

Innovation begins in a vacuum

【Code No : 6728】

FY2013 3rdQuarter Business Result

(Year Ending June 30, 2014)

ULVAC, Inc.
14th May, 2014

◆ **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

Results for the 3rd Q of the Year Ending June 2014 (Y-T-D)

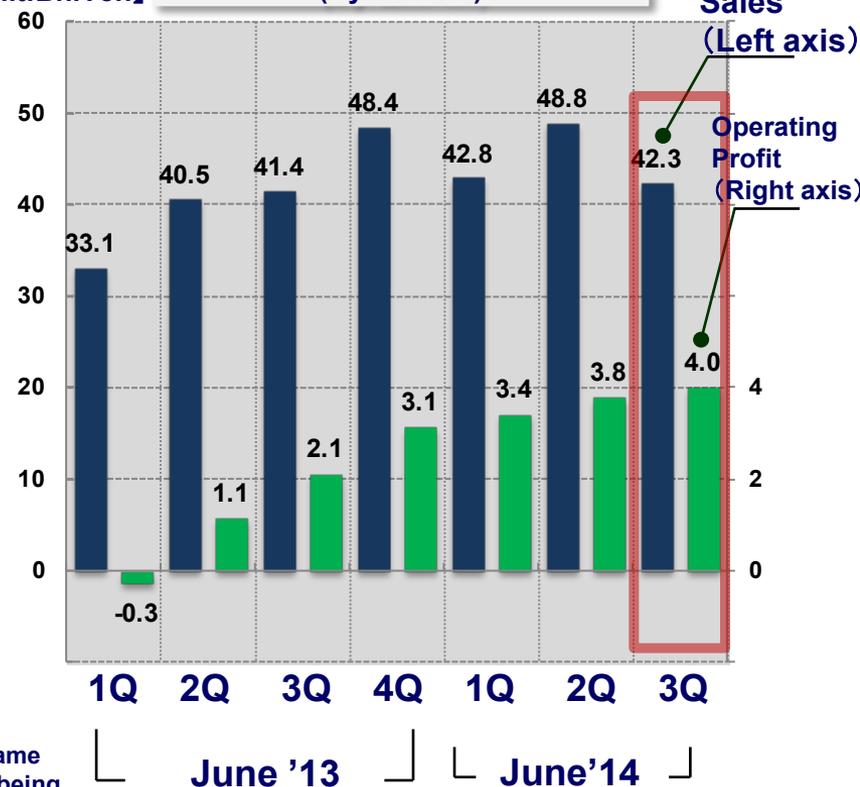
Orders received were 125.7billion yen, up 1% , and net sales were 133.9billion yen, up 17% compared to the same period of the previous fiscal year(FY).We showed an operating profit of 11.2billion yen,up 276% compared to the same period of the previous FY. Also, we achieved a current net income of 9.7billion yen.

[Unit:Bn.Yen]

	1Q	2Q	1H	3Q	3Q (Y-T-D)	June 2012 3Q(Y-T-D)	Changes (%)
Booking	37.4	44.7	82.1	43.6	125.7	124.9	1%
Back-log	67.0	—	62.7	—	63.5	77.8	—
Sales	42.8	48.8	91.6	42.3	133.9	115.0	17%
Gross Margin	10.6	11.9	22.5	11.3	33.9	26.4	28%
Ratio	24.8%	24.5%	24.6%	26.7%	25.3%	22.9%	
SG&A	7.2	8.2	15.3	7.3	22.6	23.4	-3%
Operating Profit	3.4	3.8	7.2	4.0	11.2	3.0	276%
Ratio	8.0%	7.8%	7.9%	9.5%	8.4%	2.6%	
Net Income	3.3	3.7	7.1	2.7	9.7	0.4	—
Ratio	7.8%	7.6%	7.7%	6.3%	7.3%	0.4%	

[Unit:Bn.Yen]

Sales and Operating Profit
(By Quarter)



[Figures in parentheses represent absolute and percentage changes compared with the same period of the previous fiscal year. These figures were rounded off to the nearest unit after being determined in millions of yen.]

