ACCRETECH

INTEGRATED REPORT 2025

Tokyo Seimitsu Co., Ltd.

Introduction

Integration

Precision Measuring Instruments × Semiconductor Manufacturing Equipment

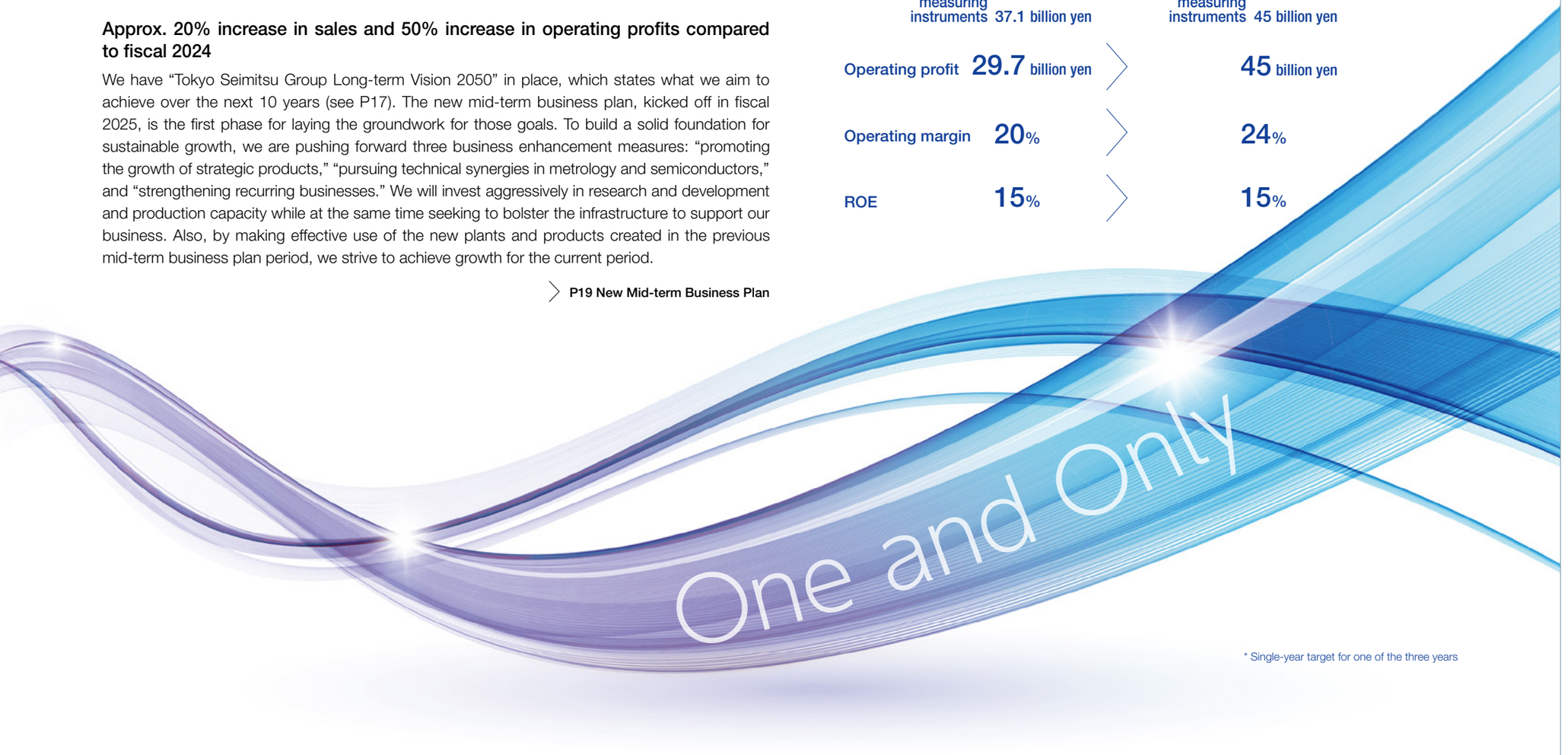
First Phase Aimed to Keep Growing Steadily for Three Years toward Long-term Goals

Approx. 20% increase in sales and 50% increase in operating profits compared to fiscal 2024

We have “Tokyo Seimitsu Group Long-term Vision 2050” in place, which states what we aim to achieve over the next 10 years (see P17). The new mid-term business plan, kicked off in fiscal 2025, is the first phase for laying the groundwork for those goals. To build a solid foundation for sustainable growth, we are pushing forward three business enhancement measures: “promoting the growth of strategic products,” “pursuing technical synergies in metrology and semiconductors,” and “strengthening recurring businesses.” We will invest aggressively in research and development and production capacity while at the same time seeking to bolster the infrastructure to support our business. Also, by making effective use of the new plants and products created in the previous mid-term business plan period, we strive to achieve growth for the current period.

P19 New Mid-term Business Plan

	FY2024 Results	(FY2025-2027) Single year*
Net sales	150.5 billion yen	185 billion yen
Semiconductor manufacturing equipment	113.5 billion yen	140 billion yen
Precision measuring instruments	37.1 billion yen	45 billion yen
Operating profit	29.7 billion yen	45 billion yen
Operating margin	20%	24%
ROE	15%	15%



* Single-year target for one of the three years

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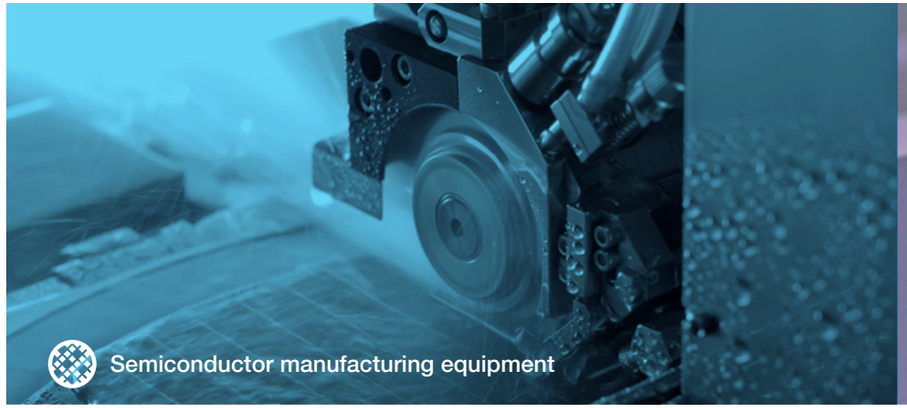
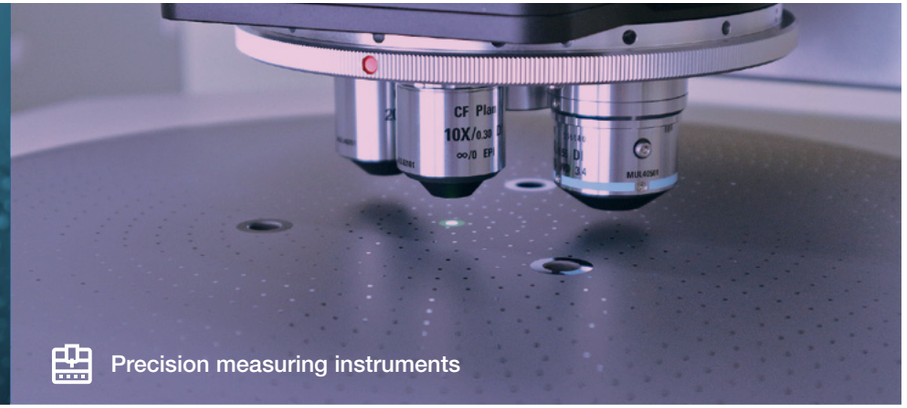
Tokyo Seimitsu's DNA and Mission

Providing the Highest-level Technology to Achieve the World's No.1 Manufacturing

WIN-WIN relationships create the world's No.1 products





Our mission is to keep growing together with our customers to achieve the world's best manufacturing. Breakthrough technologies are needed to realize next-generation products and bring them to market. We provide precision measuring instruments and semiconductor manufacturing equipment that leverage the world-class technological expertise we have cultivated over more than 70 years since our founding, offering new possibilities for our customers' manufacturing operations.

"No Measurement, no Manufacturing"

"Measurement" is an essential process in any manufacturing activity. Based on the concept of "No Measurement, no Manufacturing," we support the development of industries around the world with our ultra-high-precision, high-speed measurement technology that can be used for all kinds of objects. The precision measurement capabilities also support the evolution of semiconductors in terms of high performance and miniaturization. We contribute to affluence in people's lives and a new future by supporting cutting-edge technologies.

