

Medium-term Management Plan "Challenge 14"

MICRONICS JAPAN CO., LTD.

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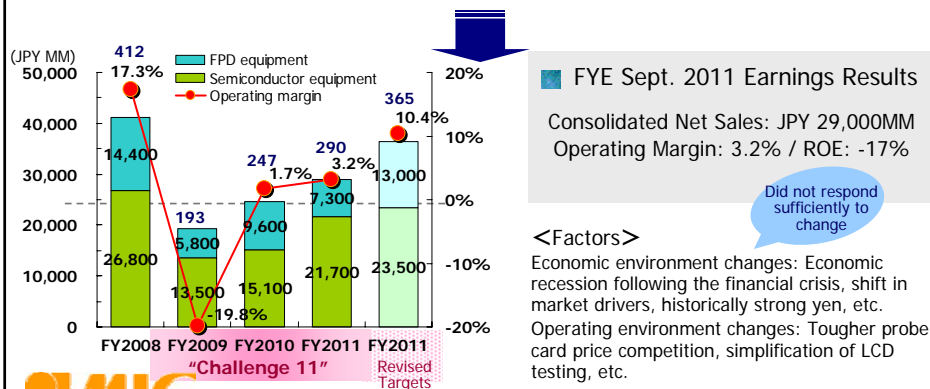
A Look Back at "Challenge 11"

■ Medium-term Management Plan "Challenge 11" (FYE Sept. '09 to FYE Sept. '11)
Targets

Basic Policy: Build foundation for sustainable growth and further progress

(Nov. '08 Initial Targets) Consolidated Net Sales: JPY 60,000MM / Operating Margin: 15%+ / ROE: 15%+

(Nov. '09 Revised Targets) Consolidated Net Sales: JPY 36,500MM / Operating Margin: 10%+ / ROE: 10%+



■ FYE Sept. 2011 Earnings Results

Consolidated Net Sales: JPY 29,000MM
Operating Margin: 3.2% / ROE: -17%

Did not respond sufficiently to change

<Factors>

Economic environment changes: Economic recession following the financial crisis, shift in market drivers, historically strong yen, etc.
Operating environment changes: Tougher probe card price competition, simplification of LCD testing, etc.



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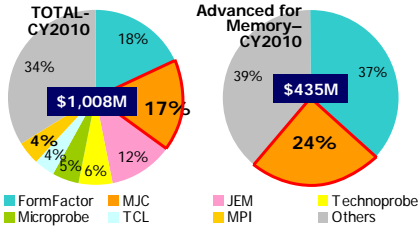
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A Look Back at "Challenge 11"

Probing the Future

Semiconductor Test Equipment Div.

- Maintained large share of the worldwide probe market and raised market share in the memory segment



- Launched products with a competitive edge



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FPD Equipment Div.

- "Post-probe Business" products – Launched products that rationalize production / promote automation and reduced worker headcounts



Integrated cell / module process test equipment

Repair Equip.

- Launched products with a competitive edge



NCP-Prober

- Entered the PV cell equipment market



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Probing the Future

Basic Policy of "Challenge 14"

Change, Challenge, Create



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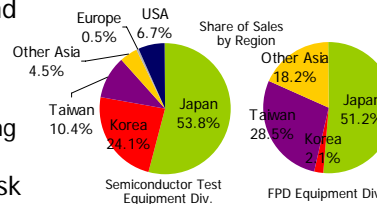
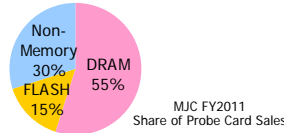
Probing the Future

I. Change

i. Shift to a structure adept at responding to changes in management environment

Build stable management foundation

- Reduce dependence on DRAM
 - Expand sales, customers and share of sales of probe cards for Logic and Flash in growth markets
- Address the decline in the number of Japanese manufacturers, the rise of fabless / fablite companies overseas and exchange rate fluctuations
 - Expand procurement, design, production, sales and service support overseas, and promote a genuine approach to globalizing the Company
- Strengthen management of business risk
 - Enhance management of investments, improve intellectual property strategy, and streamline the decision-making process by improving management and accounting systems



