

*Innovation begins in a vacuum*

**【Code No : 6728】**

# **FY2013 1<sup>st</sup> Quarter Business Result**

**(Year Ending June 30, 2014)**

**ULVAC, Inc.**  
**11<sup>th</sup> Nov., 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 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

# 1<sup>st</sup> Q(June '14) Result

## 1<sup>st</sup> Q(June 2014) Result

While Semiconductor capital investment of memory-related recovered, orders received during the first quarter fell by 11% compared to the same period of the previous fiscal year(Y-o-Y) due to factors including sluggish facilities investment related to flat panel displays (FPD). Net Sales related to FPD and other areas contributed to sales increasing compared to the same period of the previous fiscal year by 30%. With regard to operating profit, due to efforts to reduce the fixed costs as well as variable costs, profitability increased greatly compared to the same period of the previous fiscal year.

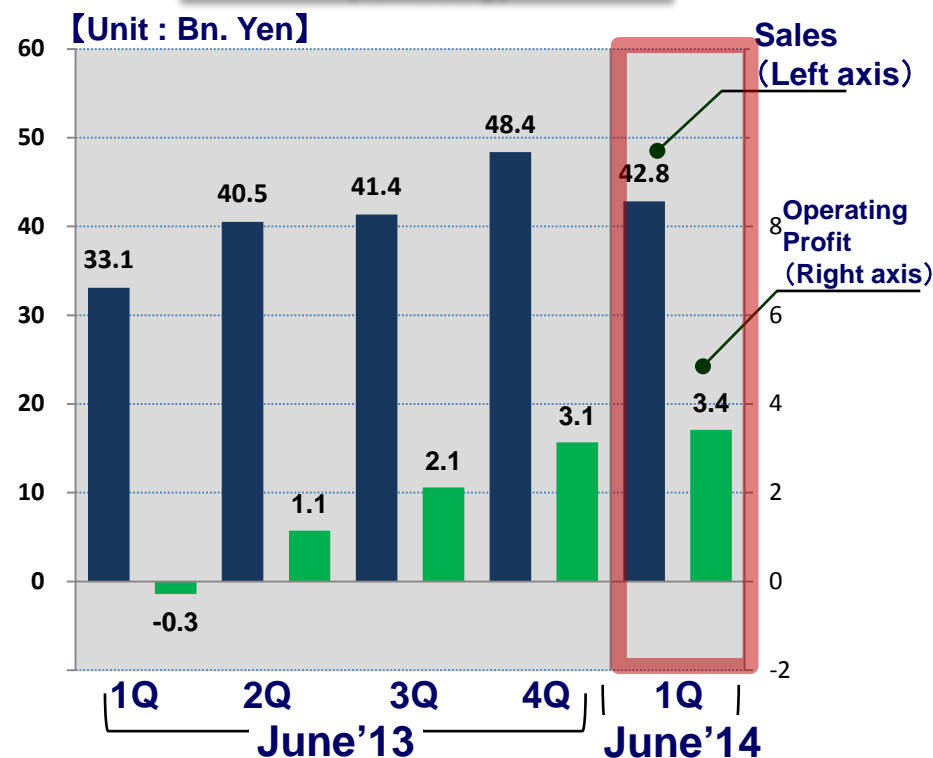
【Unit : Bn. Yen】

|                  | June 2013<br>1Q | June 2014 Result<br>1Q | Y-o-Y<br>(Changes) |
|------------------|-----------------|------------------------|--------------------|
| Bookings         | 42.0            | 37.4                   | -11.0%             |
| Back-log         | 72.8            | 67.0                   | —                  |
| Sales            | 33.1            | 42.8                   | 29.5%              |
| Gross margin     | 7.5             | 10.6                   | 41.6%              |
| Ratio            | 22.6%           | 24.8%                  |                    |
| SGA*1            | 7.8             | 7.2                    | -0.6               |
| Operating Profit | -0.3            | 3.4                    | into the black     |
| Ratio            | -0.9%           | 8.0%                   |                    |
| Net Income       | -1.5            | 3.3                    | into the black     |
| Ratio            | -4.6%           | 7.8%                   |                    |

