



# Results for the the fiscal year ended March 31, 2022

1. This fiscal year results cover period from January to December 31, 2021 of consolidated subsidiaries.
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, 2022 and is not a solicitation to purchase or sell 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 date of the disclosure. 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

(Million yen)	FY3/21	FY3/22	YoY	
	Amount	Amount	Amount	Pct. change (%)
Net sales	91,312	133,821	42,509	46.6
Cost of sales	60,530	85,143	24,613	40.7
Gross income	30,782	48,677	17,895	58.1
SG&A expenses	21,141	26,076	4,935	23.3
Operating income	9,640	22,600	12,960	134.4
Non-operating income	1,609	4,636	3,027	188.1
Non-operating expenses	3,022	1,243	-1,779	-58.9
Ordinary income	8,227	25,994	17,767	216.0
Extraordinary income	5,544	9,421	3,877	69.9
Extraordinary loss	2,483	1,767	-716	-28.8
Net income (loss) attributable to non-controlling shareholders	-332	1,254	1,586	-
Net income attributable to owners of parent	8,280	26,659	18,379	222.0
Capital investment	14,175	33,585	19,410	136.9
Depreciation	9,155	8,085	-1,070	-11.7

Net sales: 133.8 billion yen, +46.6% YoY

Operating income: 22.6 billion yen, +134.4% YOY

- Semiconductor-related demand expanded, and new factories for semiconductor materials, metal processing, power semiconductor substrates, etc. were in full operation with proactively boosted capacity.
- Removal of wafer processing from the scope of consolidation in 4Q of FY 3/21 (leading to a decrease in net sales and an increase in operating income)

Ordinary income: 26 billion yen, +215.9% YOY

Net income: 26.7 billion yen, +221.9% YOY

- Gain on change in equity due to third-party allotment of the shares of 3 Chinese wafer companies: 9.3 billion yen (5.2 billion yen recorded in the previous term)

⇒ With the profit on currency exchange of 2.5 billion yen, it boosted profit by 11.8 billion yen.

- Extraordinary loss includes a loss of 900 million yen due to the withdrawal of FTAK in South Korea, and an impairment loss of 400 million yen in the washing machine business.

Note: Exchange rate FY3/21⇒FY3/22: US\$ ¥106.43 → ¥110.37; RMB ¥15.42 → ¥17.12 (Avg. during period)

# Sales and Operating Income by Segment

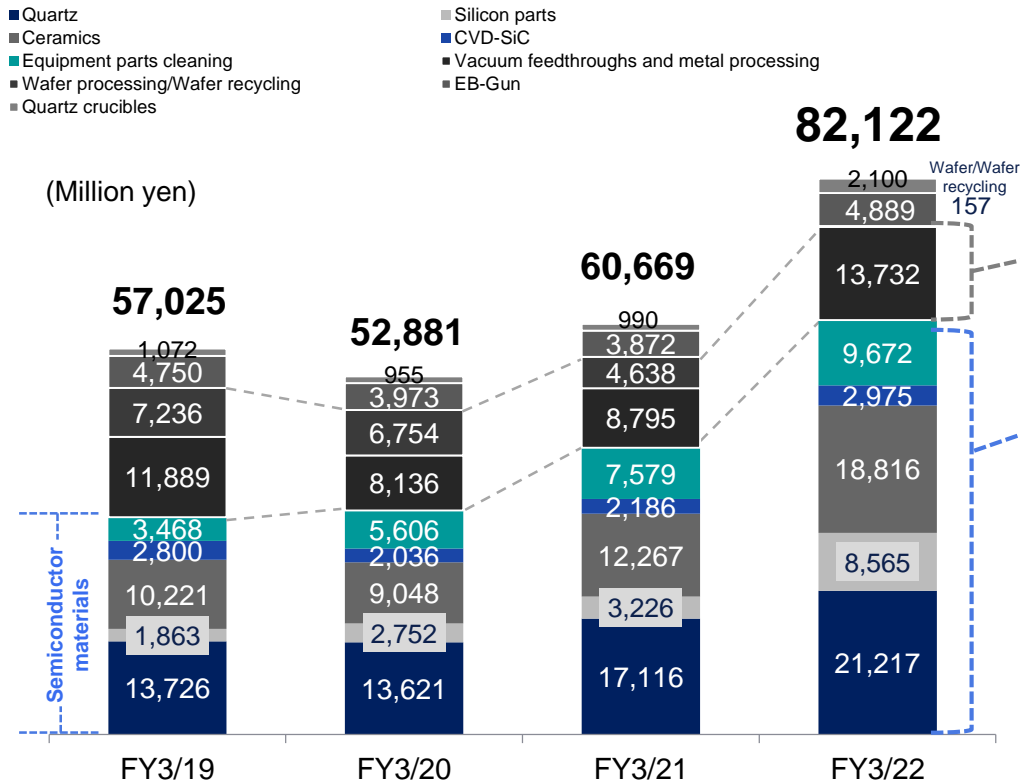
Net sales (¥ in millions)	FY3/21		FY3/22		YoY	
	Amount	Pct. of sales (%)	Amount	Pct. of sales (%)	Difference	Pct. change (%)
Semiconductor and other equipment-related	60,669	66.4	82,122	61.4	21,453	35.4
Electronic device	17,273	18.9	27,023	20.2	9,750	56.4
Others	13,370	14.6	24,674	18.4	11,304	84.5
<b>Total</b>	<b>91,312</b>	<b>100.0</b>	<b>133,821</b>	<b>100.0</b>	<b>42,509</b>	<b>46.6</b>

