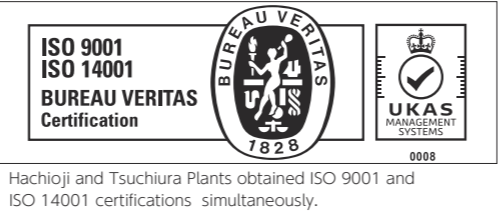


Tokyo Seimitsu Co., Ltd.

Sustainability Committee
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Tokyo Seimitsu

SUSTAINABILITY REPORT 2023



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Forward-looking Statements

The current plans, forecasts, strategies, and other non-historical matters disclosed by the Tokyo Seimitsu Group are forward-looking statements about future performance. These statements are based on information currently available to the Tokyo Seimitsu Group and the assumptions that Tokyo Seimitsu Group considers reasonable, such as domestic and overseas economic conditions, exchange rate fluctuations, and other factors affecting the business results, and they are not intended for expressing the commitment of the Group to realize them. They are bound to be influenced by many uncertain factors, including market conditions, competition, new product introduction as well as the success or failure thereof. Accordingly, actual results may differ materially from these forward-looking statements.



FTSE Blossom
Japan Index



FTSE Blossom
Japan Sector
Relative Index

FTSE Russell (a registered trademark of FTSE International Limited and Frank Russell Company) hereby certifies that Tokyo Seimitsu Co., Ltd. has met the requirements for inclusion in the FTSE Blossom Japan Index as a result of an independent third-party review. The FTSE Blossom Japan Index is an index created by global index provider FTSE Russell and designed to measure performance of Japanese companies that demonstrate outstanding ESG (Environment, Society and Governance) practices. The FTSE Blossom Japan Index is widely used to create and evaluate sustainable investment funds and other financial products.

SUSTAINABILITY

Sustainability of the Tokyo Seimitsu Group

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Purpose of the Tokyo Seimitsu Group

Gaging the Future with Metrology, Creating the Future with Semiconductors

The Tokyo Seimitsu Group contributes to creating the society of the future through both its Metrology Business and Semiconductor Manufacturing Equipment Business

Started as a precision equipment company in 1949, the Tokyo Seimitsu Group has been providing precision measuring instruments equipped with advanced measurement technology to industries since its inception. In the Semiconductor Manufacturing Equipment Business, In 1958, the Tokyo Seimitsu Group participated in the semiconductor manufacturing equipment-related industry for the development of germanium pellet automatic thickness sorting machine, and launched Japan's first wafer slicing machine in the market. While devices have been miniaturized, our measurement technology has been utilized in manufacturing equipment of semiconductor devices that require production efficiency, being the only semiconductor manufacturing equipment manufacturer with a metrology business makes us unique and serves as the source of our strength. The Tokyo Seimitsu Group will continue to contribute to creating an enriched society of the future through both its Metrology Business and Semiconductor Manufacturing Equipment Business.

Corporate Philosophy

Growing together with partners and customers by collaborating technology, knowledge, and information to create the world's No. 1 products

MOTTO

“WIN-WIN Relationships Create the World's No. 1 Products”

A simplified version of our Corporate philosophy, our WIN-WIN motto does not only pertain to business relationships. It aims at growth by forming WIN-WIN relationships with stakeholders by growing together to create the world's No. 1 products.

Corporate Brand



ACCRETECH

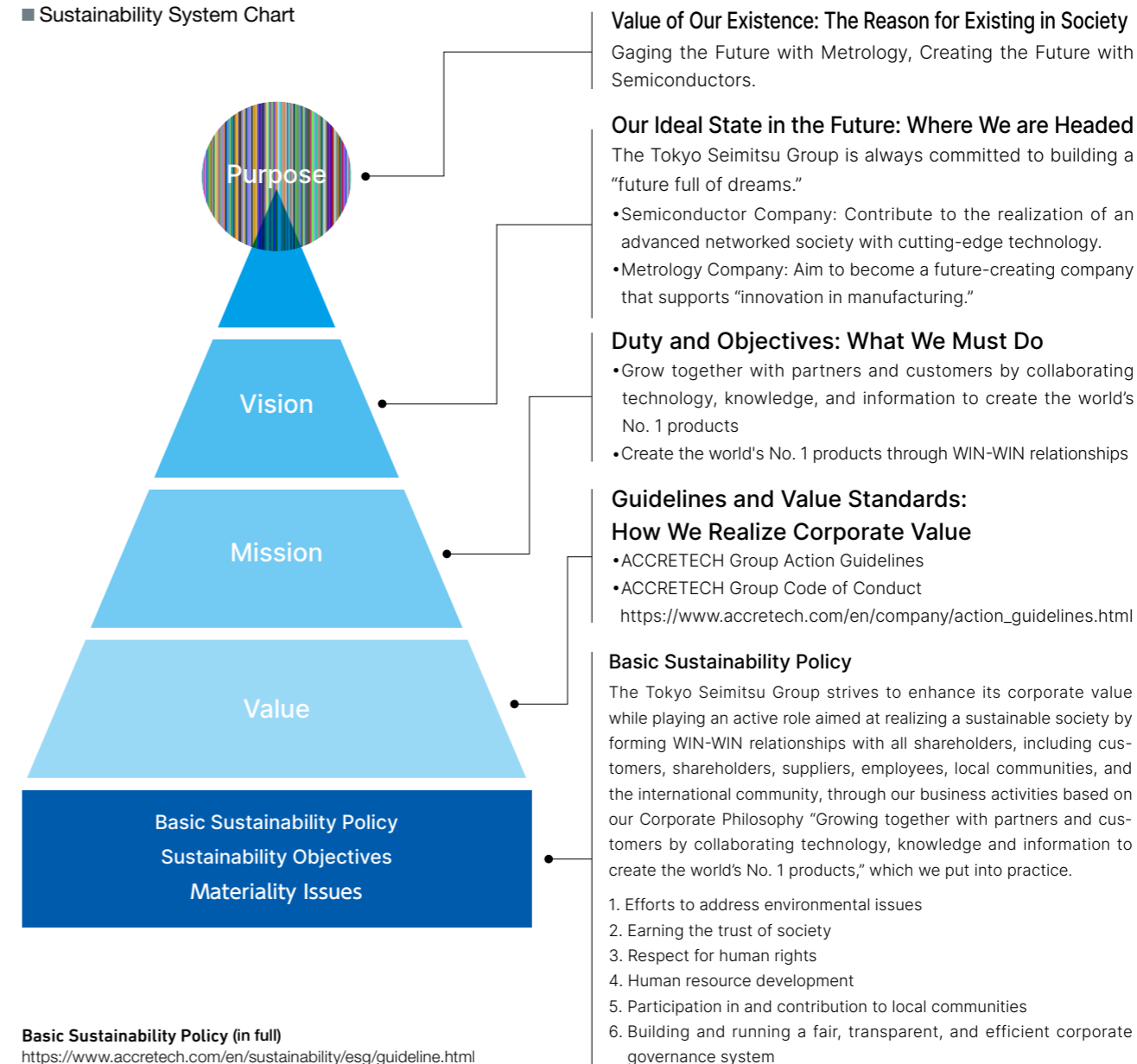
A fusion of "Accrete" and "Technology," signifying Grow Together. Our symbol mark represents our Corporate Philosophy, which is "Growing together with partners and customers by collaborating technology, knowledge, and information to create the world's No. 1 products."

Sustainability System Chart

Aiming to Realize a Sustainable Society and the Sustainable Growth of the Tokyo Seimitsu Group

As the corporate operating environment is undergoing drastic changes, this has prompted us to reaffirm the importance of sustainability as a management issue and enhance our sustainability activities. For this reason, in November 2021, we formulated the Basic Sustainability Policy and established the Sustainability Committee. Aiming for the sustainable growth of the Tokyo Seimitsu Group and society, the Sustainability Committee decided on our *raison d'être* (Purpose) and ideal state (Vision). Using this as a starting point, we will enhance the effectiveness of our sustainability activities by defining material issues and reflecting specific initiatives and targets in the Mid-term Management Plan. In addition, we will strengthen our sustainability promotion structure to realize our Purpose, and aim to realize a sustainable society and the sustainable growth of the Tokyo Seimitsu Group through dialogue and collaboration with our stakeholders.

■ Sustainability System Chart





**The Tokyo Seimitsu Group
is always committed
to building a
“future full of dreams”**

Serving as a Global Company

While a company carries out its business activities, I think that it must be mindful not only of its customers but also of employees, business partners, shareholders, local communities, governments, as well as other various stakeholders in order to build better relationships with them. Currently, as overseas sales account for 73% of our net sales, the Tokyo Seimitsu Group has a network of bases in various countries and regions, including the Americas, Europe, East Asia, and Southeast Asia, and expands its business as it connects with stakeholders around the world on a daily basis. Under these circumstances, I am increasingly convinced about the importance of creating relationships with all our stakeholders from a standpoint of fairness and impartiality. At the same time, we must also respond to global environmental changes, including climate change. With the expansion of international frameworks, such as the Paris Agreement and the SDGs, the Tokyo Seimitsu Group is also carrying out initiatives in order to fulfill its responsibility of contributing to the realization of a sustainable society.

In light of these circumstances, our Group has defined “efforts to address environmental issues,” “earning the trust of society,” “respect for human rights,” “human resource development,” “participation in and contribution to local communities,” and “building and running a fair, transparent, and efficient corporate governance system” as important short- and medium-term initiatives which have been clarified in 2021 through our Basic Sustainability Policy.

Creating New Value through Both Our Precision Measuring Instrument Business and Semiconductor Manufacturing Equipment Business

“Gaging the Future with Metrology, Creating the Future with Semiconductors,” the Purpose of the Tokyo Seimitsu Group, expresses our commitment to contribute to society through our business model of supporting our customers' manufacturing activities, uncovering their needs, and solving various technical issues based on our core precision measuring technologies. We are able to create newly added value by combining the technologies from our Precision Measuring Instrument Business, which manufactures equipment designed to measure things, and Semiconductor Manufacturing Equipment Business, which manufactures semiconductors.

For example, in EVs, our semiconductor manufacturing equipment plays an essential role in the popularization of high-performance devices, such as MCUs (Micro Controller Units) and power semiconductors, by measuring mechanical components with precision measuring instruments that are more precise than ever before to ensure that the devices perform as they were designed. Accordingly, having recognized that our products play an extremely important role in helping to solve the social issues we are currently facing, we are in the process of investing in R&D and expanding our production scale in order to meet expectations.

Over the long term, I think the fusion of virtual and physical spaces will continue to progress, which will make the world become more sustainable and prosperous. As a corporate entity that is always committed to building a “future full of dreams,” I would like to see the Tokyo Seimitsu Group continue to work alongside our stakeholders to see those dreams become a reality.

September 2023

Chairman and CEO

Message from COO

Response to Climate Change

In August 2021, the Tokyo Seimitsu Group launched the TCFD response project in order to contribute to solving the issue of climate change as a member of society. In March 2022, the Group announced its support for the TCFD's recommendations. Considering the realization of a decarbonized society through our businesses and products to be the most important activity that contributes to sustainable development, we are moving forward with R&D investment and expanding our production scale.

At the same time, reducing the CO₂ emissions generated from our business activities is a strategic priority. By 2030, we aim to reduce our CO₂ emissions by 50% compared with fiscal 2018 levels, and are working to achieve that target through efforts such as making an effort to determine total CO₂ emissions through Life Cycle Assessment (LCA) of products.

Contributing to Decarbonization and Responding to the Anticipated Decrease in the Global Workforce

We are currently entering a phase in which demand for products from both our Precision Measuring Instrument Business and Semiconductor Manufacturing Equipment Business will increase significantly due to decarbonization efforts.

In the Semiconductor Manufacturing Equipment Business, demand for high-precision semiconductor devices, electronic components, and power semiconductors is increasing due to the advancement of autonomous driving and a networked society, and materials other than silicon, such as silicon carbide, are starting to be used in power semiconductors. In recent years, developed countries have strengthened semiconductor production as a national strategy, and although it may change the geopolitical balance of power in the future, the semiconductor market itself is sure to expand.

In the Precision Measuring Instrument Business, there is growing demand for instruments capable of performing measurements to check the workmanship of goods and evaluating the performance of EV batteries. Such measurement-related demand is due to the increasing popularity of mechanical parts found in EVs, which require an even higher level of high-precision machining than those found in internal combustion engine vehicles.

In addition, manufacturing is becoming increasingly automated in anticipation of a decrease in the global workforce. I believe that further progress in automation, where robots play an active role in factories, etc., will be a growth opportunity for our Company in the medium to long term.

We are currently implementing our Mid-term Management Plan, which was started in fiscal 2022. Business performance during the first year of the plan reached all-time highs due to expanding demand for semiconductor manufacturing equipment. In addition, the Hanno Plant was completed in July 2023 to expand the production capacity necessary to achieve the quantitative targets for fiscal 2024, the final year of the plan. Through these initiatives, we will contribute to a sustainable society. Furthermore, from the next Mid-term Management Plan (which will start in fiscal 2025) onward, we intend to further strengthen our sustainability activities, not only in terms of quantitative results, so that Tokyo Seimitsu's continued involvement in these initiatives will be recognized as a contribution to a sustainable society.

September 2023

President and COO



We promote the further enhancement of sustainability with the belief that our business activities are the key to achieving a sustainable society

Materiality Issues

In line with the Mid-term Management Plan (started in fiscal 2022) for fiscal 2024, after reviewing the status of the value chain surrounding the Group's activities, its impact on the environment and society, and other issues to be taken into account, the Tokyo Seimitsu Group has revised its materiality as follows. By presenting specific initiatives and goals, we have clarified the issues that each employee needs to address and made it easier for them to understand the value of their work, thereby increasing their motivation. We will continue to revise our materiality as necessary and appropriate.



Sustainability Objectives and Priority Initiatives

The Tokyo Seimitsu Group has established sustainability objectives and priority initiatives in order to incorporate important issues (materiality) for the Group into concrete activities. The Sustainability Committee as well as teams and task forces created to address important issues formulate and implement action plans based on that framework.

	Sustainability objectives	Priority initiatives	Action plans and results
E Environment	<ul style="list-style-type: none"> • Prevention of global warming • Resource-saving activities • Formation of a recycling-oriented society 	<ul style="list-style-type: none"> • Reduction of CO₂ emissions • Reduction in consumption of electricity, water, and paper • Reuse of waste as resources • Environmentally friendly products • Chemical substances control 	<ul style="list-style-type: none"> • Environmental Management ➡ P18 • Climate Change ➡ P20 • Environmental Contribution through the Provision of Products ➡ P24 • Resource Recycling and Waste Reduction ➡ P26 • Water Resources ➡ P27 • Chemical Substances ➡ P28
	<ul style="list-style-type: none"> • Respect for human rights 	<ul style="list-style-type: none"> • Prevention of human rights violations 	<ul style="list-style-type: none"> • Respect for Human Rights ➡ P30
S Society	<ul style="list-style-type: none"> • Product liability 	<ul style="list-style-type: none"> • Quality control • Stable supply of parts 	<ul style="list-style-type: none"> • Quality ➡ P32
	<ul style="list-style-type: none"> • Reduction of procurement risk 	<ul style="list-style-type: none"> • Reinforcement of the supply chain 	<ul style="list-style-type: none"> • Supply Chain Management ➡ P36
G Governance	<ul style="list-style-type: none"> • Working environment • Health and safety • Diversity • Human resource development 	<ul style="list-style-type: none"> • Labor standards • Health and safety • Increased diversity • Training program 	<ul style="list-style-type: none"> • Occupational Health and Safety ➡ P38 • Health Management ➡ P42 • Diversity & Inclusion ➡ P44 • Human Resource Development P46
	<ul style="list-style-type: none"> • Sustainable business growth • Enhanced competitive strength • Fair, transparent, and prompt corporate activities • Anti-bribery and anti-corruption 	<ul style="list-style-type: none"> • Internal control • Audit function • Corporate ethics and legal compliance • Information disclosure • Whistleblower system • Compliance education 	<ul style="list-style-type: none"> • Corporate Governance ➡ P50 • Compliance ➡ P56
	<ul style="list-style-type: none"> • Crisis management against disaster 	<ul style="list-style-type: none"> • Business continuity plan 	<ul style="list-style-type: none"> • Risk Management ➡ P58

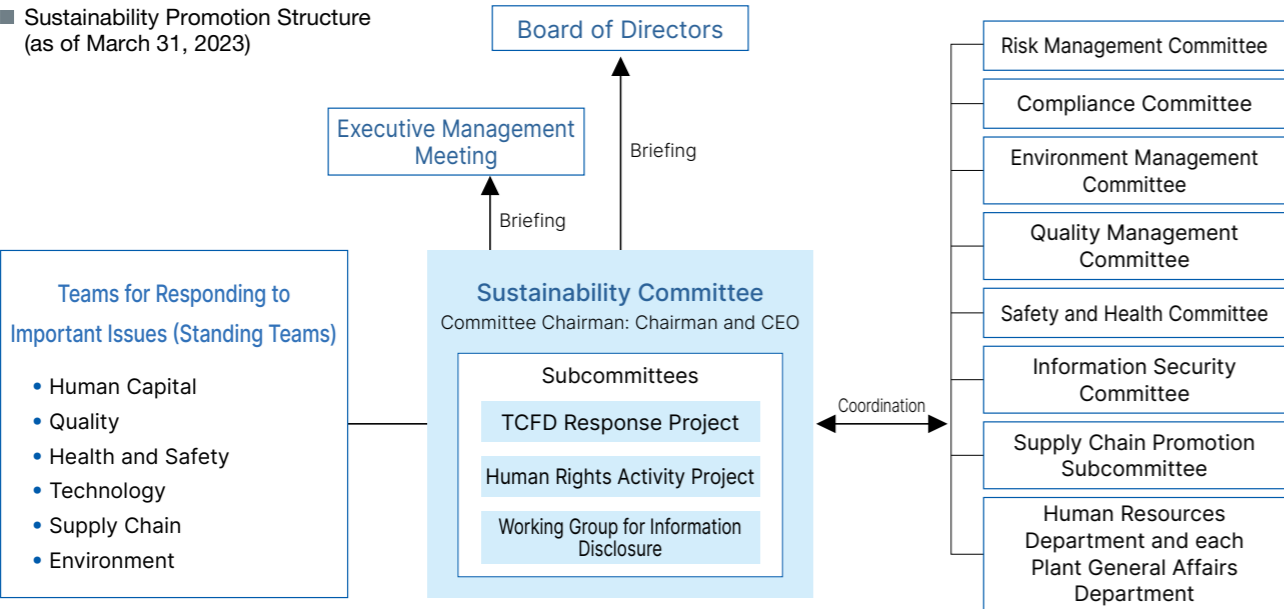
Process of Defining the Material Issues

STEP 1	STEP 2	STEP 3	STEP 4
Organize Tokyo Seimitsu's perspective on sustainability	Extract business risks and opportunities in the value chain by social value	Based on the results extracted in STEP 2 <ul style="list-style-type: none"> • Evaluate and rank by impact on the global environment and stakeholders • Evaluate and rank according to relevance to our value creation and management strategy 	Extract material issues from the results of STEP 2 and STEP 3 to realize our Purpose and Vision <ul style="list-style-type: none"> • Deliberation and approval by the Board of Directors at the May 2022 meeting on important matters

Sustainability Promotion Structure

Tokyo Seimitsu established the Sustainability Committee, which is chaired by the Chairman and CEO, to oversee all of our sustainability activities. The Sustainability Committee is linked with six expert committees, the Supply Chain Promotion Subcommittee, Human Resources Department, and each Plant General Affairs Department, which work to enhance human capital. In addition, beneath the Sustainability Committee, we have established six teams to handle important issues. Subcommittees will be established by the Committee Chairman when there are urgent issues that need to be addressed.

■ Sustainability Promotion Structure (as of March 31, 2023)



Sustainability Committee

Committee Chairman:	Chairman and CEO
Vice-Chairpersons:	President and COO, Executive Vice President and CFO, and Head of Metrology Company
Committee members:	<div><div>Directors</div><div><div>From the Semiconductor Company</div><div>Plant Manager of Hachioji Plant, General Manager of Technology Div., General Manager of Sales Div., General Manager of General Affairs Dept., Person responsible for environmental management, General Manager of Production Control Dept., General Manager of Quality Assurance Dept., and General Manager of Service Div.</div></div><div><div>From the Metrology Company</div><div>Plant Manager of Tsuchiura Plant, General Manager of Technology Div., General Manager of Sales Div., General Manager of General Affairs Dept., Person Responsible for Environmental Management, General Manager of Production Control Dept., General Manager of Quality Assurance Dept., and General Manager of Metrology Center</div></div><div><div>From the Administration Company</div><div>General Manager of Environmental Green Initiative Team, General Manager of IT Dept., General Manager of Human Resources Dept., General Manager of General Affairs Dept., General Manager of Public Relations Dept., and General Manager of Legal Affairs Dept.</div></div><div><div>Group Companies</div><div>Tosei Engineering Corp., Tosei Box Corp., Tosei Systems Co., Ltd., and Accretech Powertro System Co., Ltd.</div></div></div>
Frequency of meetings:	Twice a year
Functions:	Formulates basic policies, establishes an operational structure, and sets targets/indicators Reports and provides recommendations during each Executive Officers' Meeting and Board of Directors' Meeting Monitors implementation of policies and collects various types of information

FY2022 Subcommittees

■ TCFD Response Project

Leaders:	General Manager of Management Support Dept. and General Manager of Sustainability Dept.
Members:	Technology Div., Manufacturing Dept., Quality Assurance and Service Div., Sales Div., and Secretariat (Management Support Dept. and Sustainability Dept.)
Period active:	2021–2023

■ Human Rights Activity Project

Leaders:	Team Leader of Human Resources Dept.
Members:	General Manager of Human Resources Dept., General Manager of Management Support Dept., General Manager of Production Control Dept. (Semiconductor Company), General Manager of Production Control Dept. (Metrology Company), General Affairs Dept. (Hachioji Plant), and General Affairs Section (Tsuchiura Plant)
Period active:	2022–2024

■ Working Group for Information Disclosure

Leaders:	General Manager of Sustainability Dept.
Members:	Public Relations Dept., Management Support Dept., and Sustainability Dept.
Period active:	2022–

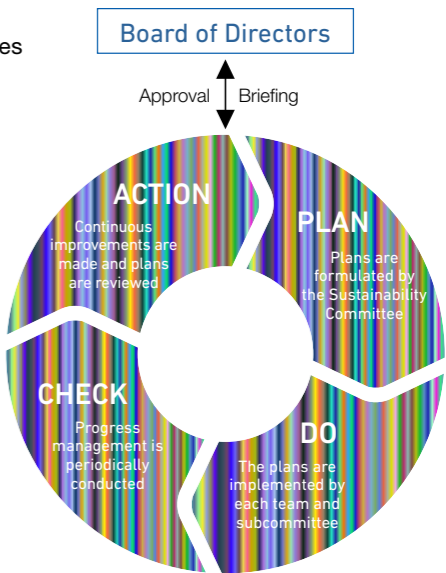
Teams for Responding to Important Issues (Standing Teams)

Beneath the Sustainability Committee, we have established six teams (Human Capital, Quality, Health and Safety, Technology, Supply Chain, and Environment) to handle important issues. The teams focus on priority initiatives in line with sustainability themes, and their members consist of leaders and personnel from the Administration Company, Semiconductor Company, Metrology Company, and subsidiaries of Tokyo Seimitsu Co., Ltd.

Teams for Responding to Important Issues, Subcommittees' PDCA

Each year, the Sustainability Committee comprehensively assesses objectives, organizations, systems, risks, and opportunities and incorporates specific activities and goals into a plan (PLAN step of the cycle), which is approved by the Board of Directors and then implemented (DO step of the cycle) by the subcommittees and six teams for handling important issues. The results associated with each theme addressed are discussed (CHECK step of the cycle) at regular progress management meetings, and continuous improvements as well as plan reviews (ACTION step of the cycle) are repeated as necessary to improve initiatives so that they can be more effective. The results are reported to the Board of Directors.

■ PDCA Cycle for Sustainability Activities



Stakeholder Engagement

The Tokyo Seimitsu Group believes that continuous, active, two-way communication with various stakeholders is important in creating business value and social value while fulfilling our social responsibilities. By sharing information on real needs and issues through sincere communication with stakeholders, we seek to build strong and deep relationships of trust and grow together.

Customers

Support customers' manufacturing activities to contribute to the achievement of a sustainable society

Industry Groups

Contribute to the growth of the industry through active interaction

Suppliers

Build relationships that emphasize the "WIN-WIN" and social responsibility



Customers

Tokyo Seimitsu's Responsibilities

- Product quality (provide stable and reliable products)
- Support quality (provide prompt and meticulous support)
- Delivery quality (ensure safety at production sites)
- Provide environmentally friendly products
- Manage customer information appropriately
- Provide product information appropriately
- Augment compliance awareness (compliance education)
- Develop personnel with competence in quality (quality education)
- Respond to environmental laws and regulations, such as RoHS/REACH/POPs

Fiscal 2022 Major Results

Objectives	Initiatives/structures	Main outcome of activities
Increased customer satisfaction	Questionnaire-based survey	Customer satisfaction surveys (once a year) Percentage of satisfactory ratings : 93.3%
Global support structure	Stable parts supply structure	17 locations in Japan and overseas, CE Stock Search System
	Customer training	Remote support using smart glasses
	Metrology Centers	Four locations in Japan, nine overseas Seminars and classes (including web-based seminars)
Support activities to build customer's future	Overseas showrooms	Provision of solutions
		Consigned measurement
		Overseas technical training

Employees

- Enrich workplace environments that give workers a sense of fulfillment
- Promote human resource development

Shareholders and Investors

Strive for transparent and proactive IR activities

Local Community

- Clarify issues through dialogue
- Promote solution-oriented social contribution activities



Employees

Tokyo Seimitsu's Responsibilities

- Consideration of human rights and compliance with labor-related laws and regulations
- Initiatives for safe workplace environments
- Creation of healthy workplaces where people can work with a sense of purpose
- Realization of comfortable workplace environments where people can play active long-term roles
- Provision of opportunities for every individual to grow

Fiscal 2022 Major Results

Objectives	Initiatives/structures	Main outcome of activities
Securing of safe and secure workplaces	Zero accidents resulting in leave	Accidents resulting in leave: 1
	Skills/special education training	Total participants: 172
Mental and physical health	Healthy company declaration	Percentage of people undergoing health checkups: 93.7%
		Video dissemination on health topics
Realization of comfortable workplace environments where people can play active long-term roles	Measures to address long working hours	Rate of taking five or more days of annual paid leave: 100%
	Action Plan for Promoting Employment and Careers of Women	Percentage of female regular employee hires: 18.3%
Provision of opportunities for every individual to grow	Human resource training/development	Percentage of female regular employees: 8.5%
		Common training (major themes) : 2,878 hours* Level-specific training (major themes) : 7,061 hours*

Scope: Full-time employees of Tokyo Seimitsu Co., Ltd. (non-consolidated basis)



Shareholders and Investors

Tokyo Seimitsu's Responsibilities

- Timely, appropriate, and fair disclosure of corporate information
- Assurance of shareholders' rights, equality, etc.
- Secure earnings and appropriate profit distribution through medium- and long-term corporate growth

Fiscal 2022 Major Results

Objectives	Initiatives/structures	Main outcome of activities
Fair and appropriate information disclosure	100th Regular Shareholders' Meeting	Number of times: 1; Rate of exercise of voting rights: 81.8%
	Handling coverage by institutional investors/analysts	Number of times: 340 total
	Conferences for overseas investors	Number of times: 4
	Briefings for individual investors	Number of times: 1 (online participants: 1,315)
	Business results briefings/press conferences	Number of times: 8
Business results briefings materials and other materials		https://www.accretech.com/en/ir/library/financial_summary.html



Local Community

Tokyo Seimitsu's Responsibilities

- Activities that contribute to local companies
- Activities that contribute to local communities
- Disaster relief and stockpiling in surrounding areas

Fiscal 2022 Major Results

Relationship with local communities	Main expectations and values	Community/system	Main outcome of activities
Hachioji City	Coexistence with local companies	Tokyo Federation of Labor Standards Associations, Hachioji Branch	General Affairs and Public Relations Department Hachioji branch, regular public relations newsletter published 5 times/year
	Fire prevention campaign	Hachioji Firefighting Four-Party Cooperative	Participated in fire prevention campaign as a member of the Japan Association for Safety of Hazardous Materials
	Environmental conservation activities	Hachioji City Adopt-A-Road Program	Cleanup of the rotary on the east side of JR Kita-Hachioji Station: 4 times, 176 participants
Tsuchiura City	Environmental conservation activities	Tsuchiura City Pollution Control Agreement	Submission of pollution control plan, business plan, and implementation report
		Eco-partner Agreement	Cleanup of Nakanuki Park: 50 times, total 100 participants
Local schools	Support for students	Invitations to the Hachioji Plant	Support for career education programs
		Visits to nearby schools	Job-specific career guidance subcommittee



Suppliers

Tokyo Seimitsu’s Responsibilities

- Fair and equitable transactions
- Safety, human rights, and environmental considerations in the supply chain
- Support for resolving CSR issues
- Appropriate provision of information

Major Means of Communication

- Sustainability assessment (once a year)
- Support through procurement activities (as needed)
- Supplier CSR Guideline
- Web-based system for suppliers
- CSR seminar (once a year)
- Commendations for suppliers (once a year)

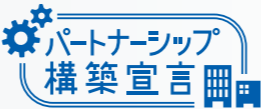
Fiscal 2022 Major Results

Objectives	Initiatives/structures	Main outcome of activities
CSR surveys/check-ups	Sustainability assessment	Response rate: 94.6%
Entrenchment of CSR procurement	CSR Seminars	Conducted in September 2022
Strengthening of information sharing	Web-based system for suppliers	Request for investigation of nonconforming product use
Manufacturer’s responsibility	CSR training for employees	e-learning

Business Partnership Building Declaration

On February 1, 2023, Tokyo Seimitsu announced its Business Partnership Building Declaration in support of the aims of the Council for Promoting Partnership Building for the Future*. We aim to build new partnerships by promoting collaboration, co-existence, and co-prosperity with business partners in the supply chain and businesses seeking to create value.

