

**ULVAC**

ULVAC, Inc.

# **Business Results**

**FY2021** (July 2021 - Jun 2022)

Aug.10, 2022

Securities code:6728

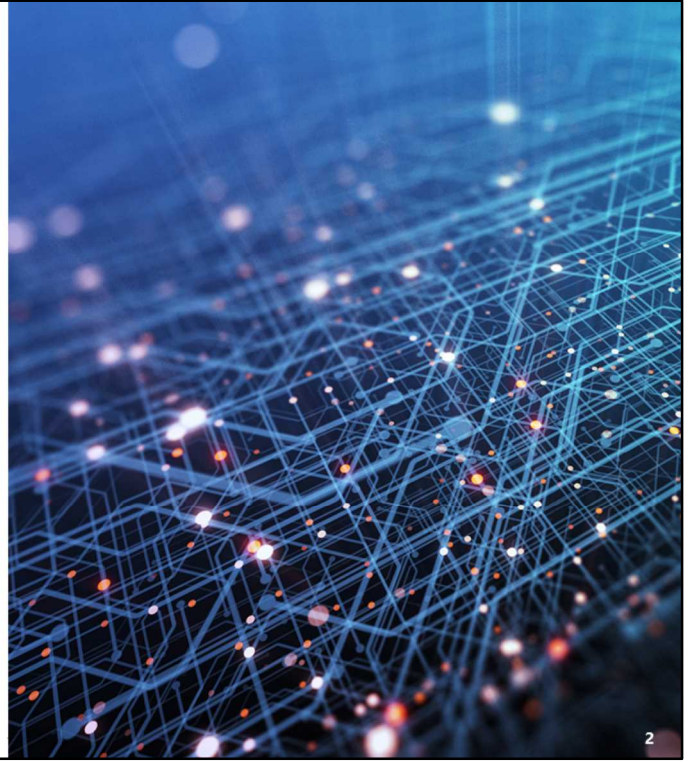
**Breakthrough 2022**

### **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 Premises 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, FPDs, raw materials, and other markets, capital expenditure trends, response to rapid technological innovation, and exchange rate fluctuations.

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## Summary (1)

**FY21 Results: Orders, sales, and operating profit exceeded both the previous fiscal year and the plan**

**Orders Received**    ¥270.1 billion (+36%YoY)

- Semiconductors and Electronics: Active investment in logic, memory, power devices, and various electronic devices
- FPDs: Active investment in LCDs for IT panels

**Net Sales**    ¥241.3 billion (+32%YoY)

- Increased significantly due to higher orders, despite the impact of longer delivery times for parts, etc.

**Operating Profit**    ¥30.1 billion (+75%YoY)

- Gross profit margin was 30.6% (highest level since listed)
- Operating profit margin improved to 12.5% (+3.1ptYoY)

**Dividend Forecast**    Year-end dividend increased to ¥124 from the initial forecast of ¥110 (+¥29 from FY20)

[Unit:¥1 billion]	FY2020	FY2021	YoY	FY2021	Vs. Plan
	Actual	Actual		Plan	
Orders Received	198.9	270.1	+36%	245.0 (21/8 : 230.0)	+10%
Net Sales	183.0	241.3	+32%	210.0	+15%
Operating Profit	17.2	30.1	+75%	26.5	+13%

I would like to discuss the results of FY2021. The result shows that orders received, net sales, and operating profit all exceeded those of the same period of the previous fiscal year and even the plan.

Orders received ended at JPY270.1 billion, increased by 36% YoY. As for semiconductors and electronics, as noted here, sales of logic, memory, power devices, and various electronic devices grew significantly. In FPDs, investment remained active in IT panels, especially in LCDs.

Net sales ended at JPY241.3 billion, up by 32% YoY. Although the previous fiscal year was affected by factors such as longer delivery times for parts and materials, net sales increased significantly due to an increase in orders received.

Operating profit was JPY30.1 billion, up by 75% YoY, and the gross profit margin reached 30.6%, the highest level since ULVAC was listed.

Furthermore, the operating profit margin was 12.5%, which is a 3.1% improvement over the previous year. Regarding the dividend forecast, we were able to increase the dividend to JPY124 from the initial forecast of JPY110. This is an increase of JPY29 over the previous year.

## Summary (2)

2. Mid-Term Management Plan: Growth achieved mainly in semiconductors and electronics  
Profitability improved due to strengthened manufacturing capabilities, despite the impact of longer delivery times for parts and materials
3. FY22 Plan : ¥270 billion for Orders, ¥250 billion for Net Sales, ¥34.5 billion for Operating Profit

**Dividend Forecast** Dividend for FY22 is expected to be ¥141 (+¥17 from FY21)

[Unit: ¥1 billion]	FY2021 Actual	FY2022 Plan	Rate of Change
Orders Received	270.1	270.0	-
Net Sales	241.3	250.0	+4%
Operating Profit	30.1	34.5	+15%

4. FY23 and beyond : Next mid-term management plan will be announced in August 2023  
Concentrating development investment in growth areas to increase sales and profits and improve profit margins

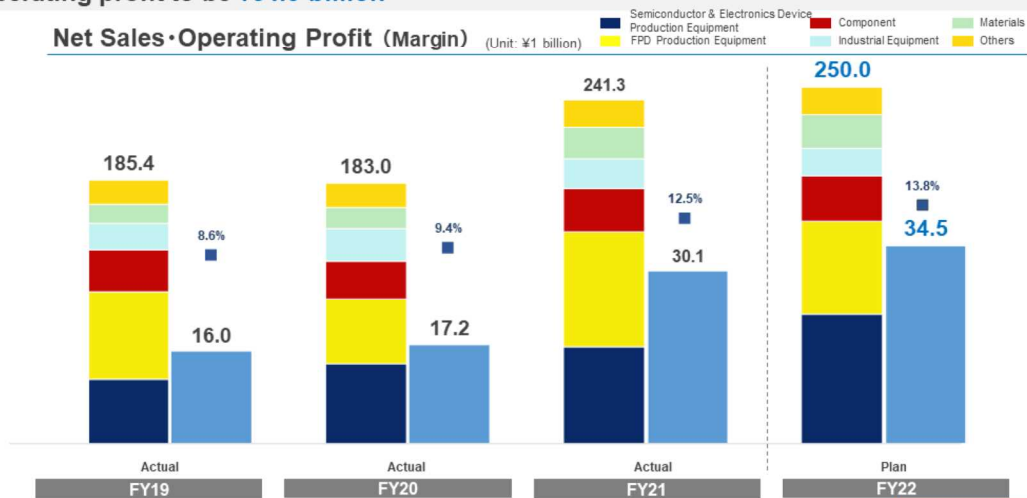
The current fiscal year is the third year and the final year of our mid-term management plan. As I mentioned earlier, growth achieved mainly in semiconductors and electronics, and despite the impact of longer delivery times for parts and materials, we will improve profitability by strengthening our manufacturing capabilities in this area.

For the current FY2022, we are planning orders received of JPY270 billion, net sales of JPY250 billion, and operating profit of JPY34.5 billion. Regarding the dividend forecast, the dividend for FY2022 is JPY141, up by JPY17 from the previous fiscal year, FY2021. Furthermore, from FY2023 onward, we will formulate a new mid-term management plan, the details of which will be disclosed and explained in August 2023.

In our new mid-term management plan, we intend to concentrate development investment in growth areas to increase sales and profits, and further improve profit margins.

## Mid-Term Management Plan Performance Trends and FY22 Plan

- **¥241.3 billion (+¥58.2 billion YoY)** for net sales and **¥30.1 billion (+¥12.9 billion YoY)** for operating profit in FY21, significantly higher than the previous fiscal year.
- Net Sales for FY22 are planned to be **¥250.0 billion** (significant growth in semiconductors and electronics) and operating profit to be **¥34.5 billion**



Here are the mid-term management plan performance trends.

As I mentioned, net sales for FY2021 were JPY241.3 billion and operating profit was JPY30.1 billion, both of which were significantly higher than the same period of the previous year.

Furthermore, for the current fiscal year, which is the final year of the mid-term management plan, net sales are expected to reach JPY250 billion. As you can see from this graph, the bottom dark blue, semiconductors and electrons grow significantly. Operating profit is planned at JPY34.5 billion.





## **FY2021 Business Results**

## 1. Overview of FY2021 Business Results

- Orders Received: **+36%** YoY and **+10%** vs. Plan mainly due to active investment in semiconductors, electronics and FPDs.
- Net Sales: **+32%** YoY and **+15%** vs. Plan ; Operating Profit: **+75%** YoY and **+13%** vs. Plan
- Operating Profit Margin: Improved to **12.5%** (**+3.1pt** YoY )

(Unit: ¥1 billion)	FY2020	FY2021					
	Actual	*Plan	Actual	YoY	Vs.Plan		
Orders Received	198.9	245.0	270.1	+71.2	<b>+36%</b>	+25.1	+10%
Net Sales	183.0	210.0	241.3	+58.2	<b>+32%</b>	+31.3	+15%
Gross Profit	53.8	-	73.7	+20.0	<b>+37%</b>	-	-
Gross Profit Margin	29.4%	31.9%	30.6%	+1.2pt	-	-1.3pt	-
SG&A	36.6	-	43.7	+7.1	<b>+19%</b>	-	-
Operating Profit	17.2	26.5	30.1	+12.9	<b>+75%</b>	+3.6	+13%
Operating Profit Margin	9.4%	12.6%	12.5%	<b>+3.1pt</b>	-	-0.2pt	-
Profit attributable to owners of parent	14.8	18.0	20.2	+5.4	<b>+36%</b>	+2.2	+12%
To net sales ratio	8.1%	8.6%	8.4%	+0.3pt	-	-0.2pt	-

\*Net Sales were revised in Aug.2021 upwardly( Orders Received were revised Feb.2022 upwardly)

This page is a summary of our performance for FY2021.

Orders received increased by 36% YoY due to active investment in semiconductors, electronics, and FPDs. Net sales increased by 32% YoY. Furthermore, operating profit increased by 75% YoY. The operating profit margin improved to 12.5%, up by 3.1% YoY. Net income is up by 36%. We were able to achieve JPY20.2 billion.

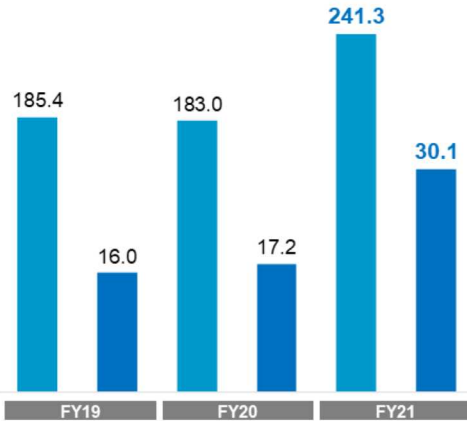
## 2. Trends in Net Sales · Operating Profit · Gross Profit Margin (Annual) **ULVAC**

- Net Sales: **+32%** YoY due to active investment in semiconductors and electronics
- Gross profit margin improved by **3.3pt** from FY19 to **30.6%**, the highest level since listed, mainly due to the improved profit margins from strengthening manufacturing capabilities as well as the sales increase, despite the impact of longer delivery times and higher prices for the parts and materials. Operating profit margin also improved by **3.9pt** from FY19 to **12.5%**.