Operating income (¥ in millions)	FY3/21		FY3/22		YoY	
	Amount	Profit margin (%)	Amount	Profit margin (%)	Difference	Pct. change (%)
Semiconductor and other equipment-related	6,183	10.2	15,886	19.3	9,703	156.9
Electronic device	4,453	25.8	6,689	24.8	2,236	50.2
Others	-321	-	315	1.3	636	-
Corporate & elimination	-674	-	-291	-	383	-
<b>Total</b>	<b>9,640</b>	<b>10.6</b>	<b>22,600</b>	<b>16.9</b>	<b>12,960</b>	<b>134.4</b>

# Sales by Product

(Million yen)	FY3/21	FY3/22	Pct. change
Semiconductor and other equipment-related	60,669	82,122	35.4
Vacuum feedthroughs and metal processing	8,795	13,732	56.1
Material			
Quartz	17,116	21,217	24.0
Silicon parts	3,226	8,565	165.5
Ceramics	12,267	18,816	53.4
CVD-SiC	2,186	2,975	36.1
EB-Gun, LED	3,872	4,889	26.3
Wafer processing	4,638	Non-consolidation from FY 3/21 4Q → 59	-98.7
Wafer recycling	0	98	-
Equipment parts cleaning	7,579	9,672	27.6
Quartz crucibles	990	2,100	112.1
Electronic device	17,273	27,023	56.4
Thermo-electric module	13,036	17,635	35.3
Power semiconductor substrates	3,491	8,473	142.7
Ferrofluid, others	746	916	22.8
Others	13,370	24,674	84.5
<b>Total</b>	<b>91,312</b>	<b>133,821</b>	<b>46.6</b>

## Transition of sales



## Overview of this segment

Semiconductor-related demand expanded, and new factories for semiconductor materials and metal processing with proactively boosted capacity were in full operation soon, contributing to the performance: +35% YOY

### Vacuum feedthroughs, Metal processing, Wafer processing

#### [Vacuum feedthroughs and metal processing]

The demand for metal processing consigned by semiconductor manufacturing equipment manufacturers expanded, and the new Changshan Factory was in full operation: +56% YOY

#### [Wafer processing]

Decrease in sales due to the equity method and the removal of it from the scope of consolidation from 4Q of FY 3/21.

### Semiconductor materials, Cleaning business

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

Demand for semiconductor materials increased, full operation of new factories contributed to sales, and further boosting of capacity was continued in response to insufficient supply: +48.2% YOY

- Quartz: Contribution by the Changshan Factory and the Dongtai Factory, which became in full operation
- Silicon parts: Prompt establishment and full operation of a new Yinchuan Factory in FY 3/22
- Ceramics: Boosting capacity and full operation of the Hangzhou Factory for fine ceramics, and the growth of demand for ceramics for probe cards
- CVD-SiC: Favorable demand from Chinese clients and the Okayama Factory in full operation