\*1:Selling and general administrative expenses

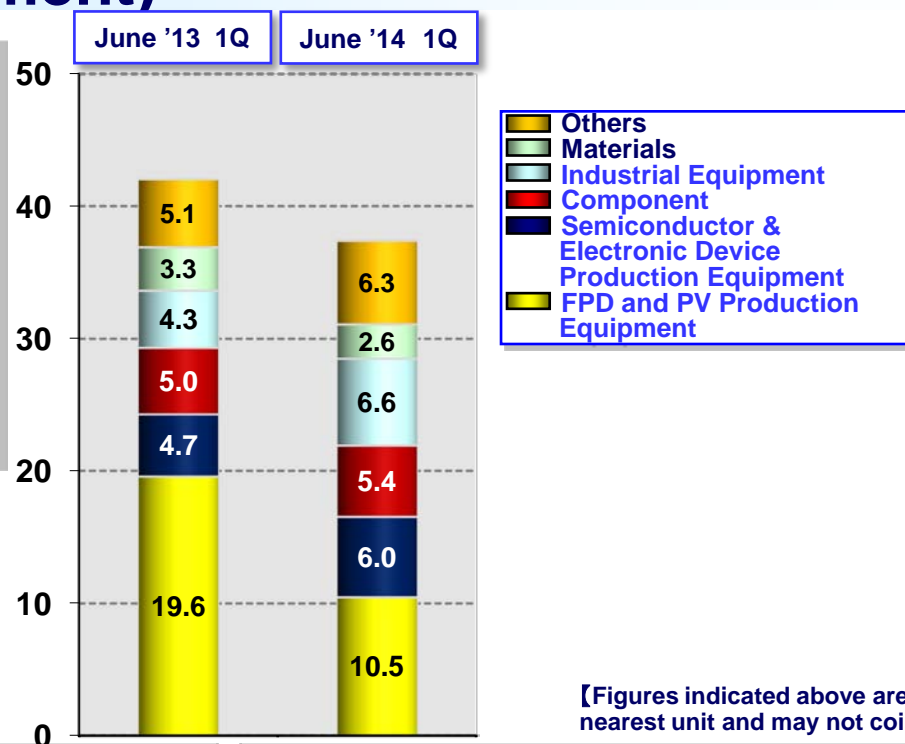
【Figures are rounded off to the nearest unit, and rates are rounded off to the nearest unit after being determined in millions of yen 】

Sales and Operating Profit  
(Quarterly)



## Orders Received(By segment)

SPE (Semiconductor Production Equipment) in the memory field, as well as by the Industrial Equipment in the medical and automotive fields, orders received increased compared to the same period of the previous fiscal year. The FPD Production Equipment decreased compared to the same period of the previous fiscal year.



【Unit:B. Yen】

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

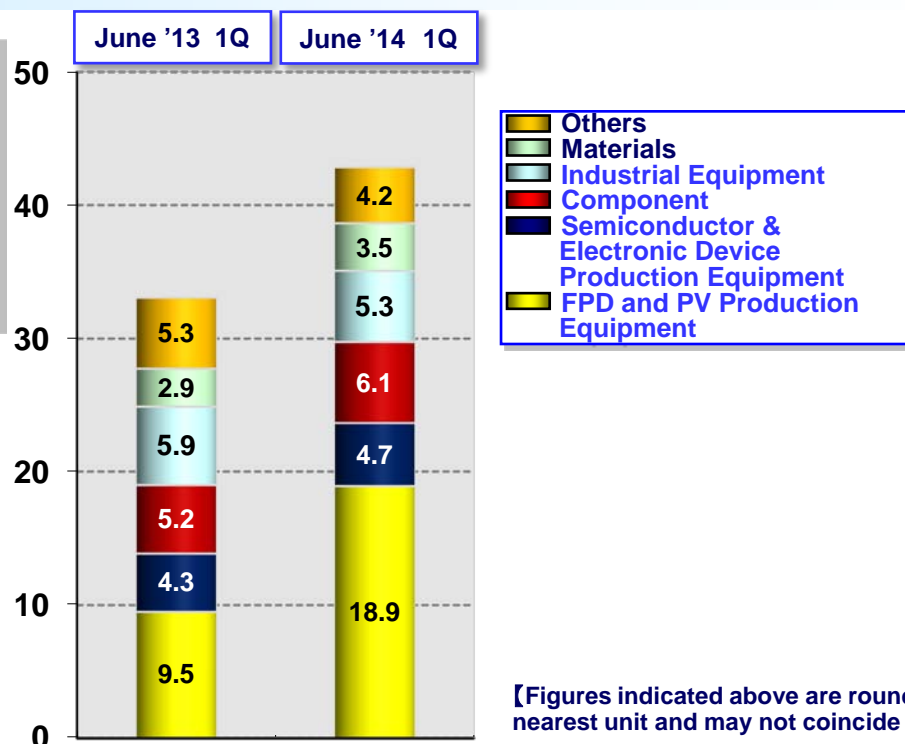
| June 2013 1Q  |             |             |
|---|-------------|-------------|
| Segment   | Order       | %           |
| Vacuum Equipment Business                                 | 33.6        | 80%         |
| FPD and PV production equipment                           | 19.6        | 47%         |
| Semiconductor and Electronics device Production Equipment | 4.7         | 11%         |
| Component   | 5.0         | 12%         |
| Industrial Equipment                                      | 4.3         | 10%         |
| Vacuum Application Business                               | 8.4         | 20%         |
| Materials   | 3.3         | 8%          |
| Others  | 5.1         | 12%         |
| <b>Total</b>  | <b>42.0</b> | <b>100%</b> |

