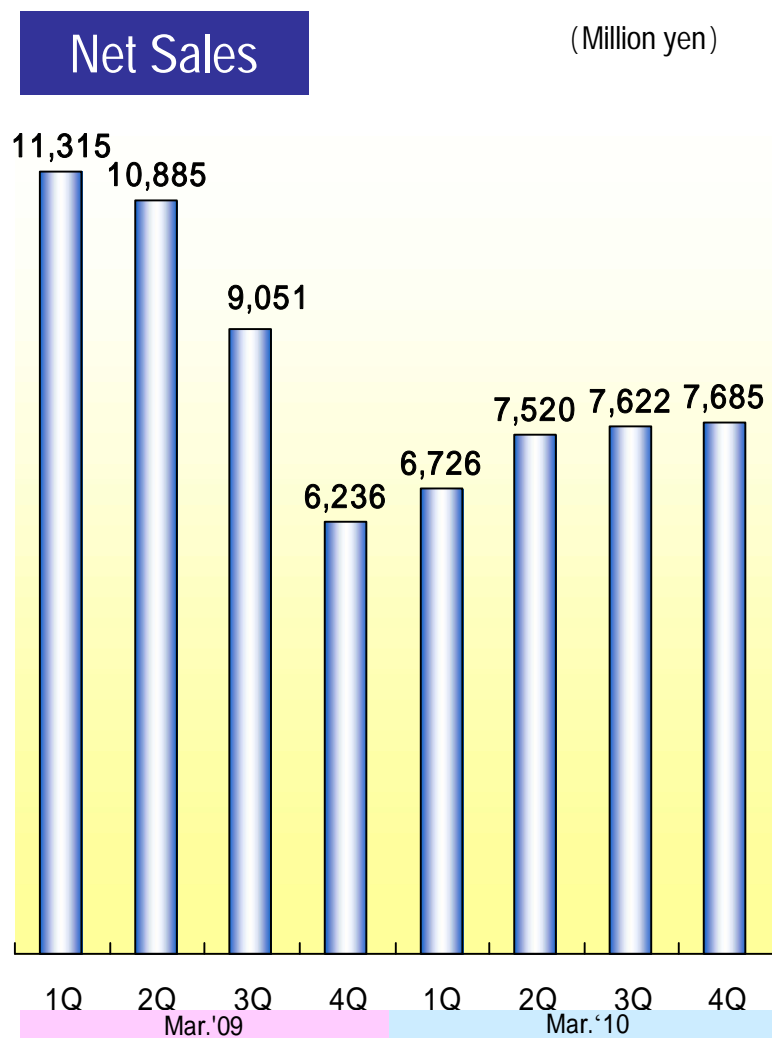
Operating Income Margin %



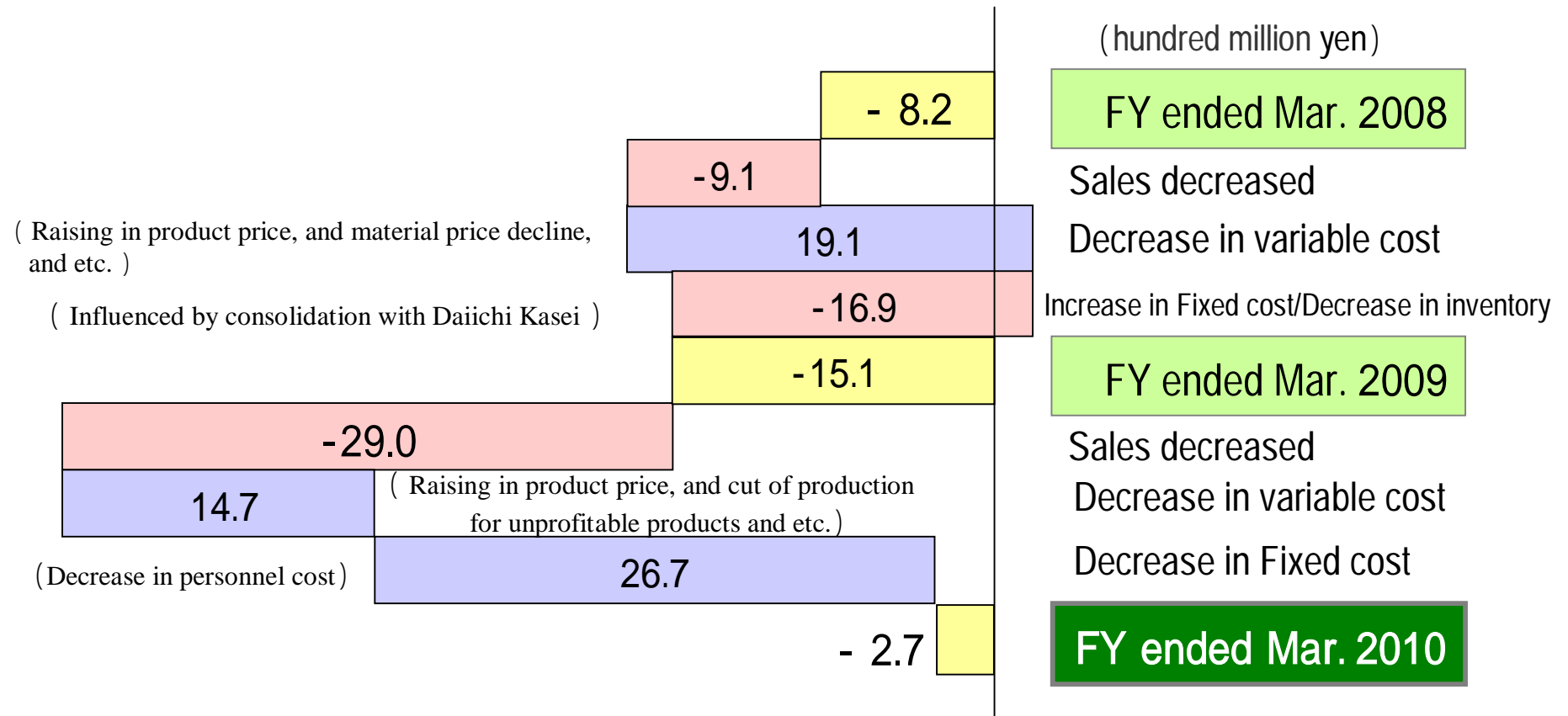
FY end Mar.'08 Mar.'09 Mar.'10

*To provide "Eureka!"*

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



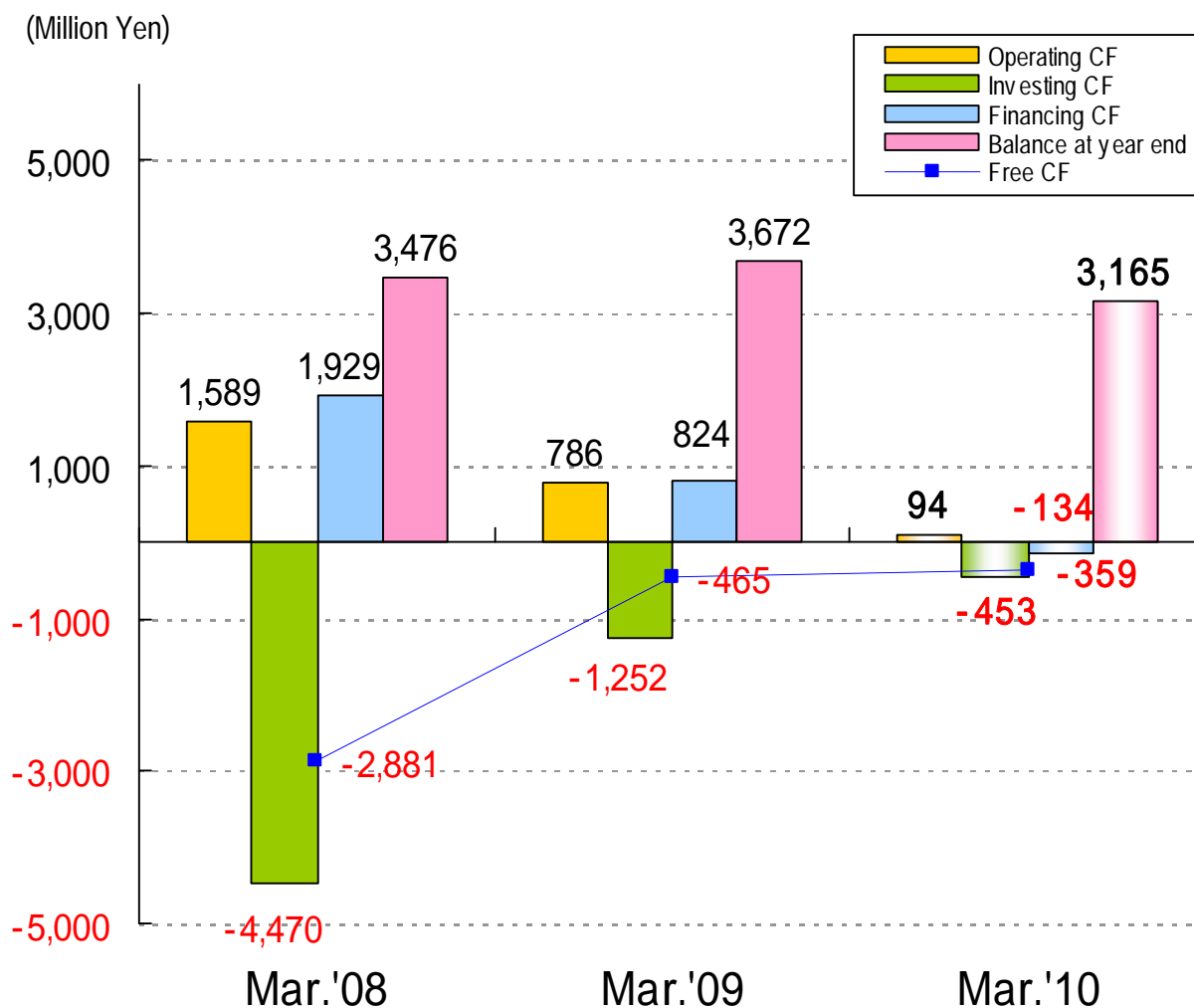
## 1-5 Analysis of Increase and Decrease of Operating Income (Consolidated)



*To provide "Eureka!"*



