



(Securities code: 6728)

Business Results

FY2017 1Q (July 2017-September 2017)

November 10, 2017

ULVAC, Inc.

◆ Disclaimer regarding forward-looking statements

Forward-looking statements of the company in this presentation are based on information that was available at the time these documents were prepared. ULVAC's customers in the flat-panel display (FPD), semiconductor, and electronic device industries face challenges due to the rapid pace of technological advances and fierce competition.

There are a number of factors that directly and indirectly impact performance, such as the global economy, fluctuations in exchange rates, market conditions for FPDs, semiconductors, electronic devices, and raw materials, and trends in capital expenditures. Consequently, actual net sales and profits may vary substantially from the projections included in this presentation.

◆ Data included in the documents are stated as follows:

(All figures are stated on a consolidated basis unless otherwise noted.)

Figures: Rounded to the nearest unit

Percentages: Rounded to the nearest unit after being determined in millions of yen

Abbreviations of accounting periods:

2Q (cumulative): Second quarter consolidated cumulative period

2Q: Second quarter consolidated period

Overview of First Quarter FY2017 Business Results

Overview of 1Q FY2017 Business Results Highlights

□ Orders Received: ¥81.0 billion (+62% year-on-year)

- Incoming orders were up year-on-year in every segment, including FPD·PV production equipment.

□ Net Sales: ¥60.9 billion (+22% year-on-year)

- Net sales were up year-on-year, primarily in FPD·PV, semiconductor, and electronic device production equipment.

□ Operating Profit: ¥8.9 billion (+39% year-on-year)

- Operating profit was up year-on-year, with all profit categories at high levels.

□ Upward revision of first half and full year earnings estimates

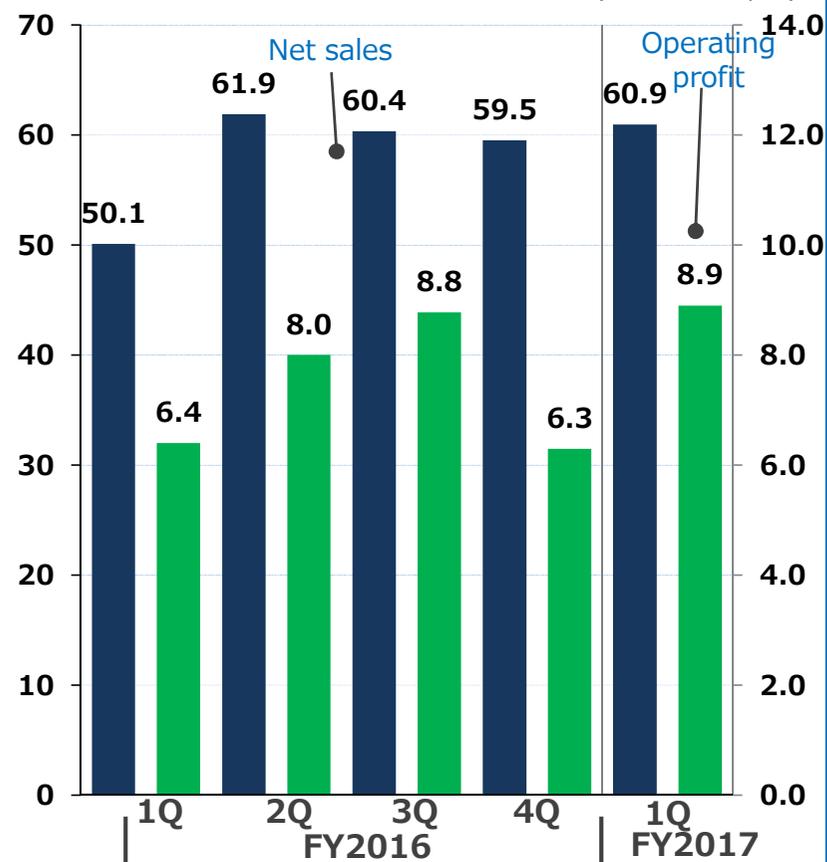
	First half		Full year	
Net sales	¥146.0 billion	(+¥6.0 billion)	¥245.0 billion	(+¥6.0 billion)
Operating profit	¥17.0 billion	(+¥2.0 billion)	¥33.0 billion	(+¥2.0 billion)
Net profit	¥13.5 billion	(+¥2.0 billion)	¥27.5 billion	(+¥2.0 billion)

