



Business outline of financial year ended Mar.31, 2020. and prospects

May.14, 2020



Y.A.C. HOLDINGS Co., Ltd.

(Zip code : 6298)

<http://www.yac.co.jp>

A horizontal banner at the top of the slide contains several small images: a gold coin, a grid pattern, a sunset, a bright sun, solar panels, and a person in a suit.

▲ Notes regarding future prospect.

The prospects described in this document is based on the information we have as of the time this document is published, and the actual result may differ from such prospects due to various unexpected factors.

semiconductor business which we are involved is the business that technical innovation speed is very fast and very competitive. The forecasted figures stated in this material are based on the information currently available to us and certain assumptions that are regarded as legitimate. And world economy conditions, movement of foreigner exchange rate, market condition and new capital investment movement will influence directly to our business. We do not promise that the forecasts or estimates will be accurate. Large discrepancies may be seen in the actual results due to various factors

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1.Outline of financial results year ended Mar.31, 2020.

1-1 Summary of financial results.



■ Irregular deficit after 18years.

- Unexpected COVID-19 addition to economic slow down caused by US-China trade friction.
- COVID-19 stroked directly to the 4th quarter of financial year that usually sales and profit are expected.

<Mechatronics related business>

- HDD business went well.
- New capital investment was inhibited by influence of US- China trade friction and COVID-19.

<Display related business>

- Delay of big new capital investment and influence of COVID-19.
- Depressed profit caused by increased cost of coping with miss work and intensifying price competition.

1-1 Summary of financial results.



<Industrial machinery related business>

- Severe atmosphere will continue in domestic cleaning business.
- Planned to go into P.R.C. market but stagnated by COVID-19.

<Electronics related business>

- Circulated big demand from electric power companies, but 2nd half of year it started to recover.
- Sales of dialyzer went well.

1-2 Business results



Decreased sales and profit comparing to the previous year /Operating loss after 18 years.

(Millions of ¥)

	12 months ended Mar.31, 2018.	12 months ended Mar.31, 2019.	Increased(decreased) amount against previous corresponding period	Increased(decreased) percentage against previous corresponding period)
Net sales	36,025	21,914	-14,110	-39.2%
Operating income (Operating income ratio)	1,842 (5.1%)	-361 (-1.6%)	-2,204	—
Ordinary income	1,852	-443	-2,296	—
Profit for the period attributable to owners of parent.	1,094	-958	-2,053	—
Profit per share(¥)	121.68	-106.08	-227.76	—
R&D expenses.	562	498	-64	-11.4%
New capital investment	1,104	216	-887	-80.4%
Depreciation & amortization	604	572	-31	-5.2%

Built Fuji factory and acquired Erecs new factory.

1-3 Sales & Profit by business.



(Note> Figure of ended Mar.31, 2020 is recalculated based on present segment.

(Millions of ¥)

		12 months ended Mar.31, 2018.	12 months ended Mar.31, 2019.	Increased(decreased) amount against previous corresponding period	Increased(decreased) percentage against previous corresponding period)	Notes
Mechatronics related	Sales	10,651	8,412	△2,238	△21.0%	① Influence by US- China trade friction and COVID-19. ② HDD kept good condition.
	Profit	828	262	△566	△68.4%	
Display related	Sales	15,883	4,570	△11,312	△71.2%	① Delay of new capital investment. ② Intensified price competition. ③ Increased cost by miss work.
	Profit	262	△1,047	△1,309	—	
Industrial machinery related	Sales	1,961	1,768	△193	△9.9%	① Severe atmosphere in domestic market. ② Strengthened sales to P.R.C. was stagnated by COVID-19.
	Profit	161	△13	△175	—	
Electronics related	Sales	7,528	7,162	△365	△4.9%	① Circulated big new capital investment for electric power. ② Sales of dialyzer went well but profit decreased by R&D.
	Profit	445	289	△155	△35.0%	
HD and others	Profit	144	147	3	2.1%	
Total	Sales	36,025	21,914	△14,110	△39.2%	
	Profit	1,842	△361	△2,204	—	

1-4 New order received & backlog ordered. (Consolidated)

(Note> Figure of ended Mar.31, 2020 is recalculated based on present segment. (Millions of ¥)

