

(Summary)Annual Securities Report
For Fiscal Year Ended March 31st, 2025

English Summary of
有価証券報告書(*Yuukashoken-Houkokusho*)
For the fiscal year 102nd, ended March 31st, 2025

Tokyo Seimitsu Co., Ltd.

Disclaimer:

- This report is a summary of Japanese-language annual securities report called “有価証券報告書 (Yuukashoken-Houkokusho)”, filed to the Financial Services Agency “Kanto Local Finance Bureau”, Translated from Part 1 “Company Information”, section 1 “Company Overview” to Part 1, section 5 “Financial Information” - 1. “Consolidated Financial Statements” for reference purpose only.
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Abbreviations (Unless otherwise noted)

- FY: Fiscal Year
- SSR: Share Subscription Rights
- BS: Statements of Balance Sheet
- SO: Stock Option(s)
- JPY: Japanese Yen, mainly with prefix M (Million)
- USD: US dollars, mainly with prefix K (Thousand)
- EUR: Euro, mainly with prefix K (Thousand)
- KRW: Korean Won, mainly with prefix M (Million)
- CNY: China Yuan, mainly with prefix K (Thousand)
- TWD: Taiwan New Dollars, mainly with prefix K (Thousand)
- MYR: Malaysian Ringgit, mainly with prefix K (Thousand)
- THB: Thailand Baht , mainly with prefix K (Thousand)

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Note: This report is for reference purposes only, therefore the section after Part 1 "Company Information", section 5 "Financial Information" - 1. "Consolidated Financial Statements" is intentionally omitted.

[Cover]

[Submitted document]	Securities Report (" <i>Yuukashoken-Houkokusho</i> ")
[Article of the applicable law requiring submission of this document]	Article 24, Paragraph 1 of the Securities Exchange Law
[Filed to]	Director, <i>Kanto</i> Local Finance Bureau
[Date submitted]	June 20 th , 2025 (in Japanese)
[Business year]	102 nd Fiscal Term (from April 1 st , 2024 to March 31 st , 2025)
[Company name in Japanese]	株式会社東京精密 (<i>Kabushiki-Gaisha Tokyo Seimitsu</i>)
[Company name in English]	Tokyo Seimitsu Co., Ltd.
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Part I [Company Information]

Section 1 [Company Overview]

1 [Key financial data and trends]

(1) Trends in consolidated management indicators and related data

Fiscal term		98 th	99 th	100 th	101 st	102 nd
Fiscal Year (FY) ended		March, 2021	March, 2022	March, 2023	March, 2024	March, 2025
Net sales	(MJPY)	97,105	130,702	146,801	134,680	150,534
Recurring profit	(MJPY)	15,867	29,160	35,297	26,453	29,939
Net profit attributable to owners of the parent	(MJPY)	12,175	21,326	23,630	19,378	25,637
Comprehensive income	(MJPY)	13,018	22,411	24,745	21,152	26,486
Net assets	(MJPY)	116,777	131,081	146,028	158,427	176,229
Total assets	(MJPY)	161,556	190,287	209,032	225,524	237,952
Net assets per share	(yen)	2,810.79	3,187.39	3,573.81	3,875.32	4,305.52
Net profit per share	(yen)	293.83	522.52	581.33	480.49	633.75
Diluted Net profit per share	(yen)	291.43	517.51	575.62	475.42	628.31
Equity ratio	(%)	71.4	68.1	69.0	69.4	73.2
Return on equity	(%)	10.9	17.4	17.3	12.9	15.5
Price earnings ratio	(Times)	17.2	9.3	8.8	25.3	12.6
Cash flow from operating activities	(MJPY)	22,062	23,837	1,000	4,892	28,824
Cash flow from investing activities	(MJPY)	- 5,191	- 8,990	- 8,421	- 10,563	2,541
Cash flow from financing activities	(MJPY)	- 8,282	- 10,346	- 2,174	1,616	- 13,991
Cash and cash equivalents at end of FY	(MJPY)	43,624	49,006	40,036	36,736	54,516
Number of Employees		2,293	2,354	2,468	2,658	2,767
(Average number of part-time employees, not included in the above figure.)	(Person)	(996)	(1,123)	(1,258)	(1,225)	(1,258)

Notes:

1. Upper number in "Employees" indicates the number of full-time employees.
2. The Group applied the Accounting Standard for Revenue Recognition (ASBJ Statement No. 29, March 31st, 2020) from the beginning of the FY99th, management indicators after FY99th shown above apply this standard.
3. Previously, income and expenses of overseas subsidiaries were translated into Japanese Yen at the spot exchange rate prevailing on the date of account settlement. However, the Company changed to a method of converting business results into Japanese Yen based on the average exchange rate during the period effective from FY100th. The change in accounting policy has been applied retrospectively, and the consolidated financial statements for the FY99th have been prepared on a retrospective basis.
4. The Company has adopted a stock benefit trust (BBT) from FY102nd. The Company's shares held by the Trust, which are recorded as treasury shares in shareholders' equity, are included in the treasury shares deducted from the average number of shares during the period for the purpose of calculating Net profit per share for the FY102nd period.

(2) The Trends in the Parent Company management indicators and related data

Fiscal term		98 th	99 th	100 th	101 st	102 nd
FY ended		March, 2021	March, 2022	March, 2023	March, 2024	March, 2025
Net sales	(MJPY)	77,793	107,841	122,274	110,716	128,647
Recurring profit	(MJPY)	12,392	29,804	32,408	21,411	24,620
Net profit	(MJPY)	8,923	24,086	22,835	16,830	22,998
Common stock	(MJPY)	10,818	11,000	11,064	11,450	11,573
Number of shares issued	(shares)	41,759,981	41,869,581	41,903,281	42,104,381	42,170,081
Net assets	(MJPY)	90,367	106,258	119,462	128,019	142,373
Total assets	(MJPY)	130,515	157,146	175,187	190,591	199,707
Net assets per share	(yen)	2,179.93	2,590.81	2,932.37	3,142.05	3,494.96
Cash dividends per share	(yen)	104.00	185.00	235.00	192.00	253.00
(Interim cash dividends herein)	(yen)	(42.00)	(84.00)	(109.00)	(89.00)	(114.00)
Net profit per share	(yen)	215.36	590.15	561.77	417.31	568.50
Diluted Net profit per share	(yen)	213.59	584.48	556.25	412.90	563.63
Equity ratio	(%)	68.6	67.0	67.6	66.6	70.8
Return on equity	(%)	10.2	24.7	20.4	13.7	17.1
Price earnings ratio	(Times)	23.4	8.3	9.1	29.2	14.0
Dividend payout ratio	(%)	48.3	31.3	41.8	46.0	44.5
Number of Employees		944	992	1,054	1,200	1,292
(Average number of temporary employees, not included in the above figure).	(Person)	(611)	(712)	(783)	(775)	(804)
Total Shareholder's return	(%)	167.0	167.8	183.3	418.5	289.9
(compared with TOPIX, including dividend)	(%)	(142.1)	(145.0)	(153.4)	(216.8)	(213.4)
Highest share price	(yen)	5,550	5,740	5,180	12,695	13,800
Lowest share price	(yen)	2,767	4,025	4,100	4,885	6,134

Notes:

1. Upper number in "Employees" indicates the number of full-time employees.
2. The above share prices are those quoted on the First Section of the Tokyo Stock Exchange (before April 3rd, 2022) and on the Prime Segment of the Tokyo Stock Exchange (after April 4th, 2022).
3. The Group applied the Accounting Standard for Revenue Recognition (ASBJ Statement No. 29, March 31st, 2020) from the beginning of the FY99th, management indicators after FY99th shown above apply this standard.
4. The Company has adopted a stock benefit trust (BBT) from FY102nd. The Company's shares held by the Trust, which are recorded as treasury shares in shareholders' equity, are included in the treasury shares deducted from the number of shares issued for the purpose of calculating Net assets for the FY102nd period. Also, the Company's shares held by the Trust, which are recorded as treasury shares in shareholders' equity, are included in the treasury shares deducted from the average number of shares during the period for the purpose of calculating Net profit per share for the FY102nd period.
5. Of the ¥ 253 per share dividend for the FY102nd, the year-end dividend of ¥ 139 per share is subject to resolution at the Annual General Meeting of Shareholders to be held on June 23rd, 2025.

2 [History]

March, 1949	Tokyo Seimitsu Kogu Co., Ltd. (the predecessor of Tokyo Seimitsu Co., Ltd.) was established, and began production and sales of cutting tools for sewing machine manufactures and various precision parts and tools. Capital: 1,600,000 yen.
January, 1953	Tokyo Seimitsu Kogu successfully developed Japan's first high pressure flow-type micrometer.
October, 1957	Tokyo Seimitsu Kogu successfully developed Japan's first LVDT-type electric micrometer.
April, 1962	Tokyo Seimitsu Kogu Co., Ltd. was renamed Tokyo Seimitsu Co., Ltd.
August, 1962	Tokyo Seimitsu's stock was listed on the Second Section of the Tokyo Stock Exchange.
December, 1963	First phase construction at the Hachioji Plant was completed.
February, 1967	Second phase construction at the Hachioji Plant was completed.
April, 1969	Tosei Engineering Services Co., Ltd. (now Tosei Engineering Corp.) was established as a company for providing post-sales services.
July, 1969	First phase construction at the Tsuchiura Plant was completed.
January, 1971	Construction of the main building at the Hachioji Plant was completed.
August, 1981	Construction of the Tsuchiura coordinate measuring machine plant was completed.
October, 1985	Tosei Systems Co., Ltd. was established as a company for carrying out software development.
September, 1986	The company's stock was selected for listing on the First Section of the Tokyo Stock Exchange.
March, 1989	Tokyo Seimitsu Europe GmbH (now Accretech (Europe) GmbH) was established in West Germany (now Germany) as a center for overseas business operations.
October, 1989	Tokyo Seimitsu America, Inc. was established in the U.S. as a center for overseas business operations.
October, 1992	Tokyo Seimitsu purchased the U.S. company Silicon Technology Corporation in order to obtain an overseas production center.
April, 1995	The holding company TSK America, Inc. was established for integrated management of U.S. subsidiaries.
July, 1997	Construction for expansion of the Hachioji Plant (No. 2 plant building) was completed.
January, 1998	In order to streamline production and sales for the North America region, four local subsidiaries in the U.S. were merged, with TSK America, Inc. as the surviving company.
February, 1999	Tokyo Seimitsu increased the capitalization of Micro Technologies Co., Ltd. and reorganized it as a company for production of wafer inspection systems.
April, 1999	Construction of the Tsuchiura head office building and plant for our subsidiary Tosei Engineering Corp. was completed.
March, 2001	Construction of the new main building at the Hachioji Plant was completed.
June, 2001	Stock of Tokyo Seimitsu subsidiary Tosei Engineering Corp. was listed on the Second Section of the Tokyo Stock Exchange.
October, 2002	Accretech (China) Co., Ltd. was established as a center for sales, distribution, and maintenance services in China.
March, 2005	Construction of the Hachioji No. 3 Plant and Tsuchiura new main building was completed.
October, 2005	In order to increase the competitiveness and improve the corporate value of the Tokyo Seimitsu Group, Tokyo Seimitsu carried out a share exchange in order to make the subsidiary Tosei Engineering Corp. a wholly owned subsidiary. As a result, Tosei Engineering Corp. was delisted from the Tokyo Stock Exchange.
January, 2007	Tokyo Seimitsu increased the capitalization and reorganized a former local company to create Accretech Korea Co., Ltd. to strengthen the sales, service, and support operations for the Korea semiconductor market.
April, 2007	Tokyo Seimitsu merged the subsidiary Accretech Micro Technologies Co., Ltd. to strengthen the competitiveness of the wafer inspection systems business.
March, 2008	Construction of the Tsuchiura semiconductor plant at our subsidiary Tosei Engineering Corp. was completed.
April, 2008	Construction of the CMM building at the Tsuchiura Plant was completed.
April, 2009	Tokyo Seimitsu Co., Ltd. USA office was opened as a center for sales in North America.
June, 2010	Head office was relocated from Mitaka-shi, Tokyo to Hachioji-shi, Tokyo.
June, 2011	Construction of the Hachioji No. 5 Plant was completed.

April, 2012	Tokyo Seimitsu closed USA office and established Accretech America Inc. as a center of sales in North America.
August, 2012	Tokyo Seimitsu started precision dicing blade business after assignment of business.
September, 2014	Accretech Adamas (Thailand) Co., Ltd. was established for constructing an overseas plant to manufacture Precision dicing blades.
May, 2016	Construction for expansion of the Hachioji Plant (No. 6 plant building) was completed.
February, 2019	Tokyo Seimitsu purchased a majority shareholding in Fujitsu Telecom Networks Fukushima Limited (now Accretech Powertro System Co., Ltd.) which provides Charge/Discharge testing systems and became a subsidiary to enable expansion of the Group's business to include electrical measuring.
November, 2019	Tokyo Seimitsu subsidiary Tosei Engineering Corp. and its subsidiary Tosei America Inc. acquired the balancer business from the US manufacturer Schmitt Industries Inc. Tosei America Inc. and was renamed Accretech SBS Inc.
February, 2020	Renovation of the Osaka branch for expanding sales and service/support capability in west Japan area was completed.
May, 2020	Construction of the Tsuchiura MI Plant was completed.
March, 2021	Construction of new building for Tokyo Seimitsu subsidiary Accretech Taiwan Co., Ltd was completed. New Taiwan Application Center was opened.
April, 2022	Due to the revision of the market classification of the Tokyo Stock Exchange, the Company moved from the First Section to the Prime Segment.
July, 2023	Construction of the Hanno Plant was completed.

3 [Business overview]

The Tokyo Seimitsu Group (“the Group”) is composed of Tokyo Seimitsu Co., Ltd. (“the Parent Company”), 28 subsidiary companies and 1 affiliated company, with its primary business being the manufacturing and sales of Semiconductor production equipment (SPE) and Metrology instruments.

Segmentation of results is provided based on business categories as shown below. The segment classifications are the same as those used in the segment information in the consolidated financial statements.

Semiconductor production equipment (SPE) business (SPE)

This business handles manufacturing and inspection equipment such as wafer probing machines, wafer dicing machines, and other machines used in the semiconductor manufacturing and testing process. In this business, the Parent Company is responsible for the primary production elements. Our subsidiary Tosei Engineering Corp. is responsible for production of other related products, and our subsidiary Accretech Adamas (Thailand) Co., Ltd is responsible for production of other consumable parts. Sales and post-sales service are carried out primarily by the Parent Company and software is mainly provided by our subsidiary Tosei Systems Co., Ltd.

For overseas sales, in addition to exports by the Parent Company, sales are conducted in America by our subsidiary Accretech America Inc., in Europe by our subsidiary Accretech (Europe) GmbH, and in Asia by our subsidiaries such as Accretech Korea Co., Ltd., Accretech (China) Co., Ltd., and Accretech Taiwan Co., Ltd. etc.

<Major affiliates>

Tosei Engineering Corp., Tosei Systems Co., Ltd., Accretech America Inc., Accretech (Europe) GmbH, Accretech Korea Co., Ltd, Accretech (China) Co., Ltd., Accretech Taiwan Co., Ltd., Accretech (Malaysia) Sdn Bhd., and Accretech Adamas (Thailand) Co., Ltd.

Metrology business (Metrology)

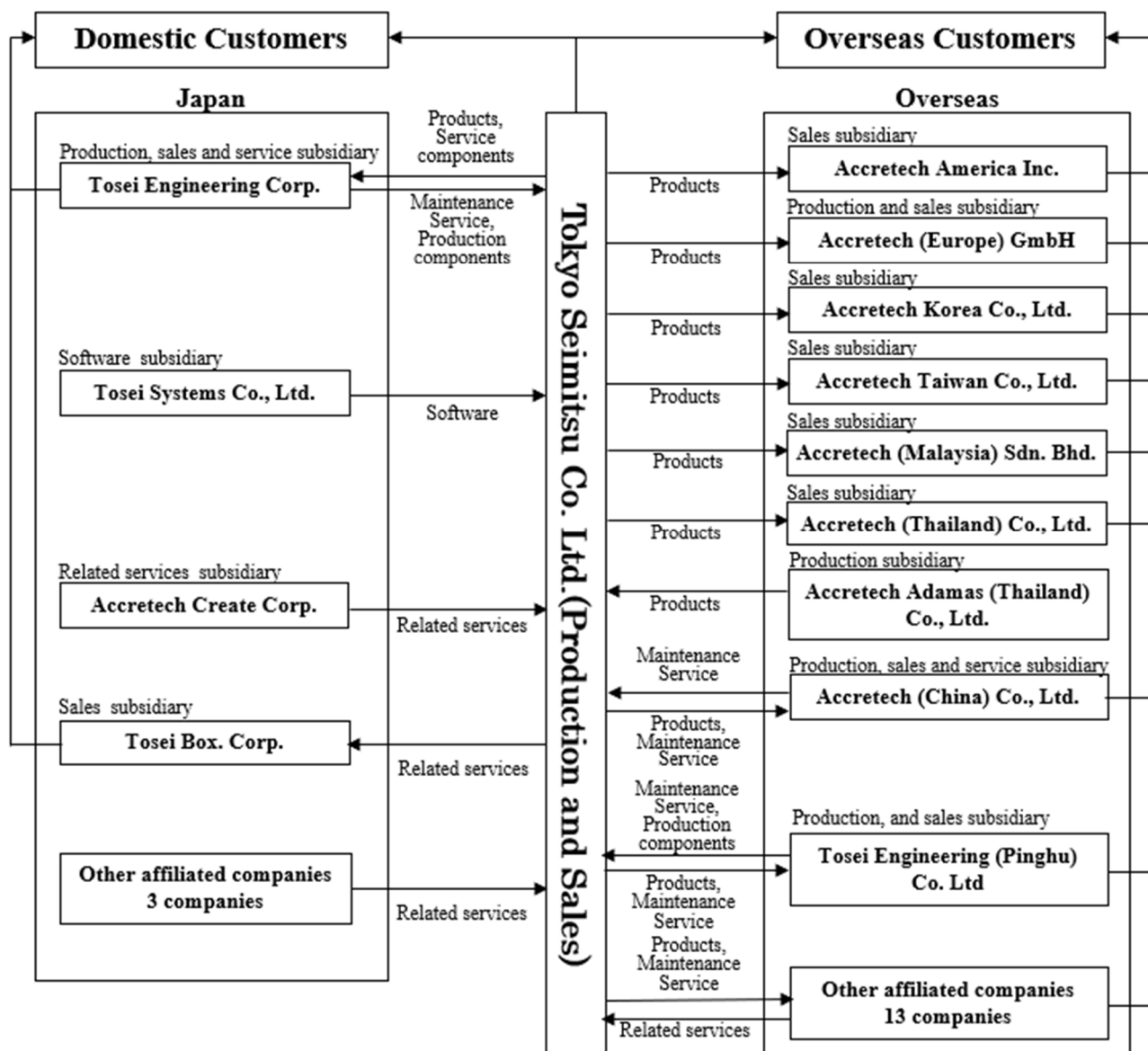
This business handles 3D coordinate measuring machines, surface texture and contour measuring systems, and other precision measuring systems. For this business, the Parent Company and Tosei Engineering Corp. are responsible for primary elements of the production and sales and our subsidiary Tosei Systems Co., Ltd. mainly provides software. Certain related products are locally manufactured also by Tosei Engineering (Pinghu) Co., Ltd. and Tosei (Thailand) Co., Ltd.

For overseas sales, in addition to exports by the Parent Company and Tosei Engineering Corp., sales are conducted in America by our subsidiary Accretech SBS Inc., in Europe by our subsidiary Accretech (Europe) GmbH and in Asia by our subsidiaries such as Accretech Korea Co., Ltd. and Accretech (China) Co., Ltd. etc.

<Major affiliates>

Tosei Engineering Corp., Tosei Systems Co., Ltd., Accretech (Europe) GmbH, Accretech Korea Co., Ltd, Accretech (China) Co., Ltd., Accretech (Thailand) Co., Ltd., Tosei Engineering (Pinghu) Co., Ltd., Tosei (Thailand) Co., Ltd. and Accretech SBS Inc.

The correlation between Company and Group subsidiary are as shown below.



Our consolidated and non-consolidated subsidiaries are as shown below.

	Consolidated subsidiaries	Non-consolidated subsidiaries	Affiliated companies
Company Name	Tosei Engineering Corp. Tosei Systems Co., Ltd. Accretech Create Corp. Tosei Box Corp. Accretech Powertro System Co., Ltd. Accretech Finance Co., Ltd. Accretech America Inc. Accretech (Europe) GmbH Accretech Korea Co., Ltd. Accretech (China) Co., Ltd. Accretech Taiwan Co., Ltd. Accretech (Malaysia) Sdn Bhd. Accretech Adamas (Thailand) Co., Ltd. Accretech (Thailand) Co., Ltd. Tosei Engineering (Pinghu) Co., Ltd. Tosei (Thailand) Co., Ltd. Accretech SBS, Inc.	Accretech (Singapore) Pte. Ltd. Accretech Vietnam Co., Ltd. PT Accretech Indonesia Accretech-Tosei Do Brazil Ltda. PT Tosei Indonesia Tosei Philippines Corporation Tosei Engineering Private Limited Tosei Mexico S.A. De.C.V. Accretech-Tosei Hungary Kft. Accretech (Pinghu) Co., Ltd. Accretech-SBS UK Ltd.	On-chip Biotechnologies Co., Ltd.

4 [Overview of affiliates]

Overview of subsidiaries										
Name of company	Location	Capital or investment	Description of Principal business	% of voting rights held by Company (holding Company)		Relationship with the Parent Company				
				Hold by Company (%)	Holding Company (%)	Concurrent Position as Directors		Business transactions	Financial assistance	Leasing of fixed assets
						by directors	by employees			
(Consolidated subsidiaries)										
Tosei Engineering Corp.	Tsuchiura, Ibaraki	(MJPY) 988	SPE, Metrology	100.0	-	1	2	Supply of products related to SPE to the Parent Company, and maintenance and services for products related to the Parent Company's metrology instruments	Yes	Yes
Tosei Systems Co., Ltd.	Hachioji, Tokyo	(MJPY) 50	SPE, Metrology	100.0	-	2	1	Provision of software to the Parent Company's products	No	Yes
Accretech Create Corp.	Hachioji, Tokyo	(MJPY) 10	SPE, Metrology	100.0	-	1	2	Transit insurance services to the Parent Company's products	No	Yes
Tosei Box Corp.	Tachikawa, Tokyo	(MJPY) 10	Metrology	100.0	-	1	1	Provision of office facilities to the Parent Company	No	Yes
Accretech Powertro System Co., Ltd..	Furudono, Fukushima	(MJPY) 100	Metrology	100.0	-	1	2	-	Yes	Yes
Accretech Finance Co., Ltd.	Hachioji, Tokyo	(MJPY) 50	SPE, Metrology	100.0	-	1	1	Provision of short-term loans to the Parent Company	No	No
Accretech America Inc.	Richardson, Texas, USA	(KUSD) 1,500	SPE	100.0	-	3	-	Sales of the Parent Company's SPE	No	No
Accretech (Europe) GmbH	Munich, Bavaria, Germany	(KEUR) 1,500	SPE, Metrology	100.0	-	2	-	Sales of the Parent Company's SPE and metrology instruments	No	No
Accretech Korea Co., Ltd.	Hwasong-si, Gyeonggi-do Korea	(MKRW) 1,000	SPE, Metrology	100.0	-	2	1	Sales of the Parent Company's SPE and metrology instruments	Yes	No
Accretech (China) Co., Ltd.	Shanghai, China	(KCNY) 15,211	SPE, Metrology	100.0	-	2	2	Sales of the Parent Company's SPE and metrology instruments	No	No
Accretech Taiwan Co., Ltd.	Jhubei, Hsinchu, Taiwan	(KTWD) 60,000	SPE, Metrology	100.0	-	3	1	Sales of the Parent Company's SPE and metrology instruments	No	No
Accretech (Malaysia) Sdn Bhd.	Petaling Jaya, Selangor Malaysia	(KMYR) 1,000	SPE, Metrology	100.0	-	2	-	Sales of the Parent Company's SPE and metrology instruments	No	No
Accretech Adamas (Thailand) Co., Ltd.	Klongluang, Pathumthani, Thailand	(KTHB) 80,000	SPE	73.5 (25.4)	-	1	2	Provision of parts to the Parent Company's SPE	Yes	No
Accretech (Thailand) Co., Ltd.	Bangplee, Samutprakarn Thailand	(KTHB) 10,000	SPE, Metrology	49.0	-	2	2	Sales of the Parent Company's SPE and metrology instruments	No	No
Tosei Engineering (Pinghu) Co., Ltd.	Pinghu, Zhejiang, China	(KCNY) 39,480	SPE, Metrology	100.0 (100.0)	-	-	-	-	No	No
Tosei (Thailand) Co., Ltd.	Muang Chonburi, Thailand	(KTHB) 6,000	Metrology	49.0 (49.0)	-	-	-	-	No	No
Accretech SBS, Inc.	Cincinnati, Ohio, USA	(KUSD) 1	SPE, Metrology	100.0 (100.0)	-	-	-	-	Yes	No

Notes:

1. The "Description of Principal business" column lists the name of the business segment(s).
2. Figures listed in parentheses in the "Percentage voting rights held by Company (holding Company)" indicate the percentage of indirectly held.
3. Company holds 49.0% of Voting Rights for both Accretech (Thailand) Co., Ltd. and Tosei (Thailand) Co., Ltd.,

- however, these are listed as subsidiaries because the Parent Company substantially controls these company.
4. Of the above companies, Tosei Engineering Corp and Accretech Taiwan Co., Ltd. are specified subsidiaries.
5. None of the above companies has filed a securities registration statement or securities report (“*Yuukashoken-Houkokusho*”).

5 [Employees]

(1) Consolidated companies

At March 31st, 2025

Name of business segment	Number of employees (person)
SPE business	1,564 (698)
Metrology business	986 (467)
Company-wide (corporate staff)	217 (93)
Total	2,767 (1,258)

Notes:

1. The number of employees presented above represents full-time employees.
2. The number in parentheses in the “Number of employees” column is the average annual number of part-time employees which have not been included in the number of full-time employees.

(2) The Parent Company

At March 31st, 2025

Number of employees (person)	Average age (years)	Average years of continuous service (years)	Average annual salary (yen)
1,292 (804)	38.9	10.1	7,828,240

Name of business segment	Number of employees (person)
SPE business	904 (565)
Metrology business	313 (193)
Company-wide (corporate staff)	75 (46)
Total	1,292 (804)

Notes:

1. The number of employees presented above represents full-time employees.
2. The number in parentheses in the “Number of employees” column is the average annual number of part-time employees which have not been included in the number of full-time employees.
3. The average annual salary includes bonuses and overtime pay.

(3) Trade union

The trade union for the Parent Company is a member of Japan Association of Metal, Machinery, and Manufacturing workers (JAM). There are no item concerning labor-management relations which require mentioning.

(4) Percentages of female managers, men taking childcare leave, and the Gender pay gap

1. The Parent Company

FY2025/3				
Percentage of female managers (%) (note 1)	Percentage of men taking childcare leave (%) (note 2)	Gender pay gap of employees (%) (note 1)		
		All Employees	Full-time Employees	Part-time Employees, Fixed workers
2.6	54.2	57.4	74.6	61.1

Notes:

- Figures above are based on Japanese Act "Act on the Promotion of Women's Active Engagement in Professional Life" (Act No. 64, 2015).
- Based on the provisions of the " Act on Childcare Leave, Caregiver Leave, and Other Measures for the Welfare of Workers Caring for Children or Other Family Members " (Act No. 76, 1991), the percentage of employees who took child care leave, etc. as stipulated in Article 71-6-1 of the " Ordinance for Enforcement of the Act on Childcare Leave, Caregiver Leave, and Other Measures for the Welfare of Workers Caring for Children or Other Family Members" (Ordinance of the Ministry of Labor No. 25, 1991) were calculated.
- Full time employees: excluding assignees from/to the Parent Company, and those who joined/resigned or are on administrative leave during the Fiscal year.
- Part-time Employees include Fixed workers, part-time employees and/or re-contracted employees.
- Payment: excluding allowances such as commuting allowance.
- The gender pay gap is shown as a percentage of women's pay relative to men's pay. There is no disparity between men and women workers with the same business qualifications. The difference is because of the personnel composition by qualification.

2. Consolidated Subsidiaries

FY2025/3					
Company name	Percentage of female managers (%) (note 1)	Percentage of men taking childcare leave (%) (note 2)	Gender pay gap of employees (%) (note 1)		
			All Employees	Full-time Employees	Part-time Employees, Fixed workers
Tosei Engineering Corp.	0.0	73.3	44.4	83.4	61.0
Tosei Systems Co., Ltd.	0.0	100.0	72.5	73.1	77.2

Notes:

- Figures above are based on Japanese Act "Act on the Promotion of Women's Active Engagement in Professional Life" (Act No. 64, 2015).
- Based on the provisions of the " Act on Childcare Leave, Caregiver Leave, and Other Measures for the Welfare of Workers Caring for Children or Other Family Members " (Act No. 76, 1991), the percentage of employees who took child care leave, etc. as stipulated in Article 71-6-1 of the " Ordinance for Enforcement of the Act on Childcare Leave, Caregiver Leave, and Other Measures for the Welfare of Workers Caring for Children or Other Family Members" (Ordinance of the Ministry of Labor No. 25, 1991) was calculated.
- Full time employees: excluding assignees from/to the Parent Company and those who joined/resigned or are on administrative leave during the Fiscal year.
- Part-time Employees, Fixed workers: including contracted employees, part-time employees and/or re-contracted employees.
- Payment: excluding allowance such as commuting allowance.
- The gender pay gap is shown as a percentage of women's pay relative to men's pay. There is no disparity between men and women workers with the same business qualifications. The difference is because of the personnel composition by qualification.

Section 2 [Business Overview]

1 [Management policy, Management Strategies and Issues]

Any future forecasts included in the following descriptions are based on the estimates or judgment of the Group as at the end of FY2025/3.

(1) Management Policy

1. As a manufacturer of SPE and precision Metrology instruments, The Group has consistently focused on developing state-of-the-art products that contribute to improving our customers' productivity and on providing good customer support. While meeting the commitments that are the requirements of a growing company; Occupational Health and Safety, Quality Control, Environmental Sustainability, and employment equity, The Group will contribute to society including customers, shareholders, employees, and regional/international society through developing/supplying innovative SPE and Metrology Equipment.
2. The Company's Purpose (why we exist) is 'Gaging the future with Metrology, Creating the future with Semiconductors'. and aims to build a "future full of dreams" through the collaboration of technology, knowledge and information. from all over the world. Through the corporate brand "ACCRETECH", The Group is striving to establish a structure that is capable of creating world-leading products. To do this, we apply the core technologies we have developed, and build cooperative Win-Win relationships with domestic and overseas companies and individuals that share the common goal of creating the world's best products. Behind all our efforts is the goal of being a truly global company.
3. The Parent Company implements an internal company system under which the entire company has been divided into three internal companies – the Semiconductor Company, the Metrology Company and the Administration Company and an executive officer system. These internal companies, as fully functioning organizations with appropriate responsibilities and authority, are positioned to improve the level of customer satisfaction and business performance by responding to each customer more flexibly and promptly.

(2) Key performance indicators for corporate management

Under a business environment that requires high levels of technological innovation with high speed, the Group aims to establish higher profitability and structural efficiency by providing world No.1 products with advanced technology into growing markets, and continuously improve capital efficiency by effectively using funds for investment for growth. The Group believes that it is important for management to achieve long-term growth in earnings per share and thus in corporate value. The Group aims to attain 15% of ROE, ¥185,000 million of annual consolidated sales, and ¥45,000 million of consolidated annual operating profits as a mid-term target (by FY2028/3).

(3) Medium to Long-term Management Strategies and Issues

1. Ongoing growth strategy and increase in business performance

The Group has promoted further quality improvement and product innovation and established a profitable operational structure to continuously provide world leading products with advanced technology. These efforts have obtained reliable results after several years. The Group will further be engaged in expanding its business by taking advantage of its solid company structure.

2. Sustainable Profit Distribution

Company management believes that increasing corporate value and sustainable profit distribution remains a key indicator of business success and thorough business growth.

3. Governance

The Group holds that corporate governance is essential to improve corporate value and to conduct fair and transparent business activities as a global corporate citizen and has established a "Core policy for corporate governance."

1. The Board of Directors strives to properly perform its roles and responsibilities to make transparent, fair, timely and committed decisions.
2. The Group respects the rights of shareholders and ensures the equality of shareholders.
3. The Group strives to have constructive dialogue with shareholders on investment policy that considers mid to long-term returns for shareholders.
4. The Group strives to maintain appropriate collaboration with stakeholders other than shareholders.
5. The Group strives to ensure proper information disclosure and transparency.

4. Globalization

Since the Sales organization has been fully localized and the Group's overseas sales have exceeded domestic sales, the Group has also commenced local manufacturing such as in China and Thailand. With this continuing outlook, the Group will optimize management organization for its global operations through actions such as hiring local management executives, establishing localized supply chains, and standardizing management information flows to and from Head Office.

2 [Sustainability Policy and Initiatives]

The Groups' policy and initiatives for sustainability are as follows.

Any future forecasts included in the following descriptions are based on the estimates or judgment of the Group as at the end of FY2025/3.

(1) Governance and Risk management

Based on corporate philosophy, the Group contributes to society by providing precision measuring instruments and semiconductor production equipment, which are indispensable to the manufacturing process and energy- and resource-efficient products of its customers. In this way, the Group helps make society more convenient and reduce environmental impact.

Amid a business environment that is changing dramatically, the Group continues to focus on "sustainability" as an important management theme. The Company established the Basic Sustainability Policy to guide our efforts to realize a sustainable society and enhance our corporate value.

(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.

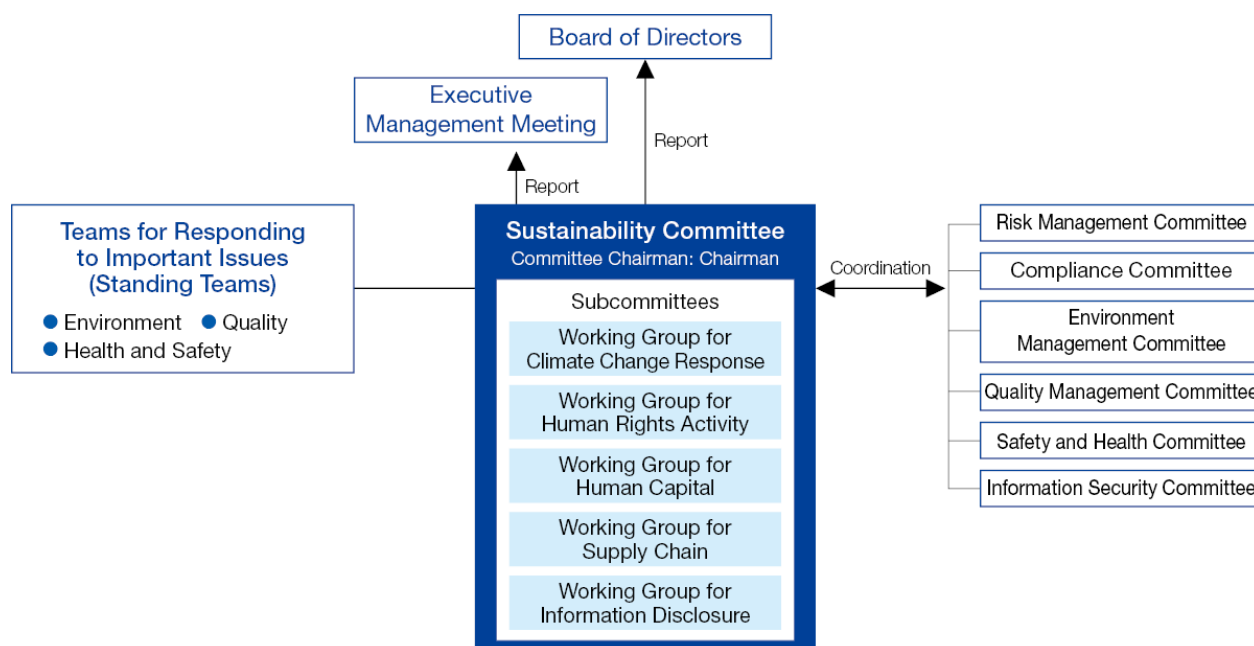
6. Building and Running Fair, Transparent, and Efficient Corporate Governance System

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.