Orders Received(By segment)

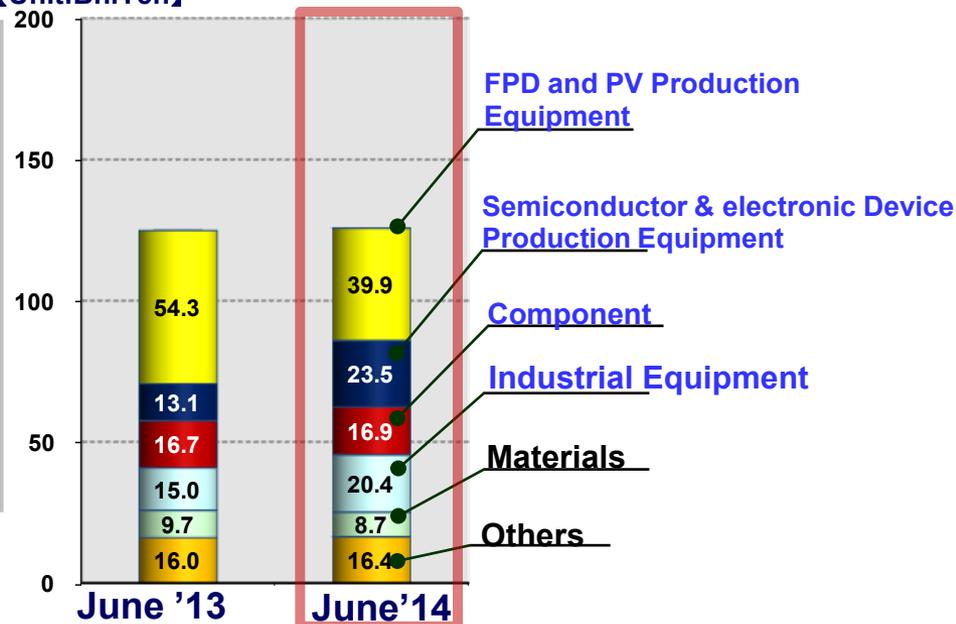
Orders received by segment(3rd Q)

Orders received in 3Q (Y-T-D) increased compared to the same period of the previous FY.

- Semiconductor and electronic device production equipment related memory(DRAM,NAND flash) and highly functional electronic devices used in smart phones, etc.
- Car-related industrial equipment

Meanwhile, orders for FPD and PV production equipment decreased compared to the same period of the previous FY.

[Unit:Bn.Yen]



[Unit:Bn.Yen]

[Unit:Bn.Yen]

June 2013 3Q (Y-T-D)		
Segment	Order	%
Vacuum Equipment Business	99.1	79%
FPD and PV production equipment	54.3	43%
Semiconductor and Electronic device Production Equipment	13.1	10%
Component	16.7	13%
Industrial Equipment	15.0	12%
Vacuum Application Business	25.7	21%
Materials	9.7	8%
Others	16.0	13%
Total	124.9	100%

June 2014 3Q (Y-T-D)			Y-o-Y (Changes)
Segment	Order	%	
Vacuum Equipment Business	100.7	80%	2%
FPD and PV production equipment	39.9	32%	-27%
Semiconductor and Electronic device Production Equipment	23.5	19%	80%
Component	16.9	13%	1%
Industrial Equipment	20.4	16%	35%
Vacuum Application Business	25.1	20%	-3%
Materials	8.7	7%	-10%
Others	16.4	13%	2%
Total	125.7	100%	1%

