

FY2008 1st Quarter Business Result

Nov.13,2008

ULVAC,Inc.

◆ 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, 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

■ **Trend of the world economy**

- ▶ Spread of U.S. financial crisis to the real economy
- ▶ Stagnation in the export industry/Decline in the motivation to invest in equipment
- ▶ Slowdown in consumer spending

■ **Direct impact on ULVAC**

- ▶ Adjustment of production resulting from the increased inventories of LCD panels (monitors, TVs)
 - Request for deferment of equipment delivery, mainly in Taiwan
- ▶ Continuing price decline in Memory (DRAM, Flash)
 - Continued freeze on investment plans
 - No prospect of resumption of those plans
- ▶ Slump in auto sales in Europe and the United States
 - Postponement of investment plans
- ▶ Global reduction in CO₂ emissions
 - Booming energy- and environment-related business

Outline of business performance for the 1st quarter of the year ending June 2009

■ Amount of orders received

- ▶ Receipt of order for large-sized LCD production line(G8,G10)
- ▶ Steady orders for solar cell manufacturing equipment

Integration line: received orders from one company in Taiwan
and one company (a new customer) in China

Other independent system: received orders from one company in
Taiwan

- ▶ Worse than expected orders for memory-related equipment

■ Sales volume

- ▶ Achieved mostly as planned

■ Business performance

- ▶ Operating profit : Better than as planned

◆ Contributed by increase in profitability of LCD production
equipment(improved rate of return for each device)

- ▶ Current profits

Highly affected by foreign exchange losses arising
from depreciation of Korean won

1stQ results(2009/6)

[Unit:¥ in 100Million]

	'07/6 1Q	'08/6 1Q	09/6 Result and Forecast (Nov 13 revised)			
			1Q	Q-on-Q (Changes)	2H	Full Year
Order	697	395	779	97%	1,350	2,690
Back-log	1,303	1,051	1,853	76%	1,800	1,655
Sales	603	550	566	3%	1,190	2,675
Operating profit Ratio	43 7.1%	15 2.8%	22 3.9%	42%	24 2.0%	68 2.5%
Net income Ratio	20 3.3%	2 0.4%	15 2.6%	529%	-10 -0.8%	1 0.0%

[Figures in brackets indicate percentage change over the preceding year, which is rounded to the nearest unit in millions of yen.]

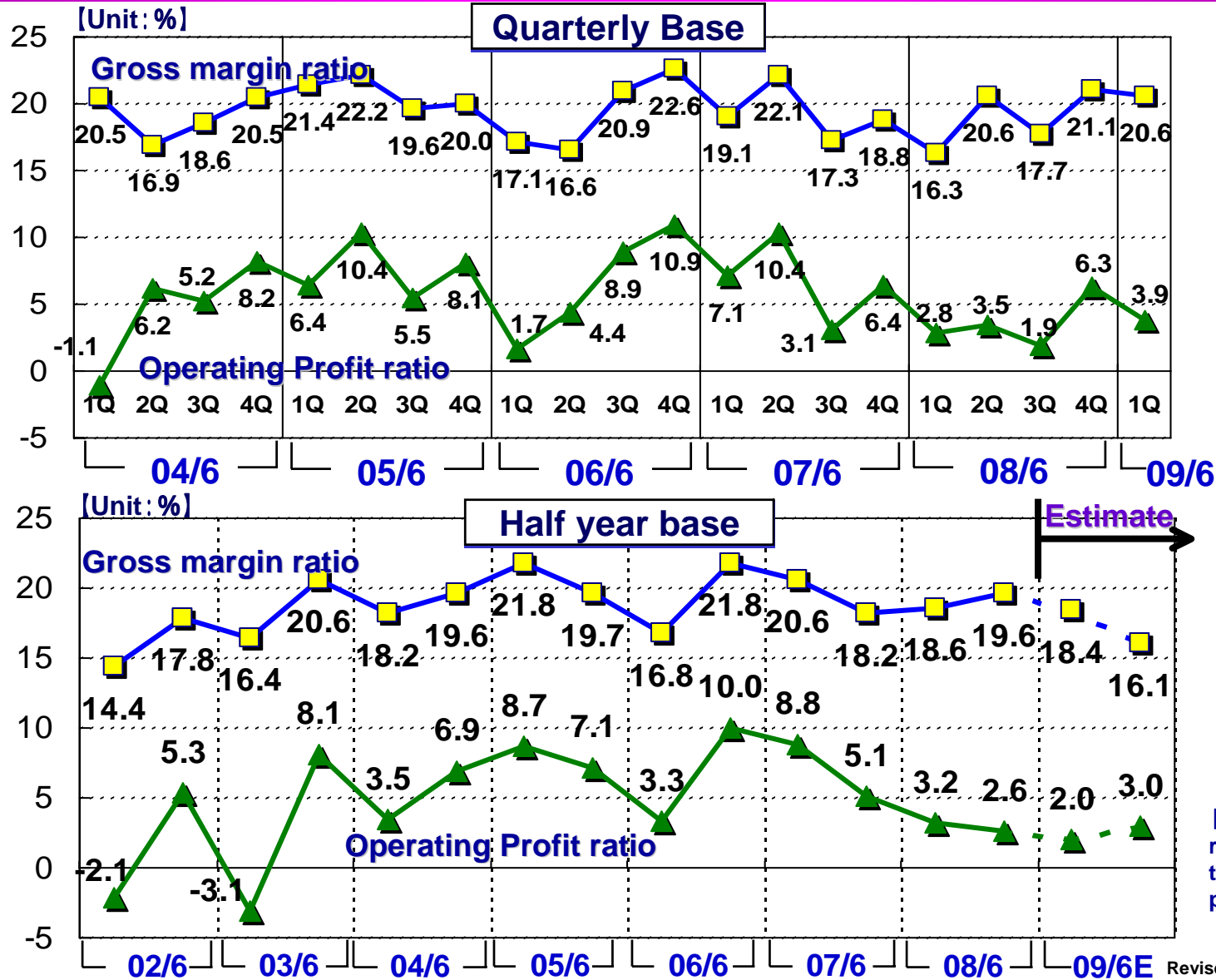
Sales forecast by Segment

[Unit:100 million Yen]

Segment		08/6	Plan	09/6	
				Revised Forecast	
				Sales	vs.Plan
Vacuum related	Display and Electric Device Production Equipment	1,272	1,611	1,400	-13%
	Semiconductor Production Equipment	320	359	200	-44%
	Component	230	315	277	-12%
	Others	182	218	230	5%
Other Business		408	497	568	14%
Total		2,412	3,000	2,675	-11%

