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May 14, 2024

Consolidated Financial Results for the Nine Months Ended March 31, 2024 (Under Japanese GAAP)

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 Listing: Tokyo Stock Exchange
 Securities code: 6728
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 Scheduled date to file quarterly securities report: May 14, 2024
 Scheduled date to commence dividend payments: –
 Preparation of supplementary material on quarterly financial results: Yes
 Holding of quarterly financial results briefing: Yes (for domestic institutional investors and analysts)

(Yen amounts are rounded to the nearest million, unless otherwise noted.)

1. Consolidated financial results for the nine months ended March 31, 2024 (from July 1, 2023 to March 31, 2024)

(1) Consolidated operating results (cumulative)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Nine months ended								
March 31, 2024	185,207	15.1	20,407	60.1	20,475	30.7	13,291	13.1
March 31, 2023	160,959	(3.1)	12,743	(34.8)	15,663	(23.4)	11,756	(14.7)

Note: Comprehensive income For the nine months ended March 31, 2024: ¥17,085 million [77.4%]
 For the nine months ended March 31, 2023: ¥9,632 million [(50.6)%]

	Basic earnings per share	Diluted earnings per share
Nine months ended	Yen	Yen
March 31, 2024	269.77	–
March 31, 2023	238.70	–

(2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio
As of	Millions of yen	Millions of yen	%
March 31, 2024	378,534	215,751	55.2
June 30, 2023	353,474	204,853	56.1

Reference: Equity
 As of March 31, 2024: ¥208,947 million
 As of June 30, 2023: ¥198,212 million

2. Cash dividends

	Annual dividends per share				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended June 30, 2023	—	—	—	109.00	109.00
Fiscal year ending June 30, 2024	—	—	—		
Fiscal year ending June 30, 2024 (Forecast)				114.00	114.00

Note: Revisions to the forecast of cash dividends most recently announced: None

3. Consolidated earnings forecasts for the fiscal year ending June 30, 2024 (from July 1, 2023 to June 30, 2024)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Fiscal year ending June 30, 2024	245,000	7.7	23,000	15.3	24,500	7.1	16,000	12.9	324.76

Note: Revisions to the earnings forecasts most recently announced: None

*** Notes**

- (1) Changes in significant subsidiaries during the period (changes in specified subsidiaries resulting in the change in scope of consolidation): None
- (2) Adoption of accounting treatment specific to the preparation of quarterly consolidated financial statements: None
- (3) Changes in accounting policies, changes in accounting estimates, and restatement
 - (i) Changes in accounting policies due to revisions to accounting standards and other regulations: None
 - (ii) Changes in accounting policies due to other reasons: None
 - (iii) Changes in accounting estimates: None
 - (iv) Restatement: None
- (4) Number of issued shares (common shares)

- (i) Total number of issued shares at the end of the period (including treasury shares)

As of March 31, 2024	49,355,938 shares
As of June 30, 2023	49,355,938 shares

- (ii) Number of treasury shares at the end of the period

As of March 31, 2024	81,327 shares
As of June 30, 2023	107,207 shares

- (iii) Average number of shares outstanding during the period (cumulative from the beginning of the fiscal year)

Nine months ended March 31, 2024	49,267,142 shares
Nine months ended March 31, 2023	49,248,958 shares

* Quarterly financial results reports are exempt from quarterly review conducted by certified public accountants or an audit corporation.

* Proper use of earnings forecasts, and other special matters
(Cautions on forward-looking statements, etc.)

The forward-looking statements, including the earnings forecasts shown in this document are based on information currently available to the Company and on certain assumptions deemed to be reasonable. As such, they do not constitute guarantees by the Company of future performance. Actual performance and other results may differ materially from these forecasts due to various factors. Please refer to “(3) Explanation regarding consolidated earnings forecasts and other forward-looking statements” in “1. Qualitative information regarding financial results for the period” on page 4 of the attached material for the suppositions that form the assumptions for earnings forecasts and cautions concerning the use thereof.

Attached Material

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1. Qualitative information regarding financial results for the period

(1) Explanation regarding operating results

(Millions of yen)

	Nine months ended March 31, 2023	Nine months ended March 31, 2024	Year-on-year change rate
Orders received	172,523	189,689	10.0%
Net sales	160,959	185,207	15.1%
Operating profit	12,743	20,407	60.1%
Ordinary profit	15,663	20,475	30.7%
Profit attributable to owners of parent	11,756	13,291	13.1%

In the nine months ended March 31, 2024, the global economy remained on a gradual recovery track, but uncertainty increased, mainly because of concerns about the risk of an overseas economic downturn due to global monetary tightening.