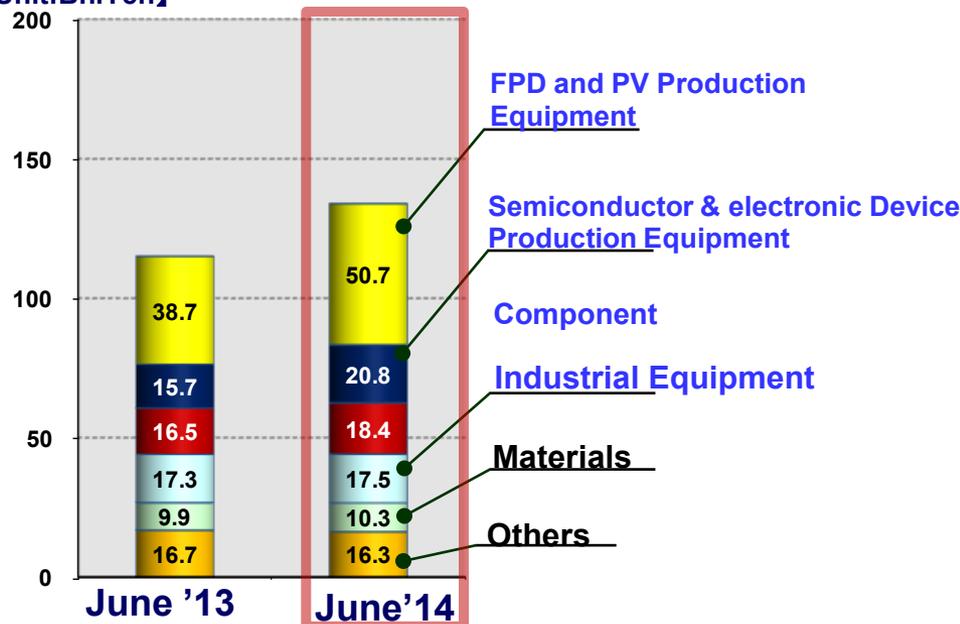
[Figures are rounded off to the nearest unit, and rates are rounded off to the nearest unit after being determined in millions of yen]

Net Sales(By segment)

Net sales in 3Q (Y-T-D) increased compared to the same period of the previous FY for FPD and PV production equipment. Also, orders for the semiconductor electronic device production equipment memory and highly functional electronic devices increased compared to the same period of the previous FY.

Net sales by segment(3rd Q)

[Unit:Bn.Yen]



[Unit:Bn.Yen]

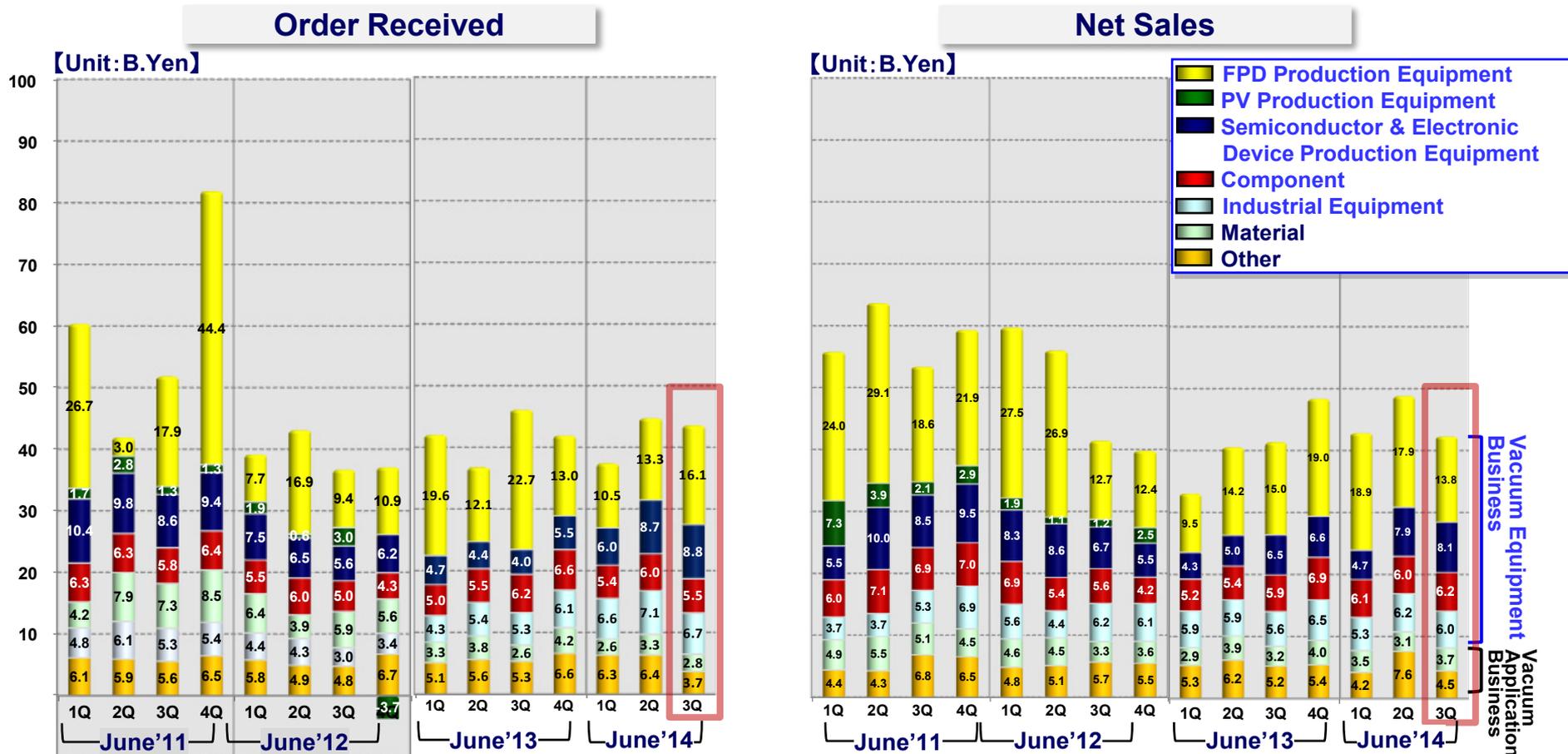
June 2013 3Q (Y-T-D)		
Segment	Sales	%
Vacuum Equipment Business	88.3	77%
FPD and PV production equipment	38.7	34%
Semiconductor and Electronic device Production Equipment	15.7	14%
Component	16.5	14%
Industrial Equipment	17.3	15%
Vacuum Application Business	26.7	23%
Materials	9.9	9%
Others	16.7	15%
Total	115.0	100%

