

12 Months ended Mar.31, 2019

Financial Review

May. 23, 2019

 **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-colored mechanical part, a grid of solar panels, a view of the aurora borealis, a bright sun flare, a field of solar panels under a blue sky, and a person in a suit working at a desk.

▲ 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.

The semiconductor business which we are involved is the business that technical innovation speed is very fast and very competitive.



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Mechatronics Business Unit

..... Mr. FUKUDA Tatsunori, Chief Officer,
Display Business Unit.

..... Mr. SOEJIMA Yukio, Chief Officer,
Industrial Machinery Business Unit.

..... Mr. OHKURA Akihiro, Chief Officer,
Mechatronics Business Unit.

5. Q&A.



1. Message & Outline of Business Results.

..... **Mr. MOMOSE Takefumi,
Representative Director
& President.**

1. Outline of Business Results.



- **1. Big increase in sales and income comparing to previous financial year.**
- 2. Sales recorded historically highest.**
- 3. Figures of net sales, operating income, ordinary income, net income attributed to owners of parent and net income per share reached to publicly announced figure.**
- 4. All segments could mark profit.**

- **Display related.**

Net sales increased by 40% comparing to the previous year, operating income changed into positive but new order receive and profit ratio were not so much recovered.

- **Mechatronics related.**

HDD business went well and sales and income both increased.

- **Cleaning related & others.**

Sales for P.R.C.went well.

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

2. Summary of consolidated financial review, 12 months ended Mar. 31, 2019.

**..... Mr. TERAMOTO Kazumasa,
Director and managing officer.**

2-1 Business Results.



Big increase in sales and income, and sales recorded historically highest.

(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	28,871	36,025	7,153	24.8%
Operating income (Operating income ratio)	1,074 (3.7%)	1,842 (5.1%)	768	71.5%
Ordinary income	955	1,852	897	93.9%
Net income attributable to Owners of parent	403	1,094	690	170.9%
Net income per share.	45.13	121.68	76.55	169.6%
R&D expenses.	543	562	18	3.4%
New capital investments.	1,780	1,104	△675	△38.0%
Depreciation and amortization.	610	604	△6	△1.0%

2-2Sales by business segment.



Sales of all business segment increased.

(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)
Display related business.	11,212	15,883	4,670	41.7%
		Annealing equipment and etching equipment sales went well.		
Mechatronics related business.	16,188	18,122	1,933	11.9%
		HDD manufacturing equipment and ion milling equipment sales went well.		
Cleaning related and other business.	1,470	2,019	549	37.4%
		Sales for P.R.C. went well.		
Total	28,871	36,025	7,153	24.8%

2-3 Operating income by business segment.



Operating income of all segment increased.

(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)
Display related business.	-173	262	435	—
Mechatronics related business.	1,201	1,315	113	9.5%
Cleaning related and other business.	-112	120	232	—
Adjustment (Corporate expenses)	158	144	-13	-8.8%
Total	1,074	1,842	768	71.5%

2-4 New order received and backlog ordered by business.

(Millions of ¥)

Display related business were under severe condition suffered from Chinese economy slowdown.

		6 months ended Sep. 30, 2017.	6 months ended Sep. 30, 2018.	Increased(decreased) amount against previous corresponding period	Increased(decreased) percentage against previous corresponding period
Display related.	New order received	23,205	6,326	△16,878	△72.7%
	Backlog ordered	17,389	7,832	△9,556	△55.0%
Mechatronics related.	New order received	17,254	17,116	△138	△0.8%
	Backlog ordered	5,502	4,497	△1,005	△18.3%
Total Cleaning related and others excluded.	New order received	40,459	23,443	△17,016	△42.1%
	Backlog ordered	22,892	12,329	△10,562	△46.1%

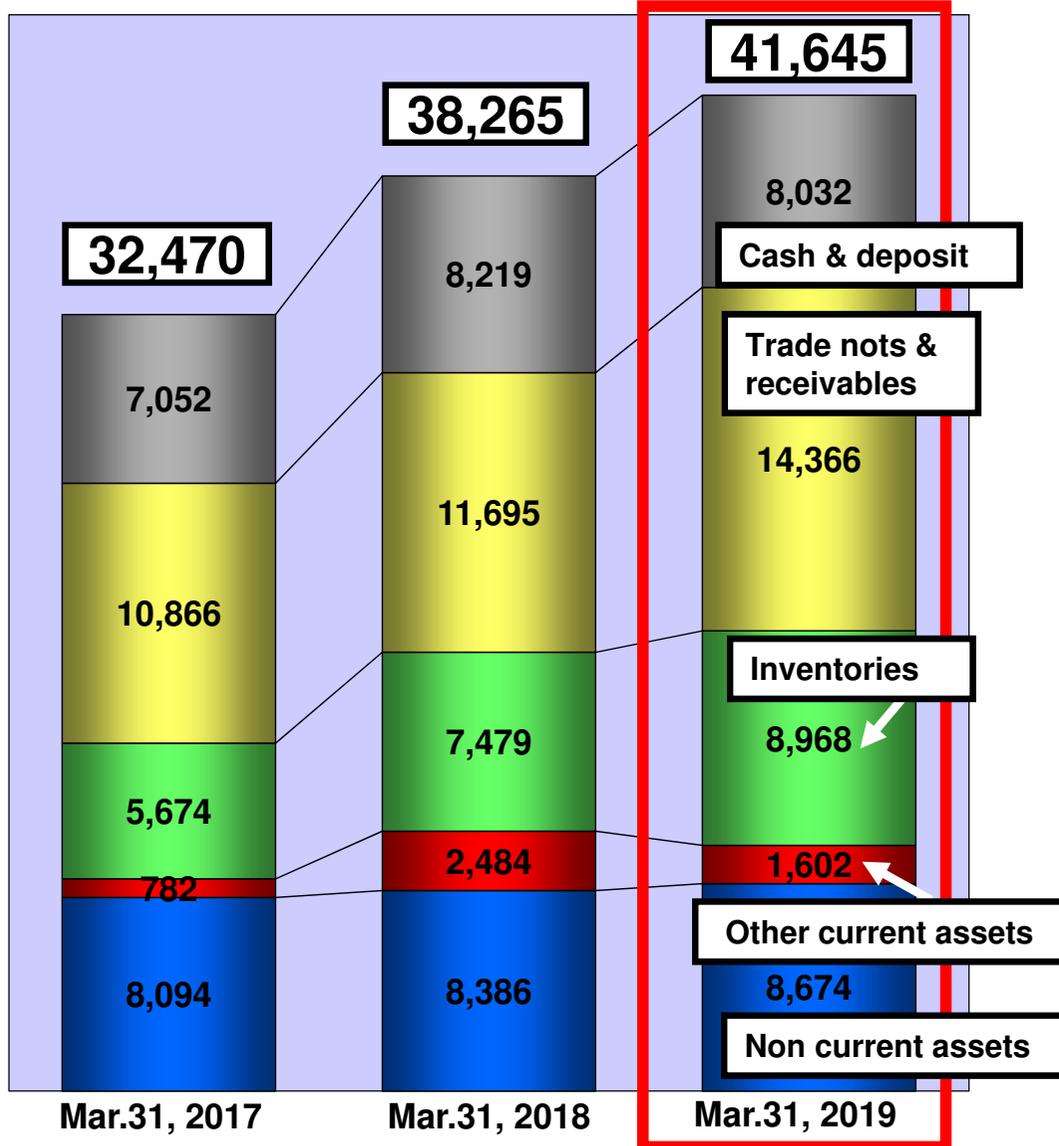
2-5 Historical figures of B/S



Trade notes & account receivable increased because of increase of sales at the end of year.
Inventory increased because of increase of backlog ordered.

