

*Innovation begins in a vacuum*

# FY2012 3<sup>rd</sup>Quarter Business Result

(Year Ending June 30, 2013)

**ULVAC, Inc.**  
**13<sup>th</sup> May, 2013**

◆ **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

## Business Conditions

### ■ Macro Environment

- ▶ Japan enjoys actions toward the recovery mainly due to economic stimulus and monetary policy with an improvement in the environment for exports.
- ▶ The United States shows a tendency of a gradual recovery following a growth in consumer spending and capital investment.
- ▶ Europe generally suffers from weak economy against the backdrop of high unemployment rates.
- ▶ China has lack of strength in consumer spending, and a pace of economic expansion slows down.

### ■ Business Environmental surrounding ULVAC

- ▶ **FPD**: The focus of investments related with large-size LCDs (liquid crystal displays) is on China. As for Organic LED (OLED), investments have emerged in medium- and small-size products and products for lighting and large-size TVs. Investments paused in small- and medium-size LCDs.
- ▶ **Semiconductor**: Some manufactures have resumed investments following bottoming out in the price of memory. Logic foundries have also started making investments.
- ▶ **LED**: Delaying recovery of markets caused investment plans to be postponed in China, Japan and others.
- ▶ **Power semiconductor**: We saw weak investments in China. The investment was also downside in Japan.
- ▶ **Materials**: During continuing production cuts by LCD panel manufacturers and of semiconductor memory, we face a lack of strength.

# 3<sup>rd</sup> Q (June '13) (Y-t-D) Result

## 3<sup>rd</sup> Q (June 2013) Result

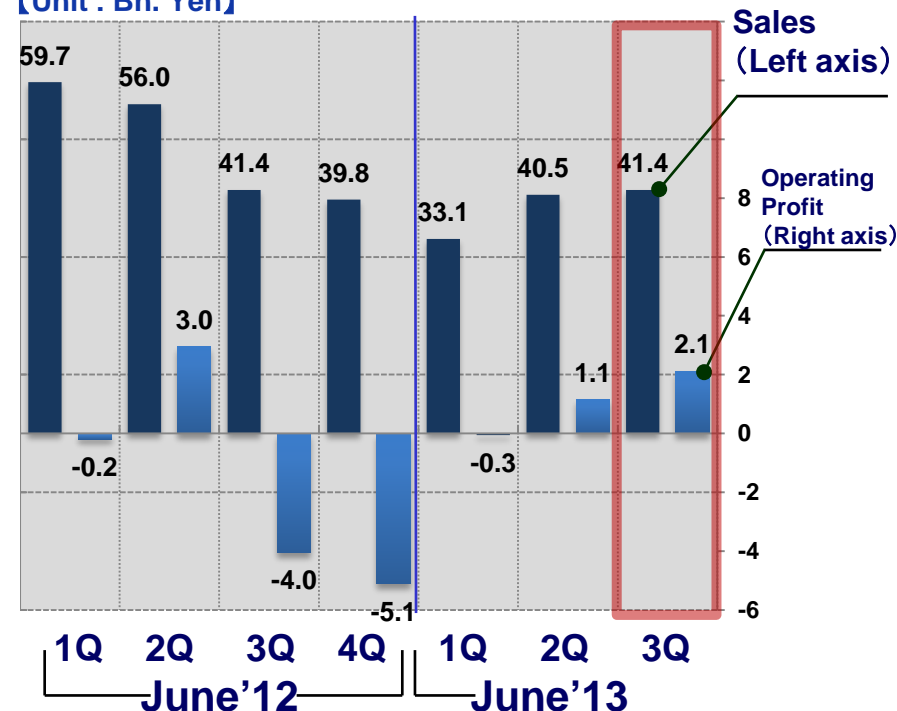
The company recorded orders received of 46.1Billion yen (Year-to-Date for the 3<sup>rd</sup> Q: 124.9 Billion yen), up from the same period of the previous year and the previous quarter, and this brought backlogs to 77.8 Billion yen. Sales reached 41.4 Billion yen (Y-t-D for the 3<sup>rd</sup> Q: 115 Billion yen), a 27% decline from the same period of the previous year and a slight increase from the previous quarter. Operating profit stood at 2.1Billion yen mainly due to cost reduction and expense cut (Y-t-D for the 3<sup>rd</sup> Q: 3 Billion yen) and ordinary profit was 2.1 Billion yen (Y-t-D for the 3<sup>rd</sup> Q: 2.7 Billion yen). As a result of the above, the company reported net income (Y-t-D) of 0.4Billion yen for the 3<sup>rd</sup> Q.

【Unit : Bn. Yen】

	1Q	2Q	1H	3Q	3Q (Y-T-D)	June '12 3Q(Y-T-D)	Changes (%)
Booking	42.0	36.8	78.8	46.1	124.9	118.9	5%
Back-log	72.8	—	71.8	—	77.8	72.2	—
Sales	33.1	40.5	73.6	41.4	115.0	157.0	-27%
Gross Margin	7.5	9.1	16.6	9.7	26.4	26.4	0%
Ratio	22.6%	22.5%	22.6%	23.5%	22.9%	16.8%	
Operating Profit	-0.3	1.1	0.9	2.1	3.0	-1.3	—
Ratio	-0.9%	2.8%	1.2%	5.1%	2.6%	-0.8%	
XO Profit	1.0	—	0.1	0.1	0.2	0.1	
XO Loss	1.0	0.3	0.4	0.3	0.7	18.7	
Net Income	-1.5	0.8	-0.8	1.2	0.4	-35.4	—
Ratio	-4.6%	1.9%	-1.0%	2.8%	0.4%	-22.5%	

Sales and operating Profit (By half year)

