

【 Code No : 6728】

# Business Result

## FY2015 (Year Ending June 30, 2016) 3Q

**ULVAC,Inc.**

**13<sup>th</sup> May, 2016**

## ◆ 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 electronic 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

## Points of Market Environment

- ❑ Despite a continued fall in prices due to oversupply of LCD panels, investments in LCD panels for large screen TVs (a-Si) centering mainly on Chinese panel manufacturers have been continuing.
- ❑ The movement toward investments in organic EL (OLED) are becoming active among panel manufacturers from Japan, China, South Korea and Taiwan.
- ❑ Demand for semiconductor memories hold steady and the investments by chip manufacturers in new processes such as for 3D-NAND, nonvolatile memories and packaging remained robust.
- ❑ Electronics part manufacturers have been generally taking a conservative stance on investments that reflects a decline in growth of unit sales of smartphones, despite continuing trends towards adopting higher performance models, thinner bodies.

## Overview of Business Results for FY 2015 3Q

# Overview of Business Results for FY2015 3Q

## Outlook for FY2015

- Net sales:** Up 21.7 billion yen year-on-year, reflecting strong contributions from an increase in sales of FPD production equipment
- Operating profit:** Operating profit: Up 8.8 billion yen year-on-year, due to the effects of efforts to cut manufacturing costs and the contribution of relatively profitable reconstruction projects (such as semiconductor and electronic part production equipment) that were particularly concentrated in the 3Q, as well as higher net sales

[Unit:Bn.Yen]

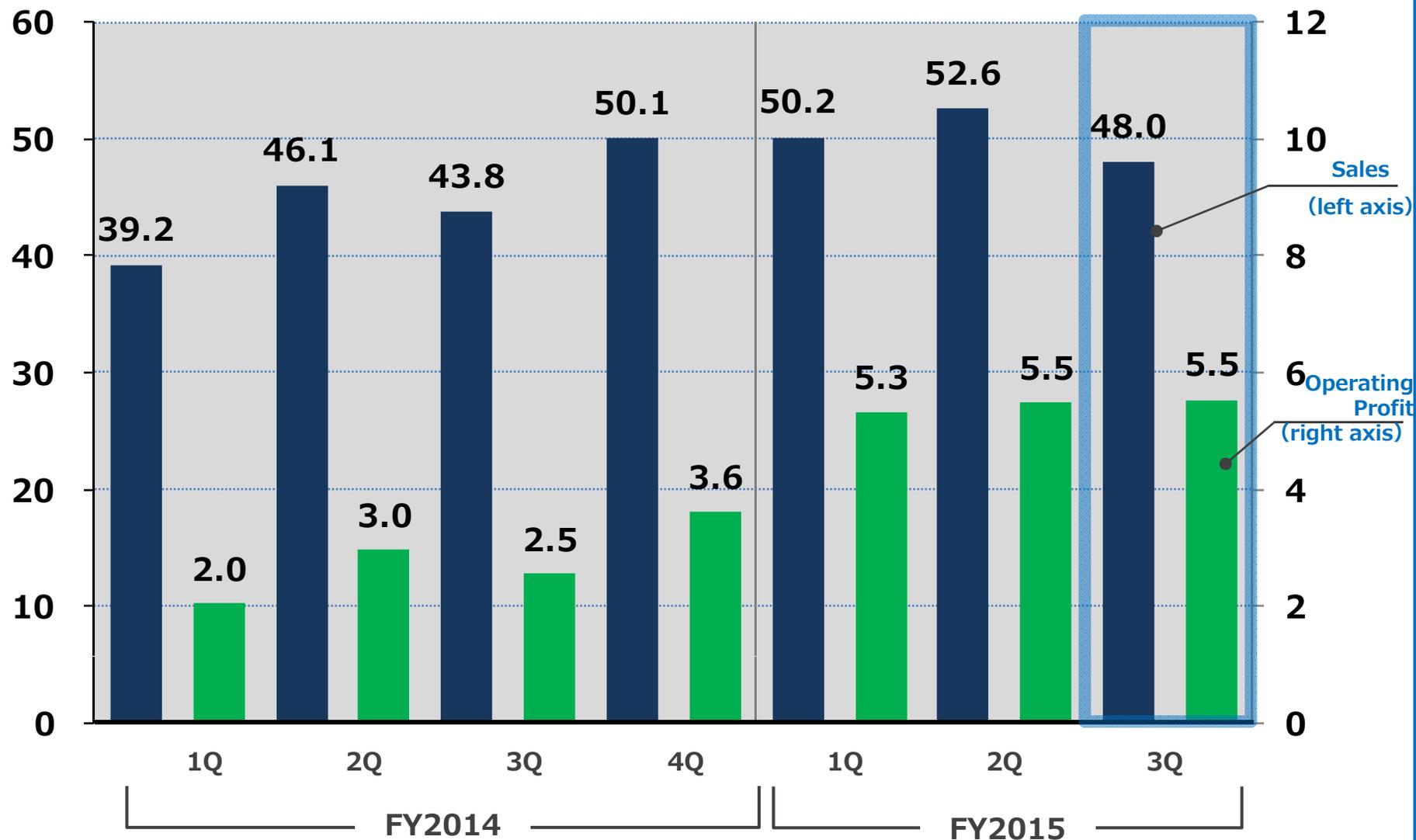
	June '15		June '16 3Q			June 2016 Full Year Plan *2
	3Q	Full Year	Revised* (FullYear)	3Q Result	Y-o-Y (Changes)	
<b>Booking</b>	123.8	182.7	206.0	<b>175.1</b>	41.5%	218.0
<b>Sales</b>	129.1	179.2	193.0	<b>150.8</b>	16.8%	194.0
<b>Gross margin</b>	31.7	43.5	-	<b>40.3</b>	27.0%	-
<b>Ratio</b>	24.6%	24.3%	-	<b>26.7%</b>	+ 2.2 pt	-
<b>SG&amp;A</b>	24.2	32.3	-	<b>24.0</b>	-0.9%	-
<b>Operating Profit</b>	7.5	11.1	16.0	<b>16.3</b>	116.9%	18.5
<b>Ratio</b>	5.8%	6.2%	8.3%	<b>10.8%</b>	+ 5.0 pt	9.5%
<b>Net Income</b>	6.2	8.9	11.5	<b>11.8</b>	91.6%	14.5
<b>Ratio</b>	4.8%	5.0%	6.0%	<b>7.8%</b>	+ 3.1 pt	7.5%

