



Tokyo Seimitsu

SUSTAINABILITY REPORT 2024



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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 2024 Sustainability Report intends to provide exhaustive information mainly on activities related to environmental issues, social issues, and governance conducted during fiscal 2023. 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.

Report Overview

<Organizations covered>

Tokyo Seimitsu Co., Ltd. : Semiconductor Company (Hachioji Plant, Hanno Plant, 3 sales offices in Japan), Metrology Company (Tsuchiura Plant, Furudono 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, 2023 to March 31, 2024. It also includes some ongoing initiatives from before the reporting period and after April 2024. Referenced guidelines: GRI Standard, ISO 26000, Environmental Reporting Guidelines 2018, Ministry of the Environment

<Time of publication>

September 2024 (previous report published in September 2023; next report scheduled to be published in September 2025)

<Disclaimer>

This report contains forward-looking statements, including strategies, plans, and goals, that are based on information available to the Tokyo Seimitsu Group at the time of writing. These forward-looking statements involve risks, uncertainties, and other factors that may cause actual results and performance to differ from that presented in this report.

SUSTAINABILITY

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Tokyo Seimitsu Group Philosophy Structure

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 Precision Measuring Instrument Business and Semiconductor Manufacturing Equipment Business

Starting as a company with its Precision Measuring Instrument Business in 1949, the Tokyo Seimitsu Group has been providing precision measuring instruments equipped with advanced measurement technology to industries since its inception. In 1958, through its Semiconductor Manufacturing Equipment Business, the Company entered the semiconductor industry by developing a germanium pellet automatic thickness sorting machine and also launched Japan's first wafer slicing machine. Our measurement technology is utilized in manufacturing equipment for semiconductor devices, which are becoming increasingly miniaturized and require more efficient production. Being the "only manufacturer of semiconductor manufacturing equipment that possesses measurement technologies" 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 Precision Measuring Instrument 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

ACCRETECH Group Guiding Principle (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.

ACCRETECH Group Code of Conduct

- | | | |
|--|--|--|
| 1. Compliance with Laws and Regulations and Social Norms | 6. Information Disclosure | 12. Media Relations |
| 2. Respect for Human Rights | 7. Intellectual Property Rights | 13. Severing Relations with Antisocial Organizations or Elements |
| 3. Safety and Environment | 8. Information Management and Protection | 14. International Trade Control |
| 4. Fair and Sincere Business Activities | 9. Insider Trading | 15. Politics and Religions |
| 5. Entertainment, Gifts, Donations and Bribery | 10. Conflicts of Interest | 16. Internal Control |
| | 11. Preservation of Company Assets | |

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."

Various policies in this report

- Basic Sustainability Policy ● Multistakeholder Policy ● Basic Environmental Policy ● Environmental Policy ● Tokyo Seimitsu Group Human Rights Policy
- Quality Policy ● Procurement Policy ● Human Resource Development Policy ● Basic Policy on Corporate Governance ● Anti-Bribery and Anti-Corruption Policy
- Risk Management Policy ● Basic Policy on Information Security

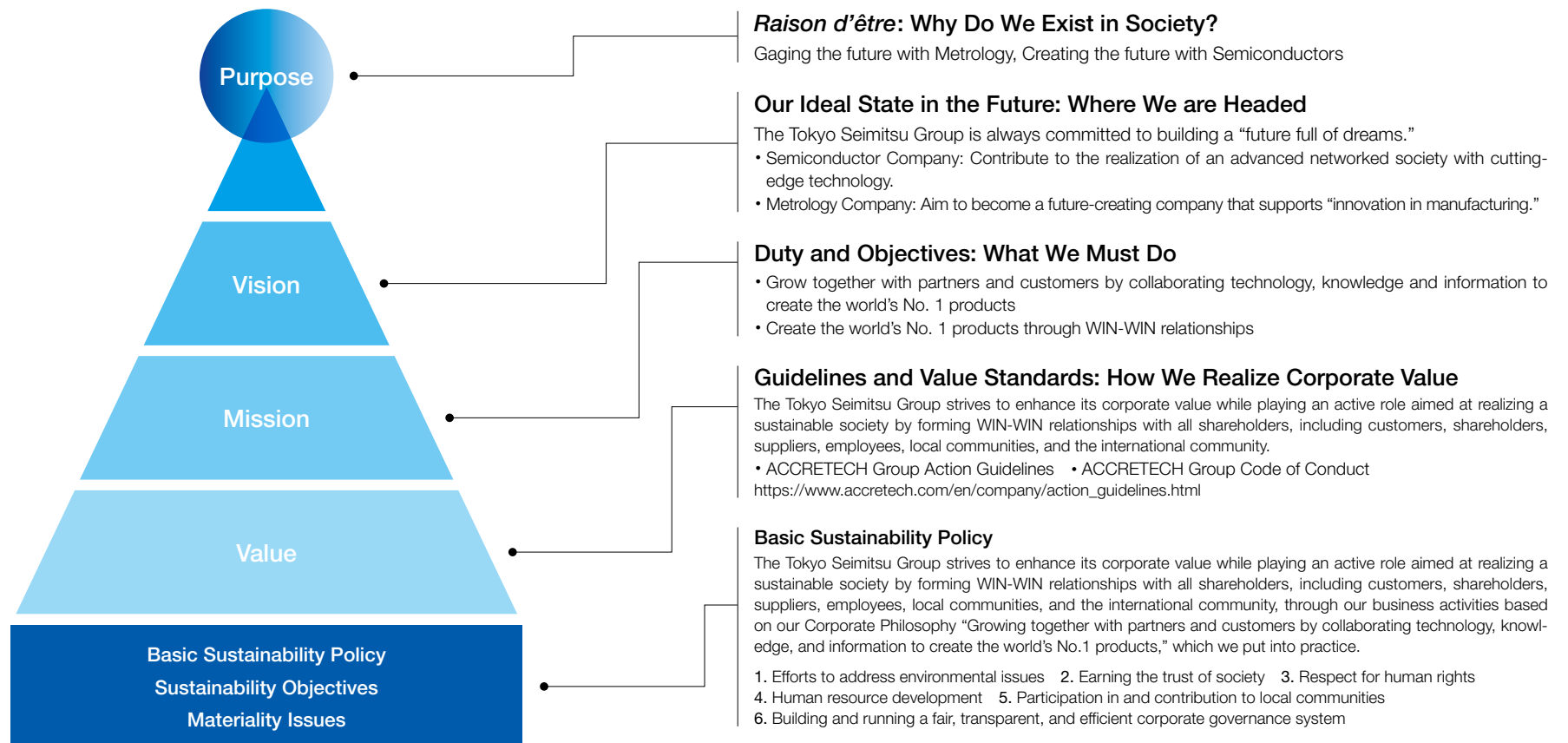
Sustainability System Chart

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

As the corporate operating environment undergoes significant changes, we have reaffirmed the importance of sustainability as a key management issue and are committed to actively promoting our sustainability initiatives.

For this reason, in November 2021, we formulated the Basic Sustainability Policy and estab-

lished 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 Business 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.





Message from CEO

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

Our Purpose, which is to “Create the Future” with Semiconductors, and Our Vision and Mission that Pave the Way

The Tokyo Seimitsu Group has defined its Purpose as “Gaging the future with Metrology, Creating the future with Semiconductors.” These words summarize our “determination” to contribute to the further enrichment of society through the manufacture of precision measuring instruments and semiconductor manufacturing equipment. Measuring instruments are indispensable for all types of manufacturing, and various semiconductors produced by semiconductor manufacturing equipment are also indispensable to the world. Both of these businesses lines form the foundation of the world. In order to demonstrate the value of our existence to the world through these businesses, it is necessary for all executives and employees to head in the same direction and steadily implement measures to realize our “determination.”

The concrete ways to achieve this are outlined in our “Vision,” which states that the Tokyo Seimitsu Group is always committed to building a “future full of dreams,” and our “Mission” and “Value,” which promote creating the world’s No. 1 products through WIN-WIN relationships. In addition, our “Basic Sustainability Policy” stipulates that we will “play an active role aimed at realizing a sustainable society by forming WIN-WIN relationships with all shareholders” to coexist with stakeholders who possess diverse value judgment criteria and sensibilities.

Sustainability is Essential for Building a “Future Full of Dreams”

What is important for coexisting with stakeholders? First of all, I think it is important to have stakeholders gain an

understanding the Tokyo Seimitsu Group. Information is shared and promoted according to the needs of each type of stakeholder. Examples include providing growth strategy information to shareholders, information on product benefits including CO₂ emissions reduction and other sustainability-related data to customers, and sharing information with suppliers and trading companies on the directions we are headed with products. Additionally, we set goals, implement the PDCA cycle, work on achieving individual/specific goals, such as those related to business growth and ESG (Environmental, Social, and Governance), and achieve results. I believe that continuing this trend will deepen their understanding of the Group. In any case, what is important is how many people will be enriched and made happy directly or indirectly by our existence. Our Purpose, Vision, and Basic Sustainability Policy have been established to clarify how this will be done. Sustainability activities are also being conducted for this. The Sustainability Committee, which is the core organization behind our sustainability activities, is attended by employees of various ranks, including top management personnel from each in-house company and Group company in Japan. These activities deepen our understanding of sustainability and lead to results through goal setting and PDCA cycle utilization. Without sustainability, it also will not be possible to build a “Future Full of Dreams.” Moving forward, we will continue to focus on enhancing sustainability in all areas, from R&D to production, sales, and service, with the aim of realizing our Purpose.

Chairman and CEO

Message from COO

We will promote further enhancement of sustainability based on the belief that our business activities serve as the key to achieving a sustainable society.

Contributing to the Realization of a Sustainable Society

I believe that sustainability initiatives are indispensable in realizing the Purpose of the Tokyo Seimitsu Group, which is “Gaging the future with Metrology, Creating the future with Semiconductors.” In order to do so, we have formulated our current materiality to serve as a roadmap. In April 2022, when we launched the Mid-term Business Plan, which is in its final year in fiscal 2024, we revised our materiality to clarify the issues that need to be addressed and goals.

Initiatives to Address Sustainability Issues

In regard to the environment, we place importance on solving environmental problems and contributing to the environment through our products. Since the Tokyo Seimitsu Group does not use a large amount of energy to produce products, I believe it is difficult to substantially contribute to solving environmental issues by directly reducing CO₂ emissions. Instead, we aim to contribute to the environment indirectly through our products, including probing machines—products used to manufacture power semiconductors, devices that help reduce CO₂ emissions, grinders—products that have a low environmental impact since they use water instead of chemical substances to control temperature, and charge/discharge testing systems—products that measure the performance of new-energy vehicle (NEV) batteries.

To help create a sustainable society, we are building systems to manage procurement risks, human rights, etc. not only across the Group but throughout the entire supply chain as well. In fiscal 2023, we established the Supply Chain Working Group as a subcommittee of the Sustainability Committee. Annual supplier briefing sessions, held in conjunction with the Human Rights Activity Project, which is also a subcommittee, have become important events for strengthening communication and building cooperative relationships. Additionally, as part of our diversity efforts, we are promoting the appointment of employees regardless of gender or nationality, and has begun attempts to assign foreign nationals employed at overseas subsidiaries to the head office as sales managers.

Responding to the Desire of Stakeholders

The next fiscal year will serve as the start of the next Mid-term Business Plan and materiality will be reviewed according to the content of the plan. And someday, when not only the goals of the materiality but also our aspirations that we have put into the materiality are realized, we will be able to not only contribute to society in terms of reducing our environmental impact but also better respond to the desires of various people. This is our way of giving back to society.

President and COO



Sustainability Promotion Structure

The Tokyo Seimitsu Group strives to enhance its corporate value while playing an active role aimed at realizing a sustainable society by forming WIN-WIN relationships with all shareholders, including customers, shareholders, suppliers, employees, local communities, and the international community, through our business activities based on our Corporate Philosophy “Growing together with partners and customers by collaborating technology, knowledge, and information to create the world’s No.1 products,” which we put into practice. The “Basic Sustainability Policy” was designed to see that this is carried out.

Basic Sustainability Policy

1. Efforts to address environmental issues

Throughout the entire value chain, including the life cycle of the products we provide, we will contribute to the realization of society that values people and the global environment by working to reduce CO₂ emissions, reduce waste and promote reuse, and protect the global environment, including biodiversity.

2. Earning the trust of society

We strictly comply with all laws and regulations and conduct business activities in a sincere and fair way to ensure fair competition, stable provision of safe and high-quality products and services that meet customer needs, and appropriate disclosure of product and corporate information, among other things. We also ensure thorough management and protection of the information assets of customers and all other stakeholders involved in our business activities, to earn a high degree of trust from society.

3. Respect for human rights

We respect the human rights of all stakeholders, including socially vulnerable people, without regard for the attributes of individuals such as gender and nationality. We promote the creation of safe, healthy, and rewarding workplaces where each member of a diverse workforce can demonstrate their capabilities to the utmost.

4. Human resource development

Employees are the core assets of the Tokyo Seimitsu Group. In order for the Company to create the world’s No. 1 products with its employees, it is necessary for each employee to perform to the best of their strengths as professionals. It is also essential that employees recognize and accept the diverse values of diverse human resources and grow together by bringing the best out of one another. Tokyo Seimitsu offers a suite of in-house programs, including training courses to help employees grow, and creates a work environment that is rewarding to a diverse workforce.

5. Participation in and contribution to local communities

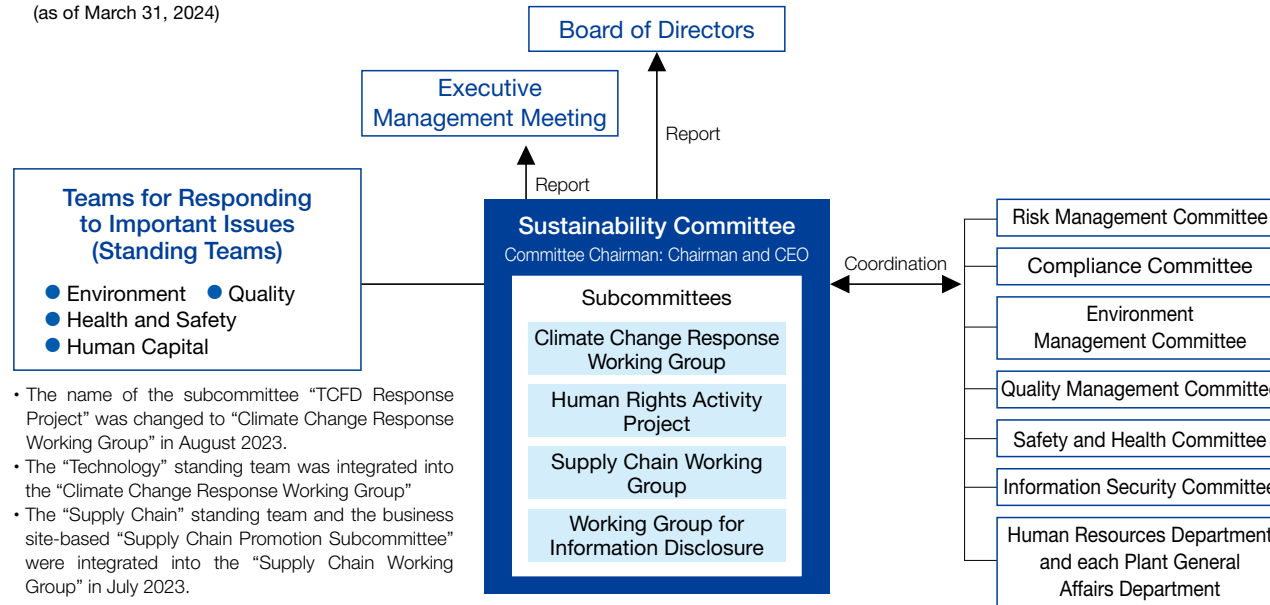
While contributing to society through our business activities, we are also committed to social contribution activities to address the issues and needs of local communities as part of our effort as a corporate citizen to build healthy and sustainable society. By doing so, we promote the revitalization of local communities and the improvement of the living environment.

6. Building and running a fair, transparent, and efficient corporate governance system

We consider corporate governance a key management issue for respecting shareholders’ rights, ensuring fairness and transparency in management, and realizing our corporate philosophy. To this end, we implement a quick, appropriate decision-making process and strengthen our supervisory function. We also take initiatives to enhance our corporate governance continuously to increase our corporate value on a medium- and long-term basis and maintain the soundness of our management.

The Tokyo Seimitsu Group established the Sustainability Committee, which is chaired by the Chairman and CEO, under the Board of Directors to oversee all of our sustainability activities. The Sustainability Committee is linked with six expert committees, the Human Resources Department, and each Plant General Affairs Department. In addition, beneath the Sustainability Committee, we have established four teams to handle important issues. Subcommittees are established by the Committee Chairman when there are urgent issues that need to be addressed.

■ Sustainability Promotion Structure (as of March 31, 2024)



- The name of the subcommittee “TCFD Response Project” was changed to “Climate Change Response Working Group” in August 2023.
- The “Technology” standing team was integrated into the “Climate Change Response Working Group”
- The “Supply Chain” standing team and the business site-based “Supply Chain Promotion Subcommittee” were integrated into the “Supply Chain Working Group” in July 2023.

Sustainability Committee

Committee Chairman:	Chairman and CEO	
Vice-Chairman:	President and COO, Executive Vice President and CFO, and Head of Metrology Company	
Committee members:	Director	
	[Semiconductor Company]	General Manager of Production, Plant Manager, 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.
	[Metrology Company]	Plant Manager, 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 Business Promotion Dept.
	[Administration Company]	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.
	[Group Companies]	Tosei Engineering Corp., Tosei Box Corp., Tosei Systems Co., Ltd., and Accretech Powertro System Co., Ltd.
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, and monitors implementation of policies/collects various types of information	

PDCA Cycle Utilized by Teams for Responding to Important Issues and Subcommittees

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 four teams for responding to 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



Description of Activities/Topics Addressed in FY2023

Third Meeting of the Sustainability Committee (held on April 24, 2023)

- Reporting and evaluation related to materiality
 - FY2022 results/activities
 - FY2023 targets/activities
- Promotion of information disclosure
 - Planning/creation of Sustainability Report 2023
 - Planning/creation of Integrated Report 2023
- Strengthening of sustainability activities
 - Establishment of Supply Chain Working Group
- Current status and improvement of external evaluation
 - ESG evaluation indexes
 - Feedback from IR activities

Fourth Meeting of the Sustainability Committee (held on October 30, 2023)

- Interim reporting and evaluation related to materiality
 - Subcommittee activities (refer to “FY2023 Subcommittees”)
 - Activities of teams for responding to important issues
 - Progress of energy-saving measures (included electricity, water, and paper use)
 - Status of support efforts for the career development of female employees and the employment of persons with disabilities
 - Engagement survey analysis/evaluation
- Status of information disclosure within the Group
 - Creation/publishing of Sustainability Report 2023
 - Creation/publishing of Integrated Report 2023
 - Redesign of the company website and updating of the website’s sustainability section
- Strengthening of sustainability activities
 - Establishment of Climate Change Response Working Group
 - Human rights and supply chain related activities/plans
- Current status and improvement of external evaluation
 - ESG evaluation indexes
 - CDP (Carbon Disclosure Project) responses
 - Feedback from IR activities

FY2023 Subcommittees

Climate Change Response Working Group

Leaders:	Managing executive officers
Members:	Semiconductor Company and Metrology Company: Manufacturing Dept., Quality Assurance Dept., Sales Div., Technology Div., Service Div. (of the Semiconductor Company), General Affairs Dept., Production Control Dept., and Metrology Business Development Div. (of the Metrology Company) Administration Company: Management Support Dept. and Sustainability Dept.
Period active:	2023 to the present
FY2023 results:	Governance: Appointed officers in charge of climate change initiatives Risk management: Revised risk management regulations and examined local environmental laws and regulations at overseas subsidiaries Strategy and Goals: Sorted out issues for achieving carbon neutrality and considered calculations for Scope 3 Category 1*1 and 11*2 emissions Information disclosure: Responded to CDP questionnaire
	*1 CO ₂ emissions associated with purchased products and services *2 CO ₂ emissions associated with the use products sold

Human Rights Activity Project

Leaders:	Team Leader of Human Resources Dept.
Members:	Semiconductor Company and Metrology Company: Production Control Dept. and General Affairs Dept. Administration Company: Human Resources Dept. and Management Support Dept.
Period active:	2022–2024
FY2023 results:	Implementation and analysis of human rights due diligence being carried out at Tokyo Seimitsu and 29 domestic/overseas Group companies, participation in briefing for suppliers (Theme: Information on the Tokyo Seimitsu Group Human Rights Policy and Due Diligence), implementation of human rights due diligence related to suppliers (survey of 125 suppliers with a 90.4% response rate), development of human rights due diligence procedures, and planning/implementation of human rights education

Supply Chain Working Group

Leaders:	General Manager of Sustainability Dept.
Members:	Semiconductor Company and Metrology Company: Production Control Dept., Quality Assurance Dept., Technology Div., and Sales Div. Administration Company: Sustainability Dept. (Supply Chain Team/Environmental Green Initiative Team), Legal Affairs Dept., and IT Dept.
Period active:	2023 to the present
FY2023 results:	Promoted sustainable procurement: Held sustainability briefings, conducted supplier CSR surveys, carried out human rights due diligence, and reviewed/revised basic transaction contract related documents based on the concept of sustainability Increased engagement: Held supplier briefings (in Hachioji and Furudono) and planned/designed interactive communication tools

Working Group for Information Disclosure

Leaders:	General Manager of Sustainability Dept.
Members:	Administration Company: Public Relations Dept., Sustainability Dept., and Management Support Dept.
Period active:	2022 to the present
FY2023 results:	Published Integrated Report and Sustainability Report Updated the sustainability section of the company’s website Non-financial information management Held dialogues with ESG evaluation organizations and improved evaluations

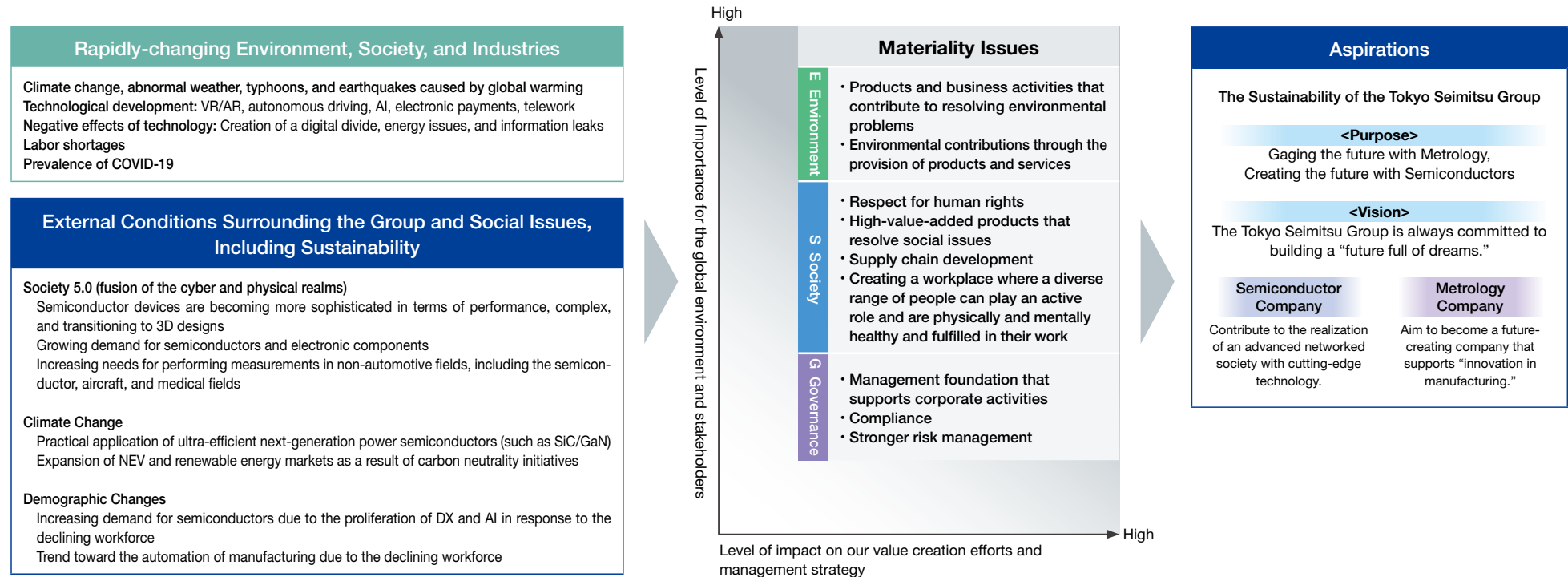
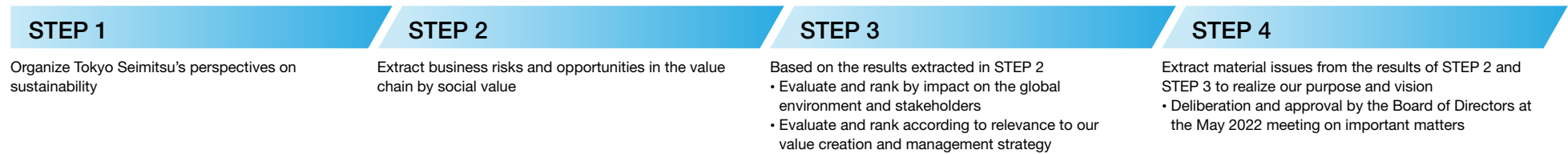
Teams for Responding to Important Issues (Standing Teams)

Beneath the Sustainability Committee, we have established four teams (Environment, Quality, Health and Safety, and Human Capital) 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.

