



Results for the fiscal year ended March 31, 2021

Revised figures as of Tuesday, June 8, 2021 have been reflected.

1. As for the consolidated subsidiaries, this fiscal year results cover period from January to December 2020.
2. This presentation was prepared for the purpose of providing information regarding the company's results of operations for the fiscal year ended March 31, 2021 and is not a solicitation to purchase securities issued by the company. Please ensure that the decision on whether to make an investment in our company is made at your own risk.
3. These materials were prepared based on information available as of May 28, 2021. All opinions, forecasts and other forward-looking statements are based on management's judgments in accordance with materials available at that time and may be changed without prior notice.

Consolidated Financial Summary

(Explanations regarding the conversion of the three wafer companies to equity-method affiliates are shown in red.)

(Million yen)	FY3/20	FY3/21	YoY	
	Amount	Amount	Amount	Pct. change (%)
Net sales	81,614	91,313	9,699	11.9
Cost of sales	54,686	60,530	5,844	10.7
Gross income	26,928	30,783	3,855	14.3
SG&A expenses	20,915	21,142	227	1.1
Operating income	6,013	9,641	3,628	60.3
Non-operating income	1,612	1,610	- 2	- 0.1
Non-operating expenses	3,361	3,023	- 338	- 10.1
Ordinary income	4,264	8,228	3,964	93.0
Extraordinary income	523	5,544	5,021	960.0
Extraordinary loss	1,247	2,484	1,237	99.2
Net income attributable to owners of parent	1,785	8,281	6,496	363.9
Depreciation	33,920	14,297	-19,623	- 57.9
EBITDA	7,600	9,155	1,555	20.5

Net sales: 91.3 billion yen, +12% YoY, record-high
 Operating income: 9.6 billion yen, +60% YoY, record-high
 Net income: 8.3 billion yen, +364% YoY, record-high
 • Profit (loss) of the three wafer companies are included in non-operating income (loss) from Q4 as equity in earnings of affiliates. (Reflected on a full-year basis from FY3/22)

SG&A expenses
 • Stock compensation expenses: 117 million yen
 Non-operating income
 • Equity in earnings of affiliates -net: 240 million yen
 (Equity in losses of three wafer companies in Q4: 717 million yen)
 Operating loss for cumulative Q3: 4,087 million yen)
 Non-operating expenses
 • Interest expense 1,477 million yen

Extraordinary income
 • Gain on change in equity of the three wafer companies: 5,245 million yen
 Extraordinary loss
 • Loss on impairment of fixed assets: 2,101 million yen
 Photovoltaic-related business: 1,837 million yen
 FT Advanced Materials Korea 264 million yen

Note: Exchange rate FY3/20⇒FY3/21: US\$ ¥109.24 → ¥106.43; RMB ¥15.82 → ¥15.42 (Avg. during period)

Sales and Operating Income by Segment

Net sales (¥ in millions)	FY3/20		FY3/21		YoY	
	Amount	Pct. of sales (%)	Amount	Pct. of sales (%)	Difference	Pct. change (%)
Semiconductor and other equipment-related	52,881	64.8	60,669	66.4	7,788	14.7
Electronic device	13,489	16.5	17,273	18.9	3,784	28.1
Others	15,243	18.7	13,370	14.6	- 1,873	- 12.3
Total	81,614	100.0	91,313	100.0	9,699	11.9

Operating income (¥ in millions)	FY3/20		FY3/21		YoY	
	Amount	Pct. of sales (%)	Amount	Pct. of sales (%)	Difference	Pct. change (%)
Semiconductor and other equipment-related	4,192	7.9	6,184	10.2	1,992	47.5
Electronic device	2,769	20.5	4,453	25.8	1,684	60.8
Others	260	1.7	- 321	-	- 581	-
Corporate & elimination	- 1,208	-	- 675	-	533	-
Total	6,013	7.4	9,641	9.6	3,628	60.3

Sales by Product

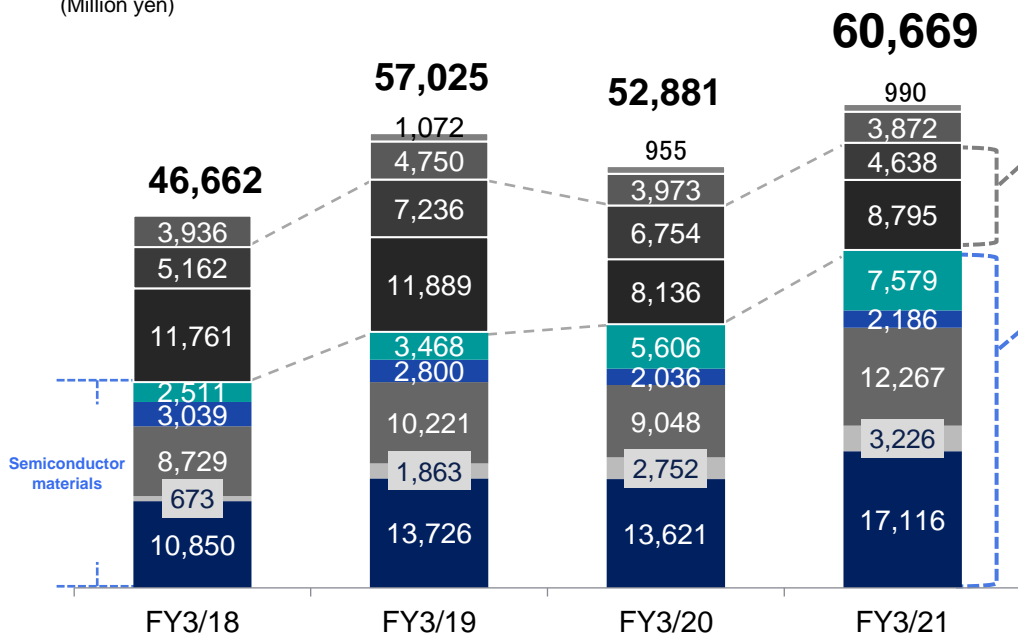


(Million yen)	FY3/20	FY3/21	YoY Pct. change
Semiconductor and other equipment-related	52,881	60,669	14.7
Vacuum feedthroughs	8,136	8,795	8.1
Quartz	13,621	17,116	25.7
Silicon parts	2,752	3,226	17.2
Ceramics	9,048	12,267	35.6
CVD-SiC	2,036	2,186	7.4
EB-Gun, LED	3,973	3,872	- 2.5
Semiconductor wafer	6,754	4,638	- 31.3
Equipment parts cleaning	5,606	7,579	35.2
Quartz crucibles	955	990	3.7
Electronic device	13,489	17,273	28.1
Thermo-electric module	9,863	13,036	32.2
Power semiconductor substrates	2,838	3,491	23.0
Ferrofluid, others	789	746	- 5.4
Others	15,243	13,370	- 12.3
Total	81,614	91,313	11.9

Transition of sales

- Quartz
- CVD-SiC
- Semiconductor wafer
- Silicon parts
- Equipment parts cleaning
- EB-Gun
- Ceramics
- Vacuum feedthroughs
- Quartz crucibles

(Million yen)



Overview of this segment

- Although wafer processing business was deconsolidated and its sales were removed from the scope of consolidation in Q4, segment sales increased by 14.7% YoY due to higher sales of semiconductor materials, parts cleaning, and others.

Vacuum feedthroughs and semiconductor wafer

[Vacuum feedthroughs] Increase in sales thanks to strong sales of vacuum feedthroughs for semiconductor manufacturing equipment and expansion of facilities for contract metal processing for semiconductors.

[Wafer processing] Decrease in sales due to conversion of the business into an equity-method affiliate and deconsolidation in Q4.