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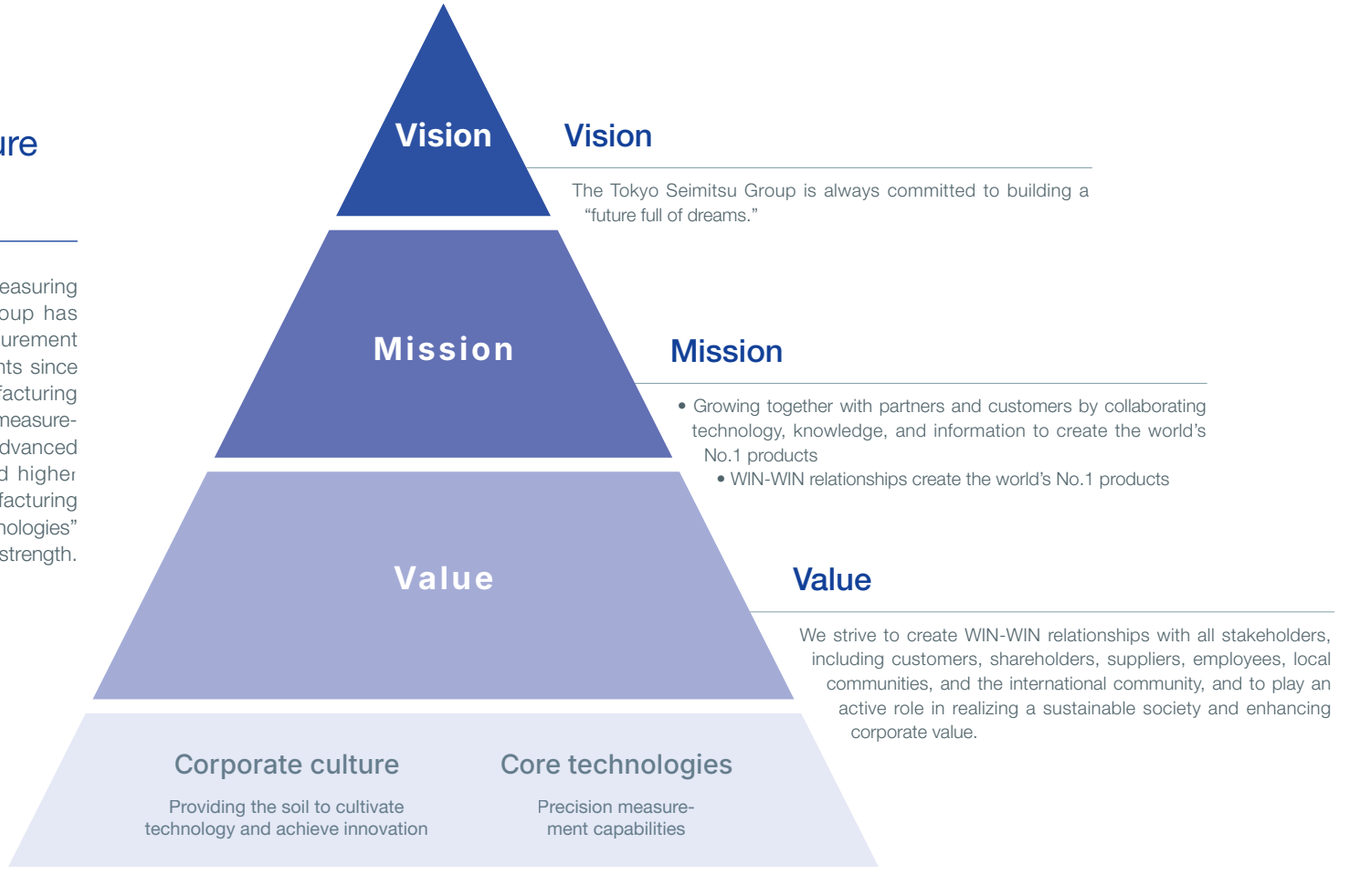
Tokyo Seimitsu's Aspirations

We aim to realize a "future full of dreams" through the fusion of technology, wisdom, and information from all over the world, inheriting the "soil to cultivate technology and achieve innovation," which we have handed down since the Company's founding

Purpose

Gaging the future with Metrology, Creating the future with Semiconductors

Starting as a company engaged in precision measuring instruments business, the Tokyo Seimitsu Group has been providing industries with advanced measurement technology-based precision measuring instruments since its inception. Also, in the semiconductor manufacturing equipment business, we have been utilizing our measurement technology to respond to the needs for advanced miniaturization, three-dimensional design, and higher efficiency. Being "the only semiconductor manufacturing equipment manufacturer with measurement technologies" makes us unique and serves as the source of our strength.



Corporate Brand

ACCRETECH

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

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At a Glance

The Only Semiconductor Manufacturing Equipment Manufacturer That Possesses Measurement Technologies As Well

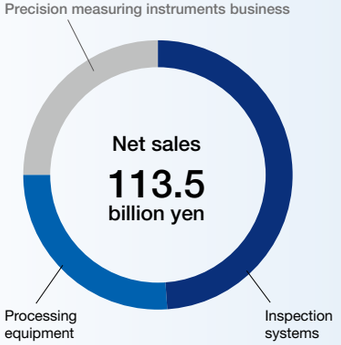
Refining “precision measurement capabilities,” which are our core technologies, and leveraging high-precision positioning technology, we have provided a vast range of semiconductor manufacturing equipment covering various processes from wafer fabrication to back-end processing.
Taking advantage of the strength of being the only semiconductor manufacturing equipment manufacturer with measurement technologies, we stay committed to providing excellent products.

Portfolio

Semiconductor manufacturing equipment business

We provide semiconductor manufacturing equipment for wafer fabrication and processing as well as for testing, grinding, cutting, and other individual operations in the semiconductor manufacturing process. We support customers in building an optimal production system in the semiconductor manufacturing process.

Precision measuring instruments business



“Measuring, cutting, grinding, and polishing” semiconductors

● Inspection systems

These systems are used to inspect semiconductors in each manufacturing process to check whether the appropriate level of quality is maintained, in order to ensure the reliability of semiconductors. The Tokyo Seimitsu Group has an advantage particularly in the testing of electrical characteristic of semiconductor chips.

High-performance probing machine for 300-mm wafers
AP3000/AP3000e

Top share of the global market
(based on our research)

Probing machine

This machine has a high-precision positioning mechanism to measure and inspect the electrical characteristics of chips on wafers

● Processing equipment

We provide many types of manufacturing equipment for three semiconductor manufacturing processes — “silicon wafer fabrication,” “front-end processing,” and “back-end processing” — leveraging “precision measurement capabilities,” which are our core technologies.

Full-automatic high rigid 3-axis grinder
HRG3000RM

Polish grinder

This machine grinds the front and rear surfaces of wafers with high precision and then polishes the surfaces to make them flat and smooth

Edge grinder

An edge grinder is a grinding machine dedicated to processing the edges of a semiconductor wafer. It prevents the wafer from having chipped parts and cracks by rounding or chamfering its edges

High rigid grinder

Featuring a highly rigid structure, this machine enables high-speed and low-damage grinding of substrates made of difficult-to-cut materials, such as SiC and GaN, or hard and brittle materials

Sliced wafer demounting and cleaning machine

This machine performs a series of tasks from cleaning ingots after slicing with a wire saw to single wafer processing and scrubbing

Chemical Mechanical Planarizer (CMP) device

This machine flattens the surface of a wafer by using chemical agents (slurry) and a mechanical polishing pad in combination

Dicing machine

This machine cuts a large number of integrated circuits formed on a wafer into individual chips (dies)

Faster, more precise, more advanced.

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At a Glance

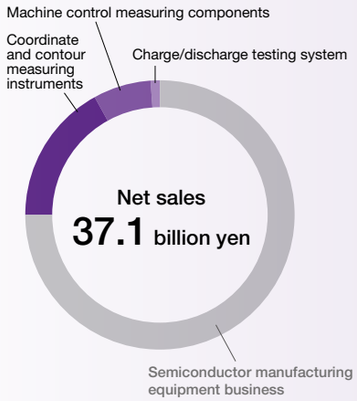
Precision Measurement Technology Brings New Value to Manufacturing

“Measurement” is an essential process in any manufacturing activity.
Leveraging our world-class measurement technology, we provide precision measuring instruments that support manufacturing industries across the globe.

Portfolio

Precision measuring instruments business

We provide high-precision measuring instruments used in measuring rooms and machining lines in diverse industries around the world, including automotive, machine tool, and aircraft equipment industries. Our offerings also include charge/discharge testing systems for rechargeable batteries used in NEVs, renewable energy, etc.



“Measure” dimensions, shape, and roughness

- **Multipurpose measurement (coordinate and contour measuring instruments)**

These standalone measuring instruments measure the dimensions, roughness, and shape of a workpiece

- **Charge/discharge testing systems**

These measuring systems “charge” and “discharge” a rechargeable battery or capacitor repeatedly to evaluate its performance, quality, durability, etc.

- **Automated measurement (machine control measuring components)**

These measuring components inspect and measure products in real time on the manufacturing lines or in the manufacturing equipment

XYZAX AXCEL

PULCOM W10

Energy sharing method-based charge/discharge testing system

<Multipurpose measurement: coordinate and contour measuring instruments>

Top share of the Japanese market (based on our research)

Coordinate measuring machine

This high-precision measuring instrument is used for accurate three-dimensional measurements of the dimensions and shapes of objects

Top share of the Japanese market (based on our research)

Surface texture and contour measuring instrument

This instrument quantifies and evaluates the surface texture and contour with high precision

Roundness and cylindrical profile measuring instrument

This measuring instrument precisely measures the shape accuracy of a circular or cylindrical shape

Optical measuring system

This system measures and inspects the shape and dimensions of an object, as well as its surface condition, in a non-contact manner with high precision by using light

X-ray CT system

This system visualizes the internal structure of an object using cross-sectional or three-dimensional images obtained with X-rays

<Charge/discharge testing systems>

Charge/discharge testing system

We sell a charge/discharge testing system and provide a consigned battery evaluation service

<Automated measurement: machine control measuring components>

Machine control gauge

This gauge is a measuring and control device used to control a machine tool or other type of equipment in real time during its operation based on measurement data

Faster, more precise, more advanced.

