

**ULVAC**

ULVAC, Inc.

# Business Results

First to Third Quarter of FY2021(cumulative)  
(July 2021 - March 2022)

May 12, 2022

Securities code : 6728

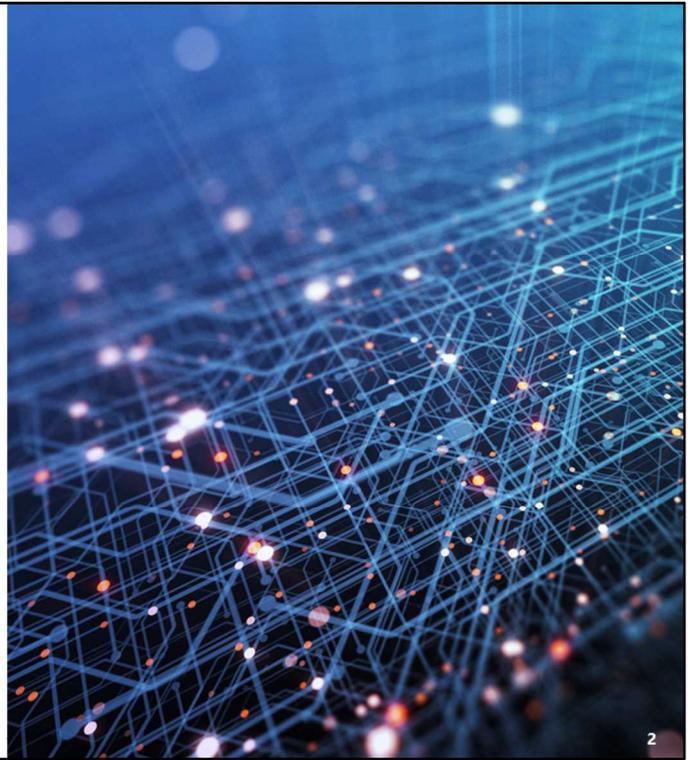
**Breakthrough 2022**

### **Disclaimer regarding forward-looking statements**

The forward-looking statements, including the earnings forecasts shown in this document are based on information currently available to the Company and on certain assumptions deemed to be reasonable. As such, they do not constitute guarantees by the Company of future performance.

Actual business performance and results may differ significantly from these forecasts and other forward-looking statements due to various factors including the global economic situation, market conditions in the semiconductor, electronic device, FPD, raw materials, and other markets, capital expenditure trends, response to rapid technological innovation, and exchange rate fluctuations.

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**1Q to 3Q cumulative orders, sales and operating profit increased significantly YoY****Orders**    **¥204.2 billion (+53% YoY)**

- Semiconductors : Active investment in both logic and memory
- Electronics : Increased investment in power devices and overall electronic devices
- FPD : Increased investment in LCDs for IT panels

**Net Sales**    **¥166.1 billion (+29% YoY)**

- Increased YoY, despite the impact mainly from longer parts delivery time

**OP**    **¥19.5 billion (+92% YoY)**

- Operating Profit Margin of 3Q improved significantly to 13.5% (+3.8pt YoY)

**4Q forecasts are expected to be at same high level as 3Q, and the full year forecasts will be processed in a timely manner in accordance with disclosure standards.**

- No changes to the growth scenario due to continued high order intake

Today's key points are as follows.

In 1Q to 3Q cumulative results, both orders and sales were strong, especially in semiconductors, electronics, and FPDs. Orders, sales, and operating profit increased significantly by 53%, 29%, and 92% year-on-year respectively.

In terms of the order environment, semiconductors saw a significant increase in orders as investment in both logic and memory devices increased. Orders for electronics also increased due to active investment in power devices and overall electronic devices.

Orders for FPDs also more than doubled due to active investment in LCDs for IT panels. Net sales increased by 29% despite the impact of longer parts delivery time and other factors.

Operating profit also increased by 92%.

Operating profit margin in 3Q improved to 13.5%, 3.8 pts higher year-on-year.

Orders and sales in the 4Q are expected to be at same high level as in 3Q. However, we have not revised our earnings forecast for the current fiscal year, as it has not reached the criteria for timely disclosure. We will respond this issue in a timely manner in accordance with the disclosure standards.

