

(Securities code: 6728)

Business Results

FY2020

First to Third Quarter (cumulative)

(July 2020 - March 2021)

May 14, 2021

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.

There are several factors that directly or indirectly impact the company performance, such as the global economy; market conditions for FPDs, semiconductors, electronic devices, and raw materials; trends in capital expenditures and fluctuations in exchange rates. Please note that actual business results may differ significantly from these forecasts and future projections.

◆ **Data included in the documents are stated as follows:**

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

Yen values: Rounded to the nearest 10th of the unit stated.

Percentages: Rounded to the nearest 10th after yen values are rounded.

Abbreviations of accounting periods:

1Q to 3Q (cumulative): First to third quarter consolidated cumulative period

3Q : Third quarter consolidated period

Full-year earnings forecast · Dividend forecast revised

- Full-year earnings forecast revised upward (mainly due to increase in orders and sales in semiconductor and electronics-related businesses)
- Dividend forecast revised from 70 yen to 80 yen
- 1Q to 3Q cumulative orders increased YoY. Net sales decreased YoY due to the decrease in orders in FY 2019, but on an upward trend after 1H of the current fiscal year. Expected to increase next year onwards.

	Full-year forecast		1Q to 3Q (cumulative)
	Revised forecast	vs. Initial plan (changes)	Results
□ Orders Received	¥185 billion	+¥5 billion	¥133.1 billion
□ Net Sales	¥180 billion	+¥15 billion	¥128.5 billion
□ Operating Profit	¥16.5 billion	+¥1.5 billion	¥10.2 billion
□ Net income	¥12.5 billion	+¥2.5 billion	¥8.3 billion
□ Dividend	¥80	+¥10	

Revision of FY2020 Full Year Consolidated Earnings Forecast

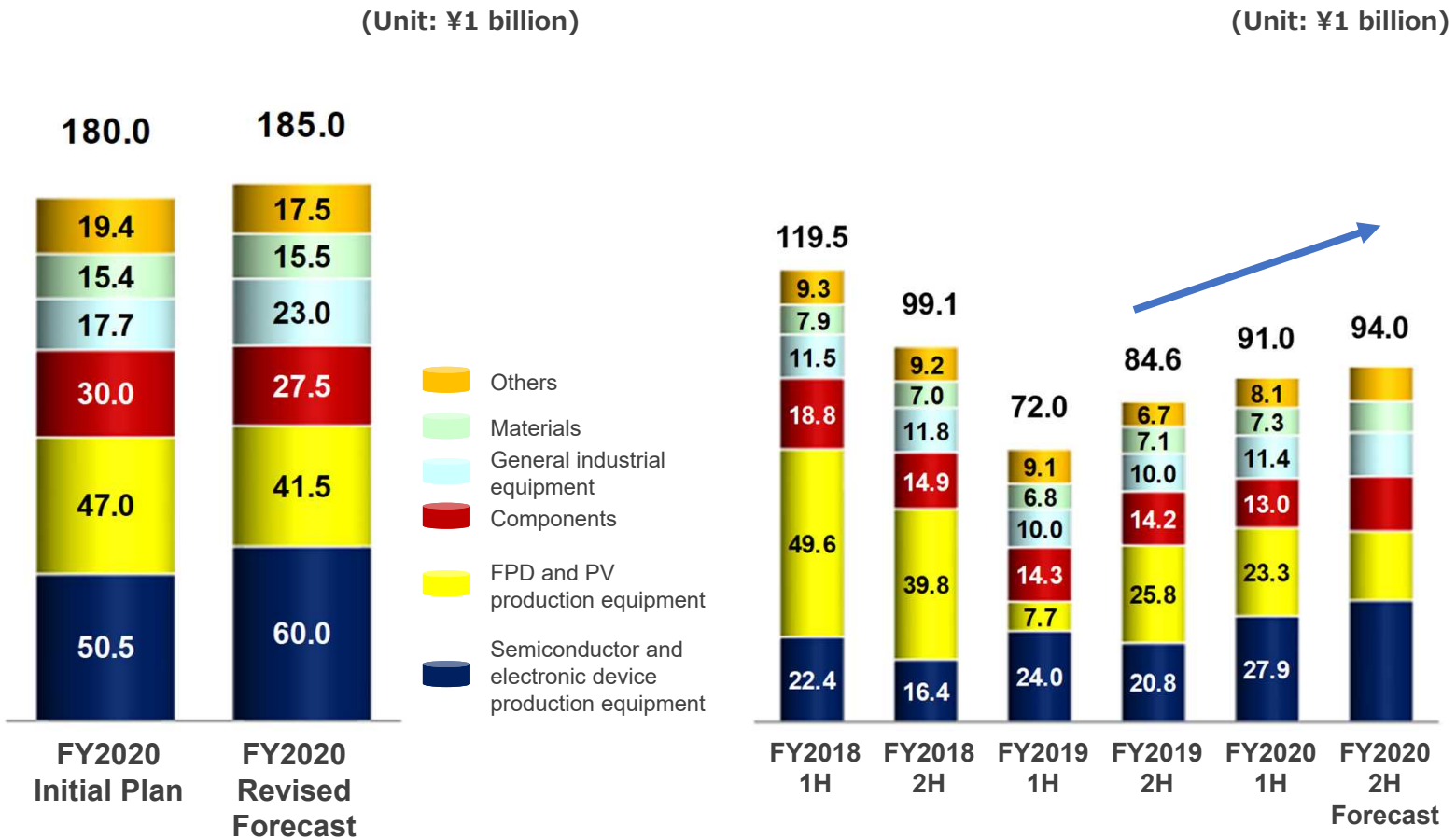
- Full-year earnings forecast revised upward mainly due to the increase in orders and sales in semiconductor electronics-related businesses
- Dividend forecast revised from 70 yen to 80 yen

(Unit: ¥1 billion)

	FY2019 Full Year Result	FY2020				FY2020	
		1Q to 3Q (cumulative) Result	Initial Plan	Revised Forecast	vs.Plan (Changes)	1H Result	Revised 2H Forecast
Orders Received	156.6	133.1	180.0	185.0	5 2.8%	91.0	94.0
Net Sales	185.4	128.5	165.0	180.0	15 9.1%	83.8	96.2
Operating Profit	16.0	10.2	15.0	16.5	2 10.0%	5.8	10.7
Ratio	8.6%	7.9%	9.1%	9.2%	+ 0.1 pt	7.0%	11.1%
Net Income	10.8	8.3	10.0	12.5	3 25.0%	4.5	8.0
Ratio	5.8%	6.4%	6.1%	6.9%	+ 0.9 pt	5.4%	8.3%

Revision of FY2020 Full Year Consolidated Earnings Forecast (Orders)

- Orders revised upward from ¥180.0 billion to ¥185.0 billion due to increased investment activity in semiconductor and electronics-related business (+¥9.5 billion)
- Orders increased after 1H FY2019.



