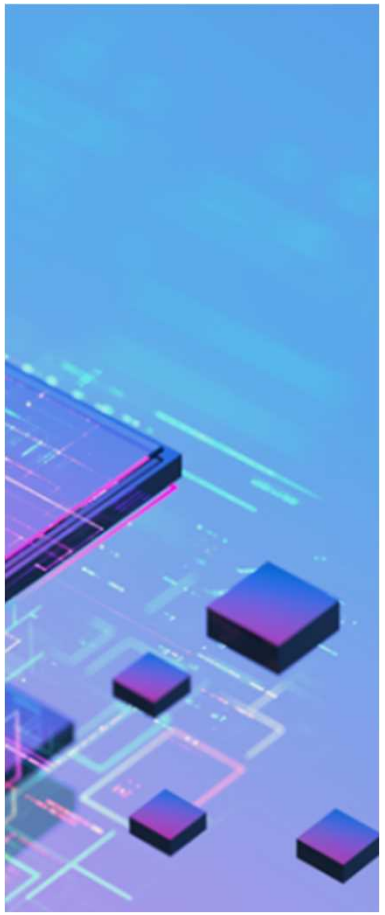
ULVAC, Inc.

The Third Quarter of FY2025/6
Business Results

July 2024 - March 2025

May 13, 2025



Disclaimer regarding forward-looking statements etc.

Forward-looking statements

Forward-looking statements of the company in this presentation are based on information that was available at the time these documents were prepared. There are several factors that directly or indirectly impact the company performance, such as the global economy; market conditions for FPDs, semiconductor, electronic devices, and raw Materials; trends in capital expenditures and fluctuations in exchange rates. Please note that actual business results may differ significantly from these forecasts and future projections.

Processing of numbers

Figures and percentages in this document have been rounded to the nearest unit.

Product Category Change

From FY25/6, the name of “FPD production equipment” has been changed to “Display and Energy-Related Production Equipment”.

This document has been translated from the Japanese initial for reference purposes only. In the event of any discrepancy between this translated document and the Japanese initial, the initial shall prevail.

Summary

Q3 FY2025/6

Business Progress

- Despite a decline in Net sales and profit items due to changes in the external environment, the Gross profit margin improved steadily to 33.3% in Q3, and increased YoY by 1.2 pt in Q3 YTD.

Downward Revision of FY25/6 Forecast

- Revised full-year performance forecast downward due to a decrease in order received, mainly caused by a slowdown in EV-related businesses.
- Maintaining the previously forecasted dividend from the viewpoint of stable dividend with emphasis on shareholder returns.

Future Policies and Measures

Future Policies and Measures

- Due to changes in the external environment, we have decided to abolish the current mid-term management plan ending 2026/6 and implement fundamental reforms and a new mid-to-long-term management plan, the "Value-Up Plan," from FY2026/6 (to be disclosed in August) to ensure sustainable growth.
- We will execute the optimization of management resources and accelerate the shift to a business portfolio centered on semiconductors and electronics. This will enable the realization of high growth and profitability, enhance corporate value, and improve evaluation in the capital markets.

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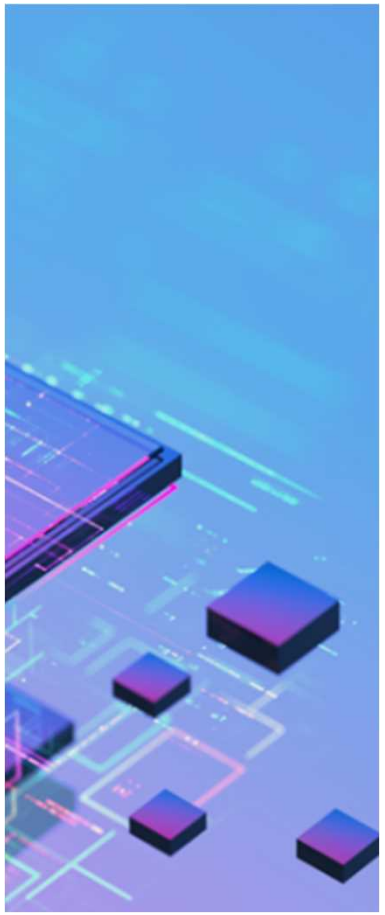

Q3 FY25/6 Consolidated Financial Results

FY25/6 Q3 Financial Highlights

(Unit: ¥1 billion)	FY2024/6						FY2025/6					
	Q1	Q2	Q3	9 months	Q4	Full Year	Q1	Q2	Q3	9 months	YoY	
Orders Received	78.0	56.1	55.6	189.7	68.5	258.2	50.9	65.5	47.5	163.9	-25.8	-14%
Net Sales	55.0	65.2	65.0	185.2	75.9	261.1	61.0	73.9	52.9	187.7	+2.5	+1%
Gross Profit	15.3	20.1	22.0	57.4	23.3	80.7	19.1	23.8	17.6	60.5	+3.1	+5%
Gross Profit Margin	27.7%	30.8%	33.8%	31.0%	30.7%	30.9%	31.3%	32.2%	33.3%	32.2%	+1.2pt	
SG&A	12.4	12.6	11.9	36.9	13.9	50.9	13.4	14.2	12.2	39.8	+2.9	+8%
Operating Profit	2.8	7.5	10.1	20.4	9.4	29.8	5.8	9.6	5.4	20.8	+0.4	+2%
Operating Profit Margin	5.1%	11.5%	15.5%	11.0%	12.3%	11.4%	9.4%	13.0%	10.2%	11.1%	+0.0pt	
Profit attributable to owners of parent	1.1	5.7	6.4	13.2	6.9	20.2	3.7	6.7	2.7	13.1	-0.1	-1%
To net sales ratio	2.1%	8.8%	9.9%	7.1%	9.1%	7.7%	6.1%	9.0%	5.1%	7.0%	-0.2pt	

» Despite a decline in net sales and profit items due to changes in the external environment, gross profit margin improved steadily to 33.3% in Q3, and increased YoY by 1.2 pts in Q3 YTD.

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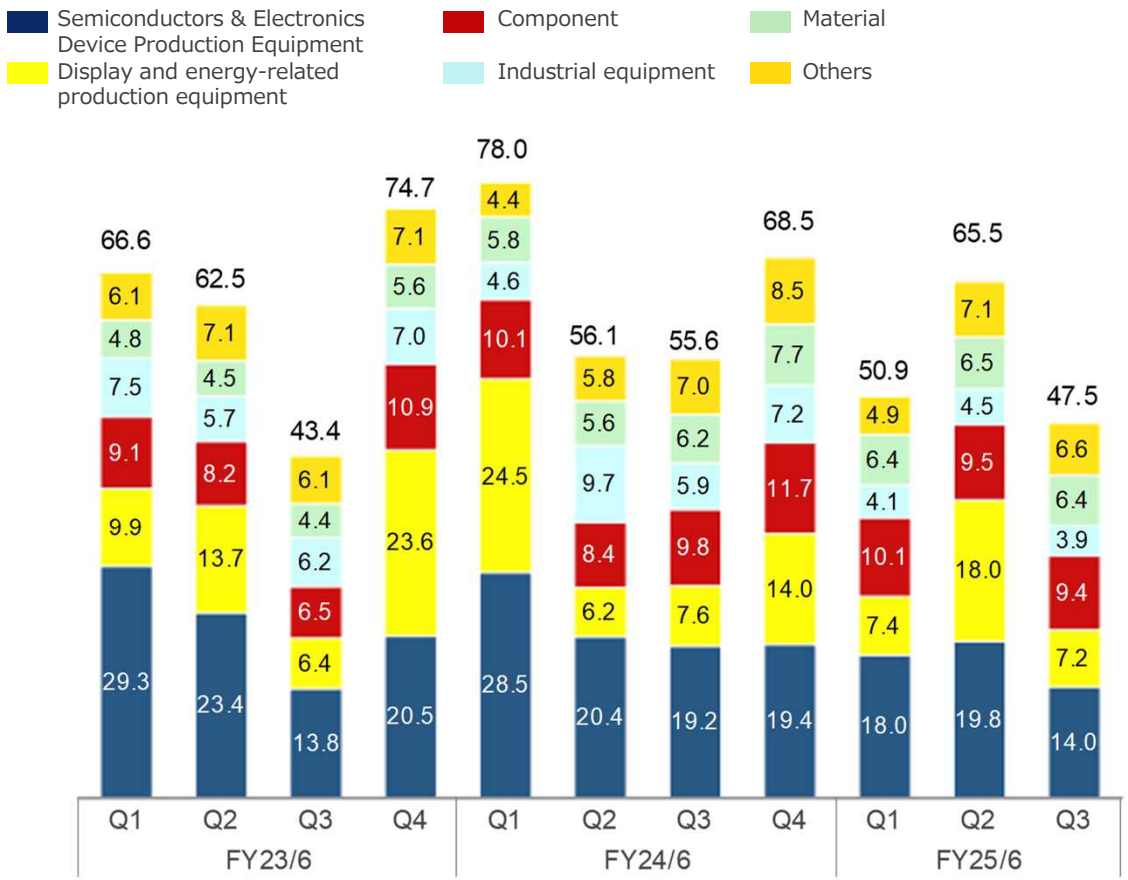
Quarterly Trends

