

FY2009 First Half Business Result

(Year Ending June 30, 2010)

ULVAC, Inc.

15th February 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), 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

- **Performance Summary for the Fiscal Year Ending 2010/6 (1st Half)**
- **Prospects for the Fiscal Year Ending 2010/6**
- **Business strategy**

Hidenori SUWA, President and CEO

Summary of Business Results for 10/6 2Q (Y-T-D)

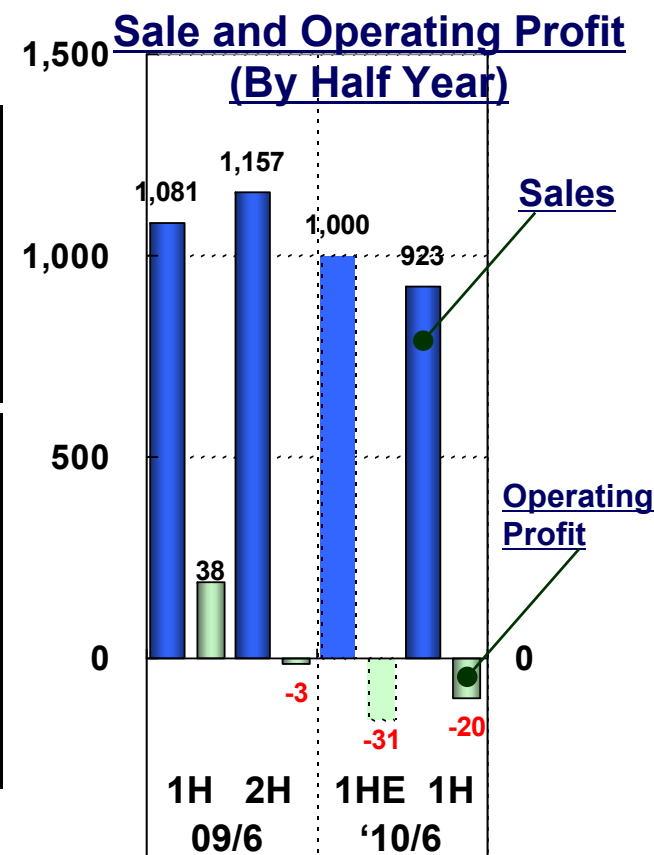
- **Orders received/Sales** → Bottomed in the 1Q but rebounded in the 2Q.
 - ▶ **Solar cell-related:** Hovered on a weak note against original forecasts. Obtained orders mainly in Japan in the 2Q.
 - ▶ **FPD-related:** Started receiving orders from Chinese LCD manufactures against the backdrop of strong capital investment due to the special procurement from China's policy to expand the use of home electric appliances in rural areas.
 - ▶ **Semiconductor (including LED) - and electronic device-related:** Orders received and sales rebounded.
- **Profit and loss**
 - ▶ **1Q:** Sales dropped and resulted in a substantial operating loss.
 - ▶ **2Q:** LCD and solar cell contributed and secured operating income. Territory-wise, Korea and China contributed.
 - ▶ **The ordinary loss amount reduced due to a foreign exchange gain.**

Summary of 10/6 1stHalf

The amount of orders received exceeded the forecast due to FPD brought forward. Sales were lower than expected in PVs, used system, etc. Business results posted a substantial operating loss in the 1Q, but showed a reduced deficit thanks to FPD in the 2Q.

[Unit:100million Yen]

	2009/6 1H	2010/6 1H			
		Plan	Result	vs.Plan Variance	Change
Booking	1,149 (-1%)	1,110 (-3.4%)	1,189 (+3.5%)	79	7%
Back-log	1,642	1,193	1,353		
Sales	1,081 (-7%)	1,000 (-8%)	923 (-14.6%)	-77	-8%
Operating Profit	38 (+3%)	-31 (-)	-20 (-)	11	-
Ratio	3.5%	-3.1%	-2.2%		
Net Income	14 (-38%)	-37 (-)	-12 (-)	25	-



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

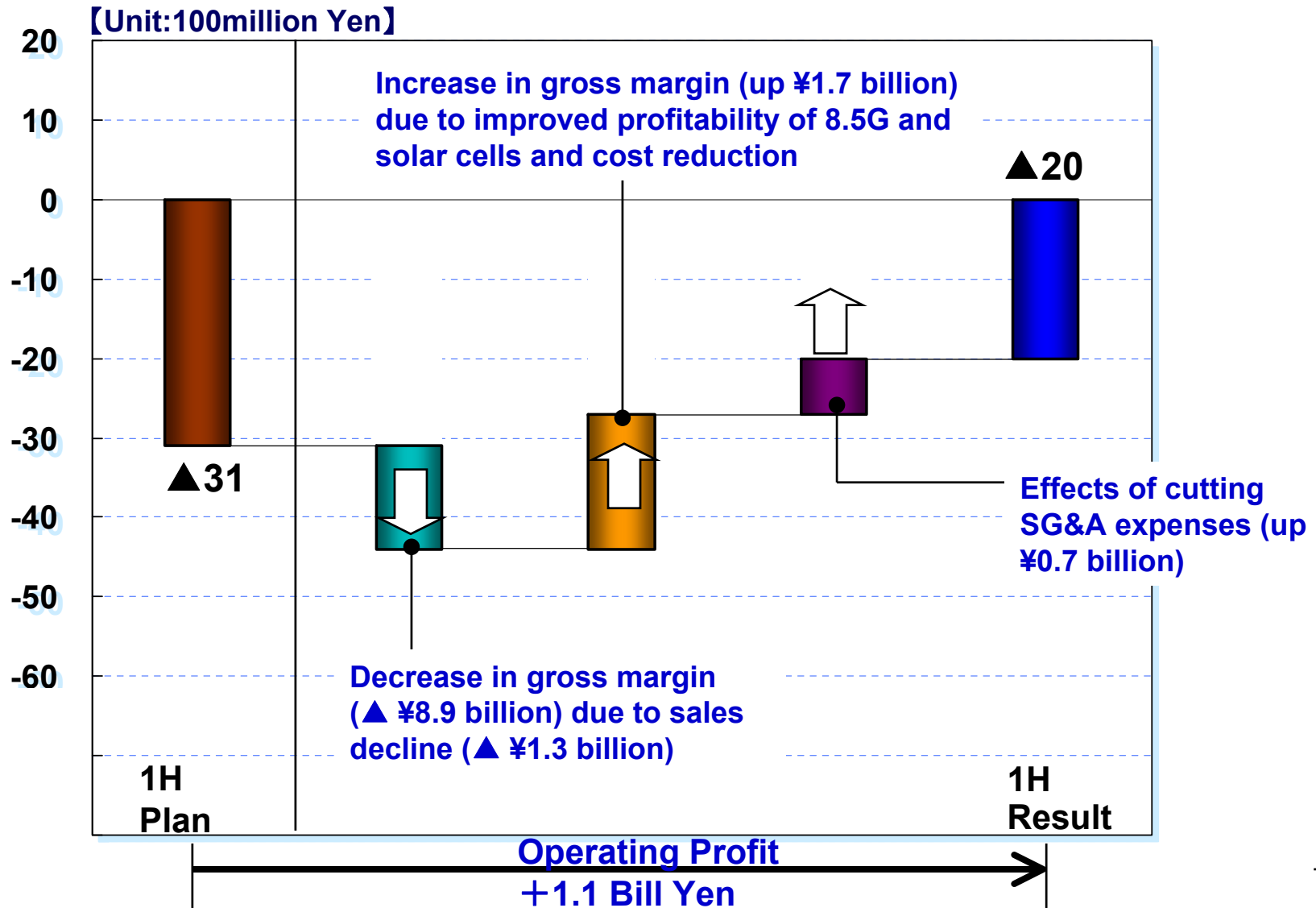
Sales performance by segment (1st H)

【Unit:100 million Yen】

10/6 1H				
Segment	Plan (Nov.12 Revised)	Result		Factor
		Sales	Vs.Forecast (Change)	
Vacuum Equipment Business	793	741	-7%	
FPD Production Equipment	360	347	-4%	Shift to 2H for installed equipment
PV Production Equipment	180	163	-9%	Shift from initial plan for booking schedule
Semiconductor & Electric Device Production Equipment	105	99	-6%	—
Component	95	84	-11%	Postponed capital spending related c-Si Solar cells
Industrial Equipment	53	48	-10%	—
Vacuum Application Business	207	182	-12%	—
Materials	107	101	-6%	Cost pressure from customer
Others	100	81	-19%	Postponed capital spending related control system
Total	1,000	923	-8%	

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

Analysis of Changes in Operating Income (10/6 1H)



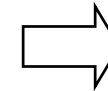
- Performance Summary for the Fiscal Year Ending 2010/6 (1st Half)
- **Prospects for the Fiscal Year Ending 2010/6**
- Business strategy

Hidenori SUWA, President and CEO

Management Environment and ULVAC's Response

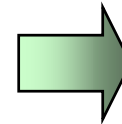
The whole market

- Risk of the world economy worsening again depending on the progress of each country's exit strategy
- Japan's risk of sinking into a double-dip recession due to deflation and yen appreciation
- Manufacturers from around the world are focusing on China. Other emerging countries are also following.



Unpredictable management environment

Actively invest in all fields such as LCD, PV(solar cell), automobiles, home electric appliances and general industries



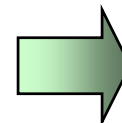
ULVAC's response

Reinforce the structure of local subsidiaries and increase orders received through quality improvements

FPD-related production equipment

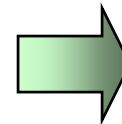
Demand for flat-screen TVs rebounded. New business trend consisting of Win 7, 3D TV, and electronic paper.

China's Investment has increased considerably.



Obtain orders based on a great deal of delivery records and reliable support systems

Inquiries about low-temperature poly silicon (LTPS) and organic EL rapidly increased.

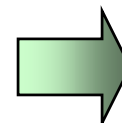


Obtain orders steadily based on timely development

PV(Solar cell) production equipment

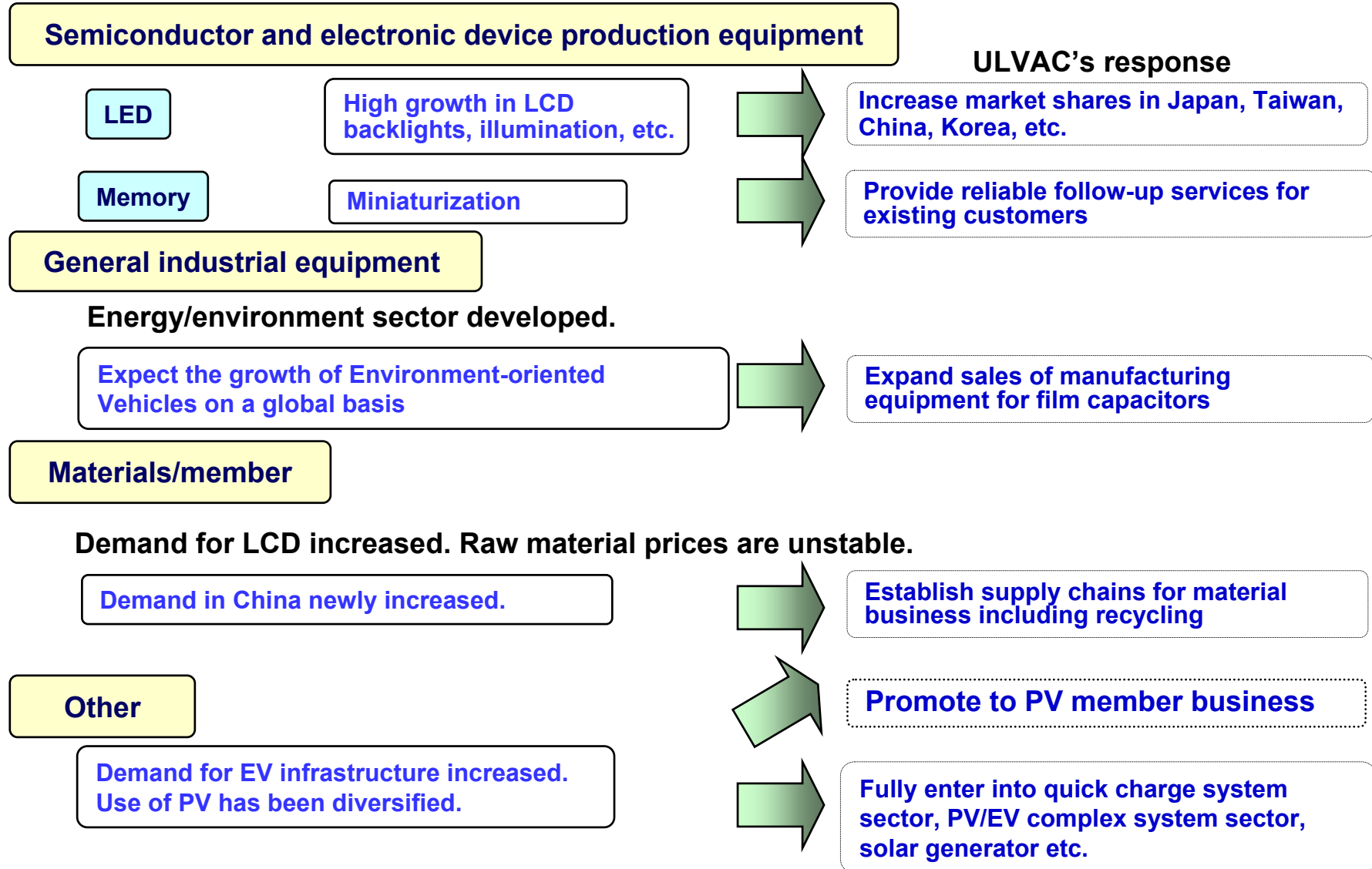
Global warming countermeasures went into full swing.

