

**ULVAC**

**ULVAC VALUE REPORT**

**2025**

ULTIMATE IN VACUUM

# Corporate Philosophy

<b>Basic Corporate Philosophy</b>	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.
<b>Business Philosophy</b>	<ol style="list-style-type: none"> <li>1. Our company's life is eternal.</li> <li>2. Our company can thrive through its people and can face ruin through its people.</li> <li>3. Our company pursues profits.</li> <li>4. Our company is a public instrument.</li> <li>5. Our company continues to exist solely because of our customers.</li> <li>6. Our company values time.</li> <li>7. Our company's business is the promotion of comprehensive use of vacuum technology.</li> </ol>
<b>Employee Principles</b>	<p>Seize opportunities to achieve personal prosperity</p> <p>Strive for excellence to drive the company's growth</p> <p>Offer quality service to earn customers' trust</p>
<b>Management Policies</b>	<p>Improve customer satisfaction</p> <p>Innovations in production technology</p> <p>Development of original products</p> <p>Free and open-minded organization</p> <p>Enhancing corporate value</p>

# Contents

<b>About ULVAC</b>		<b>Growth Strategy</b>	
Corporate Philosophy	1	ULVAC's Value Creation <Priority Issues>	26
ULVAC's History	2	<b>Our Business</b>	
ULVAC's Profile	3	Vacuum Equipment Business	
ULVAC's Value Creation <Value Offered by ULVAC's Businesses> Here & There, Near your side	5	Semiconductor Production Equipment	27
ULVAC's Strengths <Continue to be a Field of Potentiality for the Future>	6	Electronic Device Production Equipment	28
<b>To Our Stakeholders</b>		Display and Energy-Related Production Equipment	29
Message from Top Management	7	Components	30
<b>ULVAC's Value Creation Story</b>		Industrial Equipment	31
ULVAC's Value Creation <Process>	11	Vacuum Application Business	
ULVAC's Sustainable Management	12	Surface Analysis Instruments	32
Materiality	14	Materials	33
New Mid- to Long-Term Management Plan <Value-Up Plan>	16	Creation of Innovation with Vacuum Technology as the Core	34
CSO Message	18	<b>Foundation Supporting Value Creation</b>	
CFO Message	21	Development of Diverse Human Resources and Promotion of Their Advancement; Cultivation of Resilient Organizations	38
External Directors Roundtable Discussion	22	Respect for Human Rights and Responsible Conduct in the Value Chain	42
		Contribution to a Sustainable Global Environment	46
		Corporate Governance	52
		Management Structure	56
		Risk Management	58
		Compliance	60
		With Our Stakeholders	61
		<b>Data</b>	
		11-year Financial Data	62
		Financial Overview	63
		Consolidated Financial Statements	65
		Company Data/Stock Information	67
		ULVAC Group/ External Recognition	68

# Editorial Policy

**Editorial Policy**  
 We publish the ULVAC VALUE REPORT as a summary of our initiatives in the past year to achieve sustainable growth and enhancement of corporate value, our medium- to long-term vision, and our management approach.  
 We consider this report to be an important communication tool to facilitate stakeholders' understanding of our activities and deepen dialogue with them.

**Published:**  
 February 2026 (Previous issue published in February 2025)

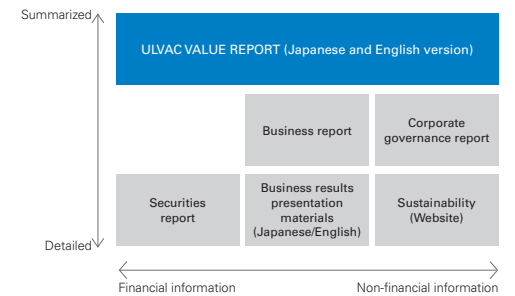
**Guidelines Referenced:**  
 The International Integrated Reporting Framework  
 Ministry of Economy, Trade and Industry (METI)  
 ISO 26000

**Scope:**  
**ULVAC Group**  
 In this report, "ULVAC" or the "ULVAC Group" refers to the ULVAC Group as a whole, while "ULVAC, Inc." refers to ULVAC, Inc. on a standalone basis.

**Period:**  
 Year ended June 30, 2025  
 (July 1, 2024 to June 30, 2025, FY2024)  
 Some portions of the report include activities and initiatives from July 2025 onward.

<Disclaimer>  
 Figures shown 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.

## ULVAC's Communication Tools

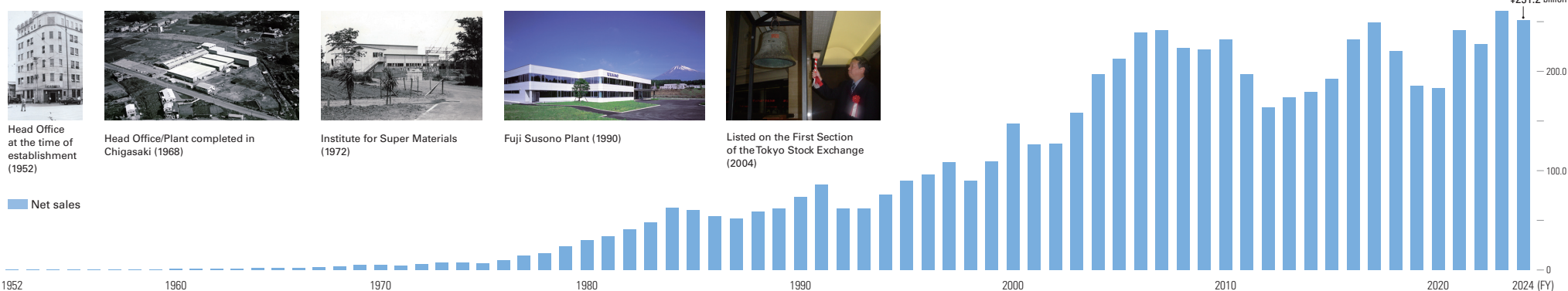


We endeavor to achieve the optimum information disclosure by making various communication tools available to meet your needs.  
 To help you deepen your understanding of the ULVAC Group, our communication tools range from statutory disclosure documentation centering on information on financial closing to this report that offers non-financial information, such as on social and environmental initiatives indispensable for creating corporate value, in addition to information on business activities, management strategies, and financial information.  
 Please also refer to our website for the latest information.

# ULVAC's History

Ever since its foundation in 1952, ULVAC has been contributing to the resolution of social issues in each successive era by deploying its core state-of-the-art vacuum technology, and has grown remarkably.

ULVAC will continue contributing to the development of industry and science through the comprehensive application of vacuum technology in accordance with the Basic Corporate Philosophy.



## 1952-1970 High economic growth period

### Industrial restoration and convenience in daily life

Applied vacuum equipment to contribute to industries supporting people's lives

- 1952 Japan Vacuum Engineering Co., Ltd. was founded.
- 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 resolution of social issues

- Developed vacuum arc furnaces for stainless steel and other steel manufacturers, contributing to industrial restoration.
- Developed vacuum melting and casting furnace for nuclear power development, contributing to the solution of energy problems.
- Developed highly sensitive vacuum gas analysis for direct analysis of air pollution.
- Delivered a large-scale space chamber to the space research lab at the University of Tokyo, contributing to space development.
- Developed vacuum freeze-drying equipment for instant foods, contributing to the improvement of food culture.

## 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 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 plant dedicated to semiconductor production equipment.

#### Contribution to resolution of social issues

- Delivered vacuum pumping system for a critical plasma tester to 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 improvement 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 ChibaTomisato Plant for the development and manufacturing of materials.

#### Contribution to 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 OLED, which is a next-generation display.
- Developed ion implantation system for mass production of power devices that contribute to power saving.
- 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

- 2018 Opened the ULVAC-Osaka University Joint Research Laboratory for Future Technology at Osaka University.
- 2021 Opened the ULVAC Advanced Technology Collaborative Research Cluster at Tokyo Institute of Technology (now 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 resolution of social issues

- Development of thin-film lithium metal anode using vacuum deposition technology was selected for the NEDO\* Green Innovation Fund Project "Development of Next-Generation Storage Batteries and Next-Generation Motors."
- The ULVAC-Osaka University Joint Research Laboratory 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 the Institute of Science Tokyo aims at co-creation, such as human resources development and integration of plasma diagnostics technology and 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

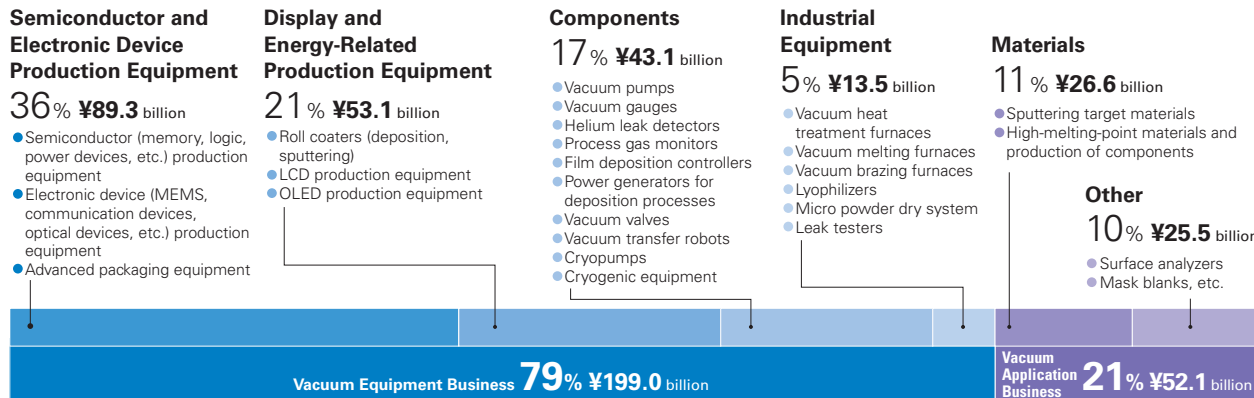
# ULVAC's Profile

With R&D institutes, production sites, and service centers in key markets around the world, ULVAC is offering value to customers worldwide by their side. With regard to R&D, our R&D institutes are in regions close to leading companies and research institutions, enabling us to respond swiftly to technological innovations. With regard to production, we are working to strengthen our manufacturing foundation with a focus on East Asia, optimize production in light of business and regional characteristics, and strengthen the global supply chain.

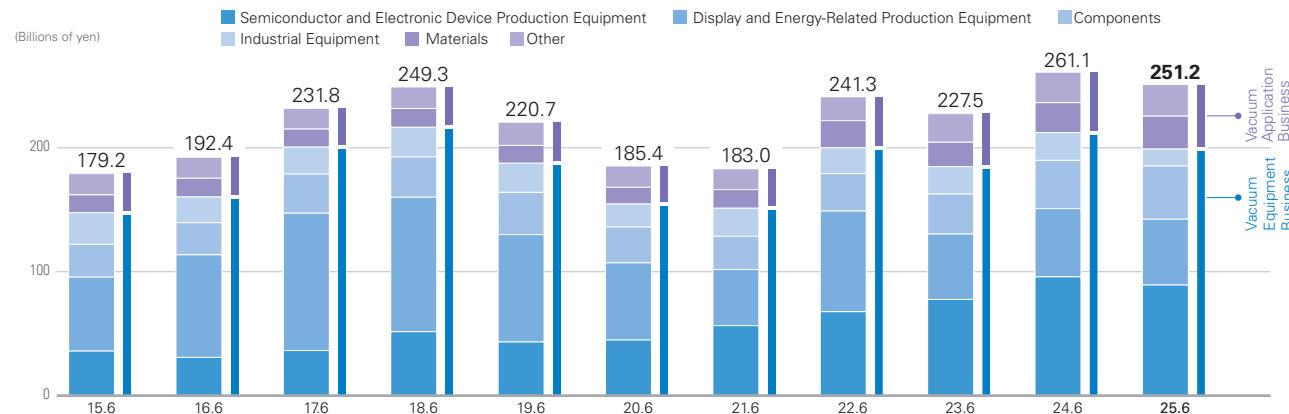
## Financial Position



## Net Sales by Business Segment



## Net Sales by Business Segment



### ULVAC's Core Competence

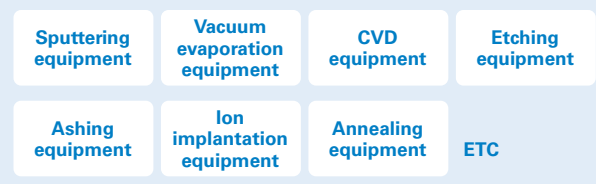
## Vacuum Technology

Stated simply, a vacuum is a space where the pressure is lower than the atmospheric pressure. A vacuum has fascinating properties: for example, materials' lower boiling points in a vacuum mean they are more likely to evaporate and gas molecules can travel in a straight line in a space. ULVAC has developed various application technologies that exploit the properties of a vacuum in its quest to realize the remarkable potential inherent in vacuum technology. 'ULVAC' is a combination of 'UL' from 'ultimate' and 'VAC' from 'vacuum,' signifying that we pursue the 'Ultimate in Vacuum Technology.'

For example, using vacuum technology, it is possible to create ultrathin films with micron-to nanometer-order thickness. Since such thin films cannot be produced by physically stretching materials, advanced vacuum thin film processing technology is required for depositing layers of atoms or molecules of materials in a vacuum.

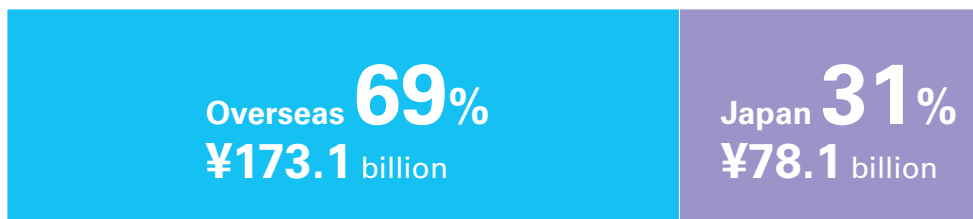
Led by IoT, 5G, and AI, a tremendous wave of technological innovation is making the digital society an everyday reality. Vacuum thin film processing technology is destined to fulfill a vital role for the fundamental technologies underpinning the digital society.

### Major Vacuum Equipment

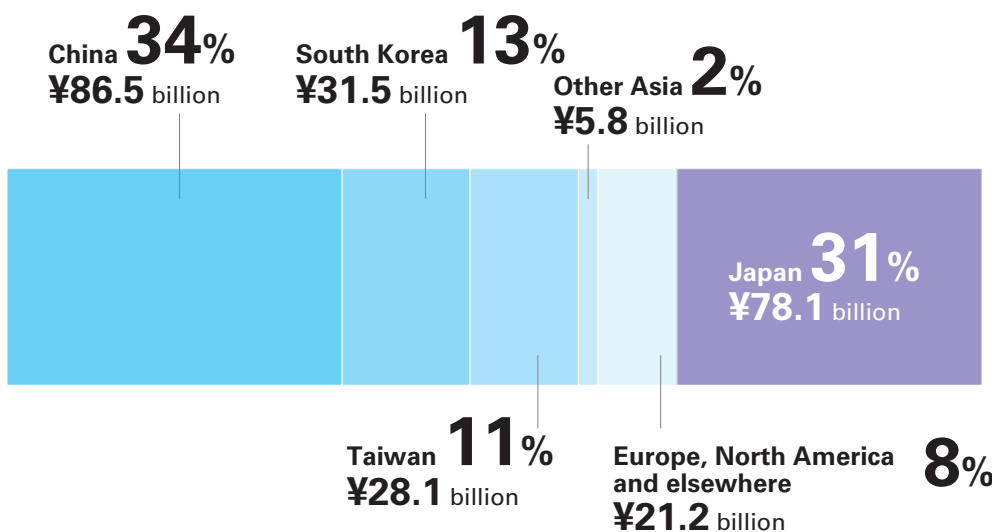


# ULVAC's Profile

## Ratio of Sales Overseas

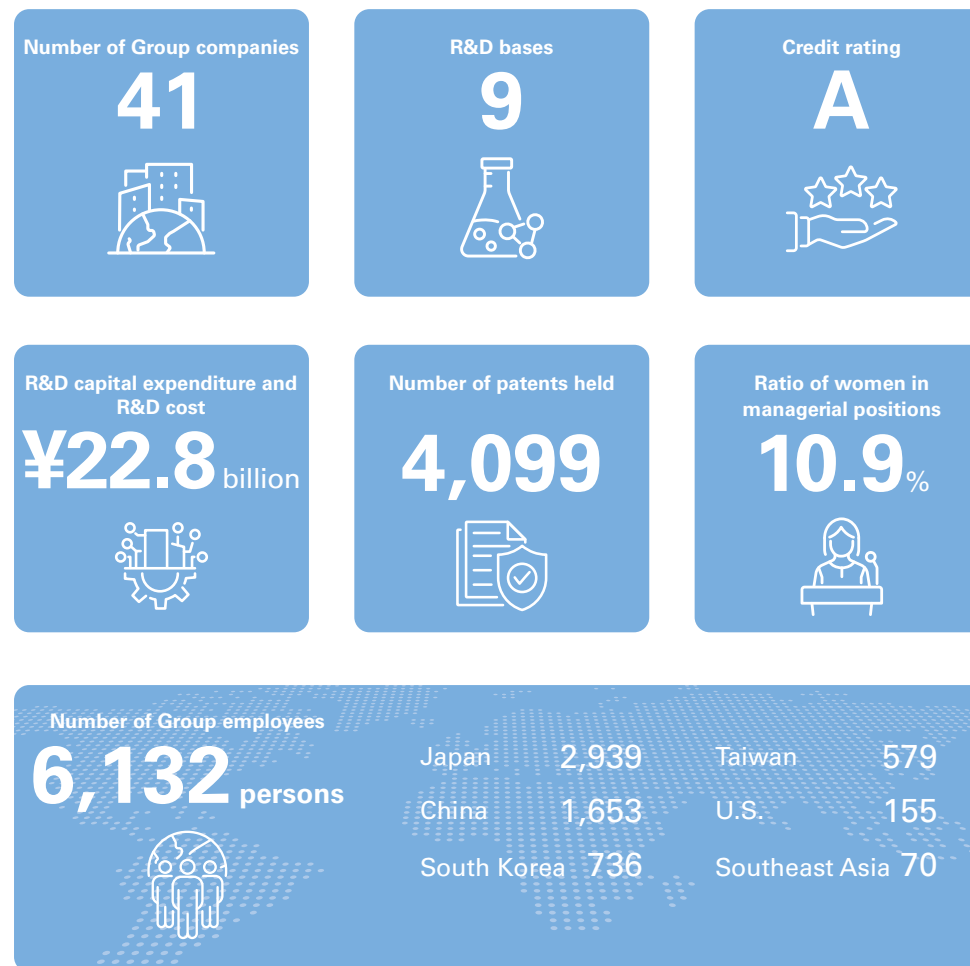


## Net Sales by Region (Amount and %)



\*Due to rounding of amounts of individual items, the sum may not match the total amount.

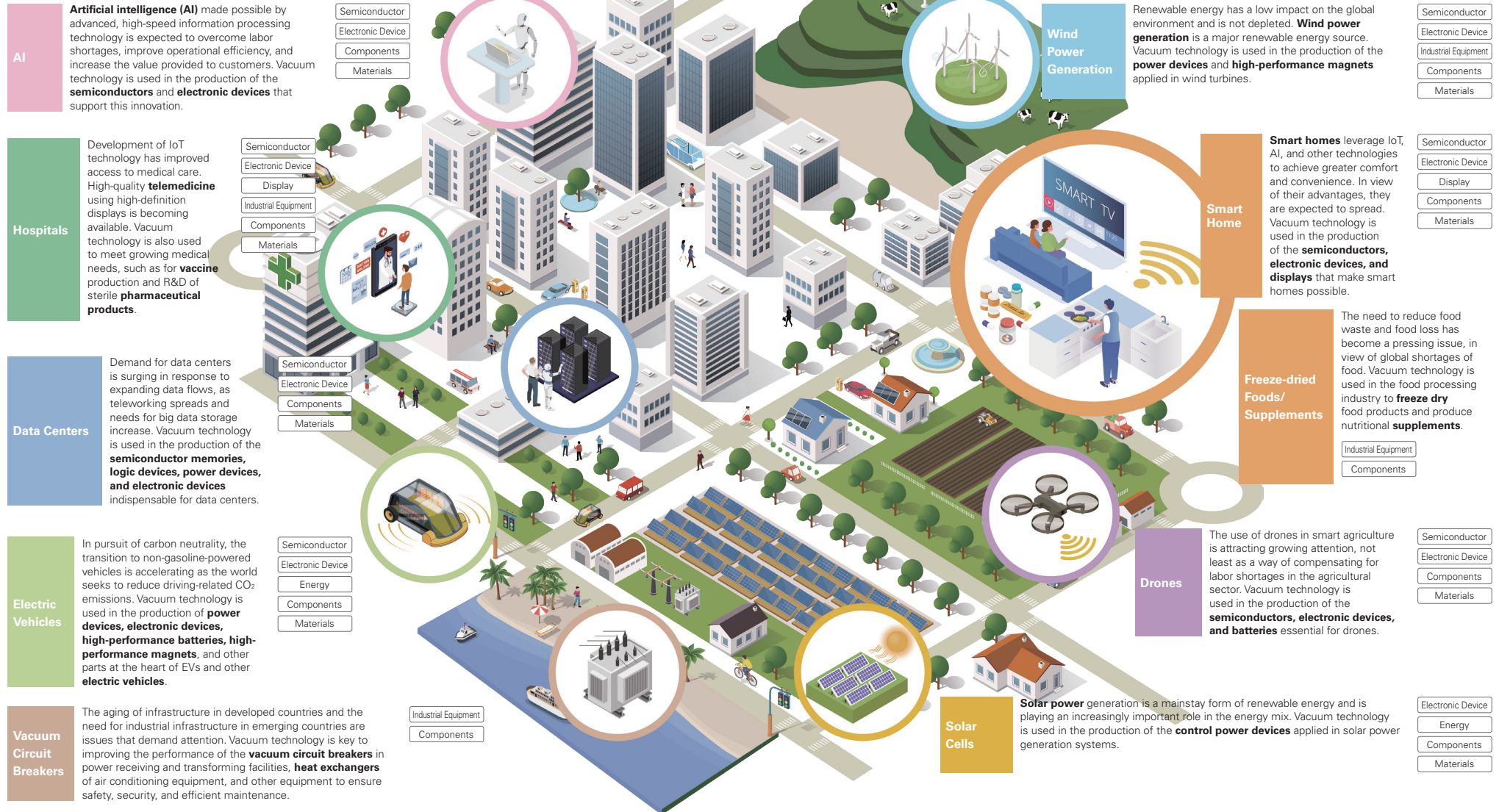
## ULVAC in Numbers



# ULVAC's Value Creation <Value Offered by ULVAC's Businesses>

## Here & There, Near your side

As ULVAC manufactures production equipment, the general public rarely see our products. But the products produced using vacuum technology and equipment are integral to people's daily lives. Vacuum technology application fields will continue to expand, going forward. ULVAC will continue to be a company needed by society, challenging itself to create cutting-edge innovations with customers across diverse industries.



# ULVAC's Strengths <Continue to be a Field of Potentiality for the Future>

ULVAC's strengths are not based solely on the possession of technology and know-how, nor on differences in business models.

Drawing on vacuum technology cultivated over many years, we leverage the advantages of three core strengths—engaging with the future, shaping the future, and delivering value to the future—to create social value from vacuum technology.



## Strength 1 The Capability to Engage with the Future Through Vacuum Technology

In today's complex and uncertain social environment, delivering value in response to the changing times requires understanding the future envisioned by our customers while identifying the true challenges that need to be addressed. Since its founding, ULVAC has carefully monitored industry trends rooted in vacuum technology and shaped the direction of its technological development through dialogue with customers. In recent years, we have strengthened our framework for grasping global technological trends while expanding external collaborations in rapidly evolving fields such as semiconductors and AI, including participation in the R&D program of imec, a leading semiconductor research institute in Belgium, and involvement in JOINT3, a consortium established by our customers for next-generation semiconductor packaging. Furthermore, we are expanding into new fields, including medical engineering, and, through joint research with universities, are promoting initiatives that explore future possibilities from a long-term perspective. By integrating the insights gained through these initiatives with ongoing communication with our customers, we can more confidently identify future development themes and the challenges we need to address. ULVAC will continue to carefully listen to customers' aspirations while advancing technological development and the creation of value for the future.

## Strength 2 The Capability to Shape the Future with Vacuum Technology

ULVAC has ventured into diverse fields with vacuum technology at its core, accumulating technological expertise and know-how along the way. At the same time, we engage sincerely with the challenging issues posed by our customers, persistently seeking solutions even in fields where answers are not readily apparent. This reflects how the "curiosity of engineers tackling difficult problems," a spirit inherited since our founding, has become deeply rooted in our organization over the years. Today, we are strengthening our development structure to address more advanced technical challenges through cross-functional collaboration across process technology, equipment design, software development, and data analysis. These initiatives are driving the development of integrated technologies to address increasingly complex customer requirements and future needs. It is the spirit of curiosity combined with integrated capabilities that is the source of ULVAC's ability to shape the future.

## Strength 3 The Capability to Deliver Value to the Future Through Vacuum Technology

With production bases in Japan, China, South Korea, and Taiwan, ULVAC has established regional supply chains that allow for local procurement at each site, ensuring a stable supply of products. Through a global development structure that emphasizes collaboration with customers, we are enhancing our ability to respond flexibly to diverse needs. Moreover, our value offering does not end at the time of delivery. Our worldwide service network collaborates to provide continuous support throughout the entire equipment lifecycle, from maintenance and operational assistance to improvement proposals. The insights gained from these initiatives are reliably applied to subsequent development, thereby contributing to our customers' value creation. This integrated approach—the seamless delivery of technology, supply, and service—underpins ULVAC's unique capabilities of value offering.

### Putting Strengths into Practice

### ULVAC's Strengths in Dual-Frequency ICP Etching Technology

In the mid-2010s, demand for advanced packaging technologies began to rise. Recognizing this trend, ULVAC began developing a new etching technology around 2015. At that time, competing equipment offered high performance but struggled to form the more complex and precise shapes customers required, making a new approach necessary for the next generation. In these circumstances, during the early development phase, ULVAC published academic papers to assess future market potential and advanced development while indicating the technology's direction. Initially, development proceeded using the conventional single-frequency 13.56 MHz method. However, it became clear this approach could not sufficiently ensure the plasma controllability required for complex shapes. Therefore, ULVAC turned to a dual-frequency method that combines 2 MHz and 13.56 MHz, which have different electromagnetic field characteristics. However, ULVAC encountered a difficult challenge: interference between the two frequencies caused instability in the antenna that generates plasma by carrying high-frequency current, making it impossible to reproduce performance consistently. Nevertheless, by systematically tackling each challenge and making successive improvements, ULVAC succeeded in achieving the target performance by combining its antenna technology—accumulated over approximately 10 years—with an RF splitter (ISM-Duo). The resulting technology has been highly evaluated at academic conferences both in Japan and overseas. Currently, new application fields are expanding, including dicing equipment for advanced packaging processes and TSV processes. Regarding development for overseas customers, we are strengthening collaboration with local Group companies to establish a rapid verification system tailored to their needs. This technology's journey—anticipating future trends, tackling successive challenges, and delivering value worldwide—is a practical expression of ULVAC's strengths.



This study received the "Best Interactive Presentation Award" at the IEEE 74th Electronic Components and Technology Conference (ECTC). This award is one of four for presentations and papers recognized for academic and technical excellence, selected from 391 general presentations (252 oral + 139 poster).



# Position the Semiconductor and Electronics Business as the Key Growth Driver and Further Expand Value Creation with Vacuum Technology as the Core

Setsuo Iwashita

President and CEO

## Big Picture of ULVAC's Operating Environment

### Advent of the Fourth Industrial Revolution: Unlocking the True Value of Vacuum Technology

Since its foundation in 1952, ULVAC has contributed to the advancement of science, technology, and industry by expanding into diverse fields—including food chemistry, metallurgy, electronic devices, displays, and semiconductors—in response to the needs of each era, with vacuum technology as its core.

While we have continually developed and offered products in response to changes in the market, flat panel displays (FPDs) have been the mainstay of our business and product portfolio over the past decade or so. However, production for the FPD industry, which originated in Japan, has largely shifted to China. Meanwhile, expansion of the semiconductor and electronics markets has become more pronounced, driven by the rise of big data applications and advances in generative AI. In the fields of creating smart society through big data utilization, and generative AI, vacuum technology is used extensively.

I believe we are experiencing the advent of the Fourth Industrial Revolution, a historic opportunity for ULVAC's

vacuum technology to realize its full potential and achieve substantial growth. Looking at the sales trends by product category over the past seven to eight years, although sales of semiconductor and electronic device production equipment have been steadily increasing, the level I aspire to has not yet been reached. However, I believe there remains ample room for further expansion.

## Approach to Vision 2032

### Contribute to Development of Society through Expansion of Value Creation with Vacuum Technology at the Core

As I mentioned at the outset, the environment in which ULVAC operates presents a golden opportunity, not only for the growth of our business but also for achieving Vision 2032, our long-term vision of continuing to be a "Field of Potentiality for the Future." For example, in the field of autonomous driving, which is a key focus in the emergence of the smart society, vacuum technology is used in numerous sensors. In addition, vacuum technology is widely applied in efforts to address global environmental issues, and its use is expected to expand even more in the

## Message from Top Management

future. Overall, the era has arrived for substantial growth in the field of vacuum technology in which we are engaged. Going forward, with vacuum technology as our core, we will continue to develop and offer businesses that contribute to resolving wide range of challenges, deepen collaboration with external partners, thereby contributing to the development of industry and society as a whole. Furthermore, we will foster an environment that empowers each employee to create new value through dialogue and discussion with diverse individuals, both inside and outside the company.

[Reviewed Strategy Design, Formulated and Launched New Six-year Mid- to Long-Term Management Plan \(FY2025-FY2030\)](#) [▶ P.16-P.21](#)

### “Value Up” by Establishing Business Portfolio centered on the Semiconductor and Electronics Business

ULVAC launched its three-year mid-term management plan in the fiscal year ended June 30, 2024 (FY2023), which designated logic, memory, power devices, various electronic devices, and batteries as five growth drivers. As already announced, we concluded this plan ahead of the schedule and have formulated and launched a new mid- to long-term management plan, the “Value-Up Plan.” Under the previous mid-term management plan, with the five growth drivers, we achieved a degree of business expansion and improved profitability. In consolidated results for the fiscal year ended June 30, 2025 (FY2024), we achieved a gross profit to net sales of 31.8%, the highest level since ULVAC’s listing. Transforming our business portfolio from the mainstay FPD business to the semiconductor and electronics business requires restructuring production sites, changing production methods, and multi-year, large-scale investments in the development of the semiconductor and electronics business, and requires management to make unprecedented decisions. We therefore concluded that extending the previous mid-term plan would limit our ability to craft a growth story, and so we decisively

undertook a bold strategic overhaul spanning six years. We view this positively as we were able to make bold yet judicious management decisions at the right time to accomplish the Value-Up Plan while we still had financial leeway. Although the Value-Up Plan is still at an early stage, over the next six years we are committed to executing our growth strategy, business reforms, and production reforms, focusing on selection and concentration of business portfolio centered on the semiconductor and electronics business, with the goal of enhancing corporate value through high growth and a robust profit structure.

