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August 8, 2023

Consolidated Financial Results for the Fiscal Year Ended June 30, 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
 Inquiries: Akira Umeda, Officer, General Manager of IR Department
 Telephone: +81-467-89-2024
 Scheduled date of ordinary general meeting of shareholders: September 28, 2023
 Scheduled date to commence dividend payments: September 29, 2023
 Scheduled date of filing annual securities report: September 28, 2023
 Preparation of supplementary material on financial results: Yes
 Holding of 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 fiscal year ended June 30, 2023 (from July 1, 2022 to June 30, 2023)

(1) Consolidated operating results

(Percentages indicate year-on-year changes.)

Fiscal year ended	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
June 30, 2023	227,528	(5.7)	19,946	(33.6)	22,880	(28.9)	14,169	(29.9)
June 30, 2022	241,260	31.8	30,061	74.8	32,200	79.2	20,211	36.3

Note: Comprehensive income For the fiscal year ended June 30, 2023: ¥15,415 million [(47.0)%]
 For the fiscal year ended June 30, 2022: ¥29,063 million [66.2%]

Fiscal year ended	Basic earnings per share	Diluted earnings per share	Return on equity	Ordinary profit to total assets	Operating profit to net sales
	Yen	Yen	%	%	%
June 30, 2023	287.70	—	7.3	6.5	8.8
June 30, 2022	410.37	—	11.4	10.0	12.5

Reference: Share of profit (loss) of entities accounted for using equity method:

For the fiscal year ended June 30, 2023: ¥2,661 million
 For the fiscal year ended June 30, 2022: ¥861 million

(2) Consolidated financial position

As of	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
June 30, 2023	353,474	204,853	56.1	4,024.72
June 30, 2022	354,304	196,484	53.3	3,837.17

Reference: Equity

As of June 30, 2023: ¥198,212 million
 As of June 30, 2022: ¥188,977 million

(3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
Fiscal year ended	Millions of yen	Millions of yen	Millions of yen	Millions of yen
June 30, 2023	1,011	(15,673)	(5,438)	87,317
June 30, 2022	33,931	(7,432)	(6,445)	107,106

2. Cash dividends

	Annual dividends per share					Total dividend (Annual)	Payout ratio (Consolidated)	Dividend on equity (Consolidated)
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total			
Fiscal year ended June 30, 2022	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Fiscal year ended June 30, 2022	–	–	–	124.00	124.00	6,120	30.2	3.4
Fiscal year ended June 30, 2023	–	–	–	109.00	109.00	5,379	37.9	2.8
Fiscal year ending June 30, 2024 (Forecast)	–	–	–	114.00	114.00		35.1	

3. Consolidated earnings forecasts for the fiscal year ending June 30, 2024 (from July 1, 2023 to June 30, 2024)

(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, 2023	113,500	1.9	8,000	(23.6)	9,000	(23.6)	5,500	(41.1)	111.68
Fiscal year ending June 30, 2024	245,000	7.7	23,000	15.3	24,500	7.1	16,000	12.9	324.88

* **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) 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

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

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

As of June 30, 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 June 30, 2023	107,207 shares
As of June 30, 2022	106,961 shares

- (iii) Average number of shares outstanding during the period

Fiscal year ended June 30, 2023	49,248,917 shares
Fiscal year ended June 30, 2022	49,248,995 shares

[Reference] Summary of non-consolidated financial results

Non-consolidated financial results for the fiscal year ended June 30, 2023 (from July 1, 2022 to June 30, 2023)

(1) Non-consolidated operating results

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Fiscal year ended								
June 30, 2023	94,250	(13.1)	777	(93.1)	12,159	(43.7)	12,342	(33.8)
June 30, 2022	108,458	32.8	11,287	361.6	21,596	114.0	18,656	43.7

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Fiscal year ended		
June 30, 2023	250.57	—
June 30, 2022	378.75	—

(2) Non-consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of				
June 30, 2023	231,764	133,158	57.5	2,703.44
June 30, 2022	230,448	126,352	54.8	2,565.25

Reference: Equity

As of June 30, 2023: ¥133,158 million
As of June 30, 2022: ¥126,352 million

* Financial results reports are exempt from audit conducted by certified public accountants or an audit corporation.

