

ULVAC

ULVAC, Inc.

Business Results

The First Quarter of FY2021

(July 2021 - September 2021)

Nov. 12, 2021

証券コード : 6728

Breakthrough 2022

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, semiconductors, 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.



1. Orders received doubled YoY due to the continued strong demand for semiconductors, electronics and FPD-related products.

- **Semiconductors** : Due to the expanding demand for logic and memory devices and progress in miniaturization (**3.8x** that of the same period in the previous fiscal year)
- **Electronics** : Due to the expansion of the electronics market in line with the development of the smart society and China's active domestic investment(**1.8x**)
- **FPD** : Due to the continued investment in LCDs and the shift to OLEDs(**3.9x**)

2. Net sales and operating profit also increased YoY.

(Unit: ¥1 billion)	<u>FY2020 1Q</u>	<u>FY2021 1Q</u>	<u>YoY</u>
□ Order Received	31.2	66.3	+ 35.1 (+112%)
□ Net Sales	36.6	47.4	+ 10.9 (+30%)
□ Operating Profit	1	3.6	+ 2.6 (+261%)

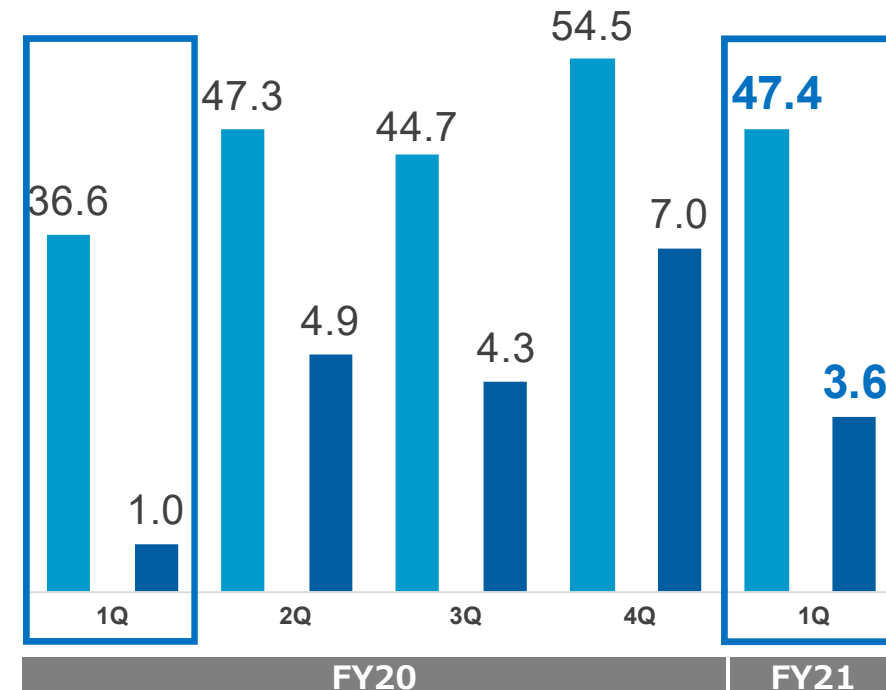
Overview of First Quarter FY2021 Business Results

- Orders received were at a high level (doubled YoY) mainly due to the continued investments in logic memory, electronics and LCDs.
- Net sales and operating profit also increased YoY.

	FY2020 1Q	FY2021 1Q	
	Actual	Actual	YoY
(Unit: ¥1 billion)			
Orders Received	31.2	+66.3	+35.1
Net Sales	36.6	+47.4	+10.9
Gross Profit	9.4	+13.2	+3.8
Gross Profit Margin	25.7%	+27.9%	+2.2pt
SG&A	8.4	+9.7	+1.3
Operating Profit	1.0	+3.6	+2.6
Operating Profit Margin	2.7%	+7.5%	+4.8pt
Net Income	0.3	+2.2	+1.9
To net sales ratio	0.9%	+4.7%	+3.8pt

Quarterly Net Sales and Operating Profit (Unit: ¥1 billion)

■ Net Sales ■ Operating Profit



- **Semiconductors:** Growing through more adoption in MHM* progress and entering other progresses.
- **Electronics:** Growing through achievements in compound materials and technical sales force corresponding to the active investment in China due to the domestic production policy.
- **FPD:** Remaining at a high level due to the continued investment in LCD and the shift to OLED.