### Plan covering Six Years: Two Years for Business Reforms and Four Years to Realize Growth Effects

As I mentioned, the new mid-term plan covers a six-year period, reflecting the fact that we are undertaking the most extensive reforms in ULVAC’s history. At present, the six-year period is broken down into two years for business reforms and four years for realizing growth effects. Amid rapidly advancing technological innovation, we will continue research and development in parallel

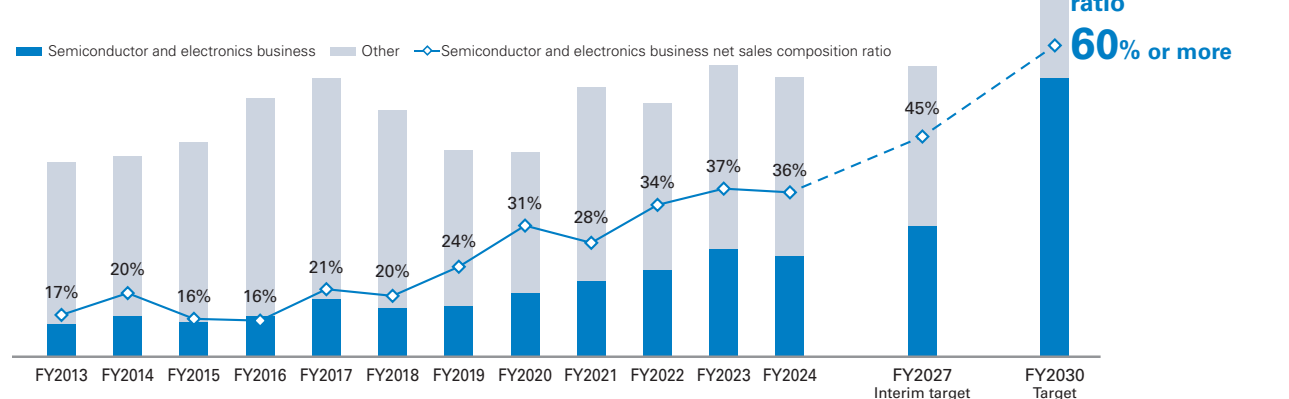
with business reforms and the restructuring of our manufacturing sites. We are determined to drive business reforms with a sense of urgency, aiming to realize growth effects as quickly as possible.

### Accelerate Growth Strategy Centered on the Semiconductor and Electronics Business

Our growth strategy focuses on accelerating the semiconductor and electronics business, seizing growth opportunities arising from digitalization and AI, and expanding our business by fully leveraging ULVAC’s technological capabilities and business foundation. We also plan to pursue business expansion through M&A. As part of this plan, ULVAC has recently established two new organizations: the Growth & Development Division and the Business Strategy Division. The Growth & Development Division, led by a newly recruited American executive, supports leaders of business units and overseas Group companies in formulating and executing their plans under the Value-Up Plan. In addition, through a strategic approach to M&A, it will drive growth and transformation across the

### Aim at High Growth and High Profitability through Growth Strategy, Business Reforms, and Production Reforms to Establish a Business Portfolio Centered on the Semiconductor and Electronics Business

Semiconductor and electronics business: Trend of net sales composition ratio



## Message from Top Management

ULVAC Group. Meanwhile, the Business Strategy Division is responsible for building the organizational framework and formulating plans for “ULVAC’s new manufacturing approach (a shift to planned production)” in line with the transition to a sharper focus on the semiconductor and electronics business. Specifically, to maximize productivity of the semiconductor and electronics business, the Business Strategy Division will plan and promote a review of factory functions, along with the associated organizational and business process restructuring, to maximize production efficiency across the ULVAC Group. In addition to these organizational initiatives, to financially support the growth strategy, the capital allocation plan for the Value-Up Plan period calls for directing approximately 70% of total cash outflows of ¥195.0 billion (cumulative for six years) toward development investment for growth and M&A.

This also is a major challenge for ULVAC, which historically has been built on organic growth. For future growth, it is essential to pursue new applications and technological development through collaboration with external parties, while maintaining a sense of urgency and a willingness to take calculated risks.

About 20 years ago, at the direction of the then president, I led the establishment of more than 10 joint ventures and wholly owned subsidiaries in China, all of which achieved profitable growth. To recapture the aggressiveness we demonstrated at that time and further pursue the potential of overseas business, we established the Vacuum Manufacturing Solutions Business Unit (VMS BU) in July 2024, ahead of the launch of the Value-Up Plan. In conjunction with the expansion of the VMS BU, we aim to create new semiconductor and electronics-related businesses and cultivate new markets in the U.S., Europe, and Southeast Asia.

### Decisively Optimize Management Resources and Start Profit Maximization Initiatives

As the first step of the Value-Up Plan, we will carry out decisive business reforms, including a review of low-profit businesses for possible downsizing or withdrawal,

restructuring and streamlining of Group companies and production sites, and a thorough reduction of fixed costs. To date, ULVAC has developed large-scale production facilities in Japan, South Korea, Taiwan, and China, primarily for its FPD business, based on a policy of locating manufacturing sites close to customers. However, as I mentioned, our FPD business customers are now mostly concentrated in China. Moreover, as the external supply chain environment has matured, it is no longer necessary for us to maintain in-house facilities for processing metal parts. In light of these external factors, as part of the first phase of business reforms, we intend to actively review and redefine the division of roles between domestic and overseas operations. Furthermore, under the Value-Up Plan, the promotion of modular design is positioned as a pillar of production reforms, aimed at maximizing profits through improved productivity. By vigorously advancing modular design, we will standardize components, streamline procurement, and optimize design and manufacturing processes, thereby achieving a dramatic improvement in production efficiency.

### To Achieve Mid- to Long-term Financial Targets

From the perspective of ULVAC today, the key goal indicators (KGIs) set in the Value-Up Plan for the final fiscal year ending June 30, 2031 (FY2030), are ambitious,

particularly with respect to profit margins. As was the case under the previous mid-term management plan, there may be aspects of future market conditions that we are not yet able to fully foresee. As part of the business reforms, the downsizing or withdrawal from low-profit businesses is expected to result in a temporary decline in net sales at the key performance indicator (KPI) milestone for the fiscal year ending June 30, 2028 (FY2027), which is the midpoint of the Value-Up Plan.

However, the fields with strong growth potential are becoming increasingly clear. Although ULVAC’s semiconductor business has not historically been particularly strong, we have successfully entered several of our customers’ critical manufacturing processes. In the semiconductor industry, once a manufacturing process is established, it tends to remain in use for extended periods, and can often be deployed across multiple customers. These achievements are now steadily accumulating. In light of these current conditions and our outlook, we have decided to set and disclose these ambitious KPIs and KGIs. As we boldly steer ULVAC toward the semiconductor and electronics business, we will continue to capture enduring demand for power devices and further deepen our engagement in the robust Chinese market, ensuring the achievement of our KPIs and KGIs.

## Aim to Improve Our Evaluation in the Capital Market through Drastic Reforms under the Value-Up Plan



### The Role and Basic Approach of Human Resources in Future Management

## The Vitality and Motivation of Our People—Creators of ULVAC's Core Technologies—Are the Foundation and Engine of Growth

ULVAC's core technologies, which are our vital assets, are created by our employees, and I believe that their motivation and excitement are what truly matter above all else. While holding firmly to this unwavering conviction, our experience under the previous mid-term management plan made it clear that remaining within conventional approaches and existing frameworks would not deliver sufficient growth, and that we must respond to changes in our environment with far greater speed and agility. With these convictions in mind, I spent about three months visiting our sites to explain the Value-Up Plan. On these occasions, I used comparisons of ULVAC's data and that of competitors to clearly convey why change is imperative now, while also sharing and instilling a common vision of the future ULVAC aims to create beyond this transformation.



Regarding the necessity to change, as outlined in the Value-Up Plan, we are reviewing the business portfolio and clarifying the functions that ULVAC should prioritize. Business reforms are essential for responding effectively to environmental changes and achieving sustainable growth. At the same time, ULVAC is in a solid financial position and is aiming for a substantial increase in net sales, from ¥250.0 billion to ¥360.0 billion. Accordingly, we will continue to enhance opportunities for growth, such as recurrent education and reskilling, so that each employee can thrive across a wider range of fields, while fostering an environment that encourages ongoing challenge and initiative.

### Enhancement of Value through Capital Market-conscious Management

## Management Conscious of Cost of Capital and Sophisticated Disclosure

Historically, ULVAC has honed its unique strengths based on a corporate culture that emphasizes technological development. To enhance corporate value by linking this technological foundation with a solid financial base and sound management, we are accelerating initiatives toward capital market-conscious management. As part of these initiatives, in recent years we have expanded opportunities for dialogue—such as proactive investor relations activities and the hosting of external technical seminars—in order to communicate our technological capabilities and management direction clearly to external stakeholders. In addition, through our ongoing in-house initiatives to strengthen numerical and performance management, we have advanced data visualization across various management and business areas at a granular level, steadily improving the quality and accuracy of our disclosure. We will continue to strive to enhance the dissemination of information. ULVAC's shareholders' equity ratio for FY2024 was 59.6%, an increase of 2.9 percentage points from the previous fiscal year. We have newly obtained a long-term issuer rating of "A" from Japan Credit Rating Agency, Ltd. Consistently delivering solid profitability is essential for earning favorable evaluations from the capital markets.

ULVAC is reviewing its business portfolio while keeping conscious of the cost of capital, and by striking a balance between investment in fields with growth potential and profitability improvement, we have positioned operating profit margin of 22% and ROE of 16% as mid- to long-term targets.

Regarding shareholder returns, our basic policy is to maintain stable dividends, targeting a performance-linked payout ratio of 35% or more, while aiming to increase dividends over the medium to long term through continued business growth. Looking ahead, we will also consider further enhancing shareholder returns, while maintaining an appropriate balance with growth investments and financial soundness.

Going forward, we will pursue even more fundamental reforms to ensure higher profitability.

### Message to Stakeholders

## Continue Further Pursuit of Value Creation with Vacuum Technology as the Core

As I mentioned at the beginning of this message, ULVAC's vacuum technology serves a truly diverse range of applications and markets. While most companies would avoid operating across so many markets, ULVAC embraces this breadth. Vacuum technology has such immense potential.

ULVAC takes pride in possessing numerous diamonds in the rough with strong growth potential. It is my responsibility to thoroughly refine these assets, convert them into practical applications and sustainable revenue streams, and thereby ensure progress toward the Group's net sales target of ¥360.0 billion in the final year of the Value-Up Plan.

We sincerely ask for the continued support of our shareholders, investors, and all other stakeholders. Please look forward to the future of ULVAC.

# ULVAC's Value Creation <Process>

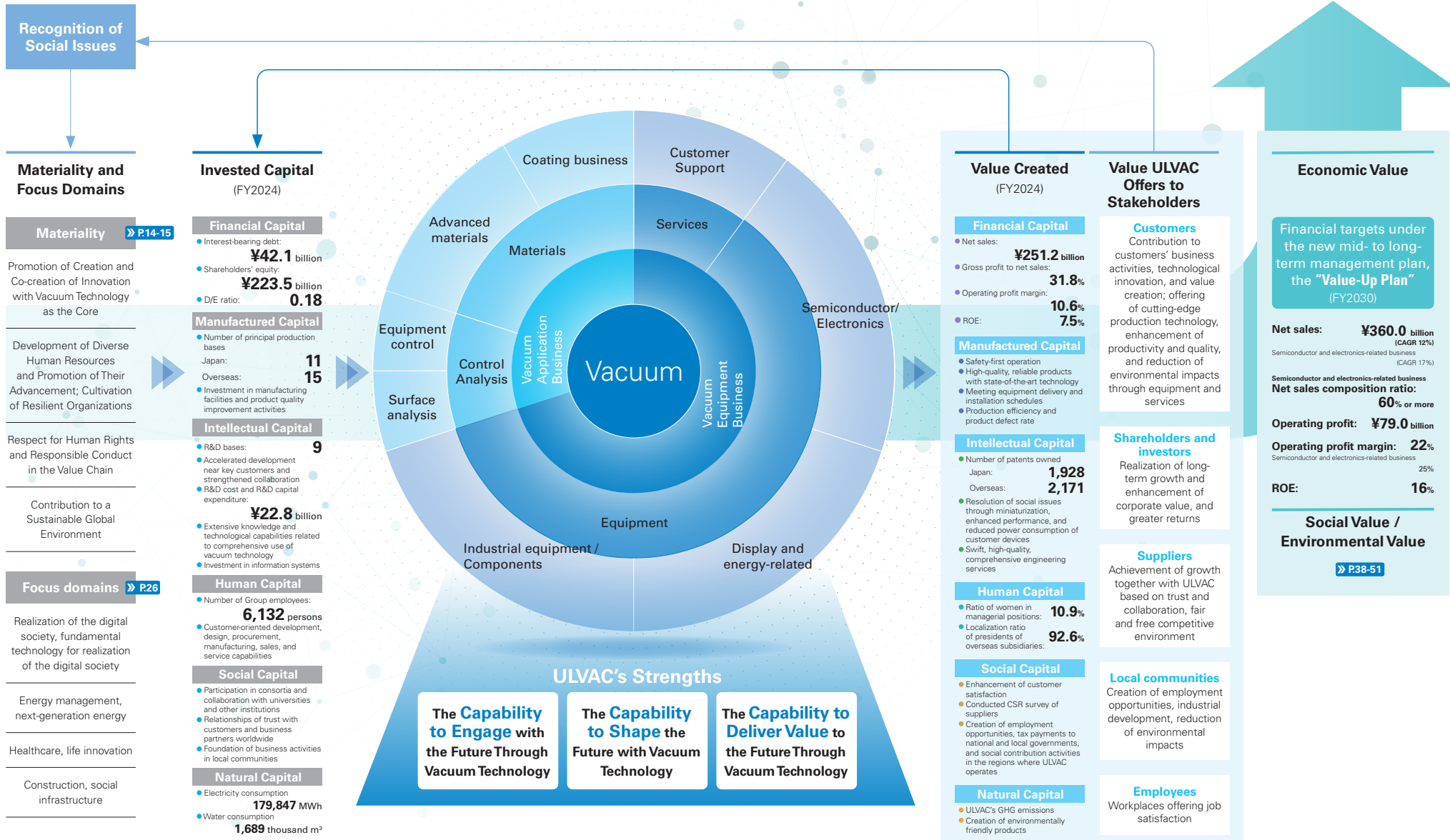
ULVAC embraces the future envisioned by its customers, identifies the issues to be addressed, and creates new solutions based on its accumulated technologies and expertise. As a Field of Potentiality for the Future, we aim to be an enterprise that society continues to need.

**Our Goal for 2050** ▶ P.12

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** ▶ P.12

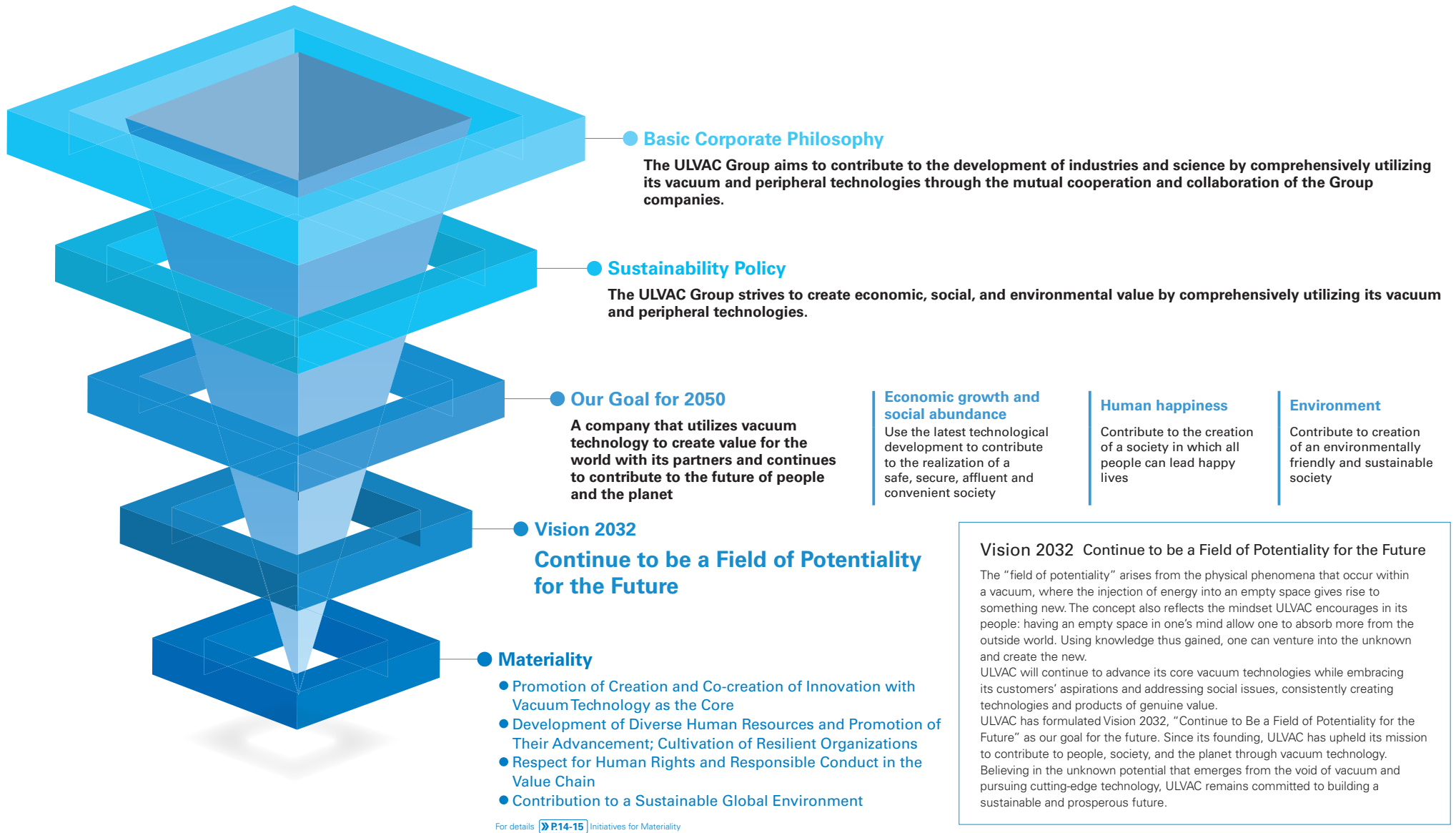
Continue to be a Field of Potentiality for the Future



# ULVAC's Sustainable Management

The foundation of all business activities is the Basic Corporate Philosophy stating our aspiration: "to contribute to the development of industries and science by comprehensively utilizing its vacuum and peripheral technologies."

We will work with our partners to pursue cutting-edge technology, and contribute to the creation of a sustainable society with vacuum technology while fulfilling our social responsibility.

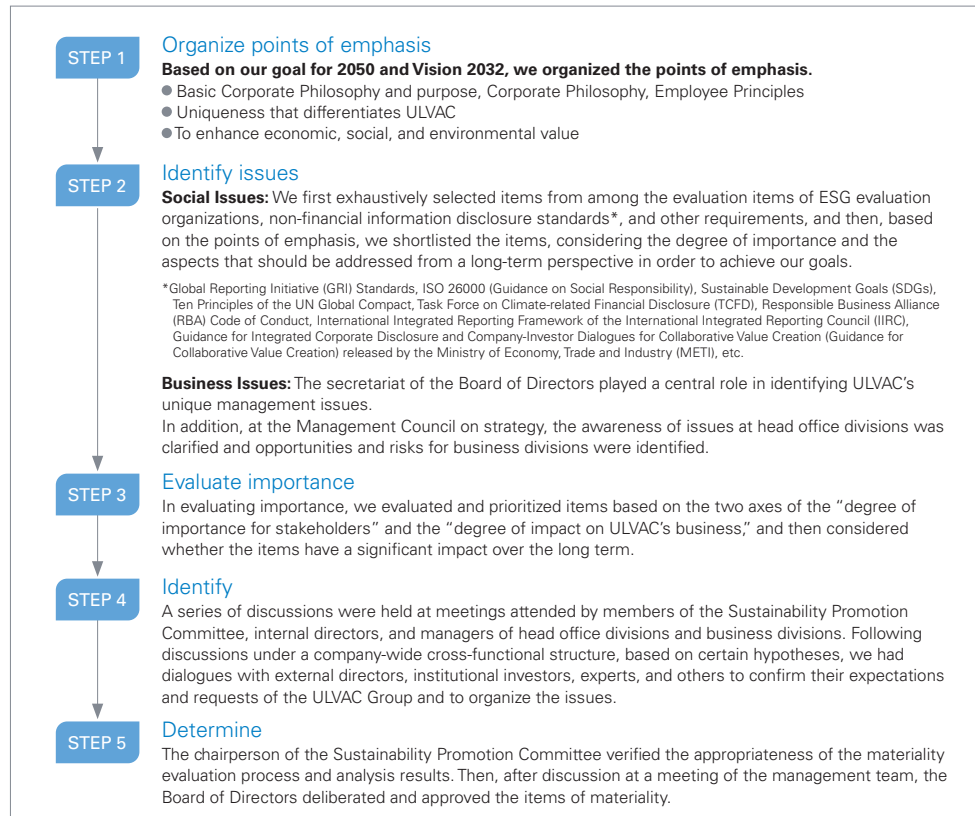


## Materiality Identification Process

### Basic Approach

In the process of identifying materiality, we conducted an internal review and had in-depth discussions as well as dialogues with external directors, external experts, institutional investors, and others. Reflecting the suggestions obtained, we considered materiality in a broader sense from the viewpoint of enhancement of corporate value and have positioned materiality as "ULVAC's unique management issues for realization of our goal for 2050 and Vision 2032."

### Identification Process



## Promotion Structure

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

We have established the Sustainable Management Division, which reports directly to the President, to promote sustainability initiatives throughout the Group. The Sustainability Promotion Committee, which meets twice a year, is attended by internal directors, internal corporate auditors, executive officers in charge of the relevant divisions, and the division heads nominated by the chairperson. The Committee sets sustainability targets, manages progress, considers policies, and discusses initiatives on key themes. Important matters are reported and resolved as appropriate 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 General Manager of the Sustainable Management Division 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 supervise it appropriately.




**Seigou Kinugawa**  
 Officer  
 Responsible for Sustainability & Environmental Management

ULVAC views ESG-related requirements from the global market as important issues directly linked to enhancing corporate value and is promoting priority measures based on materiality throughout the Group. As a manufacturer, we regard reducing environmental impact as a particularly important theme supporting corporate sustainability and are strengthening initiatives in this area. Through the comprehensive utilization of vacuum technology, we will strive to create economic, social, and environmental value, aiming to achieve both a sustainable future and enhanced corporate value.

# Initiatives for Materiality

The ideal state, success factors, and targets are set for each materiality. Meeting twice a year, the Sustainability Promotion Committee confirms the progress situations and determines and reviews action plans, which are implemented by the respective responsible persons.

Materiality	Key initiatives	Key initiatives status	Pages	Website
Promotion of Creation and Co-creation of Innovation with Vacuum Technology as the Core	R&D Strategy with Vacuum Technology as the Core Creation and Co-creation of Innovation	We believe co-creation with our customers is of the utmost importance, and we are advancing research and development to maximize the ULVAC Group's R&D resources and achieve the best possible results. Moreover, we are developing equipment and deposition processes to accelerate the growth of our semiconductor and electronics business, while also taking on challenges in next-generation domains.	▶ P34-P35	<a href="#">For details ▶ Website</a> >> R&D > ULVAC Research and Development
	Intellectual Property Assets	To develop the business environment, enhance the competitiveness of the entire ULVAC Group, and enhance corporate value, we are striving to create and utilize intellectual property assets.	▶ P37	<a href="#">For details ▶ Website</a> >> R&D > Intellectual Property Assets
	Research and Development / Intellectual Property Governance Platform for Sharing Technology and Intellectual Property	By unifying the Group's R&D structure, we are building and operating an organization that continuously creates differentiated products and new technologies, acquires intellectual property, and accelerates development, enabling us to offer cutting-edge products and technologies that meet customer requirements in a timely manner. Furthermore, we are promoting the sharing of knowledge and technology to contribute to the advancement of industry and science.	▶ P36	<a href="#">For details ▶ Website</a> >> R&D > ULVAC Research and Development
Development of Diverse Human Resources and Promotion of Their Advancement	Human Resources Development, Development of Core Human Resources	We provide comprehensive programs to support employees' skills enhancement and career development. Through the ULVAC Global Awards of Improved Achievement (ULGAIA), we share and horizontally deploy initiatives that put our Basic Corporate Philosophy into practice, thereby leveraging synergies across the entire Group and growing together with our colleagues worldwide.	▶ P39-P40	<a href="#">For details ▶ Website</a> >> Sustainability > Human Resources > Human Resource Policies
	Respect for Diversity and Inclusion Creating an Excellent Working Environment	We are striving to enhance the workplace environment so that diverse human resources can fully utilize their unique abilities, regardless of gender, nationality, race, or other attributes, and experience job satisfaction. We also focus on cultivating a working environment in which individual employees can demonstrate their strengths and originality while enhancing their productivity. By reflecting the views of employees through engagement surveys, we have cultivated an environment in which diverse human resources can thrive.  <b>Key metric: Ratio of women in managerial positions</b> Target: 10% or more by June 2026 in the ULVAC Group Result: 10.9% (FY2024)	▶ P38 ▶ P41	<a href="#">For details ▶ Website</a> >> Sustainability > Human Resources > Human Resource Development <a href="#">For details ▶ Website &gt;&gt;</a> Sustainability > Human Resources > Creating a Comfortable Working Environment
	Promotion of Health and Productivity Management	We are promoting health and productivity management as an important management issue. While pursuing Initiatives such as periodic medical checkups, stress checks, and exercise programs, we are implementing measures to enhance work engagement.	▶ P41	<a href="#">For details ▶ Website</a> >> Sustainability > Promotion of Health and Productivity Management
Cultivation of Resilient Organizations	ULVAC's Sustainable Management Corporate Governance Risk Management With Our Stakeholders	Based on the Basic Corporate Philosophy which is the foundation of all business activities, we have established the Sustainability Policy, Our Goal for 2050, Vision 2032, and Materiality, and are promoting sustainable management. Regarding corporate governance, we have put in place systems to ensure organizational transparency and protect the interests of our stakeholders. This includes establishing appropriate oversight systems and strengthening risk management. Moreover, we also attach great importance to relationships with our stakeholders, and aim to enhance corporate value and achieve sustainable growth through dialogue with employees, customers, business partners, investors, and local communities.	▶ P12-P13 ▶ P52-P55 ▶ P58-P59 ▶ P61	<a href="#">For details ▶ Website</a> >> Sustainability > ULVAC's Sustainable Management <a href="#">For details ▶ Website</a> >> Sustainability > Corporate Governance <a href="#">For details ▶ Website</a> >> Sustainability > Risk Management
	Compliance	We have established the ULVAC Group Corporate Code of Ethics and are striving to ensure compliance with laws and regulations, internal codes, and ethical codes through the development of compliance systems and initiatives to raise employee awareness. The whistleblowing system is established for early detection and correction of misconduct and violations.	▶ P60	<a href="#">For details ▶ Website</a> >> Sustainability > Compliance

# Initiatives for Materiality

Materiality	Key initiatives	Key initiatives status	Pages	Website
Respect for Human Rights and Responsible Conduct in the Value Chain	Human Rights Responsible Procurement Management	We are committed to prohibiting discrimination and harassment; respecting employment autonomy; ensuring product safety, workplace health and safety, and employee health; upholding freedom of association; and ensuring appropriate working conditions. At the same time, in cooperation with suppliers—who are our important partners for manufacturing—we strive to promote responsible procurement throughout the supply chain taking human rights, labor, and the environment into consideration.	▶ P42-P43 ▶ P44	<a href="#">For details ▶ Website</a> <a href="#">&gt;&gt; Sustainability &gt; Human Rights</a> <a href="#">For details ▶ Website</a> <a href="#">&gt;&gt; Sustainability &gt; Procurement</a>
	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, is encouraged to seize the initiative in continuously undertaking improvements placing the highest priority on safety, striving to maintain and improve the safety of everyone involved and ensure a healthy working environment.	▶ P45	<a href="#">For details ▶ Website</a> <a href="#">&gt;&gt; Sustainability &gt; Occupational Safety and Health</a>
Contribution to a Sustainable Global Environment	Initiatives to Address Climate Change	<p>We endorse the Task Force on Climate-related Financial Disclosure (TCFD) recommendations and strive to disclose relevant information. As part of the comprehensive climate-related strategy, we have set greenhouse gas emission reduction targets and are promoting introduction of renewable energy and working to improve energy efficiency.</p> <p><b>Key metric: Greenhouse gas emissions</b>                      Target: Reduce greenhouse gas emissions in 2030 by 50% compared with 2023 (Scope 1 and 2)                      Achieve net zero greenhouse gas emissions by 2050                      Result: 4,574 t-CO<sub>2</sub> (6.0% compared with FY2023)</p>	▶ P46-P49	<a href="#">For details ▶ Website</a> <a href="#">&gt;&gt; Sustainability &gt; Environment &gt; Initiatives to Address Climate Change</a> <a href="#">For details ▶ Website</a> <a href="#">&gt;&gt; Sustainability &gt; Environment &gt; Environmental Philosophy / Environmental Policy</a>
	“ULVAC Green Products” Certification Program for Environmentally Friendly Products	The program certifies products that satisfy the applicable standards for ULVAC’s evaluation items concerning environmentally friendly design.	▶ P50	<a href="#">For details ▶ Website</a> <a href="#">&gt;&gt; Sustainability &gt; Environment &gt; Product Initiatives</a>
	Environmental Activities in FY2024 Efficient Use of Water and Management of Chemical Substances Appropriate Waste Management and Recycling Biodiversity Initiatives	<p>Recognizing that conservation of the global environment is one of the most important issues facing humanity, we promote the effective use of resources in all aspects of our operations and manage hazardous chemical substances appropriately in our manufacturing processes to prevent environmental contamination and health hazards.</p> <p><b>Key metric: Water consumption</b>                      Target: Reduce unit water consumption* to the level in 2020 or less                      *Water withdrawal/Net sales (consolidated) (0.77) Result: 0.67</p> <p><b>Key metric: Environmental accidents</b>                      Target: Zero major legal violations Result: Zero</p>	▶ P47 ▶ P50-P51	<a href="#">For details ▶ Website</a> <a href="#">&gt;&gt; Sustainability &gt; Environment &gt; Environmental Philosophy / Environmental Policy</a> <a href="#">For details ▶ Website</a> <a href="#">&gt;&gt; Sustainability &gt; Environment &gt; Environmental Data</a> <a href="#">For details ▶ Website</a> <a href="#">&gt;&gt; Sustainability &gt; Environment &gt; Pollution Prevention Initiatives</a>

# New Mid- to Long-Term Management Plan <Value-Up Plan>

Due to changes in the external environment and other factors, the ULVAC Group concluded its previous mid-term management plan (for three fiscal years to June 30, 2026) one year ahead of schedule and launched a new mid- to long-term management plan, the "Value-Up Plan," starting in the fiscal year ending June 30, 2026.