Semiconductor and Electronic Device Production Equipment

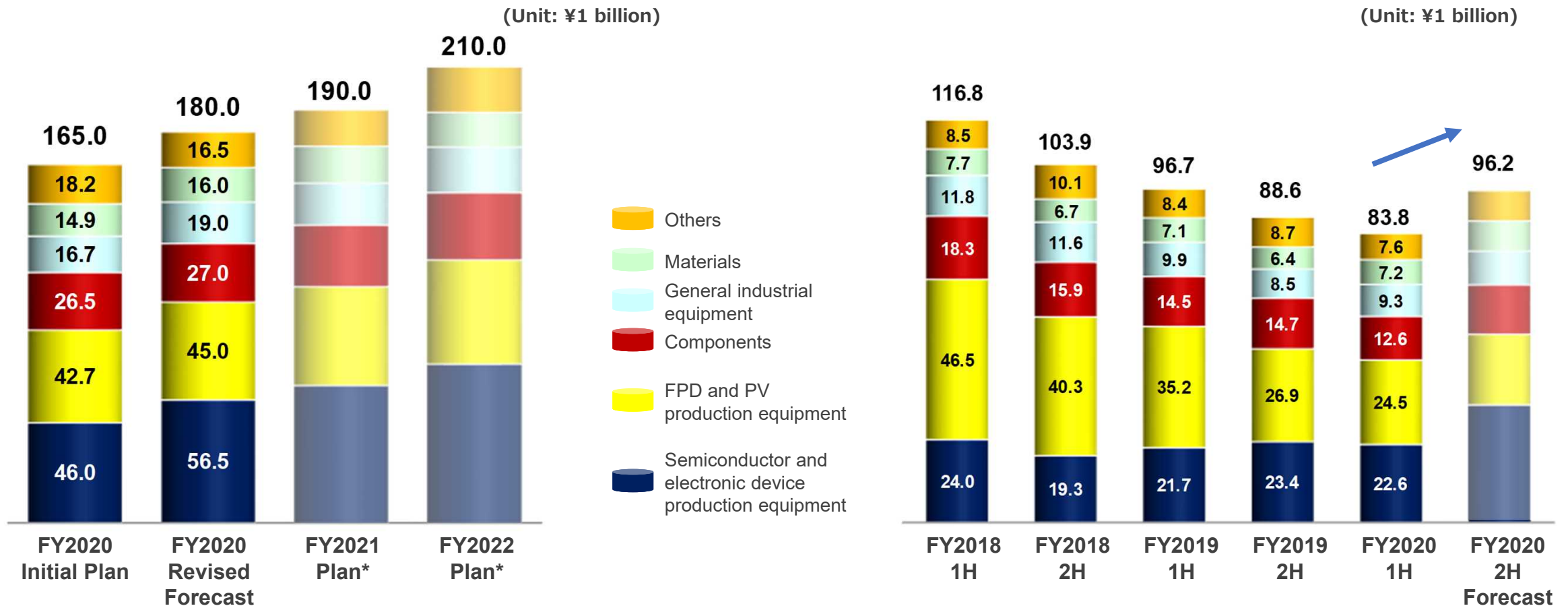
- Sales of **electronics-related products**, including Power devices, Optical devices, Communication devices, etc. are expected to **increase by approx. 20% from the initial plan** due to strong sales mainly in Japan and China.
- **Semiconductor** sales are expected to **increase by approx. 20% compared to the initial plan% (1H→2H: approx. 40%increase)** due to resumption of memory investment and continuous logic investment.
- **Both semiconductor and electronics orders** are expected to increase in the next fiscal year and onward.

FPD·PV Production Equipment

- The investment in **OLED for smartphones (Sputtering equipment)** and equipment for large LCD TVs are expected to continue until next fiscal year.
- Corresponding to mass production development investment for large substrate OLEDs used for IT ,TV

Revision of FY2020 Full Year Consolidated Earnings Forecast (Sales)

- Sales revised upward from ¥165.0 billion to ¥180.0 billion due to the active investment in semiconductor and electronics-related business
- Expected to increase after 1H of the current fiscal year
- Growth mainly for semiconductors and electronics are expected in the next fiscal year and onward

