



Dec. 24, 2021

To whom it may concern

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

Representative : MOMOSE Takefumi

Representative Director & President

Inquires : HATAKEYAMA Osamu

Director & General manager,

Administration Headquarter

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Plan for Complying with Maintaining Listing Standards for new Market Segments.

We have applied today to select the "Prime Market" regarding the restructuring of the market segments of the Tokyo Stock Exchange scheduled in April 2022.

We hereby inform you that we have prepared a plan to comply with the listing maintenance criteria for the new market category as a reason for, as of the transition record date (Jun. 30, 2021), we have not met the listing criteria for the relevant market.

1. Compliance status and planning period of our maintaining listing standards

(1) As of the transition record date, our status of compliance with maintaining listing standards for the "Prime Market" are as follows, and the "market capitalization of shares in circulation" does not meet the listing maintenance criteria.

	Number of shareholders	Number of shares in circulation (Unit)	Market capitalization of shares in circulation (Mills. of Yen)	Distributed stock ratio (%)	Daily average trading price (Mills. of Yen)	Market capitalization of shares (Mills. of Yen)
Our status (The transition record date)	—	72,835	75	74.6	3.05	
Listing maintenance criteria)	—	20,000	100	35	0.2	—
Items reported in plan.	—		○			

* The conformity status of the Company is calculated based on the distribution status of the Company's stock certificates which the Tokyo Stock Exchange has grasped as of the record date.

- (2) The Company will proceed with various efforts to meet the criteria for maintaining listing in the prime market by March 2024 regarding the “market capitalization of shares in circulation”.

2. Basic policy of efforts to meet maintaining listing Standards.

Based on the medium-term management plan (FY2022 / 3 to FY2024 / 3), we aim to meet the listing standards of the prime market in "market capitalization of shares in circulation" by raising the stock price by continuously improving corporate value further with achieving our goals firstly to overcome various tasks and expanding each segment, enhancing information disclosure to investors, and actively working on SDGs Aiming to raise the stock price by continuously improving corporate value through further enhancement of corporate governance and dividend policy aimed at further shareholder returns, and the standard for maintaining the listing of "market value of shares in circulation" in the prime market.

In addition, although our "Distributed stock ratio in circulation" in the primary judgment results of the Tokyo Stock Exchange fully meets the criteria for maintaining listing in the prime market, we will work to improve the ratio of distributed stocks in circulation to improve corporate value.

3. Specific content of efforts.

(1) Efforts to improve corporate value (improve market capitalization)

a) Improving business performance by achieving the medium-term management plan (FY2022/3 to FY2024/3).

In order to improve the top line, we will make timely and appropriate human and capital investments for growth opportunities by segment and each company.

On the other hand, our group has developed with building business portfolio by actively conducting M & A activities. As our management strategy after M & A, we have taken a policy of respecting and maintaining the corporate culture of individual companies but based on the fact that all companies that have joined the Group through M & A have passed a sufficient period of time. Therefore, we aim to significantly improve the gross profit margin by implementing various measures to improve management efficiency, such as the merger between group companies that started in 2020 and the integration of organizations between our group companies that started in the second half of 2021.

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group companies that started in the second half of 2021.

- b) Enhancement of information disclosure (Providing timely, accurate and easy-to-understand IR to various investors).

We will enhance the disclosure system and disclosure content, such as enhancing the response to various investors such as institutional investors and individual investors and implement English disclosure for overseas investors who are behind in responding.

- c) Active efforts for SDGs (practice of sustainability management which starting point is ESG).

Regarding "Efforts for SDGs", we posted the basic policy for the second half of this year on our website, but we have not yet announced GOAL, milestone setting, and specific measures to achieve GOAL. But we aim to announce these in 2022.

- d) Enhancement of corporate governance.

We will strive to further enhance corporate governance taking advantage of the major revisions of the Corporate Governance Code in June 2021, such as sustainability issues, ensuring diversity among core human resources such as diversity and inclusion, and demonstrating the functions of the Board of Directors.

- e) Dividend policy.

Our basic policy was to continue to pay stable dividends, but from this fiscal year we will start with one aiming to return profits to shareholders, making a stable dividend with a dividend payout ratio of 30% as a guide.

- (2) Efforts to improve the ratio of shares in circulation.

At the time of preparing and publishing this plan, We have met the requirements of standards for maintaining the listing in "prime market" but we will consider measures to further improve the ratio of shares in circulation.

- a) Holding of shares by our management team.

For the time being, we have no plans to sell the shares, except for personal reasons, as the management of the Company shares interests with other stakeholders and contributes to the improvement of business performance and corporate value over the medium to long term.

- b) Political holdings.

Respecting the investors' policy on strategically held shares, we have no plans to actively offer a request to sell.

- c) Treasury stock.

We hold treasury stock in order to improve capital policy and capital efficiency in

response to changes in the business environment, but we will consider increasing the number of shares in circulation by utilizing treasury stock in future M & A activities.