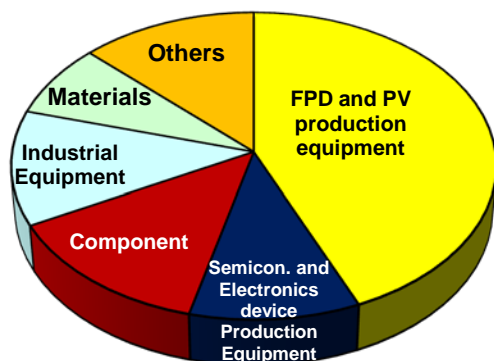
【Unit : Bn. Yen】



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

## 3<sup>rd</sup> Q (June 2013) Result for Order received and Net sales by segment

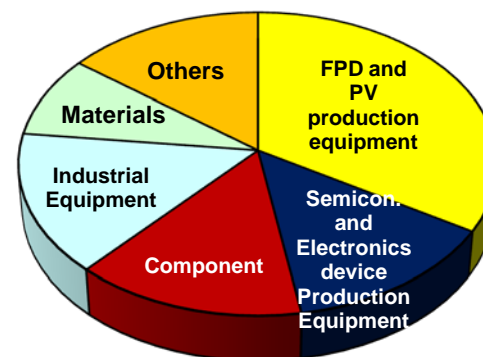
### Order received by segment



【Unit : Bn. Yen】

June 2013 3Q(Y-T-D)		
Segment	Order	%
Vacuum Equipment Business	99.1	79.4%
FPD and PV production equipment	54.3	43.5%
Semiconductor and Electronics device Production Equipment	13.1	10.5%
Component	16.7	13.4%
Industrial Equipment	15.0	12.0%
Vacuum Application Business	25.7	20.6%
Materials	9.7	7.8%
Others	16.0	12.9%
<b>Total</b>	<b>124.9</b>	<b>100.0%</b>

### Net Sales by segment



【Unit : Bn. Yen】

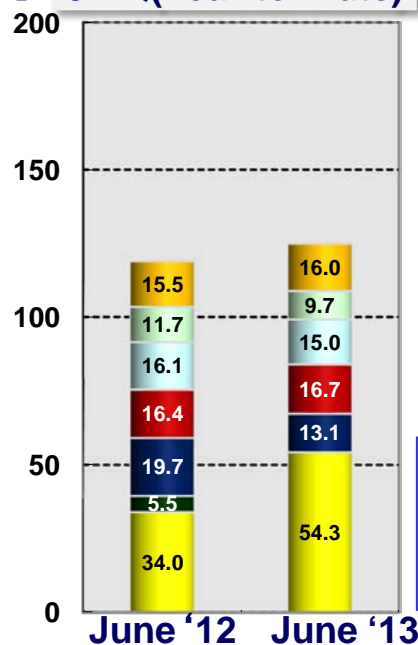
June 2013 3Q(Y-T-D)		
Segment	Sales	%
Vacuum Equipment Business	88.3	76.8%
FPD and PV production equipment	38.7	33.6%
Semiconductor and Electronics device Production Equipment	15.7	13.7%
Component	16.5	14.4%
Industrial Equipment	17.3	15.1%
Vacuum Application Business	26.7	23.2%
Materials	9.9	8.6%
Others	16.7	14.6%
<b>Total</b>	<b>115.0</b>	<b>100.0%</b>

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

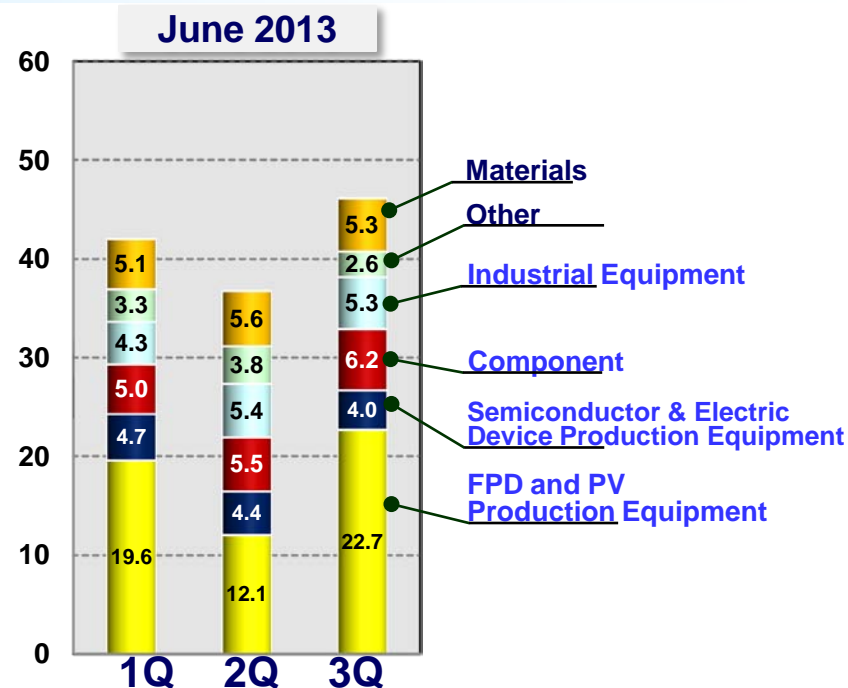
# 3<sup>rd</sup> Q (June '13) (Y-t-D) Result

## Order Received by Segment

【Unit:Bn.Yen】 3<sup>rd</sup> Q (Year-to-Date)



Note) Integrated "FPD Production equipment" and "PV production equipment" and changed them to "FPD and PV production equipment" from FY 2012



