



Business outline of financial year ended Mar.31, 2021. and prospects

May. 25, 2021



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

(ZIP Code : 6298)

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

▲ 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

A decorative banner at the top of the slide features a collage of images: a golden gear, a grid pattern, a green aurora, a bright sun, solar panels, and a person in a suit.

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Director, Managing Operating Officer &
Senior General Manager
Finance Headquarter.

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


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Director, Senior Managing Officer
Deputy General Manager
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1. Outline of financial results year ended Mar.31, 2021.

..... Mr. HATAKEYAMA Osamu

**Director, Managing Operating
Officer & Senior General Manager
Finance Headquarter.**

1-1 Summary of financial results.



■ Comparing to previous year, sales & profit showed big increase.

- Semiconductor and automotive related business went well and resulted big increase in profit comparing to deficit of previous year.
- Display and industrial machinery related business did not show progress, contrasted each industry.

<Mechatronics related business>

- HDD related, power semiconductor related, automotive related and 5G related business went well.
- Continuing strong demand and future expectable.

<Display related business>

- Market started to move influenced by resume of economic activities of P.R.C.
- However, profit depressed because of corresponding miss work addition to severe price competition.

1-1 Summary of financial results.



<Industrial machinery related>

- Cleaning business was taken serious blow by increasing working at home.
- Planning to proceed business for medical linen business including P.R.C. market.

<Electronics related business>

- Control communication equipment for electric power companies moved stably.
- Dialysis equipment temporally decreased production but recovered later.

1-2 Business results



Comparing to previous year, big increase in sales and profit.

(Millions of ¥)

	12 months ended Mar.31, 2020.	12 months ended Mar.31, 2021.	Increased(decreased) amount against previous corresponding period	Increased(decreased) percentage against previous corresponding period)
Net sales	21,914	24,195	2,280	10.4%
Operating income (Operating income ratio)	△361 (△1.6%)	727 (3.0%)	1,088	—
Ordinary income	△443	739	1,183	—
Profit for the period attributable to owners of parent.	△958	337	1,296	—
Profit per share(¥)	△106.08	37.19	143.27	—
R&D expenses.	498	426	△71	△14.4%
New capital investment	216	502	285	131.6%
Depreciation & amortization	572	587	15	2.7%

1-3 Sales and profit by business



(Millions of ¥)

		12 months ended Mar.31, 2020	12 months ended Mar.31, 2021.	Increased(decrease d) amount against previous corresponding period	Increased(decrease d) percentage against previous corresponding period)	Notes
Mechatronics related	Sales	8,412	10,168	1,755	20.9%	HDD related, power semiconductor related, automotive related and 5G related business went well.
	Profit	262	573	311	118.9%	
Display related	Sales	4,570	6,686	2,115	46.3%	a)Market started to move influenced by economic activities resume in P.R.C. b)Profit depressed by miss work and price competition.
	Profit	△1,047	△262	785	—	
Industrial machinery related	Sales	1,768	818	△949	△53.7%	Cleaning business were taken serious blow by increasing working at home
	Profit	△13	△259	△246	—	
Electronics related	Sales	7,162	6,522	△640	△8.9%	a)Stably moved Control and communication equipment . b)Dialysis equipment temporally decrease production but later recovered.
	Profit	289	469	179	62.0%	
HD and others	Profit	147	206	58	39.3%	
Total	Sales	21,914	24,195	2,280	10.4%	
	Profit	△361	727	1,088	—	

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

(Millions of ¥)

		12 months ended Mar.31, 2020.	12 months ended Mar.31, 2021.	Increased(decreased) amount against previous corresponding period	Increased(decreased) percentage against previous corresponding period)
Mechatronics related	Sales	8,888	9,688	800	9.0%
	Profit	3,718	3,238	△479	△12.9%
Display related	Sales	4,916	2,263	△2,652	△54.0%
	Profit	8,178	3,755	△4,422	△54.1%
Industrial machinery related	Sales	1,857	821	△1,036	△55.8%
	Profit	156	159	2	1.7%
Electronics related	Sales	10,744	7,853	△2,891	△26.9%
	Profit	4,854	6,185	1,330	27.4%
Total	Sales	26,407	20,626	△5,780	△21.9%
	Profit	16,907	13,338	△3,568	△21.1%

1-5 Outline of B/S



<Assets>

(Millions of ¥)

	Mar.31, 2020	Mar.31, 2021	Increase/ Decrease	Notes
Cash and deposit	6,531	10,009	3,478	
Trade note receivables	12,469	10,195	△2,274	Proceeded collection of receivables
Inventories	10,838	8,377	△2,461	Inventories turned into sales
Other current assets	711	584	△127	
Non current assets	8,583	8,341	△241	
Total assets	39,135	37,508	△1,626	

<Liability & Net Assets>

(Millions of ¥)

	Mar.31, 2020	Mar.31, 2021	Increase/ Decrease	Notes
Notes and accounts payable trade	5,754	3,937	△1,817	
Other current liabilities	11,692	11,451	△240	
Non current liabilities	7,623	7,993	370	
Net assets	14,065	14,125	60	
Total liabilities & net assets	39,135	37,508	△1,626	

1-6 Outline of cashflows



(Million of ¥)

