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Nov.11, 2024

Consolidated Financial Results for the First Quarter Ended September 30, 2024 (Under Japanese GAAP)

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 Listing: Tokyo Stock Exchange
 Securities code: 6728
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 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 first quarter ended September 30, 2024 (from July 1, 2024 to September 30, 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	%
Three months ended								
September 30, 2024	61,019	10.9	5,766	103.7	6,879	135.2	3,731	228.8
September 30, 2023	55,038	(2.0)	2,831	(44.7)	2,924	(44.3)	1,135	(72.0)

Note: Comprehensive income For the three months ended September 30, 2024: ¥ (1,896) million [- %]
 For the three months ended September 30, 2023: ¥ 2,376 million [(20.6)%]

	Basic earnings per share	Diluted earnings per share
Three months ended	Yen	Yen
September 30, 2024	75.72	–
September 30, 2023	23.04	–

(2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio
As of	Millions of yen	Millions of yen	%
September 30, 2024	367,424	218,151	57.6
June 30, 2024	388,883	227,857	56.7

Reference: Equity

As of September 30, 2024: ¥211,608 million
 As of June 30, 2024: ¥220,660 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, 2024	–	–	–	144.00	144.00
Fiscal year ending June 30, 2025	–	–	–		
Fiscal year ending June 30, 2025 (Forecast)				164.00	164.00

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

3. Consolidated earnings forecasts for the fiscal year ending June 30, 2025 (from July 1, 2024 to June 30, 2025)

(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
Six months ending December 31, 2024	129,000	7.3	14,000	35.8	14,000	27.3	9,000	31.2	182.67
Fiscal year ending June 30, 2025	275,000	5.3	34,500	15.9	35,000	17.5	23,000	13.7	466.82

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: Yes
 - (ii) Changes in accounting policies due to other reasons: None
 - (iii) Changes in accounting estimates: None
 - (iv) Restatement: None

Note: Please refer to “(4) Notes to quarterly consolidated financial statements (Notes to Changes in Accounting Policies)” in “2. Quarterly consolidated financial statements and significant notes” on page 11 of the attached material for the details.

- (4) Number of issued shares (common shares)

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

As of September 30, 2024	49,355,938 shares
As of June 30, 2024	49,355,938 shares

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

As of September 30, 2024	89,470 shares
As of June 30, 2024	81,370 shares

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

Three months ended September 30, 2024	49,269,168 shares
Three months ended September 30, 2023	49,258,331 shares

- * 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

Index

1. Qualitative information regarding financial results for the period.....	2
(1) Explanation regarding operating results.....	2
(2) Explanation regarding financial position.....	4
(3) Explanation regarding consolidated earnings forecasts and other forward-looking statements	4
2. Quarterly consolidated financial statements and significant notes	5
(1) Quarterly consolidated balance sheet	5
(2) Quarterly consolidated statement of income and quarterly consolidated statement of comprehensive income	7
Quarterly consolidated statement of income (cumulative).....	7
Quarterly consolidated statement of comprehensive income (cumulative).....	8
(3) Quarterly consolidated statement of cash flows	9
(4) Notes to quarterly consolidated financial statements	11
Going concern assumption	11
Significant changes in amounts of equity.....	11
Changes in accounting policies	11
Segment information	11
3. Supplemental information.....	13
(1) Sales results	13

1. Qualitative information regarding financial results for the period

(1) Explanation regarding operating results

(Millions of yen)

	Three months ended September 30, 2023	Three months ended September 30, 2024	Year-on-year change rate
Orders received	77,999	50,916	(34.7)%
Net sales	55,038	61,019	10.9%
Operating profit	2,831	5,766	103.7%
Ordinary profit	2,924	6,879	135.2%
Profit attributable to owners of parent	1,135	3,731	228.8%

In the three months ended September 30, 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, investment in power devices in line with the shift to green energy and EVs has been slowing down in the short term due to a slowdown in demand for EVs. However, investment in technological innovation and increased production of various electronic devices to realize a smart society, digitalization, and metaverse, as well as China's investment in domestic production are continuing to expand. In the flat panel display (FPD) sector, investments are expected in large-sized organic light-emitting diode displays as IT panels for tablets and PCs are in the transition period from LCDs to organic light-emitting diode displays. 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 three months ended September 30, 2024, orders received decreased by 27,083 million yen (34.7%) year on year to 50,916 million yen and net sales increased by 5,981 million yen (10.9%) to 61,019 million yen. Regarding profit, operating profit increased by 2,935 million yen (103.7%) to 5,766 million yen, ordinary profit increased by 3,955 million yen (135.2%) to 6,879 million yen, and profit attributable to owners of parent increased by 2,596 million yen (228.8%) to 3,731 million yen.

