

【 Code No : 6728】

Business Result

FY2016 (Year Ending June 30, 2017) 1Q

ULVAC,Inc.

14th Nov., 2016

◆ **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

Overview of Business Results for FY 2016 1Q

Overview of Business results for FY2016 1Q

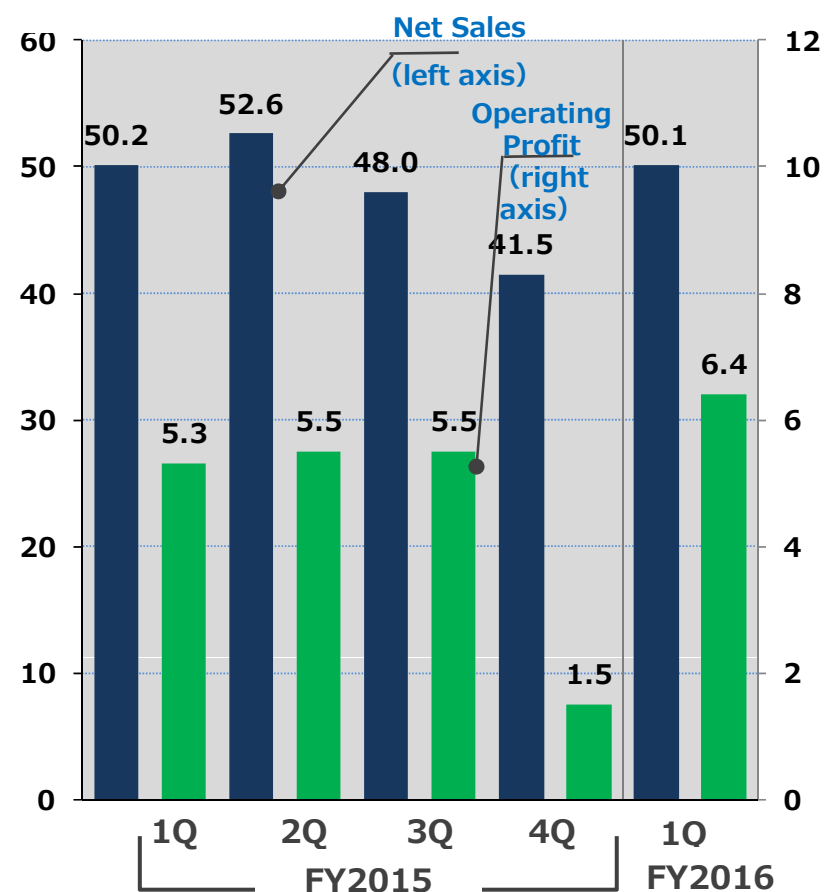
Orders Received : For FPD production equipment, there were a number of advance orders in FY2015 that were previously expected for the first half of FY2016 (for large TVs), and total order received marked a decrease of 11% year-on-year.

Net sales : Flat year-on-year.

Operating profit : For FPD production equipment, Semiconductors and electronics device production equipment, and components, profitability improved. Operating profit increased 21% year-on-year.

【Unit:Bn.Yen】

	Jun-15 1Q	June 2016 1Q	Result Y-o-Y (Changes)
Orders Received	56.4	50.0	-11.4%
Net Sales	50.2	50.1	-0.2%
Operating Profit	5.3	6.4	20.9%
Ratio	10.6%	12.8%	
Net Income	3.2	5.1	56.4%
Ratio	6.5%	10.1%	