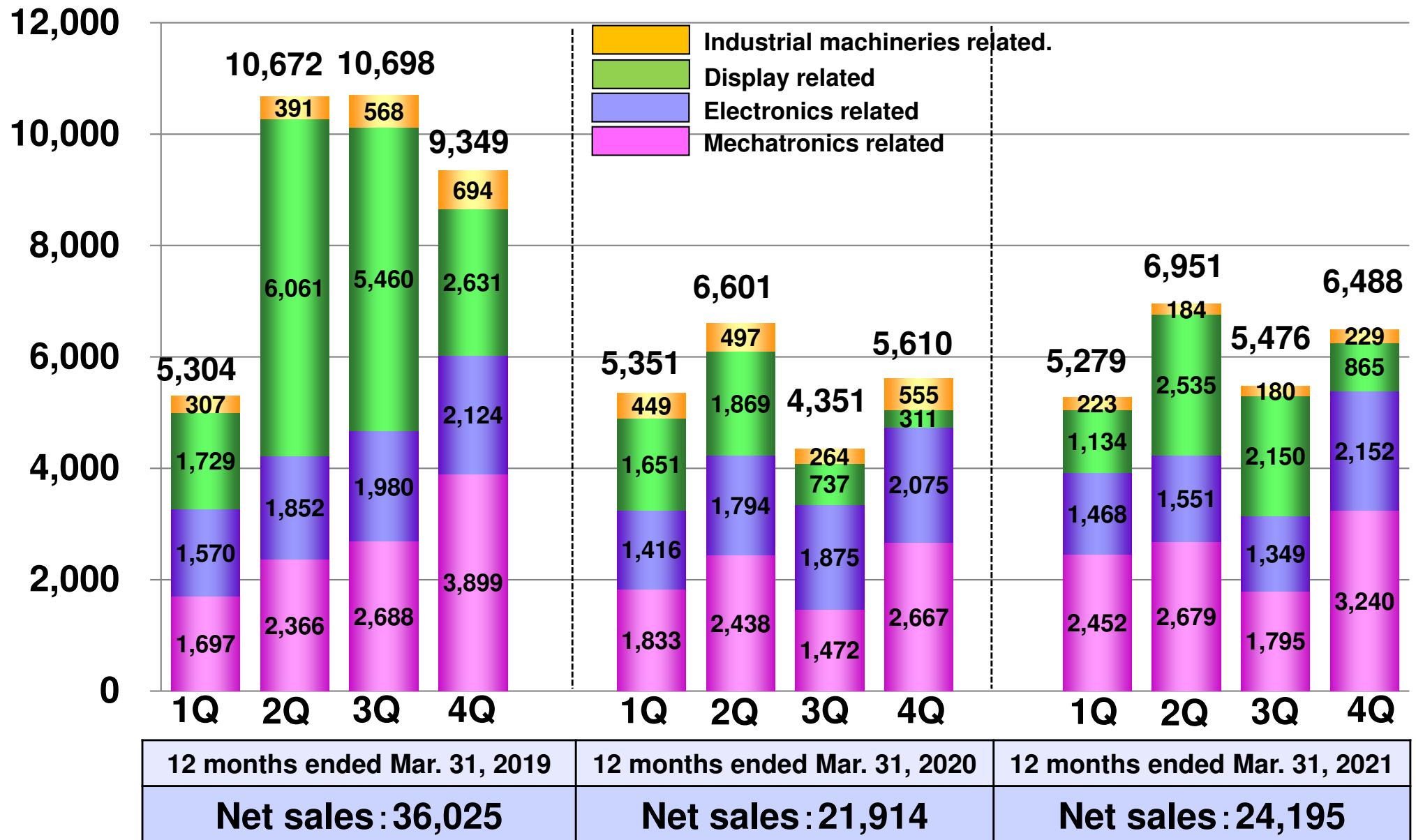
	12 months ended Mar.31, 2020	12 months ended Sep. 30, 2021	Major increase & decrease	
CF from operating activities.	-2,652	3,477	Incr.	Decrease of receivables trade and inventories.
			Decr.	
CF from operating activities.	44	-540	Incr.	
			Decr.	Payment for acquisition of tangible fixed assets
C/FCF from financial activities.	1,188	548	Inc.	Increase of long and short term loans payable.
			Decr.	Repayment of long term loans payable
Cash & cash equivalents at end of period.	6,450	9,932	Increased by ¥3,481 million comparing to the previous financial year end.	

2-1 Historical sales by business.



Net sales

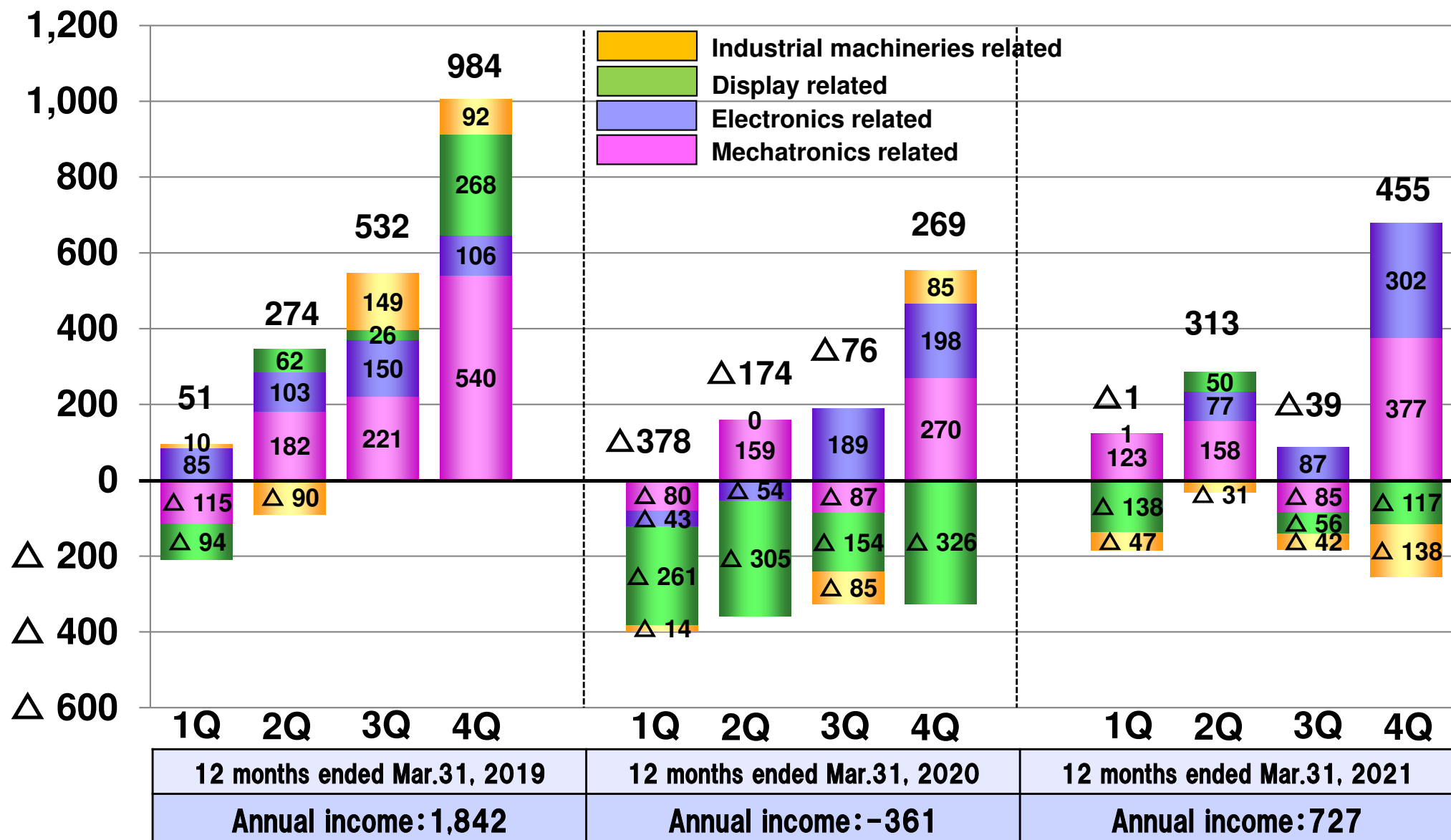
(Millions of ¥)



