

ULVAC

ULVAC, Inc.

Business Results

First to Third Quarter of FY2021(cumulative)

(July 2021 - March 2022)

May 12, 2022

Securities code : 6728

Breakthrough 2022

Disclaimer regarding forward-looking statements

The forward-looking statements, including the earnings forecasts shown in this document are based on information currently available to the Company and on certain assumptions deemed to be reasonable. As such, they do not constitute guarantees by the Company of future performance.

Actual business performance and results may differ significantly from these forecasts and other forward-looking statements due to various factors including the global economic situation, market conditions in the semiconductor, electronic device, FPD, raw materials, and other markets, capital expenditure trends, response to rapid technological innovation, and exchange rate fluctuations.



1Q to 3Q cumulative orders, sales and operating profit increased significantly YoY

Orders **¥204.2 billion (+53% YoY)**

- Semiconductors : Active investment in both logic and memory
- Electronics : Increased investment in power devices and overall electronic devices
- FPD : Increased investment in LCDs for IT panels

Net Sales **¥166.1 billion (+29% YoY)**

- Increased YoY, despite the impact mainly from longer parts delivery time

OP **¥19.5 billion (+92% YoY)**

- Operating Profit Margin of 3Q improved significantly to 13.5% (+3.8pt YoY)

4Q forecasts are expected to be at same high level as 3Q, and the full year forecasts will be processed in a timely manner in accordance with disclosure standards.

- No changes to the growth scenario due to continued high order intake

1. Overview of 1Q to 3Q FY2021 Business Results (cumulative)

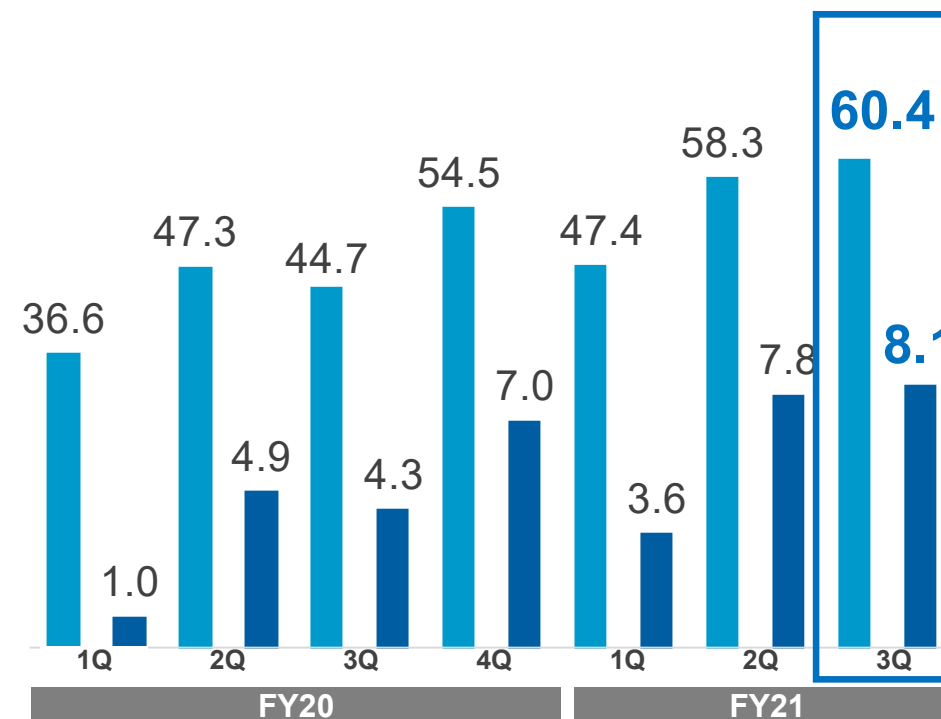
- Orders: **+53%** YoY mainly due to active investment in semiconductors, electronics, and FPDs.
- Net sales: **+29%** YoY; Operating profit: **+92%** YoY
- Operating profit margin improved to 11.8% (**+3.9pt** YoY).

(Unit: ¥1 billion)	FY2020	FY2021		
	3Q (cumulative)	3Q (cumulative)	YoY	
Orders Received	133.1	204.2	+71.0	+53%
Net Sales	128.5	166.1	+37.6	+29%
Gross Profit	36.7	50.8	+14.1	+38%
Gross Profit Margin	28.5%	30.6%	+2.0pt	-
SG&A	26.5	31.2	+4.7	-
Operating Profit	10.2	19.5	+9.4	+92%
Operating Profit Margin	7.9%	11.8%	+3.9pt	-
Profit attributable to owners of parent	8.3	13.8	+5.5	+67%
To net sales ratio	6.4%	8.3%	+1.9pt	-

Quarterly Net Sales and Operating Profit

(Unit: ¥1 billion)