Segment	Main Products	Investment Trend	Key Drivers	Market Expansion
Semiconductors	• Logic		<ul style="list-style-type: none"> • More adoption in MHM progress • Entering other progresses 	<ul style="list-style-type: none"> • Acceleration of DX (Digital Transformation) and ICT (Information and Communication Technology) ✓ Normalization of remote work ✓ Shift to EVs ✓ Expansion of AI • Geopolitical risk and supply chain
	• Memory		<ul style="list-style-type: none"> • Track records in wiring progress 	
Electronics	<ul style="list-style-type: none"> • Power Device • Optical Device • Communication device 		<ul style="list-style-type: none"> • Achievements in compound materials • China's domestic production policy and strong technical sales force in China 	
	FPD	• LCD		
• OLED			<ul style="list-style-type: none"> • Increasing market share through enlarging substrate size 	
Others	<ul style="list-style-type: none"> • Components • Materials • Customer Support 		<ul style="list-style-type: none"> • Coordination with equipment 	<h3>Technical Innovation</h3> <ul style="list-style-type: none"> • Miniaturization, large capacity and low power consumption of logic and memory • Miniaturization and higher performance of power, optical and communication devices • Higher definition, greater flexibility, larger size, and lower power consumption of displays

*Metal Hard Mask(MHM) process corresponds to EUV lithography systems.

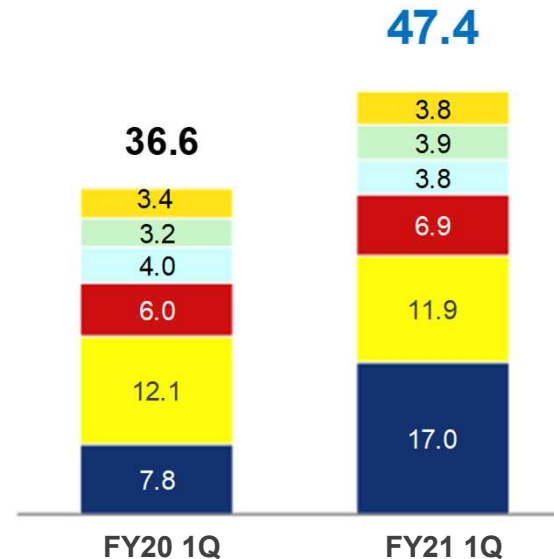
Orders Doubled due to Increased Investment

- Orders doubled YoY primarily due to the active investment in semiconductors, electronics and FPDs. (Including orders received ahead of schedule in response to the delivery delay in parts procurement.)
- Net sales increased YoY mainly in semiconductors and electronics.

Orders received (Unit: ¥1 billion)



Net sales (Unit: ¥1 billion)



Semiconductors • Electronics

Semiconductors

- Increased investment in logic
- Continued investment in memory

Electronics

- Expansion of electronics markets such as power, optical and communication devices
- Active investment in domestic production in China

