

Innovation begins in a vacuum

【Code No:6728】

**FY2010 1st Quarter
Business Result
(Year Ending June 30, 2011)**

ULVAC, Inc.

11th November, 2010

◆ 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), semiconductor, solar cell, 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, solar cell ,electric devices and raw material; 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

■ Business Environment Surrounding ULVAC

- ▶ The appreciation of the yen continues, thereby heating up price competition.
- ▶ LCD Related Business
 - ◆ The European and American markets remain stagnant, which forces capital investments to stagnate temporarily.
 - ◆ Decision on investments by foreign-affiliated LCD manufacturers who plan to enter the Chinese market is uncertain.
 - ◆ Chinese LCD manufacturers started construction of mass-production plants.
- ▶ Demand for PCs slowed down. Businesses related to smart phones and tablet PCs are up.
 - ◆ Investments related to memory devices remain robust.
 - ◆ Investments in small and mid-size display panels, particularly Organic EL display panels, have shifted into full swing.
 - ◆ The touch-panel markets are robust.
- ▶ Reduction in greenhouse gas emissions has grown the energy device businesses.
 - ◆ For solar cells, business inquiries for thin-film solar cells and crystalline silicon cells appeared in concrete form.
 - ◆ For businesses involving LEDs, the markets continue to expand in Taiwan, China, Korea, and Japan.
 - ◆ Businesses related to capacitors and power semiconductors for environment-responsive vehicles

1st Q (June 2011) Result

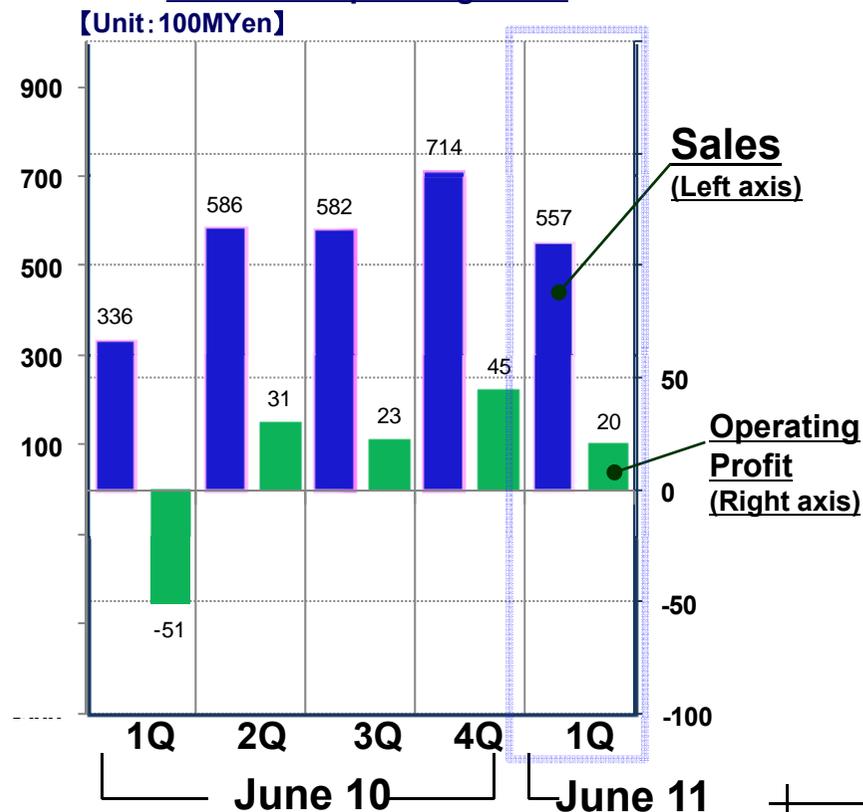
Orders were received for medium- and small-size LCD production equipment for South Korea, and large-size LCD production equipment, LED and memory production equipment for China. Sales were boosted by LCD production equipment and LED and memory production equipment for South Korea and Taiwan. Profit grew more than the forecast thanks to the LCD/semiconductor production equipment and vacuum components.

【Unit: 100MYen】

	June 2009 1Q	June 2010 1Q	June 2011 Result	
			1Q	vs. June 10 1Q (Changes)
Booking	779	411	604	47%
Back-log	1,853	1,157	1,131	-2%
Sales	566	336	557	66%
Operating Profit Ratio	22 3.9%	-51 -15.1%	20 3.7%	—
Net Income Ratio	15 2.6%	-32 -9.4%	12 2.2%	—

【 figures in brackets are rounded off to the nearest number.】

Transition of Sales and Operating Profit



1st Q (June 2011) Result for Net sales and Order booking by segment

Net Sales by segment

【Unit: 100MYen】

Segment	June 2011 1Q		
	Sales	%	vs. June '10 1Q (Changes)
Vacuum Equipment Business	465	83%	+83%
FPD production equipment	240	43%	+50%
PV production equipment	73	13%	+219%
Semiconductor and Electronic device Production Equipment	55	10%	+91%
Component	60	11%	+160%
Industrial Equipment	37	7%	+86%
Vacuum Application Business	93	17%	+9%
Materials	49	9%	+3%
Others	44	8%	+18%
Total	557	100%	+64%

