

Innovation begins in a vacuum

【Code No: 6728】

FY2010 3rd Quarter Business Result

(Year Ending June 30, 2011)

ULVAC, Inc.

12th May, 2011

◆ **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), semiconductor, solar cell, 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, solar cell, electric devices and raw material; 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

Year Ending June 2011 3rd Quarter Business Condition

Business conditions

- Continuing yen appreciation. Unstable Middle East political situation and hikes in the price of crude oil.
- Occurrence of the Tohoku earthquake and tsunami.

Positive Factors

- ▶ Enjoying strong performance of business relating to smartphones and tablet PCs.
 - ◆ Inquiries and orders increased for equipments such as low temperature poly-silicon(LTPS), Organic EL, touch panels and memories.
- ▶ Solid in energy and environmental relating business.
 - ◆ LED(general illumination, backlights, etc.), power semiconductor and IGBT, etc.
 - ◆ Crystal solar cells
 - ◆ Quick charger business for EV

Negative Factors

- ▶ Manufacturers reduce production due to slow sales of LCD (liquid crystal display) TV
 - ◆ Reduce sales and profit in material business (sputter target)
 - ◆ Continuing postponed expansion plan of large-size LC line in China

Impact of the Tohoku earthquake and tsunami

- ▶ Posted Approx.3.6 billion yens of extraordinary loss.
 - ◆ Lost of equipment in shipping preparation or inventory assets in Hachinohe plant, Aomori.
 - ◆ Cost of building repair of Hachinohe plant, Tsukuba Institute for Super Materials, etc.

2011/6 3rd Q Result

Orders of organic EL production equipment for Korea and Taiwan contributed order volume. Sales volume reduced in FPD production equipment, PVs, and semiconductors. Solid in components sales.(vs.2nd Q)Slow in performance of material due to reduced production of panel manufacturers. Tsunami damaged the inventory assets in the Tohoku earthquake and tsunami. Posted Approx. 3.6 billion yen in extraordinary loss.

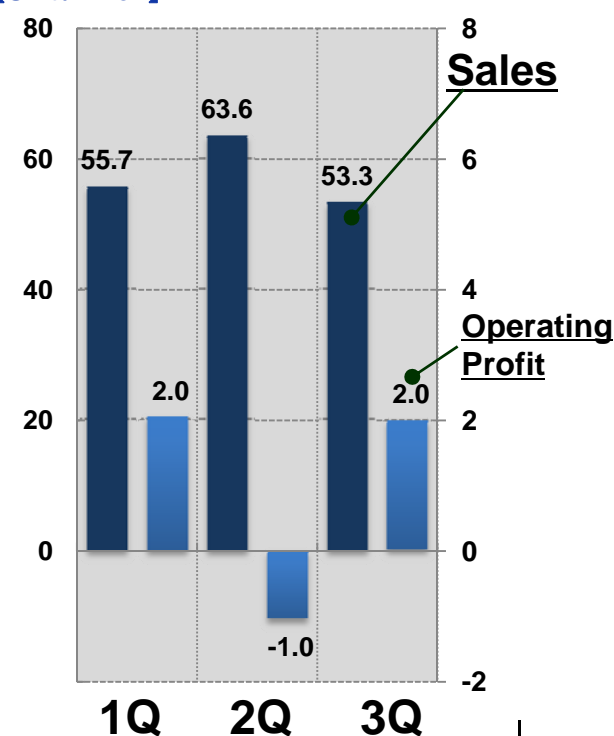
【Unit: B.Yen】

	1Q	2Q	1H	3Q	3Q (Y-T-D)	vs.June 2010 3Q(Y-T-D)	Changes (%)
Booking	60.4	41.9	102.3	51.8	154.1	176.6	- 13%
Back-log	113.1	—	91.0	—	90.3	135.7	—
Sales	55.7	63.6	119.4	53.3	172.7	150.4	+15%
Gross Margin	11.4	13.1	24.5	11.5	36.0	26.9	+34%
Ratio	20.4%	20.7%	20.5%	21.5%	20.8%	17.9%	
Operating Profit	2.0	-1.0	1.0	2.0	3.0	0.3	+965%
Ratio	3.7%	-1.6%	0.8%	3.8%	1.7%	0.2%	
Net Income	1.2	-2.1	-0.8	-0.3	-1.2	1.3	—
Ratio	2.2%	-3.3%	-0.7%	-0.7%	-0.7%	0.8%	

