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February 13, 2024

## Consolidated Financial Results for the Six Months Ended December 31, 2023 (Under Japanese GAAP)

Company name: ULVAC, Inc.  
 Listing: Tokyo Stock Exchange  
 Securities code: 6728  
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 Scheduled date to file quarterly securities report: February 13, 2024  
 Scheduled date to commence dividend payments: —  
 Preparation of supplementary material on quarterly financial results: Yes  
 Holding of quarterly financial results briefing: Yes (for domestic institutional investors and analysts)

(Yen amounts are rounded to the nearest million, unless otherwise noted.)

### 1. Consolidated financial results for the six months ended December 31, 2023 (from July 1, 2023 to December 31, 2023)

#### (1) Consolidated operating results (cumulative)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
Six months ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
December 31, 2023	120,224	8.0	10,313	(1.5)	10,999	(6.6)	6,860	(26.5)
December 31, 2022	111,360	5.4	10,465	(8.3)	11,779	(2.2)	9,334	14.7

Note: Comprehensive income For the six months ended December 31, 2023: ¥7,328 million [9.5%]  
 For the six months ended December 31, 2022: ¥6,695 million [(37.3)%]

	Basic earnings per share	Diluted earnings per share
Six months ended	Yen	Yen
December 31, 2023	139.25	—
December 31, 2022	189.53	—

#### (2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio
As of	Millions of yen	Millions of yen	%
December 31, 2023	365,639	206,301	54.6
June 30, 2023	353,474	204,853	56.1

Reference: Equity  
 As of December 31, 2023: ¥199,791 million  
 As of June 30, 2023: ¥198,212 million

## 2. Cash dividends

	Annual dividends per share				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended June 30, 2023	—	—	—	109.00	109.00
Fiscal year ending June 30, 2024	—	—			
Fiscal year ending June 30, 2024 (Forecast)			—	114.00	114.00

Note: Revisions to the forecast of cash dividends most recently announced: None

## 3. Consolidated earnings forecasts for the fiscal year ending June 30, 2024 (from July 1, 2023 to June 30, 2024)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Fiscal year ending June 30, 2024	245,000	7.7	23,000	15.3	24,500	7.1	16,000	12.9	324.78

Note: Revisions to the earnings forecasts most recently announced: None

**\* Notes**

- (1) Changes in significant subsidiaries during the period (changes in specified subsidiaries resulting in the change in scope of consolidation): None
- (2) Adoption of accounting treatment specific to the preparation of quarterly consolidated financial statements: None
- (3) Changes in accounting policies, changes in accounting estimates, and restatement
  - (i) Changes in accounting policies due to revisions to accounting standards and other regulations: None
  - (ii) Changes in accounting policies due to other reasons: None
  - (iii) Changes in accounting estimates: None
  - (iv) Restatement: None
- (4) Number of issued shares (common shares)

- (i) Total number of issued shares at the end of the period (including treasury shares)

As of December 31, 2023	49,355,938 shares
As of June 30, 2023	49,355,938 shares

- (ii) Number of treasury shares at the end of the period

As of December 31, 2023	85,527 shares
As of June 30, 2023	107,207 shares

- (iii) Average number of shares outstanding during the period (cumulative from the beginning of the fiscal year)

Six months ended December 31, 2023	49,264,375 shares
Six months ended December 31, 2022	49,248,959 shares

- \* Quarterly financial results reports are exempt from quarterly review conducted by certified public accountants or an audit corporation.

- \* Proper use of earnings forecasts, and other special matters

(Cautions on forward-looking statements, etc.)

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 performance and other results may differ materially from these forecasts due to various factors. Please refer to “(3) Explanation regarding consolidated earnings forecasts and other forward-looking statements” in “1. Qualitative information regarding financial results for the period” on page 4 of the attached material for the suppositions that form the assumptions for earnings forecasts and cautions concerning the use thereof.

## Attached Material

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# 1. Qualitative information regarding financial results for the period

## (1) Explanation regarding operating results

(Millions of yen)

	Six months ended December 31, 2022	Six months ended December 31, 2023	Year-on-year change rate
Orders received	129,110	134,049	3.8%
Net sales	111,360	120,224	8.0%
Operating profit	10,465	10,313	(1.5)%
Ordinary profit	11,779	10,999	(6.6)%
Profit attributable to owners of parent	9,334	6,860	(26.5)%

In the six months ended December 31, 2023, the global economy remained on a gradual recovery track, but uncertainty increased, mainly because of concerns about the risk of an overseas economic downturn due to global monetary tightening.

