

Results for the Fiscal Year Ended March 31, 2011



May 26, 2011



This datum is based on the data as of March 31, 2011. 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, 2011
2. Forecast for the Fiscal Year Ended March 31, 2012
3. Business Strategies

1. Operating results for the Fiscal Year Ended
March 31, 2011

1-1 Highlight

◆ Operating income recovered reflecting increased sales

In Precision spring and Plastic business, net sales increased both domestically and in overseas, due mainly to recovered demand to OA equipment and Automotive markets. Sales to seasonal home appliances also increased in Motor business.

◆ Worsened performance in Hinges

Net sales dropped significantly owing to dropped hinge demand to mobile phone handset primarily due to increased number of smartphones, and dull sales to laptop computer because of delayed R&D and quality issues.

◆ Net loss recorded

Significant amount of extraordinary loss was recorded due mainly to implementation of business streamlining measures and announcement of downsizing. As a result, consolidated net loss was recorded.

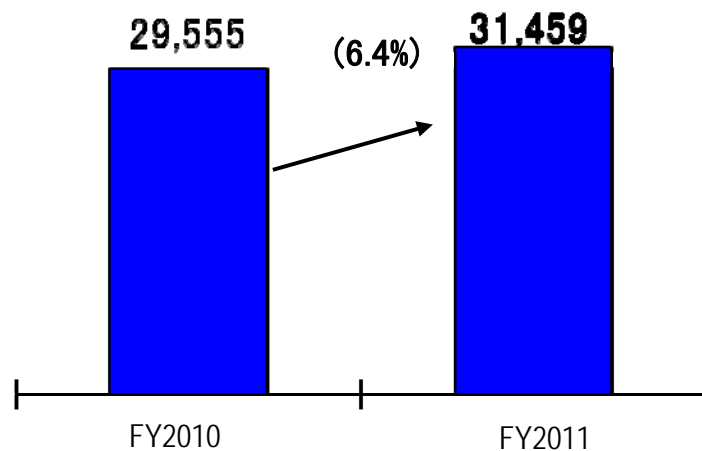
1-2 Summary of Consolidated Financial Results for the Fiscal Year Ended March 2011

(Million yen, %)

(Million yen)	Year ended Mar. '10 Full year	Year ended Mar. '11 Full year	Y to Y Change	
			Amount	Ratio
Net Sales	29,555	31,459	1,904	6.4%
Gross Profit	6,041	6,192	150	2.5%
Operating Income	- 274	552	826	-
Operating Income ratio	-0.9%	1.8%	-	-
Ordinary Income	- 569	326	896	-
Net Income	-380	-152	227	-

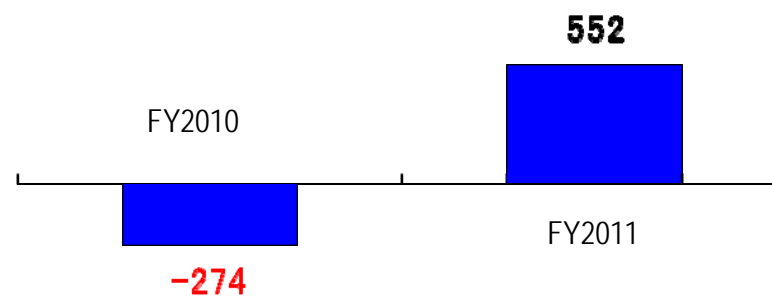
1-3 Trend of Sales and Income (Consolidated)

Net Sales

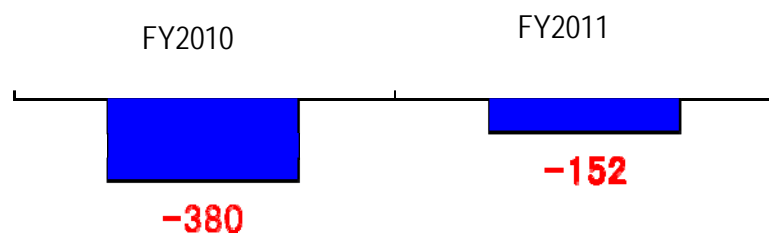


Operating Income

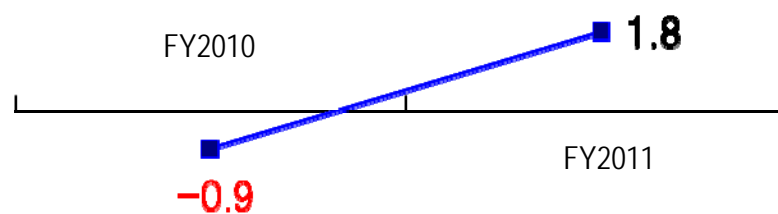
(Million yen)



Net Income



Operating income margin %

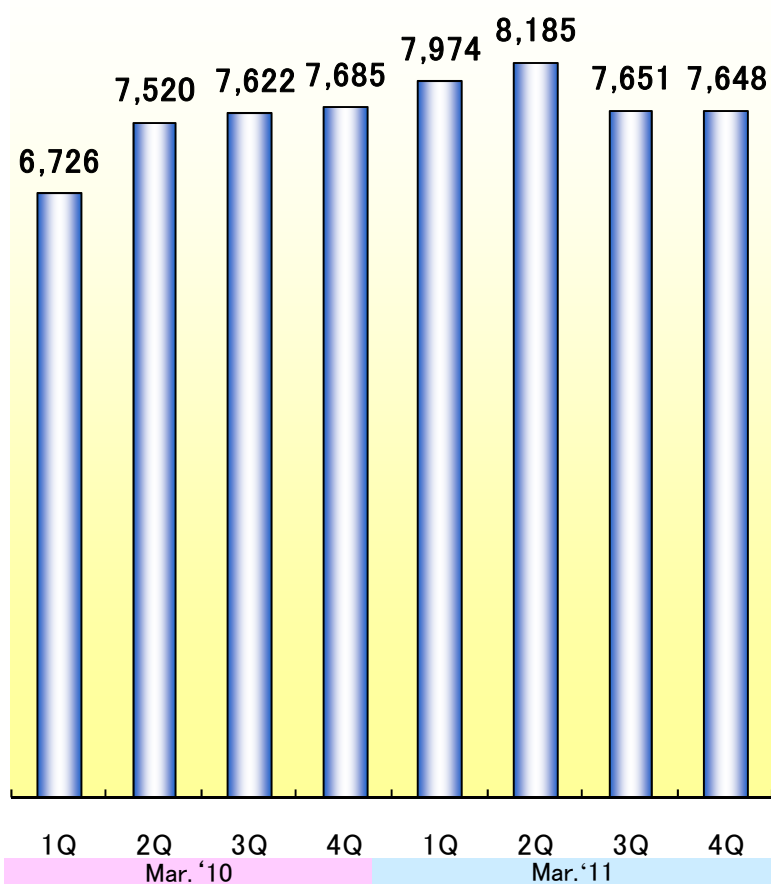


To provide "Eureka!"

