

# Human Resources

To achieve sustained growth, vitalized organizations must serve as a foundation enabling diverse human resources to fully demonstrate their potential. ULVAC will strengthen its management base by actively engaging in organization and human resources development and focusing on cultivating the leaders of tomorrow.

## Human Resources and Organizational Development

In accordance with the Basic Policy for Human Resources Development, we are promoting the creation of synergy by diverse human resources.

### ULVAC 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 our corporate philosophy and basic management policy.

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

## Establishment of the Human Resource Center

In recent years, a shift toward smart societies has begun worldwide and seismic changes are taking place, namely, a wave of technological innovation and global intensification of competition. On January 1, 2018, ULVAC launched the Human Resource Center, which is under the direct control of the president, to reinforce development of global human resources capable of thriving in a changing external environment in order to successfully compete in this unprecedented business environment.

We recognize that the development of a company, technological innovation, and product competitiveness depend on human resources and that people are ULVAC's most important asset. The Human Resource Center is a dedicated human resources development organization whose purpose is to maximize the value of this critical asset.

The Center flexibly and proactively implements job rotation within the Group. Its mission and role is to enhance knowledge and information, cultivate and refine experience, and vitalize, develop, and maximize the asset value of organizations and human resources by actively pursuing interactions with universities, research institutes, and companies in Japan and abroad.



Keywords related to human resources development at ULVAC

Through the development of the capabilities of people and organizations, ULVAC will improve business promotion capabilities, strengthen the management base for sustained growth, contribute to further creation and accomplishments, and increase corporate value.

## Development and Operation of a Groupwide Education and Training System

The Human Resource Center is developing a groupwide education and training system. It will promote the growth of individuals by providing stratified training, skills training, and language and cultural programs for all employees, from new recruits to employees rehired after mandatory retirement. In the future, the Center will also consider a groupwide mechanism for evaluating employees on the basis of knowledge, language abilities, and other skills required of employees at each organizational level.

The Center will also further inculcate the corporate philosophy groupwide, promote personnel development to take the next leap forward by putting the philosophy into practice, and further foster a corporate culture of boldly taking on challenges.

## Strengthening of Global Adaptability

Since ULVAC plans to further expand its business overseas, it is necessary to systematically develop employees capable of flourishing on the global stage and increase global adaptability. We will reinforce the operating foundation groupwide by focusing on training to cultivate not only language ability, a necessary business skill, but also sensitivity to different cultures and international business acumen as well as human resources development at overseas Group companies.

## Developing the Next Generation of Executives

To develop the next generation of executives, the ULVAC Group will strive to cultivate the leaders of tomorrow by arranging opportunities to discuss a future vision for the ULVAC Group. We will also aim to build human networks by actively promoting personnel exchanges within and beyond the Group. Through such activities, we will promote diverse human resources and engage in flexible organizational operation.

## ULVAC Academy Portal

ULVAC is implementing the ULVAC Academy Portal groupwide under the concept of creating an environment that facilitates learning throughout the Group through the provision of training materials necessary for ULVAC's production to those who need them. The ULVAC Academy Portal provides an environment that enables employees to study anytime, anywhere there is an Internet connection, even outside the company. In this way, ULVAC is creating mechanisms for raising the level of employee skills and demonstrating individual capabilities as well as those for consolidating, systematizing, and providing educational materials that are currently scattered among individuals, departments, and Group companies. With the portal, we aim to create a space where individuals can continuously manage their learning (progress and degree of comprehension) and their licenses and qualifications.



The ULVAC Academy Portal is a platform not only for more effective study driven by individual initiative through e-learning and training materials but also for group training, including practical skills training. It also presents ULVAC's history and disseminates the latest Group information. In addition, the portal is used for distributing presentation materials and videos of lectures and briefings. Indeed, extensive use is made of video.

Since the portal supports Japanese, English, and Chinese and handles everything from signing up for lectures to aggregation of post-lecture questionnaire results, it serves as a backbone system for education that supports the efforts of individuals, departments, companies, and the Group to achieve their future

visions. The number of registered users already exceeds 3,000, and the objective is to complete registration groupwide (6,439 persons as of June 2018) during fiscal 2018.

For management of licenses and qualifications we are in the process of introducing functions not only for the management of internal qualifications and obtaining national licenses, but also assessment and management of the skill levels of customer support personnel and engineers by equipment type and geographical area, and we are proceeding with development to enable systematic planning of education using a global groupwide skills map.

## Knowing the Outside World and Looking in from the Outside

ULVAC conducted overseas training for directors and executives (in Europe, the U.S., and South Korea) in May 2018. We also actively engage in secondment and temporary assignment of employees, collaborative research, and other personnel exchanges with universities, research institutes, and companies. We will continue to engage in initiatives to enable employees at every level of the organization to recognize anew ULVAC's strengths and potential through knowledge of the world beyond ULVAC and a perspective of looking in from the outside.