In November 2021, the Group reorganized its structure and established the Sustainability Committee, an outgrowth of the CSR Committee, with the aim of strengthening the promotion of sustainability activities.

Chaired by the Chairman of the Company, the committee meets regularly twice a year and as needed on an ad hoc basis to oversee the planning, formulation, planning, and implementation of sustainability activities, and to formulate basic policies, establish an operational structure, set targets and indicators, and conduct deliberations, in addition to monitoring and investigating information. Further, the Committee monitors and investigates information and promotes activities such as reporting and making proposals to the Executive meeting and the Board of Directors.

Under the committee, three (3) teams have been established to deal with important issues. In addition, when it is necessary to examine or plan important items, the chairman of this committee appoints task forces to deal with them.



(2) Sustainability Initiatives

In pursuing the sustainability of our business and society, it is becoming increasingly important to respond to materiality issues in line with the current trend of accelerating responses to social and environmental challenges.

In conjunction with the formulation of its FY2026/3-FY2028/3 Mid-term Business Plan(MTP), the Group has reviewed the materiality of its business activities based on its basic sustainability policy (Efforts to Address Environmental Issues, Earning the Trust of Society, Respect for Human Rights, Human Resource Development, and Participation in and Contribution to Local Communities Building and Running Fair, Transparent, and Efficient Corporate Governance System). The Company has reviewed our materiality, outlined specific initiatives and goals, clarified the challenges each employee should address, and made it easier to understand the value of their work to enhance motivation. The Company continues to review and update these efforts as necessary in the future.

Theme	Materiality	Prioritized Activities (2025 Mid-term Plan)
Contributing to the realization of an enriched society	Creation and provision of products that resolve social issues	Provision of products and services that resolve social issues
	Contributing to semiconductor manufacturing that creates the future and enriches society	Promotion of products and services
	Contributing to innovation in manufacturing through precision measurement	Promotion of products and services
Promotion of business activities that contribute to the creation of a sustainable society	Reduction of greenhouse gas emissions in the value chain	Reducing CO ₂ emissions from business operations Strict energy management
	Creation and provision of products contributing to the global environment	Development of environmentally friendly products
	Optimization of environmental conservation and resource management	Reduction in consumption of water
		Strict harmful substances management
		Promotion of biodiversity conservation activities
	Realizing a circular economy	Transition to a resource-circulating (circular economy) society
	Advanced environmental management system	Maintaining and managing ISO 14001 certification
Maintaining and strengthening a corporate attitude that responds to the trust and confidence of stakeholders	Promoting Sustainability in the Value Chain	Promotion of sustainable procurement Respect for human rights
	Securing product quality and stable supply, and enhancing customer support	Improvement in customer satisfaction
		Advanced quality control
	Promotion of stakeholder engagement	Promotion of investor relations activity
		Contribution to technological development through industry-government-academia collaboration
		Promotion of community beautification activities
		Timely and fair information disclosure
Creating a workplace where diverse people can work positively and energetically	Promoting Diversity, Equity, and Inclusion (DE&I)	Promotion of Women’s Participation and Advancement (Recruitment and training of women who can become core human resources)
		Creating a workplace environment where people with disabilities can work actively
	Creating a workplace where people can work in good health, both physically and mentally	Increasing awareness and strengthening measures to promote employee health
		Improving employees' awareness of health and safety
	Improving employee engagement	Dissemination of the Company's Purpose and the Vision
		Creating a corporate culture that encourages people to take on more advanced challenges without hesitation
		Developing a corporate culture of unity that brings together people from different companies and departments
Strengthening governance as the basis for fair corporate activities	Strengthening corporate governance	Stricter corporate ethics and legal compliance Timely and appropriate information disclosure
	Strengthening the compliance	Maintain and improve internal control systems
	Promotion of risk management	Strengthening risk management
		Reinforcement of information security measures
		Strengthening cyber security
Strengthening the business base	Promotion of human resource development	Human resource development leading to innovations
		Developing self-reliant human resources
		Creation of skill standards required by job type
	Strengthening R&D capabilities	Strengthening the ability to respond to leading-edge technology
	Management and utilization of intellectual property	Intellectual Property Investment and Utilization
	Promotion of digital transformations(DX)	Utilization of digital technology (digital transformations (DX) promotion and AI utilization)
	Creating a corporate culture that supports innovation	Promotion of measures to disseminate the Company's Purpose
	Realization of sustainable and stable business management	Strengthening the recurring business
		Continuous review and improvement of business continuity plans
		Efficient use of capital
Fair profit distribution		

(3) Initiatives for climate change and response to TCFD

The Group sees climate change as a major risk for our business because its impacts on society and economy, including temperature rises and extreme natural disasters, are tremendous. On the other hand, we think that addressing climate change issues can make our company stronger and our products more competitive, offering opportunities to expand our business.

In August 2021, the Company launched projects for responding to TCFD. Also, the Company signed up to support for the recommendations of "Task Force on Climate-related Financial Disclosures (TCFD)" in March 2022. In November 2023, a "Climate Change Response Working Group" was established to develop the TCFD response project, to analyze the risks and opportunities that climate change poses to business, share and develop issues and promote the disclosure of Climate-related financial information based on the TCFD framework.

1. Governance

The 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. Its activities are reported to the Sustainability Committee Meetings regularly held twice a year, and the report is submitted to the board of directors if deemed necessary by the chairperson.

The board members collect information and deepen their knowledge through various opportunities and means to grasp the constantly changing climate change situation. The board of directors shares issues related to climate change risks and opportunities and discusses ways to control goals and solve the issues.

2. Risk Management

The Working Group for Climate Change Response identifies and assesses climate change risks (transition/physical). This working group meets once a month in principle, and at other times when necessary, and reports to the Sustainability Committee. Matters that are deemed to have an impact on business operations are promptly reported by the committee to the Board of Directors for deliberation.

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

3. Strategies

The Parent Company analyzes its domestic offices both in Scope 1 and 2. About GHG emissions of domestic and overseas group companies, The Company continues to monitor and gradually address these emissions. About Scope 3, the Company has been working on identifying Category 1 and Category 11, where emissions are expected to be large; from FY2026/3, the Company works identifying other categories.

Since future projections are highly uncertain and difficult to analyze, the Company examined GHG emissions based on multiple scenarios. There is a growing international public opinion that measures under the Beyond 2°C Scenario are insufficient. Therefore, we conducted the analysis, taking into consideration the 1.5°C Scenario. On the other hand, measures under the 1.5°C Scenario make people less conscious about physical risks. For projecting our business environment, therefore, the Company assumed the 4°C Scenario, where continuing with the current economic activities would lead to temperature rises.

In addition, the environmental risks and opportunities were re-analyzed and the actions to be taken in the medium and long term were reviewed as follows.

- * Reorganization of the overall picture and action policy on climate change
- * Explore new business areas.
- * Reinforcement of the BCP with climate change response as a starting point.
- * LCA/Scope 3 (including cooperation with customers and suppliers)

* Reference scenarios

1.5°C Scenario: [IEA] NZE, 1.5°C Special Report [IPCC] SSP1-1.9

4°C Scenario: [IEA] STEPS [IPCC] SSP2-4.5, SSP3-7.0

(Risk Opportunity and Business Impact Analysis)

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) 	▲▲▲	Short 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 , Electrification / digitization	<ul style="list-style-type: none"> Growing demand for measurement of new EV materials and parts, and 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 (BCP) costs 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 in case of disaster to help customers maintain their production systems 	▲▲	Medium term

Legends: Financial Impact: ▲▲▲ Large, ▲▲ Moderate, ▲ Small

Emergence Timing: Short term 2022-2024, Medium term 2025-2029, Long term 2030-

4. Monitoring of GHG emissions of Group companies (domestic and overseas subsidiaries)

The Company has commenced a survey of Scope 1 and Scope 2 GHG emissions at production sites among its Group companies.

5. Initiatives for Scope 3 disclosure

Most of the Company's products are made by procuring parts and materials, manufacturing them in-house, selling them to customers and operating them at customers' sites. Therefore, the Company considers it important to understand GHG emissions throughout the entire value chain, and has launched a new Scope 3 compliance project in FY2025/3 to identify Category 1 - 15. In addition to increased energy consumption, we will spare no effort in saving energy. Furthermore, we are going to step up our efforts toward decarbonization by promoting the use of renewable energy and other types of low-carbon energy

6. Strategies against risk

(Strengthening BCP/BCMS)

In addition to the growing risk of natural disasters and other risks due to climate change, the need for business continuity in emergency situations is increasing from the perspective of economic security and other factors. Against this background, the Company is working to strengthen its Business Continuity Plan (BCP) and Business Continuity Management System (BCMS).

In addition, in preparation for the intensification of disasters caused by climate change, the Company has implemented the following plans and management based on the assumption that our own plants will be shut down and that our suppliers and subcontractors will be affected.

Assumption of damage to own plants:

The Company's plants (Hachioji, Tsuchiura, Hanno and Furudono) are assessed for the risk of flooding based on hazard maps and other information from local authorities, and it is confirmed that the risk of flooding is sufficiently small.

Suppliers/contractors:

The Company assesses flooding risk using local government hazard maps and assessment tools such as the World Resources Institute (WRI) Aqueduct Floods, taking into account the size of the impact on the Company's business, such as transaction value and irreplaceability, etc. For suppliers that we judge to have a high risk, we are progressively considering countermeasures. The company is also considering countermeasures for those suppliers that have been identified as being at high risk.

7. Strategies for Scope 3 (Category 11)

The calculation of Scope 3 Categories 1 and 11 based on the LCA showed that the impact of Category 11 for semiconductor production equipment is the most significant and that reduction efforts are highly important.

In addition to the electricity consumed by the Company's products themselves, energy is also consumed in the semiconductor production process for maintaining clean rooms, controlling temperatures and producing the ultrapure water needed to clean semiconductors.

Based on the Company's LCA results, the CO₂ emissions associated with indirect emissions from dicing machines can be as high as or several times higher than the CO₂ emissions associated with the electricity consumed during product use, so reducing these emissions is also important. The Company is also working to reduce the footprint of its products, thereby reducing the energy required for air-conditioning per product and developing products that enable semiconductors to be cut and processed using smaller amounts of water (ultrapure water).

The Company's design principles for new product development include "compactness", "energy-saving design over the lifecycle" and "resource-saving design", and LCA assessments and target values are set during product development, including CO₂ emissions related to indirect emissions.

8. Targets/indicators

The Company aims to achieve carbon neutrality by 2050.

The Company has set CO₂ (Scope 1 and Scope 2) emission reduction targets for FY2026/3 and fiscal FY2031/3. The majority of the greenhouse gases (GHG) emitted by the Company are carbon dioxide (CO₂) equivalent to the purchased electricity used in factory operations, and we are therefore focusing on activities that conserve electricity.

Demand for semiconductors is expected to continue growing in the future, and the Company plans to expand its production capacity to meet this demand, which is expected to increase energy consumption. In the FY2025/3, CO₂ emissions increased in line with the amount of electricity purchased due to the completion of the Hanno Plant and the transfer of the charge/discharge testing equipment business to the Company, which resulted in the Furudono Plant becoming a subsidiary.

Going forward, the Company will continue to promote energy-saving activities, expand solar power generation systems, and utilize non-fossil fuel certificates to reduce CO₂ emissions.

(CO₂ emission reduction targets)

2025 target: Reduce Scope 1 and Scope 2 emissions by 35% by FY2026/3 (compared to FY2019/3)

2030 target: Reduce Scope 1 and Scope 2 emissions by 50% by FY2031/3 (compared to FY2019/3)

Scope: The Company on a non-consolidated basis

Scope 1: Direct greenhouse gas emissions from our own operations

(fuel combustion, on-site power generation, industrial processes)

Scope 2: Indirect emissions from the use of electricity and heat supplied by other companies

(e.g., purchased electricity from power companies)

(Actual CO₂ emissions and target for FY2026/3)

	Previous five-year plan	New five-year plan						
	FY2020/3 results	FY2021/3 results	FY2022/3 results	FY2023/3 results	FY2024/3 results	FY2025/3 results	FY2026/3 target	FY2031/3 target
Emissions (t-CO ₂)	11,982	9,524	8,191	8,257	11,598	12,733	8,003	6,156
Change from FY2019/3	-2.68%	-22.64%	-33.47%	-32.94%	-5.80%	+3.42%	-35.00%	-50.00%
Electric power used (Mwh)	25,448	28,843	29,835	29,546	37,432	43,316	-	-
CO ₂ emissions equivalent (t-CO ₂ /MJPY)	0.191	0.129	0.080	0.074	0.111	0.103	-	-

Scope: The Parent Company

The results for FY2024/3 include the results of the Hanno Plant from July, when construction was completed, and include the results of the Furudono Plant from October, when the business was transferred.

* The reduction target was revised in 2021 and the period was extended by one year.

Detail of the Company's initiatives for Sustainability is in the Company's website as linked below.

<https://www.accrettech.com/en/sustainability/index.html>

(4) Strategy, Indicators and Goals for Human Assets

1. Human Resource Development

Employees are assets to the Tokyo Seimitsu Group. Based on the belief that the growth of each and every employee is essential for the Group to continue to grow sustainably, the Group established a Human resource development policy as below.

(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, the Company needs employees those who can:

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

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

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

(Training System)

At Tokyo Seimitsu, a specific career path is defined for each individual job type (engineering, sales, manufacturing, service, and management). Based on concepts “Providing an environment and opportunities (platform) for employees to voluntarily participate in training”, and “Supporting employees in acquiring necessary knowledge in each stage of growth”, various education and training programs are provided to develop employees' ability and committed to the human resources.

The Company’s training programs break downs into common training, level-specific training, and section-specific training. Each of them includes group training for employees to learn from each other, on-the-job training to promote growth through practical work, and self-development support to assist autonomous learning by employees.

- Common training: conducted for acquiring the knowledge and skills that are required across the Company.
- Level-specific training: conducted for employees to learn the skills that they need in executing their job at their job level.
- Section-specific training: conducted at each individual section for employees to acquire the highly specialized knowledge that they need in their organization or for their job.

Common Training	hours
Training on human resource development skills	1,541.9
360-degree feedback reflection training	703.5
e-learning	2,431.4
Total	4,676.8

Level-specific training	hours
New employee training	6,843.9
Management seminar	1,955.9
Newly appointed manager training	87.0
Newly appointed section chief training	319.1
Newly appointed assistant section chief training	406.1
Design thinking training	277.4
Life planning seminar for people in their 30s and 40s	102.0
Total	9,991.4

Section-specific training (major themes)
The following programs and other training programs are provided in each department as needed. Internal: Technical training, Machine design training, Electrical circuit design training, SEAJ recommended safety education, etc. External: Programming seminars, Software-related seminars, Semiconductor-related seminars, etc.

(Development of autonomous human resources)

"Training on human resource development skills" is provided to supervisors in order to help them develop their members who can grow autonomously. Through this training, supervisors will acquire "dialogue skills that support growth". As of the end of March 2025, 78.4% of supervisors have attended this training and are working to develop their subordinates. The Company will continue to provide training to newly appointed supervisors in the future. In addition, as an opportunity for supervisors to objectively look back on their own actions, 360-degree feedback is conducted once a year, and reflection training sessions are held.

(Personal development support)

The Company offers e-learning and correspondence education courses for personal development. A variety of courses covering a wide range of fields are available for acquiring skills and qualifications concerning technology, business, management, computer, language, etc. Employees can choose any course related to the skill they want to acquire. E-learning courses are free. While online training course are fee-based, employees who complete the course receive a grant for their education fee. By improving the contents of the training courses and offering larger grants, the Company supports employees upgrade their skills as they grow.

2. Diversity

The Tokyo Seimitsu Group believes that people inspiring each other on the basis of diverse perspectives and ideas can create new value and achieve synergies that exceed the sum of individual abilities. We are committed to eliminating acts of discrimination based on age, gender, race, religion, country of origin, or disabilities, as well as to creating workplaces where diverse human resources can work in a safe and healthy environment.

Our goal is to build a work environment in which the individuality of each member of the workforce is respected and employees can work actively with a sense of fulfillment while bringing the best out of themselves.

(Women's Participation and Advancement)

The Company recognizes that expanding the recruitment of female full-time employees and improving the workplace environment are urgent issues in order to realize an organization in which women can play an even more active role as core human resources. Accordingly, the Company formulated the "Action Plan for Promoting Employment and Careers of Women" (FY2022/3 - FY2026/3) and have been promoting various measures.

As a result, the Company achieved the targets we had set for the end of FY2026/3. In response to this, the Company has formulated a new "Action Plan Based on the Act on the Promotion of Women's Participation and Advancement in the Workplace" (FY2026/3-FY2027/3).

Going forward, the Company continues to expand the hiring of female full-time employees and strengthen our efforts to promote the active participation of women in the workplace, with the aim of creating a sustainable organization.

<Targets in the "Action Plan for Promoting Employment and Careers of Women" (FY2022/3 - FY2026/3)>

- Percentage of female employee hires (full-time employees) 20%
- Percentage of female employees (full-time employees) 10%

<Targets in the "Action Plan Based on the Act on the Promotion of Women's Participation and Advancement in the Workplace" (FY2026/3-FY2027/3)>

- Increase the number of female managers, section chiefs, and assistant section chiefs to 1.5 times compared to March 2025
- Reduce the average overtime hours of full-time employees to less than 25 hours (per month)

Detail of aforementioned action plan is in the Company's website as linked below.

<https://www.accrettech.com/en/sustainability/esg/diversity.html>

	FY2022/3 End Results	FY2023/3 End Results	FY2024/3 End Results	FY2025/3 End Results
Percentage of female employee hires (full-time employees)	17.0%	18.3%	22.1%	21.8%
Percentage of female employees (full-time employees)	7.4%	8.5%	10.3%	11.6%

Percentages of female manager and men taking childcare leave, and gender pay gap of employees are shown in Part I [Company Information] - 5 [Employees] above.

<Measures taken>

Recruitment of female employees

- Produced a booklet for female students (featuring roundtable discussions with young female employees and interviews with female employees who have been with the company for 15 years) to increase the ratio of female recruits and raise the level of interest among students.
- Utilized a scouting service to increase contact opportunities with women in the sciences in new graduate recruitment.

Career development support for female employees

- Conducted training for supervisors on human resource development to raise awareness about developing female subordinates
(Supervisors are working to promote women's participation in the workplace through individual interviews with their subordinates)
- Introduce external counseling service from April 2022 (not limited to female employees)

Opportunities for female employees to interact

- Assigned senior female employees as partners for new female employees and promote interaction through regular interviews, etc.

(Promotion of Employment of Persons with Disabilities)

The Company works to create an environment in which persons with disabilities can be socially independent and play active roles. Through collaboration with Hello Work job placement centers (public employment security office), and cooperation with employment support centers, schools for special needs education, and other parties, we provide support so that hired employees will be assigned to work and workplaces that fit their individual aptitudes.

<Measures taken>

Job creation

- A workplace centered on persons with disabilities was established in April, 2023 with the aim of creating a workplace where persons with disabilities can work with a sense of fulfillment through experiencing growth and contributing to the company. A dedicated support person was appointed, and operations started with three (3) persons with disabilities, then expanded to sixteen (16) persons with disabilities as of April 2025. The documentation scanning and assembly operations, etc. are commissioned by the business sector.
- Implemented e-learning to deepen understanding of employment of persons with disabilities and asked departments without persons with disabilities to understand employment and create jobs.

Support

- Have employees in the host department participate in a supporter training course to strengthen the hosting system
- Hire dedicated support staff for persons with disabilities

Coordination

- Conduct workplace tours and practical training in cooperation with employment support agencies, special needs schools, etc.
- Conduct periodic interviews regarding workplace retention

	June 2021	June 2022	June 2023	June 2024
Percentage of employment of persons with disabilities	1.95%	2.07%	2.17%	2.43%
Statutory employment rate	2.30%	2.30%	2.30%	2.50%

(Hiring of Foreign Nationals and Mid-career Workers)

Mid-career workers are an indispensable part of our workforce. Also, we hire competent human resources, without regard for their nationalities. These mid-career workers and workers with foreign nationalities play major roles in bringing diverse perspectives and ideas and achieving close collaboration with overseas partners.

Among the managers of the Company, employees with foreign nationalities account for 0.4%, and mid-career employees 43.9%.

3. Engagement

In order for the Group to achieve significant growth in a rapidly changing environment, the Group believes it is important to create an environment that enables our employees to maximize their abilities and perform at their best.

The Company has established an improvement proposal award, technology award and new business project proposal award system with the aim of fostering creativity and a challenging spirit in employees and increasing their motivation. Award winners are featured in the company newsletter and given opportunities to present their achievements at best practice reporting meetings, to let employees know that the company appreciates their originality and ingenuity and the challenge of taking on new initiatives.

In March 2023, the Company began an engagement survey to measure the state of employee engagement. The Company works with each department to examine engagement improvement measures that match the reality of the workplace. Through this survey, the Company will be able to understand the level of employees' confidence and motivation in work, as well as their trust in their workplace relationships and colleagues, and consider measures to improve engagement.

4. Health

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 offer healthy lifestyle support for our employees and their families, and work to create comfortable workplaces by means including strict working hour management to avoid long working hours.

(Stress Level Checks)

Every year, the Company performs periodical health checkups, comprehensive medical examinations, gynecological checkups, and other procedures to check the health of employees. For persons with abnormal findings, the Company encourages repeat examinations and provide specified health guidance. The 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 provide feedback to the individuals. Individuals with high stress levels meet with industrial physicians. The Company also conducts organizational analyses and, after reporting to the Risk Compliance Committee and the Safety and Health Committee, work to improve the workplace environment.

(Health Promotion)

The Company implements a number of measures to help employees stay healthy both mentally and physically in cooperation with our industrial physician. These include interviews to follow up on employees, feedback to the manager of the relevant division, videos on health, and provision of tips on health promotion in the company newsletter.

We issued a "healthy company declaration" to the National Federation of Health Insurance Societies in Tokyo and received a silver certificate of "Excellent Health Company" in August, 2020.

Detail of "healthy company declaration" is in the Company's website as linked below.

<https://www.accrettech.com/en/sustainability/esg/health.html>

(Work Life Balance)

The Company is committed to creating a workplace where each employee can achieve a good work-life balance and maximize their abilities.

To support employees facing various circumstances, such as child-rearing, family care, illness, and injury, the Company has established a unique leave system that greatly exceeds legal requirements.

Furthermore, in order to enable employees to balance work and child-rearing and to create an environment where all employees can work with peace of mind, we have formulated an action plan (FY2026/3-FY2027/3) based on the Act on Advancement of Measures to Support Raising Next-Generation Children.

Detail of the system and action plan of the is in the Company's website as linked below.

https://www.accrettech.com/en/sustainability/esg/work_life_balance.html

3 [Business and other risks]

The Parent Company has “Regulations for risk management” for the purpose of understanding risks that may affect the business operations and its management. The Parent Company has also a “Risk Management Committee,” chaired by President & COO. This committee helps prevent potential risks, while developing a system for emergency preparedness in accordance with Regulations for risk management. In the event of a risk scenario arising, the Parent Company would immediately establish a “Risk Response Team”, managed by the President & COO, and carry out activities aimed at responding to the risk and quickly bringing it under control.

Major Risk factors that Management recognizes and that may affect the Group's business results, financial position, cash flows and other performance indicators stipulated in this Annual Securities Report (*Yuukashoken- houkokusho*) are described below. The Group is endeavoring to avert these risks and to reduce potential risks by hedging and diversifying. However, an unforeseen situation may have considerable influence on the Group's business performance.

Any future forecasts included in the following descriptions are based on the estimates or judgment of the Group as at the end of FY2025/3.

(Risks related to Sales activities)

- (1) The Group conducts SPE business and Metrology business among Japan, Europe, US and Asia on a global scale. If the supply-demand balance is disturbed or economic conditions unexpectedly deteriorate in the markets of each area, the Group's business results may be influenced.
- (2) In principle, the overseas sales are made on a Japanese Yen basis. However, transactions are carried out in US dollars or Euro for some customers. In addition, financial statements from each overseas consolidated subsidiary to make the Groups' Financial Statement are made in a regional currency basis. Therefore, in the event of unforeseen exchange rate fluctuations are realized, the Group's business results may be influenced.
- (3) Some of the products that the Group provides are controlled under Japanese export regulations and various approvals are mandatory for export. Therefore, if such regulations and/or the scope of controls on products change, the Groups' business results may be influenced.
- (4) The Group's overseas sales exceed sales in Japan. Therefore, if trade conflict between Japan and a third country or in between third countries arise, the Groups' business results may be influenced.

(Risks related to Manufacturing and R&D activities)

- (1) New technologies are developed on nearly a daily basis in the business areas of the Group. Developing state-of-the-art technologies and providing new products is essential in maintaining and strengthening the Group's competitiveness. However, if these research and development activities were to be unsuccessful, the Groups' business results may be influenced.
- (2) In order to minimize damage caused by a possible interruption of production activities, the Group regularly conducts disaster prevention inspections, production facility maintenance, investment to secure the safety of facilities, and preparation for alternative production in the Group based on a Business Continuity Plan. Nevertheless, a sudden accident could damage production facilities or interrupt operations and the Group's business results may be influenced.
- (3) To commit customer required delivery date, the Group regularly maintains sufficient manufacturing space, invests for floor space expansion, maintains safety inventories, and arranges engineers for timely manner roll-in and installation of the products. However, if entire demands toward the products unexpectedly increase to materialize shortages among floor space, inventories and/or engineers, then interruption of production activities may occur, and the Group's business results may be influenced.
- (4) It is essential for our production activities to procure high quality materials and services in a timely and proper manner from outside parties. Although the Group operates under a multiple source procurement system, the Group's business performance could be impacted due to the shortage of supply or delivery delays because some of the specific components can only be procured by some limited suppliers, or it may become very difficult to change suppliers due to the peculiarity. Also, the surge of materials and service prices from the change of supply-demand could affect the Group's business performance.
- (5) The Group gives priority to improving quality and reliability of both its products and service activities. However, if an unexpected quality-related failure should occur, the expenditure to remedy such an issue might impact the Group's business performance.
- (6) A rise of raw materials prices and/or service fees related to Manufacturing or Sales activities may affect the Group's results.

(Risks related to Intellectual property rights)

The Group's products embody cutting edge technologies. Particular attention is paid to the protection of rights related to these technologies. Specifically, the Group has taken measures to defend its interest with regard to such matters as attribution of patent-related rights and protection of trademarks and brands. However, if a lawsuit or other legal dispute with a third party in Japan or overseas were to arise concerning rights, the Group's business performance could be affected.

(Risks related to Information security)

The Group acquires customers' confidential information or personal information, and the Group's confidential information related to technologies, sales and other business matters. Based on the Group's "Information Security Policy", the Group, following each region's regulations, maintains related Information security rules and security measures, and provides employees necessary education programs and training to pay close attention to information control. However, it could be possible to have an information leak or falsification due to unforeseen events such as errors, information theft or outside attack. The Group's reliability and business performance could be impacted if those unforeseen events occur, and the Group incurs liability costs as a result.

(Risks related to Environmental regulation)

The Group is subject to various environmental regulations in Japan and overseas, including water pollution control, air pollution control, waste control, environmental regulations, energy issues, global warming countermeasures, and management of chemical substances contained in products. The Group takes several measures in product development and manufacturing in order to reduce the impact to the environment and to comply with the related regulations. However, if these measures do not achieve the expected results or regulations and their enforcement are changed or become stricter, the Group's business performance could be adversely affected with limited production activities and increased costs incurred to comply with regulations.

(Risks related to Compliance)

Several laws and regulations are applicable to the Group's business in various countries. Therefore, The Group maintains internal control systems, has in place a Compliance Committee, and has established a global "ACCTRETECH Group Code of Conduct" to define ethics that all employees must follow unless these conflict with laws in local jurisdictions. However, if some compliance issues arise, including violation of laws by Directors and/or employees, the Group's reputation, business performance, and financial conditions could be impacted.

(Comprehensive risks)

- (1) The Company Group conducts business activities worldwide and is subject to legal and environmental regulations, tax standards including customs duties, and other regulations in each country in which the Company Group operates. In addition, it is necessary to obtain licenses and permits for business activities. The Company Group complies with these regulations and standards and conducts its business activities after obtaining the necessary licenses and permits. However, if unexpected changes arise in legal and environmental regulations, customs duties, licensing procedures and other factors, the Company Group's business results may be affected.
- (2) Furthermore, natural disasters, terrorist attacks, epidemics, wars in counties or regions where the Group operates could lead to suspension of the Groups' sales activities, procurements, manufacturing, shipping, roll-in/installation services and/or indirect operations and may have impact on its business

4 [Analysis of financial position, business results and cash flows by Corporate executives]

(1) Overview of business results

Overview of financial position, business results and cash flows (hereinafter referred to as “Business Results” are shown below.

1. Financial position and business results

During the consolidated fiscal year ended March 2025 (FY2025/3), the global economy remained relatively stable, with the U.S. experiencing steady growth, driven primarily by increased personal consumption and other factors related to domestic demand. However, in China, which is facing a real estate slump, the economy continued to stagnate despite strengthened government support measures. In Europe, concerns about an economic slowdown intensified, leading central banks to continue implementing interest rate cuts. In Japan, the economy also remained on a moderate recovery trajectory owing to factors such as rising prices caused by the depreciation of the Japanese Yen. Furthermore, the U.S. tariff policy developments have added uncertainty to the global economy's outlook.

Under these circumstances, the environment surrounding the Company was as follows. In the Semiconductor Production Equipment (SPE) segment, while there was no recovery in demand related to consumer electronics, demand from China, which promotes the domestic production of various semiconductor devices, remained firm, and there were signs of expanding demand related to generative AI. In the Metrology equipment segment, while new investments related to domestic manufacturing stagnated, the demand for the renewal of existing equipment provided a certain level of business opportunities.

Furthermore, rising material costs and labor expenses owing to inflation and energy cost increases have acted as downward pressures on the company's profits.

Consequently, the performance for the consolidated fiscal year for FY2025/3 shows increases across all key metrics compared with the previous fiscal year (FY2024/3), including orders, sales, and profits. Consolidated sales were ¥150,534 million (up 11.8% Year over Year, hereinafter referred to as YoY), operating profit was ¥29,703 million (up 17.4% YoY), recurring profit was ¥29,939 million (up 13.2% YoY), and net profit attributable to owners of the parent was ¥25,637 million (up 32.2% YoY).

As a result, net sales and net profit attributable to owners of the parent company for FY2025/3 exceeded previous peaks.

Business results during the term in each segment were as follows.

SPE business segment

In the SPE segment, orders remained robust for assembly equipment in semiconductor packaging related to generative AI, and for testing equipment for memory devices and high-performance computing (HPC). Additionally, the demand from China, which promotes the domestic production of various semiconductor devices and electronic components, maintained its underlying strength. Although demand for consumer electronics products for OSAT (outsourced semiconductor assembly and testing) remained weak, and demand for power semiconductor devices has slowed owing to sluggish demand for electric vehicles, orders for FY2025/3 have increased YoY.

In terms of sales, the company was able to deliver products in line with customer delivery schedules, and shipments of generative AI-related equipment increased, mainly in the second half of FY2025/3, resulting in a record high for the fiscal year. By region, testing equipment performed well in U.S., Taiwan, China and South Korea, while assembly equipment performed well in China, Taiwan and Japan.

In R&D activities, the company continued to develop products that met customers' advanced needs and elemental technology development, with a focus on the future. In terms of production, the company commenced construction of a new factory in Nagoya to address the anticipated long-term expansion of the demand for processing equipment.

Consequently, the sales for SPE segment in the period were ¥113,481 million (up 13.4% YoY), and operating profit was ¥24,311 million (up 22.2% YoY).

Metrology business segment

In the Metrology equipment segment, despite new stagnant investments in domestic manufacturing throughout the period, stable demand for equipment upgrades in industries such as automobiles and machinery parts; new demand in industries such as semiconductors, semiconductor production equipment, and aviation; and increased orders for charge/discharge battery testing systems contributed to an increase in the orders YoY.

Sales also increased YoY because shipments were generally made in accordance with customer delivery dates, and sales of charge/discharge testing systems increased.

Under these circumstances, the Company expanded its charge/discharge battery testing services and promoted initiatives to capture the demand for automation through collaboration between the Company's equipment and robots.

Consequently, the sales for Metrology Equipment segment in the same period were ¥37,053 million (up 7.0% YoY), and the operating profit was ¥5,392 million (down 0.3% YoY).

Orders and sales exceeded previous peaks in the Metrology equipment segment.

An overview of financial position as at FY2025/3 end is as follows.

As of March 31st, 2025, total assets were ¥237,952 million (¥ 169,341 million in current assets and ¥ 68,610 million in fixed assets), liabilities were ¥61,723 million, and total net assets were ¥176,229 million.

[1] Assets

Assets as at the end of FY2025/3 increased mainly due to an increase in cash and cash equivalents owing to collection of notes and accounts receivable and transfer of fixed assets . Consequently, total assets at the end of FY2025/3 have increased ¥12,427 million from the end of FY2024/3.

[2] Liabilities

Liabilities have decreased by ¥5,374 million from the end of FY2024/3 despite an increase in income tax payable but a decrease in long-term debt and contract liabilities.

[3] Net assets

Shareholder's Equity has significantly increased mainly from Net Profit attributable to Owners of the Parent. Net assets as at the end of FY2025/3 have increased by ¥17,801 million from the end of FY2024/3.

As a result, the Equity Ratio increased by 3.8 point from the end of FY2024/3 and came to 73.2%.

2. Overview of Cash flows

Cash and cash equivalents as of March 31st, 2025 amounted to ¥54,516 million, an increase of ¥17,779 million from the end of FY2024/3.

The status of cash flows and factors behind them are given below.

Net cash earned from operating increased from ¥4,892 million in FY2024/3 to ¥28,824 million in FY2025/3 owing to an increase in Income before income taxes and minority interests from ¥27,255 million in FY2024/3 to ¥34,275 million in FY2025/3, payment of income taxes of ¥5,942 million, depreciation of ¥5,105 million, gain on sales of fixed assets of ¥4,303 million, decrease in notes and accounts receivable of ¥3,033 million, an increase in inventories of ¥2,089 million and a decrease in notes and accounts payable of ¥958 million.