Inquiries are increasing, with the spread period approaching.



Accelerate the development of equipment for crystal-Si, Compound such as Cl(G)S, and thin-film Si to promote sales.

Management Environment and ULVAC's Response



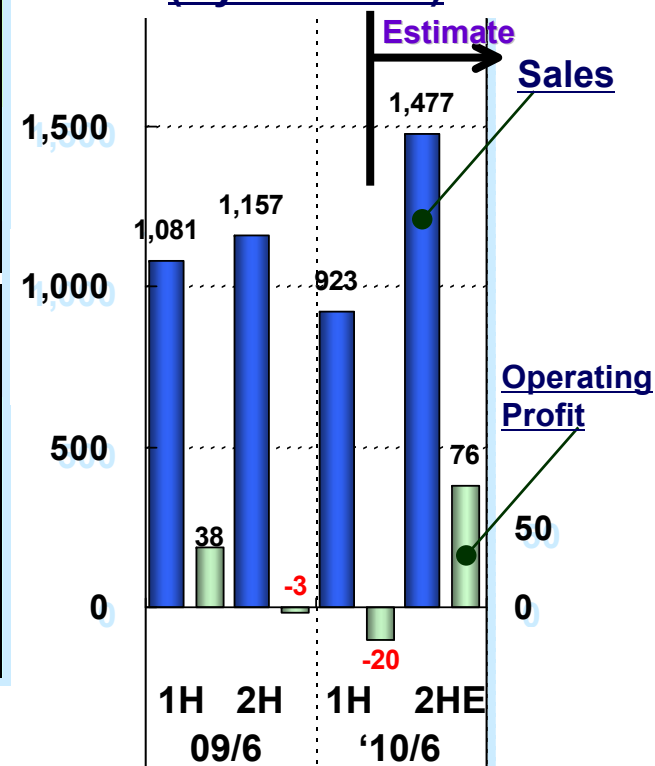
Forecast of '10/6 Full Year

The amount of orders received are expected to exceed the forecast in the FPD, semiconductor, and electronics sectors, while the recovery of PV sector is expected to lag. As for sales, sluggish sales of PVs are expected to be offset by the sales of FPD and semiconductors/electronics. As for business results, FPD and semiconductors/electronics are estimated to contribute, and Korea and China are expected to contribute in terms of territory.

【Unit:100million Yen】

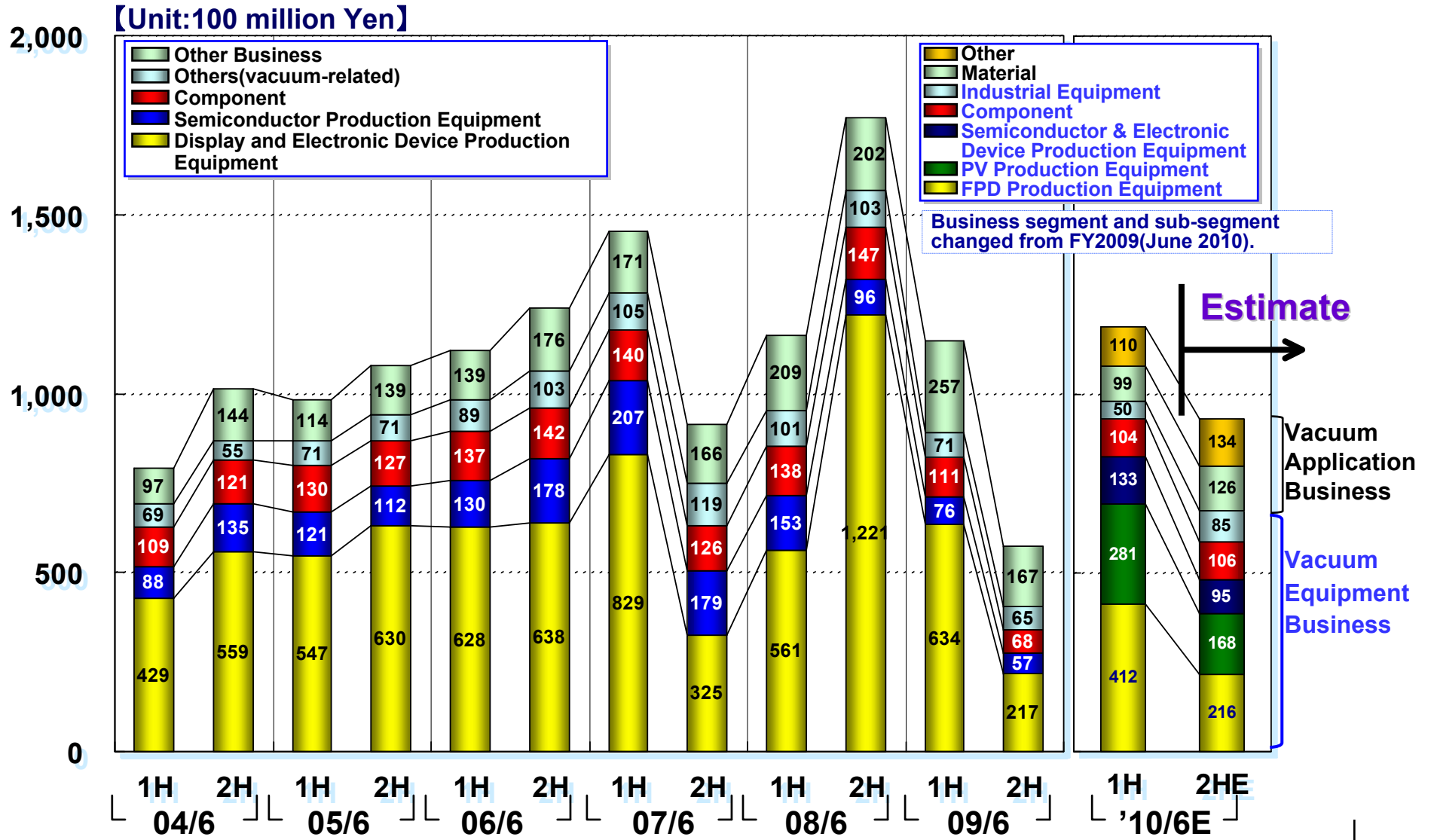
	2010/6 E		09/6 Result	vs.09/6 (Changes)
	1H Result	Full Year		
Booking	1,189 (+3.5%)	2,120	1,722 (-41%)	+23%
Back-log	1,353	799	1,079	
Sales	923 (-14.6%)	2,400	2,238 (-7%)	+7%
Operating Profit	-20 (—)	56	35 (-62%)	+61%
Ratio	-2.2%	2.3%	1.6%	
Net Income	-12 (—)	11	8 (-78%)	+36%

Sale and Operating Profit (By half Year)



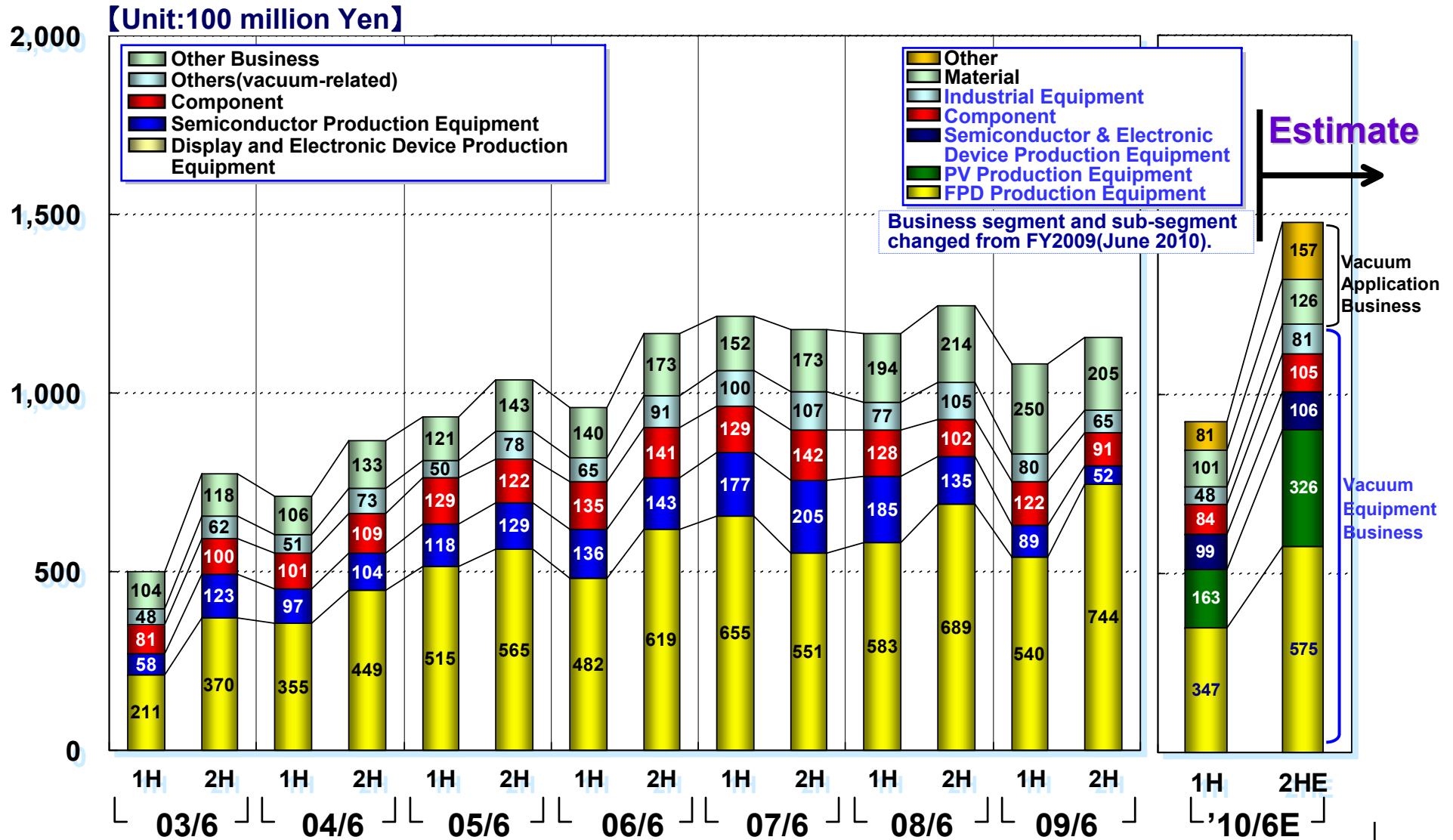
【Figures are rounded off to the nearest unit, and rates are rounded off to the nearest unit after being determined in millions of yen】

