

ULVAC

ULVAC, Inc.

Business Results

The First Half of FY2021

(July 2021 - December 2021)

Feb. 15, 2022

Securities code : 6728

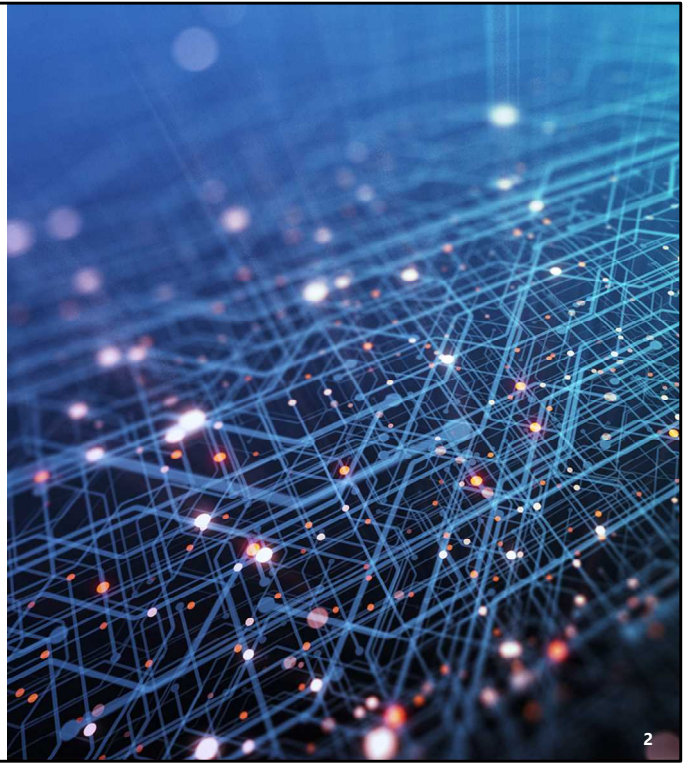
Breakthrough 2022

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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.

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Summary

1. Overview of Consolidated Business Results for 1H FY2021

Orders, net sales, and operating profit increased significantly YoY

- **OP Margin** : improved to 10.8% (+3.8pt YoY)
- **Gross Profit Margin**(the second quarter) : 32.4%
⇒Highest level since listing due to strengthened manufacturing capabilities, etc.
- **Full-year orders plan revised upwardly to ¥245.0 billion (+¥15.0 billion vs. Initial Plan)**

(Unit: ¥1 billion)	FY2021 1H	YoY	Vs. Initial Plan
□Order Received	144.6	+ 53.6 +59%	+37.6 +35%
□Net Sales	105.7	+ 21.8 +26%	+9.7 +10%
□Operating Profit	11.4	+ 5.6 +95%	+2.4 +27%

2. Environment surrounding ULVAC

Semiconductor, electronics and FPD investment will continue to expand over medium-to-long term

- **Strong orders in 1H (Semiconductor:1.7x, Electronics:1.2x,FPD2.4x YoY)**

3. Progress of mid-term management plan: Progressing as planned

- **Strengthening development capabilities and growth businesses**
⇒Increase in orders for semiconductors, electronics, and FPDs
- **Profitability improved by strengthening manufacturing capabilities**

In 1H of FY2021, orders received increased 59% YoY to ¥144.6 billion, net sales increased 26% to ¥105.7 billion, and operating profit increased 95% to ¥11.4 billion, also exceeding the plan.

The operating profit margin also improved by 3.8 percentage points YoY to 10.8%.

The gross profit margin for the second quarter was 32.4%, the highest level since we were listed on the stock exchange, reflecting the results of efforts to strengthen manufacturing capabilities, etc., under the mid-term management plan.

We have revised our full-year forecast for orders to ¥245.0 billion, an increase of ¥15.0 billion from the initial plan of ¥230.0 billion.

The market environment is very favorable, with semiconductor, electronics, and FPD-related investment continuing to expand over the medium to long term due to technological innovation and increased investment in response to the progress of smart society, digitalization, and green energy conversion, as well as the construction of regional supply chains with the government support.

Orders received in 1H increased 59% YoY, mainly due to the expansion of investment in semiconductors, electronics and FPDs. Orders for semiconductors, electronics, and FPDs grew significantly, increasing 1.7 times, 1.2 times, and 2.4 times, YoY respectively.

1H of this fiscal year marks the turning point of our mid-term management plan.

Our efforts to strengthen our development capabilities and growth businesses in semiconductors, electronics, and FPDs led to an increase in orders.

In terms of profitability, our efforts to strengthen our manufacturing capabilities have steadily led to the results, and the gross profit margin in the second quarter was the highest level since we were listed.



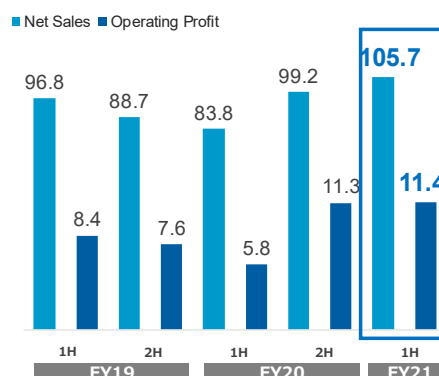
1H FY2021 Business Results

1. Overview of 1H FY2021 Business Results

- Orders Received : Increased 59% YoY due to the investment expansion in semiconductors and electronics, etc.
- Net Sales : Increased 26% YoY / Operating Profit : Increased 95% YoY
- OP Margin : Improved to 10.8% (+3.8pt YoY) (Further improvement expected in 2H)

(Unit: ¥1 billion)	FY2020 1H		FY2021 1H			
	Actual	Initial Plan	Actual	YoY	Vs. Initial Plan	
Orders Received	91.0	107.0	144.6	+53.6	+59%	+37.6
Net Sales	83.8	96.0	105.7	+21.8	+26%	+9.7
Gross Profit	23.3	-	32.1	+8.8	+38%	-
Gross Profit Margin	27.8%	-	30.4%	-	+2.6pt	-
SG&A	17.5	-	20.7	+3.2	-	-
Operating Profit	5.8	9.0	11.4	+5.6	+95%	+2.4
Operating Profit Margin	7.0%	9.4%	10.8%	-	+3.8pt	+1.4pt
Profit attributable to owners of parent	4.5	6.5	8.1	+3.6	+79%	+1.6
To net sales ratio	5.4%	6.8%	7.7%	-	+2.3pt	+0.9pt

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



In 1H, orders received increased 59% YoY to 144.6 billion yen, mainly due to increased investment in semiconductors and electronics.

