

FY2007 3rd Quarter Business Result

May.15,2008

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

2008/6 3rd Q Result

【Unit: 100MYen】

	1Q	2Q	1H	3Q	Y-to-D	vs.FY06	Change (%)
Booking	395	767	1,162	920	2,082	1,891	+ 10%
Back-log	1,051	-	1,160	1,489	1,489	1,412	+ 5%
Sales	550	617	1,167	550	1,717	1,690	+ 2%
Gross Margin	90	127	217	98	314	332	- 5%
(ratio)	16.3%	20.6%	18.6%	17.7%	18.3%	19.7%	
Operating Profit	15	21	37	11	47	121	- 61%
(ratio)	2.8%	3.5%	3.2%	1.9%	2.8%	7.2%	
Net Income	2	21	23	7	30	52	- 43%
(ratio)	0.4%	3.4%	1.9%	1.3%	1.7%	3.1%	

Remarks: figures in brackets are rounded off to the nearest number.

Forecast of 08/6 Full Year

【Unit:100 million Yen】

	07/6	08/6		Y-on-Y (Change)
		Plan	Ammended Forecast	
Booking	2,368	2,850	2,850	20%
Sales	2,392	2,730	2,510	5%
Operating Profit	166	179	72	-57%
(Ratio)	6.9%	6.6%	2.9%	
Net Income	73	90	31	-58%
(Ratio)	3.1%	3.3%	1.2%	

【Figures in brackets indicate the percentage change over the preceding year, which is rounded off to the nearest whole number.】

1. Reasons for Revision to Net Sales

- ▶ Shortfall in sales compared to the plan for semiconductor production equipment (due to deferment of customer investment plan)
- ▶ Delay in delivery of vacuum furnaces (due to deferment of customer investment plan)
- ▶ Shortfall in sales compared to the plan for components (due to lower sales of pumps for LCDs and small vacuum pumps)
- ▶ Shortfall in sales compared to the plan for target materials (due to the delay in the customers' certification)

2. Reasons for Revision to Profit

- ▶ Shortfall to net sales plan
- ▶ Lower profitability
- ◆ Cost reductions could not fully offset lower sales prices for target materials
- ◆ Cost overruns due to delays in standardization of other equipment such as vacuum furnaces.
- ◆ Cost reductions could not fully offset lower prices of large vacuum pumps due to severer competition.
- ◆ Cost overrun of large-size LCD production equipment such as G8.
- ◆ Cost overrun of integrated production line for solar cells.

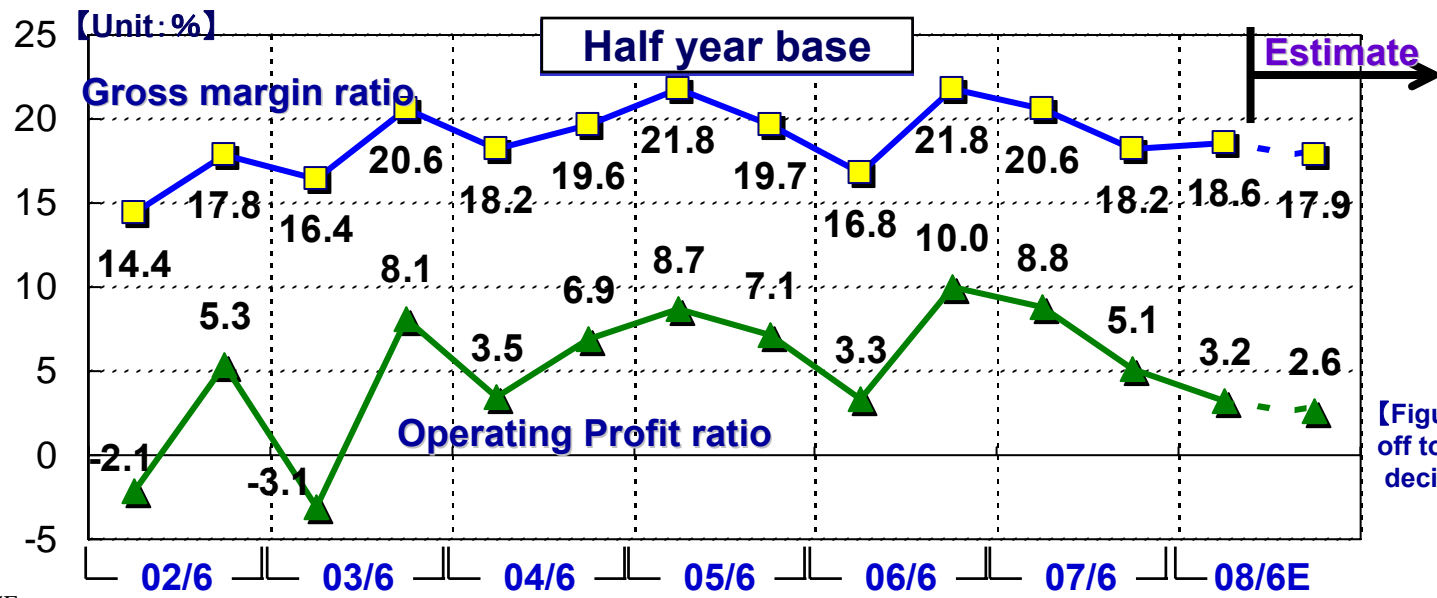
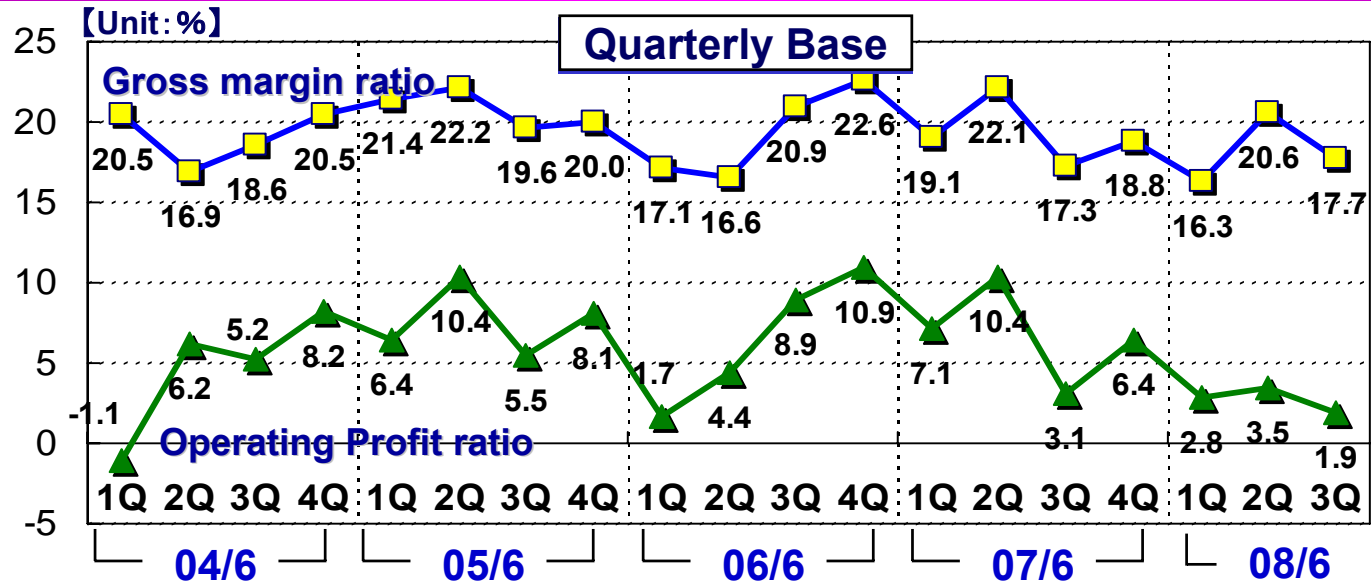
Sales forecast by Segment