\* : Announced on 2<sup>nd</sup> Feb. 2016

**Overview of Business Results for  
FY2015 3Q**  
(Transition of Sales and Operating Profit)

Outlook for FY2015

[Unit:Bn.Yen]

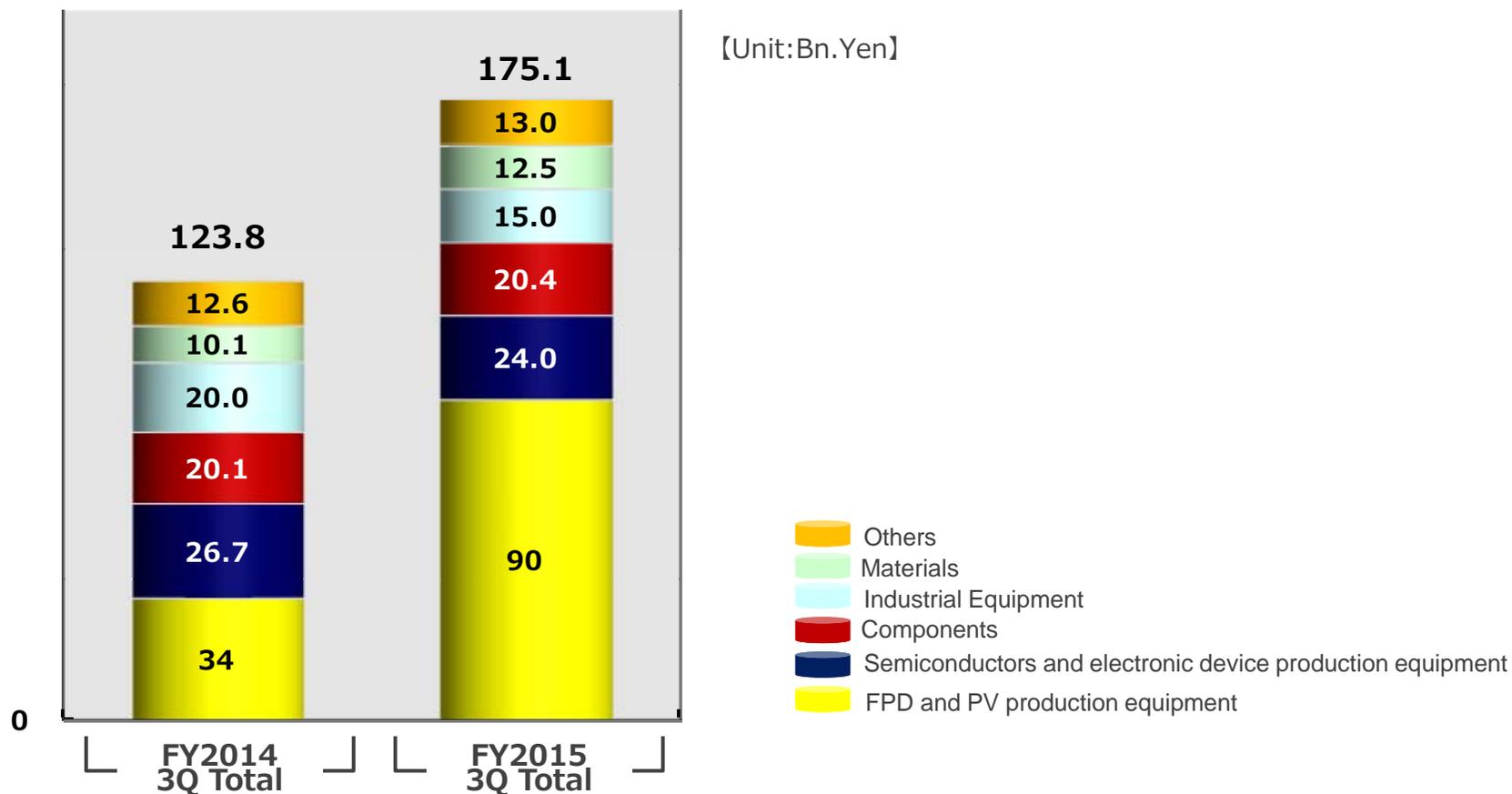


# Overview of Business Results for FY2015 3Q (Results of orders received by segment)

## Outlook for FY2015

Orders received for FPD production equipment rose by 42% year-on-year, mainly reflecting early investments in large screen TVs.