June 2014 3Q (Y-T-D)			Y-o-Y (Changes)
Segment	Sales	%	
Vacuum Equipment Business	107.3	80%	22%
FPD and PV production equipment	50.7	38%	31%
Semiconductor and Electronic device Production Equipment	20.8	16%	32%
Component	18.4	14%	11%
Industrial Equipment	17.5	13%	1%
Vacuum Application Business	26.6	20%	0%
Materials	10.3	8%	4%
Others	16.3	12%	-3%
Total	133.9	100%	16%

[Figures are rounded off to the nearest unit, and rates are rounded off to the nearest unit after being determined in millions of yen]

Order Received and Net Sales by Segment (Quarterly base)

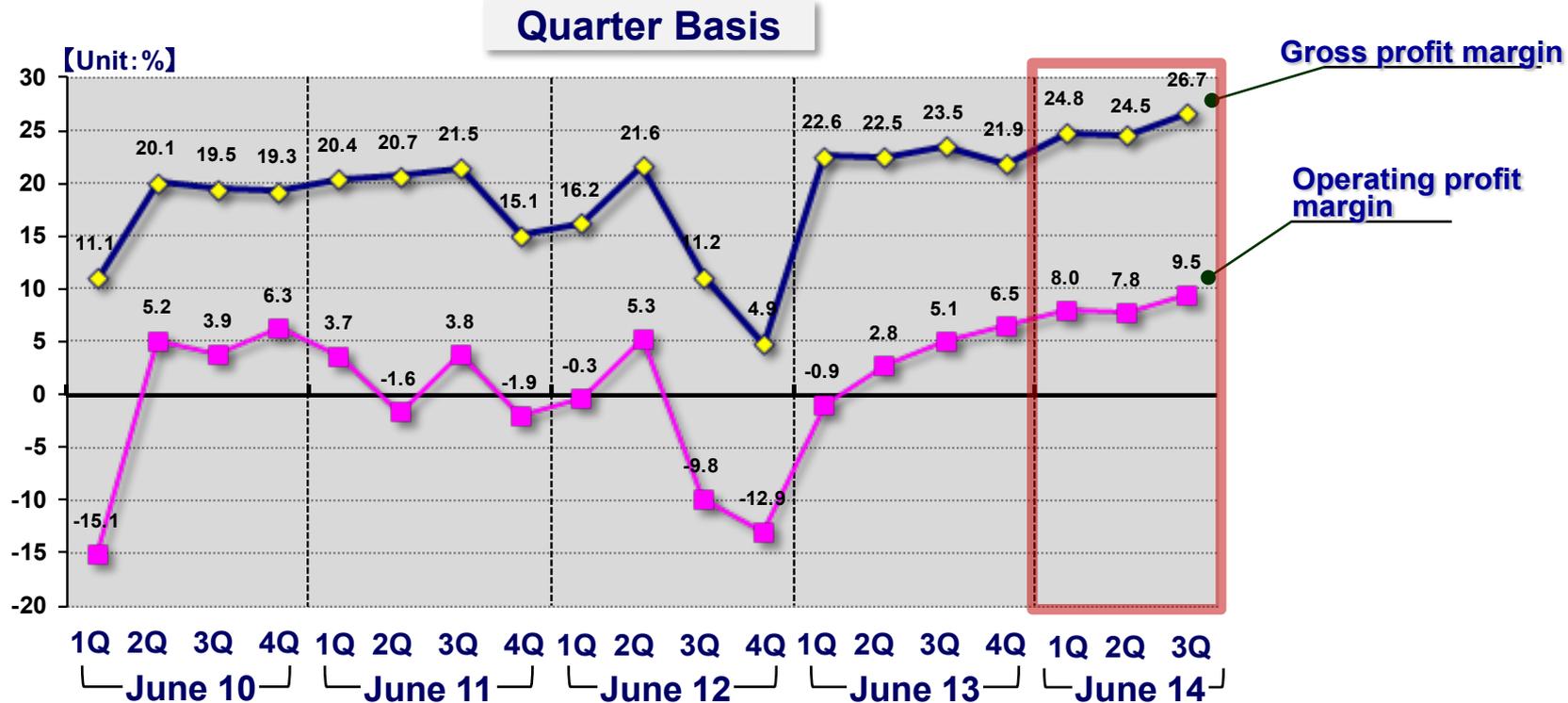
Orders received for FPD increased compared to the previous quarter. Orders for semiconductor electronic device production equipment remains steady, the same as the previous quarter. Net sales decreased compared to the previous quarter because of low investments to FPD in 1Q.