| June 2014 1Q  |             |             | Y-o-Y (Changes) |
|---|-------------|-------------|-----------------|
| Segment   | Order       | %           |                 |
| Vacuum Equipment Business                                 | 28.5        | 76%         | -15%            |
| FPD and PV production equipment                           | 10.5        | 28%         | -46%            |
| Semiconductor and Electronics device Production Equipment | 6.0         | 16%         | 28%             |
| Component   | 5.4         | 14%         | 7%              |
| Industrial Equipment                                      | 6.6         | 18%         | 52%             |
| Vacuum Application Business                               | 8.9         | 24%         | 6%              |
| Materials   | 2.6         | 7%          | -21%            |
| Others  | 6.3         | 17%         | 24%             |
| <b>Total</b>  | <b>37.4</b> | <b>100%</b> | <b>-11%</b>     |

# 1<sup>st</sup> Q (June '14) Result

## Net Sales(By segment)

Compared to the same period of the previous fiscal year, the 1<sup>st</sup>Q net sales volume for FPD production equipment for low-temperature poly-silicon and OLED of next generation display increased to twice.



【Unit:B. Yen】

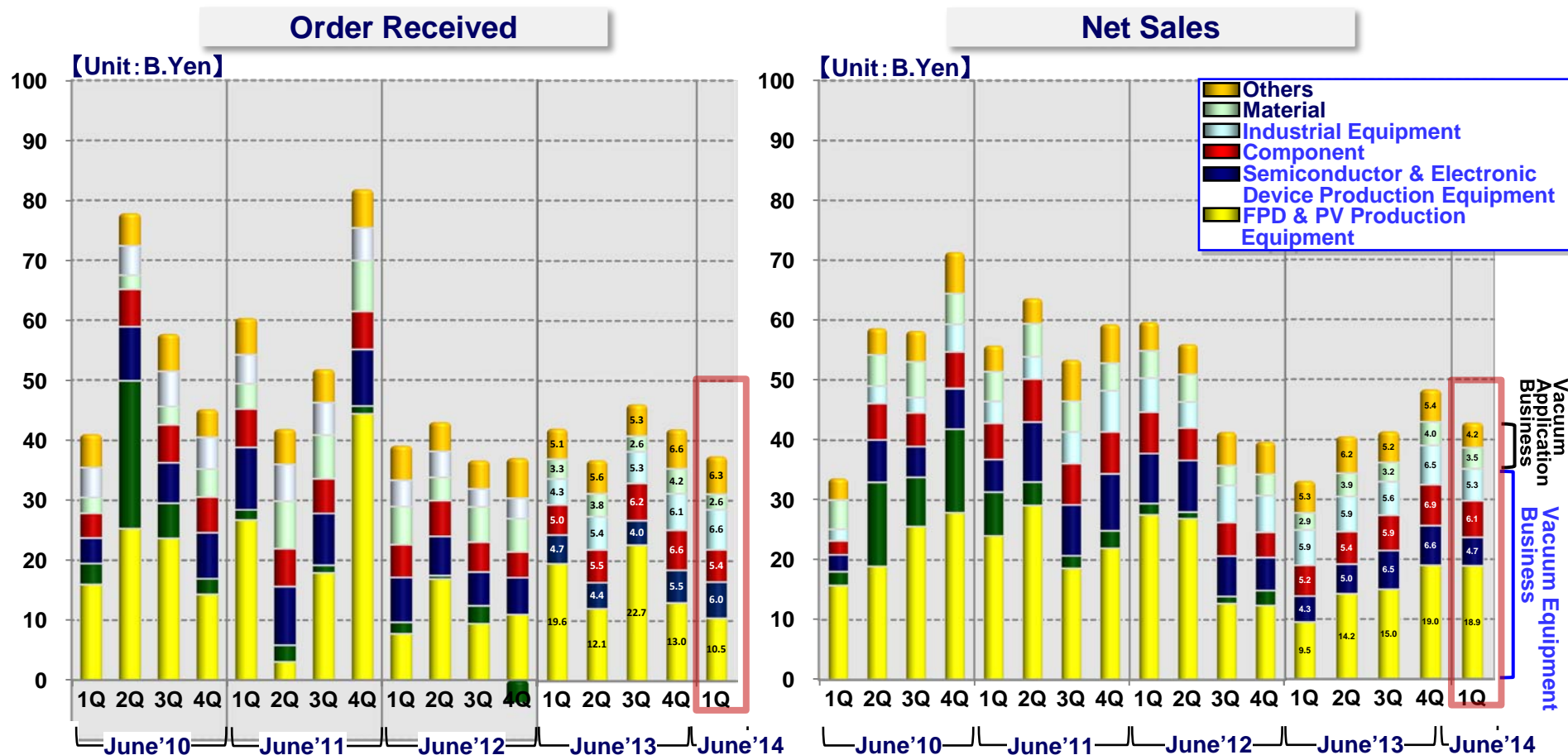
【Figures indicated above are rounded off to the nearest unit and may not coincide with the total.】

| June 2013 1Q   |             |             |
|--|-------------|-------------|
| Segment  | Sales       | %           |