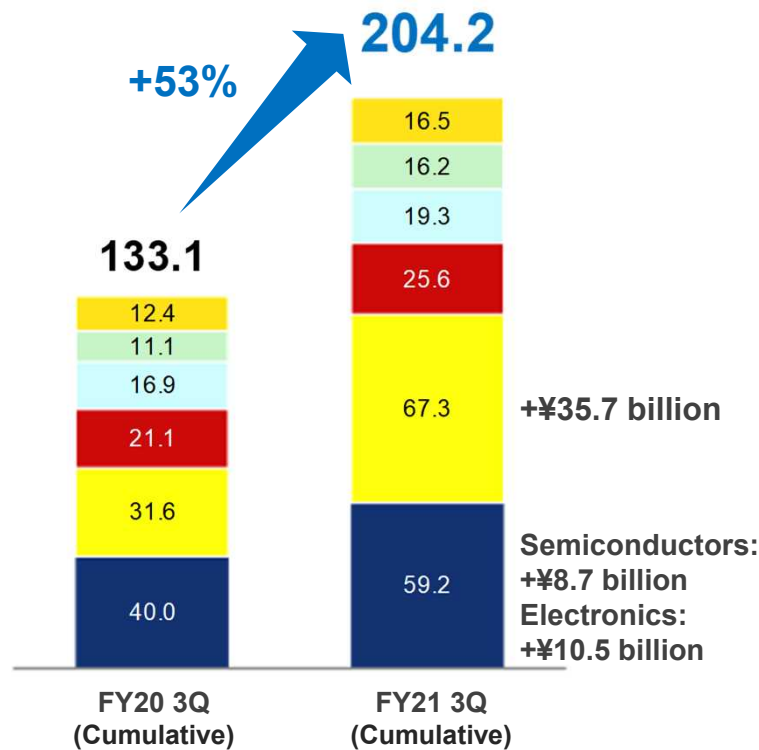
■ Net Sales ■ Operating Profit



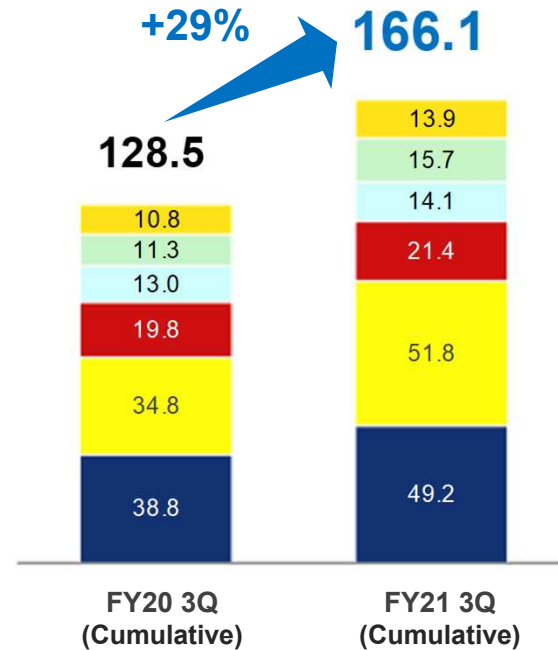
2. Orders and Net Sales by Segments (1Q to 3Q): Increased Significantly Due to Active Investment

- Both orders and sales increased significantly due to active investment in semiconductors, electronics, and FPDs.
- Orders received increased year-on-year for all segments.

Orders received (Unit: ¥1 billion)



Net sales (Unit: ¥1 billion)



Orders Received

- **Semiconductors: 1.5x** YoY due to active investment in both logic and memory
- **Electronics: 1.5x** YoY mainly due to increased power devices and various electronic devices
- **FPD: 2.1x** YoY due to increased investment in LCDs for IT panels and OLEDs for smartphones

Net Sales

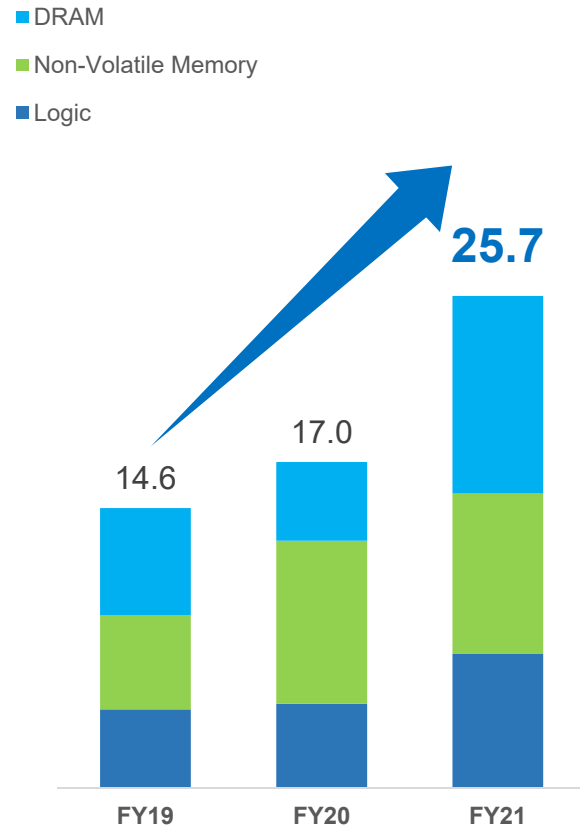
- Increase year-on-year, mainly in Semiconductors(**1.3x** YoY), Electronics(**1.3x** YoY) and FPDs(**1.5x** YoY)

3. Semiconductors : Continued Expansion of Investment in Both Logic and Memory

- Continued expansion of investment in both logic foundries and memory
- Logic De facto standard in EUV MHM (Metal Hard Mask) processes
⇒ Expanding business opportunities

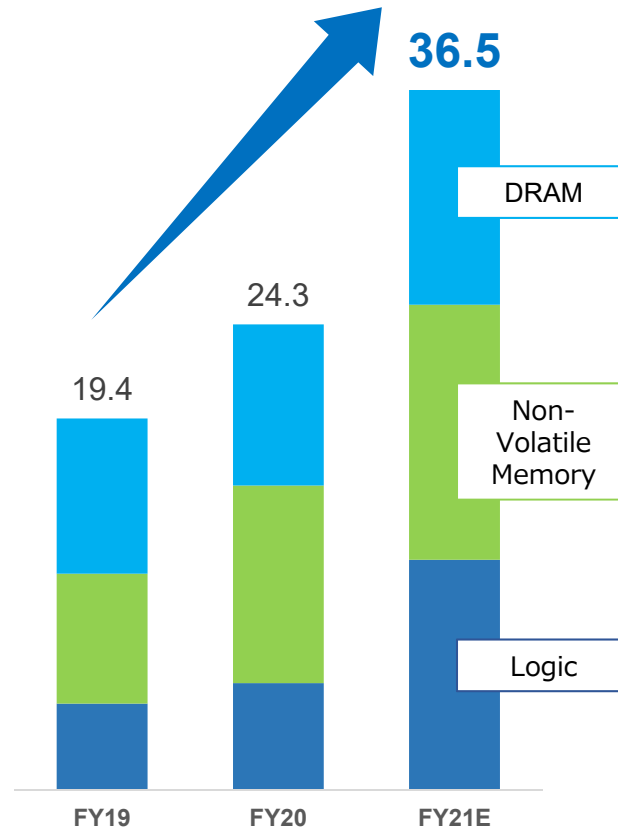
Orders Received
(1Q to 3Q)