Results by segment are as follows.

[Vacuum Equipment Business]

(Millions of yen)

	Three months ended September 30, 2023	Three months ended September 30, 2024	Year-on-year change rate
Orders received	67,777	39,624	(41.5)%
Net sales	44,640	48,873	9.5%
Operating profit	2,403	4,975	107.0%

Details for Vacuum Equipment Business by item are as follows.

Semiconductor and electronic device production equipment

In semiconductor and electronic device production equipment, orders received decreased year on year due to a reactionary decline investment in power devices in Japan and China. However, net sales increased year on year mainly due to the contribution of semiconductor.

Display and energy-related production equipment

Orders received declined year on year as it is taking time to adopt EV batteries for in-vehicle use to realize smaller and larger capacity and improved safety, and investment is expected in the second half of the year, while net sales increased year on year.

Components

In the components business, both orders received and net sales were roughly in line with the same period of the previous year, as business remained 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 declined year on year due to weak demand for high-performance magnet production equipment.

As a result, the Vacuum Equipment Business recorded orders received of 39,624 million yen, order backlogs of 113,476 million yen, net sales of 48,873 million yen, and operating profit of 4,975 million yen.

[Vacuum Application Business]

	(Millions of yen)		
	Three months ended September 30, 2023	Three months ended September 30, 2024	Year-on-year change rate
Orders received	10,222	11,292	10.5%
Net sales	10,397	12,146	16.8%
Operating profit	370	780	110.8%

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 factory operating rate of semiconductor and electronics sectors.

Others

Orders received and net sales both increased year on year, following contributions from businesses related to surface analyzer and mask blanks for high-definition, high-performance displays.

As a result, the Vacuum Application Business recorded orders received of 11,292 million yen, order backlogs of 17,313 million yen, net sales of 12,146 million yen, and operating profit of 780 million yen.

(2) Explanation regarding financial position

1) Assets, liabilities and net assets

Financial position as of September 30, 2024 is as follows.

Total assets decreased by 21,459 million yen from the end of the previous fiscal year. This was primarily due to a decrease of 12,889 million yen in notes and accounts receivable - trade, and contract assets, a decrease of 4,715 million yen in cash and deposits.

Total liabilities decreased by 11,654 million yen from the end of the previous fiscal year. This was primarily due to a decrease of 2,738 million yen in contract liabilities, a decrease of 1,729 million yen in long-term borrowings, a decrease of 1,636 million yen in notes and accounts payable- trade, and a decrease of 1,282 million yen in income taxes payable.

Total net assets decreased by 9,806 million yen from the end of the previous fiscal year. This was primarily due to a decrease of 5,383 million yen in exchange adjustments and a decrease of 3,376 million yen in retained earnings.

2) Cash flows

The status of cash flows for the three months ended September, 2024 is as follows.

Cash flows from operating activities amounted to an inflow of 11,412 million yen (compared to an inflow of 1,324 million yen in the same period of the previous fiscal year). Positive factors behind this included a decrease in trade receivables, profit before income taxes and depreciation, while negative factors included an increase in inventories and a decrease in trade payables.

Cash flows from investing activities amounted to an outflow of 2,489 million yen (compared to an outflow of 3,561 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 10,093 million yen (compared to an outflow of 7,548 million yen in the same period of the previous fiscal year), primarily due to dividends paid and repayments of long-term borrowings.

As a result of the above, cash and cash equivalents at the end of the three months ended September 30, 2024, amounted to 81,258 million yen, a decrease of 3,283 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, 2025 are unchanged from the previous forecasts announced on August 13, 2024.

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, 2024	As of September 30, 2024
Assets		
Current assets		
Cash and deposits	96,334	91,619
Notes and accounts receivable - trade, and contract assets	103,261	90,373
Merchandise and finished goods	6,426	6,356
Work in process	40,911	42,774
Raw materials and supplies	22,162	21,368
Other	10,224	8,152
Allowance for doubtful accounts	(472)	(660)
Total current assets	278,846	259,982
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	34,318	32,905
Machinery, equipment and vehicles, net	24,860	24,511
Tools, furniture and fixtures, net	2,332	2,652
Land	8,285	8,196
Leased assets, net	3,696	3,893
Construction in progress	6,254	7,134
Total property, plant and equipment	79,745	79,289
Intangible assets		
Leased assets	24	18
Software	2,998	3,028
Other	2,381	2,509
Total intangible assets	5,403	5,555
Investments and other assets		
Investment securities	10,307	9,514
Retirement benefit asset	1,158	1,065
Deferred tax assets	6,090	4,908
Other	8,173	7,788
Allowance for doubtful accounts	(839)	(678)
Total investments and other assets	24,889	22,597
Total non-current assets	110,037	107,442
Total assets	388,883	367,424