| Vacuum Equipment Business                                | 24.9        | 75%         |
| FPD and PV production equipment                          | 9.5         | 29%         |
| Semiconductor and Electronic device Production Equipment | 4.3         | 13%         |
| Component  | 5.2         | 16%         |
| Industrial Equipment                                     | 5.9         | 18%         |
| Vacuum Application Business                              | 8.2         | 25%         |
| Materials  | 2.9         | 9%          |
| Others   | 5.3         | 16%         |
| <b>Total</b>   | <b>33.1</b> | <b>100%</b> |

| June 2014 1Q   |             |             | Y-o-Y (Changes) |
|--|-------------|-------------|-----------------|
| Segment  | Sales       | %           |                 |
| Vacuum Equipment Business                                | 35.1        | 82%         | 41%             |
| FPD and PV production equipment                          | 18.9        | 44%         | 99%             |
| Semiconductor and Electronic device Production Equipment | 4.7         | 11%         | 9%              |
| Component  | 6.1         | 14%         | 18%             |
| Industrial Equipment                                     | 5.3         | 12%         | -9%             |
| Vacuum Application Business                              | 7.7         | 18%         | -6%             |
| Materials  | 3.5         | 8%          | 23%             |
| Others   | 4.2         | 10%         | -21%            |
| <b>Total</b>   | <b>42.8</b> | <b>100%</b> | <b>30%</b>      |

