

Human Resources

To achieve sustained growth, vitalized organizations must serve as a foundation enabling diverse human resources to fully demonstrate their potential. ULVAC will strengthen its management base by actively engaging in organization and human resources development and focusing on cultivating the leaders of tomorrow.

Basic Policy

In recent years, a shift toward the smart society has begun worldwide. With the advent of a wave of technological innovation, global competition is intensifying. Amid such tremendous changes, ULVAC, whose overseas sales account for over 60% of total sales, cannot operate business sustainably unless it provides an environment where people with diverse personalities and strengths can maintain physical and mental health, bring their differing capabilities into full play, and enhance one another's capabilities through friendly competition.

At ULVAC, people with different backgrounds, in

terms of nationality, ethnicity, philosophy, culture, language, gender, age, and specialty, are flourishing. We respect such diversity and promote inclusion, and innovate to resolve customers' and society's issues. By doing so, we aim to continue to deliver new value that also leads to the personal growth of each employee.

Based on this policy, we are reinforcing the development of global human resources capable of thriving in a changing external environment in order to successfully compete in a business environment characterized by dramatic change.

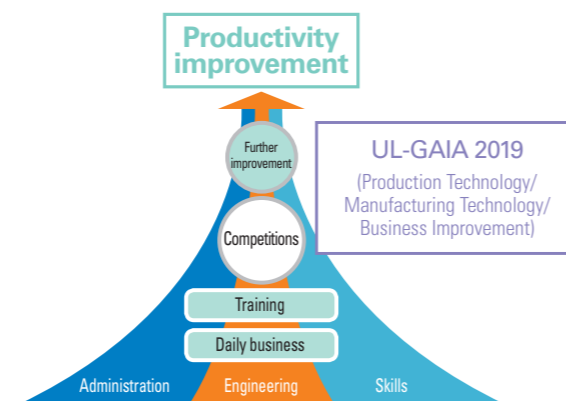
ULVAC Basic Policy for Human Resources Development

We are conscious that the most important resources for corporate vitality and competitiveness are the personnel and the organizations in which they work. We are conducting the following human resources development, based on our corporate philosophy and basic management policy.

1. Human resources who respect other individuals, trust each other and fulfill their responsibilities
2. Human resources who can see the true nature of each issue and create revolutionary technologies and projects with passion and tenacity
3. Human resources who are full of aspirations to improve themselves and take voluntary actions to achieve goals
4. Human resources who have a global perspective and aim to take leadership in exploring the world

UL-GAIA 2019

ULVAC has held the Global Manufacturing Technology Competition and Global Business Improvement Competition for the purpose of enabling individuals to pursue productivity improvement and share the outcomes of their efforts. The aim of the Global Manufacturing Technology Competition is value creation through the improvement and innovation of the value chain process, and it is positioned as a forum where the participants present the outcomes (benefits) of their initiatives and processes for resolving issues. The aim of the Global Business Improvement Competition is to create mechanisms and measures to inculcate ULVAC's management policies in day-to-day work, maximize groupwide synergy, and strengthen cross-organizational functions to support resolution of issues relevant to two or more Group companies, and it is positioned as a forum where the participants make presentations on topics such as cost-reduction impacts, process improvements to tackle issues, and enhancement of operational efficiency and productivity.



In FY 2019, we combined the two competitions into UL-GAIA 2019. Under the slogan Breakthrough: Passion and Challenge, 16 teams that won contests in their countries or regions gathered together and made highly original presentations. The name UL-GAIA, which is short for ULVAC Global Awards of Improved Achievement, was chosen to liken the ULVAC Group to Gaia (the Earth) and create an award for the pursuit of integration and productivity improvement on a global scale.

Through UL-GAIA, our aim is to ensure all employees are aware of the importance of putting the Basic Corporate Philosophy and the Management Policies into practice in their work and linking their work to outcomes that contribute to achieving ULVAC's vision.

Developing the Next Generation of Leaders

In FY 2019, ULVAC conducted the ULVAC Executive Program (UEP) with the aim of cultivating leaders who will persistently and aggressively grapple with global change. A total of 15 participants selected from among candidates at ULVAC, Inc. and domestic and overseas Group companies participated in the program over a period of six months. By combining UEP with the ULVAC Leadership Program (ULP), an education program for young leaders, we will focus on developing the next generation of leaders.