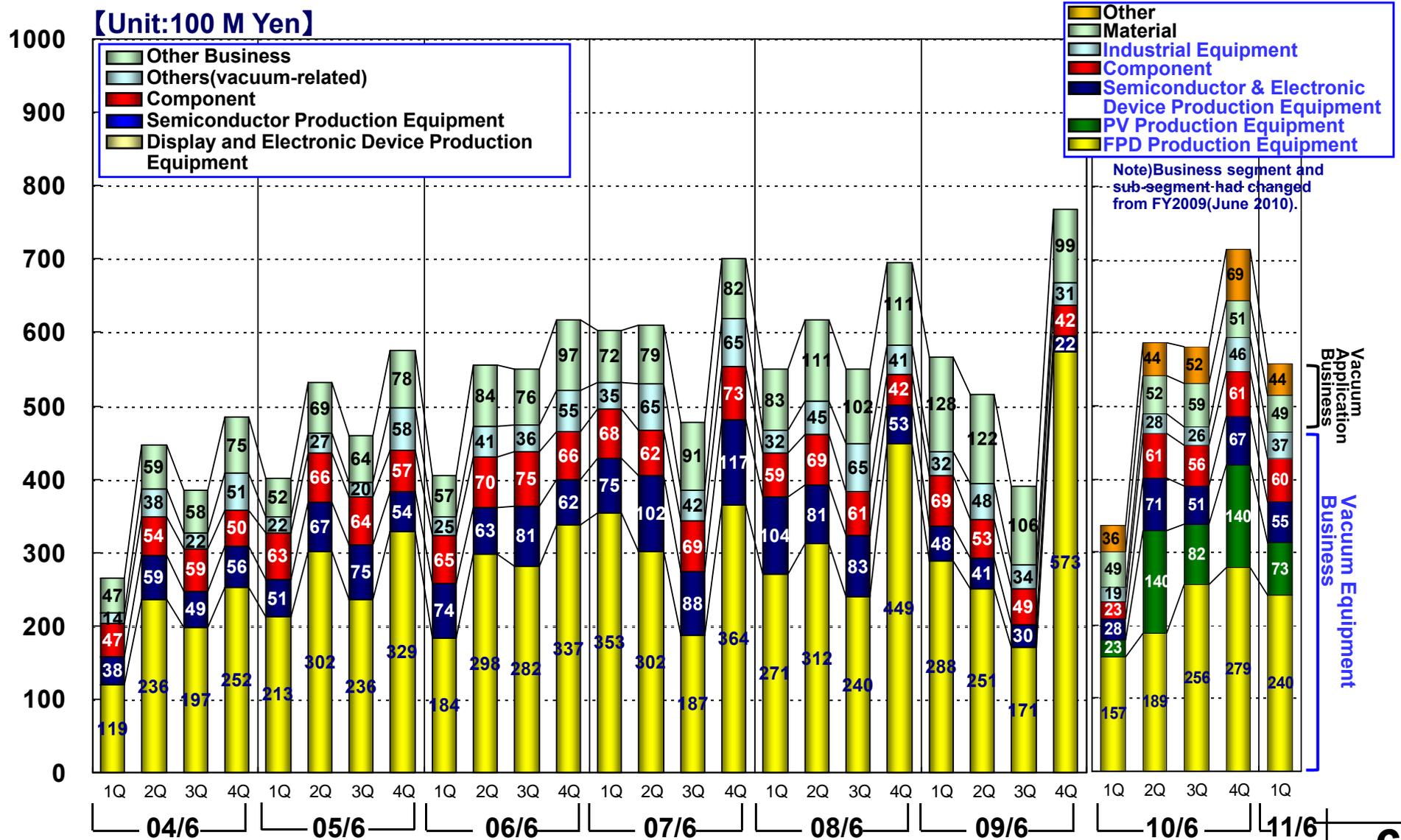
Order booking by segment

【Unit: 100MYen】

Segment	June 2011 1Q		
	Order	%	vs. June '10 1Q (Changes)
Vacuum Equipment Business	494	82%	+63%
FPD production equipment	267	44%	+68%
PV production equipment	17	3%	-51%
Semiconductor and Electronic device Production Equipment	104	17%	+150%
Component	63	10%	+54%
Industrial Equipment	42	7%	+60%
Vacuum Application Business	110	18%	+3%
Materials	48	8%	-2%
Others	61	10%	+8%
Total	604	100%	+48%

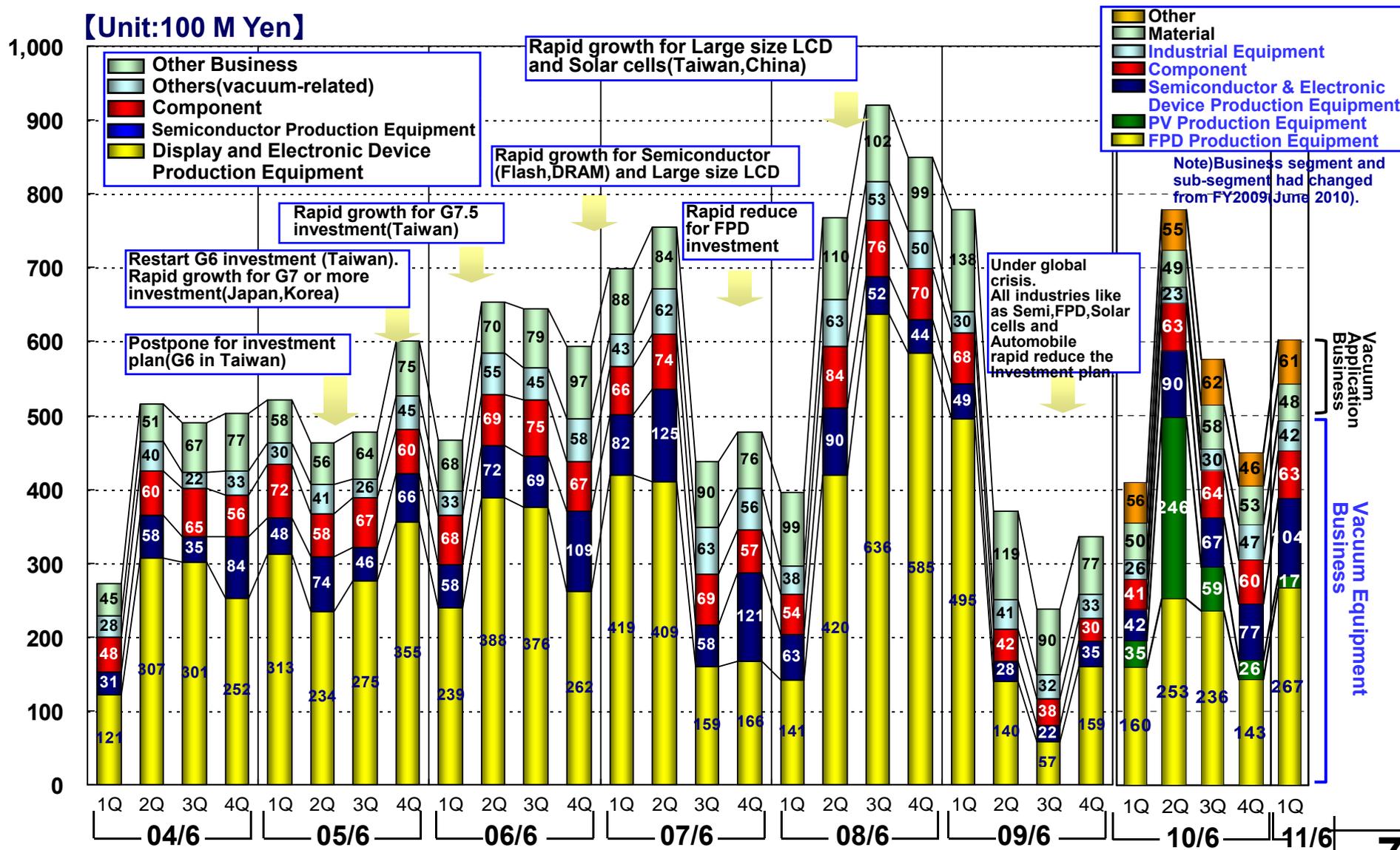
【Figures indicated above are rounded off to the nearest unit and may not coincide with the total.】

Net sales by Segment (Quarterly base)