During the six-month period from January 2018, we held 16 lectures conducted by internal and external lecturers as part of an effort to encourage employees to learn about the world beyond ULVAC and develop a global mindset. More than 800 employees attended the lectures, and many employees unable to attend in person viewed videos of the lectures at ULVAC Academy Portal. In a post-lecture questionnaire survey, more than 80% of participants indicated that they had learned or become aware of something. In fiscal 2018, in addition to holding lectures, we will provide a forum for discussing how to utilize the lecture content in the actual practice of business.

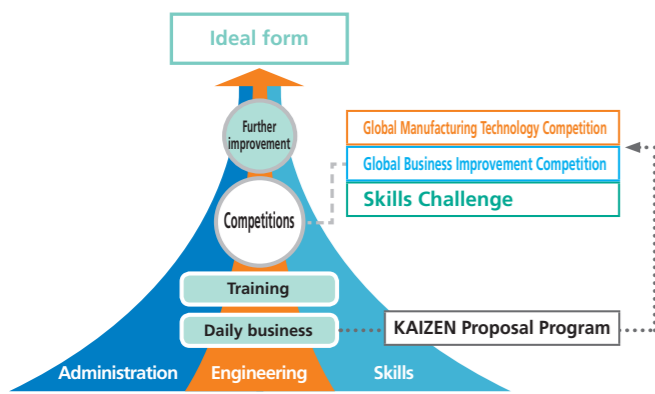
### Examples of Lectures

- Growth secrets and development strategies, expectations for Japan (CEO of a fast-growing foreign company)
- The current state and future of the semiconductor industry (director of a leading overseas research institute)
- The latest technological trends in 5G (professor at a leading Japanese university)
- The latest technological trends in bio-nanodevices (professor at a leading overseas university)
- Means of survival for Japanese manufacturing companies in the digital era (professor at a leading Japanese university)
- The latest market trends (leading overseas research firm)
- Motivation design methods (external consultant)
- How to cultivate a strong mind (external consultant)

# Human Resources

## Global Vitalization Programs

ULVAC utilizes the diversity that results from different ways of thinking and different cultures to stimulate the awareness of organizations and individuals. By sharing among departments and throughout the Group processes that lead to the resolution of organizational and individual issues, we maximize the effects.



The aim of the Global Manufacturing Technology Competition is value creation through the improvement and innovation of the value chain process based on the central theme, "Groupwide innovation of production technology to increase value."

With the Global Business Improvement Competition, we aim to create mechanisms and measures to inculcate ULVAC's management policies in day-to-day work, maximize groupwide synergy, and strengthen cross-organizational functions.

The purpose of the Skills Challenge is to develop a groupwide atmosphere of respect for skills and promote the sharing and transmission of skills by holding a skills level competition among Group companies.

Through these programs, we aim to make all employees aware of the importance of putting the corporate philosophy and management philosophy into practice in their work and linking their work to outcomes that contribute to achieving ULVAC's vision.



Participating in the Skills Challenge

## Creating Excellent Workplaces

To enable each employee in our diverse enthusiasm, increase productivity, and dis-environment that enables employees to In fiscal 2018, we will work to create an themes shown in the diagram to the right. We will develop an environment and change his or her awareness of work styles

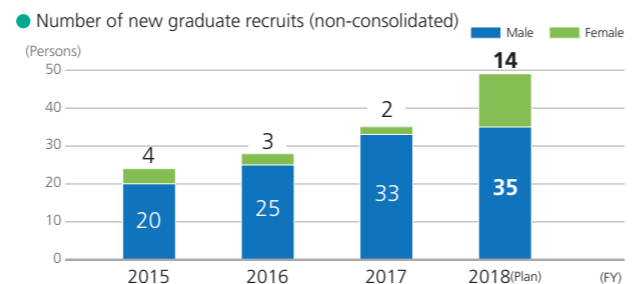
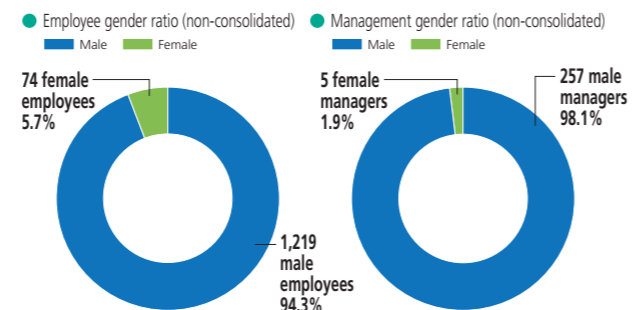
Aspiring to be a company where every employee enjoys physical and mental health, is full of energy, and displays his or her full potential

In keeping with the belief that human resources are the source of value creation, ULVAC actively engages in initiatives to promote the health of employees.

To vigorously engage in health promotion activities, we have appointed an executive officer to serve as the Chief Health Promotion Officer and put in place a health promotion structure led by department general managers and the Health Promotion Office.