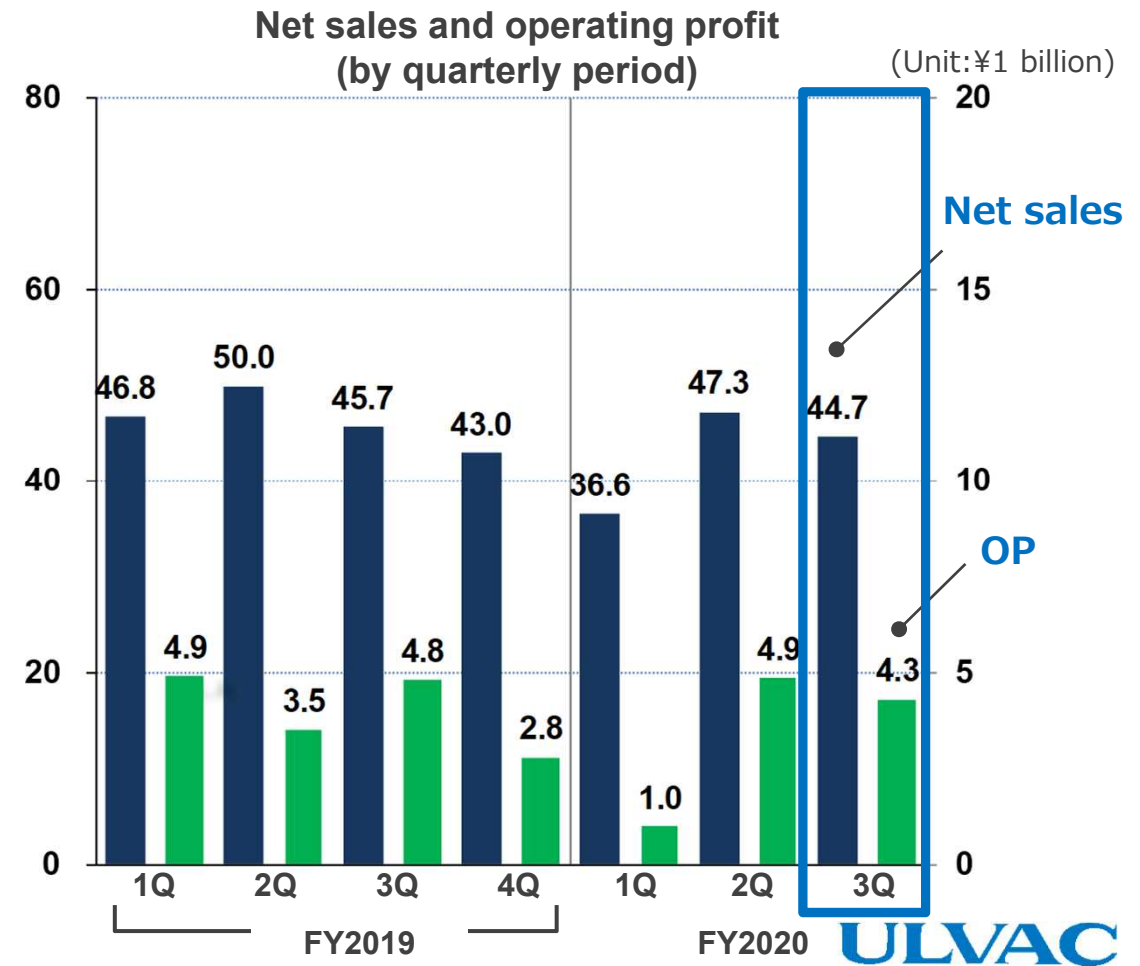


Overview of 1Q to 3Q FY2020 Consolidated Business Results (Cumulative)

- **Orders** : Increased YoY, mainly in semiconductor·electronics and FPD-related business
- **Net sales** : Decreased YoY due to the impact of decreased orders in FY2019, but on a recovery track
- **Operating income**: Decreased YoY due to the decrease in net sales

(Unit:¥1 billion)

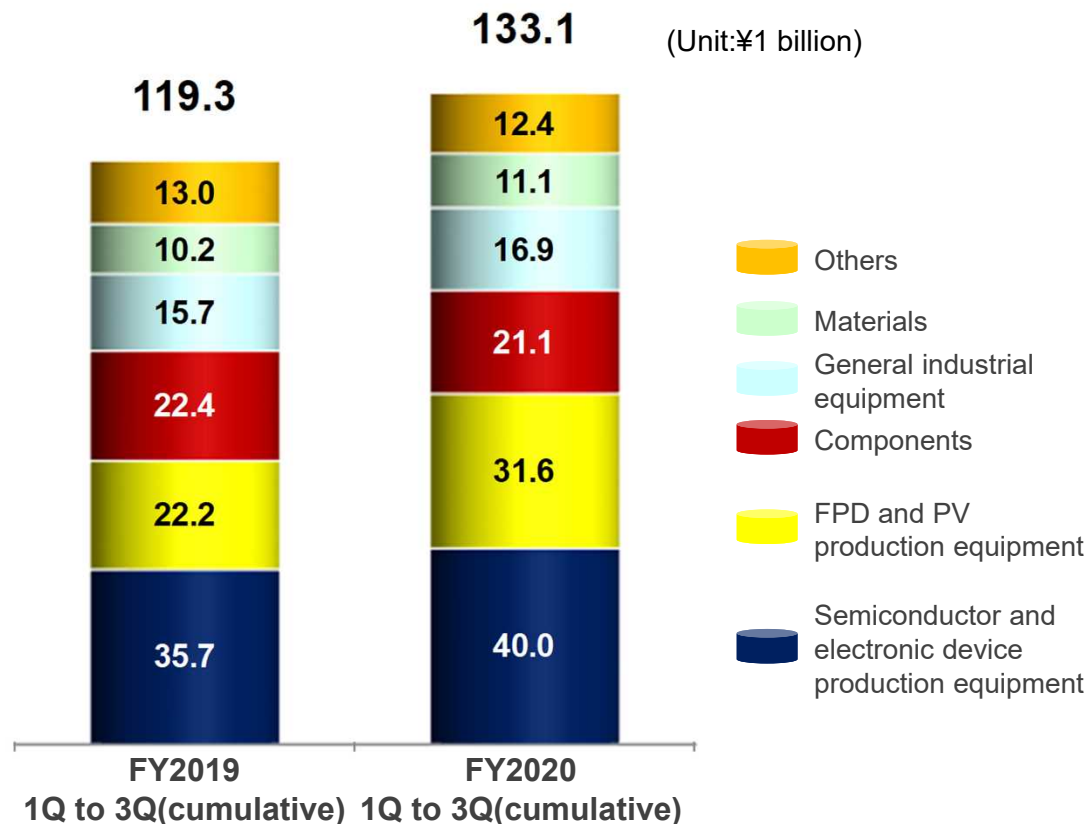
	FY2019 Result	FY2020 Result	
	1Q to 3Q (cumulative)	1Q to 3Q (cumulative)	Y-o-Y (Changes)
Orders Received	119.3	133.1	11.6%
Net Sales	142.5	128.5	-9.8%
Gross margin	39.4	36.7	-6.9%
Ratio	27.6%	28.5%	0.9pt
SG&A	26.2	26.5	1.2%
Operating Profit	13.2	10.2	-23.1%
Ratio	9.3%	7.9%	-1.4pt
Net Income	11.0	8.3	-24.8%
Ratio	7.7%	6.4%	-1.3pt