Regarding the business environment in which the Group operates, in the semiconductor sector, capital investment by semiconductor manufacturers is slowing in the short term, in line with the deceleration in demand for items such as smartphones and personal computers. However, the demand for semiconductors is expected to expand in the medium- to long-term, partly due to expectations for generative AI, and plans for the construction and expansion of semiconductor plants are underway around the world in response to geopolitical risks. In the electronics field, there has been a continued investment in power devices in line with progress in the shift to green energy, EVs, etc.; technological innovation, as well as investment to increase the production of various electronic devices for the realization of a smart society, digitalization, and the metaverse; and investment aimed at shifting to domestic production in China. In the flat panel display (FPD) sector, investments are expected in large-sized organic light-emitting diode displays as IT panels for tablets and personal computers have been replaced by organic light-emitting diode displays from LCDs in recent years. Additionally, investment in the mass production of EV batteries aimed at realizing smaller sizes, larger capacities, and higher safety is starting in earnest.

As a result, in the nine months ended March 31, 2024, orders received increased by 17,166 million yen (10.0%) year on year to 189,689 million yen and net sales increased by 24,248 million yen (15.1%) to 185,207 million yen. Regarding profit, operating profit increased by 7,663 million yen (60.1%) to 20,407 million yen, ordinary profit increased by 4,812 million yen (30.7%) to 20,475 million yen, and profit attributable to owners of parent increased by 1,535 million yen (13.1%) to 13,291 million yen.

Results by segment are as follows.

[Vacuum Equipment Business]

(Millions of yen)

	Nine months ended March 31, 2023	Nine months ended March 31, 2024	Year-on-year change rate
Orders received	139,520	154,873	11.0%
Net sales	131,008	150,521	14.9%
Operating profit	10,338	17,892	73.1%

Details for Vacuum Equipment Business by item are as follows.

FPD production equipment

Orders received increased year on year due to full-fledged investment in mass production of EV batteries aimed at realizing smaller sizes, larger capacities, and higher safety, while net sales were flat year on year.

Semiconductor and electronic device production equipment

In semiconductor and electronic device production equipment, orders received and net sales of advanced logic and memory equipment increased year on year following a recovery in investment entering the second half of the year after a period of adjustments, and active investment in power devices in Japan and China.

Components

In the components business, orders received and net sales both increased year on year, as business was strong, especially for vacuum pumps, measurement devices, power supply devices designed for use in semiconductors and electronic devices, batteries for EVs, and consumer devices.

Industrial equipment

Orders received and net sales increased year on year due to contributions from businesses in areas such as high performance magnet production equipment and freeze drying equipment for medical applications.

As a result, the Vacuum Equipment Business recorded orders received of 154,873 million yen, order backlogs of 132,094 million yen, net sales of 150,521 million yen, and operating profit of 17,892 million yen.

[Vacuum Application Business]

	(Millions of yen)		
	Nine months ended March 31, 2023	Nine months ended March 31, 2024	Year-on-year change rate
Orders received	33,003	34,816	5.5%
Net sales	29,951	34,686	15.8%
Operating profit	2,362	2,420	2.4%

Details for Vacuum Application Business by item are as follows.

Materials

Orders received and net sales both increased year on year, primarily owing to a recovery in the operating rate of FPD related plants.

Others

Orders received decreased year on year, mainly due to a time lag of orders received in businesses related to surface analyzer equipment, while net sales increased year on year following contributions from businesses related to mask blanks for high-definition, high-performance displays.

As a result, the Vacuum Application Business recorded orders received of 34,816 million yen, order backlogs of 16,443 million yen, net sales of 34,686 million yen, and operating profit of 2,420 million yen.

(2) Explanation regarding financial position

1) Assets, liabilities and net assets

Financial position as of March 31, 2024 is as follows.

Total assets increased by 25,061 million yen from the end of the previous fiscal year. This was primarily due to an increase of 13,445 million yen in notes and accounts receivable - trade, and contract assets, an increase of 8,495 million yen in inventories, and an increase of 6,547 million yen in property, plant and equipment, despite a decrease of 2,674 million yen in cash and deposits.

Total liabilities increased by 14,163 million yen from the end of the previous fiscal year. This was primarily due to an increase of 9,305 million yen in contract liabilities and an increase of 4,061 million yen in long-term borrowings.

