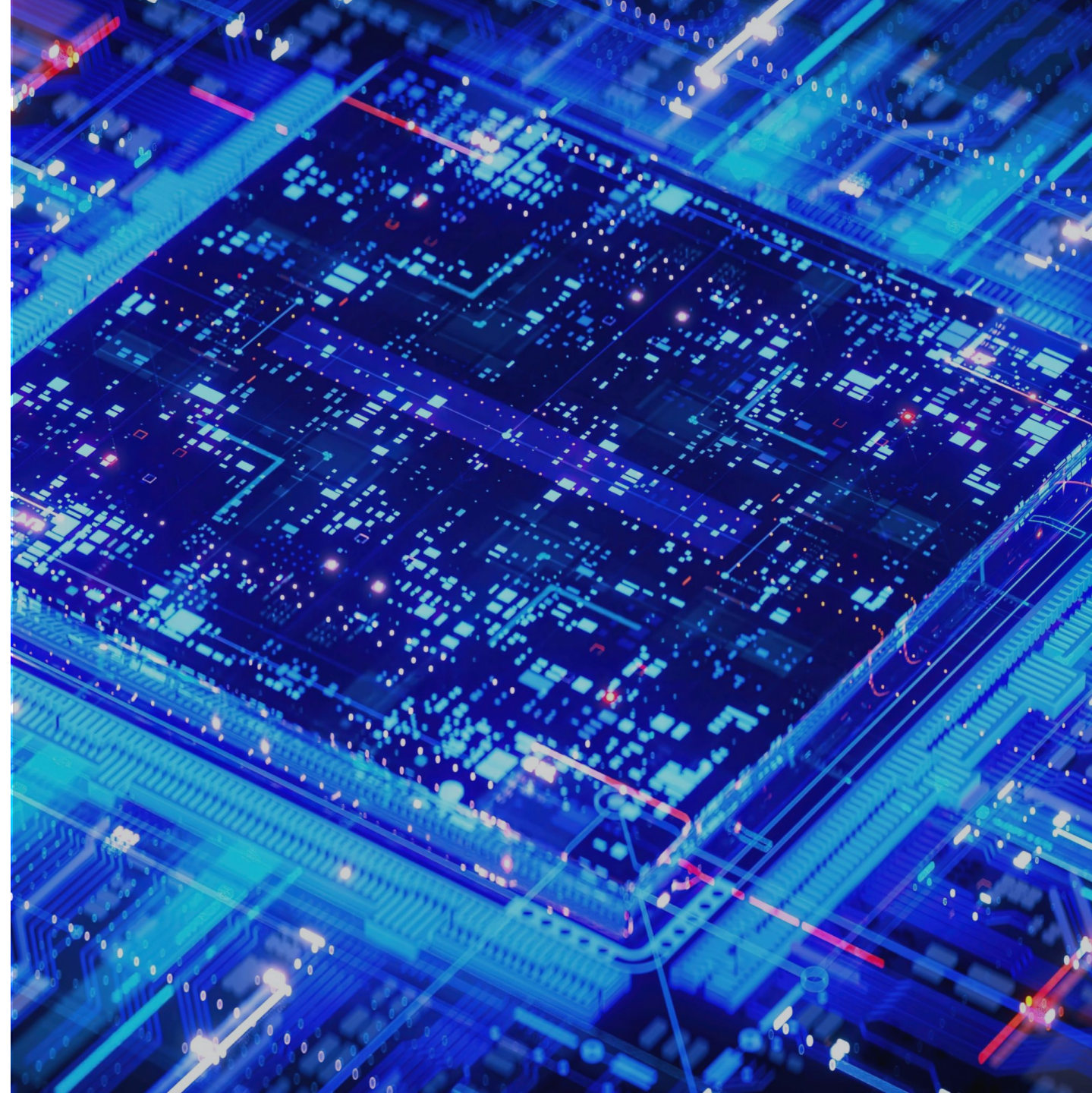




ULVAC, Inc. The First Half of FY2024/6 Business Results

(Jul. 2023 – Dec. 2023)

Feb. 13, 2024





Disclaimer regarding forward-looking statements

Forward-looking statements of the company in this presentation are based on information that was available at the time these documents were prepared. There are several factors that directly or indirectly impact the company performance, such as the global economy; market conditions for FPDs, semiconductor, electronic devices, and raw materials; trends in capital expenditures and fluctuations in exchange rates. Please note that actual business results may differ significantly from these forecasts and future projections.

Note:

This document has been translated from the Japanese initial for reference purposes only. In the event of any discrepancy between this translated document and the Japanese initial, the initial shall prevail.

Orders Received and Net Sales both increased YoY due to increase in power devices and battery-related business.

- **Semiconductors:** Investment in memory and advanced logic continued to be restrained, but expected to recover from H2 FY2024/6.
- **Electronics:** Increased investment in SiC power devices
- **FPD:** Full-scale investment in mass production of EV batteries

Orders Received, Net Sales, and Operating Profit (Margin) all exceeded the H1 plan and the H2 is expected to remain strong as well.

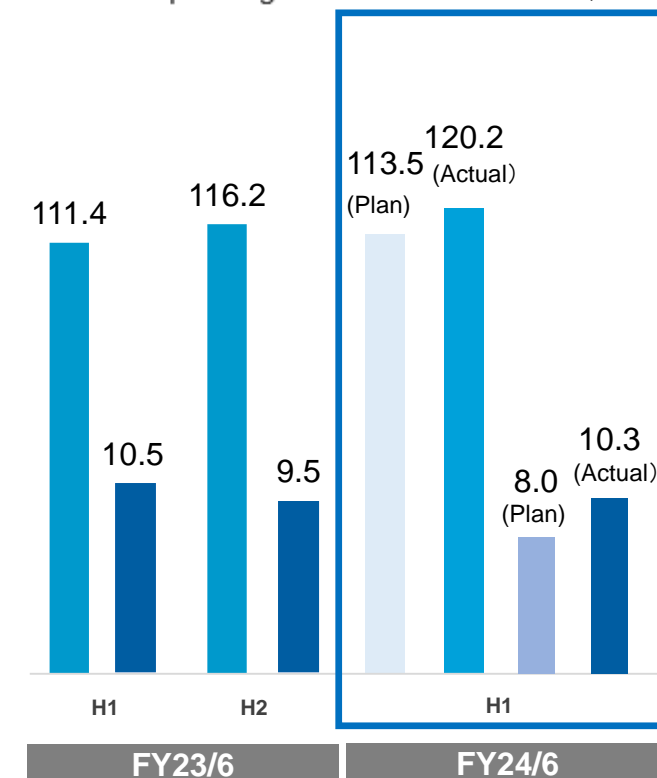
(Unit: ¥1 billion)	FY23/6 H1	FY24/6 H1	YoY	FY24/6 H1 Plan	Vs. Plan
Orders Received	129.1	134.0	+4%	131.0	+2%
Net Sales	111.4	120.2	+8%	113.5	+6%
Operating Profit	10.5	10.3	-2%	8.0	+29%

- Orders Received and Net Sales both increased YoY due to the increase in power devices and battery-related business.
- Orders Received, Net Sales and Operating Profit (Margin) all exceeded the H1 plan