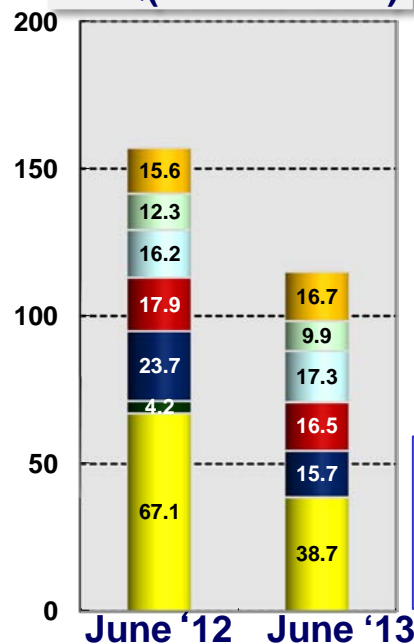
【Unit:Bn.Yen】

June 2012 3Q(Y-T-D)			June 2013 3Q(Y-T-D)			vs.'12/6 (Changes)	1Q		2Q		3Q	
Segment	Order	%	Segment	Order	%		Order	%	Order	%	Order	%
Vacuum Equipment Business	91.7	77.1%	Vacuum Equipment Business	99.1	79.4%	8.1%	33.6	80.0%	27.3	74.4%	38.2	82.8%
FPD production equipment	34.0	28.6%	FPD and PV production equipment	54.3	43.5%	37.5%	19.6	46.5%	12.1	32.8%	22.7	49.2%
PV production equipment	5.5	4.6%										
Semiconductor and Electronics device Production Equipment	19.7	16.5%	Semiconductor and Electronics device Production Equipment	13.1	10.5%	-33.5%	4.7	11.2%	4.4	11.9%	4.0	8.7%
Component	16.4	13.8%	Component	16.7	13.4%	1.8%	5.0	12.0%	5.5	14.9%	6.2	13.5%
Industrial Equipment	16.1	13.5%	Industrial Equipment	15.0	12.0%	-6.6%	4.3	10.3%	5.4	14.8%	5.3	11.5%
Vacuum Application Business	27.2	22.9%	Vacuum Application Business	25.7	20.6%	-5.4%	8.4	20.0%	9.4	25.6%	7.9	17.2%
Materials	11.7	9.9%	Materials	9.7	7.8%	-17.3%	3.3	7.8%	3.8	10.4%	2.6	5.6%
Others	15.5	13.0%	Others	16.0	12.9%	3.6%	5.1	12.1%	5.6	15.3%	5.3	11.6%
<b>Total</b>	<b>118.9</b>	<b>100.0%</b>	<b>Total</b>	<b>124.9</b>	<b>100.0%</b>	<b>5.0%</b>	<b>42.0</b>	<b>100.0%</b>	<b>36.8</b>	<b>100.0%</b>	<b>46.1</b>	<b>100.0%</b>

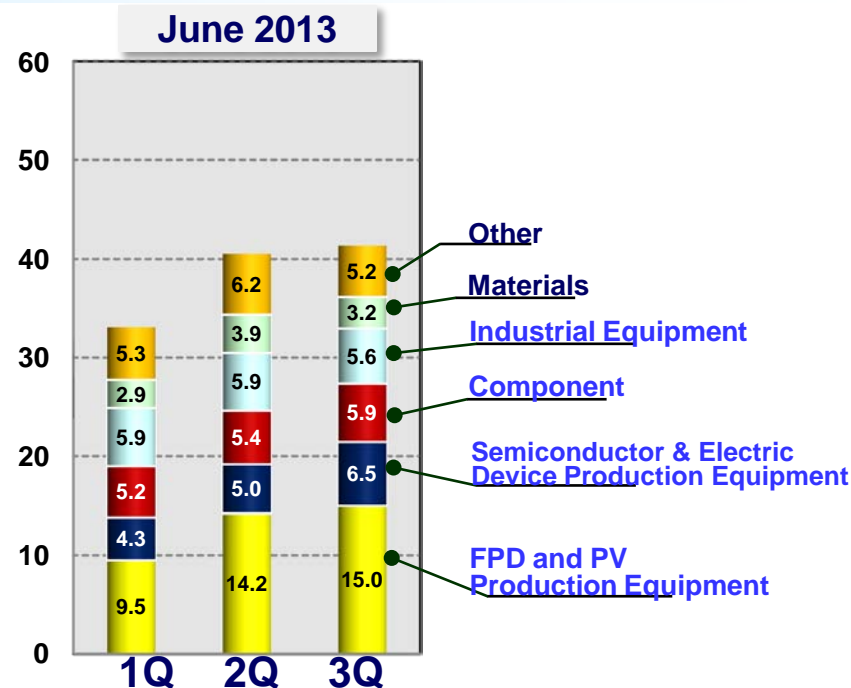
【Figures indicated above are rounded off to the nearest unit and may not coincide with the total.】

## Net Sales by Segment

[Unit:Bn.Yen] 3<sup>rd</sup> Q (Year-to-Date)



Note) We integrated "FPD Production equipment" and "PV production equipment" and changed them to "FPD and PV production equipment" from FY 2012



[Unit:Bn.Yen]

June 2012 3Q(Y-T-D)			June 2013 3Q(Y-T-D)			vs.'12/6 (Changes)		1Q		2Q		3Q	
Segment	Sales	%	Segment	Sales	%			Sales	%	Sales	%	Sales	%
Vacuum Equipment Business	129.1	82.2%	Vacuum Equipment Business	88.3	76.8%	-31.6%		24.9	75.2%	30.5	75.2%	32.9	79.6%
FPD production equipment	67.1	42.7%	FPD and PV production equipment	38.7	33.6%	-45.8%		9.5	28.7%	14.2	35.1%	15.0	36.2%
PV production equipment	4.2	2.7%											
Semiconductor and Electronics device Production Equipment	23.7	15.1%	Semiconductor and Electronics device Production Equipment	15.7	13.7%	-33.6%		4.3	13.1%	5.0	12.2%	6.5	15.6%
Component	17.9	11.4%	Component	16.5	14.4%	-7.9%		5.2	15.6%	5.4	13.4%	5.9	14.3%
Industrial Equipment	16.2	10.3%	Industrial Equipment	17.3	15.1%	7.4%		5.9	17.9%	5.9	14.4%	5.6	13.5%
Vacuum Application Business	27.9	17.8%	Vacuum Application Business	26.7	23.2%	-4.4%		8.2	24.8%	10.1	24.8%	8.4	20.4%
Materials	12.3	7.9%	Materials	9.9	8.6%	-19.4%		2.9	8.6%	3.9	9.6%	3.2	7.7%
Others	15.6	9.9%	Others	16.7	14.6%	7.5%		5.3	16.1%	6.2	15.3%	5.2	12.6%
<b>Total</b>	<b>157.0</b>	<b>100.0%</b>	<b>Total</b>	<b>115.0</b>	<b>100.0%</b>	<b>-26.8%</b>		<b>33.1</b>	<b>100.0%</b>	<b>40.5</b>	<b>100.0%</b>	<b>41.4</b>	<b>100.0%</b>