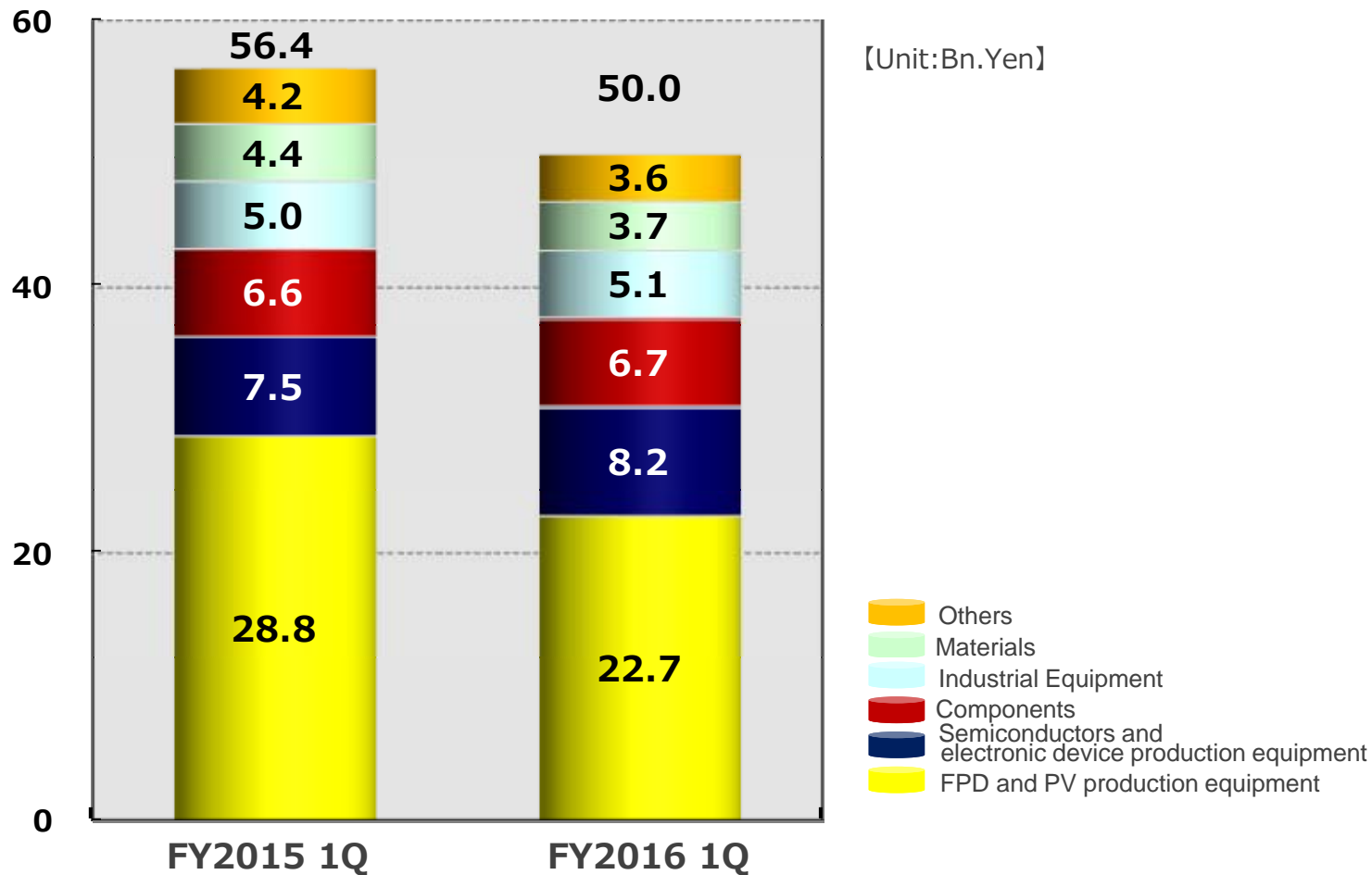


Overview of Business results for FY2016 1Q

(Results of orders received by segment)

