

Innovation begins in a vacuum

【Code No : 6728】

FY2014 First Half Business Result

(Year Ending June 30, 2015)

ULVAC, Inc.
16th Feb., 2015

◆ **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

Agenda

- **Summary for the Fiscal Year 2014 Ending June 2015(1st Half)**
- **Prospects for the Fiscal Year 2014 Ending June 2015**

Hisaharu Obinata , President and CEO

Results for the 2nd Q of the Year Ending June 2015 (Y-T-D)

Net sales: Declined by 6.9% year-on-year due to a decrease in sales of FPD, PV production equipment and others, despite an increase in sales of semiconductor and electronic device production equipment and others. However, the results were roughly as expected (up 0.4%) at the beginning of the current fiscal year.

Operating profit: Declined by 30.8% year-on-year due to a decrease in net sales and others. However, the figure exceeded the projection prepared at the beginning of the current year by 24.6% due to greater-than-expected improvement in profitability.

Ordinary profit/Net income: Exceeded the projection prepared at the beginning of the current year by 65.6% and 67.8%, respectively. Non-operating income such as gains from foreign exchange and the sale of inventory in the materials division exceeded projections, as did operating profit.

[Unit:Bn.Yen]

	June '14			June 2015 1H				June 2015 Full Year Plan *
	1H	2H	Full Year	Plan *	Result	H-o-H (Changes)	vs. Plan (Changes)	
Booking	82.1	87.7	169.8	80.0	79.1	-3.7%	-1.1%	170.0
Back-log	62.7	67.2	67.2	62.2	63.7			62.2
Sales	91.6	82.2	173.9	85.0	85.3	-6.9%	0.4%	175.0
Gross margin Ratio	22.5 24.6%	20.1 24.4%	42.6 24.5%	–	20.4 23.9%	-9.5%		–
SG&A	15.3	15.3	30.7	–	15.4	0.4%		–
Operating Profit Ratio	7.2 7.9%	4.8 5.8%	12.0 6.9%	4.0 4.7%	5.0 5.8%	-30.8%	24.6%	9.0 5.1%
Net Income Ratio	7.1 7.7%	4.5 5.4%	11.5 6.6%	2.5 2.9%	4.2 4.9%	-40.7%	67.8%	6.5 3.7%

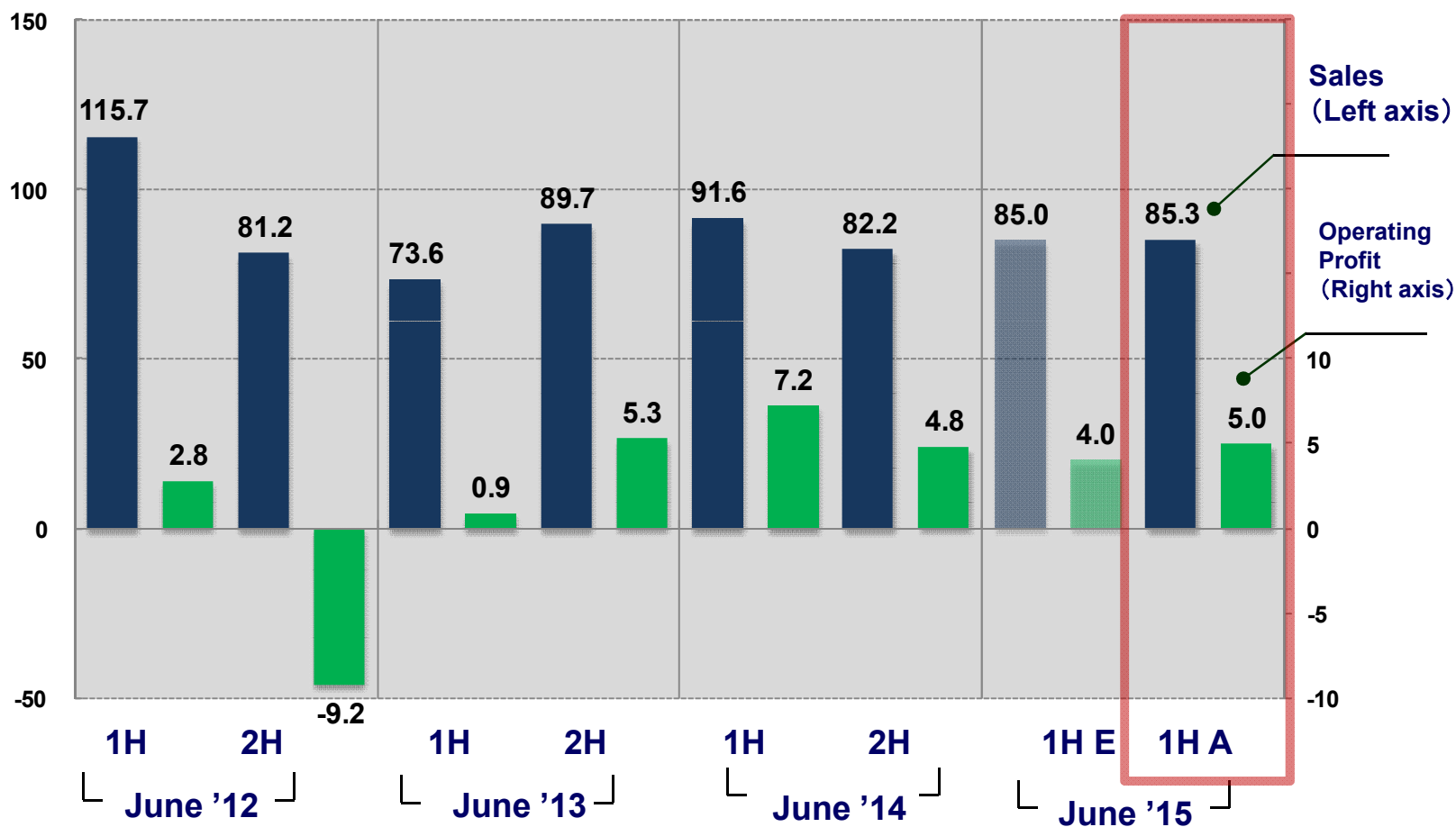
* Figures announced on Aug 2014(The original forecast)