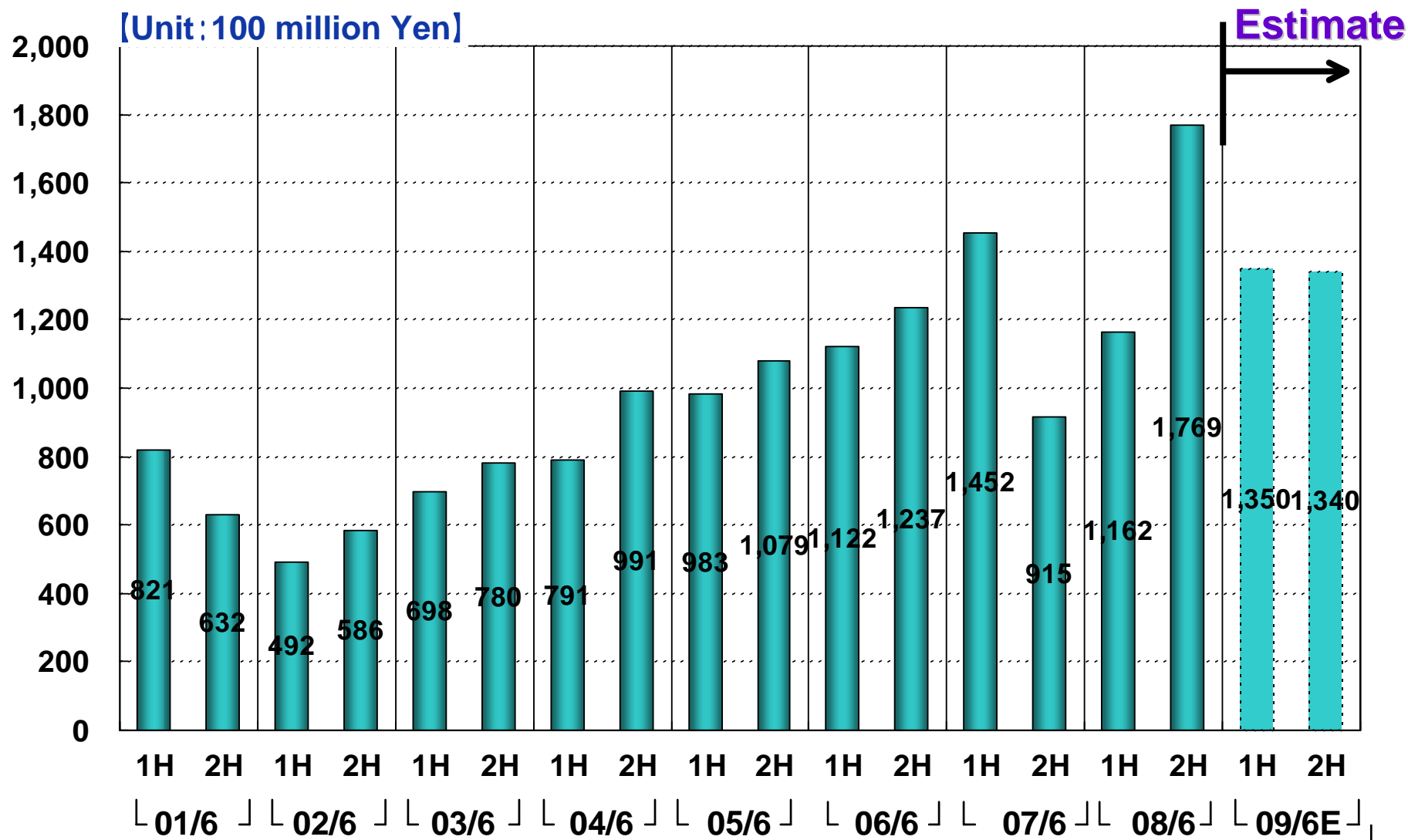
Remarks:Figures included above are rounded off to the nearest unit and may not coincide with the total.

Transition of Profitability



[Figures are rounded off to the first decimal place]

Transition of Order received · Estimate

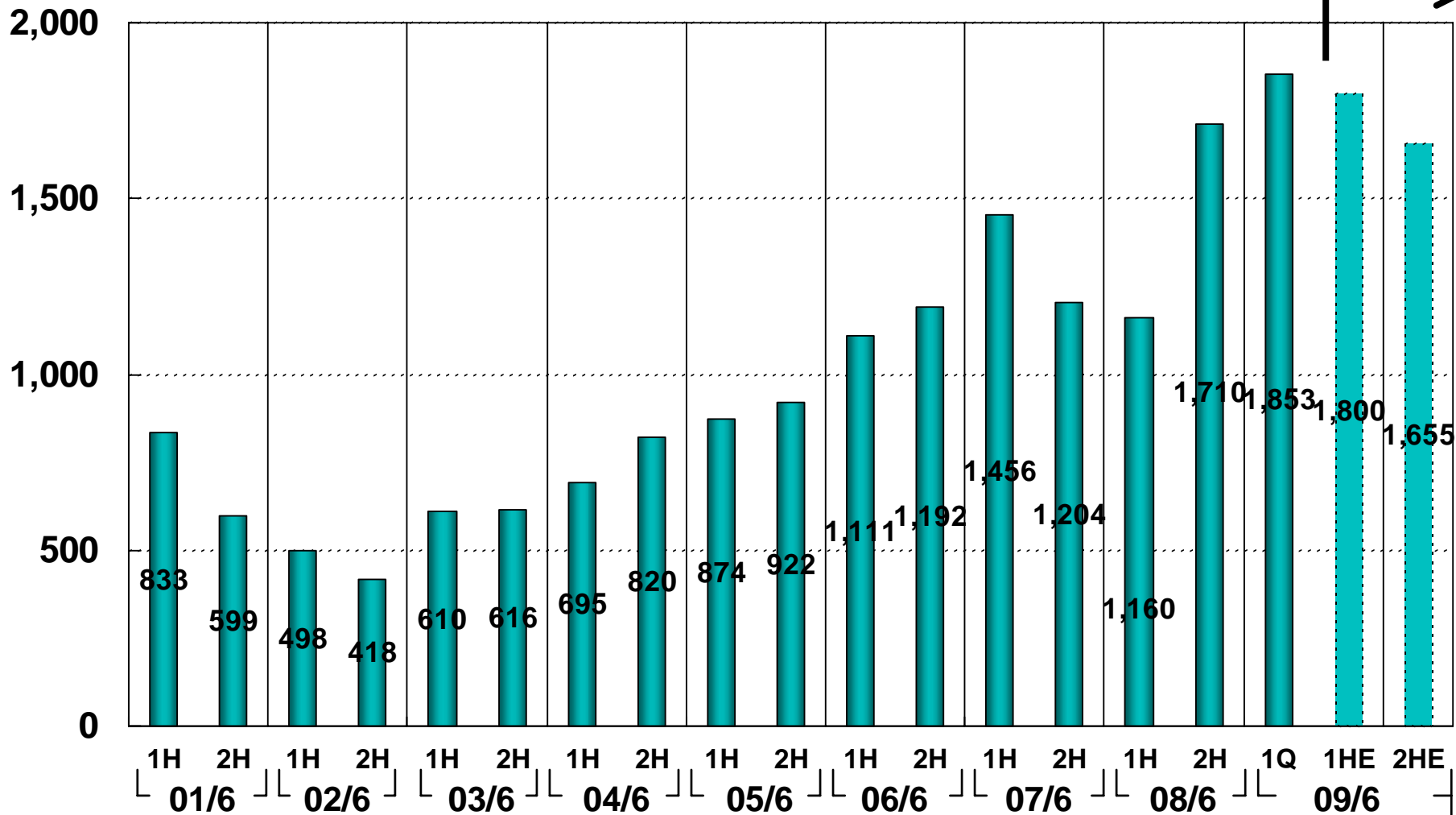


[Figures are rounded off to the first decimal place]

