

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

For our group to achieve sustainable growth, it is essential to build a dynamic organization where diverse talent can fully realize their potential.

Furthermore, we will actively promote organizational and talent development, with a stronger focus than ever on securing and nurturing the next generation of leaders, thereby strengthening our management foundation.

Basic Approach

As global competition intensifies and overseas sales account for 70% of our net sales, it is essential for our group to sustainably grow its business by having a workforce with diverse personalities and strengths. This requires an environment where individuals can thrive, fully utilize their unique abilities, stay healthy, and continuously improve by competing and supporting each other.

At ULVAC, individuals with diverse backgrounds, including nationality, race, ideology, culture, language, gender, age, and expertise, are thriving. By respecting such diversity and promoting inclusion, we aim to generate innovation, solve the challenges faced by our customers and society, and continuously create new value that contributes to the growth of each employee

With this mindset, we will strengthen the development of talent that can thrive globally, by taking a broad perspective on the future, including the planet, society, markets, and customers. We aim to cultivate individuals who are resilient to changes in the external environment.

Basic Policy for Human Resource Development

We recognize that the most important resource that forms the foundation of a company's vitality and competitiveness is "human assets" and the "organization" that maximizes their potential. Based on our management philosophy and management policies, we aim to develop the following types of talent.

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

Respect for Diversity and Inclusion

At ULVAC, we have worked to create a rewarding work environment regardless of gender, nationality, or race. The percentage of women in management positions across our group has increased by 0.8% compared to the previous year, reaching 9.8%.

To further enhance corporate value in the future, expanding opportunities for women is a key management priority. In order to increase the percentage of women in management positions across our group to over 10% by June 2026, we will focus on improving education and various human resource systems, and work towards nurturing and expanding the pool of potential candidates.

Human Resources Rotation

As part of our initiatives to promote diversity and inclusion, we are actively advancing talent rotation between our headquarters and overseas group companies. Additionally, we are proactively promoting secondments to external companies and receiving secondments from external companies, aiming to invigorate talent, build human networks, and achieve innovation through technical exchanges.

Employment of People with Disabilities

At our company, individuals with various disabilities are thriving. Aiming for personal growth and contribution to the business, they accumulate experience and become "indispensable" members of the workplace. After joining the company, we provide follow-up tailored to the characteristics of their disabilities, including coordination with employment support agencies, regular meetings, support from receiving departments, and improvements to the work environment to ensure workplace retention. Additionally, we also accept workplace internships for students with disabilities from local educational institutions.

Human Resources Development

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

Starting with introductory training for new employees, followed by education for second-year and third-year employees, and subsequent training based on internal qualifications and job positions, we have continuously worked on restructuring the educational system that includes these programs. Particularly for management, we conduct approximately nine months of training when they first take on their roles, ensuring they acquire the necessary management and business knowledge required for their positions.

Manufacturing Education

We have set a vision to clearly and fairly outline the technologies and skills necessary for manufacturing across the group, providing broad opportunities for skill development. This includes re-learning and the transmission of technical knowledge. We are focused on enhancing the technical capabilities of our group by offering basic education on manufacturing and vacuum technology, which are essential for various engineers. Additionally, when receiving trainees from group companies both domestically and internationally, we offer courses that systematically cover ULVAC's history, culture, and management strategy, promoting global human resource exchange.

Administration Education

We provide education for administrative employees to gradually acquire and solidify the fundamental knowledge necessary for their roles. This includes understanding economic and business trends, company policies, and the medium-term management plan, as well as acquiring basic knowledge in areas such as accounting, taxation, labor management, corporate governance, and corporate law. These learning opportunities also help employees prepare for their next career steps, fostering self-driven growth.

ULVAC Academy Portal

We are promoting self-directed learning by incorporating blended learning methods, such as combining online training with in-person sessions, and continuously developing education that can flexibly accommodate the increasing number of mid-career hires and talent rotation within the group. Additionally, we are advancing the standardization of education across the group, providing opportunities for anyone to access training whenever they wish. All employees have access to and make use of a wealth of content that is readily available.

