

Messages from External Directors



Hiroyuki Nishi

Became an External Director of the Company in September 2020 after serving as Director of Nippon Life Insurance Company, President and Chief Executive Officer of Nissay Asset Management Corporation, and President and Chief Executive Officer of Nissay Credit Guarantee Co., Ltd. (current position)

The business environment in which the ULVAC Group operates changes day by day and technological innovation is progressing rapidly. In addition, there are numerous uncertain factors. We have to learn to live with COVID-19 and natural disasters are a fact of life in Japan. The protracted situation in Ukraine, concerns about the possibility of a global recession, and friction between the U.S. and China are just a few examples of the geopolitical risks we face. Even amid this turbulent environment, we must remain focused on our vision and advance without wavering.

This is the context in which ULVAC has formulated Vision 2032, "Continue to be a Field of Potentiality for the Future." It is noteworthy that the vision was the fruit of discussions among young employees in Japan and abroad. This vision indicates that the very DNA that animated ULVAC at its foundation remains as vibrant as ever in the year ULVAC is celebrating its 70th anniversary. Vision 2032 is essential for ULVAC's future growth. The key is how to inculcate this wonderful vision in the hearts and minds of the entire workforce of the ULVAC Group, making it an everyday reality throughout our operations. Materiality (key issues) provides a perspective on what needs to be done to achieve the vision.

For ULVAC, an enterprise committed to the progress of technology and development, innovating together with partners in each business, while always considering human rights and environmental issues from a global perspective, will lead to sustainable growth and enhancement of corporate value. This, in turn, will be a source of satisfaction and happiness for all stakeholders, including employees and customers, leading to win-win relationships for three or four parties, indeed for everyone concerned. For all ULVAC employees to take pride in Vision 2032 and work in

unison toward its achievement, it is necessary to strengthen the organization and structure upon which this vision is founded.

In my experience, excellent global organizations are those equipped with capabilities to respond with both "resilience" and "flexibility."

In business, no matter what happens or when it happens, if an organization has such robust capabilities, it will be able to conduct "offensive" management by carefully assessing and managing risks.

Effective risk management is not about not taking risks, but involves examining risks from all angles and deciding whether to embark on a project, or continue or withdraw from a project, from the viewpoint of whether the risk is appropriate in terms of the medium- to long-term growth of the company or whether the company can manage the risk if it materializes. "Diversification of risk," which is a hot topic nowadays, is a form of risk management designed to prevent, through diversification of business, geography, time, or human resources, concentration of risk in a particular field. For the ULVAC Group whose overseas presence is high, business management (PDCA) and governance across Group companies worldwide are particularly important and should be further improved as we advance.

As a member of the Board of Directors, I will provide multifaceted support from these perspectives. Recognizing the critical importance of speed in tackling the challenges confronting the ULVAC Group in the environment in which it operates, let's advance persistently, boldly, and meticulously to enable ULVAC to "Continue to be a Field of Potentiality for the Future."

And beyond that, let's make the ULVAC Group a "truly global enterprise."



Norio Uchida

Became an External Director of the Company in September 2015 after serving as Representative Director, President & CEO of TOPCON CORPORATION.

ULVAC celebrated its 70th anniversary this year, and Vision 2032, "Continue to be a Field of Potentiality for the Future," articulating what ULVAC aspires to be 10 years from now, as conceived by young employees in Japan and overseas, is significant. Furthermore, it is necessary to clarify materiality and address it in the mid-term management plan. In my mind's eye, I see ULVAC 10 years down the road firmly established as a field of potentiality for the future. ULVAC's materiality mainly concerns two issues.

The first key issue is how best to promote unique initiatives to achieve the vision. This will necessarily involve the entire workforce of the ULVAC Group and will include sustainable innovation and development of global and specialist human resources. Innovation is the key to creating the best in the world. Moreover, to create the first in the world, in addition to passion, both sensitivity and imagination are needed. Understanding global customer needs is essential for sustainable creation of innovative technologies. It is important to have a marketing base in every country where the needs are future-oriented and the competition is formidable, along with an R&D base with a sure grasp of these needs. The key to success in creating innovation is speedy information sharing between marketing and R&D. Since Japan's GDP, which stood at 18% of global GDP in 1995, has shrunk to one-third of that, global operations are essential. The initial step in product development begins with information gathering to draw up a scenario, i.e., marketing. It takes 10 years to develop specialized human resources capable of effective global marketing. While a cadre of such people is being nurtured within ULVAC, hiring human resources for marketing from outside the company is

also a possibility. New businesses and products will be created by expediting the sharing of information between technical teams and those who possess the requisite expertise in marketing.