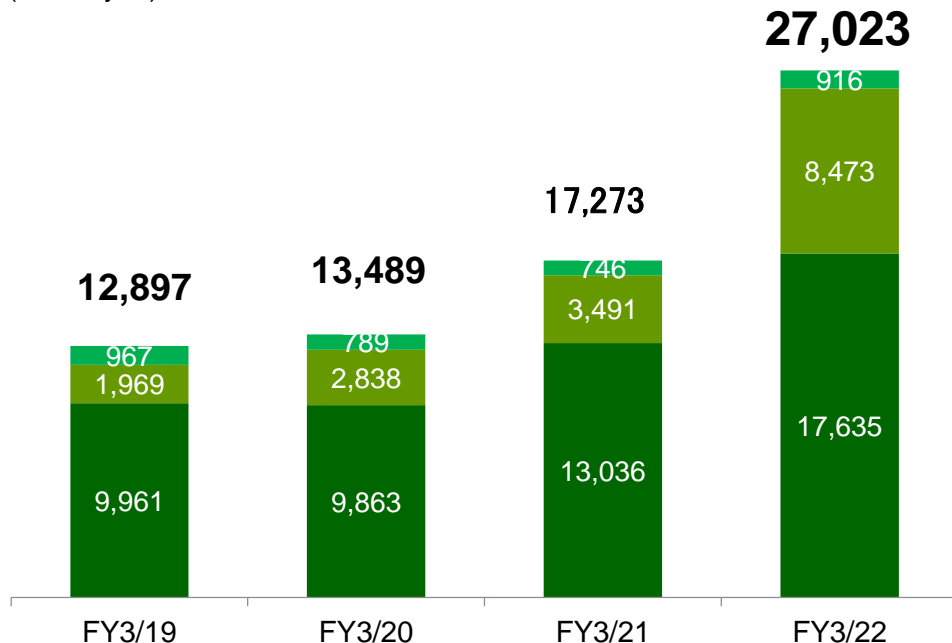
#### [Cleaning business]

Healthy owing to the expansion of demand in step with the expansion of production by Chinese semiconductor manufacturers and FPD manufacturers: +27.6% YOY

## Transition of sales

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

(Million yen)



## Overview of this segment

- Expansion of sales of thermo-electric modules and steep rise in sales of power semiconductor substrates. Sales grew considerably by 56.4% YOY.

### [Thermo-electric modules]

- Remarkable growth of demand for modules for 5G communication devices and the medical field such as PCR testing machines. Sales grew considerably by 35.3% YOY.

### [Power semiconductor substrates]

- Expansion of the power device market and boosted production capacity for DCB substrates for industrial machinery/consumer products at the Dongtai Factory in China contributed, resulting in the rapid growth of sales.
- Progress of certification of AMB substrates for EV in client companies
- +143% YOY

# Consolidated Balance Sheet -Assets-

(Million yen)	End-FY3/21	End-FY3/22	Difference
Current assets	88,024	133,414	45,390
Cash & deposits	30,202	52,579	22,377
Note & accounts receivable	32,201	-	-
Notes and accounts receivable - trade, and contract assets	-	41,797	-
Inventories	17,072	28,436	11,364
Fixed assets	89,367	131,358	41,991
Tangible fixed assets	53,146	84,083	30,937
Buildings and structures	15,446	22,728	7,282
Equipment and machinery	15,067	25,122	10,055
Tools, furniture, and fixture	4,693	5,324	631
Land	1,893	1,895	2
Leased assets (net)	3,324	4,040	716
Construction in progress	12,720	24,972	12,252
Intangible fixed assets	1,966	1,996	30
Goodwill	340	283	-57
Investments & other assets	34,254	45,277	11,023
<b>Total assets</b>	<b>177,392</b>	<b>264,772</b>	<b>87,380</b>

[Major factors for increase in current assets]  
 •Increase of cash and deposits was caused by the stagnation of funds from third-party allotment of shares by a subsidiary, etc. (to be allocated to investment)  
 •Increase in receivables and inventory due to increase in sales

[Major factors for increase in tangible fixed assets]  
 •Investment in wafer recycling equipment in Tongling, China  
 •Investment in Yinchuan silicon parts and crucible business equipment  
 •Investment in Dongtai quartz business equipment  
 •Investment in Dongtai power semiconductor substrate equipment  
 •Investment in metal processing equipment, etc. in Changshan  
 •Investment in Tongling wafer recycling equipment

[Major factors for increase in investments and other assets]  
 •The amount of shares of affiliate companies increased 12.7 billion as the amount of shares of the wafer company (3 yuan/share) increased due to third-party allotment of shares, etc. (27.5 billion yen posted as the shares of the wafer company as of the end of FY 3/22)

# Consolidated Balance Sheet -Liabilities and Net Assets-

(Million yen)	End-FY3/21	End-FY3/22	Difference
Current liabilities	58,978	68,800	9,822
Notes and accounts payable	20,012	26,702	6,690
Short-term debt	5,426	6,324	898
Current portion of long-term debt + bonds	11,981	8,501	-3,480
Fixed liabilities	40,174	35,014	-5,160
Bonds	11,464	8,806	-2,658
Convertible bond-type bonds with share acquisition rights	3,734	2,134	-1,600
Long-term debt	15,023	11,796	-3,227
Total liabilities	99,152	103,814	4,662
Net assets	78,239	160,957	82,718
Shareholder's equity	63,408	117,511	54,103
Total accumulated other comprehensive income	3,684	13,511	9,827
Non-controlling interests	11,064	29,888	18,824
Total liabilities & net assets	177,392	264,772	87,380
Equity ratio	37.8%	49.5%	11.7pt

## [Major factors for changes in current and fixed liabilities]

\*The parenthesis represents the change from the end of FY3/21.

