

*Innovation begins in a vacuum*

**【Code No:6728】**

# **FY2012 1<sup>st</sup> Quarter Business Result**

**(Year Ending June 30, 2013)**

**ULVAC, Inc.**  
**12<sup>th</sup> Nov.,2012**

◆ **Disclaimer regarding forward-looking statements**

Forward-looking statements of the company in these presentations are based on information available at the time these documents were prepared. ULVAC's customers in the flat-panel display (FPD), Solar cell, semiconductor, and electronic parts industries face the challenge of the rapid pace of technological advances and fierce competition. Consequently, actual earnings may vary substantially from the projections included in these presentations due to a number of factors that could cause, directly or indirectly, performance to fluctuate. The factors that could cause results to differ materially from the statements herein include the world economy; fluctuations in the exchange rate; market conditions for flat-panel displays, semiconductors, and electric devices; and trends in capital investments.

◆ **Data included in the documents are stated as follows:**

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

## Business Conditions for the 1<sup>st</sup> Quarter of the Year Ending June 2013

### ■ Business environment

- ▶ The growth of developing countries, such as China, has slowed down due to the effects of the business climate in Europe.

### ■ Positive factors

- ▶ Robust sales of high-precision mid-size to small liquid crystals (LTPS) for smartphones
  - ◆ Panel manufacturers succeeded in inventory adjustment, and the operation rates of major companies improved.
- ▶ Increased business of products related to medicine and health food, which is associated with an aging society

### ■ Negative factors

- ▶ Investments in liquid crystals for large televisions did not recover, and investments for OLED are postponed.
- ▶ Decreased demand for personal computers resulted in reduced investment in memory.
- ▶ Electronic component manufacturers delayed investments in smartphone-related products.

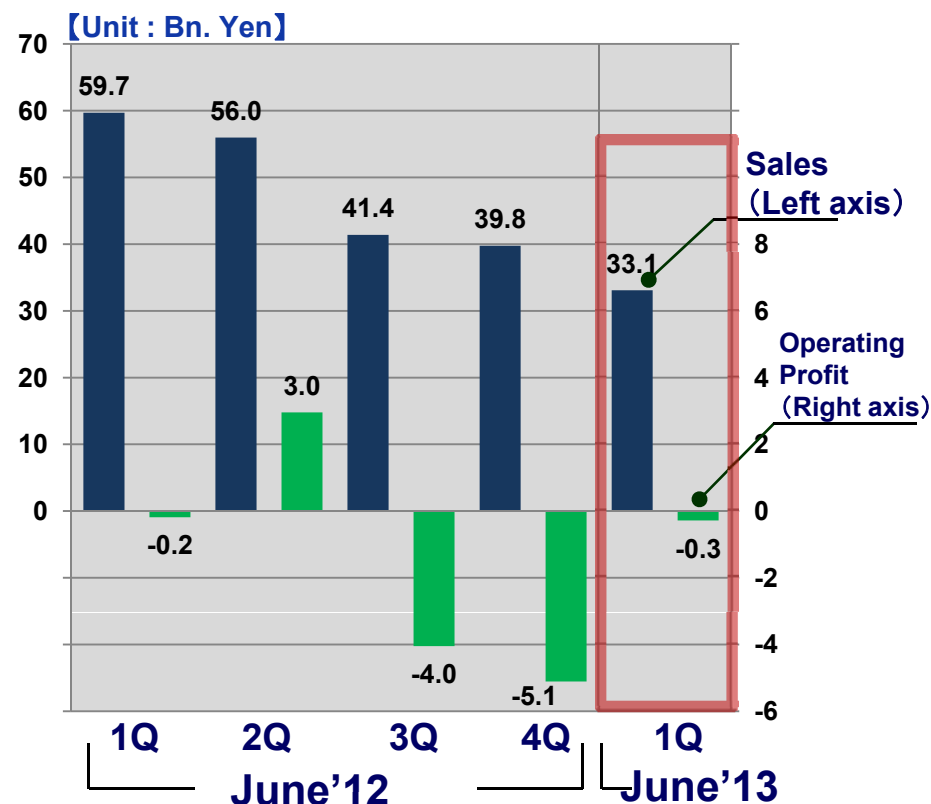
# 1<sup>st</sup> Q(June 2013) Result

The amount of orders received was the same as expected due to the contributions of products in mid-size to small LCDs and others. The sales of some of the FPD production equipments decreased in an unexpected season, and sales were lower than expected. The gross margin ratio of business profit increased through measures, such as cutting costs, resulting in a drastic recovery in sales profit from the last quarter.

【Unit : Bn. Yen】

	June 2012 1Q	June 2013 Result	
		1Q	vs.June'12 1Q (Changes)
Booking	39.1	42.0	7.4%
Back-log	88.9	72.8	—
Sales	59.7	33.1	-44.6%
Gross margin	9.7	7.5	-22.4%
Ratio	16.2%	22.6%	
SGA	9.8	7.8	-2.1
Operating Profit	-0.2	-0.3	—
Ratio	-0.3%	-0.9%	
Net Income	0.2	-1.5	—
Ratio	0.4%	-4.6%	

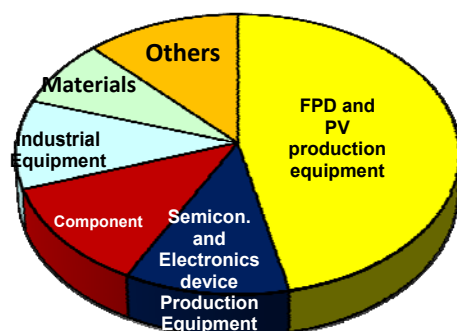
## Sale and Operating Profit



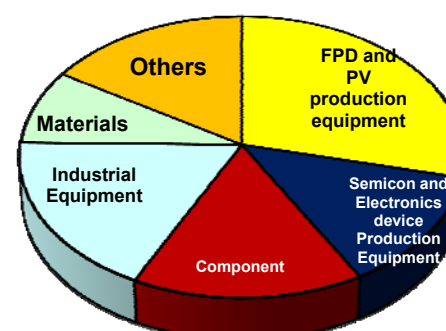
【Figures are rounded off to the nearest unit, and rates are rounded off to the nearest unit after being determined in millions of yen 】

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

## Order received by segment



## Net Sales by segment



【Unit : Bn. Yen】

Segment	1Q		Vs.forecast (1Q)
	Order	%	
Vacuum Equipment Business	33.6	80.0%	↑ ↓ ↓ ↓ ↓ ↓
FPD and PV production equipment	19.6	46.5%	
Semiconductor and Electronics device Production Equipment	4.7	11.2%	
Component	5.0	12.0%	
Industrial Equipment	4.3	10.3%	
Vacuum Application Business	8.4	20.0%	
Materials	3.3	7.8%	↓ ↓
Others	5.1	12.1%	
<b>Total</b>	<b>42.0</b>	<b>100.0%</b>	

