Contribution to a Sustainable Global Environment

At the 28th Conference of the Parties to the United Nations Framework Convention on Climate Change (COP28), held in November 2023, a Global Stocktake (GST) was conducted to assess the world's progress toward achieving the goals of the Paris Agreement. The GST emphasized the need to reduce greenhouse gas emissions by 43% by 2030 and 60% by 2035 (both compared to 2019 levels) to limit the global average temperature rise to 1.5°C.
We have signed the United Nations Global Compact and our initiatives are in accordance with the principles for environmental action advocated by the UN. Moreover, we endorse the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) and disclose information on the impact of climate change on our business. Furthermore, we have been responding to a survey conducted by CDP, an international NGO. We are striving to enhance our commitment and information disclosure.

Aiming to be a company that continues to contribute to the future of people and the planet, the ULVAC Group is responding to the above-mentioned changing external environment by conducting various activities in accordance with the Environmental Philosophy, Environmental Policy, and the 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 throughout the supply chain, we take into consideration biodiversity so as to contribute to bringing about a better living environment and a more prosperous society.

Environmental Policy

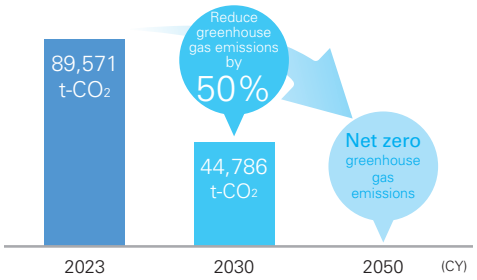
- **Reducing greenhouse gas emissions**
  We reduce greenhouse gas emissions, a main cause of climate change, through all of our activities. We are committed to developing products that conserve energy and reduce our environmental footprint.
- **Preventing environmental contamination**
  In conducting business, we comply with environmental laws and regulations.
  We manage hazardous chemical substances 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 review.
- **Environmental education and information disclosure**
  Through environmental education, we raise the awareness of each individual and appropriately disclose environmental information.

Environmental Targets

1. **Greenhouse gas emission reduction targets**
   - Reduce greenhouse gas emissions in 2030 by 50% compared with 2023 (Scope 1 and 2)
   - Achieve net zero greenhouse gas emissions by 2050
2. **Water consumption reduction target**
   - Reduce unit water consumption* to the level in 2020 or less by 2026

   *Unit: Water withdrawal/Net sales (consolidated)
3. **Waste management target (Japanese Group)**
   - Reduce unit waste plastic emissions* in 2030 by 5% compared with 2024

   *Unit: Waste plastic emissions/Net sales (consolidated), average for the past five years
4. **Eliminate environmental accidents**



Contribution to a Sustainable Global Environment

Environmental Activities in FY2024

In growth fields such as semiconductors and electronic devices, we are promoting capital investment while actively investing in regions across the world. Regarding the material balance, electricity consumption increased in these regions. To save energy, having set a target of a 1% reduction in greenhouse gas (GHG) emissions compared with the result for the previous year (ULVAC standard), we promoted installation of renewable energy facilities such as solar power generation facilities and vigorous procurement of renewable energy. In FY2024, we introduced an off-site PPA at ULVAC, Inc. Fuji Susono Plant, achieving 100% renewable energy use on a net basis.

Waste emissions increased. Breaking this down, in addition to liquid waste such as waste acid, the amount of waste plastic emissions has also been increasing. Meanwhile, we have set a new waste management target of reducing the unit of waste plastic emissions*1 by 5% by 2030 compared with 2024. We will continue initiatives to achieve reduction.

Regarding water, total water withdrawal increased by 18% compared with the previous fiscal year. The water consumption reduction target, which aims to reduce unit water consumption*2 to the level (0.77) in 2020 or less, was achieved, the actual figure being 0.67. Going forward, we will promote water management with the aim of reducing water-related impact.

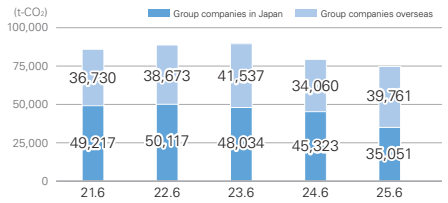
In the fiscal year under review, GHG emissions were reduced by 6% compared with the previous fiscal year. Specifically, the introduction of renewable energy reduced emissions by 3,050 t-CO_2, and energy-saving activities reduced emissions by 1,524 t-CO_2.