Net Sales and Operating Profit

(Unit: ¥1 billion)

■ Net Sales ■ Operating Profit



Gross Profit Margin & Operating Profit Margin

(Unit: %)

— Gross Profit Margin — Operating Profit Margin



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Here are the trends in net sales, operating profit, and gross profit margin for each of the three fiscal years.

Despite the impact of longer delivery times and higher prices for parts and materials, gross profit margin improved by 3.3% from FY2019 to 30.6%, the highest level since ULVAC was listed on the stock exchange, thanks to an improvement in profit margin and sales increase through our ongoing efforts to strengthen manufacturing capabilities.

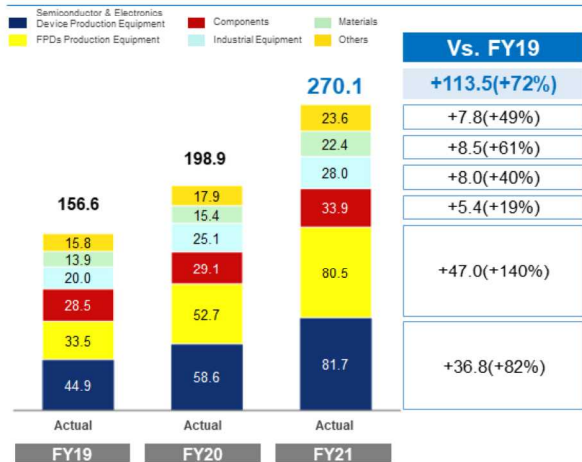
Operating profit margin also improved by 3.9% over FY2019 to 12.5%.



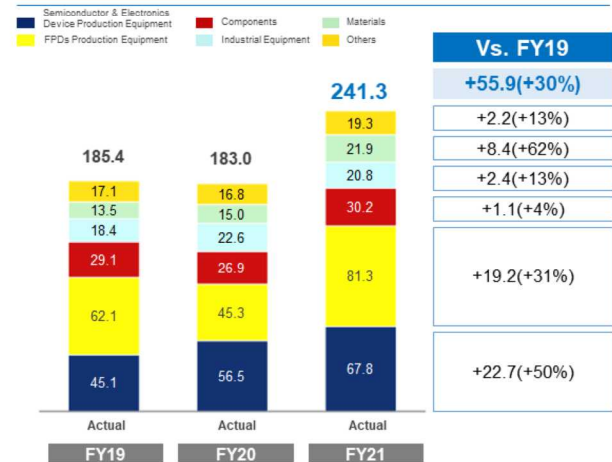
### 3. Significant Increase Both in Orders and Sales due to Active Investment ULVAC

- Both orders received and net sales increased significantly from FY19 due to active investment in semiconductors, electronics and FPDs.
- Orders received and net sales increased in all segments from FY19

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



**Net Sales** (Unit: ¥1 billion)



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On the left side are the orders received and on the right side are the sales by segment.

We were able to significantly increase both orders received and sales for semiconductors, electronics, and FPDs.

In particular, the number of orders received of semiconductors and electronics, the blue area on the left side of the graph shows an increase of 82% in FY2021 compared to FY2019.

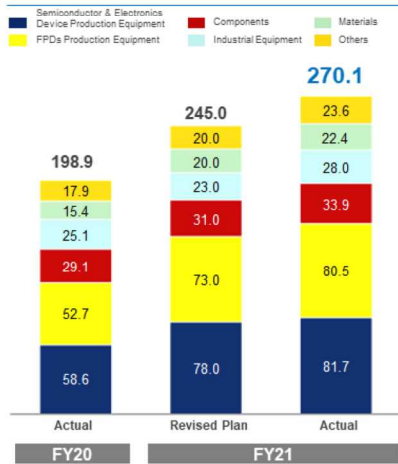
The yellow area is FPDs production equipment. The increase here is 140%. In total, overall, 72% increase over FY2019 is the result of orders received.

On the other hand, for net sales on the right side, total sales were up by 30% in FY2021 compared to FY2019. Orders received and sales for all items of components, general industrial materials, and others increased.

## 4. Factors for Increase in Orders Received

- Significant increase by **+¥71.2 billion YoY** and **+¥25.1 billion vs. Plan** due to active investment in semiconductors, electronics and FPDs
- All segments outperformed compared to both the previous fiscal year and the plan

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



	YoY	Vs. Revised Plan
Semiconductor & Electronics	+71.2(+36%)	+25.1(+10%)
Device Production Equipment	+5.7(+32%)	+3.6(+18%)
FPDs Production Equipment	+7.0(+45%)	+2.4(+12%)
Components	+2.9(+12%)	+5.0(+22%)
Industrial Equipment	+4.8(+16%)	+2.9(+9%)
Others	+27.8(+53%)	+7.5(+10%)
<b>Total</b>	<b>+23.1(+39%)</b>	<b>+3.7(+5%)</b>

- Semiconductors & Electronics (+39% YoY)**
- **Logic:** Metal hard mask process increased
  - **Memory:** Continuous investment
  - **Power Device/Electronic Devices:** Increased mainly in Japan and China
- FPD (+53% YoY)**
- **LCD** investment increased
  - Active investment in **OLED** for smartphones and tablets
- Components (+16% YoY)**
- Pumps, measuring instruments, power supplies and others for semiconductors and electronics, EV-related applications performed well
- Materials (+45% YoY)**
- Strong sales of **target materials** for semiconductors, electronics and FPDs
- Others (+32% YoY)**
- Orders for **surface analysis equipment** increased

Here, we explained about the factors for increase in orders received.

For example, in semiconductors and electronics, the sales increased by 39% over the previous year, especially in logic, due to an increase in metal hard masks processes.

Furthermore, ULVAC has been receiving orders for memory for a long time, and this continues to be an ongoing investment. Furthermore, in electronics, business for power devices and various electronic devices is increasing in Japan, as well as in China.

For FPDs, we are looking at a 53% increase YoY. Investment in LCDs continues to increase. In particular, investment in LCDs for IT panels is increasing.

Components also increased by 16% YoY. Pumps, Measuring instruments, Power supplies for semiconductors, electronics and EVs, etc. are showing strong growth.

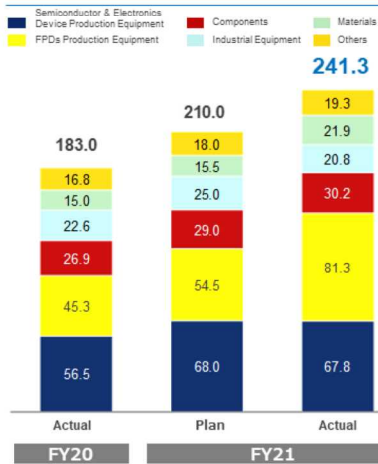
Materials were also 45% higher than in the same period of the previous year and growing steadily.

As for others, surface analysis equipment has also been growing very strongly, resulting in a 32% increase YoY.

## 5. Factors for Increase in Net Sales

- Significant increase by **+¥58.2 billion YoY** and **+¥31.3 billion vs. Plan** due to active investment in semiconductors, electronics and FPDs

### Net Sale (Unit: ¥1 billion)



YoY	Vs. Plan
<b>+58.2(+32%)</b>	<b>+31.3(+15%)</b>
+2.5(+15%)	+1.3(+7%)
+6.9(+46%)	+6.4(+41%)
-1.8(-8%)	-4.2(-17%)
+3.3(+12%)	+1.2(+4%)
+36.0(+79%)	+26.8(+49%)
+11.3(+20%)	-0.2(-0%)

### Semiconductors and Electronics (+20% YoY)

- Despite the impact of longer parts and materials delivery times, sales were higher YoY due to increased investment in logic, memory, power devices, and other electronic devices.

### FPD (+79% YoY)

- Increased due to the increased LCD orders

### Components/Materials/Others

- Increased YoY and vs. plan in line with the increased orders

This page analyzes the factors for increase in net sales. If you look at the total amount, there was a 32% increase, which was JPY58.2 billion in monetary terms.

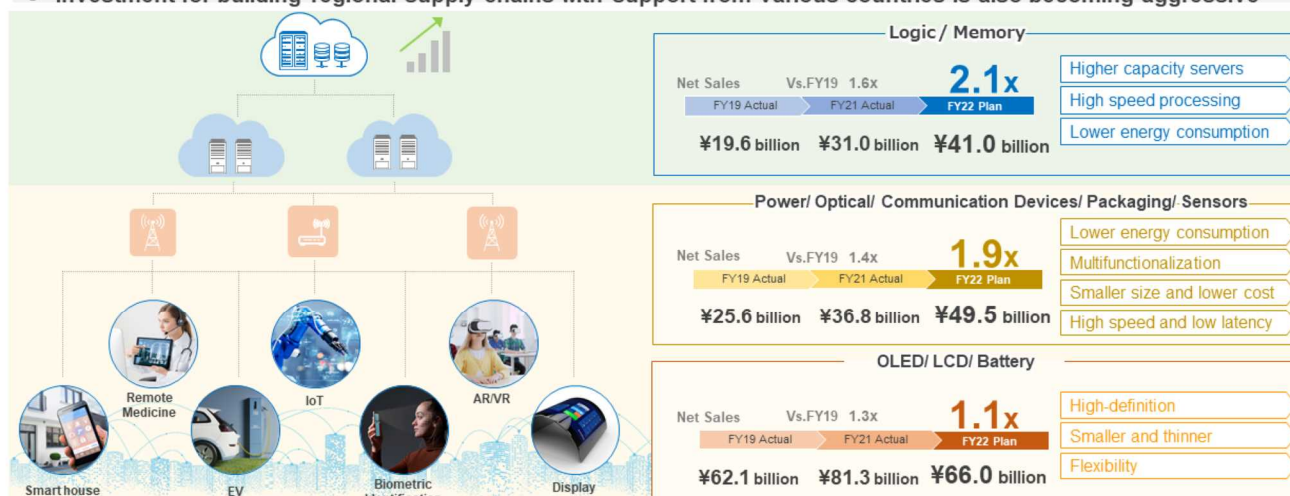
As you can see, FPDs in yellow was a 79% increase YoY. In monetary terms, the increase was JPY36 billion which was a very large increase. This was a 49% increase compared to the plan.



## **Progress of Mid-term Management Plan FY2022 Consolidated Earnings Forecast**

## 1. Semiconductors, Electronics and FPDs: Continued Investment Expansion for Medium- to long Term **ULVAC**

- In the environment of “Smart society/ Digitalization + Metaverse” x “Green energy” , Semiconductors, electronic devices, and displays will grow by “Investment in technological innovation” x “Investment in production increasement”
- Investment for building regional supply chains with support from various countries is also becoming aggressive



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Regarding the medium-to long-term market environment for semiconductors, electronics, and FPDs, ULVAC's analysis indicates that, although there are concerns about a slowdown in memory investment and other areas at present, we believe that sustained investment expansion will continue over the medium to long term.

In our business related to the digitalization of smart society plus metaverse and green energy, we believe that semiconductors, electronic devices, and displays investment will grow by technological innovation and to increase production.

Furthermore, we believe that there will be active investment to restructure the supply chain regionally. As a result, in the logic and memory, net sales for FY2022 is planned to be 2.1 times that of FY2019.