Overview of 1Q FY2017 Business Results

- Orders received significantly increased year-on-year, mainly due to large orders for OLEDs used in smartphones (organic EL) and LCDs used in large-screen TVs.
- Net sales increased 22% year-on-year, driven mainly by FPD·PV, semiconductor, and electronic device production equipment.
- Due to the increase in net sales, all profit categories were up year-on-year.

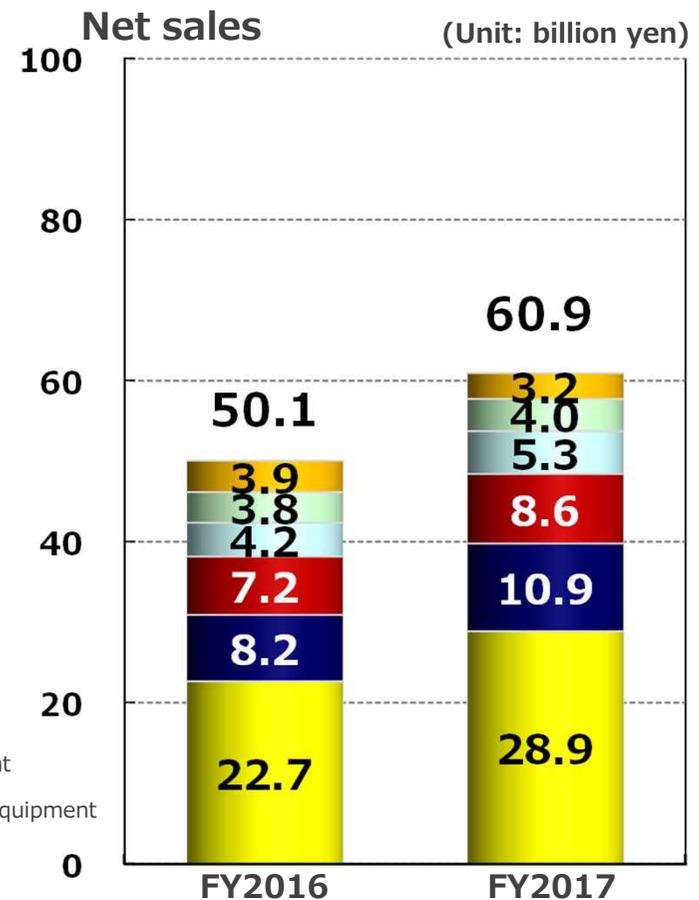
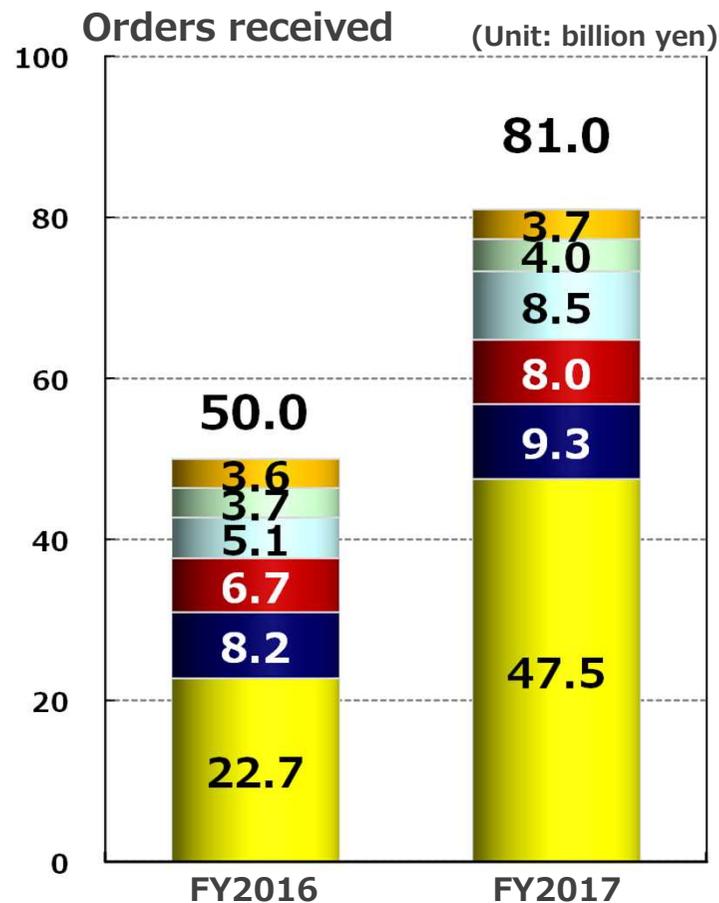
Progression of net sales and operating profit (quarterly)
(Unit: billion yen)