Under this plan, we will optimize management resources and accelerate the review of our business portfolio, with a focus on the semiconductor and electronics business, to achieve sustainable growth and high profitability.

## Basic Policy and Vision

**Selection and concentration of the business portfolio centered on the semiconductor and electronics business**

### Growth Strategy

**Accelerate focus on the semiconductor and electronics business**

**Create new semiconductor and electronics-related businesses by leveraging synergies among businesses**

**Expand business through M&A and other initiatives**

### Business Reforms (Complete in 2 years)

**Downsize and withdraw from low-profit businesses**

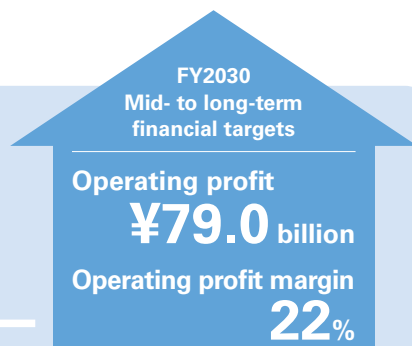
**Restructure and streamline Group companies and production sites**

**Reduce fixed costs by optimizing personnel and SG&A expenses**

### Production Reforms

**Improve production efficiency at production sites**

**Enhance profitability through modular design**



**Approx.**  
**¥110.0 billion**  
**increase**

Consolidated net sales increase by FY2030

**5.5% increase**

Operating profit margin improvement by FY2027

**12% increase**

Operating profit margin improvement in the target equipment business by FY2030

## Mid- to Long-Term Financial Targets

Items	FY2024 Full-year results	FY2027 Interim targets	FY2030 Targets
<b>Net sales (CAGR)</b> Semiconductor and electronics-related business*2	<b>¥251.2 billion</b>	<b>¥260.0 billion</b> (After considering downsizing and withdrawal due to business reforms)	<b>¥360.0 billion</b> (CAGR 12%)*1 (CAGR 17%)
<b>Semiconductor and electronics-related business Net sales composition ratio</b>	<b>36%</b>	<b>45%</b>	<b>60% or more</b>
<b>Operating profit</b>	<b>¥26.5 billion</b>	<b>¥39.0 billion</b>	<b>¥79.0 billion</b>
<b>Operating profit margin</b> Semiconductor and electronics-related business	<b>10.6%</b> <b>11.6%</b>	<b>15%</b> <b>19%</b>	<b>22%</b> <b>25%</b>
<b>ROE</b>	<b>7.5%</b>	<b>10%</b>	<b>16%</b>

\*1 Calculated based on estimated net sales after business restructuring

\*2 Based on management accounting figures of semiconductor and electronics business and related businesses

## Path to Achieving Targets

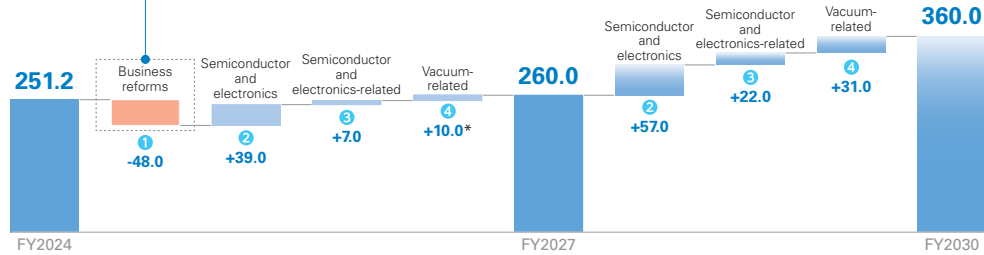
Aim to steadily improve the operating profit margin by driving growth in the semiconductor and electronics business and related businesses that exceeds the net sales decrease caused by business reforms by FY2027.

### Factors contributing to net sales increase/decrease

- ① Sales decrease due to downsizing and withdrawal from low-profit businesses
- ② Sales increase in the semiconductor and electronics business
- ③ Sales increase in semiconductor and electronics-related businesses
- ④ Sales increase in vacuum-related businesses

#### Sales decrease due to business reforms / Display-related businesses, etc.

● Business sales: -¥30 billion ● Business withdrawal and downsizing: -¥18 billion



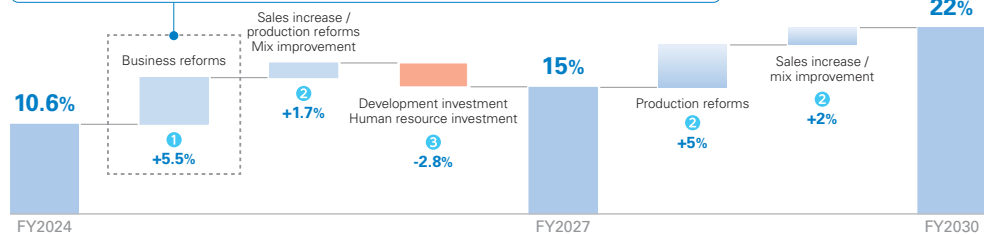
\*Amounts less than ¥100 million are rounded down.

### Factors contributing to operating profit margin increase/decrease

- ① Profit margin improvement due to business reforms
- ② Increase in operating profit driven by production reforms, mix improvement, and sales increase
- ③ Product development investment and human resource investment aimed at growth beyond FY2027

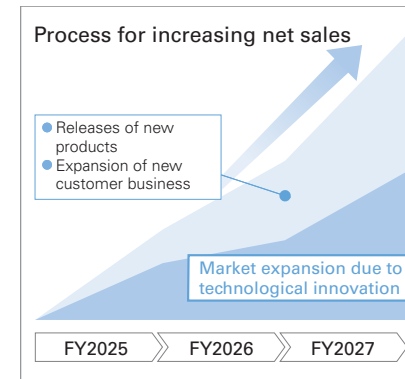
#### Profit margin improvement due to business reforms

- Downsizing and withdrawal from low-profit businesses
- Restructuring and streamlining of Group companies and production sites
- Reduction of fixed costs by optimizing personnel and SG&A expenses



## Factors Contributing to Net Sales Increase through FY2027

We aim to achieve growth of the semiconductor and electronics business that exceeds the decrease in net sales resulting from business reforms, through market expansion accompanying technological innovation based on existing businesses and the release of new products aligned with customers' technology roadmaps.



### Factors contributing to net sales increase through FY2027

② **Semiconductor and electronics** **+¥39.0 billion**

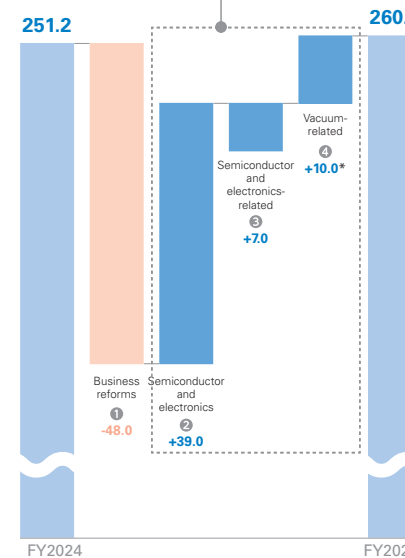
- **Memory**  
Increased investment in HBM + entry into new customers and new processes
- **Logic**  
Hard mask process expansion + entry into metal film process
- **Power Devices**  
Full-scale investment in 8-inch SiC + commencement of GaN investment
- **Various Electronic Devices**  
Packaging business growth + entry into new customers and new processes

③ **Semiconductor and electronics-related** **+¥7.0 billion**

- **Surface Analyzers**  
Maintaining market share in analyzers + entry into the semiconductor inspection equipment business
- **Materials (semiconductors)**  
Semiconductor business growth + expansion through competitive products

④ **Vacuum-related** **+¥10.0 billion\***

- **Components**  
Business expansion by releasing new products for the semiconductor and electronics market
- **Batteries, etc.**  
Progress in adoption of double-sided deposited film to improve lithium battery safety
- **Leak Testers**  
Expansion of multi-purpose applications such as cooling systems for data centers



\*Amounts less than ¥100 million are rounded down.



# Implement Reforms to Achieve a Leap in Six Years and Pave the Way for ULVAC's Future

Tetsuya Shimada  
Senior Managing Director and CSO

## Role as CSO and My Mission

From the current fiscal year, we have introduced a CxO system, and I have assumed the roles of Senior Managing Director and Chief Strategy Officer (CSO). I am responsible for the formulation and execution of the mid- to long-term company-wide management strategies. Having spent many years in business divisions, I intend to bring my first-hand operational experience to ULVAC's management going forward. Through my practical experience, I have come to understand and reflect deeply on ULVAC's potential for value offering. As a division head, I have led various reforms and innovation initiatives, contributing to the growth of the business. I believe this experience and track record have been recognized, and that I have been entrusted with a role in shaping the strategic initiatives the ULVAC Group will need going forward and in transforming the organization with a clear sense of direction. As we advance with unprecedented company-wide reform under the "Value-Up Plan," there is a shared understanding among the management team that strong leadership and steady guidance from someone deeply familiar with our business operations are essential. As CSO, I am absolutely committed to fulfilling this responsibility. Mid-term management plans typically focus primarily on "growth," setting performance targets based on assumptions such as expanding market share, strengthening profitability, and launching new products and businesses. By contrast,

the Value-Up Plan we have formulated as a six-year mid- to long-term management plan clearly positions "reform" at its core, while aiming for both growth and improved profit margins. "Business reforms" and "Production reforms," which are the cornerstones of the plan, require initiatives grounded in a front-line perspective with a thorough understanding of day-to-day operations. This marks a significant departure from a typical mid-term management plan. First and foremost, making this Value-Up Plan a success is my most important mission as CSO. As the person with overall responsibility for this plan, I will encourage company-wide reform initiatives, provide momentum to maintain the pace of progress, set the overall direction without becoming overly involved in the details, and support each team so that they can move forward on their own initiative. Currently, we hold progress review meetings every two weeks to monitor implementation of the Value-Up Plan and ensure effective information sharing. This meeting is attended by the leaders of Business Reforms, Production Reforms, and Growth Strategy, together with the operational leaders reporting to them. Mr. Aoki, Senior Managing Director and CFO, is the leader of Business Reforms; I lead Production Reforms; and Mr. Kondo, Senior Executive Officer and Head of Semiconductor & Advanced Electronics Business HQ, leads the Growth Strategy. My top priority is to ensure that reforms do not stall. Where progress shows signs of slowing, I will take timely action to keep the overall plan moving forward.

The six-year duration of the Value-Up Plan is exceptionally long. While strong initial enthusiasm is important, enthusiasm alone will not be sufficient to achieve its objectives. To embed the mindset that reform must never stall, it is essential to execute agreed routines consistently. As part of building this system, we have introduced progress reporting every two weeks and are working to ensure it takes hold throughout the organization.

## Background to Formulation of the Value-Up Plan

The ULVAC Group concluded the previous three-year mid-term management plan (from FY2023 to FY2025) one year ahead of schedule and has launched the Value-Up Plan in the fiscal year ending June 30, 2026 (FY2025).

After launching the previous plan, which identified logic, memory, power devices, various electronic devices, and batteries as the five pillars of our growth strategy, we have held discussions to develop a mid- to long-term outlook beyond that plan. In these discussions, we examined a shift toward positioning semiconductor and electronics as the core drivers of ULVAC's future growth.

Meanwhile, the previous plan made a strong start amid expanding capital investment, achieving growth in orders received far above expectations, together with increases in both sales and profit. However, in the second year, investment in power devices and batteries declined rapidly due to a slowdown in the Chinese EV market. As it became clear that continuing with the existing plan would no longer allow us to recover performance sufficiently to achieve our targets, we recognized the need to reform from a higher perspective and decided at this stage to transition to a new plan based on a mid- to long-term outlook.

The above outlines the background leading to the formulation of the Value-Up Plan. Rather than waiting for a recovery in investment in batteries and power devices, we decided to transform our business portfolio and pivot to an electronics- and semiconductor-centered strategy, positioning these businesses as the core drivers of our future growth. We organized our measures into "Business Reforms," "Production Reforms," and "Growth Strategy," and formulated the six-year mid- to long-term management plan, the Value-Up Plan.

Currently, the semiconductor market is entering a major growth phase against the backdrop of the rapid development and penetration of generative AI. ULVAC is in the process of further enhancing its presence as a semiconductor production equipment manufacturer. Through the Value-Up Plan, we aim to increase profit margins and achieve growth by boldly concentrating management resources on the semiconductor and electronics business.

However, as we expand our semiconductor and electronics business—particularly semiconductor production equipment—it takes considerable time from development through adoption to mass production. Therefore, even if we pursue initiatives over a three-year period as in our previous mid-term management plan, it would be difficult to achieve tangible results. Accordingly, under the Value-Up Plan, we have drawn up a roadmap to deliver results over a six-year period, starting with the laying of a foundation through business reforms and production reforms as a preparatory phase.

Transforming our business portfolio has been a longstanding theme for ULVAC. For more than a decade, we have been discussing the need for a new growth driver to succeed flat panel displays (FPDs). However, as the FPD business has remained robust and continued to deliver stable results, it has been difficult to translate those discussions into concrete actions toward future transformation. In recent years, Chinese FPD manufacturers have come to dominate the market and FPD production in Japan has shrunk. Against this backdrop, and as described above, we have shifted our focus toward semiconductor and electronics. Nevertheless, I feel it will still take time for this change in direction to be fully reflected in the mindset across ULVAC.

However, from a profit-margin perspective, the semiconductor and electronics business significantly outperforms the FPD business. To achieve sustainable growth, ULVAC must maintain the high level of profitability. I also consider it one of my roles to communicate this profit-focused perspective within the company and promote a change in mindset.

## Goals of Business Reforms and Production Reforms

Under the Value-Up Plan, business reforms are positioned as the first step, and over the next two years through the fiscal year ending June 30, 2027, we will downsize or withdraw from low-profit businesses, restructure production sites, and optimize fixed costs. As part of our efforts to address low-profit businesses, we have recently completed the transfer of a portion of our equity interest in the pump motors business in China. We are also considering downsizing or withdrawal from the FPD-related materials business, the parts processing business, and a customer support office in Southeast Asia. Regarding the restructuring of production sites, we terminated production at the materials-related Tomisato Plant in Tomisato City, Chiba Prefecture, and announced the withdrawal from production of FPD production equipment at the Tohoku Plant in Hachinohe City, Aomori Prefecture, and the Hyeon-gok Plant in South Korea. We plan to consolidate the production of FPD production equipment at our site in China by 2027.

The downsizing of and withdrawal from low-profit businesses are based on the profit-oriented approach mentioned earlier. Within ULVAC, the prevailing view has been that the existence of low-profit businesses is acceptable as long as high-profit businesses offset them and overall profitability is secured. In the semiconductor and electronics market, however, this approach makes it difficult to sustain sufficient development investment, and a higher level of profitability is essential to create high-value-added technologies and products that will drive future growth. In light of this situation, I believe it is important to proceed with reforms while the Group is strong and the market is poised for growth.

Regarding the restructuring of production sites, one challenge is that the factory setups for large FPD production equipment and for semiconductor and electronic device production equipment are completely different. While it is possible to manufacture semiconductor and electronic device production equipment at our existing production sites, production efficiency cannot be fully optimized, leaving us at a disadvantage compared to competitors. Geographically, ULVAC production sites have been concentrated in East Asia because of our focus on the FPD market. However, the



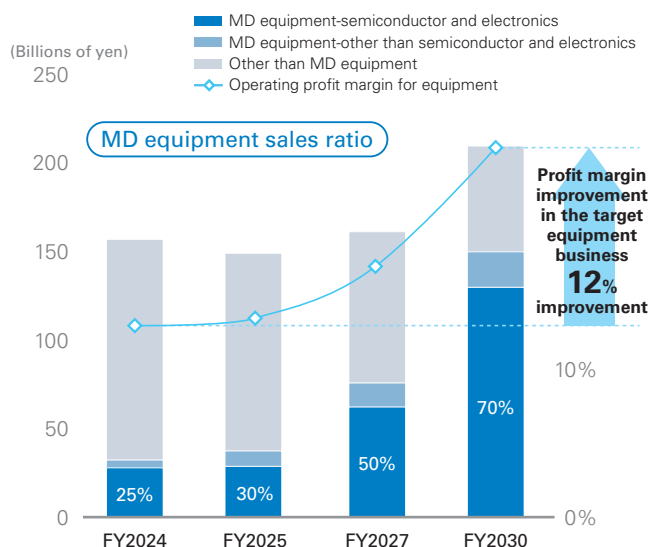
semiconductor and electronics market is expanding globally. With these challenges in mind, we will establish a new production system by consolidating sites and reorganizing the production lineup.

Regarding optimization of fixed costs, we anticipate a reduction of 1,200 personnel and the consolidation and reorganization of eight consolidated subsidiaries over the three-year period ending June 2028. These measures will include the sale of businesses, including deconsolidation through equity transfer, and factory closures. In business reforms, the approach to optimizing fixed costs is not simply to reduce the headcount to improve efficiency, but to build a system that allows a smaller workforce to maintain, or even exceed, current operational performance. Such reforms, combined with the production reforms and growth strategy described below, is expected to improve operating profit by ¥12.0 billion.

In terms of production reform, we will introduce “modular design,” primarily for semiconductor and electronic device production equipment. This approach will deliver benefits including significant reduction in manufacturing lead times, streamlining of production systems, and improvement in procurement and parts standardization. Modular design will, of course, be applied to mass-produced equipment, but only by achieving sufficient volume can it contribute to higher profit margins. We aim to put in place a system that supports

the expansion of mass-production projects across both sales and development. Our plan is to raise the share of modular design equipment to approximately 70% of total equipment sales by the fiscal year ending June 30, 2031 (FY2030). The remaining 30% consists of prototype-like equipment or highly customized equipment for specific customers, and therefore is unsuitable for modular design. This portion of equipment allows us to try new technologies, build on our field experience, and undertake various trials and challenges. It is also crucial for demonstrating our proposal capabilities while responding to customer needs, and for exploring ideas that will drive our next phase of growth. Taking advantage of this environment, we will continue to hone our development and technological capabilities every day.

**By increasing the percentage of modular design (MD) equipment focused on semiconductor and electronics, swiftly respond to customer needs and improve profitability through consolidation of production sites.**

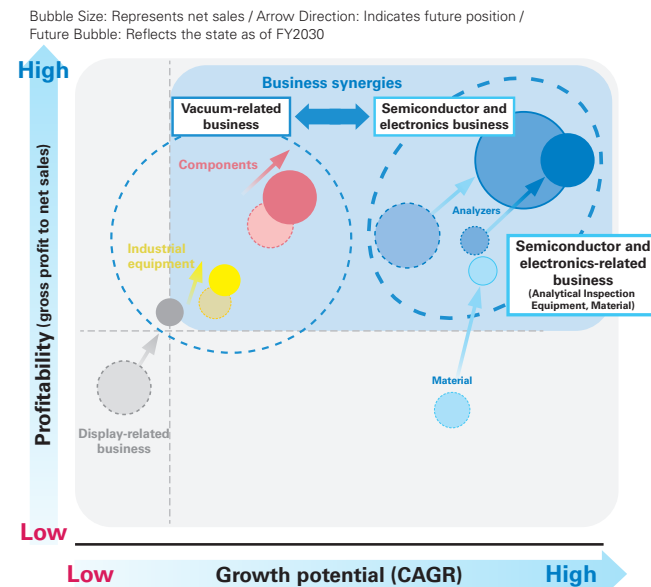


**Key Points of Growth Strategy and Business Portfolio**

Building on the results of business reforms and production reform, the growth strategy aims to further expand profits, with the semiconductor and electronics market as the main focus. In the semiconductor field, demand related to generative AI—currently experiencing remarkable growth—will serve as a key growth driver, and the market is expected to continue growing for the time being. This trend is spreading to electronic devices, leading to rising demand and continued expansion of the electronics market. Looking ahead, we expect the semiconductor and electronics business to maintain steady growth over the medium to long term. Specifically, we are now most focused on advanced packaging, which integrates numerous functions into single-chip semiconductor and electronic devices. ULVAC possesses production equipment with strengths in the advanced packaging field. We will reinforce product development through aggressive investment to reliably capture demand and drive growth. We also intend to focus on initiatives in collaboration with Japanese companies that have strengths in materials-related fields.

Under the business portfolio strategy, we will concentrate management resources on semiconductor and electronic device production equipment to grow it as our core business. At the same time, we will capture demand for peripheral products—such as analyzers and inspection equipment—which we classify as semiconductor and electronics-related, and expand the businesses of our subsidiaries handling these products. For components and measuring instruments, which are positioned as vacuum-related businesses, we will leverage products suitable for semiconductor and electronics applications and operate with a focus on synergies between businesses. As mentioned above, we will withdraw from FPD production in Japan. However, the business will continue primarily overseas, and we will shift it toward high-margin operations. Particularly in East Asia, where we have delivered a large volume of equipment to date, servicing, maintenance, and equipment renewal are areas with high profit potential.

**Business Portfolio Strategy Image**



**Commit to Execution and Complete with Rigor**

Over the next six years, I will remain fully committed to achieving the targets of the Value-Up Plan and will support our employees in advancing their initiatives without interruption. This commitment is shared by all members of the Board of Directors, including external directors, as well as all executive officers. I have received strong encouragement from the external directors, reflecting their expectations that I will see the Value-Up Plan through to completion. To see the plan through successfully, we must act with full commitment, without hesitation or compromise. We will maintain a disciplined resolve and remain steadfast in executing our initiatives. We invite you to look forward with us to the changes ULVAC will undergo and the achievements within our reach.



## Supporting Profit Growth through Financial and Capital Strategies on the Path to Excellence

Sadao Aoki

Senior Managing Director and CFO

### Financial and Capital Strategies of the Value-Up Plan

The financial and capital strategies under the new six-year mid- to long-term management plan, the “Value Up Plan,” rest on two cornerstones: securing a solid financial foundation that allows continued growth investment despite changes in the external environment, and improving capital efficiency through higher profit margins. Based on a capital allocation plan projecting cumulative cash inflows and outflows of approximately ¥195.0 billion over the six-year period, we will manage growth and strategic investments as well as shareholder returns, while strengthening cash flow management to improve capital efficiency. The capital efficiency improvement target is “ROE of 16%” in the final year of the plan (fiscal year ending June 30, 2031). From the perspective of financial stability, it is necessary to continue to maintain and strengthen shareholders’ equity. Accordingly, our fundamental approach to improving ROE is to achieve it through higher profit margins. Under the Value-Up Plan, we will enhance profitability by transforming the business portfolio through “Business Reforms”—including downsizing or withdrawing from low-profit businesses and restructuring of production sites—and by improving efficiency through “production reforms,” such as promoting modular design. Building on this foundation, the “Growth Strategy” will further expand profits. The administrative divisions will monitor, from a quantitative perspective, the progress of profitability improvement driven by these measures and play a leading role in promoting growth in profits and profit margins. At the same time, as an internal measure, we will strengthen management of the cash conversion cycle (CCC), including efforts to shorten inventory turnover days, thereby supporting profit growth through improved capital efficiency.

### Capital Allocation and Risk Mitigation

Under our capital allocation plan, we expect cumulative cash inflows of approximately ¥195.0 billion over the six-year period, with about 85% (approximately ¥165.0 billion) generated from operating cash flow and about 15% (approximately ¥30.0 billion) from debt financing, including borrowings and business divestitures. As ULVAC operates in a relatively volatile industry, operating cash flow is subject to significant fluctuations depending on external conditions. We intend to manage any resulting surplus or shortfall through borrowings and other measures. This ratio is not fixed and will be adjusted in line with cash flow conditions. The current plan calls for an increase in cash inflows to vigorously expand growth and strategic investments. Meanwhile, with respect to cash outflows, we plan to allocate approximately 70% (around ¥135.0 billion) to growth and strategic investments and approximately 30% (around ¥60.0 billion) to shareholder returns. This growth and strategic investment is expected to include approximately ¥82.0 billion in capital expenditure for research and development, as well as the expansion of production

facilities and M&A. A defining feature of the plan is the large scale of investment envisaged, encompassing expanded development and capital investment in semiconductor and electronics business, which is a growth field, together with strategic investments, including M&A.

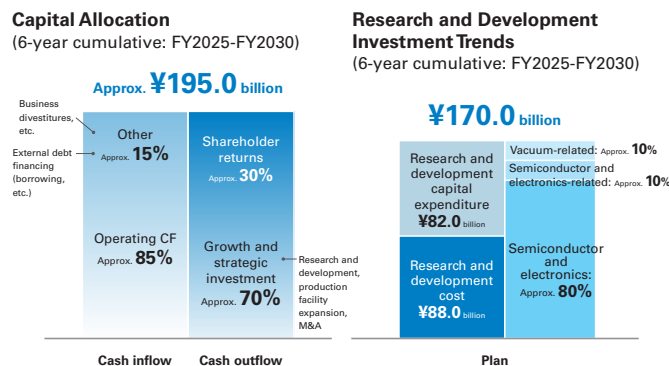
Over the six-year period, total investment in research and development investment is expected to amount to approximately ¥170.0 billion, comprising ¥82.0 billion in capital expenditure for R&D facilities, as noted above, and ¥88.0 billion in research and development cost. Of this total, about 80% (approximately ¥136.0 billion) will be allocated to the semiconductor and electronics business, about 10% each (approximately ¥17.0 billion) to the semiconductor and electronics-related businesses (analyzers, materials, etc.) and the vacuum-related businesses. Among these businesses, the semiconductor and electronics business and related businesses are expected to drive profit expansion and high growth. Meanwhile, vacuum-related businesses are expected to generate stable profits in the components field such as pumps and power supplies, with additional contributions anticipated from synergies with the semiconductor and electronics business.

Internally, we have long maintained a framework under which investment projects are reviewed and deliberated by the Investment Committee prior to execution, thereby mitigating risk. Going forward, we will establish mechanisms to strengthen progress monitoring—including for R&D and M&A—focused on investment recovery and profit contribution—thereby mitigating the risks associated with large-scale investments.

### Mid- to Long-Term Financial and Capital Strategies with an Eye to the Future

Our initiatives to secure technological superiority through proactive development investment in the semiconductor and electronics business require time, and accordingly, some results will be realized during the Value-Up Plan period, while others will materialize beyond it. With a long-term perspective, I believe it is essential to sustain proactive investment without easing our commitment. We recognize that the foundation of our mid- to long-term financial and capital strategies is to firmly support business growth while ensuring investment capacity sufficient for that growth. Based on this approach, the administrative divisions will work to expand and strengthen our financial foundation while supporting company-wide initiatives to enhance corporate value, as ULVAC continues on its path toward excellence.

In April 2025, ULVAC, Inc. received an “A” credit rating (Single A Flat). Through the steady execution of the Value-Up Plan, we will further enhance our creditworthiness in the capital markets. Looking ahead, we aim to advance to a new stage of growth as a company on the path to excellence, while also positioning ourselves to pursue capital policies that make more effective use of financial leverage.



## External Directors Roundtable Discussion



**From left**  
**Hiroyuki Nishi External Director**  
Became 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.

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

**Yoshimi Nakajima External Director**  
Became 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.

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

# Monitoring and Support from an External Perspective to Ensure Ongoing Progress of “Value-Up” to Establish the New ULVAC

Having concluded the previous mid-term management plan earlier than scheduled, ULVAC has formulated and launched a new six-year mid- to long-term management plan. As ULVAC shifts its management focus toward bold investment of management resources in the semiconductor and electronics field, responding swiftly to changes in the business environment, four external directors gathered to exchange candid views on expectations and challenges related to the Value-Up initiatives, as well as on human resources and organizational structure.

### How would you analyze and evaluate the ULVAC Group's performance during the two years of the previous mid-term management plan (FY2023-FY2024) as well as its current state of the ULVAC Group?

**Ishida:** I view positively the growing momentum and culture of "ONE ULVAC" that has been taking shape across the ULVAC Group over the past few years. I also highly commend ULVAC for having, over the past two years, significantly strengthened its shift toward a business portfolio centered on the semiconductor and electronics field, guided by the management team's accurate long-term assessment of the business environment. On the other hand, I believe that ULVAC wasn't always able to execute its strategies with sufficient speed, particularly in advancing development in response to technological progress and in investing in growth fields.

**Uchida:** First, I would like to commend the significant progress made over the past two years in strengthening business unit-based management and improving the visualization of information, made possible by the dedicated efforts of the administrative divisions in responding to the proposals from us external directors. I think this progress has directly contributed to the meticulous and well-grounded design of the new mid- to long-term management plan, the "Value-Up Plan." ULVAC has defined "our goal for 2050" as the overarching management concept. To realize this vision, ULVAC established Vision 2032 and identified its materiality, and then formulated and implemented the previous mid-term management plan by backcasting from these goals. However, execution of the previous mid-term management plan began before sufficient analysis had been conducted on certain key materiality items, including innovation and

the global readiness of human resources. This may have contributed to insufficient translation of strategies into concrete initiatives and weak execution under the previous mid-term management plan.

**Nakajima:** With a view to future expectations, I would venture to say that there were some challenges in terms of grit and persistence, as well as in the ability to rigorously analyze when initiatives did not go as planned. As a result, this may have contributed to the management speed issues highlighted by Mr. Ishida. However, if ULVAC can make efficient course corrections, it should be well positioned to achieve its goals while adapting to various changes.

**Nishi:** The decision to conclude the previous mid-term management plan ahead of schedule and launch a new one is a notable case of proactive course correction. From a long-term perspective, I believe the decision was both timely and reasonable. It can also be seen as a reset of the mindset toward greater focus through business selection and concentration, as well as further business reforms. I hope ULVAC will regard this as a touchstone and press ahead with determination in its pursuit of Value-Up. As Mr. Uchida pointed out, the Administration HQ's efforts to better visualize each business unit is a significant and commendable step forward. As a result, we are now able to analyze profitability on a business unit basis, which has enabled us to clearly define the business portfolio targeted under the Value-Up Plan.