Net sales increased by 26% to 105.7 billion yen and operating profit increased by 95% to 11.4 billion yen.

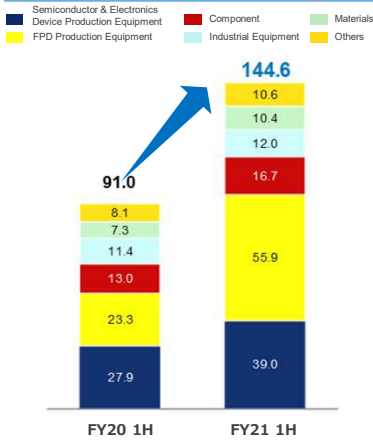
The operating profit margin also improved by 3.8 percentage points to 10.8%.

In 2H, we expect further improvement through efforts of strengthen the manufacturing capabilities.

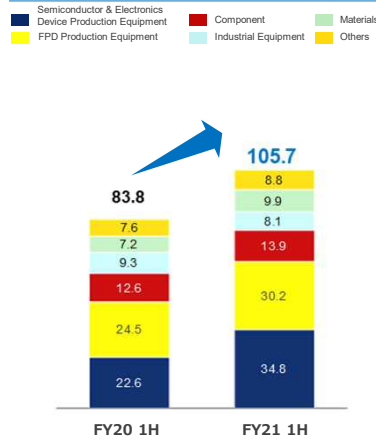
1-(1) Orders and Net Sales by segments: Increased significantly due to active investment

- Significant YoY increase due to active investment in semiconductors, electronics and FPDs

Orders received (Unit: ¥1 billion)



Net sales (Unit: ¥1 billion)



Orders Received

- **Semiconductors:** Active investment in both logic and memory, **1.7x** YoY
- **Electronics:** Increased mainly in power devices and various electronic devices, **1.2x** YoY
- **FPD:** Orders received in 1H achieved 80% of the full-year plan due to the orders received ahead of schedule (approx. ¥20 billion) (**2.4x** YoY)

Net Sales

- Increase compared to the same period of the previous year, mainly in semiconductors, electronics and FPDs (Time lag in sales contribution due to longer delivery times for parts)

Both orders and sales have increased significantly due to active investment in semiconductors, electronics, and FPDs. Sales of semiconductors and electronics, shown in blue in the graph on the left, increased 1.4 times from 27.9 billion yen to ¥39.0 billion. Semiconductors increased 1.7 times due to increased investment in both logic and memory.

Electronics-related sales also increased 1.2 times, mainly in power devices and various electronic device-related products.

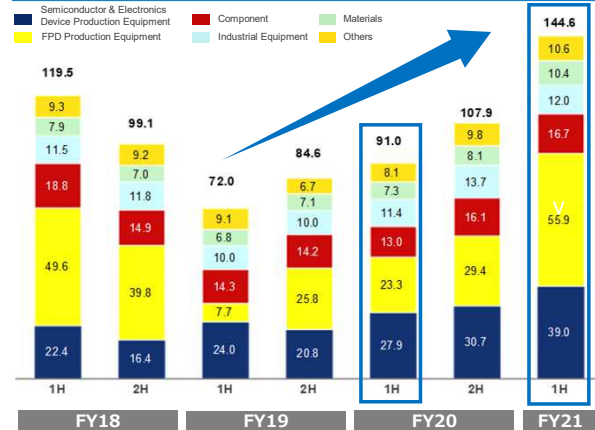
Sales of FPDs in yellow increased 2.4 times due to the advance order of about ¥20 billion for the projects scheduled previously in 2H.

Net sales increased significantly YoY, mainly for semiconductors, electronics and FPDs, although there is a time lag in sales contribution due to the delay in parts delivery.

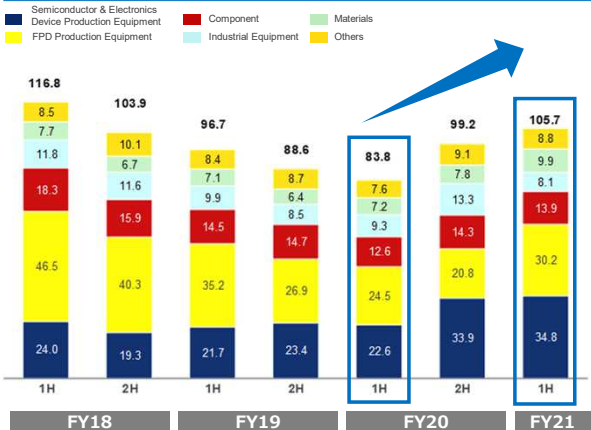
1-(2) Orders and Sales by Segment: Growth in Semiconductors and Electronics exceeding plan ULVAC

- **Semiconductors and Electronics: Growth exceeding mid-term plan**
- **FPD: Significant increase in 1H due to the increased investment in LCD**
- **Increased order backlog will contribute to sales in the next fiscal year and beyond**

Orders received (Unit: ¥1 billion)



Net sales (Unit: ¥1 billion)



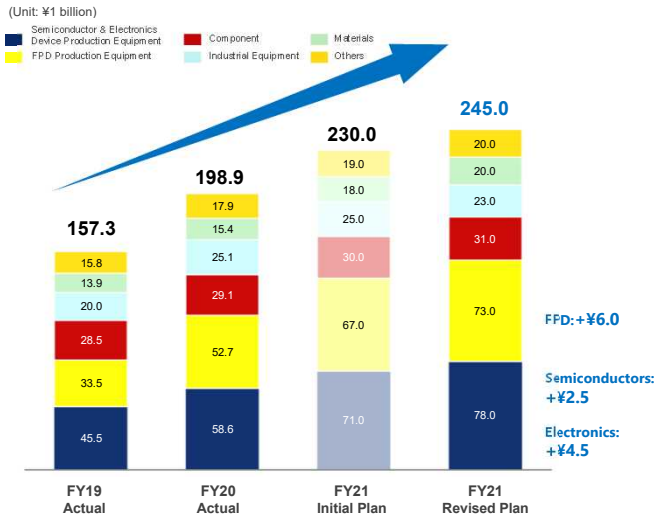
Orders have been on an upward trend since 2H FY2019, and sales have also been on an upward trend since 2H FY2020.