Net cash earned from investment activities was ¥2,541 million in FY2025/3 despite net cash used in investment activities of ¥10,563 million in FY2024/3. This is mainly due to proceeds from sales of tangible fixed assets of ¥12,017 million.

Net cash used in financing activities was ¥13,991 in FY2025/3, despite Net cash earning from financing activities in FY2024/3 of ¥1,616 million. This is mainly from payment of dividends of ¥8,796 million and repayment of long-term debt of ¥5,000 million.

3. Production, orders, and sales Actual Production

[1] Production results

The production results for each business segment in FY2025/3 are shown below.

Business segment	Production (MJPY)	YoY (%)
SPE business	104,680	+10.9
Metrology business	30,548	+5.6
Total	135,228	+9.6

Note: The above production results are based on the sales prices.

[2] Orders received

The orders received for each business segment in FY2025/3 are shown below.

Business segment	Orders received (MJPY)	YoY (%)	Order backlog (MJPY)	YoY (%)
SPE business	107,713	+25.1	69,630	- 7.6
Metrology business	37,917	+9.0	13,470	+6.9
Total	145,631	+20.5	83,101	- 5.6

[3] Actual sales

The sales amounts for each business segment in FY2025/3 are shown below.

Business segment	Sales (MJPY)	YoY (%)
SPE business	113,481	+13.4
Metrology business	37,053	+7.0
Total	150,534	+11.8

Note: The sales amounts for each major customer and their ratio to total sales are omitted because there are no customers with sales amounts that account for 10% or more of total sales.

(2) Analysis and Evaluations from Corporate Management regarding financial performance

The conclusions of management reviews and evaluation of the Group's business performance in each of our business segments are as follows. Any future forecasts included in the following descriptions are based on the estimates or judgment of the Group as at the end of FY2025/3.

i. Analysis and evaluation of financial position

Details of the financial position of the Group are set out on Section 2 [Business Overview] 4.[Analysis of financial position, business results and cash flows by Corporate executives] (1) Overview of business results 1. Financial position and business results. Increases in Assets and Liabilities led by business growth demonstrate to us that improving Total asset turnover and keeping a profitable structure is necessary.

ii. Analysis and evaluation of business results

Both the SPE and Metrology industries, which are the primary fields of activity for the Group, are industries with a fast pace of technological innovation and with intense competition, producing high-level technological demands. The industry which our customers of SPE business segment operate in is the semiconductor industry which regularly experiences cycles of expansion and contraction on a large-scale. The performance of the Group has been affected by these cycles many times in the past. In this environment, our most important tasks are to constantly develop new products and to continue creating a highly competitive product lineup which can keep the effects of market volatility to a minimum.

[1] Sales

Sales for FY2025/3 were ¥113,481 million (up 13.4% YoY) for the SPE business and ¥37,053 million (up 7.0% YoY) for the Metrology business, with a combined total of the two businesses of ¥150,534 million (up 11.8% YoY).

In terms of sales, the SPE segment is expected to see firm demand for HPC-related equipment, including generative AI, and firm shipments and installations for OSAT and for projects already ordered from China customers. In terms of orders, the Company expects an increase in business discussion for the SPE to increasing demand for semiconductors and electronic components to be triggered by the adoption of Edge AI in consumer applications. Although it is difficult to predict how international factors such as the U.S. tariff policy affect the semiconductor and SPE industries, the company will strive to expand its business by developing products that meet customer requirements, strengthening and expanding the elemental technologies that support them, and promoting the appropriate procurement of product components and expansion of production capacity, including the completion of the Nagoya Plant, to respond to customer demand for equipment in a timely manner.

The trend in orders for Japanese machine tools, which serves as a leading indicator of the business environment for the metrology equipment segment, is expected to recover in the second half of FY2026/3. However, the recovery in the automotive and machinery parts industries, which are the main markets for general-purpose measuring instruments and automatic gauges, is expected to be gradual. Additionally, the uncertainty surrounding the U.S. tariff policies is expected to persist.

However, the company expects the market to continue to recover gradually in areas where it is focusing on its efforts, such as NEVs and semiconductors. The Company will continue to promote initiatives to capture demand in these areas and strive to strengthen its solutions by developing general-purpose measuring instruments, automatic gauges, and charge/discharge testing systems, particularly the NEVs and X-ray CT systems.

[2] Cost of goods sold, and Selling, general and administrative expenses

Cost of goods sold for FY2025/3 was ¥88,081 million and the Selling, general and administrative expenses were ¥32,750 million. The ratio of the Cost of goods sold to Total Sales was 58.5% in FY2025/3 (59.3% in FY2024/3), and the ratio of the Selling, general and administrative expenses to Total Sales was 21.8% in FY2025/3 (21.9% in FY2024/3).

[3] Operating profit

As a result of the above, operating profit FY2025/3 was ¥29,703 million (up 17.4% YoY). Per segment, ¥24,311 million (up 22.2% YoY) was from SPE, and ¥5,392 million (down 0.3% YoY) was from Metrology.

- [4] Non-operating income and expenses
Non-operating income for FY2025/3 was ¥921 million mainly from dividend income and subsidy income, and, and Non-operating expenses for the same term was ¥684 million mainly due to interest expenses and foreign exchange losses.
- [5] Recurring profit
As a result, Recurring profit for FY2025/3 was ¥29,939 million (up 13.2% YoY).
- [6] Extraordinary gains and losses
Extraordinary gains in FY2025/3 were ¥4,493 million mainly from gain on sales of tangible fixed assets and Extraordinary losses were ¥158 million mainly due to Extra retirement payments accounted at overseas consolidated subsidiary company.
- [7] Profit before income taxes and minority interests
As a result, Profit before taxes and minority interests for FY2025/3 was ¥34,275 million.
- [8] Income taxes
Income taxes and other taxes in FY2025/3 were ¥8,531 million and the ratio to Profit before income taxes and minority interests was 24.9%.
- [9] Net profit attributable to non-controlling interests
Net profit attributable to non-controlling interests for FY2025/3 was ¥106 million.
- [10] Net profit attributable to owners of the parent
As a result, Net profit attributable to owners of the parent for FY2025/3 was ¥25,637 million (up 32.3% YoY).

iii. Analysis and evaluation of Cash flows

Details of the financial position of the Group are set out on Section 2 [Business Overview] 4.[Analysis of financial position, business results and cash flows by Corporate executives] (1) Overview of business results 2. Overview of Cash flows. Management is of the view that the Group can continue to achieve a positive cash flow position from its operations and that earned cash can be effectively used for investment and financing. In addition, retained cash can be used for product development R&D, and capital expenditures.

The Group accommodates fluctuations in long-term finances based on forecasts of Group investments mainly by internal cash flows within the Group and loans payable from Banks. Management nonetheless recognizes the importance of maintaining good relationships among the Group and with financial institutions.

iv. Significant accounting policies and estimates

The consolidated financial statements of the Group are prepared in accordance with accounting principles generally accepted in Japan. When preparing the consolidated financial statements, the Group performs specific estimates which are necessary for calculations such as assets and liabilities at the end of the consolidated Fiscal year, and income and expenses during the consolidated Fiscal year. These estimates are based on past results with consideration for future expectations, and are performed with an emphasis on sustainable, rational, and conservative evaluation.

(Impairment of Fixed Assets)

If there are assets or asset groups that are impaired (estimated total undiscounted future cash flow is less than the book value), the group recognizes an impairment loss corresponding to the decrease (valued from the undiscounted future cash flow less the book value). The Group carefully monitors signs of impairment, measurement and its recognition; however, sudden need for changes in business plans or fluctuations in market conditions may result in unforeseen impairment losses.

5 [Important business contracts]

<The Parent Company>

Mutual Agency Agreement

Name of counterparty	Contents of contract	Contract period
Carl Zeiss Inc. (Germany)	Mutual Agency Agreement in the multi-purpose measuring instruments field	Five years maximum beginning October 1 st , 2020

<Consolidated subsidiaries>

There are no notable contracts.

6 [R&D Activities]

The Company's R&D activities cover all SPE segment and Metrology equipment segment, including the development of new models, product improvements to enhance the competitiveness of existing products, the development of elemental technologies for the creation of core technologies, and development aimed at maximizing synergies between SPE and Metrology equipment.

The total amount of R&D expenses for the Group in FY2025/3 was ¥10,354 million. A description of the specific activities in each business segment is provided below.

a. SPE business

In the SPE field, as the semiconductor manufacturers pursue automation, higher precision, higher performance, and higher reliability, the equipment at our customer companies is becoming increasingly diversified. In addition, the technological requirements associated with the development of stacking and the demand for high-throughput testing and processing are also increasing. To meet these market needs, the Group is striving to improve our products, enhance their performance, and develop new models.

Major research and development results in FY2025/3 were product improvement and performance enhancement of Probing machines, Wafer dicing machines, and various grinders as well as development of new models.

The total amount of R&D expenses for this business segment in FY2025/3 was ¥7,989 million.

b. Metrology business

In the Metrology, in addition to the growing need for high-precision measurement, there has been an increasing diversification of measurement objects, such as NEVs, semiconductors, and the aerospace. Also, demand for automation of high-precision measurement is increasing. The Group is striving to develop and improve various products to meet these market needs.

The major research and development results during FY2025/3 included the improvement of precision measuring instruments and the development of charge-discharge testing systems.

The total amount of R&D expenses for this business segment in FY2025/3 was ¥2,365 million.

Section 3 [Equipment and Facilities]

1 [Overview of capital expenditures]

The Group's policy on capital investment is to expand production capacity and streamline production and labor saving in both the SPE and Metrology equipment segments to expand business for the future and to cope with intensifying competition.

The total amount of capital expenditures in FY2025/3 was ¥10,245 million. An overview of this investment by business segment is provided below.

(1) SPE business

Capital expenditures in this business are made to respond quickly to market conditions and customer needs and to strengthen manufacturing technologies.

Total capital expenditures in this business in FY2025/3 totaled ¥6,590 million, including ¥1,882 million for the construction of the Nagoya plant by the Company's group to increase production capacity, and ¥1,684 for the purchase of the land to construct land to establish Korea demo center.

(2) Metrology business

Capital expenditures in this business were conducted primarily in preparation for expanding production, and also aimed at achieving cost reductions and constructing efficient and flexible production lines.

Total capital expenditures in this business in FY2025/3 totaled ¥3,655 million, including ¥596 million for charge/discharge testing systems for its in-house testing service, and ¥90 million for Planarity inspection equipment.

2 [Major equipment and facilities]

(1) The Parent Company

At March 31st, 2025

Location	Business segment	Description	Book value (MJPY)							Number of employees (person)
			Buildings & structures	Machinery & vehicles	Tools & supplies	Land (1000s m2)	Lease assets	Construction in Progress	Total	
Hachioji Headquarters, Plant (Hachioji, Tokyo)	SPE	Production equipment, others	8,256	1,562	2,419	3,436 (37)	13	402	16,088	757
Tsuchiura Plant (Tsuchiura, Ibaraki)	Metrology	Production equipment, others	3,084	207	307	151 (17)	4	1	3,754	209
Hanno Plant (Hanno, Saitama)	SPE	Plant, others	10,424	179	332	2,025 (51)	-	99	13,059	171
Furudono Plant (Furudono, Fukushima)	Metrology	Production equipment, others	450	31	644	75 (56)	-	-	1,200	25
Sales offices and satellite offices	SPE, Metrology	Building, others	517	0	61	- (-)	2	-	580	130
Others	SPE, Metrology	Employee dormitories, others	1,080	-	0	259 (4)	-	-	1,399	-

Note: Currently there is no idle equipment.

(2) Domestic subsidiaries

At March 31st, 2025

Company	Location	Business segment	Description	Book value (MJPY)							Number of employees (person)
				Buildings & structures	Machinery & vehicles	Tools & supplies	Land (1000s m2)	Lease assets	Construction in Progress	Total	
Tosei Engineering Corp.	Head Office & Plants (Tsuchiura, Ibaraki, others)	SPE, Metrology	Production equipment, others	1,410	264	209	3,878 (82)	-	3,345	9,109	427
Tosei Systems Co., Ltd.	Head Office (Hachioji, Tokyo)	SPE, Metrology	Instrument supplies, others	5	-	0	- (-)	-	-	5	186
Accretech Create Corp.	Head Office (Hachioji, Tokyo)	SPE, Metrology	Instrument supplies, others	-	-	0	- (-)	-	-	0	1
Tosei Box Corp.	Head Office (Tachikawa, Tokyo)	Metrology	Building, others	85	-	4	125 (1)	-	8	224	38
Accretech Powertro System Co., Ltd.	Head Office (Furudono, Fukushima)	Metrology	Instrument supplies, others	-	-	0	- (-)	-	-	0	0

Note: Currently there is no idle equipment.

(3) Overseas subsidiaries

At March 31st, 2025

Company	Location	Business segment	Description	Book value (MJPY)							Number of employees (person)
				Buildings & structures	Machinery & vehicles	Tools & supplies	Land (1000s m2)	Lease assets	Construction in Progress	Total	
Accretech America Inc.	Head Office (Richardson, Texas, USA)	SPE	Head office function, others	65	15	3	- (-)	138	11	234	42
Accretech (Europe) GmbH	Head Office (Munich, Bavaria, Germany)	SPE, Metrology	Instrument function, others	16	7	51	- (-)	-	-	75	95
Accretech Korea Co., Ltd.	Head Office (Hwaseong-si, Gyeonggi-do, Korea)	SPE, Metrology	Land, others	-	8	16	1,684 (6)	-	-	1,710	70
Accretech (China) Co., Ltd.	Head Office (Shanghai, China)	SPE, Metrology	Instrument supplies, others	-	7	73	- (-)	-	-	81	192
Accretech Taiwan Co., Ltd.	Head Office (Jhubei, Hsinchu, Taiwan)	SPE, Metrology	Head office function, others	1,524	2	395	1,049 (5)	5	-	2,978	124
Accretech (Malaysia) Sdn Bhd.	Head Office (Petaling Jaya, Selangor, Malaysia)	SPE, Metrology	Head office function, others	55	56	6	124 (0)	11	76	331	48
Accretech Adamas (Thailand) Co., Ltd.	Head Office (Klongluang, Pathum-thani, Thailand)	SPE	Production equipment, others	321	35	18	291 (18)	0	1	668	110
Accretech (Thailand) Co., Ltd.	Head Office (Bangplee, Samutprakarn, Thailand)	SPE, Metrology	Instrument supplies, others	0	3	4	- (-)	43	0	51	40
Tosei Engineering (Pinghu) Co., Ltd.	Head Office (Pinghu, Zhejiang, China)	SPE, Metrology	Production equipment others	198	7	2	- (-)	-	-	207	12
Tosei (Thailand) Co., Ltd.	Head Office (Muang Chonburi, Thailand)	Metrology	Production equipment, others	87	29	25	68 (4)	-	-	211	46
Accretech SBS, Inc.	Head Office (Cincinnati, Ohio, USA)	SPE, Metrology	Production equipment, others	8	34	0	512 (5)	233	1,258	2,047	44

Notes:

1. Currently there is no idle equipment.
2. The above amounts are exclusive of consumption tax.

3 [Plans for equipment and facility additions or disposals]

(1) Additions of major equipment and facilities

Company	Location	Business segment	Equipment or facility		Expected amount of investment		Start date	Expected completion date
			Type	Description	Total (MJPY)	Amount already invested (MJPY)		
The Parent Company	Hachioji Plant (Hachioji, Tokyo)	SPE business	Land, Buildings	New Plant construction	TBD	-	TBD	TBD
	Total				-	-		
Tosei Engineering Corp.	Nagoya Plant (Togo-cho, Aichi)	SPE business, Metrology business	Buildings and structures	New Plant construction	7,800	3,742	Oct., 2023	July, 2025
	Total				7,800	3,742		
Accretech Korea Co., Ltd.	Demo Center (Hwaseong-si, Gyeonggi-do, Korea)	SPE business	Land, Buildings	Demo Center construction	TBD	1,684	TBD	TBD
	Total				-	1,684		

Notes:

1. Future required capital will be financed internally and/or through loans payable.
2. Because it is difficult to quantitatively estimate the capacity increase after completion, this information has been omitted.
3. The above amounts do not include consumption tax.

(2) Disposal of major equipment and facilities

Except for disposals conducted in the course of the Group's routine renewal of its equipment and facilities, there is no plan for significant disposals of any major equipment and facilities.

Section 4 [Corporate Information]

1 [Information on the Company's shares]

(1) Number of shares and others

[1] Number of shares

Type	Total number of shares authorized to be issued
Common stock	110,501,100
Total	110,501,100

[2] Number of shares issued

Type	Number of shares issued at end of the FY (As of March 31 st , 2025)	Number of shares issued on the filing date of the securities report (As of June 20 th , 2025)	Stock exchanges on which the Parent Company is listed	Description
Common stock	42,170,081	42,185,181	Tokyo Stock Exchange Prime Segment	Unit amount of stocks is 100.
Total	42,170,081	42,185,181	-	-

Note: 1. The number of shares issued as of the filing date of the securities report does not include those issued upon the exercise of share subscription rights (including bonds with warrants for the purchase of shares of common stock issued under former Commercial Code of Japan) (hereinafter referred to as SSR) during the period from June 1st, 2025, through the filing date of this report.

2. 15,100 shares were issued between April 1st, 2025 to May 31st, 2025 as a result of the exercise of share subscription rights (stock options).

(2) Status of share subscription rights (SSR)

(a) Detail of Stock option plans

	The 15 th SSR
Date for resolution	June 25 th , 2018 (Annual general meeting of the shareholders)
Categories and numbers of persons to whom rights are granted	Directors of the Parent Company:8 Employees of the Parent Company:183 Directors of subsidiaries:8 Employees of subsidiaries:18
Number of SSR **	80 [57] *Note 1
Type and number of shares to be issued upon the exercise of SSR (shares) **	Common Stock , 8,000 [5,700] *Note 1
Amount to be subscribed upon the exercise of the SSR (yen) **	4,073 per share *Note 2
Exercise period for SSR **	July 24 th , 2020 - June 30 th , 2025
Upon the exercise of the SSR, issue price and amount to be credited to common stock (yen) **	Issue price 4,073 Amount to be credited to common stock *Note 3
Conditions for exercise of the SSR	If the holder of the subscription right abandons the subscription right, exercise of that subscription right shall not be possible.
Transfer of the SSR	Approval by the Board of Directors is required in order to transfer SSR.
Matters relating to the issuance of SSR as a result of organizational restructuring action	*Note 4
Matters relating to the provisions for acquisition of SSR	*Note 5

	The 16 th SSR	The 17 th SSR
Date for resolution	June 24 th , 2019 (Annual general meeting of the shareholders)	June 22 th , 2020 (Annual general meeting of the shareholders)
Categories and numbers of persons to whom rights are granted	Directors of the Parent Company:7 Employees of the Parent Company:195 Directors of subsidiaries:8 Employees of subsidiaries:26	Directors of the Parent Company:7 Employees of the Parent Company:195 Directors of subsidiaries:8 Employees of subsidiaries:36
Number of SSR **	106 [102] *Note 1	241 [205] *Note 1
Type and number of shares to be issued upon the exercise of SSR (shares) **	Common Stock , 10,600 [10,200] *Note 1	Common Stock , 24,100 [20,500] *Note 1
Amount to be subscribed upon the exercise of the SSR (yen) **	3,075 per share *Note 2	3,655 per share *Note 2
Exercise period for SSR **	August 3 rd , 2021 - June 30 th , 2026	July 31 st , 2023 - June 30 th , 2028
Upon the exercise of the SSR, issue price and amount to be credited to common stock (yen) **	Issue price 3,075 Amount to be credited to common stock *Note 3	Issue price 3,655 Amount to be credited to common stock *Note 3
Conditions for exercise of the SSR	If the holder of the subscription right abandons the subscription right, exercise of that subscription right shall not be possible.	
Transfer of the SSR	Approval by the Board of Directors is required in order to transfer SSR.	
Matters relating to the issuance of SSR as a result of organizational restructuring action	*Note 4	
Matters relating to the provisions for acquisition of SSR	*Note 5	

	SSR issued in June 2005 (stock compensation type)	SSR issued in July 2006 (stock compensation type)
Date for resolution	June 29 th , 2005 (Annual general meeting of the shareholders)	June 29 th , 2006 (Annual general meeting of the shareholders)
Categories and numbers of persons to whom rights are granted	Directors of the Parent Company:7 Employees of the Parent Company (executive officers): 11	Directors of the Parent Company:6 Employees of the Parent Company (executive officers):12
Number of SSR **	32 [32] *Note 1	22 [22]*Note 1
Type and number of shares to be issued upon the exercise of SSR (shares) **	Common Stock , 3,200 [3,200] *Note 1	Common Stock , 2,200 [2,200]*Note 1
Amount to be subscribed upon the exercise of the SSR (yen) **	1 per share	1 per share
Exercise period for SSR **	June 30 th , 2005-June 30 th , 2025	July 15 th , 2006-July 14 th , 2026
Upon the exercise of the SSR, issue price and amount to be credited to common stock (yen) **	Issue price 1 Amount to be credited to common stock 1	Issue price 1 Amount to be credited to common stock *Note 3
Conditions for exercise of the SSR	* Note 8	
Transfer of the SSR	Approval by the Board of Directors is required in order to transfer SSR.	
Matters relating to the issuance of SSR as a result of organizational restructuring action	-	*Note 4
Matters relating to the provisions for acquisition of SSR	-	*Note 5

	SSR issued in July 2007 (stock compensation type)	SSR issued in July 2011 (stock compensation type)
Date for resolution	June 28 th ,2007 (Board of Directors)	June 27 th , 2011 (Board of Directors)
Categories and numbers of persons to whom rights are granted	Directors of the Parent Company:6 Employees of the Parent Company (executive officers): 12	Directors of the Parent Company:6 Employees of the Parent Company (executive officers): 2
Number of SSR **	24 [24] *Note 1	105 [105] *Note 1
Type and number of shares to be issued upon the exercise of SSR (shares) **	Common Stock , 2,400 [2,400] *Note 1	Common Stock , 10,500 [10,500] *Note 1
Amount to be subscribed upon the exercise of the SSR (yen) **	1 per share	1 per share
Exercise period for SSR **	July 20 th , 2007-July 19 th , 2027	July 13 th , 2011-July 12 th , 2031
Upon the exercise of the SSR, issue price and amount to be credited to common stock (yen) **	Issue price 1 Amount to be credited to common stock *Note 3	Issue price 1 Amount to be credited to common stock *Note 3
Conditions for exercise of the SSR	* Note 8	
Transfer of the SSR	Approval by the Board of Directors is required in order to transfer SSR.	
Matters relating to the issuance of SSR as a result of organizational restructuring action	*Note 4	
Matters relating to the provisions for acquisition of SSR	*Note 5	

	SSR issued in July 2012 (stock compensation type)	SSR issued in July 2013 (stock compensation type)
Date for resolution	July 6 th , 2012 (Board of Directors)	July 5 th , 2013 (Board of Directors)
Categories and numbers of persons to whom rights are granted	Directors of the Parent Company:7 Employees of the Parent Company (executive officers): 2	Directors of the Parent Company:7 Employees of the Parent Company (executive officers): 2
Number of SSR **	105 [105] *Note 1	124 [124] *Note 1
Type and number of shares to be issued upon the exercise of SSR (shares) **	Common Stock , 10,500 [10,500] *Note 1	Common Stock , 12,400 [12,400] *Note 1
Amount to be subscribed upon the exercise of the SSR (yen) **	1 per share	1 per share
Exercise period for SSR **	July 24 th , 2012-July 23 rd , 2032	July 23 rd , 2013-July 22 nd , 2033
Upon the exercise of the SSR, issue price and amount to be credited to common stock (yen) **	Issue price 1 Amount to be credited to common stock *Note 3	Issue price 1 Amount to be credited to common stock *Note 3
Conditions for exercise of the SSR	* Note 8	
Transfer of the SSR	Approval by the Board of Directors is required in order to transfer SSR.	
Matters relating to the issuance of SSR as a result of organizational restructuring action	*Note 4	
Matters relating to the provisions for acquisition of SSR	*Note 5	

	SSR issued in July 2014 (stock compensation type)	SSR issued in July 2015 (stock compensation type)
Date for resolution	July 4 th , 2014 (Board of Directors)	July 7 th , 2015 (Board of Directors)
Categories and numbers of persons to whom rights are granted	Directors of the Parent Company:8 Employees of the Parent Company (executive officers): 2	Directors of the Parent Company:8 Employees of the Parent Company (executive officers): 1
Number of SSR **	149 [149] *Note 1	206 [206] *Note 1
Type and number of shares to be issued upon the exercise of SSR (shares) **	Common Stock , 14,900 [14,900] *Note 1	Common Stock , 20,600 [20,600] *Note 1
Amount to be subscribed upon the exercise of the SSR (yen) **	1 per share	1 per share
Exercise period for SSR **	July 23 rd , 2014-July 22 nd , 2034	July 23 rd , 2015-July 22 nd , 2035
Upon the exercise of the SSR, issue price and amount to be credited to common stock (yen) **	Issue price 1 Amount to be credited to common stock *Note 3	Issue price 1 Amount to be credited to common stock *Note 3
Conditions for exercise of the SSR	* Note 8	
Transfer of the SSR	Approval by the Board of Directors is required in order to transfer SSR.	
Matters relating to the issuance of SSR as a result of organizational restructuring action	*Note 4	
Matters relating to the provisions for acquisition of SSR	*Note 5	

	SSR issued in July 2016 (stock compensation type)	SSR issued in July 2017 (stock compensation type)
Date for resolution	July 6 th , 2016 (Board of Directors)	July 7 th , 2017 (Board of Directors)
Categories and numbers of persons to whom rights are granted	Directors of the Parent Company:8 Employees of the Parent Company (executive officers): 1	Directors of the Parent Company:7 Employees of the Parent Company (executive officers): 3
Number of SSR **	215 [215] *Note 1	259 [259] *Note 1
Type and number of shares to be issued upon the exercise of SSR (shares) **	Common Stock , 21,500 [21,500] *Note 1	Common Stock , 25,900 [25,900] *Note 1
Amount to be subscribed upon the exercise of the SSR (yen) **	1 per share	1 per share
Exercise period for SSR **	July 22 nd , 2016-July 21 st , 2036	July 25 th , 2017-July 24 th , 2037
Upon the exercise of the SSR, issue price and amount to be credited to common stock (yen) **	Issue price 1 Amount to be credited to common stock *Note 3	Issue price 1 Amount to be credited to common stock *Note 3
Conditions for exercise of the SSR	* Note 8	
Transfer of the SSR	Approval by the Board of Directors is required in order to transfer SSR.	
Matters relating to the issuance of SSR as a result of organizational restructuring action	*Note 4	
Matters relating to the provisions for acquisition of SSR	*Note 5	

	SSR issued in July 2018 (stock compensation type)	SSR issued in August 2019 (stock compensation type)
Date for resolution	July 6 th , 2018 (Board of Directors)	July 18 th , 2019 (Board of Directors)
Categories and numbers of persons to whom rights are granted	Directors of the Parent Company:7 Employees of the Parent Company (executive officers): 3	Directors of the Parent Company:6 Employees of the Parent Company (executive officers): 5
Number of SSR **	263 [263] *Note 1	300 [300] *Note 1
Type and number of shares to be issued upon the exercise of SSR (shares) **	Common Stock , 26,300 [26,300] *Note 1	Common Stock , 30,000 [30,000] *Note 1
Amount to be subscribed upon the exercise of the SSR (yen) **	1 per share	1 per share
Exercise period for SSR **	July 24 th 2018-July 23 rd , 2038	August 3 rd , 2019 – August 2 nd , 2039
Upon the exercise of the SSR, issue price and amount to be credited to common stock (yen) **	Issue price 1 Amount to be credited to common stock *Note 3	Issue price 1 Amount to be credited to common stock *Note 3
Conditions for exercise of the SSR	* Note 8	
Transfer of the SSR	Approval by the Board of Directors is required in order to transfer SSR.	
Matters relating to the issuance of SSR as a result of organizational restructuring action	*Note 4	
Matters relating to the provisions for acquisition of SSR	*Note 5	

	SSR issued in July 2020 (stock compensation type)	SSR issued in July 2021 (stock compensation type)
Date for resolution	July 15 th , 2020 (Board of Directors)	July 7 th , 2021 (Board of Directors)
Categories and numbers of persons to whom rights are granted	Directors of the Parent Company: 6 Employees of the Parent Company (executive officers): 5	Directors of the Parent Company: 6 Employees of the Parent Company (executive officers): 5
Number of SSR **	303 [303] *Note 1	340 [312] *Note 1
Type and number of shares to be issued upon the exercise of SSR (shares) **	Common Stock , 30,300 [30,300] *Note 1	Common Stock , 34,000 [31,200] *Note 1
Amount to be subscribed upon the exercise of the SSR (yen) **	1 per share	1 per share
Exercise period for SSR **	July 31 st 2020-July 30 th , 2040	July 27 th 2021 - July 26 th , 2051
Upon the exercise of the SSR, issue price and amount to be credited to common stock (yen) **	Issue price 1 Amount to be credited to common stock *Note 3	Issue price 1 Amount to be credited to common stock *Note 3
Conditions for exercise of the SSR	* Note 8	
Transfer of the SSR	Approval by the Board of Directors is required in order to transfer SSR.	
Matters relating to the issuance of SSR as a result of organizational restructuring action	*Note 4	
Matters relating to the provisions for acquisition of SSR	*Note 5	

	SSR issued in July 2022 (stock compensation type)	SSR issued in July 2023 (stock compensation type)
Date for resolution	July 22 nd 2022 (Board of Directors)	July 24 th 2023 (Board of Directors)
Categories and numbers of persons to whom rights are granted	Directors of the Parent Company: 6 Employees of the Parent Company (executive officers): 5	Directors of the Parent Company: 5 Employees of the Parent Company (executive officers): 8
Number of SSR **	358 [328] *Note 1	478 [448] *Note 1
Type and number of shares to be issued upon the exercise of SSR (shares) **	Common Stock , 35,800 [32,800] *Note 1	Common Stock , 47,800 [44,800] *Note 1
Amount to be subscribed upon the exercise of the SSR (yen) **	1 per share	1 per share
Exercise period for SSR **	July 23 rd 2022-July 22 nd , 2052	July 25 th , 2023-July 24 th , 2053
Upon the exercise of the SSR, issue price and amount to be credited to common stock (yen) **	Issue price 1 Amount to be credited to common stock *Note 3	Issue price 1 Amount to be credited to common stock *Note 3
Conditions for exercise of the SSR	* Note 8	
Transfer of the SSR	Approval by the Board of Directors is required in order to transfer SSR.	
Matters relating to the issuance of SSR as a result of organizational restructuring action	*Note 4	
Matters relating to the provisions for acquisition of SSR	*Note 5	

** All statements above are as of the end of FY (March 31st, 2025). There are no changes from ending date of FY2025/3 to as of the end of the month prior to the date this report was submitted (May 31st, 2025) except stated in parentheses [].

Notes:

1. The number of shares issued upon the exercise of the SSR (hereafter referred to as “Number of Shares Granted”) is 100. Meanwhile, the Number of Shares granted may be adjusted by following adjustment methods.

(Adjustment of the Number of Shares Granted)

If the Company conducts a stock split or reverse stock split, the Number of Shares Granted shall be adjusted according to the following formula, with resulting fractions less than 1 share to be rounded down.

Adjusted Number of Shares Granted

= Number of Shares Granted before adjustment × Stock split (or reverse stock split) ratio

In addition, if another unavoidable circumstance which requires adjusting the Number of Shares Granted occurs, the Number of Shares Granted shall be adjusted within a reasonable range with consideration for the various conditions extant at the time.

2. The amount to be paid by the holders upon the exercise of each share subscription right shall be the amount calculated by multiplying the amount to be subscribed per share (hereafter the “Exercise Price”) for the Company’s shares of common stock that may be issued upon the exercise of SSR by the number of shares granted. However, if any of the cases below takes places, the Exercise Price shall be adjusted by applying the following formulas, with resulting fractions less than one yen to be rounded up.

- (1) A stock split or reverse stock split of the Company stock occurs.

$$\text{Adjusted Exercise Price} = \text{Exercise Price before adjustment} \times \frac{1}{\text{Stock split (or reverse stock split) ratio}}$$

- (2) If the Company issues shares of new common stock or disposes of its treasury stock at prices less than the then-current market price (excluding the exercise of SSR).

$$\text{Adjusted Exercise Price} = \text{Exercise Price before adjustment} \times \frac{\frac{\text{Number of shares already issued} + \text{Number of new shares to be issued (disposed of)} \times \text{Issue (disposal) price per share}}{\text{Market price}}}{\text{Number of shares already issued} + \text{Number of new shares to be issued}}$$

- (3) If another unavoidable circumstance which requires adjusting the Exercise Price occurs, the Exercise Price shall be adjusted within a reasonable range with consideration for the various conditions extant at the time.

3. The amount of capital increase occurring when shares are issued upon exercise of a share subscription right shall be 1/2 of the capital increase limit as calculated according to Article 17, Item 1 of the Corporate Calculation Rules, with resulting fractions less than one yen to be rounded up.

4. In the event that the Company experiences a merger (only if the company is eliminated as a result of the merger), absorption-type company split or incorporation-type company split (in each case only if the Company becomes a split company), or stock swap or stock transfer (in each case only if the Company becomes a wholly owned subsidiary) (the above events hereafter collectively referred to by the general term “Structural Reorganization”), then the holders of SSR remaining at the time the Structural Reorganization takes effect (hereafter referred to as “Remaining SSR”) shall be provided with SSR based on the conditions below for the public company as indicated in Article 236, Item 1, Number 8, (a) - (e) of the Corporation Law of Japan (hereafter referred to as “Reorganized Company”).

However, the provision of SSR for the Reorganized Company in accordance with the conditions below shall occur only when such provision is specified in the absorption-type merger agreement, incorporation-type merger agreement, absorption-type split agreement, incorporation-type split plan, stock swap agreement, or stock transfer plan.

- (1) Number of SSR for the Reorganized Company to be provided

The number of provided SSR shall be the same as the number of Remaining SSR possessed by the holder of the Remaining SSR.

- (2) Type of Reorganized Company shares issued upon exercise of the SSR

The issued shares shall be common stock of the Reorganized Company.

- (3) Number of Reorganized Company shares issued upon exercise of the SSR

The number of issued shares shall be determined in accordance with “Number of shares issued upon exercise of stock acquisition rights” in the table above, with consideration for the conditions and other details of the Structural Reorganization.

- (4) Amount to be paid by the holder of the share subscription right upon exercise of that right

The amount to be paid by the holder of the provided share subscription right upon exercise of that right shall be the amount calculated by multiplying the post-reorganization paid-in amount (determined by adjusting the Exercise Price with consideration for the conditions and other details of the Structural Reorganization) by the number of Reorganized Company shares issued upon exercise of the stock acquisition rights as determined according to (3) above.

For the post-reorganization paid-in amount of SSR provided as stock compensation, the amount shall be 1 yen per share of the Reorganized Company.

