

(Securities code: 6728)

Business Results

FY2019

First to Third Quarter (cumulative)

(July 2019 - March 2020)

May 14, 2020

ULVAC Inc.

◆ 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. ULVAC's customers in the flat-panel display (FPD), semiconductor, and electronic parts industries face challenges due to the rapid pace of technological advances and fierce competition.

There are a number of factors that directly and indirectly impact performance, such as the global economy; fluctuations in exchange rates; market conditions for FPDs, semiconductors, electronic parts, and raw materials; and trends in capital expenditures. Consequently, actual net sales and profits may vary substantially from the projections included in this presentation.

◆ Data included in the documents are stated as follows:

(All figures are stated on a consolidated basis unless otherwise noted.)

Yen values: Rounded to the nearest 10th of the unit stated.

Percentages: Rounded to the nearest 10th after yen values are rounded.

Abbreviations of accounting periods:

1Q and 2Q (cumulative): First and second quarter consolidated cumulative period

2Q: Second quarter consolidated period

Overview of 1Q to 3Q FY2019 Consolidated Business Results (Cumulative)

□ Order Received: ¥119.3 billion (-31% year-on-year)

- Although 3Q recovered from 1Q and 2Q, there was sharp decline year-on-year(cumulative) mainly due to the postponement of FPD-related investments

□ Net Sales: ¥142.5 billion (-16% year-on-year)

- Declined year-on-year(the effect of COVID-19, low progress to forecast of the second half)

□ Operating Profit: ¥13.2billion (-40% year-on-year)

- Declined year-on-year due to the decrease of the Net Sales

□ Revised earnings forecast of FY2019

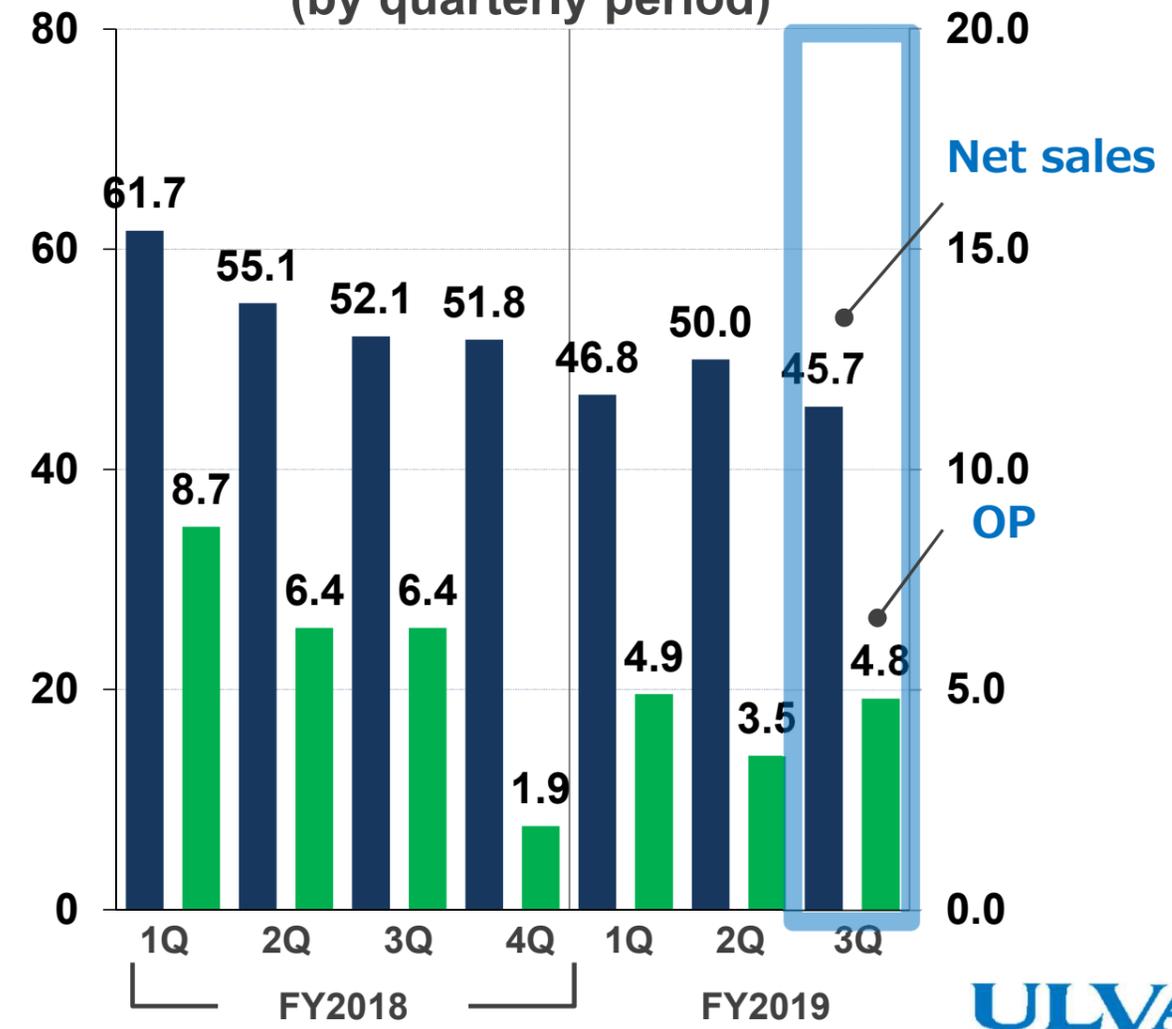
Overview of 1Q to 3Q FY2019 Consolidated Business Results (Cumulative)

- **Orders Received:** Although 3Q recovered from 1Q and 2Q, there was sharp decline year-on-year(cumulative) mainly due to the postponement of FPD-related investments
- **Net Sales** : FPD and component declined year-on-year (the impact of COVID-19, low progress to forecast of the second half)
- **Operating Profit** : Declined year-on-year due to the decrease of the Net Sales

