

【 Code No : 6728】

# Business Results

## FY2016 (Year Ending June 30, 2017) 3Q (9 Months)

**ULVAC,Inc.**

**12<sup>th</sup> May, 2017**

## ◆ **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 electronic 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.

**Definition of an accounting period:**

**3Q (9 months) :** The 9 months of the fiscal year

**3Q :** The third quarter of the fiscal year

**Fiscal year :** The Fiscal year ending in June (FY2016 : from July 2016 to June 2017)

# Overview of Business Results for FY2016 3Q (9 months)

□ Since the revision to the original estimation (Feb. 2017), there have been no major changes in the market environment, remained robust.

□ **Orders received: 171.2 billion yen**

- The active trend in facilities investments for LCDs for large-sized TVs and OLEDs for smartphones continued. Orders received continued at a high level as predicted.

□ **Net sales: 172.4 billion yen**

- Net sales exceeded expectations, mainly due to production equipment for LCDs for large-sized TVs.

□ **Operating profit: 23.2 billion yen**

- Together with the increase in net sales, operating profit also exceeded expectations.

□ **Revised the FY2016 forecast upward**

- Net sales and all profits items were revised compared to previous estimations.

	Previous estimation		Revised
Net sales	218.5 Bn. Yen	→	223.5 Bn. Yen
Operating profit	26.0 Bn. Yen	→	28.5 Bn. Yen
Net income	19.5 Bn. Yen	→	21.5 Bn. Yen

□ **Revised dividend estimation upward**

	Original estimation		Revised
Dividend (per share)	30 Yen	→	45 Yen

## Overview of Business Results for FY2016 3Q (9 months)

## Outlook for FY2016

Net sales and all profit items exceeded those for the same period of last year.

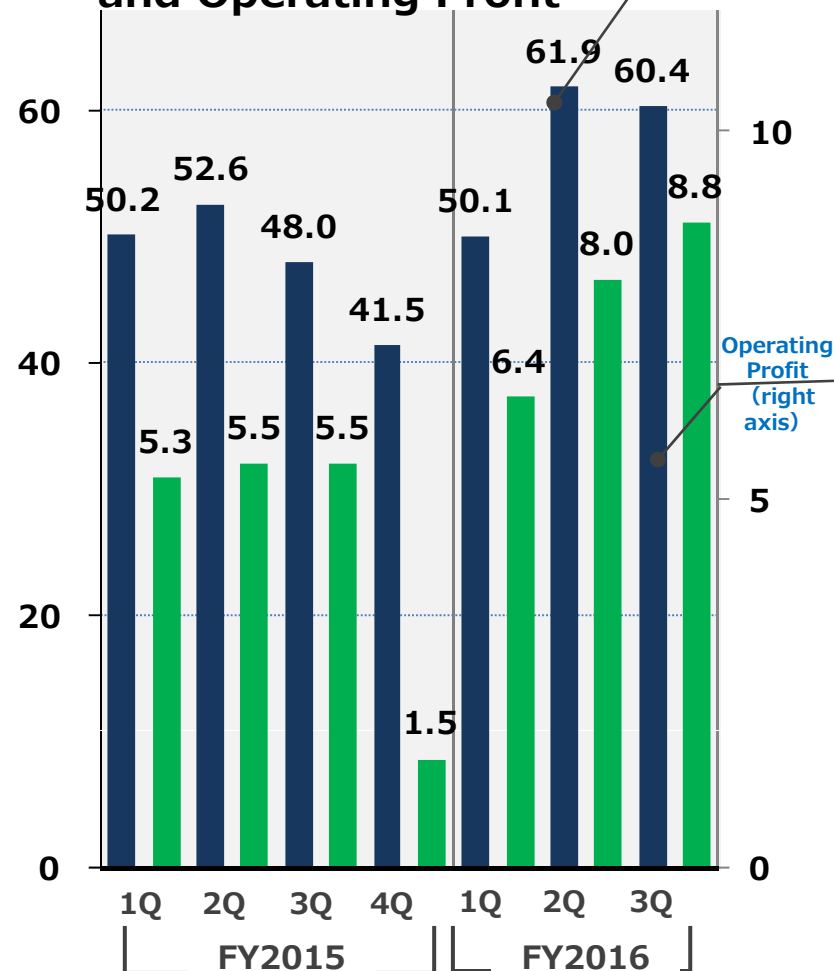
- Net sales : Increased by +14% Y-o-Y
- Operating profit : Increased by +42% Y-o-Y

[Unit:Bn.Yen]

	FY2015	FY2016	
	3Q (9 months) Result	3Q (9 months) Result	Y-o-Y (Changes)
Orders Received	175.1	<b>171.2</b>	-2.3%
Net Sales	150.8	<b>172.4</b>	14.3%
Gross margin	40.3	<b>48.1</b>	19.5%
Ratio	26.7%	<b>27.9%</b>	+ 1.2 pt
SG&A	24.0	<b>25.0</b>	4.1%
Operating Profit	16.3	<b>23.2</b>	42.1%
Ratio	10.8%	<b>13.5%</b>	+ 2.6 pt
Net Income	11.8	<b>17.9</b>	51.6%
Ratio	7.8%	<b>10.4%</b>	+ 2.6 pt