(Unit: ¥1 billion)	FY23/6 H1	FY24/6 Plan			FY24/6 H1				
	Actual	H1	H2	Full Year	Actual	YoY		Vs.Plan	
Orders Received	129.1	131.0	119.0	250.0	134.0	+4.9	+4%	+3.0	+2%
Net Sales	111.4	113.5	131.5	245.0	120.2	+8.8	+8%	+6.7	+6%
Gross Profit	33.3	-	-	-	35.4	+2.1	+6%	-	-
Gross Profit Margin	29.9%	-	-	-	29.4%	-0.5pt	-	-	-
SG&A	22.8	-	-	-	25.0	+2.2	+10%	-	-
Operating Profit	10.5	8.0	15.0	23.0	10.3	-0.2	-2%	+2.3	+29%
Operating Profit Margin	9.4%	7.0%	11.4%	9.4%	8.6%	-0.8pt	-	+1.5pt	-
Profit attributable to owners of parent	9.3	5.5	10.5	16.0	6.9	-2.4	-26%	+1.4	+25%
To net sales ratio	8.4%	4.8%	8.0%	6.5%	5.7%	-2.7pt	-	+0.9pt	-

Net Sales and Operating Profit vs. Plan

■ Net Sales ■ Operating Profit (Unit: ¥1 billion)



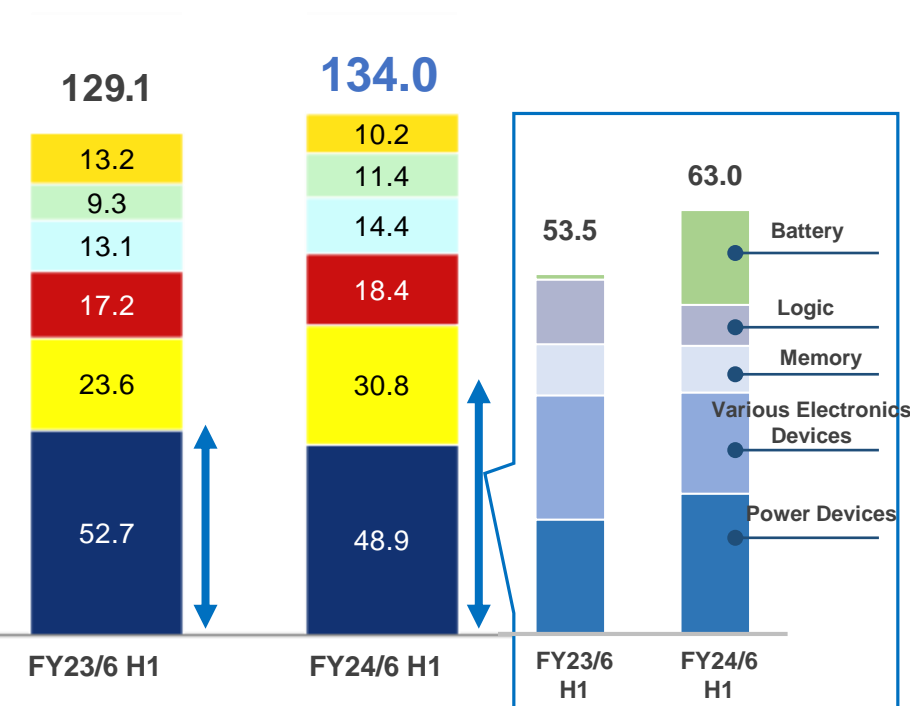
- Both gross profit margin and operating profit margin improved in Q2 QoQ due to the increase in sales

(Unit: ¥1 billion)	FY23/6				FY24/6			
	Q1	Q2	Q3	Q4	Q1	Q2	YoY	
							Amount	%
Orders Received	66.6	62.5	43.4	74.7	78.0	56.1	-6.4	-10%
Net Sales	56.2	55.2	49.6	66.6	55.0	65.2	+10.0	+18%
Gross Profit	16.5	16.8	14.7	19.1	15.3	20.1	+3.3	+19%
Gross Profit Margin	29.3%	30.5%	29.7%	28.7%	27.7%	30.8%	+0.3pt	-
SG&A	11.3	11.5	12.5	11.9	12.4	12.6	+1.1	+10%
Operating Profit	5.1	5.3	2.3	7.2	2.8	7.5	+2.1	+40%
Operating Profit Margin	9.1%	9.7%	4.6%	10.8%	5.1%	11.5%	+1.8pt	-
Profit attributable to owners of parent	4.1	5.3	2.4	2.4	1.1	5.7	+0.4	+8%
To net sales ratio	7.2%	9.6%	4.9%	3.6%	2.1%	8.8%	-0.8pt	-

- Orders Received increased YoY due to the increase in power devices and battery-related business
- Net Sales increased YoY due to the contributions from semiconductors and electronics such as power devices and high level order backlog.

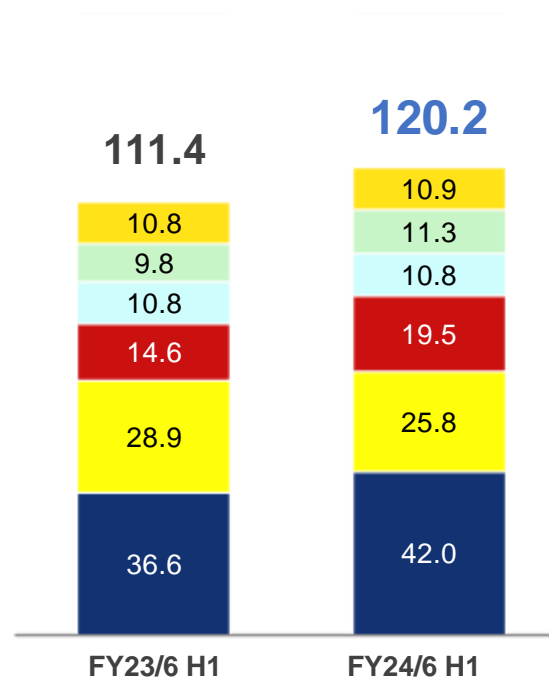
Orders Received

(Unit: ¥1 billion)



Net Sales

(Unit: ¥1 billion)



Semiconductors and Electronics

Semiconductor

Investment in memory and advanced logic continued to be restrained
Investment recovery is expected from H2

Electronics

Power Devices: Increased SiC investment

Electronics devices:

Continued investment in technological innovation and increased production

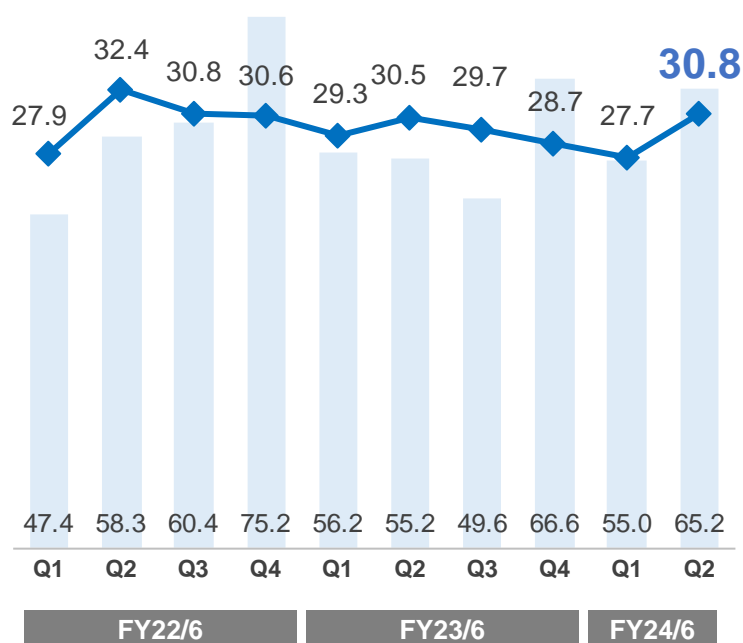
FPDs

Full-scale investment in mass production of smaller, higher-capacity and safer EVs batteries

- Gross profit margin and operating profit margin in Q2 improved along with net sales increase