- (5) Period in which the SSR can be exercised

The period shall be from either the later of the start date determined in “Exercise period for SSR” above or the date on which the Structural Reorganization took effect until the end date determined in “Exercise period for stock acquisition rights” above.

- (6) Restrictions on acquisition of SSR by transfer

The acquisition of SSR by transfer requires approval by a resolution of the Reorganized Company Board of Directors.

- (7) Provisions for acquisition of the SSR

This shall be determined in accordance with “Items related to the provisions for acquisition of SSR” above.

- (8) Other conditions concerning exercise of the SSR

These shall be decided in accordance with “Conditions for exercise of the SSR” above.

5. If any of resolutions (1) - (5) listed below is approved by a general meeting of Shareholders of the Company or, when a resolution of the general meeting of Shareholders is not required, if a resolution by the Board of Directors or decision by a representative executive officer occurs, the Company shall be permitted to acquire SSR at no cost on the date decided separately by the Board of Directors.
 - (1) A resolution approving a merger agreement by which the Company becomes an extinct company
 - (2) A resolution approving a split agreement or split plan by which the Company becomes a split company
 - (3) A resolution approving a stock swap agreement or stock transfer plan by which the Company becomes a wholly owned subsidiary
 - (4) A resolution approving a change in the articles of incorporation in order to require approval by the Company for acquisition by means of stock transfer of any shares issued by the Company
 - (5) A resolution approving a change in the articles of incorporation in order to require approval by the Company for acquisition by means of stock transfer of shares which were issued by the company upon exercise of SSR, or in order for the Company to acquire all of this class of stock pursuant to a resolution by the general meeting of Shareholders.
6. Categories and numbers of persons to whom rights are granted will be separately defined and ratified at the Board of Directors meeting.
7. Exercise Price shall be the higher of 1) averaged share price, which shall be calculated from the closing price of the shares at Tokyo Stock Exchange each day for a month before the month of exercise, multiplied by 1.025, or 2) closing price of the shares on the day before the day of exercise.
8.
 - (1) The SSR can only be exercised when the holder of the SSR has lost his/her position as a director of the Company (including executive officers of the Company with a committee system of corporate governance) or executive officer. However, the SSR can be exercised only during the period from the date following the day on which the holder of the SSR lost his/her position (hereafter referred to as the "Right Exercise Start Date") until the day when 7 days have passed after the Right Exercise Start Date (or if that day is not a business day, the preceding business day).
 - (2) In the event that the holder of the SSR dies, the heirs of the holder may exercise the SSR. However in this case, the SSR can be exercised only during the period from the date following the next date of the holder's death until the day when 6 months have passed from this date (or if that day is not a business day, the preceding business day).

(b) Contents of the rights plan
Not applicable.

(c) Other information about SSR
Not applicable.

- (3) Exercises of Moving strike convertible bonds and others
Not applicable.

(4) Changes in the number of shares issued, the amount of common stock and related others

Period	Changes in the number of shares issued (shares)	Balance of the number of shares issued (shares)	Changes in common stock (MJPY)	Balance of common stock (MJPY)	Changes in additional paid-in capital (MJPY)	Balance of additional paid-in capital (MJPY)
April 1 st , 2020- March 31 st , 2021 *Note 1	64,600	41,759,981	115	10,818	115	18,190
April 1 st , 2021- March 31 st , 2022 *Note 1	109,600	41,869,581	182	11,000	182	18,373
April 1 st , 2022- March 31 st , 2023 *Note 1	33,700	41,903,281	63	11,064	63	18,436
April 1 st , 2023- March 31 st , 2024 *Note 1	201,100	42,104,381	386	11,450	386	18,822
April 1 st , 2024- March 31 st , 2025 *Note 1	65,700	42,170,081	122	11,573	122	18,945

Note:

1. Breakdown by reason for changes in the number of shares issued, the amount of capital, and the amount of paid-in capital

Date	Reason for change	Changes in the number of shares issued (shares)	Changes in common stock (MJPY)	Changes in the amount of paid-in capital (MJPY)
April 1 st , 2020 - March 31 st , 2021	Increase due to exercise of SSR (Stock Option)	64,600	115	115
April 1 st , 2021 - March 31 st , 2022	Increase due to exercise of SSR (Stock Option)	109,600	182	182
April 1 st , 2022 - March 31 st , 2023	Increase due to exercise of SSR (Stock Option)	33,700	63	63
April 1 st , 2023 - March 31 st , 2024	Increase due to exercise of SSR (Stock Option)	201,100	386	386
April 1 st , 2024 - March 31 st , 2025	Increase due to exercise of SSR (Stock Option)	65,700	122	122

- 2: Due to exercise of SSR, the number of shares issues increased by 15,100 shares and common stock and paid-in capital increased by ¥29 million each during April 1st, 2025 to May 31st, 2025.

(5) Details of shareholders

At March 31st, 2025

At March 31, 2023

Classification	Status of shares (1 unit = 100 shares)								Shares under 1 unit (shares)
	National and local governments	Financial institutions	Securities companies	Other corporations	Foreign shareholders		Individuals and other	Total	
					Other than individuals	Individuals			
Number of shareholders (person)	-	56	40	221	328	45	14,419	15,109	—
Number of shares held (units)	-	157,495	15,757	24,273	135,677	303	87,434	420,939	76,181
Ratio (%)	-	37.42	3.74	5.77	32.23	0.07	20.77	100.00	—

Notes:

- All statements above are based on the cut-off date for Annual general meeting of the shareholders.
- Treasury stock of 1,505,289 shares is included in "Individuals and other" for 15,052 units and in "Shares under 1 unit" for 89 shares. The effective number of Treasury stock as of March 31st, 2025 was 1,505,289 shares.
- The 200,000 shares of the Company's stock held by the trust as trust assets for the "Board Benefit Trust (BBT)" are not included in the above treasury stock.

(6) Major shareholders

At March 31st, 2025

Name	Address	Number of Shares held (1,000s)	Percentage of total shares issued (%)
The Master Trust Bank of Japan, Ltd. (Trust account)	1-8-1 Akasaka, Minato-ku, Tokyo	7,256	17.84
Custody Bank of Japan, Ltd. (Trust account)	1-8-12 Harumi, Chuo-ku, Tokyo	4,946	12.16
State Street Bank and Trust Company 505001 (Standing Proxy: Mizuho Bank Ltd., Settlement & Clearing Services Department)	One Congress Street, Suite 1, Boston Massachusetts (2-15-1 Konan, Minato-ku, Tokyo)	1,733	4.26
JPMorgan Securities Japan Co., Ltd.	2-7-3 Marunouchi, Chiyoda-ku, Tokyo	1,174	2.89
The Precise Measurement Technique Promotion Foundation	3-1-6-203 Kyonan-cho, Musashino-shi, Tokyo	1,058	2.60
Shintaro Yano	Chiyoda-ku, Tokyo	686	1.69
Mizuho Bank, Ltd.	1-5-5 Otemachi, Chiyoda-ku, Tokyo	672	1.65
JP Morgan Chase Bank 385781 (Standing Proxy: Mizuho Bank Ltd., Settlement & Clearing Services Department)	25 Bank Street, Canary Wharf, London, E14 5JP, United Kingdom (2-15-1 Konan, Minato-ku, Tokyo)	527	1.30
State Street Bank West Client – Treaty 505234 (Standing Proxy: Mizuho Bank Ltd., Settlement & Clearing Services Department)	1776 Heritage Drive, North Quincy, MA 02171, U.S.A. (2-15-1 Konan, Minato-ku, Tokyo)	516	1.27
Northern Trust Co (AVFC) RE Fidelity Funds (Standing Proxy: The Hong Kong and Shanghai Banking Corporation Limited, Tokyo Branch, Custody Sales Department)	50 Bank Street, Canary Wharf, London, E14 5NT, UK (3-11-1 Nihombashi, Chuo-ku, Tokyo)	469	1.16
Total	-	19,041	46.82

Notes:

1. All statements above are based on the cut-off date for Annual general meeting of the shareholders.
2. The following corporations have submitted a Large Shareholding Report (change report). The reports of the number of shares held have been submitted on the dates listed below. However, because it was unable to verify the actual number of shares held at the end of FY2025/3, they are not considered to be among the "Major shareholders" above.

Name	Address	Shares held (1,000s)	Shares held as a percentage of total shares issued (%)	Reported date (Reporting obligation date)
Sumitomo Mitsui Trust Asset Management Co., Ltd (*1)	1-1-1 Shiba-Koen, Minato-ku, Tokyo	2,350	5.61	Nov. 7 th , 2022 (Oct. 31 st , 2022)
Mizuho Bank, Ltd. (*2)	1-5-5 Otemachi, Chiyoda-ku, Tokyo	3,575	8.48	Feb., 21 st , 2025 (Feb., 14 th , 2025)
Nomura Securities Co., Ltd. (*3)	1-13-1 Nihombashi, Chuo-ku, Tokyo	5,154	12.22	Feb., 27 th , 2025 (Feb., 19 th , 2025)

(*1) Co-ownership between Sumitomo Mitsui Trust Asset Management Co., Ltd (1,525 thousand shares) and Nikko Asset Management Co., Ltd. (825 thousand shares).

(*2) Co-ownership among Mizuho Bank, Ltd. (672 thousand shares), Mizuho Securities Co., Ltd. (44 thousand shares), Mizuho Trust & Banking Co, Ltd (300 thousand shares), Asset Management One Co., Ltd. (2,321 thousand shares), and Asset Management One International Ltd. (238 thousand shares).

(*3) Co-ownership among Nomura Securities Co., Ltd. (166 thousand shares) and Nomura Asset Management Co.,Ltd. (4,988 thousand shares).

(7) Status of voting rights

[1] Shares issued

At March 31st, 2025

Classification	Number of shares (Shares)	Number of voting rights (Units)	Description
Shares without voting rights	-	-	-
Shares with limited voting rights (treasury stock, etc.)	-	-	-
Shares with limited voting rights (others)	-	-	-
Shares with full voting rights (treasury stock, etc.)	(Treasury stock) Common stock: 1,505,200	-	-
Shares with full voting rights (others)	Common stock: 40,588,700	405,887	-
Shares under one unit	Common stock: 76,181	-	-
Total shares issued	42,170,081	-	-
Total voting rights held by all shareholders	-	405,887	-

Notes:

1. All statements above are based on the cut-off date for Annual general meeting of the shareholders.
2. The common stock in the “Shares under one unit” includes 89 shares of treasury stock owned by the Parent Company.
3. The common stock in the column “Shares with full voting rights (others)” includes 200,000 shares of the Company’s stock (2,000 voting rights) held in trust as trust asset for of the “Board Benefit Trust (BBT)”. The 2,000 voting rights are not exercised.

[2] Treasury stock, etc.

At March 31st, 2025

Shareholders	Address of shareholders	Number of shares held under own name (Shares)	Number of shares held under the names of others (Shares)	Total (Shares)	Percent of total shares issued (%)
(Treasury stock) Tokyo Seimitsu Co., Ltd.	2968-2 Ishikawa-machi, Hachioji-shi, Tokyo	1,505,200	-	1,505,200	3.57
Total	-	1,505,200	-	1,505,200	3.57

Notes:

1. All statements above are based on the cut-off date for Annual general meeting of the shareholders.
2. The 200,000 shares of the Company's stock held by the trust as trust assets for the "Board Benefit Trust (BBT)" are not included in the above treasury stock.

(8) Description of Employee Stock Ownership Plan

Based on a resolution of the Company’s 101st Annual General Meeting of shareholders held on June 21st, 2024, The Company has adopted a performance-linked stock compensation plan called the Board Benefit Trust (BBT) for the Company’s Directors (excluding Directors serving as Audit and Supervisory Committee Members and External Directors), Executive Officers, as well as some Directors (excluding External Directors) and Executive Officers of the Company’s subsidiaries and affiliated companies to raise awareness of contributing to an improvement in business performance and an increase in corporate value over the medium to long term by further clarifying the link between Director remuneration and the Company’s business performance and share value, and enabling Directors to share not only the benefits of rising share prices but also the risks of declining share prices together with shareholders.

(1) Outline of the Plan

This plan is a performance-linked stock compensation plan in which shares of the Company are acquired through a trust (hereinafter, the trust established based on the Plan shall be referred to as “the Trust”) with the source of funds consisting of money contributed by the Company, and in which the Company’s shares and money equivalent to the amount of Company shares converted at market value (hereinafter, “Company Shares, etc.”) are granted to eligible officers through the Trust in accordance with the regulations governing share benefits for officers established by the Company.

There are two types of grants under the Plan: “Grant 1” and “Grant 2.” As a general rule, the timing for Eligible Officers to receive the Company’s shares, etc. is at the time of retirement of such eligible officer for Grant 1 and at a

certain time every year, in principle, for Grant 2.

(2) Shares of the Company remaining in the trust

Shares of the Company remaining in the Trust are recorded as treasury stock in the Net assets section at the book value (excluding the amount of related expenses) of the Trust. The book value and number of shares of treasury stock as of March 31st, 2025, are ¥1,381 million and 200,000 shares respectively.

2 [Acquisition of treasury stock]

Type of shares: Acquisition of shares of common stock under Article 155, Paragraph 7 of the Company Law of Japan

(1) Acquisition of treasury stock based on a resolution approved at the general meeting of shareholders
Not applicable.

(2) Acquisition of treasury stock based on a resolution approved by the Board of Directors
Not applicable.

(3) Acquisition of treasury stock not based on a resolution approved at the general meeting of shareholders or Board of Directors

.Classification	Number of shares(shares)	Total amount (MJPY)
Treasury stock acquired during FY2025/3	231	2
Treasury stock acquired during the period for acquisition	-	-

Note: "Treasury stock acquired during the period for acquisition" does not include the number of shares under 1 unit purchased during the period from June 1st, 2025, to the filing date of this Annual Securities Report (*Yuukashoken- houkokusho*).

(4) Current status of disposition and holding of acquired treasury stock

Classification	FY2025/3		Period for acquisition	
	Number of shares	Total disposition amount (MJPY)	Number of shares	Total disposition amount (MJPY)
Acquired treasury stock for which subscribers were solicited	-	-	-	-
Acquired treasury stock which was disposed	-	-	-	-
Acquired treasury stock for which transfer of shares was conducted in association with merger, stock exchange, or corporate separation.	-	-	-	-
Others (disposal of treasury stock as Board benefit trust)	200,000	936	-	-
Number of shares of treasury stock held	1,505,289	-	1,505,289	-

Note:

1. "Number of shares of treasury stock held during the period for acquisition" does not include shares under 1 unit which purchased or sold from June 1st, 2025, to the filing date of this Annual Securities Report (*Yuukashoken- houkokusho*).
2. The 200,000 shares of the Company's stock held by the trust as trust assets for the "Board Benefit Trust (BBT)" are not included in the above treasury stock.

3 [Dividend policy]

The Parent Company believes the most important management task is to enhance its corporate value and constantly distribute profits to shareholders through a business model of providing World's No. 1 products based on state-of-the-art technologies in growth fields.

The Parent Company makes it a basic policy to distribute dividends from surplus twice annually (an interim dividend and a year-end dividend). Dividends are determined with consideration for various factors, including consolidated business results, financial position, investments for business expansion, and shareholders' long-term prospects.

For FY2025/3, the Parent Company will pay ¥253 per share as an annual dividend, including an interim dividend (¥114 per share) paid on December 9th, 2024. Regarding the distribution of retained earnings from FY2026/3 and beyond, The Company considers maintaining a core policy regarding the distribution of profits linked to the business performance of the Company and aims to pay stable dividends targeting a consolidated dividend payout ratio of 40%. Also, considering the aim to provide stable and continuous dividend payments, the Company deems to maintain an annual dividend of ¥20 per share regardless of consolidated profits of the Company. However, it is at the discretion of the Board to review this policy if the Company experiences losses in two consecutive years.

Retained earnings will be used effectively for the research and development, optimization of production, sophistication of Information security systems, expansion of overseas sales, new business development, and M&A investment. Also, since our product lines are greatly impacted by economic fluctuations, the Parent Company considers it important to strengthen our financial position and prepare for possible economic downturns.

The Parent Company has included the following statement in its articles of incorporation. "Pursuant to a resolution of the Board of Directors, interim dividends may be paid to shareholders or registered pledges listed or recorded in the latest shareholder registry on September 30th of each year." The Board of Directors acts as the deciding body for the interim dividend, while the general meeting of Shareholders acts as the deciding body for the year-end dividend.

The year-end dividend of ¥139 yen per will be paid after approval at the Annual General Shareholder meeting to be held on June 23rd, 2025.

Note: Dividends for which the record date belongs to the current FY are as follows.

Date of resolution	Total dividend amount (MJPY)	Dividend per share (yen)
November 1 st , 2024 Resolution of the Board of Directors meeting	4,634	114.00
June 23 rd , 2025 Resolution of the annual general meeting of shareholders (planned)	5,652	139.00

4 [Corporate governance and others]

(1) Status of Corporate Governance

(1) Corporate Governance philosophy

The Company's Purpose (why we exist) is 'Gaging the future with Metrology, Creating the future with Semiconductors'. Based on this Purpose, the Groups has we have a Vision of 'The Tokyo Seimitsu Group is always committed to building a "future full of dreams."' and a Missions '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'. Through the corporate brand ACCRETECH, which expresses this Purpose, Vision and Missions in one word, and the Company's value 'We strive to create WIN-WIN relationships with all stakeholders, including customers, shareholders, suppliers, employees, local communities, and the international community, and to play an active role in realizing a sustainable society and enhancing corporate value', the Company aims to realize a future full of dreams. To realize this goal, the Group believes that strong corporate governance is essential to improving corporate value and conducting fair and transparent business activities as a global corporate citizen and has established the following five (5) core policies for corporate governance.

<Core Policies>

- I. The Board of Directors strives to properly perform its roles and responsibilities to make transparent, fair, timely and committed decisions.
- II. The Group respects the rights of shareholders and ensures the equality of shareholders.
- III. The Group strives to have constructive dialogue with shareholders on investment policy that considers mid to long-term returns for shareholders.
- IV. The Group strives to maintain appropriate collaboration with stakeholders other than shareholders.
- V. The Group strives to ensure proper information disclosure and transparency.

(2) Overview of Corporate governing body and supervisory structures

I. Overview of supervisory structures

The Company applies a structure called the Audit and Supervisory Committee, because the Company Group believes such a governing body is the most appropriate one to realize a suitable balance between strengthening auditing/monitoring of director's business executions and timeliness, streamlining and optimizing of decision making.

The Board of Directors is composed of 8 directors (not serving as an Audit and Supervisory Committee member) including 2 external corporate directors, and 4 Audit and Supervisory Committee members including 3 external corporate directors. The Board of Directors holds Board Meetings once a month as routine, and may hold extraordinary Board Meetings, as necessary. At these Board Meetings, important matters stipulated among the law, article of incorporation, regulations related to Board of Directors and monthly, quarterly, and/or annually business performance are being deliberated and reviewed. In addition, each director oversees other directors' business decision making.

As of the date of filing of this document, the Board of Directors is chaired by Yoshida Hitoshi (Chairman), and the other board members are Kimura Ryuichi (President), Kawamura Koichi (Executive Vice President), Hokida Takahiro (Director), Tsukada Shuichi (Director), Pradhan Romi (Director), Takamasu Kiyoshi (External director), Mori Kazuya (External director), Akimoto Shinji (Director serving as an Audit and Supervisory Committee member), Sagara Yuriko (External director serving as an Audit and Supervisory Committee member), Sunaga Masaki (External director serving as an Audit and Supervisory Committee member), and Kawasaki Motoko (External director serving as an Audit and Supervisory Committee member).

The Company proposes the following resolution at the Annual General Meeting of Shareholders scheduled to be held on June 23rd, 2025, " Election of 6 Directors (Excluding Directors Serving as Audit and Supervisory Committee Members)". If the proposal will be approved as proposed, the Company will have six (6) directors (including two external directors).

The Audit and Supervisory Committee cooperates with Audit dept. (mainly for internal audit) and the Financial Auditor, and audits the ratification making process of the Board of Directors and business practices of each Director.

As of the date of filing of this document, the Audit and Supervisory Committee is chaired by Akimoto Shinji (Director serving as an Audit and Supervisory Committee member), and the other committee members are Sagara Yuriko (External director serving as an Audit and Supervisory Committee member), Sunaga Masaki (External director serving as an Audit and Supervisory Committee member), and Kawasaki Motoko (External director serving as an Audit and Supervisory Committee member).

The Company proposes the following resolution at the Annual General Meeting of Shareholders scheduled to be held on June 23rd, 2025, " Election of 3 Directors Serving as Audit and Supervisory Committee

Members”. If the proposal will be approved as proposed, the Company will have four 4 directors serving as an Audit and Supervisory Committee member including 3 external directors.

The Parent Company has also established the following committees and overview system to strengthen corporate governance. Names of committees/systems, numbers of members, chairpersons, and purposes and functions are shown below.

Names of committee (or the systems)	Number of members	Chairperson		Purpose and Function
		Title	Name	
Risk Compliance Committee	24 members	Head of Administration Company	Kato Asashi	Maintain and evaluate status of internal organization, and educate employees to adhere to the compliance.
Risk Management Committee	25 members	Representative Director	Kimura Ryuichi	Understand and manage risks that may affect business operations, and carry out activities against such risks.
Information Security Committee	22 members	Head of Administration Company	Kato Asashi	Protect information assets from falsification, destruction and/or leakage, understand and manage countermeasures from such potential risks, educate employees and audit such systems.
Sustainability Committee	47 members	Representative Director	Yoshida Hitoshi	Evaluate entire corporate activities from the respect of human rights and/or impact to entire global environment perspective, aware of the responsibility of the Group, and to proceed with monitoring status, evaluating emerging situations, and educating necessary personnel.
Whistleblower system	-	-	-	System to accept reports or provide consultation on incorrect behaviors that are against social norms or corporate ethics. Appropriate measures are taken to protect whistleblowers and maintain transparency.

II. Reasons for establishing overview systems and structures

Overall these systems aim to strengthen the entire Corporate Governance of the Group and to assist and improve effectiveness of the Board of Directors, to keep operations transparent, improve efficiency, and to increase corporate value.

(3) Other systems of Corporate Governance

I. The Parent Company operates Internal Control System described as follows, which has been ratified by the Board of Director in May, 2006 (most recently revised in May, 2021).

1. Core management policy

Our corporate philosophy is "to create the world's No.1 products and grow with our partners and customers by integrating excellent technical knowledge, wisdom and information available in the world." The corporate motto of Tokyo Seimitsu (the “Company”) is “win-win relationships create the world’s No. 1 products.” The Company will reinforce its corporate governance and compliance, and ensure the sound and transparent management of the Group to build win-win relationships with all stakeholders such as customers, suppliers, shareholders, and employees for long-term sustainable growth.

2. A framework to ensure that performance of duties of Directors and employees of the Company and its subsidiaries is in compliance with relevant laws and regulations as well as the articles of incorporation

i. To appropriately and soundly perform duties as a whole, from a viewpoint to further strengthen corporate governance, the Boards of Directors of the Company and its subsidiaries seek to establish an effective internal control system and a structure to comply with relevant laws, regulations and the articles of corporation.

ii. The Company and its subsidiaries have established the ACCRETECH Group Code of Conduct which defines the standards of behavior to ensure socially responsible conduct by Directors and employees of the Company and its subsidiaries, based on a high level of morality, pursuant to relevant laws and regulations as well as the articles of corporation and internal regulations. Through the ACCRETECH Group Code of Conduct, the Company aims to permeate and establish awareness of corporate ethics among the Directors and employees of the Company and its subsidiaries.

iii. The Company has established the Compliance Committee headed by the Head of Administration Company, upon an assignment of Compliance officer(s) and Compliance manager(s) at the Company and each subsidiary, to improve the compliance system and understand and address important issues in all business activities by the Directors and

- employees of the Company and its subsidiaries.
- iv. The Company has established a system under which, if any problem concerning compliance arises, the nature and possible measures of the problem will be reported from Compliance officer(s) through the Risk Compliance Committee without delay to the Boards of Directors and Audit and Supervisory Committee through the Director in charge of compliance and those responsible for each Head of Companies.
- v. The Company has established the Audit Dept. under the direct management of the President. This Department conducts internal audits to examine whether operations of the Company and its subsidiaries are conducted in compliance with relevant laws and regulations as well as internal rules, and assess the validity of control.
- vi. The Company has established an internal whistleblower system to accept reports or provide consultation on incorrect behaviors that are against social norms or corporate ethics. Appropriate measures are taken to protect whistleblowers and maintain transparency.
- vii. The Audit and Supervisory Committee audits the effectiveness and functions of the internal control system.
- 3. A framework aimed at preservation and control of information relating to the performance of duties by Directors of the Company
 - i. The Directors of the Company appropriately preserve and control information and documents pertaining to performance of duties as provided in the Core Information Security Policy.
 - ii. The information control system is designed to allow access upon request of Directors.
- 4. A framework including rules concerning the control of risk of loss of the Company and its subsidiaries
 - i. The Company seeks to prevent potential risk. When risk becomes apparent, all employees including the President quickly and calmly respond to it.
 - ii. The Company has established Risk Control Rules to identify and control risks related to the performance of duties at the Company and its subsidiaries, and has created the Risk Control Committee head by the President. This Committee puts in place a risk management system that prevents and gets prepared for potential risks pursuant to the Risk Control Rules.
 - iii. If the Audit Dept. finds any violation of laws, regulations, the articles of corporation or internal rules, or any performance of duties that may cause a loss due to some other reasons at the Company or its subsidiaries, the General Manager of the Audit Dept. immediately notifies the President and tells employees to implement corrective or improvement actions.
 - iv. If a risk arises, when necessary, the Emergency Headquarters headed by the President is established and measures are immediately taken to remedy the situation.
- 5. A framework to ensure the efficient performance of duties by Directors of the Company and its subsidiaries
 - i. The Board of Directors of the Company and its subsidiaries determine material issues pertaining to management policy and other items and oversees the performance of duties by the Directors, in accordance with the internal rules including those of the Boards of Directors. They have a framework to ensure the distribution of sufficient materials related to the agenda to all the Directors.
 - ii. The Company has in place an executive officers system to make speedy decisions on product development planning and quick and flexible response to market trends. The Executive Officers oversee the progress and implementation of business plans at regular Executive Management and Executive Officers' Meetings.
 - iii. The Company and its subsidiaries delegate authority and responsibility clearly defined by the rules on job authority and functions, and other rules in performing duties.
- 6. A framework to ensure the proper performance of other duties at the Company and its subsidiaries
 - i. The Company has established the Rules on Matters to be Declared or Reported to Tokyo Seimitsu from Subsidiaries, based on which important issues are reported to the Company, and some require the approval of the President of the Company or the Board of Directors.
 - ii. To facilitate this framework, the Company provides support and advice to its subsidiaries, and if necessary, dispatches Directors and/or Auditors to monitor and/or audit its business operations.
 - iii. The Management Support Dept. under the direct control of the President collects information on important issues and serious risks at the subsidiaries to share information between the Company and the subsidiaries and properly perform duties in the interest of both the Company and subsidiaries.
 - iv. If the Management Support Dept. identifies a risk of loss at a subsidiary, it immediately reports to the Board of Directors and divisions concerned the nature, degree and impact of the loss.
 - v. The Company's Audit and Supervisory Committee and the Company's Audit dept. actively

- share information with the Auditor and Audit Dept. and other relevant divisions of the Company or subsidiaries in order to earlier detect and prevent improper transaction or accounting related to the Company and subsidiaries.
7. A framework to ensure the credibility of financial statements
 - i. The Company has established the Core Policy on Internal Control over Financial Reporting to sufficiently reduce risks against the credibility of financial reporting by the Company and its subsidiaries.
 - ii. The Company and its subsidiaries strive to ensure the validity of financial reporting by segregating responsibilities and conducting daily monitoring in the performance of their daily duties.
 - iii. The Internal Control Committee and the Audit Dept. evaluate and check the validity of internal control systems related to financial reporting at the Company and its subsidiaries.
 - iv. For matters which are highly likely to have material impact on the financial situation, the Directors (excluding the Audit and Supervisory Committee members), Audit and Supervisory Committee members, and Financial Auditors properly share information among themselves.
 8. Matters on the Assignment of Employees to Assist the Audit and Supervisory Committee
The Company assigns around two employees belonging to the Management Support Dept. or Audit Dept. to assist the Audit and Supervisory Committee when necessary.
 9. Matters on Ensuring the Independence of Employees who Assist the Audit and Supervisory Committee from the Directors (excluding the Audit and Supervisory Committee members), and those on the Effectiveness of Instructions of the Audit and Supervisory Committee to such Employees
 - i. The employees who assist the Audit and Supervisory Committee described in the preceding paragraph do not receive any instructions from superiors of the division they belong to for matters for which they receive instructions from the Audit and Supervisory Committee.
 - ii. The appointment and transfer of the employees who assist the Audit and Supervisory Committee requires the consent of the Audit and Supervisory Committee.
 - iii. To evaluate the employees who assist the Audit and Supervisory Committee, opinions are obtained from the Audit and Supervisory Committee.
 10. Frameworks including those concerning reporting to the Audit and Supervisory Committee of the Company by the Directors and employees of the Company and its subsidiaries, or the Auditors of the Subsidiaries
 - i. The Directors and employees of the Company and its subsidiaries, and the Auditors of subsidiaries make reports or provide information as necessary, as determined by the Audit and Supervisory Committee of the Company, on request of the Audit and Supervisory Committee.
 - ii. The matters that may require reporting or information sharing as described in the preceding paragraph are as follows:
 - Internal Control System activities of the Audit Dept. and Management Support Dept.
 - Activities of the Auditors and internal audit divisions of subsidiaries
 - Major accounting policy and standards of the Company, and changes to them
 - Business results and forecasts to be announced, and contents of important documents to be disclosed
 - Management of the internal whistleblower system and reported contents
 - Distribution of internal Ringi (Ratification request) and minutes of meetings requested by the Audit and Supervisory Committee
 - iii. The Company and its subsidiaries ensure that their Directors and employees and the Auditors of subsidiaries are not treated unreasonably because of such reporting or information provision to the Audit and Supervisory Committee.
 11. Other frameworks to ensure effective auditing by the Audit and Supervisory Committee
 - i. The Representative Directors of the Company hold regular meetings with the Audit and Supervisory Committee members as appropriate to exchange opinions on the management of the Company and communicate each other, separately from the reporting of the performance of duties.
 - ii. The Board of Directors of the Company ensures that the Audit and Supervisory Committee members participate in important meetings such as Executive Management Meetings to ensure proper performance of their duties.
 - iii. The Company shall bear all the necessary expenses or debts for the Audit and Supervisory Committee members to perform their duties. Upon claim of advance payment of such expenses pursuant to the Companies Act., it shall immediately pay after confirming with the relevant divisions.
 12. Basic Views and Activities to Severe Relationships with Anti-social Groups

- i. The Company and its subsidiaries will not have any relationships with anti-social groups. When contacted by such groups, the Company and its subsidiaries provide information to related organizations such as police, and work with attorneys to take steadfast action against unreasonable or violent demand as an organization.
 - ii. The ACCRETECH Group Code of Conduct prohibits any relationships with anti-social groups. The Company and its subsidiaries work to collect updated information from the police and shareholder registry administrators and other enforcement bodies. The Company has identified a section in charge of responding to these issues and collaborates with external organizations when necessary.
- II. Outline of the contract between the Parent Company and Directors (excluding those who have executive authority over operations) as stipulated in Article 427, No. 1 of the Company Law of Japan

As stipulated in Article 427, No. 1 of the Company Law of Japan, the Parent Company holds a contract with External directors Takamasu Kiyoshi and Mori Kazuya, and with Akimoto Shinji, Sagara Yuriko, Sunaga Masaki and Kawasaki Motoko, who are Directors serving as Audit and Supervisory Committee members. The Outline of the contract is as follows.

The Company proposes the following resolutions at the Annual General Meeting of Shareholders scheduled to be held on June 23rd, 2025, "Election of 6 Directors (Excluding Directors Serving as Audit and Supervisory Committee Members)" and "Election of 3 Directors Serving as Audit and Supervisory Committee Members". If all these proposals will be approved, the Company will have six (6) directors (including two external directors) and four 4 directors serving as an Audit and Supervisory Committee member including 3 external directors.

 1. Limited indemnity

Where external corporate Directors and/or Directors serving as an Audit and Supervisory Committee member violate in Article 423, No. 1 of the Company Law of Japan, forgetting the duties of external corporate Directors/Auditors, and make losses to the Group, if it was a benevolent act and without obvious negligence and confirmed, then the upper limit of indemnity shall be set as the limit of indemnity as stipulated in Article 425, No. 1 of the Company Law of Japan.
 2. Ratification of compliance with limited responsibility

The Parent Company will ratify if the acts of any external corporate Directors and/or Directors serving as Audit and Supervisory Committee members fulfill the limited responsibility.
 3. Approval from shareholders' meeting

If an external corporate Director and/or Director serving as Audit and Supervisory Committee member's acts cause losses to the Group, over the range as described by the limited liability, and if relevant contracts limited these Director's liability, these Directors shall not receive any financial benefits including, but not limited to retirement benefits from the Company without approval from a shareholders meeting.
 4. Expiration of limited liability contracts

If an external corporate Director and/or Director serving as an Audit and Supervisory Committee member is appointed to the position of director, executive officer, and/or employee of the Parent Company and/or its subsidiaries, the contract shall be nullified thereafter.
- III. Outline of the Directors and Officers Liability Insurance

The Parent Company has in place Directors and Officers Liability Insurance and all of the Parent Company's directors are insured. This insurance covers damages arising from insured directors' responsibilities on the execution of directors' duties or requests for pursuing that responsibility. However, there are exceptions for damage caused intentionally or due to gross negligence. The Parent Company pays this insurance fee.
- IV. Outline of the Indemnification Agreement

As stipulated in Article 430-2, No.1 of the Company Law of Japan, the Parent Company holds an indemnification agreement with all directors under which the Company shall indemnify them for the expenses stipulated in Paragraph 1 of the same article and No., and losses stipulated in Paragraph 2 of the same article and No.
- V. Authority for the Board of Directors to decide resolutions of the general meeting of Shareholders
 1. In order for the Parent Company to be able to carry out its capital strategy in a flexible manner that is appropriate for changes in the business environment, the articles of incorporation state that "under the provisions of Article 165, Paragraph 2 of the Company Law of Japan, the Parent Company may, by resolution of the Board of Directors, acquire its own shares through market trading and other means that are identified in Paragraph 1 of the same article."
 2. In order to return profits to the shareholders in a flexible manner, the articles of incorporation state that "the Parent Company may, by resolution of the Board of Directors, pay an interim dividend to

shareholders or registered pledgees listed or recorded in the latest shareholder registry on September 30th of each year."

VI. The maximum number of directors as determined by the articles of incorporation

The Parent Company determines the maximum number of directors (excluding Director serving as Audit and Supervisory Committee members) as 15, and the maximum number of directors serving as Audit and Supervisory Committee member as 5, as per the articles of incorporation.

VII. Resolutions to appoint directors as determined by the articles of incorporation

The articles of incorporation of the Parent Company require that "resolutions which appoint directors must be made at meetings where shareholders with a minimum of 1/3 of the exercisable shareholder voting rights are present and must be approved by a majority of the present voting rights," and also that such resolutions "shall not be decided by cumulative voting."

