

ULVAC

ULVAC  
VALUE REPORT  
2024

ULTIMATE  
IN  
VACUUM

ULVAC

Management Planning Department  
ULVAC, Inc.

2500 Hagisono, Chigasaki, Kanagawa Prefecture 253-8543, Japan

TEL. +81-467-89-2033 FAX. +81-467-82-9114

 <https://www.ulvac.co.jp/en/>

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### Editorial Policy

We publish the ULVAC VALUE REPORT to provide a comprehensive overview of our efforts over the past year toward sustainable growth and corporate value enhancement, as well as our medium- to long-term vision and management approach.

We position this report as a key communication tool for fostering stakeholder understanding and promoting deeper dialogue.

### ■ Publication Date:

February 2025 (Previous issue published in November 2023)

### ■ Guidelines Referenced:

The International Integrated Reporting Framework, the International Integrated Reporting Council (IIRC) Guidance for Integrated Corporate Disclosure and Company-Investor Dialogues for Collaborative Value Creation (Guidance for Collaborative Value Creation), Ministry of Economy, Trade and Industry (METI) ISO26000

### Report's Scope and Period

#### ■ Scope: ULVAC Group

In principle, this report covers the ULVAC Group; any portions that cover only ULVAC, Inc. are indicated as such.

#### ■ Period: Fiscal year ended June 30, 2024

(July 1, 2023 to June 30, 2024, FY2023)

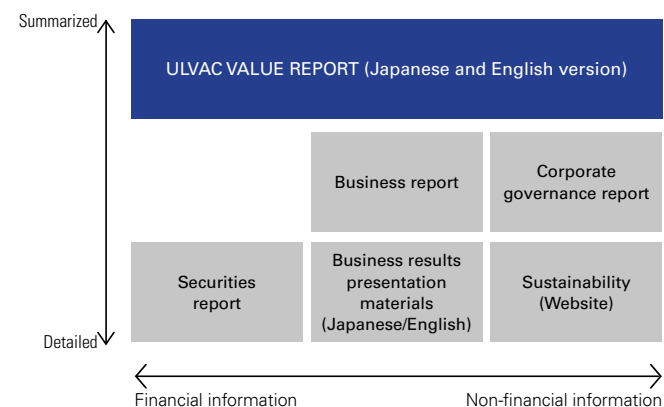
Some portions of the report include activities and initiatives from July 2024 onward.

### <Disclaimer>

Figures presented in tables and graphs in this report may not add up to the indicated total because of rounding. Some figures have been revised from previous years' data because the scope of reporting was expanded or calculating methods have been changed.

The Japanese version is the original

### ULVAC's Communication Tools



We strive to provide optimal information disclosure by offering various communication tools tailored to your needs.

To help you gain a deeper understanding of the ULVAC Group, we provide a range of communication tools, including statutory disclosure documents primarily focused on financial results, as well as this report, which includes non-financial information—such as social and environmental initiatives essential for creating corporate value—in addition to details on business activities, management strategies, and financial performance.

For the latest updates, please visit our website.

### Basic Corporate Philosophy

The ULVAC Group aims to contribute to the advancement of industry and science by leveraging vacuum technology and peripheral technologies through comprehensive collaboration and integration.

### Management Policies

Improve Customer Satisfaction  
Innovate Production Technology  
Develop Creative and Unique Products  
Foster a Free and Open-Minded Organization  
Increase Corporate Value

**ULVAC has formulated Vision 2032: "Continue to Be a 'Field of Potentiality' for the Future" as a representation of the future we aspire to achieve. Since its establishment in 1952, we have carried out our mission of contributing to people, society, and the planet through vacuum technology. Believing in the unknown possibilities that arise from the emptiness of vacuum, we continue to pursue cutting-edge technologies and work toward realizing a sustainable and prosperous future.**



Since its establishment in 1952, ULVAC has contributed to the advancement of industry and science by leveraging vacuum technology and related technologies in a comprehensive manner. Moving forward, ULVAC will continue to embrace the challenge of driving cutting-edge innovations with vacuum technology at its core and remain committed to creating new value.

### Embarking on a Dream to Contribute to Industry Through Vacuum Technology

In 1952, during an era when Japan was embarking on post-war reconstruction, six visionary angel investors were moved by the passionate commitment of a group of young researchers, led by Jin Imachi (the Company's second president), who came together with the shared mission of "contributing to Japan's industry through vacuum technology." Inspired by their dedication, the investors provided funding, leading to the establishment of Japan Vacuum Engineering Co., Ltd.

### Vacuum Technology, ULVAC's Core Competence

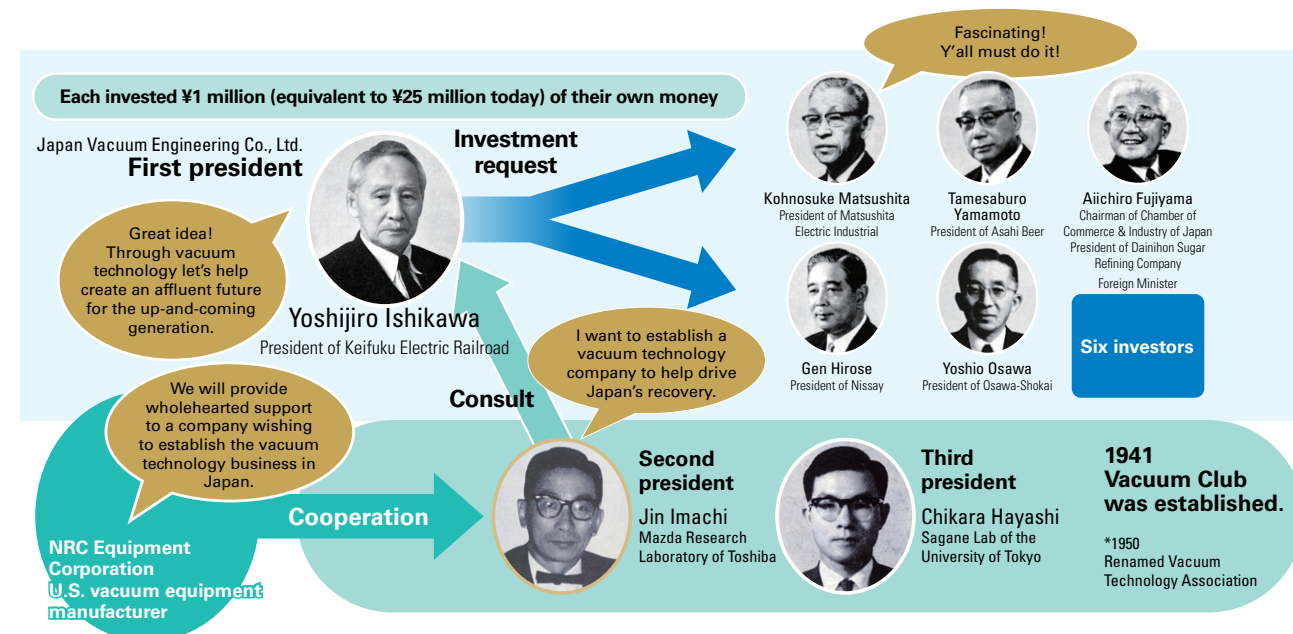
Vacuum generally refers to a state in which the pressure is lower than atmospheric pressure. A vacuum state has unique properties, such as a lower boiling point of substances, which makes evaporation easier, and the ability of gas molecules to travel in straight lines through space.

ULVAC has developed a range of applied technologies leveraging these properties and has continuously pushed the boundaries of vacuum technology.

The name "ULVAC" is a coined term formed by combining "UL" (Ultimate) and "VAC" (Vacuum), representing the pursuit of the ultimate in vacuum technology.

For example, vacuum technology enables the creation of extremely thin films with thicknesses ranging from several micrometers ( $\mu\text{m}$ ) to just a few nanometers (nm). These thin films cannot be produced by physically stretching materials. Instead, they require advanced vacuum thin-film deposition techniques, where materials are converted into atomic or molecular states in a vacuum and then deposited layer by layer to form the desired structure.

Today, we are experiencing a significant wave of technological innovation, driven by advancements such as IoT, 5G, and AI, which are driving the realization of a digital society. Vacuum thin-film deposition technology is considered a fundamental technology supporting the infrastructure of the digital society.



\*Names of companies, organizations and titles are those at the time mentioned.

### About our Corporate Philosophy

In July 1966, marking the 15th anniversary of its founding, Japan Vacuum Engineering Co., Ltd. (now ULVAC) established its "Corporate Philosophy," initially comprising six principles (later expanded to seven). This philosophy formalized the unwritten principles that had guided the company's operations since its inception. Over time, this philosophy became ingrained in every level of the organization, from management to employees, forming the foundation of ULVAC DNA.

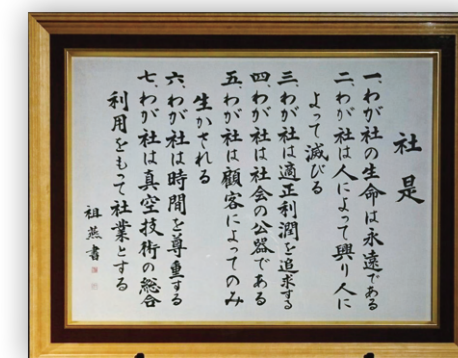
As the business environment evolved, including the rise of globalization, ULVAC established its "Basic Corporate Philosophy" in 1996. This philosophy was defined as: "Ultimate in Vacuum" — Exploring the Limits of Vacuum Excellence —, ULVAC proposes infinite value creation to its customers. To further its growth as a corporate group providing not only vacuum equipment but also solutions in materials, analysis, and services, ULVAC introduced five "Management Policies" in 2001. In April 2004, the Company was listed on the First Section of the Tokyo Stock Exchange, marking another significant milestone in its journey.

The spirit of the "Corporate Philosophy" has been continuously passed down through the years. In 2021, this philosophy was encapsulated in "Our Goal for 2050." To commemorate the Company's 70th anniversary in 2022, ULVAC established "Vision 2032" along with four Priority Issues (Materiality) to realize that aspiration. These initiatives clearly defined the Company's strategic direction for the future.

The 70 years of contributing to the advancement of industry and science through vacuum technology is merely a milestone. Even today, the passion of our founders and predecessors burns brightly, unwavering and eternal. It lives on, embodied in the words of our Corporate Philosophy: "Our company's life is eternal."

## Business Philosophy

1. Our company's life is eternal.
2. Our company can thrive through its people and can face ruin through its people.
3. Our company pursues fair profits.
4. Our company is a public institution.
5. Our company continues to exist solely because of our customers.
6. Our company values time.
7. Our company's business is the comprehensive utilization of vacuum technology.



ULVAC has pursued innovation as a leader in vacuum technology, which has become indispensable for industrial development. We continue to take on bold challenges to address the needs of our customers and tackle social issues beyond them. At the core of our management philosophy is "people," and we remain committed to the founding principles of "trust and integrity" while focusing on the development of diverse human resources and promotion of their advancement. Achieving stable growth and operational stability requires not only securing fair profits and advancing technology but also fostering trust-based relationships with all our stakeholders. We are now placing "Promotion of creation and co-creation of innovation with vacuum technology as the core" at the heart of our management approach, pursuing the vast potential of this technology. In a rapidly changing business environment, we strive to anticipate trends and explore new business opportunities with our stakeholders. Guided by our vision to remain "Continue to Be a 'Field of Potentiality' for the Future," we are committed to achieving sustainable growth and creating social value.

# ULVAC's History

Since its establishment in 1952, ULVAC has consistently advanced by leveraging its core technology—cutting-edge vacuum technology—to address the social issues of each era. Moving forward, ULVAC remains committed to its Fundamental Management Philosophy, continuing to contribute to the progress of industry and science through the comprehensive utilization of vacuum technology.

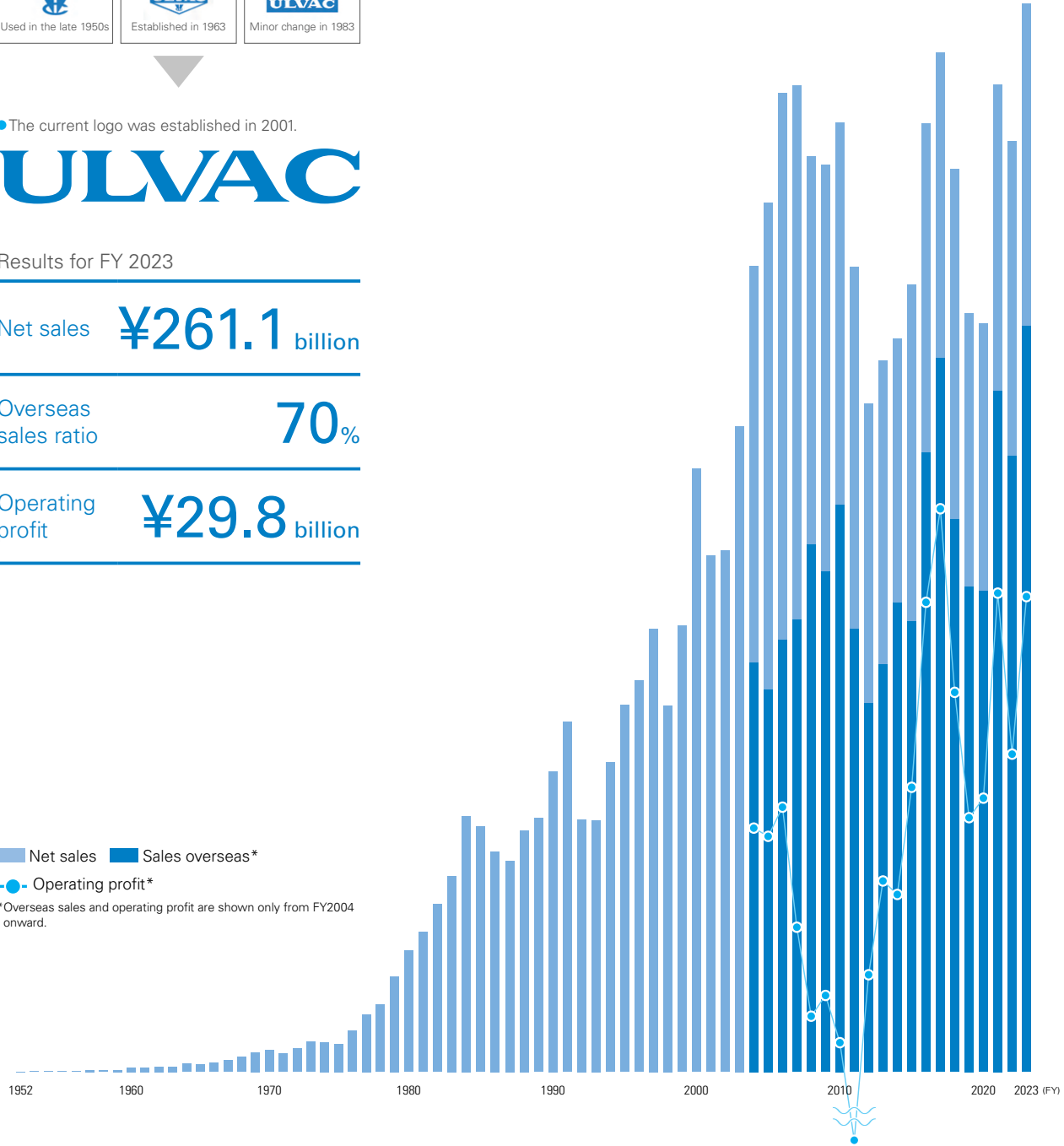


Results for FY 2023

Net sales **¥261.1 billion**

Overseas sales ratio **70%**

Operating profit **¥29.8 billion**



■ Net sales ■ Sales overseas\*  
● Operating profit\*  
\*Overseas sales and operating profit are shown only from FY2004 onward.



## 1952-1970 High economic growth period

### Industrial restoration and convenience in daily life

Contributed to industries supporting people's lives through vacuum equipment

1952 Established Japan Vacuum Engineering Co., Ltd.  
1955 Opened the Omori Plant in Tokyo to start manufacturing equipment in Japan.  
1959 Opened the Yokohama Plant.  
1964 Established the first overseas subsidiary in Hong Kong.  
1968 Head Office/Plant completed in Chigasaki, Kanagawa Prefecture.

- Contribution to the Resolution of Social Issues**
- Developed vacuum arc furnaces for stainless steel and other steel manufacturers, contributing to industrial restoration.
  - Developed vacuum melting and casting furnaces for nuclear power development, contributing to the solution of energy issues.
  - Developed highly sensitive vacuum gas analyzers for direct analysis of air pollution.
  - Delivered a large-scale space chamber to the Institute of Space and Astronautical Science (ISAS) at the University of Tokyo, contributing to space development.
  - Developed vacuum freeze-drying equipment for instant foods, contributing to improving dietary habits.

## 1971-1990 Development of electronics

### Comfortable working environment

In line with increasing demand for semiconductors, a stream of ULVAC products gained top shares in the global market.

1972 Opened the Institute for Super Materials as ULVAC's first research facility.  
1975 Established a local subsidiary in North America as a base for exports to the U.S.  
1982 Established a subsidiary in Taiwan.  
1983 Opened the Beijing Office in China.  
1990 Opened the Fuji Susono Plant in Shizuoka Prefecture as a dedicated plant for semiconductor production equipment.

- Contribution to the Resolution of Social Issues**
- Delivered a vacuum pumping system for a critical plasma tester to the Japan Atomic Energy Research Institute.
  - Developed transparent conductive film deposition equipment for LCDs for calculators.
  - Developed the world's first multi-chamber deposition system for semiconductor memory.
  - Delivered the world's first computer-controlled vacuum deposition system for semiconductors to IBM.
  - Developed sputtering equipment for hard disk deposition, making a significant contribution to the enhancement of computer performance.

## 1991-2010 Information society, spread of digital home appliances

### High-performance devices

ULVAC grew significantly in line with the expansion of the FPD market from Japan to South Korea and Taiwan.

2001 Changed the company name to ULVAC, Inc.  
2003 Established a full-scale production and service base in China.  
2004 Listed on the First Section of the Tokyo Stock Exchange. New buildings of the Head Office/Plant (Chigasaki) completed.  
2005 Opened the Chiba Tomisato Plant for the development and manufacturing of materials.

- Contribution to the Resolution of Social Issues**
- Developed the CERAUS series of multi-chamber deposition systems for semiconductors.
  - Developed the SMD series of sputtering systems for LCDs, contributing to mass production of laptop PCs. It subsequently became the foundation for the popularization of flat-screen TVs.
  - Developed deposition equipment for OLEDs, a next-generation display technology.
  - Developed an ion implantation system for mass production of power devices, contributing to energy efficiency.
  - Developed the ECO-SHOCK power-saving attachment for dry pumps.
  - Developed an integrated production line for thin-film solar cells to meet the demand for renewable energy.

## 2011-Present Digital society

### Sustainable future

Contributing to a wide range of fields by leveraging strengths as a comprehensive vacuum equipment manufacturer in line with the spread of mobile devices and the development of ICT

2011 Established the South Korea Institute for Super Materials Research.  
2015 Established the Future Technology Research Laboratory.  
2018 Opened the ULVAC-Osaka University Joint Research Institute for Future Technology at Osaka University.  
2021 Opened the ULVAC Advanced Technology. Collaborative Research Cluster at Institute of Science Tokyo.  
2022 Listed on the Prime Market of the Tokyo Stock Exchange.  
2024 Established Technology Center PYEONGTAEK in South Korea.

- Contribution to the Resolution of Social Issues**
- The development of thin-film lithium metal anodes utilizing vacuum deposition technology has been selected for a project under the NEDO Green Innovation Fund Project, specifically within the "Next-Generation Storage Battery and Motor Development".
  - The ULVAC-Osaka University Joint Research Institute for Future Technology at Osaka University is conducting basic research in the regenerative medicine and energy fields and accepts students for Japan's first corporate co-creation program.
  - The ULVAC Advanced Technology Collaborative Research Cluster at Institute of Science Tokyo aims at co-creation, such as human resources development and integration of plasma diagnostics technology with AI technology.
  - Developed extreme ultraviolet (EUV) lithography-ready sputtering equipment for Metal Hard Mask (MHM) process, contributing to mass production of high-speed, low-power-consumption advanced logic devices.

\* New Energy and Industrial Technology Development Organization

### Customers' products



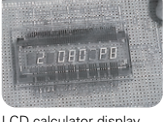
Reflectors for automobiles



Pharmaceuticals



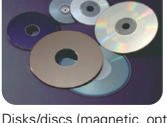
Special steel



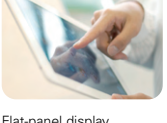
LCD calculator display



Computer Courtesy of IBM Archives



Disks/discs (magnetic, optical)



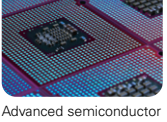
Flat-panel display



Large flat-panel display



Electronic devices



Advanced semiconductor

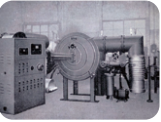


OLED



EV Battery

### ULVAC's solutions



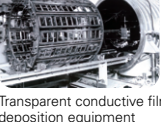
Vacuum evaporation equipment for general industries



High-vacuum distillation equipment for plasticizers



100 kg-class induction heat-type vacuum melting furnace



Transparent conductive film deposition equipment



Fully automated vacuum evaporation equipment



In-line sputtering equipment for magnetic disks



LCD production equipment



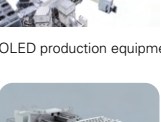
LCD production equipment



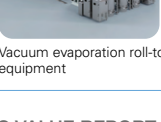
Electronic device production equipment



Semiconductor production equipment



OLED production equipment



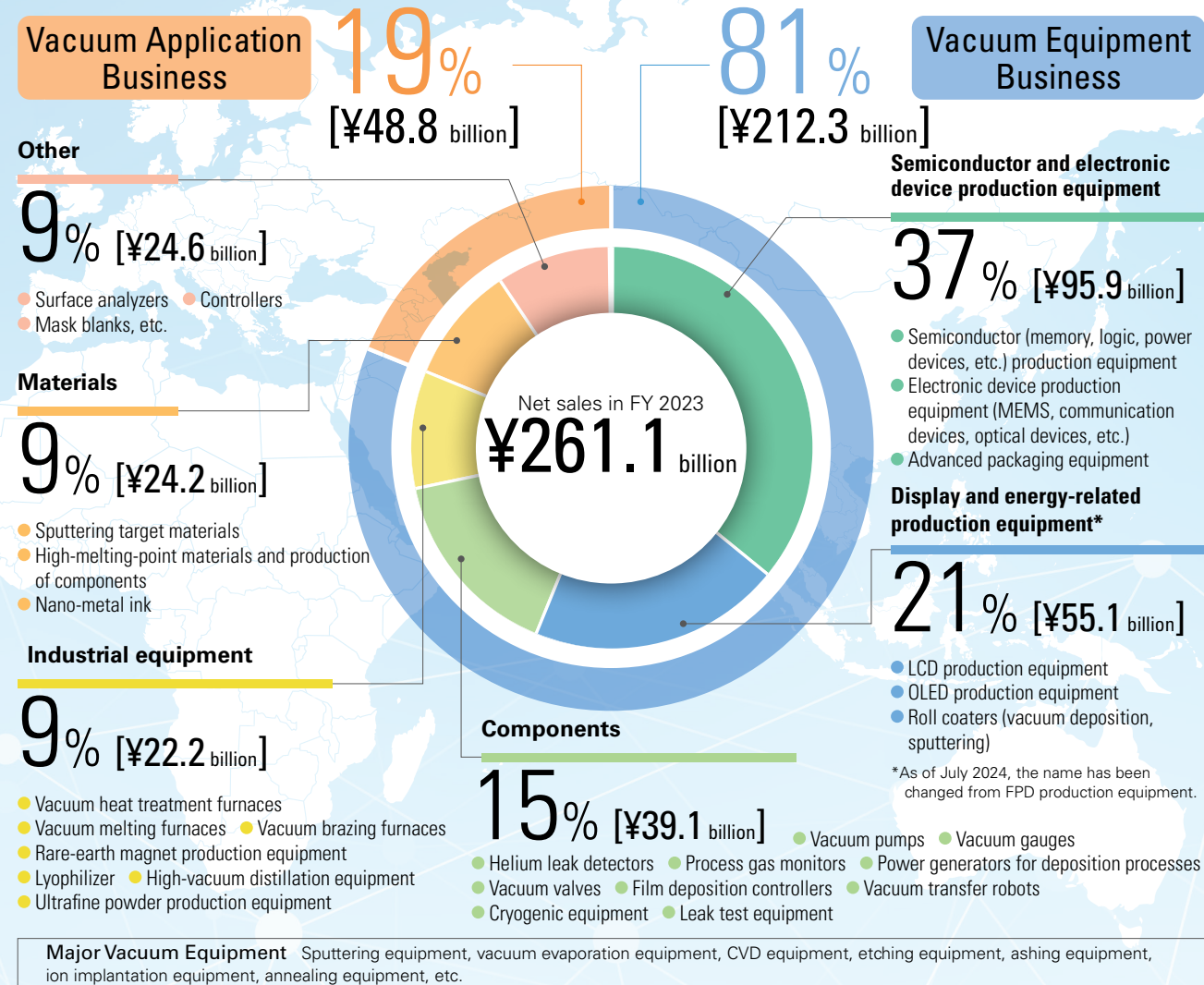
Vacuum evaporation roll-to-roll equipment



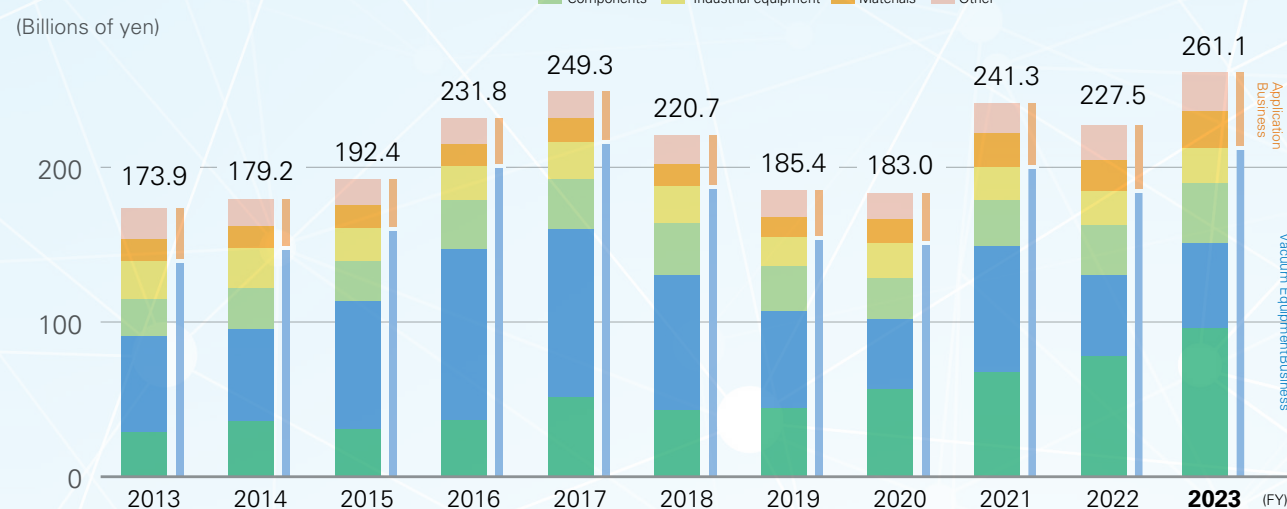
# ULVAC's Businesses

Across a wide range of industries, ULVAC has provided numerous products and technologies that meet the needs of our customers and the market. Among these, our current core businesses - "Semiconductor and Electronic Device Production Equipment" and "Display and Energy related Production Equipment" have many major customers in East Asia. ULVAC has a high overseas sales ratio, primarily centered on East Asia.

Net Sales by Business Segment (Amount and Ratio)

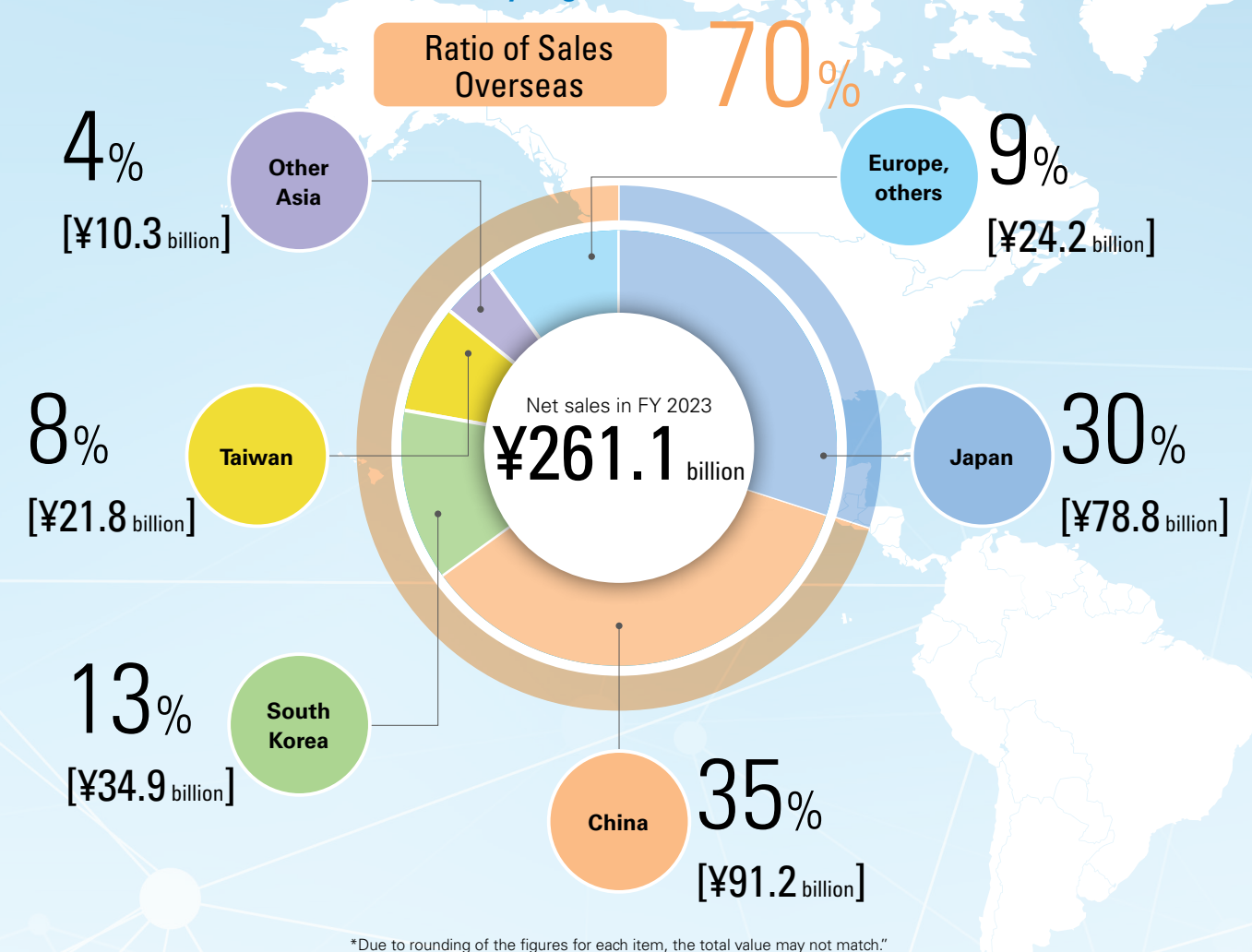


Net Sales by Business Segment



We have established a global R&D framework to promote joint development in close proximity to the world's leading companies and cutting-edge research institutions, as well as a global support system to ensure customer satisfaction in all situations. Regarding production, we are focused on strengthening our manufacturing capabilities, optimizing production based on business needs and regional characteristics, and enhancing integration and collaboration within the global supply chain, with a focus on East Asia.