# 1-7 Consolidated Cash Flows



## <Status of CF for Mar '10>

### Operating CF

Net cash increased 94 million yen due to increased fund from fund reserve reflecting depreciation and amortization, increased trade notes and account payable.

### Investing CF

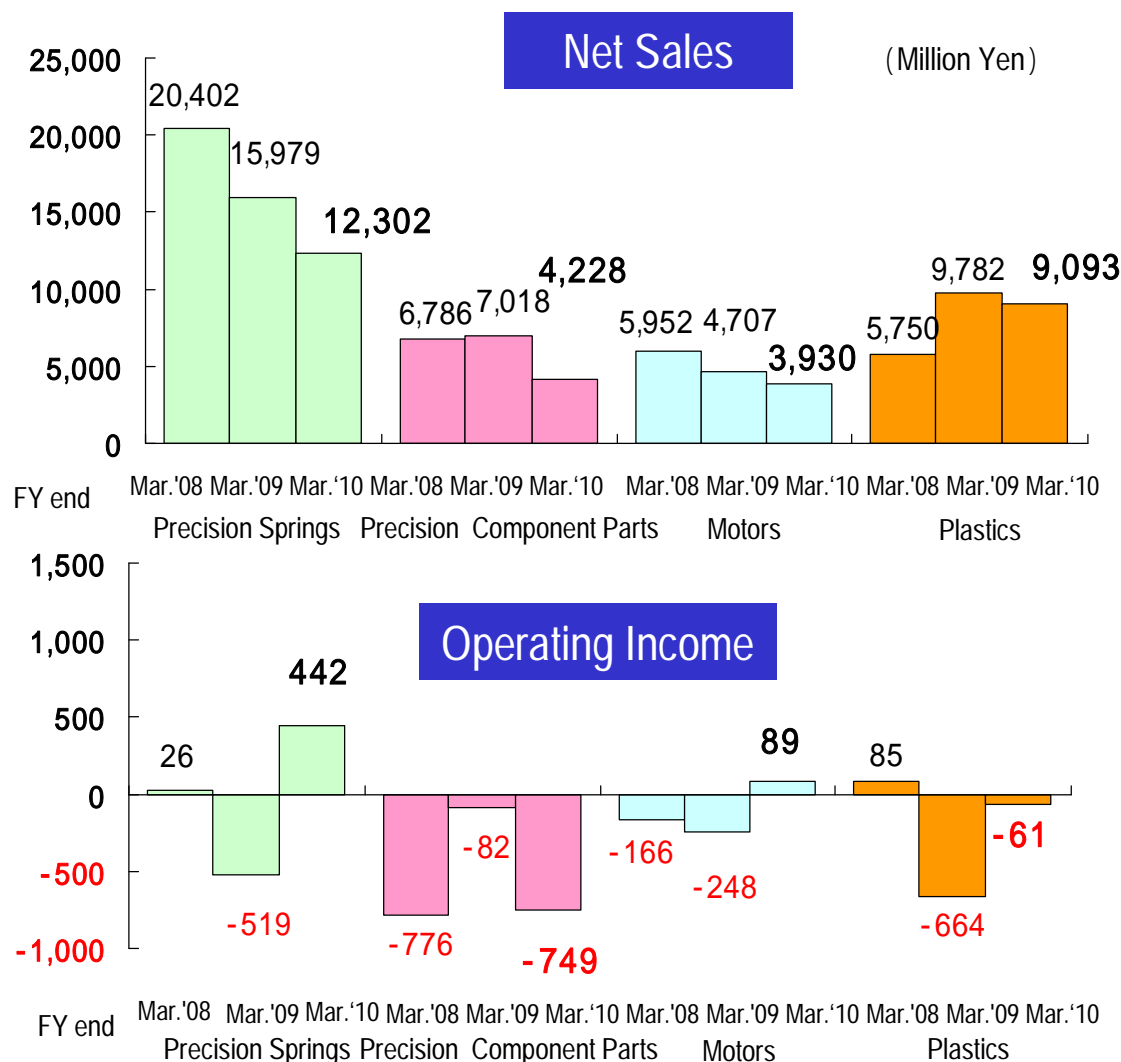
The fund decreased 453 million yen by capital investment to production sites in Asian countries.

### Financing CF

The fund decreased 134 million yen mainly by the payment of lease obligations.