Transition of Orders received by segment - Estimate



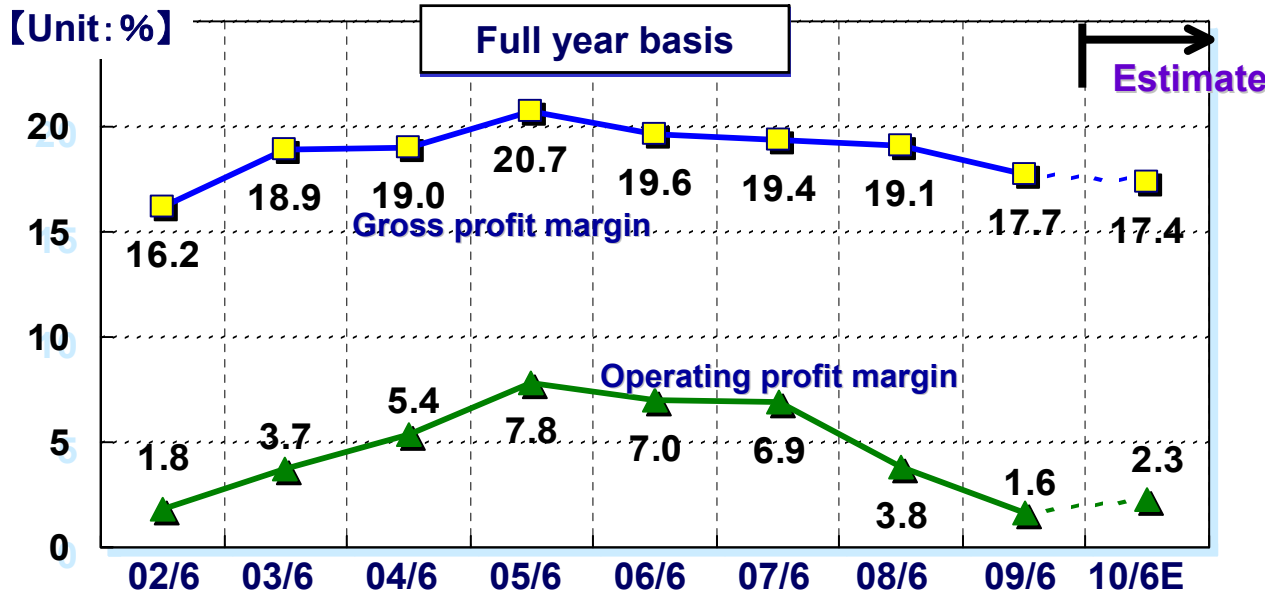
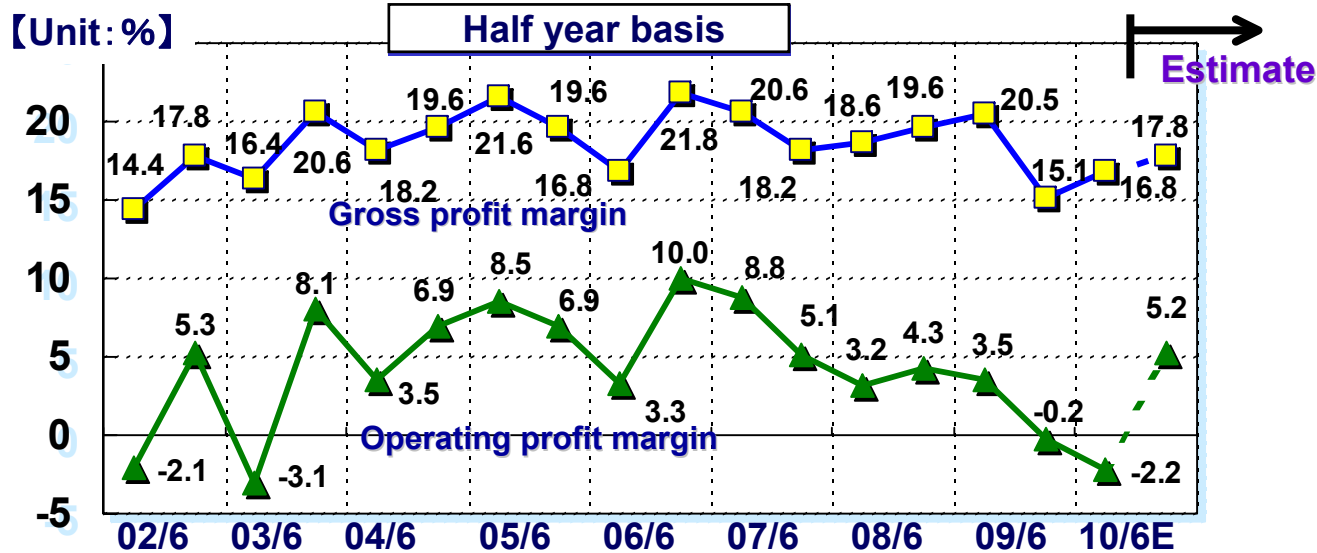
[Figures are rounded off to the first decimal place]

Transition of Net Sales by Segment - Estimate



[Figures are rounded off to the first decimal place]

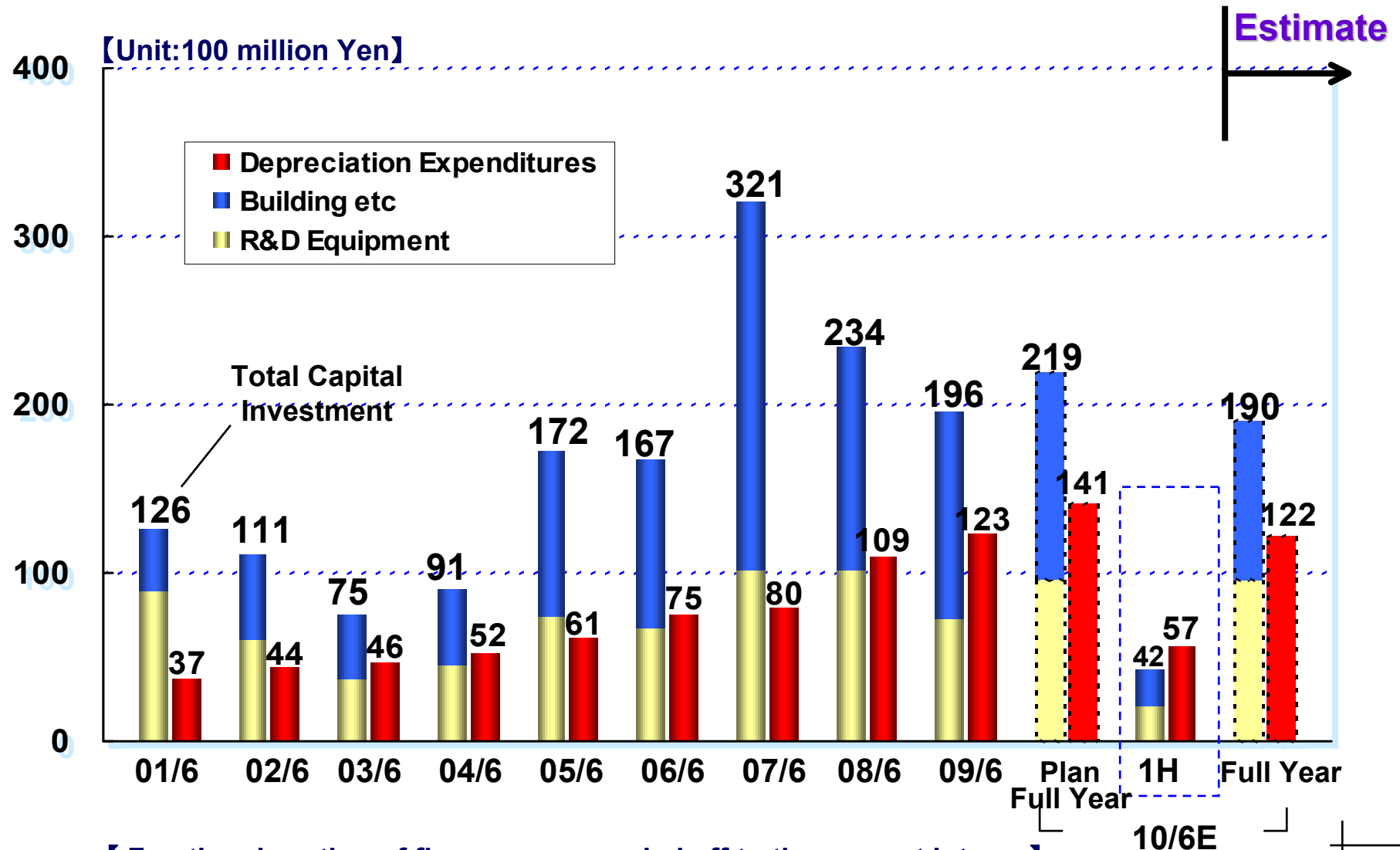
Outlook for profitability · Estimate



- Forecast for June 2010
- ▶ Earnings will improve in the latter half and recover in the full fiscal year.
- ⊕ Factors improving earnings for the latter half
 - ◆ Increase in sales due to recovery in orders received for LCD
 - ◆ Increase in profit due to increased sales of semiconductors
 - ◆ Sharp increase in sales due to recovery of PV (solar cell)-related products shipped for Japan

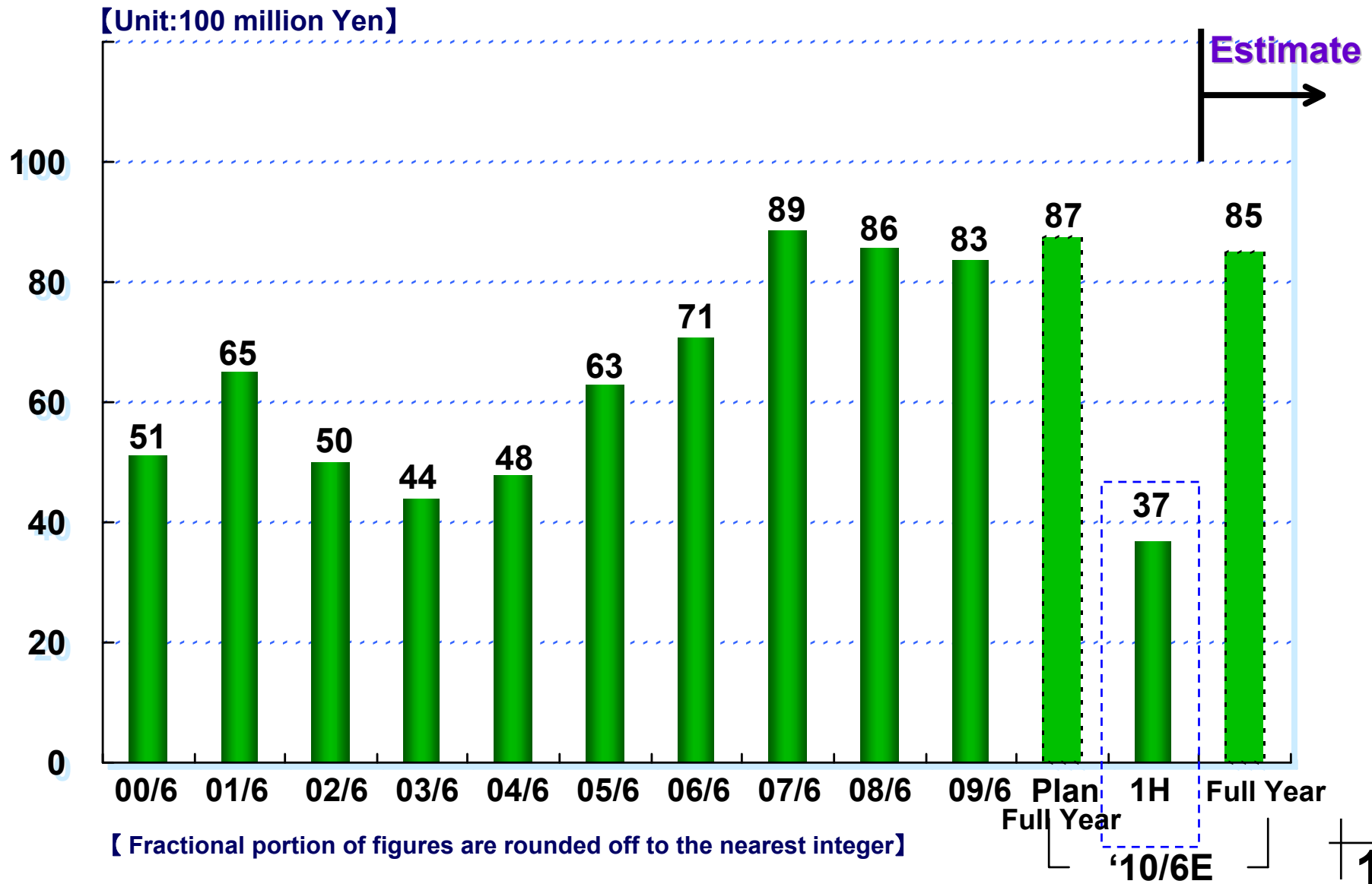
[Figures are rounded off to the first decimal place]

Transition of Capital Investments and Depreciation Expenditures · Estimate



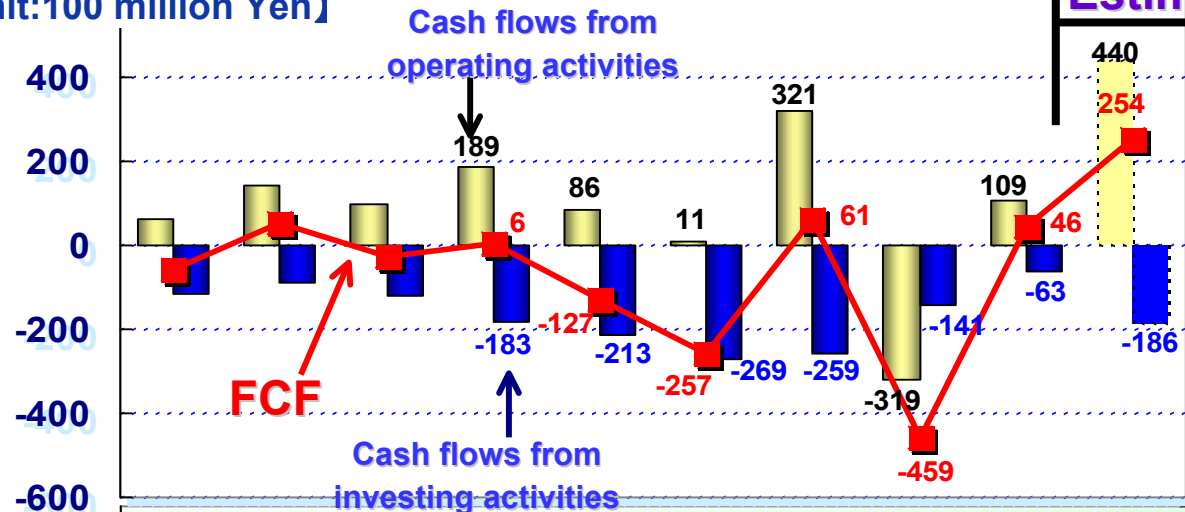
[Fractional portion of figures are rounded off to the nearest integer]