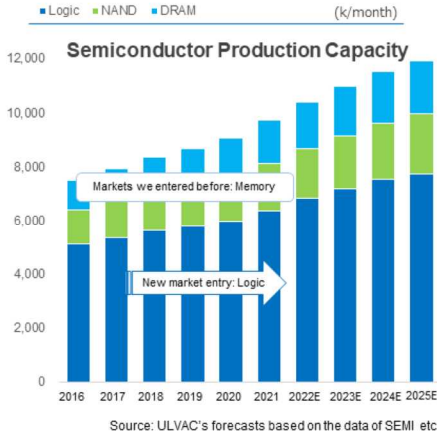
For the areas of Power, Optical, Communication devices, Packaging, and Sensors, which fall into the electronic devices segment in ULVAC, net sales for FY2022 is to be 1.9 times that of FY2019, JPY49.5 billion in terms of value.

In addition, FPDs for OLEDs, LCDs, batteries, etc., net sales for FY2022 is to be 1.1 times that of FY2019, with a monetary figure of JPY66 billion. We estimate that the FPD market will probably remain in the range of JPY70 billion to JPY80 billion in FY2023 and beyond.

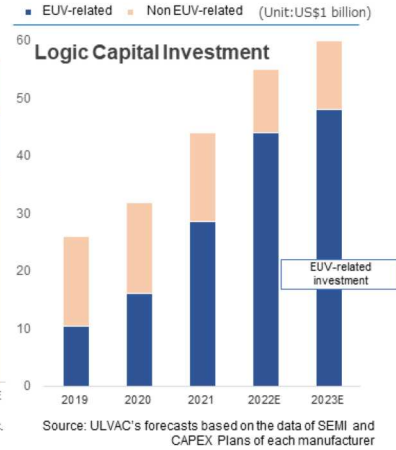
## 2-(1) Semiconductor: Growth through Entry into MHM and Other Processes ULVAC

- **Logic: Success in entering into Metal Hard Mask (MHM) process required for EUV introduction (2018)**  
⇒ Achieved growth outpacing the market since being adopted as de facto standard for 5 nm and below
- **More opportunities of entering into other processes as a second vendor** ⇒ Expansion business opportunities
- **Achieving growth in both Logic and Memory**

### Expanding business opportunities by entering logic market



### Expansion of EUV-related investment: 80%



### Entering into MHM & Other Processes

- Adopted by two foundries as de facto standards for processes for 5 nm and below
- EUV-related investment accounts for approx. 80% of the Logic capital investment, and the demand for MHM equipment is increasing.
- Logic foundries plan to continue expanding investment in cutting-edge EUV-related equipment
- Aiming for the further growth by entering into other processes as a second vendor and adoption of MHM processes by other customers

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In the semiconductor field, we were able to enter into the metal hard masks (MHM) process. We believe that this market will grow since we have been adopted as de facto standard for 5 nm and below.

There is some concern that there will be a temporary drop in overall semiconductor investment, but we will gain the market in this cutting-edge area.

We are also in the process of working on business opportunities to enter into other processes as a second vendor.

We are proceeding with a growth strategy by engaging in both memory and logic.

ULVAC was adopted by two foundries as de facto for 5 nm and below.

In logic, the investment in this field is by far the largest. EUV-related investment accounts for approx. 80% of the logic capital investment, and in this, ULVAC's equipment is used in the MHMs process. So here, we believe that the investment will continue, especially in the cutting-edge areas.

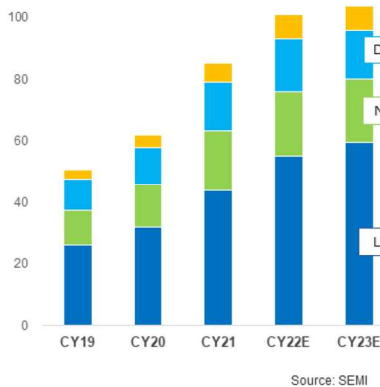


## 2-(2) Semiconductors: Achieving Growth Outpacing the Market

- **Logic** : Growth (3.9x vs.FY19) is planned in FY22, exceeding the market performance(2.1x vs.CY19) due to the entry of MHM process and other processes as well as customer expansion.
- **Memory**: Maintaining at a high level due to the entry into conventional and other new processes

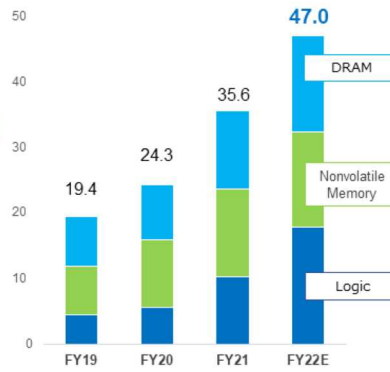
Semiconductors Capex Forecast

■ Logic ■ NAND ■ DRAM ■ Others (Unit:US\$1 billion)



Orders Plan

■ Logic ■ Nonvolatile Memory ■ DRAM (Unit:¥1 billion)



### Order trends (+32% YoY planned)

#### Logic

- A growth (2.3x vs.19) achieved in FY21, exceeding the market performance(1.7x vs. CY19) due to active investment in the MHM process
- High evaluation of the MHM process and success in the entry into other processes as a second vendor ⇒ Contributing to new orders from FY22
- Aiming to be adopted in MHM process by other customers

#### Memory

- While memory investment appears to peak out, orders are still expected to increase due to the entry into other processes with the customers' expectation as a second vendor

The graph on the left side shows the overall semiconductor capital investment forecast which logic accounts for a very high percentage. Our orders plan is shown on the right.
















We plan to increase orders by 32% YoY.

In FY2021, we were able to achieve a growth in FY2021 to 2.3 times that of FY2019, exceeding the market performance of 1.7 times growth due to the active investment in logic metal hard mask processes.

In addition, we hope to increase the numbers by being adopted in this process by other companies. For FY2022, as written in this orders plan, we are considering a figure of JPY47 billion.

As for memory, while memory investment appears to peak out, orders are still expected to increase due to the entry into other processes as a second vendor.

### 3-(1) Electronics: Continued Investment Expansion in the Field of Electronic Devices

	Main Devices	End Uses	Investment Trends
	<b>Power Device</b> IGBT SiC Si-MOSFET	<ul style="list-style-type: none"> <li>EV Automotive Devices</li> <li>Inverter motor</li> <li>Industrial robots</li> <li>Power saving devices</li> </ul>  	<ul style="list-style-type: none"> <li>✓ Active investment due to the shift to green energy and EVs</li> <li>✓ <b>Medium- to long-term aggressive investment plans by major Japanese companies</b></li> <li>✓ <b>Expansion of investment in China</b> (Domestic production policy and local government support)</li> </ul>
	<b>Optical Device</b> μOLED Anti-reflection film Band pass filter	<ul style="list-style-type: none"> <li>AR/VR</li> <li>Automotive investment panels</li> <li>3D sensor</li> </ul>  	<ul style="list-style-type: none"> <li>✓ <b>Increased investment in μOLED</b> in Japan and China (Expansion of metaverse and remote utilization, etc.)</li> <li>✓ Expanding demand for high-quality bandpass filters and optical diffraction gratings due to the increasing sophistication of 3D sensors</li> </ul>
	<b>Communication Device</b> SAW · BAW filter RF device	<ul style="list-style-type: none"> <li>Smart phone</li> <li>Wireless base stations</li> </ul>  	<ul style="list-style-type: none"> <li>✓ Continued investment in technological innovation and increased production of SAW/BAW filters in line with 5G expansion, etc.</li> <li>✓ Continued investment in 5G infrastructure development</li> </ul>
	<b>Electronics Devices (MEMS)</b> Piezo-MEMS Various Electronic devices	<ul style="list-style-type: none"> <li>Fingerprint recognition</li> <li>LIDAR</li> <li>Power device</li> </ul>  	<ul style="list-style-type: none"> <li>✓ <b>Piezo-MEMS Investments</b> for mass production of automotive sensors and MEMS microphones</li> <li>✓ Active investment in Japan and China due to the technological innovation in electronic devices</li> </ul>
	<b>Packaging</b> FanOut WLP · PLP Info-package	<ul style="list-style-type: none"> <li>PC</li> <li>Smartphones</li> <li>Data Servers</li> <li>IoT devices</li> </ul>  	<ul style="list-style-type: none"> <li>✓ Increased investment in implementations for enterprise and consumer CPUs</li> </ul>

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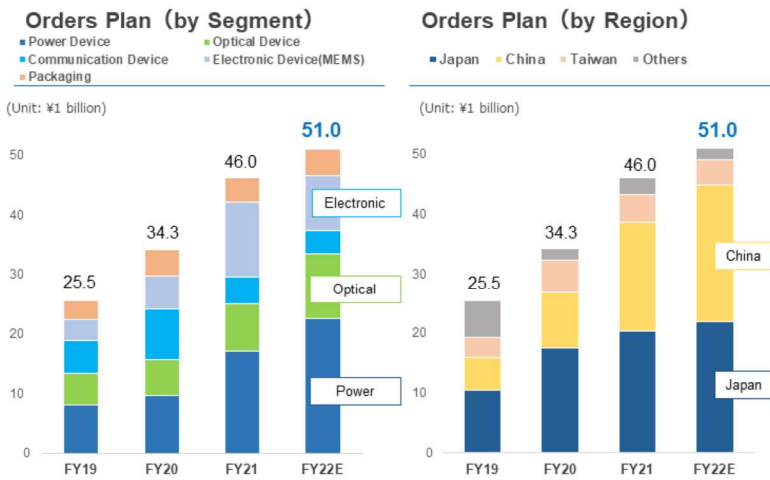
ULVAC divides its electronics segment into five. Of these, in the area of power devices, major Japanese manufacturers are still planning medium-to long-term aggressive investment plans, and furthermore, investment in China continues to expand. Perhaps power devices will be a major business driver.

AR/VR is also expanding the scope of use of optical devices. Investment in μOLEDs is increasing in Japan and in China. I think this will be a very significant trend for some time to come.

In addition, we would like to solidify our foundation in communication devices, electronic devices, and packaging. We are actually doing such initiatives as well.

### 3-(2) Electronics: Power Devices Growing Mainly in Japan and China ULVAC

- Investment in power devices and optical devices increased mainly in Japan and China
- Particularly in China, investment in power devices and electronic devices increased due to the domestic production policy



#### Investment & Order Trends (+11%YoY planned)

##### Power Devices

Japan: Investment for 12inch and SiC started in addition to 8inch production capacity increase

China: Investment in 12inch IGBT started in addition to the investment for increasing SiC production capacity

##### Electronic Devices

###### (Optical devices)

Japan : Investment for  $\mu$ OLED for AR/VR and automotive devices increases actively

###### (Electronic Devices)

Japan: Investment for increasing production of analog ICs, diodes, capacitors, chip resistors, and other electronic devices

China: Piezo-MEMS Investment Increases actively

###### (Packaging)

Taiwan: Investment for high-value-added enterprise CPU continues by major foundries continues

The power device business has been growing at a very high rate for the last couple of years.

China shows very large growth in terms of region.

The production capacity of power devices has been increased in the 8-inch area, and that investment in 12-inch and SiC will gradually be increased in the future.

Regarding the electronic devices, we have heard various plans to increase production of  $\mu$ OLEDs and electronic parts.

Piezo-MEMS investment, which is not that large in terms of volume, is also increasing, not only in Europe, but also in China.

We believe that there are great expectations for packaging, especially in Taiwan.