		12 months ended Mar.31, 2018.	12 months ended Mar.31, 2019.	Increased(decreased) amount against previous corresponding period	Increased(decreased) percentage against previous corresponding period)
Mechatronics related	Sales	10,839	9,222	-1,616	-14.9%
	Profit	3,241	4,052	810	25.0%
Display related	Sales	6,326	4,916	-1,410	-22.3%
	Profit	7,832	8,178	345	4.4%
Industrial machinery related	Sales	1,962	1,857	-104	-5.3%
	Profit	67	156	89	132.7%
Electronics related	Sales	6,337	10,744	4,407	69.5%
	Profit	1,272	4,854	3,581	281.4%
Total	Sales	25,465	26,741	1,275	5.0%
	Profit	12,415	17,241	4,826	38.9%

1-5 Outline of B/S



<Assets>

(Millions of ¥)

	Mar.31, 2019	Mar.31, 2020	Increase/ Decrease	Notes
Cash and deposits	8,032	6,531	-1,501	
Trade notes and account receivables	14,366	12,469	-1,896	Decrease of sales
Inventories	8,968	10,838	1,870	Increase of work in process
Other current assets	1,494	711	-782	
Noncurrent assets	8,781	8,583	-198	
Total assets	41,645	39,135	-2,509	

<Liabilities & Net assets>

(Millions of ¥)

	Mar.31, 2019	Mar.31, 2020	Increase/ Decrease	Notes
Notes and account payable-trade	8,157	5,754	△2,402	Decrease of sales
Other current liabilities	9,390	11,692	2,301	Increase of short term loan payable
Noncurrent liabilities	8,835	7,623	△1,212	Decrease of long term loan payable
Net assets	15,261	14,065	△1,196	
Total liabilities & net assets	41,645	39,135	△2,509	

1-6 Outline of cashflow



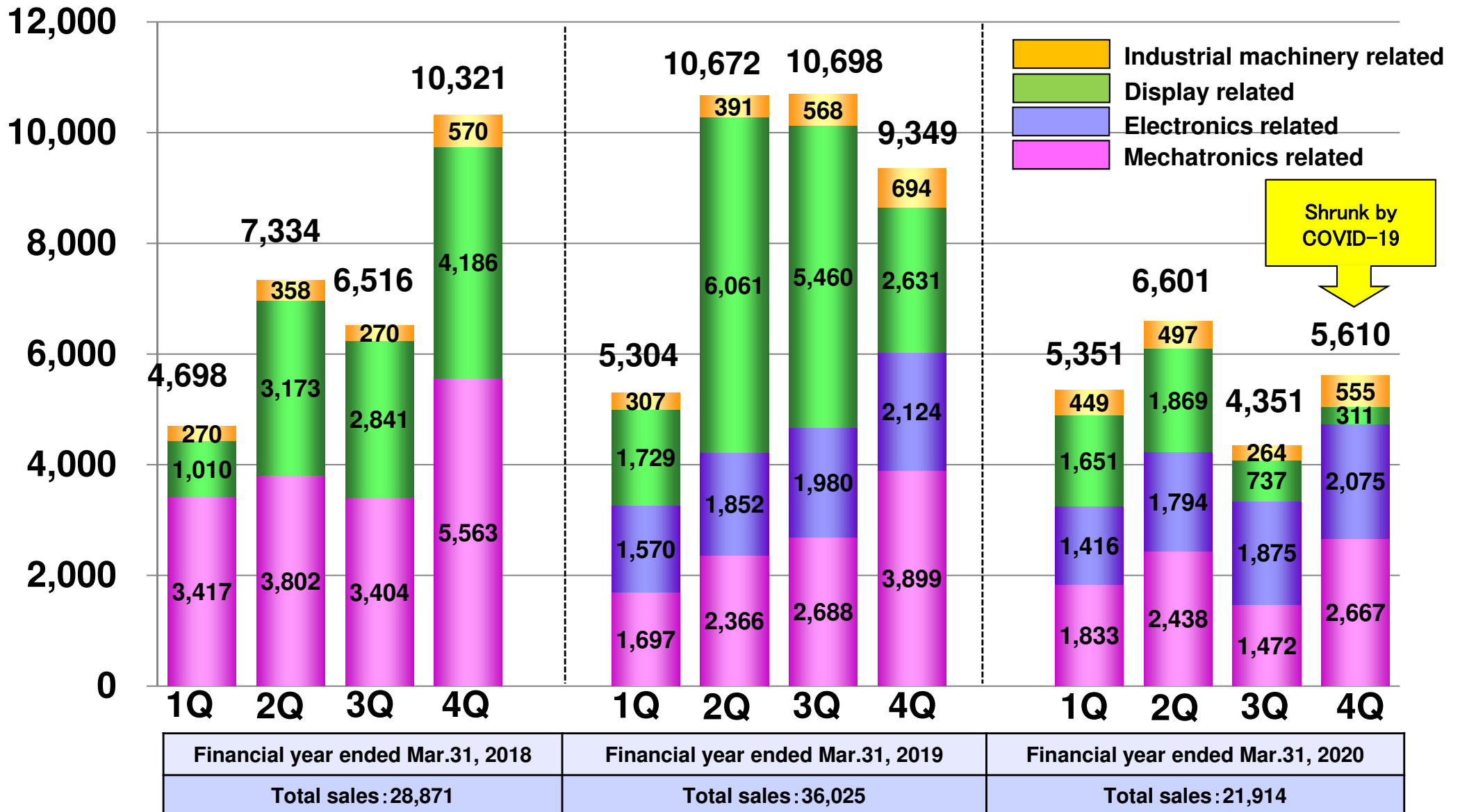
(Millions of ¥)