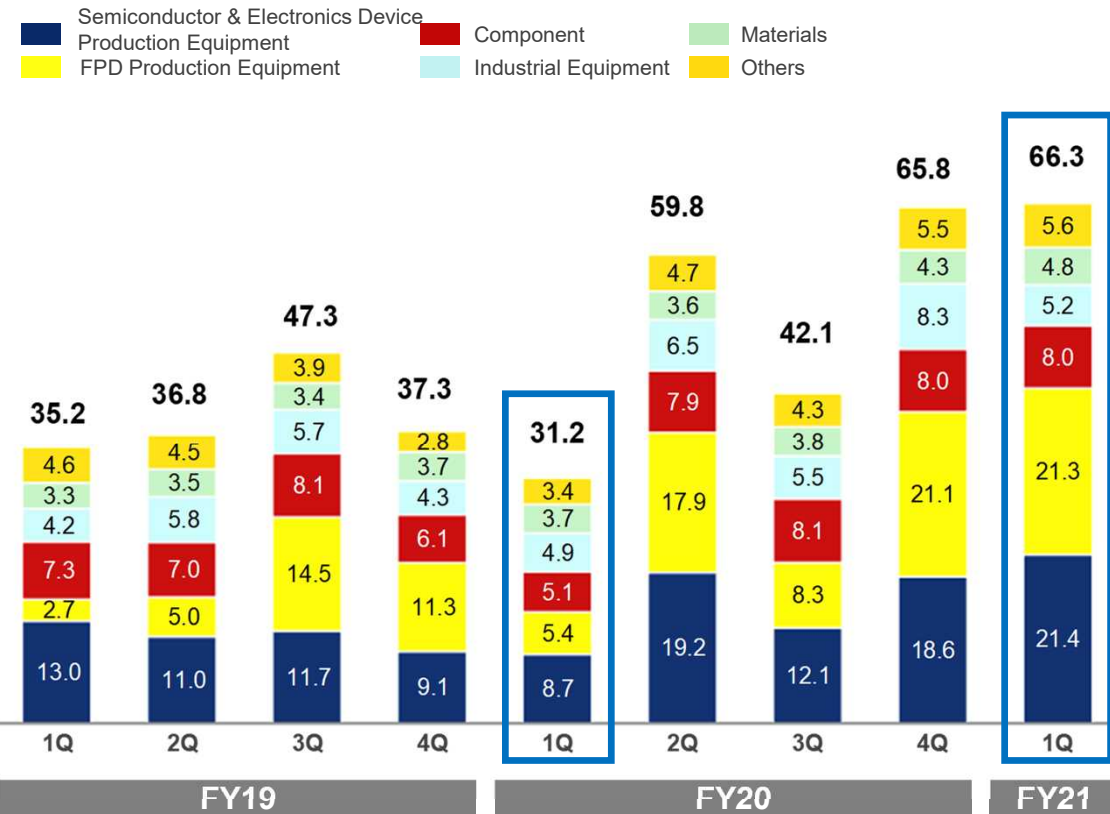
FPD

- LCD investment continues
- Continued investment in OLED for mobile devices
⇒ Expanding applications for IT panels such as tablets and PCs