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

Results for the 2nd Q of the Year Ending June 2015 (Y-T-D)

Sales and Operating Profit (By Half Year)

【Unit:Bn.Yen】



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

Orders Received(By segment)

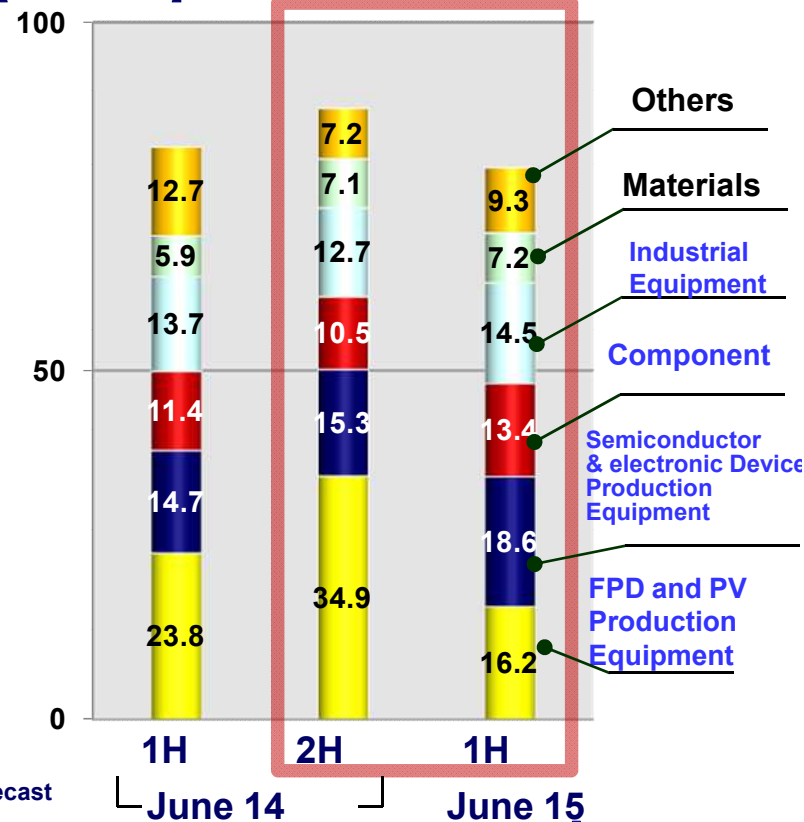
Orders received for semiconductor and electronic device production equipment, components and industrial equipment increased compared with the second half of the previous year due to continuously robust investment in memory systems for mobile devices, advanced electronic devices and automobile-related equipment. Orders received for FPD and PV production equipment decreased, in reaction to the investments for FPD-related equipment in the second half of the previous year and remained stagnant for a short time. (Recently we have been making a recovery in orders mainly for small- to medium-sized LCD production equipment.) Summarizing, the overall results were roughly as expected.

