

【Code No : 6728】

Business Result

FY2014 (Year Ending June 30,2015)

ULVAC,Inc.

13th Aug.,2015

◆ **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

Overview of Business Results for FY 2014

Both net sales and orders received increased year-on-year. Orders received increased in 4Q mainly for FPD, exceeding the revised forecast.

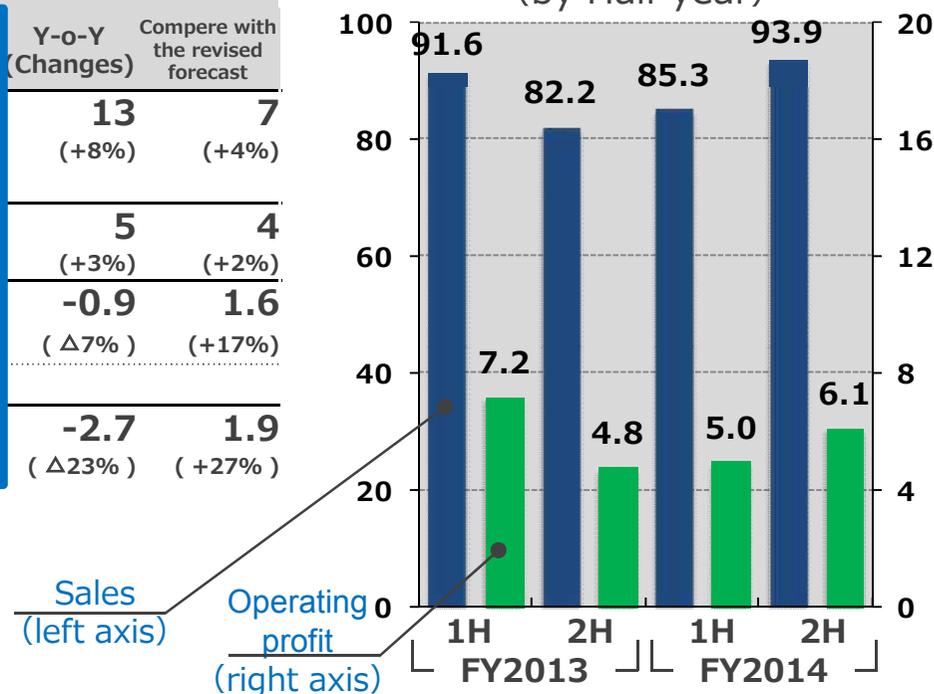
Operating profit decreased year-on-year but exceeded the revised forecast due to the following factors: (1) net sales were higher than the forecast; (2) a decrease in profitability was less than expected; and (3) the revised forecast included expected impact of additional payments of tariff etc. by some subsidiaries, but no such payments occurred contrary to our expectations.

Net income declined compared to the previous fiscal year, for which 2.5 billion yen of extraordinary income was recorded including gain on sales of subsidiaries' stocks and real estate. However, the net income exceeded the revised forecast.

[Unit: Bn. Yen]

	FY2013	Initial Forecast※1	Revised forecast※2	FY2014		
				Result	Y-o-Y (Changes)	Compare with the revised forecast
Booking	170	170	176	183	13 (+8%)	7 (+4%)
Back-log	67	62		73		
Sales	174	175	175	179	5 (+3%)	4 (+2%)
Operating Profit	12.0	9.0	9.5	11.1 (-)	-0.9 (Δ7%)	1.6 (+17%)
Ratio	6.9%	5.1%	5.4%	6.2%		
Net income	11.5	6.5	7.0	8.9	-2.7 (Δ23%)	1.9 (+27%)

Transition of
Sales and Operating profit
(by Half year)