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

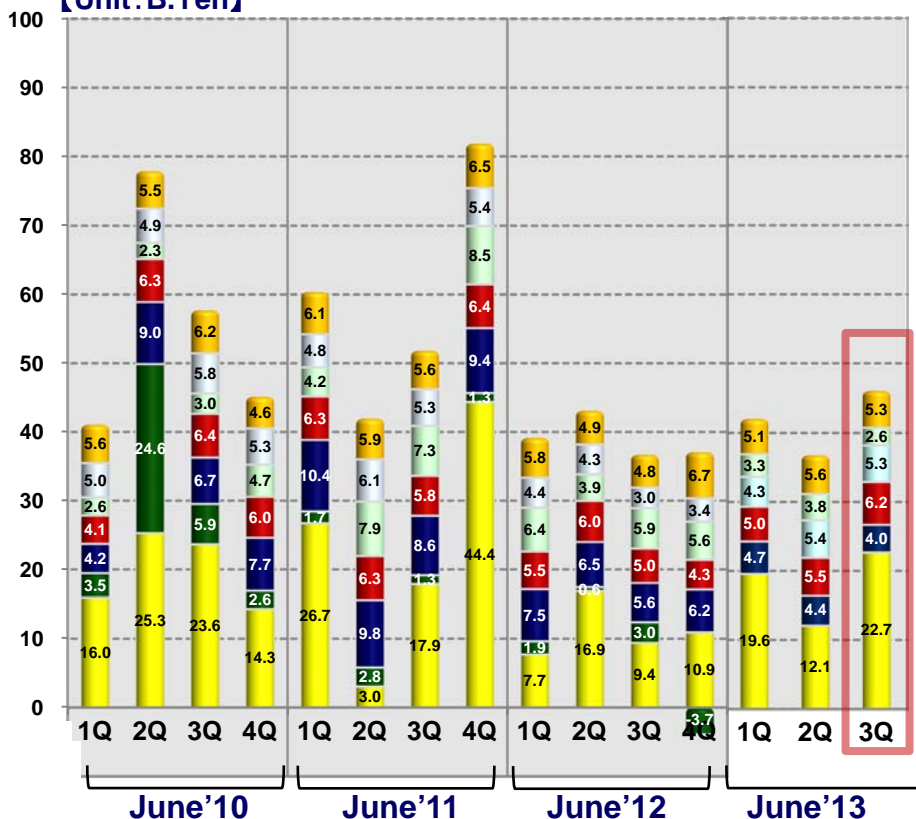


## Order Received and Net Sales by Segment

Over the previous quarter, orders received improved in FPD production equipment driven by organic LED-related equipment while remaining weak in semiconductor and electronic device production equipment due to delaying investments in electronic devices. In materials, production cuts by panel manufacturers delayed a recovery of orders received. Sales remained flat over the previous quarter in FPD production equipment and improved in semiconductor production equipment, in particular power semiconductor and high density packaging-related equipment.

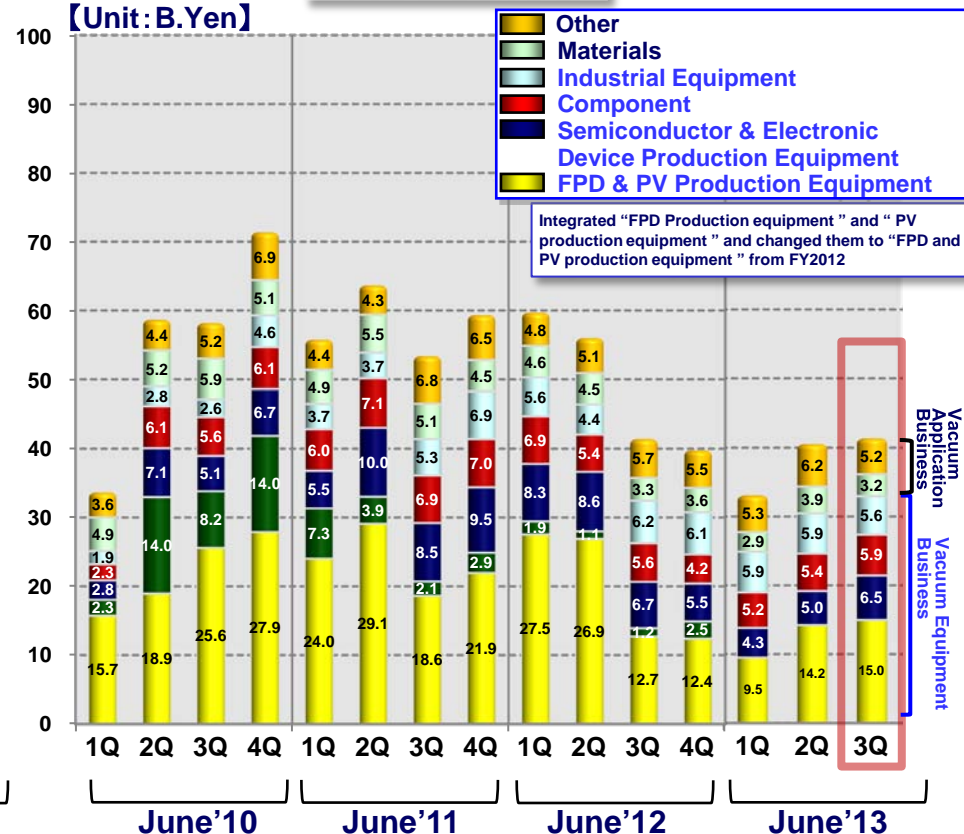
### Order received

[Unit: B.Yen]



### Net sales

[Unit: B.Yen]

