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.

Basic Policy

In recent years, a shift toward the smart society has begun worldwide. With the advent of a wave of technological innovation, global competition is intensifying. Amid such tremendous changes, ULVAC, whose overseas sales account for 60% of total sales, cannot operate business sustainably unless it provides 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 capabilities through friendly competition.

At ULVAC, people with different backgrounds, in terms of nationality, ethnicity, philosophy, culture, language, gender, age, and specialty, are flourishing. Respecting such diversity and promoting inclusion, we aim to innovate to resolve customers’ and society’s issues while continuing to deliver new value that also leads to the personal growth of each employee.

Based on this policy, in 2018, ULVAC, Inc. launched the Human Resource Center, which is under the direct control of the president, to reinforce the development of global human resources capable of thriving in a changing external environment and in successfully compete in a business environment characterized by dramatic change. Recognizing that the development of a company, a technological innovation, and product competitiveness depend on human resources and that people are ULVAC’s most important asset, we will implement measures to maximize the value of this critical asset.

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

Groupwide Education and Training

Starting with the introductory program for new employees, ULVAC also provides a program for employees in their third year as well as stratified training programs. Programs include ones designed to enhance motivation and management capabilities according to the roles expected from employees at each organizational level.

ULVAC Academy Portal

We are promoting e-learning throughout ULVAC based on the concept of providing an environment that enables learning anytime anywhere. Since its launch in 2016, the contents posted on ULVAC Academy Portal have grown to include some 600 items.

Principal contents
- Message from the President
- Video clips of seminars held in ULVAC

Developing the Next Generation of Executives

ULVAC has put in place an education and training framework for developing next-generation executives that includes programs on such subjects as the qualities ULVAC leaders should possess and is designed to cover the entire Group cross-functionally. Next-generation executives and future-generation executive candidates receive education and training based on a development plan in accordance with the education and training framework.

Human Resources Rotation

We are vigorously promoting human resources rotation in the Group, especially between ULVAC Head Office and overseas Group companies, as a measure to promote the diversity and inclusion mentioned above. Moreover, by vigorously promoting assignment of ULVAC employees to companies outside the Group on loan and vice versa, we are striving to vitalize human resources and establish human networks while also expecting to achieve innovation through technical exchange.

Holding of Seminars

Since its establishment in 2018, the Human Resource Center has been vigorously holding seminars. It held 50 seminars with a cumulative total of participants exceeding 3,200 employees. These seminars are designed to inspire ULVAC employees to support the realization of the smart society and develop business in new growth markets, without being constrained by conventional businesses.

As mentioned above, as technological innovation is advancing and already bringing about dynamic change, it is critically important to understand the value ULVAC can offer and embody that value in a vision looking five to ten years ahead. Based on the recognition that the enhancement of ULVAC’s corporate value depends on R&D of leading-edge technology, seminars are wide ranging. In addition to information on leading-edge technology, the trends reshaping industry, and situations of competitors, seminars also cover approaches concerning management, marketing, intellectual property, human resources development, and other topics, as well as case studies to understand how certain companies shifted decisively to growth trajectories. Experts with track records of success in particular fields are actively sought out and invited as external lecturers.

Our expectation is that seminar participants will realize much that they might not encounter or recognize in their daily routine, and this will expand their awareness to be sensitive and proactive to changes in the market, developing human resources capable of seizing the initiative and thriving in a global setting.

Furthermore, in the current fiscal year we have increased opportunities for discussion by holding seminars in combination with panel discussions and workshops. These formats encourage participants to express their opinions and as discussion becomes broader and deeper, the participants gain more fresh perspectives. We will continue to use seminars for human resource development throughout the Group.

Seminars held

<table>
<thead>
<tr>
<th>FY2017</th>
<th>FY2018</th>
<th>Total</th>
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<tbody>
<tr>
<td>Engineering and Management/Leadership</td>
<td>6</td>
<td>11</td>
</tr>
<tr>
<td>Human Resources development</td>
<td>4</td>
<td>9</td>
</tr>
<tr>
<td>Marketing</td>
<td>1</td>
<td>9</td>
</tr>
<tr>
<td>Other</td>
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<td>4</td>
</tr>
<tr>
<td>Total</td>
<td>17</td>
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</tr>
</tbody>
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Global Manufacturing Technology/Business Improvement Competitions

ULVAC aims to achieve the shared vision of individuals, divisions, the Company, and the Group by vitalizing individuals through their daily work, education and training, seminars, and other means, and by sharing the outcomes and utilizing them as ULVAC’s assets.