Transition of R&D Expenditures • Estimate



Cash Flow and Liabilities with Interests · Estimate

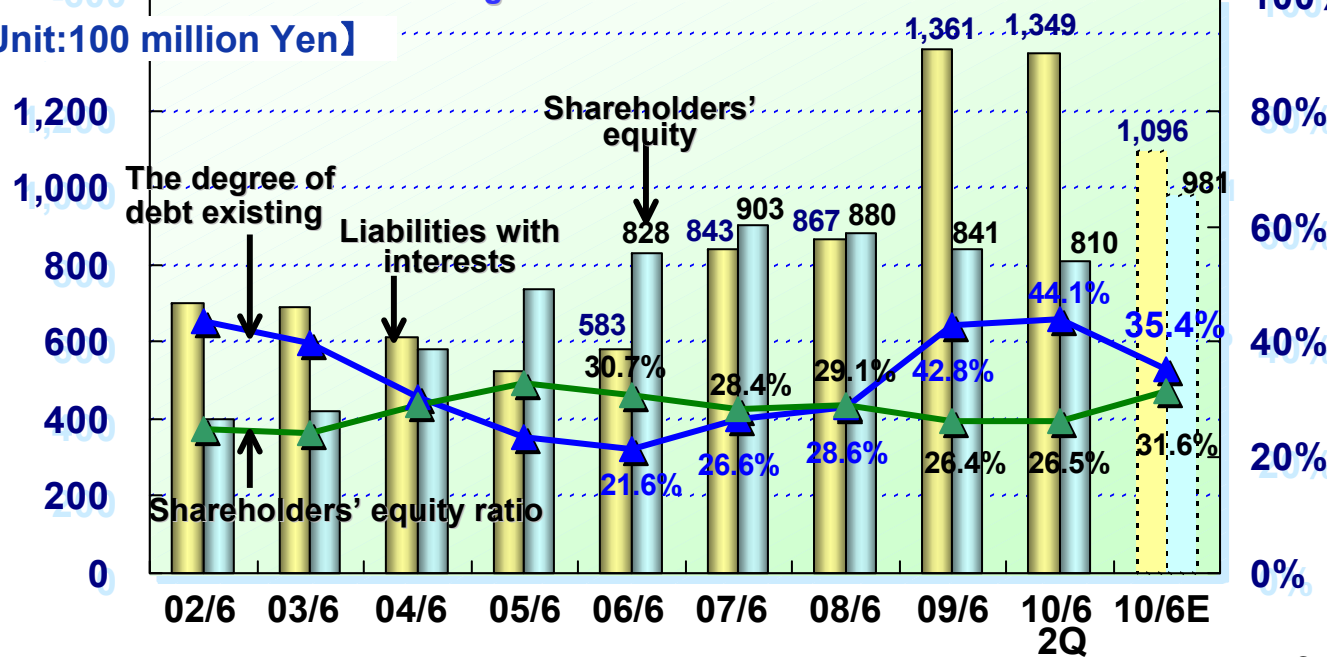
[Unit:100 million Yen]



Estimate

In order to Implement growth strategic investment, provided for the financing by public offering on Jan.7th,2010 (14.8 bill Yen)

[Unit:100 million Yen]



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

- Performance Summary for the Fiscal Year Ending 2010/6 (1st Half)
- Prospects for the Fiscal Year Ending 2010/6
- **Business strategy**

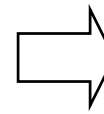
Hidenori SUWA, President and CEO

Capital Increase (Purpose of Funds/Classification by Theme)

- Funds procured by capital increase (Jan.2010) Approx. ¥14.7 billion (*)
Purpose : Expansion of PV business, Material business and the business in China

- ▶ **Energy/Environment-related ¥8.2 billion**

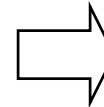
- R&D of solar cell-related equipment (¥7.1 billion)
- R&D of environment-oriented vehicles and secondary battery-related equipment (¥1.1 billion)



Improvement of power generation efficiency and reduction of thin film Solar cell in unit price per watt

- ▶ **Resource/Materials business-related ¥4.1 billion**

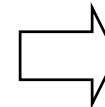
- Capital investment for the Kagoshima Plant (¥1.6 billion)
 (Target materials for PV and large-screen displays)
- Research & development (New products, performance upgrade, recycling method, etc.) (¥2.5 billion)



Synergy effect of materials and equipment as a perfect combination

- ▶ **Investment in China ¥1.1 billion**

- China: Capital contribution to ULVAC (Suzhou) Co., Ltd. (¥500 million)
 (Funds for plant expansion to produce LED manufacturing equipment)
- Repayment of the loan for the funds to establish a R&D company (¥600 million)
 (Improvement of the reliability, sales support, etc., of the LED production equipment produced in China)



Acceleration of the business in China

- ▶ **Other ¥1.3 billion**

- Research and development of LED production equipment (¥800 million)
- Repayment of loans (¥500 million)

(*) General public offering; Approximate amount of issuing costs is discounted.

Solar Cell-related Development

- ▶ Develop the tandem-type turnkey equipment capable of improving both power generation efficiency and generation costs by means of thin-film Si solar cells, and start selling them. Aim to further improve power generation efficiency.
- ▶ Set up the Solar Cell Evaluation Center jointly with TÜV Rheinland. Not only the seamless equipment but also the certification and sales of parts are possible. Aim to expand the solar cell-related business.
- ▶ Commercialize the charge system that combines the photovoltaic power generation equipment and the quick charger for electric vehicles (EV). Implement active sales expansion both inside and outside Japan.



CVD equipment for microcrystal silicon

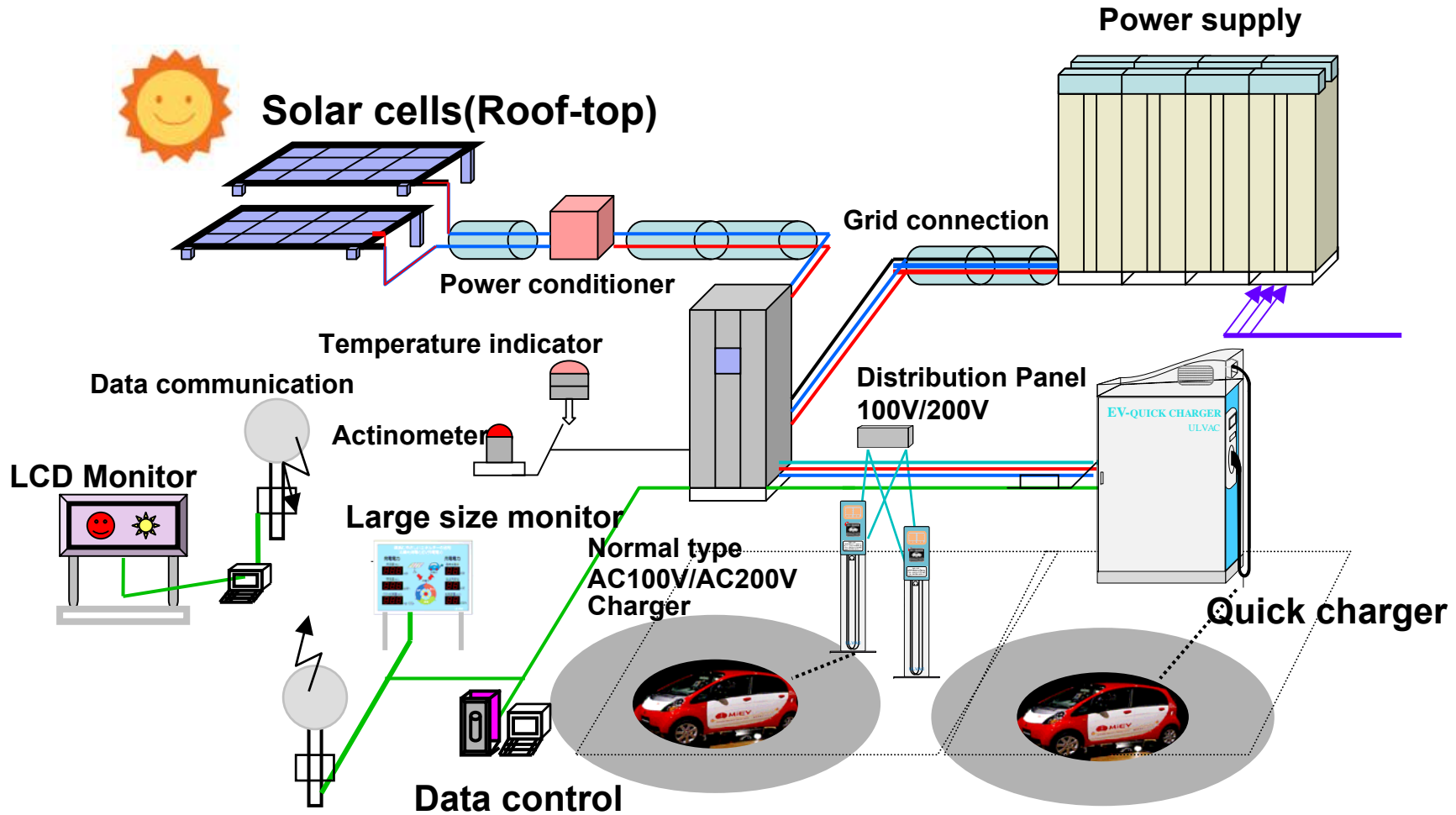


Solar Cell Evaluation Center

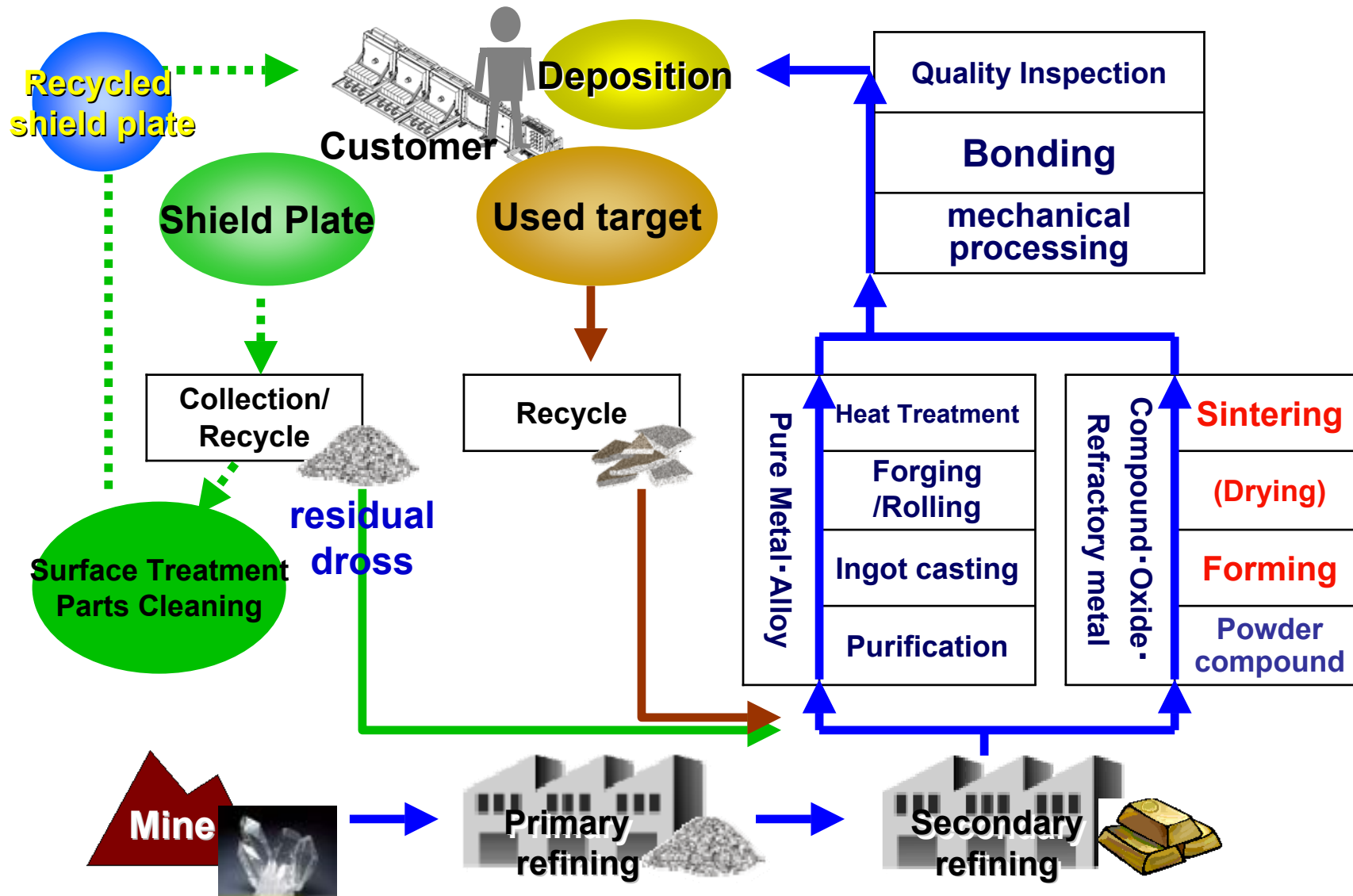


Quick charge system set up at Chigasaki Head Office/Plant

Photovoltaic Power Generation + EV Charge System Architecture



Capex Plan for Material Business

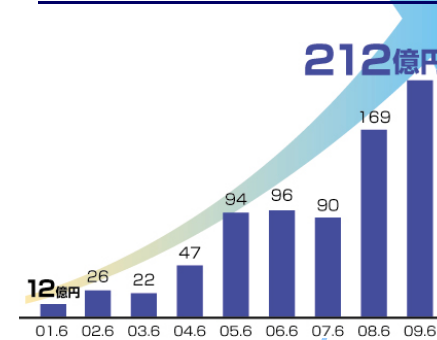


Accelerate the Expansion in the Growing Chinese Market

■ Growth of the business in China (04/6→09/6)