* Proper use of earnings forecasts, and other special matters

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.

Consolidated financial statements

(1) Consolidated balance sheet

(Millions of yen)

	As of June 30, 2022	As of June 30, 2023
Assets		
Current assets		
Cash and deposits	118,040	98,399
Notes and accounts receivable - trade, and contract assets	86,331	83,538
Merchandise and finished goods	4,500	6,140
Work in process	29,090	36,485
Raw materials and supplies	15,849	19,335
Other	10,562	11,903
Allowance for doubtful accounts	(525)	(521)
Total current assets	263,847	255,280
Non-current assets		
Property, plant and equipment		
Buildings and structures	85,821	87,062
Accumulated depreciation	(58,939)	(61,146)
Buildings and structures, net	26,883	25,915
Machinery, equipment and vehicles	78,272	84,162
Accumulated depreciation	(62,537)	(63,763)
Machinery, equipment and vehicles, net	15,735	20,399
Tools, furniture and fixtures	14,682	14,840
Accumulated depreciation	(12,908)	(13,099)
Tools, furniture and fixtures, net	1,774	1,741
Land	8,360	8,245
Leased assets	5,079	5,981
Accumulated depreciation	(1,922)	(2,311)
Leased assets, net	3,157	3,670
Construction in progress	9,087	9,617
Total property, plant and equipment	64,995	69,588
Intangible assets		
Leased assets	27	23
Software	1,603	1,746
Other	2,085	2,568
Total intangible assets	3,715	4,336
Investments and other assets		
Investment securities	6,882	10,151
Retirement benefit asset	536	940
Deferred tax assets	6,990	6,245
Other	9,332	8,962
Allowance for doubtful accounts	(1,995)	(2,030)
Total investments and other assets	21,746	24,269
Total non-current assets	90,457	98,193
Total assets	354,304	353,474

ULVAC, Inc. (Securities code: 6728)
Consolidated Financial Results for the Fiscal Year Ended June 30, 2023

(Millions of yen)

	As of June 30, 2022	As of June 30, 2023
Liabilities		
Current liabilities		
Notes and accounts payable - trade	55,030	47,336
Short-term borrowings	9,618	11,878
Lease liabilities	679	898
Income taxes payable	3,813	2,328
Contract liabilities	25,245	22,685
Provision for bonuses	5,918	5,072
Provision for bonuses for directors (and other officers)	404	368
Provision for product warranties	1,387	1,726
Provision for loss on orders received	16	313
Other	14,651	14,149
Total current liabilities	116,762	106,754
Non-current liabilities		
Long-term borrowings	29,910	30,080
Lease liabilities	2,562	3,037
Deferred tax liabilities	128	195
Retirement benefit liability	7,400	7,414
Provision for share awards for directors (and other officers)	272	311
Asset retirement obligations	416	409
Other	368	420
Total non-current liabilities	41,057	41,867
Total liabilities	157,820	148,620
Net assets		
Shareholders' equity		
Share capital	20,873	20,873
Capital surplus	3,912	3,912
Retained earnings	152,514	160,563
Treasury shares	(344)	(345)
Total shareholders' equity	176,955	185,003
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,440	2,036
Foreign currency translation adjustment	12,282	12,721
Remeasurements of defined benefit plans	(1,700)	(1,547)
Total accumulated other comprehensive income	12,022	13,209
Non-controlling interests	7,508	6,641
Total net assets	196,484	204,853
Total liabilities and net assets	354,304	353,474

(2) Consolidated statement of income and consolidated statement of comprehensive income
Consolidated statement of income