Revised Nov.13

Transition of Back-logs · Estimate

[Unit:¥ in 100Million]

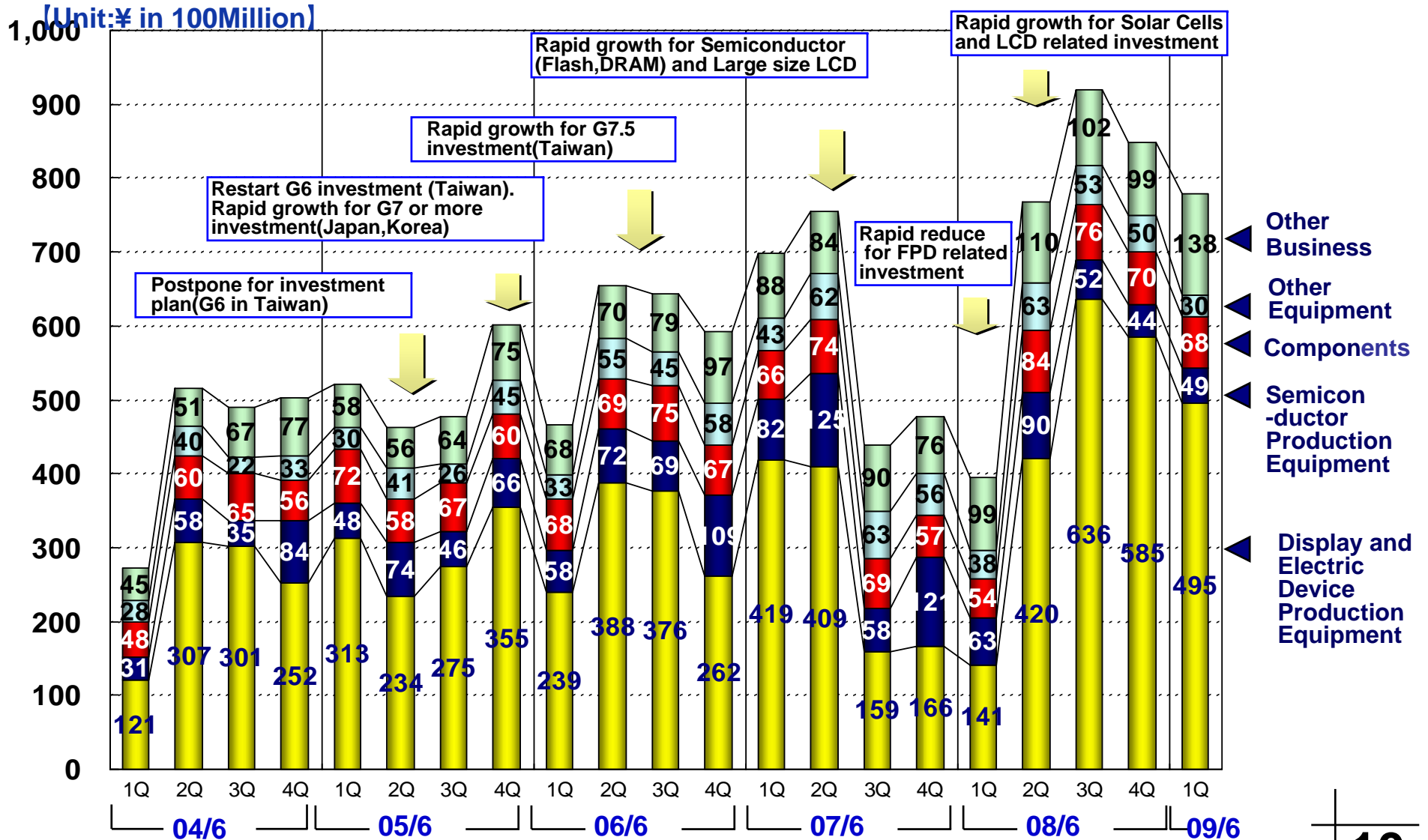


Estimate

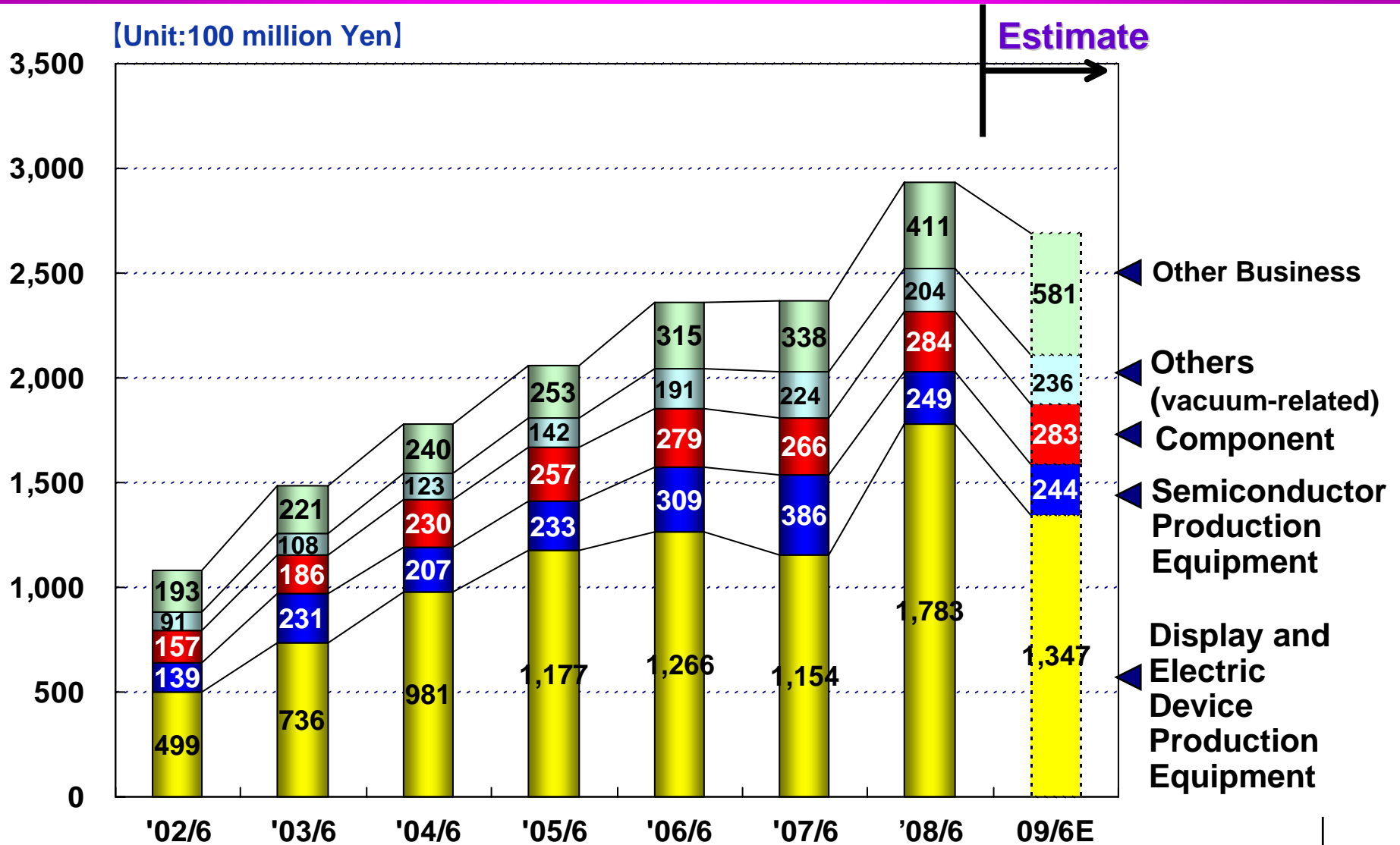
[Figures are rounded off to the first decimal place]

