ULVAC

ULVAC, Inc.

Business Results

FY2021 (July 2021 - Jun 2022)

Aug.10, 2022

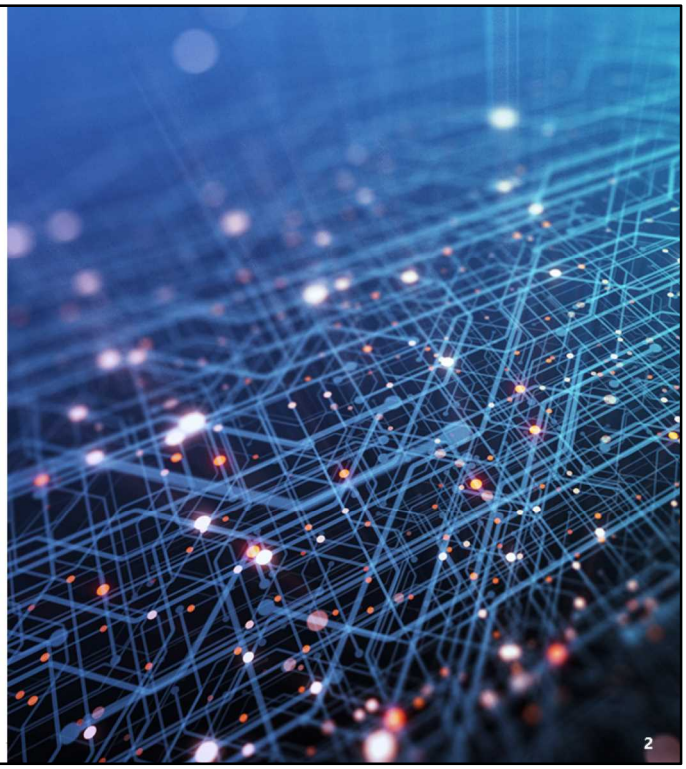
Securities code:6728

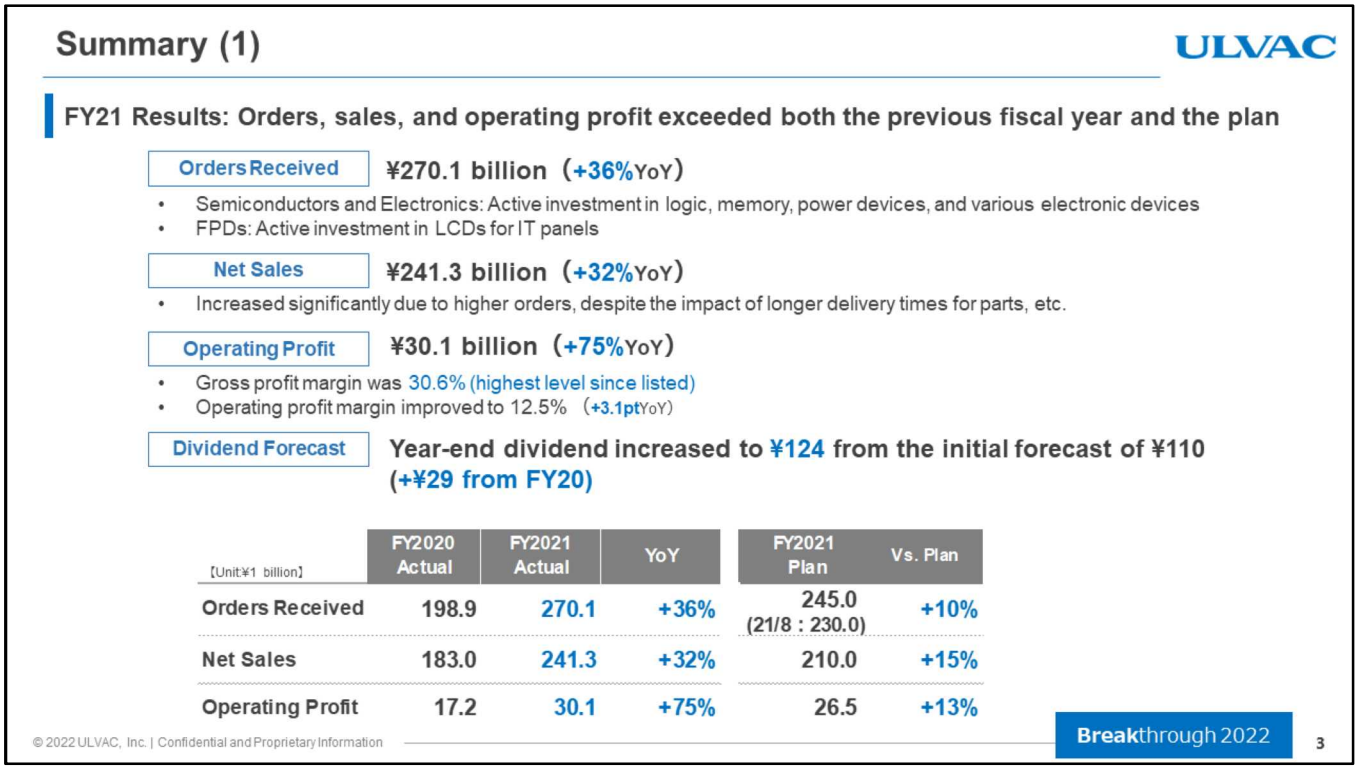
Breakthrough 2022

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 Premises 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, FPDs, raw materials, and other markets, capital expenditure trends, response to rapid technological innovation, and exchange rate fluctuations.





I would like to discuss the results of FY2021. The result shows that orders received, net sales, and operating profit all exceeded those of the same period of the previous fiscal year and even the plan.

Orders received ended at JPY270.1 billion, increased by 36% YoY. As for semiconductors and electronics, as noted here, sales of logic, memory, power devices, and various electronic devices grew significantly. In FPDs, investment remained active in IT panels, especially in LCDs.

Net sales ended at JPY241.3 billion, up by 32% YoY. Although the previous fiscal year was affected by factors such as longer delivery times for parts and materials, net sales increased significantly due to an increase in orders received.

Operating profit was JPY30.1 billion, up by 75% YoY, and the gross profit margin reached 30.6%, the highest level since ULVAC was listed.

Furthermore, the operating profit margin was 12.5%, which is a 3.1% improvement over the previous year. Regarding the dividend forecast, we were able to increase the dividend to JPY124 from the initial forecast of JPY110. This is an increase of JPY29 over the previous year.

Summary (2)

ULVAC

2. Mid-Term Management Plan: Growth achieved mainly in semiconductors and electronics
   Profitability improved due to strengthened manufacturing capabilities, despite the impact of longer delivery times for parts and materials

3. FY22 Plan : ¥270 billion for Orders, ¥250 billion for Net Sales, ¥34.5 billion for Operating Profit

Dividend Forecast **Dividend for FY22 is expected to be ¥141 (+¥17 from FY21)**

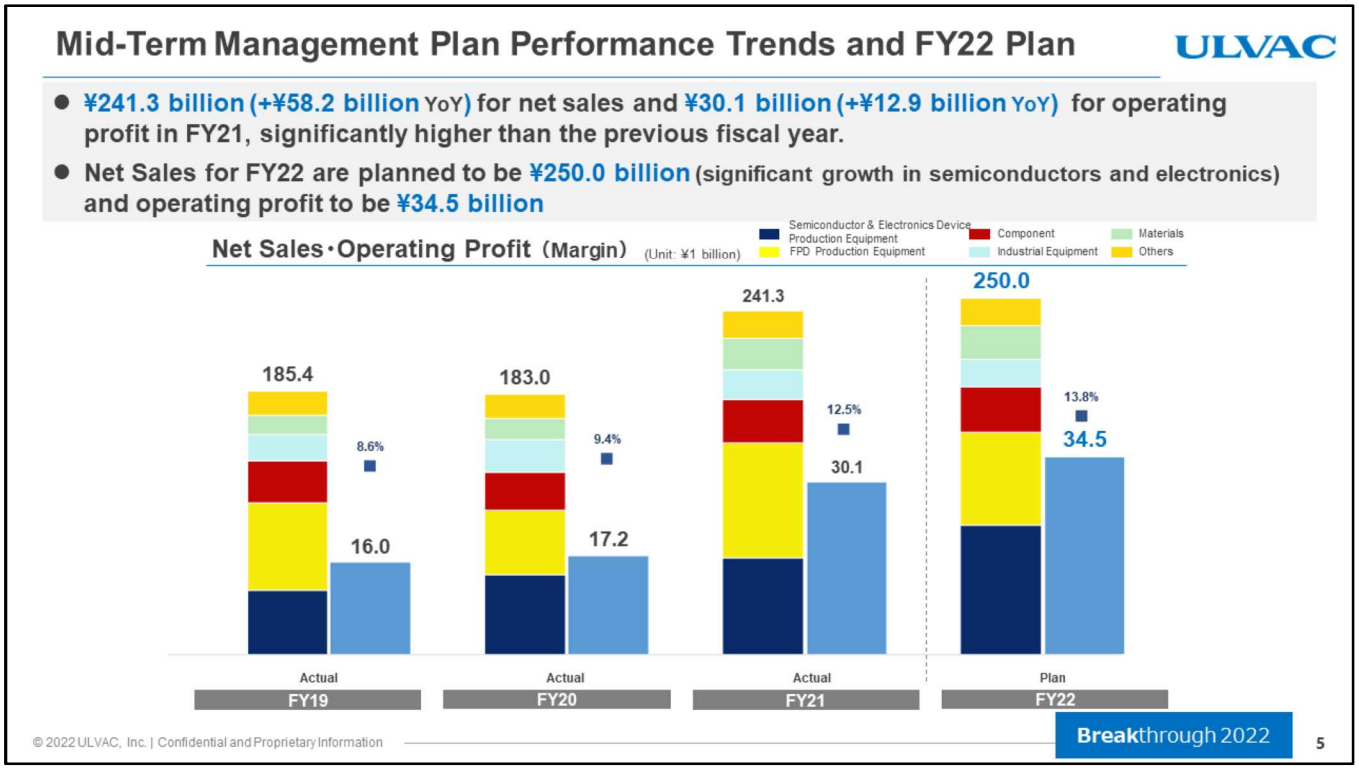
【Unit: ¥1 billion】	FY2021 Actual	FY2022 Plan	Rate of Change
Orders Received	270.1	270.0	-
Net Sales	241.3	250.0	+4%
Operating Profit	30.1	34.5	+15%

4. FY23 and beyond : Next mid-term management plan will be announced in August 2023
   Concentrating development investment in growth areas to increase sales and profits and improve profit margins

The current fiscal year is the third year and the final year of our mid-term management plan. As I mentioned earlier, growth achieved mainly in semiconductors and electronics, and despite the impact of longer delivery times for parts and materials, we will improve profitability by strengthening our manufacturing capabilities in this area.

For the current FY2022, we are planning orders received of JPY270 billion, net sales of JPY250 billion, and operating profit of JPY34.5 billion. Regarding the dividend forecast, the dividend for FY2022 is JPY141, up by JPY17 from the previous fiscal year, FY2021. Furthermore, from FY2023 onward, we will formulate a new mid-term management plan, the details of which will be disclosed and explained in August 2023.

In our new mid-term management plan, we intend to concentrate development investment in growth areas to increase sales and profits, and further improve profit margins.



Here are the mid-term management plan performance trends.

As I mentioned, net sales for FY2021 were JPY241.3 billion and operating profit was JPY30.1 billion, both of which were significantly higher than the same period of the previous year.

Furthermore, for the current fiscal year, which is the final year of the mid-term management plan, net sales are expected to reach JPY250 billion. As you can see from this graph, the bottom dark blue, semiconductors and electrons grow significantly. Operating profit is planned at JPY34.5 billion.

FY2021 Business Results

1. Overview of FY2021 Business Results

ULVAC

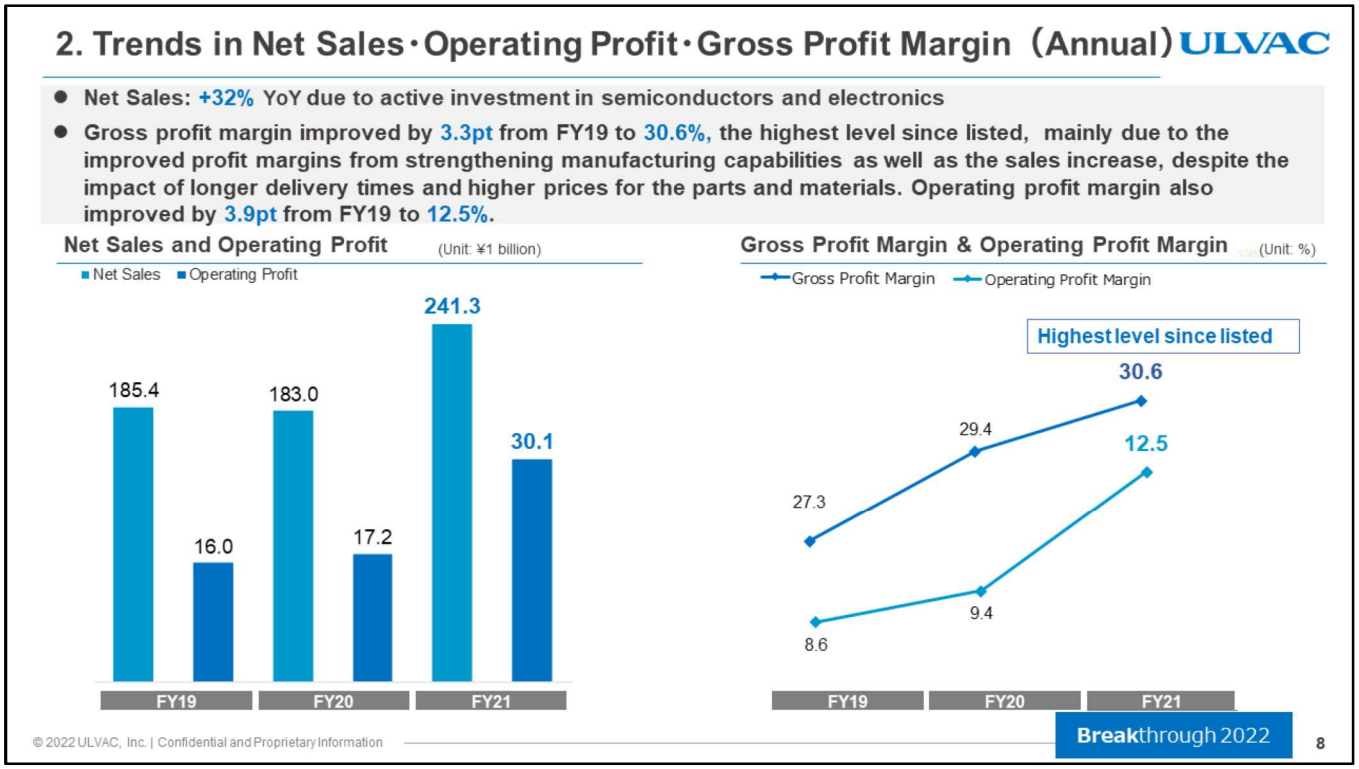
- Orders Received: **+36%** YoY and +10% vs. Plan mainly due to active investment in semiconductors, electronics and FPDs.
- Net Sales: **+32%** YoY and +15% vs. Plan ; Operating Profit: **+75%** YoY and +13% vs. Plan
- Operating Profit Margin: Improved to **12.5%** (**+3.1pt** YoY)

(Unit: ¥1 billion)	FY2020 Actual	FY2021 *Plan	FY2021 Actual	FY2021 YoY		FY2021 Vs.Plan	
Orders Received	198.9	245.0	270.1	+71.2	+36%	+25.1	+10%
Net Sales	183.0	210.0	241.3	+58.2	+32%	+31.3	+15%
Gross Profit	53.8	-	73.7	+20.0	+37%	-	-
Gross Profit Margin	29.4%	31.9%	30.6%	+1.2pt	-	-1.3pt	-
SG&A	36.6	-	43.7	+7.1	+19%	-	-
Operating Profit	17.2	26.5	30.1	+12.9	+75%	+3.6	+13%
Operating Profit Margin	9.4%	12.6%	12.5%	+3.1pt	-	-0.2pt	-
Profit attributable to owners of parent	14.8	18.0	20.2	+5.4	+36%	+2.2	+12%
To net sales ratio	8.1%	8.6%	8.4%	+0.3pt	-	-+0.2pt	-

*Net Sales were revised in Aug.2021 upwardly(Orders Received were revised Feb.2022 upwardly)

This page is a summary of our performance for FY2021.

