

Greater Customer Satisfaction and Quality

Almost all production facilities of the ULVAC Group have now obtained ISO9001 certification. In addition, we have established standards and certification system for the ULVAC brand, along with the unique Claim Management System. Through these initiatives, we have sought to create high-quality products that provide customer satisfaction.

ULVAC quality assurance

Pursuing product safety and security

The ULVAC Group has completed certification procedures for the international ISO9001 standard for quality management systems at almost all of its production facilities. This reflects our commitment to manufacturing high-quality products at our facilities and at joint ventures. To maintain the ULVAC quality, we have established standards and certification system for the ULVAC brand, and operate a stringent checking system when commencing production and certifying models.

For quality assurance, the Corporate Quality Assurance Committee meets every quarter, chaired by the President of ULVAC, to comprehensively check and address quality issues involving not only ULVAC's divisions but also Group companies and overseas companies manufacturing our products under contract. The quality improvement index is obtained from the ratio of the costs arising from quality issues and customer claims (including the consolidated costs of manufacturing assignees), to product sales. Improvements are made on an ongoing basis.

On our website [Track the progress of ISO9001 certification acquisition by the ULVAC Group.](http://www.ulvac.co.jp/)

Making rapid improvements based on quality information

Sharing information on quality issues and making ongoing improvements to bolster quality

Our Claim Management System

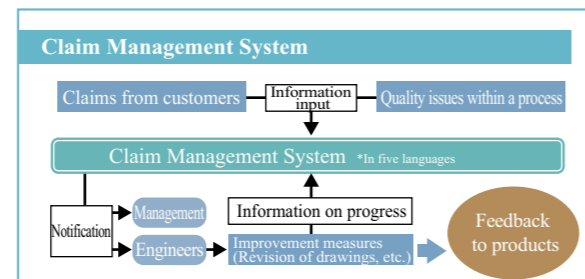
All information on quality issues related to ULVAC and its production facilities is managed comprehensively by the Claim Management System, enabling the information to be shared by the Group. The workflow is such that when information is input via the Intranet, an e-mail message is automatically generated and sent immediately to the processing personnel, and the personnel involved in the subsequent process are advised. The

Quality Policy
We are committed to improving the Quality of our work to provide products and services that satisfy our customers.

Action Policies

1. We comply with all rules and procedures.
2. We do not deliver any nonconforming products to the next process.
3. We observe delivery times to the next process.
4. We commit to the production budget.

system clarifies the person in charge of each process and the deadline at the Chigasaki Plant or manufacturing assignees, contributing to prompt action on quality claims. Needless to say, claims sent in by customers after product delivery are also processed by the system. When a serious issue arises in terms of safety, the system automatically sends out the information to all management personnel according to the level of risk of each claim. Key claim information is reported at the Monthly Business Meeting (a monthly meeting attended by the President and division managers), and responses are discussed and determined via a top-down approach.



Preventing recurring issues using the feedback system

The ULVAC Group has also taken steps to prevent the recurrence of quality issues. Information on quality issues collected by the Claim Management System is entered into the Feedback List. The list is used when manufacturing new products for stringent quality checks to determine whether improvements have been made.



A quality inspection

Enhancing customer satisfaction

Using customer feedback in our business

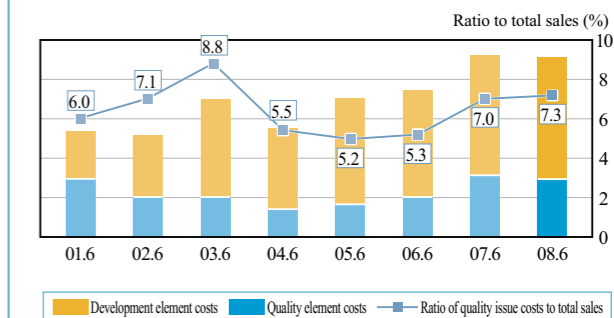
ULVAC was received a world's 10 BEST rating in the Large Supplier Section of the Global Survey of Customer Satisfaction with Semiconductor Manufacturing Devices conducted by VLSI Research (of the United States) in 2004, 2006 and 2008. Of particular note is the fact that in 2008, ULVAC ranked 5th, its highest achievement yet. 10 Best Awards has a track record of more than 20 years in annual evaluations of customer satisfaction related to semiconductor production equipment manufacturers worldwide, and is an authority in this area. ULVAC operates a system for recording customer comments and evaluations in a customer information database called Equipment Master each time ULVAC Group sales and service personnel make contact with customers. The system is used for evaluating and analyzing customer satisfaction. ULVAC then uses these customer opinions to continuously



Receiving the 10 BEST recognition at Semicon West

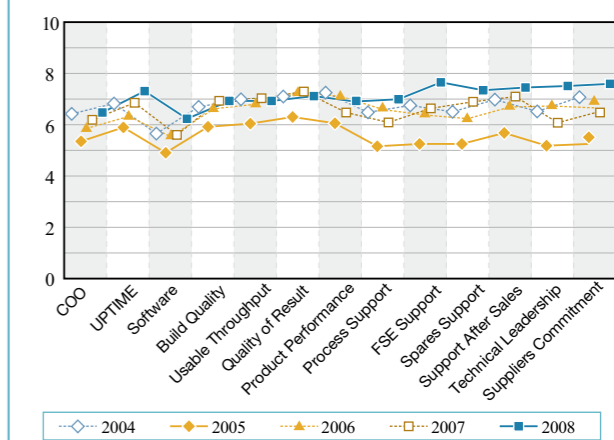
improve quality and customer satisfaction.