	Mar.31, 2019	Mar.31, 2020	Factors to increase or decrease.	
Cash flows from operating activities.	△1,505	△2,652	Increase	Decrease of trade notes & accounts receivables.
			Decrease	Decrease of notes & accounts payable –trade.
Cash flows from investing activities	99	44	Increase	
			Decrease	
Cash flows from financing activities.	1,328	1,188	Increase	Increase of long term loans payable.
			Decrease	Repayment of long term loans payable.
Cash and cash equivalent balance at end of period.	7,898	6,450	Decreased by ¥1,448 million comparing to the previous financial year end.	

2-1 Quarterly sales by business



Sales (Millions of ¥)

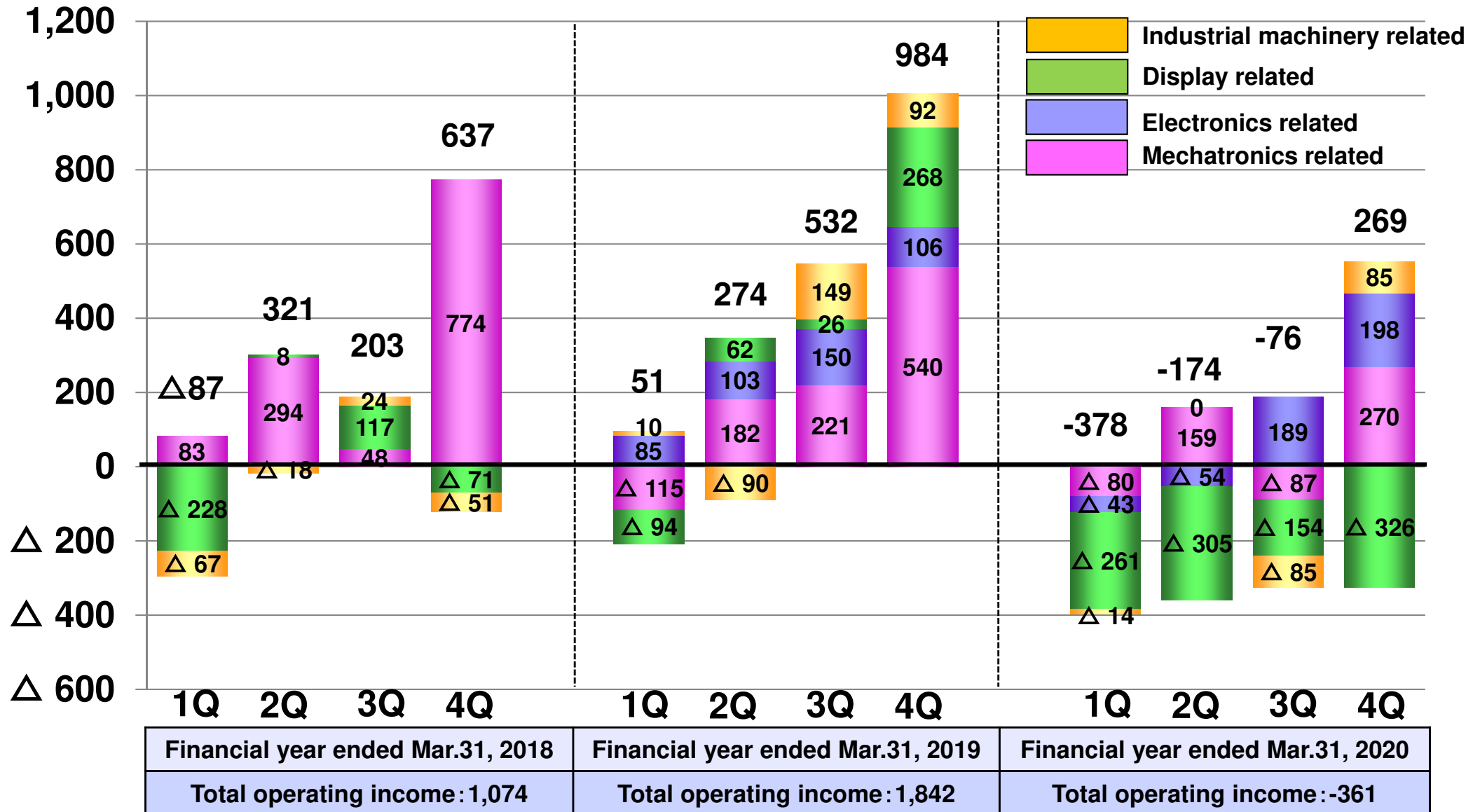


※ Figures of year 2018 is the total of three business segment such as Mechatronics related , Display related and cleaning and others

2-2 Quarterly operating income by business.

Operating income

(Millions of ¥)