【Remarks: figures in brackets are rounded off to the nearest number.】

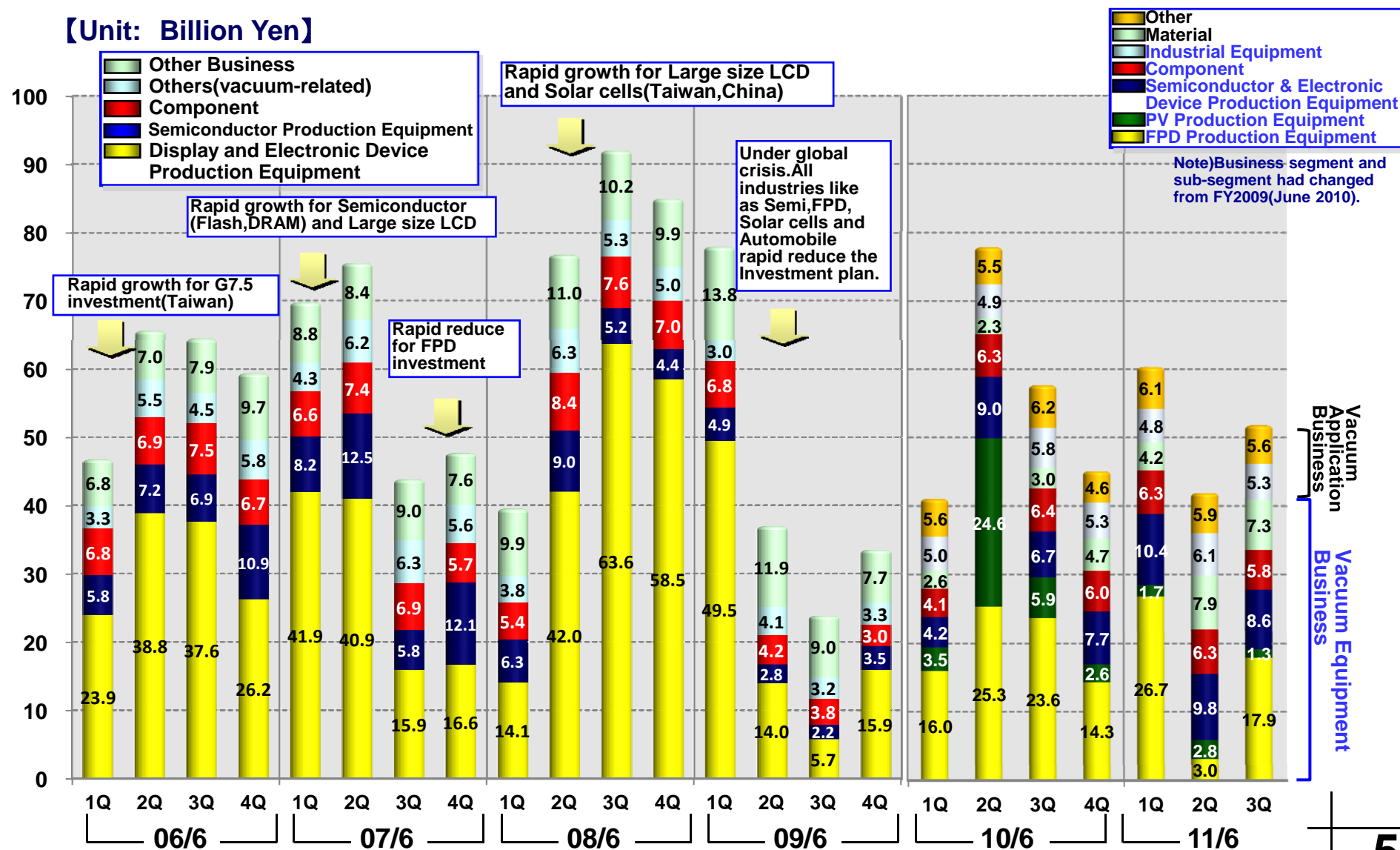
**Transition of
Sales and Operating Profit**

【Unit: B.Yen】



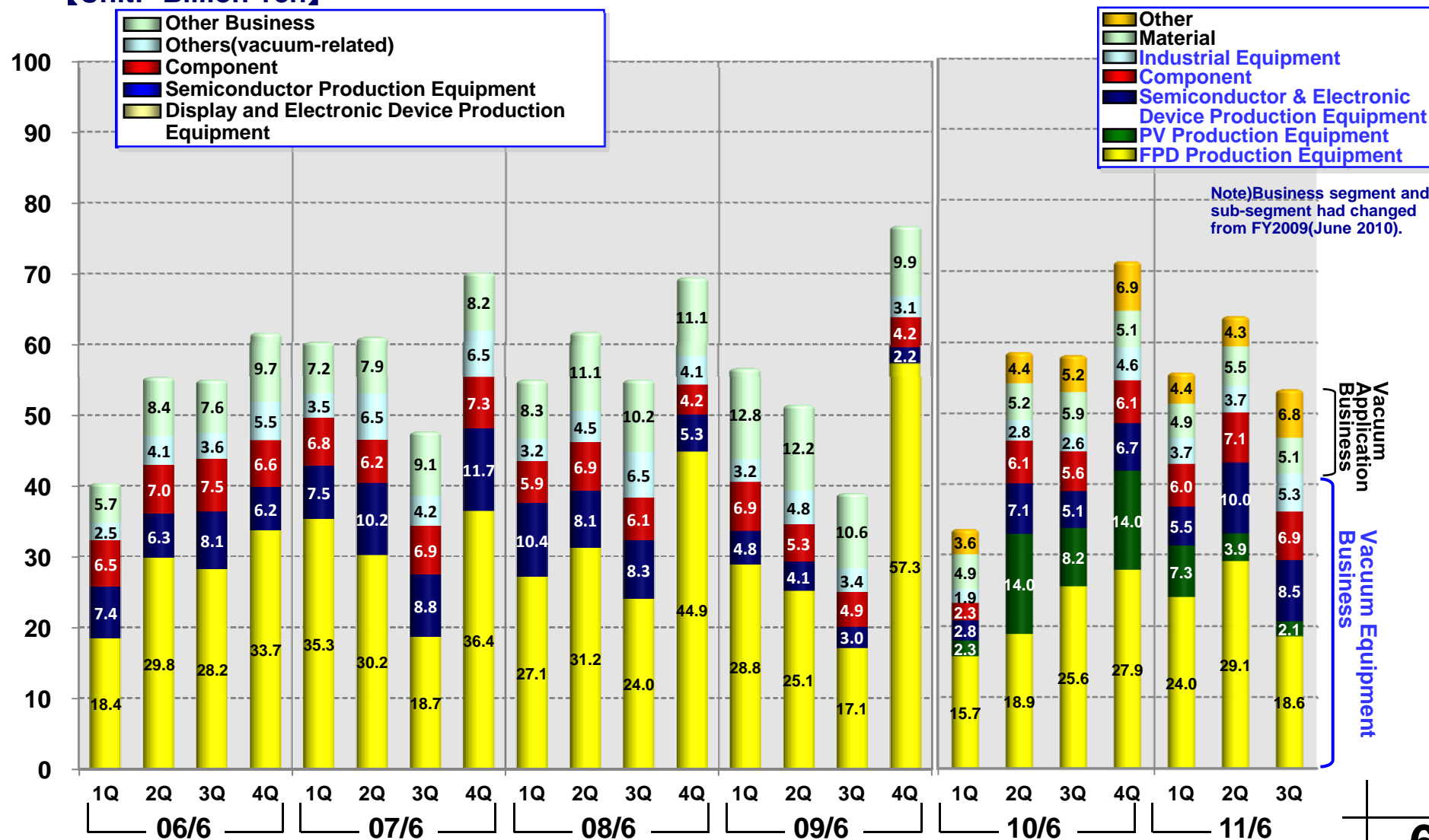
Order received by Segment (Quarterly base)