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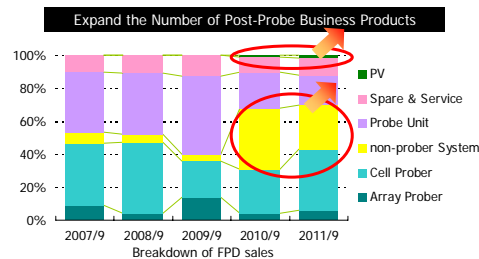
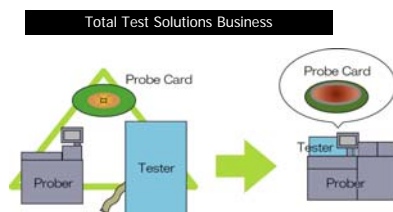
Basic Policy of "Challenge 14"

Probing the Future

ii. Shift to an earnings model suitable for a new operating environment

Develop growth cycle

- Semiconductor Test Equipment Div. to strengthen the Total Test Solutions Business
- FPD Equipment Div. to grow the Post-Probe Business



- Build a new product development cycle through service support that spans from implementation through to use and maintenance.



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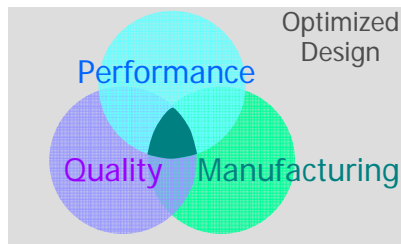
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iii. Shift to a development, manufacturing, and quality assurance structure capable of reducing costs and shortening delivery times

Promote a strong manufacturing foundation

- Build a collaborative structure that maintains quality across the entire supply chain and shortens delivery times
- Promote optimized design that balances performance, quality and manufacturing



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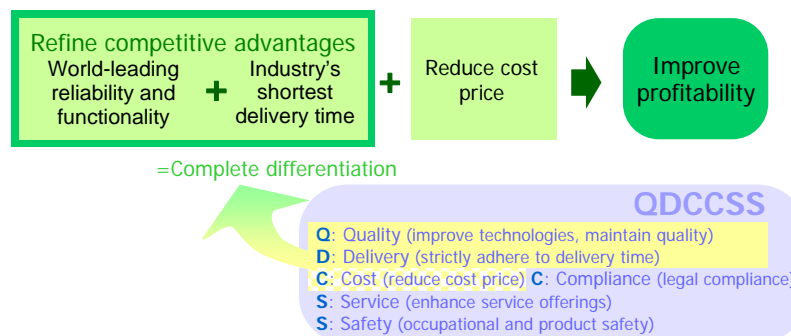
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II. Challenge

i. Existing segments

- Improve the profitability of core products by pursuing world-leading reliability and functionality, the industry's shortest delivery time and cost price reductions.



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II. Challenge

ii. New / Growth segments

Semiconductor Test Equipment Div.

- Become world's top company in terms of sales and technologies for advanced probe cards in the Logic segment
- Full-scale entry into the CPU/MPU and analog / power semiconductor markets as well as expand sales in the NAND Flash memory market

FPD Equipment Div.