*To provide "Eureka!"*

# 1-8 Net Sales and Operating Income by Business Segment



Factors for change from the previous year

## Precision Springs

- Net sales decreased due to declined sales for OA equipments and automobiles. Reduction in production costs and fixed costs including labor cost and improved profitability in Asia contributed to improve operating income after 2Q.
- Sales:-23.0%, Operating income: improvement of 961 million yen

## Precision Component Parts

- Net sales dropped due to declined sales of the high performance hinge units for cellular phone both domestically and in overseas, as well as sluggish sales of hinge to laptop computer markets caused by delayed launch at the new factory in China.
- Sales:-39.8%, Operating loss: increase of 666 million yen

## Motors

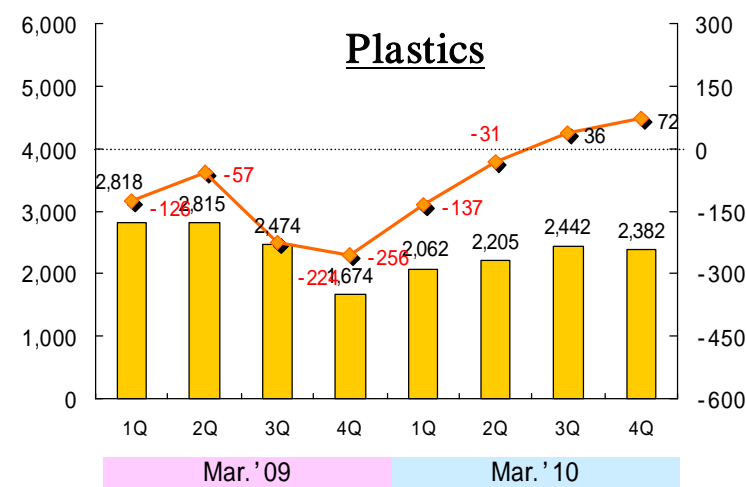
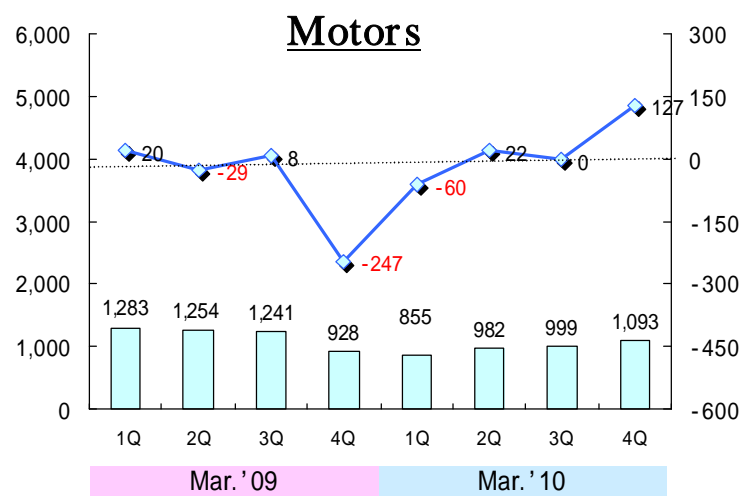
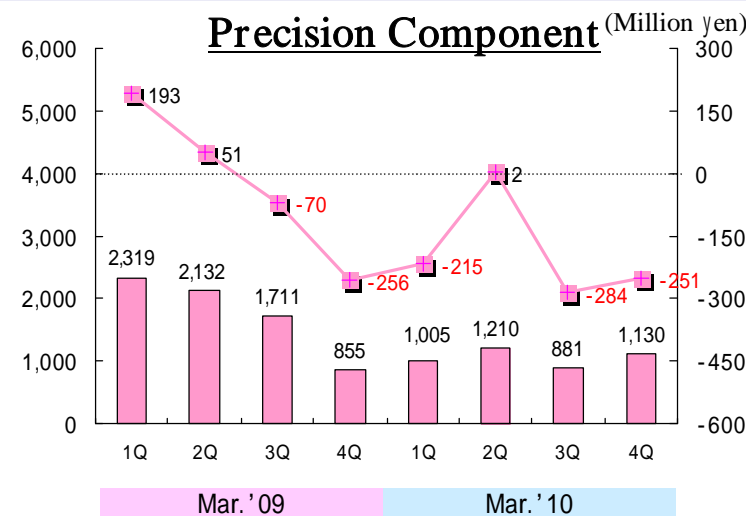
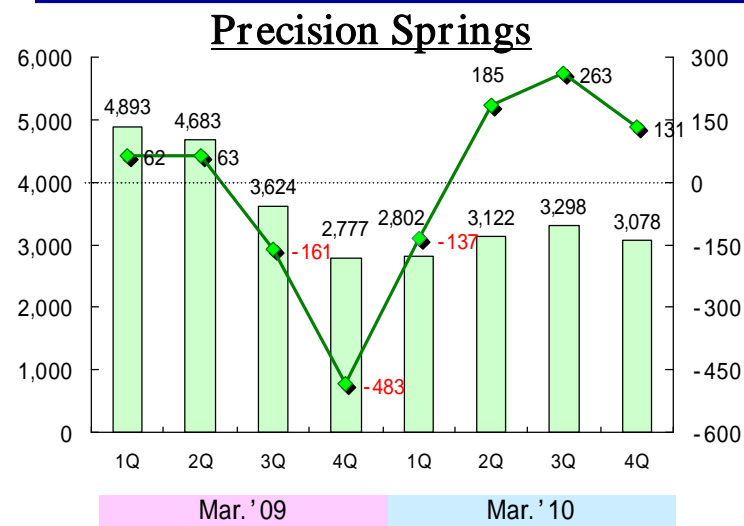
- Sales to healthcare market decreased. However operating income improved due to smaller sales of less profitable products and increased prices of products.
- Sales:-16.5%, Operating income: improvement of 337million yen

## Plastics

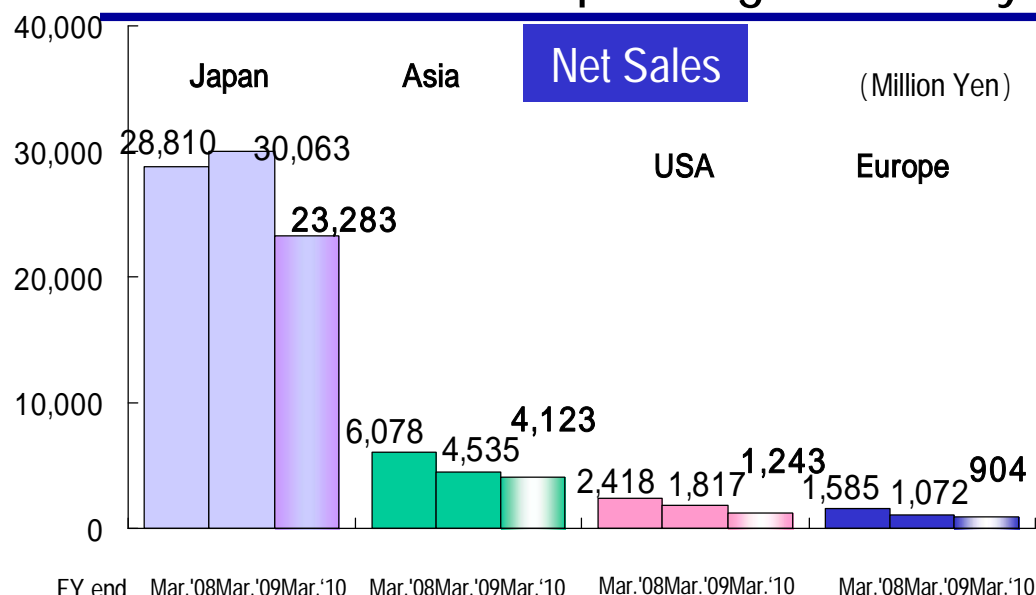
- Although sales for OA equipment declined, sales for automotive related products recovered. Operating loss improved by reduction of fixed cost accompanied by streamlining efforts.
- Sales:-7.0%, Operating loss: decrease of 602 million yen