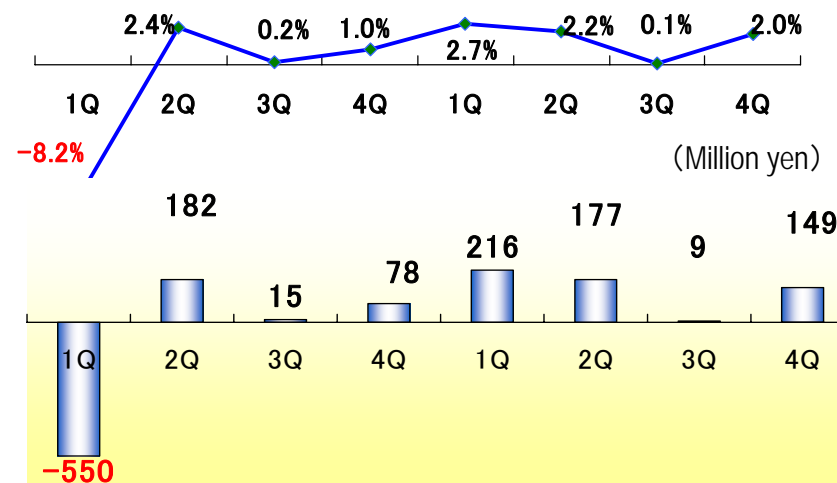
1-4 Quarterly Transition of Sales and Income (Consolidated)

Net Sales

(Million yen)

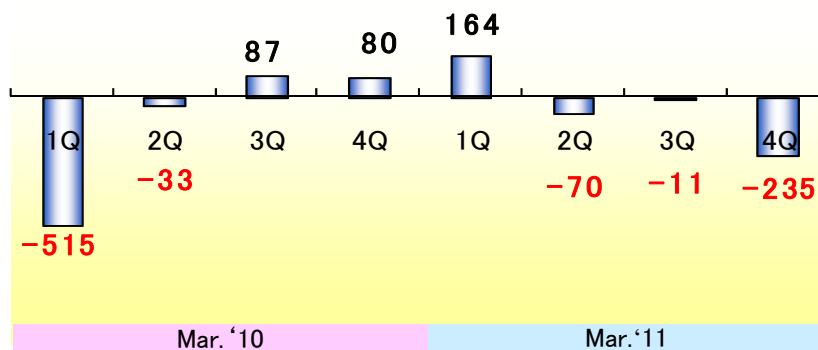


Operating Income and Margin %

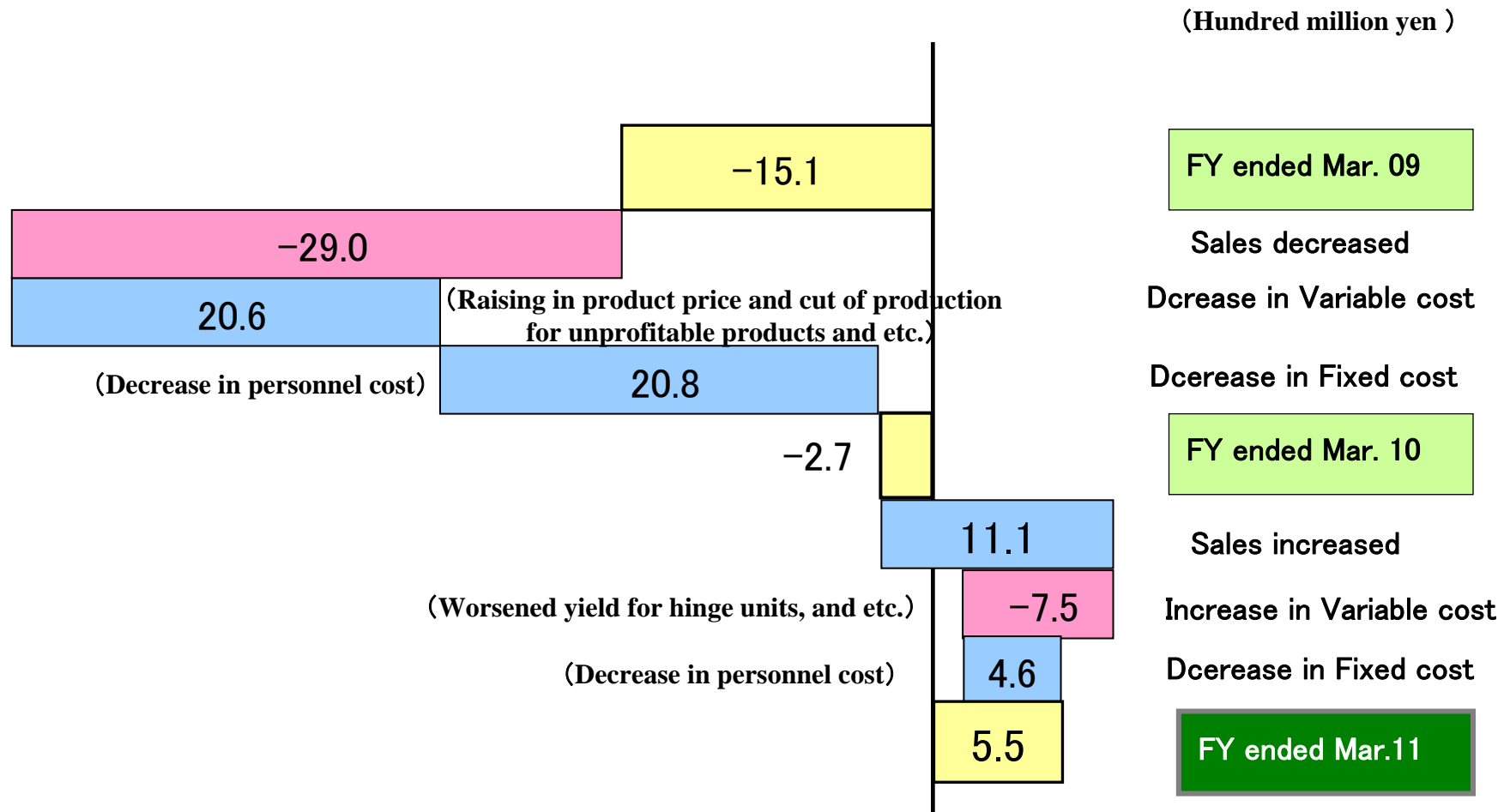


Net Income

(Million yen)