(Unit:¥1 billion)

| | FY2018 3Q (cumulative) Result | FY2019 3Q (cumulative) Result | Y-o-Y (Changes) |
|------------------|--|--|--------------------|
| Orders Received | 173.6 | 119.3 | -31.3% |
| Net Sales | 168.9 | 142.5 | -15.6% |
| Gross Profit | 50.6 | 39.5 | -21.9% |
| Ratio | 29.9% | 27.7% | - 2.2 pt |
| SG&A | 28.6 | 26.2 | -8.5% |
| Operating Profit | 21.9 | 13.2 | -39.8% |
| Ratio | 13.0% | 9.3% | - 3.7 pt |
| Net Income | 17.3 | 11.0 | -36.1% |
| Ratio | 10.2% | 7.7% | - 2.5 pt |

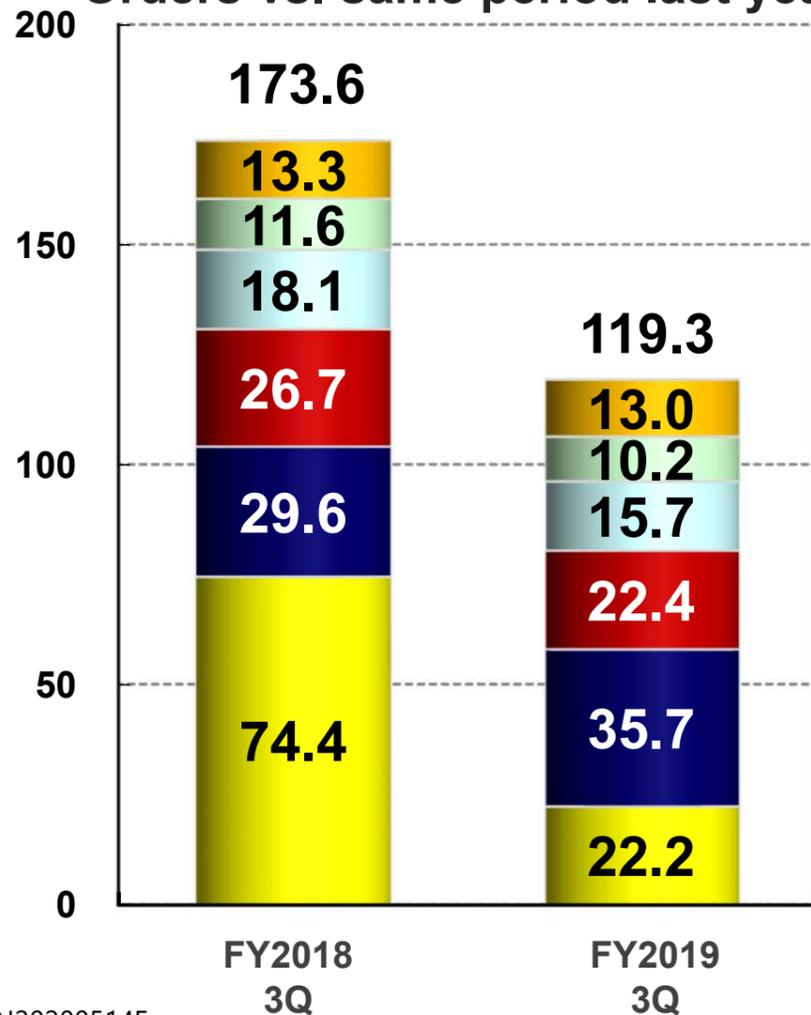
(Unit:¥1 billion) **Net sales and operating profit (by quarterly period)**



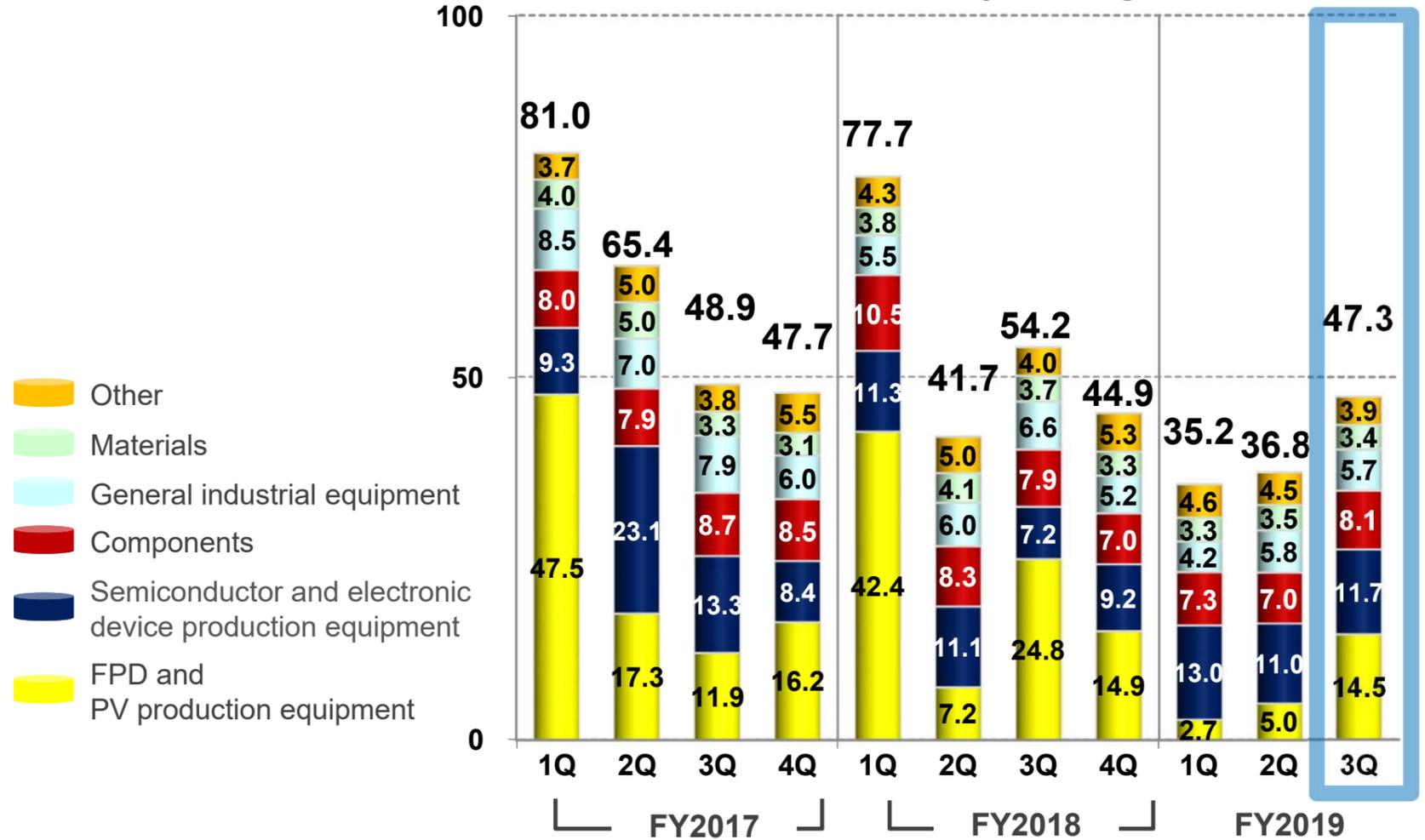
Overview of 1Q to 3Q FY2019 Consolidated Business Results (Cumulative) (Orders Received by Segment)