*Council for Promoting Partnership Building for the Future: This council conducts activities to promote co-existence and co-prosperity for companies throughout the entire supply chain and new cooperative relationships where size, affiliation, and other factors are irrelevant. Members include relevant cabinet ministers (from the Cabinet Office, METI, MHLW, MAFF, and MLT as well as the Deputy Chief Cabinet Secretary), Keidanren Chairman, NCCI Chairman, and Rengo Chairman.



Participation in Industry Groups

Semiconductor Equipment Association of Japan (SEAJ)

Tokyo Seimitsu is a member of the Semiconductor Equipment Association of Japan (SEAJ) and participates in the activities of the Service sub-committee and Safety Training sub-committee of the Safety & Support Committee. The Safety & Support aims to enhance the quality of maintenance services, including for semiconductor manufacturing equipment, and achieve a zero accident rate among service personnel. In addition to creating and providing various guidelines and checklists and conducting activities to promoting the adoption of SEAJ recommended safety training as the industry standard, it participates in the operation of the SEAJ China Travel and Movement Information Exchange site. It does so to support the overseas field activities of member companies as a member of the SEAJ China Business Promotion Team.

<https://www.seaj.or.jp/english/>

The Japan Society for Precision Engineering

The Japan Society for Precision Engineering is organized by experts in their respective fields to promote the sound development of precision engineering technology and to conduct ongoing research on important issues. Tokyo Seimitsu participates in the Expert Committee for Intelligent Nano-Measurement*1 and the Expert Committee for Convergence Engineering*2. Also, in fiscal 2022, one of our employees was appointed to the society’s board, where he will work to promote its activities.

*1 Expert Committee for Intelligent Nano-Measurement: An expert committee on technological developments including intelligent data processing, traceability, and standardization

*2 Expert Committee for Convergence Engineering: An expert committee on new design and productive techniques that digitize object information from 3D shape scanning technologies (industrial X-ray CT and 3D surface scanners) and utilize that information in digital engineering systems (CAD, CAM, CAE)

https://www.jspe.or.jp/wp_e/

International Organization for Standardization (ISO)

The International Organization for Standardization (ISO) is responsible for standardization in major industrial fields. As a representative of Japan to TC213, which deliberates and establishes standards for geometrical product specifications (GPS) in the Technical Committee, Tokyo Seimitsu participates in working groups covering coordinate measuring machine standards, roundness measuring machine standards, surface texture measuring instrument/filter standards, and measurement uncertainty standards. In particular, as a project leader of international meetings to discuss specifications and standards for roundness measuring machines and to revise calibration standards for surface texture measuring machines, we are promoting the international standardization of Japanese proposals.

ISO TC213
<https://www.iso.org/committee/54924.html>

Japan Precision Measuring Instruments Manufacturers Association

To promote the precision measuring instruments industry in Japan, The Japan Precision Measuring Instruments Manufacturers Association holds comprehensive exhibitions concerning measurement and all related aspects, promotes standardization that contributes to the improvement of technology and quality, and holds seminars in collaboration with other organizations. Hitoshi Yoshida, Chairman and CEO of Tokyo Seimitsu, has been the Chairman of this industrial association since fiscal 2020.

Members from our Company played a central role in the seminar on the use of precision measuring instruments at JIMTOF 2022, which was hosted by the Japan Industrial Association of Measuring Instruments Manufacturers (JIMTOF), where they were involved in planning, preparation, and operations on the day of the seminar.

<https://www.jpma.gr.jp/>

ENVIRONMENTAL

Initiatives to Address Environmental Issues

- 18 Environmental Management
- 20 Climate Change
- 22 TCFD Response
- 24 Environmental Contribution through the Provision of Products(Eco-products)
- 26 Resource Recycling and Waste Reduction
- 27 Water Resources
- 28 Chemical Substances Control

The Tokyo Seimitsu Group contributes to the realization of a sustainable society based on the Group’s Basic Environmental Philosophy, which is “Recognizing environmental conservation as an important theme common to all humankind, Tokyo Seimitsu makes environmental conservation an integral element of all product development, design, manufacturing and service activities.”

Basic Environmental Policy

In all business activities, extending from manufacturing products such as semiconductor manufacturing equipment and precision measuring instruments through the provision of services, everyone at Tokyo Seimitsu must always work with the consideration for "Is this action friendly for the earth?" The goal is to reduce our impact on the earth's environment to the absolute minimum.

Environmental Policy

1. We will resolutely drive environmental conservation activities by organizing an environmental management structure having "the Environmental Management Committee" as the top, in which all managers play the key role.
2. We will comply with environmental laws, ordinances, and agreements as well as "the Environmental Policy" and establish voluntary goals to grapple with pollution prevention and environmental conservation.
3. We will strive to develop and improve environmentally responsible products (products contributing to energy and resource conservation, products that do not use harmful substances).
4. We will establish environmental objectives for the following items concerning the environmental impacts caused by business activities and improve environmental performance by implementing continuous improvement and reviewing the activities by internal audit.
 - 1) Effective use of natural resources by energy conservation, resource conservation and reduction, and recycling of wastes.
 - 2) Proper management of harmful substances, reduction in their use, and the adoption of replacements.
 - 3) Prevention of the global warming through the emission control of the greenhouse gas.

5. We will conduct training programs for all employees to raise awareness of environmental protection. Also, we will ask for the understanding and cooperation of suppliers in environmental conservation.
6. We will make efforts for environmental conservation activities, including use of sustainable resources, mitigation of climate changes and conservation of biodiversity, through individual business operations, strive to achieve a better global environment, and contribute to the development of society.
7. The environmental management system applies to the activities, products, services, and environmental conservation activities of the plants relating to the business activities of Semiconductor Company and Metrology Company.
8. This environmental policy is disclosed internally and externally.

Basic Environmental Philosophy, Basic Environmental Policy, Environmental Policy
<https://www.accretech.com/en/sustainability/esg/management.html>

Three Approaches to Environmental Management

Since obtaining ISO 14001 certification in 1998, we have been promoting initiatives to address environmental issues through approaches that are in line with ISO 14001 policies. Through our products and business activities, we aim to reduce our electricity usage and CO₂ emissions, promote resource conservation, control waste generation and total chemical substance emissions, and contribute to the achievement of a sustainable society.

Eco-Factory

As a manufacturing company, more than 99% of our CO₂ emissions come from the electricity used in our factories, and almost all of the environmental impact (water resources, waste generation, etc.) that we cause is from factory operations. Accordingly, we are promoting activities to reduce environmental impact through our main "eco-factory" approach.

Eco-Products

In addition to conducting an LCA (life cycle assessment)* as a mandatory task during new product development screening, we also evaluate the environmental impact of conventional products. We have established "eco-products" as products that are developed, manufactured, and improved according to LCAs and promote activities that reduce environmental impact through related to our products.

*** Life Cycle Assessment (LCA):** Assessment held in accordance with calculation standards for converting emissions to CO₂ at every stage from material and product manufacturing to disposal

Eco-Mindset

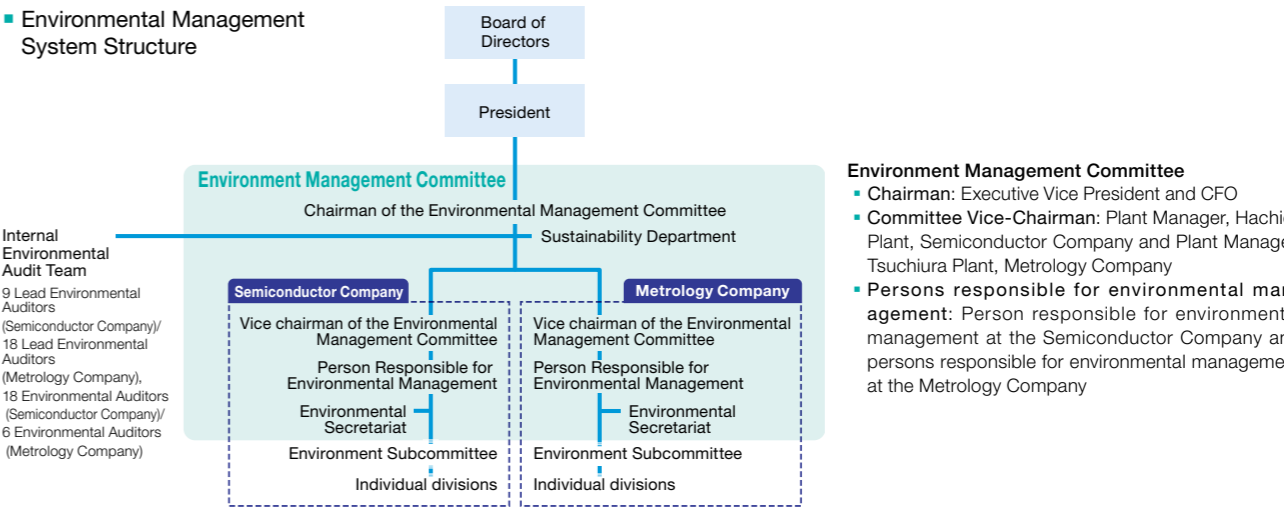
Tokyo Seimitsu has positioned "eco-mindset" as an initiative to raise the environmental awareness of our employees. By actively providing opportunities for employees to participate in social contribution activities in their daily lives and workplaces, such as the introduction of volunteer activities* in the training of new employees, we contribute to society through our business activities and take action to solve issues.

*** Hachioji "Adopt-A-Road Program"** activities, Nakanuki Park cleanup activity, eco-partner agreements, etc.

Environmental Management System

The Company has created an Environmental Management System (EMS) which conforms to ISO 14001. Each Environmental Subcommittee, established as part of the Semiconductor Company and Metrology Company, conducts an annual survey of environmental aspects of the organization, products, services, and facilities in accordance with the Environmental Monitoring and Measurement Management Regulations. We evaluate their environmental impacts and prepare, approve, implement, evaluate, and report on our Environmental Objectives

Implementation Plan and Environmental Management System Programs based on legal requirements, our Environmental Policy, and stakeholder requirements. In addition, while internal audits are conducted twice a year to check the management status of facilities and equipment, the Environment Management Committee confirms that environmental standards are being properly observed, and notifications and reports are appropriately performed.



Dissemination of Legal and Environmental Regulatory Information

Each Environmental Subcommittee, established as part of the Semiconductor Company and Metrology Company, delivers legal and environmental regulatory information* from the given company Environmental Secretariat to members of the related Environmental Subcommittee and explains key points. In addition, an environmental internal audit is conducted twice a year

to check the laws and regulations that divisions are required to follow as well as level of compliance.

*** Legal and Environmental Regulatory Information:** Main types of legal and environmental regulatory information handled by the Environment Subcommittee: Information on the Act on Confirmation, etc. of Release Amounts of Specific Chemical Substances in the Environment and Promotion of Improvements to the Management Thereof, Act on Rationalizing Energy Use, Poisonous and Deleterious Substances Control Act, Water Pollution Prevention Act, REACH (Registration, Evaluation, Authorization and Restriction of Chemicals), the POPs (Persistent Organic Pollutants) regulations, and others.

Environmental Objectives Implementation Plan/Environmental Management System Programs

The divisions affiliated with each Environmental Subcommittee prepare an Environmental Objectives Implementation Plan that specifies the details of efforts, deadlines, and evaluation methods to achieve the environmental targets of the Semiconductor Company and Metrology Company. Based on this plan, they prepare Environmental Management System Programs that provide annual implementation plan and progress information. The results of the activities based on the Environmental Management System Programs are reported every three months to the heads of relevant divisions and persons responsible for environmental management. In fiscal 2022, we planned programs for 69 items and reached our targets for 65 items, for an overall achievement rate of 94.2%.

Environmental Management System Programs—Fiscal 2022 Activities

Targets: Items Related to Environmental Impact as Defined in Section 4 of the Environmental Policy

1. Energy conservation (mainly power consumption)
2. Conservation of resources (mainly water and air)
3. Reduction and recycling of waste
4. Reduction of use and finding alternatives for hazardous chemical substances
5. Reduction in greenhouse gas emissions (mainly power consumption and emissions from company vehicles)

Information on the 65 Programs that Achieved Targets for Fiscal 2022

Key initiatives	Number of programs	Items Related to Environmental Impact as Defined in Section 4 of the Environmental Policy	Key initiatives	Number of programs	Items Related to Environmental Impact as Defined in Section 4 of the Environmental Policy
Power reduced due to equipment efficiencies	29	1	Reduction of hazardous chemical substances	3	4
Reduction in power consumed during processing and production	3	1	Reduction of CO ₂ through gas substitution	1	5
Power reduction due to improvement proposals and small-group activities	7	1	Reduction in waste	2	3
Reduction in water and air consumption during production	4	2	Reduction in CO ₂ emitted during use of company vehicles	1	5
Reduction in use of organic solvents	2	4	Others	13	2,3,5

For many years, Tokyo Seimitsu has set its own targets and worked to conserve energy at its production sites, the Hachioji and Tsuchiura plants. In order to achieve the reduction targets required of signatories to the Paris Agreement and the 2030 target for reducing greenhouse gas emissions set by the Japanese government on April 22, 2021, we have set new medium- and long-term reduction targets for CO₂ emissions for energy used and consumed at both plants (Scope1 and Scope2), including for business activities, production activities, and research and development. To achieve these targets, we are working to decrease electricity consumption by using electricity derived from renewable and low-carbon sources, and switching to high-efficiency equipment. Results are inspected and evaluated.

CO₂ Emission Reduction Targets

By fiscal 2025, reduce CO₂ emissions by 35% from 2018 levels
By fiscal 2030, reduce CO₂ emissions by 50% from 2018 levels

Fiscal 2022 Targets and Results

CO₂ Emissions

	FY2018	FY2019	FY2020	FY2021	FY2022
Total CO ₂ emissions (Scope1 and Scope2)	12,312 t-CO ₂	11,982 t-CO ₂	9,524 t-CO ₂	8,191 t-CO ₂	8,257 t-CO ₂
CO ₂ emissions production volume intensity (Scope1 and Scope2)	0.160 (t-CO ₂ /million yen)	0.191 (t-CO ₂ /million yen)	0.129 (t-CO ₂ /million yen)	0.080 (t-CO ₂ /million yen)	0.074 (t-CO ₂ /million yen)
Details					
Gas	21 t-CO ₂	21 t-CO ₂	42 t-CO ₂	51 t-CO ₂	54 t-CO ₂
Fuel	65 t-CO ₂	51 t-CO ₂	33 t-CO ₂	43 t-CO ₂	45 t-CO ₂
Electricity	12,226 t-CO ₂	11,910 t-CO ₂	9,449 t-CO ₂	8,097 t-CO ₂	8,158 t-CO ₂

* Scope1: Direct GHG emissions by the Company (emissions from fuel combustion, on-site power generation, and industrial processes)

* Scope2: Indirect emissions resulting from the use of electricity and heat supplied by other companies (e.g. emissions associated with electricity purchased from electric power companies)

Eco-Factories (environmentally-friendly factories)

Objectives	Plans	Result (FY2022)
Reduction of CO ₂ emissions	35% reduction compared to FY2018 by FY2025 Year set : 2021 Period : FY2020 to FY2025 Benchmark emissions : 12,312 t-CO ₂ Reduction target : 8,003 t-CO ₂	8,257 t-CO ₂ (33% reduction compared to FY2018)
Promotion of energy conservation (reduction of electricity use)	140 MWh Reduction through Environmental Management System programs	Reduced energy use by 238 MWh 170%

Eco-products (environmental contribution through products)

Objectives	Plans	Result
Development of environmentally friendly products	Environmental impact assessment based on LCA	Higher throughput Extended temperature range during measurement Reduced electricity consumption

For details on Life Cycle Assessment (LCA) during product development and specific product information, please refer to "Environmental Contribution through the Provision of Products" (P24)



Eco-Factory (Environmentally-Friendly Factories)

We are a machinery manufacturer that performs processing of precision parts in-house. Over 99% of the energy that we consume consists of power for our production plants, and the amount of water that we use for cutting and processing is considerable as well. Production volume is increasing for products that process semiconductors using water, as is the volume of water used for inspection, adjustment, test processing,

and other work. We are striving to reduce the consumption of electricity and water. Moreover, as the equipment has large numbers of mechanical parts and many paper drawings are used for parts processing and assembly, we are working to use electronic data in processing and assembly to reduce the use of paper. We are also striving to recycle metal processing scrap and waste liquid from processing as much as possible.

Eco-products (Environmental contribution through Products)

In order to respond to climate change, Tokyo Seimitsu is working on the development of environmentally friendly products. In addition to conducting an LCA as a mandatory task during new product development screening, we also evaluate the environmental impact of conventional products. We have

established "eco-products" as products that are developed, manufactured, and improved according to LCAs. As a responsible manufacturing company, we contribute to the realization of a decarbonized society.

Promotion of Global Warming Prevention (Toward a Carbon-Free Society)

Almost all the greenhouse gases emitted by the Company are from the CO₂ equivalent of electricity purchased and used in the operation of the Hachioji Plant and Tsuchiura Plant. As a global warming prevention measure, we are focusing on conserving electricity.

Specific Examples of CO₂ Emission Reduction

- Procurement of renewable electric power^{*1}
- Switch to/introduction of low-carbon electricity/CO₂-free electricity^{*2} (Hachioji Plant and Tsuchiura Plant)
- Installation/maintenance of solar power generation facilities (Hachioji Plant and Tsuchiura Plant)

^{*1} Electricity generated from renewable energy sources

^{*2} Electricity that is generated without CO₂ being emitted. This refers to electricity that is virtually CO₂-free, utilizing environmental value derived from renewable energy sources that do not emit CO₂

Specific Examples of Efforts to Promote Energy Conservation

- Introduction/operation of high-efficiency machining centers
- Replacement of wastewater treatment relay tank relay pumps (motor and pump sections) with energy-saving models
- Replacement of pure water intermediate tank pumps with energy-saving models
- Upgrade of water chillers to make them more energy efficient
- Upgrade of air conditioning equipment (Hachioji ACCT Tower)
- Air conditioning optimization (Metrology Company inspection rooms)
- Upgrade to equipment that generates less CO₂ emissions (approx. 50 million yen was spent on these upgrades)
- Switch to LED lighting (Hachioji: ACCT Tower, Plant No. 3 and No. 5)
- >Air conditioning upgrade (Hachioji: ACCT Tower, Plant No. 1)
- Expansion of HV/EV vehicle introduction and installation of fuel-efficient tires

Management of Environmental Impact on the Atmosphere

The Company also manufactures freezers that use HFC^{*} gases, for use in semiconductor manufacturing equipment. We properly manage the refrigerant gas, discharging almost no gas to the outside. We are also switching to gas refrigerants that have low global warming potentials.

^{*} HFC: Hydrofluorocarbons (HFCs) do not contain chlorine atoms that deplete the ozone layer and are therefore used as chlorofluorocarbon substitutes in air conditioners and other coolants.

Atmospheric gas discharge

Unit: t-CO₂

Other Gases	FY2018	FY2019	FY2020	FY2021	FY2022
CH ₄	0.0	0.0	0.0	0.0	0.0
N ₂ O	0.0	0.0	0.0	0.0	0.0
HFC	9.4	2.0	11.0	0.0	0.0
PFC	0.0	0.0	0.0	0.0	0.0
SF ₆	0.0	0.0	0.0	0.0	0.0

Scope: Hachioji Plant, Tsuchiura Plant

In March 2022, Tokyo Seimitsu expressed its support of the recommendations of the Task Force on Climate-related Financial Disclosures. We consider rising temperatures, increasingly severe natural disasters, and other phenomena caused by climate change to pose a major risk to our business as well. On the other hand, we believe that addressing climate change will lead to increased corporate resilience and product competitiveness, as well as provide opportunities for business expansion. We will analyze the risks and opportunities that climate change poses to our business, share and work to unfold issues, and promote the disclosure of climate-related financial information based on the TCFD framework.

* See the latest information on our Website <https://www.accretech.com/en/sustainability/esg/tcfd.html>



Governance

The Tokyo Seimitsu Group considers climate change a major business threat.

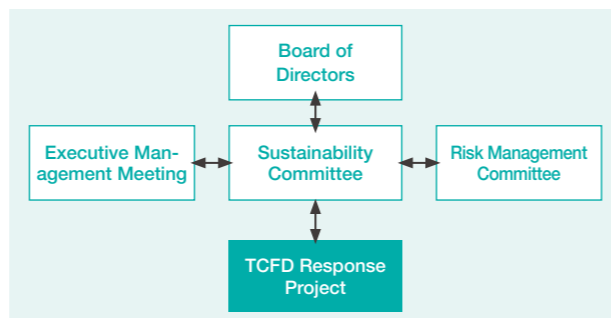
The Sustainability Committee discusses ways to control risks and opportunities related to climate change issues and reports results of the discussions to the board of directors on a regular basis. The Sustainability Committee is chaired by the Representative Director & CEO. Its activities are reported to the semiannual Sustainability Promotion Meetings, and the report is submitted to the Board of Directors if deemed necessary by the Chairman. The board members collect information and deepen their knowledge through various opportunities and means to grasp the ever-shifting climate change situation. The Board of Directors share the issues of risks and opportunities related to climate change, discuss goal management and problem solving, and plan to outline our medium- and long-term GHG (Greenhouse Gas) reduction policies through TCFD Response Projects in the future.

- Summarization of information, reports to the Board of Directors, etc.
- Matters related to various reports and information disclosure
- Convening and operating a sustainability promotion council

About projects for responding to TCFD

These projects are led by the Sustainability Committee and attended by the related personnel of the production, sales, and management departments. Members of the projects research and discuss climate change and submit reports to the Committee periodically.

Governance Structure



Sustainability Committee

The Sustainability Committee is responsible for arranging, formulating, planning, and implementing sustainability activities, specifically promoting the following activities.

- Formulation of basic policy, operational framework, and goals as well as monitoring of information
- Establishing and managing plans and projects

Risk Management

The projects for responding to TCFD research and discuss climate change-related risks (transitional/physical). They submit reports to the Sustainability Committee on a regular basis and whenever there is an urgent need to do so. Risks considered to affect business are relayed immediately from the committee

to the board of directors for judgment. Such information is also shared with the Risk Management Committee, which is responsible for business risk management, to ensure that appropriate measures are implemented on a company-wide basis.

Strategy

We conducted a Scope1 and Scope2 emissions analysis of Tokyo Seimitsu's domestic businesses. We will continue to monitor the GHG emissions of Group companies in Japan and overseas, and plan to respond accordingly. In the future, we will investigate the Scope3 emissions, including those of suppliers.

Since future projections are highly uncertain and difficult to analyze, we examined GHG emissions based on multiple scenarios. International public opinion is moving toward the view

that a 2°C scenario response is insufficient, so we conducted our analysis with a 1.5°C scenario in mind. However, as a 1.5°C scenario response would dilute our awareness of physical risks, we also assumed a business environment under the 4°C scenario, the level to which temperatures would rise if current economic activity were to continue.

* Reference scenarios

1.5°C scenario : [IEA] NZE, 1.5°C special report [IPCC] SSP1-1.9
4°C scenario : [IEA] STEPS [IPCC] SSP2-4.5, SSP3 - 7.0

In addition, based on the results of the analysis of environmental risks and opportunities, we decided on the following actions to be taken in the medium- and long-term bases.