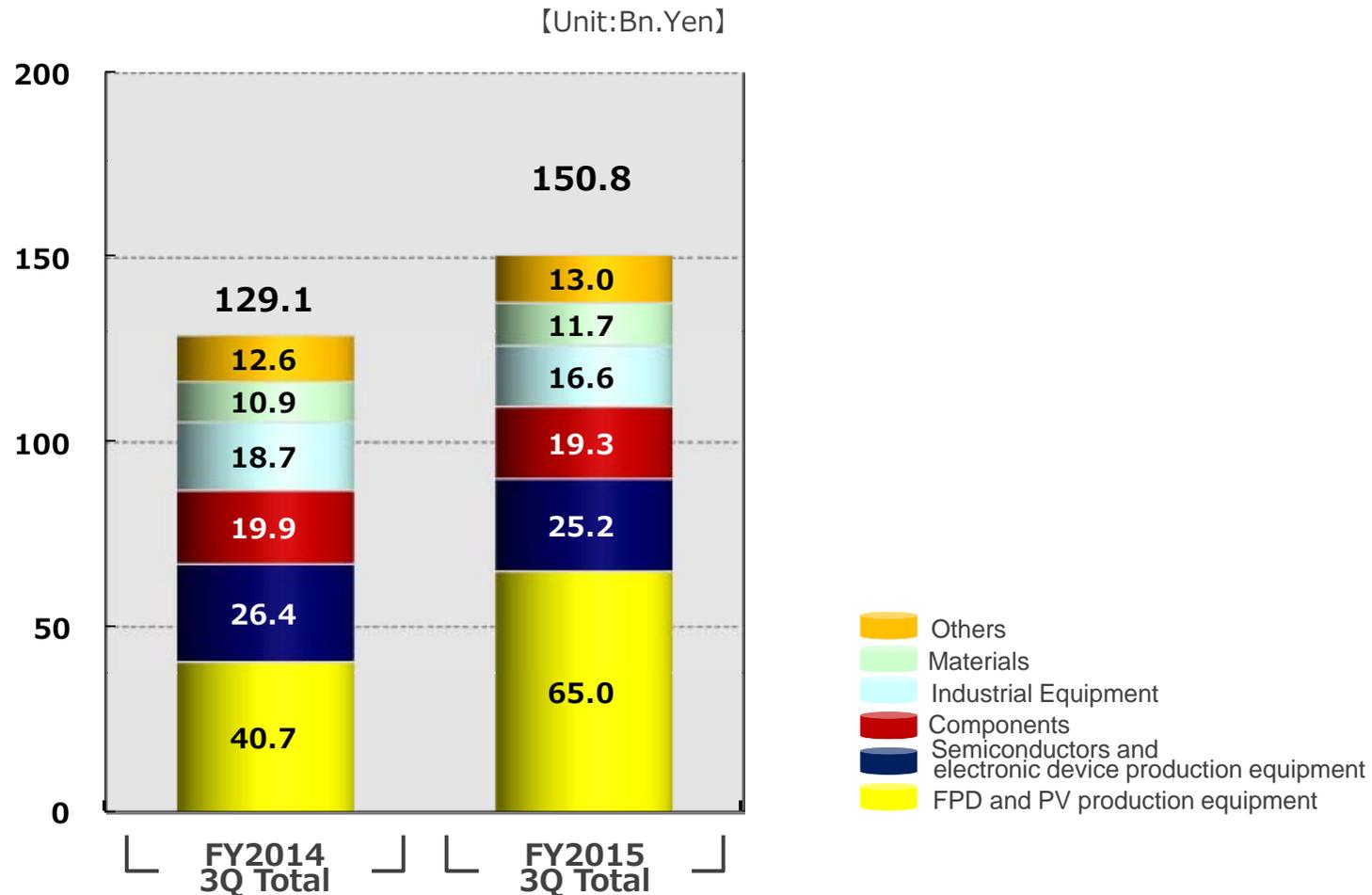
Orders received for semiconductor and electronics part production equipment temporarily declined year-on-year, partly due to a fall in capital expenditures stemming from a slowdown in growth of unit sales of smartphones. However, fields able to contribute from hereon in areas such as 3D-NAND, nonvolatile memories and high-density packaging are likely to expand in the future.