Materiality Issues

In line with the Mid-term Business 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.

■ Process of Defining the Material Issues



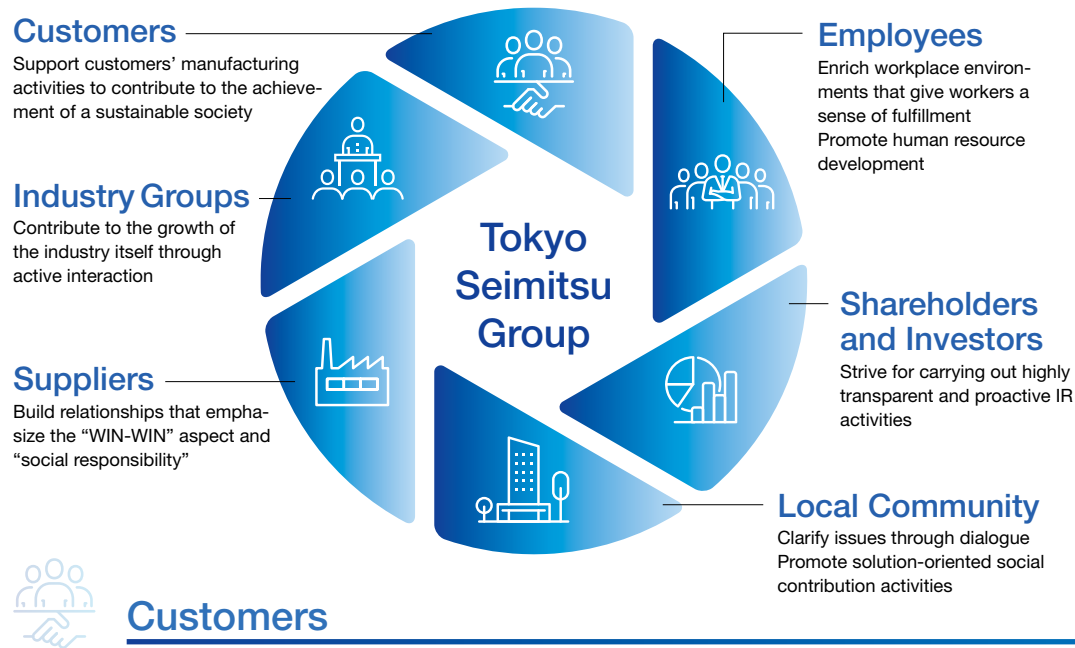
Sustainability Objectives and Priority Initiatives

The Tokyo Seimitsu Group has established sustainability objectives and priority initiatives in order to incorporate material issues for the Group into concrete activities. The Sustainability Committee as well as Teams for Responding to Important Issues and subcommittees created to address important issues formulate and implement action plans based on that framework. After material issues have been defined, the Sustainability Committee conduct related reports and evaluations. Based on the results, the Third Sustainability Committee Meeting (held on April 24, 2023) reviewed priority initiatives, plans, and targets for fiscal 2023.

	Materiality Issues	Sustainability Objectives	Priority Initiatives	Action Plans and Results
Environment	<ul style="list-style-type: none"> • Products and business activities that contribute to resolving environmental problems • Environmental contributions through the provision of products and services 	<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 • Development of environmentally friendly products • Energy and water saving at the Hanno Plant 	<ul style="list-style-type: none"> • Environmental Management ➡ P17 • Climate Change ➡ P19 • Environmental Contribution through the Provision of Products ➡ P24 • Resource Recycling and Waste Reduction ➡ P26 • Water Resources ➡ P27 • Chemical Substances Control ➡ P28
Society	<ul style="list-style-type: none"> • Respect for human rights 	<ul style="list-style-type: none"> • Respect for human rights 	<ul style="list-style-type: none"> • Education on human rights • Human rights due diligence • Establishment of a relief system 	<ul style="list-style-type: none"> • Respect for Human Rights ➡ P31
	<ul style="list-style-type: none"> • High-value-added products that resolve social issues 	<ul style="list-style-type: none"> • Product liability 	<ul style="list-style-type: none"> • Quality control • Chemical substances control 	<ul style="list-style-type: none"> • Quality ➡ P37 • Chemical Substances Control ➡ P28
	<ul style="list-style-type: none"> • Supply chain development 	<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 ➡ P34
	<ul style="list-style-type: none"> • Creating a workplace where a diverse range of people can play an active role and are physically and mentally healthy and fulfilled in their work 	<ul style="list-style-type: none"> • Employee job satisfaction • Health and safety • Diversity • Human resource development 	<ul style="list-style-type: none"> • Improving health and safety • Diversity promotion • Promotion of human resource development • Improvement of engagement 	<ul style="list-style-type: none"> • Occupational Health and Safety ➡ P42 • Health Management ➡ P46 • Diversity & Inclusion ➡ P48 • Human Resource Development ➡ P52
Governance	<ul style="list-style-type: none"> • Management foundation that supports corporate activities • Compliance 	<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 functions • Corporate ethics and legal compliance • Timely and appropriate information disclosure 	<ul style="list-style-type: none"> • Sound whistleblower system • Compliance education • Corporate Governance ➡ P56 • Compliance ➡ P62
	<ul style="list-style-type: none"> • Stronger risk management 	<ul style="list-style-type: none"> • Crisis management such as disaster response 	<ul style="list-style-type: none"> • Business continuity plan 	<ul style="list-style-type: none"> • Risk Management ➡ P64

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.



Establishment of the Multistakeholder Policy

In our corporate management, we aim to achieve significant growth together with our diverse stakeholders, including employees, business partners, customers, local communities, shareholders, and investors, through "WIN-WIN" relationships. Additionally, we will promote initiatives to appropriately distribute profits and things of value generated through value co-creation and productivity improvement to multistakeholders, taking into account the importance of returning profits to employees and giving due consideration to business partners.

(Japanese)

<https://www.accretech.com/jp/assets/multistakeholder202304.pdf>

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 competent quality-related personnel (quality education)
- Respond to environmental laws and regulations, such as RoHS, REACH, and POPs

Major Means of Communication

- Implementation of customer satisfaction questionnaire (once a year)
- Support from Sales and/or Customer service divisions (as needed)
- Exhibitions/events (several times a year)
- Metrology Centers (seminars and workshops, private trade shows, etc.) (several times a year)
- Training services, remote support, etc.

Key Results in Fiscal 2023

Objectives	Initiatives/structures	Main outcome of activities
Increased customer satisfaction	Questionnaire-based survey	Customer satisfaction surveys (once a year) Percentage of satisfactory ratings: 95.1%
Global support structure	Stable parts supply structure	17 locations in Japan and overseas, CE Stock Search System
	Customer training	25 companies, total of 47 training days
Support activities to build customer's future	Metrology Centers	Four locations in Japan, nine overseas Seminars and classes (including web-based seminars)
	Overseas showrooms	Provision of solutions
		Consigned measurement Overseas technical training

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

Major Means of Communication

- Labor-management negotiation
- Whistleblower system
- Education, seminars, e-learning
- Regular meetings between supervisors and subordinates
- Message from the Board to employees at the beginning of the year
- Information dissemination via company newsletters and intranet



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

Major Means of Communication

- General meeting of shareholders (once a year), Issuance of shareholder newsletters (twice a year), and Briefings for Individual Investors (once a year)
- Business results briefings (four times a year) and dialogue with institutional investors and security analysts
- Reports (Securities Report, Integrated Report, etc.)
- Website (IR information, Sustainability, product information, etc.)



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

Major Means of Communication

- Joined Tokyo Federation of Labor Standards Associations, Hachioji Branch
- Tsuchiura Eco-Partner Agreement/Submission of activity report to Tsuchiura City (once a year)
- Volunteer activities in local communities (environmental conservation)
- Plant tours and work experience opportunities

■ Key Results in Fiscal 2023

Objectives	Initiatives/structures	Main outcome of activities
Ensuring of safe and secure workplaces	Zero accidents resulting in leave	Accidents resulting in leave: 4
	Skills/special education training	Total participants: 322
Mental and physical health	Healthy Company Declaration	Percentage of people undergoing health checkups: 92.3% Video dissemination on health topics
	Measures to Address Long Working Hours	Rate of taking five or more days of annual paid leave: 100%
Realization of comfortable workplace environments where people can play active long-term roles	Action Plan for Promoting Employment and Careers of Women	Percentage of female regular employee hires: 22.1% Percentage of female regular employees: 10.3%
	Human resource training/development	Common training (major themes): 4,686 hours* Level-specific training (major themes): 10,307 hours* Sustainability training for new employees (70 people)*
Provision of opportunities for every individual to grow		

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

■ Key Results in Fiscal 2023

Objectives	Initiatives/structures	Main outcome of activities
Fair and appropriate information disclosure	101st Regular Shareholders' Meeting	Number of times: 1; Rate of exercise of voting rights: 82.0%
	Handling coverage by institutional investors/analysts	Number of times: 680 total
	Conferences for overseas investors	Number of times: 6
	Briefings for individual investors	Number of times: 1 (online participants: 1,520)
	Business results briefings/press conferences	Number of times: 4

Business results briefings materials and other materials <https://www.accretech.com/en/ir/library/presentation.html>

In fiscal 2023, due in part to the increased focus on semiconductor stocks, we saw a significant increase in the number of interviews that we held with institutional investors and analysts. As a result, we have increased the number of IR personnel to increase opportunities for dialogue and established an internal system to enable constructive dialogue by providing the answers to common questions of investors in disclosure materials. In addition, in order to provide overseas investors with information in a fair manner, Tokyo Seimitsu, in principle, translates disclosed information into English and provides it on the English version of its website simultaneously or quickly after information is disclosed in Japanese.

■ Key Results in Fiscal 2023

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 at Hachioji branch, regular public relations newsletter published 5 times/year
	Fire prevention campaign	Hachioji Association for Safety of Hazardous Materials and Hachioji Fire Prevention Management Study Group	Strengthened safety measures, conducted fire prevention campaign
	Environmental conservation activities	Hachioji City Adopt-A-Road Program	Cleanup of the rotary on the east side of JR Kita-Hachioji Station: 3 times, 86 participants
Tsuchiura City	Environmental conservation activities	Eco-partner Agreement	Eco-Partner business plan and results report Cleanup of Nakanuki Park: 50 times, total 100 participants
Local schools	Support for students	Invitations to the Hachioji Plant	Support for career education programs
		"SEMI FREAKS" Future College	Participated in "Future COLLEGE@SEMICON2023," a joint information session



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
- Workshop for suppliers, CSR seminar (once a year)
- Commendations for suppliers (once a year)

■ Key Results in Fiscal 2023

Objectives	Initiatives/structures	Main outcome of activities
Entrenchment of CSR procurement	Supply Chain Working Group	Workshop for suppliers (July 2023), CSR seminar (schedule to be held again in FY2024)
CSR surveys/check-ups	Sustainability assessment	Target: 125 companies accounting for the top 80% of the value of purchases, 90.4% response rate
Strengthening of information sharing	Web-Based System for Suppliers	Request for the 2024 Noto Peninsula Earthquake impact investigation, etc.
Manufacturer's responsibility	CSR training for employees	e-learning



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, which aims to enhance the quality of maintenance services, including for semiconductor manufacturing equipment, and achieve a zero accident rate among service representatives.

In order to share information with SEAJ member companies, the FY2023 SEAJ China Business Promotion Team has set up a bulletin board for posting local updates on the SEAJ China Travel and Movement Information Exchange site. In addition, SEAJ has created a new list of points to keep in mind when staying in China to introduce and alert visitors to cases that they should be aware of when staying in China, and has posted it on the SEAJ website.

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

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. As discussions on specifications and standards for roundness measuring machines are in the final stage, the specifications and standards are scheduled to be officially published in fiscal 2024.

ISO TC213

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

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. In addition to exhibiting equipment at academic lectures held in the spring and fall, we also participate in corporate awards for outstanding student presentations.

*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/

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.

At the Measuring Technology Expo 2023 hosted by our industry association, our company members took the lead in planning, preparing, and operating the Precision Measurement Equipment Utilization Seminar.

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

ENVIRONMENTAL

Initiatives to Address Environmental Issues

- 17 Environmental Management
- 19 Climate Change
- 21 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

Environmental Management

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 by primarily focusing on our factories.

Related content: Environmental Management, Climate Change, Resource Recycling and Waste Reduction, Water Resources, and Chemical Substances Control

Eco-Products

In addition to conducting an LCA*¹ 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.

***1 Life Cycle Assessment (LCA):** An assessment method that follows calculation standards for converting emissions to CO₂ at every stage from raw material procurement/product manufacturing to disposal

Related content: Environmental Contribution through the Provision of Products

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*² in the training of new employees, we contribute to society through our business activities and take action to solve issues.

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

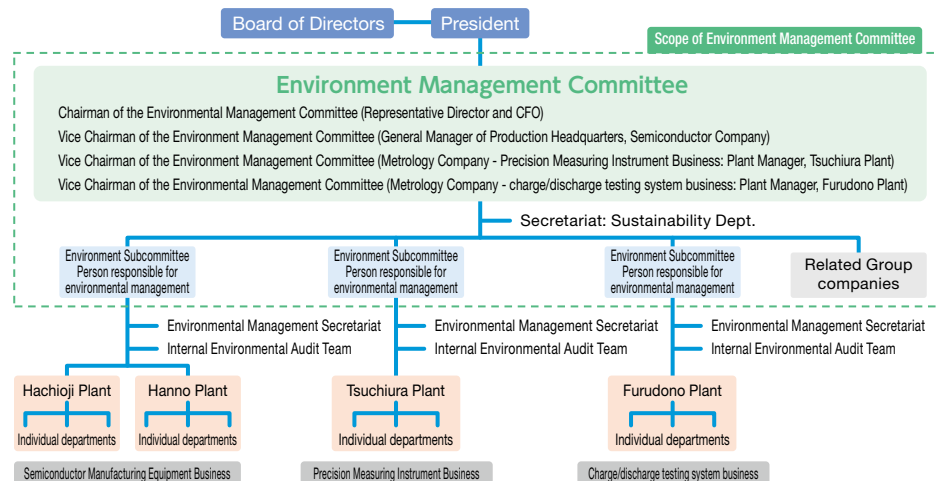
Related content: Social Contribution/Environment and Beautification

Eco-Factory

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. In fiscal 2023, during an external audit conducted by a certification body, an extended audit for the completion of the Hanno Plant was conducted in addition to maintenance inspections, confirming compliance with the requirements of ISO 14001: 2015, indicating that management effectiveness has been maintained. Furthermore, the Furudono Plant, to which we transferred some business operations, maintains its certification status as it was inspected by the same certification body.

Environmental Management Structure



<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.

* 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, Industrial Safety and Health Act, Poisonous and Deleterious Substances Control Act, Act on Rationalization of Energy Use and Shift to Non-fossil Energy, the Enforcement Order of the Act on Promotion of Global Warming Countermeasures, and trends of the European Commission (F-GAS regulation, etc.)

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 2023, we planned programs for 59 items and reached our targets for 51 items, for an overall achievement rate of 86.4%.

<Environmental Management System Programs—Fiscal 2023 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 Programs that Achieved Targets for Fiscal 2023

Main initiative	Number of programs	Items Related to Environmental Impact as Defined in Section 4 of the Environmental Policy
Power reduction due to equipment efficiencies	25	1
Reduction in power consumed during processing and production	4	1
Power reduction due to improvement proposals and small-group activities	8	1
Reduction in water and air consumption during production	3	2
Reduction in use of organic solvents	5	4
Reduction of hazardous chemical substances	4	4
Reduction of CO ₂ through gas substitution	1	5
Reduction in waste	6	3
Reduction in CO ₂ emitted during use of company vehicles	1	5
Others	2	5

Key System Program Results

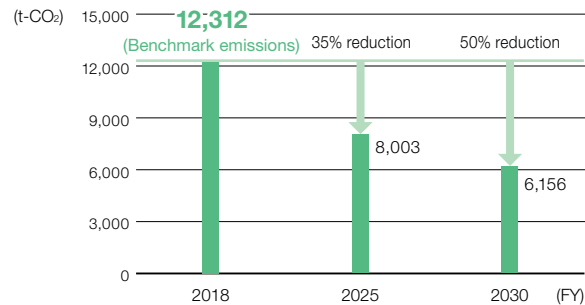
Main initiative	Reduction target	Reduction result
Reduction of electricity use at plants	281 MWh	325 MWh
Reduction in water consumption during production	30%	31%
Reduction of water usage during Process X		
Reduction of the amount hazardous chemical substances used during production	10%	10%
Reduction of the amount of cleaning agent used in Process Y		
Reduction of the amount of paint used in Process Z	5%	38%
Reduction of the number of chemical substances used at plants	Eliminate the use of 10 chemical substances	Eliminated the use of 13 chemical substances
Waste reduction (reduction of the amount of packaging materials used)	Reduced by 150 kg	Reduced by 280 kg

Climate Change

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 (Scope 1 and 2), 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

- 2025 Target** By fiscal 2025, reduce Scope 1*¹ and Scope 2*² emissions by 35% from fiscal 2018*³ levels
- 2030 Target** By fiscal 2030, reduce Scope 1*¹ and Scope 2*² emissions by 50% from fiscal 2018*³ levels



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

- *¹ Direct GHG emissions by the Company (emissions from fuel combustion, on-site power generation, and industrial processes)
- *² 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)
- *³ FY2018 standard emissions (Scope 1 + Scope 2): 12,312 (t-CO₂)

Trend in CO₂ Emissions

	FY2019	FY2020	FY2021	FY2022	FY2023
Total CO ₂ emissions (Scope 1 and Scope 2)	11,982 t-CO ₂	9,524 t-CO ₂	8,191 t-CO ₂	8,257 t-CO ₂	11,598 t-CO ₂
Details					
Gas (Scope 1)	21 t-CO ₂	42 t-CO ₂	51 t-CO ₂	54 t-CO ₂	70 t-CO ₂
Fuel (Scope 1)	51 t-CO ₂	33 t-CO ₂	43 t-CO ₂	45 t-CO ₂	47 t-CO ₂
Electricity (Scope 2)	11,910 t-CO ₂	9,449 t-CO ₂	8,097 t-CO ₂	8,158 t-CO ₂	11,481 t-CO ₂
CO ₂ emissions production volume intensity (Scope 1 and Scope 2)	0.191 (t-CO ₂ per million yen)	0.129 (t-CO ₂ per million yen)	0.080 (t-CO ₂ per million yen)	0.074 (t-CO ₂ per million yen)	0.111 (t-CO ₂ per million yen)

Locations covered: Tokyo Seimitsu Co., Ltd. Hachioji Plant, Hanno Plant, Tsuchiura Plant, and Furudono Plant

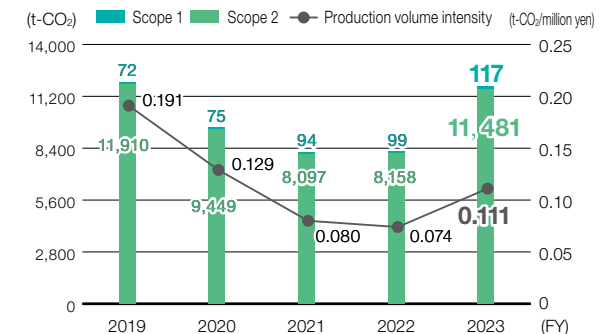
The results for fiscal 2023 include data from July onward for the Hanno Plant, when construction of the plant was completed, and from October onward for the Furudono Plant to which operations were transferred.

CO₂ Emission Reduction Results (FY2023)

Plans/Targets	Result (FY2023)
35% reduction compared to FY2018 by FY2025	
Year set : 2021	11,598 t-CO ₂
Period : FY2020 to FY2025	(5.8% reduction)
Benchmark emissions : 12,312 t-CO ₂	compared to FY2018)
Reduction target : 8,003 t-CO ₂	

Locations covered: Tokyo Seimitsu Co., Ltd. Hachioji Plant, Hanno Plant, Tsuchiura Plant, and Furudono Plant

CO₂ Emissions



Note: The results in FY2023 include those of the Hanno and Furudono plants.

Eco-Factory

Promotion of Global Warming Prevention (Toward a Decarbonized Society)

Almost all the greenhouse gases emitted by the Company are from the CO₂ equivalent of electricity purchased and used during the plant operations. As a global warming prevention measure, we are promoting initiatives focused on the procurement of renewable electricity and energy conservation.

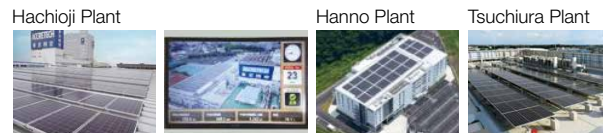
<Specific CO₂ Emission Reduction Examples>

Procurement of renewable electric power*1

- Installation/maintenance of solar power generation facilities (Hachioji Plant, Hanno Plant, and Tsuchiura Plant)

Solar Power Generation Facilities Capacity and Amount of Solar Power Generation by Plant

Plant		FY2021	FY2022	FY2023
Hachioji	Solar power generation facilities capacity (kW)	406	406	406
	Amount of solar power generation (MWh)	438.1	416.2	377.2
Hanno	Solar power generation facilities capacity (kW)	—	—	713
	Amount of solar power generation (MWh)	—	—	224.6
Tsuchiura	Solar power generation facilities capacity (kW)	50	50	50
	Amount of solar power generation (MWh)	56.1	53.5	58.0

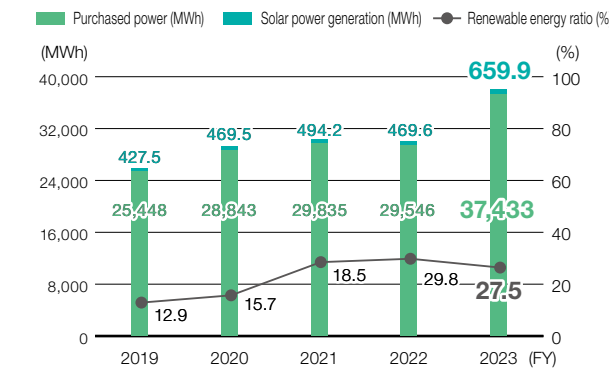


- Switchover to low-carbon electricity/CO₂-free electricity²
 Hachioji Plant : Switched in March 2020
 Tsuchiura Plant : Switched in November 2020
 Furudono Plant: To switch in May 2024

*1 **Renewable electric power:** Electricity generated from renewable energy sources

*2 **CO₂-free electricity:** Electricity that emits no CO₂ when generated. This refers to electricity that is virtually CO₂-free, utilizing environmental value derived from renewable energy sources that do not emit CO₂

Electricity Use



Locations covered: Tokyo Seimitsu Hachioji Plant, Hanno Plant (from July 2023), Tsuchiura Plant, and Furudono Plant (from October 2023)

Hanno Plant is a newly completed plant, and Furudono Plant is counted as one of the Company plants, with its business operations transferred.

<Specific Examples of Efforts to Promote Energy Conservation (Environmental System Program Initiatives)>

- Upgrade of Machinery (Hachioji Plant)
- Upgrade of air conditioning equipment (Hachioji Plant)
- Switchover to LED lighting (inside and outside lights at the Hachioji Plant)
- Introduction of motion sensors and timers (Hachioji Plant and Tsuchiura Plant)
- Compressor operation management
- Review of manufacturing process (processing and assembly) (reduction of man-hours)
- Capital expenditures related to these initiatives, etc.:
 Approx. 40 million yen

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.

* Hydrofluorocarbons (HFCs):

Hydrofluorocarbons 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	FY2019	FY2020	FY2021	FY2022	FY2023
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	2.0	11.0	0.0	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

Locations covered: Hachioji Plant, Hanno Plant, and Tsuchiura Plant

TCFD Response

In March 2022, Tokyo Seimitsu expressed its support of the recommendations of the “Task Force on Climate-related Financial Disclosures (TCFD).” 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.



* For the latest information on TCFD related activities, please visit our website <https://www.accretech.com/en/sustainability/esg/tcfcd.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 Chairman and 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 the Climate Change Response Working Group.

