

ULVAC

ULVAC, Inc.

Business Results

The First Quarter of FY2022

(July 2022 - September 2022)

Nov. 11, 2022

Securities Code: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.

Note:

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



1. Orders received remained at a high level, with an increase (+37% YoY) in Semiconductor and Electronics, offsetting a reactionary decline in FPDs orders.

- **Electronics** : Significant increase due to strong orders of power devices, μ OLEDs for AR/VR, etc.
- **Semiconductors** : Steady orders partly due to customer expansion in logic field.
- **FPDs** : OLED investment continues, despite a reactionary decline in LCD investment.

2. Both sales and operating profit exceeded the same period of previous year.

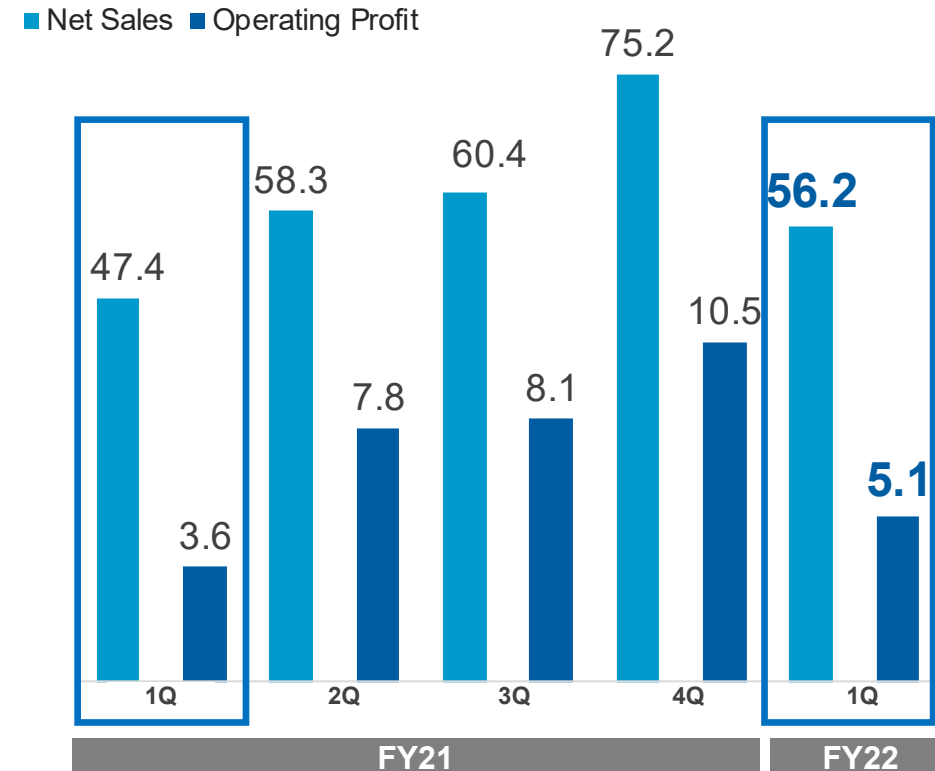
(Unit: ¥1 billion)	FY2021 1Q Actual	FY2022 1Q Actual	YoY
Orders Received	66.3	66.6	+1%
Net Sales	47.4	56.2	+18%
Operating Profit	3.6	5.1	+43%

Business results for the first quarter of FY2022

- Orders received were at a high level, with growth in Electronics, including power devices, and Components, offsetting a YoY decline in FPDs orders.
- Both sales and profit (ratio) exceeded the same period of previous year.