Regarding the business environment in which the Group operates, in the semiconductor sector, capital investment by semiconductor manufacturers is slowing in the short term, in line with the deceleration in demand for items such as smartphones and personal computers. However, the demand for semiconductors is expected to expand in the medium- to long-term, partly due to expectations for generative AI, and plans for the construction and expansion of semiconductor plants are underway around the world in response to geopolitical risks. In the electronics field, there has been a continued expansion of investment in power devices in line with progress in the shift to green energy, EVs, etc.; technological innovation, as well as investment to increase the production of various electronic devices for the realization of a smart society, digitalization, and the metaverse; and investment aimed at shifting to domestic production in China. In the flat panel display (FPD) sector, investments are expected in large-sized organic light-emitting diode displays as IT panels for tablets and personal computers have been replaced by organic light-emitting diode displays from LCDs in recent years. Additionally, investment in the mass production of EV batteries aimed at realizing smaller sizes, larger capacities, and higher safety is starting in earnest.

As a result, in the six months ended December 31, 2023, orders received increased by 4,940 million yen (3.8%) year on year to 134,049 million yen and net sales increased by 8,864 million yen (8.0%) to 120,224 million yen. Regarding profit, operating profit decreased by 152 million yen (1.5%) to 10,313 million yen, ordinary profit decreased by 780 million yen (6.6%) to 10,999 million yen, and profit attributable to owners of parent decreased by 2,474 million yen (26.5%) to 6,860 million yen.

Results by segment are as follows.

### [Vacuum Equipment Business]

(Millions of yen)

	Six months ended December 31, 2022	Six months ended December 31, 2023	Year-on-year change rate
Orders received	106,640	112,460	5.5%
Net sales	90,817	98,091	8.0%
Operating profit	8,482	9,070	6.9%

Details for Vacuum Equipment Business by item are as follows.

FPD production equipment

In FPD production equipment, orders received increased year on year due to full-fledged investment in mass production of EV batteries aimed at realizing smaller sizes, larger capacities, and higher safety, despite investment in LCDs for IT panels falling to a more moderate level and net sales decreasing year on year.

Semiconductor and electronic device production equipment

In semiconductor and electronic device production equipment, orders received decreased year on year, partly due to continuing constraints on investments in memory and other semiconductors, but net sales increased year on year due to more active investment in power devices in Japan and China.

Components

In the components business, orders received and net sales both increased year on year, as business was strong for vacuum pumps, measurement devices, and power supply devices, among others, due to more active investment in areas related to semiconductors and electronic devices, batteries for EVs, and consumer devices.

Industrial equipment

Orders received increased year on year due to contributions from businesses in areas such as high performance magnet production equipment and freeze drying equipment for medical applications, while net sales remained level year on year.

As a result, the Vacuum Equipment Business recorded orders received of 112,460 million yen, order backlogs of 141,039 million yen, net sales of 98,091 million yen, and operating profit of 9,070 million yen.

[Vacuum Application Business]

	(Millions of yen)		
	Six months ended December 31, 2022	Six months ended December 31, 2023	Year-on-year change rate
Orders received	22,470	21,589	(3.9)%
Net sales	20,543	22,134	7.7%
Operating profit	1,902	1,166	(38.7)%

Details for Vacuum Application Business by item are as follows.

Materials

Orders received and net sales both increased year on year, primarily owing to a recovery in the operating rate of FPD related plants.

Others

Orders received decreased year on year, mainly due to a time lag of orders received in businesses related to surface analyzer equipment, despite contributions from businesses related to mask blanks for high-definition, high-performance displays, while net sales remained level year on year.

As a result, the Vacuum Application Business recorded orders received of 21,589 million yen, order backlogs of 15,325 million yen, net sales of 22,134 million yen, and operating profit of 1,166 million yen.

## **(2) Explanation regarding financial position**

### **1) Assets, liabilities and net assets**

Financial position as of December 31, 2023 is as follows.