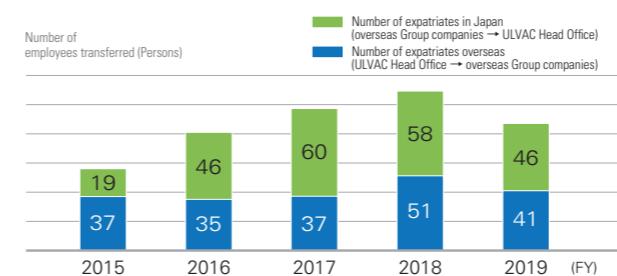
Groupwide Education and Training

ULVAC has long provided level-specific education, starting with an introductory program for new employees and a program for employees in their third year. We are now in the process of rebuilding the education system, including these programs. First, to increase the basic professional competence of young employees, we are establishing a manufacturing education center and administration education center to ensure that young employees acquire basic knowledge. Furthermore, to provide training to employees from Group companies in Japan and overseas, we will establish a course on the history, culture, and management strategy of ULVAC as well as other subjects and implement global personnel exchanges.

Human Resources Rotation

We are vigorously promoting human resources rotation in the Group, especially between ULVAC Head Office and overseas Group companies, as a measure to promote the diversity and inclusion mentioned above. Moreover, by vigorously promoting assignment of ULVAC employees to companies outside the Group on loan and vice versa, we are striving to vitalize human resources and establish human networks while also expecting to achieve innovation through technical exchange.

Human resources rotation between ULVAC Head Office and Group companies



ULVAC Academy Portal

We are promoting e-learning throughout ULVAC based on the concept of providing an environment that enables learning anytime anywhere. Since its launch in 2016, the contents posted on ULVAC Academy Portal have grown to include some 1,200 items.

ULVAC Academy Portal now supports Japanese, English, Chinese, and Korean. Some 6,000 ULVAC employees have registered and are using the portal.

Principal contents

- Message from the President
- Video clips of seminars held in ULVAC
- Engineering education on technology, design, manufacturing, etc.
- Mandatory education for onsite employees, such as basic product safety education
- Education on trading and security trade control, etc.

Creating an Excellent Working Environment

ULVAC, Inc. is creating a working environment in which employees can demonstrate their strengths and originality while enhancing their productivity, and furthermore we are developing conditions and programs that minimize the impact of life events, so that diverse human resources can flourish and perform well.

Improvement of systems for flexible workstyles

ULVAC, Inc. offers a staggered working hour system and a flextime system. We also introduced an hourly annual paid leave system in 2020. The number of days of paid leave taken is increasing: the average number of days taken increased from 10.9 days in FY 2018 to 12.4 days in FY 2019.

Systems for supporting childcare

To assist employees in their efforts to achieve a balance between work and childcare, ULVAC, Inc. has introduced leave, holidays, and short-working hours systems that go beyond the statutory requirements. Childcare leave can be taken until the first April 30 after a child reaches two years of age. The short-working-hours system for childcare is available for employees who have a child up to the third grade in elementary school.

All employees who took childcare leave have returned to work. Male employees also take childcare leave.

Retention of human resources and transfer of technological expertise

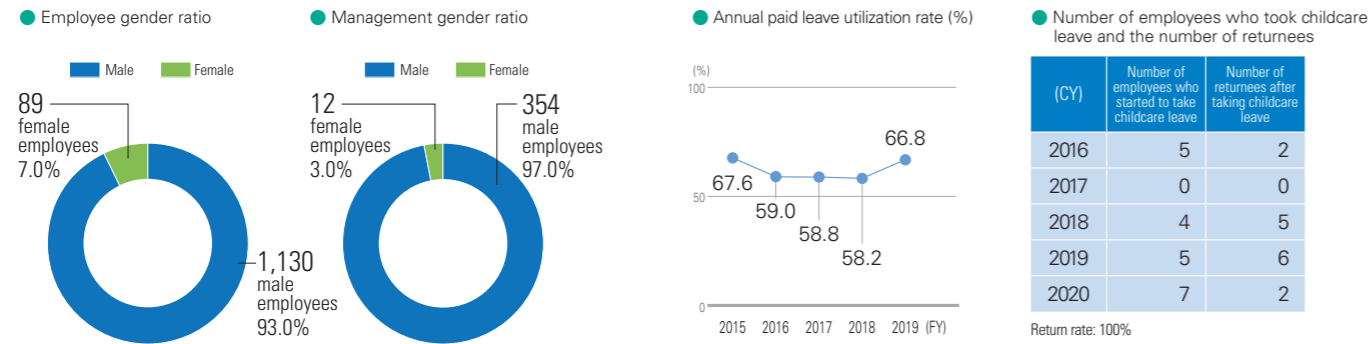
Mindful that technological innovation is triggered by the integration of accumulated technology, new knowledge, and creativity, ULVAC emphasizes human resources development, the retention of employees, and the transfer of technological expertise. For example, we conduct a questionnaire survey of new employees six months after they join ULVAC, Inc. and their superiors, and any gaps in perception are promptly addressed.