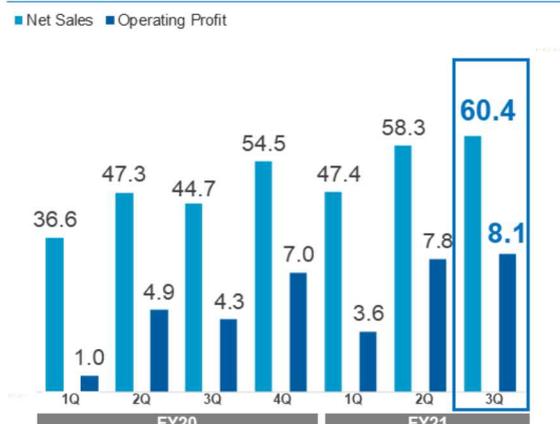
There is no change in the growth scenario due to the continued high level of orders, mainly in semiconductors, electronics, and FPDs.

## 1. Overview of 1Q to 3Q FY2021 Business Results (cumulative)

- Orders: **+53%** YoY mainly due to active investment in semiconductors, electronics, and FPDs.
- Net sales: **+29%** YoY; Operating profit: **+92%** YoY
- Operating profit margin improved to 11.8% (**+3.9pt** YoY).

(Unit: ¥1 billion)	FY2020	FY2021		YoY	
	3Q (cumulative)	3Q (cumulative)	YoY		
Orders Received	133.1	204.2	+71.0	<b>+53%</b>	
Net Sales	128.5	166.1	+37.6	<b>+29%</b>	
Gross Profit	36.7	50.8	+14.1	<b>+38%</b>	
Gross Profit Margin	28.5%	30.6%	+2.0pt	-	
SG&A	26.5	31.2	+4.7	-	
Operating Profit	10.2	19.5	+9.4	<b>+92%</b>	
Operating Profit Margin	7.9%	11.8%	+3.9pt	-	
Profit attributable to owners of parent	8.3	13.8	+5.5	<b>+67%</b>	
To net sales ratio	6.4%	8.3%	+1.9pt	-	

Quarterly Net Sales and Operating Profit (Unit: ¥1 billion)



1Q to 3Q cumulative results were as follows.

Orders received totaled 204.2 billion yen, 71.0 billion yen higher year-on-year, mainly due to active investment in semiconductors, electronics, and FPDs.

Net sales increased 37.6 billion yen to 166.1 billion yen, operating profit increased 9.4 billion yen to 19.5 billion yen, 92% up, and net income increased 5.5 billion yen to 13.8 billion yen, 67% up.

1Q to 3Q cumulative operating margin improved 3.9pts to 11.8%.

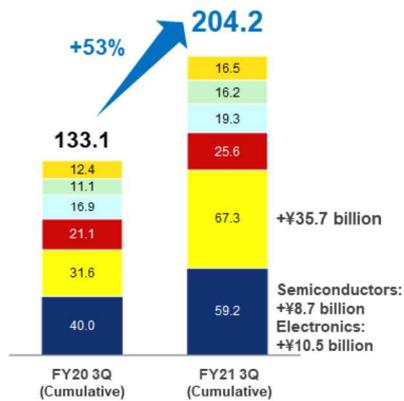
Net sales for the 3Q totaled 60.4 billion yen, and operating profit was 8.1 billion yen, even higher than 2Q.

## 2. Orders and Net Sales by Segments (1Q to 3Q): Increased Significantly Due to Active Investment **ULVAC**

- Both orders and sales increased significantly due to active investment in semiconductors, electronics, and FPDs.
- Orders received increased year-on-year for all segments.

### Orders received (Unit: ¥1 billion)

■ Semiconductor & Electronics  
■ Device Production Equipment  
■ Component  
■ Industrial Equipment  
■ Materials  
■ Others



### Net sales (Unit: ¥1 billion)



### Orders Received

- **Semiconductors: 1.5x** YoY due to active investment in both logic and memory
- **Electronics: 1.5x** YoY mainly due to increased power devices and overall electronic devices
- **FPD: 2.1x** YoY due to increased investment in LCDs for IT panels and OLEDs for smartphones

### Net Sales

- Increase year-on-year, mainly in Semiconductors(**1.3x** YoY), Electronics(**1.3x** YoY) and FPDs(**1.5x** YoY)

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Breakthrough 2022

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Both orders and sales increased significantly due to active investment in semiconductors, electronics, and FPDs.

Orders for semiconductors increased 8.7 billion yen to 1.5 times year-on-year due to active investment in both logic and memory devices.

Electronics increased 10.5 billion yen to 1.5 times year-on-year due to an increase in power devices and overall electronic devices.