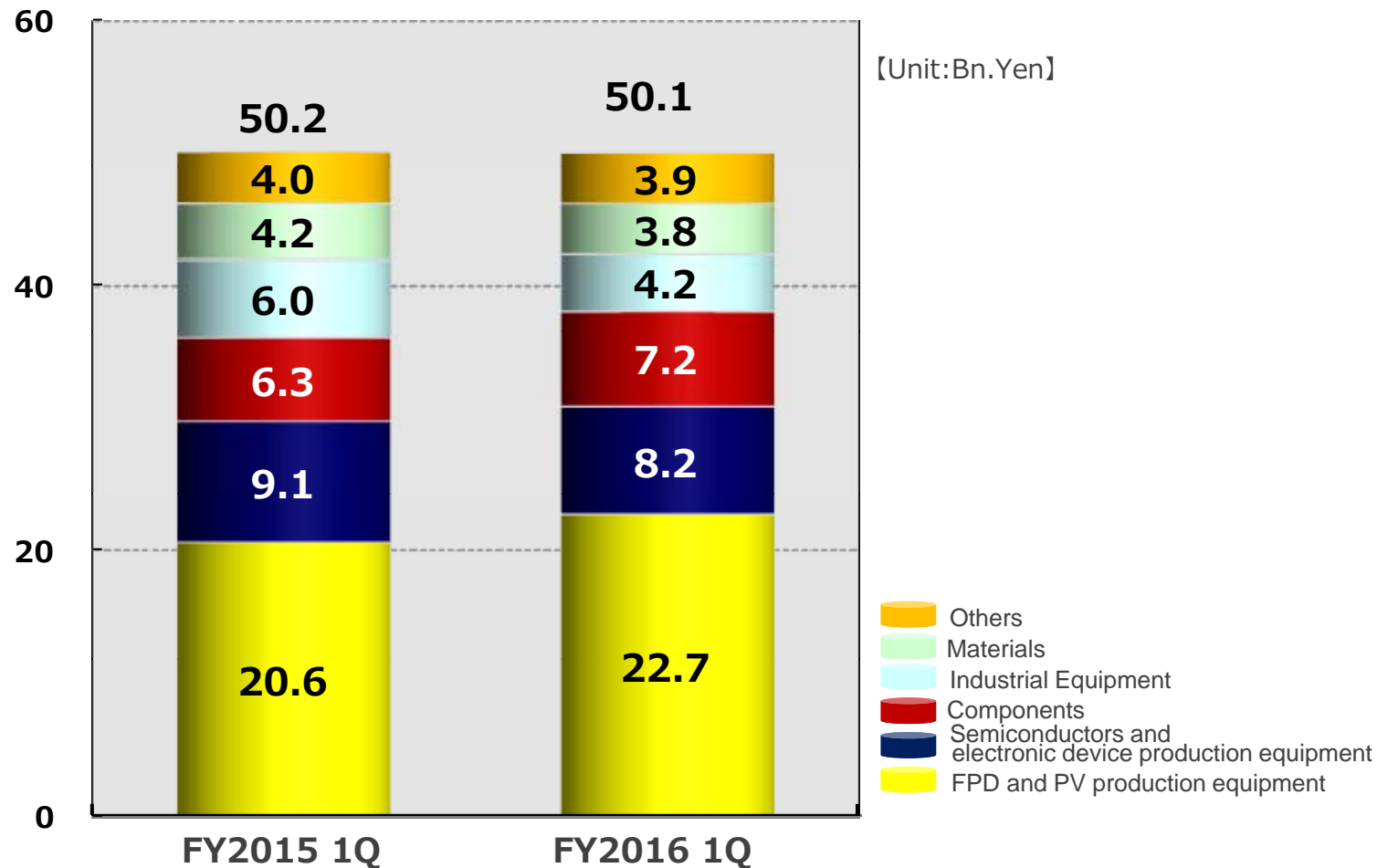
Orders received for FPD production equipment for use in organic ELs (OLED) increased, but as there were a number of advance orders in the previous year (for large LCD TVs), overall orders received decreased. Orders received for Semiconductors and electronic device production equipment increased mainly for high performance electronic device.

Overall orders received decreased 11% year-on-year.



Overview of Business Results for FY2016 1Q (Results of net sales by segment)

Net sales for FPD production equipment increased year-on-year, driven mainly by LCD panel production equipment for large TVs and OLED production equipment. Net sales for components also increased year-on-year, driven mainly by cryo pumps for OLED. Net sales for industrial equipment declined due to the economic slowdown in China and other countries. Overall net sales were flat year-on-year.