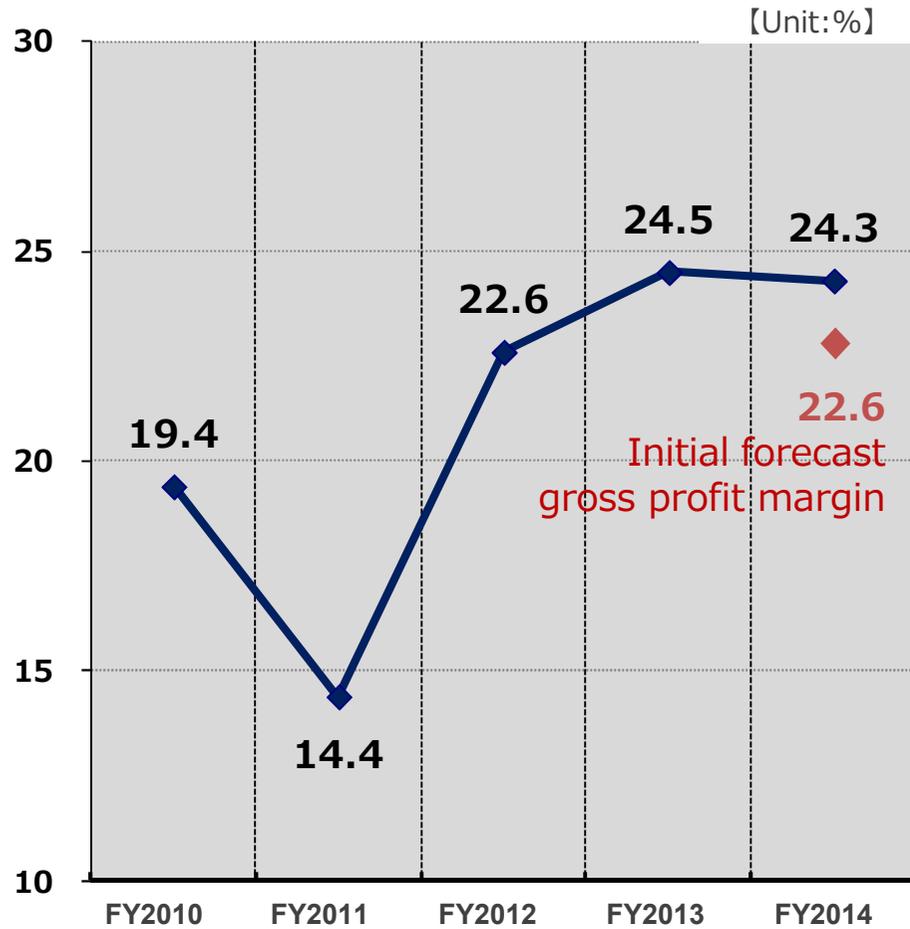


※1 Figures announced on Aug 2014

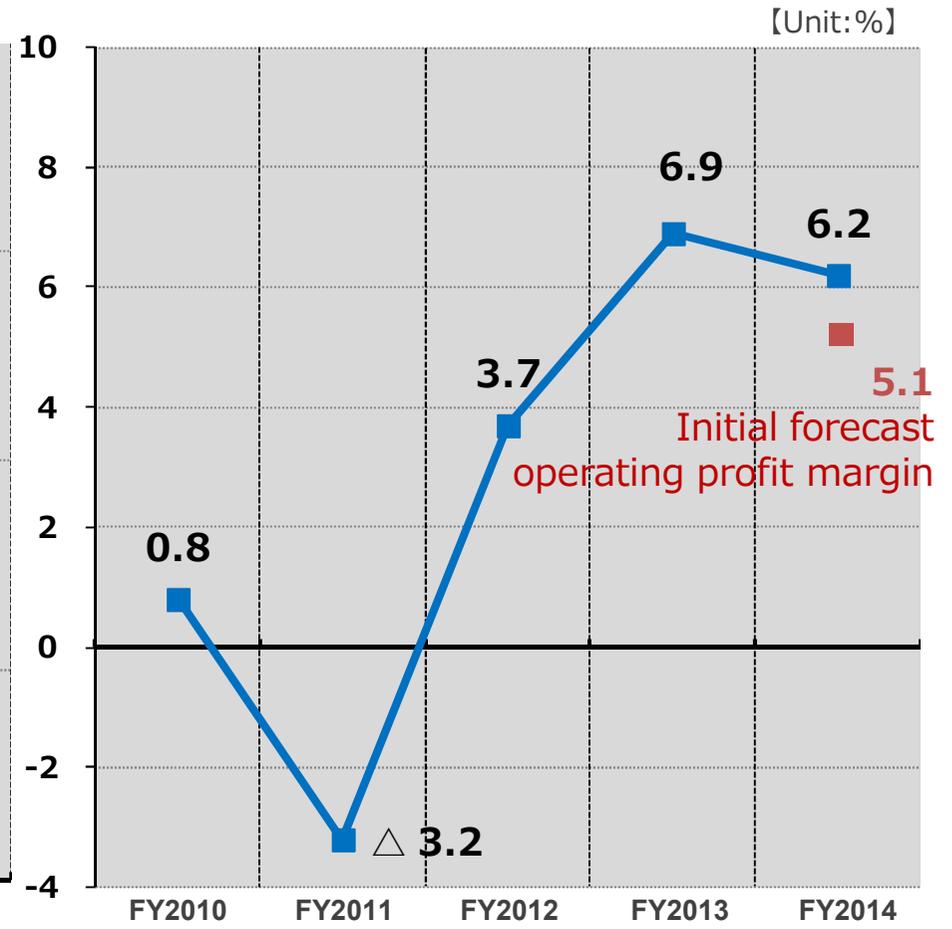
※2 Figures announced on May 2015

Initially, we expected a profit margin decline, it was smaller in order to reduce manufacturing costs, etc.

Transition of Gross profit margin



Transition of Operating profit margin

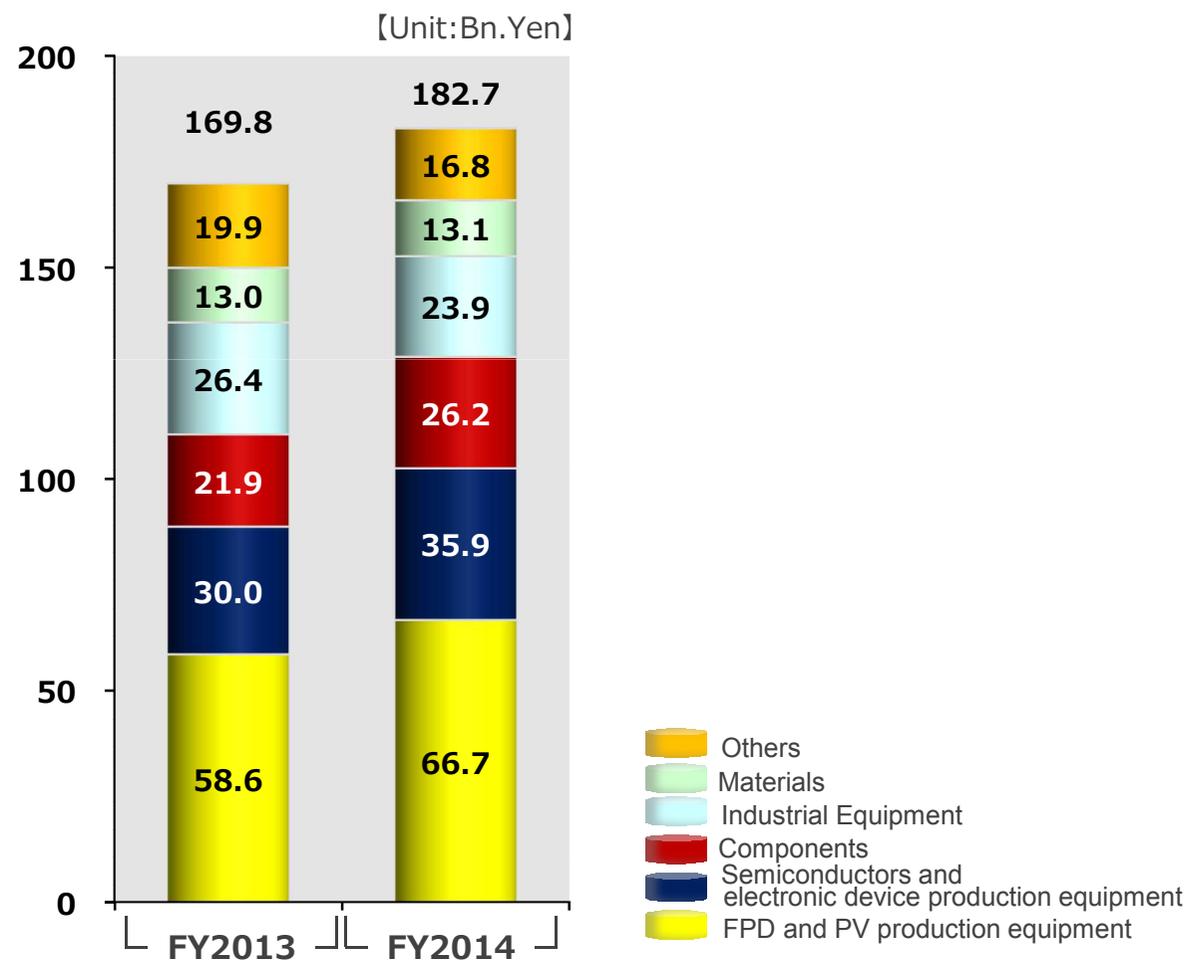


Overview of Business Results for FY 2014 (Results of orders received by segment)

Outlook for
FY 2015

Progress of the Medium-term
Management Plan

Orders received for FPD and PV production equipment increased year-on-year, due to the contribution of capital investment made in small to medium-sized LCDs displays during the second half of the fiscal year under review. Capital expenditure programs for memory systems for mobile devices and advanced electronic devices were successful, resulting in a year-on-year increase in orders received for semiconductors and electronic device production equipment and components, etc.