(Unit: ¥1 billion)



Orders Received Plan
(Full-Year)

(Unit: ¥1 billion)



Investment Trends

- Increased investment in data centers, increased use of semiconductors in smartphones, cars, etc., and increased investment in cutting-edge semiconductors including miniaturization and lower power consumption
- Regional supply chain construction
⇒ Semiconductor investment is expected to expand over the medium to long term

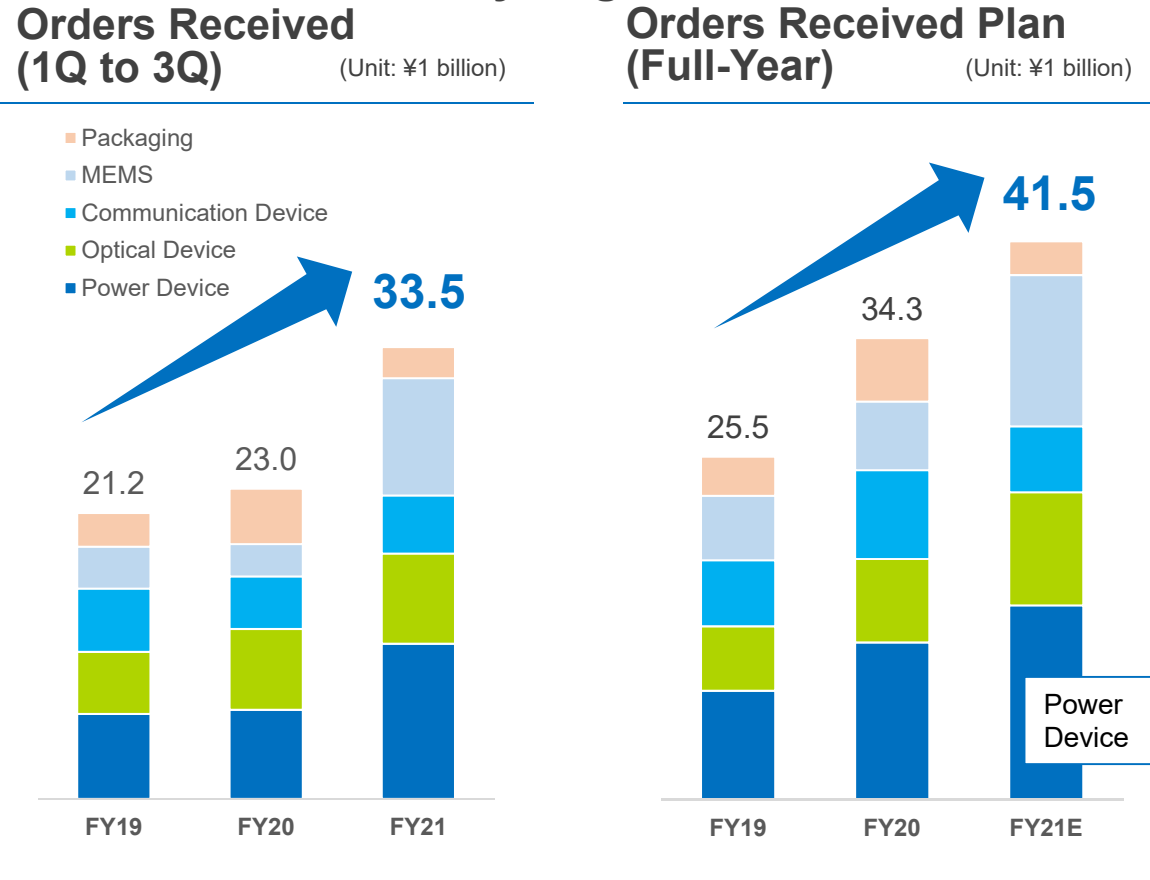
Order trends

- Both Logic MHM (**1.6x** YoY) and Memory (**1.5x** YoY) increased

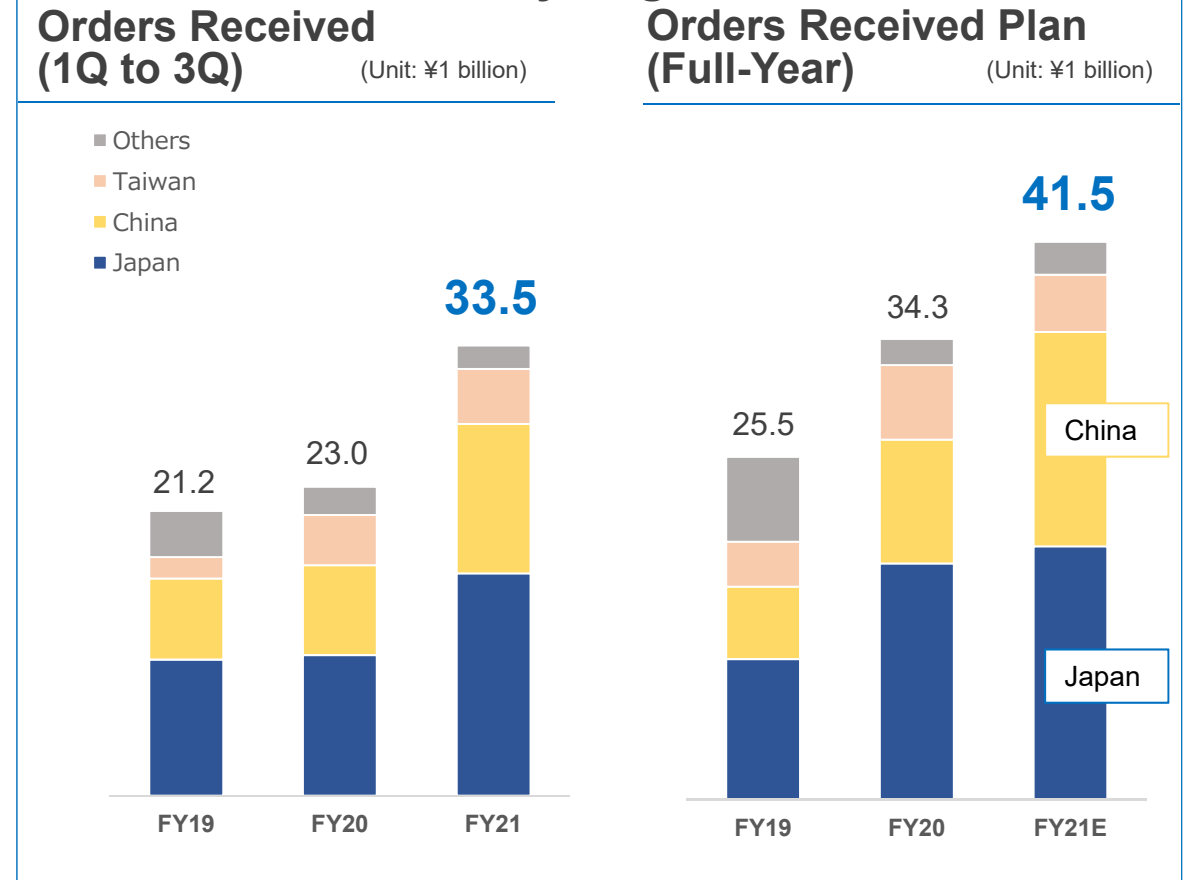
4. Electronics : Increased Investment in Power Device and Overall Electronic Devices