ULVAC, Inc. (Securities code: 6728)
Consolidated Financial Results for the First Quarter Ended September 30, 2024

(Millions of yen)

	As of June 30, 2024	As of September 30, 2024
Liabilities		
Current liabilities		
Notes and accounts payable - trade	46,340	44,704
Short-term borrowings	12,967	12,711
Lease liabilities	958	1,018
Income taxes payable	3,378	2,096
Contract liabilities	26,624	23,886
Provision for bonuses	6,954	5,753
Provision for bonuses for directors (and other officers)	396	86
Provision for product warranties	1,750	1,588
Provision for loss on orders received	884	791
Other	16,126	13,750
Total current liabilities	116,378	106,385
Non-current liabilities		
Long-term borrowings	33,794	32,065
Lease liabilities	2,972	3,165
Deferred tax liabilities	473	476
Retirement benefit liability	5,758	5,694
Provision for share awards for employees	—	5
Provision for share awards for directors (and other officers)	470	357
Asset retirement obligations	414	415
Other	667	710
Total non-current liabilities	44,548	42,888
Total liabilities	160,926	149,273
Net assets		
Shareholders' equity		
Share capital	20,873	20,873
Capital surplus	3,912	3,912
Retained earnings	175,647	172,271
Treasury shares	(257)	(325)
Total shareholders' equity	200,175	196,731
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,928	1,657
Foreign currency translation adjustment	18,696	13,314
Remeasurements of defined benefit plans	(140)	(93)
Total accumulated other comprehensive income	20,485	14,877
Non-controlling interests	7,297	6,543
Total net assets	227,957	218,151
Total liabilities and net assets	388,883	367,424

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

Quarterly consolidated statement of income (cumulative)

(Millions of yen)

	Three months ended September 30, 2023	Three months ended September 30, 2024
Net sales	55,038	61,019
Cost of sales	39,775	41,891
Gross profit	15,263	19,128
Selling, general and administrative expenses	12,432	13,362
Operating profit	2,831	5,766
Non-operating income		
Interest income	95	126
Dividend income	149	165
Foreign exchange gains	—	717
Share of profit of entities accounted for using equity method	121	107
Other	303	349
Total non-operating income	669	1,465
Non-operating expenses		
Interest expenses	130	146
Foreign exchange losses	209	—
Other	237	206
Total non-operating expenses	576	352
Ordinary profit	2,924	6,879
Extraordinary losses		
Impairment losses	128	—
Total extraordinary losses	128	—
Profit before income taxes	2,796	6,879
Income taxes - current	1,038	1,738
Income taxes - deferred	468	1,144
Total income taxes	1,506	2,882
Profit	1,290	3,997
Profit attributable to non-controlling interests	156	266
Profit attributable to owners of parent	1,135	3,731

Quarterly consolidated statement of comprehensive income (cumulative)

(Millions of yen)

	Three months ended September 30, 2023	Three months ended September 30, 2024
Profit	1,290	3,997
Other comprehensive income		
Valuation difference on available-for-sale securities	(388)	(275)
Foreign currency translation adjustment	1,222	(5,201)
Remeasurements of defined benefit plans, net of tax	101	47
Share of other comprehensive income of entities accounted for using equity method	152	(463)
Total other comprehensive income	1,086	(5,893)
Comprehensive income	2,376	(1,896)
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	2,177	(1,877)
Comprehensive income attributable to non-controlling interests	199	(19)

(3) Quarterly consolidated statement of cash flows

(Millions of yen)

	Three months ended September 30, 2023	Three months ended September 30, 2024
Cash flows from operating activities		
Profit before income taxes	2,796	6,879
Depreciation	2,071	2,575
Impairment losses	128	—
Increase (decrease) in allowance for doubtful accounts	133	143
Increase (decrease) in provision for bonuses	234	(939)
Increase (decrease) in retirement benefit liability	120	31
Increase (decrease) in provision for share awards for employees	—	5
Increase (decrease) in provision for share awards for directors (and other officers)	(32)	(113)
Increase (decrease) in provision for product warranties	(46)	(106)
Increase (decrease) in provision for loss on orders received	43	(93)
Interest and dividend income	(245)	(291)
Interest expenses	130	146
Share of loss (profit) of entities accounted for using equity method	(121)	(107)
Decrease (increase) in trade receivables	(6,053)	10,461
Decrease (increase) in inventories	(8,453)	(3,627)
Increase (decrease) in trade payables	150	(941)
Increase (decrease) in contract liabilities	6,431	(1,450)
Increase (decrease) in accrued consumption taxes	(183)	(190)
Decrease (increase) in consumption taxes refund receivable	3,926	2,184
Other, net	2,127	(79)
Subtotal	3,156	14,488
Interest and dividends received	237	302
Interest paid	(140)	(139)
Income taxes paid	(1,929)	(3,238)
Net cash provided by (used in) operating activities	1,324	11,412
Cash flows from investing activities		
Payments into time deposits	(6,191)	(6,100)
Proceeds from withdrawal of time deposits	6,132	7,124
Purchase of property, plant and equipment and intangible assets	(3,592)	(3,622)
Other, net	89	110
Net cash provided by (used in) investing activities	(3,561)	(2,489)

