



A Pivotal Moment Shaping Future Growth Strategies

Hiroyuki Nishi External Director

Appointed as 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.

Sustaining Momentum by “Following Through” and Building on Our Success for the Next Three Years

In the first year of the Medium-Term Management Plan, our employees surpassed performance targets by a significant margin. I extend my deepest respect for their exceptional efforts and for the strong leadership demonstrated by the management team. Achieving these results amidst fierce global competition is a testament to ULVAC’s unwavering commitment.

It is vital to sustain this momentum and ensure we fully “follow through” over the entirety of the three-year plan, so that this success carries forward seamlessly into the next three years. Additionally, from a long-term perspective—looking ahead over the next decade—I aspire to see groundbreaking innovations that capitalize on ULVAC’s strengths in vacuum technology. These advancements will pave the way for new technologies and products that stand out like diamonds on the global stage.

On the other hand, I believe our progress on diversity is somewhat lagging. As external directors, we will proactively offer our advice and help drive further initiatives.

A Year of Significant Advancement in the “Visualization” of Numerical Management, Marking the Start of a Shift in Mindset

Until recently, I felt that awareness across the ULVAC Group as a whole was not sufficiently shared. However, over the past year, the “visualization” of various metrics and figures has progressed substantially, laying the groundwork for discussions on optimizing our business portfolio going forward.

Additionally, with the introduction of a head-office-based organizational structure in FY2023, cross-departmental initiatives have been invigorated, and we are beginning to see synergies emerge from collaboration within the company.

I have also directly observed “visualized” data being utilized in Management Council at overseas

subsidiaries and in discussions among production sites. This has given me a strong sense that a change in mindset has begun to take root at ULVAC. The key to continuing this reform will be to firmly embed these developments, thereby strengthening our ability to “follow through.”

Moreover, as we work to optimize the business portfolio using “visualized” data, I believe it will be essential to standardize the methods, time frames, and continuity of calculations to enhance the precision of the underlying data.

Optimizing the Business Portfolio with a Focus on Resilience

As we approach the remaining two years of the Medium-Term Management Plan, I strongly emphasize the importance of maintaining a steadfast focus on “following through” while ensuring the thorough implementation of the PDCA cycle across the organization. Observing ULVAC’s stock price trends following each quarterly earnings announcement, it is evident that investors prioritize three key factors: the ability to execute the plan as intended, the potential to improve margins, and the strategic direction for future growth.

Achieving the objectives outlined in the current Medium-Term Management Plan will serve as a pivotal milestone that shapes the trajectory of our future growth strategies. Concurrently, when evaluating our business portfolio, it is imperative to prioritize stability—ensuring steady performance even amidst market fluctuations. From this perspective, resilience and sustainability must remain central considerations. A critical challenge we face is managing the balance between diversification risks and concentration risks within our business operations. Addressing this balance will be a primary focus of our discussions at future Board meetings as we continue to refine our strategies.

Striving for Sustained High Growth and Profitability

Norio Uchida External Director

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



Strengthening Information-Sharing and Execution Capabilities, and Accelerating Efforts to Achieve the Plan

Two years ago, ULVAC established its “Vision 2032,” a forward-looking plan anticipating the company’s 80th anniversary and envisioning it as an enduring “place of possibilities” well into the future. The current Medium-Term Management Plan, formulated by backcasting from this long-term vision, has completed its first year with results exceeding initial expectations and is making steady progress.

I believe the key challenges for the remaining two years lie in strengthening information-sharing and execution capabilities while accelerating initiatives. Alongside enhancing internal operational functions to ensure the plan’s success, it is crucial to address issues such as a headquarters-centric mindset, over-reliance on internal talent, and a self-sufficiency-oriented culture. By fostering a sense of urgency and cultivating a corporate culture that fully “accomplish the management reform” ULVAC will be well-positioned to achieve its objectives.

Looking ahead, each business unit must develop a highly effective growth scenario that goes beyond the plan’s targets and embeds ULVAC’s unique priorities into that scenario.

Overcoming Unique Materialities in the Next Medium-Term Management Reforms to Lay the Foundation for Realizing the Long-Term Vision

In pursuit of higher growth and profitability and the realization of “Vision 2032,” I see four particularly important initiatives:

1. Developing Talent with Global Competence
It is essential to create a “10-Year Talent Development Plan,” which includes establishing systems to attract talent to overseas bases as well as mechanisms to nurture growth. I fully support these initiatives.
2. Further Strengthening Global Expansion
Placing greater emphasis on marketing and R&D

in Europe and the United States is critical. Equally important is securing and developing the talent needed to support these efforts, which must progress in tandem with fostering globally competent personnel, as mentioned above.

3. Making the Development of Innovative Products an Ongoing Process

Reinforcing development capabilities across various Asian countries and enhancing information-sharing will be key. Additionally, bolstering development capabilities in North America will drive innovation and create new business opportunities.

4. Executing Structural Reforms through “Visualized” Numerical Management

Efforts should focus on reviewing the product portfolio, selectively allocating business resources, and improving overall Group efficiency. These initiatives must be underpinned by advancing the “visualization” of numerical management. Under the current Medium-Term Management Plan, ULVAC must formulate and implement strategies to address its materialities, enhance profitability by strengthening manufacturing capabilities and transforming service businesses, and increase overall earnings. As an external director, I will closely monitor these efforts, taking into account geopolitical risks, and provide the necessary advice.