VIII. Requirements for special resolutions of the general meeting of Shareholders

In order to ensure the smooth operation of the general meeting of Shareholders by reducing the quorum required for a special resolution, the articles of incorporation state that "the resolutions which are identified in Article 309, Paragraph 2 of the Company Law of Japan require the attendance of 1/3 or more of shareholders with voting rights and shall be decided by a minimum 2/3 majority of the voting rights present."

(4) Activities of the Board of Directors

The Parent Company held 16 meetings of the Board of Directors during the fiscal year under review, and the attendance of individual directors was as follows.

Name	Number of the Board of Directors meeting held	Number of attendances
Yoshida Hitoshi	16 meetings	16 attendances
Kimura Ryuichi	16 meetings	16 attendances
Kawamura Koichi	16 meetings	16 attendances
Hokida Takahiro	16 meetings	16 attendances
Tsukada Shuichi	16 meetings	16 attendances
Pradhan Romi	16 meetings	16 attendances
Takamasu Kiyoshi	16 meetings	16 attendances
Mori Kazuya	16 meetings	16 attendances
Akimoto Shinji	16 meetings	16 attendances
Sagara Yuriko	16 meetings	15 attendances
Sunaga Masaki	16 meetings	16 attendances
Murata Tsuneko (Note 1)	4 meetings	4 attendances
Kawasaki Motoko (Note 2)	12 meetings	12 attendances

Notes)

1. Murata Tsuneko retired at the conclusion of the 101st Annual General Meeting of Shareholders held on June 21st, 2024, and the attendance at the meetings of the Board of Directors held during his term of office is stated.
2. Kawasaki Motoko was newly elected as a director at the 101st Annual General Meeting of Shareholders held on June 21st, 2024, and the attendance at the Board of Directors meetings held after her appointment as a director serving as an Audit and Supervisory Committee is stated.

The main issues for consideration by the Board of Directors are as follows.

Themes	Main Items Considered
Management Strategies	Progress of Mid-term business plan, Business plans, Important sales measures, Matters related to subsidiaries, etc.
Corporate Governance	Issues related to General Meeting of shareholders, Strengthening corporate governance, Audit reports, Internal audit status reports, Board effectiveness evaluation reports, Investor meeting reports, etc.
Accounting and Finance	Financial results, Budgeting and financial planning, Dividend payments, Sale of crossholding shares, Repurchase of shares, etc.
Sustainability	Issues related to Sustainability
Others	Personnel and organizational matters, Revision or abolition of important regulations, etc.

(2) Status of Directors and Auditors

(1) Directors' List

(1)-1 Directors as at June 20th, 2025 (the day of filing this report) are as follows.

Number of Male directors: 10, Female directors: 2 (Female-to-number of Directors ratio; 17%)

Function and Position	Name	Date of birth	Career profile		Term of office	Number of shares owned (1,000s)
Chairman & CEO	Yoshida Hitoshi	Nov. 26 th , 1959	April 1983 April 2002 June 2005 Oct. 2007 June 2011 April 2015 April 2022	Joined the Parent Company Executive Officer of Metrology Company Director President of Metrology Company Representative Director President & CEO Chairman & CEO (to present)	*3	10
President & COO	Kimura Ryuichi	Dec. 30 th , 1962	April 1986 April 2005 June 2005 Aug. 2007 June 2011 April 2015 April 2019 April 2022	Joined the Parent Company Executive Officer of Semiconductor Company Director President of Semiconductor Company Representative Director Vice President & COO Head of Semiconductor Company President & COO (to present)	*3	4
Executive Vice President & CFO	Kawamura Koichi	Oct. 5 th , 1957	April 1980 April 2008 June 2009 April 2011 June 2015 April 2019 April 2022	Joined The Fuji Bank Limited (now Mizuho Bank, Ltd.) Joined the Parent Company, Senior Executive officer of Administration Company Director President of Administration Company Representative Director & CFO Head of Semiconductor Company Executive Vice President & CFO (to present)	*3	11
Director Head of Semiconductor Company IT Dept. Manager Business Strategy Dept. Manager	Hokida Takahiro	April 24 th , 1962	July 1986 Oct. 1995 April 2010 April 2012 April 2014 June 2015 Oct. 2015 July 2023 April 2025	Joined YDK Co., Ltd. Joined the Parent Company Executive officer of Semiconductor Company General Manager of Test Technology Division Managing executive officer of Semiconductor Company Director (to present) IT Dept. Manager (to present) General Manager, Technology Division, Semiconductor Company Head of Semiconductor Company (to present) Manager of Business strategy (to present)	*3	3
Director	Tsukada Shuichi	April 18 th , 1959	April 1983 April 2015 April 2021 June 2021	Joined the Parent Company Executive Officer, Metrology Company Head of Metrology Company Director (to present)	*3	2
Director (Part-time)	Pradhan Romi	August 10 th , 1968	Jan. 1991 Oct. 1992 Aug. 2000 Mar. 2001 April 2012 April 2013 June 2016 June 2023	Joined California Energy Commission, USA Joined Bridgestone Corporation Joined Teradyne Inc., USA Joined Accretech America Inc. (the Parent Company's US subsidiary) Director & Vice-president Executive Officer, the Parent Company's Semiconductor Company, and in charge of World Wide accounts (to present) President of Accretech America Inc. (to present) Director (part-time) of the Parent Company (to present)	*3	0
Director (Part-time)	Takamasu Kiyoshi	Oct. 8 th , 1954	April 1982 Oct. 1987 Mar. 1990 Nov. 2001 March 2020 June 2020 June 2020 June 2021	Assistant, The Department of Precision Machinery Engineering, School of Engineering, The University of Tokyo Associate Professor, Department of Precision Mechanical Engineering, School of Engineering, Tokyo Denki University Visiting Researcher, The University of Warwick, U.K. Professor, The Department of Precision Machinery Engineering (now the Department of Precision Engineering), Graduate School of Engineering Research, The University of Tokyo President, The Japan Society for Precision Engineering Director (Audit and Supervisory Committee member) of the Parent Company Emeritus Professor, The University of Tokyo (to present) Director of the Parent Company (to present)	*3	-

Function and Position	Name	Date of birth	Career profile		Term of office	Number of shares owned (1,000s)
Director (Part-time)	Mori Kazuya	August 18 th , 1959	April 2014 April 2016 June 2021 June 2023	Factory Head, Oita Operations, Toshiba Corporation President & Chief Executive Officer, Japan Semiconductor Corporation Full time Audit & Supervisory member, NuFlare Technology, Inc. Director of the Parent Company (to present)	*3	-
Director (Audit and Supervisory Committee member)	Akimoto Shinji	Nov. 29 th , 1963	April 1987 April 2000 April 2002 April 2007 June 2018 June 2019	Joined the Parent Company General Manager, Human Resources Planning Dept., Planning Div. General Manager, Human Resources Dept., Administration Company Executive Officer Auditor Director (Audit and Supervisory Committee member) (to present)	*4	2
Director (Audit and Supervisory Committee member) (Part-time)	Sagara Yuriko	Sep. 6 th , 1974	Oct. 2001 Aug. 2005 Jan. 2013 June 2019 June 2021	Admitted to the bar Joined Nakamura & Partners Registered as a patent attorney Partner, Nakamura & Partners (to present) Director (Audit and Supervisory Committee member) of the Parent Company (to present) Outside Director (Audit and Supervisory Committee Member) of NOF CORPORATION (to present)	*4	-
Director (Audit and Supervisory Committee member) (Part-time)	Sunaga Masaki	July 12 th , 1961	Oct. 1985 April 1989 Aug. 1995 Sep. 1997 Aug. 1999 Jan. 2012 June 2016 July 2018 June 2021 Jan. 2022	Joined Aoyama Audit Corporation Registered as a certified public accountant Partner, Sunaga Certified Public Accountant Registered as a tax accountant Representative Partner, YUSEI Audit & Co. Representative Partner, Tax Accountant Corporation Marunouchi Business Consulting (to present) Auditor, General Incorporated Association, The Tokyo New Business Conference (to present) Partner, Grant Thornton Taiyo LLC Director (Audit and Supervisory Committee member) of the Parent Company (to present) Representative Partner, Marunouchi Audit Corporation (to present)	*4	-
Director (Audit and Supervisory Committee member) (Part-time)	Kawasaki Motoko	Jan. 24 th , 1961	June 2016 June 2019 June 2021 June 2024	General Manager, CSR Group, Corporate Planning Div., FUJIFILM Holdings Corporation General Manager, CSR Promotion Div., FUJIFILM Corporation Corporate Vice President, General Manager of ESG Div. and Corporate General Administration Div., FUJIFILM Holdings Corporation Corporate Vice President, General Manager, ESG Promotion Div. FUJIFILM Corporation Full-time Audit & Supervisory Board Member, FUJIFILM Holdings Corporation (to present) Full-time Audit & Supervisory Board Member, FUJIFILM Corporation (to present) Director (Audit and Supervisory Committee member) of the Parent Company (to present)	*5	-
Total						32

Notes:

1. Directors Takamasu Kiyoshi and Mori Kazuya are external corporate directors.
2. Directors Sagara Yuriko, Sunaga Masaki, and Kawasaki Motoko are external corporate directors (Audit and Supervisory Committee members).
3. Until the conclusion of the general meeting of Shareholders for the final FY ending within 1 year following the conclusion of the general meeting of Shareholders which was held on June 21st, 2024.
4. Until the conclusion of the General Meeting of Shareholders for the final FY ending within 2 years following the conclusion of the Regular Meeting of Shareholders which was held on June 26th, 2023.
5. Until the conclusion of the General Meeting of Shareholders for the final FY ending within 2 years following the conclusion of the Regular Meeting of Shareholders which was held on June 21st, 2024.

- (1)-2 The Company proposes the following resolutions at the Annual General Meeting of Shareholders scheduled to be held on June 23rd, 2025, " Election of 6 Directors (Excluding Directors Serving as Audit and Supervisory Committee Members)" and " Election of 3 Directors Serving as Audit and Supervisory Committee Members". If all these proposals will be approved as proposed, the Company's directors will be as follows.

Of note, Functions and Positions below are stated including the contents of resolutions to be made at the Board meeting scheduled to be held immediately after the relevant Annual General Shareholders Meeting.

Number of Male directors: 7, Female directors: 3 (Female-to-number of Directors ratio; 30%)

Function and Position	Name	Date of birth	Career profile		Term of office	Number of shares owned (1,000s)
Chairman	Yoshida Hitoshi	Nov. 26 th , 1959	April 1983 April 2002 June 2005 Oct. 2007 June 2011 April 2015 April 2022 June 2025	Joined the Parent Company Executive Officer of Metrology Company Director President of Metrology Company Representative Director President & CEO Chairman & CEO Chairman (to present)	*3	10
President & CEO	Kimura Ryuichi	Dec. 30 th , 1962	April 1986 April 2005 June 2005 Aug. 2007 June 2011 April 2015 April 2019 April 2022 June 2025	Joined the Parent Company Executive Officer of Semiconductor Company Director President of Semiconductor Company Representative Director Vice President & COO Head of Semiconductor Company President & COO President & CEO (to present)	*3	4
Director Head of Semiconductor Company IT Dept. Manager Business Strategy Dept. Manager	Hokida Takahiro	April 24 th , 1962	July 1986 Oct. 1995 April 2010 April 2012 April 2014 June 2015 Oct. 2015 July 2023 April 2025	Joined YDK Co., Ltd. Joined the Parent Company Executive officer of Semiconductor Company General Manager of Test Technology Division Managing executive officer of Semiconductor Company Director (to present) IT Dept. Manager (to present) General Manager, Technology Division, Semiconductor Company Head of Semiconductor Company (to present) Manager of Business strategy (to present)	*3	3
Director (Part-time)	Pradhan Romi	August 10 th , 1968	Jan. 1991 Oct. 1992 Aug. 2000 Mar. 2001 April 2012 April 2013 June 2016 June 2023	Joined California Energy Commission, USA Joined Bridgestone Corporation Joined Teradyne Inc., USA Joined Accretech America Inc. (the Parent Company's US subsidiary) Director & Vice-president Executive Officer, the Parent Company's Semiconductor Company, and in charge of World Wide accounts (to present) President of Accretech America Inc. (to present) Director (part-time) of the Parent Company (to present)	*3	0
Director (Part-time)	Takamasu Kiyoshi	Oct. 8 th , 1954	April 1982 Oct. 1987 Mar. 1990 Nov. 2001 March 2020 June 2020 June 2020 June 2021	Assistant, The Department of Precision Machinery Engineering, School of Engineering, The University of Tokyo Associate Professor, Department of Precision Mechanical Engineering, School of Engineering, Tokyo Denki University Visiting Researcher, The University of Warwick, U.K. Professor, The Department of Precision Machinery Engineering (now the Department of Precision Engineering), Graduate School of Engineering Research, The University of Tokyo President, The Japan Society for Precision Engineering Director (Audit and Supervisory Committee member) of the Parent Company Emeritus Professor, The University of Tokyo (to present) Director of the Parent Company (to present)	*3	-

Function and Position	Name	Date of birth	Career profile		Term of office	Number of shares owned (1,000s)
Director (Part-time)	Mori Kazuya	August 18 th , 1959	April 2014 April 2016 June 2021 June 2023	Factory Head, Oita Operations, Toshiba Corporation President & Chief Executive Officer, Japan Semiconductor Corporation Full time Audit & Supervisory member, NuFlare Technology, Inc. Director of the Parent Company (to present)	*3	-
Director (Audit and Supervisory Committee member)	Akimoto Shinji	Nov. 29 th , 1963	April 1987 April 2000 April 2002 April 2007 June 2018 June 2019	Joined the Parent Company General Manager, Human Resources Planning Dept., Planning Div. General Manager, Human Resources Dept., Administration Company Executive Officer Auditor Director (Audit and Supervisory Committee member) (to present)	*4	2
Director (Audit and Supervisory Committee member) (Part-time)	Sagara Yuriko	Sep. 6 th , 1974	Oct. 2001 Aug. 2005 Jan. 2013 June 2019 June 2021	Admitted to the bar Joined Nakamura & Partners Registered as a patent attorney Partner, Nakamura & Partners (to present) Director (Audit and Supervisory Committee member) of the Parent Company (to present) Outside Director (Audit and Supervisory Committee Member) of NOF CORPORATION (to present)	*4	-
Director (Audit and Supervisory Committee member) (Part-time)	Kawasaki Motoko	Jan. 24 th , 1961	June 2016 June 2019 June 2021 June 2024	General Manager, CSR Group, Corporate Planning Div., FUJIFILM Holdings Corporation General Manager, CSR Promotion Div., FUJIFILM Corporation Corporate Vice President, General Manager of ESG Div. and Corporate General Administration Div., FUJIFILM Holdings Corporation Corporate Vice President, General Manager, ESG Promotion Div. FUJIFILM Corporation Full-time Audit & Supervisory Board Member, FUJIFILM Holdings Corporation (to present) Full-time Audit & Supervisory Board Member, FUJIFILM Corporation (to present) Director (Audit and Supervisory Committee member) of the Parent Company (to present)	*5	-
Director (Audit and Supervisory Committee member) (Part-time)	Takayama Suniko	Feb. 6 th , 1975	April 1997 Oct. 2001 July 2005 Jan. 2019 Jan. 2020 Dec. 2022 June 2024 June 2025	Joined Ebara Corporation Joined Tohmatsu & Co. (now Deloitte Touche Tohmatsu LLC) Registered as certified public accountant (Member of The Japanese Institute of Certified Public Accountants, Tokyo Regional Chapter) Representative, Sumiko Takayama CPA Office (to present) Engagement Partner, LEGALEX LLC Outside Director, SHOEI Co., Ltd. (to present) Outside ASB Member, MIXI, Inc. (to present) Director (Audit and Supervisory Committee member) of the Parent Company (to present)	*4	-
Total						19

Notes:

1. Directors Takamasu Kiyoshi and Mori Kazuya are external corporate directors.
2. Directors Sagara Yuriko, Kawasaki Motoko, and Takayama Sumiko are external corporate directors (Audit and Supervisory Committee members).
3. Until the conclusion of the general meeting of Shareholders for the final FY ending within 1 year following the conclusion of the general meeting of Shareholders which was held on June 23rd, 2025.
4. Until the conclusion of the General Meeting of Shareholders for the final FY ending within 2 years following the conclusion of the Regular Meeting of Shareholders which was held on June 23rd, 2025.
5. Until the conclusion of the General Meeting of Shareholders for the final FY ending within 2 years following the conclusion of the Regular Meeting of Shareholders which was held on June 21st, 2024.

(2) External Corporate Directors

I. Personal relationships, capital relationships, and commercial or other business relationships between the Parent Company and the outside Directors

I. Number of external corporate directors: 5

The Company proposes the following resolutions at the Annual General Meeting of Shareholders scheduled to be held on June 23rd, 2025, "Election of 6 Directors (Excluding Directors Serving as Audit and Supervisory Committee Members)" and "Election of 3 Directors Serving as Audit and Supervisory Committee Members". If all these proposals will be approved, the number of total external corporate directors (excluding directors serving as an Audit and Supervisory Committee member) will be two(2) and external corporate directors serving as an Audit and Supervisory Committee member will be three (3).

II. The relationships between the external corporate directors and the Parent Company are as follows.

	Name	Relationship	Capital relationship (number of shares of the Company owned)	Commercial or other business relationship
External corporate directors	Takamasu Kiyoshi	Not applicable	0 shares	None
	Mori Kazuya	Not applicable	0 shares	None
External corporate auditors (serving as an Audit and Supervisory Committee member)	Sagara Yuriko	Not applicable	0 shares	None
	Sunaga Masaki	Not applicable	0 shares	None
	Kawasaki Motoko	Not applicable	0 shares	None

- Takamasu Kiyoshi, an external corporate director, is an Emeritus professor at the University of Tokyo. There is no business relationship and/or interest to be stated in this report between the Parent Company and himself/the university.
- Mori Kazuya, an external corporate director, had joined Japan Semiconductor Corporation. There is a business relationship that the Parent Company sells some equipment to Japan Semiconductor Corporation. However, the business relationship between the Company and Japan Semiconductor Corporation is minimal and there are no other conflicts of interest.
- Sagara Yuriko, external corporate director (serving as an Audit and Supervisory Committee member), is admitted both as a bar and a patent attorney. She is a partner of a patent law office. There is no business relationship and/or interest to be stated in this report between the Parent Company and her or the patent law office.
- Sunaga Masaki, external corporate director (serving as an Audit and Supervisory Committee member), is admitted both as a certified public accountant and a tax accountant. He is a representative partner of tax accountant corporation Marunouchi Business Consulting, an auditor of general incorporated association The Tokyo New Business Conference, and also a representative partner of Marunouchi Audit Corporation. There is no business relationship and/or interest to be stated in this report between the Parent Company and him and/or the entities.
- Kawasaki Motoko, external corporate director (serving as an Audit and Supervisory Committee member), is full-time audit & supervisory board member of both FUJIFILM Holdings Corporation and FUJIFILM Corporation to present. There is a business relationship that the Parent Company sells some equipment to these companies. However, the business relationship between the Company and these companies minimal and there are no other conflicts of interest.

(3) Coordination among audits by external corporate directors, internal audits and accounting audits, and relationships to internal control division

I. The roles and functions of external corporate directors in order to maintain the Parent Company's Corporate Governance

1. The external corporate directors (excluding Audit and Supervisory Committee members) shall participate in important meetings such as the Board of Directors, and supervise business decisions, and business dealings in areas relating to his/her special knowledge and operations of his/her organizations experiences.
2. The external corporate directors (serving as Audit and Supervisory Committee members) shall participate in important meetings such as the Board of Directors, and audit functionality and effectiveness of internal control systems in keeping with each special knowledge and operations of his/her organizations experiences.
3. The external corporate directors shall carry out their functions as independent positions which shall not cause conflict of interest against general shareholders.

II. Status of appointing external corporate directors

1. The Parent Company has regulations defining independence between external corporate

directors and the Parent Company. Based on the regulations, the Parent Company appoints persons to these roles who are independent of the general shareholders, and are available to scrutinize management from a neutral position.

2. The external corporate directors (excluding Audit and Supervisory Committee members) have been appointed with the expectation that his special knowledge of finance, service, and manufacturing and their abundant experiences may positively affect the Parent Company's business operations.
 3. The external corporate directors (serving as Audit and Supervisory Committee members) have been appointed with expectation that their special knowledge in engineering and experience leading his/her organization at the company and research institutes may positively affect the Parent Company's audit.
- III. Coordination among audits by external corporate directors, internal audits, and accounting audits, and relationships to internal control division
1. The external corporate directors (excluding Audit and Supervisory Committee members) shall participate in important meetings such as the Board of Directors, and supervise director's business dealings, and/or freely provide advice differing from the views of other executive directors.
 2. The external corporate directors (serving as Audit and Supervisory Committee members) shall cooperate as members of the Audit and Supervisory Committee and have mutual relationships among Board of Directors, Audit dept. and related agencies and/or divisions.
 3. When reviewing whether or not the annual financial reports reflect the true status of the company, the Audit and Supervisory Committee receives reports and explanations from the financial auditors. The Audit and Supervisory Committee and financial auditors hold meetings for reporting and reviews related to matters such as accounting audit systems, plans, and operating conditions once every 2 months, working to maintain close cooperation. The Audit and Supervisory Committee and the Audit dept. hold meetings for reporting and review once every 2 months.

(3) Status of Audits

I. Status of Audits by Audit and Supervisory Committee

The Audit and Supervisory Committee, as a parallel organization to the Board of Directors, is composed of 1 internal director and 3 external corporate directors. The Audit and Supervisory Committee, especially external corporate directors who served as members, have experience in corporate management such as the financial sector and have special knowledge of finance and accounting.

Through means such as attending meetings of the Board of Directors and other important meetings, holding hearings concerning the status of business practices, and examining important financial documents, the members carry out audits related to the business practices, accounting processes, financial management, and other activities of the Parent Company, checking for any actions which violate laws, regulations, or the duty of good faith. In addition, the Audit and Supervisory Committee holds meetings with the financial auditors and/or Audit Dept. of the Parent Company to receive necessary reports and to share their opinions with each other.

The Company proposes the following resolution at the Annual General Meeting of Shareholders scheduled to be held on June 23rd, 2025, "Election of 3 Directors Serving as Audit and Supervisory Committee Members". If the proposal will be approved, the Company will have four (4) directors serving as an Audit and Supervisory Committee member including 3 external directors.

The Parent Company held 13 meetings of the Audit and Supervisory Committee during the fiscal year under review, and the attendance of individual directors was as follows.

Name	Number of the Audit and Supervisory Committee meeting held	Number of attendances
Akimoto Shinji	13 meetings	13 attendances
Sagara Yuriko	13 meetings	13 attendances
Sunaga Masaki	13 meetings	13 attendances
Murata Tsuneko	4 meetings	4 attendances
Kawawaki Motoko	9 meetings	9 attendances

Notes)

1. Murata Tsuneko retired at the conclusion of the 101st Annual General Meeting of Shareholders held on June 21st, 2024, and the attendance at the meetings of the Board of Directors held during his term of office is stated.
2. Kawasaki Motoko was newly elected as a director at the 101st Annual General Meeting of Shareholders held on June 21st, 2024, and the attendance at the Board of Directors meetings held after her appointment as a director serving as an Audit and Supervisory Committee is stated.

Major agenda items for the Audit and Supervisory Committee meetings are listed below.

- Audit policy and Audit schedule
- Report of the Audit findings
- Audit of Quarterly Financial Statements
- Reappointment or Non-reappointment of financial auditors
- Approval of compensation for Certified Public Accountant
- Consideration of compensation for and allocation to Directors
- Audit of Business Report and Proposals for General meetings of shareholders
- Audit of Internal Control systems
- Hearings about overseas affiliate operations
- Audit of important *Ringi* (Ratification request)

II. Status of Internal audits

The Audit Dept., overseen directly by the President, is composed of two (2) members and is primarily tasked with checking compliance against laws and regulations, conforming to the articles of incorporation, and validating management actions through internal audit. Audit dept. reports audit results to the Board of Directors and the Audit and Supervisory Committee. and If the Audit dept. finds any violation against laws, article of incorporation and /or regulations, the Audit dept. must immediately report to the Parent Company's President and issue instructions for corrections.

During the fiscal year under review, the Audit Dept. conducted internal audits of seven (7) organizations including department and sales offices in the Parent Company and its subsidiaries. The results of each audit were reported to the Board of Director of the Company and to the Audit and Supervisory Committee.

All audits were reported to the Executive Officer Meeting, where the status of each department and subsidiary requiring improvement were shared internally, and the status of improvements followed up and reported to the Board of Directors.

III. Status of Financial Auditing

1. Name of Certified Public Accountant
Ernst & Young ShinNihon LLC
2. Period of continuous audit
40 Years
3. Certified Public Accountants who have carried out auditing work
Masaki Mitsuji, Designated and Engagement Partner
Yukitaka Makino, Designated and Engagement Partner
4. Assistant to the audits
Certified Public Accountants: 11, Others: 22

IV. Status of compensation to auditors, and others

1. Compensation for public accountants

	FY2024/3		FY2025/3	
	Compensation related to Audit & assurance (MJPY)	Compensation not related to Audit & assurance (MJPY)	Compensation related to Audit & assurance (MJPY)	Compensation not related to Audit & assurance (MJPY)
The Parent Company	40	-	39	-
Consolidated Subsidiaries	21	-	20	-
Total	62	-	59	-

2. Compensation for public accountants who belongs to the same network as the Parent Company's Public Accountant (Ernst & Young) (excluding I. above)

	FY2024/3		FY2025/3	
	Compensation related to Audit & assurance (MJPY)	Compensation not related to Audit & assurance (MJPY)	Compensation related to Audit & assurance (MJPY)	Compensation not related to Audit & assurance (MJPY)
The Parent Company	-	13	-	-
Consolidated Subsidiaries	43	11	40	23
Total	43	24	40	23

3. Other important compensations

Not Applicable.

4. Business from Certified Public Accountants to the Parent Company without the purpose of audit and assurance

FY2024/3 (April 1st, 2023 - March 31st, 2024)

Not applicable.

FY2025/3 (April 1st, 2024 - March 31st, 2025)

Not applicable.

5. Business from Public Accountants belongs to the same network as the Parent Company's Public Accountant (Ernst & Young) to the Group without the purpose of audit and assurance

FY2024/3 (April 1st, 2023 - March 31st, 2024)

Supervisory and advisory services regarding accounting and taxation

FY2025/3 (April 1st, 2024 - March 31st, 2025)

Supervisory and advisory services regarding accounting and taxation

6. Policy of determining compensation to independent auditor
Although there is no specific policy of determining compensation from the Parent Company to the Certified public accountants, both mutually discusses and determines it based on the days spent for the audit, estimated workforce and turnover volume of the Parent Company.
7. Policy for selecting financial auditors
The Parent Company selects financial auditors with mutual and comprehensive criteria including the audit capability in volume and countrywide perspective to oversee the Group's multiple business sectors and global business, worldwide network with effective auditing structure, a rational and optimum term, structures and fee for audit, and with actual audit results.
8. Evaluation of financial auditors by the Audit and Supervisory Committee
The Audit and Supervisory Committee of the Parent Company evaluated financial auditors based on the procedure "Best practice for Corporate Auditors for evaluations and/or determining selection criteria for Financial Auditors" (Japan Audit & Supervisory Board Members Association) and confirms current financial audit is appropriate.

(4) Compensation for the Directors

I. Policy to determine amount of compensation for Company Directors

The Parent Company discloses policy, structure and process for determining the amount of compensation for the directors through its "Basic Corporate Governance Policy". Outline is as follows.

1. Basic Structural Policy
 1. The compensation scheme to reward senior management is designed to ensure that it functions as an incentive system to make the corporate motto into reality.
 2. Compensation shall be in accordance with the roles and responsibilities of each director as well as the results achieved by them.
 3. Compensation shall be conducive to motivation for improvement of business results and medium to long-term corporate and shareholder value.
 4. Compensation shall be revised in a timely and appropriate manner based on the economic situation, business results of the Parent Company, external survey results, etc.
 5. And the decision-making process shall be highly objective and transparent.
2. Compensation structure
 - i. The Compensation of Directors not serving as an Audit and Supervisory Committee member nor external corporate director (hereinafter referred to as Directors in charge of business execution) shall consist of "base compensation", which is fixed, "performance-linked compensation" and "stock compensation" that are variable.
 - ii. The compensation of Directors serving as an Audit and Supervisory Committee member and external corporate directors shall consist only of base compensation, in light of their responsibilities of supervising and auditing business execution.
 - iii. Base compensation to directors is paid regularly every month. The compensation of Directors, a total annual amount of base compensation and performance-linked compensation shall be determined not to exceed the upper limit approved by the general meeting of shareholders. Base compensation amounts for each director is based on standard of compensation amount (*1) per post.
*(*1: standard of compensation amount is the amount per each director's post, benchmark is remuneration for President).*
 - iv. Performance-linked compensation to the Directors in charge of business execution is defined as short-term compensation based on business performance and paid at a specific period in each Fiscal Year. Total amount of base compensation and performance linked compensation shall be determined not to exceed the upper limit approved by the general meeting of shareholders. The performance linked compensation amount per each Director in charge of business execution shall be calculated as follows.
*(Base bonus amount (*2)) x (Group Business performance coefficient (*3)) x (Each Intercompany performance coefficient (*4))*
*(*2) :Base bonus amount = Consolidated net profit * 1% * Base compensation coefficient*
Base compensation coefficient = ratio of base compensation per each director, divided by total amount base compensation of Directors in charge of business execution
*(*3) Group Business performance coefficient = Calculated from their Operating profit results against FY target*
Within +/- 10% from target: 1, +10% to +30%: 1.1, +30% to +50%: 1.2, over +50%: 1.3,
- 30% to -10%: 0.9, -50% to -30%: 0.8, -50% or less: 0.7 (when OP downs YoY, this coefficient will be less

than 1)

(*4) Each Internal company's business performance coefficient: Comprehensively evaluate from 0.9 to 1.1 based on the Internal company's' business results and other significant achievements.

- v. Stock compensation paid to Directors responsible for business execution is provided as a medium- to long-term incentive that allows the Company to share profits with shareholders. Points shall be granted to Directors based on the Regulations Governing Share Benefits for Officers, and if certain requirements are met, each point shall be converted into one share of the Company's shares, etc. in accordance with the number of shares held. The total number of points granted to Directors of the Company shall be within the maximum approved at the General Meeting of Shareholders. Points granted to individual Directors responsible for business execution shall be calculated as follows for each of Grant 1 and Grant 2.

A. Grant 1: Points determined by position (*5)

B. Grant 2: Points determined by position (*5) x capital efficiency coefficient (*6) x ESG coefficient (*7) x Medium-term performance coefficient (*8)

(*5) Points determined by position: Formulated by Compensation Committee based on compensation amount per post, and approved by Nomination and Compensation Council

(*6) Capital efficiency coefficient: Most recent three (3) Fiscal years' average consolidated ROE – Above 15%: 1.2, 10-15%: 1, and below 10%: 0.8

(*7) ESG coefficient: Evaluation of initiatives for ESG activities (0.9 to 1.1 by the Nomination and Compensation Council)

(*8) RS performance coefficient: one based on the achievements of mid-term operating profit target
Core coefficient: 1, When target has been achieved: 2

3. Process to determine amount of 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 Compensation, Nomination, and Advisory 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.

II. Total amount of compensation paid to directors, and amount per post, type and the number of applicable directors

FY2025/3 (from April 1st, 2024 - March 31st, 2025)

Type	Total numbers of compensation (MJPY)	Type of compensation (MJPY)					Applicable directors and auditors (person)
		Basic	Performance linked	Restricted stock compensation	Board Benefit Trust (BBT)	Compensation other than Cash included in the left	
Directors (except Audit and Supervisory Committee members and external corporate directors)	686	227	261	16	182	198	6
Directors serving as Audit and Supervisory Committee members (except external corporate director)	22	22	-	-	-	-	1
External corporate directors	42	42	-	-	-	-	6

Notes:

1. The number of External corporate directors in the field above is inclusive of 1 external corporate director who resigned at conclusion of the 101st annual shareholders meeting held on June 21st, 2024.
2. Compensation to Directors (except Audit and Supervisory Committee members) shall be less than ¥700 million per year (¥70 million for external corporate directors) as ratified at the 101st annual shareholders meeting held on June 21st, 2024 with the introduction of a performance-linked compensation, 'Board Benefit Trust' (except Audit and Supervisory Committee members), as a separate category. Compensation other than Cash, is the amount of expenses recognized in the current fiscal year for the performance-linked stock compensation system 'Board Benefit Trust' and Restricted stock compensation, which are recognized over multiple years depending on the compensation period. The number of directors (except Audit and Supervisory Committee members) as at conclusion of the aforementioned annual shareholders meeting is 8, including 2 external corporate directors.
3. Compensation to Directors serving as an Audit and Supervisory Committee member shall be less than ¥60 million per year as ratified at the 96th annual shareholders meeting held on June 24th, 2019. The number of directors serving as Audit and Supervisory Committee members as at conclusion of the aforementioned annual shareholders meeting is 4.
4. Above are the amounts approved and executed by the Board of Directors in accordance with opinions from Compensation, Nomination, and Advisory Council based on the core policy for compensation.
5. The factor for the Performance linked compensation is consolidated net profit attributable to owners of the parent.

III. Consolidated Compensation paid to each Director

Name	Total numbers of Compensation	Director Category	Company	Type of compensation (MJPY)				
				Basic	Performance linked	Restricted stock compensation	Board Benefit Trust (BBT)	Compensation other than Cash included in the left
Yoshida Hitoshi	185	Director	The Parent Company	60	70	3	51	55
Kimura Ryuichi	185	Director	The Parent Company	60	70	3	51	55
Kawamura Koichi	151	Director	The Parent Company	51	59	3	37	40

Notes:

1. Above are limited to directors those Consolidated compensation amount is exceeded ¥100 million.
2. Numbers above are rounded down.

IV. Important notification of salary to the director-employees Not applicable.

(5) Shares held by the Company

- I. Basic policy of classification of shares held by the Parent Company and its understanding
The Parent Company classifies shares held by the Parent Company to realize gains from changing its value and/or from dividend income as shares for investment, and remaining shares as the shares without the purpose of net investment (cross-holdings).

II. Shares held by the Parent Company without the purpose of net investment

1. Policy of holding shares, method of ensuring reasonability, and details of propriety assessment by the Board of Directors per each holding brand

The Board of Directors reviews the propriety of holding shares without the purpose of net investment per each brand from perspectives of mid to long-term economic rationality (including risk/return consideration) and various qualitative values. In principle, if the Board of Directors determines that holding such shares is not worthwhile to be retained, then the Parent Company proceeds to decrease the number of such shares held. If the Board of Directors determines that holding such shares is valuable to grow corporate value in the mid to long term, then the Parent Company will keep holding such shares.