### 3-(3)Power Device Maintains High Level Growth

- High level growth in power devices continues mainly due to the shift to green energy and EVs. (FY22 Orders: 2.8x vs. FY19)

	IGBT	SiC	SI-MOSFET
Market Environment	<p><b>Japan</b></p> <ul style="list-style-type: none"> <li>Investment in 8inch production increasement + investment in 12inch</li> </ul> <p><b>China</b></p> <ul style="list-style-type: none"> <li>Domestic production policy and local government support</li> <li>12inch equipment investment started</li> </ul>	<p><b>Japan</b></p> <ul style="list-style-type: none"> <li>Investment in 8inch started</li> </ul> <p><b>China</b></p> <ul style="list-style-type: none"> <li>Domestic production policy and local government support</li> <li>Investment expanded to increase 6inch production</li> </ul>	<p><b>China</b></p> <ul style="list-style-type: none"> <li>Domestic production policy and local government support</li> <li>Inverterization of home appliances, etc.</li> <li>Strong demand for low- to mid-end consumer applications</li> </ul>
ULVAC's Strengths	<p><b>Japan</b></p> <ul style="list-style-type: none"> <li>High market share in sputtering equipment for backside electrodes</li> <li>Extensive track record with major Japanese companies</li> </ul>	<p><b>China</b></p> <ul style="list-style-type: none"> <li>Share of ion implanter for SiC: 70%</li> <li>Strengthening technical sales force by dispatching engineers</li> </ul>	<p><b>China</b></p> <ul style="list-style-type: none"> <li>Price competitiveness achieved by local production</li> <li>Customization by local design</li> <li>Supply chain construction</li> </ul>
Growth Strategy	<p><b>Japan</b></p> <ul style="list-style-type: none"> <li>Maintaining 8inch sputtering equipment market share</li> <li>Expansion of 12inch sputtering equipment</li> </ul> <p><b>China</b></p> <ul style="list-style-type: none"> <li>Expansion of 12inch ion implanter</li> </ul>	<p><b>Japan</b></p> <ul style="list-style-type: none"> <li>Expansion of 8inch sputtering equipment</li> </ul> <p><b>China</b></p> <ul style="list-style-type: none"> <li>Sales expansion for 6inch ion implanter</li> <li>Expansion of 6inch sputtering equipment</li> </ul>	<p><b>China</b></p> <ul style="list-style-type: none"> <li>Evaporation equipment: Maintaining high level orders</li> </ul>

Power devices will continue to grow at a high rate. We analyzed the market environment, ULVAC's strengths, and growth strategies of the three areas of IGBT, SiC, and Si-MOSFETs.

For example, the production of 8-inch IGBTs is increasing in Japan and the investing in 12-inch IGBTs will start in the future. One of ULVAC's strengths is that we maintain a very high market share for sputtering equipment for backside electrodes.

As for SiC, the 6-inch production is now expanding in China.

Furthermore, one of ULVAC's strengths is our ion implanter in China, where we hold nearly 70% of the market share. The strategy for growth is to ensure the start of the investment in 8-inch in Japan.

Regarding MOSFET, we have local production in Suzhou, China. Local production will further increase price competitiveness. We have maintained a very high market share in evaporation equipment and will solidify this market share.

**Demand for Electronic Devices increased, Breaking away from import dependence**

- Power device
- Various electronic devices

**Domestic Production Policy in China**

- Stabilization of supply chain
- Improving trade balance

**Local Government Supports (various incentive plans and supports)**

**Acceleration of Domestic Investment in China (Economic Stimulus)**

**New Energy Shift (Green energy)**

- Renewable Energy Shift
- New energy vehicle recovery/Increased
- LiB production Increased

**Digital Infrastructure Construction**

- 5G base stations
- Data centers

**Construction of Power and Electronic Device Plants Increased Mainly in Coastal Areas**



The market for electronic devices is accelerating very rapidly, especially in China, where the new energy shift is underway, and investment related to Green energy is proceeding at a very intense pace. We are also expanding our business in digital infrastructure construction.

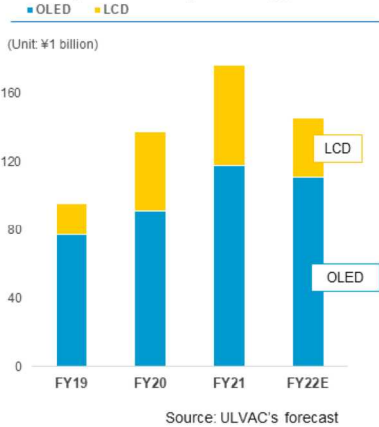
With the increasing demand of power device and various electronic devices and the supports from government's domestic production policy, the construction of electronic device factories is still increasing, especially in China's coastal areas.



## 4-(1) FPDs: Driven by OLED and R-to-R Evaporation Equipment for EV Batteries **ULVAC**

- Active investment in IT panels (tablets, PCs, automotive, medical, games, etc.): Shift from LCD to OLED
- Development of large substrate OLED investment for mass production  
⇒ Mass production investment expected in FY22~23
- Contribution from Roll-to-Roll evaporation equipment for batteries expected from this fiscal year

### FPDs Capex Trends (Evaporation·Sputtering)



### Orders Plan



### Investment Trends

- LCD panel investment mainly for IT panels was concentrated in 1H of FY21
- Development investment of large-substrate OLED for mass production is on progress, but FY22 is expected to be a temporary transitional period
- OLED investment is expected to drive panel investment in FY23 and beyond
- Roll to Roll evaporation equipment for EV battery production is expected to contribute from this fiscal year⇒expanding in FY23 and beyond

### Orders Received Trends

- FPDs orders in FY22 are expected to decrease due to the reaction to the strong LCD investment in FY21
- Orders are expected to recover mainly due to large-size substrate OLED sputtering equipment and Roll to Roll evaporation equipment for batteries from FY23 onward (Orders are expected to be in the range of ¥70.0-80.0 billion)

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This section describes FPDs capital investment trends and our orders plan. The initial plan of JPY67 billion for the last fiscal year ended up at JPY80.5 billion.

We have planned JPY63 billion for the current fiscal year. LCDs is considerably lower in this fiscal year. Investment in conventional IT panels remains active. However, a major shift will occur in the future, as more and more IT panels will be made using OLEDs, while LCDs have been the mainstay of the market in the past.

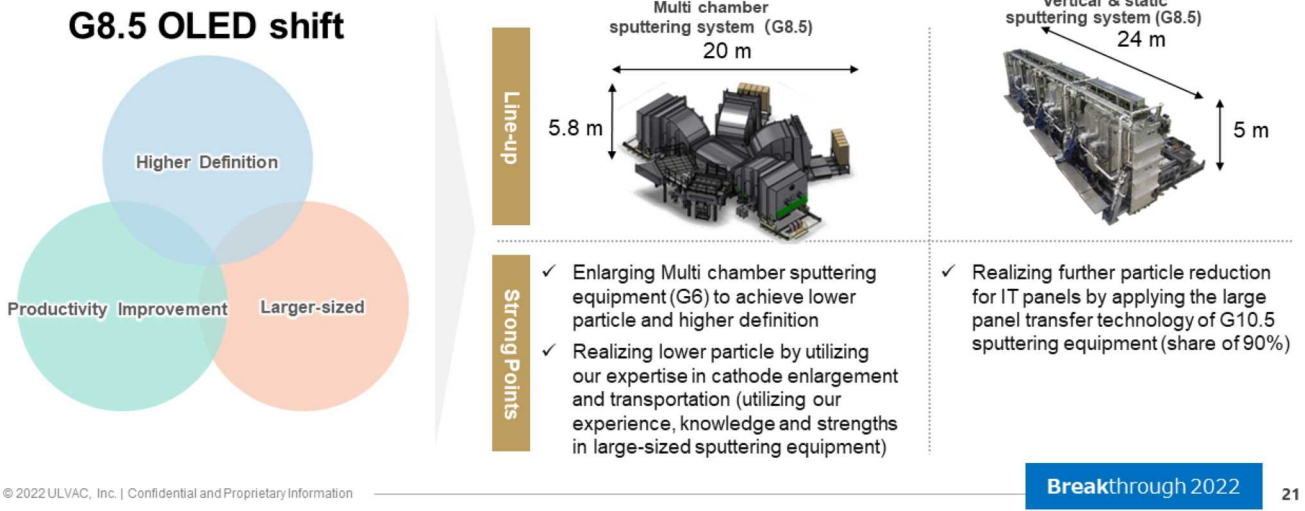
Conventional IT panels are shifting from LCDs to OLEDs. Regarding mass production of OLEDs, etc., I think that large investments will temporarily slow down, and this may be a difficult time over the next year or two. However, there are still plans for the next commercialization of the product.

Within this FPDs order plan, ULVAC includes Roll-to-Roll evaporation equipment for EV battery production in this segment. Orders for evaporation equipment for EV batteries are expected to grow significantly in the future. I will talk more about this later.



## 4-(2) FPDs: Sputtering Equipment for Large Substrate OLED

- Full-scale investment for mass production of G8.5 OLED for IT panels (FY22-FY23): Sputtering equipment also needs to be compatible with G8.5
- In addition to conventional vertical sputtering equipment, multi chamber sputtering equipment for G8.5 with less particles is under development to meet the high demand for higher definition IT panels ⇒ Capable of providing both types



As for the IT panels, LCDs will be replaced by OLEDs. Furthermore, there is a move into mass production of IT panels for the larger generation, G8.5.

In this section, we would like to present two types of equipment.

One is “Multi chamber sputtering system”.

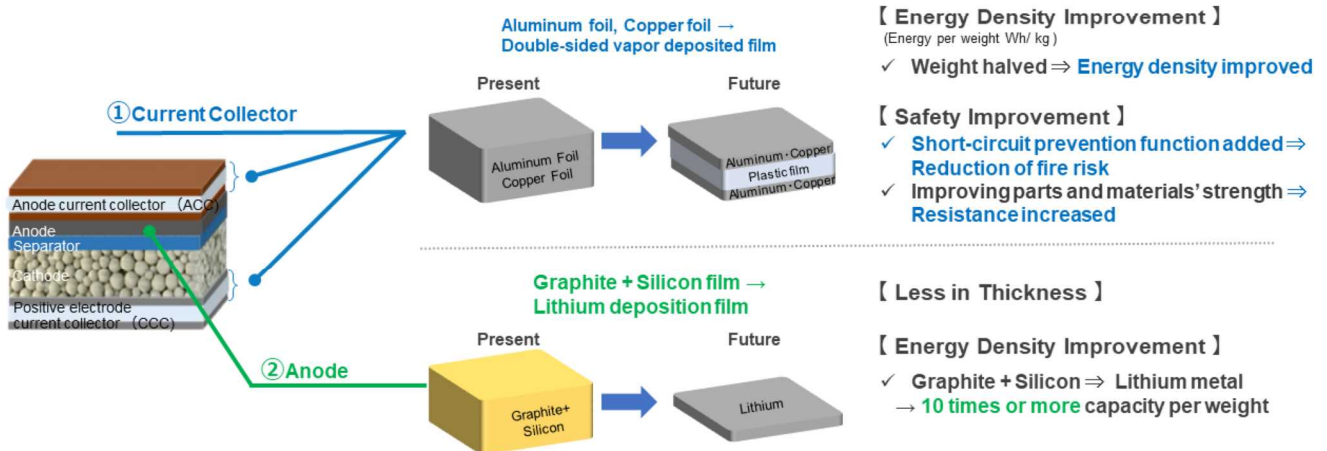
This is exactly what we are doing for IT panels, for example, panels for gaming and medical applications, and the introduction of equipment in this area, where even higher definition is required. The requirements for this equipment is written on the left-hand side. One is for higher definition, another is how to increase productivity, and to create larger panels.