(Unit: ¥1 billion)	FY2021 1Q	FY2022 1Q		
	Actual	Actual	YoY	
Orders Received	66.3	66.6	+0.3	+1%
Net Sales	47.4	56.2	+8.8	+18%
Gross Profit	13.2	16.5	+3.2	+24%
Gross Profit Margin	27.9%	29.3%	+1.4pt	-
SG&A	9.7	11.3	+1.7	+17%
Operating Profit	3.6	5.1	+1.6	+43%
Operating Profit Margin	7.5%	9.1%	+1.6pt	-
Profit attributable to owners of parent	2.2	4.1	+1.8	+82%
To net sales ratio	4.7%	7.2%	+2.5pt	-

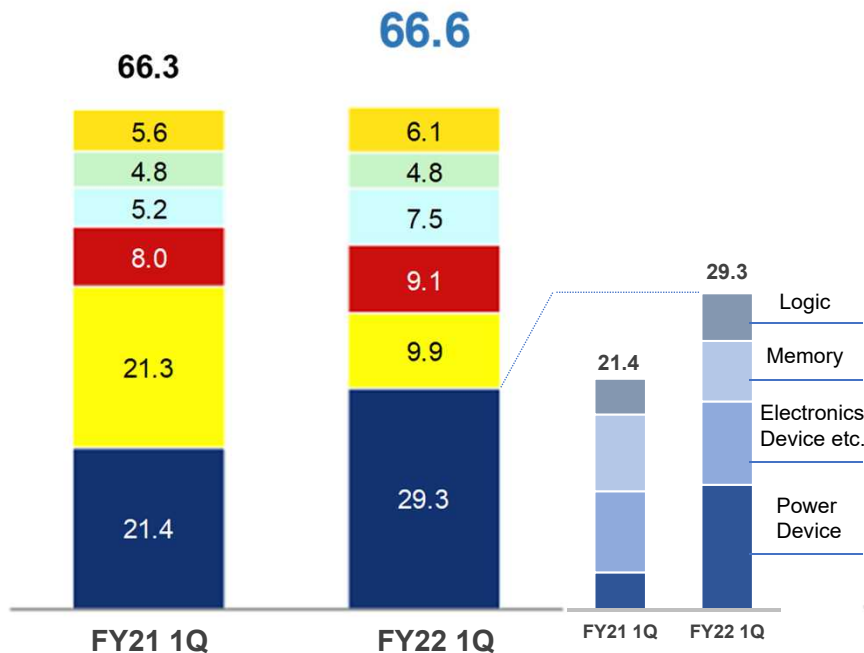
Quarterly Net Sales and Operating Profit (Unit: ¥1 billion)



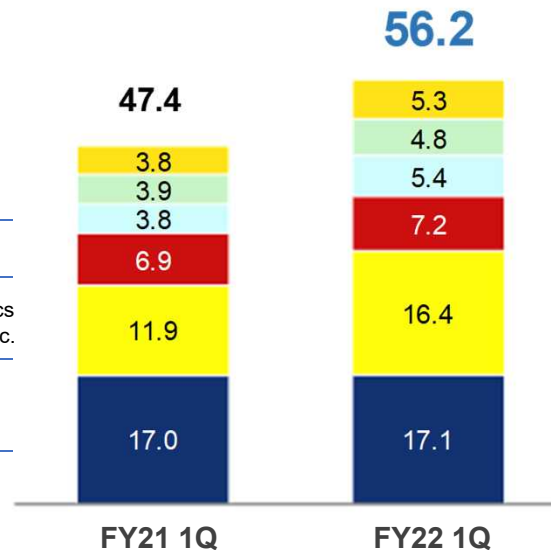
Orders and Sales both exceeded the same period of previous year

- Orders received were at a high level, with growth in Electronics, including power devices, and Components, offsetting a YoY decline in FPDs orders.
- Net sales increased YoY in all segments while we are working on the issues such as longer delivery times for parts and materials.

Orders received (Unit: ¥1 billion)



Net sales (Unit: ¥1 billion)



Semiconductors & Electronics

Semiconductors

- Steady orders partly due to customer expansion in logic field.