[Figures indicated above are rounded off to the nearest unit and may not coincide with the total.]

Outlook for profitability

During the 3rd quarter under review, both gross profit margin and operating profit margin increased both compared to the same period of the previous fiscal year and previous quarter .



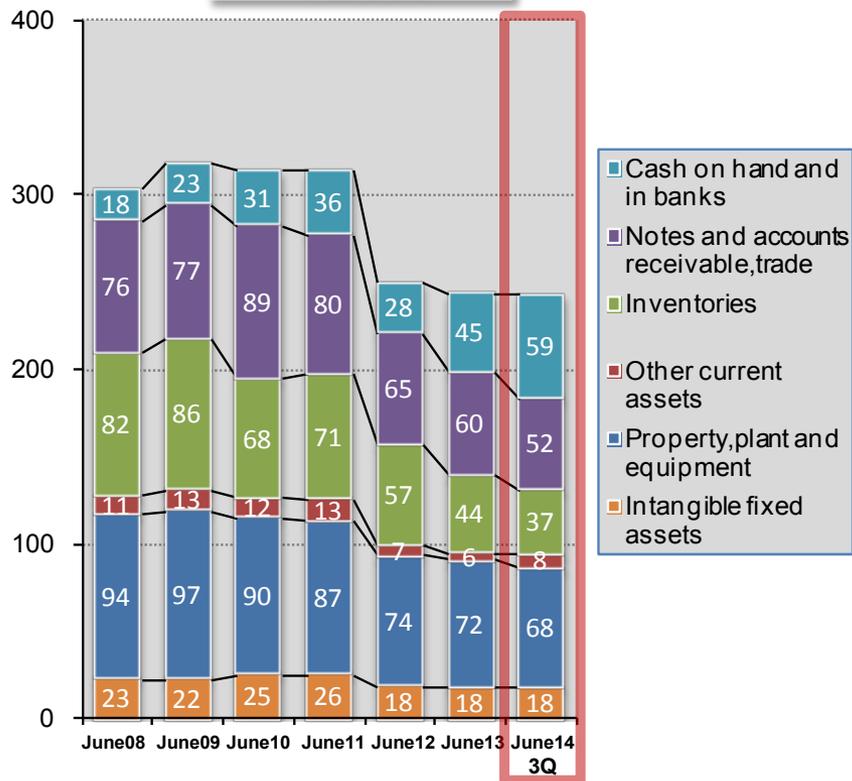
[Figures are rounded off to the first decimal place]