**Ishida:** Furthermore, regarding the analysis of materiality highlighted by Mr. Uchida, as the Value-Up Plan progresses, I would like to see this taken beyond the refinement of strategy and scenario planning, and translated into clear pathways that link to individuals achieving their goals.

**Nakajima:** Over time, this approach should also contribute to strengthening individual grit, ensuring fair and appropriate evaluation, and the cultivation of leadership.



Hiroyuki Nishi External Director

### Could you share your views on the content of the new mid- to long-term management plan, the "Value-Up Plan," launched in FY2025?

**Nishi:** With a business portfolio built on selection and concentration, the plan focuses on how to improve profit margins and capital efficiency. It also does not shy away from making difficult decisions, including workforce reductions where necessary. It represents a major turning point for ULVAC. I also see it as a valuable opportunity to objectively assess ULVAC's strengths and weaknesses through the lens of such a portfolio.

While the previous mid-term management plan revealed challenges in execution and follow-through, the successful completion of the new plan will undoubtedly bring about the emergence of a "new ULVAC." Although these initiatives are still at an early stage, I believe that through the Value-Up Plan we will build a lean resilient management structure and a culture of execution and follow-through. This, in turn, will foster greater confidence within ULVAC and ultimately bring us a step closer to accomplishing Vision 2032.



Norio Uchida External Director

**Ishida:** Building on the previous mid-term management plan, there remains a shared commitment to advancing toward excellence centered on the semiconductor and electronics business. I welcome the planned further allocation of resources to this field and view positively the fact that the planning is more concrete and specific than under the previous plan. From the standpoint of concreteness, I am particularly interested in how the Technology Center PYEONGTAEK in South Korea, established in August 2024, will be utilized, as well as what types of investment initiatives, including M&A, will be pursued under the Value-Up Plan.

**Nakajima:** The further rise in ULVAC's stock price since the announcement of the Value-Up Plan on August 13, suggest that the plan has garnered a measure of positive recognition from capital market participants. Going forward, ULVAC should place renewed emphasis on the human resources and organizational capabilities required to execute each strategy. As Mr. Ishida noted, the Value-Up Plan represents a more deeply developed and concrete step forward. The next critical phase will be for everyone to take ownership of the plan, inspiring and challenging one

another other while staying attuned to external changes, and continuing to advance steadily toward Value Up without losing momentum.

**Uchida:** From my experience, I see two main priorities for the Value-Up Plan. First, embed structural reform as a continuous, ongoing process. With a healthy sense of urgency and ongoing reform, we can adapt to changes in the environment without delay. Secondly, strengthen technology, marketing capabilities, and human resources to ensure competitiveness in the global market. I particularly urge ULVAC to focus on developing technologies and cultivating global talent to succeed in the U.S. market, where ULVAC has historically been somewhat weak. The Value-Up Plan consists of two years of business reforms followed by four years for realizing growth. The priority, however, should clearly be placed on the growth phase. I hope the reforms will be pursued with a clear focus on growth, rather than being inward-looking.

**Nishi:** I believe the first two years are crucial to the success of the Value-Up Plan. If the first two years proceed successfully, I am confident this will pave the way for gratifying results in the subsequent four. I also believe the stock market will gradually recognize ULVAC's execution capabilities, and confidence that the remaining four years will be successful will inevitably be reflected in ULVAC's stock price.

**Nakajima:** Rather than viewing the two years for business reforms and the four years for pursuing growth effects as entirely separate, I would like ULVAC to advance both in parallel. In the first two years, ULVAC should focus on sowing seeds for new growth, breaking away from traditional approaches, and if any of them show early promise, they should be actively nurtured as much as possible.

### In implementing the Value-Up Plan, the challenges each employee undertakes will be key. What is your perspective on the future of ULVAC's human resources portfolio and organizational structure?

**Nakajima:** This may be a somewhat blunt way of putting it, but ULVAC is undertaking the Value-Up Plan to ensure its future competitiveness. Embracing a sense of urgency in a positive way, I hope that both technological diversity and human diversity will progress, enabling ULVAC to overcome various challenges ahead and create new businesses.



Yoshimi Nakajima External Director

**Nishi:** Up to now, ULVAC has not always been agile in sensing or responding to change. A somewhat passive attitude has been noticeable. Earlier, Mr. Uchida mentioned that ULVAC should further cultivate the U.S. market, and I fully agree. In addition, I would like to see more proactive initiatives overall: employees taking the lead in improving their English skills and acquiring technologies relevant to

the U.S. market, while the company provides systematic support for their efforts.

**Uchida:** Fostering people requires painstaking effort, but it is never too late to start. I absolutely want ULVAC to dedicate itself to developing its people.

**Ishida:** In human resources development, ensuring mobility is also crucial. I hope ULVAC will give more thought to meticulous human resources development, such as breaking down divisional silos and providing employees with opportunities to gain diverse experiences.

### ULVAC has announced its capital allocation plan for the first time. How do you view it in terms of enhancing corporate value?

**Nakajima:** The newly disclosed capital allocation plan explicitly incorporates M&A, which Mr. Ishida earlier highlighted as a key expectation for the future. I highly commend this as a demonstration of a healthy sense of urgency for management and a strong commitment going forward. Now, it's time for action.

**Nishi:** Through the formulation and disclosure of the capital allocation plan, I believe ULVAC was able to signal to investors its firm commitment to sustainable growth. The content of the disclosed capital allocation plan is certainly persuasive. Additionally, regarding future cash outflows, I believe there may be room to consider implementing incentives for executives and employees once the Value-Up Plan has been successfully completed.

### As external directors, what contributions do you hope to make to ULVAC's sustainable growth going forward?

**Nakajima:** Having accumulated diverse experiences and skills outside ULVAC, we aim to leverage these insights to actively offer proposals and advice, helping ULVAC address its weaknesses and further reinforce its areas of strength. I also hope to create opportunities for the executive team to adopt a long-term perspective in management, helping prevent them from being caught up in short-term thinking. There will be times when I need to express critical opinions, but whenever I see something truly excellent, I will be quick to offer my support and praise to everyone, executives and employees alike.

**Uchida:** One of the key roles of external directors is evaluating and monitoring risks. While the executive side formulates and openly presents all kinds of ideas and initiatives, external directors offer their insights, as Ms. Nakajima mentioned, to assess risks and provide advice. In this relationship, I aim to balance a supportive stance and healthy oversight, thereby contributing to ULVAC's sustainable growth.

**Nishi:** In addition to what Ms. Nakajima and Mr. Uchida shared, I would like to focus on high-speed PDCA cycles in implementing the Value-Up Plan from now on. As Mr. Uchida mentioned earlier, making structural reform a continuous, ongoing process enables timely responses to changes in the environment. Similarly, keeping high-speed PDCA cycles in operation allows us to take prompt action in response to sudden environmental changes. By successfully completing the business reforms stage over the next two years, ULVAC will gain confidence in its own capabilities and earn the market's trust in its future growth.

With this mindset, I will devote all my energy to monitoring and supporting the Value-Up Plan.

**Ishida:** ULVAC has just launched a major strategy aimed at reshaping its business portfolio. It took ULVAC some time to reach this point. As ULVAC faces new challenges ahead, in my words—"wind the screw to prevent loosening," I will ensure careful oversight so that momentum and focus are maintained at all times. During the formulation of the new mid- to long-term management plan, I, as an external director, became more closely involved with the executive side than usual. Nonetheless, I remain fundamentally committed to the principle of "three-way satisfaction"—benefiting the company, the stakeholders, and society—and will continue to balance the emphasis among these three aspects as appropriate, contributing to ULVAC's sustainable management.





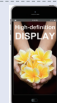



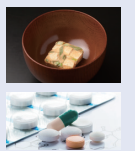




Kozo Ishida External Director

# ULVAC's Value Creation <Priority Issues>

We are committed to realizing a society that is not only safe and secure but also affluent and convenient by offering value utilizing vacuum technology, which is indispensable and fundamental for industrial and scientific development.

We will continue helping to resolve social issues in cooperation with our customers through the provision of products and solutions to them.

Social issues	Market opportunities	ULVAC's business activities		ULVAC's businesses						Main value offered by the business	Customers and their products	Contribution to resolution of principal social issues
		Focus domains		Semiconductor Production Equipment	Electronic Device Production Equipment	Display and Energy-Related Production Equipment	Components	Industrial Equipment	Surface Analysis Instruments			
<ul style="list-style-type: none"> <li>Progress of digitalization, increased demand for AI and cloud services, advances in 5G and IoT, and establishment of network infrastructure such as data centers</li> </ul>	<ul style="list-style-type: none"> <li>Aspiration for the progress of all industries and technological innovation</li> <li>Diversification of semiconductor and electronic device applications and needs</li> <li>Trend toward devices that are smaller, faster, larger-capacity and consume less power</li> </ul>	<p><b>Realization of the digital society</b> Autonomous driving, agriculture, healthcare, etc.</p>  <p><b>Fundamental technology for realization of the digital society</b> AI, cloud, IoT, big data</p> 	<p>P.27 See &gt;&gt;</p>	<p>P.28 See &gt;&gt;</p>	<p>P.29 See &gt;&gt;</p>	<p>P.30 See &gt;&gt;</p>	<p>P.31 See &gt;&gt;</p>	<p>P.32 See &gt;&gt;</p>	<p>P.33 See &gt;&gt;</p>	<p>Response to new semiconductor and electronic devices fields and needs by applying vacuum thin-film processing and other technologies and R&amp;D of cutting-edge processes through co-creation with customers</p>	<p>Semiconductor, electronic device, and FPD manufacturers</p> <p><b>Semiconductors: Memory, logic</b> DRAM, NAND, logic, AI semiconductors</p>  <p><b>Electronic devices: Sensors, MEMS, communication (5G)</b> MEMS, SAW/BAW</p>  <p><b>FPD: Displays</b> LCD, OLED, <math>\mu</math>OLED, etc.</p> 	<p>Contribution to realization of an advanced, convenient, safe and secure, digital society</p>
<ul style="list-style-type: none"> <li>Environmental issues, such as global warming and climate change</li> <li>Global energy issues due to dependence on finite resources</li> </ul>	<ul style="list-style-type: none"> <li>Progress of renewable and low-carbon energy systems</li> <li>Improvement in energy conversion efficiency</li> </ul>	<p><b>Energy management, next-generation energy</b></p> 								<p>Enhancement of performance of solar cells and power devices by vacuum deposition, ion implantation and other technologies, contribution to reduction of power consumption of various devices</p>	<p>Solar cell manufacturers, battery manufacturers, etc.</p> <p><b>Energy: Heat generation, power storage, conversion</b> Solar cells, secondary batteries (lithium ion batteries etc.), power devices, magnets for wind turbines, etc.</p> 	<p>Contribution to creation of a sustainable society by power generation, energy storage and energy saving</p>
<ul style="list-style-type: none"> <li>Food safety and security, population explosion and sharp increase in demand for food in emerging countries, increase in food loss</li> <li>Longevity, needs and progress of health promotion and healthcare</li> </ul>	<ul style="list-style-type: none"> <li>Longer preservation of food and pharmaceuticals, volume reduction</li> </ul>	<p><b>Healthcare, life innovation</b></p> 								<p>Longer life of vaccines, drugs, etc., volume reduction, freeze-dried foods by vacuum freeze drying and other technologies</p>	<p>Food manufacturers, pharmaceutical manufacturers, etc.</p> <p><b>Foodstuffs, pharmaceuticals: Freeze drying</b> Freeze-dried foods, emergency provisions, supplements, vaccines, etc.</p> 	<p>Contribution to human health and the future of medicine, and to the realization of a sustainable society with minimal food loss through safe and secure foods and pharmaceuticals</p>
<ul style="list-style-type: none"> <li>Aging of infrastructure in developed countries</li> <li>Development of industrial infrastructure in emerging countries</li> <li>Wider gap between rich and poor</li> </ul>	<ul style="list-style-type: none"> <li>Development of safe, secure and convenient infrastructure</li> </ul>	<p><b>Construction, social infrastructure</b></p> 								<p>Enhancement of performance of industrial materials and response to new materials by applying vacuum heat treatment and other technologies</p>	<p>Chemical and materials manufacturers, steelmakers, transportation equipment manufacturers, etc.</p> <p><b>Industrial materials: Heat treatment</b> Glass building materials, industrial materials, materials for transportation equipment, heat exchangers, etc.</p> 	<p>Contribution to creation of a sustainable society that is safe and secure and comfortable</p>

# Our Business

Vacuum Equipment Business

1

## Semiconductor Production Equipment

Semiconductors are a critical technology supporting diverse industries and the development of society—including generative AI, smartphones, and EVs—and demand for semiconductors is expected to continue growing over the long term. The ULVAC Group supports customers’ product development and mass production by developing equipment tailored to customer needs and strengthening customer support, thereby contributing to the sustainable development of society.

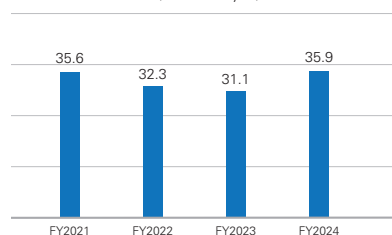
**Strengths**

- High-precision process control technology exemplified by stress control and low-particle film deposition
- Ability to expand into new process fields based on the reliability established in the hard mask process
- Technology development capabilities for new materials and structures, leveraging the Technology Center established in August 2024, together with a framework for co-creation with customers
- Extensive track record and high mass-production capability cultivated through metal film deposition

### Review of FY2024

- Although robust investment in China’s mature logic market and in Japan’s memory sector offset declines in investment in other regions, orders received in FY2024 fell short of the plan.
- As a result of collaborative development initiatives with customers and expanded sales activities, the number of key PORs (Process of Record: customer-adopted and qualified processes) as well as the number of customers has increased, steadily strengthening the foundation for future growth.
- The acquisition of a new POR in the South Korean memory market is a milestone in the growth of ULVAC’s semiconductor business.

Orders received (Billions of yen)



### Mid- to Long-Term Outlook of the Market Environment

- In addition to accelerated investment in advanced logic foundries, continued investment is expected in the DRAM field, including HBM, as well as in mature logic foundries in China.
- Although there are concerns about restrained investment in the U.S. logic market and delays in the expansion of investment in NAND-related fields, these factors have already been incorporated into the business plan.
- Although investment trends vary across markets, the semiconductor and production equipment market as a whole is expected to remain on a growth trajectory.

Recognized Business Opportunities	Conceivable Risks
<ol style="list-style-type: none"> <li>Demand growth driven by continued investment in both advanced logic and mature logic</li> <li>Opportunities to apply new film deposition and materials technologies driven by increased investment in the DRAM field, including HBM</li> <li>Growing demand for new processes driven by the evolution of transistor architecture, acceleration 3D structures, and the expansion of back-side processes</li> </ol>	<ol style="list-style-type: none"> <li>A slowdown in customer investment due to deteriorating customer performance, and demand volatility resulting from a correction following overinvestment in the Chinese market</li> <li>Supply chain risks arising from expanded export controls stemming from security concerns and supply constraints on critical minerals</li> <li>Rising cost pressures due to sharp exchange rate fluctuations and raw material price hikes</li> </ol>
Measures for Maximizing Opportunities and Reducing Risks	
<ol style="list-style-type: none"> <li>Identify next- and future-generation semiconductor technologies early; execute selection and concentration aligned with market needs</li> <li>Appropriately allocate development resources based on careful assessment of the feasibility and direction of new technologies</li> <li>Standardize specifications through expanded sales of ENTRON-EXX; reduce inventory risk by shortening lead times</li> <li>Build a stable business foundation by increasing the sales ratio of customer support (CS)</li> <li>Strengthen chemical process capabilities</li> </ol>	

### Mid- to Long-Term Initiatives

Under its mid- to long-term management plan looking toward the fiscal year ending June 30, 2031 (FY2030), the ULVAC Group has positioned the strengthening of its semiconductor and electronics business as the core of its growth strategy. Based on this policy, the semiconductor production equipment business will pursue mid- to long-term initiatives focused on strengthening competitiveness in key markets and expanding the customer support business.

We will promote business development aligned with customer needs and development themes, focusing on securing key PORs through joint development with major customers. In particular, we will pursue challenges in new technology fields for next-generation devices, including adaptation to new materials and structures in wiring processes and optimization of film deposition processes. By strengthening equipment operation support and service systems, we also aim to deepen trust-based relationships with our customers and create new value. Furthermore, by expanding the adoption of our [latest platform, ENTRON-EXX](#), and addressing the diverse needs of our customers in both development and mass production, we aim to enhance competitiveness and achieve sustainable growth.

[For details](#) Website >> News > ULVAC Launches New Deposition System for Semiconductor Applications: Model "ENTRON-EXX" Supporting Enhanced Productivity and Accelerated Development Speed with Advanced Data Collection, Analysis Capabilities, and Expandability

### Semiconductor Logic Growth Roadmap

Deployment of new materials and low-resistance film deposition technologies

Low-resistance new materials

Acquisition of advanced logic metal wiring processes

Cu interconnect AI/W processes

Deployment of hard mask technology leveraging strengths in stress control and low-particle film deposition

★ Hard masks for BEOL wiring formation ★ Hard masks for GAA formation ★ Hard masks for backside wiring formation

Customer Technology Roadmap	2024	2025	2026	2027	2028	2029	2030	2031
Logic	2nm		A14		A10			A7

### Semiconductor Memory Growth Roadmap

CVD and ALD Integration

Under development with advanced memory manufacturers

Deployment of new materials and low-resistance film deposition technologies; deployment of mid-process wiring

Cu bonding New materials

Deployment of cutting-edge memory processes such as metal film process and HM process; expansion of the customer bases

★ Cu, Al, W, and TiN wiring processes ★ Wiring process for HBM ★ Backside deposition (bonding, stress control)

Customer Technology Roadmap	2024	2025	2026	2027	2028	2029	2030	2031
DRAM	13nm	<12nm		<11nm		<10nm		
NAND	288L		3XX		4XX		4YY	

# Our Business

## Vacuum Equipment Business 2

## Electronic Device Production Equipment

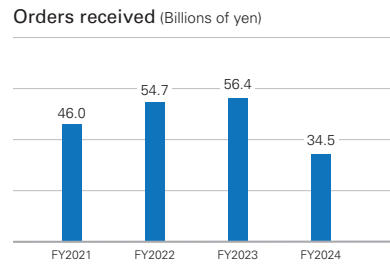
In the electronic device market, growing adoption of AI and the electrification of automobiles are driving increasing demand for higher performance and greater functionality. The electronic device production equipment business provides vacuum-based manufacturing equipment for a wide range of fields, including advanced packaging, power devices, MEMS, and optical devices, and contributes to improvements in the quality and productivity required across processes from development to mass production. We will continue to provide optimal process solutions that address our customers' technological challenges.

**Strengths**

- A proven track record of production equipment with high market share in key processes
- Ability to propose production equipment for next-generation devices by leveraging extensive knowledge of compound materials
- Extensive technology base supporting a wide range of devices, from packaging and power devices to optical devices

### Review of FY2024

- Year-on-year decrease in orders received against the backdrop of a slowdown in investment in the power device field
- Curtailed demand for equipment due to more cautious investment decisions in some regions
- Continued development investment and progress in equipment adoption in the packaging field
- Launch of joint development for mass production in the optical device field



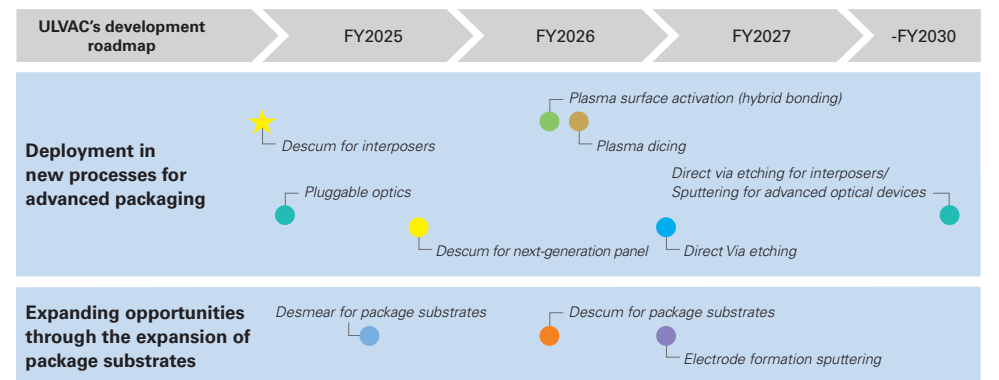
### Mid- to Long-Term Outlook of the Market Environment

- Demand for advanced packaging technology is expected to grow over the medium to long term, driven by the spread of AI and the expansion of data centers.
- Investment in next-generation power devices such as SiC and GaN is expected to continue expanding, driven by the electrification of automobiles and advances in energy efficiency.
- Technological sophistication is expected to continue across diverse device fields supporting high-speed communications, including photonic-electronic convergence devices, optical devices, and MEMS.

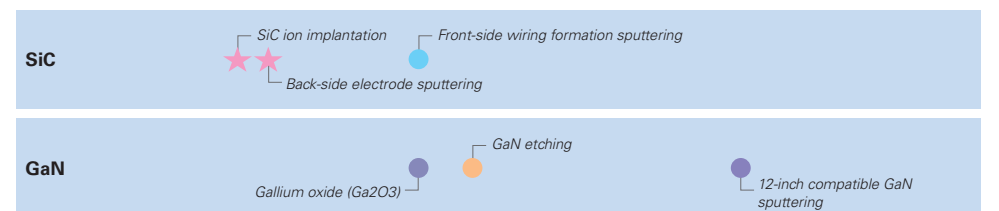
### Mid- to Long-Term Initiatives

As the sophistication of electronic devices continues to advance, the electronic device production equipment business is strengthening the business foundation to address diverse fields such as advanced packaging, next-generation power devices, optical devices, and MEMS. Equipped with a process lineup that addresses increasingly diverse technological requirements, we swiftly identify future manufacturing needs and promote development with a focus on customers' production. We will seek to expand application fields through collaboration with external parties. In production, we will promote standardization and efficiency while establishing a supply system capable of flexibly responding to demand fluctuations. By responding to the ever-expanding electronic device market through these initiatives, we aim to achieve sustainable business growth.

### Advanced Packaging Growth Roadmap



### Power Devices Growth Roadmap



**Recognized Business Opportunities**

- Expanding demand for electronic devices in response to societal changes, including the electrification of automobiles and the advance of high-speed communications
- Expanding demand for advanced packaging technologies and evolving device architectures
- Potential to expand the market by leveraging equipment evaluations and adoption by major customers

**Conceivable Risks**

- Delays in customers' capital investment decisions due to geopolitical factors and export restrictions
- Delay in recovery of the power device market amid a sluggish EV market
- Tight supply-demand balance for parts and materials due to global expansion of capital investment

**Measures for Maximizing Opportunities and Reducing Risks**

- Enhance equipment performance and achieve technological differentiation by strengthening development capabilities in line with market trends
- Create new technologies and strengthen development structure by leveraging collaboration with external research institutions
- Promote equipment standardization and modularization to enhance productivity and achieve stable supply
- Optimize production and procurement systems to respond to supply-demand fluctuations and enhance resilience
- Enhance customer support systems in key regions and expand market opportunities

Vacuum Equipment Business  
**3**

Display and Energy-Related Production Equipment

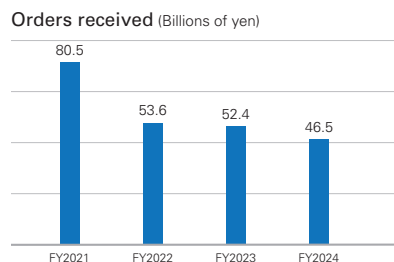
Demand for display devices, used as information infrastructure tools to facilitate smooth communication, is increasing year by year in terms of screen area. Moreover, demand is growing for highly efficient and safe energy devices that contribute to stable energy supply and reduced environmental impact. By providing production equipment and services that contribute to both social development and a sustainable global environment, the display and energy-related production equipment business seeks to enhance its business value and achieve further growth.

**Strengths**

- High-precision process control technologies, exemplified by low-particle and low-damage film deposition
- High market share of sputtering system for 8th-generation IT OLEDs
- Mass-production technology for high-speed double-sided deposition for EV batteries

Review of FY2024

- Display field:** Capital investment in 8th-generation OLEDs for IT applications was at the center of the market. Top market share of sputtering system in the IT OLED market. New technology is under development to solve cost issues by offering longer life and higher brightness.
- Energy field:** Roll-to-Roll deposition system, which contributes to the miniaturization and increased capacity of EV batteries, began operation. Expectations are growing for new system next-generation anode materials to improve battery efficiency.



Mid- to Long-Term Outlook of the Market Environment

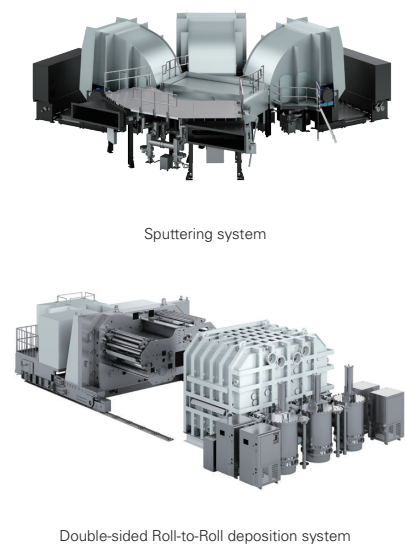
- Display field:** Investment is expected to increase for 8th-generation IT OLEDs, as well as for automotive applications and larger displays. Demand for IT panels is strong. We aim to expand our market share in 8th-generation-compatible sputtering system and transparent electrode equipment.
- Energy field:** Roll-to-Roll vacuum technology will be utilized for the miniaturization and higher capacity of EV batteries. Investment in next-generation batteries will be accelerated over the medium to long term despite delays in their adoption for EVs. The key to differentiation is the increased width of double-sided aluminum deposited films and development of equipment compatible with metal lithium anodes.

Mid- to Long-Term Initiatives

In the display field, we will continue order-taking activities centering on the flagship equipment (Model: SMD) for major customers in China and South Korea. We will consolidate production sites in China close to our customers, and strengthen the system that enables integrated operations from development of key technologies and components through equipment manufacturing to services, enabling rapid responses to customer needs and enhanced cost competitiveness. In addition, we will promote initiatives to expand adoption of OLEDs in related manufacturing processes, taking into account the increasingly sophisticated technological requirements driven by higher-definition, larger size, and lower cost of OLEDs.

In the EV battery field, we are working to establish mass-production technologies that enhance customer productivity, including double-sided and high-speed deposition. In particular, we are strengthening development of equipment compatible with wider film widths and copper deposition technology for anode current collectors. Furthermore, leveraging the metal lithium vacuum deposition technology for EV batteries—adopted under the Green Innovation Fund Project led by the Ministry of Economy, Trade and Industry and the New Energy and Industrial Technology Development Organization (NEDO)—we will advance the development of new material deposition technologies to expand applications and achieve differentiation. We will further accelerate technological development in anticipation of full-scale investment in all-solid-state batteries from around 2028 onward.

Recognized Business Opportunities	Conceivable Risks
<ol style="list-style-type: none"> <li>Larger and higher-definition display substrates to accommodate the growing adoption of OLED panels for IT applications</li> <li>Increased demand for lithium-ion batteries due to diffusion of EVs worldwide</li> <li>Greater adoption of vacuum technology for higher density and improved safety of batteries</li> </ol>	<ol style="list-style-type: none"> <li>Investment postponements and project cancellations due to a deteriorating supply-demand balance in the display field</li> <li>Intensifying competition due to the rise of Chinese domestic equipment manufacturers</li> <li>Restrictions on the handling of batteries if they are designated a strategic commodity in view of the international situation, and supply chain fragmentation</li> </ol>
<p><b>Measures for Maximizing Opportunities and Reducing Risks</b></p> <ol style="list-style-type: none"> <li>Strengthen marketing and product planning capabilities for the post-FPD era</li> <li>Engage in co-creation of advanced technology with leading companies and research institutions</li> <li>Redevelop and strengthen the structure of the global supply chain</li> <li>Enhance customer satisfaction by strengthening local production and service systems, centering on sites in China</li> </ol>	



As the demand for improved safety of lithium batteries grows, attention is increasingly focused on Al double-sided deposited films (Figure 1). By enhancing productivity through increased film width (from 1.6 m to 2.5 m), we aim to reduce production costs per unit area and accurately address evolving technical requirements, thereby maintaining our leading position. Development of Cu double-sided deposited film for ACC (2) and lithium double-sided deposited film for anodes (3) is ongoing, with the aim of early commercialization.

Lithium battery structure with double-sided deposited film

## Our Business

Vacuum  
Equipment  
Business

4

## Components

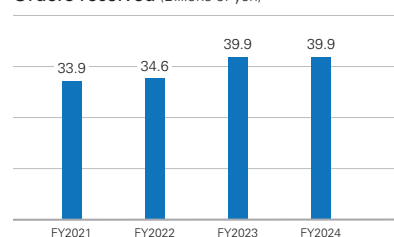
The components business provides diverse items leveraging vacuum and cryogenic technologies, and in collaboration with the equipment business, delivers value across a wide range of industrial sectors.

We are strengthening the development structures for equipment components—including vacuum pumps (dry pumps, oil rotary pumps, turbo molecular pumps, etc.), measurement instruments (vacuum gauges, leak detectors, gas analyzers, etc.), power supplies (DC power generators, RF power supplies, etc.), and cryogenic equipment (cryopumps, refrigerators, etc.). Through alliances with external parties and optimization of production systems, we aim to enhance customer satisfaction and strengthen our competitiveness.

### Review of FY2024

- Released a new low-noise pump for the scientific and analytical market, reinforcing ULVAC's position as the market share leader in Japan
- Contributed to the fully domestic production of superconducting quantum computers by supplying a dilution refrigerator
- Improved efficiency and product quality through production technology improvement activities

Orders received (Billions of yen)



\* The classification of leak testers was changed from Components to Industrial Equipment from FY2025.

### Mid- to Long-Term Outlook of the Market Environment

- Due to slowing growth in the display market, our primary focus is shifting to the semiconductor and electronic devices market.
- The market for the components business is expected to remain generally firm, driven by investment in AI servers and progress in digitization, electrification, and reduction of power consumption.
- New demand is also expected for quantum computers and magnetic czochralski single-crystal pulling system (MCZ).