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At a Glance

Key indicators

Net sales
150.5 billion yen

Operating profit
29.7 billion yen

Operating margin
19.7%

Net profit
25.7 billion yen

ROE
15.5%

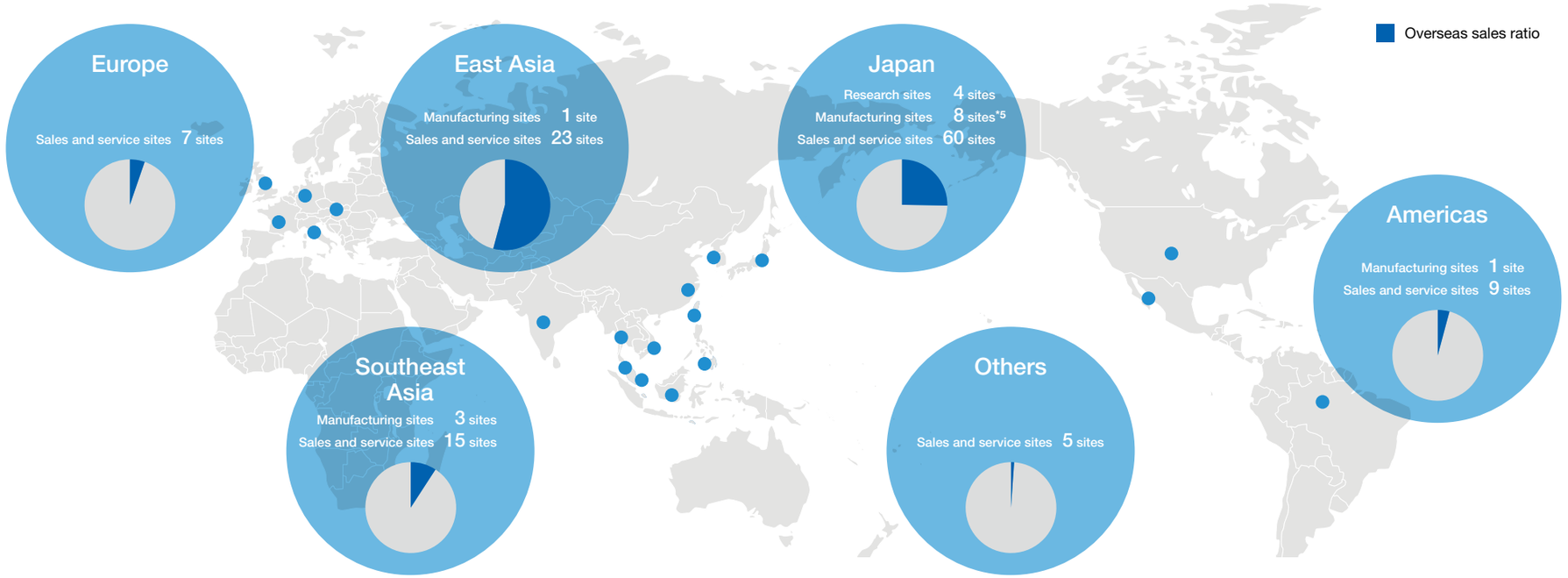
R&D expenditure
10.4 billion yen

Number of patents held
1,207*1

Number of employees
3,333*2

Percentage of female managers
2.6%*3

CO_2 emissions
18,988 t-CO_2*4



*1 Number determined as of the end of December 2024
*2 In the Integrated Report, "Number of regular employees" is shown instead of "Number of employees," which is set forth in the securities report. The number of non-regular employees is added to the number of regular employees, and the Integrated Report refers to this sum as "Number of employees"
*3 Tokyo Seimitsu Co., Ltd. (non-consolidated basis) The percentage of enrolled individuals
*4 Tokyo Seimitsu Co., Ltd. (consolidated basis) Scope 1 + Scope 2
Electricity of Scope 2 is calculated using the market-based method for Tokyo Seimitsu Co., Ltd. (non-consolidated basis) and using the location-based method for consolidated subsidiaries (Japan and overseas).
*5 Including the Nagoya Plant completed in August 2025

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Creating “WIN-WIN” Relationships with All Stakeholders

Hitoshi Yoshida
Chairman

Integration has accelerated on a group-wide basis

I retired from my 10-year tenure as CEO this June. It happened at the right time because I always thought I would pass the baton in 10 years.
Looking back, I am amazed at the tremendous growth that the Tokyo Seimitsu Group has achieved over the past 10 years. This is thanks to all the employees who have kept working in unity with one another. When I became CEO in April 2015, our net sales were 66.4 billion yen and our operating profit was 12.1 billion yen. In the last fiscal year, these numbers grew by 2.3 times and 2.5 times, respectively. The number of employees has also increased significantly. When I was assigned to the post of the CEO, I hoped to see Tokyo Seimitsu become a “billion company” (a company exceeding a billion U.S. dollars in both annual sales and market capitalization). I think that hope has come true.
This year, our group kicked off a new mid-term business plan. When I started to serve as CEO, however, we had no such plan. It was in my second year as the CEO that we set three-year mid-term goals for the first time. We achieved these first goals one year ahead of schedule. Our next mid-term plan took one extra year to fulfill due to the COVID-19 pandemic, and we completed the plan in the fourth year from the beginning of the term. Our third mid-term plan had a little challenging goal of earning 170 billion yen in net sales by fiscal 2024, which, unfortunately, we were not able to achieve partly due to changing economic trends. Still, I think the plan ended successfully because both net sales and net profit hit all-time highs.
Another remarkable achievement is that we succeeded in steering the entire Tokyo Seimitsu Group toward integration. One negative aspect of an in-house company system is an excessive silo mentality leading to a lack of unity among employees. I had seen this mentality as a problem since I became CEO, and it

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was also behind the scandal in 2021 involving one of our subsidiaries. After that, we carried out personnel shuffles unthinkable in the conventional vertically divided structure, sending executives to subsidiaries and assigning a member of the semiconductor manufacturing equipment department to serve as the group leader of the precision measuring instruments department. These efforts have helped us advance integration substantially. Mr. Ryuichi Kimura, my successor as the CEO, fully supports this principle. He is accelerating the policy of creating "synergies by integrating precision measuring instruments and semiconductor manufacturing equipment," and I feel that we are moving in the right direction.

However, the integration of the Tokyo Seimitsu Group is not complete yet. We need to keep pushing forward while at the same time making sure that all group companies, including overseas subsidiaries, keep up their own good points and local characteristics. It is not productive to be passive, just waiting for instructions from the head office. I want to see Tokyo Seimitsu become an organization where, once the CEO presents a policy, employees take actions on their own and share results on a group-wide basis.

I am going to fully delegate practical business affairs to the CEO and focus on enhancing the brand of Tokyo Seimitsu further by engaging in corporate governance and sustainability activities, industry group initiatives, etc. As for the internal Sustainability Committee, it is my intention to continue to serve as its chairman.

Management executives are required to make everyone happy

I think that what is important for management executives is to have a charismatic personality. A person with integrity, leadership, or whatever attracts other people is fit for the job. To become someone like that, being considerate is vital. If you constantly pay close attention to world trends, the way customers think, and various stakeholders including employees and subcontractors, people find it comfortable to be with you. And that makes you attractive as a person. Otherwise, people will not follow you, no matter how hard you try to lead them. A self-centered person is not fit to be a management executive, either. To be a management executive, you need to be capable of contributing to society and making everyone happy. President Kimura, who has taken over the post of the CEO, is a management executive with charismatic appeal, and I believe he will remain so going forward.

And on top of everything, the key to our future growth is technology. With technology advancing at an increasingly rapid pace in the world, we cannot survive unless we step up our technological capabilities further. In the semiconductor field in particular, technology keeps evolving quickly, and the required skill and technological levels are rising higher and higher. While the need for precision measuring instruments remains as long as people engage in manufacturing, what we manufacture will change, as in the auto industry where a shift is occurring from internal combustion engine vehicles to electric vehicles (EVs). There are also growing needs for measurement in new fields such as aerospace, energy, and healthcare. Manufacturing is changing constantly, and the only way to respond to these changes is to enhance our technology. And it is too late to act after customers voice their needs. It is imperative to look ahead to the next 5 or 10 years when developing elemental technologies. I count on your hard work.

Increasing corporate value requires commitment to ESG initiatives as well. Just seeking profits does not make sense any more. Just declaring corporate philosophy is not good enough, either. For a company to thrive, it should contribute to society. All members of the Tokyo Seimitsu Group should commit themselves to these ESG initiatives with empathy and consideration in the same way they do to their main jobs.