## Transition of Net sales and Operating Profit

Sales (left axis)  
Operating Profit (right axis)  
[Unit:Bn.Yen]



# Overview of Business Results for FY2016 3Q (9 months)

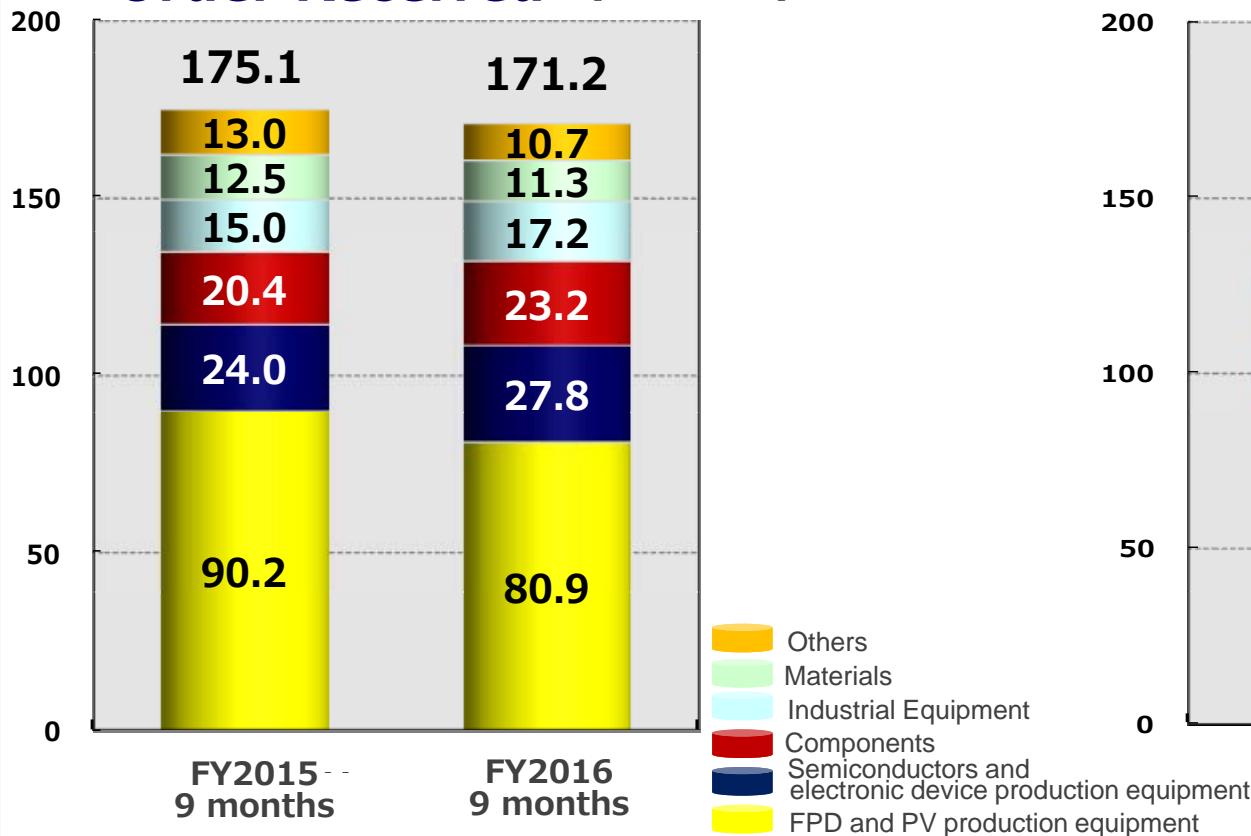
(Results of orders received and net sales by segment)