In particular, the semiconductor electronics business, shown in blue in the graph, has been growing steadily, exceeding the assumptions of the mid-term management plan.

The increase in the order backlog will contribute to sales in the next fiscal year and onward.

2. Revision of full-year order Plan : Revised to ¥245.0 billion (+¥15.0 billion)

- Full-year order plan revised from ¥230.0 billion to ¥245.0 billion (+¥15.0 billion) due to active investment in semiconductors, electronics, and FPDs
- Aiming for further growth with a focus on semiconductors and electronics (next fiscal year's plan to be disclosed in August)



Semiconductors: 1.5x YoY

- Logic(2.2x YoY)·Memory(1.3x YoY)
Investment increasing

Electronics: 1.2x YoY

- Power Device(1.5x YoY)·Active investment in China

FPD: 1.4x YoY

- Investment increasing in LCD
- Investment in IT panels and OLED (large substrates) are expected to continue in the next fiscal year and beyond, and investment in EV batteries is expected to be full-scale investment from FY2023

We are revising our full-year forecast for orders from ¥230 billion to ¥245 billion, with an increase of ¥15 billion.

Semiconductor orders are expected to increase 1.5 times YoY, mainly in logic devices.

In electronics, overall sales are expected to increase 1.2 times YoY due to strong sales of power devices, with the contributions from active investment in China.

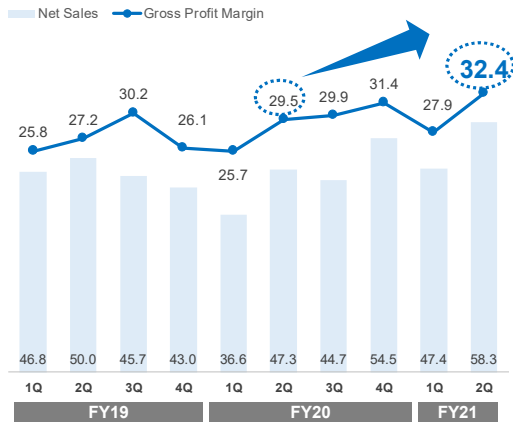
FPD is expected to grow 1.4 times YoY due to active investment in LCD.

In the next fiscal year and onward, FPD-related investment is expected to continue due to the investment in IT panels as well as OLED, especially in larger substrates, and the investment in EV batteries from FY2023.

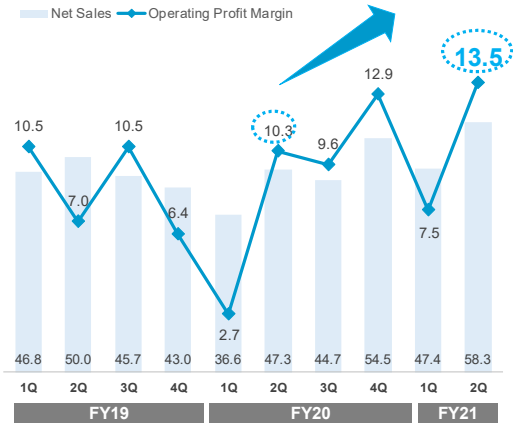
3-(1) 2Q Profit Margin: Gross Profit Margin at highest level since listing

- **Gross Profit Margin: 32.4%, Highest level since listing**
- **Operating Profit Margin: 13.5%, improved significantly YoY**

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



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



The gross profit margin for the second quarter was 32.4%, the highest level since our listing.

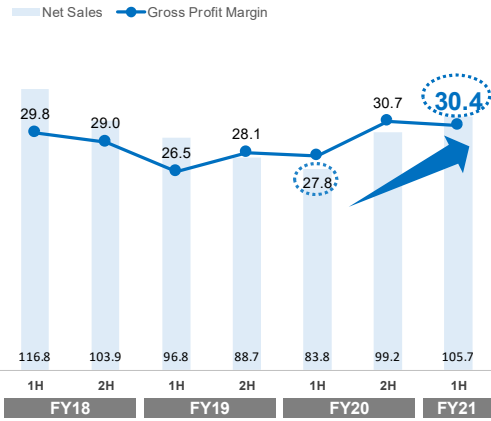
We believe that we are already beginning to see the results of our efforts to strengthen our manufacturing capabilities.

The operating profit margin also improved significantly to 13.5% from 10.3% in the same period of the previous year.

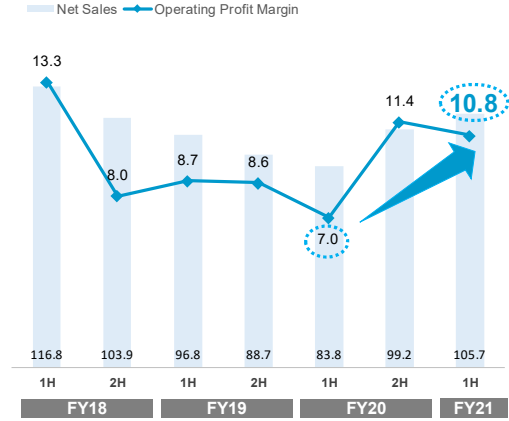
3-(2) 1H Profit Margin: Improvement over the same period of the previous year

- Both gross profit margin and operating profit margin improved.
- Profitability in 2H is expected to improve further by strengthening manufacturing capabilities.

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



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



Both the gross profit margin and operating profit margin improved significantly to 30.4% and 10.8% respectively, in 1H.

We expect to further improve the profit margin in 2H by further strengthening our manufacturing capabilities, and we aim to achieve higher margins in the next fiscal year, the final year of our mid-term management plan.