- **FPD and PV production equipment:** Although 3Q recovered from 1Q and 2Q, there was sharp decline year-on-year(cumulative) mainly due to the temporary end of LCD investments for large-size TV and the postponement of OLED investments for smartphone
- **Semiconductor and electronic device production equipment:** Increased year-on-year contributed by electronic-devices-related, even though the semiconductor investment recovered slowly

(Unit:¥1 billion) Orders vs. same period last year



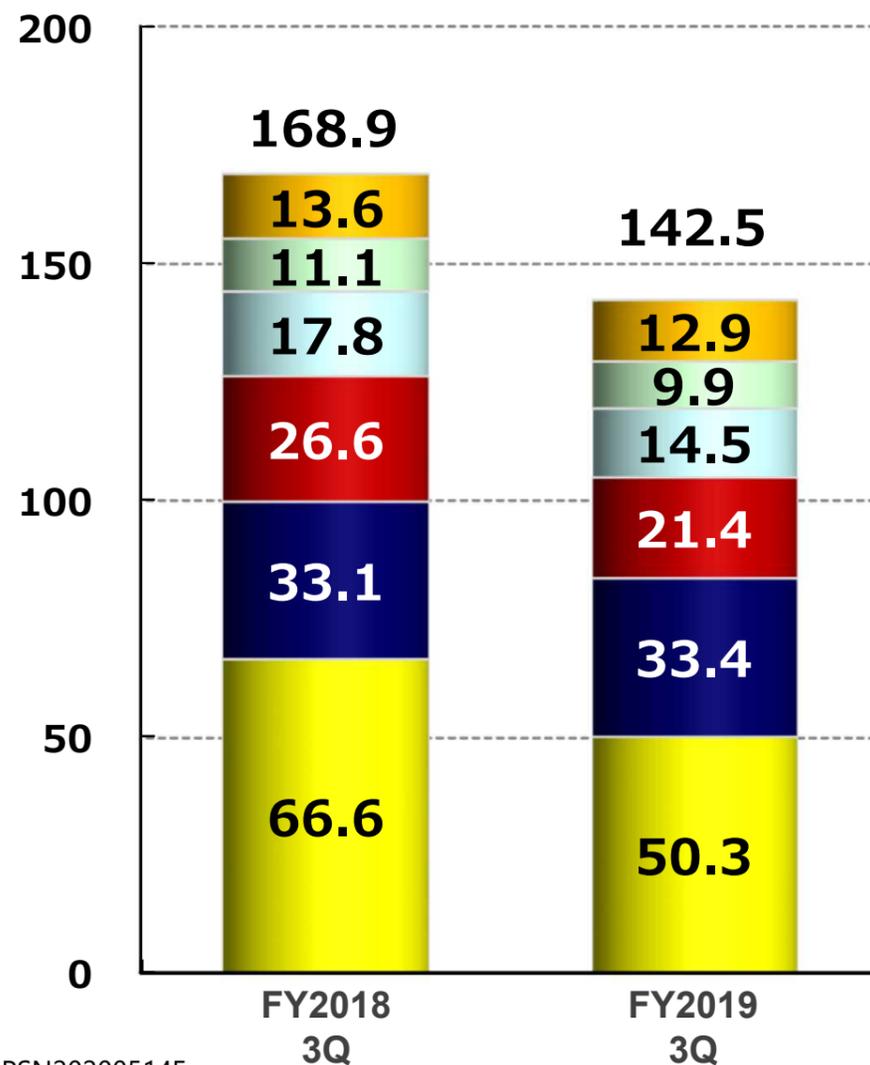
(Unit:¥1 billion) Quarterly change



Overview of 1Q to 3Q FY2019 Consolidated Business Results (Cumulative) (Net Sales by Segment)