Net Sales by Region (Amount and Ratio)



ULVAC's Global Reach

	Japan	China	South Korea	Taiwan	Europe, others	Other Asia	Total
Number of employees*1	2,961	1,705	749	585	164	70	6,234
Companies	11	15	3	6	3	3	41
Sales and support bases	34	3	8	1	1	2	49
R&D bases	4	1	2	1	1	0	9
Number of production bases by business*2							
Semiconductor and electronic device production equipment	4	1	1	1	1	0	
Display and energy-related production equipment*3	3	2	1	1	0	0	
Components	4	4	1	0	0	0	
Industrial equipment	2	2	0	0	0	0	
Materials	4	1	1	1	0	1	
Other	4	3	1	2	0	0	

\*1 The number of employees is on a consolidated basis, the number of bases includes non-consolidated subsidiaries and associates (as of June 30, 2024).

\*2 As for production bases, plants that produce items for multiple business are counted for each business.

\*3 As of July 2024, the name has been changed from FPD production equipment.



# ULVAC's Value Creation: <Business Value> Here & There, Near Your Side

## ULVAC's Vacuum Technology

### AI

**Artificial intelligence (AI)**, powered by advanced and high-speed information processing technologies, is expected to address labor shortages, enhance operational efficiency, and improve value delivery to customers. Vacuum technology plays a crucial role in supporting this technological innovation by enabling the manufacturing of key components such as:

Semiconductor  
Electronic Devices  
Components  
Materials

### Hospitals

Advances in **IoT** technology and high-resolution displays have made it possible to deliver high-quality **telemedicine**, expanding access to medical care that was previously limited. Additionally, vacuum technology plays a vital role in meeting the growing needs of the medical field, such as in **vaccine** production and the research and development of **sterile pharmaceutical formulations**.

Semiconductor  
Electronic Devices  
FPD  
Industrial Equipment  
Components  
Materials

### Data Centers

With the widespread adoption of telework and the increasing need for big data storage, **data centers** are rapidly expanding, driving a surge in demand. Vacuum technology is integral to the manufacturing of key components used in these data centers.

Semiconductor  
Electronic Devices  
Components  
Materials

### Electric Vehicles

In the pursuit of carbon neutrality, efforts to reduce CO<sub>2</sub> emissions during driving have accelerated the shift away from gasoline-powered vehicles. Vacuum technology is extensively utilized in the manufacturing of components essential for **electric vehicles (EVs)**, including **power devices**, **electronic components**, **high-performance batteries**, and **high-performance magnets**.

Semiconductor  
Electronic Devices  
Energy  
Components  
Materials

### Vacuum Circuit Breakers

Aging infrastructure in developed countries and the need for industrial infrastructure development in emerging nations have become pressing issues. Vacuum technology is utilized to enhance the performance of **vacuum circuit breakers** in power distribution systems, as well as **heat exchangers** in air conditioning systems, contributing to safer, more reliable, and comfortable infrastructure development.

Industrial Equipment  
Components

As a manufacturer of production equipment, ULVAC's products are rarely seen by the general public. However, the products created using vacuum technology and equipment are deeply connected to people's daily lives. The applications of vacuum technology will continue to expand further in the future. ULVAC remains committed to collaborating with customers across a wide range of industries, promoting the creation and co-creation of innovation with vacuum technology as the core, and continuing to be a company indispensable to society.

Semiconductor Semiconductor production equipment  
Electronic Devices Electronic device production equipment  
Displays Display production equipment  
Energy Energy-related production equipment  
Industrial Equipment Industrial equipment  
Components Components  
Material Materials

### Wind Power Generation

**Wind power**, a renewable energy source that places minimal burden on the global environment and is inexhaustible, serves as a symbol of sustainable energy. Vacuum technology is utilized in the production of **power devices** and **high-performance magnets** used for power generation in wind turbines.

Semiconductor  
Electronic Devices  
Industrial Equipment  
Components  
Materials

### Smart Homes

**Smart homes**, enhanced by IoT and AI technologies to create more comfortable living environments, are expected to see significant growth in the coming years. Vacuum technology is essential in the manufacturing of the **semiconductors**, **electronic components**, and **displays** that form the backbone of these systems.

Semiconductor  
Electronic Devices  
Displays  
Components  
Materials

### Freeze-Dried Supplements

While food waste and loss are critical challenges, the world also faces severe food security issues. Vacuum technology is used in the food sector for processes such as **freeze-drying** food and manufacturing nutritional **supplement** products.

Industrial Equipment  
Components

### Drones

In today's world, where labor shortages in agriculture are a growing concern, "**smart agriculture**" utilizing **drones** has garnered significant attention. Vacuum technology is essential in manufacturing the **semiconductors**, **electronic components**, and batteries that make up **drones**.

Semiconductors  
Electronic Devices  
Components  
Materials

### Solar Cells

Solar power generation systems, a key focus of renewable energy and growing in adoption, rely on control power devices in their operation. Vacuum technology plays a vital role in the manufacturing of these devices.

Electronic Devices  
Energy  
Components  
Materials



## Message from Top Management

### We Seize the Opportunities Presented by Vacuum Technology and Take on the Challenge of Expanding Value Co-Creation.



Setsuo Iwashita

President and Chief Executive Officer

#### Aiming to Become a Desirable Company That Continuously Delivers Value by Practicing "Ultimate in Vacuum"

Throughout history, the future has been unlocked by taking on challenges in the pursuit of greater prosperity. By expanding possibilities and creating new, yet-unseen value, we contribute to the future of People, Society, and the Planet. This is the ideal form of a technology-driven company.

At ULVAC, we take pride in being innovators who create social value through vacuum technology. Our mission is to support the evolution of applications through manufacturing breakthroughs that no one else has achieved. Our employees are proud and gain confidence in knowing they play an indispensable role in creating a more prosperous future.

Meanwhile, our customers—device manufacturers—have high expectations for ULVAC as a partner in realizing a more prosperous future. To meet these expectations, we have expanded our

development, manufacturing, sales, and service functions both domestically and internationally. Through our global network, we deliver value and ensure customer satisfaction.

Furthermore, our shareholders and investors, who have long supported these efforts, recognize the immense potential of vacuum technology and anticipate ULVAC's ongoing sustainable growth and enhancement of corporate value. It is our responsibility to fulfill these expectations by maximizing the profits generated through vacuum technology and delivering even greater returns.

In order to remain an attractive company for all stakeholders, ULVAC will put "Ultimate in Vacuum"—Exploring the Limits of Vacuum Excellence—into practice and strive to continuously deliver value as a desirable enterprise.

#### Significant Increases in Revenue and Profit Driven by Rising Orders Amid the Recovery and Expansion of Capital Investment

For the business environment in the fiscal year ending June 2024, when we look at the business environment by industry, the semiconductor industry is expected to experience medium- to long-term demand growth driven by technological innovations such as generative AI. Additionally, in response to geopolitical risks, new construction and expansion of semiconductor factories are advancing worldwide.

In the electronics industry, factors such as the advancement of green energy policies worldwide are driving the expansion of investment in technological innovation and production enhancement for power devices and various electronic devices. Additionally, there is continued investment to strengthen domestic production in China.

In the display industry, there is a shift from LCD to OLED for IT panels, which is leading to investments in large-substrate OLEDs. In the industrial battery industry,

while the adoption of next-generation EV batteries in vehicles is experiencing delays, medium- to long-term investments are expected to increase.

Amid these circumstances, in FY2023—the first year of our three-year medium-term management plan—our operations performed strongly overall, supported by the recovery and expansion of our customers' capital investments. As a result, our orders received, net sales, and all profit indicators significantly exceeded our initial projections for the fiscal year.

Orders received totaled ¥258.2 billion (up 4.4% year on year), exceeding the previous fiscal year's result by ¥11.0 billion. This increase was driven by robust performance in the product segments we position as growth drivers—such as power devices and batteries—along with the recovery of logic and memory, the cultivation of new customers, and our successful entry into new processes. Growth in components like leak test equipment and in materials also contributed. Along with this increase in orders, net sales reached ¥261.1 billion (up 14.8% year on year), marking a record high since our listing.

On the profit front, in addition to the positive impact of increased revenue, cost reductions achieved through lot production as well as unitization and modularization of high-margin semiconductor and electronic device production equipment boosted our gross profit margin to its highest level since listing.

#### Leveraging Our Key Strategies to Drive Future Outcomes and Aiming to Achieve the Profit Levels Set Forth in Our Plan

The three-year medium-term management plan currently underway aims to achieve, by the final year (fiscal 2025), the following consolidated performance targets: "Net sales of ¥300 billion," "Gross profit margin of 35%," "Operating income of ¥48 billion



(operating margin of 16%),” “ROE of 14%,” and “Operating cash flow (cumulative total over three years) of ¥63 billion.

Although, as mentioned above, we achieved favorable results in the initial year of the plan, our two priority strategies—“Strengthening Product Competitiveness in Growth Businesses” and “Improving Global Productivity”—are still in the process of delivering tangible outcomes. Under this plan, in order to strengthen our growth drivers (power devices, various electronic devices, logic, memory, and batteries), we are planning to invest a total of ¥75 billion over three years in research and development (R&D capital investments plus R&D expenses). However, achieving our profit targets while undertaking these investments continues to be a significant challenge.

When we look at the status of our growth drivers, in the area of power devices, we have dispatched product managers to China and are increasing orders through an immediate decision-making approach to sales. In electronic devices, mass-production investments for OLED for IT panels have gained momentum, leading to a rise in orders for sputtering equipment. In logic, since our entry into the metal hard mask process in 2018, we have steadily acquired new customers, and we are moving forward with entry into additional processes. In memory, following our adoption in DRAM HBM (High Bandwidth Memory) processes, we aim to grow as a second vendor in new processes. For EV batteries, vacuum technology is expected to play a key role in realizing smaller, higher-capacity, and safer batteries, and we anticipate an expansion in orders for our double-sided evaporation roll-to-roll equipment.

Furthermore, sales are also increasing in product lines outside our primary growth drivers—such as leak test equipment and cryopumps, classified under components, as well as surface analysis equipment and general industrial vacuum furnaces. We regard these products as “shining diamonds,” which

we will continue to polish and cultivate for further growth.

Furthermore, reinforcing customer support for the approximately 7,000 units of equipment delivered has proven effective, driving growth in maintenance and improvement/upgrade services. The breadth and depth of our business portfolio resulting from these initiatives have become a new source of strength for ULVAC, supporting our earnings.

Moving forward, we plan to enhance our product planning capabilities while building a strategic purchasing framework and systematically expanding production—initiatives aimed at strengthening our manufacturing. By improving productivity and profit margins through these efforts, we intend to achieve the profit levels outlined in our medium-term management plan.

### Strengthening Internal Foundations Necessary to Deliver Value

Within the company, we are carrying out various initiatives aimed at strengthening the foundation that supports value delivery and establishing a fertile environment for the creation of innovation.

One such initiative is co-creation with external partners—including customers, universities, and research institutions—in developing new products and technologies.

For example, at our newly established R&D site in South Korea, Technology Center PYEONGTAEK, we are working jointly with local customers to develop next-generation semiconductor manufacturing equipment and related processes, aiming to establish mass production technologies. We have also joined USJOINT, a consortium of 10 Japanese and U.S. semiconductor materials and equipment manufacturers, where we collaborate with customers and other member companies to swiftly capture market shifts in next-generation packaging technologies and validate new concepts.



We believe that this kind of co-creation with external partners is crucial for broadly capturing the voice of society and expanding the value we deliver through the application of vacuum technology.

In delivering value, it is essential to accurately understand customer needs, reflect them in product planning and design, consistently ensure quality, and make timely deliveries. While advancing the development of such systems, we are also enhancing our environmentally conscious material selection and sourcing functions, as well as expanding support functions that cover the entire product lifecycle.

When it comes to developing the human resources that drive these initiatives, we place strong emphasis on adaptability to change. Through our in-house recognition event “UL-GAIA,” teams share both success stories and lessons learned in operational improvement and value creation, expanding these experiences globally and strengthening the Group’s sense of unity while cultivating personnel who thrive amidst change. Another important focus is to nurture core talent who will form the next generation of executives and leaders. In addition to offering development programs for

selected members from our domestic and overseas Group companies, we are increasing the appointment of younger members to executive positions.

Achieving sustainable management—an essential prerequisite for delivering value—is led by our Sustainable Management Promotion Department, which takes charge of environmental initiatives such as endorsing and disclosing information in accordance with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) and participating in the Semiconductor Climate Consortium (SCC). In practicing human capital management, we focus on promoting diversity and improving work engagement.

### Expanding the Circle of Co-Creation Through Vacuum Technology

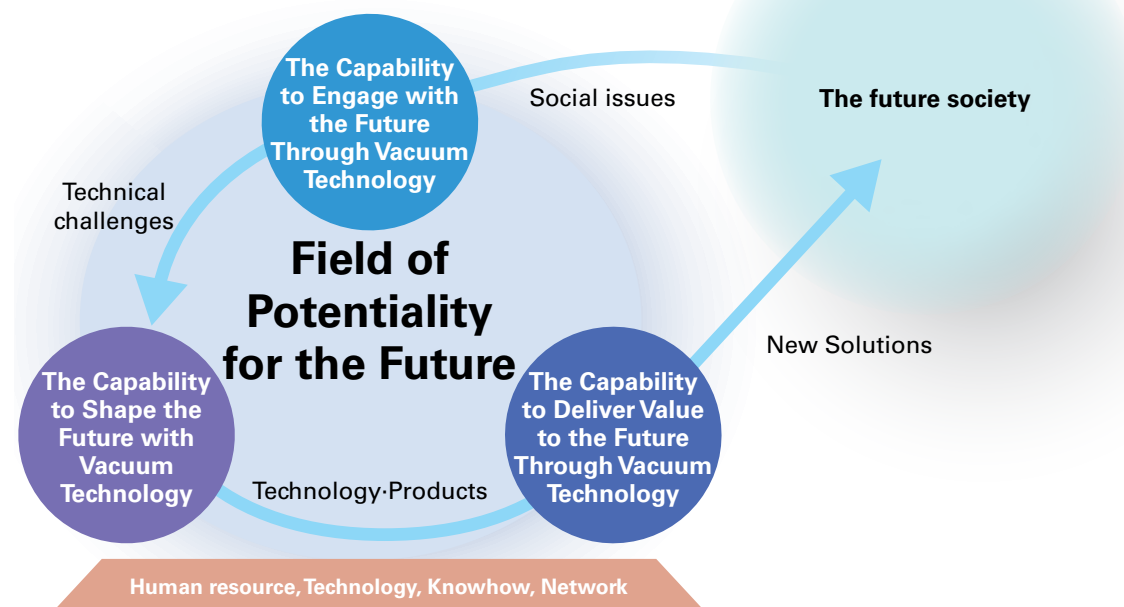
As ULVAC approaches its 80th anniversary in 2032, we have announced “Vision 2032” under the principle of “Continue to Be a Field of Potentiality for the Future.” To realize this ‘Field of Potentiality,’ ULVAC seeks to become a platform—centered on vacuum technology—that creates diverse value through co-creation with a variety of partners. In a world where change is accelerating, we believe it is essential to create new value together with diverse individuals in society, leveraging each person’s strengths. Because ULVAC has cultivated vacuum technology and an extensive network of customers since its founding, we are confident in our ability to address diverse needs and connect people and technologies. Trust is the foundation of co-creation. To achieve this, each of us at ULVAC will continue learning, deepen our knowledge, and refine our technological expertise, thereby expanding the network of co-creation.

To our stakeholders, we sincerely appreciate your support and look forward to your continued partnership as ULVAC strives to create a richer future.



## ULVAC's Strengths: "Continue to Be a 'Field of Potentiality' for the Future"

ULVAC's strengths do not merely rest on the presence of specific technologies, expertise, or business model differences. Instead, they stem from three core capabilities cultivated over decades of vacuum technology development: "dialogue with the future," "realizing aspirations," and "delivering value." Leveraging these strengths, ULVAC continues to create social value through vacuum technology.

Strength  
1

### The Capability to Engage with the Future Through Vacuum Technology

In a complex and uncertain social environment, delivering value in response to changing times requires the ability to understand the future envisioned by customers and identify the core issues that truly need to be addressed.

In the field of semiconductor technology, which underpins the digital society, ULVAC has established the Technology Center PYEONGTAEK to more closely and swiftly understand customer needs while accelerating joint development. This center began operations in August 2024. Additionally, ULVAC is exploring new possibilities for vacuum technology by joining initiatives such as US-JOINT, a next-generation semiconductor packaging consortium established by customers in the United States, and engaging in industry-academia collaborative projects in advanced fields.

Furthermore, in the highly challenging field of biomedical engineering, the "ULVAC-Osaka University Joint Research Laboratory for Future Technology," established in partnership with Osaka University, is engaged in research and development aimed at addressing society issues from a long-term perspective, paving the way for future innovations.

Strength  
2

### The Capability to Shape the Future with Vacuum Technology

Since its founding, ULVAC has focused on vacuum technology as its core and has continuously taken on challenges across a wide range of fields, establishing advanced technical expertise and accumulating valuable know-how. Building on these strengths, ULVAC provides solutions to the challenging issues presented by its customers, leading to the creation of new solutions.

To advance vacuum technology, ULVAC is conducting research and development in collaboration with Institute of Science Tokyo, aiming to enhance the performance of plasma process equipment. This effort combines the university's expertise in plasma measurement technology with AI technology.

In addition, to enhance the value of the products we create, ULVAC is enhancing its equipment software development capabilities. We are focusing on providing solutions that optimize our customers' operational efficiency by leveraging vast amounts of data collected from our equipment for various analyses, including AI technology. Furthermore, ULVAC is proactively exploring new applications for its proprietary vacuum technology across different industries. One example is a joint development project with the New Energy and Industrial Technology Development Organization (NEDO), where roll-to-roll vacuum deposition technology, refined through applications in the food and electronic devices industries, is being applied to next-generation battery manufacturing.

Within the company, ULVAC hosts the ULVAC R&D Conference, an initiative aimed at sharing research and development outcomes to foster new ideas and synergies. Additionally, the company regularly holds a company-wide awards event, "UL-GAIA," as part of its efforts to enhance the 'power to realize aspirations'.

Strength  
3

### The Capability to Deliver Value to the Future Through Vacuum Technology

ULVAC has built a production network spanning Japan, China, South Korea, and Taiwan, complemented by regional supply chains that enable local procurement at each site. This structure allows ULVAC to provide value through a globally integrated supply system. In terms of development capabilities, ULVAC has established a global development framework that emphasizes collaboration with customers, allowing us to offer agile and tailored solutions that precisely address their needs.

Our value delivery continues even after product shipment. Through our global customer support network, we provide maintenance and service offerings that cover every stage of the product lifecycle. Additionally, we proactively propose solutions and feed the needs identified during these interactions back into the development of new products.

## Applying Our Strengths in Practice

### Expansion into the Metal Hard Mask Process

Metal Hard Mask Deposition Technology was developed to meet customer needs, driven by the passion and dedication of ULVAC engineers. In 2018, ULVAC successfully entered the semiconductor logic manufacturing process with this technology, establishing a key position in advanced semiconductor manufacturing.

In semiconductor manufacturing processes, Metal Hard Masks (MHM), composed of thin metal films, are used as etching masks to support increasingly fine processing requirements. When forming through-holes with short-wavelength EUV light sources, maintaining pattern integrity proved challenging with conventional masks. However, ULVAC's newly developed MHM technology overcomes this issue, enabling precise and reliable pattern formation.

Traditionally, TiN (titanium nitride), a ceramic material known for its high hardness and excellent wear resistance, has been used in MHM applications. TiN films were generally considered to possess strong compressive stress. However, in response to customer requests for "TiN films with tensile stress instead of compressive

stress," we embarked on a new challenge. Through extensive R&D efforts, we successfully developed an advanced TiN film deposition technology that enables precise control of film stress from compressive to tensile while maintaining high density. This breakthrough, which addressed a previously unmet need, has been highly evaluated by our customers.

Subsequently, the adoption of MHM has expanded in response to the trend toward further miniaturization. Additionally, ULVAC has seized opportunities to enter new processes beyond MHM. Today, semiconductor logic is positioned as one of ULVAC's key growth drivers.



### Roll-to-Roll Vacuum Deposition System for EV Batteries

The roll-to-roll vacuum deposition system for EV batteries is a new product developed by the VMS Division (formerly the FPD Division). This technology, which enables miniaturization, increases capacity, and enhances the safety of battery components, has been recognized for its technological advantages, leading to a major order in FY2023. It is expected to become a key pillar of growth for the VMS Division moving forward.

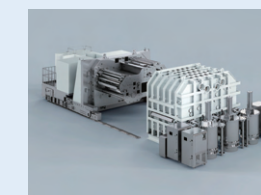
The development of this product was driven by the accelerating global shift toward EVs, particularly in China and Western countries. As demand grows for next-generation EV batteries, there is an increasing need to achieve both higher energy density and enhanced safety while also reducing greenhouse gas emissions during the manufacturing process.

ULVAC recognized the technical challenges associated with EV batteries at an early stage and has been proactively engaged in the development of next-generation batteries. By disseminating its technology through academic conferences and other platforms, ULVAC has fostered opportunities for co-creation with its customers.

The VMS Division brought together ULVAC's foundational technologies, including roll-to-roll vacuum deposition, electrostatic

adsorption, and simulation technologies, to develop a key technology to enable the mass production of next-generation batteries. By leveraging ULVAC's unique strengths—such as its expertise in minimizing thermal damage to thin films and its expertise in simultaneous double-sided deposition—we successfully overcame technical challenges, demonstrating ULVAC's innovative capabilities.

This product is currently being marketed primarily in China, where numerous EV battery manufacturers are highly concentrated. To prepare for the anticipated growth in orders, the entire ULVAC Group is working together in a coordinated effort. Simultaneously, ULVAC is actively pursuing initiatives to optimize material utilization efficiency through innovative design while promoting automation to enhance production processes.



### Awarded the "2023 Excellent Performance Award" by TSMC

On December 7, 2023, at the Supply Chain Management Conference hosted by Taiwan Semiconductor Manufacturing Co., Ltd. (TSMC), ULVAC received the "Excellent Performance Award." This prestigious award was presented to just nine outstanding vendors worldwide, including three Japanese companies. ULVAC's recognition was based on its technological excellence, as well as its swift, high-quality manufacturing capabilities and collaborative approach, which were highly regarded by TSMC.

ULVAC has strengthened its advanced technology proposals and flexible production systems to meet the growing demand for generative AI and high-performance computing (HPC). By leveraging

its global supply chain, ULVAC has been able to respond swiftly and accurately to customer needs, earning high evaluation as a key partner supporting TSMC's business expansion.

Going forward, ULVAC will continue to refine its technological expertise and responsiveness, consistently delivering value to its customers.



# ULVAC's Value Creation <Process>

ULVAC identifies challenges to be addressed by understanding the future envisioned by our customers. Leveraging our accumulated technologies and expertise, we create new solutions. As a "Field of Potentiality" leading to the future, we aim to remain a company continuously needed by society.

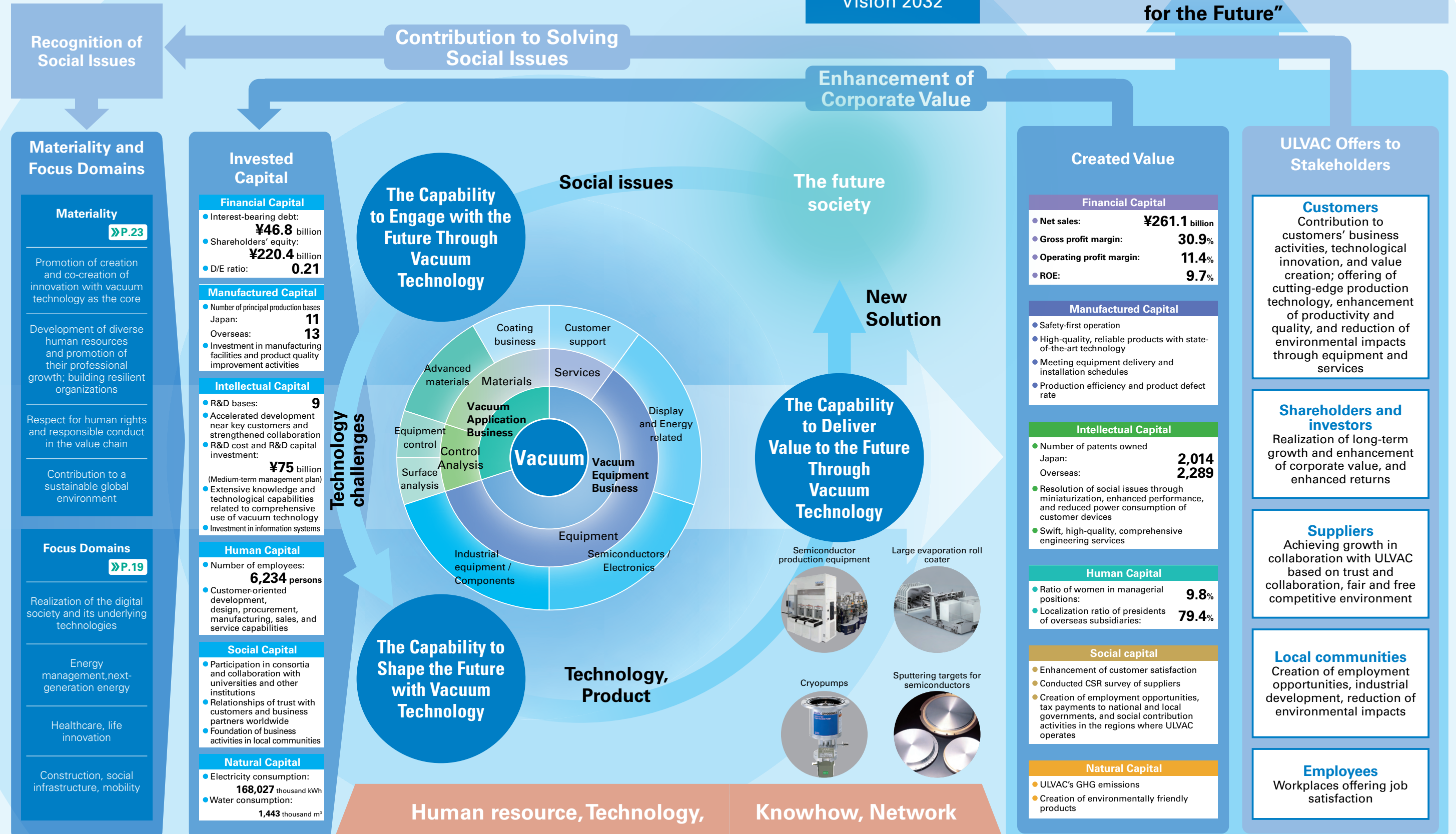
Our Goal for 2050

»P.24

A Company that utilizes vacuum technology to create value for the world with its partners and continues to contribute to the future of people and the planet.

Vision 2032



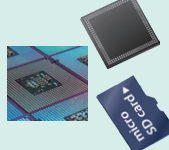
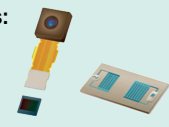







"Continue to Be a 'Field of Potentiality' for the Future"





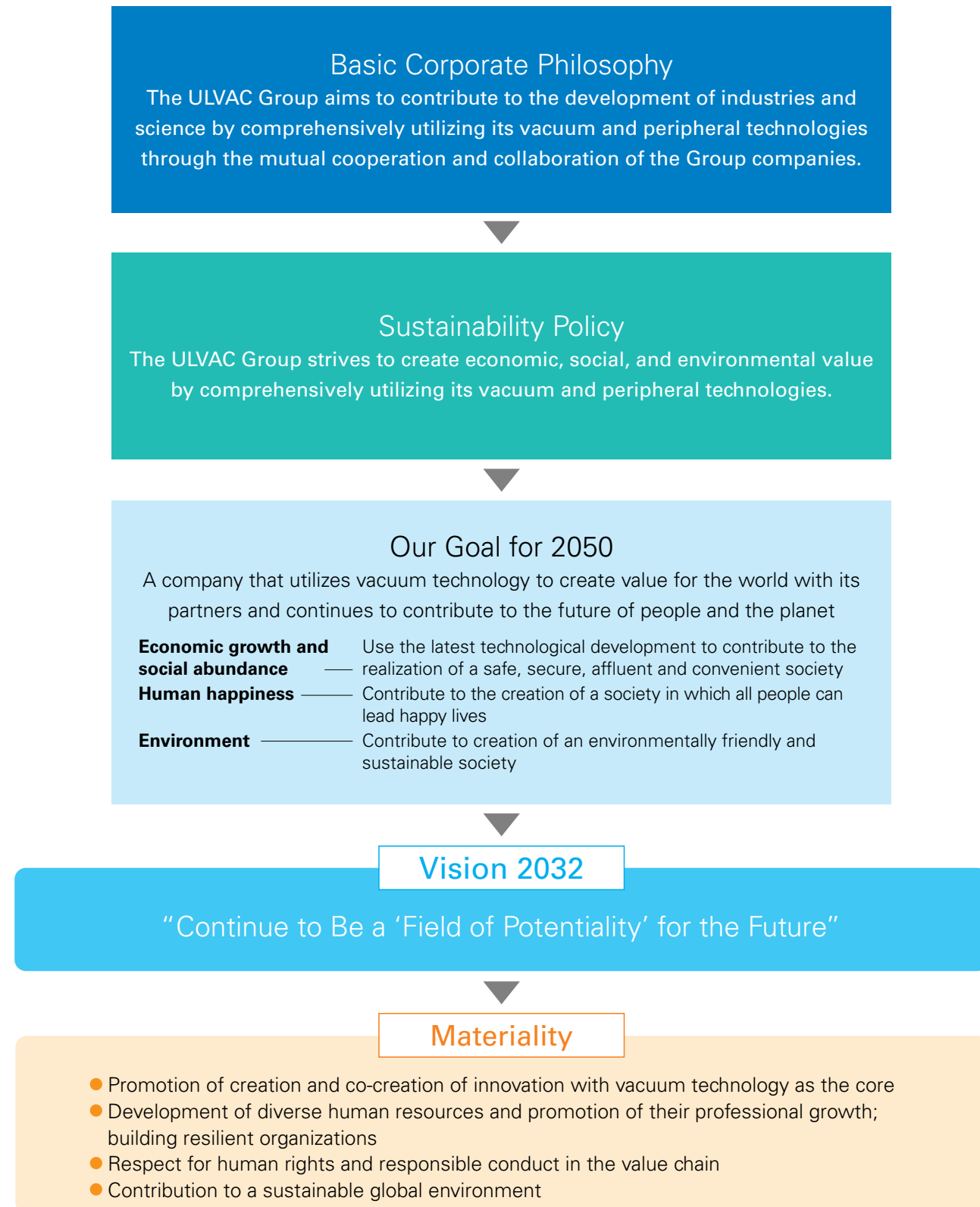
# ULVAC's Value Creation <Priority Issues>

Through the provision of value driven by “vacuum technology,” a foundational technology essential for the advancement of industry and science, we strive to realize a safer, more secure, affluent, and convenient society. By delivering products and solutions, we continue to work alongside our customers to contribute to the resolution of key societal challenges.