Environment surrounding ULVAC

Next, I will explain the environment surrounding ULVAC.



As you can see in the figure on the lower left, developments in remote healthcare, IoT, AR/VR, smart houses, EVs, and other smart social, digital, and green energy technologies, as well as the expansion of the use of virtual space in the metaverse, are stimulating investment in technological innovations and increased production of semiconductors, electronic devices, displays, and other products.

We have diverse equipment that can be used for a wide range of applications in these various electronic device fields.

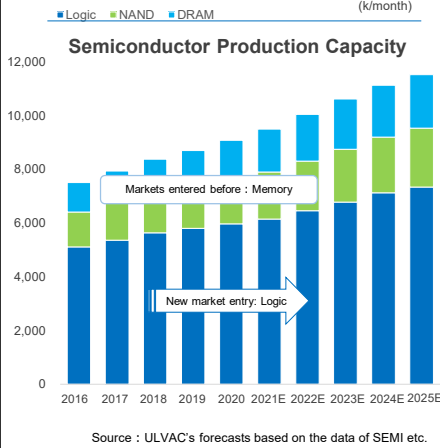
ULVAC's strength lies in its ability to contribute to the resolution of social issues with a wide range of technologies and products.

Furthermore, due to the trade friction between the U.S. and China, countries are actively working to subsidize the construction of regional supply chains in the semiconductor and electronics fields, and high levels of investment are expanding and expected to continue over the medium to long term. As a result, business opportunities for ULVAC are expanding as well.

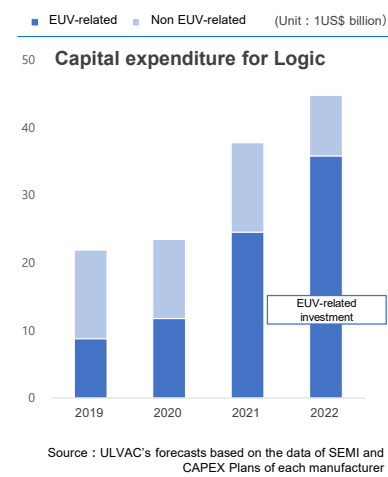
1-(1) Semiconductors: Expanding business opportunities by entering Logic market ULVAC

- Logic: Expanding business opportunities by entering the metal hard mask (MHM) process
- Achieving growth through both logic and memory
- Aiming growth exceeding that of the logic market (MHM and other processes)

Expanding business opportunities by entering logic market



Expansion of EUV-related investment: 80%



Investment of Logic Foundries

- Aggressive expansion of production capacity in both logic and memories through technological innovation such as miniaturization and stacking
- Being **de facto standard in MHM process** of EUV →Expanding business opportunities in other processes as well(Highly expected to be a strong second vendor)

EUV-related investment expansion, Growth outpacing market

- **Leading-edge investment by foundries and logic manufacturers is related to EUV (about 80% of the logic investment)**
- Orders are expected to grow 2.8x against the increase in logic capex (1.7x in 2021 vs. 2019), **exceeding the market growth.**
→Aiming growth exceeding that of the logic market by MHM capital investment increase, new customer development, and the entry into other processes

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With regard to semiconductors, as shown in the graph on the left, we had previously developed our business only in the memory field.

From 2018, we were able to enter the logic market, where further miniaturization using EUV lithography tools are progressing. MHM has become the de facto standard in this important process, and more stable capital investment expansion is expected.

This has enabled us to achieve growth in both logic and memory.

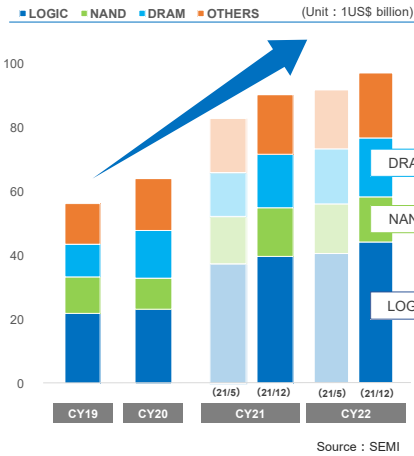
The graph on the right shows the ratio of EUV-related investment to logic-related investment.

We expect EUV-related investment to account for 80% of the total logic-related investment in FY2022, and we believe that ULVAC's equipment for MHM processes will grow faster than the overall investment in the logic market.

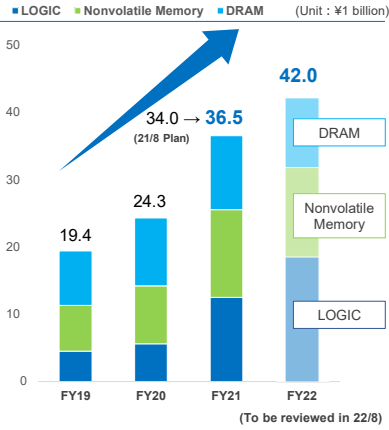
1-(2) Semiconductors: Growth expected to exceed market growth

- Continued capex expansion for both logic and memory
- Logic: Aiming to grow faster than market growth by MHM process and other processes increase

Semiconductor Capex Forecast



Orders Plan



Investment Trend

- Expanding scope and increasing functionality of applications such as 5G, IoT, AI, and metaverse. Data center investment for increased data traffic → Semiconductor investment is expected to expand over the medium-to-long term.
- Capex expansion trend expected to remain unchanged even in FY2022

Orders Trend

- In 1H, logic (+90% YoY) and memory (+60% YoY) both increased
- In the 2H, we expect orders to remain at the same high level as in 1H, and for the full fiscal year, we expect orders of ¥36.5 billion (+50% YoY), exceeding the plan.
- Continued growth expected mainly in logic-related business

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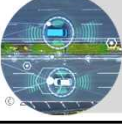


The graph on the left shows SEMI's forecast for semiconductor capital investment. The December forecast is higher than the forecast made in May of last year, and further expansion is expected in 2022 than 2021, indicating that the appetite for semiconductor-related capital investment is increasing.

In 1H, orders for logic devices increased 1.9 times and orders for memory devices increased 1.6 times YoY.