2. Number of brands held by the Parent Company and the amount on balance sheet

	Number of Brands	Accounted on Balance Sheet (MJPY)
Unlisted Shares	1	111
Shares other than unlisted	23	2,677

(Brands with increased number of holdings within the fiscal term)

	Number of Brands	Accounted on BS (MJPY)	Purpose of increased share holdings
Unlisted Shares	-	-	-
Shares other than unlisted	2	3	Increase in shareholder association at customer

(Brands with decreased number of holdings within the fiscal term)

	Number of Brands	Accounted on BS (MJPY)
Unlisted Shares	1	78
Shares other than unlisted	1	31

3. Number of brands held by the Parent Company and the amount on Balance Sheet

Specific Shares for investment

Brand	FY2025/3	FY2024/3	Purpose of holding the shares, outline of business relationship, effect and reason of increasing number of shares holding	Holding or not-holding of the Parent Company's shares
	Number of shares hold			
	Accounted on BS (MJPY)			
Mizuho Financial Group, Inc.	176,741	176,741	(Purpose): to keep and hold business relationship (Quantitative Effect) *1	Yes
	715	538		
Asahi Diamond Industrial Co., Ltd.	400,000	400,000	As above	Yes
	332	390		
TPR Co., Ltd.	100,000	100,000	As above	Yes
	231	241		
THK Co., Ltd.	60,000	60,000	As above	Yes
	217	211		
Yamazen Co., Ltd.	160,000	160,000	As above	Yes
	210	215		
Kyocera Corporation	124,000	124,000	As above	No
	207	250		
Tomita Co., Ltd.	132,918	132,328	(Purpose): to keep and hold business relationship (Quantitative Effect) *1 (Reason for increase) Increase in shareholder's association at holding company	Yes
	180	201		
Mitsubishi UFJ Financial Group, Inc.	80,000	80,000	(Purpose): to keep and hold business relationship (Quantitative Effect) *1	Yes
	160	124		
Toa Corporation	112,000	28,000	(Purpose): to keep and hold business relationship (Quantitative Effect) *1 (Reason for increase) Stock split (1 share to 4 shares) applied on April 1 st , 2024	Yes
	145	136		
Eiwa Corporation	29,040	29,040	(Purpose): to keep and hold business relationship (Quantitative Effect) *1	Yes
	64	63		
Micron Machinery Co., Ltd.	30,000	30,000	As above	No
	45	42		
Mebuki Financial Group, Inc.	56,756	56,756	As above	Yes
	41	29		
Nihon Denkei Co., Ltd.	21,703	20,323	(Purpose): to keep and hold business relationship (Quantitative Effect) *1 (Reason for increase) Increase in shareholder's association at holding company	Yes
	39	49		
Sato Shoji Corporation	14,834	14,834	(Purpose): to keep and hold business relationship (Quantitative Effect) *1	Yes
	22	26		
Sanken Electric Co., Ltd.	2,000	2,000	As above	No
	13	13		
Taiho Kogyo Co., Ltd.	20,000	20,000	As above	No
	11	18		
Okuma Corporation	2,998	1,499	(Purpose): to keep and hold business relationship (Quantitative Effect) *1 (Reason for increase) Stock split (1 share to 2 shares) applied on October 1 st , 2024	No
	10	10		
Kuroda Precision Industries Ltd.	8,150	8,150	(Purpose): to keep and hold business relationship (Quantitative Effect) *1	Yes
	8	11		
Tsukuba Bank, Ltd.	28,000	28,000	As above	Yes
	7	8		
Sugimoto & Co., Ltd.	4,000	2,000	(Purpose): to keep and hold business relationship (Quantitative Effect) *1 (Reason for increase) Stock split (1 share to 2 shares) applied on October 1 st , 2024	Yes
	5	4		
Dai-ichi Life Holdings, Inc.	3,200	800	(Purpose): to keep and hold business relationship (Quantitative Effect) *1 (Reason for increase) Stock split (1 share to 4 shares) applied on April 1 st , 2025	Yes
	3	3		
Nikon Corporation	897	897	(Purpose): to keep and hold business relationship (Quantitative Effect) *1	No
	1	1		

Brand	FY2025/3	FY2024/3	Purpose of holding the shares, outline of business relationship, effect and reason of increasing number of shares holding	Holding or not-holding of the Parent Company’s shares
	Number of shares hold			
	Accounted on BS (MJPY)			
Sumitomo Mitsui Financial Group, Inc.	27	9	(Purpose): to keep and hold business relationship (Quantitative Effect) *1 (Reason for increase) Stock split (1 share to 3 shares) applied on October 1 st , 2024	Yes
	0	0		

Shares subject to deemed holding

Brand	FY2025/3	FY2024/3	Purpose of holding the shares, outline of business relationship, effect and reason of increasing number of shares holding	Holding or not-holding of the Parent Company's shares
	Number of shares hold			
	Accounted on BS (MJPY)			
Sumitomo Mitsui Financial Group, Inc.	32,400	10,800	(Purpose): to keep and hold business relationship (Quantitative Effect) *1 (Reason for increase) Stock split (1 share to 3 shares) applied on October 1 st , 2024 The Company holds voting rights.	Yes
	122	96		
Innotech Corporation	10,000	10,000	(Purpose): to keep and hold business relationship (Quantitative Effect) *1	No
	13	20		
Oki Electric Industry Co., Ltd.	5,100	5,100	As above	No
	5	5		
Nikon Corporation	—	19,000	As above	No
	—	29		

Notes:

1. Method of quantitative evaluation (screening)

- Comparison between total profitability (Sum of dividends and business transactions) and the cost of shareholder's equity.
- Positive/negative judgment of accumulated returns through holding (Stock market price -+ accumulated dividend income –acquisition price):
- Creditability assessment (Rating, Compliance matters, etc)

2. Upon listing higher-ranked brands accounted on Balance Sheet, totaling of Specific shares for investment and Shares subject to deemed holding is not performed.

III. Shares held by the Parent Company with the purpose of net investment Not applicable.

Section 5 [Financial Information]

1. Basis of preparation of the consolidated financial statements and the non-consolidated financial statements

- (1) The consolidated financial statements of the Company are prepared in accordance with “Regulations Concerning the Terminology, Forms, and Preparation Methods of Consolidated Financial Statements” (Ministry of Finance Ordinance No. 28, 1976).
- (2) The non-consolidated financial statements of the Company are prepared in accordance with “Regulations Concerning the Terminology, Forms, and Preparation Methods of Non-Consolidated Financial Statements” (Ministry of Finance Ordinance No. 59, 1963).

Also, the Company fulfills the conditions of filing financial statements prepared in accordance with special provisions (特例財務諸表提出会社), therefore the non-consolidated financial statements of the Company are prepared in accordance with Article 127 of the Regulation of Financial Statements.

2. Audit reports

Pursuant to Article 193-2-1 of the Financial Instruments and Exchange Act, the Company has had its consolidated financial statements of FY2025/3 (April 1st, 2024 - March 31st, 2025), and non-consolidated financial statements of FY2025/3 (April 1st, 2024 - March 31st, 2025) audited by Ernst & Young ShinNihon LLC.

3. System to secure appropriate Consolidated Financial Statements

In order to secure appropriate Consolidated Financial Statements, the Company collects necessary information to ensure the details and changes in accounting standards in a timely manner, receives updated training from organizations such as the Financial Accounting Standards Foundation, participates in seminars sponsored by public accountants and industry forums, and subscribes accounting specialized magazines.

1. [Consolidated Financial Statements]

(1) Consolidated financial statements

[1] Consolidated balance sheets

MJPY

	FY2024/3 (March 31 st , 2024)	FY2025/3 (March 31 st , 2025)
ASSETS		
Current Assets		
Cash and cash equivalents	36,782	54,541
Notes, accounts receivable and contract assets	*1, *3 35,497	*1 33,122
Electronically recorded monetary claims	*3 7,303	6,687
Merchandise and finished goods	2,254	2,856
Work in progress	38,682	40,053
Raw materials and supplies	26,288	26,603
Others	7,056	5,523
Allowance for doubtful accounts	- 33	- 46
Total current assets	153,831	169,341
Fixed Assets		
Tangible fixed assets		
Building and structures	47,979	48,425
Accumulated depreciation	- 19,255	- 20,824
Building and structures(net)	28,723	27,600
Machinery, equipment and vehicles	11,067	11,742
Accumulated depreciation	- 9,069	- 9,291
Machinery, equipment and vehicles (net)	1,997	2,451
Equipment	12,264	13,834
Accumulated depreciation	- 8,362	- 9,223
Equipment(net)	3,902	4,611
Land	18,812	13,439
Lease assets	1,231	1,381
Accumulated depreciation	- 406	- 633
Lease assets (net)	824	747
Construction in process account	1,736	5,125
Total Tangible Fixed Assets	55,997	53,975
Intangible Fixed Assets		
Goodwill	255	224
Lease assets	31	17
Others	3,782	3,486
Total Intangible Fixed Assets	4,069	3,729
Investments and other assets		
Investment securities	*2 3,645	*2 3,246
Long- term loans receivable	140	138
Net defined benefit assets	2,962	2,936
Differed tax assets	3,410	4,104
Others	*2 1,580	*2 591
Allowance for doubtful accounts	- 112	- 112
Total Investments and other assets	11,626	10,906
Total Fixed Assets	71,693	68,610
Total Assets	225,524	237,952

FY2024/3
 (March 31st, 2024)

FY2025/3
 (March 31st, 2025)

LIABILITIES		
Current Liabilities		
Notes and accounts payable	*3 8,517	*3 8,301
Electronically recorded obligations- operating	*3 9,328	*3 8,364
Short- term debt	1,300	1,300
Current portion of long- term debt	5,000	5,000
Lease liabilities	228	327
Income taxes payable	2,600	5,826
Contract liabilities	9,981	6,789
Reserves for bonus	2,228	2,655
Reserves for director's bonuses	15	19
Others	6,801	8,348
Total current liabilities	46,002	46,933
Fixed Liabilities		
Long- term debt	18,000	13,000
Lease liabilities	642	456
Allowance for director retirement benefits	44	54
Net defined benefit liabilities	1,171	811
Provision for loss on litigation	960	-
Asset retirement obligations	103	104
Others	171	361
Total fixed liabilities	21,094	14,789
Total Liabilities	67,097	61,723
NET ASSETS		
Shareholder's Equity		
Common stock	11,450	11,573
Capital surplus	22,593	23,161
Retained earnings	124,705	141,546
Treasury stock	- 7,983	- 8,430
Total Shareholder's Equity	150,765	167,850
Accumulated other comprehensive income		
Holding gain or loss in investment	989	1,030
Foreign currency translation adjustment	3,674	4,306
Remeasurements of defined benefit plans	1,130	1,034
Total accumulated other comprehensive income	5,794	6,371
Share subscription rights	1,082	950
Non- controlling interests	784	1,056
Total Net Assets	158,427	176,229
Total Liabilities and Net Assets	225,524	237,952

[2] Consolidated statements of income and comprehensive income
[Consolidated statements of income]

MJPY

	FY2024/3 (April 1 st , 2023 - March 31 st , 2024)	FY2025/3 (April 1 st , 2024 - March 31 st , 2025)
Net Sales	*1 134,680	*1 150,534
Cost of goods sold	*2, *4 79,917	*2, *4 88,081
Gross Profit on Sales	54,762	62,453
Selling, general and administrative expenses	*3, *4 29,454	*3, *4 32,750
Operating Profit	25,307	29,703
Non- operating income		
Interest income	45	64
Dividend income	137	258
Gain on investments in investment partnerships	160	66
Foreign exchange gains	530	-
Compensation income	68	220
Subsidy income	141	59
Others	320	251
Total Non- operating income	1,404	921
Non- operating expenses		
Interest expenses	105	202
Loss on transportation accident	65	81
Loss on disposal of fixed assets	60	0
Foreign exchange losses	-	247
Others	27	152
Total Non- operating expenses	259	684
Recurring Profit	26,453	29,939
Extraordinary gains		
Gain on sales of investment securities	23	179
Gain on reversal of subscription rights to shares	6	10
Reversal of Provision for loss on litigation	794	-
Gain on sales of tangible fixed assets	-	*5 4,303
Total Extraordinary gains	824	4,493
Extraordinary losses		
Extra retirement payments	*6 14	*6 117
Cost of litigation	7	-
Loss on liquidation of subsidiaries	-	*7 40
Total Extraordinary losses	21	158
Profit before income taxes and minority interests	27,255	34,275
Income tax and other taxes	7,319	9,329
Adjustment on income tax	471	- 798
Total Income tax and others	7,791	8,531
Net Profit before minority interests	19,463	25,744
Net Profit attributable to minority interests	84	106
Net Profit attributable to Owners of the Parent	19,378	25,637

[Consolidated statements of comprehensive income]

MJPY

	FY2024/3 (April 1 st , 2023 - March 31 st , 2024)	FY2025/3 (April 1 st , 2024 - March 31 st , 2025)
Net Profit before minority interests	19,463	25,744
Accumulated other comprehensive income		
Holding gain or loss in investment	479	40
Foreign currency translation adjustment	1,086	796
Remeasurements of defined benefit plans	122	- 95
Total accumulated other comprehensive income	*1 1,688	*1 741
Comprehensive Income	21,152	26,486
(breakdown)		
Comprehensive income attributable to owners of the parent	21,036	26,214
Comprehensive income attributable to non-controlling interests	116	271

[3] Consolidated statements of changes in net assets

FY 2024/3 (April 1st, 2023 – March 31st, 2024)

MJPY

	Shareholder's equity				
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total Shareholder's equity
Balance as of beginning of the fiscal year	11,064	22,179	114,005	- 7,098	140,150
Changes during the fiscal year					
Issue of new shares	386	386			772
Cash dividends paid			- 8,678		- 8,678
Net Profit attributable to Owners of the Parent			19,378		19,378
Purchases of treasury stock				- 922	- 922
Disposal of treasury stock		27		37	64
Others					-
Changes of items other than Shareholders equity (net)					-
Total changes during the fiscal year	386	414	10,700	- 885	10,615
Balance as of end of the fiscal year	11,450	22,593	124,705	- 7,983	150,765

	Accumulated other comprehensive income				Share Subscription Rights	Minitory Interests	Total Net Assets
	Holding gain or loss in investment	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balance as of beginning of the fiscal year	510	2,619	1,007	4,137	1,072	668	146,028
Changes during the fiscal year							
Issue of new shares							772
Cash dividends paid							- 8,678
Net Profit attributable to Owners of the Parent							19,378
Purchases of treasury stock							- 922
Disposal of treasury stock							64
Others							-
Changes of items other than Shareholders equity (net)	479	1,055	122	1,657	10	116	1,784
Total changes during the fiscal year	479	1,055	122	1,657	10	116	12,399
Balance as of end of the fiscal year	989	3,674	1,130	5,794	1,082	784	158,427

	Shareholder's equity				
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total Shareholder's equity
Balance as of beginning of the fiscal year	11,450	22,593	124,705	- 7,983	150,765
Changes during the fiscal year					
Issue of new shares	122	122			245
Cash dividends paid			- 8,796		- 8,796
Net Profit attributable to Owners of the Parent			25,637		25,637
Purchases of treasury stock				- 1,383	- 1,383
Disposal of treasury stock		444		936	1,381
Others					-
Changes of items other than Shareholders equity (net)					-
Total changes during the fiscal year	122	567	16,841	- 446	17,084
Balance as of end of the fiscal year	11,573	23,161	141,546	- 8,430	167,850

	Accumulated other comprehensive income				Share Subscription Rights	Minitory Interests	Total Net Assets
	Holding gain or loss in investment	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balance as of beginning of the fiscal year	989	3,674	1,130	5,794	1,082	784	158,427
Changes during the fiscal year							
Issue of new shares							245
Cash dividends paid							- 8,796
Net Profit attributable to Owners of the Parent							25,637
Purchases of treasury stock							- 1,383
Disposal of treasury stock							1,381
Others							-
Changes of items other than Shareholders equity (net)	40	631	- 95	576	- 131	271	716
Total changes during the fiscal year	40	631	- 95	576	- 131	271	17,801
Balance as of end of the fiscal year	1,030	4,306	1,034	6,371	950	1,056	176,229

[4] Consolidated statements of cash flows

MJPY

	FY2024/3 (April 1 st , 2023 - March 31 st , 2024)	FY2025/3 (April 1 st , 2024 - March 31 st , 2025)
Cash flows from operating activities:		
Profit before income taxes and minority interests	27,255	34,275
Depreciation	4,673	5,105
Amortization of goodwill	54	49
Stock related expense	259	-
Change in Net defined benefit liabilities (- :decrease)	- 109	- 130
Change in allowance for director retirement benefits (- :decrease)	- 12	10
Change in allowance for doubtful accounts (- :decrease)	- 27	14
Interest and dividend income	- 183	- 322
Interest expense	105	202
Subsidy income	- 141	- 59
Compensation income	- 68	- 220
Gain(loss) on sales of investment securities (- : gain)	- 23	- 179
Gain(loss) on investments in investment partnerships (- : gain)	- 160	- 66
Change in provision for loss on litigation (- :decrease)	- 953	- 960
Gain(loss) on sales of fixed assets (- : gain)	-	- 4,303
Extra retirement payments	-	117
Loss on liquidation of subsidiaries	-	40
Change in trade notes and accounts receivable (- : increase)	1,625	3,033
Change in inventories (- : increase)	- 13,433	- 2,089
Change in trade notes and accounts payable(- :decrease)	- 5,529	- 958
Change in contract liabilities (- :decrease)	1,072	- 3,185
Others	1,122	4,141
Subtotal	15,524	34,513
Proceeds from interest and dividend income	184	324
Payment of interest	- 81	- 192
Proceeds from Subsiry Income	141	59
Payment of Extra retirement payments	-	- 117
Proceeds from Compensation Income	68	220
Payment/Refund of income taxes (- : payment)	- 10,922	- 5,942
Others	- 21	- 40
Net cash provided by operating activities	4,892	28,824
Cash flows from investing activities:		
Payment for time deposits	- 75	- 435
Proceeds from time deposits	75	458
Payment for purchase of tangible fixed assets	- 9,845	- 9,574
Proceeds from sales of tangible fixed assets	112	12,017
Payment for purchase of intangible fixed assets	- 1,007	- 660
Payment for purchase of investment securities	- 3	- 3
Proceeds from sales of investment securities	57	647
Payment for investments in investment partnerships	- 161	- 11
Proceeds from investments in investment partnerships	274	101
Payment for loans receivable	- 0	- 0
Proceeds from collection of loans receivable	0	0
Payments for lease deposits and guarantee deposits	- 29	- 14
Proceed from collection of lease deposits and guarantee deposits	49	16
Others	- 10	-
Net cash provided by investing activities	- 10,563	2,541

	FY2024/3 (April 1 st , 2023 - March 31 st , 2024)	FY2025/3 (April 1 st , 2024 - March 31 st , 2025)
Cash flows from financing activities:		
Proceeds from long- term debt	15,000	-
Repayment of long- term debt	- 4,000	- 5,000
Repayment of lease liability	- 311	- 317
Proceeds from exercise of stock options	529	124
Dividend payments	- 8,678	- 8,796
Proceeds from purchase of treasury stock	-	1,381
Payments for purchase of treasury stock	- 922	- 1,383
Net cash provided by financing activities	1,616	- 13,991
Effect of exchange rate changes on cash and cash equivalents	755	404
Net increase/decrease in cash and cash equivalents (- : decrease)	- 3,299	17,779
Cash and cash equivalents at beginning of period	40,036	36,736
Cash and cash equivalents at end of period	*1 36,736	*1 54,516

[Significant accounting policies]
(Basis of Presenting Consolidated Financial Statements)

1. Scope of consolidation

(1) Consolidated subsidiaries (17 companies)

Tosei Engineering Corp.
Tosei Systems Co., Ltd.
Accretech Create Corp.
Tosei Box Corp.
Accretech Powertro System Co., Ltd.
Accretech Finance Co., Ltd.
Accretech America Inc.
Accretech (Europe) GmbH
Accretech Korea Co., Ltd.
Accretech (China) Co., Ltd.
Accretech Taiwan Co., Ltd.
Accretech (Malaysia) Sdn Bhd.
Accretech Adamas (Thailand) Co., Ltd.
Accretech (Thailand) Co., Ltd.
Tosei Engineering (Pinghu) Co., Ltd.
Tosei (Thailand) Co., Ltd.
Accretech SBS, Inc.

(2) Non-Consolidated subsidiaries

Accretech (Singapore) Pte. Ltd.
Accretech Vietnam Co., Ltd.
PT Accretech Indonesia
Accretech-Tosei Do Brazil Ltda.
PT Tosei Indonesia
Tosei Philippines Corporation
Tosei Engineering Private Limited
Tosei Mexico S.A. De.C.V.
Accretech-Tosei Hungary Kft.
Accretech (Pinghu) Co., Ltd.
Accretech SBS UK Ltd.

All of the above 11 companies which were excluded from the consolidation range are all small companies, in terms of their total assets, total sales, total Net profit (depending on their equity), total retained earnings (depending on their equity), and others, and do not have a significant effect on our financial statements.

2. Equity Method

- (1) The equity method is not applied to any non-consolidated subsidiary.

Non-consolidated subsidiaries where the equity method is not used all have an extremely small effect on the consolidated Net profit (depending on their equity), consolidated retained earnings (depending on their equity), and other financial amounts, and overall are of low importance. For these reasons, the equity method is not used for these companies, and a cost evaluation method is used for evaluation.

- (2) The equity method is not applied to any affiliated company.

Affiliated companies where the equity method is not used all have an extremely small effect on the consolidated Net profit (depending on their equity), consolidated retained earnings (depending on their equity), and other financial amounts, and low importance. For these reasons, the equity method is not used for these companies, and a cost evaluation method is used for evaluation.

3. Accounting period of consolidated subsidiaries

The end-date of Fiscal term for following 6 companies is at December 31st. In order to prepare this Consolidated Financial Statement, the Parent Company applied statements of these subsidiaries as of December 31st. Any significant business transactions which were completed between their Fiscal end and the Parent Company's Fiscal end were properly adjusted in the consolidated review. The end of the FY for remaining consolidated subsidiaries matches the end of the consolidated FY of the Parent Company.

Companies where end-date of fiscal term differs from consolidated fiscal term:

Accretech (China) Co., Ltd.
Accretech Adamas (Thailand) Co., Ltd.
Accretech (Thailand) Co., Ltd.
Tosei Engineering (Pinghu) Co., Ltd.
Tosei (Thailand) Co., Ltd.
Accretech SBS, Inc.

4. Significant accounting policies

- (1) Valuation standards and methods for important assets

(A) Securities

Shares of subsidiary companies and affiliated companies

Carried at cost determined by the moving average method.

Other securities;

Marketable securities

Marketable securities as other securities are carried at fair value with any changes in unrealized holding gain or loss, net of the applicable income taxes, directly included in shareholders' equity. Costs of securities sold are calculated by the moving average method.

Non-marketable securities

Non-marketable securities classified as other securities are carried at cost determined by the moving average method.

(B) Inventories

Inventories of the Parent Company and its domestic consolidated subsidiaries are stated at cost determined by the weighted-average method (using the method of devaluing the book price to reflect declines in profitability); however, overseas consolidated subsidiaries use the lower of cost determined by the first-in, first-out method.

- (2) Depreciation of significant assets

(A) Tangible fixed assets (except leasing assets)

The Parent Company and its domestic consolidated subsidiaries use the declining balance method. However, the straight-line method is used for buildings (excluding equipment attached to buildings) which were acquired on or after April 1st, 1998, and the Leasehold and Constructs that were acquired on or after April 1st, 2016.

Overseas consolidated subsidiaries use the straight-line method.

The significant useful lives are as follows.

Buildings and structures	8 – 50 years
Machinery and equipment	4 - 12 years

- (B) Intangible fixed assets (except lease assets)
Software for use by the Parent Company is depreciated using a straight-line method based on the estimated life at the Parent Company. Other intangible fixed assets are also depreciated using the straight-line method.
- (C) Lease assets
Lease assets (Financial leases other than those deemed to transfer ownership of properties to lessees) is depreciated using the straight-line method under leasing term to be considered as useful lives.
- (3) Basis for significant reserves
- (A) Allowance for doubtful accounts
For covering probable losses on collection of receivables, the allowance for doubtful accounts is calculated based on past experience for ordinary receivables. For specific bonds such as one with a default possibility, it is based on individual estimates of the collectability of receivables and consists of the amount estimated to be uncollectible.
- (B) Allowance for bonuses
The Parent Company and its domestic consolidated subsidiaries calculate the allowance for bonuses to employees based on the expected amount of payment.
- (C) Accrued director's bonuses
Domestic consolidated subsidiaries calculate the allowance for bonuses to directors based on the expected amount of payment during that consolidated FY.
- (D) Accrued director's retirement benefits
Domestic consolidated subsidiaries calculate the allowance for payment of director retirement benefits that are forecasted to occur upon director retirement based on internal regulations as at the end-date of FY.
- (4) Accounting Method for retirement obligations
- (A) Method of periodic attribution of the estimated amount of retirement benefits
The attribution of estimated amounts for the current FY is based on the payment calculation method.
- (B) Actuarial gain or loss, and Prior service cost
For actuarial gains and losses, proportional amounts are amortized beginning from the consolidated FY following the next FY in which it occurs, using a fixed number of years (10) that is within the average estimated remaining service time of the employees for each consolidated FY. For Prior service cost, proportional amounts are amortized beginning from the consolidated FY in which it occurs, using a fixed number of years (10) that is within the average estimated remaining service time of the employees for each consolidated FY.
- (5) Significant Accounting Method for revenue and expenses recognition
The Group recognizes revenue in following 5 steps.
Step 1: Identify the contract with a customer
Step 2: Identify the separate performance obligation(s) in the contract
Step 3: Determine the transaction price
Step 4: Allocate the transaction price to the separate performance obligation(s)
Step 5: Recognize revenue when the entity satisfies each performance obligation(s)
The Group sells manufacturing and inspection equipment such as wafer probing machines, wafer dicing machines, and other machines used in the semiconductor manufacturing and testing process in SPE segment and sells precision measuring equipment such as 3D coordinate measuring machines, surface texture and contour measuring systems in Metrology segment. Also, the Group provides after sales service and support activities such as warranty, repairs & maintenance, and relocation of equipment.
The main performance obligations of the Company and its consolidated subsidiaries in their main business relating to revenue from contracts with customers and the usual time at which such performance obligations are satisfied (the usual time at which revenue is recognized) are as follows.

(A) Sales of products

For sales of products, revenue is recognized at the amount expected to be received in exchange for the product when control of the product is transferred to the customer.

For products that require installation at the time of delivery to the customer, the Group recognizes revenue when the product is delivered to the customer and installation of the product is completed at the customer's designated location in a condition that satisfies the use of the product under the contract, as the customer has acquired control of the product and the performance obligation has been satisfied.

For products that do not require installation at the time of delivery to the customer, for domestic sales, revenue is recognized at the time of shipment if the period from the time of shipment to the time when control of the product is transferred to the customer is a normal period.

When a product sale includes a warranty service for a specified period of time in accordance with the contract with the customer, the Group identifies the performance obligation by delivery of the product and the performance obligation by such service, and recognizes revenue when the respective performance obligations are satisfied.

(B) Provision of services

For paid-service operations, the Group recognizes revenue upon completion of service provision when the performance obligation is satisfied at a point in time.

In the case of product maintenance contracts with a fixed term, the Group recognizes revenue on a pro-rata basis according to the maintenance contract organization.

The consideration for the transaction, which is the basis for the amount of revenue, is measured based on the contract amount, which is mainly received in advance from the time the order is received until the performance obligation is satisfied or payment is required after the fulfillment of the performance obligation.

Sales rebates, if any, paid to customers are deducted from the transaction price. Payments after satisfaction of performance obligations do not include a significant financial component, as they are received mainly within one year from the time of satisfaction of the performance obligation and are not long-term in nature.

(6) Standard of Foreign currency translation of significant foreign currency based assets/liabilities

Receivables and payables denominated in foreign currencies are translated into yen at the rate of exchange in effect on the balance sheet date, and differences arising from the translation are processed as gains or losses.

Assets and liabilities of overseas consolidated subsidiaries, etc. are translated into yen at the rate of exchange in effect on the balance sheet date, while revenues and expenses are translated into yen at the average exchange rate during the period, with translation differences included in the foreign currency translation adjustment account and non-controlling interests in net assets.

(7) Amortization of goodwill

Amortization of goodwill is evaluated for each acquisition, and is carried out over a reasonable number of years (10 years).

(8) Cash and cash equivalents in the consolidated statements of cash flows

Cash and cash equivalents in the consolidated statements consist of cash on hand, available funds on deposit, and short-term, highly liquid investments that are readily convertible to cash, with original maturities of three months or less, and that are substantially free of price fluctuation risk.

(9) Other significant accounting policies

(A) Accounting for non-deductible consumption taxes

Non-deductible consumption taxes and local consumption taxes on assets are expensed in the current fiscal year.

(B) Group Tax Sharing System

The Group applies Group Tax Sharing System.

[Significant Accounting Estimates]

Not applicable.

[Changes in Accounting Policy]

The Group has applied "Accounting Standard for Current Income Taxes" (ASBJ Statement No. 27, October 28th, 2022), "Accounting Standard for Presentation of Comprehensive Income" (ASBJ Statement No. 25, October 28th, 2022), and "Guidance on Accounting Standard for Tax Effect Accounting" (ASBJ Guidance No.28, October 28th,

2022) from the beginning of FY2025/3. There are no impacts from these changes in the Consolidated Financial Statements.

[Accounting principles not yet applied]

“Accounting Standard for Leases” (ASBJ Statement No. 34, September 13th, 2024)

“Implementation Guidance on Accounting Standard for Leases” (ASBJ Guidance No. 33 September 13th, 2024) etc.

(1) Overview

As part of efforts to align Japanese standards with international standards, the Accounting Standards Board of Japan (ASBJ) conducted a review of lease accounting standards, taking into account international accounting standards, with the aim of developing standards that require lessees to recognize all leases as assets and liabilities. As a basic policy, while the single accounting treatment model of IFRS 16 serves as the foundation, the lease accounting standards, which adopt only the main provisions of IFRS 16 (rather than all of its provisions) to achieve simplicity and practicality (and which, when applied to individual financial statements, generally do not require adjustments to the provisions of IFRS 16), have been published.

For lessees, the method of allocating lease expenses is the same as under IFRS 16, meaning that a single accounting treatment model is applied to all leases, regardless of whether they are finance leases or operating leases, whereby depreciation expense related to the right-of-use asset and interest expense related to the lease liability are recognized.

(2) Date of effect

The Group will apply these standards and guidance from beginning of FY2028/3.

(3) Impact of applying the principle

The impact of applying standards and guidance above is currently being evaluated.

[Additional Information]

(Adoption of performance-linked stock compensation plan)

Based on a resolution of the Company's 101st Annual General Meeting of shareholders held on June 21st, 2024, The Company has adopted a performance-linked stock compensation plan called the Board Benefit Trust (BBT) for the Company's Directors (excluding Directors serving as Audit and Supervisory Committee Members and External Directors), Executive Officers, as well as some Directors (excluding External Directors) and Executive Officers of the Company's subsidiaries and affiliated companies to raise awareness of contributing to an improvement in business performance and an increase in corporate value over the medium to long term by further clarifying the link between Director remuneration and the Company's business performance and share value, and enabling Directors to share not only the benefits of rising share prices but also the risks of declining share prices together with shareholders.

(1) Outline of the Plan

This plan is a performance-linked stock compensation plan in which shares of the Company are acquired through a trust (hereinafter, the trust established based on the Plan shall be referred to as “the Trust”) with the source of funds consisting of money contributed by the Company, and in which the Company's shares and money equivalent to the amount of Company shares converted at market value (hereinafter, “Company Shares, etc.”) are granted to eligible officers through the Trust in accordance with the regulations governing share benefits for officers established by the Company.

There are two types of grants under the Plan: “Grant 1” and “Grant 2.” As a general rule, the timing for Eligible Officers to receive the Company's shares, etc. is at the time of retirement of such eligible officer for Grant 1 and at a certain time every year, in principle, for Grant 2.

(2) Outline of the Plan

Shares of the Company remaining in the Trust are recorded as treasury stock in the Net assets section at the book value (excluding the amount of related expenses) of the Trust. The book value and number of shares of treasury stock as of March 31st, 2025, are ¥1,381 million and 200,000 shares respectively.

(Consolidated balance sheet)

*1 The amount of Trade notes receivable and contract assets is separately stated in Notes – “Revenue recognition “ – 3 [1] “Outstanding Contract Assets and Contract liabilities”

*2 Investment in non-consolidated subsidiaries and/or affiliated companies

	FY2024/3 (March 31 st , 2024)	FY2025/3 (March 31 st , 2025)
Investment securities	¥457 million	¥457 million
Other investment or other assets(Capital stock)	¥215 million	¥183 million

*3 Impact of a bank holiday on the final day of FY

Accounting for trade notes (including Electronically recorded ones) in which the due date is set on the final day of the FY is applied on the date of settlement. Because the final day of FY202/3 was a non-business day, the following amounts of trade notes are included in the year-end balance.

	FY2024/3 (March 31 st , 2024)	FY2025/3 (March 31 st , 2025)
Trade notes receivable	¥2 million	-
Electronically recorded monetary claims	¥309 million	-
Trade notes payable	¥9 million	-
Electronically recorded obligations-operating	¥425 million	-

(Consolidated statement of income)

***1 Revenue from customer upon contract**

Revenues are not separately presented for revenues arising from ones based on a contract with customers and other revenues. The amount of revenue from customers based on a contract is separately stated in Notes – “Revenue recognition” – 1. “Information disaggregating revenue from contracts with customers”.

***2 Devaluing the book price of inventories (primarily for sales) to reflect declines in profitability**

	FY2024/3 (April 1 st , 2023- March 31 st , 2024)	FY2025/3 (April 1 st , 2024- March 31 st , 2025)
Cost of goods sold	¥37 million	¥431 million

***3 Primary items of selling, general, and administrative expenses**

	FY2024/3 (April 1 st , 2023- March 31 st , 2024)	FY2025/3 (April 1 st , 2024- March 31 st , 2025)
Research and development costs	¥9,042 million	¥10,354 million
Salaries for employees	¥6,210 million	¥6,731 million
Provision for employees' bonuses	¥1,620 million	¥1,672 million
Provision for retirement benefits for directors and corporate auditors	¥8 million	¥10 million
Provision for directors' and corporate auditors' bonuses	¥18 million	¥21 million
Provision for retirement benefits for employees	¥55 million	¥31 million
Provision of allowance for doubtful accounts	¥ - 46 million	¥ 19 million

***4 Research and development costs included in general and administrative expenses and manufacturing costs**

	FY2024/3 (April 1 st , 2023- March 31 st , 2024)	FY2025/3 (April 1 st , 2024- March 31 st , 2025)
Research and development costs	¥9,042 million	¥10,354 million

***5 Gain on sales of tangible fixed assets**

FY2024/3 (April 1st, 2023-March 31st, 2024)
Not applicable.

FY2025/3 (April 1st, 2024-March 31st, 2025)
Due to a sale of the land for Hino plant by the Parent Company.

***6 Extra retirement payments.**

FY2024/3 (April 1st, 2023-March 31st, 2024)
Due to voluntary retirement at consolidated subsidiary Accretech Powertro Systems Co., Ltd.

FY2025/3 (April 1st, 2024-March 31st, 2025)
Due to liquidation of non-consolidated subsidiary Tosei Technology Development (Shanghai) Co., Ltd.

*7 Loss on liquidation of subsidiaries

FY2024/3 (April 1st, 2023-March 31st, 2024)

Not applicable.