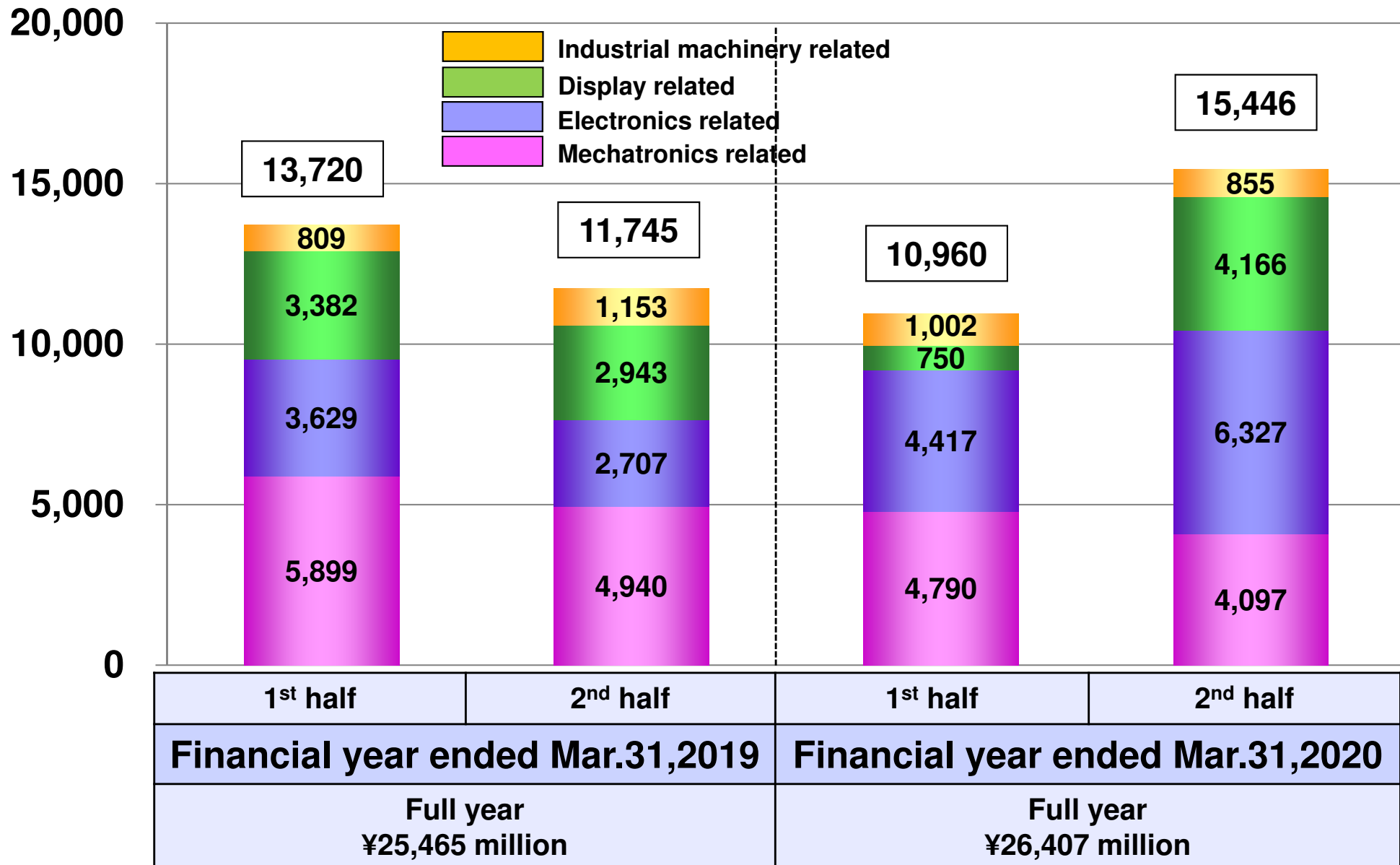


※ Figures of year 2018 is the total of three business segment such as Mechatronics related , Display related and cleaning and others.

2-3 Half yearly new order received by business

(Millions of ¥)

(Consolidated)