Total assets increased by 12,166 million yen from the end of the previous fiscal year. This was primarily due to an increase of 12,194 million yen in notes and accounts receivable - trade, and contract assets and an increase of 5,815 million yen in inventories, despite a decrease of 4,845 million yen in cash and deposits.

Total liabilities increased by 10,717 million yen from the end of the previous fiscal year. This was primarily due to an increase of 9,052 million yen in contract liabilities.

Total net assets increased by 1,448 million yen from the end of the previous fiscal year. This was primarily due to an increase of 1,481 million yen in retained earnings.

### **2) Cash flows**

The status of cash flows for the six months ended December 31, 2023 is as follows.

Cash flows from operating activities amounted to an inflow of 8,852 million yen (compared to an outflow of 2,420 million yen in the same period of the previous fiscal year). Positive factors behind this included profit before income taxes, depreciation, an increase in contract liabilities and a decrease in consumption taxes refund receivable, while negative factors included an increase in trade receivables and an increase in inventories.

Cash flows from investing activities amounted to an outflow of 7,947 million yen (compared to an outflow of 5,998 million yen in the same period of the previous fiscal year). The main factor behind this was the purchase of property, plant and equipment and intangible assets.

Cash flows from financing activities amounted to an outflow of 6,037 million yen (compared to an outflow of 7,976 million yen in the same period of the previous fiscal year), primarily due to dividends paid, repayments of long-term borrowings, and proceeds from long-term borrowings.

As a result of the above, cash and cash equivalents at the end of the six months ended December 31, 2023, amounted to 82,367 million yen, a decrease of 4,950 million yen from the end of the previous fiscal year.

## **(3) Explanation regarding consolidated earnings forecasts and other forward-looking statements**

Earnings forecasts for the fiscal year ending June 30, 2024 are unchanged from the previous forecasts announced on August 8, 2023.

Note: Earnings forecasts and other forward-looking statements provided in this document are based on information currently available to the Company. 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.

## 2. Quarterly consolidated financial statements and significant notes

### (1) Quarterly consolidated balance sheet

(Millions of yen)

	As of June 30, 2023	As of December 31, 2023
<b>Assets</b>		
Current assets		
Cash and deposits	98,399	93,554
Notes and accounts receivable - trade, and contract assets	83,538	95,732
Merchandise and finished goods	6,140	6,373
Work in process	36,485	39,880
Raw materials and supplies	19,335	21,523
Other	11,903	8,509
Allowance for doubtful accounts	(521)	(476)
Total current assets	255,280	265,095
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	25,915	24,961
Machinery, equipment and vehicles, net	20,399	19,256
Tools, furniture and fixtures, net	1,741	1,684
Land	8,245	8,216
Leased assets, net	3,670	3,429
Construction in progress	9,617	14,121
Total property, plant and equipment	69,588	71,666
Intangible assets		
Leased assets	23	11
Software	1,746	2,638
Other	2,568	2,701
Total intangible assets	4,336	5,351
Investments and other assets		
Investment securities	10,151	9,498
Retirement benefit asset	940	931
Deferred tax assets	6,245	6,068
Other	8,962	7,823
Allowance for doubtful accounts	(2,030)	(793)
Total investments and other assets	24,269	23,527
Total non-current assets	98,193	100,544
Total assets	353,474	365,639



(Millions of yen)

	As of June 30, 2023	As of December 31, 2023
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	47,336	47,517
Short-term borrowings	11,878	12,787
Lease liabilities	898	839
Income taxes payable	2,328	2,173
Contract liabilities	22,685	31,737
Provision for bonuses	5,072	5,805
Provision for bonuses for directors (and other officers)	368	144
Provision for product warranties	1,726	1,757
Provision for loss on orders received	313	415
Other	14,149	14,574
Total current liabilities	106,754	117,750
Non-current liabilities		
Long-term borrowings	30,080	29,765
Lease liabilities	3,037	2,831
Deferred tax liabilities	195	319
Retirement benefit liability	7,414	7,348
Provision for share awards for directors (and other officers)	311	279
Asset retirement obligations	409	412
Other	420	635
Total non-current liabilities	41,867	41,588
Total liabilities	148,620	159,338
<b>Net assets</b>		
Shareholders' equity		
Share capital	20,873	20,873
Capital surplus	3,912	3,912
Retained earnings	160,563	162,044
Treasury shares	(345)	(271)
Total shareholders' equity	185,003	186,558
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	2,036	1,479
Foreign currency translation adjustment	12,721	13,099
Remeasurements of defined benefit plans	(1,547)	(1,346)
Total accumulated other comprehensive income	13,209	13,233
Non-controlling interests	6,641	6,511
Total net assets	204,853	206,301
Total liabilities and net assets	353,474	365,639

