

Revised Mid-term Management Plan and Growth

Whereas ULVAC's targets under the mid-term management plan announced in August 2017 were net sales of ¥250 billion and operating profit of ¥35 billion on a consolidated basis for the fiscal year ending June 30, 2020 (fiscal 2019), the final year of the plan, we made upward revisions to these targets for the final year in view of the strong financial performance in the fiscal year ended June 30, 2018 (fiscal 2017). Moreover, considering the growth strategies for the next round of growth, we target net sales of ¥300 billion and an operating profit margin of 16% on a consolidated basis for the fiscal year ending June 30, 2023 (fiscal 2022), five years from now.

Market background

Major turning point for technological innovation

- Establishment of a smart society, progress of 5G and IoT
- Progress of renewable and low-carbon energy systems, improvement of energy conversion efficiency

Opportunities to create new value

FY 2017

Results for FY2017

Net sales: **¥249.3** billion

Operating profit: **¥35.4** billion

Operating profit margin: **14.2** %

Strengthening of management base

- Human resources development → More powerful business promotion capabilities
- Deepening relationships and coordination within the Group → More powerful manufacturing capabilities
- Information platform development → Improve business judgments
- Financial strength improvement → Improve capabilities for growth investment

FY 2018

FY 2019

FY 2020

FY 2021

FY 2022

Targets for FY2022
(Fiscal year ending June 30, 2023)

Net sales: **¥300** billion

Operating profit margin: **16** %

Vision

- Highly profitable corporate management by comprehensively utilizing vacuum technology, maximizing synergy among equipment, materials, deposition processing, analysis & services, and cooperating with global business partners
- Human resources development for the next leap forward and a corporate culture that relishes challenges

Update!

New targets for FY2019
(Fiscal year ending June 30, 2020)

Net sales: **¥265** billion
Initial target: ¥250 billion (+¥15 billion)

Operating profit: **¥38** billion
Initial target: ¥35 billion (+¥3 billion)

Key strategies

Promotion of business growth

- Semiconductor production equipment business → Achieve growth in tandem with memory and logic
- Electronic device production equipment business → Achieve growth by seizing business opportunities brought about by technological innovation accelerated by 5G
- FPD and PV production equipment business → Respond to continuous long-term investments centering on large-screen TVs and OLEDs
- Components business, materials business, and customer support business → Achieve growth as stable revenue bases
- China market → Reinforce sales and production, achieve business growth