

Innovation begins in a vacuum

【Code No: 6728】

FY2011 3rd Quarter Business Result

(Year Ending June 30, 2012)

ULVAC, Inc.

10th May, 2012

◆ **Disclaimer regarding forward-looking statements**

Forward-looking statements of the company in these presentations are based on information available at the time these documents were prepared. Ulvac's customers in the flat-panel display (FPD), Solar cell, semiconductor, and electronic parts industries face the challenge of the rapid pace of technological advances and fierce competition. Consequently, actual earnings may vary substantially from the projections included in these presentations due to a number of factors that could cause, directly or indirectly, performance to fluctuate. The factors that could cause results to differ materially from the statements herein include the world economy; fluctuations in the exchange rate; market conditions for flat-panel displays, semiconductors, and electric devices; and trends in capital investments.

◆ **Data included in the documents are stated as follows:**

Figures are rounded off to the nearest unit, and rates are rounded off to the nearest unit after being determined in millions of yen

■ **Business Environment**

- ▶ **Continuing hyper-appreciation of the Japanese yen**
- ▶ **Slowing growth in emerging countries including China**

■ **Positive Factors**

- ▶ **Continuing investments in medium- and small-sized displays and organic LED(OLED) displays for smartphones**
 - ◆ **Low-temperature polysilicon(LTPS)displays,OLED displays (Japan), touch panels**
 - ◆ **IGZO (oxide semiconductor) related responses**
- ▶ **Solid packaging equipments (Taiwan)**

■ **Negative Factors**

- ▶ **Continuing reduction in production volume by panel manufacturers due to weak LCD TV sales**
 - ◆ **Continuing slowdown of investment in large LCDs**
 - ◆ **A decline in sales from the materials business due to a reduction in production volume**
 - ◆ **Sluggish investment in LEDs mainly in China and Taiwan**

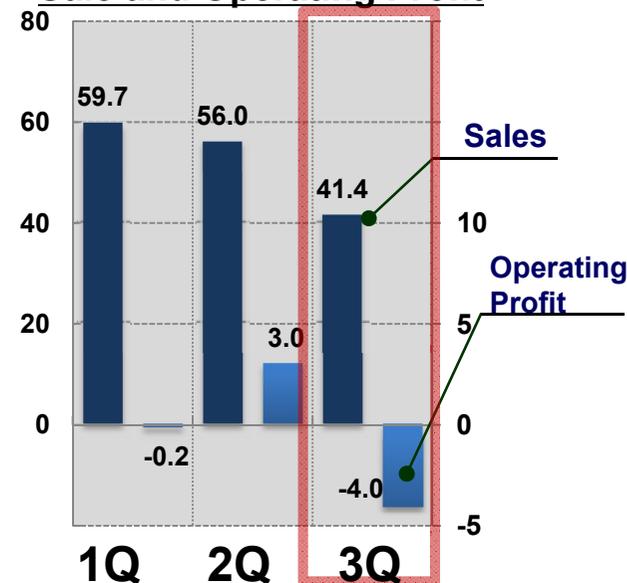
2012/6 3rd Q(Y-T-D) Result

Lower order volume due to a spate of postponements of investment plans relative to flat panel displays (FPDs), semiconductors as a result of the yen appreciation and Europe's sovereign debt crisis, among other factors. Major contributors in sales include OLEDs displays and small and medium-sized LCD panels, among others. Operating loss incurred in the 1st Q primarily due to the effects of unprofitable electronic devices business. Return to profitability in the 2nd Q mainly due to variable and fixed cost reductions and recovery of vacuum application business, among other factors. Operating loss in 3rd Q, due to the effects of additional cost(longer-than-expected time required to reach mass production of R&D-intensive leading edge technology equipment) for OLED related equipment etc. and business restructuring costs.

(Unit : Bn. Yen)

	1Q	2Q	1H	3Q	3Q (Y-T-D)	vs.June'11 3Q(Y-T-D)	Changes (%)
Booking	39.1	43.1	82.2	36.7	118.9	154.1	-23%
Back-log	88.9	—	75.6	—	72.2	90.3	—
Sales	59.7	56.0	115.7	41.4	157.0	172.7	-9%
Gross Margin	9.7	12.1	21.8	4.6	26.4	36.0	-27%
Ratio	16.2%	21.6%	18.8%	11.2%	16.8%	20.8%	
Operating Profit	-0.2	3.0	2.8	-4.0	-1.3	3.0	—
Ratio	-0.3%	5.3%	2.4%	-9.8%	-0.8%	1.7%	
XO Profit	—	—	—	0.1	0.1	—	
XO Loss	—	0.3	0.3	18.4	18.7	—	
Tax etc	-0.1	2.6	2.5	13.3	15.7	—	
Minority interests and loss	0.2	0.2	0.4	0.1	0.5	—	
Net Income	0.2	0.0	0.3	-35.6	-35.4	1.2	—
Ratio	0.4%	0.0%	0.2%	-86.1%	-22.5%	-0.7%	

Sale and Operating Profit



Extraordinary Loss ¥18.7Bn.
(Business restructuring costs ¥18.4Bn)

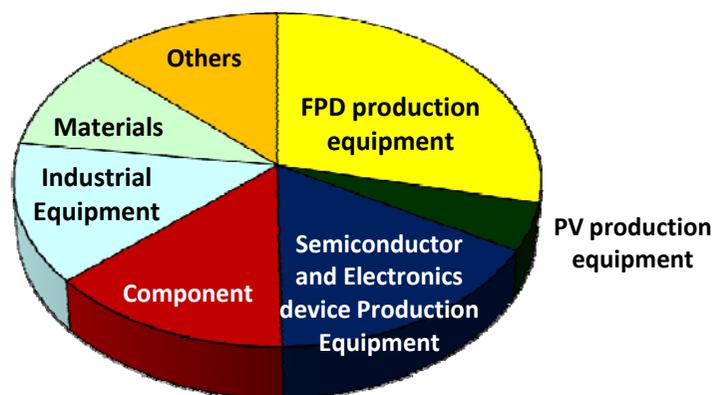
- Inventory disposal loss ¥8.5 Bn.
- Fixed asset disposal loss ¥5.7 Bn.
- Fixed asset impairment ¥4.2 Bn.

Deferred tax asset reversal -¥13.5Bn

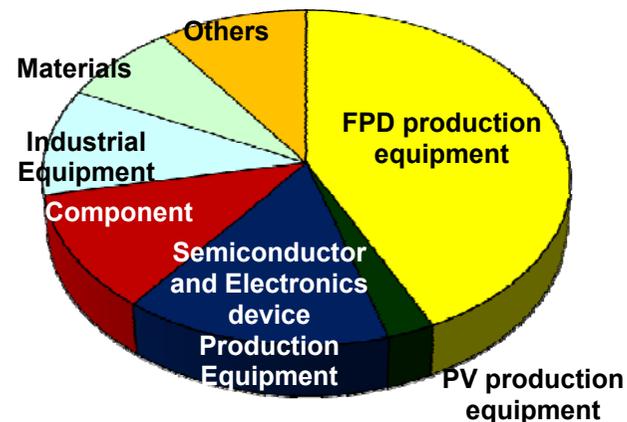
[Figures are rounded off to the nearest unit, and rates are rounded off to the nearest unit after being determined in millions of yen]
FY113QIRPRN120510E

3rd Q (June 2012) Result for Order booking and Net sales by segment

Order booking by segment



Net Sales by segment



[Unit : Bn. Yen]