【Unit:100 million Yen】

Segment		07/6	08/6		
			Plan	Amended Forecast	
				Sales	vs.Plan
Vacuum related	Display and Electric Device Production Equipment	1,206	1,364	1,349	-1%
	Semiconductor Production Equipment	382	363	317	-13%
	Component	271	280	238	-15%
	Others	207	290	196	-32%
Other Business		325	433	410	-5%
Total		2,392	2,730	2,510	-8%

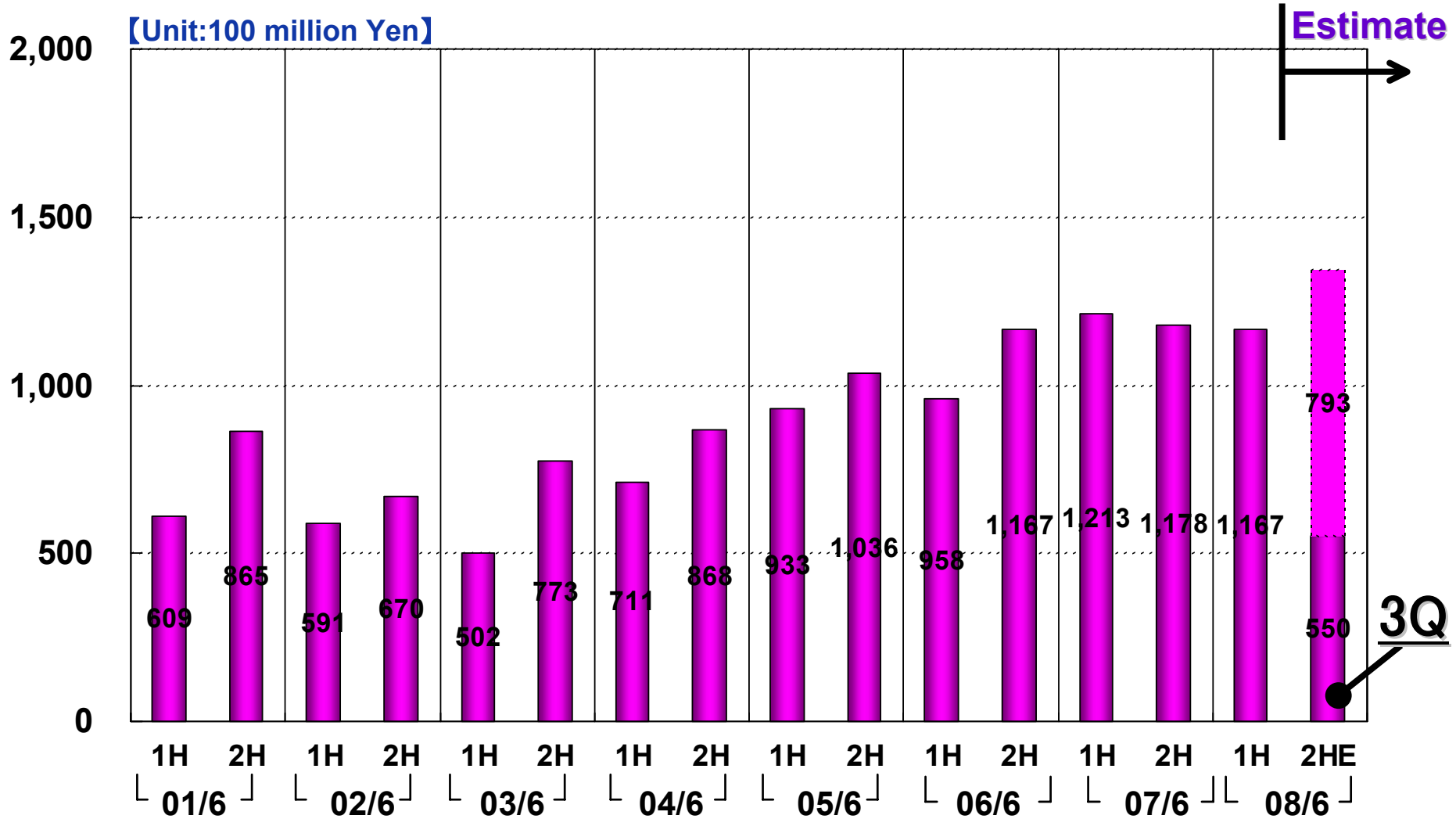
Remarks:Figures included above are rounded off to the nearest unit and may not coincide with the total.