Global warming is pushing us into a critical situation. Will the Earth remain habitable for humans 50 or 100 years from now? Each of us needs to keep thinking about this seriously, whether at home or at work. Look at the social aspect as well, and think about what kind of work environment is good for everyone. This naturally leads you to consider DEI. Just writing something good in the Integrated Report is not the end. What matters is whether we can drive sustainability in earnest and how we build it into our core business.

Becoming an attractive company that employees are proud to work for

We have a purpose, vision, and mission we take pride in. I want you to work seriously to achieve them. And I want to see the Tokyo Seimitsu Group become an organization that employees take pride in working for and that suppliers take pride in doing business with. That will never happen if you just keep seeking profits. However, a company cannot stay in business without profits. Promoting ESG initiatives is crucial in making the company attractive. What is important is how the company uses the profits it earns. And it all boils down to how the company contributes to society.

What exactly is such a company like? I think such a company must be one that creates "WIN-WIN" relationships with stakeholders, making all of them happy. I hope that employees of the next generation and the generation after that will continue to value the creation of "WIN-WIN" relationships with everyone involved. To pass on this thought, I intend to take every opportunity to talk with employees, hear about their concerns, and encourage them to keep trying.

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Advance “Integration” to Establish an Absolute Position 10 Years from Now

Ryuichi Kimura
President and CEO

What matters to a manufacturer

I was assigned as CEO in June, but I still do not feel that it has changed something. In April, I retired from the post of Head of Semiconductor Company, and that made a bigger difference for me. Now that I have some time leeway, I am going to allocate time to do things I have been unable to do in the past. Specifically, I want to get more involved in determining the direction of technology development at Metrology Company. What I look to achieve is to integrate the “precision measuring instruments business” and “semiconductor manufacturing equipment business.” The key is the unique measurement technology that other companies do not possess. Put simply, it is sensor technology for “measurement.” There are various means of measurement, such as electricity, light, laser, and capacity. I am going to explore how to enhance and apply this technology.

There is a theory saying the life of a company is 30 years, while we have many companies in the world that have existed for more than 100 years since their foundation. Our company has also been around for over 70 years now. What makes these long-lived companies different from others? They have core technologies. For example, even after the camera film market is gone, some film manufacturers keep growing by pivoting to markets for cosmetics and medical equipment through the use of their core technologies such as particle formation technology and imaging technology. The sustainability of companies is determined by whether they have core technologies that fit with the times.

Of course, we also have a number of core technologies of our own. One of them is the measurement technology I mentioned earlier. While applying this technology to more of our products, however, we must continue to develop new core technologies. Otherwise, cheaper products from emerging countries will drive us out of business. We need to stay focused.

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Previous mid-term business plan

It became clear which direction to go as we hit all-time highs

Amid these circumstances, the previous mid-term business plan came to an end. While we unfortunately missed the specified quantitative targets, including 170 billion yen in net sales, I was pleased to see both the net sales and operating profit hit all-time highs.
The reason we missed the targets is that the plan itself was quite aggressive compared to the actual demand trend. We engage in the equipment industry, and the semiconductor industry in particular is prone to significant fluctuations in demand. Since stretch goals can be achieved easily depending on market conditions, we aim higher in principle. And, as a matter of fact, our growth was restricted by changes in the business environment, such as delayed recovery of demand for smartphones, PCs, and other consumer products and a decline in demand for silicon carbide (SiC) semiconductors used as power semiconductors for electric vehicles (EVs).
I have long doubted that a three-year mid-term business plan is suited to the type of business we do. To be honest, we created this mid-term business plan because we needed numerical targets to draw a path for development and production. I consider a 10-year plan to be more suitable for us, and this idea is partly reflected in the new mid-term business plan I will talk about later.
During the period of the previous mid-term business plan, some meaningful things happened. The most significant thing is that we drew up a roadmap on sustainability from 2030 to 2050. In the business aspect, we made clear the envisioned future of our group by defining the purpose and long-term vision, as well as what are our core technologies and what we should do with those technologies. By “integrating” semiconductor manufacturing equipment and precision measuring instruments, we are going to build semiconductor manufacturing equipment using the measurement technology, one of our core technologies. If we build a measuring instrument into semiconductor manufacturing equipment, for example, we will no longer need to measure semiconductors and remove defective ones outside the equipment, as we currently do. It may become possible for semiconductor manufacturing equipment not to put out defective products in the first place. We are going to accelerate this move for the next three years.

Tokyo Seimitsu Group Long-term Vision 2050

Market outlook

Establishing a solid position in growing markets

Demand for semiconductors never dries up. To the contrary, we are in for an era of mass consumption. Likewise, demand for measurement will continue to exist as long as manufacturing exists. While both demands largely depend on economic conditions, averaging out the business results of these two industries for the past several years will show that they have been growing steadily. I think that we are in a good market position. If we can start collaborating with corporate customers in the R&D phase and identify and meet their needs, we will be able to maximize our net sales and profits in a booming economy.
Moreover, we have seen a new stage, called the “middle-end processing,” added to the semiconductor manufacturing process in the past two or three years, besides the existing frontend processing and back-end processing stages. Our strength has been in the equipment used in the back-end processing, such as probing machines, grinders, and dicing machines, and these machines have come to be used in the “middle-end processing” as well. Complex operations, such as returning semiconductor devices in process from the “middle-end processing” to the front-end processing, are on the rise. This trend will likely lead to increased demand for back-end processing equipment and Chemical Mechanical Planarizer (CMP) devices used to polish wafer surfaces.
We are keeping up with the changes in the semiconductor manufacturing process. We are going to push forward the “integration,” declared in the previous mid-term business plan, develop relevant elemental technologies, and market those technologies through the sales channels of our semiconductor manufacturing equipment business. I believe that, by doing so, we will be able to establish a solid position in every industry we do business in, in 10 years’ time.

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New mid-term business plan (1) Direction

Enhance core technologies, advance "integration," and develop elemental technologies

The new mid-term business plan, kicked off in April 2025, is a transitional one we created to summarize necessary actions based on the above-mentioned prospects looking ahead to the next 10 years. It is positioned to lay the foundation. The plan has three pillars: enhance core technologies, advance the "integration" of precision measuring instruments and semiconductor manufacturing equipment, and put energy into the development of elemental technologies. Furthermore, this plan sets forth a clear vision of "establishing an absolute position where 'things cannot be made or measured' without our products and services" in 10 years' time.

The plan includes numerical targets, which is indispensable for drawing a path for development and production. The equipment industry we do business in is prone to significant fluctuations in demand. We earn huge profits when demand is high but suffer a loss when demand is low. But I think these targets are not so difficult to meet if we can deliver excellent products when the economy is in good shape.

What I need to do during the period of this mid-term plan is make sure that all employees are aligned toward the "integration." In the last Integrated Report, I mentioned "positive characteristics similar to those found in small and medium-sized enterprises." We cannot call our company an SME if we cannot align ourselves toward our shared goal. Spreading this spirit all the way to the end of our organization is not an easy task. But, as long as I work for this company, I never bend my beliefs and keep striving to ensure that the spirit is accepted throughout the organization.

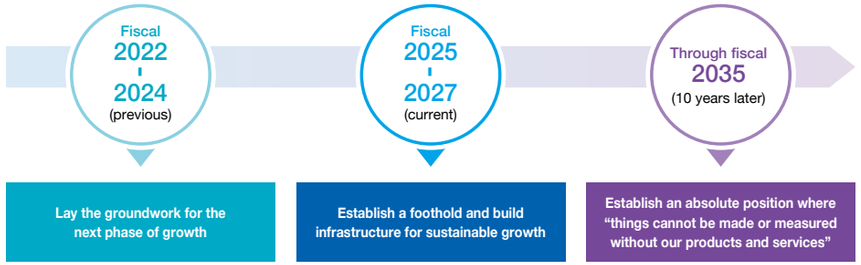
We also revised the materiality as we put out the new mid-term business plan. The key point is that we added "strengthening the business infrastructure." Specifically, this involves human resource development, enhancement of development capabilities, and promotion of DX among others. I consider that, ultimately, these will all lead to the "integration."

Let me talk a little bit about the "integration" here. We are the only manufacturer in the world that possesses both the semiconductor manufacturing equipment business and the technology for measuring tiny objects. We already have multiple projects underway to "integrate" these two and have released several products as well. One example is the probing machine. This machine measures electrical characteristics by putting needles against a device on a wafer. This requires not only the ability to apply the needles to the target location on the order of micrometers but also putting them three-dimensionally to inspect bumps (protruding electrodes formed on a chip). We have technologies to do all of this.

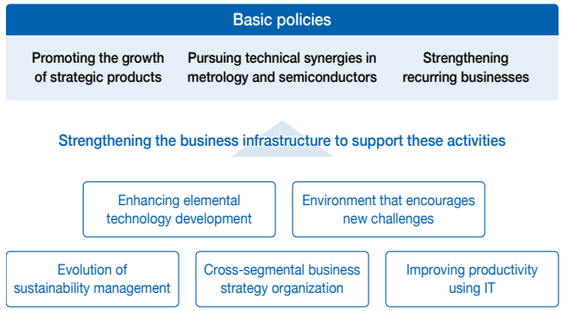
By deploying these measurement technologies horizontally and applying them to equipment with different functions, we will be able to conduct various kinds of tests while manufacturing products. A project aimed to promote this effort is now underway at the "development meeting." We have both the staff in charge of semiconductor manufacturing equipment and the staff in charge of precision measuring instruments attend the meeting together to make sure that all members of the development department are aligned in the same direction.