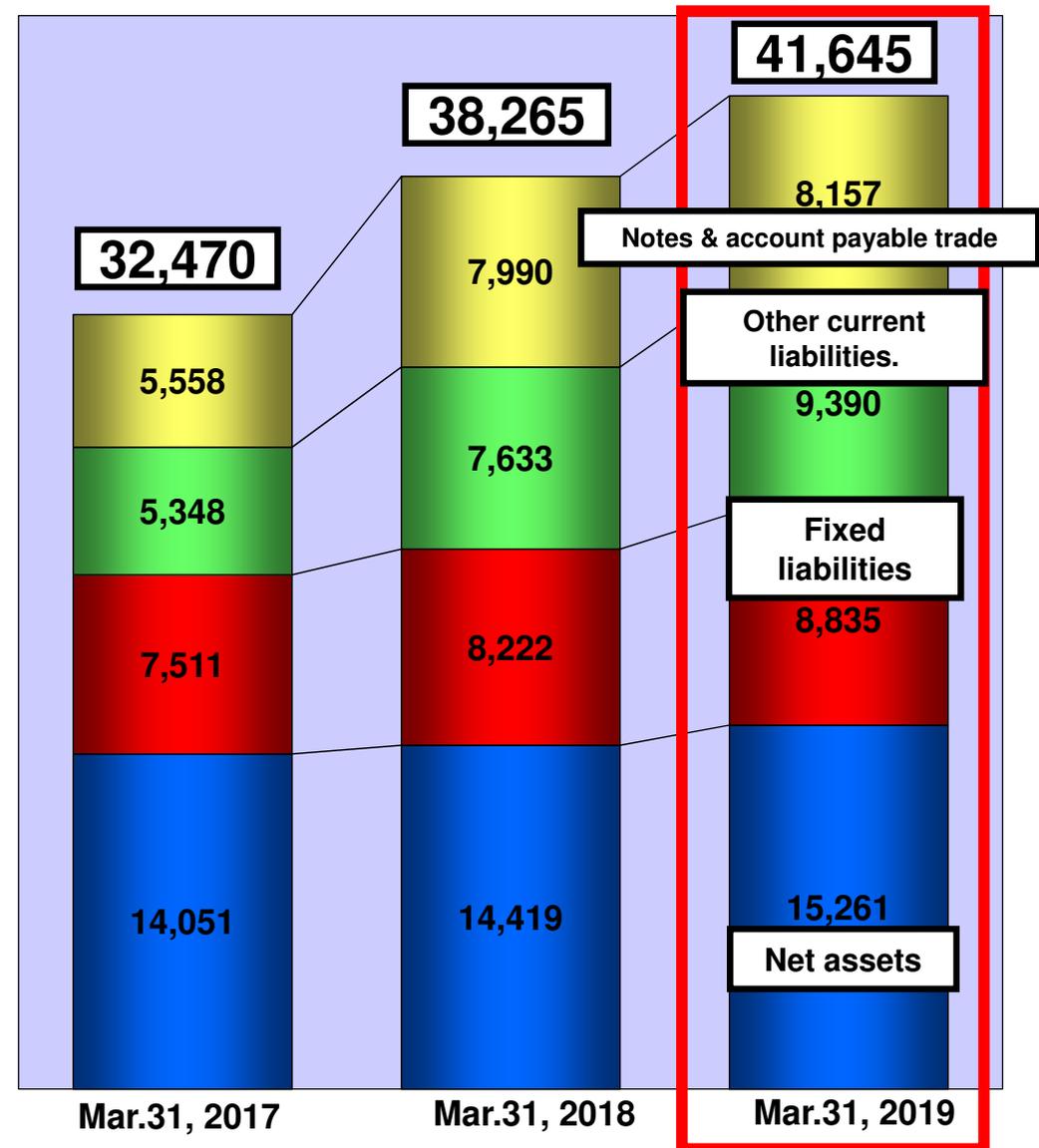
<Assets>

(Millions of ¥)



<Liabilities and net assets.>

(Millions of ¥)



2-6 Summary of cash flows.



Cash flows from operating activities were negative because of realization of big sales were delayed. (Millions of ¥)

	12 months ended Mar. 31, 2017	12 months ended Mar. 31, 2018	12 months ended Mar. 31, 2019
Cash flows from operating activities.	4,354	1,598	△1,505
Cash flows from operating activities.	△1,307	△1,808	99
Cash flows from operating activities.	△1,463	1,450	1,328
Cash & cash equivalents at end of period.	6,703	7,926	7,898

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

3. Future prospect of YAC group.

..... **Mr. MOMOSE Takefumi,
Representative Director &
President.**

3-2. Management policy



Founding Philosophy (established in 1973)

- ① Company with technology oriented.
- ② Company with strong vitality.
- ③ Company with challenging spirit against various risks.
- ④ Company with principal that small but highly skilled work force.

Philosophy for Growing (Year of 1985)

- ① Seeking employees prosperity, mentally as well as economically.
- ② Paying tax to central and regional government as much as possible.
- ③ Creating and delivering new products.
- ④ Treating shareholders highly and preferentially.
- ⑤ Contributing to social community.
- ⑥ Saving resources and energy for environment.

Ultimate Corporate Philosophy (Year of 2019)

~ To contribute to society much more ~

1. Growth of employees' capacity.
2. Growth of YAC group.
3. All employee management. / Cooperate and competition.
4. Expansion of paying tax.

3-2.Aiming to achieve “Ultimate philosophy”



Aiming to achieve “Ultimate philosophy ”

“Funding philosophy” year of 1973
“Growing philosophy” year of 1985

Year of 2019
“Ultimate philosophy”
To much more contribute
to society.

- (1) Growth of employees’ capacity.
- (2) Growth of YAC group.
- (3) All employee management. / Cooperate and competition.
- (4) Expansion of paying tax.

To realize much more.

- (1) To enlarge corporate size.
- (2) To commercialize new mass products.
- (3) To establish high profitable corporate body.
- (4) To strengthen financial condition.

Basic strategy.
(3-3)

Conditions to
success.
(3-4)

1. Expansion of corporate body.

(1) Expansion of size.

1. To increase the market share and expand expendable supply business and maintenance service business.
2. To industrialize new mass products at a stretch
3. To promote aggressively M&A activities.

(2) To industrialize new mass products at a stretch.

1. To hold always strong enthusiasm developing new products.
2. To grasp needs for mass products during contacting with customer and others.
3. To consider market needs by quickly finding change of times.

2. To raise up the corporate constitution.

(1) To establish profitable corporate body.

(Expecting each promotion leader)

1. To decrease production cost.

a) To execute perfectly new budget controlling system.

b) To deliver of finished products.

c) To get early acceptance.

d) To avoid miss works.

e) To execute quality control.

f) To decrease expenses

(2) To establish profitable corporate body.

a) To collect quickly suspense receivables trade.

b) To increase capital.

c) To establish sound cash flows.

3-4. Condition for successful achievement

社外秘



1. Top managements' strong tenacity to grow is everything.

- a) Perfect team work between top management and management people.
- b) Perfect transmission of corporate policy from top management to employee.
- c) Management method is “plan-do-check-act” cycle.

2. All member management.

- a) Strategy and tactics to achieve the target.
 - (1) Top management draft up strategies and tactics, finalize after discussion.
 - (2) All employee hold high motivation and conclude their duties.
- b) To increase productivity double by work style reform.
- c) Work place is always open, cheerful and full of vigor.