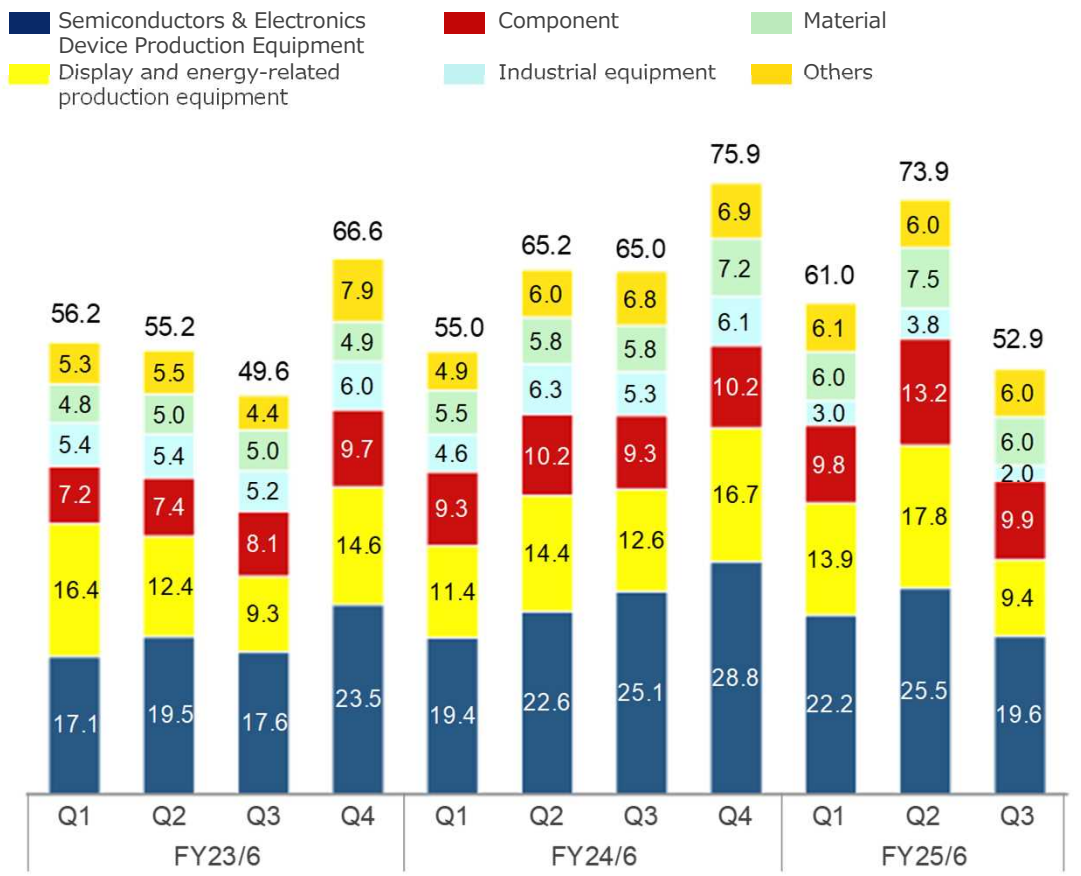
Orders Received

(Unit: ¥1 billion)



Net Sales

(Unit: ¥1 billion)



» **Orders Received**: Decreased by ¥18 billion QoQ, reflecting a reactionary decline in OLED projects and continued weakness in power devices and batteries.

» **Net Sales**: Decreased by ¥21 billion QoQ due to the impact of reduced orders received in Q3.

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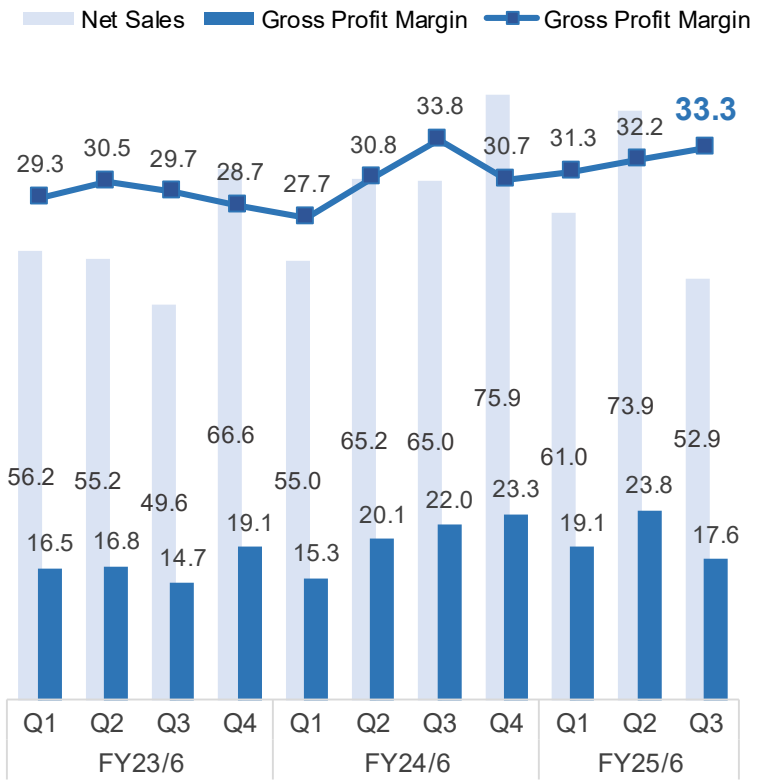
Profit Margin Trends

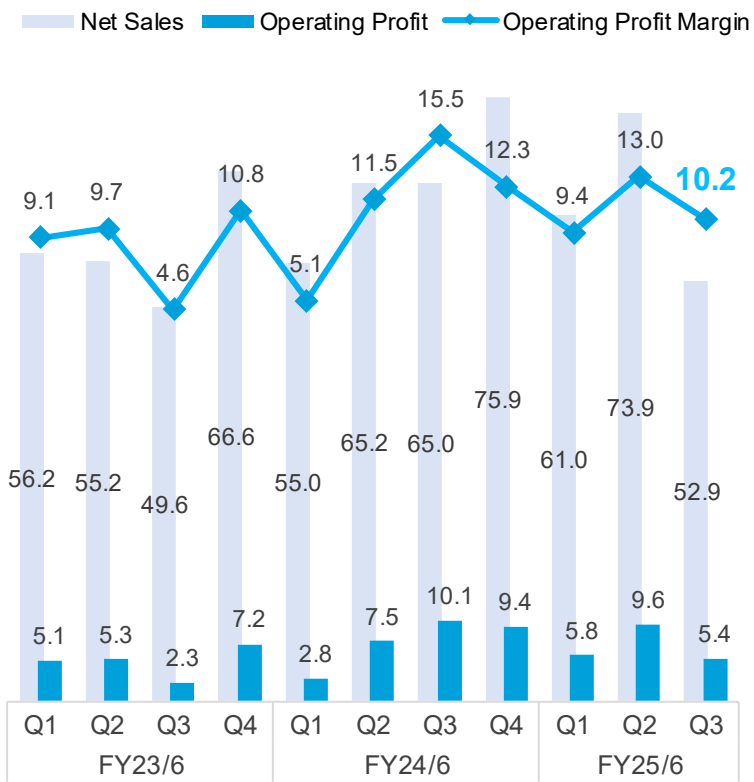
Gross Profit Margin

(Unit: ¥ 1 billion, %)



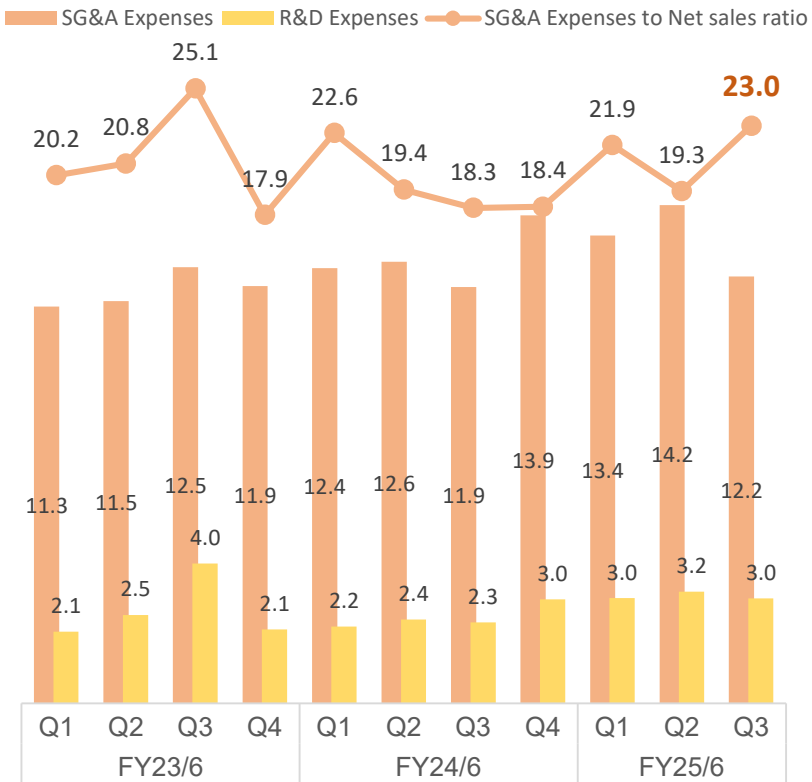
Operating Profit Margin

(Unit: ¥ 1 billion, %)



S.G.&A. Expenses

(Unit: ¥ 1 billion, %)



» **Gross Profit Margin:** Despite a decline in net sales, the gross profit margin in Q3 improved to 33.3% due to a better product mix and contributions from high-margin projects.

» **Operating Profit Margin:** The operating profit margin declined due to a decrease in net sales.