To this end, we are currently developing technologies for less particles and higher definition. The outlook is naturally becoming clearer. We will further brush up on ULVAC's existing strengths in Conveyance technologies and other various areas.

Another type is the vertical sputtering equipment on the right-hand side, which is more for TVs. This equipment will be used in the area of TVs and monitors. There is a move to convert to large OLED sputtering using existing lines, so modifications and improvements to existing equipment, such as particle suppression, will also be part of our new businesses.

## 4-(3) FPDs: Battery Business

- **Developing Roll-to-Roll evaporation deposition equipment to realize smaller sized, larger-capacity, and safer EV batteries**
  - (1) Current Collector: To realize safety improvement and weight reduction, Investment for replacing to metal foil with double-sided vapor deposition film starts in FY22
  - (2) Anode: For higher capacity, the replacement from conventional "Graphite + Silicon" to "Lithium vapor deposition film" is under development  
⇒ Adopted by NEDO Green Innovation Fund Project "Development of Next Generation Storage Battery and Next Generation Motor"



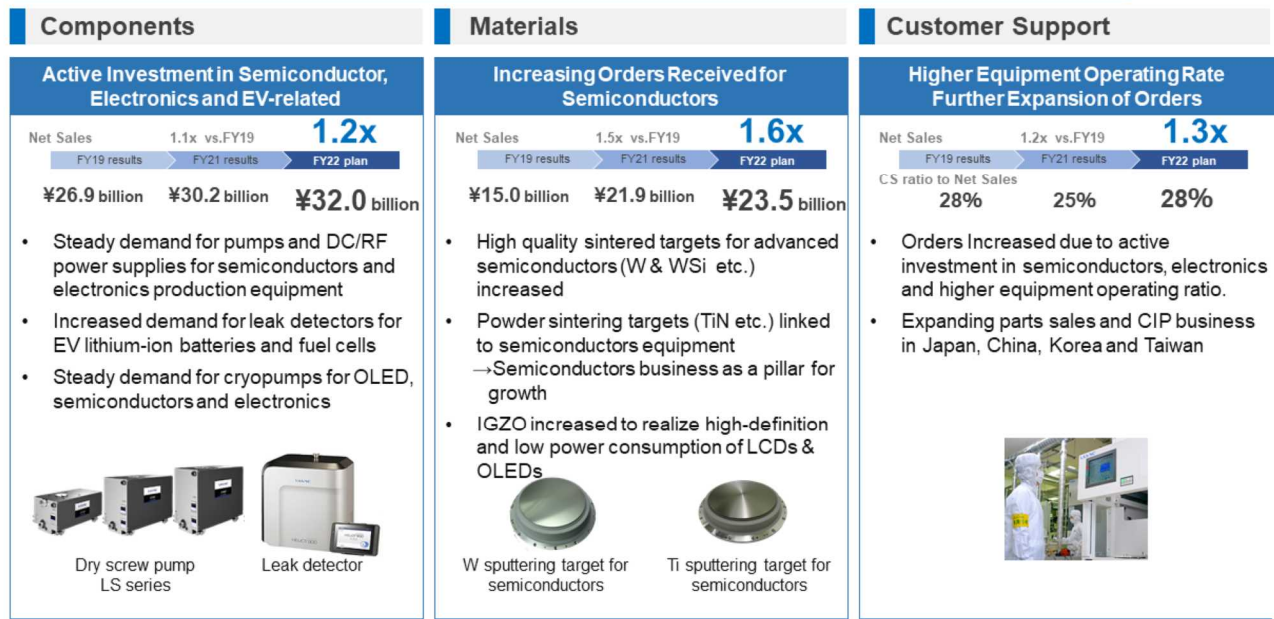
In the battery business, we are developing "Roll-to-Roll" evaporation deposition equipment to realize smaller sized, larger-capacity, and safer EV batteries.

There are two types of materials which we are involved: Current Collectors, which we are mainly working on currently, and another is Anode materials.

For the Current Collector, we are trying to find a way to increase the energy density by vapor depositing the material on a plastic film with a device called a roll quarter, instead of the conventional method of laminating the materials. In addition, to add short-circuit prevention functions to this are now being developed at a tremendous pace.

Although it will take time as a medium-to long-term initiative, we are working on another development of thin film for anode made by lithium material. ULVAC has already been adopted by NEDO Green Innovation Fund Project in Japan, and we intend to accelerate the development of this product.

## 5. Stable Business Foundation Also Strong



In addition to semiconductors, electronics, and FPDs, ULVAC also has Components, Materials, and Customer support businesses, which are the foundation of stable business.

As for components, we manufacture power supplies and others for semiconductors and electronics production equipment in particular. We are aiming to increase net sales in FY2022 to 1.2 times that of FY2019.

As for materials, we are now working hard to increase our business in high-quality sintering targets, especially for advanced semiconductors. We are aiming to increase net sales in FY2022 to 1.6 times that of FY2019, JPY23.5 billion in terms of value.

The customer support business will expand as semiconductors and electronics investment becomes more active and equipment utilization rates further increase. Net sales in FY2022 is planned to be 1.3 times that of FY2019. As for a percentage of total sales, we hope to achieve 28%, just under 30% of our total sales.

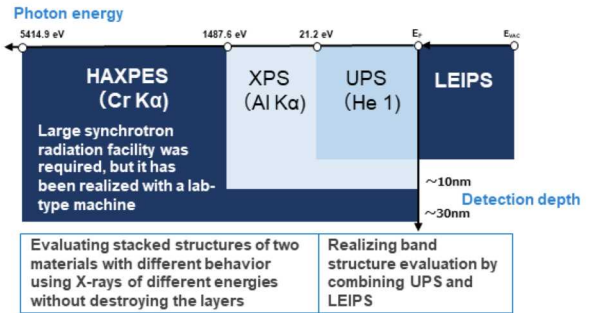
## 6. ULVAC-PHI: Increased Market Share with New Model of X-ray Photoelectron Spectrometer ULVAC

- 2021: New model (VersaProbe4) released  
⇒ Global market share increased from over 30% to nearly 50%
- Jul. 2022: New multifunctional model released
  - Conventional 4 models (with different measurement functions) ⇒ Consolidated into 1 unit
  - Composition analysis of batteries and automotive parts, thin film evaluation of semiconductors, etc. can be handled by a single unit (only ULVAC-PHI can realize the analysis systems with HAXPES (Cr) and LEIPS functions in a single unit)
 ⇒ Market share expanding due to the growing demand



### PHI GENESIS

Fully-automated multi-technique scanning XPS/HAXPES



ULVAC-Phi is a group company that manufactures surface analysis equipment.

This company manufactures X-ray photoelectron spectrometers and last year we have introduced a new model.

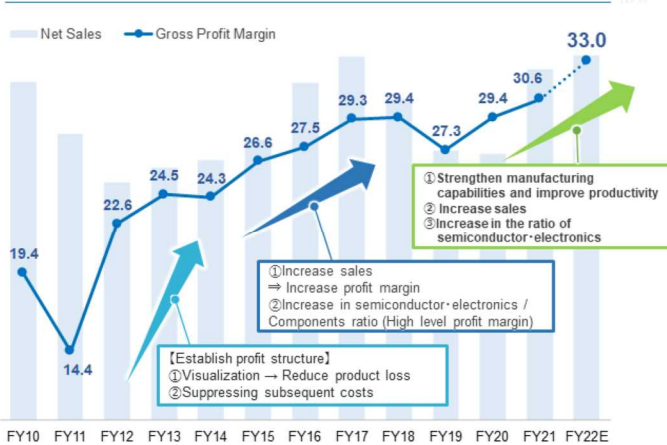
In addition, in July of this year, we launched a new device, PHI GENESIS, which is a multifunctional device that combines the functions of about four types of devices into a single device. This equipment's ability to analyze a material varies greatly depending on the light, strength or weakness of the light, and the strength or weakness of the X-rays that are shined on the surface of the material.

By introducing a more advanced version of this product this year, we hope to increase sales in FY2022 to 1.6 times that of FY2019.

## 7-(1) Improving profit margin by strengthening manufacturing capabilities ULVAC

- Despite the impact of longer delivery lead times and higher price, gross profit margin improved steadily due to strengthening manufacturing capabilities.
- Strengthening manufacturing capabilities, including overseas plants, by integrating "development and design" of the head office and "manufacturing" of domestic plants(Absorption-type merger) ⇒ Enhance further profit margin improvement

### Gross Profit Margin (Unit%)



#### Technical Design Reform

Improve the completeness of technical drawings  
Design Value Engineering  
enhancement

#### Procurement Reform

Integrated Purchasing System  
Global Supply Chain



Specialization of production sites  
Improving manufacturing productivity  
**Production Process Reform**

Business Process Standardization  
Improvement of productivity and business management  
**Strengthening the Information System Infrastructure**

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This page shows the concept of improving profit by strengthening our manufacturing capabilities.

There have been various negative effects due to longer delivery times and higher prices for parts and materials, but we are steadily improving our gross profit margin as we are strengthening manufacturing capabilities in each business segments.

Below right are the four major points of our efforts to strengthen our manufacturing capabilities. The four main points are: Technical design reform, Procurement reform, Production processes reform, and Strengthening the information system infrastructure.

As for the changes of gross profit margin, we made efforts to increase the profit margin from 27.3% in FY2019 to 30.6% in FY2021. We are aiming to achieve 33% in FY2022. You may think that the number is a bit different than the 35% we promised the market previously. The 35% gross profit margin remains in our internal goal, but externally, we have given a number that we are certain we can reach.

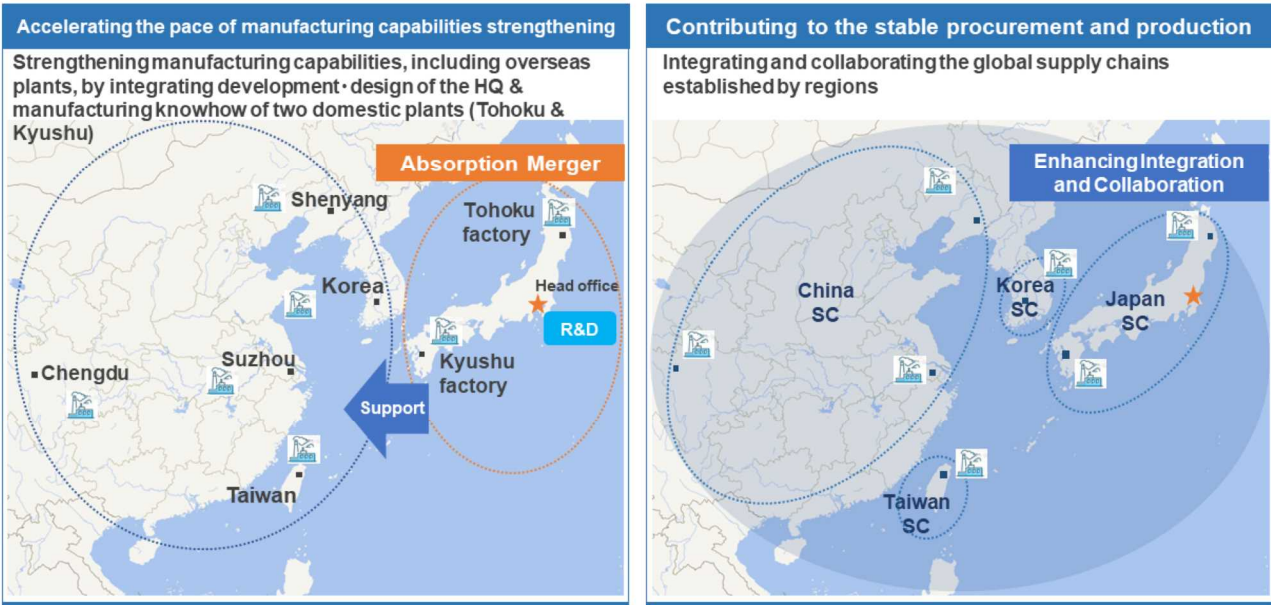
In fact, we are trying to reduce costs through volume purchasing by standardizing some parts, but unfortunately, due to longer delivery times and other factors, the pace of cost reduction has slowed down a bit in some cases.