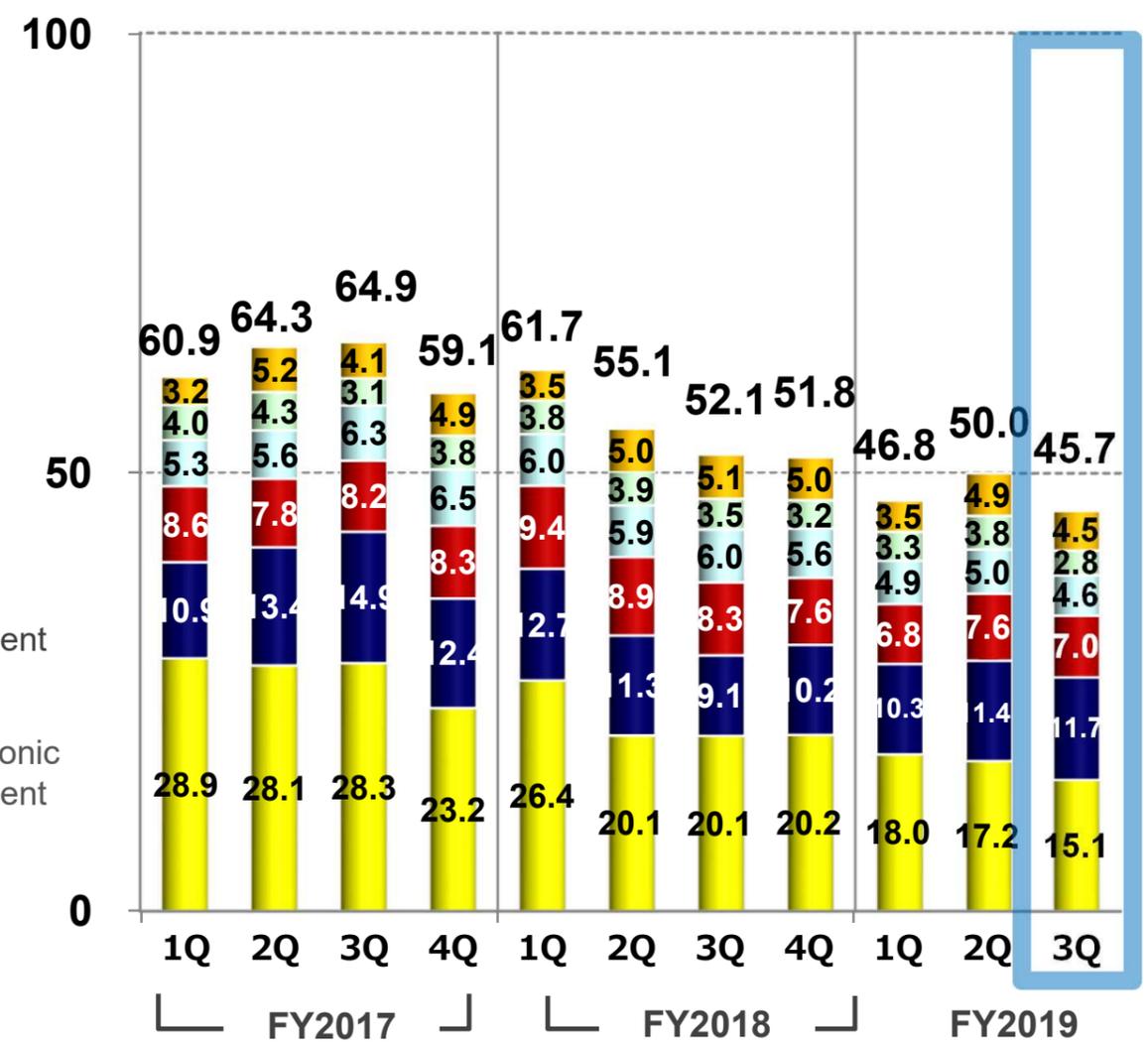
- FPD and PV production equipment: Fell slightly year-on-year thanks to the relatively high beginning backlog which partly absorbed the impact from declined orders

(Unit:¥1 billion) Net sales vs. same period last year



(Unit:¥1 billion)