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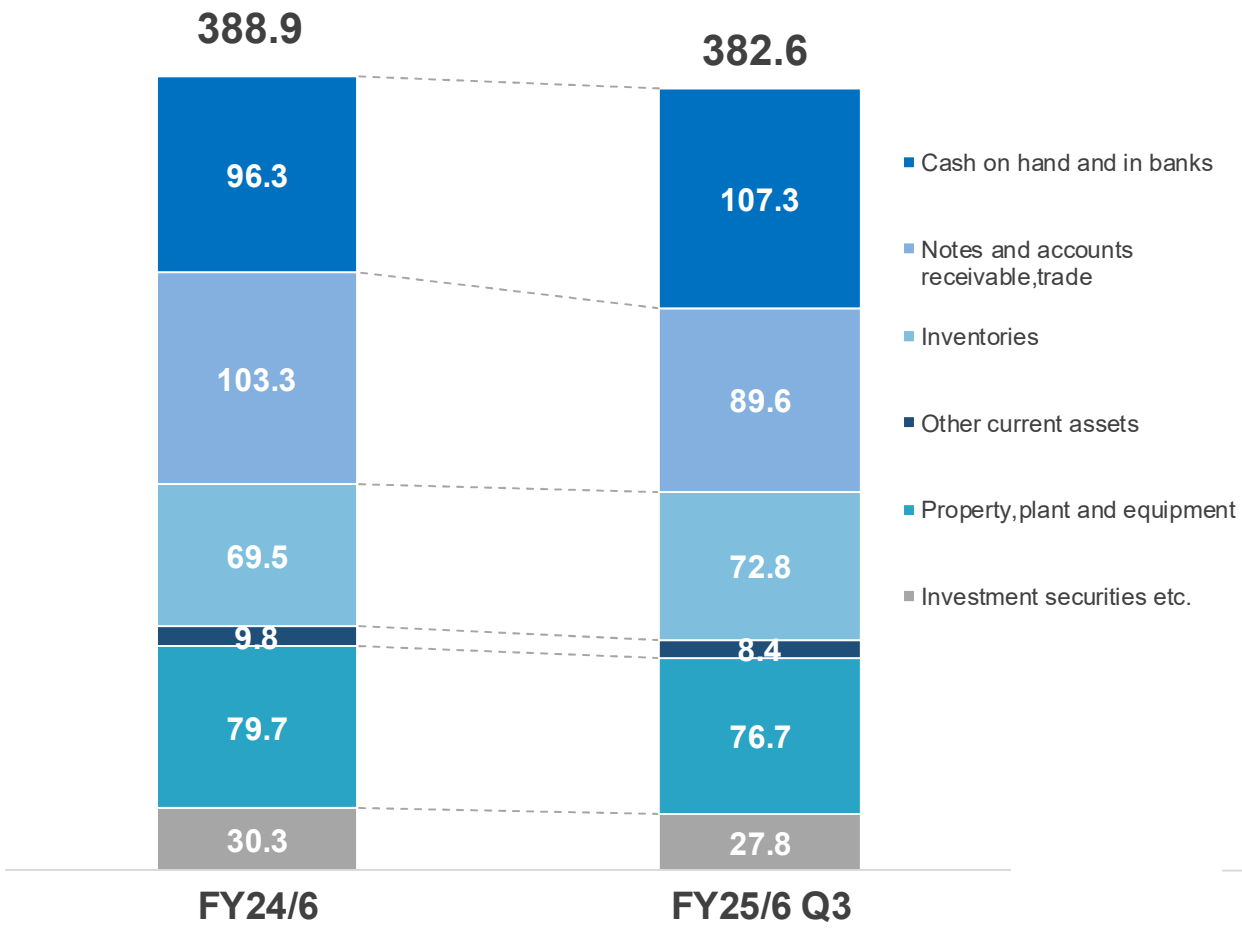
Consolidated Balance Sheet

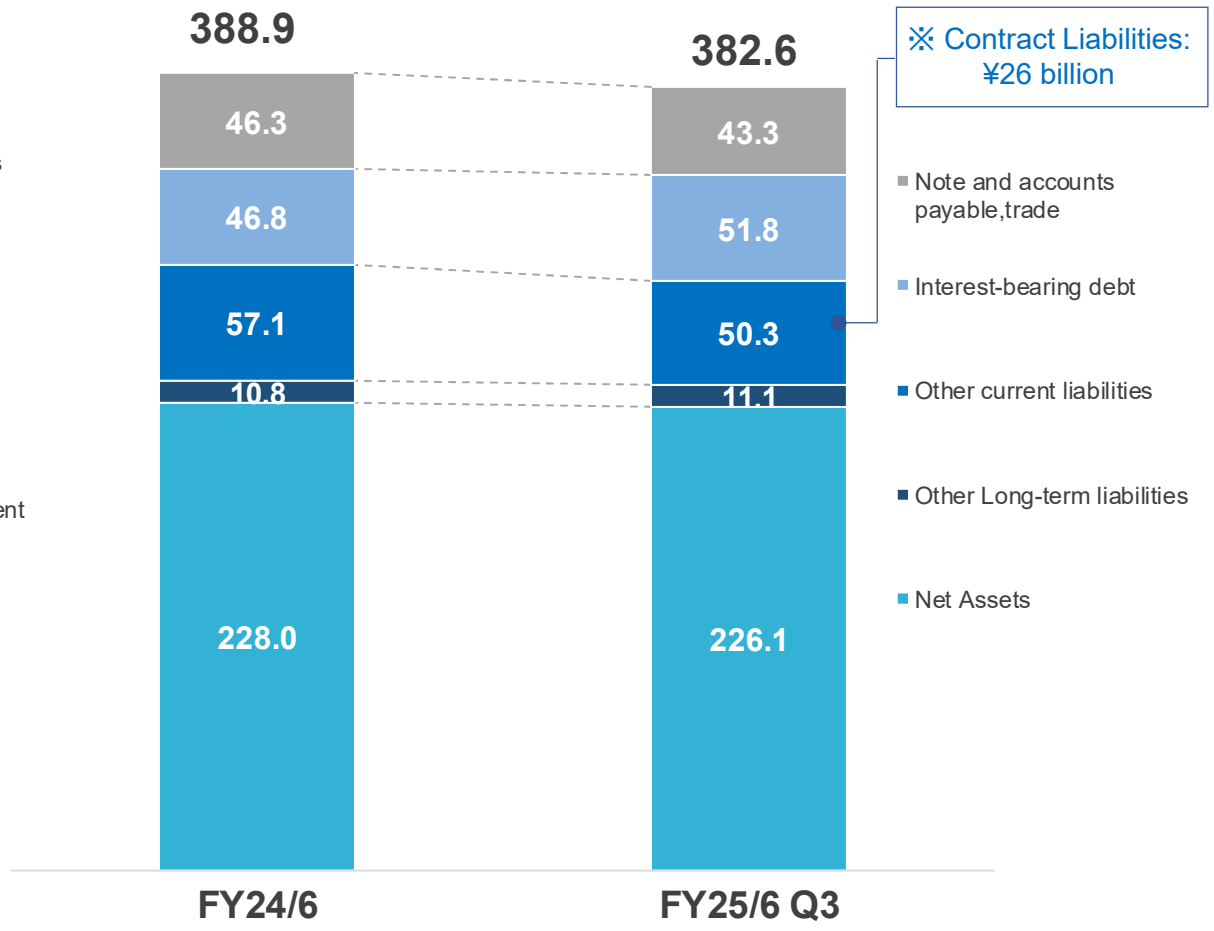
Assets

(Unit: ¥1 billion)



Liabilities and Net Assets

(Unit: ¥1 billion)



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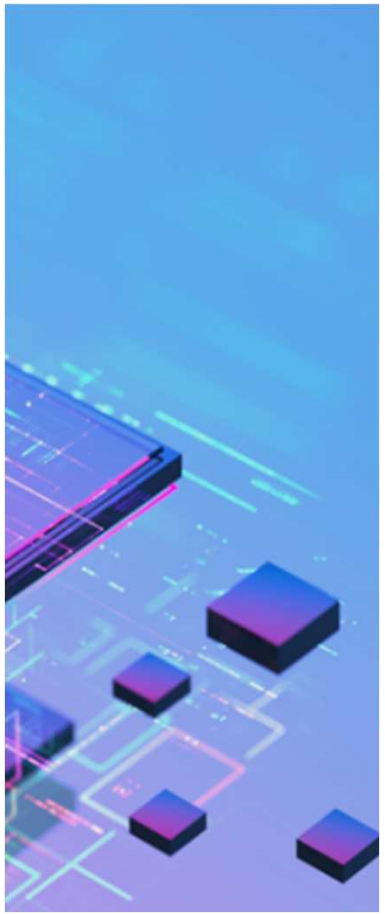

FY25/6 Earnings Forecast

FY25/6 Revised Full-Year Forecast

(Unit: ¥1 billion)	FY24/6	FY25/6					
	Actual	Previous Forecast	Latest Forecast	Vs. Previous Forecast		YoY	
				Amount	%	Amount	%
Orders Received	258.2	260.0	230.0	-30.0	-12%	-28.2	-11%
Net Sales	261.1	275.0	250.0	-25.0	-9%	-11.1	-4%
Gross Profit	80.7	89.0	80.0	-9.0	-10%	-0.7	-1%
Gross Profit Margin	30.9%	32.4%	32.0%	-0.4pt	-	+1.1pt	-
Operating Profit	29.8	34.5	27.0	-7.5	-22%	-2.8	-9%
Operating Profit Margin	11.4%	12.5%	10.8%	-1.7pt	-	-0.6pt	-
Profit attributable to owners of parent	20.2	23.0	17.0	-6.0	-26%	-3.2	-16%
To net sales ratio	7.7%	8.4%	6.8%	-1.6pt	-	-0.9pt	-
Dividend per share(Yen)	144.0	164.0	164.0	0		+20.0	

» **Orders Received**: Revised downward to ¥230 billion due to a slowdown in EV-related businesses.

» **Net Sales and Profit Margins**: Adjusted full-year forecast downward due to reduced Orders received but expect an improvement in the Gross profit margin to 32%.

» **Dividends**: Maintained the previously forecasted dividend, emphasizing stable shareholder returns.

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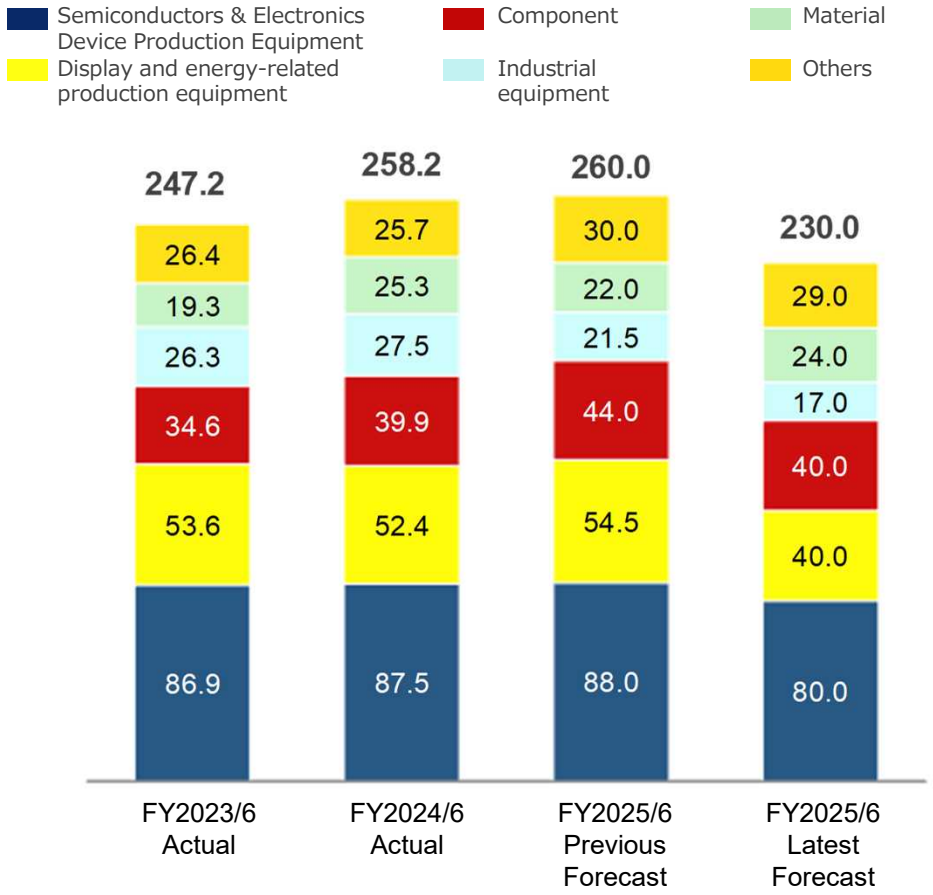
FY25/6 Earnings forecast（Orders received/Net Sales）