## Order Received and Net Sales by Segment (Quarterly base)

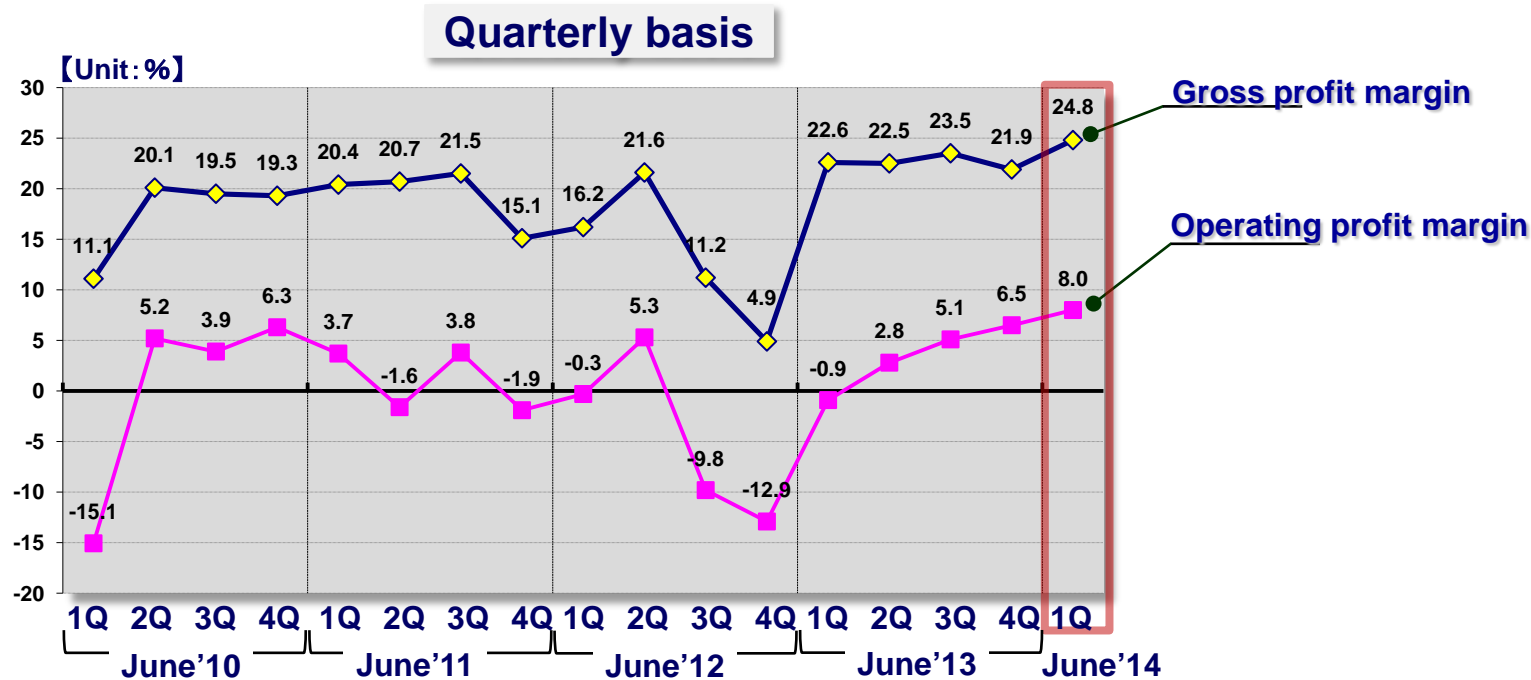
Orders received for the Semiconductor & Electronic Device Production Equipment grew compared to the previous quarter. FPD-related decreased compare to the previous quarter due to temporary sluggish capital investment. The net sales of these segments fell compared to the previous quarter.



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

# Outlook for profitability

The entire group, thanks to the effects of cost reduction and other factors, improved in terms of gross margin and operating profit both compared to the same period of the previous fiscal year and compared with the last quarter.



[Figures are rounded off to the first decimal place]