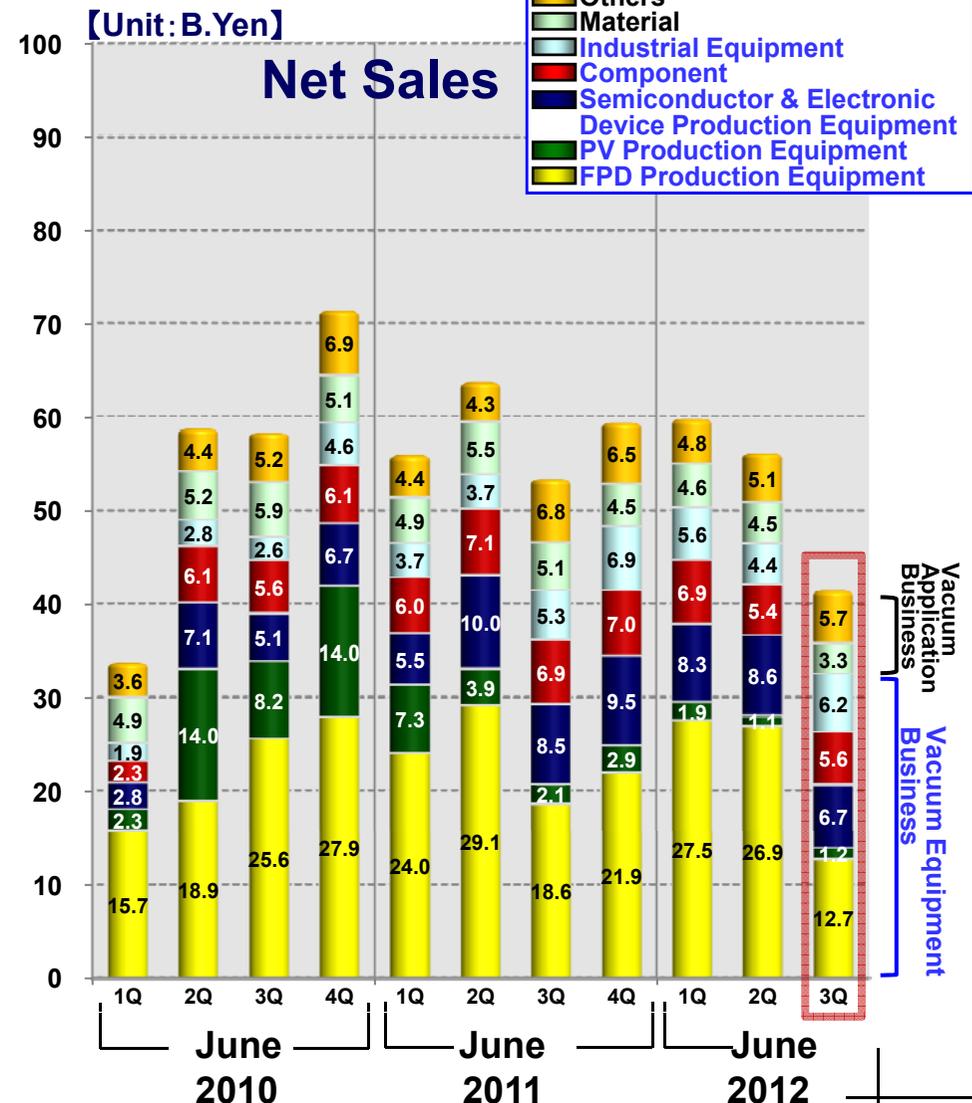
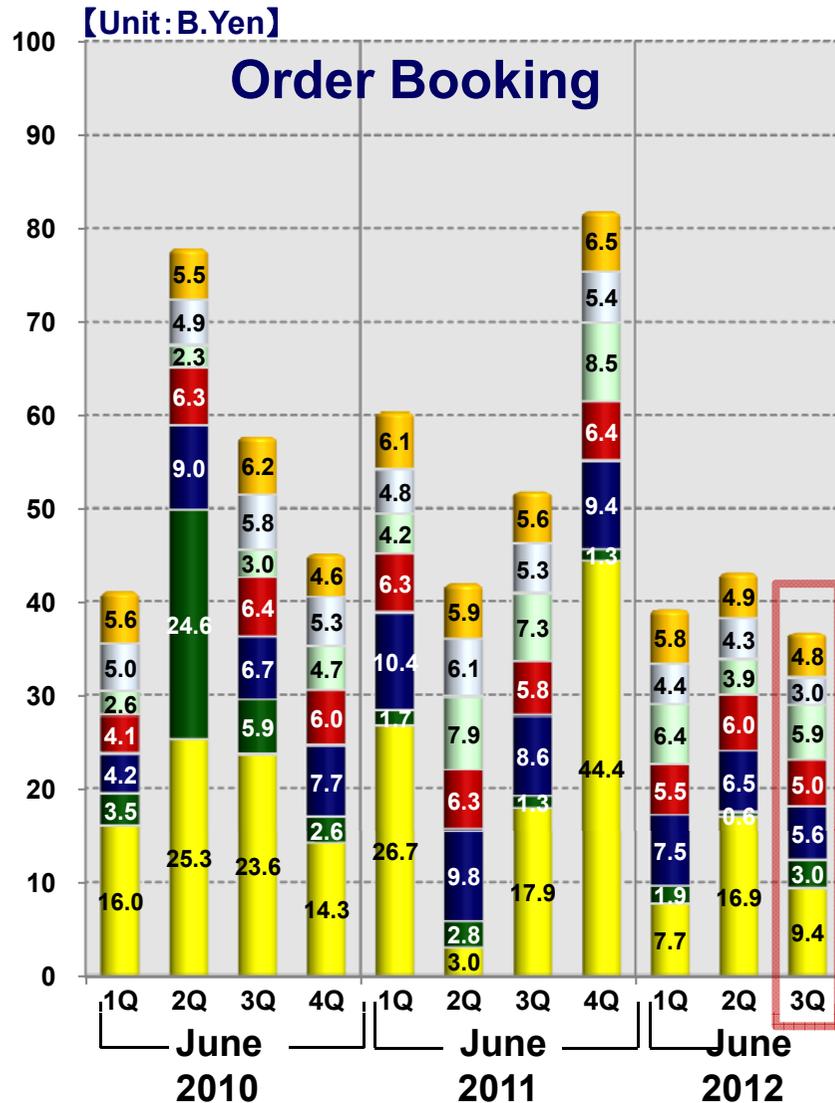
June 2012 3Q (Y-T-D)			vs.'11/6
Segment	Order	%	(Changes)
Vacuum Equipment Business	91.7	77.1%	-23.7%
FPD production equipment	34.0	28.6%	-28.7%
PV production equipment	5.5	4.6%	-4.6%
Semiconductor and Electronics device Production Equipment	19.7	16.5%	-31.8%
Component	16.4	13.8%	-11.0%
Industrial Equipment	16.1	13.5%	-17.1%
Vacuum Application Business	27.2	22.9%	-19.8%
Materials	11.7	9.9%	-28.0%
Others	15.5	13.0%	-12.3%
Total	118.9	100.0%	-22.8%

[Unit : Bn. Yen]

June 2012 3Q (Y-T-D)			vs.'11/6
Segment	Sales	%	(Changes)
Vacuum Equipment Business	129.1	82.2%	-8.9%
FPD production equipment	67.1	42.7%	-6.4%
PV production equipment	4.2	2.7%	-68.5%
Semiconductor and Electronics device Production Equipment	23.7	15.1%	-1.1%
Component	17.9	11.4%	-10.5%
Industrial Equipment	16.2	10.3%	27.4%
Vacuum Application Business	27.9	17.8%	-9.9%
Materials	12.3	7.9%	-20.6%
Others	15.6	9.9%	0.7%
Total	157.0	100.0%	-9.1%

[Figures indicated above are rounded off to the nearest unit and may not coincide with the total.]

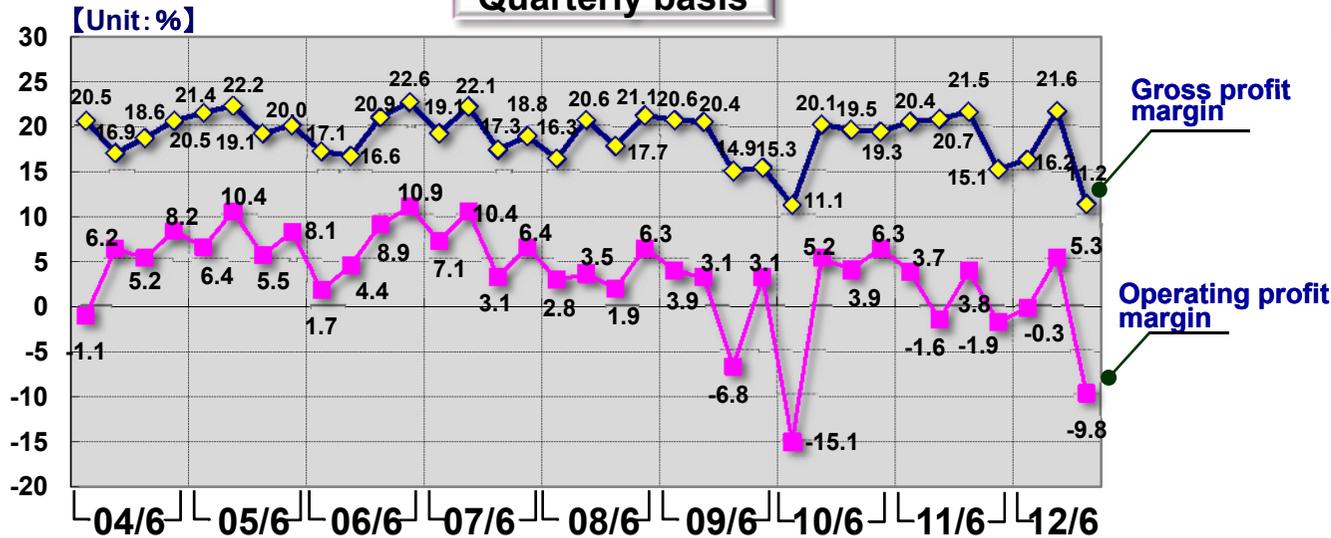
Order Booking and Net Sales by Segment (Quarterly base)



[Figures indicated above are rounded off to the nearest unit and may not coincide with the total.]