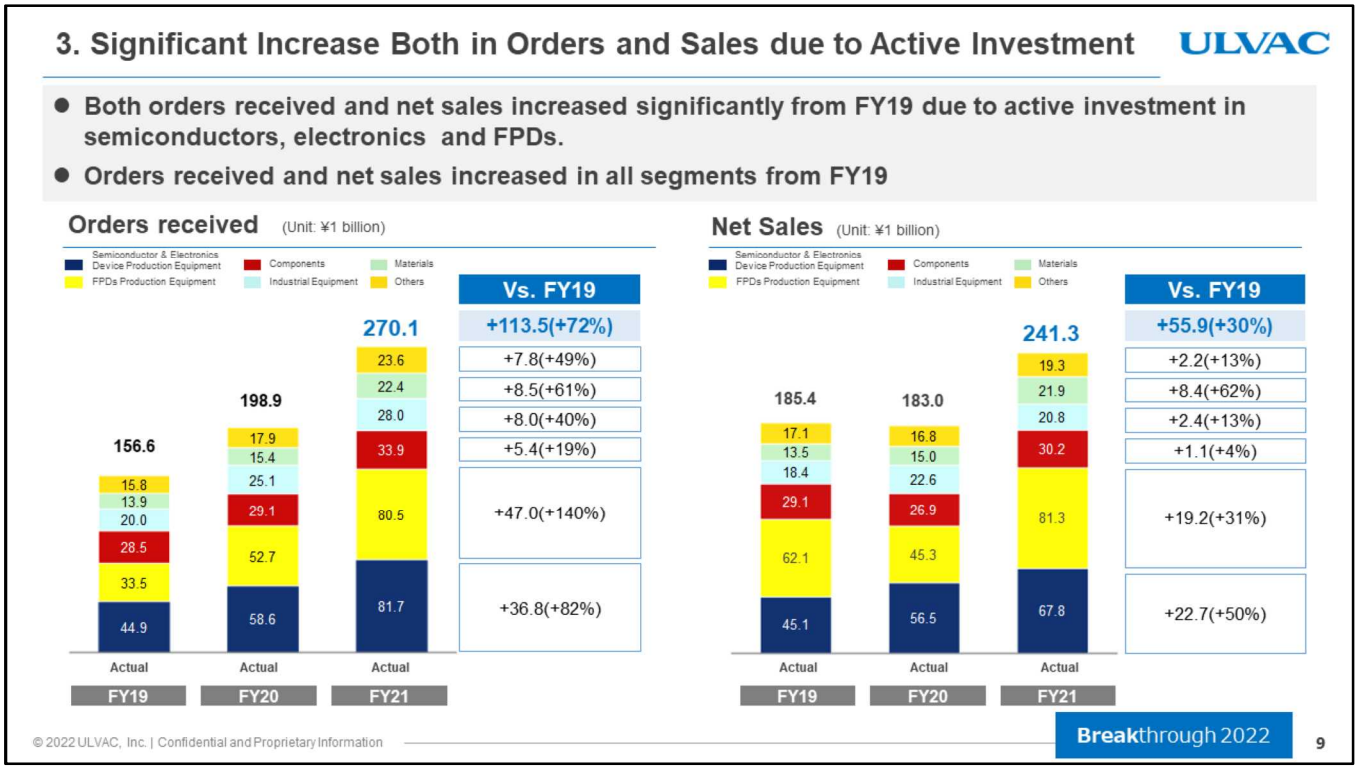
Orders received increased by 36% YoY due to active investment in semiconductors, electronics, and FPDs. Net sales increased by 32% YoY. Furthermore, operating profit increased by 75% YoY. The operating profit margin improved to 12.5%, up by 3.1% YoY. Net income is up by 36%. We were able to achieve JPY20.2 billion.



Here are the trends in net sales, operating profit, and gross profit margin for each of the three fiscal years.

Despite the impact of longer delivery times and higher prices for parts and materials, gross profit margin improved by 3.3% from FY2019 to 30.6%, the highest level since ULVAC was listed on the stock exchange, thanks to an improvement in profit margin and sales increase through our ongoing efforts to strengthen manufacturing capabilities.

Operating profit margin also improved by 3.9% over FY2019 to 12.5%.



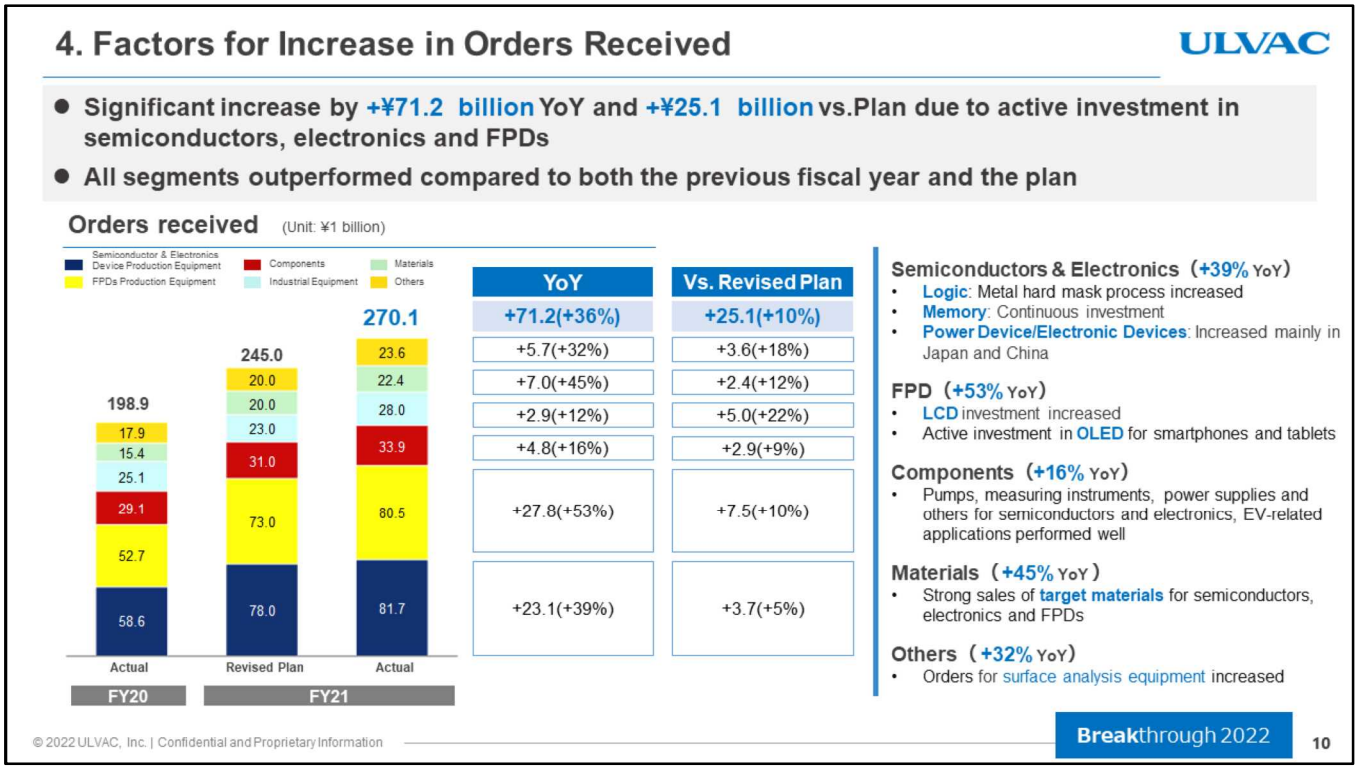
On the left side are the orders received and on the right side are the sales by segment.

We were able to significantly increase both orders received and sales for semiconductors, electronics, and FPDs.

In particular, the number of orders received of semiconductors and electronics, the blue area on the left side of the graph shows an increase of 82% in FY2021 compared to FY2019.

The yellow area is FPDs production equipment. The increase here is 140%. In total, overall, 72% increase over FY2019 is the result of orders received.

On the other hand, for net sales on the right side, total sales were up by 30% in FY2021 compared to FY2019. Orders received and sales for all items of components, general industrial materials, and others increased.



Here, we explained about the factors for increase in orders received.

For example, in semiconductors and electronics, the sales increased by 39% over the previous year, especially in logic, due to an increase in metal hard masks processes.

Furthermore, ULVAC has been receiving orders for memory for a long time, and this continues to be an ongoing investment. Furthermore, in electronics, business for power devices and various electronic devices is increasing in Japan, as well as in China.

For FPDs, we are looking at a 53% increase YoY. Investment in LCDs continues to increase. In particular, investment in LCDs for IT panels is increasing.

Components also increased by 16% YoY. Pumps, Measuring instruments, Power supplies for semiconductors, electronics and EVs, etc. are showing strong growth.

Materials were also 45% higher than in the same period of the previous year and growing steadily.

As for others, surface analysis equipment has also been growing very strongly, resulting in a 32% increase YoY.

5. Factors for Increase in Net Sales

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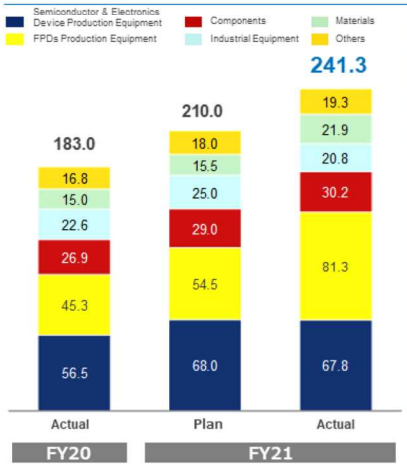
- Significant increase by **+¥58.2 billion** YoY and **+¥31.3 billion** vs.Plan due to active investment in semiconductors, electronics and FPDs

Net Sale (Unit: ¥1 billion)



	YoY	Vs. Plan
	+58.2(+32%)	+31.3(+15%)
	+2.5(+15%)	+1.3(+7%)
	+6.9(+46%)	+6.4(+41%)
	-1.8(-8%)	-4.2(-17%)
	+3.3(+12%)	+1.2(+4%)
	+36.0(+79%)	+26.8(+49%)
	+11.3(+20%)	-0.2(-0%)

Semiconductors and Electronics (+20% YoY)

- Despite the impact of longer parts and materials delivery times, sales were higher YoY due to increased investment in logic, memory, power devices, and other electronic devices.

FPD (+79% YoY)

- Increased due to the increased LCD orders

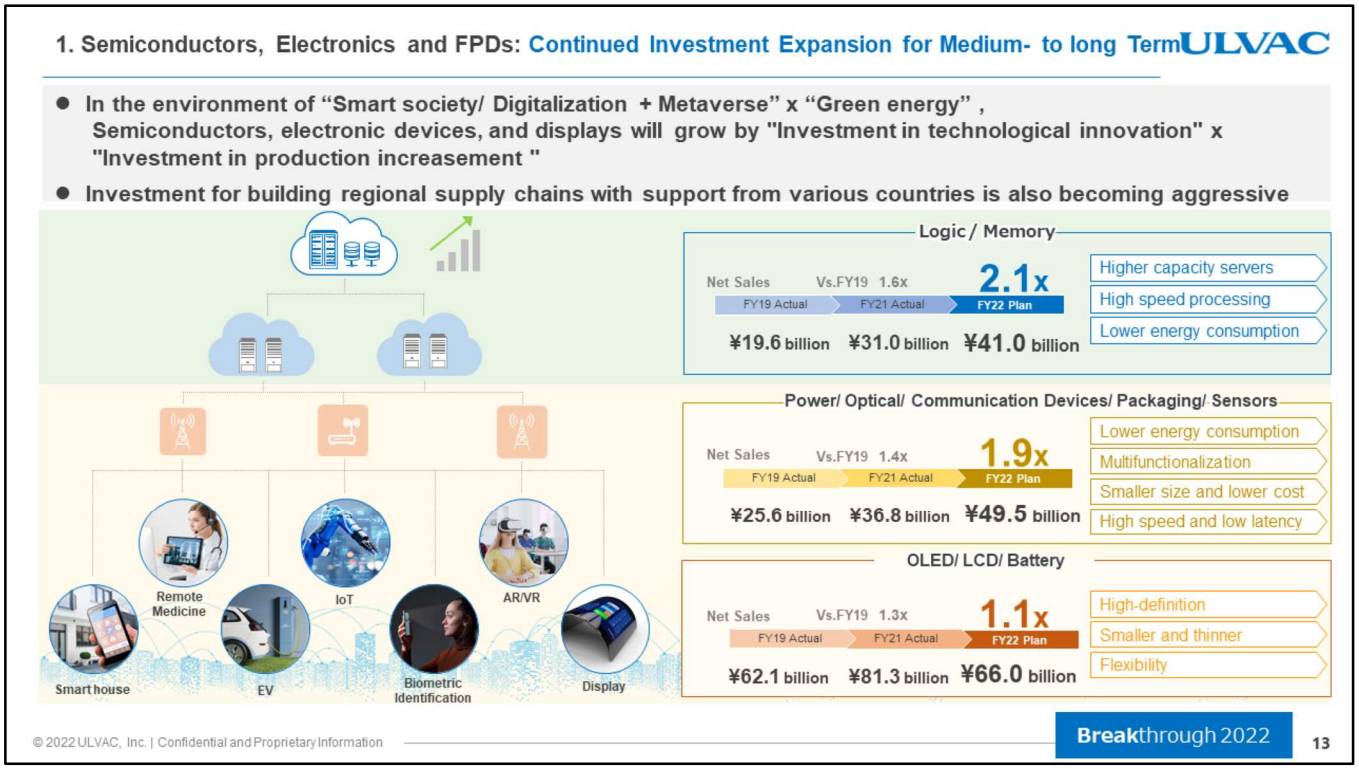
Components/Materials/Others

- Increased YoY and vs. plan in line with the increased orders

This page analyzes the factors for increase in net sales. If you look at the total amount, there was a 32% increase, which was JPY58.2 billion in monetary terms.

As you can see, FPDs in yellow was a 79% increase YoY. In monetary terms, the increase was JPY36 billion which was a very large increase. This was a 49% increase compared to the plan.