3. Cooperate and competition.

Cooperate and competition of business results between each group company to realize “Ultimate philosophy”

3/25早期表现!

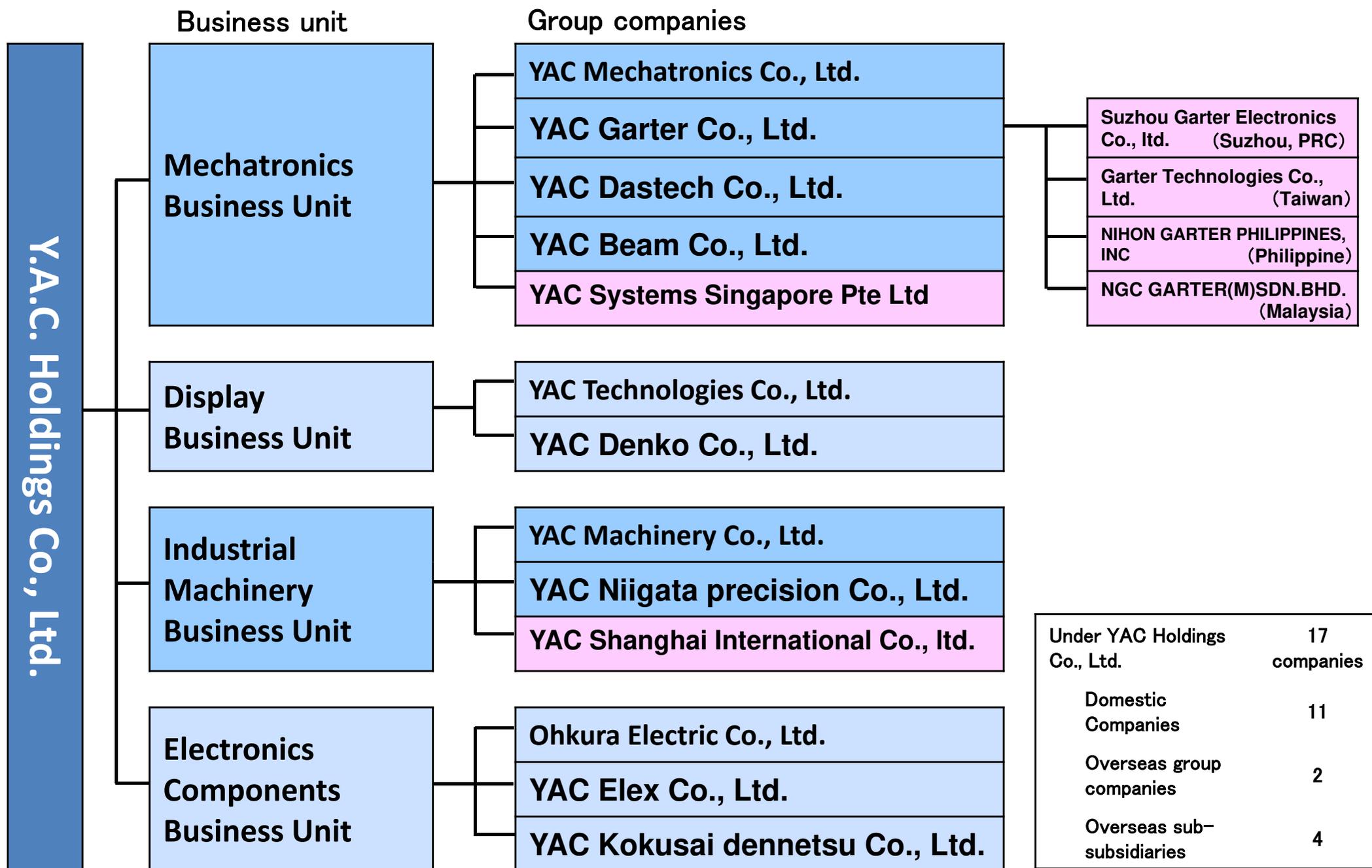
《YAC group present target》

To increase corporate value.

Main items to cope with.

1. Introducing Business Unit system.	Refer to 3-7.
2. Settling on new 3years management plan.	Setting on the target every year.
3. Increasing corporate body and building profitable constitution.	To accelerate by introducing BU system.
4. Strengthening R&D activity to develop new mass products.	Sudden expansion of business size.
5. Work style reform.	Improving productivity.
6. Employee join to management (All member management) Cooperate & competition.	a)Participating in management plan setting. b)Proposing management innovation. c)Sharing future target by all employee.
7. Promoting aggressive M&A activities.	Strengthening business area related to 4 th industrial revolution.

3-6. Structure of YAC group.



3-7 New structure to accelerate growth.

社外秘



Introducing business unit system.

Purposes

- a) **Aiming to accelerate business growing by getting together relative business companies to a business unit (BU) and letting each BU be responsible its income as well as compete each other further.**
- b) **Aiming to increase productivity by making use effectively actual or human assets and information or knowhow of each company in the same BU**
- c) **Aiming to cultivate future corporate leader.**

Role of chief officer of each BU.

- a) **Aiming to high growth, promoting various plan speedy and aggressively and getting successful results.**
- b) **Being responsible for income of its BU.**

3-8 Corporate estimate for the ending Mar.31, 2020.

Increase decrease against the
previous year

■ Net sales	<u>¥36 Billion</u>	(The same as previous year)
■ Operating income	<u>¥2 Billion</u>	(Increased by ¥200 million)

1. Fears remain such as US and China trade tension but big possibility to grow in 4th industrial revolution related area which we are good at.
2. Executing policy to improve gross margin to change high profit corporate structure.
3. Considering M&A activities every time.