Outlook for profitability • Estimate

Quarterly basis

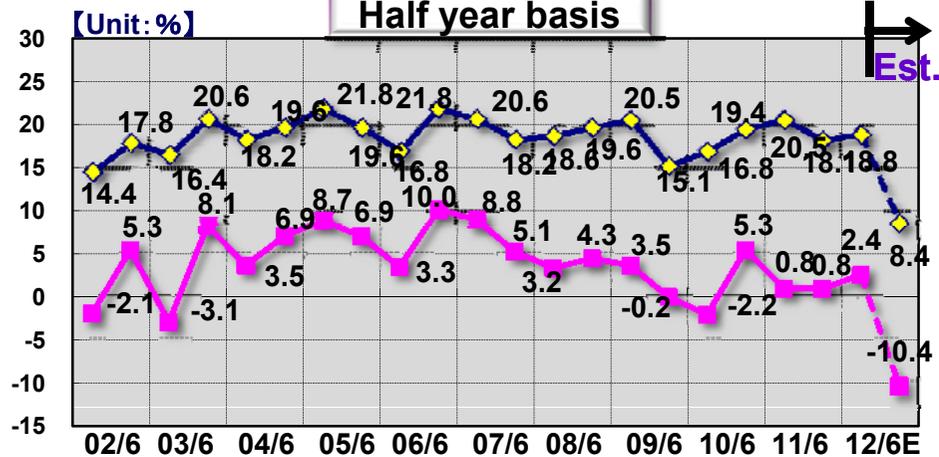


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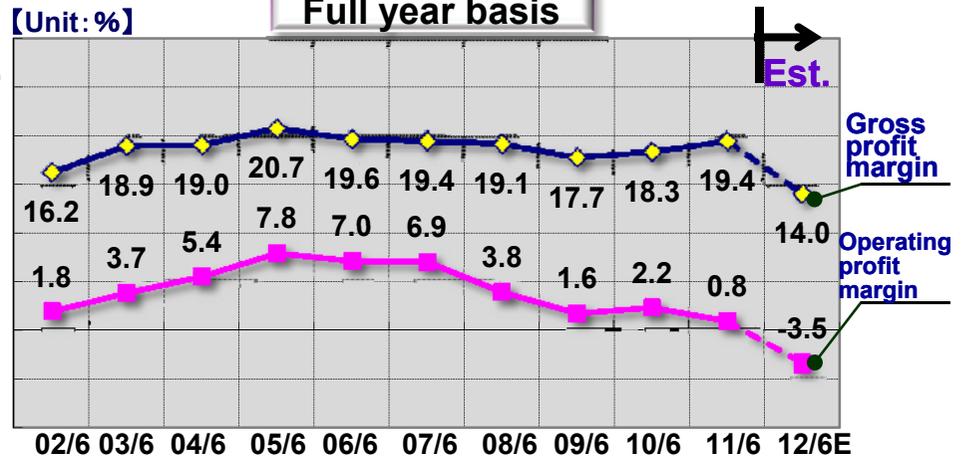
FY 2012 Full Year

- For the first half, a return to an operating profit in Q2 primarily due to variable and fixed cost reductions, a turnaround from an operating loss in Q1.
- For the second half, an operating loss is projected primarily due to lower sales in FPD, PV and components businesses and lower profitability equipment for leading-edge technology from cost overruns.

Half year basis



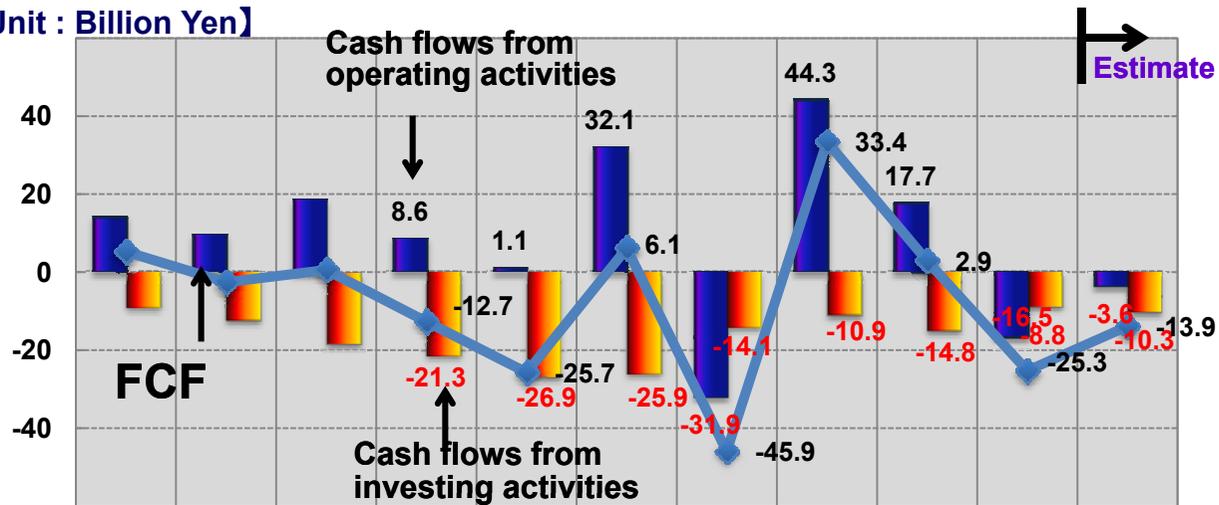
Full year basis



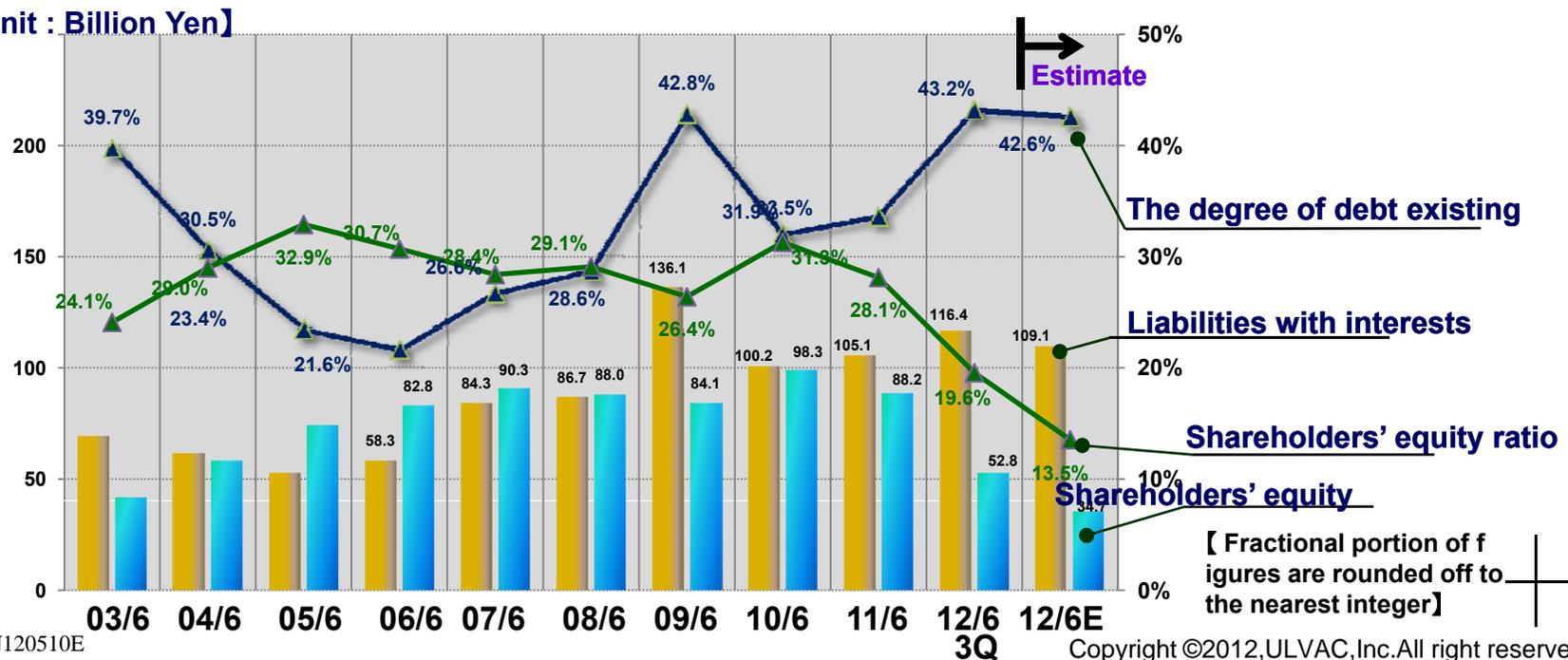
[Figures are rounded off to the first decimal place]