Quarterly change

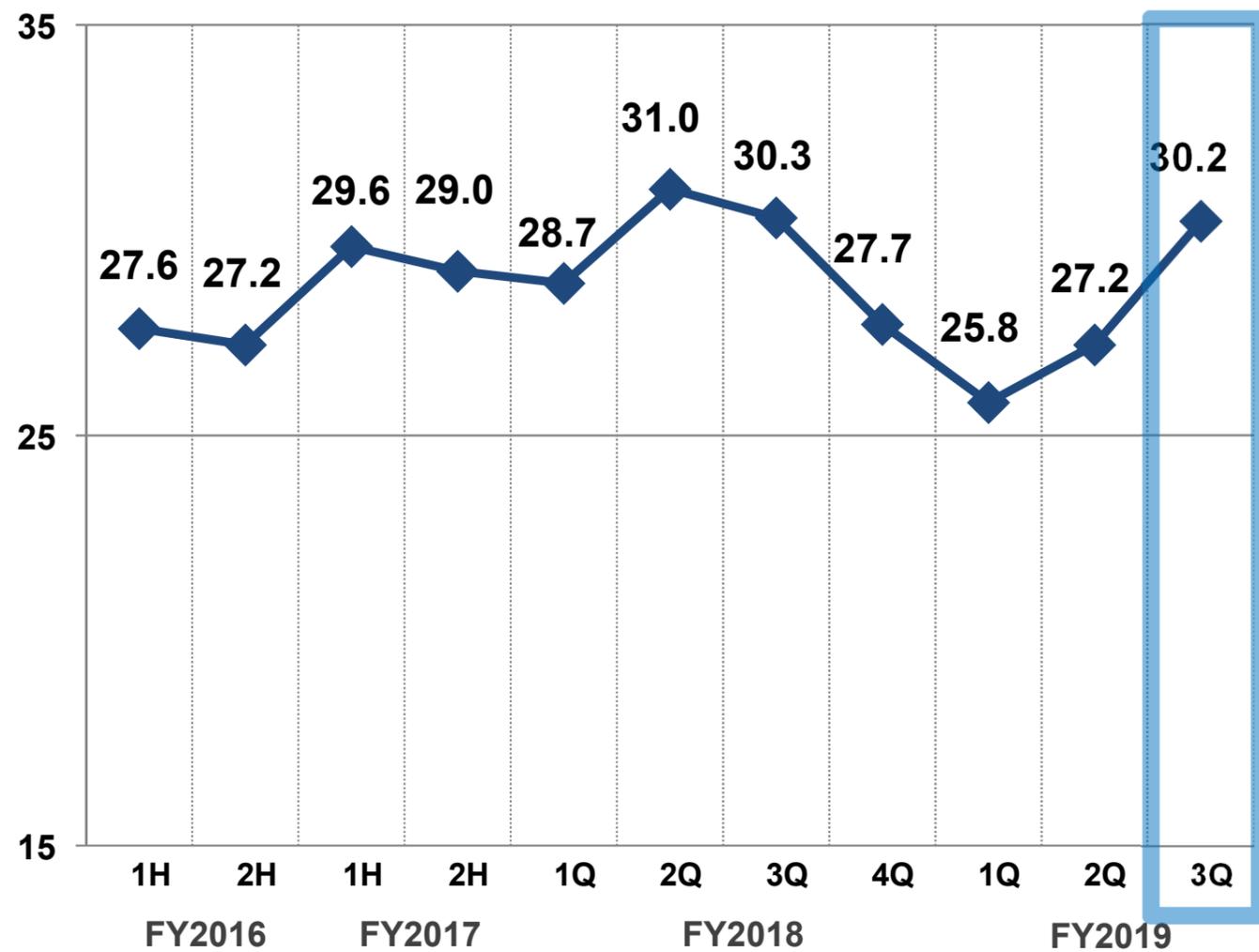


Overview of 1Q to 3Q FY2019 Consolidated Business Results (Cumulative) (Profit Margins)

- Both Gross profit margin and Operating profit margin were in high level.

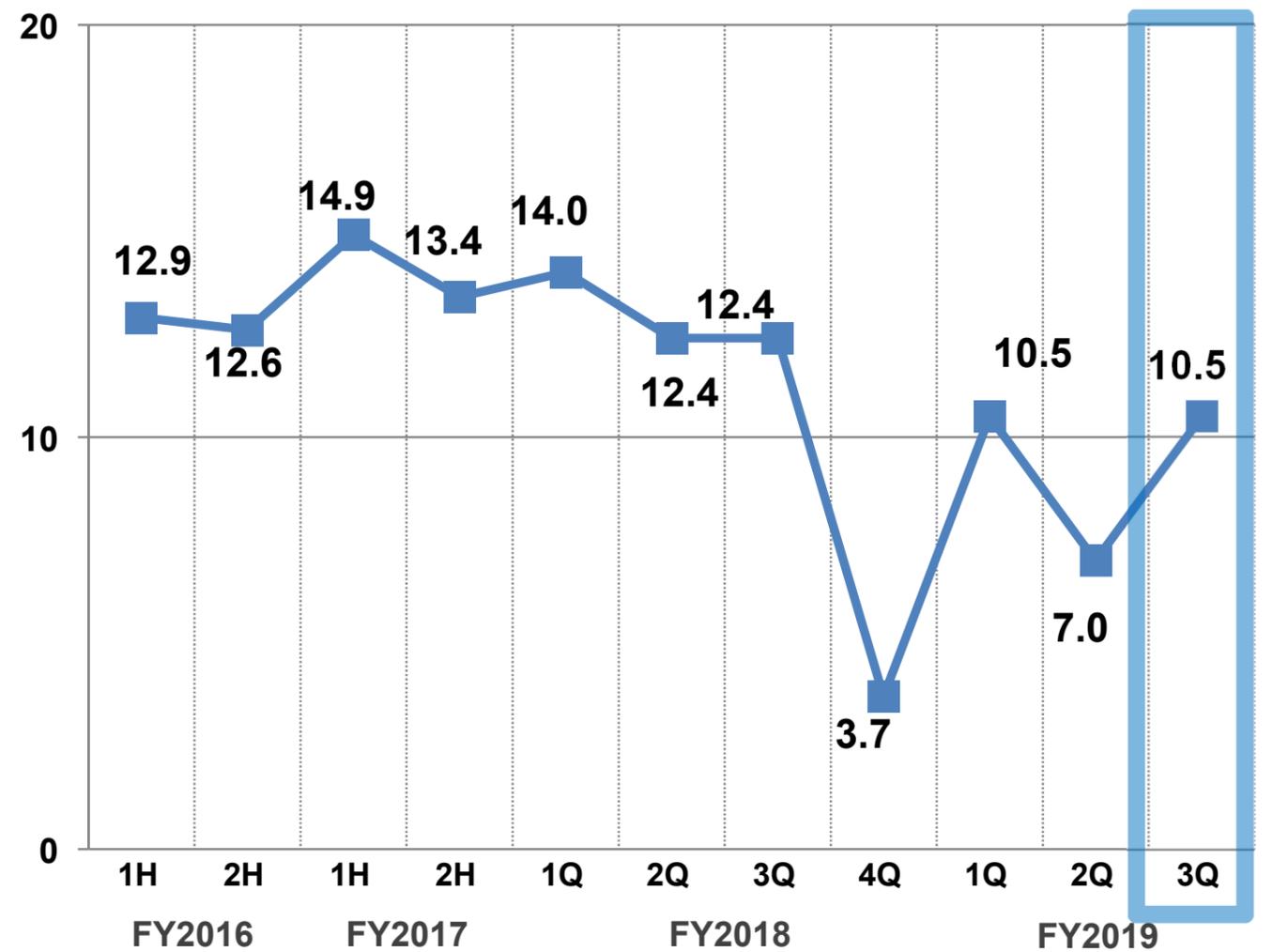
Gross profit margin

(Unit: %)