FPD sales increased 35.7 billion yen to 2.1 times year-on-year due to active investment in LCDs for IT panels and OLEDs for smartphones.

Components increased by 4.5 billion yen mainly in electronics related applications.

General industrial increased by 2.4 billion yen mainly in EV motors for automobiles.

Materials increased by 5.1 billion yen due to higher customer operating rates for semiconductor, electronics and FPDs.

Others increased by 4.1 billion yen due to strong sales of surface analysis systems.

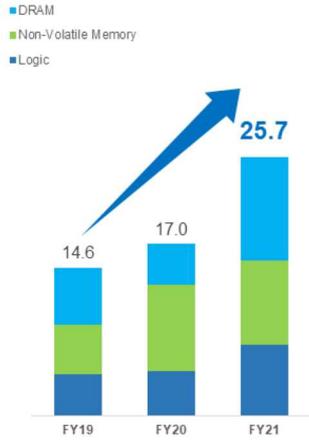
Orders of all segments exceeded those of the same period of the previous fiscal year.

As for sales, both semiconductor and electronics increased 1.3 times, FPD increased 1.5 times, and all other segments increased as well.

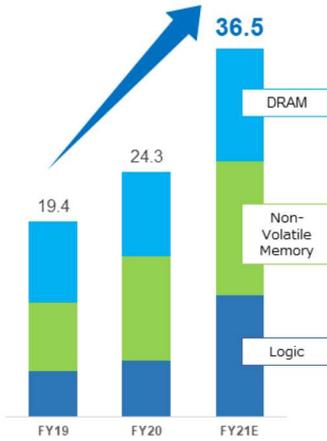
### 3. Semiconductors : Continued Expansion of Investment in Both Logic and Memory

- Continued expansion of investment in both logic foundries and memory
- Logic De facto standard in EUV MHM (Metal Hard Mask) processes  
⇒ Expanding business opportunities

Orders Received (1Q to 3Q) (Unit: ¥1 billion)



Orders Received Plan (Full-Year) (Unit: ¥1 billion)



#### Investment Trends

- Increased investment in data centers, increased use of semiconductors in smartphones, cars, etc., and increased investment in cutting-edge semiconductors including miniaturization and lower power consumption
- Regional supply chain construction  
⇒ Semiconductor investment is expected to expand over the medium to long term

#### Order trends

- Both Logic MHM (1.6x YoY) and Memory (1.5x YoY) increased

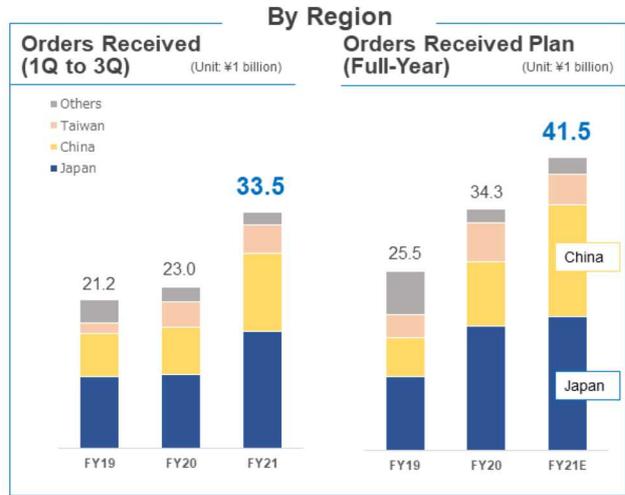
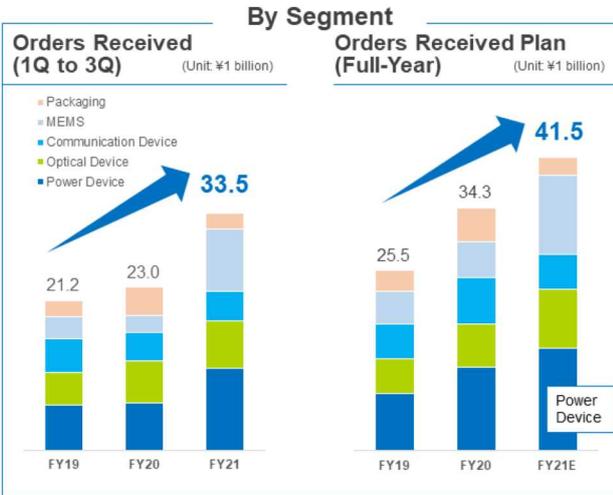
In semiconductors, investment in cutting-edge semiconductors, such as miniaturization and low power consumption, has been active, along with increased investment in data centers and increased semiconductor installation in smartphones, automobiles, etc. In addition, the construction of regional supply chains in response to geopolitical risks is expected to get underway, in regard investment in semiconductors is expected to continue to grow over the medium to long term.

