(Securities code: 6728)

Business Results

The First Quarter of FY2020

(July 2020–September 2020)

Nov. 13, 2020

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 and 2Q (cumulative): First and second quarter consolidated cumulative period
2Q: Second quarter consolidated period

First Quarter FY2020 Business Results Summary

- **Orders were low, but in line with initial expectations.**
- **From 2Q, orders are expected to recover due to factors such as resumption of large-scale business negotiations, electronics-related business realization in China where investment is becoming active, and a gradual recovery in capital investment.**
  - Large business negotiations for small- and medium-sized OLEDs and large TV LCDs in the FPD industry will be concentrated in 2Q and onward.
  - Orders are expected to increase with the resumption of travel to China, where electronics-related investment is picking up.
  - Semiconductor business was in a temporary off-season in 1Q and is expected to recover from 2Q.
  - Gradual recovery of capital investment in components and analytical instruments.
- **Orders, sales and profits are expected to meet the full year forecast.**

	<1Q Results>		<Full Year Forecast>
☐ Orders Received	¥31.2 billion	(-11% YoY)	¥180 billion
☐ Net Sales	¥36.6 billion	(-22% YoY)	¥165 billion
☐ Operating Profit	¥1 billion	(-80% YoY)	¥15 billion

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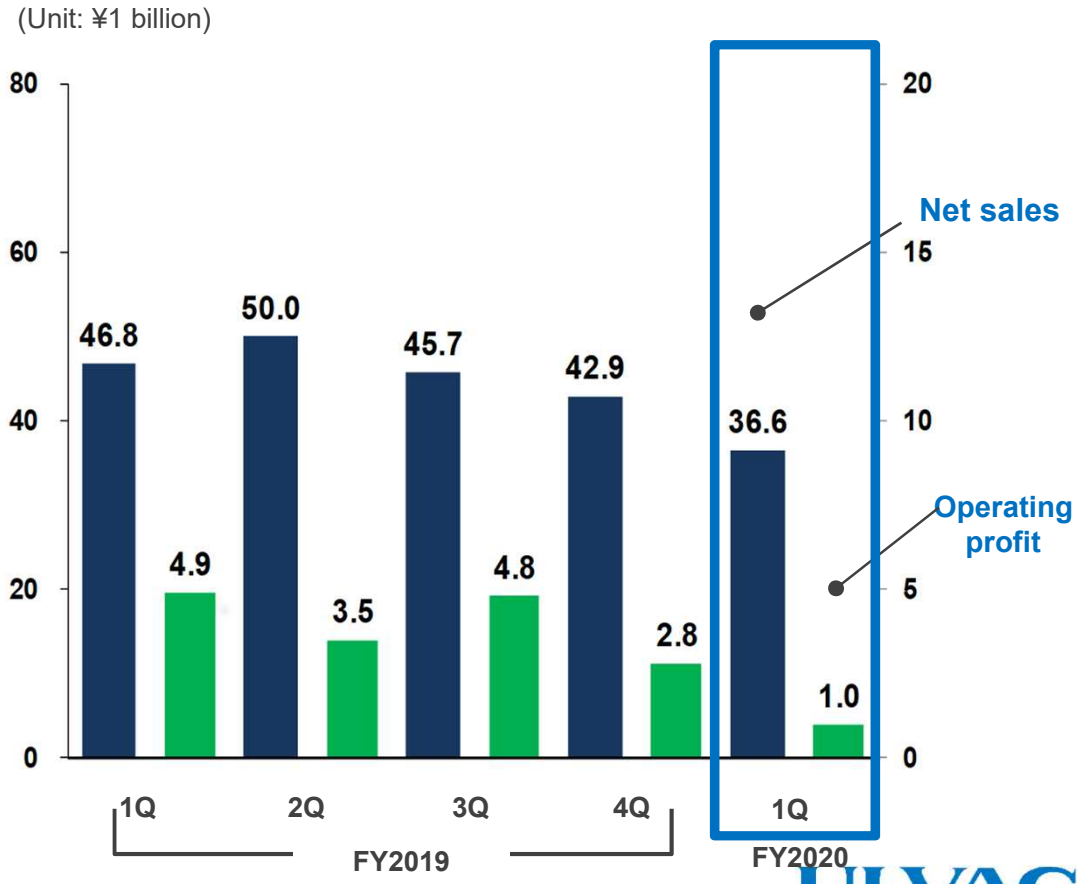
Overview of First Quarter FY2020 Business Results

- **Orders received : Declined YoY mainly due to the concentration of large business negotiations in the 2Q onward and the travel restrictions caused by COVID-19 but were still in line with initial expectations.**
- **Net sales : Declined YoY mainly due to the decreased orders received.**
- **Operating profit : Declined YoY due to the decrease in sales.**

