

Financial Highlights

Millions of yen

FOR THE YEAR DATA	2011.06	2012.06	2013.06	2014.06	2015.06
Orders received	235,932	152,221	166,778	169,808	182,732
Net sales	232,040	196,804	163,351	173,878	179,174
Operating income (loss)	1,850	(6,384)	6,115	11,996	11,132
Income (loss) before income taxes	(9,192)	(33,704)	(565)	15,137	12,654
Net income (loss)	(8,706)	(49,984)	(3,807)	11,538	8,874
Capital expenditures	17,827	12,719	6,761	6,217	6,731
Depreciation	10,717	9,096	7,967	7,421	7,630
R&D costs	8,255	7,088	4,989	5,213	5,562

Millions of yen

YEAR-END DATA	2011.06	2012.06	2013.06	2014.06	2015.06
Total assets	313,616	249,651	243,289	230,791	242,348
Net assets/Shareholders' equity	92,023	41,187	59,436	72,238	84,928
Number of employees	7,878	6,981	6,579	5,971	5,904

(Yen)

PER SHARE DATA	2011.06	2012.06	2013.06	2014.06	2015.06
Net assets	1,787.51	751.00	806.38	1,040.23	1,398.66
Net income (loss)					
—Basic	(176.43)	(1,012.94)	(87.79)	223.18	172.73
—Diluted	—	—	—	165.62	148.48
Cash dividends	—	—	—	—	10.00

(%)

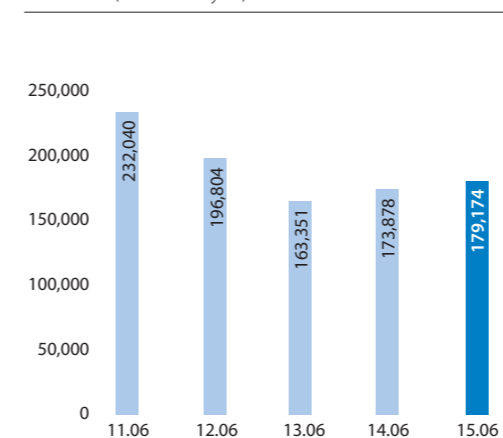
OTHER INFORMATION	2011.06	2012.06	2013.06	2014.06	2015.06
Net income / Average total assets (ROA)	—	—	—	4.9	3.8
Net income / Average shareholders' equity (ROE)	—	—	—	18.8	12.1
Shareholders' equity ratio	28.1	14.8	22.7	29.2	32.8

Disclaimer regarding forward-looking statements

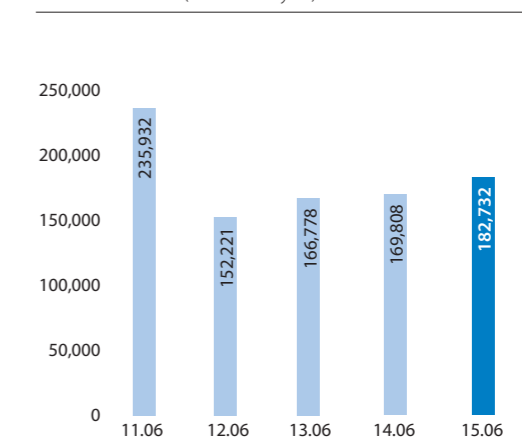
Forward-looking statements of the company in this report are based on information available at the time these documents were prepared. ULVAC's customers in the flat-panel display (FPD), solar cells, semiconductor, and electronic parts industries face the challenge of the rapid pace of technological advances and fierce competition.

Consequently, actual earnings may vary substantially from the projections included in this report due to a number of factors that could cause, directly or indirectly, performance to fluctuate. The factors that could cause results to differ materially from the statements herein include the world economy; fluctuations in the exchange rate; market conditions for flat-panel displays, semiconductors, and electric devices; and trends in capital investments.

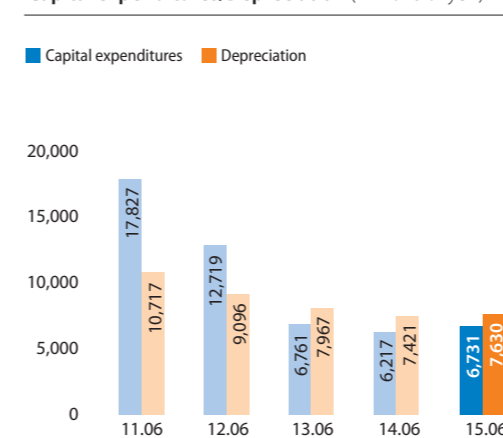
Net sales (Millions of yen)