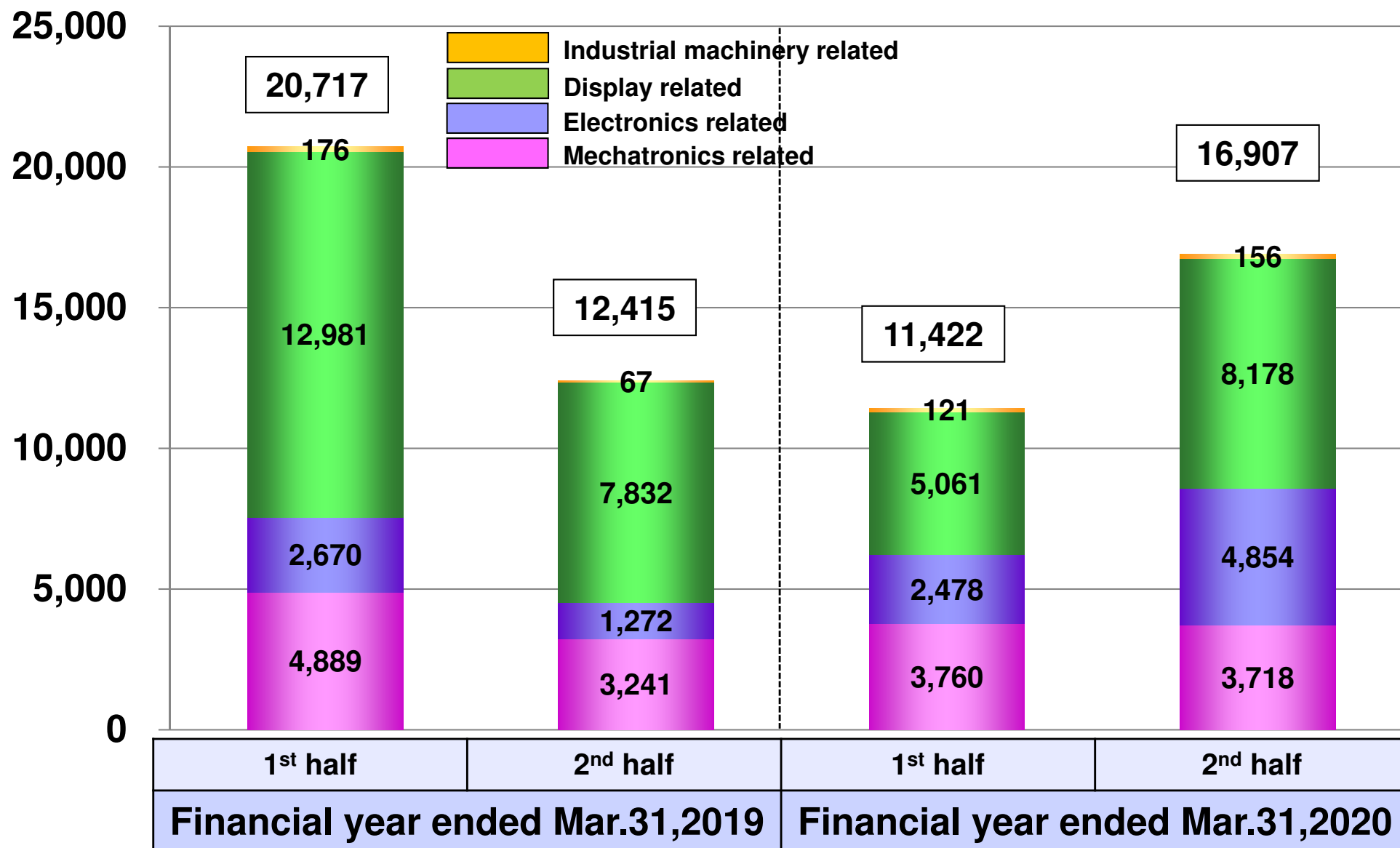


2-4 Half yearly backlog ordered by business



(Millions of ¥)

(Consolidated)



3. Future forecast of financial year ending Mar.31, 2021



Future forecast of business and cash dividend of the financial year ending