Balance sheet

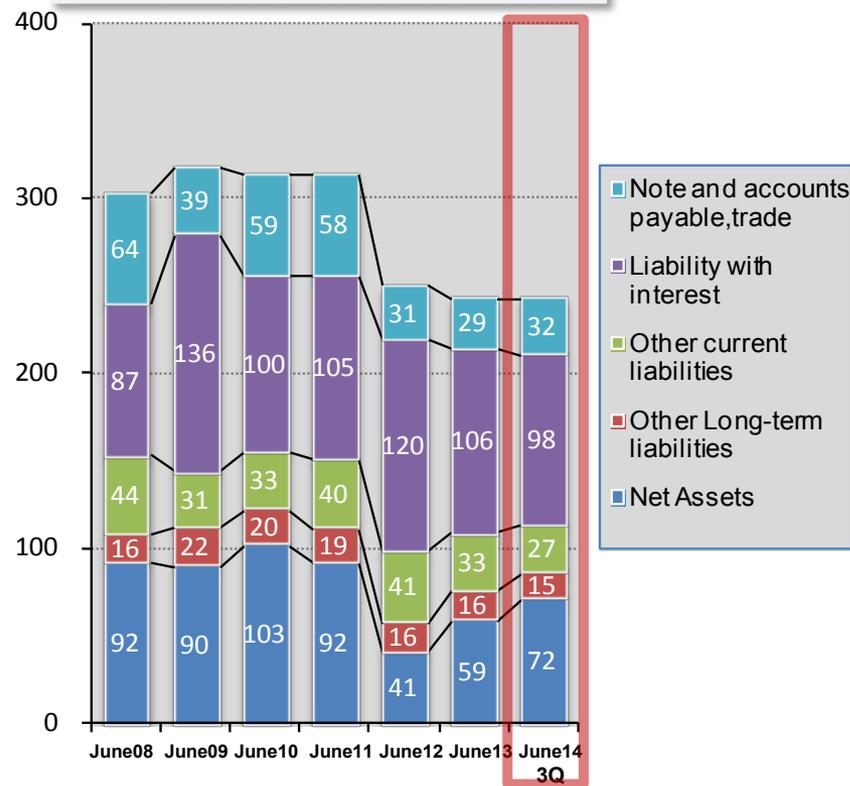
Cash and deposits increased by 14.7bn. yen compared to the end of the previous FY. Notes and accounts receivable ,inventory and Intangible fixed assets decreased by 7.3bn. yen ,6.6bn. yen and 3.5 bn. respectively. Interest-bearing liabilities (both long-term and short-term) decreased by 8.3bn. yen. The net asset increased by 12.1bn. yen.

[Unit:Bn.Yen]