Total net assets increased by 10,897 million yen from the end of the previous fiscal year. This was primarily due to an increase of 7,911 million yen in retained earnings and an increase of 2,603 million yen in exchange adjustments.

2) Cash flows

The status of cash flows for the nine months ended March 31, 2024 is as follows.

Cash flows from operating activities amounted to an inflow of 12,286 million yen (compared to an outflow of 3,615 million yen in the same period of the previous fiscal year). Positive factors behind this included profit before income taxes, an increase in contract liabilities, and depreciation, while negative factors included an increase in trade receivables, an increase in inventories, and a decrease in trade payables.

Cash flows from investing activities amounted to an outflow of 14,519 million yen (compared to an outflow of 10,085 million yen in the same period of the previous fiscal year). The main factor behind this was the purchase of property, plant and equipment and intangible assets.

Cash flows from financing activities amounted to an outflow of 1,673 million yen (compared to an outflow of 9,307 million yen in the same period of the previous fiscal year), primarily due to proceeds from long-term borrowings, repayments of long-term borrowings, and dividends paid.

As a result of the above, cash and cash equivalents at the end of the nine months ended March 31, 2024, amounted to 84,362 million yen, a decrease of 2,955 million yen from the end of the previous fiscal year.

(3) Explanation regarding consolidated earnings forecasts and other forward-looking statements

Earnings forecasts for the fiscal year ending June 30, 2024 are unchanged from the previous forecasts announced on August 8, 2023.

Note: Earnings forecasts and other forward-looking statements provided in this document are based on information currently available to the Company. 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, FPD, raw materials, and other markets, capital expenditure trends, response to rapid technological innovation, and exchange rate fluctuations.

2. Quarterly consolidated financial statements and significant notes

(1) Quarterly consolidated balance sheet

(Millions of yen)

	As of June 30, 2023	As of March 31, 2024
Assets		
Current assets		
Cash and deposits	98,399	95,725
Notes and accounts receivable - trade, and contract assets	83,538	96,984
Merchandise and finished goods	6,140	6,546
Work in process	36,485	41,003
Raw materials and supplies	19,335	22,907
Other	11,903	10,694
Allowance for doubtful accounts	(521)	(442)
Total current assets	255,280	273,416
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	25,915	27,416
Machinery, equipment and vehicles, net	20,399	18,613
Tools, furniture and fixtures, net	1,741	1,937
Land	8,245	8,241
Leased assets, net	3,670	3,496
Construction in progress	9,617	16,432
Total property, plant and equipment	69,588	76,135
Intangible assets		
Leased assets	23	9
Software	1,746	2,507
Other	2,568	2,785
Total intangible assets	4,336	5,301
Investments and other assets		
Investment securities	10,151	10,058
Retirement benefit asset	940	1,120
Deferred tax assets	6,245	5,377
Other	8,962	7,943
Allowance for doubtful accounts	(2,030)	(817)
Total investments and other assets	24,269	23,681
Total non-current assets	98,193	105,118
Total assets	353,474	378,534

ULVAC, Inc. (Securities code: 6728)
Consolidated Financial Results for the Nine Months Ended March 31, 2024

(Millions of yen)

	As of June 30, 2023	As of March 31, 2024
Liabilities		
Current liabilities		
Notes and accounts payable - trade	47,336	45,744
Short-term borrowings	11,878	13,028
Lease liabilities	898	863
Income taxes payable	2,328	1,802
Contract liabilities	22,685	31,990
Provision for bonuses	5,072	5,574
Provision for bonuses for directors (and other officers)	368	224
Provision for product warranties	1,726	1,709
Provision for loss on orders received	313	446
Other	14,149	15,107
Total current liabilities	106,754	116,489
Non-current liabilities		
Long-term borrowings	30,080	34,141
Lease liabilities	3,037	2,860
Deferred tax liabilities	195	522
Retirement benefit liability	7,414	7,331
Provision for share awards for directors (and other officers)	311	402
Asset retirement obligations	409	413
Other	420	627
Total non-current liabilities	41,867	46,295
Total liabilities	148,620	162,784
Net assets		
Shareholders' equity		
Share capital	20,873	20,873
Capital surplus	3,912	3,912
Retained earnings	160,563	168,474
Treasury shares	(345)	(257)
Total shareholders' equity	185,003	193,002
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	2,036	1,865
Foreign currency translation adjustment	12,721	15,324
Remeasurements of defined benefit plans	(1,547)	(1,244)
Total accumulated other comprehensive income	13,209	15,945
Non-controlling interests	6,641	6,803
Total net assets	204,853	215,751
Total liabilities and net assets	353,474	378,534

