



Financial Results for FY2014 Third Quarter Ended December 31, 2013

February 7, 2014

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Notes: 1. In this presentation, "FY2014" refers to the year ended March 31, 2014.
2. The results and forecast presented on these materials are all consolidated basis except as otherwise noted.

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Highlights



FY2014 Q3 (October-December, 2013) Results

- Both sales and profit exceeded the projection due to Devices' volume effect and weak yen.
- Net sales, ordinary income and net income reached a record-high.
 - Industrial Materials: Kept the profitability with steady demand and the effect of fixed cost reduction.
 - Devices:
 - Two factories, Himeji and Kaga, responded to the peak demand for photolithography process.
 - Net sales growth and productivity improvement lead the significant profit increase.
 - Weak demand for game console was within the scope of the assumption.

FY2014 Q4 (January-March, 2014) Forecast

- Sales decline largely QoQ for seasonal factor and profit to be affected.
- H2 demand were front-loaded by early shipment in Q3, before Chinese New Year.
 - Industrial Materials: Demand decline for PC and mobile phone.
 - Devices: Demand for tablet device slow down, and for game console decline largely.
- Aim to achieve the H2 and full-year target with continuous efforts of optimizing fixed costs and reducing variable costs and expenses.

Toward FY2015

- Devices photolithography process remains a driver for the business performance.
- Accelerate the reorganization of business and product portfolios utilizing M&A.

FY2014 Q3 accumulated:

Turned into black by revenue-increase effect of Devices



FY2014 Q3 accumulated (April-December) results

(Millions of Yen)

	FY2013 Q3 Result	FY2014 Q3 Result	YoY
Net Sales	64,367	87,127	+35.4%
Operating Income	-5,033	2,920	Returned to the black
OPM	-7.8%	3.4%	+11.2pt
Ordinary Income	-4,272	6,396	Returned to the black
Net Income	-4,869	5,507	Returned to the black

Net Sales by Business Segment	Industrial Materials	21,172	20,456	-3.4%
	Devices	29,434	53,568	+82.0%
	Information and Communication and Others	13,760	13,101	-4.8%
Operating Income by Business Segment	Industrial Materials	230	38	-83.5%
	Devices	-1,213	6,396	Returned to the black
	Information and Communication and Others	212	-705	—
	Reconciliations	-4,264	-2,808	—

*Based on a new standard, a part of expenses, formerly included in corporate expenses, allocated to each business segment from FY2014.

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FY2014 Q3:

Profit increased significantly led by Devices



FY2014 Q3 (October-December) results

(Millions of Yen)

	FY2013 Q3 Result	FY2014 Q2 Result	FY2014 Q3 Result	YoY (vs. FY2013 Q3)	QoQ (vs. FY2014 Q2)
Net Sales	27,881	31,778	37,845	+35.7%	+19.1%
Operating Income	47	837	5,733	122.0times	6.8times
OPM	0.2%	2.6%	15.1%	+14.9pt	+12.5pt
Ordinary Income	1,598	1,241	7,522	4.7times	6.1times
Net Income	1,451	1,117	7,094	4.9times	6.4times

Net Sales by Business Segment	Industrial Materials	6,269	7,365	7,093	+13.1%	-3.7%
	Devices	16,466	20,144	26,093	+58.5%	+29.5%
	Information and Communication and Others	5,146	4,268	4,659	-9.5%	+9.2%
Operating Income by Business Segment	Industrial Materials	-100	189	316	Returned to the black	+67.2%
	Devices	1,564	1,861	6,611	+322.7%	+255.2%
	Information and Communication and Others	183	-241	-346	—	—
	Reconciliations	-1,602	-972	-848	—	—

*Based on a new standard, a part of expenses, formerly included in corporate expenses, allocated to each business segment from FY2014.