Semiconductor materials and cleaning business

[Semiconductor materials (quartz, silicon parts, ceramics, and CVD-SiC)] Demand for materials for semiconductor manufacturing processes continued to increase, up 26.7% YoY

- Quartz: Continued growth in demand, contributions from operations at the Changshan and Dongtai plants
- Silicon parts: Demand is growing in the semiconductor manufacturing process
- Ceramics: Demand for semiconductors and probe cards increased
- CVD-SiC: Strong demand from Chinese customers

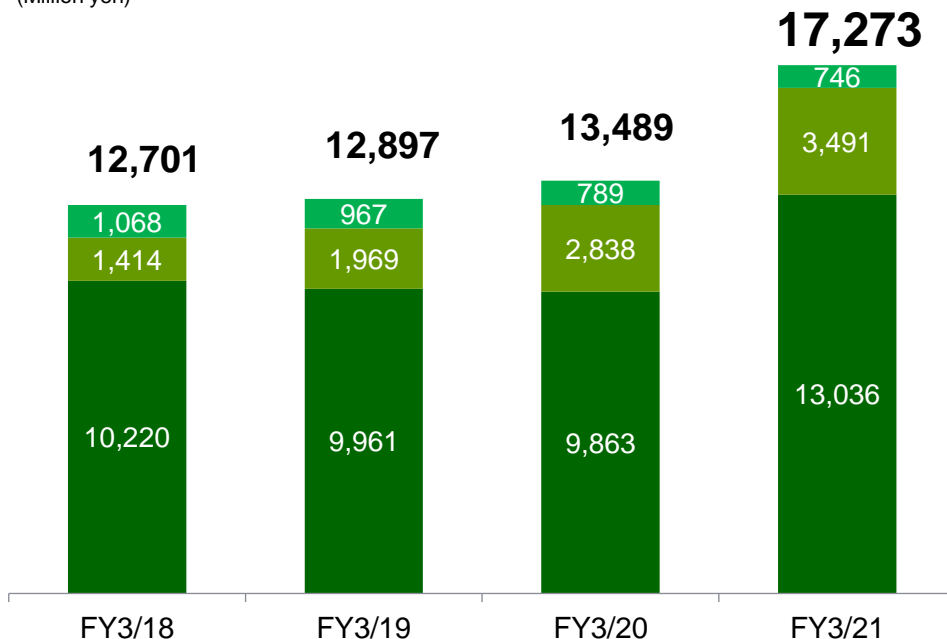
[Cleaning Business] +35.2% YoY, reflecting capacity expansion in response to increased demand for cleaning services due to production expansion by semiconductor and FPD manufacturers in China.

*Silicon parts business were previously included in quartz products, but they are separately presented from this term.

Transition of sales

- Thermo-electric module
- Power semiconductor substrates
- Ferrofluid, others

(Million yen)



Overview of this segment

- Significant sales growth of +28.1% YoY in FY3/21

[Thermo-electric module]

- Significant growth in sales of products for 5G telecommunications equipment, PCR-testing equipment, and other medical products led to a substantial +32.2% growth in sales.

[Power semiconductor substrates]

- Sales increased thanks to the contribution of increased production capacity for DCB substrates for industrial equipment and consumer products, in addition to the recovery in the power device market. Also, sales of AMB substrates for automotive applications are trending upward owing to the full-scale mass production.

*Power semiconductor substrates were previously included in thermo-electric module products, but they are separately presented from this term.

Consolidated Balance Sheet –Assets-



(Million yen)	End-FY3/20	End-FY3/21	Difference
Current assets	71,452	88,078	16,626
Cash & deposits	23,709	30,203	6,494
Note & accounts receivable	20,435	32,201	11,766
Inventory	17,269	17,126	- 143
Fixed assets	118,558	89,112	- 29,446
Tangible fixed assets	110,817	53,043	- 57,773
Buildings and structures	27,346	15,447	- 11,899
Equipment and machinery	30,113	14,964	- 15,149
Tools, furniture, and fixture	7,022	4,693	- 2,329
Land	1,892	1,894	2
Leased assets (net)	5,551	3,324	- 2,227
Construction in progress	38,894	12,721	- 26,173
Intangible fixed assets	500	1,814	1,314
Goodwill	26	576	550
Investments & other assets	7,242	34,255	27,013
Total assets	190,010	177,190	- 12,820

(Explanations regarding the conversion of the three wafer companies to equity-method affiliates are shown in red.)

[Major factors for increase in current assets]

- Due to the conversion of three wafer companies into equity-method affiliates, receivables from these subsidiaries were recorded.

Trade receivables: +7,084 million yen
Short-term loans: +2,575 million yen

[Major factors for decrease in tangible fixed assets]

- Conversion of three wafer companies into equity-method affiliates:

-65,798 million yen

- Recycled wafer: +4,434 million yen

[Major factors for increase in intangible fixed assets]

- Acquisition of RMT: +686 million yen
- Acquisition of MeiVac: +378 million yen

[Major factors for increase in investments and other assets]

- Equity method investment securities

Three wafer companies: +17,183 million yen
Semiconductor SiC companies: +3,652 million yen
OHIZUMI MFG. CO., LTD.: +3,200 million yen

- Due to the conversion of three wafer companies into equity-method affiliates, receivables from these subsidiaries were recorded.

Long-term loans receivable: +2,900 million yen

Consolidated Balance Sheet -Liabilities and Net Assets-

(Million yen)	End-FY3/20	End-FY3/21	Difference
Current liabilities	61,443	58,890	- 2,553
Notes and accounts payable	18,252	20,270	2,018
Short-term debt	12,510	5,427	- 7,083
Current portion of long-term borrowings + bonds	13,507	11,981	- 1,526
Fixed liabilities	78,419	40,060	- 38,359
Bonds	19,282	11,464	- 7,818
Convertible bond-type bonds with share acquisition rights	3,735	3,735	0
Long-term debt	29,440	15,023	- 14,417
Total liabilities	139,862	98,950	- 40,912
Net assets	50,148	78,240	28,092
Shareholder's equity	46,943	63,409	16,466
Total accumulated other comprehensive income	1,453	3,685	2,232
Non-controlling interests	1,679	11,065	9,386
Total liabilities & shareholder's equity	190,010	177,190	- 12,820

(Explanations regarding the conversion of the three wafer companies to equity-method affiliates are shown in red.)

[Major factors for increase in current liabilities]

- Interest-bearing debt (short-term): -8,609 million yen
- Trade payables: +2,018 million yen

[Balance of interest-bearing debt, etc.]

*The parenthesis represents the change from the end of FY3/20

Short-term debt + Current portion of long-term borrowings + Current portion of bonds: 17,408 million yen (-8,609)

Long-term borrowings + bonds (including conversions): 30,222 million yen (-22,235)

Total interest-bearing debt: 47,630 million yen (-30,844)

In addition to the repayment of borrowings through the sale of a portion of the shares of the three wafer companies, borrowings of three wafer companies (7,577 million yen at the end of Q3) are excluded from consolidation.

[Major factors in change in net assets]

- Through the partial sale of shares in three wafers and a third-party allotment of shares
 - Capital surplus: +6,217 million yen
 - Retained earnings (gain on change in equity): +5,245 million yen
- Net income attributable to owners of parent: +8,281 million yen
- Dividends: -891 million yen
- Foreign currency translation adjustments: +1,907 million yen
- Non-controlling interests (capital increase through third-party allotment, etc.): +9,386 million yen

Note: Exchange rate FY3/20⇒FY3/21: US\$ ¥109.56 → ¥103.50; RMB ¥15.67 → ¥15.88 (Avg. during period)

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Consolidated Cash Flow

(Explanations regarding the conversion of the three wafer companies to equity-method affiliates are shown in red.



(Million yen)	FY3/20	FY3/21
Cash flow from operating activities	8,903	13,218
Income before income tax	3,541	11,288
Depreciation	7,600	9,155
Changes in notes & accounts receivable (-: increase)	299	- 13,768
Changes in inventories (-: increase)	- 1,328	- 3,325
Changes in accounts payable (-: decrease)	- 1,168	7,726
Others	- 327	2,142
Cash flow from investing activities	- 34,472	- 20,880
Payments for purchase of tangible fixed assets	- 33,796	- 14,176
Proceeds from sales of tangible fixed assets	31	798
Payments for purchase of intangible fixed assets	- 124	- 121
Purchase of shares of subsidiaries and associates	-	- 6,852
Others	- 583	- 529
Cash flow from financing activities	17,996	21,695
Changes in short-term debt	3,036	- 5,856
Proceeds from long-term borrowings	10,852	16,602
Payments of long-term borrowings	- 9,539	- 28,332
Proceeds from share issuance to non-controlling shareholders	1,671	15,149
Proceeds from sale of shares of subsidiaries not resulting in change in scope of consolidation	-	30,835
Others	35	- 6,703
Changes in cash & cash equivalents	- 7,969	14,208
Cash and cash equivalents, beginning of year	31,556	23,709
Cash and cash equivalents, end of year	23,709	30,203

[Operating cash flow]

- **Income before income tax + Depreciation:**
20,443 million yen
- **Changes in notes & accounts receivable, inventories and accounts payable:**
9,367 million yen

[Investing cash flow]

- **Purchase of tangible and intangible fixed assets:**
-14,297 million yen
- **Acquisition of affiliate companies' shares:**
- 6,852 million yen