**Overview of Business Results for  
FY2015 3Q**  
(Results of net sales by segment)

Outlook for FY2015

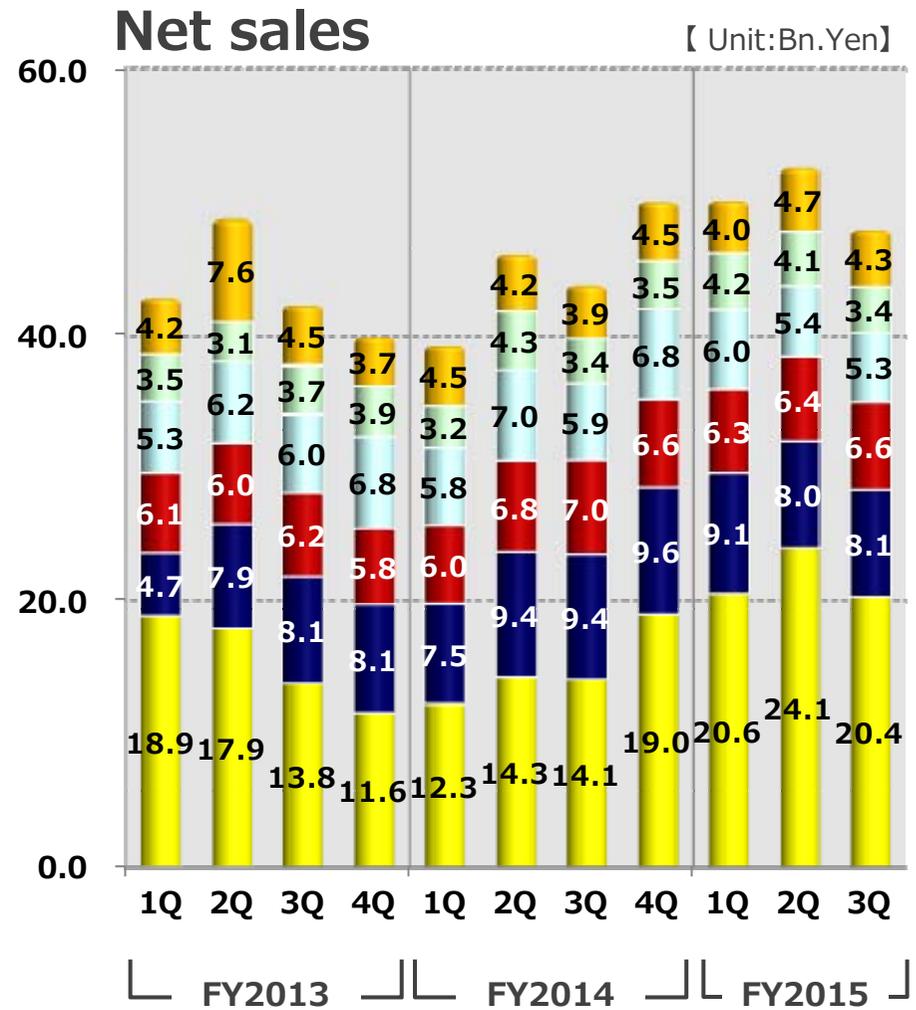
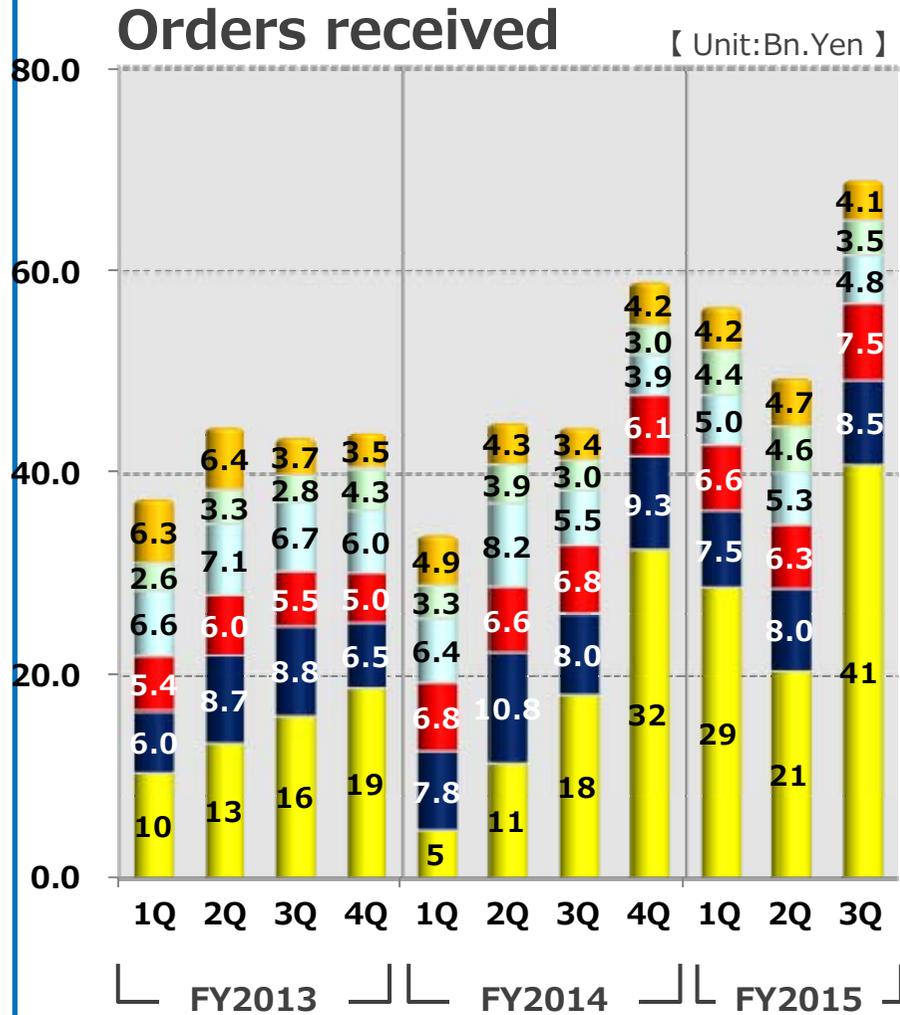
Net sales rose 17% year-on-year, mainly reflecting an increase in sales of FPD production equipment.