Asset



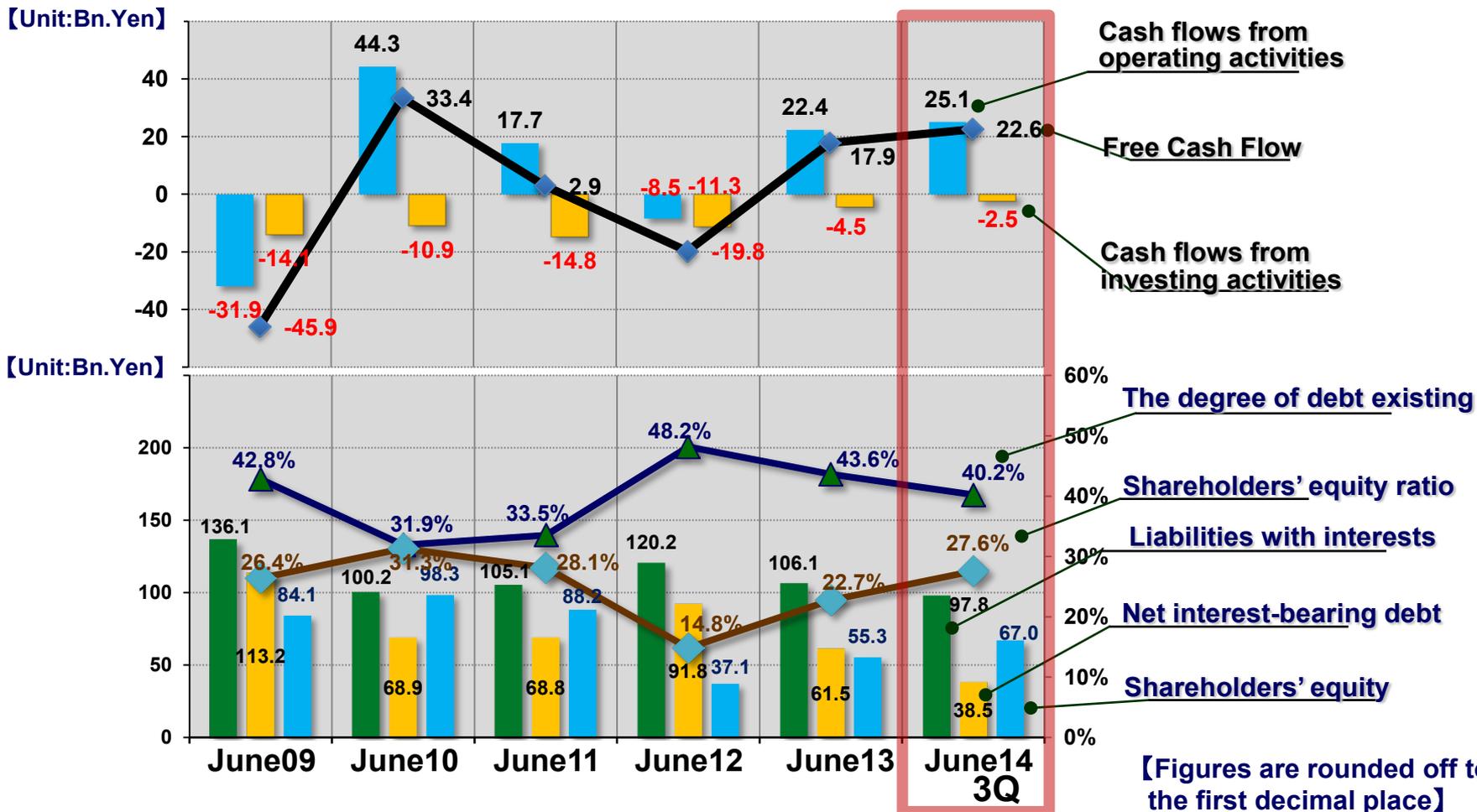
Liabilities and Net assets



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

Cash Flow and Liabilities with Interests

CFs from operating activities stood at 25.1bn. yen thanks to net income before income taxes and an operating capital reduction. Negative CFs of only 2.5bn. yen from investing activities were recorded due to the receipt of proceeds from the sale of shares in a subsidiary of the Company, and FCF amounted to 22.6 bn. yen. Net interest-bearing debt decreased to 38.5 bn. yen.



Forecast of June 2014 Full Year

While capital investment of FPD-related recovered on 2H, net sales and booking forecast revised compared to the previous plan due to factors including sluggish facilities investment related to FPD .
Based on the accumulated result of 3Q, we have revised the forecast for operating profits and net income.

【Unit:Bn.Yen】

	June 2013	June 2014E		
		3Q Result	Full Year	
			Plan	Revised
Order received	166.8	125.7	180.0	170.0 (+2%)
Back-log	72.5	63.5		66.7
Sales	163.4	133.9 0%	180.0	175.0 (+7%)
Operating Profit	6.1	11.2	9.0	11.5 (+88%)
Ratio	3.7%	8.4%	5.0%	6.6%
Net income	-3.8	9.7	7.5	10.0 (-)

【Figures in parentheses represent absolute and percentage changes compared with the same period of the previous fiscal year. These figures were rounded off to the nearest unit after being determined in millions of yen.】

Summary of Full Fiscal Year ending June 2014

■ Future market environment surrounding us

■ Electronics (Semiconductors, FPD, electronic devices)