[Financial cash flow]

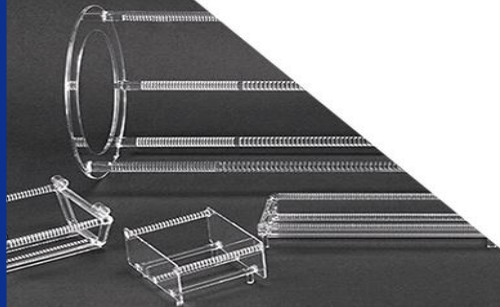
- **Proceeds from changes in ownership interests in subsidiaries that do not result in change in scope of consolidation:**
30,835 million yen
- **Repayment of long-term:**
-28,332 million yen
- **Proceeds from long-term borrowings:**
16,602 million yen
- **Proceeds from share issuance to non-controlling shareholders:**
15,149 million yen



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Business Forecasts for FY3/22



- Net sales: 105 billion yen, Operating income: 15 billion yen, Net income: 7.8 billion yen
- The deconsolidation of three wafer companies is reflected throughout the year (equity in earnings (losses) of affiliates is recorded as non-operating income (loss))

(Million yen)	FY3/21	FY3/22 (Est.)	YoY (%)
Net sales	91,313	105,000	15.0
Operating income	9,641	15,000	55.6
Ordinary income	8,228	13,600	65.3
Net income attributable to owners of parent	8,281	7,800	-5.8
Depreciation	9,155	8,000	-12.6
EBITDA	18,796	23,000	22.4

Note: Exchange rate FY3/21⇒FY3/22: US\$ ¥106.43 → ¥107.15; RMB ¥15.42 → ¥16.45 (Avg. during period)

*EBITDA = operating income + depreciation and amortization; profits and losses from external investments in consolidated subsidiaries are included in non-controlling interests.

FY3/22 Full-year Business Forecasts: By Segment and Product

(Million yen)	FY3/21	FY3/22 (Est.)	YoY Pct. change
Semiconductor and other equipment-related	60,669	66,274	9.2
Vacuum feedthroughs	8,795	11,080	26.0
Quartz	17,116	18,867	10.2
Silicon parts	3,226	4,732	46.7
Ceramics	12,267	14,960	21.9
CVD-SiC	2,186	2,961	35.5
EB-Gun, LED	3,872	3,670	- 5.2
Semiconductor wafer (Note)	4,638	0	-
Recycled wafer	0	137	-
Equipment parts cleaning	7,579	8,505	12.2
Quartz crucibles	990	1,362	37.6
Electronic device	17,273	21,366	23.7
Thermo-electric module	13,036	14,586	11.9
Power semiconductor	3,491	5,678	62.6
Ferrofluid, others	746	1,102	47.7
Others	13,370	17,360	29.8
Total	91,313	105,000	15.0

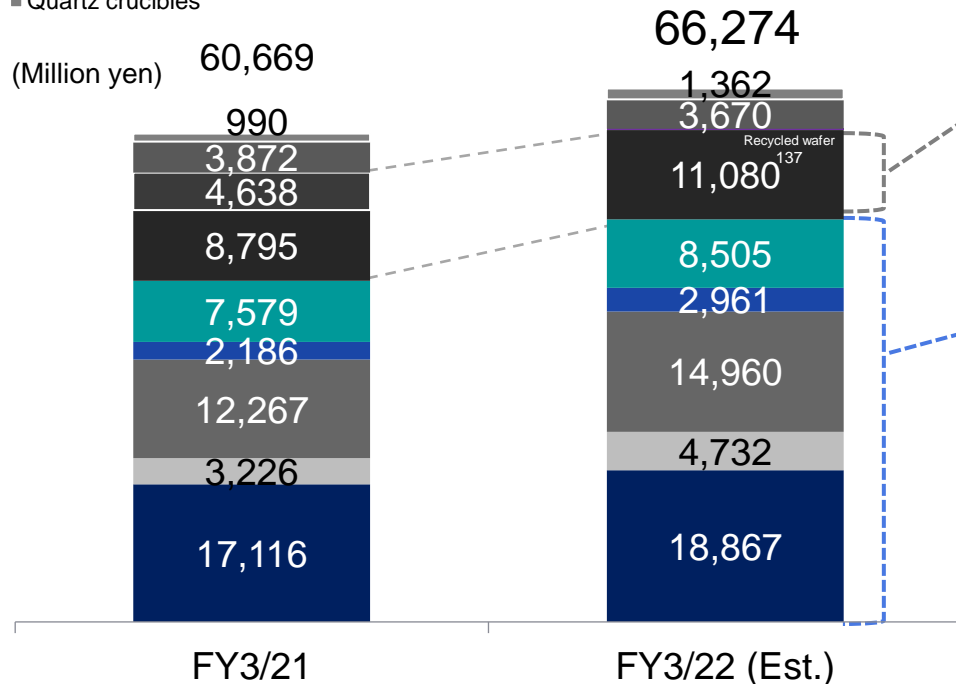
Note: Exchange rate FY3/21⇒FY3/22 Q2: US\$ ¥106.43 → ¥107.15; RMB ¥15.42 → ¥16.45 (Avg. during period)

Note: Wafer processing was excluded from consolidation from the FY3/21 Q4

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Transition of sales

- Quartz
- CVD-SiC
- Semiconductor wafer
- Quartz crucibles
- Silicon parts
- Equipment parts cleaning
- Recycled wafer
- Ceramics
- Vacuum feedthroughs
- EB-Gun



Overview of this segment

- Semiconductor-related demand continues to expand, and sales of semiconductor materials, cleaning, and vacuum feedthroughs are expected to increase.
- The non-consolidation of the wafer processing business is expected to be a factor behind the decline in sales (equity in earnings (losses) of affiliates is recorded as non-operating income (loss)).

Vacuum feedthroughs

- Forecast growth in sales of vacuum feedthroughs for the semiconductor market and contract metal processing, including chambers and robotic parts for semiconductor manufacturing equipment.

Cleaning business and semiconductor materials

[Semiconductor materials (quartz, silicon parts, ceramics, CVD-SiC)]

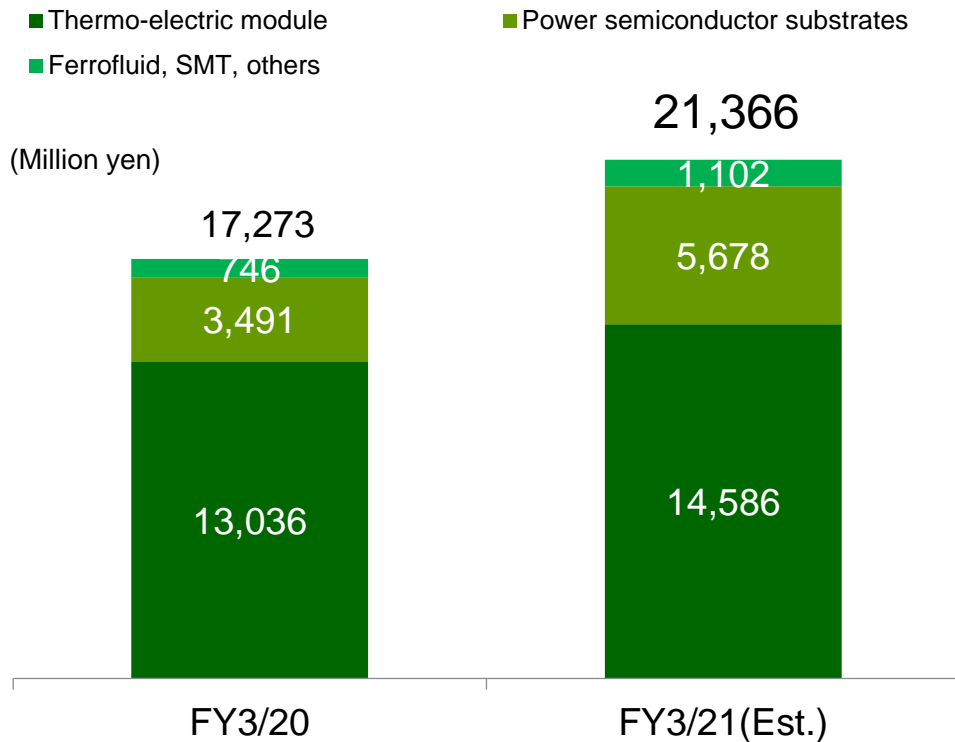
Sales are expected to increase thanks to growing demand for semiconductor materials and requests for increased production reflecting the expansion of the semiconductor manufacturing equipment market and the semiconductor device market.