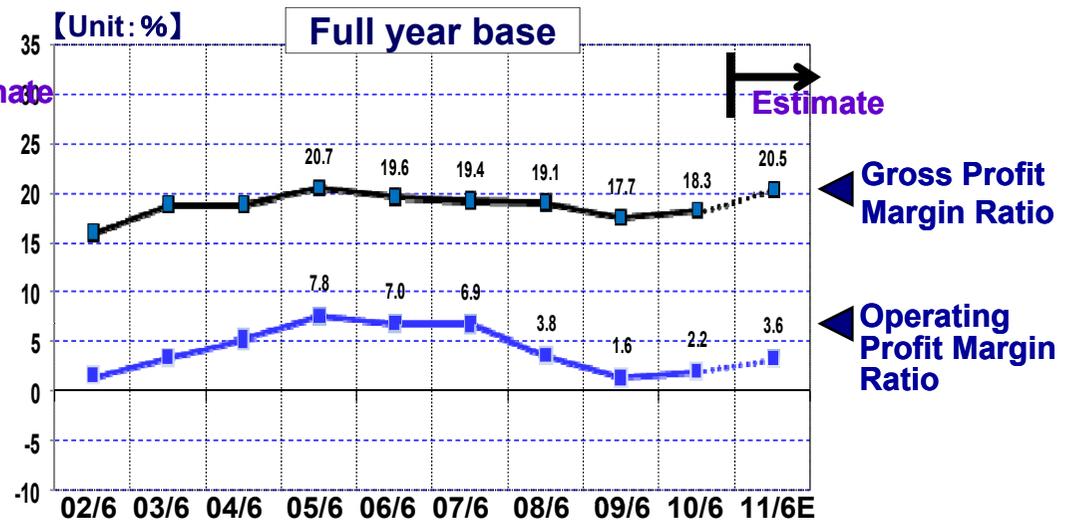
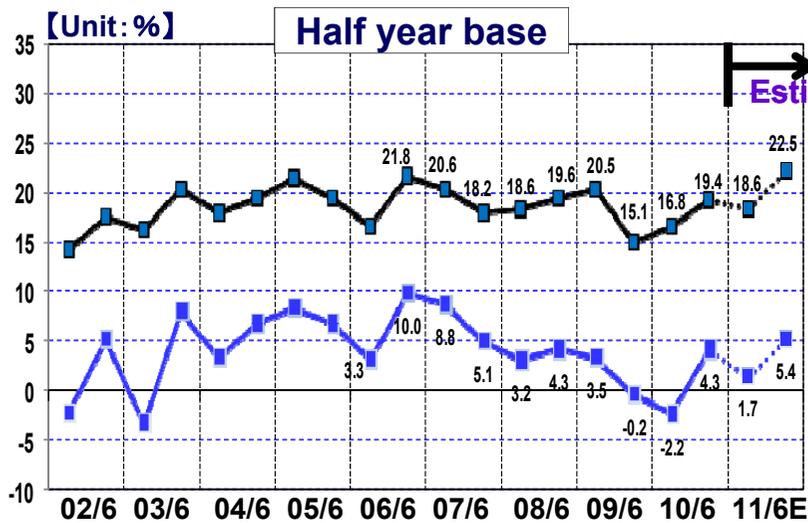
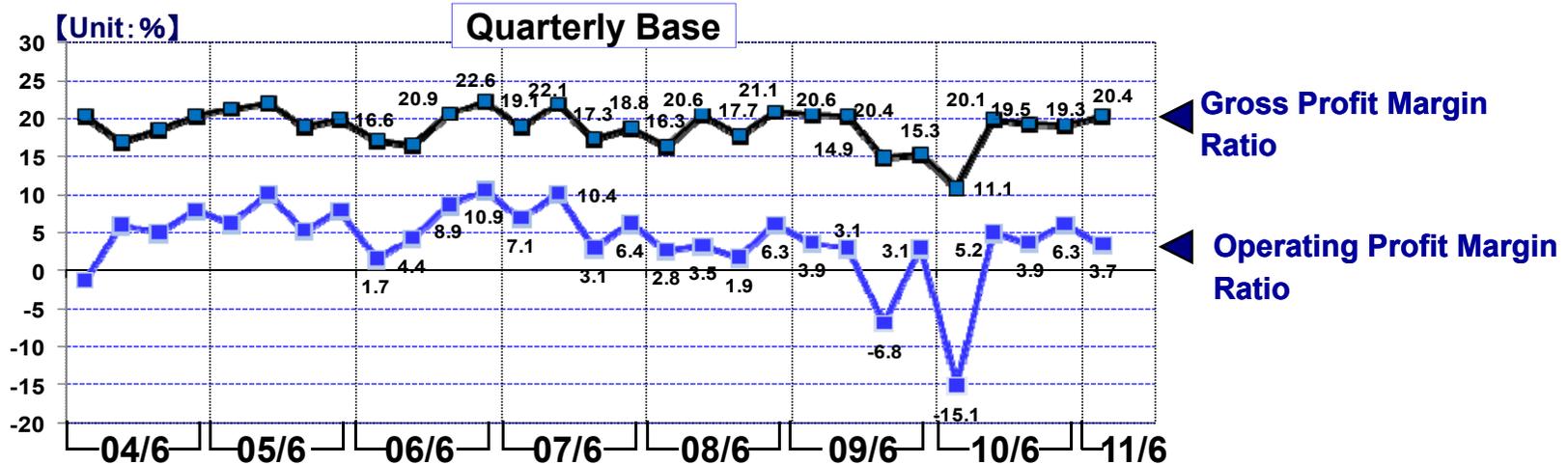
[Figures indicated above are rounded off to the nearest unit and may not coincide with the total.]

Order Booking by Segment (Quarterly base)



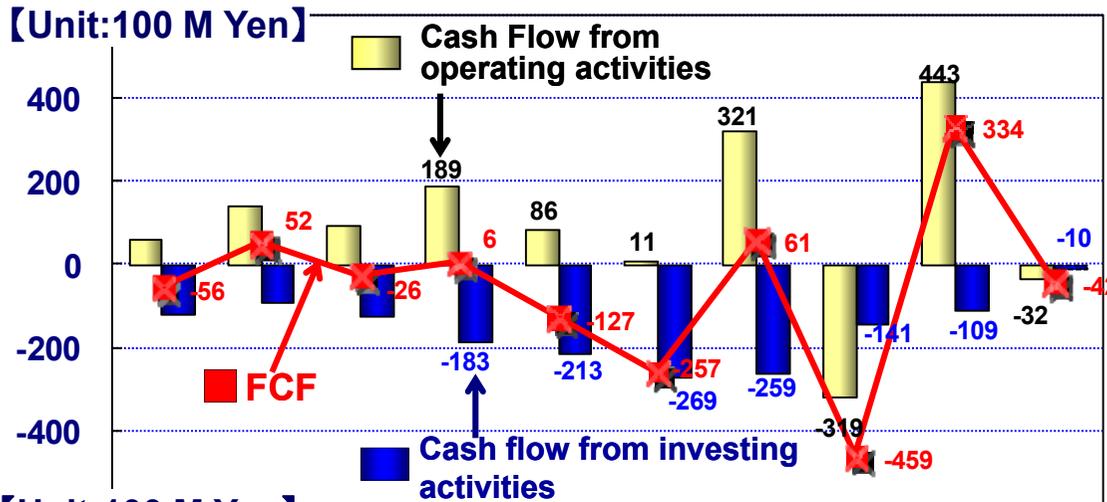
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Outlook for profitability • Estimate



[Figures are rounded off to the first decimal place]

Cash flow and Liabilities with interests - Forecast



Cash flow Result (June 2011 1Q)

■ **Cash Flow from operating activities -1.2 Bill Yen**

<Positive factor>

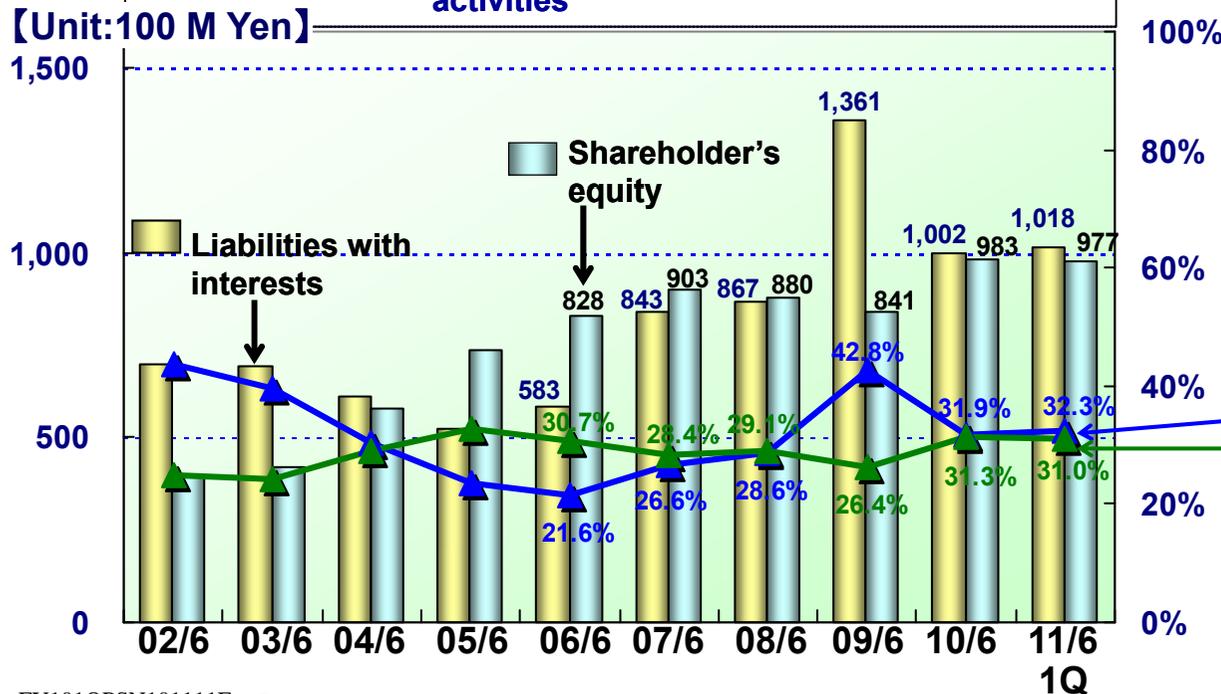
Income before income taxes and minority interests	1.7Bill yen
Depreciation	2.7Bill yen
Increase in accounts payable	0.6 Bill yen
Increase in advances received	1.5 Bill yen

<Negative factor>

Increase in account receivable	5.8Bill yen
Increase in inventories	3.6Bill yen

■ **Cash flow from investing activities - 3.0Bill yen**

Payment for acquisition of tangible fixed assets	3.4Bill yen
Payment for acquisition of investment securities	0.5 Bill yen



▲ The degree of debt existing

▲ Shareholder's equity ratio

Forecast of '11/6 Full Year

FPD, semiconductors (memories and LED) and vacuum components contributed to orders and sales. The sales of target materials (for LCD) are expected to recover in the second half. PV will remain sluggish. Sales will be brisk in China and South Korea. FPD profits are strong. Sales of semiconductors, vacuum components, and target materials have recovered. However, PV sustained a substantial decline.