	FY2016 Actual 1Q	FY2017 1Q	Y-o-Y change
Orders Received	50.0	81.0	61.9%
Net Sales	50.1	60.9	21.7%
Operating Profit	6.4	8.9	38.6%
Ratio	12.8%	14.6%	
Net Income	5.1	6.3	24.7%
Ratio	10.1%	10.4%	



Overview of 1Q FY2017 Business Results (Orders received and net sales by segment)

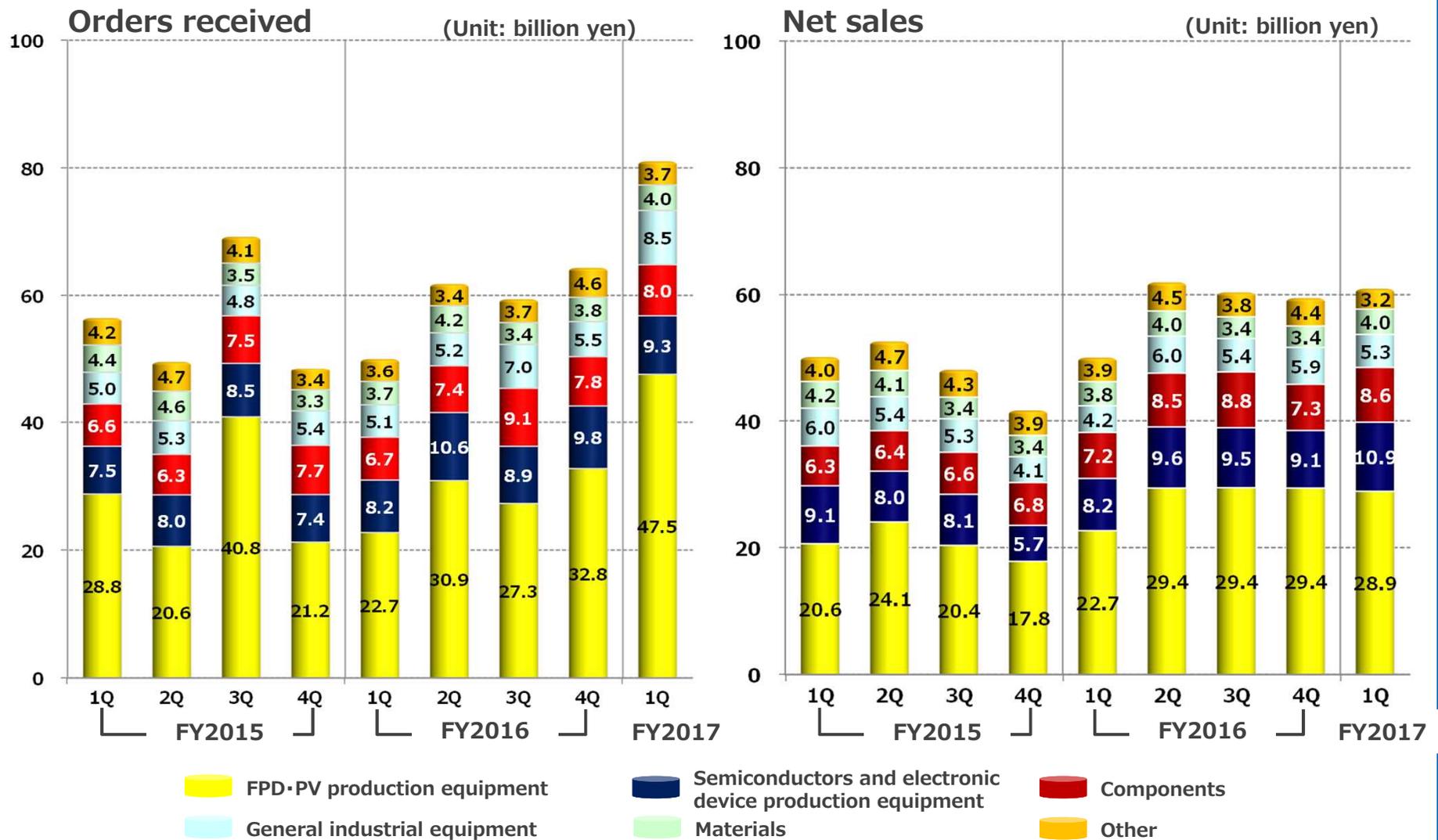
- **FPD·PV production equipment:** Large orders for OLEDs used in smartphones and LCDs for large-screen TVs led to a significant increase in orders received.
- **Semiconductor and electronic device production equipment:** Increased primarily due to investments in memory (NAND, DRAM).
- **Components:** Increased due to growth in demand for equipment.