## Outlook for FY2016

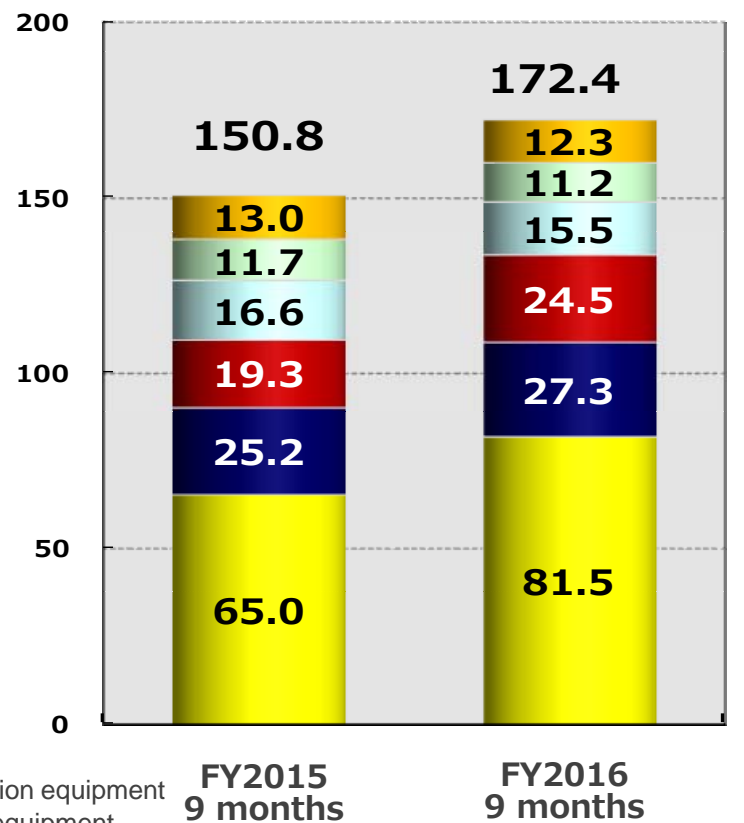
- FPD production equipment: Mainly due to equipment of OLEDs, the trend for FPD production equipment continued at a high level. (Despite the FY2016 9 months results being lower Y-o-Y, it is forecast that the full year results will be higher Y-o-Y.)
- Semiconductors and electronics device production equipment: Order received increased, helped by expanding investment in NAND and DRAM memories
- Components: Orders received of cryopumps, etc. for OLED increased

- FPD production equipment: Net sales for OLED production equipment increased
- Components: Cryopumps, etc. for OLED contributed to net sales.

### Order Received [Unit:Bn.Yen]



### Net Sales [Unit:Bn.Yen]

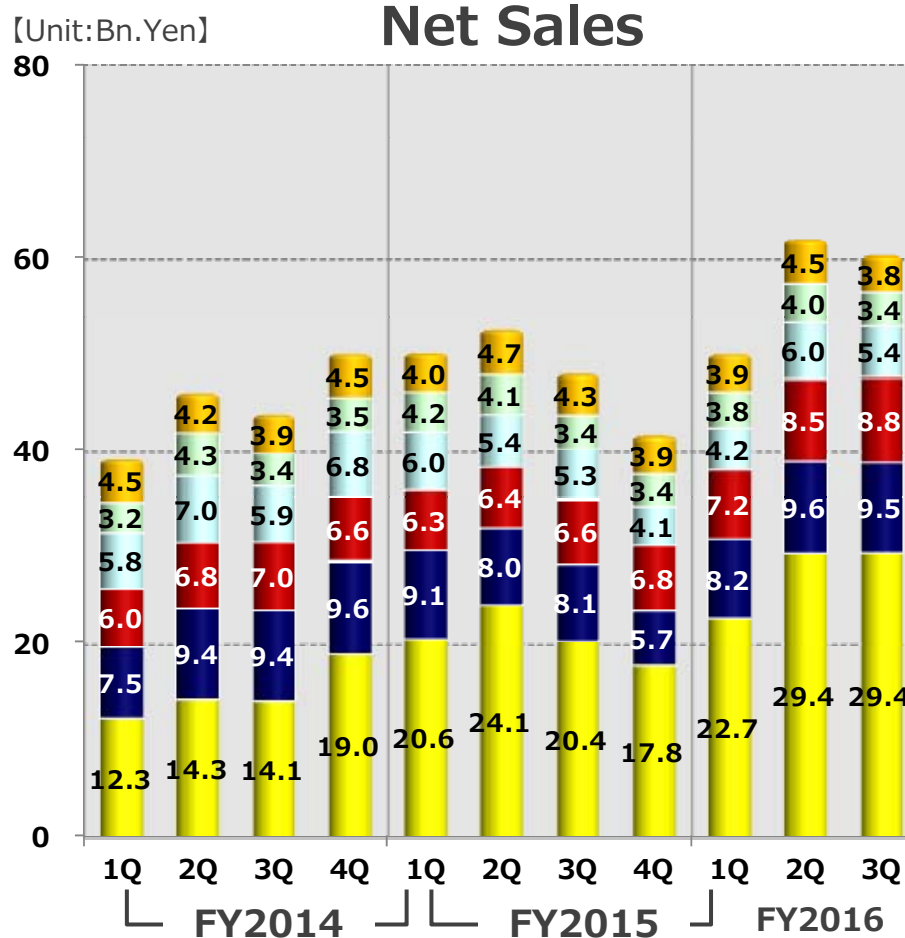
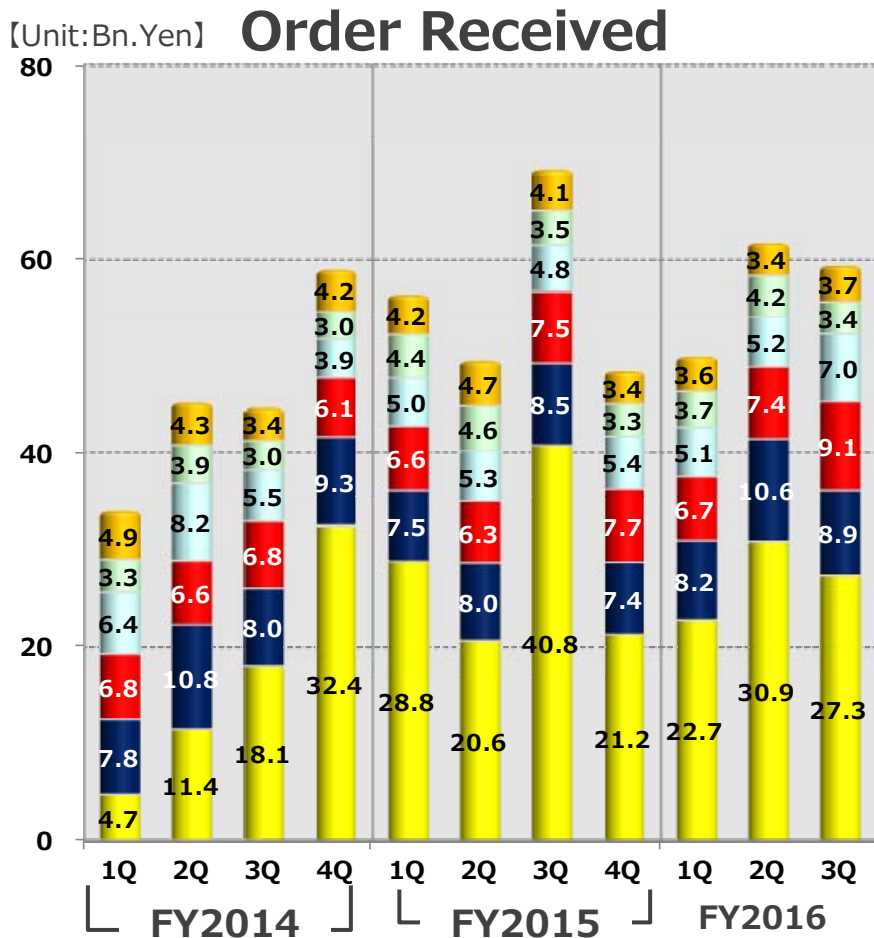


