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February 14, 2022

Consolidated Financial Results for the Six Months Ended December 31, 2021 (Under Japanese GAAP)

Company name: ULVAC, Inc.
 Listing: Tokyo Stock Exchange
 Securities code: 6728
 URL: <https://www.ulvac.co.jp/en/>
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 Scheduled date to file quarterly securities report: February 14, 2022
 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 six months ended December 31, 2021 (from July 1, 2021 to December 31, 2021)

(1) Consolidated operating results (cumulative)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
Six months ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
December 31, 2021	105,679	26.1	11,412	95.1	12,045	99.7	8,135	79.1
December 31, 2020	83,835	(13.3)	5,849	(30.3)	6,032	(39.4)	4,542	(41.7)

Note: Comprehensive income For the six months ended December 31, 2021: ¥10,671 million [86.6%]
 For the six months ended December 31, 2020: ¥5,719 million [(35.1)%]

	Basic earnings per share	Diluted earnings per share
Six months ended	Yen	Yen
December 31, 2021	165.19	—
December 31, 2020	92.22	—

(2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio
As of	Millions of yen	Millions of yen	%
December 31, 2021	305,980	178,511	56.1
June 30, 2021	292,761	173,699	57.0

Reference: Equity
 As of December 31, 2021: ¥171,807 million
 As of June 30, 2021: ¥166,899 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, 2021	—	—	—	95.00	95.00
Fiscal year ending June 30, 2022	—	—			
Fiscal year ending June 30, 2022 (Forecast)			—	110.00	110.00

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

3. Consolidated earnings forecasts for the fiscal year ending June 30, 2022 (from July 1, 2021 to June 30, 2022)

(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, 2022	210,000	14.7	26,500	54.1	27,000	50.3	18,000	21.4	365.49

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

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

As of December 31, 2021	49,355,938 shares
As of June 30, 2021	49,355,938 shares

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

As of December 31, 2021	106,931 shares
As of June 30, 2021	106,931 shares

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

Six months ended December 31, 2021	49,249,007 shares
Six months ended December 31, 2020	49,248,211 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.

2. Quarterly consolidated financial statements and significant notes

(1) Quarterly consolidated balance sheet

(Millions of yen)

	As of June 30, 2021	As of December 31, 2021
Assets		
Current assets		
Cash and deposits	91,545	90,785
Notes and accounts receivable - trade	66,289	–
Notes and accounts receivable - trade, and contract assets	–	76,191
Merchandise and finished goods	4,064	3,845
Work in process	22,785	25,283
Raw materials and supplies	10,309	12,983
Other	7,858	6,872
Allowance for doubtful accounts	(319)	(422)
Total current assets	202,530	215,537
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	28,321	27,584
Machinery, equipment and vehicles, net	19,253	17,615
Tools, furniture and fixtures, net	1,448	1,493
Land	8,480	8,345
Leased assets, net	2,967	3,006
Construction in progress	5,617	7,832
Total property, plant and equipment	66,086	65,874
Intangible assets		
Leased assets	34	27
Software	1,347	1,469
Other	2,115	1,923
Total intangible assets	3,496	3,418
Investments and other assets		
Investment securities	7,360	7,915
Deferred tax assets	6,385	6,105
Other	8,763	9,050
Allowance for doubtful accounts	(1,859)	(1,919)
Total investments and other assets	20,649	21,151
Total non-current assets	90,231	90,443
Total assets	292,761	305,980

ULVAC, Inc. (Securities code: 6728)
Consolidated Financial Results for the Six Months Ended December 31, 2021

(Millions of yen)

	As of June 30, 2021	As of December 31, 2021
Liabilities		
Current liabilities		
Notes and accounts payable - trade	36,073	42,415
Short-term borrowings	8,508	8,615
Lease obligations	722	688
Income taxes payable	2,182	2,495
Advances received	12,659	–
Contract liabilities	–	17,556
Provision for bonuses	3,048	4,427
Provision for bonuses for directors (and other officers)	355	197
Provision for product warranties	1,222	1,366
Provision for loss on order received	1,253	57
Other	11,797	11,150
Total current liabilities	77,819	88,966
Non-current liabilities		
Long-term borrowings	30,943	28,136
Lease obligations	2,361	2,429
Deferred tax liabilities	42	69
Retirement benefit liability	6,968	6,830
Provision for share awards for directors (and other officers)	198	235
Asset retirement obligations	406	414
Other	326	391
Total non-current liabilities	41,243	38,504
Total liabilities	119,062	127,470
Net assets		
Shareholders' equity		
Share capital	20,873	20,873
Capital surplus	3,912	3,912
Retained earnings	137,573	140,439
Treasury shares	(343)	(343)
Total shareholders' equity	162,015	164,880
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	2,174	2,183
Foreign currency translation adjustment	4,132	6,029
Remeasurements of defined benefit plans	(1,422)	(1,285)
Total accumulated other comprehensive income	4,884	6,927
Non-controlling interests	6,800	6,703
Total net assets	173,699	178,511
Total liabilities and net assets	292,761	305,980