Social issues	Market Opportunities	ULVAC's Business Activities				ULVAC's six business segments				Key business values	Customers and their products	Contribution to social issues
		Focus Domains	Semiconductor production equipment	Electronic device production equipment		Display and energy-related production equipment	Components	Industrial equipment	Materials			
<ul style="list-style-type: none"> <li>Advancements in digitalization, increasing demand for AI and cloud services, evolution of 5G and IoT, and the development of network infrastructure foundations such as data centers.</li> </ul>	<ul style="list-style-type: none"> <li>Anticipation of industrial advancements and breakthroughs in technological innovation</li> <li>Diversifying applications and demands for semiconductors and electronic devices</li> <li>Advancing device trends toward “miniaturization, high speed, and high capacity” alongside “energy efficiency and low power consumption”</li> </ul>	<b>Realization of the digital society</b> Autonomous driving, agriculture, healthcare, etc.  <b>Fundamental technology for the realization of the digital society</b> AI, cloud, IoT, big data 	P.31 See >>				P.34 See >>		P.36 See >>	Response to new semiconductor and electronic device fields and needs by applying vacuum thin-film deposition and other technologies, and R&D of cutting-edge processes through co-creation with customers.	Semiconductor manufacturers, electronic device manufacturers, FPD manufacturers  <b>Semiconductors: Memory, logic</b> DRAM, NAND, CPU, AI semiconductor.  <b>Electronic devices: Sensors, MEMS, communication (5G), display</b> MEMS, SAW/BAW  <b>FPD: Display</b> LCD, OLED, μOLED, etc. 	Contribution to the realization of an advanced, convenient, safe, and secure digital society
<ul style="list-style-type: none"> <li>Environmental issues such as global warming and climate change</li> <li>Global energy challenges stemming from dependence on limited resources</li> </ul>	<ul style="list-style-type: none"> <li>Advancements in renewable and low-carbon technologies</li> <li>Improvements in energy conversion efficiency</li> </ul>	<b>Energy management, next-generation energy</b> 	P.32 See >>			P.33 See >>			P.35 See >>	Enhancing the performance of solar cells and power devices through vacuum deposition, ion implantation, and other technologies, while also contributing to lower power consumption in various devices.	Solar cell manufacturers, battery manufacturers, etc.  <b>Energy: Heat generation, power storage, conversion</b> Solar cells, secondary batteries (lithium-ion batteries etc.), power devices, magnets for wind turbines, etc. 	Contribution to the creation of a sustainable society by power generation, energy storage and energy saving
<ul style="list-style-type: none"> <li>Ensuring food safety and security, responding to rapid population growth and soaring food demand in emerging economies, and mitigating food loss</li> <li>Responding to longer life expectancies, advancing health promotion, and meeting the evolving needs in healthcare and medical innovation</li> </ul>	<ul style="list-style-type: none"> <li>Advancements in long-term preservation methods for food and pharmaceuticals</li> <li>Reduction in volume for storage and transportation</li> </ul>	<b>Healthcare, life innovation</b> 								Extending the shelf life and reducing the volume of vaccines, pharmaceuticals, and freeze-dried foods through vacuum freeze-drying and other technologies.	Food manufacturers, pharmaceutical manufacturers, etc.  <b>Food, pharmaceuticals: Freeze drying</b> Freeze-dried foods, emergency provisions, supplements, vaccines, etc. 	Contribution to human health, the future of medicine, and the realization of a sustainable society with minimal food loss by means of safe and secure food and pharmaceuticals
<ul style="list-style-type: none"> <li>Aging infrastructure in developed countries</li> <li>Development of industrial infrastructure in emerging economies and other regions</li> <li>Increasing wealth disparity</li> </ul>	<ul style="list-style-type: none"> <li>Development of Safe, Secure, and Comfortable Infrastructure</li> </ul>	<b>Construction, social infrastructure</b> 								Improving the performance of industrial materials and enabling the development of new materials through vacuum heat treatment and other technologies.	Chemical and materials manufacturers, steelmakers, transportation equipment manufacturers, etc.  <b>Industrial materials: Heat-treated</b> building glass, industrial materials, materials for transportation equipment, heat exchangers, etc. 	Contribution to the creation of a sustainable society that is safe, secure, and comfortable

# ULVAC's Sustainable Management

At the foundation of all our business activities lies our Basic Corporate Philosophy: “To contribute to the development of industries and science by comprehensively utilizing its vacuum and peripheral technologies through the mutual cooperation and collaboration of the Group companies.” Together with our partners, we pursue cutting-edge innovation, fulfill our social responsibilities, and contribute to building a sustainable society through vacuum technology.



## Materiality Identification Process

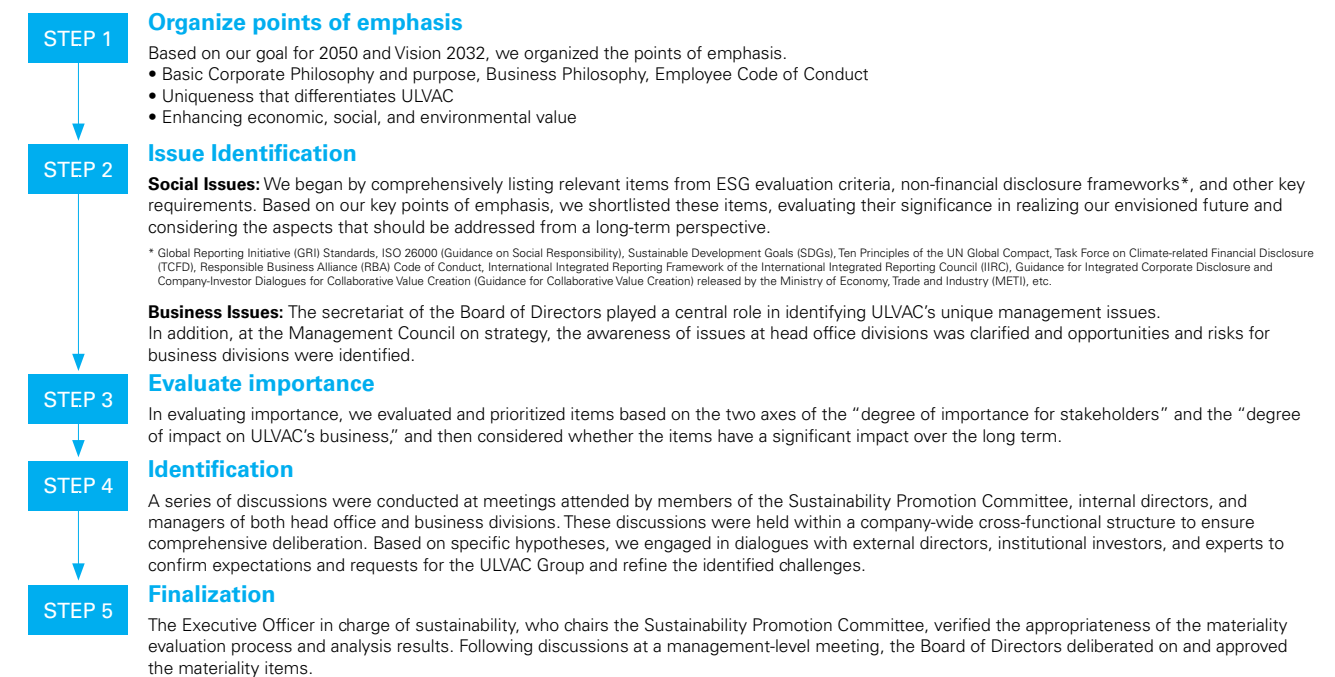
[For details](#) [Website >>](#)

[Materiality > ULVAC's Sustainable Management > Sustainability > ULVAC, Inc.](#)

### Basic Approach

In the process of identifying materiality, we have engaged in in-depth internal discussions and deliberations while conducting ongoing dialogue with external directors, outside experts, institutional investors, and other stakeholders. As a result of the insights gained through these discussions, we have broadened our perspective on materiality from the standpoint of enhancing corporate value. We have positioned materiality as “ULVAC's unique management challenges in realizing our Vision for 2050 and Vision 2032.”

### Materiality Identification Process



[For details](#) [Website >>](#)

[Materiality > ULVAC's Sustainable Management > Sustainability > ULVAC, Inc.](#)

## Promotion Structure

We have established the Sustainable Management Promotion Department, which reports directly to the President, to promote sustainability initiatives throughout the Group. The Sustainability Promotion Committee, held twice annually, is attended by internal directors, executive officers, and department heads. The Committee sets sustainability targets, manages progress, considers policies, and discusses initiatives on key themes. Reports and resolutions on important matters are carried out as needed at the Management Council, a body that deliberates on matters related to important business execution based on management policies decided by the Board of Directors. Moreover, the Executive Officer in charge of sustainability reports to the Board of Directors on the contents of discussion by the Sustainability Promotion Committee and the sustainability initiatives of the entire Group, so that the Board of Directors can accurately grasp the status of business execution and exercise appropriate supervision.

### Promotion Structure





# Toward the Realization of Our Goal for 2050

ULVAC sets Our Goal for 2050 based on the Basic Corporate Philosophy.

In the last fiscal year, we formulated "Vision 2032" ("Continue to Be a 'Field of Potentiality' for the Future") and identified materiality, which represents ULVAC's unique management challenges toward the realization of Our Goal for 2050 and Vision 2032.

We have formulated a mid-term management plan for FY2023 to FY2025 using a backcasting approach to achieve these medium- to long-term visions. Through the achievement of this plan, we will work to realize Our Goal for 2050.

Backcast

## Medium-term Management Plan (FY2023 to FY2025)

For details [▶P.25](#) Medium-term Management Plan

### Basic Policy

- Creating Social Value through Vacuum Technology
- Enhancing Profit and Capital Efficiency Oriented Management

### Priority Strategies

- Strengthening Product Competitiveness in Growth Businesses
- Improving Global Productivity
- Strengthening the Management Base

### Numerical Targets

- Net sales ¥300.0 billion
- Gross profit margin 35%
- Operating profit (margin) ¥48.0 billion (16%)
- ROE 14%
- Operating CF (cumulative total for 3 years) ¥63.0 billion

## Vision 2032

### "Continue to Potentiality"

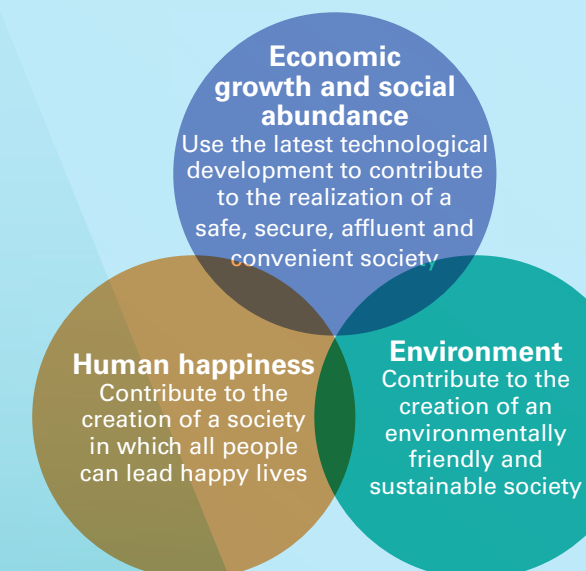
The term "Field of Potentiality" alludes to the margin of each person's mind. Having empty space in one's mind allows one to absorb more from the outside. As one gains new insights, they can venture into the unknown and create new possibilities. This process begins when a person recognizes the 'Field of Potentiality' within their mind. We believe that the ULVAC Group, where the energy of such people is gathered, will also become a 'Field of Potentiality,' fostering innovation and co-creation with vacuum technology at its core, contributing to a sustainable future.

### be a 'Field of for the Future" The strengths of ULVAC



## Our Goal for 2050

A company that utilizes vacuum technology to create value for the world with its partners and continues to contribute to the future of people and the planet



## Materiality

For details [▶P.39](#) Details of Initiatives for Materiality

Promotion of innovation and co-creation with vacuum technology as the core

Development of diverse human resources and promotion of their professional growth; building resilient organizations

Respect for human rights and responsible conduct in the value chain

Contribution to a sustainable global environment

## Medium-term Management Plan (FY2023 to FY2025)

In the medium-term management plan launched in fiscal 2023, ULVAC has set forth two fundamental policies: "Creating social value through vacuum technology" and "Enhancing profit and capital efficiency-oriented management." To achieve these goals, ULVAC is focusing on strengthening its business in the semiconductor and electronic device fields, which are expected to see medium- to long-term growth. ULVAC is also expanding development investments to enhance product competitiveness. Furthermore, to improve global productivity, ULVAC is enhancing its manufacturing capabilities and working to establish a production system aimed at achieving its sales target of 300 billion yen.

To secure the development investment funds necessary for ULVAC's growth and to respond swiftly to changes in the external environment, ULVAC is focusing on building a robust financial foundation and strengthening human capital. Moving forward, ULVAC will continue to enhance its management base to ensure sustainable growth.

### Basic Policies

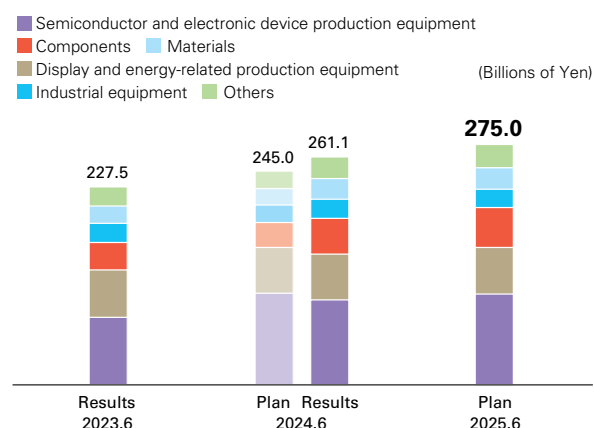
Creating Social Value Through Vacuum Technology

Enhancing Profit and Capital Efficiency-Oriented Management

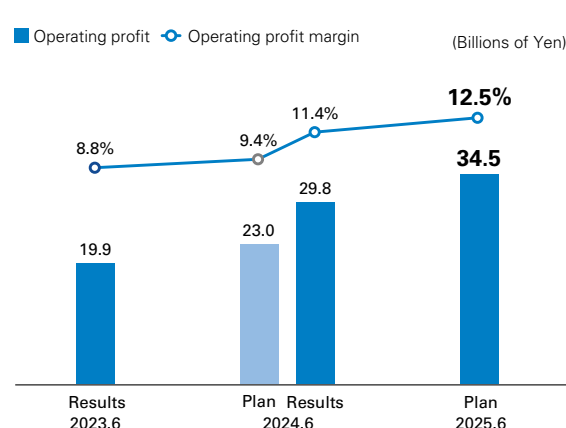
Priority Strategies	Key points
1 Strengthening Product Competitiveness in Growth Businesses	<ul style="list-style-type: none"> <li>Promoting Innovation Through Co-Creation</li> <li>Expanding the Semiconductor and Electronics Equipment Business</li> <li>Strengthening the Customer Service Business</li> </ul>
2 Improving Global Productivity	<ul style="list-style-type: none"> <li>Strengthening Manufacturing Capabilities</li> <li>Promoting Digitalization</li> </ul>
3 Strengthening the Management Foundation	<ul style="list-style-type: none"> <li>Strengthening ESG Management</li> <li>Strengthening the Financial Foundation and Cash Flow Management</li> <li>Promoting Human Resource Management</li> </ul>

	2023.6 results	2024.6 results	2025.6 plan	2026.6 target
Net sales	¥227.5 billion	¥261.1 billion	¥275.0 billion	¥300.0 billion
Gross profit	29.5%	30.9%	32.4%	35%
Operating profit (margin)	¥19.9 billion (8.8%)	¥29.8 billion (11.4%)	¥34.5 billion (12.5%)	¥48 billion (16%)
ROE	7.3%	9.7%	10.1%	14%

### Net sales



### Operating profit (margin)

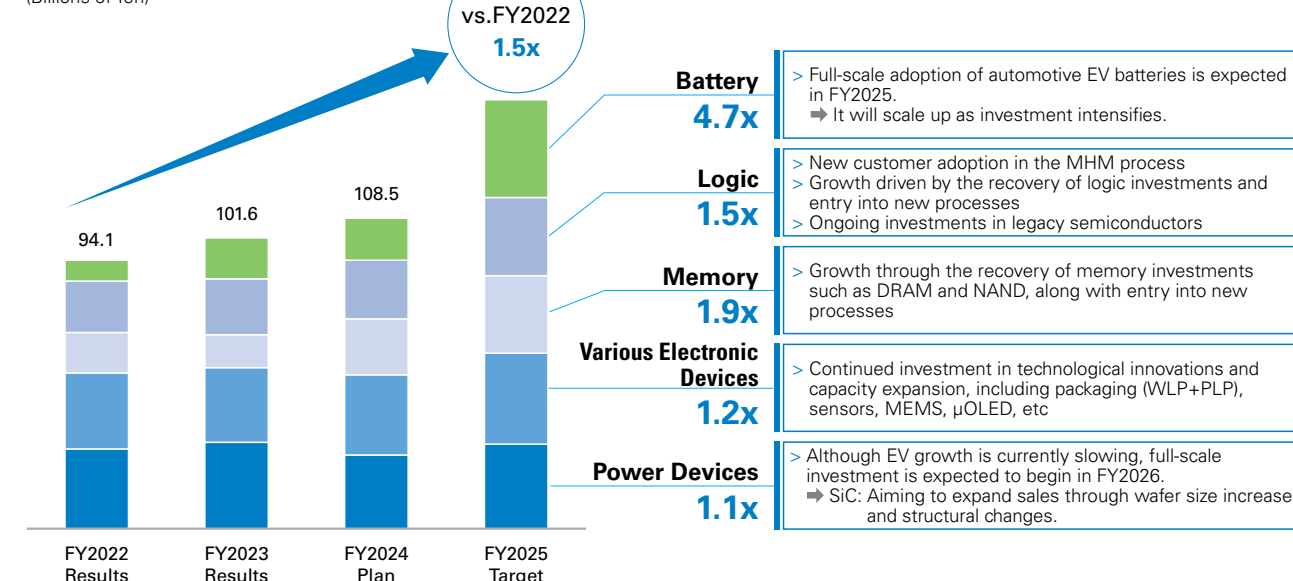


\*Starting from the fiscal year ending June 2025, the name was changed from FPD production Equipment to production equipment to display and energy-related production equipment.

## Creation and Co-Creation of Innovation in Growth Areas

### Order Forecast of Growth Drivers

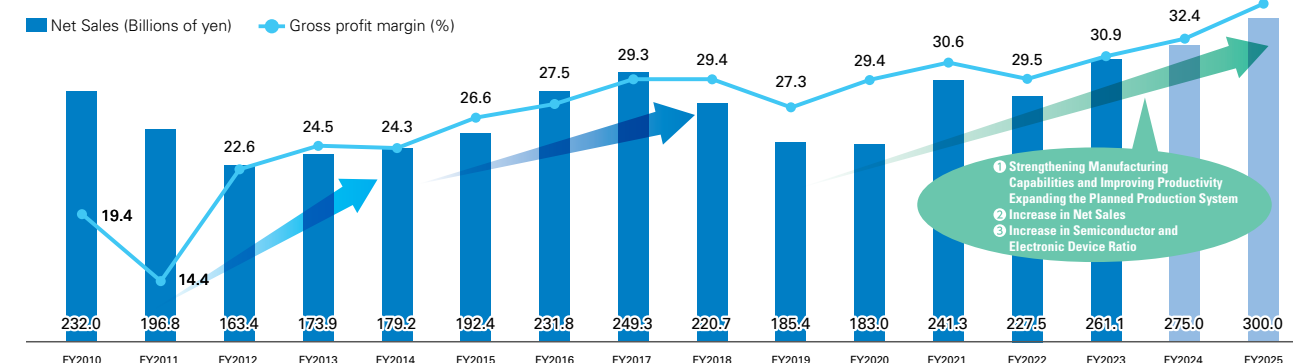
(Billions of Yen)



## Improving productivity and profit margins through strengthening manufacturing capabilities.

- By strengthening product planning capabilities and strategic purchasing, we aim to enhance the planned production system, leading to improved productivity and profit margins.
- Factoring in the improved profit margins from a higher sales ratio of high-margin semiconductor and electronic component production equipment, we aim to achieve a gross profit margin of 35% in FY2025.

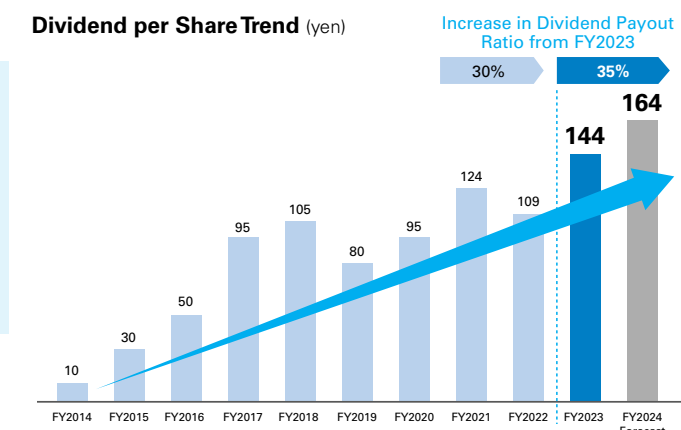
### Gross Profit Margin Trend



### Shareholder Returns

- We position shareholder returns as one of our most important policies, aiming for further growth and a long-term increase in dividends.
- From FY2023, we will raise the dividend payout ratio to 35%, expanding shareholder returns.
- ➡ **The dividend for FY2023 is 144 yen (an increase of 35 yen from the previous year), a record high.**

### Dividend per Share Trend (yen)





# Promotion of Creation and Co-Creation of Innovation with Vacuum Technology as the Core

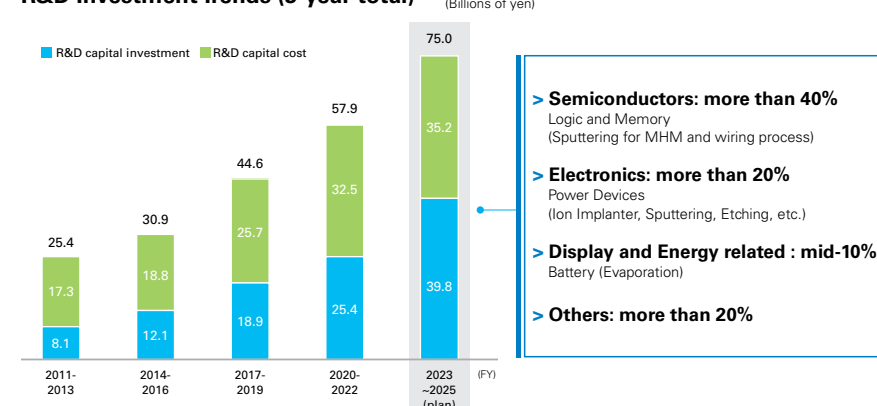
## Development Policy

ULVAC is advancing innovative research and development with a focus on vacuum technology, aiming to realize a sustainable society. In recent years, as development investments are being made worldwide in advanced semiconductors and electronic devices, we believe that co-creation with our customers is extremely important. The core of this co-creation is the Research & Development Headquarters. The Development Headquarters consists of three departments: the Institute of Advanced Technology, which is responsible for researching and developing technologies to realize growth drivers; and the Software Development Department, which conducts essential software development to enhance the added value of our equipment. Furthermore, at the Future Technology Research Laboratory, we are tackling themes expected to be next-generation technologies and exploring new areas where vacuum technology can make a contribution. By collaborating with relevant departments and group companies, we plan and devise development strategies, promoting research and development across the entire group, with the goal of maximizing research and development resources and achieving the greatest possible results.

## Research and Development Investment Policy

ULVAC is aiming to strengthen three semiconductor sectors—logic, memory, and power devices—that are expected to be drivers of growth. In the fields of logic and memory, ULVAC is developing equipment aimed at entering other processes based on its achievements in the Metal Hard Mask process in the cutting-edge logic sector, as well as advancing the development of improved film deposition process performance. Additionally, in the memory field, as miniaturization and high-level stacking progress, ULVAC is advancing the development of equipment and film deposition processes, aiming to enter other processes in DRAM and 3D NAND flash memory. In the power device sector, which is gaining attention for its contribution to energy efficiency, ULVAC is focused on the development of ion implanters. In the fields of logic and memory, the difficulty of manufacturing technology is rapidly increasing. Therefore, to capture the market, closer joint development with leading semiconductor manufacturers is essential more than ever. In response to this situation, the Technology Center PYEONGTAEK was established in August 2024 to further strengthen our development base in South Korea. The purpose of the Technology Center is to accelerate product and technology development near our customers and enhance collaboration and technical support.

R&D Investment Trends (3-year total)



### Overview of Technology Center PYEONGTAEK

Location:	1029, Yulbuk-ri, Cheongbuk-eup, Peyongtaek-si, Gyeonggi-do
Established:	August, 2024
Site area:	Approximately 11,550 square meters
Building area:	Approximately 13,168 square meters (including clean room area of approximately 2,008 square meters)
Investment amount:	Approximately 6 billion yen

## Creation and Co-Creation of Innovations in Growth Areas

At the Institute of Advanced Technology, we are focusing on the development of thin film formation and processing technologies that utilize vacuum technology, which are essential for manufacturing devices such as cutting-edge logic, memory, power devices, and batteries, positioned as drivers of growth. Plasma technology is one of the key cutting-edge technologies, and as devices become more advanced, the importance of plasma measurement technology has increased. ULVAC and the National University Corporation Tokyo University of Science, referred to hereafter as the Institute of Science Tokyo, have established the “ULVAC Advanced Technology Collaborative Research Cluster” at the Oookayama campus. The Institute of Science Tokyo, has initiated a collaborative research project aimed at enhancing the performance of devices using plasma processes by combining its plasma measurement technology with AI technology. “By collaborating across different research fields, we aim to produce new research outcomes that cannot be achieved through individual joint research efforts.” We will continue to deepen this collaboration. By leveraging inter-organizational collaboration, we will not only strengthen joint research but also enhance broader connections, including human resource development, to contribute to the future growth and technological innovation of both ULVAC and Institute of Science Tokyo.

In 2022, ULVAC proposed the “lithium metal anode production technology” for the “Development of Next-Generation Battery Materials Technology,” which is part of the “Green Innovation Fund Project/Development of Next-Generation Batteries and Next-Generation Motors” by the New Energy and Industrial Technology Development Organization (NEDO). The proposal was successfully accepted as one of the projects under this initiative. ULVAC is committed to leveraging its core vacuum technology to introduce innovative new technologies aimed at addressing societal challenges.

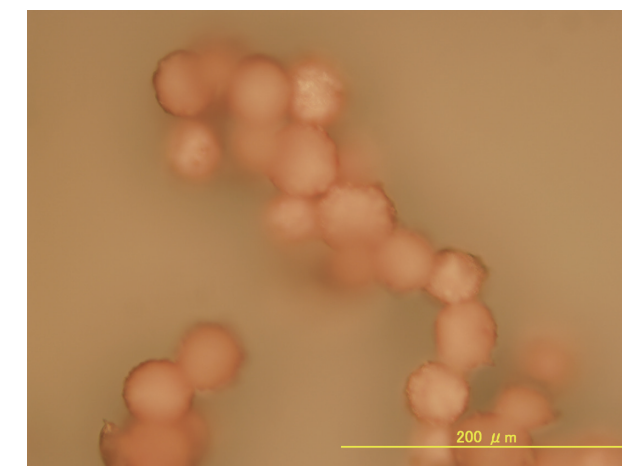
## Creation and Co-creation of Innovations in Future Areas

ULVAC has established the “ULVAC-Osaka University Joint Research Laboratory for Future Technology” within Osaka University, advancing the creation of innovations through industry-academia co-creation.

To support the future information society, innovation surpassing the limits of current semiconductor technology is necessary. We are researching “Photonics-spin convergence semiconductor devices,” which integrate the degree of freedom of spin with optoelectronic elements. This research leverages vacuum deposition technologies to innovate new processes and materials for the semiconductor industry.

In the medical field, we are exploring the societal contributions of vacuum technology, specifically focusing on developing circularly polarized light sources through vacuum deposition technology and preserving biological cells using vacuum drying technology. Circular polarization is anticipated to have diverse applications, including in pathological diagnostics and next-generation displays. In collaboration with the Faculty of Medicine at Osaka University, we are advancing research on cancer cell detection technologies. Furthermore, we are developing a technique using vacuum drying technology to store living biological cells in powder form. This method, which includes powdering blood, is expected to enable long-term storage and immediate usage, contributing to the advancement of medical technology.