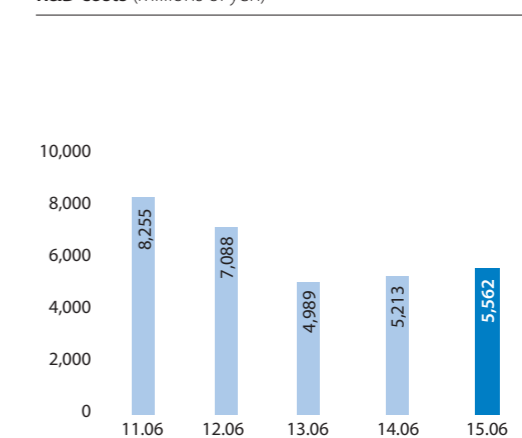
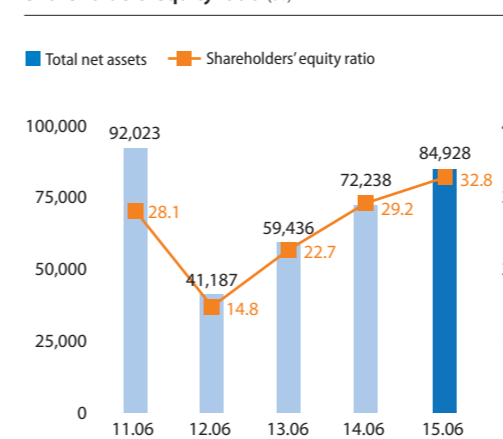
Orders received (Millions of yen)



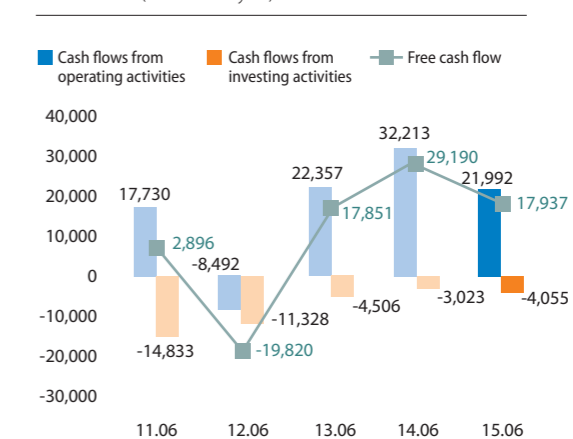
Capital expenditures/Depreciation (Millions of yen)



R&D costs (Millions of yen)

Total net assets (Millions of yen)/
Shareholders' equity ratio (%)

Cash flows (Millions of yen)



Analysis of Business Results

Business results for the current fiscal year

In the consolidated fiscal year ended June 2015, the Japanese economy continued its gradual recovery with individual consumption showing steady improvement, and corporate earnings showing positive signs etc., while employment and the earnings environment continued to improve. In the United States, although capital investment was weak, economic recovery continued with increased individual consumption etc. In Europe, the economy continued to rally, although attention must be paid to the problems in Greece and trends in the unemployment rate and commodities prices. In China, the economy began to gently slow with a decline in increases in individual consumption and production etc.

The electronics market, in which the ULVAC Group operates, continues to be buoyed by smartphones, with an increase in shipment of small to medium-sized LCD panels, semiconductors, and other electronic components, which are used as smartphone components.

With regard to capital investment in LCD production equipment, a lull was observed in the first half of the fiscal year due to the completion of a round of investment by various companies and the market remained generally sluggish; however, signs of renewed investment in the second half of the fiscal year reinvigorated the market. In the automobile market, sales of eco-friendly cars remained strong, causing capital investment in automotive parts, including car electronics products, to remain steady.

As a result, orders received rose by 12.924 billion yen or 7.6% year on year to 182.732 billion yen and sales rose by 5.296 billion yen or 3.0% year on year to 179.174 billion yen for the consolidated fiscal year ended June 2015. With regard to consolidated profit and loss, operating income fell by 863 million yen or 7.2% year on year to 11.132 billion yen, ordinary income fell by 908 million yen or 6.8% year on year to 12.475 billion yen, and net income for the period fell by 2.664 billion yen or 23.1% year on year to 8.874 billion yen.

Vacuum Equipment Business

■ FPD production equipment and PV production equipment

Orders received increased for small to medium-sized LCD manufacturing equipment in addition to large LCD manufacturing equipment and organic EL manufacturing equipment in the second half of the fiscal year.

■ Semiconductor and electronic device production equipment

In relation to semiconductors, sputtering equipment and natural oxide film removal equipment for mobile DRAM and NAND flash memory, and in relation to electronic components, advanced device manufacturing equipment for mobile devices and LED manufacturing equipment, all contributed to orders received and sales exceeding those of the previous fiscal year.