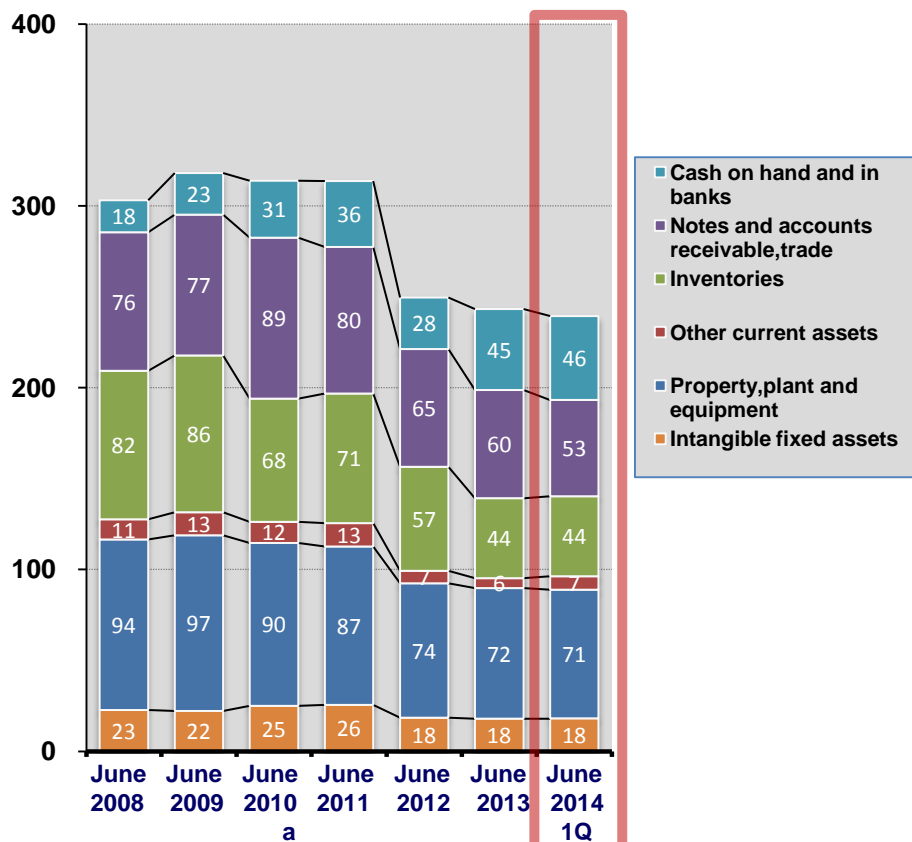


## Balance sheet

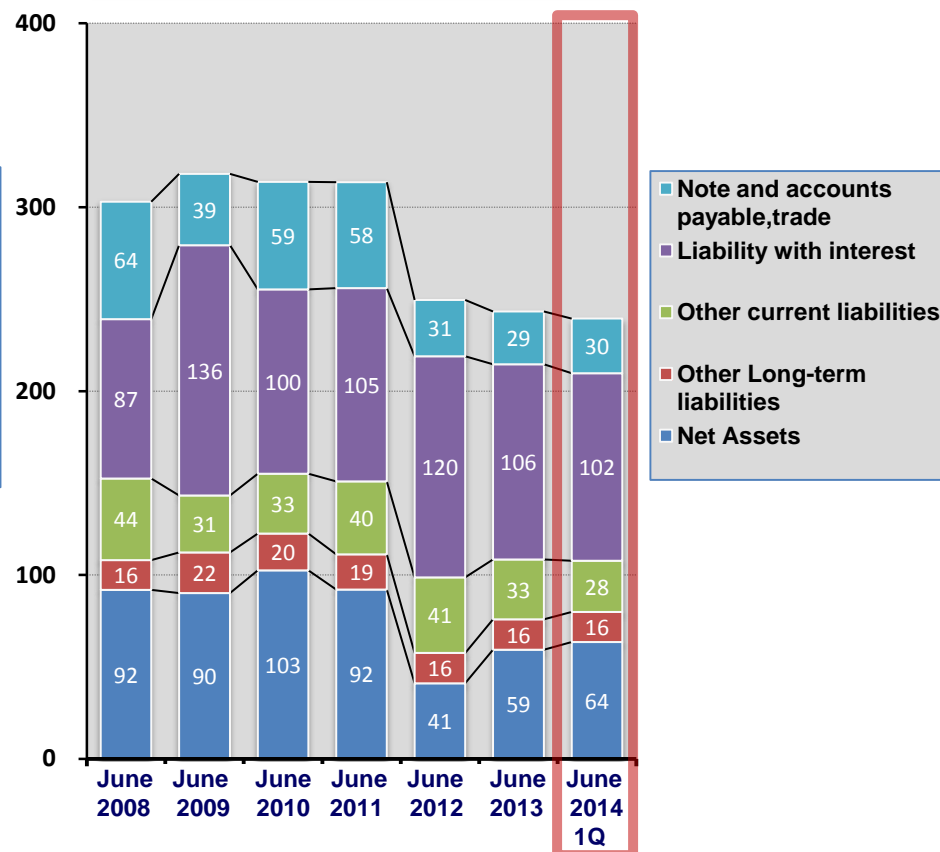
Assets decreased 6.6 billion yen which was chiefly caused by notes and accounts receivable. Liabilities fell 4.2 billion yen which was chiefly caused by interest-bearing debts. Net assets increased by 3.3 billion yen which was chiefly caused by profit surplus.