3-9 Forecast



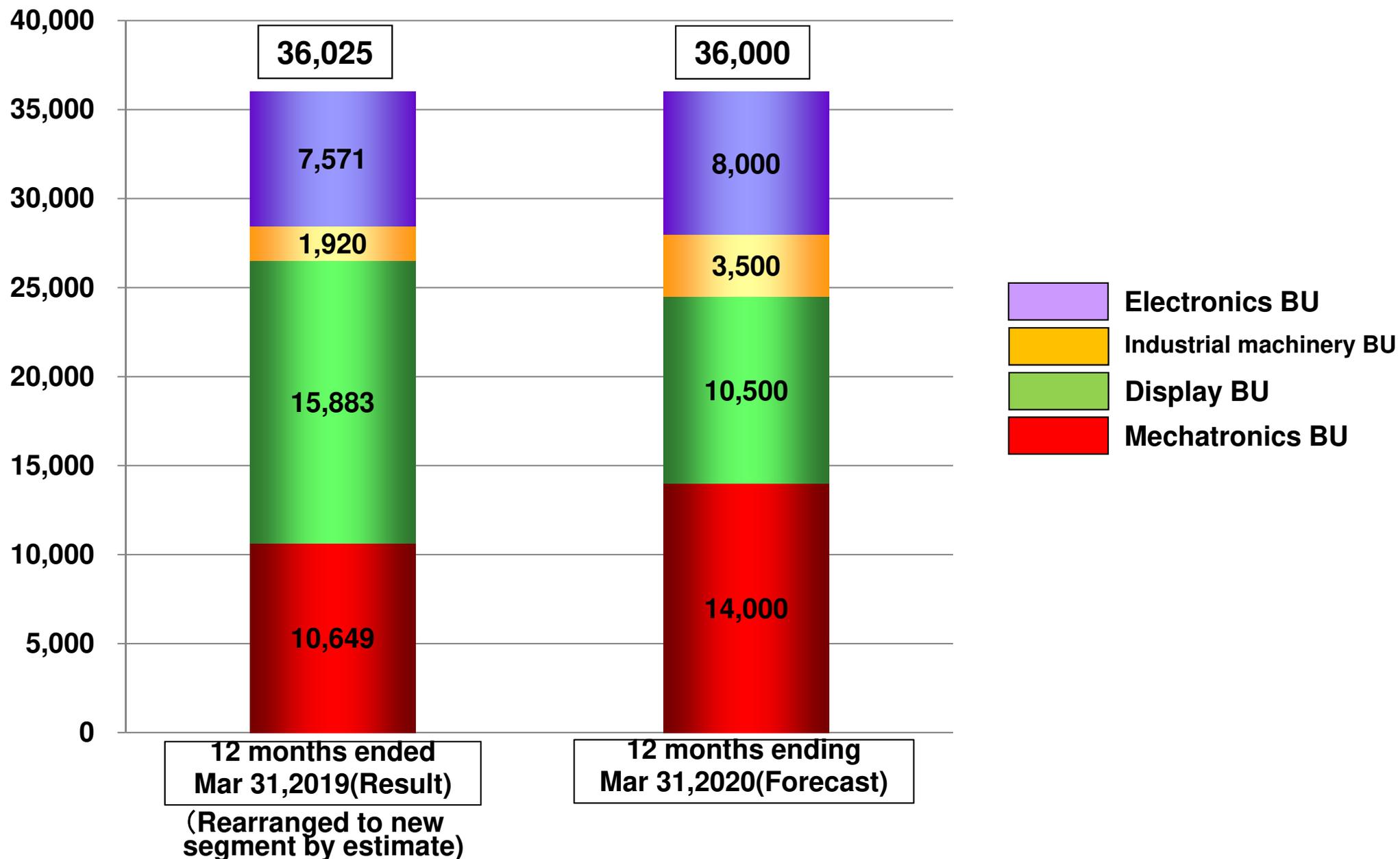
(Millions of ¥)

	12 months ended Mar. 31, 2017 (Result)	12 months ended Mar. 31, 2018 (Result)	12 months ended Mar. 31, 2019 (Result)	12 month ending Mar.31,2020 (Forecast)	Increased (decreased) amount against previous corresponding period (Forecast)	Increased (decreased) percentage against previous corresponding period (Forecast)
Net sales	29,452	28,871	36,025	36,000	△25	△0.1%
Operating income	1,036	1,074	1,842	2,000	157	8.5%
Ordinary income	1,122	955	1,852	1,900	47	2.6%
Net income attributable to Owners of parent	790	403	1,094	1,200	105	9.7%
Net income per share.	88.51	45.13	121.68	133.14	—	—

3-10 Sales budget by business segment

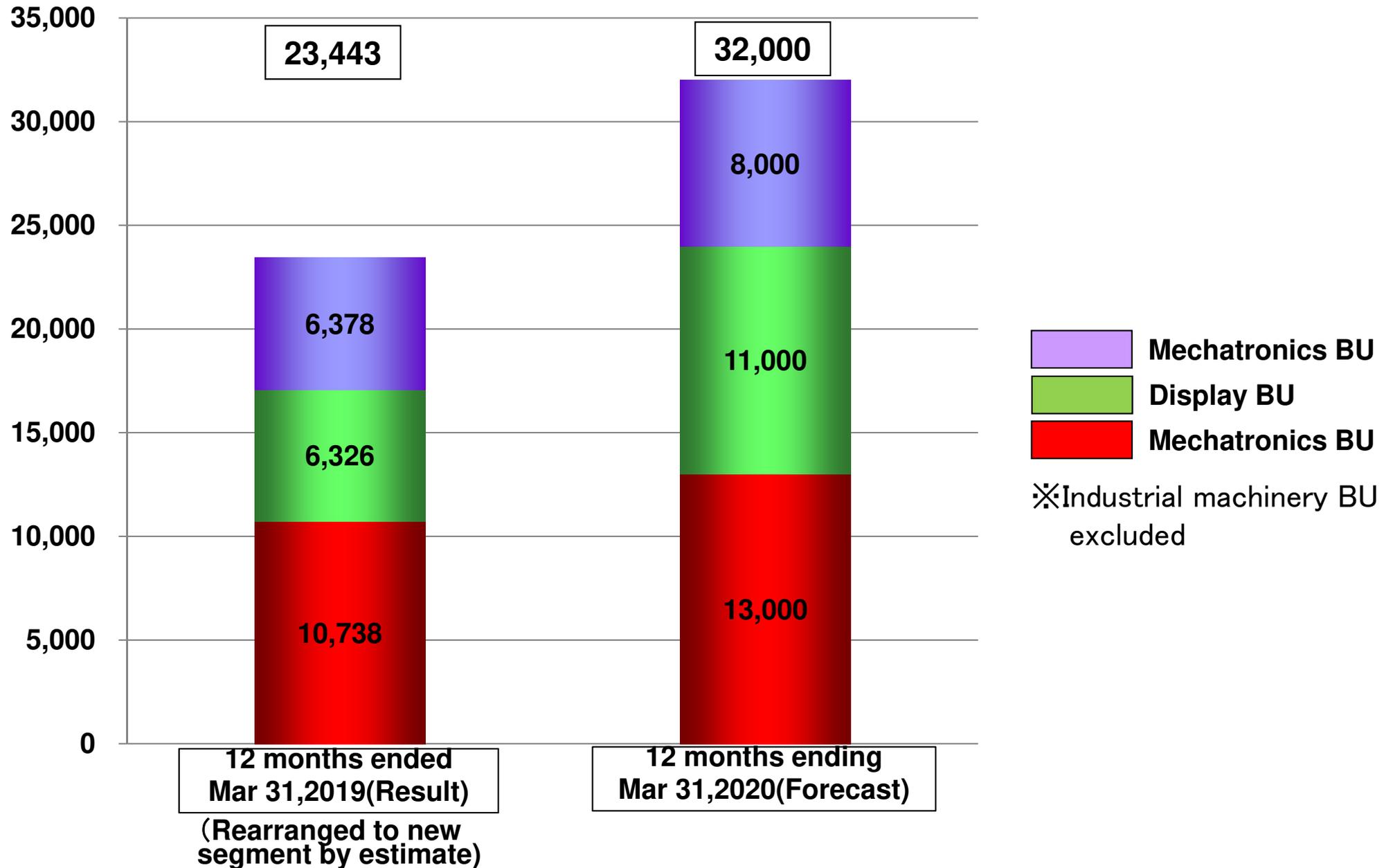


(Millions of ¥)