Revised Nov.13

Order received by Segment (Quarterly base)



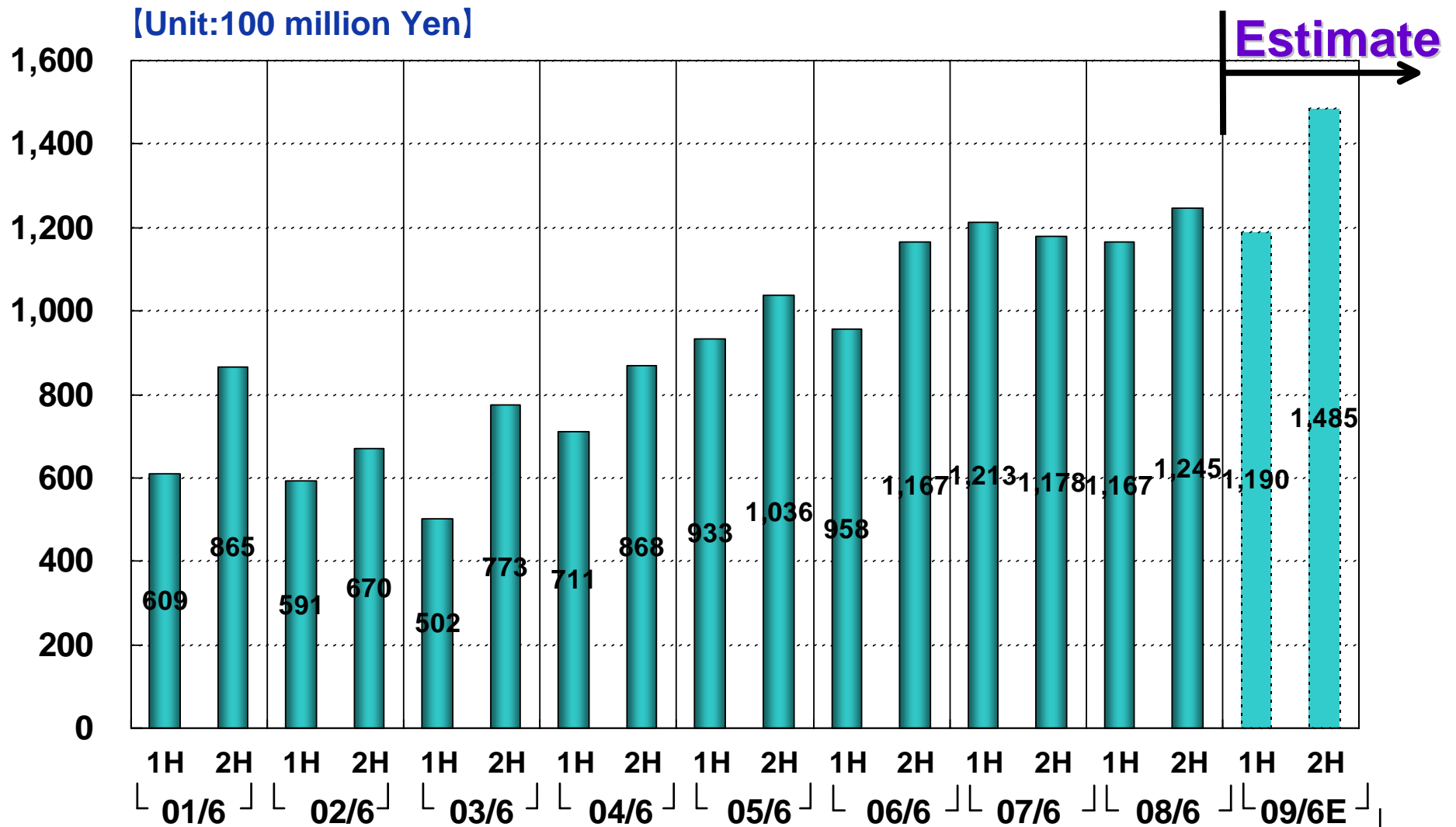
Transition of Orders received by segment · Estimate



[Figures are rounded off to the first decimal place]