Electronics

- **Power devices:**
Orders increase to 1/3 of Semiconductors and Electronics due to large projects in China, increased investment in Japan, etc.
- **Optical devices:**
Active investment in μ OLED for AR/VR (in 1H)

FPDs

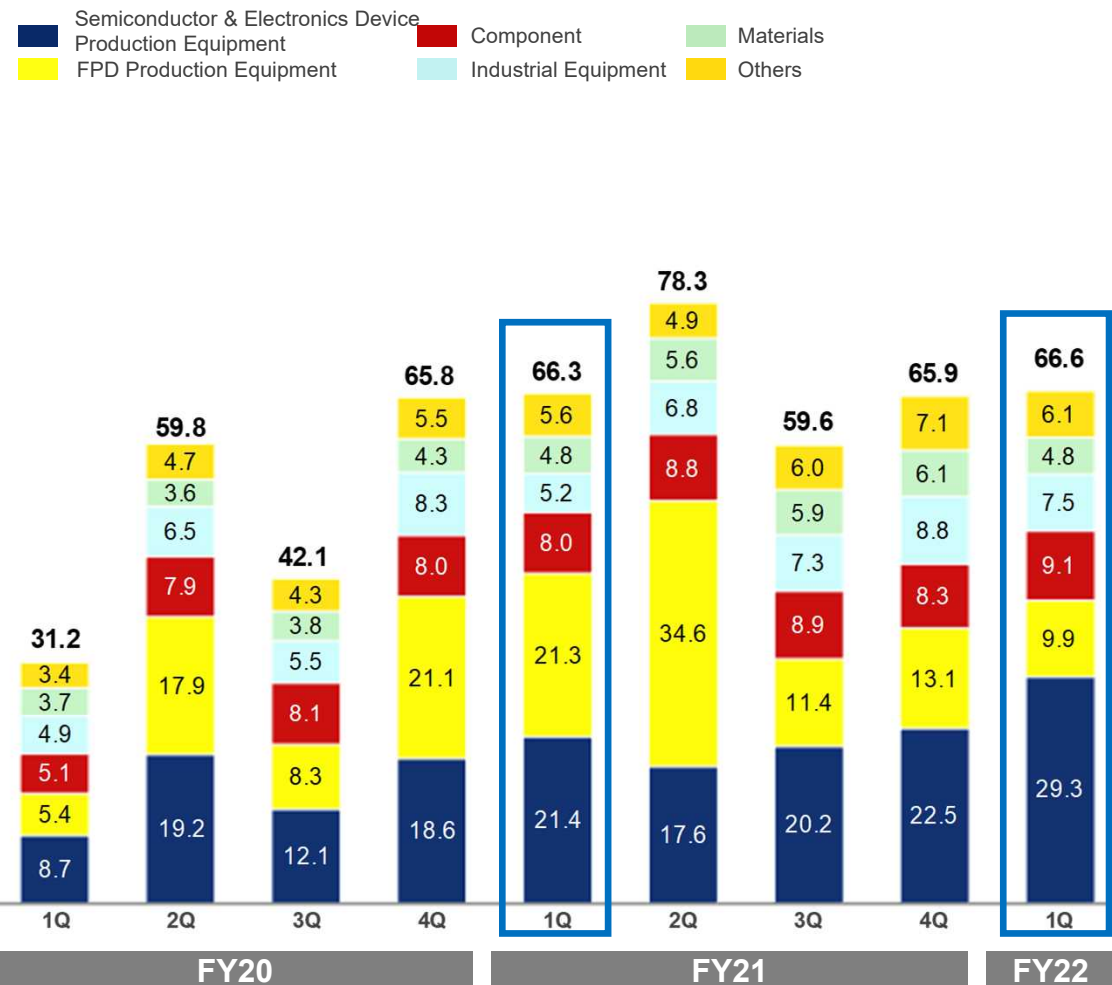
- OLED investment continues, despite a reactionary decline in LCD investment which was active in the previous fiscal year.