Furthermore, the longer delivery times have delayed the delivery of parts and due to this fact, additional parts have to be purchased for the production process or after the delivery, which has slowed down production efficiency.

However, despite of these obstacles, we are determined to achieve this 33% this year.



## 7-(2) Strengthening Manufacturing Capabilities Through Global Cooperation **ULVAC**



This is to strengthen our manufacturing capabilities through global cooperation.

In July, Kyushu and Tohoku plants in Japan were merged into the headquarter of ULVAC.

During the past two years, ULVAC has suddenly experienced a large increase in orders, and manufacturing will now become a challenging task.

The speed of the Business units' manufacturing system, centered on the respective business units, will be very important further on. We have realized the domestic integration and from now on as a headquarter, we will issue instructions and orders of strengthening manufacturing capabilities to each of the East Asian manufacturing plants, thereby increasing the speed of operations.

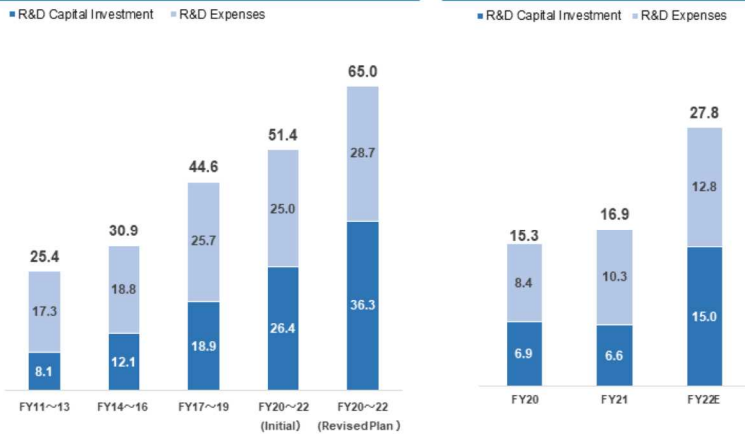


## 8. Progress in R&D Investment

- Although some R&D investment in FY21 has been postponed to FY22 due to the impact of longer delivery times for parts and materials, we will continue to expand R&D investment in growth areas ⇒ Investment in R&D for growth is expected to increase in the next mid-term business plan.
- Promoting development of MHM and other processes for semiconductors, power device and various devices, standardization and modularization for electronics, and G8.5 sputtering for OLED and R-to-R evaporation for batteries for FPDs ⇒ Pillars for future growth

R&D Investment (3-year total) (Unit: ¥1 billion)

R&D Investment (1-year only) (Unit: ¥1 billion)



- Semiconductors: Less than 40%**  
MHM·other processes (Logic·Memory)
- Electronics: Less than 20%**  
Power device (Ion implanter·Sputtering)  
Other electronics devices (Standardizations/Modularizations)
- FPDs: Less than 30%**  
Large substrate sputtering (G8.5 backplane)  
R-to-R evaporation for batteries
- Components: Less than 10%**

### Research and development.

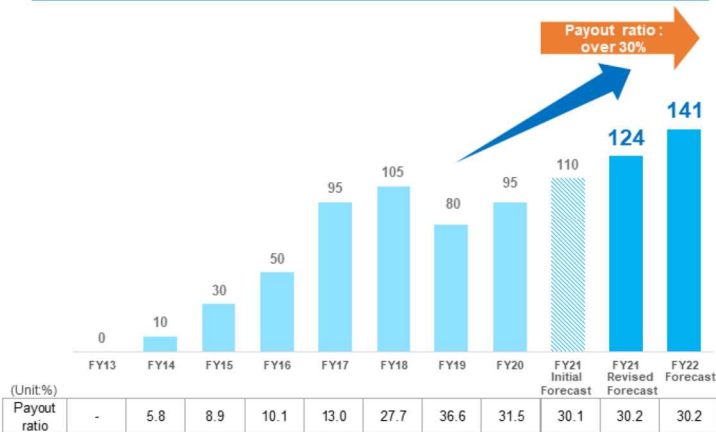
In FY2021, due to the impact of longer delivery times for parts and materials, some R&D investment was postponed to FY2022. However, we will continue to expand research investment items in growth areas, and for the next mid-term plan, we plan to increase our investment in R&D. We have not changed our policy.

Regarding how much investment there is in each area, less than 40% is in semiconductors, less than 20% is in electronics, less than 30% is in FPDs, and less than 10% is in components.

## 9. Shareholder Return

- Shareholder return is one of our most important policies. We are aiming to return profits to shareholders by increasing dividends through further growth (dividends increased steadily, targeting a payout ratio of 30% or above from FY21)
- We are involved in an industry with fluctuating customer capital investment trends as well as rapid technological innovation  
⇒ We place top priority on securing R&D investment capabilities in growth areas. Meanwhile, we are also reinforcing financial base to cope with the industry fluctuations and business performance risks.

Dividend per share and Payout ratio (Unit: ¥1)



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Next is shareholder return.

Shareholder return is one of the most important management policies of ULVAC. We would like to aim to return profits to shareholders by increasing dividends through further growth. Since FY2021, we have already publicly stated that we would aim for a dividend payout ratio of 30% or more.

On the other hand, we are in the industry where investment trends fluctuate and technological innovation is rapid, so we need to ensure that we have the ability to invest in R&D to achieve this. To do so, we will continue to expand our financial base as well.

Below on the left is a graph showing dividends per share for each year. We have been steadily increasing dividends for the past several years, and this fiscal year we plan to pay out JPY141 per share.

## 10. Progress of Mid-term Management Plan

### Basic Policy

- Investment in Development for Growth (Selection and Concentration)
- Profit-oriented management through structural change

### Key Strategies

1. Strengthening the Growing Business
2. Strengthening Research and Development
3. Enhancing manufacturing capabilities
4. Enhancing Group Management Efficiency

	Targets	FY2020 (Actual)	FY2021 (Actual)	FY2022 (Plan)
Net Sales	¥235.0 billion	¥183.0 billion	¥241.3 billion	¥250.0 billion
Gross Profit Margin	35% or above	29.4%	30.6%	33.0%
Operating Profit Margin	16% or above	9.4%	12.5%	13.8%
ROE	13% or above	9.2%	11.4%	12.0%
CF from Operating activities	¥29.0 billion	¥25.5 billion	¥33.9 billion	¥24.0 billion

Next is the mid-term management plan.

Net sales are expected to exceed JPY250 billion in FY2022. Unfortunately, the gross profit margin is 33%, operating profit margin is 13.8%, ROE is 12%, and operating cash flow is JPY24 billion, all of which are below our targets.

We will continue to work even harder to meet and even exceed these targets without changing our basic policies as well as priority strategies.

# 11. Progress of Mid-term Management Plan Initiatives

	Mid-term Management Plan Initiatives	Outcomes and Assessment	
Strengthening the Growing Business Strengthening Research and Development	Semiconductors	<ul style="list-style-type: none"> <li>New entry into logic miniaturization process</li> <li>Memory investment resumed, new process entry</li> </ul>	Aggressive investment plans for both logic and memory ⇒ Exceeded sales plan Growing by entering MHM process + other processes and customer expansion
	Electronics	<ul style="list-style-type: none"> <li>Expanding proposed equipment through modularization</li> <li>Strengthening development, sales, and support systems in China</li> </ul>	Active investment in power, optical, electronic devices, etc. ⇒ Exceeded sales plan mainly in Japan and China Expansion of equipment proposals with modularized "uGmni series Exceeded sales plan by strengthening sales and technical support in China
	FPDs	<ul style="list-style-type: none"> <li>Development of OLED mass production for large substrate</li> <li>Conversion to a profitable structure</li> </ul>	Exceeded sales plan due to continued investment in LCD and OLED Steady enhancement of manufacturing capabilities → profit margin improvement
Strengthening Manufacturing Capabilities	<ul style="list-style-type: none"> <li>Integrated reform of engineering design, procurement, and production → Improvement of profit margins by improving productivity</li> </ul>	Although profit margin target for the final year will not be achieved due to longer delivery times for parts and materials, profit margin improved steadily by implementing various measures consistently	
Enhancing Group Management Efficiency	<ul style="list-style-type: none"> <li>Business Unit Management Promotion</li> <li>Strengthening the management of group companies that have their own products</li> </ul>	Integration of Korean Group Companies Absorption-type merger of two domestic manufacturing subsidiaries Management reform at each subsidiary	
Strengthening the Financial Base	Human resource development and revitalization	New personnel system introduced Education Center established	
	Strengthening information system infrastructure	Steadily implementing various system developments to improve productivity	
	Strengthening financial base	ROE 11.4% CF from operating activities ¥33.9 billion (Equity Ratio:53.3%)	

Regarding the initiatives in the mid-term management plan, we analyzed four big topics, such as strengthening the growth business and strengthening R&D for semiconductors, electronics, and FPDs, respectively.

## 12. Assumptions and Measures to Risks in Business Forecast

### Assumptions for FY2022 Earnings Forecast

- Forecasts were prepared considering the following possible risks.
- In case of sudden changes in the environment, we will promptly consider countermeasures and revise plans, as necessary.

Risks assumed by the market	Current Status and Impact	Assumptions	Measures	Assumptions - Measures
Longer delivery times/ higher prices for parts and materials	<ul style="list-style-type: none"> <li>Longer lead time and delayed contribution to sales</li> <li>Delay in strengthening manufacturing capabilities and improving profitability</li> </ul>	Assumptions	Measures	<ul style="list-style-type: none"> <li>Long delivery times and price hikes will continue for the time being</li> <li>Strengthening manufacturing capabilities, including overseas plants, by merging manufacturing subsidiaries</li> <li>Collaboration with customers and suppliers ⇒ Advanced orders and arrangements, consideration of alternative parts</li> <li>Thoroughly reducing manufacturing costs and cost of sales, and adjusting selling prices.</li> </ul>
Semiconductor and electronics-related investment peaking out	<ul style="list-style-type: none"> <li>Reviewing customers' investment plans and making our plans</li> </ul>	Assumptions	Measures	<ul style="list-style-type: none"> <li>Investment in cutting-edge logic and power devices is expected to expand</li> <li>Memory and electronic devices also expand due to processes and new customers expansion</li> <li>Expansion through China's domestic production measures</li> <li>Investment in technological innovation and process expansion</li> </ul>
Decreasing in LCD investment Investment delayed in large-substrate OLED mass production	<ul style="list-style-type: none"> <li>Previous fiscal year: investment concentrated in LCDs</li> <li>Companies are developing mass production for investment in large-substrate OLED mass production</li> </ul>	Assumptions	Measures	<ul style="list-style-type: none"> <li>LCD investment is declining and the investment for large-substrate OLED mass production is expected in FY22-23</li> <li>Promoting development of sputtering equipment for large substrate OLED backplanes</li> <li>Development of roll-to-roll evaporation equipment for EV battery and measures responding to early start of mass-production</li> </ul>
Geopolitical risk	<ul style="list-style-type: none"> <li>Minor impact of Ukraine situation</li> <li>Minor impact of China lockdown also minor</li> </ul>	Assumptions	Measures	<ul style="list-style-type: none"> <li>Continuing to watch over geopolitical risks closely</li> <li>Investing in building regional supply chains</li> </ul>

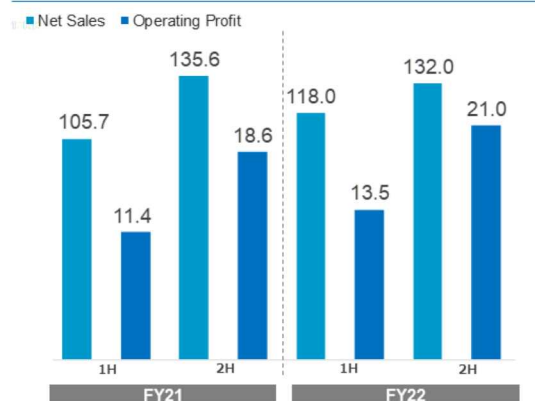
This is about the assumptions and measures to risks in our business forecast.