Short-term debt + Current portion of long-term debt and bonds: 14,825 million yen (-2,582)

Long-term debt + bonds and convertible bonds: 22,736 million yen (-7,485)

Total interest-bearing debt: 37,561 million yen (-10,067)

## [Major factors for changes in net assets]

\*The parenthesis represents the change from the end of FY3/21.

•Capital surplus: 46,071 million yen (+18,500)  
Originating from third-party allotment of shares by our company, wafer companies and Chinese subsidiaries

•Retained earnings: 43,317 million yen (+25,096)

•Foreign currency translation adjustment: 13,128 million yen (+9,672)  
Increased due to the depreciation of the yen (against the Chinese yuan, etc.)

•Non-controlling interests:  
Increase due to third-party allotment of shares to FTSJ (DCB), AQM-N (silicon parts and crucibles), and FTASM (wafer recycling) in China

[Equity ratio]

Equity ratio stands at 49.5%, exceeding the target of 40% stated in the mid-term management plan.

Note: Exchange rate FY3/21⇒FY3/22: US\$ ¥103.50 → ¥ 115.02; RMB ¥15.88 → ¥ 18.06 (Avg. during period)



# Consolidated Cash Flow

(Million yen)	FY3/21	FY3/22
Cash flow from operating activities	<b>13,217</b>	<b>17,833</b>
Income before income tax	11,288	33,648
Depreciation	9,155	8,085
Foreign exchange loss (gain)	-90	-2,026
Changes in notes & accounts receivable (-: increase)	-13,768	-4,258
Changes in inventories (-: increase)	-3,324	-9,126
Increase/decrease in notes and accounts payable- trade (-: decrease)	7,726	6,065
Loss on change in equity (-: gain)	-5,284	-9,327
Others	7,514	-5,228
Cash flow from investing activities	<b>-20,879</b>	<b>-29,399</b>
Payments for purchase of tangible fixed assets	-14,175	-33,585
Proceeds from sales of tangible fixed assets	798	400
Payments for purchase of intangible fixed assets	-121	-241
Payments for purchase of shares of affiliates	-6,852	-1,278
Others	-529	5,305
Cash flow from financing activities	<b>21,694</b>	<b>30,601</b>
Changes in short-term debt	-5,856	180
Proceeds from long-term borrowings	16,601	2,545
Payments of long-term borrowings	-28,332	-6,944
Proceeds from share issuance	76	19,275
Proceeds from payments by noncontrolling interests	15,149	22,701
Others	24,056	-7,156
Changes in cash & cash equivalents	<b>14,207</b>	<b>22,376</b>
Cash and cash equivalents, beginning of year	<b>23,709</b>	<b>30,202</b>
Cash and cash equivalents, end of year	<b>30,202</b>	<b>52,579</b>

## [Operating cash flow]

•Income before income tax + Depreciation: 41,733 million yen  
 •Changes in notes & accounts receivable, inventories and accounts payable: -7,319 million yen

## [Investing cash flow]

Purchase of tangible and intangible fixed assets: -33,826 million yen  
 (Mainly originating from investments in equipment in China)

## [Financial cash flow]

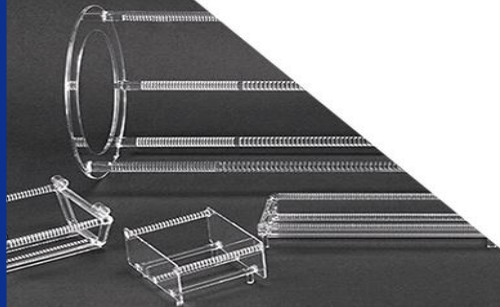
Proceeds from payments by non-controlling interests: 22,701 million yen  
 •Crucible and silicon parts companies: 9,146 million yen  
 •Chinese power semiconductor subsidiary (FTSJ): 8,307 million yen  
 •Wafer recycling (FTASM): 4,733 million yen



**Ferrotec**  
Ferrotec Holdings Corporation



## Full-year Business Forecasts for FY3/23



# FY3/23 Full-year Business Forecasts

- Projecting considerable increase of sales and each profit, further breaking past records. Since there are strong requests for increase of production output from clients, full-scale operation of factories currently under construction is expected.