**(2) Quarterly consolidated statement of income and quarterly consolidated statement of comprehensive income**

**Quarterly consolidated statement of income (cumulative)**

(Millions of yen)

	Six months ended December 31, 2022	Six months ended December 31, 2023
Net sales	111,360	120,224
Cost of sales	78,065	84,864
Gross profit	33,296	35,361
Selling, general and administrative expenses	22,831	25,048
Operating profit	10,465	10,313
Non-operating income		
Interest income	153	237
Dividend income	189	294
Share of profit of entities accounted for using equity method	386	234
Other	1,171	846
Total non-operating income	1,898	1,611
Non-operating expenses		
Interest expenses	223	231
Foreign exchange losses	—	287
Other	361	406
Total non-operating expenses	584	925
Ordinary profit	11,779	10,999
Extraordinary income		
Gain on sale of non-current assets	150	89
Total extraordinary income	150	89
Extraordinary losses		
Impairment losses	35	196
Total extraordinary losses	35	196
Profit before income taxes	11,895	10,893
Income taxes - current	2,774	2,822
Income taxes - deferred	518	774
Total income taxes	3,291	3,596
Profit	8,603	7,296
Profit (loss) attributable to non-controlling interests	(731)	436
Profit attributable to owners of parent	9,334	6,860

**Quarterly consolidated statement of comprehensive income (cumulative)**

(Millions of yen)

	Six months ended December 31, 2022	Six months ended December 31, 2023
Profit	8,603	7,296
Other comprehensive income		
Valuation difference on available-for-sale securities	375	(553)
Foreign currency translation adjustment	(2,232)	377
Remeasurements of defined benefit plans, net of tax	169	201
Share of other comprehensive income of entities accounted for using equity method	(221)	6
Total other comprehensive income	(1,908)	32
Comprehensive income	6,695	7,328
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	7,463	6,884
Comprehensive income attributable to non-controlling interests	(768)	444

**(3) Quarterly consolidated statement of cash flows**

(Millions of yen)

	Six months ended December 31, 2022	Six months ended December 31, 2023
<b>Cash flows from operating activities</b>		
Profit before income taxes	11,895	10,893
Depreciation	3,925	4,247
Impairment losses	35	196
Increase (decrease) in allowance for doubtful accounts	27	(1,280)
Increase (decrease) in provision for bonuses	(437)	730
Increase (decrease) in retirement benefit liability	228	224
Increase (decrease) in provision for share awards for directors (and other officers)	64	(32)
Increase (decrease) in provision for product warranties	201	21
Increase (decrease) in provision for loss on orders received	1	103
Interest and dividend income	(341)	(531)
Interest expenses	223	231
Share of loss (profit) of entities accounted for using equity method	(386)	(234)
Loss (gain) on sale of non-current assets	(150)	(89)
Decrease (increase) in trade receivables	3,197	(11,772)
Decrease (increase) in inventories	(8,826)	(6,437)
Increase (decrease) in trade payables	(7,350)	(100)
Increase (decrease) in net contract liabilities	(332)	8,998
Increase (decrease) in accrued consumption taxes	(852)	102
Decrease (increase) in consumption taxes refund receivable	2,584	2,723
Other, net	(1,141)	2,894
Subtotal	2,564	10,886
Interest and dividends received	410	601
Interest paid	(216)	(245)
Income taxes paid	(5,179)	(2,390)
Net cash provided by (used in) operating activities	(2,420)	8,852
<b>Cash flows from investing activities</b>		
Payments into time deposits	(12,268)	(12,730)
Proceeds from withdrawal of time deposits	12,625	12,619
Purchase of property, plant and equipment and intangible assets	(6,929)	(8,156)
Proceeds from sale of property, plant and equipment and intangible assets	431	112
Other, net	142	208
Net cash provided by (used in) investing activities	(5,998)	(7,947)