### 13. FY2022 Earnings Forecast

- Orders: Same level as the previous fiscal year due to active investment in semiconductors and electronics, etc.
- Net Sales: ¥250 billion, +4% YoY; Operating Profit: ¥34.5 billion, +15% YoY
- Operating Profit Margin: Improved to 13.8% (+1.3pt YoY)

	FY2021	FY2022 Plan			YoY	
	Actual	1H	Full Year			
(Unit: ¥1 billion)						
Orders Received	270.1	132.0	270.0	-0.1	0%	
Net Sales	241.3	118.0	250.0	8.7	4%	
Operating Profit	30.1	13.5	34.5	4.4	15%	
Operating Profit Margin	12.5%	11.4%	13.8%	1.3pt	-	
Profit attributable to owners of parent	20.2	9.2	23.0	2.8	14%	
To net sales ratio	8.4%	7.8%	9.2%	0.8pt	-	

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



Here is the earnings forecast for FY2022.

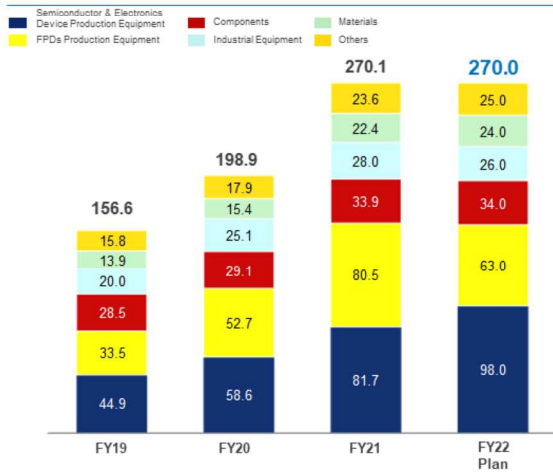
Net sales are JPY250 billion, a 4% increase YoY. Operating profit is JPY34.5 billion, up by 15% YoY. Operating profit margin is expected to increase by 1.3% to 13.8%.



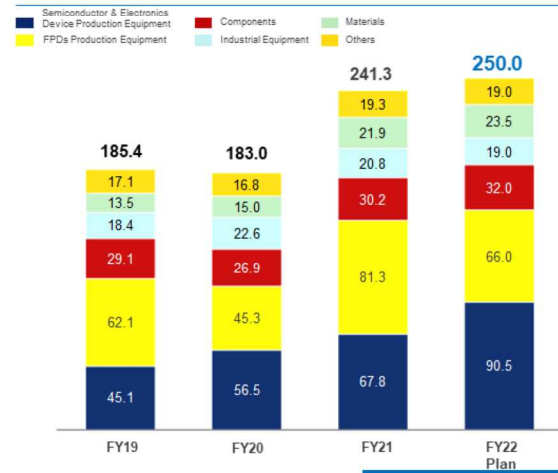
# 14. Orders and Net Sales Plan

- **Orders:** Semiconductors and electronics are planned to remain at the same level, even though FPDs are expected to decrease due to the rebound from the sharp increase in investment in LCDs for IT panels in FY2021.
- **Net Sales:** 4% increase is planned mainly in semiconductor electronics, despite the temporary decline in FPDs.

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



**Net Sales** (Unit: ¥1 billion)

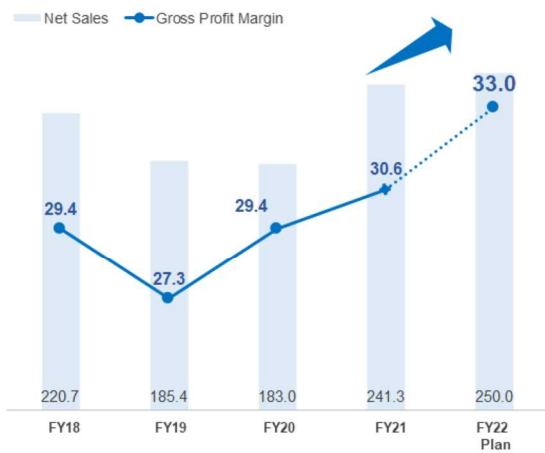


Here are the plans for orders and net sales.

## 15. To improve profit margin mainly by strengthening manufacturing capabilities **ULVAC**

- Promoting the improvement in gross profit margin and operating profit margin by strengthening manufacturing capabilities, improving productivity, and increasing sales, despite the impact of longer delivery lead times and higher prices for parts and materials

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



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



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We are targeting a gross profit margin of 33% and an operating profit margin of 13.8% by strengthening manufacturing capabilities.

Naturally, we intend to go above and beyond.

## 16. Growth in FY2023 and beyond

Next mid-term management plan will be announced in August 2023.

We will concentrate R&D investment on the following growth areas aiming to increase sales and profits and improve profit margins.

### Semiconductors, Electronics

- Growing by entering other processes such as wiring process in addition to cutting-edge logic MHM process, and being adopted by other customers
- Growing by entering other processes with the customers' expectations as a second vendor, amid signs of peaking out in memory investment.
- Growing by responding to technological innovation investment in power devices and various electronic devices in Japan and China and by introducing module-type equipment.
- Growing by responding to the domestic production demand in China

### FPDs

- Growing in sputtering equipment for large substrate OLEDs and Roll-to-Roll evaporation deposition equipment for batteries

This is the last page.

A new mid-term management plan will be formulated next year for FY2023 and beyond.

ULVAC's policy of investing management resources in growth areas remains unchanged. We will strive to increase sales and profits and further improve profit margins.

As for semiconductors and electronics, we will grow by the four points mentioned in the slide. The same for FPDs. We will also aim for further growth in components and materials as the foundation of a stable business.

Thank you for your kind attention!

**Support for Recommendations by the Task Force on Climate-related Financial Disclosures**

We support the recommendations of the Task Force on Climate Change-related Financial Disclosure (TCFD) and participate in the TCFD Consortium, which promotes the disclosure of information on the risks and opportunities posed by climate change to our business from the perspectives of strategy, risk management, and governance, based on the TCFD recommendations.



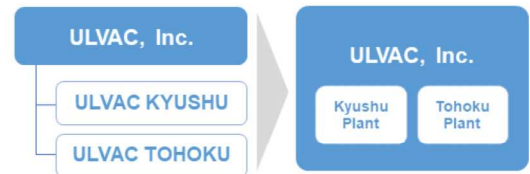
**ULVAC Human Rights Policy Established**

In accordance with the United Nations Guiding Principles on Business and Human Rights, we have formulated the ULVAC Human Rights Policy.

As a company with global operations, ULVAC is committed to promoting business activities that respect human rights more than ever before, based on this policy and with a clearer common understanding of how to respect human rights in our business activities.

**Merger of wholly owned subsidiaries**

On July 1st, we merged two major domestic manufacturing subsidiaries. In order to accelerate the "strengthening of manufacturing capabilities," we aim to further improve productivity and profitability by incorporating a wide variety of product production technologies.

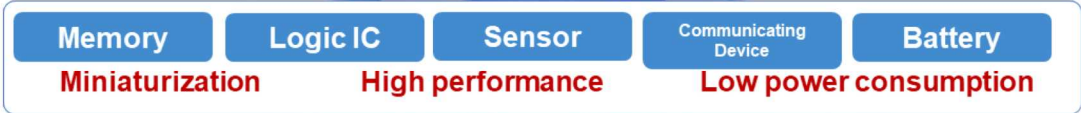


**Smart and Digital Society  
Realization**



**Green Energy Conversion  
Low Power Consumption**

**Smart Society ⇒ Solving Social Problems**







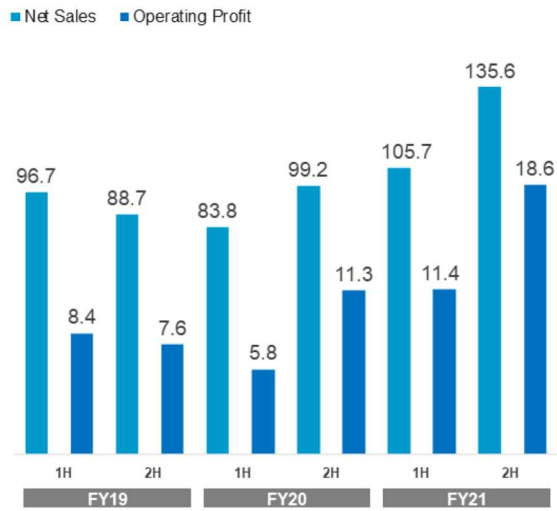
# Appendix

# Quarterly Business Results

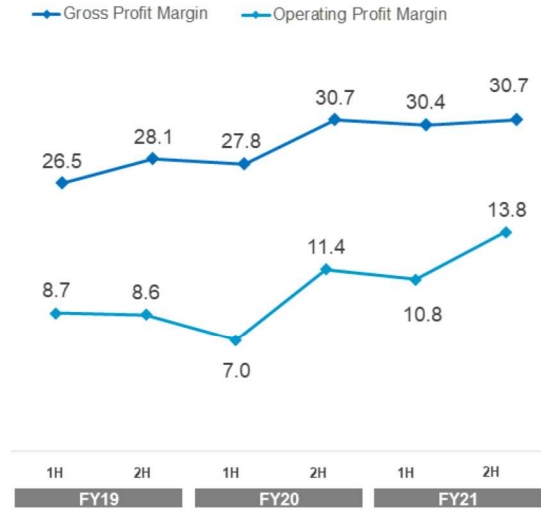
(Unit: ¥1 billion)	FY2020 Actual							FY2021 Actual							YoY
	1Q	2Q	1H	3Q	4Q	2H	Full Year	1Q	2Q	1H	3Q	4Q	2H	Full Year	
<b>Orders Received</b>	31.2	59.8	91.0	42.1	65.8	107.9	198.9	66.3	78.3	144.6	59.6	65.9	125.5	270.1	+35.8%
<b>Net Sales</b>	36.6	47.3	83.8	44.7	54.5	99.2	183.0	47.4	58.3	105.7	60.4	75.2	135.6	241.3	+31.8%
<b>Gross Profit</b>	9.4	13.9	23.3	13.4	17.1	30.4	53.8	13.2	18.9	32.1	18.6	23.0	41.6	73.7	+37.2%
Gross Profit Margin	25.7%	29.5%	27.8%	29.9%	31.4%	30.7%	29.4%	27.9%	32.4%	30.4%	30.8%	30.6%	30.7%	30.6%	+1.2pt
<b>SG&amp;A</b>	8.4	9.1	17.5	9.0	10.1	19.1	36.6	9.7	11.0	20.7	10.5	12.5	23.0	43.7	+19.5%
<b>Operating Profit</b>	1.0	4.9	5.8	4.3	7.0	11.3	17.2	3.6	7.8	11.4	8.1	10.5	18.6	30.1	+74.8%
Operating Profit Margin	2.7%	10.3%	7.0%	9.6%	12.9%	11.4%	9.4%	7.5%	13.5%	10.8%	13.5%	14.0%	13.8%	12.5%	+3.1pt
<b>Net Income</b>	0.3	4.2	4.5	3.7	6.6	10.3	14.8	2.2	5.9	8.1	5.6	6.4	12.1	20.2	+36.3%
To net sales ratio	0.9%	8.9%	5.4%	8.3%	12.0%	10.4%	8.1%	4.7%	10.1%	7.7%	9.3%	8.6%	8.9%	8.4%	+0.3pt