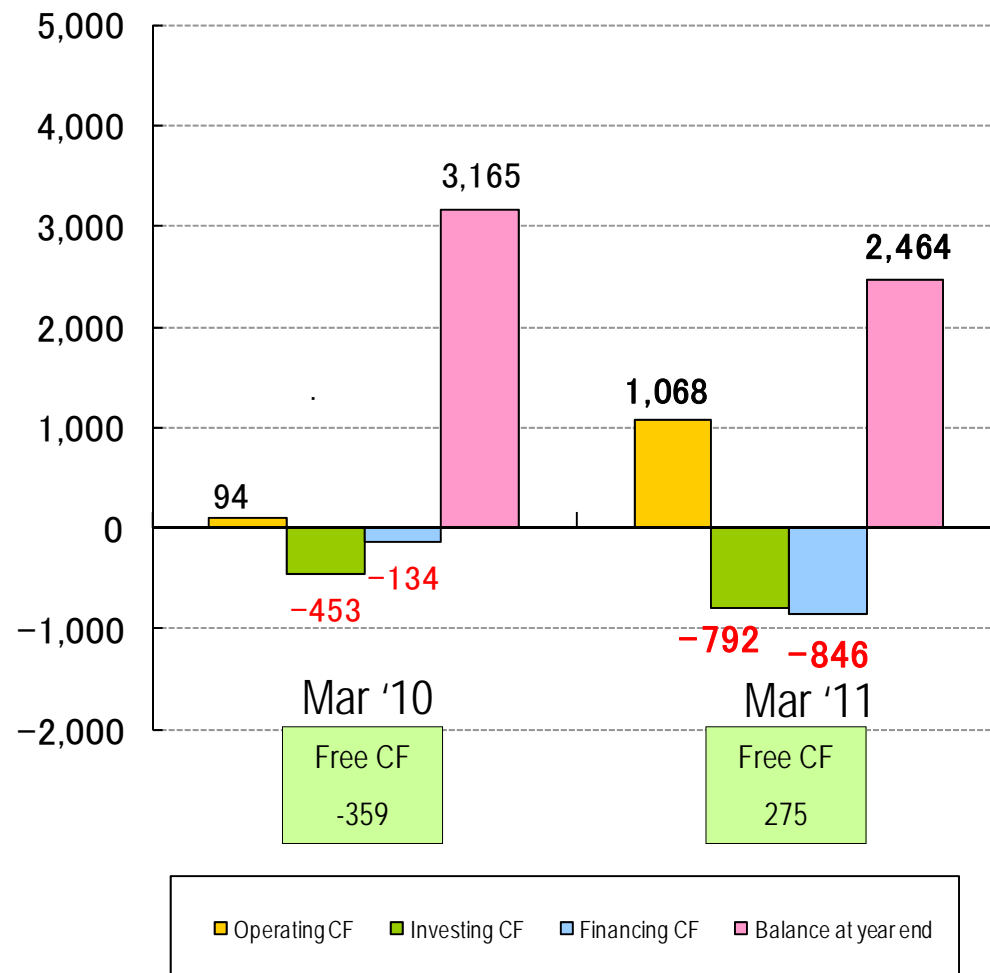
1-5 Analysis of Increase and Decrease of Operating Income



To provide "Eureka!"

1-6 Consolidated Cash Flows

(Million Yen)



<Status of CF for Mar '11>

Operating CF

Net cash increased 1,068 million yen due to increased fund from fund reserve reflecting depreciation and amortization and increased trade notes and account payable.

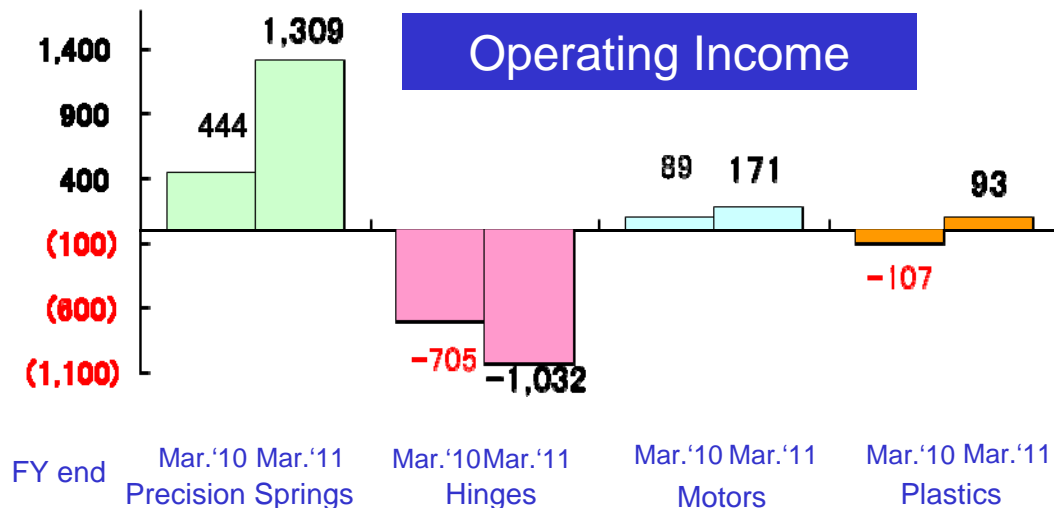
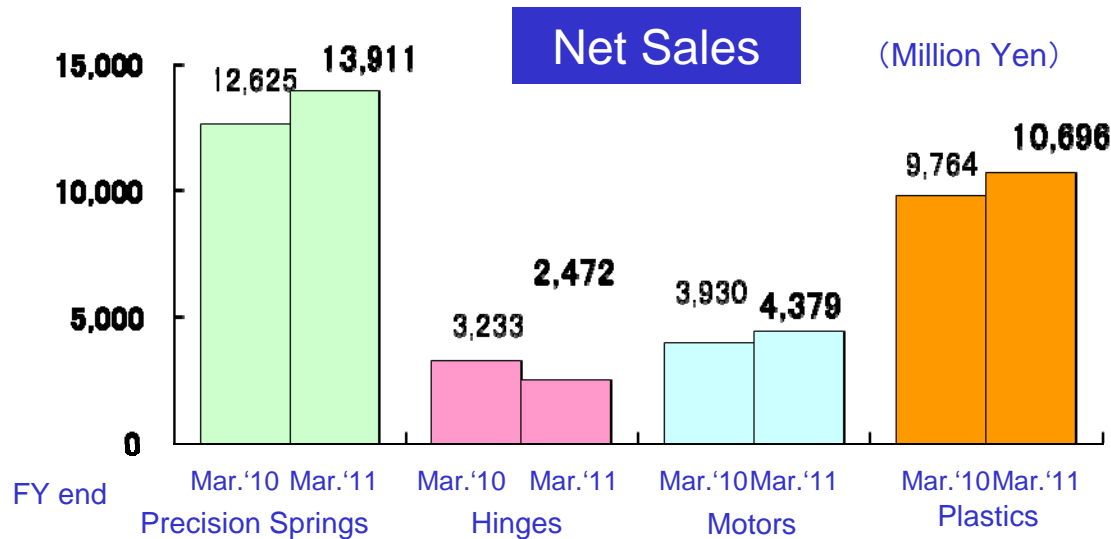
Investing CF

The fund decreased 792 million yen by capital investment to production sites in Japan and Asian countries.