Realizing, Together with Stakeholders, a Corporate Group That Broadens Its “Field of Potentiality”

The future I envision for ULVAC is one where talent imbued with creativity and global competencies thrives across the globe. These individuals will harness agility to adapt to market changes, continuously drive innovation, and expand ULVAC’s “Field of Potentiality” as a forward-looking corporate group. I am committed to leveraging my insights and expertise to help bring this vision to life—working collaboratively with all ULVAC employees and stakeholders—to support the company’s sustained growth and advancement.



Anticipating the Next Evolution in Development and Production

Dr. Kozo Ishida External Director

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

Deepening the FY2023 Initiatives That Yielded Results Through Reform and Transformation, and Striving to Achieve the Plan

In the first year of the Medium-Term Management Plan, both net sales and gross profit margin achieved record highs since ULVAC's listing. I am truly pleased to see everyone—from employees to executives—come together as “ONE ULVAC” to deliver this remarkable performance. Starting the three-year plan on such a strong foundation is no coincidence; it reflects the achievements of the previous Medium-Term Management Plan. During that period, ULVAC embraced a bold approach, breaking free from past constraints and pushing forward with significant management reforms and a pivot to new business areas, even in the face of challenges.

In particular, I highly commend the organizational restructuring and proactive development investments aimed at strengthening semiconductor production equipment, the strategic shift to new markets to offset the slowdown in FPD production equipment, and the ongoing efforts (albeit still in progress) to improve production efficiency. Looking ahead, ensuring the success of the current Medium-Term Management Plan will require maintaining this shift in mindset across every group and delving even deeper into these initiatives.

Expanding the Scope of Value Provision and Executing the Mission — Optimizing Processes Through IT Utilization and DX

ULVAC leverages its core vacuum technologies—such as vacuum heat treatment, vacuum deposition, plasma etching, and ion implantation—to expand the value it provides, contributing to the advancement of industry and science. To fulfill this mission, ULVAC must efficiently translate its development

investments into marketable products. For example, the semiconductor-related R&D facility established in Korea is expected to significantly reduce both the distance and time to commercialization by conducting development activities closer to customers.

In the organic business domain, providing a well-balanced development environment aligned with market needs is essential for enhancing both growth potential and profitability.

Improving production efficiency and profit margins through strengthened manufacturing capabilities hinges on establishing ULVAC's unique production technologies and rebuilding its global production framework. Furthermore, to optimize the entire process—from order-taking to design and production—while monitoring progress and outcomes of improvements in real time, accelerating IT utilization and digital transformation (DX) will be crucial.

Capturing the Next Growth Opportunity by Embracing Change — Driving Improvement and Reform as “ONE ULVAC”

In the dynamic frontlines of our business, complex changes emerge daily. To transform these shifts into opportunities, it is essential to pursue continuous improvement and reform under the unified vision of “ONE ULVAC” and secure the next phase of growth. Moving forward, ULVAC must proactively harness superior external resources while also revitalizing the talents and technologies cultivated within the Group, thereby enhancing its resilience and ability to adapt to unforeseen changes.

To meet the expectations of all stakeholders, I, as an external director, will passionately and thoughtfully fulfill my responsibilities as a proud member of “ONE ULVAC.”

Toward Building a Culture of “Seeing Things Through”

Yoshimi Nakajima External Director

Appointed as 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.



Placing Importance on Short- and Long-Term Portfolio Strategies and Monitoring Management from an External Perspective

What I emphasize most are ULVAC's short-term (3–5 years) and long-term (30 years) portfolio strategies, which are critical to ensuring its continued relevance as a company valued by society. Over the past year, I have monitored corporate management as an external director, focusing particularly on talent development and cultivating a corporate culture that drives growth.

ULVAC's strengths lie in its diverse range of products, the technologies underpinning them, and its global business operations. However, the pace of environmental change is accelerating rapidly. Is ULVAC sufficiently prepared to capitalize on these changes as opportunities and translate them into business growth? FY2023 revealed the necessity of further evolving existing management plans with this awareness, while also gaining consensus on the company's strategic direction.

As a new initiative, the executive team empowered younger employees by entrusting them with departmental reports, providing an opportunity for external directors to engage in meaningful discussions with them. These exchanges take place after Board of Directors meetings and foster valuable dialogue. Additionally, with the pandemic subsiding, onsite visits to domestic and international locations resumed in FY2023, allowing us to interact directly with employees and gain firsthand insights.

Continuously Advancing the Committee for Appointment and Remuneration's Talent Development Initiatives from a Long-Term Perspective

Discussions on talent development have been highly active within the Nomination and Remuneration

Committee. We have been driving initiatives aimed at nurturing high-potential talent with a long-term outlook, and these efforts are now beginning to bear fruit.

Drawing on my own experience in areas such as HR systems, performance evaluations, and succession planning, I am committed to providing strong support for the Committee's talent development initiatives in my capacity as Chair of the Nomination and Remuneration Committee.

Fostering a Deeper Understanding and Implementation of Diversity & Inclusion Across the Company

The current Medium-Term Management Plan has made an impressive start, delivering remarkable results in its first year. However, during the previous Medium-Term Management Plan, we, as external directors, felt there was room for improvement in execution to ensure targets were met. As we enter the second year of the plan in fiscal 2024, I would like to see ULVAC instill a strong culture of commitment—ensuring that planned initiatives are carried through to completion. Achieving this will require clearly identifying ULVAC's strengths and weaknesses, setting priorities from a broad strategic perspective, and closely monitoring progress to ensure that initiatives aligned with the company's growth strategy are rigorously executed.

Looking ahead to future global expansion, addressing Diversity & Inclusion is an unavoidable necessity. To this end, I intend to actively promote awareness and practical implementation of Diversity & Inclusion within the company by engaging in continuous dialogue with employees.