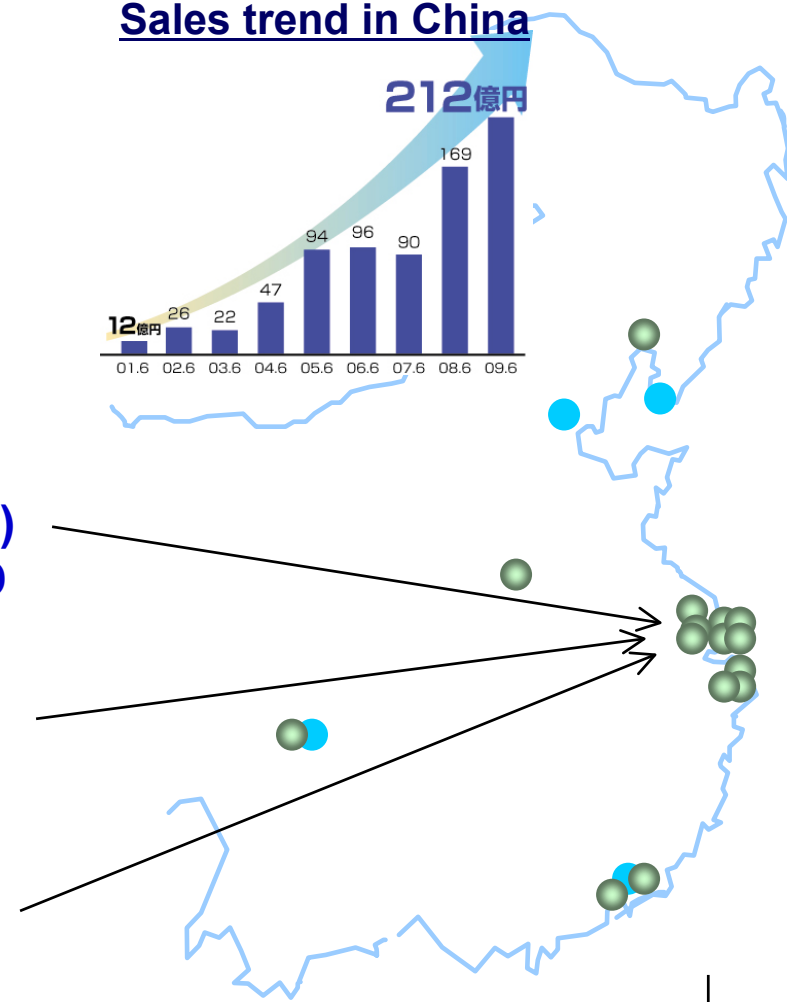
- ▶ Promote business expansion (3 companies→15 companies)
- ▶ Sales increased (¥4.7 billion→¥21.2 billion)

Sales trend in China



■ Further expansion

- ▶ Expand the plant of ULVAC (SUZHOU) Co.,Ltd to increase production of LED production equipment
- ▶ Established ULVAC Research Center SUZHOU Co.,Ltd o develop LED production equipment
- ▶ Promote material business through ULVAC Materials Suzhou



Innovation begins

in a vacuum

ULVAC

Balance Sheet (Assets)

【Unit:100million Yen】

	09/6 1H	09/6	10/6 1H	Changes
Current Assets	2,278	1,993	1,890	△ 103
Fixed Assets	1,214	1,188	1,169	△ 18
Property, plant and equipment	1,000	965	932	△ 34
Intangible assets	37	38	45	6
Investments	176	184	193	9
Total assets	3,492	3,181	3,060	△ 121

Assets: Down 12.1 Bill Yen

Current Assets: Down 10.3Bill Yen

- ◆Notes and accounts receivable,trade
Up 3.2Bill Yen (Due to increase sales)
- ◆Inventories
Down 12.0Bill Yen (Due to increase sales)

Fixed Assets: Down 1.8Bill Yen

- ◆Property, plant and equipment
Down 3.4Bill Yen (Due to depreciation)

【Figures included in the balance sheet are rounded off to the nearest unit and may not coincide with the total.】

Balance Sheet(Liabilities and Net assets)

【Unit:100million Yen】

	09/6 1H	09/6	10/6 1H	Changes
(Liabilities)				
Current liabilities	2,013	1,518	1,435	△ 83
Fixed liabilities	567	762	768	7
Total liabilities	2,581	2,279	2,203	△ 76
(Net assets)				
Total net assets	911	902	857	△ 45
Total liabilities and net assets	3,492	3,181	3,060	△ 121

Liabilities : Down 7.6Bill Yen

- ◆Notes and accounts payable,trade
Down 5.1Bill Yen (Due to decrease Orders)
- ◆Short-term borrowing
Down 4.6Bill Yen (Due to an decrease in working capital)

Net assets: Down 4.5Bill Yen

- ◆Net income
1.2 Bill Yen booked
- ◆Valuation/conversion difference,etc
Down 0.7 Bill Yen
(Due to decreased by foreign exchange of subsidiaries)
- ◆Minority interests
Down 1.3Billion Yen

【Figures included in the balance sheet are rounded off to the nearest unit and may not coincide with the total.】

Main New Plants and New Bases ('10/6)

China

■ **ULVAC Materials Suzhou**



◆ Started construction in Oct. 2009,
Will start operation in July 2010

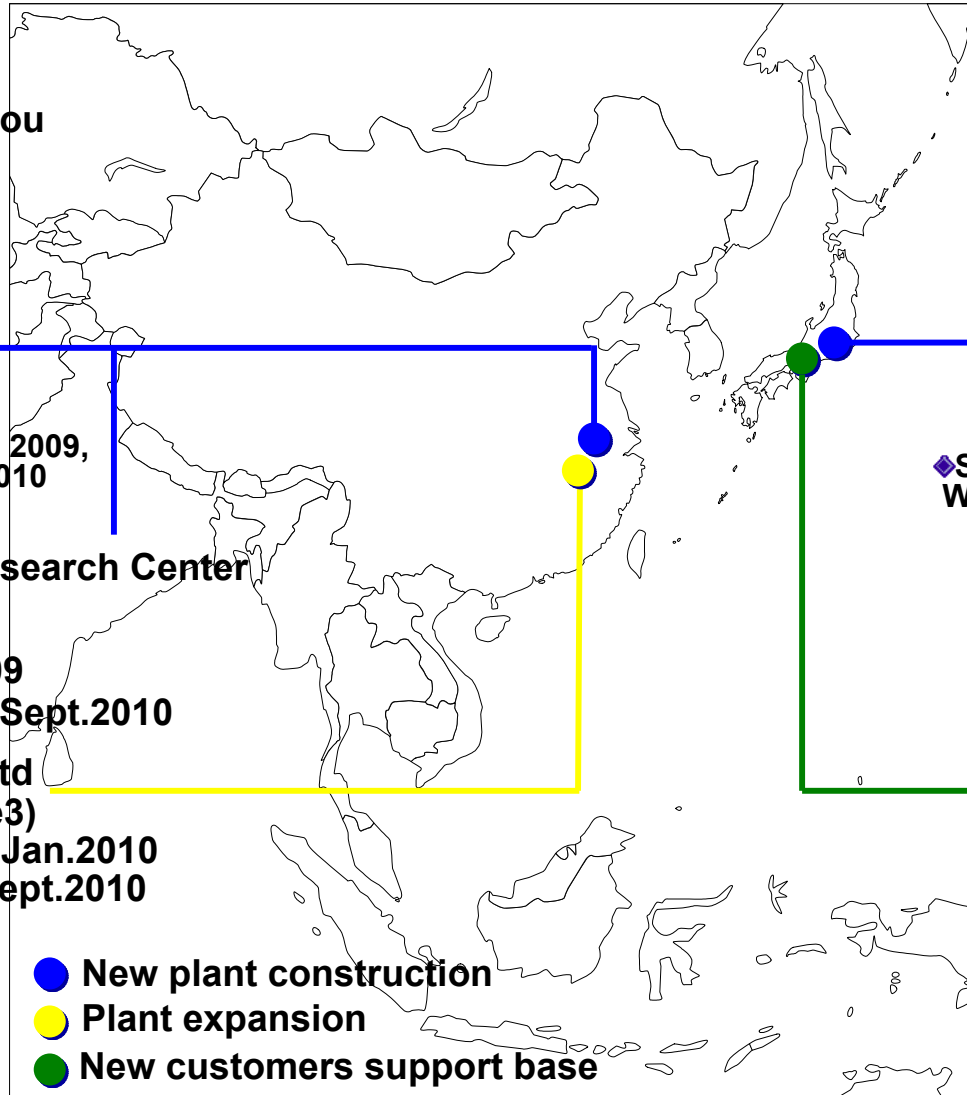
■ **Established ULVAC Research Center
SUZHOU Co.,Ltd**

◆ Established in Dec.2009
Will start operation in Sept.2010

■ **ULVAC (SUZHOU)Co.,Ltd
Expansion Plant (Phase3)**

◆ Started construction in Jan.2010
Will start operation in Sept.2010
(Suzhou)

- New plant construction
- Plant expansion
- New customers support base



Japan

■ **New Chiba Institute
for Super materials**



◆ Start construction in July 2009,
Will start operation in Mar.2010

(Tomisato, Chiba)

■ **New Customers
Support Center**

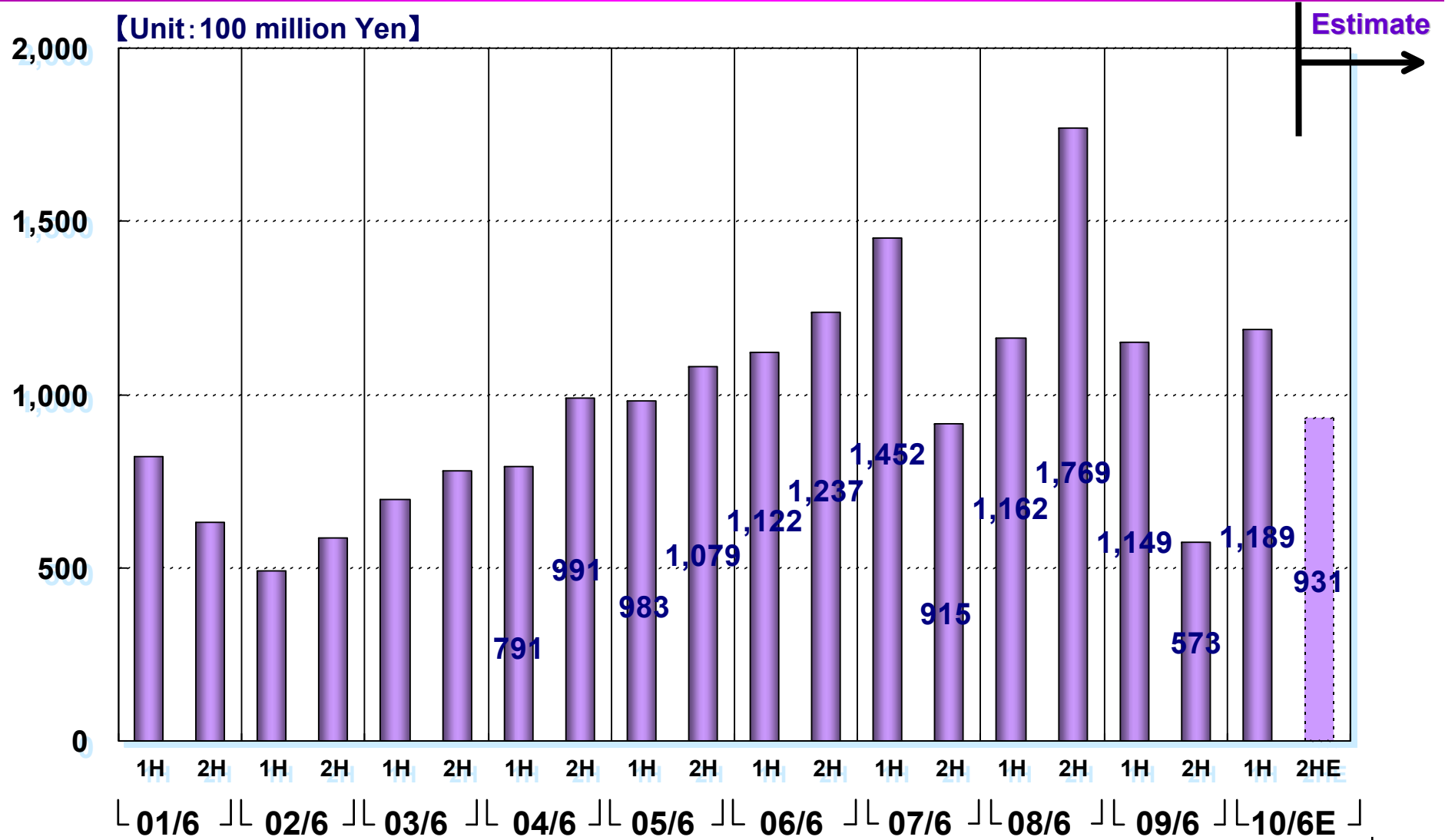


◆ Started operation in
Nov.2009

(Hashimoto, Wakayama)