(Million yen)	FY3/22	FY3/23 (plan)	YoY (%)	Plan details/premises
Net sales	133,821	<b>180,000</b>	<b>34.5</b>	In response to requests for production increase from semiconductor clients, we are continuing proactive investment in production increase and project increase in sales backed by this investment.
Operating income	22,600	<b>30,000</b>	<b>32.7</b>	Projecting considerable increase in profit by reinforcing facilities and establishing new factories at an early point
Ordinary income	25,994	<b>28,000</b>	<b>7.7</b>	Projecting increase in profit without expecting the profit on currency exchange of 2,542 million yen recorded in FY 3/22
Net income attributable to owners of parent	26,659	<b>17,000</b>	<b>-36.2</b>	Projecting YOY decrease without expecting the gain on change in equity of 9,327 million yen recorded in FY 3/22
Depreciation	8,085	<b>13,297</b>	<b>64.5</b>	Increase due to the reinforcement of facilities for semiconductor materials, etc.
EBITDA	30,685	<b>43,297</b>	<b>41.1</b>	-

Note: Exchange rate FY3/22⇒FY3/23: US\$ ¥110.37 → ¥117.79; RMB ¥17.12 → ¥18.56 (Avg. during period)

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

# Earnings Forecast of Each Segment/Product for FY 3/23



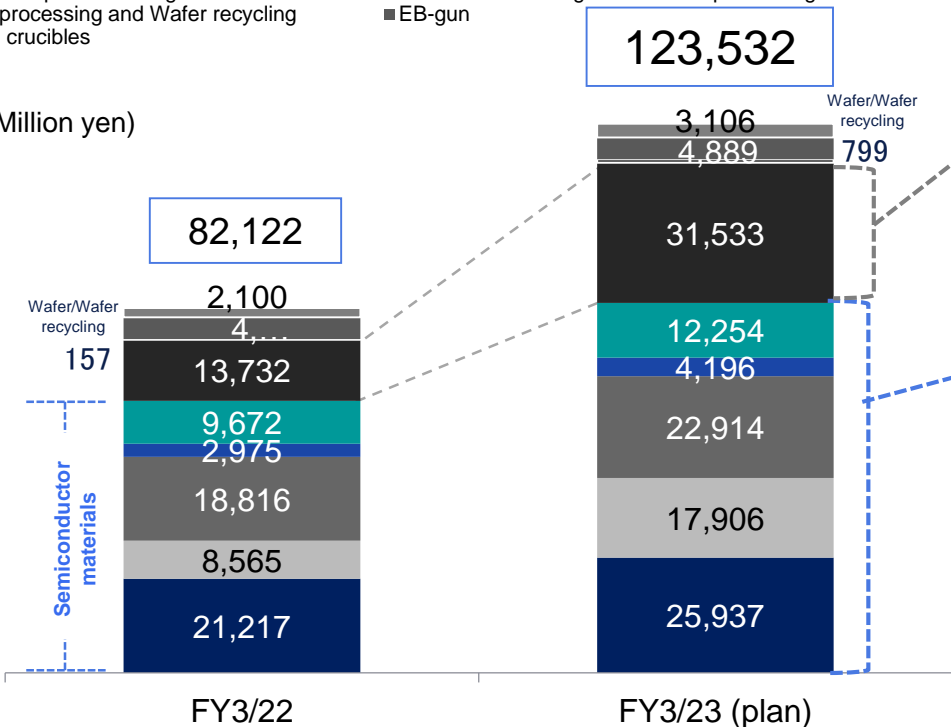
(Million yen)	FY3/22	FY3/23 (plan)	YoY Pct. change
<b>Semiconductor and other equipment-related</b>	<b>82,122</b>	<b>123,532</b>	<b>50.4</b>
Vacuum feedthroughs and metal processing	13,732	31,533	129.6
Quartz	21,217	25,937	22.2
Silicon parts	8,565	17,906	109.1
Ceramics	18,816	22,914	21.8
CVD-SiC	2,975	4,196	41.0
EB-Gun, LED	4,889	4,889	0.0
Wafer processing (out of scope of consolidation)	59	0	-
Wafer recycling	98	799	715.3
Equipment parts cleaning	9,672	12,254	26.7
Quartz crucibles	2,100	3,106	47.9
<b>Electronic device</b>	<b>27,023</b>	<b>37,937</b>	<b>40.4</b>
Thermo-electric module	17,635	19,354	9.7
Power semiconductors	8,473	17,142	102.3
Ferrofluid, others	916	1,441	57.3
<b>Others</b>	<b>24,674</b>	<b>18,532</b>	<b>-24.9</b>
<b>Total</b>	<b>133,821</b>	<b>180,000</b>	<b>34.5</b>

## Transition of sales

- Quartz
- Ceramics
- Equipment parts cleaning
- Wafer processing and Wafer recycling
- Quartz crucibles

- Silicon parts
- CVD-SiC
- Vacuum feedthroughs and metal processing
- EB-gun

(Million yen)



## Overview of this segment

- +50.4% YOY, considerable increase in sales and profit like in the previous term.
- Sales are expected to grow, because we met requests for production increase from semiconductor clients, continued facility reinforcement, and expanded production capacity.