# Overview of Business Results for FY2015 3Q

(Transition of orders received and net sales by segment )

## Outlook for FY2015

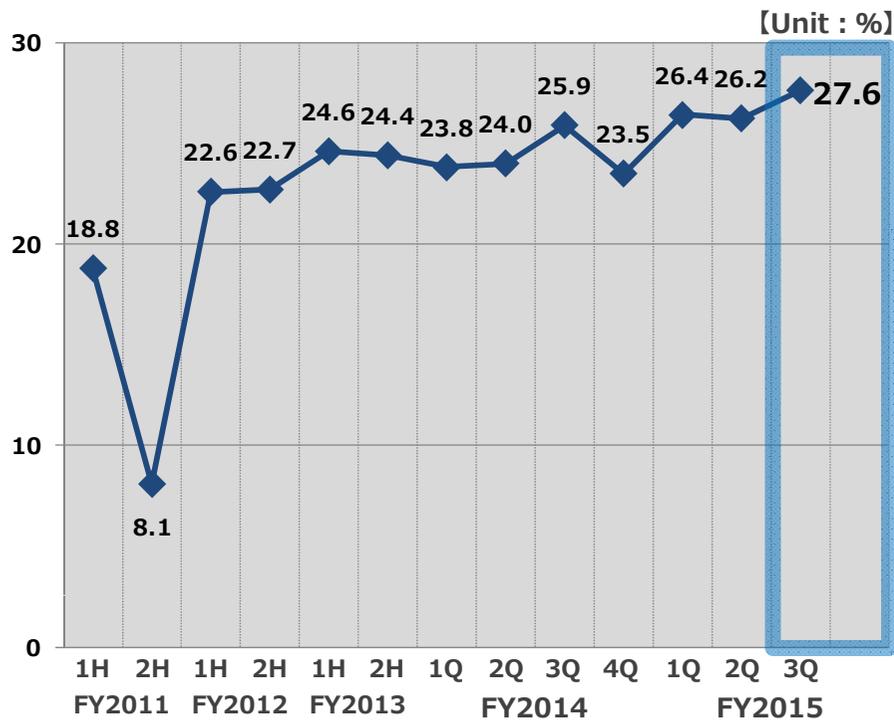


# Overview of Business Results for FY2015 3Q (Transition of profitability)

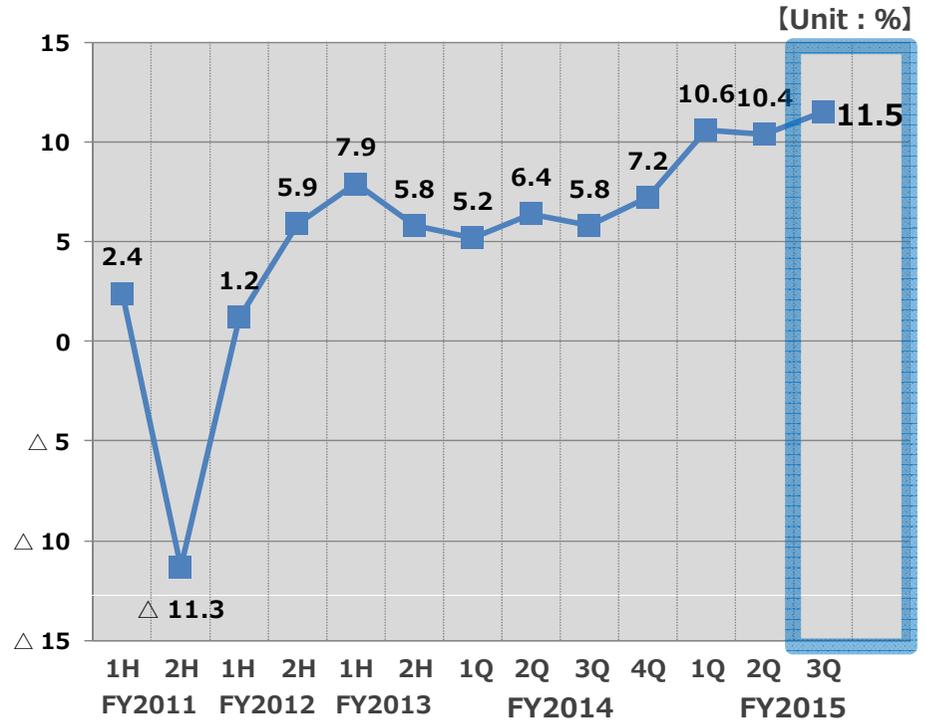
## Outlook for FY2015

Both gross profit margin and operating profit margin ratio rose in 3Q. These results were attributable to the effects of