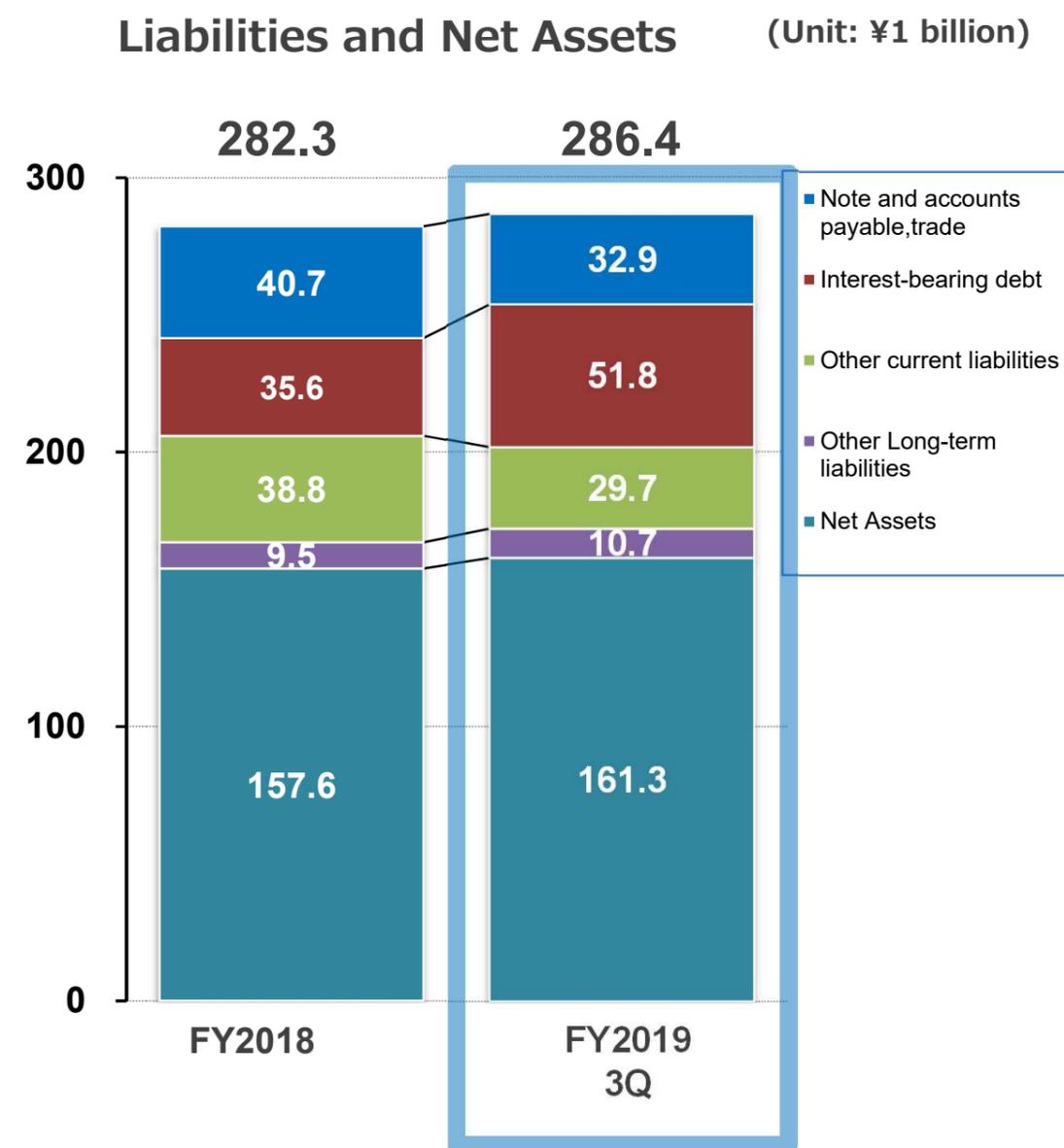
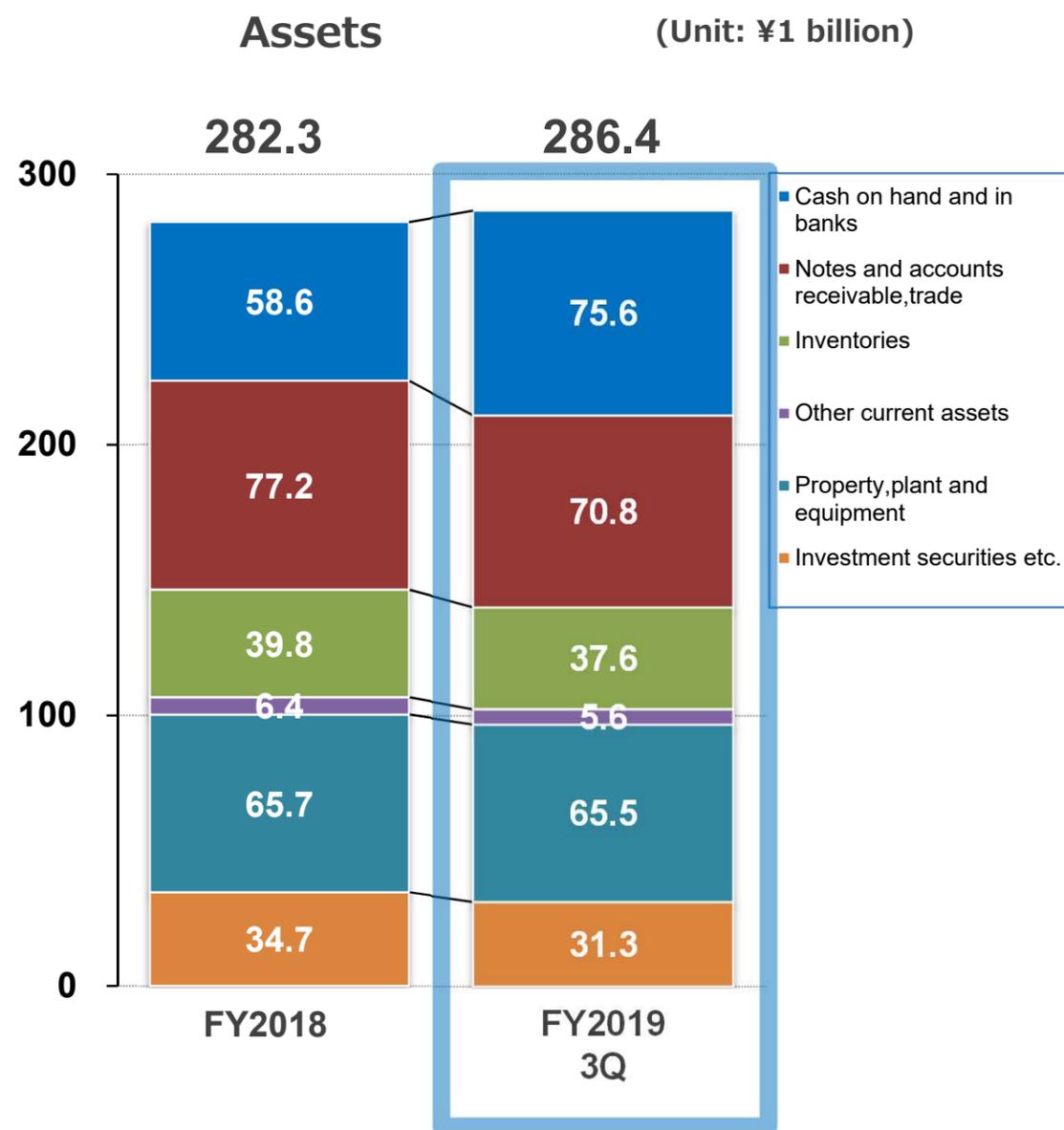
Operating profit margin