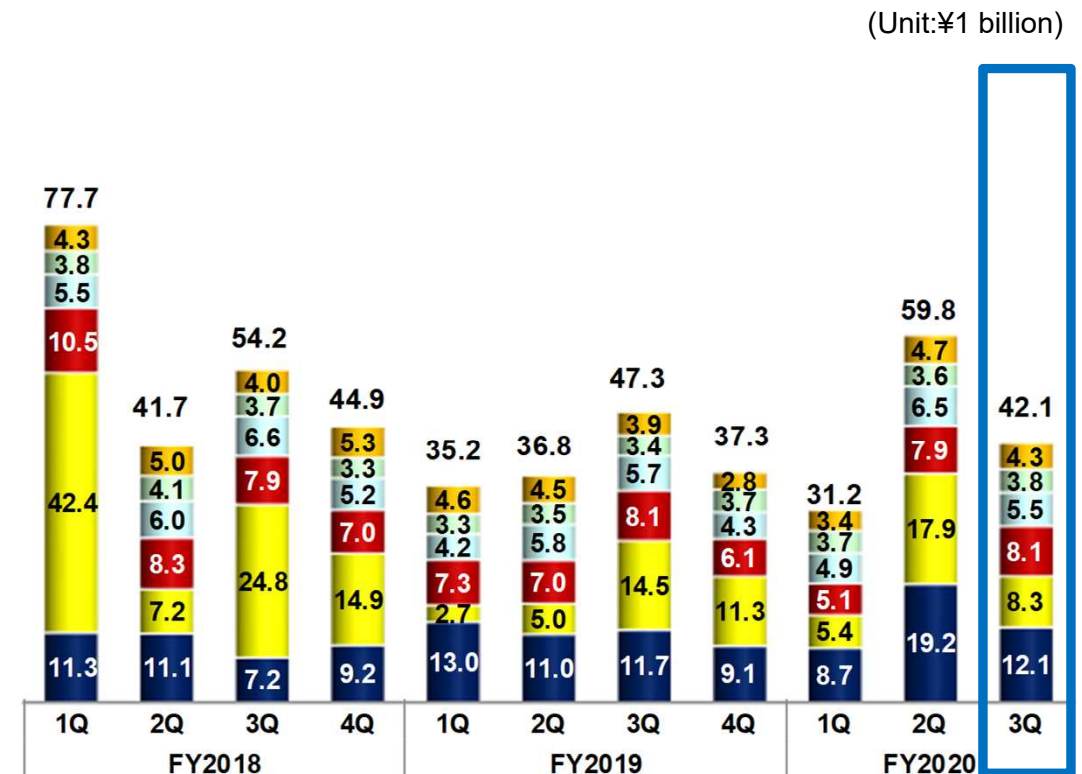
Overview of 1Q to 3Q FY2020 Consolidated Business Results (Cumulative) (Orders Received by Segment)

- 3Q: Decreased in reaction of approx. ¥10.0 billion orders received in 2Q ahead of schedule, but progress of 1Q to 3Q cumulative total was almost in line with the initial plan and increased YoY
- Semiconductor and electronics: Increased YoY mainly due to active investment in Memory, Power devices
- FPD : Increased YoY mainly due to steady investment in OLED for smartphones, LCD for large TVs