【Unit: Billion Yen】

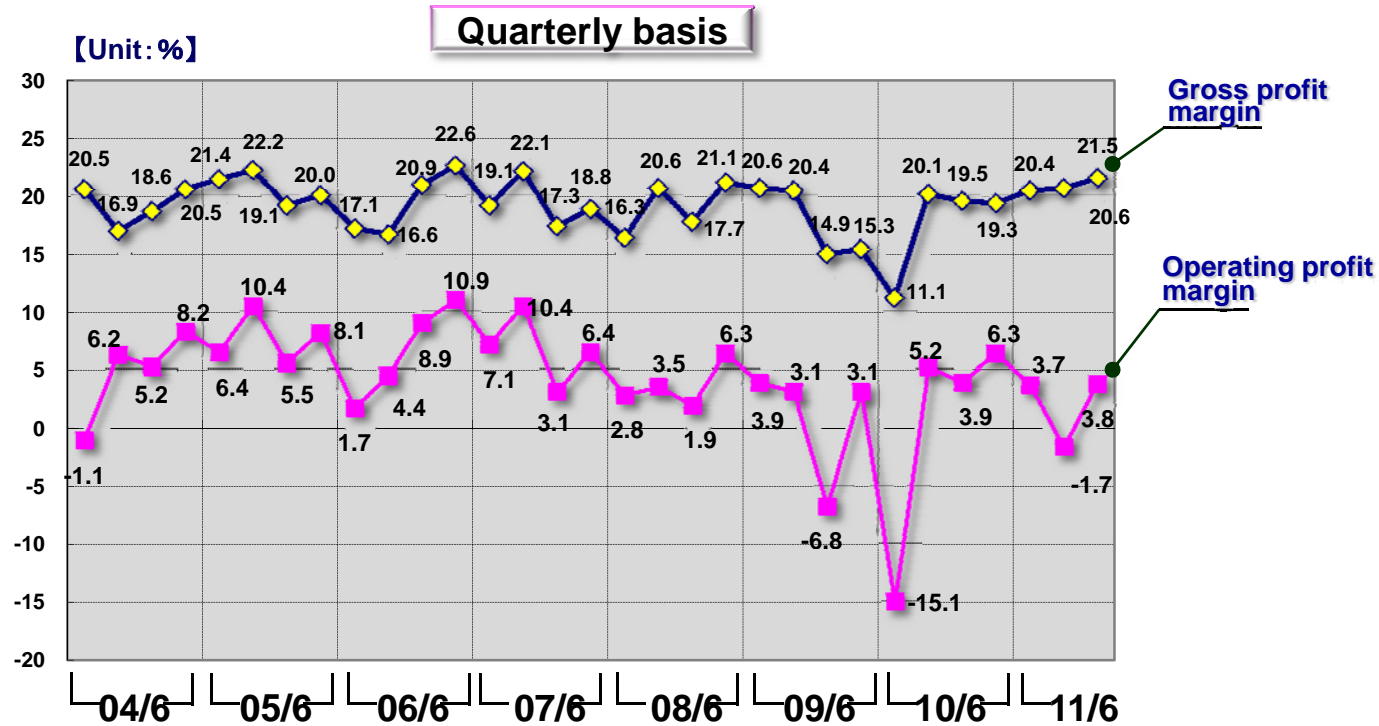


Net sales by Segment (Quarterly base)