- Increase sales in the organic EL, electronic paper and touch panel markets
- Develop the PV cell equipment business into an earnings contributor

New Businesses

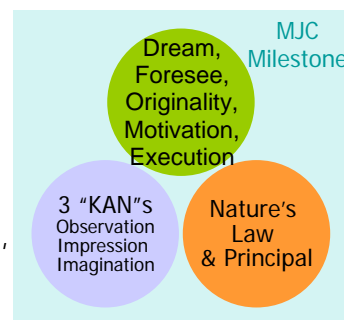
- Create new businesses



III. Create

Reemphasize and promote the management policy of "build up a creative company culture"

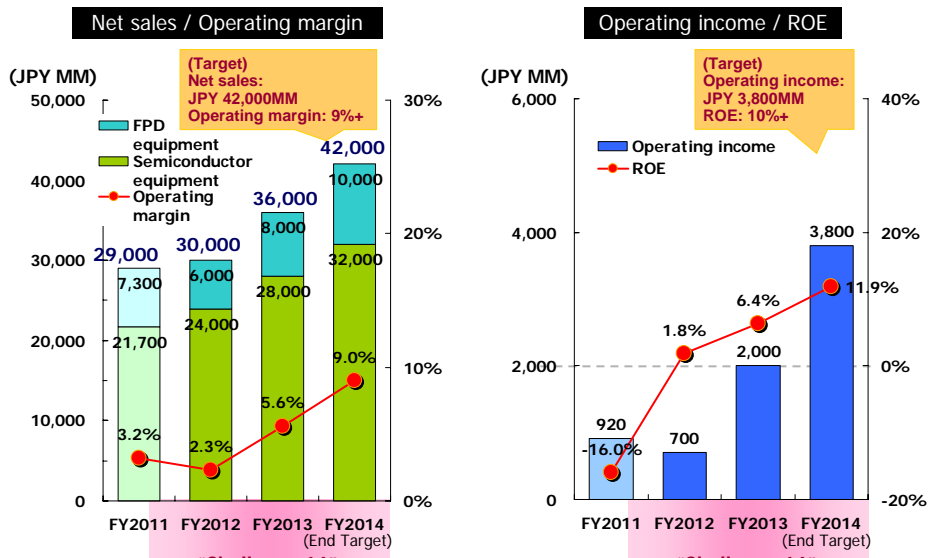
- Develop human resources that continually grow and create
- Develop globally-minded human resources
- Establish processes to create new products, new businesses and new value



Quantitative Targets



Consolidated Net Sales, Operating Income and ROE



Investment Plan / Financial Strategy

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- R&D and capex spending

(R&D)

Selection and concentration / Aggressive and ongoing investments within 10% of net sales

(Capex)

Invest in rationalization, upgrades, maintenance and globalized operations within our depreciation allowance

R&D 3-year total: JPY 9,000MM (trailing 3-year total: JPY 7,700MM)

Capex 3-year total: JPY 5,000MM (trailing 3-year total: JPY 6,000MM)

- Financial strategy

Lift shareholders' equity ratio through improved margin and capital efficiency

Free cash flow: JPY 3,000MM+ over 3 years

Shareholders' equity ratio: 50%+



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Targets by Segment

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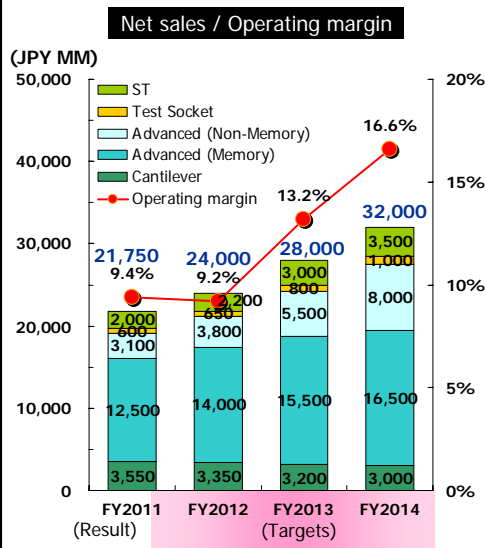


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Semiconductor Test Equipment Division