■ Components

Markets steadied behind the FPD, semiconductor, electronic components, and automotive related industries, and orders received and sales both exceeded those of the previous fiscal year.

■ Industrial equipment

Sales exceeded those of the previous fiscal year with a particular emphasis on vacuum heat treatment furnaces for automotive parts manufacture etc.

Vacuum Application Business

■ Materials

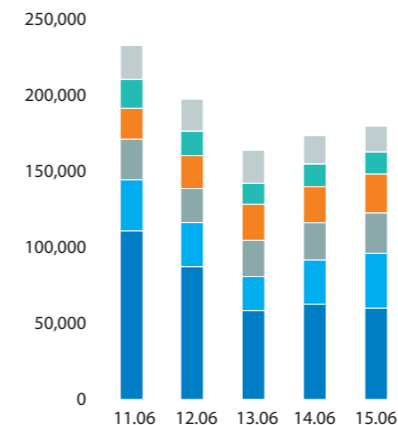
Orders were received for sputtering targets for LCDs, mainly from major Japanese and Korean panel manufacturers etc., and both orders received and sales exceeded those of the previous fiscal year.

■ Others

The market for mask blanks steadied due to increased demand for smartphones and tablets, as well as in-vehicle semiconductors.

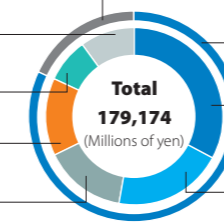
Net sales by business segment (Millions of yen)

■ FPD-PV production equipment
■ Semiconductor and electronic device production equipment
■ Industrial equipment
■ Components
■ Material
■ Others



Vacuum Application Business

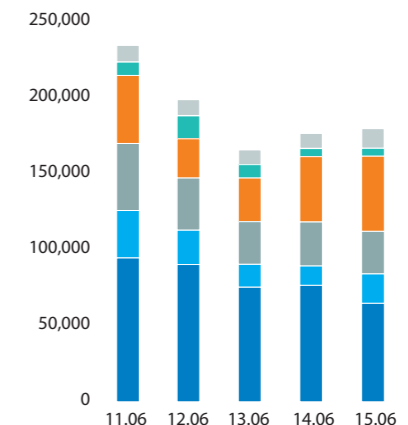
Others
31,533 (18%)
Material
14,422 (8%)
Industrial equipment
25,493 (14%)
Components
26,482 (15%)



Vacuum Equipment Business
147,641 (82%)

Net sales by region (Millions of yen)

■ Japan
■ Taiwan
■ South Korea
■ China
■ Other Asia
■ Europe, others



Europe, others
13,014 (7%)

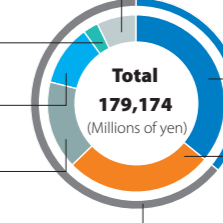
Other Asia
5,177 (3%)

Taiwan
19,294 (11%)

South Korea
27,909 (16%)

China
49,257 (27%)

Overseas
114,652 (64%)



Stock Information (As of June 30, 2015)

Total number of stocks authorized	Common stock	100,000,000
	Class A classified stock	1,500
	Class B classified stock	37,500
Total number of stocks issued	Common stock	49,355,938
	Class A classified stock	1,000
	Class B classified stock	1
Total number of shareholders	Common stock	13,542
	Class A classified stock	1

Note: Class A classified stock was acquired and cancelled on July 3, 2015 and the Company's stock now comprises only common stock.

Major Shareholders (Common Stock)

Shareholder's name	Number of shares (thousands)	Ratio of shareholding (%)
TAIYO FUND, L.P.	6,610	13.39
Nippon Life Insurance Company	3,242	6.57
Mizuho Bank, Ltd.	1,916	3.88
Sumitomo Mitsui Banking Corporation	1,864	3.78
State Street Bank and Trust Company 505019	1,803	3.65
Japan Trustee Services Bank, Ltd. (Trust account)	1,160	2.35
TAIYO HANEI FUND, L.P.	1,154	2.34
Goldman Sachs and Company Regular Account	1,026	2.08
The Master Trust Bank of Japan, Ltd. (Trust account)	939	1.90
Goldman Sachs International	926	1.88

Note: Stock ownership ratio is calculated by the number of treasury stocks (3,101 stocks)

Number of Shareholders (Common Stock) total: 13,542 shareholders

Individuals and Other	13,135
Foreign Companies	164
Domestic Corporations	144
Financial Institutions	40
Securities Companies	34
Foreign Investors	24