- Quartz: Growth in demand, contribution from the start of operations at the Changshan and Dongtai Plants, sales growth
- Silicon parts: Growth in demand, expansion of production system at Yinchuan Plant, sales growth
- Ceramics: Growth in demand for both products for semiconductor manufacturing and probe cards
- CVD-SiC: Significant growth in demand from Chinese customers

[Cleaning business]

- Sales are expected to increase, as demand for cleaning services is expanding steadily in line with the expansion of production by Chinese semiconductor manufacturers and FPD manufacturers, and they intend to increase capacity.

Transition of sales



Overview of this segment

Sales are expected to increase thanks to an increase in demand for both thermo-electric modules and power semiconductor substrates and an increase in production capacity.

[Thermo-electric module]

- Continuing from the previous fiscal year, demand in the medical field and consumer electronics field, such as for 5G and communications equipment and PCR testing equipment, expanded, and the increase in production capacity is expected to contribute to an increase in sales.

[Power semiconductor substrates]

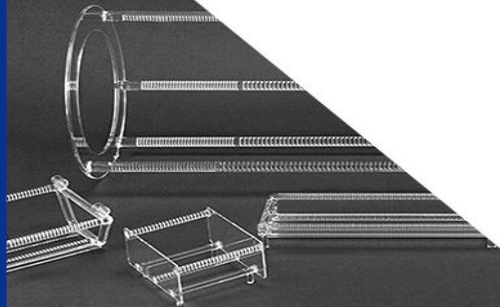
- Continue to increase production capacity for DCB substrates for industrial and consumer products. Sales are expanding in line with growing market demand
- Continue to further increase production capacity through establishing a mass production system for AMB substrates for automobiles. Sales are increasing as demand is expanding



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Fundraising and Financial Management



FY3/21 Outline of Financing, etc.

- Partial sale of wafer subsidiaries, repayment of interest-bearing debt, and capital increase through third-party allotment by Chinese subsidiaries

<p>[Capital Investment]</p> <p>Initial plan: 29.4 billion yen Result: 14.2 billion yen</p> <ul style="list-style-type: none"> • Factors such as non-consolidation of wafer subsidiaries • Other share acquisitions: 6.8 billion yen 	<p>[Financing]</p> <p>Initial plan: 26.0 billion yen Loan record: 17.1 billion yen * (*Long-term loans + Corporate bonds)</p> <p>Repayment of interest-bearing debt: 40.4 billion yen</p>	<p>(Capital increase by subsidiaries, etc.)</p> <p>Partial sale of wafer subsidiaries: 30.8 billion yen Capital increase through third-party allotment by Chinese subsidiaries: 11.5 billion yen</p> <ul style="list-style-type: none"> • Wafer Recycling: 6.3 billion yen • Cleaning: 2.6 billion yen • DCB: 1.6 billion yen • Silicon parts: 1.1 billion yen
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[Outline of the capital increase of subsidiaries] *1 yuan = 15.88 yen

Announcement date	Details	Major financial impact
Sep. 15	(1) Partial transfer of shares of semiconductor wafer subsidiary: 1.97 billion yuan (approx. 31.3 billion yen)	Appropriation of 24.5 billion yen of the share transfer price to repay interest-bearing debt
Oct. 16	(2) Capital increase of semiconductor wafer subsidiary: 1.60 billion yuan (about 25.4 billion yen)	Investment ratio by end-FY3/21: 29.5%. Making it an equity method affiliate
Oct. 16 *1	(3) Capital increase of wafer recycling subsidiary: 710 million yuan (about 11.3 billion yen)	Our investment ratio: 41.3%*2. Consolidated subsidiary [non-controlling interests: 6.78 billion yen] *3
Oct. 16	(4) Established SiC (silicon carbide) company with capital of 890 million yuan (about 14.1 billion yen)	Our investment ratio: 38.9%. Equity method affiliate. Our investment amount: 280 million yuan (approx. 4.4 billion yen)*4
Aug. 14	(5) Preparation for listing of cleaning business subsidiary with capital increase: 160 million yuan (about 2.5 billion yen)	Our investment ratio: 67.7%. Consolidated subsidiary [non-controlling interests: 3.11 billion yen] *3
Nov. 17	(6) Capital increase by subsidiary of power semiconductor substrate manufacturing: 10 million yuan (approx. 1.59 billion yen)	Our investment ratio: 88.8%. Consolidated subsidiary [non-controlling interests: 500 million yen] *3

(*1) Announced the revised version on February 10, 2021 (*2) Percentage of ownership, including our investment in kind of intellectual property of 300 million yuan

(*3) Non-controlling interests (net assets) at FY3/21 (*4) Including investment in kind of 0.5 billion yuan (currently in process)

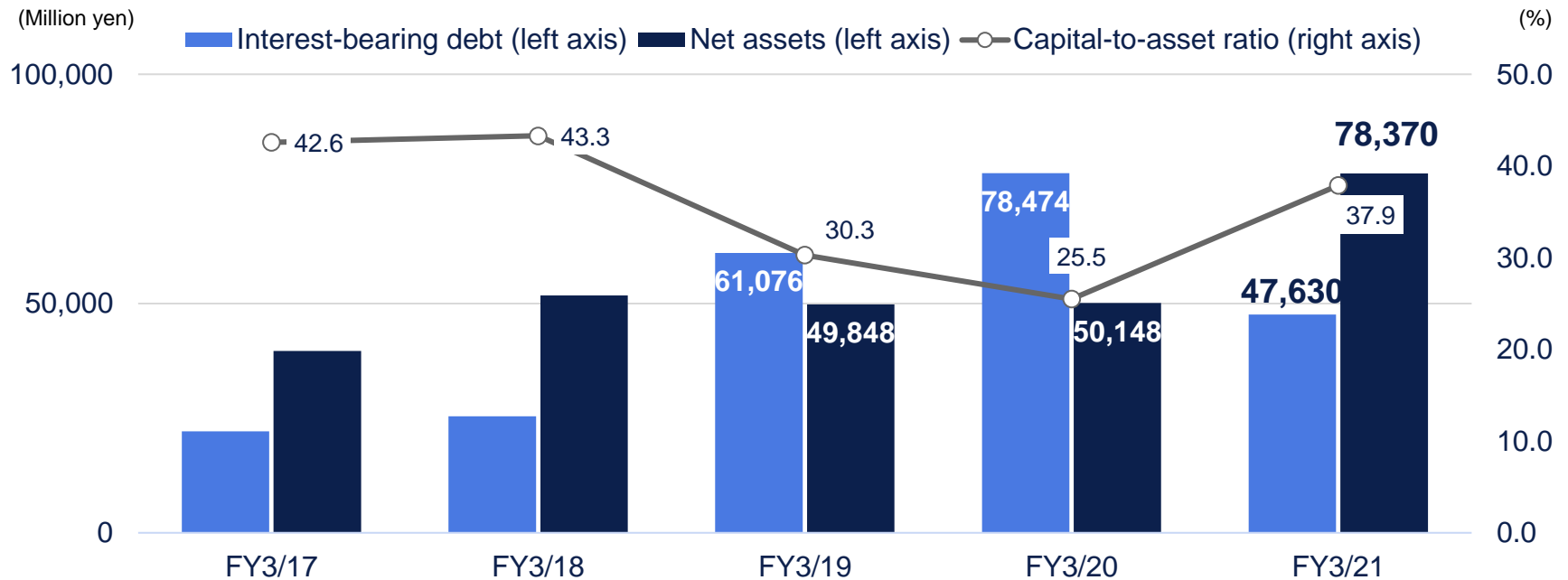
(*) Our investment results are as of March 21.

B/S Changes in Interest-Bearing Debt and Shareholders' Equity

- Transfer and deconsolidation of shares in wafer subsidiaries reduced interest-bearing debt and improved financial stability

Equity ratio: 25.5% \Rightarrow 37.9%*, Interest-bearing debt to net assets ratio: 1.56% \Rightarrow 0.61%

(*Net assets excluding non-controlling interests to total assets ratio rose from 26.4% to 44.1%)



FY3/22 Investment Plan and Fund Raising

Already raised approximately 18.6 billion yen through third-party allotment by subsidiaries, out of 40 billion yen planned for investment in the current fiscal year.

Introduce external capital for Chinese subsidiaries, consider IPO, etc. and diversify means of fund procurement, and strive to consider appropriate procurement.