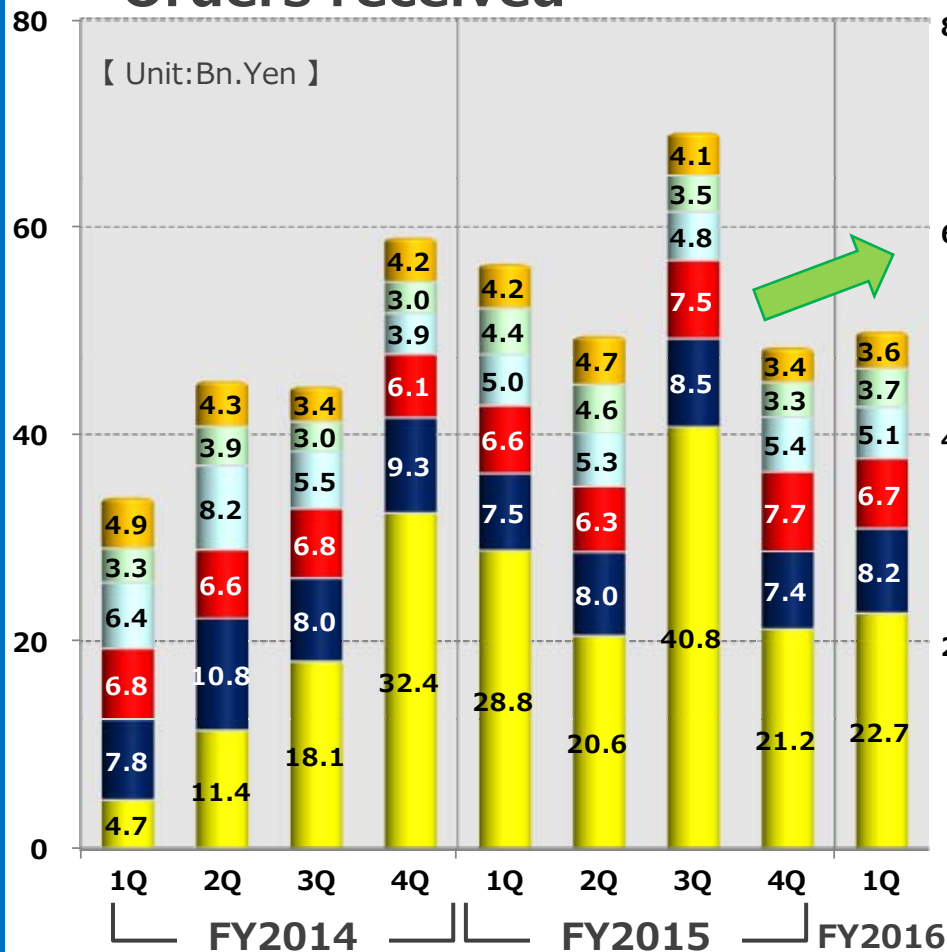
Overview of Business Results for FY2016 1Q

(Transition of orders received and net sales by segment)

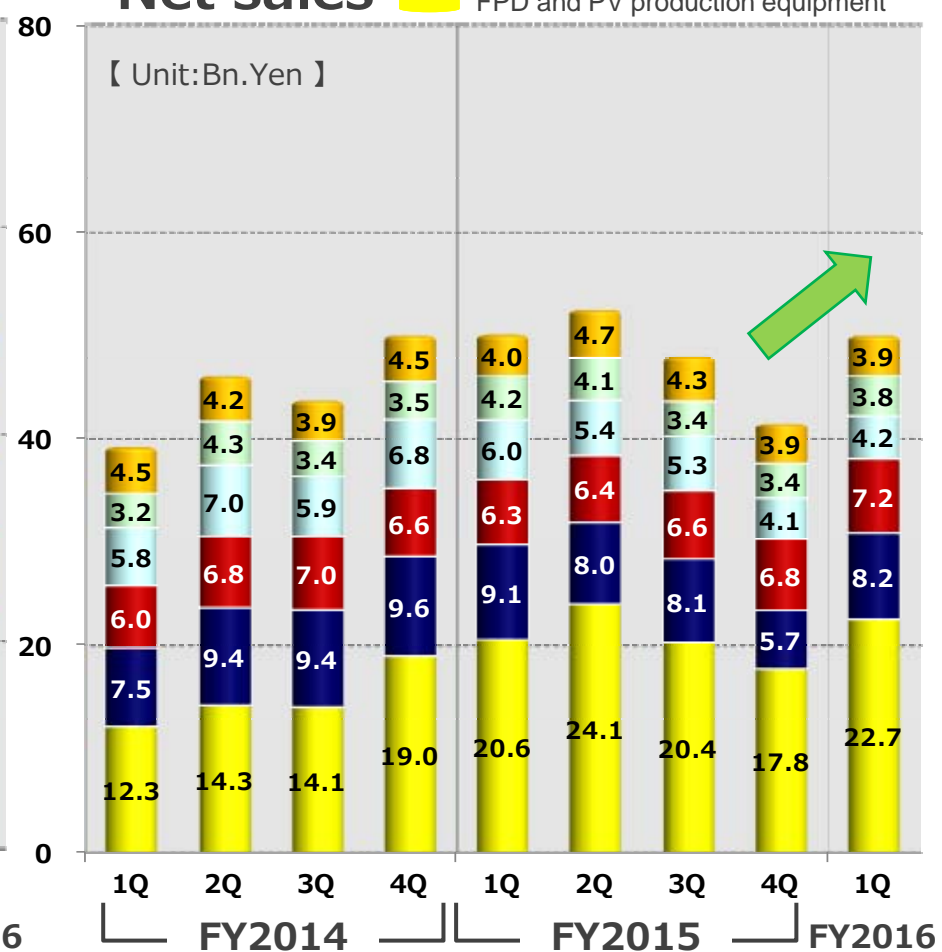
Both orders received and net sales are showing sign of recovery from the previous quarter.