Orders vs. same period last year



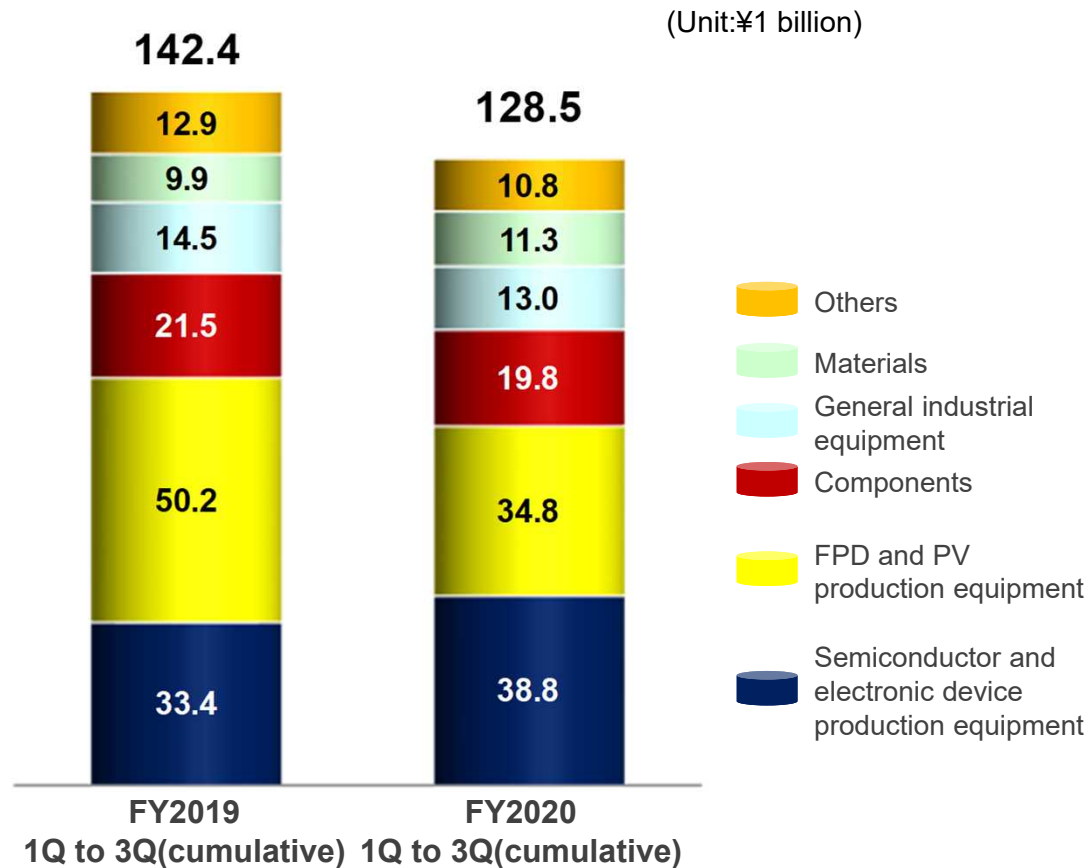
Quarterly change



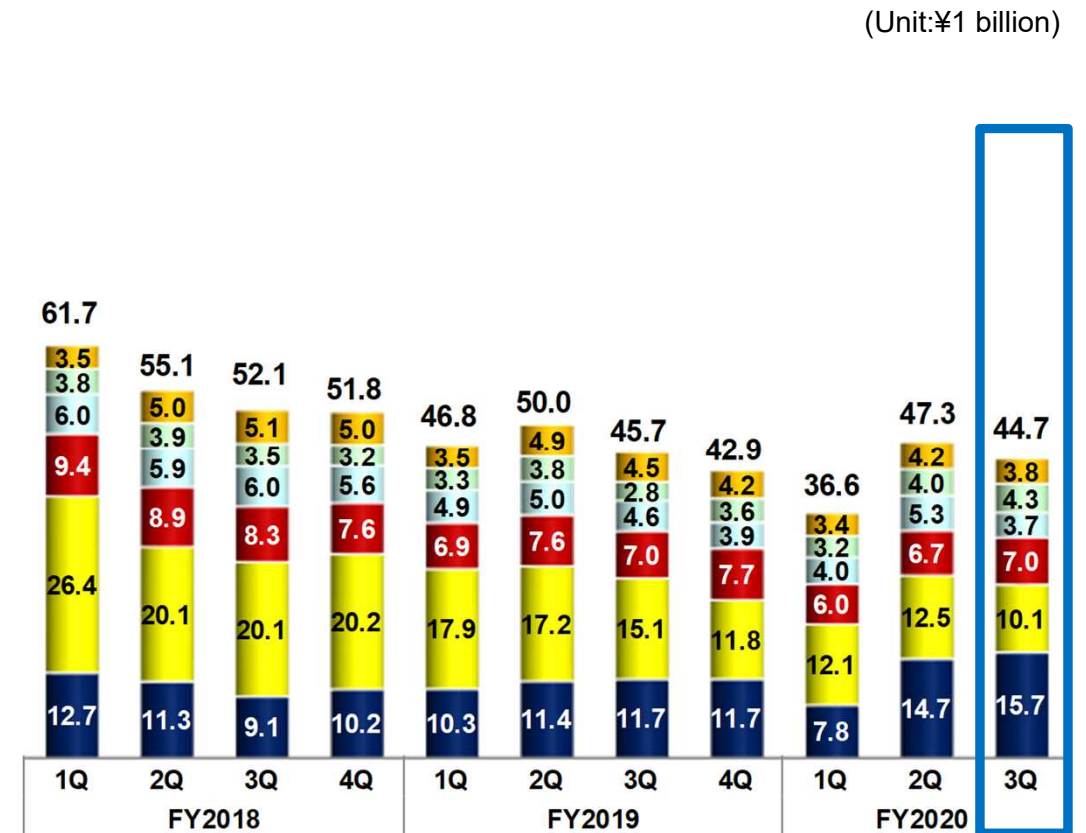
Overview of 1Q to 3Q FY2020 Consolidated Business Results (Cumulative) (Net Sales by Segment)

- Net sales declined YoY due to a decrease in orders in FY2019, but in a recovery trend after 1Q

Net sales vs. same period last year



Quarterly change

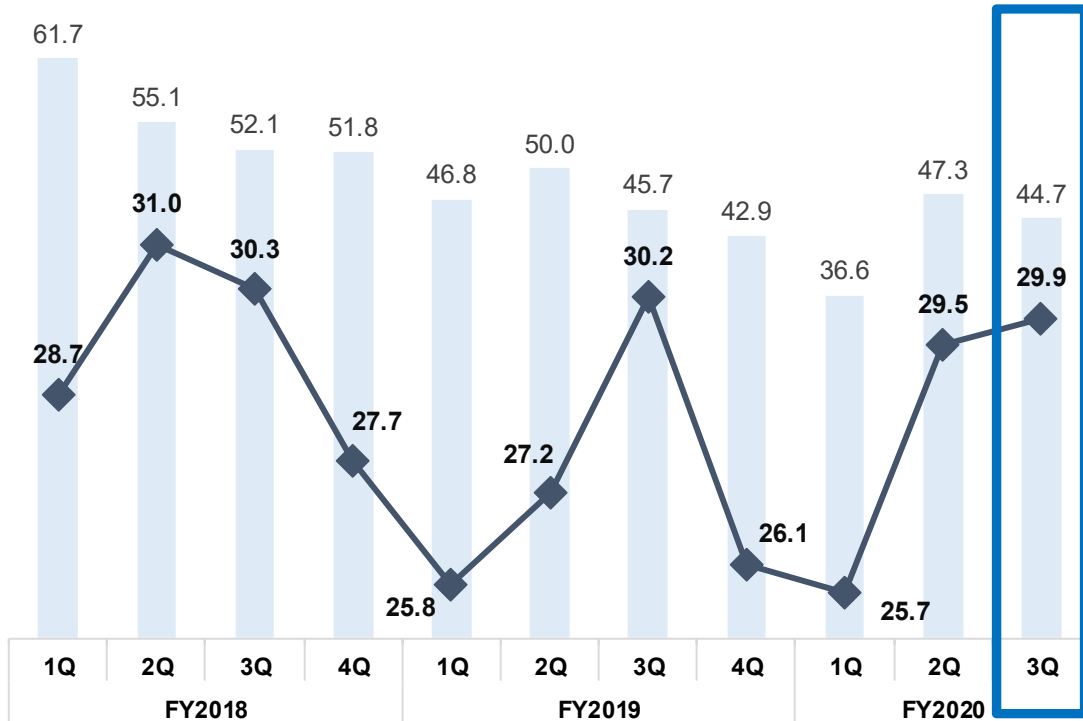


Overview of 1Q to 3Q FY2020 Consolidated Business Results (Cumulative) (Profit Margins)

- The gross profit margin was 27.8% in 1H and 29.9% in the 3Q. Compared to 27.3% in FY 2019, the results of manufacturing reforms is realizing
- Operating profit margin had been declining due to sales decline but has been improving since 1Q