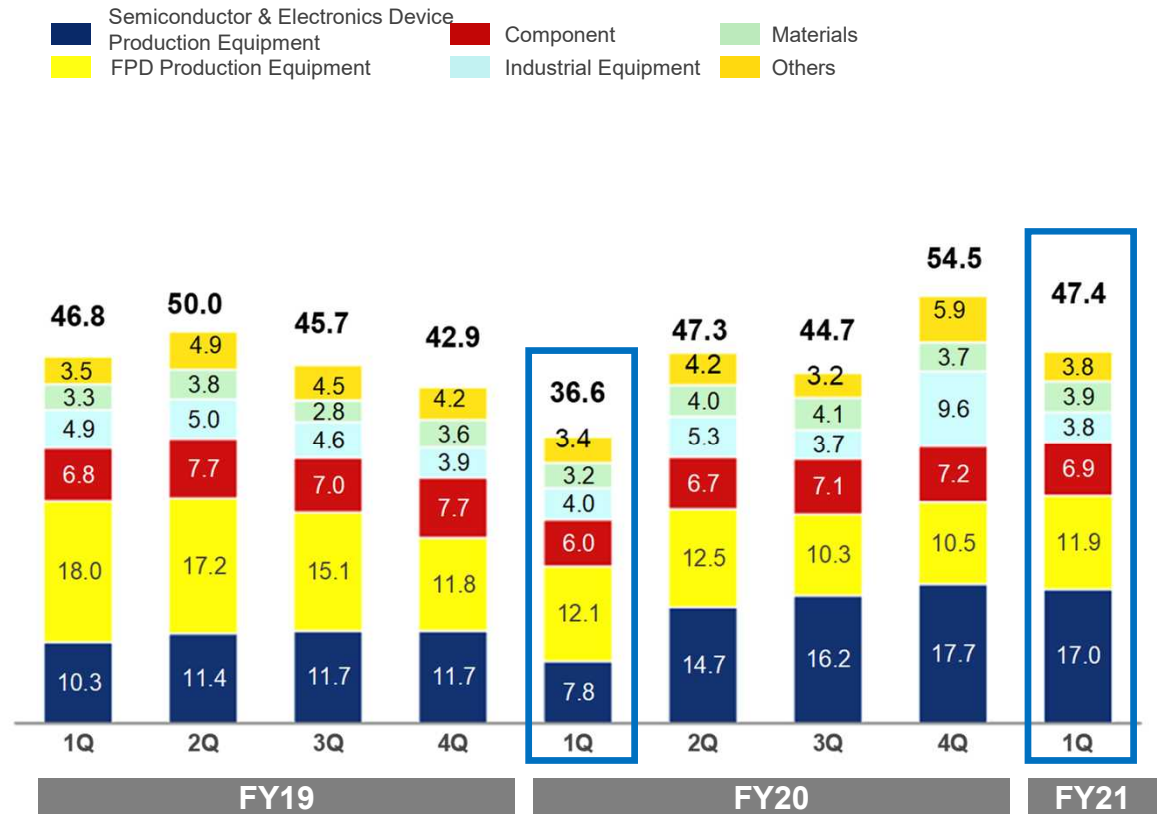
Orders Remain at a High Level

- Orders remained at a high level due to the continued solid demand for semiconductor, electronics, and FPD-related products.

Orders received (Unit: ¥1 billion)



Net sales (Unit: ¥1 billion)