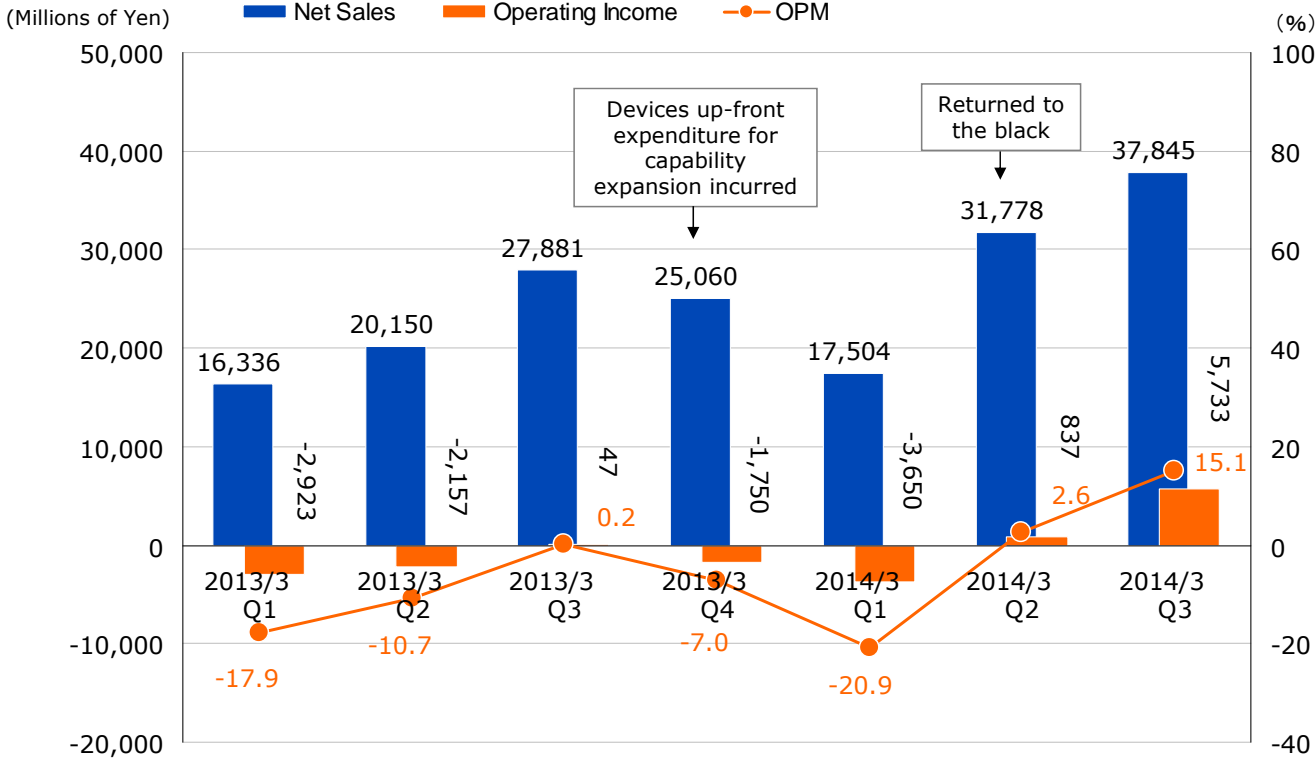
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