*1 Unit: Waste plastic emissions/Net sales (consolidated), average for the past five years
*2 Unit water consumption: Water withdrawal/Net sales (consolidated)

Material balance (Source: Aggregate data for 2025.6)

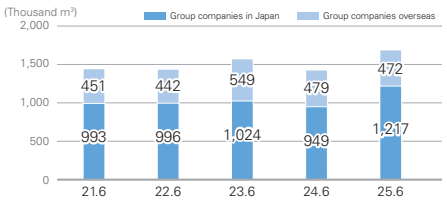
INPUT		OUTPUT	
Electricity consumption	179,847 thousand kWh	CO_2 emissions	74,811 t (Emissions due to consumption of electricity, gas, and fuels)
Gas consumption	LPG: 209 t LNG: 76 t City gas: 1,570 thousand m³	Total waste emissions	6,244 t Total amount of waste recycled: 4,829 t Amount of landfill 93 t
Fuel consumption	Kerosene: 11 KL Diesel oil: 105 KL Gasoline: 626 KL	Final landfill disposal rate	1.5 %
Water consumption	1,689 thousand m³		

Energy-derived CO_2 emissions

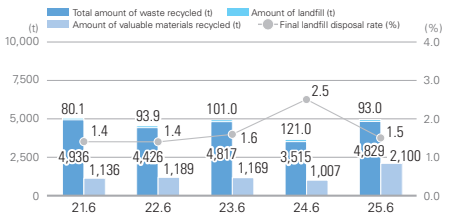


* For the emission factors, the Emissions Factors 2021 edition published by the International Energy Agency (IEA) is used.

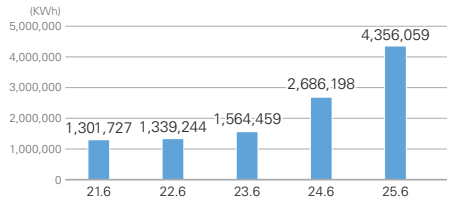
Water consumption



Waste emissions



Amount of solar power generated



Climate Change Initiatives

The ULVAC Group positions climate change initiatives as one of its key management issues. The ULVAC Group has set medium- to long-term greenhouse gas emission targets, namely, a 50% reduction in 2030 compared with 2023 (Scope 1, 2) and effectively zero in 2050. We will take action to mitigate climate change by endeavoring to curb greenhouse gas emissions throughout our activities, such as by doing our utmost to conserve energy in Japan and overseas, introducing renewable energy with low greenhouse gas emissions, and developing environmentally friendly products. We endorse the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) and strive to disclose relevant information. Furthermore, the ULVAC Group has been responding to a survey conducted by CDP*, an international NGO.

*CDP: A non-governmental organization (NGO) managed by a British charity. CDP sends questionnaires on climate change and other issues to companies and local governments and assesses and discloses the impact of their activities on the environment. When deciding which companies to invest in, CDP scores are considered important criteria.

TCFD | TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES

Governance

Under the supervision of the Board of Directors, the Executive Officers in charge of sustainability and the environment monitor progress toward targets.

- Meetings of the Sustainability Promotion Committee attended by the internal directors, executive officers, and department heads are held twice each year to acknowledge social trends and the Company's current condition, and discuss measures to address any issues. If significant issues related to management arise, the Management Council and the Board of Directors deliberate and make management decisions as needed.
- Meetings of the Global Environmental Management Committee chaired by the Executive Officer in charge of the environment and attended by environmental managers of Group companies are held twice each year. In addition, meetings of a newly established Environmental Performance Management Committee are held four times each year. The committee monitors the setting of targets of each Group company and the progress, checks the status of the initiatives for achievement of the targets, discusses measures corresponding to the issues, and reports to the Management Council. The statuses of these initiatives are monitored by the Sustainability Promotion Committee and reported to the Board of Directors by the Executive Officer in charge of sustainability at least once a year.

Strategy

We identified climate change risks and opportunities, referring to scenarios published by the Intergovernmental Panel on Climate Change (IPCC) and the International Energy Agency (IEA). Specifically, we conducted an analysis based on scenarios that indicate the possibility of an average global temperature rise of 4°C or more (e.g., RCP8.5-SSP5) and scenarios in which the temperature rise is kept below 2°C, or 1.5°C, the goal agreed upon in the Paris Agreement (e.g., RCP2.6, IEA NZE2050). Based on these scenarios, we identified the following as the major risks and opportunities that could affect our business over the medium to long term:

- Impact of carbon pricing
- Risk of disasters caused by extreme weather events such as typhoons and torrential rain
- Expansion of market opportunities for power devices and EV batteries

We conducted a detailed analysis of the risks and opportunities for these three items, assessing their quantitative impact on business. Going forward, we will further quantify impacts and consider specific measures to strengthen our efforts toward sustainable business operations.