efforts to cut manufacturing costs and the contribution of relatively profitable reconstruction projects (such as semiconductors and electronic device production equipment), as well as higher net sales in the term under review.

Transition of Gross profit margin ratio



Transition of Operating profit margin ratio



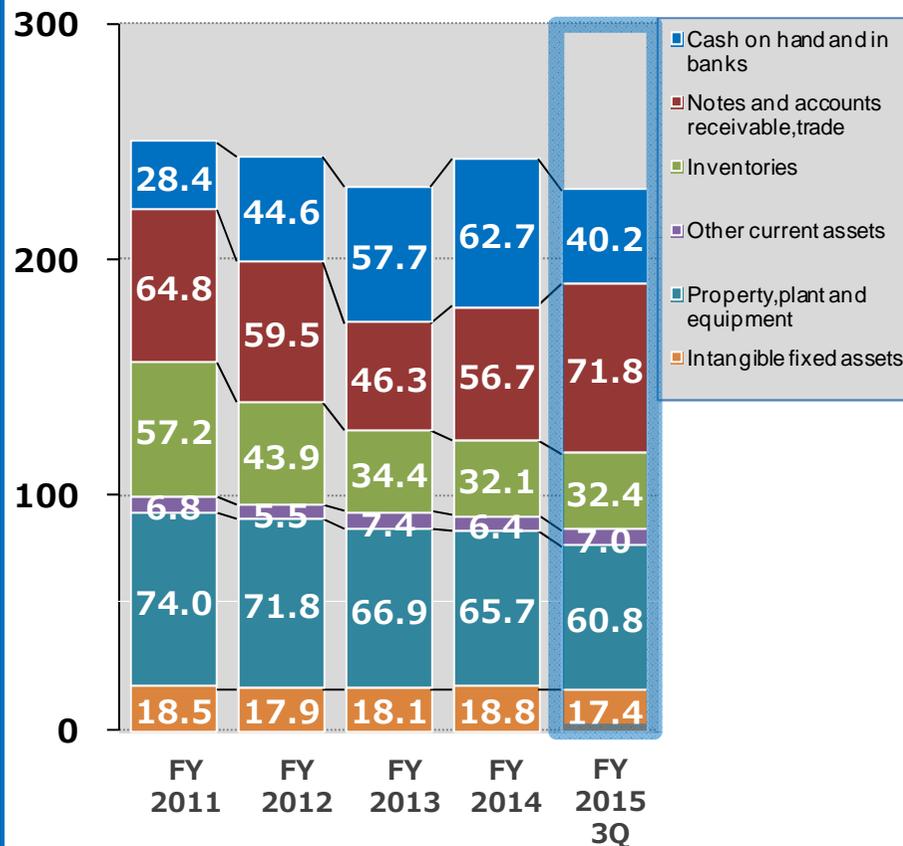
# Overview of Business Results for FY2015 3Q (Consolidated balance sheets)