- Investment in power device (1.7x YoY) and overall electronic devices increased in Japan and China.
- In China (1.7x YoY) :Investment in power devices increased, partly due to the government's policy of domestic production.
- Contributing to technological innovation with a line-up of equipment for diverse electronic device fields and applications.

By Segment



By Region

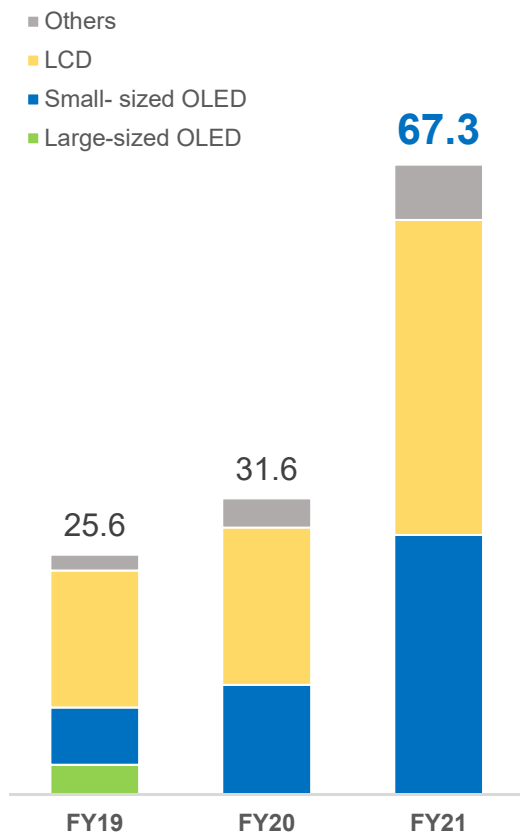


5. FPD : Significantly Increased Due to Active Investment in LCDs

- Active investment in LCDs for IT panels and continued investment in OLEDs for smartphones

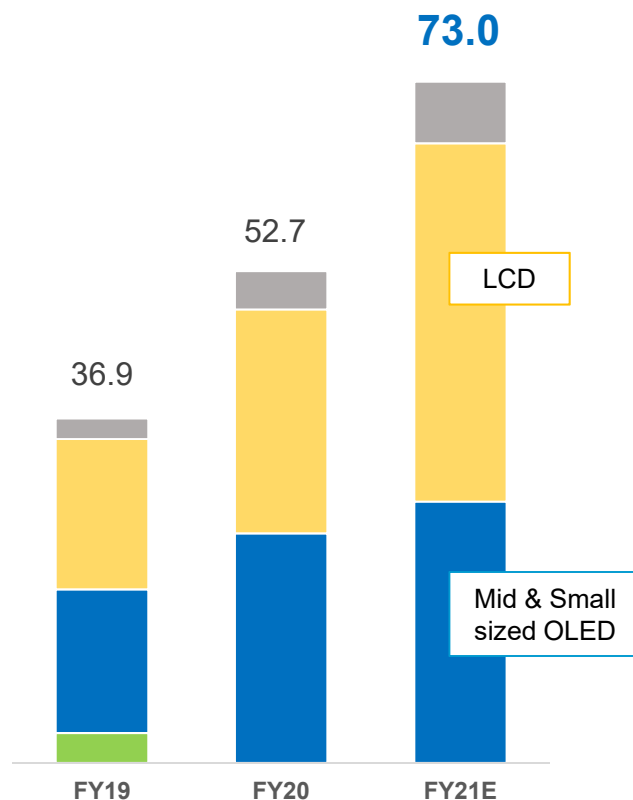
Orders Received (1Q to 3Q)

(Unit: ¥1 billion)