Financing CF

The fund decreased 846 million yen by the repayment of bank loans.

1-7 Net Sales and Operating Income by Business Segment



Factors for change from the previous year

Precision Springs

- Net sales increased thanks to recovered demand to OA equipment and automotive market. Also, sales to PC and PC related market increased. Earnings recovered in Japan, Asia and in UK.
- Sales: +10.2%, Operating income: improvement of 864 million yen

Hinges

- Net sales to mobile phone handset dropped both in Japan and in overseas. Sales to laptop computer underperformed the original plan due to delayed development and quality issues.
- Sales: -23.5%, Operating loss: increase of 327 million yen

Motors

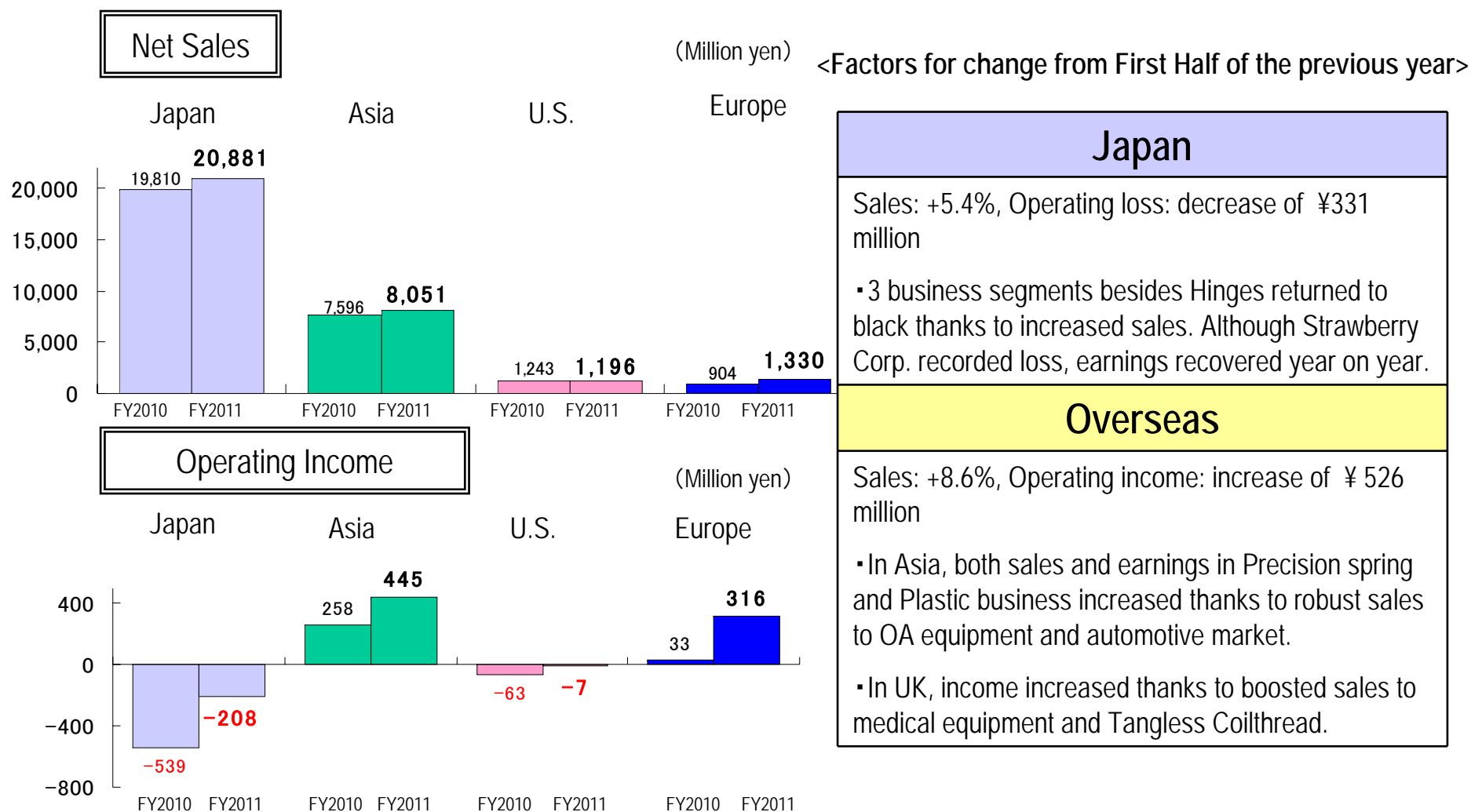
- Robust sales to housing-related market and seasonal home electronics.
- Sales: +11.4%, Operating income: improvement of 81 million yen

Plastics

- Net sales increased in the first half thanks to recovered demand to OA equipment and automotive market. By reducing fixed cost such as labor cost, profitability recovered mainly in Japan.
- Sales: +9.5%, Operating loss: decrease of 201 million yen

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1-8 Net sales and Operating income by Geographical Segment



1-9 Net Sales by Market

(Million yen)	Mar/2010		Mar/2011		Change	
	Full year	%	Full year	%	Amount	%
OA equipment	8,530	28.9%	9,180	29.2%	650	7.6%
Automotive	6,063	20.5%	6,474	20.6%	411	6.7%
Mobile phone and related	3,181	10.8%	1,697	5.4%	-1,485	-46.7%
AV Home appliance	1,290	4.4%	2,068	6.6%	778	60.3%
Precision Components	1,326	4.5%	1,729	5.5%	403	30.4%
PC and PC related	1,100	3.7%	2,120	6.8%	1,020	92.7%
Medical and Healthcare equipment	944	3.2%	1,143	3.6%	199	21.1%
Others	7,118	24.1%	7,049	22.4%	-70	1.0%
Total	29,555	100%	31,460	100%	1,905	6.4%

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2. Forecast for the Year Ended March 31, 2012

2-1 Forecast for the Year Ended March 31, 2012

◆ Net sales decreased substantially

Net sales will decrease because of status shift of Fuji Micro Co., from a subsidiary to company accounted for under the equity method, as well as major downsizing in Hinge business.

◆ Negative effect of the Great East Japan Earthquake

For domestic Precision spring and Plastic business, sales to OA equipment and automotive is expected to decrease in the first half. Net loss is expected for the first half.

