



**Financial year ended Mar.31,
2017**

Consolidated financial review

May. 23, 2017.



Y.A.C. HOLDINGS CO., LTD.

(Ticker cord : 6298)

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

A horizontal banner at the top of the slide contains several small, square images: a golden mechanical part, a grid of solar panels, a view of the aurora borealis, a bright sun flare, a close-up of solar panels, and a person in a business suit.

Regarding the stated figures.

The forecasted figures stated above are based on the information currently available to us and certain assumptions that are regarded as legitimate. Large discrepancies may be seen in the actual results due to various factors.

The amount stated is rounded down to less than one million yen, and rounded off to the second decimal place.



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Representative Director & President.
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Director & General manager
Administration Div.
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Representative Director & president
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Director & general manager, Corporate
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1. Message & summary of business results.

..... Takefumi Momose, President & Representative director.

1. Summary of business results.



- **Net sales renewed historical high continued to previous year and profit exceeded the figure previous year.**
- **Display related.**
Small and medium size of equipment went well. Project for strengthening profitability effectively resulted.
- **Mechatronics related.**
Increased tremendously by full year contribution of YAC Garter Co., Ltd. and starting consolidation of YAC Erecs. Co.,Ltd.
- **Cleaning & other related.**
Business went stably with grasping customer's need.

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

2. Outline of financial results ended Mar.31, 2017.

- Kazumasa Teramoto, Director &
General manager Administration Div.**

2-1. Business Result.



Sales renewed historical high and profit exceeded previous year result.

(Millions of ¥)

	Financial year ended Mar.31, 2016	Financial year ended Mar.31, 2017	Increase/(Decrease) against previous year In amount	Increase/(decrease) against previous year in %
Sales	25,545	29,452	3,906	15.3%
Operating income (Operating income ratio)	807 (3.2%)	1,036 (3.5%)	228	28.3%
Ordinary income	546	1,122	576	105.5%
Net income attributable to owners of parent	28	790	762	2,719.5%
Net income per share (Yen)	3.14	88.51	—	—
R&D expenses	328	489	161	49.2%
New capital investment	147	454	307	207.8%
Depreciations	450	518	68	15.2%

Increased in major group companies

Acquisition of Hitachi facility and others

Consolidation of YAC Elex.

2-2. Sales by business.



Mechatronics related business increased by 50% by contribution of YAC Garter Co., Ltd., acquired in previous year and YAC Erecs. Co., Ltd., acquired in this year.

(単位:百万円)

	Mar.31, 2016.	Mar.31, 2017.	Increase (decrease) Comparing to the previous year.	Increase (decrease) Comparing to the previous year in %
Display related business.	14,474	13,207	△966	△6.8%
		Etching equipment for manufacturing of panel for tablet and smart phone went well. Slightly decreased compared to previous year by delay of delivery.		
Mechatronics related business.	9,702	14,555	4,852	50.0%
		YAC Garter Co., Ltd. contributed full year. YAC Erecs. Co., Ltd. consolidated.		
Cleaning and other related business.	1,668	1,689	20	1.2%
Total	25,545	29,452	3,906	15.3%

2-3. Operating income by business.



Improved in display related business.

(Millions of ¥)

	Mar.31, 2016.	Mar.31, 2017.	Increase (decrease) Comparing to the previous year.	Increase (decrease) Comparing to the previous year in %
Display related business.	304	394	89	29.5%
Mechatronics related business.	924	998	74	8.0%
Cleaning and other related business.	194	291	96	49.3%
Adjustment (Common expenses)	△615	△647	△31	5.1%
Total	807	1,036	228	28.3%

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



New order received in display related business shifted to financial year 2018 and will recover in 2018 and exceeding the previous year.

