

A background image for the slide showing various industrial components, including what appears to be a large cylindrical part and several smaller bolts or fasteners, all in a metallic finish. The FerroTec logo is overlaid on the left side of this image.

## Ferrotec Corporation

Results for the 1<sup>st</sup> half of the fiscal year ended March 31, 2011

November 22, 2010

(JASDAQ 6890)

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

1. This 1st half results cover six months period from April to September of Ferrotec, and six months period from Jan. to June of consolidated subsidiaries and affiliated companies included in investment profit loss in equity method.
2. These materials were prepared for the purpose of providing information regarding the company's results of operations for the 1<sup>st</sup> half of the fiscal year ending March 31, 2011. These materials were prepared based on information available as of Nov. 22, 2010. 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.

1. First Half of FY March 2011 Financial Results
2. Status by Segment and Outlook
3. Business Strategy
4. Reference Materials



## First Half of FY March 2011 Financial Results

# Financial Highlights



(¥ in millions)	FY March 2010 1 <sup>st</sup> half		FY March 2011 1 <sup>st</sup> half		YoY change	
	Amount	Pct. of sales(%)	Amount	Pct. of sales(%)	Amount	Pct(%)
Net sales	13,423	100.0	23,765	100.0	10,342	77.0
cost of sales	10,100	75.2	16,254	68.4	6,154	60.9
Gross profit	3,323	24.8	7,511	31.6	4,188	126.0
SG&A expenses	3,866	28.8	5,267	22.2	1,401	36.2
Operating profit	△543	—	2,243	9.4	2,786	—
Non-operating income	375	2.8	173	0.7	△202	△53.9
Non-operating expense	337	2.5	524	2.2	187	55.5
Ordinary profit	△504	—	1,893	8.0	2,397	—
Extraordinary income	69	0.5	104	0.4	35	50.7
Extraordinary loss	57	0.4	81	0.3	24	42.1
Net profit	△437	—	1,344	5.7	1,781	—
Capital investment	1,151	—	2,094	—	943	81.9
Depreciation	1,295	—	1,308	—	13	1.0

# Net Sales and Operating Profits by Segment



Net sales (¥ in millions)	FY March 2010 1 <sup>st</sup> half		FY March 2011 1 <sup>st</sup> half		YoY change	
	Amount	Pct. Of Sales(%)	Amount	Pct. Of Sales(%)	Amount	Pct. Of Sales(%)
Equipment-related	5,972	44.5	13,006	54.7	7,034	117.8
Electronic device	1,511	11.3	3,050	12.8	1,539	101.9
Photovoltaic-related	5,038	37.5	6,788	28.6	1,750	34.7
Others	901	6.7	919	3.9	18	2.0
T o t a l	13,423	100.0	23,765	100.0	10,342	77.0

Operating profit (¥ in millions)	FY March 2010 1 <sup>st</sup> half		FY March 2011 1 <sup>st</sup> half		YoY change	
	Amount	Pct. Of Sales(%)	Amount	Pct. Of Sales(%)	Amount	Pct. Of Sales(%)
Equipment-related	△824	-	1,370	10.5	2,194	—
Electronic device	△72	-	411	13.5	483	—
Photovoltaic-related	435	8.6	357	5.3	△78	△3.3 P
Others	△46	-	126	13.7	172	—
Corporate & elimination	△37	-	△22	—	15	—
T o t a l	△543	—	2,243	9.4	2,786	—

# Consolidated Balance Sheet ~Assets~



(¥ in millions)	FY3/10	FY3/11 1H	Difference
<b>Current assets</b>	25,622	<b>29,654</b>	4,032
Cash & deposits	7,345	<b>6,688</b>	△657
Note & accounts receivable	10,129	<b>12,535</b>	2,406
Inventory	5,798	<b>7,802</b>	2,004
<b>Fixed assets</b>	22,341	<b>23,631</b>	1,290
<b>Tangible fixed assets</b>	16,943	<b>17,784</b>	841
Building	5,076	<b>4,989</b>	△87
Equipment & machinery	5,348	<b>6,216</b>	868
Tools, furniture, and fixture	2,570	<b>2,504</b>	△66
Land	2,803	<b>2,792</b>	△11
<b>Intangible fixed assets</b>	2,928	<b>2,766</b>	△162
Goodwill	1,942	<b>1,836</b>	△106
Investments & other assets	2,469	<b>3,080</b>	611
<b>Total assets</b>	47,963	<b>53,286</b>	5,323

## 【Current assets: Main factor of increase】

**Due mainly to increases in receivables and inventories in accordance with higher sales**

Inventory: Vacuum feedthroughs ¥902 million

Quartz ¥1,051 million      Ceramics ¥1,012 million

Silicon crystal growing equipment ¥1,196 million

## 【Tangible fixed assets: Main factor of increase】

**Machinery and equipment: Increased due mainly to photovoltaic-related business**

## 【Intangible fixed assets】

**Amortization of goodwill:**

1st half actual : ¥212million、2nd half plan : ¥212million

## 【Investments & other assets: main factor of increase】

**Transferred receivables, which takes over a year to collect, to investments and other assets.**

# Consolidated Balance Sheet

~Liabilities and  
net worth~



(¥ in millions)	FY3/10	FY3/11 1H	Difference
<b>Current liabilities</b>	19,239	<b>24,270</b>	5,031
Notes and accounts payable	4,988	<b>7,665</b>	2,677
Short-term debt	6,904	<b>8,489</b>	1,585
Current portion of long-term borrowings.	3,199	<b>3,110</b>	△89
<b>Fixed liabilities</b>	6,142	<b>6,320</b>	178
Bond	150	<b>150</b>	0
Long-term debt	5,000	<b>5,167</b>	167
<b>Total liabilities</b>	25,382	<b>30,590</b>	5,208
<b>Total shareholders' equity</b>	22,581	<b>22,695</b>	114
Shareholder's equity	22,976	<b>24,023</b>	1,047
Total adjustment	△846	<b>△1,776</b>	△930
Minority interests	451	<b>448</b>	△3
<b>Total liabilities &amp; shareholder's equity</b>	47,963	<b>53,286</b>	5,323

## 【Current liabilities : Main factor of increase】

Due mainly to increase in notes and accounts payable and short-term debt

## 【Interest-being debt】

Short-term debt + Current portion of long-term borrowings **11,599** (FY3/10 : 10,103)

Long-term debt + bond etc. **5,317** ( **5,150**)

**T o t a l** **16,916** ( **15,253**)

**Net interest-being debt** **10,228** ( **7,908**)

## 【Total shareholder's equity】

Increase in shareholders' equity: Due to increase in retained earnings

Increase in retained earnings: Due to the recording of net income while paying dividends

Increase in valuation and translation adjustments: Due to the recording of -¥800 million in foreign currency translation adjustments

# Consolidated Cash Flow



(¥ in millions)	FY3/10 1H	FY3/11 1H
<b>Cash flow from operating activities</b>	<b>1,720</b>	<b>527</b>
Income before income taxes	△492	1,916
Depreciation	1,295	1,308
Exchange gain & loss (△ : gain)	△166	120
Changes in notes & accounts receivable (△ : increase)	949	△3,909
Changes in inventories (△ : increase)	△422	△2,052
Changes in accounts payable (△ : decrease)	△1,816	2,955
Others	2,372	189
<b>Cash flow from investing activities</b>	<b>△445</b>	<b>△1,124</b>
Payments for purchase of tangible fixed assets	△1,151	△2,094
Proceeds from sales of tangible fixed assets	92	21
Payments for purchase of marketable securities	△25	△8
Proceeds from sales of marketable securities	52	—
Others	587	957
<b>Cash flow from financing activities</b>	<b>2,165</b>	<b>1,457</b>
Changes in short-term borrowing	△808	1,702
Proceeds from long-term debt	2,365	1,838
Payments of long-term debt	△2,249	△1,725
Payments for dividend	△258	△296
Others	3,111	△62
<b>Changes in cash &amp; cash equivalents</b>	<b>3,593</b>	<b>573</b>
<b>Cash and cash equivalents, beginning of year</b>	<b>5,410</b>	<b>5,867</b>
<b>Cash and cash equivalents, end of year</b>	<b>9,003</b>	<b>6,440</b>

## 【Cash flow from operating activities】

Due mainly to increase in accounts receivable associated with sales growth and increase in inventories for the adjustment to respond to increase in orders.

Improve by promoting collection in the future.

## 【Cash flow from investing activities】

Major breakdown of acquired tangible fixed assets : Shanghai subsidiary ¥601million, Hangzhou subsidiary ¥542million,

Others : Due mainly to change in fixed deposit ¥1,207million

## 【Cash flow from financing activities】

Major results of short-term debt : ferrotec ¥650million China subsidiary ¥1,064million

Major results of long-term debt : ferrotec ¥ 1,600million

Major results of repayment of long-term debt ferrotec ¥1,069million China subsidiary ¥523million



# Procured Funds on November 5



Way of raising funds	Funds procured ( ) : Number of residual securities through the issuance
Unsecured convertible bonds with stock acquisition rights through third party allotment	¥ 2,000 million (1,915,708 shares)

Use of proceeds	Estimated amount ( ) : Timing of expenditure
Shanghai Strengthening of wafer manufacturing facilities	¥ 650 million (Dec. 2010~Sept. 2011)
Shanghai Addition of wafer manufacturing factory	¥ 450 million (Feb. 2011~Sept. 2011)
Hangzhou Investment in multi-crystal photovoltaic vessel business	¥ 888 million (Nov. 2010)

Note) ¥12 million is for issuing expenses including attorneys and certified public accountants

Dilution: 7.72% (on voting rights basis)

# Business forecast



(¥ in millions)	FY3/10	FY 3/11	FY3/11	Comparison between each figure and FY 3/11	
		Initial forecast	Revised forecast	Vs. FY3/10(%)	Vs. Initial plan(%)
Net sales	31,541	<b>38,000</b>	<b>46,500</b>	<b>47.4</b>	<b>22.4</b>
Operating profit	703	<b>2,750</b>	<b>4,100</b>	<b>483.2</b>	<b>49.1</b>
Ordinary profit	524	<b>2,330</b>	<b>3,400</b>	<b>548.9</b>	<b>45.9</b>
Net profit	156	<b>1,360</b>	<b>2,300</b>	<b>1,374.4</b>	<b>69.1</b>
Capital investment	2,386	<b>3,000</b>	<b>3,500</b>	<b>46.7</b>	<b>16.7</b>
Depreciation	2,605	<b>2,700</b>	<b>2,700</b>	<b>3.6</b>	<b>-</b>

Note: Exchange rate (FY3/10→FY3/11:assumed rate) : USD ¥93.7→¥82.0 RMB ¥13.3→¥12.2

# Business forecast ~ sales by segment)

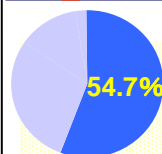
 =business which labeled to "CMS" business until previous period

(¥ in millions)	FY3/10	FY 3/11	FY3/11	Comparison between each figure and FY 3/11	
		Initial forecast	Revised forecast	Vs. FY3/10(%)	Vs. Initial plan(%)
Equipment-related	14,952	19,310	<b>24,353</b>	62.9	26.1
Vacuum Feedthroughs	3,921	5,200	<b>6,702</b>	70.9	28.9
Quartz	3,470	4,120	<b>5,800</b>	67.1	40.8
Ceramics	2,524	3,100	<b>3,500</b>	38.7	12.9
Silicon products	740	740	<b>850</b>	14.9	14.9
EB-Gun, LED	1,167	2,960	<b>3,301</b>	182.9	11.5
Wafer fabrication	3,130	3,190	<b>4,200</b>	34.2	31.7
Electronic device	3,750	3,920	<b>5,870</b>	56.5	49.7
Thermo-electric module	3,407	3,550	<b>5,470</b>	60.6	54.1
Ferrofluid, others	343	370	<b>400</b>	16.6	8.1
Photovoltaic-related	10,579	12,660	<b>15,150</b>	43.2	19.7
Quartz crucibles	1,893	2,100	<b>3,000</b>	58.5	42.9
Solar silicon	1,987	2,310	<b>3,900</b>	96.3	68.8
Si growing Epuip.	6,699	7,510	<b>7,550</b>	12.7	0.5
Others	-	740	<b>700</b>	-	△0.5
Others	2,259	2,110	<b>1,127</b>	△50.1	△46.6
total	<b>31,541</b>	38,000	<b>46,500</b>	47.4	22.4



## Status by Segment and Forecast

# Segment



## Equipment-related

Vacuum feedthroughs



Quartz



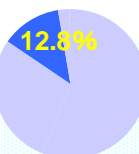
Ceramics



Deposition equipment

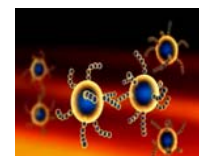
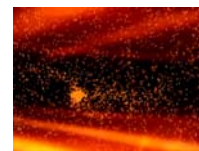


And wafer processing

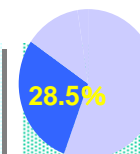
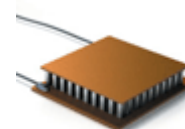


## Electronic device

Ferrofluid



Thermo-electric module



## Photovoltaic-related

Si growing equip.