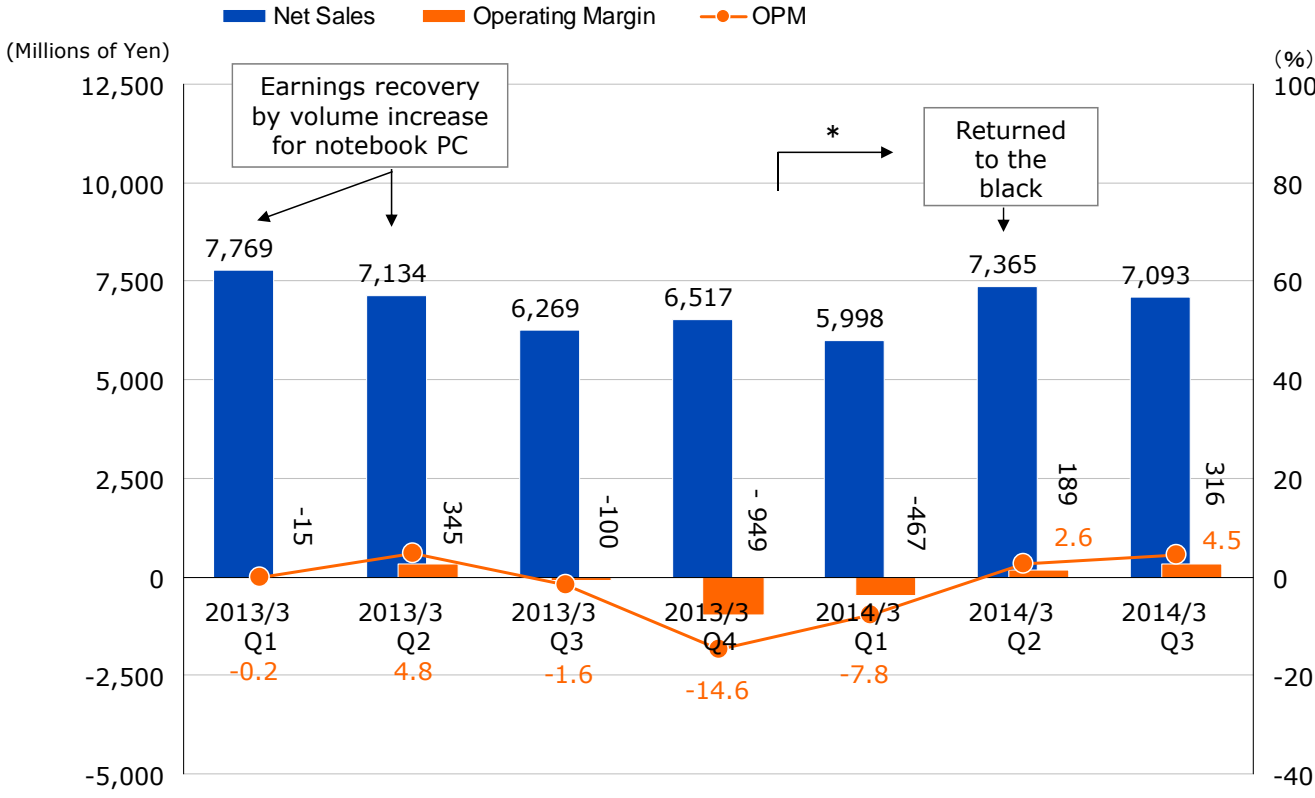
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Quarterly Trend