Orders received by segment(Half year)

【Unit:Bn.Yen】

Segment	June 2014		June 2015	
	1H (Jul-Dec)	2H (Jan-Jun)	1H (Jul-Dec)	H-on-H
Vacuum Equipment Business	63.6	73.4	62.7	-10.7
FPD and PV Production Equipment	23.8	34.9	16.2	-18.7
Semiconductor & Electronic Device Production Equipment	14.7	15.3	18.6	3.4
Component	11.4	10.5	13.4	2.8
Industrial Equipment	13.7	12.7	14.5	1.8
Vacuum Application Business	18.6	14.3	16.4	2.1
Materials	5.9	7.1	7.2	0.0
Others	12.7	7.2	9.3	2.1
Total	82.1	87.7	*(80.0) 79.1	-8.6

【Unit:Bn.Yen】



*The number in parentheses show the original forecast

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

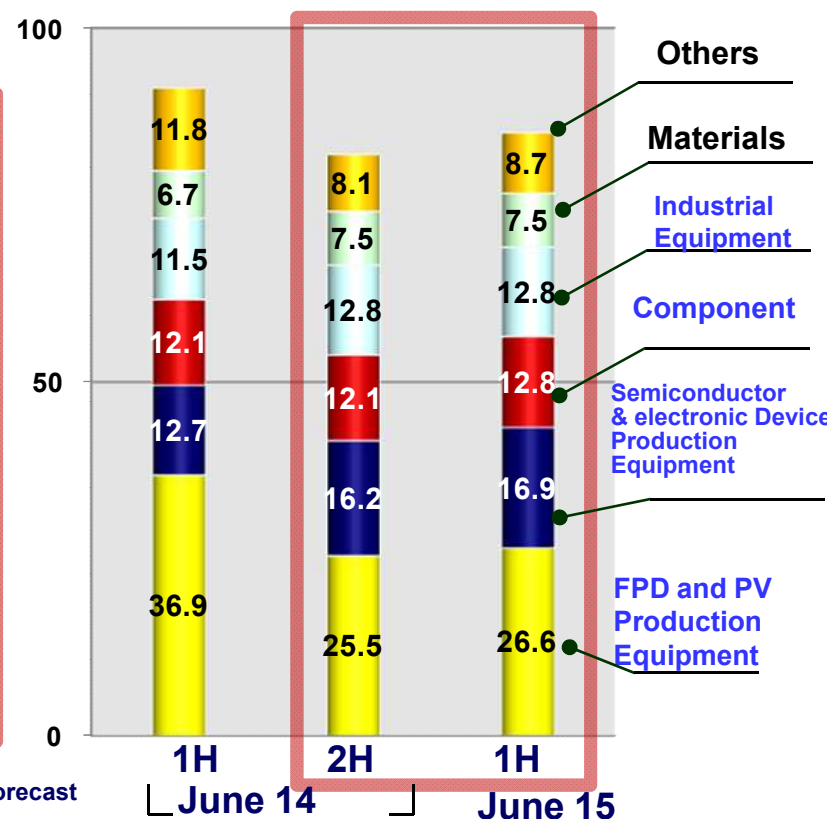
Net Sales(By segment)

Net sales increased slightly or remain unchanged compared with the second half of the previous year for all segments such as FPD and PV production equipment, semiconductor and electronic device production equipment, components, industrial equipment and materials. The overall results were roughly as expected at the beginning of the current year.

Net Sales by segment(Half year)

[Unit:Bn.Yen]

Segment	June 2014		June 2015	
	1H (Jul-Dec)	2H (Jan-Jun)	1H (Jul-Dec)	H-on-H
Vacuum Equipment Business	73.2	66.6	69.1	2.5
FPD and PV Production Equipment	36.9	25.5	26.6	1.1
Semiconductor & Electronic Device Production Equipment	12.7	16.2	16.9	0.8
Component	12.1	12.1	12.8	0.8
Industrial Equipment	11.5	12.8	12.8	-0.1
Vacuum Application Business	18.5	15.7	16.2	0.5
Materials	6.7	7.5	7.5	0.0
Others	11.8	8.1	8.7	0.5
Total	91.6	82.2	* (85.0) 85.3	3.1