[For details](#) [Website >>](#)  
[Refer to Japanese web site](#)



Lyophilized red blood cells

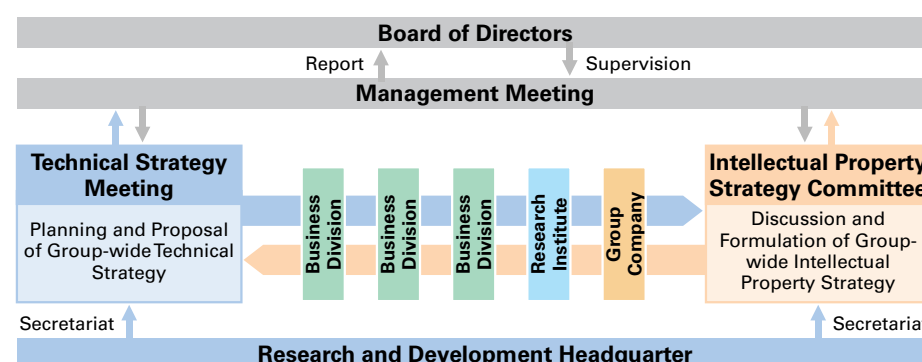
## Promotion of Creation and Co-Creation of Innovation with Vacuum Technology as the Core

### Research and Development, Intellectual Property Governance

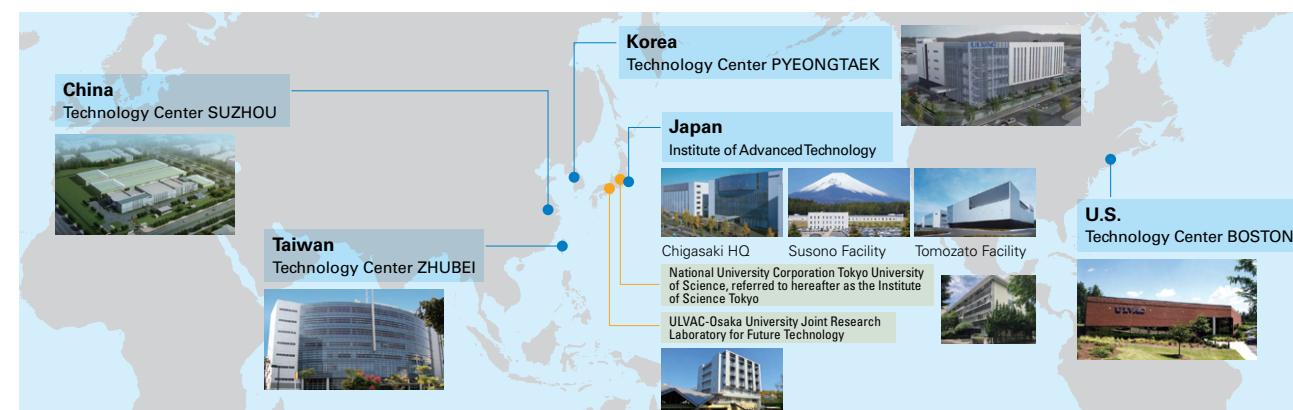
At ULVAC, we regularly hold two meetings that serve as cross-functional roles within the group's overall research and development structure. The "Technology Strategy Meeting" handles the planning and formulation of overall technology strategies, while the "Intellectual Property Strategy Committee" focuses on discussions related to intellectual property strategies, aiming for integration across business, development, and intellectual property. The discussions from these meetings are reported to the Board of Directors through directors and executive officers, where they are overseen.

By unifying the group's overall research and development structure, we aim to create sustainable differentiated products and new technologies, acquire intellectual property, and accelerate development. This will allow us to provide cutting-edge products and technologies in a timely manner that meet customer demands. The Development Headquarters will play a central role in releasing advanced technologies that can quickly address social challenges and contribute to society.

#### Research and Development & Intellectual Property Governance Structure



#### Research and Development Bases



### Technology and Intellectual Property Symposium

ULVAC holds the "ULVAC R&D Conference" as an initiative to share research and development results, foster new ideas, and create synergies. This event involves not only ULVAC's development departments but also overseas development departments, business units, and group companies. Participants deepen their understanding and engage in discussions on research and development relevant to ULVAC's future business operations.

Oral presentations provide a platform to share recent information and technologies related to key growth areas, utilizing online platforms to disseminate knowledge across the group. Additionally, during the poster sessions, an environment conducive to face-to-face discussions is created, facilitating active exchanges of ideas across a wide range of technological fields.

By sharing knowledge and technology, including market and customer information, technical challenges faced, and ideas to solve them, we aim to "contribute to the development of industry and science by comprehensively utilizing vacuum technology and its related technologies."

### Intellectual Assets

For over 70 years, ULVAC has been building on its foundation of vacuum technology, accumulating expertise and know-how across various fields, and expanding the circle of co-creation. By comprehensively utilizing these intellectual properties, one of ULVAC's strengths is its ability to offer new solutions to complex social and technological challenges. In the future, to meet the increasingly complex needs of society and continue providing truly valuable technologies and products, ULVAC will make intellectual property investments across a broad range of areas, not only in growth areas but also in future fields. We will acquire attractive intellectual property rights and continue to expand the circle of co-creation. We will acquire attractive intellectual property rights and continue to expand the circle of co-creation.

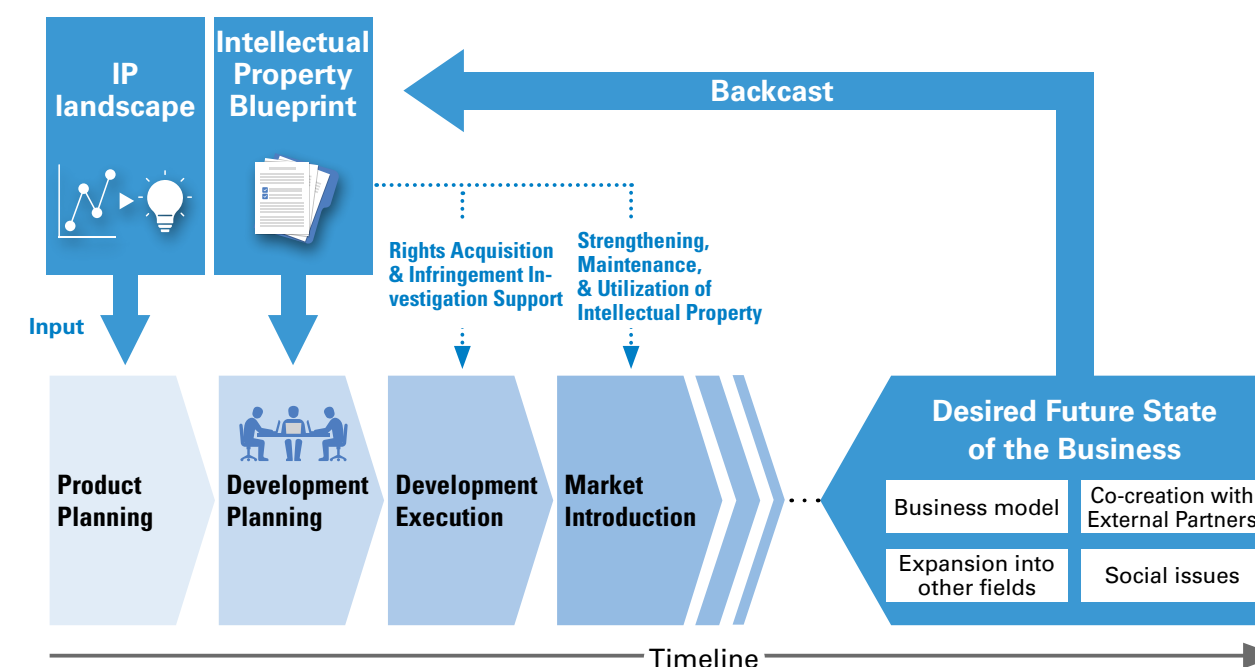
In the intellectual property department, we are advancing IP activities in alignment with business and corporate strategies, focusing on both growth areas and future areas. In growth areas, we strengthen and maintain product competitiveness through strategic acquisition of intellectual property rights. In future areas, we aim to expand into new growth sectors by acquiring rights applicable to a wide range of technologies and industries, without being limited by existing businesses. To execute such intellectual property activities, the intellectual property department is strengthening its collaboration with business and development departments across the entire value chain, from product planning to after product launch.

At the product planning stage, we support research and development investment decisions by visualizing market trends and technological challenges through IP landscapes and analyzing both our own and competitors' positions. In the development planning stage, following product planning, the business, development, and intellectual property departments collaborate to create an "Intellectual Property Design Document."

In the Intellectual Property Design Document, we design the intellectual property portfolio by backcasting from the desired future state of the business. When designing the IP portfolio, considerations include the utilization of owned technologies, the value chain, business models, co-creation with external partners, the potential for expansion into other fields, and the resolution of social challenges such as ESG issues. At the development execution stage, we implement strategic rights acquisition based on the Intellectual Property Design Document. Additionally, to respect third-party rights, we conduct infringement investigations in line with the progress of development. After product launch, we strengthen, maintain, and utilize the acquired intellectual property rights according to the business environment, ensuring that these rights contribute to the sustainable competitiveness of the products.

Through these activities, we will expand the circle of co-creation based on attractive intellectual property centered around vacuum technology, and continue to be a field of potentiality for the future.

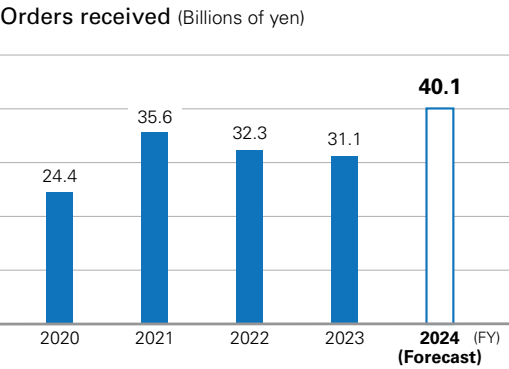
#### Intellectual Property Activities Aligned with Management and Business Strategy





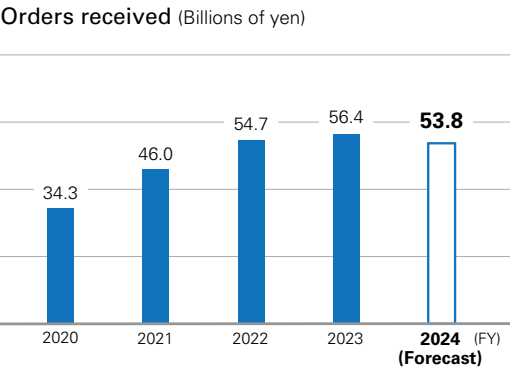
Vacuum Equipment Business 1  
Semiconductor Production Equipment

Semiconductors are anticipated to experience long-term growth in demand as they serve as a critical foundation for supporting a diversifying society, from generative AI and smartphones to EVs and industrial robots. ULVAC aims to contribute to societal progress and achieve mutual growth through its vacuum technologies, developed as a manufacturer of semiconductor production equipment. Furthermore, we position this business as a growth driver and will continue to actively invest in development to meet the evolving needs of our customers.



Vacuum Equipment Business 2  
Electronic Device Production Equipment

The electronic device market, which supports the realization of a smart society and the transition to clean energy, is expected to experience technological innovation and increased production. The proliferation of IoT, 5G, and next-generation data centers is driving greater demand for high-speed, high-capacity data communication. To provide manufacturing equipment that can be utilized globally and in a timely manner for a wide range of applications such as MEMS, communication devices, and optoelectronic devices, we are focusing on research and development, as well as technological and production innovation.



Review of FY2023

The semiconductor market, which had been sluggish due to an oversupply of semiconductor devices, began to recover, leading the semiconductor manufacturing equipment market into a recovery phase as well. However, order received for FY2023 fell short of our plans.

FY2023 also marked a period in which the efforts we have long undertaken in customer-focused development activities and sales expansion bore fruit. During this period, we secured multiple important new customers and processes that are key to the advancement of our semiconductor business. These achievements are expected to lay the foundation for the growth of our semiconductor business and contribute to its sustained development, especially as the semiconductor market recovers and enters a growth phase from FY2024 onwards.

Medium- to Long-Term Market Environment Outlook

With the optimization of market inventories and the expanding demand for generative AI, the semiconductor market, particularly the DRAM segment, is entering a recovery and growth phase. In response to this market recovery and growth, while there may be short-term fluctuations, investment in front-end semiconductor production equipment is expected to expand across the DRAM, NAND, and Logic segments, particularly among key customers.

Medium- to Long-Term Initiatives

We will leverage the newly established Technology Center PYONGTAEK to accelerate activities to create new processes and materials that will become the next pillars of the MHM process. In addition to our ongoing efforts to secure new processes in the advanced Logic segment, we will actively work to secure new processes in the DRAM segment, which is expected to see significant growth in the future. A key focus of these efforts is not only excelling in the MHM process and its applied processes, where we have strong expertise, but also delivering innovative technologies for interconnect processes that are critical to achieving higher performance and greater integration of devices. Through these efforts, we aim to create added value and contribute to industry advancements.

We will continue to invest in research and development to drive medium-to-long-term growth while strengthening relationships with advanced customers. As part of this effort, we will deepen collaborations with semiconductor research institutions, engage in activities to plant the seeds

for technologies that will flourish a decade from now, promote talent exchange, and explore collaborations with industry peers. In parallel with development activities aimed at securing new processes, we will also work to expand the adoption of already-secured processes among customers worldwide. By doing so, we aim to further increase our market share in the semiconductor PVD equipment market, which remains a key focus of our business.

Recognized Business Opportunities

1. Recovery of the Advanced Logic Market and the Start of 2nm Generation Investments by Major Manufacturers
2. Increased Business Opportunities Due to the Growing Importance of Advanced Packaging
3. Stable Investment in Mature Generation Logic Products

Anticipated Risks

1. Backlash from Overinvestment in the DRAM Market and Delays in Investment Recovery in the Advanced Logic Market
2. Expansion of Export Restrictions Stemming from Security Issues
3. Suppression of Capital Investment Due to Economic Stagnation in China, as well as DRAM Regulations and a Slowdown in Semiconductor Investments
4. Deteriorating Performance of Certain Companies

Strategies for Risk Mitigation and Opportunity Maximization

1. Selection and focus of development that captures market needs, and appropriate allocation of development resources after assessing the feasibility and direction of new technologies.
2. Effective utilization of assets through standardization and commonalization of specifications. Improvement of production efficiency through consolidation of production bases. Manufacturing reform aimed at improving profit margins. Efficient business operations through the consolidation of production bases.
3. Global deployment of existing products while proposing new products to key customers to secure new projects.
4. Strengthen technical capabilities for installation and customer support. Accumulate manufacturing technology enabling advanced technologies.
5. Strengthening Response to the U.S. Market

Review of FY2023

In FY2023, the electronic device market saw strong demand related to EVs through the third quarter, with global expansion in investments for power devices. Investment activities were particularly active in China, where the strengthening of our local sales and technical support systems proved effective. As a result, we achieved record-high levels in both order received and sales revenue. While growth slowed from the fourth quarter onwards, signs of development investments related to the transition to 8-inch wafers emerged in China.

Medium- to Long-Term Market Environment Outlook

With the advancement of a smart society and the transition to clean energy, the demand for technological innovation and increased production of electronic devices continues to grow. In the short term, market growth is expected to slow due to stagnation in the EV market and investments in China. However, a resumption of investments is anticipated from FY2025 onward. Additionally, the proliferation of IoT, 5G, and next-generation data centers is driving increasing demand for high-speed, high-capacity data communication. Over the long term, photonics-electronics convergence technology is gaining attention as a critical technology for building the next-generation communication infrastructure.

Medium- to Long-Term Initiatives

Through these efforts, we aim to contribute to the advancement of electronic devices while achieving sustainable growth for our business. Mid-to-Long-Term Initiatives Specifically, we aim to strengthen our marketing framework and enhance our operational structure in Europe and U.S. markets. Furthermore, we will work on reinforcing our technological and sales capabilities while actively promoting external collaborations to increase our competitiveness. In addition, we will focus on cost reduction, revising business workflows, and enhancing our service framework to achieve efficient and highly customer-satisfying business operations. Through these efforts, we are committed to realizing sustainable growth.

Recognized Business Opportunities

1. The spread of EVs driven by the transition to clean energy
2. Expansion of demand in the electronic device market and technological advancements toward realizing a smart society
3. Acquisition of new customers leveraging proven track records with major customers
4. Increasing demand for chiplet technology for integrating multiple functions into a single package

Anticipated Risks

1. Intensifying Competition with Rival Companies
2. Material Shortages Accompanying Increased Capital Investment
3. Expansion of Export Restrictions Stemming from Security Concerns
4. Slowdown in the Power Device Market Due to a Sluggish EV Market
5. Policy Changes in the Chinese Market

Strategies for Risk Reduction and Maximization of Opportunities

1. Enhance the marketing infrastructure to develop devices that meet customer needs and differentiate technology
2. Promote the creation of innovation and co-creation to strengthen competitiveness
3. Improve productivity through the enhancement of manufacturing capabilities
4. Reconstruct and strengthen the global supply chain
5. Utilize global customer touchpoints to respond swiftly and flexibly to market fluctuations
6. Monitor policy trends in the Chinese market to formulate appropriate strategies

Key Focus Areas

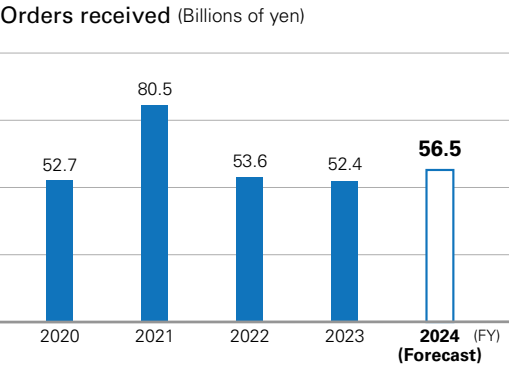
Key Focus Areas	Final Products
Communication device	● Smartphones
Opto Devices	● Smart Devices ● 3D Sensors
Electronic Device (Sensors & MEMS)	● AR & VR (Augmented Reality & Virtual Reality) ● Sensors
Power Devices	● EV (Electric Vehicle) Onboard Devices ● Industrial Robots ● Energy-Saving Equipment
Packaging	● Smartphones ● High-Speed Data Servers ● IoT Devices

Vacuum Equipment Business 3

Display & Energy-Related production equipment

Note: Starting from July 2024, the name has been changed from FPD (Flat Panel Display) Production Equipment.

Display devices are increasingly in demand as essential information infrastructure tools for facilitating communication. Additionally, the demand for high-efficiency energy devices, which contribute to stable energy supply and reduced environmental impact, is growing year by year. By providing manufacturing equipment and services that contribute to the coexistence of societal development and a sustainable global environment, we aim to enhance our business value and drive further growth.



Review of FY2023

In the display field, centered on televisions, panel manufacturers have generated significant profits, leading to a full-scale investment in 8th generation IT-oriented OLED panels. Investments have expanded on a scale that exceeds initial projections. ULVAC has been pushing forward with the development of equipment to accommodate the size increase from the 6th generation to the 8th generation in the IT-oriented OLED panel market, aiming to achieve the number one market share in sputtering systems. Moreover, we are addressing the challenges associated with longevity and high brightness in IT-oriented OLED panels, which affect costs, by engaging in new technological development. In the energy sector, a roll-to-roll dual-side deposition system that contributes to the miniaturization, increased capacity, and improved safety of EV batteries has commenced operation. In the energy sector, We began operations of a large scale evaporation roll-to-roll equipment that contributes to the miniaturization, increased capacity, and enhanced safety of EV batteries. Additionally, we are advancing the development of new equipment aimed at improving battery material efficiency by replacing copper foil anode current collectors with copper-deposited resin films. Furthermore, we are advancing the development of new equipment that replaces the copper foil in battery anodes with copper-deposited resin film, aiming to enhance the efficiency of battery materials.

Medium- to Long-Term Market Environment Outlook

In the display sector, in addition to the full-scale introduction of 8th generation IT-oriented OLED panels from last fiscal year, an increase in new capital investments is expected to meet the demand for automotive applications and larger displays. Furthermore, with the advancement of information infrastructure, the promotion of electric vehicles (EVs), and the expansion of generative AI utilization, the display demand centered on IT panels is predicted to remain robust. By providing sputtering equipment for IT-oriented OLED panels (G8.7) and transparent electrode sputtering equipment for touch sensors, we aim to expand our market share. In the EV battery market, while the application of vacuum technology is expected to achieve miniaturization, increased capacity, and enhanced safety, the adoption of next-generation batteries in vehicles tends to be delayed. However, battery manufacturers are progressing with mass production prototyping and strengthening of production systems, and a full-scale investment is expected in the mid to long term. Particularly, productivity improvements through the widening of aluminum double-sided vapor-deposited film widths and the development of equipment for replacing anode current collectors with copper will be key differentiators.

Medium- to Long-Term Initiatives

In the EV battery market, we are developing equipment that contributes to improving customer productivity by establishing mass production technology for simultaneous, high-speed deposition on both sides. In particular, we are strengthening the development of equipment that supports increased film width and copper deposition technology for anode current collectors. Furthermore, aiming to expand the applications of vacuum technology, we are advancing the development of new material deposition technologies based on the vacuum deposition technology for metallic lithium used in EV batteries, which was adopted under the Green Innovation Fund Project led by the Ministry of Economy, Trade and Industry (METI) and NEDO. This effort seeks to achieve further differentiation in the market. We will further accelerate technological development in preparation for full-scale investment in new current collector materials from 2026 onwards.

Recognized Business Opportunities

- 1. The trend toward larger and higher-resolution display substrates to support the OLED transition in IT panels.
- 2. The growing global adoption of EVs driving increased demand for lithium-ion batteries.
- 3. The accelerated adoption of vacuum technology aimed at improving EV battery performance, including enhanced safety measures.

Anticipated Risks

- 1. Delayed investments or project cancellations in the display sector due to a worsening supply-demand balance.
- 2. Postponement of investments or project cancellations caused by economic stagnation within China.
- 3. Intensified competition in the EV battery market due to the entry of competing manufacturers.
- 4. Restrictions on handling and supply chain disruptions resulting from the strategic positioning of batteries as critical materials due to international geopolitical conditions.

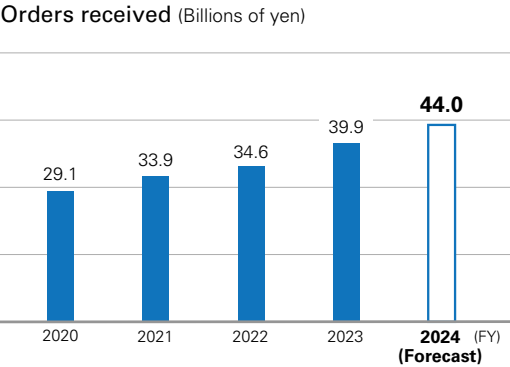
Strategies for Risk Mitigation and Maximizing Opportunities

- 1. Strengthening marketing and product planning capabilities to address next-generation technologies beyond FPD (Flat Panel Display).
- 2. Co-creating advanced technologies with leading companies and research institutions.
- 3. Transitioning to standardized and modular designs to improve production efficiency.
- 4. Reconstructing and enhancing the framework of the global supply chain.

Vacuum Equipment Business 4

Components

Aiming to become a global leader in vacuum and cryogenic technology solutions, we provide high-value-added products such as vacuum pumps, vacuum gauges, helium leak detectors, power supplies for various deposition systems, and cryogenic equipment. Through proactive development investments and collaboration with external partners, we strive to create outstanding products and services while maximizing customer satisfaction.



Review of FY2023

Investment in the mass production of OLEDs for IT panels gained momentum, leading to a significant increase in sales of related products such as cryopumps and valves. In addition to traditional automotive parts and home appliances, the increased capital investment in EV lithium-ion batteries boosted sales of leak testing equipment, achieving steady growth, particularly in the Chinese market. By accurately identifying and responding to demand trends, the Components business as a whole achieved orders and sales exceeding the previous year. Furthermore, production technology improvement initiatives took root, advancing the development of an efficient production system with controlled fixed costs.

Medium- to Long-Term Market Environment Outlook

Semiconductors, electronic devices, optical films, displays, EV batteries, and general industries are recognized as markets expected to grow in the medium-to-long-term. With the growth of our key customers—manufacturers of vacuum deposition equipment—demand for DC power supplies and dry pumps for equipment installation is also expected to increase steadily. On the other hand, while the temporary slowdown in EV adoption has delayed demand for related equipment, the trend toward electrification is expected to persist in the medium-to-long-term. Additionally, rising demand for AI servers, cooling systems for EVs and hybrids, and the resurgence of OLED investments are anticipated to provide further tailwinds. Furthermore, China's silicon wafer market is exhibiting a trend of increasing supply, not only for PV applications but also for semiconductor use. As a result, demand for MCZ (Monocrystalline Pulling Equipment) is expected to grow. In the medical field, demand for 4K cryocoolers for MRI applications continues to rise steadily.

Medium- to Long-Term Initiatives

We have positioned DC power supplies, helium leak detectors, dry pumps, and cryogenic refrigerators as strategic products. Leveraging new product development and core technologies, we are actively pursuing market entry and business expansion. In particular, we will

strengthen external collaborations to accelerate market entry while focusing on expanding our product lineup for semiconductors and electronic devices and growing our business in Europe and North America. Additionally, to enhance product quality and improve production efficiency, we will advance production technologies and optimize production systems at all locations, while also driving the digital transformation (DX) of production processes.

Recognized Business Opportunities

- 1. A business environment that allows for leveraging synergies with the equipment business in sectors such as semiconductors, electronic devices, and displays.
- 2. Robust market conditions in areas such as semiconductors, electronic devices, optical films, IT panels, and EV batteries.
- 3. Growth of the measurement equipment market driven by the increasing adoption of EVs.
- 4. Business growth opportunities in European, U.S., and Chinese markets, as well as the home appliance market.

Anticipated Risks

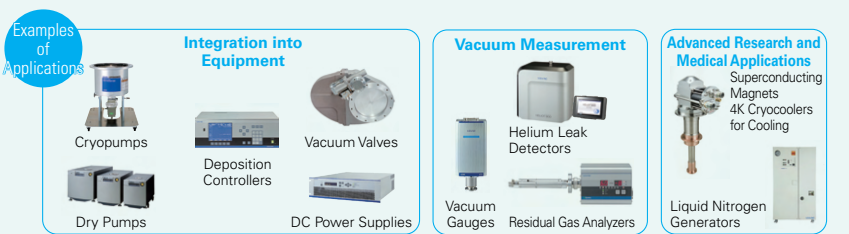
- 1. The emergence of late-entry, low-cost manufacturers improving their product quality.
- 2. Delays in the development of strategic products.
- 3. Slow progress in external collaborations.
- 4. Rising raw material procurement costs and delays in passing these costs onto sales prices.
- 5. Increased burden of capital and development investments.

Strategies for Risk Mitigation and Maximizing Opportunities

- 1. Releasing differentiated products through collaboration
- 2. Focusing development resources on strategic products
- 3. Improvement of production technology at all manufacturing sites, and promotion of systematization of production processes
- 4. Establishing sales and service networks in new markets

What are Components?

We supply vacuum pumps, vacuum gauges, vacuum valves, helium leak detectors, gas analysis equipment, and power supplies for deposition to vacuum equipment manufacturers and machinery manufacturers.

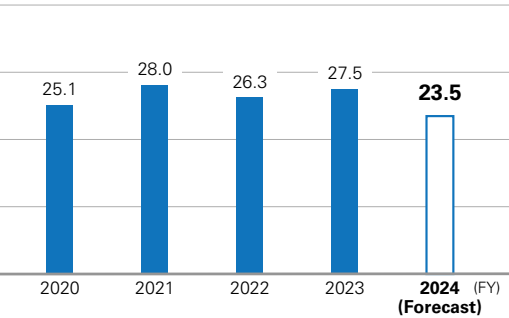




Vacuum Equipment Business 5  
Industrial Equipment

In this business, we contribute to society by reducing environmental impact and fostering health and happiness. We globally provide vacuum heat treatment furnaces for brazing used in heat exchanger manufacturing and vacuum melting furnaces for magnet materials used in EV motors, with a particular focus on China. Additionally, we are working to expand the sales of vacuum freeze-drying equipment, primarily in Japan, for use in pharmaceuticals and other applications.

Orders received (Billions of yen)



Review of FY2023

We further promoted the expansion of vacuum heat treatment furnaces in the global market, leveraging the mass production system established at our China base. By optimizing production efficiency and focusing on customer-centric sales activities, particularly in the growth market of China, we achieved an increase in order volume. Meanwhile, for vacuum freeze-drying equipment, projects postponed in fiscal year 2022 were concentrated in fiscal year 2023, resulting in order received significantly exceeding our plan.

Medium- to Long-Term Market Environment Outlook

With the global advancement of carbon neutrality policies, demand for manufacturing equipment related to renewable energy—such as EVs, wind power generation, and energy storage—is expected to continue increasing steadily in the future. In the medical field, demand for vacuum freeze-drying equipment for biopharmaceuticals, such as injectable drugs, is expected to grow. On the other hand, following the COVID-19 pandemic, while domestic companies are aiming to strengthen their production systems with a view toward overseas expansion, the demand in the diagnostic drug sector has recently plateaued, leading to the postponement or cancellation of some projects and a more cautious approach in this area.

Medium- to Long-Term Initiatives

For vacuum heat treatment furnaces, we aim to expand orders in the global market while pursuing further improvements in safety and quality. On the other hand, for vacuum freeze-drying equipment, we are making continuous improvements to meet the diverse needs of our customers while striving to enhance quality to comply with strict industry standards. Additionally, we are focusing on technology development through industry-academia

collaboration. Together with Osaka University, we are advancing the development of vacuum freeze-drying storage technology for red blood cells. Furthermore, we are participating in Meijo University's efforts to develop dry powder inhalers, working toward the realization of innovative technologies in the medical field.

Recognized Business Opportunities

1. Growing demand for heat exchangers for cooling automotive electronic components, such as EVs.
2. Increasing demand for heat exchangers for data center cooling.
3. Growing demand for high-performance magnets.
4. Growing demand for freeze-drying technology for pharmaceuticals.
5. Enhanced competitiveness in overseas markets due to strengthened global production systems.

Anticipated risks

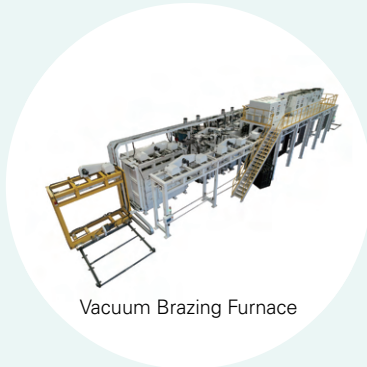
1. Expansion of export regulations due to security concerns.
2. Shift of domestic pharmaceutical companies' production and sales to overseas markets.
3. Revision of investment plans by companies due to the global decline in magnet distribution prices.

Risk Mitigation and Opportunity Maximization Measures

1. Improvement of vacuum heat treatment furnace performance for magnets and promotion of joint development with key customers.
2. Compliance with overseas standards for lyophilizers and enhancement of quality.
3. Diversification of raw material suppliers to reduce cost risks.



Batch-type vacuum heat treatment furnace



Vacuum Brazing Furnace

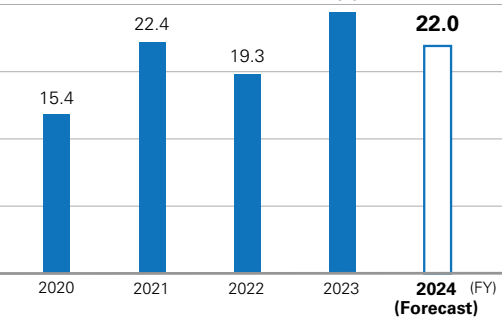


Lyophilizer

Vacuum Application Business 1  
Material

The products of this business are indispensable for the manufacturing of various applications such as semiconductors and electronic devices, displays, and others that support a smart society. We will stably supply high-performance, high-quality materials such as sputtering targets and functional materials globally, as a reliable partner to our customers.