In 2H, we expect orders for semiconductors to remain at the same high level as in 1H, and for the full year, we expect to receive 36.5 billion yen, 1.5 times YoY and 2.5 billion yen more than planned.

The graph of orders for FY2022 is based on the plan as of August last year and will be reviewed and explained in August this year.

2-(1) Electronics: Lineup of equipment for various electronic device fields and applications **ULVAC**

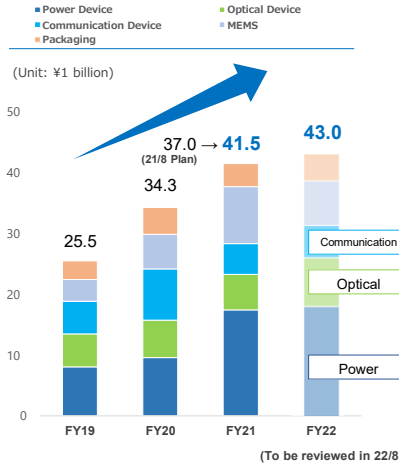
	Application	Device	ULVAC Equipment
 Power Device	EV Automotive Devices Inverter Motors Industrial robots Power Saving Devices  	IGBT SiC Diodes MOSFET	  <p>Sputtering Equipment Evaporation Equipment</p>
 Optical Device	AR/VR Automotive instrument panels 3D Sensor  	μ OLED Anti-reflection film Band Pass Filter	  <p>Ion Implanter CVD Equipment</p>
 Communication Device	Smartphones Wireless base stations  	SAW and BAW Filters RF Devices	  <p>Etcher Equipment Ashing Equipment</p>
 Packaging	PC Smartphones Data Servers IoT devices  	FanOut WLP·PLP Info-package	
 Electronics Device (MEMS)	Fingerprint recognition LiDAR  	Piezo-MEMS	15

In the electronics field, our strength lies in our ability to respond to the various needs of our customers, with a lineup of equipment for various applications in fields such as power/optical/communication devices, packaging, sensors and other electronic devices.

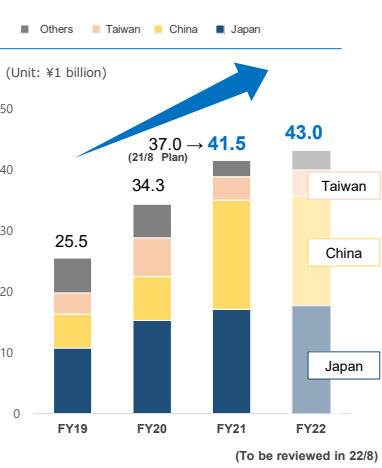
2-(2) Electronics: Growth mainly in China, also in Japan, Taiwan, etc.

- Active investment in power devices, optical devices, communication devices, etc., mainly in Japan and China
- Especially in China, the government's policy of domestic production has stimulated investment, mainly in the field of power devices.

Orders Received Plan (by Segment)



Orders Received Plan (by Region)



Investment Trend

- With the expansion of new applications such as new energy shift (green energy conversion), digital infrastructure construction, and metaverse, the technological innovation and the demand for various devices are boosting.
 - Active capital investment
- China's domestic production policy and local government support will increase new entrants
 - Increased construction of electronic device factories, especially in coastal areas

Orders Trend

- 1H: Increase mainly in power devices, communication devices, sensors, etc.
- 2H: Expected to remain at a high level mainly in power devices and optical devices
- Full-year: Expected to exceed the plan at the amount of ¥41.5 billion (+20% YoY)
- Continuing to grow with the active investment in power devices, optical devices (μOLEDs for AR·VR, etc.), communication devices (SAW·BAW filters), etc.

Please see the graph on the left.

Orders for this fiscal year are expected to increase by 4.5 billion yen from the planned 37 billion yen to 41.5 billion yen.

Orders for power devices in particular are expected to be strong, and in terms of markets, business in China is expanding, and the overall electronic field is expected to grow 1.2 times YoY.

We will continue to grow in response to active investment in power devices, optical devices such as μOLEDs, and communication devices.

2-(3) Electronic growth factors: Power devices growth with the shift to green energy·EVs **ULVAC**

- Power devices becomes a **growth engine** as the shift to green energy and EVs progresses. (Orders Received in 1H : 1.4x YoY)

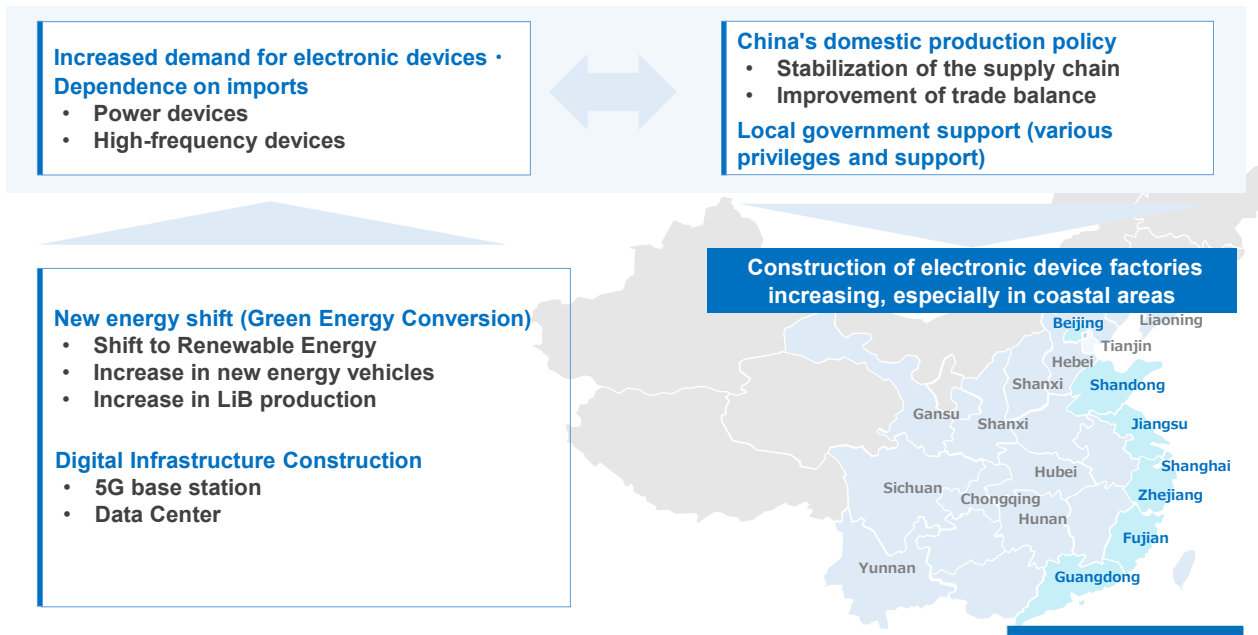
	Market Environment	ULVAC's Strength
IGBT High voltage Large current	<ul style="list-style-type: none"> • The number of power devices installed increased due to shift to EVs • Active investment by major Japanese companies 	<ul style="list-style-type: none"> • High market share in sputtering equipment for back-surface electrodes • Extensive experience with major Japanese companies
SiC High voltage Large current	(In China) <ul style="list-style-type: none"> • Accelerating green energy investment • The government's domestic production policy and local government support • Expanding SiC Wafer Production 	(In China) <ul style="list-style-type: none"> • More than 70% share for SiC ion implanter market in China • Mass production support for Chinese companies for the past 10 years • Technical sales force by dispatching resident engineers to China
Si-MOSFET Low voltage Small current	(In China) <ul style="list-style-type: none"> • Inverterization of home appliances, etc. • The government's domestic production policy and local government support • Strong demand for low to mid-end devices 	(In China) <ul style="list-style-type: none"> • Price competitiveness through local production • Customization through local design • Establishment of supply chain system