Forecast for the 2Q(in year to date) and full year remains unchanged.

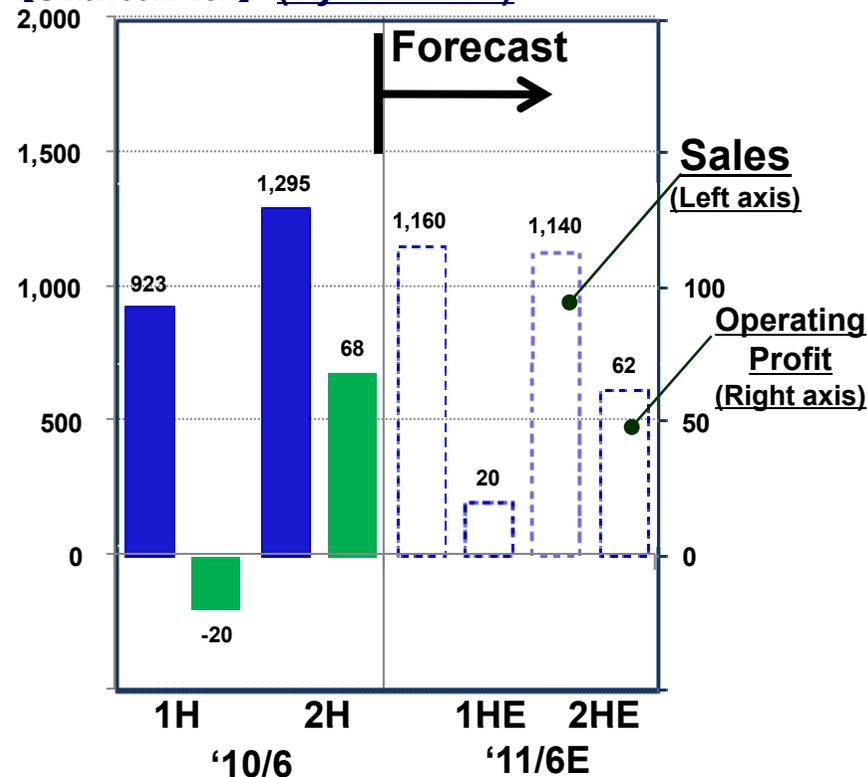
[Unit:100M Yen]

	June '10	June '11 E	
		1H	Full Year
Booking	2,217 (+29%)	1,126 (-5%)	2,350 (+6%)
Back-log	1,083	1,051	1,135
Sales	2,218 (-1%)	1,160 (+26%)	2,300 (+4%)
Operating profit	48 (+38%)	20	82 (+71%)
Ratio	2.2%	1.7%	3.6%
Net Income	21 (+164%)	4	34 (+59%)

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

Sale and Operating Profit

[Unit:100M Yen] (By half Year)