1. Organize and address the overall picture of climate change (including internal management system and disclosure of Scope1 and Scope2 emissions reductions)
2. LCA Scope3 (including coordination with customers and suppliers)
3. Exploration of new business areas
4. BCP enhancement, starting with our response to climate change

Scenario	Risks Opportunities		Event	Assumed Business Environment	Financial Impact	Emer- gence Timing
1.5 °C	Risks	Regula- tions	Carbon pricing	▪ Rises in costs of materials, equipment, energy, transportation, etc. due to the introduction of a carbon tax	▲▲▲	Medium term
				▪ Restrictions on product exports due to the introduction of a carbon border tax		
		Markets	Use of EVs	▪ Decrease in demand for the conventional business and products (measuring instruments for internal-combustion engine parts)	▲▲	Medium term
			Decarbonization premiums	▪ Decarbonization resulting in surges in material costs, difficulty in procurement, and extra costs being incurred to procure alternative products	▲▲	Medium term
				▪ Difficulty in procurement of non-fossil energy and rise in procurement costs		
	Reputation	Delayed decarbonization efforts	▪ Delays in climate change action and other ESG efforts affecting financing and business relationships	▲	Medium term	
	Opportunities	Markets	Use of Evs	▪ Growing demand for measurement of new EV materials and parts	▲▲▲	Medium term
			Electrification/digitalization	▪ Increased use of semiconductors leading to increased production capacity		
		Resource efficiency energy	Growing renewable energy markets	▪ Growing demand for measuring instruments due to expanding renewable energy markets	▲	Long term
			Production equipment	▪ Energy-saving measures in factories (equipment and processes) and recycling of resources leading to increase productivity and meet the customer need for decarbonization	▲	Short term
Products services				Low-carbon products and services	▪ Enhance the product reputation and competitiveness on the market by reducing environmental impact from the LCA perspective	▲▲
			▪ Meet the customer need for lighter products (increase demand for measuring products)			
4 °C	Risks	Physical (acute)	Extreme weather events	▪ Increase in risk control (BCP) costs	▲▲▲	Medium term
				▪ Disaster-caused physical damage and recover costs		
				▪ Disaster-caused business operation suspension (of the company or suppliers)		
	Opportunities	Resilience	Disaster response	▪ Stable supply of products and services during disasters to help customers maintain their production systems	▲▲	Medium term

Legend Financial Impact: ▲▲▲ Large, ▲▲ Moderate, ▲ Small Emergence Timing: Short term 2022-2024, Medium term 2025-2029, Long term 2030-

Indicators and Goals

By 2030, we aim to reduce our CO₂ emissions by 50% compared with fiscal 2018 levels.

At time same time, it is expected that the demand for semiconductors will continue to expand in the future. To meet these needs, the Tokyo Seimitsu Group is planning to expand production capacity. Although energy consumption is thus expected to increase, we will promote decarbonization efforts by utilizing low-carbon energy sources, including renewable energy,

in addition to mounting energy conservation efforts.

Toward the Reduction of Greenhouse Gas Emissions

Since the majority of greenhouse gases (GHG) emitted by the Company are from the CO₂ equivalent of electricity purchased to operate its plants. As a global warming prevention measure, we are focusing on activities for conserving electricity.

Result CO₂ Emissions and Targets for FY2023

	Previous five-year plan		New five-year plan*			
	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023 (plan)
Emissions (t-CO ₂)	12,312	11,982	9,524	8,191	8,257	10,900
Electric power used (MWh)	25,765	25,448	28,843	29,835	29,546	35,580
CO ₂ emissions production volume intensity (t-CO ₂ /million yen)	0.160	0.191	0.129	0.080	0.074	-

Organizations covered: Tokyo Seimitsu Co., Ltd. (non-consolidated basis)

* In 2021, we revised our reduction target and extended the period by one year.

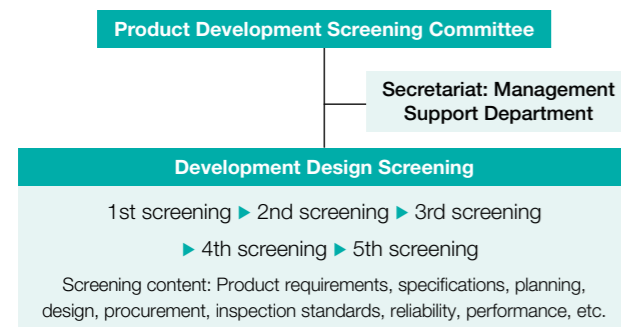
Environmental Contribution through the Provision of Products (Eco-products)

Going forward, we believe it is our role to continue being a responsible manufacturing company that provides safe, high-quality, high-performance, and environmentally-friendly products.

New Product Development Screening

We screen the environmental performance of new products based on our own internal regulations (TES*), and work to develop environmentally friendly products. In accordance with the new product development screening rules, we set up a product development screening committee and conduct deliberations for each product planning theme. The screening rules

New Product Development Screening System



* **TES:** The Tokyo Seimitsu Engineering Standard (TES) is a set of binding and enforceable regulations, standards, norms, criteria, and procedures that apply to development, design, manufacturing, production control, quality control, services, and environmental management related to production activities as defined in the Tokyo Seimitsu Regulations (TMR)

stipulate principles to be considered during development and design, and include the examination of environmental performance in terms of compactness and minimization of the number of parts, as well as environmental measures.

TES New Product Development Screening Rule

Development Principles	
<Principles for product development> https://www.accretech.com/en/company/management.html	
Design Principles	
<Those related to the environment out of 10 principles>	
■ Compactness	■ Minimum number of parts
■ Environmentally responsive.....Reduce environment impact across the life cycle	
■ Energy-saving design.....Life Cycle Assessment (LCA)	
■ Resource-saving design	
■ Avoid or reduce the use of hazardous chemical substances	
■ Reduction of chemical, emissions measures	
■ Consideration toward product disposal	

LCA during Product Development

The Company recognizes its responsibility for the environmental impacts of its products over their entire life cycles. In 2016, the Technical Working Group of the CSR Committee unified the calculation standards for converting emissions to CO₂ at every stage from product manufacturing to disposal LCA. The CO₂ emissions derived through this method are set as essential evaluation items in new product development screening.

LCA targets are set at the time of design, and LCA performance is calculated and evaluated by evaluation organizations to determine the results. By also carrying out LCA for products currently in production, we make improvements to our conventional products and conduct comparative evaluations of these with in development and new products.

Environmentally Friendly Products

Due to the nature of production equipment, products of Tokyo Seimitsu offer many hours of operation and have long service lives. Consequently, when converted into CO₂ emissions, power consumption from usage of products accounts for a good deal of total emissions over the life cycle. This has prompted us to focus on developing and designing products for reducing environmental impact during manufacturing activities conducted by our customers.

Semiconductor Manufacturing Equipment:

Reducing environmental impact by increasing throughput

HRG3000RMX

Wafer flaking time reduced by approximately 50% (compared to the PG3000RMX)



AP3000

Lot processing time reduced by approximately 20% (compared to the UF3000EX)



Precision Measuring Instrument:

Reduced environmental impact* by proving wide range of guaranteed temperature accuracy

SURFCOM INEX



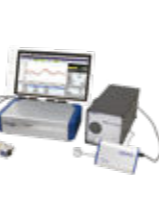
XYZAX AXCEL



SURFCOM CREST



DISTAX



* Environmental impact caused by precision guaranteed over a wide temperature range: Generally, measuring devices are guaranteed to be accurate at an environment of 20°C, but by setting this to a wide range of guaranteed temperature accuracy, the power required for air conditioning can be reduced

Creating New Value through the Synergy of Semiconductors and Metrology

Tokyo Seimitsu is the only manufacturer of semiconductor manufacturing equipment that possesses measurement technologies. As new value creation unique to our company, we are developing semiconductor manufacturing equipment models with built-in measurement instruments. Equipped with Opt-scope, a 3D white light interferometer microscope that measures surface properties, it improves the detection accuracy of shape and surface properties, contributing to improved quality and productivity.

Semiconductor Manufacturing Equipment with Built-in Measurement Instrument

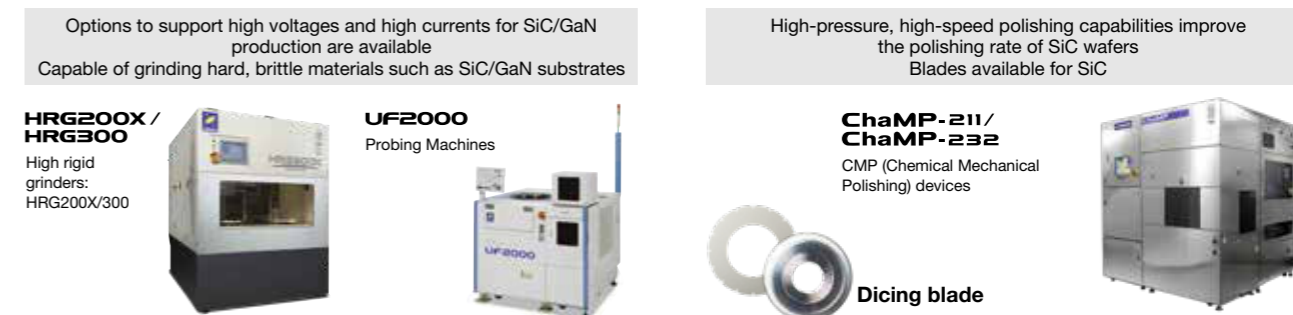


Supporting the Manufacture of Power Semiconductors, Devices That Contribute to Decarbonization

Power semiconductors are important devices used in power converters. They are essential devices for the realization of a decarbonized society as they can reduce electricity consumption and use energy efficiently, and are used in various electronic devices including electric vehicles, railcars, refrigerators, air conditioners, wind power generation equipment, and renewable energy-related equipment.

The Group has strengthened its product lineup to support next-generation power semiconductors that can withstand high voltages and high currents, lose little energy, and can be miniaturized.

Lineup of Products That Support Next-Generation Power Semiconductor Manufacturing



Measuring Instruments That Support Manufacturing Activities Aimed at Decarbonization

In order to efficiently transmit power with precision in automobiles, airplanes, etc., components must be manufactured as designed and as specified. By measuring and managing the dimensions, shape, roundness, and surface roughness of parts, manufacturing is progressing toward the realization of decarbonization.

Based on our basic philosophy of "No Measurement, no Manufacturing," we are contributing to the improvement of performance and fuel efficiency in the automobile and aircraft industries through our measurement technologies.

• The photo is of Opt-BLISK



XYZAX AXCEL Series

Extensive measurement applications contributes to the improvement of performance and fuel efficiency in the automobile and aircraft industries through measurement



Resource Recycling and Waste Reduction

Various resources are used for the products and business activities of the Tokyo Seimitsu Group. In order to contribute to the formation of a sustainable recycling-oriented society, we have declared in our Environmental Policy that we will make effective use of all resources and work on resource saving, waste reduction, and recycling.

Eco-Factory

Fiscal 2022 Targets and Results

Objectives	Plans	Fiscal(2022)	Main deleted contents
Reduction of waste emissions, reuse as resources	Recycling rate of 95% or higher by FY2024	Recycling rate : 99.0%	
	Year set : 2020	Total emissions : 1,071 t	Cardboard : Reduced by 88,549 kg
	Period : FY2020 to FY2024	Amount reused as resources : 1,061 t	Bubble wrap : Reduced by 13,542 kg
	Target : 95% or higher	Final disposal amount : 10 t	Wood scraps: Reduced by 9,920 kg
Promotion of resource conservation	5% reduction compared to FY2019 by FY2024		
(Paper procurement volume production volume intensity reduction)	Year set : 2020	0.310 kg/million yen	
	Period : FY2020 to FY2024	(30% reduction compared to FY2019)	
	Benchmark emissions : 0.443 kg/million yen		
	Reduction target : 0.421 kg/million yen		

Waste Reduction and Reuse of Waste as Resources

In order to reduce waste, we are implementing various initiatives, such as replacing cardboard boxes for packaging delivered parts with reusable plastic boxes, and having pick up wooden pallets picked up by shipping companies. All waste from the Hachioji

Plant is recycled, by means including thermal recycling. We are also working to increase the recycling rate at the Tsuchiura Plant by switching to a vendor that treats liquid waste for recycling.

Reduction of Resource (Paper) Use

In order to reduce our use of paper, we are creating an environment in which work can be performed during every process within the company using electronic data.

Spreading Information about Our Public Relations Activities and IR Initiatives in Digital Formats Without Using Paper

In response to COVID-19, there has been an increase in remote-based dialogue, leading to the widespread provision of various disclosure materials in digital format. Although the number of direct dialogues has been increasing since fiscal 2022, from the perspective of sustainability, we continue to provide materials in digital format as much as possible.

Initiatives for Creating a Paperless Supply Chain

We have reduced paper distribution through blueprint lending. In fiscal 2022, we lent blueprints for 721 items, eliminating the need to print and issue documents that would have weighed 2,595 kg

Comprehensive Management System for Multifunction Machines and Printers

In order to reduce costs and improve security, we plan to introduce a comprehensive management system that consolidates the operation and management of multifunction machines and laser printers at all Group companies in Japan. Managing multifunction machines will make it possible to track printing volumes on an individual basis, leading to proactive reductions in paper consumption and TCO* (Total Cost of Ownership).

* TCO: The total of all costs associated with the purchase and maintenance of software and hardware required for a company to introduce an IT system

Water Resources

Water is a valuable resource that is directly linked to people's lives and livelihoods. Since the Hachioji Plant, which manufactures semiconductor manufacturing equipment, uses a large amount of water (pure water), we are working to conserve water resources by reducing water consumption and promoting water recycling.

Eco-Factory

Fiscal 2022 Targets and Results

Objectives	Plans	Result (FY2022)
Reduction in water consumption (Water consumption production volume intensity reduction)	5% reduction compared to FY2019 by FY2024	
	Year set : 2020	1.48 m³/million yen
	Period : FY2020 to FY2024	(46% reduction compared to FY2019)
	Benchmark emissions : 2.74 m³/million yen	
	Reduction target : 2.60 m³/million yen	

Reduction of Water Consumption and Water Recycling

All of the water we use is provided using city water (surface water) and groundwater. In fiscal 2022, we used 164,150 m³ of water. At the Hachioji Plant in particular, wastewater volumes are increasing as the production volume of semiconductor

manufacturing equipment that use a large amount of water (pure water) increases. As a result, a portion of the wastewater is collected and filtered to promote water recycling as raw water to serve as pure water.

Water Usage

	FY2018	FY2019	FY2020	FY2021	FY2022
Amount of water usage (m³)	157,375	171,706	169,873	163,662	164,150
Water usage production volume intensity (m³/million yen)	2.05	2.74	2.29	1.61	1.48

Locations covered: Hachioji Plant and Tsuchiura Plant

Wastewater Recycling Rate* from Pure Water Production Facilities

FY2019	FY2020	FY2021	FY2022
16.3%	17.2%	17.2%	17.6%

Locations covered: Hachioji Plant

* Wastewater recycling rate: Amount recycled/amount used (= raw water input + amount recycled)

Water Risk Assessment

The areas around the Hachioji Plant and Tsuchiura Plant are in the Low-Medium class of water stress according to the Aqueduct assessment tools of the World Resources Institute (WRI). We will continue to regularly assess the presence or absence

of water risks in conjunction with the use of municipal hazard maps and take appropriate measures when manufacturing sites or raw material suppliers with high water risks are identified.

Water Quality Standards

Since all of our wastewater is general sewage, none of it is discharged into ocean waters or rivers. We thoroughly conduct wastewater management at each factory to preserve the water environment.

Water Quality Standards

	FY2019	FY2020	FY2021	FY2022
BOD (t)	Below 3.55	Below 2.75	Below 1.87	Below 2.76
Nitrogen content (t)	Below 1.53	Below 1.31	Below 1.34	Below 1.44
Iodine consumption (t)	Below 0.71	Below 0.71	Below 0.82	Below 0.81
Suspended solids (t)	Below 5.87	Below 5.49	Below 3.21	Below 3.78
n-Hexane extract (t)	Below 0.13	Below 0.02	Below 0.02	Below 0.05
Phosphorus content (t)	Below 0.09	Below 0.06	Below 0.06	Below 0.07

Locations covered: Hachioji Plant

Chemical Substances Control

With regard to the chemical substances, the Tokyo Seimitsu Group uses and that are contained in component materials, the Group complies with the laws and regulations of Japan and of the regions to which it exports. For chemical substances that are not regulated, we perform management based on voluntary standards to minimize impacts on people and the environment.

Eco-Factory

Chemical Substances Control Based on Voluntary Standards

In our internal regulations, we stipulate substances with the potential to pollute the environment, and mandate notification to the person responsible for environmental management when handling such substances. In addition to keeping track of the amount of each substance handled, storage location, maximum storage volume, etc., we have SDSs* and emergency response tools, conduct periodic drills to prepare for emergency situations, and are promoting the use of non-toxic or low-toxic alternatives to organic solvents and other hazardous chemical

substances. In fiscal 2022, we reduced the number of chemical substances by 45 compared to the reduction target of 10 substances.

When considering the purchase of industrial chemicals, we conduct a chemical substance risk assessment to check for the presence of environmental pollutants (organic solvents, specified chemical substances, hazardous materials, etc.). In fiscal 2022, 76 chemical substance risk assessments were conducted for newly adopted chemicals and to review chemicals already in use.

* Safety data sheets (SDSs) provide information on the hazards, toxicity, storage, disposal methods, and other information on the handling of chemical substances.

Specified Chemical Substance Control (PRTR)

We are promoting the reduction and substitution of chemical substances in accordance with the PRTR Act, Ordinance on Prevention of Organic Solvent Poisoning, and the Poisonous and Deleterious Substances Control Act. Of chemical substances that we handle, we have submitted notifications for two substances that exceed standard amounts for substances specified by the PRTR* Act and five chemical substances to be appropriately controlled according to the Tokyo Metropolitan Environmental Security Ordinance.

* The Pollutant Release and Transfer Register (PRTR) is a system for providing notification of the release and transfer of pollutants. It is a system for identifying, compiling, and publicly announcing the sources of hazardous chemicals and the amounts released into the environment.

■ Amounts of Pollutants Subject to the PRTR Act Released (in tons)					
	FY2018	FY2019	FY2020	FY2021	FY2022
Amount released into the atmosphere	0.0	0.0	0.0	0.0	0.0
Amount released into bodies of water	0.0	0.0	0.0	0.0	0.0
Amount transferred as waste	8.3	11.2	9.4	11.1	11.0

Scope: Hachioji Plant, Tsuchiura Plant

Control of Chemical Substances Contained in Products

We conduct briefing sessions for suppliers to request strict control and reporting related to chemical substances contained in the parts we procure. So far, over 400 suppliers have participated. In addition, we have conducted cloud-based surveys for suppliers on the RoHS Directive, REACH, and other topics.

Compliance with RoHS Directive and Other Environmental Laws and Regulations

For the Metrology Company products, we have investigated six substances of the RoHS Directive and the four phthalic acids added in 2021, determining that 100% of our products are compliant. While Semiconductor Company products are ex-

empt from the RoHS Directive as large-scale stationary industrial equipment, we established a RoHS Analysis Room in fiscal 2018 to analyze chemical substances contained in procured parts.

Since July 2020, we have made all our products comply with the TSCA-PBT** regulations, in addition to the PFOA*1 regulations that were added to the POPs regulations. We export 100% compliant products to areas where the regulations are enforced.

*1 PFOA: Perfluorooctanoic acid (PFOA) is a type of organofluorine compound that has been identified as a carcinogen

**2 TSCA-PBT: A persistent, highly accumulative, toxic substance as defined by the US Toxic Substances Control Act (TSCA).

SOCIAL

Initiatives to Address Social Issues

- 30 Respect for Human Rights
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- 34 Semiconductor Manufacturing Equipment Business Support Quality
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Respect for Human Rights

The Tokyo Seimitsu Group established the Tokyo Seimitsu Group Human Rights Policy on October 3, 2022 with the aim of realizing sustainable growth of our business and organization and a sustainable society by striving to correctly understand and recognize the laws, regulations, cultures, religions, and values of the countries and regions in which we operate.

Tokyo Seimitsu Group Human Rights Policy

1. Basic views on human rights

The Tokyo Seimitsu Group respects the human rights of all the people belonging to all its stakeholders, including socially vulnerable people, without regard for the attributes of individuals such as gender and nationality. We also promote the creation of safe, healthy, and rewarding workplaces where each member of our diverse workforce can demonstrate their capabilities to the utmost.

2. Support and respect for international human rights norms; compliance with local labor laws and regulations

The Tokyo Seimitsu Group supports and respects the internationally recognized "International Bill of Human Rights," "the International Labor Organization (ILO) Declaration on Fundamental Principles and Rights at Work," which sets forth core labor standards, and "the UN Guiding Principles on Business and Human Rights (UNGPs)." We will commit ourselves to a respect for human rights. We also fully comply with all labor-related laws in the regions in which we operate, respect the basic rights of workers, and do not infringe on them. Should there be any inconsistencies between the laws and regulations of a given country or region and internationally recognized human rights, the Tokyo Seimitsu Group will seek ways to respect international human rights principles while complying with local laws.

3. Scope

The Policy shall apply to all executives and employees of the Tokyo Seimitsu Group. The Tokyo Seimitsu Group will actively require its business partners and other stakeholders in its supply chain, as well as other business associates, to understand and cooperate with the Policy.

4. Prohibition of child labor and forced labor

The Tokyo Seimitsu Group prohibits the use of child and forced labor in all aspects of its business activities. We will also actively require our business partners and other stakeholders to understand and cooperate with the prohibition of child and forced labor.

5. Prohibition of discrimination and acceptance of diversity

The Tokyo Seimitsu Group prohibits its executives and employees from discriminating against anyone based on his/her gender, age, nationality, ethnicity, race, mental or physical disability, sexual orientation, cultural, religious, ideological or political beliefs, origins, family background, etc., respects the personality and individuality of each individual, and embraces diversity. We will also actively require our business partners and other stakeholders to understand and cooperate with the prohibition of discrimination.

6. Respect for freedom of association and right to collective bargaining

The Tokyo Seimitsu Group respects rights of its employees, including, but not limited to, freedom of association and right to collective bargaining, as well as other civil and political rights.

The Tokyo Seimitsu Co., Ltd. and its domestic affiliates with organized labor unions conclude labor agreements with their respective labor unions and respect each other's positions to establish orderly labor-management relationships and appropriate working conditions, to maintain a good relationship between both sides through faithful compliance and performance of the agreements. Those companies shall discuss managerial issues and labor-management issues at the labor-management conferences held between management and labor union officers to remedy any such issues.

7. Prohibition of harassment

The Tokyo Seimitsu Group prohibits its executives and employees from behaving in a way that would offend the dignity of an individual or ignore the personality of an individual through such actions as harassment, slander, jokes, sexual advances, etc. based on gender, job, status, etc. (i.e., sexual harassment, workplace bullying, maternity harassment, etc.) and from engaging in any other form of harassment.

8. Human rights due diligence and relief efforts

The Tokyo Seimitsu Group protects the human rights of its stakeholders through a mechanism of human rights due diligence which aims to identify, analyze, assess, prevent, and rectify adverse impacts on human rights, thereby promoting sustainable corporate activities.

Should it be discovered that the Tokyo Seimitsu Group has caused, or was involved in, any adverse impact on human rights, it will take appropriate action to rectify and remedy the adverse impact.

9. Education on human rights

To ensure that the Policy is effectively implemented throughout its business activities, the Tokyo Seimitsu Group makes this Policy known to all of its business partners and other stakeholders, continuously provides appropriate education to all of its executives and employees, and continuously strives to raise their awareness of human rights.

10. Information disclosure and dialog

The Tokyo Seimitsu Group publicizes its commitment to respect human rights on its website, in its sustainability report, and in other media.

We will continue to strengthen our commitment to a respect for human rights, through obtaining external professional advice on the Policy and initiatives based on it as necessary.

System for Promoting Human Rights

As part of our initiatives for respecting human rights, we have launched the Human Rights Activity Project, which consists of members from the Human Resources Department, Management Support Department, Production Control Department,

and General Affairs Department. We will address human rights across the board to involve all of our Group companies, suppliers, and local communities.

Human Rights Due Diligence

Based on the Tokyo Seimitsu Group Human Rights Policy, the Company started human rights due diligence initiatives in fiscal 2022 to identify, prevent, and correct risks to human rights posed by the Group's business activities. In fiscal 2022, we conducted a status survey of Tokyo Seimitsu Co., Ltd., five domestic Group companies, and 23 overseas Group companies

in accordance with the Responsible Business Alliance (RBA) Code of Conduct and the Self-Assessment Questionnaire (SAQ). In the future, we will analyze the results of the survey and work toward taking corrective actions, and plan to conduct a similar survey of major suppliers from fiscal 2023.

Human Rights Education and Training

We provide education and training on respecting human rights so that each and every employee understands and practices the Tokyo Seimitsu Group Human Rights Policy. In fiscal 2022,

we conducted e-learning for employees of five domestic Group companies and conducted Tokyo Seimitsu Group Human Rights Policy Workshops at 23 overseas Group companies.

Consideration of Human Rights and Compliance with Labor-related Laws and Regulations

The ACCRETECH Group Code of Conduct addresses matters including compliance with laws and social norms related to labor standards, occupational safety and health, and the prohibition of acts that infringe on human rights. e-learning related to the ACCRETECH Group Code of Conduct is conducted on a regular basis.

The Company has a labor union whose collective bargaining rights are guaranteed by a collective bargaining agreement, and elected employee representatives are working directly with management to improve the workplace environment through discussions and consultations. We have confirmed that legal working hours and legal minimum wages are being observed.



As Tokyo Seimitsu Group products are incorporated into production equipment, we consider outstanding quality as meaning the provision of stable and reliable product quality and prompt and meticulous support quality. In order to fulfill our responsibility to protect the social status and interests of our Group customers, we are promoting initiatives to improve quality and service.

Quality Policy

At both of our plants, we set quality targets and conduct quality control in line with the quality policy set by our Quality Officer, and work to improve the quality of products and support.

Basic Philosophy

WIN-WIN RELATIONSHIPS CREATE THE WORLD'S NO.1 PRODUCTS

Quality Policy

- We comply with laws and regulations in products and production, and contribute to society by prioritizing meeting customer requirements.
- At the beginning of every fiscal year, each company reviews its quality targets (priority targets) for the previous year, and sets new quality targets for the new year to enhance product quality.

- We continuously improve the performance and effectiveness of our quality management system.
- We develop user-friendly products by establishing partnerships with users.
- We seek to improve quality through total quality control (TQC).
- We seek to improve quality through partnerships with subcontractors.
- We enhance customer support in business, technology, and services.
- We incorporate safety, quality, and reliability in each production process to achieve stable supply.
- The quality management system applies to the activities, products, and services of Semiconductor and Metrology Companies.
- This quality policy is disclosed internally and externally.

Target and Result

Customer satisfaction surveys

Target: Achieve a satisfaction rating of 94.8% or more by FY2025

Result: Percentage of satisfactory ratings in FY2022: 93.3%

Quality Control Structure

Quality Management Committee

The Quality Management Committee consists of eight members: One Quality Officer, two Officers in Charge of Business, two Quality Control Managers, and three Sustainability Department members. The Quality Management Committee meets twice a year to review the performance, effectiveness, and appropriateness of the Quality Management System. The Quality Officer reports to the Board of Directors and receives instructions and supervision. In fiscal 2022, there were no quality management issues that required corrective actions to be taken.