#### Recognized Business Opportunities

- Business environment conducive to synergies with the equipment business
- Expanding overseas demand in markets such as the U.S., Europe, and China
- Growth potential for cryogenic products in new fields such as quantum computers, MRI, and MCZ

#### Conceivable Risks

- Intensifying price competition
- Risk of cost increases due to fluctuations in raw material prices, logistics costs, foreign exchange rates, etc.
- Concerns over procurement of rare earths, semiconductor devices, etc. amid deteriorating international conditions

#### Measures for Maximizing Opportunities and Reducing Risks

- Differentiate products through collaboration with the equipment business; develop high-value-added models
- Concentrate development resources on strategic products to accelerate time to market
- Reflect market needs and customer feedback in product development
- Expand sales channels and establish a service network
- Expand product share through external alliances
- Consider alternative parts and expand procurement channels

#### Strengths

Extensive expertise gained through collaboration with the equipment business enables rapid development and commercialization.

Our diverse product lineup allows us to cover product fields not addressed by competitors, facilitating collaboration with external partners.

A diverse product portfolio that serves a wide range of markets, making us less vulnerable to fluctuations in any particular market. Ability to swiftly capture customer demand and deliver products, leveraging the geographical advantages of our production sites in Japan and overseas

### Mid- to Long-Term Initiatives

For future growth, the components business will shift its product portfolio from the display market to the semiconductor and electronic devices market, strengthen collaboration with the equipment business, and accelerate development of components for this field. We will also seek to expand our product share by leveraging our extensive product lineup and promoting alliances with external parties. Moreover, we will enter new high-growth markets, such as 4K refrigerators and dilution refrigerators. At the same time, we will expand sales channels through proposals of solutions that leverage our strengths as a comprehensive manufacturer of vacuum components. Furthermore, in production, we will streamline manufacturing processes, optimize production systems, and implement digital transformation of production processes, aiming to enhance quality and strengthen cost competitiveness.



Dry pumps



Cryogenic equipment



Leak detectors



DC power generators

# Our Business

## Vacuum Equipment Business 5

### Industrial Equipment

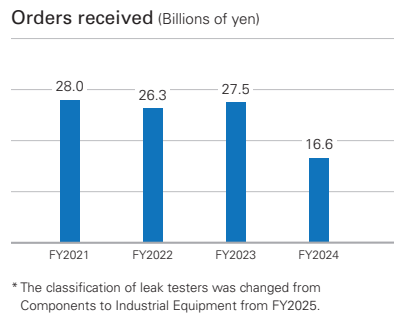
The ULVAC Group contributes to society in diverse ways as a partner shaping the future through vacuum technology. The industrial equipment business offers production equipment for magnets and heat exchangers used in EVs and data centers worldwide. In the pharmaceutical field, we support safety and quality through the supply of lyophilizers. We contribute globally with the aim of reducing environmental impacts and achieving a sustainable society.

**Strengths**

- Vacuum heat treatment technology for high precision and mass production
- Provision of integrated vacuum freeze-drying technology from equipment production to after-sales service
- Ability to customize leak testers suited for multiple applications such as air conditioning, EVs, and data centers

### Review of FY2024

- Vacuum heat treatment furnaces:** Promoted global sales expansion based on mass-production systems at our sites in China. Orders increased due to optimized production efficiency and the ULVAC Group's region-based marketing.
- Lyophilizers:** Orders remained sluggish as investment continued to be postponed due to construction delays attributable to labor shortages and reassessment of project profitability amid sharply rising costs.
- Leak testers:** Maintained high market share. In particular, orders for leak testers for AI data center cooling systems were strong.

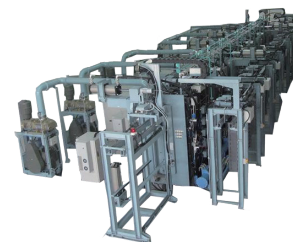


### Mid- to Long-Term Outlook of the Market Environment

- Renewable energy field:** Demand for EV, wind power, and energy storage-related equipment is expected to continue to increase against the backdrop of carbon-neutral policies.
- Pharmaceutical field:** Capital investment is expected due to measures to strengthen the supply system in Japan in light of economic security considerations. Production systems are also expected to be strengthened as pharmaceutical companies expand overseas sales.

### Mid- to Long-Term Initiatives

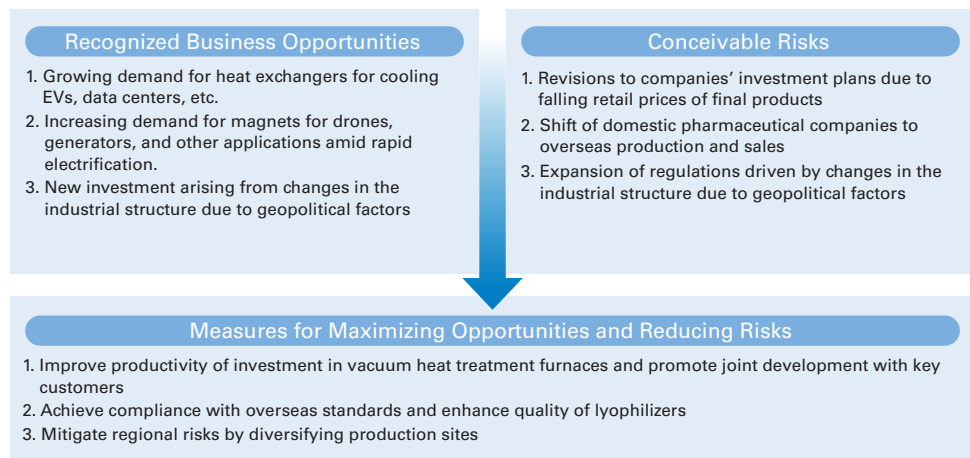
For vacuum heat treatment furnaces, we will aim to increase orders received in the global market while further enhancing safety and quality. For lyophilizers, we will work to enhance quality to meet strict industry standards while making improvements to satisfy diverse customer needs. We are also focusing on technological development through industry-academia collaboration and are developing freeze-drying storage technology for red blood cells with the University of Osaka. Furthermore, we are participating in the development of a powder inhaler in collaboration with Meijo University. We will continue our efforts to realize innovative technologies in the medical field. For leak testers, we will further expand the market by leveraging their wide range of applications and high customizability.



Sintering and heat treatment furnaces



Leak testers for EV batteries



## Our Business

Vacuum Application Business

6

## Surface Analysis Instruments

In the ULVAC Group, ULVAC-PHI, Inc. manufactures and sells surface analysis instruments using state-of-the-art technology. These instruments support our customers' research and development and production by enabling high-resolution analysis of minute areas of semiconductors, electronic devices, etc., as well as facilitating basic research on materials.

Through analytical technologies that "transform the invisible into data and information," we support new discoveries, innovation, quality control, and failure analysis, contributing to the realization of an affluent society.

**Strengths**

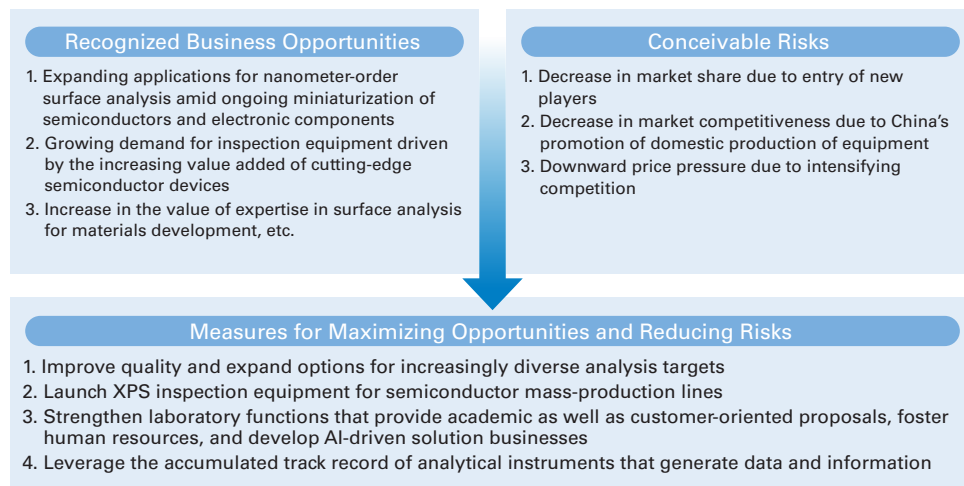
- Track record in the field of surface analysis
- Integrated system from research and development through after-sales service
- Providing value through both software (science) and hardware (physical and optical design, manufacturing)

### Review of FY2024

- Year-on-year increase in net sales continued in FY2024.
- As one facet of the semiconductor and electronics-related business under the Value-Up Plan, aim to create synergies between the production equipment and analytical and inspection equipment businesses.
- Plans to launch semiconductor inspection equipment as a new business in FY2026.

### Mid- to Long-Term Outlook of the Market Environment

- Applications of surface analysis instruments will expand in research and development of semiconductors, electronic devices, batteries, etc.
- Increasing demand for inspection equipment as cutting-edge semiconductor devices become increasingly miniaturized and complex

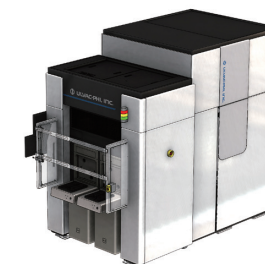


### Mid- to Long-Term Initiatives

ULVAC-PHI is the sole company in the world that possesses surface analysis technologies (hardware and software) for three methods: Auger Electron Spectroscopy (AES), X-ray Photoelectron Spectroscopy (XPS), and Secondary Ion Mass Spectrometry (SIMS: TOF-SIMS, Q-pole-SIMS). Leveraging this strength and utilizing XPS technology cultivated through analyzers for research and development, ULVAC-PHI is taking on the challenge of commercializing XPS semiconductor inspection equipment by FY2026, aiming to become the world's foremost company in the fields of surface analysis instruments and inspection equipment.



Multi-technique scanning X-ray Photoelectron Spectroscopy instrument



XPS inspection equipment for semiconductor production lines

## Our Business

### Vacuum Application Business 7

### Materials

#### Strengths

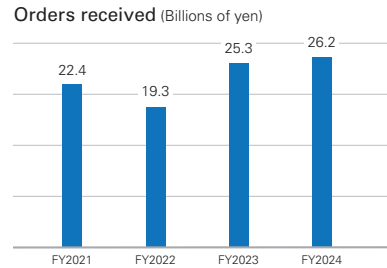
Product development capabilities centering on powder metallurgy technology cultivated over many years

Capabilities for stable supply of high-quality, high-value-added materials such as targets for semiconductors and high-definition masks

The products of the materials business are indispensable for the manufacture of semiconductors, electronic devices, displays, and various other applications that are essential in the smart society. As a partner to our customers, we are striving to ensure stable supply of highly functional, high-quality materials such as sputtering targets and functional materials globally.

#### Review of FY2024

- Utilization rates in the growing semiconductor market, particularly in the logic and memory fields, recovered, leading to increased orders received for products for semiconductors.
- Orders for sputtering targets utilizing ULVAC's powder metallurgy technology were particularly strong.
- Product evaluations for major memory manufacturers are progressing smoothly, and further increases in orders received are expected going forward.
- We started development of heat-resistant materials to create a business beyond sputtering targets.



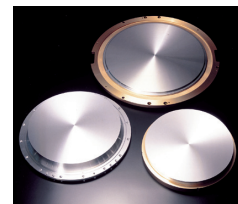
#### Mid- to Long-Term Outlook of the Market Environment

- In the semiconductor field, medium- to long-term market growth is expected for memory due to increased demand for generative AI-related products.
- Demand for high-definition mask targets for cutting-edge processes is also expected to continue to increase in tandem with the expansion of the semiconductor market.



#### Mid- to Long-Term Initiatives

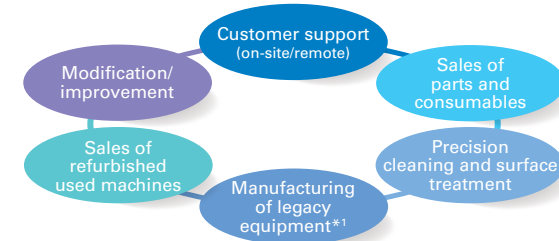
The materials business will continue to offer customers high-value-added products centering on powder metallurgy technology, including sputtering targets for semiconductors and targets for high-definition masks essential for cutting-edge processes. Partnerships with external parties will also be strengthened to achieve sustainable growth in the semiconductor field. Besides sputtering targets, we will strengthen development of heat-resistant materials in cooperation with the equipment business and expand into the non-sputtering target business. Other initiatives include enhancing quality, consolidating sites, and vigorously investing in production facilities to achieve efficient manufacturing.



Sputtering targets for semiconductor production equipment

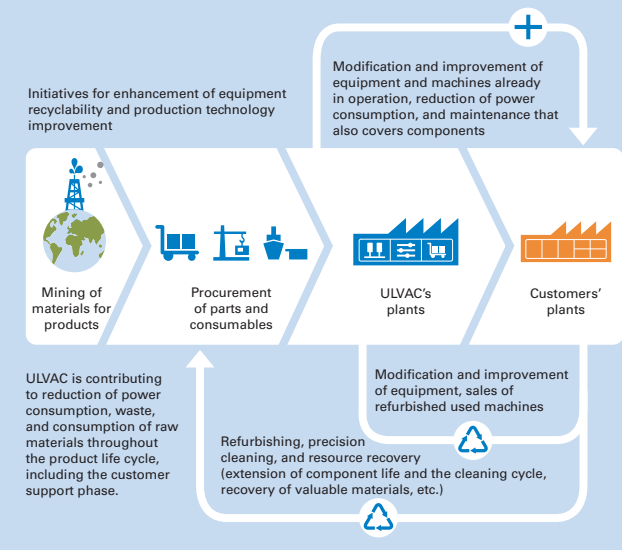
## Customer Support Underpinning Our Business

We view covering the entire product lifecycle as a business opportunity and are strengthening support systems in the regions where the ULVAC Group focuses its efforts. We are also working to strengthen proposal-based support through proposals for modification/improvement of customers' existing equipment.



\*1 Legacy equipment: Equipment manufactured by the ULVAC Group that is no longer manufactured.

#### Effective utilization of resources throughout the product life cycle and addressing environmental issues



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

## Development Strategy with Vacuum Technology as the Core

The ULVAC Group is advancing research and development aimed at exploitation and exploration of its core vacuum technology in pursuit of a sustainable society. As vacuum technology has come to play an increasingly critical role in the manufacture of advanced semiconductor and electronic devices, we are placing special emphasis on research and development aimed at accelerating the growth of the semiconductor and electronics business. At the same time, we recognize the importance of a wide range of research and development initiatives across semiconductor and electronics-related and vacuum-related fields. In this regard, we believe that co-creation with our customers is of paramount importance, with the Research & Development HQ at the heart of this endeavor. The Research & Development HQ consists of two organizations: the Institute of Advanced Technology and the Future Technology Research Laboratory. The Institute of Advanced Technology is responsible for research and development to further deepen vacuum technology in order to accomplish our growth strategy under the Value Up Plan. The Future Technology Research Laboratory is exploring themes that are expected to become next-generation technologies and new fields where vacuum technology can contribute. By collaborating with relevant divisions and Group companies to plan and formulate development strategies, we promote research and development across the ULVAC Group and aim to maximize returns on our investments in research and development.

To accelerate growth of the semiconductor and electronics business, we are focusing our research and development on strengthening capabilities in logic, memory, and advanced packaging. In the logic and memory fields, building on our track record in metal hard mask processes for cutting-edge logic, we are developing equipment to enable entry into additional process steps while also enhancing deposition process performance. In the memory field, in line with the progress of miniaturization and high-level stacking, we are developing equipment and deposition processes with the aim of entering other process steps for DRAM and 3D NAND flash memory. Furthermore, we have developed a new semiconductor production system, the ENTRON-EXX, and have begun accepting orders. The ENTRON-EXX features enhanced data collection and analytics capabilities to meet the increasingly sophisticated and complex requirements of semiconductor production. In addition, its highly scalable design enables more efficient use of factory floor space.

In the advanced packaging field, we are advancing development of ashing, sputtering, and etching technologies. In the logic and memory fields, the complexity of manufacturing technology is rapidly increasing. Therefore, in order to succeed in the market, it is essential to collaborate ever-more closely with manufacturers of advanced semiconductors. Against this backdrop, we invited South Korean semiconductor customers and local government officials to the opening ceremony of Technology Center PYEONGTAEK in South Korea held in October 2024.

We are also participating in the research and development program of the Interuniversity Microelectronics Centre (imec), one of the world's leading institutions for advanced semiconductor development based in Belgium, which is an opportunity to develop next-generation cutting-edge semiconductor production technology.

Regarding semiconductor and electronics-related technologies, research and development of surface analysis and inspection equipment and materials is also underway, with the aim of creating synergies with the semiconductor and electronics business. In the vacuum-related field, in addition to components such as vacuum pumps, measuring instruments, and power supplies, we are also promoting development aimed at creating new value by maximizing the potential of vacuum technology, including heat treatment furnaces, vacuum Roll-to-Roll equipment, and leak testers.



ENTRON-EXX, a new model of semiconductor production equipment



Setsuo Iwashita, President and CEO of ULVAC, Inc., delivers remarks at the opening ceremony of Technology Center PYEONGTAEK

[For details](#) Website >> News > ULVAC Launches New Deposition System for Semiconductor Applications: Model "ENTRON-EXX" Supporting Enhanced Productivity and Accelerated Development Speed with Advanced Data Collection, Analysis Capabilities, and Expandability

## Creation and Co-creation of Innovation

In addition to state-of-the-art logic, memory, advanced packaging, and other semiconductor and electronics technologies, the Institute of Advanced Technology is developing thin-film deposition and thin-film processing technologies that utilize vacuum technology essential for production of these devices, alongside vacuum-related technologies primarily focused on batteries. One of the cutting-edge key technologies is plasma technology, and as devices become more sophisticated, plasma diagnostics is becoming increasingly important. ULVAC, Inc. and Tokyo Institute of Technology (currently "Institute of Science Tokyo") established the ULVAC Advanced Technology Collaborative Research Cluster on its Ookayama Campus. Here, we are advancing joint research to enhance the performance of our plasma equipment by utilizing plasma diagnostics and AI technology developed at the Institute of Science Tokyo. In addition, ULVAC jointly presented plasma etching technology—regarding chiplet integration technology currently under joint development with the Institute of Science Tokyo—at the 2025 IEEE 75th Electronic Components and Technology Conference, the world's largest international conference in the field of advanced packaging. Leveraging this inter-organization collaboration, we will strengthen a wide range of relationships extending beyond joint research to include human resource development, thereby contributing to the future growth and technological innovation of both ULVAC and the Institute of Science Tokyo.

ULVAC, Inc. is also promoting the creation and co-creation of various innovations with the support of public subsidies. ULVAC is advancing research and development toward the social implementation of next-generation batteries in collaboration with multiple partners, supported by subsidies for its lithium metal anode production technology. This technology was selected under "Research and development of high-performance storage batteries and materials" R&D program for the Green Innovation Fund Project / Next-generation Storage Battery and Motor Development of the New Energy and Industrial Technology Development Organization (NEDO).

Moreover, ULVAC, Inc. and ULVAC CRYOGENICS INCORPORATED are developing a dilution refrigerator for quantum computing. This research is supported by the Japan Science and Technology Agency (JST) through the R&D project "Development of Integration Technologies for Superconducting Quantum Circuits" with the research theme "Development of Cryogenic Systems Specialized for Quantum Computing" under the Moonshot Research & Development Program "Realization of a fault-tolerant

universal quantum computer that will revolutionize economy, industry, and security by 2050." The dilution refrigerator developed through this project has been adopted for the quantum computer produced by the University of Osaka, which uses only domestically developed core components. It was publicly demonstrated at the Expo 2025 Osaka, Kansai, Japan during the "entangle moment – [quantum, ocean, universe] x art" event.

Furthermore, at ULVAC-Osaka University Joint Research Laboratory for Future Technology established within the University of Osaka, we are promoting innovation through industry-academia co-creation. Medical applications of vacuum technology and next-generation semiconductor technology are being explored. The Graduate School of Engineering is ULVAC's partner for ULVAC-The University of Osaka Joint Research Laboratory for Future Technology. At the sixth regular press conference held by Osaka University Institute of Scientific and Industrial Research (SANKEN) and the Graduate School of Engineering, ULVAC made a presentation on industry-academia co-creation from a corporate perspective, covering future technologies in the field of medical engineering, as well as why we are committed to industry-academia co-creation and the development of doctoral talent.

In connection with the above activities, Junya Kiyota, Head of the Research & Development HQ, received a Special Award at the Nikkei XTECH CTO of the Year 2025. Highly recognized were his initiatives not only to improve the competitiveness of vacuum production equipment for semiconductor and electronic devices but also to explore new applications of vacuum technology in fields such as medical care and quantum computing, leveraging ULVAC's core strength in vacuum technology.

[For details](#) Website >> News > ULVAC, Inc. and Tokyo Institute of Technology Establish "ULVAC Advanced Technology Collaborative Research Cluster"

[For details](#) Website >> News > ULVAC Receives "Best Interactive Presentation Award" at The 2024 IEEE 74th Electronic Components and Technology Conference (ECTC)

[For details](#) Website >> News > Selected for the NEDO G.I. Fund Project "Development of Next-generation Storage Batteries and Next-generation Motors" Project ~Development of Li anode production technology using unique vacuum deposition technology with focus on all-solid-state batteries~

[For details](#) Website >> R&D > Research and Development Institutes > ULVAC-Osaka University Joint Research Laboratory for Future Technology

[For details](#) Website >> News > Managing Executive Officer Junya Kiyota of ULVAC, Inc. Receives Special Award at "Nikkei XTECH CTO of the Year 2025"

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

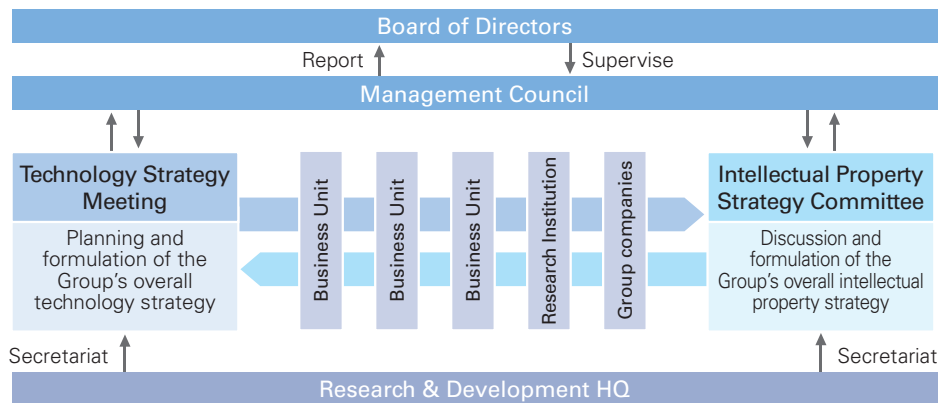
## Research and Development / Intellectual Property Governance

We regularly hold two meetings that serve as cross-functional hubs within the ULVAC Group's overall research and development structure. The Technology Strategy Meeting handles the planning and formulation of overall technology strategy, while the Intellectual Property Strategy Committee discusses intellectual property strategy with the aim of integrating business, development, and intellectual property. At these meetings, discussions are conducted in accordance with management policies, and key items are reported to directors and executive officers and are subject to their oversight.

By unifying the Group's research and development structure, we aim to create differentiated products and new technologies, acquire intellectual property, and accelerate development. This will allow us to build and operate a system that continuously offers cutting-edge products and technologies that meet customer requirements in a timely manner.

Led by the Research & Development HQ, we will deliver advanced technologies that enable rapid responses to societal issues for the benefit of society.

### Research and Development / Intellectual Property Governance Structure



## Platform for Sharing Technology and Intellectual Property

The ULVAC Group holds the ULVAC R&D Conference as a forum for sharing research and development results and generating new ideas and synergies. Not only research and development divisions in Japan, but also those overseas, as well as business divisions and Group companies, participate in this conference to deepen understanding and discuss research and development linked to future business. Oral presentations serve as a platform for sharing the latest information and technologies in key growth fields across the ULVAC Group, including online participation. Additionally, in poster sessions, we provide an environment conducive to face-to-face discussions, facilitating lively exchanges of ideas across a wide range of technological fields.

By promoting the sharing of knowledge and technology, including market and customer information obtained by the participants, the technological issues they face, and possible solutions, ULVAC aims to "contribute to the development of industries and science by comprehensively utilizing its vacuum and peripheral technologies."

### Research and development bases



## Intellectual Property

The ULVAC Group's vacuum technology has contributed to the development of industry and science and technology in diverse fields. This quest for technological innovation has been sustained by our commitment to systematically strengthening intellectual property, which we recognize as the core of sustainable corporate growth and value creation. How can we leverage the intellectual property we have inherited, hand it on to the next generation, and shape the future? The answer lies in deepening and expanding partnerships to create new value through innovation.

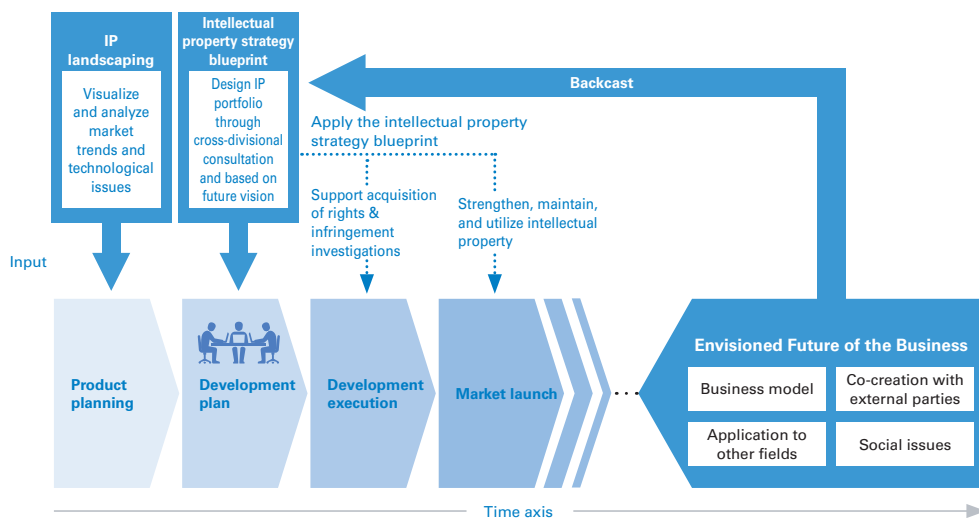
Guided by the Basic Corporate Philosophy, the intellectual property division works with business divisions and research and development divisions to support an improved business environment and enhanced competitiveness. To establish a competitive edge in our priority semiconductor and electronics-related fields, we leverage the ULVAC Group's differentiating technologies to drive business results. To enhance

the value of intellectual property, the intellectual property division creates growth opportunities and builds a foundation for business competitiveness through the systematic development of difficult-to-imitate technologies and the strategic acquisition of rights. Our efforts to tackle advanced technological challenges in the semiconductor and electronics-related fields are underpinned by the trust of our customers, based on the ULVAC Group's robust intellectual property protection framework. Building on this experience, we pursue intellectual property activities based on an open-close strategy, strengthening our intellectual property position in new processes and fields and thereby creating further value. To carry out these intellectual property initiatives, the intellectual property division works closely with business divisions and research and development divisions across the entire value chain, from product planning through post-market launch.

In the product planning phase, we utilize IP landscaping to visualize market trends and technological issues, analyzing ULVAC and competitors to support decision-making on research and development investment. In the subsequent development planning phase, the business, research and development, and intellectual property divisions work together to prepare an "intellectual property strategy blueprint" and design an intellectual property portfolio by backcasting from the envisioned future business model. In designing our intellectual property portfolio, we comprehensively consider perspectives such as the utilization of proprietary technologies, the value chain, business models, co-creation with external parties, potential for expansion into other fields, and addressing societal issues such as ESG. In the development execution phase, we proceed with strategic acquisition of rights based on the intellectual property strategy blueprint and conduct infringement investigations in line with the progress of development in order to respect third-party rights. After market launch, we strengthen, maintain, and utilize intellectual property rights in accordance with the business environment so that acquired intellectual property rights contribute to the long-term competitiveness of the product. In new application fields, unconstrained by the framework of our existing businesses, we will pursue acquisition of rights applicable to a wide range of technologies and industries and comprehensively utilize our intellectual assets, thereby meeting the expectations of society.

The intellectual property created through these activities have earned the trust of customers, partners, and other business stakeholders, expanding opportunities for growth while widening the circle of co-creation. The growing momentum for resolving societal issues and creating new value is driving the further expansion of vacuum technology application fields. To realize "Promotion of Creation and Co-creation of Innovation with Vacuum Technology as the Core," one of the ULVAC Group's materiality issues, we will leverage our intellectual property to drive sustainable corporate growth and contribute to social as well as scientific and technological progress.

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



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

For the ULVAC Group to achieve sustained growth, dynamic organizations must serve as a foundation enabling diverse human resources to fulfill their potential. More than ever before, we will actively promote organizational and human resources development that brings out the best in individuals, while supporting each employee in proactively building their own career. By focusing on securing and developing the talent that will lead in the future, we will strengthen our management base.

## Basic Approach

Amid intensifying global competition, with overseas sales accounting for 70% of total sales, in order to achieve sustainable growth of its businesses, the ULVAC Group needs to cultivate an environment where people with diverse personalities and strengths can maintain physical and mental health, bring their differing capabilities into full play, and enhance one another's effectiveness through friendly competition.

At the ULVAC Group, people with different backgrounds, in terms of nationality, ethnicity, philosophy, culture, language, gender, age, and specialty, are flourishing. We respect such diversity and promote inclusion, innovating to resolve customers' and society's issues. By doing so, we aim to continue delivering new value that also leads to the personal growth of each employee.

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

### Basic Policy for Human Resources Development

We are conscious that the most important resources for corporate vitality and competitiveness are the personnel and the organizations in which they work. We are conducting the following human resources development, based on the Basic Corporate Philosophy and the Management Policies.

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

## Diversity, Equity, and Inclusion (DE&I) Initiatives to Enhance Corporate Value

The ULVAC Group recognizes human capital as a key source of corporate value creation and promotes development of an environment where everyone can fully realize their capabilities regardless of gender, nationality, ethnicity, or other attributes. We position diversity, equity, and inclusion as key management priorities, aiming for sustainable growth and innovation.

### Advancing Women's Active Participation and Equal Opportunities

The ratio of women in managerial positions in the ULVAC Group as a whole was 10.9%, up 1.1% from the previous fiscal year. With the goal of increasing the ratio of women in managerial positions to at least 10% by June 2026, we are enhancing our educational programs, career development support, and personnel systems. From the perspective of equity, we promote flexible workstyles that accommodate life events and provide an environment where everyone can grow.