Single crystal silicon growing furnaces



Multi crystal silicon casting furnaces

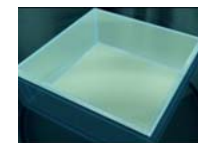


Consumable

Quartz crucible Hot zone



Vessel



PV silicon (Ingot)

Single crystal ingot



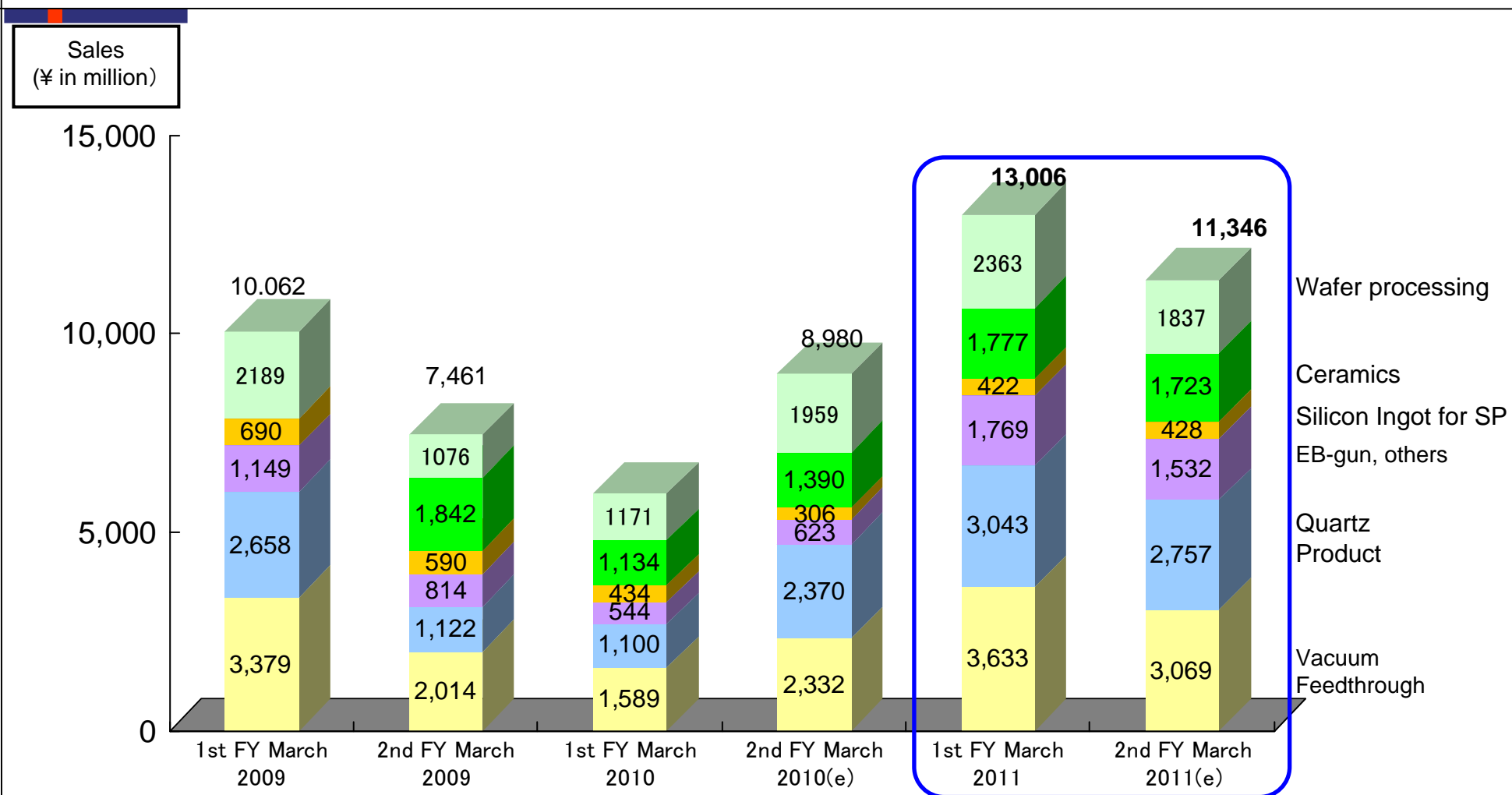
Multi-crystal ingot



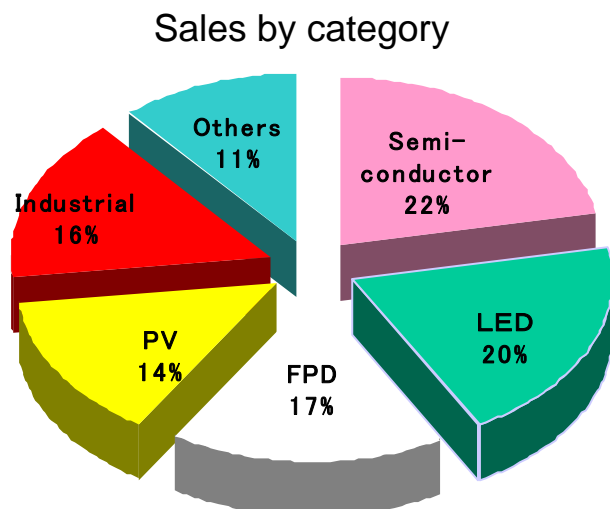
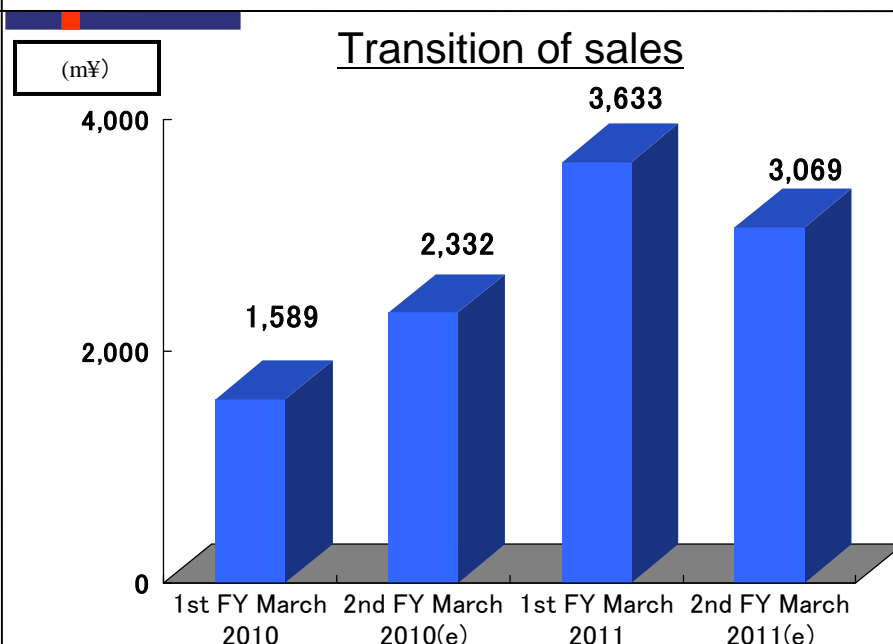
PV wafer



# Equipment-related segment



Note: From FY3/11, regarding "CMS", shifted silicon wafer process to "Equipment-related". Same with FY3/09 and FY3/10.



Industrial: Industrial Vacuum Equipment Others: Aero, Medical, Science etc

## 1. Status of 1<sup>st</sup> half of FY March 2011

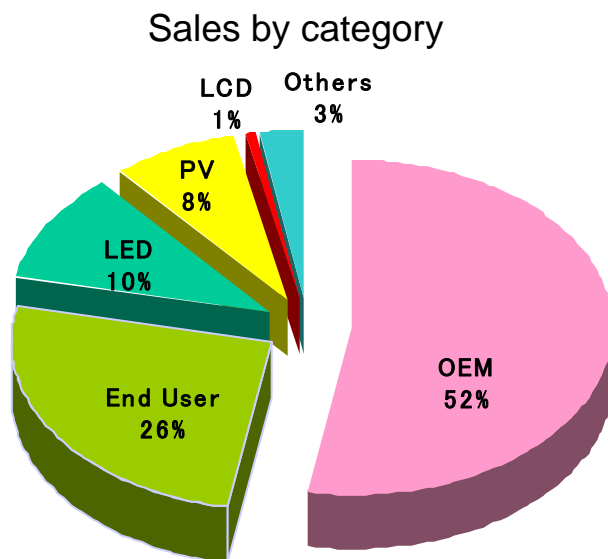
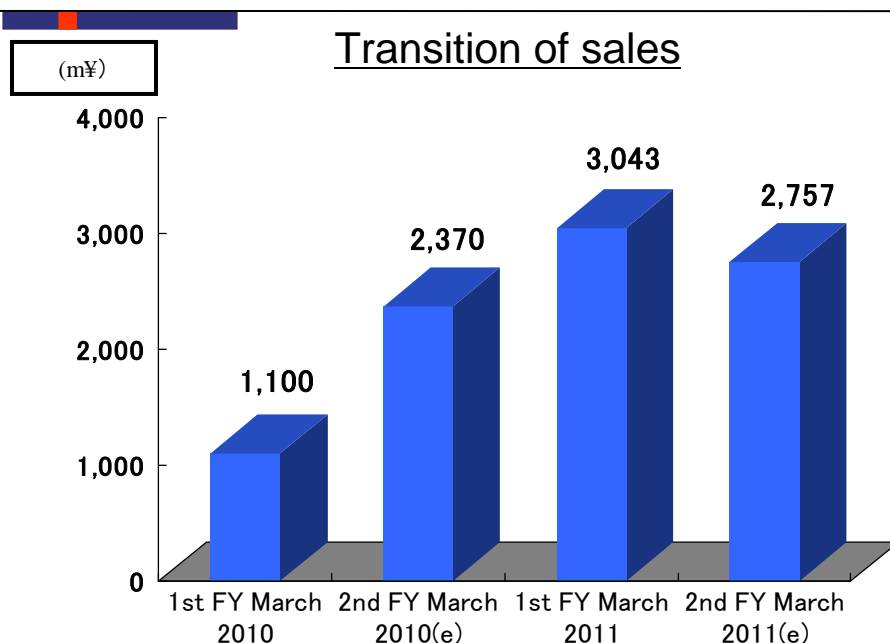
- Asian and the US semiconductor markets were strong due to demand in emerging countries, and domestic market also recovered
- LED market in Europe remained strong. FPD entered the stabilization phase
- PV thin-film equipment gradually increased resulting in higher-than-expected sales

## 2. Outlook for 2<sup>nd</sup> half of FY March 2011

- Asian and the US semiconductor markets to enter stabilization phase
- The overheating of capital investments is expected to cool down
- Expect the LED market to remain strong
- FPD market, after making temporary adjustments, is expected to grow with the approvals for Chinese factories of Korean and Taiwanese companies
- Will also be stable for robot manufacturers