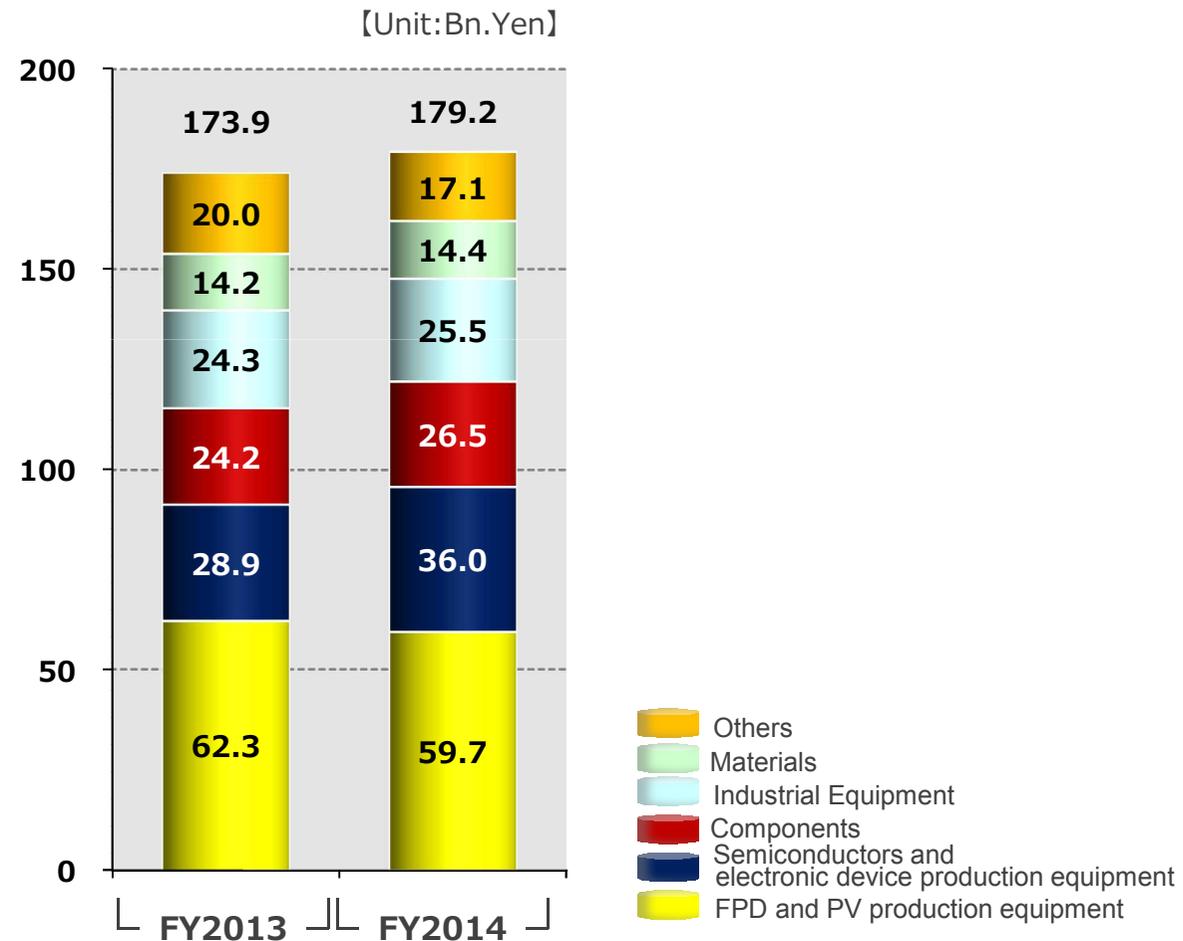
**Overview of Business Results for FY 2014
(Results of net sales by segment)**

Outlook for
FY 2015

Progress of the Medium-term
Management Plan

Net sales rose year-on-year for semiconductors and electronic device production equipment, components, industrial equipment and materials.

For FPD and PV production equipment, however, sluggish orders during 1Q caused a delay in contributing to sales, resulting in a year-on-year drop in net sales.



Overview of Business Results for FY 2014 (Consolidated balance sheets)

Outlook for
FY 2015

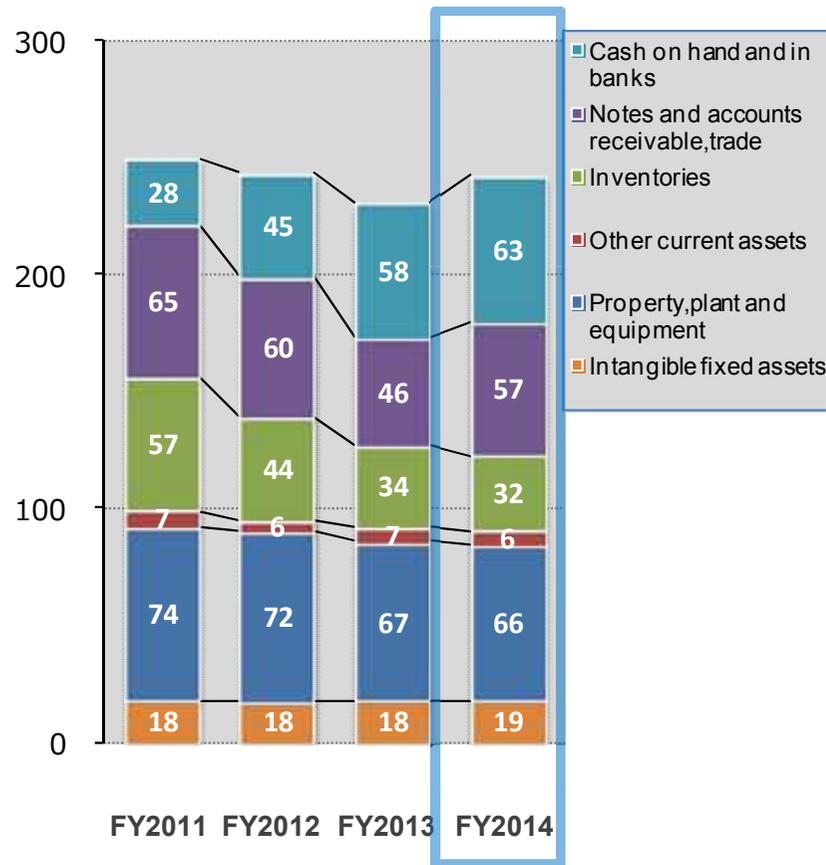
Progress of the Medium-term
Management Plan

Cash and deposits, notes and accounts receivable, and notes and accounts payable increased due to factors such as a recent increase in net sales.

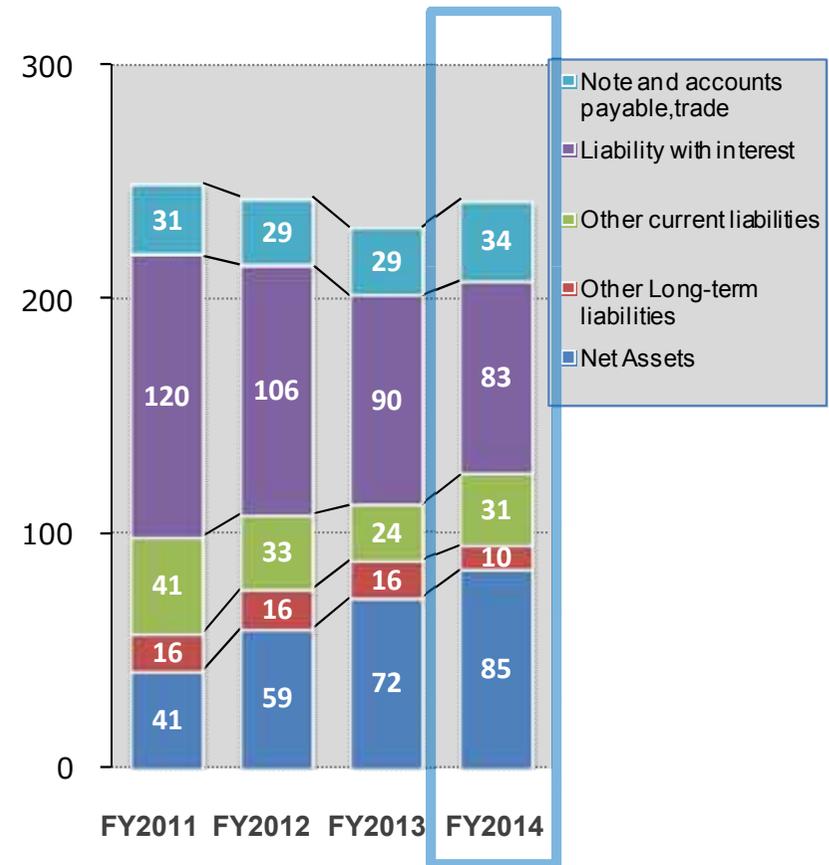
Meanwhile, inventories declined and net assets increased. As a result, interest-bearing debt decreased and cash and deposits increased.