### Asset

【Unit :Bn.Yen】



### Liabilities and Net assets



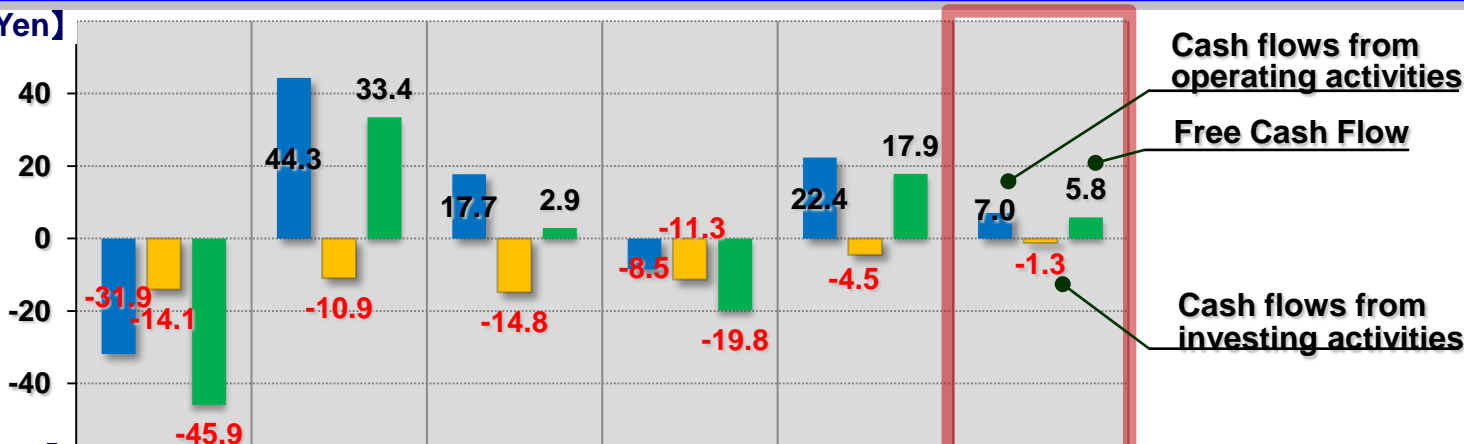
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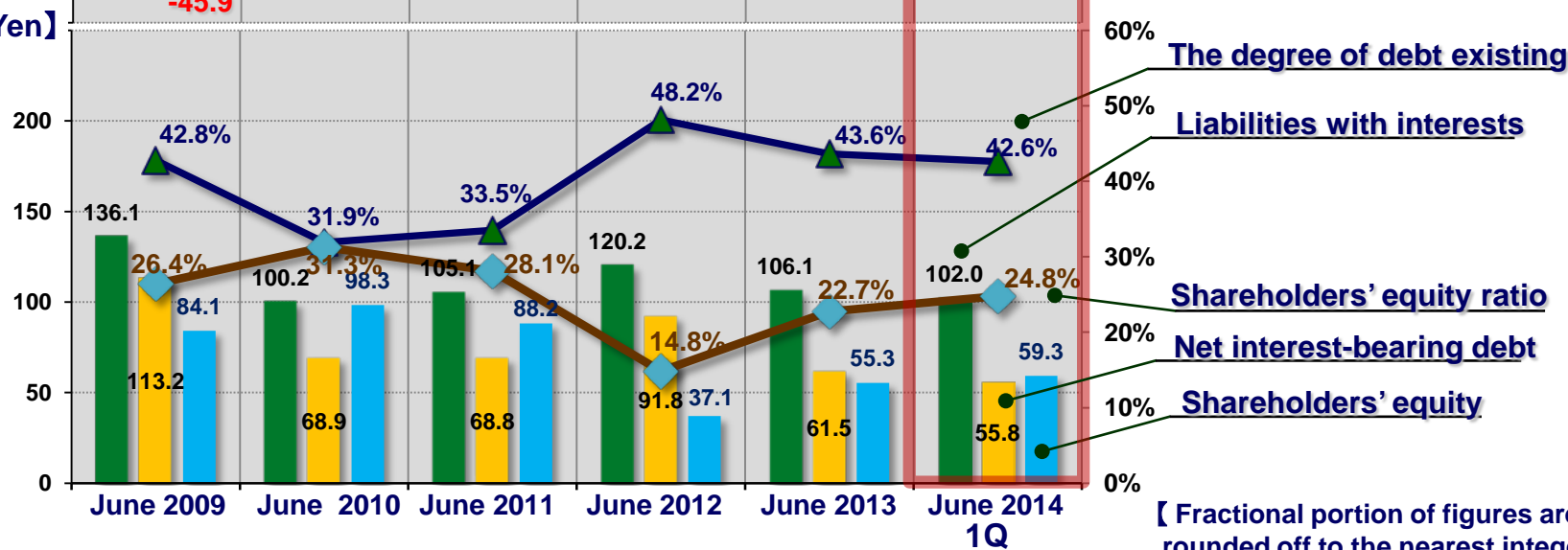
## Cash Flow and Liabilities with Interests