Power devices are expected to grow significantly amid the trend toward green energy and EVs.

Japan continues to invest aggressively in IGBTs, while China continues to invest aggressively in SiC. In China, our share of the market for SiC ion implanters is more than 70%, and we have dispatched and stationed general manager-level engineers from Japan to enhance our technical sales capabilities and promote the capture of business.

For MOSFETs, we are expanding our business by manufacturing competitively priced deposition systems at our local plant in Suzhou.

2-(4) Electronic growth factors: Accelerated growth of China's electronic device market ULVAC



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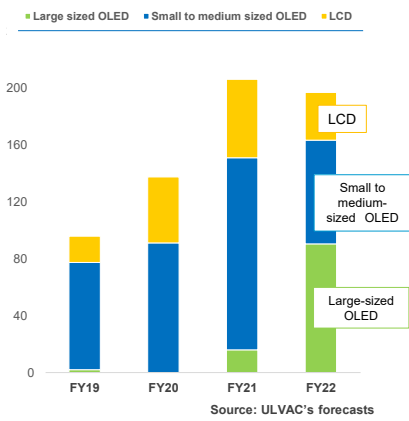
As for Chinese electronic device market, while demand for power devices and high-frequency devices are expected to increase in line with the shift to new energy sources and the construction of digital infrastructure, China currently relies on imports and has announced a policy of domestic production in order to stabilize the supply chain and improve the balance of trade.

In response to the Chinese central government's policy, local governments are putting forth a variety of preferential and supportive measures to attract companies, and the construction of electronic device factories, especially in coastal areas, is on the rise, expanding business opportunities.

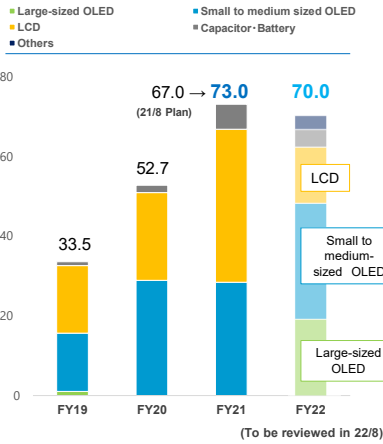
3. FPD: Orders increased in 1H, Mid-to-Long Term growth by OLED-shift · Battery-related

- 1H: Active investment in LCD for IT panels; significant increase in orders for both LCD and OLED
- Progress in the shift to OLED (mobile + IT panel + TV) ⇒ Active investment in large substrate (G8.5) OLED from FY2022
- Roll-to-roll deposition equipment for EV batteries also expected to contribute to the sales from FY2023

FPD Capex Forecast (Evaporation·Sputtering) (Unit: ¥1 billion)



Orders Received Plan (Unit: ¥1 billion)



Investment Trend

- Active investment in high-definition, wide viewing angle LCDs for IT panels (tablets, PCs, medical, automotive, games, etc.)
- Progress in shift to OLED (mobile + IT panel + TV)
- Development of roll-to-roll deposition system for EV batteries' miniaturization, high capacity and safety improvement

Orders Trend

- LCD and OLED orders received ahead of schedule (approx. ¥20 billion); full-year order plan is expected to increase by ¥6 billion
- From FY 2022 onward, we expect a order bases of approx. ¥70 billion due to the progress in shift to OLED and EV battery business, etc.
- For large substrate OLEDs, we leverage strengths in large substrate sputtering equipment, transport technology, and high-definition support

As for FPDs, investment in LCDs for IT panels such as tablets, PCs, and in-vehicle use are becoming more active, and orders for both LCDs and OLEDs for 1H are increasing significantly, and the full-year plan is expected to increase by ¥6 billion.

FPD orders for 2H will settle down temporarily, but in addition to mobile and TV, OLED for IT panels are beginning to advance, and we see some investment plans at a high level.

In addition, we believe that Roll-to-Roll deposition systems for EV batteries will also contribute from 2023 and onward, and we expect to receive orders of around ¥70 billion from FY2022 onward.

4. Stable business bases also strong

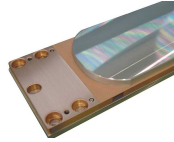
Components (1H: +30%YoY)



Leak Detection

- Strong orders due to active investment in semiconductor electronics, FPD, and consumer electronics.
- Strong sales of leak detectors (HELIOT series) used for product inspection of air-conditioning parts, etc.
- Some orders were received ahead of schedule due to longer delivery times for parts.