### Global Human Resources Rotation

To develop personnel with diverse experience, we actively promote rotation of human resources between ULVAC Head Office and overseas Group companies. Furthermore, through secondment to and from external companies, we are expanding our human networks and accelerating innovation through technological exchanges. These initiatives will enhance the quality of human capital and strengthen corporate competitiveness.

### Employment of People with Disabilities and Creation of Inclusive Workplaces

At the ULVAC Group, people with disabilities play indispensable roles in the workplace, striving for their own growth and contribution to the business. After joining the company, the ULVAC Group provides ongoing follow-up tailored to individual needs, including collaboration with job assistance organizations, regular interviews, support for their assigned departments, and improvements to the working environment. In addition, in cooperation with local educational institutions, the ULVAC Group actively hosts workplace training programs for students with disabilities.

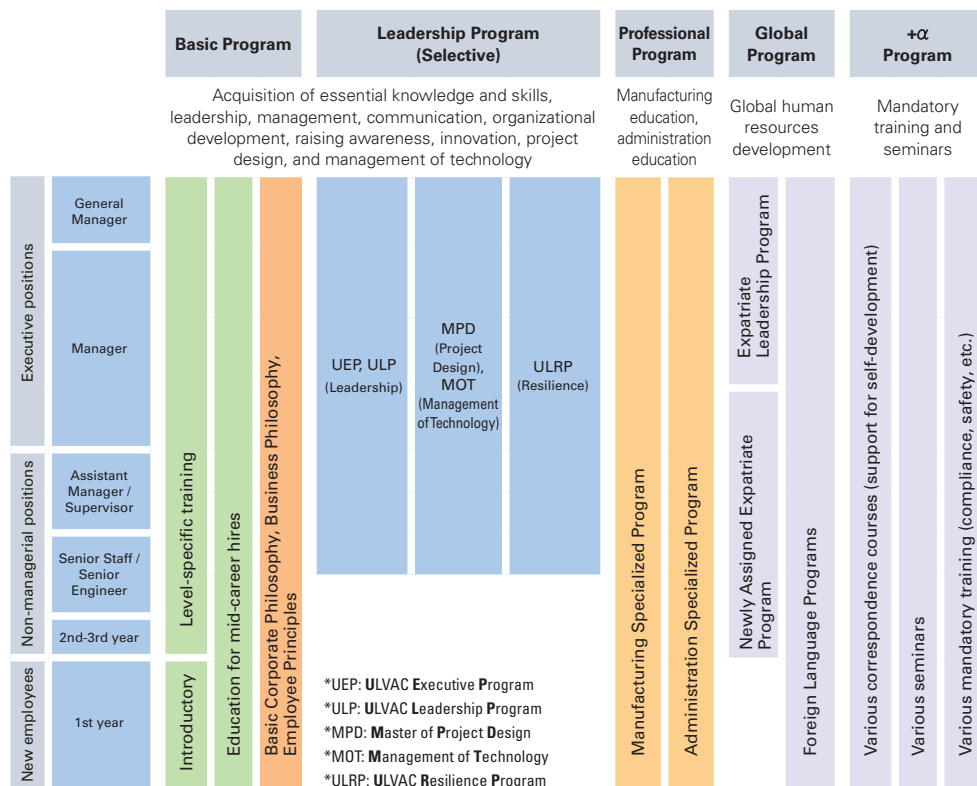
## Human Resources Development

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

As a Group-wide\* education system, we continue to promote level-specific training. The level-specific training includes an introductory program for new graduate hires, onsite training, and programs for employees in their second and third years, as well as programs corresponding to internal qualifications and positions. We provide training that runs for about a year for newly appointed managerial personnel to help them equip themselves with the managerial skills and operational knowledge.

\*Group companies in Japan

### Education System (as of April 2025)



### Manufacturing Education

The goal is to share the techniques and skills necessary for manufacturing throughout the Group and to provide opportunities for broadly based skill development. We offer a diverse range of education programs—including reskilling and skills transfer—and focus on strengthening the Group’s overall technical capabilities through education on the fundamentals of manufacturing and vacuum technology. Specifically, we provide learning content through the ULVAC Academy Portal, a video-based learning platform, and offer education on the fundamentals of vacuum technology at the Fuji Susono Training Center, combining classroom instruction with hands-on training for both new graduate hires and mid-career hires. Furthermore, for trainees from Group companies in Japan and overseas, we have established a course that systematically covers ULVAC’s history, culture, and management strategy. We are also promoting exchanges of human resources globally.

### Administration Education

At ULVAC, Inc., training is provided for employees engaged in administration so that they can acquire the basic knowledge required for their roles step by step and become adept. In addition to understanding economic and business trends and company policies, the program aims to build a broad base of knowledge, including the basic knowledge of accounting, taxation, labor relations, and corporate governance. This provides employees with opportunities to learn and grow as they look ahead to the next stage of their careers. From FY2024, we will expand the scope of the programs to all employees and focus on creating an environment where more employees can learn autonomously, thereby enhancing the learning foundation of the entire organization.

### ULVAC Academy Portal

The ULVAC Group provides a video learning platform, ULVAC Academy Portal, to support the growth of each employee. We have introduced blended learning that combines online and in-person training to support employees’ self-directed learning. We are continuously strengthening the education system by flexibly responding to an increase in the number of mid-career hires and the rotation of human resources between Group companies. We promote standardization of education throughout the Group, creating an environment where everyone can access the learning they need at any time. Some 6,000 ULVAC employees have registered. The portal, which supports Japanese, English, simplified Chinese, traditional Chinese, and Korean, currently offers around 2,500 items of content available for all employees.

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

## UL-GAIA2024

ULVAC Global Awards of Improved Achievement (UL-GAIA) have been held annually since FY2019. At UL-GAIA, ULVAC Group employees selected from regions around the world give presentations demonstrating how they put the Basic Corporate Philosophy into practice, thereby making their initiatives visible. By making visible and recognizing initiatives that put the Basic Corporate Philosophy into practice, we aim to foster the ability to actively express individual views and to incorporate diverse perspectives, thereby co-creating new value.

In FY2024, under the special theme “Horizontal Deployment for Sharing,” we shared how the initiatives presented at UL-GAIA from 2019 to 2023 are being rolled out and utilized across the Group. With many employees actively participating and sharing their successes and challenges, growth and innovation are accelerating across the entire organization.



During UL-GAIA

## ULVAC Career Design Book

Since FY2024, ULVAC, Inc. has created a Career Design Book to help employees proactively develop their careers, making it available on the company portal. The book provides an easy-to-understand overview of the Basic Policy for Human Resources Development, certification criteria for internal qualifications, job categories, education systems, and personnel systems that support work-life balance (such as telecommuting and childcare leave). It serves as a helpful reference for employees as they consider their own career plans.

A booklet version is distributed to new graduate hires, as well as to their supervisors and mentors, to help deepen their understanding of the human resources development policies and systems. Because it can be referred to whenever needed, the booklet is an effective tool for fostering awareness of autonomous career development.



Career Design Book

## Development of Core Human Resources

In selecting and developing core personnel, ULVAC, Inc. sets guidelines based on the composition of its workforce and promotes balanced selection and development while ensuring diversity. In appointing core personnel, we conduct fair evaluations and appointments based on individual abilities, without regard to specific attributes.

Specifically, we are implementing selective training programs—the Resilience Program and Business Concept Enhancement Program—to develop leaders who proactively take on the challenges posed by global change. Selected members, including those from Group companies, participate in these programs, which provide opportunities to develop a broad perspective through training and to foster innovation through co-creation with team members.

## Employee Engagement

At ULVAC, Inc., we aim to build a mutually committed relationship with our employees, in which they empathize with the company’s policies and goals, and are motivated to grow and contribute. By utilizing engagement surveys\* and reflecting the views of employees, we are working to create an environment in which diverse human resources can thrive. The survey results are shared in feedback sessions for executives and managers, called “feedback sessions,” where participants assess gaps between the current state and the organization’s desired state, and continuously review and implement improvement measures. Through these activities, we aim to grow together with our employees and realize a sustainable future.

\*Work engagement, which assesses employees’ vitality, enthusiasm, and immersion in their work, is quantified and further evaluated using 12 related questions.

## Creating an Excellent Working Environment

ULVAC, Inc. is creating a working environment in which employees can demonstrate their strengths and originality while enhancing their productivity. Furthermore, we are developing conditions and programs that minimize the impact of life events, so that diverse human resources can flourish and perform well.

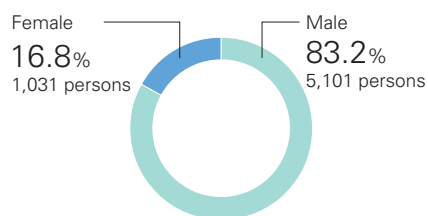
### Improvement of Systems for Flexible Workstyles

ULVAC, Inc. has established systems to support flexible workstyles, including a staggered working hour system, a flextime system, and an hourly annual paid leave system. Moreover, we have a system in place to accommodate diverse workstyles, including telecommuting, shorter work hours, and the use of satellite offices.

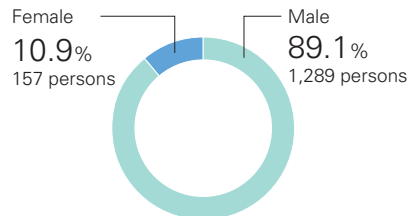
Furthermore, many employees take advantage of systems such as childcare leave, the short-working-hours system for childcare, and nursing care leave. We will continue to enhance awareness and other activities to encourage wider use of these systems.

### Human Resources Data

Employee gender ratio



Management gender ratio



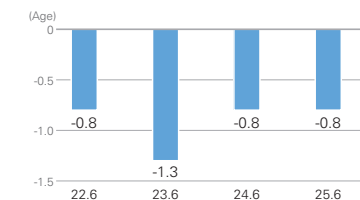
## Promotion of Health and Productivity Management

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

### Health Risk Reduction

Our health risk reduction target is "Health age\*1 1.5 years lower than actual age by FY2025." Programs available for all employees of ULVAC, Inc. include online education programs covering long working hours, nutrition, women's health, and preparation for health checks, support for climate change adaptation, such as education on heatstroke prevention, and a walking program that utilizes the PepUp healthcare platform. The difference between health age and actual age is -0.8 years (FY2024), which is better than the national average (actual age) and has remained at the same level since FY2023. Going forward, we will continue to implement measures to lower health age, including further promotion of exercise programs.

### Health Age



\*1 An index developed by JMDC Inc. based on the medical checkup data and medical expenses of 1.6 million people. ULVAC, Inc. began measurement in FY2016. With the adoption of a new calculation formula from FY2023, past figures and target values have been revised to align with the new formula.

### Outstanding Organization of KENKO Investment for Health

ULVAC, Inc. has been certified in the Large Enterprise Category of the 2025 Outstanding Organizations of KENKO Investment for Health Program (White 500) jointly organized by the Ministry of Economy, Trade and Industry (METI) and Nippon Kenko Kaigi. Eight ULVAC Group enterprises\*2 in Japan have also been recognized in the SME Category of the 2025 Outstanding Organizations of KENKO Investment for Health Program. ULVAC will continue pursuing various initiatives to maintain and promote the health of employees.

\*2 Eight Group companies: ULVAC Health Insurance Association (Next Bright 1000), ULVAC TECHNO, Ltd., ULVAC KIKO, Inc., ULVAC EQUIPMENT SALES, Inc., ULVAC CRYOGENICS INCORPORATED, ULVAC-PHI, Inc., ULVAC COATING CORPORATION, SHOWA SHINKU CO., LTD.



For details Website >> News > Recognized in the 2025 Outstanding Organization of KENKO Investment for Health Program

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

## Human Rights

We believe that consideration for human rights is an important management issue in the context of further global business development. At the ULVAC Group, we respect human rights in every aspect of business activities and are promoting initiatives in accordance with international guidelines and norms. The ULVAC Group has established the Corporate Code of Conduct as guidelines for all officers and employees to keep in mind so as to ensure their work does not infringe human rights. In response to recent changes in awareness and issues regarding human rights in the international community, ULVAC has formulated the ULVAC Human Rights Policy based on international norms and will strengthen initiatives in accordance with those norms. This policy is the most authoritative statement of the regulations governing the ULVAC Group companies concerning human rights and it applies to all officers and employees of all Group companies. In addition, we strive to ensure that this policy is endorsed and put into practice not only by the Group companies but also by our business partners.

### Human Rights Initiatives

We respect the United Nations Guiding Principles on Business and Human Rights as well as the international norms and standards set forth in the International Bill of Human Rights (Universal Declaration of Human Rights and International Covenants on Human Rights) and the ILO Declaration on Fundamental Principles and Rights at Work. We respect human rights in accordance with the Ten Principles of the UN Global Compact and other guidelines of the international community and industry guidelines.

### Key Human Rights Issues

The ULVAC Human Rights Policy covers “prohibition of discrimination/harassment,” “employment autonomy,” “product safety, workplace health and safety, and employee health,” “freedom of association,” and “ensuring appropriate working conditions.”

The Corporate Code of Conduct also prohibits any form of discriminatory treatment. In accordance with the Corporate Code of Conduct and the Basic Policy for Human Resources Development, we are striving to create workplaces offering job satisfaction.

[For details](#) [Website >> Sustainability > Human Rights](#)

“Requests to Our Business Partners” states the ULVAC Group’s requests to business partners concerning human rights. We conduct a questionnaire survey of business partners and confirm whether employment autonomy is maintained.

## ULVAC Human Rights Policy

### Prohibition of Discrimination/Harassment

ULVAC does not and will not discriminate on the basis of race, skin color, age, sex, sexual orientation, gender identity and gender expression, ethnicity or national origin, disability, pregnancy, religion, political party, union membership, military service, protected genetic information, marital status, or on any other basis. Inhumane treatment, including any form of harassment will not be tolerated. We ensure equal opportunities and fairness in hiring, placement, training, compensation, and promotion.

### Employment Autonomy

No form of child labor, forced labor, debt labor, human trafficking, or prison labor will be tolerated. All work is voluntary, and we will ensure that employees are able to request termination of their employment in accordance with the standards set forth by the relevant laws and regulations of each country and region.

### Product Safety, Workplace Health and Safety, and Employee Health

We will take steps to ensure that ULVAC Group products and services do not endanger the lives or health of those who manufacture, provide, or use them, and we will comply with the laws and regulations concerning health and safety as established in the countries and regions where we operate. We will strive to manufacture and provide safe products and to maintain a safe, secure, and healthy work environment.

### Freedom of Association

We respect the right to freely form and join labor unions and to participate in collective bargaining and peaceful assembly. We will also create an environment in which workers have opportunities to engage in dialogue with management regarding working conditions and management practices without fear of discrimination, retaliation, intimidation, or harassment.

### Ensuring Appropriate Working Conditions

We respect the right of employees to live a healthy lifestyle, and we will comply with applicable laws and regulations regarding working hours and the use of breaks, holidays, and vacation time in the conduct of our business.

## Quality Assurance and Product Safety Initiatives

Our top priority is to ensure the quality and functions related to “health and safety” of the ULVAC Group products, which are the result of sound business activities, at the customer’s side.

[For details](#) [Website >> Sustainability > Quality Assurance and Product Safety](#)

## Workplace Health and Safety

In the execution of development, manufacturing, transport, installation, maintenance and other business processes, everyone in the ULVAC Group, from senior management to line workers, is encouraged to seize the initiative in continuously undertaking improvements placing the highest priority on safety, striving to maintain and improve the safety of everyone involved and ensure a healthy working environment.

[For details](#) [P45 Occupational Safety and Health](#)

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

### Employee Health

ULVAC has concluded labor agreements with labor unions and promised to sincerely work together with them to adhere to these agreements in order to establish and develop labor-management relations based on mutual faith and trust. Furthermore, we engage in close dialogue with labor unions on management plans and measures, in addition to labor conditions.

From the perspective of work-life balance, we are conducting a review of working hours that includes thorough overtime management and productivity improvement initiatives.

[For details >> P.41 Health and Productivity Management](#)

### Supply Chain Initiatives

We endeavor to comply with the RBA Code of Conduct, which is a CSR promotion group focused on the electronics industry. In addition to implementing, evaluating and correcting self-evaluations and thoroughly managing labor hours at major production bases, we request business partners to work with us on these initiatives. We conducted questionnaire surveys mainly of major business partners and have incorporated the questionnaire items into the evaluation at the time of periodic renewal. Furthermore, we have established a policy on the handling of conflict minerals and conduct due diligence.

### Due Diligence on Human Rights

We have incorporated international norms into the ULVAC Human Rights Policy and have established human rights due diligence processes according to the procedures corresponding to the international norms. We are making an effort to further strengthen relief mechanisms by recognizing, preventing, and addressing possible negative effects of business activities on human rights.

[For details >> P.44 Responsible Procurement Management](#)

### Education

We educate all officers and employees about human rights and compliance so that they are well-informed and able to act appropriately.










### Remedies and Corrections

We will establish a system (grievance mechanism) through which any negative impact on human rights caused by or associated with the ULVAC Group's business activities can be reported. If we are made aware of a violation of human rights through this system, we will promptly investigate and take appropriate measures to remedy and correct the situation after fully confirming the facts.

The ULVAC Group has adopted a whistleblowing system whose independence is secured. Whistleblowers may report in their real name or anonymously. The anonymity and privacy of whistleblowers are protected and no retaliation or harassment against them will be tolerated. The Compliance Committee will implement appropriate measures for reported cases, and strive to promptly resolve issues and prevent their recurrence.

[For details >> P.60 Compliance](#)

### ULVAC Group's Issues with Significant Impact on Human Rights and Relations with Stakeholders

Business-related human rights issues/stakeholders	Employees	Business partners	Customers	Local community residents
 Forced labor and child labor		●		
 Violations of workers' rights (e.g., the right to collective bargaining and decent working conditions)	●	●		
 Occupational safety and health	●	●		
 Discrimination and harassment	●	●	●	
 Invasion of privacy	●	●	●	
 Restrictions on freedom of expression	●	●	●	
 Human suffering due to misuse of products and promotion of discrimination			●	
 Complicity in conflicts and inhumane acts (e.g., conflict minerals)		●		●
 Violations of local residents' livelihoods and cultures (indigenous peoples' rights, right to water resources/ access to medical care, etc.)		●		●

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

## Responsible Procurement Management

Suppliers are our important partners for manufacturing. The ULVAC Group 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 is promoting CSR procurement. Furthermore, "Requests to Our Business Partners" states our requests to business partners 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 FY2023. As a result, we confirmed that there were no instances of child labor, forced labor, inhumane treatment, fraud or bribery, issues that are particularly emphasized in the RBA Code of Conduct, and that appropriate measures regarding the handling of conflict minerals are in place. Furthermore, in March 2024, we established the ULVAC Group Supplier Code of Conduct based on the RBA Code of Conduct, distributed it to our suppliers in Japan, and requested their cooperation in complying with it.

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

In FY2025, as in FY2024, we conducted a questionnaire survey focusing on major business partners. Based on the results of this questionnaire survey, we plan to conduct CSR audits. Questionnaire surveys by Group companies in Japan began in FY2025, and a phased rollout is planned for Group companies overseas.

### Purchasing Code of Conduct

The Purchasing Code of Conduct established in FY2019 sets out the principles for procurement personnel, with compliance as a core requirement, to maintain sound, good relationships with business partners. Annual in-house education is provided to employees engaged in procurement at Japanese and overseas Group companies that manufacture the major products of the ULVAC Group. To reinforce compliance with the Purchasing Code of Conduct, we also provide targeted training. In FY2025 we plan to conduct training on amendments to consignment transactions defined under the Act Against Delay in Payment of Fees, etc. to Small and Medium-sized Entrusted Business Operators in Manufacturing and Other Specified Fields.



### Communication with Business Partners

In FY2024, focusing on strengthening relationships with business partners and enhancing supply-chain resilience, we held briefing sessions for all business partners on key themes, including strengthening manufacturing capabilities, CSR procurement, and responses to social issues such as environment, human rights, and ethics. Moreover, we hold an annual operations briefing meetings, where the president and other senior executives provide a direct explanation of the ULVAC Group's business environment and performance, and four supplier meetings each year, where purchasing managers communicate production plans in a timely manner. Furthermore, to ensure proper transactions throughout the supply chain, we have designated March and September each year as "Price Negotiation Promotion Months," creating an environment where small and medium-sized business partners can easily negotiate prices and pass on costs. In addition, we coordinate with our business partners to address supply risks for components containing rare earths and other critical materials.

### Responsible Minerals Procurement

Conflict minerals are minerals, such as 3TGs\*<sup>2</sup> and cobalt, that are sourced from conflict-affected and high-risk areas (CAHRAs) and whose extraction and sale 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, Inc. does not purchase 3TGs, cobalt, or other raw materials that are derived from these conflict minerals. In particular, we manufacture and sell sputtering targets and various tantalum wrought products in the materials business. We conduct due diligence in accordance with the guidance of OECD and RMI\*<sup>3</sup> through conflict minerals surveys covering raw materials suppliers in order to ensure transparency of transactions.

\*2 Tantalum, tin, tungsten, and gold

\*3 Responsible Minerals Initiative. An organization that inspects smelters and refiners handling 3TGs to certify that they are not using conflict minerals

### Green Procurement Initiatives

We revised the Green Procurement Standards in August 2020 and request our suppliers to share information on chemical substances in components used for the ULVAC Group's products through the chemSHERPA\*<sup>4</sup>. In FY2021, we conducted activities with a focus on creating an internal structure, implementing systems, and penetration of the Green Procurement Standards among business partners. Since FY2022, 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.

Furthermore, in FY2023, we revised the Green Procurement Standards once again to enable the ULVAC Group to respond promptly to future changes in laws and regulations regarding environmentally regulated substances.

\*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 philosophy of business management. By operating our Occupational Safety and Health Management System (OSHMS) focused on risk assessment, we endeavor to ensure safety of the products and services used by our customers and create dynamic workplaces where Group employees can work in good physical and mental health. ULVAC, Inc. is also preparing to obtain ISO 45001 certification, the international standard for Occupational Safety and Health Management Systems (OSHMS).

### Approach to 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, is encouraged to seize the initiative in continuously undertaking improvements placing the highest priority on safety, striving to maintain and improve the safety of everyone involved and ensure a healthy working environment.

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

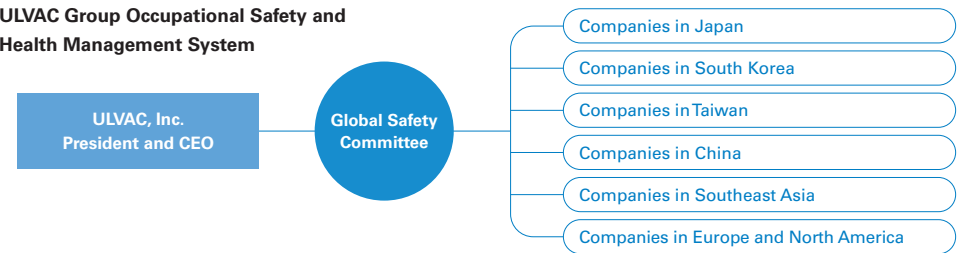
- 1. Compliance with the code/regulations, and implementation of risk assessment**  
Comply with Codes of Occupational Safety and Health Management and Rules according to ULVAC's OSHMS, and conduct Risk Assessment in order to perform Occupational Safety and Health Management activities with the help of all the employees.
- 2. Assure Safety of ULVAC's products**  
Comply with ULVAC's standard for safety design and perform risk assessment of our products, in order to deliver our safe products and services to our customers.
- 3. Planned education about Occupational Safety and Health & Product Safety**  
For all the employees and contractor's employees, perform Occupational Safety and Health training based on ULVAC'S OSHMS, while offering scheduled Product Safety training for our users.
- 4. Promotion of mental health care**  
Promote mental health care to achieve a healthy, vigorous workplace environment.
- 5. Global expansion of ULVAC Group**  
Through the safety and health promotion activities of the Global Safety Committee, we will strive to create a safe, secure and appropriate working environment for the whole ULVAC Group, and contribute to prosperity of our businesses.

### Implementation of Safety and Health Activities

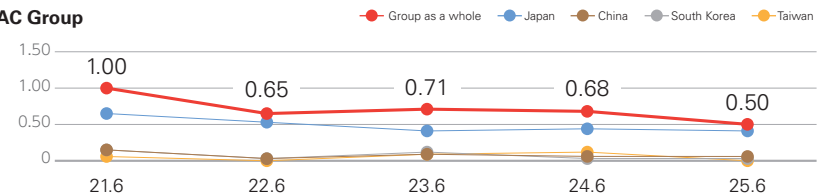
To ensure the safety and health of customers and employees, the ULVAC Group holds meetings of the Global Safety Committee, twice a year and all ULVAC Group companies promote safety and health activities in an integrated manner. Furthermore, we have established a network of the safety personnel in each Group company and promptly share, discuss or implement safety information such as revisions of laws and effective accident prevention measures.

Each ULVAC 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 hazardous risks at the time of work planning and implement measures before commencement of work. The positive impact of the strengthening of safety measures is apparent in the trend of 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 a variety of information on safety and health activities in an effort to prevent accidents in unison with our contractors.

#### ULVAC Group Occupational Safety and Health Management System



#### 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 FY2020 (as of June 2021) as 1.00. We have maintained a low frequency ratio of accidents by preventing accidents through various safety activities.

For details [▶▶ P.62](#) Rate of lost-work-time injuries

# 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

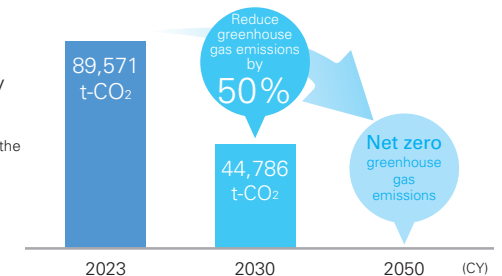
\*Unit: Water withdrawal/Net sales (consolidated)

### 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



## 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.

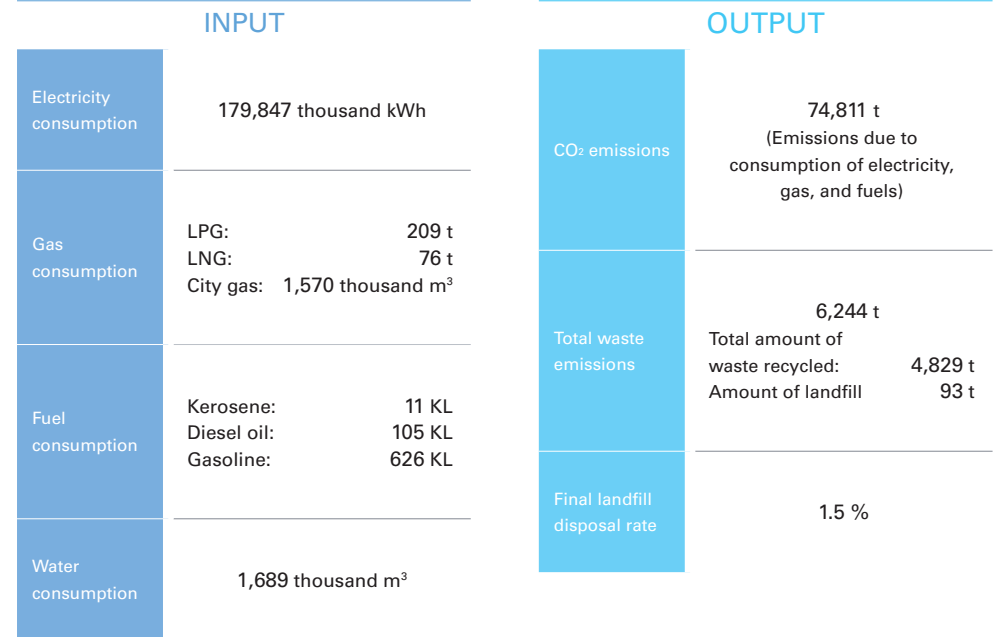
Waste emissions increased. Breaking this down, in addition to liquid waste such as waste acid, the amount of waste plastic emissions has also been increasing. Meanwhile, we have set a new waste management target of reducing the unit of waste plastic emissions\*1 by 5% by 2030 compared with 2024. We will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

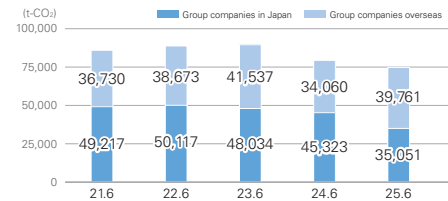
In the fiscal year under review, GHG emissions were reduced by 6% compared with the previous fiscal year. Specifically, the introduction of renewable energy reduced emissions by 3,050 t-CO<sub>2</sub>, and energy-saving activities reduced emissions by 1,524 t-CO<sub>2</sub>.

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

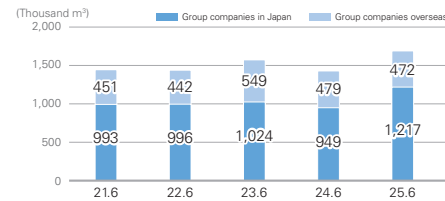
## Material balance (Source: Aggregate data for 2025.6)



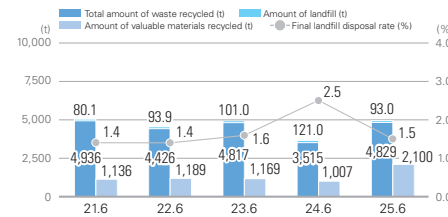
### Energy-derived CO<sub>2</sub> emissions



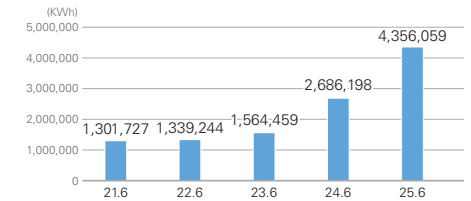
### Water consumption



### Waste emissions



### Amount of solar power generated



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

## 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.



### 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

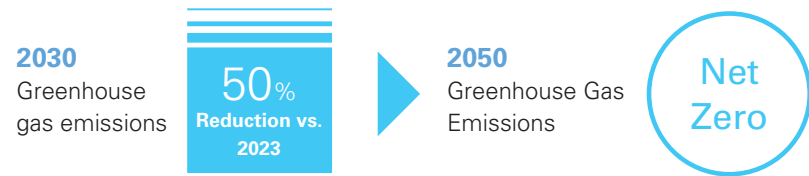
## Risk Management

- 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

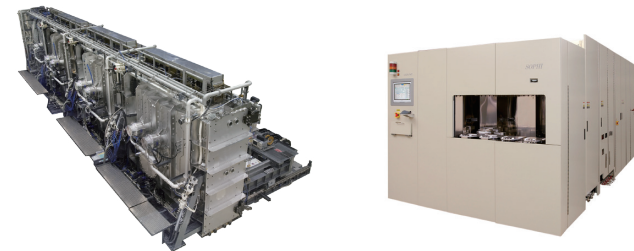
The ULVAC Group is making a concerted effort to promote appropriate waste management and waste reduction.