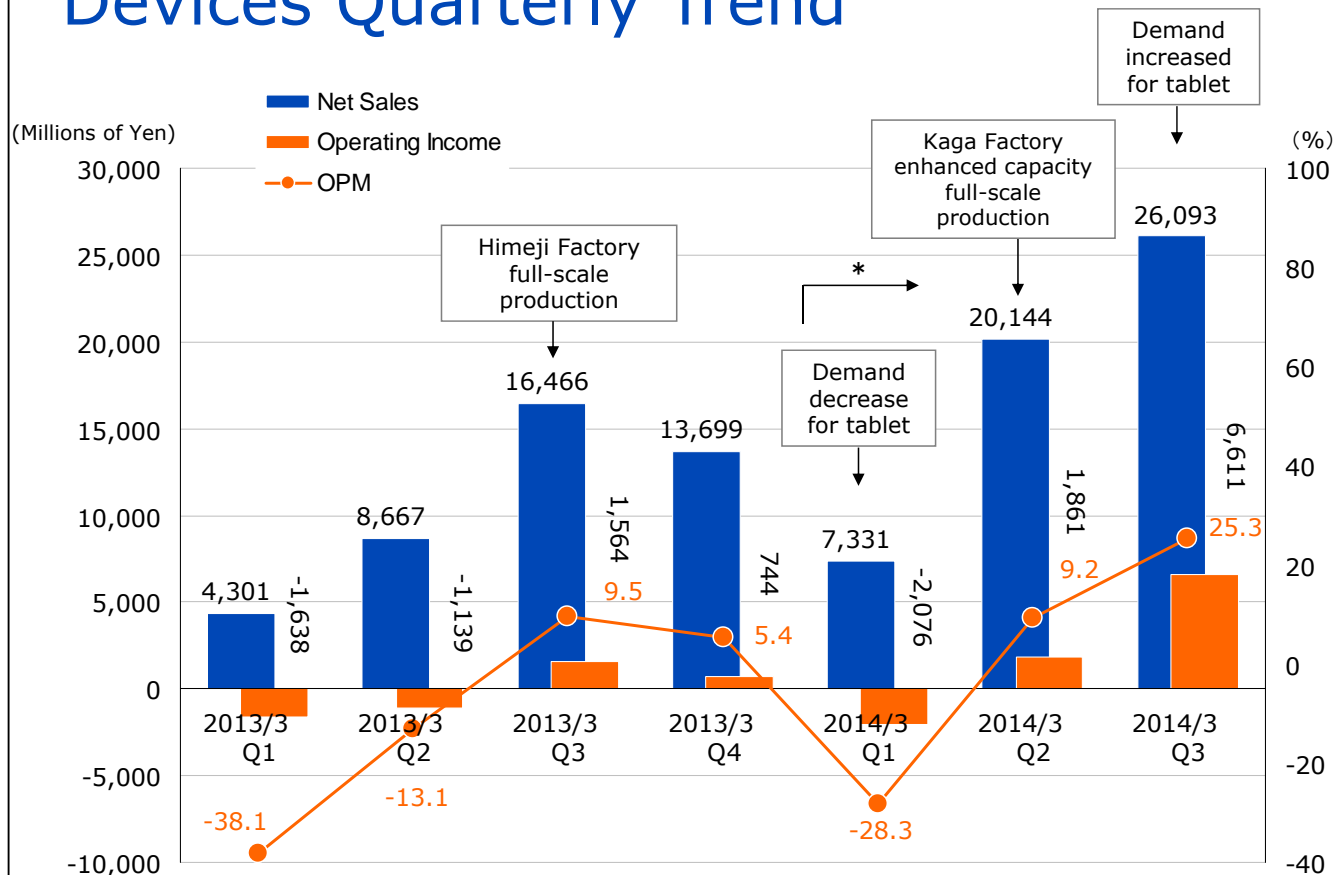
Industrial Materials Quarterly Trend



*Based on a new standard, a part of expenses, formerly included in corporate expenses, allocated to each business segment from FY2014.