Under such circumstances, orders for logic devices in the MHM process related to EUV increased 1.6 times year-on-year. The de facto standard in the MHM process has led to the expansion of business opportunities in other processes.

Memory orders also increased steadily by 1.5 times.

#### 4. Electronics : Increased Investment in Power Device and Overall Electronic Devices

- Investment in power device (1.7x YoY) and overall electronic devices increased in Japan and China.
- In China (1.7x YoY) :Investment in power devices increased, partly due to the government's policy of domestic production.
- Contributing to technological innovation with a line-up of equipment for diverse electronic device fields and applications.



In electronics, investment was brisk mainly in Japan and China, with power devices 1.7 times up and overall electronic devices also 1.3 times up year-on-year.

In particular, investment in China increased 1.7 times, mainly in power devices, due in part to the government's policy of domestic production.

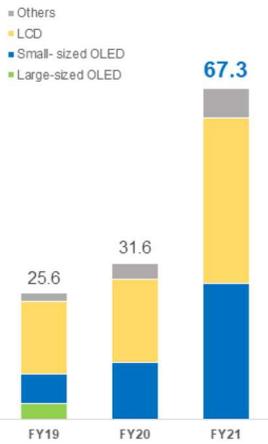
The Group's strength lies in its lineup of equipment for diverse electronic device fields and applications, and we are expanding our business while contributing to technological innovations such as the realization of a smart society and low power consumption.

## 5. FPD : Significantly Increased Due to Active Investment in LCDs

- Active investment in LCDs for IT panels and continued investment in OLEDs for smartphones

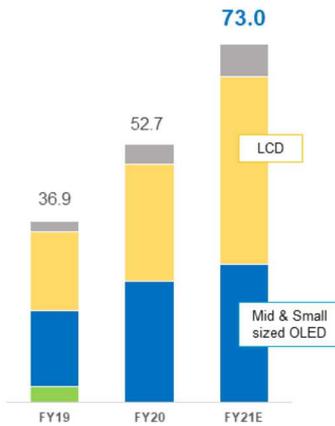
### Orders Received (1Q to 3Q)

(Unit: ¥1 billion)



### Orders Received Plan (Full-Year)

(Unit: ¥1 billion)



### Investment Trends

- Increased investment in high-definition, wide-view angle LCDs for IT panels (tablets, PCs, medical, automotive, games, etc.)
- Expansion of OLED use (Mobiles+IT panels+TV)

### Order trends

- Significantly increased by **2.1x** year-on-year in the cumulative period of 1Q to 3Q due to the reinforcement of LCD equipment for IT panels, and investment in OLEDs for smartphones, etc.
- It is expected that current high levels will continue due to the expansion of OLED use and EV battery business, etc.

Orders for FPDs increased 2.1 times year-on-year to 67.3 billion yen in 1Q to 3Q cumulative period due to active investment in LCDs for higher resolution and wider viewing angle for IT panels for tablets, PCs, medical, automotive, and game applications, as well as continued investment in OLEDs for smartphones.

As for the future, we believe that the shift from LCD to OLED will continue in IT panels as well as mobile and TV panels, and that investment in OLED for large glass substrates will increase, and FPD will maintain the current high level due to expansion of OLED use and the EV battery business.

## 6. Quarterly Profit Margin: Improved Year-on-Year

- Gross Profit Margin improved to 30.8% (+1.0pt YoY) and Operating Profit Margin improved to 13.5% (+3.8pts YoY)
- Operating profit was higher than the one in the previous quarter despite the soaring raw material prices.

**Gross Profit Margin** (Unit: ¥1 billion,%)



**Operating Profit Margin** (Unit: ¥1 billion,%)



Gross profit margin improved by 1.0pt year-on-year to 30.8%, and operating profit margin improved by 3.8pt to 13.5%.

Operating profit of 8.1 billion yen in the 3Q was higher than the 7.8 billion yen in the previous quarter, despite the soaring raw material prices.

## Topics

### Recognized as 'Certified Health Productivity Management Organization 2022'

We regard health promotion as an important management issue and will continue and develop our health management initiatives.

