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February 13, 2024

Consolidated Financial Results for the Six Months Ended December 31, 2023 (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 13, 2024
 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, 2023 (from July 1, 2023 to December 31, 2023)

(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	%
Six months ended								
December 31, 2023	120,224	8.0	10,313	(1.5)	10,999	(6.6)	6,860	(26.5)
December 31, 2022	111,360	5.4	10,465	(8.3)	11,779	(2.2)	9,334	14.7

Note: Comprehensive income For the six months ended December 31, 2023: ¥7,328 million [9.5%]
 For the six months ended December 31, 2022: ¥6,695 million [(37.3)%]

	Basic earnings per share	Diluted earnings per share
Six months ended	Yen	Yen
December 31, 2023	139.25	–
December 31, 2022	189.53	–

(2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio
As of	Millions of yen	Millions of yen	%
December 31, 2023	365,639	206,301	54.6
June 30, 2023	353,474	204,853	56.1

Reference: Equity
 As of December 31, 2023: ¥199,791 million
 As of June 30, 2023: ¥198,212 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, 2023	–	–	–	109.00	109.00
Fiscal year ending June 30, 2024	–	–			
Fiscal year ending June 30, 2024 (Forecast)			–	114.00	114.00

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

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
Fiscal year ending June 30, 2024	245,000	7.7	23,000	15.3	24,500	7.1	16,000	12.9	324.78

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: None
 - (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, 2023	49,355,938 shares
As of June 30, 2023	49,355,938 shares

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

As of December 31, 2023	85,527 shares
As of June 30, 2023	107,207 shares

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

Six months ended December 31, 2023	49,264,375 shares
Six months ended December 31, 2022	49,248,959 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, 2023	As of December 31, 2023
Assets		
Current assets		
Cash and deposits	98,399	93,554
Notes and accounts receivable - trade, and contract assets	83,538	95,732
Merchandise and finished goods	6,140	6,373
Work in process	36,485	39,880
Raw materials and supplies	19,335	21,523
Other	11,903	8,509
Allowance for doubtful accounts	(521)	(476)
Total current assets	255,280	265,095
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	25,915	24,961
Machinery, equipment and vehicles, net	20,399	19,256
Tools, furniture and fixtures, net	1,741	1,684
Land	8,245	8,216
Leased assets, net	3,670	3,429
Construction in progress	9,617	14,121
Total property, plant and equipment	69,588	71,666
Intangible assets		
Leased assets	23	11
Software	1,746	2,638
Other	2,568	2,701
Total intangible assets	4,336	5,351
Investments and other assets		
Investment securities	10,151	9,498
Retirement benefit asset	940	931
Deferred tax assets	6,245	6,068
Other	8,962	7,823
Allowance for doubtful accounts	(2,030)	(793)
Total investments and other assets	24,269	23,527
Total non-current assets	98,193	100,544
Total assets	353,474	365,639

ULVAC, Inc. (Securities code: 6728)
Consolidated Financial Results for the Six Months Ended December 31, 2023

(Millions of yen)

	As of June 30, 2023	As of December 31, 2023
Liabilities		
Current liabilities		
Notes and accounts payable - trade	47,336	47,517
Short-term borrowings	11,878	12,787
Lease liabilities	898	839
Income taxes payable	2,328	2,173
Contract liabilities	22,685	31,737
Provision for bonuses	5,072	5,805
Provision for bonuses for directors (and other officers)	368	144
Provision for product warranties	1,726	1,757
Provision for loss on orders received	313	415
Other	14,149	14,574
Total current liabilities	106,754	117,750
Non-current liabilities		
Long-term borrowings	30,080	29,765
Lease liabilities	3,037	2,831
Deferred tax liabilities	195	319
Retirement benefit liability	7,414	7,348
Provision for share awards for directors (and other officers)	311	279
Asset retirement obligations	409	412
Other	420	635
Total non-current liabilities	41,867	41,588
Total liabilities	148,620	159,338
Net assets		
Shareholders' equity		
Share capital	20,873	20,873
Capital surplus	3,912	3,912
Retained earnings	160,563	162,044
Treasury shares	(345)	(271)
Total shareholders' equity	185,003	186,558
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	2,036	1,479
Foreign currency translation adjustment	12,721	13,099
Remeasurements of defined benefit plans	(1,547)	(1,346)
Total accumulated other comprehensive income	13,209	13,233
Non-controlling interests	6,641	6,511
Total net assets	204,853	206,301
Total liabilities and net assets	353,474	365,639