Mar.31, 2021 will be disclosed as soon as possible at the time when it is possible to forecast rationally considering the influence of COVID-19.



2. Future prospects of YAC group.

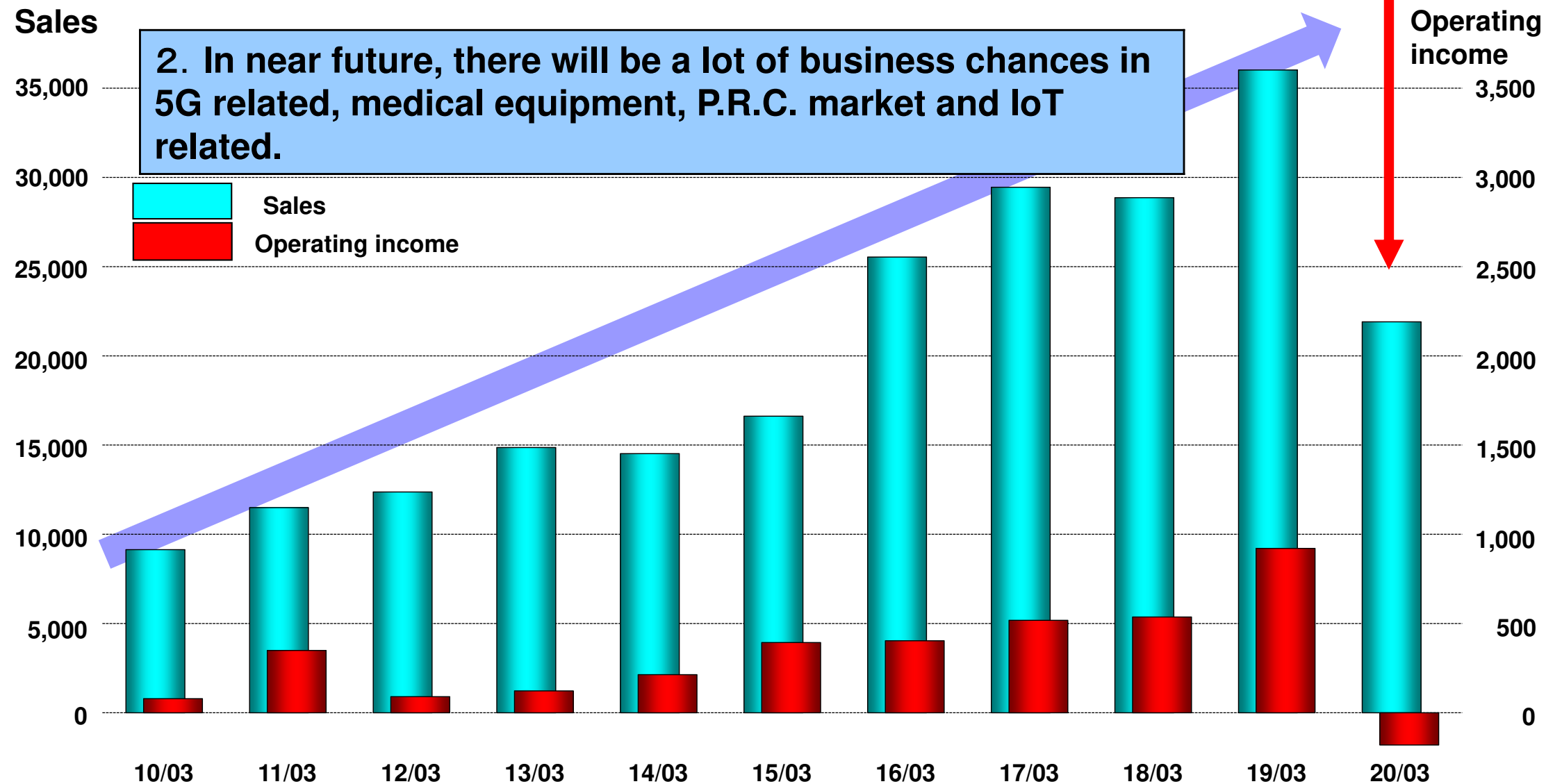
4-1 Historical business results.