(Unit: ¥1 billion)

	FY2019 Result	FY2020 Result	
	1Q	1Q	Y-o-Y (Changes)
Orders Received	**35.2**	**31.2**	**-11.2%**
Net Sales	**46.8**	**36.6**	**-21.9%**
Operating Profit	**4.9**	**1.0**	**-79.8%**
Ratio	10.5%	2.7%	-7.8pt
Net Income	**3.4**	**0.3**	**-90.6%**
Ratio	7.4%	0.9%	-6.5pt

Progression of net sales and operating profit (quarterly)



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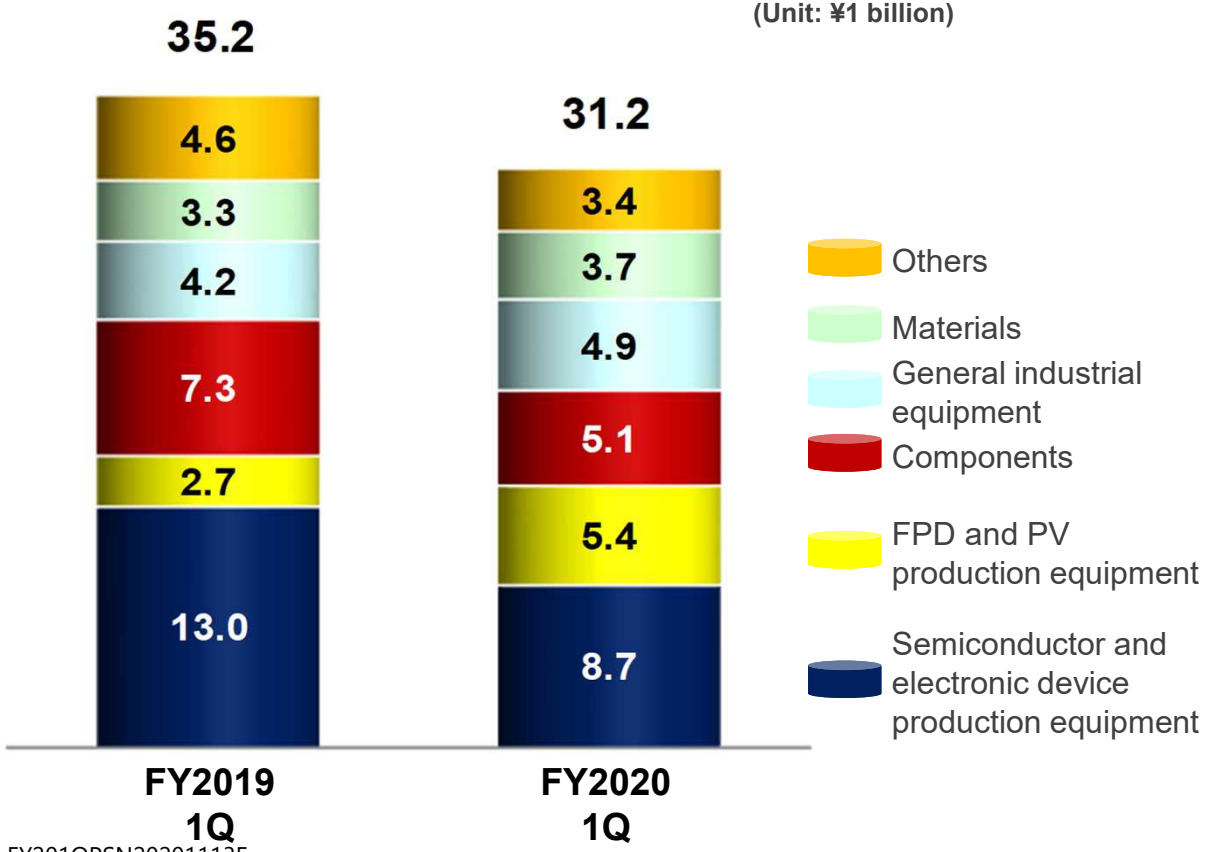
Overview of First Quarter FY2020 Business Results (Orders received by segment)

- **Semiconductor and electronic device production equipment:**
  Orders in the 1H are expected to be at the same level YoY, but orders in the 1Q are expected to decline YoY due to the concentration of business negotiations in the 2Q (Electronics-related orders are largely affected by travel restrictions, but now able to restart gradually).
- **FPD and PV production equipment:**
  Large business negotiations from 2Q onward (especially in the 2H). 1Q was in line with our initial expectations.
- **Component: Decreased YoY due to the postponement of capital investment in the automotive industries.**