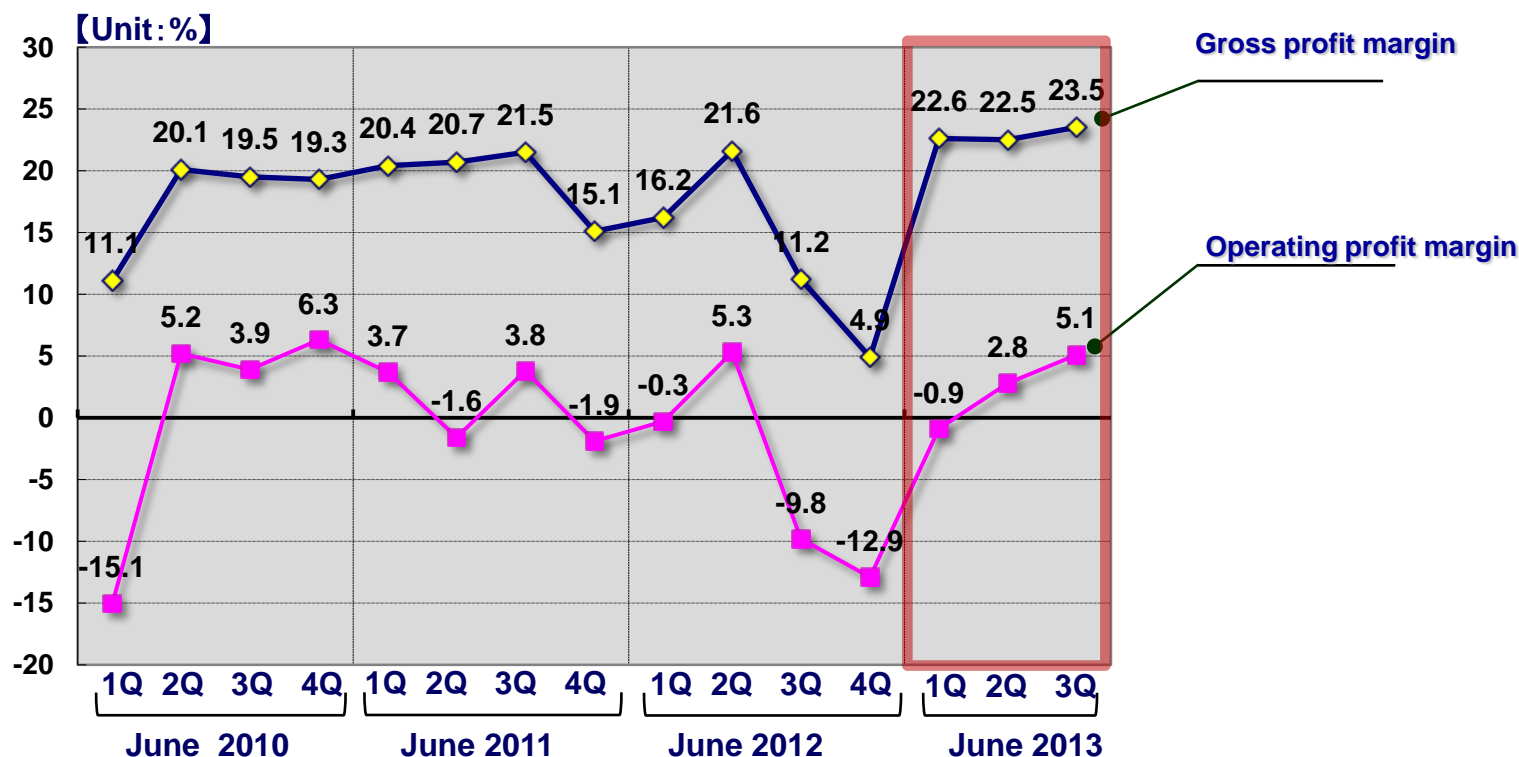


[Figures indicated above are rounded off to the nearest unit and may not coincide with the total.]



## Outlook for profitability

For the third quarter, cost reduction and others pushed up gross margins and operating profit margins over the same period of the previous year and the previous quarter.