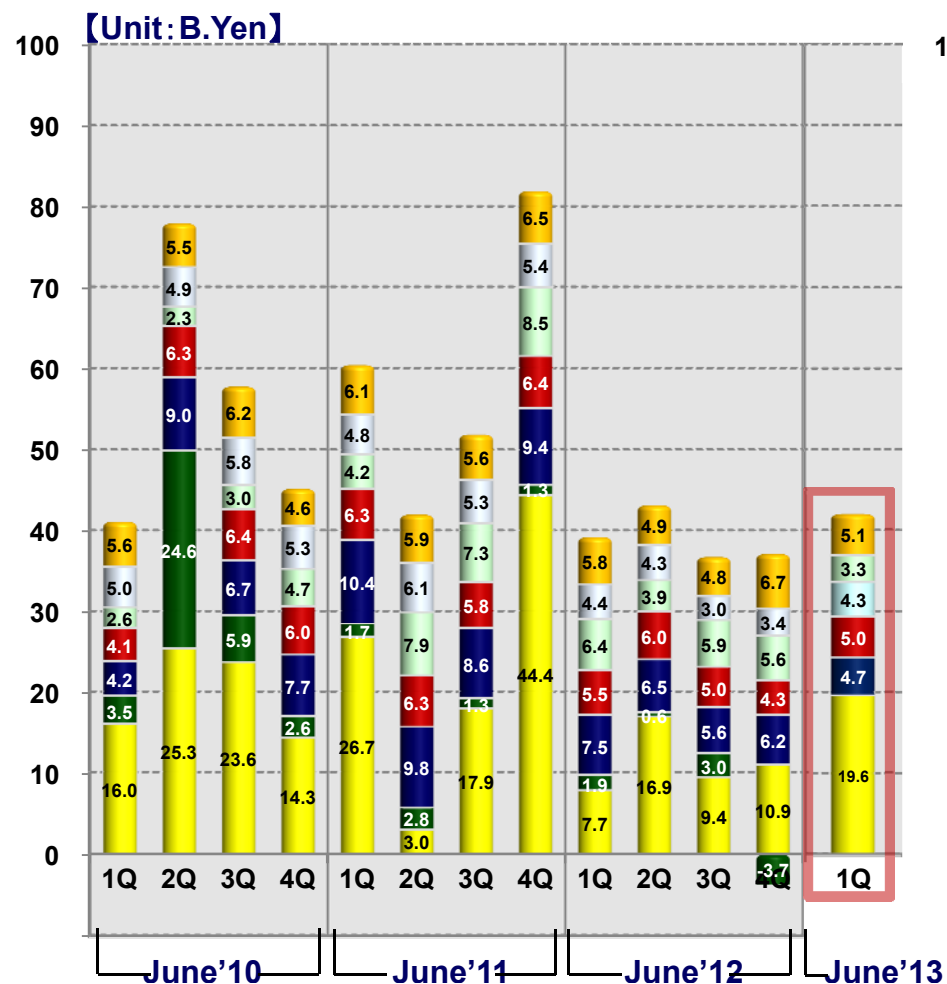
【Unit : Bn. Yen】

Segment	1Q		Vs.Forecast (1Q)
	Sales	%	
Vacuum Equipment Business	24.9	75.2%	↓ ↓ ↑ ↑ ↑
FPD and PV production equipment	9.5	28.7%	
Semiconductor and Electronics device Production Equipment	4.3	13.1%	
Component	5.2	15.6%	
Industrial Equipment	5.9	17.9%	
Vacuum Application Business	8.2	24.8%	↑ ↓ ↓
Materials	2.9	8.6%	
Others	5.3	16.1%	
<b>Total</b>	<b>33.1</b>	<b>100.0%</b>	

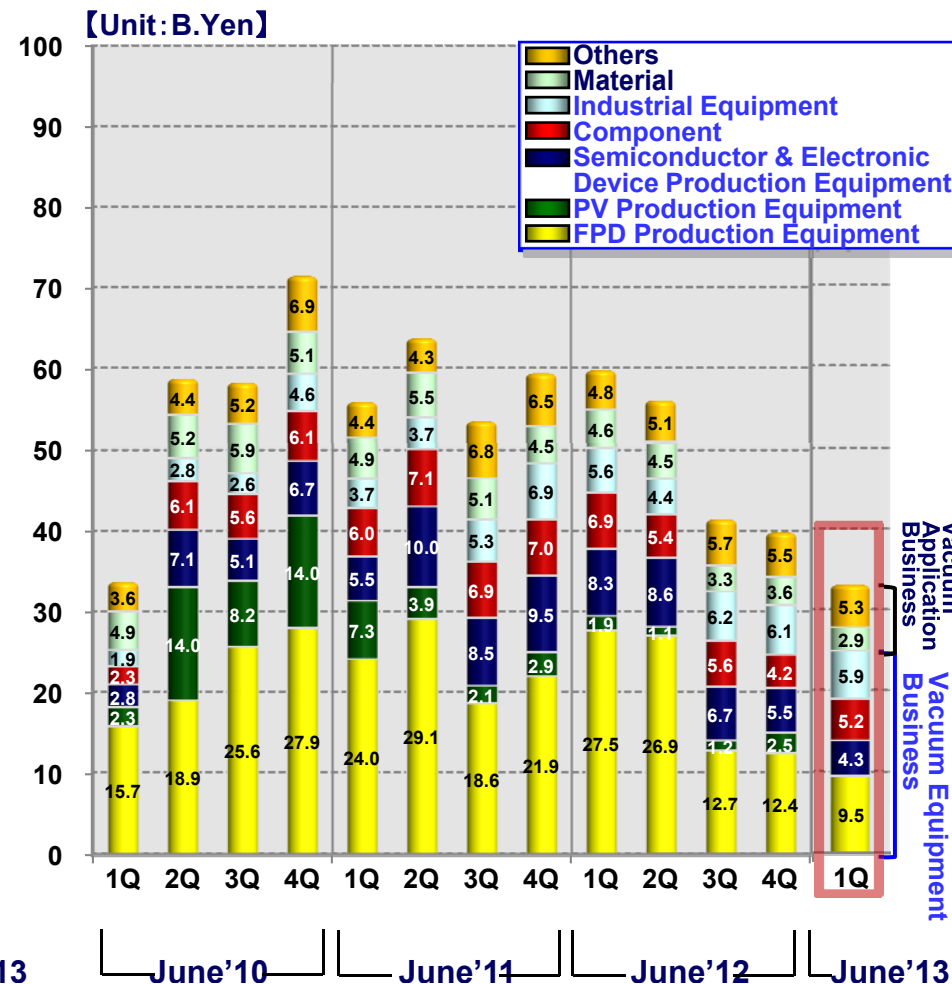
【Figures indicated above are rounded off to the nearest unit and may not coincide with the total.】