(Millions of ¥)

		Financial year ended Mar.31, 2016	Financial year ended Mar.31, 2017	Increase/(Decrease) against previous year In amount	Increase/(decrease) against previous year in %
Display related Business.	New order	18,996	8,370	△10,625	△55.9%
	Backlog	11,597	15,460	3,862	33.3%
Mechatronics related business.	New order	13,812	14,992	1,179	8.5%
	Backlog	5,336	5,028	△307	△5.8%
Cleaning & other related business.	New order	2,531	2,747	216	8.5%
	Backlog	502	484	△17	△3.5%
Total	New order	35,339	26,109	△9,229	△26.1%
	Backlog	17,436	20,974	3,537	20.3%

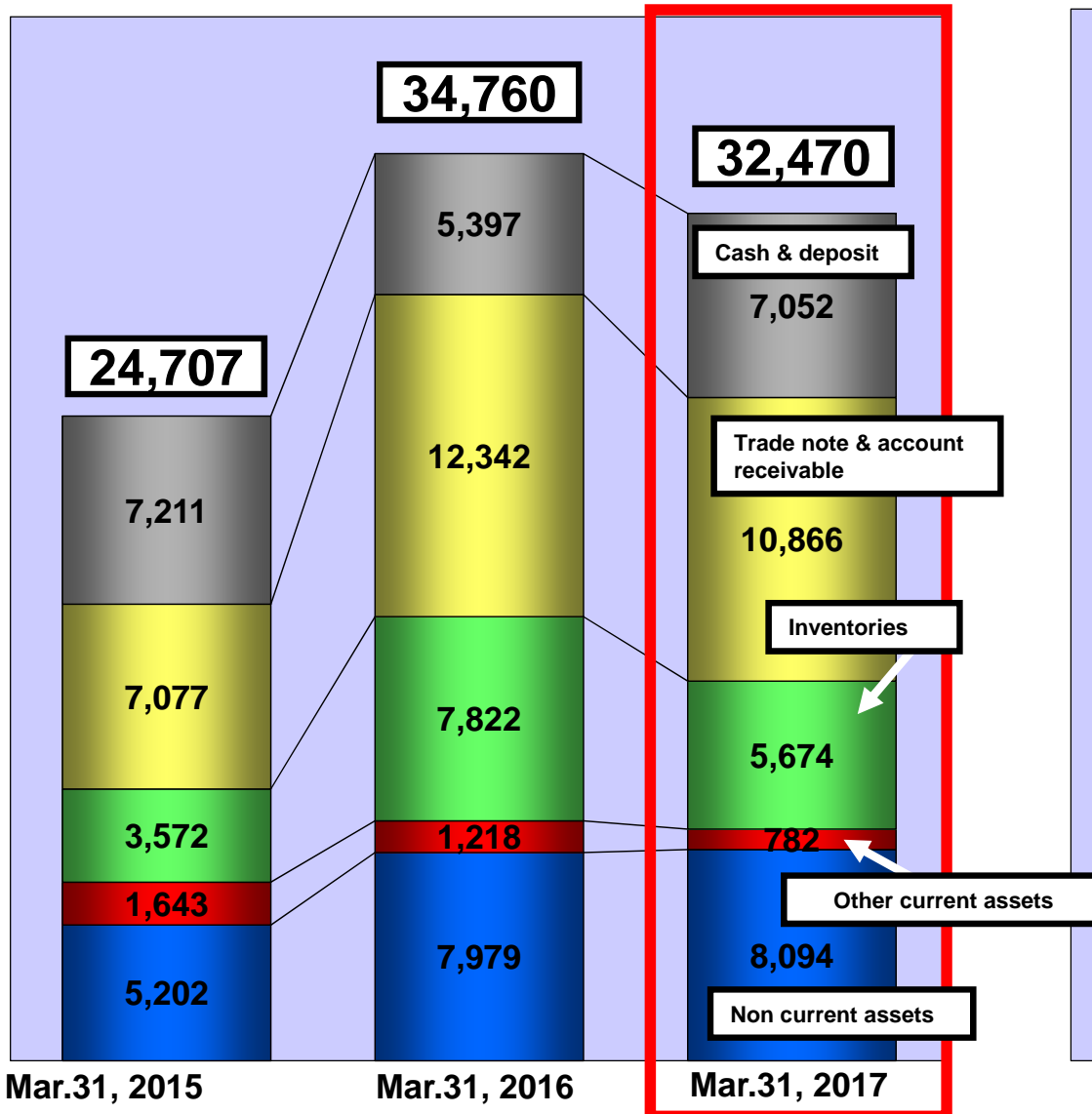
2-5. Summary of balance sheets.



Trade note & account receivable decreased because of strengthening collection work.

