

Development of Diverse Human Resources and Promotion of Their Advancement; Cultivation of Resilient Organizations

For the ULVAC Group to achieve sustained growth, dynamic organizations must serve as a foundation enabling diverse human resources to fulfill their potential.

We will step up our engagement in organizational and human resources development more than ever, focusing on securing and cultivating tomorrow's leaders to strengthen the management base.

Basic Policy

Amid intensifying global competition, with overseas sales accounting for 70% of total sales, in order to achieve sustainable growth of its businesses, the ULVAC Group needs to cultivate 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 effectiveness through friendly competition.

In the ULVAC Group, 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, innovating to resolve customers' and society's issues. By doing so, we aim to continue delivering new value that also leads to the personal growth of each employee.

Based on this approach, we are reinforcing the development of global human resources who are resilient to changes in the external environment and capable of working globally with an eye to the future from a broad perspective including the planet, society, markets and customers.

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 the Basic Corporate Philosophy and the Management Policies.

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

The ULVAC Group has been striving to create workplaces offering job satisfaction without disparities in terms of gender, nationality, or ethnicity. The ratio of women in managerial positions in the ULVAC Group as a whole was 9.0%, up 1.3% from the previous fiscal year. Moreover, approximately 50% of all managerial positions in the Group are held by non-Japanese nationals.

In order to further increase corporate value, the need to expand opportunities for female employees so that they can fulfill active roles in the ULVAC Group constitutes an important management issue. We will take steps to enhance educational opportunities and various personnel systems in order to foster a growing number of female candidates for managerial positions, targeting an increase of the ratio of women in managerial positions in the ULVAC Group to 10% or more by June 2026.

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, while striving to vitalize human resources and establish human networks, we aim to achieve innovation through technical exchanges.

Employment of People with Disabilities

People with a variety of disabilities work at ULVAC, Inc. They aim to achieve personal growth and contribute to business, and by accumulating experience they have become indispensable in the workplace. After they join the company, ULVAC works with job assistance organizations, conducts regular interviews, offers support in the departments where they work and makes improvements to the working environment, providing follow-up according to the characteristics of each disability to ensure each employee becomes well established in the workplace. In addition, students with disabilities are also accepted from local educational institutions for on-the-job training.

Human Resources Development

Group-wide Level-specific Training and Training for Managerial Personnel

Level-specific education starts with an introductory program for new employees and includes a program for employees in their second year and third year and subsequent programs according to internal qualifications and positions. We have continued to redesign our education system. Specifically, we now provide training that runs for about nine months for newly appointed managerial personnel so that they can equip themselves with the managerial skills and operational knowledge they need as managers. In addition, in FY 2022, a new training program on unconscious bias was provided for executive management and newly appointed managerial personnel. The purpose of this training is to deepen understanding of unconscious bias, which affects respect for diversity and promotion of inclusion, raising awareness and creating a climate that encourages diverse human resources to fulfill more active roles. Following the training of management, we will implement this training as a Group-wide mandatory training in the future.

Manufacturing Education

Our vision is to offer a wealth of educational opportunities covering the diverse techniques and skills essential for manufacturing throughout the Group in a consistent and equitable manner. This wide-ranging education includes reskilling and the passing on of skills from one generation to the next. We are focusing on raising the level of the Group's technical capabilities through education on the fundamentals of manufacturing and vacuum technology, which constitutes essential knowledge for all ULVAC engineers. Furthermore, for trainees from Group companies in Japan and overseas, we have established a course that in a systematic manner covers ULVAC's history, culture, and management strategy as well as other subjects. We are also promoting personnel exchanges globally.

Administration Education

We provide training for employees engaged in administration so that they can acquire the basic knowledge required for their roles step by step and become adept. The program is designed to help trainees acquire a wide range of knowledge on such matters as economic and business trends, company policies and the mid-term management plan, basic knowledge of accounting and taxation, corporate governance, and the Companies Act, and also encourages them to take ownership of their education and training, showing initiative and pursuing personal growth with a view to the next stage of their career.