Major risks

Category	Elements	Measures
Market	Increase in business costs due to changes in customer behavior	Introduction of renewable energy and ensuring the implementation of energy-saving measures in business activities
Policies and legal	Carbon pricing	
Engineering	Replacement of existing products and services with those with lower emissions	Research and development of products and services such as manufacturing equipment that contributes to technological innovation in various fields, and promotion of low power consumption of products
Acute/chronic	Business continuity risk due to extreme weather events such as typhoons and torrential rain	Formulation of business continuity plan for natural disasters and implementation of countermeasures

Major opportunities

Category	Elements	Measures
Products and services	Heightened expectations for equipment and technology contributing to low-power consumption devices, power devices and lithium-ion batteries, and increased needs for low-power-consumption products	Research and development of products and services such as manufacturing equipment that contributes to technological innovation in various fields, and promotion of low power consumption of products

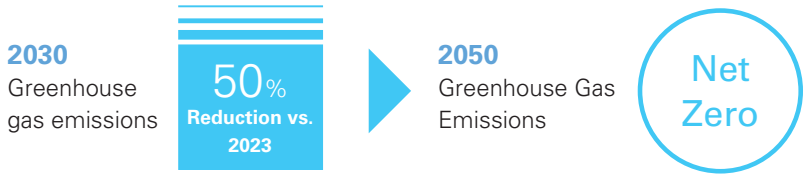
Contribution to a Sustainable Global Environment

Risk Management

- The Management Planning Division is designated as the department in charge of all risks that may cause serious damage to management. The Management Planning Division instructs the relevant internal divisions and departments and Group companies to identify such risks and formulate countermeasures. In this way, risks are identified, Group-wide responses are promoted, and the results are reported to the Risk Management Committee. The Risk Management Committee conducts detailed identification and assessment of these risks, examines business reports and improvement measures, and, through ongoing monitoring, ensures early detection, reporting, and responses. Moreover, the Sustainable Management Division is designated as the department in charge of medium- to long-term sustainability risks. The Sustainable Management Division instructs the relevant internal divisions and departments and Group companies to identify sustainability-related risks and reports the results to the Sustainability Promotion Committee. The Sustainability Promotion Committee manages the progress of initiatives for medium- and long-term risks. Finally, the Board of Directors receives reports from these committees and oversees the status of risk management. Through these structures, the ULVAC Group aims to achieve management stability and sustainable growth.
- The ULVAC Group has major development and manufacturing sites in Japan, which account for approx. 60% of the Group's total GHG emissions in Scope 1 and 2. Therefore, if a carbon tax is imposed in Japan at the level assumed in the Net Zero Emissions Scenario (NZE: a scenario set out in the IEA's World Energy Outlook that aims to achieve net zero GHG emissions by 2050), it is expected to pose a significant risk to ULVAC. To address this risk, we estimated the impact for 2030 and 2050 under the NZE scenario based on our GHG emissions in Japan, and confirmed the risk. A committee headed by the Executive Officer in charge of the environment and related divisions monitor the risk of energy cost increases, identify trends, and conduct risk assessment. Moreover, in 2023, we revised our target for reducing emissions subject to tax, aiming to cut Scope 1 and 2 emissions by 50% by 2030 compared with 2023. Furthermore, to achieve this goal, we plan to set a target for the rate of renewable energy usage and purchase the necessary amount in accordance with the trend in GHG emissions.
- For Scope 3, environmental impacts in the value chain are significant upstream in procurement from suppliers and downstream in the use of products by customers. Therefore, mindful of the importance of providing environmentally friendly products, we are promoting initiatives to reflect environmental considerations from the development stage onward.
- In formulating a business continuity plan, we assumed the occurrence of disasters caused by typhoons, torrential rain, and other extreme weather events, and are implementing measures to ensure continuing operation of our business.

Metrics and Targets

- In order to actively address climate issues as a responsible member of society, the ULVAC Group has set medium- to long-term targets for GHG emissions from its business activities, namely, a 50% reduction in 2030 (compared with 2023) and effectively zero in 2050. We will take action to mitigate climate change by endeavoring to curb GHG emissions throughout our activities, such as by doing our utmost to conserve energy in Japan and overseas, installing solar power generation facilities, introducing renewable energy, and developing environmentally friendly products.