Progress of Mid-term Management Plan
FY2022 Consolidated Earnings Forecast



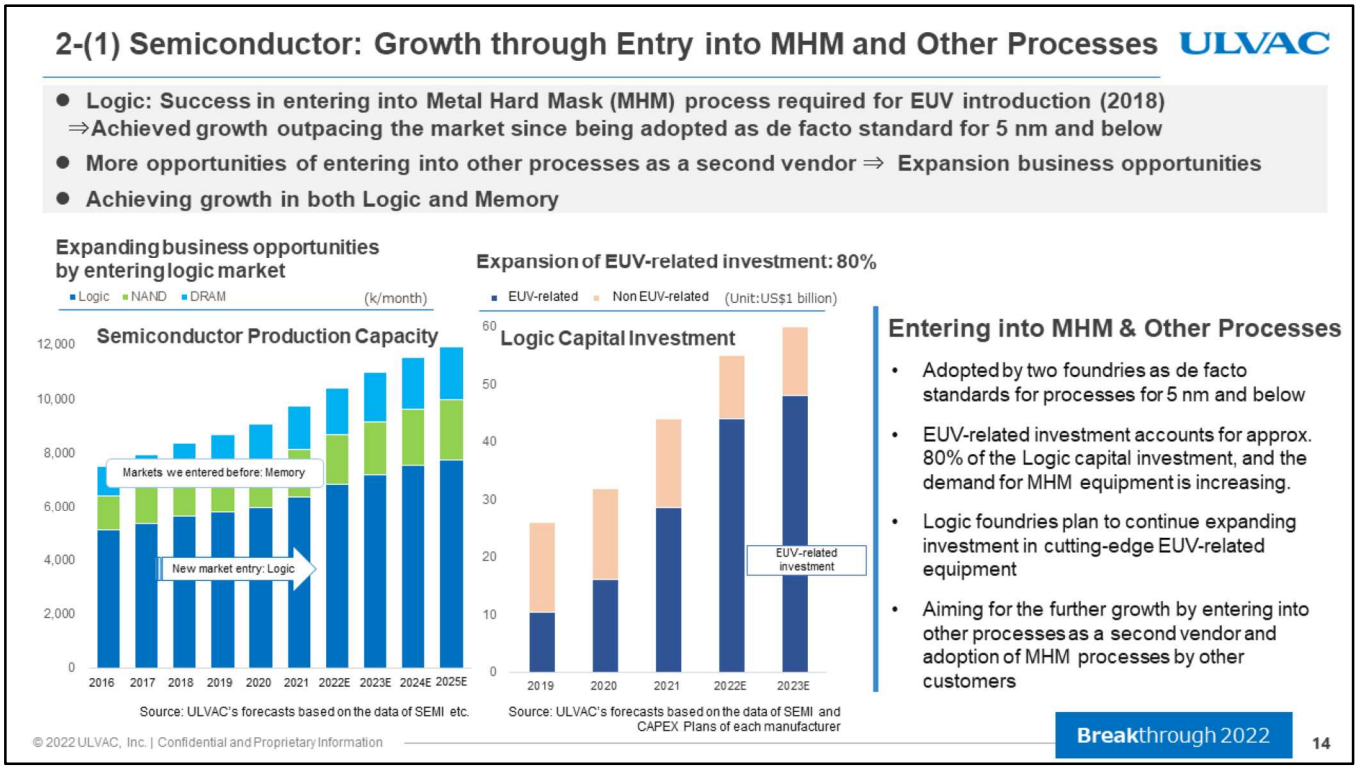
Regarding the medium-to long-term market environment for semiconductors, electronics, and FPDs, ULVAC's analysis indicates that, although there are concerns about a slowdown in memory investment and other areas at present, we believe that sustained investment expansion will continue over the medium to long term.

In our business related to the digitalization of smart society plus metaverse and green energy, we believe that semiconductors, electronic devices, and displays investment will grow by technological innovation and to increase production.

Furthermore, we believe that there will be active investment to restructure the supply chain regionally. As a result, in the logic and memory, net sales for FY2022 is planned to be 2.1 times that of FY2019.

For the areas of Power, Optical, Communication devices, Packaging, and Sensors, which fall into the electronic devices segment in ULVAC, net sales for FY2022 is to be 1.9 times that of FY2019, JPY49.5 billion in terms of value.

In addition, FPDs for OLEDs, LCDs, batteries, etc., net sales for FY2022 is to be 1.1 times that of FY2019, with a monetary figure of JPY66 billion. We estimate that the FPD market will probably remain in the range of JPY70 billion to JPY80 billion in FY2023 and beyond.



In the semiconductor field, we were able to enter into the metal hard masks(MHM) process. We believe that this market will grow since we have been adopted as de facto standard for 5 nm and below.

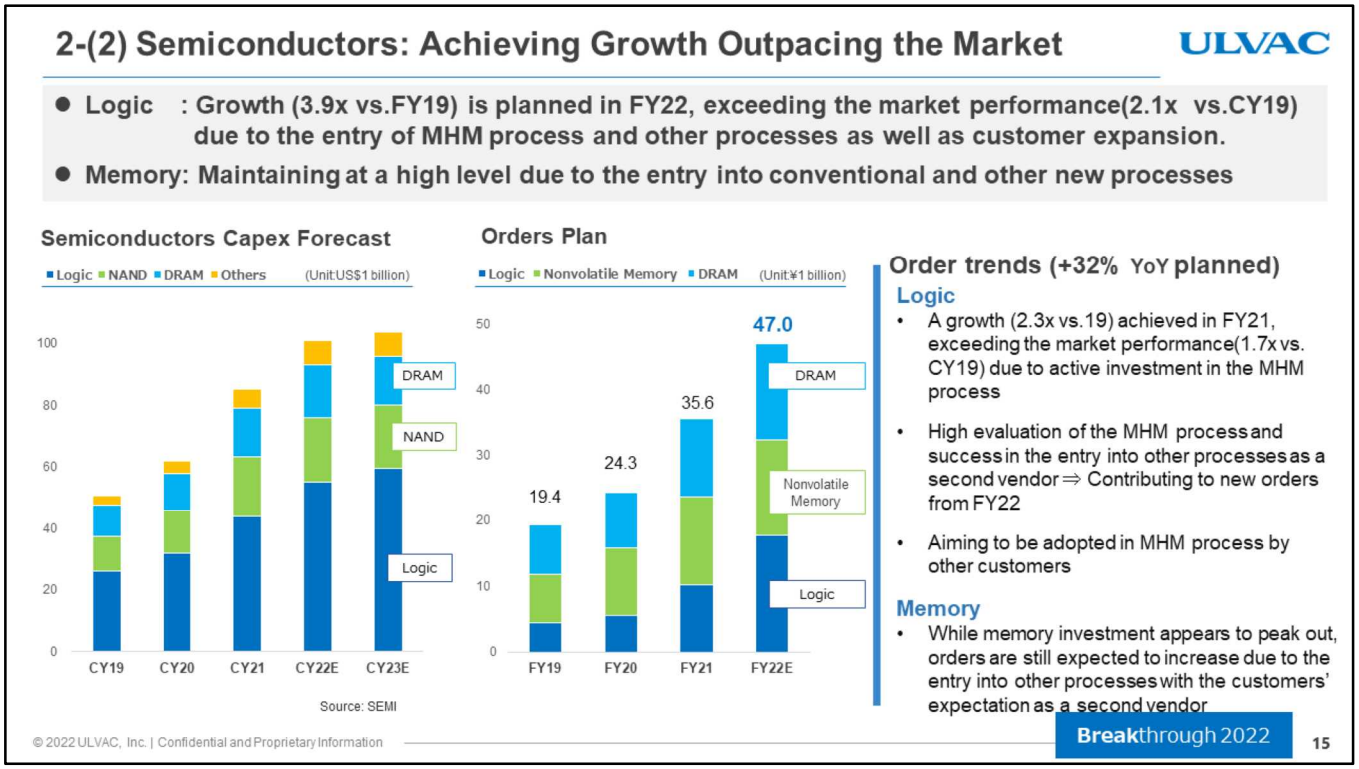
There is some concern that there will be a temporary drop in overall semiconductor investment, but we will gain the market in this cutting-edge area.

We are also in the process of working on business opportunities to enter into other processes as a second vendor.

We are proceeding with a growth strategy by engaging in both memory and logic.

ULVAC was adopted by two foundries as de facto for 5 nm and below.

In logic, the investment in this field is by far the largest. EUV-related investment accounts for approx. 80% of the logic capital investment, and in this, ULVAC's equipment is used in the MHMs process. So here, we believe that the investment will continue, especially in the cutting-edge areas.



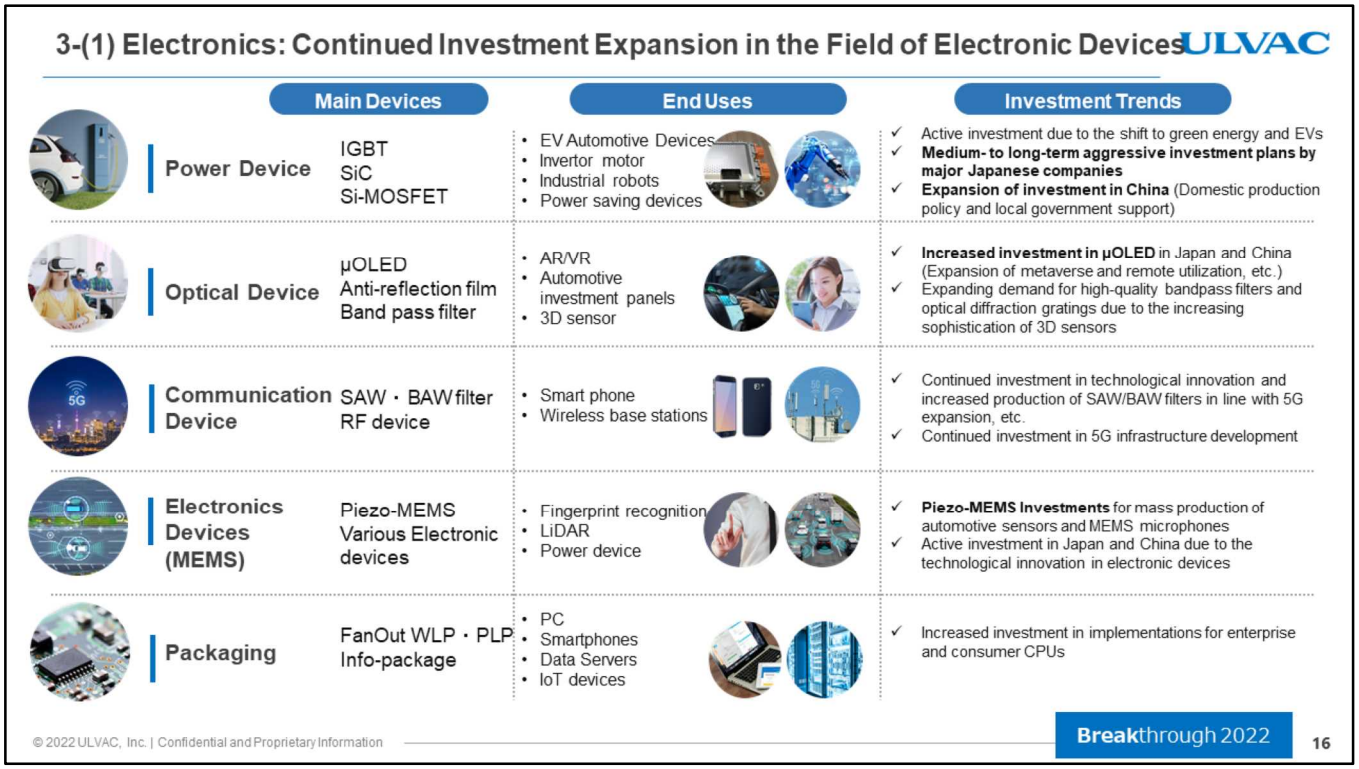
The graph on the left side shows the overall semiconductor capital investment forecast which logic accounts for a very high percentage. Our orders plan is shown on the right.

We plan to increase orders by 32% YoY.

In FY2021, we were able to achieve a growth in FY2021 to 2.3 times that of FY2019, exceeding the market performance of 1.7 times growth due to the active investment in logic metal hard mask processes.

In addition, we hope to increase the numbers by being adopted in this process by other companies. For FY2022, as written in this orders plan, we are considering a figure of JPY47 billion.

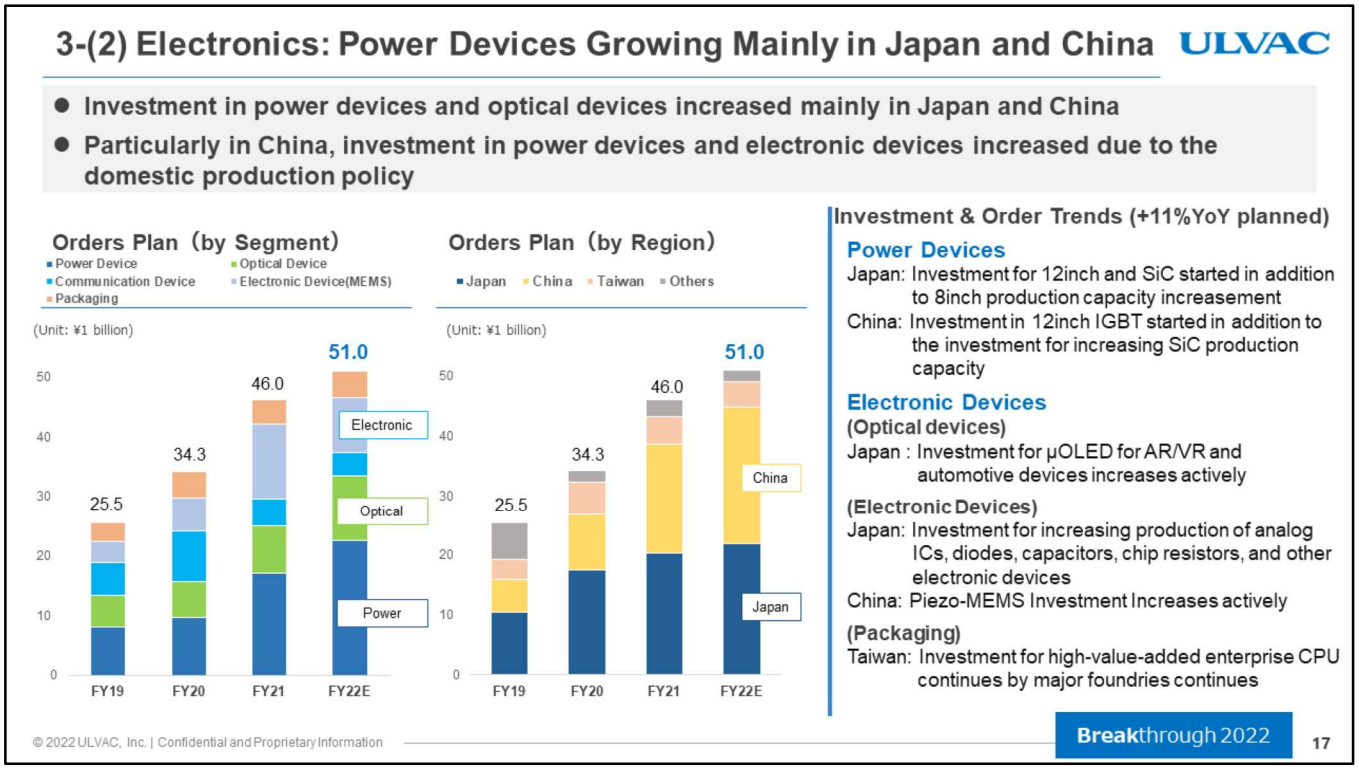
As for memory, while memory investment appears to peak out, orders are still expected to increase due to the entry into other processes as a second vendor.