# Order Received and Net Sales by Segment(Quarterly base)

## Order Received

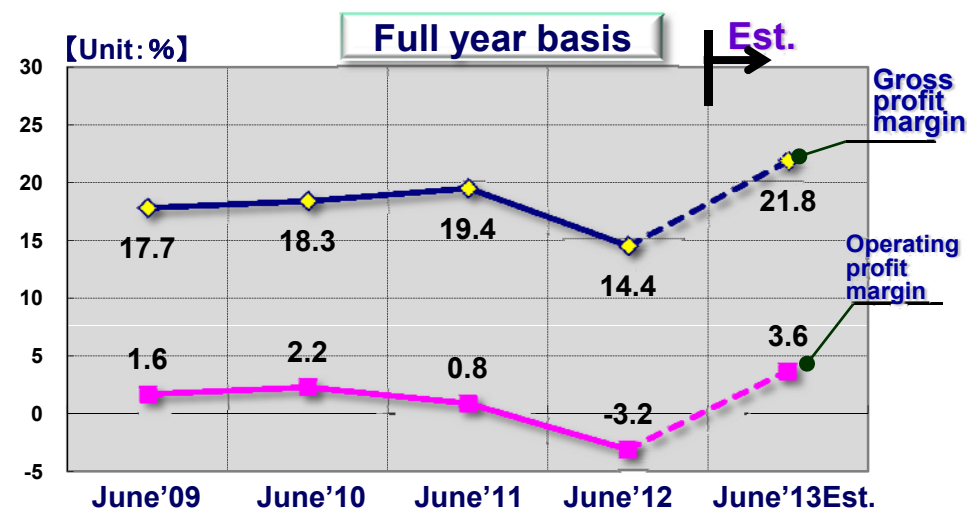
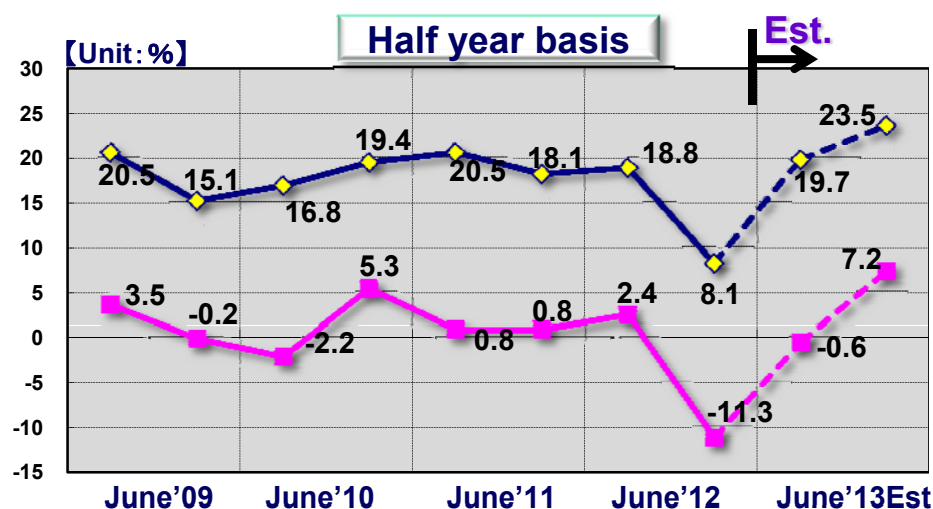
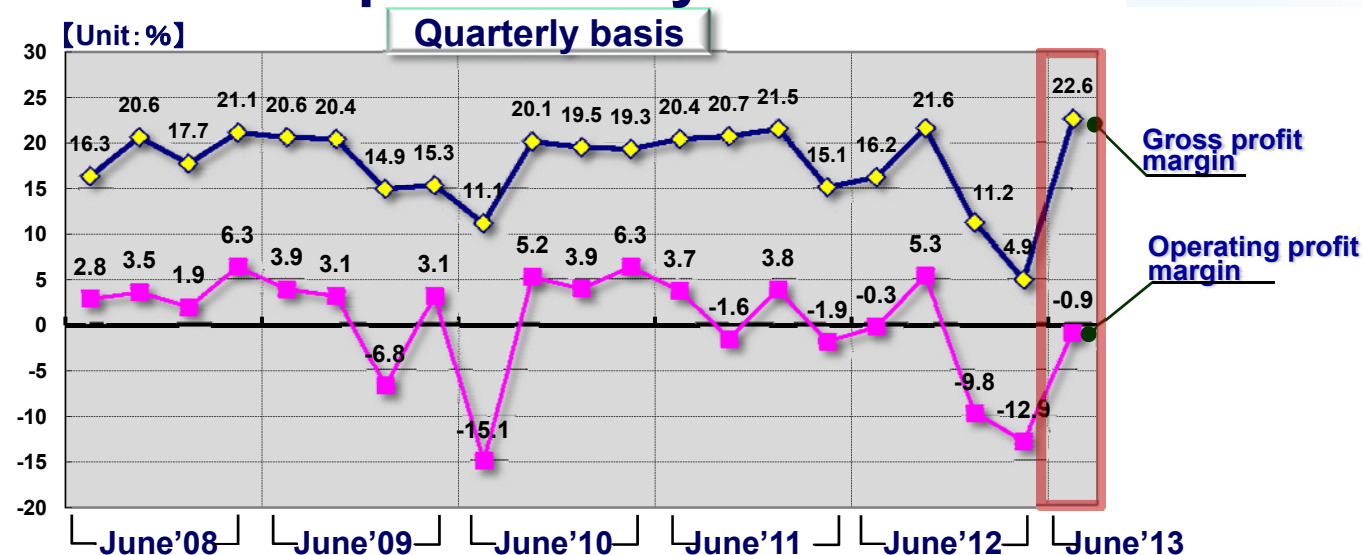