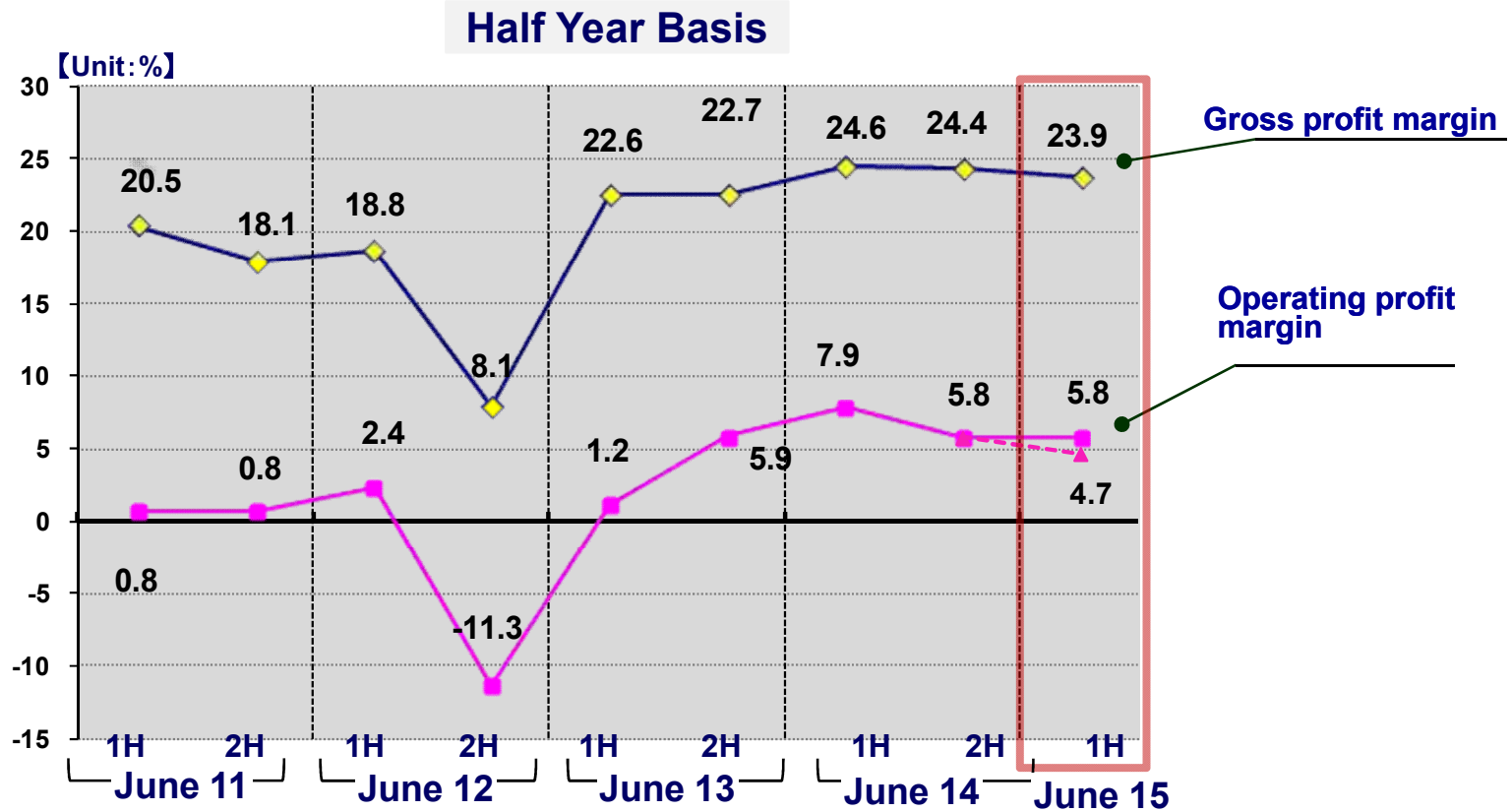


*The number in parentheses show the original forecast

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

Outlook for profitability

Operating profit to net sales decreased due to it being a drop-off period in reaction to a concentration of highly profitable projects in the previous fiscal year ended June 2014 and expectations for further intensified price competition. However, profitability for the first half of the current year improved compared with the projection, as the impact of the above remained lower than that of the projection.