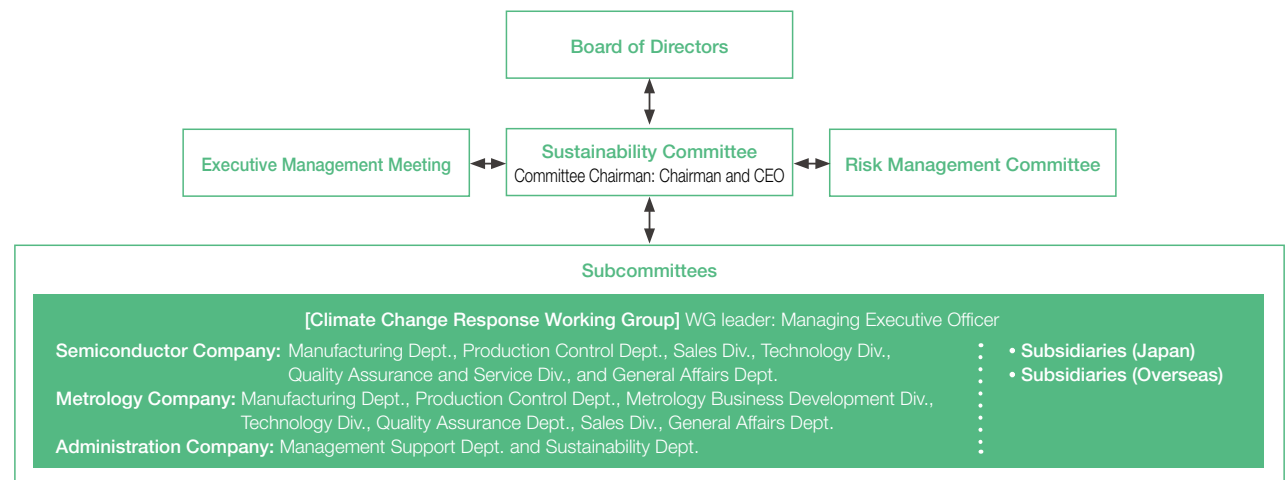
Sustainability Committee

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

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

Climate Change Response Working Group

The “Climate Change Response Working Group” has been established as a subcommittee of the Sustainability Committee. The members of the subcommittee research and investigate activities related to climate change response and submit reports to the Committee periodically. The Working Group is attended by the related personnel of the technology, production, sales, and management departments and has constructed a system for promoting, throughout the organization, extraction of risks and opportunities, analysis of scenarios, and investigation of countermeasures.



<Key Activities in Fiscal 2023>

Refer to Sustainability Promotion Structure > FY2023 Subcommittees > Climate Change Response Working Group (P10).

Risk Management

The Tokyo Seimitsu Group has established the “Risk Management Regulations” and the Risk Management Committee, which is headed by the president and COO, to identify and manage risks associated with business execution. Structures are in place to prevent potential risks from manifesting themselves and to prepare for crises. The “Climate Change Response Working Group,” which is a subcommittee of the Sustainability Committee, takes the lead in identifying, assessing, and investigating risks (transitional/physical) related to climate change and submits 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. Climate change risks have been added to the risks addressed by the Risk Management Committee. The Working Group conducts flexible discussions concerning items such as risk assessment and investigation of measures for risks that have become apparent, in order to enable response throughout the entire Group.

Strategy

We conducted a Scope 1 and Scope 2 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. For Scope 3 emissions, we are working to understand Category 1*1 and Category 11*2 based on life cycle assessments of products. Since future projections are highly uncertain and difficult to analyze, we examined GHG emissions based on multiple scenarios*3. 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.

- *1 CO₂ emissions associated with products and services purchased by the company
- *2 CO₂ emissions associated with the use of products sold by the company
- *3 The following are the scenarios used for reference
 - 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 Scope 1 and Scope 2 emissions reductions)
2. LCA Scope 3 (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	Emergence Timing	
1.5°C	Risks	Regulations	Carbon pricing	<ul style="list-style-type: none"> ◆ Rises in costs of materials, equipment, energy, transportation, etc. due to the introduction of a carbon tax ◆ Restrictions on product exports due to the introduction of a carbon border tax 	▲▲▲	Medium term
		Markets	Use of EVs	<ul style="list-style-type: none"> ◆ Decrease in demand for the conventional business and products (measuring instruments for internal-combustion engine parts) 	▲▲	Medium term
			Decarbonization premiums	<ul style="list-style-type: none"> ◆ Decarbonization resulting in surges in material costs, difficulty in procurement, and extra costs being incurred to procure alternative products ◆ Difficulty in procurement of non-fossil energy and rise in procurement costs 	▲▲	Medium term
	Reputation	Delayed decarbonization efforts	<ul style="list-style-type: none"> ◆ Delays in climate change action and other ESG efforts affecting financing and business relationships 	▲	Medium term	
	Opportunities	Markets	Use of EVs	<ul style="list-style-type: none"> ◆ Growing demand for measurement of new EV materials and parts 	▲▲▲	Medium term
			Electrification/digitalization	<ul style="list-style-type: none"> ◆ Increased use of semiconductors leading to increased production capacity 	▲▲▲	Medium term
		Growing renewable energy markets	<ul style="list-style-type: none"> ◆ Growing demand for measuring instruments due to expanding renewable energy markets 	▲	Long term	
	Resource efficiency/ Energy	Production equipment	<ul style="list-style-type: none"> ◆ 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	<ul style="list-style-type: none"> ◆ 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) 	▲▲	Short term		
4°C	Risks	Physical (acute)	Extreme weather events	<ul style="list-style-type: none"> ◆ Increase in risk control costs (BCP (Business Continuity Plan) Response) ◆ Disaster-caused physical damage and recover costs ◆ Disaster-caused business operation suspension (of the company or suppliers) 	▲▲▲	Medium term
	Opportunities	Resilience	Disaster response	<ul style="list-style-type: none"> ◆ 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-

Monitoring GHG Emissions of Group Companies in Japan and Overseas

We have started conducting surveys to study GHG emissions (Scope 1 and Scope 2) at Group company production sites.

Scope 3 Emission Disclosure Initiatives

We procure parts and materials for most of our products and manufacture and sell them on our own, which are later put into operation at customer sites. For this reason, we believe it is important to grasp the amount of greenhouse gas emissions in the entire value chain. Since fiscal 2023, we have been carrying out Life Cycle Assessment (LCA) calculations in a sequential manner for existing products, and have been discussing the disclosure of Scope 3 emissions (Category 1 and Category 11).

Indicators and Goals

The Company has established CO₂ (Scope 1 and Scope 2) emission reduction targets to be achieved by fiscal 2025 and fiscal 2030, respectively. Since the majority of greenhouse gases (GHG) emitted by the Company is from the CO₂ equivalent of electricity purchased to operate its plants, we are focusing on activities for conserving electricity. Given that there is an increasing demand in semiconductors, the Tokyo Seimitsu Group is planning to expand production capacity in order to meet such needs, which is expected to lead to an increase in energy consumption. In fiscal 2023, CO₂ emissions increased according to the amount of electricity purchased due to the completion of the Hanno Plant and the affiliation of the Furudono Plant, which accompanied the transfer of the charge/discharge testing system business. Going forward, we plan to promote energy conservation activities and expansion of solar power generation systems and we will utilize non-fossil certificates in initiatives to reduce CO₂ emissions.

CO₂ Emission Reduction Targets

2025 Target By fiscal 2025, reduce Scope 1*¹ and Scope 2*² emissions by 35% from fiscal 2018*³ levels

2030 Target By fiscal 2030, reduce Scope 1*¹ and Scope 2*² emissions by 50% from fiscal 2018*³ levels

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

*¹ Direct GHG emissions by the Company (emissions from fuel combustion, on-site power generation, and industrial processes)

*² 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)

*³ FY2018 standard emissions (Scope 1 + Scope 2): 12,312 (t-CO₂)

Result CO₂ Emissions and Targets for FY2024

	Previous five-year plan	New five-year plan*						
	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024 (target)	FY2025 (target)	FY2030 (target)
Emissions (t-CO ₂)	11,982	9,524	8,191	8,257	11,598	12,044	8,003	6,156
(Compared with FY 2018)	Down 2.68%	Down 22.64%	Down 33.47%	Down 32.94%	Down 5.80%	Down 2.18%	Down 35.00%	Down 50.00%
Electric power used (MWh)	25,448	28,843	29,835	29,546	37,432	—	—	—
CO ₂ emissions production volume intensity (t-CO ₂ /million yen)	0.191	0.129	0.080	0.074	0.111	—	—	—

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

The results for fiscal 2023 include data from July onward for the Hanno Plant, when construction of the plant was completed, and from October onward for the Furudono Plant to which operations were transferred.

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

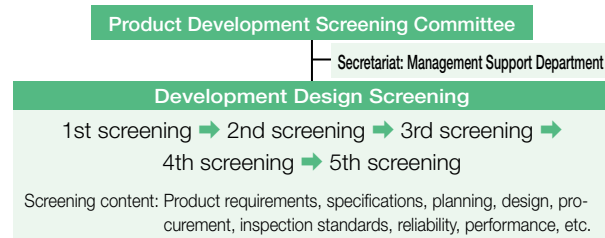
Environmental Contribution through the Provision of Products (Eco-Products)

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 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.

■ New Product Development Screening System



■ 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

* **TES:** The Tokyo Seimitsu Engineering Standards (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)

Life Cycle Assessment (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 (life cycle assessment: 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. Since fiscal 2023, we have been carrying out Life Cycle Assessment (LCA) calculations in a sequential manner for existing products, simulating Scope 3 Category 11 emissions (CO₂ emissions associated with the use of products sold by our company), and evaluating emission reductions resulting from functional improvements. We will continue to make improvements to increase production efficiency and reduce emissions.

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

HRG3000RM
 Wafer thinning time reduced by approximately 50% (compared to the PG3000RMX)



AP3000
 Lot processing time reduced by approximately 20% (compared to the UF3000EX)



■ Precision Measuring Instruments:

Reducing 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 instruments 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

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 power 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 be miniaturized.

Lineup of Products that Support Next-Generation Power Semiconductor Manufacturing

Capable of grinding hard, brittle materials such as SiC/GaN substrates

Options to support high voltages and high currents for SiC/GaN production are available

HRG200X / HRG300

High rigid grinders



UF2000

Probing machine



High-pressure, high-speed polishing capabilities improve the polishing rate of SiC wafers

Blades available for SiC

ChAMP-211 / ChAMP-232

CMP (Chemical Mechanical Polishing) devices



Dicing blade



Precision 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 texture 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.

XYZAX AXCEL Series

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

• Images produced by Opt-BLISK



Evaluating the Safety of Rechargeable Batteries, Products that Contribute to the Realization of a Sustainable Society

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 gen-

eration. Lithium-ion and other rechargeable batteries are at the core of such systems. Our charge/discharge testing systems, which can inspect the charge/discharge performance and life of rechargeable batteries, are used for test batteries during development and inspect batteries during manufacturing, contributing to the development of safer, higher-performance batteries and confirmation of safety and performance in manufacturing.

Charge/Discharge Testing System Lineup



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 measuring instruments. Equipped with Opt-scope, a 3D white light interferometer microscope that measures surface properties, the relevant model improves the detection accuracy of shape and surface properties, contributing to improved quality and productivity.

Semiconductor Manufacturing Equipment with Built-in Measuring Instrument



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 2023 Targets and Results

Objectives	Plans/Targets	Result (FY2023)
Waste Reduction and Reuse of Waste as Resources	Recycling rate of 95% or higher by FY2024	Recycling rate 98.3%
	Year set : 2020	Total emissions 1,008 t
	Period : FY2020 to FY2024	Amount reused as resources 991 t
	Target : 95% or higher	Final disposal amount 17 t
Reduction of Resource (Paper) Use (Paper procurement volume production volume intensity reduction)	By FY2024, reduce CO ₂ emissions by 5% from FY2019 levels	
	Year set : 2020	0.233 kg/million yen
	Period : FY2020 to FY2024	(47.4% reduction compared to FY2019)
	Benchmark usage : 0.443 kg/million yen	
	Reduction target : 0.421 kg/million yen	

Locations covered: Hachioji Plant, Hanno Plant, and Tsuchiura Plant. The Furudono Plant is only included in reduction of resource (paper) use

Waste Reduction and Reuse of Waste Resources

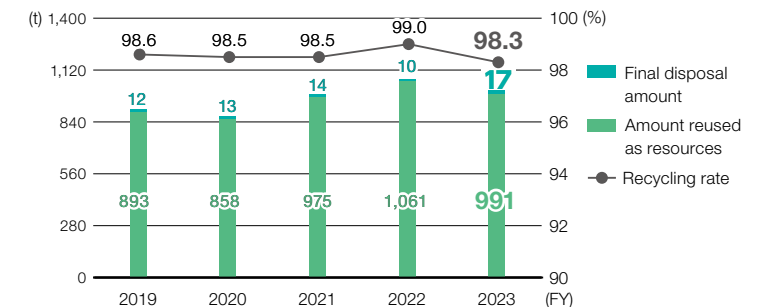
In order to reduce waste, we are implementing various initiatives, such as replacing cardboard boxes for packaging delivered parts with reusable plastic boxes, and having wooden pallets picked up by shipping companies. Targets have been set for waste reduction and the reuse of waste resources at each plant. 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.

In addition, when industrial waste is discharged, an industrial waste management manifest is created in accordance with the Act on Waste Management and Public Cleaning to ascertain whether it has been properly disposed of and carry out related management.

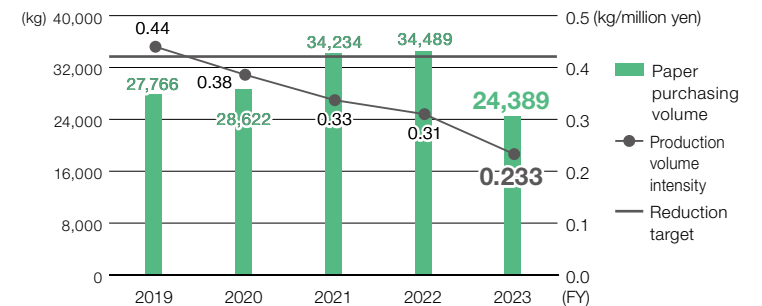
Reduction of Resource (Paper) Use

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. By replacing documents such as purchase orders and invoices with electronic data through the electronic transaction system (AC-CRETECH Web-EDI System), which was launched into operation in December 2023, the Hachioji Plant reduced paper consumption by approximately 24% of the fiscal 2022 level.

Waste Amount and Recycling Rate



Resource (Paper) Purchasing Volume



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 2023 Targets and Results

Objectives	Plans/Targets	Result (FY2023)
Reduction of water consumption (Water consumption production volume intensity reduction)	By FY2024, reduce CO ₂ emissions by 5% from FY2019 levels Year set : 2020 Period : FY2020 to FY2024 Benchmark usage : 2.74 m ³ /million yen Reduction target : 2.60 m ³ /million yen	1.59 m ³ /million yen (42.0% reduction compared to FY2019)

Locations covered: Hachioji Plant, Hanno Plant, Tsuchiura Plant, and Furudono Plant

Reduction of Water Consumption and Water Recycling

All of the water withdrawals is provided using city water and ground-water. In fiscal 2023, we used 168,685 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.

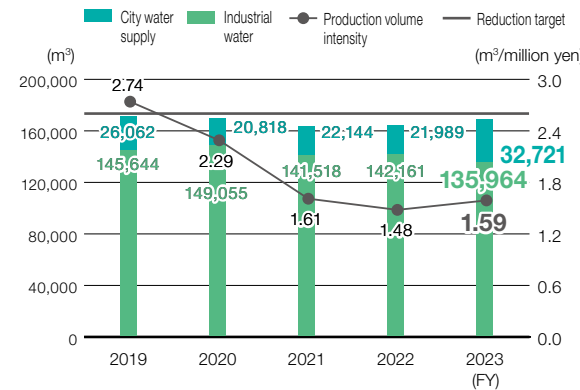
Quantity of Water Withdrawal (Water Usage)

	FY2019	FY2020	FY2021	FY2022	FY2023
Quantity of water withdrawal (m ³)	171,706	169,873	163,662	164,150	168,685
City water (m ³)	26,062	20,818	22,144	21,989	32,721
Industrial water (m ³)	145,644	149,055	141,518	142,161	135,964
Other* (m ³)	0	0	0	0	0
Water usage production volume intensity (m ³ /million yen)	2.74	2.29	1.61	1.48	1.59

Locations covered: Tokyo Seimitsu Co., Ltd. Hachioji Plant, Hanno Plant, Tsuchiura Plant, and Furudono Plant The results for fiscal 2023 include data from July onward for the Hanno Plant, when construction of the plant was completed, and from October onward for the Furudono Plant to which operations were transferred.

* Other: Includes surface water (rivers, lakes, etc.), seawater, rainwater, drainage from other organizations, etc.

Quantity of Water Withdrawal



Water Recycling Rate* from Pure Water Production Facilities

FY2019	FY2020	FY2021	FY2022	FY2023
16.3%	17.2%	17.2%	17.6%	17.1%

Locations covered: Hachioji Plant

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

Water Risk Assessment

Water stress and water risk are assessed using the World Resources Institute Aqueduct Overall Water Risk Map. The areas where our production plants (Hachioji, Hanno, Tsuchiura, and Furudono) and the production plants of domestic Group companies are located are regions indicated as having “low to medium” water risk. On the other hand, some of the manufacturing sites of overseas subsidiaries are located in regions indicated as having “extremely high” or “high” water risk. In Japan, we will continue to monitor water stress periodically while using hazard maps created by local governments.

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	FY2023
BOD (t)	3.55 or less	2.75 or less	1.87 or less	2.76 or less	2.77 or less
Nitrogen content (t)	1.53 or less	1.31 or less	1.34 or less	1.44 or less	1.56 or less
Iodine consumption (t)	0.71 or less	0.71 or less	0.82 or less	0.81 or less	0.73 or less
Suspended solids (t)	5.87 or less	5.49 or less	3.21 or less	3.78 or less	3.96 or less
Amount of n-Hexane extract (t)	0.13 or less	0.02 or less	0.02 or less	0.05 or less	0.37 or less
Phosphorus content (t)	0.09 or less	0.06 or less	0.06 or less	0.07 or less	0.08 or less

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

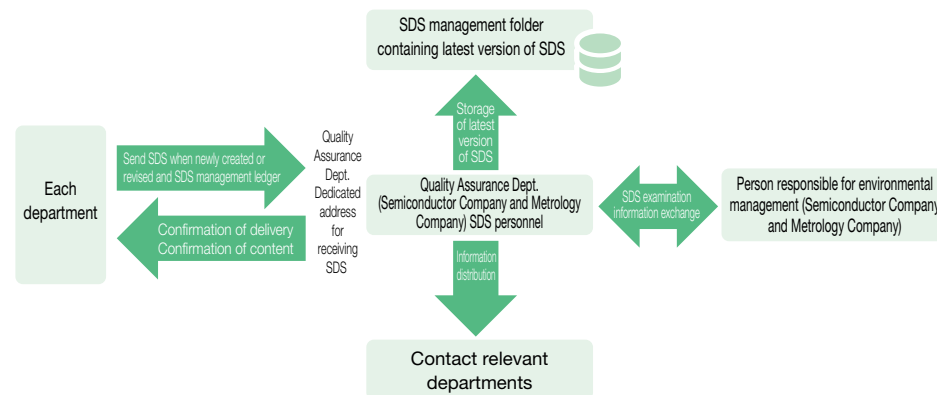
In our internal regulations, we stipulate substances with the potential to pollute the environment, and mandate notification to the person responsible for environmental management when handling such substances. In addition to keeping track of the amount of each substance handled, storage location, maximum storage volume, etc., we have SDSs*1 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 2023, we reduced the number of chemical substances by 13 compared to the reduction target of 10 substances.

We also conduct chemical substance risk assessments*2 when considering purchases or making changes in operations. In fiscal 2023, 118 chemical substance risk assessments were conducted for newly adopted chemicals and to review chemicals already in use.

SDS Management Flowchart

Management is carried out according to SDS management regulations based on plant standards.

Using SDSs, we share what we are aware of regarding the dangers posed by the items we ship and the substances that we handle.



*1 Safety data sheets (SDSs):

Provide information on the hazards, toxicity, storage, disposal methods, and other information on the handling of chemical substances. In accordance with SDS management regulations, we regularly review safety data sheets and update ledgers when we handle applicable chemical substances in our departments, and share the updated information internally under the management of the Quality Assurance Department. In addition to regular reviews on an annual basis, SDSs are reviewed as appropriate when legal revisions or other changes are made.

*2 Chemical substance risk assessments:

Assessments conducted to identify the dangers and hazards of chemical substances and their formulations, estimate the degree to which they may cause danger or health problems to workers, and consider measures to reduce the risks. In accordance with our chemical risk assessment implementation management regulations and management standards, we take measures based on the Industrial Safety and Health Act and take necessary measures to prevent danger or health problems to workers.

Chemical Substance Risk Assessment Implementation Requirements

- When the relevant department newly adopts or changes raw materials, etc. that are chemical substances, etc.
- When the method or procedure of work related to manufacturing or handling of chemical substances has been newly formed or changed
- When there has been or is likely to be a change in the level of danger or toxicity of an applicable chemical substance
- When the work environment has been changed (relocation of workplace, etc.)

Chemical Substance Risk Assessment Procedure

- (1) SDS confirmation
- (2) Identification of operations that use chemical substances, etc., and confirmation of processes and procedures
- (3) Identification of hazards and exposure level
- (4) Risk estimation
- (5) Consideration of risk reduction measures
- (6) Implementation of risk reduction measures
- (7) Chemical substance risk assessment are summarized in the Chemical Substance Risk Assessment Implementation Table and submitted to the Maintenance Section of the General Affairs Department
- (8) After confirming the content of the submitted chemical substance risk assessment, the Maintenance section of the General Affairs Department makes a decision on the purchase and use of the applicable chemical substance

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):

It is a system for identifying, compiling, and publicly announcing the sources of hazardous chemical substances and the amounts released into the environment

■ Amounts of Pollutants Subject to the PRTR Act Released (Unit: tons)

	FY2019	FY2020	FY2021	FY2022	FY2023
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	11.2	9.4	11.1	11.0	10.0

Locations covered: Hachioji Plant, Hanno Plant, and Tsuchiura Plant

Control of Chemical Substances Contained in Products

Our Basic Environmental Policy states that we will carry out efforts to “make continuous improvements in order to reduce environmental impact,” “prevent pollution,” and “comply with environmental laws and ordinances related to business activities.” In order to establish a system for managing chemical substances contained in products in response to environmental laws and regulations and customer requirements, the Group has established the Environmental Green Initiative Team within the Sustainability Department. The Environmental Green Initiative Team conducts 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. It has also conducted cloud-based surveys for suppliers on the RoHS Directive, REACH, and other topics. We also have an analysis room equipped with an X-ray fluorescence spectrometer, gas chromatograph mass spectrometer, and other equipment, and have established a system that allows us to perform checks as needed.

Green Procurement

In April 2003, we established our Green Procurement Guideline and have received cooperation from our suppliers in our efforts to manage chemical substances in products. As regulations on the management of hazardous chemical substances have become more stringent in recent years, in fiscal 2023, we established the Green Procurement Standards, which have strengthened the Guideline, and are working to build a system that prioritizes the procurement of environmentally-friendly parts and materials with low environmental impact.

■ 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 exempt 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*² regulations, in addition to the PFOA*¹ regulations that were added to the POPs (Persistent Organic Pollutants) regulations. We export 100% compliant products to areas where the regulations are enforced.

*1 PFOA (Perfluorooctanoic acid):

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

- | | | | |
|----|---|----|-------------------------------|
| 31 | Respect for Human Rights | 46 | Health Management |
| 34 | Supply Chain Management | 48 | Diversity & Inclusion |
| 37 | Quality | 50 | Work-Life Balance |
| 39 | Semiconductor Manufacturing
Equipment Business Support Quality | 52 | Human Resource
Development |
| 41 | Precision Measuring Instrument
Business Support Quality | 54 | Social Contribution |
| 42 | Occupational Health and Safety | | |

Respect for Human Rights

The Tokyo Seimitsu Group established the “Tokyo Seimitsu Group Human Rights Policy” on October 3, 2022 based on international guidelines such as the UN Guiding Principles on Business and Human Rights 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 and 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

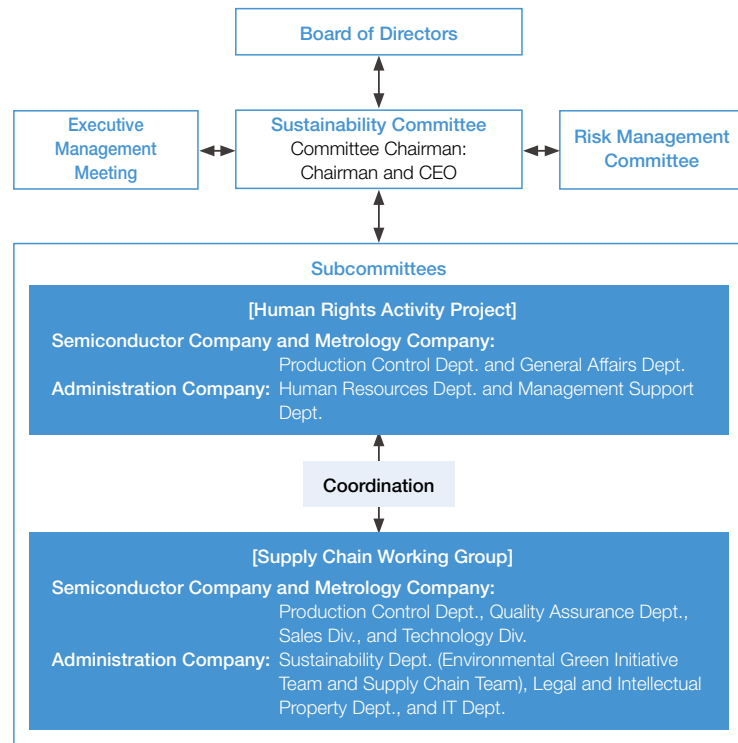
The Tokyo Seimitsu Group publicizes its commitment to respect human rights on its website, in its sustainability report, and in other media. We will continue to strengthen our commitment to a respect for human rights, through obtaining external professional advice on the Policy and initiatives based on it as necessary.