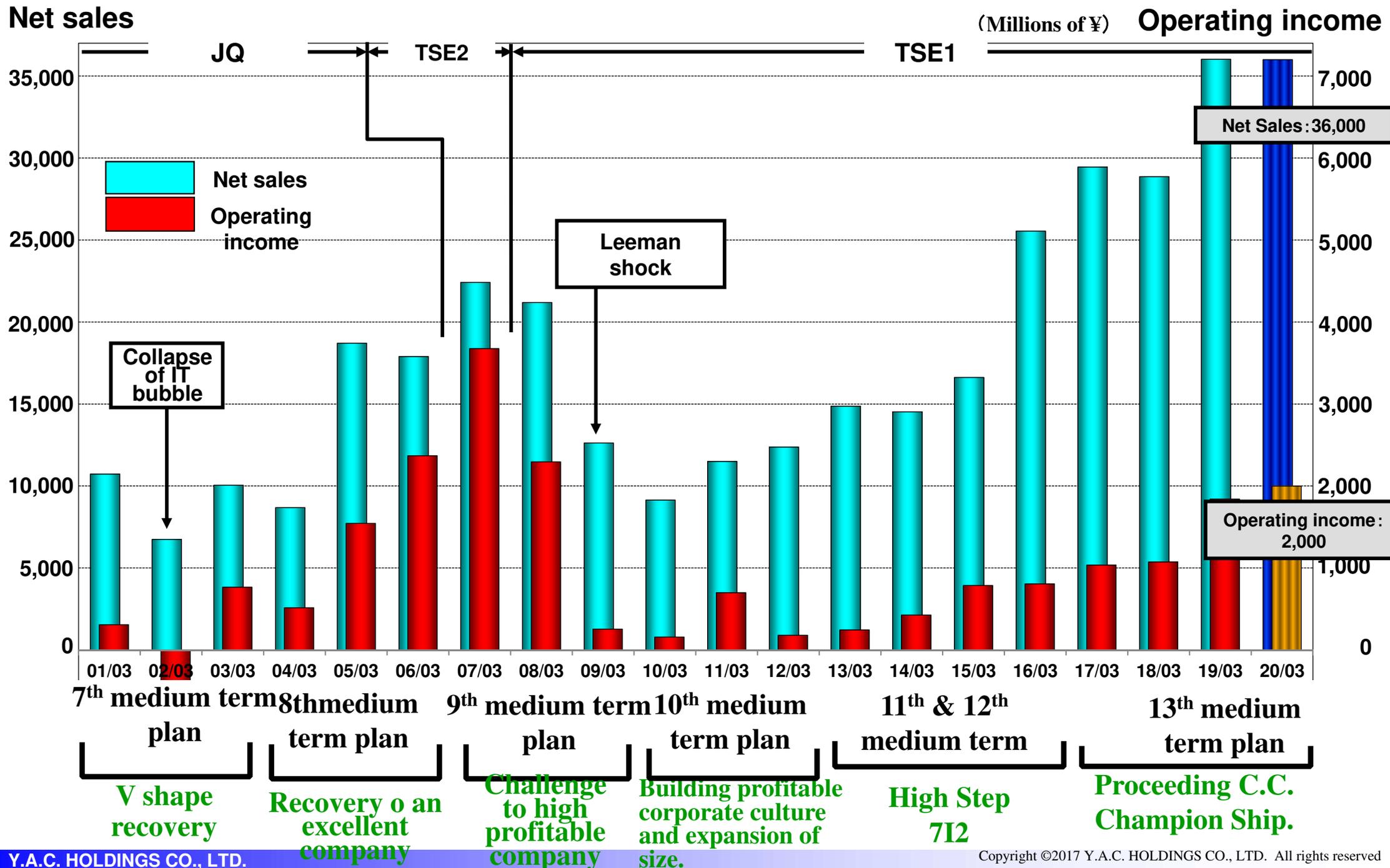


3-11 Consolidated new order receive plan.

(Millions of ¥)



3-12. Past results & forecast of financial year ending Mar.31, 2020





4. Outline and future business promotion of each business unit.

Mechatronics Business Unit.

.....•Mr. ITO Toshihiko, Chief officer.

Display Business Unit.

.....•Mr. FUKUDA Tatsunori, Chief officer.

Industrial Machinery Business Unit.

.....•Mr. SOEJIMA Yukio, Chief Officer.

Mechatronics Business Unit.

.....•Mr. OHKURA Akihiro, Chief Officer.

Outline of Mechatronics BU

Prospect of net sales. (Millions of ¥)

	12 months ending Mar.31, 2020	12 months ending Mar.31, 2022.
Mechatronics BU	14,000	18,300
Display BU	10,500	16,000
Industrial Machinery BU	3,500	5,700
Electronics BU	8,000	10,000
Total	36,000	50,000

Mr. ITO Toshihiko
Chief Officer, Mechatronics BU

1. Products of Mechatronics BU.



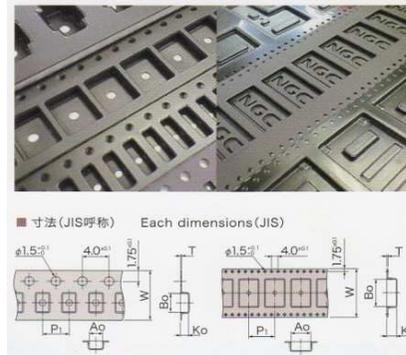
◎YAC Mechatronics & YSS

- HD Burnisher equipment.
- Clean conveyor.
- Texturing equipment for solar cell manufacturing.
- Testing handler.



◎YAC Garter.

- Embossed carrier tape.
- LED sorter.
- Taping machine.



◎YAC Dastechs.

- Slicer
- Core drilling machine.
- Resell business.



◎YAC Beams

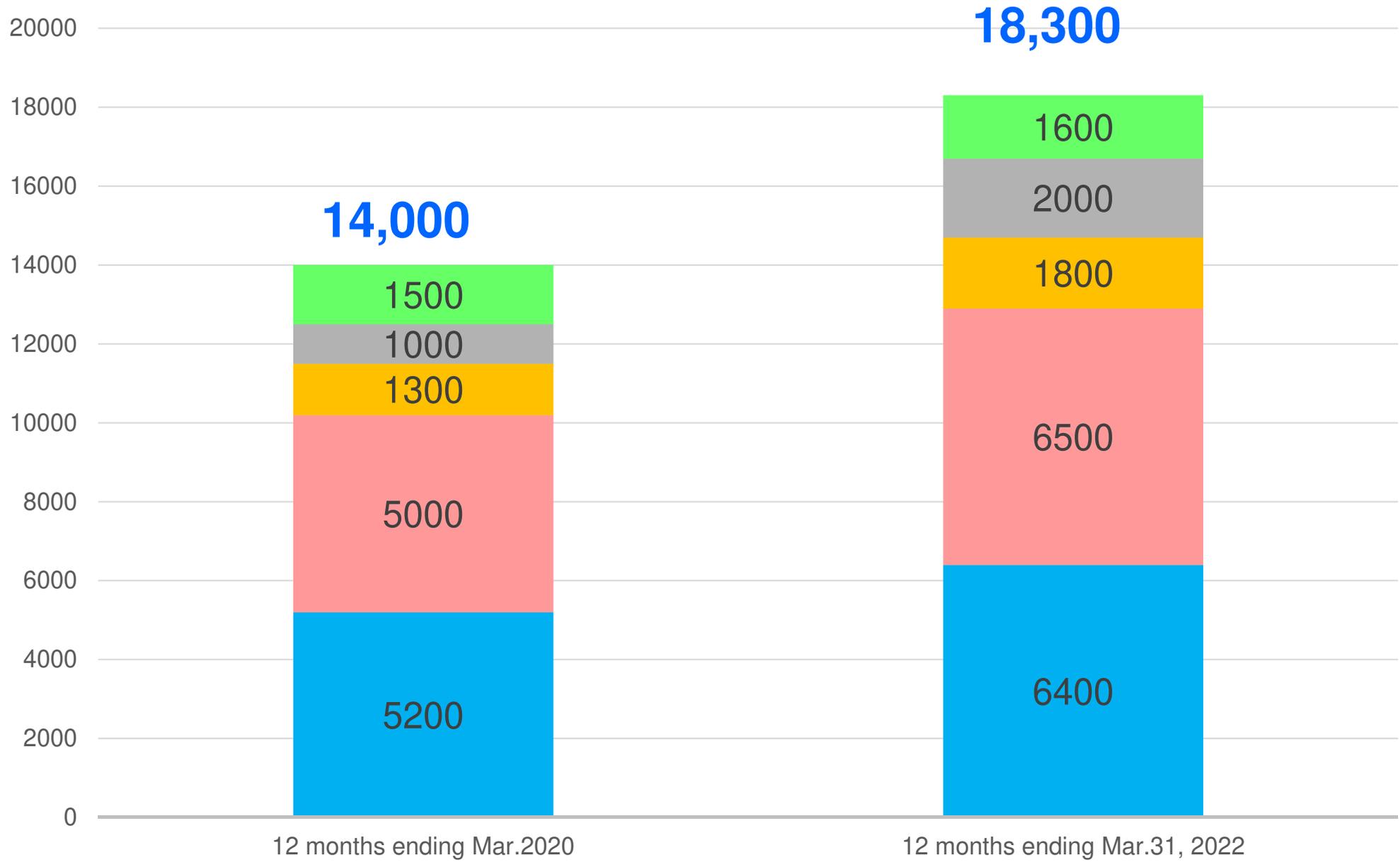
- Laser annealing machine.
- Laser drilling machine.
- Ion beam milling equipment.