We also use personnel shuffles to advance the "integration." One example is that we assigned a member of the semiconductor manufacturing equipment department to lead the precision measuring instruments department. This leader is well versed in the semiconductor manufacturing process and knowledgeable about what types of measurements are necessary. His mission is to make clear how to build measurement technologies into semiconductor manufacturing equipment. We intend to continue to exchange more personnel between the two departments.

Position of the mid-term business plan



Mid-term business plan (fiscal 2025-2027)



Quantitative targets (single year)	
Net sales	185 billion yen
	Semiconductor 140 billion yen
	Metrology 45 billion yen
Operating profit	45 billion yen
Operating margin	24%
ROE	15%

New mid-term business plan (2) Capital investments, etc.

Building a new plant in Hachioji and considering aggressive joint venture creation and M&A activities

In addition to the development of elemental technologies and products, we are planning to make major capital investments as well during the period of the new mid-term business plan. Besides the Hanno Plant for manufacturing probing machines (located in Hanno City, Saitama Prefecture), which was put into operation during the period of the previous mid-term business plan, the construction of the Nagoya Plant for manufacturing grinders was completed in August 2025. As the next step, we have decided to purchase land as a plant site in Hachioji City, Tokyo, which is close to our head office. This new plant will deal with semiconductor manufacturing equipment in general that is becoming increasingly larger in size.

The current semiconductor manufacturing process handles increasingly larger workpieces in process, as in “panel-level packaging (PLP)” that allows the batch production of packages by embedding a huge number of CPU, GPU, memory, and circuit sets into a large square or rectangular panel. The equipment that manufactures these packages naturally becomes larger. This makes it necessary for the plant to have a space on its first floor that is large enough to assemble and ship heavy, large equipment. The existing plant is not suitable for this need.

The total area size of the new Hachioji Plant will be approx. 33,000 square meters. Currently, the land is under development. The plant building is still in the design phase, and its construction is expected to begin in the final fiscal year of the new mid-term business plan.

We also hope to build more demo centers across the world. There is a plan to build a large-scale demo center in South Korea, and discussions are also underway to open demo centers in Vietnam and India.

One of the efforts that I expect to bear fruit in fiscal 2026 is “AA Diamond Technology Co., Ltd.,” a joint venture we have established with Asahi Diamond Industrial Co., Ltd. A cutter is required in the “dicing” process in which a semiconductor wafer is diced into individual chips. While our business is in competition with part of Asahi Diamond’s business, our strong and weak points are completely opposite to theirs. It is expected that we will achieve synergies if we can cover each other’s weaknesses, and that is why we decided to establish the joint venture.

We intend to stay open to joint venture creation and M&A activities that expect to generate similar synergistic effects. We keep such possibilities in mind and have dedicated in-house staff as well. However, we are not much interested in proposals by outsiders. I think the basic idea is to compensate for the technologies we lack and acquire the technologies that will grow. We take the first step and ask the potential partner about what we can do together. As a result, we acquire their business. That is how we have conducted M&A so far, and it will remain so going forward.

Hanno Plant

Nagoya Plant

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ESG

Ensuring every employee has “common sense and balance”

Pursuit of sustainability is one of the achievements made under the previous mid-term business plan. We aim to advance sustainability further during the period of the new plan.
On the environmental front, we intend to increase the types of equipment capable of contributing to reducing the environmental impact of corporate customers. What we are currently focusing on is the reduction of chemical substances used in semiconductor manufacturing and other processes. One example is the polishing function of grinders. We are establishing a technique for polishing wafers only with grindstone without using any chemical substance. Probing machines require the temperature to change from -55 to 200°C for inspections. Currently, a chlorofluoro-carbon-like substance is used. We hope to replace it with a water-like substance. This is not an easy task, and we are going to tackle it step by step.
On the social front, we want to build an environment where younger employees feel encouraged to take on challenges. For example, technical staff may have a variety of new ideas. But the reality is that they are too busy doing their daily work to try those ideas. So, I tell these employees to spend a fraction of their working hours, even 5% of them, on what they really want to do. I tell them to let me know if they need money. We have set up a budget of 100 million yen for a six-month period. So, the technical staff can buy the tools and materials they need. Putting aside 5% of working hours may be difficult to do, but I want our employees to keep trying.
In terms of governance, the focus is on compliance and risk management, rather than on corporate governance. I intend to ensure that everyone, from new employees to top management, has “common sense and balance.” The “common sense and balance,” as I see it, means to know good from bad and think from the other person’s perspective. How would a customer feel? What about a superior, a subordinate, or a business partner? Put yourself in the other person’s place. I always talk about this during training sessions and on other similar occasions. The only effective way to accomplish compliance and risk management is to convince employees one by one.

Conclusion

Making employees think, “I'm proud of working for this company”

Besides the target of “establishing an absolute position” in 10 years’ time, there is one more thing that I want to accomplish, although it is not mentioned in the new mid-term business plan. That is to make employees think, “I’m proud of working for this company.” “The company let me do what I wanted to do and paid me a little better than other companies, and workplace relationships were fairly good. Also, I had a sense of engagement with every project I was involved in.” Nothing would make me happier than if employees feel this way when they look back on their lives at the company. So, I continue to value the employees’ “willingness to do something.”
For the shareholders, I am committed to keeping the dividend payout ratio at the target of 40%. This ratio is not low at all by industry standards. I hope to further improve IR by changing the way we provide information. We are in an industry where explanations tend to be complicated. I want to talk in a simple, easier-to-understand way. That is a challenge that I will seek to overcome going forward.

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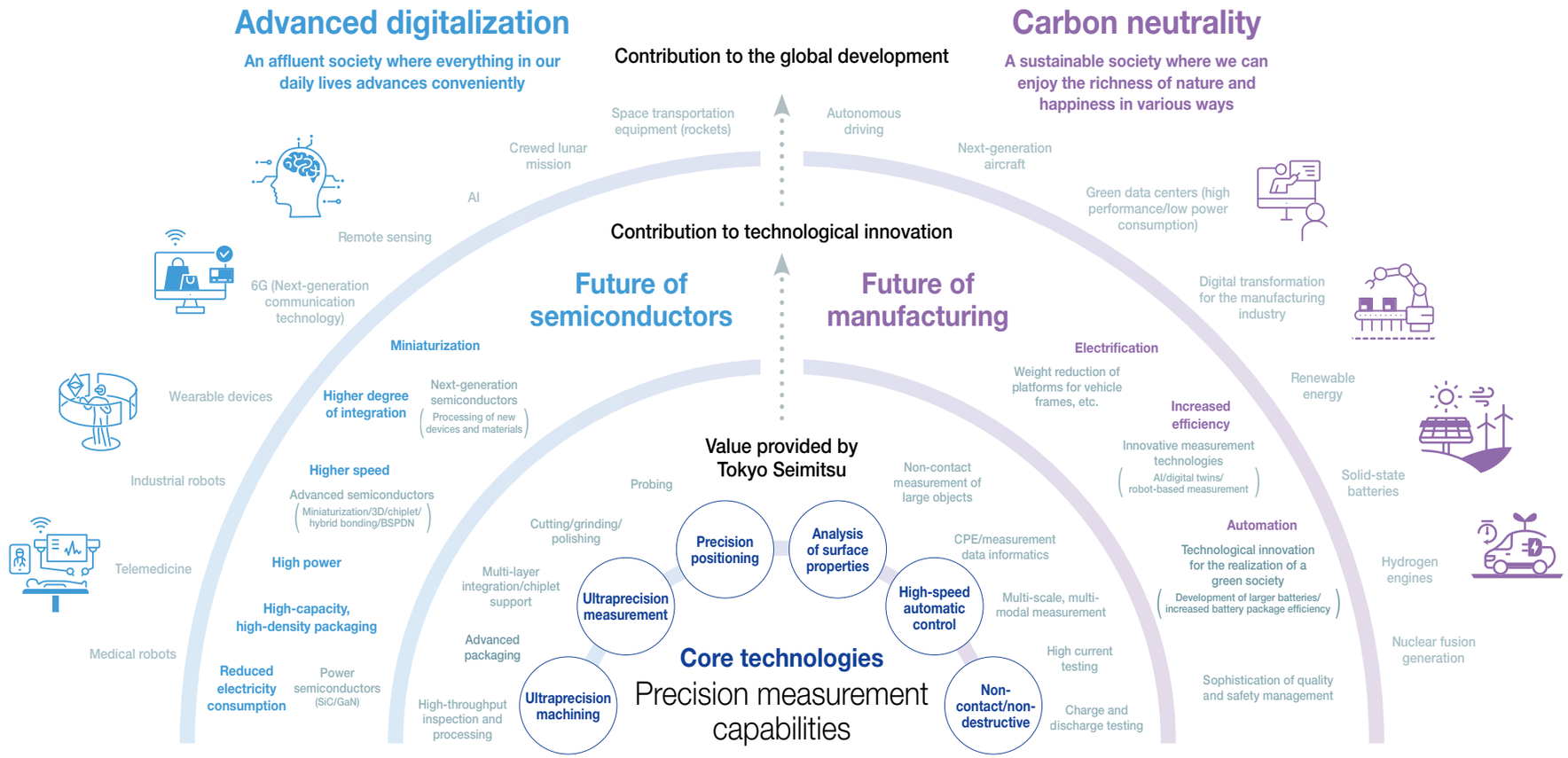
The “Future Full of Dreams” That Tokyo Seimitsu is Committed to Building

We believe that the “future full of dreams” that Tokyo Seimitsu Group is committed to building describes a sustainable and affluent society where everything in our daily lives evolves to be more convenient and where we can enjoy the richness of nature and happiness in various ways.
In order to realize this future, we will further refine our core technologies that form the basis of our two business fields (semiconductor manufacturing equipment and precision measuring instruments), provide further innovative technologies, and contribute to the realization of the future of semiconductors and manufacturing.
We will continue to provide technology that supports innovation around the world.