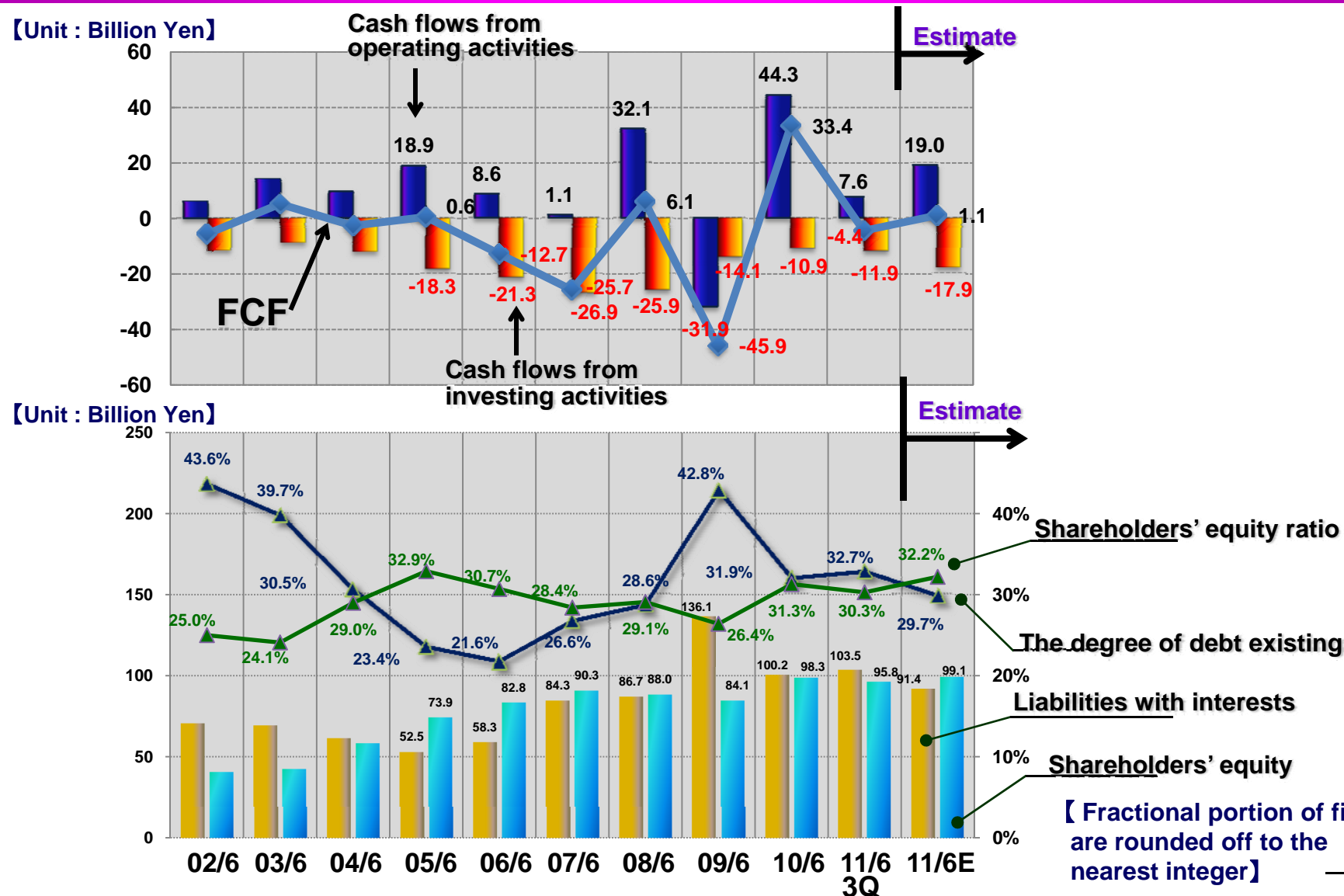
【Unit: Billion Yen】



Outlook for profitability



Cash Flow and Liabilities with Interests · Estimate



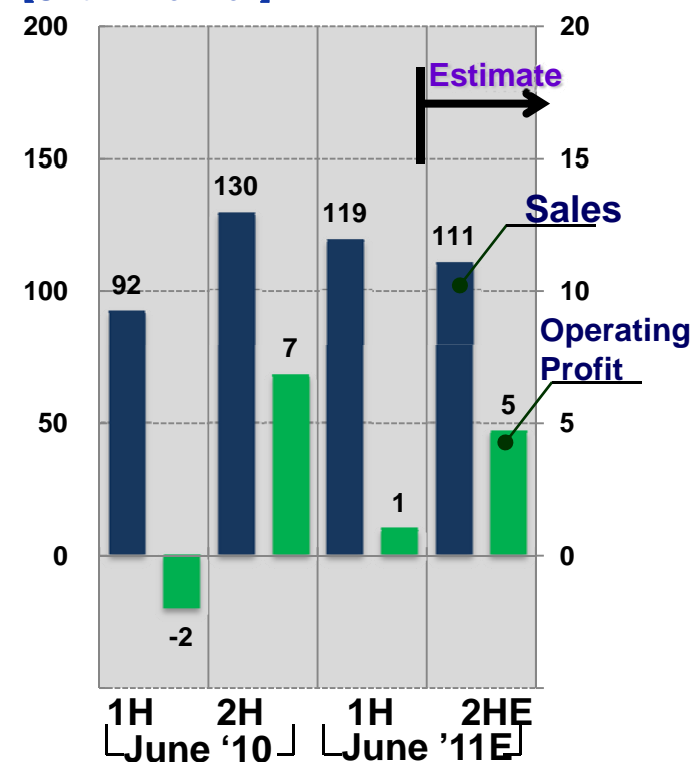
Forecast of 2011/6 Full Year

【Unit : Billion Yen】

	June 2011E			June 2010	Changes(%)
	1H Result	2HE	Full Year		
Booking	102.3 (-14%)	127.7 (+24%)	230.0	221.7	4%
Back-log	91.0	108.1	108.1	108.3	
Sales	119.4 (+29%)	110.6 (-15%)	230.0	221.8	4%
Gross Margin	24.5	24.4	48.9	40.6	20%
Ratio	20.5%	22.0%	21.3%	18.3%	
Operating Profit	1.0 (-)	4.7 (-31%)	5.7	4.8	19%
Ratio	0.8%	4.3%	2.5%	2.2%	
Net income	-0.8 (-)	1.2 (-63%)	0.4	2.1	-81%

Sale and Operating Profit (By Half Year)