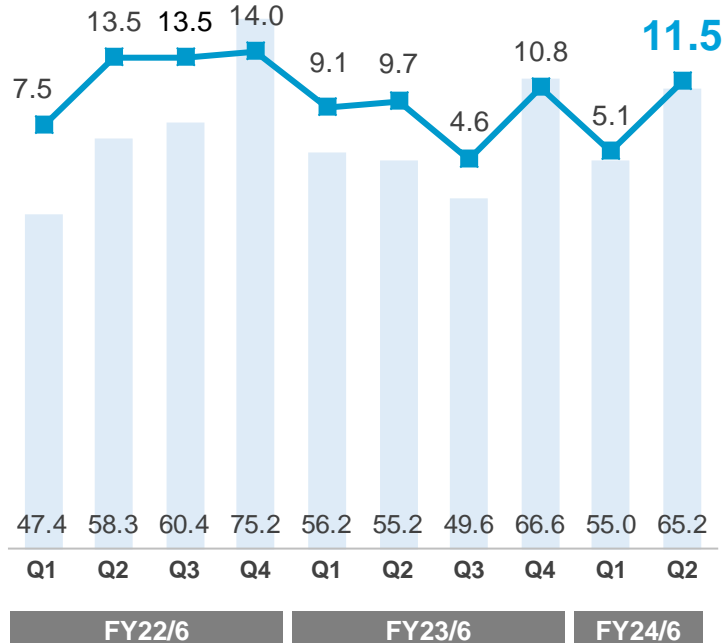
Gross profit margin

Net Sales (Unit: ¥1 billion) Gross Profit Margin (Unit: ¥1 billion,%)



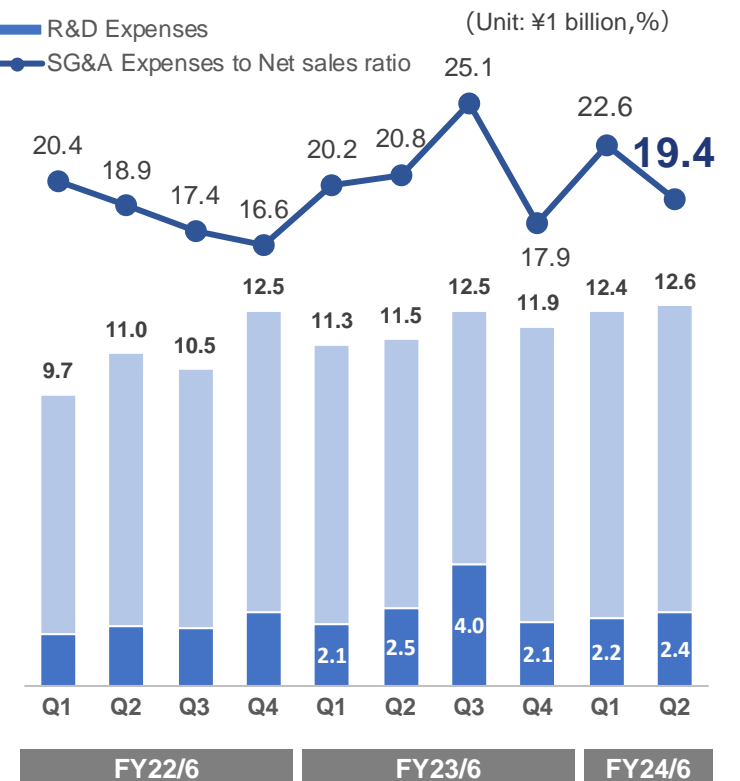
Operating profit margin

Net Sales (Unit: ¥1 billion) Operating Profit Margin (Unit: ¥1 billion,%)



S.G.&A. Expenses

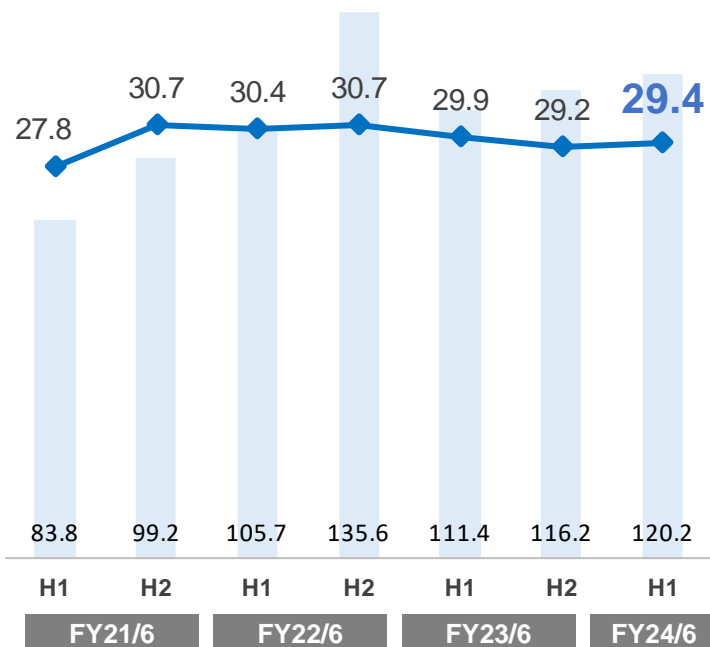
R&D Expenses (Unit: ¥1 billion) SG&A Expenses to Net sales ratio (Unit: ¥1 billion,%)



- Gross profit margin and operating profit margin improved with net sales Increase

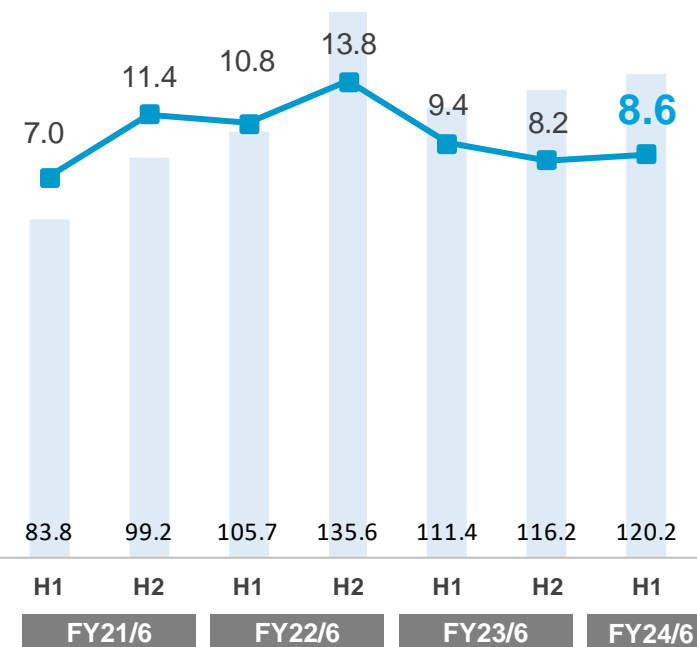
Gross profit margin

Net Sales Gross Profit Margin
(Unit: ¥1 billion,%)



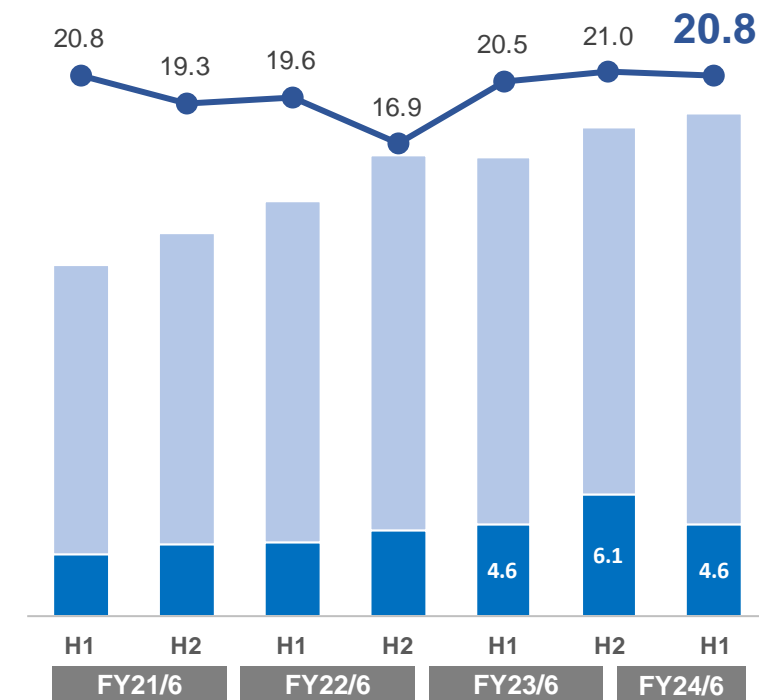
Operating profit margin

Net Sales Operating Profit Margin
(Unit: ¥1 billion,%)