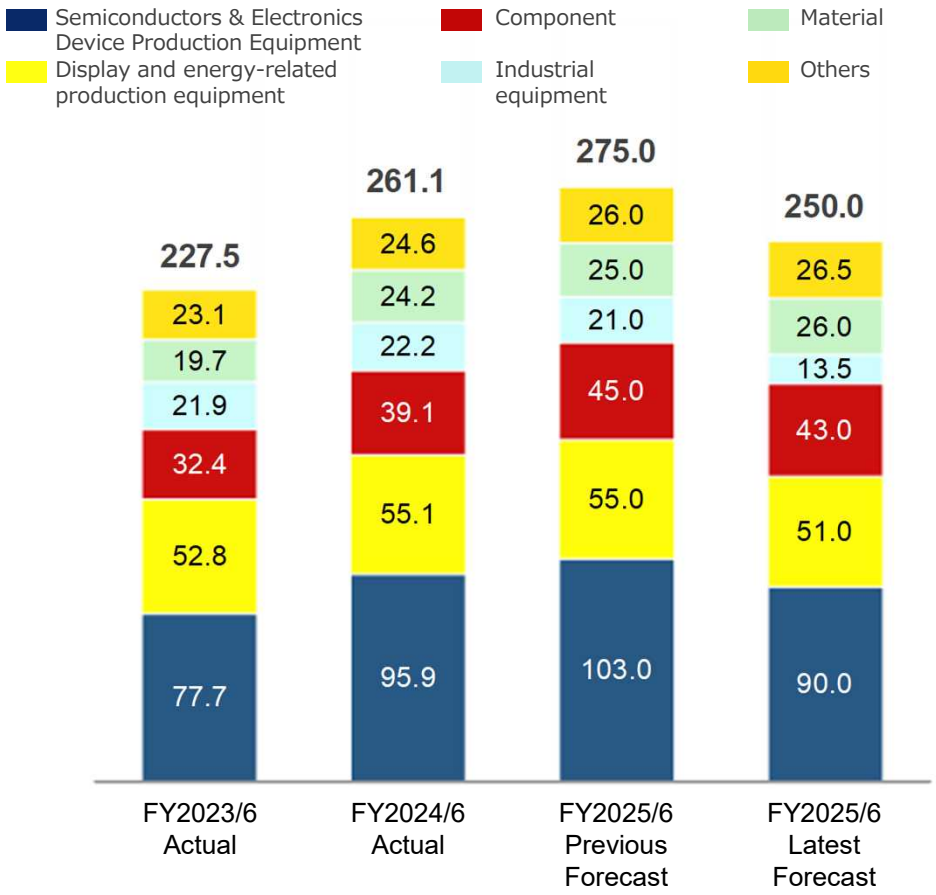
Orders Received

(Unit: ¥1 billion)



Net Sales

(Unit: ¥1 billion)



» **Orders Received**: Decreased due to a slowdown in investments in power devices and battery businesses.

» **Net Sales**: Declined as some orders received during the fiscal year, which were scheduled to be recorded as sales within the same period, were deferred to the next fiscal year.

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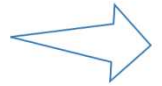
Market Environment and Investment Trends

Item	Market Environment / Investment Trends	CY25
Semiconductors Logic & Memory	• DRAM: Recovery driven by smartphone and AI demand, with continued investment in HBM-related projects. • NAND: Expansion expected due to storage and generative AI-related demand. • Advanced Logic: Investments in next-generation nodes gaining momentum.	
Various Electronic Devices	• Expansion of WLP (Wafer Level Packaging) business for generative AI. • Active investment in PLP (Panel Level Packaging) development.	
Power Devices	• While EV demand slows and investment in 8-inch SiC transitions, long-term growth is expected.	
Display	• Sustained contributions from additional and modified equipment projects for tablet and automotive OLED applications.	
Battery related	• Increased testing of aluminum double-sided evaporation films by battery manufacturers, with long-term growth expected in copper double-sided evaporation films and lithium films.	
Components, General Industry, Materials, and Others	• Stable performance as a foundational business, supported by active capital investment in semiconductors and electronics. • Strong demand for surface analysis systems driven by active R&D in advanced devices.	

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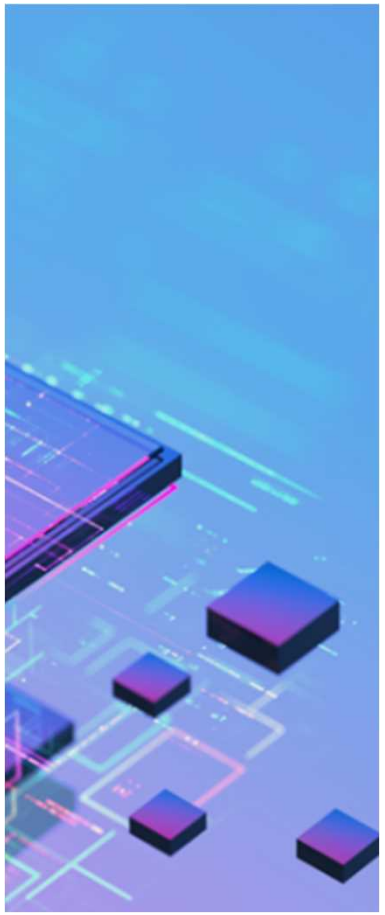

New Mid-to-Long-Term Management Plan ~Value-Up Plan~

New Mid-to-Long-Term Management Plan ~Value-Up Plan~

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» Aiming to achieve high growth and high profitability, we intend to accelerate the shift to a business portfolio centered on semiconductors and electronics, in order to enhance corporate value and improve reputation in the capital markets.

■ **A new "Value-Up Plan"** has been formulated, aiming to establish a lean management and profit structure.

Current Issues

- Changes in the external environment
- Expansion of the semiconductors and electronics business
- Improvement in production efficiency
- Strategic selection and concentration of business segments

Business portfolio centered on Semiconductors and Electronics

- Accelerate focus on semiconductors and electronics
- Create new semiconductors and electronics-related businesses by leveraging synergies across business segment

Growth Strategy

Business Reforms

- Scale down or withdraw from low-profit businesses
- Restructure and streamline group companies and production sites
- Reduce fixed costs through optimizing personnel and SG&A expenses

Production Reforms

- Improve production efficiency at production sites
- Enhance profitability through Modular Design

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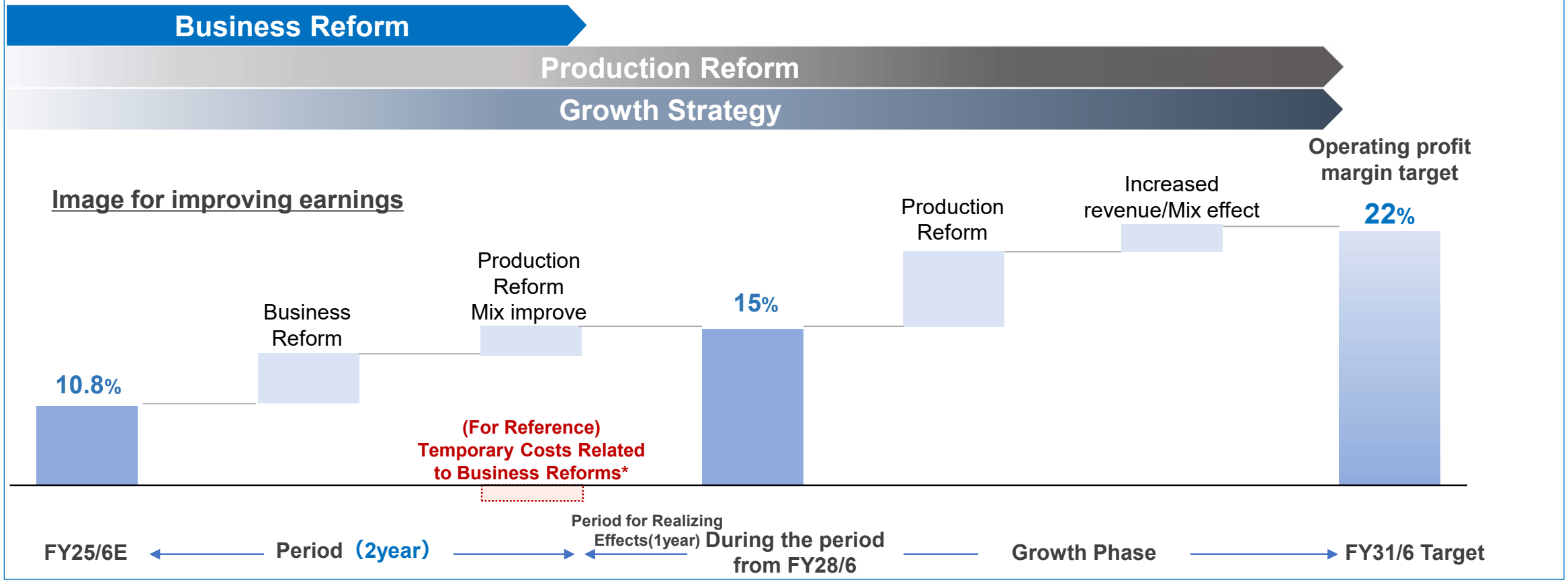
Background and for the Mid-to-Long-Term Plan (6 Years)

» To ensure sustainable growth, immediate business reforms are essential. Therefore a six-year mid-to-long-term management plan has been formulated, consisting “Business Reform” “Production Reform” and “Growth Strategy”

- Boldly implement business reforms in the first 2 years by complete resource optimization measures to establish a lean and resilient management structure
- Maximize the full effects of reforms from the 3rd year, ensuring sustainably high growth and high profitability



*There is a possibility that temporary costs (non-operating) may impact net profit through FY2027/6 due to business reforms. The company plans to proceed with estimates regarding these costs.