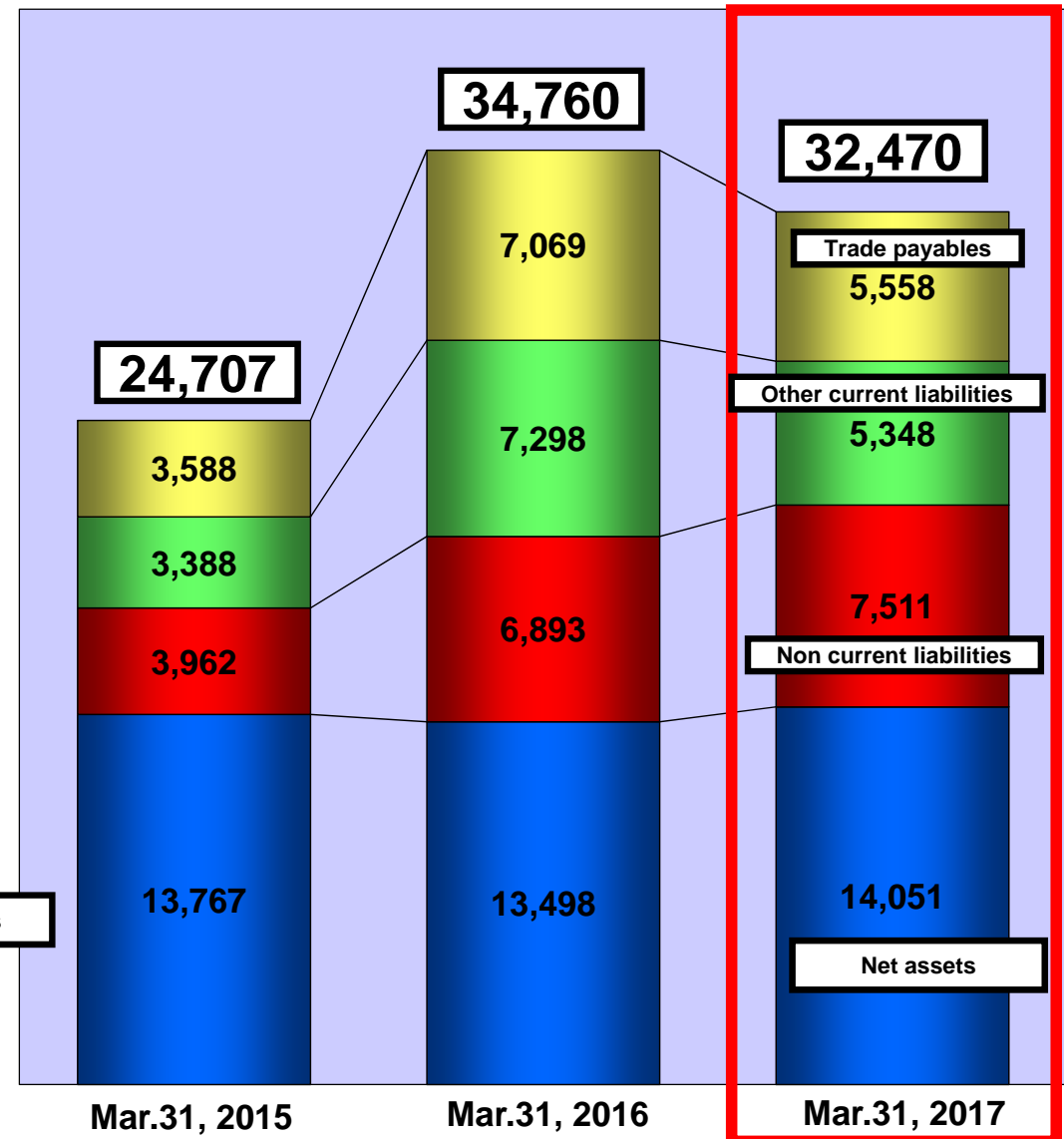
<Assets>

(Millions of ¥)



<Liabilities & Net assets>

(Millions of ¥)



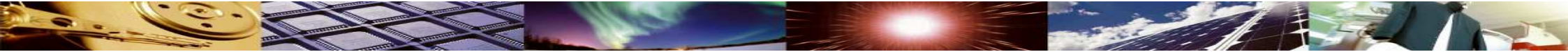
2-6. Summary of cash flows.