Transition of Orders received - Estimate

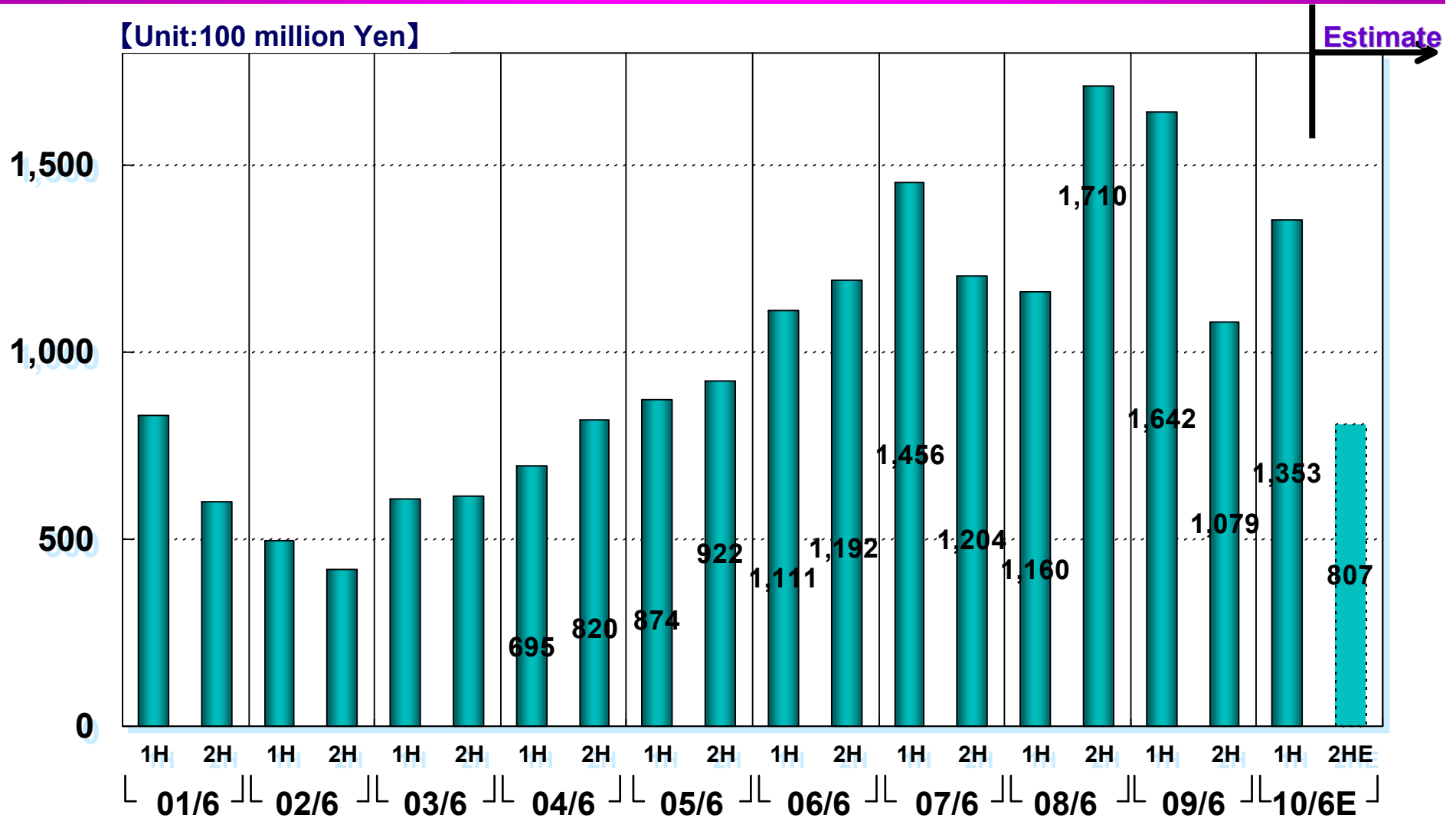
Appendix



[Figures are rounded off to the first decimal place]

Transition of Orders Backlogs - Estimate

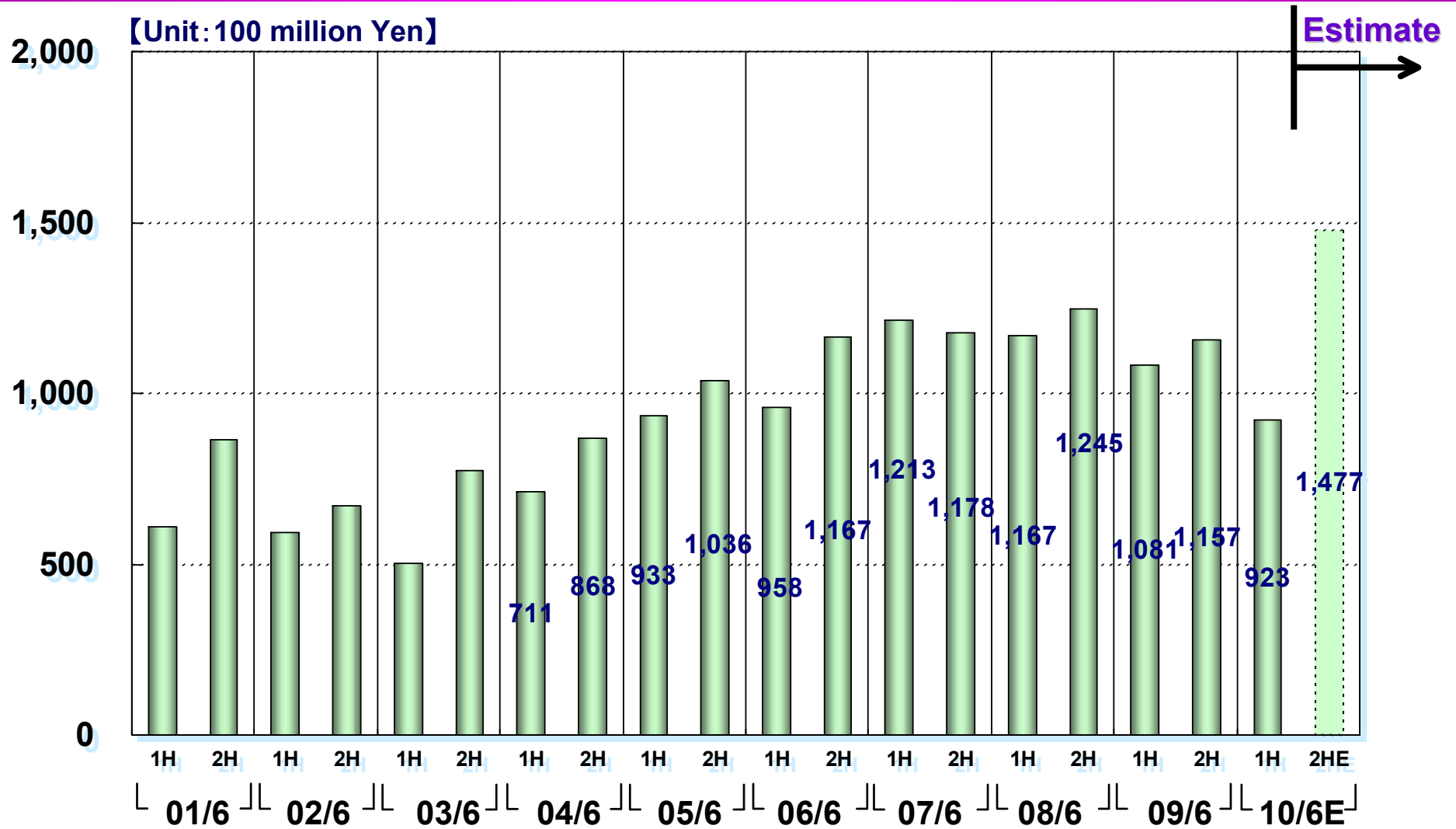
Appendix



[Figures are rounded off to the first decimal place]

Transition of Net Sales - Estimate

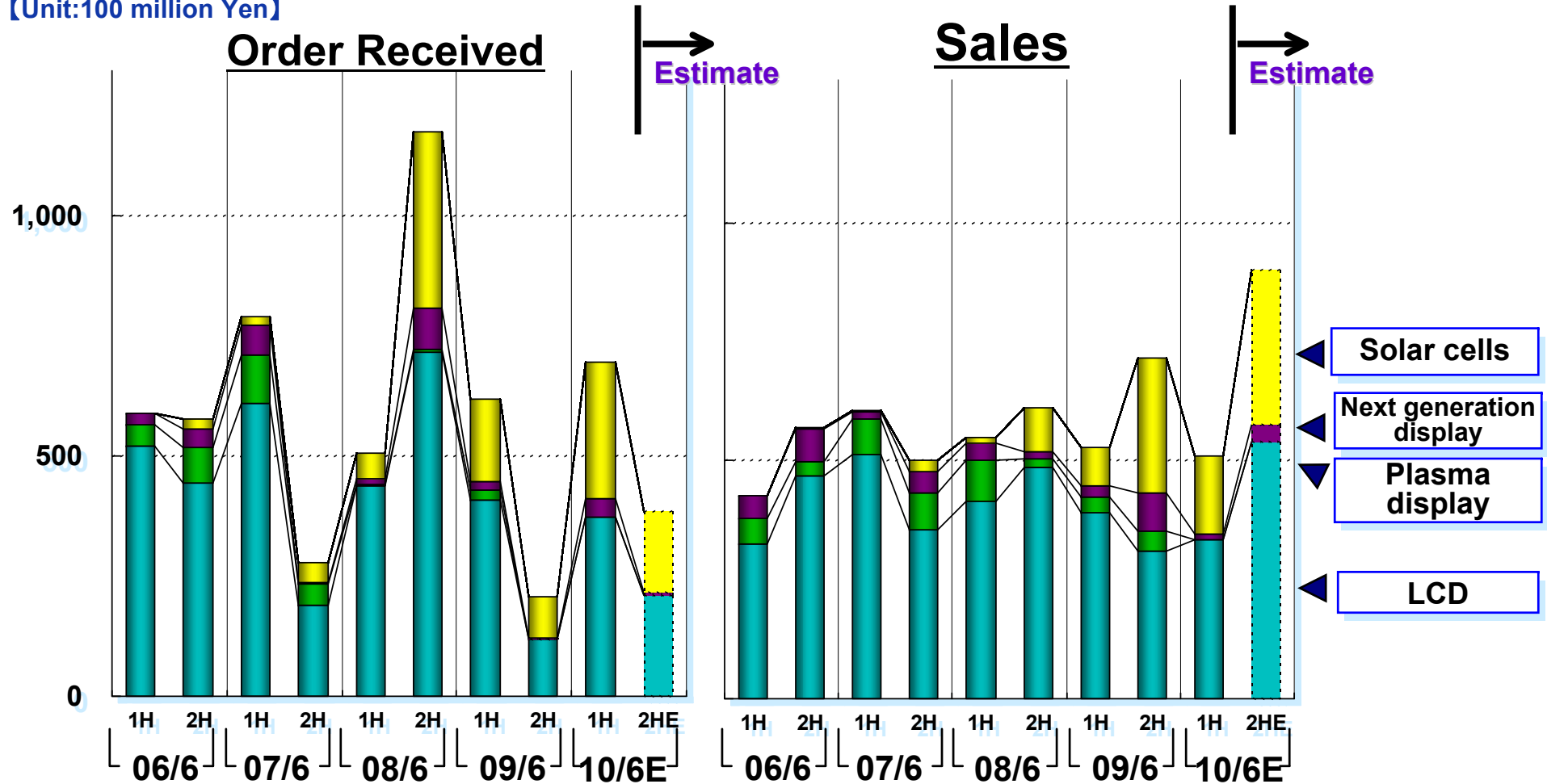
Appendix



[Figures are rounded off to the first decimal place]

Transition of Flat Panel Display and PV Production Equipment

[Unit:100 million Yen]