- Others
- Materials
- Industrial Equipment
- Components
- Semiconductors and electronic device production equipment
- FPD and PV production equipment

Orders received

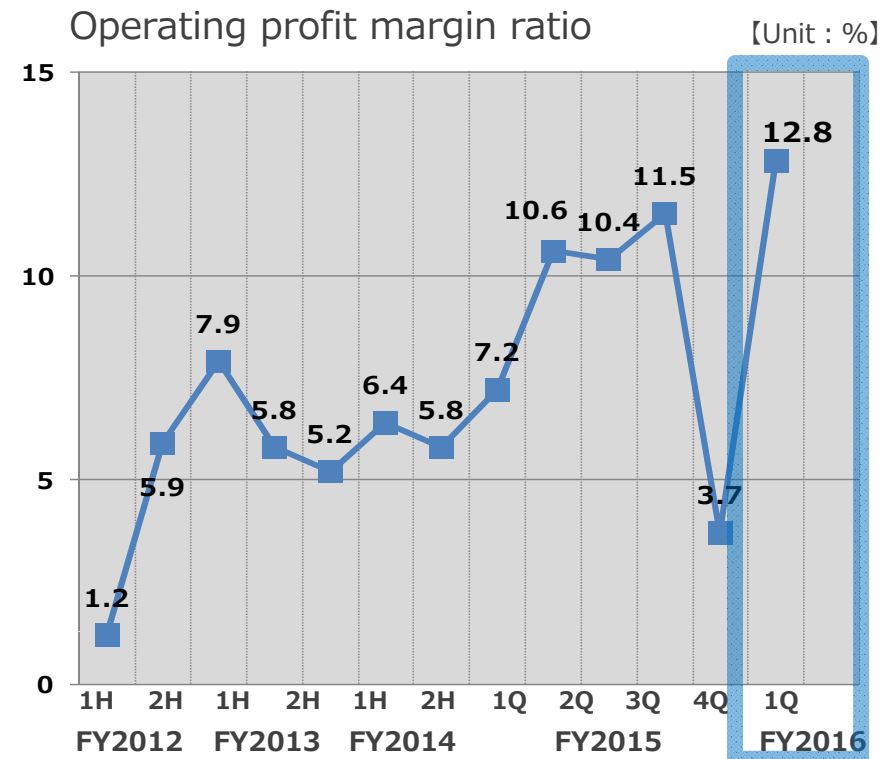
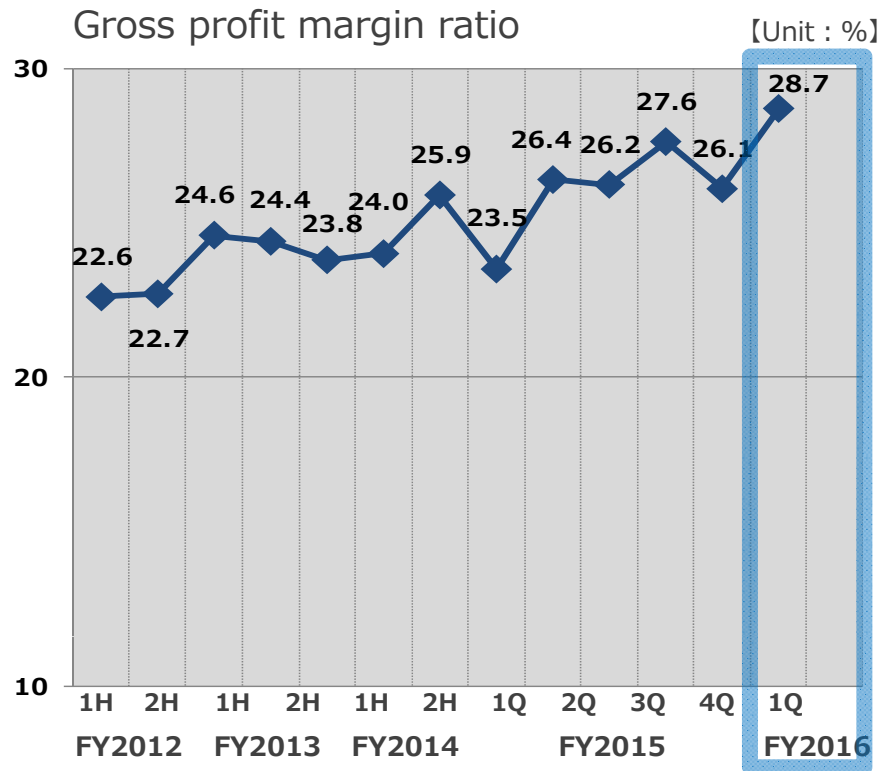