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»Complete Optimization of Management Resources Within 2 Years through FY27/6

- Accelerate selection and concentration through business portfolio review, including FPD-related businesses
- Contribution to Profitability expected from FY28/6

Business Reforms 1st-2nd year

- Scale down or withdraw from low-profitability
- Restructure and streamline group companies and production sites
- Reduce fixed costs through optimizing personnel and SG&A expenses

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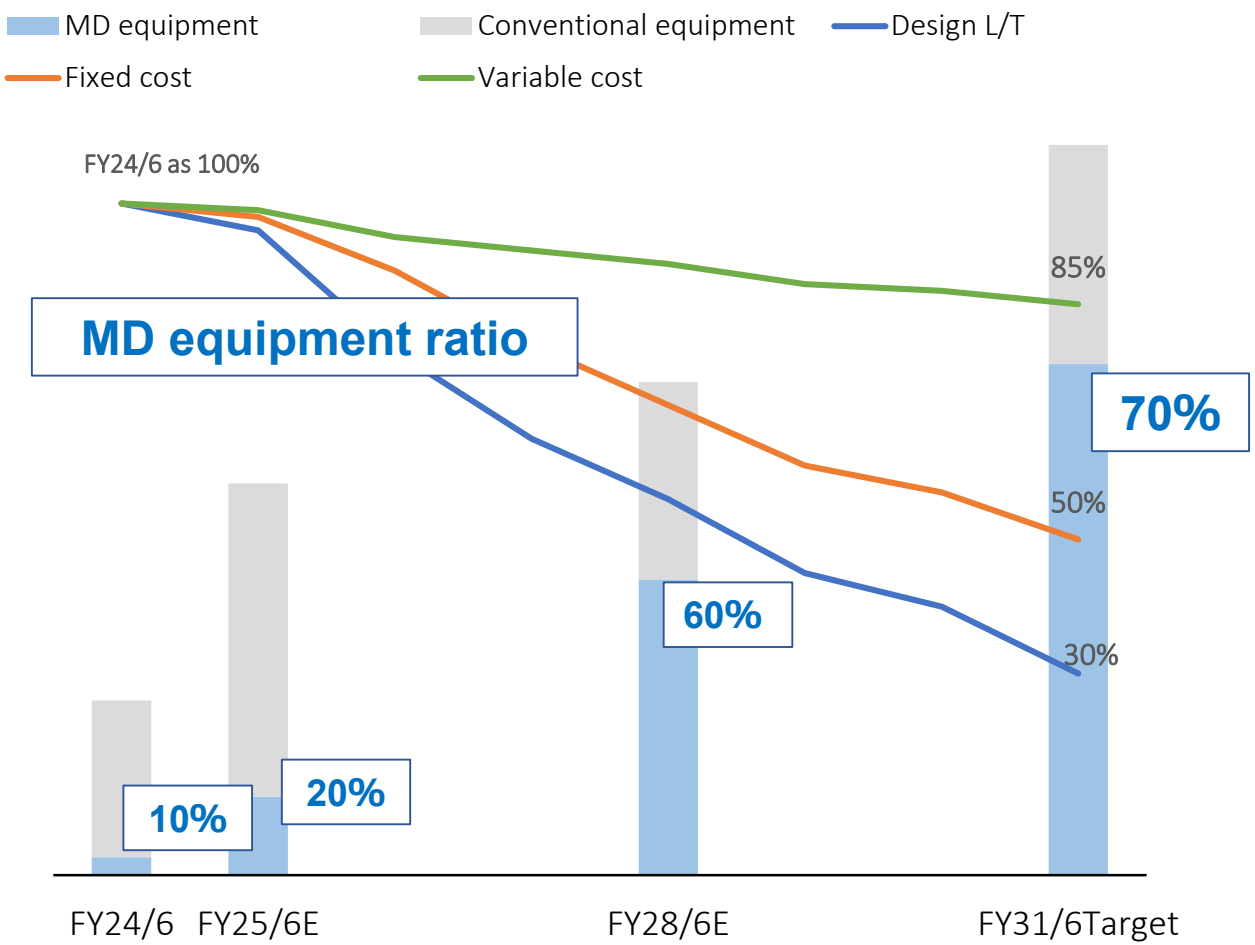
Production Reforms through Modular Design

» Increase the proportion of MD*1 equipment mainly for semiconductors and electronics to respond quickly to customer needs and improve profitability.

➢ We have been reviewing our production system and have proceeded to build a system for Modular Design, and the effects of it will begin to emerge from this fiscal year. Productivity gains are sure to follow.



*1 MD： Modular Design *2 L/T：Lead Time

(Design)
Modular Design（MD）

Design L/T 70% down

Reduction in design workload, Shortening of lead times (L/T)*2

- Achieving Customer Specifications Without Changing Blueprints (Interchangeable Design)

(Procurement/Production)
Planned production

Valuable cost ratio 15% down

Shortened procurement lead times (L/T) and reduced variable costs (%)

- Cost Reduction Through Standardized Components and Planned Bulk Procurement
- Component procurement aligned with assembly schedules.

(Manufacturing/Testing)
Standardized assembly

Fixed cost ratio 50% down

Shortened Manufacturing Lead Times, Increased Shipment Volumes, and Reduced Fixed Costs (as a percentage)

- Optimized production through standardized assembly and planned manufacturing.

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» Strengthen the business portfolio to achieve high growth and high profitability

Further Growth Centered on Semiconductors and Electronics

- Create new semiconductors and electronics related businesses by leveraging synergies across business segment
- Accelerating Growth in the semiconductors and electronics business
- Develop new opportunities in AI-related business

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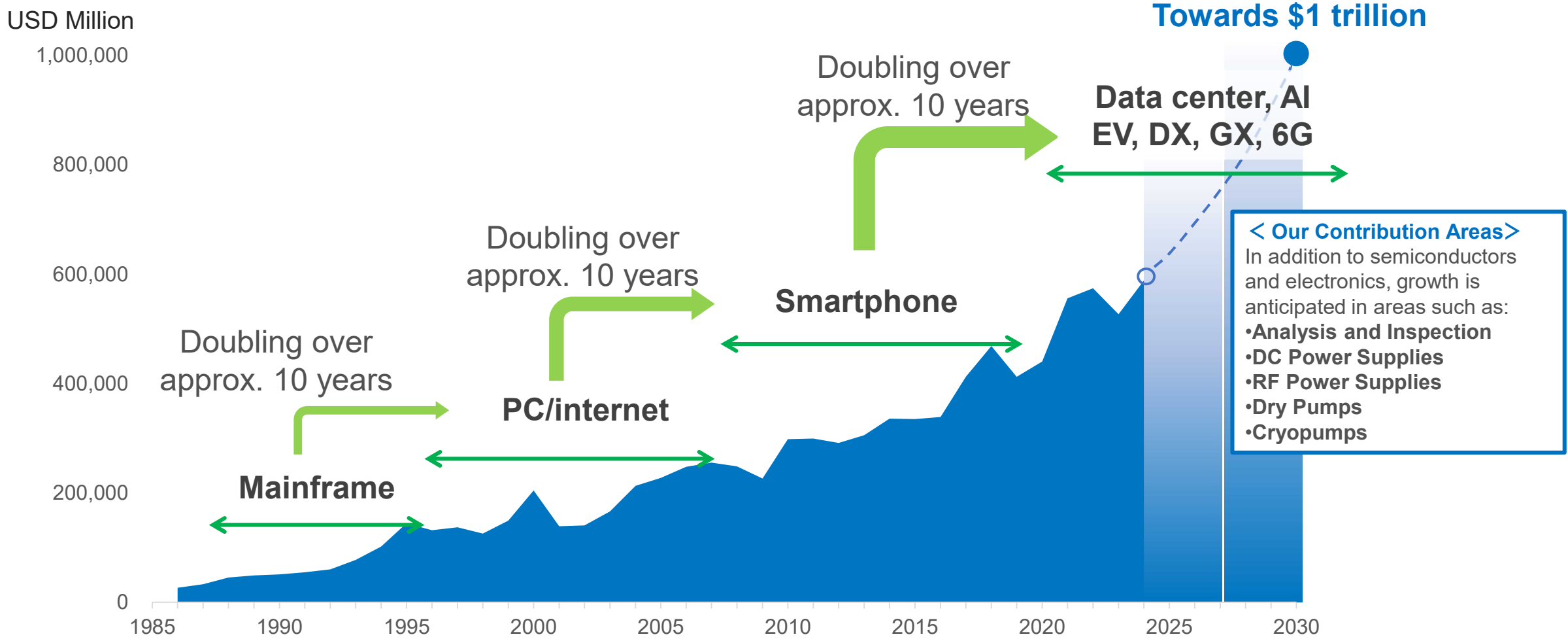
Growth Strategy Semiconductors and electronics Market Expected to Reach $1 Trillion by 2030

» The semiconductors and electronics market is expected to grow to $1 trillion by 2030.

