Revised Mid-term Management Plan and Growth Strategies

Whereas ULVAC’s targets under the current three-year mid-term management plan (covering the period from fiscal 2017 to fiscal 2019) were net sales of ¥265 billion and operating profit of ¥38 billion on a consolidated basis for the fiscal year ending June 30, 2020 (fiscal 2019), the final year of the plan, our earnings are forecast to fall short of the targets owing to delays in the resumption of electronics-related capital expenditures. However, the future targets set for the fiscal year ending June 30, 2023 (fiscal 2022) remain unchanged. ULVAC aims to achieve “net sales of ¥300 billion” and “operating profit margin of 16%” on a consolidated basis under its growth strategy, based on the mid- to long-term market prospects.

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.

Targets for FY2022

- Net sales: ¥300 billion
- Operating profit margin: 16.0%

Current specific measures

- Promotion of global human resources and training of next-generation executive candidates
- Improvements for fairer assessment to bring out the full potential of employees’ capabilities
- Establishments of systems for efficient utilization of the Group’s management resources
- Reinforcement of the global supply chain system and strengthening of cost competitiveness by enhancing manufacturing capabilities
- Strengthening of global strategic marketing functions to respond to new markets and new technologies
- Facilitation of greater and vigorous use of IT in business processes
- Improvement of the equity ratio to 53% (at the end of fiscal 2018) by a ¥3.5 billion increase in capital
- Promotion of business growth

Growth strategies

- Expand business in growth markets
- Provide solutions capitalizing on technical advantage
- Further active strategic collaboration
- Further develop business in growth regions
- Promote initiatives to realize new value

Promotion of business growth

| Markets | The smart society in which industries become increasingly electronics-oriented is a growth market for ULVAC.
|-------------------------------------------------|
| Provide solutions capitalizing on technical advantage | Create new application fields through integration of core technologies for semiconductors, electronic devices, energy, packaging, etc. to address new market needs.
| Further active strategic collaboration | Acquire top position in both technology development and business development.
| Further develop business in growth regions | Utilize local production systems, supply chains, and networks built in the high-growth regional markets.
| Promote initiatives to realize new value | Attract new customers and strengthen marketing by using ULVAC’s wide technical coverage.


tables

<table>
<thead>
<tr>
<th>Years</th>
<th>FY2015</th>
<th>FY2016</th>
<th>FY2017</th>
<th>FY2018</th>
<th>Actual</th>
<th>Forecast</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales (¥ billion)</td>
<td>192.4</td>
<td>231.8</td>
<td>249.3</td>
<td>220.7</td>
<td>205.0</td>
<td>300.0</td>
</tr>
</tbody>
</table>

Key technology

- Vacuum deposition technology

ULVAC’s technical advantages (examples): Integration of core technologies (semiconductors, electronic devices, energy, packaging)

Example of strategic collaborations (PiezoMEMS)

- Collaboration with leading foundries
- Technical collaboration with startup companies
- Technical collaboration with leading research institutes

Vacuum deposition technology

- Sensing
  - MEMS/sensors
  - Interconnects
- Data
  - Wireless communication modules
  - Processors
- New business model with system sensor companies
- Acquire top position in both technology development and business development and new business

Technologies

- Advanced technology development
- Collaboration with leading foundries
- New growth market
- Collaboration with leading research institutes and foundries
- Entry into China’s ecosystem
- Technical collaboration with startup companies
- New business model with system sensor companies
- Technical collaboration with leading research institutes