Chairman and CEO Hitoshi Yoshida

System for Promoting Human Rights

The Group has set respect for human rights as one of its materiality in pursuing the sustainability of its business and society. We have established the “Human Rights Activity Project”* as a subcommittee of the Sustainability Committee to build a system for human rights due diligence and manage business practices. Important human rights related matters are reported to the Board of Directors through the Sustainability Committee. In addition, initiatives for respecting human rights at supplier locations are carried out in cooperation with the “Supply Chain Working Group,” another Sustainability Committee subcommittee.

* **Human Rights Activity Project:** The Human Rights Activity Project, established under the “Sustainability Committee” in fiscal 2022, will be renamed Human Rights Working Group in fiscal 2024, and we will further develop systems formulated through the Human Rights Activity Project to respect human rights through our business activities.



<Key Activities in Fiscal 2023>

Refer to Sustainability Promotion Structure/FY2023 Subcommittees/Human Rights Activity Project (P10).

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, and conducted due diligence at 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 online Self-Assessment Questionnaire (SAQ). In fiscal 2023, we formulated a human rights due diligence procedure that summarizes processes for assessing negative human rights impacts and identifying human rights issues while conducting risk analysis based on the results of due diligence at our Company and Group companies. In addition, as it is necessary to consider human rights in the supply chain, we held briefings for major suppliers and conducted human rights due diligence* with the understanding and cooperation of our suppliers. The results of this due diligence did not identify any serious human rights issues. Additionally, we consulted with suppliers on harassment employee training and provided relevant information as we held dialogues with them.

Human rights due diligence

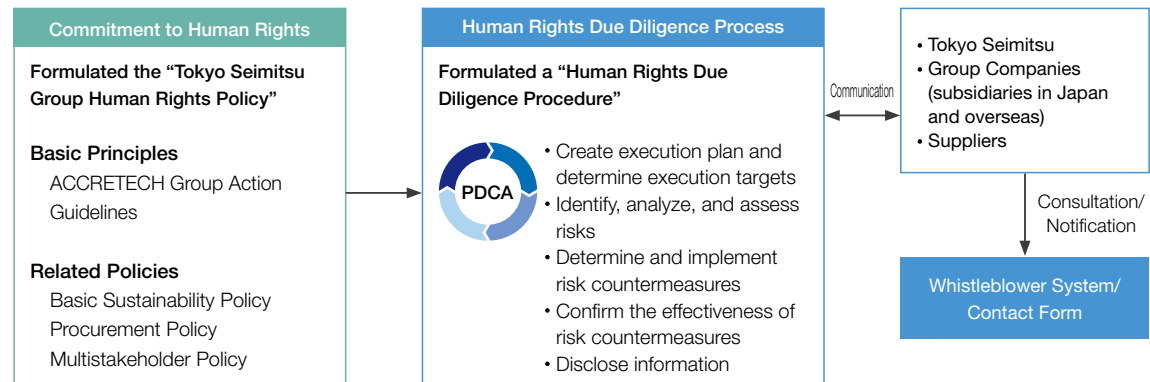
https://www.accretech.com/en/assets/HumanRightsDueDiligence_result202403_1.pdf

* Implementation rate (percentage based on procurement value): 80%, Response rate: 90.4%

■ Overview of Human Rights Due Diligence

Main items for addressing human rights risks:

- Prohibition of forced labor
- Prohibition of child labor
- Freedom of association
- Prohibition of discrimination
- Prohibition of inhumane treatment
- Appropriate wages and allowances
- Working hour awareness
- Employee safety and health



Establishment of Whistleblowing/Consultation Contact Point

In the past, we established a whistleblower contact point to report violations of laws and regulations, misconduct, etc. We ensure the anonymity and protection of privacy of whistleblowers, and take care to prevent them from disadvantageous treatment. In fiscal 2023, the number of notifications related to human rights violations such as harassment and discrimination was zero in Japan and zero overseas. If suppliers want to consult with us about human rights-related matters, we advise them to use the external whistleblower contact point site found within the contact form.

Contact Form (Japanese)

https://www.accrettech.com/jp/contact/contact_exreport.html

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 2023, we conducted human rights education under the theme of “persons with disabilities” since it is necessary to understand and give due consideration to people with disabilities.

Target group: 1,436 employees (employees of five Group companies in Japan)

Participation rate: 100%

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.

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

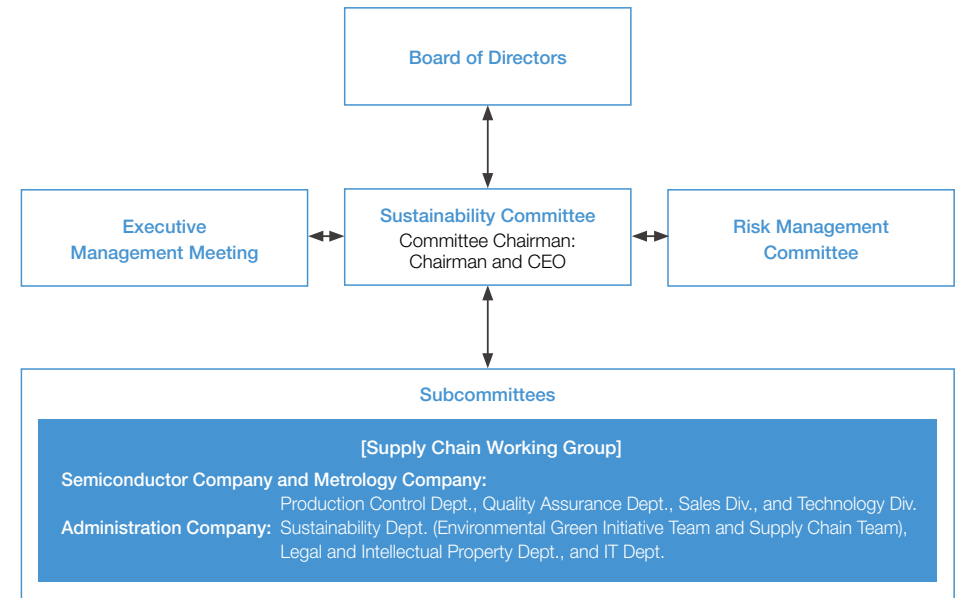
The Group has set supply chain development as one of its materiality in pursuing the sustainability of its business and society. Recognizing the importance of dialogue with suppliers to build a sustainable supply chain, we established a Supply Chain Team in the Sustainability Department and established a Supply Chain Working Group* in July 2023 which is led by that team. We will work to manage supply chain issues and reduce risks by creating opportunities and environments for dialogue with suppliers.

* Supply Chain Working Group:

Formed after integration of the Supply Chain Team, which was responsible for planning and execution of supply chain management and sustainable procurement, and its subordinate organization, the Supply Chain Promotion Subcommittee. This working group is established as a subcommittee of the Sustainability Committee. Any matters that the working group thinks may affect business management are promptly reported by the Sustainability Committee to the Board of Directors for deliberation.

<Key Activities in Fiscal 2023>

Refer to Sustainability Promotion Structure/FY2023 Subcommittees/Supply Chain Working Group (P10).



Basic Transaction Agreement

Tokyo Seimitsu revised its Basic Transaction Agreement in May 2024. In addition to clauses such as legal compliance, anti-bribery and anti-corruption, and personal information protection, we have added clauses to strive to comply with our standards (CSR Guidelines, Information Security Standards, and Green Procurement Standards) to clarify that we will work together to fulfill our social responsibilities throughout the supply chain.

Supplier CSR Guidelines

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 as well as provide us with written confirmation that they have checked and understand the content of the guidelines.

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>

Green Procurement Standards

Tokyo Seimitsu promotes green procurement and has established the Green Procurement Standards, which indicate that we will prioritize the procurement of environmentally-friendly parts and materials from suppliers with well-established management systems.

Based on the “Green Procurement Guidelines” established in April 2003, these standards were established in April 2024 to comply with environmental laws and regulations which have become more stringent. In July 2024, we held a supplier briefing session hosted by the Supply Chain Working Group to promote understanding of these standards and cooperation based on them.

Sustainable Supply Chain Development

Supplier CSR Survey

Since fiscal 2016, we have used the “SCM (Supply Chain Management) Check Sheet” to conduct supplier CSR surveys and have been conducting sustainability assessments based on RBA SAQ since fiscal 2022. In fiscal 2023, we surveyed major suppliers accounting for the top 80% of the value of purchases and received responses from 113 companies (response rate: 90.4%). 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

Actual results in FY2023:

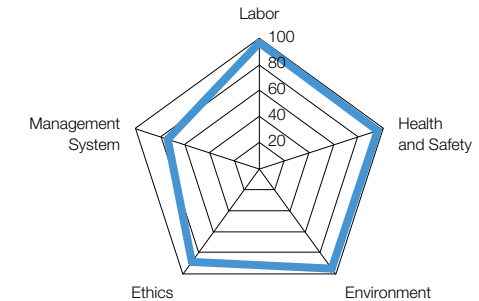
Assessed 125 companies (80% of procurement amount)

Response received from 113 companies (90.4% response rate)

Survey Content

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

Survey Results



Curtailing 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.

Opportunities and Environments for Holding Dialogues with Suppliers

Supplier Briefing Sessions (Hachioji)

We hold supplier briefing sessions to serve as opportunity for holding dialogue with suppliers. We plan to hold these briefing sessions annually so that suppliers can understand and cooperate with our sustainable procurement initiatives. On July 24, 2023, 102 people from 92 companies participated (including online participants) at Tokyo Tama Mirai Messe (Hachioji City, Tokyo). In addition to providing briefings on our sustainability structure, materiality, human rights policy, and other policies, we provided information about supplier CSR surveys, asked for their cooperation in human rights due diligence, and talked about our whistleblower contact point.



Supplier Briefing Sessions (Furudono)

We held a supplier briefing session at the Furudono Plant on September 27, 2023 for potential suppliers as a result of the transfer of the charge/discharge testing system development/manufacturing/sales business of ACCRETECH Powertro System Co., Ltd., a consolidated subsidiary of Tokyo Seimitsu. A total of 79 companies participated in the supplier briefing session, which was held at the Furudono Plant and online, an event that served as an opportunity to provide them with an understanding about our sustainability activities, human rights policies, and Supplier CSR Guidelines.



CSR Seminars

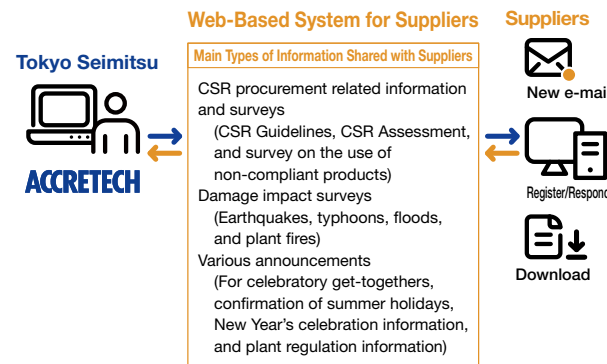
Every year, Tokyo Seimitsu offers CSR seminars at workshops sponsored by suppliers. In fiscal 2023, we conducted CSR seminars in the form of supplier briefing sessions that suppliers participated in but plan to resume holding CSR seminars in fiscal 2024.



Workshop sponsored by a supplier (Tsuchiura Plant)

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 surveys, 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.



Key Information Dissemination in Fiscal 2023

- Annual event announcements
- “ACCRETECH Web-EDI System” related Information and requests
- Request for impact investigation on the 2024 Noto Peninsula Earthquake, etc.

Supplier Commendations

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 2023, we commended two business partners and presented them with certificates of recognition.



Supplier representatives shown with certificates of recognition

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 MLIT as well as the Deputy Chief Cabinet Secretary), Keidanren Chairman, NCCI Chairman, and Rengo Chairman.



Electronic Transaction System

In December 2023, we launched our electronic transaction system (ACCRETECH Web-EDI System) into operation. Web-EDI is a system for exchanging information such as order information between companies electronically using a Web browser. In addition to making procurement operations more efficient, paperless, and compliant with invoice reporting and the Electronic Books Maintenance Act, the system can be used to strengthen compliance (compliance with laws and regulations such as the Subcontract Act) by accumulating and visualizing transaction information, and to strengthen BCP measures by quickly grasping the situation of suppliers in the event of a disaster.

Training for Employees

We conduct training for employees in Procurement Section and Procurement Team to develop human resources who promote responsible procurement. In fiscal 2023, we provided e-learning-based training for our employees on the “Subcontract Act (Act against Delay in Payment of Subcontract Proceeds, etc. to Subcontractors)” to all Tokyo Seimitsu employees.

Target group: 1,176 employees
(employees of Tokyo Seimitsu Co., Ltd.)
Participation rate: 100%

Quality

As Tokyo Seimitsu Group products are incorporated into production facilities, 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 and upgrade quality and service.

At the Semiconductor Company and Metrology Company, 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.

Quality Policy

1. We comply with laws and regulations in products and production, and contribute to society by prioritizing meeting customer requirements.
2. 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.
3. We continuously improve the performance and effectiveness of our quality management system.
4. We develop user-friendly products by establishing partnerships with users.
5. We seek to improve quality through total quality control (TQC).
6. We seek to improve quality through partnerships with subcontractors.
7. We enhance customer support in business, technology, and services.
8. We incorporate safety, quality, and reliability in each production process to achieve stable supply.
9. The quality management system applies to the activities, products, and services of Semiconductor and Metrology Companies.
10. 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 fiscal 2025

Results: Achieved a satisfactory rating of 95.1% in FY2023

Quality Management Based on ISO 9001

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. In fiscal 2023, during an certification inspection conducted by a certification body, an inspection was carried out for certification renewal, including for the Hanno Plant which was completed in July 2023, confirming compliance with the requirements of ISO 9001: 2015 and that management effectiveness has been maintained. Furthermore, the charge/discharge testing business which we transferred in October 2023, maintains its certification status since a special inspection was conducted for the business by the same certification body.

* **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.

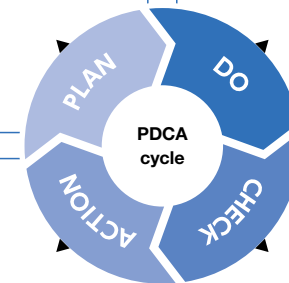
■ PDCA Cycle Based on Our Quality Policy and Quality Targets

Quality policy/Quality targets

- Initiatives aimed at risk and opportunity
- Planning of quality management system (quality target implementation plan/quality management system program)

Support and operation

- Tokyo Seimitsu Engineering Standards (TES), resources, competencies, education and training, legal information
- Creation of products and services
- Determination of requirements, design and development, management of manufacturing and service provision (change control) and release, defective product management
- Quality improvement activities
- Quality management system program execution
- Communication with suppliers



Improvement

- Instructions from management review
- Corrective action for non-conformities
- Continuous improvements

Monitoring, measurement, analysis, evaluation

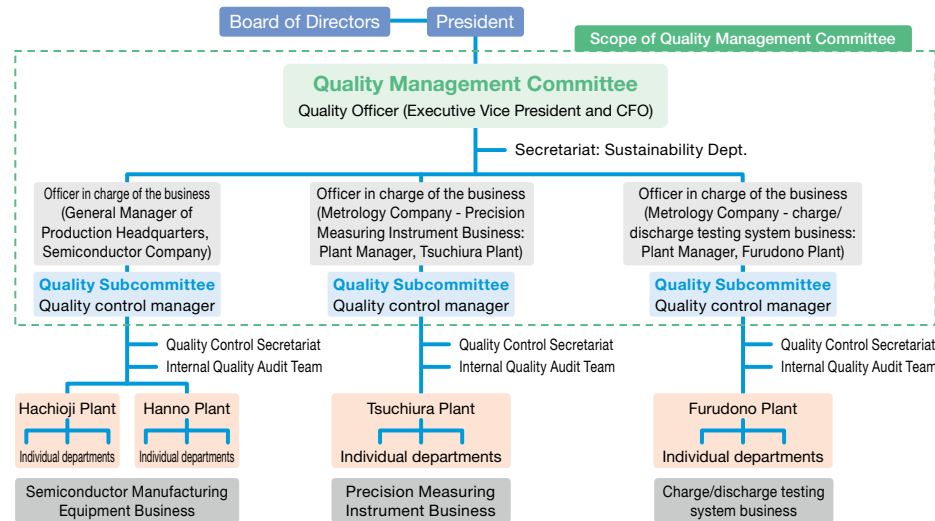
- Customer satisfaction surveys
- Management reviews
- Internal audits
- Quality Subcommittee and QC meetings
- Supplier performance surveys

Quality Control Structure

Quality Management Committee

The Quality Management Committee consists of 10 members: One Quality Officer, three officers in charge of business, three 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 2023, there were no quality management issues that required corrective actions to be taken.

Quality Control Structure



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 Semiconductor Company and Metrology Company, 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 2023, the auditors did not indicate that corrective actions were 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

Education and Training

We conduct e-learning training for our employees to deepen their understanding about ISO certification and raise their awareness of quality. In fiscal 2023, education on laws and regulations was provided on the topic of exporting hazardous goods requiring SDSs and labels.

Target group: 1,175 regular employees (regular employees of Tokyo Seimitsu Co., Ltd.)
Participation rate: 100%

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 2023, supplier quality audits were conducted at 11 companies (cumulative total of 219 companies). There were no follow-up audits conducted as there were no cases of non-compliance with our quality control standards and/or quality requirements.

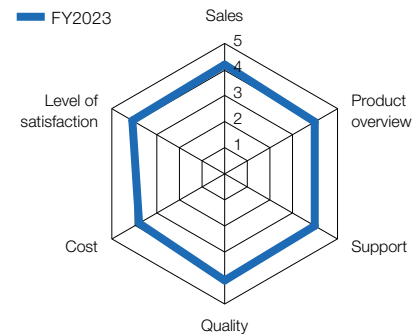
* Only suppliers who have agreed to check the quality assurance system and implementation status of quality assurance activities

Customer Satisfaction Surveys

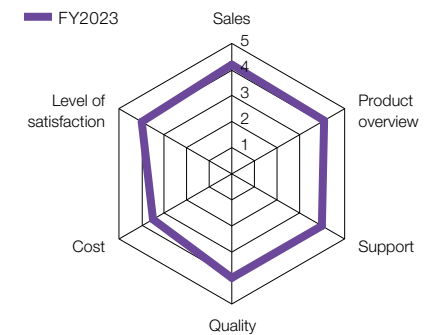
To incorporate customer feedback into the improvement and enhancement of our products and services, we conduct customer satisfaction surveys to ascertain customer satisfaction and strive to strengthen it. The percentage of satisfactory ratings in the fiscal 2023 survey was 95.1%, and we are analyzing the results of improvement measures and related factors, and implementing countermeasures needed for improvement.

FY2023 Customer Satisfaction Questionnaire Findings

Semiconductor Manufacturing Equipment Business



Precision Measuring Instrument Business

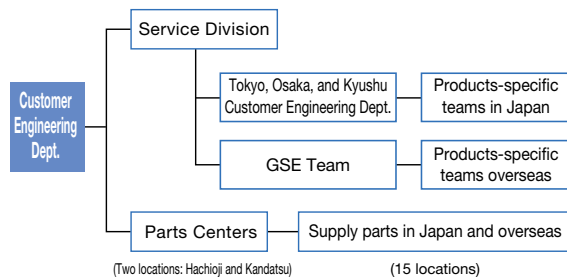


Semiconductor Manufacturing Equipment Business Support Quality

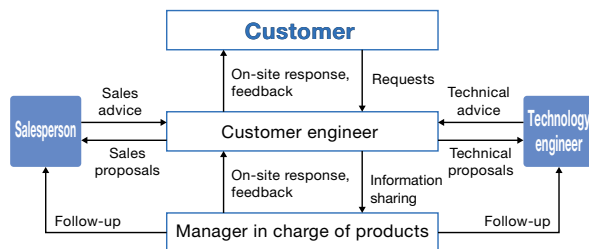
The Semiconductor Company's CE Department is responsible for maintaining and improving the quality and productivity of the Company's semiconductor manufacturing equipment used in semiconductor manufacturing and processing processes around the world, from installation setup to maintenance and training 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.



Japan CE section (94 persons), GSE Team (Global Service Engineer) Team (10 persons), parts centers (26 persons)



In fiscal 2023, we continued to visit customers to hear more about the content based on the results of the customer satisfaction questionnaire. In cooperation with the quality assurance, technology, and sales departments/divisions, we summarize specific topics and prioritize them to make decisions about what matters to respond to.

Provision of "Prompt and Meticulous Support"

Aware that it is in the position at the company closest to the customer, the department responds to various requests providing prompt and meticulous support based on the technology and experience it has cultivated. This requires specialized knowledge of products, services, and solutions that are specific to customer specifications. Therefore, in addition to acquiring knowledge about our own products and services, we also deepen our understanding through exposure to operational and system specifications at production sites, such as by conducting product tests from the customer's perspective. We are building WIN-WIN relationships by providing a level of support that lead to customer satisfaction along with a sense of empathy.

Stable Supply of Parts

We currently supply maintenance parts to customers in approximately 30 countries around the world. In fiscal 2023, we prepared consignment parts for Accretech (Europe) GmbH and Accretech America Inc. to improve delivery time of parts in response to the increase in edge grinder deliveries. Furthermore, we are improving our parts supply structure by registering new parts for inventory at the Kandatsu Plant and reviewing the appropriate inventory counts for the plant.

Education and Training

Qualifications and 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, in addition to helping employees acquire qualifications and offering special training, 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.

<Major Qualifications Acquired and Courses/ Exams Taken in FY2023 (Number of Participants)>

[Qualification acquisition]

Handler of Poisonous and Deleterious Substances (1 person), Class B Group 4 Hazardous Materials Engineer (1 person), Class 1 Health Supervisor (1 person)

[Special training]

Chemical Substances Control Manager Training (1 person), Personal Protective Equipment Manager Training (1 person), Foreman/Health & Safety Manager Training (2 persons), Training for Work Listed in Article 36, Item 32 of the Ordinance on Industrial Safety and Health (2 persons), Training for Work Listed in Article 36, Item 4 of the Ordinance on Industrial Safety and Health (1 person)

[Certification Exam]

Certification Exam for practical Proficiency in Safety Assurance and Export Control (2 persons): External

[Certification Qualifications]

All Toyoda Safety and Health Education [person in charge of work] (6 persons), [foreman education] (3 persons), [electric shock / low voltage at height] (8 persons), and safety of industrial robots (3 persons)

[Certification test]

Lead-free Soldering Certification (1 person): In-house

Global Service Meeting (GSM) Based Training

The GSM, which is held annually by GSE*, was held in a hybrid format, including online, in FY2023 and was attended by 32 service engineer representatives from nine countries and overseas subsidiaries. Each product technical engineer explained new models using actual equipment, new functions, design concepts, and operation processes.

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



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.



Customer's site

Our support site

* **Smart glasses**: Wearable device shaped like spectacles. Information can be displayed on the lenses.

Training Services for Customers

We provide training not only for customers who visit our offices but also at sites around the world to provide equipment operation and maintenance training upon request.

<Key Training Services Provided to Customers in FY2023>

[Probing machine training]	12 companies, total of 28 days
[Dicing machine training]	10 companies, total of 11 days
[High-rigidity grinder training]	1 company, total of 4 days
[CMP (Chemical Mechanical Polishing) training]	2 companies, total of 4 days

Provided Help and Support for Customers Affected by the 2024 Noto Peninsula Earthquake

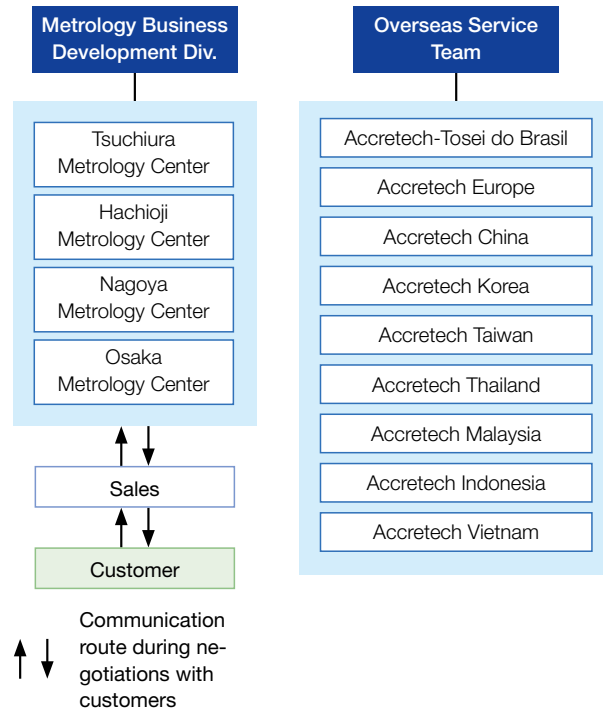
We collaborated with our service and management staff in charge to quickly assess the extent of damage to customers affected by the major earthquake that struck the Noto Peninsula in Ishikawa Prefecture on January 1, 2024, and shared information with those customers. In addition, we prioritized everything from troubleshooting to recovery according to the customer's circumstances, and conducted management and provided support until the final completion dates.