Cash Flow and Liabilities with Interests · Estimate

[Unit : Billion Yen]



[Unit : Billion Yen]



[Fractional portion of figures are rounded off to the nearest integer]

Forecast of 2012/6 Full Year

(Unit : Billion Yen)

	June 2012 Est.					June 2011
	1H Result	2H Est.		Full Year Est.		
		Previous	New	Previous	New	
Bookings	82.2 (-20%)	97.8	82.8	180.0	165.0 (-30%)	235.9
Backlog	75.6			69.1	62.3	110.9
Sales	115.7 (-3%)	104.3	97.3	220.0	213.0 (-8%)	232.0
Operating Profit	2.8 (+178%)	-0.8	-10.2	1.9	-7.4 (-)	1.9
OPM	2.4%	-0.8%	-10.4%	0.9%	-3.5%	0.8%
Recurring Profit	3.4 (+319%)	-1.5	-10.8	1.9	-7.5 (-)	1.4
RPM	2.9%	-1.4%	-11.2%	0.9%	-3.5%	0.6%
XO Profit					0.2	0.2
XO Loss					28.0	10.9
Tax etc					15.6	
Minority interests and loss					0.6	
Net Profit	0.3 (-)	-2.1	-51.9	-1.8	-51.6 (-)	-8.7

Summary

- ◆ Extraordinary loss of ¥28.0bn due to restructuring charges
- ◆ As a result, we estimate a net loss of ¥51.6bn for FY6/12