Gross profit margin

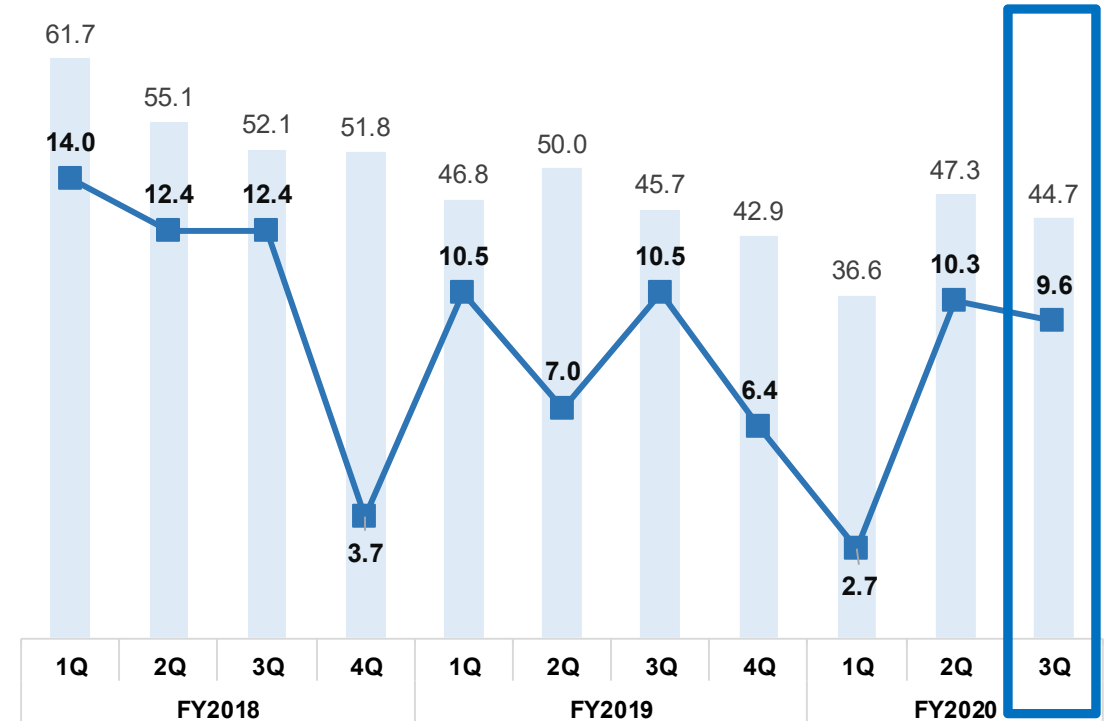
(Unit: %)



FY2019 27.3%	FY2020 1H 27.8%
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Operating profit margin

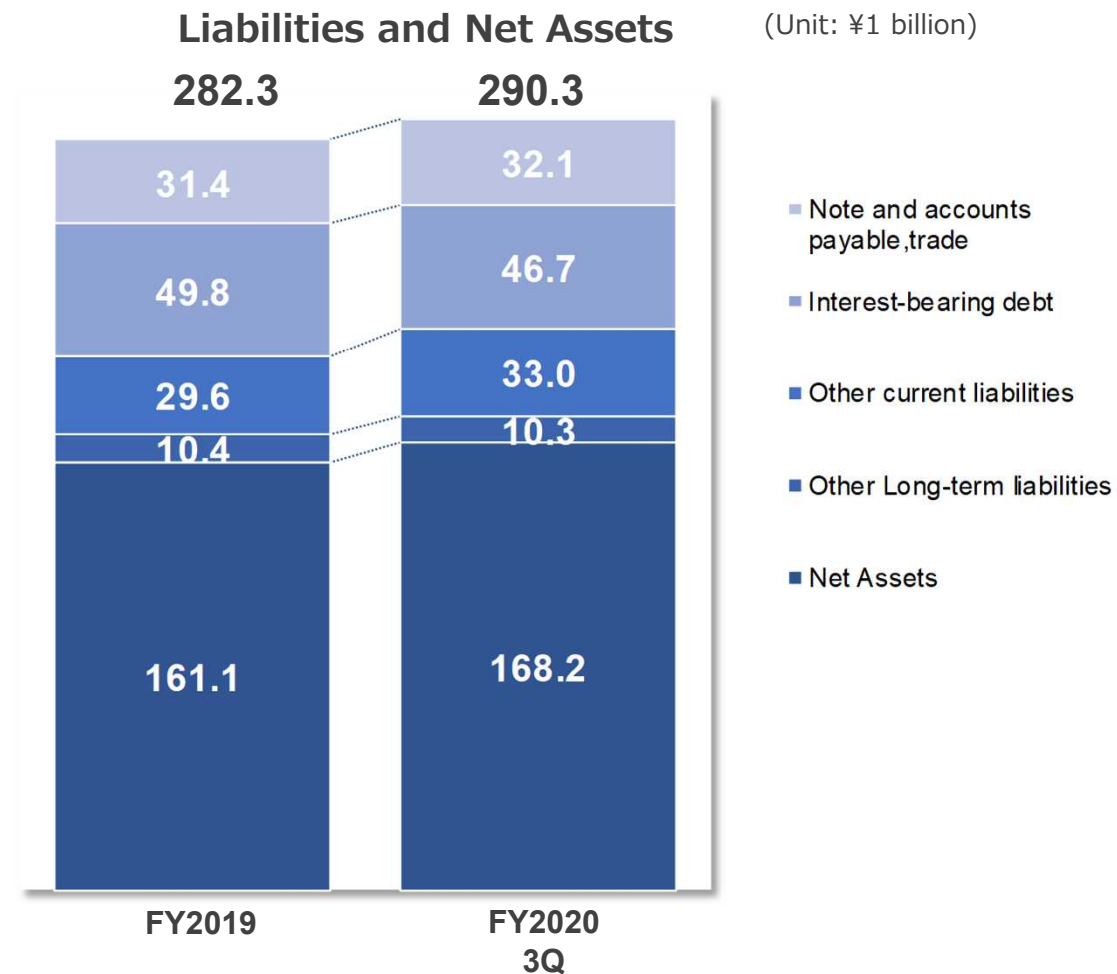
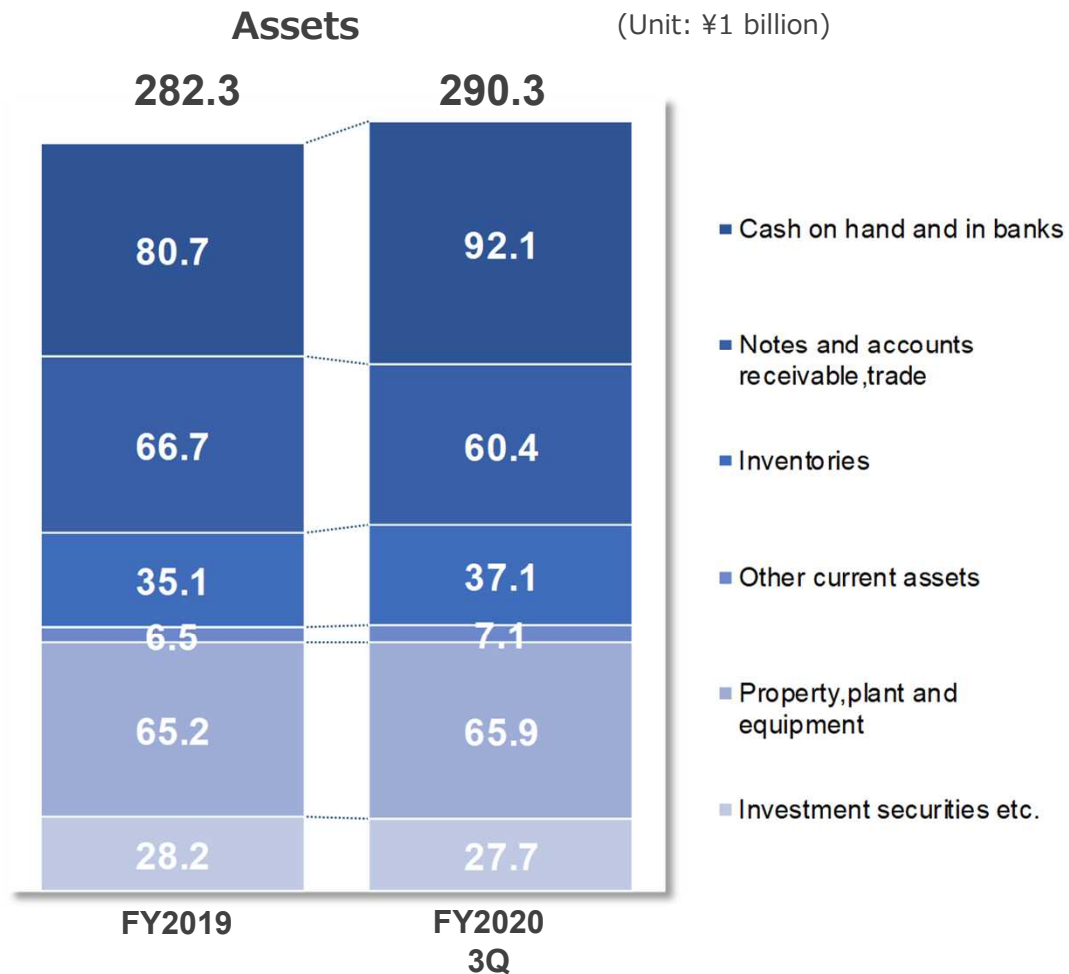
(Unit: %)