2-2 Historical figures of operating income by business

Operating income

(Millions of ¥)



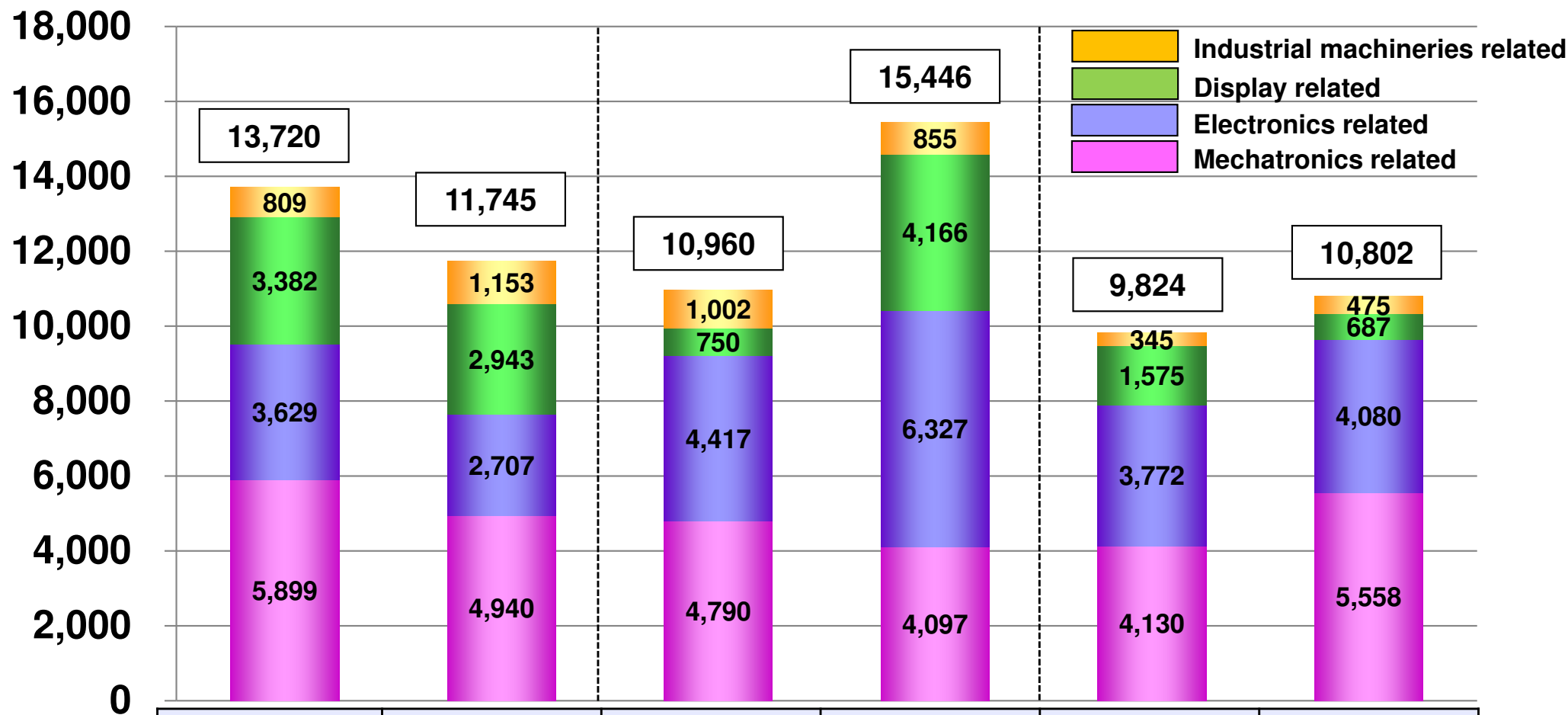
2-3

Historical figure of new order received by business



(Consolidated)

(Millions of ¥)



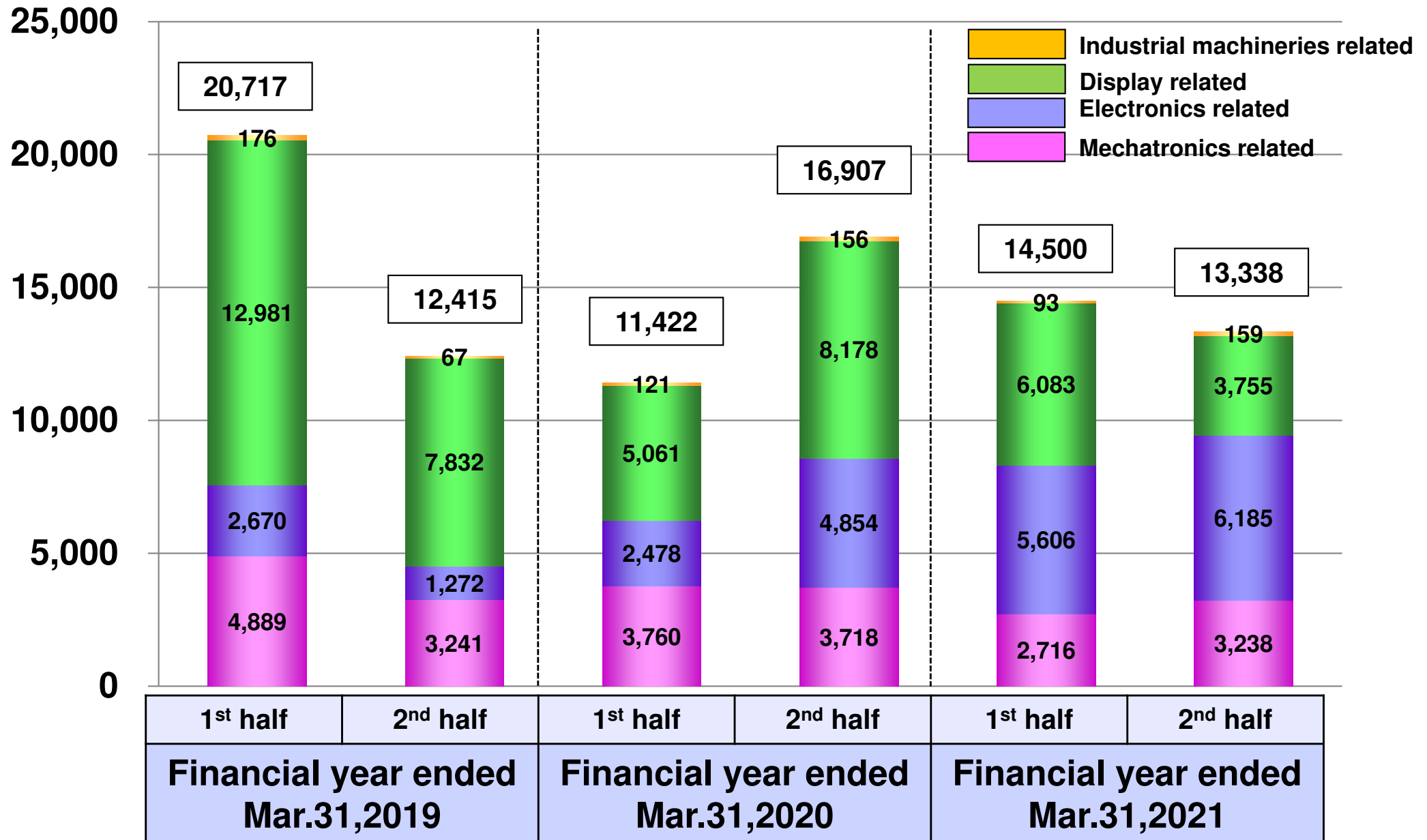
1st half	2nd half	1st half	2nd half	1st half	2nd half
Financial year ended Mar.31, 2019		Financial year ended Mar.31, 2020		Financial year ended Mar.31, 2021	
Annual result ¥25,465 million		Annual result ¥26,407 million		Annual result ¥20,626 million	