Overview of 1Q FY2017 Business Results

(Progression of orders received and net sales by segment)

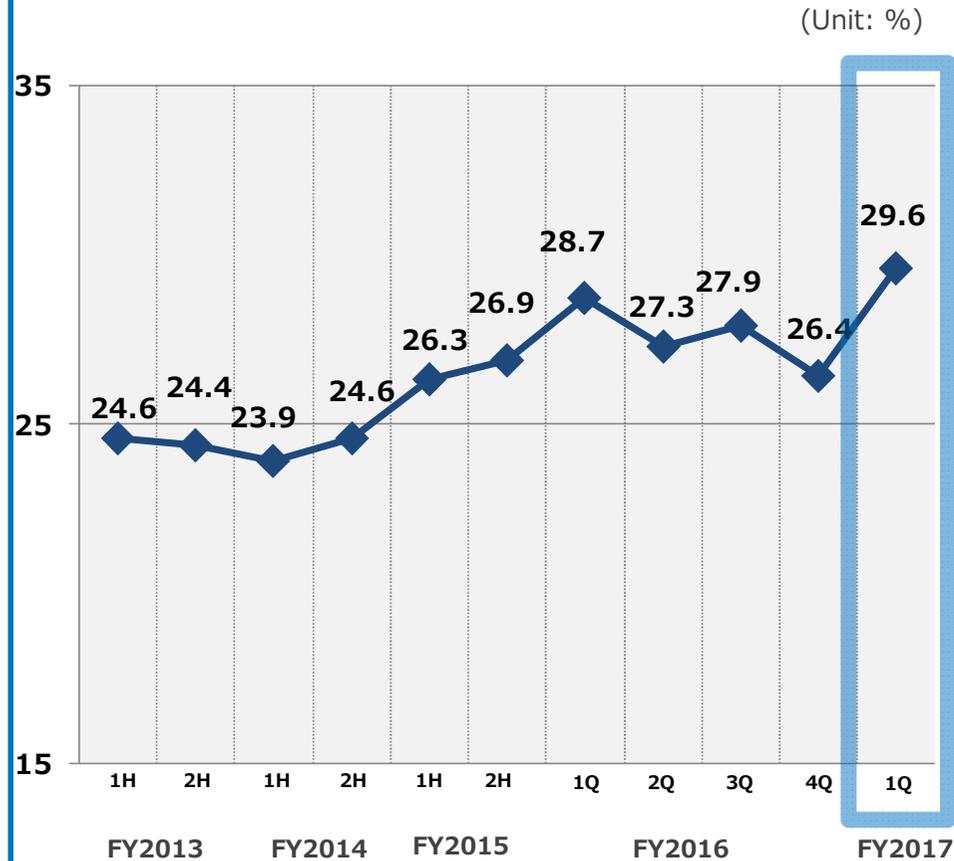
- Both orders received and net sales continued to perform at high levels.