## 《Strategies》

- Now developing marketing of spare parts and sub-assembly products
- Expand assembling areas of Chinese factories and continue with capital investments
- Expansion of facilities to respond to increase in Ferrotec's growing furnace completed



## 1. Status of 1<sup>st</sup> half of FY March 2011

- Taiwan memory market became active leading to more capital investments
- Rapid increase in orders from Asian and domestic users and major OEM customers in the US
- The production couldn't catch up with increasing orders for LED equipment

## 2. Outlook for 2<sup>nd</sup> half of FY March 2011

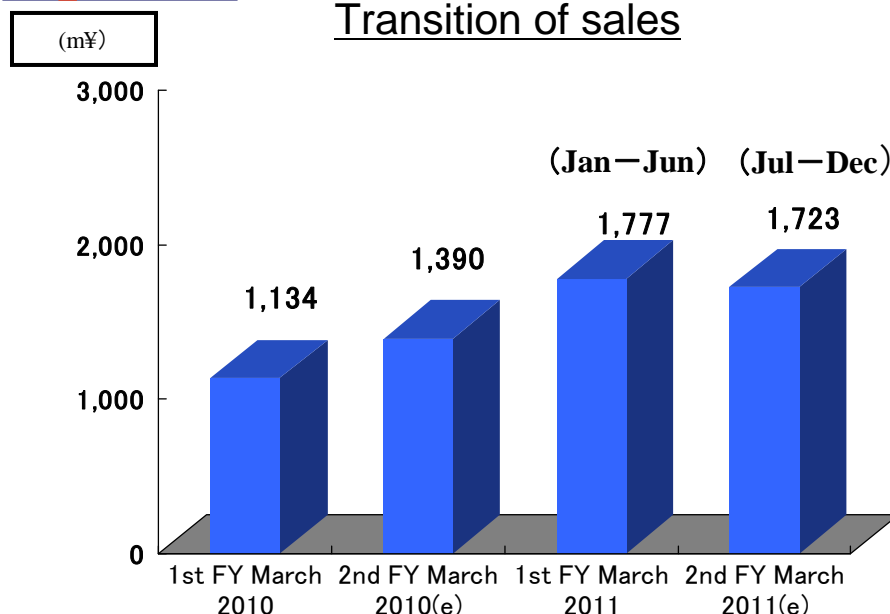
- Continue increasing Taiwan memory manufacturers' production to receive stable orders
- Receive stable orders from Asian and domestic OEM and major OEM customers in the US
- Delivery period of products for MOCVD equipment is the top priority
- Quartz material manufacturers will be in short supply and material costs will increase

## 《Strategies》

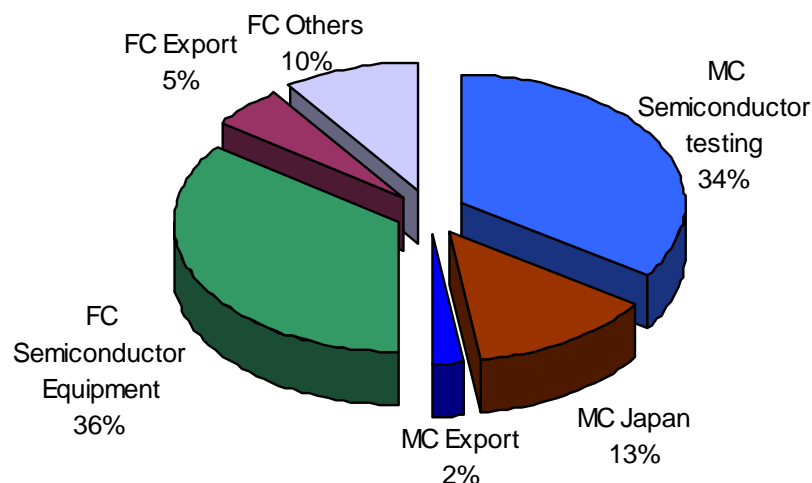
- Attach paramount importance to respond to quick delivery and upgrade production facilities
- Dominate the LED market
- Now making requests for returning the price back due to shortage of material supplies and material price hike



## Transition of sales



## Sales by category



FC(Fine Ceramics)、MC(Machinable Ceramics)

## 1. Status of 1<sup>st</sup> half (Jan-Jun) of FY March 2011

### Machinable Ceramics (Photoveel)

(Mainly for wafer circuit inspection tools)

- For memories (N/Flash): Sharp increase YoY due to change of design
- For logics: Sales mainly for home electronics and in-cars were strong

### Fine Ceramics

- Due to large investments in miniaturization by the Japanese, Taiwanese and Korean semiconductor manufacturers, orders recovered from the beginning of the fiscal year maintaining strong orders and sales from the middle of the quarter

## 2. Outlook for 2<sup>nd</sup> half (Jul-Dec) of FY March 2011

### Machinable Ceramics (Photoveel)

- For memories (N/Flash): In quantities, maintain the same level as in 1H supported by smart-phone products; even stronger demand for lower price
- For logics: Sharp increase in sales due mainly to the expansion of use and upgrading of devices
- Now steadily expanding export outlets to Asia, the US and Europe

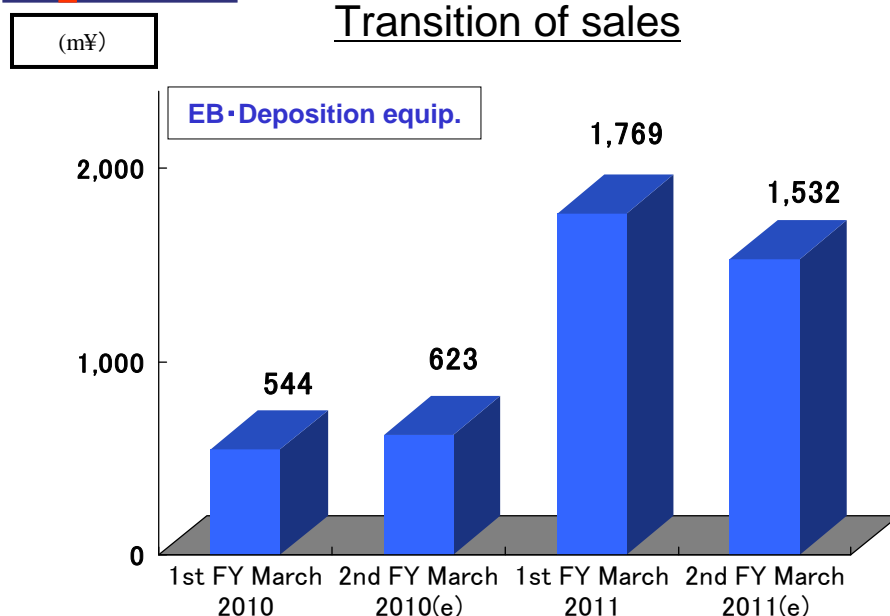
### Fine Ceramics

- Investments in miniaturization will continue and maintain strong orders and sales in Japan and overseas
- Now steadily expanding export outlets to the US and Singapore

## 3. Continued sales policy

- Expand use of wafer circuit inspection tools
- Strengthen new customers and development and marketing of new use in the US and Asian markets
- Strengthening of sales competitiveness due to new material equipment

## Transition of sales



## EB-Gun, Deposition Equipment:

### 1. Status of 1st half of FY March 2011

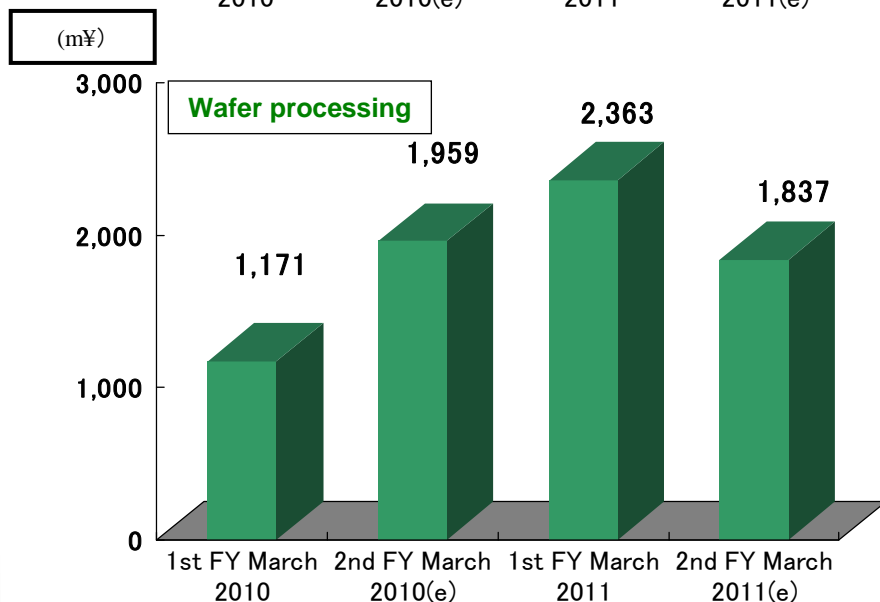
- Deposition equipment for LED was strong (sapphire substrate)

### 2. Outlook for 2nd half of FY March 2011

- Currently considering using thin-film for HDD
- Now testing coating performance with other commercial use

### 《Strategy》

- Expand sales in the Asian market
- Development of general-purpose PVD for the Chinese market



## Wafer processing:

### 1. Status of 1st half of FY March 2011

- Demand for 6 inch EP wafers recovered and sales surged
- Utilization rate of manufacturing equipment improved
- Major overseas manufacturers withdrew from small transactions

### 2. Outlook for 2nd half of FY March 2011

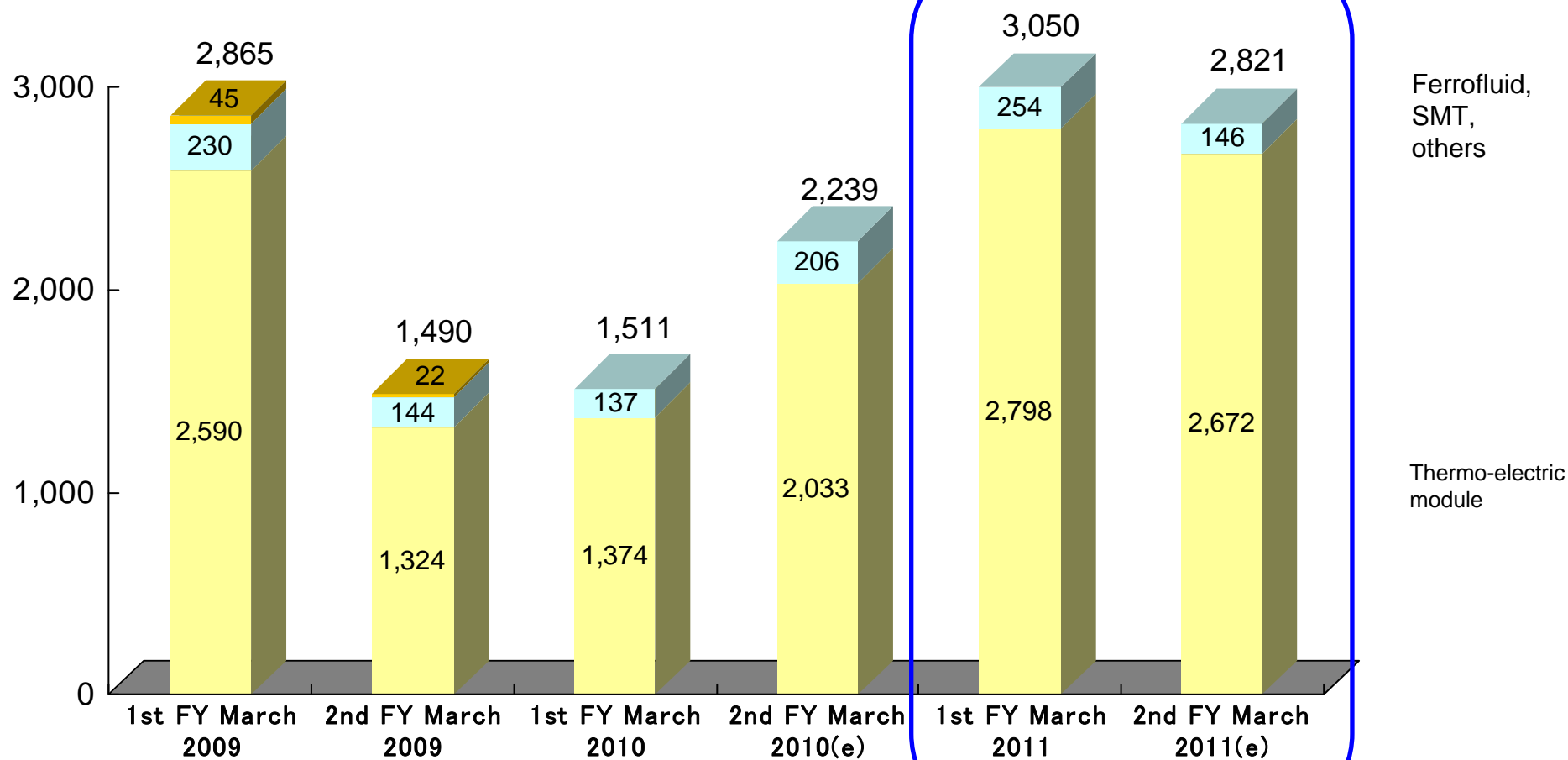
- Build our own brand
- Start manufacture and sales of EP sub-wafer
- Chinese, Taiwanese and the US companies are evaluating