Transition of Profitability



[Figures are rounded off to the first decimal place]

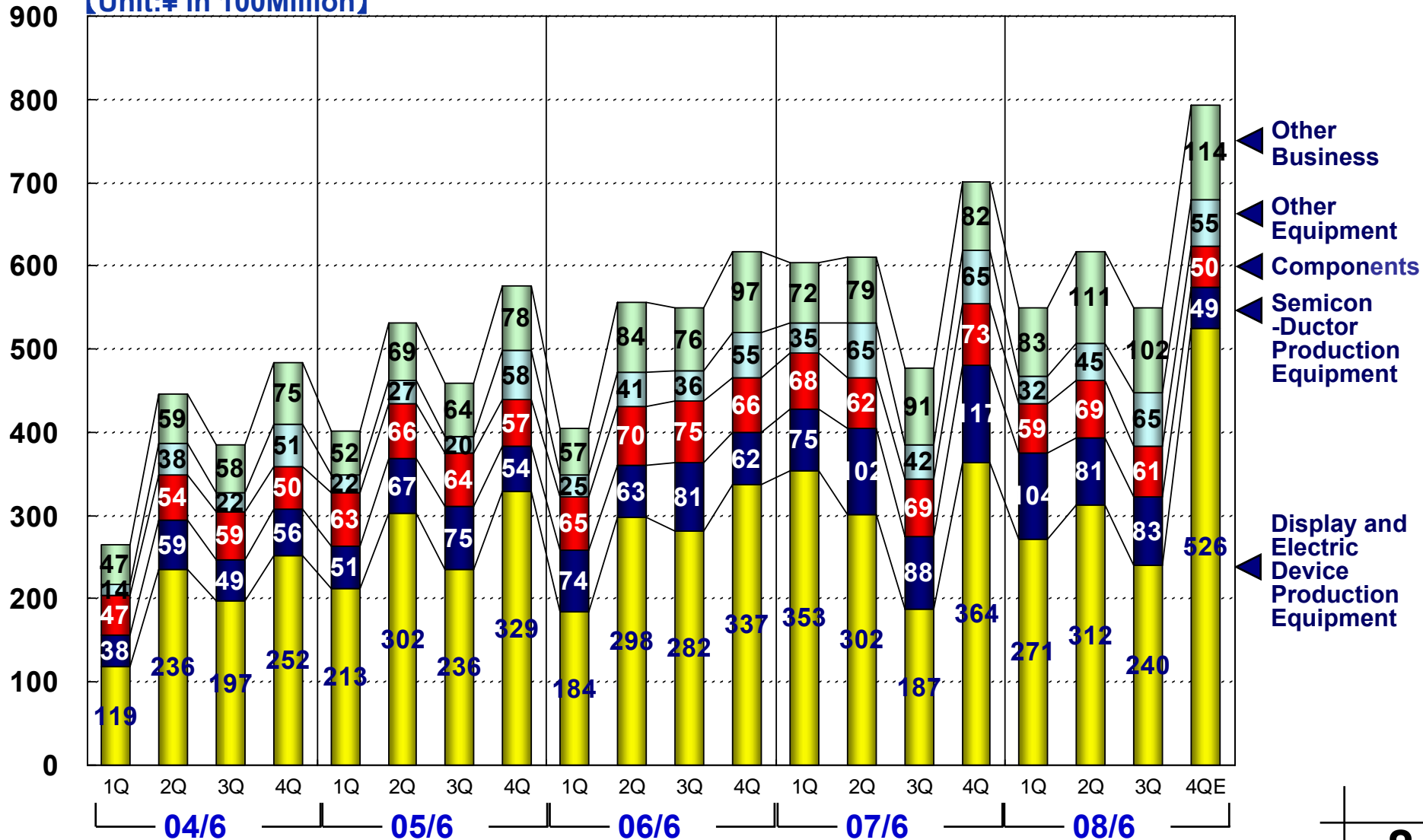
Transition of Net Sales - Estimate



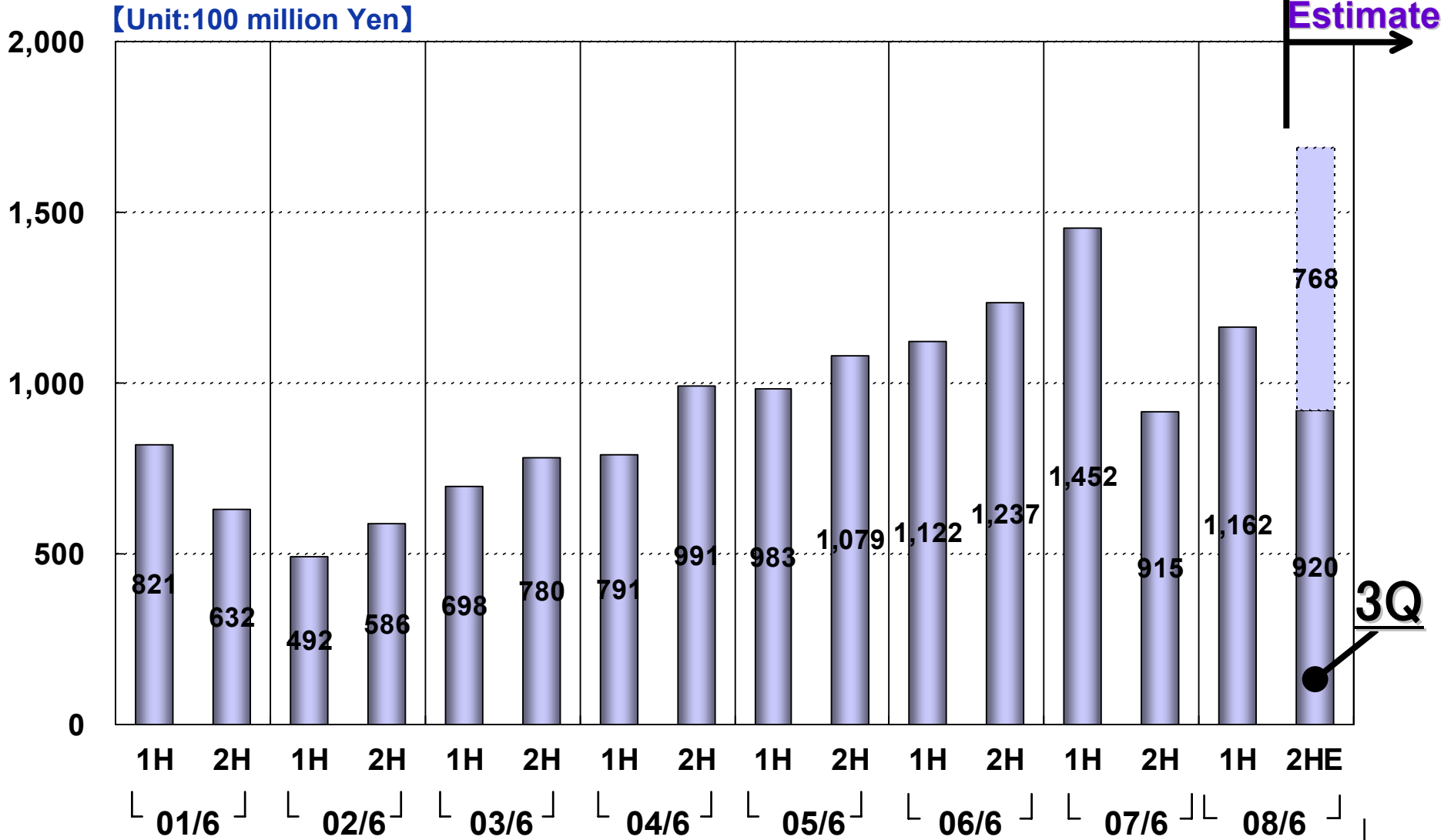
[Figures are rounded off to the first decimal place]

Net sales by Segment (Quarterly base)

[Unit:¥ in 100Million]