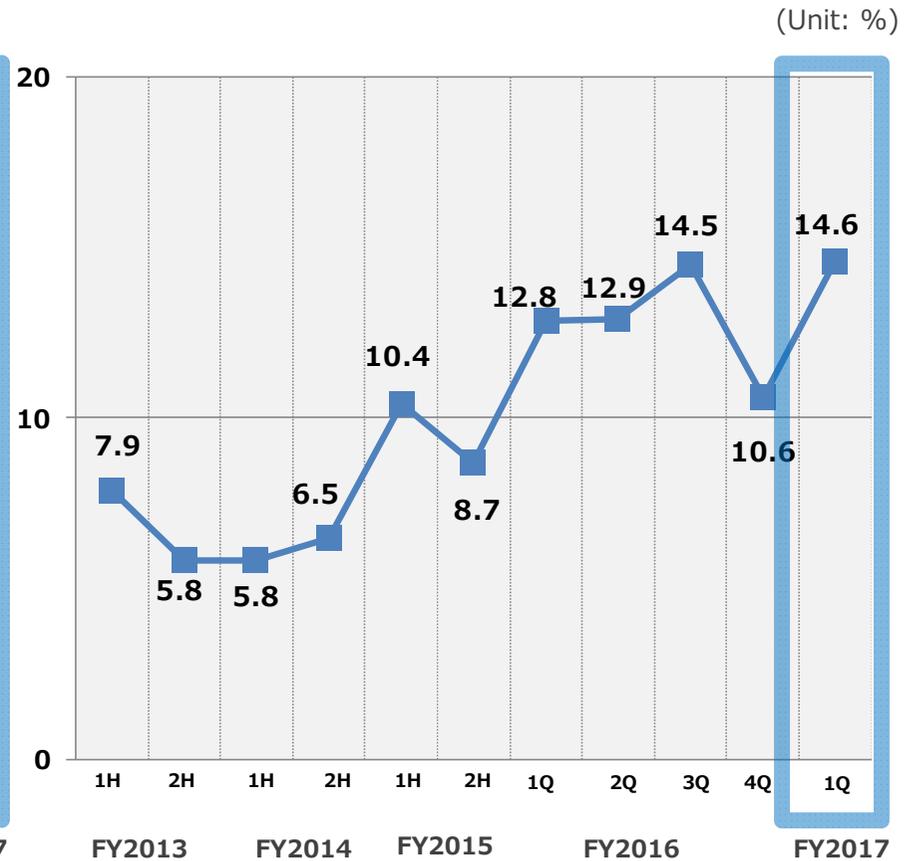
Overview of 1Q FY2017 Business Results (Progression of profit margins)

- Both gross profit and operating profit margins were at high levels.