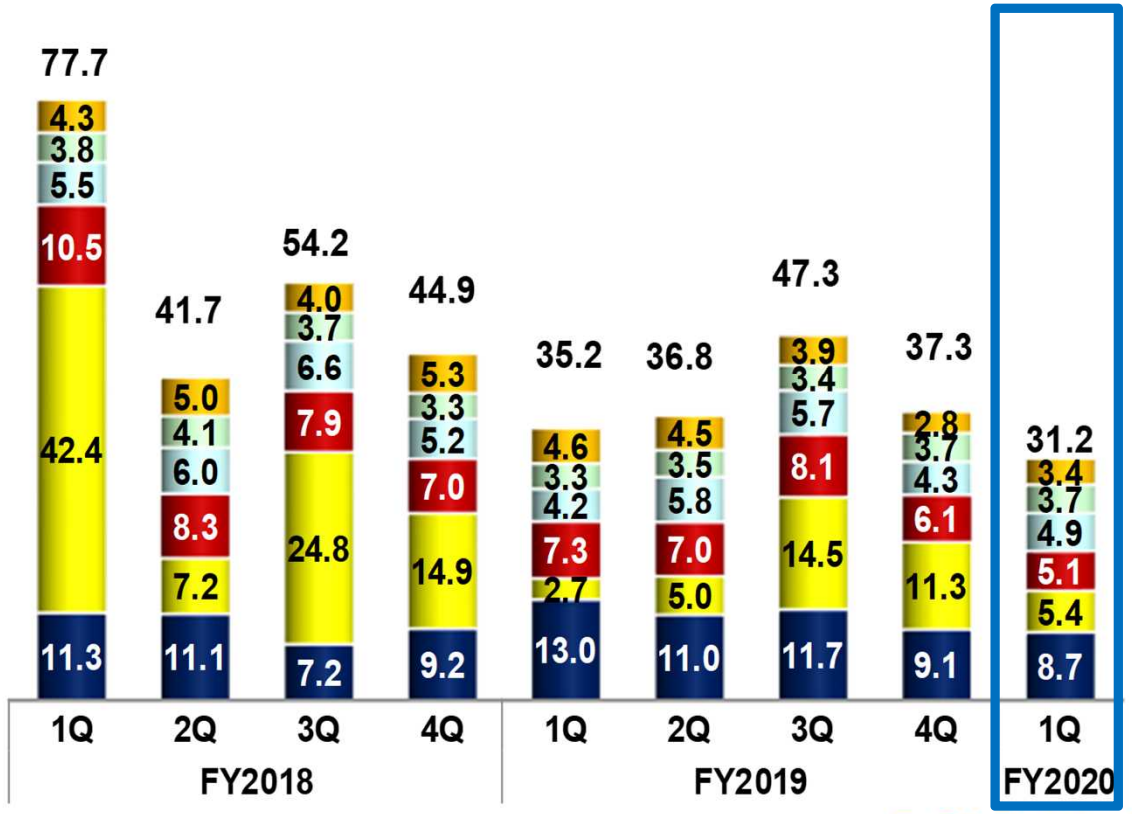
Vs. same period last year

(Unit: ¥1 billion)



Quarterly change

(Unit: ¥1 billion)