Revised Nov.13

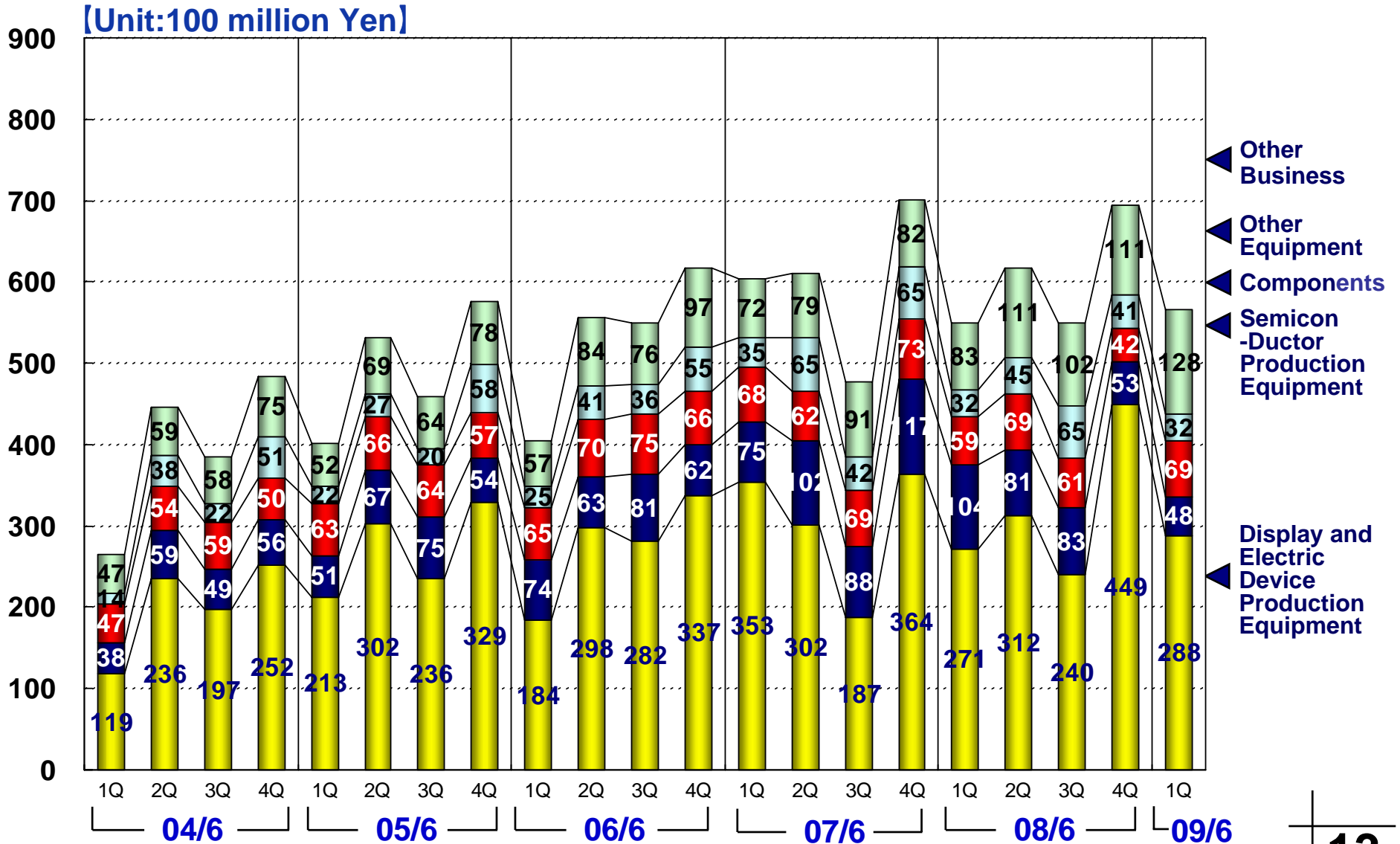
Transition of Net Sales · Estimate



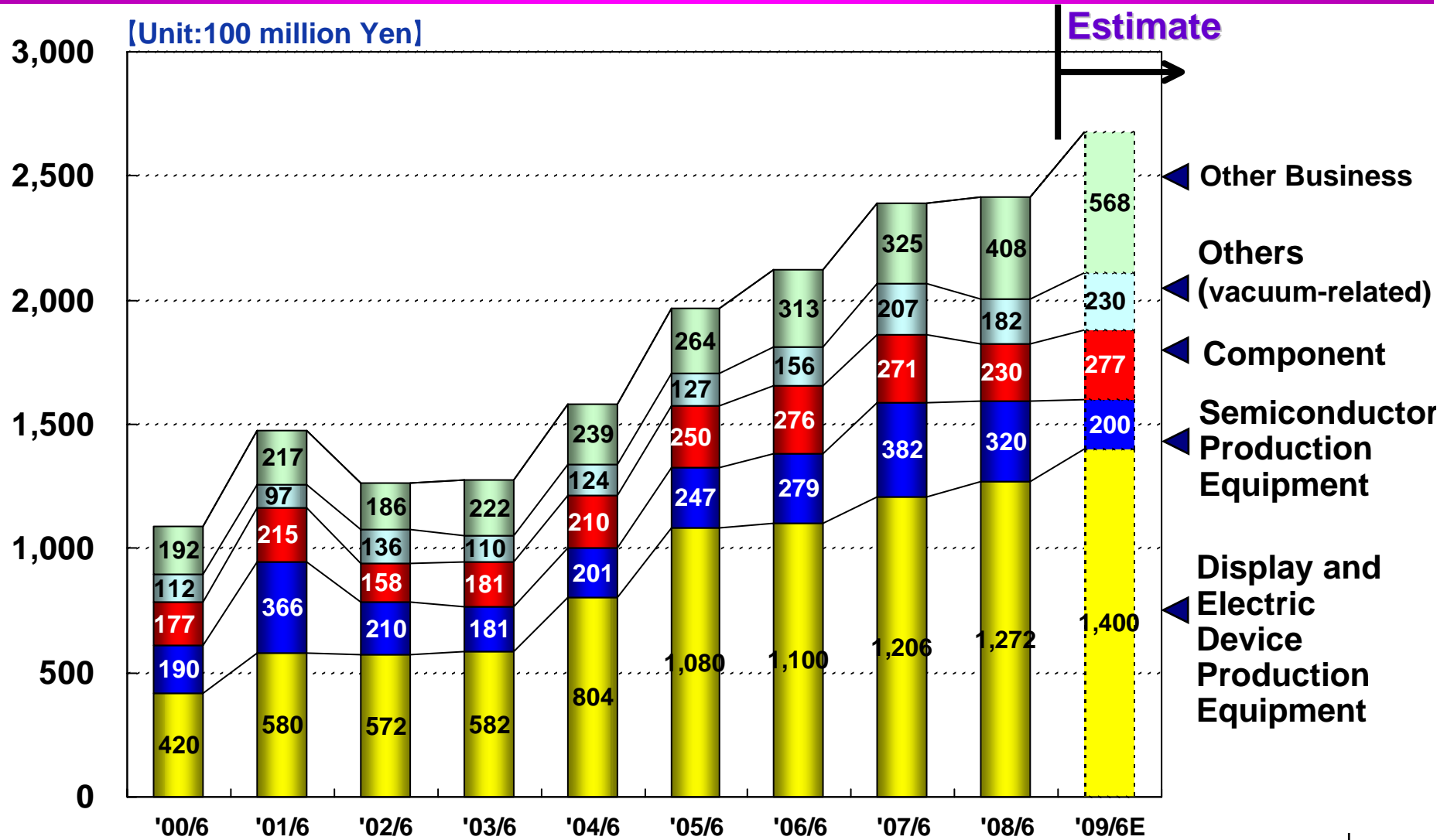
[Figures are rounded off on the first decimal place]

Revised Nov.13

Net sales by Segment (Quarterly base)