Operating cash flows changed into positive by strengthening collection work.

(Millions of ¥)

	12 month ended Mar.31, 2014	12 month ended Mar.31, 2015	12 month ended Mar.31, 2016
Cash flows from operating activities.	△1,106	△4,715	4,369 Strengthening collection work
Cash flows from investing activities.	686	△3,862	△1,007 Acquisition the shares of YAC Elex and lending to YAC Elex,
Cash flows from financing activities.	502	5,857	△1,779 Decreasing borrowing payable.
Cash and cash equivalent balance at end of period.	7,966	5,155	6,703



3. Looking for future, Transition to holding company system aiming to realize “Ultimate philosophy”

- Takefumi Momose, President & Representative director.**

3-1. About transition to holding company system



Transited to holding company system on Apr.1, 2017.

Aims to transit to holding company.

To build up stable farm organization and system for looking future which accelerate further growing of YAC group.

3-2. YAC Group corporate structure.



Y.A.C. HOLDINGS CO., LTD.

1	Y.A.C. TECHNOLOGIES CO., LTD.
2	YAC DENKO Co., Ltd.
3	Y.A.C. MECHATRONICS CO., LTD.
4	YAC GARTER CO., LTD.
5	Ohkura Electric Co., Ltd.
6	YAC ELEX CO., LTD.
7	YAC DASTech Co., Ltd.
8	Y.A.C. BEAM CO., LTD.
9	Y.A.C. MACHINERY CO., LTD.
10	YAC Niigata Seiki Co., Ltd.
11	YAC-Kokusaidennetsu Co., Ltd.

12	YAC Systems Singapore Pte. Ltd
13	Y.A.C. (Shanghai) International Trade Co., Ltd.

1	NIHON GARTER PHILIPPINES, INC.	(Philippines)
2	Suzhou Nihon Garter Electronics Co., Ltd.	(Suzhou, P.R.C.)
3	NGC GARTER(M)SDN.BHD.	(Malaysia)
4	GARTER TECHNOLOGY CO., LTD.	(Taiwan)

Under YAC Holdings Co., Ltd.	18 companies
Split companies	4 companies
Domestic group companies	7 companies
Oversea group companies	3 companies
Overseas sub-sub subsidiary	5 companies

5	Shaoxing Weiaixin Electronics Equipment Co., Ltd.
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3-3. New corporate philosophies.



【Funding philosophy】

(since 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 philosophy】

(added in 2016)

~in order to contribute much more to society~

1. Growth of employees' capacity.
2. Expansion of employment.
3. Improvement of employment conditions.
4. Expansion of paying tax.

3-4-1. Aiming to achieve “Ultimate philosophy”

To contribute much more to society.

Aims by ultimate philosophy.

- (1) Growth of employees' capacity.
- (2) Expansion of employment.
- (3) Improvement of employment conditions.
- (4) Expansion of paying tax

In order to realize much more.

- (1) To enlarge corporate size.
- (2) To march forward to profitable body.
- (3) To strengthen financial condition.
- (4) To bring up employee.

The policy in order to realize

- (1) Holding company system.
- (2) To make blueprint of Company Image ten years after.
- (3) To hold corporate Olympic Game.

(1) Expansion of corporate body.

1. Expansion of present business.

- ◎ Increase the market share(by differentiation, M&A and alliances)
- ◎ Expand expendable supply business and maintenance service business.
- ◎ Increase the number of handling products(by new development, M&A and alliances)

2. Proceed into new business.

- ◎ Proceed into growing business. To utilize subsidies of national growing strategies.
- ◎ To fined out the high value added products for mass production.

3. Spread business to worldwide.

4. M&A and business alliances

(2) To establish profitable corporate body

1. To develop high value added products and merchandise.

2. To decrease production cost.

◎ To execute perfectly new budget controlling system.

◎ To delivery of finished products.

◎ To get early acceptance.

◎ To avoid miss work.

◎ To decrease expense.

3. To increase productivity in every division.(Work style reform)

◎ To increase productivity of own work and aim to reduce processing time half.

(3) To strengthen financial condition.

(4) All member management.

◎ Employee all participate company management.