ULVAC divides its electronics segment into five. Of these, in the area of power devices, major Japanese manufacturers are still planning medium-to long-term aggressive investment plans, and furthermore, investment in China continues to expand. Perhaps power devices will be a major business driver.

AR/VR is also expanding the scope of use of optical devices. Investment in µOLEDs is increasing in Japan and in China. I think this will be a very significant trend for some time to come.

In addition, we would like to solidify our foundation in communication devices, electronic devices, and packaging. We are actually doing such initiatives as well.



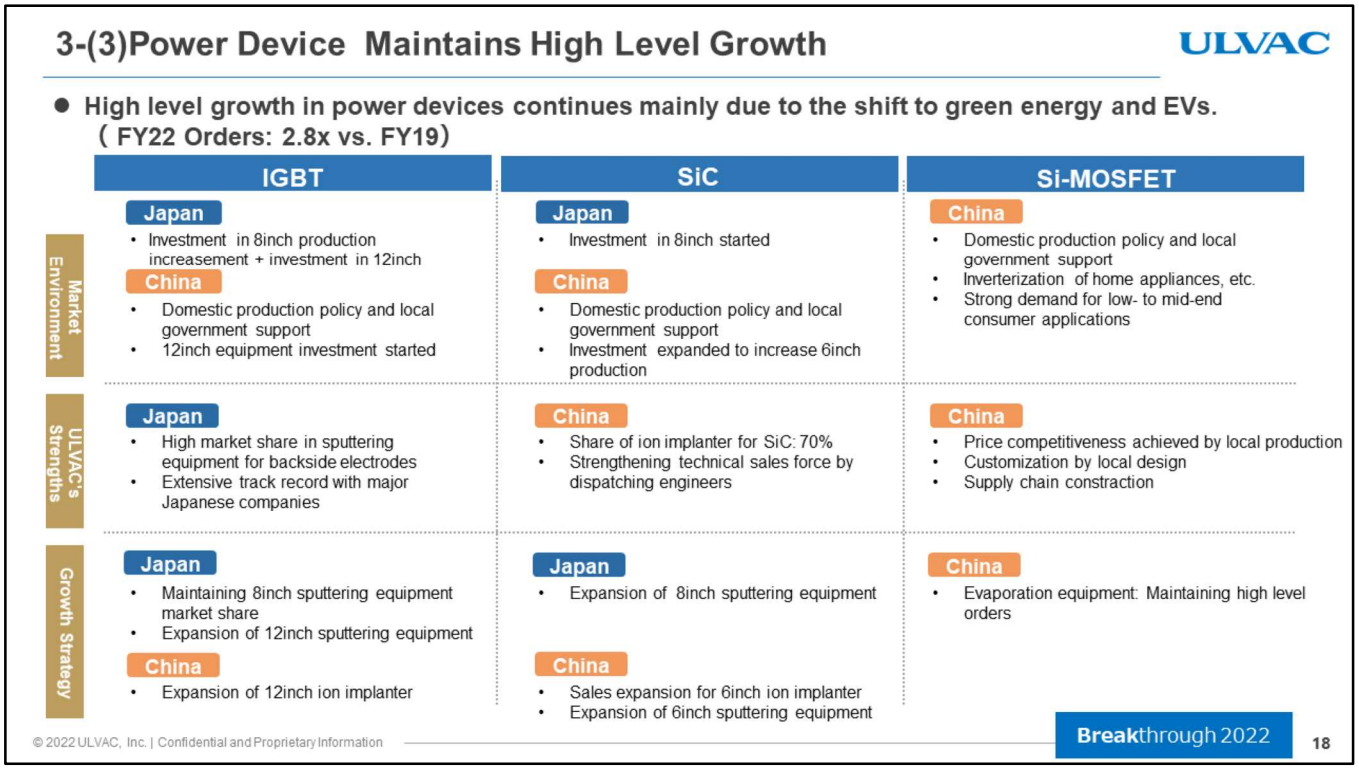
The power device business has been growing at a very high rate for the last couple of years.

China shows very large growth in terms of region.
The production capacity of power devices has been increased in the 8-inch area, and that investment in 12-inch and SiC will gradually be increased in the future.

Regarding the electronic devices, we have heard various plans to increase production of µOLEDs and electronic parts.

Piezo-MEMS investment, which is not that large in terms of volume, is also increasing, not only in Europe, but also in China.

We believe that there are great expectations for packaging, especially in Taiwan.



Power devices will continue to grow at a high rate. We analyzed the market environment, ULVAC's strengths, and growth strategies of the three areas of IGBT, SiC, and Si-MOSFETs.

For example, the production of 8-inch IGBTs is increasing in Japan and the investing in 12-inch IGBTs will start in the future. One of ULVAC's strengths is that we maintain a very high market share for sputtering equipment for backside electrodes.

As for SiC, the 6-inch production is now expanding in China.

Furthermore, one of ULVAC's strengths is our ion implanter in China, where we hold nearly 70% of the market share. The strategy for growth is to ensure the start of the investment in 8-inch in Japan.

Regarding MOSFET, we have local production in Suzhou, China. Local production will further increase price competitiveness. We have maintained a very high market share in evaporation equipment and will solidify this market share.

3-(4) Accelerating Growth in China's Power and Electronic Device Markets

ULVAC

Demand for Electronic Devices increased, Breaking away from import dependence
- ·Power device
- ·Various electronic devices

Domestic Production Policy in China
- ·Stabilization of supply chain
- ·Improving trade balance

Local Government Supports (various incentive plans and supports)

Acceleration of Domestic Investment in China (Economic Stimulus)

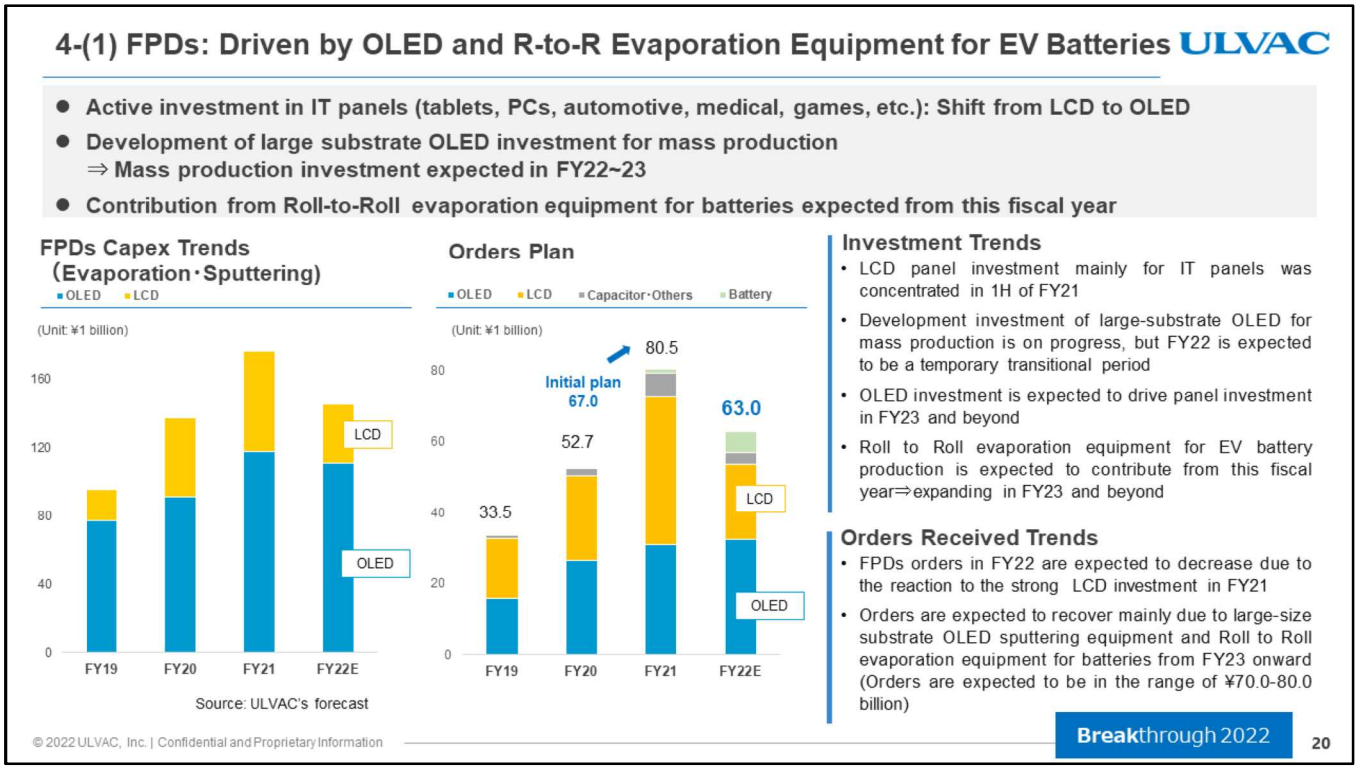
New Energy Shift (Green energy)
- Renewable Energy Shift
- New energy vehicle recovery/Increased
- LiB production Increased

Digital Infrastructure Construction
- 5G base stations
- Data centers

Construction of Power and Electronic Device Plants Increased Mainly in Coastal Areas

The market for electronic devices is accelerating very rapidly, especially in China, where the new energy shift is underway, and investment related to Green energy is proceeding at a very intense pace. We are also expanding our business in digital infrastructure construction.

With the increasing demand of power device and various electronic devices and the supports from government's domestic production policy, the construction of electronic device factories is still increasing, especially in China's coastal areas.

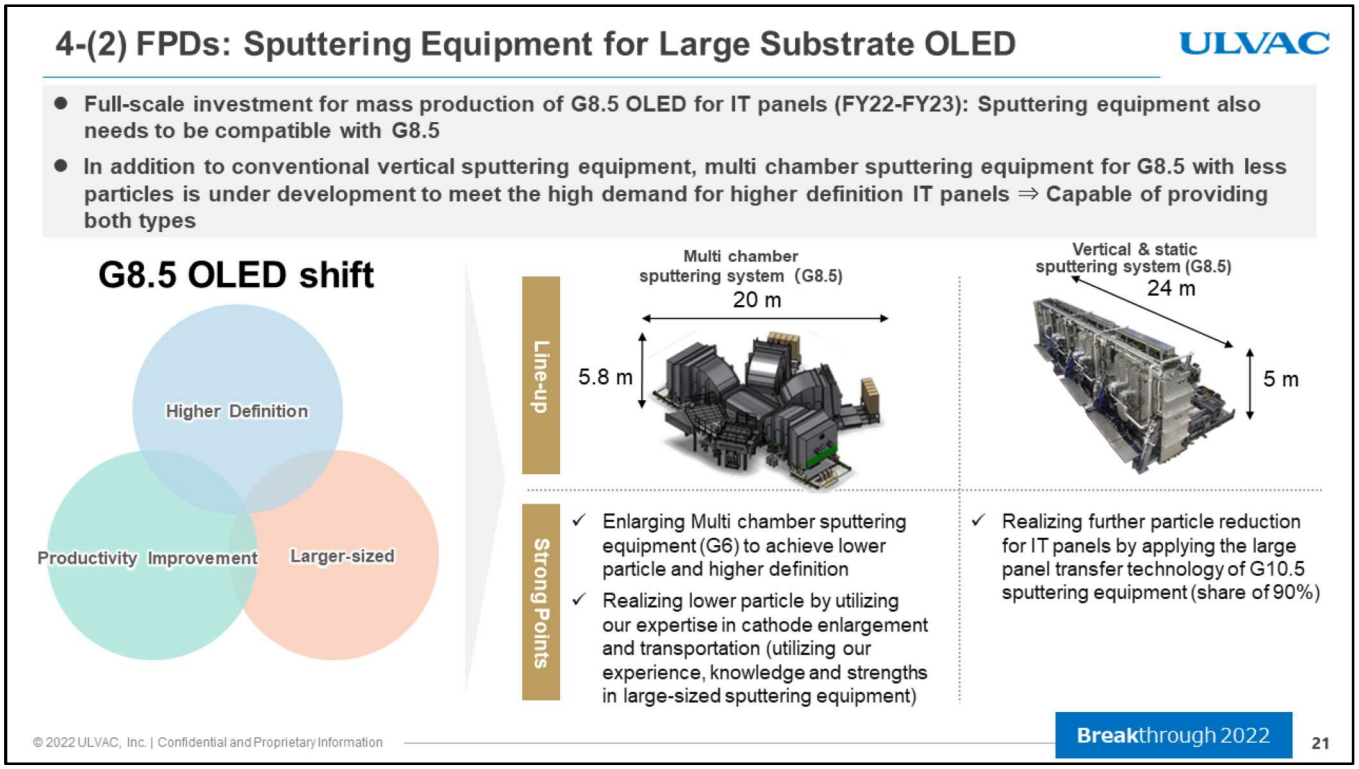


This section describes FPDs capital investment trends and our orders plan. The initial plan of JPY67 billion for the last fiscal year ended up at JPY80.5 billion.

We have planned JPY63 billion for the current fiscal year. LCDs is considerably lower in this fiscal year. Investment in conventional IT panels remains active. However, a major shift will occur in the future, as more and more IT panels will be made using OLEDs, while LCDs have been the mainstay of the market in the past.

Conventional IT panels are shifting from LCDs to OLEDs. Regarding mass production of OLEDs, etc., I think that large investments will temporarily slow down, and this may be a difficult time over the next year or two. However, there are still plans for the next commercialization of the product.

Within this FPDs order plan, ULVAC includes Roll-to-Roll evaporation equipment for EV battery production in this segment. Orders for evaporation equipment for EV batteries are expected to grow significantly in the future. I will talk more about this later.