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](#)



## 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.



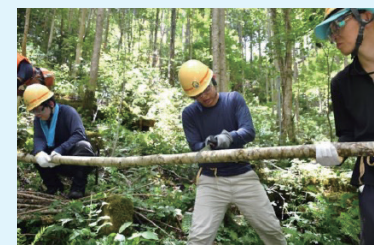
## Biodiversity Initiatives

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.

# Corporate Governance

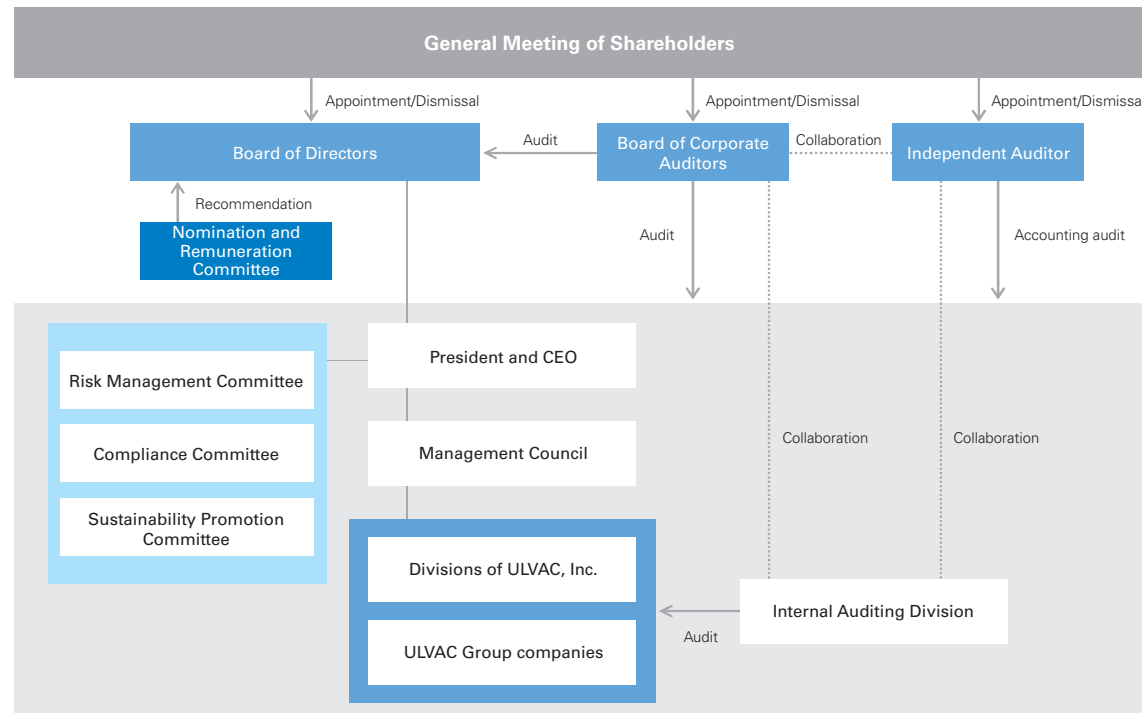
## Basic Corporate Governance Policy and Structure

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 all stakeholders related to its business activities, including not only shareholders, but also business partners, local communities, and employees.

### 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 Nomination and Remuneration Committee, etc.
- Introduced an executive officer system

### Corporate Governance Structure



**Overview of Meeting Bodies**

<p><b>Board of Directors</b></p>		<p>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 is also to achieve fair, impartial, and highly transparent deliberation as well as operational supervision.</p>		
Composition	Three internal directors, four independent external directors	<table border="1"> <tr> <td>Main agenda</td> <td> <ul style="list-style-type: none"> <li>• Mid-term management plan, plan for a single fiscal year, financial results (including dividends)</li> <li>• Sustainability, risk management, compliance</li> </ul> </td> </tr> </table>	Main agenda	<ul style="list-style-type: none"> <li>• Mid-term management plan, plan for a single fiscal year, financial results (including dividends)</li> <li>• Sustainability, risk management, compliance</li> </ul>
Main agenda	<ul style="list-style-type: none"> <li>• Mid-term management plan, plan for a single fiscal year, financial results (including dividends)</li> <li>• Sustainability, risk management, compliance</li> </ul>			
Chairperson	President and CEO			
Meeting frequency	Once a month (ad hoc meetings as necessary)			
<p><b>Nomination and Remuneration Committee</b></p>		<p>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 remunerations, etc. 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, thereby increasing the effectiveness of the Board of Directors.</p>		
Composition	One internal director, four independent external directors, two independent external auditors	<table border="1"> <tr> <td>Main agenda</td> <td> <ul style="list-style-type: none"> <li>• Appointment/dismissal of directors and executive officers, remuneration (including evaluation of individuals)</li> <li>• President succession planning</li> </ul> </td> </tr> </table>	Main agenda	<ul style="list-style-type: none"> <li>• Appointment/dismissal of directors and executive officers, remuneration (including evaluation of individuals)</li> <li>• President succession planning</li> </ul>
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Chairperson	External director			
Meeting frequency	Eight times a year			
<p><b>Board of Corporate Auditors</b></p>		<p>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 Division 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 CEO. By virtue of this structure, each auditor obtains sufficient information and fulfills rigorous, fair, impartial, and transparent auditing and supervisory functions.</p>		
Composition	Two full-time auditors, two independent external auditors			
Chairperson	Full-time auditor			
Meeting frequency	Once a month			
<p><b>Management Council</b></p>		<p>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.</p>		
Composition	Three internal directors, 13 executive officers			
Chairperson	President and CEO			
Meeting frequency	Once a month (ad hoc meetings as necessary)			
<p><b>Risk Management Committee</b></p>		<p>Chaired by the President and CEO and consisting of risk control offices 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.</p>		
Chairperson	President and CEO			
Meeting frequency	Twice a year			
<p><b>Compliance Committee</b></p>		<p>Chaired by the President and CEO, the Compliance Committee considers measures to prevent compliance violations and to respond to whistleblowing. It holds regular meetings twice a year, as well as ad hoc meetings as necessary.</p>		
Chairperson	President and CEO			
Meeting frequency	Twice a year (ad hoc meetings as necessary)			
<p><b>Sustainability Promotion Committee</b></p>		<p>Chaired by the General Manager of the Sustainable Management Division and consisting of internal directors, internal auditors, executive officers in charge of the related divisions, and the division heads nominated by the chairperson, the Sustainability Promotion Committee sets sustainability targets, manages progress, considers policies, and discusses initiatives on key themes.</p>		
Responsible person	President and CEO			
Chairperson	General Manager of Sustainable Management Division			
Meeting frequency	Twice a year			

**Directors’ Remuneration**

ULVAC, Inc.’s policy on determining the individual remuneration, etc. 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 non-consolidated 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, whereby it is ensured that the remuneration, etc. of each director is at an objectively appropriate level.

As described above, the Nomination and Remuneration Committee 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, etc. 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, etc. of individual directors is in line with the determination policy.

<b>Composition of remuneration of internal directors</b>	
<b>Basic remuneration</b>	Fixed remuneration paid in a fixed amount every month based on the remuneration standards set for each executive position
<b>Annual performance-linked remuneration</b>	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.
<b>Stock-based remuneration</b>	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**

ULVAC, Inc. conducts an annual questionnaire-based self-assessment and improvement proposal survey for each director and auditor to evaluate the effectiveness of the Board of Directors. This initiative aims to enhance the Board’s functions and ultimately increase corporate value. To ensure the questionnaire survey results lead to improvement of the Board’s functions, responses are submitted directly to an external third-party organization, which accurately reports the aggregated results while maintaining the anonymity of the respondents. The Board of Directors carries out an analysis and evaluation on the report of the aggregated results.

Based on the analysis and evaluation of the effectiveness of the Board of Directors for fiscal year 2024, we determined that the effectiveness of the Board of Directors has been maintained. However, as part of proposals to enhance the Board’s effectiveness, recommendations have been made such as the enhancement of deliberations on business portfolio. We will continuously strive to improve the Board’s effectiveness by taking into account such recommendations.

**Policy on Selection of External Directors and Auditors**

ULVAC, Inc. 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 appropriateness of its size, with a view to enhancing its effectiveness through multifaceted deliberations. Candidates for directors are carefully selected by the Board of Directors in consideration of the aforementioned aspects. The Company also gives consideration to optimizing the board size for speedy decision-making.

<b>Selection Criteria for External Directors and Auditors</b>	ULVAC, Inc.’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/auditors to provide useful opinions, such as experience as corporate managers and expertise in law and accounting, etc. 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 outside directors, the Company applies the independence criteria determined by the Company.
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**Principal Activities of External Directors and Auditors in FY2024**

Name of external director/auditor	Reasons 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 16 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 sophisticated insight as a corporate manager of other companies both in Japan and overseas.
Norio Uchida	To receive valuable opinions based on his extensive experience and broad insight, primarily in international sales activities	Attended all 16 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 sophisticated insight as a corporate manager of other companies both in Japan and overseas.
Kozo Ishida	To receive valuable opinions based on his extensive experience and broad insight, primarily in research and development	Attended all 16 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 manager of other companies both in Japan and overseas.
Yoshimi Nakajima	To receive valuable opinions based on her extensive experience and broad insight, primarily in international sales activities	Attended all 16 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 manager of other companies both in Japan and overseas.
Isao Utsunomiya	To receive valuable opinions based on his extensive experience and expertise as a certified public tax accountant	Attended all 16 meetings of the Board of Directors and all 23 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 specialist perspective as a certified public tax accountant.
Soya Honda	To receive valuable opinions based on his extensive experience and expertise as an attorney	Attended all 16 meetings of the Board of Directors and all 23 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 specialist perspective as an attorney.

**Initiatives to Ensure the Effectiveness of Audit**

The Board of Corporate Auditors held a total of 23 meetings during FY2024, at which important audit-related matters including agendas for meetings of the Board of Directors were reported and discussed. Based on the discussions at meetings of the Board of Corporate Auditors and the expertise of individual auditors, auditors provide recommendations to directors of the Company as appropriate and necessary, including at meetings of the Board of Directors. In addition, the Company secures opportunities for auditors to regularly exchange opinions with directors, the Internal Auditing Division, and the independent auditor on wide-ranging matters such as compliance and the status of establishment of internal control. Furthermore, the Company ensures that auditors are provided with the information necessary to carry out audits, and that they attend meetings that it is necessary for them to attend from the perspective of ensuring the acquisition of 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, etc. of business sites, 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 trainings that are 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.

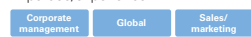
# Management Structure

## Directors



**Setsuo Iwashita**  
President and CEO

Expertise/experience



March 1984  
Joined the Company

August 1992  
Manager of Beijing Business Office and Shanghai Business Office, Overseas Operation Division

September 1995  
Director and Chief Executive Officer of ULVAC (NINGBO) CO., LTD.

July 1998  
General Manager of the Chinese Region, Asia Division of the Company

March 2006  
Director and Chief Executive Officer of ULVAC (CHINA) HOLDING CO., LTD.

October 2006  
Chairman of ULVAC (Shanghai) Trading Co., Ltd.  
Chairman of ULVAC (SUZHOU) CO., LTD.

September 2011  
Director of the Company

July 2012  
Director and Executive Officer

September 2013  
Managing Executive Officer

July 2015  
Senior Managing Executive Officer  
Chairman of ULVAC (CHINA) HOLDING CO., LTD.

July 2016  
Senior Managing Executive Officer and Senior Manager of Management Planning Department of the Company

September 2016  
Director and Senior Managing Executive Officer, Senior Manager of Management Planning Department

July 2017  
President and Chief Executive Officer

January 2019  
President and Chief Executive Officer and General Manager of Human Resource Center

July 2020  
President and Chief Executive Officer

July 2025  
President and CEO (current position)



**Sadao Aoki**  
Senior Managing Director and CFO

Expertise/experience



April 1986  
Joined The Dai-ichi Kangyo Bank, Limited (currently Mizuho Bank, Ltd.)

July 2002  
Deputy Head of Uchisaiwaicho Sales Department No. 5, Mizuho Corporate Bank, Ltd. (currently Mizuho Bank, Ltd.)

March 2006  
Corporate Examiner, Corporate Promotion Department No. 1, Mizuho Corporate Bank, Ltd. (currently Mizuho Bank, Ltd.)

April 2009  
Examiner of Corporate Examination Department No. 1, Mizuho Bank, Ltd.

May 2011  
General Manager of Shinjuku-Shintoshin Branch, Mizuho Bank, Ltd.

December 2014  
Seconded to Forum Engineering Inc. as Managing Executive Officer

August 2015  
Joined Forum Engineering Inc. as Managing Director

July 2016  
General Manager of Finance Department of the Company

July 2018  
Executive Officer, General Manager of Finance Department

September 2019  
Director and Executive Officer, General Manager of Finance & Accounting Department

July 2020  
Senior Executive Officer, General Manager of Finance Department

July 2021  
Managing Executive Officer, General Manager of Finance Department

July 2023  
Managing Executive Officer, Head of Administration HQ

September 2024  
Managing Director

July 2025  
Senior Managing Director and CFO, Head of Administration HQ (current position)



**Tetsuya Shimada**  
Senior Managing Director and CSO

Expertise/experience



January 1995  
Joined the Company

July 2009  
Senior Manager of Technology Department I, Advanced Electronics Equipment Division

July 2012  
General Manager of Advanced Electronics Equipment Division

July 2018  
Executive Officer, General Manager of Advanced Electronics Equipment Division

July 2020  
Managing Executive Officer, General Manager of Advanced Electronics Equipment Division

Chairman of ULVAC (Shenyang) Co., Ltd.

October 2020  
Seconded to Forum Engineering Inc. as Managing Executive Officer, General Manager of Advanced Electronics Equipment Division and Quality Technology Division

Chairman of ULVAC (Shenyang) Co., Ltd.

July 2021  
Managing Executive Officer, General Manager of Semiconductor and Advanced Electronics Equipment Division and Quality System Division

Chairman of ULVAC (Shenyang) Co., Ltd.

July 2022  
Managing Executive Officer  
President and Chief Executive Officer of ULVAC TECHNO, Ltd. (current position)

President and Chief Executive Officer of ULVAC EQUIPMENT SALES, Inc. (current position)

President and Chief Executive Officer of Tigold Corporation

July 2023  
Managing Executive Officer, Head of CS Business HQ

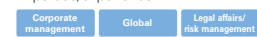
President and Chief Executive Officer of Tigold Corporation

July 2025  
Senior Managing Director and CSO, Head of Production HQ and CS Business HQ (current position)



**Hiroyuki Nishi**  
Director External Independent

Expertise/experience



April 1983  
Joined Nippon Life Insurance Company

March 2007  
General Manager of International Planning & Operations Dept. and General Manager of China Office

March 2010  
Executive Officer, General Manager of Europe, Deputy Director-General and General Manager of London Representative Office

July 2011  
Director and Executive Officer, General Manager of the Americas, General Manager of Europe, Deputy Director-General, and General Manager of New York Representative Office

March 2014  
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

March 2017  
Director and Senior Managing Executive Officer, General Manager of the Americas, General Manager of Europe, and General Manager of Asia

March 2018  
Director

March 2018  
President and Chief Executive Officer of Nissay Asset Management Corporation

March 2020  
Advisor of Nissay Credit Guarantee Co., Ltd.

April 2020  
President and Chief Executive Officer (current position)

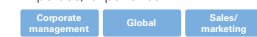
July 2023  
Managing Executive Officer, Head of CS Business HQ

President and Chief Executive Officer of Tigold Corporation



**Norio Uchida**  
Director External Independent

Expertise/experience



April 1973  
Joined Tokyo Optical Co., Ltd. (currently TOPCON CORPORATION)

June 1980  
General Manager of Topcon Singapore Pte. Ltd.

February 1989  
President of Topcon Australia Pty Ltd.

October 1994  
Senior Vice President of Topcon Laser Systems, Inc. (currently Topcon Positioning Systems, Inc.)

July 1999  
President of Topcon Laser Systems Japan, Inc.

June 2003  
Executive Officer of TOPCON CORPORATION

July 2003  
Director and President of Topcon Sales Corporation (currently TOPCON SOKKIA POSITIONING JAPAN CO., LTD.)

June 2005  
Director and Executive Officer of TOPCON CORPORATION

June 2007  
Director and Managing Executive Officer

June 2010  
Director and Senior Managing Executive Officer

June 2011  
Representative Director, President & CEO

June 2013  
Advisor to the Board

June 2015  
External Director of Nabtesco Corporation

September 2015  
External Director of the Company (current position)



**Kozo Ishida**  
Director External Independent

Expertise/experience



March 1970  
Joined HORIBA, Ltd.

June 1982  
General Manager of Product Department I, Development and Sales Division

March 1985  
President and Director of HORIBA Europe GmbH (Germany)

June 1988  
Director of HORIBA, Ltd.

June 1991  
Managing Director

June 1996  
Senior Managing Director

July 2001  
President and Director (CEO) of ABX, S.A. (currently HORIBA ABX SAS) (France)

June 2002  
Vice President and Director of HORIBA, Ltd.

June 2005  
Executive Vice President and Representative Director

March 2011  
Director and Advisor of HORIBA STEC Co., Ltd.

March 2014  
Vice Chairman and Representative Director of HORIBA, Ltd.

March 2016  
Senior Advisor

September 2016  
External Director of the Company (current position)

March 2017  
External Director of Seiko Electric Co., Ltd. (current position)

April 2018  
Fellow of HORIBA, Ltd.



**Yoshimi Nakajima**  
Director External Independent

Expertise/experience



April 1980  
Joined The Yasuda Trust and Banking Co., Ltd. (currently Mizuho Trust & Banking Co., Ltd.)

February 1982  
Joined AVON PRODUCTS CO., LTD.

May 1997  
Joined Citibank, N. A. as Vice President

June 2000  
Joined Societe Generale Securities Services as Senior General Manager

April 2002  
Joined American Express International, Inc. as Vice President in charge of Global Traveler's Check & Prepaid Card Service, Japan Branch

August 2011  
Country Manager in Singapore (President)

February 2014  
Senior Vice President of Japan Branch

June 2017  
External Director of Yamaha Corporation

External Director of AEON Financial Service Co., Ltd. (current position)

June 2018  
External Director of Japan Freight Railway Company (current position)

September 2018  
External Director of the Company (current position)

April 2021  
Outside Director of Sekisui House, Ltd. (current position)

Specialty-Appointed Professor of the Graduate School of Project Design (current position)

# Management Structure

## Auditors



**Yuji Morijiri**  
Auditor

Expertise/experience

Finance/  
accounting

April 1990  
Joined Nippon Life Insurance Company  
March 2012  
General Manager of 2nd Tokai Corporate Relations Management Department  
March 2017  
General Manager of Group Annuities Department  
March 2019  
General Manager of 1st Corporate Relations Management Department  
April 2023  
Joined the Company  
Senior Manager, Assigned to Management Planning Department  
September 2023  
Full-time Auditor (current position)



**Kazuya Saito**  
Auditor

Expertise/experience

R&D/technology/  
manufacturing

April 1983  
Joined the Company  
July 1996  
Manager of Vacuum Materials Laboratory, Tsukuba Institute for Super Materials  
October 2000  
Senior Manager of No. 3 Research Department, Chiba Institute for Super Materials  
July 2005  
General Manager of Chiba Institute for Super Materials  
September 2009  
Director, General Manager of Chiba Institute for Super Materials  
July 2012  
Director and Executive Officer, General Manager of Technology Planning Department  
September 2013  
Executive Officer, General Manager of Technology Planning Department, General Manager of Institute for Super Materials  
July 2018  
Senior Executive Officer, General Manager of Institute for Semiconductor and Electronic Technology  
July 2021  
Officer, Assigned to Strategic Planning Department  
September 2022  
Full-time Auditor (current position)



**Isao Utsunomiya**  
Auditor

Expertise/experience

Finance/  
accounting

April 1997  
Registered as Certified Public Tax Accountant  
July 1999  
Opened Isao Utsunomiya Certified Public Tax Accountant Office  
June 2011  
Manager of Welfare Department of Kyobashi Branch, Tokyo Certified Public Tax Accountants' Association  
June 2012  
Representative Partner of Tsukiji Accounting Tax Corporation (current position)  
June 2013  
Director of Tokyo Certified Public Tax Accountants' Association  
June 2015  
Director and Deputy Manager of General Administration Department  
June 2017  
Manager of General Administration Department of Kyobashi Branch  
September 2017  
External Auditor of the Company (current position)  
June 2019  
Deputy General Manager of Kyobashi Branch, Tokyo Certified Public Tax Accountants' Association  
June 2023  
General Manager of Kyobashi Branch, Tokyo Certified Public Tax Accountants' Association (current position)



**Soya Honda**  
Auditor

Expertise/experience

Legal affairs/  
risk management

December 2007  
Registered as an attorney  
April 2008  
External assistant teacher of Chuo Law School (current position)  
April 2012  
Auditor of Tokyo Judo Federation (current position)  
April 2016  
Secretary-General of Certification and Evaluation Department of Japan Law Foundation  
September 2016  
External Corporate Auditor of bBreak Systems Co., Ltd. (current position)  
November 2021  
External Corporate Auditor of Ides Co., Ltd. (current position)  
April 2022  
Founder and Director of Soya Honda Law Office (current position)  
September 2023  
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	Nomination and Remuneration Committee	Corporate management	Global	Sales/marketing	R&D/technology/ manufacturing	Finance/accounting	Legal affairs/risk management		
President and CEO	Setsuo Iwashita	●		●	●	●	●	●					
Senior Managing Director and CFO	Sadao Aoki	●		●						●			
Senior Managing Director and CSO	Tetsuya Shimada	●		●		●			●				
External Director	Hiroyuki Nishi	●			●	●	●					●	
External Director	Norio Uchida	●			●	●	●	●					
External Director	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 ● Member ● Observer ● Applicable expertise and experience

\*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.

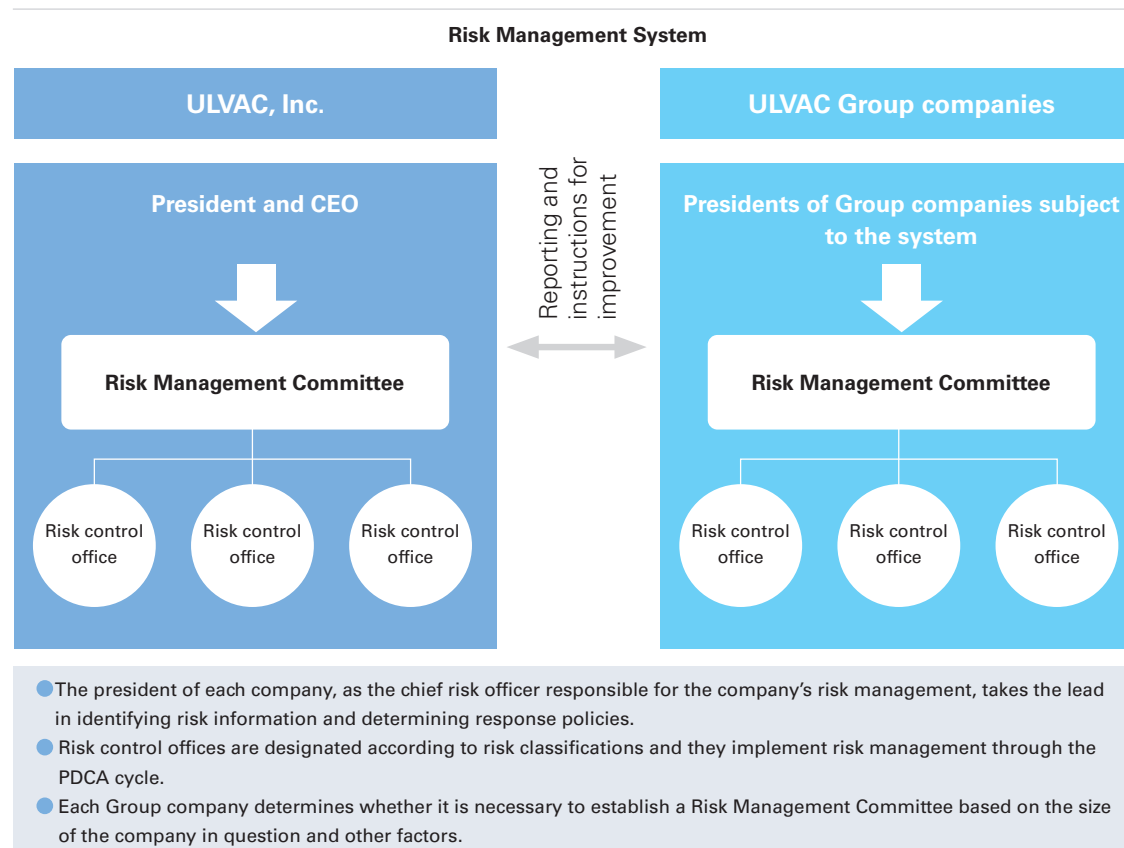
# Risk Management

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 enhancement 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 reflecting them in 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 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 as an umbrella organization for risk management holds meetings at least twice a year, 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

### Management of Risks

Principal risks are identified that may have a significant impact on financial position, business results, and cash flows and are described below. ULVAC examines measures to reduce these risks and utilize them as opportunities through discussion at a decision-making body such as the Management Council.

#### Recognized Risks in Business, etc.

- |                                  |                            |                        |                                 |                                                          |
|----------------------------------|----------------------------|------------------------|---------------------------------|----------------------------------------------------------|
| 1 Market fluctuation             | 4 Securing Human Resources | 7 Quality              | 10 Currency fluctuations        | 13 Environmental regulations, response to climate change |
| 2 Research and development       | 5 Supply chain             | 8 Fund procurement     | 11 Intellectual property rights | 14 Other                                                 |
| 3 Global competitive environment | 6 Laws and regulations     | 9 Information security | 12 Safety                       |                                                          |

#### Market Fluctuation

The Group has developed unique technologies and expanded its market share in the field of vacuum equipment used primarily in semiconductor, electronic device, and FPD production processes. However, if customers significantly reduce capital investment or experience a deterioration in their financial condition due to market fluctuations in the semiconductor, electronic device, FPD, or other fields, the ULVAC Group's business results and financial condition may be affected.

Furthermore, under its new mid- to long-term management plan, the "Value-Up Plan," ULVAC has adopted a policy of concentrating its business portfolio on the semiconductor and electronic devices field. However, the semiconductor market is characterized by rapid technological innovation and is susceptible to geopolitical risks and economic fluctuations. Going forward, rapid fluctuations in semiconductor demand and changes in the competitive environment may affect the ULVAC Group's business results and financial condition.

While focusing on the semiconductor and electronic device field, the ULVAC Group continues to operate a broad range of vacuum-related businesses. In response to rapid changes in the semiconductor and electronic device market environment, we will invest in research and development to enhance our ability to respond to technological innovation, thereby expanding and differentiating the product lineup. Moreover, by creating new businesses that leverage synergies across our businesses, we will strive to diversify the revenue base and strengthen resilience against market fluctuations.

#### Research and Development

By maintaining vigorous R&D investment, the ULVAC Group has continued to introduce a stream of new products that incorporate the latest technologies. However, if development is significantly delayed for

a compelling reason, resulting in a delay in the introduction of new products to the market, the ULVAC Group's business results and financial position may be affected.

The ULVAC Group is accelerating development, which is necessary for growth, through selection and concentration of investment. At the same time, periodic monitoring is implemented for progress management in order to prevent significant delay in development.

#### Global competitive environment

The ULVAC Group has a high ratio of sales overseas and provides products to customers in countries and regions worldwide. However, with numerous existing competitors operating globally and new entrants increasing, competition is intensifying not only in terms of product performance but also price. Such competitive environment may affect the ULVAC Group's business results and financial condition. The ULVAC Group will maintain its competitiveness and respond to the competitive environment by accurately grasping customer needs and launching products reflecting those needs in a timely manner.

#### Securing Human Resources

The ULVAC Group considers securing human resources to be the most important factor determining the Group's ability to continue to grow in the global business environment. If the ULVAC Group is unable to continue to secure the human resources necessary for business growth, competitiveness will decline, and the Group's business results and financial position may be affected.

The ULVAC Group views human resources as "human assets" and strives to create opportunities for diverse human resources to continue to take on challenges. We secure the necessary human resources by promoting recruitment and development and fostering a work environment that emphasizes employee engagement and well-being, ensuring diverse human resources in excellent physical and mental health and good spirits can demonstrate their abilities to the fullest.

#### Information Security

The ULVAC Group holds important information assets, including personal data and business partner information, that are handled in its business operations. We regard the protection of these information assets as a critical management priority and are working to strengthen information security management. We monitor threats such as cyberattacks and internal misconduct, ensuring a safe and secure environment for the use of data. We also conduct vulnerability analysis and implement countermeasures. We have established a system to promptly share information and respond swiftly if an incident occurs. Furthermore, we conduct regular information security education to ensure all employees understand their responsibilities regarding information security and act appropriately.

# 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 systems and regulations to ensure thorough compliance.

## ULVAC Group Corporate Code of Ethics

ULVAC, Inc. has signed the United Nations Global Compact, a global initiative. The ULVAC Group Corporate Code of Ethics has been established to share the Group's basic corporate philosophy and further promote fair and highly transparent corporate management. Since its establishment, the code has been communicated through education to all officers and employees. In addition, booklets are distributed to Group companies to raise awareness about the importance of compliance. In October 2025, the code was revised to strengthen ethical conduct, Proper Handling of Information, enhancement of human capital, and respect for human rights in response to global environmental changes and in alignment with international norms such as the OECD Guidelines for Multinational Enterprises on Responsible Business Conduct. The ULVAC Group Code of Corporate Ethics was established following deliberation and approval by ULVAC's Management Council and Board of Directors.



## Compliance Education

We conduct education on compliance, prevention of insider trading, prevention of harassment, prevention of misconduct in research activities, etc., for all employees of ULVAC, Inc. every year and the attendance rate is 100%. The education is designed to raise awareness not only in terms of knowledge but also to enable our employees to act appropriately.

## Whistleblowing System

In line with the requirements of laws and regulations such as the United Nations Guiding Principles on Business and Human Rights, which calls for the establishment of grievance mechanisms, and Japan's Whistleblower Protection Act, we have established both an internal whistleblowing contact point with assured independence and an external reporting contact point. 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 report with confidence, under their real names or anonymously, we aim to detect any misconduct early and take appropriate corrective action. We protect the personal information and privacy of whistleblowers and do not tolerate any retaliation or harassment against them.