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 measuring 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 technologies and view a variety of products.

Number of Times “Place for Learning” Provided in FY2023

- Seminars and classes (including web-based seminars) 23 times
- Classes/measurement guidance at public institutions 19 times

<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

Results of Activities in FY2023

- The number of call center responses 7,376
- The number of training sessions 259

Initiatives for Customer Safety and Security

In addition to providing direct hands-on experiences 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 2023, five people from three countries participated in the basic training for new engineers, and two people from two countries participated in the advanced training for skilled and experienced engineers.

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 tasks, 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	FY2023
Accidents resulting in leave (incidents)	0	0	2	1	4
Accidents not resulting in leave (incidents)	0	6	10	12	15

Scope: Employees and temporary employees of the Semiconductor Company, Metrology Company, and Administration Company, Tokyo Seimitsu

Occupational Accidents

By accident type, "caught in or compressed by equipment or objects" and "falls" accounted for the majority of accidents in fiscal 2023. In order to prevent falls, we will promote initiatives such as making employees aware that walking while using a smartphone is prohibited in the workplace, enforcing organization and tidiness, and strengthening workplace patrols to prevent tripping during work.

Accidents by Type

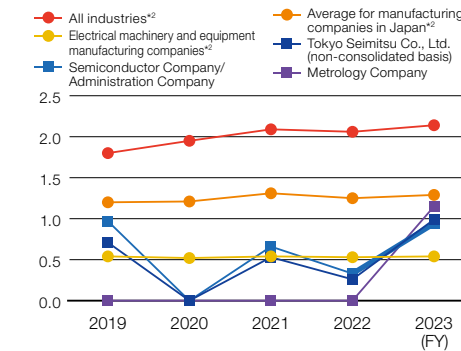
Type	Number of occupational accidents (incidents)	Number of injuries or fatalities due to work-related accidents (people)
Flying or falling objects	2	2
Cuts or abrasions	4	4
Being caught	6	6
Falling	5	5
Colliding	0	0
Overexertion	1	1

Scope: Employees and temporary employees of the Semiconductor Company, Metrology Company, and Administration Company, Tokyo Seimitsu

Indicator Monitoring

Tokyo Seimitsu uses accident frequency rate and severity rate as indicators to evaluate the occurrence of occupational accidents. We monitor annual results and the occurrence of occupational accidents at manufacturing companies (companies with over 100 employees).

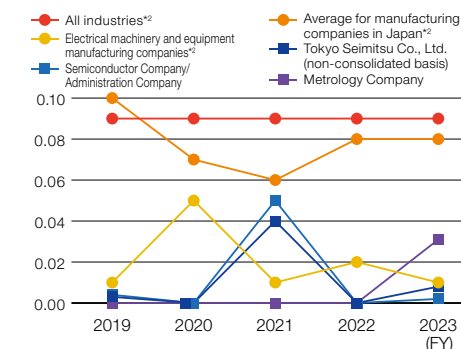
Frequency Rate for Accidents Resulting in Leave*1



	FY2019	FY2020	FY2021	FY2022	FY2023
All industries*2	1.80	1.95	2.09	2.06	2.14
Average for manufacturing companies in Japan*2	1.20	1.21	1.31	1.25	1.29
Electrical machinery and equipment manufacturing companies*2	0.54	0.52	0.54	0.53	0.54
Tokyo Seimitsu Co., Ltd. (non-consolidated basis)	0.71	0.00	0.53	0.26	0.99
Semiconductor Company/Administration Company	0.97	0.00	0.66	0.33	0.94
Metrology Company	0.00	0.00	0.00	0.00	1.15

*1 **Frequency rate:** Indicates the frequency of injury or death due to occupational accidents. Formula: (Casualties / total hours worked) × 1,000,000
 *2 Ministry of Health, Labour and Welfare (Survey on Industrial Accidents)

Severity Rate for Accidents Resulting in Leave*1



	FY2019	FY2020	FY2021	FY2022	FY2023
All industries*2	0.09	0.09	0.09	0.09	0.09
Average for manufacturing companies in Japan*2	0.10	0.07	0.06	0.08	0.08
Electrical machinery and equipment manufacturing companies*2	0.01	0.05	0.01	0.02	0.01
Tokyo Seimitsu Co., Ltd. (non-consolidated basis)	0.003	0.000	0.040	0.000	0.008
Semiconductor Company/Administration Company	0.004	0.000	0.050	0.000	0.002
Metrology Company	0.000	0.000	0.000	0.000	0.031

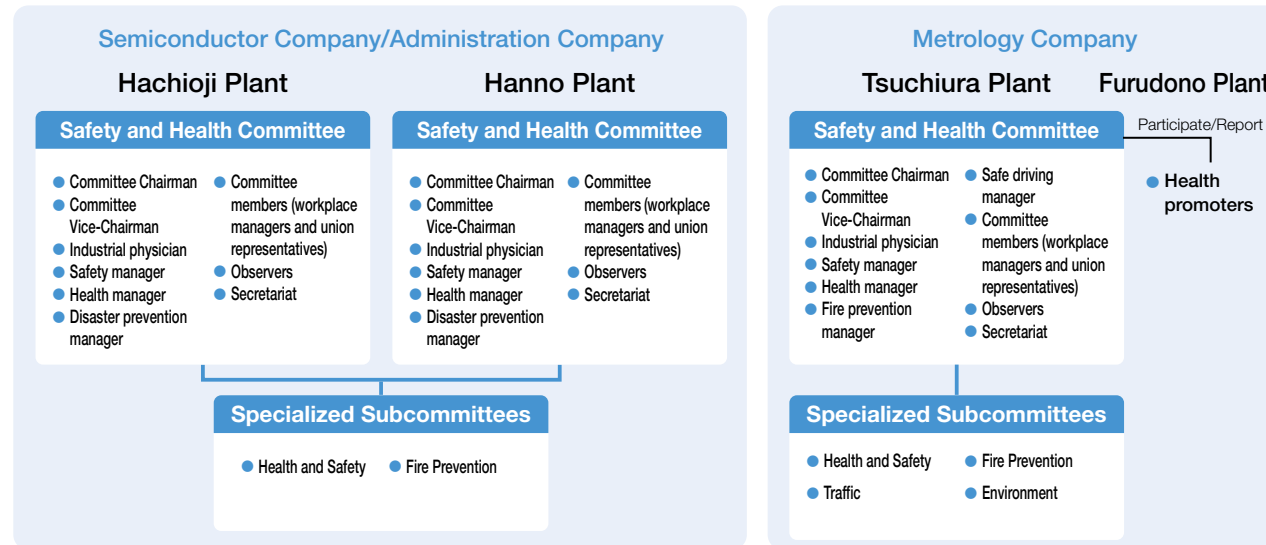
*1 **Severity rate:** Percentage of the degree of loss caused by occupational accidents. Formula: (Total lost workdays / total hours worked) × 1,000
 *2 Ministry of Health, Labour and Welfare (Survey on Industrial Accidents)

Occupational Health and Safety Promotion Structure

At the Hachioji, Hanno, 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 2023, the Safety and Health Committee met as scheduled.

At the Furudono Plant, which is a small-scale worksite with fewer than 50 employees, the Plant Manager promotes workplace health and safety as a health promoter, and participates in and reports on the Safety and Health Committee of the Tsuchiura Plant. 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



In addition, each plant has appointed a Chemical Substances Control Manager and a Personal Protective Equipment Manager.

Number of Safety and Health Committee Meetings Held in FY2023

- Hachioji Plant Safety and Health Committee met 12 times
- Hanno Plant Safety and Health Committee..... met 7 times*1
- Tsuchiura Plant Safety and Health Committee ... met 12 times
- Participation by Furudono Plant health promoters ... met 6 times*2

*1 Number of meetings held since the completion of the Hanno Plant in July 2023

*2 Number of times health promoters participate in meetings since operations were transferred to the Furudono Plant in October 2023

Patrol Activities

■ Workplace Patrols Conducted by Health Supervisors

At the Hachioji Plant and Hanno Plant, health supervisors generally conduct weekly workplace patrols to check equipment, work methods, and hygiene conditions, and take necessary measures. Patrol records for which health supervisor workplace patrol checklists are used are submitted to the General Affairs Section and kept for five years.

■ Installation of equipment to prevent shelf from tipping over



Before



After

■ Measure to prevent rack load from collapsing



Before



After

■ 5S* Patrols and Safety Patrols

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.

* 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)

■ Repair of steel floor panel



Before



After

■ Measure to prevent items from piling up



Before



After

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.

- Number of risk assessments conducted when introducing new equipment in accordance with equipment risk assessment implementation standards 26
- Number of work risk assessments conducted in accordance with work risk assessment regulations 43

Risk Assessment Training

At the Hachioji Plant, risk assessment training is conducted by outside instructors to prevent occupational accidents. In fiscal 2023, the risk assessment training was held twice, providing opportunities for more practical learning on risk assessment methods and the construction of a safety management system through classroom lectures and group work.



Risk assessment training

Education and Training

In-house Training and Testing

We conduct in-house training and certification testing to help employees avoid hazards in a variety of situations, including commuting, traveling, and working in the plant.

Course Content in Fiscal 2023	Number of attendees
Traffic safety seminar	942
Lifesaving first aid training	15
Risk assessment training	65
High Pressure Gas Safety Training Seminar	0
Special training on low voltage electricity handling	34
In-house forklift certification exam (Hachioji Plant)	13
Forklift, sling work, crane safety training (Tsuchiura Plant)	63



Training for safely operating/driving forklifts



In-house forklift certification exam



Lifesaving first aid training



Traffic safety seminar (Hachioji)



Traffic safety seminar (Tsuchiura)

External Training

• Tokyo Federation of Labor Standards Associations, Hachioji Branch

In order to promote activities to prevent industrial accidents among local workers, we participate in seminars held by the Tokyo Federation of Labor Standards Associations, Hachioji Branch. 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.

Content of Courses Conducted by the Tokyo Federation of Labor Standards Associations, Hachioji Branch in Fiscal 2023	Number of attendees
Training course for sling and crane operators	26
Foremen and safety and health supervisors	15
Operation chief of organic solvents	22
Skill training course for chief of specified chemical substances (tetraalkyl lead, etc.)	12
Handling of dangerous substances Class B Type 4	5
Advanced lifesaving skills	2
Self-defense firefighting	4
Fire and disaster prevention manager	1
Full harness	3
Forklift	6
Power press	0
Aerial work platform operation training	1
Gas welding	3

Locations covered: Tokyo Seimitsu Hachioji Plant, Hanno Plant, Tsuchiura Plant, and Furudono Plant

• 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 458 employees have participated in the seminar so far.

FY2023 SEAJ Recommended Safety Training	Number of attendees
New attendees	28
Attendees for recertification (required to attend every three years)	140

Disaster and Accident Prevention

Self-Defense Fire Drill

Every year, the Disaster Prevention Subcommittee under the Safety and Health Committee plans and conducts emergency evacuation drills for all plant employees, including those working at subsidiaries and affiliated companies within our plants.

FY2023 Evacuation Drills



Hachioji Plant



Hanno Plant



Tsuchiura Plant



Furudono Plant

Fire Drills

At the Hachioji, Hanno, and Tsuchiura plants, 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.

Forty-four teams comprised of men and women from business offices in Hachioji City participated in the self-defense firefighting training review for fiscal 2023. Our self-defense fire brigade from the Hachioji Plant competed in the “No. 1 Fire Hydrant, Male Group B” category.

FY2023 Self-Defense Firefighting Training Review



Self-Defense Fire Brigade Training at Each Plant



Hachioji Plant



Hanno Plant



Tsuchiura Plant



Furudono Plant

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 2023, the Hachioji Plant conducted training 36 times for 13 divisions. At the Tsuchiura Plant, 160 people from the plant department took part in “chemical cleaning agent splash prevention training.”

Training for Leakage of Chemical Substances with High Alkaline Content (Hachioji Plant)



Anti-diffusion work



Wastewater neutralization treatment

Chemical Cleaning Agent Splash Scenario Training (Tsuchiura Plant)



Recovery/cleaning process

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, Hanno, and Tsuchiura plants. In fiscal 2023, 118 chemical substance risk assessments were conducted for newly adopted chemicals and to review chemicals already in use. 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 promote a better diet
- We will encourage exercise
- We will promote nonsmoking
- We will promote 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.

Results in Fiscal 2023

Health Declaration	Actual Details and Results
100% of medical checkups will be taken	Achieved periodical medical examination rate of 92.3%
We will utilize the results of health checkups	A total of 163 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 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 and remote walking class
We will promote nonsmoking	Dissemination of health information on the harmfulness of smoking
We will promote mental health	Introduced counseling services Achieved 99.9% examination rate for stress level checks (Target group: 1,510 employees)

Healthy Company Declaration Collaborative Menu

Each of the cafeterias in the Hachioji, Hanno, and Tsuchiura plants offers 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.

FY2023 Video Dissemination Topics

Smoking, health hazards in the event of disasters, colds, infectious diseases, alcohol, sleep, stress management, diabetes and obesity, stress, summer fatigue, high blood pressure, and depression



Infection Prevention Measures

In addition to administering seasonal influenza vaccinations in-house, we also provide cost subsidies through our health insurance association. Anyone working at one of the plants or at a Group company is eligible to receive the vaccination. In fiscal 2023, 649 people who requested the vaccination were inoculated.

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 2023, average monthly overtime hours per person decreased by 5.1 hours from the previous year.

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

	FY2020	FY2021	FY2022	FY2023
Number of overtime hours per person	25.8 hours	29.3 hours	25.7 hours	20.6 hours
Number of days of paid leave taken per person	12.2 days	13.1 days	14.5 days	13.8 days

Measures to Address Long Working Hours

- Setting of Wednesdays and bonus payment days (twice 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
- Implementation of counseling or interviews based on the judgement of industrial physicians

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 orientation, 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)

Results

Indicator	FY2020 results	FY2021 results	FY2022 results	FY2023 results	FY2024 results
Percentage of female managers (%)	1.5	1.9	2.4	2.1	—
Percentage of female officers (%)	7.7	7.7	15.4	16.7	—
Percentage of female regular employee hires (%)	6.1	17.0	18.3	22.1	—
Percentage of female regular employees (%)	6.4	7.4	8.5	10.3	—
Number of hours of career training for female regular employees (hours)	—	—	87.0	938.0	—
Percentage of employment of persons with disabilities* (%)	1.94	1.95	2.07	2.17	2.39
Number of retirees (persons)	5	4	9	3	—
Number of retirees re-hired via re-employment contract (persons)	7	10	20	25	—
Percentage of retirees re-hired (%)	58.3	71.4	69.0	89.3	—

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

* 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 female regular 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 to 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	<ul style="list-style-type: none"> Increase the female recruitment rate and enhance students' interest in the Company New graduate recruitment site: https://www.accretech.com/recruit/new-career/ Information on reasons why employees, including female employees, applied to the Company and relevant opportunities, positive attributes of occupations/workplaces, job satisfaction (motivation and challenges), and single-day schedules Information on various systems including child-rearing support and nursing care support Information on Tokyo Seimitsu's working environment provided through numerical data Mid-career employee recruitment site: https://www.accretech.com/jp/recruit/career/index.html Interview with two female career employees that were hired by Tokyo Seimitsu Mid-career employee roundtable discussion Participation of employees, including women, in the summer 1-day work study program* Utilize scouting service to increase opportunities for connecting with science-oriented women Provide a clearer idea to women of what it is like to work at the Company (through interviews with female employees and roundtable discussions) Participation in recruitment events for science-oriented women
Support for the career development of female employees	<ul style="list-style-type: none"> Career development training for women (46 female employees participated in FY2023) Raise awareness of the development of female subordinates through human resource development training for superiors (131 people participated in FY2023) 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	<ul style="list-style-type: none"> 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

* This program allows students to learn about the Company's atmosphere and work content through roundtable discussions, workplace tours, and workshops



Career development training for women



Opportunities for female employees to interact with each other

Employment of Persons with Disabilities

In order to create a workplace where persons with disabilities can sense their own growth and contribute to the Company, we have established an organization centered on people with disabilities with the aim of creating a workplace where they can work with a sense of fulfillment. Since FY2022, we have assigned full-time instructors, and as of the end of April 2024, the number of employees with disabilities has increased to nine accordingly, creating a support system that enables employees with disabilities to perform their work independently. Now, we have 30 employees with disabilities working at the Company (as of the end of March 2024), including above-mentioned ones. Employees of the departments they are assigned to participate in supporter request courses and interact with each other with correct knowledge and understanding.

■ Initiatives for Employment of Persons with Disabilities

Coordination	<ul style="list-style-type: none"> 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	<ul style="list-style-type: none"> 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 (Japan's job placement office) Promote mutual understanding through workplace tours and practical training
Retention	<ul style="list-style-type: none"> 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 Establishment of a dedicated department to support the employment of persons with disabilities



Persons with disabilities at work

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.

Targets

Annual paid leave

100% acquisition rate (five days of annual leave)

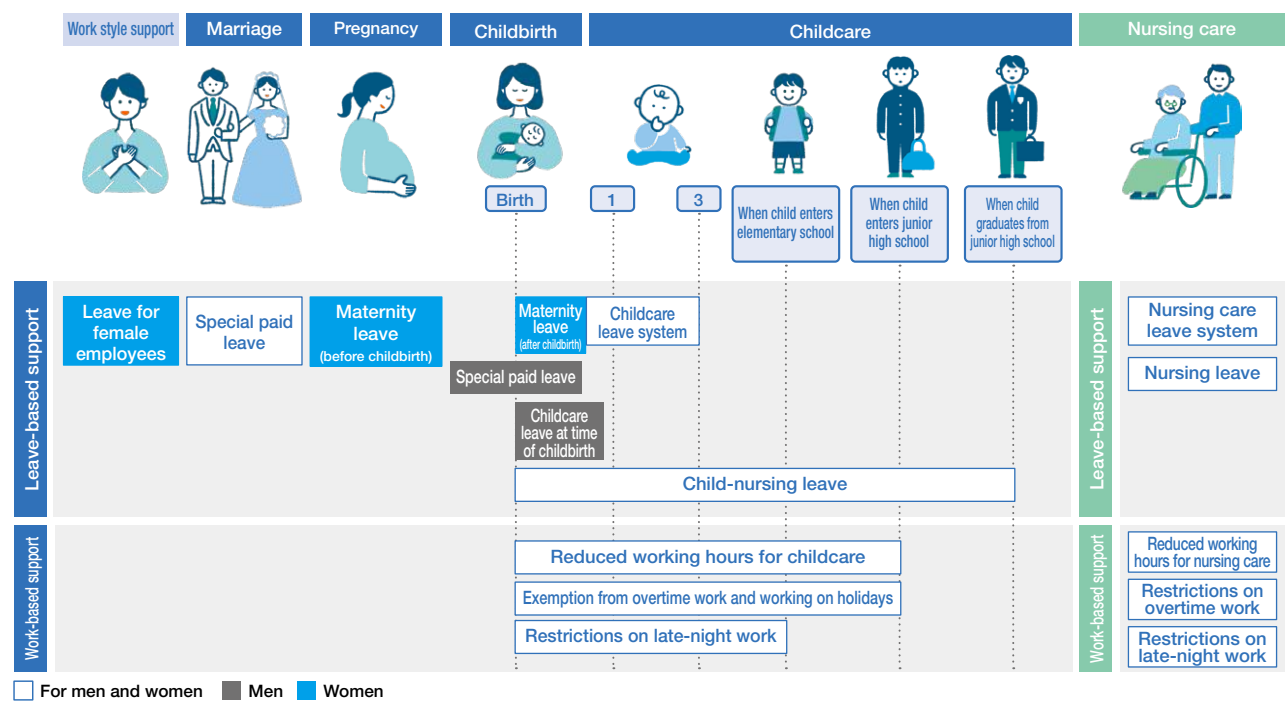
Eligible employees who are granted at least 10 days of paid leave per year
This does not include special paid leave or other leave other than annual paid leave

Results

	FY2020	FY2021	FY2022	FY2023
Annual paid leave acquisition rate (%)	65.9	69.8	76.7	72.3
Rate of taking five days of annual paid leave (%)	100	100	100	100
Number of employees taking refreshment leave (persons)	6	14	34	22
Percentage of employees taking childcare leave (%) (number of people taking leave/number of people eligible)	Women (2/2)	None eligible	100 (2/2)	100 (1/1)
	Men (3/32)	19.2 (5/26)	38.5 (10/26)	57.1 (16/28)
Return to work rate	100	100	100	100
Number of employees taking child-nursing leave (persons)	4	7	11	16
Number of employees who utilized the nursing care leave system (persons)	1	0	0	0
Number of employees who took nursing care leave (persons)	1	4	9	12

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

Main Support Systems



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, Hanno, and Tsuchiura), comprehensive welfare benefits program* (Benefit Station), mutual aid association, long-term service commendations, and club activities*

<https://www.accretech.com/recruit/new-career/welfare/>

* indicates a system (or activity) non-regular employees can also join.

Category	Overview
Childcare leave system	The maximum length of absence can be extended until the child reaches three years of age
	Employees are paid 20% of wages during the period of absence until the child reaches two years of age
Child-nursing leave	This leave is available for up to five days per year per child up to junior high school graduation
Reduced working hours for childcare	Employees raising children up to junior high school age may reduce their scheduled working hours by up to three hours per day
Nursing care leave system	Up to three leaves of absence are available per person eligible for nursing care, not exceeding a total of 1 year
	Employees are paid 20% of wages during these leave periods
Nursing leave	Up to five days may be taken per year per person eligible for care, or up to 10 days if there are two or more people eligible for care
Nursing care shortened working hours system	Employees caring for a family member may reduce their scheduled working hours by up to three hours per day
Days for leaving work on time	Wednesdays and bonus payment days (twice a year) are set as days for leaving work on time
Long-term leave system	Five consecutive vacation days each fiscal year (two days of Company holidays + three days annual paid leave)
Refreshment leave system	Employees who are 50 years of age or older and have reached 10 years of service are entitled to 10 consecutive days of vacation (in addition to vacation, travel vouchers or cash payment)
Hourly paid leave system	In addition to half-day installments (morning and afternoon), leave may be taken in hourly increments

Human Resource Development

In order to create the world's No. 1 products through WIN-WIN relationships, all employees, who are 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
- 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	FY2023 results
Total training hours (hours)	3,385.1	6,445.9	9,938.7	14,992.9
Average number of training hours per employee (hours)	3.6	7.0	9.4	12.5
Number of attendees (persons)	149	170	264	971
Education investment per employee (yen)	22,432.3	29,415.3	35,576.5	41,981.4

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

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 FY2023 (hours)	Training theme		Total number of trainees in FY2023 (persons)
Common training	Human resource development training*1	1,624.6	Department-specific training	General technical training	237
	360-degree feedback review training*2	639.0		Mechanical design training	
	e-learning (compliance-related education, etc.)	2,422.6		Electrical circuit design training	
Level-specific training	New employee training	6,059.3		Programming seminar	
	New employee follow-up training	333.0		Software-related seminar	
	Training for new managers	164.4		Semiconductor-related seminar	
	Training for new section chiefs	338.5		SEAJ recommended safety training	
	Training for new assistant section chiefs	406.1			
	Training for managers	1,848.5			
	Career training for female regular employees	938.0			
Life planning seminar for senior employees	219.0				

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

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

*1 Human resource development training:

We promote training and on-site practices so that supervisors can foster 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 review training:

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 : Regular 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 : Regular employees involved in development work at the following Group companies: Tokyo Seimitsu Co., Ltd., Tosei Engineering Corp., Tosei Systems Co., Ltd., Tosei Box Corp., and Accretech Powertro System Co., Ltd.

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

Goal Setting and Evaluation

It is important to set goals in human resource development. We believe that doing so allows employees to clearly understand the meaning and purpose of their work, and improve their skills and level of motivation in the process of achieving them. At the beginning of the fiscal year, we hold a goal-setting interviews in which managers confirm the goals* set by employees. Furthermore, mid-term interviews are conducted during the fiscal year to confirm degree of achievement, provide an opportunity for supervisors give advice according to the employee's situation, and, in some cases, revise goals. Over the following year, supervisors evaluate the results of efforts to achieve the goals to determine the efforts to be taken during the next fiscal year.