# Overview of Business Results for FY2016 3Q (9 months)

(Transition of orders received and net sales by segment)

## Outlook for FY2016

- The trend for orders received and net sales continued at a high level.



# Overview of Business Results for FY2016 3Q (9 months)

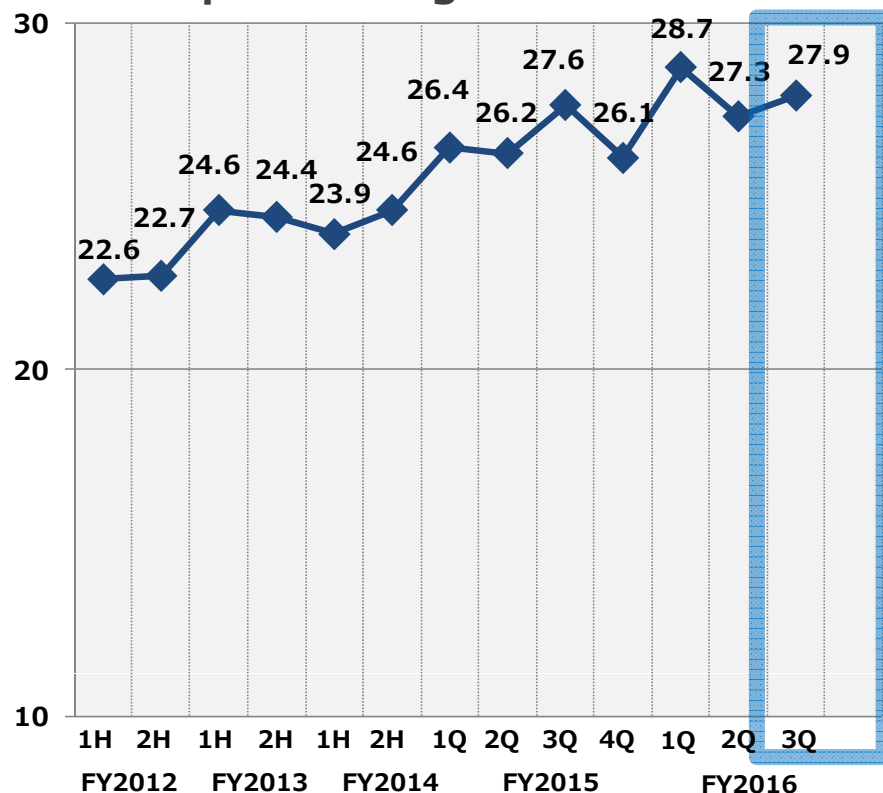
(Transition of profitability)

## Outlook for FY2016

- Both gross profit margin ratio and operating profit margin ratio continued to rise Y-o-Y.