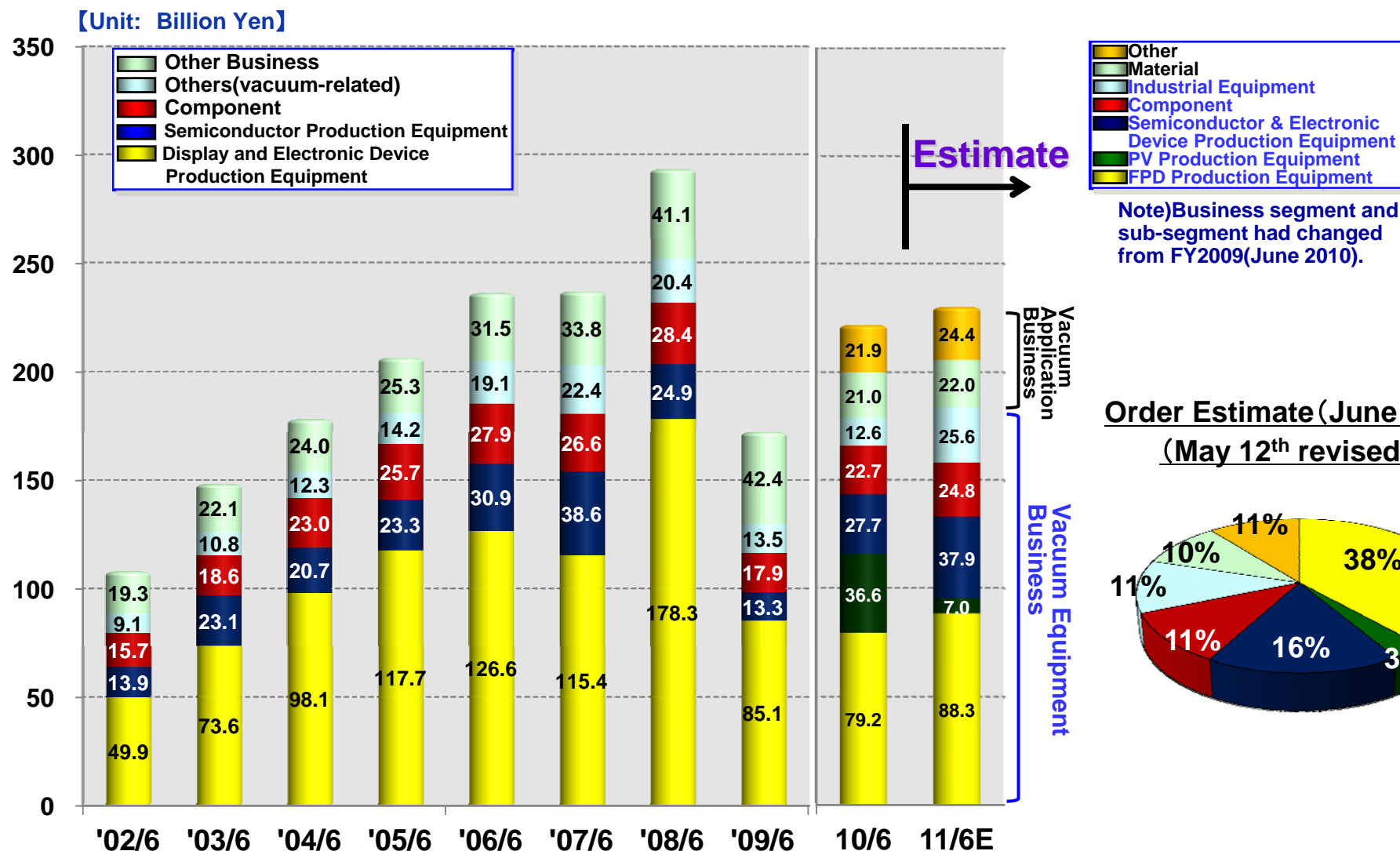
【Unit : Billion Yen】



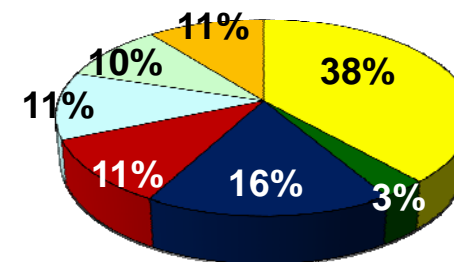
Forecast of 2011/6 (Full Year) will be disclose as soon as possible after confirm for business condition.

【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 Orders received by segment - Estimate



Order Estimate (June 2011)
(May 12th revised)



【Figures are rounded off to the first decimal place】

Business Environment (Impact of Tohoku Earthquake)

■ Change of environment due to the earthquake

- ▶ Weakened competitiveness of Japanese manufacturing industry
 - ◆ Losing business opportunities caused by delay of parts supply(Collapse of supply chain)
 - ◆ Concern to radiation contamination
 - ◆ Reduced productivity due to insufficient electrical power supply
- ▶ Policy changeover from energy policy relying on atomic power



**Accelerated
Japan-
Avoidance
of overseas
customers**

■ Measure of ULVAC after the great earthquake

- ▶ Urgent countermeasure to minimize reduction of competitiveness
 - ◆ Accelerate shift of production to Aichi, Kagoshima(Japan), Korea, Taiwan, and China
 - ◆ Advance overseas production for radiation countermeasures
- ▶ Conquer peak cut of electric power by partial night shift
- ▶ Consider overseas shift of research and development center
- ▶ Advance further aggressive sales development
 - ◆ Prevent Japan-avoidance to establish system and measure to win international competition

Business Environment (Beyond 4Q)

Environment of ULVAC

- ▶ Current order situation is solid while impact of the earthquake (order situation, supply chain) is unknown
- ▶ Reconsideration of energy policy is inevitable
 - ◆ Increased expectation to recyclable energies, such as solar cells

Existing field

- ▶ Mid/small-size display such as Low Temperature Poly-Silicon maintains solid sales
- ▶ Investment to large-size LC display continues to be slow
- ▶ Memories (NAND, DRAM) relations are gradually expanding
- ▶ LED market continues to expand and is solid in China, Taiwan, and Japan

New field

- ▶ Organic EL-related investment seems to further expand investment plans to appear consecutively in Taiwan, China and Japan, etc.
- ▶ Main battle ground of solar cell (crystal, thin film) market shifts to China and India
- ▶ Inquiry for discriminative solar cell increases (high efficiency solar cell, hetero-junction, CIS, etc.)
- ▶ Power semiconductor, market continues to expand gradually (demand for IGBT and inverter is solid)
- ▶ Expectation is heightened to oxide semiconductor (IGZO) materials
- ▶ EV quick charger business enters sales expansion stage.