Orders received (Billions of yen)



Review of FY2023

In the growing semiconductor market, particularly in the logic and memory sectors, utilization rates have recovered, and the expanding demand for AI-related products has supported our performance. Products utilizing our powder metallurgy technology have been recognized for their technological superiority, leading to an increase in orders. W/WSi products have been evaluated by major memory manufacturers, and mass production is progressing. Additionally, in the display market, the increased production of OLEDs has contributed to sales, and demand for IGZO-based products is also on the rise. Furthermore, we have advanced efforts such as consolidating the functions of our manufacturing bases, transferring production to overseas group companies, and improving layouts, thereby establishing an efficient production system.

Medium- to Long-Term Market Environment Outlook

In the semiconductor sector, the expanding demand for generative AI-related products is expected to continue driving growth. In addition to AlCu, Ti, W, and WSi target products for semiconductor manufacturers, the demand for MoSi targets for masks used in advanced processes is also anticipated to increase. Meanwhile, in the display market, while the utilization rates of OLED production lines remains strong, the operating rate of LCD production lines is showing a downward trend. The main investments are focused on the G8.6 large OLED production lines, and we are set to begin supplying targets for rotary-type equipment. With the recovery in the utilization rates across the display industry and the progress of new investments in OLED, the sales volume of targets is showing an upward trend. We continue to maintain high quality and the No. 1 market share in Metal targets.

Medium- to Long-Term Initiatives

In this business, we will continue to supply high-value-added materials, such as sputtering targets and functional materials, as a partner to our customers. In particular, for semiconductor device manufacturers, we anticipate the expansion of mass production lines for W/WSi products and the growing demand for MoSi products for high-precision masks, which are essential in advanced processes. In addition, we will strengthen the pre-development of materials in collaboration with the equipment business, aiming to differentiate ourselves in terms of technology, cost, and quality, while striving to improve customer satisfaction. Furthermore, through the review of our site functions, we will focus on optimizing factory equipment and human resources, updating

equipment, and advancing digitalization and semi-automation in production to enhance our manufacturing capabilities. Additionally, we aim to increase the recognition of ULVAC targets and expand our market share based on the evaluation and mass production at leading semiconductor manufacturers.

Recognized Business Opportunities

1. Recovery of semiconductor investments and customer factory utilization rates, along with increased demand for high-precision masks for advanced semiconductors.
2. Continued investment in electronic device-related sectors.
3. Expansion in demand for IGZO-based displays.

Anticipated risks

1. Intensified price competition with competitors.
2. Delays in development and mass production adoption.
3. Instability in raw material supply and price increases.

Risk Mitigation and Opportunity Maximization Measures

1. Expansion of sputtering target products for semiconductors and semiconductor masks using core powder metallurgy technologies.
2. Securing profits through improvements in production technology, production efficiency, optimization of production bases, and quality enhancement.
3. Diversification and stabilization of raw material procurement, and promotion of recycling.

## Vacuum Application Business 2 Others

### Surface Analysis Business

Surface analysis is a technology that reveals the chemical structure of extremely shallow regions of solid surfaces and is an indispensable method for the research and development of new materials as well as quality control. The target material fields and markets are diverse, and its applications are expanding not only in university and corporate research laboratories but also in daily operations such as product inspection. In this business, we will globally expand advanced surface analysis equipment and services that meet customer needs.

#### Review of FY2023

In FY2023, the market size decreased due to the temporary contraction of the Chinese market. However, in this business, by introducing the new mass spectrometer nanoTOF 3+ with improved mass resolution and strengthening sales to key semiconductor customers, we achieved results that exceeded the planned sales target. Additionally, we are accelerating our efforts toward growth, such as establishing a new company in Nanjing, China, and strengthening our sales base in Europe and India. We will continue to monitor market trends and work on establishing a solid foundation for medium- to long-term growth.

#### Medium- to Long-Term Market Environment Outlook and Initiatives

In this business, we are working to strengthen our competitiveness in the global market and build a sustainable growth foundation. Specifically, we aim to expand our global market share through further strengthening of marketing, utilizing software solutions for product development, and launching new products. In the growing Chinese and emerging markets, we are promoting the provision of new products tailored to regional needs and strengthening our sales structure. Additionally, we are advancing our entry into the semiconductor market and working on building a foundation for next-generation business growth.



Multi-Function Scanning X-ray  
Photoelectron Spectrometer

## Manufacturing and Sales of Mask Blanks for Semiconductors and FPD

Mask blanks are essential components for the fabrication of electronic circuits in semiconductors and FPDs, which are used in fields such as smartphones, displays, IoT, automotive, and communications. The demand for these components tends to increase, especially as devices evolve. To effectively capture the wave of market growth, we will respond to the needs of our customers.

#### Review of FY2023

The display market showed a recovery trend starting from the fourth quarter of fiscal year 2023, driven by a recovery from temporary inventory adjustments by panel manufacturers and the full-scale investment in IT OLED panels. The semiconductor market experienced growth that exceeded expectations, fueled by the expanding demand for generative AI and investments in legacy technologies, particularly in China.

#### Medium- to Long-Term Market Environment Outlook and Initiatives

In this business, based on our medium-term management plan, we aim for growth that exceeds the market growth rate by 30%. In the semiconductor sector, we will focus on maximizing the value of existing products, enhancing quality, and strengthening our delivery system to meet customer needs. Additionally, we will accelerate the development of high-value-added products to further strengthen our revenue base. In the FPD sector, we will promote the development of products for high-definition OLEDs, which are expected to see market activation, and aim to expand our market share. Furthermore, we will actively work on strengthening the production system that supports growth markets and creating new businesses.



Large Mask Blanks



Mask Blanks for Ultra-LSI

## Manufacturing and Customer Support that Supports Business

### Strengthening Manufacturing Capabilities

#### Strengthening Product Planning Capabilities

At ULVAC, we are enhancing the collaboration across various business processes (development, sales, technical design, procurement, manufacturing, etc.), further promoting product modularization and standardization, and working to strengthen our product planning capabilities.

#### Enhancing Strategic Procurement Capabilities

We are strengthening our collaboration with key suppliers and further enhancing our strategic purchasing power to support planned production of products.

#### Improving Productivity

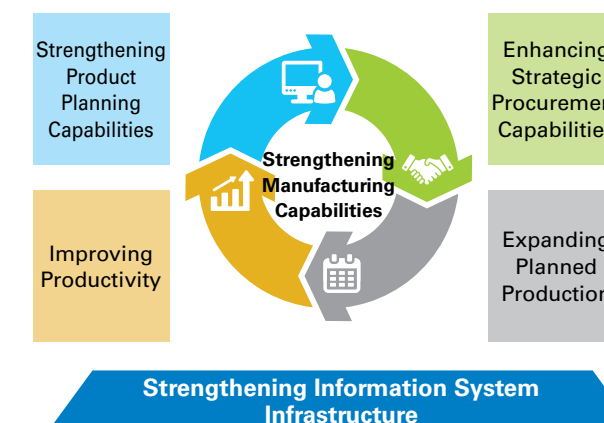
We are advancing production at the most optimal locations for each product and working on further improving productivity by flexibly reallocating management resources across different businesses within ULVAC.

#### Expanding Planned Production

We are expanding planned production for semiconductor, power device, battery equipment, and other areas, while continuing to work on reducing lead times.

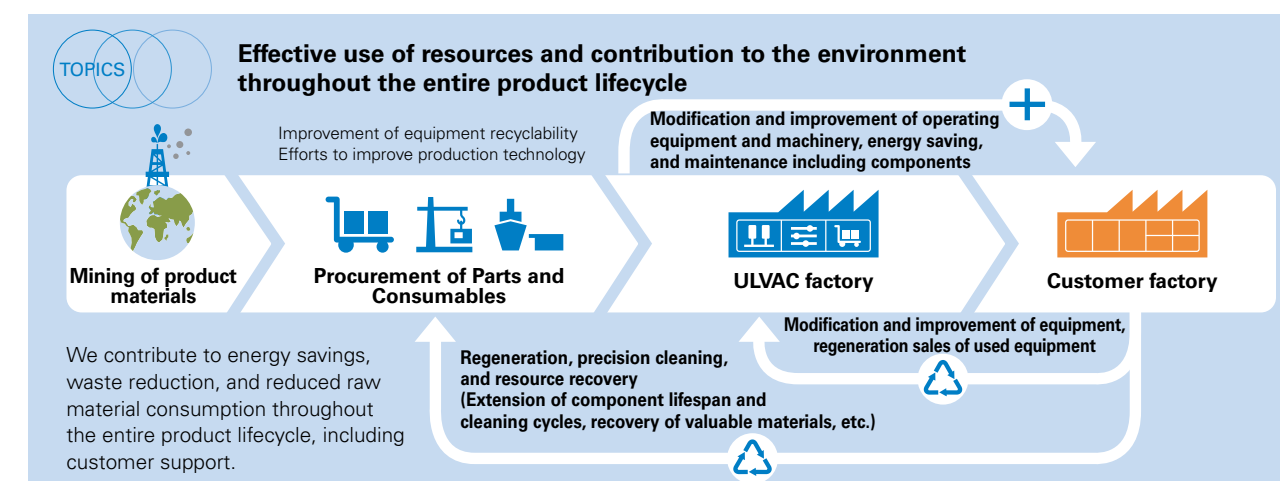
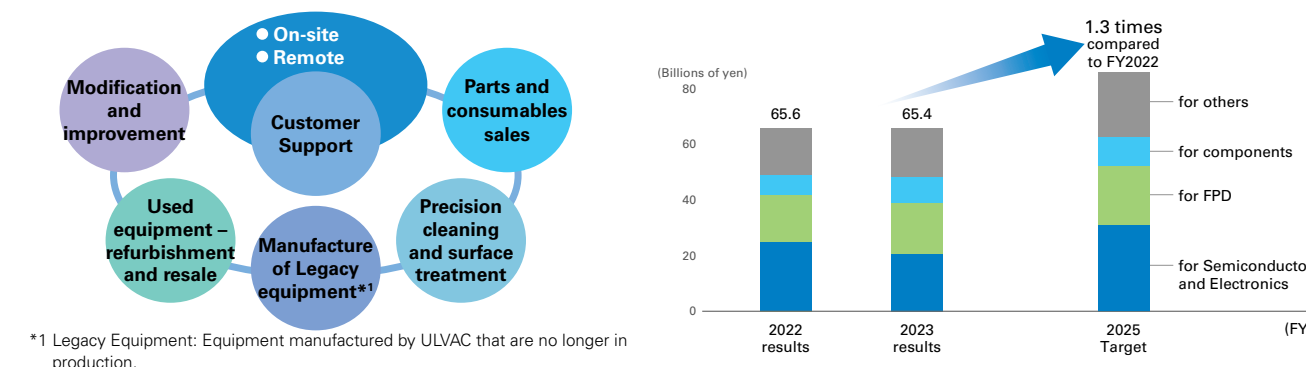
#### Strengthening Information System Infrastructure

To further promote efficient production, we are reviewing business processes and advancing digitalization through the implementation of various information systems, aiming to achieve further improvements in productivity.



### Customer Support

We view providing comprehensive coverage across the product lifecycle as a business opportunity within ULVAC. By strengthening the support system in regions where ULVAC should particularly focus, as well as driving business by proactively proposing improvements and enhancements to existing equipment for customers, we aim to further strengthen ULVAC's comprehensive services.





Details of Initiatives Related to Materiality

For each materiality, we set the desired state, success factors, and goals. Progress and action plans are reviewed and determined at the Sustainability Promotion Committee, held twice a year, and initiatives are carried out under the responsibility of the appointed individuals.

ESG	Materiality	Key initiatives		Key initiatives status	Pages	Web link
E	Contribution to a Sustainable Global Environment	“Task Force on Climate-related Financial Disclosures (TCFD)” Initiatives on Climate Change Response and Recommendations		We support the recommendations of the “Task Force on Climate-related Financial Disclosures (TCFD)” and are committed to disclosing related information. As part of our comprehensive climate-related strategy, we have set greenhouse gas emission reduction targets, expanded the adoption of renewable energy, and are working to improve energy efficiency. <b>Key Indicator: Greenhouse Gas Emissions</b> <b>Target: Reduce greenhouse gas emissions by 50% from the 2023 level by 2030 (Scope 1, 2). Achievement: Reduced by 6,363 t-CO<sub>2</sub> (a 7.1% decrease from the previous year).</b>	»P.51, P52 »P.49	<a href="#">For details Website</a> >>Initiatives to Address Climate Change > Environment > Sustainability > ULVAC, Inc. <a href="#">For details Website</a> >>Environmental Philosophy Environmental Policy > Environment > Sustainability > ULVAC, Inc.
		Environmental Consideration Product “ULVAC Green Products” Certification System		We certify products that meet the established standards for our environmentally conscious design evaluation criteria.	»P.54	<a href="#">For details Website</a> >>Product Initiatives > Environment > Sustainability > ULVAC, Inc.
		2023 Environmental Activities Effective Use of Water and Efforts Against Chemical Substances Environmental Pollution Control and Resource Circulation Participation in the Forest Regeneration Partner System		We recognize the conservation of the global environment as one of the most important issues shared by humanity. In all aspects of our business activities, we make efficient use of resources, appropriately manage hazardous chemicals in the manufacturing process, and prevent environmental pollution and health hazards. <b>Key Indicator: Water Usage</b> <b>Target: To reduce the water usage per unit of net sales* to 2020 levels or lower (*Water withdrawal / Net Sales (consolidated) (0.77)) Achievement: 0.55</b> <b>Key Indicator: Environmental Incidents</b> <b>Target: Zero major legal violations Achievement: Zero</b>	»P.50, P53	<a href="#">For details Website</a> >>Environmental Philosophy Environmental Policy > Environment > Sustainability > ULVAC, Inc. <a href="#">For details Website</a> >>Environmental Data > Environment > Sustainability > ULVAC, Inc. <a href="#">For details Website</a> >>Pollution Prevention Initiatives > Environment > Sustainability > ULVAC, Inc. <a href="#">For details Website</a> >>Social Contribution Activities > Sustainability > ULVAC, Inc.
S	Development and Promotion of Diverse Human Resources	Human Resource Development and Development of Core Talent		We provide comprehensive programs to support the skill development and career advancement of our employees. Additionally, through “UL-GAIA” (Ulvac Global Awards of Improved Achievement), we share initiatives related to the implementation of our Basic Corporate Philosophy and roll them out across the organization, fostering synergy throughout the group and growing together with colleagues worldwide.	»P.42-P43	<a href="#">For details Website</a> >>Human Resource Policies > Human Resources > Sustainability > ULVAC, Inc. <a href="#">For details Website</a> Human Resource Development > Human Resources > Sustainability > ULVAC, Inc.
		Respect for Diversity and Integration Creating a Comfortable Work Environment		We are working to create a workplace environment where diverse talent can fully leverage their unique abilities and work in a way that is rewarding, regardless of gender, nationality, or race. We are also focusing on creating a workplace environment where employees can leverage their individual strengths, enhance productivity, and unleash creativity. Additionally, through engagement surveys, we reflect employees’ voices and work to create an environment where diverse human resources can thrive. <b>Key Indicator: Percentage of Female Managers</b> <b>Target: At least 10% across the entire Group by June 2026 Achievement: 9.8% (Fiscal Year 2023)</b>	»P.41, P43	<a href="#">For details Website</a> >>Creating an Excellent Working Environment > Human Resources > Sustainability > ULVAC, Inc.
		Promotion of Health Management		As one of our key management priorities, we are promoting health management, advancing initiatives such as regular health check-ups, stress checks, and exercise programs, and implementing measures to enhance work engagement.	»P.44	<a href="#">For details Website</a> >>Health Management > Human Resources > Sustainability > ULVAC, Inc.
	Respect for Human Rights and Responsible Actions in the Value Chain	Occupational Safety and Health		In performing various operations such as development, manufacturing, transportation, installation, and maintenance, everyone from management to on-site personnel prioritizes safety and actively and continuously works on improvements, striving to maintain and improve safety and a healthy working environment for all.	»P.48	<a href="#">For details Website</a> >>Occupational Safety and Health > Sustainability > ULVAC, Inc.
		Human Rights Responsible Procurement Management		We are committed to prohibiting discrimination and harassment, respecting employment autonomy, ensuring product safety and workplace health and safety, promoting employee health, protecting freedom of association, and securing appropriate labor conditions. Additionally, we work with our important partners, our suppliers, to promote responsible procurement that considers human rights, labor, and the environment throughout the entire supply chain.	»P.45-P46 »P.47	<a href="#">For details Website</a> >>Human Rights > Sustainability > ULVAC, Inc. <a href="#">For details Website</a> >>Procurement > Sustainability > ULVAC, Inc.
G	Promotion of Creation and Co-Creation of Innovation with Vacuum Technology as the Core	Development Policy, Research and Development Investment Policy Creation and co-creation of innovation		We believe that co-creation with customers is extremely important, and we are promoting research and development while aiming to maximize the research and development resources of the entire group and achieve the greatest outcomes. Additionally, we are strengthening the semiconductor sector, which will be a growth driver, developing software essential for adding value to our equipment, and taking on challenges in next-generation fields.	»P.27, P28	<a href="#">For details Website</a> >>ULVAC Research and Development > R&D > ULVAC, Inc.
		Intellectual Property		With the basic policy of “establishing and improving the business environment through intellectual assets, strengthening the group’s overall competitiveness, and increasing corporate value,” we are working on the creation and utilization of intellectual assets.	»P.30	<a href="#">For details Website</a> >>Refer to Japanese web site
		R&D and Intellectual Property Governance Collaborative Research, Technology and Intellectual Property		By unifying the group’s research and development structure, we aim to create sustainable differentiated products and new technologies, acquire intellectual property, and accelerate development. This enables us to continue providing cutting-edge products and technologies in a timely manner that meet customer demands. Additionally, we are promoting the sharing of knowledge and technology, with the goal of contributing to the development of industry and science.	»P.29	<a href="#">For details Website</a> >>ULVAC Research and Development > R&D > ULVAC, Inc.
	Building a Resilient Organization	ULVAC’s Sustainable Management Corporate Governance Risk Management Together with Stakeholders		Based on the Basic Corporate Philosophy underlying all our business activities, we are promoting sustainable management by defining our sustainability policy, our vision for 2050, Vision 2032, and materiality. Regarding corporate governance, we have established a system to ensure organizational transparency and protect the interests of stakeholders. This includes establishing an appropriate oversight structure and strengthening risk management. Additionally, we place great importance on relationships with stakeholders and aim to enhance corporate value and achieve sustainable growth through dialogue with employees, customers, business partners, investors, and local communities.	»P.21, P22 »P.55-P64 »P.65-P66 »P.68	<a href="#">For details Website</a> >>ULVAC’s Sustainable Management > Sustainability > ULVAC, Inc. <a href="#">For details Website</a> >>Corporate Governance > Sustainability > ULVAC, Inc. <a href="#">For details Website</a> >>Risk Management > Sustainability > ULVAC, Inc.
		Compliance		We have established a Corporate Code of Conduct and are committed to complying with laws, internal regulations, and ethical standards by strengthening our compliance framework and raising employee awareness.	»P.67	<a href="#">For details Website</a> >>Compliance > Sustainability > ULVAC, Inc.

# 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.



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

### 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

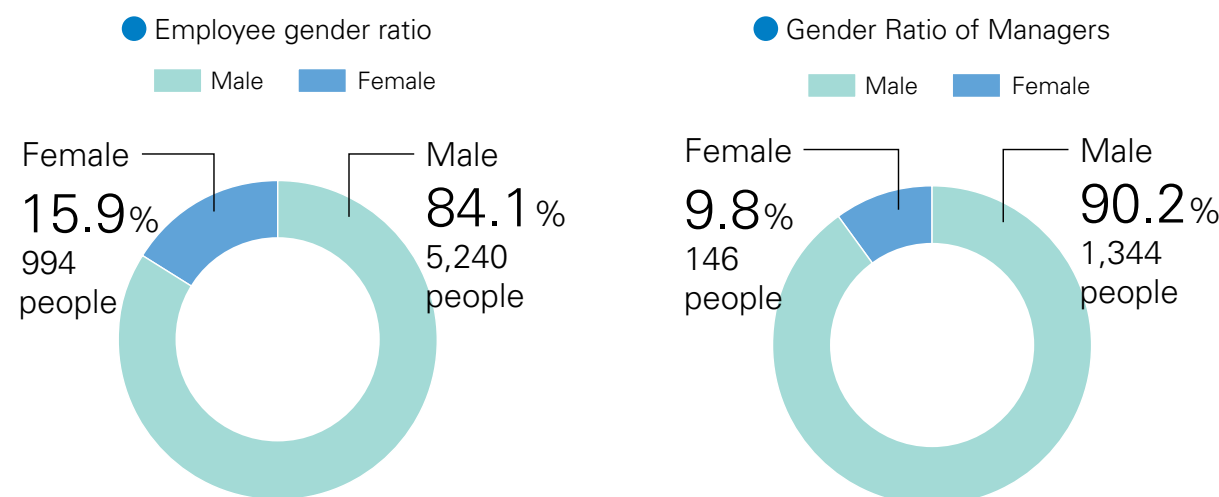
At ULVAC, we are creating a workplace environment where employees can leverage their individual strengths, enhance productivity, and demonstrate creativity. We are also promoting an environment and systems that minimize the impact of life stages and other factors on diverse talent, enabling them to thrive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



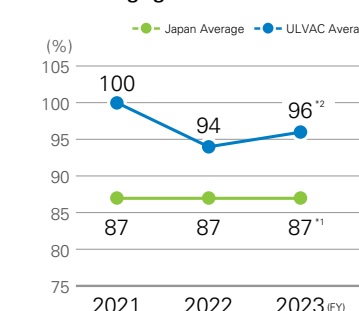
### Promotion of Health and Productivity Management

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



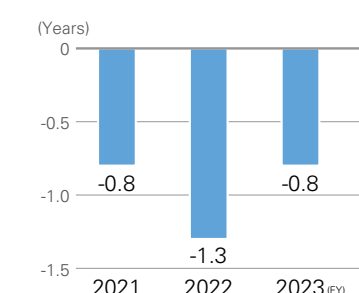
\*1 Shimazu et al. (2008)

\*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.



# Respect for Human Rights and Responsible Conduct in the Value Chain

## Human Rights

### Approach to Human Rights

As we expand our business globally, we recognize that respect for human rights is an important management issue. ULVAC respects human rights in all aspects of its business activities and continues to advance initiatives based on international guidelines and standards. At ULVAC, we have previously established the “Corporate Code of Conduct” as a set of standards that all officers and employees should adhere to, using it as a guideline to ensure that our operations do not infringe upon human rights. However, in response to changes in awareness and challenges surrounding human rights in the international community in recent years, we have developed the “ULVAC Human Rights Policy” based on international norms. This policy aims to strengthen our efforts in line with these international standards. The policy is positioned as an overarching principle for all internal regulations related to human rights within the group companies and applies to all officers and employees of all group companies. In addition, we are striving to ensure that not only our group companies but also our business partners adhere to and implement this policy.

### Human Rights Initiatives

We respect international standards such as the United Nations’ ‘Guiding Principles on Business and Human Rights,’ the International Bill of Human Rights (which includes the Universal Declaration of Human Rights and the International Covenants on Human Rights), and the ‘ILO Declaration on Fundamental Principles and Rights at Work.’ Our efforts to respect human rights are carried out in accordance with international guidelines, including the 10 Principles of the UN Global Compact, as well as the standards set by the international community and industry.

### Key Issues Regarding Human Rights

The “ULVAC Human Rights Policy” defines the following key principles: “Prohibition of Discrimination/Harassment,” “Voluntary Employment,” “Product Safety, Workplace Safety, Health, and Employee Well-being,” “Freedom of Association,” and “Ensuring Appropriate Working Conditions.”

The Corporate Code of Conduct also prohibits any form of discriminatory treatment, and together with the “Basic Policy for Human Resource Development,” we are committed to creating a workplace environment that fosters employee satisfaction and motivation.

For details [»P.67](#) Compliance    For details [»P.42](#) Human Resource

At ULVAC, we outline human rights-related requests in our “Requests to Business Partners.” We conduct written surveys with our business partners to confirm whether the employment autonomy is being upheld.

### Quality Assurance and Product Safety Initiatives

The foremost priority is ensuring that ULVAC products, as the result of responsible business practices, reliably maintain the quality and functionality related to “safety and health” at our customers’ sites.

For details [»](#) Website>> Quality Assurance and Product Safety > Sustainability > ULVAC, Inc.

### Workplace Safety and Health

In carrying out various tasks such as development, manufacturing, transportation, installation, and maintenance, everyone—from management to on-site personnel—places the highest priority on safety. We are committed to proactive and continuous improvement efforts to maintain and improve a safe and healthy working environment for all involved.

For details [»P.48](#) Occupational Safety and Health

## Employee Well-being

At ULVAC, we have a labor union and have concluded a labor agreement, and both management and employees are committed to adhering to these agreements with sincerity, based on mutual integrity and trust, in order to establish and develop a positive labor-management relationship. Additionally, we engage in close dialogue with the labor union regarding management plans, policies, and labor conditions.

From the perspective of work-life balance, we are reviewing working hours through measures such as strict overtime management and efforts to improve productivity.

For details [»P.44](#) Health Management

### ● Freedom of Association

We respect the right to freely form and join labor unions, the right to participate in collective bargaining, and the right to engage in peaceful assembly. We also ensure that workers have the opportunity and environment to engage in dialogue with management regarding labor conditions and business practices, without concerns about discrimination, retaliation, intimidation, or harassment.

### ● Ensuring Appropriate Working Conditions

We respect the right of employees to lead a healthy life and comply with applicable laws and regulations regarding working hours, breaks, holidays, and leave, ensuring that these are properly observed in the course of business operations.

## Efforts in the Supply Chain

We are committed to adhering to the RBA (Responsible Business Alliance) Code of Conduct, a CSR-promoting organization primarily focused on the electronics industry. We conduct self-assessment surveys, evaluations, and corrective actions at major production sites, along with strict management of working hours. Additionally, we request our business partners to comply with these standards and work together on these initiatives. For key business partners, we carry out written surveys and include them in evaluations during regular updates. Furthermore, we have established a conflict minerals policy and conduct due diligence.

For details [»P.47](#) Procurement

## Human Rights Due Diligence

We incorporate international standards into our policy and have established a due diligence process in accordance with these procedures. Through our business activities, we are committed to recognizing, preventing, and addressing any negative impacts on human rights, while also striving to further enhance our grievance mechanisms.

## Education

We provide appropriate training to all officers and employees not only to enhance their knowledge of human rights and compliance but also to ensure that their actions align with these principles.

## Grievance and Corrective Actions

We have established a mechanism for reporting any negative impacts on human rights caused by or involved in ULVAC’s business activities (grievance handling mechanism). Through this system, if a human rights violation is identified, we will promptly conduct an investigation, verify the facts thoroughly, take appropriate measures, and work on providing remedies and corrective actions.

At ULVAC, we have adopted an internal reporting system with an independent audit office head as the point of contact. The Compliance Committee takes appropriate actions, ensuring full consideration of the confidentiality, anonymity, and protection of the whistleblower. We aim for prompt resolution and work diligently to prevent recurrence.

For details [»P.67](#) Compliance

## Key Human Rights Issues within Our Group and Relationships with Stakeholders

Business-related human rights issues/stakeholders	Employees	Business Partners	Customers	Local Community Residents
⚠ Forced labor and child labor		●		
🔧 Violation of workers' rights (including collective bargaining rights, fair labor conditions, etc.)	●	●		
🚚 Occupational health and safety	●	●		
👤 Discrimination and harassment	●	●	●	
🔒 Privacy violations	●	●	●	
🗣 Restrictions on freedom of expression	●	●	●	
🔗 Injury and discrimination resulting from product misuse			●	
🧨 Involvement in conflict and inhumane acts (e.g., conflict minerals)		●		●
🏠 Infringement on the lives and cultures of local communities (including Indigenous peoples' rights, access to water resources and healthcare, etc.)		●		●



## Respect for Human Rights and Responsible Conduct in the Value Chain

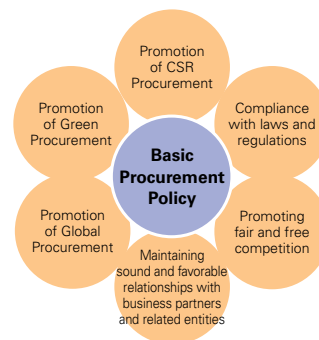
### Responsible Procurement Management

**Suppliers are our important partners for manufacturing. ULVAC is committed to responsible procurement throughout the supply chain, in cooperation with business partners, taking human rights, labor, and the environment into consideration.**

#### Procurement Policy

The ULVAC Group has established the Basic Procurement Policy, and we are promoting CSR procurement. Furthermore, “Requests to Our Suppliers” states our requests to suppliers in areas such as the environment, human rights, labor and compliance as well as compliance with the RBA\*<sup>1</sup> Code of Conduct. With regard to promoting CSR procurement, we had conducted a questionnaire survey with reference to the RBA Code of Conduct covering 1,100 suppliers by FY 2023. As a result, we confirmed that there were no incidences of child labor, forced labor, inhumane treatment, fraud or bribery, which are particularly emphasized in the RBA Code of Conduct, and the handling of conflict minerals.

In March 2024, in accordance with the RBA Code of Conduct, we established the ULVAC Group Supplier Code of Conduct. We have distributed it to our suppliers in Japan, requesting that they make every effort to comply. In FY 2024, we have expanded the scope of the survey and are conducting it primarily with our key suppliers. We plan to implement the survey at ULVAC's domestic and overseas group companies starting from FY 2025 onward.



\*1 Responsible Business Alliance. CSR promotion group focused on the electronics industry in global supply chains

[For details](#) [Website>> Procurement > Sustainability > ULVAC, Inc.](#)

#### Purchasing Code of Conduct

We established the Purchasing Code of Conduct, a set of principles emphasizing compliance for employees engaged in procurement, in 2019 with an aim to maintain sound, good relationships with business partners. In-house education such as case studies on the Act against Delay in Payment of Subcontract Proceeds, Etc. to Subcontractors is provided twice a year for employees engaged in procurement at ULVAC, Inc. and its Group companies in Japan.

#### Communication with Business Partners

With a primary focus on strengthening relationships with business partners and reinforcing the supply chain, we held “individual briefings” on 15 themes for all suppliers in FY2023. We hold an annual business briefing session for our major business partners, where the president and management directly explain the business environment and ULVAC's performance. Additionally, we host Kyoeikai meetings two to three times a year, where procurement managers provide timely production plans to major business partners. Furthermore, by utilizing the expertise of the Processing Technology Division within our procurement department, we are making efforts to build close relationships with our business partners. This includes providing direct guidance such as supplying processing manuals and material layout diagrams to some of our clients.

#### Responsible Minerals Procurement

Among the minerals sourced from conflict-affected and high-risk areas (CAHRAs), 3TGs\*<sup>2</sup> and cobalt are those whose extraction and trade directly or indirectly serve as sources of funding for armed groups or are root causes of serious human rights abuses and poor working conditions. ULVAC does not procure 3TGs, cobalt, or other raw materials involved in these issues.

In particular, we manufacture and sell sputtering targets and various tantalum wrought products in the materials business. We conduct due diligence based on the guidance of the OECD and RMI\*<sup>3</sup> through conflict minerals surveys for raw material suppliers in order to ensure transparency of transactions.

