

Results for the Fiscal Year Ended March 31, 2013



May 28, 2013



This datum is based on the data as of March 31, 2013. 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, 2013
2. Forecast for the Fiscal Year Ended March 31, 2014
3. Business Strategies

1. Operating Results for the Fiscal Year Ended March 31, 2013

1-1 Consolidated Financial Results for the Fiscal Year Ended March 2013

(Million yen)

(Million yen)	Year ended Mar. '12 Full year	Year ended Mar. '13 Full year	Y to Y Change	
			Amount	Ratio
Net Sales	25,191	23,551	-1,640	-6.5%
Gross Profit	5,341	4,798	-543	-10.2%
Operating Income	612	426	-185	-30.3%
Operating Income ratio	2.4%	1.8%	(-0.6%)	-
Ordinary Income	470	542	72	15.4%
Net Income	226	478	251	111.2%

1-2 Highlight

◆ **Decreased sales, while increased ordinary income from weaker yen**

Sales decreased due to downsized business of Hinges and plummeted sales to OA equipment and PC related markets at Precision Springs. Operating income dropped year on year, while ordinary income increased reflecting an exchange gain recorded from weaker yen. Net income jumped 111% year on year due primarily to an extraordinary income recorded for received insurance payment for our Thai factory.

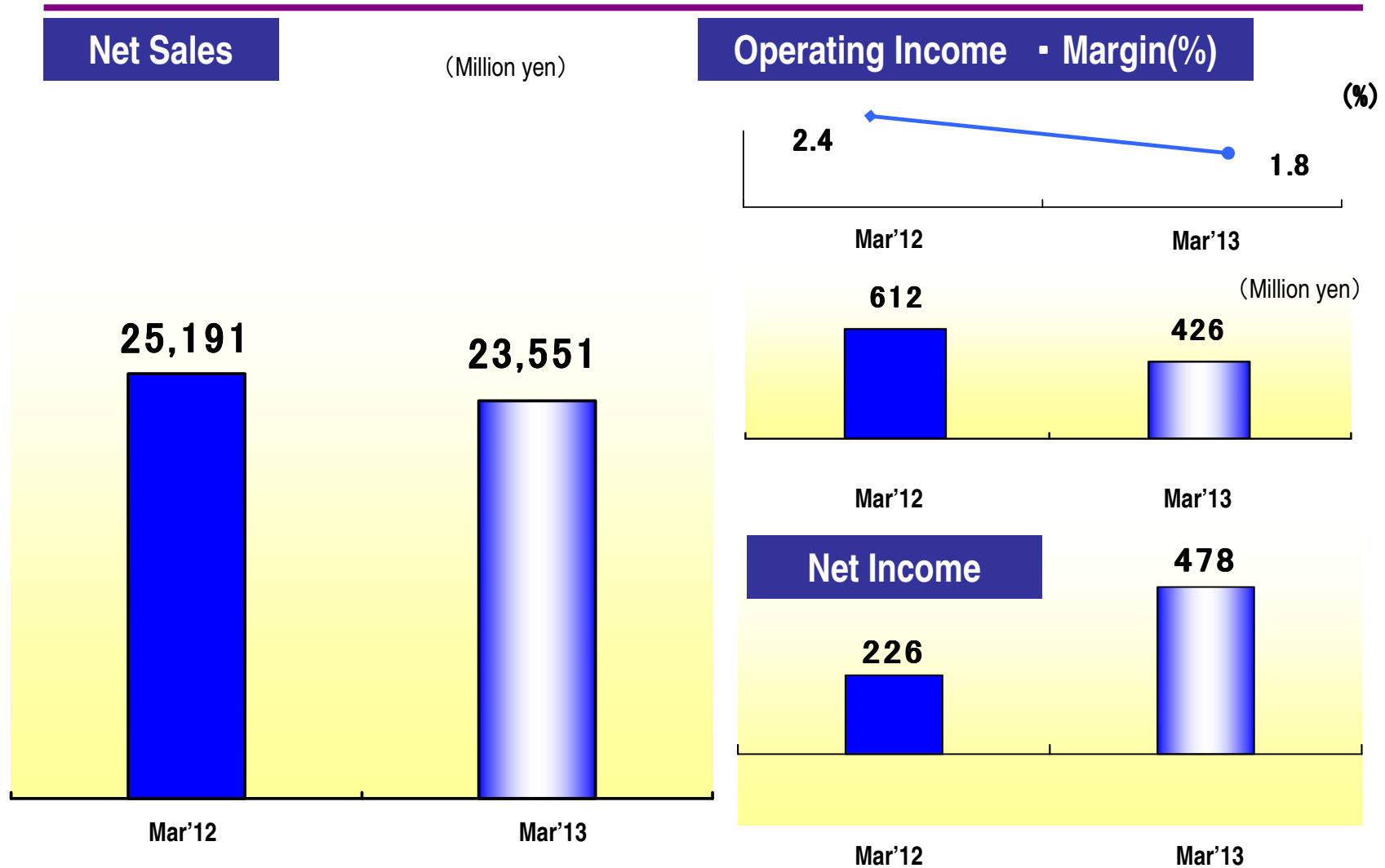
◆ **Declined domestic sales for both Precision Springs and Plastics**

Sales and operating income declined for both business. The amount of loss for Hinges was reduced significantly, while operating income dropped 30.3% year on year.