2-4 Historical figure of backlog ordered by business



(Millions of ¥)

(Consolidated)



3-1. Business plan for the year ending Mar.31, 2022

	Year ended Mar.31, 2019 (Actual)	Year ended Mar.31, 2020 (Actual)	Year ended Mar.31, 2021 (Actual)	Year ended Mar.31, 2022 (Forecasted)	Increasing/ Decreasing amount (Forecasted)	Increasing/ Decreasing % (Forecasted)
Net sales	36,025	21,914	24,195	30,000	5,804	24.0%
Operating income	1,842	△361	727	1,600	872	120.0%
Ordinary income	1,852	△443	739	1,500	760	102.7%
Profit attributable to owners of parent	1,094	△958	337	800	462	137.0%
Profit per share (¥)	121.68	△106.08	37.19	88.04	50.85	136.7%
Annual cash dividend (¥)	20.00	20.00	20.00	24.00	4.00	20.0%

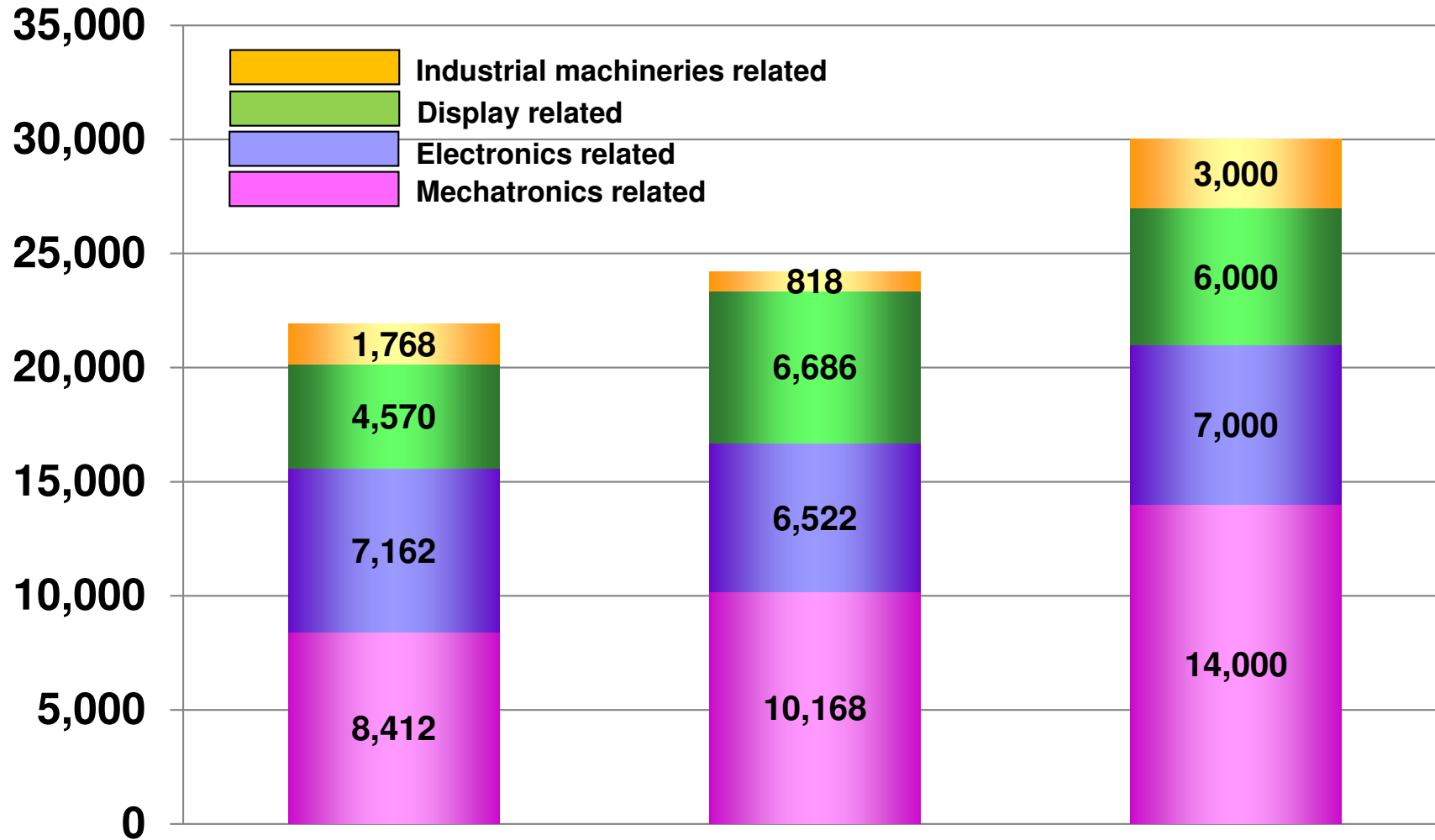
Planning to increase to ¥12 per share
mid term and year end

3-2 Sales plan by business



※Medium term management plan (year 2021 to year 2023)announced on Mar.19, 2021 was partially revised in sales plan by segment.