* Goals to be realized during the relevant period and goals to be realized over the long term in the future

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	FY2023 results
Improvement Proposal Awards	Given to departments that have contributed to improving the quality of operations and the environment	8 awards
Technical Awards	These awards recognize employees and technology development projects that made technical achievements contributing to the improvement of business performance	2 awards
New Business Plan Proposal Awards	These awards commend ideas for new products likely to appear in the future based on open-minded thinking	N/A

Eligible employees: Improvement Proposal Awards : Employees of Tokyo Seimitsu (non-consolidated) (including temporary employees)
 Technical Awards : Employees involved in development work at the following Group companies: Tokyo Seimitsu Co., Ltd., Tosei Engineering Corp., Tosei Systems Co., Ltd., Tosei Box Corp., and Accretech Powertro System Co., Ltd.
 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 will carry out measures to improve engagement by conducting surveys on the following points:

- Whether employees are able to demonstrate their strengths and feel motivated at work
- Whether employees trust each other and activate internal communication
- Whether employees are familiar with the Company and have a strong attachment to the Company

	FY2022	FY2023
Engagement survey response rate	93.6%	93.4%



Vision

The Tokyo Seimitsu Group is always committed to building a "future full of dreams."
Semiconductor Company: Contribute to the realization of an advanced networked society with cutting-edge technology.
Metrology Company: Aim to become a future-creating company that supports "innovation in manufacturing."

Social Contribution

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

Education and Culture

Career Studies

Since fiscal 2022, Tokyo Seimitsu's Hachioji Plant has been welcoming junior high school students in Hachioji City every year. We hold career study sessions for young people to learn and think about career paths. The students who participated in the career study sessions held in fiscal 2023 conveyed their desire to perform work in the future that will contribute to society. In order to help them realize their dreams, we provided the students with information on our *raison d'être*, social contribution through our corporate activities, and employee job satisfaction.



Work Experience Opportunities

The 1-day work study program offers participants the opportunity to experience what it is like to work on a semiconductor manufacturing equipment development project and what it is like to work as an engineer. In addition, we provide opportunities to get to know the atmosphere of the workplace through roundtable discussions with senior employees.

Recruitment Information/1-day Work Study Program (Japanese)
<https://www.accretech.com/recruit/new-career/info/>

Participation in the Future College Program

Tokyo Seimitsu is participating in Future College, a program organized by "SEMI FREAKS," a semiconductor industry research website for students operated by SEMI Japan. Among the program's events, we exhibited at "Future College@SEMICON 2023," a joint information session for students held as part of "SEMICON Japan 2023." In order to make many students aware of the semiconductor-related industry and increase their aspirations for excellent students, we held an information session in cooperation with other semiconductor

industry companies that also participated. We will continue to work on activities to deepen understanding of semiconductor manufacturing for university students and graduate students who are interested in the semiconductor industry.

Future College@SEMICON
https://www.semijapanwfd.org/event/jobfair/2023_top.html

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 (Eco-Mindset)

Hachioji Plant's Contribution to the Community

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 2023, program activities were held three times with 86 people participating.



Tsuchiura Plant's Contribution to the Community

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 2023, 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 (Japanese)
<https://www.city.tsuchiura.lg.jp/page/page004517.html>

GOVERNANCE

Governance

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Corporate Governance

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.

Following corporate governance basic policy, the Tokyo Seimitsu Group is working to build effective corporate governance structures and systems.

Basic Policy on Corporate Governance

<Core Policies>

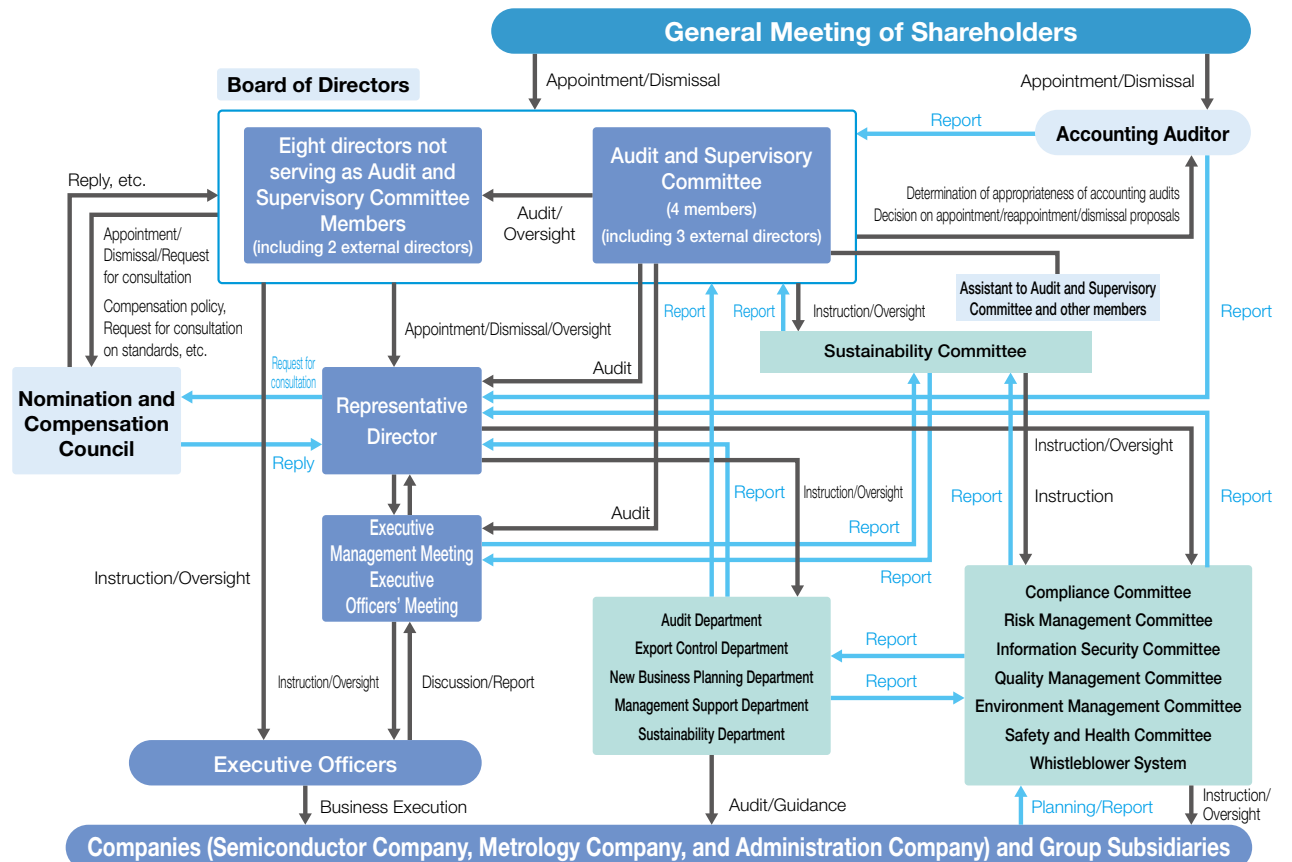
1. The Board of Directors strives to properly perform its roles and responsibilities to make transparent, fair, timely and committed decisions.
2. The Group respects the rights of shareholders and ensures the equality of shareholders.
3. The Group strives to have constructive dialogue with shareholders on investment policy that considers medium 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 Meeting 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 eight 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), with the CEO serving as the chairman. The Board of Directors holds regular monthly meetings, and extraordinary meetings are also held as necessary. The Board of Directors convened 16 times in fiscal 2023.

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 FY2023

<Business Portfolio Management>

- Business planning (development, equipment, personnel, expenses, etc.)

<Sustainability>

- Execution of a consulting agreement for the preparation of the 2023 Sustainability Report / Integrated Report
- Disclosure of sustainability information in the Securities Report
- Reported on the results of activities of the Sustainability Committee in FY2022
- Newly established the Supply Chain Team of the Sustainability Department and hired managers for the new team

<Company-Wide Risk Management>

- Report on the results of the activities of the “Compliance Committee” and “Risk Management Committee” conducted in the second half of fiscal 2022 and report on the activities of the Compliance Committee and Risk Management Committee planned for fiscal 2023
- Report on the implementation status of the “Basic Policy on Internal Control Systems”
- Establishment of “Whistleblower Contact Point Regulations”
- Report on the results of the activities of the “Compliance Committee” and “Risk Management Committee” conducted in the first half of fiscal 2023

<Other items>

- Assessment of the effectiveness of the board of directors
- Disclosure of the Corporate Governance Report
- Questionnaire to evaluate the effectiveness of the Board of Directors
- Partial revision of the “Director Compensation Regulations” and “Basic Policy on Corporate Governance”

<Attendance of Board of Directors Meetings by External Directors>

Kiyoshi Takamasu	: Attended 16/16 meetings
Shozo Saito	: Attended 4/4 meetings*1
Kazuya Mori	: Attended 12/12 meetings*2
Yuriko Sagara	: Attended 16/16 meetings
Masaki Sunaga	: Attended 16/16 meetings
Tsuneko Murata	: Attended 16/16 meetings

*1 Retired on June 26, 2023

*2 12 meetings held after Mr. Mori's appointment

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.

In fiscal 2023, we conducted business audits of domestic subsidiaries as we recognized the importance of strengthening the governance of subsidiaries in auditing the construction and operation of internal control systems at subsidiaries. No issues were found during the audits.

Committee Chairman	: Internal Director
Members	: Four (three external directors in addition to the Committee Chairman)

Frequency of meetings : Once every two to three months (convened 15 times in FY2023)

<Attendance of Board of Directors Meetings by External Directors>

Yuriko Sagara	: Attended 15/15 meetings
Masaki Sunaga	: Attended 15/15 meetings
Tsuneko Murata	: Attended 15/15 meetings

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 and compensation to directors. Independent external corporate directors are in the majority (now five members are independent external corporate directors) on the council, helping to realize deliberations fully independent from management.

Committee Chairman : External Director

Members : Directors who are Audit and Supervisory Committee Members and external directors

Frequency of meetings : Held 5 meetings

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 of meetings: Six times a year (11 times in fiscal 2023, including extraordinary meetings)

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 Compliance Committee reports the details of the misconduct and the measures taken to the Board of Directors and the Audit and Supervisory Committee

Risk Management Committee

Chairman: President and COO

Frequency of meetings: Six times a year plus extraordinary meetings as necessary (6 times in fiscal 2023)

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 of meetings: 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 of meetings: Twice a year

Functions: Deliberates on the adequacy and effectiveness of the 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 of meetings: Twice a year

Functions: Deliberates on and promotes environmental management activities performed at the Hachioji Plant, Hanno Plant, Tsuchiura Plant, and Furudono 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

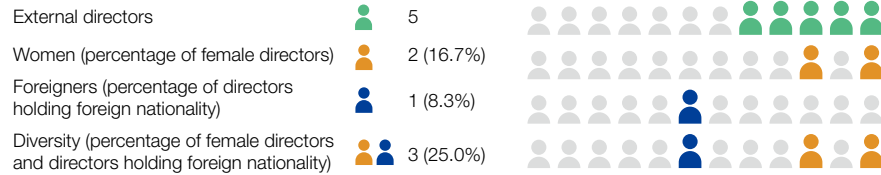
Safety and Health Committee

Chairman: General safety and health managers
 (Plant manager of Hachioji Plant, Plant manager of Hanno Plant, and Plant manager of Tsuchiura Plant)

Frequency of meetings: 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



Reasons for Appointment of External Directors

June 2024

Name	Audit and Supervisory Committee member	Independent Director	Supplementary Information	Reasons for appointment
Yuriko Sagara	<input type="radio"/>	<input type="radio"/>	—	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.
Kiyoshi Takamasu	<input type="radio"/>	<input type="radio"/>	—	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.
Masaki Sunaga	<input type="radio"/>	<input type="radio"/>	—	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.
Kazuya Mori	<input type="radio"/>	<input type="radio"/>	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 three 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.
Motoko Kawasaki	<input type="radio"/>	<input type="radio"/>	Although the Company has transactions with FUJIFILM Holdings Corporation and FUJIFILM Corporation, where Ms. Kawasaki was an executive officer in the past, those transactions account for less than 2% of consolidated net sales. Ms. Kawasaki retired from FUJIFILM Holdings Corporation and FUJIFILM Corporation three years ago and is no longer an executive of those companies.	Currently, Ms. Kawasaki 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.

Selection Criteria for Directors and Audit & Supervisory Board Members

In selecting Directors of the Company, regardless of individual attributes such as gender and nationality, persons with superior dignity, ethics, and insight are selected, and are well versed in corporate management and the Company's business, or persons with extensive experience in their respective fields of expertise. External Director candidates are those who are capable of fulfilling the function of supervising management from an independent standpoint outside the Company and providing advice on the Company's corporate activities based on their abundant experience and deep insight.

Constitution of the Board of Directors (Skills/Matrix)

Name	Age	External director Diversity	Major past experience	Board of Directors	Audit and Supervisory Committee	Nomination and Compensation Council	Skills and experiences									
							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	IT/ Information systems	
Hitoshi Yoshida	64		Measurement technology	<input type="radio"/>			<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	
Ryuichi Kimura	61		Semiconductor sales	<input type="radio"/>			<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	
Koichi Kawamura	66		Financial institutions	<input type="radio"/>			<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	
Takahiro Hokida	62		Semiconductor technology	<input type="radio"/>			<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	
Shuichi Tsukada	65		Metrology equipment production	<input type="radio"/>			<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	
Romi Pradhan	55	●	Overseas subsidiary management	<input type="radio"/>			<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	
Kiyoshi Takamasu	69	◎	Academic	<input type="radio"/>	<input type="radio"/>		<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	
Kazuya Mori	64	◎	Corporate management	<input type="radio"/>	<input type="radio"/>		<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	
Shinji Akimoto	60		Human resources	<input type="radio"/>	<input type="radio"/>		<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	
Yuriko Sagara	49	◎○	Attorney	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	
Masaki Sunaga	62	◎	Certified public accountant/Tax accountant	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	
Motoko Kawasaki	63	◎○	Corporate management	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	

Ages current as of the end of June 2024/Independent External Corporate Director: ◎ Female: ○ Foreigner: ●
 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.accretech.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) in 2023 and revised to incorporate ESG score* in 2024.

* ESG score:

Score given for the status of ESG activities (score by the Nomination and Compensation Council: 0.9 to 1.1)

Total Amount of Compensation by Officer Category, Total Amount of Compensation by Type, and Number of Officers in Each Category

Officer category	Total amount of compensation (million yen)	Total amount of compensation by type (million yen)					Number of officers in this category (persons)
		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)	573	234	179	141	17	158	8
Director (Audit and Supervisory Committee member) (excluding external directors)	22	22	—	—	—	—	1
External director	42	42	—	—	—	—	6

- Notes: 1. The number of directors includes two persons who retired at the conclusion of the 100th Regular Shareholders’ Meeting held on June 26, 2023.
 2. The number of directors (Audit and Supervisory Committee members) includes one person who retired at the conclusion of the 100th Regular Shareholders’ Meeting held on June 26, 2023.
 3. 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).
 4. 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.
 5. 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.
 6. 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	149	Director	Reporting company	60	48	37	3	41
Ryuichi Kimura	149	Director	Reporting company	60	48	37	3	41
Koichi Kawamura	128	Director	Reporting company	51	40	32	3	36

- 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 “2. Directors and Boards” 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 director 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 authority commensurate with the importance and scale of the transaction in accordance with internal regulations determined by the Board of Directors.

Cross-Shareholdings

The Board of Directors comprehensively examines whether shares held as cross-holdings are worthwhile based on risk and return from 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 principle 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 18 cross-shareholdings (including shares subject to deemed holding) for 8,383 million yen between April 2015 and March 2024.

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 questionnaire surveys of all directors (including Audit and Supervisory Committee members) on the items listed below 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.

For preparing the questionnaire as well as compiling and analyzing the results of the questionnaire, we utilize external organizations to ensure transparency and effectiveness.

FY2023 Questionnaire Items

8 items, 28 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
- * Cooperation with auditing organizations
- * Relationship with external directors
- * Relationship with shareholders and investors
- * Effectiveness of the Nomination and Compensation Council
- * Progress in the Governance Structure relative to the previous year

The questionnaire not only evaluates each item but also includes open-ended questions about the strengths of the Board of Directors and areas for improvement, and it seeks individual directors' reflections on their contributions to the board, along with any other comments and suggestions they might have.

2. Results of Analysis and Evaluation of the Effectiveness of the Board of Directors

The Company's Board of Directors is generally considered to be effective, as members with diverse experience and expertise engage in free and vigorous discussions, and outside directors are provided with ample opportunities to gain a better understanding of the Company.

With regard to the issues we faced last year in strengthening the governance of the entire Group, we are working to improve and strengthen the management system of our subsidiaries and provide effective support as well as supervision. With regard to succession planning and executive training, discussions will be held by the Nomination and Compensation Council.

In addition, with regard to the enhancement of discussions at the Board of Directors meetings, we are reviewing management methods, such as separating deliberations and reporting. Furthermore, from the viewpoint of deepening our shareholders' and investors' understanding of our company, we will enhance dialogue related to governance and sustainability, and share feedback with the Board of Directors for use in our efforts to achieve sustainable growth in the future.

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

- Need for further enhancement of medium- to long-term discussions at Board of Directors meetings
- Need to deepen discussions on succession planning and relevant training planning
- Need to enhance the executive training course lineup

3. Future Actions

In order to further enhance discussions, the Board of Directors will consider reviewing the criteria for submission, speeding up the distribution of materials, and adding to the issues of individual themes. With regard to succession planning, deeper discussions will be held by the Nomination and Compensation Council for formulating a training plan, etc.

Furthermore, we will consider the further enhancement of executive training, such as training for conducting on-site inspections, including at overseas bases. Through these initiatives, the Company is committed to ensure further improvement for the effectiveness of the Board of Directors.

Compliance

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 regulations, 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 2023, the “Compliance Committee” convened 11 times.

Compliance Awareness Survey

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

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. The next survey is scheduled to be conducted in 2024 as a compliance awareness survey for all Group companies.

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 2023, we conducted training for all officers and employees of Group companies on how to respond when offered entertainment and gifts. No violations were found in fiscal 2023.

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 2023, 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 2023

- Number of participants: 3,339
- Number of participants from Group companies including overseas subsidiaries: 1,932
- 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 for direct reporting, 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."

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

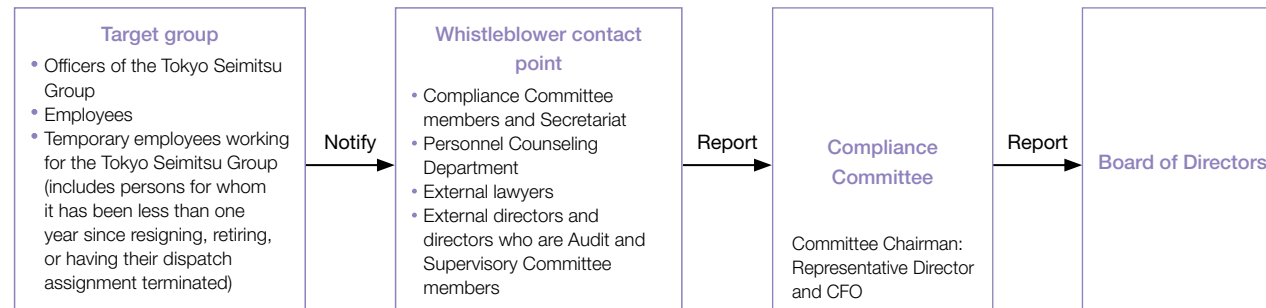
- Expanded the scope of whistleblowers in line with the "Whistleblower Protection Act"
- Clarified that anonymous reports will not be rejected to accept based on the fact that they are anonymous
- Revision made which requires the whistleblower contact as well as all parties involved in the investigation 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 2023, although there were nine whistleblowing cases, there were no compliance issues affecting our business activities.

Internal Reporting Regulations: (Japanese) https://www.accretech.com/jp/company/internal_reporting.html

- | | | |
|---------------------------------|--|---|
| 1. Objectives | 5. Protecting the Identities of Whistleblowers | 9. Protection of Persons Involved in Investigations |
| 2. Whistleblower contact point | 6. Prohibition of Whistleblowing for Improper Purposes | 10. Corrective Action |
| 3. Internal Reporting Methods | 7. Investigations | 11. Penalties |
| 4. Protection of Whistleblowers | 8. Cooperation in Investigations | 12. Explanation of Investigation Results |

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
- 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 2023, 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, product quality and environmental initiatives, handling of stakeholders inside and outside the Company, and other matters of the Tokyo Seimitsu Group.

Risk Management

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 and COO 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

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 and accident, etc.)
7. Risks concerning capital providers (changes in share ownership, etc.)
8. Risks concerning IT system (IT system failure, etc.)
9. Risks concerning the quality of products and services
10. Risks concerning climate change
11. Other risks associated with business execution

FY2023 BCP Performance

- Reinforced buildings and equipment: Seismic reinforcement work in FY2023: Hachioji Plant No. 1 and No. 5
- Enhanced internal and external inventories of maintenance parts and consumables for semiconductor manufacturing equipment
- Established rules for the use of parts for display machines in emergencies in order to enhance the business continuity system for providing services in the precision measuring instrument business to customers impacted by disasters
- Conducted annual DR (Disaster Recovery)* test of the Enterprise Resource Planning (ERP) system
- Installed power backup equipment for the Enterprise Resource Planning (ERP) system at the head office of Tosei Engineering Corp.
- Performed management of stockpiles and storage at each plant in accordance with “Rules for Managing Stockpiles in the Event of a Major Disaster”

<Stockpiles and Storage at Each Plant>

Hachioji Plant	: Three days worth of stockpiles for 1,583 people
Hanno Plant	: Three days worth of stockpiles for 400 people
Tsuchiura Plant	: Two days worth of stockpiles for 30 people

* **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

Risk Management System

Risk Management Committee

Chairman: President 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 revolving around 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.)

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 2023, 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. We also analyzed and identified vulnerabilities with respect to BCP enhancement, starting with our response to climate change. Taking changes in the external environment into account, we continue to review and detail 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.

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 2023, in addition to conventional e-mail-based safety confirmations, we have made it possible to use safety applications and messenger applications together in order to improve the safety confirmation response rate and to anticipate delays in receipt or refusal of acceptance when actual safety confirmation e-mails are sent out. We continue to collect final response rate and elapsed time data, and implement 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. The Information Security Committee is chaired by the CFO, and each company has a director in charge of security, a security manager, and a security subcommittee, and Group (affiliated) companies also participate in the committee. Although we have been implementing information security measures until now, unauthorized access to the servers of our Group companies was discovered in 2023. Taking this situation seriously, we have implemented the security enhancements since 2024. Additionally, we are working to prevent leaks of confidential company information and personal information due to the expansion of the scope of conventional activities, including remote work (working from home), and provide education to improve individual employee literacy. Moving forward, we will strive to further strengthen our information security management system, including at Group companies, and work together to implement security measures.

■ Details of Security Enhancements (from 2024)

- Contracted with an external SOC*1 to establish a security monitoring system 24 hours a day, 365 days a year
- Installed EDR*2 software in all terminals in Japan and overseas to establish a system that can immediately detect and respond to suspicious behavior and cyber attacks
- Introduced a globally-standardized document management platform

*1 SOC (Security Operation Center):

A center comprised of a dedicated team that monitors and analyzes threats to information systems

*2 EDR (Endpoint Detection and Response):

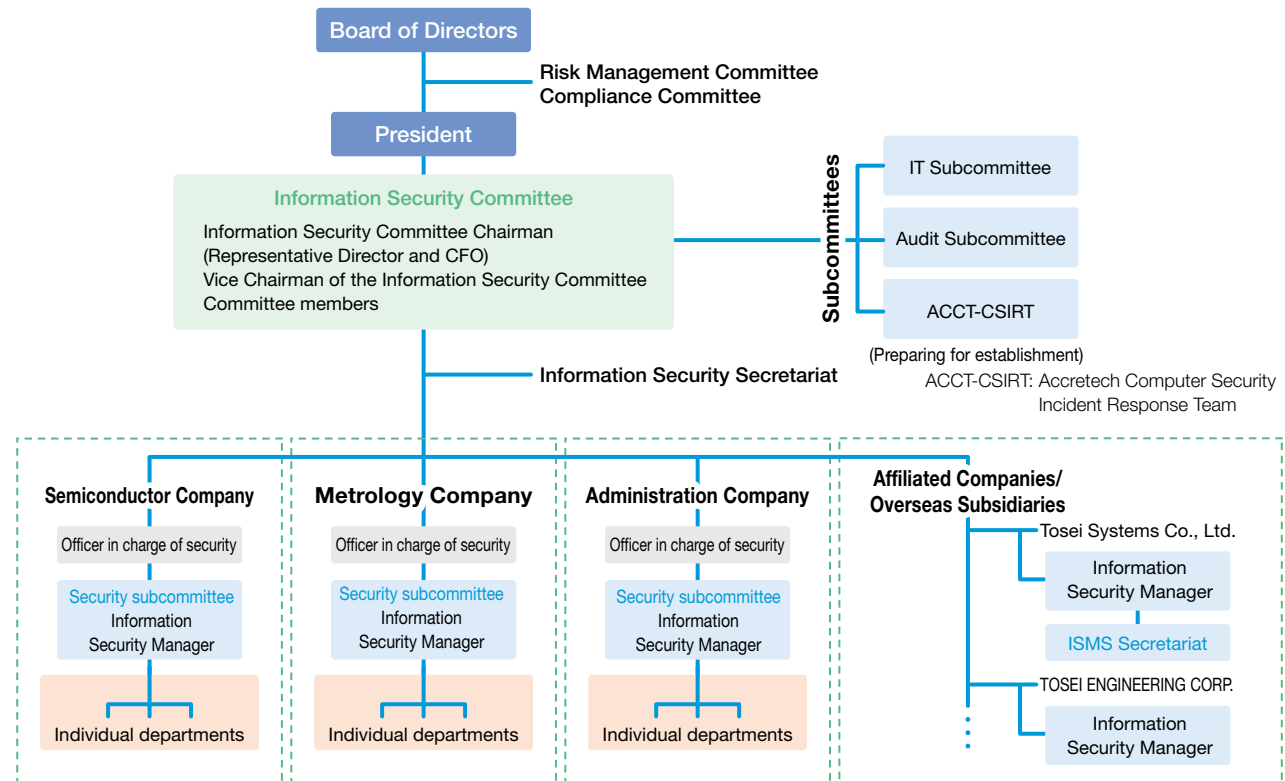
For the monitoring of endpoint devices such as PCs to detect and respond to suspicious behavior

■ Information Security Targets and Results

	Target	Result
Number of regular information exchange meetings on information security	18 times	38 times
Number of serious incidents	0 incidents	1 incident*
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	Four times a year
Information security training participation rate	98% or higher	99%

* Unauthorized access to the servers of our Taiwan subsidiary was discovered on September 12, 2023

■ Information Security System Chart



A director in charge of security, a security manager, and a security subcommittee are assigned to each company, and Group (consolidated) companies also participate in the Information Security Committee.