◆ **Increased sales to automotive market**

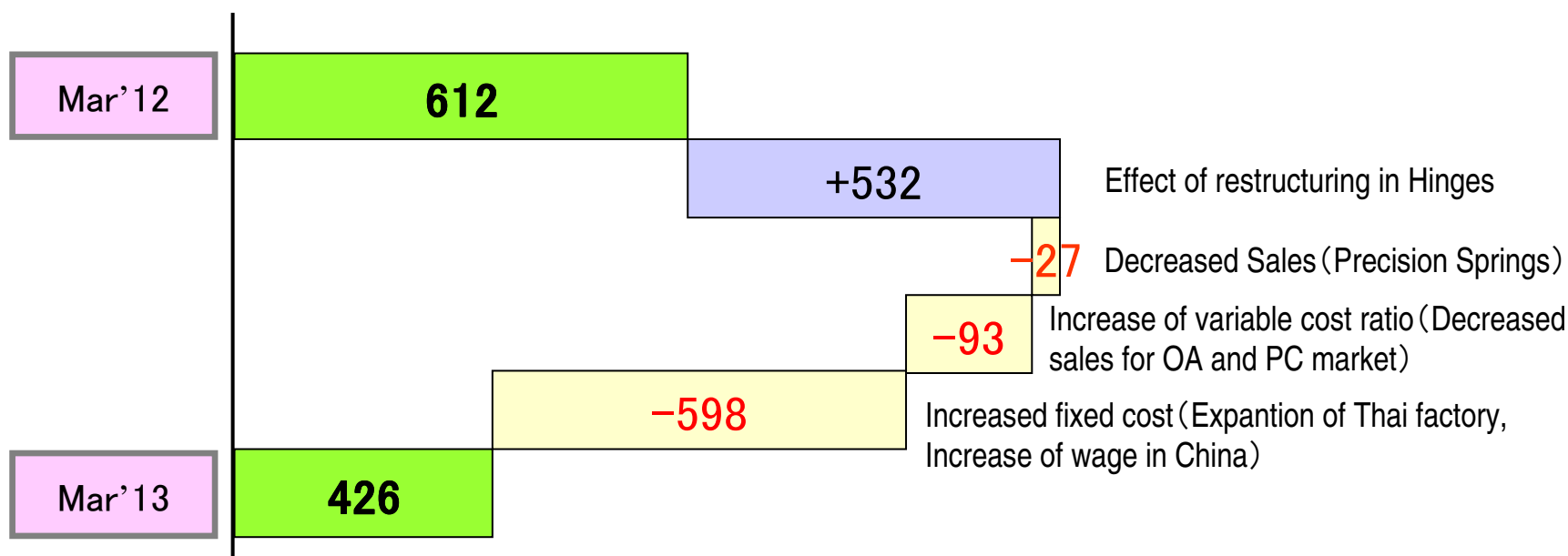
Sales to automotive industry grew compared to the previous fiscal year in both Japan and overseas. For the overseas markets, sales in Thailand and Vietnam increased largely.

1-3 Trend of Sales and Income (Consolidated)



1-4 Analysis of Increase and Decrease of Operating Income

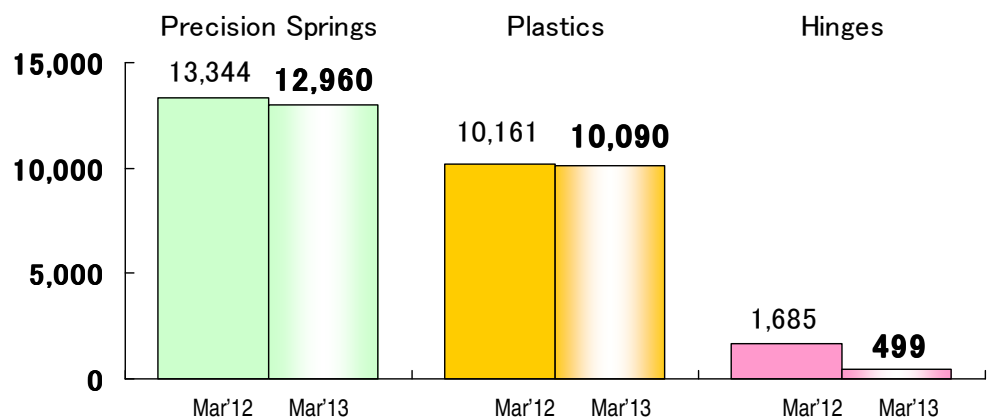
(Million yen)



