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May 12, 2023

Consolidated Financial Results for the Nine Months Ended March 31, 2023 (Under Japanese GAAP)

Company name: ULVAC, Inc.
 Listing: Tokyo Stock Exchange
 Securities code: 6728
 URL: <https://www.ulvac.co.jp/en/>
 Representative: Setsuo Iwashita, President and CEO
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 Scheduled date to file quarterly securities report: May 12, 2023
 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, 2023 (from July 1, 2022 to March 31, 2023)

(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, 2023	160,959	(3.1)	12,743	(34.8)	15,663	(23.4)	11,756	(14.7)
March 31, 2022	166,097	29.2	19,539	92.4	20,441	101.9	13,776	66.5

Note: Comprehensive income For the nine months ended March 31, 2023: ¥9,632 million [(50.6)%]
 For the nine months ended March 31, 2022: ¥19,510 million [61.2%]

	Basic earnings per share	Diluted earnings per share
Nine months ended	Yen	Yen
March 31, 2023	238.70	–
March 31, 2022	279.72	–

(2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio
As of	Millions of yen	Millions of yen	%
March 31, 2023	338,903	199,096	56.9
June 30, 2022	354,304	196,484	53.3

Reference: Equity
 As of March 31, 2023: ¥192,917 million
 As of June 30, 2022: ¥188,977 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, 2022	–	–	–	124.00	124.00
Fiscal year ending June 30, 2023	–	–	–		
Fiscal year ending June 30, 2023 (Forecast)				123.00	123.00

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

3. Consolidated earnings forecasts for the fiscal year ending June 30, 2023 (from July 1, 2022 to June 30, 2023)

(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, 2023	215,000	(10.9)	17,500	(41.8)	21,000	(34.8)	16,000	(20.8)	324.88

Note: Revisions to the earnings forecasts most recently announced: Yes

*** Notes**

- (1) Changes in significant subsidiaries during the period (changes in specified subsidiaries resulting in the change in scope of consolidation): Yes

New inclusion: None, Exclusion: One company (ULVAC TOHOKU, Inc.)

- (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: Yes

(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, 2023	49,355,938 shares
As of June 30, 2022	49,355,938 shares

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

As of March 31, 2023	106,983 shares
As of June 30, 2022	106,961 shares

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

Nine months ended March 31, 2023	49,248,958 shares
Nine months ended March 31, 2022	49,249,001 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.

Quarterly consolidated financial statements

(1) Quarterly consolidated balance sheet

(Millions of yen)

	As of June 30, 2022	As of March 31, 2023
Assets		
Current assets		
Cash and deposits	118,040	93,821
Notes and accounts receivable - trade, and contract assets	86,331	76,027
Merchandise and finished goods	4,500	5,930
Work in process	29,090	38,063
Raw materials and supplies	15,849	19,191
Other	10,562	11,290
Allowance for doubtful accounts	(525)	(566)
Total current assets	263,847	243,756
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	26,883	25,598
Machinery, equipment and vehicles, net	15,735	16,887
Tools, furniture and fixtures, net	1,774	1,729
Land	8,360	8,187
Leased assets, net	3,157	3,645
Construction in progress	9,087	11,336
Total property, plant and equipment	64,995	67,382
Intangible assets		
Leased assets	27	18
Software	1,603	1,670
Other	2,085	2,351
Total intangible assets	3,715	4,038
Investments and other assets		
Investment securities	6,882	9,626
Deferred tax assets	6,990	6,430
Other	9,869	9,743
Allowance for doubtful accounts	(1,995)	(2,070)
Total investments and other assets	21,746	23,728
Total non-current assets	90,457	95,148
Total assets	354,304	338,903

ULVAC, Inc. (Securities code: 6728)
Consolidated Financial Results for the Nine Months Ended March 31, 2023

(Millions of yen)

	As of June 30, 2022	As of March 31, 2023
Liabilities		
Current liabilities		
Notes and accounts payable - trade	55,030	46,986
Short-term borrowings	9,618	10,865
Lease liabilities	679	852
Income taxes payable	3,813	1,261
Contract liabilities	25,245	23,655
Provision for bonuses	5,918	4,563
Provision for bonuses for directors (and other officers)	404	236
Provision for product warranties	1,387	1,563
Provision for loss on orders received	16	129
Other	14,651	11,304
Total current liabilities	116,762	101,413
Non-current liabilities		
Long-term borrowings	29,910	26,765
Lease liabilities	2,562	2,986
Deferred tax liabilities	128	193
Retirement benefit liability	7,400	7,320
Provision for share awards for directors (and other officers)	272	340
Asset retirement obligations	416	408
Other	368	382
Total non-current liabilities	41,057	38,395
Total liabilities	157,820	139,808
Net assets		
Shareholders' equity		
Share capital	20,873	20,873
Capital surplus	3,912	3,912
Retained earnings	152,514	158,150
Treasury shares	(344)	(344)
Total shareholders' equity	176,955	182,591
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,440	1,822
Foreign currency translation adjustment	12,282	9,949
Remeasurements of defined benefit plans	(1,700)	(1,445)
Total accumulated other comprehensive income	12,022	10,326
Non-controlling interests	7,508	6,178
Total net assets	196,484	199,096
Total liabilities and net assets	354,304	338,903