Orders Received Plan (Full-Year)

(Unit: ¥1 billion)



Investment Trends

- Increased investment in high-definition, wide-view angle LCDs for IT panels (tablets, PCs, medical, automotive, games, etc.)
- Expansion of OLED use (Mobiles+IT panels+TV)

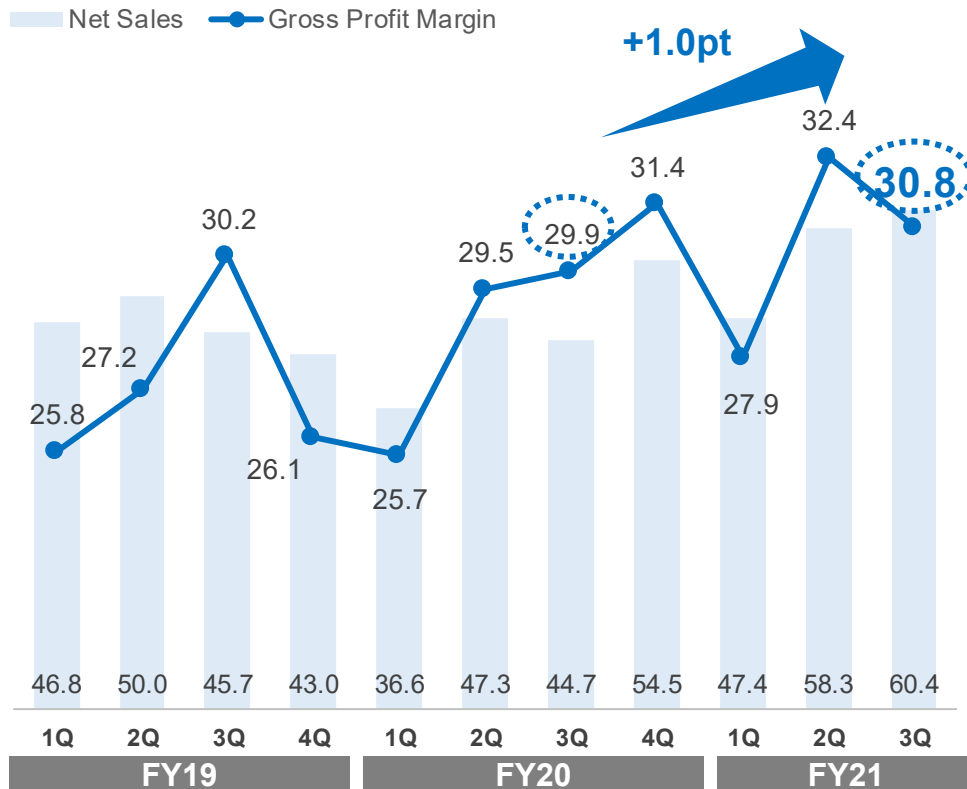
Order trends

- Significantly increased by **2.1x** year-on-year in the cumulative period of 1Q to 3Q due to the reinforcement of LCD equipment for IT panels, and investment in OLEDs for smartphones, etc.
- It is expected that current high levels will continue due to the expansion of OLED use and EV battery business, etc.

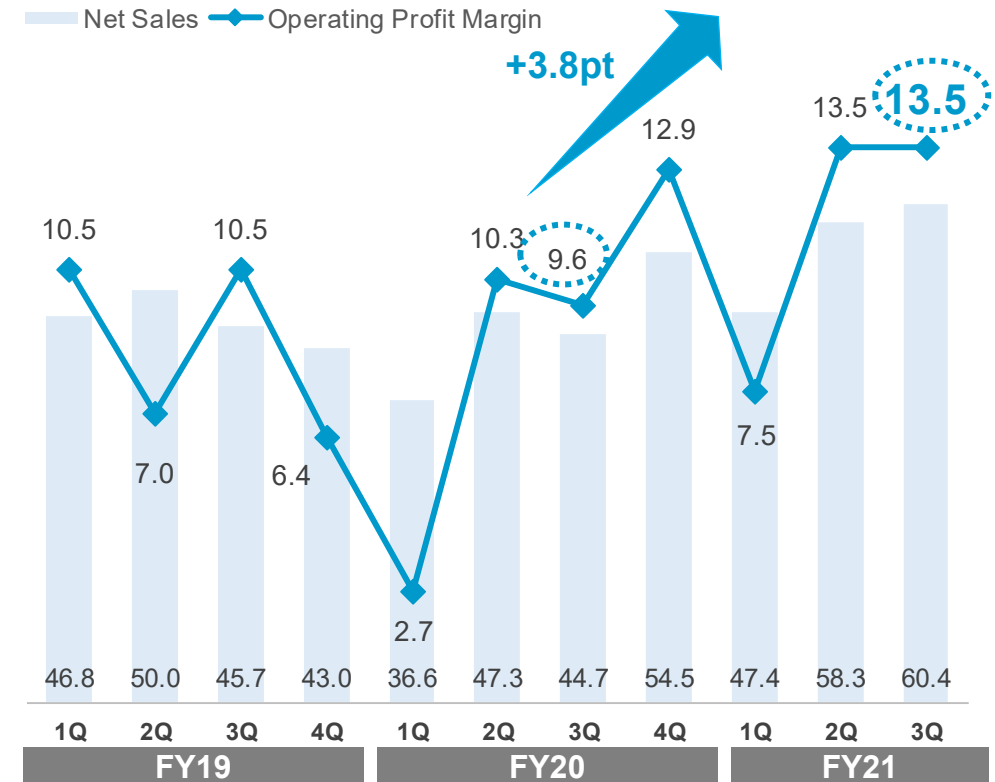
6. Quarterly Profit Margin: Improved Year-on-Year

- Gross Profit Margin improved to 30.8% (+1.0pt YoY) and Operating Profit Margin improved to 13.5% (+3.8pts YoY)
- Operating profit was higher than the one in the previous quarter despite the soaring raw material prices.