## Net Sales



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

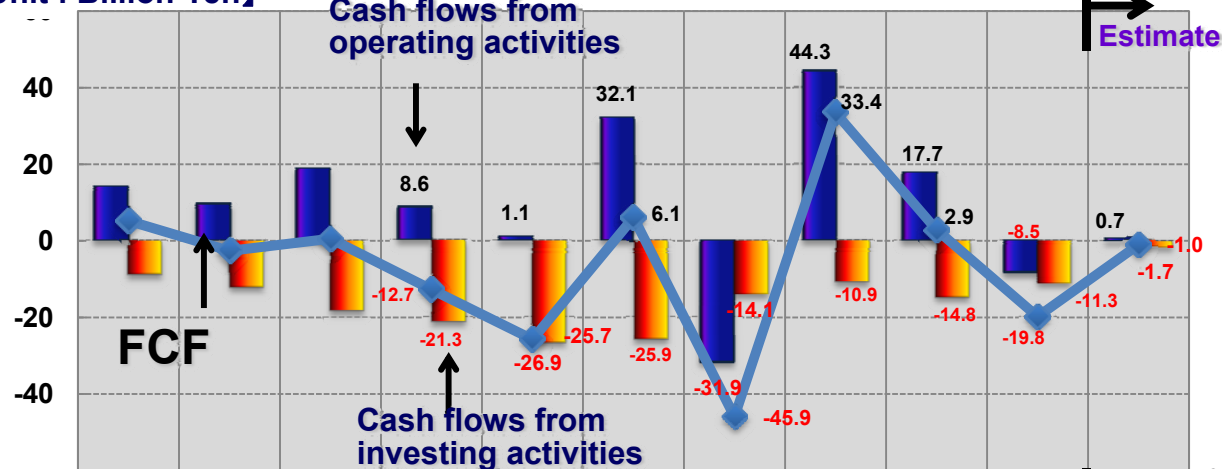
# Outlook for profitability • Estimate



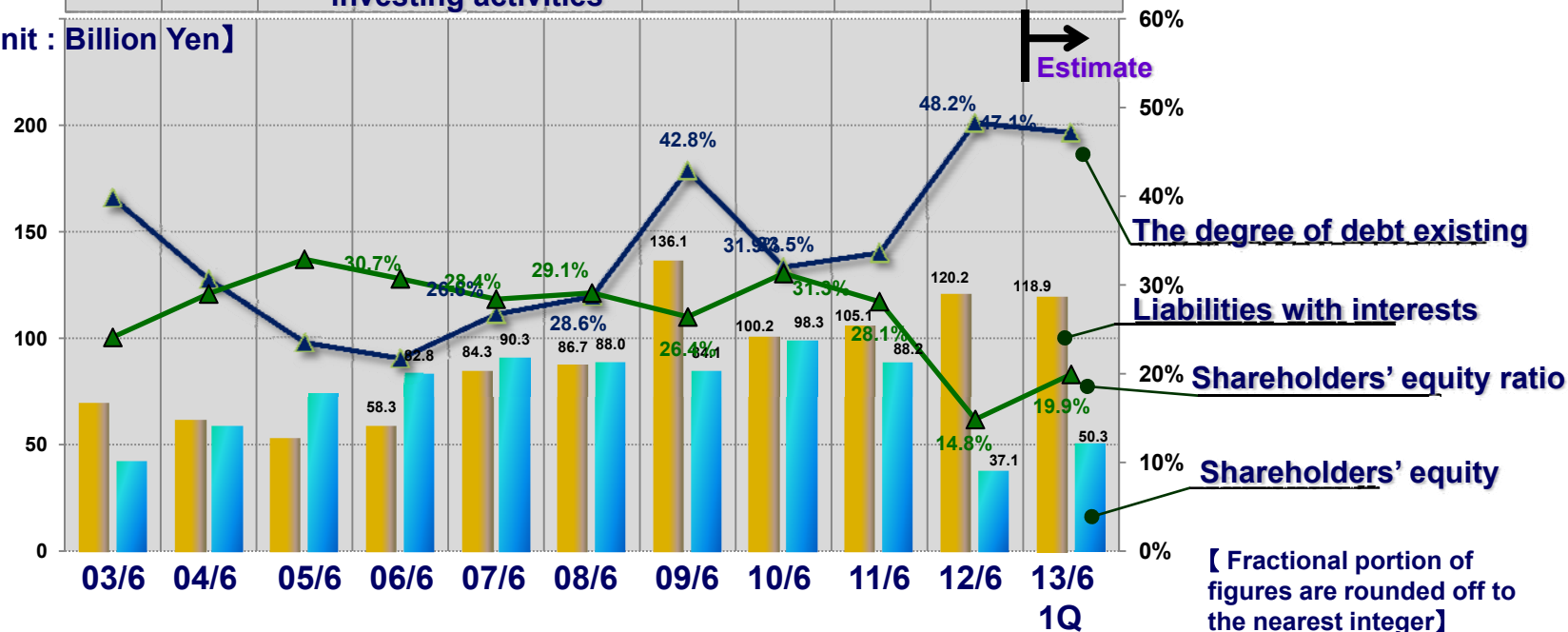
[Figures are rounded off to the first decimal place]

# Cash Flow and Liabilities with Interests · Estimate

[Unit : Billion Yen]



[Unit : Billion Yen]



[ Fractional portion of figures are rounded off to the nearest integer]



## Forecast of June 2013 Full Year

Made a downward revision of the expected value of orders due to the effect of the delayed investments for products related to FPDs and semiconductors.

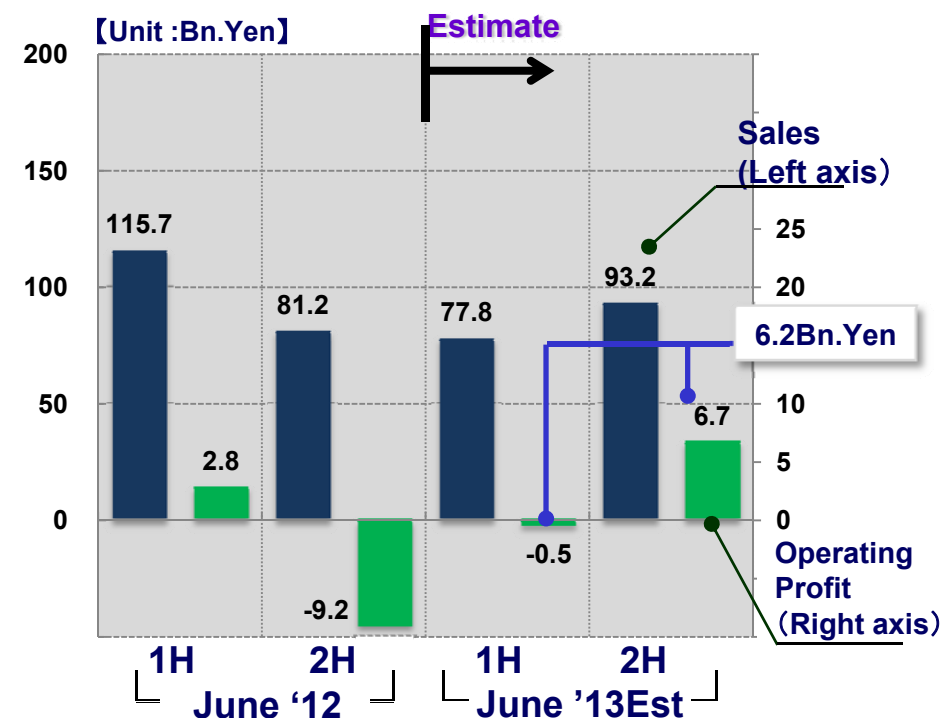
The sales figures for FPD production equipments, semiconductors(SPE), and electronic parts production equipments exhibited downward swings due to the decreased orders.

