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November 11, 2022

Consolidated Financial Results for the Three Months Ended September 30, 2022 (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: November 11, 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 three months ended September 30, 2022 (from July 1, 2022 to September 30, 2022)

(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, 2022	56,182	18.5	5,120	43.4	5,245	49.2	4,053	81.5
September 30, 2021	47,419	29.7	3,570	261.0	3,517	242.1	2,233	588.5

Note: Comprehensive income For the three months ended September 30, 2022: ¥2,992 million [32.7%]
 For the three months ended September 30, 2021: ¥2,255 million [–%]

	Basic earnings per share	Diluted earnings per share
Three months ended	Yen	Yen
September 30, 2022	82.29	–
September 30, 2021	45.35	–

Note: As the year-on-year change in comprehensive income for the three months ended September 30, 2021, was over 1,000%, it has been recorded as “–.”

(2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio
As of	Millions of yen	Millions of yen	%
September 30, 2022	344,593	192,771	54.2
June 30, 2022	354,304	196,484	53.3

Reference: Equity
 As of September 30, 2022: ¥186,722 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)		–	–	141.00	141.00

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
Six months ending December 31, 2022	118,000	11.7	13,500	18.3	14,000	16.2	9,200	13.1	186.81
Fiscal year ending June 30, 2023	250,000	3.6	34,500	14.8	35,500	10.2	23,000	13.8	467.01

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): 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 September 30, 2022	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 September 30, 2022	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)

Three months ended September 30, 2022	49,248,963 shares
Three months ended September 30, 2021	49,249,007 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 and significant notes

(1) Quarterly consolidated balance sheet

(Millions of yen)

	As of June 30, 2022	As of September 30, 2022
Assets		
Current assets		
Cash and deposits	118,040	111,413
Notes and accounts receivable - trade, and contract assets	86,331	78,991
Merchandise and finished goods	4,500	5,277
Work in process	29,090	32,230
Raw materials and supplies	15,849	17,009
Other	10,562	8,094
Allowance for doubtful accounts	(525)	(508)
Total current assets	263,847	252,507
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	26,883	26,546
Machinery, equipment and vehicles, net	15,735	15,547
Tools, furniture and fixtures, net	1,774	1,845
Land	8,360	8,352
Leased assets, net	3,157	3,945
Construction in progress	9,087	11,106
Total property, plant and equipment	64,995	67,340
Intangible assets		
Leased assets	27	23
Software	1,603	1,788
Other	2,085	1,879
Total intangible assets	3,715	3,689
Investments and other assets		
Investment securities	6,882	7,406
Deferred tax assets	6,990	6,185
Other	9,869	9,449
Allowance for doubtful accounts	(1,995)	(1,983)
Total investments and other assets	21,746	21,057
Total non-current assets	90,457	92,086
Total assets	354,304	344,593

ULVAC, Inc. (Securities code: 6728)
Consolidated Financial Results for the Three Months Ended September 30, 2022

(Millions of yen)

	As of June 30, 2022	As of September 30, 2022
Liabilities		
Current liabilities		
Notes and accounts payable - trade	55,030	51,731
Short-term borrowings	9,618	9,644
Lease liabilities	679	917
Income taxes payable	3,813	1,991
Contract liabilities	25,245	24,792
Provision for bonuses	5,918	5,472
Provision for bonuses for directors (and other officers)	404	107
Provision for product warranties	1,387	1,547
Provision for loss on orders received	16	17
Other	14,651	15,548
Total current liabilities	116,762	111,768
Non-current liabilities		
Long-term borrowings	29,910	28,335
Lease liabilities	2,562	3,137
Deferred tax liabilities	128	167
Retirement benefit liability	7,400	7,329
Provision for share awards for directors (and other officers)	272	323
Asset retirement obligations	416	418
Other	368	346
Total non-current liabilities	41,057	40,055
Total liabilities	157,820	151,822
Net assets		
Shareholders' equity		
Share capital	20,873	20,873
Capital surplus	3,912	3,912
Retained earnings	152,514	150,447
Treasury shares	(344)	(344)
Total shareholders' equity	176,955	174,888
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,440	1,646
Foreign currency translation adjustment	12,282	11,803
Remeasurements of defined benefit plans	(1,700)	(1,615)
Total accumulated other comprehensive income	12,022	11,834
Non-controlling interests	7,508	6,049
Total net assets	196,484	192,771
Total liabilities and net assets	354,304	344,593