Components

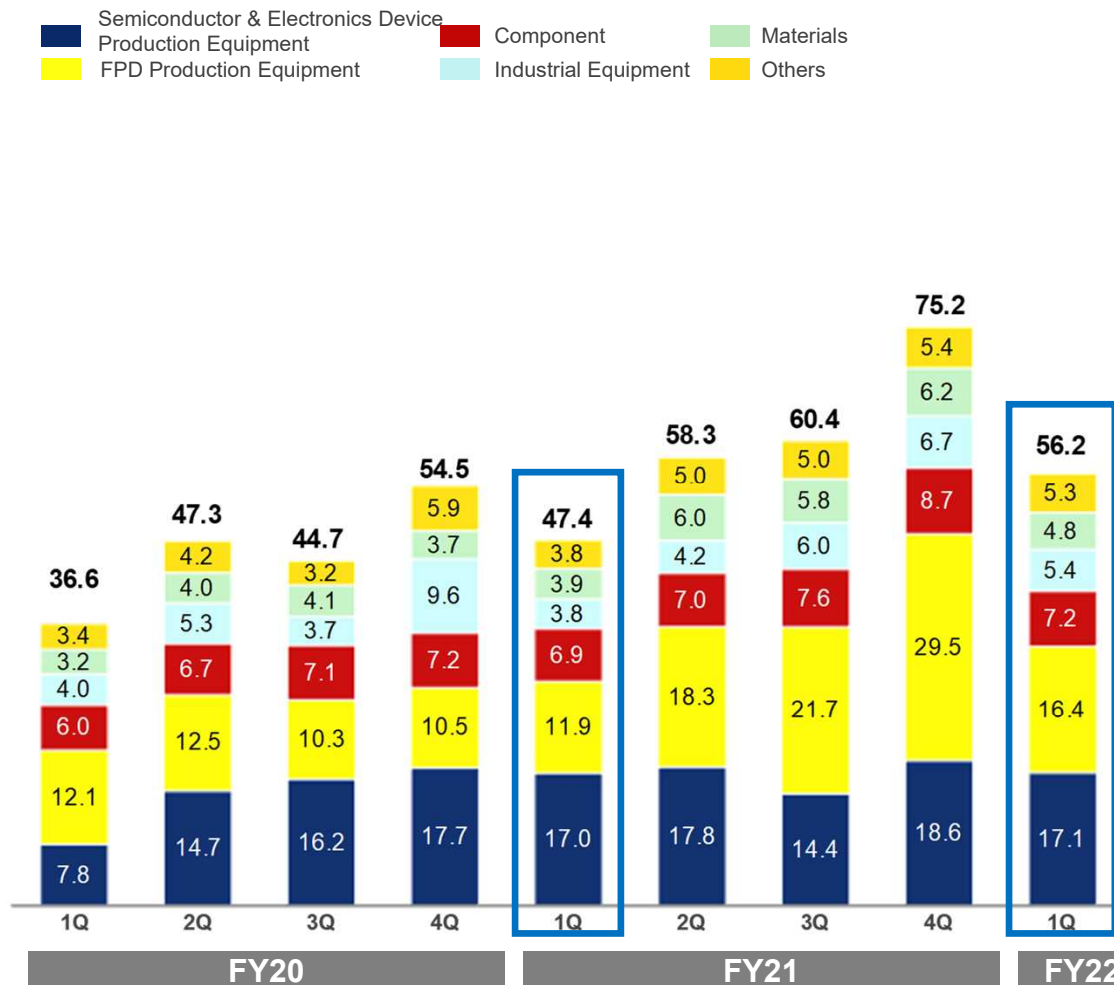
- Favorable due in part to orders received ahead of schedule as a result of longer delivery times for parts and materials

Orders received at a high level

Orders received (Unit: ¥1 billion)