## Outlook for FY2015

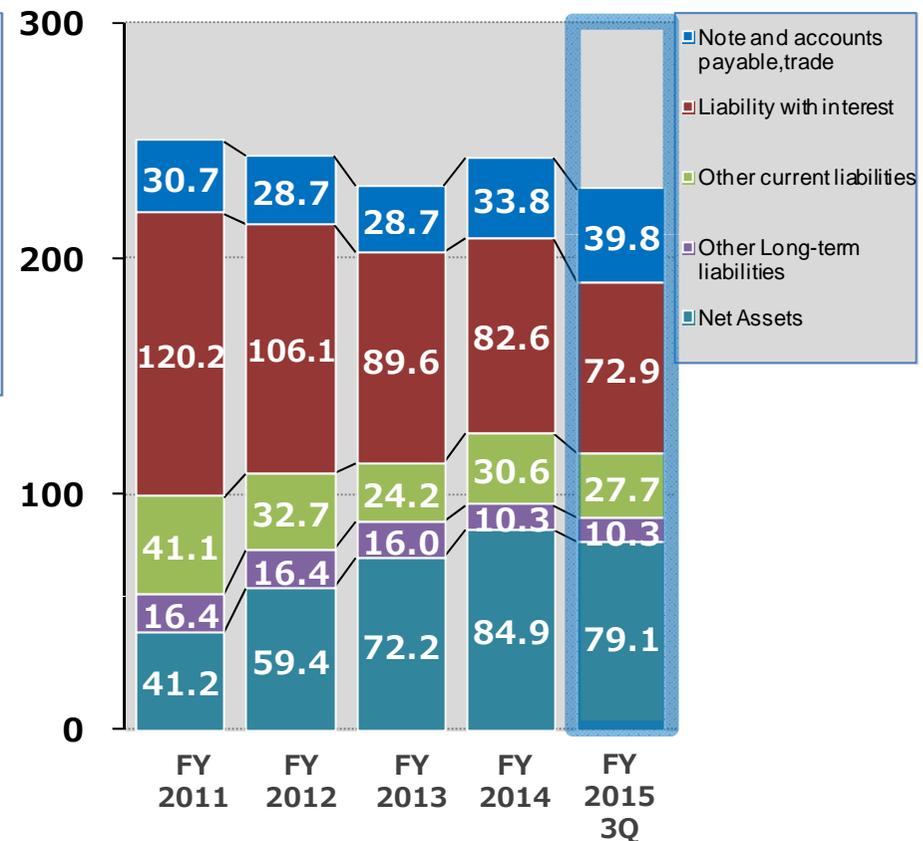
Accounts receivable increased in 3Q, given higher net sales and a temporary expansion of gap between sales and incomes, but these are expected to reduce in 4Q

Liability with interest fell 9.8 billion yen in 3Q compared to the end of the FY2014 as a result of steps taken to reduce debt.