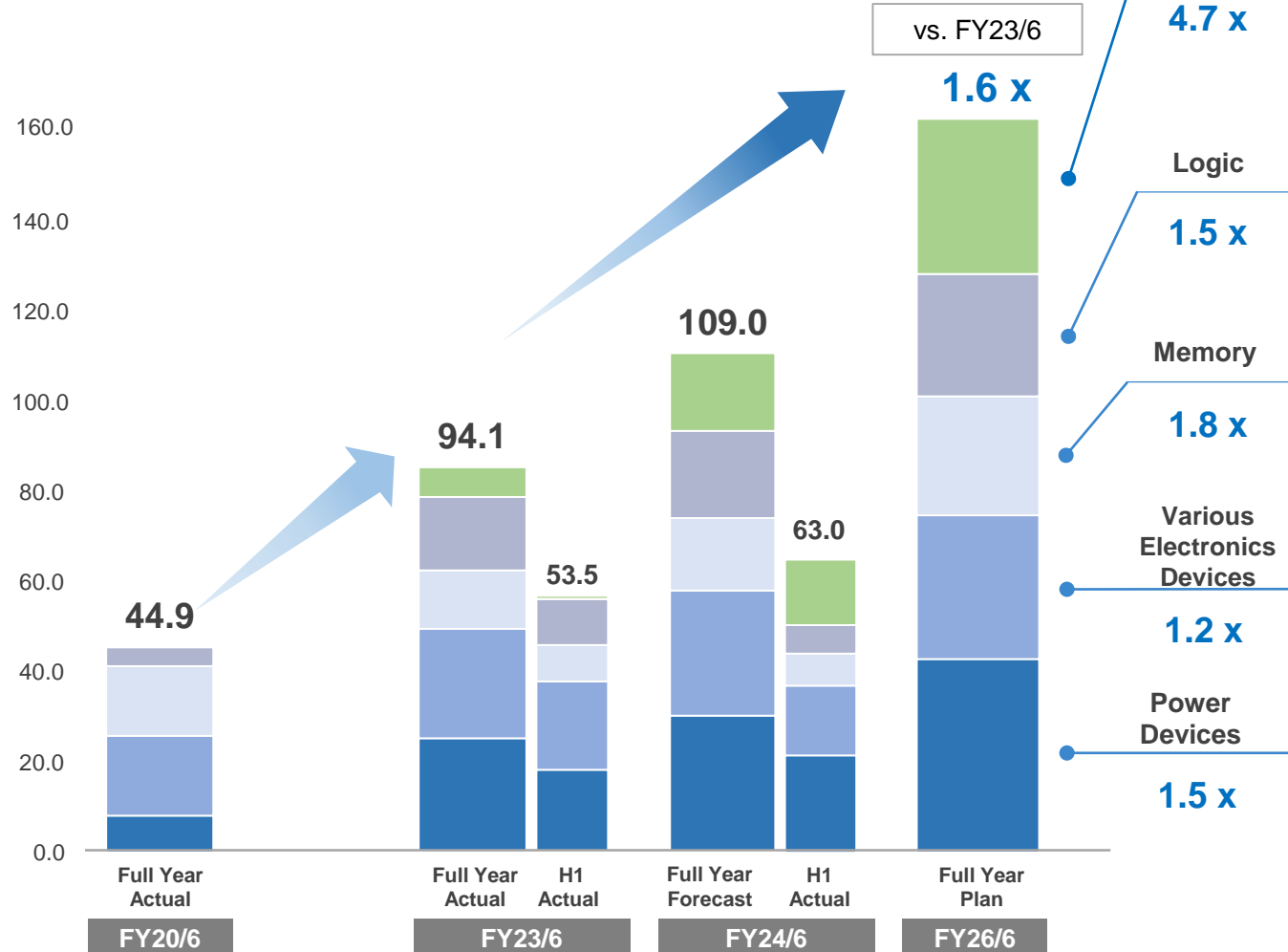
S.G.&A. Expenses

R&D Expenses SG&A Expenses to Net sales ratio
(Unit: ¥1 billion,%)



Growth Driver Orders Received (Unit: ¥1 billion)

■ Battery ■ Logic ■ Memory ■ Various Electronics Devices ■ Power Devices



Battery

4.7 x

- > First round of investment in AI double-sided evaporation film current collector for EVs battery cathode collectors is in full swing
- ⇒ Further growth is expected through expansion investment after the first investment is in operation.

Logic

1.5 x

- > Advanced logic investment has moved from an adjustment phase to an investment recovery phase.
- > Adopted by the third company for MHM (Metal Hard Mask) process in H1
- ⇒ Growth with new process in addition to MHM process

Memory

1.8 x

- > Memory investment also moved from an adjustment phase to an investment recovery phase.
- > HBM(High Bandwidth Memory)-related investments contributed
- ⇒ Growth due to recovery in DRAM and NAND investment as well as entry into new processes

Various Electronics Devices

1.2 x

- > Continued investment in technological innovation and increased production of various electronics devices
- ⇒ Active investment in packaging to cope with the limits of miniaturization and to save energy etc.

Power Devices

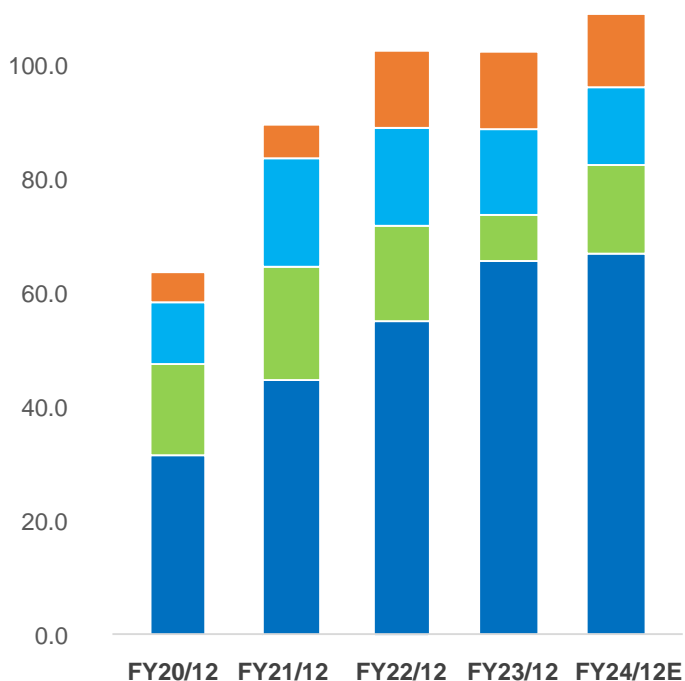
1.5 x

- > Power Devices: Active SiC investment in Japan and China (8-inch investment is expected to be in full swing from the next fiscal year onward.)
- ⇒ Growth continues due to the increased demand of green energy and EVs, SiC investment (wafers size increase and trench structure)

- Memory and advanced logic investment moves from adjustment phase to investment recovery phase.
- Mid- to long-term trend of investment expansion remains unchanged, and growth is expected due to the recovery of investment in memory and advanced logic, and entry into new processes.