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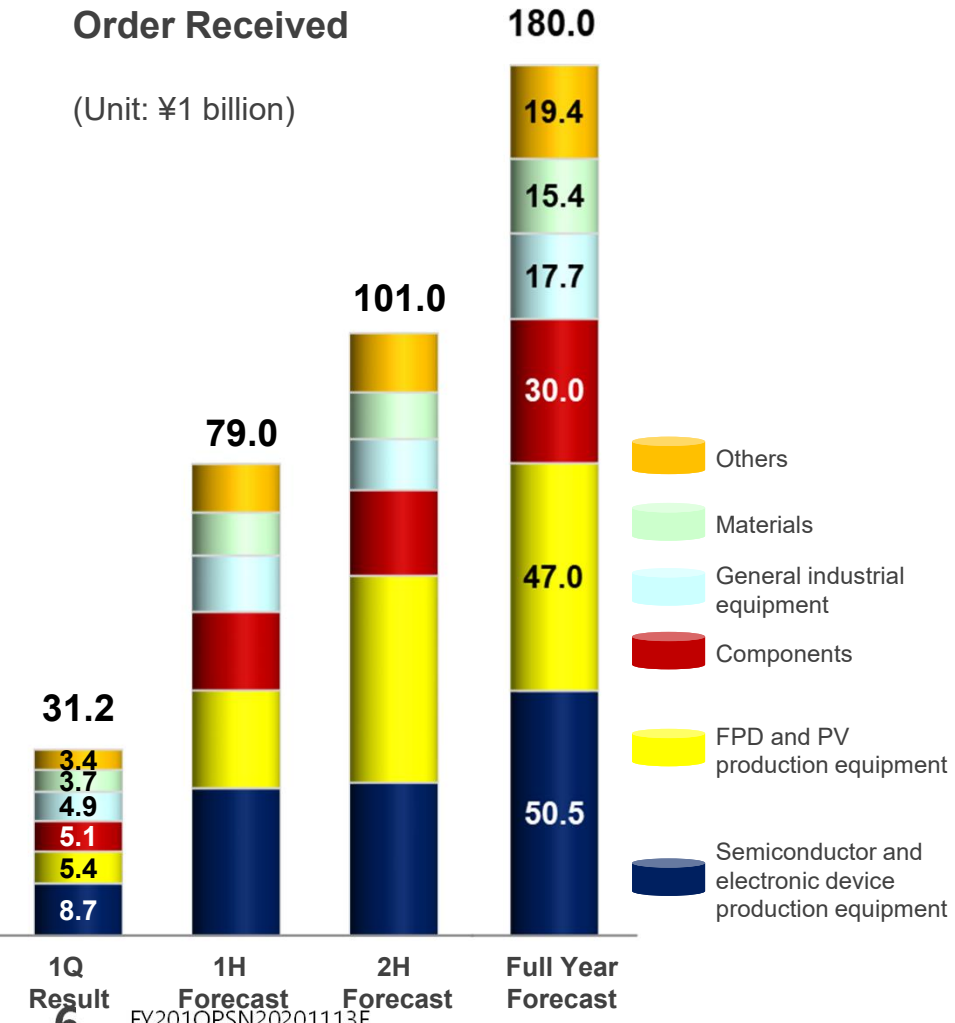
FY2020 Consolidated Earnings Forecast(Orders received by segment)

- **As initially expected, orders were on a low level due to concentration of large business negotiations in 2Q onward and travel restrictions.**
- **There is no change in the order plan of ¥79 billion for the 1H and ¥180 billion for the full year, and both orders and sales are expected to recover from 2Q.**



1. Semiconductor and electronic device production equipment

- In the semiconductor business, 1Q was a temporary off-season period, but recovery is expected from 2Q and full-year results are expected to be equivalent to the same period of last year.
  With the entry into the metal hard mask process for logic devices and expectation as the second vendor, joint development projects with foundries and memory manufacturers increased. (the contributions are expected to be realized in FY 2021 onward).
- As investment activity in China becomes active and travel from Japan resumed, orders for electronic devices are expected to increase from 2Q.

2. FPD and PV production equipment

- Large orders for evaporation equipment for small and medium-sized OLEDs and sputtering equipment for large TV LCDs have been concentrated in 2Q onward and expected to receive orders as planned for the full year.

3. Components

- From 2Q, capital investment in the automotive and semiconductor industries is expected to gradually recover, and orders are expected to increase from 2Q due to several large orders for cryopumps for OLED-related business.

4. Others

- Due to the impact of COVID-19, negotiations for analyzers for laboratories in Europe and in the United States have not progressed but expected to recover from 2Q,beginning from Europe.