— Net Sales

Overview of 3Q FY2020 Business Results (Consolidated Balance Sheet)

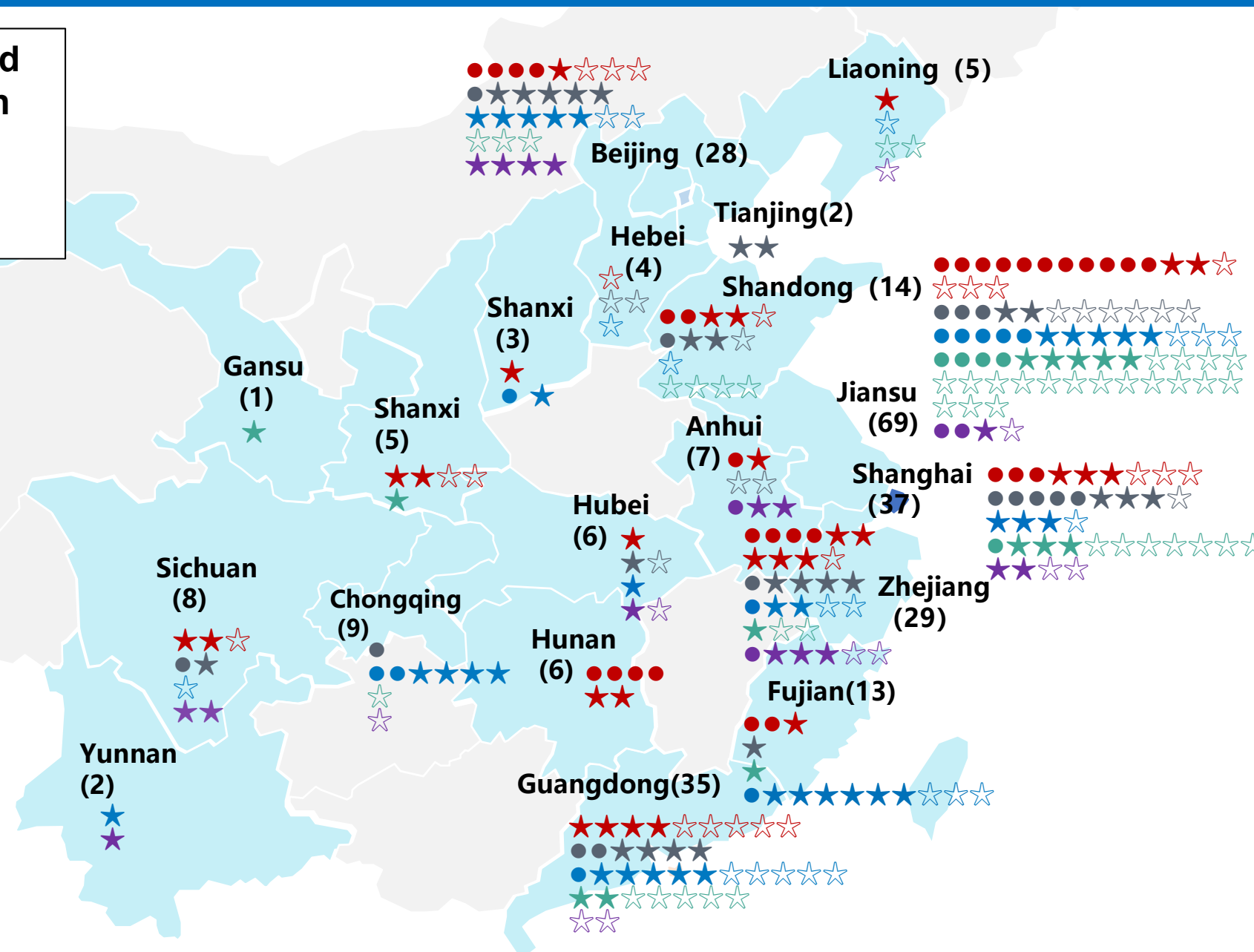
- Cash and deposits increased by ¥11.4 billion, notes and accounts receivable-trade decreased by ¥6.3 billion
- Net assets increased by ¥7.1 billion, equity ratio was 55.7%.