Semiconductor Capital Investment Forecast

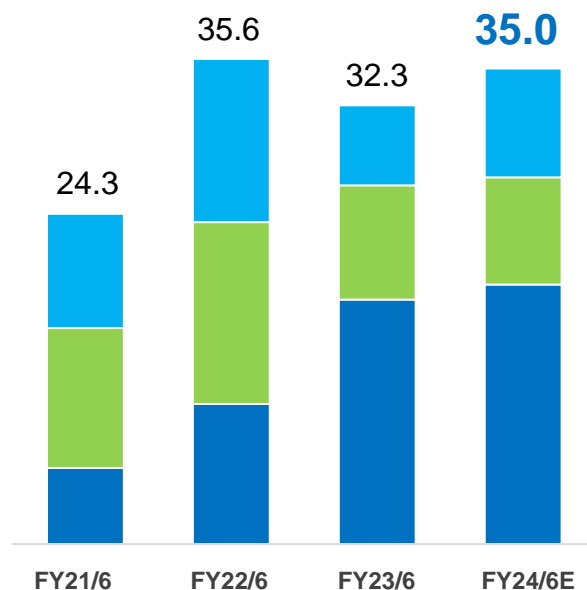
■ Logic ■ NAND ■ DRAM ■ Others (Unit: bn US\$)



Source: SEMI

Orders Received

■ Logic ■ Nonvolatile Memory ■ DRAM (Unit: ¥1 billion)



Orders received for this fiscal year

Memory

- From adjustment phase to investment recovery phase
- HBM-related investments contributed

Logic

- From adjustment phase to investment recovery phase

Next fiscal year onwards

Memory

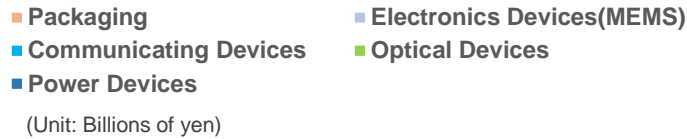
- Growth due to investment recovery as well as entry into new processes

Logic

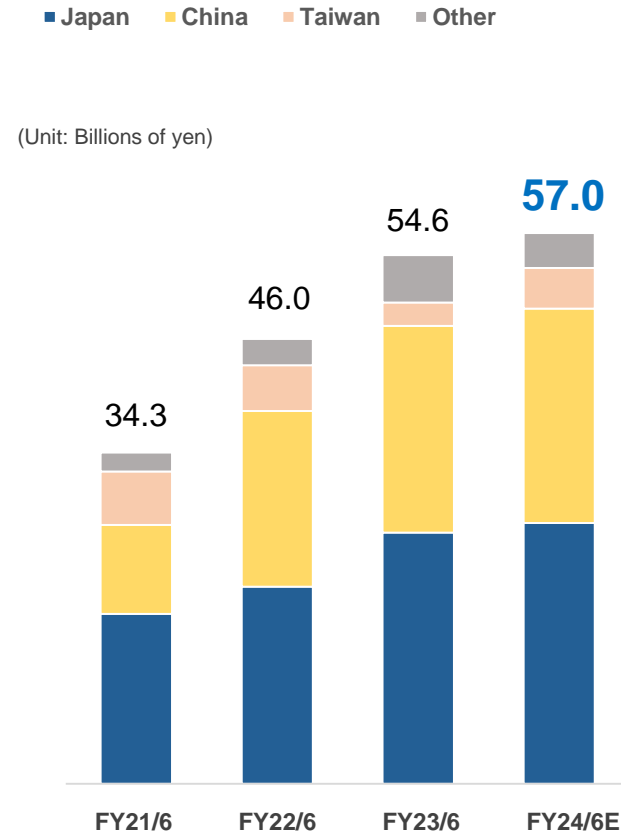
- Growth due to recovery in investment in advanced logic (MHM process) and entry into new processes

- Power Devices continues to expand investment in Japan and China
- Continued growth in power devices and various electronics devices in the next fiscal year and onward

Orders Received (by Sector)



Orders received (by Region)



Orders received for this fiscal year

Power Devices

- Increased SiC investment (6-inch) in Japan and China

Various Electronics Devices

- Increased investment in packaging to cope with the limitations of miniaturization and to save energy
- Continued investment in technological innovation and increased production

Next fiscal year onwards

- Continued high level of investment in power devices due to the shift to green energy and EVs, China's policy of domestic production, and full-scale investment in SiC (8-inch) devices
- Continued investment in various electronics devices in line with smart society, digitalization + metaverse, etc.

- SiC will be the center of power device investment in the future ⇒ Increasing SiC substrate size (from 6 to 8 inch) and SiC structure change (from planar to trench) will expand business opportunities.

vs. FY23/6 **1.5x**

【 Technology Trends and Strengths 】

SiC substrate size up 6 inch

8 inch



Sputtering equipment

Expensive and warped SiC substrates
⇒ Warpage control by substrate transfer technology and application control



Ion Implanter

High/low temperature and multiple ion implantation are required for SiC with hard substrate.
⇒ Recipe switching enables high productivity with a single unit

Structural change

Planar

Trench



Evaporation Equipment

Low-cost, high-productivity equipment with local production



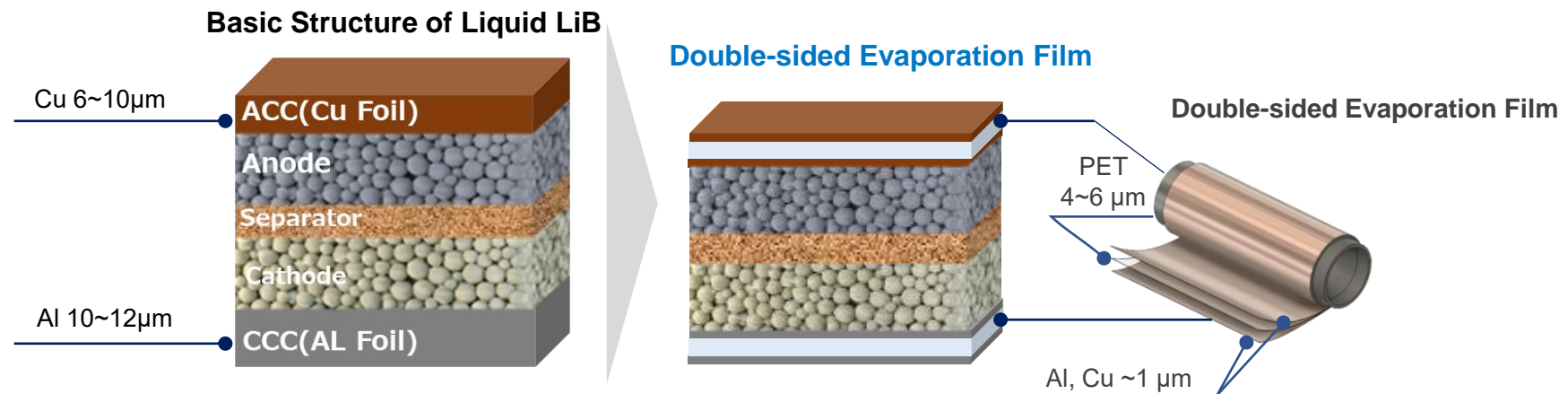
Etching equipment

Process shape control to realize trench structure with low channel resistance and power loss (leveling of side walls and rounding of corners)

Si-MOSFET

- First round of investment in double-sided evaporation evaporation film for Cathode Current Collector (CCC) is in full swing
- Aiming for medium-term growth with double-sided evaporation film for Anode Current Collector (ACC)