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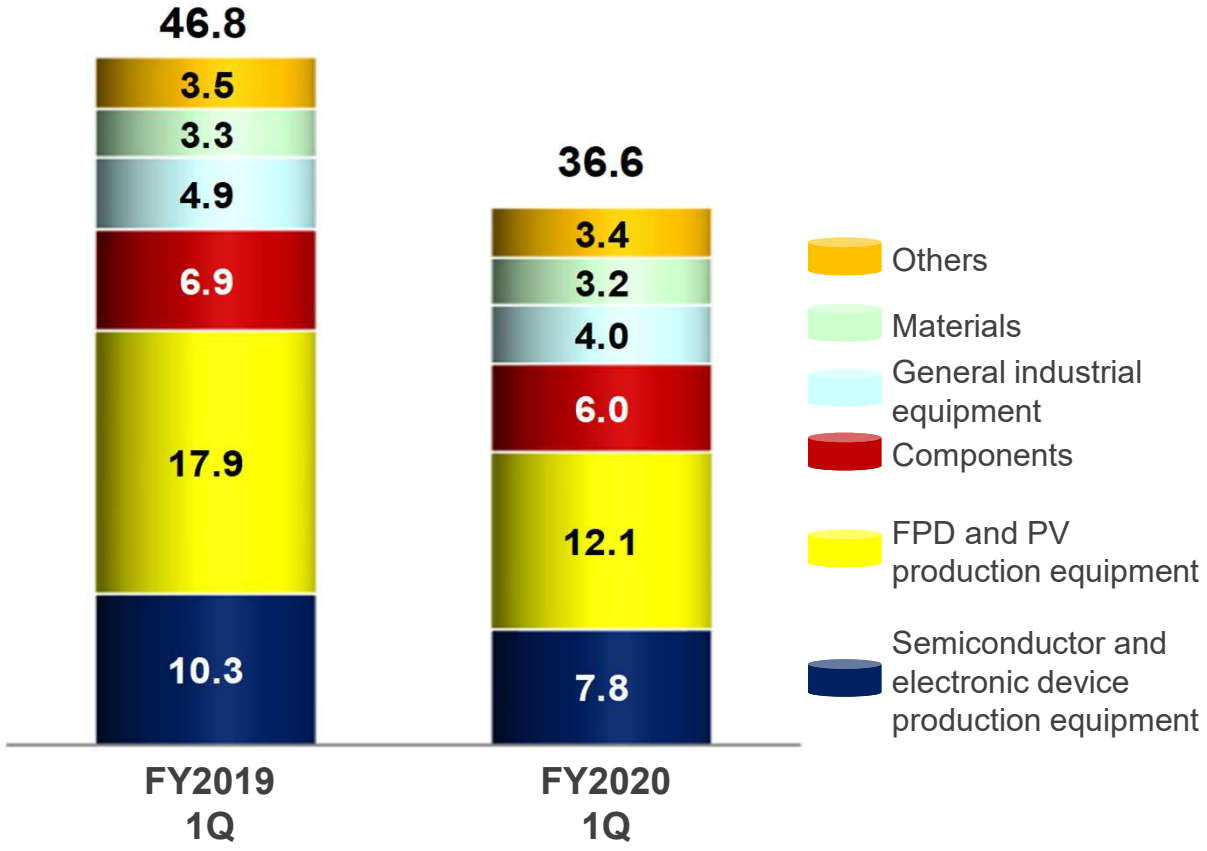
Overview of First Quarter FY2020 Business Results (Net sales by segment)

- **Declined YoY due to the decreased orders.**

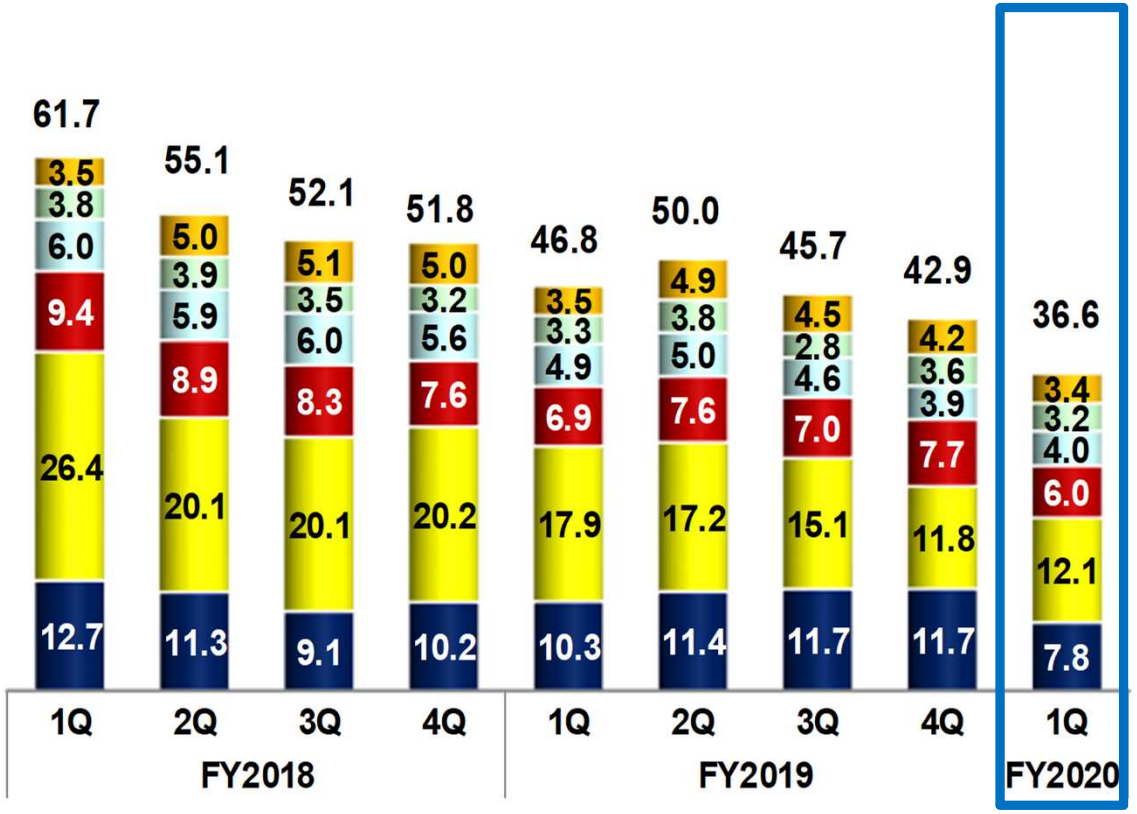
Vs. same period last year

(Unit: ¥1 billion)