*Idea and solution design*

# 1-8 Quarterly Transition of Net sales and Operating income by Business Segment



# 1-9 Net Sales and Operating Income by Geographical Segment



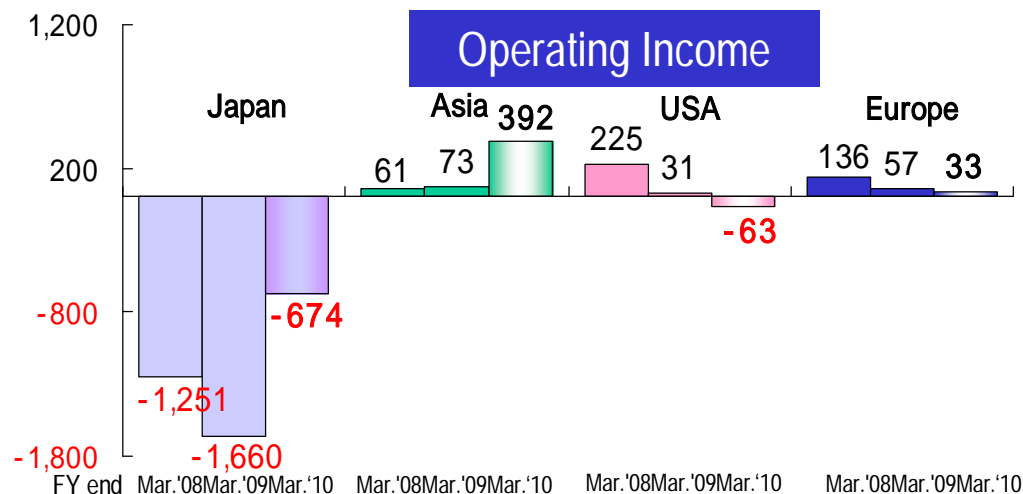
<Factors for change from the previous year>

## Japan

- Sales of precision springs and plastics to OA equipment and automotive markets decreased. Also sales of high performance hinge units for cellular phone declined both domestically and in overseas.
- In spite of large sales drop in Strawberry, operating income in 3 business segment such as precision springs, motor and plastics improved.
- Sales:-22.6%, Operating income: improvement of 985 million yen

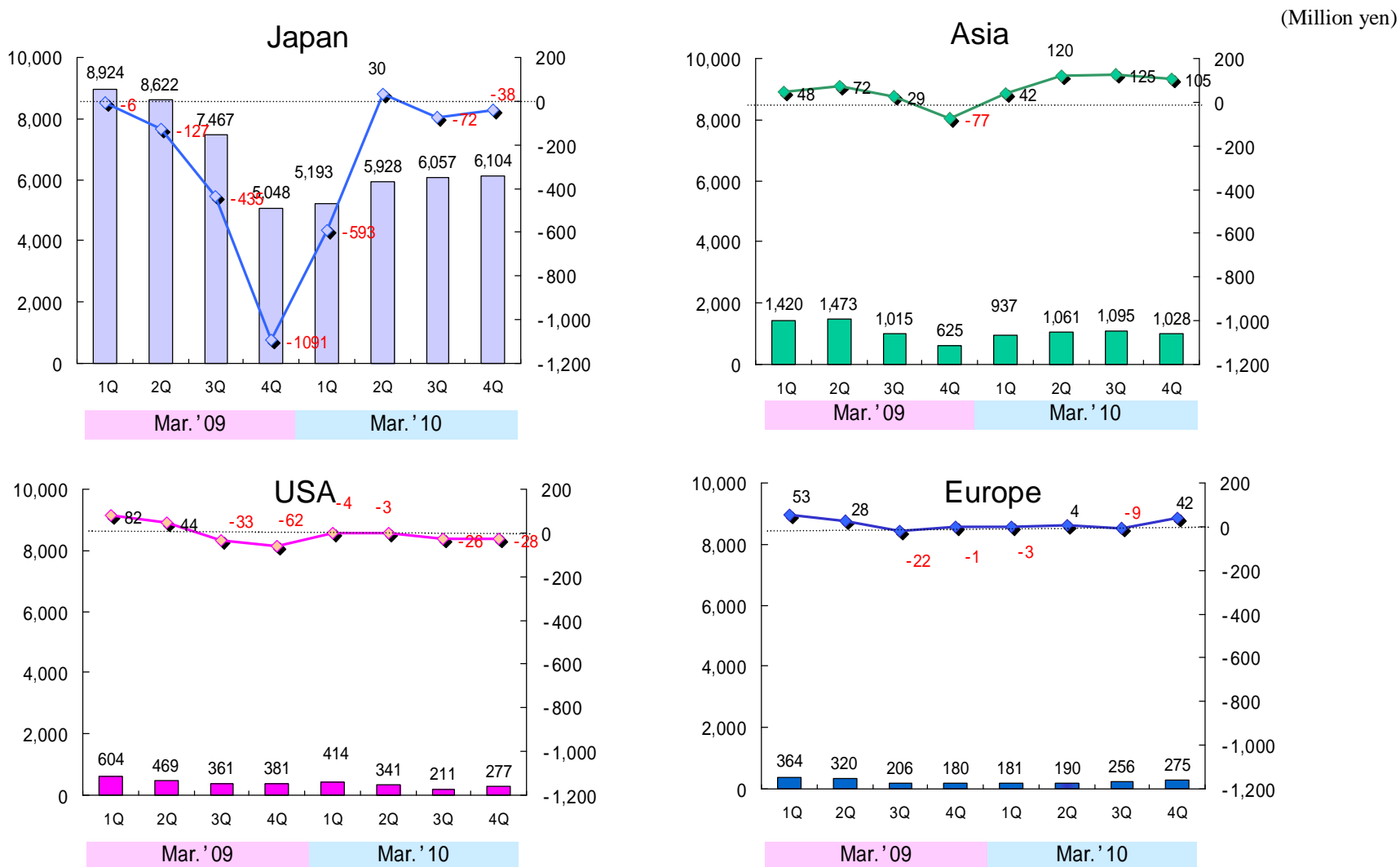
## Overseas

- In Europe and United States, sales and operating income decreased due to declined demand and sellout of subsidiary. In Asia, operating income increased due mainly to sales recovery in precision springs to OA equipment and automotive markets as well as fixed cost reduction effected by management streamlining efforts.
- Sales:-15.5%, Operating income: increase of 201 million yen