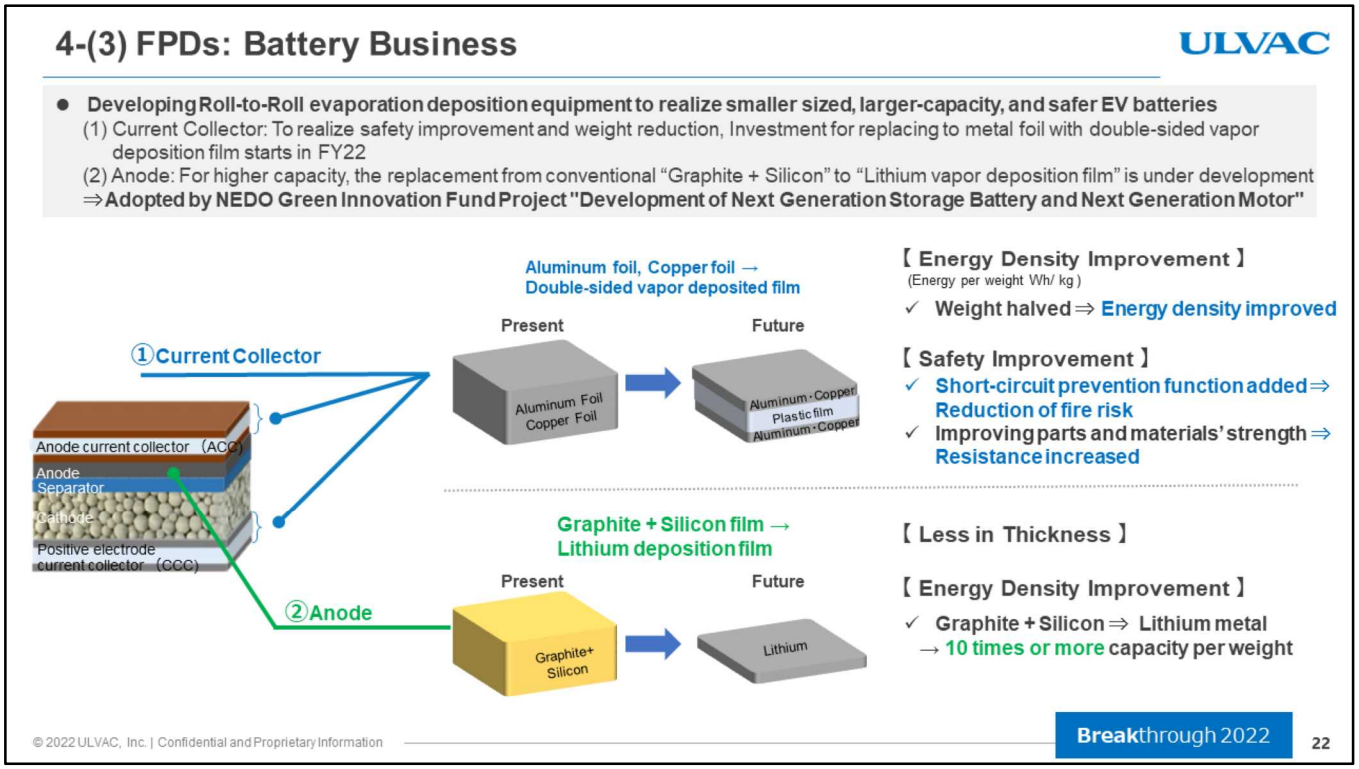
As for the IT panels, LCDs will be replaced by OLEDs. Furthermore, there is a move into mass production of IT panels for the larger generation, G8.5.
In this section, we would like to present two types of equipment.

One is “Multi chamber sputtering system”.

This is exactly what we are doing for IT panels, for example, panels for gaming and medical applications, and the introduction of equipment in this area, where even higher definition is required. The requirements for this equipment is written on the left-hand side. One is for higher definition, another is how to increase productivity, and to create larger panels.

To this end, we are currently developing technologies for less particles and higher definition. The outlook is naturally becoming clearer. We will further brush up on ULVAC's existing strengths in Conveyance technologies and other various areas.

Another type is the vertical sputtering equipment on the right-hand side, which is more for TVs. This equipment will be used in the area of TVs and monitors.There is a move to convert to large OLED sputtering using existing lines, so modifications and improvements to existing equipment, such as particle suppression, will also be part of our new businesses.

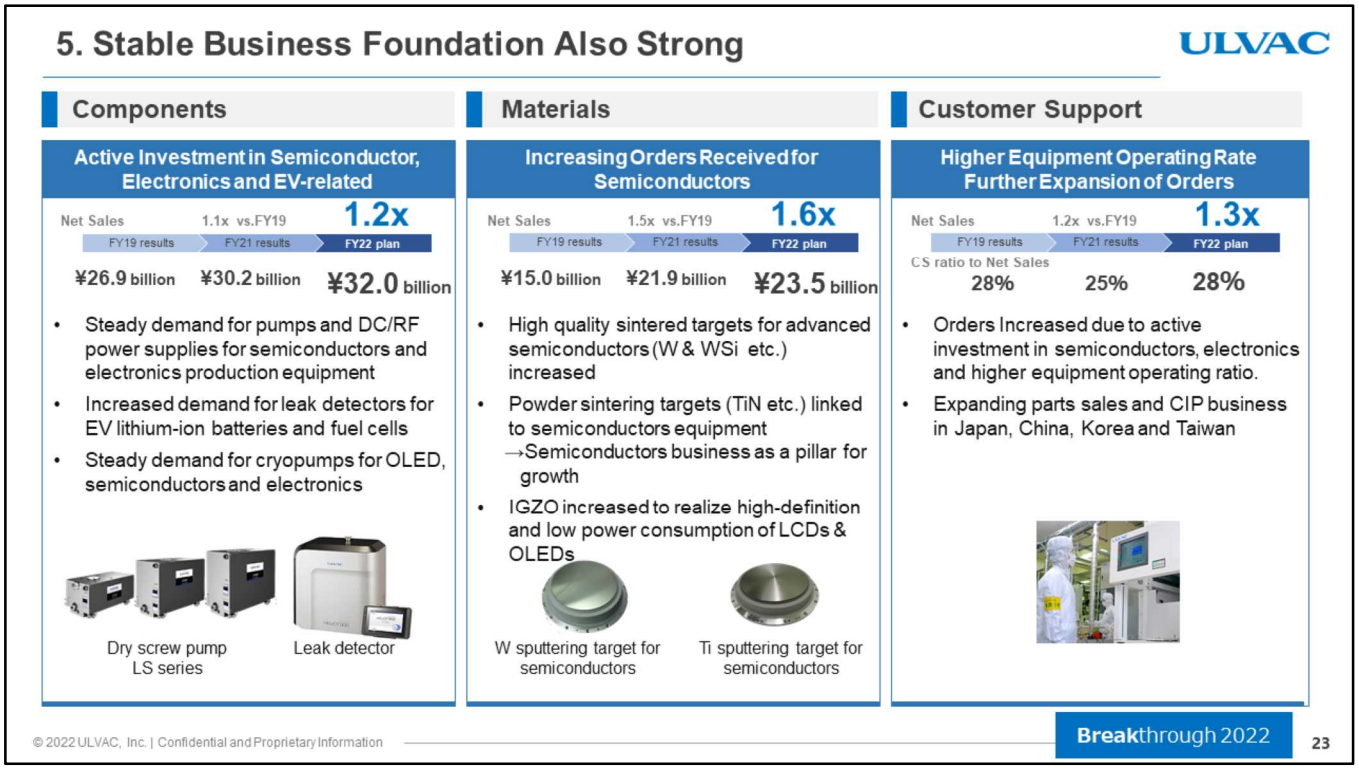


In the battery business, we are developing “Roll-to-Roll” evaporation deposition equipment to realize smaller sized, larger-capacity, and safer EV batteries.

There are two types of materials which we are involved: Current Collectors, which we are mainly working on currently, and another is Anode materials.

For the Current Collector, we are trying to find a way to increase the energy density by vapor depositing the material on a plastic film with a device called a roll quarter, instead of the conventional method of laminating the materials. In addition, to add short-circuit prevention functions to this are now being developed at a tremendous pace.

Although it will take time as a medium-to long-term initiative, we are working on another development of thin film for anode made by lithium material. ULVAC has already been adopted by NEDO Green Innovation Fund Project in Japan, and we intend to accelerate the development of this product.

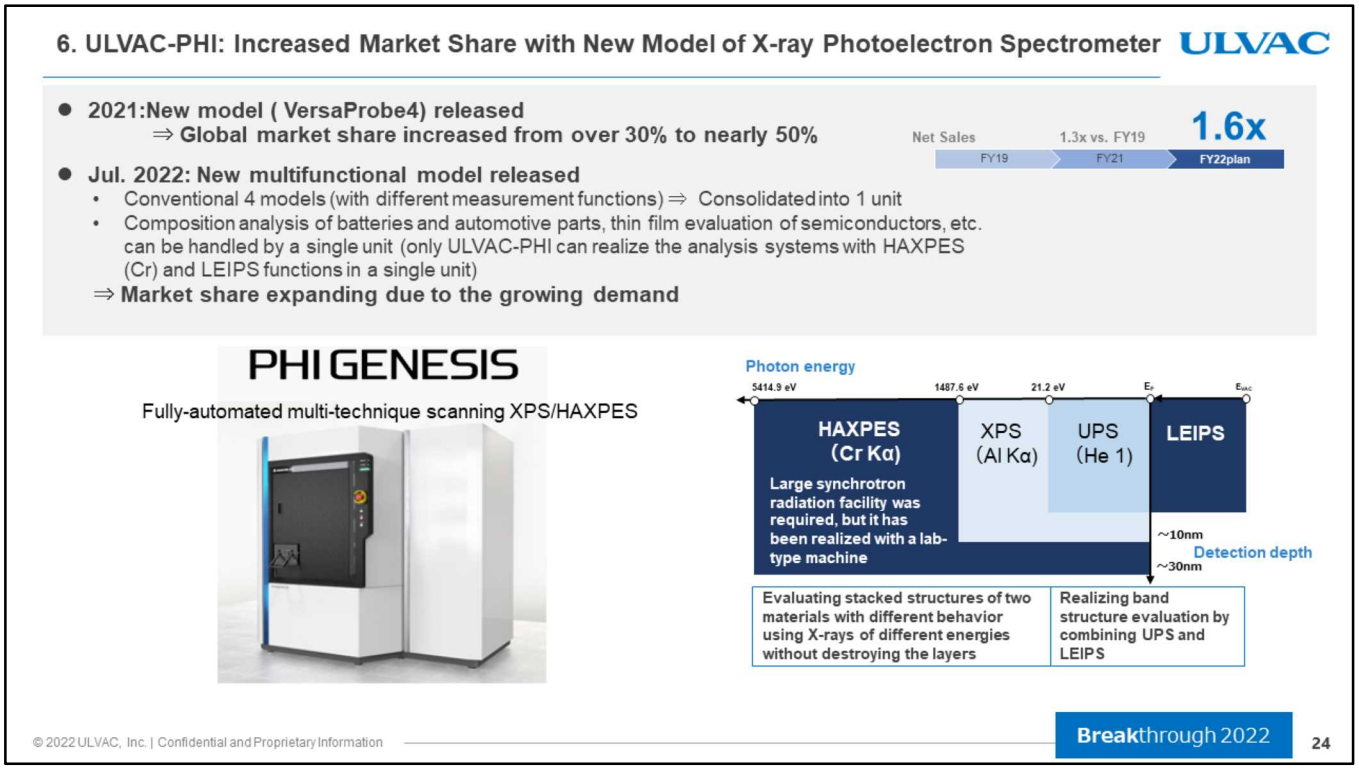


In addition to semiconductors, electronics, and FPDs, ULVAC also has Components, Materials, and Customer support businesses, which are the foundation of stable business.

As for components, we manufacture power supplies and others for semiconductors and electronics production equipment in particular. We are aiming to increase net sales in FY2022 to 1.2 times that of FY2019.

As for materials, we are now working hard to increase our business in high-quality sintering targets, especially for advanced semiconductors. We are aiming to increase net sales in FY2022 to 1.6 times that of FY2019, JPY23.5 billion in terms of value.

The customer support business will expand as semiconductors and electronics investment becomes more active and equipment utilization rates further increase. Net sales in FY2022 is planned to be 1.3 times that of FY2019. As for a percentage of total sales, we hope to achieve 28%, just under 30% of our total sales.

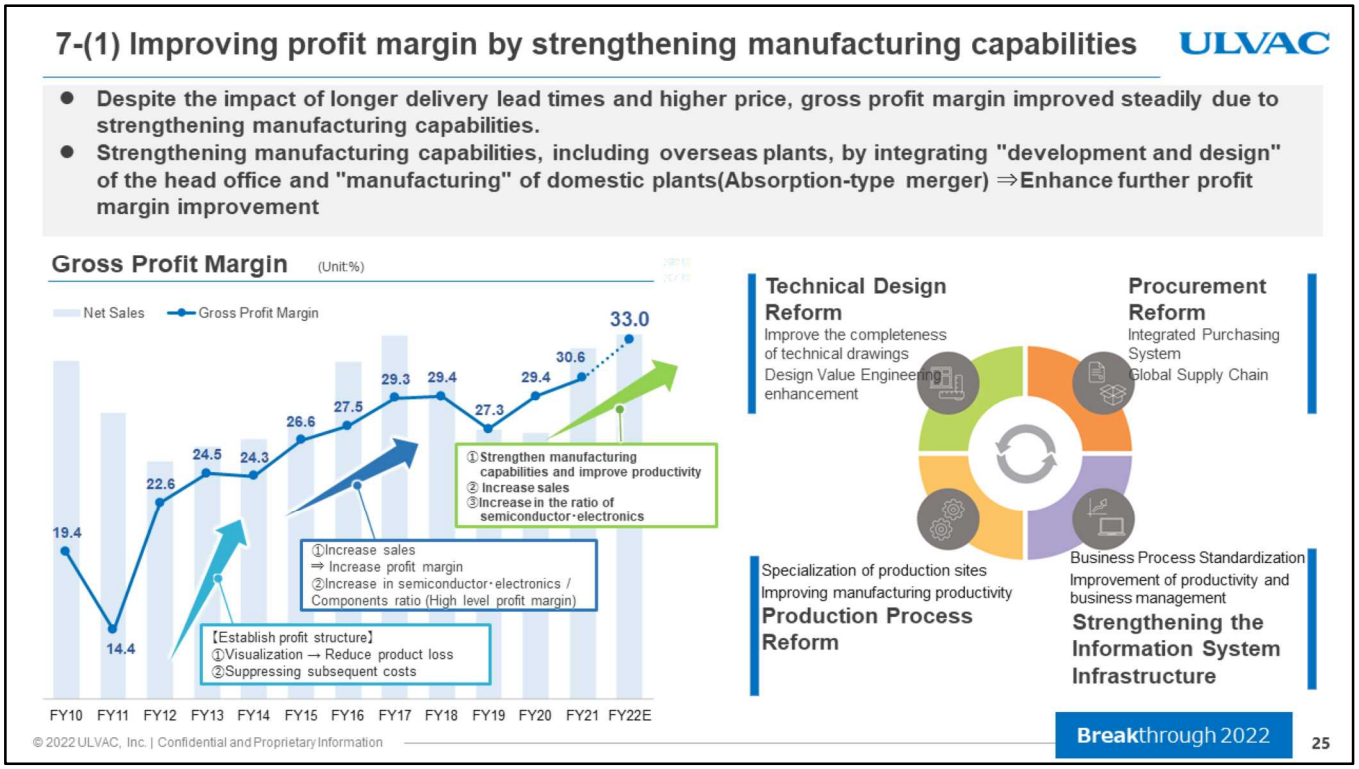


ULVAC-Phi is a group company that manufactures surface analysis equipment.

This company manufactures X-ray photoelectron spectrometers and last year we have introduced a new model.

In addition, in July of this year, we launched a new device, PHI GENESIS, which is a multi-functional device that combines the functions of about four types of devices into a single device. This equipment's ability to analyze a material varies greatly depending on the light, strength or weakness of the light, and the strength or weakness of the X-rays that are shined on the surface of the material.

By introducing a more advanced version of this product this year, we hope to increase sales in FY2022 to 1.6 times that of FY2019.



This page shows the concept of improving profit by strengthening our manufacturing capabilities.

There have been various negative effects due to longer delivery times and higher prices for parts and materials, but we are steadily improving our gross profit margin as we are strengthening manufacturing capabilities in each business segments.