The system for rehiring senior employees after mandatory retirement has taken root, and furthermore, we have set up a special employee system for post-retirement senior employees (after retirement at the age of 65) to create an opportunity for experienced employees to display their abilities and transfer their technological expertise to the next generation.

Human Resources (Continued)

For details Website>>Sustainability>Human Resources

Human Resources Data (non-consolidated)



Promotion of Health Management

Making further progress in creating a working environment that enables employees in excellent physical and mental health and good spirits to demonstrate their abilities to the fullest is important for the ULVAC Group's future development. At ULVAC, Inc., the president, the Chief Health Promotion Officer, the senior manager of the General Administration Department, occupational health physicians, and occupational health nurses act in unison to promote health management activities. In addition to legally prescribed health checks, stress checks, and face-to-face guidance for employees who work long hours by an occupational health physician, the Company pursues initiatives for general health improvement, such as wellness improvement and reduction of health risks.

Priority Activity 1 Wellness Improvement

ULVAC Inc. has set a wellness improvement target of "An increase of 20% in the number of people who work energetically by FY 2020 compared to FY 2014."

In addition to organization vitalization training conducted since FY 2014, since FY 2019 we have held a Case Study Review Meeting, which encourages organizational development through the cultivation of complex problem-solving skills and interpersonal skills, including by simulating the experience of outside parties through failure case studies and problem case studies. We also provide wellness support by distributing to employees information on subjects such as how best to physically and mentally cope with stress caused by change in the working environment and on the promotion of good habits.

As a result of these activities, according to the findings of ULVAC's organizational health survey, the percentage of employees who work energetically*1 has increased compared to FY 2014 (Fig.1). We will continue to implement health measures aligned with our organizational policies to enhance organizational health.

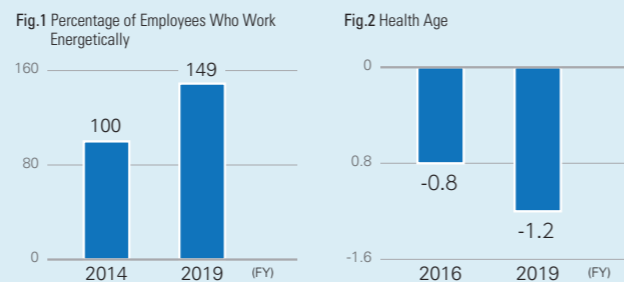
Priority Activity 2 Health Risk Reduction

ULVAC, Inc. has set a health risk reduction target of "Health age*2 3.0 years lower than actual age by FY 2020."

We provide lifestyle improvement support to all employees, such as an online education program that includes education about long working hours, sleep education, women's health education, and pre-health check education, and a walking program that utilizes the PepUp healthcare platform.

Thanks in part to the effects of these measures, the health age of employees has gradually improved. In FY 2019, ULVAC, Inc. received the Kanagawa Prefecture

Governor's Award in the Kanagawa Prefecture My ME-BYO Record inter-company walking program.*3



*1 The average score for all items of the percentage of people answering "5. I strongly agree" for five items concerning vitality toward work (five-point scale) in a survey at the time of application for a health check, with the value for FY 2015 as 100.
 *2 An index developed by JMDC Inc. based on the medical checkup data and medical expenses of 1.6 million people. ULVAC, Inc. began measurement in FY 2016.
 *3 Kanagawa Prefecture website: <https://www.pref.kanagawa.jp/docs/mv4/prs/r2372098.html> (Japanese only)

As a result of implementing these measures, ULVAC, Inc. has been certified by the Ministry of Economy, Trade and Industry as a Certified Health and Productivity Management Organization (White 500), and ULVAC TECHNO, Ltd., ULVAC EQUIPMENT SALES, Inc., ULVAC Human Relations, Ltd., and ULVAC-PHI, Inc. have been certified as Certified Health and Productivity Management Organizations. ULVAC will continue pursuing various initiatives at domestic Group companies to maintain and promote the health of employees.