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



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



Recognized as 'Certified Health Productivity Management Organization 2022'

We regard health promotion as an important management issue and will continue and develop our health management initiatives.

Certified Health Productivity Management Organization 2022 (White 500), Large Corporations Sector

ULVAC, Inc. (5th straight year)

Certified Health Productivity Management Organization 2022 (White 500), Small and medium Corporations Sector

ULVAC TECHNO (3rd straight year),
 ULVAC Equipment Sales (4th straight year),
 ULVAC-PHI (3rd straight year), TIGOLD (2nd straight year),
 REJ (2nd straight year), ULVAC Health Insurance Association (2nd straight year),
 ULVAC CRYOGENICS (1st year)



Participation in Reforestation Partner Schemes

As a part of our sustainability promotion activities, we endorse the Kanagawa Reforestation 50 Year Plan promoted by Kanagawa Prefecture and committed to reforestation. Through our activities, we will contribute to the creation of an environmentally friendly and sustainable society through low-carbon measures and ecosystem conservation.



Selected as a Constituent of FTSE Blossom Japan Sector Relative Index

ULVAC was selected as a constituent of the FTSE Blossom Japan Sector Relative Index, a new ESG index announced for adoption by GPIF (General Pension Investment Fund) on 30 March 2022.



**FTSE Blossom
 Japan Sector
 Relative Index**

Provision of Venues for Mass Vaccination Against New Coronavirus for Chigasaki Citizens

ULVAC offered its Chigasaki head office and plant as a venue for the third round of mass vaccinations against Covid-19 for the citizens of Chigasaki on 19 March 2022.

Simultaneously Awarded 'Best Supplier Award' and 'Best Safety Manufacturer Award' by BOE.

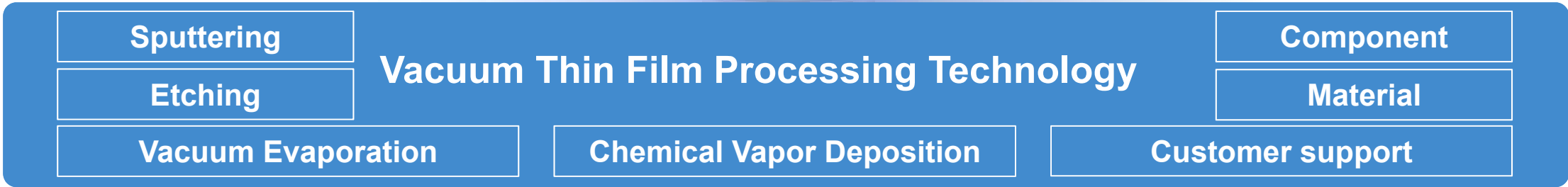
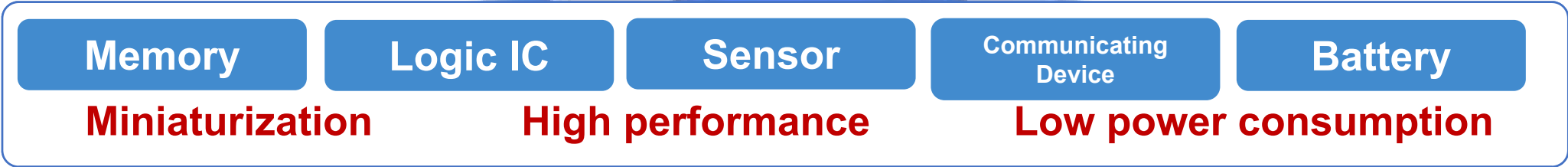
ULVAC was commended by BOE (BOE Technology Group Co., Ltd.) the 'Best Supplier Award' for its excellent quality, delivery and set-up support in the FPD backplane process and also awarded the 'Best Safety Manufacturer Award' at the same time.