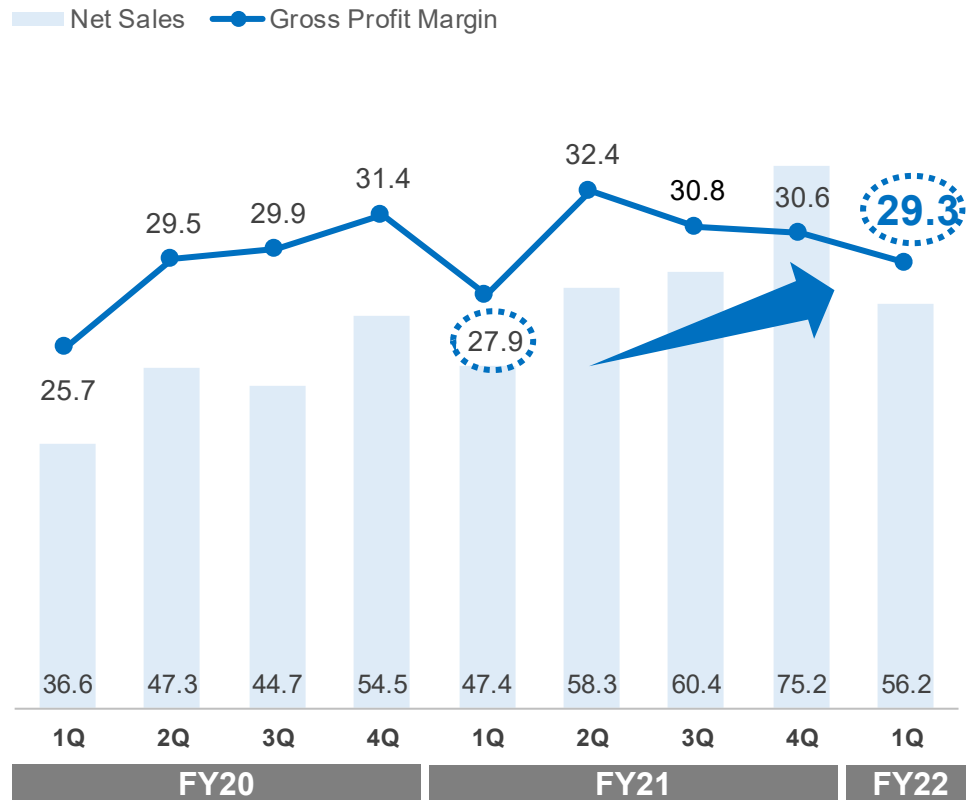
Net sales (Unit: ¥1 billion)