Net sales



Overview of Business Results for FY2016 1Q (Transition of profitability)

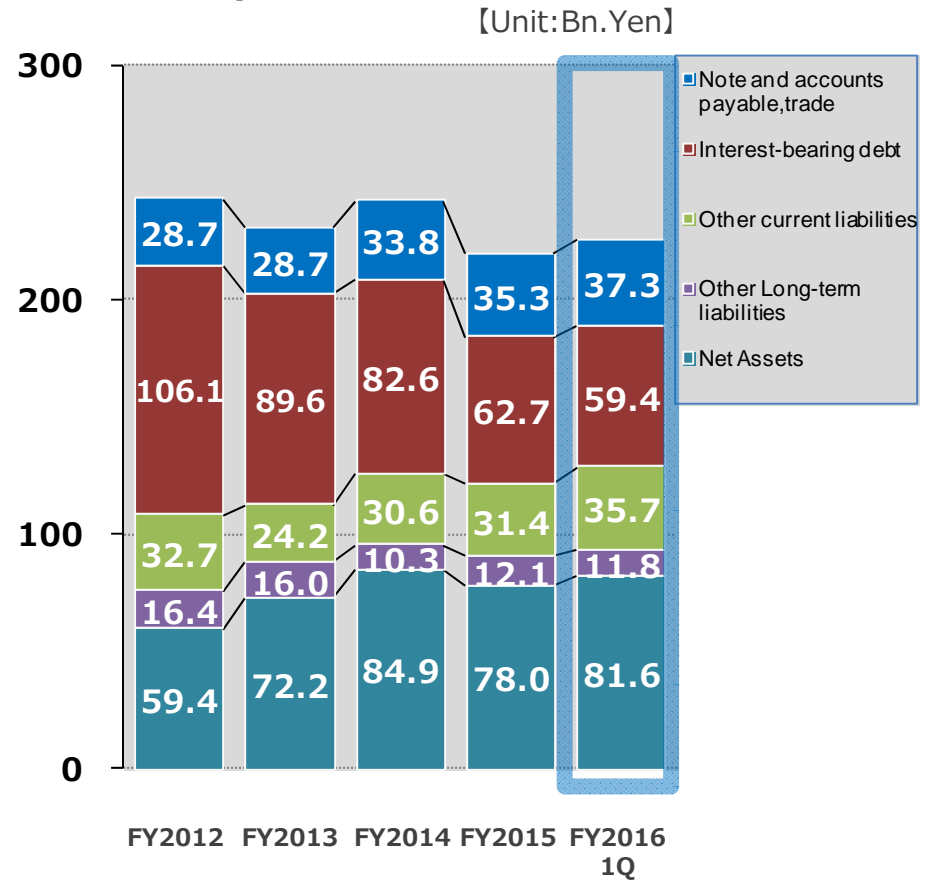
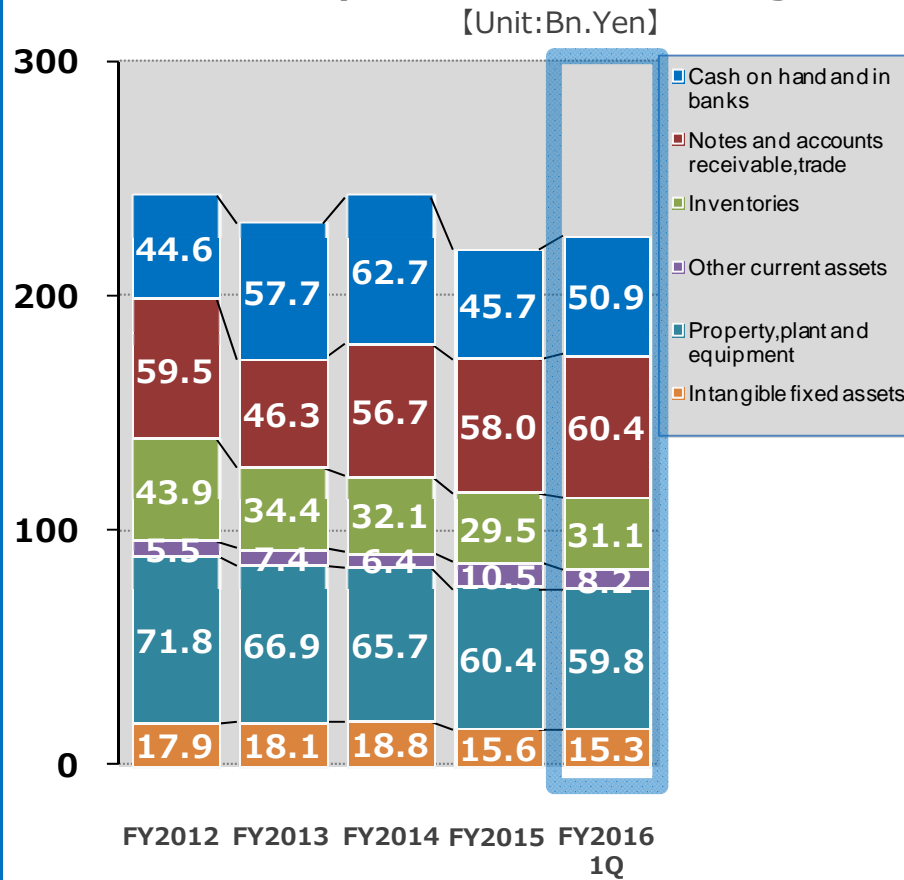
Both gross profit margin ratio and operating profit margin ratio grew higher, due to the contribution by FPD production equipment, Semiconductor and electronics device production equipment, and Components.



Overview of Business Results for FY2016 1Q (Consolidated balance sheets)

Due to the increase of net sales, “notes and accounts receivable, trade” increased by 2.5 billion yen, “notes and accounts payable, trade” increased by 2.0 billion yen, compared to those as of June 30, 2016.

“Cash on hand and in banks” increased by 5.2 billion yen and net assets increased by 3.6 billion yen. “Interest-bearing debt” decreased by 3.3 billion yen.



Overview of Business Results for FY2016 1Q

(Results of Interest-bearing debt and FCF)

Debt-to total assets ratio fell to 26.3%. Equity ratio improved to 33.9%.

Primarily due to large amounts of advance received, cash flow from operating activities increased to 11.6 billion yen, free cash flow (FCF) increased to 9.6 billion yen, and net interest-bearing debt decreased to 8.5 billion yen.