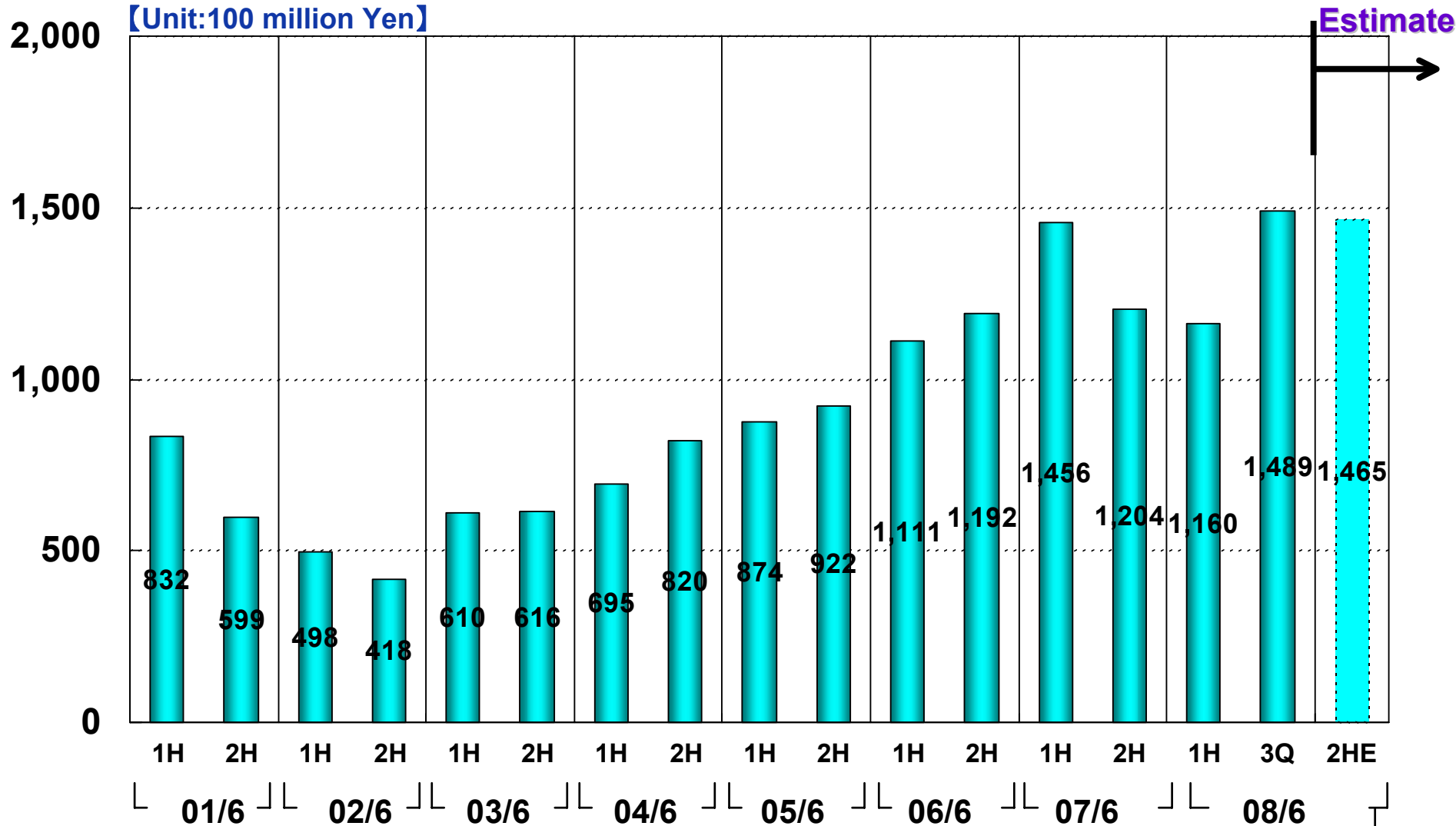


Transition of Orders received - Estimate



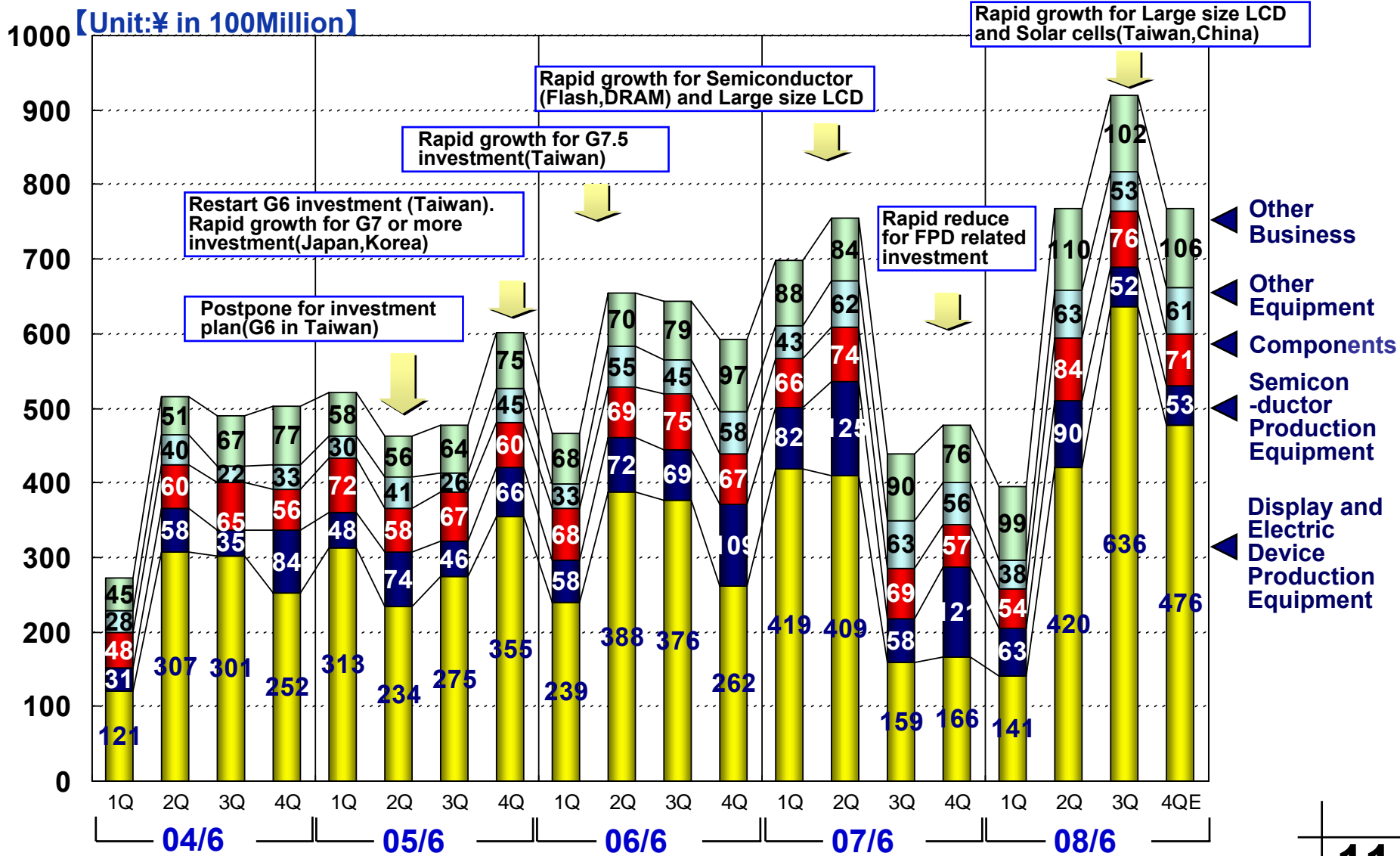
[Figures are rounded off to the first decimal place]

Transition of Orders Backlogs - Estimate



[Figures are rounded off to the first decimal place]

Order received by Segment (Quarterly base)



Business Environment (Q4 Onwards)

- **Order intake for liquid crystal displays in high gear**
 - ▶ Taiwan, Korea: Large-scale capital investment peaked out in Q3.
 - ▶ Japan: Large order accepted in Q4. G8 order will be in the next fiscal year.
 - ▶ China: Orders continue strong, centering on G5.
- **Inquiries and orders for post-FPD equipment in high gear**
 - ▶ **Solar Cell**
 - ◆ Huge expansion of demand for integrated production line for thin film solar cells
 - ◆ Increase in number of inquiries and implementation of business negotiations regarding compound solar cells
 - ▶ **Compound Semiconductors (LED)**
 - ◆ Increase in capital investment due to brisk demand mainly in Taiwan and China.
 - ▶ **Power Semiconductors**
 - ◆ Accelerated capital investment for application to vehicular use and home appliances
- **Difficult business conditions for capital investment in flash memory and DRAM**