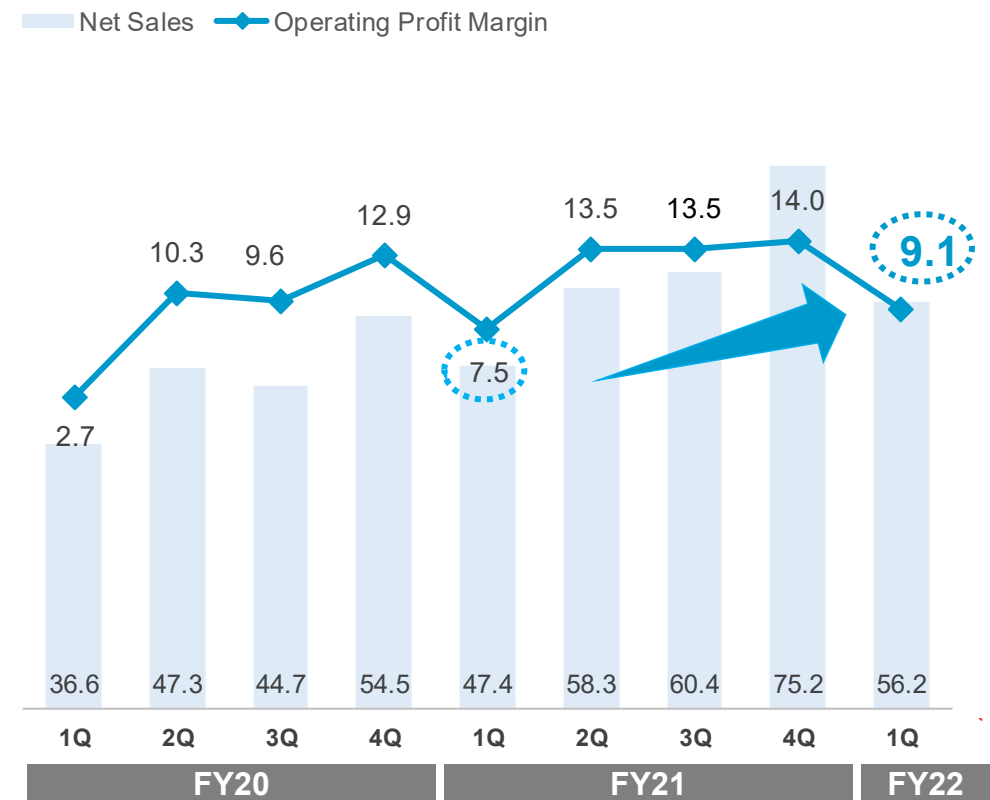
Profit margins improved YoY

- Profit margin improved YoY, despite QoQ decline due to lower sales

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

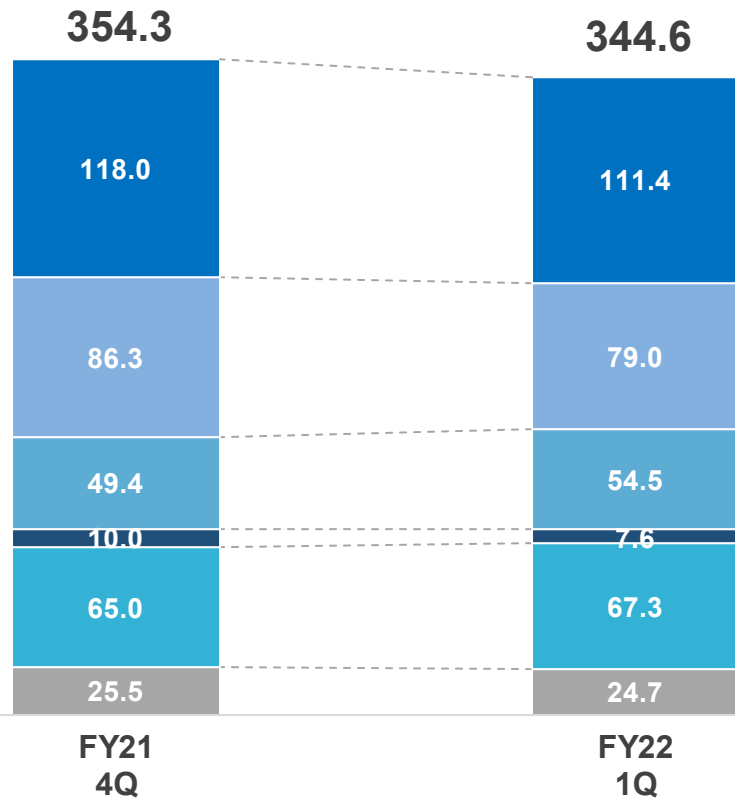


Operating Profit Margin (Unit: ¥1 billion,%)