(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, 2022	Nine months ended March 31, 2023
Net sales	166,097	160,959
Cost of sales	115,337	112,920
Gross profit	50,760	48,040
Selling, general and administrative expenses	31,221	35,296
Operating profit	19,539	12,743
Non-operating income		
Interest income	150	237
Dividend income	654	405
Share of profit of entities accounted for using equity method	540	2,440
Other	1,333	1,170
Total non-operating income	2,678	4,251
Non-operating expenses		
Interest expenses	303	335
Commission for syndicated loans	195	287
Cost to deal with COVID-19	655	-
Other	624	709
Total non-operating expenses	1,777	1,332
Ordinary profit	20,441	15,663
Extraordinary income		
Gain on sale of shares of subsidiaries and associates	670	-
Gain on sale of non-current assets	50	152
Total extraordinary income	720	152
Extraordinary losses		
Impairment losses	333	36
Total extraordinary losses	333	36
Profit before income taxes	20,828	15,779
Income taxes - current	5,360	4,082
Income taxes - deferred	898	328
Total income taxes	6,258	4,409
Profit	14,570	11,370
Profit (loss) attributable to non-controlling interests	794	(386)
Profit attributable to owners of parent	13,776	11,756

Quarterly consolidated statement of comprehensive income (cumulative)

(Millions of yen)

	Nine months ended March 31, 2022	Nine months ended March 31, 2023
Profit	14,570	11,370
Other comprehensive income		
Valuation difference on available-for-sale securities	(276)	387
Foreign currency translation adjustment	4,602	(2,233)
Remeasurements of defined benefit plans, net of tax	204	256
Share of other comprehensive income of entities accounted for using equity method	409	(149)
Total other comprehensive income	4,940	(1,738)
Comprehensive income	19,510	9,632
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	18,400	10,060
Comprehensive income attributable to non-controlling interests	1,111	(429)

(3) Quarterly consolidated statement of cash flows

(Millions of yen)

	Nine months ended March 31, 2022	Nine months ended March 31, 2023
Cash flows from operating activities		
Profit before income taxes	20,828	15,779
Depreciation	6,302	5,956
Impairment losses	333	36
Increase (decrease) in allowance for doubtful accounts	168	163
Increase (decrease) in provision for bonuses	1,210	(1,232)
Increase (decrease) in retirement benefit liability	73	305
Increase (decrease) in provision for share awards for directors (and other officers)	56	68
Increase (decrease) in provision for product warranties	96	204
Increase (decrease) in provision for loss on orders received	(874)	112
Interest and dividend income	(805)	(642)
Interest expenses	303	335
Share of loss (profit) of entities accounted for using equity method	(540)	(2,440)
Loss (gain) on sale of shares of subsidiaries and associates	(670)	–
Loss (gain) on sale of non-current assets	(50)	(152)
Decrease (increase) in trade receivables	(8,192)	9,113
Decrease (increase) in inventories	(10,569)	(14,655)
Increase (decrease) in trade payables	9,577	(8,029)
Increase (decrease) in net contract liabilities	11,249	(938)
Increase (decrease) in accrued consumption taxes	113	(1,155)
Decrease (increase) in consumption taxes refund receivable	(439)	1,434
Other, net	(1,406)	(228)
Subtotal	26,765	4,036
Interest and dividends received	1,249	766
Interest paid	(302)	(321)
Income taxes paid	(4,407)	(8,095)
Net cash provided by (used in) operating activities	23,305	(3,615)
Cash flows from investing activities		
Payments into time deposits	(15,571)	(18,317)
Proceeds from withdrawal of time deposits	15,066	18,284
Purchase of property, plant and equipment and intangible assets	(5,039)	(10,696)
Proceeds from sale of property, plant and equipment and intangible assets	–	432
Proceeds from sale of shares of subsidiaries and associates	700	–
Other, net	407	213
Net cash provided by (used in) investing activities	(4,438)	(10,085)

ULVAC, Inc. (Securities code: 6728)
 Consolidated Financial Results for the Nine Months Ended March 31, 2023

(Millions of yen)

	Nine months ended March 31, 2022	Nine months ended March 31, 2023
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	507	1,006
Proceeds from long-term borrowings	3,600	1,800
Repayments of long-term borrowings	(4,150)	(4,747)
Dividends paid	(4,683)	(6,113)
Purchase of treasury shares	(0)	(0)
Other, net	(1,342)	(1,253)
Net cash provided by (used in) financing activities	(6,069)	(9,307)
Effect of exchange rate change on cash and cash equivalents	2,237	(1,004)
Net increase (decrease) in cash and cash equivalents	15,034	(24,011)
Cash and cash equivalents at beginning of period	83,061	107,106
Cash and cash equivalents at end of period	98,095	83,095