# Gross Profit Margin & Operating Profit Margin(Half Period)

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

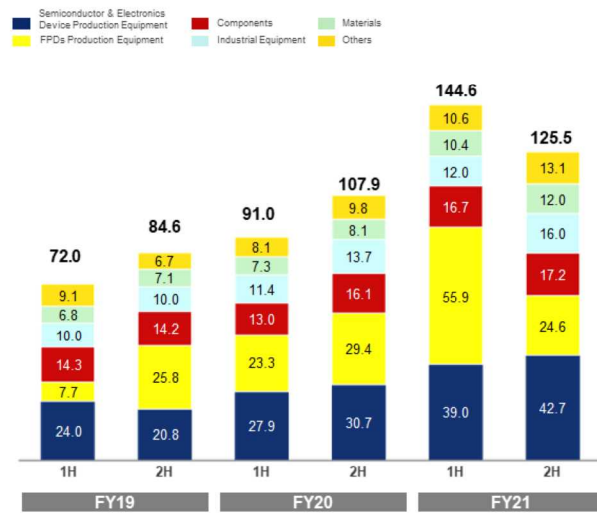


**Gross Profit Margin & Operating Profit Margin** (Unit: %)

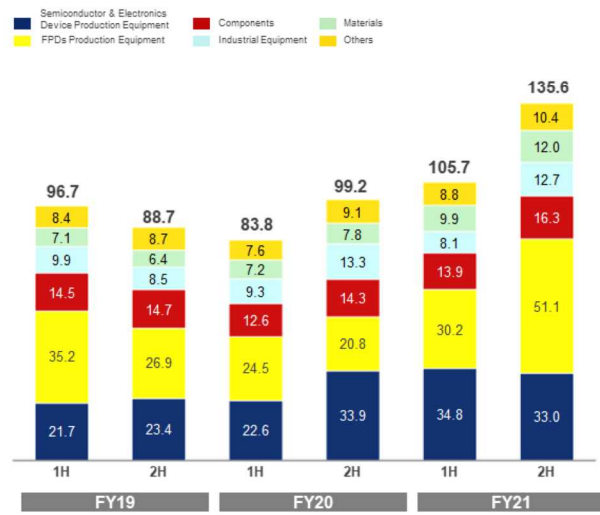


# Orders and Net Sales by Segment (Half Period)

## Orders received (Unit: ¥1 billion)

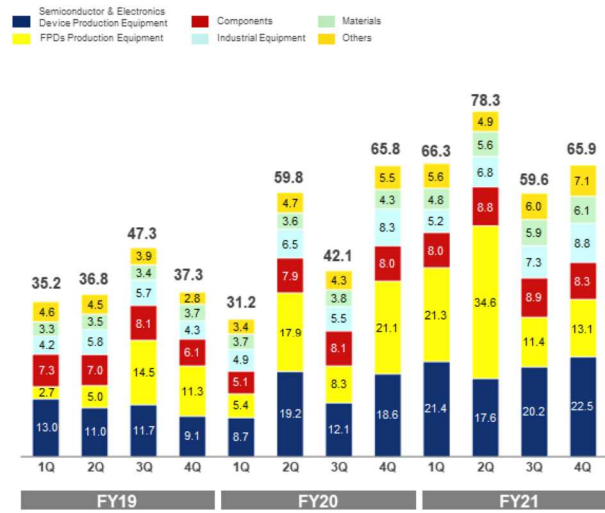


## Net sales (Unit: ¥1 billion)

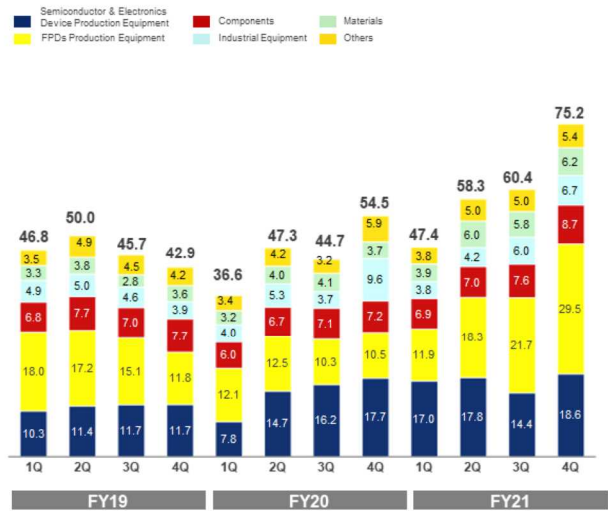


# Orders and Net Sales by Segment (Quarterly)

## Orders received (Unit: ¥1 billion)



## Net sales (Unit: ¥1 billion)

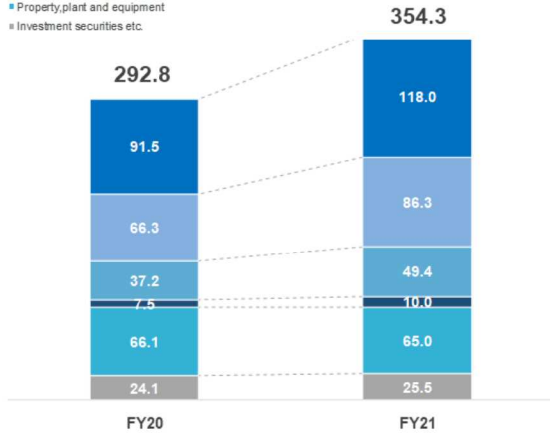




# Consolidated Balance Sheet

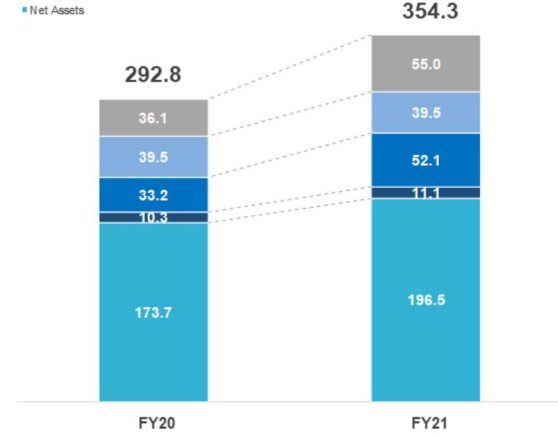
## Assets (Unit: ¥1 billion)

- 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)

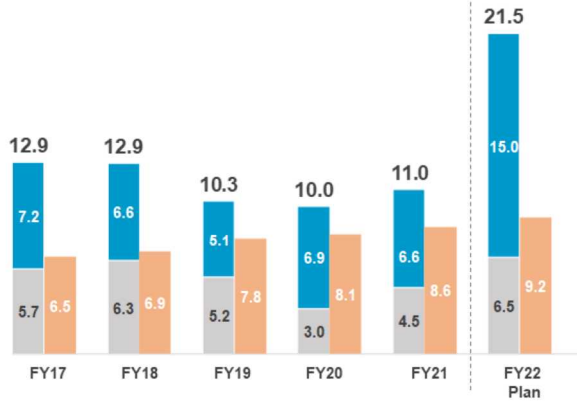
- Note and accounts payable, trade
- Interest-bearing debt
- Other current liabilities
- Other Long-term liabilities
- Net Assets



# Capital Expenditures and R&D Expenses

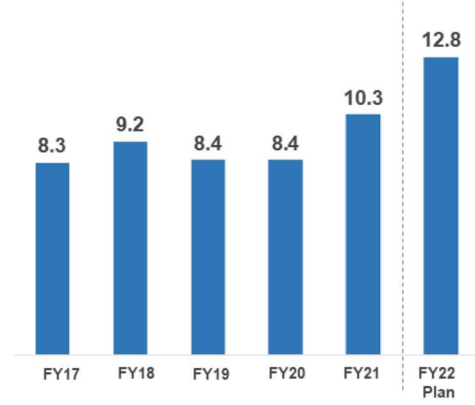
## Actual and Planned Capital Expenditures

(Unit: ¥1 billion) ■ R&D Equipment ■ Depreciation  
■ Building, Production Equipment etc.



## Actual and Planned R&D Expenses

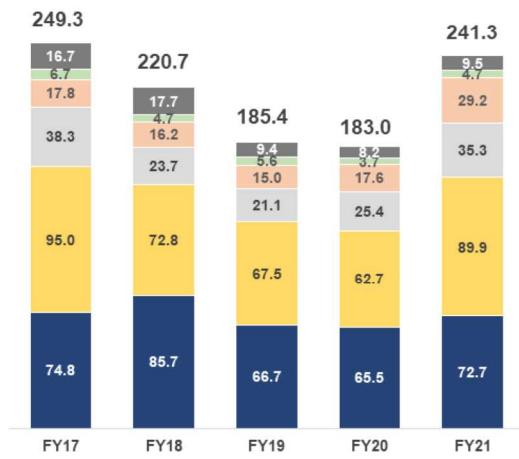
(Unit: ¥1 billion)



# Changes in Net Sales by Region

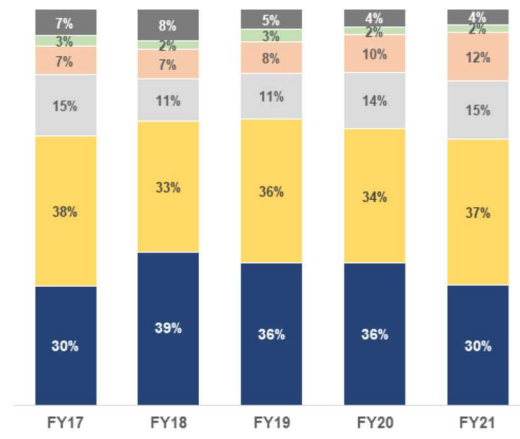
### Net Sales by Region (Unit: ¥1 billion)

■ Japan ■ China ■ Korea ■ Taiwan ■ Other Asia ■ Europe, America and others



### Percentage of Net Sales by Region

■ Japan ■ China ■ Korea ■ Taiwan ■ Other Asia ■ Europe, America and others



# ULVAC Vacuum Technology Contributes to Many Industries and Applications



**ULVAC**