Quarterly change

(Unit: ¥1 billion)



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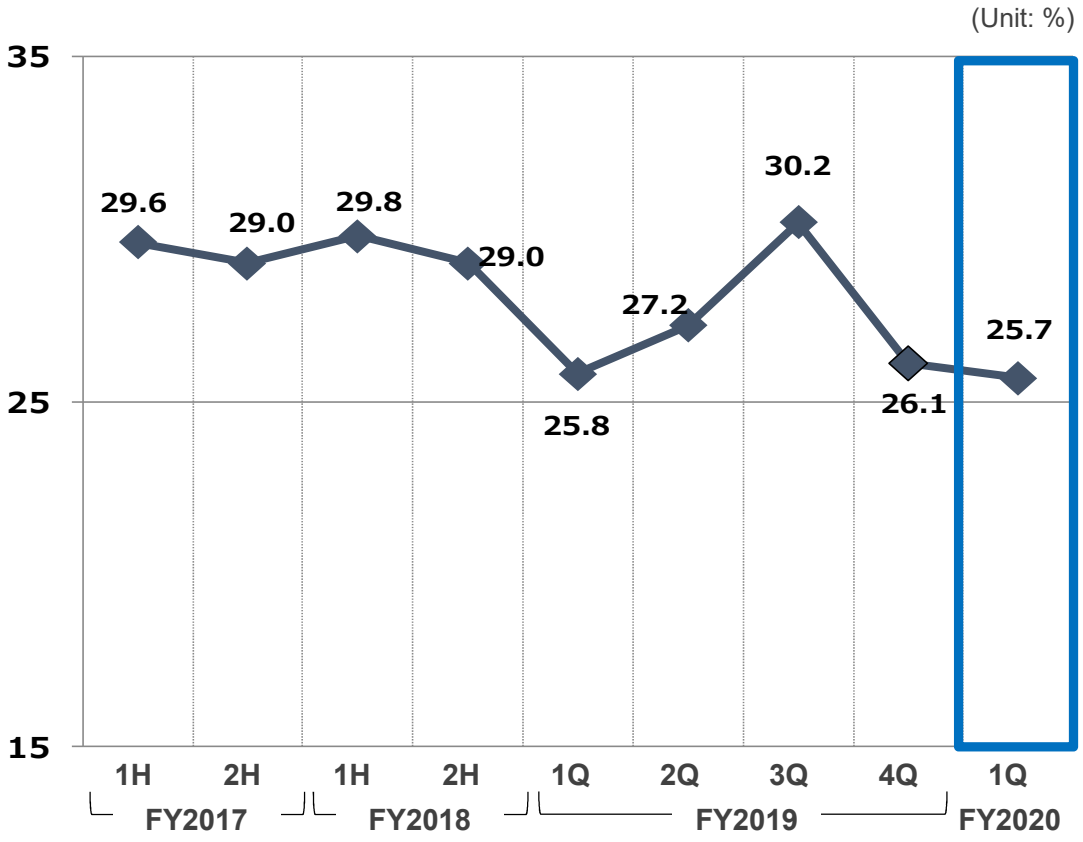
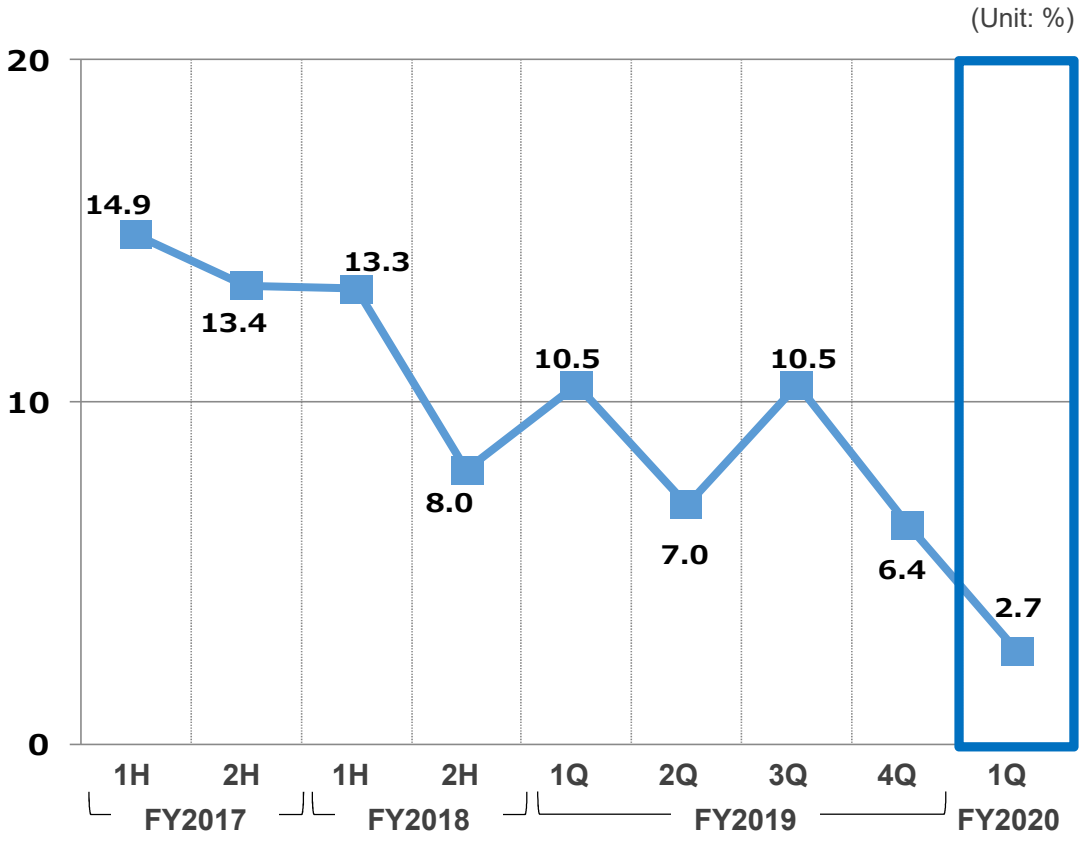
Overview of First Quarter FY2020 Business Results (Profit margins)