Progression of gross profit margin

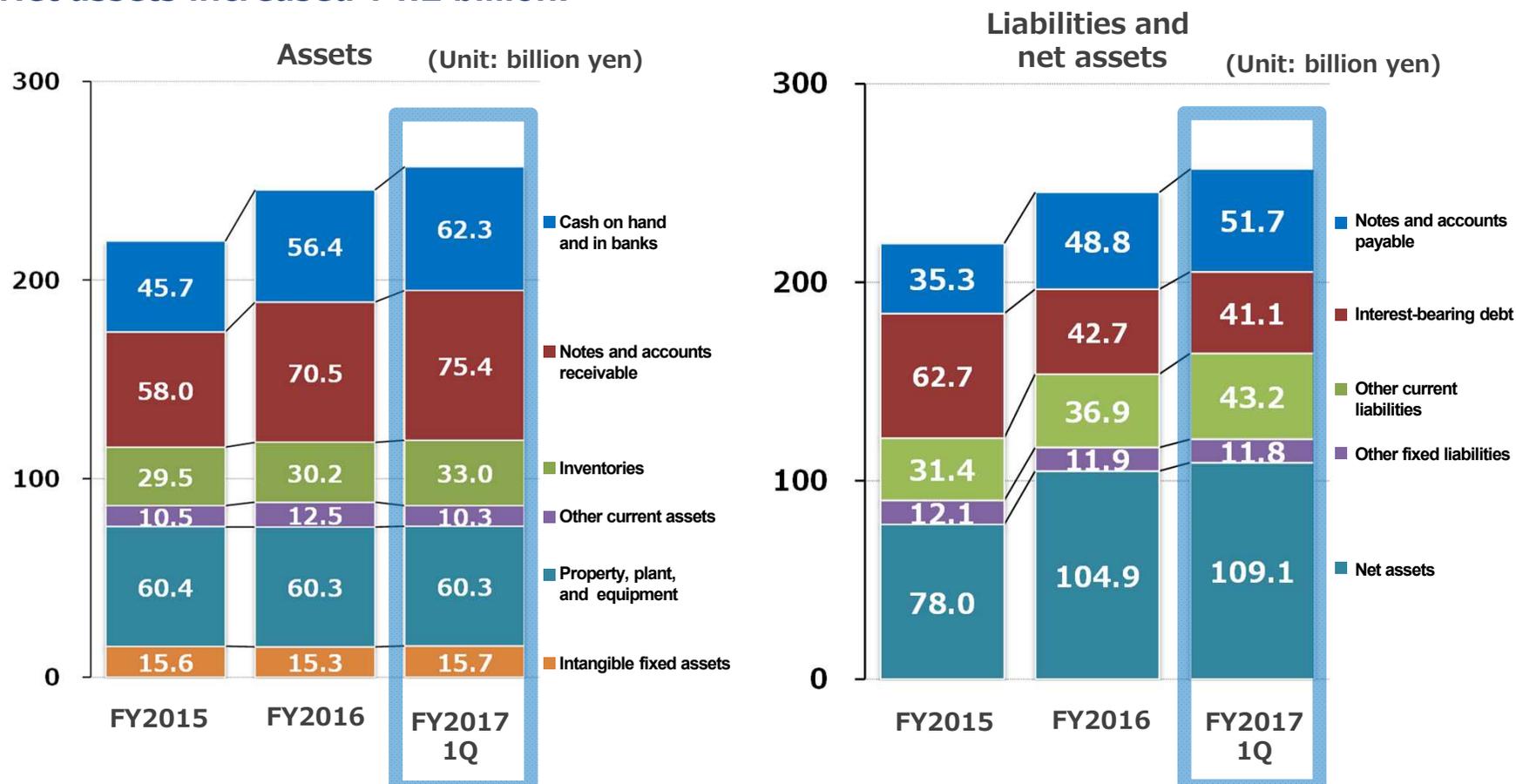


Progression of operating profit margin



Overview of 1Q FY2017 Business Results (Consolidated balance sheet)