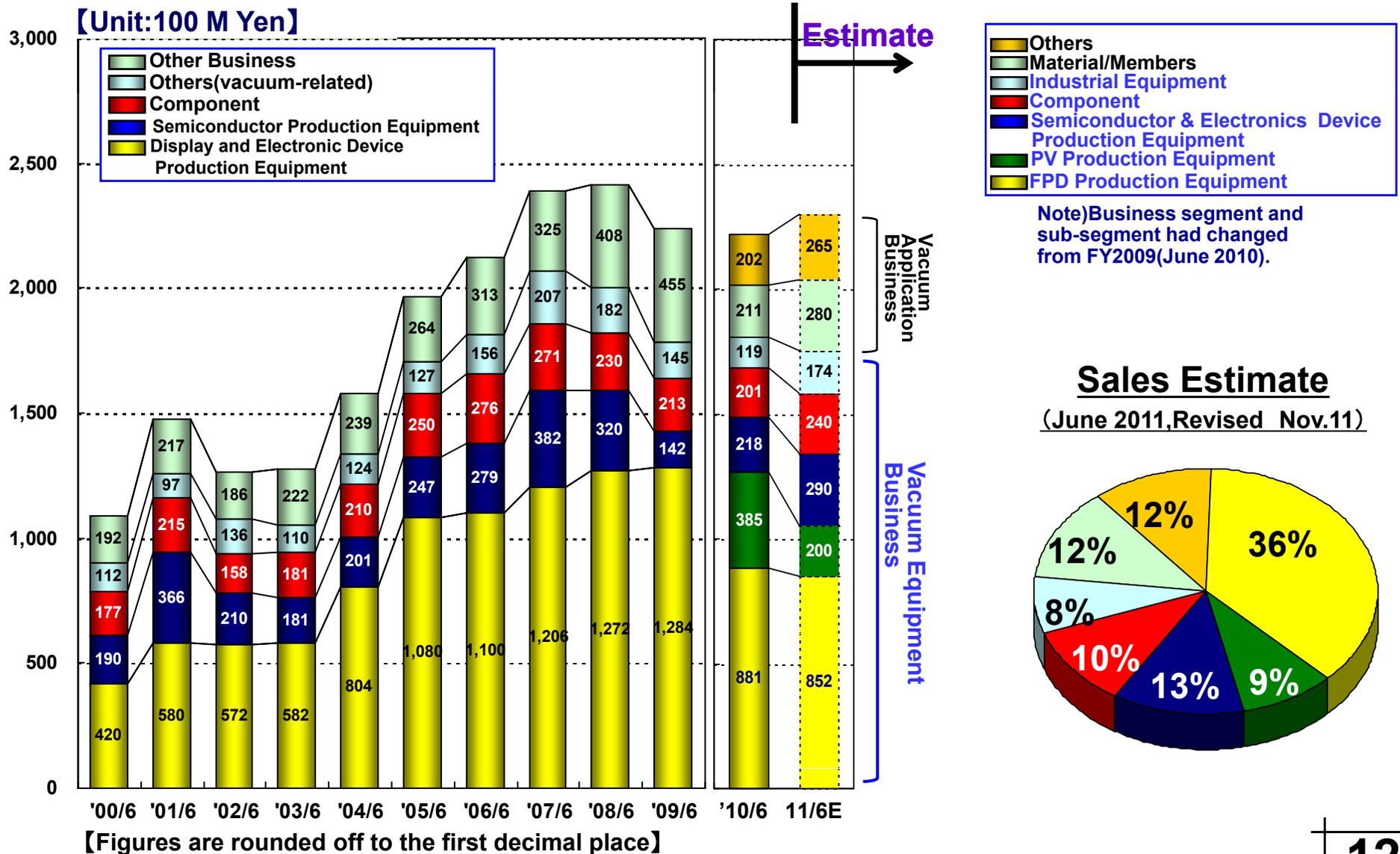
Sales forecast by Segment

【Unit:100 M Yen】

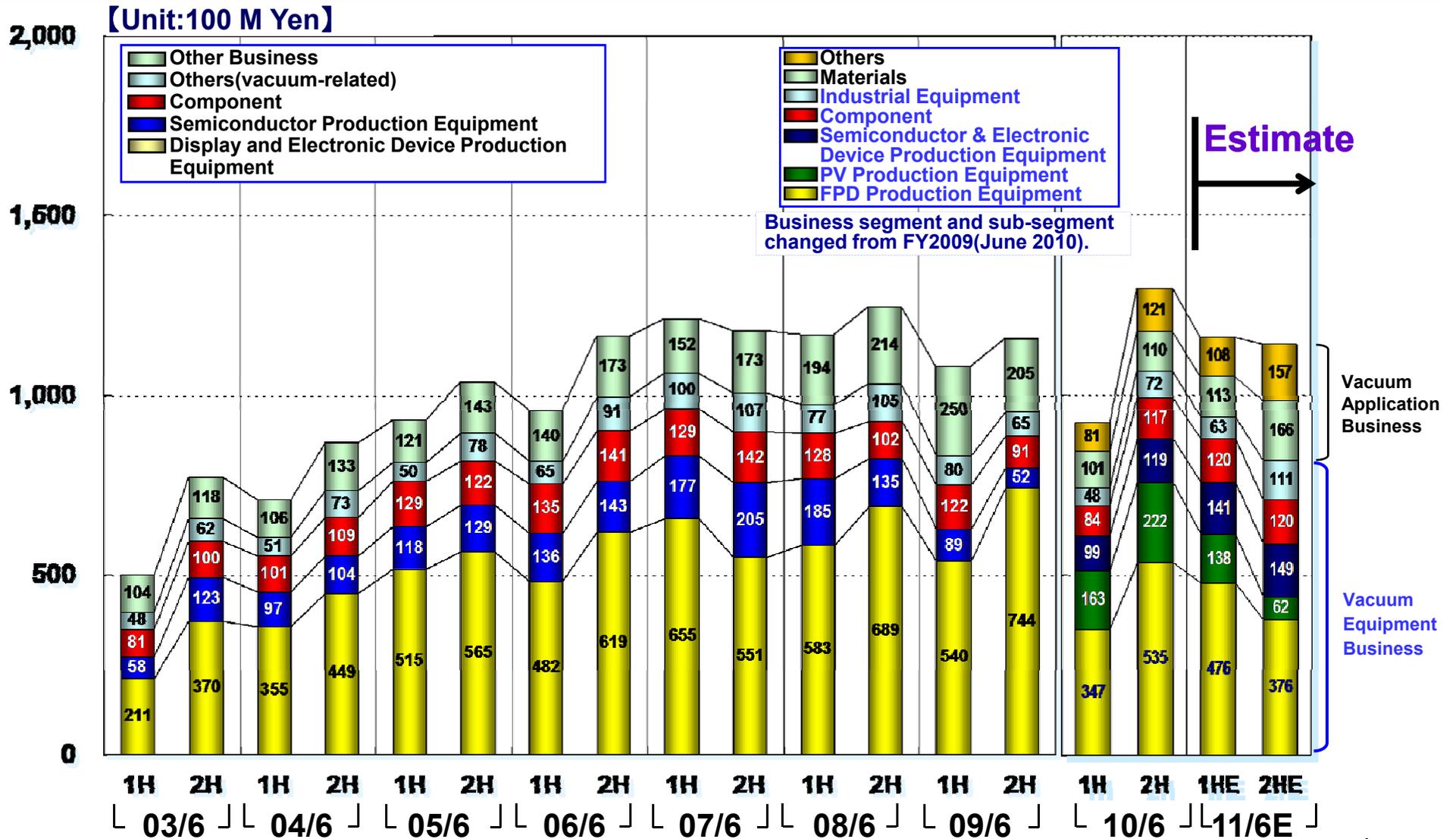
June 2010		June 2011			
Segment	Result	Plan	F'cast(Nov.11 Revised)		Factor
			Sales	Vs.Forecast(Change)	
Vacuum Equipment Business	1,805	1,736	1,755	-3%	
FPD Production Equipment	881	852	852	0%	No change
PV Production Equipment	385	200	200	0%	No change
Semiconductor & Electric Device Production Equipment	218	279	290	4%	Increase in Memory,LED,Power devices rproduction equipment
Component	201	237	240	1%	Increase in vacuum pump for FPD production equipment
Industrial Equipment	119	168	174	4%	Increase in Hybrid&EV related and touch panel
Vacuum Application Business	413	564	545	-3%	
Materials	211	287	280	-2%	Inline
Others	202	277	265	-4%	Decrease for used equipment business by strong yen
Total	2,218	2,300	2,300	0%	

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

Transition of Net sales by segment - Estimate

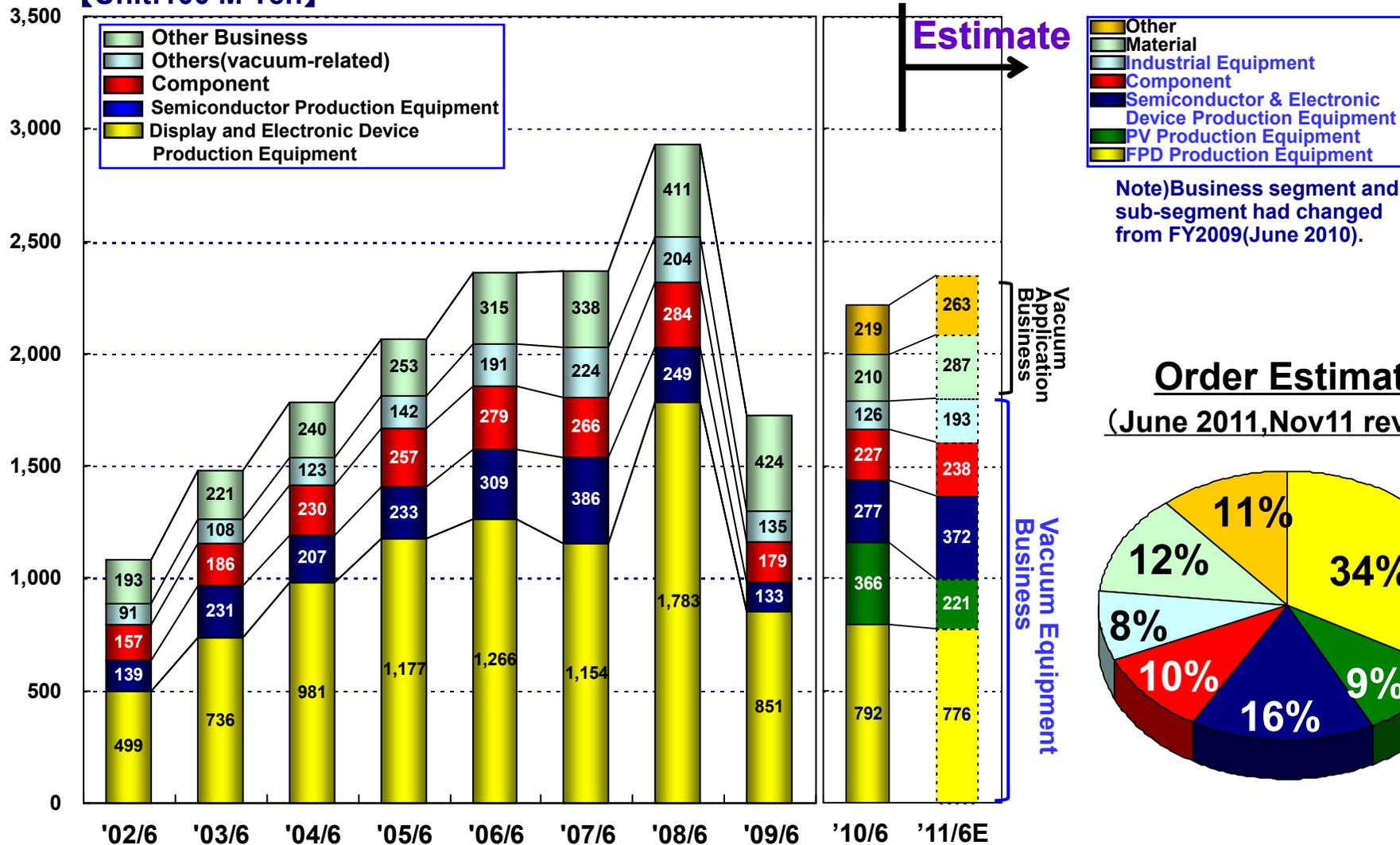


Net Sales by Segment - Estimate



Transition of Orders received by segment - Estimate

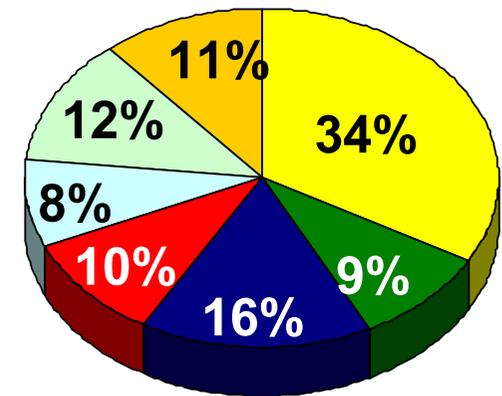
[Unit: 100 M Yen]