FY2025/3 (April 1st, 2024-March 31st, 2025)

Mainly due to liquidation of non-consolidated subsidiary Tosei Technology Development (Shanghai) Co., Ltd.

(Consolidated statements of comprehensive income)

*1 Adjustments, Corporate tax and Tax effects related to Comprehensive income

	FY2024/3 (April 1 st , 2023- March 31 st , 2024)	FY2025/3 (April 1 st , 2024- March 31 st , 2025)
Unrealized Holding gain or loss on investment		
Arising during the FY	¥875 million	¥305 million
Reclassification Adjustments	¥ - 184 million	¥ - 246 million
Corporate tax and before tax effect adjustment	¥690 million	¥58 million
Corporate tax and tax effect	¥ - 211 million	¥ - 17 million
Unrealized Holding gain or loss on investment	¥479 million	¥40 million
Foreign currency translation adjustment		
Arising during the FY	¥1,086 million	¥796 million
Reclassification Adjustments	-	-
Corporate tax and before tax effect adjustment	¥1,086 million	¥796 million
Corporate tax and tax effect	-	-
Foreign currency translation adjustment	¥1,086 million	¥796 million
Remeasurements of defined benefit plans		
Arising during the FY	¥420 million	¥127 million
Reclassification Adjustments	¥ - 243 million	¥ - 249 million
Corporate tax and before tax effect adjustment	¥176 million	¥- 122 million
Corporate tax and tax effect	¥ - 54 million	¥26 million
Remeasurements of defined benefit plans	¥122 million	¥ - 95 million
Total other comprehensive income	¥1,688 million	¥741 million

(Consolidated statements of changes in net assets)

FY2024/3 (April 1st, 2023 - March 31st, 2024)

1. Issued stock

Stock class	At beginning of FY	Increase	Decrease	At end of FY
Common stock (shares)	41,903,281	201,100	-	42,104,381

Note: Reason for the increase of 201,100 shares is exercise of SSR from stock options.

2. Treasury stock

Stock class	At beginning of FY	Increase	Decrease	At end of FY
Common stock (shares)	1,529,552	183,446	7,940	1,705,058

Note:

The increase of 183,446 shares was due to repurchase of Company shares based on a resolution of the Board of Directors meeting held on February 6th, 2023 of 182,400 shares, purchases of shares less than 1 unit of 506 shares, and free of charge acquisition from retiree applicable to restricted stock compensation plan of 540 shares. The decrease of 7,940 was due to disposal of Company shares as a restricted stock compensation.

3. Share subscription rights

Company name	Breakdown	Class of stock issued upon exercise of the right	Number of shares issued upon exercise of the right (shares)				Balance at FY end (MJPY)
			At beginning of FY	Increase	Decrease	At end of FY	
The Parent Company	The 14 th SSR (SOs) (Issued 2017)	-	-				8
	The 15 th SSR (SOs) (Issued 2018)	-	-				10
	The 16 th SSR (SOs) (Issued 2019)	-	-				11
	The 17 th SSR (SOs) (Issued 2020)	-	-				32
	SSR issued July 2006 (stock compensation type)	-	-				10
	SSR issued July 2007 (stock compensation type)	-	-				9
	SSR issued July 2011 (stock compensation type)	-	-				15
	SSR issued July 2012 (stock compensation type)	-	-				10
	SSR issued July 2013 (stock compensation type)	-	-				24
	SSR issued July 2014 (stock compensation type)	-	-				24
	SSR issued July 2015 (stock compensation type)	-	-				43
	SSR issued July 2016 (stock compensation type)	-	-				43
	SSR issued July 2017 (stock compensation type)	-	-				90
	SSR issued July 2018 (stock compensation type)	-	-				81

Company name	Breakdown	Class of stock issued upon exercise of the right	Number of shares issued upon exercise of the right (shares)				Balance at FY end (MJPY)
			At beginning of FY	Increase	Decrease	At end of FY	
The Parent Company	SSR issued August 2019 (stock compensation type)	-	-				69
	SSR issued July 2020 (stock compensation type)	-	-				101
	SSR issued July 2021 (stock compensation type)	-	-				133
	SSR issued July 2022 (stock compensation type)	-	-				107
	SSR issued July 2023 (stock compensation type)	-	-				253
Total		-	-				1,082

4. Dividends

(1) Amounts of dividends paid

Resolution	Class of stock	Total amount of dividends (MJPY)	Dividend per share (yen)	Cut-off date	Effective date
June 26 th 2023 Annual General Meeting of Shareholders	Common stock	5,087	126.00	March 31 st , 2023	June 27 th , 2023
November 2 nd , 2023 Board of Directors	Common stock	3,591	89.00	September 30 th , 2023	December 11 th , 2023

(2) Dividends with a shareholders' cut-off date in FY2024/3 and an effective date in FY2025/3

Resolution	Class of stock	Resource for dividends	Total amount of dividends (MJPY)	Dividend per share (yen)	Cut-off date	Effective date
June 21 st , 2024, Annual General Meeting of Shareholders	Common stock	Retained earnings	4,161	103.00	March 31 st , 2024	June 24 th , 2024

FY2025/3 (April 1st, 2024 - March 31st, 2025)

1. Issued stock

Stock class	At beginning of FY	Increase	Decrease	At end of FY
Common stock (shares)	42,104,381	65,700	-	42,170,081

Note: Reason for the increase of 65,700 shares is exercise of SSR from stock options.

2. Treasury stock

Stock class	At beginning of FY	Increase	Decrease	At end of FY
Common stock (shares)	1,705,058	200,231	200,000	1,705,289

Note:

- ① The increase of 200,231 shares is due to the acquisition of 200,000 shares through the performance-linked stock compensation plan "BBT (Board Benefit Trust)" and the purchases of less than 1 unit of 231 shares. The decrease of 200,000 is due to the disposal of 200,000 shares through the performance-linked stock compensation plan "BBT (Board Benefit Trust)".
- ② Number of treasury stock as at the end of FY2025/3 includes 200,000 shares of the Company's stock that are held by the Custody Bank of Japan, Ltd. as trust asset for the performance-linked stock compensation plan "BBT (Board Benefit Trust)".

3. Share subscription rights

Company name	Breakdown	Class of stock issued upon exercise of the right	Number of shares issued upon exercise of the right (shares)				Balance at FY end (MJPY)
			At beginning of FY	Increase	Decrease	At end of FY	
The Parent Company	The 15 th SSR (SOs) (Issued 2018)	-	-				4
	The 16 th SSR (SOs) (Issued 2019)	-	-				6
	The 17 th SSR (SOs) (Issued 2020)	-	-				22
	SSR issued July 2006 (stock compensation type)	-	-				10
	SSR issued July 2007 (stock compensation type)	-	-				9
	SSR issued July 2011 (stock compensation type)	-	-				15
	SSR issued July 2012 (stock compensation type)	-	-				10
	SSR issued July 2013 (stock compensation type)	-	-				24
	SSR issued July 2014 (stock compensation type)	-	-				24
	SSR issued July 2015 (stock compensation type)	-	-				43
	SSR issued July 2016 (stock compensation type)	-	-				43
	SSR issued July 2017 (stock compensation type)	-	-				82
	SSR issued July 2018 (stock compensation type)	-	-				74

Company name	Breakdown	Class of stock issued upon exercise of the right	Number of shares issued upon exercise of the right (shares)				Balance at FY end (MJPY)
			At beginning of FY	Increase	Decrease	At end of FY	
The Parent Company	SSR issued August 2019 (stock compensation type)	-	-				59
	SSR issued July 2020 (stock compensation type)	-	-				86
	SSR issued July 2021 (stock compensation type)	-	-				114
	SSR issued July 2022 (stock compensation type)	-	-				92
	SSR issued July 2023 (stock compensation type)	-	-				224
Total		-	-				950

4. Dividends

(1) Amounts of dividends paid

Resolution	Class of stock	Total amount of dividends (MJPY)	Dividend per share (yen)	Cut-off date	Effective date
June 21 st 2024 Annual General Meeting of Shareholders	Common stock	4,161	103.00	March 31 st , 2024	June 24 th , 2024
November 1 st , 2024 Board of Directors	Common stock	4,634	114.00	September 30 th , 2024	December 9 th , 2024

Note: The total amount of dividends ratified at Board of Directors held on November 1st, 2024 includes ¥22 million of dividends to treasury shares held by the trust.

(2) Dividends with a shareholders' cut-off date in FY2025/3 and an effective date in FY2026/3

The following will be deliberated as a proposal on Annual General Meeting of Shareholders to be held on June 23rd, 2025.

Resolution	Class of stock	Resource for dividends	Total amount of dividends (MJPY)	Dividend per share (yen)	Cut-off date	Effective date
June 23 rd , 2025, Annual General Meeting of Shareholders	Common stock	Retained earnings	5,652	139.00	March 31 st , 2025	June 24 th , 2025

Note: The total amount of dividends to be proposed for approval at the Annual General Shareholder's meeting to be held on June 23rd, 2025 ¥27 million yen of dividends to treasury shares held by the trust.

(Consolidated statements of cash flows)

*1 Relationship between cash and cash equivalents at year end and the amounts for items listed in the consolidated balance sheet

	FY2024/3 (April 1 st , 2023- March 31 st , 2024)	FY2025/3 (April 1 st , 2024- March 31 st , 2025)
Cash and cash equivalents (Balance sheets)	¥36,782 million	¥54,541 million
Time deposits with original maturities over three months	¥ - 45 million	¥ - 25 million
Cash and cash equivalents(Statement of cash flows)	¥36,736 million	¥54,516 million

(Lease transactions)

1. Finance lease transactions

(Lessee)

Financial lease transactions other than those deemed to transfer ownership of properties to lessees

(1) Description of lease assets

Lease assets are consisted mainly of Vehicles and Machinery and equipment for SPE business.

(2) Formulas for calculating estimated depreciation expense of lease assets

Refer to [Significant accounting policies] (Basis of Presenting Consolidated Financial Statements)

“4. Significant accounting policies” (2) Depreciation of significant assets.

2 Operation Lease transactions

(Lessee)

Estimative balance of lease premiums included in undissolvable operating lease transactions

	FY2024/3 (March 31 st , 2024)	FY2025/3 (March 31 st , 2025)
Current portion	¥19 million	¥19 million
Non-current portion	¥460 million	¥441 million
Total	¥479 million	¥460 million

(Financial Instruments)

1. Status of Financial Instruments

(1) System for managing financial instruments in the Company Group

The Group accommodates long-term finances based on the forecast of Group investments for SPE and Metrology business mainly by loans from banks. Short term finance is derived mainly by loans from banks, and temporarily unused funds are managed with low-risk financial assets.

Derivatives are only to be applied for the purpose of risk management, and not applied for speculative purposes.

(2) Detail and risk of Financial Instruments

Trade notes, accounts receivable and electronically recorded monetary claims face reliability risks of these customers and foreign-currency based bonds though the Group's global business also face foreign currency risk. Investment securities, mainly stocks related to correspondent companies or capital and business alliances therefore face market price fluctuation risk.

The due date of most of the operating receivables such as trade notes, accounts payable and electronically recorded obligations occur within one year. Some interest bearing debts such as loans payable and/or lease liabilities are set to variable rates and therefore face interest rate fluctuation risk.

(3) Risk management for Financial Instruments

(A) Credit risk management (risk of client's breach of contract)

The Parent Company controls trade notes and balances and due dates per each client working with both Accounting Dept. and Sales Division in order to assess the financial status of each client and avoid contract breach risk. The consolidated subsidiaries apply same method for credit risk management.

(B) Market risk management (risk of fluctuation in exchange rates or interest rates)

The Parent Company periodically checks market prices of investment securities and the financial status of those who issued these securities. In parallel, the amount of holding investment securities is also reviewed and revised as necessary based on the conditions of trade between the Company and those who issued these securities.

(C) Liquidity risk management in financing operations

The Parent Company actively manages liquidity risk. The Accounting and Finance Dept. generates and revises financial plans as necessary to keep short-term liquidity to appropriate levels based on business activity forecasts such as orders, production and sales. The consolidated subsidiaries apply the same method for liquidity risk management.

(4) Additional information for the current value of Financial Instruments

Current value of Financial Instruments includes not only the value based on a current market price (or the reasonably calculated value if market price does not exist), but is also formulated using an allowance for price fluctuations that may affect expected market value.

2. Current Value of Financial Instruments

Accounted value on Balance Sheet, Current Value and balance are as follows.

FY2024/3 (March 31st, 2024)

MJPY

	Accounted on consolidated BS	Current Value	Difference
(1) Investment securities Other securities	2,749	2,749	-
(2) Long-term debt (include current portion)	23,000	22,941	- 58

Notes 1. Balances of Cash and cash equivalents, Notes and Accounts receivable, Electronically recorded monetary claims, Notes and accounts payable, Electronically recorded obligations-operating, and Short term debts are intentionally omitted because these are in cash, and the fair value approximates the book value because of the short maturity of these instruments.

Notes 2. Balance of investment securities (unlisted stock) is excluded from (1) Investment Securities. Accounted value on consolidated balance sheet of Financial Instruments are as follows.

MJPY

Type	March 31 st , 2024
Investment Securities (unlisted stock)	895

Notes 3. Notes due for redemption

MJPY

Category	Less than 1 year	1-5 years	5 - 10 years	Over 10 years
Trade notes receivable	281	-	-	-
Accounts receivable	35,216	-	-	-
Electronically recorded monetary claims	7,303	-	-	-
Total	42,801	-	-	-

Notes 4. Repayment schedule after FY end for short-term and long-term loans

MJPY

	Less than 1 year	1-2 years	2 - 3 years	3 - 4 years	4 - 5 years
Short-term	1,300	-	-	-	-
Long-term	5,000	5,000	5,000	5,000	3,000
Total	6,300	5,000	5,000	5,000	3,000

FY2025/3 (March 31st, 2025)

MJPY

	Accounted on consolidated BS	Current Value	Difference
(1) Investment securities Other securities	2,677	2,677	-
(1) Long-term debt (include current portion)	18,000	17,981	- 19

Notes 1. Balances of Cash and cash equivalents, Notes and Accounts receivable, Electronically recorded monetary claims, Notes and accounts payable, Electronically recorded obligations-operating, and Short term debts are intentionally omitted because these are in cash, and the fair value approximates the book value because of the short maturity of these instruments.

Notes 2. Balance of investment securities (unlisted stock) is excluded from (1) Investment Securities. Accounted value on consolidated balance sheet of Financial Instruments are as follows.

MJPY

Type	March 31 st , 2025
Investment Securities (unlisted stock)	457
Investments in investment partnerships, etc.	111

Notes 3. Notes due for redemption

MJPY

Category	Less than 1 year	1-5 years	5 - 10 years	Over 10 years
Trade notes receivable	153	-	-	-
Accounts receivable	32,968	-	-	-
Electronically recorded monetary claims	6,687	-	-	-
Total	39,809	-	-	-

Notes 4. Repayment schedule after FY end for short-term and long-term loans

MJPY

	Less than 1 year	1-2 years	2 - 3 years	3 - 4 years	4 - 5 years
Short-term	1,300	-	-	-	-
Long-term	5,000	5,000	5,000	3,000	-
Total	6,300	5,000	5,000	3,000	-

3. Matters related to the breakdown of the fair value of financial instruments by level

The fair value of financial instruments is classified into the following three levels based on the observability and materiality of the inputs used to calculate fair value.

Level 1 fair value: Fair value calculated based on (unadjusted) quoted market prices in active markets for identical assets or liabilities, which are among the inputs used to calculate observable fair value.

Level 2 fair value: Fair value calculated using inputs other than Level 1 inputs that are directly or indirectly observable and relevant to the calculation of observable fair value.

Level 3 fair value: Fair value calculated using significant unobservable inputs

When multiple inputs that have a significant effect on the fair value calculation are used, the fair value is classified into the level with the lowest priority in the fair value calculation among the levels to which each of those inputs belongs.

(1) Financial instruments recorded on the consolidated balance sheet at fair value

FY2024/3 (March 31st, 2024)

Category	Fair Value (MJPY)			
	Level 1	Level 2	Level 3	Total
Investment Securities				
Other Investment Securities				
Stocks	2,592	-	-	2,592
Others	-	157	-	157
Assets Total	2,592	157	-	2,749

FY2025/3 (March 31st, 2025)

Category	Fair Value (MJPY)			
	Level 1	Level 2	Level 3	Total
Investment Securities				
Other Investment Securities				
Stocks	2,677	-	-	2,677
Assets Total	2,677	-	-	2,677

(2) Financial instruments other than those recorded on the consolidated balance sheets at fair value

FY2024/3 (March 31st, 2024)

Category	Fair Value (MJPY)			
	Level 1	Level 2	Level 3	Total
Long-term debt (include current portion)	-	22,941	-	22,941
Liabilities Total	-	22,941	-	22,941

FY2025/3 (March 31st, 2025)

Category	Fair Value (MJPY)			
	Level 1	Level 2	Level 3	Total
Long-term debt (include current portion)	-	17,981	-	17,981
Liabilities Total	-	17,981	-	17,981

Note) Explanation of Valuation Techniques Used in Calculating Fair Value and Inputs Used in Calculating Fair Value

Investment securities

Listed stocks are valued using quoted market prices. Since listed stocks are traded in active markets, their fair value is classified as Level 1 fair value. On the other hand, stocks other than listed stocks are classified as Level 2 fair value because they are traded infrequently in the market and are not considered quoted prices in an active market.

Long-term debt

The fair value of long-term debt is calculated using the discounted present value method based on the total amount of principal and interest and an interest rate that takes into account the remaining period of the relevant debt and credit risk, and is classified as Level 2 fair value.

(Securities)

1. Other Securities

FY2024/3 (March 31st, 2024)

MJPY

Type	Accounted on consolidated BS	Carrying value	Difference
Securities with a carrying value higher than the acquisition cost			
Stocks	2,592	1,149	1,443
Others	15	11	3
Subtotal	2,608	1,160	1,447
Securities with a carrying value no higher than the acquisition cost			
Stocks	141	162	- 21
Subtotal	141	162	- 21
Total	2,749	1,323	1,426

FY2025/3 (March 31st, 2025)

MJPY

Type	Accounted on consolidated BS	Carrying value	Difference
Securities with a carrying value higher than the acquisition cost			
Stocks	2,670	1,145	1,524
Subtotal	2,670	1,145	1,524
Securities with a carrying value no higher than the acquisition cost			
Stocks	7	7	- 0
Subtotal	7	7	- 0
Total	2,677	1,152	1,524

2. Securities sold during the Fiscal term

FY2024/3 (April 1st, 2023 – March 31st, 2024)

MJPY

Type	Sale price	Proceeds from sales	Loss on sales
Stocks	64	23	-
Others	274	160	-
Total	338	184	-

FY2025/3 (April 1st, 2024 – March 31st, 2024)

MJPY

Type	Sale price	Proceeds from sales	Loss on sales
Stocks	647	179	-
Others	101	66	-
Total	749	246	-

3. Impairment of Securities

FY2024/3 (April 1st, 2023 – March 31st, 2024)

Not Applicable.

FY2025/3 (April 1st, 2024 – March 31st, 2025)

Not Applicable.

(Retirement benefits)

1. Description of retirement benefit plans

The Parent Company has a Lump-sum Retirement Allowance Plan (Savings-type, Retirement Benefits Trust is set), a Defined Benefit Pension Plan (Savings-type) and a Defined Contribution Pension Plan.

Our domestic consolidated subsidiaries utilize the Lump-sum Retirement Allowance Plan (excepting savings-type), and some of domestic consolidated subsidiaries and overseas consolidated subsidiaries also apply a Defined Benefit Pension Plan (Savings-type) or a Defined Contribution Pension Plan.

Both Net defined liabilities and Retirement benefit costs on domestic consolidated subsidiaries' Retirement Allowance Plans and Defined Benefit Pension Plans are calculated by the principal method or the simplified method (to allocate amounts paid for voluntary termination as at the ending date of each fiscal year as a retirement benefit obligation).

2. Defined Benefit Pension Plan (excepting where simplified method is applied)

(1) Adjustment of Opening balance and Closing Balance of projected benefit obligations MJPY

	FY2024/3 (April 1 st , 2023- March 31 st , 2024)	FY2025/3 (April 1 st , 2024- March 31 st , 2025)
Opening Balance	5,472	5,587
Service Cost	458	500
Interest Cost	34	34
Recognized Actuarial Differences	104	- 175
Benefit Paid	- 483	- 697
Closing Balance	5,587	5,248

(2) Adjustment of Opening balance and Closing Balance of Plan assets (Pension) MJPY

	FY2024/3 (April 1 st , 2023- March 31 st , 2024)	FY2025/3 (April 1 st , 2024- March 31 st , 2025)
Opening Balance	6,912	7,503
Expected return on plan assets	57	64
Recognized Actuarial Differences	524	- 47
Contribution from Entrepreneurs	201	184
Benefit Paid	- 192	- 196
Closing Balance	7,503	7,507

(3) Adjustment between the closing balances of projected benefit obligations and Plan assets (Pension), and Net defined liabilities/assets accounted on Balance sheet MJPY

	FY2024/3 (March 31 st , 2024)	FY2025/3 (March 31 st , 2025)
Projected retirement obligation (savings-type)	4,599	4,539
Plan assets(pension)	- 7,503	- 7,507
	- 2,904	- 2,968
Projected retirement obligation (except savings-type)	987	709
Net defined liabilities/assets on Balance sheet (net)	- 1,916	- 2,258
Net defined liabilities	1,046	678
Net defined assets	- 2,962	- 2,936
Net defined liabilities/assets on Balance sheet (net)	- 1,916	- 2,258

(4) Components of net periodic pension and severance costs		MJPY
	FY2024/3 (April 1 st , 2023- March 31 st , 2024)	FY2025/3 (April 1 st , 2024- March 31 st , 2025)
Service Cost	458	500
Interest Cost	34	34
Expected return on plan assets	- 57	- 64
Expense for actuarial difference	- 243	- 249
Net periodic pension and severance costs	191	220

(5) Adjustments for retirement obligations

Detail of adjustments accounted for as Adjustment for retirement obligation (before tax effect) is as shown below.

	FY2024/3 (April 1 st , 2023- March 31 st , 2024)	FY2025/3 (April 1 st , 2024- March 31 st , 2025)
Unrecognized actuarial gain or loss	176	- 122
Total	176	- 122

(6) Accumulated adjustments for retirement obligations

Detail of adjustments accounted for as Accumulated adjustment for retirement obligation (before tax effect) is as shown below.

	FY2024/3 (March 31 st , 2024)	FY2025/3 (March 31 st , 2025)
Unrecognized actuarial gain or loss	1,629	1,507
Total	1,629	1,507

(7) Detail of Plan Assets

1. Detail of Plan Assets

The ratio of each type of assets consisted with plan assets (pension) is as shown below.

	FY2024/3 (March 31 st , 2024)	FY2025/3 (March 31 st , 2025)
Deposits	62%	62%
Stocks	12%	12%
General Account	16%	16%
Bonds	6%	6%
Others	4%	4%
Total	100%	100%

Note) Total pension assets include 64% of retirement benefit trusts established for corporate pension plans in FY2024/3 and 64% in FY2025/3.

2. Method of defining long-term expected returns

Expected returns on Plan assets takes into account the portfolio of assets and current and future accumulating long-term earning rates.

(8) Major basis of calculating actuarial gains or losses

	FY2024/3 (April 1 st , 2023- March 31 st , 2024)	FY2025/3 (April 1 st , 2024- March 31 st , 2025)
Discount Rate	0.8%	0.8%
Expected Rate of return on plan assets		
Plan assets (pension)	2.5%	2.5%
Employees' retirement benefits trust	0.0%	0.0%
Expected salary increase rate	0.1% – 3.6%	0.1% – 3.6%

3. Defined benefit plan applying the simplified method

(1) Adjustment of Opening balance and Closing Balance of Net defined liabilities which applied the simplified method for calculation MJPY

	FY2024/3 (April 1 st , 2023- March 31 st , 2024)	FY2025/3 (April 1 st , 2024- March 31 st , 2025)
Opening Balance of net defined liabilities	291	125
Cost for retirement allowance	53	21
Retirement allowance paid	- 219	- 13
Closing Balance of net defined liabilities	125	133

(2) Adjustment between the closing balances of projected benefit obligations and Plan assets, and Net defined liabilities/assets accounted on Balance sheet MJPY

	FY2024/3 (March 31 st , 2024)	FY2025/3 (March 31 st , 2025)
Projected retirement obligation (except savings-type)	125	133
Net defined liabilities/assets on Balance sheet (net)	125	133
Net defined liabilities	125	133
Net defined liabilities/assets on Balance sheet (net)	125	133

(3) Cost for retirement allowances MJPY

	FY2024/3 (April 1 st , 2023- March 31 st , 2024)	FY2025/3 (April 1 st , 2024- March 31 st , 2025)
Cost for retirement allowances (calculated by simplified method)	53	21

4. Defined Contribution plan MJPY

	FY2024/3 (April 1 st , 2023- March 31 st , 2024)	FY2025/3 (April 1 st , 2024- March 31 st , 2025)
Contribution payable by the Parent Company and consolidated subsidiaries	210	225

(Stock options and others)

1. Account and amount charged as expenses

FY2024/3 (April 1st, 2023 - March 31st, 2024)

MJPY

Breakdown	Account name: "Stock compensation expense"			
	Cost of goods sold	Selling expense	General and administrative expenses	Total
The 17 th SSR	3	1	2	6
SSR issued July 2023 (stock compensation type)	-	-	253	253
Total	3	1	255	259

FY2025/3 (April 1st, 2024 - March 31st, 2025)

Not Applicable.

2. Gains and accounts from the expiration of exercising rights

MJPY

	FY2024/3 (April 1 st , 2023- March 31 st , 2024)	FY2025/3 (April 1 st , 2024- March 31 st , 2025)
Reversal of SSR (Extraordinary Gains)	6	10

3. Description, scale, and movement of stock options

The Parent Company

(1) Description of stock options

The 14th SSR

Categories and numbers of persons to whom rights are granted (persons)	Directors of the Parent Company: 8 Employees of the Parent Company: 172 Directors of subsidiaries: 12 Employees of subsidiaries: 22
Number and class of shares to be provided (shares)	Common stock: 77,500
Date of issue	July 24 th , 2017
Conditions of settlement of rights	He/She must hold the position of director, corporate auditor, or employee of the Company, its subsidiary, or an affiliate at the time of exercise. However, this limitation shall not apply in the case of directors and corporate auditors who have retired due to the expiration of their terms of office or upon reaching retirement age, or employees who have forfeited their position on account of company expediency or due to other similar reasons.
Period grantees provide service in return for SOs	July 24 th , 2017 - July 24 th , 2019
Exercise period	July 25 th , 2019 - June 30 th , 2024

The 15th SSR

Categories and numbers of persons to whom rights are granted (persons)	Directors of the Parent Company: 8 Employees of the Parent Company: 183 Directors of subsidiaries: 8 Employees of subsidiaries: 18
Number and class of shares to be provided (shares)	Common stock: 74,500
Date of issue	July 23 th , 2018
Conditions of settlement of rights	He/She must hold the position of director, corporate auditor, or employee of the Company, its subsidiary, or an affiliate at the time of exercise. However, this limitation shall not apply in the case of directors and corporate auditors who have retired due to the expiration of their terms of office or upon reaching retirement age, or employees who have forfeited their position on account of company expediency or due to other similar reasons.
Period grantees provide service in return for SOs	July 23 rd , 2018 - July 23 rd , 2020
Exercise period	July 24 th , 2020 - June 30 th , 2025

The 16th SSR

Categories and numbers of persons to whom rights are granted (persons)	Directors of the Parent Company: 7 Employees of the Parent Company: 195 Directors of subsidiaries: 8 Employees of subsidiaries: 26
Number and class of shares to be provided (shares)	Common stock: 77,800
Date of issue	August 2 nd , 2019
Conditions of settlement of rights	He/She must hold the position of director, corporate auditor, or employee of the Company, its subsidiary, or an affiliate at the time of exercise. However, this limitation shall not apply in the case of directors and corporate auditors who have retired due to the expiration of their terms of office or upon reaching retirement age, or employees who have forfeited their position on account of company expediency or due to other similar reasons.
Period grantees provide service in return for SOs	August 2 nd , 2019 - August 2 nd , 2021
Exercise period	August 3 rd , 2021 - June 30 th , 2026

The 17th SSR

Categories and numbers of persons to whom rights are granted (persons)	Directors of the Parent Company: 7 Employees of the Parent Company: 195 Directors of subsidiaries: 8 Employees of subsidiaries: 36
Number and class of shares to be provided (shares)	Common stock: 79,900
Date of issue	July 30 th , 2020
Conditions of settlement of rights	He/She must hold the position of director, corporate auditor, or employee of the Company, its subsidiary, or an affiliate at the time of exercise. However, this limitation shall not apply in the case of directors and corporate auditors who have retired due to the expiration of their terms of office or upon reaching retirement age, or employees who have forfeited their position on account of company expediency or due to other similar reasons.
Period grantees provide service in return for SOs	July 30 th , 2020 - July 30 th , 2023
Exercise period	July 31 st , 2023 – June 30 th , 2028

SSR issued June 2005 (stock compensation type)

Categories and numbers of persons to whom rights are granted (persons)	Directors of the Parent Company:7 Employees of the Parent Company (executive officers):11
Number and class of shares to be provided (shares)	Common stock: 47,000
Date of issue	June 29 th , 2005
Conditions of settlement of rights	In principle, directors and executive officers of the Parent Company may exercise their stock acquisition rights after losing their positions.
Period grantees provide service in return for SOs	Because it is difficult to reasonably predict the date of rights allotment, the length of service shall not be considered.
Exercise period	June 30 th , 2005 - June 30 th , 2025

SSR issued July 2006 (stock compensation type)

Categories and numbers of persons to whom rights are granted (persons)	Directors of the Parent Company: 6 Employees of the Parent Company (executive officers): 12
Number and class of shares to be provided (shares)	Common stock:29,600
Date of issue	July 14 th , 2006
Conditions of settlement of rights	In principle, directors and executive officers of the Parent Company may exercise their stock acquisition rights after losing their positions.
Period grantees provide service in return for SOs	Because it is difficult to reasonably predict the date of rights allotment, the length of service shall not be considered.
Exercise period	July 15 th , 2006 - July 14 th , 2026

SSR issued July 2007 (stock compensation type)

Categories and numbers of persons to whom rights are granted (persons)	Directors of the Company: 6 Employees of the Parent Company (executive officers):12
Number and class of shares to be provided (shares)	Common stock:32,000
Date of issue	July 19 th , 2007
Conditions of settlement of rights	In principle, directors and executive officers of the Parent Company may exercise their stock acquisition rights after losing their positions.
Period grantees provide service in return for SOs	Because it is difficult to reasonably predict the date of rights allotment, the length of service shall not be considered.
Exercise period	July 20 th , 2007 - July 19 th , 2027

SSR issued July 2011 (stock compensation type)

Categories and numbers of persons to whom rights are granted (persons)	Directors of the Company: 6 Employees of the Parent Company (executive officers):2
Number and class of shares to be provided (shares)	Common stock:33,100
Date of issue	July 12 th , 2011
Conditions of settlement of rights	In principle, directors and executive officers of the Parent Company may exercise their stock acquisition rights after losing their positions.
Period grantees provide service in return for SOs	Because it is difficult to reasonably predict the date of rights allotment, the length of service shall not be considered.
Exercise period	July 13 th , 2011 - July 12 th , 2031

SSR issued July 2012 (stock compensation type)

Categories and numbers of persons to whom rights are granted (persons)	Directors of the Parent Company:7 Employees of the Parent Company (executive officers):2
Number and class of shares to be provided (shares)	Common stock:35,600
Date of issue	July 23 rd , 2012
Conditions of settlement of rights	In principle, directors and executive officers of the Parent Company may exercise their stock acquisition rights after losing their positions.
Period grantees provide service in return for SOs	Because it is difficult to reasonably predict the date of rights allotment, the length of service shall not be considered.
Exercise period	July 24 th , 2012 - July 23 rd , 2032

SSR issued July 2013 (stock compensation type)

Categories and numbers of persons to whom rights are granted (persons)	Directors of the Parent Company: 7 Employees of the Parent Company (executive officers):2
Number and class of shares to be provided (shares)	Common stock:35,100
Date of issue	July 22 nd , 2013
Conditions of settlement of rights	In principle, directors and executive officers of the Parent Company may exercise their stock acquisition rights after losing their positions.
Period grantees provide service in return for SOs	Because it is difficult to reasonably predict the date of rights allotment, the length of service shall not be considered.
Exercise period	July 23 rd , 2013 - July 22 nd , 2033

SSR issued July 2014 (stock compensation type)

Categories and numbers of persons to whom rights are granted (persons)	Directors of the Parent Company: 8 Employees of the Parent Company (executive officers): 2
Number and class of shares to be provided (shares)	Common stock:38,100
Date of issue	July 22 nd , 2014
Conditions of settlement of rights	In principle, directors and executive officers of the Parent Company may exercise their stock acquisition rights after losing their positions.
Period grantees provide service in return for SOs	Because it is difficult to reasonably predict the date of rights allotment, the length of service shall not be considered.
Exercise period	July 23 rd , 2014 - July 22 nd , 2034

SSR issued July 2015 (stock compensation type)

Categories and numbers of persons to whom rights are granted (persons)	Directors of the Parent Company: 8 Employees of the Parent Company (executive officers): 1
Number and class of shares to be provided (shares)	Common stock:36,100
Date of issue	July 22 nd , 2015
Conditions of settlement of rights	In principle, directors and executive officers of the Parent Company may exercise their stock acquisition rights after losing their positions.
Period grantees provide service in return for SOs	Because it is difficult to reasonably predict the date of rights allotment, the length of service shall not be considered.
Exercise period	July 23 rd , 2015 - July 22 nd , 2035

SSR issued July 2016 (stock compensation type)

Categories and numbers of persons to whom rights are granted (persons)	Directors of the Parent Company:8 Employees of the Parent Company (executive officers): 1
Number and class of shares to be provided (shares)	Common stock:37,000
Date of issue	July 21 st , 2016
Conditions of settlement of rights	In principle, directors and executive officers of the Parent Company may exercise their stock acquisition rights after losing their positions.
Period grantees provide service in return for SOs	Because it is difficult to reasonably predict the date of rights allotment, the length of service shall not be considered.
Exercise period	July 22 nd , 2016 - July 21 st , 2036

SSR issued July 2017 (stock compensation type)

Categories and numbers of persons to whom rights are granted (persons)	Directors of the Parent Company:7 Employees of the Parent Company (executive officers): 3
Number and class of shares to be provided (shares)	Common stock:41,900
Date of issue	July 24 th , 2017
Conditions of settlement of rights	In principle, directors and executive officers of the Parent Company may exercise their stock acquisition rights after losing their positions.
Period grantees provide service in return for SOs	Because it is difficult to reasonably predict the date of rights allotment, the length of service shall not be considered.
Exercise period	July 25 th , 2017 - July 24 th , 2037

SSR issued July 2018 (stock compensation type)