[Capital investment]

Plan: 40 billion yen or more. (Some costs may be used as investment expenses)

- 1) Semiconductor field, increase in production of electronic devices, etc.: 24 billion yen
- 2) Long-term and strategic investment in recycled wafers, etc.: 16 billion yen

[Financing]

- Forecast of net income of 7.8 billion yen and depreciation of 8 billion yen
 - Raising capital by Chinese subsidiaries
- Current year result: 18.6 billion yen (including some cash and deposits at the beginning of the previous fiscal year)
- In addition, we expect to collect accounts receivable and loans from 3 wafer companies.

[Status of third-party allotment by subsidiaries]

*Our equity is based on FY3/21 results
(overseas subsidiaries: as of the end of Dec. 2020)

(As of the end of June 21 for overseas subsidiaries)

Business	Target subsidiaries	Location	Time of disclosure	Our interest
(1) Quartz crucibles, Silicon parts	Ferrotec (Ningxia) Advanced Quartz Material Co., Ltd.	Yinchuan	Feb.10, 2021	90.0%
(2) Power semiconductor substrates	Ferrotec (Jiangsu) Semiconductor Technology Co., Ltd.	Dongtai	Nov.17, 2020	88.8%
(3) Precision parts recycling and cleaning	Ferrotec (Anhui) Technology Co., Ltd.	Tongling	Aug.14, 2020	67.7%
(4) Wafer recycling	Ferrotec (Anhui) Changjiang Semiconductor Material Co., Ltd.	Tongling	Oct.16, 2020	41.3% *1



Progress of capital raising	End-FY9/21 Forecast
7.2 billion yen	68.6%
4.0 billion yen	74.0%
—	67.7%
7.4 billion yen (*2)	41.3%

*1: Percentage of ownership, including our investment in kind of intellectual property of 300 million yuan

*2: Including cash and deposits balance at the end of FY3/21

*3: Our equity in semiconductor silicon wafer company is 29.5% as of FY3/21, planned for 23.5% as of the end of Sep. 2021.

[Current situation]

Business Environment	The semiconductor market continues to expand, and this creates a wealth of business opportunities to capture the development of the Chinese market. Electronic devices are also expected to see growth in the market for automobiles and EVs, creating a wealth of business opportunities.
Our business policy	Raise position by investing in increased production of semiconductors and electronic devices, which are expected to grow. Aggressively consider long-term strategic investments and thoroughly pursue business growth and profit growth.
Financial Condition	Interest-bearing debt reduced due to restructuring of semiconductor wafer subsidiaries, improving financial stability. Introduce external capital from China in each company and incorporate it into the consolidated financial statements as a consolidated subsidiary or as an equity method affiliate.

[Financial response] Continue to strengthen financials and strive to ensure an appropriate balance between business opportunities, investment opportunities and finances

Income expansion and investment return management	Conversion of net income to KPI Continue to manage capital investment and investment levels Strengthen and penetrate management of investment returns and ROIC* (long-term growth investment: aim for ROIC3 of 5% or more)
Fundraising	Consider introduction of Chinese capital, etc., but strive to secure an appropriate balance between business, investment opportunities and finances.

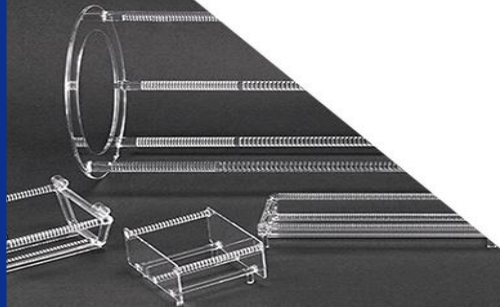
*KPI is set as "Net income ÷ (Shareholders' equity + Interest-bearing debt)" in consideration of equity in earnings (losses) of affiliates accounted for by the equity method and non-controlling interests in consolidated subsidiaries.

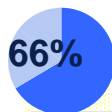


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Status by Segment and Outlook





Semiconductor and other equipment-related

Vacuum feedthroughs



Quartz



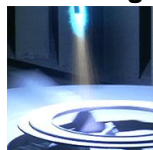
Ceramics



CVD-SiC



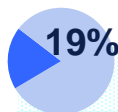
Equipment parts cleaning



Silicon wafer



etc...

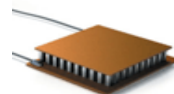


Electronic device

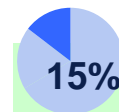
Ferrofluid



Thermo-electric module



Substrates for power semiconductor



Others

Industrial blade



Contract assembly



Commercial washing machine



PV wafer (OEM)

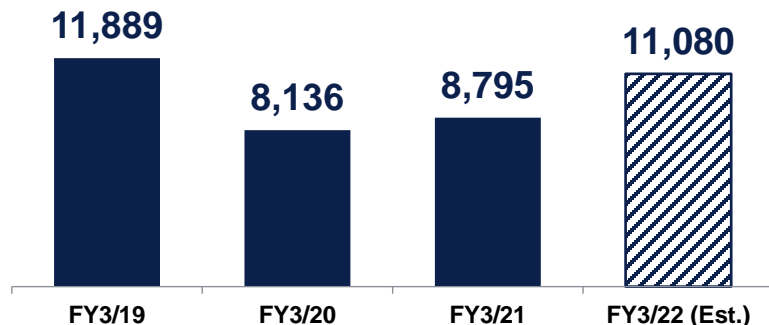


etc...

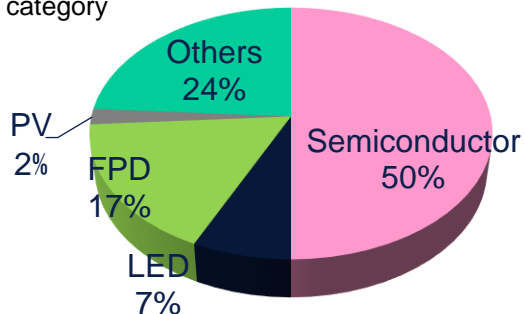
*The circle graph represents the proportion of each segment to net sales as of FY3/21.

Transition of sales

(million yen)



Sales by category



1. Status for FY3/21

- Sales in the 2H rose by 0.9% from the 1H. Sales rose by 8.1% YoY for the full year, and products for semiconductor production equipment remained firm throughout the year. Orders and sales of products for organic EL manufacturing equipment were at a certain level due to a slight delay in the plan.
- In addition, contract processing remained firm throughout the year due to robust semiconductor market conditions.

2. Outlook for FY3/22

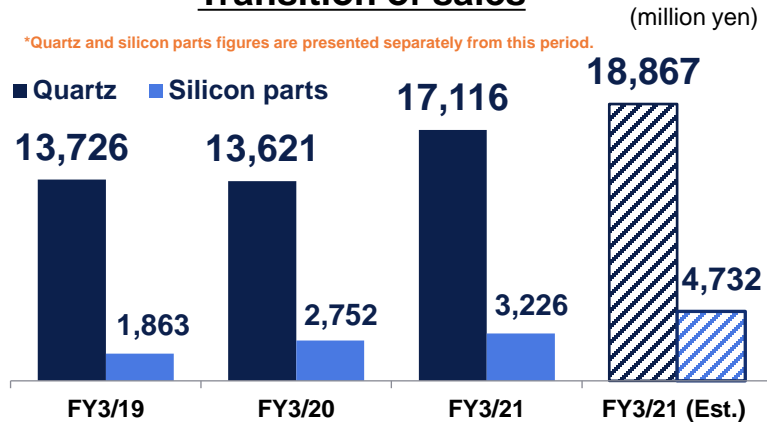
- Forecast a 26% YoY increase in sales for FY3/22
- Continued growth in sales of vacuum feedthroughs for semiconductor manufacturing equipment and contract processing, mainly for semiconductors, is expected.

<Measures>

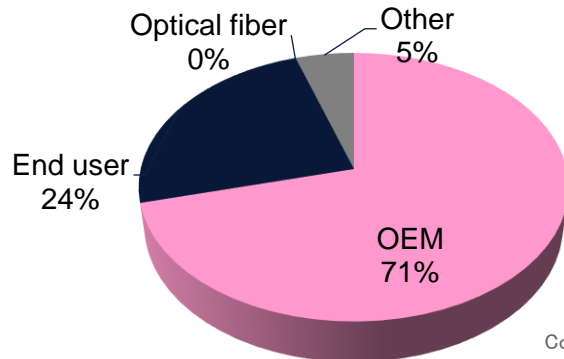
- Continue joint development projects with manufacturers of semiconductor manufacturing equipment
- Improve production system and continue make investment
- Strengthen ties among Ferrotec Group companies to generate synergies
- Strengthen sales activities and expand sales in the Chinese market by leveraging the existing channels and brands of group companies

Transition of sales

*Quartz and silicon parts figures are presented separately from this period.