Near-Term Business Challenges

- **Implement Structural Reform**
 - ▶ Provide support and implement restructuring of group companies
 - ▶ Implement structural reform in support of improvements in profitability, including consolidation and reorganization of group companies.
- **Take measures to respond to expanded orders for post-FPD equipment**
 - ▶ Expansion of orders for solar cell-related equipment (huge increase in capital investment plan, mainly in Asia)
 - ◆ Establish production capacity/system
 - ◆ Improve support system (Asia, Middle East, etc.)
- **Implement Profit Improvement Program**
 - ▶ Business management focused on *rate of return*, rather than *absolute profit amount*.
 - ▶ Business management focused on improvements in cash flow
 - ▶ Reduction of Fixed Cost

Profit Improvement Program (To improve rate of return)

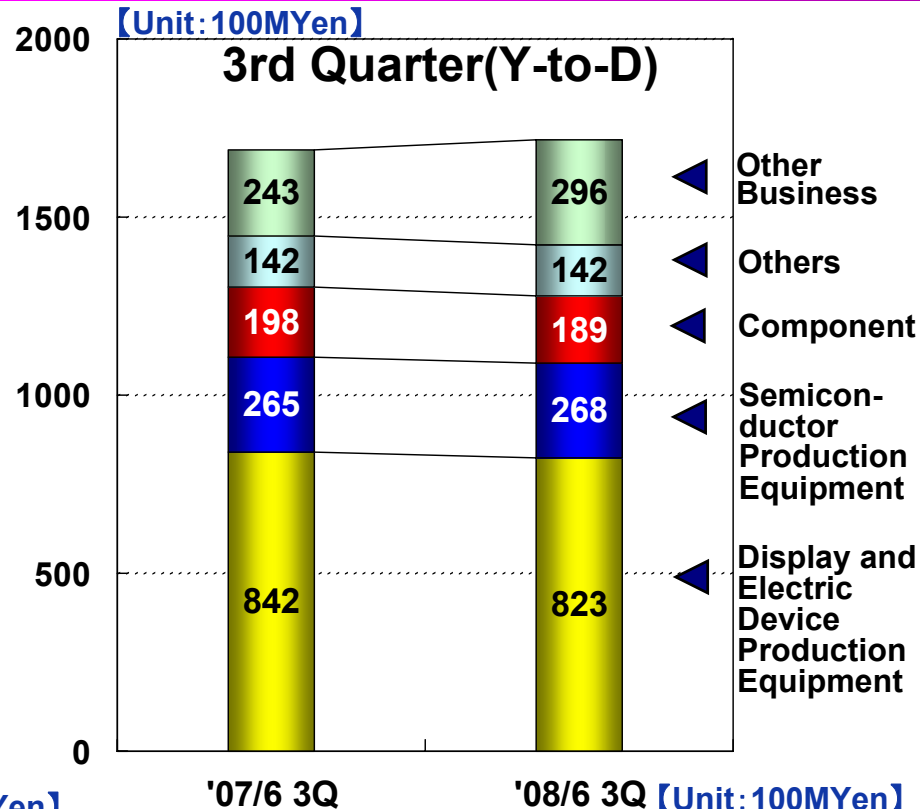
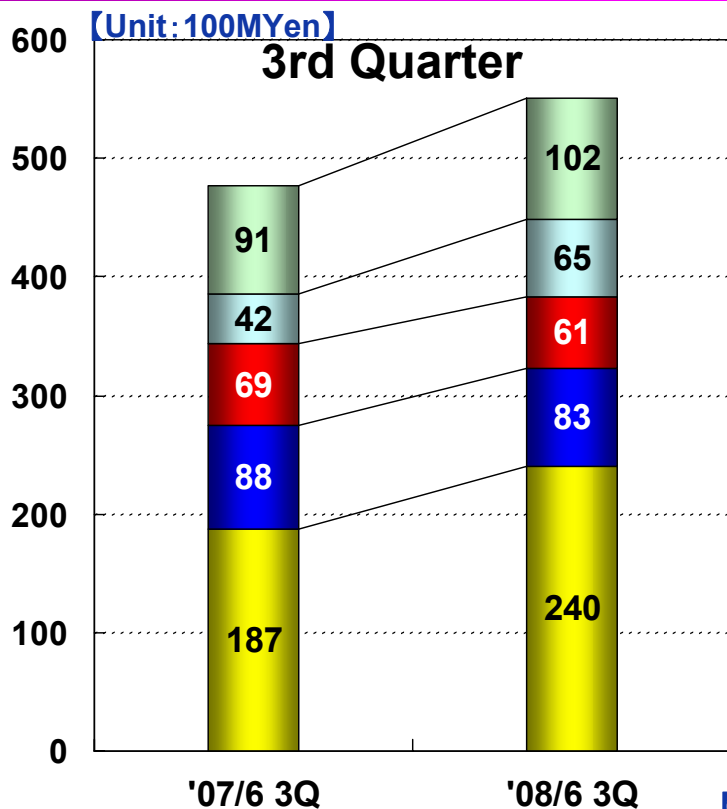
- **Strengthen product competitiveness**
 - ▶ Accelerate development of products that demonstrate technological excellence and can achieve a high rate of return
 - **Already in progress in each product segment**
 - ▶ Accelerate product development → **Cope with turning point of technologies**
 - ▶ Propose integrated production line and production processes that generate cost benefits for customers
 - **Carry across best practices of solar cell equipment**