Assets

[Unit:Bn.Yen]



Liabilities and Net assets



Overview of Business Results for FY 2014 (FCF and Liabilities with interests)

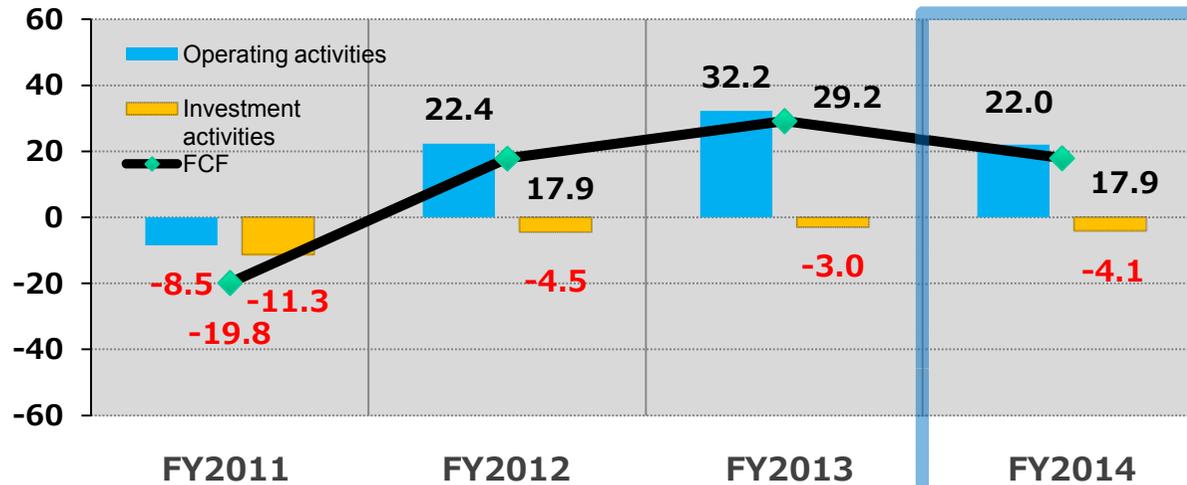
Outlook for
FY 2015

Progress of the Medium-term
Management Plan

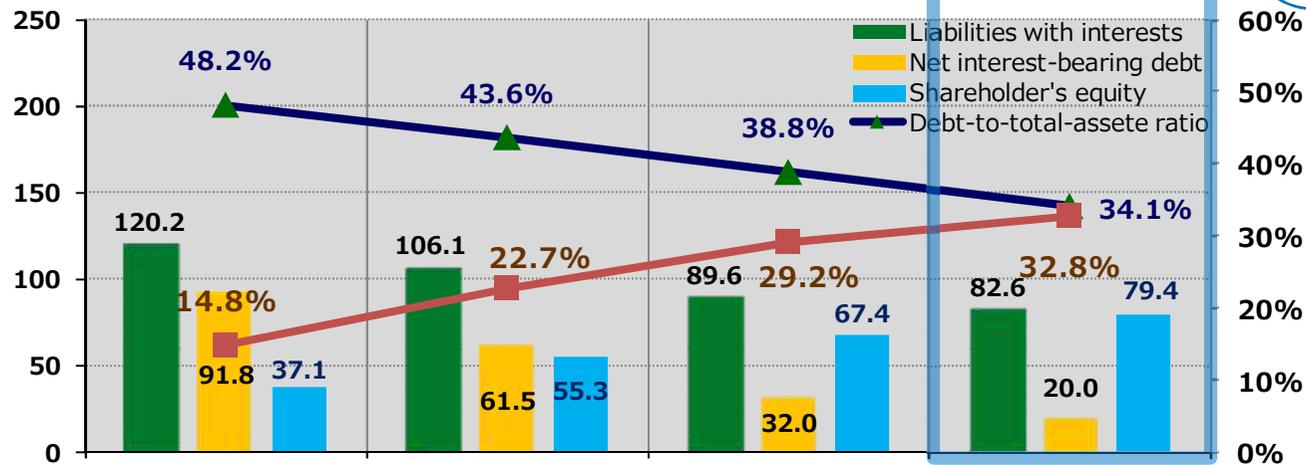
Secured 17.9 billion yen in free cash flow (Three-year total 65 billion yen)

Shareholders' equity ratio and interest-bearing debt figures were improving gradually.

[Unit:Bn.Yen]



After the full redemption of preferred stock in July 2015
Shareholder's equity: 67.5 billion yen*
Shareholder's equity ratio: 29%
* Calculated by deducting the redemptions from the balance as of the end of June 2015



| Redemption of preferred stock

History of preferred stock issuance and redemption

September 2012: Issued (15 billion yen)

November 2014: Redeemed in cash; Principal: 5 billion yen
(Balance: 10 billion yen)

July 2015: Redeemed in cash; Principal: 10 billion yen
(Balance: 0 yen)

| Resumption of dividend payouts on common stock

Cash redemption of all preferred stock has been completed.(3July,2015)

⇒ This has caused the Company to conclude that it will be able to resume
dividend payouts on its common stock.

The Company plans to pay a dividend of 10 yen per share.

(To be discussed at the general shareholders meeting scheduled for the end of September 2015)

Outlook for FY 2015 (Strengthening of Development Platform)

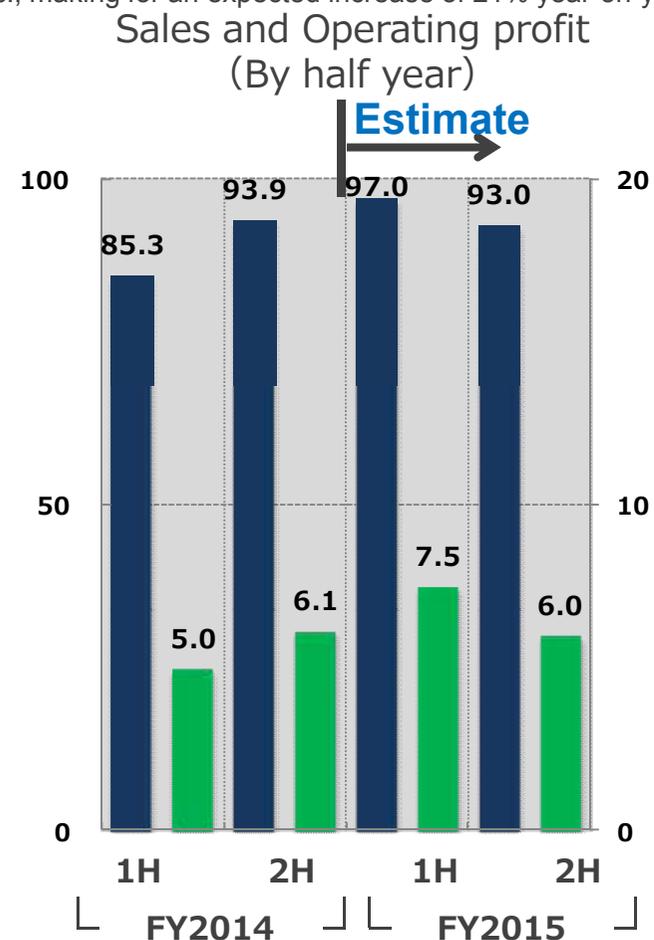
For the sales plan for FY ending June 30, 2016, there is no change from the current medium-term management plan. Operating profit, pretax profit and net income are expected to exceed the corresponding figures in the management plan.