1. We could not operate on growing base influenced by trade friction between US and P.R.C. and attack by COVID-19.

2. In near future, there will be a lot of business chances in 5G related, medical equipment, P.R.C. market and IoT related.

(Millions of ¥)



Strategies to grow in the financial year 2019.

Mechatronics related business

- Consolidated Daiichi Co., Ltd. and expanded embossed carrier tape.

Display related business

- Decided to withdraw from wet etching business.
- Started to restructure to get out of deficit structure

Industrial machinery related business

- Planned to expand sales to P.R.C. with establishing joint venture in P.R.C.

Electronics related business

- Started to develop new equipment for next generation.

4-3 Important targets to realize V shape recovery

We cope with the following items to realize V shape recovery in the year 2020 by gathering group's all power.

- ① New mass products, certainly win success 5 items.**
- ② Gross margin, target to get 25%.**
- ③ Expand new order receive to raise up operation rate of direct manpower.**
- ④ Aggressive execution of M&A.**
- ⑤ Acceleration of receivable trade collection.**
- ⑥ Making new 3 years management plan for 50th anniversary of foundation.**

4-4 Future prospects of Y.A.C. group.



1. Expanding demand for 5G, 5th generation mobile communication system.

Target	Products	Related segment
1) OLED for smart phone.	Etching equipment and annealing equipment.	Display related business
2) Electronic components/Discreet	Classifier, taping machine and embossed carrier tape.	Mechatronics related business
3) Power semiconductor (Si-IGBT, SiC)	Laser annealing equipment.	Mechatronics related business
4) MEMS sensor	Ion milling equipment	Mechatronics related business
5) High speed communication devices	Ceramic package cutter.	Mechatronics related business
6) Data center	HDD burnisher	Mechatronics related business

2. Expanding demand for medical field.

For medical institution and individual.	Dialyzer	Electronics
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3. Expanding P.R.C. market

① Home and Linen supply	Finisher	Industrial machinery
② Promoting sales of our original products to P.R.C. market through joint venture in P.R.C.		All segments

4. Expanding IoT market

① Electric power companies	Automated controlling and maintenance equipment	Electronics
② Data business	Various type of automation system	All segments

4-5 Basic strategies of YAC group



■ Basic strategies to achieve the target

1. Expanding corporate body

- (1) Quick commercialize of new mass products
- (2) Market share up of present products, expand of expendables.
- (3) Promoting M&A.

2. Lifting up corporate constitution.

- (1) Establishing profitable corporate structure.
 - ① Gross margin up
 - ② Utilizing present business and technologies.
- (2) Strengthening financial structure.
 - ① Acceleration of receivable collection
 - ② Increasing equity
 - ③ Building stable cash flows

3. Strengthening group governance

- (1) Business unit system
- (2) Medium and long term management plan
- (3) All member management and co-operation and competition

4. Coping with SDGs

We aim to achieve V shape recovery in the financial year of 2020 and ¥100 billion annual sales at early stage by executing the above strategies.