(Millions of ¥)

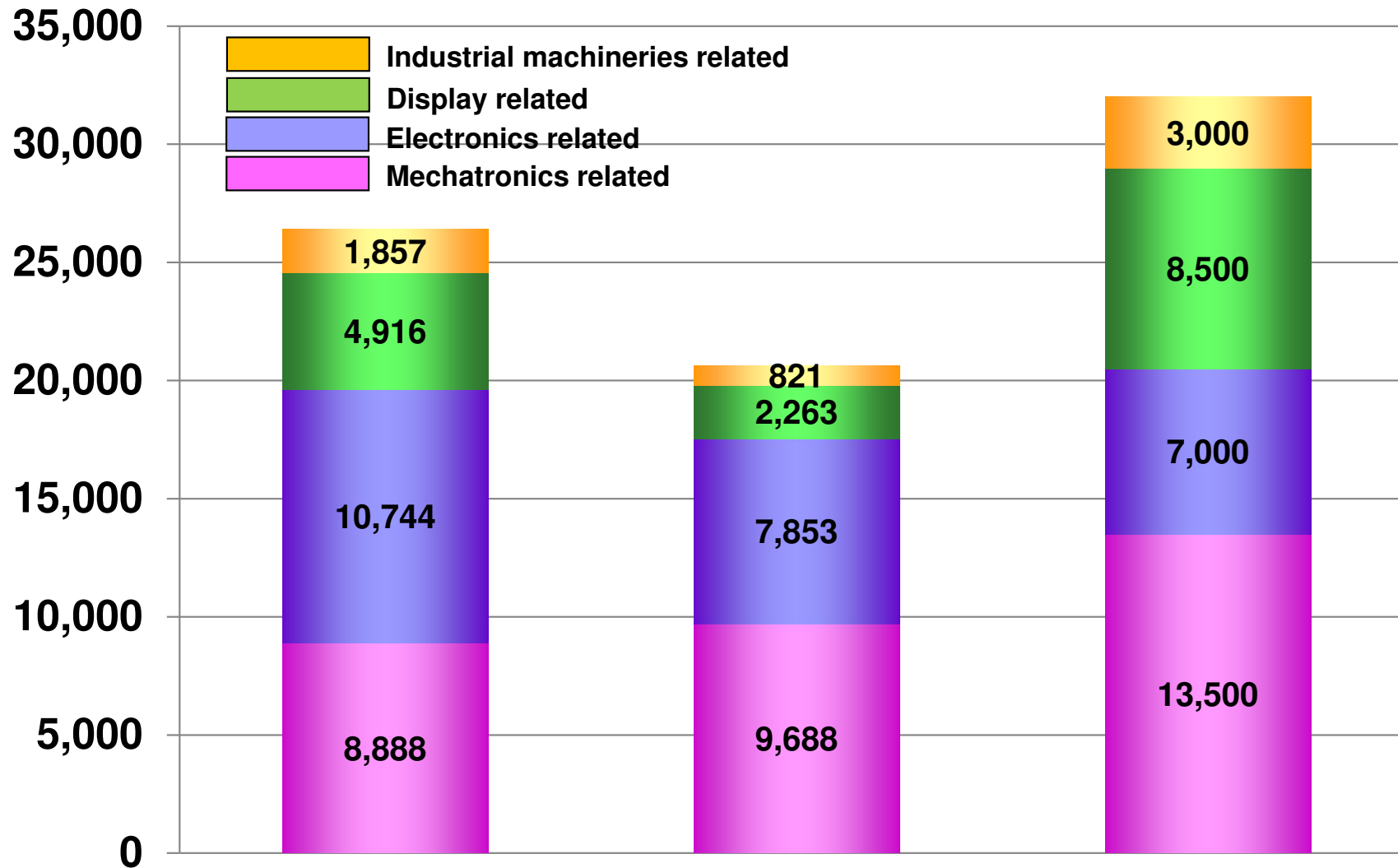


Year ended Mar.31, 2020 (actual)	Year ended Mar.31, 2021(actual)	Year ending Mar.31, 2022(forecasted)
Annual sales :21,914	Annual sales :24,195	Annual sales :30,000


3-3 New order received plan by business



(Millions of ¥)



Year ended Mar.31, 2020	Year ended Mar.31, 2021	Year ending Mar.31, 2022(forecasted)
Annual :26,407	Annual :20,626	Annual :32,000

A decorative banner at the top of the slide features a collage of images: a golden gear, a circuit board, a green aurora, a bright sun, solar panels, and a person in a suit.

2. Management strategy to achieve medium term management plan.

~ To achieve the highest sales and profit for 50th anniversary ~

**..... Mr. MOMOSE Takefumi
Representative director and
President**

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 (added in 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 (In 2020)

~ To contribute to society much more ~

- ① Growing and refining employee and group itself.
- ② All staffs management and Co-operation and Competition.
- ③ Promoting SDG' s management.
- ④ Increasing tax payment amount.

3-2 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) Medium & long-term management plan
- (2) All member management and co-operation and competition

4. Aggressive innovations

- (1) Innovation of business system
- (2) Business system
- (3) Strengthen check system

5. Promoting SDG's management

- (1) Decarbonized management
- (2) Increasing rewarding work and productivity.



Result of the year 2020 and medium term plan

(Millions of ¥)

(Announced on Mar.19, 2021)

	Mar., 2021 actual	Mar., 2022 planned	Mar., 2023 planned	Mar., 2024 planned
Sales	24,195	30,000	33,000	37,000
Operating income	727	1,600	2,310	3,700
Operating income ratio	3.0%	5.3%	7.0%	10.0%