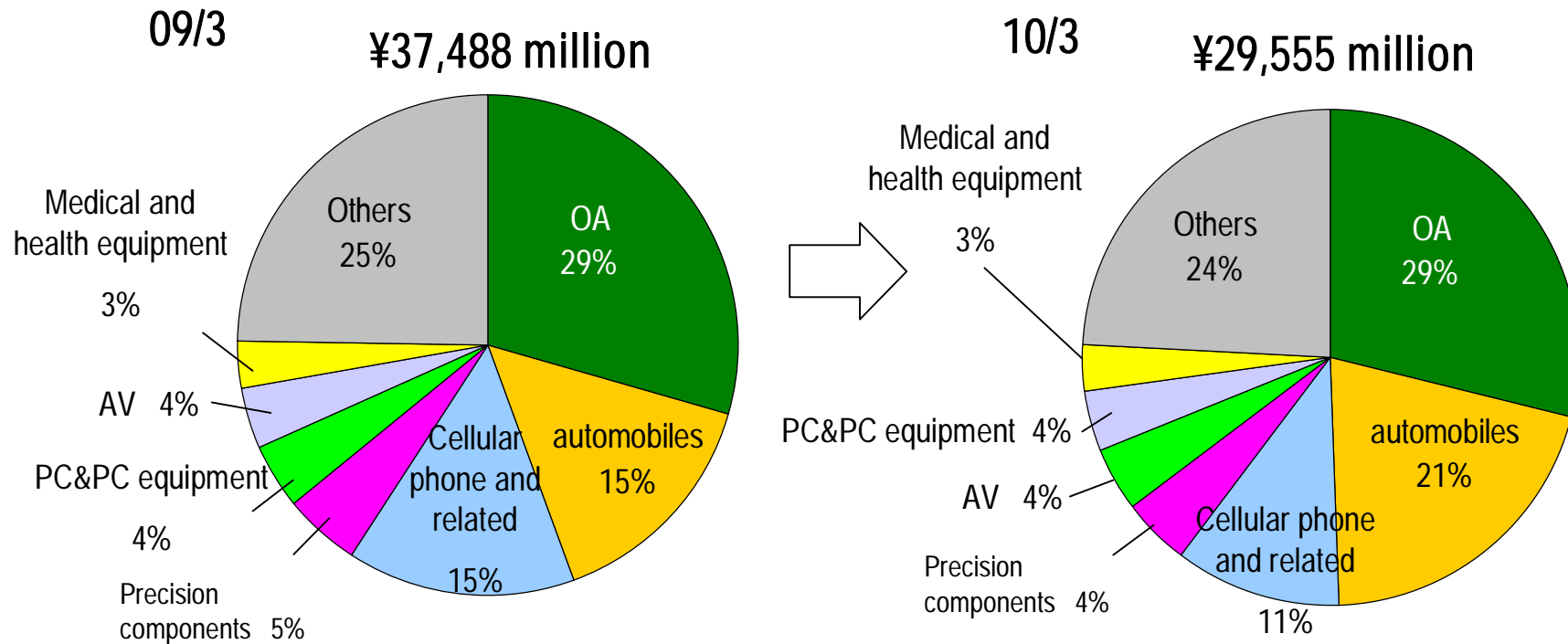


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# 1-10 Quarterly Transition of Net sales and Operating income by Geographical Segment



# 1-10 Trend of Net Sales by Market



- Ratio of “Automobiles” increased due to recovery in sales after 2Q. (improved 7.2% year on year to 6,063 million yen.)
- Ratio of “Cellular phone and related” declined due to sales decrease in hinge both domestically and in overseas. (decreased 42.7% year on year to 3,181 million yen.)

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## 2. Forecast for Fiscal Year Ending March 2011

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## 2-1 Business Plans for Fiscal Year Ending March 2011

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Demand in OA equipment and automotive markets is expected to improve steadily. Financial recovery for precision springs and plastic segment will continue.

In hinge business, severe competition will continue both in domestic and global cellular phone market, however improvement of operating income will be expected due to sales expansion for laptop computer and fixed cost reduction.

### Change of business segment

From this fiscal year, business segment is changed. The former Precision Component Parts segment is changed to Hinge segment. The business other than Hinge is included in Precision Springs and Plastics.

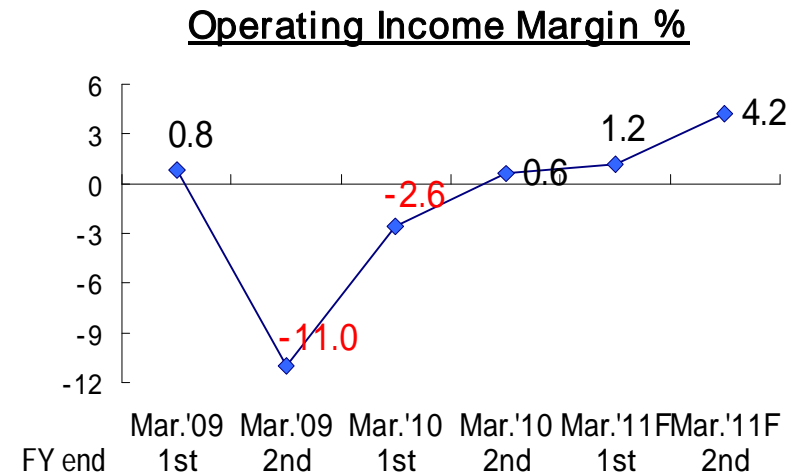
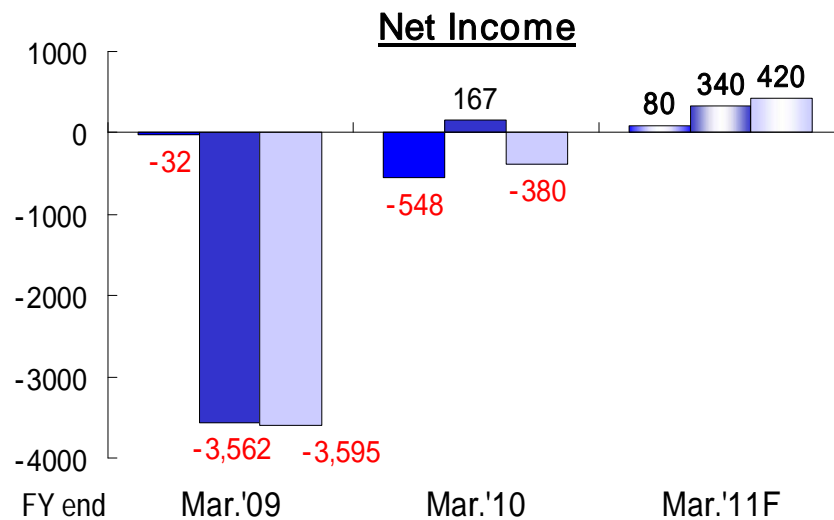
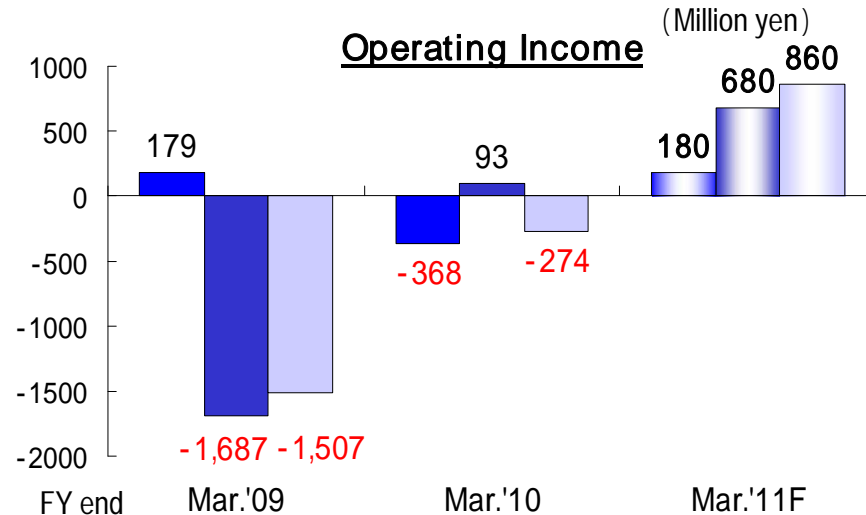
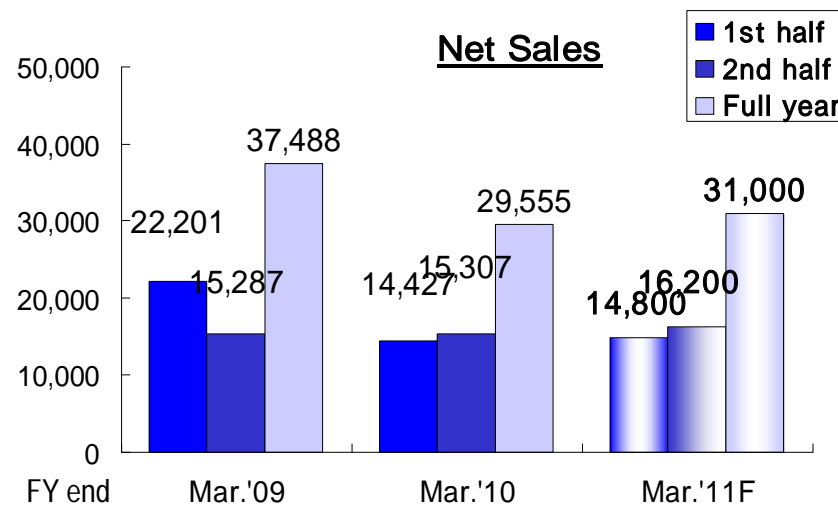