DATA/SITE REPORT

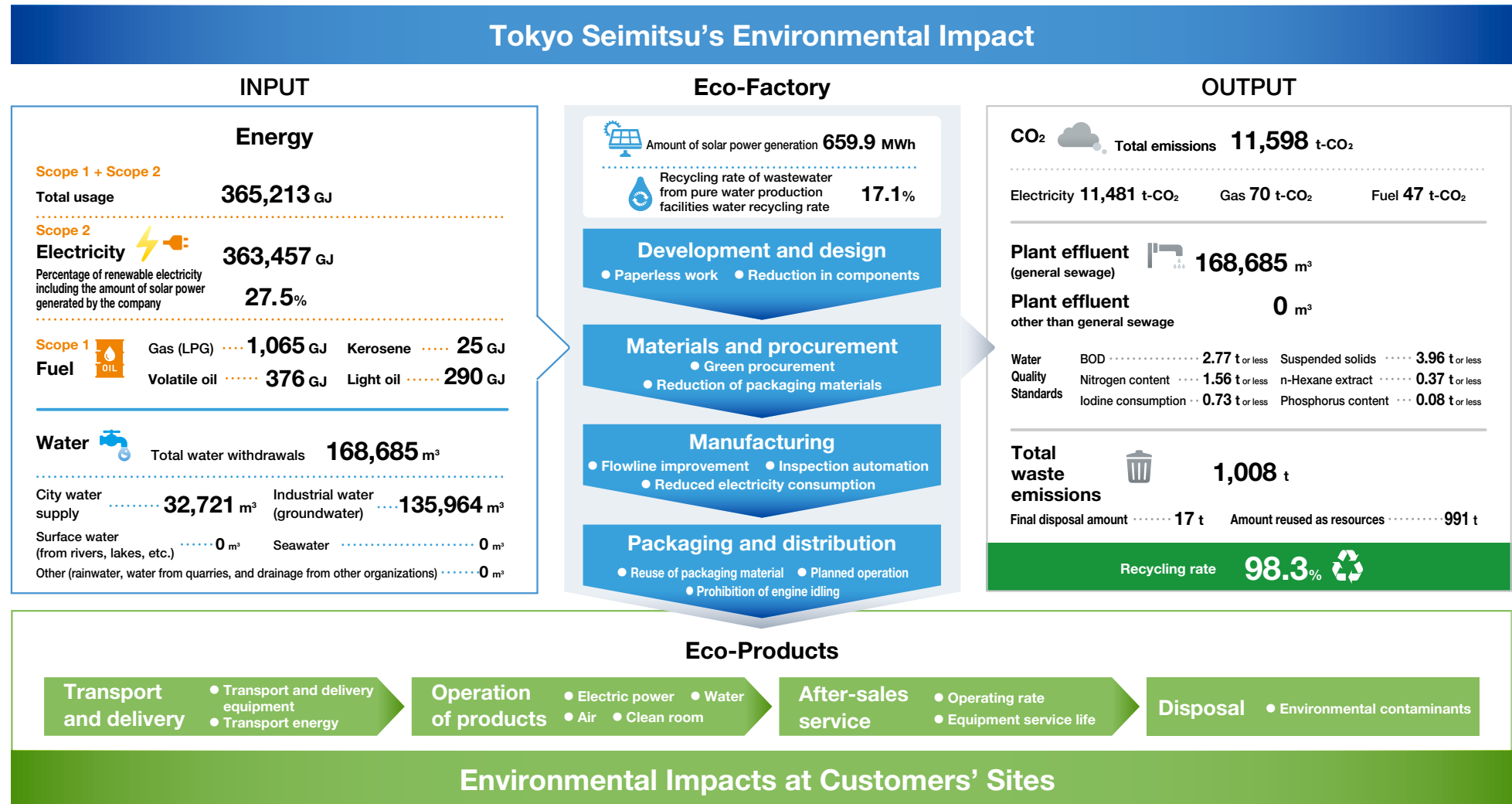
Data/Site Report

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Data/Site Report

Environment

Overview of Environmental Impact in Fiscal 2023 (Locations covered: Hachioji Plant, Hanno Plant, Tsuchiura Plant, and Furudono Plant)



■ Energy Use

	FY2019	FY2020	FY2021	FY2022	FY2023
Energy use (Scope 1 and Scope 2)	248,272 GJ	281,133 GJ	289,397 GJ	288,544 GJ	325,175 GJ
Scope 1					
Gas (LPG)	352 GJ	706 GJ	866 GJ	837 GJ	1,065 GJ
Volatile oil	654 GJ	425 GJ	495 GJ	305 GJ	376 GJ
Kerosene	8 GJ	1 GJ	26 GJ	18 GJ	25 GJ
Light oil	98 GJ	71 GJ	119 GJ	342 GJ	290 GJ
Scope 2					
Electricity	247,160 GJ 25,448 MWh	279,930 GJ 28,843 MWh	287,891 GJ 29,835 MWh	287,042 GJ 29,546 MWh	323,419 GJ 37,432 MWh
Percentage of renewable electricity*	12.9%	15.7%	18.5%	29.8%	27.5%

* Including the amount of solar power generated by the Company

■ CO₂ Emissions

	FY2019	FY2020	FY2021	FY2022	FY2023
Total CO ₂ emissions (Scope 1 and Scope 2)	11,982 t-CO ₂	9,524 t-CO ₂	8,191 t-CO ₂	8,257 t-CO ₂	11,598 t-CO ₂
CO ₂ emissions production volume intensity (Scope 1 and Scope 2)	0.191 (t-CO ₂ per million yen)	0.129 (t-CO ₂ per million yen)	0.080 (t-CO ₂ per million yen)	0.074 (t-CO ₂ per million yen)	0.111 (t-CO ₂ per million yen)
Details					
Gas	21 t-CO ₂	42 t-CO ₂	51 t-CO ₂	54 t-CO ₂	70 t-CO ₂
Fuel	51 t-CO ₂	33 t-CO ₂	43 t-CO ₂	45 t-CO ₂	47 t-CO ₂
Electricity	11,910 t-CO ₂	9,449 t-CO ₂	8,097 t-CO ₂	8,158 t-CO ₂	11,481 t-CO ₂

Scope 1: Direct GHG emissions by the Company (emissions from fuel combustion, on-site power generation, and industrial processes)

Scope 2: 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

	FY2019	FY2020	FY2021	FY2022	FY2023
Solar power generation	427.5 MWh	469.5 MWh	494.2 MWh	469.6 MWh	659.9 MWh

■ Quantity of Water Withdrawal*

	FY2019	FY2020	FY2021	FY2022	FY2023
Total quantity of water withdrawal	171,706 m ³	169,873 m ³	163,662 m ³	164,150 m ³	168,685 m ³
City water supply	26,062 m ³	20,818 m ³	22,144 m ³	21,989 m ³	32,721 m ³
Industrial water (groundwater)	145,644 m ³	149,055 m ³	141,518 m ³	142,161 m ³	135,964 m ³
Surface water (from rivers, lakes, etc.)	—	—	0 m ³	0 m ³	0 m ³
Seawater	—	—	0 m ³	0 m ³	0 m ³
Other (rainwater, water from quarries, and drainage from other organizations)	—	—	0 m ³	0 m ³	0 m ³
Production volume intensity	2.74 (m ³ /million yen)	2.29 (m ³ /million yen)	1.61 (m ³ /million yen)	1.48 (m ³ /million yen)	1.59 (m ³ /million yen)

* All of the water withdrawals we use is from the city water and groundwater based on surface water

■ Wastewater*

	FY2019	FY2020	FY2021	FY2022	FY2023
Industrial wastewater (general sewage)	171,706 m ³	169,873 m ³	163,662 m ³	164,150 m ³	168,685 m ³
Effluent other than industrial wastewater (general sewage)	0 m ³	0 m ³	0 m ³	0 m ³	0 m ³
Water Quality Standards					
BOD	3.55 t or less	2.75 t or less	1.87 t or less	2.76 t or less	2.77 t or less
Nitrogen content	1.53 t or less	1.31 t or less	1.34 t or less	1.44 t or less	1.56 t or less
Iodine consumption	0.71 t or less	0.71 t or less	0.82 t or less	0.81 t or less	0.73 t or less
Suspended solids	5.87 t or less	5.49 t or less	3.21 t or less	3.78 t or less	3.96 t or less
Amount of n-Hexane extract	0.13 t or less	0.02 t or less	0.02 t or less	0.05 t or less	0.37 t or less
Phosphorus content	0.09 t or less	0.06 t or less	0.06 t or less	0.07 t or less	0.08 t or less

* All effluent is treated as general sewage

■ Water Recycling

	FY2019	FY2020	FY2021	FY2022	FY2023
Water recycling rate from pure water production facilities	16.3%	17.2%	17.2%	17.6%	17.1%

■ Paper Usage

	FY2019	FY2020	FY2021	FY2022	FY2023
Paper purchasing volume	27,766 kg	28,622 kg	34,234 kg	34,489 kg	24,389 kg
Production volume intensity	0.444 (kg/million yen)	0.386 (kg/million yen)	0.337 (kg/million yen)	0.310 (kg/million yen)	0.233 (kg/million yen)

Waste Emissions*

	FY2019	FY2020	FY2021	FY2022	FY2023
Total waste emissions	905 t	871 t	989 t	1,071 t	1,008 t
Metal scraps	—	—	30.5%	26.7%	33.4%
Waste paper	—	—	22.1%	21.3%	9.6%
Waste woods	—	—	9.1%	12.2%	11.6%
Glass wastes	—	—	6.9%	10.6%	5.6%
Plastic wastes	—	—	9.7%	8.2%	8.9%
Wood scraps	—	—	9.9%	6.8%	6.0%
Waste liquids	—	—	5.8%	6.0%	5.3%
Sludge	—	—	3.7%	3.3%	6.5%
General industrial wastes	—	—	0.9%	0.8%	12.1%
Non-combustible waste	—	—	0.3%	0.6%	0.4%
Wire scraps and office appliances	—	—	1.2%	1.0%	0.4%
Amount reused as resources	893 t	858 t	975 t	1,061 t	991 t
Final disposal amount	12 t	13 t	14 t	10 t	17 t
Recycling rate	98.6%	98.5%	98.5%	99.0%	98.3%

* Waste emissions of the Furudono Plant are not included

Society

Consolidated Employee Overview (data provided was current as of March 31 of the relevant fiscal year)

Number of Employees

(Unit: persons)

	FY2019	FY2020	FY2021	FY2022	FY2023	
Total number of employees*1	3,230	3,289	3,477	3,726	3,211	
Total number of regular employees	2,250	2,293	2,354	2,468	2,658	
Gender	Men	—	—	—	2,259	
	Women	—	—	—	399	
	Percentage of females	—	—	—	—	15.0%
Number of regular employees by region	Japan	1,572	1,584	1,634	1,718	1,831
	Other countries in Asia	575	583	592	598	644
	Europe	67	72	78	92	94
	North America/South America	36	54	50	60	89
Number of regular employees by industry sector	Semiconductor manufacturing equipment	1,146	1,240	1,304	1,355	1,463
	Measuring instruments	935	881	880	924	983
	Regular employees who work for both the Semiconductor Company and Metrology Company	169	172	170	189	212
Total number of temporary workers*2	980	996	1,123	1,258	553	
Tokyo Seimitsu Co., Ltd. (non-consolidated basis)*1	1,522	1,555	1,704	1,837	1,523	
Number of regular employees	912	944	922	1,054	1,200	
Number of temporary workers*2	610	611	712	783	323	
Consolidated subsidiaries*1	1,708	1,734	1,773	1,889	1,688	
Number of regular employees	1,338	1,349	1,432	1,414	1,458	
Number of temporary workers*2	370	385	411	475	230	

*1 From fiscal 2023, the number of employees will be the one of workers directly employed by the Company only, and temporary employees will be excluded.

*2 From fiscal 2023, temporary employees will be excluded.
Scope: Tokyo Seimitsu Group

■ Number of Employees by Employment Type (Japan)

(Unit: persons)

	FY2019	FY2020	FY2021	FY2022	FY2023
Total number of employees*1	2,531	2,582	2,765	2,898	2,364
Number of regular employees	1,572	1,584	1,634	1,718	1,831
Gender	Men	—	—	—	1,650
	Women	—	—	—	181
	Percentage of females	—	—	—	9.9%
Age	Under 30	—	—	—	477
	30 to 50	—	—	—	943
	50 or older	—	—	—	411
Number of temporary workers*2	959	998	1,131	1,180	533

*1 From fiscal 2023, the number of employees will be the one of workers directly employed by the Company only, and temporary employees will be excluded.

*2 From fiscal 2023, temporary employees will be excluded.

* Based on ages as of the end of the reporting period (March 31, 2024)

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

■ Recruitment/Turnover of Regular Employees

(Unit: persons)

	FY2019	FY2020	FY2021	FY2022	FY2023
Number of new hires	—	—	—	—	325
Number of new graduate hires	Men	—	—	—	100
	Women	—	—	—	22
Number of mid-career hires	Men	—	—	—	144
	Women	—	—	—	59
Number of employees who left the Company*1	—	—	—	—	123
Turnover rate*2	—	—	—	—	4.6%

*1 Number of regular employees (including mandatory retirement) who left their jobs during the reporting period (between April 1, 2023 and March 31, 2024) Note: Excluding employees that were re-employed

*2 Calculated as the number of employees who left their jobs within the fiscal year divided by the number of employees employed at the end of the fiscal year multiplied by 100%

Scope: Tokyo Seimitsu Group

■ Female Managers

(Unit: persons)

	FY2019	FY2020	FY2021	FY2022	FY2023
Number of female managers	—	—	—	27	28
Percentage of female managers	—	—	—	5.9%	5.8%
Number of female managers (Japan)	—	—	—	5	5
Percentage of female managers (Japan)	—	—	—	1.7%	1.6%

Scope: Tokyo Seimitsu Group

■ Overview of Tokyo Seimitsu Co., Ltd. (non-consolidated basis)
(data provided was current as of March 31 of the relevant fiscal year)

■ Composition of Regular Employees

	FY2019	FY2020	FY2021	FY2022	FY2023
Gender*3	Men	—	—	—	1,090 people
	Women	—	—	—	125 people
	Percentage of females	—	—	—	10.3%
Age*4	Under 30	—	—	—	330 people
	30 to 50	—	—	—	550 people
	50 or older	—	—	—	320 people
Average age of regular employees	40.0	39.9	39.8	39.6	39.2
Average years of service for regular employees	11.2	11.2	11.1	11.1	10.2
Men	11.4	11.4	11.4	11.5	10.6
Women	7.8	7.8	7.5	7.3	6.3
Percentage of female regular employees	6.4%	6.4%	7.4%	8.5%	10.3%

*3 Includes seconded employees, but excludes received secondees.

*4 Based on ages as of the end of the reporting period (March 31, 2024)

■ Female Managers

	FY2019	FY2020	FY2021	FY2022	FY2023
Percentage of female managers	1.5%	1.5%	1.9%	2.4%	2.1%

■ Recruitment/Employment Data

(Unit: persons)

	FY2019	FY2020	FY2021	FY2022	FY2023
Total number of new graduates recruited as regular employees	57	43	44	56	79
Men	49	40	34	45	65
Women	8	3	10	11	14
Percentage of females	14.0%	7.0%	22.7%	19.6%	17.7%
Total number of mid-career hires serving as regular employees (including those who were promoted to become regular employees)	40	39	50	59	52
Men	39	37	44	49	37
Women	1	2	6	10	15
Percentage of females	2.5%	5.1%	12.0%	16.9%	28.8%

■ Regular Employee Retention/Turnover

	FY2019	FY2020	FY2021	FY2022	FY2023
New graduate retention rate (three years after entering the Company)	80.0%	90.9%	87.7%	88.4%	95.5%
Number of employees who left the Company*1 (Unit: persons)	45	33	43	42	48
Turnover rate*2	4.6%	3.3%	4.1%	3.7%	4.0%

*1 Number of regular employees (including mandatory retirement) who left their jobs during the reporting period (between April 1, 2023 and March 31, 2024) Note: Excluding employees that were re-employed

*2 Calculated using the following formula since fiscal 2023: Number of employees who have left their jobs within the fiscal year divided by the number of employees at the company at the end of the fiscal year multiplied by 100%
Calculated using the following formula in fiscal 2022 and previous fiscal years: Number of employees who have left their jobs within the fiscal year divided by the number of employees at the company on the first day of the following fiscal year multiplied by 100%

■ Employment of Persons with Disabilities

	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024
Employment rate*	2.04%	1.94%	1.95%	2.07%	2.17%	2.39%

* 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

■ Re-employment System

(Unit: persons)

	FY2019	FY2020	FY2021	FY2022	FY2023
Number of system users	11	7	10	20	25
Men	11	7	10	20	24
Women	0	0	0	0	1
Re-employment rate (annual)	68.8%	58.3%	71.4%	69.0%	89.3%

■ Annual Paid Leave

	FY2019	FY2020	FY2021	FY2022	FY2023
Acquisition rate	73.1%	65.9%	69.8%	76.7%	72.3%
Rate of taking five or more days of annual paid leave	100%	100%	100%	100%	100%
Average number of days of leave taken	13.6	12.2	13.1	14.5	13.8

■ Refreshment Leave

(Unit: persons)

	FY2019	FY2020	FY2021	FY2022	FY2023
Number of employees taking refreshment leave	7	6	14	34	22
Men	7	6	13	33	22
Women	0	0	1	1	0

■ Childcare Leave/Short-Term Childcare Leave

(Unit: persons)

	FY2019	FY2020	FY2021	FY2022	FY2023
Number of employees taking childcare leave	0	5	5	12	17
Men	0	3	5	10	16
Women	0	2	0	2	1
Number of employees eligible to take childcare leave	23	34	26	28	29
Men	23	32	26	26	28
Women	0	2	0	2	1
Childcare leave acquisition rate	0.0%	14.7%	19.2%	42.9%	58.6%
Men	0.0%	9.4%	19.2%	38.5%	57.1%
Women	None eligible	100%	None eligible	100%	100%
Number of employees who return to work after taking childcare leave	3	2	7	10	16
Men	0	2	6	9	15
Women	3	0	1	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%	100%	85.7%	100%	100%
Number of employees taking short-term child-nursing leave	4	4	7	11	16
Men	0	0	1	4	6
Women	4	4	6	7	10

■ Nursing Care Leave/Short-Term Nursing Care Leave

(Unit: persons)

	FY2019	FY2020	FY2021	FY2022	FY2023
Number of employees taking nursing care leave	0	1	0	0	0
Men	0	1	0	0	0
Women	0	0	0	0	0
Number of employees taking short-term nursing care leave	1	1	4	9	12
Men	0	0	0	3	3
Women	1	1	4	6	9

Employee Education/Training

	FY2019	FY2020	FY2021	FY2022	FY2023
Total training hours (hours)	—	3385.1	6445.9	9938.7	14,992.9
Average number of training hours per person (hours)	—	3.6	7.0	9.4	12.5
Education investment per person (yen)	—	22,432.3	29,415.3	35,576.5	41,981.4

Safety

Frequency Rate for Accidents Resulting in Leave*1

	FY2019	FY2020	FY2021	FY2022	FY2023
All industries*2	1.80	1.95	2.09	2.06	2.14
Average for manufacturing companies in Japan*2	1.20	1.21	1.31	1.25	1.29
Electrical machinery and equipment manufacturing companies*2	0.54	0.52	0.54	0.53	0.54
Tokyo Seimitsu Co., Ltd. (non-consolidated basis)	0.71	0.00	0.53	0.26	0.99
Semiconductor Company/ Administration Company	0.97	0.00	0.66	0.33	0.94
Metrology Company	0.00	0.00	0.00	0.00	1.15

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

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

Severity Rate for Accidents Resulting in Leave*1

	FY2019	FY2020	FY2021	FY2022	FY2023
All industries*2	0.09	0.09	0.09	0.09	0.09
Average for manufacturing companies in Japan*2	0.10	0.07	0.06	0.08	0.08
Electrical machinery and equipment manufacturing companies*2	0.01	0.05	0.01	0.02	0.01
Tokyo Seimitsu Co., Ltd. (non-consolidated basis)	0.003	0.000	0.040	0.000	0.008
Semiconductor Company/ Administration Company	0.004	0.000	0.050	0.000	0.002
Metrology Company	0.000	0.000	0.000	0.000	0.031

*1 **Severity rate:** Percentage of the degree of loss caused by occupational accidents
Formula: (Total lost workdays/total hours worked) × 1,000

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

Governance

Governance

	FY2019	FY2020	FY2021	FY2022	FY2023
Total number of serious concerns reported to the Board of Directors	0	1	0	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)	8.08	8.54	8.38	8.85	8.50
Average Board of Directors' Meeting attendance rate (%)	100.00	99.57	100.00	99.55	100.0

Compliance

	FY2019	FY2020	FY2021	FY2022	FY2023
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

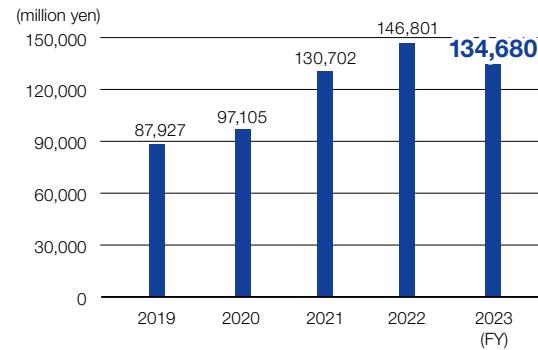
Company Profile

Company Information (as of March 31, 2024)

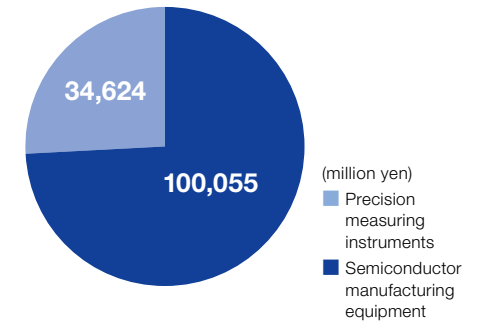
Company name : Tokyo Seimitsu Co., Ltd.
 URL : <https://www.accretech.com/en>
 Head office : 2968-2 Ishikawa-machi, Hachioji-shi, Tokyo
 Established : March 28, 1949
 Paid-in capital : 11,450 million yen
 Number of employees : 1,523 (non-consolidated), 3,211 (consolidated)
 Major business lines : Manufacture and sales of semiconductor manufacturing equipment and precision measuring instruments
 Stock market listing : Tokyo Stock Exchange (Prime Market)
 Securities code : 7729