Changes in quality issue costs (quality elements and development elements) (ULVAC, Inc.)



The quality issue cost ratio for the June 2008 term was 7.3%, exceeding the target of 5.5% by 1.8%. The cost was almost the same as that of the previous year, but the ratio rose by 0.3 because it is calculated against sales. A contributing factor is the rise in the sales ratio of next-generation models, which is indicative of ULVAC's attitude to actively pursuing verification in the development process. However, a future challenge will be taking steps to minimize development risks and to reduce the quality issue costs for development elements. With regard to quality issues caused by human error, the ratio has declined each year, albeit only slightly. This reflects the soundness of internal quality standards, but we will continue providing quality improvement measures.

Customer satisfaction survey in the area of semiconductor manufacturing equipment



Source: Prepared by ULVAC based on VLSI Research Inc. 10 Best Awards

Offering improved quality to customers

Voice
Employee's voices

Kiyotaka Adachi East Japan Sales Department, Advanced Electronics Equipment Division
 Takayuki Nagasawa East Japan Sales Department, Industrial Equipment Division
 Takao Ito East Japan Sales Department, Flat Panel Display Equipment Group
 Koichiro Takaishi East Japan Sales Department, Semiconductor Sales Department
 Kiyoshi Takeda East Japan Sales Department, Components Division



We often take our customers on guided tours through our research institutes and plants, and we regard each detail as constituting the ULVAC quality offered to customers, such as the way workers greet each other when they walk by, and how well the workplace is organized. At the same time, the tours provide important opportunities for enabling customers to become familiar with ULVAC's dedication to quality, the environment, safety, and the way we manufacture products.

By actually seeing plant facilities and the latest technologies, many customers come to understand ULVAC's high quality and gain an appreciation for it. Occasionally, customers will also express opinions on shortening delivery periods and quality issues.

ULVAC products are production equipment that are incorporated in the manufacturing processes of customers. We are always aware that if any problems occur, there is a risk that customer products and quality could be seriously affected. Improving security and reliability for customers is consequently a daily commitment for us.

Fair and Impartial Business Dealings

Suppliers are indispensable to the ULVAC Group. Our policy is to build mutually beneficial relationships with suppliers based on trust, by maintaining and promoting sound, fair and impartial transactional relationships. We also practice a policy of Green Procurement for materials.

ULVAC procurement policy

Maintaining material procurement through fair and free competition

When it comes to procurement, the ULVAC Group seeks fair, impartial and free competition with suppliers worldwide. We have never abused an advantageous position to demand that suppliers enter into unfair transactions, nor have we granted or received undue benefits.

To build sound and cooperative relationships with suppliers, we urge our employees to understand and adhere to the ULVAC Procurement Policy, while at the same time strive to raise their awareness on the importance of legal compliance.

Training in the Subcontract Act

Raising employee awareness of the Subcontract Act to improve their knowledge

ULVAC occasionally provides training on the Act against Delay in Payment of Subcontract Proceeds, etc. to Subcontractors (Subcontract Act), mainly to employees in charge of contacting with suppliers, to raise awareness of the importance of complying with the Act.



Training in the Subcontract Act

Global procurement

Collecting information on overseas goods to achieve optimum order distribution

As its business expands, the ULVAC Group increasingly procures goods globally. The Global Procurement Committee has met bimonthly since 2005, with personnel in charge of procurement at overseas sites in attendance. At the meetings, information on worldwide suppliers is shared with the aim of achieving objectives related to the quality, cost and delivery of materials.



Global Procurement Committee

Information exchange with suppliers

Developing sound relationships by sharing information

ULVAC has held an Operations Briefing Meeting with major suppliers each year to report on business outcomes and explain future business plans and strategies.

In addition, a Mutual Prosperity Meeting is held every quarter to offer information on forecasts to major suppliers based on production plans. Suppliers who have made significant contributions in the areas of quality, delivery timeframes, cost and production technologies are awarded the Most Outstanding QDC Award and Manufacturing Engineering Contribution Award.