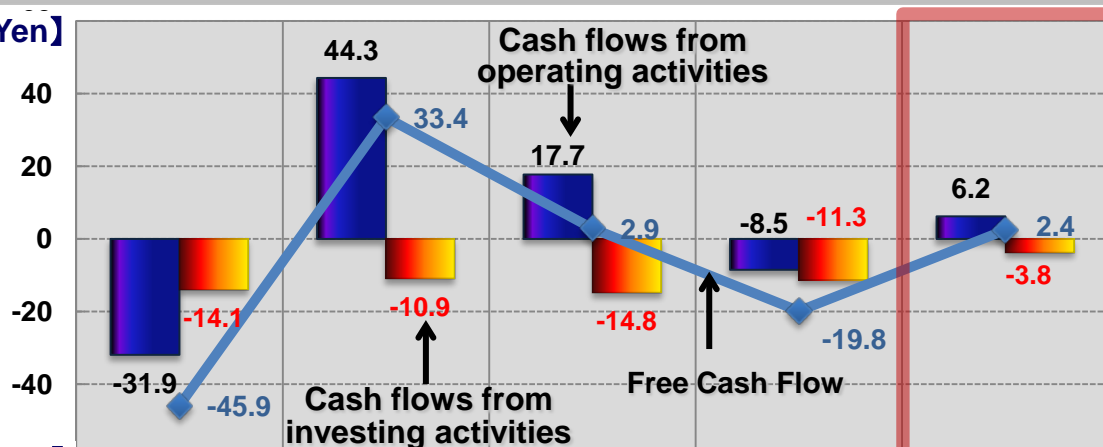


【Figures are rounded off to the first decimal place】

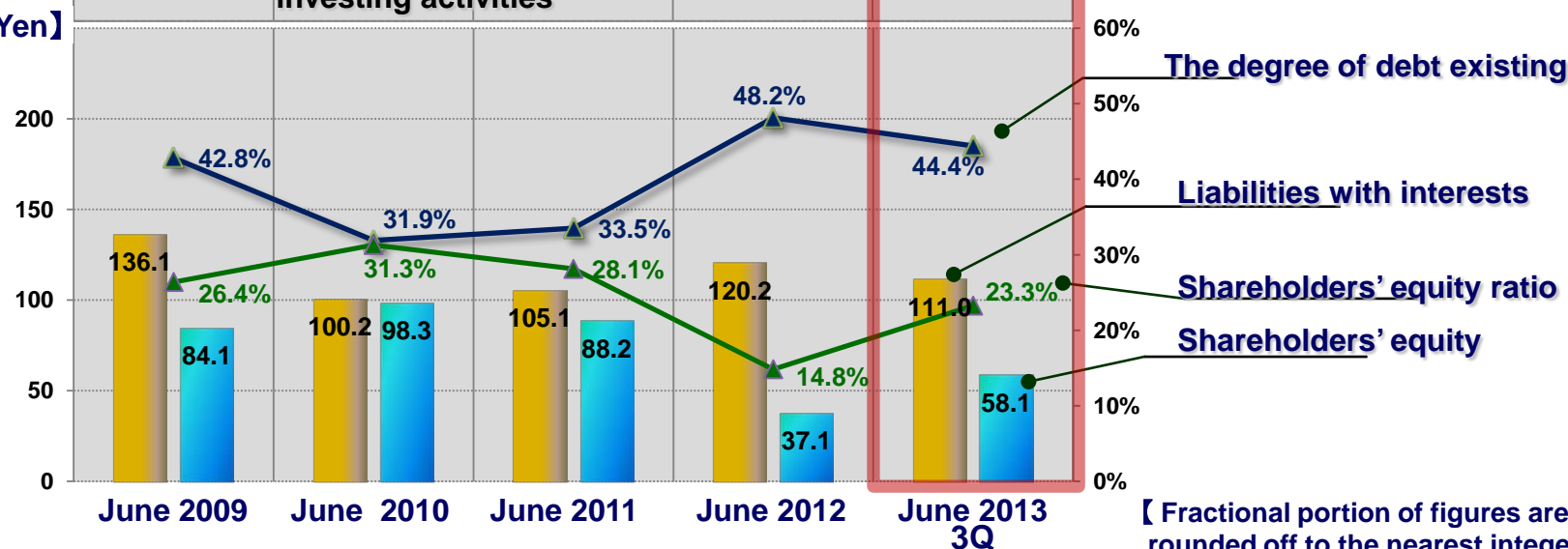
## Cash Flow and Liabilities with Interests

Despite payments of special retirement allowances of 5.3 Billion yen, cash flows from operating activities were 6.2 billion yen due to reduce operating capital 7.4 Billion yen.  
Free cash flow from reduction of the capital investment was positive due to a 2.4 Billion yen.