Materials (1H:+40%YoY)



Sputtering Target for FPD production equipment

- Orders were strong due to the rise in equipment utilization rate for semiconductor electronics and FPD related products
- Expanding sales of high-definition LCD panels (IGZO), sintering targets for semiconductor electronics (W, WSi, etc.), and metal targets (Al, Ti), etc.

Customer Support (1H:+20%YoY)



- Orders for semiconductor electronics and FPD-related products were strong due to increased investment and higher equipment utilization rates.
- Orders for in-vehicle capacitors were also strong due to the accelerating shift to EVs.
- Expansion of CIP business for high value-added panels
- Expansion of OLED cryopump overhaul business

Orders for components were 1.3 times YoY due to active investment in semiconductors, electronics and FPDs.

Orders for materials were also strong, 1.4 times YoY due to higher equipment utilization rates in the semiconductor, electronics, and FPD industries.

Customer support services also performed well, 1.2 times YoY due to increased investment in semiconductor, electronics, and FPD-related industries.

We intend to continue to expand these businesses as a stable business bases.



Progress of Mid-term Management Plan

Progress of Mid-term Management Plan (Summary)

	Mid-term Management Plan Activities	Evaluation of results and progress
Strengthening the Growing Business Strengthening Research and Development	Semiconductor	<ul style="list-style-type: none"> New entry into logic miniaturization process Memory investment resumed, new process entry
	Electronics	<ul style="list-style-type: none"> Active investment in logic and memory ⇒ Orders exceeding plan Growth through MHM process and development of other processes
	FPD	<ul style="list-style-type: none"> Active investment in power, optical, communication devices, etc. ⇒ Exceeded order plan mainly from Japan and China Expansion of proposed equipment with modularized "uGmni" series Exceeded order plan by strengthening sales and technical support system in China
Strengthening Manufacturing Capabilities	<ul style="list-style-type: none"> Development of large substrate OLED mass production Conversion to a profitable structure 	<ul style="list-style-type: none"> Orders exceeded the plan due to continued LCD investment and the shift to OLED Steadily strengthening manufacturing capabilities and profit margin improvement
Strengthening Manufacturing Capabilities	<ul style="list-style-type: none"> Promoting production reform on all processes from engineering and design to the production system → Improvement of profit margins by improving productivity 	<ul style="list-style-type: none"> Steady implementation of various measures ⇒ Steady improvement in profit margin
Enhancing Group Management Efficiency	<ul style="list-style-type: none"> Business Unit Management Promotion Strengthening the management of group companies that have their own products 	<ul style="list-style-type: none"> Integration of Korean Group Companies The merge of two domestic manufacturing subsidiaries decided Promotion of management reform in each group company
Strengthening Financial Base	Human resource development and revitalization	<ul style="list-style-type: none"> Introduction of new personnel system Development of next-generation leaders
	Strengthen information system infrastructure	<ul style="list-style-type: none"> Steady implementation of various system improvements for productivity improvement
	Strengthen financial base	<ul style="list-style-type: none"> Equity ratio: 56.1%

The results of strengthening R&D capabilities to reinforce growing businesses such as large substrate OLEDs in FPDs and also in semiconductors, electronics, led to strong orders in 1H and an upward revision of the full-year order plan.

In the semiconductor business, in addition to growth in the MHM process, we are working on the development of other processes; in the electronics business, we are increasing orders for power devices and various electronic devices, building a technical sales support system in China; and in the FPD business, we are exceeding our order plan for LCDs and OLEDs and also making steady progress in improving the profit margin.

From the perspective of improving profit margins by strengthening manufacturing capabilities, various measures are being steadily implemented, and the gross profit margin in the second quarter reached the highest level since we were listed.

We promoted integration and mergers in Japan and in Korea to strengthen the group management efficiency.

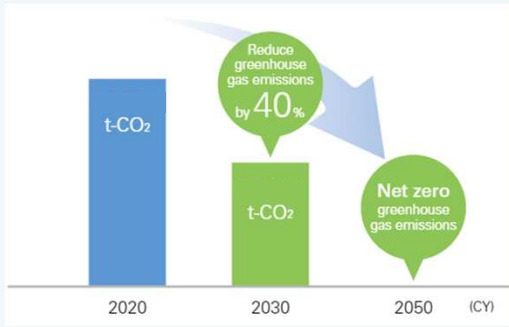
We are also focusing on the development of next-generation leaders to strengthen the management bases.

Revision of Environmental Targets

We will strive to curb greenhouse gas emissions and address climate change through a variety of activities, including energy conservation efforts in Japan and overseas, the introduction of renewable energy sources with low greenhouse gas emissions, and the development of environmentally friendly products.

Greenhouse Gas Emission Targets

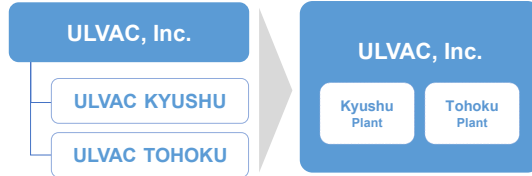
- ① Reduce greenhouse gas emissions in 2030 by 40% compared with 2020
- ② Achieve net zero greenhouse gas emissions by 2050



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Merger of Wholly Owned Subsidiaries

In order to accelerate the "Strengthening of the manufacturing capability", two major domestic manufacturing subsidiaries will be merged by absorption, aiming to further improve productivity and profitability by incorporating a wide variety of product manufacturing technologies. This merger is scheduled to take place in July 2022.



Value Report 2021 Issued

- Strengthening disclosure on sustainable management
- Initiatives concerning human rights and climate change
- Creating value for the company from the perspective of outside directors



Breakthrough 2022

ULVAC aims to reduce its greenhouse gas emissions by 40% by 2030, and to achieve virtually zero emissions by 2050.

ULVAC has decided on a policy of merging its domestic manufacturing subsidiaries in Kyushu and Tohoku, as part of its efforts to strengthen group management efficiency.

ULVAC's Value Report 2021 has been issued. Please have a look at it.