UL-GAIA 2023

Since FY2019, we have been holding the "UL-GAIA" (ULVAC Global Awards of Improved Achievement) once a year as a platform to share the practice of our "Basic Corporate Philosophy." This event aims to visualize efforts related to the implementation of the Basic Corporate Philosophy and to foster mutual appreciation, thereby expanding understanding and empathy for our corporate principles, corporate motto, and corporate creed. The name "UL-GAIA" embodies the intention to regard the entire Ulvac Group as GAIA (Earth) and aims for an award that promotes global integration and sharing of various activities. ULVAC enhances group-wide synergy by sharing exceptional experiences and horizontally deploying them, growing together with colleagues around the world.

This time, the presentations included not only new themes but also followed traditional themes of "production technology, manufacturing technology, and business improvement." The presentations covered value creation through improvements and reforms in the value chain processes, maximizing the synergy effects across the group, enhancing and horizontally deploying the cross-functional features that support and resolve issues among group companies, including the results (effects) and the process towards problem-solving.

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Development of Core Talent

In securing diversity in the promotion of core talent, we conduct evaluations and promotions based on individual abilities, regardless of attributes. In talent selection, we set guidelines based on the employee composition and work toward a selection and development process that is not biased by attributes.

Employee Engagement

At ULVAC, we aim for a 'Mutual appreciation state' where employees resonate with the company's policies and goals, and have the desire to contribute and grow on their own. Through engagement surveys, we reflect the voices of our employees and create an environment where diverse talent can thrive. The survey results are fed back to the management and supervisory levels in sessions known as 'interpretation meetings.' In these meetings, participants share and visualize the desired state of the organization, understand the gap between this and the current state, and consider it crucial to continuously think about and implement better measures. Through these efforts, we aim to grow with our employees and build a sustainable future.

Creating a Comfortable Work Environment

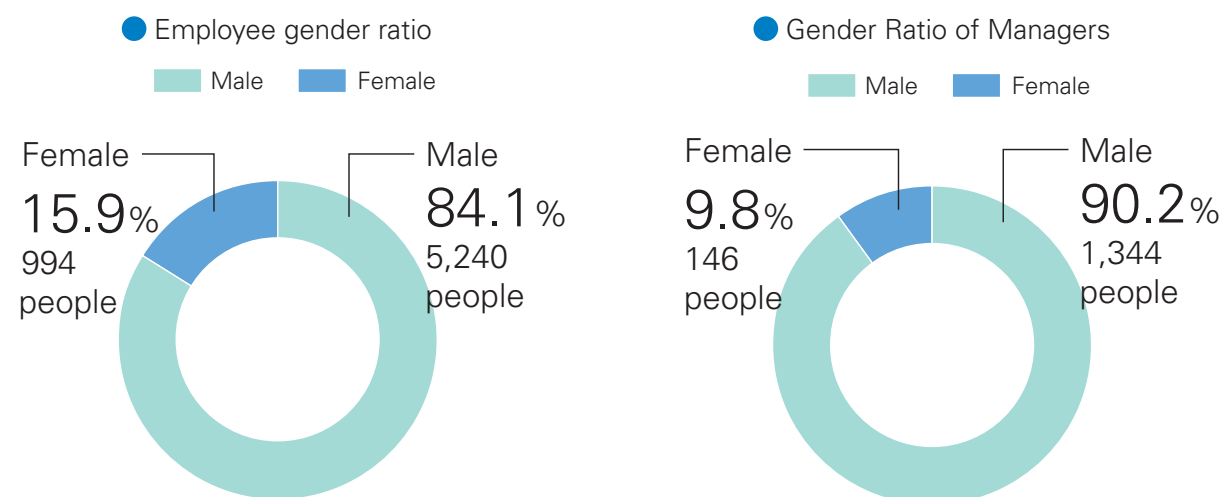
At ULVAC, we are creating a workplace environment where employees can leverage their individual strengths, enhance productivity, and demonstrate creativity. We are also promoting an environment and systems that minimize the impact of life stages and other factors on diverse talent, enabling them to thrive and achieve even greater results.