Growth in net sales contributed despite the increases in R&D expense etc., making for an expected increase of 21% year-on-year in operating profit.

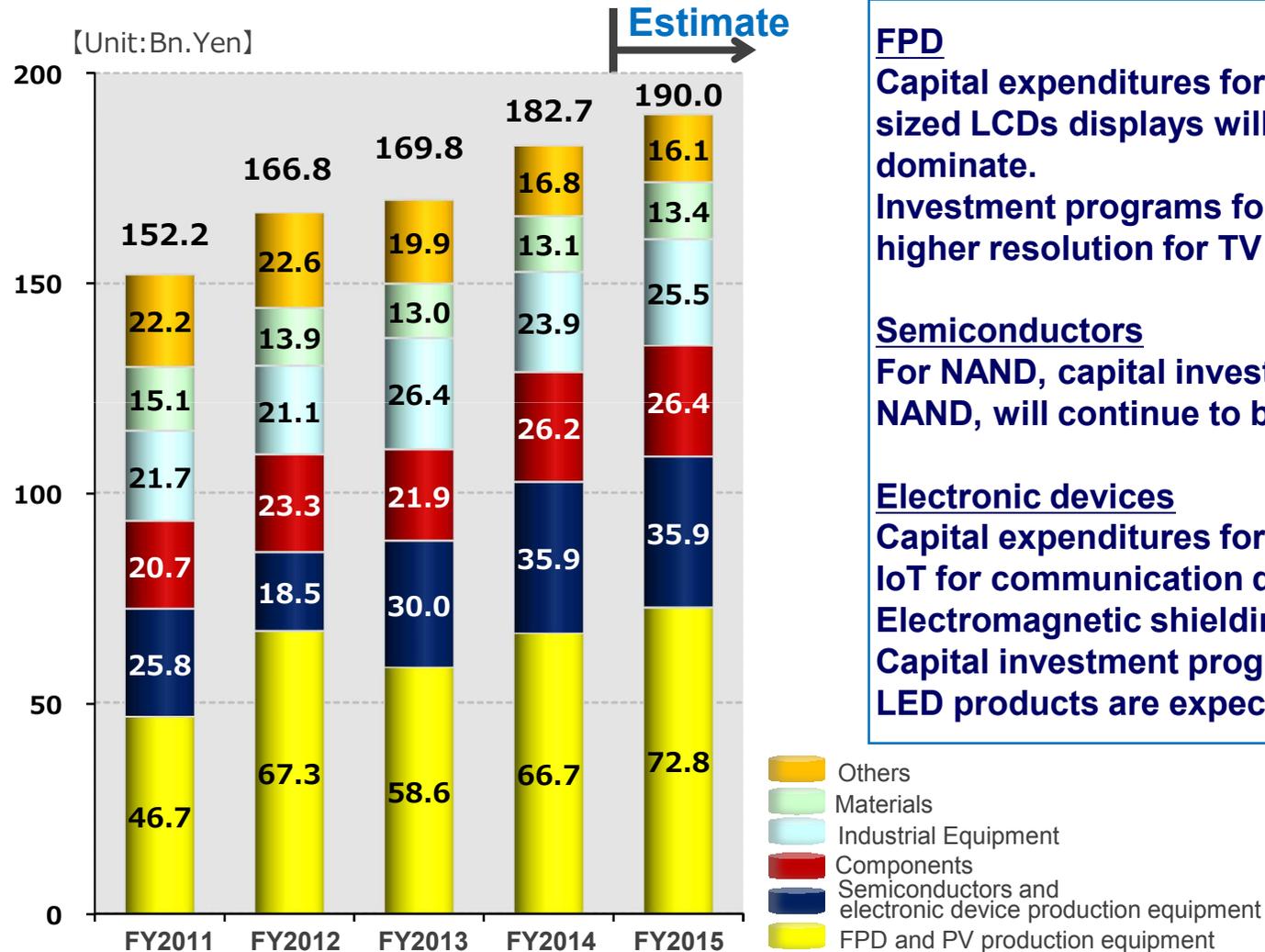
[Unit: Bn. Yen]

	FY2014	FY2015 Est		Y-o-Y (changes)
		1H	Full Year	
Booking	183	99	190	7 (+4%)
Back-log	73	75	73	
Sales	179	97	190	11 (+6%)
Operating profit	11.1	7.5	13.5	2.4 (+21%)
Ratio	6.2%	7.7%	7.1%	
Net Income ※	8.9	5.5	9.5	0.6 (+7%)

NOTE: For FY 2015, the figure represents the net income that is attributable to the shareholders of the parent company.



Orders received of FPD and PV production equipment are expected to grow compared to the FY 2014



FPD

Capital expenditures for small to medium-sized LCDs displays will continue to dominate.

Investment programs for larger displays and higher resolution for TV should continue.