\*2 Tantalum, Tin, Tungsten, Gold.

\*3 Responsible Minerals Initiative: An organization that conducts audits and certifications of smelters handling 3TG to ensure they are not involved with conflict minerals. Details

### Green Procurement Initiatives

We revised the Green Procurement Standards in August 2020 and request suppliers to share information on chemical substances in commercial components used for products through the chemSHERPA\*<sup>4</sup>. In FY 2021, we conducted activities with a focus on creating an internal structure, implementing systems, and penetration of the Green Procurement Standards among business partners. Since FY 2022, a cross-departmental team for management of chemical substances contained in products established within the company has been organizing and managing information collected from our business partners.

Additionally, in fiscal year 2023, to swiftly respond to future regulatory revisions concerning environmental control substances within the Ulvac Group, we revised the “Green Procurement Standards”.

\*4 Scheme for enabling sharing of information on chemical substances contained in products throughout the supply chain

### 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 the safety of products and services used by our customers and create dynamic workplaces where our employees can work energetically and in good health.**

#### Approach on 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, takes the initiative in continuously improving safety with the highest priority and strives to maintain and improve the safety and health of everyone involved in the workplace.

#### Implementation of Safety and Health activities

To ensure the safety and good health of its customers and employees, the ULVAC Group holds meetings of the Global Safety Committee twice a year, ensuring that all Group companies work together to promote safety and health activities. Furthermore, we have established a network of safety personnel across Group companies and promptly share, discuss, and implement safety information such as revisions of laws and effective accident prevention measures.

Each Group company operates the OSHMS and declares safety based on management reviews conducted by the president and other executives. To ensure safety, every employee is engaged in occupational safety and health activities through risk assessments, etc. We identify hazards at the time of work planning and implement measures before work commences. The positive impact of the strengthening of safety measures is apparent in the trend in the frequency ratio of occupational accidents.

We hold monthly meetings of the Safety and Health Committee at each business site, where representatives from the company and the labor union work together to discuss workplace safety and health of employees. We also hold Safety and Health Council meetings twice a year to share various information on safety and health activities and work together with our partner companies to prevent accidents.

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

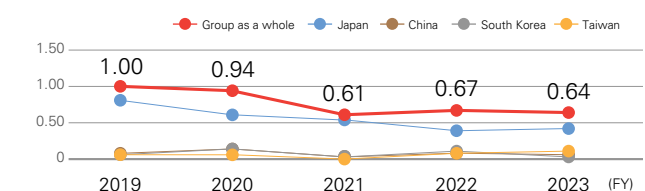
- 1. Compliance with laws and regulations, and implementation of risk assessment**  
Comply with Occupational Safety and Health laws and ULVAC's OSHMS regulations, and conduct risk assessment in order to perform Occupational Safety and Health activities with the cooperation of all employees.
- 2. Ensure the safety of ULVAC's products**  
Comply with ULVAC's safety design standards and conduct risk assessments on our products in order to deliver safe ULVAC products and services to our customers.
- 3. Planned Education on Occupational Safety, Health, and Product Safety**  
Conduct Occupational Safety and Health training based on ULVAC's Occupational Safety and Health Management System (OSHMS) for all employees and contractor employees, and provide planned Product Safety training to ULVAC product users.
- 4. Promotion of mental health care**  
Promote mental health care to achieve a healthy and vigorous workplace environment.
- 5. Global expansion of ULVAC group**  
Through the Safety & Health promotion activities by the Global Safety Committee, we strive to create a safe, secure, and comfortable working environment for the entire ULVAC Group and contribute to the prosperity of our business.

#### ULVAC Group Safety Management System



[For details](#) [P.69](#) [Frequency rate of occupational accidents](#)

#### Frequency ratio of occupational accidents at the ULVAC Group



\* This graph shows the rate of occupational accidents for each fiscal year, with the value for FY2019 (as of June 2020) as 1.00. We have maintained a low incidence of accidents by preventing them through various safety activities.

## Contribution to a Sustainable Global Environment

At the 'COP28 (28th Conference of the Parties to the United Nations Framework Convention on Climate Change)' held in November 2023, the 'Global Stocktake (GST)' was conducted to assess the global progress towards achieving the goals of the Paris Agreement. The GST emphasized the necessity to reduce greenhouse gas emissions by 43% by 2030 and 60% by 2035 (both compared to 2019 levels) to limit the global average temperature increase to 1.5°C.

We have signed the 'United Nations Global Compact' and are committed to the principles of environmental responsibility advocated by the UN. Additionally, we support the recommendations of the 'Task Force on Climate-related Financial Disclosures (TCFD)' and disclose the impacts of climate change on our business. Furthermore, we respond to surveys from CDP, an international NGO, and strive to improve our commitments and transparency in information disclosure.



Aiming to be a company that continues to contribute to the future of people and the planet, ULVAC is responding to the above-mentioned changing external environment by conducting various activities in accordance with its Environmental Philosophy, Environmental Policy, and Environmental Targets described below.

### Environmental Philosophy

The ULVAC Group understands that the conservation of the global environment is one of the most important issues facing humanity. While effectively utilizing resources in all aspects of our operations, we take into consideration biodiversity so as to contribute to bringing about a better living environment and a more prosperous society.

### Environmental Policy

#### • Reduction of Greenhouse Gas Emissions

We reduce greenhouse gas emissions, a main cause of climate change, through all of our activities. We are committed to developing products that conserve energy and reduce our environmental footprint.

#### • Prevention of Environmental Pollution

In conducting business, we comply with environmental laws and regulations. We manage hazardous chemicals appropriately in our manufacturing processes to prevent environmental contamination and health hazards.

#### • Environmental targets and continuous improvement

We establish environmental targets and strive to improve our environmental performance by reviewing these targets.

In addition, we continuously improve our environmental management system through routine revisions.

#### • Environmental education and information disclosure

Through environmental education, we enhance individual awareness and appropriately disclose environmental information.

### Environmental Targets

#### ① Greenhouse gas emission reduction targets

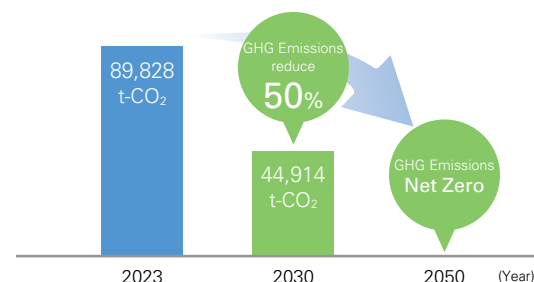
- Reduce greenhouse gas emissions in 2030 by 50% as compared with 2023 (Scope 1 and 2)
- Achieve net zero greenhouse gas emissions by 2050

#### ② Water consumption reduction target

- Reduce water use per unit\* to 2020 levels or lower

\*Water withdrawal/Net sales (consolidated)

#### ③ Zero environmental accidents



## Environmental Activities for FY2023

In growth areas such as semiconductors and electronic components, we are making active investments in various regions around the world. Specifically, China and South Korea are positioned as strategically important regions, and we are advancing capital investments in these areas. As a result, in terms of material balance, while electricity usage is increasing in these strategic regions, we have set a goal to reduce greenhouse gas emissions by 1% compared to the previous year (based on our company's standards) as part of our energy-saving measures. Additionally, we are actively promoting the installation of renewable energy facilities, such as solar power systems, and procuring renewable energy. We have also revised the baseline year for the "Greenhouse Gas Emissions Reduction Target" to 2023 and changed the reduction target from 30% to 50%.

Waste overall emissions have decreased. A significant reduction was observed in waste oil and waste acid, with the reduction in the use of cutting oil due to the renewal of processing equipment in China being a contributing factor for waste oil. There have been no significant changes in other types of waste, and the proportion of waste directed to final disposal relative to total emissions has increased, resulting in a 0.9% increase in the final disposal rate.

Regarding water, the total water intake decreased by 8% compared to the previous year. The target for reducing unit water consumption\* to below the 2020 level (0.77) was also achieved, with a result of 0.55. Going forward, we will continue to manage and work towards reducing our environmental impact related to water.

In the fiscal year in question, we reduced greenhouse gas emissions by 7.1% compared to the previous year. Specifically, the introduction of renewable energy accounted for a reduction of 3,656 tons of CO<sub>2</sub>, and energy conservation activities contributed to a further reduction of 2,707 tons of CO<sub>2</sub>.

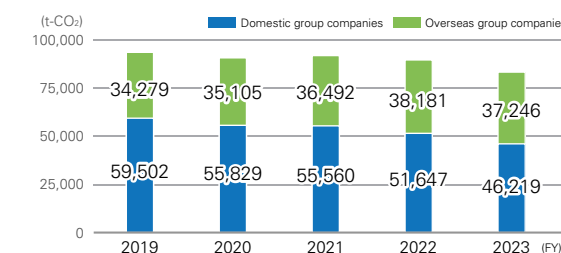
\*1 Water usage per unit: Water intake / Sales revenue (consolidated)

### Material Balance (from the 2023 fiscal year results)

INPUT	
Electricity usage	166,484 thousand kWh
Gas usage	LPG: 195 t
	LNG: 625 t
	City gas: 1,121 thousand m <sup>3</sup>
Fuel usage	Heavy oil: 2 KL
	Kerosene: 12 KL
	Diesel oil: 182 KL
Water usage	1,443 thousand m <sup>3</sup>

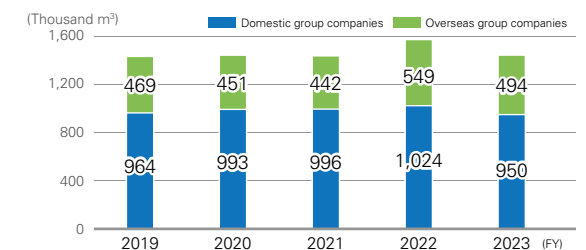
OUTPUT	
CO <sub>2</sub> emissions	83,465 t (from usage of electricity, gas, and fuel)
Total waste emissions	4,925 t
	Total recycled amount 3,515 t
	Final disposal amount 121 t
Final disposal rate	2.5 %

### Trend of CO<sub>2</sub> emissions from energy sources

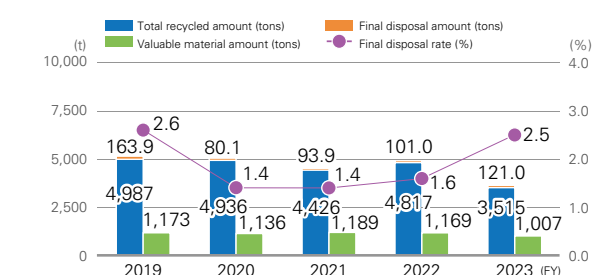


\*Emission factors are from the International Energy Agency (IEA) Emissions Factors 2021 edition.

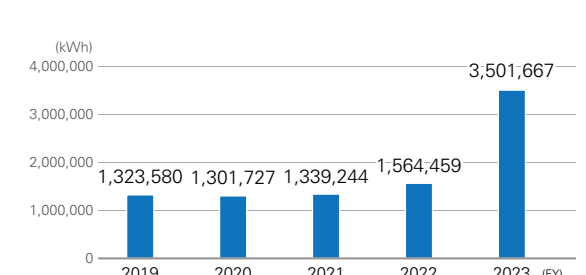
### Trend of water usage



### Trend of waste amounts



### Trend of solar power generation





Contribution to a Sustainable Global Environment

Initiatives Related to the Recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) and Climate Change Response

At ULVAC, addressing climate change is positioned as one of the key management issues. As part of our medium- to long-term goals for reducing greenhouse gas emissions, we have set targets to reduce emissions by 50% by 2030 (compared to 2023 levels, Scope 1 and 2) and achieve net-zero emissions by 2050. Through efforts such as energy-saving initiatives in Japan and abroad, the adoption of renewable energy with low greenhouse gas emission, and the development of environmentally friendly products, we are committed to reducing greenhouse gas emissions and tackling climate change. Additionally, ULVAC supports the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) and is committed to disclosing relevant information. Furthermore, ULVAC responds to surveys from the international non-profit organization “CDP.”\*



\*CDP: CDP is a non-profit organization managed by a UK-based charity. It sends questionnaires to companies and municipalities regarding climate change and other environmental issues to assess and disclose the environmental impact of their activities. The scores are regarded as an important criterion for investment decisions.

Governance

Under the supervision of the Board of Directors, the executive officers responsible for sustainability and the environment monitor the progress of the set goals.

- The Sustainability Promotion Committee, which includes internal directors, executive officers, and department heads, meets twice a year. In these meetings, we recognize societal trends and the current status of the company, and discuss measures to address the challenges. If significant issues arise related to management, they are discussed in the Management Council or the Board of Directors, where decisions are made accordingly.
- The Global Environmental Management Committee, chaired by the executive officer responsible for the environment and consisting of environmental leaders from group companies, meets twice a year. In addition, we have established the Environmental Performance Management Committee, which meets four times a year. In these committees, we set goals, monitor progress, review efforts towards achieving the goals, and discuss measures to address challenges. The outcomes are reported at the Management Council. The progress of these initiatives is monitored by the Sustainability Promotion Committee, and the executive officer responsible for sustainability reports to the Board of Directors at least once a year.

Strategy

Based on scenarios published by the IPCC (Intergovernmental Panel on Climate Change) and the IEA (International Energy Agency), we have identified climate change risks and opportunities. Specifically, we analyzed the scenarios indicating a potential global average temperature increase of 4°C or more (e.g., RCP8.5-SSP5) and those aligned with

Main Risks

Category	Factors	Measures
Market	Increase in business costs due to changes in customer behavior	Implementation of renewable energy and energy-saving measures in business activities
Policy and regulation	Carbon pricing	
Technology	Replacement of existing products/services with lower emission alternatives	Research and development of products and services for manufacturing equipment that contribute to technological innovation in various fields, and promotion of products with low power consumption
Acute and chronic	Business continuity risks due to extreme weather events like typhoons and heavy rain	Establishment and implementation of business continuity plans during natural disasters

Main Opportunities

Category	Factors	Measures
Products & Services	Increasing expectations for devices and technologies that contribute to low-power devices, power devices, and lithium-ion batteries, expanding demand for low-power products	Research and development of products and services for manufacturing equipment that contribute to technological innovation in various fields, and promotion of products with low power consumption

the Paris Agreement’s targets of limiting the temperature rise to below 2°C, or ideally to 1.5°C (e.g., RCP2.6, IEA NZE 2050). Based on these scenarios, we have organized the main risks and opportunities that may affect our business in the medium to long term as follows:

- Impact of carbon pricing
- Risk of disasters due to extreme weather events like typhoons and heavy rainfall
- Expansion of market opportunities for power devices and EV batteries

Specifically, detailed analyses of risks and opportunities related to these three points were conducted, and the quantitative impacts on the business were assessed. Going forward, we will continue to quantify further impacts and develop specific measures to strengthen our response towards sustainable business operations

Risk Management

- For all risks that could cause significant damage to the business, the Corporate Planning Office is designated as the responsible department. This office is responsible for identifying such risks and devising countermeasures, which are then directed to relevant internal departments and group companies. This process enables the identification of risks and promotes company-wide response efforts, with results being reported to the Risk Management Committee. In this committee, detailed identification and analysis of these risks are conducted, along with discussions on business reports and improvement measures. Through monitoring, early detection, reporting, and appropriate actions are implemented. In addition, for medium- to long-term sustainability risks, the Sustainable Management Promotion Office is designated as the responsible department. This office directs relevant internal departments and group companies to identify risks related to sustainability, and the results are reported to the Sustainability Promotion Committee. The committee manages the progress of efforts to address these medium- to long-term risks. Ultimately, the Board of Directors receives reports from these committees and oversees the management of risks. Through this framework, our group aims to achieve management stability and sustainable growth.
- ULVAC has significant development and manufacturing bases in Japan, which account for approximately 60% of the total greenhouse gas emissions (Scope 1 and 2) across the entire group. Therefore, if a carbon tax at the level expected in the NZE (Net Zero Emissions Scenario: the scenario in IEA’s World Energy Outlook, aiming for net-zero greenhouse gas emissions by 2050) is imposed in Japan, it is anticipated to pose a significant risk to our company. To address this risk, we have estimated the impact for 2030 and 2050 under the NZE scenario, based on our greenhouse gas emissions in Japan, and have assessed the potential risks. Additionally, the energy cost increase risk is monitored by a meeting led by the executive officer responsible for the environment, along with related departments. We assess trends and conduct risk evaluations based on the ongoing developments. Furthermore, in 2023, we revised our target to reduce emissions subject to taxation by aiming for a 50% reduction in Scope 1 and 2 emissions by 2030, compared to 2023 levels. To achieve this target, we have set a goal for the use of renewable energy and plan to purchase the necessary amount of renewable energy based on the progression of Green House Gas emissions.
- Regarding Scope 3, environmental impact is significant in the upstream value chain (with suppliers and material purchases) and downstream (during the use of products by customers). Recognizing the importance of offering environmentally friendly products, we are working to consider environmental factors starting from the development stage.
- We have developed a business continuity plan in anticipation of disasters caused by extreme weather events such as typhoons and heavy rainfall, and we are implementing measures to ensure continuous business operations.

Metrics and Targets

- As a responsible member of society, the ULVAC Group has set medium- and long-term goals for reducing greenhouse gas emissions. We have established a target to reduce emissions by 50% by 2030 (compared to 2023 levels) and achieve net-zero emissions by 2050. We are actively promoting efforts in energy conservation both domestically and internationally, installing solar power systems, and introducing renewable energy. Through these initiatives, as well as the development of environmentally friendly products, we are committed to reducing greenhouse gas emissions and addressing climate change.

Reduce greenhouse gas emissions by **50% by 2030** compared to 2023 levels

**Net-zero** greenhouse gas emissions by **2050**

Contribution to a Sustainable Global Environment

Effective use of water

Globally, water risks such as heavy rainfall, flooding, and water shortages are a concern due to the progression of climate change. At our company, we have assessed and confirmed the impact that water risks may have on our business operations.

By using the water risk assessment tool WRI Aqueduct and extracting high environmental impact sites as defined by our company, we have identified the locations exposed to water risks. Our company identifies business locations with Extremely High or High Baseline Water Stress as water-stressed areas. Locations exposed to water risks are found in parts of China and Thailand, accounting for 8% of the consolidated group. This includes business sites involved in high-environmental-impact film formation, and in addition to the overall group's water usage reduction targets, specific targets are set for each subsidiary, and concrete actions are being promoted.

Management of Chemical Substances

When using chemicals in manufacturing processes, we strive to minimize environmental impacts as well as ensure worker safety by checking the amount of chemicals used and personal protective equipment in advance and conducting risk assessments. Additionally, to comply with environmental regulations related to products in various countries, a cross-functional organization centered around the Quality Assurance Department, Procurement Department, and Environmental Department is advancing the development of a chemical management system for environmentally considerate products. We collect information to appropriately respond to frequently revised environmental regulations and conduct internal training on product-contained chemicals, taught by external instructors, across the group to support compliant manufacturing. Furthermore, we are promoting a management system across the entire supply chain by holding briefings for suppliers to understand the importance of managing product-contained chemicals and to request the provision of information on these chemicals.

Biodiversity Initiatives

ULVAC recognizes the preservation of the global environment as one of humanity's shared critical issues and declares in its philosophy a commitment to effectively utilize resources in all aspects of business activities, consider biodiversity, and contribute to the development of a hospitable Earth and a prosperous society

Specifically, we have been actively participating in the 'Forest Regeneration Partners' system led by Kanagawa Prefecture, continuing our efforts to contribute to the protection of local water source forests for three years. Through this partnership, we conduct forest conservation activities three times a year. These activities take place in the Yadorigi water source forest located in Ashigarakami District, Kanagawa Prefecture, where we are surrounded by lush greenery, performing thinning operations and environmental education through the observation of aquatic life."

ULVAC aims to remain a business that contributes to the creation of a sustainable and environmentally conscious society by 2050. To achieve this goal, we are promoting environmentally conscious management, protecting and nurturing local ecosystems, and fulfilling our responsibility to pass on rich forests to future generations.



"ULVAC Green Products" Certification Program for Environmentally Friendly Products

In recent years, global challenges, particularly climate change, have become more apparent, and they are increasingly posing risks not only to businesses but also to our very lives. For companies, environmental initiatives have become even more crucial in achieving a sustainable society. We have established the "ULVAC Green Products" certification system, which focuses on effectively utilizing resources and considering environmental impact from all perspectives, including the impact throughout the product lifecycle. This system certifies products that meet one or more of the evaluation criteria related to environmentally conscious design, as defined by our company, and meet the specified standards. In order for our products to contribute to the development of a livable planet and a prosperous society, we will continue to develop and release ULVAC Green Products.

Evaluation Items

Environmental friendliness elements		Items
Resource conservation and recycling	REDUCE	Reduced parts count
		Space-saving, compact, lightweight, and simplified
		Selection of environmentally friendly materials
		Easy-to-assemble, easy-to-disassemble structure
		Reduced maintenance frequency
		Reduced packaging materials
		Reduced consumption of water resources, such as industrial water
		Longer service life
	REUSE	Active use of reused and recycled items
Climate action	RECYCLE	Design for recycling
		No use of hazardous chemicals
	Reduction of electricity consumption	Reduced electricity consumption
		Reduced consumption of cooling water, nitrogen, etc.
Other	Reduced consumption of energy other than electricity	Use of alternatives to greenhouse gases used in the process and reduced use of greenhouse gases
		Reduced noise

Introduction of Next-Generation Platform

New Film Deposition Equipment model for Semiconductor

ENTRON-EXX

Main Features

▶ 20% reduction in power consumption in standby mode

▶ Up to 10% reduction in installation floor space

▶ Simplified Plug-In Platform connection

▶ Software Extensibility



ENTRON-EXX is a new model developed to meet the needs of the increasingly advanced and complex semiconductor manufacturing processes. Inheriting the productivity and flexibility of the previous model, ENTRON-EX W300, which has been adopted by customers worldwide since its release in 2005, the ENTRON-EXX enhances data collection and analysis capabilities. By adopting a highly expandable equipment design, it supports the next generation of semiconductor manufacturing.

Compared to the previous model, it reduces electricity consumption in standby mode by 20% and allows for a 5% to 10% reduction in cleanroom floor area, reflecting a design that prioritizes sustainability and minimizes environmental impact.



# Corporate Governance

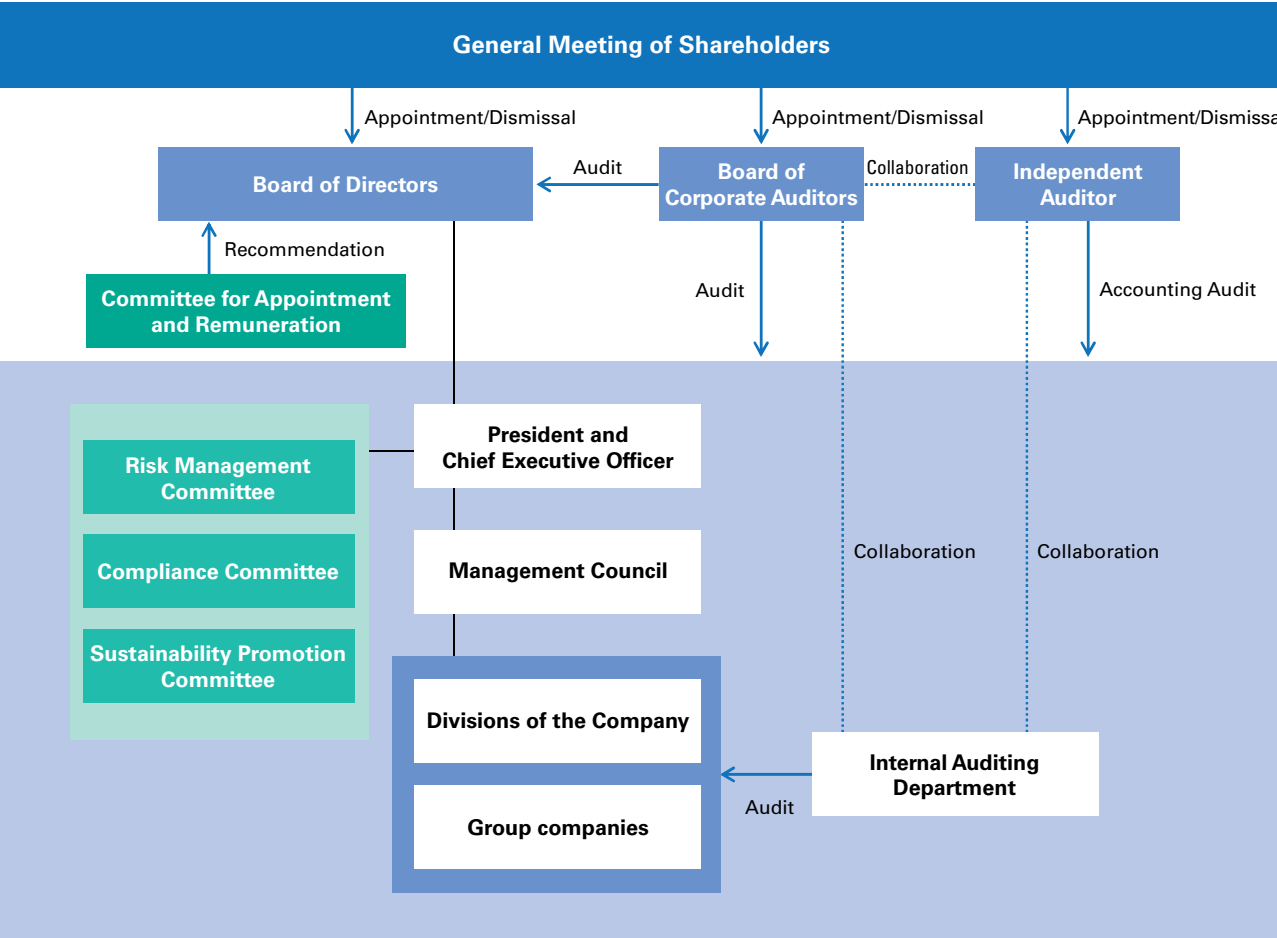
## Basic Corporate Governance Policy and Structure

Under its Basic Corporate Philosophy that “the ULVAC Group aims to contribute to the development of industries and science by comprehensively utilizing its vacuum and peripheral technologies through the mutual cooperation and collaboration of the Group companies,” ULVAC endeavors to improve its corporate governance with a view toward increasing its corporate value over the medium to long term. From the aforementioned standpoint, the Company values competitive and efficient management by ensuring strict compliance with corporate ethics as well as laws and regulations, while respecting the interests of various stakeholders related to its business activities, including not only shareholders but also business partners, local communities, employees, and others.

### Overview of the Design of Institutional Structures

- Company with a board of corporate auditors
- Particularly important institutional structures include the Board of Directors, the Management Council, the Board of Corporate Auditors, and the Committee for Appointment and Remuneration, etc.
- Introduced an executive officer system

Corporate Governance Structure



## Overview of Meeting Bodies

### Board of Directors

Composition	Two internal directors, four independent external directors	It is a decision-making body for important management issues. The Board holds regular meetings once a month, as well as ad hoc meetings as necessary to ensure flexibility. Independent external directors constitute a majority of the Board. The Company is not only able to make swift and efficient judgments concerning important management issues, but also achieves fair, impartial, and highly transparent deliberations and operational supervision.
Chairperson	President	
Meeting frequency	Once a month (ad hoc meetings as necessary)	
		Main Agendas
		• Medium-term management plan, plan for a single fiscal year, financial results (including dividends)
		• Sustainability, risk management, compliance

### Committee for Appointment and Remuneration, etc.

Composition	Composition One internal director, four independent external directors, two independent external auditors	It is a voluntary advisory body for the Board of Directors to discuss important matters that require objective determination in particular, such as the appointment and remuneration of directors and executive officers. By having such an advisory body for the Board of Directors, we have achieved fair, impartial, and highly transparent deliberations with regard to especially important management decisions and increased the effectiveness of the Board of Directors.
Chairperson	External director	
Meeting frequency	Five times a year	
		Main Agendas
		• Appointment/dismissal of directors and executive officers, remuneration (including evaluation of individuals)
		• Presidential succession planning

### Board of Corporate Auditors

Composition	Two full-time auditors, two independent external auditors	It performs auditing and supervision of management decision-making and business operations. We ensure full auditing and supervisory functions through close cooperation between auditors and the Internal Auditing Department and the independent auditor, whose independence is ensured, as well as attendance and statement of opinions by auditors at important meetings, such as meetings of the Board of Directors and the Management Council, and regular meetings with the President and Chief Executive Officer. By virtue of this structure, each auditor obtains sufficient information and fulfills rigorous, fair, impartial, and transparent auditing and supervisory functions.
Chairperson	Full-time auditor	
Meeting frequency	Once a month	

### Management Council

Composition	Two internal directors, 17 executive officers	Comprising internal directors and executive officers, the Management Council deliberates on important matters related to business execution based on the management policies decided by the Board of Directors. It holds regular meetings once a month, as well as ad hoc meetings as necessary.
Chairperson	President	
Meeting frequency	Once a month (ad hoc meetings as necessary)	

### Risk Management Committee

Chairperson	President	Chaired by the President and consisting of departments responsible for each risk designated according to risk classifications, the Risk Management Committee shares information and verifies the operation of the risk management system. It holds regular meetings twice a year.
Meeting frequency	Twice a year	

### Compliance Committee

Chairperson	President	Chaired by the President, the Compliance Committee considers measures to prevent compliance violations and to address whistleblower reports. It holds regular meetings twice a year, as well as ad hoc meetings as necessary.
Meeting frequency	Twice a year (ad hoc meetings as necessary)	

### Sustainability Promotion Committee

Chairperson	Executive Officer in charge of sustainability	Chaired by the Executive Officer in charge of sustainability and consisting of internal directors, executive officers, and department heads, the Sustainability Promotion Committee sets sustainability targets, manages progress, considers policies, and discusses initiatives on key themes.
Meeting frequency	Twice a year	

Corporate Governance

Directors’ Remuneration

The Company’s policy on determining the individual remuneration of directors is that the determination of the remuneration of each director should take into consideration the responsibility of that director not only for the Company’s standalone business results for a single fiscal year but also for the sustainable enhancement of the corporate value of the ULVAC Group. In addition, multiple remuneration elements are evaluated in combination in order to appropriately reflect the contributions of each director according to their respective responsibilities, ensuring that the remuneration of each director is objectively appropriate.

As described above, the Committee for Appointment and Remuneration, etc. comprehensively examines and reviews the proposals concerning the remuneration standards and evaluations of individual internal directors submitted by the Board of Directors in light of the Company’s policy on determining the content of remuneration of individual directors, and submits recommendations to the Board of Directors, which then determines the amounts of remuneration, etc. of individual directors while according due respect to the committee’s recommendations. Therefore, the Company believes that remuneration of individual directors is in line with the determination policy.