Financial Data

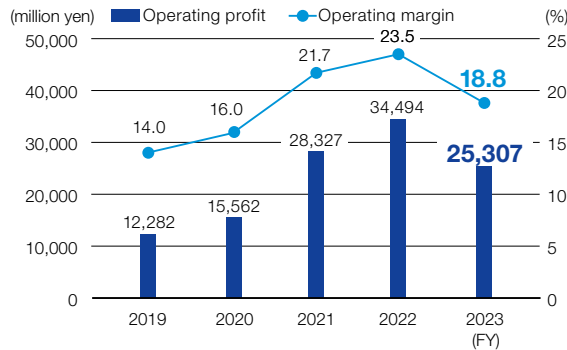
Net Sales



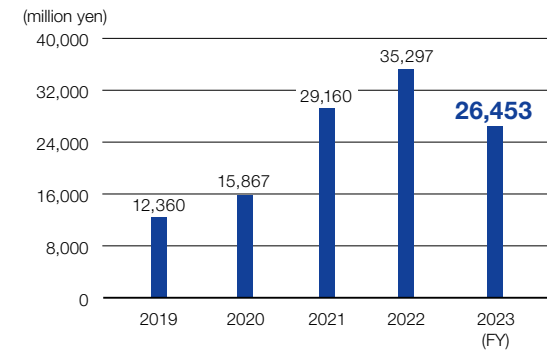
FY2023 Net Sales by Business Segment



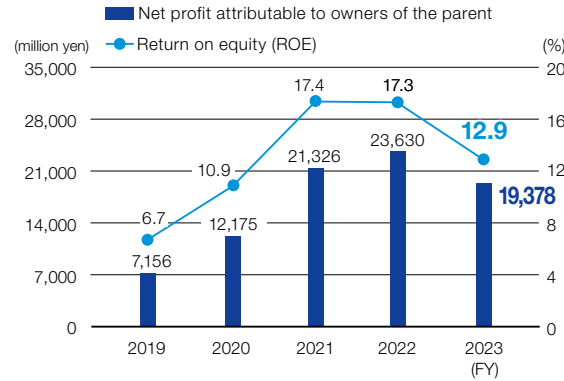
Operating Profit/Operating Margin



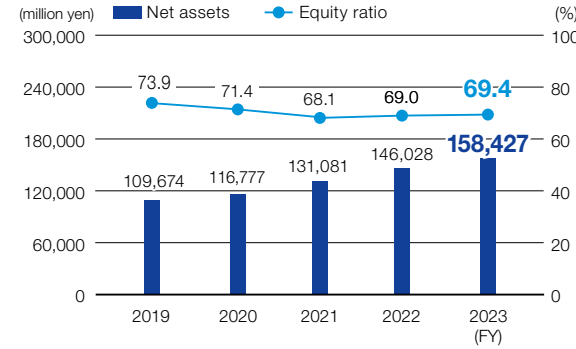
Recurring Profit



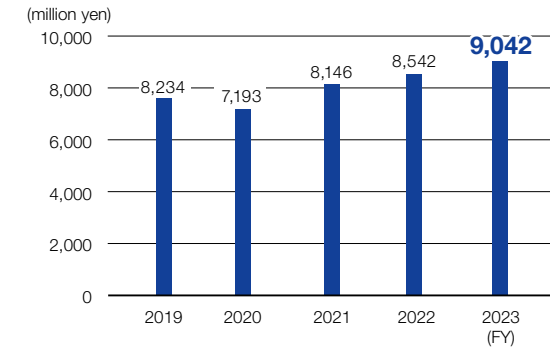
Net Profit Attributable to Owners of the Parent/ Return on Equity (ROE)



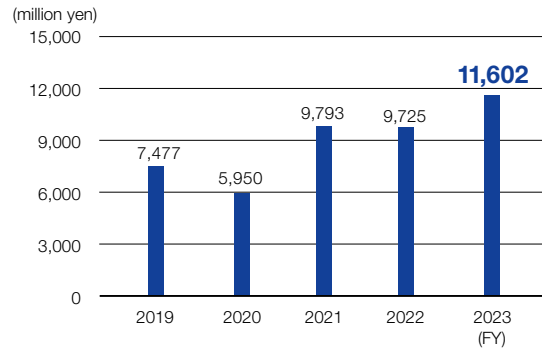
Net Assets/Equity Ratio



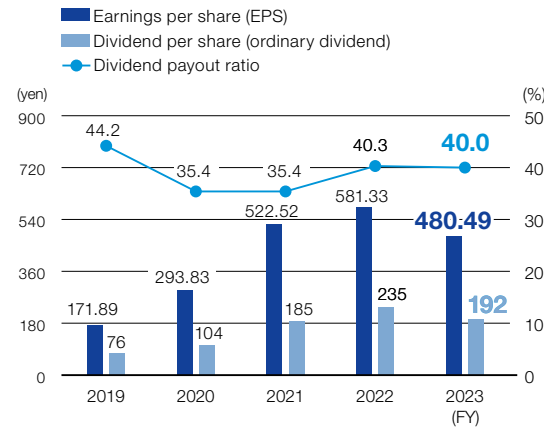
R&D Expenditures



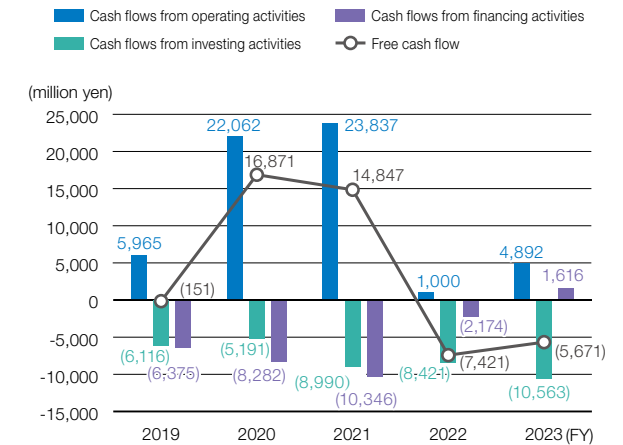
Capital Expenditures



Net Profit per Share/Dividend per Share/ Dividend Payout Ratio








Cash Flows



Third-Party Commendations

Inclusion in ESG Indexes

Logo	Name	Overview
	MSCI Japan ESG Select Leaders Index	The inclusion of Tokyo Seimitsu Co., Ltd. in an MSCI index and the use of MSCI logos, trademarks, service marks or index names do not constitute a sponsorship, endorsement or promotion of Tokyo Seimitsu Co., Ltd. by MSCI or its affiliates. MSCI indexes are the exclusive property of MSCI. The names and logos of MSCI indexes are trademarks and service marks of MSCI or its affiliates. https://www.msci.com/indexes/group/esg-leaders-indexes
 FTSE4Good	FTSE4Good Index Series / FTSE Blossom Japan Index Series	FTSE Russell (registered trademark of FTSE International Limited and Frank Russell Company) hereby certifies that Tokyo Seimitsu Co., Ltd. has been included in the FTSE Blossom Japan Sector Relative Index as a result of third party research. The FTSE Blossom Japan Sector Relative Index is an index created by global index provider FTSE Russell designed to measure the performance of Japanese companies that demonstrate outstanding Environmental, Social and Governance (ESG) practices. The FTSE Blossom Japan Index is widely used to create and evaluate sustainable investment funds and other financial products. https://www.lseg.com/en/ftse-russell/indices/ftse4good https://www.lseg.com/en/ftse-russell/indices/blossom-japan
 FTSE Blossom Japan Index	 FTSE Blossom Japan Sector Relative Index	
	S&P/JPX Carbon Efficient Index	https://www.jpj.co.jp/english/markets/indices/carbon-efficient/index.html
	Morningstar Japan ex-REIT Gender Diversity Tilt Index (GenDi J)	https://indexes.morningstar.com/gender-diversity-indexes

Supported Initiatives

Logo	Name	Overview
	TCFD	In March 2022, Tokyo Seimitsu expressed its support of the recommendations of the "Task Force on Climate-related Financial Disclosures." 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 framework of "Governance," "Strategy," "Risk Management," and "Indicators and Goals." https://tcfid-consortium.jp/en
	Semiconductor Climate Consortium	In November 2022, we joined the Semiconductor Climate Consortium (SCC) as a founding member of Semiconductor Equipment and Materials International (SEMI). SCC is the first global initiative by a semiconductor value chain company focused on reducing greenhouse gas emissions. In collaboration with SCC member companies, we will promote advanced climate change initiatives. https://www.semi.org/en/industry-groups/semiconductor-climate-consortium

Site Report

Head Office / Hachioji Plant

Company Profile

- **Location:** Hachioji City, Tokyo
- **Business segment:** Semiconductor manufacturing equipment
- **Main products:** Edge grinding machines, dicing machines, polish grinders, high-rigidity grinder, precision cutting blades, etc.
- **Year of establishment:** 1963
- **Land:** 45,358.43 m²
- **Floor area:** 21,411.09 m²
- **ISO:** Acquired ISO 9001 certification and ISO 14001 certification
- **Number of employees:** 680 (as of March 31, 2024)



Business Overview

The Hachioji Plant manufactures semiconductor manufacturing equipment. It mainly handles “back-end processing” equipment, which are used in the latter half of the semiconductor manufacturing process, and manufacture conventional wafer manufacturing field equipment, test field equipment, CMP (Chemical Mechanical Polishing) devices, and edge grinders.

Hanno Plant

Company Profile

- **Location:** Hanno City, Saitama
- **Business segment:** Semiconductor manufacturing equipment
- **Main products:** Wafer probing machines, etc.
- **Year of establishment:** 2023
- **Land:** 51,581 m²
- **Floor area:** 9,743 m²
- **ISO:** Acquired ISO 9001 certification and ISO 14001 certification
- **Number of employees:** 172 (as of March 31, 2024)



Business Overview

The Hanno Plant manufactures semiconductor manufacturing equipment. It mainly manufactures probing machines, which are the Company's core products, and have received high praise from our customers for these machines.

Tsuchiura Plant

Company Profile

- **Location:** Tsuchiura City, Ibaraki
- **Business segment:** Precision measuring instruments
- **Main products:** Coordinate measuring machines, surface texture and contour measuring instruments, roundness and cylindrical profile measuring instruments, non-contact surface texture and contour measuring instruments, charge/discharge testing systems, etc.
- **Year of establishment:** 1969
- **Land:** 21,880 m² * Includes Tosei Engineering Corp. land
- **Floor area:** 9,721 m² * Includes Tosei Engineering Corp. floor area
- **ISO:** Acquired ISO 9001 certification and ISO 14001 certification
- **Number of employees:** 191 (as of March 31, 2024)



Business Overview

The Tsuchiura Plant manufactures precision measuring instruments. It provides “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. The plant also manufactures charge/discharge testing systems, helping to support our new business.

Furudono Plant

Company Profile

- **Location:** Furudono-machi, Ishikawa-gun, Fukushima
- **Business segment:** Precision measuring instruments
- **Main products:** Charge/discharge testing systems
- **Year of establishment:** 2019
- * Business transferred from subsidiary Accretech Powertro System Co., Ltd. to Tokyo Seimitsu in October 2023
- **Land:** 56,854.62 m²
- **Floor area:** 15,297.11 m²
- **ISO:** Acquisition of ISO 9001 certification, ISO 14001 certification, ISO 17025 certification/Tosei Engineering Co., Ltd.
- **Number of employees:** 24 (as of March 31, 2024)



Business Overview

The Furudono Plant manufactures charge/discharge testing systems and battery jigs, and provides consigned battery evaluation services. In 2023, the operations of our Group company Accretech Powertro System were integrated into our Precision Measuring Instruments Division.

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, President
- **Net sales:** 16,813 million yen (FY2024/3)
- **Number of employees:** 621* (as of March 31, 2024)
 - * Excludes our employees stationed to other companies; includes employees of other companies stationed at our companies
- **URL:** <https://www.toseieng.co.jp/company/>
- **Bases:** Head office, 3 plants and 14 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 measuring instruments, 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.

In October 2023, the service business was transferred from Accretech Powertro Systems Co., Ltd., a consolidated subsidiary of Tokyo Seimitsu, and charge/discharge testing systems for testing and evaluating rechargeable batteries was added to the lineup of our service business.

Since our founding, we have been committed to providing unique technologies and services with the "customer first" in mind. In particular, from planning and proposal to design, manufacturing, and after-sales service, our technical staff with many years of experience and know-how listen directly to the needs and concerns of our customers, which is the starting point of our products and services. We consider the realization of a new low-carbon, recycling-oriented society through our products and services as an important management issue, and we are also working to solve various issues for the sustainable development of our customers and local communities. For issues facing customers in the field of measuring instruments, there is a demand for more

precise measurements in terms of energy saving and cleanliness of various products such as automobiles and home appliances. On the other hand, in the field of semiconductor manufacturing equipment, there is a need for improved wafer accuracy and larger wafer sizes to reduce the cost and yield of semiconductor chips, which are becoming increasingly miniaturized and highly integrated. In this way, in order to meet the increasingly sophisticated and diversified needs and to contribute to the creation and protection of a better environment, we are promoting various measures and technological development every day under the Group's MOTTO, "WIN-WIN Relationships Create the World's No. 1 Products."

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. Currently, all three of our plants, including the Niigata Plant and the Nagoya Plant, have obtained certification, deepening cooperation between the plants and establishing a system that enables efficient operation of the management system. All business activities are conducted in accordance with our "Environmental Policy" which consist of the following five core policies: "1. Provision of environmentally friendly products and services," "2. Reduction of environmental impact," "3. Prevention of global warming," "4. Prevention of environmental pollution," and "5. Ongoing environmental conservation activities." 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 continuously make improvements in order to achieve a sustainable society. In addition to contribute to local communities and meeting customer needs by balancing environmental preservation 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. Moving forward, as a member of the Tokyo Seimitsu Group, we will continue to build a robust value chain to realize higher value-added manufacturing and services, and play an active role in developing fair and transparent management activities that earn the trust of the international community.

Introduction to Group Companies

Here we introduce companies affiliated with the Tokyo Seimitsu Group.

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:** 3,052 million yen (FY2024/3)
- **Number of employees:** 174 (persons)
(as of March 31, 2024)
- **URL:** <https://toseisystems.accretech.com/>
- **Bases:** 2 bases in Japan, 0 bases overseas



Business Overview

We are a Group company specializing in software that supports Tokyo Seimitsu 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 precision measuring instrument, as well as the products of affiliated company. We are also involved in the development and operational support of Enterprise Resource Planning (ERP) system, infrastructure maintenance, and website creation, and are responsible for a wide variety of overall software operations for the entire Group. As a company that provides software development services both inside and outside the Group, we consider the handling of important information assets of our customers to be the most important issue. We operate an Information Security Management System (ISMS) in accordance with the PDCA cycle for all employees, including training on the importance of information security and the proper management of information, and establishing rules. Tosei Systems acquired ISO 27001, the international standard for information security management systems, in 2017.

We participate as a sponsor of ET Robocon sponsored by the Japan Embedded Systems Technology Association (JASA). As a sponsor, we support students and schools who wish to participate in ET Robocon. In this connection, we believe that it is our role in society to train engineers who will lead the “embedded industry” to which we belong.

As a Tokyo Seimitsu Group company, we comply with laws and social norms and act with integrity and ethics. Tosei Systems provides educational opportunities from various angles, including e-learning and group training, to enhance knowledge of compliance and maintain/improve employee’s level of awareness.

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:** 1,576 million yen (FY2024/3)
- **Number of employees:** 53 (as of March 31, 2024)
- **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, the increase in the number of parcel deliveries due to the expansion of the e-commerce market and the shortage of truck drivers have resulted in longer transportation times and increased re-deliveries, placing an increased burden on drivers. Delivery lockers are gaining attention as a solution to this problem. In addition, due to the impact of the COVID-19 pandemic and security concerns, demand for deliveries of packages that do not require in-person pickups are increasing. Therefore, we believe that the popularization of delivery lockers serves as a business that contributes greatly to society, and offer a variety of products suitable for the diversified needs of customers to make it easier for customers to install them and work on expanding our production capabilities. Recently, we have not only products for apartment buildings, but also products for companies. In addition, we are working on cutting-edge technologies such as contactless IC card keys, facial recognition systems, and e-mail delivery systems so that users can use them more conveniently and with peace of mind.

As a Tokyo Seimitsu Group company, we are creating a healthy, safe, and comfortable work environment through employee education such as a code of conduct through e-learning and a work improvement award system. We will also actively engage in sustainability activities to contribute to society.

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, 2023 to March 31, 2024.
[GRI1 used] GRI1: Foundation 2021

GRI standards	Disclosures	References
GRI2: General Disclosures 2021		
1. The organization and its reporting practices		
2-1	Organizational details	Company Profile (P73) Securities Report (PDF)
2-2	Entities included in the organization's sustainability reporting	Editorial Policy (P2)
2-3	Reporting period, frequency, and contact point	Editorial Policy (P2) 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 (P69)
2-8	Workers who are not employees	—
3. Governance		
2-9	Governance structure and composition	Corporate Governance (P56)
2-10	Nomination and selection of the highest governance body	Diversity of the Board of Directors (P59) Corporate Governance Report (PDF)
2-11	Chair of the highest governance body	Board of Directors (P57)
2-12	Role of the highest governance body in overseeing the management of impacts	Sustainability Promotion Structure (P8) Stakeholder Engagement (P13–15) Board of Directors (P57)
2-13	Delegation of responsibility for managing impacts	—
2-14	Role of the highest governance body in sustainability reporting	Board of Directors (P57)
2-15	Conflicts of interest	Related Party Transactions, Etc. (P61)
2-16	Communication of critical concerns	Whistleblower System (P63)
2-17	Collective knowledge of the highest governance body	Constitution of the Board of Directors (Skills / Matrix) (P59)
2-18	Evaluation of the performance of the highest governance body	Assessing the Effectiveness of the Board of Directors (P61)
2-19	Remuneration policies	Director Compensation (P60) Corporate Governance Report (PDF)
2-20	Process to determine remuneration	Process for Determining Compensation (P60)
2-21	Annual total compensation ratio	—

GRI standards	Disclosures	References
4. Strategy, Policy, and Operational Practices		
2-22	Statement on sustainable development strategy	Message from CEO (P6) Message from COO (P7)
2-23	Policy commitments	Message from CEO (P6) Message from COO (P7) Tokyo Seimitsu Group Human Rights Policy (P31)
2-24	Embedding policy commitments	—
2-25	Processes to remediate negative impacts	Tokyo Seimitsu Group Human Rights Policy (P31) Whistleblower System (P63)
2-26	Mechanisms for seeking advice and raising concerns	Whistleblower System (P63)
2-27	Compliance with laws and regulations	Compliance Status (P63)
2-28	Membership associations	Participation in Industry Groups (P15)
5. Stakeholder engagement		
2-29	Approach to stakeholder engagement	Stakeholder Engagement (P13)
2-30	Collective bargaining agreements	Consideration of Human Rights and Compliance with Labor-related Laws and Regulations (P33)
GRI3: Material Topics 2021		
Disclosure items related to material topics		
3-1	Process to determine material topics	Materiality Issues (P11)
3-2	List of material topics	Materiality Issues (P11)
3-3	Management of material topics	Sustainability Promotion Structure (P8) Environmental Management (P17) Climate Change (P19) Environmental Contribution through the Provision of Products (Eco-Products) (P24) Resource Recycling and Waste Reduction (P26) Water Resources (P27) Chemical Substances Control (P28) Respect for Human Rights (P31) Supply Chain Management (P34) Quality (P37) Occupational Health and Safety (P42) Health Management (P46) Diversity & Inclusion (P48) Human Resource Development (P52) Corporate Governance (P56) Compliance (P62) Risk Management (P64)

■ 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 (P21–23)
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 (P54)
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 (P62–63)
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 (P72)
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
GRI 301: Materials 2016		
301-1	Materials used by weight or volume	—
301-2	Recycled input materials used	—
301-3	Reclaimed products and their packaging material	—
GRI 302: Energy 2016		
302-1	Energy consumption within the organization	Tokyo Seimitsu's Environmental Impact (P67) Energy Usage (P68)
302-2	Energy consumption outside of the organization	—
302-3	Energy intensity	—
302-4	Reduction of energy consumption	Climate Change (P19-20) TCFD Response > Indicators (P23) Tokyo Seimitsu's Environmental Impact (P67)
302-5	Reductions in energy requirements of products and services	Environmental Contribution through the Provision of Products (Eco-Products) (P24–25)
GRI 303: 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 (P67) Wastewater (P68)
303-3	Water withdrawal	Water Resources (P27) Tokyo Seimitsu's Environmental Impact (P67) Quantity of Water Withdrawal (P68)
303-4	Water discharge	Water Resources (P27) Chemical Substances Control (P28) Tokyo Seimitsu's Environmental Impact (P67) Wastewater (P68)
303-5	Water consumption	Water Resources (P27) Tokyo Seimitsu's Environmental Impact (P67) Quantity of Water Withdrawal (P68)
GRI 304: 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	—

GRI standards	Disclosures	References
GRI 305: Emissions 2016		
305-1	Direct (Scope 1) GHG emissions	Climate Change (P19) Tokyo Seimitsu's Environmental Impact (P67) CO ₂ Emissions (P68)
305-2	Energy indirect (Scope 2) GHG emissions	Climate Change (P19) Tokyo Seimitsu's Environmental Impact (P67) CO ₂ Emissions (P68)
305-3	Other indirect (Scope 3) GHG emissions	—
305-4	GHG emissions intensity	Climate Change > CO ₂ Emissions (P19) TCFD Response > Indicators and Goals (P23) CO ₂ Emissions (P68)
305-5	Reduction of GHG emissions	Climate Change > CO ₂ Emission Reduction Results (FY2023) (P19) Climate Change > Management of Environmental Impact on the Atmosphere (P20) 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)
GRI 306: Waste 2020		
306-1	Waste generation and significant waste-related impacts	Resource Recycling and Waste Reduction (P26) Tokyo Seimitsu's Environmental Impact (P67)
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 (P67) Waste Emissions (P69)
306-4	Waste diverted from disposal	Resource Recycling and Waste Reduction (P26) Tokyo Seimitsu's Environmental Impact (P67) Waste Emissions (P69)
306-5	Waste directed to disposal	Resource Recycling and Waste Reduction (P26) Tokyo Seimitsu's Environmental Impact (P67) Waste Emissions (P69)
GRI 308: 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 (P34–36)

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GRI standards	Disclosures	References
GRI 401: Employment 2016		
401-1	New employee hires and employee turnover	Recruitment/Turnover of Regular Employees (P70) Regular Employee Retention/Turnover (P71)
401-2	Benefits provided to regular employees that are not provided to temporary or part-time employees	Work-Life Balance > Result (P50)
401-3	Parental leave	Work-Life Balance > Result and Main Support Systems (P50) Childcare Leave/Short-Term Childcare Leave (P51, P71)
GRI 402: Labor/Management Relations 2016		
402-1	Minimum notice periods regarding operational changes	—
GRI 403: Occupational Health and Safety 2018		
403-1	Occupational health and safety management system	Occupational Health and Safety (P42–45)
403-2	Hazard identification, risk assessment, and incident investigation	Occupational Health and Safety > Patrol Activities (P43) Risk Assessments at Work Sites (P44) Disaster and Accident Prevention and Handling of Chemicals and Chemical Substances (P45)
403-3	Occupational health services	—
403-4	Worker participation, consultation, and communication on occupational health and safety	Occupational Health and Safety > Promotion Structure (P43)
403-5	Worker training on occupational health and safety	Occupational Health and Safety > Education and Training (P44)
403-6	Promotion of worker health	Health Management (P46–47)
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 Health and Safety > Occupational Accidents (P42) Safety (P72)
403-10	Work-related ill health	Occupational Health and Safety > Occupational Accidents (P42) Health Management > Health Checkups and Stress Level Check System (P46) and Measures to Address Long Working Hours (P47)

GRI standards	Disclosures	References
GRI 404: Training and Education 2016		
404-1	Average hours of training per year per employee	Human Resource Development > Education and Training Achievements (P52) Employee Education/Training (P72)
404-2	Programs for upgrading employee skills and transition assistance programs	Diversity & Inclusion > Re-Employment System for Retirees (P49) Human Resource Development > Education and Training (P52) Self-Development Support System, Award Systems, Engagement (P53)
404-3	Percentage of employees receiving regular performance and career development review	Human Resource Development > Goal Setting and Evaluation (P53)
GRI 405: Diversity and Equal Opportunity 2016		
405-1	Diversity of governance bodies and employees	Diversity of the Board of Directors (P59) Diversity & Inclusion > Result (P48)
405-2	Ratio of basic salary and remuneration of women to men	—
GRI 406: Non-discrimination 2016		
406-1	Incidents of discrimination and corrective actions taken	—
GRI 407: 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	Respect for Human Rights > Human Rights Due Diligence (P32)
GRI 408: Child Labor 2016		
408-1	Operations and suppliers at significant risk for incidents of child labor	Respect for Human Rights > Human Rights Due Diligence (P32)
GRI 409: Forced or Compulsory Labor 2016		
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	Respect for Human Rights > Human Rights Due Diligence (P32)
GRI 410: Security Practices 2016		
410-1	Security personnel trained in human rights policies or procedures	—
GRI 411: Rights of Indigenous Peoples 2016		
411-1	Incidents of violations involving rights of indigenous peoples	—
GRI 413: Local Communities 2016		
413-1	Operations with local community engagement, impact assessments, and development programs	Social Contribution > Environment and Beautification (P54)
413-2	Operations with significant actual and potential negative impacts on local communities	—

GRI standards	Disclosures	References
GRI 414: 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	Respect for Human Rights > Human Rights Due Diligence (P32)
GRI 415: Public Policy 2016		
415-1	Political contributions	Compliance (P72)
GRI 416: 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	—
GRI 417: Marketing and Labeling 2016		
417-1	Requirements for product and service information and labeling	Quality (P37–38)
417-2	Incidents of non-compliance concerning product and service information and labeling	—
417-3	Incidents of non-compliance concerning marketing communications	—
GRI 418: Customer Privacy 2016		
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	Information Security (P58) Compliance (P62)

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