The second materiality is a corporate issue: how best to strengthen the management base (strengthening of governance, investment in bases, workstyle reform, human resources investment, environmental investment, etc.) and improve financial performance (management of achievement of profit targets, optimal allocation of management resources, improvement of asset efficiency through selection and concentration, etc.). In order to achieve the vision, both human resources and the company's business foundation must function smoothly. In the process, human resources capable of innovation will be developed. In addition to passion, sensitivity, and scenario skills, these human resources need to have a sense of crisis and possess expertise that the world craves. The ULVAC Group needs frontline human resources to work globally and back-end specialists on the support side. Youthful frontline human resources should be eager to work overseas, while the support side should aim to become specialists.

In 2032, I expect to see ULVAC's human resources displaying their capabilities around the world and creating innovation on a sustainable basis. Moreover, I expect to see a "Field of Potentiality" firmly anchored globally, with issues of materiality having been addressed effectively through execution of the mid-term management plan, paving the way for ULVAC's emergence as a "global leader."

Messages from External Directors



Dr. Kozo Ishida

Became an External Director of the Company in September 2016 after serving as Vice Chairman and Representative Director of HORIBA, Ltd.

In the semiconductor and FPD industries, which include ULVAC's main customers, and related industries that require vacuum equipment, rapid technological evolution is the key to survival. Cutting-edge needs can be addressed only through development and production that are far more innovative than in the past.

The ULVAC Group, whose business is "manufacturing," must constantly strive to enhance its development and production potential in order to continue to innovate those processes and thus contribute to customers' innovation. I believe that the key is to unleash this potential in the form of manufacturing capabilities emphasizing "power," "speed," and "flexibility."

Human resources are the wellspring of strengthened "power." It is important for ULVAC to persistently develop people from a truly global perspective who are committed to technological development and production of "No. 1 and Only One" in the world. Above all, it is essential to develop leaders in development and production whose strong owner's mindset and multifaceted vision enable them to build teams. With this in mind, ULVAC should spare no effort in supporting human resources development. Those involved in development and production should have as many opportunities as possible for external technical exchanges and interactive contact with users from the early phase of their careers, cultivate the expertise that will enable them to compete globally, and demonstrate their capabilities in the world.

In addition, to further accelerate the "speed" of development and production, internally ULVAC needs

to strengthen its human resources and technology assets and promote exchanges of engineers within the Group, while externally engaging in open innovation with relevant organizations and pursuing technology alliances. In some cases, ULVAC may need to invest vigorously through M&A to strengthen marketing as well as development and production capabilities.

Clearly, in order to respond swiftly and effectively to rapidly changing needs, it is important to select and implement "flexible" and efficient paths to success according to the situation without hesitation, whether it be in cutting-edge marketing, development, production, or sales.

Innovation is easier said than done. In particular, the dead hand of corporate inertia can make it extremely difficult to advance beyond stereotypical behavior. Hence, my conviction is that it is essential to return to the essence of development and production by recognizing anew the basics in order to develop and produce products attuned to user needs, accumulate incremental innovations in all processes, and forge a new value creation chain leading to a bright future hand in hand with users.

In this 70th anniversary year, I am keenly anticipating ULVAC's next dynamic round of development centering on vacuum technology and the related application technologies, supporting the foundation of society through the development of industry, science, and technology over the next quarter of a century.



Yoshimi Nakajima

Became an External Director of the Company in September 2018 after serving as Vice President of Citibank, N.A., Senior General Manager of Societe Generale Securities Services, and President and Representative Director of American Express Japan Co., Ltd.

For ULVAC, whose business operations extend across the globe, the "people" involved in this endeavor are a major factor in transforming the potential of "vacuum" into an everyday reality. ULVAC should take pride in the fact that "people" are at the heart of its founding philosophy.

With an eye to the society of the future, despite the difficulty of prediction, we need to reaffirm the need for management that strongly takes into consideration not only ULVAC's employees, their families, people in local communities, and the companies with which ULVAC collaborates but also "society," transcending national borders and languages. This is crucially important in terms of taking responsibility for the future.

How can ULVAC build an organization in which people can engage with joy and conviction, with awareness of "contribution to the corporate purpose by themselves and their team"? And how can ULVAC ensure that everyone involved in this endeavor comprehends the importance of continuing to build and operate this enterprise and how should ULVAC communicate to external parties what it is doing?

For the ULVAC Group to continue to be sought after by individuals and society in the future, it is necessary

not only to cherish the strengths but also to introduce external viewpoints so that the employees are keenly aware that the Group needs to be an enterprise capable of anticipating society's needs and nurturing human resources who can make a change for the better. I sincerely hope that everyone at the ULVAC Group will take ownership, think about what they should do, and act accordingly.

In formulating Vision 2032, young employees in Japan and overseas played a central role, engaging in in-depth discussion across companies and organizations. I highly regard this process as a milestone on the path to diversity and inclusion.

For the ULVAC Group, which is developing business globally with cutting-edge technologies, to continue to grow, it must be involved in the well-being of its employees, in addition to improving the personnel system to meet the needs of the era. I look forward to seeing ULVAC promote activities among employees, transcending organizational and regional boundaries, as well as exchanges with companies and organizations outside ULVAC from a global perspective and further enhance corporate value.