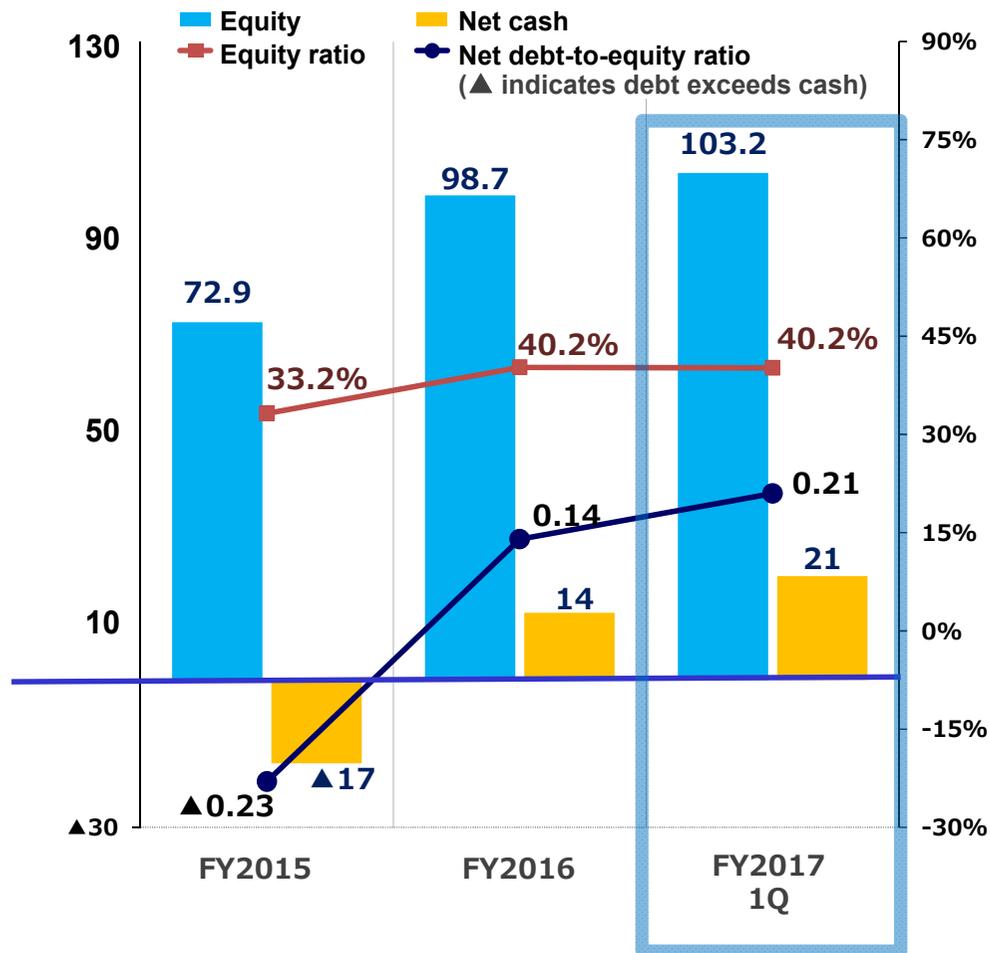
- Thanks to an increase in orders received and net sales, notes and accounts receivable rose ¥4.9 billion and inventory assets rose ¥2.8 billion from the end of the previous fiscal year.
- Likewise, notes and accounts payable rose ¥2.9 billion and other current liabilities rose ¥6.3 billion due to an increase in advances received.
- Net assets increased ¥4.2 billion.