- **Decline in operating profit margin due to lower sales.**

Gross profit margin



Operating profit margin

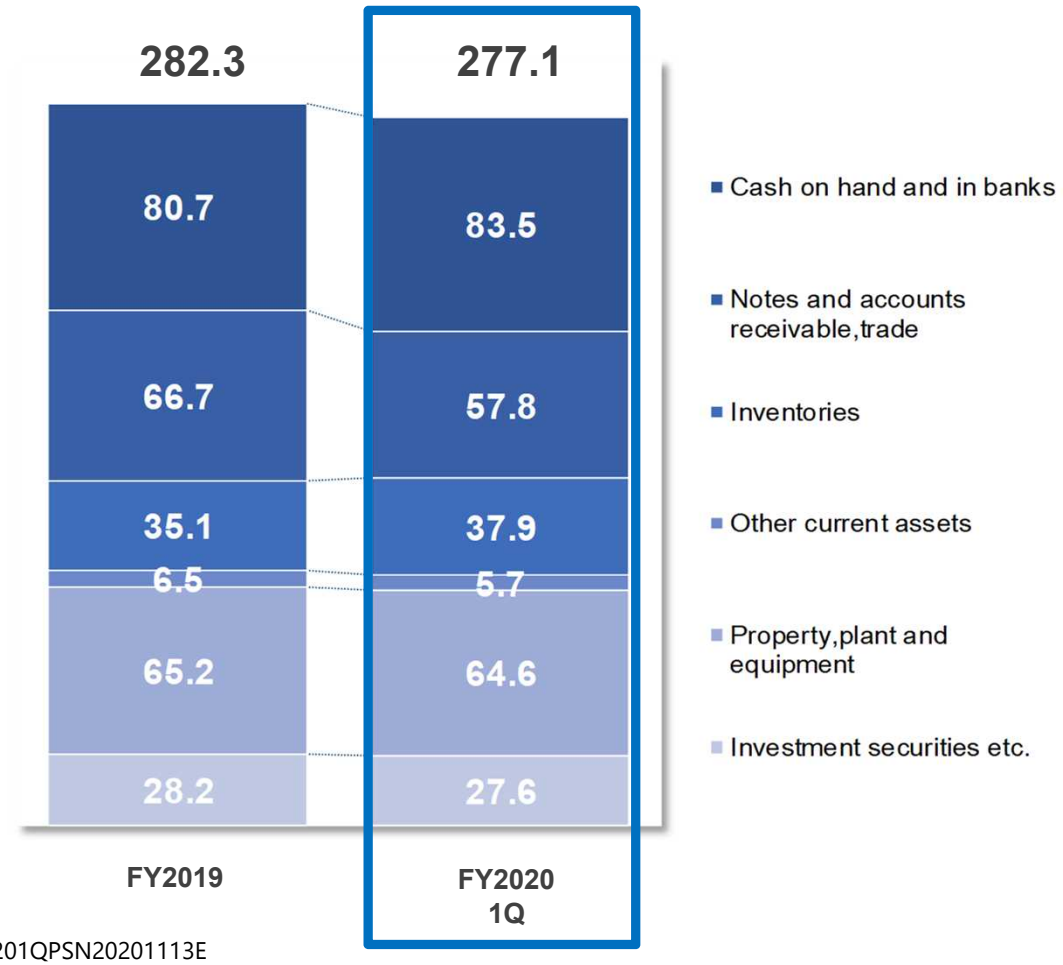


Overview of First Quarter FY2020 Business Results (consolidated balance sheet)

- **Notes and accounts receivable decreased by ¥8.9 billion, while notes