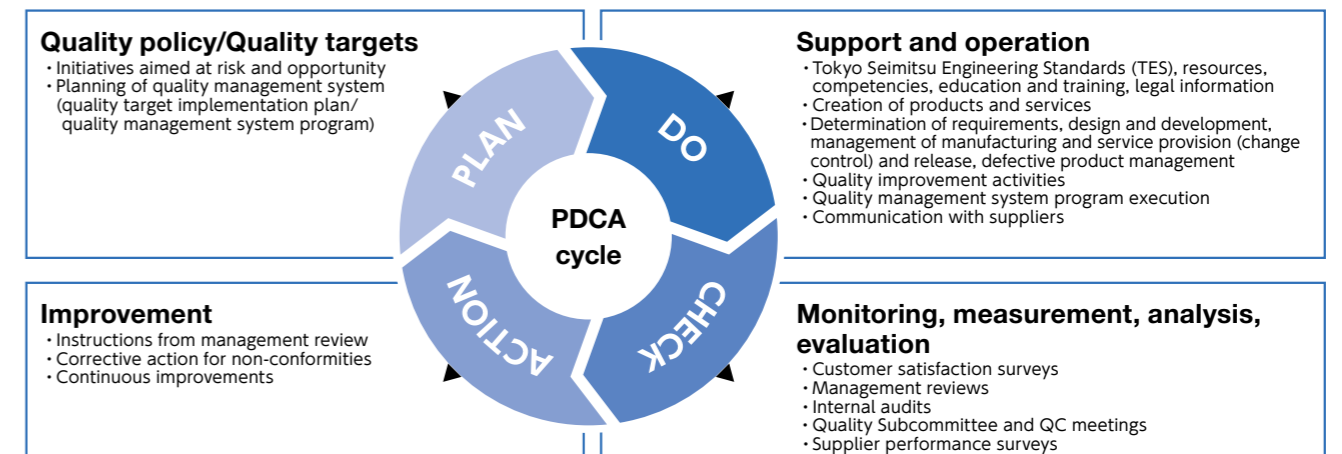
Since obtaining ISO 9001* certification at the Hachioji and Tsuchiura plants in 1994, we have established the Tokyo Seimitsu Quality Management System (QMS) and have been promoting quality improvement activities through the PDCA cycle based on quality policy and quality targets.

* **ISO 9001:** An international standard concerning systems and mechanisms of management to achieve goals in response to the needs of an organization's customers and markets, through quality assurance for products and services. In line with the transition to ISO 9001: 2015, we obtained the certification in June 2017

Quality Control Structure



Provision of Stable and Reliable Product Quality and Prompt and Meticulous Support Quality



Quality-related Education and Training

We conduct e-learning training for our employees to deepen their understanding about ISO certification and raise their awareness of quality.

Internal Quality Audits

The internal audit team conducts Internal Quality Audits twice a year at the Company. Certified auditors conduct audits in accordance with the quality manual* under the direction of the Quality Control Managers of the Hachioji and Tsuchiura Plants, who report the audit results and the effectiveness of the Quality Management System to the Quality Management Committee.

During the Internal Quality Audits performed in fiscal 2022, the auditors did not indicate that corrective actions needed to be taken.

* **Quality manual:** A manual that defines the procedures for managing Tokyo Seimitsu's various products and services in accordance with the stipulations of the ISO 9001 standard

Supplier Quality Audits

Suppliers who supply many of the parts and components required for our products cooperate in the quality audits that we conduct using our ISO 9001-compliant checklists. In fiscal 2022, supplier quality audits were conducted at 11 companies

(cumulative total of 208 companies), and follow-up audits were conducted for suppliers that did not comply with our quality control standards and/or quality requirements.

Customer Satisfaction Surveys

To incorporate customer feedback into the improvement and enhancement of our products and services, we conduct customer satisfaction surveys to ascertain customer satisfaction and strive to strengthen it. The percentage of satisfactory rat-

ings in the FY2022 customer satisfaction survey was 93.3%, and we are analyzing factors and implementing countermeasures for items that we believe need improvement.

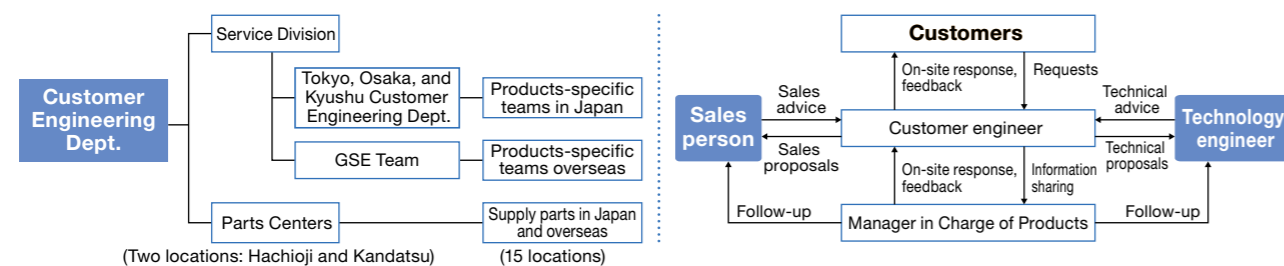
Semiconductor Manufacturing Equipment Business

Support Quality

The Semiconductor Company's CE Department is responsible for maintaining and improving the quality and productivity of the Company's semiconductor manufacturing equipment used in semiconductor manufacturing and processing processes around the world, from installation setup to maintenance and training support, as well as supplying maintenance parts. In order to contribute to our customers' profits and increase customer satisfaction by providing high-performance products and high-quality support, we have established a global support structure based on the teamwork of the entire CE Department.

Support Structure

The Semiconductor Company's Customer Engineering (CE) Department provides a high level of customer responsiveness and value-added services through the Service Division and parts supply without delay through parts centers that enable customers to realize their targeted production.



Education and Training

In-house Training

The Semiconductor Company's Customer Engineering (CE) Department is required to have a high level of expertise so that it can respond to various customer issues. In order to continue to provide high-quality support, the CE Department is also helping to standardize work levels (accuracy, operation assurance, knowledge, etc.) by conducting training for young engineers and leadership training. In addition, skill sheets are used to clarify the status of employees' acquisition of knowledge and skills, which is useful for human resource development.

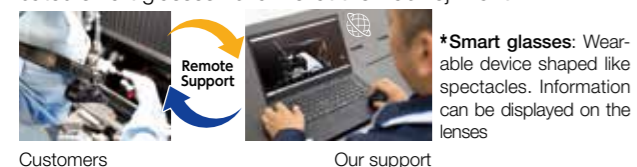
Stable Parts Supply

We currently supply maintenance parts to customers in approximately 32 countries around the world. In fiscal 2022, we were able to reduce supply operations by adding parts for polish grinders and dicing machines that take a long delivery

Improvement of Support Quality

Digitalization of Support Services

To promote remote support, we have implemented and enhanced online security measures and established a new dedicated smart glasses* channel at the Hachioji Plant.



GSM (Global Service Meeting)Based Training

The GSM, which is held annually by GSE*, was held online in fiscal 2022. 67 service engineer representatives from 12 countries and overseas subsidiaries participated in the event, which included a video streaming of start-up operations, demonstrations of AI big data functions using webcams and smart glasses, and equipment and product-specific training.

* GSE (Global Service Engineer): An in-house team that trains and supports overseas service engineers

time to our inventory in the USA. In the EU area, we have established a parts supply system for semiconductor wafer chamfering machines.

Improvement of Equipment Operating Rates

Factors that reduce equipment operating rates may include short-period stops*, inspections, and malfunctions. When providing service support to customers, error information is registered and aggregated to visualize operating rates and propose improvements and maintenance plans.

* Short-period stops: A partial stoppage of equipment or a short stoppage that does not lead to failure due to a malfunction in equipment operation

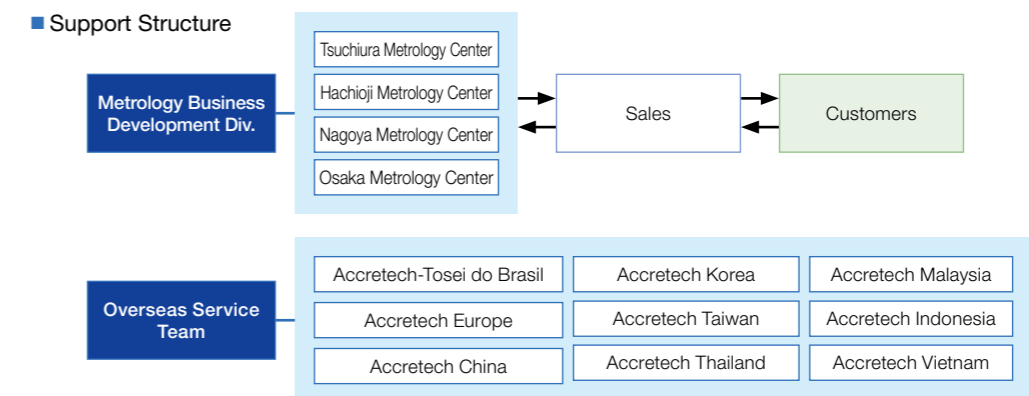
Precision Measuring Instrument Business

Support Quality

Adopting the slogan "No Measurement, no Manufacturing," the Precision Measuring Instrument Business provides support for creating our customers' futures through our precision measuring technology based on the idea that providing precision and reliability is the origin of manufacturing.

Support Structure

The Metrology Company has established Metrology Centers at four locations in Japan and has built a system capable of providing technical support to customers while becoming closer to them. For overseas customers, our overseas service team focuses on supporting nine overseas showrooms and engineer training.



Metrology Centers

Our Metrology Centers are staffed by engineers who have ample expertise in measurement technology and instrument operation, and provide "technology" (place for learning), "sincerity" (proposal of solutions), and "reliability" (customer-friendly support) to meet the various needs of customers.

<Technology: A Place for Learning about Products and Measurement>

We hold plant tours, product workshops, metrology seminars, and web-based seminars for customers, dealers, universities and high schools, and local companies who use our measuring instruments so that they can deepen their understanding of measurement technology and view a variety of products.

Number of Times "Place for Learning" Provided in FY2022

- Seminars and classes (including web-based seminars) 10 times
- Classes/measurement guidance at public institutions 22times

<Sincerity: Proposal of Solutions>

We provide proposal of solutions, operation training, and other services in order to meet the expectations of our customers. We have a system in place that allows us to respond remotely to customers who are unable to come to the venue.

<Reliability: Customer-friendly support>

- Consultations for performing measurements, handling of measuring instruments, and troubleshooting support are provided by the call center
- Content of inquiries is analyzed for incorporation into operation manuals
- Measurement guidance is provided for customers who have purchased measuring instruments.
- We perform consigned measurement for customers who do not have required measuring instruments, have instruments without needed features, or are otherwise unable to perform measurements on their own.

Activities in FY2022

- Call center responses 6,851
- Number of training sessions 351

Initiatives for Customer Safety and Security

In addition to providing direct hands-on experience with our measuring instruments and measurement methods at our Metrology Centers, we also offer remote and web-based seminars to deepen understanding of our measuring instruments to ensure their safe and reliable use.

Training of Engineers Overseas

In order to strengthen the global support structure, the overseas service team invites service engineers from various countries to the Metrology Center located in the Tsuchiura Plant for intensive training and drills. In fiscal 2022, 11 people from 4 countries participated in the basic training for new engineers, and 9 people from 6 countries participated in the advanced training for skilled and experienced engineers.

Supply Chain Management

The Tokyo Seimitsu Group considers all of our suppliers to be our valued partners. Through collaboration with our suppliers, we aim to develop a strong supply chain that contributes to a sustainable society by autonomously responding to the needs of the international community as a responsible company.

Procurement Policy

In providing high-performance, high-quality products and services to customers, the Tokyo Seimitsu Group deepens partnerships with all suppliers through procurement, builds mutual cooperation and trust, and forges relationships that allow us to grow and develop together.

In addition to quality, we comply with laws and social norms, and engage in procurement activities that fulfill social responsibilities such as human rights, labor, safety and health, global environmental protection, and information security throughout the supply chain.

Through fair and impartial evaluation processes and communication, we will respond to market changes and promote high-value-added manufacturing together with reliable suppliers.

Supply Chain Promotion Structure

Promotion Subcommittee as a team for responding to important issues. the Quality Assurance Department, the Sustainability Department, and Environmental Product Promotion Department, and is led by a member of the Sustainability Committee. The Supply Chain Team develops goals and measures related to supply chain management and sustainability procurement, and the Supply Chain Promotion Subcommittee, as a subordinate organization, is responsible for their implementation.

Promotion Structure



Formulation of Supplier CSR Guidelines and Request for Cooperation

We have declared our compliance with the Responsible Business Alliance (RBA) to meet the demands of the international community, including corporate responsibility for the safety of the working environment, worker dignity and environmental impact throughout our supply chain. Based on the RBA Code of Conduct, we have formulated the "Tokyo Seimitsu Supplier CSR Guidelines" that set out our requirements with regard to procurement policy, human rights and labor, occupational safety and health, the environment, ethics, safety and

quality, and information security. We ask that our suppliers understand the purpose of these guidelines and cooperate with us in promoting sustainable procurement activities.

Formulation of Supplier CSR Guidelines and Request for Cooperation

Tokyo Seimitsu's Supplier CSR Guidelines (Japanese)

<https://www.accretech.com/jp/assets/SupplierCsrGuidelines.pdf>

Supplier CSR Guidelines Check Report (Japanese)

<https://www.accretech.com/jp/assets/confirmCsr.pdf>

Supplier CSR Survey

Since fiscal 2016, we have employed the "SCM (Supply Chain Management) Check Sheet" to conduct a survey. A survey was conducted for the top 56 companies in terms of percentage of Sustainability Assessment procurement value with reference to the SAQ (Self-Assessment Questionnaire) in the RBA

(Responsible Business Alliance) from fiscal 2022. Responses were received from 53 companies (response rate: 94.6%). The results of the assessment analysis are provided to suppliers as feedback. For items with low scores, suppliers are requested to take corrective actions and measures for improvement.

Target and Result

Target: Suppliers connected with 80% of procurement amount in FY2023 (126 companies)

FY2022 Result: Suppliers connected with 26% of procurement amount (56 companies)

Type	Number of questions	Assessment items
Labor	19	Items related to human rights, such as foreign workers, child workers, overtime labor, forced labor, abuse, and discrimination
Health and Safety	11	Items related to occupational safety, work that uses chemicals, or work that is physically demanding
Environment	8	Items related to understanding the company's greenhouse gas emissions and reduction targets
Ethics	9	Items related to bribery and corruption, privacy and information security
Management System	12	Items related to the establishment of processes for continuous improvement in labor, health and safety, the environment, and ethics

Curtailling and Managing Environmental Impact (Risk)

We ask our suppliers to use the "Environmental Management Structure Survey Sheet" or "Environmental Management Checklist" for survey and evaluation purposes, and to develop and manage systems to avoid environmental risks in the

supply chain. Suppliers that outsource product manufacturing or services are required to participate in a survey conducted by our Company every two years regarding human health and living environments, including air pollution, water pollution, the Offensive Odor Control Act, vibration and noise facilities, and specially controlled wastes.

Training for Employees

We conduct training for employees in Procurement Section and Procurement Team to develop human resources who promote responsible procurement. In fiscal 2022, we provided training on topics including the Subcontract Act, Business Partnership Building Declaration, and the invoice system. We plan to provide Subcontract Act related training for all employees.

CSR Seminars

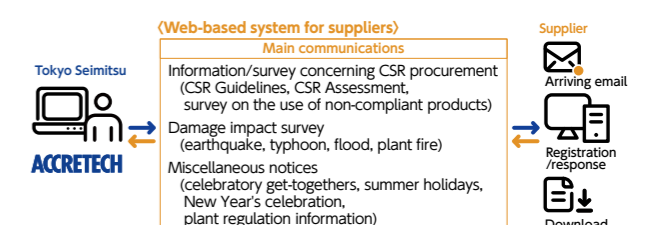
Every year, Tokyo Seimitsu offers CSR seminars at workshops hosted by suppliers. In order to promote understanding of the importance of fulfilling social responsibilities throughout the supply chain, we explained about the Self-Assessment Questionnaire (SAQ) provided by the Responsible Business Alliance (RBA) in fiscal 2022 and asked for cooperation in surveys in response to the demands of the international community.

- **FY2015:** Policy on CSR
- **FY2016:** Overview of the "SCM Check Sheet" and Survey Request
- **FY2017:** Trends in CSR/Results of the Previous Year's "SCM Check Sheet"/Tokyo Seimitsu's CSR Activity Report

- **FY2018:** Tokyo Seimitsu's CSR Activity Report/Trends in CSR/Initiatives for the Supply Chain/Supplier CSR Guidelines (First Edition)/Overview and request for submission of "Check Report"
- **FY2019:** Trends in Prohibited Substances in Products in 2020/Sharing of Information on Typhoon Damage in 2019/Review of BCP/Introduction to Disaster Countermeasures
- **FY2020:** Overview of Web-based System for Suppliers/Trends in Environmental Laws and Regulations for Products/CSR Questionnaire
- **FY2021:** Seminars cancelled due to prevention of new coronavirus infection
- **FY2022:** Transition from CSR to Sustainability Activities/Self-Assessment Referencing the RBA's Code of Conduct

Web-Based System for Suppliers

We are developing a web-based system for suppliers to share information with suppliers, broadly and without redundancy. This system will address the ever-growing need for information sharing, including supplier CSR questionnaires, notifications of disasters such as earthquakes and heavy rains, surveys of damage conditions, and communication of various notifications. We will use this system to build a structure for more sustained and active communication with suppliers.



Supplier Evaluation System

Once a year, the Company conducts commendations for suppliers. We commend outstanding suppliers based on evaluations of five items: quality, cost, delivery time, rate of cooperation, and management. In fiscal 2022, we commended two business partners and presented them with certificates of recognition.

Occupational Health and Safety

Many devices, parts, tools, and processing machines from the Tokyo Seimitsu Group, a manufacturer of machinery, can be found at manufacturing and distribution sites. As our products consist of equipment used in production, many tasks such as delivery, installation, maintenance, and inspection occur in the unfamiliar environments of customers' production sites. By carefully investigating risks associated with these, observing and predicting the movement and flowline of workers, and implementing measures to minimize safety risks, we promote occupational health and safety initiatives so that everyday work actions can be carried out safely and rationally.

Targets and Results

	Target	FY2020	FY2021	FY2022
Accidents resulting in leave	0	0	2	1
Accidents not resulting in leave	0	6	10	12

Locations covered: Hachioji Plant and Tsuchiura Plant

Occupational Accidents

By accident type, "flying or falling objects" and "cuts or abrasions" accounted for the majority of accidents. In response, we are continuing our efforts to prevent recurrence and raise safety awareness through education and guidance on equipment handling, thorough implementation of protective equipment wear, and thorough implementation of the 5S*.

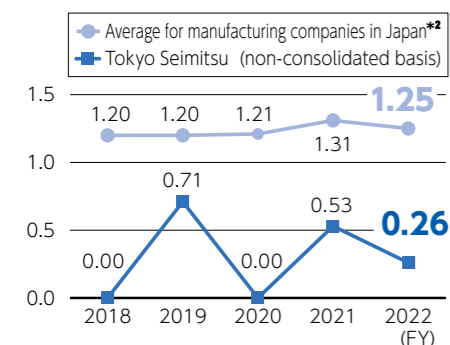
* 5S: A slogan for maintenance and improvement of workplace environments. It stands for sort (seiri), set in order (seiton), shine (seisou), standardize (seiketsu), and sustain (shitsuke)

Accidents by Type

Type	Number of occupational accidents (incidents)	Number of injuries or fatalities due to work-related accidents (people)
Flying or falling objects	0	0
Cuts or abrasions	5	5
Being caught	1	1
Falling	3	3
Colliding	3	3
Overexertion	1	1

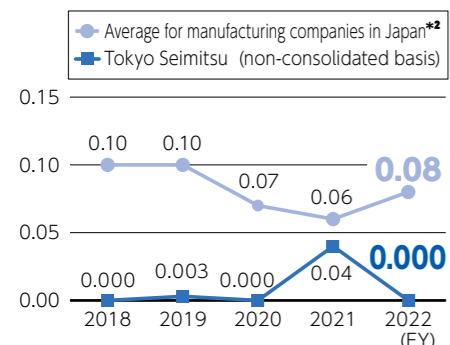
Locations covered: Hachioji Plant and Tsuchiura Plant

Trend of accidents frequency rate*1



*2 Ministry of Health, Labour and Welfare (Survey on Industrial Accidents)

Trend of accident severity rate*1



*2 Ministry of Health, Labour and Welfare (Survey on Industrial Accidents)

	FY2018	FY2019	FY2020	FY2021	FY2022
Average for manufacturing companies in Japan	1.20	1.20	1.21	1.31	1.25
Tokyo Seimitsu (non-consolidated basis)	0.00	0.71	0.00	0.53	0.26
Semiconductor Company	0.00	0.97	0.00	0.66	0.33
Metrology Company	0.00	0.00	0.00	0.00	0.00

*1 Frequency rate for accidents resulting in leave: Indicates the frequency of injury or death due to occupational accidents
Formula: (Casualties/total hours worked) × 1,000,000

	FY2018	FY2019	FY2020	FY2021	FY2022
Average for manufacturing companies in Japan	0.10	0.10	0.07	0.06	0.08
Tokyo Seimitsu (non-consolidated basis)	0.000	0.003	0.000	0.040	0.000
Semiconductor Company	0.000	0.004	0.000	0.050	0.000
Metrology Company	0.000	0.000	0.000	0.000	0.000

*1 Severity of accidents resulting in leave: Indicates the percentage of the degree of loss caused by occupational accidents
Formula: (Total lost workdays/total hours worked) × 1,000

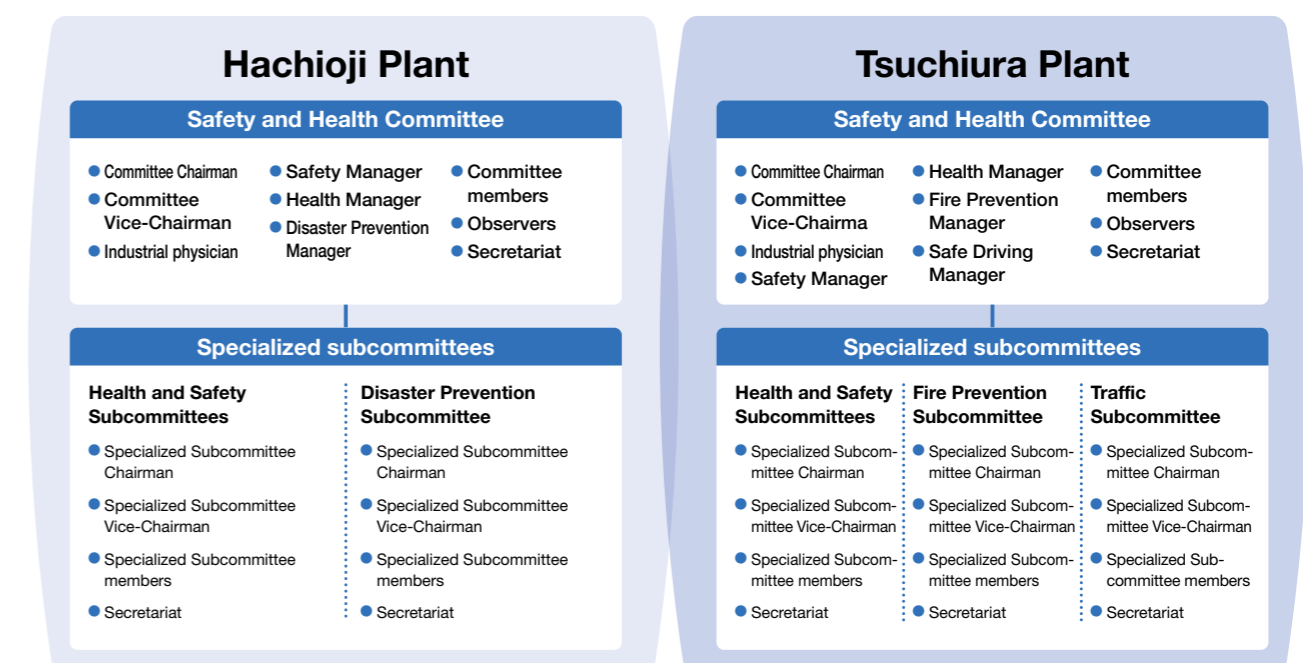
Occupational Health and Safety Promotion Structure

At the Hachioji and Tsuchiura plants, we have established the Safety and Health Committee, with each plant manager serving as the general safety and health manager. The committee plans and deliberates on major health- and safety-related matters in a bid to maintain and improve a safe and comfortable work environment. To raise employees' awareness of health and safety in the workplace and in the interest of maintaining and promoting their health, the committee meets once a

month, in principle, and on an ad hoc basis when the general safety and health manager deems necessary. In fiscal 2022, the committee met 12 times, as scheduled.

We also conduct internal audits twice a year, with results submitted to the Audit Department and reported to the Board of Directors. The Health and Safety Committee is subject to audits by the Audit Department.

Safety and Health Committee



Risk Assessments at Work Sites

We regularly conduct risk assessments by conducting workplace inspections to check working environments and identify issues. This leads to the creation of measures for dealing with these issues and brings about improvements. In addition to risk assessments performed when introducing new machinery or changing work procedures, we work to avoid risk by conducting education and training on machinery operation, heavy equipment work, wiring operation, and other topics as needed.



Risk assessment training for workplace leaders

Education and Training

In-house Training

We provide in-house training to help employees avoid hazards in a variety of situations, including commuting, traveling, and working in the factory.

Number of attendees in FY2022

	Number of attendees
Traffic safety seminar	391
Risk assessment training	86
Forklift, sling work, crane safety training at Tsuchiura Plant	63
High pressure gas workshop safety seminar	36
Special training on low voltage electricity handling	27



Risk assessment training



Forklift, sling work, crane safety training at Tsuchiura Plant

Self-Defense Firefighting Training

Each year, each plant's Disaster Prevention Subcommittee plans and conducts emergency evacuation drills for all departments in the plant. The Hachioji Plant conducted an evacuation drill in fiscal 2022 under the e-learning theme "Cardiopulmonary Resuscitation and AED Use Procedures." The details of such training are reported to the Tokyo Fire Department, by submitting a "Notice of Self-Defense Fire Drill Implementation."

Number of attendees in FY2022

	Number of attendees
Hachioji Plant e-learning theme: "Cardiopulmonary Resuscitation and AED Use Procedures"	896

Training

Self-Defense Fire Brigade

At the Hachioji Plant and Tsuchiura Plant, we organize self-defense fire brigades and conduct regular training one or two times a month according to annual plans. The Company also participates in an annual self-defense firefighting training review hosted by the Hachioji Fire Department and the Hachioji Fire Prevention Management Study Group. In this competition, self-defense fire brigades from business establishments in the city gather to compete in a heated competition to test the effectiveness of their daily training based on speed and accuracy of indoor fire hydrant operation. 32 self-defense fire brigades from Hachioji City participated in the self-defense firefighting training review for fiscal 2022, and our self-defense fire brigade won in the "No.1 Fire Hydrant, Male Group B" category.



Emergency Scenario Training

Emergency scenario training is conducted at least once a year at each plant so that appropriate tasks, such as recovery/cleaning, can be carried out in the event of a hazardous substance leak or splash-based accident. Each division that handles hazardous substances submits a training plan to the person responsible for environmental management at the beginning of the relevant term and submits a report after the training is conducted. In fiscal 2022, the Hachioji Plant conducted training 32 times for 11 divisions. At the Tsuchiura Plant, 143 people from the plant department took part in chemical cleaning agent splash prevention training.

External Training and Seminars

Hachioji Branch of Tokyo Federation of Labour Standards Associations

In order to promote activities to prevent industrial accidents among local workers, we participate in seminars held by the Hachioji Branch of Tokyo Federation of Labour Standards Associations. These seminars are designed for participants to acquire the skills necessary to engage in work. Employees who have completed the seminars take in-house practical tests tailored to factory environments for thorough health and safety education.