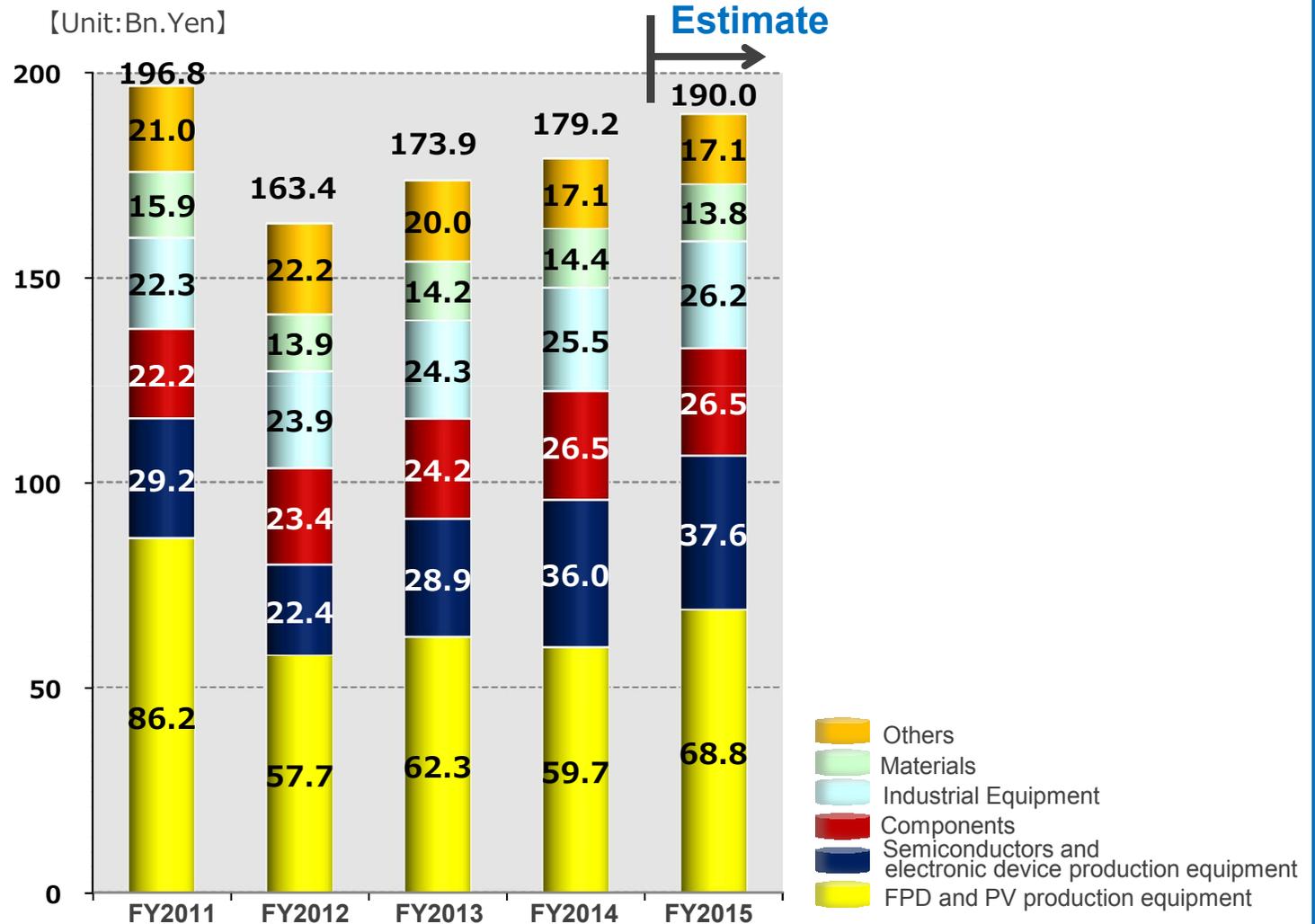
Semiconductors

For NAND, capital investment, mainly in 3D-NAND, will continue to be buoyant.

Electronic devices

Capital expenditures for mobile equipment, IoT for communication device and Electromagnetic shielding, etc. will continue. Capital investment programs for high-end LED products are expected to grow.

Net sales of FPD and PV production equipment are expected to grow compared to the FY 2014, in anticipation of the contribution from capital investments made in displays for TVs as well as small to medium-sized panels during the fiscal year under review. For semiconductors and electronic device production equipment, sales for telecommunications devices are expected to increase.



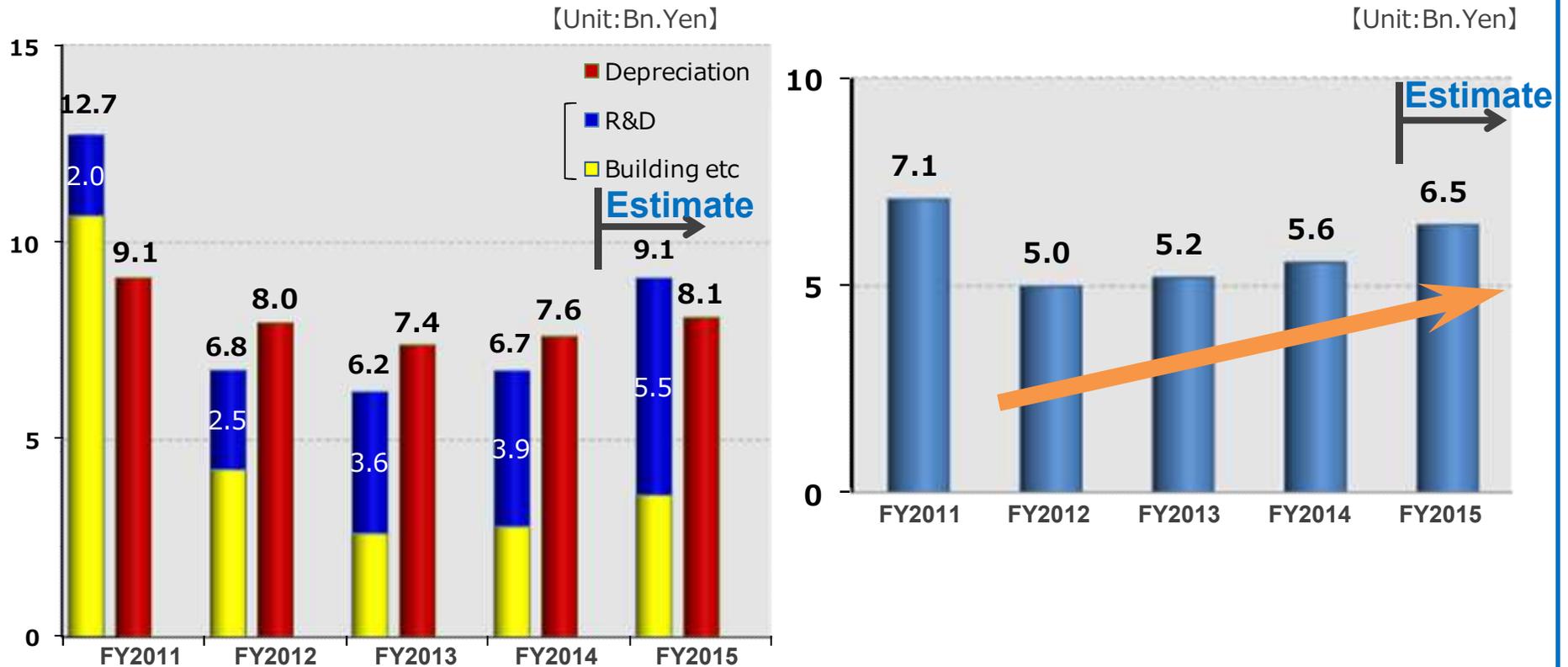
Outlook for FY 2015
(Transition of capital investment and R&D·Est.)