3-4-3. Condition for successful achievement



1. Well organized corporate management by all member management.
 - ⊙ Top management draft up strategies and tactics, finalize after discussion with all employee and execute by all members of corporate.
 - ⊙ Management method is “plan-do-check-act” cycle.
 - ⊙ In business strategy, tactic and all other area each management and employee are communicated well and full of vigor.
2. Mind, vitality and a sense of unity in all the company.
 - ⊙ Top people’s will power, courage and passion for outcome of business sense of mission and passion.
 - ⊙ Leadership and well-organized teamwork of top people and management team.
 - ⊙ Employee’s motivation who reply to the above.
3. To proceed work style reform, accelerate it and increase productivity double.
 - ⊙ To continue reform at any time quickly based on the changes in the market.

3-5 To realize “Ultimate policy”



“Ultimate policy”

In order to contribute much more.

1.Growth of employee 's capacity

2.Expansion of employment .

3.Improvement of employment condition.

4. Expansion of tax payment.

Holding company system.

- To get results by competition & cooperation

To make blueprint of Company Image ten years after.

- To make medium term management plan based on Company Image ten years after.
- To make plan , all employee give opinion and execute.

2017 to 2019

To aim achieving each company's budget and fixing 3 corporate cultures.

- ① Cooperation and competition by each group company.
- ② Establishing high profitable corporate body.
- ③ Executing all employee management.

3-6. Forecast of financial year 2017.