Operating loss -¥7.4bn

OLED equip. related -¥2.6bn

Industrial equip related -¥3.0bn

Other evaluation loss etc. -¥2.0bn

Extraordinary loss ¥28.0bn

Inventory disposal loss ¥8.5bn

Fixed asset disposal loss ¥6.2bn

Impairment loss ¥5.0bn

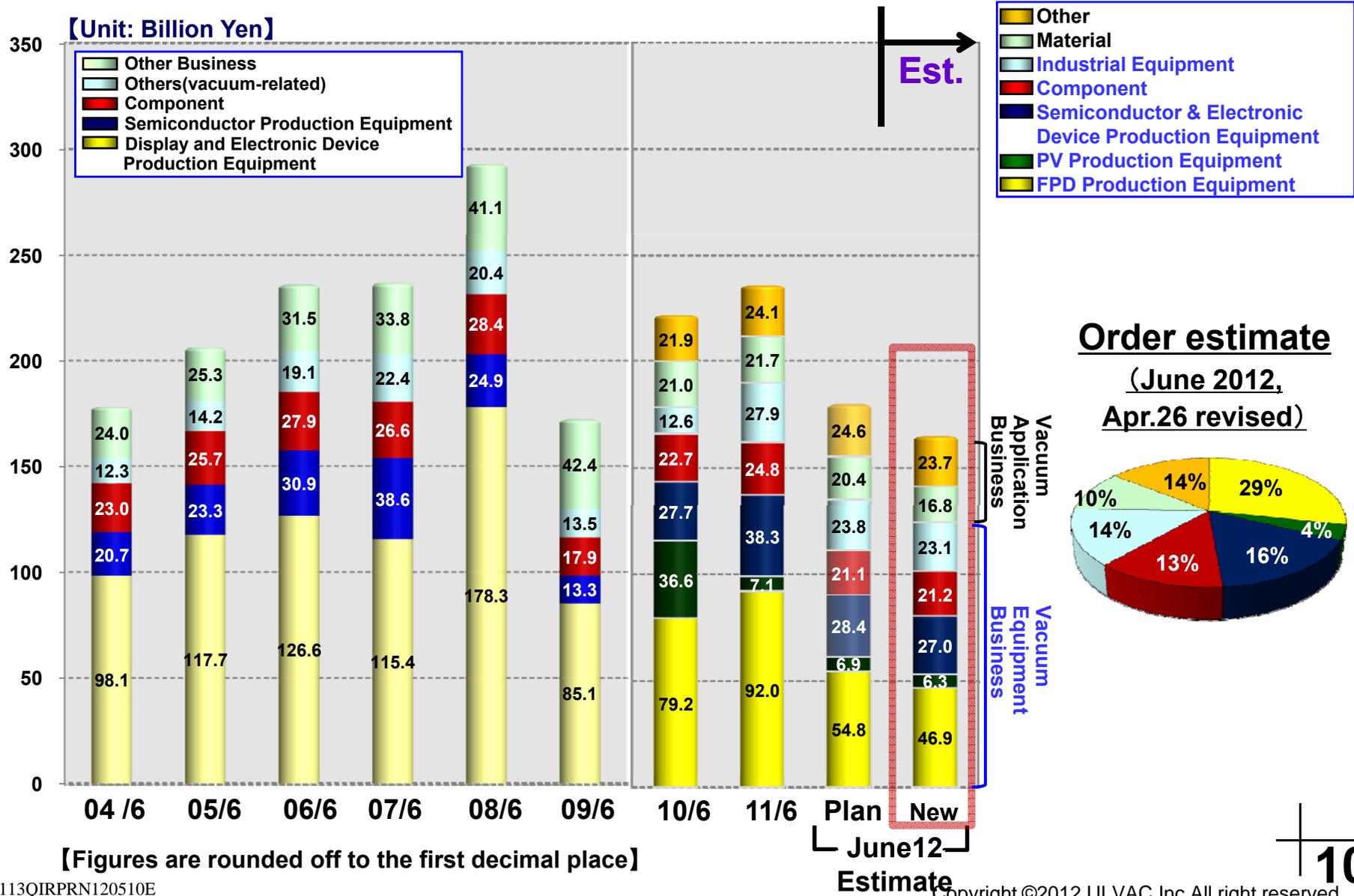
Business restructuring cost ¥4.9bn

Other ¥3.4bn

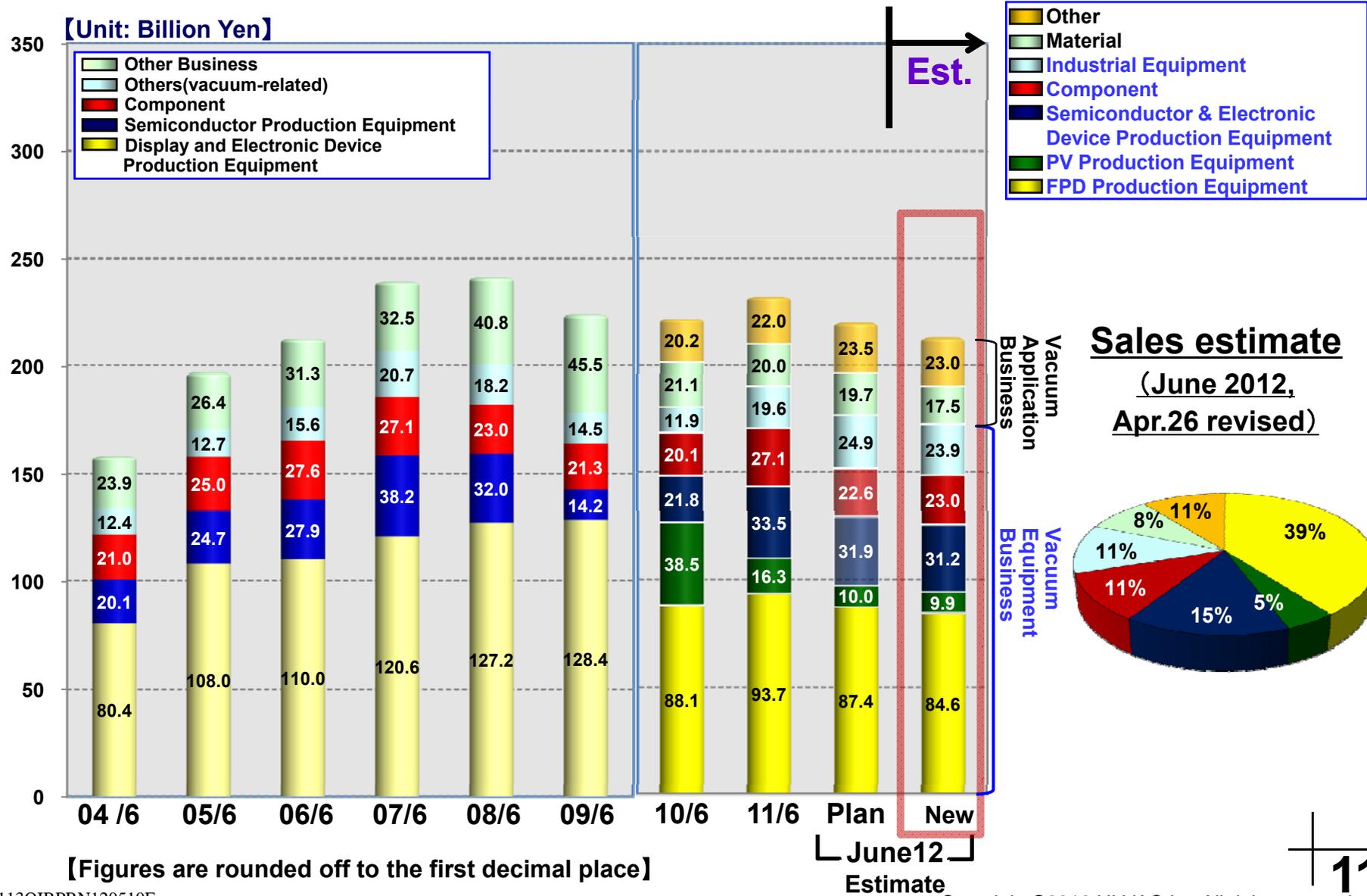
Deferred tax asset reversal -¥13.5bn

[Figures are rounded off to the nearest unit, and rates are rounded off to the nearest unit after being determined in millions of yen]

Transition of Orders received by segment - Estimate



Transition of Net Sales by segment - Estimate



Management Environment (after the 4thQ) and Measurements

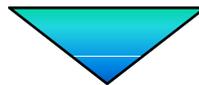
■ Understanding of Future Business Environment

- ▶ Continuing hyper-appreciation of the Japanese yen
- ▶ Trend of capital investment becoming clearer that the investment is sluggish in Japan and solid in Asia
- ▶ Shift from large pillar-based LCD business to multi-pillar-based one
 - ◆ Smartphone-related businesses: medium-and small-sized LCD panels, OLED displays, touch panels, LEDs, electronic devices such as packaging, and energy devices such as power semiconductors

■ Measures to be taken by ULVAC

Implementation of large-scale structural reform

- ▶ Completion of **Refocus** and **Slim** the operating structure during the current period and lowering breakeven sales
- ▶ **Strengthen** in competitiveness in term of products, cost, and operational efficiency
- ▶ **Strengthen** of corporate culture through a change in the way of thinking



We aim at recording positive operating income for the year ending June 2013

Innovation begins

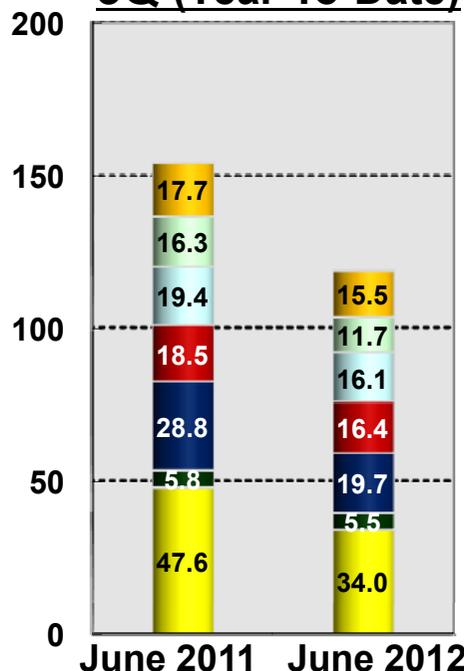
in a vacuum

ULVAC

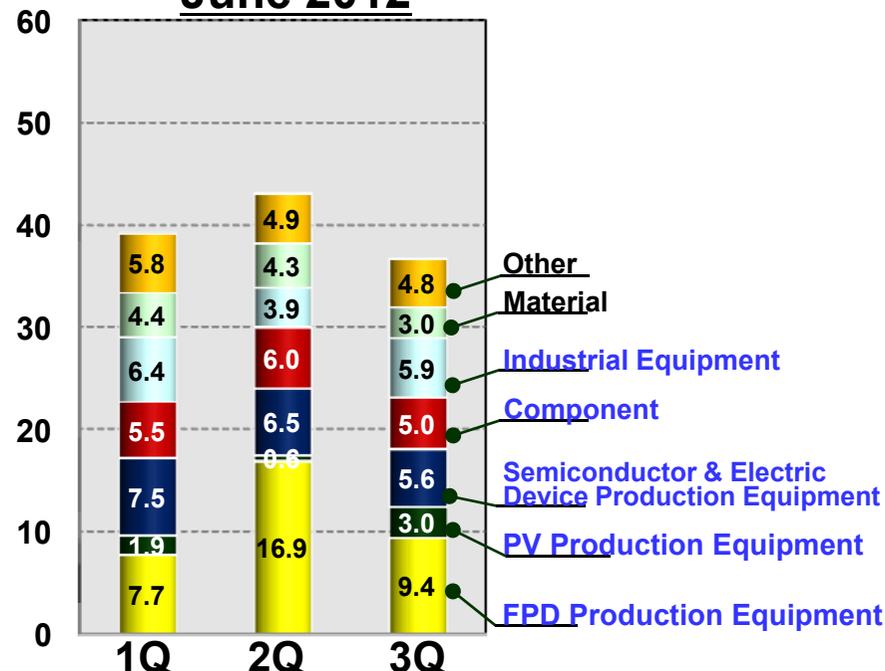
Order received by Segment

[Unit : Bn. Yen]

3Q (Year-To-Date)



June 2012



June 2011 3Q (Y-T-D)		
Segment	Order	%
Vacuum Equipment Business	120.1	78.0%
FPD production equipment	47.6	30.9%
PV production equipment	5.8	3.7%
Semiconductor and Electronics device Production Equipment	28.8	18.7%
Component	18.5	12.0%
Industrial Equipment	19.4	12.6%
Vacuum Application Business	33.9	22.0%
Materials	16.3	10.6%
Others	17.7	11.5%
Total	154.1	100.0%

June 2012 3Q (Y-T-D)			vs. '11/6 (Changes)
Segment	Order	%	
Vacuum Equipment Business	91.7	77.1%	-23.7%
FPD production equipment	34.0	28.6%	-28.7%
PV production equipment	5.5	4.6%	-4.6%
Semiconductor and Electronics device Production Equipment	19.7	16.5%	-31.8%
Component	16.4	13.8%	-11.0%
Industrial Equipment	16.1	13.5%	-17.1%
Vacuum Application Business	27.2	22.9%	-19.8%
Materials	11.7	9.9%	-28.0%
Others	15.5	13.0%	-12.3%
Total	118.9	100.0%	-22.8%

1Q		2Q		3Q	
Order	%	Order	%	Order	%
29.0	74.0%	33.8	78.5%	28.9	78.8%
7.7	19.7%	16.9	39.1%	9.4	25.6%
1.9	4.9%	0.6	1.3%	3.0	8.2%
7.5	19.2%	6.5	15.2%	5.6	15.4%
5.5	14.0%	6.0	13.9%	5.0	13.6%
6.4	16.2%	3.9	9.0%	5.9	16.0%
10.2	26.0%	9.3	21.5%	7.8	21.2%
4.4	11.2%	4.3	10.1%	3.0	8.2%
5.8	14.8%	4.9	11.4%	4.8	13.0%
39.1	100.0%	43.1	100.0%	36.7	100.0%

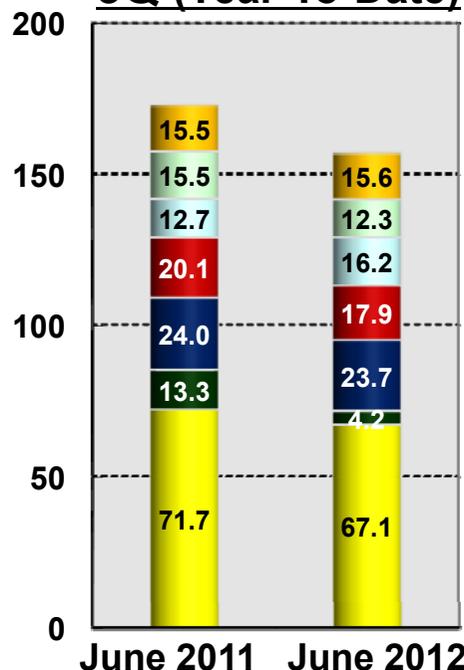
(Note)