5-2 Past results and medium term plan



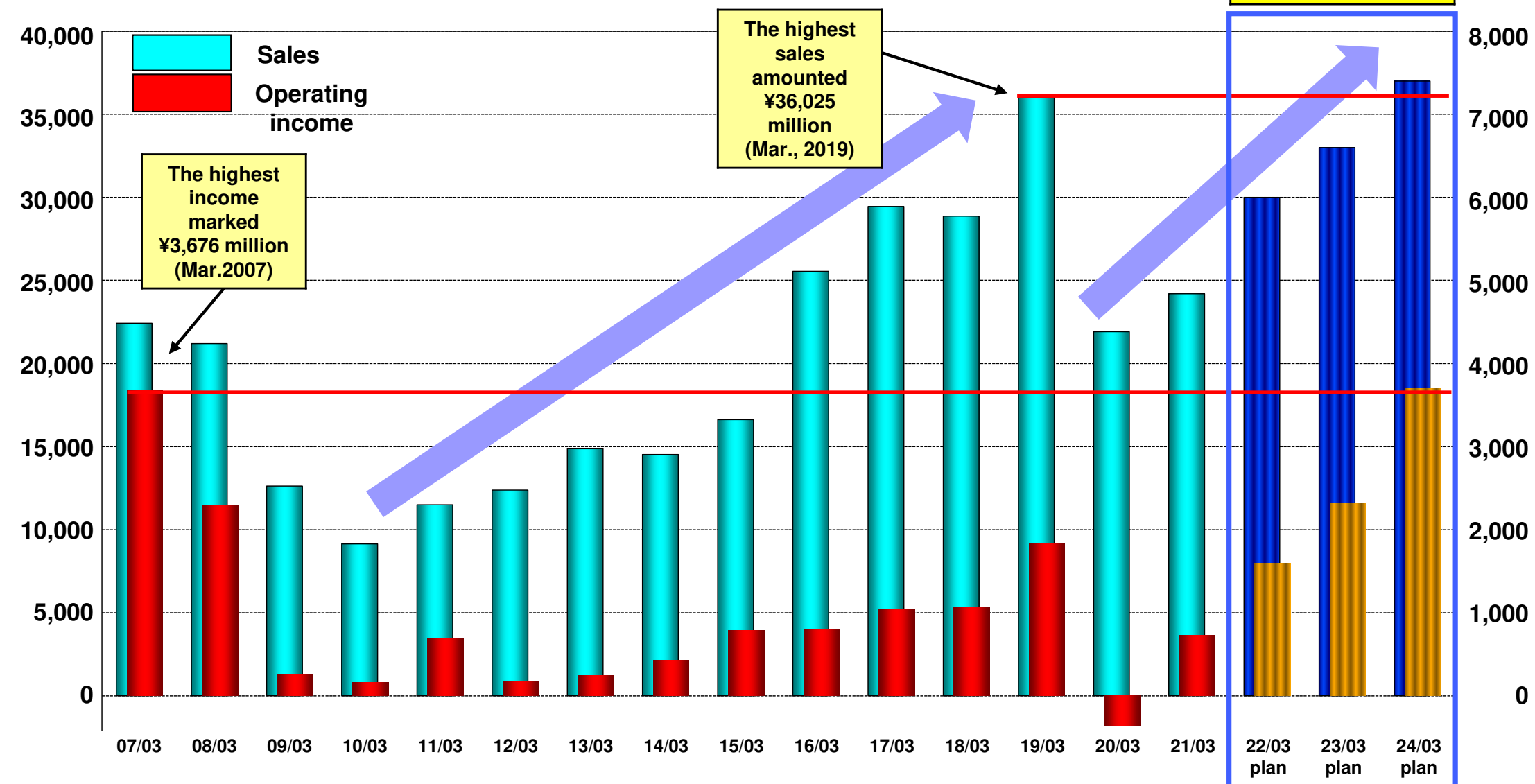
(Millions of ¥)

Aiming to revise the historical highest sales and profit in the financial year of 50th anniversary that is May. 2023.

Medium term plan in the year of 50th anniversary

Sales

Operating income



5-3. Strategies to achieve the highest profit



a) Innovation of business structures

- 1) Completely review business model about P.R.C.
- 2) Unionizing procurement business of group companies
- 3) Unionizing personnel, administration and finance accounting business of group companies
- 4) Consolidating retailer regarding purchasing goods of group companies
- 5) Establishing Promoting SDG's section

b) Innovation of business style of each div.(Aiming for efficiency)

- 1) Business promotion meetings
- 2) Sales activities
- 3) Technologies, R&D and DR
- 4) Manufacturing, maintenance service and process control
- 5) Standardizing inventory write-down rule in group companies

c) Strengthen monthly checking system

- 1) Cause and effect against original plan
(Especially emphasizing new order received, gross margin, operating ratio, expenses and inventories)
- 2) Specific application for recoveries
- 3) Progress state and sudden decision making for mass products new products development
- 4) Progress state and sudden decision making for “Innovation of business structures” and “Innovation of business style of each div.”
- 5) When necessary having a meeting and sudden decision making to cope with

d) Promoting M&A

- 1) Software related business ... Present stream business and expectable collaboration with own business
- 2) Manufacturing business Enlarging business size and collaboration with own business

5-4. Conditions for success to achieve the highest profit



a) Fixing new order received. Grit and tenacity of each sales people

- 1) Sales activities based on sales code of conduct
- 2) Operating ratio should be over 100% of planned one
- 3) Wrote down inventories should be less than half of present
- 4) New order received of each sales people will be displayed every month

b) Let gross margin up. Group gross margin should be higher than 25%

- 1) Gross margin Group gross margin >25%
- 2) Let operating ratio up Always higher than 100%
- 3) Avoid miss work Less than 0.3% of total sales
- 4) Executing necessary 10 items to let gross margin up

1. Establishing high ordered budget	5. Avoiding miss work	9. Saving cost
2. Cost planning	6. Delivering completed equipment	
3. decreasing outsourcing	7. Ealy acceptance	10. Quality control
4. Let operating ratio up	8. Receiving new order by higher price	
- 5) Surely utilizing estimation center
- 6) Executing company's policy regarding gross margin up


c) Birth of new mass products

- 1) Aiming to achieve quickly higher than 20% of total sales
- 2) Sudden execution “ Conditions of early birth of new mass products”
- 3) All employee always understand these theme

d) Tenacity of management people

- 1) Sure execution of “Strategies to achieve the highest profit”
- 2) Glit and tenacity to achieve the target(Desperately do one’s best
..... Let’s follow Ms. IKEE
- 3) Execution of “Ideal situation and mind of president and executives”
- 4) Business results reflect to officers’ compensation”

e) All staffs management ··· Working area is full of energy of sense for unity to achieve the target

A decorative banner at the top of the slide features a collage of images: a golden mechanical part, a circuit board, a green aurora, a bright sun, solar panels, and a person in a suit.