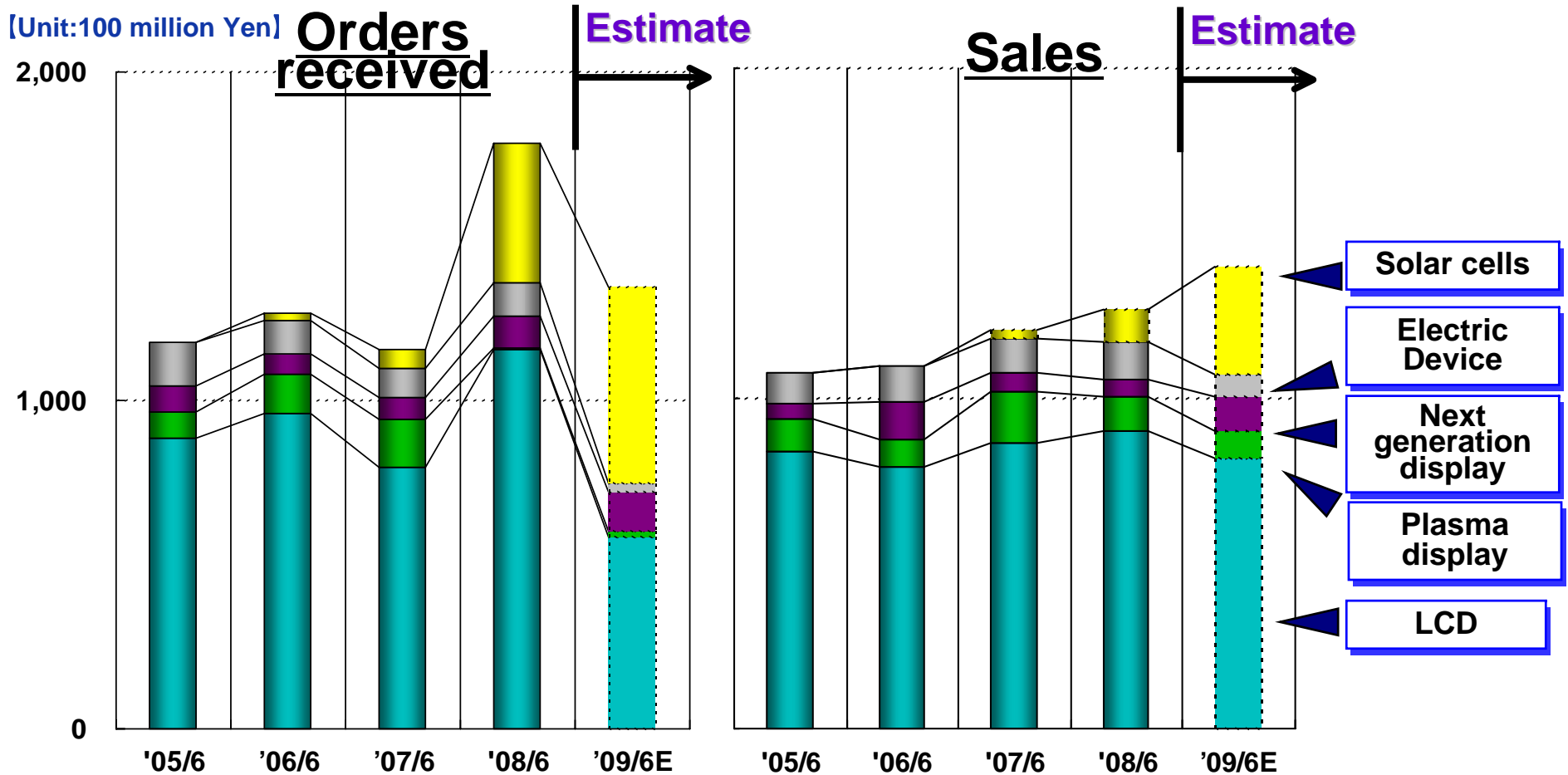
Net Sales by Segment · Estimate



[Figures are rounded off to the first decimal place]

Revised Nov.13

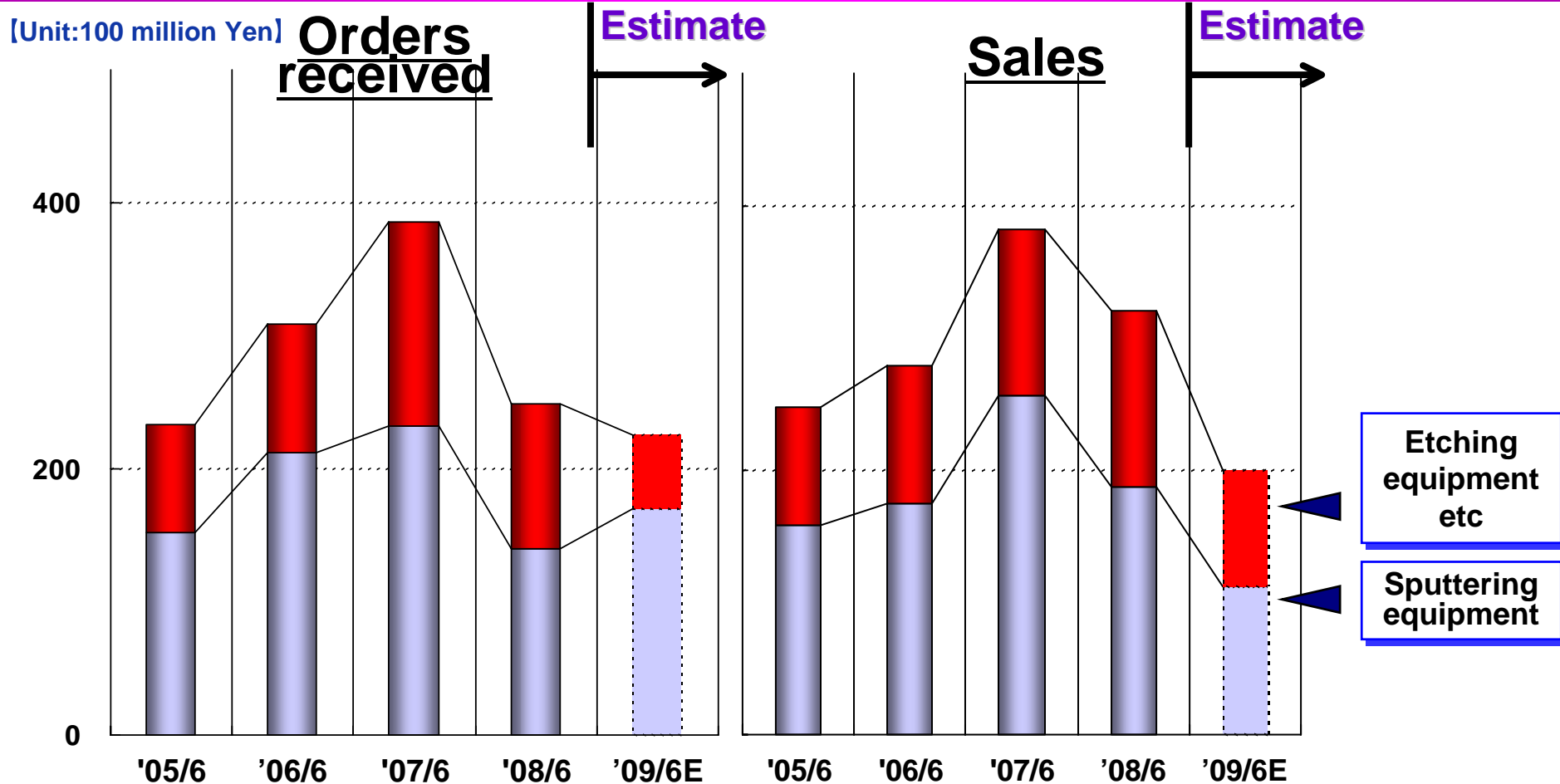
Transition of Display and Electric Device Production Equipment (Revised Nov.13)