◆ Business recovers in the second half

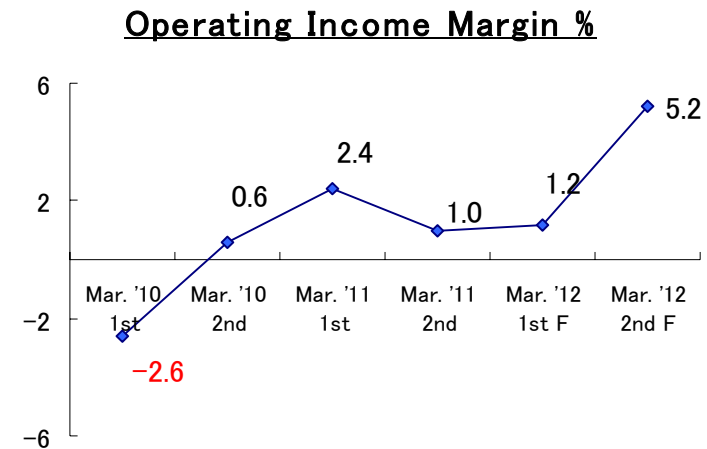
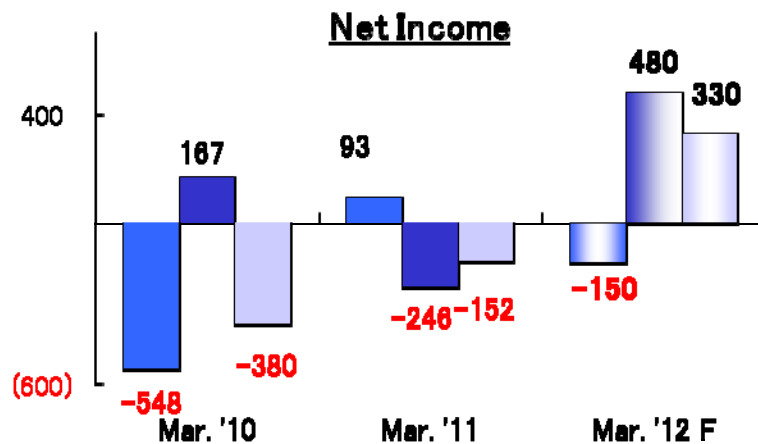
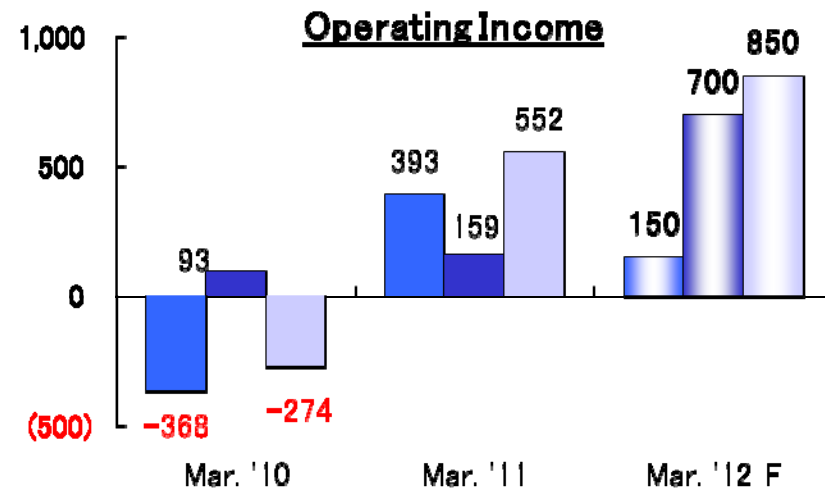
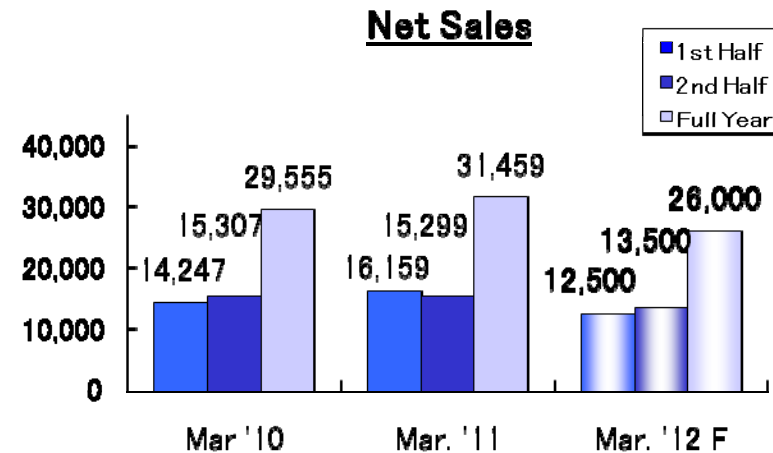
Net sales and earnings of Precision spring and Plastic business are expected to pick up in the second half. The amount of operating loss in Hinge business is expected to shrink. By recovered business performance in the second half, earnings for the full year is forecasted to be in the black.

2-2 Forecast for FY ended March 2012 (Consolidated)

(Million yen)	FY Ended March 2011		FY Ended March 2012		1H to 1H Change (amount)		Y to Y Change (amount)	
	1H	Full Year	1H	Full Year	Amount	%	Amount	%
Net Sales	16,159	31,459	12,500	26,000	-3,659	-22.6%	-5,459	-17.4%
Operating Income	393	552	150	850	-243	-61.8%	298	53.8%
Operating Income ratio	2.4%	1.8%	1.2%	3.3%	-	-1.2%	-	1.4%
Ordinary Income	211	326	50	590	-161	-76.3%	264	80.5%
Net Income	93	-152	-150	330	-243	-	482	-