Semiconductor Equipment Association of Japan (SEAJ)

The Semiconductor Equipment Association of Japan promotes SEAJ recommended safety training an industrial standard for safety training of personnel involved in the installation, maintenance, and servicing of semiconductor manufacturing equipment. At the Hachioji Plant, our employees who belong to Semiconductor Equipment Association of Japan's Safety Training Subcommittee conduct online-based SEAJ Work Safety Seminars for Semiconductor Company CE Department employees and manufacturing and design engineers who work on the manufacturing floor or in clean rooms. A total of 430 employees have participated in the seminar so far.

Disaster and Accident Prevention

At the Tsuchiura Plant, managers and general staff conduct weekly 5S patrols, while the Health and Safety Subcommittee members perform monthly safety patrols. In cases where improvements are needed, follow-up patrols are conducted after the improvements are proposed, to confirm the effectiveness of the patrols. At the Hachioji Plant, we conduct safety inspections of all workplaces once a year through teams composed of several persons, including the Plant Manager. On safety inspections, we use a check sheet to identify safety risks. At workplaces where risks are discovered, we conduct follow-up inspections following a set period of time after directions for improvement are issued, to confirm the effectiveness of the improvements. We regularly carry out 5S patrols to promote the tidying and ordering of workplaces. Using a scoring system in-

Number of attendees in FY2022

Content of courses conducted by the Tokyo Federation of Labor Standards Associations, Hachioji Branch	Hachioji Plant Number of attendees	Tsuchiura Plant Number of attendees
Training course for sling and crane operators	12	2
Foremen and safety and health supervisors	8	0
Operation chief of organic solvents	7	0
Skill training course for chief of specified chemical substances (tetraalkyl lead, etc.)	6	0
Handling of dangerous substances Category Otsu-4	0	1
Forklift	5	4
Power press	1	0

FY2022 SEAJ Recommended Safety Training	Number of attendees
New attendees	42
Attendees for recertification (required to attend every two years)	53

roduced in fiscal 2017, we commend high-scoring workplaces twice a year, increasing 5S awareness in every workplace.



Handling of Chemicals and Chemical Substances

When considering the purchase of industrial chemicals, we conduct a chemical substance risk assessment to check for the presence of contained environmental pollutants (organic solvents, specified chemical substances, hazardous materials, etc.), in accordance with our internal regulations. The department in charge of this matter at the Hachioji Plant decides whether to purchase the chemicals based on the results of assessments conducted at the Hachioji and Tsuchiura Plants. In fiscal 2022, 76 new chemical substance risk assessments were conducted at the two plants, both for new uses and for reviews of existing uses.

We require divisions that manage and use chemical substances to conduct regular inspections and regular quantity checks. The Company is also promoting the reduction and substitution of chemical substances in accordance with the PRTR Act, Ordinance on Prevention of Organic Solvent Poisoning, and the Poisonous and Deleterious Substances Control Act. In addition, we carry out patrols to check the status of chemical management and storage and the supplies used to prevent chemical leaks through the Regulated Substance Control Working Group under the Safety and Health Committee.

Health Management

In order for people to make the most of their capabilities and work with a sense of purpose, the Tokyo Seimitsu Group believes it is important for those people and their families to be physically and mentally healthy. We work to create comfortable workplaces by means including strict working hour management to avoid long working hours.

Healthy Company Declaration

Needless to say, the health of employees is the cornerstone of long-term stable management for a company.

We have been working on promoting the health of our employees by conducting health checkups and other initiatives. However, in light of the growing momentum to promote "health management" and the launch of the "Healthy Company Declaration" campaign as a social framework for such promotion, we have decided to make a further company-wide commitment to health management, making a Healthy Company Declaration.

We would like to ask for the understanding and cooperation of our employees in this endeavor.

We sincerely hope that all of our employees will maintain and promote their health and that they will continue to play an active role in the company.

Health Declaration

- 100% of medical checkups will be taken
- We will utilize the results of health checkups
- We will create a healthy environment
- We will address diet
- We will address exercise
- We will address nonsmoking
- We will address mental health

October 1, 2019

Tokyo Seimitsu Co., Ltd.

Chairman and CEO Hitoshi Yoshida

Health Checkups and Stress Level Check System

Every year, we perform periodical medical examinations, comprehensive medical examinations, gynecological checkups, and other procedures to check the health of employees. For persons with abnormal findings, we encourage repeat examinations and provide specified health guidance. Our examination rate for stress level checks, including employees at overseas posts or stationed outside the company, exceeds 99%. The checks have become established as an opportunity for employees to take note of their own mental condition. The Company manages individual stress level check results in accordance with laws and regulations and provides feedback to the individuals. Individuals with high stress levels meet with industrial physicians. We also conduct organizational analyses and, after reporting to the Risk Management Committee and the Safety and Health Committee, work to improve the workplace environment.

FY2022 Results

Health Declaration	Actual Details and Results
100% of medical checkups will be taken	Achieved periodical medical examination rate of 93.7%
We will utilize the results of health checkups	A total of 105 people were encouraged to receive specified health guidance
We will create a healthy environment	Video dissemination addressing healthy company declaration themes: 12 times (monthly)
We will promote a better diet	Provided Healthy Company Declaration Collaborative Menu in cafeterias (once a week)
We will encourage exercise	Introduced the web walk rally sponsored by the Health Insurance Association
We will promote nonsmoking	Dissemination of health information on the harmfulness of tobacco
We will promote mental health	Introduced counseling services
	Achieved 99.1% examination rate for stress level checks

Healthy Company Declaration Collaborative Menu

The Hachioji and Tsuchiura Plant cafeterias offer a "Healthy Company Declaration Collaborative Menu" once a week, taking into consideration the health of our employees from a diet perspective.



Video Dissemination on Health Topics

An industrial physician at the Hachioji operation site provides health promotion videos (updated monthly) for employees on the Company portal site.

FY2022 Video Topics

VDT (visual display terminal) syndrome, back pain, stress, summer fatigue, hypertension, stress management, diabetes, obesity, sleep, basic cancer knowledge, cancer screening, autonomic ataxia, types and mechanisms of headaches, menopausal disorders, and adjustment disorder



Measures to Address Long Working Hours

As measures to address long working hours, we manage working hours through entry/exit systems, encourage our employees to take annual paid leave, and promote industrial physician consultations and the taking of annual paid leave for employees who have a high level of total working hours within a month or three months. We introduced the entry/exit system, which uses IC card-based employee ID cards in fiscal 2020, strengthening company-wide management of working hours. In fiscal 2022, average monthly overtime hours per person decreased by 3.6 hours from the previous year.

Measures to address long working hours

- Setting of Wednesdays and bonus payment days (two times a year) as days for leaving work on time
- Work time management by collating attendance time with gate entry/exit and PC log times
- Distribution of information on employee overtime to Company management, increasing its awareness of employee work hours
- Counseling or interviews with or based on the judgment of industrial physicians

Number of Overtime Hours and Number of Days of Paid Leave Taken

	FY2020	FY2021	FY2022
Number of overtime hours per person	25.8	29.3	25.7
Number of days of paid leave taken per person	12.2	13.1	14.5

Diversity & Inclusion

The Tokyo Seimitsu Group believes that diverse perspectives and ideas stimulate each other and create new value. Therefore, we shall respect the personality and individuality of employees and shall not discriminate on the basis of gender, age, nationality, ethnicity, race, physical or mental disability, gender identity, culture, religion, ideological or political beliefs, national origin or family background, etc. In order to realize a workplace where all employees can work safely and with a sense of purpose, we are promoting various initiatives that embrace diversity.

Targets

Target 1: Increase the percentage of female regular employee hires to 20% or more (achieve by fiscal 2025)
Target 2: Increase the percentage of female regular employees to 10% or more (achieve by fiscal 2025)

Result

Index	FY2020 results	FY2021 results	FY2022 results	FY2023 results
Percentage of female managers	1.5	1.9	2.4	-
Percentage of female officers	7.7	7.7	15.4	-
Percentage of female regular employee hires	6.1	17.0	18.3	-
Percentage of female regular employees	6.4	7.4	8.5	-
Number of hours of career training for full-time female employees	-	-	87	-
Percentage of employment of persons with disabilities*	1.94	1.95	2.07	2.17
Number of retirees	5	4	9	-
Number of retirees re-hired via re-employment contract	7	10	20	-
Percentage of retirees re-hired	58.3	71.4	69.0	-

Scope: Full-time employees of Tokyo Seimitsu Co., Ltd.
* Data depicted in the table are current as of June 1 of each year. The Act to Facilitate the Employment of Persons with Disabilities stipulates that employment of one individual with a serious disability is equivalent to employing two individuals for purposes of calculating the number of associates with disabilities and percentage of employment.

Promotion of Women’s Participation and Advancement

To increase the number of women among our core human resources, we believe we must urgently increase our recruitment of full-time female employees and improve the environment for such employees. To drive this effort, we have formulated the “Action Plan for Promoting Employment and Careers of Women” (FY2021–2025) and set targets to be achieved by the end of fiscal 2025. In addition, we are working to create awareness within the Company toward the advancement of female employees and to support them.

Action Plan for Promoting Employment and Careers of Women
https://www.accretech.com/en/sustainability/esg/diversity.html#diversity_03

Initiatives for the Promotion of Women’s Participation and Advancement

Hiring of women new graduate recruitment	▪Completely redesign the recruitment section of our website in order to increase the female recruitment rate ▪Utilize scouting service to increase opportunities for connecting with science-oriented women ▪Conduct interviews for women who are interested in the Company with female employees so that they can have a clearer idea of what it is like to work at the Company
Support for the career development of female employees	▪Conduct career development training for women ▪Raise awareness of the development of female subordinates through human resource development training for superiors ▪Introduction of external counseling services in April 2022 (these services can be utilized by all employees, not only women)
Opportunities for female employees to interact with each other	▪Promote opportunities for female employees to interact with each other through activities such as women’s career development training ▪Select female senior employees as partners for new female employees and promote opportunities for them to interact through regular interviews and other means

Employment of Persons with Disabilities

We have established an organization centered on people with disabilities, and are striving to expand and retain employment and improve the working environment. In addition, we established a support system in fiscal 2022 that enables employees with disabilities to work independently by assigning full-time instructors.

Initiatives for Employment of Persons with Disabilities

Coordination	▪Conduct workplace tours and practical training in cooperation with employment support agencies, special needs schools, etc. Also, conduct periodic interviews regarding workplace retention.
Job creation	▪Promote understanding of employment and job creation through discussion with divisions that do not have persons with disabilities, and submit job requirements to Hello Work ▪Promote mutual understanding through workplace tours and practical training
Retention	▪Have employees in the host department participate in a supporter training course to strengthen the hosting system. ▪Introduction of full-time instructors for persons with disabilities

Re-Employment System for Retirees

Tokyo Seimitsu has introduced a re-employment system that allows employees to continue working as part-time employees after retirement. We have established a system that enables employees to play an active role by making use of the knowledge, technology, and know-how cultivated over many years.

Work-Life Balance

The Tokyo Seimitsu Group has developed a system that enables all employees to be active while balancing work and life. By promoting diverse and flexible work styles, we aim to improve productivity, achieve work-life balance, and create a work environment that is comfortable for everyone.

Target

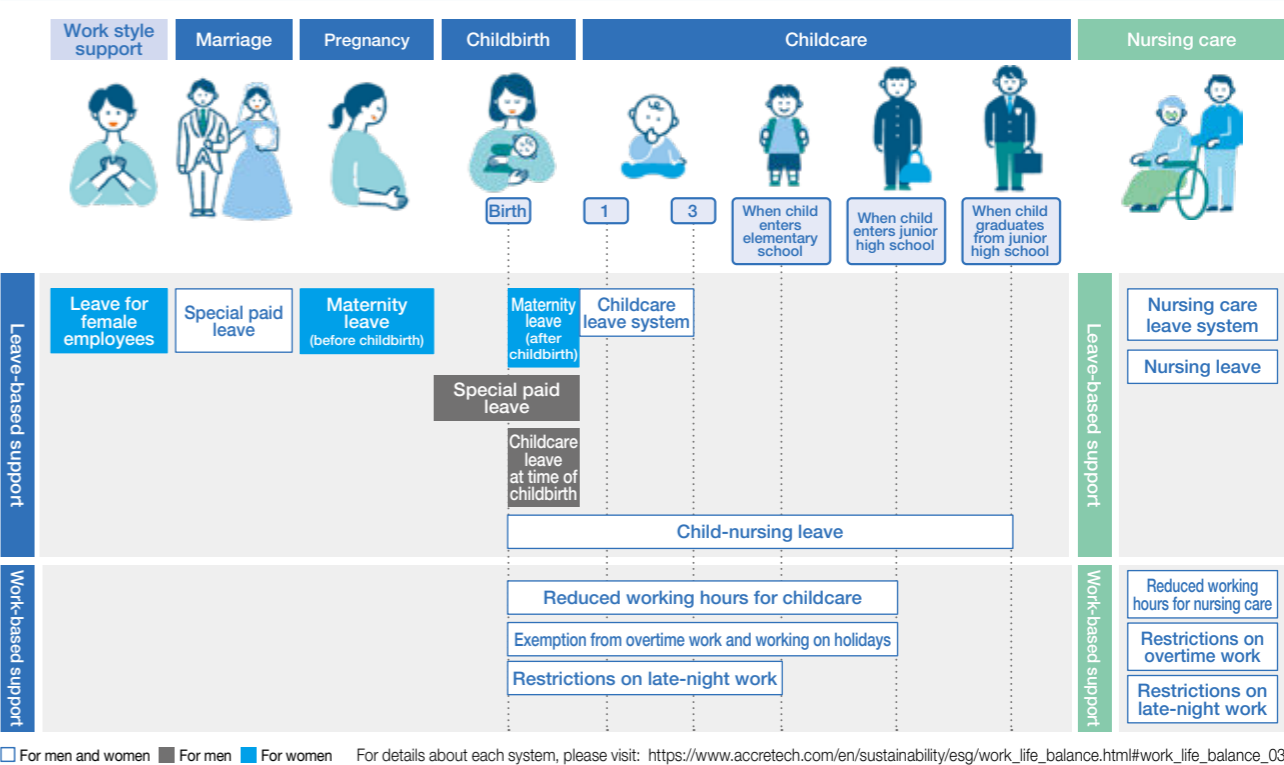
Annual paid leave: 100% acquisition rate (five days of annual leave)
Eligible employees who are granted at least 10 days of paid leave per year
This does not include special paid leave or other leave other than annual paid leave

Result

	FY2020	FY2021	FY2022
Annual paid leave acquisition rate	65.9	69.8	76.7
Rate of taking five days of annual paid leave	100	100	100
Number of employees taking refreshment leave	6	14	34
Percentage of employees taking childcare leave (number of people taking leave/number of people eligible)	100 (2/2)	None eligible	100 (2/2)
Men	9.4 (3/32)	19.2 (5/26)	38.5 (10/26)
Return to work rate	100	100	100
Number of employees taking child-nursing leave	4	7	11
Number of employees who utilized the nursing care leave system	1	0	0
Number of employees who took nursing care leave	1	4	9

Scope: Full-time employees of Tokyo Seimitsu Co., Ltd. (non-consolidated basis)

Main Support Systems



For men and women For men For women For details about each system, please visit: https://www.accretech.com/en/sustainability/esg/work_life_balance.html#work_life_balance_03

Welfare Benefits

We help our employees achieve a work-life balance by providing a full range of welfare benefits. Employees can easily take advantage of services, including discount services for leisure, dining, etc.

[List of Welfare Benefits]
Property accumulation saving scheme, employee shareholding association, employee cafeterias (Hachioji and Tsuchiura), comprehensive welfare benefits program (Benefit One), mutual aid association, long-term service commendations, and club activities

Human Resource Development

In order to create the World's No. 1 Products through WIN-WIN relationships, all employees, the greatest assets of the Tokyo Seimitsu Group, must accept diverse values, draw out each other's strengths, and grow autonomously.

In order to support the growth of such employees, the Group will provide programs such as education and training, opportunities to take on challenges on the ground, and work to create a workplace environment where diverse human resources can feel rewarding.

Human Resource Development Policy

The mission of the Group includes: "Growing together with partners and customers by collaborating technology, knowledge, and information to create the world's No.1 products," and "WIN-WIN relationships create the world's No.1 products"

To fulfill this mission, we need employees who can:

- Gain a high level of trust by facing customers' issues and solving them;
- Accept diverse values and see things from the other person's point of view to draw out mutual strengths and cooperate with each other; and
- Connect their own ideas to technical and business innovations, aim for high goals, and grow autonomously

The Group supports the growth of its employees, who are the most important asset, by creating a work environment and implementing measures as described below:

- Provide educational programs, including training and education, according to the growth stage of individual employees
- Provide employees with opportunities to take on challenges in the workplace and support through communication with their supervisors
- Promote various measures and create an environment in which diverse human resources can feel fulfilled in their work and can play an active role

Education and Training Achievements

Category	FY2020 results	FY2021 results	FY2022 results
Total training hours	3385.1	6445.9	9938.7
Average number of training hours per employee	3.6	7.0	9.4
Number of attendees	149	170	264
Education investment per employee (yen)	22,432.3	29,415.3	35,576.5

Scope: Full-time employees of Tokyo Seimitsu Co., Ltd.

Education and Training

The Company has established a variety of training programs tailored to the abilities and roles of each employee, and has incorporated them into our Human Resource Development System. We perform common training for employees to acquire the basic knowledge and business skills required throughout

the Company, level-specific training for employees to acquire the skills required for each career level, and department-specific training for employees to acquire the highly specialized individual skills required for specific organizations and tasks.

Training theme		Number of training hours in FY2022	Training theme		Total number of trainees in FY2022
Common training	Human resource development training* ¹	358	Department-specific training	General technical training	148
	360-degree feedback review training* ²	576		Mechanical design training	
	e-learning (Compliance-related training)	1,944		Electrical circuit design training	
Level-specific training	New employee training	5,684		Programming seminar	
	New employee follow-up training	285		Software-related seminar	
	Training for new managers	213		Semiconductor-related seminar	
	Training for new section chiefs	348		SEAJ recommended safety training	
	Training for new assistant section chiefs	445			
	Career training for full-time female employees	87			

Scope: Full-time employees of Tokyo Seimitsu Co., Ltd.

***1 Human resource development training:** We promote training and on-site practices so that supervisors can develop the autonomy of their subordinates and develop employees who can learn and grow the skills required for each job.

- Dialogue skills to promote growth
- Confirmation of progress and processes
- Goal integration (recognition of the significance, value, and opportunities for growth for subordinates)

***2 360-degree feedback:** An approach in which a subject asks those around him or her to observe his or her behavior; the observers provide feedback on the subject on his or her strengths and issues from their perspectives, in order to:

- Recognize the gap between self-analysis and behavior observed around them, reflect on themselves, and use it as a trigger for behavior change
- Help participants understand their management skills and improve them further

Self-Development Support System

The Company has enhanced its self-development support system to provide employees with opportunities to autonomously acquire and improve work-related knowledge and skills. We have introduced an e-learning system in which more than 300 courses can be taken freely, and there is a correspondence education course available that the Company completely subsidizes for those who have completed the course.

e-learning

Scope : Full-time employees of Tokyo Seimitsu

Content: Courses on management, IT literacy, DX, languages, technology and skills as well as series on management, industry, economics, culture, and other topics

Correspondence Education Courses

Scope : Full-time employees of Tokyo Seimitsu group companies in Japan (Tokyo Seimitsu, Tosei Engineering, Tosei Systems, Tosei Box, and Accretech Powertro System)

Content: General courses on business skills, financial accounting, DX, languages, etc., as well as technical and skill-based courses and certification exam preparation courses

Award Systems

By establishing a variety of award programs, the Company aims to nurture the creativity and spirit of challenge among our employees and increase their motivation.

Award name	Overview	FY2022 results
Improvement Proposal Awards	Given to departments that have contributed to improving the quality of operations and the environment	7 projects/initiatives
Technical Awards	These awards recognize employees and technology development projects that made technical achievements contributing to the improvement of business performance	2 projects/initiatives
New Business Plan Proposal Awards	These awards commend ideas for new products likely to appear in the future based on open-minded thinking	12 projects/initiatives

Eligible employees : Improvement Proposal Awards : Employees of Tokyo Seimitsu (non-consolidated) (including temporary employees)
Technical Awards : Employees of Group companies (Tokyo Seimitsu, Tosei Engineering, Tosei Systems, Tosei Box, and Accretech Powertro System) engaged in development work
New Business Plan Proposal Awards : Employees of domestic and overseas Group companies (including temporary employees)

Engagement

In order for the Group to achieve significant growth in a rapidly changing environment, it is important for employees to work with high motivation, improve productivity, generate innovative ideas, and deliver high added value to customers.

To this end, we started an engagement survey in March 2023 to measure the state of employee engagement.

In the survey, we examine the following factors to improve engagement:

- Are employees able to demonstrate their strengths and feel a sense of job satisfaction?
- Do employees trust each other and are internal communications active?
- Do employees know the company well and are they attached to the company?



Social Contribution

As we contribute to society through our business activities, we will clarify issues and needs in different regions through dialogues with communities and will advance social contribution activities to resolve these matters, to build a healthy and sustainable society as a corporate citizen.

Donations for Humanitarian Aid Related to the Situation in Ukraine

In May 2022, we made a donation of 10 million yen to Japan for UNHCR, a non-profit organization for humanitarian aid activities in Ukraine. We will continue to consider donation amounts, support targets, outsourced organizations, etc., after carefully examining each individual situation and need.

Education and Culture

Learning the Way of Manufacturing in Hachioji

Nihon Kogakuin College of Hachioji holds a special class called “Learning the Way of Manufacturing in Hachioji” on an annual basis. In January 2020, Mr. Mitsuhashi, Tokyo Seimitsu Hachioji Plant Manager, gave a lecture on the theme of “Current Status of State-of-the-Art Semiconductor Manufacturing Equipment: Supplied from Hachioji to the World.” The lecture focused on how our semiconductor manufacturing equipment and world-class precision measurement technologies are deeply involved in all kinds of products and cutting-edge technologies in our daily lives.

Nihon Kogakuin College of Hachioji “Learning the Way of Manufacturing in Hachioji” 2019-2020 Implementation Record
https://neec.meclib.jp/nhac_monodukuri/book/

Providing a Place for Learning

The Metrology Center provides a place for university students, high school students, and local companies to learn how measurement technologies contribute to manufacturing through our world-class products.

Environment and Beautification

Hachioji Plant’s Contribution to the Community Efforts to Promote Energy Conservation

Associations of factory districts designated for energy management promote the rationalization of energy use in a comprehensive and effective manner through mutual collaboration and information exchange between the Energy Conservation Center, Japan and the Kanto Bureau of Economy, Trade and Industry. As our Hachioji Plant was the representative of the “Tokyo association of factory districts designated for energy management” in fiscal 2022, the plant reported on its activities.

Hachioji City Adopt-A-Road Program

In this sort of adoption program, local residents and private companies carry out beautification activities for roads, parks, or other public facilities, caring for these as if their own children, while receiving tools, materials, and support from the local governments with jurisdiction over the facilities. Since 2004, the Hachioji Plant has implemented such activities into a part of the curriculum for new employee group education every year, focusing on the rotary on the east side of JR Kita-Hachioji Station. In fiscal 2022, program activities were held four times with 176 people participating.

Tsuchiura Plant’s Contribution to the Community Tsuchiura City Pollution Control Agreement

The Tsuchiura Plant has concluded a pollution control agreement with Tsuchiura City, aimed at the conservation of atmospheric environment and water environment, noise and vibration prevention, and the prevention of pollution from business activities.

Nakanuki Park Beautification Activities

The Tsuchiura Plant joins other companies near Nakanuki Park for weekly cleanups in and around the park. Since 2006, we have also carried out cleanups on our own across our divisions in turn every Monday. In fiscal 2022, we did so 50 times with participation by a total of 100 employees. Over the years of these cleanup activities, awareness has increased among the local community. Streets around the park that had been covered in litter have improved markedly. We will continue our activities to help beautify public parks and improve public manners.

Tsuchiura Eco-Partner Agreement (Human Development: A City where Every Person Acts with Consideration of the Environment – Partnership)

In March 2016, the Tsuchiura Plant signed the Tsuchiura Eco-Partner Agreement, which takes a leading role in reducing greenhouse gas emissions and waste in the area around the city of Tsuchiura. The Agreement promotes the efficient use of electricity and other energy as well as the reduction of garbage in business activities, and the initiatives to raise awareness of environmental conservation in the local community.

Eco-partner Agreement, Tsuchiura City municipal website
<https://www.city.tsuchiura.lg.jp/page/page014896.html>

GOVERNANCE

Governance

- 50 Corporate Governance
- 56 Compliance
- 58 Risk Management

As a corporate citizen trusted by the international community, the Tokyo Seimitsu Group recognizes that enhancing corporate governance to develop fair and highly transparent management activities is vital, and, following corporate governance basic policy, is working to build effective corporate governance structures and systems.

Basic Policy on Corporate Governance
Core Policies

(1) The Board of Directors strives to properly perform its roles and responsibilities to make transparent, fair, timely, and committed decisions.

(2) The Group respects the rights of shareholders and ensures the equality of shareholders.

(3) The Group strives to have constructive dialogue with shareholders on investment policy that considers mid to long-term returns for shareholders.

(4) The Group strives to maintain appropriate collaboration with stakeholders (customers, suppliers, employees, creditors, local communities, etc.) other than shareholders.

(5) The Group strives to ensure proper information disclosure and transparency.

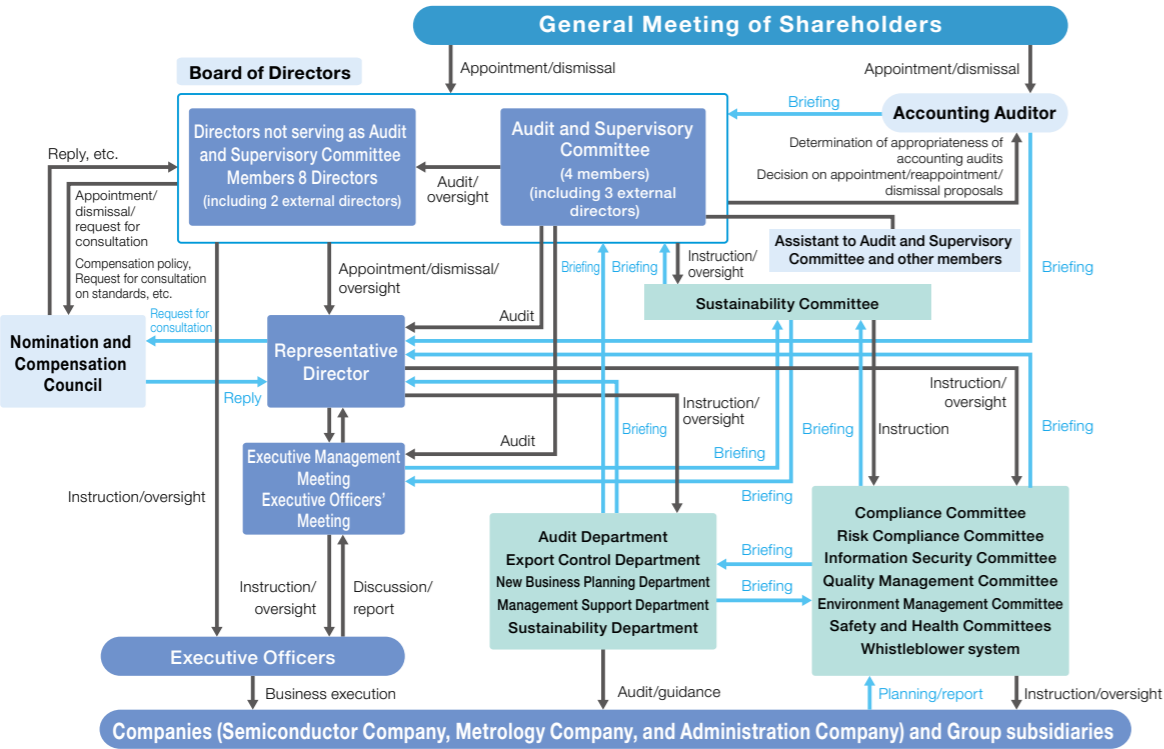
Basic Policy on Corporate Governance (in full):
<https://www.accretech.com/en/company/basicpolicy.html>

Corporate Governance Structure

Tokyo Seimitsu has adopted a company structure with an audit and supervisory committee. For dealing with matters that do not fall under the criteria for submission to the Board of Directors, the Company has adopted an Executive Officer System to speed up the decision-making process by delegating a large amount of authority to the Head of each company after defining their scope of duties and authority in accordance with the relevant regulations of the

Company. In addition, the Executive Management Committee strives to share information and enhance deliberations across company divisions. In addition, various cross-company committees such as the Risk Management Committee and the Compliance Committee have been established to examine and monitor material issues from various perspectives to make appropriate decisions.