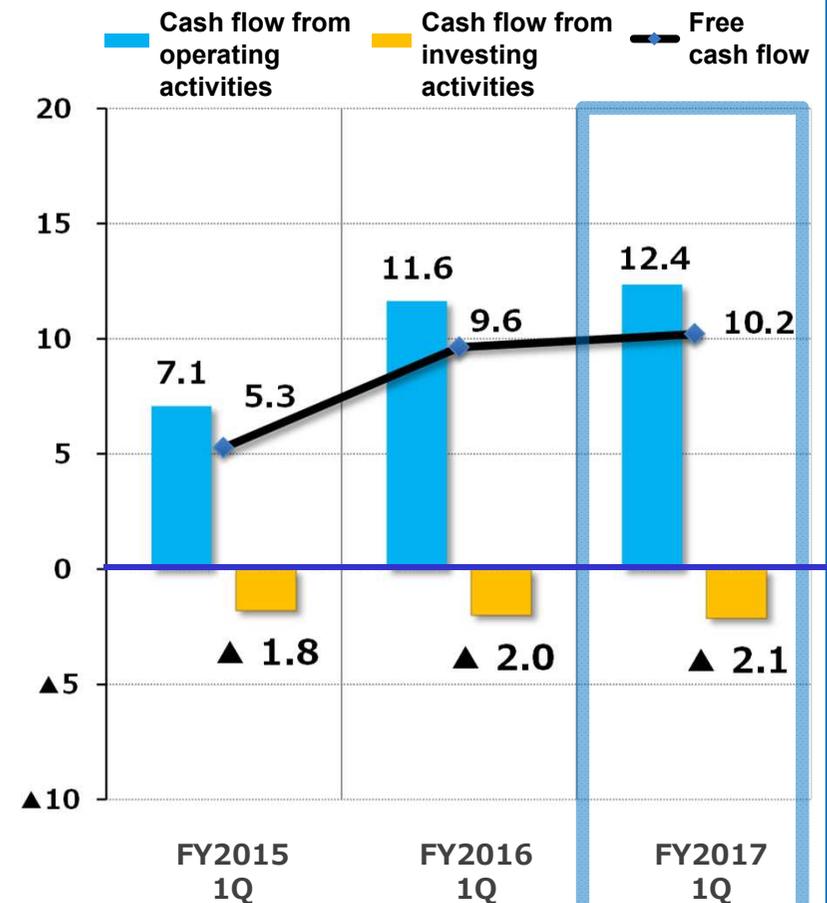
Overview of 1Q FY2017 Business Results (Equity, cash flow, etc.)

- Equity increased to ¥103.2 billion. Net cash increased to ¥21.2 billion, and the Net debt-to-equity ratio improved to 0.21.
- Operating cash flow reached ¥12.4 billion, and free cash flow reached ¥10.2 billion.

(Unit: billion yen)



(Unit: billion yen)



FY2017 Earnings Estimates

FY2017 first half and full year earnings estimates

- For the first half of the year, net sale and profit estimates were revised upward. Net sales are expected to increase more than initial estimates, driven mainly by semiconductor and electronic device production equipment. In line with this, profits are expected to rise above initial estimates.
- Reflecting this upward revision for the first half of the year, net sale and profit estimates for the full year were also revised upward.

(Unit: billion yen)

	FY2017				
	1Q Actual	Forecast*	1H Revised	Full Year Forecast*	Full Year Revised
Orders Received	81.0	140.0	146.0	245.0	251.0
Net Sales	60.9	115.0	121.0	239.0	245.0
Operating Profit	8.9	15.0	17.0	31.0	33.0
Ratio	14.6%	13.0%	14.0%	13.0%	13.5%
Net Income	6.3	11.5	13.5	25.5	27.5
Ratio	10.4%	10.0%	11.2%	10.7%	11.2%

*: Figures published in August 2017

Approaches to raising corporate value



Addition of ULVAC to the MSCI Japan ESG Select Leaders Index

MSCI Japan ESG Select Leaders Index is a capitalization-weighted index based on the MSCI Japan IMI Top 500 Index. This index represents the performance of companies that have a high Environmental, Social and Governance (ESG) rating.

On July 3, 2017, the index was selected by the Japanese Government Pension Investment Fund (GPIF) as an ESG index for its passive investments.

Addition of ULVAC to the JPX Nikkei Index 400

Calculation of the JPX Nikkei Index 400 began in 2014, with the aim of selecting “companies with high appeal for investors,” which meet requirements of global investment standards.

(Applicable August 31)

Selection of ULVAC among 50 candidates for the Corporate Value Improvement Award

ULVAC was selected from among 50 candidates practicing improvement of corporate value for the Corporate Value Improvement Award, which the Tokyo Stock Exchange presents to listed companies that adopt management practices aimed at increasing corporate value from the investors’ perspectives. (August 30)