【 Unit:Bn.Yen】



【 Unit:Bn.Yen】

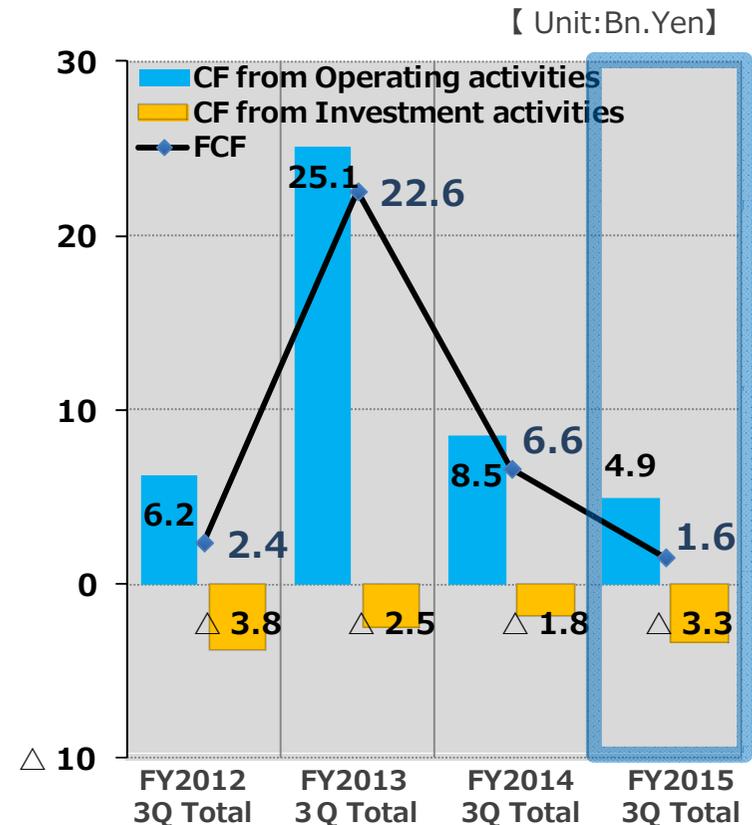
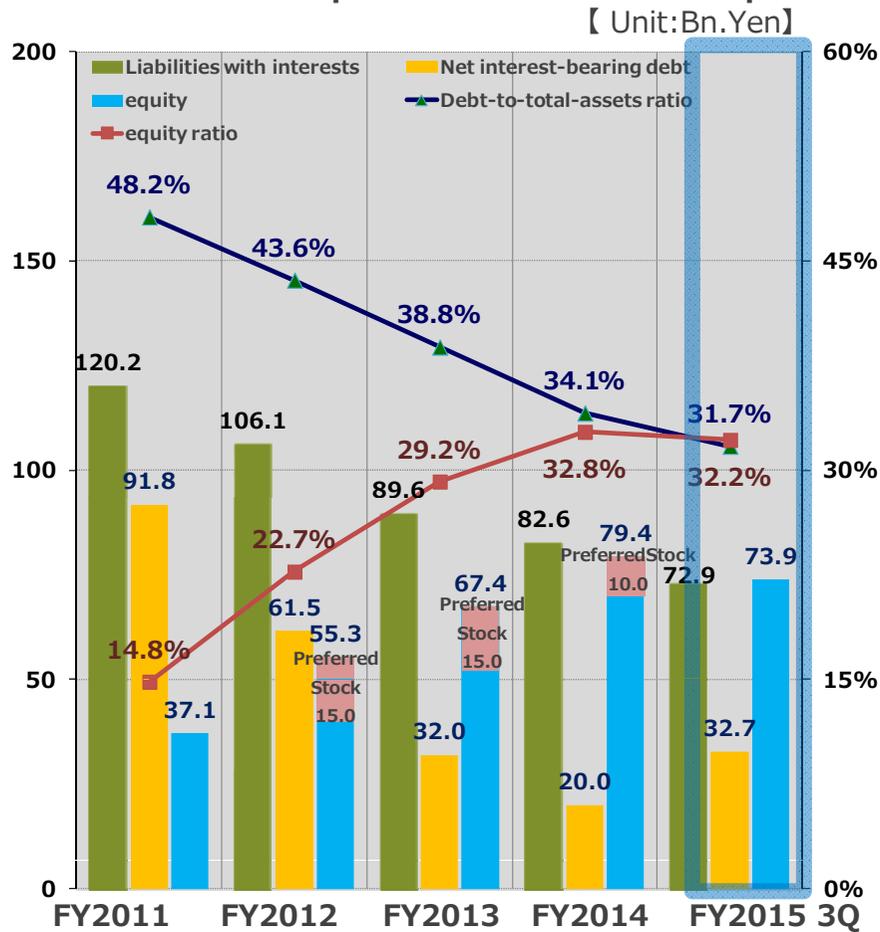


# Overview of Business Results for FY2015 3Q (FCF and liabilities with interests)

## Outlook for FY2015

Even after the full redemption of preferred stock, the equity ratio remained at 32.2%. and Dept-to-total assets ratio improved to 31.7%.

Mainly reflecting effects of controlling a rise in working capital as a result of higher accounts receivables, operating CF and FCF were secured at 4.9 billion yen and 1.6 billion yen respectively. However, these results were partly attributable to the temporary factors, both cash flows for the current FY are expected to increased compared to those for the 3Q total.



# Outlook for FY2015

## Outlook for FY2015

In the 3Q, net sales remained slightly higher than those originally anticipated. Every profit also remained higher than originally anticipated. This reflected a cluster of relatively profitable projects (such as semiconductors and electronic device production equipment) and effects from continued efforts to cut manufacturing costs along with higher net sales. Considering these results, full-year consolidated forecasts for both overall net sales and profits have been revised upward from those previously prepared (forecasts for the 4Q were prepared based on the assumption that, compared with the 3Q, net sales would decline, the number of profitable projects would fall, and fixed costs including R&D expenses would rise).

The forecast for orders received has been revised upward taking into account the moving up of the investment timetable for FPD production equipment for large screen TVs, as well as increasing investments in organic EL (OLED) for smartphones.

【 Unit:Bn.Yen】

	3Q Result	Full Year		Forecast
		Original*1	Revised*2	
<b>Booking</b>	<b>175.1</b>	190.0	206.0	<b>218.0</b>
<b>Sales</b>	<b>150.8</b>	190.0	193.0	<b>194.0</b>
<b>Operating Profit</b>	<b>16.3</b>	13.5	16.0	<b>18.5</b>
<b>Ratio</b>	<b>10.8%</b>	7.1%	8.3%	<b>9.5%</b>
<b>Net Income</b>	<b>11.8</b>	9.5	11.5	<b>14.5</b>
<b>Ratio</b>	<b>7.8%</b>	5.0%	6.0%	<b>7.5%</b>

\*1 : Announced on Aug. 2015

\*2 : Announced on 2<sup>nd</sup> Feb. 2016