After a whistleblower report has been received, the initial response is for the Compliance Committee of ULVAC, Inc. 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, and thorough interviews that are as wide-ranging as necessary are conducted and analyzed. 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 or regulations has been committed, then the opinion of an external specialists, such as a lawyer, may be sought as necessary, steps will be taken to ensure that the violation ceases with immediate effect and improvement measures will be implemented, and those involved in the violation will be dealt with 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.

### ULVAC Group Corporate Code of Ethics

Introduction			
Research and Development, Products, and Services	1	Safe and High-Quality Products and Services	
	2	Creative Product Development and Technological Innovation	
	3	Ethical Research and Development	
Ethical Conduct	4	Compliance with Laws and Regulations and Respect for International Norms of Behavior	
	5	Appropriate Accounting Practices and Tax Payment	
	6	Appropriate Import and Export Control	
	7	Fair Trade and Competition	
	8	Prevention of Bribery and Corruption	
	9	Prohibition of Conflicts of Interest	
	10	Prohibition of Insider Trading	
	11	Prohibition of Money Laundering	
	12	No Relationship with Anti-Social Forces	
	13	Responsible Procurement Practices	
Proper Handling of Information	14	Appropriate Information Management	
	15	Ensuring Information Security	
	16	Timely and Appropriate Disclosure of Information	
	17	Protection of Intellectual Property	
Enhancement of Human Capital and Respect for Human Rights	18	Respect for Privacy and Protection of Personal Information	
	19	Appropriate Communication of Information	
	20	Respect for Human Rights	
	21	Non-Discrimination and Harassment-Free Workplace	
Living in Harmony with Society	22	Respect for Workers' Rights	
	23	Safe and Healthy Workplace	
	24	Promotion of Diversity, Equity, and Inclusion (DEI)	
	25	Environmental Responsibility	
Whistleblowing System		26	Contribution to Society

# 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 surrounding the ULVAC Group.

## 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 relevant to business and request our business partners for their understanding and cooperation in enhancing communication on CSR procurement.

[For details](#) [▶ P44](#) [Responsible Procurement Management](#)

## 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 32 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 at a process within the 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 >> Sustainability > Quality Assurance and Product Safety > ISO 9001 Certification](#)

## Dialogue with Shareholders and Investors

ULVAC, Inc. strives to communicate the ULVAC Group's mid- to long-term management plan (Value-Up Plan), financial results, and other information to its shareholders and investors in a timely, fair, and easy-to-understand manner.

Regarding investor relations, we are actively increasing opportunities for dialogue with shareholders and investors. These include quarterly financial results briefings held on financial results announcement dates, organizing IR seminars, taking part in conferences sponsored by securities companies both in Japan and overseas, and briefings for individual investors, as well as road shows overseas, plant tours, and personal interviews. Furthermore, we strive to disclose information in Japanese and in English simultaneously to the extent possible and are emphasizing enriching disclosure information and swifter disclosure. 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 at the Management Council to share them with management, depending on the importance and nature, so as to reflect them in improvement of management measures.

Going forward, we will strive to strengthen engagement with shareholders and investors through even more vigorous IR activities, with the aim of realizing sound corporate management and maximizing corporate value.

### IR activities

		Results in FY2024
External engagement	Financial briefing	4 times
	IR interviews with institutional investors and analysts	775 persons
	Participation in conferences for overseas institutional investors	49 sessions
	Road shows overseas	16 sessions
	Plant tours, seminars for individual investors, etc.	10 times
	IR seminars	1 time
Internal engagement	IR Monthly Report	Published monthly
	Report at Board of Directors and Management Council	8 times

## 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 >> Sustainability > Social Contribution Activities](#)

### Education Support for the Next Generation

#### Vacuum experiment classes to nurture the future of science and industry

ULVAC, Inc. holds vacuum experiment classes to share the excitement of science with the children who will shape the future. This program enables participants to experience the mysterious phenomena that occur in a vacuum through hands-on experiments. It is primarily for elementary, junior high, and high school students in Chigasaki City where the head office of ULVAC, Inc. is located. This initiative has been carried out over many years, driven by our desire to spark children's interest in science and to contribute, however modestly, to the future advancement of science and technology. As an initiative to nurture the future together with local communities, we will continue to enhance and expand these activities.



# 11-year Financial Data

		FY2014 2015.6	FY2015 2016.6	FY2016 2017.6	FY2017 2018.6	FY2018 2019.6	FY2019 2020.6	FY2020 2021.6	FY2021 2022.6	FY2022 2023.6	FY2023 2024.6	FY2024 2025.6
<b>Financial Data</b>												
Key financial results												
Net sales*1	Millions of yen	179,174	192,437	231,831	249,271	220,721	185,402	183,011	241,260	227,528	261,115	251,184
Operating profit	Millions of yen	11,132	17,864	29,468	35,351	23,828	15,958	17,197	30,061	19,946	29,771	26,523
Ordinary profit	Millions of yen	12,475	18,373	29,716	36,907	25,575	18,052	17,966	32,200	22,880	29,785	28,605
Profit attributable to owners of parent*2	Millions of yen	8,874	16,698	24,469	35,904	18,665	10,769	14,830	20,211	14,169	20,233	16,687
Net assets	Millions of yen	84,928	78,032	104,917	154,069	157,588	161,093	173,699	196,484	204,853	227,727	231,080
Total assets	Millions of yen	242,348	219,561	245,306	297,418	282,302	282,350	292,761	354,304	353,474	388,653	375,062
Cash flows from operating activities	Millions of yen	21,992	23,708	37,818	19,086	18,282	18,738	25,520	33,931	1,011	17,162	34,811
Cash flows from investing activities	Millions of yen	(4,055)	(5,593)	(13,713)	(1,564)	(9,448)	(4,143)	(6,925)	(7,432)	(15,673)	(19,524)	(10,800)
Cash flows from financing activities	Millions of yen	(14,895)	(32,448)	(22,580)	(10,734)	(5,844)	7,455	(16,061)	(6,445)	(5,438)	(2,784)	(14,215)
Cash and cash equivalents at end of period	Millions of yen	61,670	44,862	47,555	54,348	55,859	77,948	83,061	107,106	87,317	84,541	92,609
Key performance indicators												
Net assets per share	Yen	1,398.66	1,477.29	2,002.90	2,994.12	3,062.39	3,132.22	3,388.87	3,837.17	4,024.72	4,473.50	4,537.99
Earnings per share	Yen	172.73	338.37	496.35	728.68	378.78	218.54	301.12	410.37	287.70	410.67	338.74
Shareholders' equity ratio	%	32.8	33.2	40.2	49.5	53.5	54.6	57.0	53.3	56.1	56.7	59.6
ROE (return on equity)	%	12.1	21.9	28.5	29.2	12.5	7.1	9.2	11.4	7.3	9.7	7.5
Ordinary profit to total assets ratio	%	5.3	8.0	12.8	13.6	8.8	6.4	6.2	10.0	6.5	8.0	7.5
Price-earnings ratio	Times	10.91	9.21	10.88	5.82	9.02	14.23	18.70	11.26	21.17	25.59	15.66
Other indicators												
Capital expenditure	Billions of yen	6.7	7.0	8.3	12.9	12.9	10.3	10.0	11.0	19.7	21.5	15.7
Research and development cost	Billions of yen	5.6	6.3	6.9	8.3	9.2	8.4	8.4	10.3	13.8	13.3	14.0
Interest-bearing debt	Billions of yen	82.6	62.7	42.7	35.7	35.6	49.8	39.5	39.5	42.0	46.7	42.1
Dividends	Yen	10.0	30.0	50.0	95.0	105.0	80.0	95.0	124.0	109.0	144.0	164.0
Payout ratio	%	5.8	8.9	10.1	13.0	27.7	36.6	31.5	30.2	37.9	35.1	48.4
Number of employees	Persons	5,904	5,886	6,072	6,439	6,424	6,370	6,063	6,235	6,264	6,234	6,132
<b>Non-financial Data</b>												
Rate of lost-work-time injuries*3	%	—	—	—	0.37	0.00	0.00	0.76	0.39	0.56	0.54	0.53
Ratio of women in managerial positions	%	—	—	—	—	—	—	6.6	7.7	9.0	9.8	10.9
CO <sub>2</sub> emissions												
Total	t-CO <sub>2</sub>	—	—	—	96,653	98,971	93,781	85,947	88,790	89,571	79,385	74,811
Group companies in Japan	t-CO <sub>2</sub>	—	—	—	61,557	63,769	59,502	49,217	50,117	48,034	45,323	35,051
Group companies overseas	t-CO <sub>2</sub>	—	—	—	35,096	35,202	34,279	36,730	38,673	41,537	34,060	39,761
Waste emissions												
Amount of valuable materials recycled	t	—	—	—	1,767	1,877	1,173	1,136	1,189	1,169	1,007	2,100
Amount of landfill	t	—	—	—	289	286	163	80	93	101	121	93
Total amount of waste recycled	t	—	—	—	6,504	6,584	4,987	4,936	4,426	4,817	3,515	4,829
Final landfill disposal rate	%	—	—	—	3.6	3.6	2.6	1.4	1.4	1.6	2.5	1.5

\*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 ULVAC, Inc. on a non-consolidated basis

\*4 CO<sub>2</sub> emissions have been calculated on a market basis from FY2020 onward.

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

For the fiscal year under review, net sales amounted to ¥251,184 million, a decrease of 3.8% year on year. In semiconductor and electronic device production equipment, investment in the advanced logic and memory fields remained robust, and the advanced packaging field also performed well. However, overall results were affected by adjustments to power devices investment in Japan and China, driven in part by slowing EV demand. In addition, in the industrial battery field, mass-production investment aimed at achieving smaller, higher-capacity EV batteries with improved safety has been delayed, as in-vehicle adoption is taking longer than anticipated.

Operating profit margin was 10.6%, down 0.8 percentage points from the previous fiscal year. This is mainly due to an increase in selling, general, and administrative expenses, driven by increased research and development cost for future growth, in addition to the decrease in net sales.

Research and development cost totaled ¥13,991 million, an increase of ¥678 million from the previous fiscal year. The ratio of research and development cost to net sales was 5.6%, an increase of 0.5 percentage points from the previous fiscal year. With a view to achieving further growth, the ULVAC Group will continue investing to strengthen its research and development capabilities, with a focus on semiconductor and electronic devices.

Regarding objective indicators for evaluating the degree of achievement of management policies, management strategies, and management objectives, the ULVAC Group has formulated a new six-year mid- to long-term management plan, the 'Value-UP Plan,' commencing with the fiscal year ending June 2026, with the aim of achieving sustainable growth. Under this plan, we will optimize management resources and accelerate the review of our business portfolio, with a focus on semiconductor and electronic devices, to achieve high growth and profitability and enhance corporate value.

The quantitative targets of the new mid- to long-term management plan are as follows: for the fiscal year ending June 30, 2031, net sales of ¥360.0 billion, a semiconductor and electronic devices-related business sales ratio of 60% or more of net sales (based on management accounting figures), operating profit of ¥79.0 billion, an operating profit margin of 22%, and ROE of 16%. To achieve these financial targets, we will steadily implement various measures with the aim of enhancing corporate value.

## Management's recognition, analysis and discussion of operating results by business segment

### Vacuum Equipment Business

Segment net sales decreased 6.2% year on year to ¥199,050 million. In semiconductor and electronic device production equipment, investment in the advanced logic and memory fields remained robust, and the advanced packaging field also performed well. However, overall results were affected by adjustments to power devices investment in Japan and China, driven in part by slowing EV demand. In addition, in the industrial battery field, mass-production investment aimed at achieving smaller, higher-capacity EV batteries with improved safety has been delayed, as in-vehicle adoption is taking longer than anticipated. Segment profit margin decreased from 12.3% in the previous fiscal year to 11.0% in the fiscal year under review. This was mainly attributable to the decrease in net sales and the increase in research and development cost.

### Vacuum Application Business

Segment net sales increased 6.8% year on year to ¥52,134 million. This was mainly attributable to the continued high operating rates of display and semiconductor and electronic devices-related plants, as well as strong sales performance in surface analyzers and mask blanks for high-definition, high-performance displays.

Segment profit margin improved from 7.3% for the previous fiscal year to 8.7% for the fiscal year under review. This was mainly attributable to an increase in net sales of relatively highly profitable products.

## Financial Overview

### Financial Position

Total assets at the end of FY2024 (June 30, 2025) amounted to ¥375,062 million, having decreased ¥13,821 million compared with the figure at the previous fiscal year-end. The main factors included increases of ¥7,000 million in securities and of ¥2,617 million in cash and deposits, offset by decreases of ¥18,523 million in notes and accounts receivable, trade and contract assets and of ¥2,824 million in property, plant and equipment.

Total liabilities amounted to ¥143,982 million, having decreased ¥16,944 million compared with the figure at the previous fiscal year-end. The main factors were a decrease of ¥7,468 million in notes and accounts payable, trade, a decrease of ¥3,658 million in contract liabilities, and a decrease of ¥3,194 million in short-term borrowings.

Net assets amounted to ¥231,080 million, having increased ¥3,123 million compared with the figure at the previous fiscal year-end. The main factors were an increase of ¥9,581 million in retained earnings mainly due to the recording of profit attributable to owners of parent and a decrease of ¥5,177 million in foreign currency translation adjustment. As a result, the shareholders' equity ratio at the end of FY2024 was 59.6%. We will continue to strengthen cash flow management and other measures to further strengthen the financial base.

### Cash Flows

Cash and cash equivalents at the end of FY2024 amounted to ¥92,609 million, having increased ¥8,068 million compared with the figure at the previous fiscal year-end. The status of cash flows from operating, investing and financing activities and major contributing factors were as follows.

#### Cash flows from operating activities

Net cash provided by operating activities amounted to ¥34,811 million, mainly attributable to the recording of profit before income taxes and depreciation, as well as a reduction in working capital through further strengthening of cash flow management. To realize the capital allocation outlined in the new mid- to long-term management plan, the "Value-Up Plan," we will continue to strengthen cash flow management (projecting cumulative cash inflows of approximately ¥195.0 billion over the six-year period ending June 30, 2031, with the goal of generating approximately 85% of this amount as operating cash flow).

#### Cash flows from investing activities

Net cash used in investing activities amounted to ¥10,800 million. Factors for cash outflow included purchase of property, plant and equipment and intangible assets. Going forward, we will increase the share of investment allocated to semiconductor and electronic devices and related businesses, and strengthen R&D investment to drive further growth.

As a result, free cash flow was positive at ¥24,011 million.

#### Cash flows from financing activities

Net cash used in financing activities amounted to ¥14,215 million, which was mainly used for the payment of cash dividends based on performance-linked payout. ULVAC regards shareholder returns as one of its top priorities and has adopted a policy of paying performance-linked dividends targeting a consolidated payout ratio of 35% or higher. In addition to pursuing long-term dividend increase through sustainable growth, we aim to further enhance shareholder returns in the future.

### Financial Resources and Liquidity

The ULVAC Group's funding needs are principally for R&D investment and capital investment, which will underpin a new growth strategy, and for working capital for business operations. The Group intends to expand investment for development in the semiconductor and electronic device fields to strengthen growing businesses. Such demand for funds is satisfied by cash flows from operating activities and borrowings from financial institutions. In fund procurement, the Group endeavors to level the annual amount of repayment in order to reduce refinancing risk and the repayment burden.

Amid growing awareness of downside risks to overseas economic conditions driven by volatility in financial and capital markets and developments in trade policy, the Group has secured sufficient liquidity in hand in order to ensure preparedness for contingencies. The Group has also put in place a system that enables it to secure additional funds by concluding commitment-line contracts. Thus, the Group is capable of stable operation for the time being. The Group will maintain the system that ensures timely access to necessary funds so as to be capable of responding to rapid change in the business environment.

# Consolidated Financial Statements

## Consolidated Balance Sheet

(Millions of yen)

	FY2023 (As of June 30, 2024)	FY2024 (As of June 30, 2025)
<b>Assets</b>		
<b>Current assets</b>		
Cash and deposits	96,334	98,951
Notes and accounts receivable, trade and contract assets	103,261	84,738
Securities	—	7,000
Merchandise and finished goods	6,426	5,186
Work in process	40,911	45,650
Raw materials and supplies	22,162	20,282
Other	10,224	8,695
Allowance for doubtful accounts	(472)	(425)
<b>Total current assets</b>	<b>278,846</b>	<b>270,077</b>
<b>Non-current assets</b>		
<b>Property, plant and equipment</b>		
Buildings and structures	98,606	97,704
Accumulated depreciation	(64,288)	(65,701)
Buildings and structures, net	34,318	32,003
Machinery, equipment and vehicles	91,002	92,220
Accumulated depreciation	(66,142)	(67,860)
Machinery, equipment and vehicles, net	24,860	24,361
Tools, furniture and fixtures	15,272	15,591
Accumulated depreciation	(12,940)	(13,091)
Tools, furniture and fixtures, net	2,332	2,500
Land	8,285	8,891
Leased assets	6,202	7,543
Accumulated depreciation	(2,506)	(3,350)
Lease assets, net	3,696	4,193
Construction in progress	6,254	4,973
<b>Total property, plant and equipment</b>	<b>79,745</b>	<b>76,920</b>
<b>Intangible assets</b>		
Lease assets	24	36
Software	2,998	2,826
Other	2,381	2,823
<b>Total intangible assets</b>	<b>5,403</b>	<b>5,685</b>
<b>Investments and other assets</b>		
Investment securities	10,307	7,996
Retirement benefit asset	1,158	982
Deferred tax assets	6,090	6,367
Other	8,173	8,035
Allowance for doubtful accounts	(839)	(1,000)
<b>Total investments and other assets</b>	<b>24,889</b>	<b>22,380</b>
<b>Total non-current assets</b>	<b>110,037</b>	<b>104,985</b>
<b>Total assets</b>	<b>388,883</b>	<b>375,062</b>

(Millions of yen)

	FY2023 (As of June 30, 2024)	FY2024 (As of June 30, 2025)
<b>Liabilities</b>		
<b>Current liabilities</b>		
Notes and accounts payable, trade	46,340	38,873
Short-term borrowings	12,967	9,774
Lease liabilities	958	947
Income taxes payable	3,378	4,632
Contract liabilities	26,624	22,966
Provision for bonuses	6,954	6,830
Provision for bonuses for directors (and other officers)	396	321
Provision for product warranties	1,750	1,449
Provision for loss on orders received	884	46
Other	16,126	14,819
<b>Total current liabilities</b>	<b>116,378</b>	<b>100,655</b>
<b>Non-current liabilities</b>		
Long-term borrowings	33,794	32,354
Lease liabilities	2,972	3,524
Deferred tax liabilities	473	470
Retirement benefit liability	5,758	5,598
Provision for share awards for employees	—	13
Provision for share awards for directors (and other officers)	470	397
Asset retirement obligations	414	418
Other	667	554
<b>Total non-current liabilities</b>	<b>44,548</b>	<b>43,328</b>
<b>Total liabilities</b>	<b>160,926</b>	<b>143,982</b>
<b>Net Assets</b>		
<b>Shareholders' equity</b>		
Capital	20,873	20,873
Capital surplus	3,912	3,912
Retained earnings	175,647	185,228
Treasury shares	(257)	(498)
<b>Total shareholders' equity</b>	<b>200,175</b>	<b>209,514</b>
<b>Accumulated other comprehensive income</b>		
Valuation difference on available-for-sale securities	1,928	506
Foreign currency translation adjustment	18,696	13,520
Remeasurements of defined benefit plans	(140)	(75)
<b>Total accumulated other comprehensive income</b>	<b>20,485</b>	<b>13,951</b>
Non-controlling interests	7,297	7,615
<b>Total net assets</b>	<b>227,957</b>	<b>231,080</b>
<b>Total liabilities and net assets</b>	<b>388,883</b>	<b>375,062</b>

# Consolidated Financial Statements

## Consolidated Statements of Income

(Millions of yen)

	FY2023 (July 1, 2023-June 30, 2024)	FY2024 (July 1, 2024-June 30, 2025)
Net sales	261,115	251,184
Cost of sales	180,455	171,322
Gross profit	80,660	79,862
Selling, general and administrative expenses		
Selling expenses	20,840	20,242
General and administrative expenses	30,050	33,097
Total selling, general and administrative expenses	50,890	53,339
Operating profit	29,771	26,523
Non-operating income		
Interest income	522	533
Dividend income	574	469
Insurance claim and dividend income	338	700
Subsidy income	340	609
Share of profit of entities accounted for using equity method	495	656
Other	721	824
Total non-operating income	2,989	3,792
Non-operating expenses		
Interest expenses	507	625
Foreign exchange losses	1,386	—
Other	1,081	1,085
Total non-operating expenses	2,975	1,710
Ordinary profit	29,785	28,605
Extraordinary income		
Gain on sales of investment securities	155	1,628
Gain on sales of non-current assets	94	—
Total extraordinary income	249	1,628
Extraordinary losses		
Impairment losses	217	2,886
Loss on valuation of investment securities	303	—
Total extraordinary losses	520	2,886
Profit before income taxes	29,515	27,346
Income taxes - current	7,401	8,685
Income taxes - deferred	565	224
Total income taxes	7,966	8,909
Profit	21,549	18,437
Profit attributable to non-controlling interests	1,316	1,750
Profit attributable to owners of parent	20,233	16,687

## Consolidated Statements of Comprehensive Income

(Millions of yen)

	FY2023 (July 1, 2023-June 30, 2024)	FY2024 (July 1, 2024-June 30, 2025)
Profit	21,549	18,437
Other comprehensive income		
Valuation difference on available-for-sale securities	(121)	(1,402)
Foreign currency translation adjustment	5,600	(4,909)
Remeasurements of defined benefit plans, net of tax	1,405	57
Share of other comprehensive income of entities accounted for using equity method	655	(520)
Total other comprehensive income	7,539	(6,774)
Comprehensive income	29,088	11,663
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	27,509	10,153
Comprehensive income attributable to non-controlling interests	1,579	1,510

## Consolidated Statements of Cash Flows

(Millions of yen)

	FY2023 (July 1, 2023-June 30, 2024)	FY2024 (July 1, 2024-June 30, 2025)
Cash flows from operating activities		
Profit before income taxes	29,515	27,346
Depreciation	9,181	10,805
Impairment losses	217	2,886
Loss (gain) on valuation of investment securities	303	—
Increase (decrease) in allowance for doubtful accounts	(1,358)	235
Increase (decrease) in provision for bonuses	1,639	(67)
Increase (decrease) in retirement benefit liability	319	(60)
Increase (decrease) in provision for share awards for employees	—	13
Increase (decrease) in provision for share awards for directors (and other officers)	159	(73)
Increase (decrease) in provision for product warranties	(65)	(250)
Increase (decrease) in provision for loss on orders received	571	(838)
Interest and dividend income	(1,095)	(1,002)
Interest expenses	507	625
Subsidy income	(340)	(609)
Share of loss (profit) of entities accounted for using equity method	(495)	(656)
Loss (gain) on sale of investment securities	(155)	(1,628)
Loss (gain) on sale of non-current assets	(94)	—
Decrease (increase) in trade receivables	(15,524)	15,732
Decrease (increase) in inventories	(6,904)	(7,076)
Increase (decrease) in trade payables	(2,981)	(5,343)
Increase (decrease) in net contract liabilities	2,113	(2,328)
Increase (decrease) in accrued consumption taxes	71	245
Decrease (increase) in consumption taxes refund receivable	1,496	433
Other	4,768	2,431
Subtotal	21,851	40,820
Interest and dividends received	1,601	1,351
Interest paid	(535)	(635)
Income taxes paid	(5,756)	(6,726)
Net cash provided by (used in) operating activities	17,162	34,811
Cash flows from investing activities		
Payments into time deposits	(25,562)	(34,441)
Proceeds from withdrawal of time deposits	25,214	32,686
Purchase of property, plant and equipment and intangible assets	(19,881)	(11,348)
Proceeds from sale of property, plant and equipment and intangible assets	128	10
Proceeds from sale of investment securities	291	1,728
Proceeds from prefectural government's grants	340	609
Other	(53)	(44)
Net cash provided by (used in) investing activities	(19,524)	(10,800)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(459)	(1,554)
Proceeds from long-term borrowings	12,800	14,400
Repayments of long-term borrowings	(7,722)	(17,333)
Repayments of lease liabilities	(1,078)	(1,072)
Dividends paid	(5,375)	(7,103)
Purchase of treasury shares	(1)	(309)
Dividends paid to non-controlling interests	(949)	(1,245)
Net cash provided by (used in) financing activities	(2,784)	(14,215)
Effect of exchange rate changes on cash and cash equivalents	2,369	(1,728)
Net increase (decrease) in cash and cash equivalents	(2,776)	8,068
Cash and cash equivalents at beginning of period	87,317	84,541
Cash and cash equivalents at end of period	84,541	92,609

# Company Data/Stock Information

**Company Profile** As of June 30, 2025

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 1,648 Consolidated 6,132

**Directors, Auditors and Executive Officers**  
As of October 1, 2025

President and CEO	Setsuo Iwashita
Senior Managing Director and CFO	Sadao Aoki
Senior Managing Director and CSO	Tetsuya Shimada
External Directors	Hiroyuki Nishi Norio Uchida Kozo Ishida Yoshimi Nakajima
Auditors	Yuji Morijiri Kazuya Saito
External Auditors	Isao Utsunomiya Soya Honda
Managing Executive Officers	Ju Hoon Shin Junya Kiyota

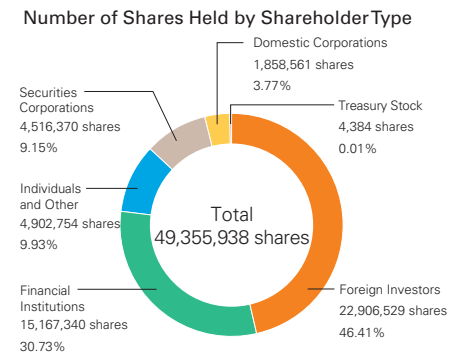
Senior Executive Officers	Tomoyasu Kondo  Shinji Takahashi Harunori Iwai
Executive Officers	Sun-Gil Kim  Yoshiki Iso Bingjun Yang Tung-Jung Wu Hirohisa Takahashi Takaya Iwai Dayong Zhao Eric Ries

**Stock Information** As of June 30, 2025

Total number of shares authorized ..... 100,000,000

Total number of shares issued...49,355,938 shares

Total number of shareholders.....14,777

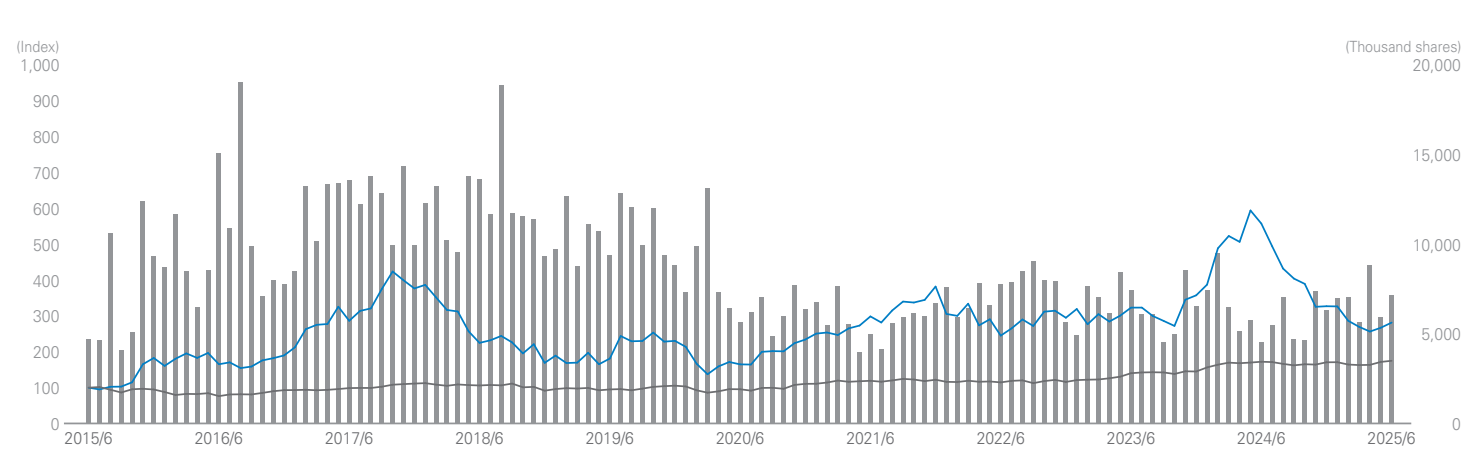


**Major Shareholders** As of June 30, 2025

Shareholder's name	Number of shares (Thousands)	Shareholding ratio (%)
The Master Trust Bank of Japan, Ltd.	6,424	13.02
Nippon Life Insurance Company	3,242	6.57
BBH (LUX) FOR FIDELITY FUNDS-GLOBAL TECHNOLOGY POOL	2,980	6.04
Custody Bank of Japan, Ltd.	2,636	5.34
STATE STREET BANK AND TRUST COMPANY 505227	1,811	3.67
JPMorgan Securities Japan Co., Ltd.	1,744	3.53
BNYM AS AGT/CLTS NON TREATY JASDEC	1,535	3.11
BNYM SA/NV FOR BNYM FOR BNYM GCM CLIENT ACCTS M ILM FE	1,128	2.29
STATE STREET BANK AND TRUST COMPANY 505038	971	1.97
BNYM AS AGT/CLTS 10 PERCENT	805	1.63

Note: Treasury stock (4,384 shares) is excluded from the calculation of shareholding ratios.

**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)\***

Shareholding period	Annualized TSR		
	3 years	5 years	10 years
ULVAC, Inc.	123.9%	191.1%	315.2%
TOPIX	164.3%	206.3%	220.8%

\*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 FY2025 is calculated. The closing price at the end of FY2022, at the end of FY2020, and at the end of FY2015 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/External Recognition

ULVAC Group Companies As of June 30, 2025

## Japan

- ULVAC, Inc.
- ULVAC TECHNO, Ltd.
- ULVAC KIKO, Inc.
- ULVAC EQUIPMENT SALES, Inc.
- ULVAC CRYOGENICS INCORPORATED
- ULVAC-PHI, Inc.
- 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.

## South Korea

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

## 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.

## Europe

- ULVAC GmbH

## North America

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

## 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

2025 CONSTITUENT MSCI NIKONKABU ESG SELECT LEADERS INDEX

MSCI Japan ESG Select Leaders Index



FTSE Blossom Japan Sector Relative Index

FTSE Blossom Japan Sector Relative Index



S&P/JPX Carbon Efficient Index

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

# ULVAC

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