Current environment for receiving orders

- ◆Capital investment in liquid crystal displays Taiwan delay delivery.
- ◆A substantial increase in orders received is expected for solar cells including, among others, the integrated production lines for thin-film solar cells.
- ◆Sales of plasma displays show a decreasing trend and the demand for the next-generation displays, such as organic EL displays, has grown sluggish.

Transition of Semiconductor Production Equipment (Revised Nov.13)



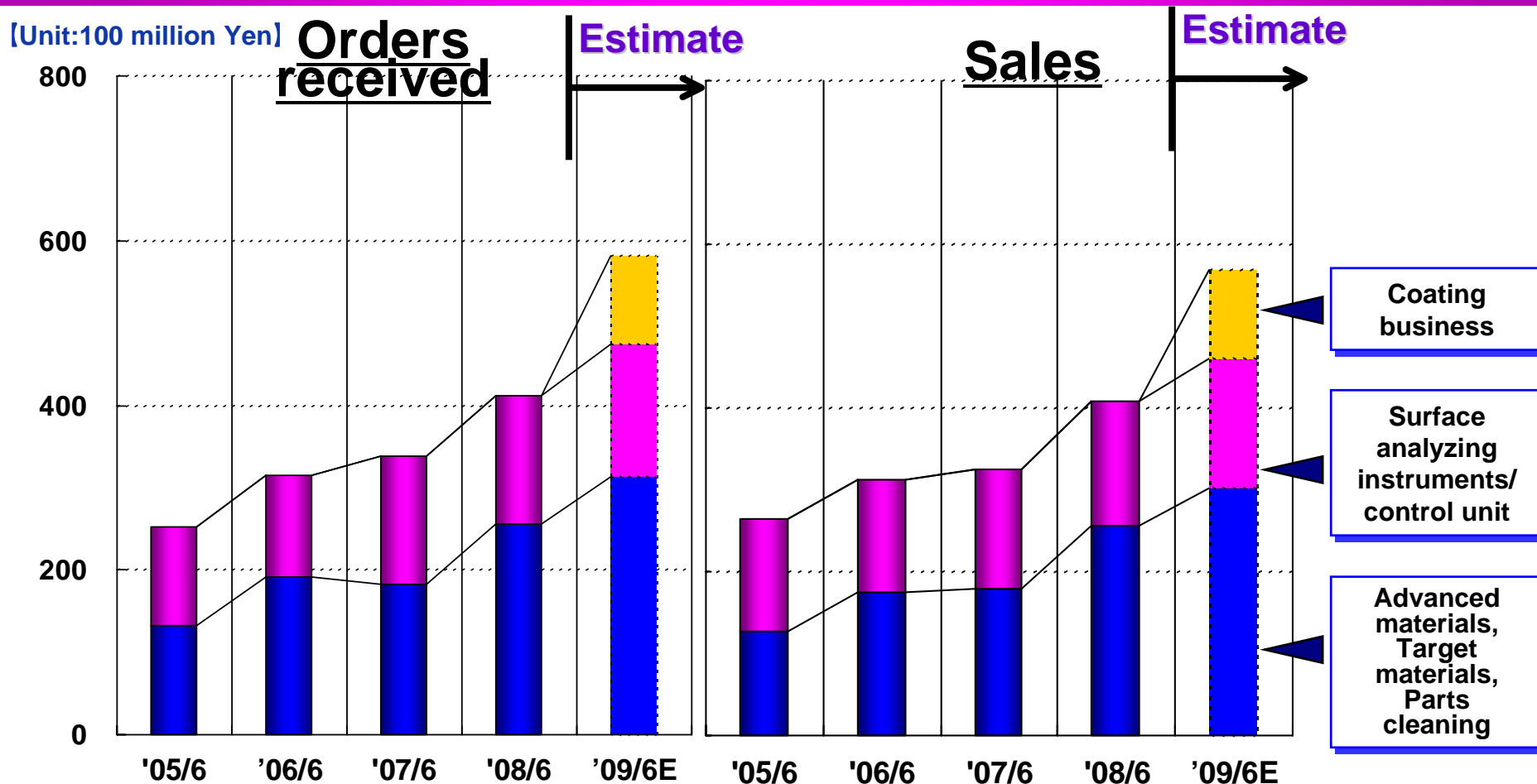
Current environment for receiving orders

- ◆Extend the postponement of DRAM/flash memory-related capital investment. A partial recovery is expected.
- ◆Capital investment in hybrid car-related power semiconductors and LEDs has remained strong.

Etching equipment etc

Sputtering equipment

Transition of Other Business (Revised Nov.13)



Current environment for receiving orders

◆The orders received and sales of target materials are expected to increase dramatically due to larger-scaled FPD production equipment.

Business Environment (from the 2nd quarter)