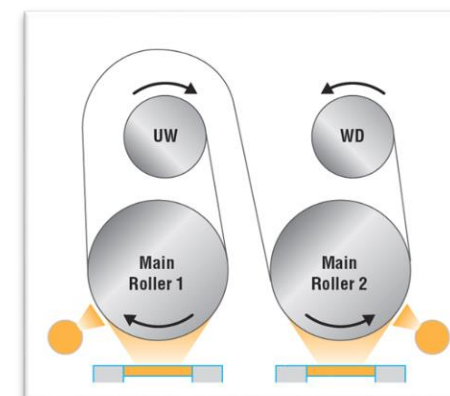
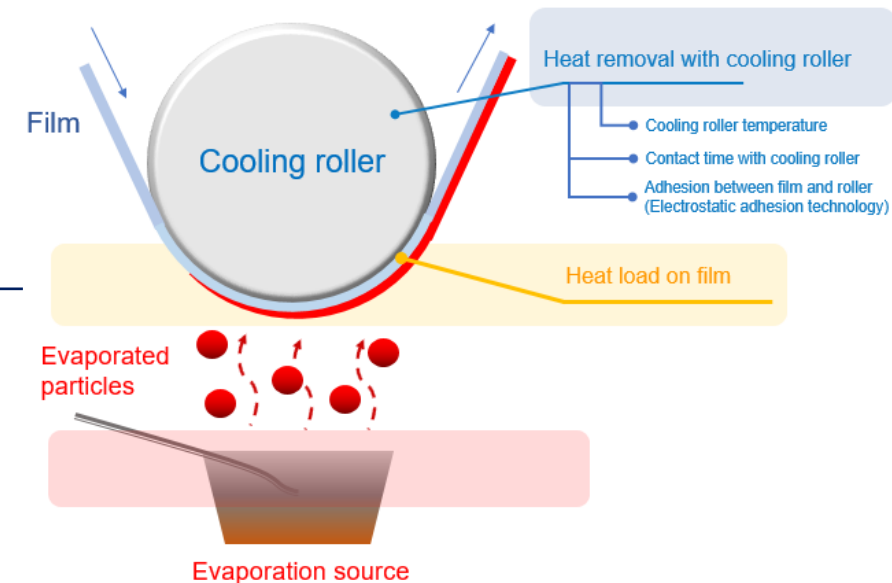
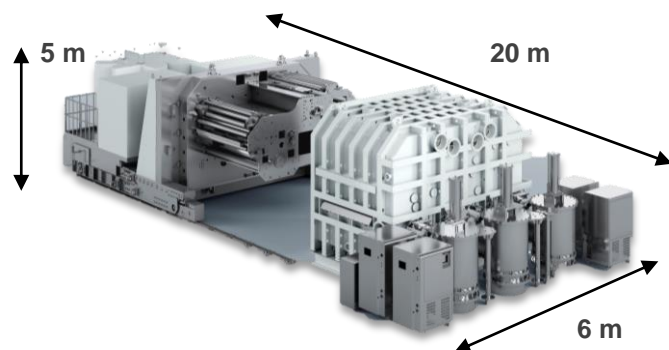
Merit of Double-sided evaporation film	Cathode current collector (CCC): Al	Anode current collector (ACC): Cu	Advantages
□ Safety improvement	◎	◎	• Thermal runaway suppression by melting film
□ Reduction of size and weight	◎	◎	• Extended mileage (18%)
□ Reduction of material costs	○	◎	• Reduction of Al and Cu usage (about 1/5)
□ GHG reduction	◎	○	• Reduction of greenhouse gas emissions through reduced use of Al (20%)



ULVAC's Advantages

- 1 Technical capabilities and reliability cultivated through our evaporation roll-to-roll equipment for automotive film capacitors (over 90% share of single-sided film deposition)
- 2 Realization of high-speed, long-length film deposition by suppressing thermal damage
- 3 Differentiation by high productivity with double-sided batch and one-time deposition (Other companies require several times for single-sided deposition) ⇒ Wider widths will further improve productivity in the future.

Double-sided Evaporation Roll-to-Roll Equipment

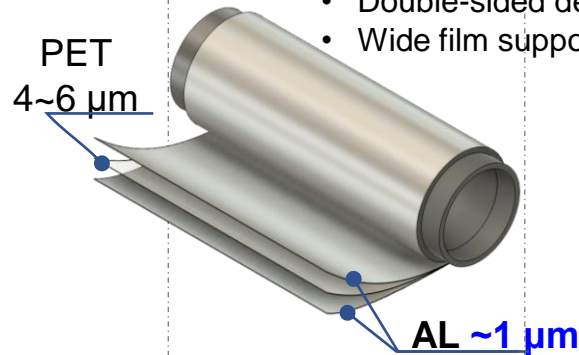


vs. FY23/6 **4.7x**



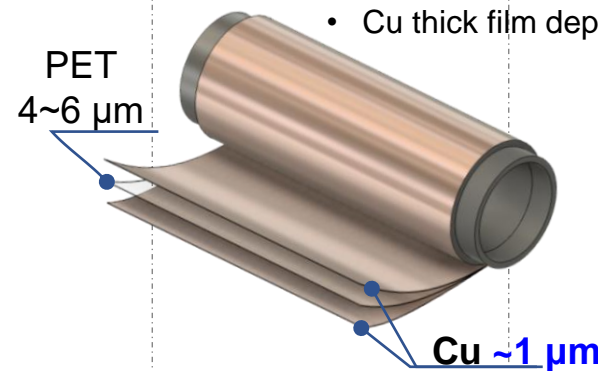
Double-sided evaporation film for Cathode Current Collector (CCC)

- AL thick film deposition technology
- Double-sided deposition
- Wide film support ⇒ Further widening



Double-sided evaporation film for Anode Current Collector (ACC)

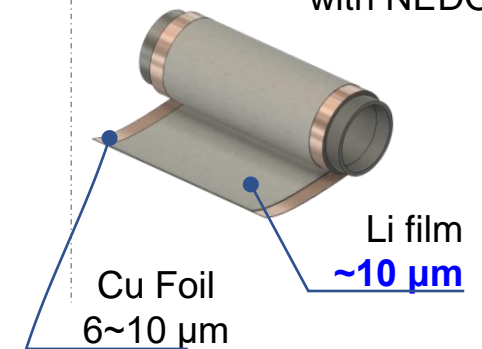
- Cu thick film deposition technology



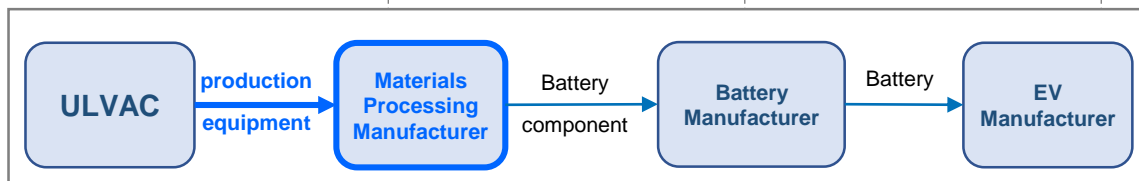
Anode

- Metal foil conveying technology
- Li metal deposition technology

Joint development with NEDO



Supply Chain of battery components such as CCC/ACC



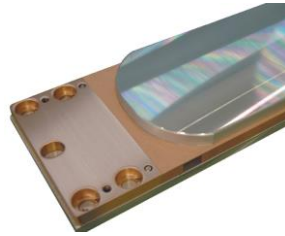
Components (H1: 1.1x YoY)



Helium leak test equipment

- Medium- to large-size pumps for lithium batteries for EVs, leak detectors, and other products are steady
- Helium leak testing equipment for automotive and air conditioning and refrigeration equipment are steady in China
- Cryopumps for IT panel OLEDs investment is expected to contribute

Material (1.2x YoY)



W Sputtering Target
for semiconductor production equipment

- Solid sales due to steady power device utilization rate and recovery of FPDs-related utilization rate
- Recovery in semiconductor-related operations is expected
- Aiming for growth by expanding market share of high-quality sintered targets (W and WSi) for advanced semiconductors, etc.