Corporate Governance Structure



Board of Directors

The Board of Directors is composed of 8 Directors who are not Audit and Supervisory Committee members (two of whom are External Directors) and four directors who are Audit and Supervisory Committee members (of whom three are External Directors). The Board of Directors holds regular monthly meetings, and extraordinary meetings are also held as necessary. The Board of Directors convened 17 times in fiscal 2022. The Board of Directors deliberates on important matters related to management as stipulated by law, the Articles of Incorporation, and the Board of Directors Regulations, as well as monthly, periodic, and annual business results, and supervises the execution of business by each director.

Main Agenda Items in FY2022

- Human resources (executive officer changes/compliance and risk management issues)
- Important location changes
- Business planning (development, equipment, personnel, expenses, etc.)
- Various audit reports
- Various policies
- Assessment of the effectiveness of the Board of Directors, etc.

Specific items

- Initiatives to improve the effectiveness of the Board of Directors
- Check for the existence of problems with the governance system through a related party investigation
- Verification of cross-shareholdings (ensuring there are no problems with the governance system)
- Approval of reports by executive departments concerning the whistleblower system (disciplinary actions, etc.)
- Approval of reports from the Sustainability Committee
- Approval of the Sustainability Report and Integrated Report
- Approval of reports from the Compliance Committee and Risk Management Committee
- Donation for humanitarian aid related to the situation in Ukraine (May)
- Conclusion of additional consulting contracts related to sustainability activities (July)
- Formulation and disclosure of the Tokyo Seimitsu Group Human Rights Policy (July)
- Participation in SEMI's Semiconductor Climate Consortium (October)
- Preparation for publication of Business Partnership Building Declaration and Multi Stakeholder Policy (November)
- Conclusion of a consultation agreement for the formulation of a TCFD response strategy and the review/implementation of measures (January)
- Revision of the Tokyo Seimitsu Human Resource Development Policy (March)

Audit and Supervisory Committee

As an independent body, the Audit and Supervisory Committee audits and supervises the execution of business by Directors other than Audit and Supervisory Committee Members. The Audit Department and the accounting auditor exchange opinions on the audit system to determine whether there are problems in auditing, issues, and other matters as needed, and strive to enhance the effectiveness of audits. At the same time, the Audit and Supervisory Committee receives regular reports on findings and related information from internal audits conducted in accordance with the annual audit plan.

Committee Chairman : Internal Director
Members : Four (three external directors in addition to the Committee Chairman)
Frequency of meetings : Once every 2-3 months (convened 12 times in FY2022)

Nomination and Compensation Council

The Company has established a Nomination and Compensation Council as a voluntary committee for the purpose of clarifying the independence, objectivity, and accountability of the Board of Directors functions, especially in nomination of and compensation to the directors. Independent external corporate directors are in the majority (now all five members are external corporate directors) on the council, helping to realize deliberations fully independent from management.

Council Chairman : External Director
Members : Directors who are Audit and Supervisory Committee Members and external directors

Frequency of meetings : 11
Functions : Deliberates and reports to the Board of Directors on matters related to nomination of Directors, including appointments and dismissals. Deliberates on and determines the standard of compensation amount per post for director compensation. Deliberates and reports to the Board of Directors on matters related to director compensation policies, etc.

Executive Management Meeting and Executive Officers' Committee

The Company has in place an executive officer system to make speedy decisions on product development planning to respond quickly and flexibly to market trends. In addition to supervising the progress of business plans at regular monthly meetings of the Executive Management Meeting and Executive Officers' Meeting, the Executive Officers' Meeting aims to share information across the Company and enhance Executive Officers' Meeting deliberations.

Various Committees

Compliance Committee

Chairman : Executive Vice President and CFO
Frequency: Six times a year (seven times in fiscal 2022, including one extraordinary meeting)
Functions : Revises the ACCRETECH Group Code of Conduct and other rules and regulations
Deliberates on compliance-related education/training plans and the status of related initiatives
Establishes relevant sections and related organizations that deal with major laws, regulations, and social norms related to business operations, and ensures thorough compliance with laws and regulations
In the event of compliance-related misconduct, the details and response measures to be taken shall be reported to the Board of Directors and the Audit and Supervisory Committee

Risk Management Committee

Chairman : President and COO
Frequency: 6 times a year plus extraordinary meetings as necessary
Functions : Receives reports on the prevention of the occurrence of potential risks from sections related to risk, etc.
Reports to the Board of Directors on the agenda of regular committee meetings as necessary
Reports the details of the risk and countermeasures to the Board of Directors the Audit and Supervisory Committee when a report on the materialization of a risk is received and immediately establishes a Risk Response Team as necessary

Information Security Committee

Chairman : Executive Vice President and CFO
Frequency: Twice a year
Functions : Establishes information security management systems
Establishes information security regulations
Promotes and maintains a system for implementing information security measures, related education and training, regular evaluation, and continuous improvement

Quality Management Committee

Chairman : Director in Charge of Quality (Executive Vice President and CFO)
Frequency: Twice a year
Functions : Deliberates on the adequacy and effectiveness of the of quality management system
Continuously improves the performance and effectiveness of the quality management system
Promotes the continuous maintenance and improvement of the quality of our products, services, and operations

Environment Management Committee

Chairman : Executive Vice President and CFO
Frequency: Twice a year
Functions : Deliberates on and promotes environmental management activities performed at the Tsuchiura Plant and the Hachioji Plant
Checks status of compliance with environmental laws and regulations and the progress of environmental impact reduction activities
Creates and implements Environmental Management System and continuously improves it

Safety and Health Committee

Chairman : General Safety and Health Manager (Plant Manager, Tsuchiura Plant and Plant Manager, Hachioji Plant)
Frequency: Once a month
Functions : Maintains and improves safe and comfortable work environments
Establishes a system for ensuring safety and managing the health of our employees by appointing legal managers and specialized committees to raise awareness of safety and health in the workplace and to maintain and promote health

Diversity of the Board of Directors

External directors..... 5
Women (percentage of female directors)..... 2 (16.7%)
Foreigners (percentage of directors holding foreign nationality)..... 1 (8.3%)
Diversity (percentage of female directors and directors holding foreign nationality) 25.0%

Reasons for Appointment of External Directors
■ June 2023

Name	Audit and Supervisory Committee Member Committee members	Independent officer	Supplementary information	Reasons for appointment
Kiyoshi Takamasu		○	—	The Company has designated Mr. Kiyoshi Takamasu as an Independent Director based on the judgment that there is no risk of conflict of interest with general shareholders since he has never had a certain interest in the Company, i.e., has no current or past experience of executing business with a major business partner or shareholder of the Company, or the same corporation, nor does he have any close relative who has a relationship with the Company.
Kazuya Mori		○	Although the Company has transactions with Japan Semiconductor Corporation, where Mr. Mori was an executive officer in the past, those transactions account for less than 2% of consolidated net sales. Mr. Mori retired from Japan Semiconductor Corporation two years ago and is no longer an executive of that company.	Currently, Mr. Mori does not have a certain interest in the Company, i.e., he does not execute any business with the Company's major business partners or major shareholders or the same corporation, nor does he have any close relatives related to the company. He meets the Company's independence criteria and is designated as an Independent Director because there is no risk of a conflict of interest with general shareholders.
Yuriko Sagara	○	○	—	The Company has designated Ms. Yuriko Sagara as an Independent Director based on the judgment that there is no risk of conflict of interest with general shareholders since she has never had a certain interest in the Company, i.e., experience of being engaged in providing legal, tax, and other consultancy services for the Company, nor does she have any close relative who has a relationship with the Company.
Masaki Sunaga	○	○	—	The Company has designated Mr. Masaki Sunaga as an Independent Director based on the judgment that there is no risk of conflict of interest with general shareholders since he has never had a certain interest in the Company, i.e., been engaged in providing accounting, auditing, tax, and other consultancy services for the company, nor does he have any close relative who has a relationship with the Company.
Tsuneko Murata	○	○	Although the Company has transactions with Panasonic Corporation, where Ms. Murata was an executive officer in the past, those transactions account for less than 2% of consolidated net sales. Ms. Murata retired from Panasonic Corporation 10 years ago and is no longer an executive of that company.	Currently, Ms. Tsuneko Murata does not have a certain interest in the Company, i.e., she does not execute any business with the Company's major business partners or major shareholders or the same corporation, nor does she have any close relatives related to the company. She meets the Company's independence criteria and is designated as an independent director because there is no risk of a conflict of interest with general shareholders.

Constitution of the Board of Directors (Skills Matrix)

Name	Age	External director Diversity	Major past experience	Skills and experiences										
				Board of Directors	Audit and Supervisory Committee	Nomination and Compensation Council	Corporate management/ management strategy	Industry knowledge	Technology/intellectual property/manufacturing	Sales/marketing	International business/global experience	Accounting/finance	Legal/risk management	Personnel/labor/human resource development
Hitoshi Yoshida	63		Measurement technology	○			○	○	○				○	
Ryuichi Kimura	60		Semiconductor sales	○			○	○	○					
Koichi Kawamura	65		Financial institutions	○			○		○	○	○			
Takahiro Hokida	61		Semiconductor technology	○			○	○	○	○			○	
Shuichi Tsukada	64		Metrology equipment production	○			○	○						
Romi Pradhan	54	●	Overseas subsidiary management	○			○	○		○	○			
Kiyoshi Takamasu	68	◎	Academic	○		○		○	○	○				
Kazuya Mori	63	◎	Corporate management	○		○		○	○	○				
Shinji Akimoto	59		Human resources	○	○	○						○		
Yuriko Sagara	48	◎○	Attorney	○	○	○			○		○			
Masaki Sunaga	61	◎	Certified public accountant/ Tax accountant	○	○	○		○			○	○		
Tsuneko Murata	64	◎○	Corporate management	○	○	○		○		○		○		

Ages current as of the end of June 2023/Independent External Corporate Director: ◎ Female: ○ Foreign national: ●
Note: This matrix represents the areas in which we expect each Director to have more expertise and play a more active role, based on their experience and other factors. This matrix does not represent all the knowledge and experience of each person.

Director Compensation

The Company has established policies and procedures for determining the amount of remuneration, etc. for directors in its Basic Policy on Corporate Governance. For details about the policy, compensation structure, etc., please refer to the Basic Policy on Corporate Governance.

Basic Policy on Corporate Governance (in full):
<https://www.accrettech.com/en/company/basicpolicy.html>

Process for Determining Compensation

i The Board of Directors delegates the task of determining the compensation structure and compensation standards for each position to the Compensation Planning Committee, consisting of the representative directors and some other directors.

- ii To ensure transparency and objectivity, the proposal of Directors' compensation amounts and related matters (such as compensation amount per post), and the amount for each directors' base compensation, performance-based compensation and stock compensation shall be deliberated on by the Nomination and Compensation Council, consisting of directors serving as an Audit and Supervisory Committee members and external corporate directors.
- iii Compensation amounts for directors serving as an Audit and Supervisory Committee members will be mutually discussed and resolved among directors served as an Audit and Supervisory Committee members.

Among the remuneration paid to directors responsible for business execution, the formula for restricted stock, which is a medium to long-term incentive to share profits with shareholders, was revised to incorporate capital efficiency (ROE).

Total Amount of Consolidated Compensation for Each Officer Category

Officer category	Total amount of compensation (million yen)	Total amount of compensation by type (million yen)					Number of officers in this category
		Base compensation	Performance-based compensation	Stock options	Restricted stock compensation	Non-monetary compensation (among forms of compensation listed to the left)	
Director (excluding Audit and Supervisory Committee members and external directors)	561	211	250	88	10	99	7
Director (Audit and Supervisory Committee member)(excluding external directors)	21	21	—	—	—	—	1
External director	38	38	—	—	—	—	6

Notes 1. The number of directors (Audit and Supervisory Committee members) includes one person who retired at the conclusion of the 99th Regular Shareholders' Meeting held on June 20, 2022.

2. The maximum amount of compensation for directors (excluding directors who are Audit and Supervisory Committee members) was resolved at the 98th Regular Shareholders' Meeting (held on June 21, 2021) to be no more than 480 million yen per year (including 70 million yen for external directors) and a separate limit of 300 million yen per year for non-monetary compensation (restricted stock and stock options). At the conclusion of the general meeting of shareholders, there were nine directors (excluding directors who are audit and supervisory committee members) (including two external directors).

3. The maximum amount of remuneration for directors who are members of the Audit and Supervisory Committee was resolved at the 96th Regular Shareholders' Meeting (held on June 24, 2019) to be within 60 million yen per year. At the conclusion of the General Meeting of Shareholders, there were four directors that are Audit and Supervisory Committee members.

4. Individual compensation for directors (excluding directors who are Audit and Supervisory Committee members) is determined by the Board of Directors after consultation with the Advisory Council in accordance with the basic compensation policies, compensation structure, and decision-making process for compensation. The Company has determined that this is done in accordance with the basic policy.

5. The indicator for performance-linked compensation is net profit attributable to owners of the parent that is directly linked to the return of profits to shareholders.

Total Amount of Consolidated Compensation for Each Officer

Name	Total amount of consolidated compensation (million yen)	Officer category	Company category	Total amount of consolidated compensation by type (million yen)				
				Base compensation	Performance-based compensation	Stock options	Restricted stock compensation	Non-monetary compensation (among forms of compensation listed to the left)
Hitoshi Yoshida	142	Director	Reporting company	60	59	21	2	23
Ryuichi Kimura	142	Director	Reporting company	60	59	21	2	23
Koichi Kawamura	121	Director	Reporting company	51	50	18	2	20

Notes 1. The table above only includes officers whose total amount of consolidated compensation, etc. is 100 million yen or more.

2. Amounts indicated with figures below one million yen omitted.

Related Party Transactions, Etc.

The Company shall not be engaged in any transactions with Directors and/or major shareholders that may damage the interests of the Company or the common interests of the shareholders, as indicated in "(7) Related Party Transactions" in the Directors and Boards section of the Basic Policy on Corporate Governance. When a Director is intending to enter into a transaction with the Company for him/herself or for any third parties, the Director shall obtain prior approval of the Board of

Directors according to the rules of the Board of Directors, and report important facts in that transaction at the board meeting. Terms and conditions for the transaction may be determined in the same manner as a transaction with third parties.

To identify any transactions involving a conflict of interest by Directors, the Company checks annually and regularly existence of such transactions (excluding compensation) between the Company Group and Directors or their family members within

the second degree of kinship.

When the Company is intending to enter transactions between the Company and major shareholders or other related parties, then it shall be approved in advance by personnel with author-

Cross-Shareholdings

The Board of Directors comprehensively examines whether shares held as cross-holdings are worthwhile based on risk and return from the perspective of medium- to long-term economic rationality, and qualitative considerations such as the purpose of holding and credit status. If this examination results in the judgment that it is not worthwhile to retain cross-holdings, in princi-

ple such holdings are reduced. However, if it is determined that holding of such shares will contribute toward the improvement of medium- to long-term corporate value, they are retained. As a result of such deliberation, the Company sold 16 cross-shareholdings (including shares subject to deemed holding) for 7,550 million yen between April 2015 and March 2023.

Assessing the Effectiveness of the Board of Directors

The Company conducts questionnaire surveys of all directors (including Audit and Supervisory Committee members) regarding the roles, functions, and operations of the Board of Directors. The Board of Directors discusses among the Internal and External Directors the results of the responses being summarized and analyzed, and then the Board of Directors evaluates its effectiveness and discusses future actions.

1. Method of evaluation

The Company conducts a questionnaire survey of all the Corporate Directors (including those directors who are serving as Audit and Supervisory Committee members) regarding the following points. After discussions among Internal Directors and among External Directors, a summary of the results and an analysis are shared at the Meeting of the Board of Directors, to evaluate the effectiveness of the Boards and to discuss the possibility of further improvement. In order to ensure the effectiveness and transparency of the survey, an external organization is incorporated in compiling and analyzing the survey results.

FY2022 Questionnaire Items

- 7 items, 27 questions in total
- Roles and functions of the Board of Directors, Constitution and scale of the Board of Directors, Management of the Board of Directors, and Cooperation with auditing organizations
 - Relationship with external directors, relationship with shareholders and investors, and progress in the governance system relative to the previous year

The questionnaire includes the evaluation on each item with open questions on the strength of the Board of Directors and the areas for its improvement, reflection by individual Directors on their respective contribution to the Board of Directors and other comments and suggestions.

2. Results of analysis and evaluation of the effectiveness of the Board of Directors

The results concluded that the effectiveness of the Board of Directors was largely ensured, as shown in, for example, active discussions under mutual collaboration of members with diverse experience and expertise, and active discussions among the Nomination and Compensation Council.

Regarding the issues of last year, specific measures for succession planning and training were formulated based on discussions at the Nomination and Compensation Committee, and a long-term strategy review committee was established as a forum for discussions on long-term issues.

At the same time, some issues have been identified from this year's questionnaire as follows.

- Need for further strengthening of internal control systems such as group-wide governance
- Need for further clarification of development and training plans for Directors and Officers
- Need for further enhancement of medium- to long-term discussions at Meetings of the Board of Directors (on topics including our business portfolio, human capital, and IP strategies)
- Need for discussions to address feedback from shareholders and investors

3. Future actions

In order to strengthen governance throughout the Group, the Board of Directors of the Company will continue to work to strengthen and improve the internal control and conduct effective supervision through collaboration. With regard to succession planning and executive training, discussions will be held by the Nomination and Compensation Council for further clarification.

In addition, the Company will consider devising management methods from the viewpoint of enhancing discussions at the Meetings of the Board of Directors. Furthermore, from the viewpoint of deepening our shareholders' and investors' understanding of our company, we will use the Integrated Report and other documents prepared in the previous fiscal year to enhance dialogue and share feedback with the Board of Directors for use in our efforts to achieve sustainable growth in the future. Through these initiatives, the Company is committed to ensuring further improvement for the effectiveness of the Board of Directors.

The Tokyo Seimitsu Group complies with laws and social norms and acts with integrity and ethics to meet the expectations of all its stakeholders. To this end, we have established the ACCRETECH Group Code of Conduct, which sets forth principles of conduct based on our corporate philosophy and the code of conduct that all executives and employees should adhere to. Through this code, we are working to instill and establish an awareness of corporate ethics among the Group's executives and employees.

Compliance Management Structure

The Company has established the Compliance Committee, which is chaired by the Company's Vice President. This committee assigns compliance officers and compliance managers at the Company and each subsidiary.

Compliance Committee

The Compliance Committee engages in reporting and deliberation concerning compliance measures and their implementation status, including revision of the "ACCRETECH Group Code of Conduct," enactment and revision of regulations, and planning for education and training related to compliance. In the event of violation of or potential conflict with laws and regu-

lations, the committee promptly issues a report to the Board of Directors and Audit and Supervisory Committee and discusses response measures and recurrence prevention measures. In fiscal 2022, the Compliance Committee convened seven times.

Compliance Awareness Survey

The Group conducts a Compliance Awareness Survey to confirm employee awareness and the status of compliance and to reflect survey results in future initiatives.

FY2021 Questionnaire-based Survey

In fiscal 2021, the Company conducted an online, anonymous survey of all employees in Japan and overseas, and is working to resolve issues that came to light.

Issues Brought to Light by the Compliance Awareness Survey

- Need to reinforce efforts related to the compliance system
- Need to strengthen efforts to eliminate harassment and discrimination
- Need to enhance efforts to increase awareness of the whistleblower contact point
- Need to improve the organizational climate, including communication
- Need to reduce workloads related to goal setting and amount of operations

Anti-bribery and Anti-corruption

In January 2020 the Tokyo Seimitsu Group announced its Anti-Bribery and Anti-Corruption Policy that follows the provisions of the ACCRETECH Group Code of Conduct. In fiscal 2022, no violations were found.

Anti-Bribery and Anti-Corruption Policy

https://www.accretech.com/en/company/anti-bribery_anti-corruption_policy.html

Compliance Education

The Tokyo Seimitsu Group provides varied educational opportunities to enhance knowledge of compliance and to maintain and improve the level of compliance awareness. Along with "new employee training," "training for managers," and other opportunities for level-specific training, the Company has introduced an e-learning-based training mechanism in Japan. In fiscal 2022, we conducted Compliance education, including on the ACCRETECH Group Code of Conduct (an ongoing training theme) for all relevant personnel. In addition, we report regularly to the "Compliance Committee" on compliance-related training plans and results.

Accretech Group Company Code of Conduct Training in Fiscal 2022

- Number of attendees: 2,974
- Number of attendees at Group companies including overseas subsidiaries: 1,795
- Participation rate: 100%

Whistleblower System

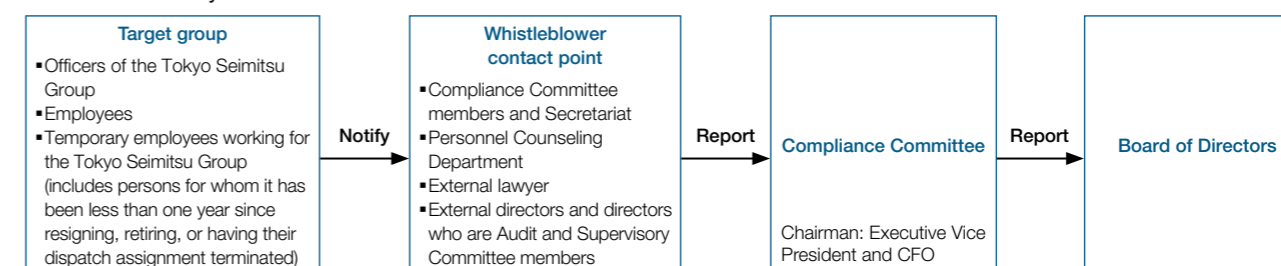
The Group has introduced a whistleblower system to facilitate reporting and consultation on infractions of laws and regulations, human rights violations, harassment, corrupt practices such as bribery and other illegal transactions, and other inappropriate behavior. In addition to an employee's superior, the organization provides various internal and external contacts, including Compliance Committee members, the Secretariat, the Personnel Counseling Department, external lawyers, external directors, and directors serving as Audit and Supervisory Committee members. We ensure the anonymity and protection of privacy of whistleblowers, and take care to prevent them from disadvantageous treatment. The content and handling of whistleblower reports are reported and deliberated in Compliance Committee meetings.

In August 2022, Whistleblower System Regulations were revised as follows.

- Expanded the scope of whistleblowers in line with the Whistleblower Protection Act
- Clarified that anonymous reports will not be accepted or rejected based on the fact that they are anonymous
- Revision made which requires the whistleblower contact as well as all parties involved in the investigation to keep matters confidential
- Clarified the prohibition of the provision of false information, slander, or other improper actions by persons requested to cooperate in the investigation

In fiscal 2022, although there were eight whistleblowing cases, there were no compliance issues affecting our business activities.

Whistleblower System



Actions That Can be Reported or Consulted on

- Any action that endangers the safety or health of employees, business partners, or other stakeholders
- Actions that cause deterioration or destruction of the local environment, etc.
- Actions that cause serious violations of the Company's Code of Conduct, compliance regulations, employment regulations, or other Company rules
- Various types of harassment
- Other violations of laws and regulations, inappropriate acts, or acts contrary to social justice
- Concealment, destruction of evidence, or leakage of information, related to any of the acts listed in the preceding items

Compliance Status

In fiscal 2022, evaluations conducted through internal and external audits found no illegal behavior, legal violations, compliance violations, or other problems that could affect business activities, with regard to adequacy of financial reporting, prod-

uct quality and environmental initiatives, handling of stakeholders inside and outside the Company, and other matters of the Tokyo Seimitsu Group.

The Tokyo Seimitsu Group has established Risk Management Regulations and a Risk Management Committee, which is headed by the president and COO, to identify and manage risks associated with business execution. Systems are in place to prevent potential risks from manifesting themselves and to prepare for crises. If a risk manifests itself, a Risk Response Team headed by the president and COO is immediately established to respond to that risk and take action to quickly settle the situation.

Risk Management Policy

1. The Tokyo Seimitsu Group strives to prevent the occurrence of potential risks. If any risk has become apparent, President & CEO and all employees work in unison to take prompt and prudent action.
2. If any risk has become apparent, priority is given to protection and saving of human life.

Risk Management Policy and Risk Topics

https://www.accretech.com/en/sustainability/esg/risk_management.html

Risk Management System

Risk Management Committee

Committee Chairman: Representative Director and COO

Members : Committee Chairman, Audit and Supervisory Committee members, Managing Directors, Managing Executive Officers, senior management, group leaders, directors of subsidiaries, department heads, section chiefs, and advisers

Risk Items and Content

The following risks are assumed to be the risks surrounding the business.

1. Risks of occurrence of natural disasters and sudden events (earthquake, fire, storm and flood damage, terrorism, etc.)
2. Risks caused by economic and financial market trends (business trends, fluctuation of currency rates, etc.)
3. Risks caused by changes in customer investment trends (changes in semiconductor industry, automotive industry, etc.)
4. Risks caused by competitor and industry trends (price competition, development competition, intellectual property rights, etc.)
5. Risks concerning public regulations, policies, and taxation (country risk, etc.)
6. Risks concerning human resources (industrial accident, unexpected incident or accident, etc.)
7. Risks concerning capital providers (changes in share ownership, etc.)
8. Risks concerning IT systems (IT system failure, etc.)
9. Risks concerning the quality of products and services
10. Other risks associated with business execution

Business Continuity Plan

The Group has formulated a business continuity policy that places the highest priority on confirming and ensuring the safety of employees and their families, maintaining the supply of parts and materials necessary for customers to continue operations, and protecting human life and conducting rescue and recovery activities in the region. We review and adjust the Company's business continuity plan (BCP) and plant BCPs on this basis. In fiscal 2022, as in the previous year, we continued to analyze assumptions of damage and vulnerabilities of current countermeasures in the event of a threat to each company and plant. Taking changes in the external environment into account, we reviewed and detailed BCPs and manuals from a practical standpoint, as well as measures to ensure the continuity of product supply and service provision, in addition to seismic reinforcement measures at the level of each department, including general affairs, production management, manufacturing, and IT.