(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, 2022	Six months ended December 31, 2023
Net sales	111,360	120,224
Cost of sales	78,065	84,864
Gross profit	33,296	35,361
Selling, general and administrative expenses	22,831	25,048
Operating profit	10,465	10,313
Non-operating income		
Interest income	153	237
Dividend income	189	294
Share of profit of entities accounted for using equity method	386	234
Other	1,171	846
Total non-operating income	1,898	1,611
Non-operating expenses		
Interest expenses	223	231
Foreign exchange losses	-	287
Other	361	406
Total non-operating expenses	584	925
Ordinary profit	11,779	10,999
Extraordinary income		
Gain on sale of non-current assets	150	89
Total extraordinary income	150	89
Extraordinary losses		
Impairment losses	35	196
Total extraordinary losses	35	196
Profit before income taxes	11,895	10,893
Income taxes - current	2,774	2,822
Income taxes - deferred	518	774
Total income taxes	3,291	3,596
Profit	8,603	7,296
Profit (loss) attributable to non-controlling interests	(731)	436
Profit attributable to owners of parent	9,334	6,860

Quarterly consolidated statement of comprehensive income (cumulative)

(Millions of yen)

	Six months ended December 31, 2022	Six months ended December 31, 2023
Profit	8,603	7,296
Other comprehensive income		
Valuation difference on available-for-sale securities	375	(553)
Foreign currency translation adjustment	(2,232)	377
Remeasurements of defined benefit plans, net of tax	169	201
Share of other comprehensive income of entities accounted for using equity method	(221)	6
Total other comprehensive income	(1,908)	32
Comprehensive income	6,695	7,328
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	7,463	6,884
Comprehensive income attributable to non-controlling interests	(768)	444

(3) Quarterly consolidated statement of cash flows

(Millions of yen)

	Six months ended December 31, 2022	Six months ended December 31, 2023
Cash flows from operating activities		
Profit before income taxes	11,895	10,893
Depreciation	3,925	4,247
Impairment losses	35	196
Increase (decrease) in allowance for doubtful accounts	27	(1,280)
Increase (decrease) in provision for bonuses	(437)	730
Increase (decrease) in retirement benefit liability	228	224
Increase (decrease) in provision for share awards for directors (and other officers)	64	(32)
Increase (decrease) in provision for product warranties	201	21
Increase (decrease) in provision for loss on orders received	1	103
Interest and dividend income	(341)	(531)
Interest expenses	223	231
Share of loss (profit) of entities accounted for using equity method	(386)	(234)
Loss (gain) on sale of non-current assets	(150)	(89)
Decrease (increase) in trade receivables	3,197	(11,772)
Decrease (increase) in inventories	(8,826)	(6,437)
Increase (decrease) in trade payables	(7,350)	(100)
Increase (decrease) in net contract liabilities	(332)	8,998
Increase (decrease) in accrued consumption taxes	(852)	102
Decrease (increase) in consumption taxes refund receivable	2,584	2,723
Other, net	(1,141)	2,894
Subtotal	2,564	10,886
Interest and dividends received	410	601
Interest paid	(216)	(245)
Income taxes paid	(5,179)	(2,390)
Net cash provided by (used in) operating activities	(2,420)	8,852
Cash flows from investing activities		
Payments into time deposits	(12,268)	(12,730)
Proceeds from withdrawal of time deposits	12,625	12,619
Purchase of property, plant and equipment and intangible assets	(6,929)	(8,156)
Proceeds from sale of property, plant and equipment and intangible assets	431	112
Other, net	142	208
Net cash provided by (used in) investing activities	(5,998)	(7,947)

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 Consolidated Financial Results for the Six Months Ended December 31, 2023

(Millions of yen)

	Six months ended December 31, 2022	Six months ended December 31, 2023
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	535	459
Proceeds from long-term borrowings	1,800	3,600
Repayments of long-term borrowings	(3,101)	(3,549)
Repayments of lease liabilities	(445)	(480)
Dividends paid	(6,102)	(5,373)
Purchase of treasury shares	(0)	(0)
Dividends paid to non-controlling interests	(662)	(694)
Net cash provided by (used in) financing activities	(7,976)	(6,037)
Effect of exchange rate change on cash and cash equivalents	(1,175)	182
Net increase (decrease) in cash and cash equivalents	(17,570)	(4,950)
Cash and cash equivalents at beginning of period	107,106	87,317
Cash and cash equivalents at end of period	89,536	82,367