Establishing a Flexible Work System

At ULVAC, we have implemented a staggered working hours system and a flexible work system. Additionally, since 2020, we have introduced a "time-based annual paid leave system," which is utilized by many employees. Furthermore, we have also introduced shortened working hours and established satellite offices.

Additionally, many employees are utilizing systems such as parental leave, reduced working hours for childcare, and nursing care leave. To further promote the use of these systems, we are focusing on activities such as informational sessions and explanatory videos to raise awareness of the system details.

Human resource data



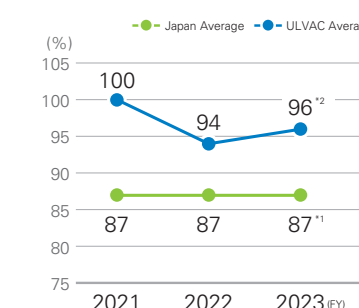
Promotion of Health and Productivity Management

Under the belief that 'human resources' are the key to realizing 'Vision 2032,' which aims "Continue to Be a 'Field of Potentiality' for the Future" and that these human resources are supported by 'health' and 'family,' promoting health management is one of the critical issues in management. At ULVAC, a united team consisting of the president, a health promotion officer, the HR director, occupational physicians, nurses, and health insurance association staff, work together to advance health improvement measures. These include health examinations, stress checks, interviews by occupational physicians for employees working long hours, as well as initiatives to reduce health risks and support the balance between treatment and work.

Improving Work Engagement

We aim to increase work engagement by more than 10% by fiscal year 2025 compared to fiscal year 2021. Although ULVAC's work engagement levels are higher than the Japanese average, there was a 4% decline in 2023 compared to 2021. To overcome this challenging situation, ULVAC has prioritized 'building a resilient organization' as a materiality issue. The management, leading by example, has introduced a 'Resilience Program' aimed at forming habits that enhance physical, emotional, cognitive, and spiritual well-being to have a ripple effect across the organization. In fiscal year 2023, we initiated 'Case Study Meetings' where team members examine the most challenging experiences with a sense of personal involvement, enhancing integration among management layers. This has also started to affect dialogue activities among employees, gradually becoming more active. We will continue to implement measures to enhance work engagement across the group.

Work Engagement Trends



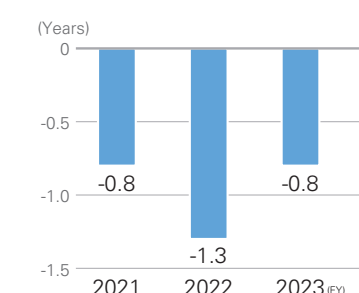
*1 Shimazu et al. (2008)

*2 The values of the UWES-9 survey results answered by ULVAC employees during health checkup applications, with the fiscal year 2021 value set at 100%.

Health Risk Reduction

We have set a goal to reduce health risks by ensuring that the difference between the "Health Age" and actual age is reduced by at least 1.5 years by fiscal year 2025. Currently, we are rolling out online education across all ULVAC departments, including education on managing long working hours, nutrition, women's health, and prehealth examination, along with walking projects using the healthcare platform Pep Up. As of fiscal year 2023, the difference between Health Age and actual age shows a reduction of 0.8 years, which is better than the national average, although the Health Age has slightly increased compared to fiscal year 2022. Going forward, we will implement measures to further reduce health risks, such as promoting additional exercise projects.

Transition of Health Age



*3 An index developed by JMDC Inc. based on health examination data and medical expenses of approximately 1.6 million people. ULVAC began measuring this from fiscal year 2016. Since a new calculation formula was adopted in fiscal year 2023, past figures and targets have also been redefined to align with the new calculation formula.

Certified Health and Productivity Management Organization

ULVAC has been certified in both the large enterprise category and the small and medium-sized enterprise category of the '2024 Health and Productivity Management Outstanding Organizations,' led by the Ministry of Economy, Trade and Industry. We will continue to implement various initiatives aimed at maintaining and enhancing the health of our employees.