Innovation begins

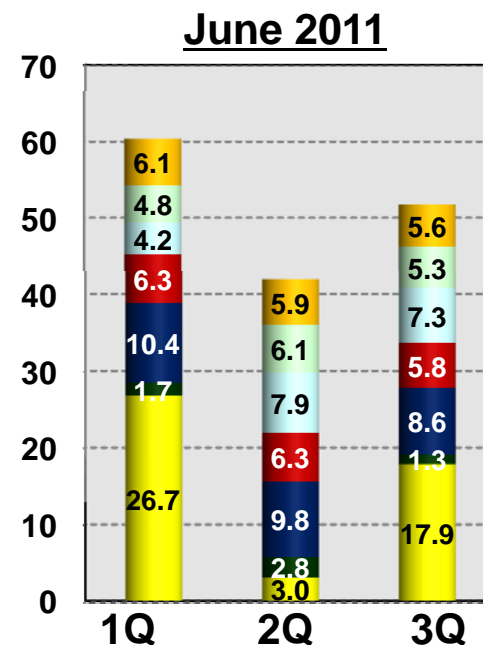
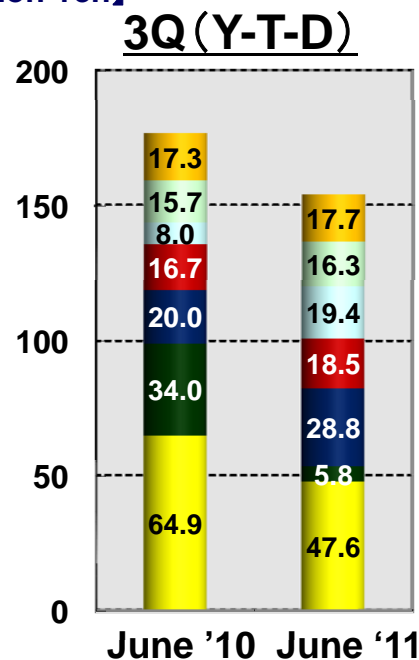
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3rd Quarter Order received by segment

Appendix

[Unit: Billion Yen]



June 2010 3Q(Y-T-D)			June 2011 3Q(Y-T-D)			vs. '10/6 (Changes)
Segment	Order	%	Segment	Order	%	
Vacuum Equipment Business	143.6	81.3%	Vacuum Equipment Business	120.1	78.0%	-16.3%
FPD production equipment	64.9	36.7%	FPD production equipment	47.6	30.9%	-26.6%
PV production equipment	34.0	19.2%	PV production equipment	5.8	3.7%	-83.0%
Semiconductor and Electronics device Production Equipment	20.0	11.3%	Semiconductor and Electronics device Production Equipment	28.8	18.7%	44.1%
Component	16.7	9.5%	Component	18.5	12.0%	10.3%
Industrial Equipment	8.0	4.5%	Industrial Equipment	19.4	12.6%	144.1%
Vacuum Application Business	33.0	18.7%	Vacuum Application Business	33.9	22.0%	2.8%
Materials	15.7	8.9%	Materials	16.3	10.6%	3.5%
Other	17.3	9.8%	Other	17.7	11.5%	2.1%
Total	176.6	100.0%	Total	154.1	100.0%	-12.7%

Segment	1Q		2Q		3Q	
	Order	%	Order	%	Order	%
Vacuum Equipment Business	49.4	81.8%	29.9	71.2%	40.9	78.9%
FPD production equipment	26.7	44.3%	3.0	7.2%	17.9	34.5%
PV production equipment	1.7	2.8%	2.8	6.6%	1.3	2.5%
Semiconductor and Electronic device Production Equipment	10.4	17.2%	9.8	23.3%	8.6	16.7%
Component	6.3	10.5%	6.3	15.1%	5.8	11.2%
Industrial Equipment	4.2	7.0%	7.9	18.9%	7.3	14.1%
Vacuum Application Business	11.0	18.2%	12.1	28.8%	10.9	21.1%
Materials	4.8	8.0%	6.1	14.7%	5.3	10.3%
Other	6.1	10.2%	5.9	14.1%	5.6	10.8%
Total	60.4	100.0%	41.9	100.0%	51.8	100.0%

(Note)