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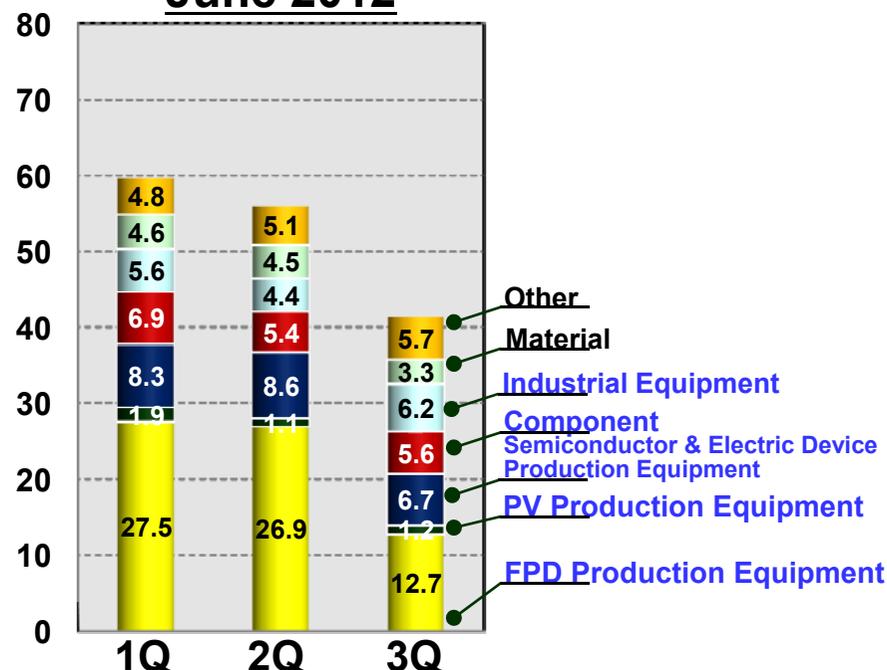
Net Sales by Segment

(Unit : Bn. Yen)

3Q (Year-To-Date)



June 2012



June 2011 3Q (Y-T-D)		
Segment	Sales	%
Vacuum Equipment Business	141.8	82.1%
FPD production equipment	71.7	41.5%
PV production equipment	13.3	7.7%
Semiconductor and Electronics device Production Equipment	24.0	13.9%
Component	20.1	11.6%
Industrial Equipment	12.7	7.3%
Vacuum Application Business	31.0	17.9%
Materials	15.5	9.0%
Others	15.5	8.9%
Total	172.7	100.0%

June 2012 3Q (Y-T-D)			vs.'11/6 (Changes)
Segment	Sales	%	
Vacuum Equipment Business	129.1	82.2%	-8.9%
FPD production equipment	67.1	42.7%	-6.4%
PV production equipment	4.2	2.7%	-68.5%
Semiconductor and Electronics device Production Equipment	23.7	15.1%	-1.1%
Component	17.9	11.4%	-10.5%
Industrial Equipment	16.2	10.3%	27.4%
Vacuum Application Business	27.9	17.8%	-9.9%
Materials	12.3	7.9%	-20.6%
Others	15.6	9.9%	0.7%
Total	157.0	100.0%	-9.1%

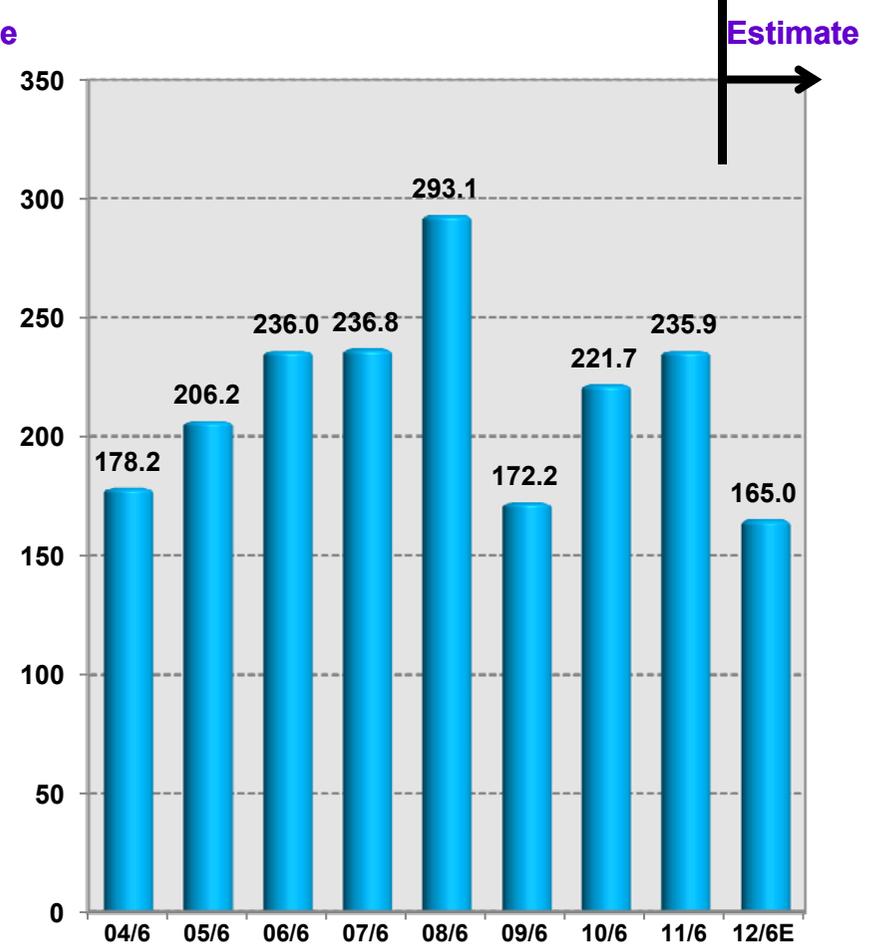
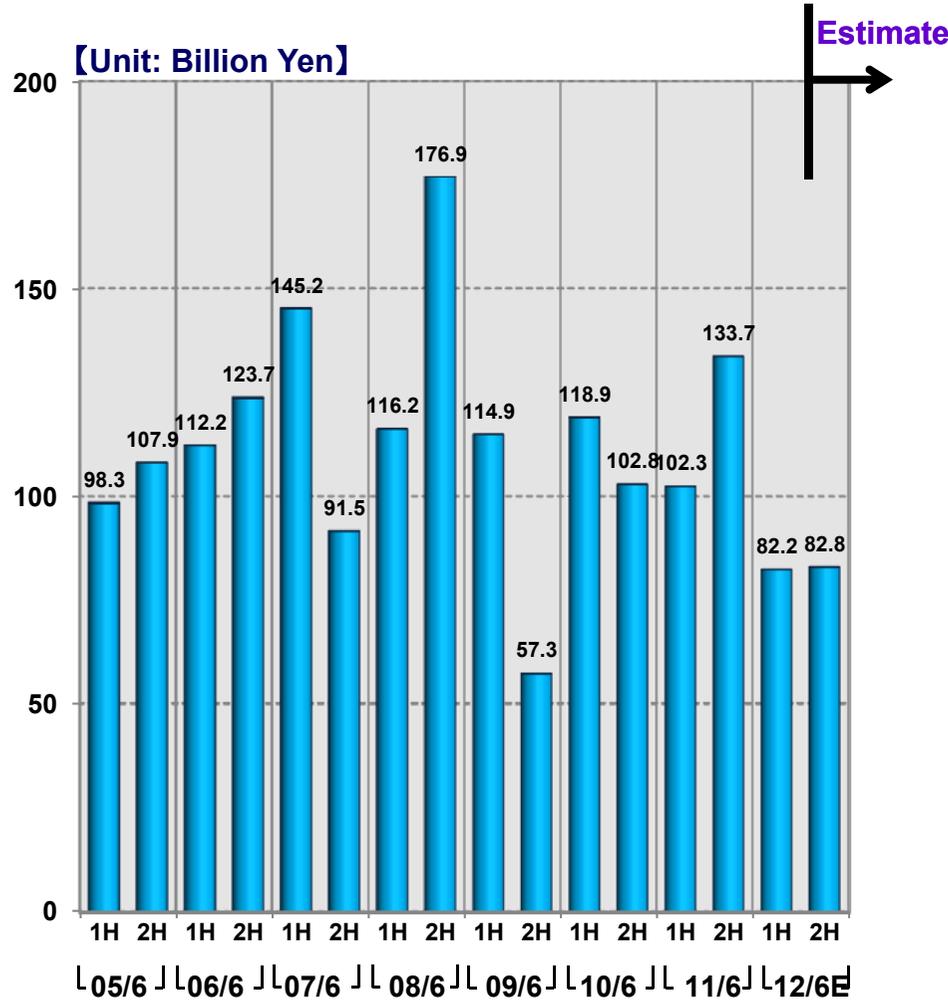
		1Q		2Q		3Q	
Segment	Sales	%	Sales	%	Sales	%	%
Vacuum Equipment Business	50.3	84.3%	46.4	82.9%	32.4	78.4%	
FPD production equipment	27.5	46.1%	26.9	48.1%	12.7	30.7%	
PV production equipment	1.9	3.2%	1.1	2.0%	1.2	2.9%	
Semiconductor and Electronics device Production Equipment	8.3	14.0%	8.6	15.4%	6.7	16.3%	
Component	6.9	11.6%	5.4	9.7%	5.6	13.6%	
Industrial Equipment	5.6	9.4%	4.4	7.8%	6.2	14.9%	
Vacuum Application Business	9.4	15.7%	9.6	17.1%	8.9	21.6%	
Materials	4.6	7.6%	4.5	8.0%	3.3	7.9%	
Others	4.8	8.1%	5.1	9.1%	5.7	13.7%	
Total	59.7	100.0%	56.0	100.0%	41.4	100.0%	

