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February 13, 2023

Consolidated Financial Results for the Six Months Ended December 31, 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: February 13, 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 six months ended December 31, 2022 (from July 1, 2022 to December 31, 2022)

(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, 2022	111,360	5.4	10,465	(8.3)	11,779	(2.2)	9,334	14.7
December 31, 2021	105,679	26.1	11,412	95.1	12,045	99.7	8,135	79.1

Note: Comprehensive income For the six months ended December 31, 2022: ¥6,695 million [(37.3)%]
 For the six months ended December 31, 2021: ¥10,671 million [86.6%]

	Basic earnings per share	Diluted earnings per share
Six months ended	Yen	Yen
December 31, 2022	189.53	—
December 31, 2021	165.19	—

(2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio
As of	Millions of yen	Millions of yen	%
December 31, 2022	341,355	196,459	55.8
June 30, 2022	354,304	196,484	53.3

Reference: Equity
 As of December 31, 2022: ¥190,320 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
Fiscal year ended June 30, 2022	Yen —	Yen —	Yen —	Yen 124.00	Yen 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: Yes

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	230,000	(4.7)	24,000	(20.2)	27,500	(14.6)	20,000	(1.0)	406.10

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 December 31, 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 December 31, 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)

Six months ended December 31, 2022	49,248,959 shares
Six months ended December 31, 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

(1) Quarterly consolidated balance sheet

(Millions of yen)

	As of June 30, 2022	As of December 31, 2022
Assets		
Current assets		
Cash and deposits	118,040	99,761
Notes and accounts receivable - trade, and contract assets	86,331	82,089
Merchandise and finished goods	4,500	5,695
Work in process	29,090	33,796
Raw materials and supplies	15,849	17,898
Other	10,562	9,482
Allowance for doubtful accounts	(525)	(533)
Total current assets	263,847	248,188
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	26,883	25,799
Machinery, equipment and vehicles, net	15,735	15,205
Tools, furniture and fixtures, net	1,774	1,761
Land	8,360	8,177
Leased assets, net	3,157	3,580
Construction in progress	9,087	13,271
Total property, plant and equipment	64,995	67,794
Intangible assets		
Leased assets	27	20
Software	1,603	1,749
Other	2,085	2,132
Total intangible assets	3,715	3,900
Investments and other assets		
Investment securities	6,882	7,543
Deferred tax assets	6,990	6,315
Other	9,869	9,567
Allowance for doubtful accounts	(1,995)	(1,953)
Total investments and other assets	21,746	21,473
Total non-current assets	90,457	93,167
Total assets	354,304	341,355

ULVAC, Inc. (Securities code: 6728)
Consolidated Financial Results for the Six Months Ended December 31, 2022

(Millions of yen)

	As of June 30, 2022	As of December 31, 2022
Liabilities		
Current liabilities		
Notes and accounts payable - trade	55,030	47,647
Short-term borrowings	9,618	10,382
Lease liabilities	679	833
Income taxes payable	3,813	2,108
Contract liabilities	25,245	24,155
Provision for bonuses	5,918	5,329
Provision for bonuses for directors (and other officers)	404	181
Provision for product warranties	1,387	1,556
Provision for loss on orders received	16	17
Other	14,651	12,610
Total current liabilities	116,762	104,819
Non-current liabilities		
Long-term borrowings	29,910	28,369
Lease liabilities	2,562	2,972
Deferred tax liabilities	128	231
Retirement benefit liability	7,400	7,363
Provision for share awards for directors (and other officers)	272	336
Asset retirement obligations	416	419
Other	368	388
Total non-current liabilities	41,057	40,078
Total liabilities	157,820	144,896
Net assets		
Shareholders' equity		
Share capital	20,873	20,873
Capital surplus	3,912	3,912
Retained earnings	152,514	155,728
Treasury shares	(344)	(344)
Total shareholders' equity	176,955	180,169
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,440	1,812
Foreign currency translation adjustment	12,282	9,870
Remeasurements of defined benefit plans	(1,700)	(1,531)
Total accumulated other comprehensive income	12,022	10,151
Non-controlling interests	7,508	6,138
Total net assets	196,484	196,459
Total liabilities and net assets	354,304	341,355