3. Expecting new products for achieving medium term management plan. (2021/4-2024/3)

**..... Mr. ITO Toshihiko
Director and Senior operating Officer
Deputy general manager
Business Management Headquarter**

6-1 Burnisher equipment①



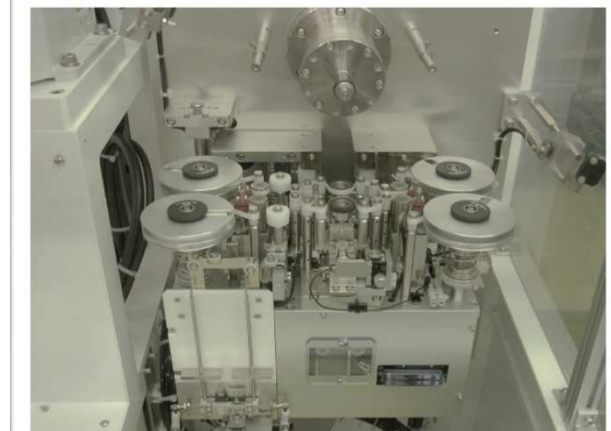
- The burnisher equipment is the one, which our market share is 100% in the world, used in the burnish process in the hard disk (HD) manufacturing process, and is an indispensable equipment for HD manufacturing.
- The burnish process is used for process applications such as disc surface protrusions, lubricant homogenization, and particle removal, which allows the distance between the disc and head in the drive to be as close as possible. This will lead to an increase in HD Drive(HDD) capacity, such as an increase in disk capacity and an increase in the number of embedded devices in the drive.



·4 spindlesX4units



·1 spindle X 1unit



6-1 Burnisher equipment②



- **HDD are used for PC, servers, external HDD, HDD with built-in TV, surveillance camera systems, etc. However, with the spread of 5G and 6G in the future, large-capacity transmission and reception will be required, and server for data center will be expanded. The storage capacity is expected to increase. Furthermore, a large-capacity HDD is indispensable for managing big data, which is increasing year by year due to the increase in data communication traffic volume.**

6-1 Burnisher equipment②

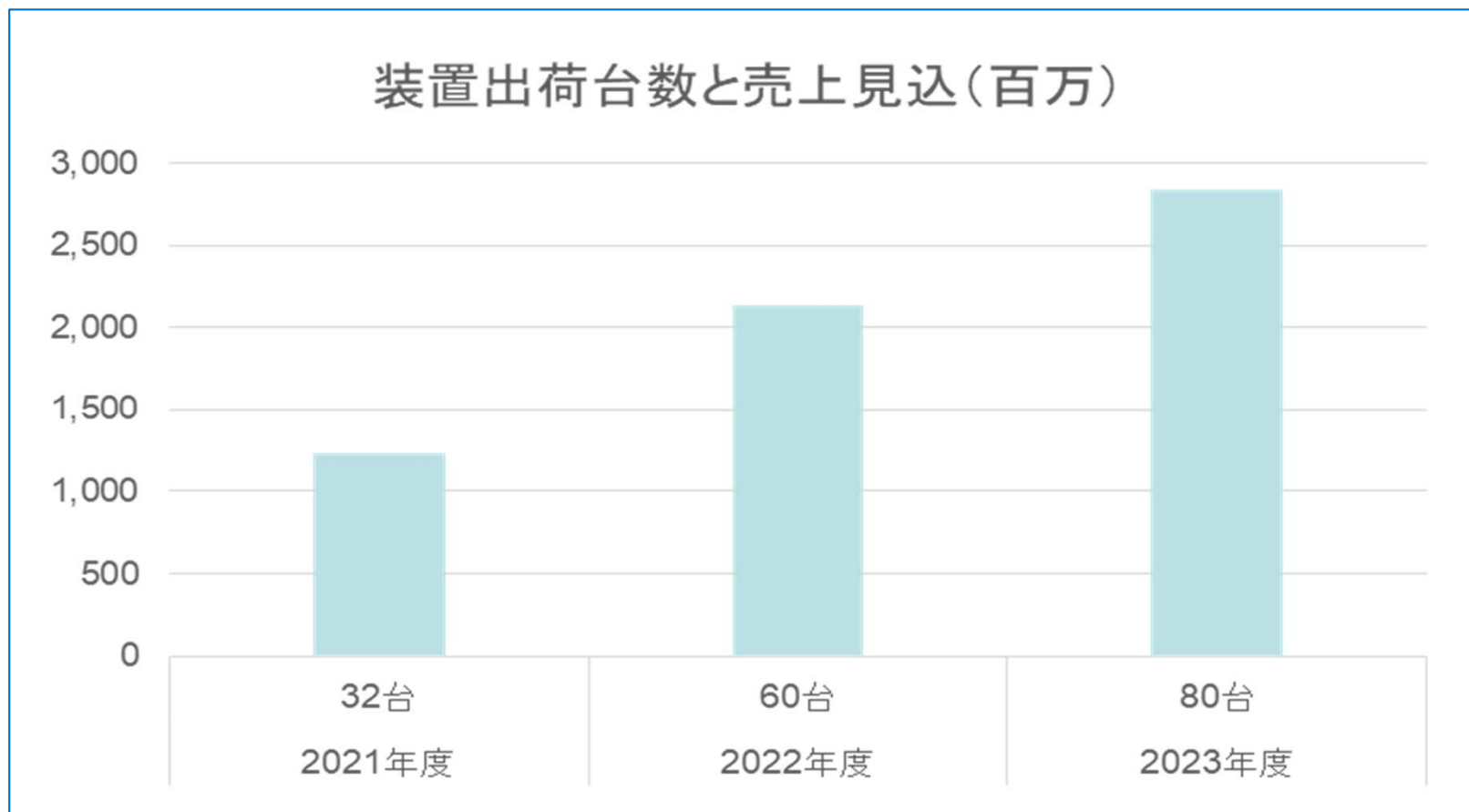


- As for storage trends up to 2023, demand for SSD and near-line HDD is expected to increase, and high-performance HDD are expected to decrease (IDEMA JAPAN).
- From 2024 to 2025, it is predicted that the number of HDD that are advantageous for increasing capacity will increase (IDEMA JAPAN).
 - ※Server HDD are replaced every 3 to 5 years ← Replacement business is also increasing year by year.
- SSD is expected to spread rapidly, but it is expected that SSD and HDD both will grow while taking advantage of the advantages of each one and compensating for their shortcomings.

6-1 Burnisher equipment ③



➤ Forecasted sales



6-2 Laser annealing equipment①



➤ Power semiconductor

- Against the background of needs such as low power consumption, high efficiency, and CO2 reduction, power semiconductor devices are used as EV, as a main component of smart grids in order to utilize renewable energy such as solar power generation and wind power generation. In recent years, its importance has been increasing more and more as an indispensable device for eco-cars such as Electric Vehicle (EHV) / EHV (Electric and Hybrid Vehicle), and as a key device for various power electronics technologies. I think that is well known.
- A typical example of a power semiconductor device is an Insulated Gate Bipolar Transistor(IGBT), which has promoted the development of power electronics technology as a power semiconductor device that has both voltage control by an insulated gate and large capacity characteristics by a bipolar type.