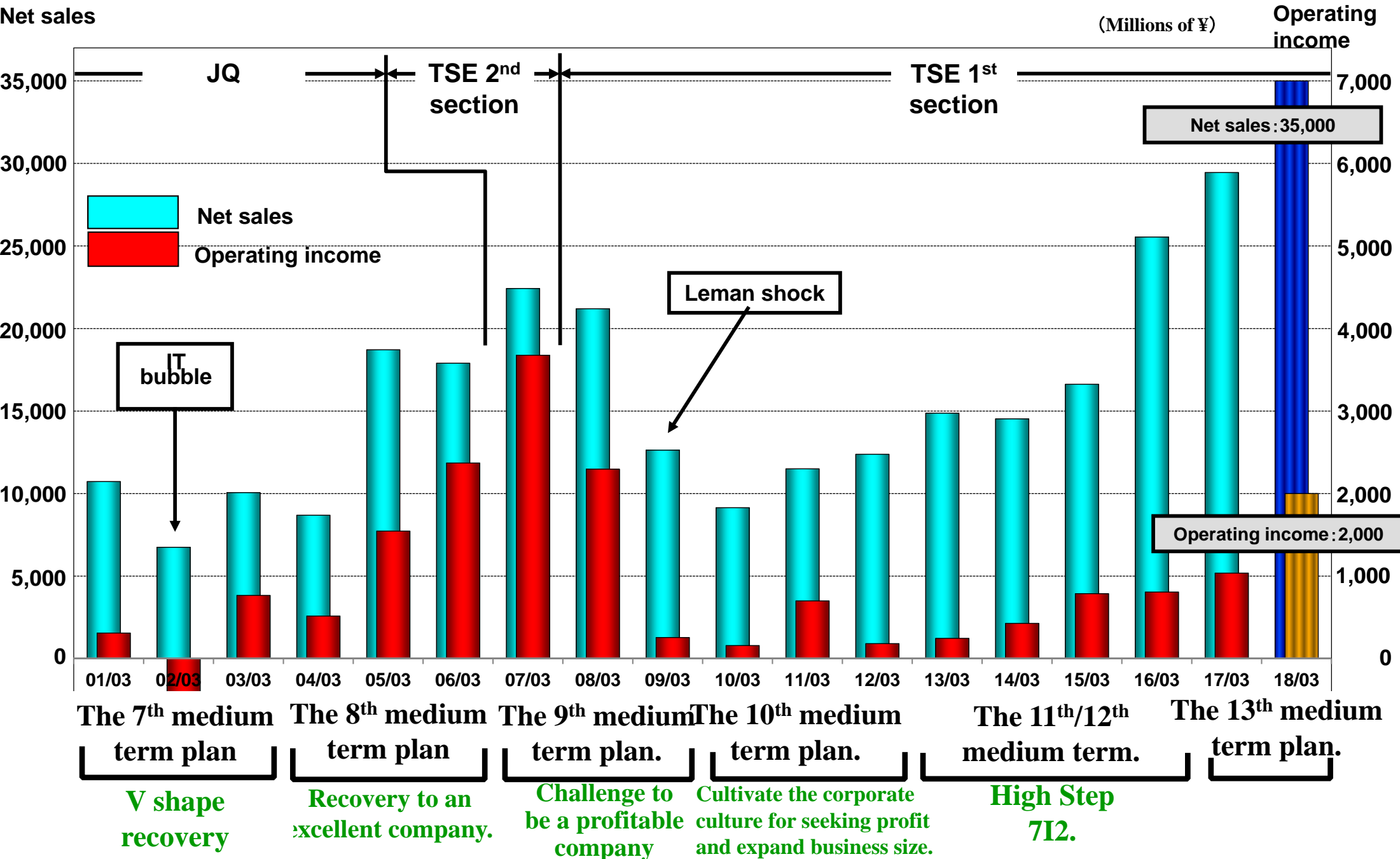


■ **Sales.:** **¥35 B.**

■ **Operating income:** **¥2 B.**

1. Demand of semiconductor and display panel business are active.
2. Backlog ordered as of Mar. 31, 2017 was
3. YAC Elex. Co., Ltd. which was consolidated from the 2nd half of financial year 2016 will contribute full year of 2017.
4. Effect of transition to holding company.

3-7. Past result and forecast of ending Mar.31, 2018.



A horizontal banner at the top of the slide features a collage of six images: a golden mechanical part, a grid of solar panels, the aurora borealis, a bright sun flare, a close-up of solar panels, and a person in a business suit.

4. Growing business in the financial year ending Mar.31, 2018.

- Yukio Soejima, Director & general manger, Business strategy Div.**



■ Display related business.

- ▲ Demand of small & medium size panel for smart phone and **big size panel for T.V.** will active. Especially we proceed to develop new equipment for organic LED.
- ▲ Annealing & dry etching equipment will have business chance for **flexible organic LED.**

■ Semiconductor related business.

- ▲ Coping with packaging revolution. Proceeding to develop taping machine for **Si semiconductor FOWLP** adding to optical semiconductor.
- ▲ Ceramic packaging **dicing** of high frequency device is still popular in the developing countries. By applying those technology, we develop **neodymium** dicing.
- ▲ Coping with power semiconductor, Si-IGBT, SiC-SBD and SiC-MESFET. There are big business chance for laser annealing, visual inspection machine and handler.

■ Measurement & controlling related business.

- ▲ Demand for **measurement equipment** is very big in restarting of atomic power generation.
- ▲ Demand for **controlling equipment** of power supply and demand balance will increase in case of increasing renewable energy.
- ▲ Demand for controlling equipment increase in backbone transmission increasing by power transmission grid.

■ Medical equipment.

- ▲ Good at low price **dialyzer** and developing strategy model for world needs.
- ▲ Developing **watching system** of aged people.

4-2. Business plan of financial year ending Mar.31, 2018



(Millions of ¥)

	12 month ended Mar.31, 2015	12 month ended Mar.31, 2016	12 month ended Mar.31, 2017	12 month ending Mar.31, 2018(forecast)		Increase (decrease) Comparing to the previous year	Increase (decrease) Comparing to the previous year In %
				1 st half	Full year		
Net Sales	16,622	25,545	29,452	13,000	35,000	5,547	18.8%
Operating income	787	807	1,036	600	2,000	963	93.0%
Ordinary income	966	546	1,122	450	1,500	377	33.6%
Net income	639	28	790	300	1,000	209	26.5%
Net income per share.	71.72	3.14	88.51	33.59	111.99	—	—

4-3.Sales plan by business.



To achieve the budget, started with big backlog ordered.