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, “Growth and innovation of production technology to increase value.” At the Global Manufacturing Technology Competition, participants present the outcomes (benefits) of their initiatives and processes for resolving issues.

The theme of the Global Business Improvement Competition is “Business process improvement applicable throughout the Group.” The aim is to create new growth and strengthen cross-organizational functional support to support resolution of issues relevant to two or more Group companies. In the Global Business Improvement Competition, participants make presentations on topics such as cost-reduction impacts, process improvements to tackle issues, enhancement of operational efficiency, and productivity.

Through these competitions, we aim to make all employees aware of the importance of putting the Basic Corporate Philosophy and the Management Policies into practice in their work and linking their work to outcomes that contribute to achieving ULVAC’s vision.
Human Resources

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, and furthermore we are developing conditions and programs that minimize the impact of life events, so that diverse human resources can flourish and perform well.

Retention of human resources and transfer of technological expertise

Mindful that technological innovation is triggered by the integration of accumulated technology, new knowledge, and creativity, ULVAC, Inc. emphasizes the retention of employees and the transfer of technological expertise. For example, we conduct a questionnaire survey of new employees six months after they join ULVAC, Inc. and their superiors, and if gaps in recognition are revealed, steps are soon taken to resolve the issue. Moreover, the system for rehiring senior employees after mandatory retirement is contributing to the transfer of technological expertise from skilled engineers to the next generation.

Systems for supporting childcare

With the aim of creating a workplace where employees can achieve a balance between work and childcare, in fiscal 2018, ULVAC, Inc. introduced support systems that go beyond the statutory requirements. Childcare leave can be taken until the first April 30 after the child reaches two years of age. The short-working-hours system for childcare is available for employees who have a child up to the third grade in elementary school. All employees who took childcare leave have returned to work.

Improvement of systems for flexible workstyles

In addition to the staggered working hour system and the flextime system, which have been available, ULVAC, Inc. has introduced an annual paid leave system whereby a portion of the leave can be taken by the hour (up to a maximum of 40 hours per year). Thus, systems for more flexible workstyles have been established.

Human Resources Data (non-consolidated)

- **Employee gender ratio**
  - 364 male employees: 97.0%
  - 53 female employees: 7.0%

- **Management gender ratio**
  - 11 male employees: 3.0%
  - 5 female employees: 97.0%

- **Number of new graduate recruits (Persons)**
  - 2015: 242
  - 2016: 42
  - 2017: 17
  - 2018: 7
  - 2019: 12

- **Number of employees who took childcare leave and the number of wives (Persons)**
  - 2015: 40
  - 2016: 11
  - 2017: 2
  - 2018: 3
  - 2019: 2

Future Measures and Outlook

A survey by Gallup, Inc., a public opinion survey and consulting firm, finds that organizations with high engagement scores and those with low engagement scores are compared, it is evident that organizations with high scores have excellent results for performance indicators such as productivity and earnings.

(State of the Global Workplace Report, Gallup, Inc.)

Since fiscal 2013, ULVAC, Inc. has included questions concerning employee engagement (‘Do you understand the role expected of you?’ ‘Do you feel valued in the workplace?’ etc.) among the indices in the ULVAC organizational health survey, and scores are gradually improving through the above-mentioned activities.

We think that for the purpose of putting the Basic Corporate Philosophy into practice and contributing to the development of industry and science, we must make further acceleration, it is important to create mechanisms that will increase engagement and enable each employee to further personally experience the meaning of work. For this reason, going forward, we will enhance our health management measures.

In fiscal 2019, in addition to existing measures, such as organization vitalization training for managers and walking rallies for all employees, we will launch new initiatives. Specifically, we will promote mutual improvement of problem-solving skills for complex problems, enhancement of human qualities, and organizational development by holding Mistake and Setback Case Study Review Meeting as a regular event for managers to experience a simulation of such cases. Also, we will continue to focus on engagement in essential health and productivity management measures, such as the provision of ‘Power Lunches—Meals to Increase Afternoon Concentration’ utilising the employee cafeteria, which is used by more than 90% of employees.

Comment from the President and Chief Executive Officer

Setsuo Iwashita
President and Chief Executive Officer

Amid the growing trend toward the smart society, ULVAC continues to pursue technological innovation. In the belief that it is our people who get things done and that it is health and family that support our people, we will continue to promote health management as an important management priority for realizing sustained growth and enhancement of corporate value.

ULVAC VALUE REPORT 2019