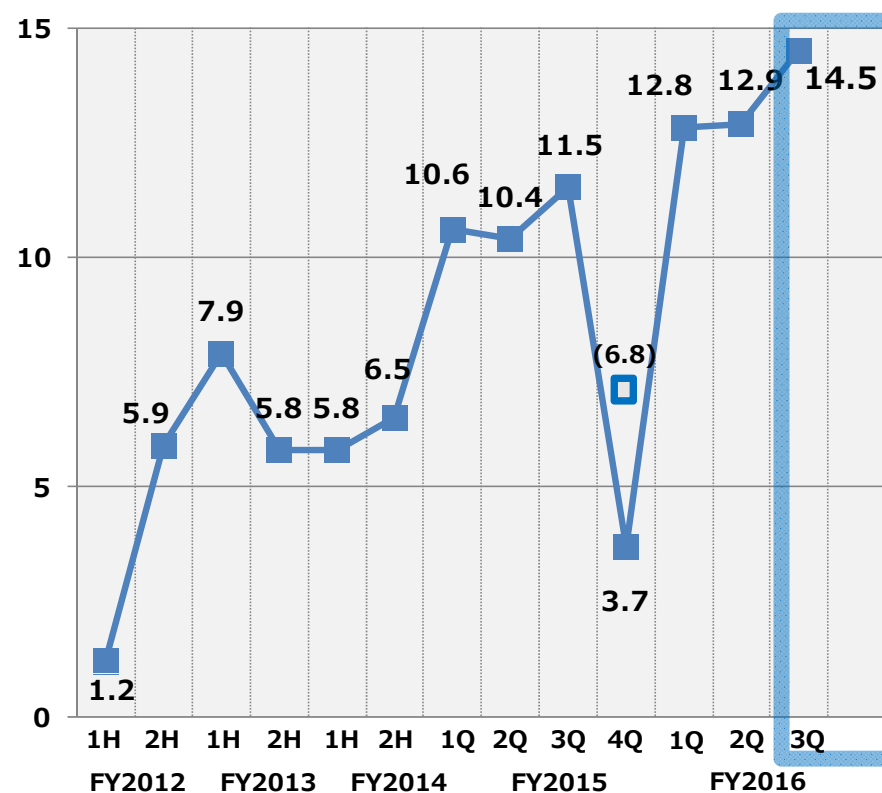
### Gross profit margin ratio

[Unit : %]



### Operating profit margin ratio

[Unit : %]



□ Operating profit for FY2015 4Q is 6.8% excluding allowance for doubtful accounts.