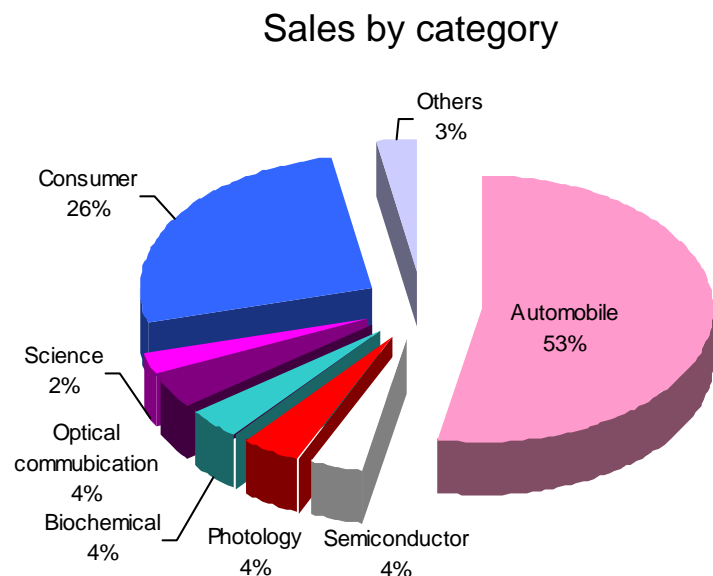
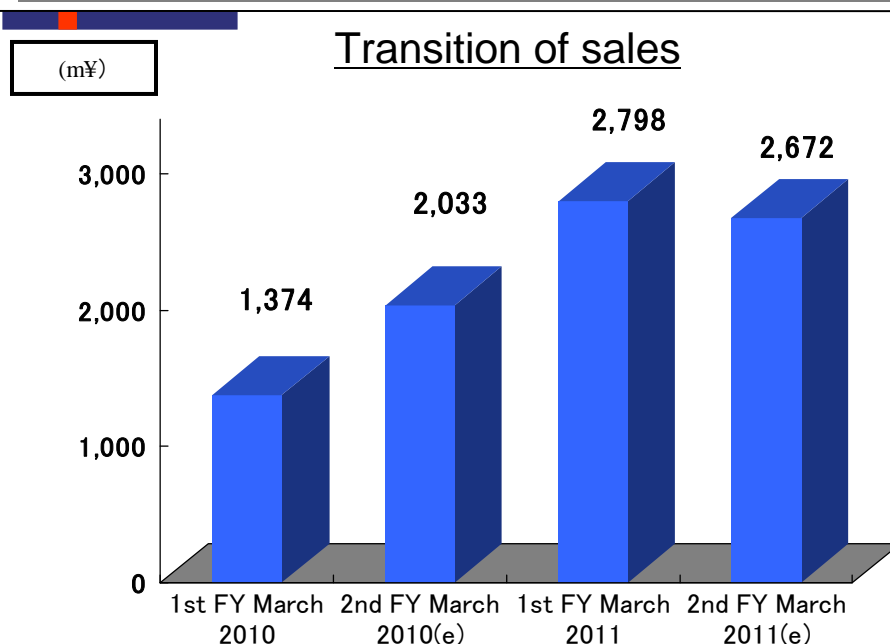
### 《Strategy》

- Technical learning and building of sales channel

## Electronic Device Segment

Sales  
(¥ in million)





## 1. Status of 1<sup>st</sup> half of FY March 2011

### Automobile Seat Application

- Automobile industry recovered due to support from many governments
- Car sales in the US market and Asian market contributed

### Other Application

- Use in semiconductors recovered
- Growth in sales due to seasonal consumer products and use in optics and biotech

## 2. Outlook for 2<sup>nd</sup> half of FY March 2011

### Automobile Seat Application

- Expects inventory adjustments in 2H due to the termination of government support

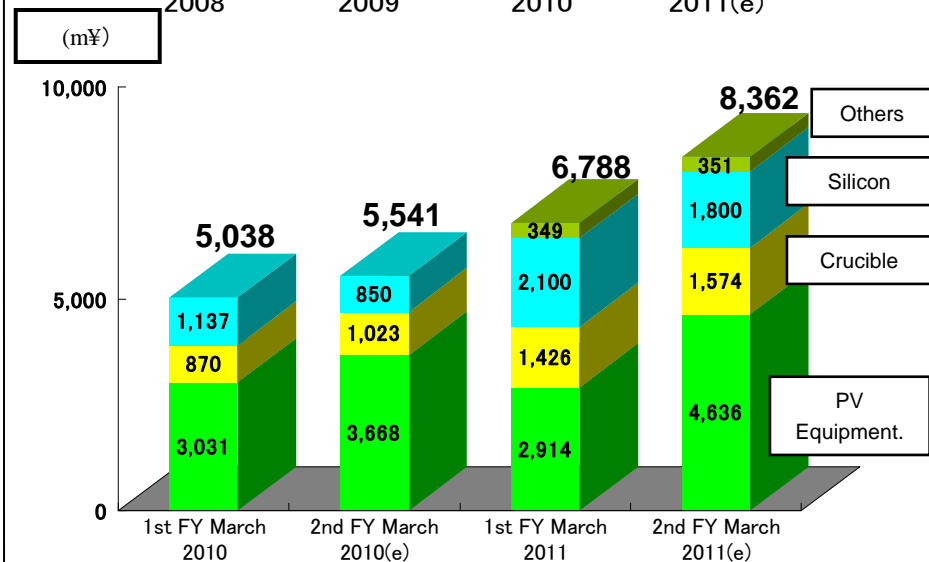
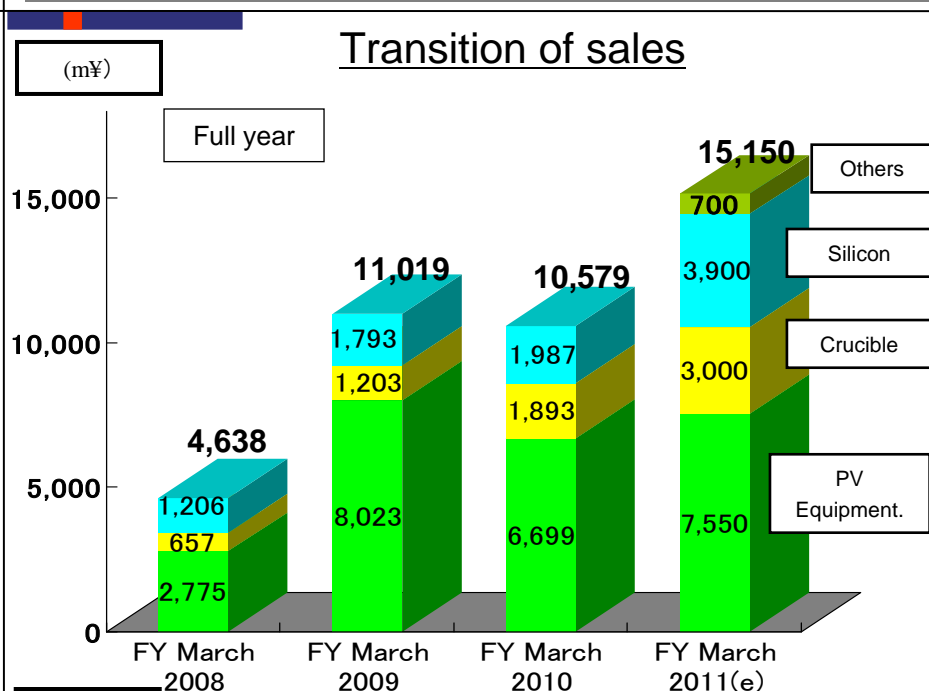
### Other Application

- Sales for use in semiconductor, medical inspection and biotech equipment will remain strong
- Expects a slight decrease due to the termination of seasonal consumer products
- Customers now evaluating new products for optical communications

## 《Strategies》

- Expand automotive line
- Respond to the expansion of optical communications market
- Developed weight-loss products of rare metal tellurium and now evaluating
- Expand sales of power device DBC substrate

## Transition of sales



## 1. Status of 1<sup>st</sup> half of FY March 2011

### Silicon Ingot Manufacturing Equipment

- Shipments down YoY but a rapid recovery of orders
- Orders from existing customers and new customers increased

### Single Crystal Si Ingot for Solar Application

- Sales of crystals were strong due to increase in demand in the PV market
- Began PV wafer production; now on sale

### Quartz Crucible

- Continued capital investments and enhanced supplying capacity due to strong orders
- Evaluated by Chinese customers resulting in strong orders

## 2. Outlook for 2<sup>nd</sup> half of FY March 2011

### Silicon Ingot Manufacturing Equipment

- Secure shipments by making up for the lack of workers with workers from other section
- Good progress of shipments will contribute to the performance; orders will also be strong

### Single Crystal Si Ingot for Solar Application

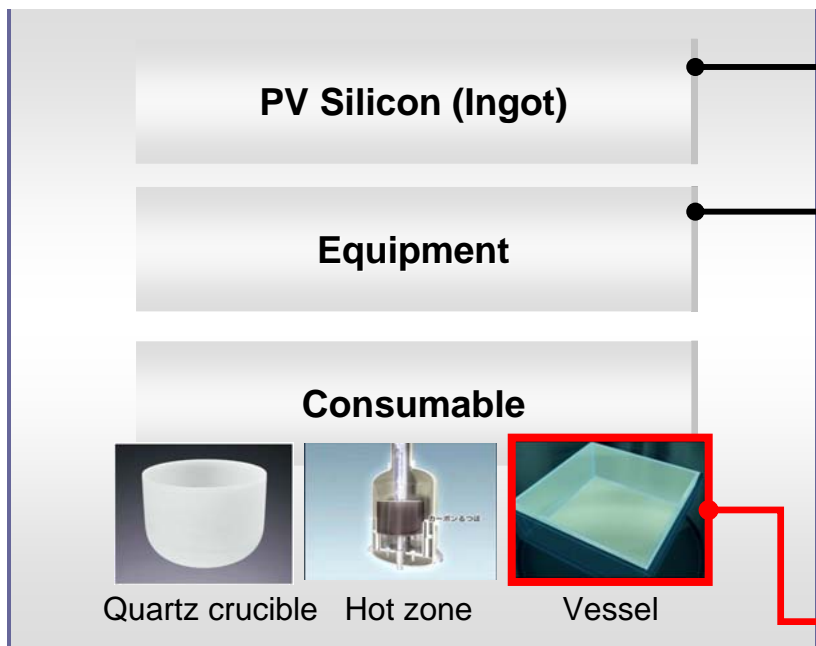
- Start full-scale sales of PV wafers
- Make capital investments by procuring funds