ULVAC Academy Portal

Launched in 2016, the ULVAC Academy Portal offers and develops programs that can flexibly respond to the increase in mid-career hiring and the flow of human resources among Group companies. Incorporating methods such as blended learning, which combines online training and group training, the portal fulfilled a particularly important role in promoting self-motivated learning during the COVID-19 pandemic. We are also working to standardize training across the Group and offer an environment in which anyone can learn whenever they wish. Some 6,000 ULVAC employees have registered and are using the portal, which now supports Japanese, English, simplified Chinese, traditional Chinese, and Korean, and currently offers around 2,500 items of content.

UL-GAIA 2022

ULVAC holds ULVAC Global Awards of Improved Achievement (UL-GAIA) to ensure that employees share and put into practice the Basic Corporate Philosophy, the Business Philosophy, and the Employee Principles, and furthermore, to commend their activities and recognize outstanding achievements. Likening the ULVAC Group to Gaia (the Earth), UL-GAIA reflects our desire to create an award to promote Group-wide unity worldwide and to combine our energy and expertise.

The theme of UL-GAIA was changed from FY 2021, and UL-GAIA is positioned as an "opportunity to share the best practices corresponding to the Basic Corporate Philosophy, the Business Philosophy, and the Employee Principles" to ensure the wholehearted participation of the entire workforce of the ULVAC Group in UL-GAIA for the purpose of promoting deeper penetration of the Basic Corporate Philosophy, etc. embodying the ULVAC Group's shared values and its orientation.

The number of entries was greater for FY 2022 than for FY 2021. Presentations included not only the activities based on the new theme but also activities in line with the previous theme of "Production Technology/Manufacturing Technology/Business Improvement," such as value creation through improvement and reform of value chain processes, maximization of synergy across the Group, and strengthening of cross-functional support and solutions for issues affecting multiple Group companies. The outcomes (benefits) of these activities and the process of problem solving were shared.

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Development of Core Human Resources

To ensure diversity in the promotion of core human resources, we evaluate and promote employees based on their abilities, not on their inherent characteristics. For the selection of core human resources, we have set guidelines according to the composition of the workforce in order to promote selection and development free of any bias related to inherent characteristics.

Developing the Next Generation of Leaders

ULVAC conducts the ULVAC Executive Program (UEP) with the aim of cultivating leaders who will persistently and aggressively grapple with global change. The participants selected from among candidates at ULVAC, Inc. and domestic and overseas Group companies participate 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.

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. Furthermore, we are developing conditions and programs that minimize the impact of life events, so that diverse human resources can flourish and perform well.

Human Resources Subcommittee

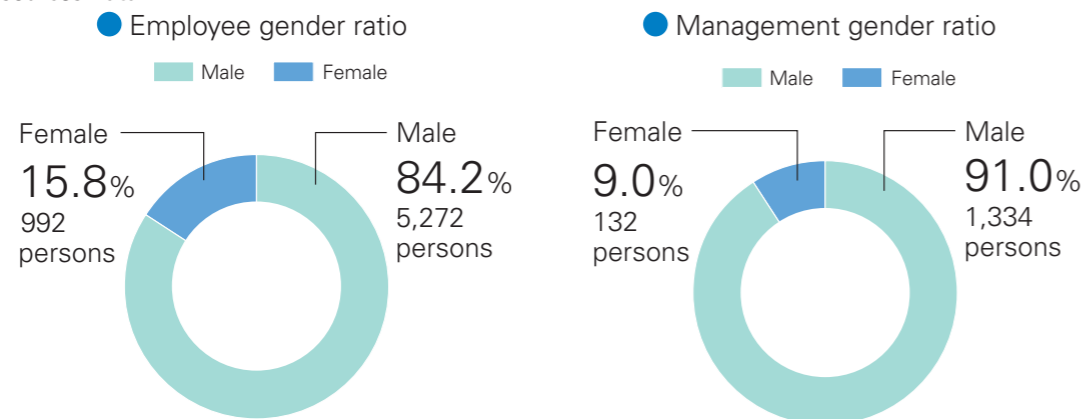
We have established the Human Resources Subcommittee consisting mainly of young employees to thoroughly examine initiatives for sustainable management from the viewpoint of human resources in order to achieve "our goal for 2050." Members of the subcommittee are drawn from various departments and roles, vary in age, and genders are fully represented. They discussed various themes such as "how to raise awareness, how to promote diversity, and how to create a comfortable working environment and flexible workstyles necessary for promoting diversity" over a period of six months and drafted a proposal of concrete measures and presented it to management as a series of recommendations. The Human Resources Subcommittee is currently addressing the issue of how best to implement the proposed measures.