(Unit: %)



Overview of 3Q FY2019 Business Results (Consolidated Balance Sheet)

- Cash on hand and in banks increased by ¥17.0 billion, Interest-bearing debt increased by ¥16.3 billion
- Net assets increased by ¥3.7 billion, and the equity ratio improved to 54.0%.



Revision of FY2019 Full Year Consolidated Earnings Forecast

- Net sales and profit items are revised downward as orders • net sales and operating profit are expected to decline due to the impact of COVID-19

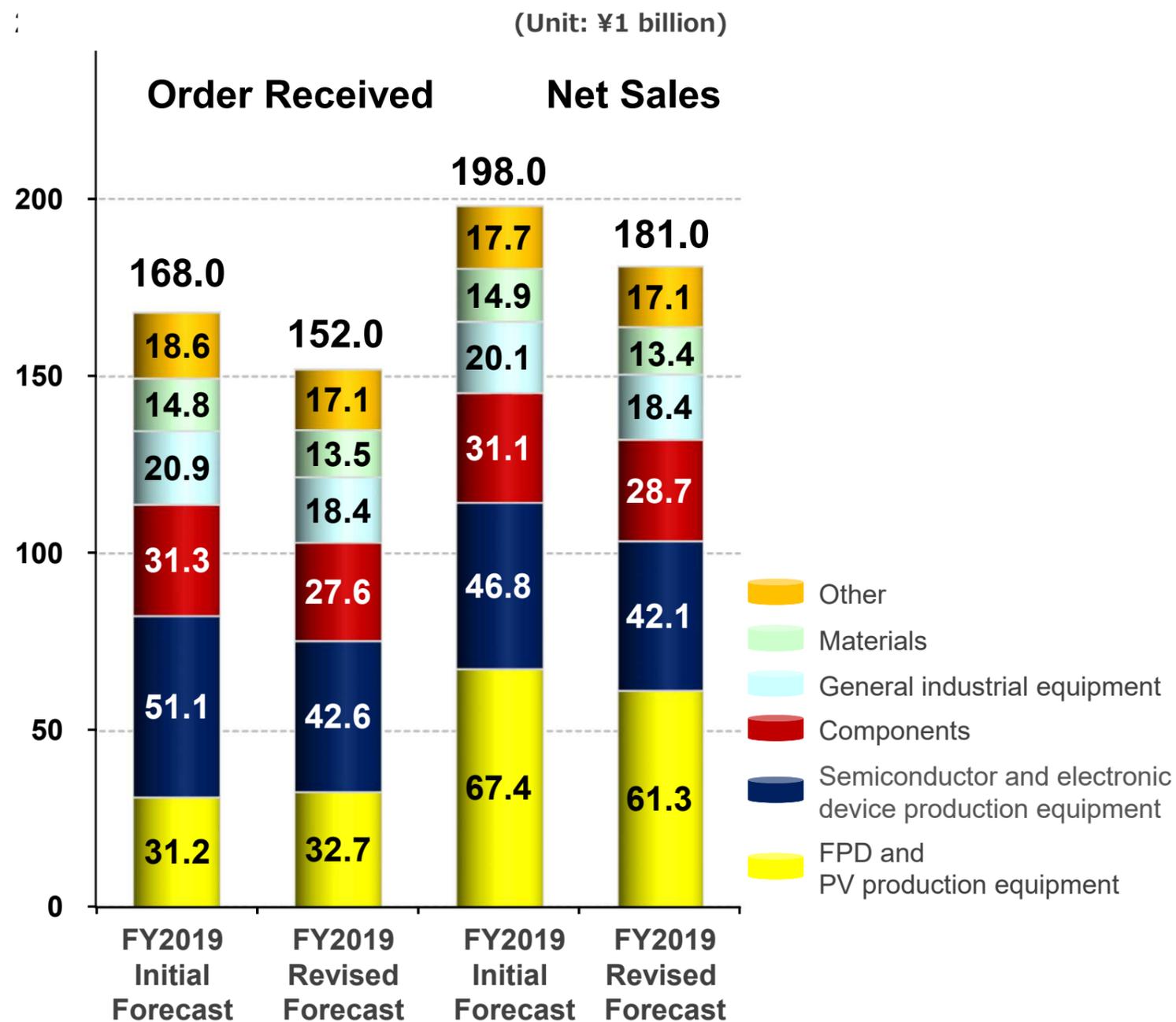
(Unit: ¥1 billion)

| | FY2018 Full Year Result | FY2019 | | | | FY2019 | |
|------------------|-------------------------------|------------------------------|-----------------------|----------------------------------|--------------------------------------|--------------|---------------------------|
| | | 3Q (cumulative) Result | Original Forecast* | Full Year Revised Forecast | vs.Original Forecast (Changes) | 1H Result | 2H Revised forecast |
| Orders Received | 218.5 | 119.3 | 168.0 | 152.0 | -16.0 -9.5% | 72.0 | 80.0 |
| Net Sales | 220.7 | 142.5 | 198.0 | 181.0 | -17.0 -8.6% | 96.7 | 84.3 |
| Operating Profit | 23.8 | 13.2 | 15.0 | 12.0 | -3.0 -20.0% | 8.4 | 3.6 |
| Ratio | 10.8% | 9.3% | 7.6% | 6.6% | - 0.9 pt | 8.7% | 4.3% |
| Net Income | 18.7 | 11.0 | 10.8 | 10.5 | -0.3 -2.8% | 7.8 | 2.7 |
| Ratio | 8.5% | 7.7% | 5.5% | 5.8% | + 0.3 pt | 8.0% | 3.2% |

*Published on Feb.13,2020

Revision of FY2019 Full Year Consolidated Earnings Forecast

- Both Order received and Net sales are revised downward mainly due to the impact of COVID-19.