(Millions of yen)

	Fiscal year ended June 30, 2022	Fiscal year ended June 30, 2023
Net sales	241,260	227,528
Cost of sales	167,517	160,366
Gross profit	73,743	67,162
Selling, general and administrative expenses		
Selling expenses	18,036	17,893
General and administrative expenses	25,646	29,324
Total selling, general and administrative expenses	43,682	47,217
Operating profit	30,061	19,946
Non-operating income		
Interest income	248	394
Dividend income	745	429
Foreign exchange gains	571	–
Share of profit of entities accounted for using equity method	861	2,661
Other	1,312	1,579
Total non-operating income	3,736	5,063
Non-operating expenses		
Interest expenses	410	441
Foreign exchange losses	–	574
Commission for syndicated loans	195	287
Other	994	826
Total non-operating expenses	1,598	2,128
Ordinary profit	32,200	22,880
Extraordinary income		
Gain on sale of investment securities	343	–
Gain on sale of shares of subsidiaries and associates	797	–
Gain on sale of non-current assets	59	153
Total extraordinary income	1,199	153
Extraordinary losses		
Impairment losses	3,090	2,311
Cost to deal with COVID-19	1,028	–
Total extraordinary losses	4,118	2,311
Profit before income taxes	29,280	20,722
Income taxes - current	7,549	6,100
Income taxes - deferred	290	542
Total income taxes	7,839	6,642
Profit	21,441	14,080
Profit (loss) attributable to non-controlling interests	1,231	(89)
Profit attributable to owners of parent	20,211	14,169

Consolidated statement of comprehensive income

(Millions of yen)

	Fiscal year ended June 30, 2022	Fiscal year ended June 30, 2023
Profit	21,441	14,080
Other comprehensive income		
Valuation difference on available-for-sale securities	(738)	602
Foreign currency translation adjustment	8,015	639
Remeasurements of defined benefit plans, net of tax	(279)	154
Share of other comprehensive income of entities accounted for using equity method	624	(59)
Total other comprehensive income	7,622	1,336
Comprehensive income	29,063	15,415
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	27,348	15,357
Comprehensive income attributable to non-controlling interests	1,714	59

(3) Consolidated statement of changes in equity

Fiscal year ended June 30, 2022

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	20,873	3,912	137,573	(343)	162,015
Cumulative effects of changes in accounting policies			(581)		(581)
Restated balance	20,873	3,912	136,992	(343)	161,433
Changes during period					
Dividends of surplus			(4,688)		(4,688)
Profit attributable to owners of parent			20,211		20,211
Purchase of treasury shares				(0)	(0)
Net changes in items other than shareholders' equity					
Total changes during period	–	–	15,522	(0)	15,522
Balance at end of period	20,873	3,912	152,514	(344)	176,955

	Accumulated other comprehensive income				Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	2,174	4,132	(1,422)	4,884	6,800	173,699
Cumulative effects of changes in accounting policies						(581)
Restated balance	2,174	4,132	(1,422)	4,884	6,800	173,117
Changes during period						
Dividends of surplus						(4,688)
Profit attributable to owners of parent						20,211
Purchase of treasury shares						(0)
Net changes in items other than shareholders' equity	(733)	8,150	(279)	7,138	707	7,845
Total changes during period	(733)	8,150	(279)	7,138	707	23,367
Balance at end of period	1,440	12,282	(1,700)	12,022	7,508	196,484

ULVAC, Inc. (Securities code: 6728)
Consolidated Financial Results for the Fiscal Year Ended June 30, 2023

Fiscal year ended June 30, 2023

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	20,873	3,912	152,514	(344)	176,955
Cumulative effects of changes in accounting policies					-
Restated balance	20,873	3,912	152,514	(344)	176,955
Changes during period					
Dividends of surplus			(6,120)		(6,120)
Profit attributable to owners of parent			14,169		14,169
Purchase of treasury shares				(1)	(1)
Net changes in items other than shareholders' equity					
Total changes during period	-	-	8,049	(1)	8,048
Balance at end of period	20,873	3,912	160,563	(345)	185,003