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

Quarterly consolidated statement of income (cumulative)

(Millions of yen)

	Six months ended December 31, 2020	Six months ended December 31, 2021
Net sales	83,835	105,679
Cost of sales	60,516	73,556
Gross profit	23,319	32,122
Selling, general and administrative expenses	17,470	20,710
Operating profit	5,849	11,412
Non-operating income		
Interest income	91	96
Dividend income	353	264
Share of profit of entities accounted for using equity method	298	392
Other	1,066	935
Total non-operating income	1,809	1,687
Non-operating expenses		
Interest expenses	266	206
Expenses to deal with COVID-19	504	440
Other	856	408
Total non-operating expenses	1,626	1,054
Ordinary profit	6,032	12,045
Extraordinary income		
Gain on sale of shares of subsidiaries and associates	—	670
Gain on sale of non-current assets	52	—
Total extraordinary income	52	670
Extraordinary losses		
Impairment losses	—	333
Total extraordinary losses	—	333
Profit before income taxes	6,084	12,382
Income taxes - current	1,963	3,342
Income taxes - deferred	(545)	535
Total income taxes	1,418	3,877
Profit	4,666	8,505
Profit attributable to non-controlling interests	124	370
Profit attributable to owners of parent	4,542	8,135

Quarterly consolidated statement of comprehensive income (cumulative)

(Millions of yen)

	Six months ended December 31, 2020	Six months ended December 31, 2021
Profit	4,666	8,505
Other comprehensive income		
Valuation difference on available-for-sale securities	(738)	4
Foreign currency translation adjustment	1,557	1,829
Remeasurements of defined benefit plans, net of tax	124	136
Share of other comprehensive income of entities accounted for using equity method	109	197
Total other comprehensive income	1,053	2,166
Comprehensive income	5,719	10,671
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	5,451	10,179
Comprehensive income attributable to non-controlling interests	268	493

(3) Quarterly consolidated statement of cash flows

(Millions of yen)

	Six months ended December 31, 2020	Six months ended December 31, 2021
Cash flows from operating activities		
Profit before income taxes	6,084	12,382
Depreciation	4,065	4,126
Impairment losses	—	333
Increase (decrease) in allowance for doubtful accounts	(1,177)	128
Increase (decrease) in provision for bonuses	427	1,292
Increase (decrease) in retirement benefit liability	(14)	44
Increase (decrease) in provision for share awards for directors (and other officers)	13	37
Increase (decrease) in provision for product warranties	(464)	119
Increase (decrease) in provision for loss on order received	7	(861)
Interest and dividend income	(444)	(360)
Interest expenses	266	206
Loss (gain) on sale of shares of subsidiaries and associates	—	(670)
Loss (gain) on sale of non-current assets	(52)	—
Decrease (increase) in trade receivables	4,643	(9,941)
Decrease (increase) in inventories	(195)	(5,410)
Increase (decrease) in trade payables	(1,573)	5,535
Increase (decrease) in advances received	173	—
Increase (decrease) in contract liabilities	—	4,531
Increase (decrease) in accrued consumption taxes	19	221
Other, net	1,002	(7)
Subtotal	12,779	11,705
Interest and dividends received	497	388
Interest paid	(271)	(204)
Income taxes paid	(1,735)	(2,656)
Net cash provided by (used in) operating activities	11,270	9,232
Cash flows from investing activities		
Payments into time deposits	(2,373)	(10,254)
Proceeds from withdrawal of time deposits	2,327	9,594
Purchase of property, plant and equipment and intangible assets	(3,152)	(3,545)
Proceeds from sale of property, plant and equipment and intangible assets	283	—
Proceeds from sale of shares of subsidiaries and associates	—	700
Other, net	81	209
Net cash provided by (used in) investing activities	(2,835)	(3,296)

ULVAC, Inc. (Securities code: 6728)
Consolidated Financial Results for the Six Months Ended December 31, 2021

(Millions of yen)

	Six months ended December 31, 2020	Six months ended December 31, 2021
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(177)	25
Proceeds from long-term borrowings	3,700	–
Repayments of long-term borrowings	(5,013)	(2,743)
Dividends paid	(3,941)	(4,681)
Purchase of treasury shares	(1)	–
Other, net	(1,239)	(1,100)
Net cash provided by (used in) financing activities	(6,671)	(8,500)
Effect of exchange rate change on cash and cash equivalents	814	951
Net increase (decrease) in cash and cash equivalents	2,578	(1,613)
Cash and cash equivalents at beginning of period	77,948	83,061
Cash and cash equivalents at end of period	80,526	81,449