Quartz and Silicon Parts: Sales by customer industry



1. Status for FY3/21

- Sales of quartz increased by 25.6% YoY, and Si parts grew by 17.2% YoY.
- Strong demand for new capital investment in memory systems, particularly logic and NAND memory. As for the quartz products, which the ratio of repeat demand for jigs and consumables is high, the trend of increased demand became conspicuous against the backdrop of high utilization by semiconductor manufacturers.
- Demand for Si parts in the vacuum process increased for major equipment manufacturers (Japan, the U.S. and China) and major semiconductor manufacturers and other destinations.

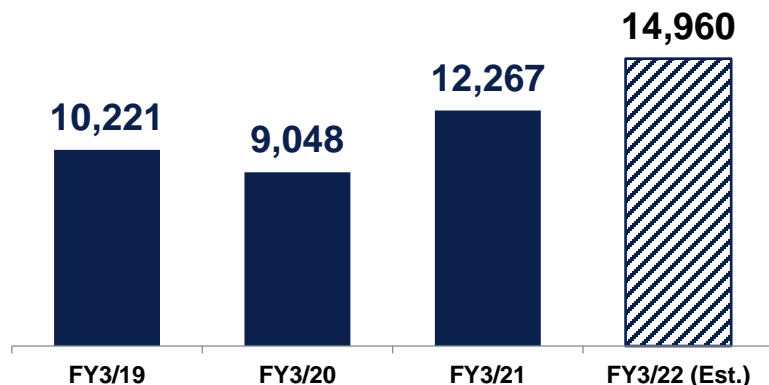
2. Outlook for FY3/22

- Forecast 10.2% YoY increase in quartz and 46.7% YoY increase in Si parts
- Quartz production is expected to increase due to continuing demand for new capital investment in semiconductors and strong repeat demand from semiconductor manufacturers due to continued high capacity utilization.
- As for Si parts, in response to a request from a global customer to increase production, we expect a significant increase in sales in both the Si materials and Si jigs and consumables.

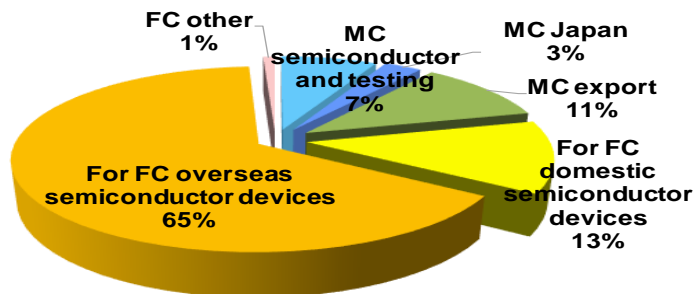
<Measures>

- As for quartz, we are preparing a system to further increase production due to the continued increase in demand from major OEMs in 2021 (expansion of equipment for machined products at the Dongtai Plant in China and increased production at the fire processing workplace at the Changshan Plant).
- Development and prototyping of quartz products for next-generation cutting-edge equipment at the Yamagata Plant in Japan (shift from small-scale mass production to medium-scale from 2021 onward)
- As for Si parts, an integrated production system from material (ingots) to parts processing and assembly will be established at the Yinchuan Plant to handle a large-scale increase in production over the medium term.

Transition of sales (million yen)



Sales by category



1. Status for FY3/21

- Sales of ceramics increased significantly by 35.5% YoY.
- <Machinable ceramics “Photoveel”>
 - Sales of conventional semiconductor test jigs were strong.
 - Sales for new semiconductor inspection jigs increased in line with miniaturization.
- <Fine ceramics>
 - In overseas, sales of parts for etching and deposition equipment grew significantly.
 - In Japan, sales of components for deposition equipment were strong.

2. Outlook for 2H of FY3/22

- Sales of ceramics are expected to increase by 21.9% YoY.
- <Machinable ceramics “Photoveel”>
 - Forecast strong sales of conventional semiconductor test jigs.
 - Forecast growth in sales of new-type semiconductor test jigs.
- <Fine ceramics>
 - Forecast further increase in sales of components for etching and deposition equipment both in overseas and Japan.

<Measures>

<Machinable ceramics>

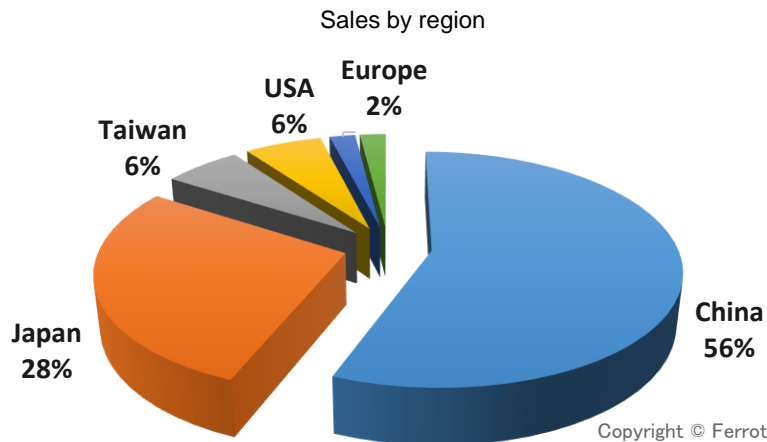
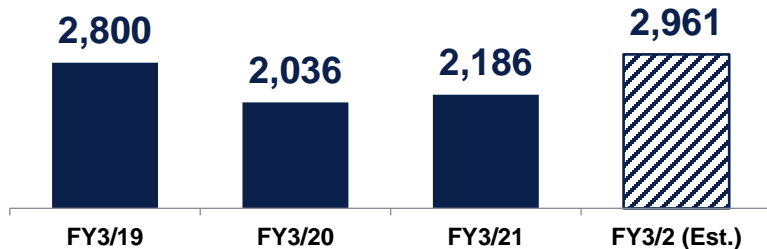
- Increase production of new-type inspection jigs for miniaturization, which are highly demanded by new customers.
- Focus on expanding sales of high-performance machinable ceramics.
- Focus on expanding sales to meet inquiries for medical and analytical parts

<Fine ceramics>

- Increase production of components for new semiconductor equipment for alumina materials with excellent dielectric properties.

Transition of sales

(million yen)



1. Status for FY3/21

- In FY3/21 (full year), sales increased by 7.4% YoY.
- Strong demand for materials for China.

2. Outlook for FY3/22

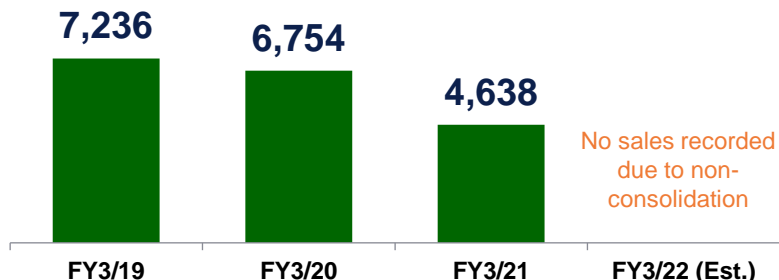
- Forecast 35.5% YoY sales growth in FY3/22 (full year).
- Forecast increase in demand for materials and components due to expansion of semiconductor facilities for China and contribution of high equipment utilization rate.

<Measures>

- Establish a production system to respond to increased demand.
- Adoption to semiconductor manufacturing equipment manufacturers.
- Reinforce material development and prototype production systems related to SiC semiconductors.

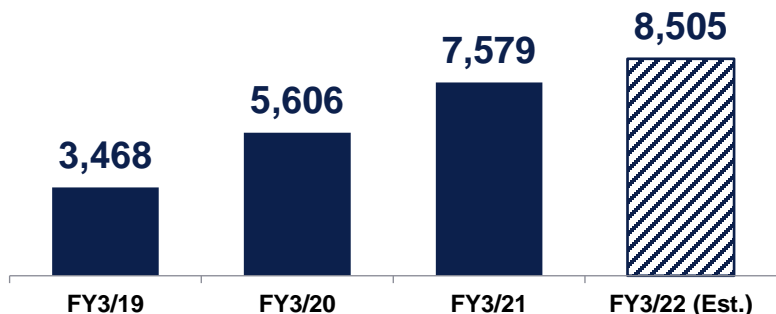
Semiconductor wafer

Transition of sales (million yen)



Parts Cleaning*

Transition of sales (million yen)



Semiconductor wafers:

1. Status for FY3/21

- Semiconductor wafer business was deconsolidated from Q4.
- Decrease in sales of 8-inch wafers due in part to a decrease in demand for automobiles and industrial equipment.
- Started recording sales of 12-inch wafers from Q3.