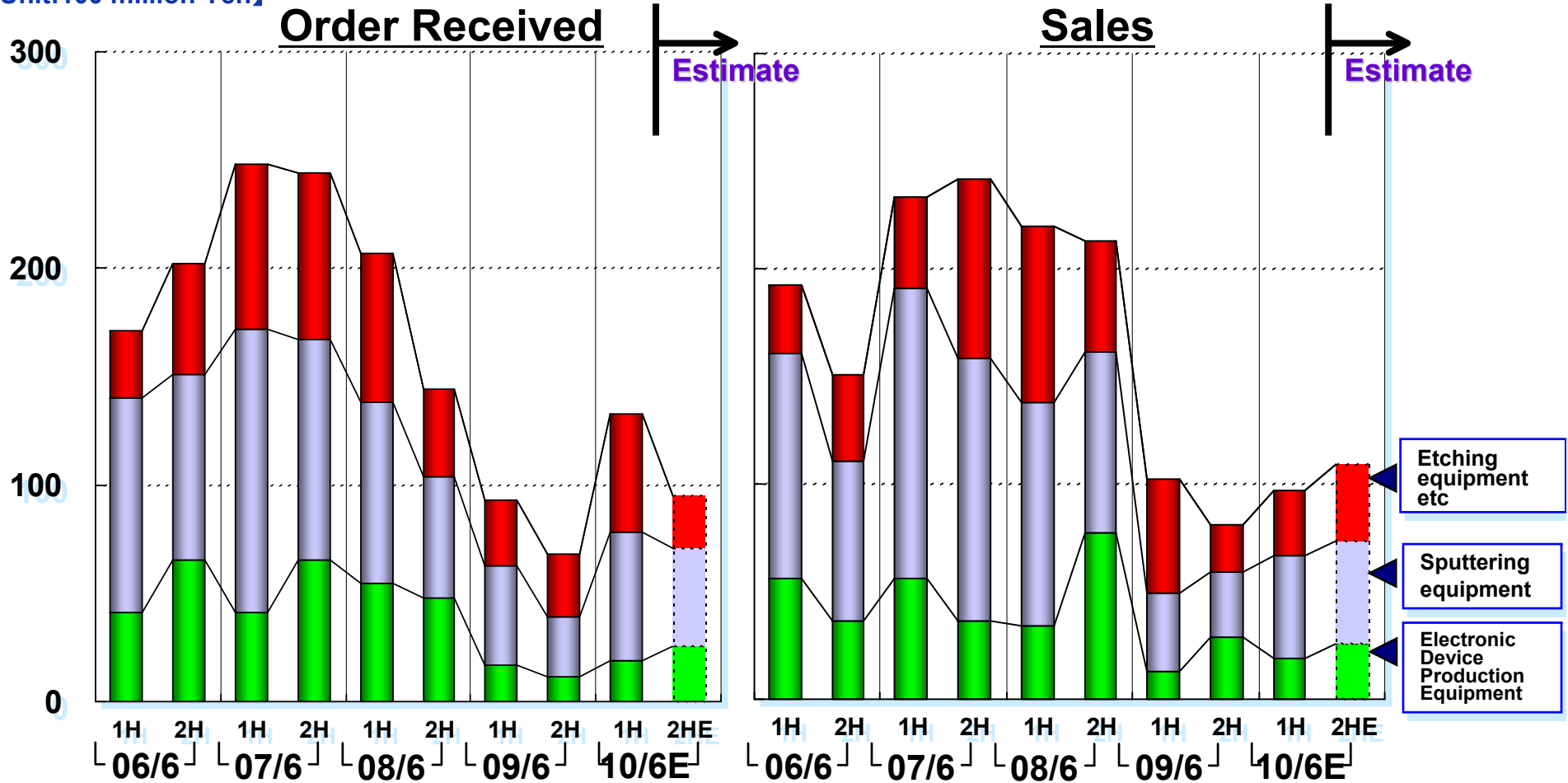


Current order outlook:

- ◆ For LCD, Capital spending restarted mainly South Korea, China and Taiwan.
- ◆ Growing inquiry for Organic LEDs and LTPSs (Low Temp. Poly Silicon) LCD equipment.
- ◆ Growing orders mainly Japanese Solar companies. Other nations in Asia may wait and see

Semiconductor and Electronic Device Production Equipment

[Unit:100 million Yen]

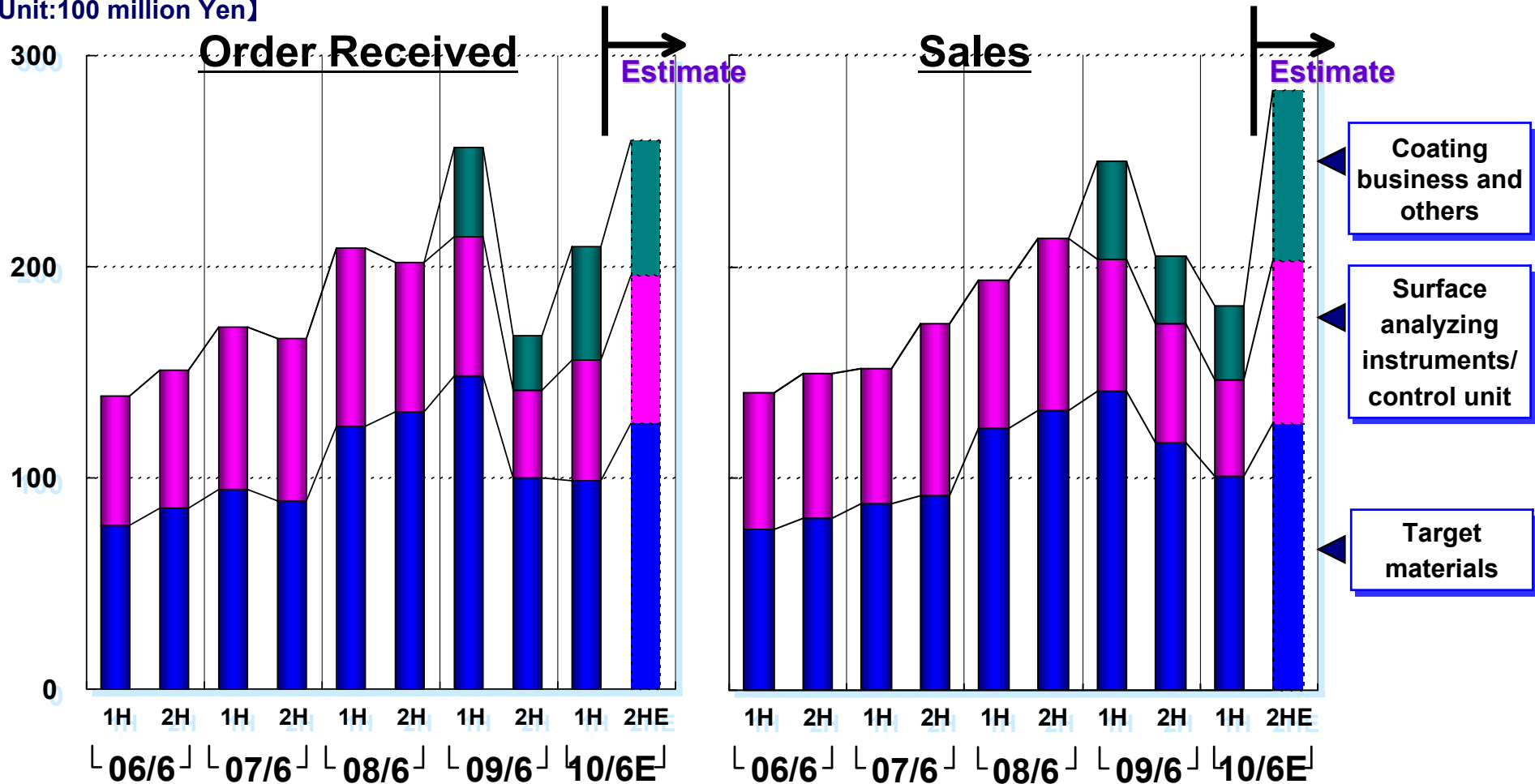


Current order outlook

- ◆ Due to miniaturization, growing order of DRAM and Flash memories in Taiwan and South Korea.
- ◆ Growing inquiry for LED related in Japan ,South Korea,Taiwan,China.

Transition of Vacuum Application Businesses

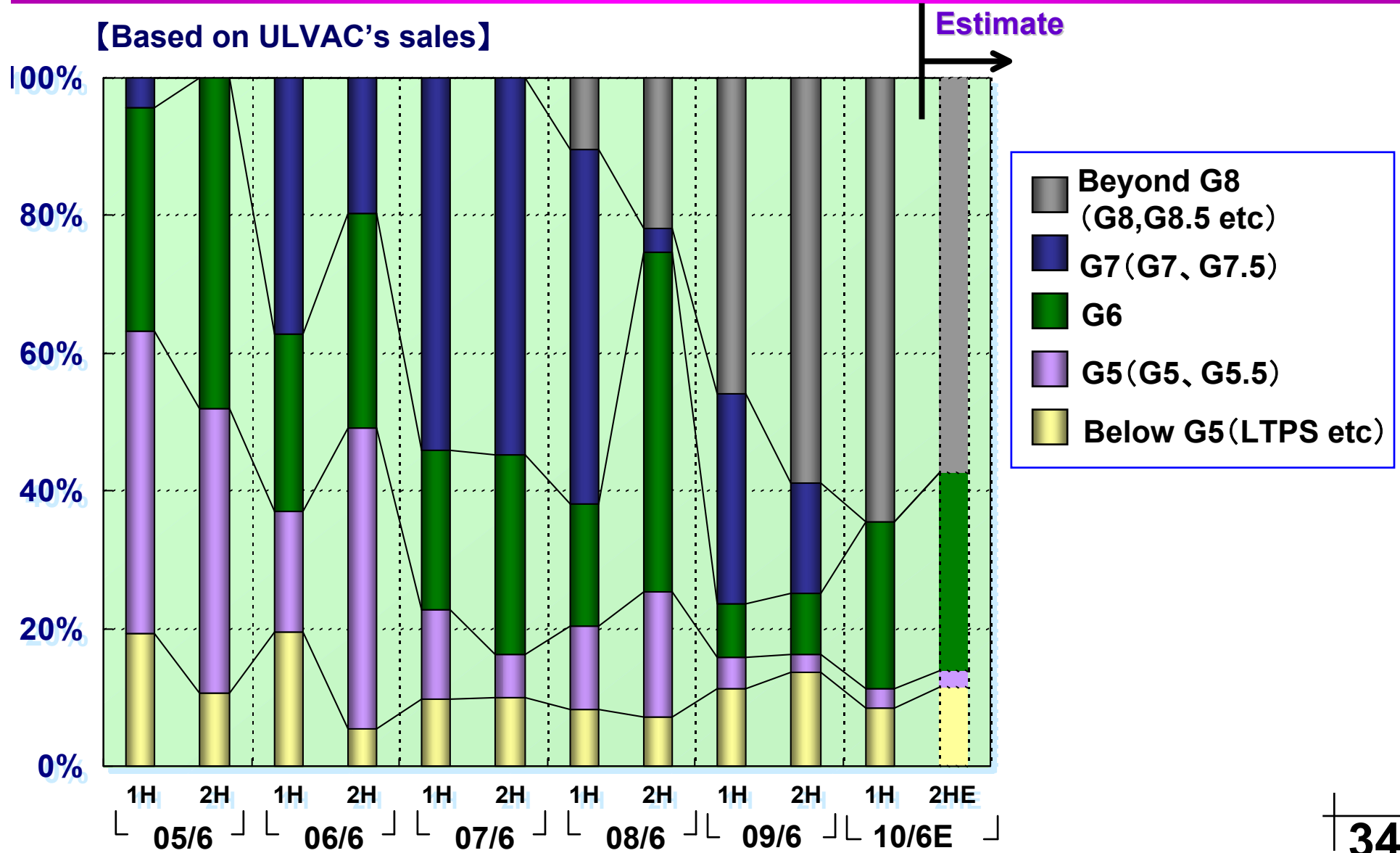
[Unit:100 million Yen]



Current order outlook

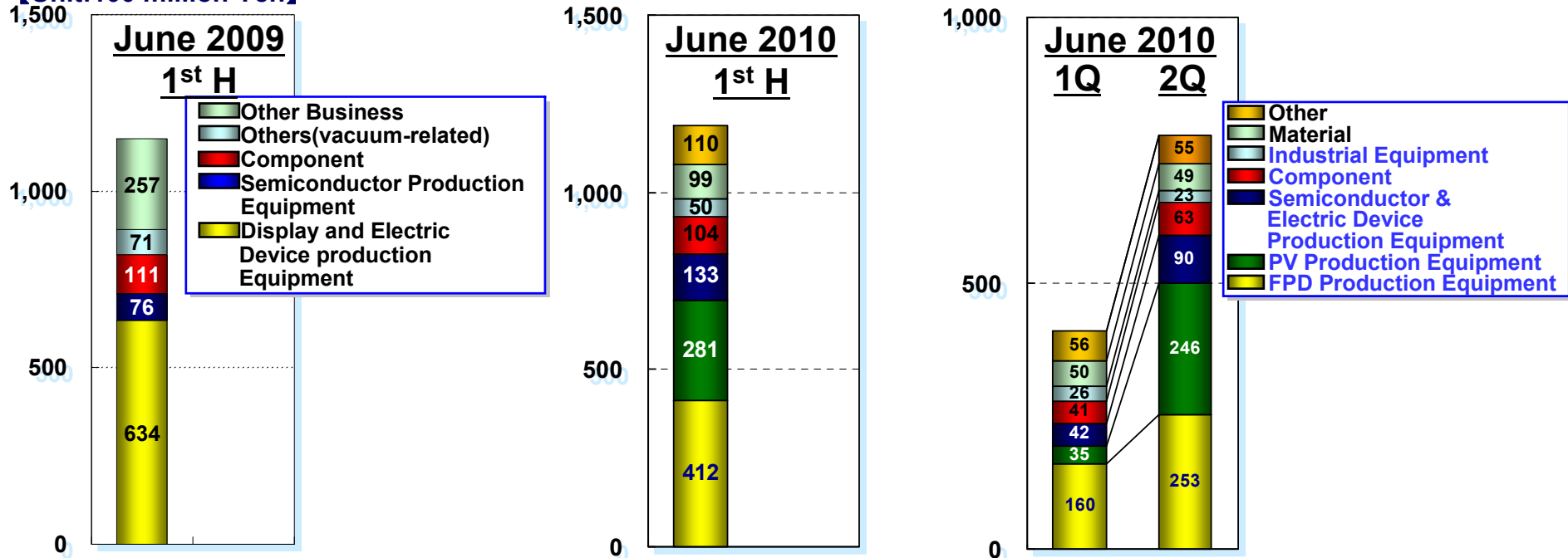
- ◆ For LCD related, improve operating rate with the sputtering target business recovering. South Korea, Taiwan and China are expected.
- ◆ Growing orders of used machine business bound for China are expected.