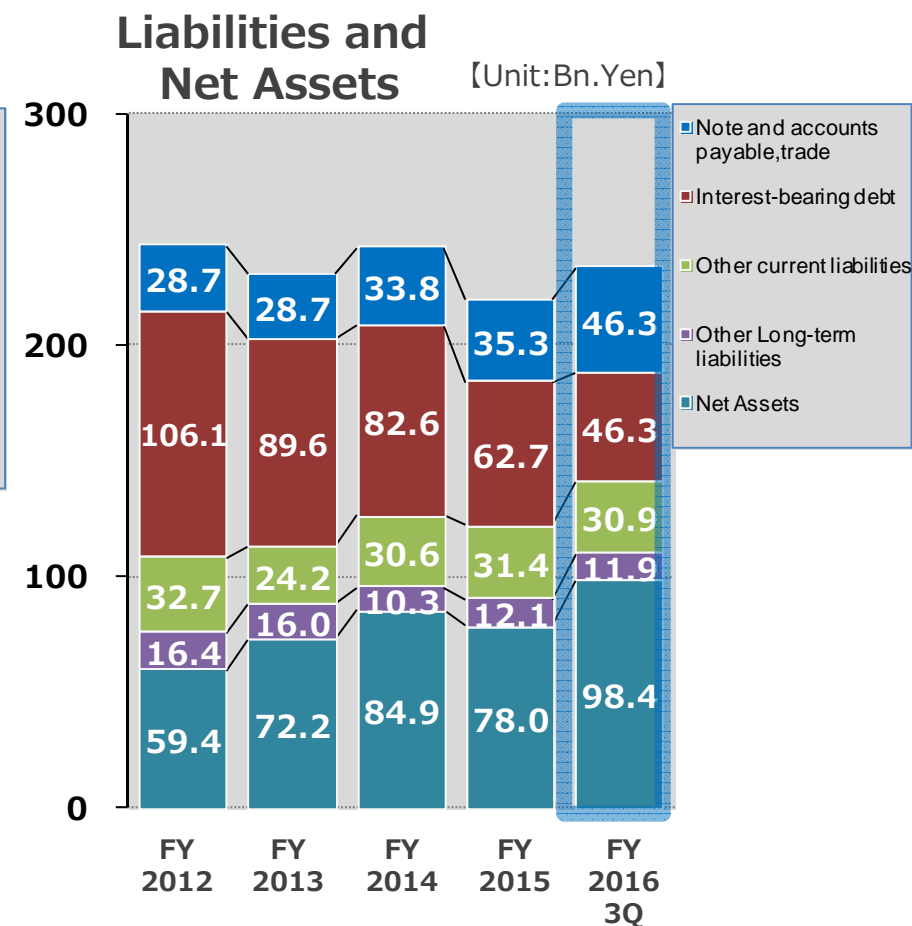
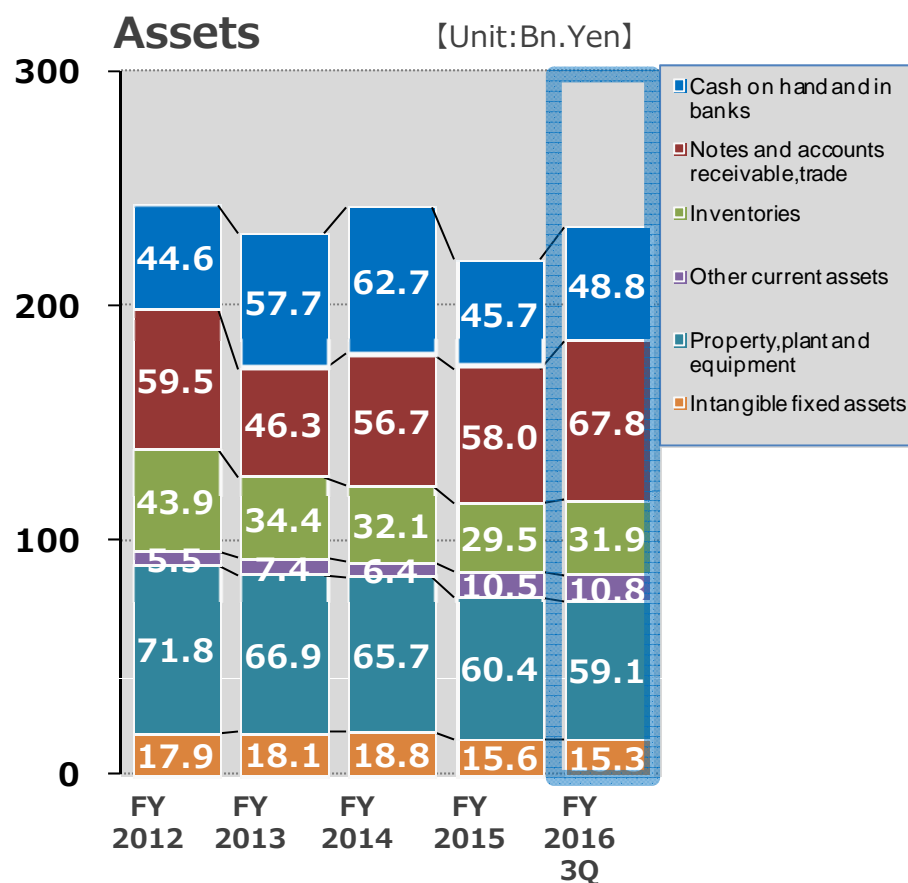


# Overview of Business Results for FY2016 3Q (9 months)

(Consolidated balance sheets)

## Outlook for FY2016

- Together with the increase in net sales, "notes and accounts receivable, trade" increased by 9.9 billion yen, "notes and accounts payable, trade" increased by 11.0 billion yen compared to those as of June 30, 2016. On the other hand, "interest-bearing debt" decreased by 16.4 billion yen compared to those as of June 30, 2016.
- "Net assets" increased by 20.3 billion yen, compared to those as of June 30, 2016.



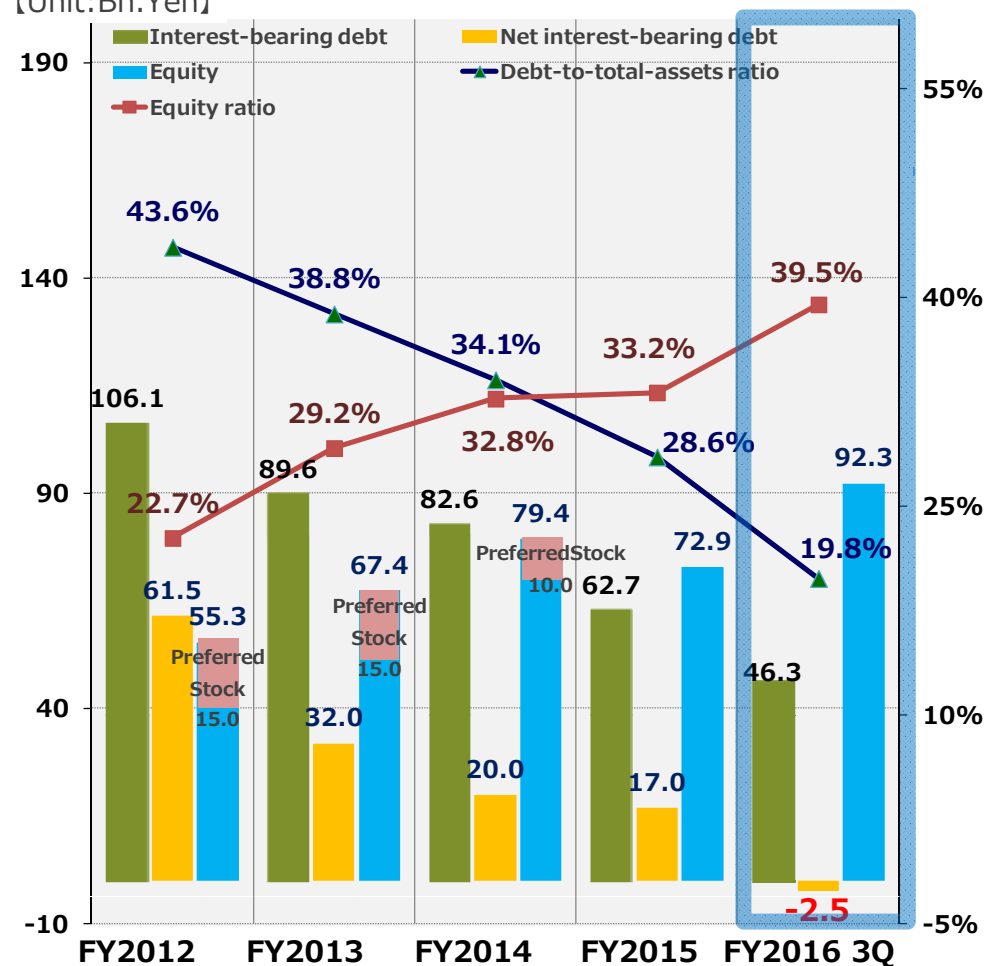
# Overview of Business Results for FY2016 3Q (9 months)