Mutual Prosperity Meeting

Electronic procurement system

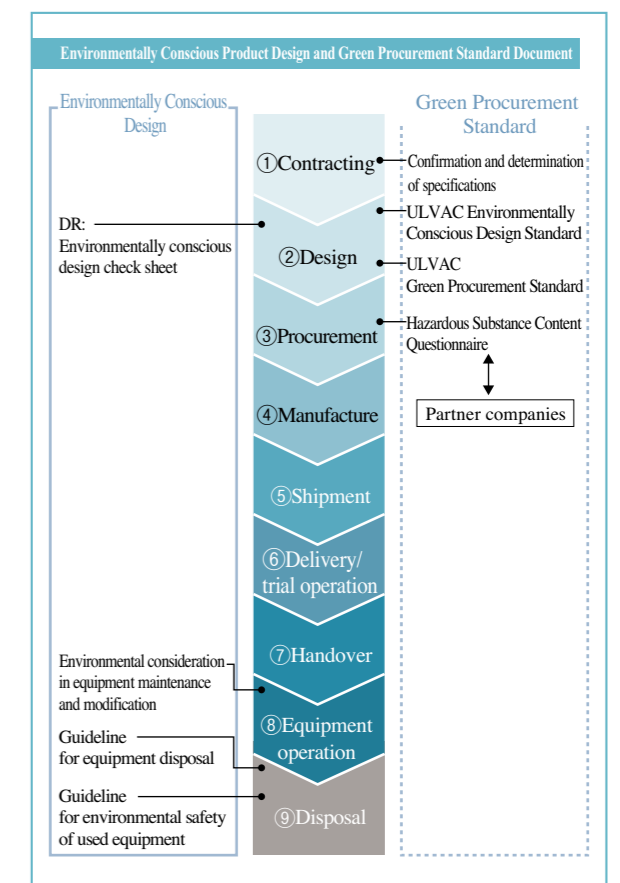
Achieving short delivery timeframes by expediting material procurement

ULVAC began using Web-EDI (UL-EDI) for procurement in 2005. Time is becoming a more important factor for business, both in terms of lead time and operational efficiency. ULVAC has helped save time both for our suppliers and for us by exchanging data electronically. In addition, procurement data is provided and made available for real-time confirmation of our transactions, as well as for the accumulation and analysis of past procurement data. As can be seen, our system has also helped to plan and propose future business activities.

Green procurement

All parts are examined for specified hazardous substances

In the design phase, ULVAC has promoted Green Procurement, or the procurement of more environmentally friendly materials. In 2003, we developed the ULVAC Group Green Procurement Standard and the List of Surveyed Chemical Substances under Voluntary Control for Green Procurement. We have set our own targets incorporating laws and regulations (such as WEEE and the RoHS Directive), and we take the environment into consideration when conducting procurement.



Authorized Exporter

ULVAC obtained certification as an Authorized Exporter in June 2008 from Yokohama Customs based on the Authorized Exporters' Program. The Authorized Exporters' Program aims to speed up logistics procedures at a time of enhanced security measures and the growth of international logistics. The program recognizes exporters that have displayed outstanding compliance as Authorized Exporters, and allows prompt customs clearance for export by simplifying customs examinations. As an Authorized Exporter, ULVAC will continue to bolster compliance and promote trade management that complies with laws and regulations.

ULVAC Procurement Policy

1. Compliance with laws

- (1) The ULVAC Group will conduct corporate activities based on laws, regulations, social standards and common sense.
- (2) The ULVAC Group will fully comply with related laws and regulations.
(Local laws and regulations: Anti-Monopoly Law, Commercial Code, Act against Delay in Payment of Subcontract Proceeds, etc. to Subcontractors, Stamp Tax Law, Foreign Exchange Law, Copyright Law, Act on Protection of Personal Information, etc.)

2. Maintenance and promotion of fair and free competition

- (1) The ULVAC Group will maintain and promote fair, impartial and free competitions to our suppliers worldwide.
- (2) The ULVAC Group will prohibit its procurement agents from demanding unfair business transactions of our suppliers by abusing an advantageous position.

3. Sound and mutually beneficial relationships with suppliers and related parties

- (1) The ULVAC Group will strictly warn its procurement agents against offering and receiving unfair gain in commercial transactions both within the Group and with third parties. Directors and employees will make sound judgments and moderately conduct themselves to prevent misunderstanding or negative appraisals by society.
- (2) The ULVAC Group will prohibit its procurement agents from forming personal relationships with suppliers. The following are examples of prohibited behavior for its procurement agents:
 - Accepting any money, gift certificate or gifts from a supplier
 - Acquiring stocks in a supplier prior to an IPO based on unlisted information
 - Accepting meals, golf and other forms of entertainment provided by a supplier
 - Having dinner with a supplier beyond the bounds of reasonable social standards (Dinner within the bounds of reasonable standards means a dinner with costs shared equally with the permission of the relevant division of the company.)
 - Disclosing insider information about a company to a supplier

4. Promoting global procurement

- (1) The ULVAC Group will expand its activities globally to acquire the highest quality parts and materials in line with its corporate activities.
- (2) The ULVAC Group will cooperate with global suppliers and procure excellent parts, materials, technologies and services with an international outlook.

5. Practicing green procurement

- (1) Recognizing that protecting the environment is one of the highest-priority challenges facing humanity, the ULVAC Group is committed to the conservation of the natural environment and contributes to sustainable growth and development.
- (2) The ULVAC Group has established the Green Procurement Standard and will consider the environment in its procurement activities.