Customer Support (1.1x YoY)



- Strong sales of parts, cleaning, surface treatment, etc. due to recovery in FPDs-related operating rates
- Increased business in proposal-based production efficiency improvement for Electronics components such as power devices, etc.
- Steady business in industrial equipment, etc.

Received "Excellent Production Support" award from TSMC in the 2023 EXCELLENT PERFORMANCE AWARD

We received the "Excellent Production Support Award" in recognition of our significant contribution to TSMC's business growth through on-time delivery of ashing equipment and prompt, reliable on-site installation.



Integrated Reporting Published VALUE REPORT 2023

The ULVAC VALUE REPORT summarizes our efforts to achieve sustainable growth and increase corporate value, our mid- to long-term goals, and our management stance.



(English version)

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Editorial Policy
We publish the ULVAC VALUE REPORT as a summary of our initiatives in the past year to achieve sustainable growth and enhancement of corporate value, our medium- to long-term vision, and our management approach.
We consider this report to be an important communication tool to facilitate stakeholders' understanding of our activities and deepen dialogue with them.

Published: November 2023 (Previous issue published in November 2022)

Guidelines Referenced:
The International Integrated Reporting Framework, the International Integrated Reporting Council (IIRC) Guidance for Integrated Corporate Disclosure and Company-Investor Dialogues for Collaborative Value Creation (Guidance for Collaborative Value Creation), Ministry of Economic Trade and Industry (METI) ISO 26000

Report's Scope and Period
In principle, this report covers the ULVAC Group; any portions that cover only ULVAC, Inc. are indicated as such.

Period: Year ended June 30, 2023
July 1, 2022 to June 30, 2023, FY 2023
Some portions of the report include activities and initiatives from July 2023 onward.

<Disclaimer>
Figures shown in tables and graphs in this report may not add up to the indicated total because of rounding. Some figures have been revised from previous years' data because the scope of reporting was expanded or calculating methods have been changed.

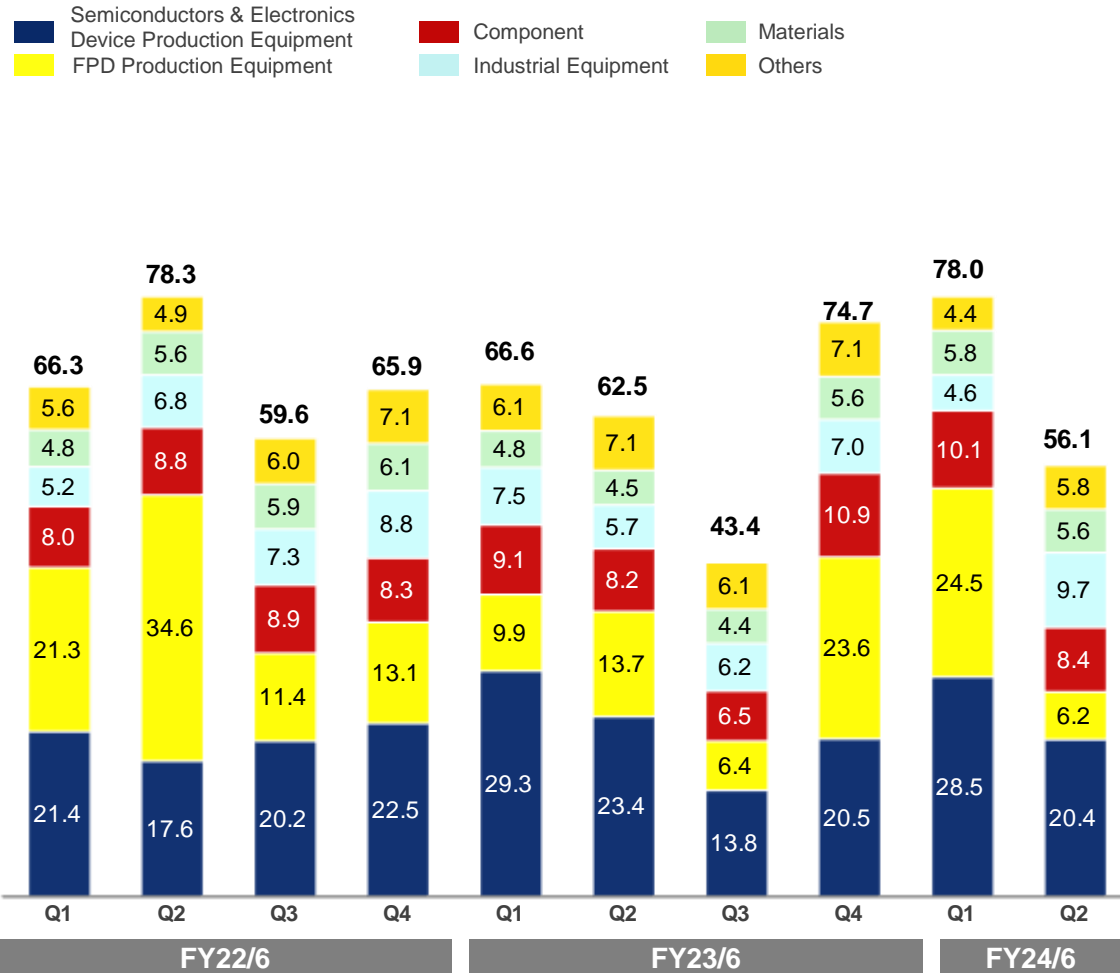
ULVAC's Communication Tools

Summary		
ULVAC VALUE REPORT (Japanese and English version)		
	Business report	Corporate governance report
Securities report	Business results presentation materials (Japanese/English)	Sustainability (Wakushi)
Financial information		Non-financial information
Details		

We endeavor to achieve the optimum information disclosure by making various communication tools available to meet your needs.
To help you deepen your understanding of the ULVAC Group, our communication tools range from statutory disclosure documentation centering on information on financial closing to this report that offers non-financial information, such as on social and environmental initiatives indispensable for creating corporate value, in addition to information on business activities, management strategies, and financial information. Please also refer to our website for the latest information.