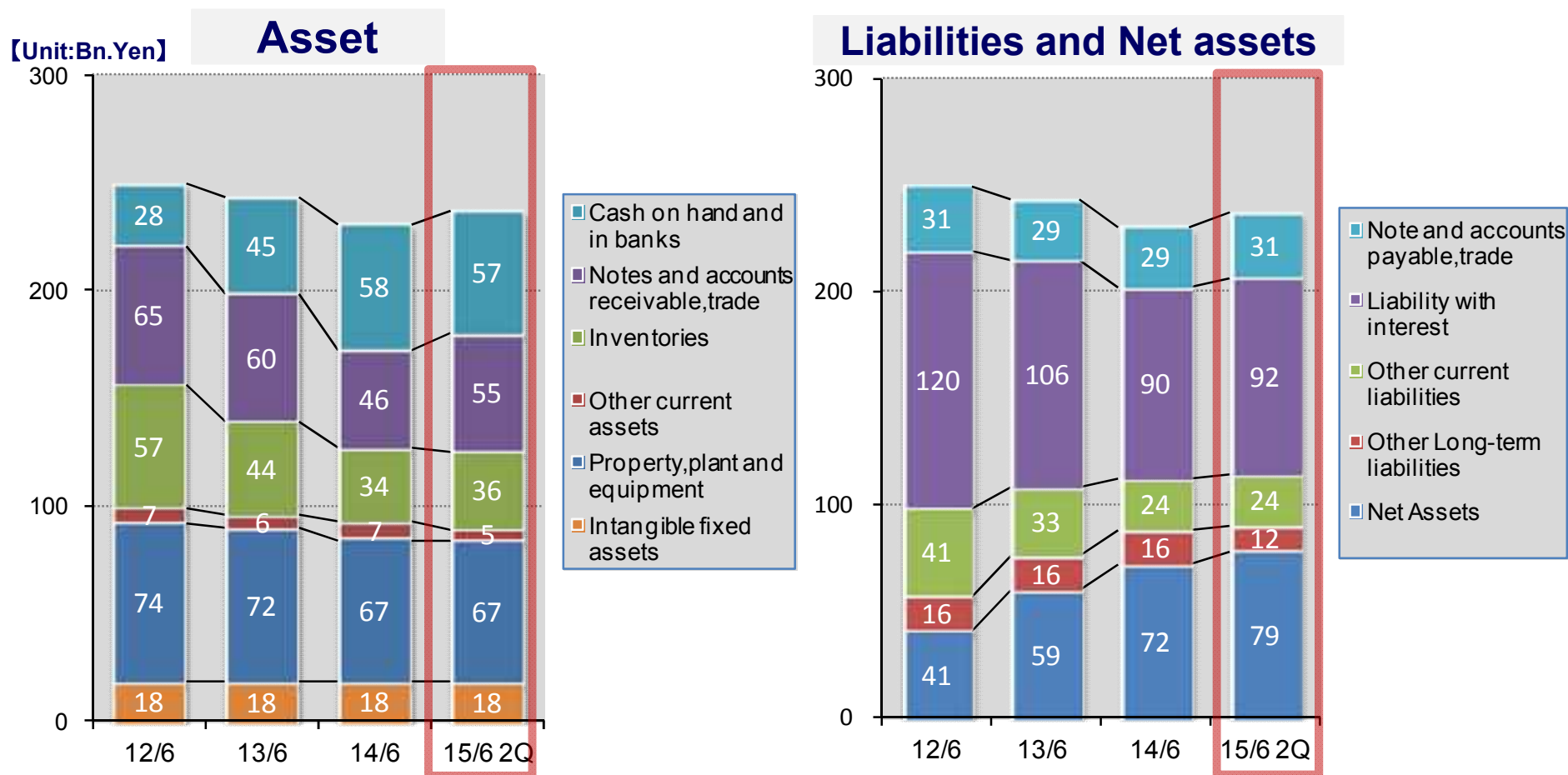


[Figures are rounded off to the first decimal place]

The dotted lines shows the original forecast

Balance sheet

Although notes and accounts receivable-trade in assets and interest-bearing debts in liabilities increased slightly, this is a temporary phenomenon. Net assets increased by 6.3 billion yen.