【Unit:Bn.Yen】



【Unit:Bn.Yen】

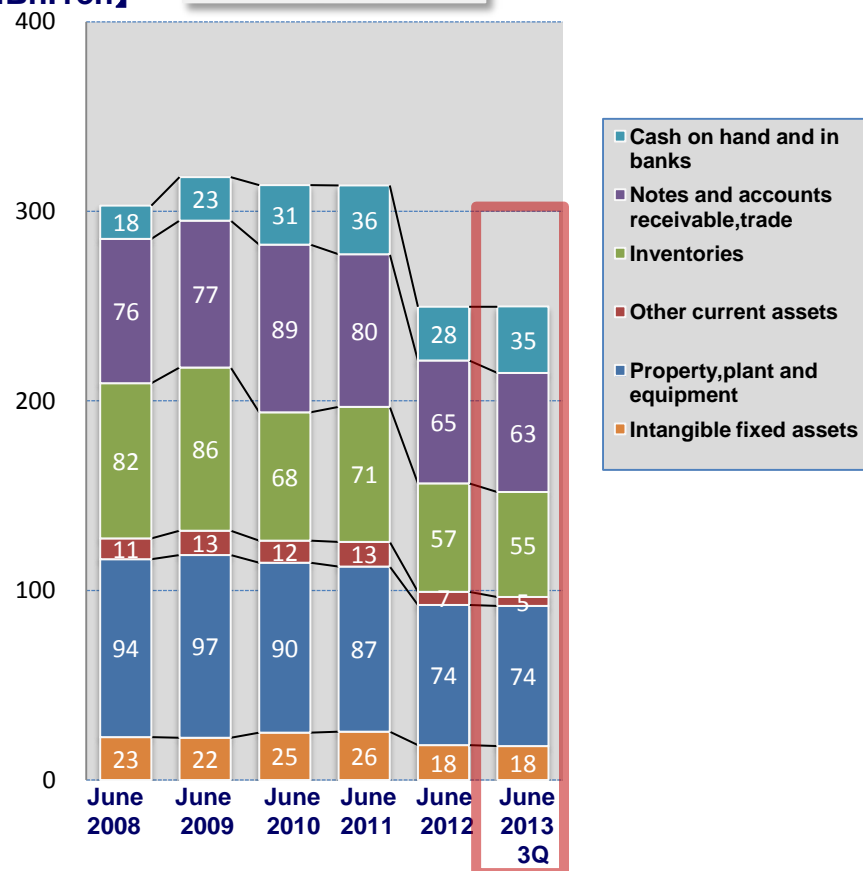


# 3<sup>rd</sup> Q (June '13) (Y-t-D) Result

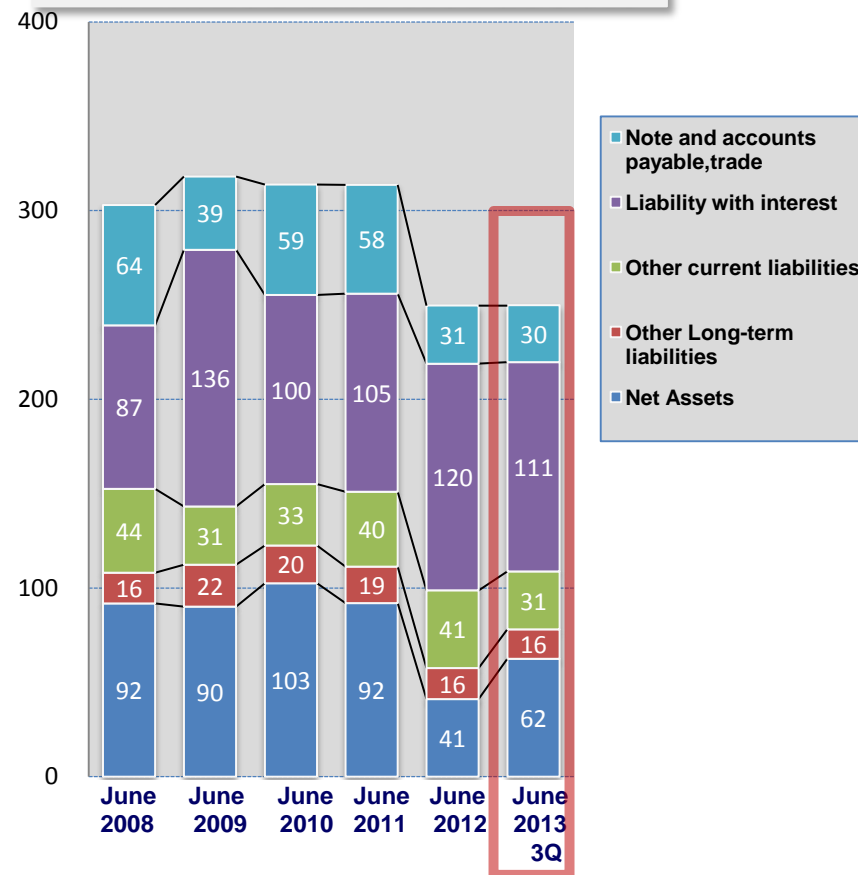
## Balance sheet

【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.】

## Business Results for the 3<sup>rd</sup> Q of the Year Ending June 2013 and Prospects

- For the 3<sup>rd</sup> Q, orders received improved in FPD production equipment over the previous quarter mainly due to those of OLED-related equipment while remaining weak in semiconductor and electronic device production equipment following delaying investments in electronic device-related equipment. As for materials, production cuts by panel manufacturers delayed a recovery in orders received. Sales remained flat in FPD production equipment over the previous quarter while showing a slight recovery in semiconductor production equipment, in particular power semiconductor and packaging-related equipment.
- A reduction in additional costs and a cut in manufacturing costs pushed up gross margins and a cut in fixed costs, in particular expenses, resulted in operating profit(Y-T-D)of 0.3 Billion yen for the 3<sup>rd</sup>Q.
- Going forward, FPD is expected to improve, which will be weaker than in the past peak. As for semiconductor, investments will be made in memory and logic-related products. The company strives to increase orders received by developing new customers proactively. In terms of profitability, ULVAC intend to strengthen their profitable structure through another reduction in the breakeven point on the assumption that ULVAC will face continuing severe environment for orders.