Treasury stock: 1 shareholder

Number of Shares Held (Common Stock) total: 49,355,938 shares

Foreign Companies	21,154,113
Financial Institutions	14,317,020
Individuals and Other	8,714,344
Domestic Corporations	4,342,126
Securities Companies	791,431
Foreign Investors	33,803

Treasury stock: 3,101 shares

Consolidated financial statements

Consolidated Balance Sheets

(Unit: Millions of yen)

	Fiscal year ended June 30, 2014 (June 30, 2014)	Fiscal year ended June 30, 2015 (June 30, 2015)
Assets		
Current assets		
Cash on hand and in banks	57,669	62,684
Notes and accounts receivable, trade	46,341	56,684
Merchandise and finished goods	4,068	3,551
Work in process	21,392	18,685
Raw materials and supplies	8,892	9,897
Deferred tax assets	1,774	1,620
Other	6,006	5,264
Allowance for doubtful accounts	(360)	(482)
Total current assets	145,783	157,903
Fixed assets		
Property, plant and equipment		
Buildings and structures	79,614	81,341
Accumulated depreciation	(41,103)	(43,718)
Buildings and structures, net	38,511	37,623
Machinery, equipment and vehicles	64,464	67,281
Accumulated depreciation	(48,774)	(51,787)
Machinery, equipment and vehicles, net	15,689	15,494
Tools, furniture and fixtures	13,779	13,684
Accumulated depreciation	(12,393)	(12,390)
Tools, furniture and fixtures, net	1,386	1,294
Land	8,476	8,198
Leased assets	1,270	1,490
Accumulated depreciation	(757)	(923)
Leased assets, net	514	567
Construction in progress	2,325	2,487
Total property, plant and equipment	66,901	65,662
Intangible fixed assets		
Leased assets	181	166
Software	1,120	1,023
Other	3,709	3,436
Total intangible fixed assets	5,010	4,625
Investments and other assets		
Investment securities	4,130	4,718
Guarantee deposits	1,936	1,877
Deferred tax assets	2,384	1,766
Other	5,549	6,896
Allowance for doubtful accounts	(901)	(1,100)
Total investments and other assets	13,097	14,156
Total fixed assets	85,008	84,444
Total assets	230,791	242,348

(Unit: Millions of yen)

	Fiscal year ended June 30, 2014 (June 30, 2014)	Fiscal year ended June 30, 2015 (June 30, 2015)
Liabilities		
Current liabilities		
Notes and accounts payable, trade	28,700	33,816
Short-term borrowings	69,242	62,844
Lease liabilities	338	385
Accrued income taxes	1,473	1,392
Advances received	9,785	14,492
Deferred tax liabilities	51	52
Accrued bonuses for employees	1,043	1,931
Accrued bonuses for directors and corporate auditors	245	203
Accrued warranty costs	1,593	2,059
Provision for loss on contract	581	129
Other	9,097	9,976
Total current liabilities	122,148	127,277
Long-term liabilities		
Long-term debt	20,364	19,805
Lease liabilities	648	557
Deferred tax liabilities	1,850	1,590
Net defined benefit liability	11,759	6,715
Accrued pension and severance costs for directors and corporate auditors	720	394
Asset retirement obligations	340	333
Other	723	747
Total long-term liabilities	36,404	30,142
Total liabilities	158,552	157,420
Net Assets		
Shareholders' equity		
Common stock	20,873	20,873
Capital surplus	37,100	16,435
Retained earnings	8,510	34,609
Treasury stock, at cost	(10)	(10)
Total shareholders' equity	66,474	71,908
Accumulated other comprehensive income		
Unrealized gain (loss) on securities, net of taxes	372	718
Foreign currency translation adjustment	1,925	7,462
Remeasurements of defined benefit plans	(1,389)	(718)
Total accumulated other comprehensive income	908	7,462
Minority interests	4,856	5,559
Total net assets	72,238	84,928
Total liabilities and net assets	230,791	242,348

Consolidated statement of income

(Unit: Millions of yen)