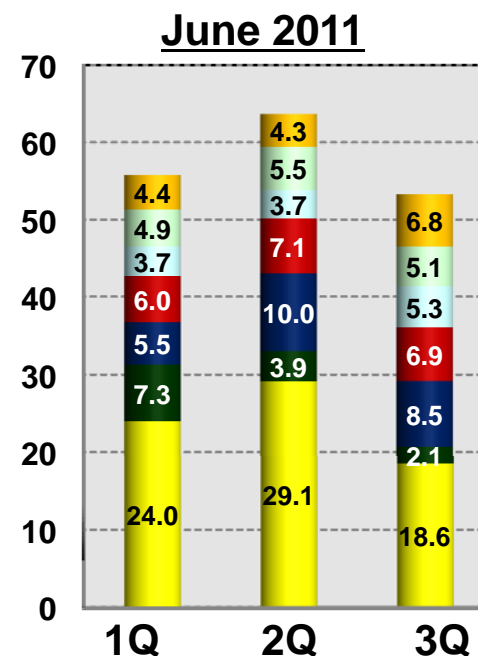
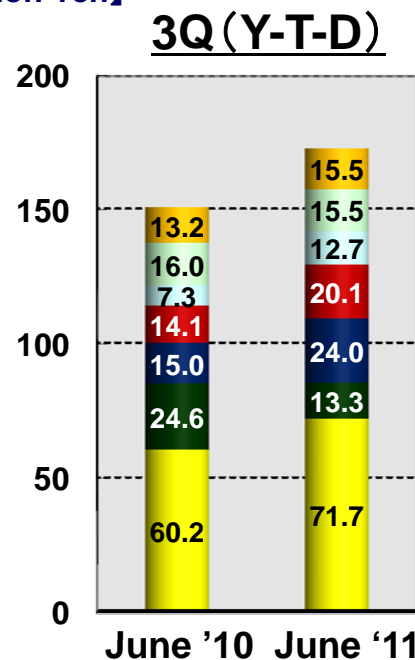
1) Business segment and sub-segment had changed from FY2009(June 2010).

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

3rd Quarter Net Sales by segment

Appendix

[Unit: Billion Yen]



June 2010 3Q(Y-T-D)		
Segment	Sales	%
Vacuum Equipment Business	121.2	80.6%
FPD production equipment	60.2	40.0%
PV production equipment	24.6	16.3%
Semiconductor and Electronics device	15.0	10.0%
Production Equipment		
Component	14.1	9.3%
Industrial Equipment	7.3	4.9%
Vacuum Application Business	29.2	19.4%
Materials	16.0	10.6%
Other	13.2	8.8%
Total	150.4	100.0%

June 2011 3Q(Y-T-D)			vs. '10/6 (Changes)
Segment	Sales	%	
Vacuum Equipment Business	141.8	82.1%	17%
FPD production equipment	71.7	41.5%	19%
PV production equipment	13.3	7.7%	-46%
Semiconductor and Electronics device	24.0	13.9%	59%
Production Equipment			
Component	20.1	11.6%	43%
Industrial Equipment	12.7	7.3%	73%
Vacuum Application Business	31.0	17.9%	6%
Materials	15.5	9.0%	-3%
Other	15.5	8.9%	17%
Total	172.7	100.0%	15%

Segment	1Q		2Q		3Q	
	Sales	%	Sales	%	Sales	%
Vacuum Equipment Business	46.5	83.4%	53.9	84.6%	41.4	77.6%
FPD production equipment	24.0	43.1%	29.1	45.7%	18.6	34.9%
PV production equipment	7.3	13.1%	3.9	6.2%	2.1	3.9%
Semiconductor and Electronic device	5.5	9.8%	10.0	15.7%	8.5	15.9%
Production Equipment						
Component	6.0	10.8%	7.1	11.2%	6.9	12.9%
Industrial Equipment	3.7	6.6%	3.7	5.8%	5.3	9.9%
Vacuum Application Business	9.3	16.6%	9.8	15.4%	11.9	22.4%
Materials	4.9	8.8%	5.5	8.7%	5.1	9.6%
Other	4.4	7.8%	4.3	6.7%	6.8	12.8%
Total	55.7	100.0%	63.6	100.0%	53.3	100.0%

(Note)

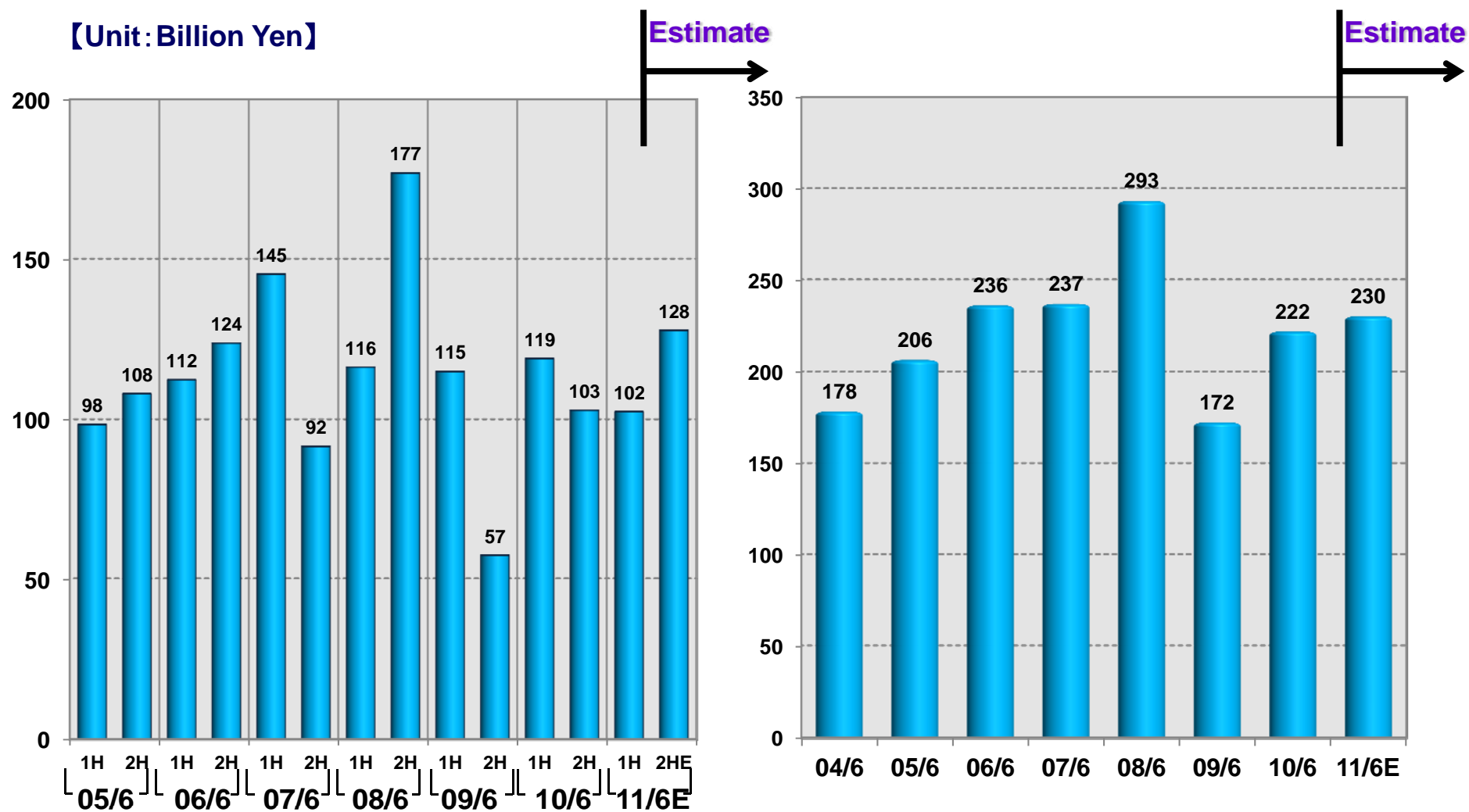
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Transition of Orders received - Estimate