ULVAC, Inc. (Securities code: 6728)
Consolidated Financial Results for the First Quarter Ended September 30, 2024

	Three months ended September 30, 2023	Three months ended September 30, 2024
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	452	218
Repayments of long-term borrowings	(1,780)	(2,123)
Repayments of lease liabilities	(251)	(250)
Dividends paid	(5,271)	(7,006)
Purchase of treasury shares	—	(68)
Dividends paid to non-controlling interests	(698)	(863)
Net cash provided by (used in) financing activities	(7,548)	(10,093)
Effect of exchange rate change on cash and cash equivalents	503	(2,114)
Net increase (decrease) in cash and cash equivalents	(9,282)	(3,283)
Cash and cash equivalents at beginning of period	87,317	84,541
Cash and cash equivalents at end of period	78,035	81,258

(4) Notes to quarterly consolidated financial statements

Going concern assumption

Not applicable.

Significant changes in amounts of equity

Not applicable.

Changes in accounting policies

Accounting Standard for Current Income Taxes

The Company applies "Accounting Standard for Current Income Taxes" (ASBJ Statement No. 27, October 28, 2022) from the beginning of the first quarter of the current fiscal year.

The amendment of classification of income taxes (taxation on other comprehensive income) follows the transitional treatment prescribed in the proviso of paragraph 20-3 of "Accounting Standard for Current Income Taxes" and the proviso of paragraph 65-2 (2) of "Guidance on Accounting Standard for Tax Effect Accounting" (ASBJ Guidance No. 28, October 28, 2022). There is no effect by this change on the quarterly consolidated financial statements.

Regarding the amendment related to the revision of the treatment on the consolidated financial statements for profits and losses on the sale of shares of subsidiaries and affiliates between consolidated companies that are deferred for tax purposes, the Company applies "Guidance on Accounting Standard for Tax Effect Accounting" from the beginning of the first quarter of the current fiscal year. This change has been applied retrospectively and the quarterly consolidated financial statements and the consolidated financial statements for the previous quarter and fiscal year are after the retrospective application. As a result, there is an increase of 230 million yen in retained earnings and a same amount increase in deferred tax assets of the previous quarter and fiscal year.

Segment information

I Three months ended September 30, 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	17,227	8,589	25,816	–	25,816
Goods or services transferred over time	27,413	1,809	29,222	–	29,222
Revenue from contracts with customers	44,640	10,397	55,038	–	55,038
Sales to external customers	44,640	10,397	55,038	–	55,038
Intersegment sales or transfers	109	482	592	(592)	–
Total	44,750	10,880	55,629	(592)	55,038
Segment profit	2,403	370	2,773	58	2,831

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

Not applicable.

Significant gain on bargain purchase

Not applicable.

II Three months ended September 30, 2024

1. 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	16,912	9,719	26,631	–	26,631
Goods or services transferred over time	31,961	2,426	34,387	–	34,387
Revenue from contracts with customers	48,873	12,146	61,019	–	61,019
Sales to external customers	48,873	12,146	61,019	–	61,019
Intersegment sales or transfers	101	881	983	(983)	–
Total	48,975	13,027	62,001	(983)	61,019
Segment profit	4,975	780	5,755	11	5,766

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

Not applicable.

Significant changes in amount of goodwill

Not applicable.

Significant gain on bargain purchase

Not applicable.

3. Supplemental information

(1) Sales results

The sales performance of each segment in the three months ended September 30, 2024, is as follows.

Segment	Sales (Millions of yen)	Year-on-year change rate (%)
Vacuum Equipment Business	48,873	109.5
Vacuum Application Business	12,146	116.8
Total	61,019	110.9

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

Items	Three months ended September 30, 2024	
	Sales (Millions of yen)	Percentage (%)
Semiconductor and electronic device production equipment	22,182	45.4
Display and energy-related production equipment	13,870	28.4
Components	9,802	20.0
Industrial equipment	3,019	6.2
Total	48,873	100.0

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

Items	Three months ended September 30, 2024	
	Sales (Millions of yen)	Percentage (%)
Materials	6,042	49.7
Others	6,104	50.3
Total	12,146	100.0