	Fiscal year ended June 30, 2014 (July 1, 2013–June 30, 2014)	Fiscal year ended June 30, 2015 (July 1, 2014–June 30, 2015)
Net sales	173,878	179,174
Cost of sales	131,231	135,710
Gross profit	42,646	43,464
Selling, general and administrative expenses		
Selling expenses	13,707	14,978
General and administrative expenses	16,944	17,353
Total selling, general and administrative expenses	30,651	32,331
Operating income	11,996	11,132
Non-operating income		
Interest income	216	181
Dividend income	267	310
Foreign exchange gains	765	743
Insurance and dividend income	242	360
Gain on sales of scraps	1,100	1,143
Share of profit of entities accounted for using equity method	-	128
Other	1,110	954
Total non-operating income	3,699	3,818
Non-operating expenses		
Interest expenses	1,257	1,038
Commission for syndicate loan	198	365
Loss on valuation of inventories	-	363
Share of loss of entities accounted for using equity method	109	-
Other	747	710
Total non-operating expenses	2,311	2,475
Ordinary income	13,384	12,475
Extraordinary income		
Gain on sale of fixed assets	1,068	326
Gain on sales of shares of subsidiaries and associates	838	28
Insurance income	535	-
Other	31	-
Total extraordinary income	2,471	354
Extraordinary losses		
Loss on disposal of fixed assets	145	176
Loss on disaster	279	-
Business structure improvement expenses	133	-
Other	161	-
Total extraordinary losses	718	176
Income before income taxes and minority interests	15,137	12,654
Current income taxes	2,805	3,183
Deferred income taxes	3	13
Total income taxes	2,808	3,196
Income before minority interests	12,329	9,458
Minority interests in income	791	584
Net income	11,538	8,874

Consolidated Statement of Comprehensive Income

(Unit: Millions of yen)

	Fiscal year ended June 30, 2014 (July 1, 2013–June 30, 2014)	Fiscal year ended June 30, 2015 (July 1, 2014–June 30, 2015)
Income before minority interests	12,329	9,458
Other comprehensive income		
Unrealized gain (loss) on securities, net of taxes	40	346
Foreign currency translation adjustment	2,086	5,999
Remeasurements of defined benefit plans, net of tax	-	672
Share of other comprehensive income of entities accounted for using equity method	21	40
Total other comprehensive income	2,147	7,056
Comprehensive income	14,475	16,514
Comprehensive income attributable to:		
Owners of parent	13,515	15,427
Minority interests	960	1,087

Consolidated statement of cash flows

(Unit: Millions of yen)

	Fiscal year ended June 30, 2014 (July 1, 2013–June 30, 2014)	Fiscal year ended June 30, 2015 (July 1, 2014–June 30, 2015)
Cash flows from operating activities		
Income before income taxes and minority interests	15,137	12,654
Depreciation	7,421	7,630
Business structure improvement expenses	133	-
Increase (decrease) in allowance for doubtful accounts	626	271
Increase (decrease) in provision for bonuses	23	857
Increase (decrease) in net defined benefit liability	(661)	(176)
Increase (decrease) in provision for directors' retirement benefits	83	(301)
Increase (decrease) in provision for product warranties	(209)	348
Increase (decrease) in provision for loss on order received	(2,636)	(458)
Interest and dividend income	(483)	(491)
Interest expenses	1,257	1,038
Subsidy income	(219)	(53)
Share of (profit) loss of entities accounted for using equity method	109	(128)
Decrease (increase) in notes and accounts receivable - trade	13,178	(7,626)
Decrease (increase) in inventories	8,986	4,354
Increase (decrease) in notes and accounts payable - trade	292	3,740
Increase (decrease) in advances received	(4,345)	3,344
Increase (decrease) in accrued consumption taxes	(100)	297
Other	(4,068)	1,103
Sub total	34,522	26,403
Interest and dividend income received	554	539
Interest expenses paid	(1,254)	(1,043)
Income taxes paid	(1,609)	(3,907)
Net cash provided by (used in) operating activities	32,213	21,992
Cash flows from investing activities		
Payments into time deposits	(898)	(624)
Proceeds from withdrawal of time deposits	658	379
Purchase of property, plant and equipment and intangible assets	(5,539)	(5,846)
Proceeds from sales of property, plant and equipment and intangible assets	1,989	1,070
Proceeds from sales of shares of subsidiaries resulting in change in scope of consolidation	867	490
Subsidy income	360	207
Other	(461)	269
Net cash provided by (used in) investing activities	(3,023)	(4,055)
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	(9,559)	(3,972)
Proceeds from long-term loans payable	7,769	7,525
Repayments of long-term loans payable	(14,137)	(10,893)
Repayments of lease obligations	(668)	(387)
Cash dividends paid	(0)	(1,050)
Purchase of treasury shares	-	(5,811)
Cash dividends paid to minority shareholders	(266)	(287)
Other	(20)	(20)
Net cash provided by (used in) financing activities	(16,881)	(14,895)
Effect of exchange rate change on cash and cash equivalents	500	1,616
Net increase (decrease) in cash and cash equivalents	12,808	4,658
Cash and cash equivalents at beginning of period	44,204	57,012
Cash and cash equivalents at end of period	57,012	61,670