Composition of remuneration of internal directors

Basic remuneration

Fixed remuneration paid in a fixed amount every month based on the remuneration standards set for each executive position

Annual performance-linked remuneration

Primarily in order to motivate each internal director to work harder to improve the performance in each fiscal year, this remuneration is determined based on criteria determined with reference to performance indicators such as the Company's non-consolidated operating profit margin, taking into account an evaluation of each internal director's degree of contribution and achievement of duties.

Stock-based remuneration

Primarily in order to motivate each internal director to contribute more to the performance and increase of corporate value of the ULVAC Group over the medium to long term, this remuneration is determined with reference to the standards set for each executive position, based on the degree of achievement of performance targets in terms of consolidated operating profit for a single fiscal year covered under the mid-term management plan as a calculation indicator.

Evaluation of the Effectiveness of the Board of Directors

In an effort to enhance the functions of the Board of Directors and thus ultimately to increase our corporate value we ask individual directors and auditors to assess the Board’s effectiveness annually, in which each director and auditor directly gives replies to an external organization to ensure anonymity

Responses are submitted directly to an external organization to ensure anonymity, and the Board of Directors carries out an analysis and evaluation based on the aggregated results reported by the external organization.

While we determined that, as a result of the analysis and evaluation of the effectiveness of the Board of Directors in FY2023, the Board’s effectiveness has been maintained, we will continuously strive to improve the Board’s effectiveness by taking into account the recommendations about the enhancement of deliberations on business portfolio, etc.

Policy on Selection of External Directors and Auditors

ULVAC gives consideration to the desirable balance and diversity of the knowledge, experience, and skills of the members of the Board of Directors, as well as the appropriateness of its size, with a view to enhancing its effectiveness through multifaceted deliberations. Candidates for the Board of Directors are carefully selected by the Board of Directors in consideration of the aforementioned aspects. The Company also gives consideration to ensuring an appropriate number of board members for speedy decision-making.

Selection Criteria for External Directors and Auditors	The Company’s selection criteria for external directors and external auditors are not limited to those stipulated by laws and regulations but also emphasize the attributes that can be expected to enable external directors and external auditors to provide useful opinions, such as experience as corporate managers and expertise in areas such as law and accounting. In addition, from the perspective of fairness, the Company comprehensively considers whether there is any conflict of interest with the Company. Moreover, in order to ensure the fairness of the opinions of the independent external directors, the Company applies the independence criteria established by the Company.
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Principal Activities of External Directors and Auditors in FY2023

Name of external director/auditor	Reason for Selection as an External Director/Auditor	Attendance and principal activities
Hiroyuki Nishi	To receive valuable opinions based on his extensive experience and broad insight, primarily in risk management	Attended all 13 meetings of the Board of Directors held during the fiscal year and provided opinions concerning deliberation of the agenda as necessary, based on his extensive experience and insight as a corporate executive with extensive experience in both domestic and international companies.
Norio Uchida	To receive valuable opinions based on his extensive experience and broad insight, primarily in international sales activities	Attended all 13 meetings of the Board of Directors held during the fiscal year and provided opinions concerning deliberation of the agenda as necessary, based on his extensive experience and insight as a corporate executive with extensive experience in both domestic and international companies.
Dr. Kozo Ishida	To receive valuable opinions based on his extensive experience and broad insight, primarily in research and development	Attended all 13 meetings of the Board of Directors held during the fiscal year and provided opinions concerning deliberation of the agenda as necessary, based on his extensive experience and technical expertise as a corporate executive with experience in both domestic and international companies.
Yoshimi Nakajima	To receive valuable opinions based on her extensive experience and broad insight, primarily in international sales activities	Attended all 13 meetings of the Board of Directors held during the fiscal year and provided opinions concerning deliberation of the agenda as necessary, based on her extensive experience and sophisticated insight as a corporate executive with experience in both domestic and international companies.
Senshu Asada	To receive valuable opinions based on his extensive experience and expertise as a certified tax accountant.	Attended all 13 meetings of the Board of Directors and all 19 meetings of the Board of Corporate Auditors held during the fiscal year and provided opinions concerning deliberation of the agenda as necessary, mainly from a professional perspective as a certified tax accountant.
Isao Utsunomiya	To receive valuable opinions based on his extensive experience and expertise as a certified tax accountant.	Attended all 13 meetings of the Board of Directors and all 19 meetings of the Board of Corporate Auditors held during the fiscal year and provided opinions concerning deliberation of the agenda as necessary, mainly from a professional perspective as a certified tax accountant.
Soya Honda	To receive valuable opinions based on his extensive experience and expertise as a lawyer	Attended 10 meetings of the Board of Directors and 14 meetings of the Board of Corporate Auditors held during the fiscal year and provided opinions concerning deliberation of the agenda as necessary, primarily from a professional perspective as a lawyer.

Note 1: Auditor Senshu Asada resigned at the conclusion of the Annual General Meeting of Shareholders held on September 28, 2023.  
Note 2: Auditor Soya Honda was elected at the Annual General Meeting of Shareholders held on September 28, 2023.

Initiatives to Ensure the Effectiveness of Audits

During FY 2023, the Board of Corporate Auditors held 19 meetings, where important audit-related matters, including agendas for the Board of Directors, were reported and discussed. Based on the discussions at the Board of Corporate Auditors and the expertise of individual auditors, auditors provide appropriate recommendations to the Company’s directors as needed, not only during meetings of the Board of Directors but also at other times. Furthermore, the Company ensures that auditors have opportunities to regularly exchange opinions with directors, the Internal Auditing Department, and the independent auditor on a wide range of matters, including compliance and the status of internal control. Additionally, the Company ensures that auditors are provided with the necessary information for audits and guarantees their attendance at meetings deemed necessary for acquiring such information.

Training Policy for Directors and Auditors

The Company appropriately provides its directors and auditors with opportunities for training that is deemed necessary for them to fully and appropriately fulfill the roles and responsibilities that are expected of them.

Newly appointed external directors receive explanations regarding management strategy, financial standing, management issues, and other important matters, and are given opportunities to acquire knowledge and insight through tours of business sites, etc., as appropriate, for the purpose of obtaining a deeper understanding of the ULVAC Group

For newly appointed auditors, the Company provides training opportunities equivalent to those for newly appointed directors upon the request of the auditors. After they take office as directors and auditors, the Board of Directors provides them with opportunities to receive explanations regarding business strategies, management issues, and related matters of each business every year. The Company also provides them with financial support for training that is deemed necessary for them to fulfill their duties and encourages them to enhance their expertise. These training opportunities are continually reviewed and updated, as necessary.





## 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.



Management Structure

Directors



**Setsuo Iwashita**  
President and Chief Executive Officer

Expertise/  
experience

Corporate management

Global

Sales/  
marketing

March 1984  
August 1992  
September 1995  
July 1998  
March 2006  
October 2006  
September 2011  
July 2012  
September 2013  
July 2015  
July 2016  
September 2016  
July 2017  
January 2019  
July 2020

Joined the Company  
Manager of Beijing Business Office and Shanghai Business Office, Overseas Operation Division  
Director and Chief Executive Officer of ULVAC (NINGBO) CO., Ltd.  
General Manager of Chinese Region, Asia Division of the Company  
Director and Chief Executive Officer of ULVAC (CHINA) HOLDING CO., LTD.  
Chairman of ULVAC (Shanghai) Trading Co., Ltd.; Chairman of ULVAC (SUZHOU) CO., LTD.  
Director of the Company  
Director and Executive Officer  
Managing Executive Officer  
Senior Managing Executive Officer of the Company; Chairman of ULVAC (CHINA) HOLDING CO., LTD.  
Senior Managing Executive Officer and Senior Manager of Management Planning Department of the Company  
Director and Senior Managing Executive Officer, Senior Manager of Management Planning Department  
President and Chief Executive Officer  
President and Chief Executive Officer and General Manager of Human Resource Center  
President and Chief Executive Officer (current position)



**Sadao Aoki**  
Managing Executive Officer

Expertise/  
experience

Finance/  
accounting

April 1986  
July 2002  
March 2006  
April 2009  
May 2011  
December 2014  
August 2015  
May 2016  
July 2016  
July 2017  
September 2019  
July 2020  
July 2021  
July 2023  
September 2024

Joined The Dai-Ichi Kangyo Bank, Limited (currently Mizuho Bank, Ltd.)  
Deputy Head of Uchisaiwaicho Sales Department No. 5, Mizuho Corporate Bank, Ltd. (currently Mizuho Bank, Ltd.)  
Corporate Examiner, Corporate Promotion Department No. 1, Mizuho Corporate Bank, Ltd. (currently Mizuho Bank, Ltd.)  
Examiner of Corporate Examination Department No. 1, Mizuho Bank, Ltd.  
General Manager of Shinjuku-Shintoshin Branch, Mizuho Bank, Ltd.  
Seconded to Forum Engineering Inc. as Managing Executive Officer  
Joined Forum Engineering Inc. as Managing Director  
Joined the Company as Assistant Staff Manager to Senior Manager of Finance Department  
General Manager of Finance Department  
Executive Officer, General Manager of Finance Department  
Director and Executive Officer, General Manager of Finance & Accounting Department  
Senior Executive Officer, General Manager of Finance Department  
Managing Executive Officer, General Manager of Finance Department  
Managing Executive Officer, Head of Administration HQ  
Managing Executive Officer, Head of Administration HQ Responsible for Compliance (current position)



**Hiroyuki Nishi**  
Director

External

Independent

Expertise/  
experience

Corporate management

Global

Legal affairs/risk  
management

April 1983  
March 2007  
March 2010  
July 2011  
March 2014  
March 2017  
March 2018  
March 2018  
March 2020  
April 2020  
September 2020

Joined Nippon Life Insurance Company  
General Manager of International Planning & Operations Dept. and General Manager of China Office  
Executive Officer, General Manager of Europe, Deputy Director-General and General Manager of London Representative Office  
Director and Executive Officer, General Manager of the Americas, General Manager of Europe, Deputy Director-General, and General Manager of New York Representative Office  
Director and Managing Executive Officer, General Manager of International Planning & Operations Dept., General Manager of the Americas, General Manager of Europe, and General Manager of Asia  
Director and Senior Managing Executive Officer, General Manager of the Americas, General Manager of Europe, and General Manager of Asia  
Director  
President and Chief Executive Officer of Nissay Asset Management Corporation  
Advisor of Nissay Credit Guarantee Co., Ltd.  
President and Chief Executive Officer (current position)  
External Director of the Company (current position)



**Norio Uchida**  
Director

External

Independent

Expertise/  
experience

Corporate management

Global

Sales/  
marketing

April 1973  
June 1980  
February 1989  
October 1994  
July 1999  
June 2003  
July 2003  
June 2005  
June 2007  
June 2010  
June 2011  
June 2013  
June 2015  
September 2015

Joined Tokyo Optical Co., Ltd. (currently TOPCON CORPORATION)  
General Manager of Topcon Singapore Pte. Ltd.  
President of Topcon Australia Pty Ltd.  
Senior Vice President of Topcon Laser Systems, Inc. (currently Topcon Positioning Systems, Inc.)  
President of Topcon Laser Systems Japan, Inc.  
Executive Officer of TOPCON CORPORATION  
Director and President of Topcon Sales Corporation (currently TOPCON SOKKIA POSITIONING JAPAN CO., LTD.)  
Director and Executive Officer of TOPCON CORPORATION  
Director and Managing Executive Officer  
Director and Senior Managing Executive Officer  
Representative Director, President & CEO  
Advisor to the Board  
External Director of Nabtesco Corporation  
External Director of the Company (current position)



**Dr. Kozo Ishida**  
Director

External

Independent

Expertise/  
experience

Corporate management

Global

R&D/technology/  
manufacturing

March 1970  
June 1982  
March 1985  
June 1988  
June 1991  
June 1996  
July 2001  
June 2002  
June 2005  
March 2011  
March 2014  
March 2016  
September 2016  
March 2017  
April 2018

Joined HORIBA, Ltd.  
General Manager of Product Department I, Development and Sales Division  
President and Director of HORIBA Europe GmbH (Germany)  
Director of HORIBA, Ltd.  
Managing Director  
Senior Managing Director  
President and Director (CEO) of ABX, S.A. (currently HORIBA ABX SAS) (France)  
Vice President and Director of HORIBA, Ltd.  
Executive Vice President and Representative Director  
Director and Advisor of HORIBA STEC Co., Ltd.  
Vice Chairman and Representative Director of HORIBA, Ltd.  
Senior Advisor  
External Director of the Company (current position)  
External Director of Seiko Electric Co., Ltd. (current position)  
Fellow of HORIBA, Ltd.



**Yoshimi Nakajima**  
Director

External

Independent

Expertise/  
experience

Corporate management

Global

Sales/  
marketing

April 1980  
February 1982  
May 1997  
June 2000  
April 2002  
August 2011  
February 2014  
April 2014  
June 2017  
June 2018  
September 2018  
April 2021

Joined The Yasuda Trust and Banking Co., Ltd. (currently Mizuho Trust & Banking Co., Ltd.)  
Joined AVON PRODUCTS CO., LTD.  
Joined Citibank, N. A. as Vice President  
Joined Societe Generale Securities Services as Senior General Manager  
Joined American Express International, Inc. as Vice President in charge of Global Traveler's Check & Prepaid Card Service, Japan Branch  
Country Manager in Singapore (President)  
Senior Vice President of Japan Branch  
President and Representative Director of American Express Japan Co., Ltd.  
External Director of Yamaha Corporation; External Director of AEON Financial Service Co., Ltd. (current position)  
External Director of Japan Freight Railway Company (current position)  
External Director of the Company (current position)  
Outside Director of Sekisui House, Ltd. (current position)  
Specially-Appointed Professor of the Graduate School of Project Design (current position)

Auditors



**Yuji Morijiri**  
Auditor

Expertise/  
experience

Finance/  
accounting

April 1990  
March 2012  
March 2017  
March 2019  
April 2023  
September 2023

Joined Nippon Life Insurance Company  
General Manager of 2nd Tokai Corporate Relations Management Department  
General Manager of Group Annuities Department  
General Manager of 1st Corporate Relations Management Department  
Joined the Company  
Senior Manager, Assigned to Management Planning Department  
Full-time Auditor (current position)



**Kazuya Saito**  
Auditor

Expertise/  
experience

R&D/technology/  
manufacturing

April 1983  
July 1996  
October 2000  
July 2005  
September 2009  
July 2012  
September 2013  
July 2018  
July 2021  
September 2022

Joined the Company  
Manager of Vacuum Materials Laboratory, Tsukuba Institute for Super Materials  
Senior Manager of No. 3 Research Department, Chiba Institute for Super Materials  
General Manager of Chiba Institute for Super Materials  
Director, General Manager of Chiba Institute for Super Materials  
Director and Executive Officer, General Manager of Technology Planning Department  
Executive Officer, General Manager of Technology Planning Department, General Manager of Institute for Super Materials  
Senior Executive Officer, General Manager of Institute for Semiconductor and Electronic Technology  
Officer, Assigned to Strategic Planning Department  
Full-time Auditor (current position)



**Isao Utsunomiya**  
Auditor

External

Independent

Expertise/  
experience

Finance/  
accounting

April 1997  
July 1999  
June 2011  
June 2012  
June 2013  
June 2015  
June 2017  
September 2017  
June 2019

Registered as Certified Public Tax Accountant  
Opened Isao Utsunomiya Certified Public Tax Accountant Office  
Manager of Welfare Department of Kyobashi Branch, Tokyo Certified Public Tax Accountants' Association  
Representative Partner of Tsukiji Accounting Tax Corporation (current position)  
Director of Tokyo Certified Public Tax Accountants' Association  
Director and Deputy Manager of General Administration Department  
Manager of General Administration Department of Kyobashi Branch  
External Auditor of the Company (current position)  
Deputy General Manager of Kyobashi Branch, Tokyo Certified Public Tax Accountants' Association (current position)



**Soya Honda**  
Auditor

External

Independent

Expertise/  
experience

Legal affairs/risk  
management

December 2007  
April 2008  
April 2012  
April 2016  
September 2016  
November 2021  
April 2022  
September 2023

Registered as an attorney  
External assistant teacher of Chuo Law School (current position)  
Auditor of Tokyo Judo Federation (current position)  
Secretary-General of Certification and Evaluation Department of Japan Law Foundation  
External Corporate Auditor of bBreak Systems Co., Ltd. (current position)  
External Corporate Auditor of Ides Co., Ltd. (current position)  
Founder and Director of Soya Honda Law Office (current position)  
External Auditor of the Company (current position)

Composition of Key Organizations and Skills Matrix

Position	Name	Composition of key organizations				Expertise/experience*2					
		Board of Directors	Board of Corporate Auditors	Management Council*1	Committee for Appointment and Remuneration, etc.	Corporate management	Global	Sales/ marketing	R&D/ technology/ manufacturing	Finance/ accounting	Legal affairs/risk management
President and Chief Executive Officer	Setsuo Iwashita	●		●	●	●	●	●			
Managing Executive Officer	Sadao Aoki									●	
External Director	Hiroyuki Nishi	●			●	●	●				●
External Director	Norio Uchida	●			●	●	●	●			
External Director	Dr. Kozo Ishida	●			●	●	●		●		
External Director	Yoshimi Nakajima	●			●	●	●				
Full-time Auditor	Yuji Morijiri	●	●	●						●	
Full-time Auditor	Kazuya Saito	●	●	●					●		
External Auditor	Isao Utsunomiya	●	●		●					●	
External Auditor	Soya Honda	●	●		●						●

● Chairperson ● Chairperson ● Observer

\*1 In addition to the above, executive officers are members of the Management Council.

\*2 Main expertise and experience of each director and auditor are indicated. The above table summarizes the areas regarding which the Company has particular expectations, and is not a description of all their expertise and experience.

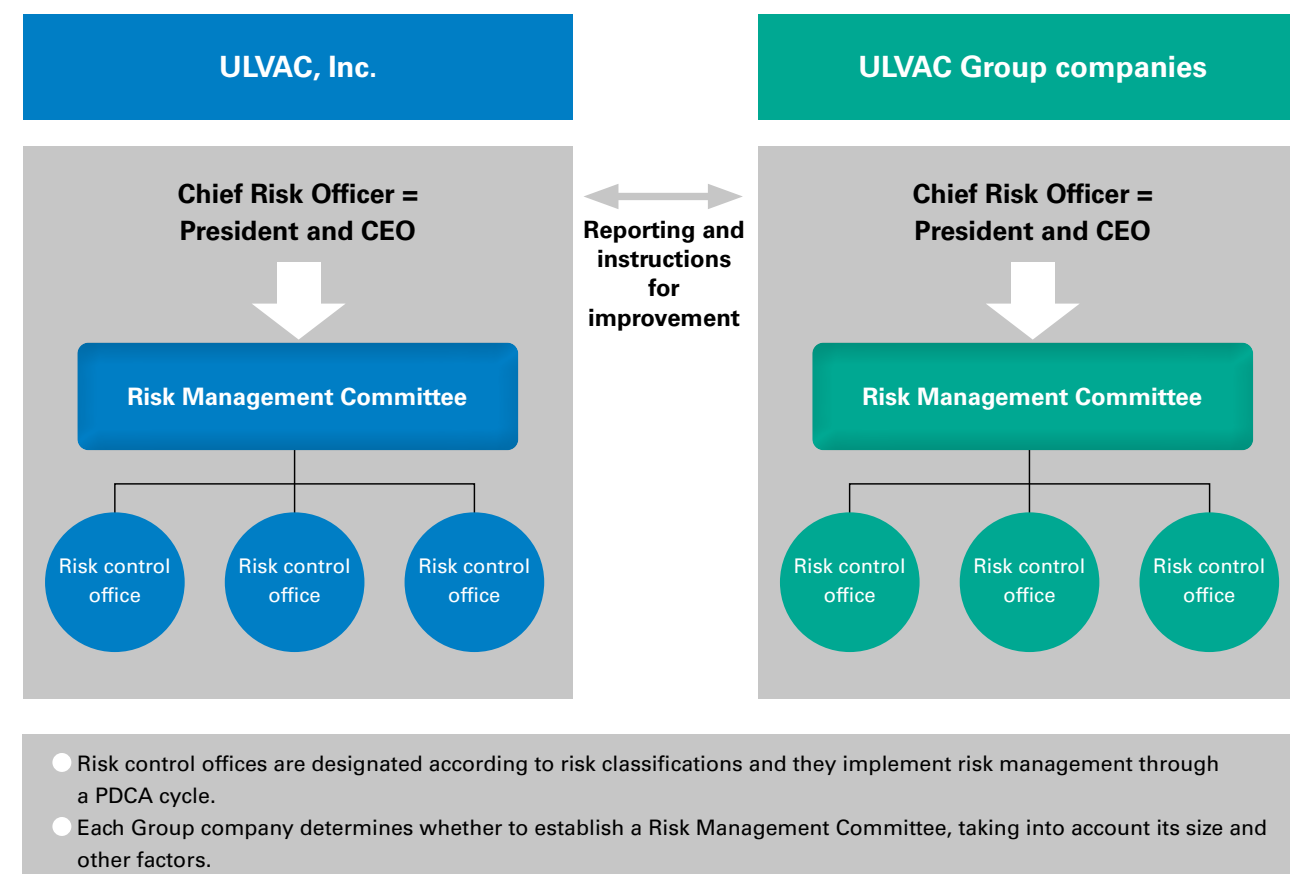
# Risk Management

The ULVAC Group considers that responding appropriately to increasingly complex and diverse risk factors leads to the creation of governance structures that contribute to the fulfillment of legal requirements and the creation of internal control structures, and by extension, the medium- to long-term improvement of corporate value. We are expanding systems that can respond appropriately to risk factors through identification, classification, analysis, and evaluation, and we are working to increase corporate value by incorporating them into our management strategy.

## Risk Management System

We have established rules concerning the risk management system, classifying a broad range of risks from various perspectives, and designated the control offices primarily responsible for risk management according to the classification of risks. Furthermore, these risk control offices identify more specific risks and respond to them. We work to ensure that these offices efficiently gather information that is important for operating the risk management system. In addition, in order to share and evaluate information concerning the operation of the risk management system on a company-wide basis, we have established a Risk Management Committee, which is chaired by the president, and mainly comprises representatives of the risk control offices with primary responsibility for risk management. The Risk Management Committee holds regular meetings as the overarching organization for risk management, and it determines company-wide basic policies, monitors the state of management and administration, and considers any improvements that can be made, etc. Furthermore, initiatives at ULVAC, Inc. are implemented at ULVAC Group companies as appropriate for the scale and business type of the company in question.

### Risk Management System



## Management of Risks

We have identified the principal risks that may have a significant impact on our financial position, business results, and cash flows, as outlined below. ULVAC discusses measures to mitigate these risks and leverage them as opportunities at decision-making bodies such as the Management Council.

### Recognized Risks in Business, etc.

- ① Market fluctuation   ② Research and development   ③ Global competitive environment   ④ Securing human resources
- ⑤ Supply chain   ⑥ Laws and regulations   ⑦ Quality   ⑧ Financing   ⑨ Information security   ⑩ Foreign exchange fluctuations
- ⑪ Intellectual property rights   ⑫ Safety   ⑬ Environmental regulations and response to climate change   ⑭ Other

### Market Fluctuation

The Group has acquired its market share and achieved growth by developing unique technologies and introducing them in the field of vacuum equipment used, in particular, in FPD, semiconductor, and electronic device production processes. On the other hand, if a great reduction in capital investment occurs or customers' financial conditions deteriorate owing to changes in market conditions of FPD manufacturers, or semiconductor and electronic device manufacturers, who are the Group's customers, the Group's business results and financial position may be adversely affected.

In the mid-term management plan launched in July 2023, the Group set a twofold basic policy: "Creating Social Value through Vacuum Technology" and "Enhancing Profit and Capital Efficiency Oriented Management" Under these basic policies, even in the case of market fluctuation, we aim to improve profitability by enhancing productivity and achieve sustainable growth by focusing on development in growth fields. Our diverse products are used in a wide range of fields. We will enhance our ability to respond to market fluctuations by building a stable revenue base centering on the semiconductor and electronic component fields.

### Research and Development

By maintaining vigorous R&D investment, our Group has consistently introduced new products featuring the latest technologies. However, should significant development delays occur for compelling reasons, causing postponements in product launches, there could be adverse effects on the Group's business performance and financial standing.

### Impact of the Global Competitive Environment

The Group operates business globally and provides products to customers in various countries and regions, but competitors also operate globally, and it is a competitive environment with new entrants. In such an environment, competition is intensifying not only in terms of product performance but also price, and the Group's business results and financial position may be adversely affected.

The Group is striving to maintain competitiveness by sharing its technology and product roadmap with customers and launching products using cutting-edge technologies at the appropriate time.

### Impact of Securing Human Resources

The Group regards securing human resources as one of the most important factors for continuing its growth in the global business environment. If the Group fails to continuously secure the necessary human resources for business growth, it may lead to a decline in competitiveness and adversely affect the Group's business results and financial position.

The Group views human resources as "human assets" and strives to create opportunities for diverse talents to continue to take on challenges. We secure the necessary talents by promoting human asset development, health and productivity management, and other measures to ensure that diverse talents who are in excellent physical and mental health and high spirits can demonstrate their abilities to the fullest.



# Compliance

We emphasize not only compliance with laws and regulations but also compliance with internal codes and ethical codes. As well as conducting awareness-raising activities so that each person in the ULVAC Group acts with a spirit of compliance, we have established and are operating a range of institutions and regulations to ensure more thorough compliance.

## Corporate Code of Conduct

In order to further promote fair and highly transparent corporate management, ULVAC has established the Corporate Code of Conduct, to which all officers and employees are required to adhere, and conducts education. In addition, booklets are distributed to Group companies to raise awareness about the importance of compliance. We use this Corporate Code of Conduct as a guideline for asking ourselves whether our business conduct is “in the best interest of our customers,” “correct in terms of laws and social ethics,” and “does not violate human rights.

## Compliance Education

We conduct company-wide education on compliance, prevention of insider trading, prevention of harassment, prevention of misconduct in research activities, etc., for all employees of ULVAC every year, achieving a 100% attendance rate. The education is designed to raise awareness not only by providing knowledge but also by encouraging appropriate actions.

## Whistleblowing System

In addition to a whistleblowing system operated via the Manager of the Internal Auditing Department, for which independence is secured in accordance with the Whistleblower Protection Act, we have also established an external whistleblowing hotline. The system is structured such that confidentiality is ensured throughout the process of investigating the content of reports. By putting in place a whistleblowing system that allows whistleblowers to feel secure in their reporting, we aim to detect any misconduct early and take appropriate corrective action.

After a whistleblower report has been received, the initial response is for the Compliance Committee of ULVAC to conduct an investigation in order to establish the facts. This investigation is particularly mindful of fairness, and is conducted judiciously and thoroughly. If necessary, assistance may be sought from external specialists to conduct extensive interviews and analyses as required.

The president chairs the Compliance Committee and the members of the Committee observe a strict duty of confidentiality in carrying out their duties.

## Handling of Violations

In the event that, based on the results of an investigation by the Compliance Committee, it is deemed that a violation of laws and regulations has been committed, the opinion of external specialists, such as lawyers, may be sought as necessary. Immediate suspension of the violation and implementation of improvement measures will be carried out, and appropriate measures will be taken against those involved after deliberation by the appropriate bodies. In addition, the root causes of the violation are also investigated in order to formulate effective measures for preventing recurrence.

Corporate Code of Conduct			
1	Excellent Products, Services, and Safety	10	Assurance of Safe and Healthy Work Environment
2	Sound and Healthy Relationships with Business Partners and Affiliates	11	Compliance with Laws and Regulations
3	Promotion of Maintenance of Fair and Free Competition	12	Severance ofTies with Anti-Social Forces
4	Protection of Intellectual Property Rights	13	Disclosure of Information
5	Corporate Secrets	14	Global Environmental Protection
6	Client Information	15	Local Contribution
7	Respect for Employees’ Personality and Individuality	16	Global Business Activities
8	Respect for Privacy	17	Thorough Implementation of Corporate Ethics
9	Respect for Human Rights and Nondiscriminatory Treatment	18	Individual Commitments



# With Our Stakeholders

In order to resolve social issues and co-create sustainable corporate value, we vigorously engage in dialogue with stakeholders and respond in a timely manner to changes in the market and business environment in which ULVAC operates.

## Dialogue with Employees

At the start of a new fiscal year and at the New Year’s reception, video messages from the ULVAC president and senior management are distributed to all Group companies in order to share ULVAC’s status and policies with employees, including those overseas. A questionnaire survey is conducted coinciding with each such video message to check the level of employees’ understanding and collect their opinions, which are then fed back to management and reflected in the planning of the next video project

## Collaboration with Business Partners

Through various briefings and information exchanges, we strive to share information directly relevant to our business and ask our business partners for their understanding and cooperation in enhancing communication on CSR procurement.

For details [»P.47](#) Procurement

## For Customer Satisfaction

In order to enhance customer satisfaction, we strive to improve the quality of our products and services based on the quality management system in accordance with the ISO 9001 standard. ULVAC’s 31 Group companies obtained ISO 9001:2015 certification for the integrated management system. Quality management is promoted by way of thorough analysis of nonconformities that occurred thorough analysis of nonconformities occurring within each process, implementation of recurrence prevention measures, feedback of findings, implementation of preventive measures, and process standardization activities. Furthermore, in order to achieve customer satisfaction in all phases from product delivery to disposal, we are working to reduce running costs, shorten lead times, and provide prompt, high-quality customer support.

For details [»](#) Website>> ISO 9001 Certification > Quality Assurance and Product Safety > Sustainability > ULVAC, Inc.

For details [»P.38](#) Customer Support

## Dialogue with Shareholders and Investors

We strive to provide our shareholders and investors with timely, fair, and easy-to-understand information about the Group’s medium-term management plan, growth strategy, and financial condition, in order to facilitate their understanding.

Regarding investor relations, in addition to quarterly financial results briefings, we actively offer opportunities for dialogue by organizing IR seminars, participating in conferences sponsored by securities companies in Japan and overseas, as well as in seminars for individual investors, and holding overseas roadshows, plant tours, and individual meetings.

We disclose financial results briefing materials, summaries of Q&A sessions, integrated reports, fact sheets, and other materials on our website. We strive to enhance the content and timeliness of our disclosures. From the viewpoint of fair disclosure, we disclose information in Japanese and English simultaneously to the extent possible.

Evaluations and opinions obtained through dialogue with shareholders, investors, and analysts are collected and summarized on a regular basis and are reported to the Board of Directors and the Management Council to share them with management, depending on their importance and nature, to incorporate them into management improvements as appropriate.

We will continue our efforts to strengthen engagement with shareholders and investors through proactive IR activities, with the aim of realizing sound corporate management and maximizing corporate value.

## Dialogue with Local Communities

In addition to contributing to society through our core business, we strive to make social contributions that benefit local communities, focusing on “Local Communities,” “Environment” and “Education Support for the Next Generation.”

For details [»](#) Website>> Social Contribution Activities > Sustainability > ULVAC, Inc.