Growth of the semiconductors and electronics Market



Source: WSTS、SEMI

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AI-Related Business Expansion（Logic/ Memory/ Packaging）

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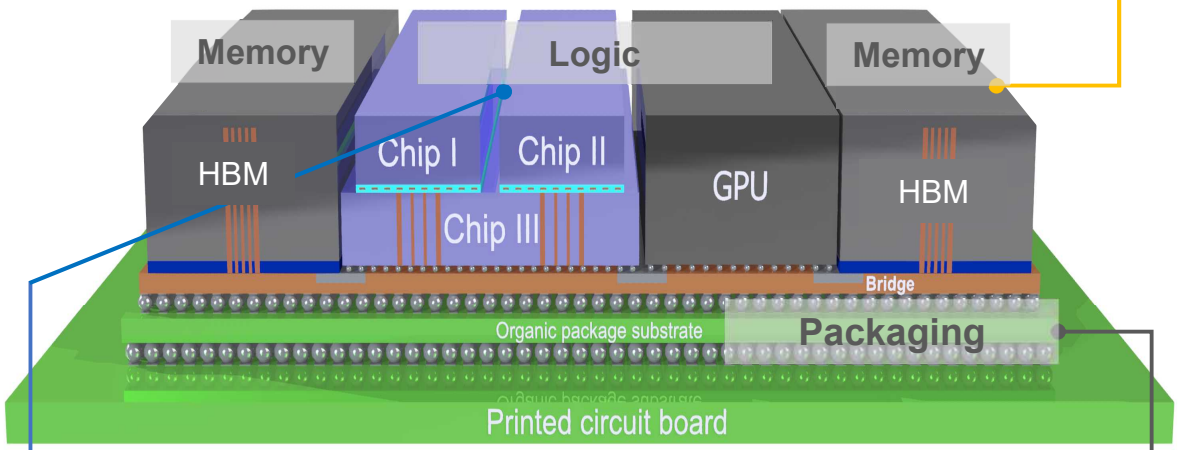
Cutting-edge AI Semiconductor Packaging



Memory (DRAM/NAND) Business

- **HBM Processes**: Expansion of metal redistribution layers
- **Wiring Processing**: Adoption of MHM (Metal Hard Mask) in DRAM due to miniaturization
- **Low-Resistance Wiring**: Deployment of low-resistance and new materials

Effect: Orders received expected to increase by 3.6x*

Logic/Foundry Business

- **TiN MHM**: Broad adoption from advanced to mature nodes
- **HM Applications**: Expansion to functional films and FEOL (Front End of Line) processing
- **HM Line-Up**: Acquisition of processes beyond TiN MHM
- **Metal Wiring Layers**: Securing wiring processes in advanced logic

Effect: Orders received expected to increase by 2.4x*

Packaging Business

- **Residue Removal**: Transition from wet to dry processing
- **Metal Wiring Layers**: Accelerated adoption of PVD (Physical Vapor Deposition) due to miniaturization
- **Panel-Level Packaging**: Full-scale implementation begins

Effect: Orders received expected to increase by 2.2x*

*** Effect by FY31/6 vs. FY25/6**

☆ For detailed explanations of each term, please refer to the "Glossary" section later in this document.

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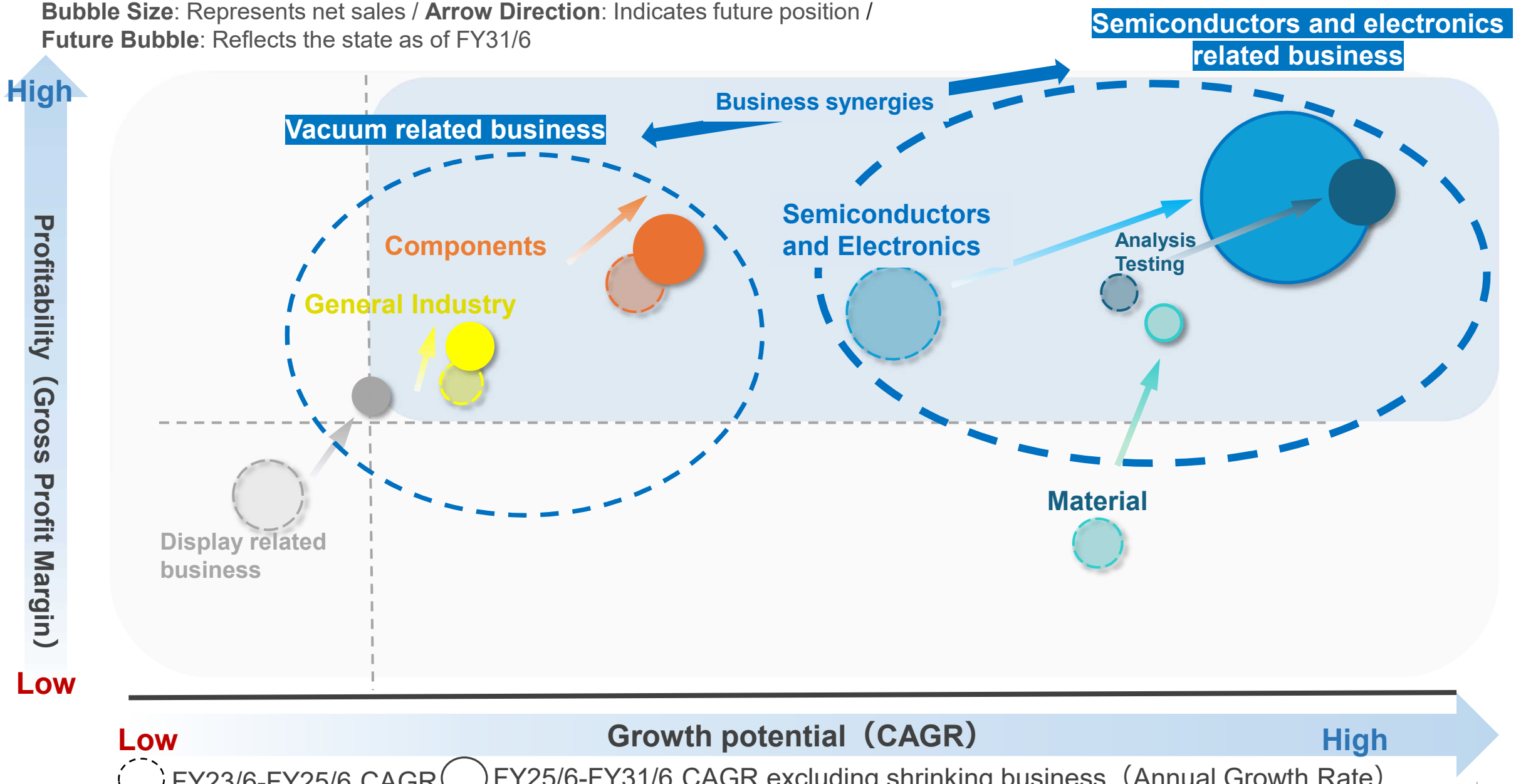
Growth Strategy　Business Portfolio Strategy Image

Bubble Size: Represents net sales / **Arrow Direction**: Indicates future position /
Future Bubble: Reflects the state as of FY31/6



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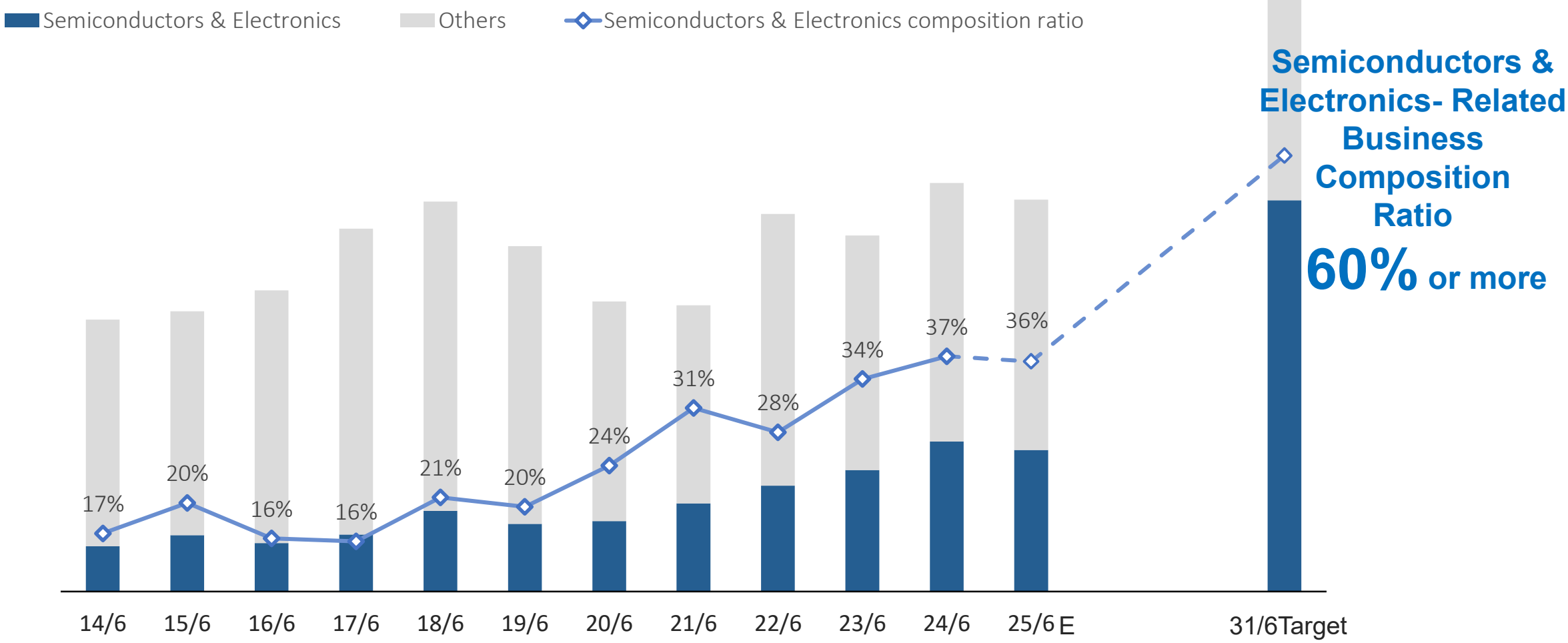
Growth Strategy Transition of Semiconductor & Electronics Composition Ratio

» Based on the lean structure achieved through the Value-Up Plan, we will accelerate our focus on semiconductors & electronics and create new semiconductor & electronics-related businesses by leveraging synergies across business segment to achieve high growth and high profitability.