Overview of Business Results
for FY 2014

Progress of the Medium-term
Management Plan

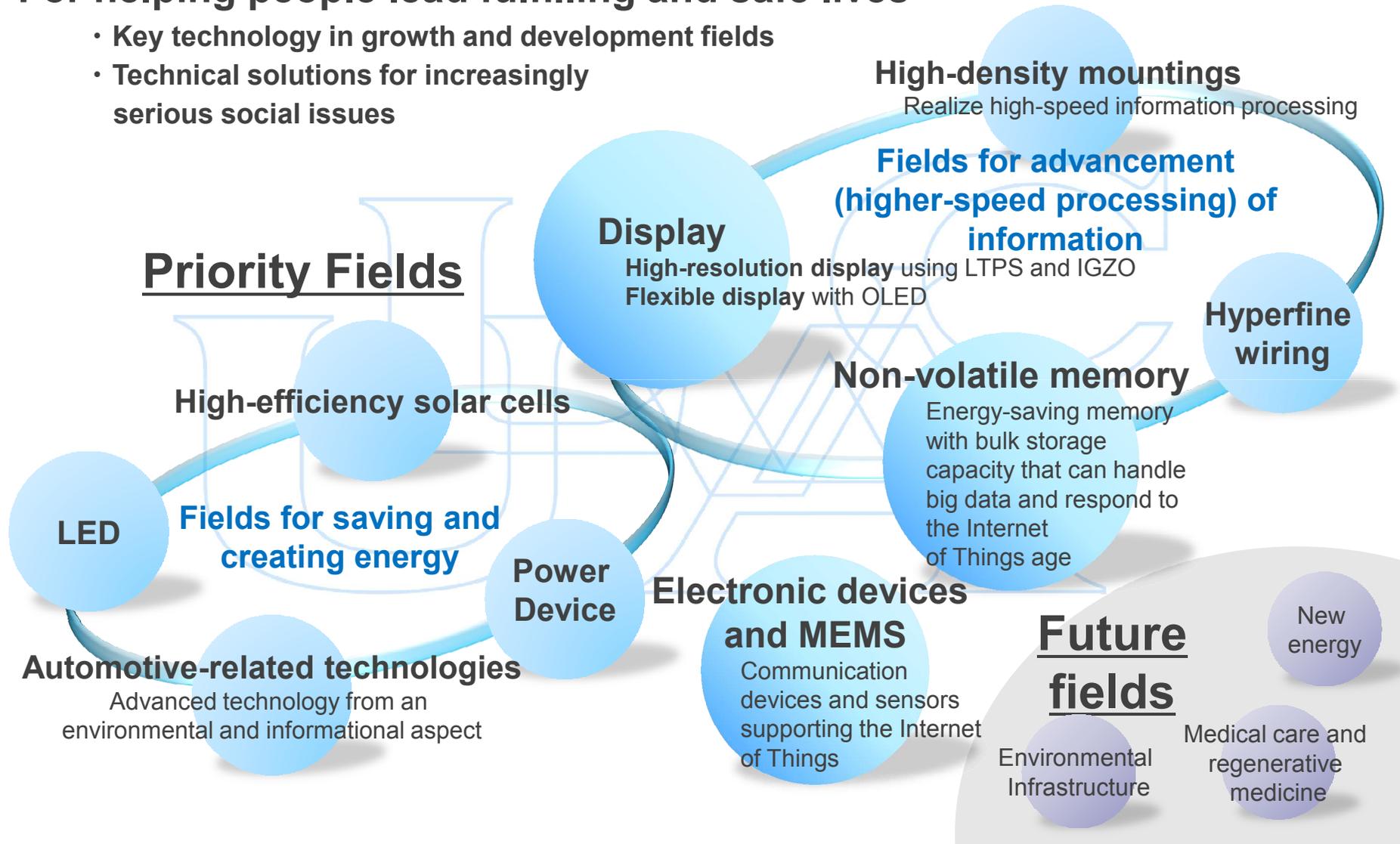
Capital expenditures for R&D activities and R&D expenditures are planned to continue increasing.

Transition of capital investment·Estimate Transition of R&D costs·Estimate



For helping people lead fulfilling and safe lives

- Key technology in growth and development fields
- Technical solutions for increasingly serious social issues



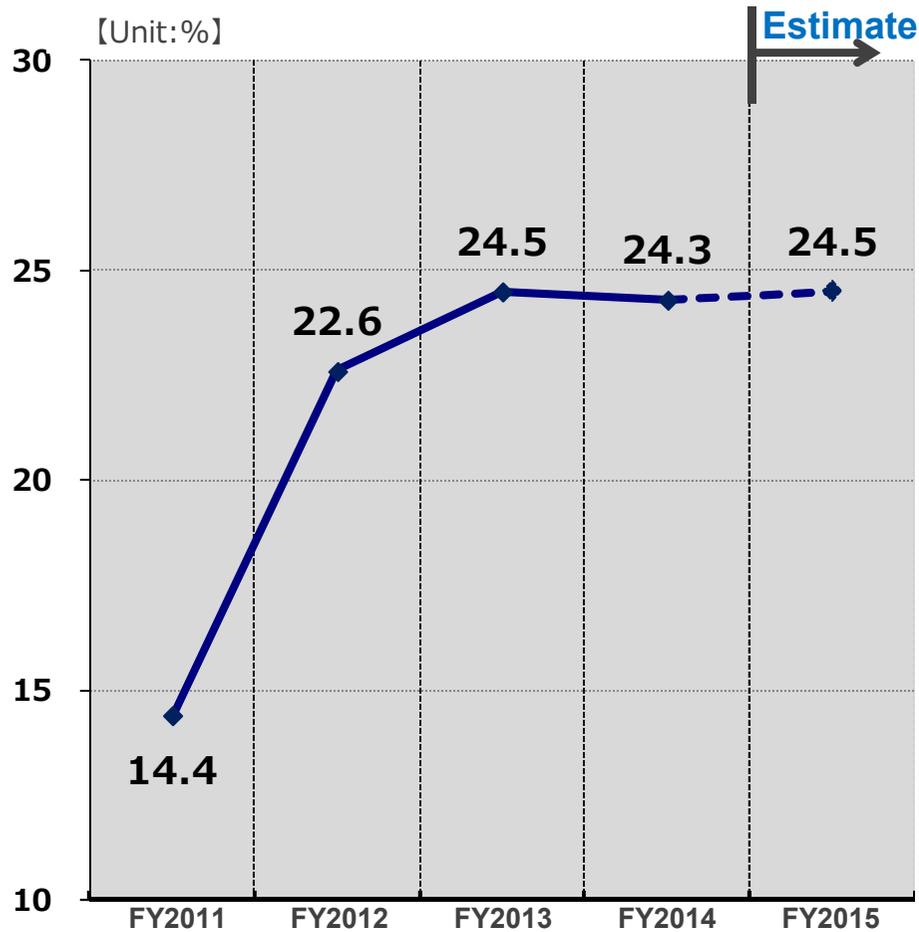
Outlook for FY 2015 (Transition of profitability·Est.)

Overview of Business Results
for FY Ended June 2015

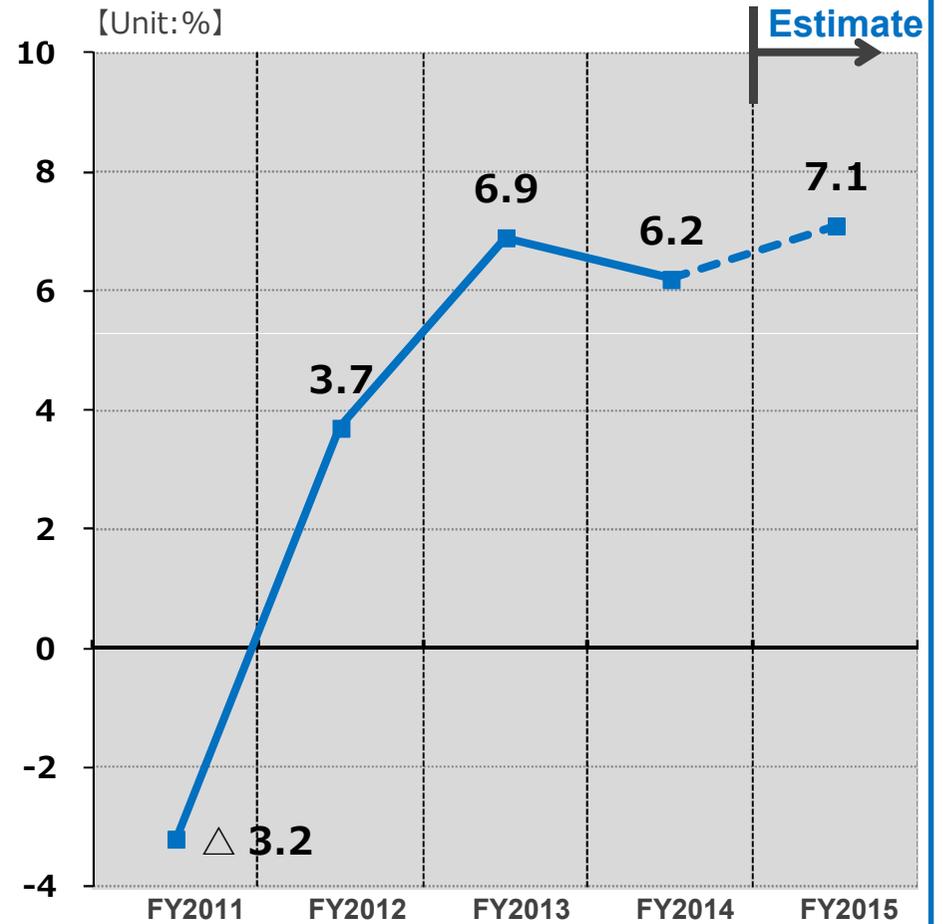
Progress of the Medium-term
Management Plan

We expect the operating profit margin to increase to 7.1% due to an expected increase in net sales and reduction in manufacturing costs, etc.