IR activities	Results in FY2023
External engagement	
Financial briefing	4 times
IR interviews with institutional investors and analysts	Approx. 789 persons
Participation in conferences for overseas institutional investors	29 sessions
IR interviews on overseas roadshows	24 individuals
Plant tours	11 times
Seminars for individual investors	3 times
IR seminar	1 session
Internal engagement	
IR Monthly Report	Issued monthly
Reports at Board of Directors and Management Council	8 times

# 11-Year Financial and Non-financial Data

		FY2013 2014.6	FY2014 2015.6	FY2015 2016.6	FY2016 2017.6
	(Unit)				

Financial Data

Key financial results

Net sales* <sup>1</sup>	Millions of yen	173,878	179,174	192,437	231,831
Operating profit	Millions of yen	11,996	11,132	17,864	29,468
Ordinary profit	Millions of yen	13,384	12,475	18,373	29,716
Profit attributable to owners of parent* <sup>2</sup>	Millions of yen	11,538	8,874	16,698	24,469
Net assets	Millions of yen	72,238	84,928	78,032	104,917
Total assets	Millions of yen	230,791	242,348	219,561	245,306
Cash flows from operating activities	Millions of yen	32,213	21,992	23,708	37,818
Cash flows from investing activities	Millions of yen	(3,023)	(4,055)	(5,593)	(13,713)
Cash flows from financing activities	Millions of yen	(16,881)	(14,895)	(32,448)	(22,580)
Cash and cash equivalents at end of period	Millions of yen	57,012	61,670	44,862	47,555

Key performance indicators

Net assets per share	Yen	1,040.23	1,398.66	1,477.29	2,002.90
Earnings per share	Yen	223.18	172.73	338.37	496.35
Shareholders' equity ratio	%	29.2	32.8	33.2	40.2
ROE (return on equity)* <sup>3</sup>	%	18.8	12.1	21.9	28.5
Ordinary profit margin	%	5.6	5.3	8.0	12.8
Price-earnings ratio* <sup>4</sup>	Times	9.66	10.91	9.21	10.88

Other indicators

Capital expenditure	Billions of yen	62	67	70	83
R&D cost	Billions of yen	52	56	63	69
Interest-bearing debt	Billions of yen	896	826	627	427
Dividends	Yen	—	10.0	30.0	50.0
Dividend payout ratio	%	—	5.8	8.9	10.1
Number of employees	Persons	5,971	5,904	5,886	6,072

Non-Financial Data

Frequency ratio of occupational accidents* <sup>5</sup>	%	—	—	—	—
Ratio of women in managerial positions	%	—	—	—	—
CO <sub>2</sub> emissions					
Total	t-CO <sub>2</sub>	—	—	—	—
Group companies in Japan	t-CO <sub>2</sub>	—	—	—	—
Group companies overseas	t-CO <sub>2</sub>	—	—	—	—
Waste emissions					
Amount of valuable materials	t	—	—	—	—
Amount of landfill	t	—	—	—	—
Total amount of waste recycled	t	—	—	—	—
Final landfill disposal rate	%	—	—	—	—

\*1 Net sales do not include consumption taxes.  
\*2 The Company applies the “Revised Accounting Standard for Business Combinations” (ASBJ Statement No. 21, September 13, 2013) and “profit attributable to owners of parent” is presented instead of “profit.”  
\*3 The ROE (return on equity) figure for FY2012 is not presented because the Company recorded a net loss for the period.  
\*4 The price-earnings ratio for FY2012 is not presented because the Company recorded a net loss for the period.  
\*5 ULVAC, Inc. on a non-consolidated basis

FY2017 2018.6	FY2018 2019.6	FY2019 2020.6	FY2020 2021.6	FY2021 2022.6	FY2022 2023.6	FY2023 2023.6
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249,271	220,721	185,402	183,011	241,260	227,528	261,115
35,351	23,828	15,958	17,197	30,061	19,946	29,771
36,907	25,575	18,052	17,966	32,200	22,880	29,785
35,904	18,665	10,769	14,830	20,211	14,169	20,233
154,069	157,588	161,093	173,699	196,484	204,853	227,727
297,418	282,302	282,350	292,761	354,304	353,474	388,653
19,086	18,282	18,738	25,520	33,931	1,011	17,162
(1,564)	(9,448)	(4,143)	(6,925)	(7,432)	(15,673)	(19,524)
(10,734)	(5,844)	7,455	(16,061)	(6,445)	(5,438)	(2,784)
54,348	55,859	77,948	83,061	107,106	87,317	84,541

2,994.12	3,062.39	3,132.22	3,388.87	3,837.17	4,024.72	4,473.50
728.68	378.78	218.54	301.12	410.37	287.70	410.67
49.5	53.5	54.6	57.0	53.3	56.1	56.7
29.2	12.5	7.1	9.2	11.4	7.3	9.7
13.6	8.8	6.4	6.2	10.0	6.5	8.0
5.82	9.02	14.23	18.70	11.26	21.17	25.59

129	129	103	100	110	197	215
83	92	84	84	103	138	133
357	356	498	395	395	420	467
95.0	105.0	80.0	95.0	124.0	109.0	144.0
13.0	27.7	36.6	31.5	30.2	37.9	35.1
6,439	6,424	6,370	6,063	6,235	6,264	6,234

0.37	0.00	0.00	0.76	0.39	0.56	0.54
—	—	—	6.6	7.7	9.0	9.8
96,653	98,971	93,781	90,934	92,052	89,828	83,465
61,557	63,769	59,502	55,829	55,560	51,647	46,219
35,096	35,202	34,279	35,105	36,492	38,181	37,246
1,767	1,877	1,173	1,136	1,189	1,169	1,007
289	286	163	80	93	101	121
6,504	6,584	4,987	4,936	4,426	4,817	3,515
3.6	3.6	2.6	1.4	1.4	1.6	2.5



# Financial Overview

Forward-looking statements contained in this document are based on the current assumptions and beliefs of ULVAC in light of the information available to it as of September 27, 2024.

## Management’s Recognition, Analysis and Discussion of Financial Position and Operating Results

For the fiscal year ended June 30, 2024 (FY2023), net sales amounted to ¥261,115 million, a 14.8% increase compared to the previous year. In the semiconductor and electronic device manufacturing equipment sector, the recovery in investments for advanced logic and memory, along with active investments in power devices in Japan and China, were key contributors. Additionally, in the industrial battery sector, which is part of the display and energy-related production equipment segment, mass production investments aimed at the miniaturization, increased capacity, and enhanced safety of EV batteries began to ramp up. These factors played a significant role in the growth of net sales.

The operating profit margin improved to 11.4%, up by 2.6 percentage points from the same period last year. This improvement was primarily due to increased sales, particularly in the higher-margin semiconductor and electronic component manufacturing equipment.

Furthermore, the total research and development costs were ¥13.313 billion, a decrease of ¥452 million from the previous year. The ratio of R&D costs to net sales decreased by 1.0 percentage point to 5.1%. Strengthening R&D capabilities remains a key focus in our mid-term management plan, as we continue to enhance investments towards future growth.

In terms of objective indicators to assess the achievement of management policies, strategies, and goals, the ULVAC Group has disclosed a mid-term management plan for the three-year period starting with the fiscal year ending June 2024. This plan outlines two basic policies: “creating social value through vacuum technology” and “focusing on profit and capital efficiency in management.” Under these policies, we monitor key performance indicators such as net sales, gross profit margin, operating profit margin, operating cash flow, and return on equity (ROE) as outlined in our financial model.

For the third year of the mid-term management plan, we aim to achieve net sales of ¥300 billion, a gross profit margin of 35%, an operating profit margin of 16%, cumulative operating cash flow of ¥63 billion, and an ROE of 14%. With these targets, we will continue to pursue growth from a mediumto long-term perspective through specific initiatives

Management’s recognition, analysis and discussion of operating results by business segment are as follows.

### ■ Vacuum Equipment Business

Net sales increased by 14.9% year on year, reaching ¥212,314 million. The main factors behind this growth include the recovery trend in investments for advanced logic and memory, the increased investment in power devices in Japan and China, and the full-scale commencement of mass production investments aimed at miniaturizing and increasing the capacity and safety of EV batteries in the industrial battery sector, which is included in display and energy-related manufacturing equipment. Regarding segment profit margin, it improved to 12.3% in the fiscal year under review, up from 9.0% in the previous fiscal year. This improvement was mainly due to the increase in net sales and the growth in sales of semiconductor and electronic component manufacturing equipment, which has a higher profit margin

### ■ Vacuum Application Business

Net sales increased by 14.1% year on year, reaching ¥48,801 million. This growth was mainly due to the recovery in operating rates at FPD-related customer factories and strong sales of mask blanks for high-definition and high-performance displays, which contributed to the increase in net sales for this segment. Regarding segment profit margin, it decreased to 7.3% for the fiscal year under review, down from 7.8% in the previous fiscal year. This decline was primarily due to the increase in net sales of relatively lower-margin products.

## Financial Position

Total assets at the end of FY2023 increased by ¥35,179 million compared to the previous fiscal year-end, reaching ¥388,653 million. This was due to an increase of ¥19,723 million in notes and accounts receivable, trade and contract assets, ¥7,537 million in inventories, and ¥10,157 million in property, plant and equipment, despite a decrease of ¥2,065 million in cash deposits. Total liabilities amounted to ¥160,926 million, an increase of ¥12,306 million compared to the previous fiscal year-end. This was mainly due to increases in contract liabilities of ¥3,939 million, long-term borrowings of ¥3,714 million, and provision for bonuses of ¥1,881 million. Net assets amounted to ¥227,727 million, an increase of ¥22,873 million compared to the previous fiscal year-end. This was primarily due to an increase of ¥14,854 million in retained earnings and an increase of ¥5,976 million in foreign currency translation adjustment, mainly attributable to the recording of profit attributable to owners of parent. As a result, the shareholders’ equity ratio was 56.7%. We will continue to strengthen our financial base through measures such as enhanced cash flows from operating activities.

## Cash Flows

At the end of FY2023, cash and cash equivalents decreased by ¥27,760 million compared to the previous fiscal year-end, totaling ¥84,541 million, primarily due to the impact of foreign exchange resulting from the depreciation of the yen. The status of cash flows from operating activities, investing activities, and financing activities, as well as the major contributing factors, are as follows:

### Cash Flows from Operating Activities

While working capital increased, net cash provided by operating activities amounted to ¥17,162 million, driven by the recognition of profit before income taxes, depreciation, and other factors. To achieve the target of operating cash flow of ¥63.0 billion (cumulative total for three years through the fiscal year ending June 30, 2026) set in the medium-term management plan, we will continue to strengthen our cash flow management efforts.

### Cash Flows from Investing Activities

Net cash used in investing activities totaled ¥19,524 million due to expenditures related to the acquisition of property, plant and equipment and intangible assets. As a result, free cash flows was negative at ¥2,362 million.

### Cash Flows from Financing Activities

Net cash used in financing activities amounted to ¥2,784 million, mainly due to dividend payments based on the performance-linked payout ratio. ULVAC positions profit distribution to shareholders as one of its most important policies and aims for long-term increases in dividends through further growth. As part of this, starting from the fiscal year ending June 30, 2024, we plan to increase the performance-linked payout ratio to 35% or more.

## Financial Resources and Liquidity

The ULVAC Group’s main funding needs are based on R&D investments, capital investments, and working capital required for business operations, particularly for expanding development investments in the semiconductor and electronics fields, which are key growth areas. These funding needs will be addressed through cash flows from operating activities and borrowings from financial institutions. In terms of fund procurement, the Group strives to smooth out the annual repayment amounts to reduce refinancing risks and the repayment burden.

Given the prolonged high interest rate environment in Western countries and concerns over an economic slowdown in China, the Group has secured sufficient liquidity on hand to prepare for unforeseen circumstances. Additionally, the Group has established a system that allows it to secure additional funds through commitment-line arrangements. As a result, the Group is positioned for stable management for the time being. The Group will continue to maintain this system so that necessary funds can be secured in a timely manner to respond to sudden changes in the business environment.

Consolidated Financial Statements

Consolidated Balance Sheet

(Millions of yen)

	FY2022 (As of June 30, 2023)	FY2023 (As of June 30, 2024)
<b>Assets</b>		
<b>Current assets</b>		
Cash and deposits	98,399	96,334
Notes and accounts receivable, trade and contract assets	83,538	103,261
Merchandise and finished goods	6,140	6,426
Work in process	36,485	40,911
Raw materials and supplies	19,335	22,162
Other	11,903	10,224
Allowance for doubtful accounts	(521)	(472)
Total current assets	255,280	278,846
<b>Non-current assets</b>		
<b>Property, plant and equipment</b>		
Buildings and structures	87,062	98,606
Accumulated depreciation	(61,146)	(64,288)
Buildings and structures, net	25,915	34,318
Machinery, equipment and vehicles	84,162	91,002
Accumulated depreciation	(63,763)	(66,142)
Machinery, equipment and vehicles, net	20,399	24,860
Tools, furniture and fixtures	14,840	15,272
Accumulated depreciation	(13,099)	(12,940)
Tools, furniture and fixtures, net	1,741	2,332
Land	8,245	8,285
Leased assets	5,981	6,202
Accumulated depreciation	(2,311)	(2,506)
Leased assets, net	3,670	3,696
Construction in progress	9,617	6,254
Total property, plant and equipment	69,588	79,745
<b>Intangible assets</b>		
Leased assets	23	24
Software	1,746	2,998
Other	2,568	2,381
Total intangible assets	4,336	5,403
<b>Investments and other assets</b>		
Investment securities	10,151	10,307
Retirement benefit asset	940	1,158
Deferred tax assets	6,245	5,860
Other	8,962	8,173
Allowance for doubtful accounts	(2,030)	(839)
Total investments and other assets	24,269	24,659
Total non-current assets	98,193	109,807
Total assets	353,474	388,653

(Millions of yen)

	FY2022 (As of June 30, 2023)	FY2023 (As of June 30, 2024)
<b>Liabilities</b>		
<b>Current liabilities</b>		
Notes and accounts payable, trade	47,336	46,340
Short-term borrowings	11,878	12,967
Lease liabilities	898	958
Income taxes payable	2,328	3,378
Contract liabilities	22,685	26,624
Provision for bonuses	5,072	6,954
Provision for bonuses for directors (and other officers)	368	396
Provision for product warranties	1,726	1,750
Provision for loss on orders received	313	884
Other	14,149	16,126
Total current liabilities	106,754	116,378
<b>Non-current liabilities</b>		
Long-term borrowings	30,080	33,794
Lease liabilities	3,037	2,972
Deferred tax liabilities	195	473
Retirement benefit liability	7,414	5,758
Provision for share awards for directors (and other officers)	311	470
Asset retirement obligations	409	414
Other	420	667
Total non-current liabilities	41,867	44,548
Total liabilities	148,620	160,926
<b>Net Assets</b>		
<b>Shareholders' equity</b>		
Share capital	20,873	20,873
Capital surplus	3,912	3,912
Retained earnings	160,563	175,417
Treasury shares	(345)	(257)
Total shareholders' equity	185,003	199,945
<b>Accumulated other comprehensive income</b>		
Valuation difference on available-for-sale securities	2,036	1,928
Foreign currency translation adjustment	12,721	18,696
Remeasurements of defined benefit plans	(1,547)	(140)
Total accumulated other comprehensive income	13,209	20,485
Non-controlling interests	6,641	7,297
Total net assets	204,853	227,727
Total liabilities and net assets	353,474	388,653



## Consolidated Financial Statements

### Consolidated Statements of Income

(Millions of yen)

	FY2022 (July 1, 2022-June 30, 2023)	FY2023 (July 1, 2023-June 30, 2024)
<b>Net sales</b>	227,528	261,115
<b>Cost of sales</b>	160,366	180,455
<b>Gross profit</b>	67,162	80,660
<b>Selling, general and administrative expenses</b>		
Selling expenses	17,893	20,840
General and administrative expenses	29,324	30,050
Total selling, general and administrative expenses	47,217	50,890
<b>Operating profit</b>	19,946	29,771
<b>Non-operating income</b>		
Interest income	394	522
Dividend income	429	574
Subsidy income	320	340
Share of profit of entities accounted for using equity method	2,661	495
Other	1,259	1,060
Total non-operating income	5,063	2,989
<b>Non-operating expenses</b>		
Interest expenses	441	507
Foreign exchange losses	574	1,386
Commission for syndicated loans	287	—
Other	826	1,081
Total non-operating expenses	2,128	2,975
<b>Ordinary profit</b>	22,880	29,785
<b>Extraordinary income</b>		
Gain on sales of investment securities	—	155
Gain on sales of non-current assets	153	94
Total extraordinary income	153	249
<b>Extraordinary losses</b>		
Impairment losses	2,311	217
Loss on valuation of investment securities	—	303
Total extraordinary losses	2,311	520
<b>Profit before income taxes</b>	20,722	29,515
<b>Income taxes - current</b>	6,100	7,401
<b>Income taxes - deferred</b>	542	565
<b>Total income taxes</b>	6,642	7,966
<b>Profit</b>	14,080	21,549
<b>Profit (loss) attributable to non-controlling interests</b>	(89)	1,316
<b>Profit attributable to owners of parent</b>	14,169	20,233

### Consolidated Statements of Comprehensive Income

(Millions of yen)

	FY2022 (July 1, 2022-June 30, 2023)	FY2023 (July 1, 2023-June 30, 2024)
<b>Profit</b>	14,080	21,549
<b>Other comprehensive income</b>		
Valuation difference on available-for-sale securities	602	(121)
Foreign currency translation adjustment	639	5,600
Remeasurements of defined benefit plans, net of tax	154	1,405
Share of other comprehensive income of entities accounted for using equity method	(59)	655
Total other comprehensive income	1,336	7,539
Comprehensive income	15,415	29,088
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	15,357	27,509
Comprehensive income attributable to non-controlling interests	59	1,579

### Consolidated Statements of Cash Flows

(Millions of yen)

	FY2022 (July 1, 2022-June 30, 2023)	FY2023 (July 1, 2023-June 30, 2024)
<b>Cash flows from operating activities</b>		
Profit before income taxes	20,722	29,515
Depreciation	8,245	9,181
Impairment losses	2,311	217
Loss (gain) on valuation of investment securities	—	303
Increase (decrease) in allowance for doubtful accounts	36	(1,358)
Increase (decrease) in provision for bonuses	(869)	1,639
Increase (decrease) in retirement benefit liability	238	319
Increase (decrease) in provision for share awards for directors (and other officers)	39	159
Increase (decrease) in provision for product warranties	328	(65)
Increase (decrease) in provision for loss on orders received	297	571
Interest and dividend income	(822)	(1,095)
Interest expenses	441	507
Subsidy income	(321)	(340)
Share of loss (profit) of entities accounted for using equity method	(2,661)	(495)
Loss (gain) on sale of investment securities	—	(155)
Loss (gain) on sale of non-current assets	(153)	(94)
Decrease (increase) in trade receivables	3,629	(15,524)
Decrease (increase) in inventories	(12,530)	(6,904)
Increase (decrease) in trade payables	(8,418)	(2,981)
Increase (decrease) in net contract liabilities	(2,725)	2,113
Increase (decrease) in accrued consumption taxes	(913)	71
Increase (increase) in accrued consumption taxes	(40)	1,496
Other	2,540	4,768
<b>Subtotal</b>	<b>9,373</b>	<b>21,851</b>
Interest and dividends received	1,026	1,601
Interest paid	(400)	(535)
Income taxes paid	(8,987)	(5,756)
<b>Cash flows from operating activities</b>	<b>1,011</b>	<b>17,162</b>
<b>Cash flows from investing activities</b>		
Payments into time deposits	(25,578)	(25,562)
Proceeds from withdrawal of time deposits	25,495	25,214
Purchase of property, plant and equipment and intangible assets	(16,311)	(19,881)
Proceeds from sale of property, plant and equipment and intangible assets	435	128
Proceeds from sale of investment securities	—	291
Subsidy income	321	340
Other	(36)	(53)
<b>Cash flows from investing activities</b>	<b>(15,673)</b>	<b>(19,524)</b>
<b>Cash flows from financing activities</b>		
Net increase (decrease) in short-term borrowings	1,483	(459)
Proceeds from long-term borrowings	7,300	12,800
Repayments of long-term borrowings	(6,368)	(7,722)
Repayments of lease liabilities	(879)	(1,078)
Dividends paid	(6,115)	(5,375)
Purchase of treasury shares	(1)	(1)
Dividends paid to non-controlling interests	(858)	(949)
Other	0	—
<b>Cash flows from financing activities</b>	<b>(5,438)</b>	<b>(2,784)</b>
<b>Effect of exchange rate change on cash and cash equivalents</b>	<b>312</b>	<b>2,369</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(19,788)</b>	<b>(2,776)</b>
<b>Cash and cash equivalents at beginning of period</b>	<b>107,106</b>	<b>87,317</b>
<b>Cash and cash equivalents at end of period</b>	<b>87,317</b>	<b>84,541</b>

# Company Data/Stock Information

Company Profile As of June 30, 2024

Name	ULVAC, Inc.
Trademark	ULVAC
Head office	2500 Hagisono, Chigasaki, Kanagawa Prefecture, Japan
Established	August 23, 1952
Capital	¥20,873,042,500
Number of employees	Non-consolidated 1,680 Consolidated 6,234

Stock Information

As of June 30, 2024

Total number of shares authorized	100,000,000
Total number of shares issued	49,355,938
Total number of shareholders	10,188

Directors, Auditors and Executive Officers As of September 27, 2024

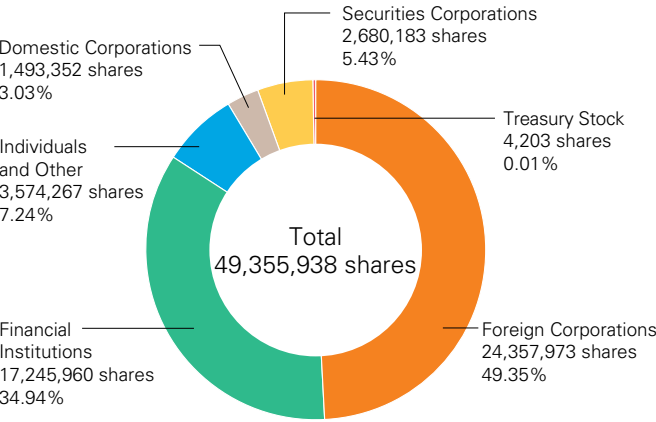
President and Chief Executive Officer	Setsuo Iwashita	Senior Executive Officer	Shigemitsu Sato
Managing Executive Officer	Sadao Aoki	Senior Executive Officer	Tomoyasu Kondo
External Director	Hiroyuki Nishi	Senior Executive Officer	Takeshi Haginouchi
External Director	Norio Uchida	Senior Executive Officer	Seigou Kinugawa
External Director	Dr. Kozo Ishida	Senior Executive Officer	Shinji Takahashi
External Director	Yoshimi Nakajima	Executive Officer	Sun-Gil Kim
Auditor	Yuji Morijiri	Executive Officer	Yasuhiro Hara
Auditor	Kazuya Saito	Executive Officer	Harunori Iwai
External Auditor	Isao Utsunomiya	Executive Officer	Hiroaki Iwasawa
External Auditor	Soya Honda	Executive Officer	Yoshiki Iso
Managing Executive Officer	Tetsuya Shimada	Executive Officer	Dr. Bingjun Yang
Managing Executive Officer	Yasuo Shimizu	Executive Officer	Tung-Jung Wu
Managing Executive Officer	Dr. Ju Hoon Shin	Executive Officer	Hirohisa Takahashi
Managing Executive Officer	Junya Kiyota		

Major Shareholders

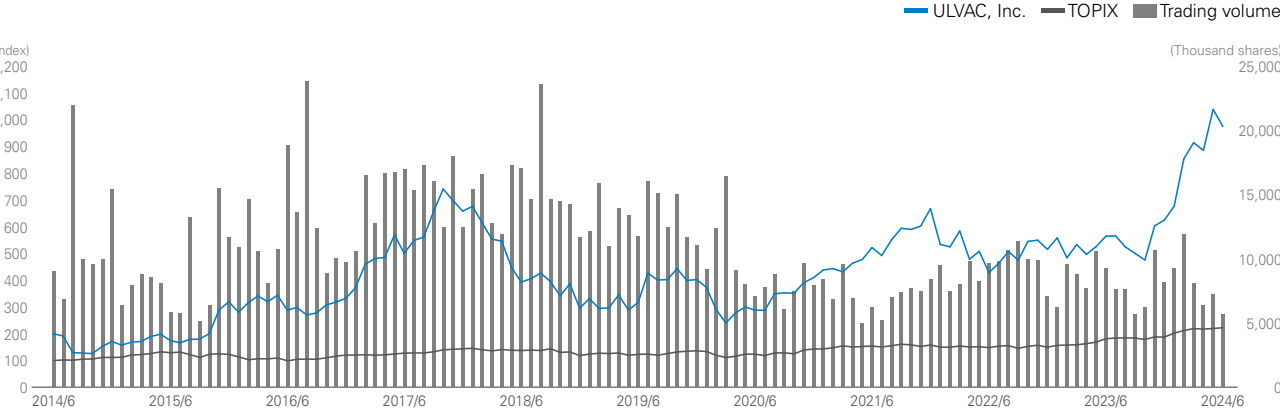
Shareholder's name	Number of shares (Thousands)	Shareholding ratio (%)
The Master Trust Bank of Japan, Ltd.	6,485	13.14
Custody Bank of Japan, Ltd.	4,239	8.59
Nippon Life Insurance Company	3,242	6.57
BBH (LUX) FOR FIDELITY FUNDS-GLOBAL TECHNOLOGY POOL	2,980	6.04
TAIYO FUND,L.P.	2,071	4.20
JPMorgan Securities Japan Co., Ltd.	1,791	3.63
SSBTC CLIENT OMNIBUS ACCOUNT	1,627	3.30
TAIYO HANEI FUND,L.P.	1,292	2.62
STATE STREET BANK AND TRUST COMPANY 505001	1,262	2.56
STATE STREET BANK AND TRUST COMPANY 505038	1,259	2.55

Note: Treasury stock (4,203 shares) is excluded from the calculation of shareholding ratios.

Number of Shares Held by Shareholder Type



Share Price\* and Trading Volume



\*The Company's share price and the TOPIX index indicated by line graphs as of June 30, 2014 are 100.

TSR (Total Shareholder Return)\*

Annualized TSR

Shareholding period	3 years	5 years	10 years
ULVAC, Inc.	193.4%	323.9%	526.3%
TOPIX	155.6%	204.3%	279.1%

\* TSR is the overall yield for shareholders that takes into account both capital gains and dividends. By referring to the formula prescribed by the Cabinet Office Ordinances, the yield for each shareholding period at the end of FY 2023 is calculated. The closing price at the end of FY 2020, at the end of FY 2018, and at the end of FY 2013 is used as the base stock price at the start of investment for each investment period of 3 years, 5 years, and 10 years, respectively.

ULVAC Group Companies As of June 30, 2024

**Japan**

- ULVAC TECHNO, Ltd.
- ULVAC KIKO, Inc.
- ULVAC EQUIPMENT SALES, Inc.
- ULVAC CRYOGENICS INCORPORATED
- ULVAC-PHI, Inc.
- TIGOLD CORPORATION
- ULVAC COATING CORPORATION
- NISSIN SEIGYO Co., LTD.
- FINE SURFACE TECHNOLOGY CO., LTD.
- SHOWA SHINKU CO., LTD.

**China**

- ULVAC (CHINA) HOLDING CO., LTD.
- ULVAC (NINGBO) CO., LTD.
- ULVAC (SUZHOU) CO., LTD.
- ULVAC Orient (Chengdu) Co., Ltd.
- ULVAC ORIENT TEST AND MEASUREMENT TECHNOLOGY (CHENGDU) CO., LTD.
- ULVAC Automation Technology (Shanghai) Corporation
- ULVAC Tianma Electric (Jingjiang) Co., Ltd.
- ULVAC (Shenyang) Co., Ltd.
- ULVAC (Shanghai) Trading Co., Ltd.
- ULVAC Materials (Suzhou) Co., Ltd.
- ULVAC CRYOGENICS (NINGBO) INCORPORATED
- ULVAC Research Center SUZHOU Co., Ltd.
- ULVAC VACUUM EQUIPMENT (SHANGHAI) CO., LTD.
- ULVAC Coating Technology (HEFEI) Co., Ltd.
- ULVAC PHI Instruments Co., Ltd.

**Europe**

- ULVAC GmbH

**North America**

- ULVAC Technologies, Inc.
- Physical Electronics USA, Inc.

**Taiwan**

- ULVAC TAIWAN INC.
- ULTRA CLEAN PRECISION TECHNOLOGIES CORP.
- ULCOAT TAIWAN, Inc.
- ULVAC AUTOMATION TAIWAN Inc.
- ULVAC SOFTWARE CREATIVE TECHNOLOGY, Co., Ltd.
- ULVAC Materials Taiwan, Inc.

**Southeast Asia**

- ULVAC SINGAPORE PTE LTD
- ULVAC MALAYSIA SDN. BHD.
- ULVAC (THAILAND) LTD.

**South Korea**

- ULVAC KOREA, Ltd.
- Pure Surface Technology, Ltd.
- ULVAC CRYOGENICS KOREA INCORPORATED

Participation in External Initiatives

Signing the United Nations Global Compact

Endorsing the Task Force on Climate-related Financial Disclosures (TCFD) Recommendations

Participating in the Semiconductor Climate Consortium (SCC)

External Recognition

**2024 CONSTITUENT MSCI NIHONKABU ESG SELECT LEADERS INDEX**

**FTSE Blossom Japan Sector Relative Index**

**S&P/JPX Carbon Efficient Index**

MSCI Japan ESG Select Leaders Index  
THE INCLUSION OF ULVAC, INC. IN ANY MSCI INDEX, AND THE USE OF MSCI LOGOS, TRADEMARKS, SERVICE MARKS OR INDEX NAMES HEREIN, DO NOT CONSTITUTE A SPONSORSHIP, ENDORSEMENT OR PROMOTION OF ULVAC, INC. BY MSCI OR ANY OF ITS AFFILIATES. THE MSCI INDEXES ARE THE EXCLUSIVE PROPERTY OF MSCI. MSCI AND THE MSCI INDEX NAMES AND LOGOS ARE TRADEMARKS OR SERVICE MARKS OF MSCI OR ITS AFFILIATES.

FTSE Blossom Japan Sector Relative Index  
FTSE Russell (Registered trademark of FTSE International Limited and Frank Russell Company) hereby certifies that ULVAC, Inc. has qualified for inclusion in the FTSE Blossom Japan Sector Relative Index as a result of independent research. The FTSE Blossom Japan Sector Relative Index is widely used to create and evaluate sustainable investment funds and other financial products.

S&P/JPX Carbon Efficient Index  
The S&P/JPX Carbon Efficient Index developed by S&P Dow Jones Indices and the Tokyo Stock Exchange is designed to measure the performance of companies in the Tokyo Stock Price Index (TOPIX), while overweighting or underweighting those companies that have lower or higher levels of carbon emissions per unit of revenue and based on their environment-related disclosure.

For details [Website >>](#)  
[ULVAC's Sustainability > ULVAC's Sustainable Management > Sustainability > ULVAC, Inc.](#)