While the gross margin of the business profit decreased due to the decreased sales, the expected values remained unchanged due to the cuts of fixed costs such as labor cost and expenses.

【Unit :Bn.Yen】

	June '12 Result	June '13 Est			
		2Q(Y-T-D)		Full Year	
		Forecast	Revised	Forecast	Revised
Booking	152.2 ( -35% )	103.7 ( +26% )	84.7 ( +3% )	196.0 ( +29% )	178.5 ( +17% )
Back-log	65.0	89.7	71.9	82.0	72.5
Sales	196.8 ( -15% )	79.0 ( -32% )	77.8 ( -33% )	179.0 ( -9% )	171.0 ( -13% )
Operating profit	-6.4 —	-1.9 —	-0.5 —	6.2 —	6.2 —
Ratio	-3.3%	-2.4%	-0.6%	3.5%	3.6%
Net Income	-50.0 —	-3.6 —	-2.5 —	2.3 —	2.3 —

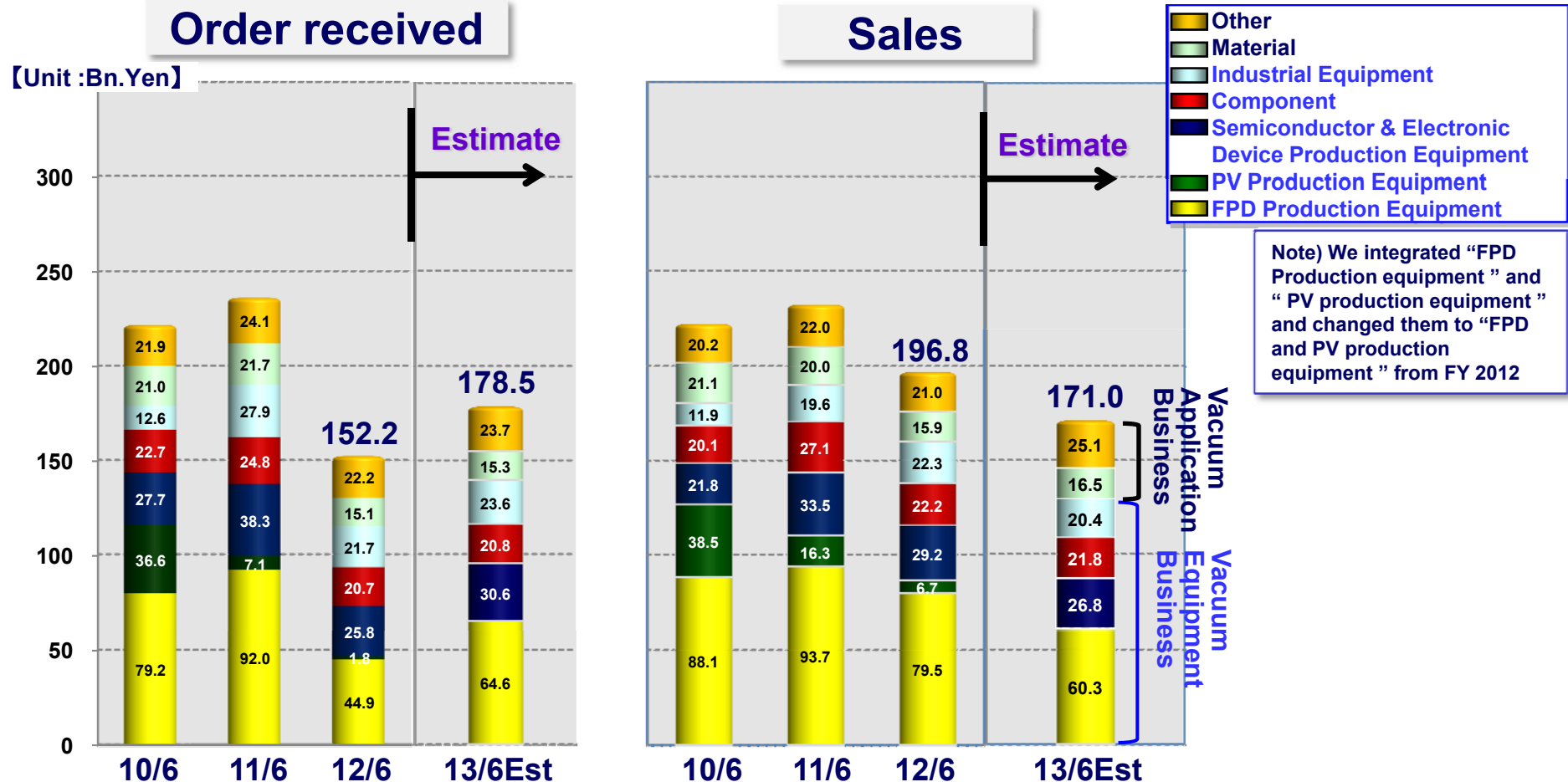
Sales and operating Profit (By half year)



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

## Transition of Order received and Sales by segment /Estimate

■ The sales in the June '13 term decreased due to the decreased orders on hand at the beginning of the year in the June '13 term. While the number of orders is recovering, the recovery of semiconductors and FPD is expected to be delayed.



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

### Business environment (after 2Q)

#### ■ Business environment surrounding ULVAC (short-term)

- ▶ Tendency to delay investments mostly in electronics due to the global economic slowdown
  - ◆ Semiconductor: The equipments market is in negative growth in CY2013. Recovery will start in CY2014.  
(Source:Gartner, October 2012)
  - ◆ FPD: LCD Panel prices hit bottom. The short supply of high precision mid-size to small LCD panels is continuing. Technical difficulty is high for OLED televisions, and it takes time to start full manufacturing.