## 2-2 Forecast for FY ending March 2011 (Consolidated)

(Million yen)	Year ended Mar. '10		Year ending Mar. '11		Change H1		Change Full year	
	H1	Full year	H1	Full year	Amount	Ratio	Amount	Ratio
Net Sales	14,247	29,555	14,800	31,000	553	3.9%	1,445	4.9%
Operating Income	- 368	- 274	180	860	548	-	1,134	-
Operating Income ratio	- 2.6%	- 0.9%	1.2%	2.8%	-	-	-	-
Ordinary Income	- 580	- 569	20	520	600	-	1,089	-
Net Income	- 548	- 380	80	420	628	-	800	-

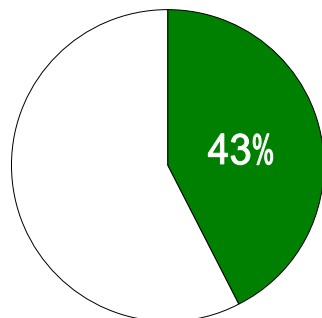
*To provide "Eureka!"*

## 2-3 Transition of Sales and Income (Consolidated)



## 2-4 Forecast for Precision Spring Business

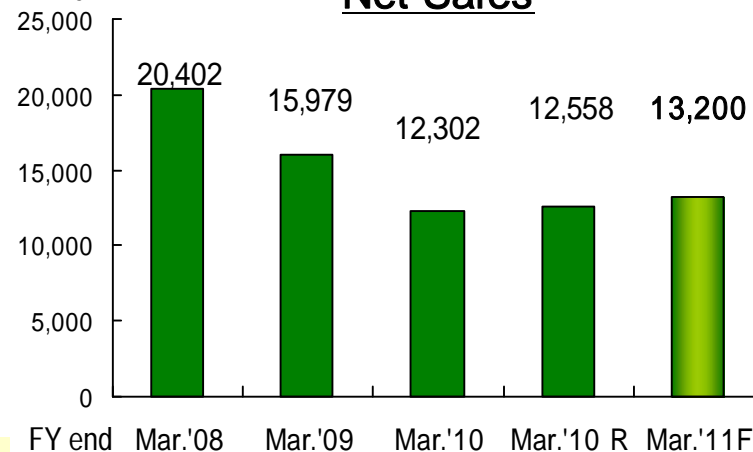
Sales ratio ( Mar.'11F)



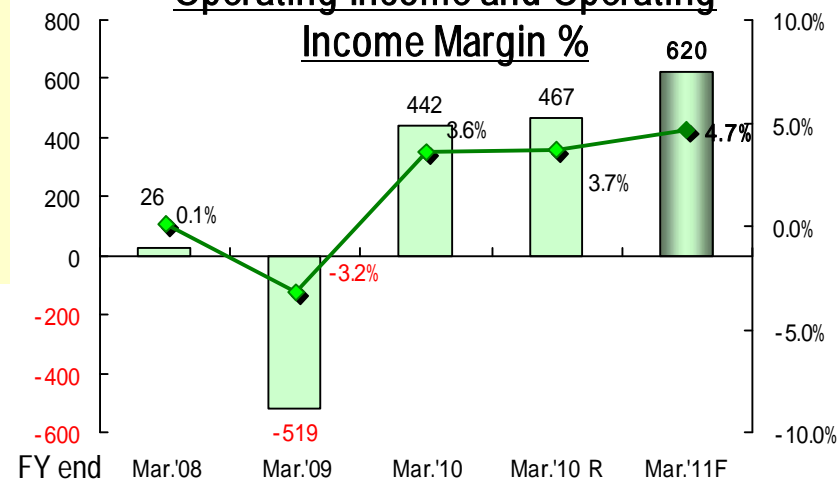
- Sales:+5.1%, Operating income: increase of ¥153 million (based on new segmentation)
- Increasing in sales for OA equipment and automotive market both in Japan and overseas.
- Improvement in operating income margin due to fixed cost reduction effected by management streamlining efforts.

(Million yen)

Net Sales



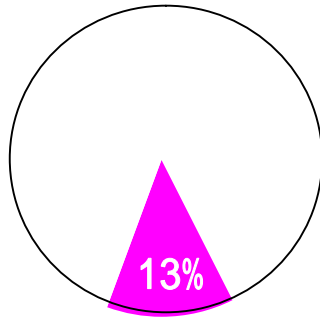
Operating Income and Operating Income Margin %



*To provide "Eureka!"*

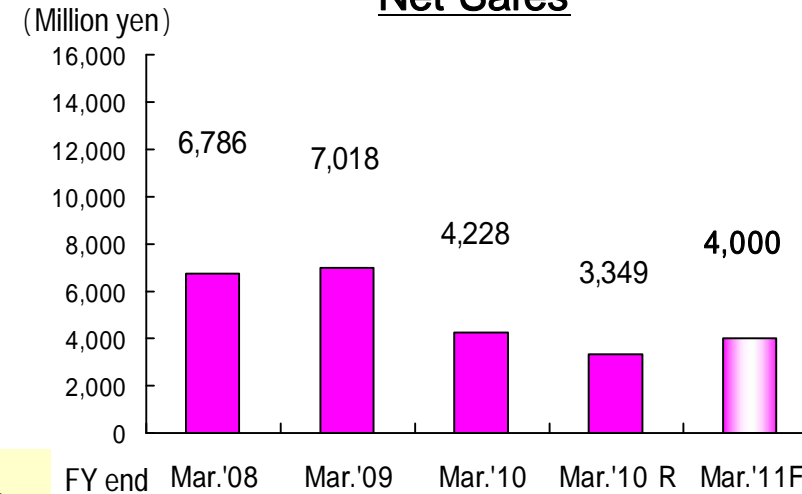
## 2-5 Forecast for Precision Component Parts Business

Sales ratio ( Mar.'11F)

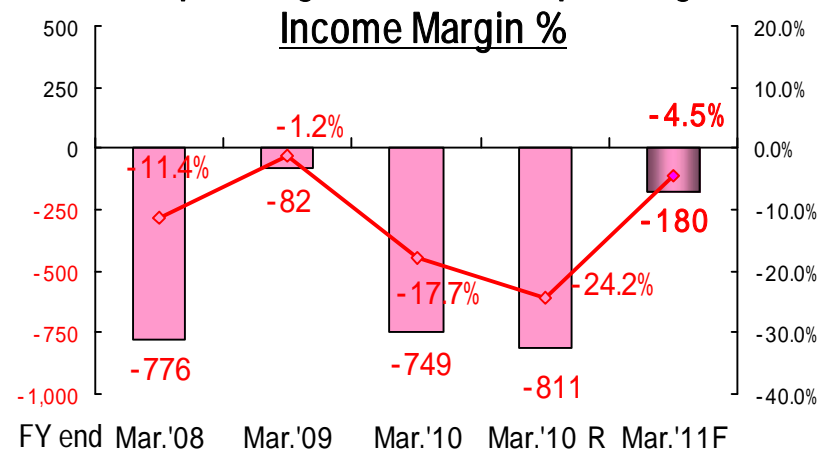


- Sales: +19.4%, Operating loss: improvement of ¥631 million (based on new segmentation)
- Hinge sales for cellular phone will level off the previous fiscal year. Sales for laptop computer will increase.
- Operating income is forecasted to improve by gain in sales and additional management streamlining efforts.