(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, 2021	Six months ended December 31, 2022
Net sales	105,679	111,360
Cost of sales	73,556	78,065
Gross profit	32,122	33,296
Selling, general and administrative expenses	20,710	22,831
Operating profit	11,412	10,465
Non-operating income		
Interest income	96	153
Dividend income	264	189
Share of profit of entities accounted for using equity method	392	386
Other	935	1,171
Total non-operating income	1,687	1,898
Non-operating expenses		
Interest expenses	206	223
Cost to deal with COVID-19	440	—
Other	408	361
Total non-operating expenses	1,054	584
Ordinary profit	12,045	11,779
Extraordinary income		
Gain on sale of shares of subsidiaries and associates	670	—
Gain on sale of non-current assets	—	150
Total extraordinary income	670	150
Extraordinary losses		
Impairment losses	333	35
Total extraordinary losses	333	35
Profit before income taxes	12,382	11,895
Income taxes - current	3,342	2,774
Income taxes - deferred	535	518
Total income taxes	3,877	3,291
Profit	8,505	8,603
Profit (loss) attributable to non-controlling interests	370	(731)
Profit attributable to owners of parent	8,135	9,334

Quarterly consolidated statement of comprehensive income (cumulative)

(Millions of yen)

	Six months ended December 31, 2021	Six months ended December 31, 2022
Profit	8,505	8,603
Other comprehensive income		
Valuation difference on available-for-sale securities	4	375
Foreign currency translation adjustment	1,829	(2,232)
Remeasurements of defined benefit plans, net of tax	136	169
Share of other comprehensive income of entities accounted for using equity method	197	(221)
Total other comprehensive income	2,166	(1,908)
Comprehensive income	10,671	6,695
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	10,179	7,463
Comprehensive income attributable to non-controlling interests	493	(768)

(3) Quarterly consolidated statement of cash flows

(Millions of yen)

	Six months ended December 31, 2021	Six months ended December 31, 2022
Cash flows from operating activities		
Profit before income taxes	12,382	11,895
Depreciation	4,126	3,925
Impairment losses	333	35
Increase (decrease) in allowance for doubtful accounts	128	27
Increase (decrease) in provision for bonuses	1,292	(437)
Increase (decrease) in retirement benefit liability	44	228
Increase (decrease) in provision for share awards for directors (and other officers)	37	64
Increase (decrease) in provision for product warranties	119	201
Increase (decrease) in provision for loss on orders received	(861)	1
Interest and dividend income	(360)	(341)
Interest expenses	206	223
Share of loss (profit) of entities accounted for using equity method	(392)	(386)
Loss (gain) on sale of shares of subsidiaries and associates	(670)	—
Loss (gain) on sale of non-current assets	—	(150)
Decrease (increase) in trade receivables	(9,941)	3,197
Decrease (increase) in inventories	(5,410)	(8,826)
Increase (decrease) in trade payables	5,535	(7,350)
Increase (decrease) in net contract liabilities	4,531	(332)
Increase (decrease) in accrued consumption taxes	221	(852)
Decrease (increase) in consumption taxes refund receivable	1,354	2,584
Other, net	(969)	(1,141)
Subtotal	11,705	2,564
Interest and dividends received	388	410
Interest paid	(204)	(216)
Income taxes paid	(2,656)	(5,179)
Net cash provided by (used in) operating activities	9,232	(2,420)
Cash flows from investing activities		
Payments into time deposits	(10,254)	(12,268)
Proceeds from withdrawal of time deposits	9,594	12,625
Purchase of property, plant and equipment and intangible assets	(3,545)	(6,929)
Proceeds from sale of property, plant and equipment and intangible assets	—	431
Proceeds from sale of shares of subsidiaries and associates	700	—
Other, net	209	142
Net cash provided by (used in) investing activities	(3,296)	(5,998)

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Consolidated Financial Results for the Six Months Ended December 31, 2022

(Millions of yen)

	Six months ended December 31, 2021	Six months ended December 31, 2022
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	25	535
Proceeds from long-term borrowings	—	1,800
Repayments of long-term borrowings	(2,743)	(3,101)
Dividends paid	(4,681)	(6,102)
Purchase of treasury shares	—	(0)
Other, net	(1,100)	(1,107)
Net cash provided by (used in) financing activities	(8,500)	(7,976)
Effect of exchange rate change on cash and cash equivalents	951	(1,175)
Net increase (decrease) in cash and cash equivalents	(1,613)	(17,570)
Cash and cash equivalents at beginning of period	83,061	107,106
Cash and cash equivalents at end of period	81,449	89,536