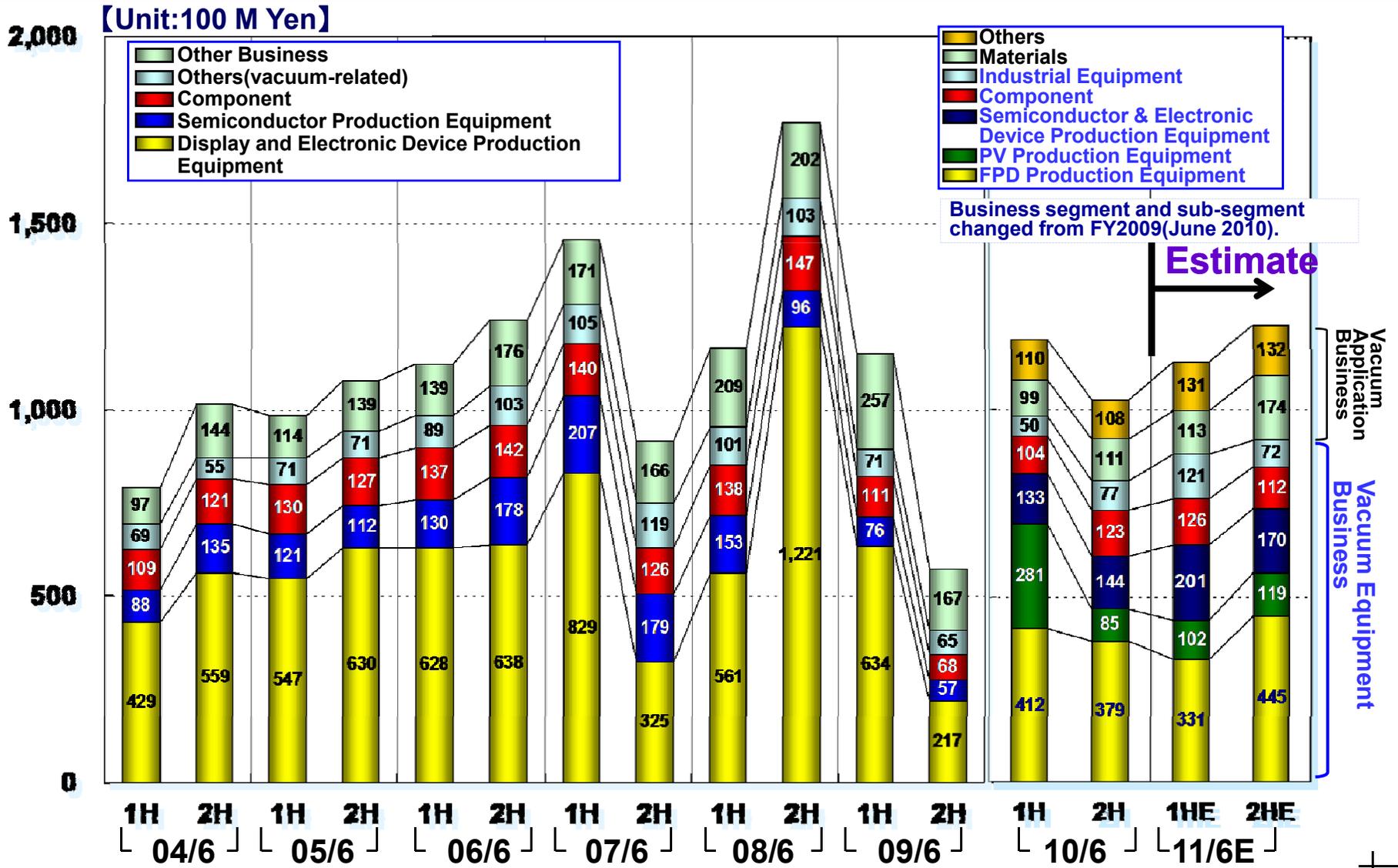
[Figures are rounded off to the first decimal place]

Note) Business segment and sub-segment had changed from FY2009 (June 2010).

Order Estimate
(June 2011, Nov 11 revised)



Transition of Order booking by segment - Estimate



[Figures are rounded off to the first decimal place]

Business Environment (2nd quarter and thereafter)

- **Business Environment Surrounding ULVAC**
 - ▶ The strong-yen situation will continue.
 - ▶ Businesses related to semiconductors, FPD (LCD), etc., are robust, but those in the second half are unpredictable.
 - ▶ Businesses related to energy and the environment will remain robust.
- **Existing Business**
 - ▶ For businesses related to semiconductors, major memory manufacturers are expected to continue investments.
 - ▶ For LCD panels for TVs, investment planning is uncertain.
 - ▶ For LEDs, the business is robust either in China, Korea, Taiwan, or Japan. Capital investments show active movement.
- **New Business**
 - ▶ The number of inquiries for nonvolatile memory from new customers increased.
 - ▶ For Organic ELs, the inquiries are active for those for use in smart phones and TVs.
 - ▶ The solar cell business started to grow again, following market revitalization. China is going to be the center of the production base.
 - ◆ Thin-film solar cells, crystalline silicon cells, hetero-junction cells, compound cells, etc.
 - ▶ Businesses related to environment-responsive vehicles are expanding favorably.
 - ◆ Businesses involving capacitors and power semiconductors will remain robust.
 - ◆ For rare-earth permanent magnets, business chances will increase in China.
 - ◆ New business chances are expected concerning coatings to deal with the adoption of plastics for vehicle windows.