#### ■ After 2013

- ▶ Semiconductor: Aiming to expand the sales to major logic foundry companies
  - ◆ Succeeded in receiving orders for front-end processing equipment from a major logic foundry company.  
The chance for increasing sales has expanded.
  - ◆ Major customers are evaluating memory (non-volatile). Aiming to increase sales once investments are resumed.
- ▶ FPD: Short supply of panels is expected.
  - ◆ Based on the expectations for the short supply of panels, new investments for large TVs and high precision mid-size to small panels are expected from 2013 to 2014. The demand for systems will increase.

(Source:DisplaySearch, October 2012)

### Goals of the structural reform of the business

Create systems to utilize the accumulated technologies for the business to produce profits and rebuild business models to respond to the structural reforms.



Install a structural reform promotion team to quickly implement the following five projects.

#### Structural reform project

- 1) Strengthening cost competitiveness: 3S, cutting costs, overseas manufacturing
- 2) Building business models for producing values  
: R&D, new products strategies,  
business strategies, etc.
- 3) Business reforms
- 4) Management of the group business
- 5) Reform human resources systems



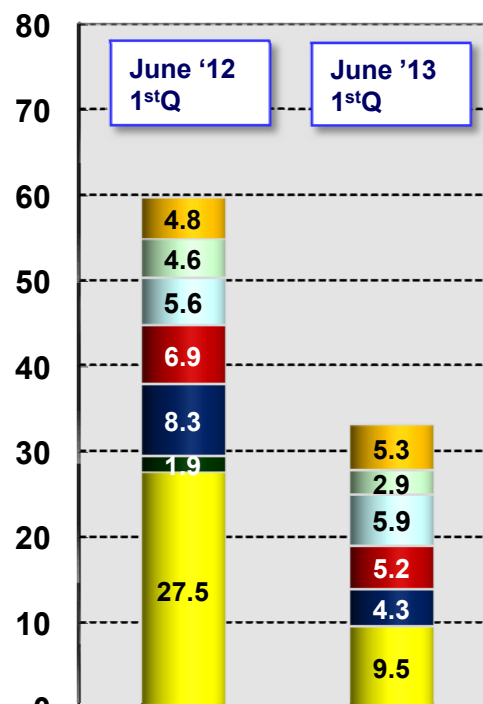
Specifically  
Implemented  
as priorities

**Innovation begins**

**in a vacuum**

**ULVAC**

# 1<sup>st</sup> Quarter Net Sales(By segment)



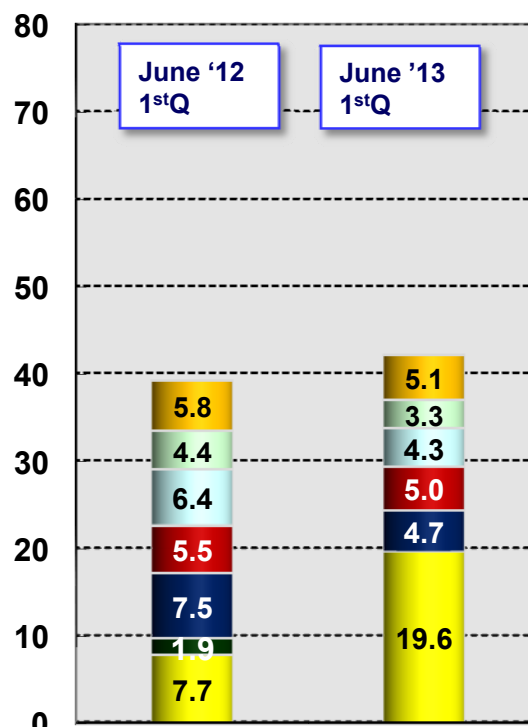
Note) We integrated "FPD Production equipment" and "PV production equipment" and changed them to "FPD and PV production equipment" from FY 2012

【Unit:B. Yen】

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

June 2012 1Q			June 2013 1Q			vs.'12/6 (Changes)
Segment	Sales	%	Segment	Sales	%	
Vacuum Equipment Business	50.3	84.3%	Vacuum Equipment Business	24.9	75.2%	-50.5%
FPD production equipment	27.5	46.1%	FPD and PV production equipment	9.5	28.7%	-67.7%
PV production equipment	1.9	3.2%				
Semiconductor and Electronics device Production Equipment	8.3	14.0%	Semiconductor and Electronics device Production Equipment	4.3	13.1%	-48.1%
Component	6.9	11.6%	Component	5.2	15.6%	-25.4%
Industrial Equipment	5.6	9.4%	Industrial Equipment	5.9	17.9%	5.4%
Vacuum Application Business	9.4	15.7%	Vacuum Application Business	8.2	24.8%	-12.8%
Materials	4.6	7.6%	Materials	2.9	8.6%	-37.4%
Others	4.8	8.1%	Others	5.3	16.1%	10.5%
<b>Total</b>	<b>59.7</b>	<b>100.0%</b>	<b>Total</b>	<b>33.1</b>	<b>100.0%</b>	<b>-44.6%</b>