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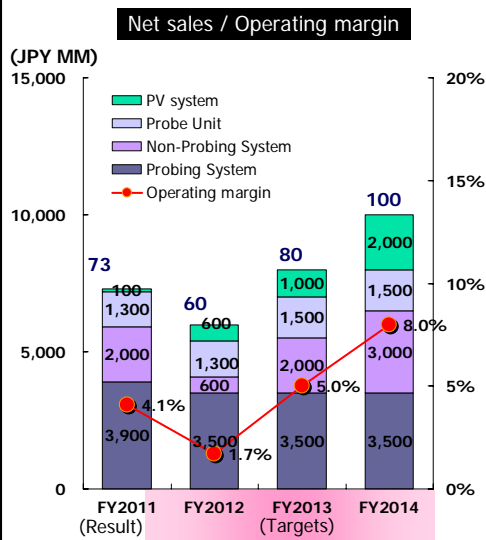
Policy and Strategy

- Top provider of advanced probe cards for Logic
 - Make inroads into the CPU/MPU market
 - Expand the number overseas Logic manufacturer clients and sales. Mobile, LSI for automobiles, etc.
- Raise market share for Flash-related products
- Reduce dependence on DRAM
 - Ratio of DRAM cards to total cards 55% → 35%
- Strengthen Total Test Solutions Business
 - Enter the BIST/DFT tester as well as analog / power semiconductor segment
- Achieve world-leading reliability and functionality, the shortest delivery time in the industry and cost price reductions
 - Refine advantages in memory-related products
 - Build collaborative structure for the supply chain to maintain quality and shorten delivery time
 - Promote optimized design that balances product development, performance, quality and manufacturing through service support



FPD Equipment Division

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Policy and Strategy

- Expand Post-Probe Business
 - Increase sales of Automated Optical Inspection (AOI) and repair systems
 - Increase sales in the organic EL, electronic paper and touch panel markets
 - Seek out new technologies and expand operations through stepped-up industry-academia collaboration
- Develop the PV cell equipment business into an earnings contributor
 - Continual product development and launches
- Achieve world-leading reliability and functionality, the shortest delivery time in the industry and cost price reductions
 - Expand procurement, design, production, sales and service support overseas, and promote a genuine approach to globalizing the Company
 - Promote optimized design that balances product development, performance, quality and manufacturing through service support



Medium-term Management Plan Summary

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- At present the world economy is faced with uncertainty and instability. Semiconductor market growth has slowed, while the LCD market remains in a downturn. While uncertainty will persist regarding market conditions and a possible recovery over the short term, growth can be expected over the long term.

Smartphones, tablet devices and cloud computing servers becoming more popular, shift underway to SSD storage devices, device applications for automobiles increasing, market expanding for power devices amid a rise in energy conservation...

Shift underway from LCD to organic EL, spread of organic EL lighting, touch panels and PV cells...

- We recognize that under "Challenge 11" we were did not respond sufficiently to rapid changes in operating environment. "Challenge 14" will enable us to "change" organically, boldly take on new "challenges" and transform these actions into opportunities, which will help us "create" a new MJC – a company that can unlock its growth potential once again.
- Our immediate focus on "change" through (1) building a stable management foundation, (2) developing a growth cycle and (3) promoting a strong manufacturing foundation as well as tackling "challenges" will enable us to generate profits and become a company that can "create" new value.

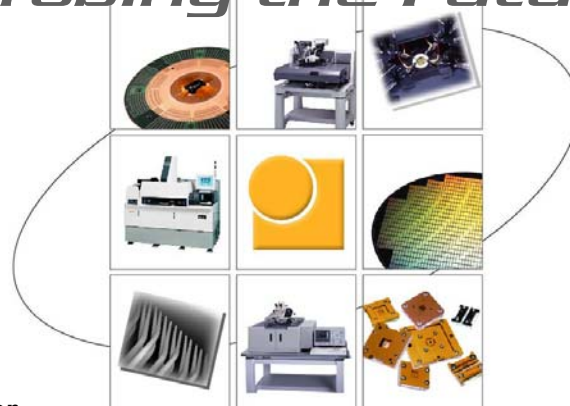


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Disclaimer

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