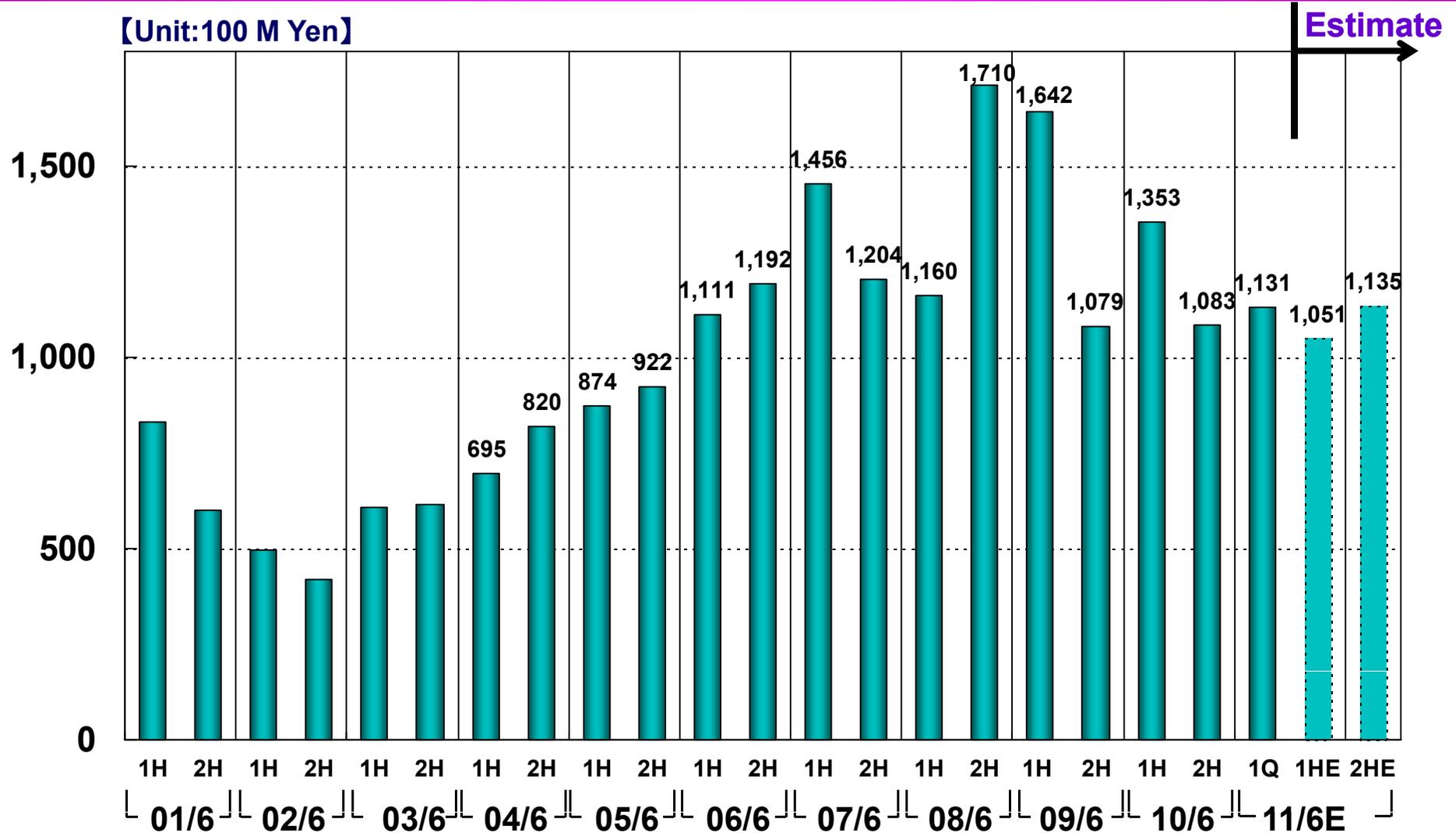
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Transition of Orders Backlogs - Estimate