Transition of generations of LCD production equipment



Order received by Segment

[Unit:100 million Yen]



09/6 1H		
Segment	Order	%
Vacuum Related Business	892	78%
Display and Electric Device Production Equipment	634	55%
Semiconductor Production Equipment	76	7%
Component	111	10%
Other	71	6%
Other Business	257	22%
Total	1,149	100%

10/6 1H		
Segment	Order	%
Vacuum Equipment Business	980	82%
FPD production equipment	412	35%
PV production equipment	281	24%
Semiconductor and Electric device Production Equipment	133	11%
Component	104	9%
Industrial Equipment	50	4%
Vacuum Application Business	209	18%
Materials	99	8%
Other	110	9%
Total	1,189	100%

1Q		2Q	
Order	%	Order	%
305	74%	675	87%
160	39%	253	32%
35	9%	246	32%
42	10%	90	12%
41	10%	63	8%
26	6%	23	3%
106	26%	104	13%
50	12%	49	6%
56	14%	55	7%
411	100%	779	100%

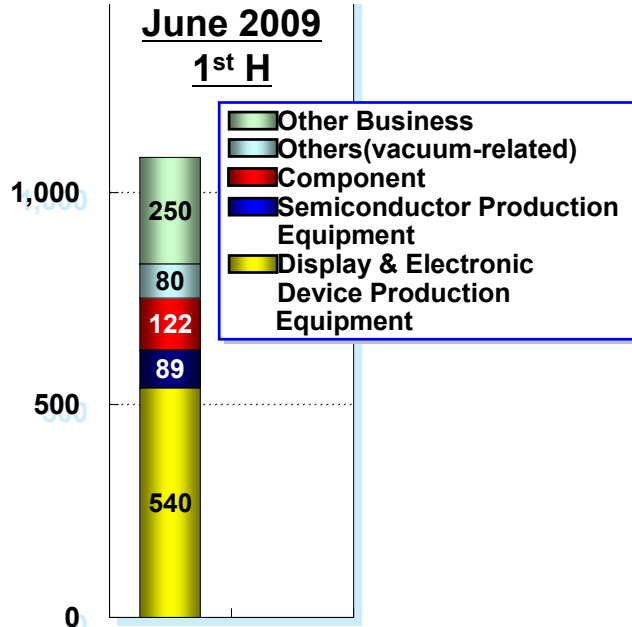
(Note)

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

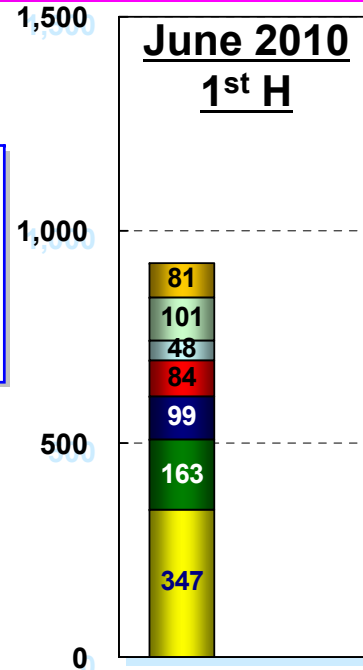
2) Figures indicated above are rounded off to the nearest unit and may not coincide with the total.

Net Sales by Segment

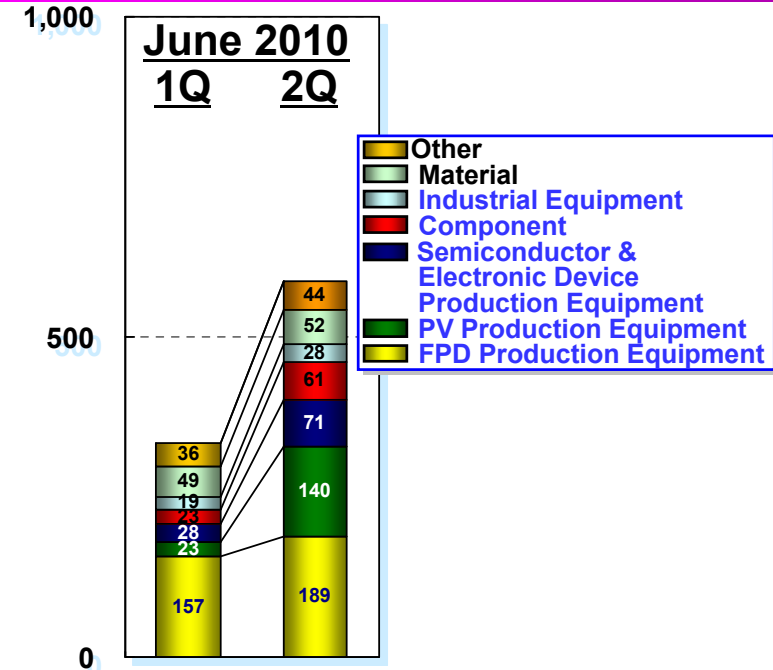
[Unit:100 million Yen]



09/6 1H		
Segment	Sales	%
Vacuum Related Business	831	77%
Display and Electronic Device Production Equipment	540	50%
Semiconductor Production Equipment	89	8%
Component	122	11%
Other	80	7%
Other Business	250	23%
Total	1,081	100%



10/6 1H		
Segment	Sales	%
Vacuum Equipment Business	741	80%
FPD production equipment	347	38%
PV production equipment	163	18%
Semiconductor and Electronic device Production Equipment	99	11%
Component	84	9%
Industrial Equipment	48	5%
Vacuum Application	182	20%
Materials	101	11%
Other	81	9%
Total	923	100%



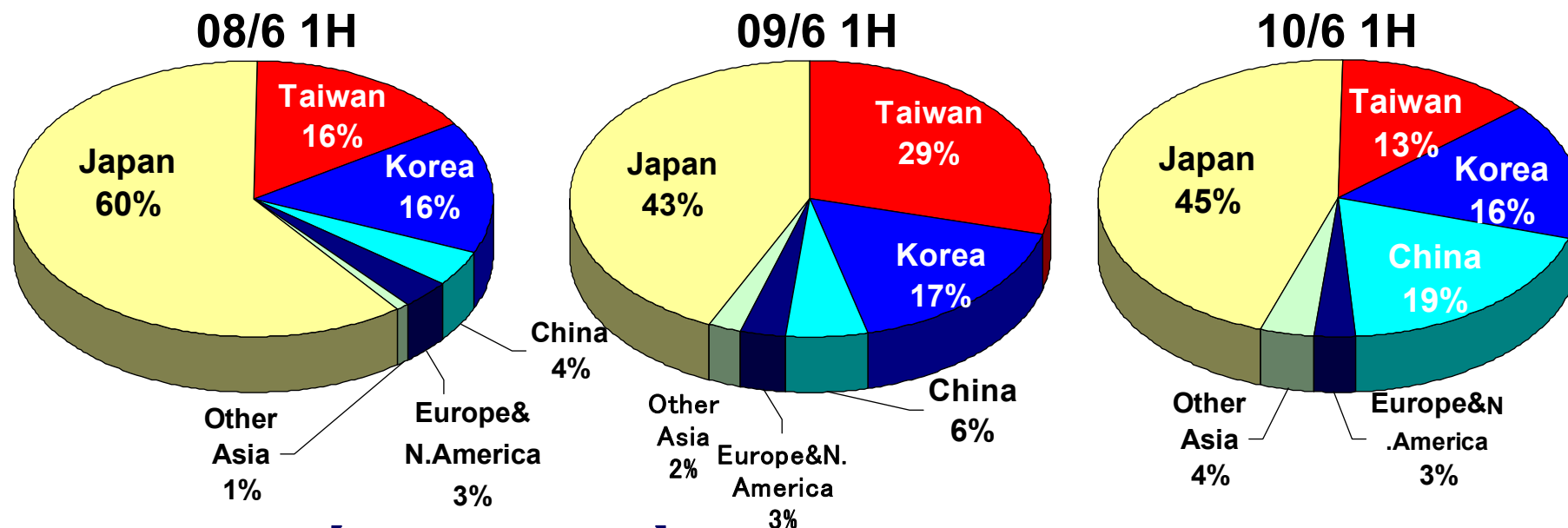
1Q		2Q	
Sales	%	Sales	%
251	75%	490	83%
157	47%	189	32%
23	7%	140	24%
28	8%	71	12%
23	7%	61	10%
19	6%	28	5%
85	25%	97	17%
49	14%	52	9%
36	11%	44	8%
336	100%	586	100%

(Note)

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

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

Transition of Net Sales Percentage by Geographical Area



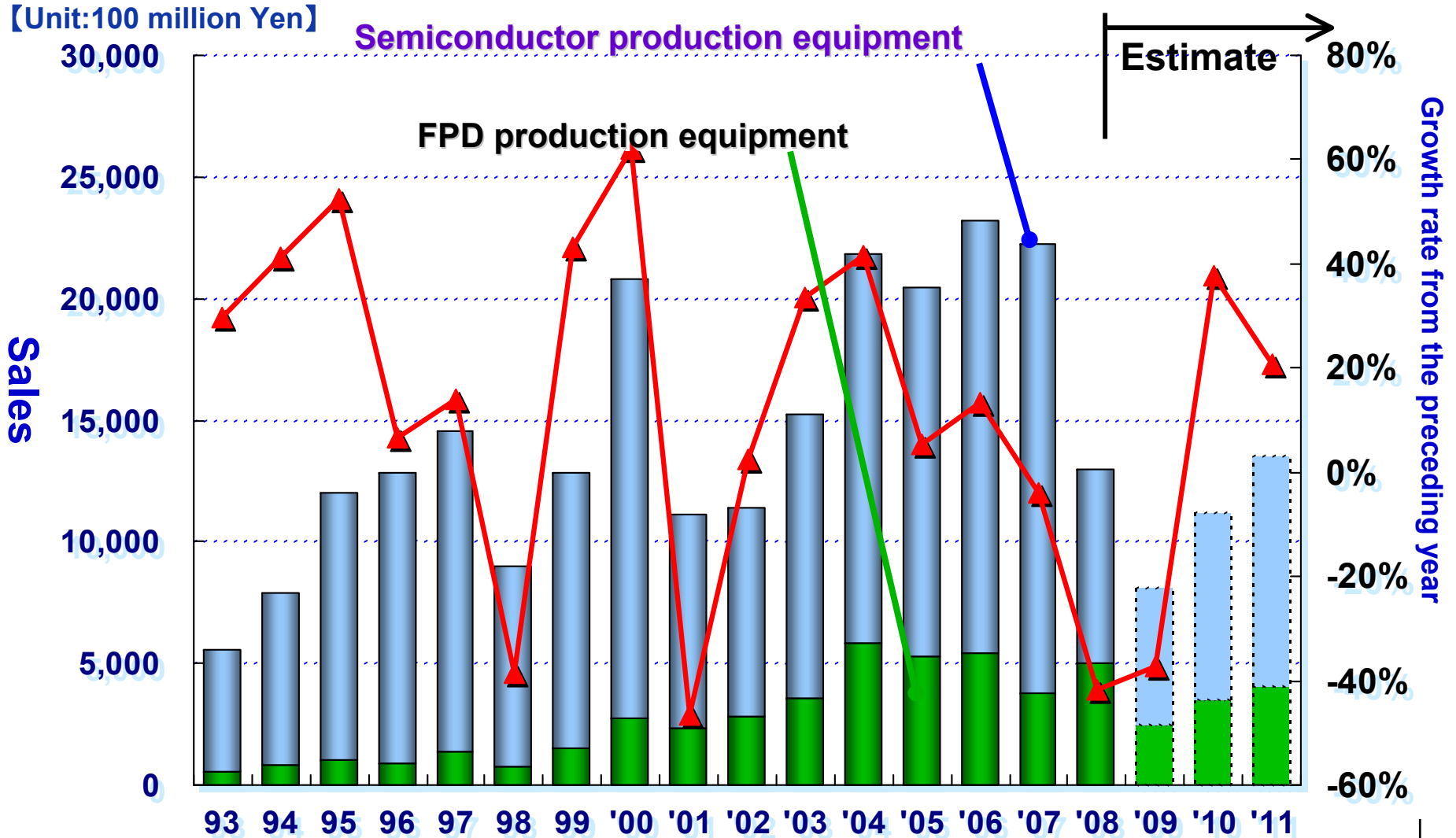
[Unit:100 million Yen]

Region	08/6 1H	09/6 1H	10/6 1H
Japan	707	464	415
Taiwan	182	316	123
Korea	182	184	149
China	47	60	176
Other Asia	11	24	34
Europe&N.America	38	33	26
Total	1,167	1,081	923

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

Outlook of Semiconductor and FPD production equipment

< Sales projections of production equipment made in Japan >



[Source: Jan 2010 SEAJ]

(Sales: Sales of Japanese manufacturers (including overseas bases) in Japan and abroad)

FY091HIRPRSN100215E

Copyright ©2010, ULVAC, Inc. All rights reserved

Innovation begins

in a vacuum

ULVAC