### Vacuum feedthroughs, Metal processing

- +130% YOY, growth forecasted in metal processing for chambers, robot parts, etc. for semiconductor production equipment at the Changshan Factory

### Semiconductor materials, Cleaning business

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

+38% YOY, expansion of demand for semiconductor materials stemming from the expansion of the semiconductor manufacturing equipment market and semiconductor device market; addressing requests for increase in production

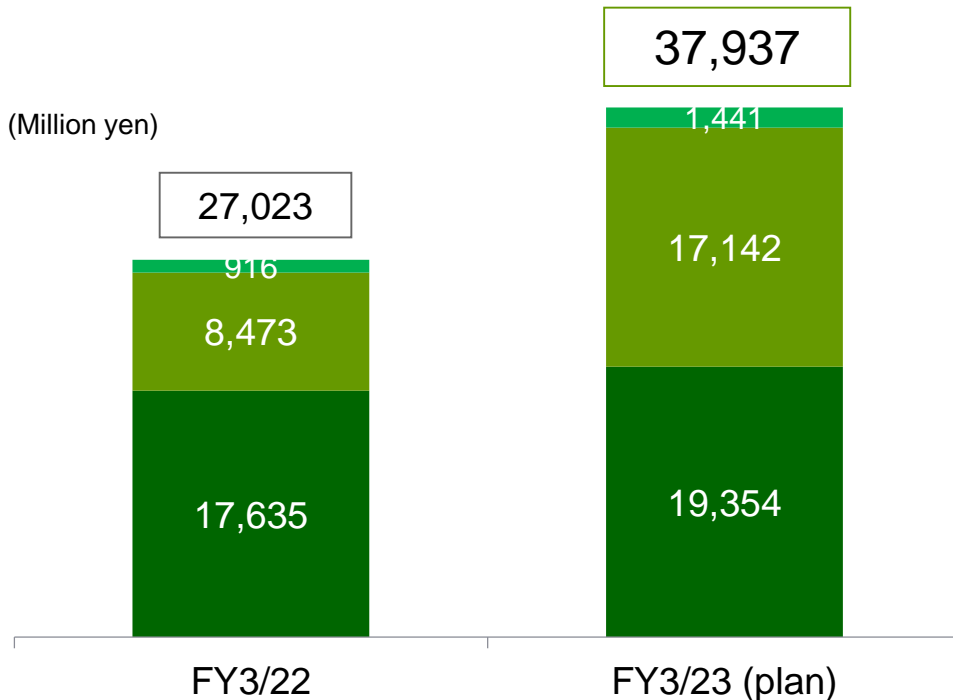
- Quartz: Continuing the enhancement of capacities of the Changshan Factory and the Dongtai Factory, and increase in sales
- Silicon parts: Growth in sales due to the enhancement of the capacity of the Yinchuan Factory
- Ceramics: Continuing the enhancement of the capacity of the Hangzhou Factory for ceramics for semiconductor production. Demand for ceramics for probe cards will increase.
- CVD-SiC: Improving the capacity of the Okayama Factory, in response to requests for increase in production from clients

#### [Cleaning Business]

- Healthy expansion of demand, capacity enhancement and establishment of the Guangzhou Factory

## Transition of sales

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



## Overview of this segment

+40.4% YOY, expansion in sales like in the previous term  
 Projecting considerable increase in sales and profit of power semiconductor substrates