2. Outlook for FY3/22 *Unconsolidated (equity-method affiliate)

- 6-inch wafers: Forecast continued strong performance (monthly production of 420,000 wafers). Targeting a monthly production capacity of 300,000 wafers by the end of the year from a recovery in demand for 8-inch wafers. Plan to produce 12-inch wafers with a monthly production capacity of 30,000 to 100,000 wafers.

<Measures>

- Capital increase through third-party allotment. Plan to produce 12-inch wafers with a monthly production capacity of 200,000 wafers (during 2022).

Parts Cleaning:

1. Status for FY3/21

- Sales rose by 35.1% YoY in response to expanded production by semiconductor device and FPD manufacturers in China.

2. Outlook for FY3/22

- Continue to respond to increased production at seven plants in five locations in China, and expect to increase sales (12.2% YoY) from semiconductor and FPD manufacturers in China, where the scale of production is expected to continue to expand.

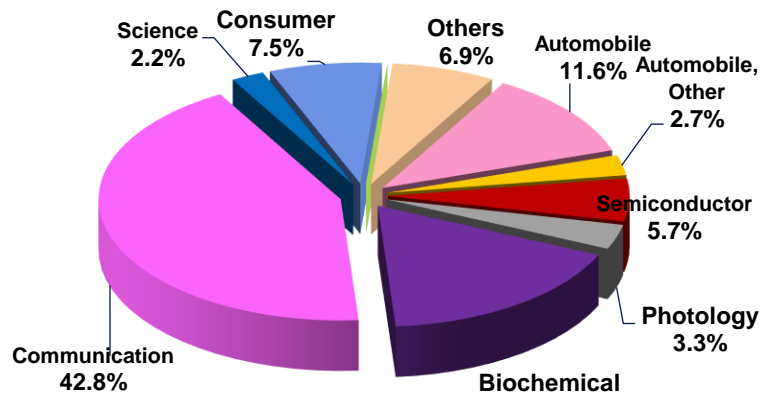
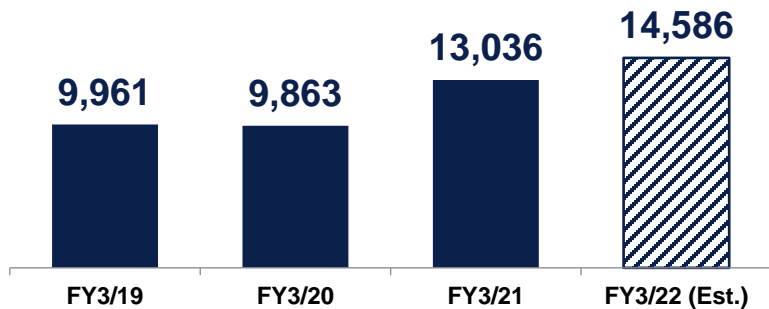
<Measures>

- Reorganize the parts cleaning business with the Tongling Plant at the Anhui Province as the main sub-subsidiary. We will establish an analysis center in Shanghai to capture more cutting-edge fields.

Transition of sales

(million yen)

*From this time onward, the figures exclude power semiconductor substrates.



1. Status for FY3/21

- In FY3/21 (full year), sales significantly grew by 32.5% YoY.

Modules for Automobiles

- Automobile sales decreased due to COVID-19, and heated seat sales decreased by 27.9% YoY.
- For new automotive applications, focus on projects with high probability of future adoption.

Other applications

- Applications for telecommunications equipment linked to 5G infrastructural investment expanded, particularly in China.
- Consumer products for wearable devices and biotechnology applications for PCR testing remained firm.

2. Outlook for FY3/22

- Forecast 11.8% YoY increase in sales for FY3/22 (full year).

Modules for Automobiles

- Temperature-controlled automobile seats are expected to remain almost unchanged from the previous year.
- Promote the development and commercialization of new automotive applications.

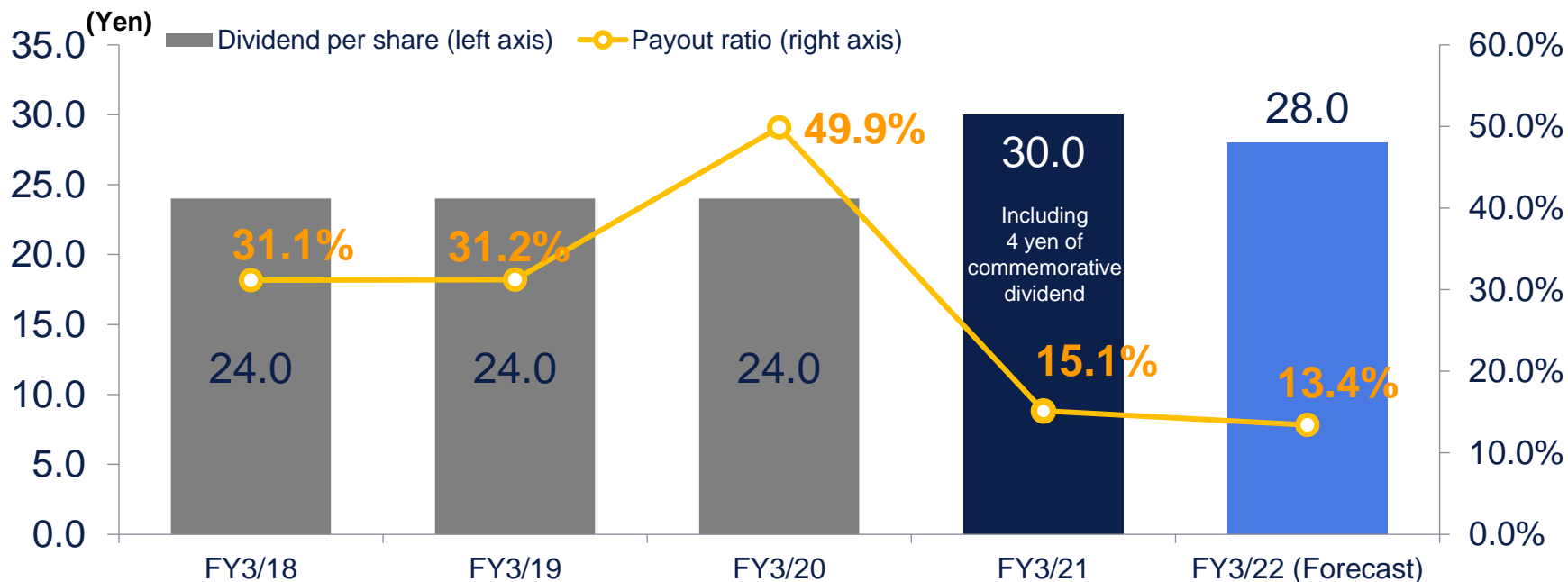
Other applications

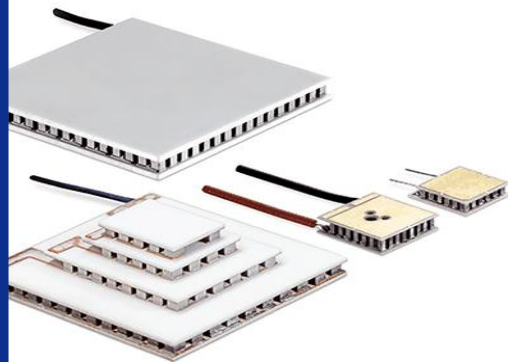
- Forecast strong performance for communications equipment linked to 5G infrastructural development.
- Consumer applications are expected to expand further, and medical applications, including PCR testing applications, are also expected to be firm.

<Measures>

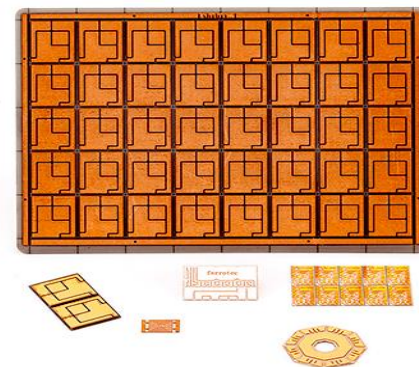
- Expand sales activities worldwide for thermo-electric module subassembly.
- Further strengthen sales of modules used in automobiles, aiming for mass production in 3-5 years.
- Business alliance: Seek and consider synergies with OHIZUMI MFG. CO., LTD. (mainly for automotive applications).