#### Certified Health Productivity Management Organization 2022 (White 500), Large Corporations Sector

ULVAC, Inc. (5<sup>th</sup> straight year)

#### Certified Health Productivity Management Organization 2022 (White 500), Small and medium Corporations Sector

ULVAC TECHNO (3<sup>rd</sup> straight year),  
ULVAC Equipment Sales (4<sup>th</sup> straight year),  
ULVAC-PHI (3<sup>rd</sup> straight year), TIGOLD (2<sup>nd</sup> straight year),  
REJ (2<sup>nd</sup> straight year), ULVAC Health Insurance Association (2<sup>nd</sup> straight year),  
ULVAC CRYOGENICS (1<sup>st</sup> year)



### Participation in Reforestation Partner Schemes

As a part of our sustainability promotion activities, we endorse the Kanagawa Reforestation 50 Year Plan promoted by Kanagawa Prefecture and committed to reforestation. Through our activities, we will contribute to the creation of an environmentally friendly and sustainable society through low-carbon measures and ecosystem conservation.



### Selected as a Constituent of FTSE Blossom Japan Sector Relative Index

ULVAC was selected as a constituent of the FTSE Blossom Japan Sector Relative Index, a new ESG index announced for adoption by GPIF (General Pension Investment Fund) on 30 March 2022.



FTSE Blossom  
Japan Sector  
Relative Index

### Provision of Venues for Mass Vaccination Against New Coronavirus for Chigasaki Citizens

ULVAC offered its Chigasaki head office and plant as a venue for the third round of mass vaccinations against Covid-19 for the citizens of Chigasaki on 19 March 2022.

### Simultaneously Awarded 'Best Supplier Award' and 'Best Safety Manufacturer Award' by BOE.

ULVAC was commended by BOE (BOE Technology Group Co., Ltd.) the 'Best Supplier Award' for its excellent quality, delivery and set-up support in the FPD backplane process and also awarded the 'Best Safety Manufacturer Award' at the same time.

## Summary of 3Q Topics.

We have been certified as 'Certified Health Productivity Management Organization 2022 (White 500)' for the fifth straight year. We will continue and develop our health management efforts.

We also participate in Kanagawa Prefecture's reforestation partner program, and through our reforestation efforts, we will contribute to the creation of an environmentally friendly and sustainable society through low-carbon measures and ecosystem conservation.

ULVAC was selected as a constituent of the FTSE Blossom Japan Sector Relative Index.

In March, we offered our Chigasaki headquarters and plant as a venue for the third round of mass vaccinations against New Coronavirus for the citizens of Chigasaki.

We received double awards of "Best Supplier Award" and "Best Safety Manufacturer Award" from BOE, the largest panel manufacturer in China.

Smart and Digital Society  
Realization



Green Energy Conversion  
Low Power Consumption

**Smart Society ⇒ Solving Social Problems**



ULVAC support the realization of miniaturization, higher performance, and lower power consumption in various fields such as memory, logic, sensors, communication devices, and batteries through technological innovation, thereby contributing to the realization of a smart and digital society and to solving social issues such as green energy conversion and low power consumption.

Thank you for your attention!