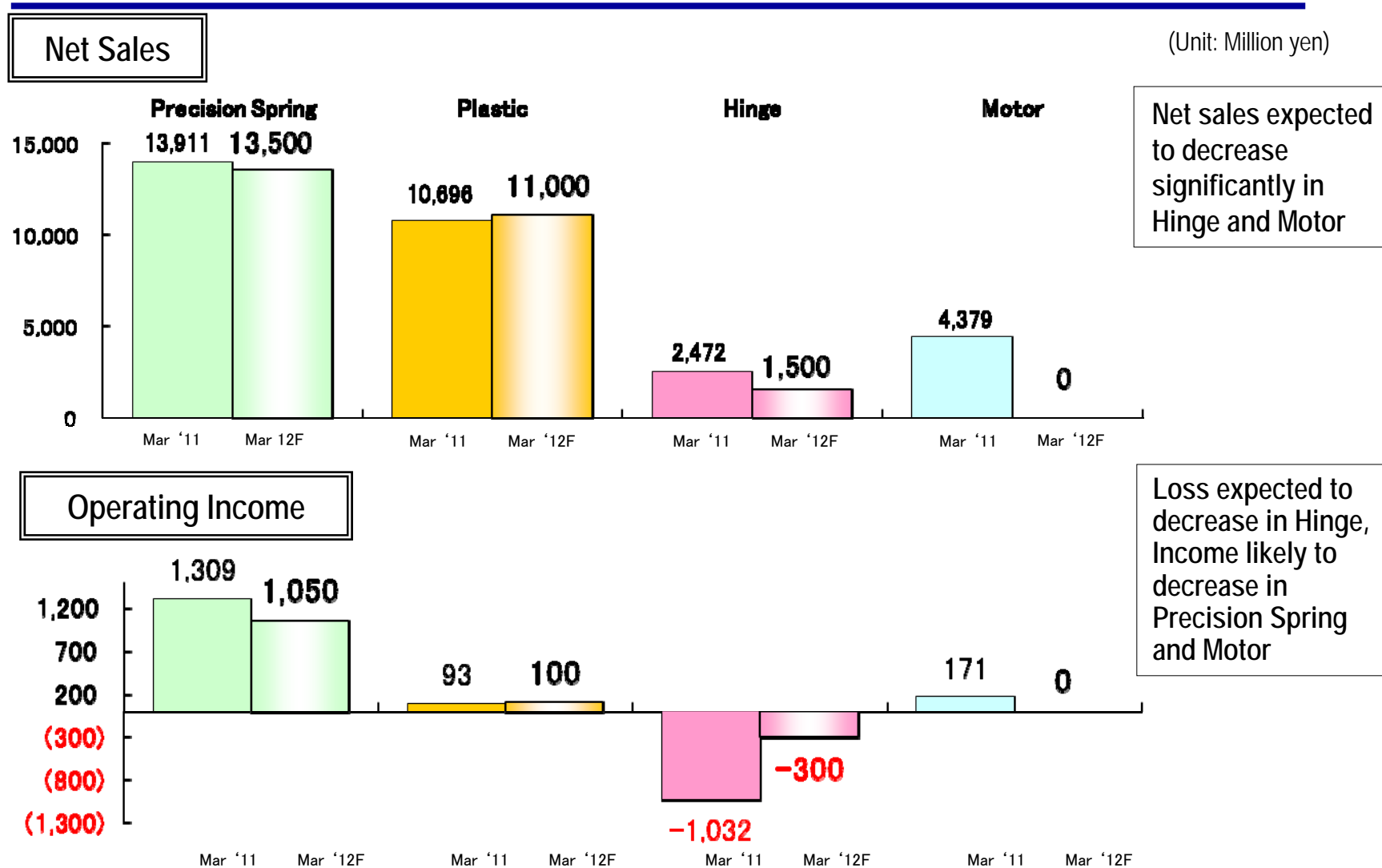
2-3 Transition of Sales and Income (Consolidated)

(Million yen)



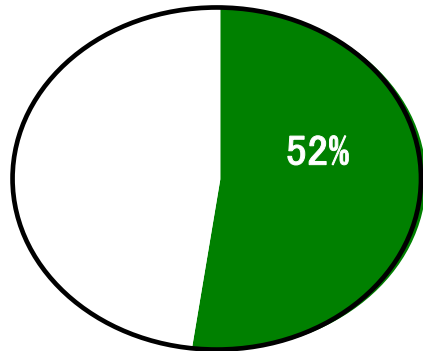
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2-4 Comparison of Net Sales and Operating Income by Business segment



2-5 Forecast for Precision Spring Business

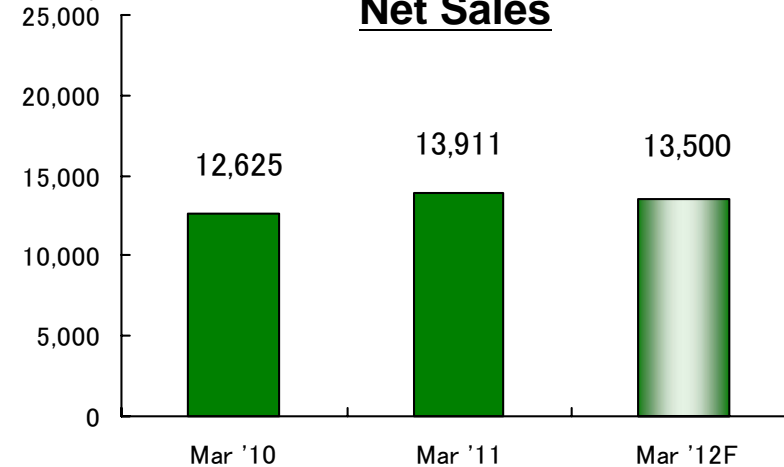
Sales Ratio (Mar. '12F)



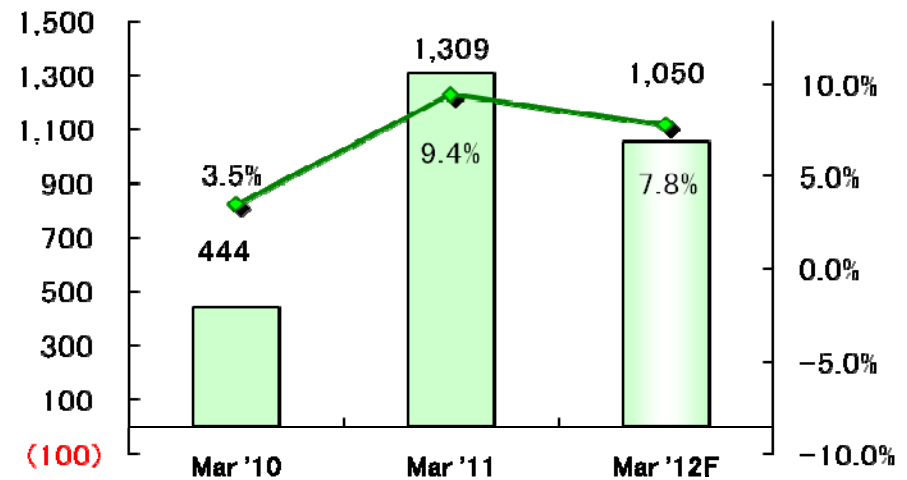
- Sales: -3.0%, Operating Income: decrease of ¥259 million
- Sales to OA equipment and automotive markets in the 1st half expected to decrease due to the effect of the devastating earthquake.
- Decrease in operating income margin expected due mainly to cost increase (such as labor cost) in overseas.

(Million yen)

Net Sales



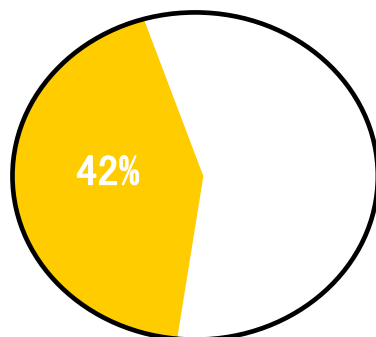
Operating Income and Operating Income Margin %