	Accumulated other comprehensive income				Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	1,440	12,282	(1,700)	12,022	7,508	196,484
Cumulative effects of changes in accounting policies						-
Restated balance	1,440	12,282	(1,700)	12,022	7,508	196,484
Changes during period						
Dividends of surplus						(6,120)
Profit attributable to owners of parent						14,169
Purchase of treasury shares						(1)
Net changes in items other than shareholders' equity	596	439	153	1,188	(867)	321
Total changes during period	596	439	153	1,188	(867)	8,369
Balance at end of period	2,036	12,721	(1,547)	13,209	6,641	204,853

(4) Consolidated statement of cash flows

(Millions of yen)

	Fiscal year ended June 30, 2022	Fiscal year ended June 30, 2023
Cash flows from operating activities		
Profit before income taxes	29,280	20,722
Depreciation	8,587	8,245
Impairment losses	3,090	2,311
Increase (decrease) in allowance for doubtful accounts	203	36
Increase (decrease) in provision for bonuses	2,593	(869)
Increase (decrease) in retirement benefit liability	(38)	238
Increase (decrease) in provision for share awards for directors (and other officers)	75	39
Increase (decrease) in provision for product warranties	67	328
Increase (decrease) in provision for loss on orders received	(906)	297
Interest and dividend income	(993)	(822)
Interest expenses	410	441
Loss (gain) on sale of investment securities	(343)	–
Loss (gain) on sale of shares of subsidiaries and associates	(797)	–
Loss (gain) on sale of non-current assets	(59)	(153)
Share of loss (profit) of entities accounted for using equity method	(861)	(2,661)
Decrease (increase) in trade receivables	(16,971)	3,629
Decrease (increase) in inventories	(11,348)	(12,530)
Increase (decrease) in trade payables	15,544	(8,418)
Increase (decrease) in net contract liabilities	10,788	(2,725)
Increase (decrease) in accrued consumption taxes	594	(913)
Other, net	(850)	2,179
Subtotal	38,067	9,373
Interest and dividends received	1,573	1,026
Interest paid	(407)	(400)
Income taxes paid	(5,302)	(8,987)
Net cash provided by (used in) operating activities	33,931	1,011
Cash flows from investing activities		
Payments into time deposits	(20,656)	(25,578)
Proceeds from withdrawal of time deposits	18,908	25,495
Purchase of property, plant and equipment and intangible assets	(7,344)	(16,311)
Proceeds from sale of property, plant and equipment and intangible assets	224	435
Proceeds from sale of investment securities	391	–
Proceeds from sale of shares of subsidiaries and associates	1,200	–
Other, net	(155)	285
Net cash provided by (used in) investing activities	(7,432)	(15,673)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	331	1,483
Proceeds from long-term borrowings	5,400	7,300
Repayments of long-term borrowings	(5,685)	(6,368)
Repayments of lease liabilities	(741)	(879)
Dividends paid	(4,684)	(6,115)
Purchase of treasury shares	(0)	(1)
Dividends paid to non-controlling interests	(1,065)	(858)
Other, net	–	0
Net cash provided by (used in) financing activities	(6,445)	(5,438)

ULVAC, Inc. (Securities code: 6728)
Consolidated Financial Results for the Fiscal Year Ended June 30, 2023

(Millions of yen)

	Fiscal year ended June 30, 2022	Fiscal year ended June 30, 2023
Effect of exchange rate change on cash and cash equivalents	3,991	312
Net increase (decrease) in cash and cash equivalents	24,044	(19,788)
Cash and cash equivalents at beginning of period	83,061	107,106
Cash and cash equivalents at end of period	107,106	87,317