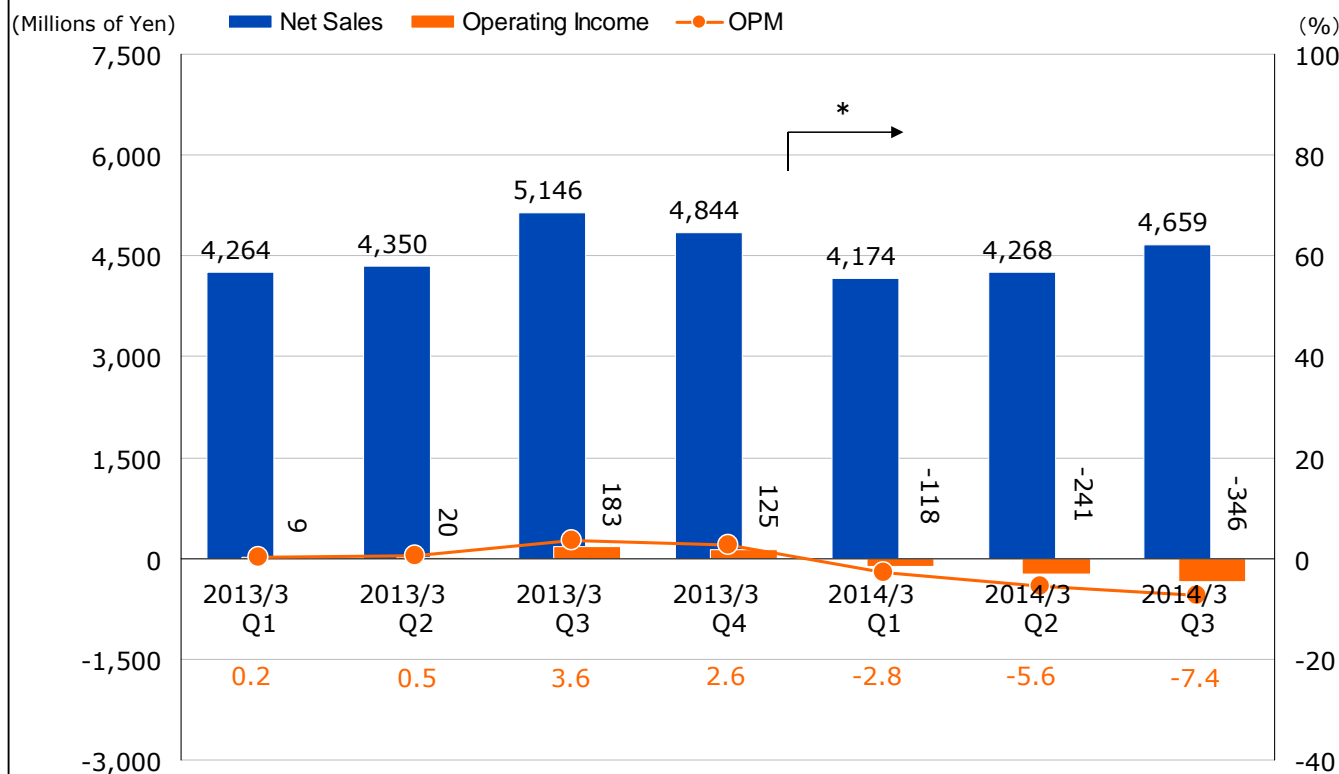
Devices Quarterly Trend



*Based on a new standard, a part of expenses, formerly included in corporate expenses, allocated to each business segment from FY2014.



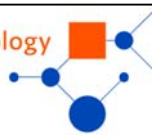
Information and Communication and Others Quarterly Trend



*Based on a new standard, a part of expenses, formerly included in corporate expenses, allocated to each business segment from FY2014.