**Smart and Digital Society
Realization**



**Green Energy Conversion
Low Power Consumption**

Smart Society ⇒ Solving Social Problems





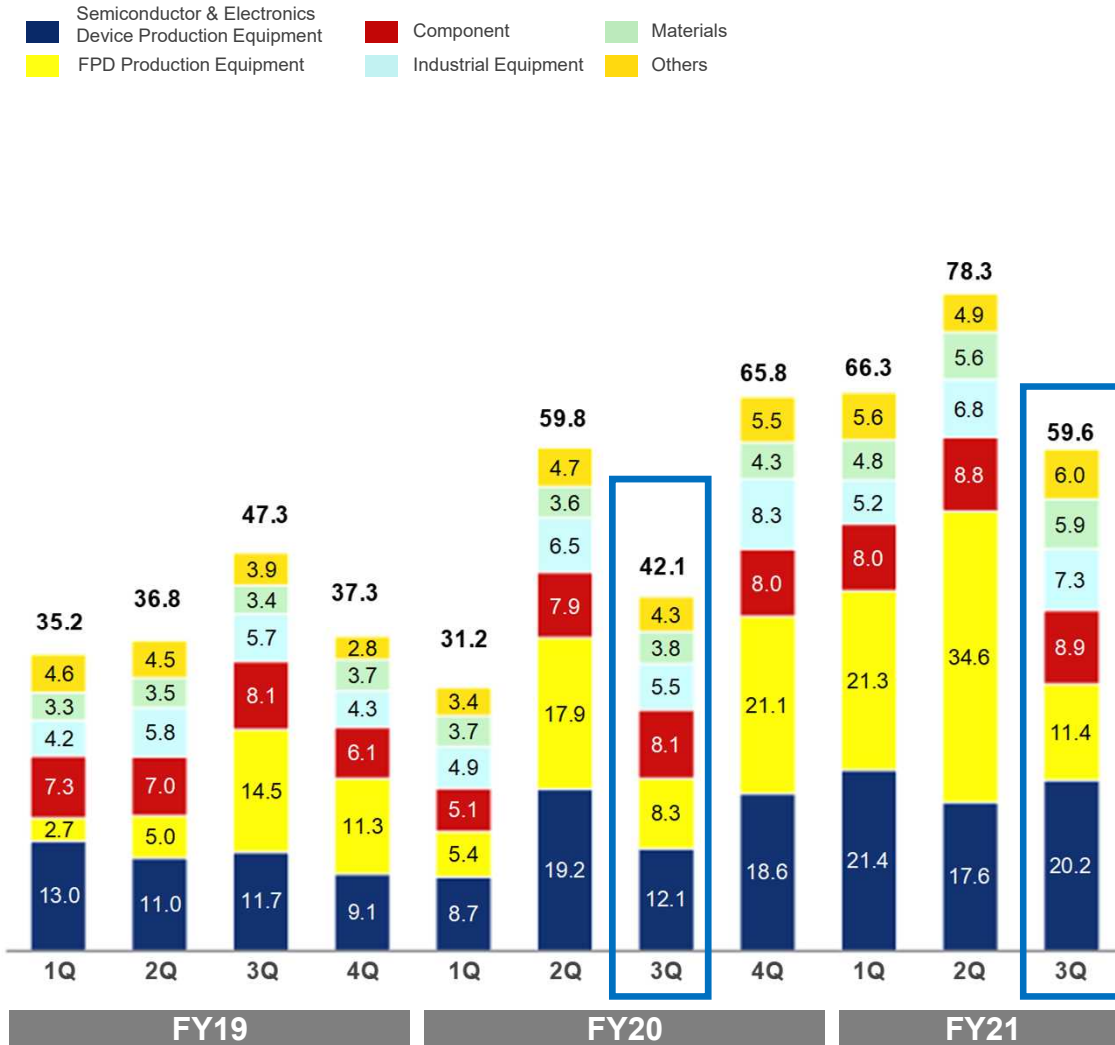
Appendix

Quarterly Business Results

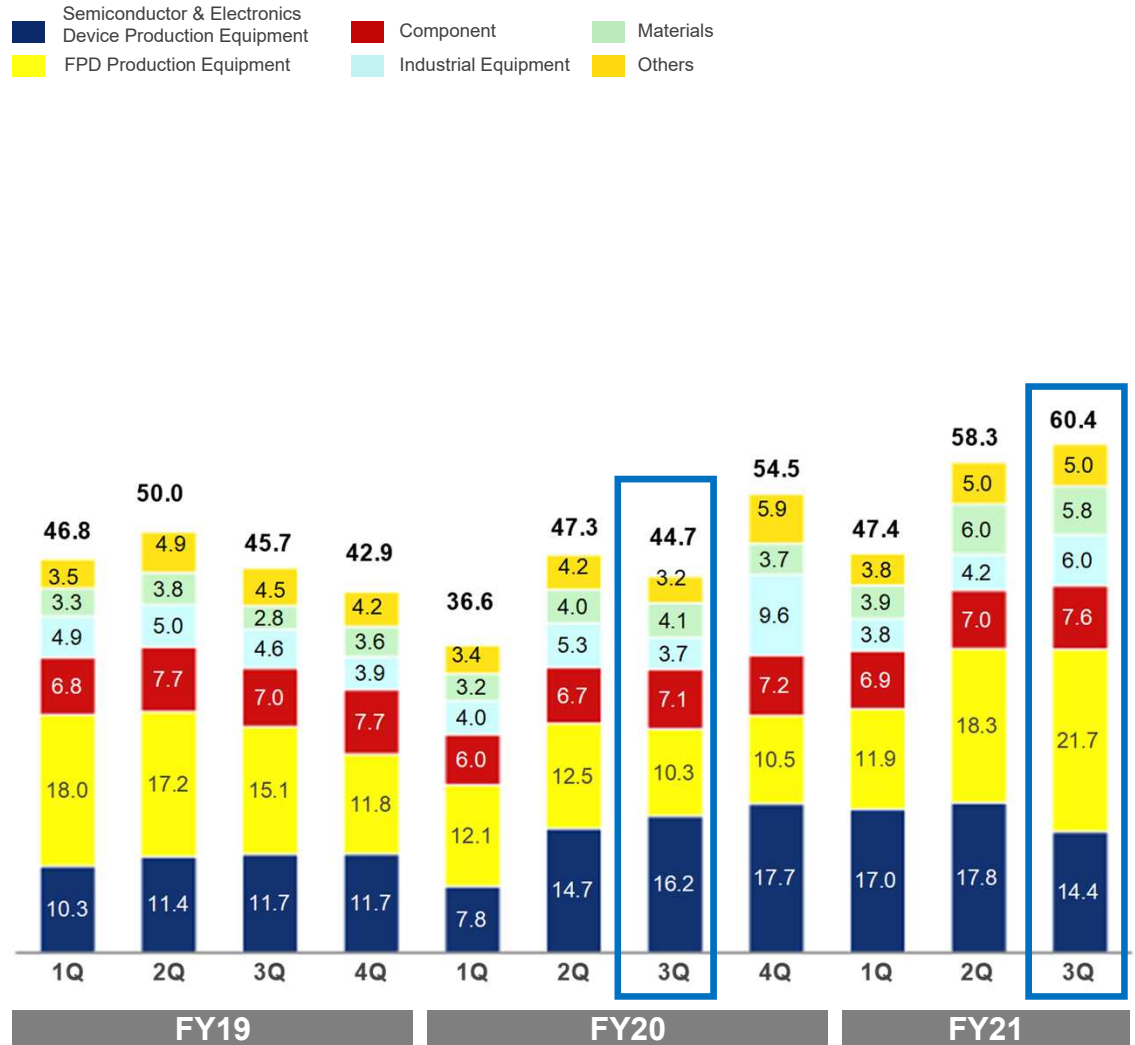
(Unit: ¥1 billion)	FY2020				FY2021				YoY	
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	Amount	Percentage	
	Orders Received	31.2	59.8	42.1	65.8	66.3	78.3			59.6
Net Sales	36.6	47.3	44.7	54.5	47.4	58.3	60.4	+15.7	+35%	
Gross Profit	9.4	13.9	13.4	17.1	13.2	18.9	18.6	+5.3	+40%	
Gross Profit Margin	25.7%	29.5%	29.9%	31.4%	27.9%	32.4%	30.8%	+1.0pt	-	
SG&A	8.4	9.1	9.0	10.1	9.7	11.0	10.5	+1.5	+16%	
Operating Profit	1.0	4.9	4.3	7.0	3.6	7.8	8.1	+3.8	+89%	
Operating Margin	2.7%	10.3%	9.6%	12.9%	7.5%	13.5%	13.5%	+3.8pt	-	
Profit attributable to owners of parent	0.3	4.2	3.7	6.6	2.2	5.9	5.6	+1.9	+51%	
To net sales ratio	0.9%	8.9%	8.3%	12.0%	4.7%	10.1%	9.3%	+1.0pt	-	