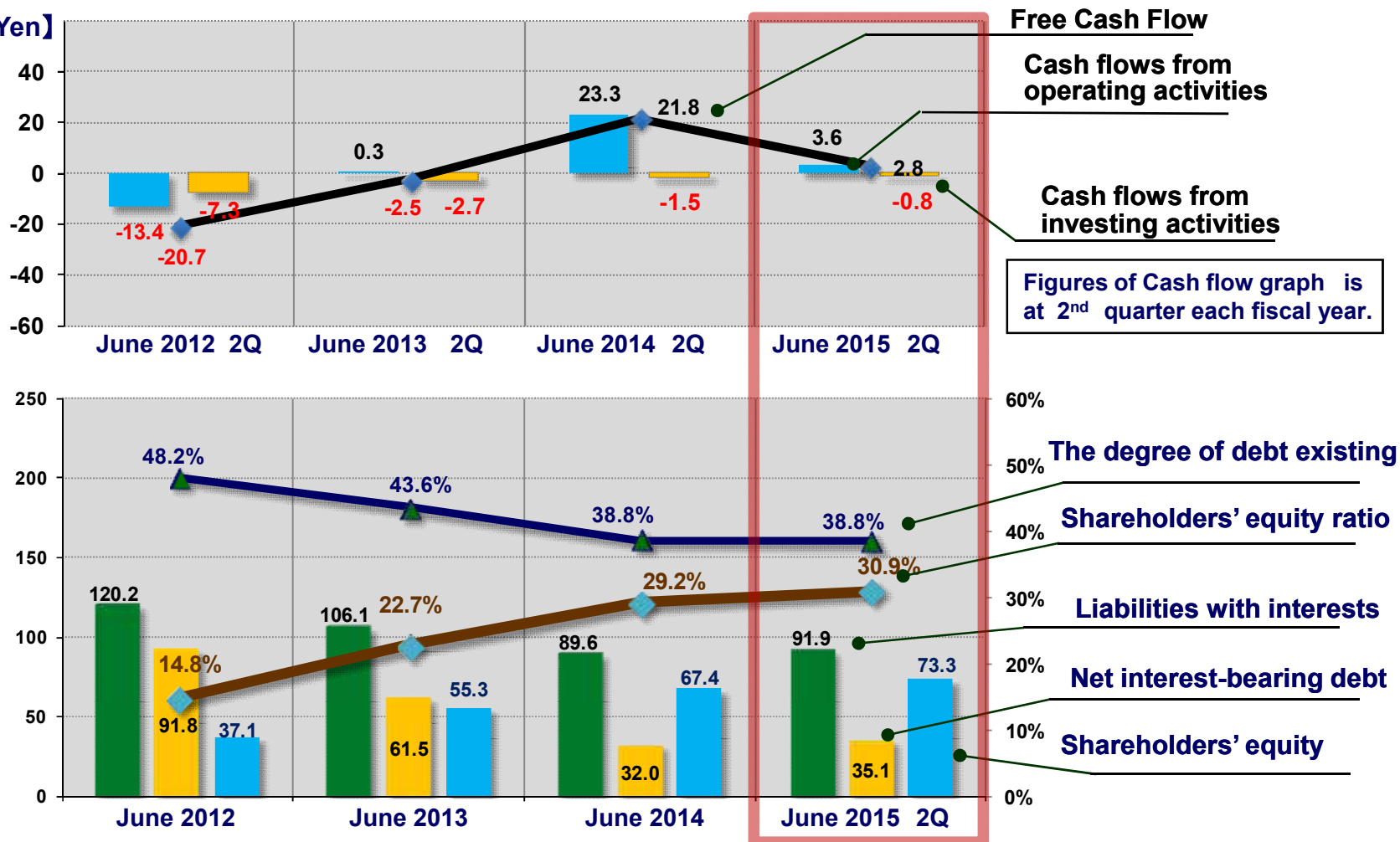


【Remarks: Figures indicated above are rounded off to the nearest unit and may not coincide with the total.】

Cash Flow and Liabilities with Interests

The shareholder's equity ratio improved to 30.9%. Operating activities net cash and free cash inflows increased slightly. We have partially redeemed class A classified stock (with a principle of 5 billion yen)

[Unit:Bn.Yen]



Forecast of June 2015 Full Year

Regarding the full-year forecasts, the previous projection remains unchanged due to uncertain factors still being recognized in the future capital investment in FPD production equipment and the impact of further intensified price competition on the profitability level.

[Unit:Bn.Yen]

	June 2014	June 2015	
		1H Result	Plan
Booking	169.8	79.1	170.0
Back-log	67.2	63.7	62.2
Sales	173.9	85.3	175.0
Operating Profit	12.0	5.0	9.0
Ratio	6.9%	5.8%	5.1%
Net Income	11.5	4.2	6.5
Ratio	6.6%	4.9%	3.7%

* Figures announced on Aug 2014(without change)

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

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