(Results of Interest-bearing debt and FCF)

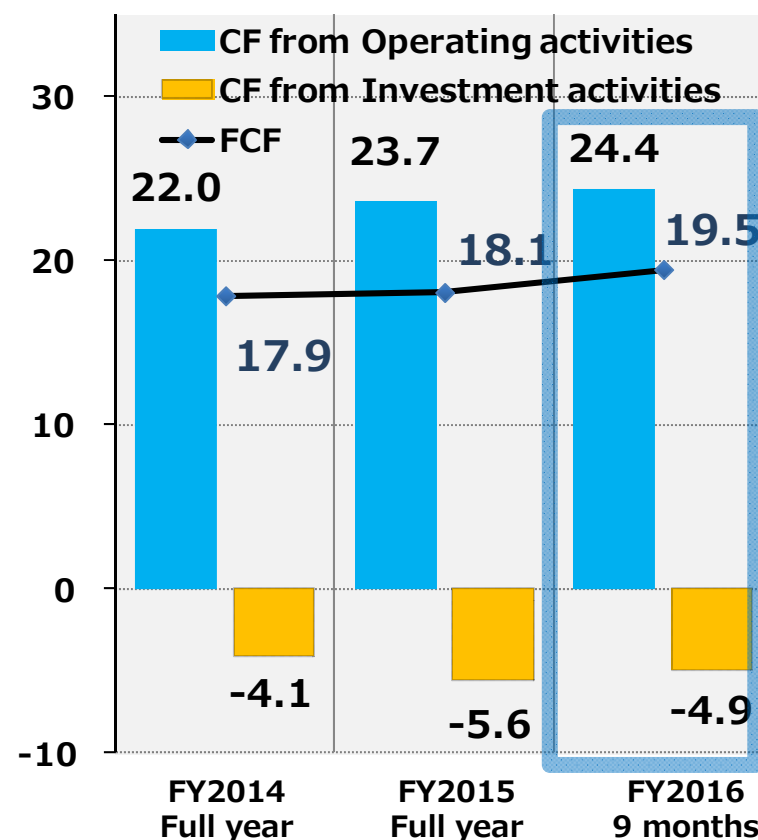
## Outlook for FY2016

- Debt-to-total assets ratio fell to 19.8%. Equity ratio improved to 39.5%.
- Cash flow from operating activities became 24.4 billion yen, while free cash flow (FCF) became 19.5 billion yen. The 9 months FY2016 figures already exceed those for the previous full year, and as such we achieved a positive net cash for the first time since its listing.

[Unit: Bn. Yen]



[Unit: Bn. Yen]



# Outlook for FY2016

## Outlook for FY2016

The estimated figures for full year net sales were revised upward as it was forecast that net sales for FPD production equipment and components would increase.

In line with this, the estimated values for all profit items in the previous estimations were revised upward.