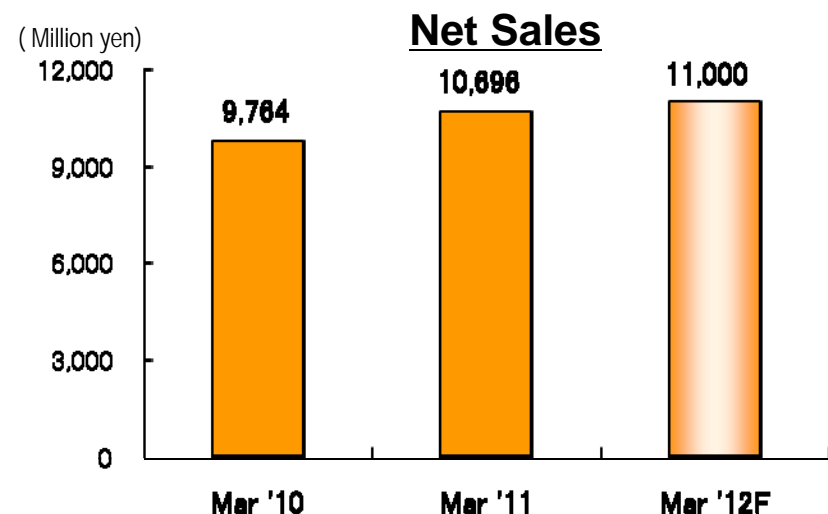
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2-6 Forecast for Plastic Business

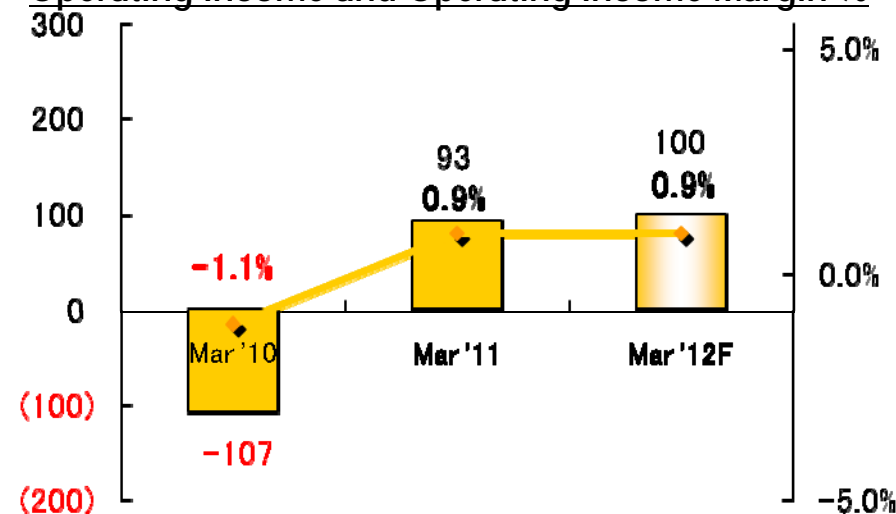
Sales Ratio (Mar. '12F)



- Sales: +2.8%, Operating Income : remain steady
- Sales in the 1st half expected to decrease due to the effect of the great earthquake, will recover in the 2nd half. Domestic sales likely to drop owing to customer's production shift to overseas.
- Overseas operating income will pick up reflecting cost reduction efforts at China factory, covering decreased domestic income.

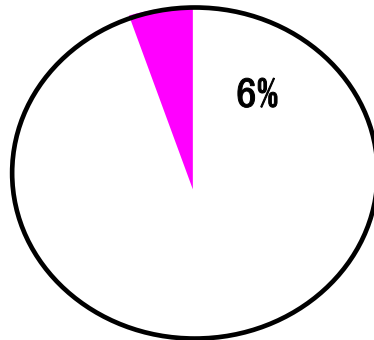


Operating Income and Operating Income Margin %



2-7 Forecast for Hinge Business

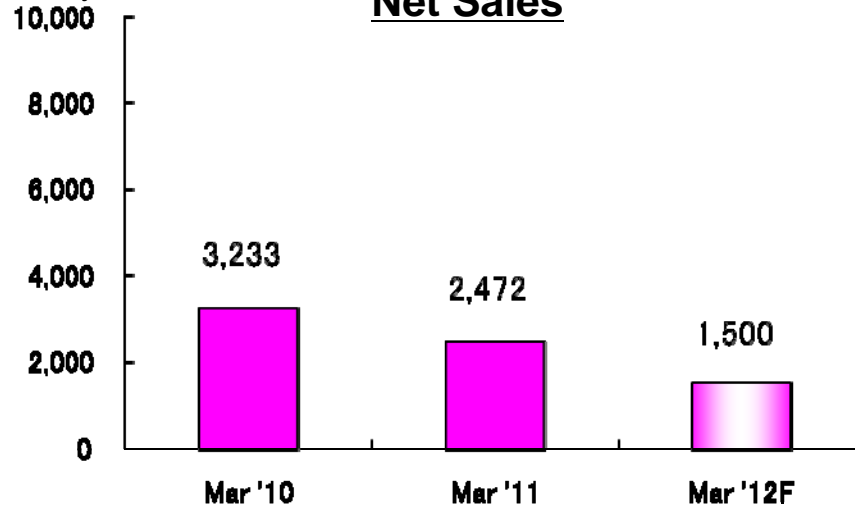
Sales Ratio (Mar. '12F)



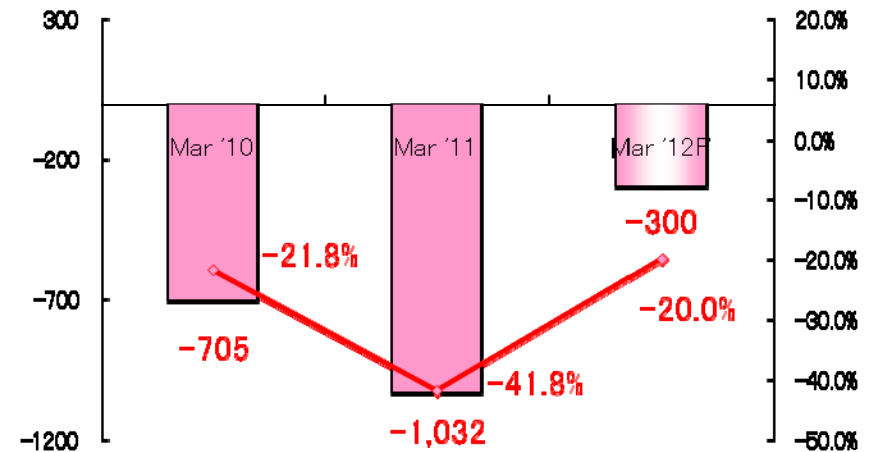
- Sales: -39.3% Operating Income: improvement of ¥732 million
- Sales expected to decrease following downsizing of mobile phone handset business. Sales to PCs likely to increase.
- Operating loss expected to shrink due to withdrawal from non-profitable business and better profitability in PC hinge business.