- **Break away from dependence on custom-made products**
 - ▶ Promote standardization
 - ▶ Establish production method for completely standardized equipment
 - **Already applied to solar cell equipment**

- **Maximize productivity and produce highly reliable products**
 - ▶ Substantial reduction in man-hours for assembly and installation of equipment (by more than 50%)
 - ▶ Reduction in number of parts and simplification of parts (maximum utilization of in-house parts manufacturing)
 - ▶ Reduction in purchase costs of raw materials through early sourcing, centralization of purchase activities
 - ▶ Containment of cost overruns

ULVAC

3rd Quarter Net Sales(By segment)

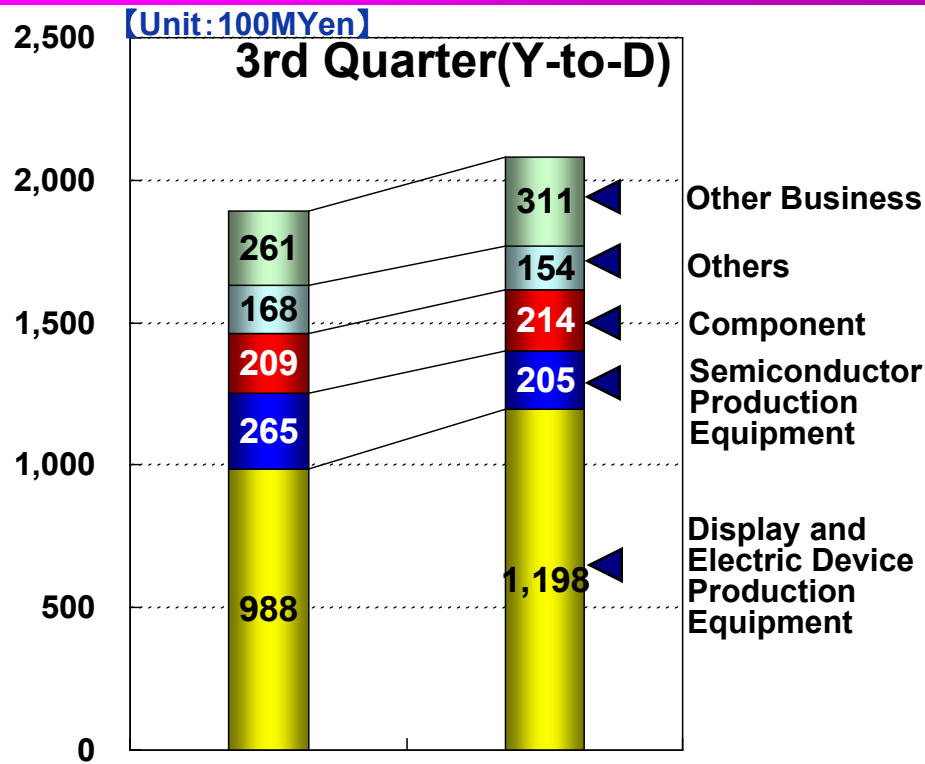
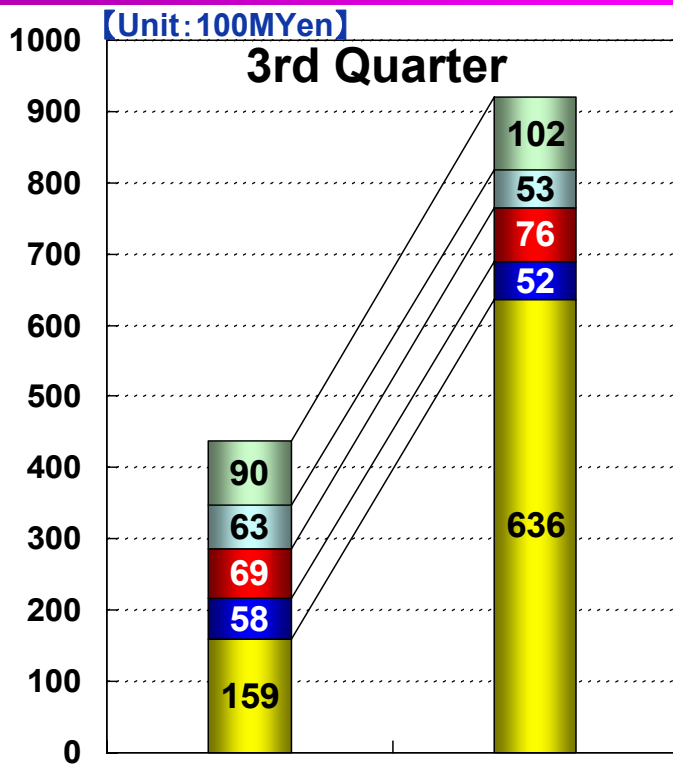


		07/6 Q3		08/6 Q3		
		Sales	%	Sales	%	3Q on 3Q
Vacuum related	Display and Electric Device Production Equipment	187	39%	240	43%	28%
	Semiconductor Production Equipment	88	18%	83	15%	-6%
	Component	69	15%	61	11%	-12%
	Others equipment	42	9%	65	12%	54%
	Other Business	91	19%	102	19%	12%
Total		477		550		15%

		07/6 Q3(Y-To-D)		08/6 Q3 (Y-to-D)		
		Sales	%	Sales	%	3Q on 3Q
		842	50%	823	48%	-2%
		265	16%	268	16%	1%
		198	12%	189	11%	-5%
		142	8%	142	8%	0%
		243	14%	296	17%	22%
Total		1,690		1,717		2%

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

3rd Quarter Order receiving (By segment)



[Unit: 100MYen]