2.Sales target by a company.



(Millions of ¥)



■ YAC Mechatronics ■ YAC Garter ■ YACDstechs

3. Future business prospects.



◎ Management policy of BU

- Aiming to let each company grow by cooperation and competition.
- Aiming to increase new order receive and improve productivity by synergy effect of each company.

◎ YAC Mechatronics and YSS

- Expanding business area with establishing new core technology such as image processing and robotic and holding present HDD business.
- Expanding sales of handler for next generation and starting automation system of semiconductor post process.
- Expanding sales of texturing equipment for manufacturing of high efficient solar cells in P.R.C., India and Middle east.

◎ YAC Garter.

- Expanding sales of embossed carrier tape for minimal and ultra thin products.
- Expanding sales of inspection equipment for semiconductor.
- Reorganizing R&D organization and promoting R&D in overseas.

◎ YAC Dastechs

- Developing and selling ultrasound cutter and ultrasound MLCC cutter.
- Developing and selling viroous gatekeeper.

◎ YAC Beams.

- Developing and selling lacer annealing equipment for 300 mm wafer.
- Developing and selling medium and small size ion beam milling equipment.

Outline of Display BU

Prospect of net sales. (Millions of ¥)

	12 months ending Mar.31, 2020	12 months ending Mar.31, 2022.
Mechatronics BU	14,000	18,300
Display BU	10,500	16,000
Industrial Machinery BU	3,500	5,700
Electronics BU	8,000	10,000
Total	36,000	50,000

Mr. FUKUDA Tatsunori
Chief Officer, Display BU

1. Outline of business.



■ Outline of Display BU business.

- Manufacturing and selling dry etching equipment and annealing equipment for display manufacturing companies.
- Selling precision heating equipment to automobile industry, electronic component industries and others .

■ Synergy effect of BU.

- Sharing customer and market information.
- Basic technology combination.
- Creating R theme by mixture of manpower.
- Accelerating development speed.

■ Fruits full results in year 2018 by sales products.

- Delivered commercialized 5 chambers etching equipment for OLED.
- Sales increased by new annealing equipment for OLED.

■ Plan of year 2019.

- Practically using of new process by applying plasma source.
- Receiving order of annealing equipment for new OLED continuously.
- Selling equipment for 10.5 substrate IGZO display.
- Business development for expansion of electronics component.

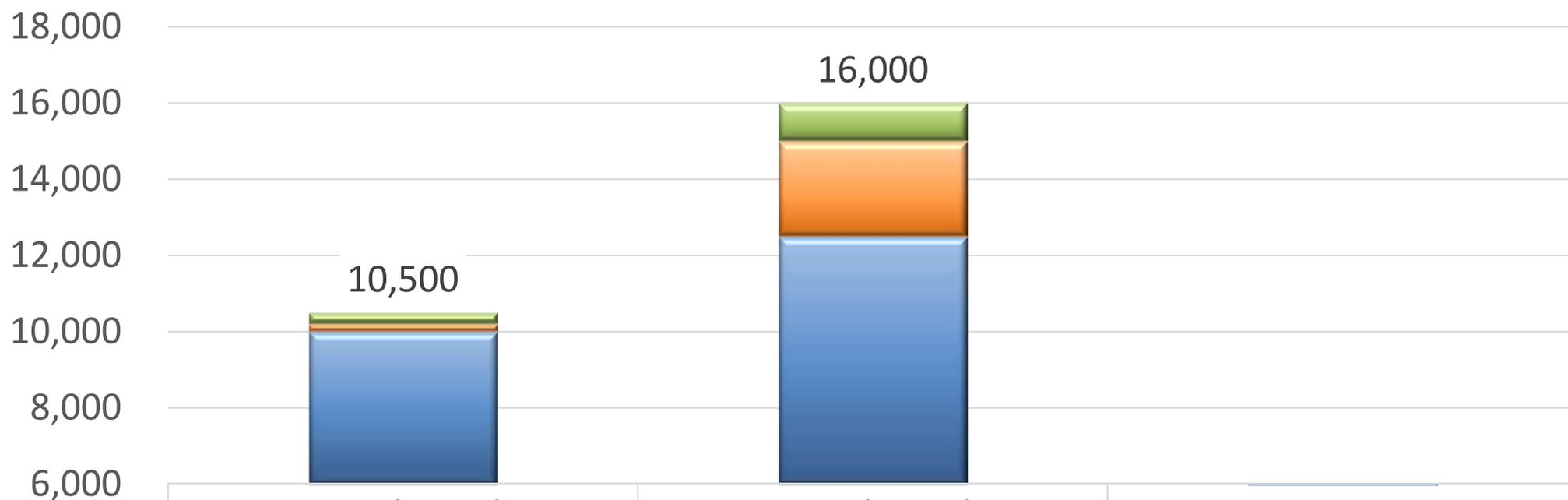
【製品】G10.5加熱装置



2.Future sales target by business field.



Sales target by business field.
(Millions of



	12 months ending Mar.31, 2020	12 months ending Mar.31, 2022	Increasing ratio
Total	10,500	16,000	152%
■ Car	300	1,000	333%
■ Electronic	200	2,500	1250%
■ Display	10,000	12,500	125%

3. Future business prospect.



■ Display market.