(Million yen)

Net Sales



Operating Income and Operating Income Margin %

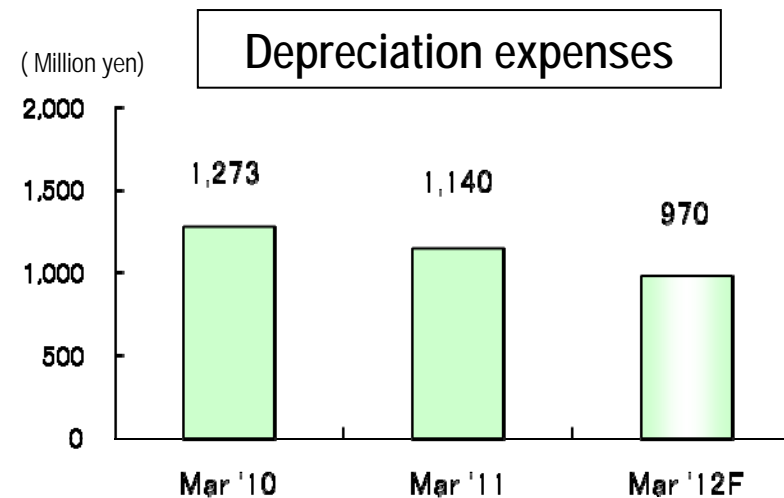
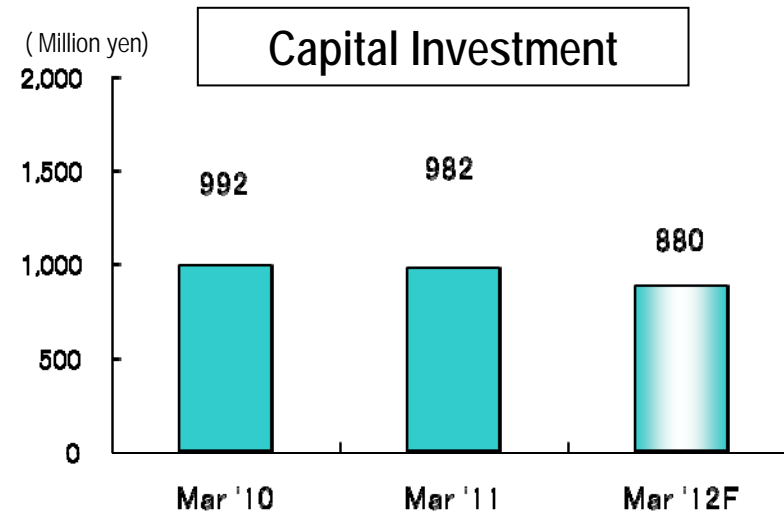
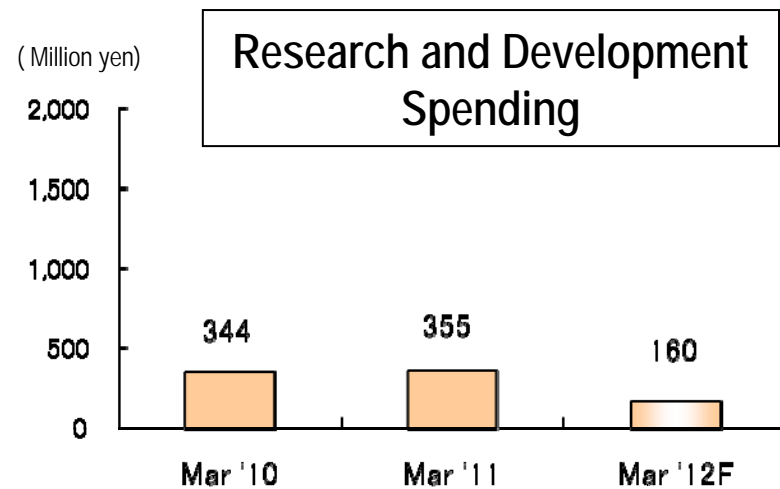


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2-8 Capital Investment Plan

■ Following the downsizing of Hinge business, the amount of Capital investment and R&D decreases

Capital Investment : Machine and Facilities, Dies
Japan:¥440 Million Overseas :¥440 Million
R&D spending: decline in development
spending on Hinge unit



3. Business Strategies

3-1 Basic Strategies

■ Rebuild Business Structure

1. Increase profitability in Precision spring business
2. Improve profitability in Plastic business
3. Downsize Hinge business
4. Separate Motor business

■ Dispersion of Risk / Stronger Risk Management

1. Expand business overseas, strengthen cooperation among domestic and overseas operations
2. Diversify target market
3. Enhance cooperation among domestic operations
4. Strengthen the company's financial position

3-2 Increase Profitability in Precision Spring Business

1) Diversify target market – strategy of “point” and “plane”

Core market: OA Equipment, Automotive

Strategic market: Precision device, Medical

New market: Infrastructure and lifeline related

- Propose more solutions to customer which lead to their satisfaction
- Utilize website to attract new customer

2) Expand sales/ Develop strategic products

- Improve profitability by expanding sales of highly profitable products
- Promote sales of strategic products to overseas
- Focus on product development to realize “World’s No.1”

- Connector parts for Tablet-shaped handset
- The 3 clenches (tangless coilthread, Insert collar, TAMONT)
- Coupler (radio antenna) etc.

3) Expand business overseas

- Strengthen cooperation among domestic and overseas operations
- Enhance Advanex brand

Change of names for 3 subsidiaries in China (scheduled on July 1), Unify all the subsidiaries which produce precision spring under Advanex brand

- Start discussing a plan to establish factory in India

3-3 Improve Profitability in Plastic Business

1) Convert the company into highly profitable company

- **Adjust product mix to clear out non-profitable products, focus on profitability**
- **Improve cost competitiveness by outsourcing**
- **Improve productivity and reform supply chain management system, such as procurement and logistics**

2) Challenge for advanced and unique technology

- **Ultraprecise molding, precision gear, ceramic, super engineering plastics**
- **With the base in general molding, strengthen the specialty for assembly**
- **Enhance business synergy with Advanex mainly in insert molding**

3) Management reform at Chinese operation (Dongguan)

- **Enhance function in production, sales and management (put more human capital)**
- **Meet customers' shift to overseas, increase number of receiving order and sales**
- **Forecast the increase both in sales and profit for FY2011**

3-4 Downsize Hinge Business

1) Downsize business to mobile phone handset

■ Major reasons for deteriorating business performance

- Decrease in demand reflecting change in market, harsher price competition from commoditization, increased R&D expenses seeking higher functionality
- Increased loss due to delayed production transfer to China factory (Guangzhou)

■ Details of downsizing

- Cease to take new orders, gradual production cut back
- Continue to produce supplies for maintenance use, improve productivity

■ Schedule

- Finish downsizing by the end of March next year

■ Other business

- Improve profitability of laptop PC business(cost reduction at China factory in Jiaxing)
- Attract new customer in markets such as automotive, housing-related, and medical

2) Financial and HR support

- **Strawberry Corporation in a state of net capital deficiency**
(as of the end of March, 2011)
- **Provide financial support to reform business structure**
- **Renew management, implement parent-company-led restructuring plan**

**Decrease of operating
loss by ¥700 million
during FY2011**



ADVANEX

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