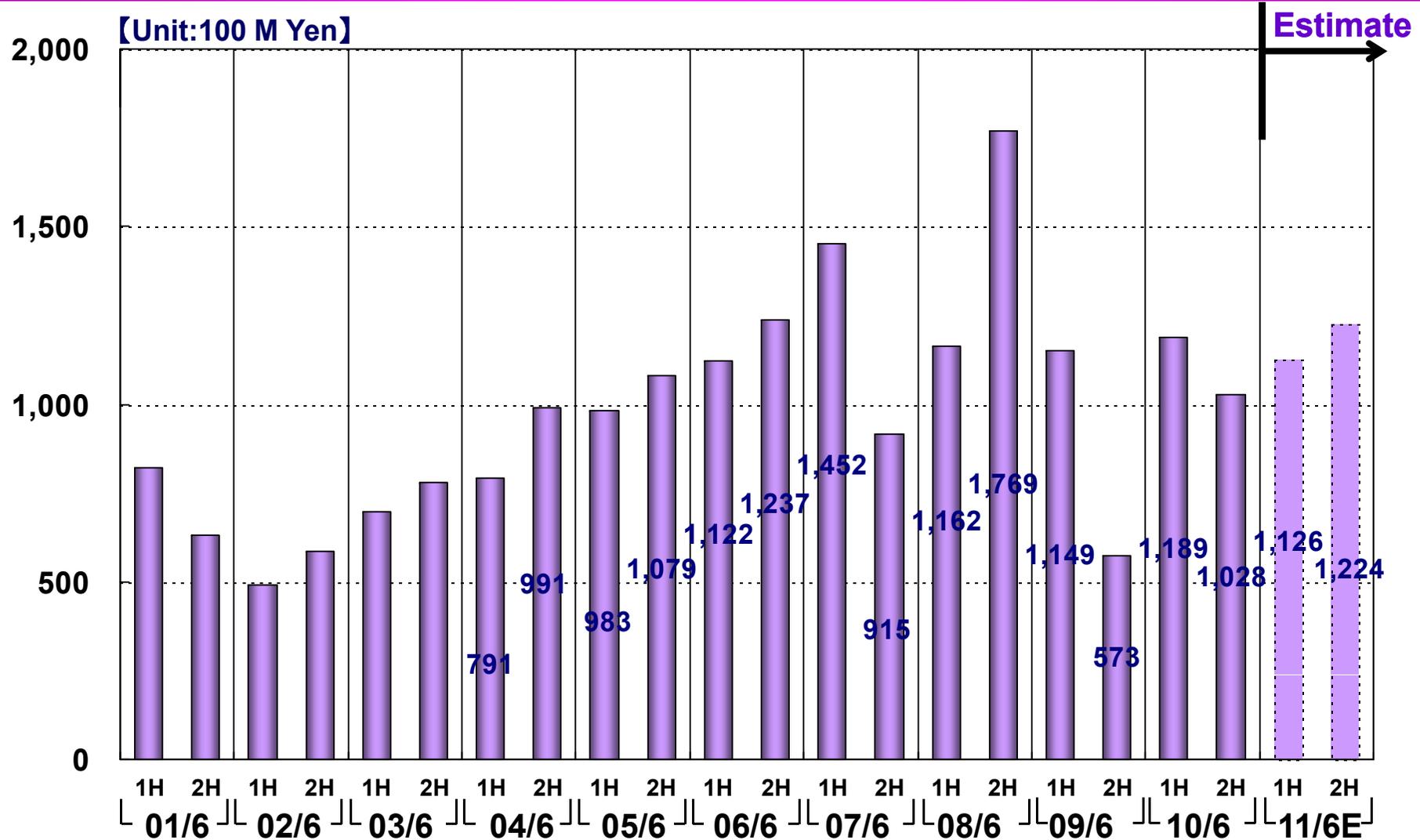
Appendix



【Figures are rounded off to the first decimal place】

Transition of Order Booking - Estimate

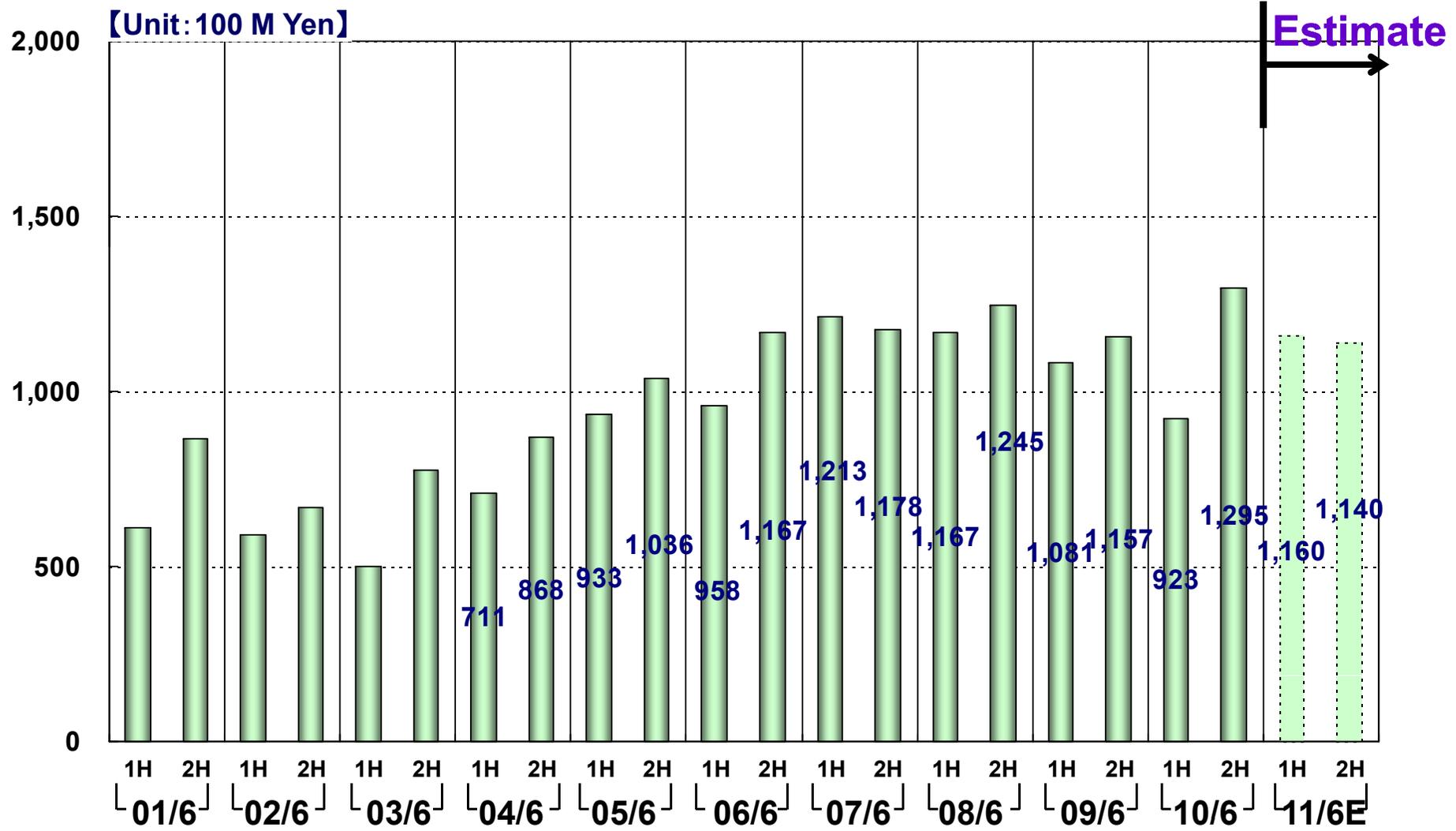
Appendix



[Figures are rounded off to the first decimal place]

Transition of Net Sales - Estimate

Appendix

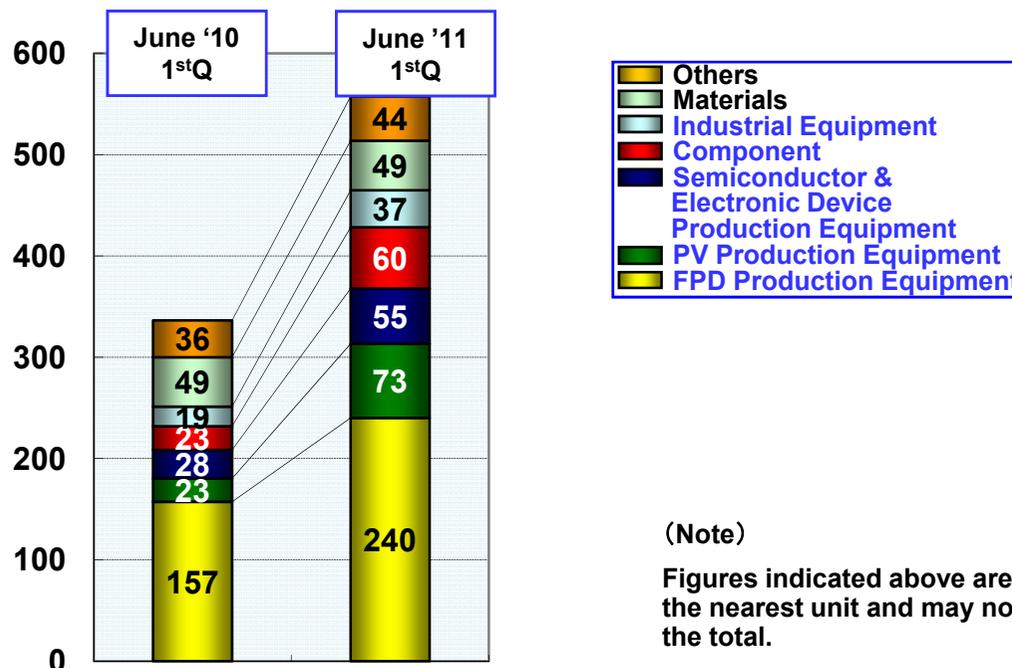


【Figures are rounded off to the first decimal place】

1st Quarter Net Sales(By segment)

Appendix

[Unit:100 M Yen]



(Note)

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[Unit:100 M Yen]

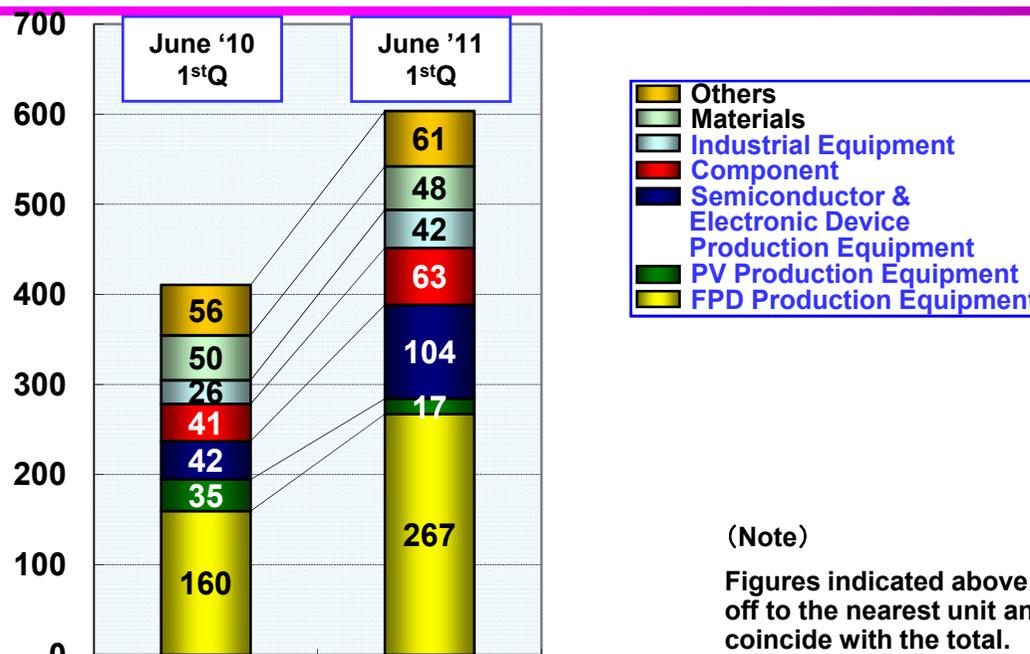
June 2010 1Q		
Segment	Sales	%
Vacuum Equipment Business	251	75%
FPD production equipment	157	47%
PV production equipment	23	7%
Semiconductor and Electronic device Production Equipment	28	8%
Component	23	7%
Industrial Equipment	19	6%
Vacuum Application Business	85	25%
Materials	49	14%
Others	36	11%
Total	336	100%

June 2011 1Q		
Sales	%	vs. June '10 1Q (Changes)
465	83%	+83%
240	43%	+50%
73	13%	+219%
55	10%	+91%
60	11%	+160%
37	7%	+86%
93	17%	+9%
49	9%	+3%
44	8%	+18%
557	100%	+64%

1st Quarter Order Booking(By segment)

Appendix

[Unit:100 M Yen]



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

[Unit:100 M Yen]

June 2010 1Q		
Segment	Order	%
Vacuum Equipment Business	305	81%
FPD production equipment	160	39%
PV production equipment	35	17%
Semiconductor and Electronic device Production Equipment	42	10%
Component	41	10%
Industrial Equipment	26	6%
Vacuum Application Business	106	26%
Materials	50	12%
Others	56	14%
Total	411	107%

June 2011 1Q		
Order	%	vs.June '10 1Q(Changes)
494	82%	+63%
267	44%	+68%
17	3%	-51%
104	17%	+150%
63	10%	+54%
42	7%	+60%
110	18%	+3%
48	8%	-2%
61	10%	+8%
604	100%	+48%

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