【Impacts of COVID-19】

Reasons of decreased Order Received

(Major Factors)

- Face-to-face negotiations were not possible
- The delay in procuring equipment from other companies and the capital investment postponement
- The decline in the operation of customer plants

Reasons of decreased Net Sales

(Major Factors)

- The delay of order received
- The delay of installments and acceptance inspections
- The decline in the operation of customer plants

[Basic Policy]

- Implement measures to prevent infection with the highest priority on the safety and health of ULVAC Group employees, their families, business partners, etc.
- Fulfill responsibility for supplying to customers

[Production and development systems]

- Production and development bases follow the policies of national and local governments to prevent infection thoroughly.
- No major problems occurred such as operation continuation, distribution, or procurement. Measures necessary for business continuity are in progress.
- The existing **quadrilateral production and development system (Japan, Korea, Taiwan, China)** enables alternative production and development at other sites in the event of closure of plants or development sites due to the infection.

Status of major production and development bases

- Status of major production and development bases are in operation. No significant impact on supply chain.
- The impact was minimal because the quadrilateral production and development system enables a mutual covering.

U.S.A(Start of operations scheduled)
 • **Boston**(Semiconductor and electronic device production equipment)

South Korea (In operation. No impacts on production and procurement)

• **Main production site: Pyeongtaek**
 (Semiconductor and electronic device production equipment, FPD production equipment, Components etc.)

• **Main development site: Pyeongtaek**

China
 (Resumption of operations at all plants)

• **Main production sites:**
Suzhou
 (Electronic device production equipment, FPD production equipment)
Chengdu & Shenyang
 (General industrial equipment)
Ningbo(Components)

• **Main development sites: Beijing, Suzhou**

Japan (In operation.No impacts on production and procurement)

• **Main production site: Chigasaki, Susono, Tomisato, Kagoshima, Hachinohei, Miyasaki**

• **Main development sites: Chigasaki, Susono, Tomisato**

Taiwan(In operation. No impacts on production and procurement)

• **Main production site: Tainan**
 (Semiconductor and electronic device production equipment, FPD production equipment, etc.)

• **Main development site: Hsinchu**

Key points of new medium-term management plan

By promoting management reform, we will enhance our business fundamentals.

1. Growth Business

Expanding semiconductor and electronic businesses with products and technologies that support technological innovation to realize a smart society. Also strengthen our Components business

2. Strengthen research and development capabilities

Strengthening product development in response to technological innovation in growth markets by integrating development departments to enhance technology sensing functions and concentrate management resources

3. Enhance manufacturing capabilities

Promoting production reforms in all processes from technology and design to production system

4. Reinforce group management efficiency

Promoting system platform development and management integration of the group

Topics: Approaches to raising corporate value

Recognized as 2020 Certified Health and Productivity Management Organization as well as group companies

ULVAC, Inc. (Third straight year)

「2020 Certified Health and Productivity Management Organization (White 500)」 large-sized corporate

ULVAC Equipment sales Inc. (Second straight year)

ULVAC-PHI, Inc.

ULVAC TECHNO, Ltd.

ULVAC Human Relations, Ltd.

「2020 Certified Health and Productivity Management Organization」 Small and medium-sized corporate

With the aim of making every employee to have a dream, work joyfully, and be happy to go to work", the president, executives in charge of health promotion, general affairs and personnel managers, industrial physicians and public health nurses work together to promote healthy management with the goal of "improvement of human power".



In March 2020, ULVAC, Inc. received an award as "Kanagawa Prefectural Governor's Award" for its "My ME-BYO chart" corporate correspondence walking event sponsored by the Kanagawa Prefectural Policy Bureau.

Selected by GPIF's top domestic asset management organizations as "Highly Improved Integrated Report" (Third straight year)

ULVAC

真空

アルバックバリューレポート
ULVAC
VALUE REPORT
2019
ULTIMATE
IN VACUUM



(For Japanese)



(For English)

We will continue to strive for high quality and easy-to-understand information disclosure.

ULVAC vacuum technology contributes to many industries and applications



Automobile

自動車



Semiconductor

半導体



Flat Panel Display

フラットパネルテレビ



Photovoltaic

太陽電池



Food Processing

食品



Aircraft

航空



Bio

バイオ



Smart Phone

スマートフォン



Magnetic Device

磁気デバイス



Home Appliance

家電製品



Aerospace

宇宙産業



Pharmaceutical

医療・薬剤



Wearable/VR

ウェアラブル/VR



Power Device

パワーデバイス



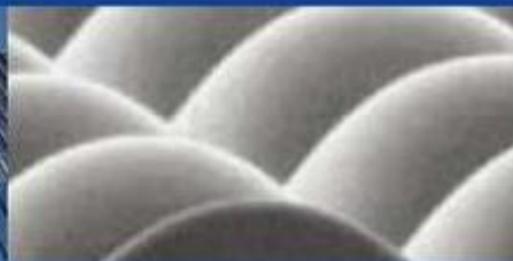
MEMS Device

MEMS デバイス



Architectural Glass

建材・スマートガラス



Optical

光学



Flexible

フレキシブル



Packaging Materials

パッケージング



Next Generation Light

次世代照明

Vacuum technology

For manufacturing

ULVAC