### Quartz Crucible

- Continue to make capital investments to solve the supplying capacity shortage
- Now preparing for the US factory operation

## Photovoltaic-related Segment ~further expansion~

### — Segment in Ferrotec's photovoltaic-related —



→ Increase sales by enlarging the product line-up to match customer needs even more closely

→ Continue to upgrade sales activities while focusing on developing and selling peripheral equipment

Block Cutting



Testing



Established joint venture in China (using alliance with Covalent Materials)

Start mass production quickly = Start full-scale sales of products

### — Start high-volume production of silicon wafers —

Growing

Block cutting

Testing

Supply

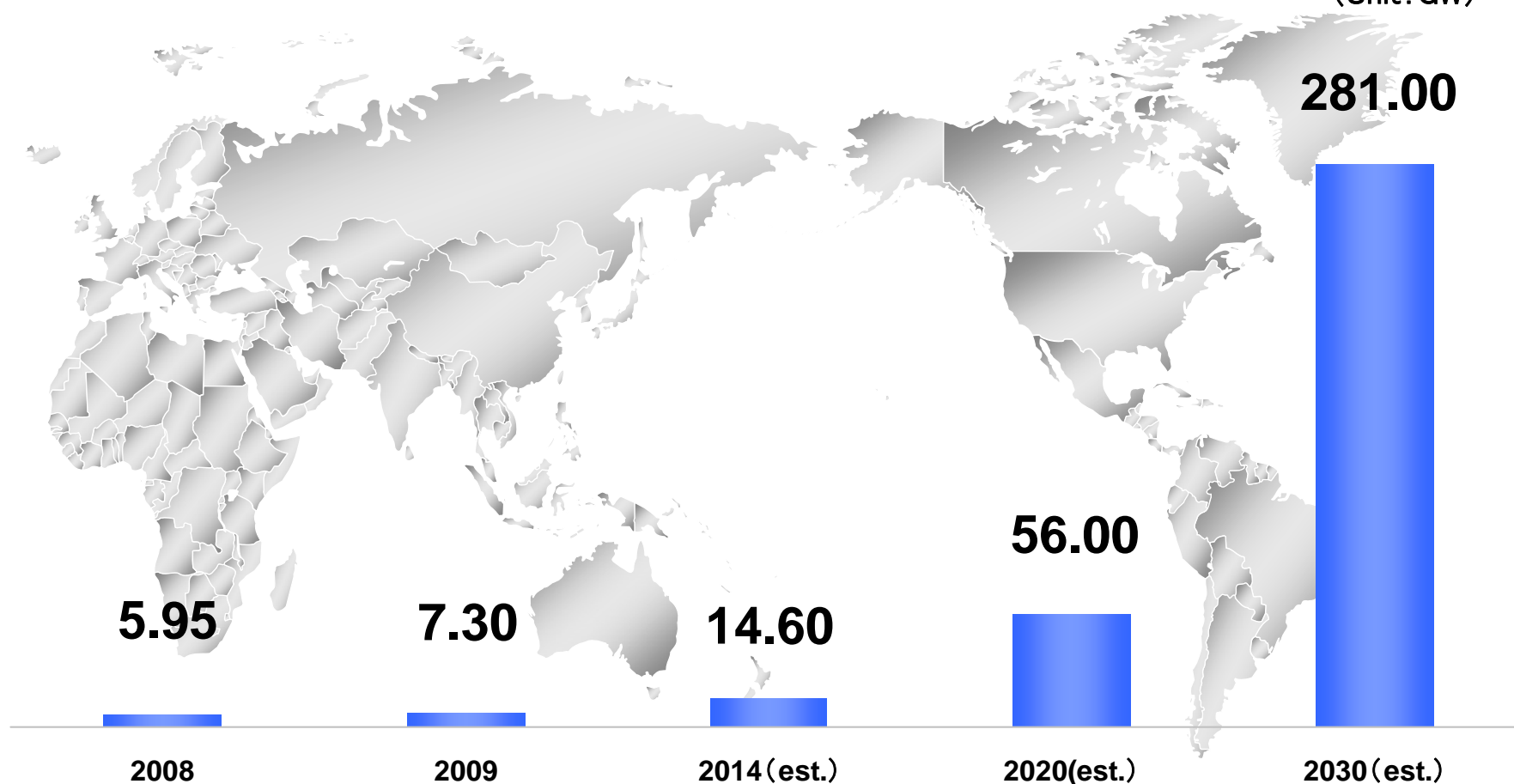


**Ferrotec's fully integrated production capability results in significant cost reductions!**

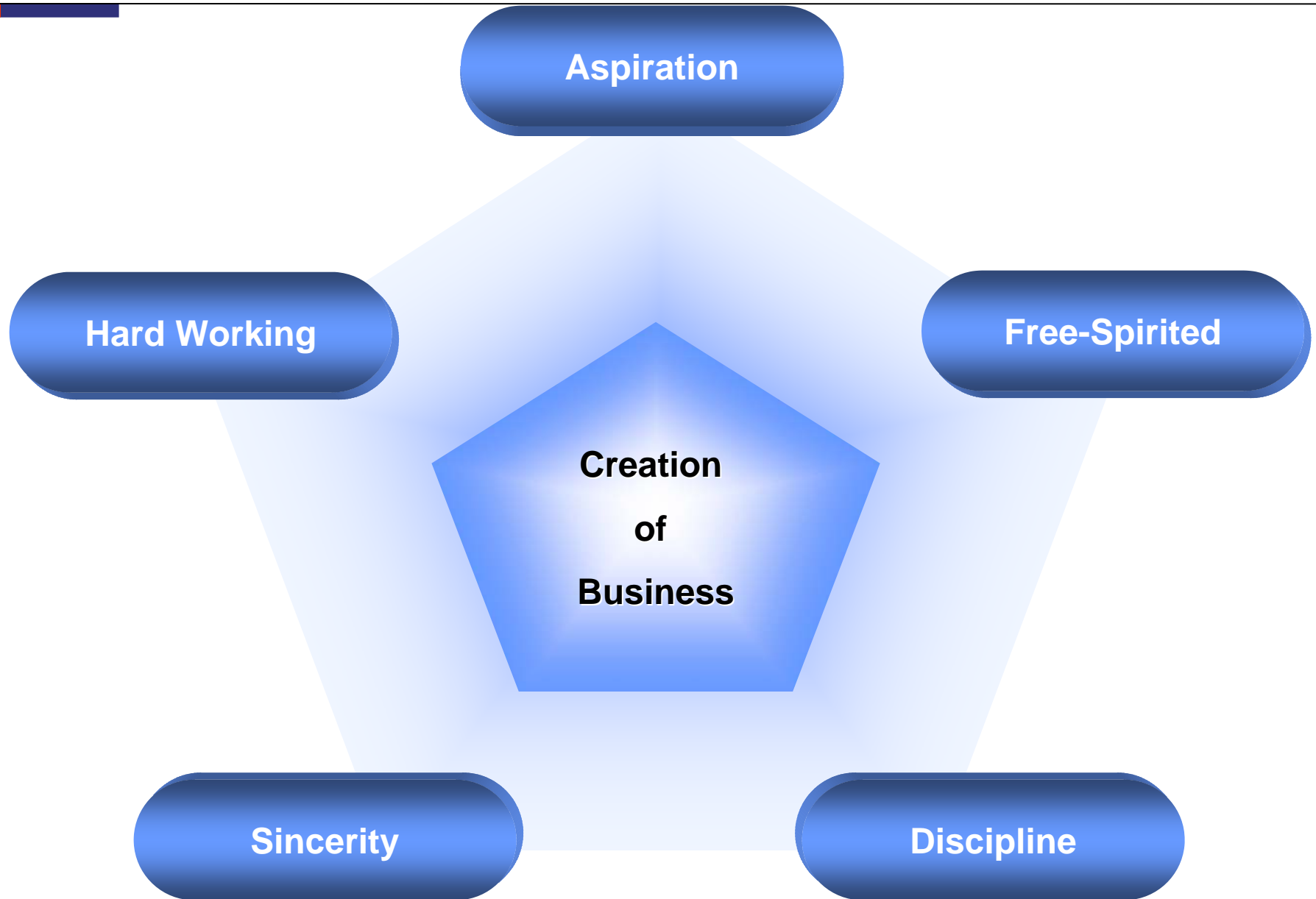
## Forecast growth and expansion in the manufacturing equipment market and silicon production volume according to the expansion of PV market

### Photovoltaic Market Result until 2009 and Future Forecast

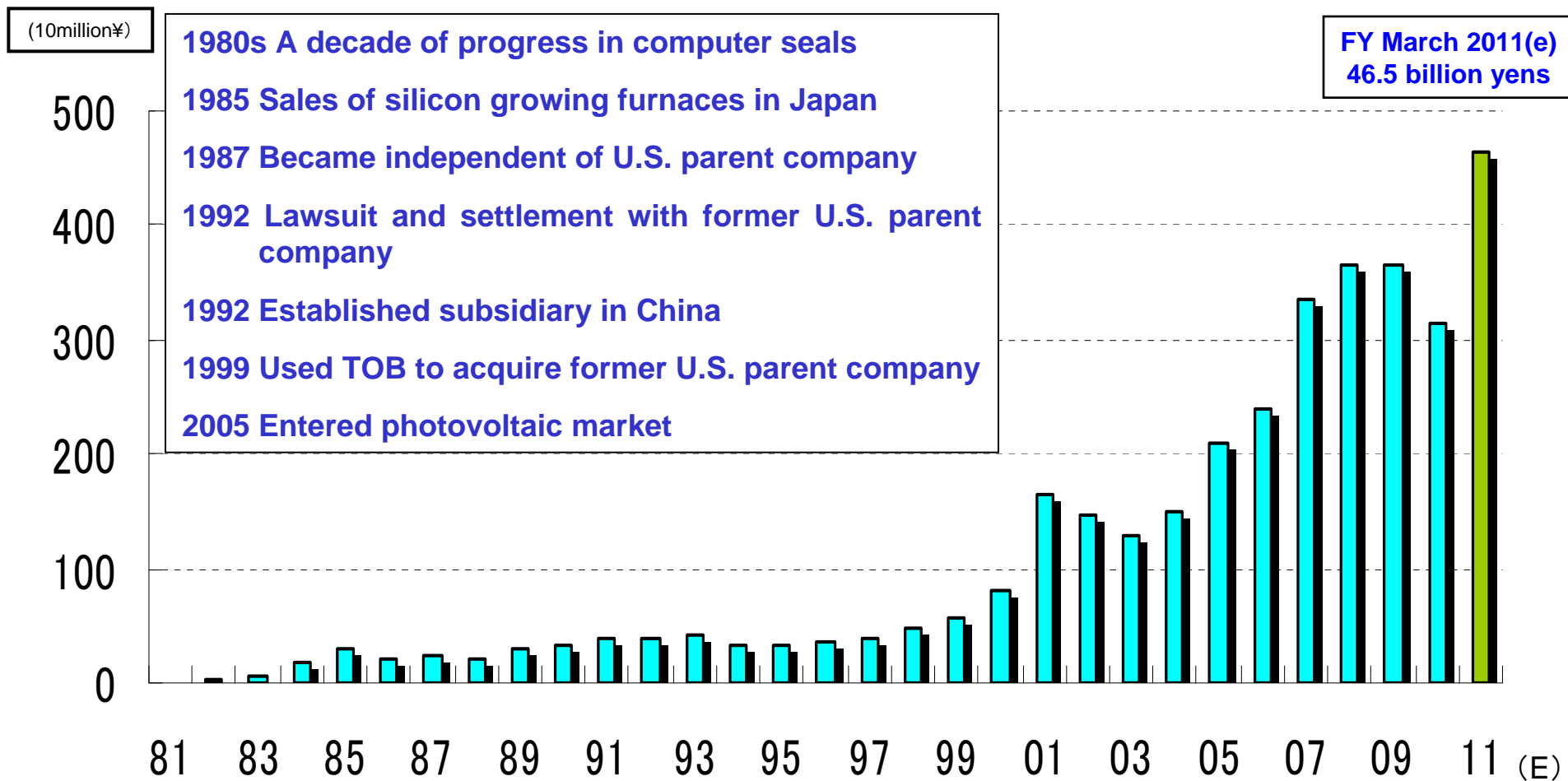
(Unit: GW)