Occupational Safety and Health

The ULVAC Group has made "Safety First" the fundamental principle of business management. By operating our Occupational Safety and Health Management System (OSHMS) focused on risk assessment, we endeavor to ensure safety of the products and services used by our customers and create dynamic workplaces where Group employees can work in good physical and mental health.

Approach to Occupational Safety and Health

In the execution of development, manufacturing, transport, installation, maintenance and other business processes, everyone in the ULVAC Group, from senior management to line workers, is encouraged to seize the initiative in continuously undertaking improvements placing the highest priority on safety, striving to maintain and improve the safety of everyone involved and ensure a healthy working environment.

management reviews conducted by the president and other executives and risk assessments performed by each employee. For example, hazards associated with chemical substances have been attracting attention, as indicated by frequent revisions of laws in recent years. We identify risks at phases from transport and storage to disposal at the work planning stage and are strengthening measures to ensure safety.

As a result, the Chigasaki Plant was certified by the Ministry of Health, Labour and Welfare for achieving a Type-V zero accident record* (total of 15.7 million hours) in FY 2019 and the Fuji Susono Plant for a Type-I zero accident record (total of 3.1 million hours) in FY 2018. These plants are maintaining their zero accident records. With "Safety First" as their motto, all Group companies will continue their efforts to extend the zero accident record.

* The number of accident-free hours for recognition of a zero accident record is determined according to the starting date of the record, the industry type and the number of workers. A certificate of a zero accident record will be issued by the Ministry of Health, Labour and Welfare when a business site maintains no fatal accidents or accidents with lost working hours for the specified number of hours. Zero accident record certificates ranges from Type I to Type V, with Type V being the highest level.

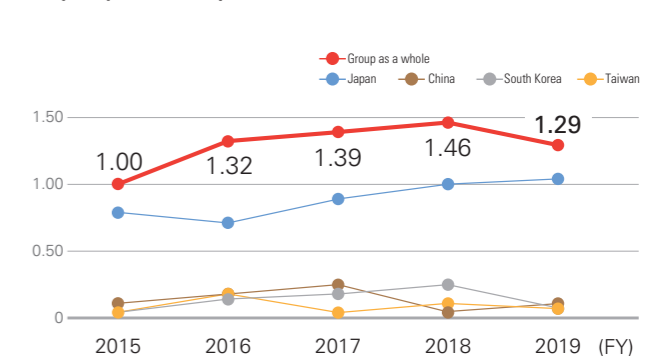
ULVAC Basic Policy on Occupational Safety and Health Management System (OSHMS)

- 1. Compliance to the code/regulations, and implementation of risk assessment**
Comply with Codes of Occupational Safety & Health Management and Rules according to ULVAC's OSHMS, and conduct Risk Assessment in order to perform Occupational Safety & Health Management activities with the help of all the employees.
- 2. Assure safety of ULVAC's products**
Comply with ULVAC's standard for safety design and perform risk assessment of our products, in order to deliver our safe products and services to our customers.
- 3. Planned education about Occupational Safety & Health & Product Safety**
For all the employees and contractor's employees, perform Occupational Safety & Health training based on ULVAC Safety Management system, while offering scheduled Product Safety training for our users.
- 4. Promotion of mental health care**
Promote mental health care to achieve a healthy, vigorous workplace environment.
- 5. Global expansion of ULVAC group**
Through the Safety & Health promotion activities by the Global Safety Management Committee, we will try to create an appropriate work environment for the whole ULVAC group, and contribute to prosperity of our businesses.

ULVAC's Safety Management System



Frequency ratio of occupational accidents at ULVAC



* This graph shows the rate of occupational accidents for each fiscal year, with the value for FY 2015 (as of June 2016) as 1.00. Although the number of accidents had been rising in recent years, this trend reversed in FY 2019 as various safety activities bore fruit.

Maintaining Zero Accident Record

To ensure the safety and good health of its customers and employees, the ULVAC Group regularly holds meetings of the Global Safety Management Committee, and all Group companies promote safety and health activities in an integrated manner. Each Group company operates the OSHMS, and everyone is engaged in safety and health activities, such as