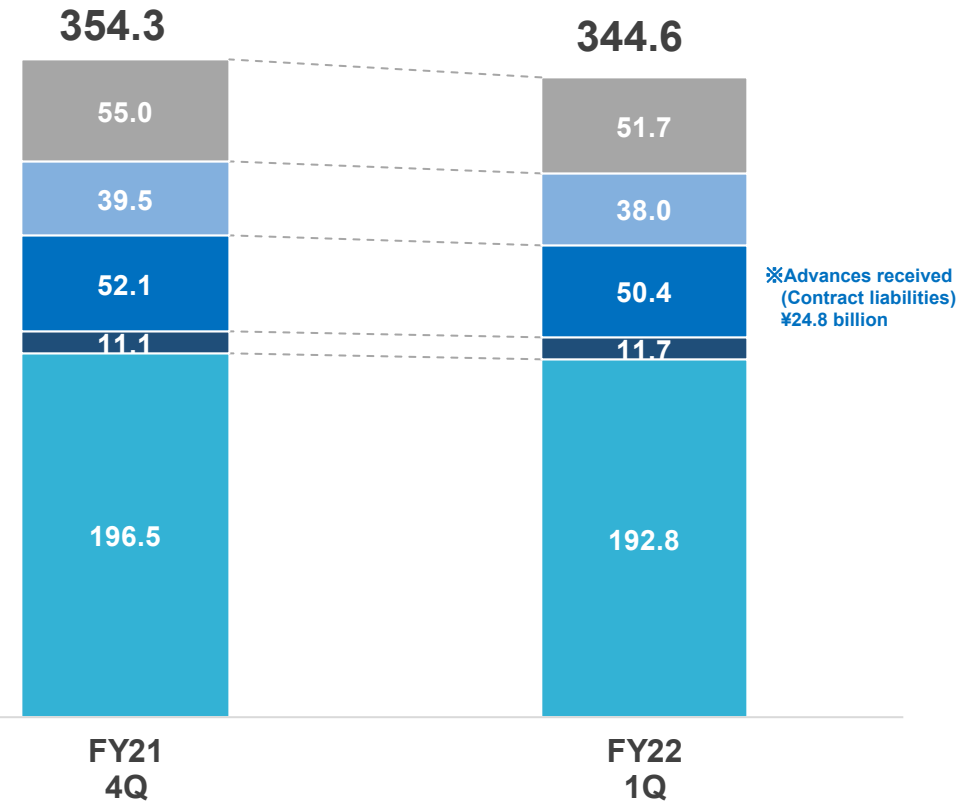
Assets (Unit: ¥1 billion)

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



Liabilities and Net Assets (Unit: ¥1 billion)

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



Market Environment and Growth Drivers

Segment	Market Environment and Growth Drivers
Semiconductors	<p>Memory investment has been currently restrained. Despite uncertainty due to U.S. restrictions on semiconductors in China, Ulvac continues to focus on expanding orders over the medium to long term.</p> <p>Logic: Growth opportunities increase due to orders for processes other than MHM* and orders from new customers</p>
Electronics	<p>Power Devices: Significant increase due to large SiC orders in China and increased investment in Japan</p> <p>Optical Devices: Plan to have large orders for μOLED (AR/VR)</p>
FPDs	<p>LCDs for IT panels: Investment will continue, despite a reactionary decline from the previous year</p> <p>Large size substrate OLED for IT panels: Under development for mass production</p> <p>EVs batteries: Under development for mass production for improved safety and larger capacity, smaller size batteries (roll-to-roll evaporation deposition equipment (double-sided evaporation))</p>
<p>Components</p> <p>Materials</p> <p>Customer Support</p>	<p>Active investment in Semiconductors, Electronics, etc.</p>



Sputtering equipment for semiconductors



Ion Implanter for SiC power device

*Metal hard mask (MHM) process for EUV lithography equipment

Quarterly Business Results

(Unit: ¥1 billion)	FY2021				FY2022		
	1Q	2Q	3Q	4Q	1Q	YoY	
						Amount	Percentage
Orders Received	66.3	78.3	59.6	65.9	66.6	+0.3	+1%
Net Sales	47.4	58.3	60.4	75.2	56.2	+8.8	+18%
Gross Profit	13.2	18.9	18.6	23.0	16.5	+3.2	+24%
Gross Profit Margin	27.9%	32.4%	30.8%	30.6%	29.3%	+1.4pt	-
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Profit attributable to owners of parent	2.2	5.9	5.6	6.4	4.1	+1.8	+82%
To net sales ratio	4.7%	10.1%	9.3%	8.6%	7.2%	+2.5pt	-

ULVAC Vacuum Technology Contributes to Many Industries and Applications



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