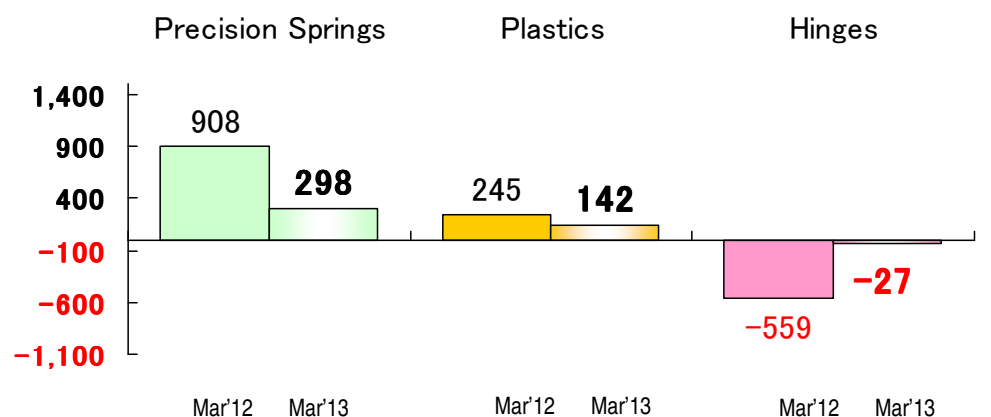
Operating income decreased 186 million yen year on year. Restructuring in Hinge Business caused positive effect. Negative effects were caused by decreased domestic sales for Precision Spring Business, decreased sales percentage of profitable products for OA and PC, as well as increased fixed cost caused by establishment of second factory in Thailand and increased labor cost in China.

1-5 Net Sales and Operating Income by Business Segment

Net Sales



Operating Income



Precision Springs

- In domestic market, sales to automotive market increased while sales of profitable products to OA equipment and PC related markets decreased significantly.
 - For overseas markets, sales in Thailand improved, but rises in costs such as labor cost brought down the earnings. In UK, earnings declined due to decreased sales to medical markets.
- < Sales : -2.9%, Operating Income : a decrease of ¥609 million >

Plastics

- Although sales to automotive market delivered steady results in Japan and Vietnam, sales to domestic OA equipment market dropped.
 - Earnings in Japan and China deteriorated primarily owing to increased labor costs such as bonuses and wage hikes.
- < Sales : -0.7%, Operating Income : a decrease of ¥ 102 million >

Hinges

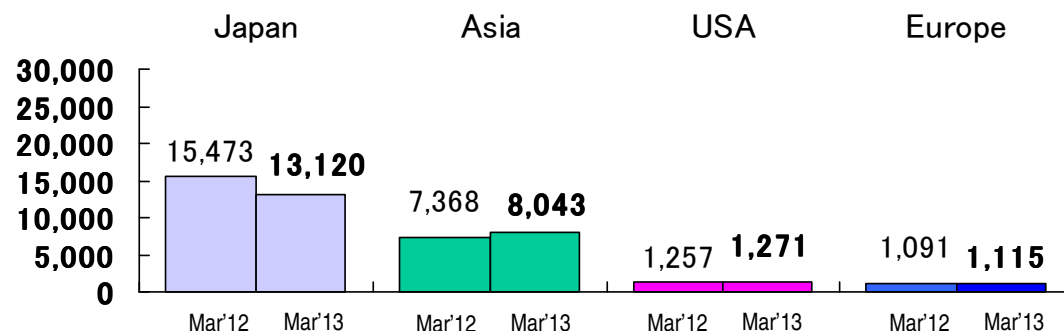
- Sales of hinge units decreased as a result of downsizing of business to mobile phone market and disposal of PC related business.
 - The amount of loss was reduced significantly in light of our efforts such as raising selling prices and reducing fixed costs such as labor cost.
- < Sales : -70.3%, Operating Loss : a decrease of ¥ 532 million >