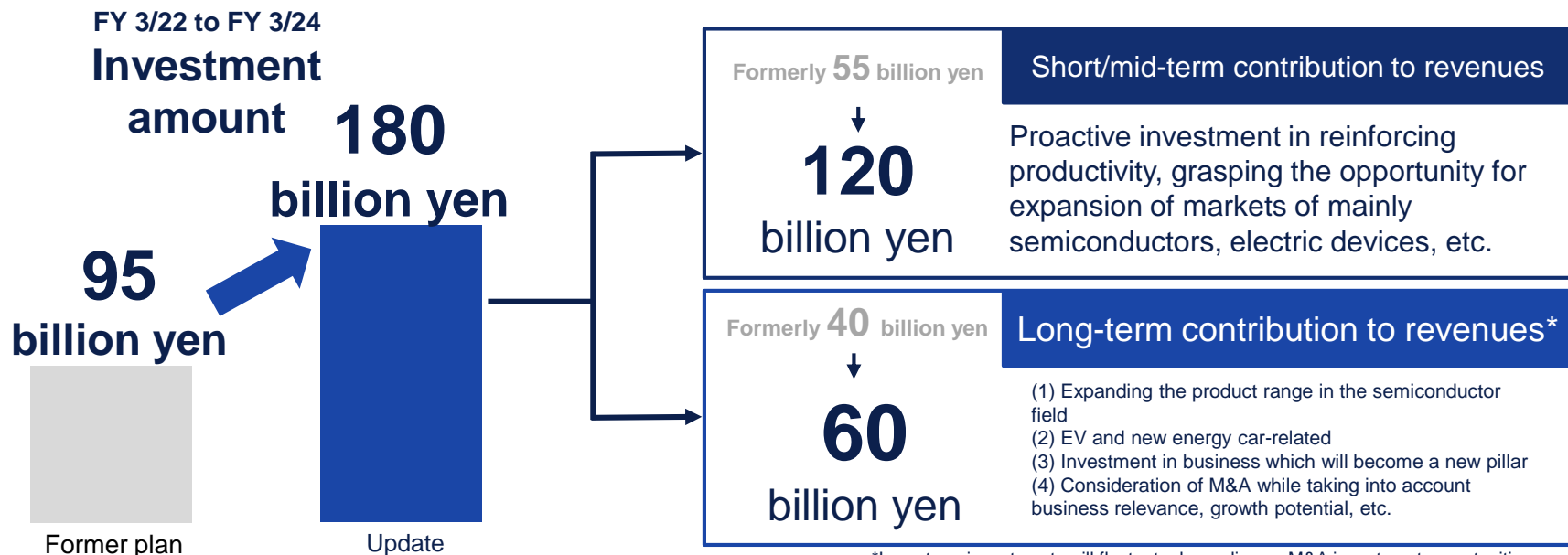
### [Thermo-electric modules]

- +10% YOY, healthy demand for modules for 5G communication devices, the medical field such as PCR testing machines and the home appliance field

### [Power semiconductor substrates]

- Growing demand for DCB substrates for industrial equipment/consumer goods was met by our enhanced production capacity, resulting in the growth of sales.
- Establishing a system for the mass production of AMB substrates for motor vehicles and EVs, seeing the progress also in acquiring client certification, and projecting rapid sales expansion and contribution to the performance.
- +102% YOY increase

- Increasing the total investment amount in 3 years from 95 billion yen to 180 billion yen (including the funds for M&A)
- Forging ahead with proactive strategical investment not only for short-term and mid-term growth, but also for long-term growth in order to ensure potential for sustainable growth while grasping demand in the rapidly growing market



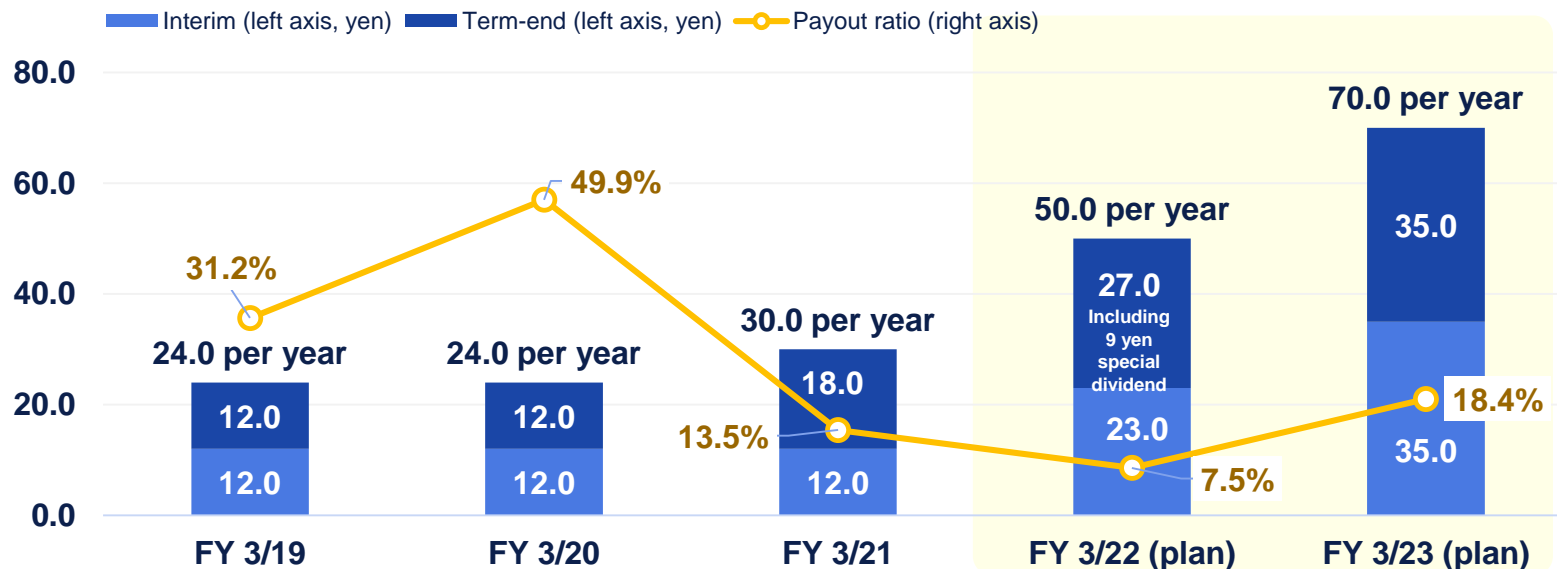
\*Long-term investments will fluctuate depending on M&A investment opportunities.