FY2022 BCP Performance

- Reinforced buildings and equipment > Seismic reinforcement work in FY2022: Hachioji ACCT Tower
- Diversified suppliers of maintenance parts and consumables for semiconductor manufacturing equipment
- Established a customer allocation plan for in-house inventory in the event of a disaster for measuring equipment maintenance parts
- Conducted annual DR (Disaster Recovery)* test of the ERP system
- Performed management of stockpiles and storage at each plant in accordance with rules for managing stockpiles in the event of a major disaster
- The Hachioji Plant has stockpiles sufficient to supply 1,583 people for three days. The Tsuchiura Plant had quantities sufficient for 30 people for two days.

* DR (Disaster Recovery): Refers to the ability to mitigate damage, maintain functions, or recover and restore an information system that is seriously damaged by a natural disaster or other events. It also refers to the facilities, systems, and measures that are in place to prepare for such a situation

Safety Confirmation System

We have introduced a Safety Confirmation System for confirming people's safety via mobile phones and smartphones following a disaster or accident. We explain the system to new employees and enforce early registration. We carry out operation drills twice a year (in June and December) to confirm the

system's effectiveness and to raise awareness of the system among all employees, and use the drill results to perform reviews and disseminate information. In fiscal 2022, we continued to collect final response rate and elapsed time data, and implemented measures for improvement.

Information Security

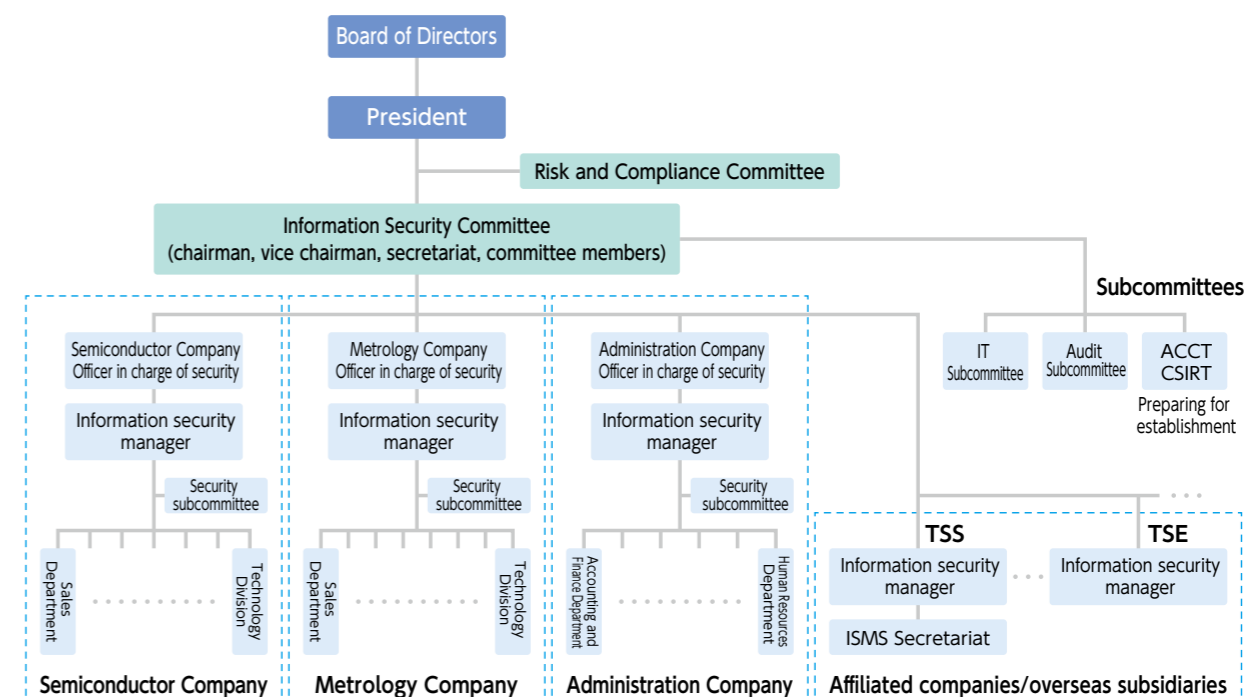
We believe that it is our responsibility to protect the information assets entrusted to us by our important customers and business partners as well as our own information assets. Accordingly, we have established the Information Security Policy as a guideline for information protection. In response to increasingly complex and sophisticated cyber-attacks in recent years, we are working to strengthen security for information assets, prevent leaks of confidential company information and personal

information due to the expansion of the scope of traditional activities, including remote work (working from home), and provide education to improve individual employee literacy. In fiscal 2021, we restructured the Information Security Subcommittee, assigning a Director in Charge of Security, a Security Manager, and a Security Subcommittee to each company. Group (consolidated) companies also participate on the committee and work together to implement security measures.

Information Security Targets and Results

	Target	Result
Number of regular information exchange meetings on information security	18 times	42 times
Number of serious incidents	0 incidents	0 incidents
Proper management of personal information, number of serious personal information leaks	0 incidents	0 incidents
Participation in security-related seminars	Twice per year	Twice per year
Provision of specialized security-related training	Twice per year	Three times per year
Information security training participation rate	98% or higher	99%

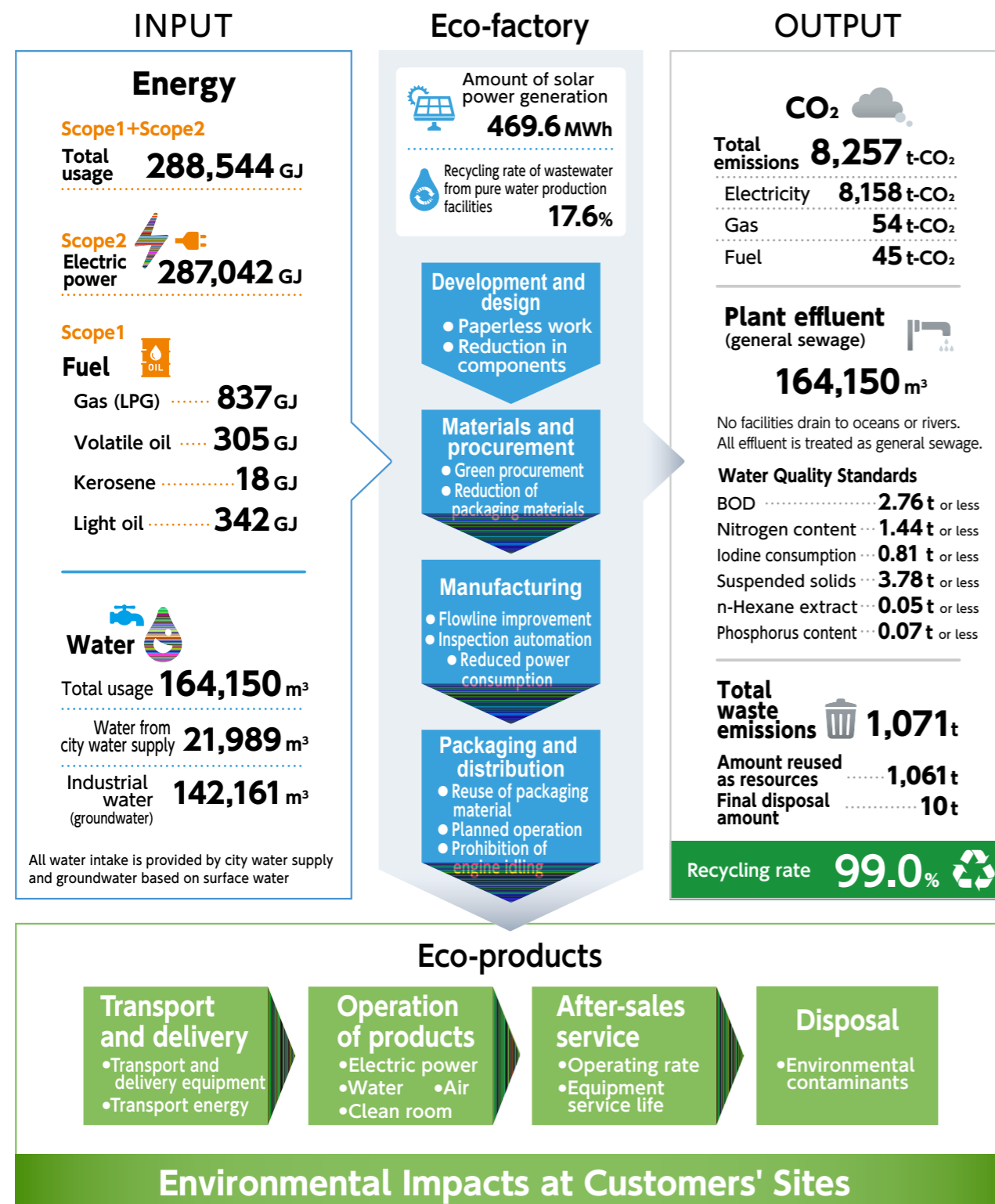
Information Security System Chart



Environment

Overview of Environmental Impact in Fiscal 2022 (Locations Covered: Hachioji Plant and Tsuchiura Plant)

Tokyo Seimitsu's Environmental Impact



Energy Usage

	FY2018	FY2019	FY2020	FY2021	FY2022
Total energy use (Scope1 and Scope2)	—	248,272 GJ	281,133 GJ	289,397 GJ	288,544 GJ
Scope1					
Gas (LPG)	—	352 GJ	706 GJ	866 GJ	837 GJ
Volatile oil	—	654 GJ	425 GJ	495 GJ	305 GJ
Kerosene	—	8 GJ	1 GJ	26 GJ	18 GJ
Light oil	—	98 GJ	71 GJ	119 GJ	342 GJ
Scope2					
Electricity	—	247,160 GJ	279,930 GJ	287,891 GJ	287,042 GJ
	25,765 MWh	25,448 MWh	28,843 MWh	29,835 MWh	29,546 MWh

CO₂ Emissions

	FY2018	FY2019	FY2020	FY2021	FY2022
Total CO ₂ emissions (Scope1 and Scope2)	12,312 t-CO ₂	11,982 t-CO ₂	9,524 t-CO ₂	8,191 t-CO ₂	8,257 t-CO ₂
CO ₂ emissions production volume intensity (Scope1 and Scope2)	0.160 (t-CO ₂ /million yen)	0.191 (t-CO ₂ /million yen)	0.129 (t-CO ₂ /million yen)	0.080 (t-CO ₂ /million yen)	0.074 (t-CO ₂ /million yen)
Details					
Gas	21 t-CO ₂	21 t-CO ₂	42 t-CO ₂	51 t-CO ₂	54 t-CO ₂
Fuel	65 t-CO ₂	51 t-CO ₂	33 t-CO ₂	43 t-CO ₂	45 t-CO ₂
Electricity	12,226 t-CO ₂	11,910 t-CO ₂	9,449 t-CO ₂	8,097 t-CO ₂	8,158 t-CO ₂

Scope1: Direct GHG emissions by the Company (emissions from fuel combustion, on-site power generation, and industrial processes)

Scope2: Indirect emissions resulting from the use of electricity and heat supplied by other companies (e.g. emissions associated with electricity purchased from electric power companies)

Power Generation

	FY2018	FY2019	FY2020	FY2021	FY2022
Solar power generation	450.1 MWh	427.5 MWh	469.5 MWh	494.2 MWh	469.6 MWh

Water Usage

	FY2018	FY2019	FY2020	FY2021	FY2022
Total water usage	157,375 m³	171,706 m³	169,873 m³	163,662 m³	164,150 m³
City water supply	22,484 m³	26,062 m³	20,818 m³	22,144 m³	21,989 m³
Industrial water (groundwater)	134,891 m³	145,644 m³	149,055 m³	141,518 m³	142,161 m³
Production volume intensity	2.05 (m³/million yen)	2.74 (m³/million yen)	2.29 (m³/million yen)	1.61 (m³/million yen)	1.48 (m³/million yen)

Note: All of the water we use is from the city water and groundwater based on surface water

Wastewater

	FY2018	FY2019	FY2020	FY2021	FY2022
Industrial wastewater (general sewage)	157,375 m³	171,706 m³	169,873 m³	163,662 m³	164,150 m³
Water Quality Standards					
BOD	—	Below 3.55 t	Below 2.75 t	Below 1.87 t	Below 2.76 t
Nitrogen content	—	Below 1.53 t	Below 1.31 t	Below 1.34 t	Below 1.44 t
Iodine consumption	—	Below 0.71 t	Below 0.71 t	Below 0.82 t	Below 0.81 t
Suspended solids	—	Below 5.87 t	Below 5.49 t	Below 3.21 t	Below 3.78 t
Amount of n-Hexane extract	—	Below 0.13 t	Below 0.02 t	Below 0.02 t	Below 0.05 t
Phosphorus content	—	Below 0.09 t	Below 0.06 t	Below 0.06 t	Below 0.07 t

Note: All effluent is treated as general sewage.

■ Water Recycling

	FY2018	FY2019	FY2020	FY2021	FY2022
Water recycling rate from pure water production facilities	16.1%	16.3%	17.2%	17.2%	17.6%

■ Paper Usage

	FY2018	FY2019	FY2020	FY2021	FY2022
Paper purchasing volume	30,800 kg	27,766 kg	28,622 kg	34,234 kg	34,489 kg
Production volume intensity	0.401 (kg/million yen)	0.444 (kg/million yen)	0.386 (kg/million yen)	0.337 (kg/million yen)	0.310 (kg/million yen)

■ Waste Emissions

	FY2018	FY2019	FY2020	FY2021	FY2022
Total waste emissions	1,010 t	905 t	871 t	989 t	1,071 t
Metal scraps	—	—	—	30.5%	26.7%
Waste paper	—	—	—	22.1%	21.3%
Waste woods	—	—	—	9.1%	12.2%
Glass wastes	—	—	—	6.9%	10.6%
Plastic wastes	—	—	—	9.7%	8.2%
Wood scraps	—	—	—	9.9%	6.8%
Waste liquids	—	—	—	5.8%	6.0%
Sludge	—	—	—	3.7%	3.3%
General industrial wastes	—	—	—	0.9%	0.8%
Non-combustible waste	—	—	—	0.3%	0.6%
Wire scraps and office appliances	—	—	—	1.2%	1.0%
Amount reused as resources	999 t	893 t	858 t	975 t	1,061 t
Final disposal amount	11 t	12 t	13 t	14 t	10 t
Recycling rate	99.0%	98.6%	98.5%	98.5%	99.0%

Society

■ Consolidated Employee Overview (Data Provided Current as of March 31 of the Relevant Fiscal Year)

■ Number of Employees

(Unit: persons)

	FY2018	FY2019	FY2020	FY2021	FY2022
Total number of employees	3,099	3,230	3,289	3,477	3,726
Total number of regular employees	2,119	2,250	2,293	2,354	2,468
Number of regular employees by region	Japan	1,466	1,572	1,584	1,634
	Other countries in Asia	551	575	583	592
	Europe	66	67	72	78
	North America/South America	36	36	54	50
Number of regular employees by industry sector	Semiconductor manufacturing equipment	1,112	1,146	1,240	1,304
	Measuring instruments	866	935	881	880
	Regular employees who work for both the Semiconductor Company and Metrology Company	141	169	172	170
					189
Total number of non-regular employees	980	980	996	1,123	1,258
Tokyo Seimitsu Co., Ltd. (non-consolidated basis)	1,488	1,522	1,555	1,704	1,837
Number of regular employees	868	912	944	922	1,054
Number of non-regular employees	620	610	611	712	783
Consolidated subsidiaries	1,611	1,708	1,734	1,773	1,889
Number of regular employees	1,251	1,338	1,349	1,432	1,414
Number of non-regular employees	360	370	385	411	475

Scope: Tokyo Seimitsu Group

■ Number of Employees by Employment Type (Japan)

(Unit: persons)

	FY2018	FY2019	FY2020	FY2021	FY2022
Total number of employees	2,453	2,531	2,582	2,765	2,898
Number of regular employees	1,466	1,572	1,584	1,634	1,718
Number of non-regular employees	987	959	998	1,131	1,180

Scope: Tokyo Seimitsu Co., Ltd., Tosei Engineering Corp., Tosei Systems Co., Ltd., Accretech Create Corp., Tosei Box Corp., and Accretech Powertro System Co., Ltd.

■ Female Managers

(Unit: persons)

	FY2018	FY2019	FY2020	FY2021	FY2022
Number of female managers	—	—	—	—	27
Percentage of female managers	—	—	—	—	5.9%
Number of female managers (Japan)	—	—	—	—	5
Percentage of female managers (Japan)	—	—	—	—	1.7%

Scope: Tokyo Seimitsu Group

Overview of Tokyo Seimitsu Co., Ltd. (Non-consolidated Basis)
(Data Provided Current as of March 31 of the Relevant Fiscal Year)

■ Composition of Regular Employees

	FY2018	FY2019	FY2020	FY2021	FY2022
Average age of regular employees	40.4	40.0	39.9	39.8	39.6
Average years of service for regular employees	11.6	11.2	11.2	11.1	11.1
Men	11.8	11.4	11.4	11.4	11.5
Women	7.9	7.8	7.8	7.5	7.3
Percentage of female regular employees	6.5%	6.4%	6.4%	7.4%	8.5%

■ Female Managers

	FY2018	FY2019	FY2020	FY2021	FY2022
Percentage of female managers	1.6%	1.5%	1.5%	1.9%	2.4%

■ Recruitment/Employment Data

(Unit: persons)

	FY2018	FY2019	FY2020	FY2021	FY2022
Total number of new graduates recruited as regular employees	44	57	43	44	56
Men	37	49	40	34	45
Women	7	8	3	10	11
Percentage of females	15.9%	14.0%	7.0%	22.7%	19.6%
Total number of mid-career hires serving as regular employees(including those who were promoted to become regular employees)	46	40	39	50	59
Men	43	39	37	44	49
Women	3	1	2	6	10
Percentage of females	6.5%	2.5%	5.1%	12.0%	16.9%

■ Regular Employee Retention and Turnover

	FY2018	FY2019	FY2020	FY2021	FY2022
New graduate retention rate (three years after entering the Company)	96.4%	80.0%	90.9%	87.7%	88.4%
Number of employees who left the Company	24	45	33	43	42
Turnover rate	2.7%	4.6%	3.3%	4.1%	3.7%

■ Employment of Persons with Disabilities

	FY2018	FY2019	FY2020	FY2021	FY2022	2023
Employment rate*	1.92%	2.04%	1.94%	1.95%	2.07%	2.17%

* Data depicted in the table are current as of June 1 of each year. The Act to Facilitate the Employment of Persons with Disabilities stipulates that employment of one individual with a serious disability is equivalent to employing two less severely disabled individuals for purposes of calculating the number of associates with disabilities and percentage of employment.

■ Re-Employment System

(Unit: persons)

	FY2018	FY2019	FY2020	FY2021	FY2022
Number of system users	13	11	7	10	20
Men	13	11	7	10	20
Women	0	0	0	0	0
Re-employment rate (annual)	81.3%	68.8%	58.3%	71.4%	69.0%

■ Annual Paid Leave

	FY2018	FY2019	FY2020	FY2021	FY2022
Acquisition rate	66.0%	73.1%	65.9%	69.8%	76.7%
Rate of taking five or more days of annual paid leave	—	100%	100%	100%	100%
Average number of days of leave taken	12.3	13.6	12.2	13.1	14.5

■ Refreshment Leave

(Unit: persons)

	FY2018	FY2019	FY2020	FY2021	FY2022
Number of employees taking refreshment leave	21	7	6	14	34
Men	20	7	6	13	33
Women	1	0	0	1	1

■ Childcare Leave/Short-Term Childcare Leave

(Unit: persons)

	FY2018	FY2019	FY2020	FY2021	FY2022
Number of employees taking childcare leave	3	0	5	5	12
Men	0	0	3	5	10
Women	3	0	2	0	2
Number of employees eligible to take childcare leave	28	23	34	26	28
Men	25	23	32	26	26
Women	3	0	2	0	2
Childcare leave acquisition rate	10.7%	0.0%	14.7%	19.2%	42.9%
Men	0.0%	0.0%	9.4%	19.2%	38.5%
Women	100%	None eligible	100%	None eligible	100%
Number of employees who return to work after taking childcare leave	3	3	2	7	10
Men	0	0	2	6	9
Women	3	3	0	1	1
Percentage of employees who return to work after taking childcare leave	100%	100%	100%	100%	100%
Percentage of employees taking childcare leave system that remain in the Company after returning from leave	66.7%	66.7%	100%	85.7%	100%
Number of employees taking short-term child-nursing leave	4	4	4	7	11
Men	0	0	0	1	4
Women	4	4	4	6	7

■ Nursing Care Leave/Short-Term Nursing Care Leave

(Unit: persons)

	FY2018	FY2019	FY2020	FY2021	FY2022
Number of employees taking nursing care leave	0	0	1	0	0
Men	0	0	1	0	0
Women	0	0	0	0	0
Number of employees taking short-term nursing care leave	2	1	1	4	9
Men	0	0	0	0	3
Women	2	1	1	4	6

■ Employee Education/Training

	FY2018	FY2019	FY2020	FY2021	FY2022
Total training hours	—	—	3385.1	6445.9	9938.7
Average number of training hours per person	—	—	3.6	7.0	9.4
Education investment per person (yen)	—	—	22,432.3	29,415.3	35,576.5

Safety

Frequency Rate for Accidents Resulting in Leave

	FY2018	FY2019	FY2020	FY2021	FY2022
Average for manufacturing companies in Japan	1.20	1.20	1.21	1.31	1.25
Tokyo Seimitsu Co., Ltd. (non-consolidated basis)	0.00	0.71	0.00	0.53	0.26
Semiconductor Company	0.00	0.97	0.00	0.66	0.33
Metrology Company	0.00	0.00	0.00	0.00	0.00

Severity Rate for Accidents Resulting in Leave

	FY2018	FY2019	FY2020	FY2021	FY2022
Average for manufacturing companies in Japan	0.10	0.10	0.07	0.06	0.08
Tokyo Seimitsu Co., Ltd. (non-consolidated basis)	0.000	0.003	0.000	0.040	0.000
Semiconductor Company	0.000	0.004	0.000	0.050	0.000
Metrology Company	0.000	0.000	0.000	0.000	0.000

Governance

Governance

	FY2018	FY2019	FY2020	FY2021	FY2022
Total number of serious concerns reported to the Board of Directors	0	0	1	0	0
Total number of cases resulting in legal action due to anticompetitive behavior and antitrust violations in which the organization was found to be involved.	0	0	0	0	0
Expenditures for political organizations (yen)	0	0	0	0	0
Average number of years directors spend in office (years)	7.93	8.08	8.54	8.38	8.85
Average attendance rate of Meeting of Board of Directors (%)	99.16	100.00	99.57	100.00	99.55

Compliance

	FY2018	FY2019	FY2020	FY2021	FY2022
Ethical standards education and commitment follow through rate (%)	100.0	100.0	100.0	100.0	100.0
Percentage of agreements found to comply with information security protocols (%)	100.0	100.0	100.0	100.0	100.0
Total number of sanctions received by the organization for noncompliance with laws and regulations in the socioeconomic sector	0	0	0	0	0

Head Office / Hachioji Plant

- Location** : Hachioji City, Tokyo
- Business segment** : Semiconductor manufacturing equipment
- Facilities** : Production facilities, etc.
- Land** : 37,000 m²
- Number of employees** : 775 (as of March 31, 2023)
- Business overview** : Development, manufacture, and sale of semiconductor manufacturing equipment; provision of related services



*Cellular manufacturing: A manufacturing process which is divided into detailed divisions of labor, with one worker or a small team of workers building the product parts and assembling them to completion

Business Overview

Tokyo Seimitsu introduced an in-house company system in April 2002 and operates three companies: The Semiconductor Company, Metrology Company, and Administration Company. The Hachioji Plant is the home of the Semiconductor Company, which develops and manufactures semiconductor manufacturing equipment, and the Administration Company, which is in charge of administration departments.

The plant was established in 1963 in the Kita-Hachioji Industrial Park (Ishikawa Industrial Park) located in the northeastern part of Hachioji City, Tokyo. The production base for semiconductor manufacturing equipment was gradually moved from Mitaka, where the company was founded, to Hachioji. After the completion of the first plant, the symbol of the Hachioji Plant, the tallest building in the industrial park, known as the ACCT Tower, was completed. As of 2023, there were five plants within the main plant as a result of increasing our production capacity.

In the Semiconductor Manufacturing Equipment Business, we produce equipment for manufacturing semiconductors. We mainly manufacture back-end processing equipment, which are used in the latter half of the semiconductor manufacturing process, and have expanded into the conventional wafer manufacturing field as well as the testing, CMPs (chemical mechanical planarizers), and flaking fields, and are always working to develop the latest technologies.

The Hachioji Plant utilizes cellular manufacturing* for production in order to provide equipment tailored to each customer's needs. We also have an application center within the plant for training and customer problem-solving, and have a service structure in place.

At the plant, we are actively engaged in the installation of solar panels, water reuse, and recycling of renewable resources, aiming to create an environmentally-friendly plant.

Tsuchiura Plant

- Location** : Tsuchiura City, Ibaraki
- Business segment** : Precision measuring instruments
- Facilities** : Production facilities, etc.
- Land** : 17,000 m²
- Number of employees** : 179 (as of March 31, 2023)
- Business overview** : Development, manufacture, and sale of precision measuring instruments; provision of related services



Business Overview

The Tsuchiura Plant is the home of the Metrology Company, which develops and manufactures precision measuring instruments, and Tosei Systems, a Group company that develops system software for those products.

The Tsuchiura Plant was established in 1969 in Tsuchiura City, Ibaraki. As of 2023, four plants comprised the main plant.

In the Precision Measuring Instrument Business, we provide high-precision measuring instruments used in measuring rooms and machining tooling lines in various industries around the world, including the automotive, heavy duty equipment, and aircraft industries, for which we have received high praise from our customers. We are constantly developing products to meet the latest needs, such as improving resistance to environmental factors, creating smaller footprints, and automating operations.

The Company is characterized by the fact that it completes all processes, from development to manufacturing of a single product, at the same site, and this is also the case at the Tsuchiura Plant. There is also a Metrology Center within the plant for training and customer problem-solving, and it has a service structure in place.

We contribute to the development of manufacturing that requires advanced measurement technology, such as automobile, aircraft, medical, and energy industries, which are indispensable for our lives.

Introduction to Group Companies

Here we introduce companies affiliated with the Tokyo Seimitsu Group.

Tosei Engineering Corp.