1-6 Net Sales and Operating Income by Geographical Segment

Net Sales

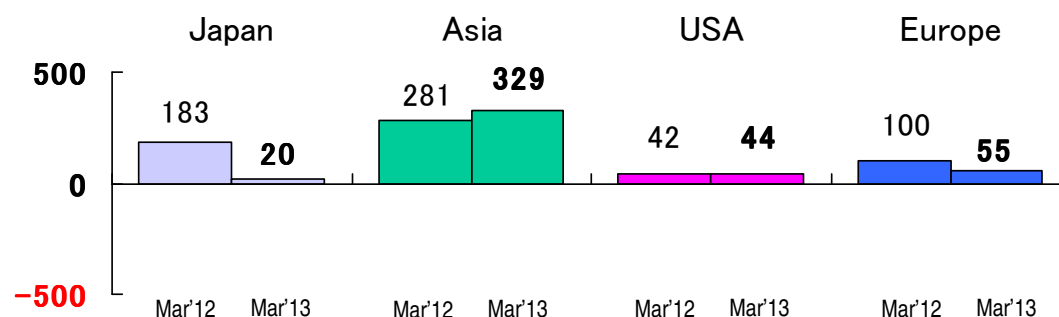
(Million Yen)

< Factors for change from the previous year >



Operating Income

(Million Yen)



Japan

- Sales decreased in Hinges and sales of products to OA equipment and PC related markets decreased in Precision Springs and Plastics.
- The amount of loss was reduced due to downsized business of Hinges, while Precision Springs went into red.

< Sales : -15.2%, Operating income : a decrease of ¥162 million >

Overseas

- In Europe, earnings decreased due to declined sales to medical markets.
- In Asia, sales increased in Thailand and income increased in Vietnam due to increased sales to automotive markets.

< Sales : +7.3%, Operating Income : an increase of ¥5 million >

1-7 Sales by Market (Consolidated)

(Million yen)	Mar/2012		Mar/2013		Change	
	Full Year	%	Full Year	%	Amount	%
OA equipment	7,245	28.8%	6,802	28.9%	-443	-6.1%
Automotive	6,869	27.3%	8,010	34.0%	1,141	16.6%
PC and PC related	1,816	7.2%	850	3.6%	-996	-53.2%
Mobile phone and related	1,232	4.9%	767	3.3%	-465	-37.7%
AV/ Home appliance	1,262	5.0%	1,293	5.5%	31	2.5%
Precision Components	1,484	5.9%	1,273	5.4%	-211	-14.2%
Medical and Healthcare equipment	793	3.1%	767	3.3%	-26	-3.3%
Household equipment	1,934	7.7%	1,456	6.2%	-478	-24.7%
Others	2,556	10.1%	2,327	9.9%	-229	-9.0%
Total	25,191	100%	23,551	100%	-1,640	-6.5%

2. Forecast for the Fiscal Year Ended March 31, 2014

2-1 Forecast for the Fiscal Year Ended March 31, 2014

◆ **Operating income will increase due to sales recovery.**

Sales to automotive market in both Precision springs and Plastic businesses are expected to grow in Japan and overseas and sales to OA equipment market is also expected to recover in 2nd half of the fiscal year. For these factors, an increase of 11.7% for net sales is projected. Accordingly operating income will increase by 63.9% year on year.