\*Consideration with the goal of ROIC above 5% within 3 years

# Return to Shareholders (Dividend)

- Basic policy of increasing return to shareholders based on sustainable growth of revenues remains unchanged, but decisions about dividends will be made considering balance with financial affairs, investment opportunities, etc., with the aim of achieving a payout ratio of 20%.
- Considering investment scale, annual dividend per share in FY 3/23 is projected to be 70 yen (increase planned for the third consecutive term)

## Variation in dividend per share





# (1) Plan for the 1<sup>st</sup> Half and 2<sup>nd</sup> Half of FY 3/23 by Accounts



(Million yen)	Plan for the 1 <sup>st</sup> half of FY 3/23		Plan for the 2 <sup>nd</sup> half of FY 3/23			
	Amount	Pct. of sales (%)	Amount	Pct. of sales (%)	Difference	Pct. change (%)
Net sales	84,000	100.0	96,000	100.0	12,000	14.3
Gross income	30,635	36.5	35,760	37.2	5,125	16.7
SG&A expenses	16,635	19.8	19,760	20.6	3,125	18.8
Operating income	14,000	16.7	16,000	16.7	2,000	14.3
Ordinary income	13,000	15.5	15,000	15.6	2,000	15.4
Net income	7,800	9.3	9,200	9.6	1,400	17.9

The numerical values are those that have been partially rounded off.

## (2) Plan for the 1<sup>st</sup> Half and 2<sup>nd</sup> Half of FY 3/23 by Product



(Million yen)	Plan for the 1 <sup>st</sup> half of FY 3/23		Plan for the 2 <sup>nd</sup> half of FY 3/23			
	Amount	Pct. of sales (%)	Amount	Pct. of sales (%)	Difference	Pct. change (%)
Semiconductor and other equipment-related	57,947	69.0	65,585	68.3	7,639	13.2
Vacuum feedthroughs	14,526	17.3	17,007	17.7	2,481	17.1
Quartz	12,237	14.6	13,700	14.3	1,463	12.0
Silicon parts	8,406	10.0	9,500	9.9	1,094	13.0
Ceramics	11,114	13.2	11,800	12.3	686	6.2
CVD-SiC	1,976	2.4	2,220	2.3	244	12.3
EB-Gun, LED	2,390	2.8	2,499	2.6	109	4.6
Wafer recycling	190	0.2	609	0.6	419	220.5
Parts cleaning	5,554	6.6	6,700	7.0	1,146	20.6
Quartz crucibles	1,554	1.9	1,552	1.6	-2	-0.1
Electronic device	17,445	20.8	20,492	21.3	3,047	17.5
Thermo-electric module	9,640	11.5	9,714	10.1	74	0.8
Power semiconductor substrates	7,241	8.6	9,901	10.3	2,660	36.7
Ferrofluid, others	564	0.7	877	0.9	313	55.5
Others	8,609	10.2	9,923	10.3	1,315	15.3
<b>Total</b>	<b>84,000</b>	<b>100.0</b>	<b>96,000</b>	<b>100.0</b>	<b>12,000</b>	<b>14.3</b>

Note: Wafer processing is omitted as it is out of the scope of consolidation from this term.

The numerical values are those that have been partially rounded off.

- The forward-looking statements in this document are based on information available as of the date of publication of this document and assumptions concerning uncertain factors affecting future results.
- Actual results may differ materially from these forecasts due to various factors. Such factors include, but are not limited to, COVID-19 situation, international conditions, economic conditions, product supply and demand trends, raw material prices, market conditions, and exchange rates.
- For official forecasts, please refer to the disclosure of financial results based on the Tokyo Stock Exchange Regulations.

<Inquiries>

IR Office: 03-3281-8186