Smart and Digital Society
Realization



Green Energy Conversion
Low Power Consumption

Smart Society ⇒ Solving Social Problems

Memory

Logic IC

Sensor

Communicating
Device

Battery

Miniaturization

High performance

Low power consumption

Sputtering

Etching

Vacuum Evaporation

Vacuum Thin Film Processing Technology

Chemical Vapor Deposition

Component

Material

Customer support

As we have explained, 1H results were as follows:

The results of our efforts to strengthen R&D capabilities and growing businesses in the semiconductor, electronics, and FPD fields were evident, and due to the favorable market environment in various fields including semiconductors and electronics, orders received increased significantly, and sales, operating profit also increased substantially, exceeding the plan.

In addition, the gross profit margin in the second quarter was at the highest level since we were listed on the stock exchange due to steady progress in efforts to strengthen manufacturing capabilities.

The business environment for semiconductors and electronics is about to expand further over the medium to long term to realize a smart society, digitization, green energy conversion, and the development of the metaverse.

In order to seize these big opportunities and grow, we will further strengthen the growing business, continue our efforts to strengthen our development capabilities, and improve our manufacturing capabilities under our mid-term management plan.

We hope you will look forward to our efforts.

Thank you.



Appendix

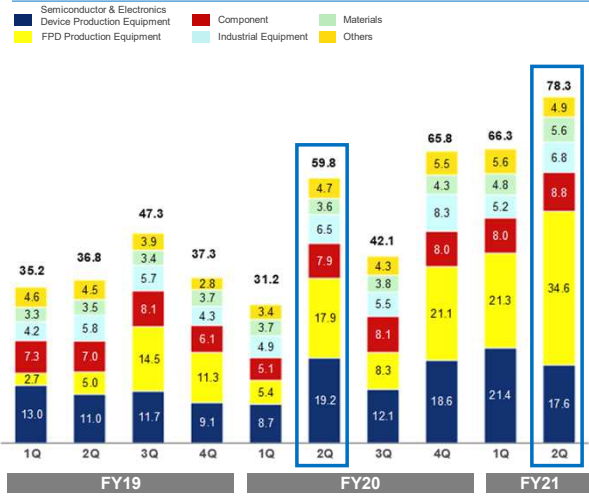
Quarterly Business Results



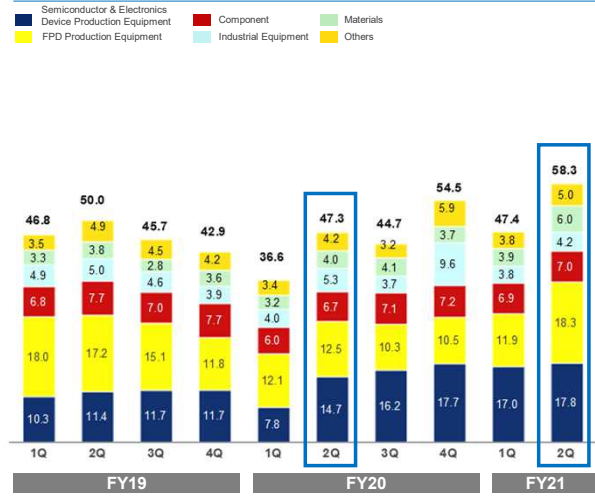
(Unit: ¥1 billion)	FY2020				FY2021			
	1Q	2Q	3Q	4Q	1Q	2Q	YoY	
							Amount	Ratio
Orders Received	31.2	59.8	42.1	65.8	66.3	78.3	+18.5	+31%
Net Sales	36.6	47.3	44.7	54.5	47.4	58.3	+11.0	+23%
Gross Profit	9.4	13.9	13.4	17.1	13.2	18.9	+5.0	+36%
Gross Profit Margin	25.7%	29.5%	29.9%	31.4%	27.9%	32.4%	-	+3.0pt
SG&A	8.4	9.1	9.0	10.1	9.7	11.0	+2.0	+22%
Operating Profit	1.0	4.9	4.3	7.0	3.6	7.8	+3.0	+61%
Operating Margin	2.7%	10.3%	9.6%	12.9%	7.5%	13.5%	-	+3.2pt
Profit attributable to owners of parent	0.3	4.2	3.7	6.6	2.2	5.9	+1.7	+40%
To net sales ratio	0.9%	8.9%	8.3%	6.7%	4.7%	10.1%	-	+1.2pt

Orders and Net Sales by Segment (Quarterly)

Orders received (Unit: ¥1 billion)



Net sales (Unit: ¥1 billion)

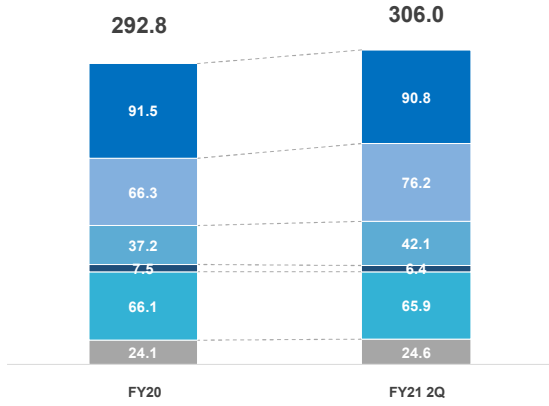


Consolidated Balance Sheet



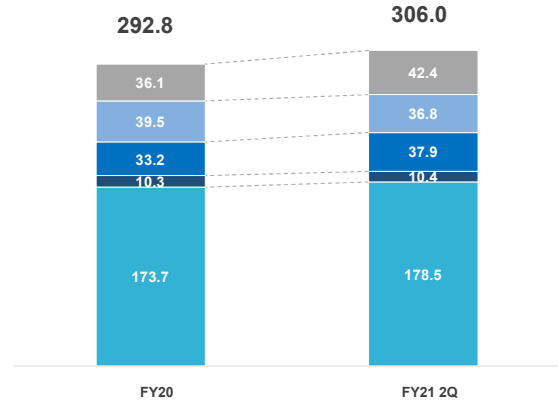
Assets (Unit: ¥1 billion)

- 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 Vacuum Technology Contributes to Many Industries and Applications



ULVAC