# Appendix

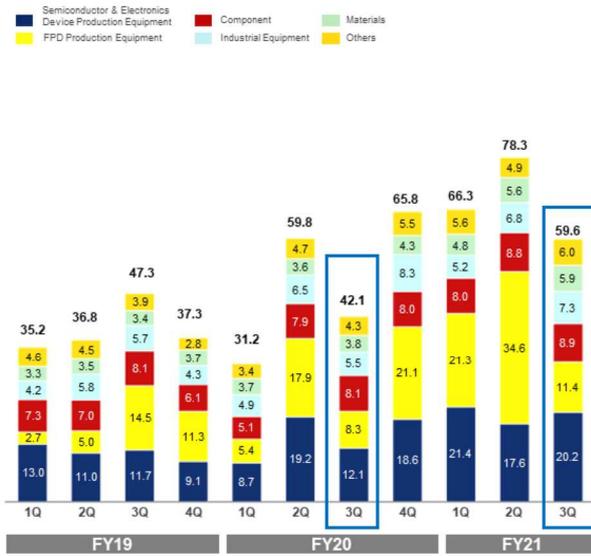
# Quarterly Business Results



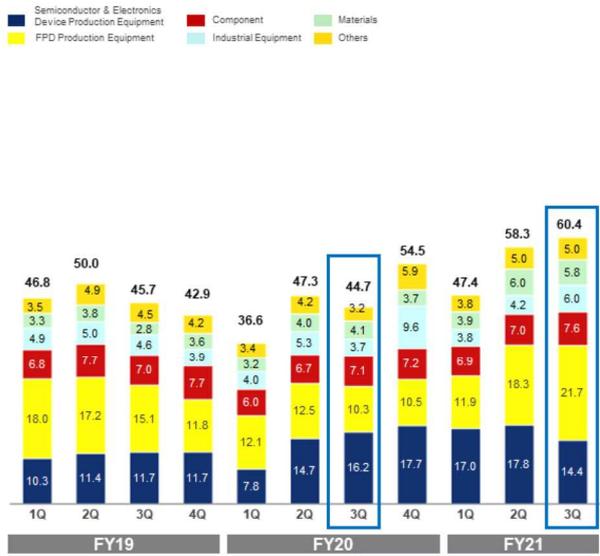
(Unit: ¥1 billion)	FY2020				FY2021				YoY	
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	Amount	Percentage	
	<b>Orders Received</b>	31.2	59.8	42.1	65.8	66.3	78.3	59.6	+17.5	+41%
<b>Net Sales</b>	36.6	47.3	44.7	54.5	47.4	58.3	60.4	+15.7	+35%	
<b>Gross Profit</b>	9.4	13.9	13.4	17.1	13.2	18.9	18.6	+5.3	+40%	
Gross Profit Margin	25.7%	29.5%	29.9%	31.4%	27.9%	32.4%	30.8%	+1.0pt	-	
<b>SG&amp;A</b>	8.4	9.1	9.0	10.1	9.7	11.0	10.5	+1.5	+16%	
<b>Operating Profit</b>	1.0	4.9	4.3	7.0	3.6	7.8	8.1	+3.8	+89%	
Operating Margin	2.7%	10.3%	9.6%	12.9%	7.5%	13.5%	13.5%	+3.8pt	-	
<b>Profit attributable to owners of parent</b>	0.3	4.2	3.7	6.6	2.2	5.9	5.6	+1.9	+51%	
To net sales ratio	0.9%	8.9%	8.3%	12.0%	4.7%	10.1%	9.3%	+1.0pt	-	

# Orders and Net Sales by Segment (Quarterly)

**Orders received** (Unit: ¥1 billion)



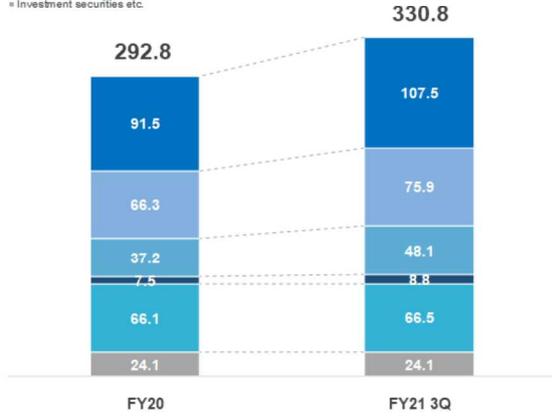
**Net sales** (Unit: ¥1 billion)



# Consolidated Balance Sheet

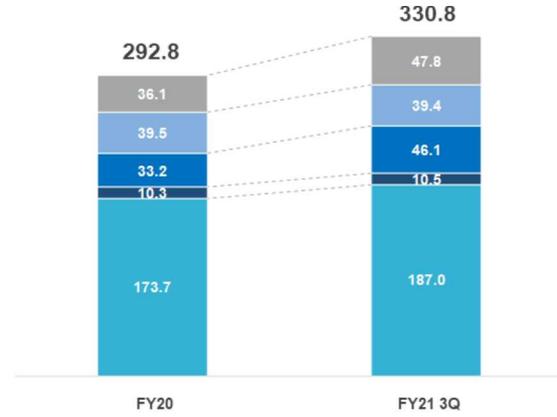
## Assets (Unit: ¥1 billion)

- Cash on hand and in banks
- Notes and accounts receivable, trade
- Inventories
- Other current assets
- Property, plant and equipment
- Investment securities etc.



## Liabilities and Net Assets (Unit: ¥1 billion)

- Note and accounts payable, trade
- Interest-bearing debt
- Other current liabilities
- Other Long-term liabilities
- Net Assets



# ULVAC Vacuum Technology Contributes to Many Industries and Applications



**ULVAC**