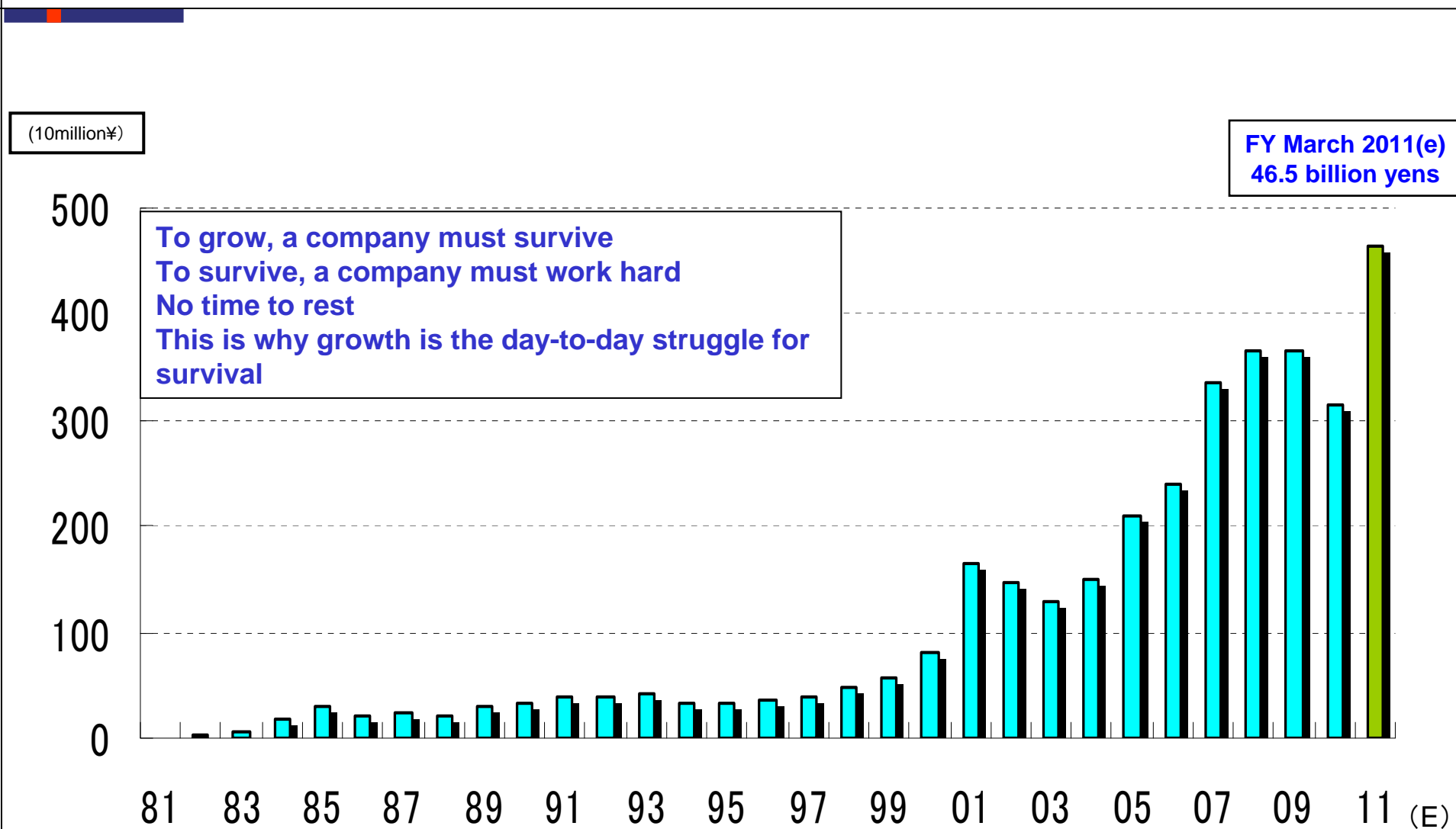


Source: Solarbuzz











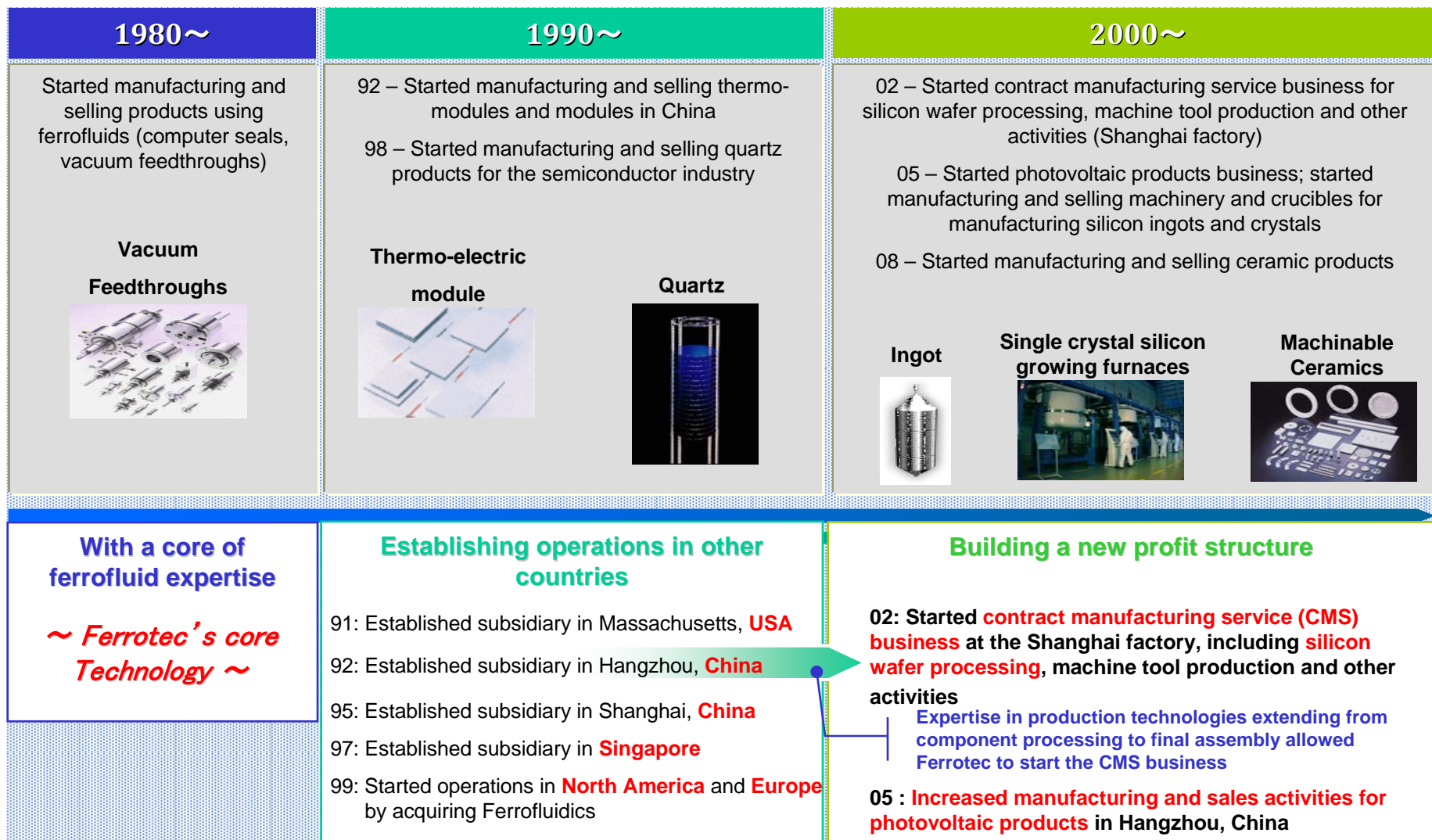


## Reference Materials

# Corporate Data



Corporate Name	Ferrotec Corporation
Date of Foundation	September 27, 1980
A d d r e s s	1-4-14, Kyobashi, Chuo-ku, Tokyo Japan
L i s t e d	JASDAQ (Listed Code: 6890)
P r e s i d e n t	Akira Yamamura
Business Segment	<ul style="list-style-type: none"><li>• Production Device Segment</li><li>• Electronic Device Segment</li><li>• Photovoltaic Segment</li><li>• CMS</li></ul>
C a p i t a l	9,134,329 thousand JPY
Issued Stock	24,897,022
Related Company	【20 Consolidated Subsidiary】 【5 Companies Accounted for by the Equity Method】
E m p l o y e e s	【Consolidated】5,900      【Non-consolidated】203

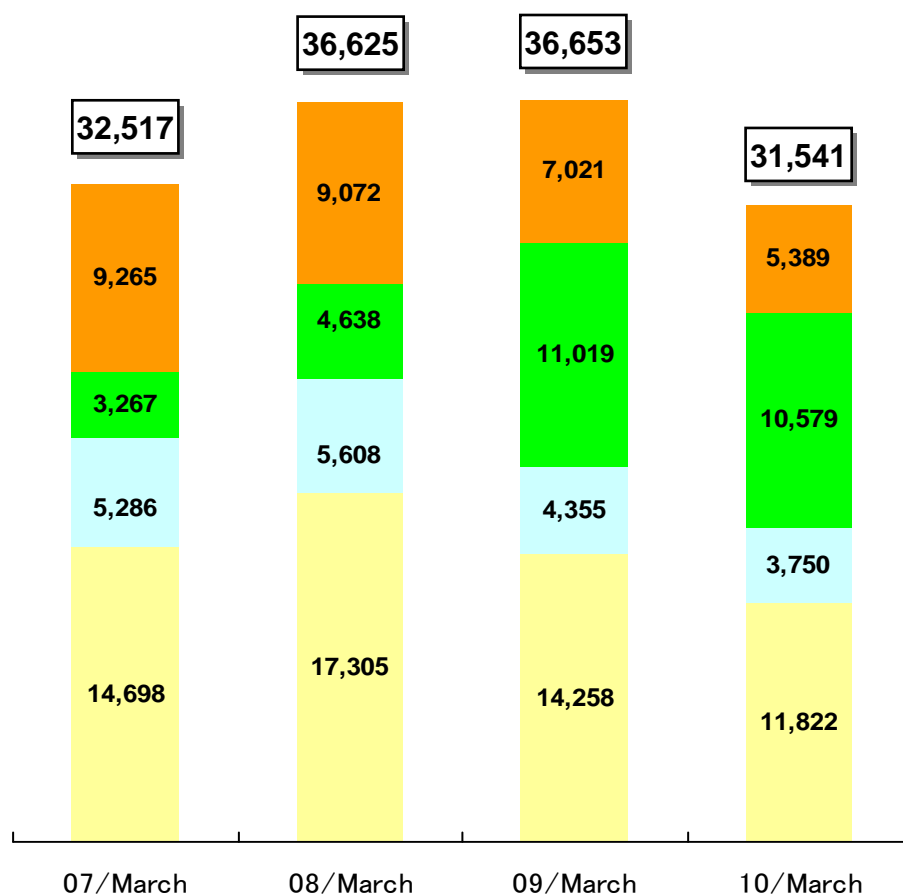


# Sales and Operating profit Trend

## Sales Trend

(¥ in millions)