◆ **Ordinary income and net income will decrease.**

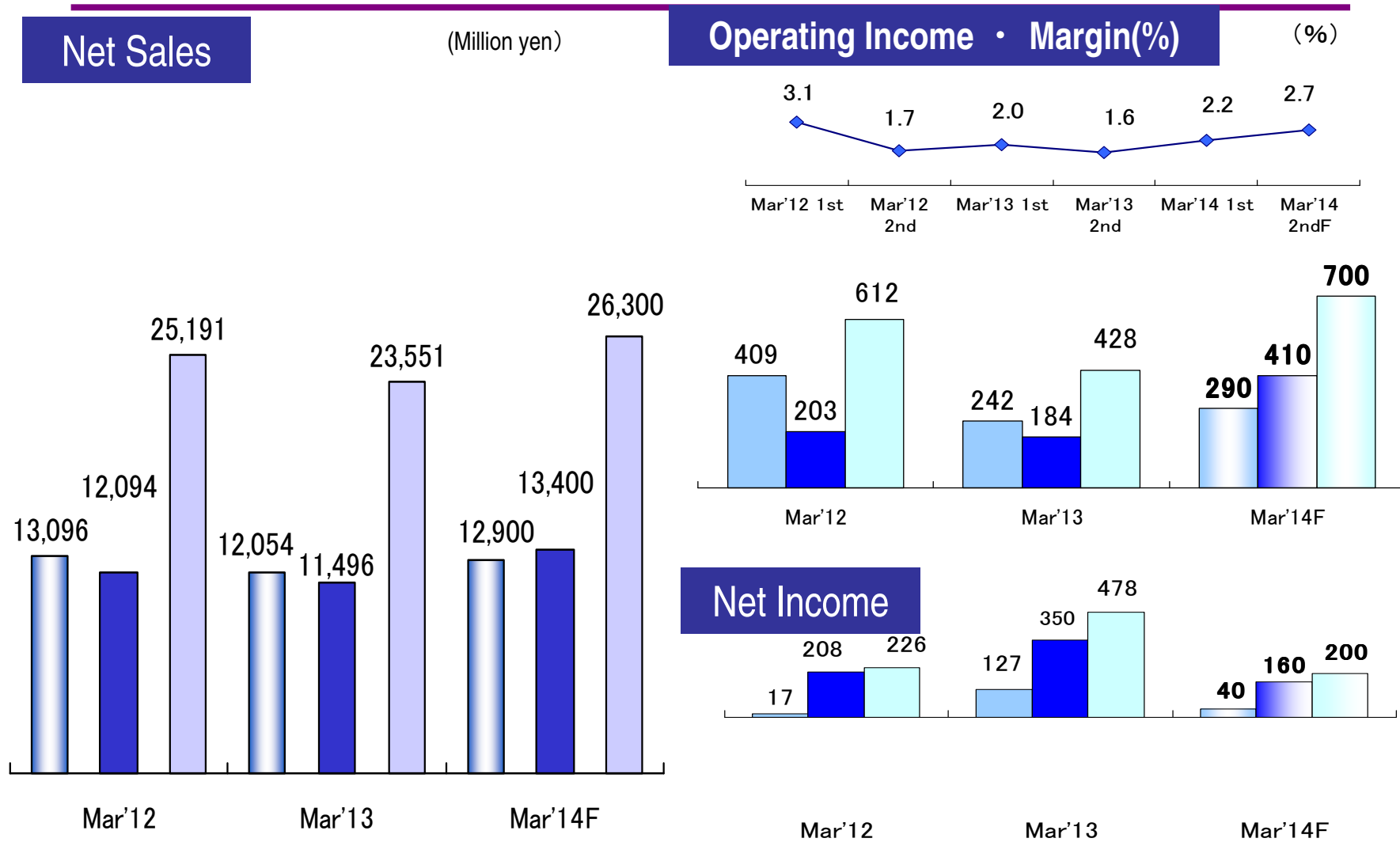
By excluding the impact of the extraordinary income of insurance payment for Thai factory and exchange gain or loss, ordinary income and net income is forecasted to decrease. These forecasts assume an exchange rate of ¥90 to the US dollar. (Change of ¥1 to the dollar will bring about ¥ 35 million of gain or loss on ordinary income.)

◆ **Dividend is expected to be increased by 0.5 yen per share to 1.5 yen.**

2-2 Forecast for FY Ended March 2014 (Consolidated)

(Million yen)	FY Ended March 2013		FY Ended March 2014		1H to 1H Change (amount)		Y to Y Change (amount)	
	1H	Full Year	1H	Full Year	Amount	%	Amount	%
Net Sales	12,054	23,551	12,900	26,300	846	7.0%	2,749	11.7%
Operating Income	242	426	290	700	48	19.7%	274	63.9%
Operating Income ratio	2.0%	1.8%	2.2%	2.7%	0.2%	-	0.9%	-
Ordinary Income	95	542	150	430	55	57.0%	-112	-20.7%
Net Income	127	478	40	200	-87	-68.7%	-278	-58.2%

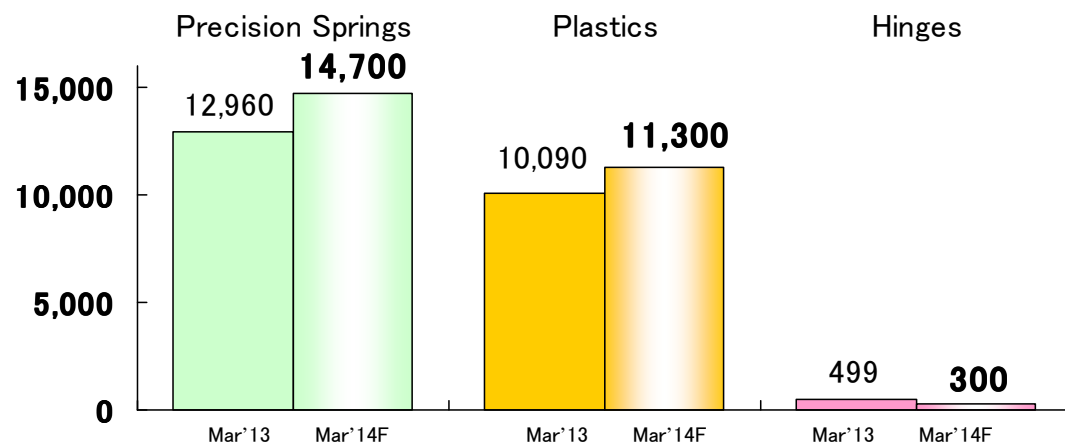
2-3 Transition of Sales and Income (Consolidated)