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	Six months ended December 31, 2022	Six months ended December 31, 2023
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	535	459
Proceeds from long-term borrowings	1,800	3,600
Repayments of long-term borrowings	(3,101)	(3,549)
Repayments of lease liabilities	(445)	(480)
Dividends paid	(6,102)	(5,373)
Purchase of treasury shares	(0)	(0)
Dividends paid to non-controlling interests	(662)	(694)
Net cash provided by (used in) financing activities	(7,976)	(6,037)
Effect of exchange rate change on cash and cash equivalents	(1,175)	182
Net increase (decrease) in cash and cash equivalents	(17,570)	(4,950)
Cash and cash equivalents at beginning of period	107,106	87,317
Cash and cash equivalents at end of period	89,536	82,367

**(4) Notes to quarterly consolidated financial statements**

**Notes – Going concern assumption**

Not applicable.

**Notes when there are significant changes in amounts of equity**

Not applicable.

**Segment information**

I Six months ended December 31, 2022

1. Information regarding the amounts of net sales and profit or loss and information on disaggregation of revenue for each reportable segment

	Reportable segments			Adjustments (Note 1)	Amount in the quarterly consolidated statement of income (Note 2)
	Vacuum Equipment Business	Vacuum Application Business	Total		
Net sales					
Goods or services transferred at a point in time	36,254	16,028	52,282	–	52,282
Goods or services transferred over time	54,562	4,516	59,078	–	59,078
Revenue from contracts with customers	90,817	20,543	111,360	–	111,360
Sales to external customers	90,817	20,543	111,360	–	111,360
Intersegment sales or transfers	485	1,460	1,945	(1,945)	–
Total	91,302	22,003	113,305	(1,945)	111,360
Segment profit	8,482	1,902	10,384	81	10,465

Notes: 1. The adjustments resulted from eliminating intersegment transactions.

2. Segment profit is adjusted with operating profit in the quarterly consolidated statement of income.

2. Information regarding impairment losses on non-current assets or goodwill by reportable segment

Significant impairment losses related to non-current assets

Omitted for lack of significance.

Significant changes in amount of goodwill

Not applicable.

Significant gain on bargain purchase

Not applicable.

II Six months ended December 31, 2023

1. Information regarding the amounts of net sales and profit or loss and information on disaggregation of revenue for each reportable segment

(Millions of yen)

	Reportable segments			Adjustments (Note 1)	Amount in the quarterly consolidated statement of income (Note 2)
	Vacuum Equipment Business	Vacuum Application Business	Total		
Net sales					
Goods or services transferred at a point in time	39,554	18,670	58,224	—	58,224
Goods or services transferred over time	58,537	3,464	62,000	—	62,000
Revenue from contracts with customers	98,091	22,134	120,224	—	120,224
Sales to external customers	98,091	22,134	120,224	—	120,224
Intersegment sales or transfers	322	1,516	1,837	(1,837)	—
Total	98,412	23,650	122,062	(1,837)	120,224
Segment profit	9,070	1,166	10,236	77	10,313

Notes: 1. The adjustments resulted from eliminating intersegment transactions.

2. Segment profit is adjusted with operating profit in the quarterly consolidated statement of income.

2. Information regarding impairment losses on non-current assets or goodwill by reportable segment

Significant impairment losses related to non-current assets

Omitted for lack of significance.

Significant changes in amount of goodwill

Omitted for lack of significance.

Significant gain on bargain purchase

Not applicable.

### 3. Supplemental information

#### (1) Sales results

The sales performance of each segment in the six months ended December 31, 2023, is as follows.

Segment	Sales (Millions of yen)	Year-on-year change rate (%)
Vacuum Equipment Business	98,091	108.0
Vacuum Application Business	22,134	107.7
Total	120,224	108.0

Notes: 1. The sales performance and proportion of total sales of the main products in the Vacuum Equipment Business are as follows.

Items	Six months ended December 31, 2023	
	Sales (Millions of yen)	Percentage (%)
FPD production equipment	25,758	26.2
Semiconductor and electronic device production equipment	41,995	42.8
Components	19,490	19.9
Industrial equipment	10,848	11.1
Total	98,091	100.0

2. The sales performance and proportion of total sales of the main products in the Vacuum Application Business are as follows.

Items	Six months ended December 31, 2023	
	Sales (Millions of yen)	Percentage (%)
Materials	11,270	50.9
Others	10,864	49.1
Total	22,134	100.0