Categories and numbers of persons to whom rights are granted (persons)	Directors of the Parent Company:7 Employees of the Parent Company (executive officers):3
Number and class of shares to be provided (shares)	Common stock:42,300
Date of issue	July 23 rd , 2018
Conditions of settlement of rights	In principle, directors and executive officers of the Parent Company may exercise their stock acquisition rights after losing their positions.
Period grantees provide service in return for SOs	Because it is difficult to reasonably predict the date of rights allotment, the length of service shall not be considered.
Exercise period	July 24 th , 2018 - July 23 rd , 2038

SSR issued August 2019 (stock compensation type)

Categories and numbers of persons to whom rights are granted (persons)	Directors of the Parent Company:6 Employees of the Parent Company (executive officers):5
Number and class of shares to be provided (shares)	Common stock:44,200
Date of issue	August 2 nd , 2019
Conditions of settlement of rights	In principle, directors and executive officers of the Parent Company may exercise their stock acquisition rights after losing their positions.
Period grantees provide service in return for SOs	Because it is difficult to reasonably predict the date of rights allotment, the length of service shall not be considered.
Exercise period	August 3 rd , 2019 – August 2 nd , 2039

SSR issued July 2020 (stock compensation type)

Categories and numbers of persons to whom rights are granted (persons)	Directors of the Parent Company:6 Employees of the Parent Company (executive officers):5
Number and class of shares to be provided (shares)	Common stock:44,500
Date of issue	July 30 th , 2020
Conditions of settlement of rights	In principle, directors and executive officers of the Parent Company may exercise their stock acquisition rights after losing their positions.
Period grantees provide service in return for SOs	Because it is difficult to reasonably predict the date of rights allotment, the length of service shall not be considered.
Exercise period	July 31 st , 2020 – July 30 th , 2040

SSR issued July 2021 (stock compensation type)

Categories and numbers of persons to whom rights are granted (persons)	Directors of the Parent Company:6 Employees of the Parent Company (executive officers):5
Number and class of shares to be provided (shares)	Common stock:45,800
Date of issue	July 26 th , 2021
Conditions of settlement of rights	In principle, directors and executive officers of the Parent Company may exercise their stock acquisition rights after losing their positions.
Period grantees provide service in return for SOs	Because it is difficult to reasonably predict the date of rights allotment, the length of service shall not be considered.
Exercise period	July 27 th , 2021 – July 26 th , 2051

SSR issued July 2022 (stock compensation type)

Categories and numbers of persons to whom rights are granted (persons)	Directors of the Parent Company:6 Employees of the Parent Company (executive officers):5
Number and class of shares to be provided (shares)	Common stock:48,300
Date of issue	July 22 nd , 2022
Conditions of settlement of rights	In principle, directors and executive officers of the Parent Company may exercise their stock acquisition rights after losing their positions.
Period grantees provide service in return for SOs	Because it is difficult to reasonably predict the date of rights allotment, the length of service shall not be considered.
Exercise period	July 23 rd , 2022 – July 22 nd , 2052

SSR issued July 2023 (stock compensation type)

Categories and numbers of persons to whom rights are granted (persons)	Directors of the Parent Company:5 Employees of the Parent Company (executive officers):8
Number and class of shares to be provided (shares)	Common stock:53,800
Date of issue	July 24 th , 2023
Conditions of settlement of rights	In principle, directors and executive officers of the Parent Company may exercise their stock acquisition rights after losing their positions.
Period grantees provide service in return for SOs	Because it is difficult to reasonably predict the date of rights allotment, the length of service shall not be considered.
Exercise period	July 25 th , 2023 – July 24 th , 2053

(2) Scale and movement of stock options

[1] Numbers of stock options

	The 14 th SSR	The 15 th SSR	The 16 th SSR	The 17 th SSR
Non-exercisable SOs				
SOs outstanding at end of previous FY (shares)	-	-	-	-
SOs granted (shares)	-	-	-	-
Forfeitures (shares)	-	-	-	-
Conversion to exercisable SOs (shares)	-	-	-	-
SOs outstanding (shares)	-	-	-	-
Exercisable SOs				
SOs outstanding at end of previous FY (shares)	9,500	16,400	20,400	35,500
Conversion from non-exercisable SOs (shares)	-	-	-	-
SOs exercised (shares)	4,700	8,400	9,800	11,400
Forfeitures (shares)	4,800	-	-	-
SOs outstanding (shares)	-	8,000	10,600	24,100

	SSR issued June 2005 (stock compensation type)	SSR issued July 2006 (stock compensation type)	SSR issued July 2007 (stock compensation type)	SSR issued July 2011 (stock compensation type)	SSR issued July 2012 (stock compensation type)	SSR issued July 2013 (stock compensation type)	SSR issued July 2014 (stock compensation type)
Non-exercisable SOs							
SOs outstanding at end of previous FY (shares)	3,200	2,200	2,400	10,500	10,500	12,400	14,900
SOs granted (shares)	-	-	-	-	-	-	-
Forfeitures (shares)	-	-	-	-	-	-	-
Conversion to exercisable SOs (shares)	-	-	-	-	-	-	-
SOs outstanding (shares)	3,200	2,200	2,400	10,500	10,500	12,400	14,900
Exercisable SOs							
SOs outstanding at end of previous FY (shares)	-	-	-	-	-	-	-
Conversion from non-exercisable SOs (shares)	-	-	-	-	-	-	-
SOs exercised (shares)	-	-	-	-	-	-	-
Forfeitures (shares)	-	-	-	-	-	-	-
SOs outstanding (shares)	-	-	-	-	-	-	-

	SSR issued July 2015 (stock compensation type)	SSR issued July 2016 (stock compensation type)	SSR issued July 2017 (stock compensation type)	SSR issued July 2018 (stock compensation type)	SSR issued August 2019 (stock compensation type)	SSR issued July 2020 (stock compensation type)	SSR issued July 2021 (stock compensation type)
Non-exercisable SOs							
SOs outstanding at end of previous FY (shares)	20,600	21,500	28,300	28,700	35,200	35,500	39,600
SOs granted (shares)	-	-	-	-	-	-	-
Forfeitures (shares)	-	-	-	-	-	-	-
Conversion to exercisable SOs (shares)	-	-	2,400	2,400	5,200	5,200	5,600
SOs outstanding (shares)	20,600	21,500	25,900	26,300	30,000	30,300	34,000
Exercisable SOs							
SOs outstanding at end of previous FY (shares)	-	-	-	-	-	-	-
Conversion from non- exercisable SOs (shares)	-	-	2,400	2,400	5,200	5,200	5,200
SOs exercised (shares)	-	-	2,400	2,400	5,200	5,200	5,200
Forfeitures (shares)	-	-	-	-	-	-	-
SOs outstanding (shares)	-	-	-	-	-	-	-

	SSR issued July 2022 (stock compensation type)	SSR issued July 2023 (stock compensation type)
Non-exercisable SOs		
SOs outstanding at end of previous FY (shares)	41,800	53,800
SOs granted (shares)	-	-
Forfeitures (shares)	-	1,400
Conversion to exercisable SOs (shares)	6,000	4,600
SOs outstanding (shares)	35,800	47,800
Exercisable SOs		
SOs outstanding at end of previous FY (shares)	-	-
Conversion from non- exercisable SOs (shares)	6,000	4,600
SOs exercised (shares)	6,000	4,600
Forfeitures (shares)	-	1,400
SOs outstanding (shares)	-	-

[2] Price information

	The 14 th SSR	The 15 th SSR	The 16 th SSR	The 17 th SSR
Paid-in value (yen)	3,950	4,073	3,075	3,655
Average market price of the stock at the time of exercise (yen)	11,099	9,930	9,560	9,811
Fair value at the date of grant (yen)	862	611	568	917

	SSR issued June 2005 (stock compensation type)	SSR issued July 2006 (stock compensation type)	SSR issued July 2007 (stock compensation type)	SSR issued July 2011 (stock compensation type)	SSR issued July 2012 (stock compensation type)	SSR issued July 2013 (stock compensation type)	SSR issued July 2014 (stock compensation type)
Paid-in value (yen)	1	1	1	1	1	1	1
Average market price of the stock at the time of exercise (yen)	-	-	-	-	-	-	-
Fair value at the date of grant (yen)	-	4,944	4,046	1,431	1,036	1,957	1,672

	SSR issued July 2015 (stock compensation type)	SSR issued July 2016 (stock compensation type)	SSR issued July 2017 stock compensation type)	SSR issued July 2018 stock compensation type)	SSR issued August 2019 stock compensation type)	SSR issued July 2020 stock compensation type)	SSR issued July 2021 stock compensation type)
Paid-in value (yen)	1	1	1	1	1	1	1
Average market price of the stock at the time of exercise (yen)	-	-	11,415	11,415	11,415	11,415	11,415
Fair value at the date of grant (yen)	2,129	2,022	3,182	2,841	1,986	2,860	3,367

	SSR issued July 2022 (stock compensation type)	SSR issued July 2023 (stock compensation type)
Paid-in value (yen)	1	1
Average market price of the stock at the time of exercise (yen)	11,415	11,415
Fair value at the date of grant (yen)	2,572	4,705

4. Valuation of fair value of stock options granted during FY

Not applicable.

5. Estimation of the number of stock options vested

Because it is fundamentally difficult to reasonably estimate the future number of forfeitures, the Company adopts a method which utilizes only historical data for the number of forfeitures.

(Restricted stock compensation)

The Company adopts a restricted stock compensation plan as compensation for directors, etc. In accordance with Article 202-2 of the Companies Act, this transaction is not a transaction in which shares are issued without requiring payment of money as remuneration for directors, etc. Therefore, the Company's plan is not applicable to a practical solution called "Transactions that Grant Shares as Compensation for Directors" (ASBJ Practical Solution No. 41, January 28th, 2021).

1. Amounts and accounts of expenses recorded for restricted stock compensation

	FY2024/3 (April 1 st , 2023- March 31 st , 2024)	FY2025/3 (April 1 st , 2024- March 31 st , 2025)
General and Administrative expenses	¥52 million	¥50 million

2. Details of restricted stock compensation

	Restricted stock compensation issued July 2021 (stock compensation type)
Categories and numbers of persons to whom rights are granted (persons)	Directors of the Parent Company: 7 Employees of the Parent Company: 21 Directors of subsidiaries: 5 Employees of subsidiaries: 1
Number and class of restricted stocks to be provided (shares)	Common stock: 8,240
Date of issue	July 26 th , 2021
Restricted period	July 26 th , 2021 - July 25 th , 2024 *Note 1
Condition for lifting the restriction	* Note 2

	Restricted stock compensation issued August 2022 (stock compensation type)
Categories and numbers of persons to whom rights are granted (persons)	Directors of the Parent Company: 7 Employees of the Parent Company: 21 Directors of subsidiaries: 5 Employees of subsidiaries: 1
Number and class of restricted stocks to be provided (shares)	Common stock: 16,480
Date of issue	August 17 th , 2022
Restricted period	August 17 th , 2022 – August 16 th , 2025 *Note 1
Condition for lifting the restriction	* Note 2

	Restricted stock compensation issued July 2023 (stock compensation type)
Categories and numbers of persons to whom rights are granted (persons)	Directors of the Parent Company: 6 Employees of the Parent Company: 19 Directors of subsidiaries: 6 Employees of subsidiaries: 1
Number and class of restricted stocks to be provided (shares)	Common stock: 7,940
Date of issue	July 24 th , 2023
Restricted period	July 24 th , 2023 – July 23 rd , 2026 *Note 1
Condition for lifting the restriction	* Note 2

Notes:

- During the restricted transfer period set forth above, an allottee may not transfer, pledge, grant a security interest in, or bequeath to a third party any of the restricted transferable shares allotted to such allottee (hereinafter referred to as the "Allotted Shares") to any third party.
- The Company may grant all of the Allotted Shares to a Director who has received an allotment of the Restricted Stocks on the condition that he/she has continuously held the position of Director, Corporate auditor, executive officer or employee of the Company or its affiliates from the commencement date of the Restricted Period until the first Ordinary General Meeting of Shareholders of the Company to be held on or after the Restricted Period. However, in the event that the subject director resigns or retires from any of the positions of director, corporate auditor, executive officer or employee of the Company or its affiliates before the expiration of the Restriction Period for reasons deemed justifiable by the Board of Directors of the Company, the number of shares to be transferred and the timing of the cancellation of the Restriction shall be reasonably adjusted as necessary.

3. Scale and movement of Restricted stock compensation

[1] Numbers of stocks

	Restricted stock compensation issued July 2021	Restricted stock compensation issued August 2022	Restricted stock compensation issued July 2023
Outstanding restricted stocks at end of previous FY (shares)	7,880	15,760	7,940
Restricted stocks granted (shares)	-	-	-
Forfeitures (shares)	-	-	-
Conversion from non-exercisable Restricted stocks (shares)	7,880	-	-
Outstanding restricted stocks at end of current FY (shares)	-	15,760	7,940

[2] Price information

	Restricted stock compensation issued July 2021	Restricted stock compensation issued August 2022	Restricted stock compensation issued July 2023
Fair value at the date of grant (yen)	4,860	4,645	8,180

4. Method of estimating fair valuation unit price

In order to eliminate arbitrariness, the fair valuation unit price is the closing price of the Company's common stock on the Tokyo Stock Exchange on the business day immediately preceding the date of resolution by the Board of Directors of the Company.

5. Method of estimating the number of shares to be vested

Since it is difficult to reasonably estimate the number of shares to be forfeited in the future, the Company adopts a method that reflects only the actual number of shares to be forfeited.

(Performance-linked stock compensation "Board Benefit Trust (BBT)")

Based on a resolution of the Company's 101st Annual General Meeting of shareholders held on June 21st, 2024, The Company has adopted a performance-linked stock compensation plan called the Board Benefit Trust (BBT) for the Company's Directors (excluding Directors serving as Audit and Supervisory Committee Members and External Directors), Executive Officers, as well as some Directors (excluding External Directors) and Executive Officers of the Company's subsidiaries and affiliated companies to raise awareness of contributing to an improvement in business performance and an increase in corporate value over the medium to long term by further clarifying the link between Director remuneration and the Company's business performance and share value, and enabling Directors to share not only the benefits of rising share prices but also the risks of declining share prices together with shareholders.

The overview of the compensation system is described in the preceding "Section 4 [Corporate Information] - 1 [Information on the Company's shares] - (8) Details of the Stock Ownership System for Directors and Employees." Since this system involves the delivery of shares or payment of cash as remuneration, there is no exercise price. In accordance with the Share Compensation Regulations for Officers, the estimated amount of the Company's shares to be granted to the persons eligible under this system is recognized as an expense.

1. Outline of the Plan

In accordance with the Share Compensation Regulations for Officers, the estimated amount of the Company's shares to be granted to the persons eligible under this system is recognized as an expense. The amount of stock compensation recognized as an expense for FY2025/3 was ¥313 million.

(Tax effect accounting)

1. Significant components of deferred tax assets and liabilities

MJPY

	FY2024/3 (March 31 st , 2024)	FY2025/3 (March 31 st , 2025)
Deferred tax assets		
Tangible fixed assets	2,145	1,667
Inventories	693	1,043
Net defined benefit liabilities	407	259
Securities contribution to employees' retirement benefits trust	1,157	1,186
Provision for employees' bonuses	662	655
Tax loss carried forward *2	480	412
Investment Securities	186	178
Share subscription rights	312	289
Accrued expense	411	573
Accrued enterprise tax	171	308
Provision for loss on litigation	294	-
Others	554	620
Subtotal of Deferred tax assets	7,477	7,195
Valuation allowance (mainly from the future deductible temporary differences)	- 1,408	- 435
Valuation allowance (from Tax loss carried forward) *2	- 480	- 412
Total Valuation allowance	- 1,889	- 848
Total Deferred tax assets	5,588	6,347
Deferred tax liabilities		
Undistributed earnings of foreign subsidiaries	- 961	- 1,067
Gain on securities contribution to employees' retirement benefits trust	- 47	- 34
Net defined benefit assets	- 547	- 450
Asset retirement cost	- 28	- 28
Holding gain or loss in investment	- 436	- 454
Others	- 156	- 205
Total deferred tax liabilities	- 2,178	- 2,242
Net deferred tax assets(or liabilities)	3,410	4,104

Notes:

1. Total Valuation allowance for FY2025/3 decrease by ¥973 million owing to a decrease in the valuation allowance for land through the sale of land by the Parent Company, and the reversal of the provision for litigation losses.

2. Tax loss carryforwards and their deferred tax asset carryforwards by expiration date

FY2024/3 (March 31st, 2024)

MJPY

	Less than 1 year	1-2 years	2 - 3 years	3 - 4 years	4 - 5 years	Over 5 years	Total
Tax loss carried forward	80	39	39	-	28	292	480
Valuation allowance	- 80	- 39	- 39	-	- 28	- 292	- 480
Deferred tax assets	-	-	-	-	-	-	-

FY2025/3 (March 31st, 2025)

MJPY

	Less than 1 year	1-2 years	2 - 3 years	3 - 4 years	4 - 5 years	Over 5 years	Total
Tax loss carried forward	39	39	-	28	38	266	412
Valuation allowance	- 39	- 39	-	- 28	- 38	- 266	- 412
Deferred tax assets	-	-	-	-	-	-	-

2. Reconciliations between the effective corporate tax rates reflected in the consolidated financial statements and the statutory tax rate

	FY2024/3 (March 31 st , 2024)	FY2025/3 (March 31 st , 2025)
Statutory tax rate of the Parent Company (Reconciliation)	30.62%	30.62%
Effect by special tax credits	- 3.88%	- 3.67%
Effect by differences of corporate tax rate between the Parent Company and consolidated subsidiaries	- 0.88%	- 1.07%
Change in valuation allowance	0.41%	- 2.04%
Effect by Tax audit and others	0.56%	-
Inhabitant tax on per capita basis	0.23%	0.18%
Permanent differences in accounting such as entertainment fee	0.58%	0.59%
Others	0.95%	0.28%
Effective corporate tax rate	28.59%	24.89%

3. Accounting for Income taxes and Local income taxes or Tax effect accounting for these taxes

The Parent Company and its domestic consolidated subsidiaries adopt the Group tax sharing system. In accordance with “Practical Solution on the Accounting and Disclosure Under the Group Tax Sharing System” (ASBJ Practical Solution No.42, August 12th, 2021), the Parent Company and its domestic consolidated subsidiaries account for income taxes and local corporate taxes, or tax effect accounting related to these taxes, and disclose such taxes.

4. Accounting treatment of corporate income tax and local corporate income tax, or accounting treatment of tax effects related to these taxes

In accordance with revisions to tax laws, deferred tax assets and deferred tax liabilities related to temporary differences expected to be resolved in the fiscal year beginning on or after April 1st, 2026, have been calculated using a statutory effective tax rate of 31.51%, an increase from 30.62%. As a result of this change, Deferred tax assets (after deduction of deferred tax liabilities) for FY2025/3 increased by ¥81 million, and Adjustment on income tax decreased by ¥81 million.

(Asset retirement obligations)

Notes are omitted because the total amount of asset retirement obligations is immaterial.

(Revenue Recognition)

1. Information disaggregating revenue from contracts with customers

A table below shows net sales broken down by revenue recognition period and their relationship to net sales in each segment.

The Group has two reportable segments, "SPE" and "Metrology Equipment."

The Group recognizes revenue broken down into two categories: "Goods transferred at a certain point in time" and "Goods transferred over a certain period of time".

FY2024/3 (April 1st, 2023 - March 31st, 2024)

MJPY

	Reportable Segments		Total
	SPE	Metrology Equipment	
Goods transferred at a certain point in time	99,902	34,401	134,303
Goods transferred over a certain period of time	152	223	376
Revenue arisen from contract with customer	100,055	34,624	134,680

FY2025/3 (April 1st, 2024 - March 31st, 2025)

MJPY

	Reportable Segments		Total
	SPE	Metrology Equipment	
Goods transferred at a certain point in time	113,413	36,816	150,230
Goods transferred over a certain period of time	67	236	304
Revenue arisen from contract with customer	113,481	37,053	150,534

2. Information that provides a basis for understanding revenue arising from contracts with customers

Please refer to preceded section "(Basis of Presenting Consolidated Financial Statements) - 4. Significant accounting policies -(5) Significant Accounting Method for revenue and expenses recognition."

3. Information about the relationship between the satisfaction of performance obligations under contracts with customers and cash flows from such contracts, and the amount and timing of revenue expected to be recognized from contracts with customers that existed at the end of the current fiscal year and are expected to be recognized in the following fiscal year

[1] Outstanding Contract Assets and Contract liabilities

FY2024/3 (April 1st, 2023 - March 31st, 2024)

MJPY

	Opening balance	Closing balance
Claims arising from contracts with customers		
Trade notes	341	281
Accounts receivable	34,718	35,216
Electronically recorded monetary claims	7,002	7,303
Contract Assets	1,342	-
Total	43,403	42,801
Contract Liabilities	8,703	9,981

Note: Contract liabilities relate primarily to advances received from customers based on payment terms in sales contracts with customers. Contract liabilities are reversed upon recognition of revenue. The amount of revenue recognized in FY2024/3 that was included in the contract liability balance at the beginning of the period was ¥7,451 million.

FY2025/3 (April 1st, 2024 - March 31st, 2025)

MJPY

	Opening balance	Closing balance
Claims arising from contracts with customers		
Trade notes	281	153
Accounts receivable	35,216	32,460
Electronically recorded monetary claims	7,303	6,687
Contract Assets	-	508
Total	42,801	39,809
Contract Liabilities	9,981	6,789

Note: Contract liabilities relate primarily to advances received from customers based on payment terms in sales contracts with customers. Contract liabilities are reversed upon recognition of revenue. The amount of revenue recognized in FY2025/3 that was included in the contract liability balance at the beginning of the period was ¥9,460 million.

[2] Transaction price allocated to remaining performance obligations

Since there are no material transactions in the Group's contract liability balances with performance obligation terms longer than one year, the practically expedient method is applied and no information regarding residual performance obligations is disclosed. In addition, there are no material amounts of consideration arising from contracts with customers that are not included in the transaction price.

(Segment information)

1. Overview of reportable segments

(1) Method of defining reportable segments

The reportable segments of the Company are the business segments for which separate financial information can be obtained and are at the level where the Company's board of directors conducts periodic reviews leading to the allocation of resources and evaluation of business performance.

The Company consists of internal companies known as the Semiconductor Company and the Metrology Company, and each company's products and services are managed under comprehensive strategies inside and outside of Japan.

Therefore, the Company defines "SPE" and "Metrology instrument" as reportable segments based on the intercompany system and their outputs.

The "SPE" consists of manufacturing and sales of process and inspection equipment to be applied to Semiconductor Manufacturing Processes and the "Metrology Equipment" consists of manufacturing and sales of precision measurement equipment such as 3D coordinate measuring machines and surface texture and contour measuring instruments.

(2) Primary products of each reportable segment

SPE segment:	Wafer probing machines, wafer dicing machines, polish grinders, Wafer manufacturing machines, CMPs, precision dicing blades
Metrology segment:	3D coordinates measuring machines, roundness and cylindrical profile Measuring instruments, surface texture and contour measuring Instruments, machine control gauges, various automated measuring, sorting and assembling machines

2. Method of calculation of sales, profit/loss, assets/liabilities and/or others in reportable segments

The method of calculating segment results is mostly the same as applied to the consolidated financial statements. Therefore, segment profit is based on consolidated operating profit.

3. Net sales, profit/loss, assets/liabilities and/or others in reportable segments

FY2024/3 (April 1st, 2023 - March 31st, 2024)

MJPY

	Reportable Segments			Adjustment *1	Consolidated Total *2
	SPE	Metrology Equipment	Total		
Sales					
Sales to third party:	100,055	34,624	134,680	—	134,680
Intersegment sales to transfer	—	—	—	—	—
Total	100,055	34,624	134,680	—	134,680
Segment Profit	19,899	5,408	25,307	—	25,307
Segment Assets	169,359	54,928	224,288	1,236	225,524
Others					
Depreciation and amortization	3,411	1,262	4,673	—	4,673
Amortization of goodwill	9	45	54	—	54
Increase in tangible / intangible Fixed assets	8,652	2,949	11,602	—	11,602

Notes

*1: adjustment for corporate assets which are not allotted to the segments such as long-term investments (other investment securities)

*2: Segment profit is same amount as operating income stated in the consolidated financial statements.

FY2025/3 (April 1st, 2024 - March 31st, 2025)

MJPY

	Reportable Segments			Adjustment *1	Consolidated Total *2
	SPE	Metrology Equipment	Total		
Sales					
Sales to third party:	113,481	37,053	150,534	—	150,534
Intersegment sales to transfer	—	—	—	—	—
Total	113,481	37,053	150,534	—	150,534
Segment Profit	24,311	5,392	29,703	—	29,703
Segment Assets	179,567	56,960	236,528	1,424	237,952
Others					
Depreciation and amortization	3,670	1,435	5,105	—	5,105
Amortization of goodwill	9	39	49	—	49
Increase in tangible / intangible Fixed assets	6,590	3,655	10,245	—	10,245

Notes

*1: adjustment for corporate assets which are not allotted to the segments such as long-term investments (other investment securities)

*2: Segment profit is same amount as operating income stated in the consolidated financial statements.

(Related Information)

FY2024/3 (April 1st, 2023 - March 31st, 2024)

1. Information per each product and service

Data for this period is intentionally omitted because the same information is disclosed in “segment information”.

2. Information per geographical segment

(1) Sales

MJPY

Japan	East Asia					South East Asia	Other Areas	Total
	China	Taiwan	Korea	Other	Total			
41,357	44,195	10,210	7,331	11	61,748	11,466	20,107	134,680

Note: Country segments are determined based on the country where the customer is located.

(2) Tangible fixed assets

MJPY

Japan	Taiwan	Other Areas	Total
48,854	3,454	3,688	55,997

3. Transaction with Significant Customers

There is no third party which exceeds over 10% of total sales accounted on Consolidated Statements of Income.

FY2025/3 (April 1st, 2024 - March 31st, 2025)

1. Information per each product and service

Data for this period is intentionally omitted because the same information is disclosed in “segment information”.

2. Information per geographical segment

(1) Sales

MJPY

Japan	East Asia					South East Asia	Other Areas	Total
	China	Taiwan	Korea	Other	Total			
38,185	51,391	17,030	13,530	1	81,954	13,973	16,421	150,534

Note: Country segments are determined based on the country where the customer is located.

(2) Tangible fixed assets

MJPY

Japan	Taiwan	Other Areas	Total
44,033	3,320	6,621	53,975

3. Transaction with Significant Customers

There is no third party which exceeds over 10% of total sales accounted on Consolidated Statements of Income.

(Impairment losses on fixed assets per each reportable segment)

FY2024/3 (April 1st, 2023 - March 31st, 2024)

Not Applicable.

FY2025/3 (April 1st, 2024 - March 31st, 2025)

Not Applicable.

(Amortization and closing balance of goodwill per each reportable segment)

FY2024/3 (April 1st, 2023 - March 31st, 2024)

MJPY

	Reportable Segments			Consolidation and elimination	Total
	SPE	Metrology Equipment	Total		
Closing balance	14	240	255	-	255

Note: The amortization of goodwill is intentionally omitted because the same information is disclosed in “segment information”.

FY2025/3 (April 1st, 2024 - March 31st, 2025)

MJPY

	Reportable Segments			Consolidation and elimination	Total
	SPE	Metrology Equipment	Total		
Closing balance	6	218	224	-	224

Note: The amortization of goodwill is intentionally omitted because the same information is disclosed in “segment information”.

(Gain on negative goodwill per each reportable segment)

Not applicable.

(Related parties' information)

1. Related party transactions

FY2024/3 (April 1st, 2023 - March 31st, 2024)

(1) Transactions between a consolidated subsidiary of the Parent Company and related parties

Director or principal shareholder (limited to individual) of the Parent Company

Type	Name of related parties or person	Location	Common Stock (MJPY)	Type of business or occupation	% of voting rights held by Company (holding Company)	Detail of Relationship	Detail of Transaction	Transaction amount (MJPY)	Account	Closing Balance (MJPY)
Director	Yoshida Htoshi	-	-	Representative director of the Parent Company	(holding company) Direct, 0.00	-	Exercise of Stock Option	22	-	-
Director	Kimura Ryuichi	-	-	Representative director of the Parent Company	(holding company) Direct, 0.00	-	Exercise of Stock Option	22	-	-
Director	Kawamura Koichi	-	-	Representative director of the Parent Company	(holding company) Direct, 0.00	-	Exercise of Stock Option	13	-	-
Director	Hokida Takahiro	-	-	Director of the Parent Company	(holding company) Direct, 0.00	-	Exercise of Stock Option	11	-	-
Director	Pradhan Romi	-	-	Director of the Parent Company	(holding company) Direct, 0.00	-	Exercise of Stock Option	10	-	-

Note: The 14th, 15th, 16th, and the 17th of SSRs are stated as exercised in FY2024/3. The transaction amount is the amount obtained by multiplying the number of shares granted by the exercise of stock options in FY2024/3 by the amount to be paid in.

Directors and his/her related persons of the Company's significant subsidiary companies

Type	Name of related parties or person	Location	Common Stock (MJPY)	Type of business or occupation	% of voting rights held by Company (holding Company)	Detail of Relationship	Detail of Transaction	Transaction amount (MJPY)	Account	Closing Balance (MJPY)
Director of subsidiary company	Tomoeda Masahiro	-	-	Representative Director of subsidiary company	(holding company) Direct, 0.00	-	Exercise of Stock Option	14	-	-
Director of subsidiary company	Hao Chen	-	-	Director of subsidiary company	(holding company) Direct, 0.00	-	Exercise of Stock Option	10	-	-
Director of subsidiary company	Tee Keng Hooi	-	-	Representative Director of subsidiary company	(holding company) Direct, 0.00	-	Exercise of Stock Option	10	-	-

Note: The 14th, 15th, 16th, and the 17th of SSRs are stated as exercised in FY2024/3. The transaction amount is the amount obtained by multiplying the number of shares granted by the exercise of stock options in FY2024/3 by the amount to be paid in.

FY2025/3 (April 1st, 2024 - March 31st, 2025)

(1) Transactions between a consolidated subsidiary of the Parent Company and related parties

Director or principal shareholder (limited to individual) of the Parent Company
Not Applicable.

Directors and his/her related persons of the Company's significant subsidiary companies

Type	Name of related parties or person	Location	Common Stock (MJPY)	Type of business or occupation	% of voting rights held by Company (holding Company)	Detail of Relationship	Detail of Transaction	Transaction amount (MJPY)	Account	Closing Balance (MJPY)
Director of subsidiary company	Bonatz Wolfgang	-	-	Representative Director of subsidiary company	(holding company) Direct, 0.00	-	Exercise of Stock Option	10	-	-

Note: The 15th, 16th, and the 17th of SSRs are stated as exercised in the period. The transaction amount is the amount obtained by multiplying the number of shares granted by the exercise of stock options in FY2025/3 by the amount to be paid in.

2. Notes for Significant affiliates
Not applicable.

(Per share information)

FY2024/3 (April 1 st , 2023-March 31 st , 2024)			FY2025/3 (April 1 st , 2024 - March 31 st , 2025)		
Net assets per share	3,875.32	yen	Net assets per share	4,305.52	yen
Earnings per share	480.49	yen	Earnings per share	633.75	yen
Diluted earnings per share	475.42	yen	Diluted earnings per share	628.31	yen

Notes 1: The Company's shares held by the Trust for Board Benefit Trust(BBT) (200,000 shares for the FY2025/3), which are recorded as treasury shares in shareholders' equity, are included in the treasury shares deducted from the average number of shares during the period for the purpose of calculating Net profit per share for the FY2025/3.

2. Basis for calculations of Net profit per share and diluted Net profit in per share

Item	FY2024/3 (April 1 st , 2023- March 31 st , 2024)	FY2025/3 (April 1 st , 2024- March 31 st , 2025)
Basic Net profit per share		
Net profit attributable to owners of the parent (MJPY)	19,378	25,637
Amount not attributed to common shareholders (MJPY)	-	-
Net profit attributable to common shares (MJPY)	19,378	25,637
Average number of shares of common stock during the FY (shares)	40,331,290	40,453,797
Diluted Net profit per share		
Details of adjusted Net profit (MJPY)	-	-
Details of increase in common stock (shares)	430,153	350,017
(SSR (shares))	(430,153)	(350,017)
Securities excluded the calculation of diluted Net profit per share due to lack of dilutive effects	-	-

3. Basis for calculations of Net assets per share

Item	FY2024/3 (March 31 st , 2024)	FY2025/3 (March 31 st , 2025)
Total in the Net assets column of the consolidated balance sheet (MJPY)	158,427	176,229
Amounts to be excluded from Net assets(MJPY)	1,866	2,007
(SSR(MJPY))	(1,082)	(950)
(Minority interest (MJPY))	(784)	(1,056)
Net assets as at end of FY available to common shareholders (MJPY)	156,560	174,221
Number of common stock shares used to calculate net assets per share (shares)	40,399,323	40,464,792

(Significant subsequent events)

Not applicable.

[5] Consolidated supplemental statement

(Statement of bonds payable)

Not applicable.

(Schedule of borrowings)

Category	Balance at beginning of FY (MJPY)	Balance at end of FY (MJPY)	Average interest rate (%)	Repayment term
Short-term debt	1,300	1,300	1.30	-
Long-term debt scheduled to be paid within 1 year	5,000	5,000	1.21	-
Lease obligation scheduled to be paid within 1 year	228	327	1.66	-
Long-term debt (exclude current portion)	18,000	13,000	1.18	June. 25 th , 2026– Dec. 25 th , 2028
Lease obligation (exclude current portion)	642	456	1.93	May 31 st , 2026– Nov. 21 st , 2029
Total	25,171	20,084	-	-

Notes

1. The “Average interest rate” represents the weighted-average rate applicable to the year-end balance.
2. The amounts of the long-term debt (exclude current portion) that are scheduled to be paid within the 5 years following consolidated settlement date are as follows:

Category	1-2 years (MJPY)	2-3 years (MJPY)	3-4 years (MJPY)	4-5years (MJPY)
Long-term loans payable	5,000	5,000	3,000	-
Lease obligation	236	102	65	51
Total	5,236	5,102	3,065	51

(Detail of Asset Retirement Obligations)

Detail of Asset Retirement Obligations is intentionally omitted as allowed in the “Ordinance on Terminology, Forms, and Preparation Methods of Consolidated Financial Statements”, section 92-2, because total amounts of each as at the beginning and end of the fiscal term is less than 1/100 of Total liabilities and Net assets.

(2) Others

Quarterly business result of the consolidated FY2025/3

(Accumulated period)	1 st Quarter	2 nd Quarter	3 rd Quarter	4 th Quarter
Quarterly Net Sales (MJPY)	29,626	71,439	103,137	150,534
Quarterly income before income taxes and minority interests (MJPY)	4,339	17,652	24,127	34,275
Quarterly Net profit attributable to Owners of the parent (MJPY)	3,554	13,550	18,125	25,637
Quarterly Net profit per share (yen)	87.89	335.01	448.08	633.75

(Non-accumulated period)	1 st Quarter	2 nd Quarter	3 rd Quarter	4 th Quarter
Quarterly Net profit per share (yen)	87.89	247.09	113.07	185.67

Notes

1. Review of financial information for the accumulated 1st quarter and 3rd quarter: None
2. The Company's shares held by the Trust Board Benefit Trust(BBT), are included in the treasury shares deducted from the average number of shares during the period for the purpose of calculating Net profit per share.

End of Summary