2-4 Forecast for Net Sales and Operating Income by Business Segment

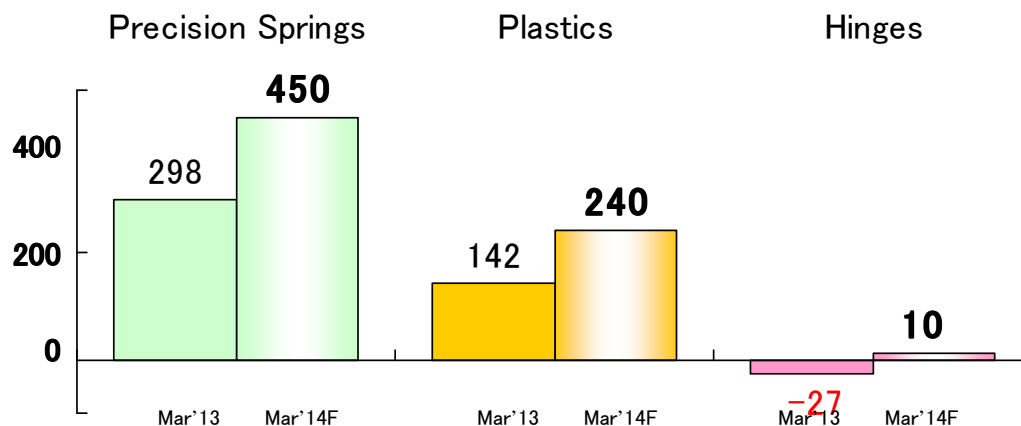
Net Sales

(Million yen)



Sales to automotive in precision springs and Plastic businesses are expected to grow in Japan and overseas and sales to OA equipment is also expected to recover in the 2nd half. Sales in Hinges will decrease because of product life.

Operating Income



Income is expected to increase due to the sales increase in Precision Springs. For Plastic business, income is expected to increase in China and Asia. In Hinge business, loss is expected to be cleared due to decreased fixed cost.

3. Business Strategies

3-1 Medium Term Business Target

Medium term targets : Growth rate of sales 10%/year

Operating income margin 10%

FY2018 Target : Consolidated Net sales ¥40 billion

Operating income ¥4 billion

Global Expansion Plan of Advanex Group



3-2 Medium Term Business Plans (1)

Precision Spring Business

(1) Enhance Global Business Expansion

Asia: Start of operation of Changzhou factory in China (in July 2013), expansion of our business base in Thailand and Vietnam, construction of new factory in India and Indonesia by subsidiary in Singapore
Europe: construction of new factories in Central Europe and Eastern Europe by subsidiary in UK.
USA: Expansion of business to the entire nation by subsidiary in California (by enhancing online sales)
Expansion of the factory in Mexico and construction of new factories in the Central and south America.

(2) Enhance Business in Japan

- Introduction of company system for the clarification of business responsibility and prompt decision-making
- Increase of sales by enhancement of area marketing and development of new customers
- Start of standard product business and increase of sales. → Growth of global sales
(Sales of 100 million yen for FY2014 and 10% of domestic sales in 3 years.)

(3) Business expansion through M&A

Seek opportunities to acquire spring manufacturers through M&A in Japan and overseas to diversify product range, customers, and markets

(Reference) Standard product business: “Advanex original series”



TANGLESS INSERTS



COIL THREAD-R



TAMONT



DAMPERS



Top: HEXATORQ Bottom: SURETORQ



HOLD TYPE

3-2 Medium Term Business Plans (2)

Plastic Business

Strengthen global business and increase earnings

- Strengthen sales for automotive market
- Offset the reduction of domestic sales for OA by increase of sales in overseas.
- Expand global sales for prioritized Japanese customers.
Malaysia (AV electronics maker), Vietnam (Automotive parts maker),
China (Automotive parts maker, OA equipment maker)

Develop business in Japan

- Focus on prioritized markets and customers
Focus on customers in automotive, OA equipment, Household equipment
- Strengthen development of high value added products
High performance gear units for automobile (for rudder angle sensor) , Multi function toilet seat unit, Ceramic parts for optical communication connector (Ferrules)
- Expand product sales by integrating Advanex's metal processing technology and Daiichi Kasei's plastic injection forming technology (ultra-precise insert molding)

3-3 Change of Management Structure

Rejuvenation of the President and management enforcement by cooperation of CEO and COO.