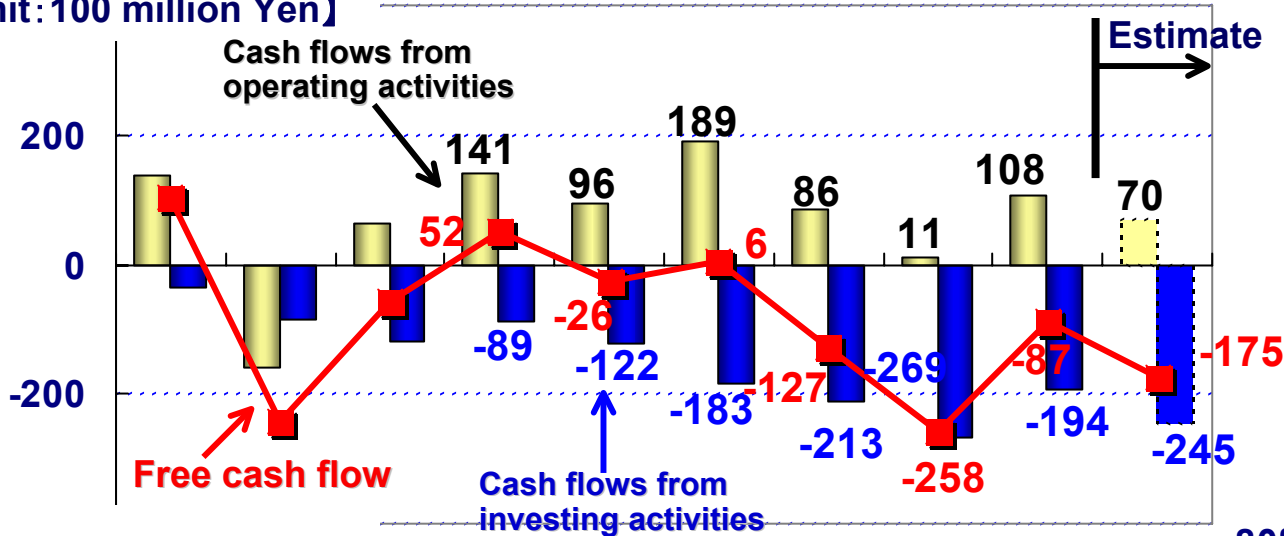
	07/6 Q3		08/6 Q3		Q on Q
	Order	%	Order	%	
Vacuum related					
Display and Electric Device Production Equipment	159	36%	636	69%	301%
Semiconductor Production Equipment	58	13%	52	6%	-11%
Component	69	16%	76	8%	11%
Other Equipment	63	14%	53	6%	-15%
Other Business	90	21%	102	11%	14%
Total	438		920		110%

[Unit: 100MYen]

07/6 Q3(Y-to-D)		08/6 Q3(Y-to-D)		
Order	%	Order	%	3Q on 3Q
988	52%	1,198	58%	21%
265	14%	205	10%	-23%
209	11%	214	10%	2%
168	9%	154	7%	-8%
261	14%	311	15%	19%
1,891		2,082		10%

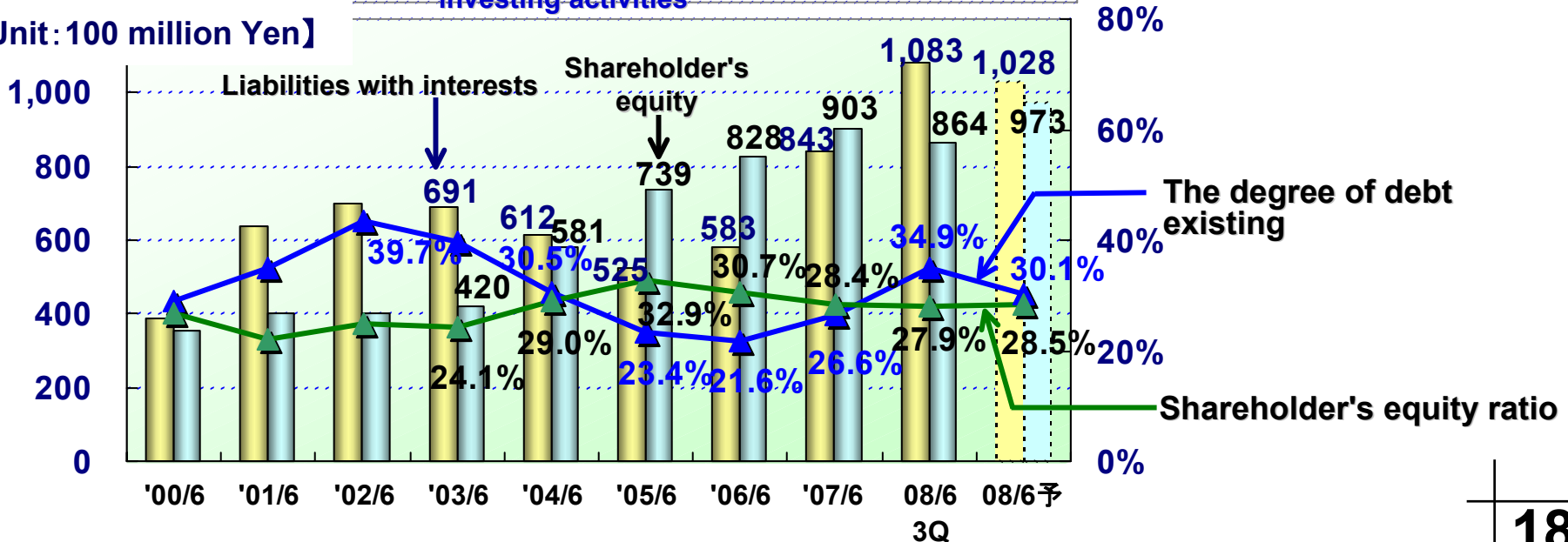
Cash Flow and Liabilities with Interests

[Unit: 100 million Yen]



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

[Unit: 100 million Yen]



ULVAC