(Note)

Figures indicated above are rounded off to the nearest unit and may not coincide with the total.

Transition of Orders received - Estimate

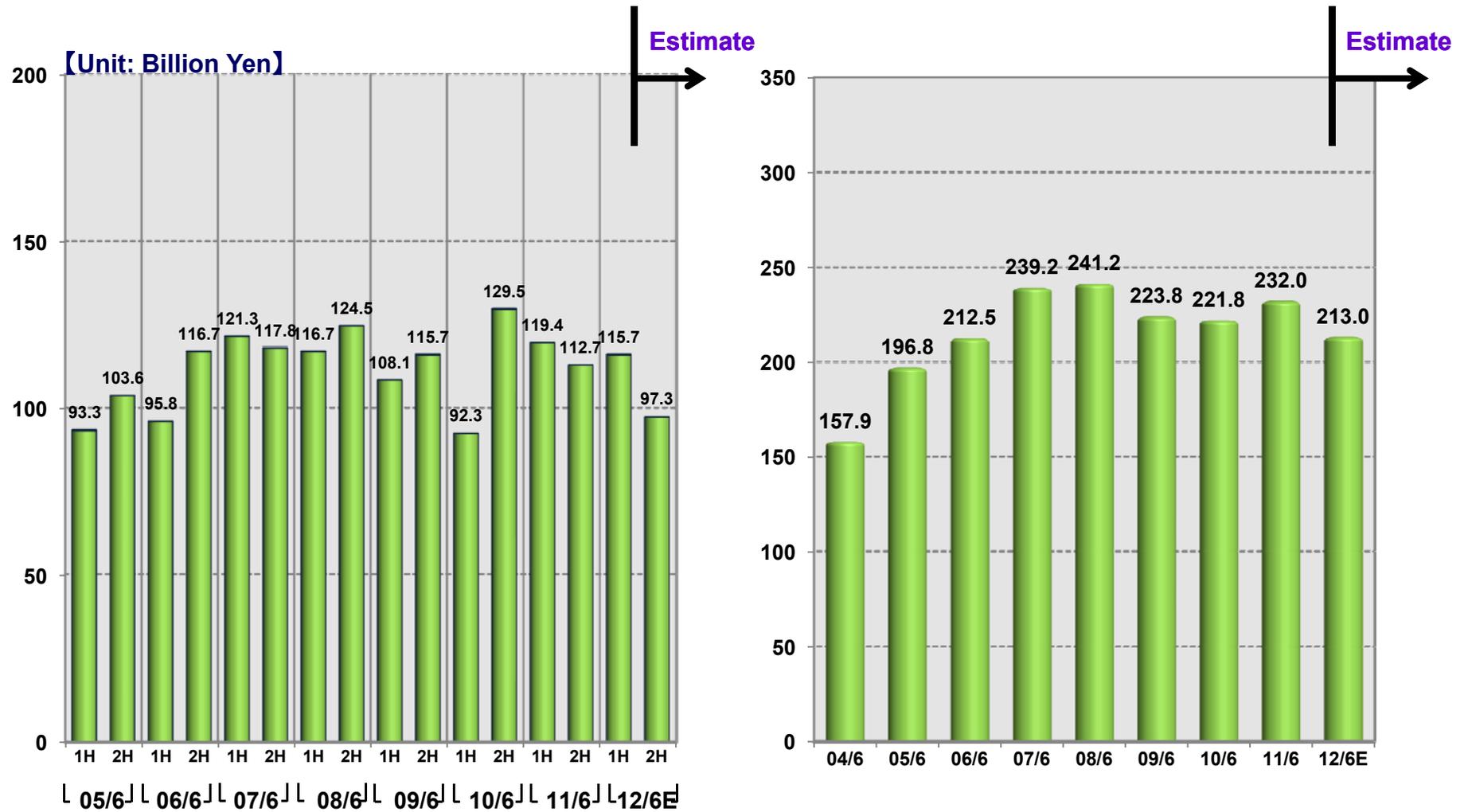
Appendix



[Figures are rounded off to the first decimal place]

Transition of Net Sales - Estimate

Appendix

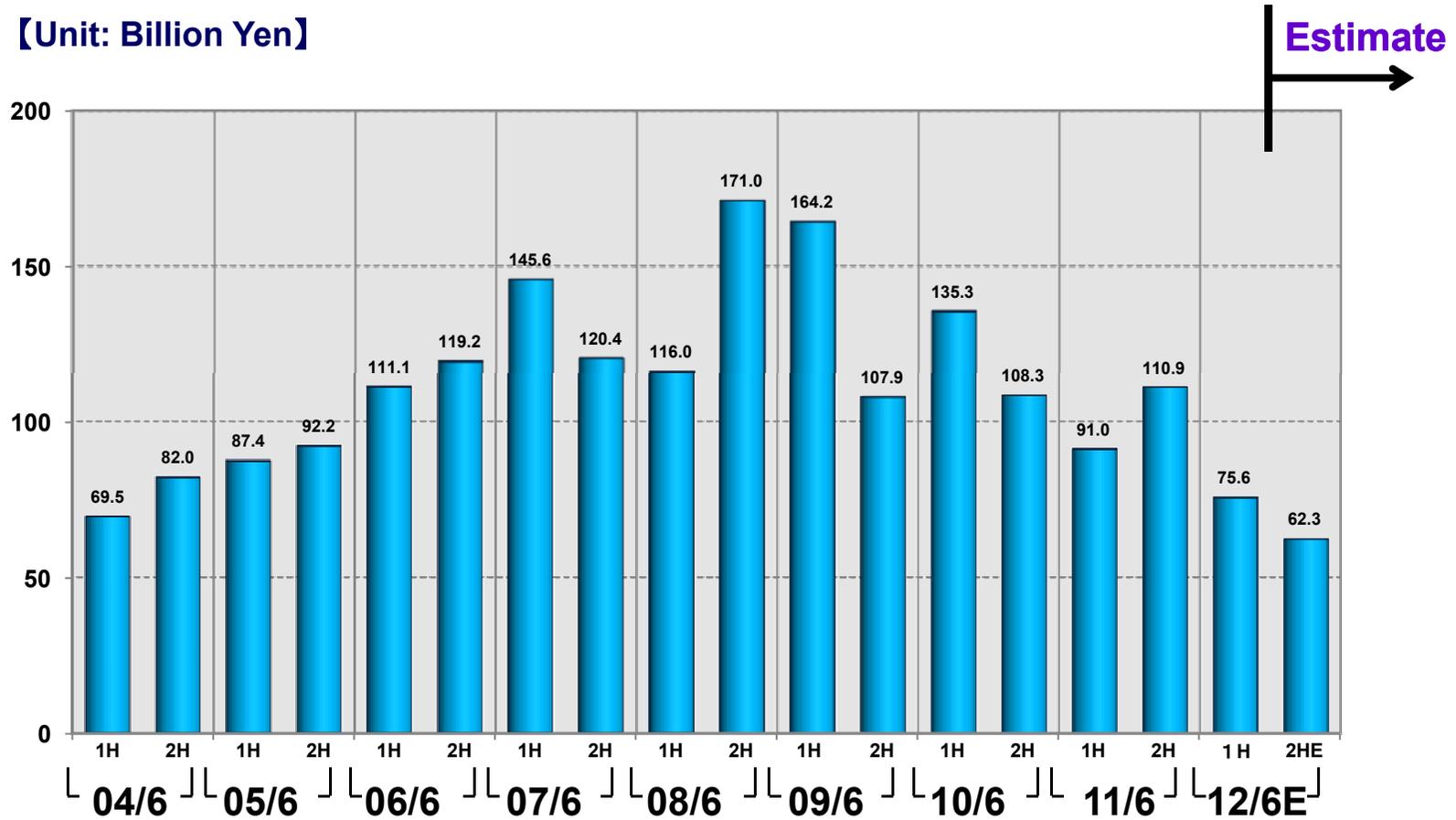


[Figures are rounded off to the first decimal place]