Yuichi Kato

Chairman & CEO

Birthday: February 1950 (63 years old)

[Main duties]

Future strategy for the group



Tsuneo Shibano

President & COO

Birthday: January 1960 (53 years old)

[Main duties]

Execution of short and mid term business



Inauguration date:

20th June, 2013



ADVANCEX

(CONTACT)

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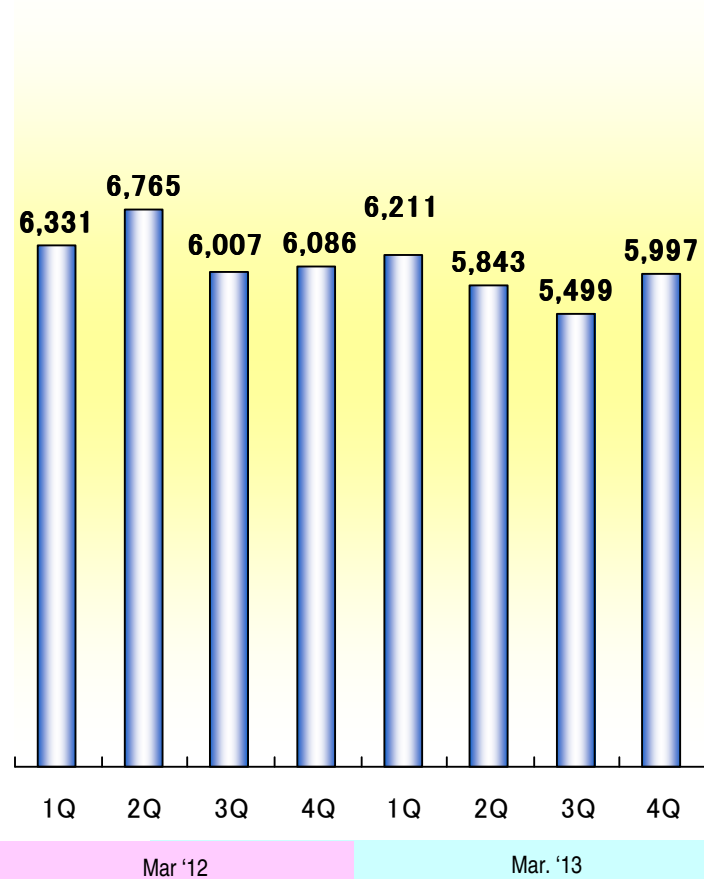
URL: <http://www.advanex.co.jp>

(Supplementary-1)

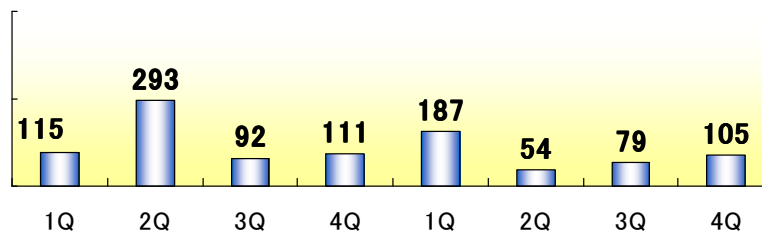
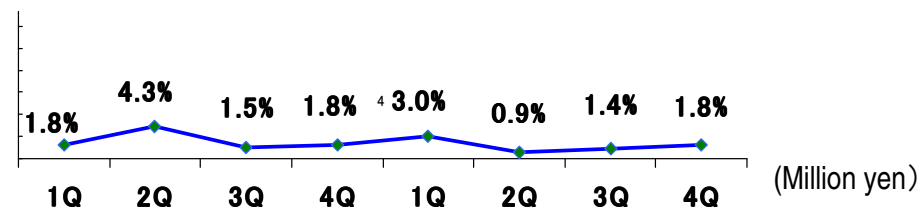
Quarterly Transition of Sales and Income (Consolidated)

Net Sales

(Million yen)

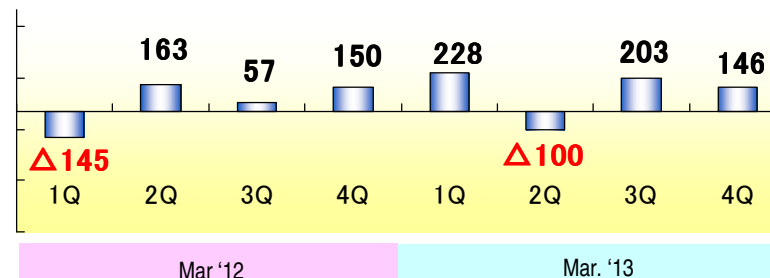


Operating Income · Margin(%)