We have articulated a mission, namely, that of "Creating a corporate climate in which employees can energetically pursue work goals in good health," and are promoting employee health, the foundation of MONOD-ZUKURI, in accordance with two strategies: "Health risk reduction" and "Wellness improvement."

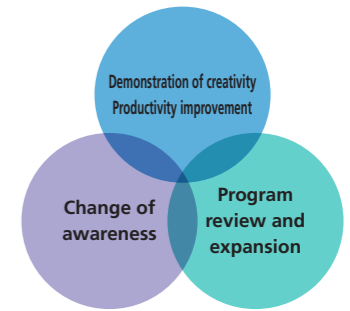
### Human Resources Data



## Environment

workforce to demonstrate his or her strengths with vigor and play creativity, it is necessary to create an excellent workplace work with a greater sense of security and peace of mind. excellent workplace environment, focusing mainly on the key

enhance and operate programs to enable each employee to and lifestyles and increase productivity.



### Priority Activity 1 Health Risk Reduction: Making Walking a Habit

Our health risk reduction targets are "Health age\*1 3.0 years lower than actual age by fiscal 2020" and "Percentage of people with regular exercise habits of 25% or higher by fiscal 2020."

We consider it important to create the habit of walking and exercise to ensure that our employees are healthy in mind and body and able to fully demonstrate their capabilities. Accordingly, together with the health insurance association, we promote activities such as physical strength age measurement and walking events.

As a result of engaging in these activities, the number of people who walk regularly is increasing each year (Fig. 1), and health age is 2.86 years lower than actual age at ULVAC.



Physical strength age measurement at ULVAC

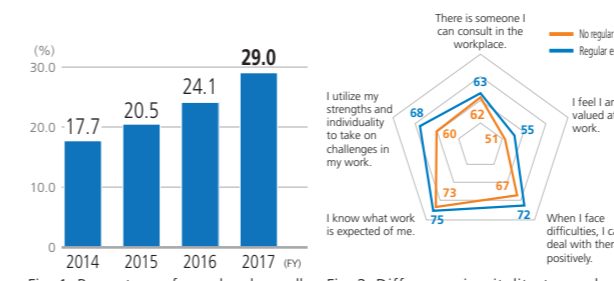


Fig. 1 Percentage of people who walk regularly\*2

Fig. 2 Difference in vitality toward work according to exercise habits

### Priority Activity 2 Wellness Improvement: Organization Vitalization

Our wellness improvement target is "An increase of 20% in the number of people who work energetically by fiscal 2020 compared to fiscal 2014."

Senior management and line managers, who play an important role in ensuring that employees work energetically, are taking the lead in promoting organization vitalization activities, utilizing the results of a health check survey independently conducted at ULVAC.

The number of departments that engage in these activities is gradually increasing, and the number of ULVAC employees who work enthusiastically is increasing each year (Fig. 3).

Also, the number of employees taking leave due to illness has decreased dramatically compared to fiscal 2014, when ULVAC began actively implementing organization vitalization measures (Fig. 4).

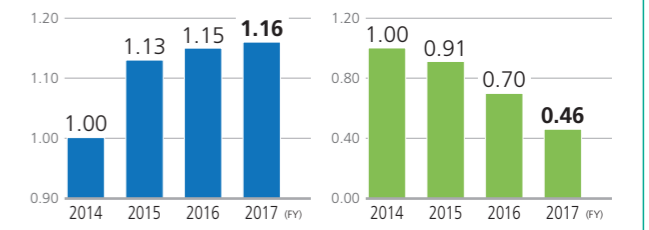


Fig. 3 Ratio of employees who work enthusiastically\*3

Fig. 4 Ratio of the total number of working months lost

These activities have been admired, and ULVAC was recognized as a 2018 Certified Health and Productivity Management Organization (White 500).



## Analysis and Evaluation

Analysis of data from ULVAC's health check survey indicates that people with regular exercise habits show strong work vitality, especially "strengths and challenges" necessary for enthusiastic work (Fig. 2). At ULVAC, we will continue to reinforce human resources development and improve business promotion capabilities through health promotion activities.

\*1 An index developed by JMDC Inc. based on the medical checkup data and medical expenses of 1.6 million people

\*2 Aggregated from questionnaire responses of employees at the time of medical checkup application

\*3 The average score for all items of the percentage of people answering "5. I strongly agree" for the vitality toward work items (five-point scale) in the health check survey. The ratio with fiscal 2014 as 1.0.

### Comment by the Chief Health Promotion Officer

**Ryo Matsumoto**

Executive Officer in charge of General Administration & Personnel Department

ULVAC is implementing initiatives relating to employee health. Our walking program has been particularly popular, with some 50% of employees participating. We also provide health assistance at the presymptomatic stage in cooperation with the Kanagawa Prefectural Government.

We will continue efforts to further develop health promotion activities to enable each employee to work with vigor and enthusiasm.