Orders and Net Sales by Segment (Quarterly)

Orders received (Unit: ¥1 billion)

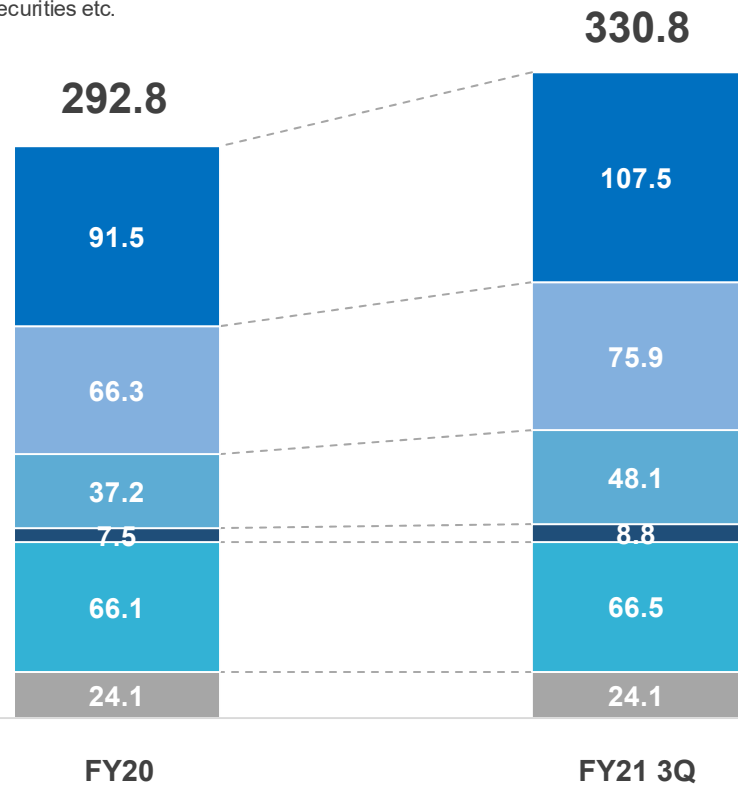


Net sales (Unit: ¥1 billion)



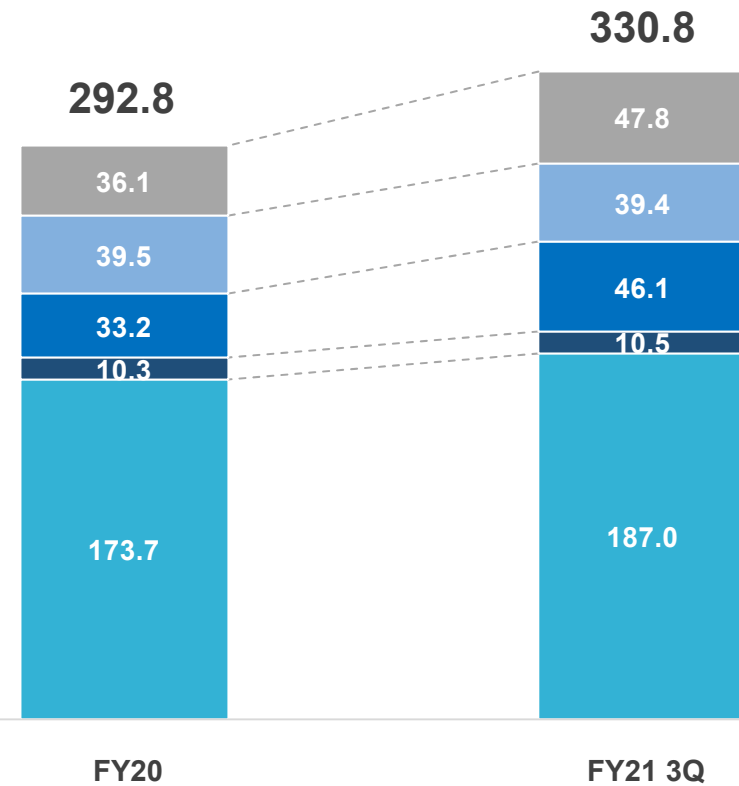
Assets (Unit: ¥1 billion)

- Cash on hand and in banks
- Notes and accounts receivable,trade
- Inventories
- Other current assets
- Property,plant and equipment
- Investment securities etc.



Liabilities and Net Assets (Unit: ¥1 billion)

- Note and accounts payable,trade
- Interest-bearing debt
- Other current liabilities
- Other Long-term liabilities
- Net Assets



ULVAC Vacuum Technology Contributes to Many Industries and Applications



ULVAC