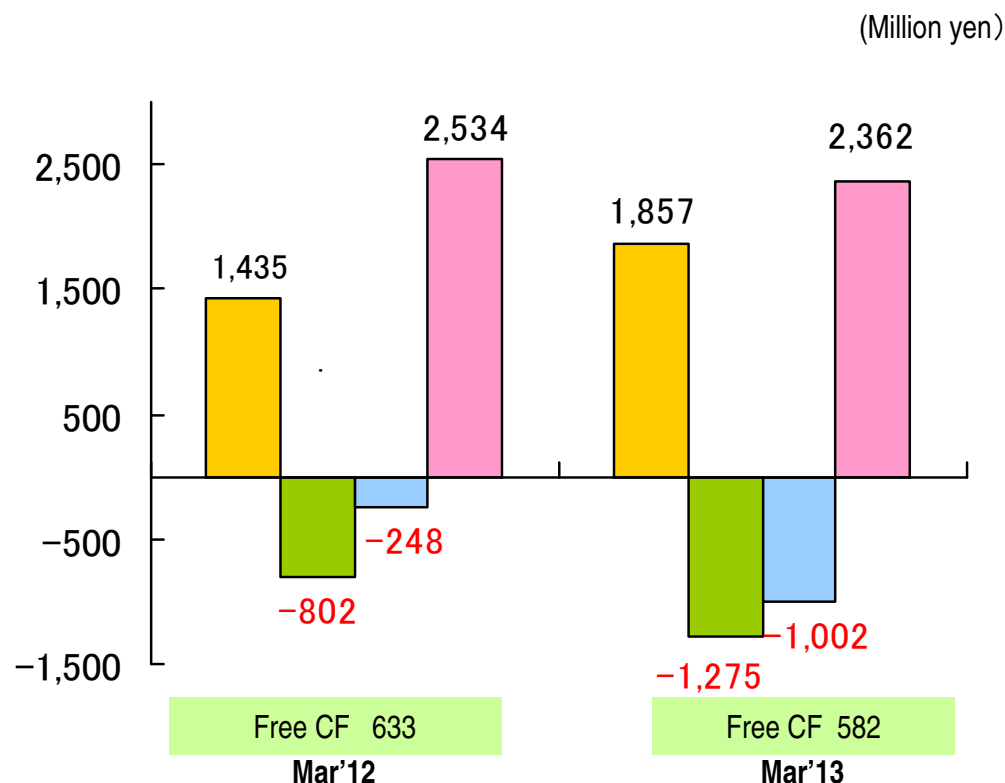


Net Income

(Million yen)



(Supplementary-2) Consolidated Cash Flows



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

< Status of CF for Mar '13 >

Operating CF

Income was recorded and net cash increased ¥1, 857 million due to the fund reserve reflecting depreciation and amortization and decrease of trade notes and accounts receivable, etc.

Investing CF

The fund decreased ¥1,275 million by capital investment in production sites in Japan and Asian countries.

Financing CF

The fund decreased ¥1,002 million by the repayment of interest-bearing debt.

(Supplementary-3) Capital Investment Plan

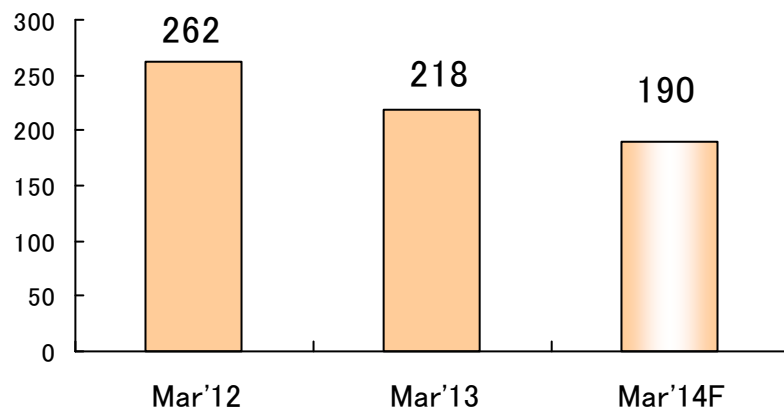
■ Capital investment to Thailand factory will decrease compared with last term.

Capital Investment : Machines, Equipments

Japan: ¥400 Million Overseas : ¥630 Million

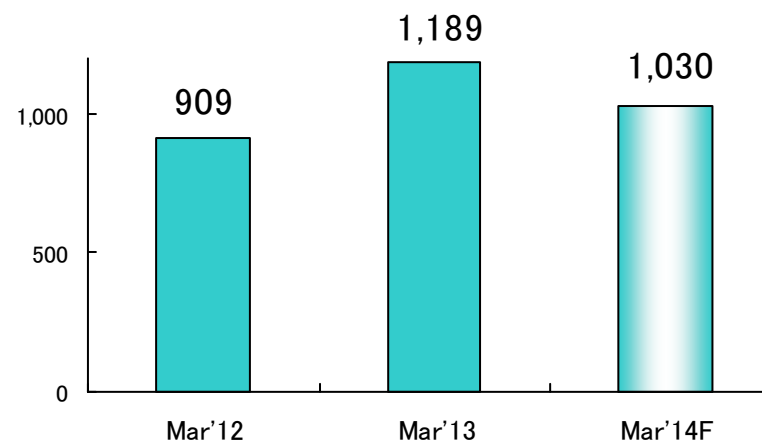
R&D spending: Reduction in Plastics Business

Research and Development Spending



Capital Investment

(million yen)



Depreciation expenses