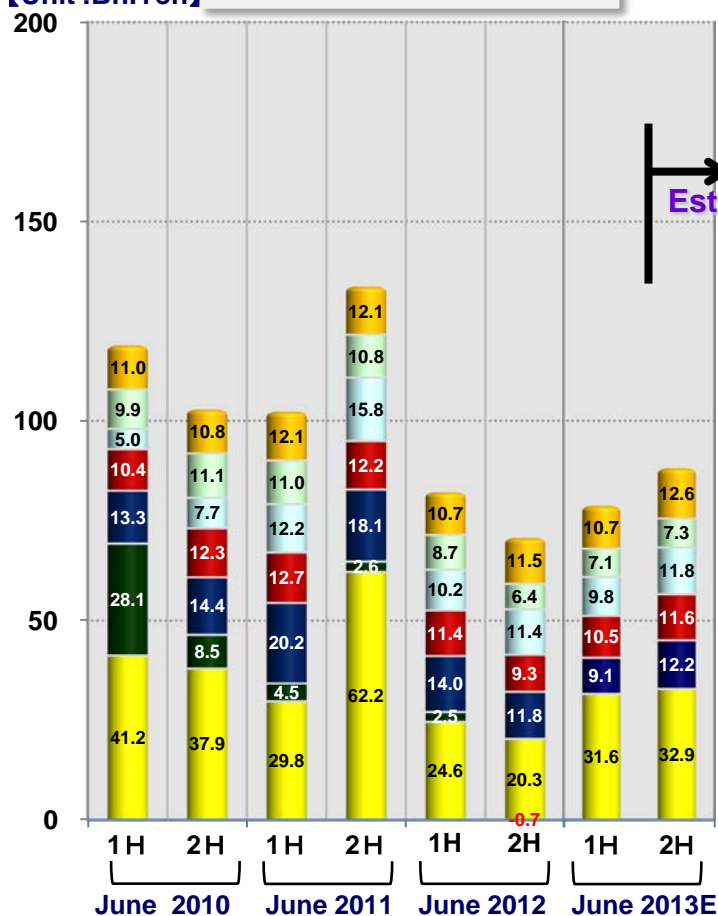
**Innovation begins**

**in a vacuum**

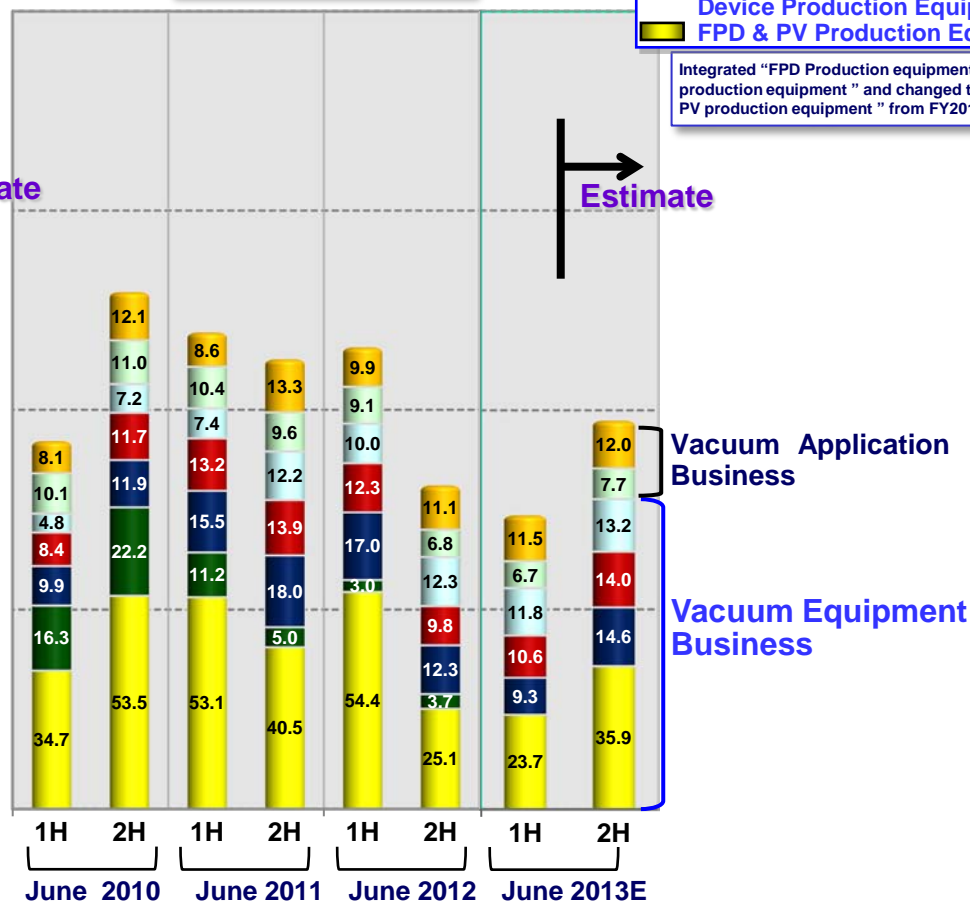
**ULVAC**

# Transition of Order received and Net Sales by Segment - Estimate (Half Year)

[Unit :Bn.Yen] **Order received**



**Net sales**

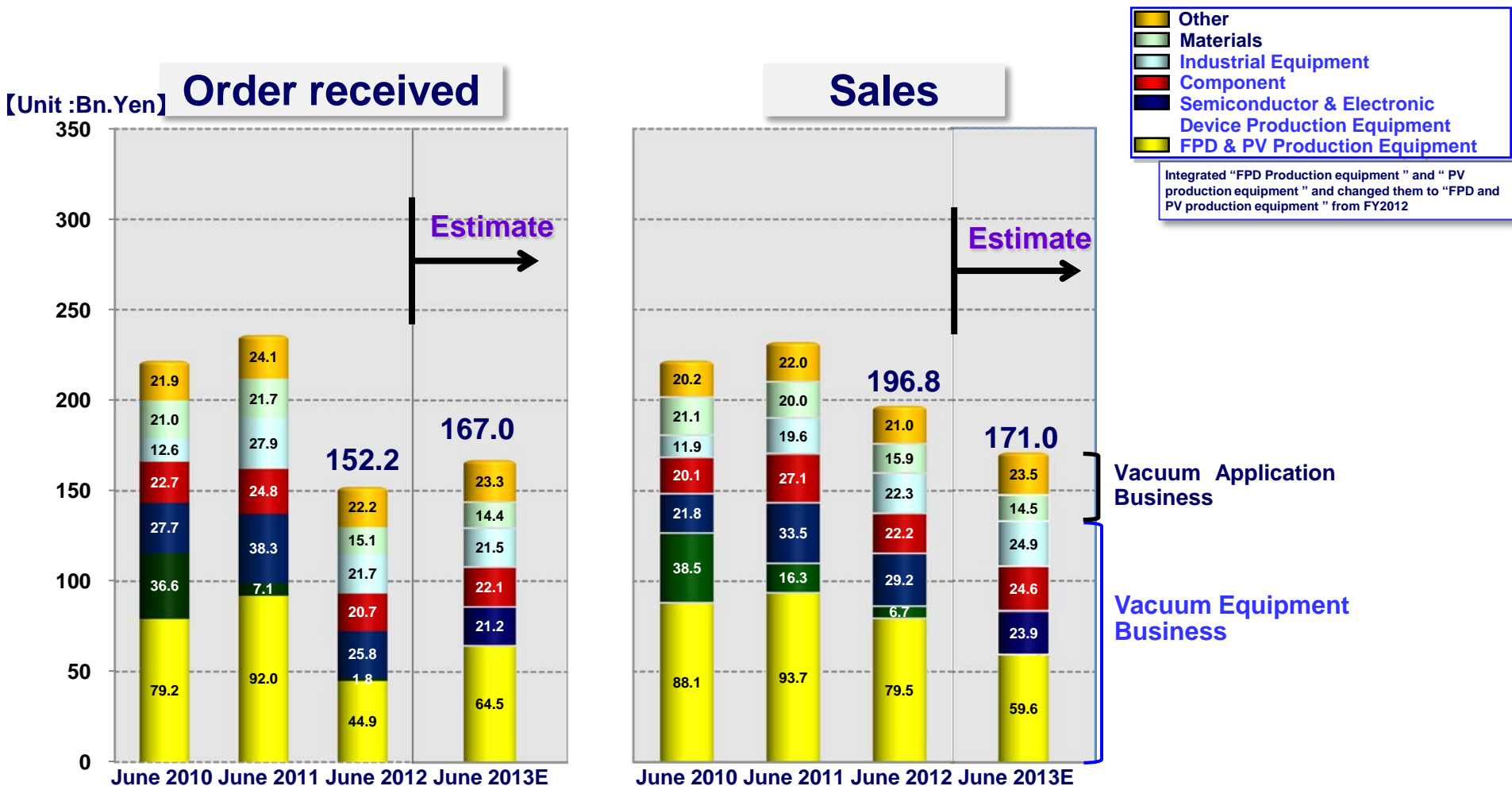


Integrated "FPD Production equipment" and "PV production equipment" and changed them to "FPD and PV production equipment" from FY2012

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



# Transition of Order received and Sales by segment • Estimate



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

# ULVAC