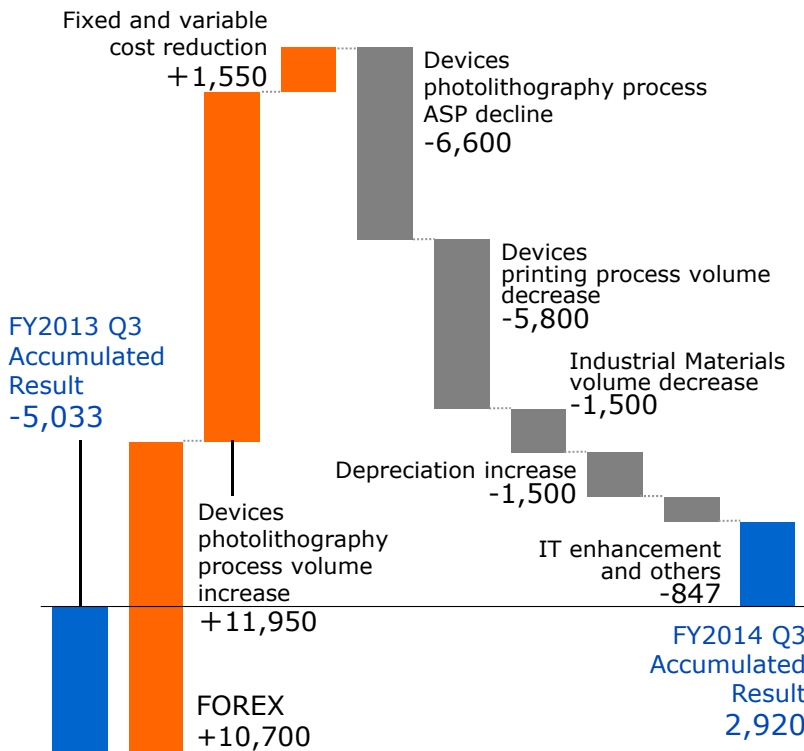


Analysis of OPM

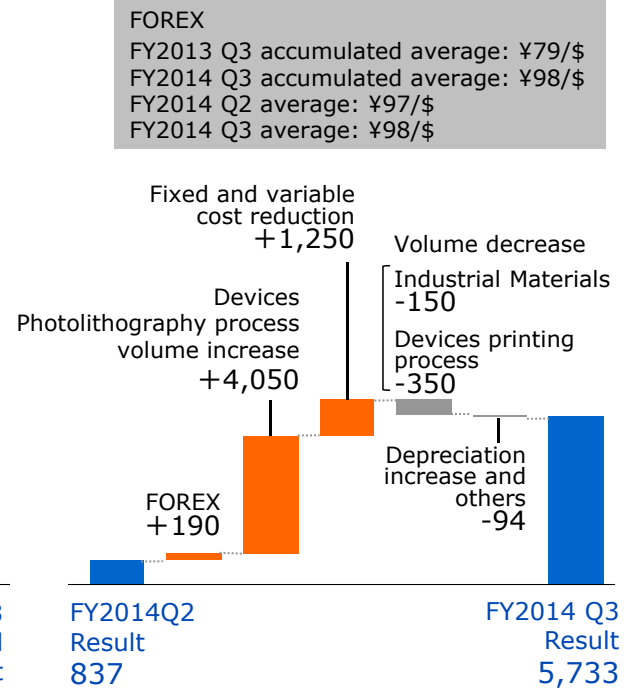


(Millions of Yen)

YoY (FY2013 Q3 accumulated)→FY2014 Q3 accumulated)



QoQ (FY2014 Q2→FY2014 Q3)



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FY2013 Q3 accumulated average: ¥79/\$
 FY2014 Q3 accumulated average: ¥98/\$
 FY2014 Q2 average: ¥97/\$
 FY2014 Q3 average: ¥98/\$



FY2014: Aim for profitability in full-year



FY2014 Forecast

(Millions of Yen)

	FY2013 Result	FY2014 Forecast (revised on Nov. 6)	YoY
Net Sales	89,427	113,000	+26.4%
Operating Income	-6,783	1,000	Return to the black
OPM	-7.6%	0.9%	+8.5pt
Ordinary Income	-4,643	2,500	Return to the black
Net Income	-5,438	1,800	Return to the black
Sales by Business Segment			
Industrial Materials	27,689	26,000	-6.1%
Devices	43,133	68,000	+57.7%
Information and Communication and Others	18,604	19,000	+2.1%





Thank you.