Gross profit margin



Operating profit margin



Dividend forecast for FY 2015

The dividend forecast has been made in full consideration of the Company's business forecast for the FY 2015 and the dividend payout ratio as well as securing internal reserves necessary for R&D activities and strengthening its financial position going forward.

⇒ Dividend for the FY 2015 is expected to be 30 yen, an increase of 20 yen from the FY 2014.

	FY2014 plan	FY2015 Estimate	
Dividend per share	10 yen	30 yen	Increase 20 yen
Payout ratio	5.8%	15.6%	Increase of 9.8 point

Progress of the Medium-term Management Plan

Results for the first year of the current medium-term management plan (for the FY 2014) exceeded the planned figures.

For the FY 2015, the planned sales figures remains unchanged from the current medium-term management plan. Operating profit, pretax profit and net income are expected to be higher than the corresponding figures in the plan.

No changes have been made to the targets for the FY ending June 30, 2017.

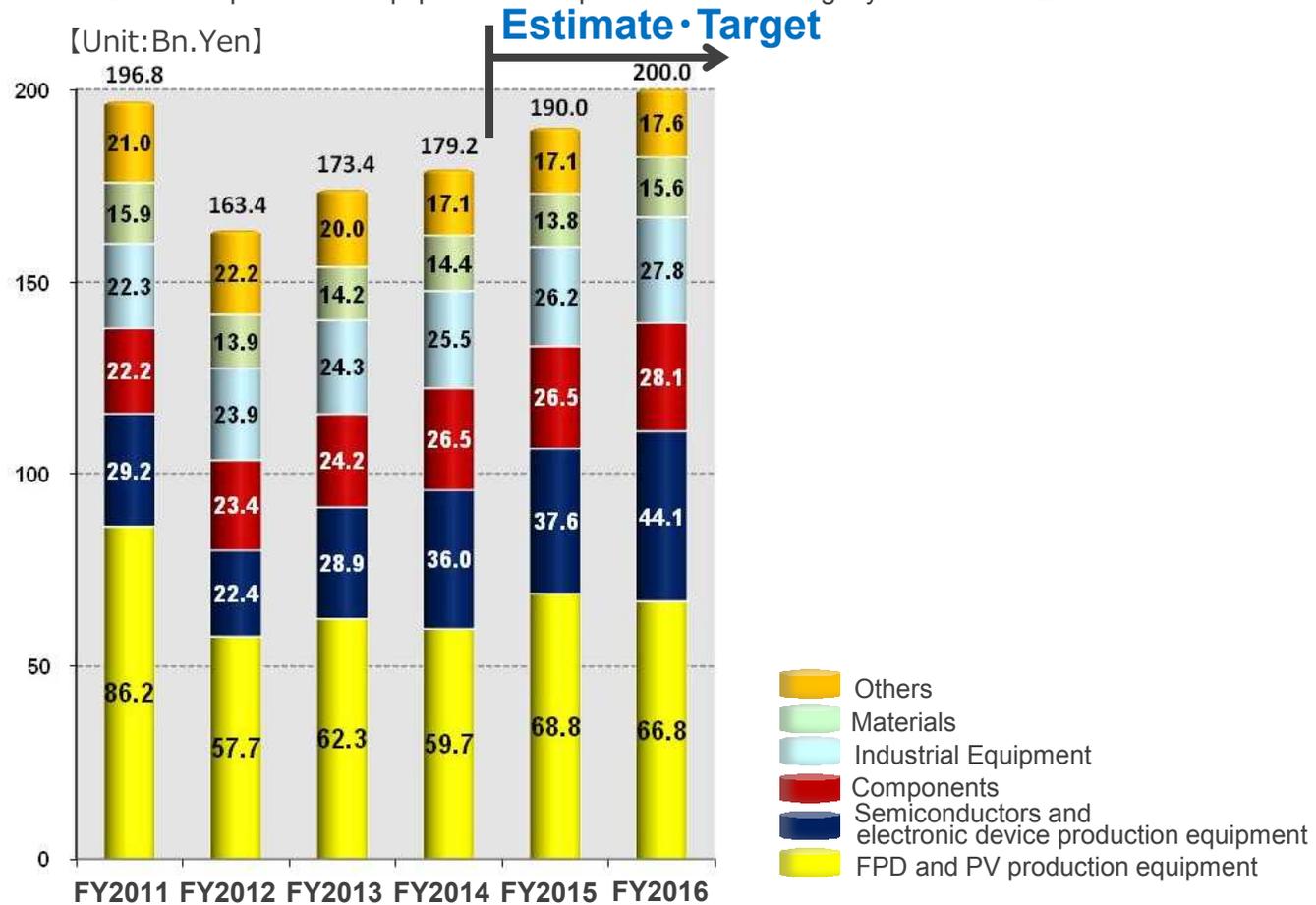
【Unit:Bn.Yen】

	FY2014 Plan	FY2014 Result	FY2015 Estimate	FY2016 Target
Booking	170	183	190	200
Back-log	62	73		
Sales	175	179	190	200
Operating profit	9.0	11.1	13.5	16.0
Ratio	5.1%	6.2%	7.1%	8.0%
Net Income	6.5	8.9	9.5	11.0

We are reviewing product categorization for FY 2015 and FY 2016 based on market trends.

For semiconductors and electronic device production equipment, sales for the FY 2016 are expected to grow substantially from the FY 2015, due to an expected favorable growth of high-density mounting, power semiconductors and non-volatility memories. Sales of components, industrial equipment and materials are expected to increase.

On the other hand, sales of FPD and PV production equipment are expected to decline slightly from the FY 2015



Initiatives going forward on the business structure reform projects

Uphold the basic policy in the current medium-term management plan and basic scenario regarding business fields.

Pursue activities to enhance product competitiveness and profit performance through collaboration among development, sales and marketing and production sections.

Sales and marketing strategy project:

- Reinforce the Corporate Sales and Marketing Division.
- Build partnerships with global customers who have new and leading technologies, thereby accelerating our initiatives to develop new markets.

Development strategy project:

- Add “Electronic devices and MEMS” supporting IoT to the eight priority technology fields
- ⇒ Pursue our development initiatives in these nine fields.
- Build a Future Technology Research Laboratory in order to accelerate our efforts to develop new fields.

Cost control enhancement project:

- Ensure adherence to the frontloading approach and expand it on a global basis.
- Thorough the Group’s manufacturing efficiency.