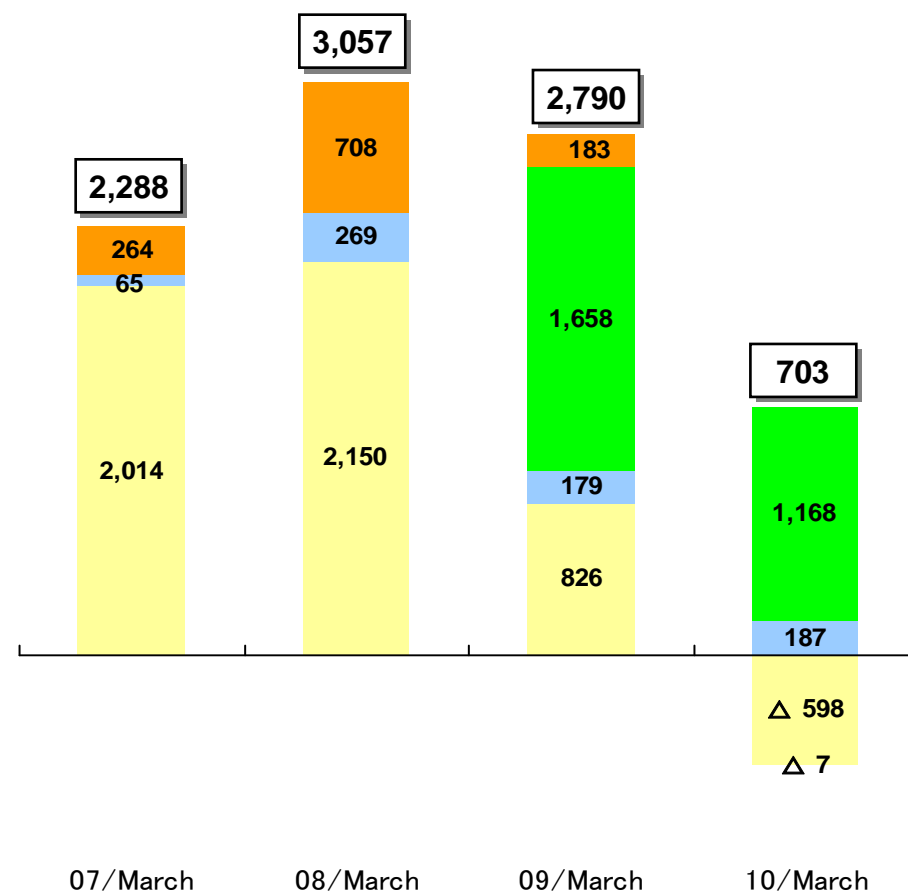
Production Device Electronic Device PV CMS



## Operating Profit Trend

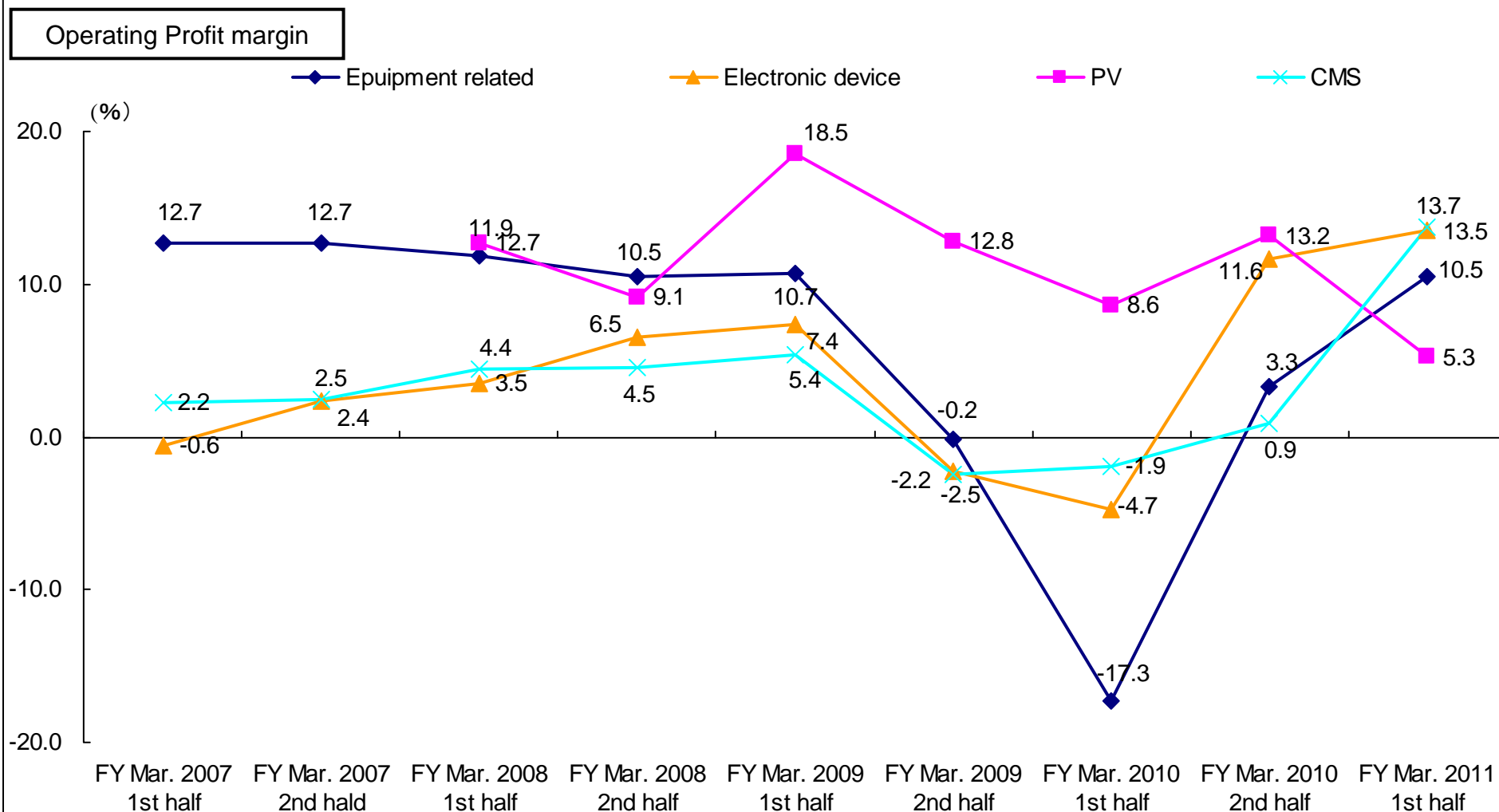
(¥ in millions)

Production Device Electronic Device PV CMS



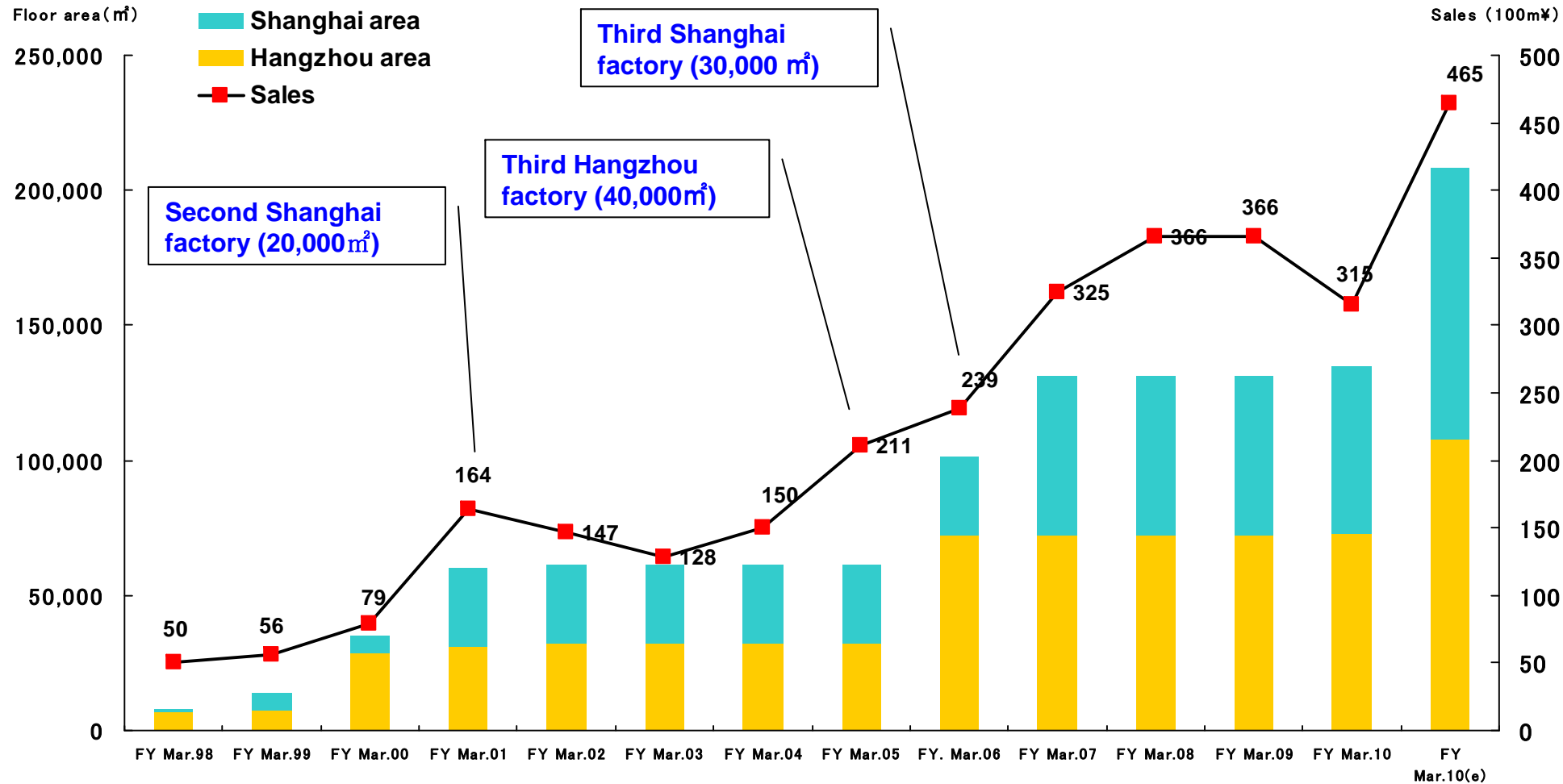
# Operating Margin by Business Segment

From FY3/11, regarding “CMS”, shifted silicon wafer process to “Equipment-related” and the rest is indicated as “Others.”