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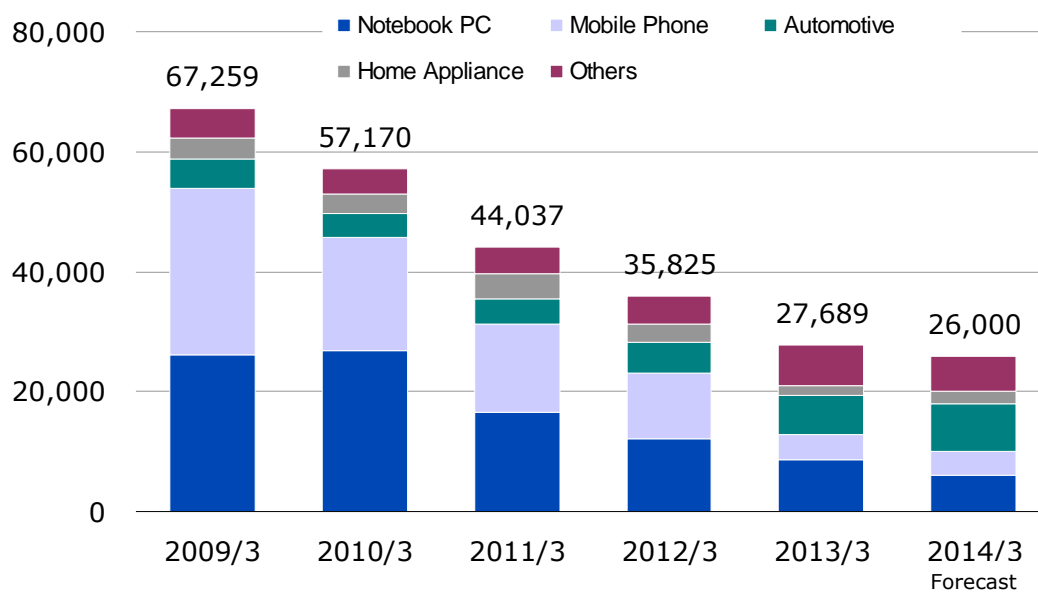
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Appendix (Industrial Materials, released on Nov. 6, 2013)

Sales trend by application

(Millions of Yen)



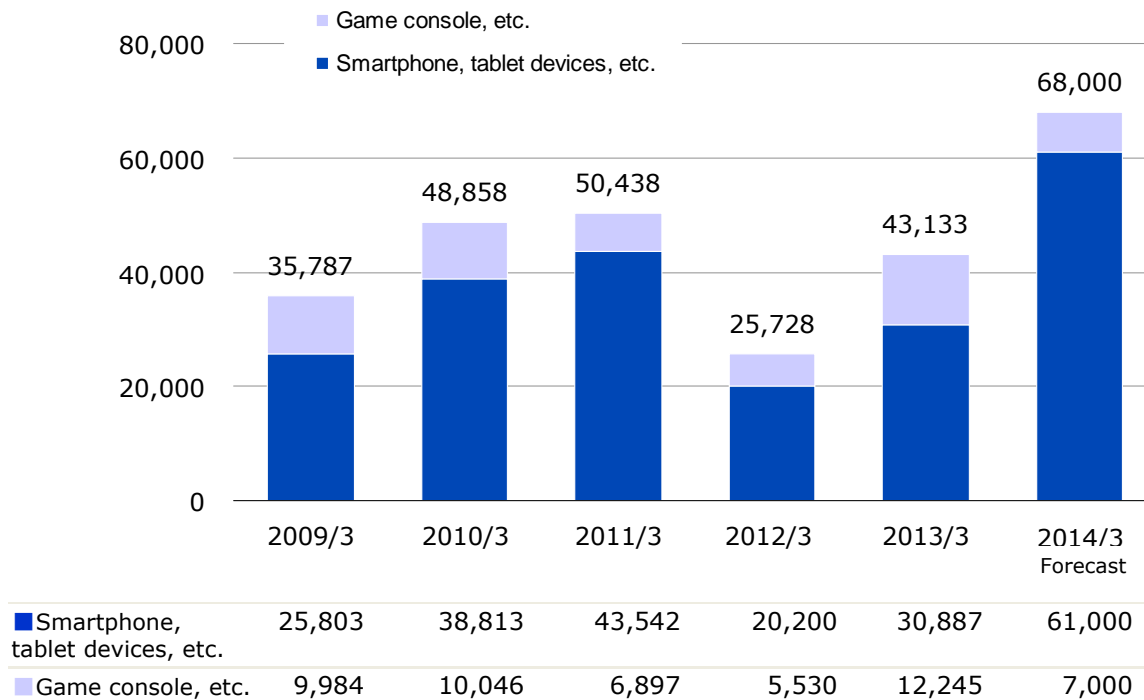
Notebook PC	26,231	26,775	16,542	12,231	8,617	6,000
Mobile Phone	27,606	18,996	14,642	10,838	4,265	4,000
Automotive	4,822	3,938	4,172	5,109	6,571	8,000
Home Appliance	3,532	3,176	4,254	3,025	1,559	2,000
Others	5,068	4,285	4,427	4,624	6,678	6,000