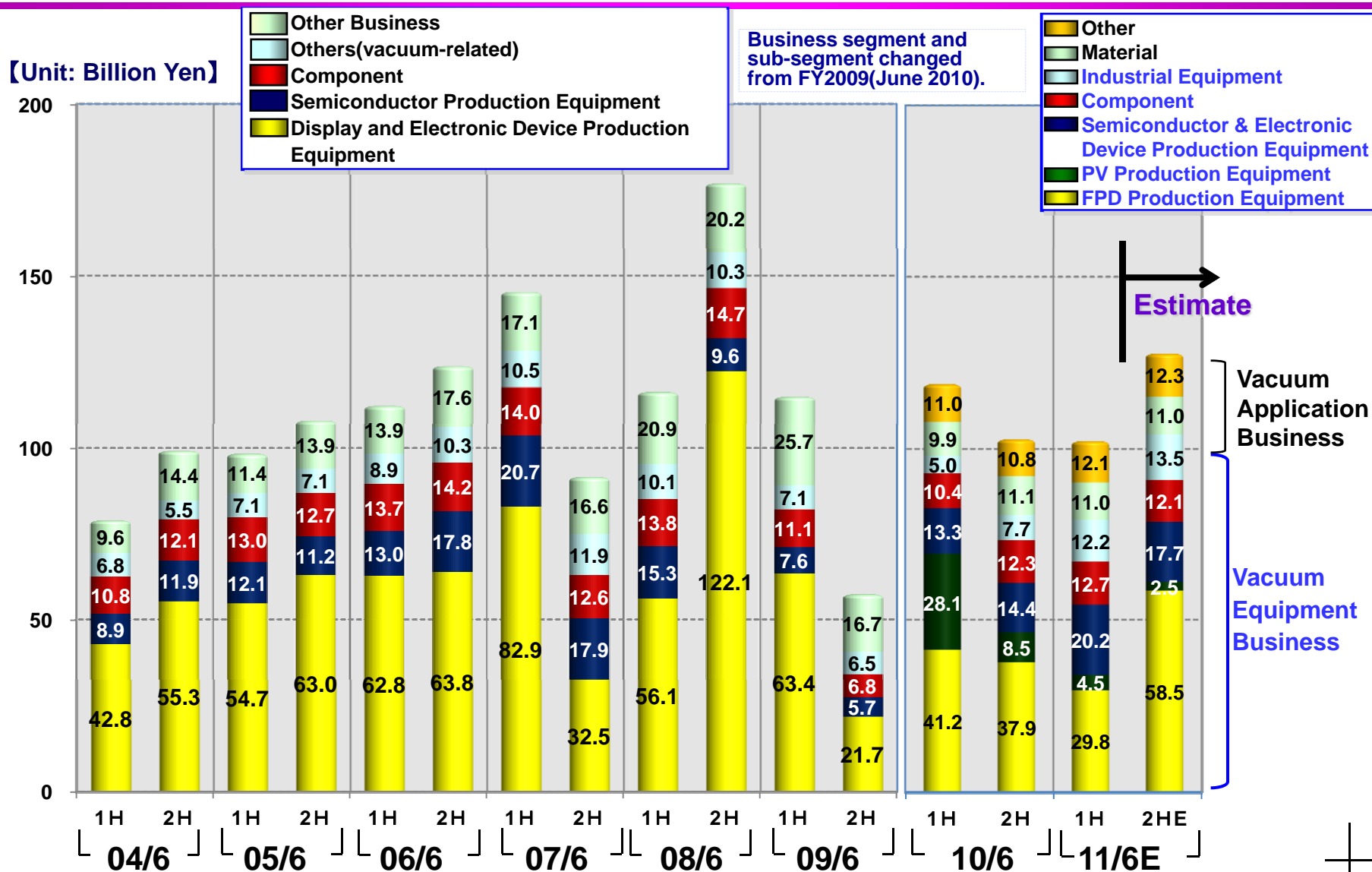
Appendix



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Transition of Orders received by segment - Estimate

Appendix



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