Topics | Increasing Electronics-related Investment in China (Promoting Business Growth)

- Business negotiations stimulated by domestic production policy in the electronics field
- Enhancement of sales and technical support system

- Power Device (SiC/Si-IGBT)
- MEMS Sensor
- Communicating Device (SAW/BAW etc.)
- Packaging (WLP/PLP)
- Optical (Automotive Electronics)
- Existing clients
- ★ Customers who requested quotations
- ☆ Potential clients



- Equipped with a variety of different process modules on the same transfer core
- Using common parts to reduce spare parts and providing the same operation display ⇒ High Efficiency

Applicable progress

Sputtering
Etching
Ashing
CVD



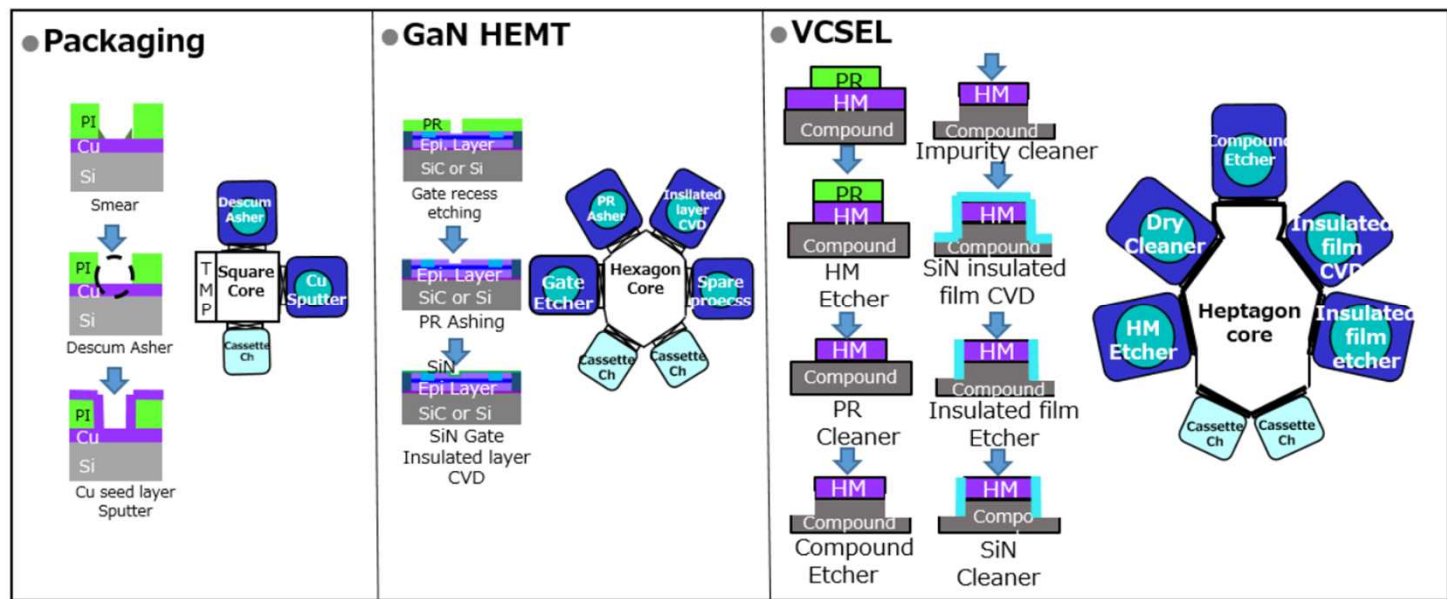
Applicable wafer size

MaxΦ200mm
MaxΦ300mm



Applicable applications (Examples)

- Power device Seed & Metal layer Sputtering
- Opt. device VCSEL Etching
- MEMS sensor PZT Sputtering & Etching
- Packaging Descum Ashing
- Communication Insulated film PE-CVD and Etching



Topics III Reorganization of Korean subsidiaries (Strengthening Group management efficiency)

Merger of 4 Korean subsidiaries related in cleaning, surface treatment, bonding and parts processing and other service businesses

<Purpose>

- To expand market share by integrating equipment-related service businesses and unifying contact points
- To streamline and promote efficiency of the organization

<Effect on consolidated accounting>

- The effect from the merger is minor.



ULVAC vacuum technology contributes to many industries and applications



Automobile
自動車



Semiconductor
半導体



Flat Panel Display
フラットパネルテレビ



Photovoltaic
太陽電池



Food Processing
食品



Aircraft
航空



Bio
バイオ



Smart Phone
スマートフォン



Magnetic Device
磁気デバイス



Home Appliance
家電製品



Aerospace
宇宙産業



Pharmaceutical
医療・薬剤



Wearable/VR
ウェアラブル/VR



Power Device
パワーデバイス



MEMS Device
MEMS デバイス



Architectural Glass
建材・スマートガラス



Optical
光学



Flexible
フレキシブル



Packaging Materials
パッケージング



Battery
バッテリー

Vacuum technology

For manufacturing

ULVAC