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 that is used by many employees. The average number of days of annual paid leave taken was 12.8. We have also taken steps such as the introduction of shortened working hours and the establishment of satellite offices.

Many employees take advantage of systems such as childcare leave, the short-working-hours system for childcare, and nursing care leave. In order to facilitate the use of the systems, we are publicizing the systems by holding meetings to explain the details of the systems, including through the use of explanatory videos.

Human Resources Data



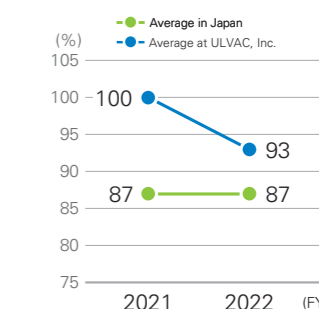
Promotion of Health and Productivity Management

Human resources are the key to achieving Vision 2032 "Continue to be a 'Field of Potentiality' for the Future." Based on the belief that "health" and "family" support human resources, we promote health and productivity management as one of the most important management issues. At ULVAC, Inc., the president, the Chief Health Promotion Officer, the senior manager of the Personnel Department, occupational health physicians, occupational health nurses, and staff of ULVAC Health Insurance Association act in unison to promote initiatives for health improvement. In addition to health checks, stress checks, and face-to-face guidance for employees who work long hours by an occupational health physician, other initiatives include reduction of health risks and support to enable employees to receive treatment while continuing to work.

Work Engagement Improvement

The target is "an increase of at least 10% in work engagement by FY 2025 compared with FY 2021." The rate of work engagement at ULVAC, Inc. has been higher than the average in Japan*1 but declined in FY 2022 to 93%*2 of the FY 2020 100% baseline. In order to overcome the challenges, with "cultivation of resilient organizations" as a material issue, ULVAC, Inc. introduced a resilience program for executives with the aim of forming habits that improve physical, emotional, mental and spiritual condition. In FY 2023, "case study meetings" were launched at which participants take ownership of their most difficult experiences and examine them with a view to enhancing unity among management. This approach has also been applied to dialogue activities among employees and is becoming more active step by step. Going forward, the ULVAC Group will continue implementing measures to increase work engagement.

Work Engagement

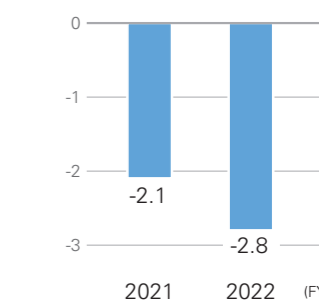


*1 Shimazu et al. 2008
*2 On the basis that the figure for FY 2021 based on the results of the Utrecht Work Engagement Scale (UWES-9) survey of ULVAC, Inc. employees at the time of applying for a medical checkup is set at 100%.

Health Risk Reduction

Our health risk reduction target is "Health age*3 3.0 years lower than actual age by FY 2025." Programs available for all employees of ULVAC, Inc. include online education programs covering long working hours, nutrition, women's health, and preparation for health checks, and a walking program that utilizes the PepUp healthcare platform. Thanks in part to the effects of these measures, the health age of employees is gradually improving. Whereas the difference between the health age and the actual age of employee was 2.1 years in FY 2021, it was 2.8 years in FY 2022. Going forward, we will continue to implement measures to lower health age.

Health Age



*3 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.