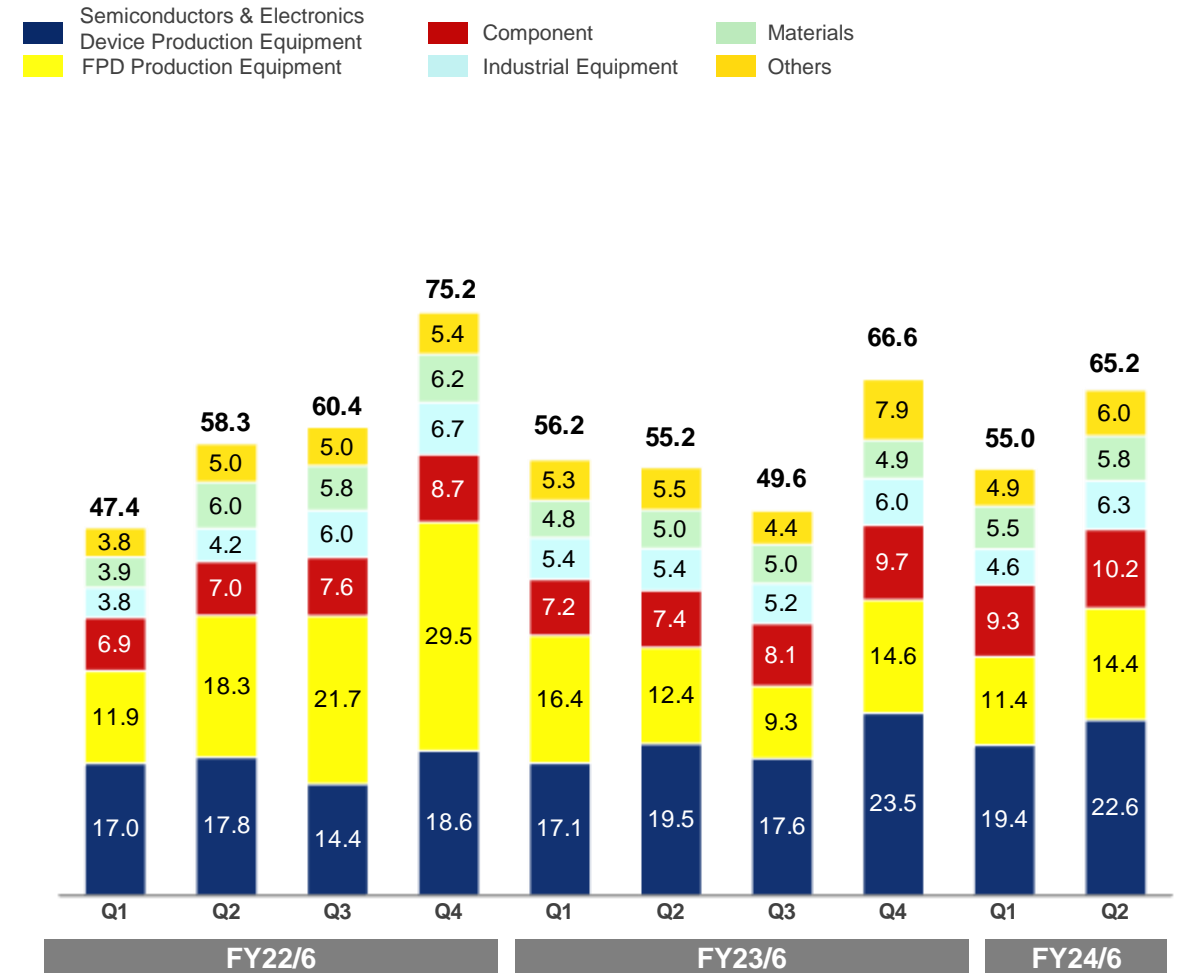
Orders Received

(Unit: ¥1 billion)



Net Sales

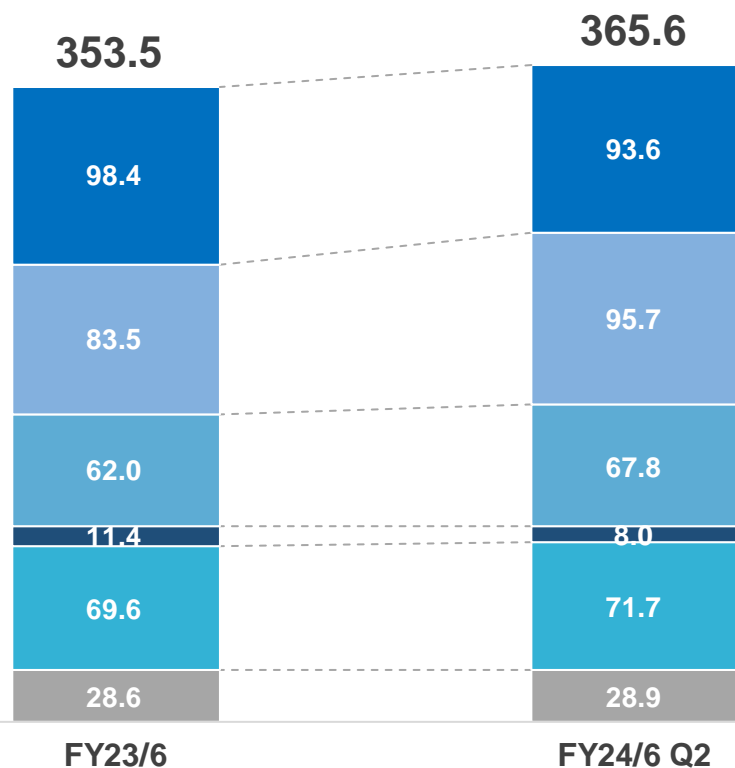
(Unit: ¥1 billion)



Assets

(Unit: ¥1 billion)

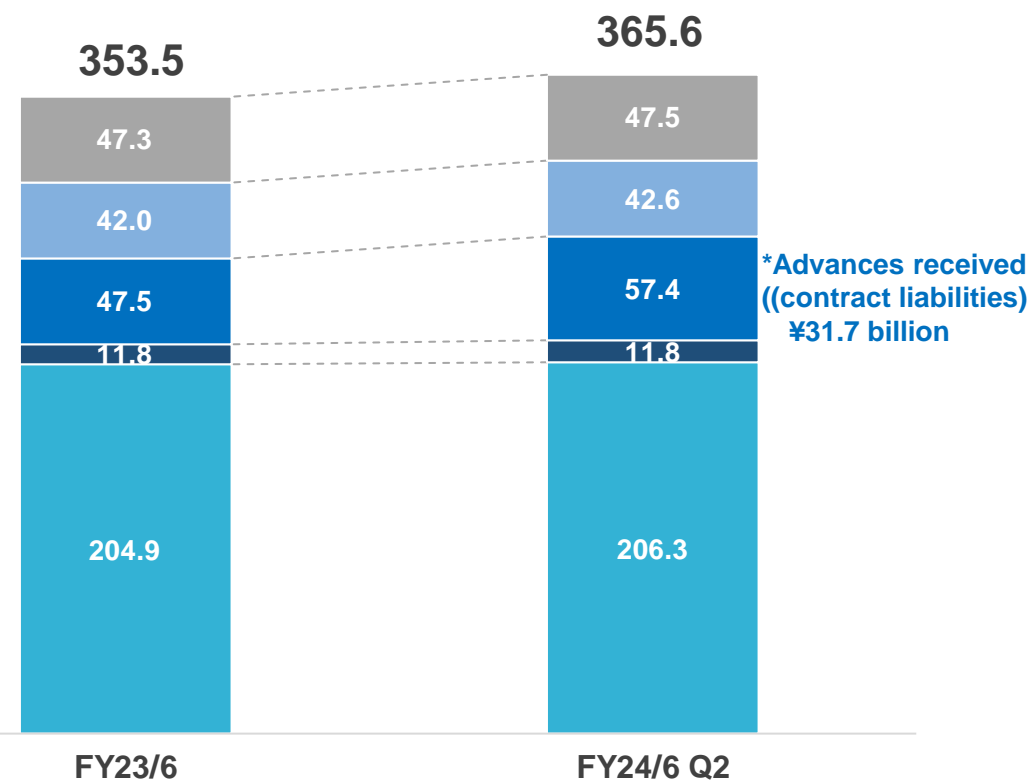
- Cash and deposits
- Notes and accounts receivable, trade
- Inventories
- Other current assets
- Property, plant and equipment
- Investment securities etc.



Liabilities and Net Assets

(Unit: ¥1 billion)

- Notes and accounts payable, trade
- Interest-bearing debt
- Other current liabilities
- Other non-current liabilities
- Net Assets



Solving Social Issues

Smart and Digital Society
Realization



Green Energy Conversion
Low Power Consumption

Memory

Logic IC

Sensor ·
Electronic Devices

Power Device

Battery

Miniaturization/ High performance/ Low power consumption



Wafer



Glass



Plastic

Vacuum Thin Film
Processing Technology

Sputtering

Vacuum Evaporation

CVD

Etching/ Ashing

Ion Implanter

Components

Materials

Customer Support

ULVAC Vacuum Technology Contributes to Many Industries and Applications



ULVAC