- In FY3/21, we increased the dividend by 6 yen from the previous fiscal year (including a commemorative dividend of 4 yen for the 40th anniversary)
- From FY3/22 onward, the dividend payout ratio will decrease in order to expand investment, but we aim to maximize shareholder returns through stable dividends in line with improved profitability.

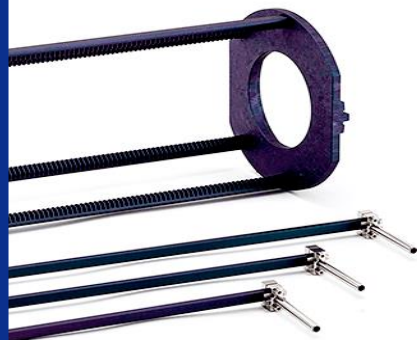




Ferrotec
Ferrotec Holdings Corporation



Appendix



Corporate Name	Ferrotec Holdings Corporation
Date of Foundation	September 27, 1980
Address	5 th floor of Nihonbashi Plaza Building, 2-3-4 Nihonbashi, Chuo-ku, Tokyo Japan
Listed on	JASDAQ (Listed Code : 6890)
President	He Xian Han
Business Segment	Business management and R&D operations of group companies
Capital	17,702 million yen
Issued Stock	37,305,202 shares (including 93,568 shares of treasury stock)
Related Company	51 consolidated subsidiary 9 companies accounted for by the equity method
Employees	[Consolidated] 7,380, [Non-consolidated] 71

Business Performance (FY3/21 Results vs. Plan)



(million yen)	FY3/21 Plan		FY3/21 Results			
	Amount	Pct. of sales(%)	Amount	Pct. of sales(%)	Amount	Pct. change(%)
Semiconductor and other equipment-related	59,459	66.8	60,669	66.4	1,210	2.0
Vacuum feedthroughs	8,600	9.7	8,795	9.6	195	2.3
Quartz	16,989	19.1	17,116	18.7	127	0.7
Silicon parts	3,328	3.7	3,226	3.5	- 102	- 3.1
Ceramics	11,997	13.5	12,267	13.4	270	2.3
CVD-SiC	2,187	2.5	2,186	2.4	- 1	- 0.1
EB-Gun, LED	3,591	4.0	3,872	4.2	281	7.8
Semiconductor wafer	4,686	5.3	4,638	5.1	- 48	- 1.0
Parts cleaning	7,199	8.1	7,579	8.3	380	5.3
Quartz crucible	882	1.0	990	1.1	108	12.2
Electronic device	16,857	18.9	17,273	18.9	416	2.5
Thermo-electric module	12,654	14.2	13,036	14.3	382	3.0
Power semiconductor substrates	3,457	3.9	3,491	3.8	34	1.0
Ferrofluid, others	747	0.8	746	0.8	- 0	- 0.1
Others	12,684	14.3	13,370	14.6	686	5.4
Total	89,000	100.0	91,313	100.0	2,313	2.6
Gross income	30,226	34.0	30,783	33.7	557	1.8
SG&A expenses	21,226	23.8	21,142	24.1	84	- 0.4
Operating income	9,000	10.1	9,641	9.6	641	7.1
Ordinary income	8,000	9.0	8,228	8.0	228	2.9
Net income	7,000	7.9	8,281	8.1	1,281	18.3

Business Performance (FY3/21 1H vs. 2H)



(million yen)	FY3/21 1H Results		FY3/21 2H Results			
	Amount	Pct. of sales(%)	Amount	Pct. of sales(%)	Amount	Pct. change(%)
Semiconductor and other equipment-related	28,784	69.2	31,885	64.1	3,101	10.8
Vacuum feedthroughs	4,377	10.5	4,418	8.9	41	0.9
Quartz	7,713	18.5	9,403	18.9	1,690	21.9
Silicon parts	1,411	3.4	1,815	3.7	405	28.7
Ceramics	5,681	13.7	6,586	13.2	905	15.9
CVD-SiC	1,143	2.7	1,043	2.1	- 100	- 8.7
EB-Gun, LED	1,450	3.5	2,422	4.9	972	67.0
Semiconductor wafer	3,102	7.5	1,536	3.1	- 1,566	- 50.5
Parts cleaning	3,458	8.3	4,121	8.3	663	19.2
Quartz crucible	450	1.1	540	1.1	90	20.0
Electronic device	7,116	17.1	10,157	20.4	3,041	42.7
Thermo-electric module	5,501	13.2	7,535	15.2	2,034	37.0
Power semiconductor substrates	1,313	3.2	2,178	4.4	865	65.9
Ferrofluid, others	302	0.7	444	0.9	142	47.0
Others	5,693	13.7	7,677	15.4	1,983	34.8
Total	41,595	100.0	49,719	100.0	8,124	19.5
Gross income	14,099	33.9	16,684	33.6	2,585	18.3
SG&A expenses	10,185	24.5	10,957	22.0	772	7.6
Operating income	3,913	9.4	5,728	11.5	1,815	46.4
Ordinary income	2,825	6.8	5,403	10.9	2,578	91.2
Net income	71	0.2	8,210	16.5	8,139	-

Business Performance (FY3/21 vs. FY3/22) Major Figures



(million yen)	FY3/21 Results		FY3/22 Results			
	Amount	Pct. of sales (%)	Amount	Pct. of sales (%)	Amount	Pct. change (%)
Net sales	91,313	100.0	105,000	100.0	13,687	15.0
Gross income	30,783	33.7	39,989	38.1	9,206	29.9
SG&A expenses	21,142	23.2	24,989	23.8	3,847	18.2
Operating income	9,641	10.6	15,000	14.3	5,359	55.6
Ordinary income	8,228	9.0	13,600	13.0	5,372	65.3
Net income	8,281	9.1	7,800	7.4	-481	-5.8
Depreciation	14,297	-	40,000	38.1	25,703	180.0
EBITDA	9,155	-	8,000	7.6	-1,155	-12.6

Business Performance (FY3/22 Plan, 1H vs. 2H-1) By Product



(million yen)	FY3/22 1H Plan		FY3/22 2H Plan			
	Amount	Pct. of sales(%)	Amount	Pct. of sales(%)	Amount	Pct. change(%)
Semiconductor and other equipment-related	32,225	63.2	34,050	63.1	1,825	5.7
Vacuum feedthroughs	5,631	11.0	5,449	10.1	- 182	- 3.2
Quartz	8,970	17.6	9,897	18.3	927	10.3
Silicon parts	2,147	4.2	2,585	4.8	438	20.4
Ceramics	7,459	14.6	7,501	13.9	42	0.6
CVD-SiC	1,472	2.9	1,489	2.8	18	1.2
EB-Gun, LED	1,898	3.7	1,772	3.3	- 126	- 6.7
Recycled wafer	0	-	137	0.3	137	-
Parts cleaning	3,983	7.8	4,522	8.4	539	13.5
Quartz crucible	665	1.3	697	1.3	33	4.8
Electronic device	10,460	20.5	10,906	20.2	445	4.3
Thermo-electric module	7,325	14.4	7,261	13.4	- 65	- 0.9
Power semiconductor substrates	2,654	5.2	3,024	5.6	370	13.9
Ferrofluid, others	481	0.9	621	1.1	140	29.1
Others	8,315	16.3	9,045	16.7	730	8.8
Total	51,000	100.0	54,000	100.0	3,000	5.9

Business Performance (FY3/22 Plan, 1H vs. 2H-2) By Item



(million yen)	FY3/22 1H Plan		FY3/22 2H Plan			
	Amount	Pct. of sales(%)	Amount	Pct. of sales(%)	Amount	Pct. change(%)
Net sales	51,000	100.0	54,000	100.0	3,000	5.9
Gross income	19,828	38.9	20,161	37.3	333	1.7
SG&A expenses	11,928	23.4	13,061	24.2	1,133	9.5
Operating income	7,900	15.5	7,100	13.1	- 800	- 10.1
Ordinary income	7,600	14.9	6,000	11.1	- 1,600	- 21.1
Net income	4,200	8.2	3,600	6.7	- 600	- 14.3