Due to factors including an increase of net income before taxes and reductions in operating capital, the cash flow from operating activities was 7 billion yen, cash flows from investing activities was 1.3 billion yen, and free cash flow was 5.8 billion yen. Net interest-bearing debt was depressed to 55.8 billion yen.

【Unit:Bn.Yen】



【Unit:Bn.Yen】



# Forecast of June 2014 Full Year

As the direction of facilities investment in the FPD industries remains unclear, the forecasts of sales and operating profit remain unchanged from the previous forecasts.

【Unit :Bn.Yen】

|                  | June 2013<br>Result | June '14 Est   |                |                 |                 |
|------------------|---------------------|----------------|----------------|-----------------|-----------------|
|                  |                     | 2Q (Y-T-D)     |                | Full Year       |                 |
|                  |                     | Estimate       | Revised        | Estimate        | Revised         |
| Sales            | 163.4               | 86.0<br>(+17%) | 86.0<br>(+17%) | 180.0<br>(+10%) | 180.0<br>(+10%) |
| Operating profit | 6.1<br>—            | 3.6<br>(+316%) | 5.5<br>(+536%) | 9.0<br>(+47%)   | 9.0<br>(+47%)   |
| Ratio            | 3.8%                | 4.2%           | 6.4%           | 5.0%            | 5.0%            |
| Net Income       | -3.8                | 1.0            | 4.5            | 4.0             | 5.0             |
| Ratio            | —                   | 1.2%           | 5.2%           | 2.2%            | 2.8%            |

【Figures in brackets indicate the percentage change over the preceding year .

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

## ■ First quarter results

- ▶ The Semiconductor & Electric Device Production Equipment had increased orders received when compared to the same period of the previous year and the previous quarter, thanks to the restart of facilities investments in relation to memory .Due to cautious investments in FPD facilities, orders received fell both when compared to the same period of the previous year and the previous quarter.
- ▶ In profitability terms, the main contributions was made by cost reduction in the FPD Production Equipment , improving gross margins and operating profit margins when compared to the same period of the previous year and the previous quarter.

## ■ Accumulated results forecast for second quarter

- ▶ Net sales were in line with the previous forecast. While operating profits responded to the first quarter results and other factors. As for profitability this year, in addition to the above, it is planned to post an extraordinary profit in line with the transfer of a portion of the shares held in Reliance Electric Limited (a consolidated subsidiary) and it has been adjusted upwards.

## ■ Forecast of full year results

- ▶ As the direction of facilities investment in the FPD industries remains unclear, the forecasts of sales and operating profit remain unchanged from the previous forecasts. As for net income, in a separate revision from the one made to the second quarter forecasts, it has been adjusted.

# ULVAC