and accounts payable decreased by ¥2.4 billion.**
- **Total assets decreased by ¥5.3 billion and the equity ratio was 54.2%.**

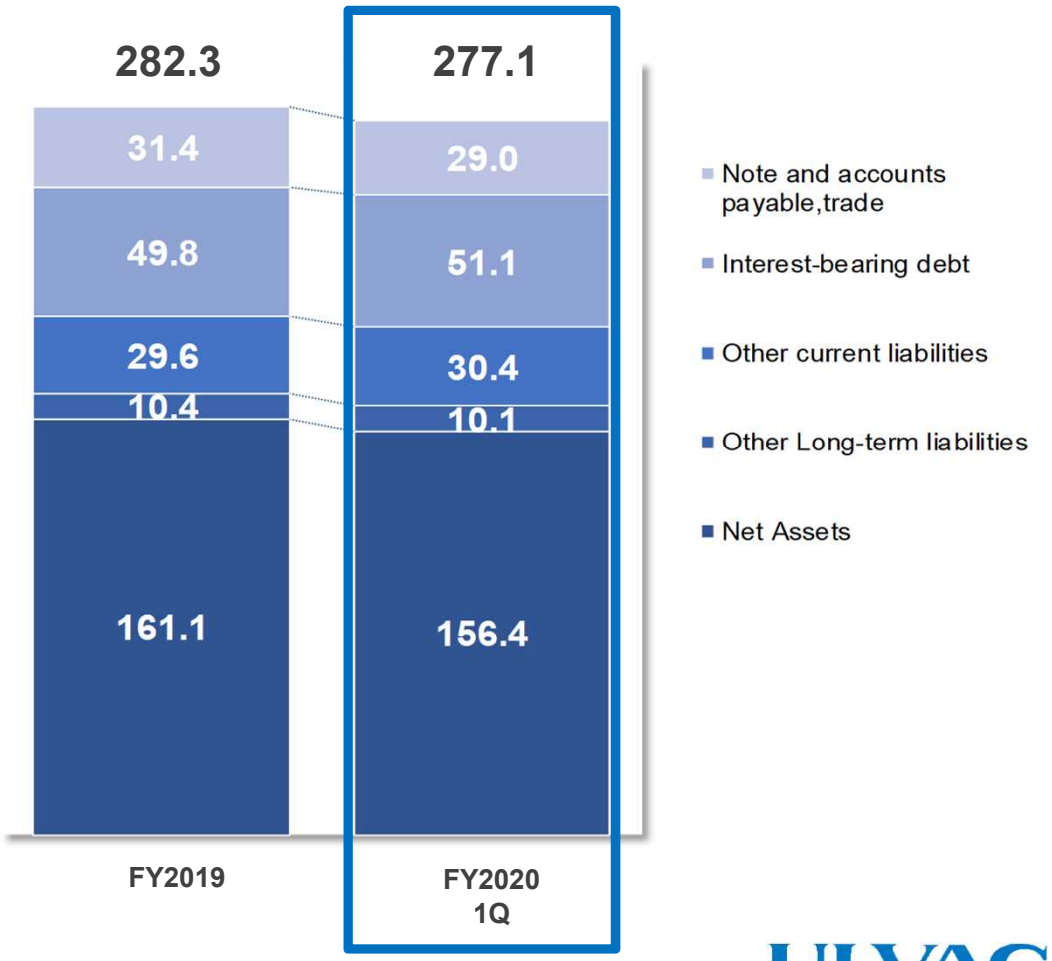
Assets

(Unit: ¥1 billion)



Liabilities and Net Assets

(Unit: ¥1 billion)



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