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Tokyo Seimitsu Group Long-term Vision 2050

Pioneer a Future That We Have Yet to Experience by Using Advanced Technology and Abundant Creativity

To continue to change and grow in line with changes in the business environment in a period of unprecedented uncertainty, we have formulated the “Long-term Vision,” which represents the vision of the Tokyo Seimitsu Group and serves as a compass for growth. In order to realize this vision, we are identifying measures to be taken in the future and considering growth strategies.

Tokyo Seimitsu Group Long-term Vision 2050

Pioneer a future that we have yet to experience by using advanced technology and our high level of creativity

Develop cutting-edge manufacturing equipment to implement innovative semiconductor manufacturing processes

- High-precision processing technology for the manufacturing of next-generation devices
- High-level measurement technology to support the manufacturing of cutting-edge devices
- Total solutions for front-end, middle-end, and back-end processing

Vision for each business

Committed to achievement / improvement over the next 10 years

Provide precision measuring instruments and services essential for “manufacturing reform”

- Strengthen rechargeable battery-related businesses
- Support cyber-physical engineering
- Expand measurement and inspection services (shift from selling products to selling services)

Mid-term business plan (fiscal 2025-2027)
Establish a foothold and build infrastructure for sustainable growth

Strengthen research and development for new business creation

Products utilizing synergies from the fusion of “precision measurement and semiconductor” business strengths	Unique technologies for new materials and chemical sciences	Explore new fields through industry-academia collaboration	Environment-friendly products and materials

Strengthen the management foundation

Implement business reforms utilizing digital technologies	Build an organizational structure that will create a grand design for new products and business creation	Foster a corporate culture that supports innovation

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Previous Mid-term Business Plan — Review —

Net Sales and Net Profit Hit All-time Highs

While we missed the targets in terms of sales and operating profit (margin) due to slower-than-expected consumer application demand, the three-year average ROE reached the target of 15%. Our net sales and net profit hit all-time highs in fiscal 2024, and our operating profit reached a record high in fiscal 2022.

Numerical results

Semiconductor: semiconductor manufacturing equipment
Metrology: precision measuring instruments

	FY2021 Results(*1)	FY2022-2024 Mid-term business plan quantitative targets	FY2024 Results
Net sales	130.7 billion yen Semiconductor 101.1 billion yen Metrology 29.6 billion yen	170 billion yen Semiconductor 132 billion yen Metrology 38 billion yen	150.5 billion yen Semiconductor 113.5 billion yen Metrology 37.1 billion yen
Operating profit	28.5 billion yen Semiconductor 24.7 billion yen Metrology 3.6 billion yen	37.5 billion yen	29.7 billion yen
Operating margin	22% Semiconductor 24% Metrology 12%	22%	20% Semiconductor 21% Metrology 15%
ROE	17%	15% or higher	15%(*2)

(*1) Starting in fiscal 2022, we changed the method of calculating the revenues and expenses of overseas subsidiaries from yen conversion using the end-of-period rate to yen conversion using the average rate. In line with this change, the numbers of fiscal 2021 shown here are adjusted by applying the relevant average rate retroactively.

(*2) Three-year average ROE = Net profit attributable to shareholders of the parent (simple average for fiscal 2022-2024) ÷ equity ratio (simple average for fiscal 2021-2024)

Overview

<Net sales of semiconductor manufacturing equipment>

Sales fell short of the quantitative target mainly due to sluggish growth in consumer demand but achieved an all-time high thanks to demand for HPC, including generative AI (logic, HBM, etc.), and demand in China

<Net sales of precision measuring instruments>

Despite the weak manufacturing market and the subdued demand for NEVs, sales increased due to sales channel diversification into growth industries and product price revisions, reaching an all-time high

<Operating profit>

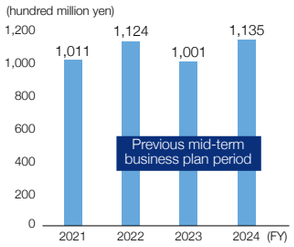
An increase in sales drove up the operating profit to an all-time high in fiscal 2022, thus meeting the profit margin target, whereas the rising component procurement costs and expenditures put downward pressure on profits

<ROE>

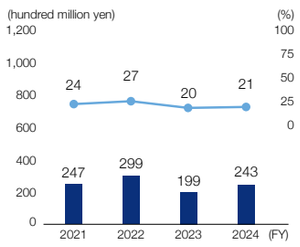
The three-year average ROE of 15% was achieved

Semiconductor manufacturing equipment

Net sales



Operating profit/operating margin



<Premise for and results of the plan>

Increasing functionality and complexity of semiconductor devices and increase in highly reliable devices
- Increased test importance
- Extended measurement time (miniaturization, bit growth, and more tests)
- High precision temperature control attracting a great deal of attention
- Growing packaging demand, mainly for AI, contributing to increased sales of processing equipment
- Testing demand increased as well

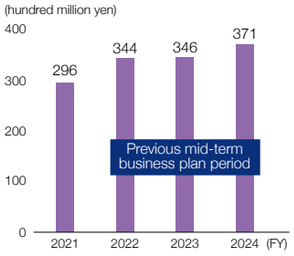
Stable quantitative growth of semiconductors
- Stagnant demand for consumer applications; weaker than the expected market performance

Evolution of SiC/GaN power semiconductors for carbon neutrality
- Succeeded in gaining business opportunities to a certain degree while the demand has been declining since fiscal 2024

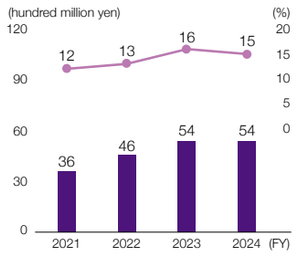
Increasing demand for device testing and processing accuracy
- Launched new products combining a probing machine with optical measurement or a dicing machine with optical measurement

Precision measuring instruments

Net sales



Operating profit/operating margin



<Premise for and results of the plan>

Expansion of NEV and renewable energy market toward carbon neutrality
- Slower NEV transition than expected
- Increased business opportunities for charge/discharge testing systems

Manufacturing automation trend
- Succeeded in gaining business opportunities to a certain degree
- Market expected to grow in the future

Expansion of non-automotive markets (semiconductors, aerospace, and robots)
- Obtained business opportunities in various fields
- Boosted by government subsidy policies as well

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New Mid-term Business Plan (FY2025-2027) — Position —

Gaining a Foothold to Establish an Absolute Position

Being the “only manufacturer of semiconductor manufacturing equipment that possesses measurement technologies,” we aim to establish an absolute position where “things cannot be made or measured without our products and services,” in 10 years’ time. To meet this challenge, the new mid-term business plan calls for continued investments to expand production capacity and reinforce applications. We are going to invest more in developing elemental and other technologies and seek to expand our business while laying the groundwork for long-term growth.

Under the previous mid-term business plan, we doubled the production capacity for probing machines, the core product of our semiconductor manufacturing equipment business, as the construction of the Hanno Plant was completed. This made us ready to meet the growing testing demand and achieve growth. The current mid-term business plan involves gaining a foothold for sustained growth to establish an absolute position in 10 years’ time.
In the semiconductor manufacturing equipment business, we not only enhance our ability to develop probing machine technology but also seek to boost the production capacity for grinders, whose demand is expected to grow in the future, by completing the construction of the new plant in Nagoya and implementing the new Hachioji plant construction plan. We also plan to deploy demo machines in overseas locations by building demo and application centers in South Korea and other countries. For the precision measuring instruments business, we are going to focus on the rechargeable battery market, which keeps growing as applications diversify, in order to strengthen our ability to respond to the needs for charge/discharge testing systems.