Appendix (Devices, released on Nov. 6, 2013)

Sales trend by application

(Millions of Yen)



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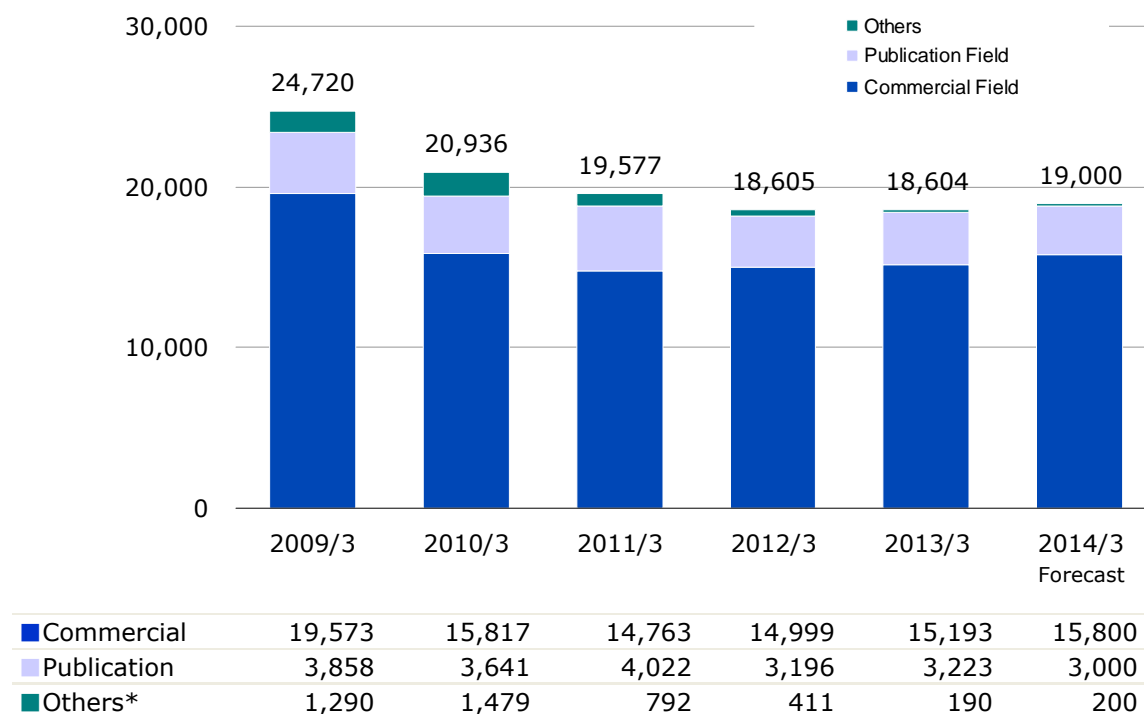
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Appendix (Information and Communication and Others, released on Nov. 6, 2013)

Sales trend by application

(Millions of Yen)



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*Others contains such as real estate and personnel-service businesses that are not included in Information and Communication business.

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