### Net Sales

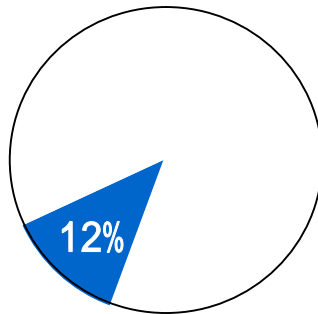


### Operating Income and Operating



## 2-6 Forecast for Motor Business

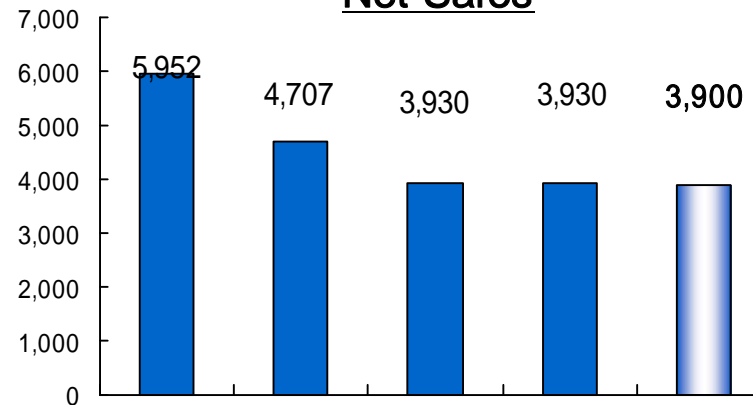
Sales ratio ( Mar.'11F)



- Sales: level off, Operating income: increase of ¥20 million
- Sales will decrease in house equipment market. Strengthening of developing and launching new products such as home electronics appliances.
- Expect increase of profitability by improvement of production cost.

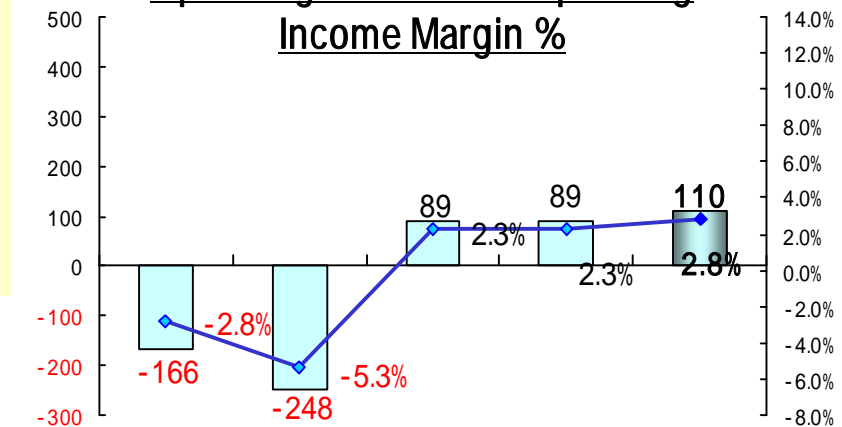
(Million yen)

Net Sales



FY end Mar.'08 Mar.'09 Mar.'10 Mar.'10 R Mar.'11F

Operating Income and Operating Income Margin %

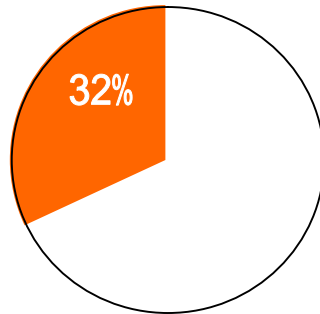


FY end Mar.'08 Mar.'09 Mar.'10 Mar.'10 R Mar.'11F

*To provide "Eureka!"*

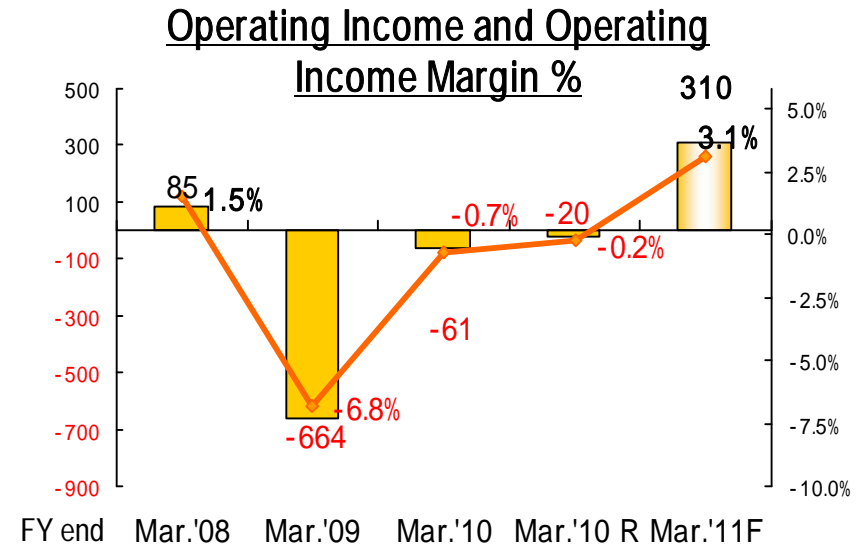
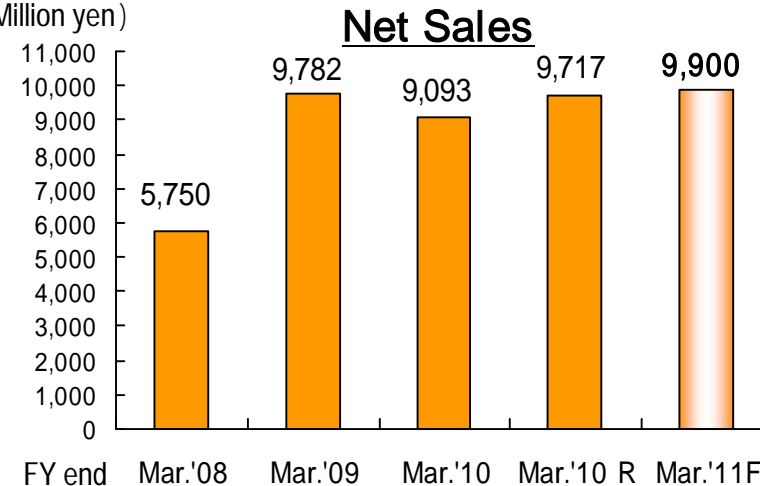
## 2-7 Forecast for Plastic Business

Sales ratio ( Mar.'11F)



- Sales:+1.9%, Operating income:improvement of ¥330 million (based on new segmentation)
- Domestically, sales increase in automobiles will cover the sales decrease in OA equipment. In overseas, sales in Vietnam factory will increase.
- Restructuring effects from the previous fiscal year and stabilized operation of insert molding will help operating income increase in domestic business.