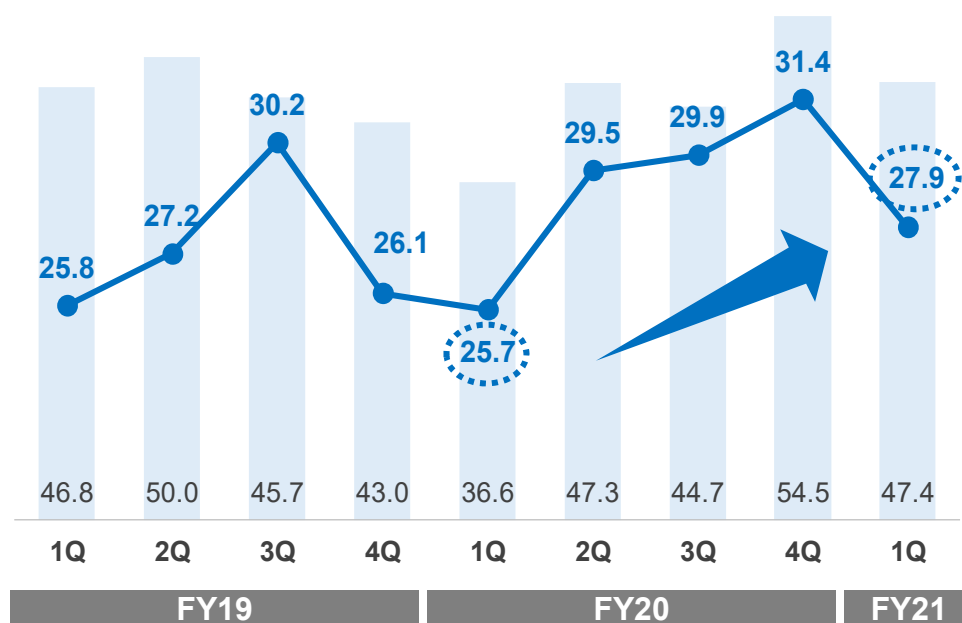


Profit Margins Improved YoY

- Both gross profit margin and operating profit margin improved YoY (despite a temporary decline QoQ mainly caused by lower sales)

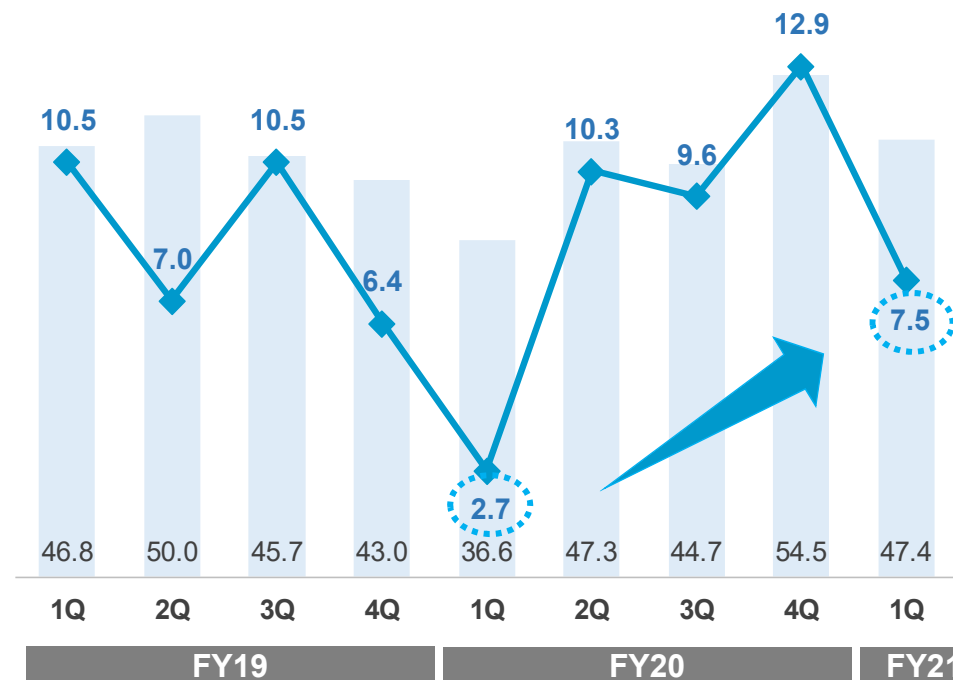
Gross Profit Margin (Unit: ¥1 billion,%)