➤ Business atmosphere of power semiconductor

Company A Company A boasts the top share in power semiconductors among Japanese companies, and in the business strategy announced in 2017, the power device business is positioned as a growth driving business. Its strength is that it handles equipment that uses power semiconductors, such as industrial equipment, for railway vehicles, elevators and other heavy electrical systems, and home appliances.

The company is aiming to increase the sales of the power device business from 130 billion yen in 2017 to 200 billion yen in 2022.

Company B Company B is a latecomer to entry into power semiconductors, but it is a company that has made advanced efforts in SiC power devices. They aim to gain a 30% share of the SiC power device market by 2025. In order to secure a supply system, the new building of the Chikugo Factory in Fukuoka Prefecture was completed in December 2020, and They plan to make a capital investment of 60 billion yen by 2025.

6-2 Laser annealing equipment ②



➤ Business atmosphere of power semiconductor

Company C They plan to invest 25 billion yen (300 mm compatible) to increase the mass production of power semiconductors for EVs, and to invest 80 billion yen by FY2023.

Company D Company D is a manufacturer that supplies power semiconductors used in the fields of automobiles and industrial equipment. In the "2019-2023 Medium-Term Management Plan" announced in 2019, They have positioned "power electronics system and power semiconductors" as the core of their growth strategy, and plan to make a capital investment of 120 billion yen in power semiconductors within 5 years. In addition, sales target for FY2023 is set at 175 billion yen, up 57% from FY2018. Furthermore, in the SiC (silicon carbide) power device market, we have set a goal of gaining a 20% share from 2025 to 2026.

Other electrical equipment related companies are evolving from development to supply for finished vehicle manufacturers

6-3 Dialyzer ①



➤ Dialysis patient (Japan and World)

Japan: 344,640 people (2,732 people /Million)

World: 3,362,000 people

10% of world dialysis patient is Japanese.

6-4 Carrier tape ①



➤ What is carrier tape

- **Carrier tape** : A tape used for transporting and storing microchips of semiconductors and electronic parts, and a tape using a chemical product such as polystyrene resin is called an embossed carrier tape.
 - * Our company has developed the world's first embossed carrier tape for practical use.
- **Automated machine** : A taping machine with an inspection function that wraps electronic components in embossed tape, and a classification machine that sorts semiconductors by rank.

6-4 Carrier tape and automated machine②

➤ Business atmosphere

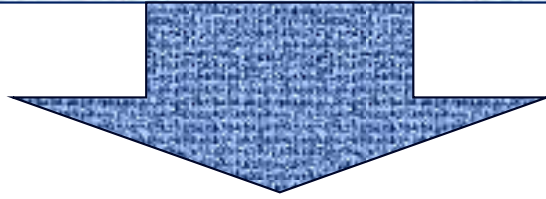
- Increasing demand for PC, 5G applicable tablet and smart phone.
- Increasing demand for gaming equipment.
 - * COVID-19⇒Tele work, on-line study and stay home
- Increasing demand by expanding demand for EV.
- Increasing demand by minimization and weakening of electronics parts.
- Increasing demand by rebuilding of supply chain.

6-4 Carrier tape and automated machine ③



➤ Our superiority

Only one company which manufacturing carrier tape and automated machine from development



- Established a wide range of production and sales networks for the carrier tape business
Overseas subsidiaries : P.R.C., Taiwan, Malaysia and Philippine
Mar.2020, acquired Daiichi Co., Ltd. : Aomori, Okayama, Fukuoka
- Package deal, carrier tape and automated machine.

6-5 Virus gatekeeper ® ①



YAC Dastech Co., Ltd., National Institute of Advanced Industrial Science and Technology, Konica Minolta Co., Ltd., and Saitama University are commissioned by the National Research and Development Corporation New Energy and Industrial Technology Development Organization (NEDO) to develop / innovate innovative sensing technology for the realization of an IoT society. In "Development of targeted sensing technology / R & D of virus gatekeeper that can detect infection risk in 1 minute", we will develop a demonstration experiment device and exhibit and announce it at the NEDO booth of BioJapan 2021 in October 2021.



Device completion image (W1200 x D900 x H1550)

Equipped with an ultra-rapid and highly sensitive virus automatic measurement system capable of multi-measurement of multiple samples for the new coronavirus, and uses saliva as the sample.

※Virus Gatekeeper is a registered trademark of YAC Dastech Co., Ltd. and Konica Minolta Co., Ltd..

With the support of the development of infectious disease control technology such as AMED virus, YAC Dastech Co., Ltd., in collaboration with the National Institute of Advanced Industrial Science and Technology, Kyoto University, the University of Tokyo, and Konica Minolta Co., Ltd., has developed a rapid testing device for virus antigen testing.



6-5 Virus gatekeeper ® ②



① Demonstration experiment

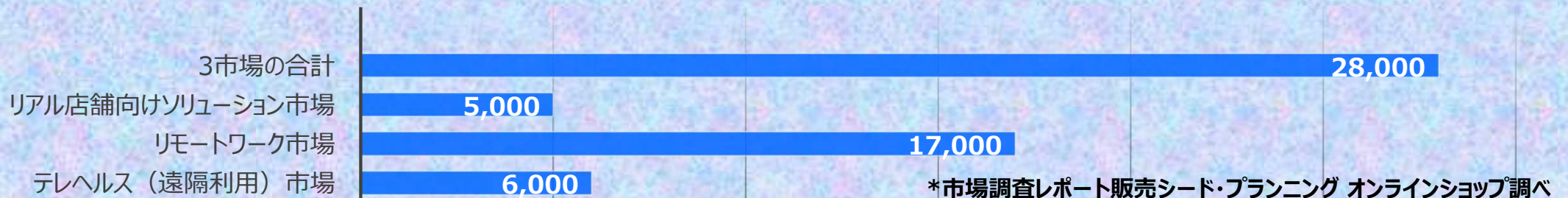
Conducting at facilities that take advantage of admission restrictions, such as stadiums, concerts, exhibitions, amusement facilities, for visitors, facility staff and related parties.

② Correspondence to new social system

While the risk of infection with the new coronavirus continues, the three major markets for new social systems are expected to grow, and a huge market of 2.8 trillion yen will be created in the next three years. By introducing of the virus gatekeeper, both attracting customers and risk control of infection will be achieved. It is expected that the shrunken market would be revitalized.

新社会システムの市場規模

(単位: 億円) 0 5,000 10,000 15,000 20,000 25,000 30,000



4. Q&A



*Well, Today should be
a Fascinating and Prosperous Day, again !*

Flexible High-Technology Business Group



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

Amounts are rounded down to the nearest million yen.