# 1<sup>st</sup> Quarter Order Received(By segment)



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

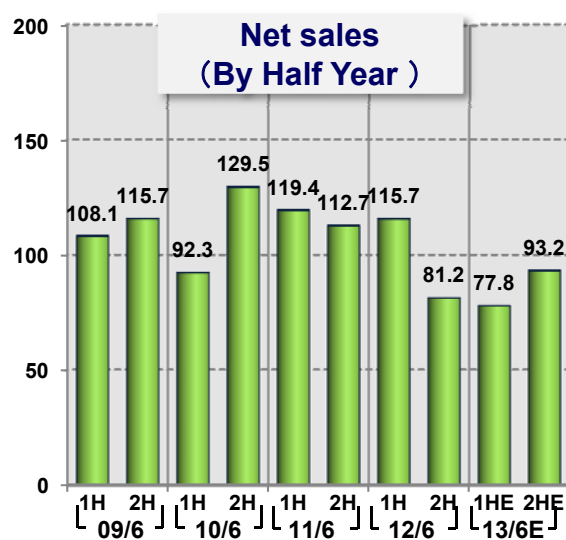
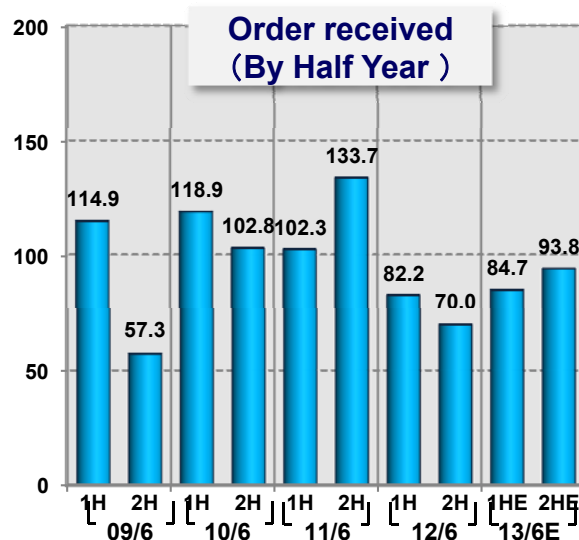
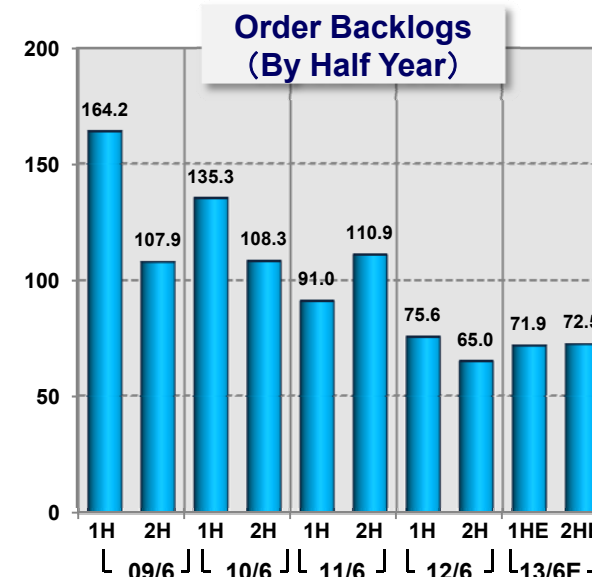
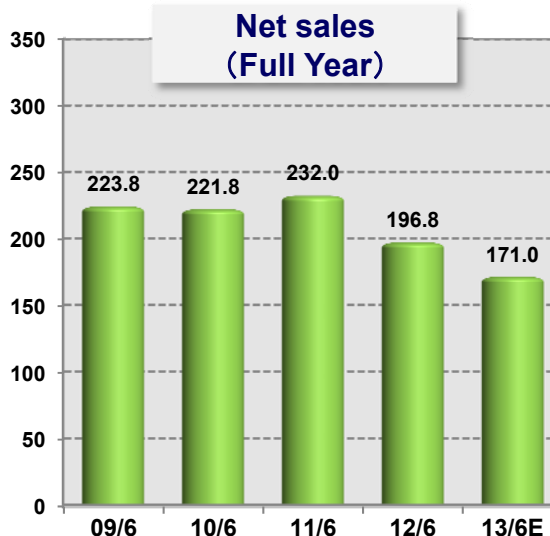
【Unit:B. Yen】

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

June 2012 1Q			June 2013 1Q			vs.'12/6 (Changes)
Segment	Order	%	Segment	Order	%	
Vacuum Equipment Business	29.0	74.0%	Vacuum Equipment Business	33.6	80.0%	16.1%
FPD production equipment	7.7	19.7%	FPD and PV production equipment	19.6	46.5%	103.1%
PV production equipment	1.9	4.9%				
Semiconductor and Electronics device Production Equipment	7.5	19.2%	Semiconductor and Electronics device Production Equipment	4.7	11.2%	-37.2%
Component	5.5	14.0%	Component	5.0	12.0%	-8.0%
Industrial Equipment	6.4	16.2%	Industrial Equipment	4.3	10.3%	-32.0%
Vacuum Application Business	10.2	26.0%	Vacuum Application Business	8.4	20.0%	-17.5%
Materials	4.4	11.2%	Materials	3.3	7.8%	-24.8%
Others	5.8	14.8%	Others	5.1	12.1%	-12.1%
<b>Total</b>	<b>39.1</b>	<b>100.0%</b>	<b>Total</b>	<b>42.0</b>	<b>100.0%</b>	<b>7.4%</b>