Company Profile

- **Date of establishment**: April 15, 1969
 - **Head office**: 4-6 Higashinakanuki-machi, Tsuchiura-shi, Ibaraki
 - **Representative**: Katsushi Goto
 - **Net sales**: 16,143 million yen (FY2022/3)
 - **Number of employees**: 589 (as of March 31, 2022)
- Note: Excludes our employees stationed to other companies; includes employees of other companies stationed at our companies.
- **URL**: <https://www.toseieng.co.jp/component/en/>
 - **Bases**: Head office, 4 plants and 13 service bases in Japan, 3 plants and 7 bases overseas



Business Overview

Tosei Engineering, a wholly owned consolidated subsidiary of Tokyo Seimitsu, services Tokyo Seimitsu's measurement products, develops and manufactures automatic and labor-saving measurement equipment, and develops and manufactures semiconductor manufacturing equipment. The company has three main businesses: the automatic measurement, semiconductor manufacturing equipment, and service businesses. In the automatic measurement business, it provides automatic measuring instruments for automobile and home appliance production lines. In the semiconductor manufacturing equipment business, the company develops and manufactures wafer chamfering machines and other equipment. In the service business, the company calibrates, repairs, and maintains measuring instruments, and has established a network of industry-leading service bases. Since its founding, Tosei Engineering has helped to address customers' issues by providing various precision instruments and servicing measuring instruments based on the idea of "No measurement, no manufacturing". To deliver safe and reliable products to all its customers, the company works to realize a sustainable society that respects people and the global environment, including by reducing its impact on the environment. In May 2020, Tosei Engineering established an integrated management system and obtained certification under both ISO 9001 and ISO 14001 at the Kandatsu Plant, which functions as the head office. In May 2022, Tosei Engineering's Niigata Plant obtained both certifications, and in fiscal 2023, the Nagoya Plant was certified (acquired in May). All three of these plants are strengthening continuous improvement through the management system. The company contributes to the local community and meets the needs of its customers by balancing environmental conservation with product safety and high quality. Tosei Engineering also engages actively in companywide occupational health and safety activities aimed at maintaining a healthy and comfortable work environment and promoting a more sustainable workplace.

Tosei Box Corp.

Company Profile

- **Date of establishment**: September 1, 2001
- **Head office**: 1-22-17 Akebono-cho, Tachikawa-shi, Tokyo
- **Representative**: Shuichi Yako, President
- **Net Sales**: 1,329 million yen (FY2023/3)
- **Number of employees**: 47 (as of March 31, 2023)
- **URL**: <https://www.toseibox.com>
- **Bases**: 4 bases in Japan, 0 bases overseas



Business Overview

Tosei Box is a Tokyo Seimitsu Group company that manufactures, sells, and provides services for delivery lockers. In the logistics industry, a shortage of truck drivers is expected due to the application of restrictions on overtime work, so it is essential for logistic companies to improve delivery efficiency. Although the number of parcel deliveries will continue to increase, preventing re-delivery will reduce the burden on delivery staff as well as CO₂ emissions. In addition, in consideration of the impact of COVID-19 and security, an increasing number of customers are avoiding in-person pickups, one of the many new types of demands for delivery lockers. Therefore, we believe that the popularization of delivery lockers serves as a business that contributes greatly to society, and offer a variety of types to make it easier for customers to install them. Now customers have many delivery locker options available, such as non-contact IC card-based access, facial recognition-based access, vein recognition-based access, e-mail notifications, and other functions as well as color and stainless steel specifications in order to match delivery lockers with entrances. As a Tokyo Seimitsu Group company, we will create a healthy and safe work environment through employee education such as e-learning-based Code of Conduct education, business improvement, etc., share the social significance of our business with all employees, and contribute to the creation of a sustainable environment and society.

Tosei Systems Co., Ltd.

Company Profile

- **Date of establishment**: October 1, 1985
- **Head office**: 2968-2 Ishikawa-machi, Hachioji-shi, Tokyo (inside Tokyo Seimitsu Plant)
- **Representative**: Koichi Kawamura, President
- **Net sales**: 3,347 million yen (FY2022/3)
- **Number of employees**: 157 (as of March 31, 2023)
- **URL**: <https://www.toseisystems.co.jp/>
- **Bases**: 2 bases in Japan, 0 bases overseas



Business Overview

Tosei Systems is a Tokyo Seimitsu Group company that supports Tokyo Seimitsu's product development in the software field. Tosei Systems contributes to high-quality and safe manufacturing by developing embedded software that controls equipment and Windows applications incidental to equipment, mainly for Tokyo Seimitsu's semiconductor manufacturing equipment and measuring equipment, as well as the products of affiliated companies. The company is also involved in the development and operational support of core systems (ERP) and is responsible for the overall software operations of the Tokyo Seimitsu Group, helping to ensure its security by contributing to the maintenance and management of the system. In order to secure human resources to perform the wide range of tasks that support Tokyo Seimitsu, we are considering the suitability of software and are recruiting new graduates and mid-career recruits regardless of type of undergraduate degree or their gender. At the same time, we aim to maintain ongoing relationships with schools and laboratories to acquire human resources for highly challenging tasks, such as software development for high-precision equipment. Tosei Systems focuses on training new graduates, starting with a mentor system to follow up on job offers. This is followed by three months of training, including outside training, after new recruits join the company. In the last ten years, the employee turnover rate for the three years after joining the company has been zero. In addition, we aim to create a culture that encourages employees to take advantage of systems that support life events. This fiscal year, the maternity leave acquisition rate was 100%. Most recently, we conducted training on the prevention pregnancy discrimination, discrimination against fathers who take paternal leave, and discrimination against employees who take nursing care leave designed for managers, deepening their understanding regarding preparing employees and workplaces so that leave can be taken.

Accretech Powertro System

Company Profile

- **Date of establishment**: October 1, 1999
- **Head office**: 50 Osaku, Matsukawa, Furudono-machi, Ishikawagun, Fukushima
- **Representative**: Masahiro Tomoeda, President
- **Net sales**: 1,373 million yen (FY2023/3)
- **Number of employees**: 76 (as of March 31, 2023)
- **URL**: <https://www.acct-powertro.jp/>
- **Bases**: 5 bases in Japan, 0 bases overseas



Business Overview

In recent years, climate change brought about by greenhouse gas emissions has become increasingly apparent, and natural disasters have been occurring frequently around the world. In particular, internal combustion engine automobiles and coal-fired thermal power generation are cited as generating large amounts of CO₂, and it is said that curbing these emissions is key to saving the global environment. It is important, therefore, that electric vehicles that do not generate CO₂ spread quickly, along with systems that store electricity from solar power generation. Lithium-ion and other rechargeable batteries are at the core of such systems. Accretech Powertro System's main business is the development and sales of charge/discharge testing systems (used for testing and evaluating rechargeable batteries), as well as the provision of battery evaluation contract services using its own equipment. Charge/discharge testing systems are used to evaluate battery characteristics, performance, and safety by performing charge/discharge tests under simulated real-world conditions (for example, for in-vehicle use under various driving conditions). Going forward, the company expects increasing demand for rechargeable batteries that are reasonably priced and that offer high performance, long life, and good safety. Accretech Powertro System believes its role lies in the evolution and development of such batteries, and the company intends to help maintain a sustainable global environment through its business.

GRI Standards Content Index

[Statement of use] Tokyo Seimitsu Group reports the information listed in the content index in accordance with the GRI Standards for the period April 1, 2022 to March 31, 2023.

[GRI 1 used] GRI1: Foundation 2021

GRI Standards	Disclosures	References
General Disclosures 2021		
1. The organization and its reporting practices		
2-1	Organizational details	Company Profile (P74) Securities report (PDF)
2-2	Entities included in the organization's sustainability reporting	Editorial Policy (P75)
2-3	Reporting period, frequency, and contact point	Editorial Policy (P75) Back cover
2-4	Restatements of information	Securities report (PDF)
2-5	External assurance	—
2. Activities and workers		
2-6	Activities, value chain, and other business relationships	Securities report (PDF)
2-7	Employees	Consolidated Employee Overview (P63)
2-8	Workers who are not employees	—
3. Governance		
2-9	Governance structure and composition	Corporate Governance (P50)
2-10	Nomination and selection of the highest governance body	Diversity of the Board of Directors (P53) Corporate Governance Report (PDF)
2-11	Chair of the highest governance body	Board of Directors (P51)
2-12	Role of the highest governance body in overseeing the management of impacts	Sustainability Promotion Structure (P12) Stakeholder Engagement (P14-17) Board of Directors (P51)
2-13	Delegation of responsibility for managing impacts	—
2-14	Role of the highest governance body in sustainability reporting	Board of Directors (P51)
2-15	Conflicts of interest	Related Party Transactions, Etc. (P54)
2-16	Communication of critical concerns	Whistleblower System (P57)
2-17	Collective knowledge of the highest governance body	Constitution of the Board of Directors (Skills Matrix) (P53)
2-18	Evaluation of the performance of the highest governance body	Assessing the Effectiveness of the Board of Directors (P55)
2-19	Remuneration policies	Director Compensation (P54) Corporate Governance Report (PDF)
2-20	Process to determine remuneration	Process for Determining Compensation (P54)
2-21	Annual total compensation ratio	—
4. Strategy, policies and practices		
2-22	Statement on sustainable development strategy	Message from CEO (P6) Message from COO (P8)
2-23	Policy commitments	Message from CEO (P6) Message from COO (P8) Tokyo Seimitsu Group Human Rights Policy (P30)
2-24	Embedding policy commitments	—
2-25	Processes to remediate negative impacts	Tokyo Seimitsu Group Human Rights Policy (P30) Whistleblower System (P57)
2-26	Mechanisms for seeking advice and raising concerns	Whistleblower System (P57)
2-27	Compliance with laws and regulations	Compliance Status (P57)
2-28	Membership associations	Participation in Industry Groups (P16)
5. Stakeholder engagement		
2-29	Approach to stakeholder engagement	Stakeholder Engagement (P14)
2-30	Collective bargaining agreements	Consideration of Human Rights and Compliance with Labor-related Laws and Regulations (P31)

Economy

GRI Standards	Disclosures	References
GRI 201: Economic Performance 2016		
201-1	Direct economic value generated and distributed	Securities report (PDF)
201-2	Financial implications and other risks and opportunities due to climate change	TCFD Response (P22-23)
201-3	Defined benefit plan obligations and other retirement plans	Securities report (PDF)
201-4	Financial assistance received from government	—
202: Market Presence 2016		
202-1	Ratios of standard entry level employee wage by gender compared to local minimum wage	—
202-2	Proportion of senior management hired from the local community	—
GRI 203: Indirect Economic Impacts 2016		
203-1	Infrastructure investments and services supported	Social Contribution (P48)
203-2	Significant indirect economic impacts	—
GRI 204: Procurement Practices 2016		
204-1	Proportion of spending on local suppliers	—
GRI 205: Anti-corruption 2016		
205-1	Operations assessed for risks related to corruption	—
205-2	Communication and training on anti-corruption policies and procedures	Compliance (P56-57)
205-3	Confirmed incidents of corruption and actions taken	—
GRI206: Anti-competitive Behavior 2016		
206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	Governance (P66)
GRI207: Tax 2019		
207-1	Approach to tax	—
207-2	Tax governance, control, and risk management	—
207-3	Stakeholder engagement and management of concerns related to tax	—
207-4	Country-by-country reporting	—

Environment

GRI Standards	Disclosures	References
GRI301: Materials 2016		
301-1	Materials used by weight or volume	—
301-2	Recycled input materials used	—
301-3	Reclaimed products and their packaging materials	—
GRI302: Energy 2016		
302-1	Energy consumption within the organization	Tokyo Seimitsu's Environmental Impact (P60) Energy Usage (P61)
302-2	Energy consumption outside of the organization	—
302-3	Energy intensity	—
302-4	Reduction of energy consumption	Climate Change (P20-21) TCFD Response > Indicators and Goals (P23) Tokyo Seimitsu's Environmental Impact (P60)
302-5	Reductions in energy requirements of products and services	Eco-products (Environmental Contribution through Products) (P20) Environmental Contribution through the Provision of Products (Eco-products) (P24-25)
GRI303: Water and Effluents 2018		
303-1	Interactions with water as a shared resource	Water Resources (P27)
303-2	Management of water discharge-related impacts	Water Resources (P27) Chemical Substances Control (P28) Tokyo Seimitsu's Environmental Impact (P60) Wastewater (P61)
303-3	Water withdrawal	Water Resources (P27) Tokyo Seimitsu's Environmental Impact (P60) Water Usage (P61)
303-4	Water discharge	Water Resources (P27) Chemical Substances Control (P28) Tokyo Seimitsu's Environmental Impact (P60) Wastewater (P61)
303-5	Water consumption	Water Resources (P27) Tokyo Seimitsu's Environmental Impact (P60) Water Usage (P61)

GRI Standards	Disclosures	References
GRI304: Biodiversity 2016		
304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	—
304-2	Significant impacts of activities, products, and services on biodiversity	—
304-3	Habitats protected or restored	—
304-4	IUCN Red List species and national conservation list species with habitats in areas affected by operations	—
GRI305: Emissions 2016		
305-1	Direct (Scope1) GHG emissions	Climate Change (P20) Tokyo Seimitsu's Environmental Impact (P60) CO ₂ Emissions (P61)
305-2	Energy indirect (Scope2) GHG emissions	Climate Change (P20) Tokyo Seimitsu's Environmental Impact (P60) CO ₂ Emissions (P61)
305-3	Other indirect (Scope3) GHG emissions	—
305-4	GHG emissions intensity	Climate Change > CO ₂ Emissions (P20) TCFD Response > Indicators and Goals (P23) Data > CO ₂ Emissions (P61)
305-5	Reduction of GHG emissions	Eco-Factory (environmentally-friendly factories) (P20) Management of Environmental Impact on the Atmosphere (P21) TCFD Response > Indicators and Goals (P23)
305-6	Emissions of ozone-depleting substances (ODS)	—
305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	Chemical Substances Control (P28)
GRI306: Waste 2020		
306-1	Waste generation and significant waste-related impacts	Resource Recycling and Waste Reduction (P26) Tokyo Seimitsu's Environmental Impact (P60)
306-2	Management of significant waste-related impacts	Resource Recycling and Waste Reduction (P26)
306-3	Waste generated	Resource Recycling and Waste Reduction (P26) Tokyo Seimitsu's Environmental Impact (P60) Waste Emissions (P62)
306-4	Waste diverted from disposal	Resource Recycling and Waste Reduction (P26) Tokyo Seimitsu's Environmental Impact (P60) Waste Emissions (P62)
306-5	Waste directed to disposal	Resource Recycling and Waste Reduction (P26) Tokyo Seimitsu's Environmental Impact (P60) Waste Emissions (P62)
GRI308: Supplier Environmental Assessment 2016		
308-1	New suppliers that were screened using environmental criteria	—
308-2	Negative environmental impacts in the supply chain and actions taken	Supply Chain Management (P36-37)

■ Social

GRI Standards	Disclosures	References
GRI 401: Employment 2016		
401-1	New employee hires and employee turnover	Regular Employee Retention and Turnover (P64)
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Work-Life Balance > Result (P45)
401-3	Parental leave	Work-Life Balance > Result and Main Support Systems (P45) Childcare Leave/short-term child-nursing leave (P65)
GRI402: Labor/Management Relations 2016		
402-1	Minimum notice periods regarding operational changes	—
GRI403: Occupational Health and Safety 2018		
403-1	Occupational health and safety management system	Occupational Health and Safety (P38-41)
403-2	Hazard identification, risk assessment, and incident investigation	Risk Assessments at Work Sites (P39) Disaster and Accident Prevention and Handling of Chemicals and Chemical Substances (P41)
403-3	Occupational health services	—
403-4	Worker participation, consultation, and communication on occupational health and safety	Occupational Health and Safety > Promotion Structure (P39)

GRI Standards	Disclosures	References
403-5	Worker training on occupational health and safety	Occupational Health and Safety > Education and Training (P40)
403-6	Promotion of worker health	Health Management (P42-43)
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	—
403-8	Workers covered by an occupational health and safety management system	—
403-9	Work-related injuries	Occupational Accidents (P38) Safety (P66)
403-10	Work-related ill health	Occupational Accidents (P38) Health Checkups and Stress Level Check System (P42) Measures to Address Long Working Hours (P43)
GRI404: Training and Education 2016		
404-1	Average hours of training per year per employee	Human Resource Development > Education and Training (P46) Employee Education/Training (P65)
404-2	Programs for upgrading employee skills and transition assistance programs	Human Resource Development > Education and Training (P46) Self-Development Support System (P47) Re-Employment System for Retirees (P48)
404-3	Percentage of employees receiving regular performance and career development reviews	—
GRI405: Diversity and Equal Opportunity 2016		
405-1	Diversity of governance bodies and employees	Diversity of the Board of Directors (P53) Diversity & Inclusion > Result (P44)
405-2	Ratio of basic salary and remuneration of women to men	—
GRI406: Non-discrimination 2016		
406-1	Incidents of discrimination and corrective actions taken	—
GRI407: Freedom of Association and Collective Bargaining 2016		
407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	Human Rights Due Diligence (P31)
GRI408: Child Labor 2016		
408-1	Operations and suppliers at significant risk for incidents of child labor	Human Rights Due Diligence (P31)
GRI409: Forced or Compulsory Labor 2016		
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	Human Rights Due Diligence (P31)
GRI410: Security Practices 2016		
410-1	Security personnel trained in human rights policies or procedures	—
GRI411: Rights of Indigenous Peoples 2016		
411-1	Incidents of violations involving rights of indigenous peoples	—
GRI413: Local Communities 2016		
413-1	Operations with local community engagement, impact assessments, and development programs	Environment and Beautification (P48)
413-2	Operations with significant actual and potential negative impacts on local communities	—
GRI414: Supplier Social Assessment 2016		
414-1	New suppliers that were screened using social criteria	—
414-2	Negative social impacts in the supply chain and actions taken	Human Rights Due Diligence (P31)
GRI415: Public Policy 2016		
415-1	Political contributions	Compliance (P66)
GRI416: Customer Health and Safety 2016		
416-1	Assessment of the health and safety impacts of product and service categories	—
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	—
GRI417: Marketing and Labeling 2016		
417-1	Requirements for product and service information and labeling	Quality (P32-35)
417-2	Incidents of non-compliance concerning product and service information and labeling	—
417-3	Incidents of non-compliance concerning marketing communications	—
GRI418: Customer Privacy 2016		
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	Information Security (P59) Compliance (P66)

Company Profile

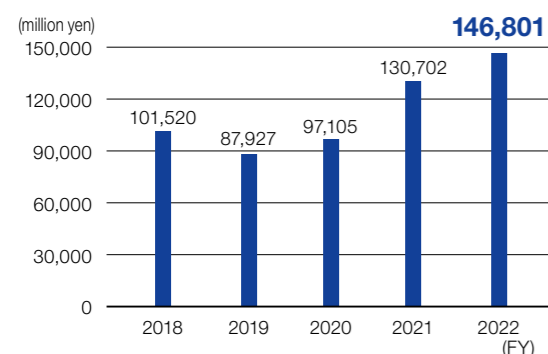
Company Information

Company name : Tokyo Seimitsu Co., Ltd.
 U R L : <https://www.accretech.com/en/>
 Head office : 2968-2 Ishikawa-machi, Hachioji-shi, Tokyo
 Established : March 28, 1949
 Paid-in capital : 11,064 million yen (as of March 31, 2023)

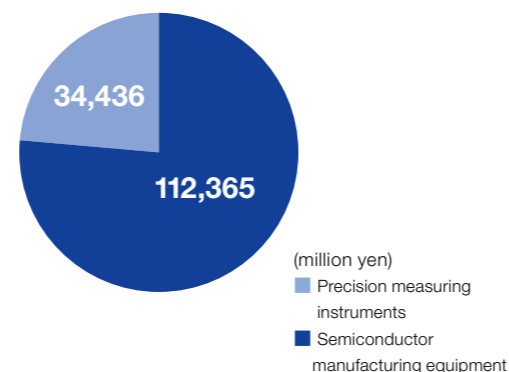
Number of employees: 1,054 (non-consolidated),
 2,468 (consolidated)
 (as of March 31, 2023)
 Major business lines: Manufacture and sales of semiconductor
 manufacturing equipment and precision
 measuring instruments

Financial Data

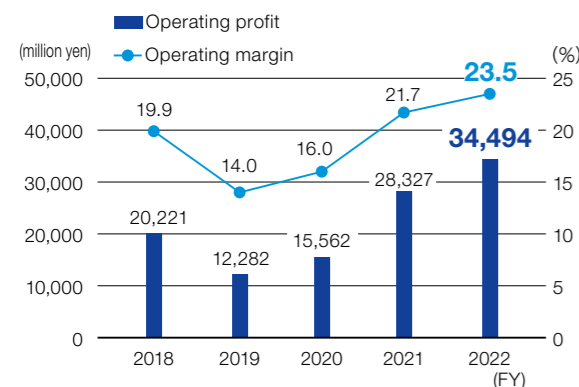
Net sales



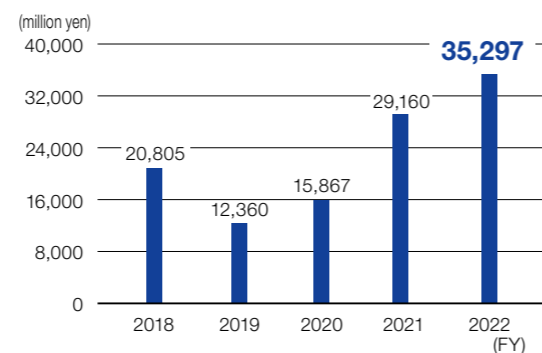
FY2022 net sales by business segment



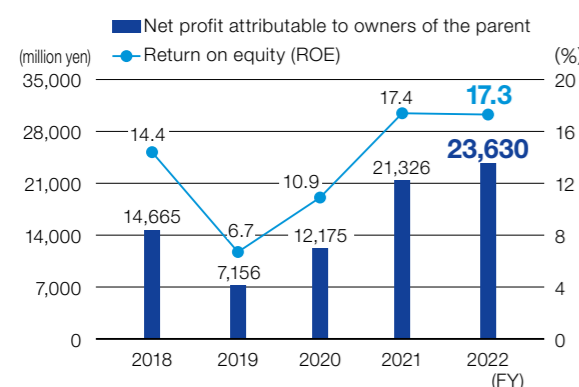
Operating profit & operating margin



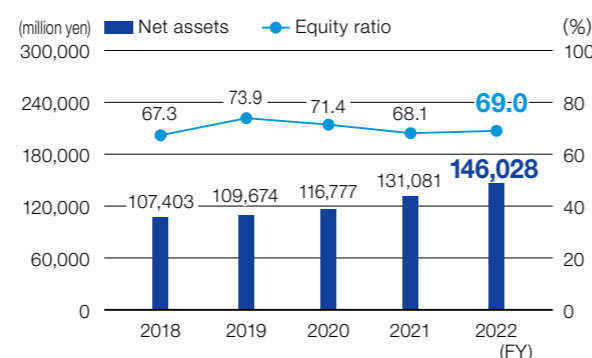
Recurring profit



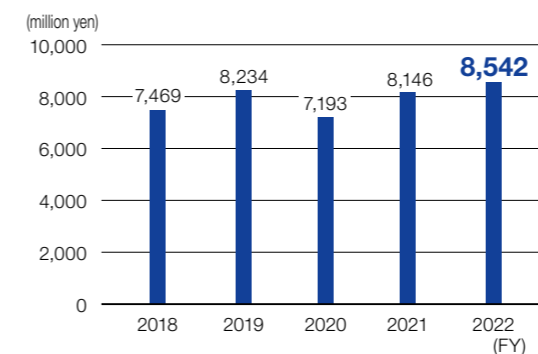
Net profit attributable to owners of the parent & return on equity (ROE)



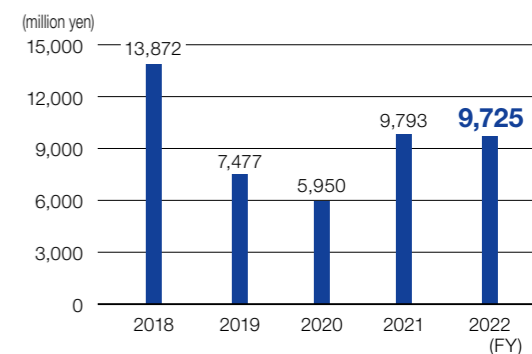
Net assets & equity ratio



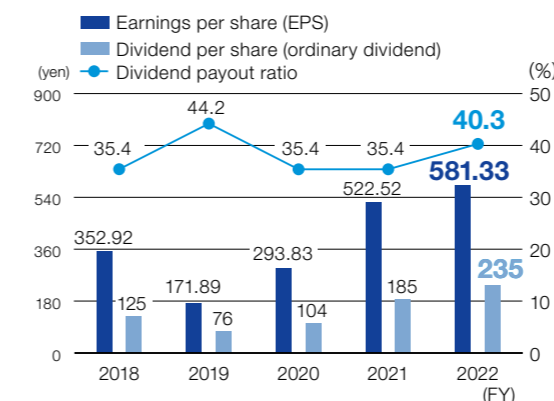
R&D expenditures



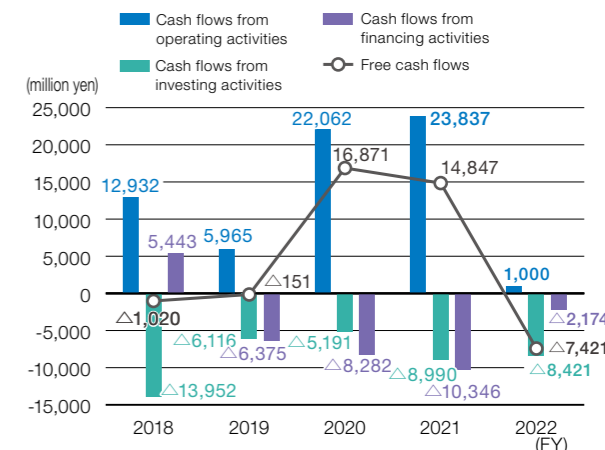
Capital expenditures



Net profits per share, dividend per share, dividend payout ratio



Cash flows



Editorial Policy

Tokyo Seimitsu publishes its Sustainability Report every year with the aim of fostering understanding of the Group's sustainability initiatives and enhancing opportunities for communication with all stakeholders. The 2023 Sustainability Report intends to provide exhaustive information, mainly on activities related to environmental issues, social issues, and governance conducted during fiscal 2022.

In addition to the Sustainability Report, annual reports available from Tokyo Seimitsu include the Integrated Report that mainly covers short-, medium- and long-term strategies and the approach of management targets, and the Securities Report that mainly provides financial reports, complemented by the corporate site containing the most up-to-date information.

Organizations covered

Tokyo Seimitsu Co., Ltd. : Semiconductor Company (Hachioji Plant, 3 sales offices in Japan), Metrology Company (Tsuchiura Plant, 14 sales offices in Japan), Administration Company
 Affiliated Companies : Tosei Engineering Corp., Tosei Systems Co., Ltd., Tosei Box Corp., Accretech Powertro System Co., Ltd.

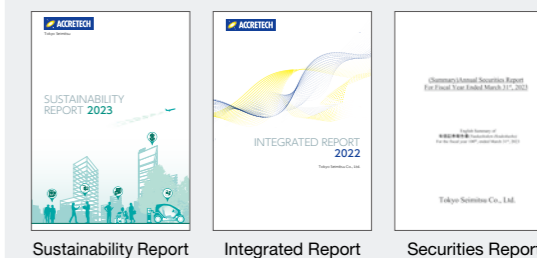
Period covered

In principle, the report covers activities from April 1, 2022 to March 31, 2023. It also includes some ongoing initiatives from before the reporting period and after April 2023.

Reference Guidelines:

The GRI (Global Reporting Initiative) Standards, ISO 26000

Overview of Information Disclosure of the Tokyo Seimitsu Group



Corporate Site
<https://www.accretech.com/en/>