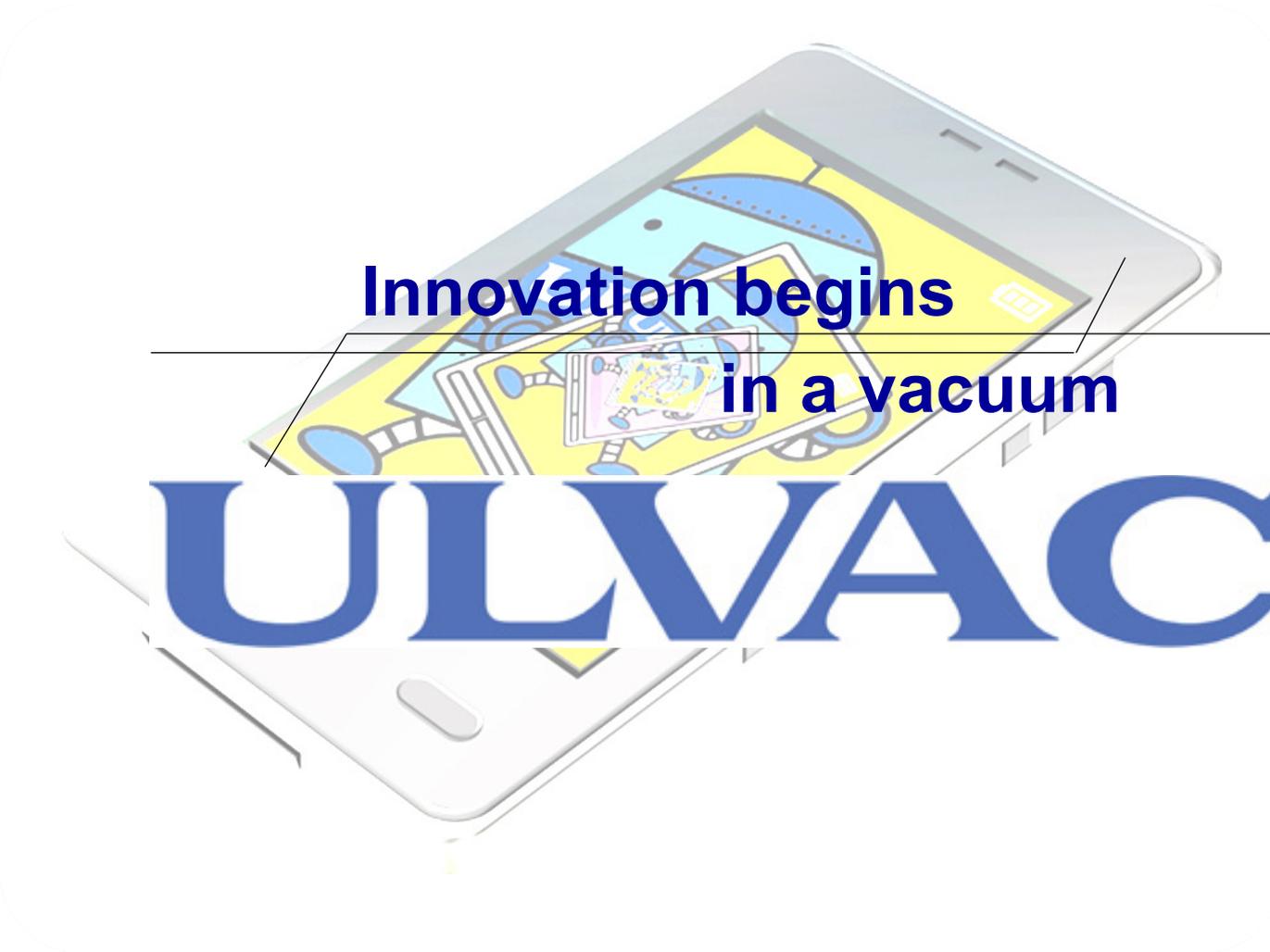
- ◆ Supported by the steady mobile market and a rapidly increasing server demand, both memory and logic will continue to be steady despite temporary adjustment(capex.).
- ◆ Highly functional electronic devices (MEMS, high-density package, thin-film battery, etc.) will continue to be steady due to high performance and miniaturization of mobile terminal devices.
- ◆ The LCD television market will remain slow, but will move to 4K. Medium- and small-sized LTPS LCD will continue to be steady for use in mobile terminals and will be more refined.
- ◆ Due to cost problems, such as yield rate, with OLED, a cautious stance will be taken towards investing in TV mass-production. For medium and small sizes, consideration of flexible displays will start.

■ Automobiles

- ◆ Demand for car components (i.e. highly functional magnets for motors, power semiconductors, engine parts) will increase because the entire car industry is active, boosted by eco-cars sale and other factors

■ Pharmaceuticals and foods

- ◆ Consumer demand for pharmaceutical and health-conscious food products are expected to be strong due to aging populations and rising health awareness among consumers.



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