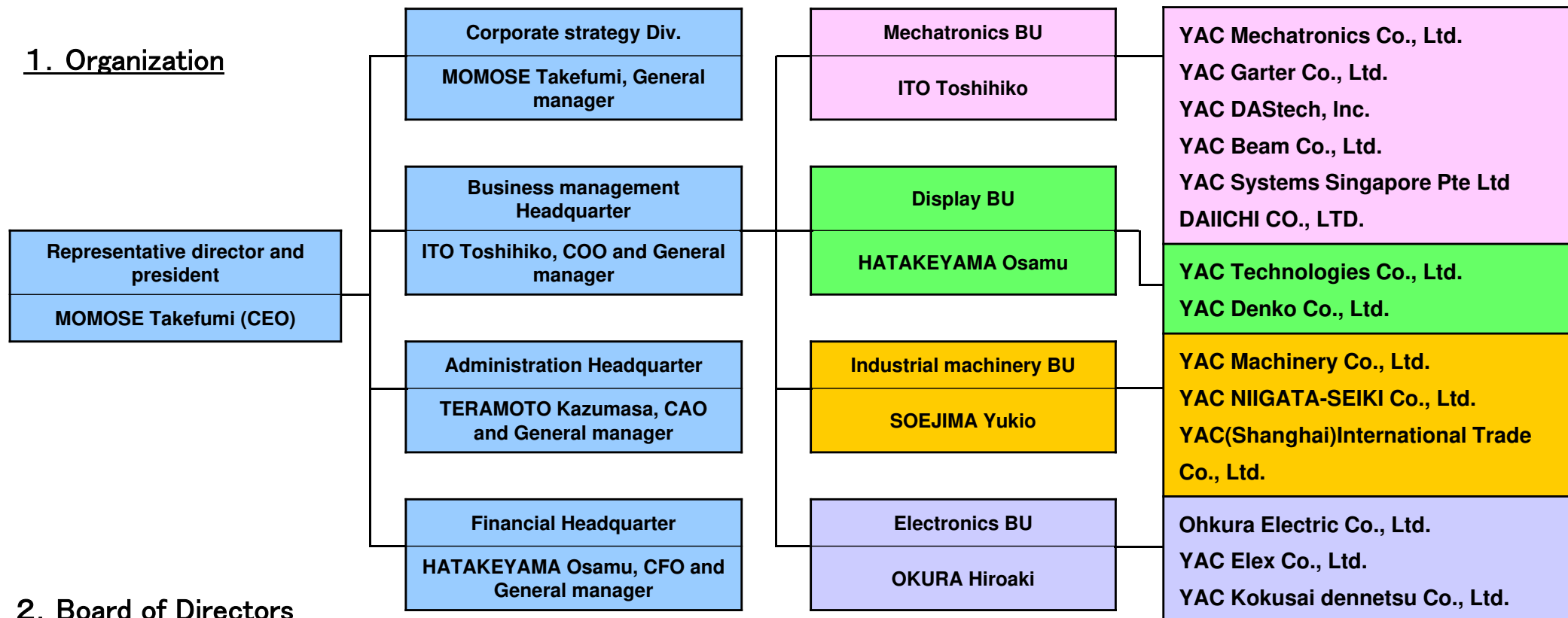
4-6

New organization & Board of Directors to achieve V shape recover



Y.A.C. HOLDINGS CO., LTD. (as of May.14, 2020)

1. Organization



2. Board of Directors

Representative Director & President	MOMOSE Takefumi	Corporate auditor	TSUJI Shinji
Director & Senior Managing Operation Officer	ITO Toshihiko	Corporate auditor outside	TAKADA Naoki
Director & Managing Operating Officer	TERAMOTO Kazumasa	Corporate auditor, outside	IIDA Tetsuro
Director & Managing Operating Officer	HATAKEYAMA Osamu		
Director, Outside	ISHIDA Shouji		
Director outside	KIFUNE Tsuneyasu		

- ① Newly established Headquarter to organize and govern BU and each group company.
- ② Decreased number of director to make quick decisions.



Well, Today should be

a Fascinating and Prosperous

Day, again!

Flexible high technology company



Y.A.C. Group