(2) Quarterly consolidated statement of income and quarterly consolidated statement of comprehensive income

Quarterly consolidated statement of income (cumulative)

(Millions of yen)

	Nine months ended March 31, 2023	Nine months ended March 31, 2024
Net sales	160,959	185,207
Cost of sales	112,920	127,857
Gross profit	48,040	57,351
Selling, general and administrative expenses	35,296	36,944
Operating profit	12,743	20,407
Non-operating income		
Interest income	237	354
Dividend income	405	509
Share of profit of entities accounted for using equity method	2,440	324
Other	1,170	1,062
Total non-operating income	4,251	2,249
Non-operating expenses		
Interest expenses	335	357
Foreign exchange losses	205	1,134
Commission for syndicated loans	287	–
Other	505	690
Total non-operating expenses	1,332	2,180
Ordinary profit	15,663	20,475
Extraordinary income		
Gain on sale of investment securities	–	155
Gain on sale of non-current assets	152	91
Total extraordinary income	152	246
Extraordinary losses		
Impairment losses	36	205
Total extraordinary losses	36	205
Profit before income taxes	15,779	20,517
Income taxes - current	4,082	4,805
Income taxes - deferred	328	1,466
Total income taxes	4,409	6,271
Profit	11,370	14,245
Profit (loss) attributable to non-controlling interests	(386)	955
Profit attributable to owners of parent	11,756	13,291

Quarterly consolidated statement of comprehensive income (cumulative)

(Millions of yen)

	Nine months ended March 31, 2023	Nine months ended March 31, 2024
Profit	11,370	14,245
Other comprehensive income		
Valuation difference on available-for-sale securities	387	(172)
Foreign currency translation adjustment	(2,233)	2,420
Remeasurements of defined benefit plans, net of tax	256	303
Share of other comprehensive income of entities accounted for using equity method	(149)	289
Total other comprehensive income	(1,738)	2,840
Comprehensive income	9,632	17,085
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	10,060	16,026
Comprehensive income attributable to non-controlling interests	(429)	1,059

(3) Quarterly consolidated statement of cash flows

(Millions of yen)

	Nine months ended March 31, 2023	Nine months ended March 31, 2024
Cash flows from operating activities		
Profit before income taxes	15,779	20,517
Depreciation	5,956	6,530
Impairment losses	36	205
Increase (decrease) in allowance for doubtful accounts	163	(1,341)
Increase (decrease) in provision for bonuses	(1,232)	415
Increase (decrease) in retirement benefit liability	305	343
Increase (decrease) in provision for share awards for directors (and other officers)	68	91
Increase (decrease) in provision for product warranties	204	(53)
Increase (decrease) in provision for loss on orders received	112	134
Interest and dividend income	(642)	(863)
Interest expenses	335	357
Share of loss (profit) of entities accounted for using equity method	(2,440)	(324)
Loss (gain) on sale of investment securities	–	(155)
Loss (gain) on sale of non-current assets	(152)	(91)
Decrease (increase) in trade receivables	9,113	(11,710)
Decrease (increase) in inventories	(14,655)	(8,237)
Increase (decrease) in trade payables	(8,029)	(2,608)
Increase (decrease) in net contract liabilities	(938)	8,573
Increase (decrease) in accrued consumption taxes	(1,155)	(137)
Decrease (increase) in consumption taxes refund receivable	1,434	1,559
Other, net	(228)	3,125
Subtotal	4,036	16,328
Interest and dividends received	766	1,259
Interest paid	(321)	(375)
Income taxes paid	(8,095)	(4,926)
Net cash provided by (used in) operating activities	(3,615)	12,286
Cash flows from investing activities		
Payments into time deposits	(18,317)	(18,288)
Proceeds from withdrawal of time deposits	18,284	18,138
Purchase of property, plant and equipment and intangible assets	(10,696)	(14,935)
Proceeds from sale of property, plant and equipment and intangible assets	432	116
Proceeds from sale of investment securities	–	291
Other, net	213	159
Net cash provided by (used in) investing activities	(10,085)	(14,519)

ULVAC, Inc. (Securities code: 6728)
 Consolidated Financial Results for the Nine Months Ended March 31, 2024