【Unit:Bn.Yen】

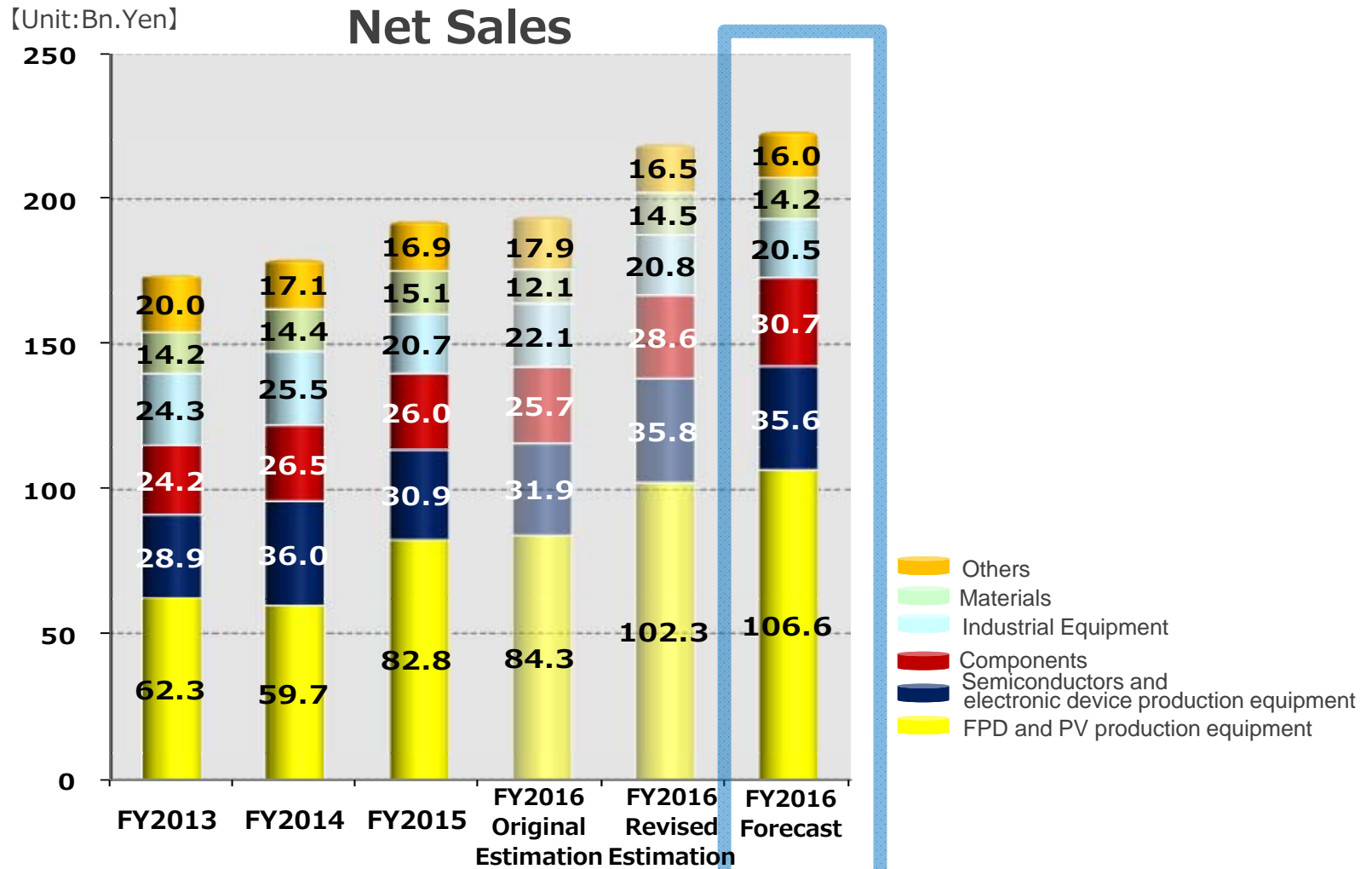
	FY2015 Full Year Result	FY2016 (July 1, 2016 - June30, 2017)			
		3Q (9 months) Result	Original Estimation*1	Revised Estimation*2	Forecast
<b>Orders Received</b>	223.6	<b>171.2</b>	185.0	230.0	<b>230.0</b>
<b>Net Sales</b>	192.4	<b>172.4</b>	194.0	218.5	<b>223.5</b>
<b>Operating Profit</b>	17.9	<b>23.2</b>	18.0	26.0	<b>28.5</b>
<b>Ratio</b>	9.3%	<b>13.5%</b>	9.3%	11.9%	<b>12.8%</b>
<b>Net Income</b>	16.7	<b>17.9</b>	12.0	19.5	<b>21.5</b>
<b>Ratio</b>	8.7%	<b>10.4%</b>	6.2%	8.9%	<b>9.6%</b>

\*1 : Announced on Aug. 2016

\*2 : Announced on Feb. 2017

# Outlook for FY2016

(Transition and forecast of net sales by segment)



\*1

\*2

\*1 : Announced on Aug. 2016

\*2 : Announced on Feb. 2017

## Revision to FY 2016 Dividend Estimation

We sets dividend while taking into consideration in a comprehensive manner the status of our financial base, each year's consolidated financial figures, and the dividend payout ratio.

→On this occasion, upon taking into account the revision to the estimate for the full year consolidated financial figures on page. 12, the estimated end-of-term dividend per share has been revised upward from the original estimate of 30 yen to 45 yen.

	FY2015 Result	FY2016 Original Estimation	FY2016 Revised Estimation	Compared to Original Estimation
Dividend per share	30 Yen	30 Yen	45 Yen	15 Yen Increased