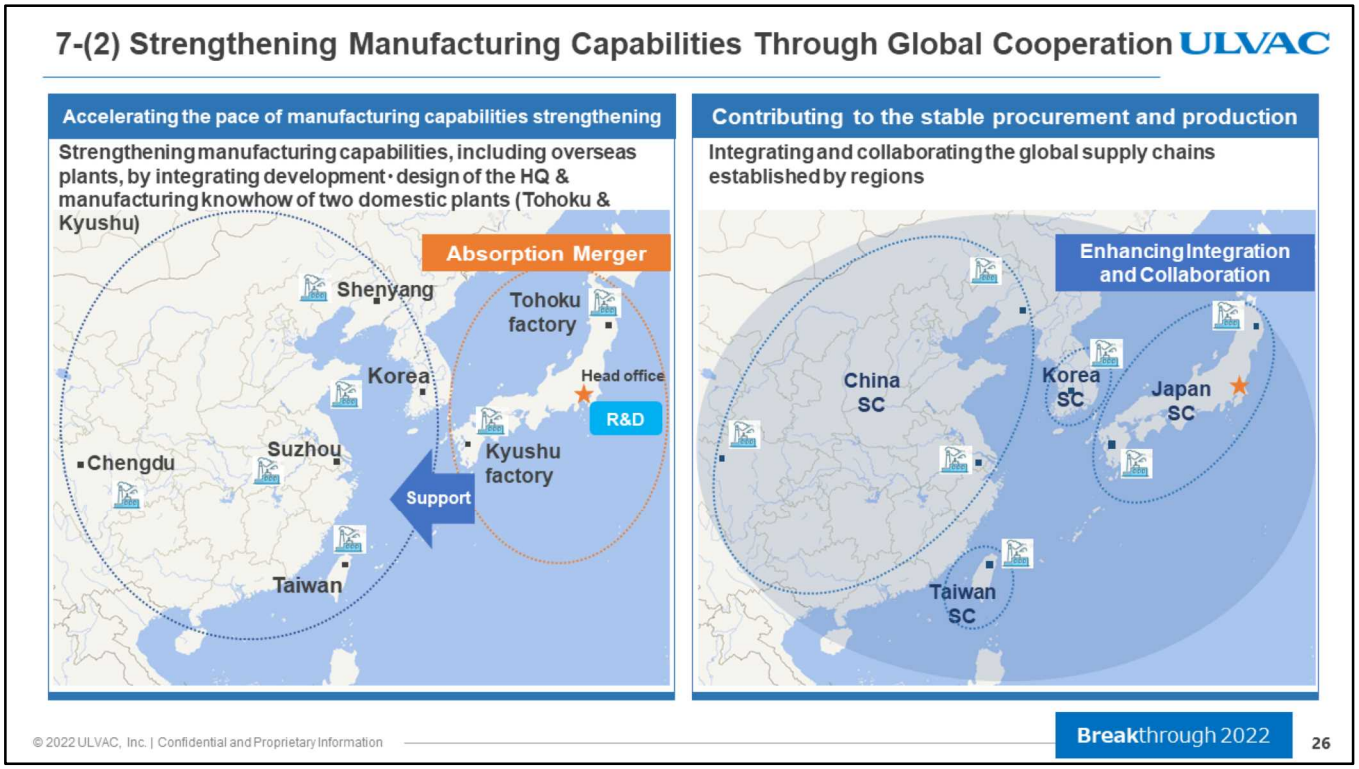
Below right are the four major points of our efforts to strengthen our manufacturing capabilities. The four main points are: Technical design reform, Procurement reform, Production processes reform, and Strengthening the information system infrastructure.

As for the changes of gross profit margin, we made efforts to increase the profit margin from 27.3% in FY2019 to 30.6% in FY2021. We are aiming to achieve 33% in FY2022. You may think that the number is a bit different than the 35% we promised the market previously. The 35% gross profit margin remains in our internal goal, but externally, we have given a number that we are certain we can reach.

In fact, we are trying to reduce costs through volume purchasing by standardizing some parts, but unfortunately, due to longer delivery times and other factors, the pace of cost reduction has slowed down a bit in some cases.

Furthermore, the longer delivery times have delayed the delivery of parts and due to this fact, additional parts have to be purchased for the production process or after the delivery, which has slowed down production efficiency.

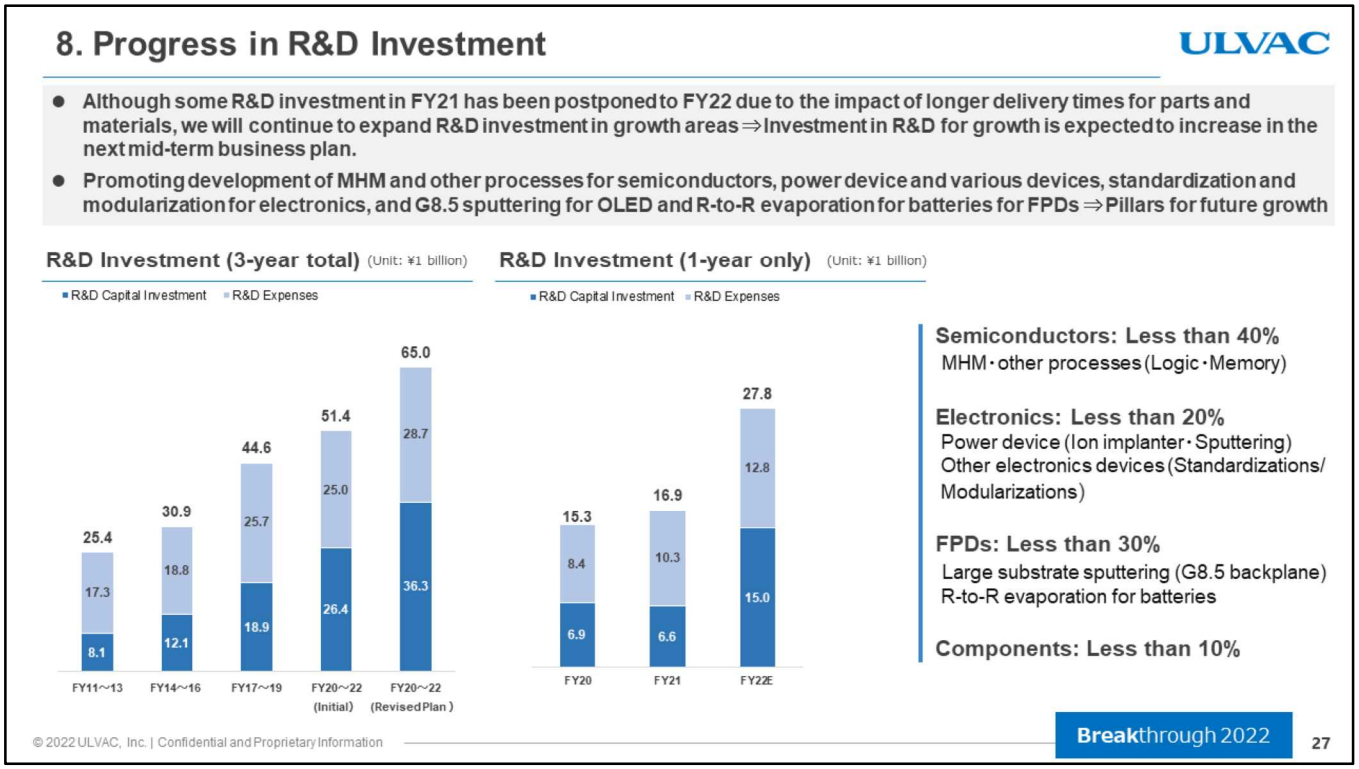
However, despite of these obstacles, we are determined to achieve this 33% this year.



This is to strengthen our manufacturing capabilities through global cooperation.

In July, Kyushu and Tohoku plants in Japan were merged into the headquarter of ULVAC.

During the past two years, ULVAC has suddenly experienced a large increase in orders, and manufacturing will now become a challenging task.
The speed of the Business units' manufacturing system, centered on the respective business units, will be very important further on. We have realized the domestic integration and from now on as a headquarter, we will issue instructions and orders of strengthening manufacturing capabilities to each of the East Asian manufacturing plants, thereby increasing the speed of operations.



Research and development.

In FY2021, due to the impact of longer delivery times for parts and materials, some R&D investment was postponed to FY2022. However, we will continue to expand research investment items in growth areas, and for the next mid-term plan, we plan to increase our investment in R&D. We have not changed our policy.

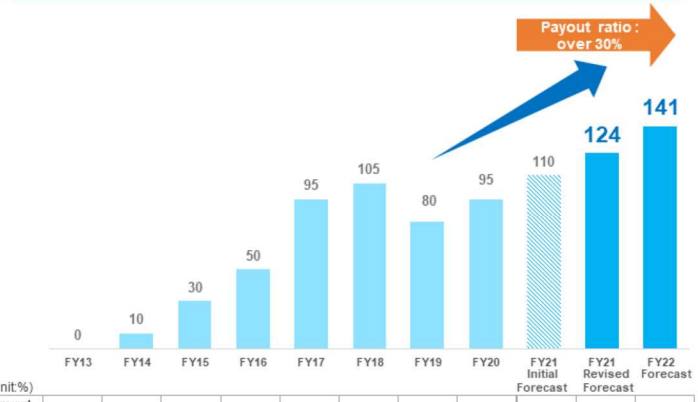
Regarding how much investment there is in each area, less than 40% is in semiconductors, less than 20% is in electronics, less than 30% is in FPDs, and less than 10% is in components.

9. Shareholder Return

ULVAC

- Shareholder return is one of our most important policies. We are aiming to return profits to shareholders by increasing dividends through further growth (dividends increased steadily, targeting a payout ratio of 30% or above from FY21)
- We are involved in an industry with fluctuating customer capital investment trends as well as rapid technological innovation
  ⇒We place top priority on securing R&D investment capabilities in growth areas. Meanwhile, we are also reinforcing financial base to cope with the industry fluctuations and business performance risks.

Dividend per share and Payout ratio (Unit: ¥1)



(Unit:%)	FY13	FY14	FY15	FY16	FY17	FY18	FY19	FY20	FY21 Initial Forecast	FY21 Revised Forecast	FY22 Forecast
Payout ratio	-	5.8	8.9	10.1	13.0	27.7	36.6	31.5	30.1	30.2	30.2

Breakthrough 2022 28

Next is shareholder return.

Shareholder return is one of the most important management policies of ULVAC. We would like to aim to return profits to shareholders by increasing dividends through further growth. Since FY2021, we have already publicly stated that we would aim for a dividend payout ratio of 30% or more.

On the other hand, we are in the industry where investment trends fluctuate and technological innovation is rapid, so we need to ensure that we have the ability to invest in R&D to achieve this. To do so, we will continue to expand our financial base as well.

Below on the left is a graph showing dividends per share for each year. We have been steadily increasing dividends for the past several years, and this fiscal year we plan to pay out JPY141 per share.

10. Progress of Mid-term Management Plan

ULVAC

Basic Policy

- Investment in Development for Growth (Selection and Concentration)
- Profit-oriented management through structural change

Key Strategies

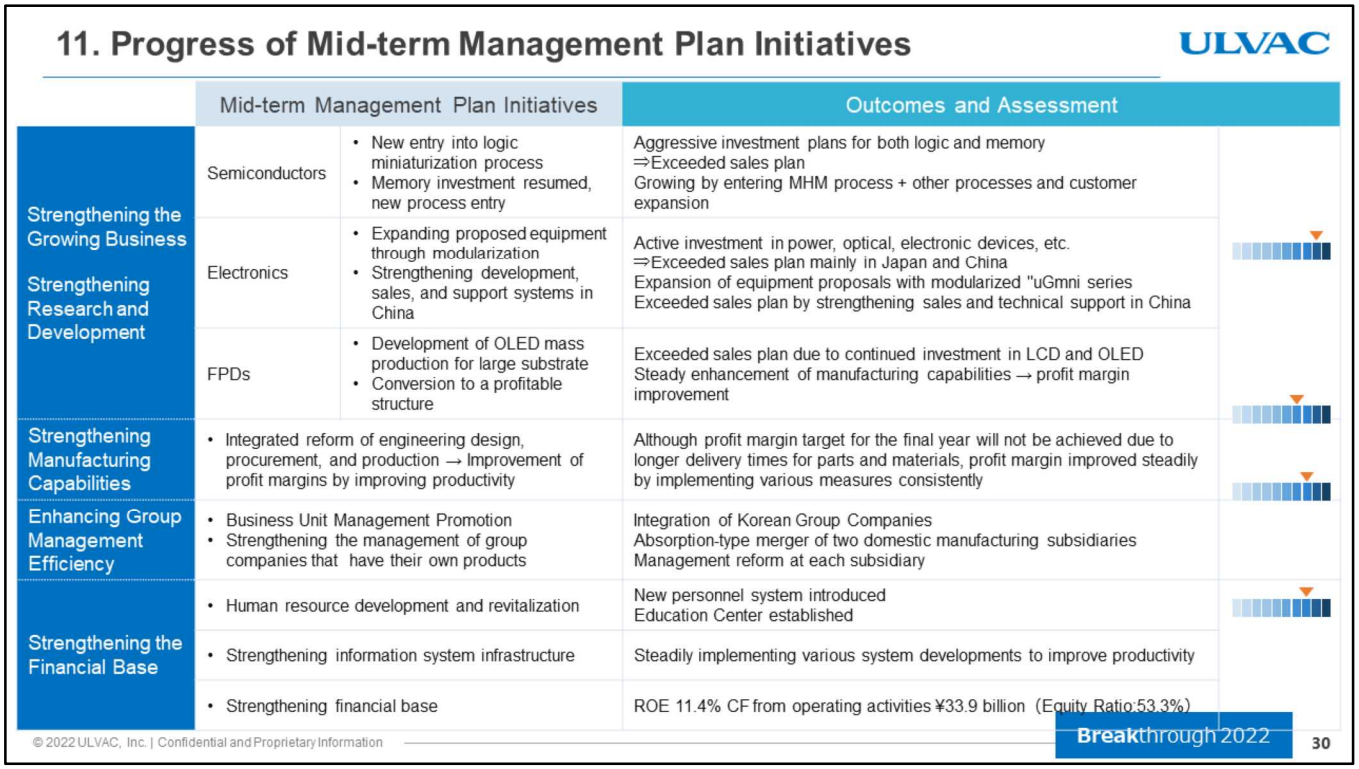
1. Strengthening the Growing Business
2. Strengthening Research and Development
3. Enhancing manufacturing capabilities
4. Enhancing Group Management Efficiency

	Targets	FY2020 (Actual)	FY2021 (Actual)	FY2022 (Plan)
Net Sales	¥235.0 billion	¥183.0 billion	¥241.3 billion	¥250.0 billion
Gross Profit Margin	35% or above	29.4%	30.6%	33.0%
Operating Profit Margin	16% or above	9.4%	12.5%	13.8%
ROE	13% or above	9.2%	11.4%	12.0%
CF from Operating activities	¥29.0 billion	¥25.5 billion	¥33.9 billion	¥24.0 billion