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New Mid-term Business Plan (FY2025-2027) — Quantitative Targets and Basic Policies —

Raising the Top Line and Focusing on Increasing the Profit Margin

The sales target of the new mid-term business plan is 185 billion yen. We seek to meet this target by achieving growth exceeding the target market's assumed compound annual growth rate (CAGR) of 5% in the semiconductor manufacturing equipment business sector and attaining a three-fold increase in the sales of the charge/discharge testing system business in the precision measuring instruments business sector. The operating profit target is 45 billion yen. The key measures to meet this target are increasing the sale of high-value-added products, reducing costs, and reinforcing the recurring business with a high gross profit margin.

Targets

	FY2024 Results	(FY2025-2027) Single year
Net sales	**150.5 billion yen** Semiconductor manufacturing equipment 113.5 billion yen Precision measuring instruments 37.1 billion yen	**185 billion yen** Semiconductor manufacturing equipment 140 billion yen Precision measuring instruments 45 billion yen
Operating profit	**29.7 billion yen**	**45 billion yen**
Operating margin	**20%**	**24%**
ROE	**15%**	**15%**

Premise for the plan

- Quantitative targets: Set as single-year targets (considering market volatility)
- Semiconductor manufacturing equipment: Outperforming the target market's CAGR assumption of +5%
- Precision measuring instruments: Sustained recovery in market conditions for non-automotive markets (semiconductors, aircraft, space, etc.)
- Operating profit: Increased sales (including high-value-added products)
- Progress in cost reduction and promotion of recurring business
- ROE: Increase in the net profit
- Risk factors:
  - Uncertainty in consumer application demand
  - Geopolitical risks (China's equipment demand, competition, etc.)
  - Slowdown in machine tool orders

The key to meet the quantitative targets is "three basic policies."

Promoting the growth of strategic products:

We promote the development of products with high growth potential and the expansion of their production. These products include probing machines and grinders for advanced devices in the semiconductor manufacturing equipment business, as well as charge/discharge testing systems and X-ray inspection systems for rechargeable batteries in the precision measuring instruments business.

Pursuing technical synergies in metrology and semiconductors:

We expand the sales of semiconductor processing equipment that has our precision measuring instrument built in it. An example is a product that cuts and measures material simultaneously in a single unit.

Strengthening recurring businesses:

We expand the sales of consumables and parts with high gross profit margins, along with the service business, to establish a stable foundation for profitability.

Basic policy on mid-term business plan (FY2025-2027)

Achieves both strengthening of the business and reinforcement of its foundation

	Promoting the growth of strategic products	Pursuing technical synergies in metrology and semiconductors →P27	Strengthening recurring businesses
Semiconductor manufacturing equipment →P21	● High-value-added probing machines ● High-end grinders ● Advanced dicing machines, etc.	● New semiconductor manufacturing equipment with built-in precision measuring instruments	● Strengthening service and support business ● Expanding consumable business ● Creating business opportunities for existing equipment
Precision measuring instruments →P24	● Charge/discharge testing systems ● X-ray inspection systems, etc.	● Use of measuring applications in the semiconductor area	● Expanding consigned measurement and evaluation service ● Enhancing equipment calibration services

Strengthening the business infrastructure to support these activities

Enhancing elemental technology development →P36	Environment that encourages new challenges →P39	Evolution of sustainability management →P44	Cross-segmental business strategy organization →P27	Improving productivity using IT →P41

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New Mid-term Business Plan (FY2025-2027) — Semiconductor Manufacturing Equipment Business —

Dealing with Rapid Technological Advances to Provide High-value-added Products

Substantial technological advances are occurring in the areas of testing and processing in semiconductor manufacturing, making a huge impact on the entire industry. To deal with these rapid technological advances, we provide a suite of products that meet the latest technological requirements. By doing so, we bring competitive products to market, delivering high added value to customers.

Business overview

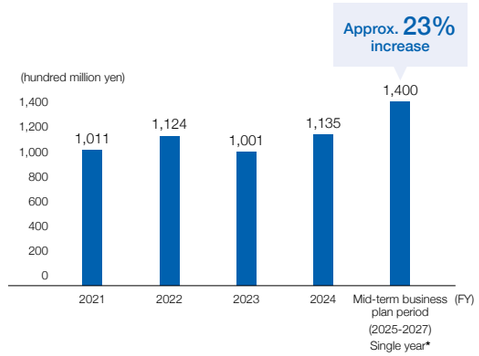
In the semiconductor manufacturing equipment business, we offer probing machines to test the electrical characteristics of chips on wafers, dicing machines to separate individual chips from wafers, and grinders to make wafers thinner and flatter.
As semiconductor devices and electronic components continue to become smaller and more complex, the importance is rising for probing machines that can identify electrical characteristics in greater detail and dicing machines and grinders for manufacturing higher quality semiconductor devices.

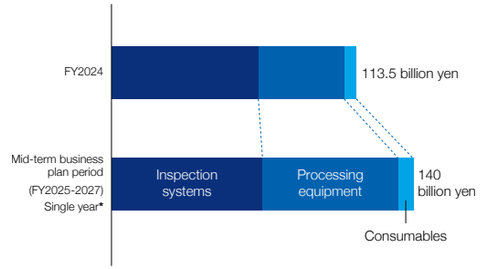
AD3000T PLUS

AP3000

Net sales target

As the need for high-precision testing grows, there is an increasing demand for high-performance processing equipment used for high-value-added probers, advanced packaging, large-size PLPs, compound semiconductors, etc. Leveraging our precision processing and precision measurement technologies, we seize business opportunities in these areas. Given the risk of competition with manufacturers in emerging countries, on the other hand, we plan to expand our business by providing high-added-value back-end processing equipment building on our core technologies. We expect inspection systems and probers to account for approx. 50% of our sales and processing equipment to make up approx. 45%, with consumables representing the rest.





Net sales

Fiscal 2024
113.5 billion yen

(Fiscal 2025-2027) Single year*
140 billion yen

Target sales ratio

Approx. 23% increase

* Single-year target for one of the three years

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New Mid-term Business Plan (FY2025-2027) — Semiconductor Manufacturing Equipment Business —

Focusing on “Integration” and Recurring Businesses While Pursuing Four Business Opportunities

Takahiro Hokida
Head and Executive Officer of Semiconductor Company

Business results and market conditions

In fiscal 2024, the net sales of our semiconductor manufacturing equipment business hit an all-time high of 113.5 billion yen. The generative AI boom led to a sharp increase in investments in high performance computing (HPC) and high bandwidth memory (HBM). As a result, shipments of the equipment used to manufacture these devices, such as probing machines and grinders, grew and their unit prices rose as well.

Key results of the previous mid-term business plan

The three-year period of the previous mid-term business plan had a mix of obvious ups and downs. While stay-at-home demand for consumer products, such as PCs and games, due to the COVID-19 pandemic was strong until the first half of 2022, we saw the demand fall later as a backlash. In the final fiscal year of 2024, demand for power semiconductors for EVs declined as well. However, demand for generative AI and China-related products supported our business performance. Particularly, I am glad that we were able to achieve high-precision temperature control in probing machines for HBM, which has allowed us to do more business once again with estranged customers. We also saw an increase in the sales of back grinders, which grind the back of wafers to a target thickness with high precision for semiconductor stacking, due to the high acclaim they have earned.
However, the commercialization for the hybrid bonding market, which we expected to grow, has been delayed, and we are still evaluating the grinders for this market on the production line in order to obtain certification from potential customers. As for probing machines, too, obtaining certification does not guarantee continued business. We may lose business opportunities unless we keep improving performance and adding new features in step with the evolution of advanced semiconductors.

New mid-term business plan and market conditions

I expect the generative AI market to keep growing over the next three years. If the currently sluggish demand for power semiconductors, silicon carbide (SiC) chips in particular, recovers at the same time, I think we will be able to achieve steady growth. As China is producing more semiconductor materials and devices domestically, the domestic production of semiconductor manufacturing equipment is also increasing. However, our products are still used in large numbers in cutting-edge areas.
Amid this situation, our new mid-term business plan pursues four business opportunities: “high-precision testing,” “advanced packaging,” “large-size panel-level packaging (PLP),” and “compound semiconductor processing.”
High-precision testing concerns the probing machines mentioned earlier. We have large heat absorption systems for HBM testing, high-response heat absorption systems for HPC testing, automotive high temperature measurement systems, and high-precision temperature control systems. Different devices require different controls. As devices come to have higher performance, they are expected to generate more heat, making it necessary to keep enhancing the performance of temperature control systems as well.
As for advanced packaging, we are currently evaluating a new high-end grinder at the plant of our major customer. The required precision exceeds the machine precision, requiring that the variation in thickness be kept to 0.1 µm or less for a 300-mm wafer. After a trial-and-error process, though, we are now beginning to see the light at the end of the tunnel. Once the grinder is completed, it will grow into big business, which makes me hopeful about this product.
Large-size PLP is a method of embedding CPUs, GPUs, memory, and other devices into a large panel and fabricating multiple high-performance semiconductor devices on that single panel. We are going to provide large substrate grinding, polishing, and cutting machines for this manufacturing process. Our goal is to complete the development within the period of this mid-term business plan. I think that, if we can finish tests and evaluations at the customer’s site within the next three years, these machines will become one of our revenue sources for the next mid-term business plan. We are also preparing to provide a probing machine that directly transfers and tests packages diced from a large-size PLP.