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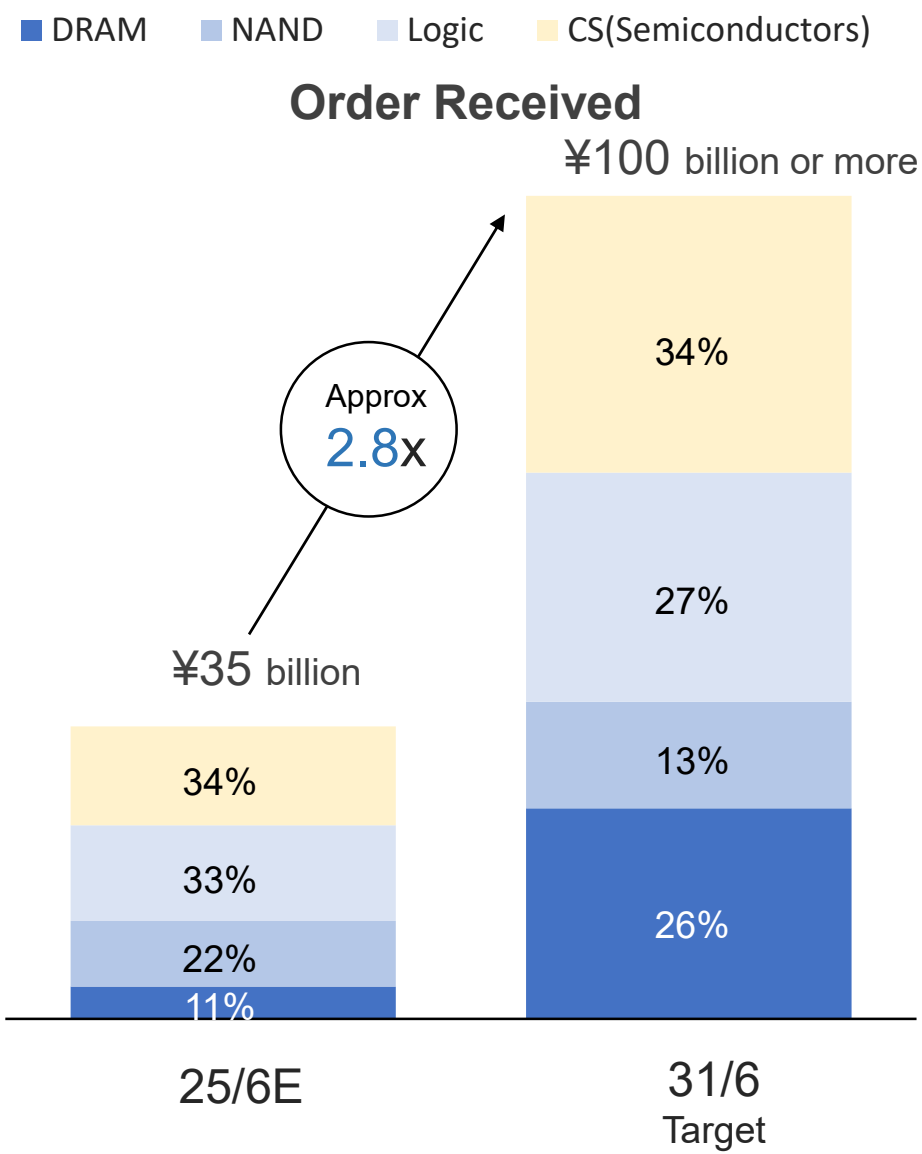
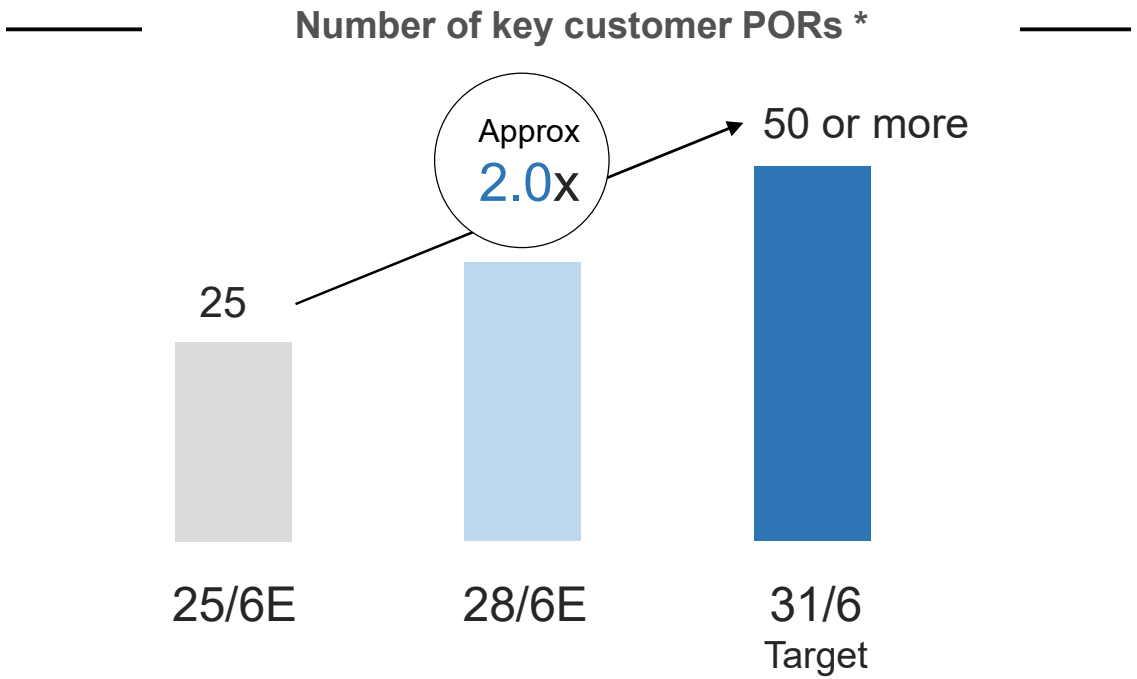
Growth Strategy Semiconductor Growth Scenario



Specific Growth Strategies

- Apply HM (Hard Mask) technology to high-density functional films.
- Establish a top position in HM processes and expand into Cu wiring applications.
- Expand PVD market share by securing advanced logic Cu wiring and post-Cu wiring processes.
- Expand and deepen the CS (Customer Support) business.



*Process of Record： Certification process for mass production

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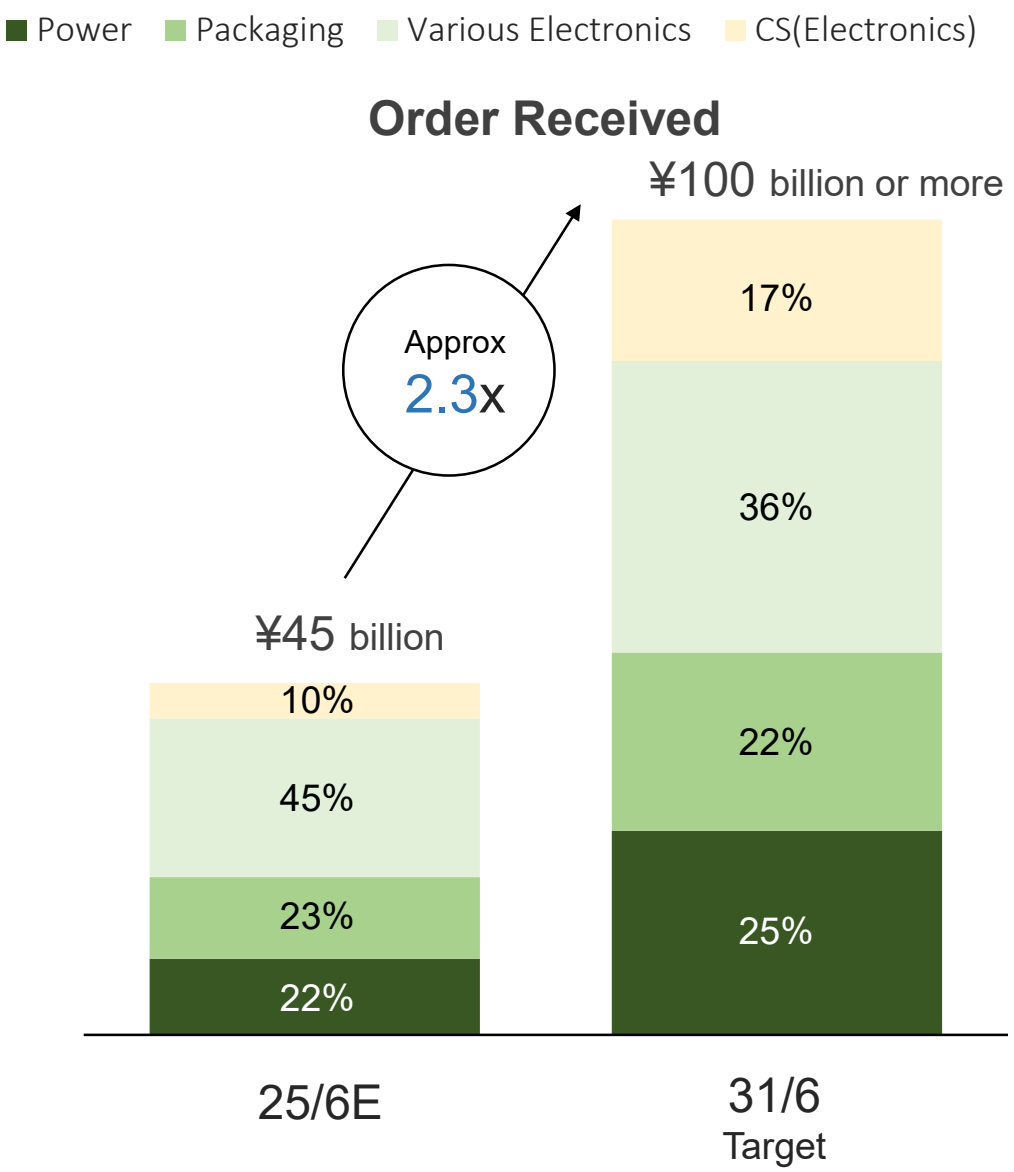
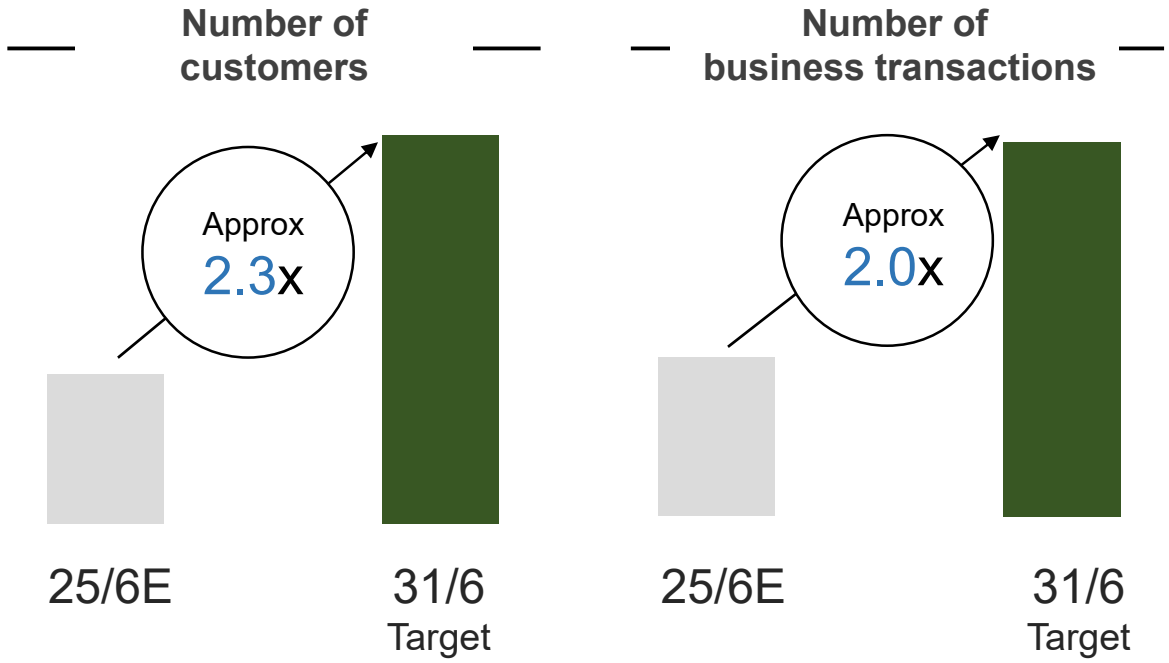