Net Sales Gross Profit Margin



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

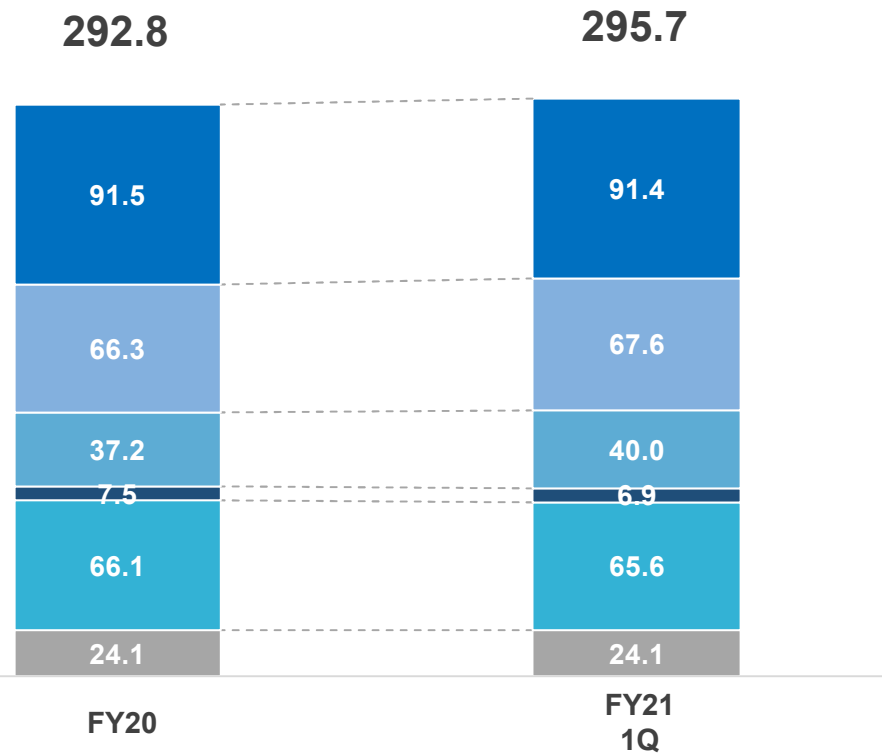
Net Sales Operating Profit Margin



Consolidated Balance Sheet

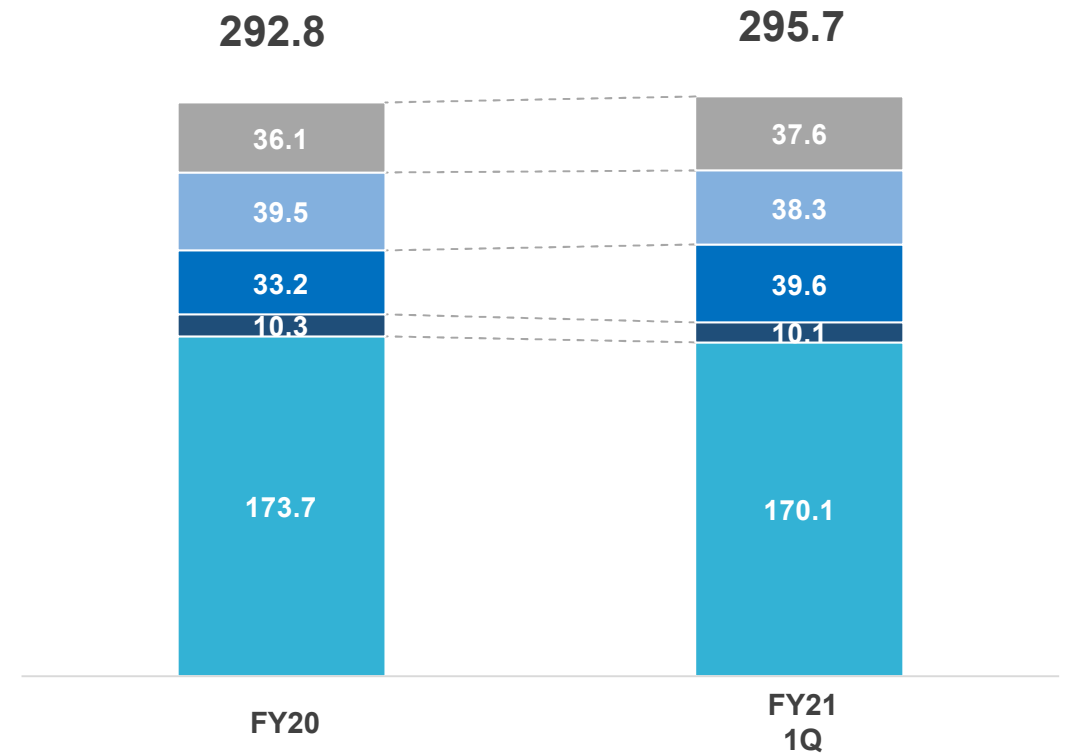
Assets (Unit: ¥1 billion)

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



Liabilities and Net Assets (Unit: ¥1 billion)

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



“ULVAC Advanced Technology Collaborative Research Cluster” established by Ulvac and Tokyo Tech – Aiming Higher Performance in Vacuum Equipment –

ULVAC, Inc. and Tokyo Institute of Technology(Tokyo Tech) established the "ULVAC Advanced Technology Collaborative Research Cluster" on the Ookayama Campus of Tokyo Tech in September,2021.

As the initial research topics, we will collaborate on plasma diagnostics technology and AI technology.

Additionally, leveraging this organization-to-organization collaboration will lead to a wide range of positive outcomes, not only in joint research but also in fields such as personnel development, leading to the advancement of future growth for both ULVAC and Tokyo Tech.



From left to right: Setsuo Iwashita, President and CEO of ULVAC; Kazuya Masu, President of the Tokyo Institute of Technology

Signed the Agreement to Join the United Nations Global Compact

ULVAC, Inc. signed the agreement to join "United Nations Global Compact" (UNGC), which is advocated by the United Nations, and has been registered as a participating company in September 2021. At the same time, we joined the "Global Compact Network Japan", which is composed of Japanese member companies and organizations of the UNGC.

The ULVAC Group has formulated a sustainability policy based on the basic management philosophy of "to contribute to the development of industries and science by comprehensively utilizing its vacuum and peripheral technologies," and has been working to realize a safer, more secure, and affluent society by providing value through "vacuum technology", a fundamental technology essential to people's lives.

By signing the Agreement to join the UNGC this time, we will comply with and implement The Ten Principles of the UN Global Compact, further promote responsible management as a global company, and continue to contribute to solving major social and environmental issues together with our customers.



Quarterly Business Results

(Unit: ¥1 billion)	FY2020				FY2021		
	1Q	2Q	3Q	4Q	1Q	YoY	
						Amount	Ratio
Orders Received	31.2	59.8	42.1	65.8	66.3	+35.1	+112%
Net Sales	36.6	47.3	44.7	54.5	47.4	+10.9	+30%
Gross Profit	9.4	13.9	13.4	17.1	13.2	+3.8	+41%
Gross Profit Margin	25.7%	29.5%	29.9%	31.4%	27.9%	+2.2pt	-
SG&A	8.4	9.1	9.0	10.1	9.7	+1.3	+15%
Operating Profit	1.0	4.9	4.3	7.0	3.6	+2.6	+261%
Operating Margin	2.7%	10.3%	9.6%	12.9%	7.5%	+4.8pt	-
Net Income	0.3	4.2	3.7	6.6	2.2	+1.9	+589%
To net sales ratio	0.9%	8.9%	8.3%	6.7%	4.7%	+3.8pt	-

ULVAC Vacuum Technology Contributes to Many Industries and Applications



ULVAC