(Million yen)



## 2-8 Capital Investment Plan

Continued reduction in capital investment and R&D spending

**Capital investment : Machine and facilities, tooling, software and etc.**

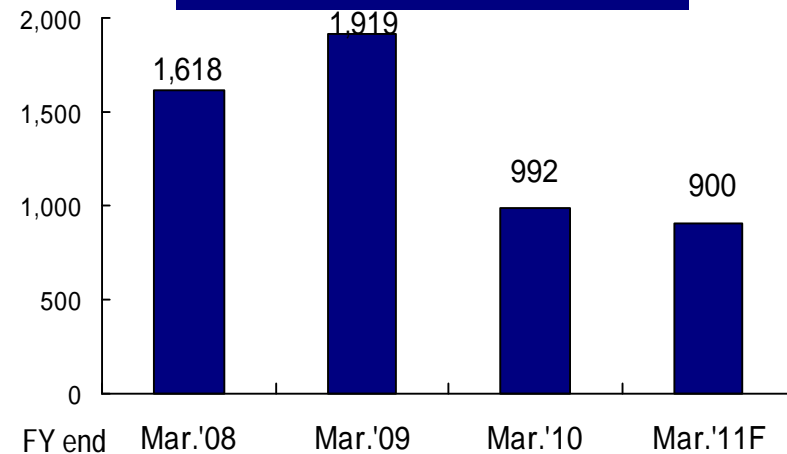
Domestic : 300 million yen, Overseas : 600 million yen

**R&D spending : Decrease in development spending on hinge unit**

(Focus on development)

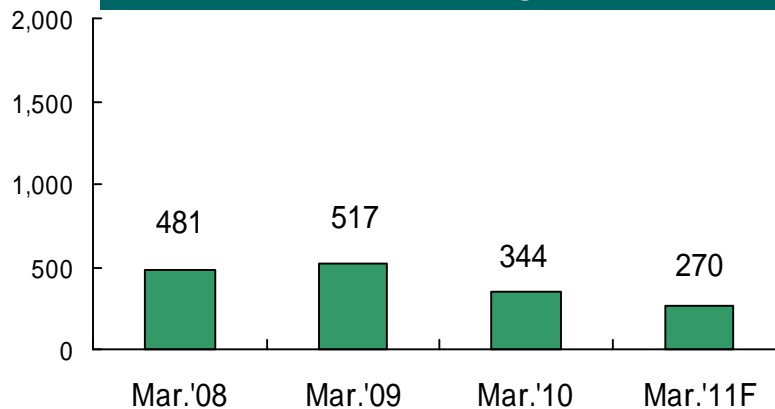
(Million yen)

### Capital investment



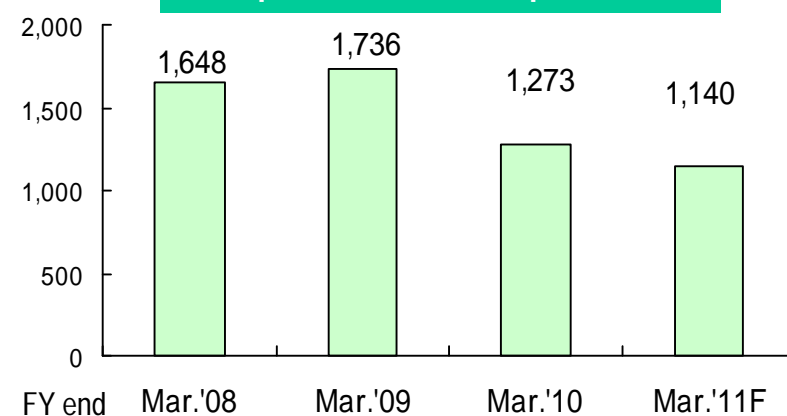
(Million yen)

### Research and development spending



(Million yen)

### Depreciation expenses



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### 3. Business Strategies



## 3-1 Strengthen the Base of Precision Spring Business 1

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### Improve Cost competitiveness

- Fixed cost reduction (lowering the break-even sales) by implementing the management streamlining measures
- Stabilization of profitability by further cost reduction.

### Deploy new business strategies

- Expanding the business scope in a coordinated way (or as a “plane”), primarily in our main business, Precision Springs.
- Consolidating efforts in development and operation for strategically important products. (“Plane” and “Point” strategy )

### Pursuit business synergies with Daiichi Kasei Co., Ltd. (IKKA Co.)

- Strengthen the cooperation in sales for OA equipment and automotive markets.
- Expand insert molding business by combining Advanex’s precision springs and metal processing technology with Daiichi Kasei’s plastic molding technology.
- Future goal is to fully integrate and merger the two companies.

### Restructure and enhance the overseas operations

- Improvement of business efficiencies and further expansion of our business at overseas subsidiaries.
- Strengthen the integration and efficiency of multiple operations in China, increasing factories. (Within year 2010)
- As for the UK, consolidating 3 subsidiaries.

## 3-1 Strengthen the Base of Precision Spring Business 2

### Strategy of “Plane” and “Point”

Strive for solid profit (Cash Flow) and further growth of our business

#### “Plane”

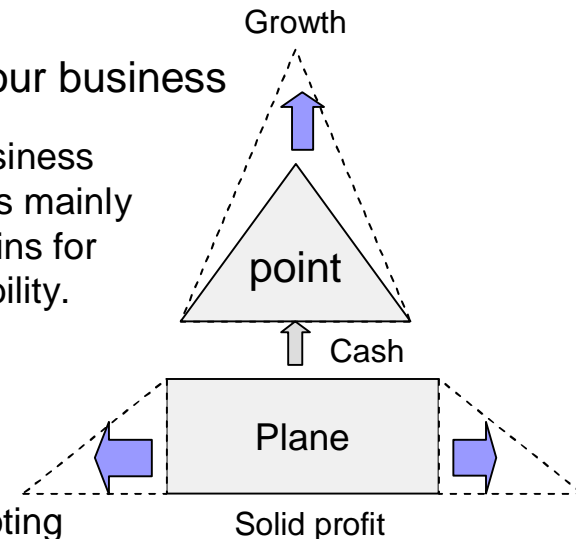
Form the strong business base by carrying out business deployment on plane and accumulating small sales mainly in domestic market, where potentialities fully remains for “wire spring” holding competitive edge and profitability.

Plan to develop customer through WEB and launch on-line business for this fiscal year.

#### “Point”

Implement business growth and expansion by devoting resources raised by “Plane” to the “Point” after specifying strategic products and markets as the “point”

Strengthen development and sales for products with high technical superiority such as Tangless Coilthread or Insert Collar.



Insert Collar for automobiles

## 3-2 Rebuild Hinge Business

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### Renew of business structure

- Chang of the President in April. Under the new leadership, executing management reforms.
- Strengthening business cooperation with the parent company.

### Improve of quality and strengthen of cost competitiveness

- Strengthening production and quality control in China factories.(Transfer the function from Japan)
- Increase of the quantity of locally procured parts. (30% → 70%)
- Reduction of sales and general administration expense and production fixed cost by executing additional streamlining measures

### The real launch of laptop computer business

- Reinforcement of production facility in PC hinge production factory in Shanghai.
- Strengthening business cooperation with EMS maker in Taiwan by division of labor. (Supplying core parts.)
- Supplying finished product to Japanese manufacturer. Forecast to receive large order from Korean manufacturer this fiscal year.

### Solid expansion of cellular phone business

- Maintaining technical competitiveness in domestic cellular phone market
- Expand sales of high performance, highly value-added products to Europe and USA markets
- Expand sales of low-cost model for China market.

## 3-4 Road Map for Mid-term Growth

### Previous term

#### Restructuring for survival

- ◆ Factory closure, streamlining of personnel cost
- ◆ Retreat and sellout of unprofitable business
- ◆ Reduction of fixed cost
- ◆ Review of business organization
- ◆ Priority on cash management

### Current term

#### Settlement of Income surplus

- ◆ High cost competitiveness
- ◆ Expansion of profit in China and other Asian areas
- ◆ Seek for business opportunities in automobiles
- ◆ Launching of WEB business
- ◆ Turnaround in Plastics business

### After next term

#### Growth and financial improvement

- ◆ Reform of business model (Strategy of “Plane and Point”)
- ◆ Growth of the business for automotive and medical equipment market
- ◆ New stage for global development
- ◆ Integration of Advanex and Daiichi Kasei
- ◆ Cut of debt, Improvement of equity ratio, Resumption of dividend

“Leading company” and “The world No.1 ” in precision spring is our goal.



ADVANEX

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