# Growth in Production Capacity in China



# Strategies for M&A and Alliances



Time	Company acquired/Alliance partner	Description
Sep. 2010	Established a joint venture manufacturing and sales company	Ferrotec, a local subsidiary and Covalent Materials agreed to establish a joint venture "Hangzhou Solartech Co., Ltd." to manufacture and sell vessels and related products.
Jul. 2010	Acquired shares of IMI in the US	Began sales of pure silicon products
April. 2010	Merged with a subsidiary	Merged with Ferrotec Quartz which manufactures and sells quartz products
Jan. 2010	Acquired the Temescal Division of Edwards Vacuum	Acquired the Temescal Division of Edwards Vacuum which is the leading manufacturer and distributor of electron beam-based evaporative coating systems.
July. 2008	Acquired of Sumikin Ceramics. Changed the name of the company.	Acquired 90% of Sumikin Ceramics and Quartz Corporation 's(SCQ) stock after SCQ divests all business excluding the Ceramic business. New company's name is Ferrotec Ceramics.
May.2008	Business cooperation of Wire-Saw and establishment of joint venture for trading Wire-Saw outside Japan with Tokyo Rope Manufacturing Co., Ltd	Tokyo Rope Group and Ferrotec Group agreed to form an alliance to manufacture and establish a joint venture to distribute wire saws in countries other than Japan.
Dec. 2007	Jointly established an assembly sales company in Korea.	Established "CMC Ferrotec" with the local company for the manufacture of solar cell manufacturing equipment.
April. 2007	Established a joint venture Manufacturing Corporation in Korea	Established joint venture corporation Ferrotec Korea Co.Ltd with Korean Company(KSMC Corp) for manufacturing Vacuum Feedthrough.
Nov. 2006	Merger and liquidation	Merged with Ferrotec Precision, which produces Vacuum feedthrough. Liquidated two subsidiaries(Dec.).
Sep. 2006	Established a joint venture in Taiwan	Established Ferrotec Taiwan jointly with a local partner to sell vacuum feedthroughs and offer maintenance services
Dec. 2005	Established a joint venture with LTD Ceramics Inc. (USA)	Established joint venture in China to manufacture ceramics
July 2005	Acquired NORD Co., Ltd.(Russia)	Acquired company that manufactures and sells Peltier (thermoelectric) devices in order to increase share of global market
May 2005	Business alliance with KSM Inc.(Korea)	Alliance for mutual sales of vacuum feedthroughs and products associated with semiconductor manufacturing equipment
Oct. 2004	Acquired trade right from Advanced Fluid Systems(U.K.)	Purchased rights from this company for the European vacuum feedthrough business
July 2004	Exclusive contract with Applied Films(Germany)	Gave this company exclusive rights to purchase Ferrotec vacuum feedthroughs
Oct. 2003	Business and financial alliance with Aliontek	Technology alliance with ALIONTEK CORPORATION, which has technology for the grinding of quartz products, strengthened manufacturing technology for quartz products in China
July 2002	Established a joint venture Diacelltec Corporation with Mitsubishi Cable Industries, Ltd	Established jointly owned company to manufacture and sell lithium-ion batteries and take over the lithium-ion battery business of Mitsubishi Cable
Feb. 2002	Business alliance with Toshiba Ceramics and Mitsui Co. for wafer production by commissioning	Ferrotec silicon wafer production equipment moved to China factory to conduct a CMS business, and manufacturing is outsourced to this factory
Feb. 2002	Acquired control of Ferrotec Silicon through exchange of shares	Group acquires manufacturing technology and operating rights for silicon crystal ingots

# Business forecast



(¥ in millions)	FY3/10	FY3/11 1H	FY3/11 2H (E)		
			Initial forecast	Revised forecast	Vs. Initial plan(%)
Net sales	31,541	23,765	19,220	22,735	18.3
Operating profit	703	2,243	1,360	1,857	36.5
Ordinary profit	524	1,893	1,160	1,507	29.9
Net profit	156	1,344	650	956	44.8
Capital investment	2,386	2,094	906	1,406	500
Depreciation	2,605	1,308	1,392	1,392	—

11/3 通期予想			
Initial forecast	Revised forecast	Vs. FY3/10(%)	Vs. Initial plan(%)
38,000	46,500	47.4	22.4
2,750	4,100	483.2	49.1
2,330	3,400	548.9	45.9
1,360	2,300	1,374.4	69.1
3,000	3,500	46.7	16.7
2,700	2,700	3.6	—

# Sales by Segment (YoY)

 =business which labeled to "CMS" business until previous period

(¥ in millions)	FY3/10 1H		FY3/11 1H		YoY change	
	Amount	Pct. Of Sales(%)	Amount	Pct. Of Sales(%)	Amount	Pct. Of Sales(%)
Equipment-related	5,972	44.5	13,006	54.7	7,034	117.8
Vacuum Feedthroughs	1,589	11.8	3,633	15.3	2,044	128.6
Quartz	1,100	8.2	3,043	12.8	1,943	176.6
Ceramics	1,134	8.4	1,777	7.5	643	56.7
Silicon products	434	3.2	422	1.8	△12	△2.8
EB-Gun, LED	544	4.1	1,769	7.4	1,225	225.2
Wafer fabrication	1,171	8.7	2,363	9.9	1,192	101.8
Electronic device	1,511	11.3	3,050	12.8	1,539	101.9
Thermo-electric module	1,374	10.2	2,798	11.8	1,424	103.6
Ferrofluid, others	137	1.0	254	1.1	79	57.7
Photovoltaic-related	5,038	37.5	6,788	28.6	1,750	34.7
Quartz crucibles	870	6.5	1,426	6.0	5596	63.9
Solar silicon	1,137	8.5	2,100	8.8	963	84.7
Si growing Equip.	3,031	22.6	2,914	12.3	△117	△3.9
Others	-	-	349	1.5	-	-
Others	901	15.4	919	3.9	18	2.0
total	13,423	100.0	23,765	100.0	10,344	77.1

# Business performance ( FY March 2011 1<sup>st</sup> . half plan vs. results )



(¥ in millions )	FY3/11 1H Plan		FY3/11 1H Results			
	Amount	Pct. Of Sales(%)	Amount	Pct. Of Sales(%)	Amount	Pct(%)
Equipment-related	11,070	52.7	13,006	54.7	1,936	17.5
Vacuum Feedthroughs	3,004	14.3	3,633	15.3	629	20.9
Quartz	2,774	13.2	3,043	12.8	269	9.7
Ceramics	1,593	7.6	1,777	7.5	184	11.6
Silicon products	385	1.8	422	1.8	37	9.6
EB-Gun, LED	1,442	6.9	1,769	7.4	327	22.7
Wafer fabrication	1,872	8.9	2,363	9.9	491	26.2
Electronic device	2,636	12.6	3,050	12.8	414	15.7
Thermo-electric module	2,406	11.5	2,798	11.8	392	16.3
Ferrofluid, others	230	1.1	254	1.1	24	10.4
Photovoltaic-related	6,671	31.8	6,788	28.6	117	1.8
Quartz crucibles	1,220	5.8	1,426	6.0	206	16.9
Solar silicon	1,890	9.0	2,100	8.8	210	11.1
Si growing Epuip.	3,252	15.5	2,914	12.3	△338	△10.4
Others	309	1.5	349	1.5	40	12.9
Others	623	3.0	919	3.9	296	47.5
total	21,000	100.0	23,765	100.0	2,765	13.2
Gross profit	6,502	31.0	7,511	31.6	1,009	15.5
SG&A expenses	4,752	22.6	5,267	22.2	515	10.8
Operating profit	1,750	8.3	2,243	9.4	493	28.2
Ordinary profit	1,301	6.2	1,893	8.0	592	45.5
Net profit	830	4.0	1,344	5.7	514	61.9

# Business performance ( FY March 2011 1<sup>st</sup> . half vs. 2<sup>nd</sup>. half )



(¥ in millions )	FY3/11 1H Results		FY3/11 2H (E)			
	Amount	Pct. Of Sales(%)	Amount	Pct. Of Sales(%)	Amount	Pct(%)
Equipment-related	13,006	54.7	11,346	49.9	△1,660	△12.8
Vacuum Feedthroughs	3,633	15.3	3,069	13.5	△564	△15.5
Quartz	3,043	12.8	2,757	12.1	△286	△9.4
Ceramics	1,777	7.5	1,723	7.6	△54	△3.0
Silicon products	422	1.8	428	1.9	6	1.4
EB-Gun, LED	1,769	7.4	1,532	6.7	△237	△13.4
Wafer fabrication	2,363	9.9	1,837	8.1	△526	△22.3
Electronic device	3,050	12.8	2,821	12.4	△229	△7.5
Thermo-electric module	2,798	11.8	2,672	11.8	△126	△4.5
Ferrofluid, others	254	1.1	146	0.6	△108	△42.5
Photovoltaic-related	6,788	28.6	8,362	36.8	1,574	23.2
Quartz crucibles	1,426	6.0	1,574	6.9	148	10.4
Solar silicon	2,100	8.8	1,800	7.9	△300	△14.3
Si growing Epuip.	2,914	12.3	4,636	6.9	1,722	59.0
Others	349	1.5	351	1.5	2	0.6
Others	919	3.9	208	0.9	△711	△77.4
total	23,765	100.0	22,735	100.0	△1,030	△4.3
Gross profit	7,511	31.6	6,641	29.2	△870	△11.6
SG&A expenses	5,267	22.2	4,785	21.0	△482	△9.2
Operating profit	2,243	9.4	1,857	8.2	△386	△17.2
Ordinary profit	1,893	8.0	1,507	6.6	△386	△20.4
Net profit	1,344	5.7	956	4.2	△388	△28.9

# Business performance ( FY March 2010 vs. FY March 2011)



(¥ in millions )	FY3/10		FY3/11 (E)			
	Amount	Pct. Of Sales(%)	Amount	Pct. Of Sales(%)	Amount	Pct(%)
Equipment-related	14,952	47.4	24,353	52.4	9,401	62.9
Vacuum Feedthroughs	3,921	12.4	6,702	14.4	2,781	70.9
Quartz	3,470	11.0	5,800	12.5	2,330	67.1
Ceramics	2,524	8.0	3,500	7.5	976	38.7
Silicon products	740	2.3	850	1.8	110	14.9
EB-Gun, LED	1,167	3.7	3,301	7.1	2,134	182.9
Wafer fabrication	3,130	9.9	4,200	9.0	1,070	34.2
Electronic device	3,750	11.9	5,870	12.6	2,120	56.5
Thermo-electric module	3,407	10.8	5,470	11.8	2,063	60.6
Ferrofluid, others	343	1.1	400	0.9	57	16.6
Photovoltaic-related	10,579	33.5	15,150	32.6	4,571	43.2
Quartz crucibles	1,893	6.0	3,000	6.5	1,107	58.5
Solar silicon	1,987	6.3	3,900	8.4	1,913	96.3
Si growing Epuip.	6,699	21.2	7,550	16.2	851	12.7
Others	–	–	700	1.5	700	–
Others	2,259	7.2	1,127	2.4	△1,132	△50.1
total	31,541	100.0	46,500	100.0	14,959	47.4

Gross profit	8,553	27.1	14,152	30.4	5,599	65.5
SG&A expenses	7,850	24.9	10,052	21.6	2,202	28.1
Operating profit	703	2.2	4,100	8.8	3,397	483.2
Ordinary profit	524	1.7	3,400	7.3	2,876	548.9
Net profit	156	0.5	2,300	4.9	2,144	1,374.4
Capital investment	2,386	7.6	3,500	7.5	1,114	46.7
Depreciation	2,605	8.3	2,700	5.8	95	3.6



# Business performance ( FY March 2011 1<sup>st</sup> . half plan vs. results )



(¥ in millions )	FY3/11 1H Plan		FY3/11 1H Results			
	Amount	Pct. Of Sales(%)	Amount	Pct. Of Sales(%)	Amount	Pct(%)
Equipment-related	8,010	42.7	13,006	54.7	4,996	62.4
Vacuum Feedthroughs	2,610	13.9	3,633	15.3	1,023	39.2
Quartz	2,050	10.9	3,043	12.8	993	48.4
Ceramics	1,500	8.0	1,777	7.5	277	18.5
Silicon products	340	1.8	422	1.8	82	24.1
EB-Gun, LED	1,510	8.0	1,769	7.4	259	17.2
Wafer fabrication	-	-	2,363	9.9	2,363	-
Electronic device	2,330	12.4	3,050	12.8	720	30.9
Thermo-electric module	2,140	11.4	2,798	11.8	658	30.7
Ferrofluid, others	190	1.0	254	1.1	64	33.7
Photovoltaic-related	5,390	28.7	6,788	28.6	1,398	25.9
Quartz crucibles	980	18.2	1,426	6.0	446	45.5
Solar silicon	1,000	5.3	2,100	8.8	1,100	110.0
Si growing Epuip.	3,410	5.2	2,914	12.3	△ 496	△ 15.6
Others	-	-	349	1.5	349	-
Others	3,050	16.2	919	3.9	△2,131	△69.9
total	18,780	100.0	23,765	100.0	4,985	26.5

Gross profit	5,570	29.7	7,511	31.6	1,941	34.8
SG&A expenses	4,180	22.3	5,267	22.2	1,087	26.0
Operating profit	1,390	7.4	2,243	9.4	853	61.4
Ordinary profit	1,170	6.2	1,893	8.0	723	61.8
Net profit	700	3.7	1,344	5.7	644	92.0