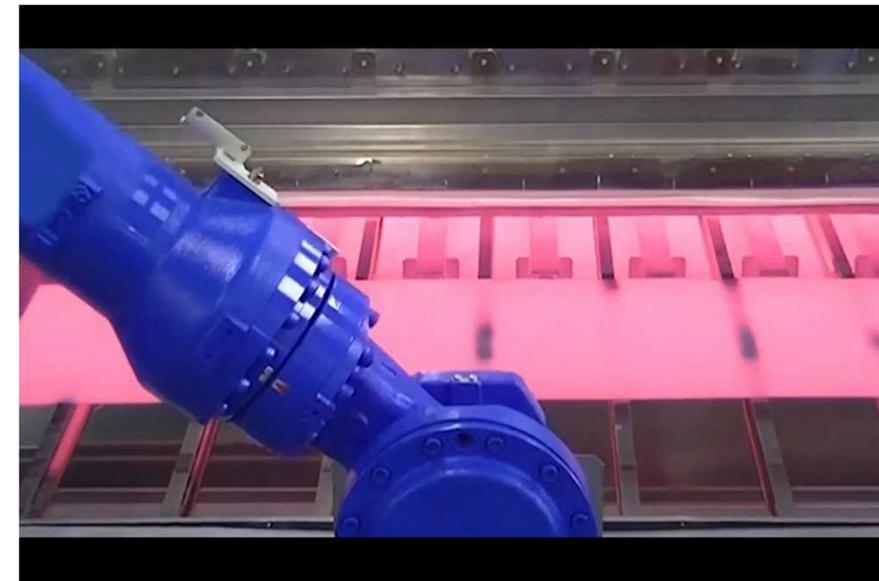
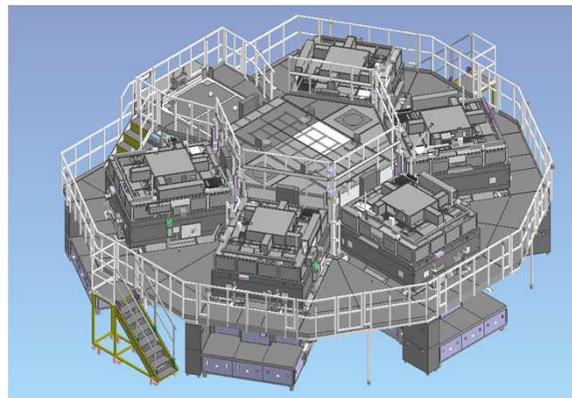
- Keeping to sell dry etching and annealing equipment
- Promoting to sell new equipment for new display technology.

■ Electronics component market.

- Entering into semiconductor applied products.
- Expanding sales of present heating equipment.

■ Automobile related market.

- Entering into the business relating to car electronics.
- Promoting sales of hot stamping heater to overseas.
- Expanding sales of heater.



Outline of Industrial machinery BU

Prospect of net sales. (Millions of ¥)

	12 months ending Mar.31, 2020	12 months ending Mar.31, 2022.
Mechatronics BU	14,000	18,300
Display BU	10,500	16,000
Industrial Machinery BU	3,500	5,700
Electronics BU	8,000	10,000
Total	36,000	50,000

Mr. SOEJIMA Yukio
Chief Officer, Industrial machinery BU

1. Outline of business



■ Selling products and result of year 2018.

- Manufacturing and selling of automatic packaging equipment and classification distributor for laundry business.
- Manufacturing and selling of dress shirts finisher and uniform finisher.
- Manufacturing and selling wool finisher for apparel business.
- Sales results of year 2018 was 900 units



Sales agent in Japan & overseas.

■ Manufacturing

Manufacturer

YAC Niigata



Manufacturing
& selling

YAC Machinery



Selling

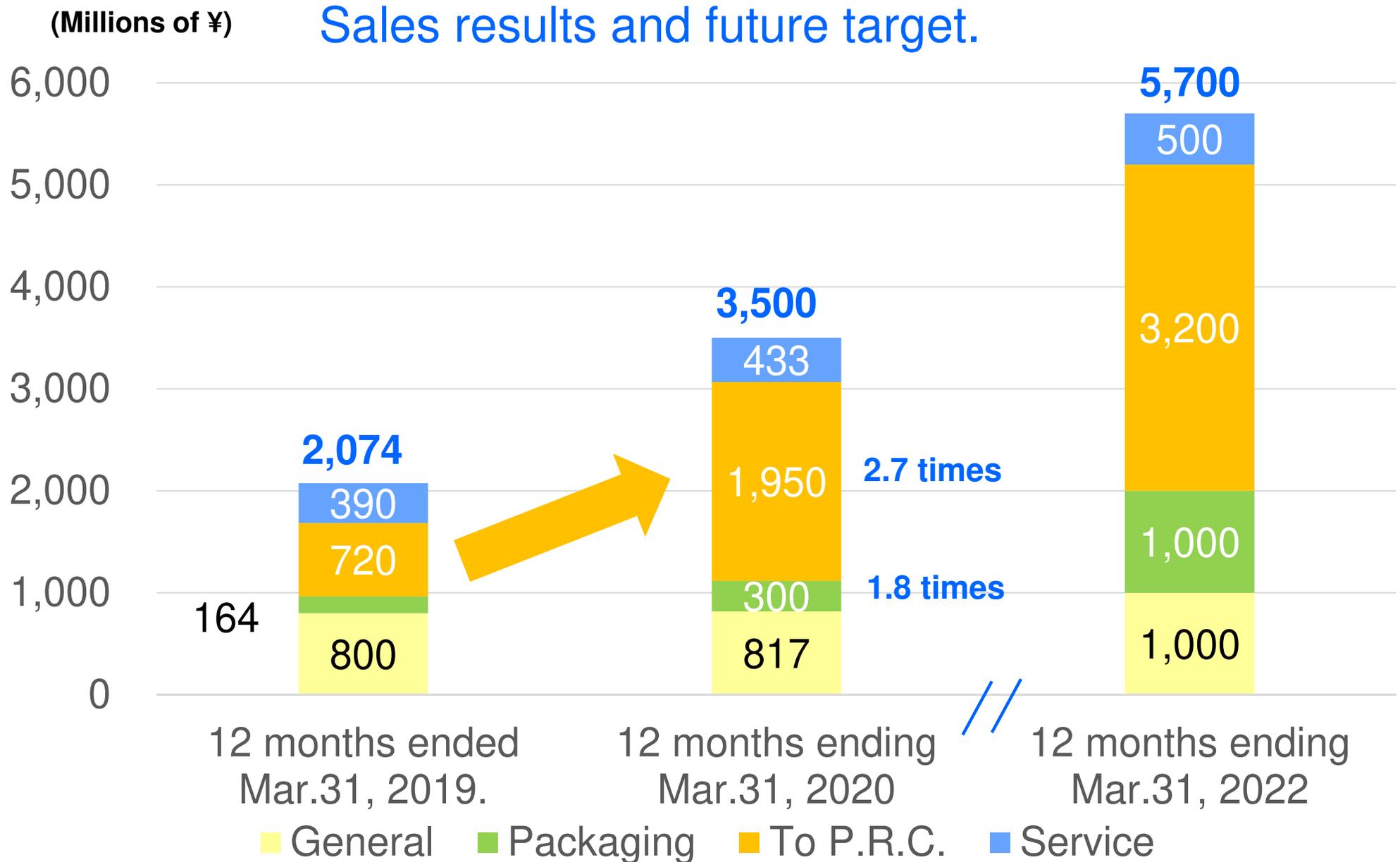
YAC Shanghai



Clients in
P.R.C.