(Millions of yen)

	Nine months ended March 31, 2023	Nine months ended March 31, 2024
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	1,006	190
Proceeds from long-term borrowings	1,800	10,400
Repayments of long-term borrowings	(4,747)	(5,420)
Dividends paid	(6,113)	(5,374)
Repayments of lease liabilities	(585)	(765)
Purchase of treasury shares	(0)	(0)
Dividends paid to non-controlling interests	(668)	(704)
Net cash provided by (used in) financing activities	(9,307)	(1,673)
Effect of exchange rate change on cash and cash equivalents	(1,004)	951
Net increase (decrease) in cash and cash equivalents	(24,011)	(2,955)
Cash and cash equivalents at beginning of period	107,106	87,317
Cash and cash equivalents at end of period	83,095	84,362

(4) Notes to quarterly consolidated financial statements

Notes – Going concern assumption

Not applicable.

Notes when there are significant changes in amounts of equity

Not applicable.

Segment information

I Nine months ended March 31, 2023

- Information regarding the amounts of net sales and profit or loss and information on disaggregation of revenue for each reportable segment

	Reportable segments			Adjustments (Note 1)	Amount in the quarterly consolidated statement of income (Note 2)
	Vacuum Equipment Business	Vacuum Application Business	Total		
Net sales					
Goods or services transferred at a point in time	55,390	23,639	79,029	–	79,029
Goods or services transferred over time	75,618	6,313	81,930	–	81,930
Revenue from contracts with customers	131,008	29,951	160,959	–	160,959
Sales to external customers	131,008	29,951	160,959	–	160,959
Intersegment sales or transfers	650	1,941	2,591	(2,591)	–
Total	131,658	31,892	163,550	(2,591)	160,959
Segment profit	10,338	2,362	12,700	44	12,743

Notes: 1. The adjustments resulted from eliminating intersegment transactions.

- Segment profit is adjusted with operating profit in the quarterly consolidated statement of income.

- Information regarding impairment losses on non-current assets or goodwill by reportable segment

Significant impairment losses related to non-current assets

Omitted for lack of significance.

Significant changes in amount of goodwill

Not applicable.

Significant gain on bargain purchase

Not applicable.

II Nine months ended March 31, 2024

1. Information regarding the amounts of net sales and profit or loss and information on disaggregation of revenue for each reportable segment

(Millions of yen)

	Reportable segments			Adjustments (Note 1)	Amount in the quarterly consolidated statement of income (Note 2)
	Vacuum Equipment Business	Vacuum Application Business	Total		
Net sales					
Goods or services transferred at a point in time	60,565	28,768	89,332	–	89,332
Goods or services transferred over time	89,957	5,918	95,875	–	95,875
Revenue from contracts with customers	150,521	34,686	185,207	–	185,207
Sales to external customers	150,521	34,686	185,207	–	185,207
Intersegment sales or transfers	445	2,320	2,766	(2,766)	–
Total	150,967	37,006	187,973	(2,766)	185,207
Segment profit	17,892	2,420	20,312	95	20,407

Notes: 1. The adjustments resulted from eliminating intersegment transactions.

2. Segment profit is adjusted with operating profit in the quarterly consolidated statement of income.

2. Information regarding impairment losses on non-current assets or goodwill by reportable segment

Significant impairment losses related to non-current assets

Omitted for lack of significance.

Significant changes in amount of goodwill

Omitted for lack of significance.

Significant gain on bargain purchase

Not applicable.

3. Supplemental information

(1) Sales results

The sales performance of each segment in the nine months ended March 31, 2024, is as follows.

Segment	Sales (Millions of yen)	Year-on-year change rate (%)
Vacuum Equipment Business	150,521	114.9
Vacuum Application Business	34,686	115.8
Total	185,207	115.1

Notes: 1. The sales performance and proportion of total sales of the main products in the Vacuum Equipment Business are as follows.

Items	Nine months ended March 31, 2024	
	Sales (Millions of yen)	Percentage (%)
FPD production equipment	38,396	25.5
Semiconductor and electronic device production equipment	67,107	44.6
Components	28,831	19.1
Industrial equipment	16,187	10.8
Total	150,521	100.0

2. The sales performance and proportion of total sales of the main products in the Vacuum Application Business are as follows.

Items	Nine months ended March 31, 2024	
	Sales (Millions of yen)	Percentage (%)
Materials	17,043	49.1
Others	17,643	50.9
Total	34,686	100.0