(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, 2021	Three months ended September 30, 2022
Net sales	47,419	56,182
Cost of sales	34,189	39,728
Gross profit	13,231	16,454
Selling, general and administrative expenses	9,661	11,334
Operating profit	3,570	5,120
Non-operating income		
Interest income	42	63
Dividend income	142	105
Share of profit of entities accounted for using equity method	119	153
Other	313	288
Total non-operating income	616	609
Non-operating expenses		
Interest expenses	105	112
Foreign exchange losses	176	198
Cost to deal with COVID-19	232	-
Other	156	173
Total non-operating expenses	669	484
Ordinary profit	3,517	5,245
Extraordinary income		
Gain on sale of shares of subsidiaries and associates	670	-
Total extraordinary income	670	-
Extraordinary losses		
Impairment losses	-	37
Total extraordinary losses	-	37
Profit before income taxes	4,187	5,208
Income taxes - current	1,531	1,320
Income taxes - deferred	258	707
Total income taxes	1,789	2,027
Profit	2,397	3,181
Profit (loss) attributable to non-controlling interests	164	(871)
Profit attributable to owners of parent	2,233	4,053

Quarterly consolidated statement of comprehensive income (cumulative)

(Millions of yen)

	Three months ended September 30, 2021	Three months ended September 30, 2022
Profit	2,397	3,181
Other comprehensive income		
Valuation difference on available-for-sale securities	(56)	213
Foreign currency translation adjustment	(204)	(492)
Remeasurements of defined benefit plans, net of tax	68	85
Share of other comprehensive income of entities accounted for using equity method	50	5
Total other comprehensive income	(142)	(189)
Comprehensive income	2,255	2,992
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	2,110	3,865
Comprehensive income attributable to non-controlling interests	145	(873)

(3) Quarterly consolidated statement of cash flows

(Millions of yen)

	Three months ended September 30, 2021	Three months ended September 30, 2022
Cash flows from operating activities		
Profit before income taxes	4,187	5,208
Depreciation	2,015	1,981
Impairment losses	–	37
Increase (decrease) in allowance for doubtful accounts	21	(28)
Increase (decrease) in provision for bonuses	1,190	(448)
Increase (decrease) in retirement benefit liability	(125)	53
Increase (decrease) in provision for share awards for directors (and other officers)	19	51
Increase (decrease) in provision for product warranties	43	156
Increase (decrease) in provision for loss on orders received	(793)	1
Interest and dividend income	(184)	(168)
Interest expenses	105	112
Share of loss (profit) of entities accounted for using equity method	(119)	(153)
Loss (gain) on sale of shares of subsidiaries and associates	(670)	–
Decrease (increase) in trade receivables	(2,337)	7,115
Decrease (increase) in inventories	(3,403)	(5,059)
Increase (decrease) in trade payables	1,189	(3,655)
Increase (decrease) in net contract liabilities	7,099	(663)
Increase (decrease) in accrued consumption taxes	(142)	(939)
Decrease (increase) in consumption taxes refund receivable	2,327	3,986
Other, net	(738)	2,301
Subtotal	9,685	9,888
Interest and dividends received	211	162
Interest paid	(103)	(113)
Income taxes paid	(2,736)	(4,831)
Net cash provided by (used in) operating activities	7,057	5,106
Cash flows from investing activities		
Payments into time deposits	(4,861)	(6,822)
Proceeds from withdrawal of time deposits	4,779	6,705
Purchase of property, plant and equipment and intangible assets	(1,446)	(3,285)
Proceeds from sale of shares of subsidiaries and associates	700	–
Other, net	146	71
Net cash provided by (used in) investing activities	(682)	(3,331)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	239	46
Repayments of long-term borrowings	(1,379)	(1,535)
Dividends paid	(4,553)	(5,957)
Purchase of treasury shares	–	(0)
Other, net	(904)	(900)
Net cash provided by (used in) financing activities	(6,598)	(8,346)
Effect of exchange rate change on cash and cash equivalents	11	(143)
Net increase (decrease) in cash and cash equivalents	(212)	(6,714)
Cash and cash equivalents at beginning of period	83,061	107,106
Cash and cash equivalents at end of period	82,849	100,392