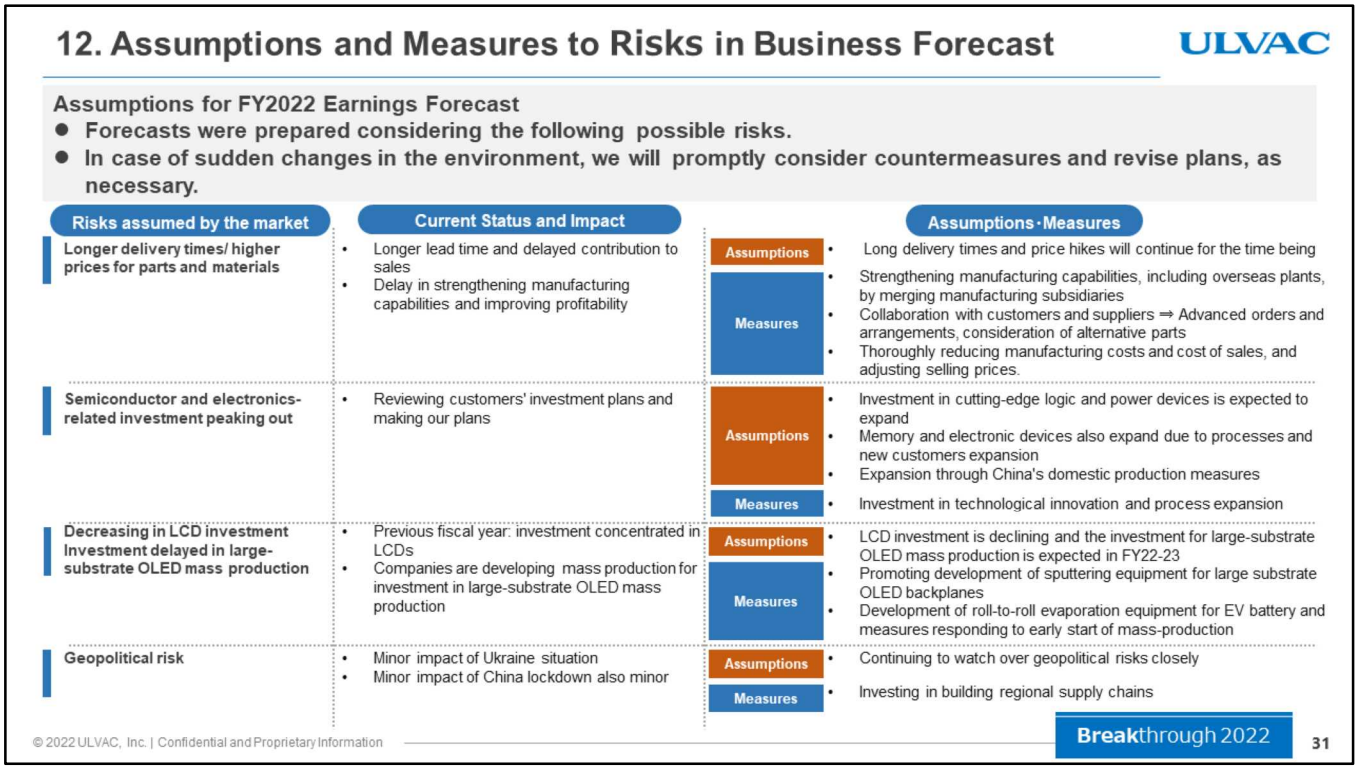
Next is the mid-term management plan.

Net sales are expected to exceed JPY250 billion in FY2022. Unfortunately, the gross profit margin is 33%, operating profit margin is 13.8%, ROE is 12%, and operating cash flow is JPY24 billion, all of which are below our targets.

We will continue to work even harder to meet and even exceed these targets without changing our basic policies as well as priority strategies.



Regarding the initiatives in the mid-term management plan, we analyzed four big topics, such as strengthening the growth business and strengthening R&D for semiconductors, electronics, and FPDs, respectively.



This is about the assumptions and measures to risks in our business forecast.

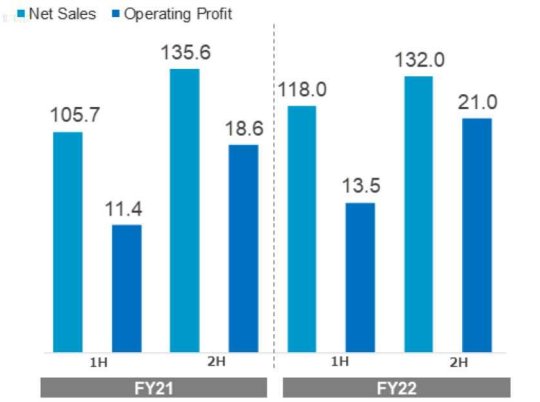
13. FY2022 Earnings Forecast

ULVAC

- Orders: Same level as the previous fiscal year due to active investment in semiconductors and electronics, etc.
- Net Sales: ¥250 billion, +4% YoY; Operating Profit:¥34.5 billion, +15% YoY
- Operating Profit Margin: Improved to 13.8% (+1.3pt YoY)

(Unit: ¥1 billion)	FY2021	FY2022 Plan			
	Actual	1H	Full Year	YoY	
Orders Received	270.1	132.0	270.0	-0.1	0%
Net Sales	241.3	118.0	250.0	8.7	4%
Operating Profit	30.1	13.5	34.5	4.4	15%
Operating Profit Margin	12.5%	11.4%	13.8%	1.3pt	-
Profit attributable to owners of parent	20.2	9.2	23.0	2.8	14%
To net sales ratio	8.4%	7.8%	9.2%	0.8pt	-

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



Breakthrough 2022

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Here is the earnings forecast for FY2022.

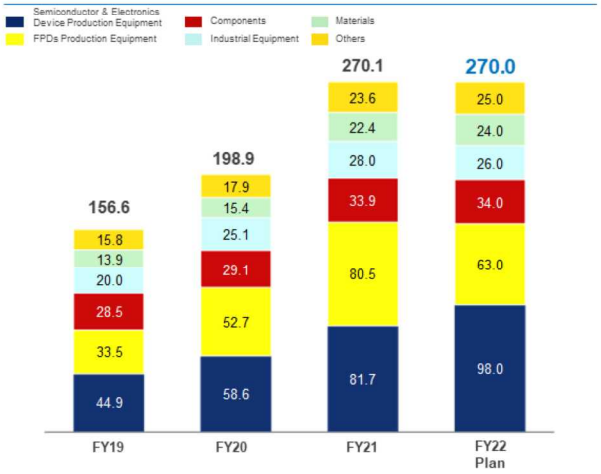
Net sales are JPY250 billion, a 4% increase YoY. Operating profit is JPY34.5 billion, up by 15% YoY. Operating profit margin is expected to increase by 1.3% to 13.8%.

14. Orders and Net Sales Plan

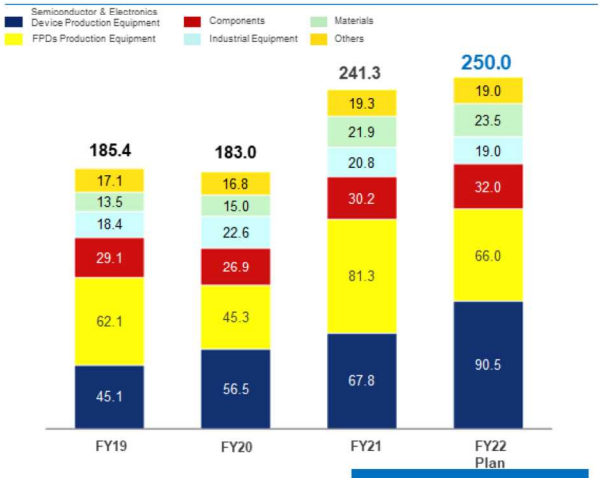
ULVAC

- Orders: Semiconductors and electronics are planned to remain at the same level , even though FPDs are expected to decrease due to the rebound from the sharp increase in investment in LCDs for IT panels in FY2021.
- Net Sales:4% increase is planned mainly in semiconductor electronics, despite the temporary decline in FPDs.

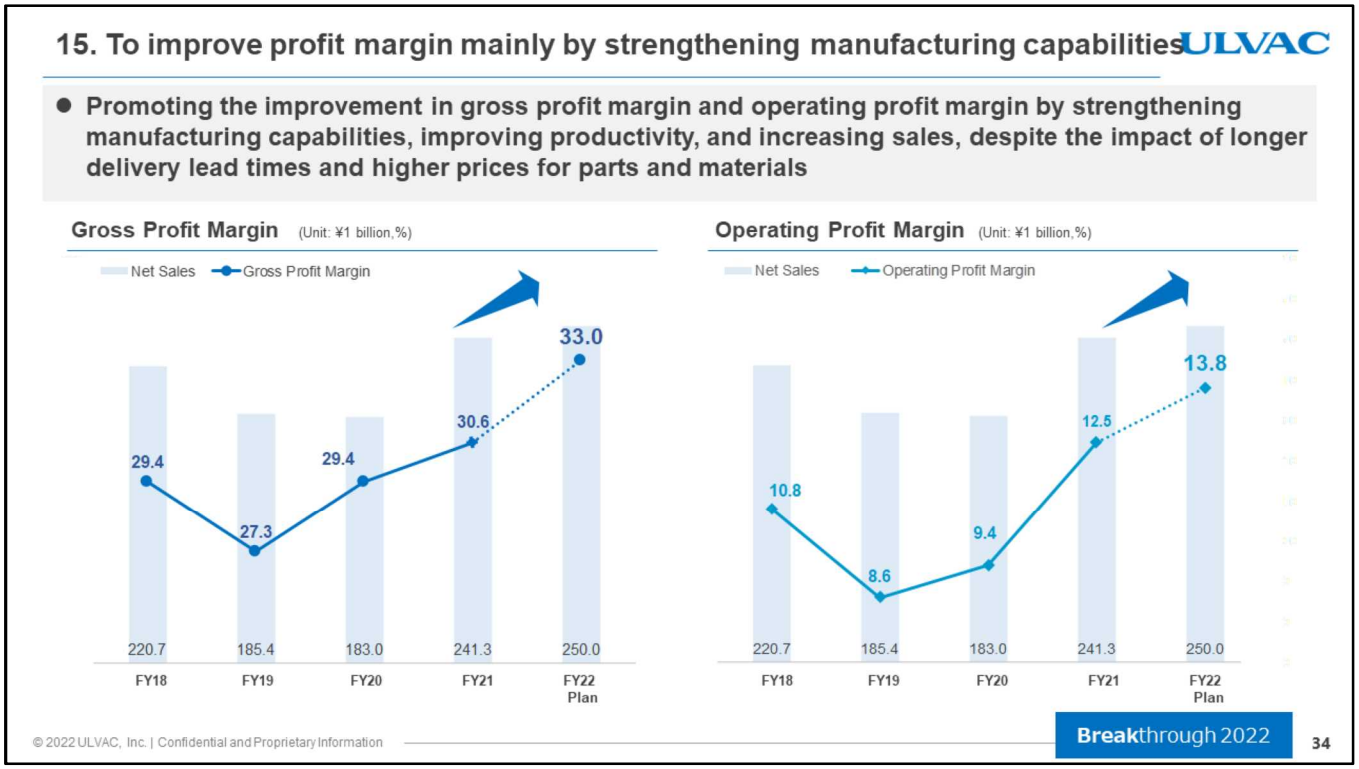
Orders received (Unit: ¥1 billion)



Net Sales (Unit: ¥1 billion)

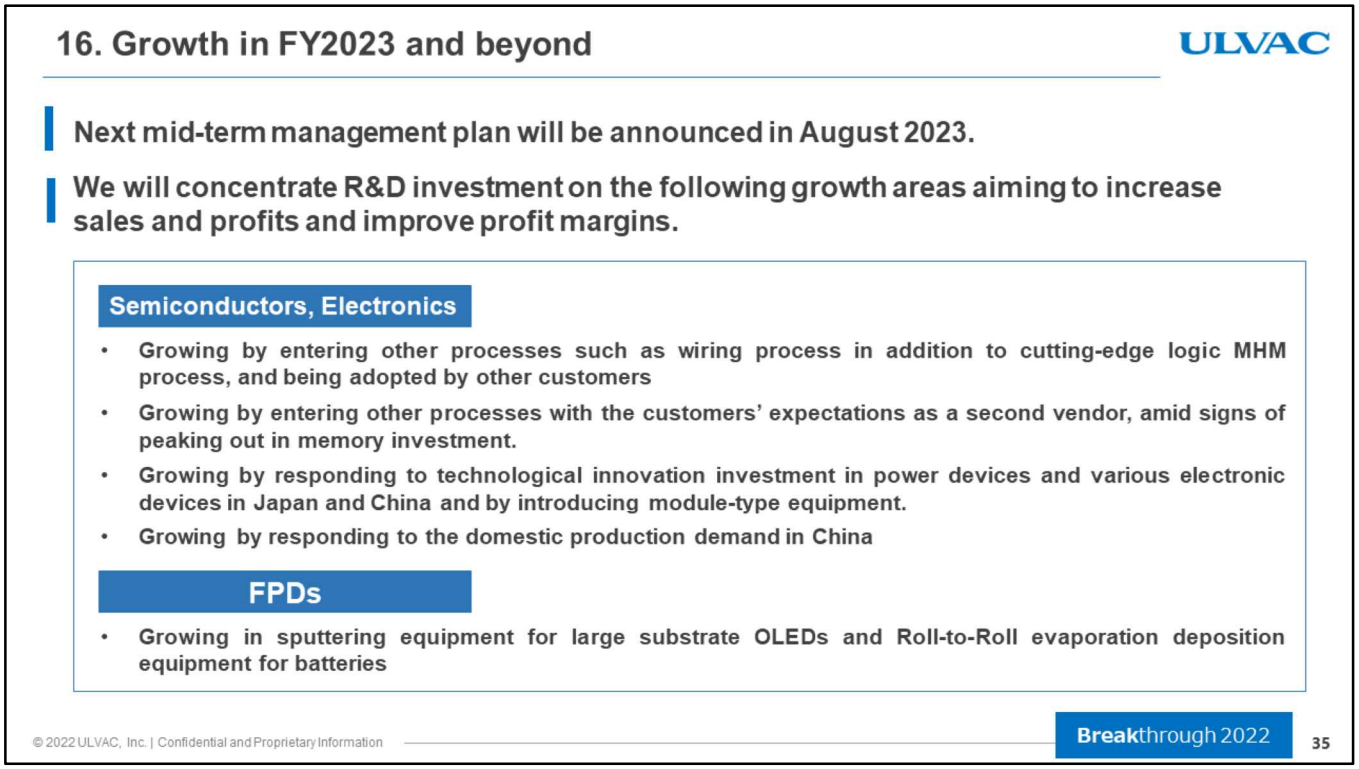


Here are the plans for orders and net sales.



We are targeting a gross profit margin of 33% and an operating profit margin of 13.8% by strengthening manufacturing capabilities.

Naturally, we intend to go above and beyond.



This is the last page.

A new mid-term management plan will be formulated next year for FY2023 and beyond.

ULVAC's policy of investing management resources in growth areas remains unchanged. We will strive to increase sales and profits and further improve profit margins.

As for semiconductors and electronics, we will grow by the four points mentioned in the slide. The same for FPDs. We will also aim for further growth in components and materials as the foundation of a stable business.

Thank you for your kind attention!

TOPICS

ULVAC

Support for Recommendations by the Task Force on Climate-related Financial Disclosures

We support the recommendations of the Task Force on Climate Change-related Financial Disclosure (TCFD) and participate in the TCFD Consortium, which promotes the disclosure of information on the risks and opportunities posed by climate change to our business from the perspectives of strategy, risk management, and governance, based on the TCFD recommendations.

TCFD TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES

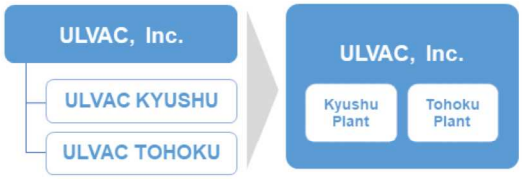
ULVAC Human Rights Policy Established

In accordance with the United Nations Guiding Principles on Business and Human Rights, we have formulated the ULVAC Human Rights Policy.