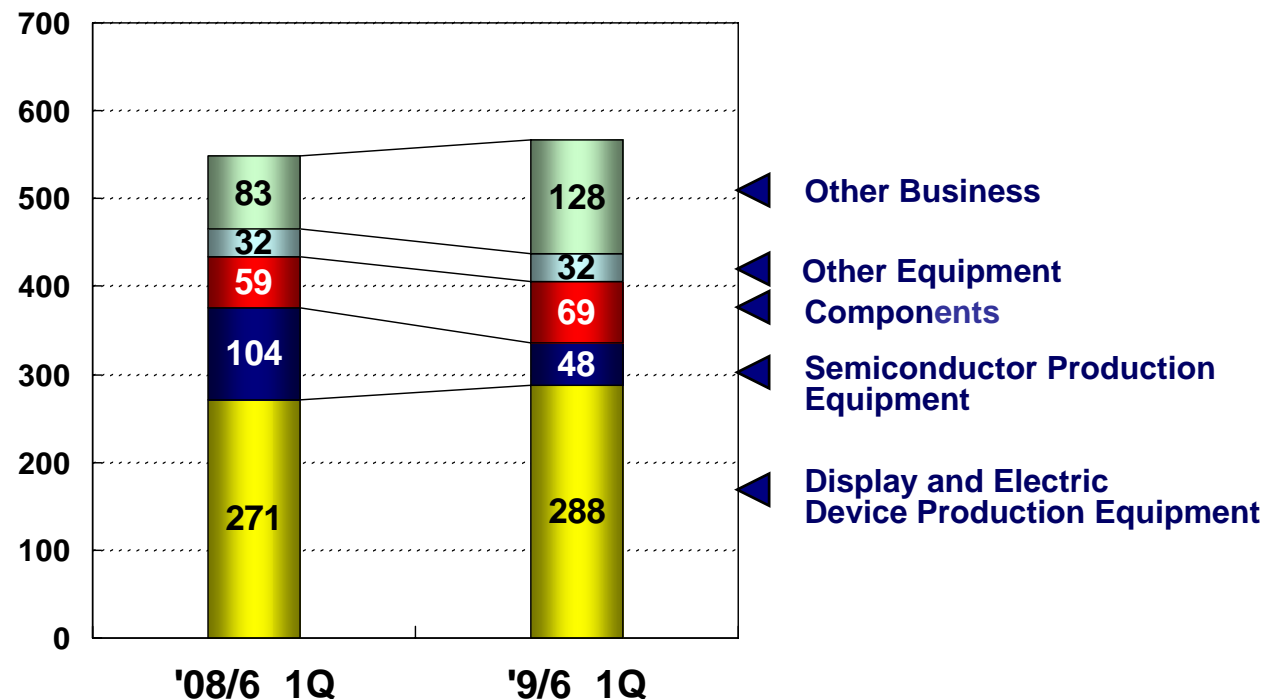
- Investment environment surrounding ULVAC
 - ▶ Majority are adopting a wait-and-see attitude for the impact of the financial crisis
- Existing areas
 - ▶ Semiconductors : No prospects for improvement in investment until a growth driver comes
 - ▶ LCD displays : No prospect for recovery. Requires time for inventory adjustment
 - ▶ Automobiles : No prospect for market recovery. Takes time for the market to recover.
- Post-FPD (fields with future growth potential)
 - ▶ Energy-and environment-related field
 - ◆ Solar cells : A slight slowdown in orders and inquiries for thin film systems. As for compound-related area, it has been established in Japan, the U.S.A., and Europe.
 - ◆ LEDs: Booming investment in equipment mainly in Taiwan and China, thanks to rising demand
 - ◆ Power semiconductor: Expanding, but slightly slowing down
 - ▶ Research and development for next-generation technologies
 - ◆ To invest in semiconductors and electronic devices, although on a small scale.

Innovation begins
in a vacuum.

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1st Quarter Sales(Q-on-Q)

[Unit:¥ in 100Million]

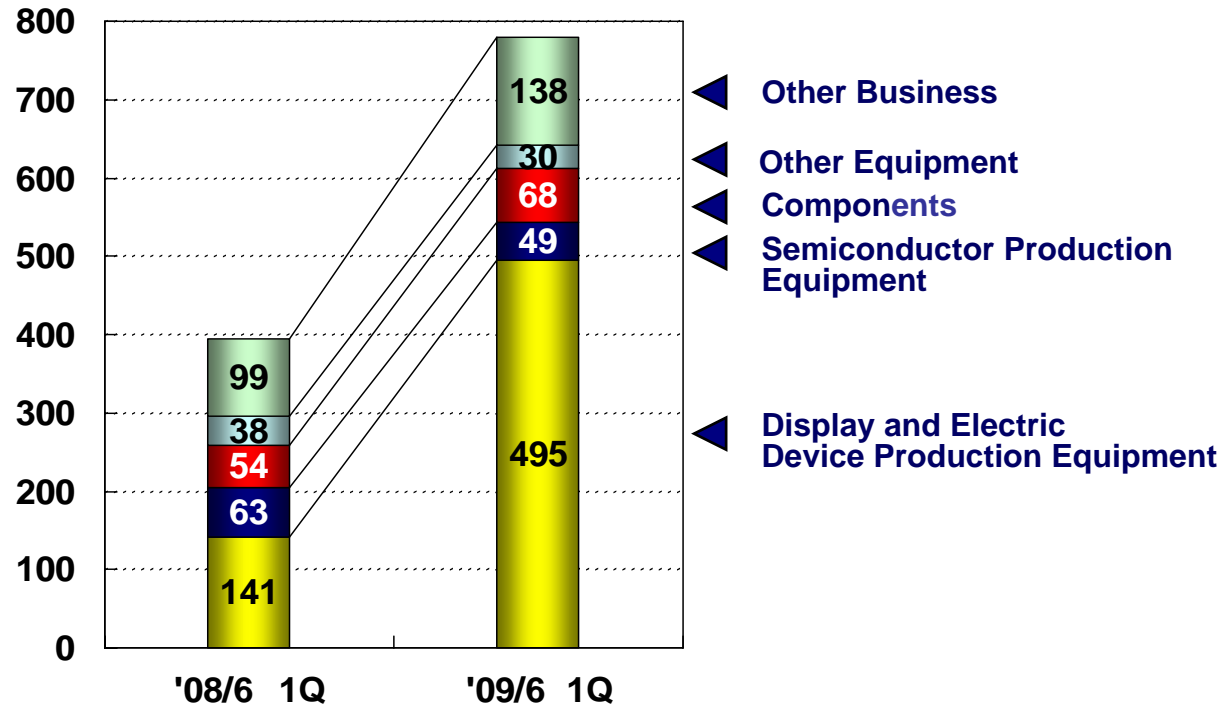


[Figures in brackets indicate percentage change over the preceding year, which is rounded to the nearest unit in millions of yen.]

Segment		08/6 1Q		09/6 1Q		
		Sales	%	Sales	%	Change
Vacuum related	Display and Electric Device Production	271	49%	288	51%	6%
	Semiconductor Production Equipment	104	19%	48	8%	-54%
	Component	59	11%	69	12%	17%
	Other Equipment	32	6%	32	6%	1%
Other business		83	15%	128	23%	55%
Total		550		566		3%

1st Quarter Order received (Q-on-Q)

[Unit:¥ in 100Million]



[Figures in brackets indicate percentage change over the preceding year, which is rounded to the nearest unit in millions of yen.]

Segment		08/6 Q1		09/6 Q1		
		Order	%	Order	%	Change
Vacuum related	Display and Electric Device Production	141	36%	495	63%	251%
	Semiconductor Production Equipment	63	16%	49	6%	-23%
	Component	54	13%	68	9%	27%
	Other Equipment	38	10%	30	4%	-23%
	Other business	99	25%	138	18%	39%
Total		395		779		97%

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