Transition of Orders Backlogs - Estimate

Appendix

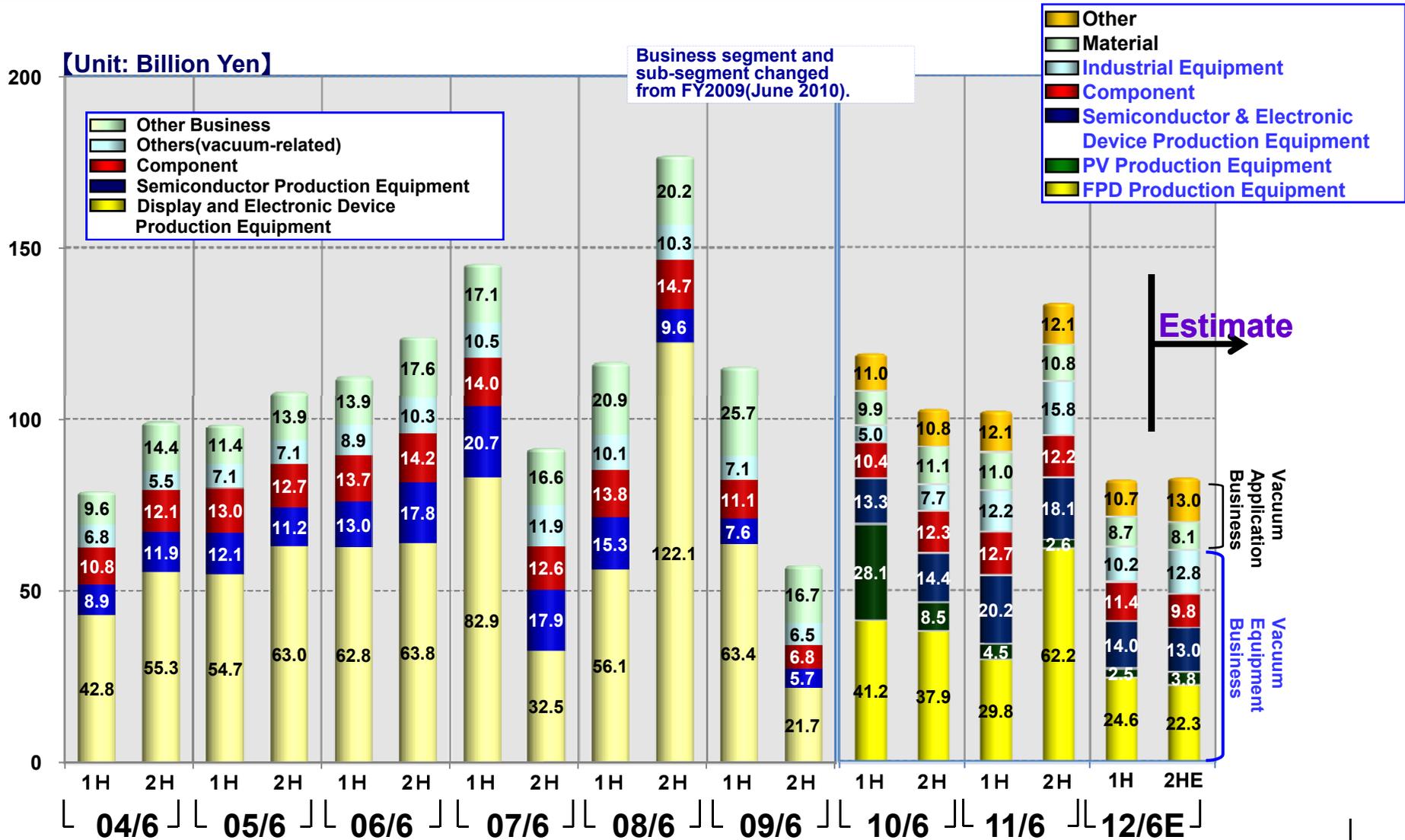
【Unit: Billion Yen】



【Figures are rounded off to the first decimal place】

Transition of Orders by segment - Estimate

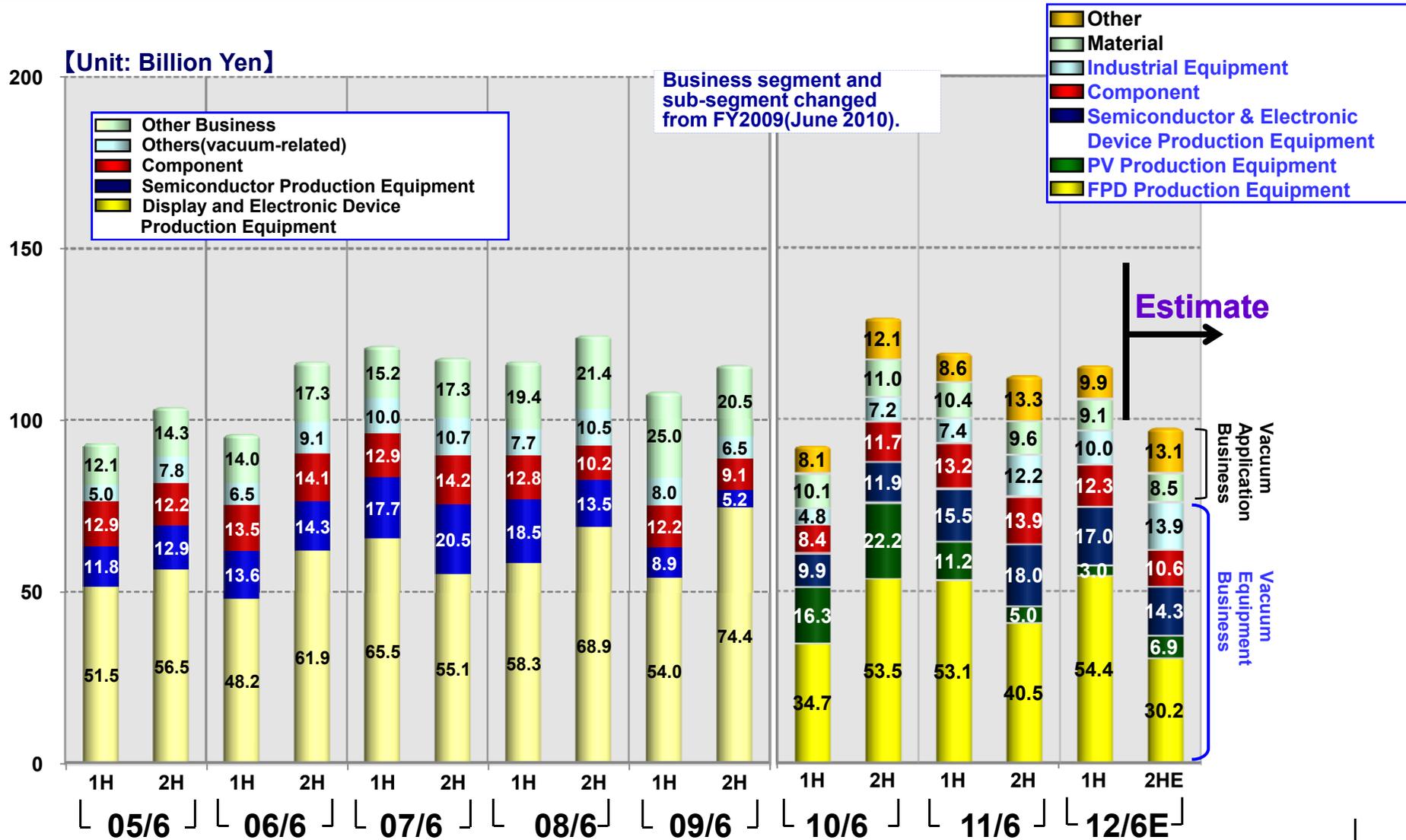
Appendix



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Transition of Net Sales by segment - Estimate

Appendix



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