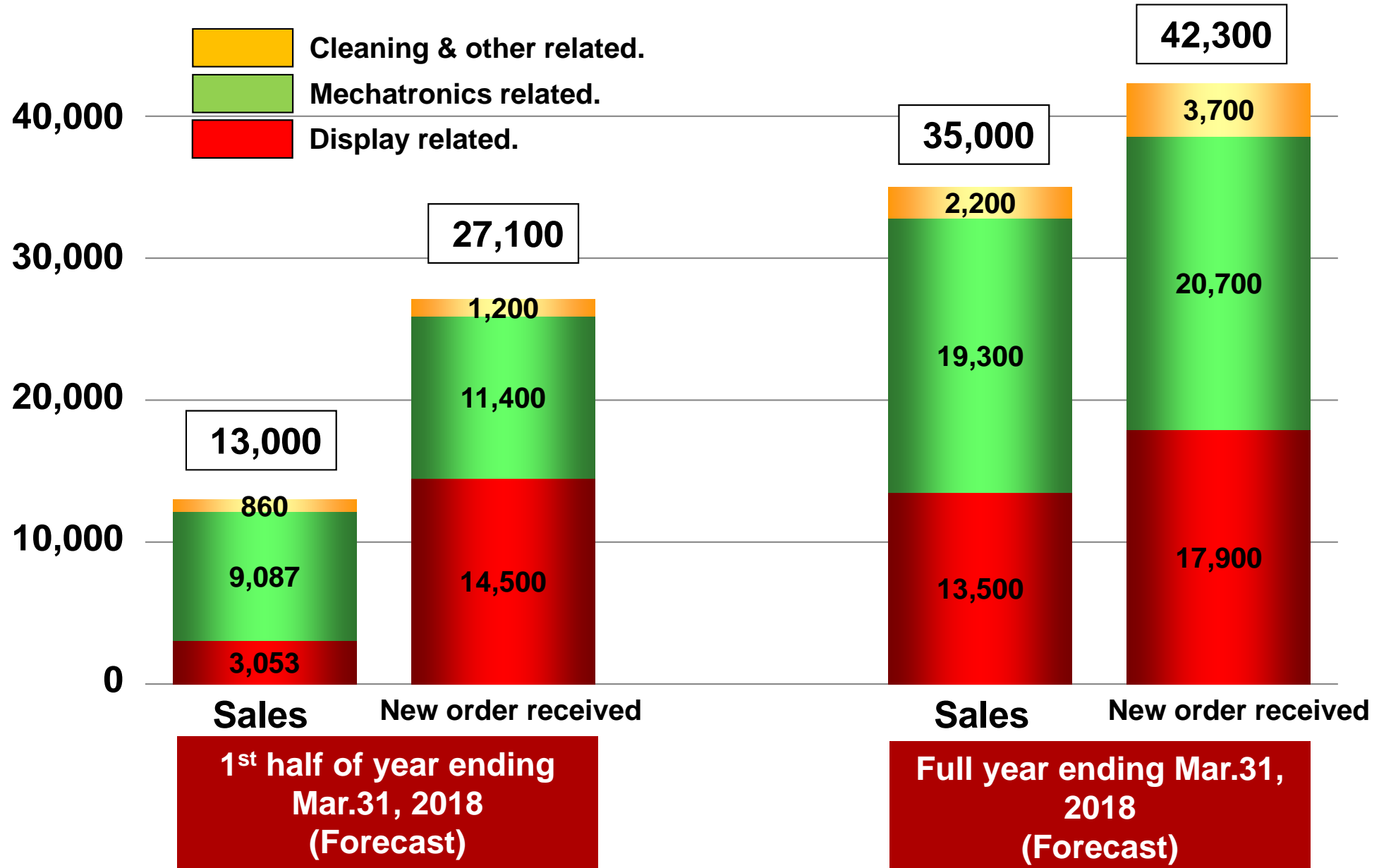
(Millions of ¥)

	Mar.31, 2017 2017 result	Backlog ordered beginning of financial year ending Mar. 31, 2018.	Year ending Mar.31,2018		Increase (decrease) Comparing to the previous year (Forecast)	Increase (decrease) Comparing to the previous year In % (Forecast)
			1 st half of year	Full year		
Display related business.	13,207	15,460	3,053	13,500	292	2.2%
Mechatronics related business.	14,555	5,028	9,087	19,300	4,744	32.6%
Cleaning and other related business.	1,689	484	860	2,200	510	30.2%
Total	29,452	20,974	13,000	35,000	5,547	18.8%

4-4.Sales & new order received forecast by sales.



(Millions of ¥)





Well, Today should be

a Fascinating and Prosperous Day, again!

Flexible High-Technology Company



Y.A.C. Group