Mar.19, 2021

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

(ZIP6298)

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Representative Director & President

Inquires: ITO Toshihiko

Director & Senior managing Operating Officer,

Deputy General manager,

Business Management Headquarter

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Medium-term management plan (from the financial year 2021 to 2023)

We are pleased to inform you that the Board of Directors meeting held today resolved to decide and announce the medium-term management plan (FY2021-2023) as follows. Our company was founded by the current president in May 1973 and will celebrate its 50th anniversary in May 2023. With this as our today's goal, we have made this medium-term management plan.

1. Basic strategy.

(1) Basic theme.

- a) Seeking high-profit management by letting gross margin increase and in the final year, 10% or more of operating income ratio.
- b) Aiming efficiency-oriented management and in the final year, 35 million yen or more sales per person.
- c) Completing mass-produced new products collaborating with SDGs and in the final year, 20% or more of sales.

2. Reform theme.

- a) Marketing reform (doing everything make to order sales and promoting proposal type sales).

We will promote products development that gives peace of mind and affluence to our lives while embodying the various needs of our customers as a "Flexible high technology company group".

b) Efficient management within the group.

We will aim to establish highly efficient management by consolidating companies, businesses, and systems within the group.

c) We will improve of Chinese business model.

We will improve each company's each corresponding to chine business, which is the largest market, from the viewpoint of efficiency and debt collection.

2. Numerical target (consolidated).

(Millions of ¥)

Financial year		Year of 2021	Year of 2022	Year of 2023
Sales (consolidated)		30,000	33,000	37,000
Segment	Mechatronics related	13,470	14,290	16,000
	Display related	5,690	7,120	8,000
	Industrial machinery related	3,720	4,020	4,500
	Electronics related	7,120	7,570	8,500
Operating income		1,600	2,310	3,700
Operating income ratio		5.3%	7.0%	10.0%

(※) Detail figure of year 2021 will be disclosed by “Consolidated financial review for the year ending Mar.31, 2021”.

.3. Current situation by segment, issues, and measures.

(1) Mechatronics-related business.

a) Current situation and issues.

The market which this segment is following is expected to expand significantly with the progress of cloud-related, EV, and digital shifts. Responding to increasing demand for cloud-related HDD manufacturing equipment that is exclusively selling, rapid deployment of power semiconductors and electronic components (laser annealers, carrier tapes, automation equipment, cutting equipment, etc.) and sales promotion of corona-related products, etc. Those will be issues.

b) Measures.

- Development of HDD process equipment for next-generation, and added value development by installing IoT and AI.

- Deep cultivation in the power semiconductor market, application development of equipment for the 5G and sensor markets.
- Timely market launch of developing medical-related wet process equipment and collaborative robot applied automation equipment, etc.
- In addition, we will work to strengthen the competitiveness of our products and ensure a stable supply through collaboration between domestic and overseas bases.

(2) Display-related business.

a) Current situation and issues.

In the flat panel display (FPD) industry, investment in liquid crystal displays (LCD) for large TVs has settled down, and investment in organic EL displays (OLED) is currently in the adjustment phase, regardless efforts are being made for mass production development of large substrates. In this related business, we will overcome this situation by specializing in fields where we can utilize our strengths (withdrawal from the WET business in the previous fiscal year, etc.), expand (expanding the application of heat treatment equipment), and continue to strengthen our constitution.

b) Measures.

We will brush up our products in terms of both technology and cost, increase our market share and develop it into a base business by actively developing maintenance and services by proposal-type sales.

On the other hand, for dramatic expansion, we will promote product development through collaboration between our core technology and technologies of other companies and penetrate markets other than the FPD industry.

(3) Industrial equipment related business.

a) Current situation and issues.

The home cleaning market has shrunk sharply due to the corona stagnation, but demand for linen supplies in related industries, especially medical linen supplies, has increased significantly. In addition, film packaging, which is the core technology for cleaning finisher, is expected to create a new market in the EC logistics industry, where many eco-friendly films and papers are handled due to the trend of decarbonization and de-plasticization. Acceleration to entry into both markets is issue.

b) Measures.

In the medical linen supply, we will provide "safety and security" by automating and

improving the accuracy of the inspection function at the time of arrival check, which has been developed since last year. Regarding EC logistics, we will contribute to society as a part of decarbonization and de-plasticization by applying our core technology.

(4) Electronic equipment related business.

a) Current situation.

We anticipate that dialyzer will continue to expand due to increasing global demand for diabetes. Due to the COVID-19, the adjustment of production cuts for old models and the introduction of new models to the market had a negative impact, but sales of old models recovered from the latter half of the third quarter of this year, and new models will be launched around autumn next year. The issues are to steadily obtain certification in the newly penetrated country and to secure the next product.

On the other hand, demand for electric power control and communication equipment is still strong, but the market is not expanding rapidly. Therefore, the issue in this field is that entry into renewable energy, which is expected to grow in the future, is the key word for further growth.

b) Measures.

In the medical field, improving the quality of existing dialyzer and reducing costs is of utmost importance, while we will work to develop new products that make use of our technology.

In the electricity market, we will develop equipment for renewable energy centered on offshore wind power and focus on developing communication equipment that will lead to automation of maintenance.

<p>The contents of this document include assumptions, outlooks, and forecasts based on plans, and are not intended to be realized by the Company. Actual performance may vary due to various factors.</p>