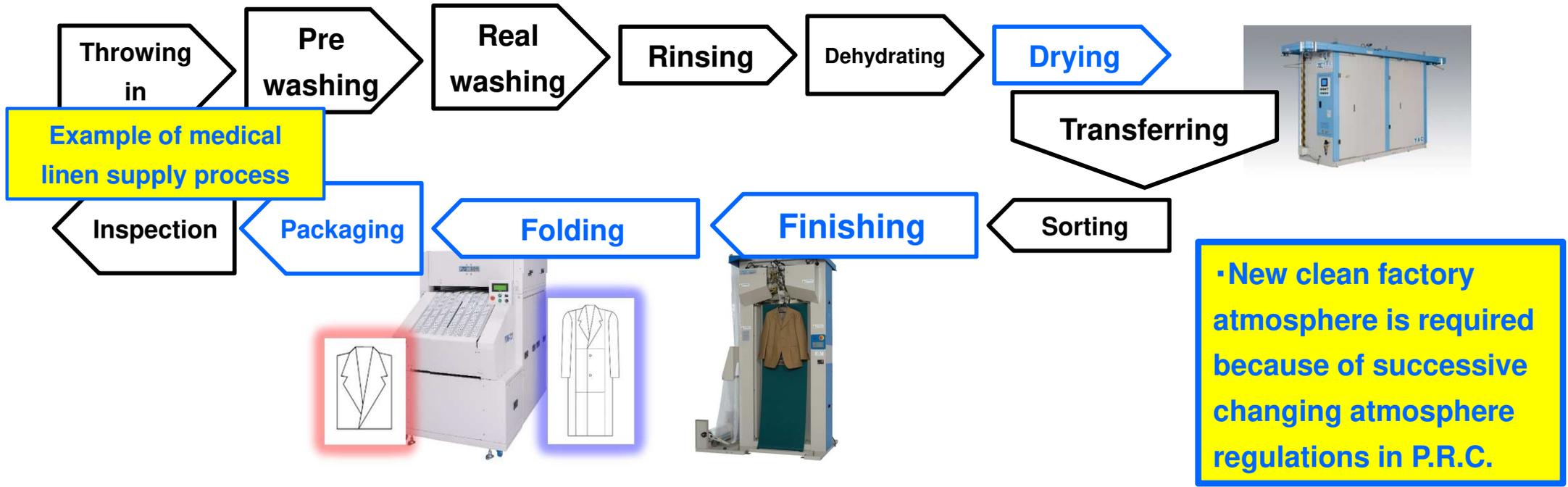
2.Future sales target by products.



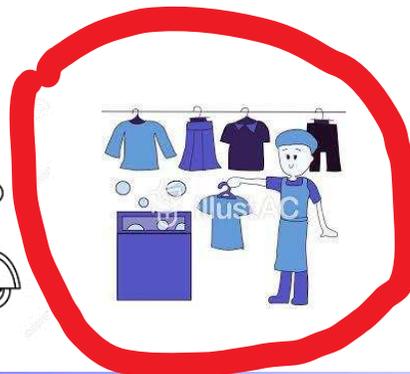
3.Future business prospect.



- Domestic market is shrinking therefore injecting automatic machine based on packaging core technology.
- Built sales net work of medical linen supply and net business in P.R.C.



Net business



- New automatic line is required by changing of business model.

Outline of electronics BU

Prospect of net sales. (Millions of ¥)

	12 months ending Mar.31, 2020	12 months ending Mar.31, 2022.
Mechatronics BU	14,000	18,300
Display BU	10,500	16,000
Industrial Machinery BU	3,500	5,700
Electronics BU	8,000	10,000
Total	36,000	50,000

Mr. OHKURA Akihiro
Chief Officer, Electronics BU

■ Sales products by each company.

- **YAC Elecs: Medical equipment, electronics and electronics component.**
- **Ohkura electrics: Control communication equipment, instrument and semiconductor manufacturing related**
- **YAC Kokusai Dennetsu: Molding heater.**



■ Major products and market trend.

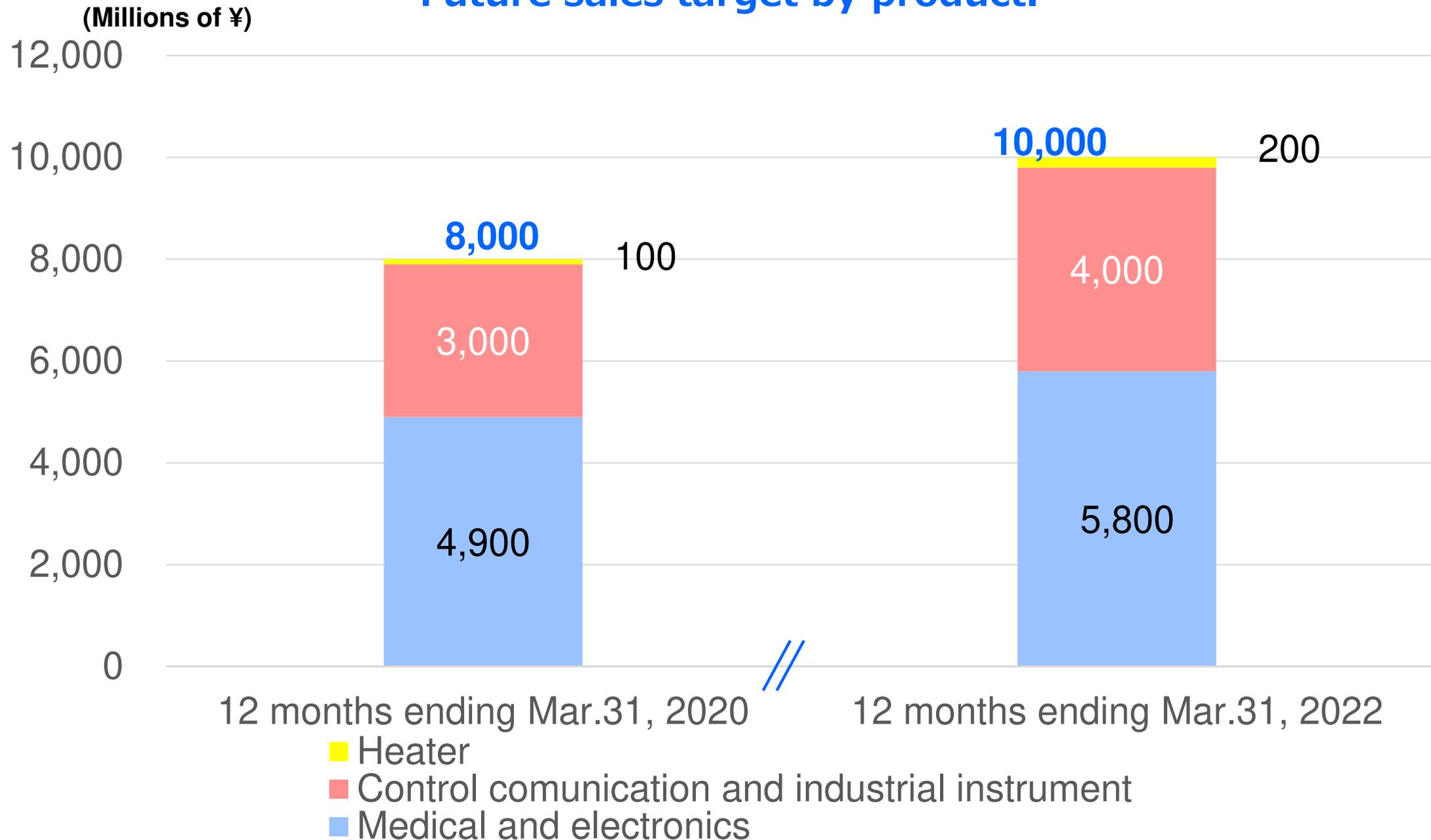
- **Medical equipment: Dialysis equipment**
⇒ Growing expected area such as Latin America, South East Asia, India and middle East.
- **Electric power related :Supervisory controlling equipment.**
⇒ Expansion of wide area power distribution volume.



2.Future sales target.



Future sales target by product.



Medical

Demand will increase with future developing. in Latin America, South East Asia and India. Products differentiation is essential.

Control communication

Demand for information transfer by preparation of wide area power distribution system. New equipment will be required by automatic power system maintenance.

Synergy effect in BU

Medical times Communication =Telemedicine.

Demand for telemedicine will be growing. Combination of medical equipment and communication technology will be getting important from now on. Wide range proposal of equipment and service will be possible by cooperation of technology in BU.





Well, Today should be

a Fascinating and Prosperous

Day, again!

Flexible high technology company



Y.A.C. Group