## Transition of Order received・Net sales・Order Backlogs・Estimate

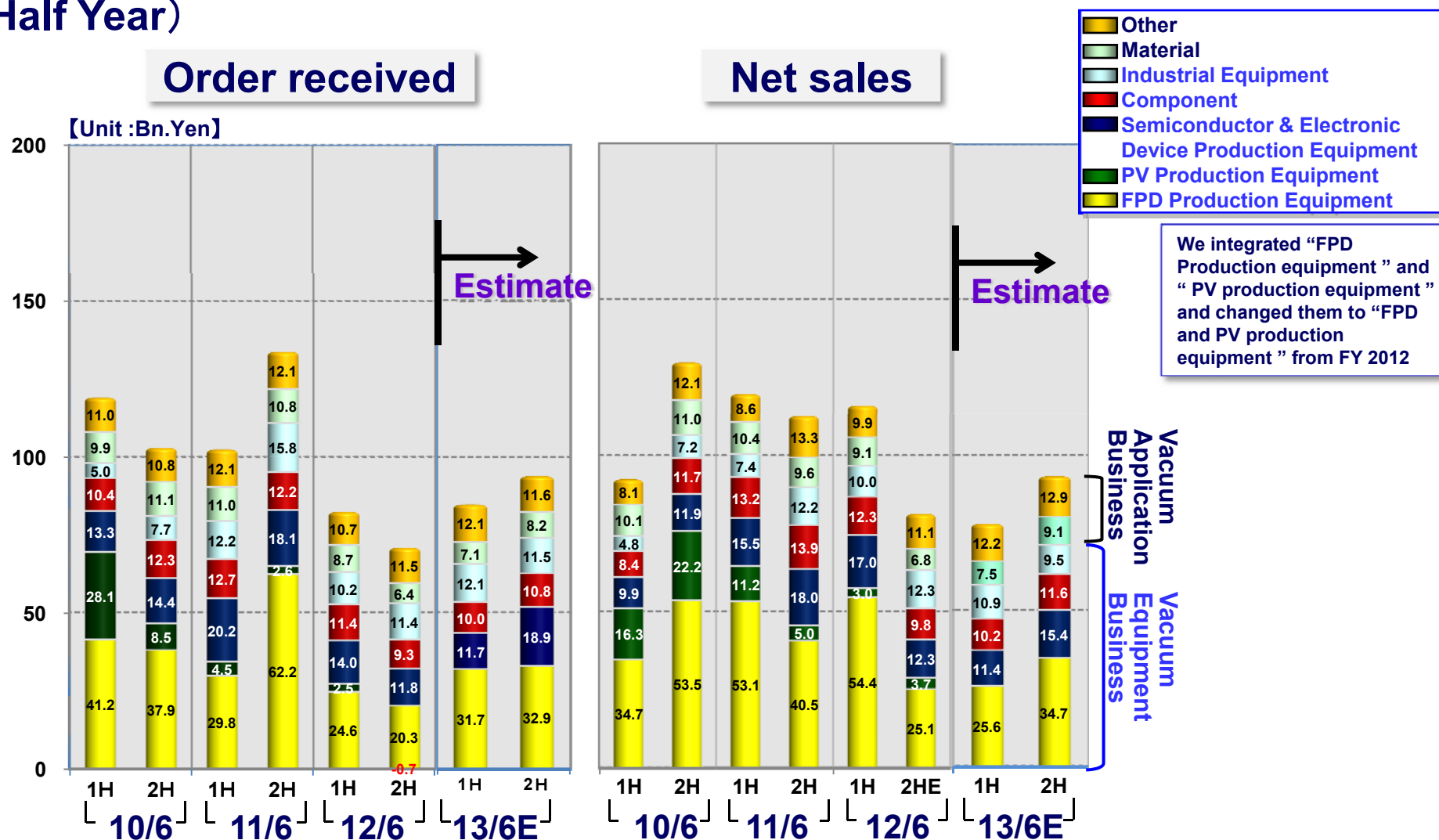
【Unit :Bn.Yen】



【Figures are rounded off to the first decimal place】



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

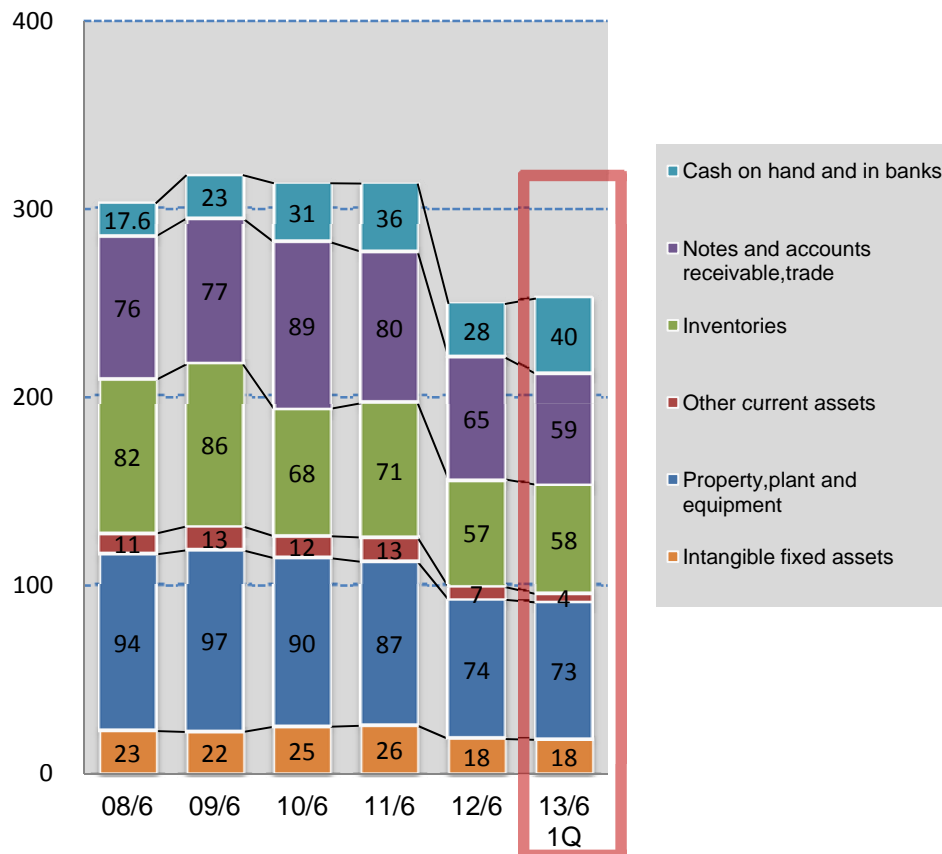


[Figures indicated above are rounded off to the nearest unit and may not coincide with the total.]

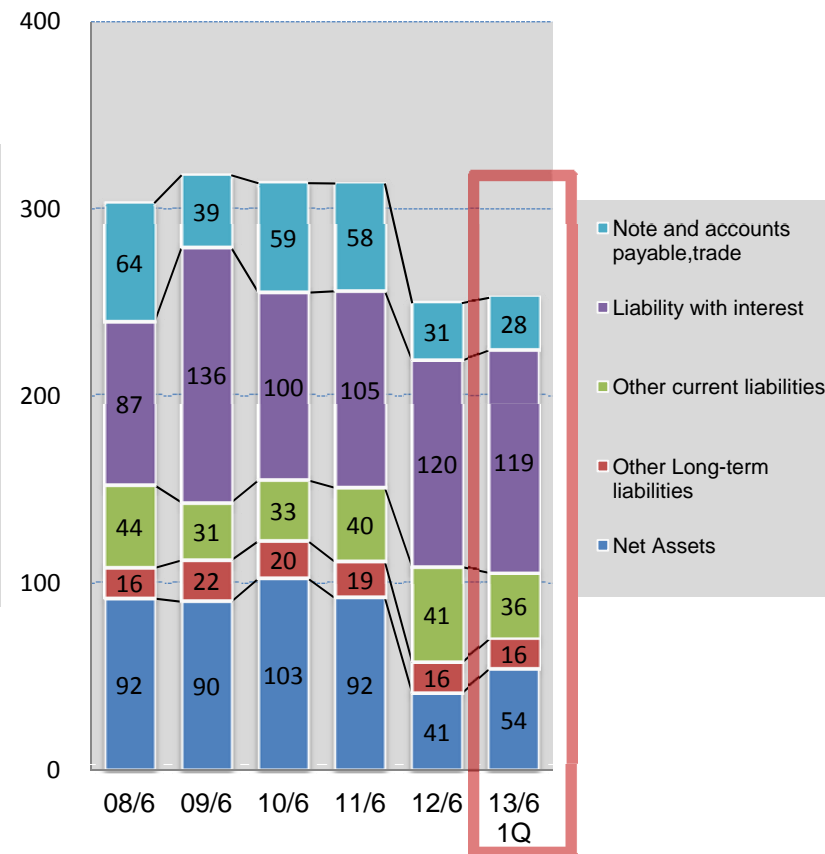
## Balance sheet

[Unit :Bn.Yen]

### Asset



### Liabilities and Net assets



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

# ULVAC