As a company with global operations, ULVAC is committed to promoting business activities that respect human rights more than ever before, based on this policy and with a clearer common understanding of how to respect human rights in our business activities.

Merger of wholly owned subsidiaries

On July 1st, we merged two major domestic manufacturing subsidiaries. In order to accelerate the "strengthening of manufacturing capabilities," we aim to further improve productivity and profitability by incorporating a wide variety of product production technologies.



Supporting the realization of a smart and digital society and green energy through technological innovation ULVAC

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

Vacuum Thin Film Processing Technology

- Sputtering
- Etching
- Vacuum Evaporation
- Chemical Vapor Deposition
- Components
- Material
- Customer support

Appendix

Quarterly Business Results

ULVAC

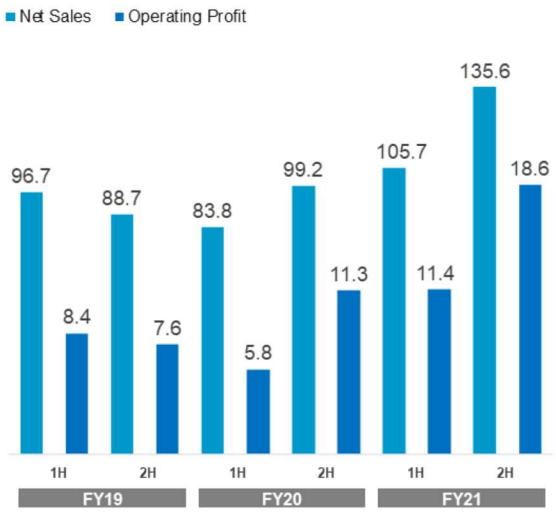
(Unit: ¥1 billion)	FY2020 Actual							FY2021 Actual							
	1Q	2Q	1H	3Q	4Q	2H	Full Year	1Q	2Q	1H	3Q	4Q	2H	Full Year	YoY
Orders Received	31.2	59.8	91.0	42.1	65.8	107.9	198.9	66.3	78.3	144.6	59.6	65.9	125.5	270.1	+35.8%
Net Sales	36.6	47.3	83.8	44.7	54.5	99.2	183.0	47.4	58.3	105.7	60.4	75.2	135.6	241.3	+31.8%
Gross Profit	9.4	13.9	23.3	13.4	17.1	30.4	53.8	13.2	18.9	32.1	18.6	23.0	41.6	73.7	+37.2%
Gross Profit Margin	25.7%	29.5%	27.8%	29.9%	31.4%	30.7%	29.4%	27.9%	32.4%	30.4%	30.8%	30.6%	30.7%	30.6%	+1.2pt
SG&A	8.4	9.1	17.5	9.0	10.1	19.1	36.6	9.7	11.0	20.7	10.5	12.5	23.0	43.7	+19.5%
Operating Profit	1.0	4.9	5.8	4.3	7.0	11.3	17.2	3.6	7.8	11.4	8.1	10.5	18.6	30.1	+74.8%
Operating Profit Margin	2.7%	10.3%	7.0%	9.6%	12.9%	11.4%	9.4%	7.5%	13.5%	10.8%	13.5%	14.0%	13.8%	12.5%	+3.1pt
Net Income	0.3	4.2	4.5	3.7	6.6	10.3	14.8	2.2	5.9	8.1	5.6	6.4	12.1	20.2	+36.3%
To net sales ratio	0.9%	8.9%	5.4%	8.3%	12.0%	10.4%	8.1%	4.7%	10.1%	7.7%	9.3%	8.6%	8.9%	8.4%	+0.3pt

Gross Profit Margin & Operating Profit Margin(Half Period)

ULVAC

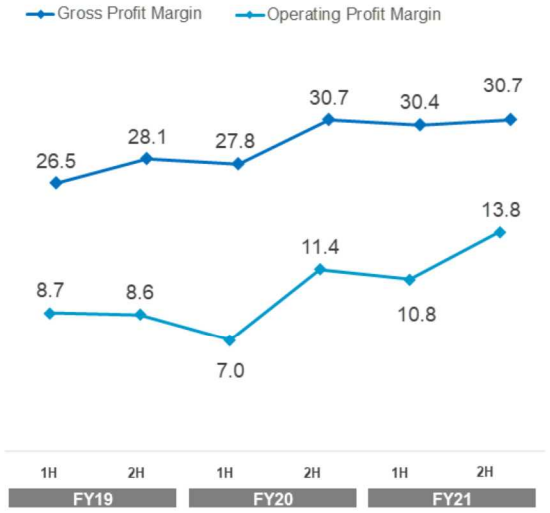
Net Sales and Operating Profit

(Unit: ¥1 billion)



Gross Profit Margin & Operating Profit Margin

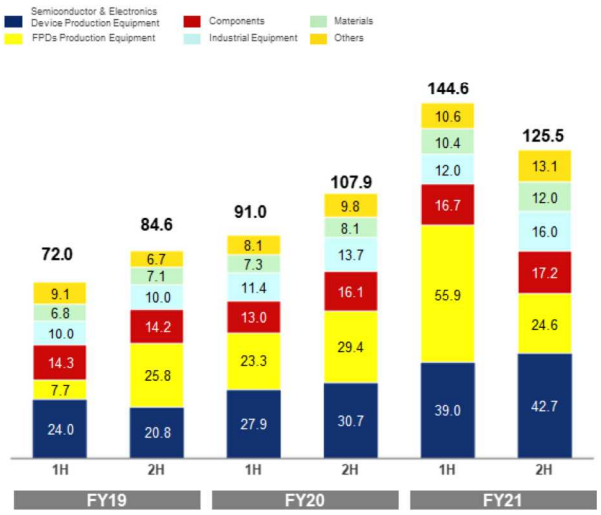
(Unit: %)



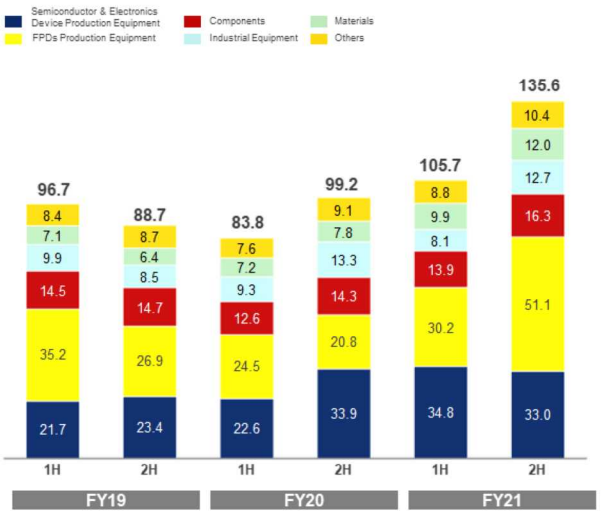
Orders and Net Sales by Segment (Half Period)

ULVAC

Orders received (Unit: ¥1 billion)



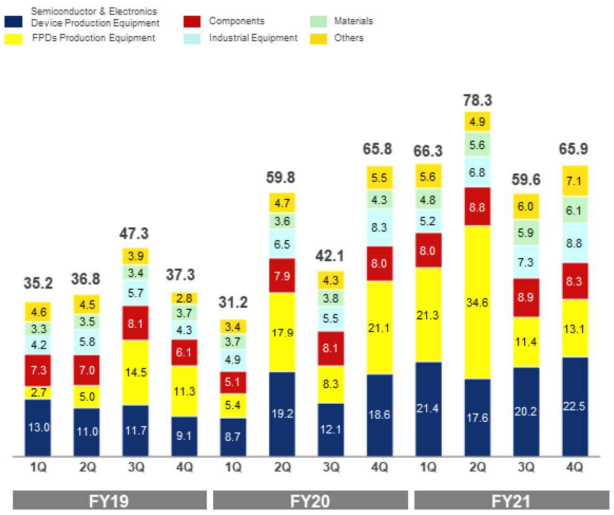
Net sales (Unit: ¥1 billion)



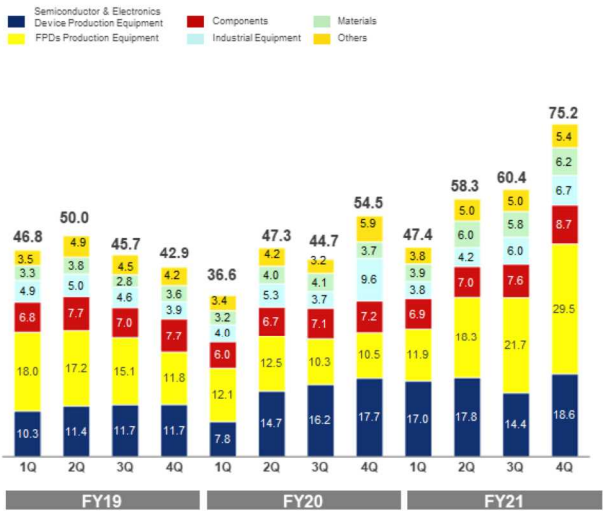
Orders and Net Sales by Segment (Quarterly)

ULVAC

Orders received (Unit: ¥1 billion)



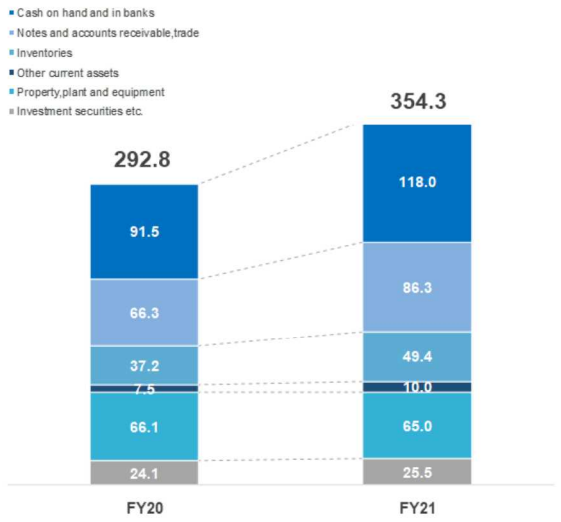
Net sales (Unit: ¥1 billion)



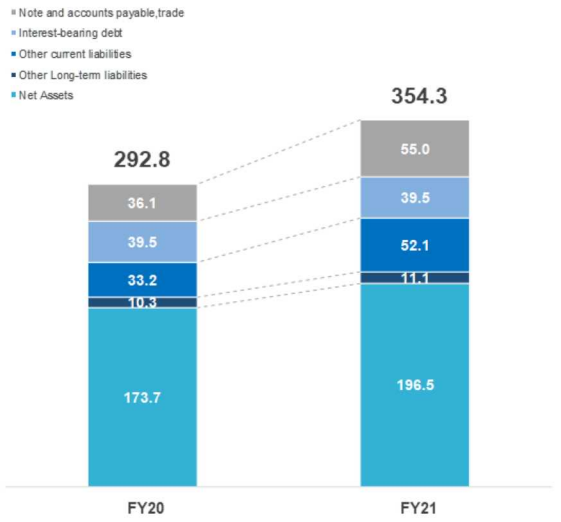
Consolidated Balance Sheet

ULVAC

Assets (Unit: ¥1 billion)



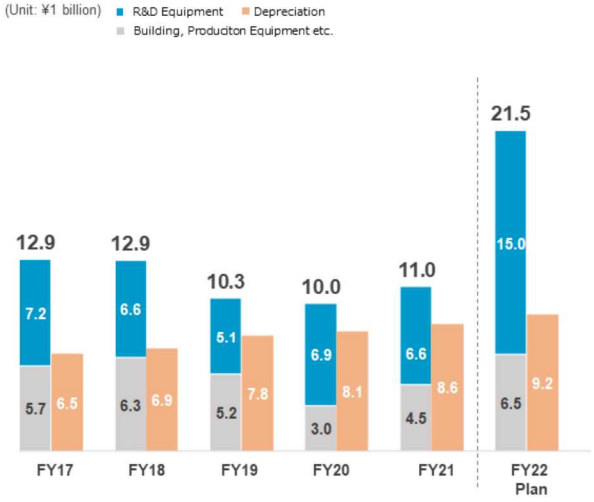
Liabilities and Net Assets (Unit: ¥1 billion)



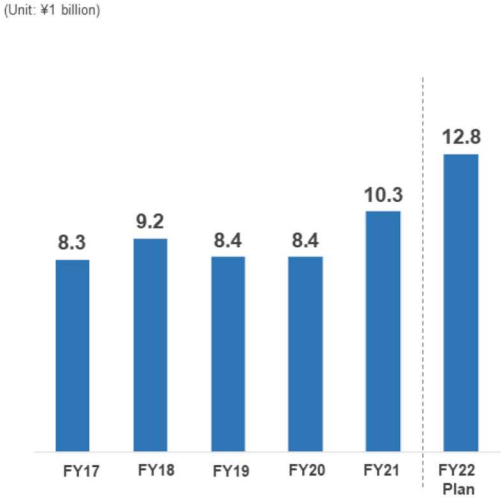
Capital Expenditures and R&D Expenses

ULVAC

Actual and Planned Capital Expenditures



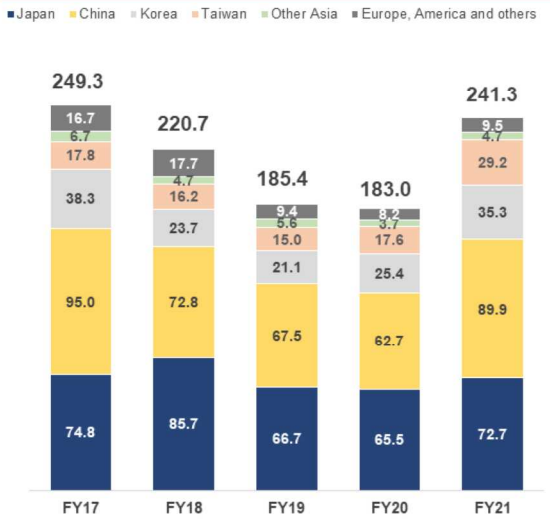
Actual and Planned R&D Expenses



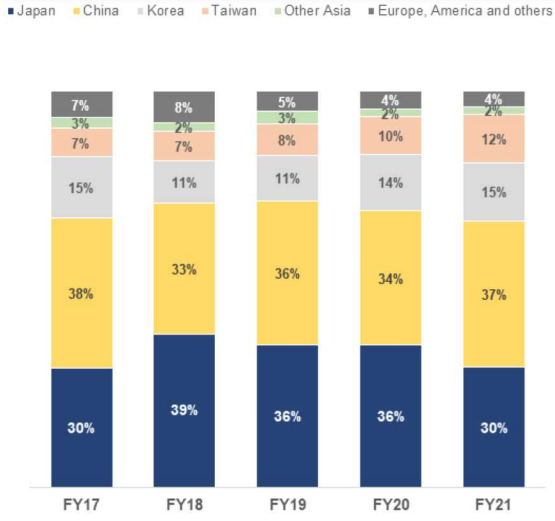
Changes in Net Sales by Region

ULVAC

Net Sales by Region (Unit: ¥1 billion)



Percentage of Net Sales by Region




ULVAC Vacuum Technology Contributes
to Many Industries and Applications
ULVAC