Specific Growth Strategies

- Expand applications to support GaN mass production in addition to SiC sputtering and ion implantation.
- Capture new processes and benefit from increased investment in advanced packaging.
- Develop optoelectronic fusion businesses through mass production of TFLN (Thin Film Lithium Niobate) etching, contributing to the miniaturization of communication devices.
- Expand and deepen the CS business.



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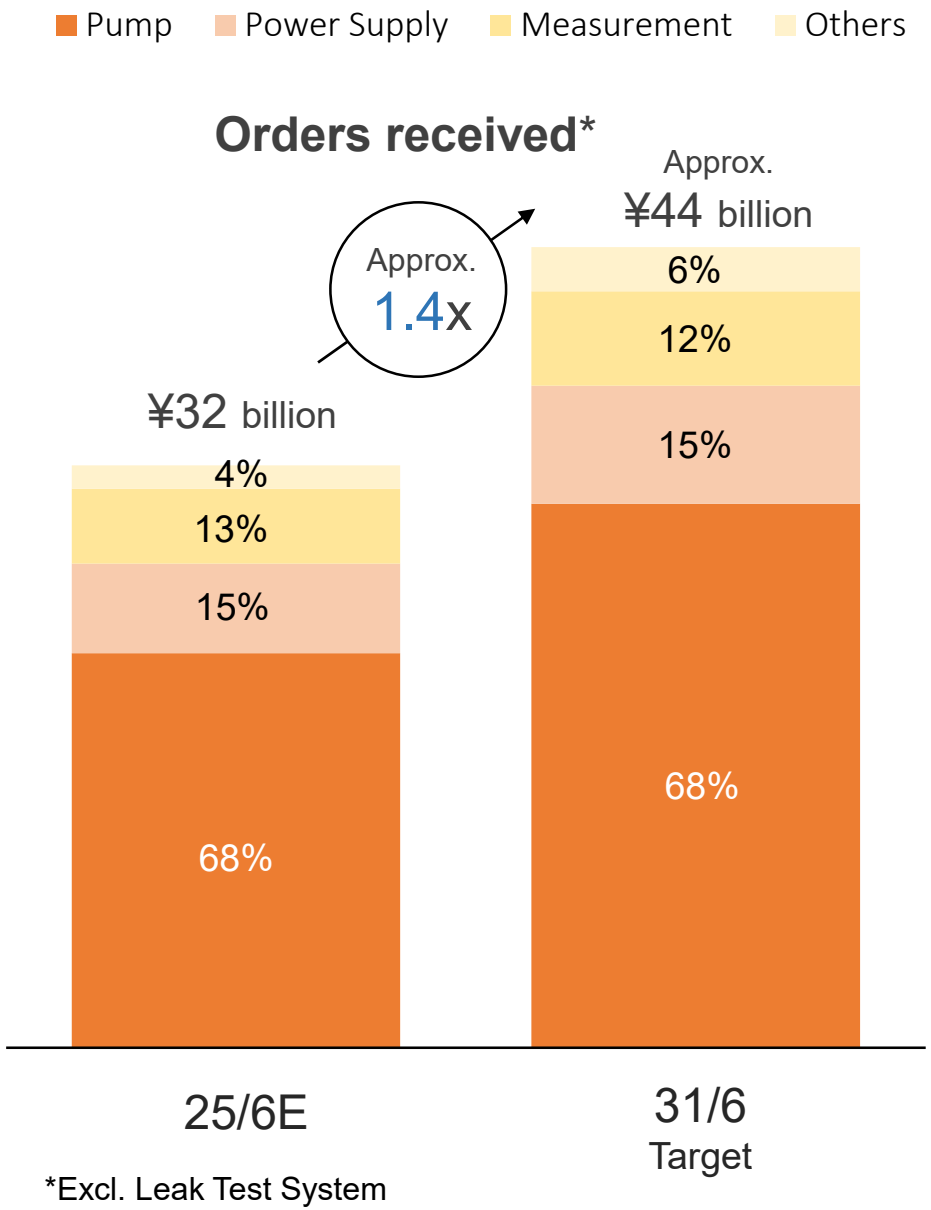
Business Synergies Component Growth Scenario

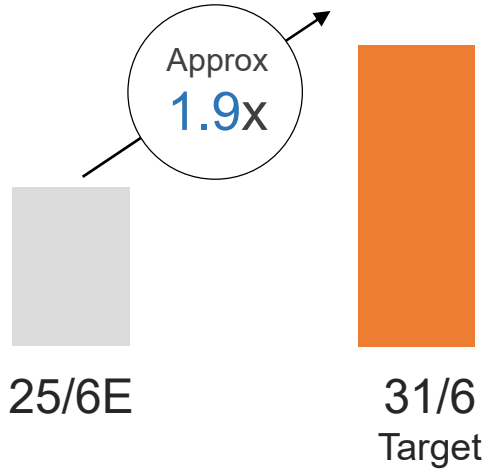


*Excl. Leak Test System

Specific Growth Strategies

- Launch new products for semiconductors and electronics, including DC power supplies, RF power supplies, dry pumps, and cryopumps.
- Develop cryogenic equipment for quantum computing.
- Expand business scale through alliances.

Orders forecast for new product related to Semiconductors and Electronics



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Mid-Term Financial Targets KGI

	FY25/6E	FY31/6 Target
Net Sales (CAGR)	¥250 billion	**¥360 billion (CAGR 12%)** *1
Semiconductors and Electronics related business*2		(CAGR 17%)
Operating Profit Margin	10.8%	**22%**
Semiconductors and Electronics related business*2	13.0%	25%
Semiconductors and Electronics related business*2 **Sales Composition Ratio**	36%	**60% or more**

*1 Calculated based on estimated sales after business reform*2 Based on management accounting figures

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Topics

New Long-Term Issuer Rating of "A" from JCR

We have newly obtained a long-term issuer rating of "A" from Japan Credit Rating Agency (JCR). The purpose of obtaining these ratings is to enhance management transparency and strengthen external credibility by receiving objective evaluations from third-party organizations regarding our business activities and financial health.

Developed next-generation dilution refrigerators in collaboration with IBM to support quantum computing advancements.

Superconducting quantum bits (qubits) in quantum computers function only in ultra-low-temperature environments, making advancements in dilution refrigerators essential. Our company develops and manufactures dilution refrigerators and related components in-house, offering products with high cooling performance and scalability.
In Japan's quantum industry, challenges such as long lead times and maintenance issues with overseas products persist. By establishing a domestic production system, we provide rapid support and contribute to the advancement of quantum technology.
Additionally, through collaboration with IBM, we are developing next-generation dilution refrigerator systems, contributing to the global growth of the quantum computing industry and strengthening the supply chain.

Recognition as a "Health & Productivity Management Outstanding Organization 2025 (White 500)"

We have been certified by the Ministry of Economy, Trade, and Industry as a "Health & Productivity Management Outstanding Organization 2025 (White 500).“ Nine domestic group companies have also been recognized in the small and medium-sized enterprise category.
We will continue to prioritize health promotion as a key management issue and further develop our initiatives.

CDP Recognition for "Climate Change 2024" and "Water Security 2024"

We have been awarded a “B” score in the “Climate Change 2024” and “Water Security 2024” reports published by CDP, an international non-profit organization that provides environmental information disclosure systems. This marks the second consecutive year that we have received a “B” score in the climate change category.

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Semiconductor Glossary

PVD（Physical Vapor Deposition）
A thin-film deposition technology, primarily sputtering for ULVAC.

MHM（Metal Hard Mask）
A mask film used in etching processes for wiring layer formation.（Sputtering for ULVAC）

POR（Process of Record）
A certified process used in mass production.

HM（Hard Mask）
A mask layer formed using PVD (Physical Vapor Deposition) or similar methods.

FEOL（Front End of Line）
The initial stage of semiconductor manufacturing, forming transistors and other components on silicon wafers.

BEOL（Back End of Line）
Refers to the latter stage of the semiconductor manufacturing process, where wiring and metal layers are formed to connect devices such as transistors created during the FEOL (Front End of Line) process.

GPU（Graphics Processing Unit）
A processor designed for high-speed rendering of images and videos. It is also suitable for repetitive calculations, such as addition, subtraction, multiplication, and division, in AI inference.

HBM（High Bandwidth Memory）
A next-generation memory technology that stacks multiple DRAMs vertically for high speed and density.

WLP（Wafer Level Package）
A semiconductor packaging technology performed at the wafer level.

PLP（Panel Level Package）
A packaging technology using panel-shaped substrates instead of wafers.

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