"ULVAC Green Products" Certification Program for Environmentally Friendly Products

In recent years, climate change and other global issues have become starkly evident and are posing a risk to our lives, let alone business. For companies, it is becoming increasingly important to take environmental considerations into account in order to realize a sustainable society. We have established the ULVAC Green Products certification program to promote environmentally friendly products that make efficient use of resources and are environmentally conscious from every perspective, including the impact of each product life cycle. This program certifies products that satisfy one or more of the evaluation criteria concerning environmentally friendly design that we have independently established and that satisfy the applicable standards. We will continue to release ULVAC Green Products so that the ULVAC Group's products can contribute to bringing about a better living environment and a more prosperous society.

For details Website >> Sustainability > Environment > Product Initiatives

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
	RECYCLE	Design for recycling
		No use of hazardous chemicals
Climate action	Reduced electricity consumption	Reduced electricity consumption
	Reduced consumption of energy other than electricity	Reduced consumption of cooling water, nitrogen, etc.
		Use of alternatives to greenhouse gases used in the process and reduced use of greenhouse gases
Other		Reduced noise

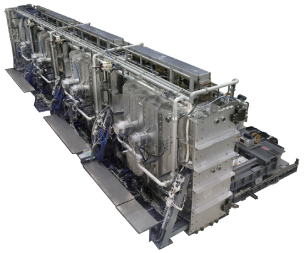
Initiatives for Appropriate Waste Management and Recycling

The ULVAC Group is making a concerted effort to promote appropriate waste management and waste reduction.
We reviewed our waste management targets and revised them in August 2025. We will manage waste while pursuing effective resource utilization.

Recycling of Waste

The ULVAC Group contributes to reducing waste and lowering raw material usage through such activities as collection of unneeded equipment for refurbishment and resale, and modification of outdated equipment. Additionally, by collecting equipment and devices that would otherwise be disposed of, we help customers reduce disposal costs.

For details ULVAC TECHNO, Ltd. website >> Services > Regenerative Cleaning > Resource Recovery and Recycling



Contribution to a Sustainable Global Environment

Efficient Use of Water

There are concerns worldwide about water risks, such as heavy rainfall, flooding, and water shortages, due to ongoing climate change. The ULVAC Group assess and confirm the impact of water risks on our business.
We identify sites exposed to water risks by using the WRI Aqueduct, a water risk assessment tool, focusing on the sites with high environmental impact as defined by the Company. We define sites with extremely high or high baseline water stress as water-stressed areas. The sites exposed to water risks are located in parts of China and Thailand, and account for 8% of the ULVAC Group on a consolidated basis. They include deposition and coating business sites with high environmental impacts. In addition to the Group-wide water consumption reduction target, individual Group companies have set their own targets and are promoting specific initiatives.

Management of Chemical Substances

Prior to the use of chemical substances in the manufacturing process, we conduct risk assessment, in which the amount of the substance to be used and the protective equipment necessary are confirmed, in an effort to ensure worker safety and minimize the environmental impact. Moreover, in order to ensure compliance with the environmental regulations of various countries concerning products, a cross-organizational team whose members are drawn from quality assurance, procurement, and environmental divisions is playing a central role in establishing a structure for management of chemical substances contained in products, thus ensuring provision of environmentally friendly products. We collect information in order to appropriately respond to environmental laws and regulations, which undergo frequent revisions, and conduct in-house education on chemical substances contained in products by external lecturers at the ULVAC Group companies, thus supporting manufacturing in compliance with these laws and regulations. Furthermore, we are strengthening management structure covering the entire supply chain by holding briefings for our business partners to help them understand the necessity of managing chemical substances contained in products and by requesting the provision of information on such substances.

Biodiversity Initiatives

As the ULVAC Group's environmental philosophy, we hereby declare our commitment: "The ULVAC Group understands that 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."

As a specific biodiversity initiative, we have participated in the " Reforestation Partner" system promoted by Kanagawa Prefecture, and we are now in our fourth year of participation.
At the Yadoriki water source forest in Ashigarakami-gun, Kanagawa Prefecture, we actively provide opportunities to learn about the importance of forest conservation through activities such as thinning, observing aquatic life, and conducting experiments on the role of forests in watershed protection*.

The ULVAC Group aims to continue to be a company that contributes to creating a sustainable and environmentally friendly society by 2050. By promoting management practices that consider the global environment, we will fulfill our responsibility to protect and nurture local ecosystems and to hand down rich forests to future generations.

*Watershed protection: This refers to the way in which forests store rainwater and slowly release it as groundwater, thereby providing a stable supply of water resources.