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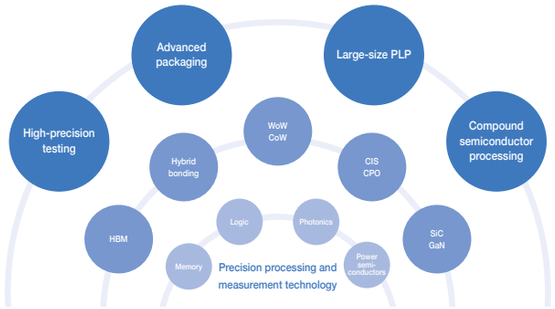
New Mid-term Business Plan (FY2025-2027) — Semiconductor Manufacturing Equipment Business —

Compound semiconductors are mainly SiC chips. With demand for battery electric vehicles (BEV) declining, the global market is now cooling down. Recently, however, efforts have begun to cut power consumption of data centers by using SiC chips, making me hopeful that the market will boom again.
As for the “integration” and “synergy” with the precision measuring instruments business, we have completed the process of building the “Opt-scope” non-contact surface texture and contour measuring instrument into semiconductor manufacturing equipment. This equipment is now on the market. Mr. Ishikawa, who has abundant knowledge about semiconductor manufacturing equipment and processes, became Head of Metrology Company this April. From now on, we will promote and accelerate the “integration” further.
One of the things we will need to do going forward is in-house production of commercially available sensors that we build into our semiconductor manufacturing equipment. Measuring instruments are expensive. Producing them internally will lead to a substantial increase in the profit margin. A joint development project with Metrology Company is already underway with regard to this matter.
We also intend to strengthen recurring businesses with high profit margins. Among them is a periodic maintenance service we offer for delivered large-size processing equipment. Furthermore, we look to expand these businesses to other models as well as to overseas markets. For some wafer dicing blades, the joint venture we have established with Asahi Diamond Industrial Co., Ltd. is seeking to develop high-performance blades and expand sales.
Through these efforts, our semiconductor manufacturing equipment business aims to make 140 billion yen in net sales by fiscal 2027. I expect probing machines to account for approx. 50% of the sales, with grinders, dicing machines, and Chemical Mechanical Planarizer (CMP) devices making up 20%, 15%, and 10%, respectively. Consumables will represent the rest.

Future of the Tokyo Seimitsu Group

I also serve as General Manager of the “Business Strategy Department,” which looks for future business seeds that may succeed 10 or 20 years from now. To be honest, we are struggling. While we explore business opportunities in trending fields such as space development, there are already many early entrants, which makes it unclear whether the business will be profitable. Also, we will not be able to gain competitive advantage unless the field is one where we can leverage our “strengths.” Now, I realize that we have big hurdles to overcome. There are few businesses that are as profitable as the semiconductor manufacturing equipment business with an operating profit of over 20%. Yet, demand for batteries can be expected to keep growing. I will therefore consider M&A opportunities as well. It all depends on cost effectiveness.

Business opportunities



High-precision testing

There is growing demand for probing machines that meet the need for more precise testing required for the miniaturization of semiconductor devices, particularly those capable of high-precision wafer temperature control during measurement.

Advanced packaging

With advances in 3D semiconductor packaging, more machining processes, grinding processes in particular, are expected to require high precision, which will offer a huge business opportunity for our grinders.

Large-size PLP

The increasing use of large substrates makes it necessary to reform the grinding process, bringing more business opportunities mainly for grinders.

Compound semiconductor processing

Demand for grinding non-silicon materials is expected to grow. Examples include the processing of difficult-to-cut materials, such as SiC/GaN substrates for power semiconductors, and co-packaged optics (CPO) technology that uses light for data communication inside a semiconductor package. We expect demand for probing to increase as well.

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New Mid-term Business Plan (FY2025-2027) — Precision Measuring Instruments Business —

Enhancing Technical Capabilities and Expanding Business to Meet Diversifying Measurement Needs

We address a growing and diversifying range of measurement needs by leveraging X-ray CT systems and other new technologies in addition to multipurpose measurement products (coordinate and contour measuring instruments), automated measurement products (machine control measuring components), and the charge/discharge testing system. By doing so, we increase our competitiveness in the field of measurement and expand our business.

Business overview

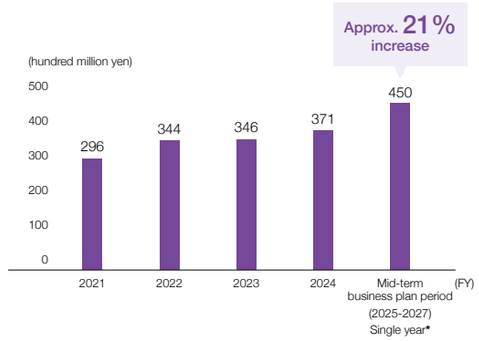
In the precision measuring instruments business, we offer coordinate measuring machines that measure the dimensions of objects, surface texture and contour measuring instruments that accurately calculate disparities in surfaces and cylindrical shapes, machine control gauges that perform measurements inside machine tools, and charge/discharge testing systems for batteries and other rechargeable batteries.
In manufacturing, precision measuring instruments are indispensable to make sure that products are correctly manufactured according to design. Recently, the increasing use of NEVs to achieve carbon neutrality has led to growing demand for precision measurement, automation, etc.

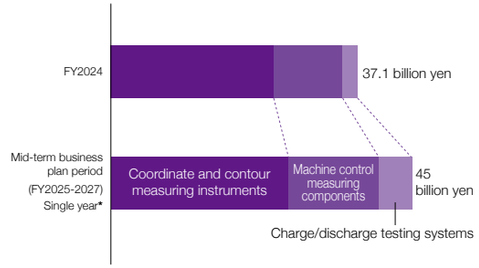
SURFCOM NEX

PULCOM W10

Net sales target

When we created the previous mid-term business plan, internal combustion engine automobiles accounted for the majority of the demand. Since the growth and maturity areas of each industry were clear, we formulated the strategy based on them. Today, however, internal combustion engine automobiles only represent about 40% of our net sales, and the measurement needs are increasingly diverse. In line with this trend, our strategy is to provide a wider range of solutions, regardless of product and industry. By leveraging X-ray CT systems, which we have begun to produce internally, in addition to multipurpose measurement products (coordinate and contour measuring instruments), automated measurement products (machine control measuring components), and the charge/discharge testing system, we seek to meet diverse needs and expand our business.





Net sales

Fiscal 2024
37.1 billion yen

(Fiscal 2025-2027) Single year*
45 billion yen

Target sales ratio

Approx. **21%** increase

* Single-year target for one of the three years

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New Mid-term Business Plan (FY2025-2027) — Precision Measuring Instruments Business —

Aiming to “Integrate” Technologies and Organizations

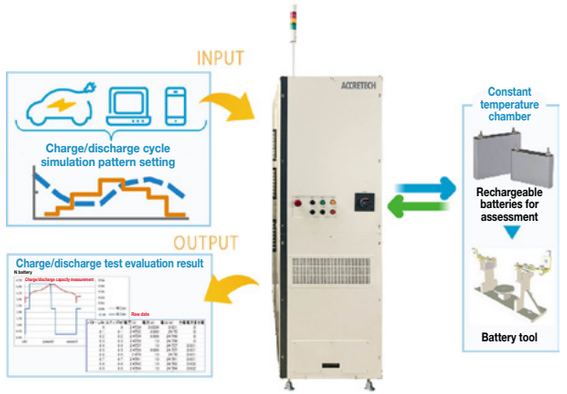
Kazumasa Ishikawa
Head and Executive Officer of Metrology Company

Business results and market conditions

In fiscal 2024, the net sales of the precision measuring instruments business hit an all-time high of 37.1 billion yen. While the spread of electric vehicles (EVs) has slowed down mainly in Europe, the increased sales of hybrid vehicles have made up for the loss.
Currently, the major market in the precision measuring instruments business is automobiles. In this market, there was a vibrant global trend until recently to shift from gasoline cars to EVs by 2035. However, the shift has been stagnant for the past several years, with the number of EVs sold showing no noticeable increase.
Our business is structured so that it does not collapse, regardless of whether the use of EVs increases or remains stagnant. For EVs, we provide charge/discharge testing systems for rechargeable batteries. For gasoline cars, we provide conventional measuring instruments. As a matter of fact, the sales of plug-in hybrid vehicles that use both an engine and a rechargeable battery are increasing in China, where the net sales of our engine measurement products are also on the rise. Generally speaking, we are in a good position.
In addition, demand for precision measuring instruments is growing in the space, aviation, and defense industries, with semiconductors and AI becoming new keywords. The growth of these businesses has increased our overall business volume.

Key results of the previous mid-term business plan

Under the previous mid-term business plan, we worked to spread the use of charge/discharge testing systems. While they still account for a mere several percent of the total sales, their net sales have grown by roughly 30% in three years. We have also established a structure for performing all processes, from development to marketing, in an integrated manner, by taking over the development, manufacturing, and sales businesses for the charge/discharge testing system from our consolidated subsidiary, “Accretech Powertro System Co., Ltd.”
Who wins or loses next in the auto industry depends on rechargeable batteries. What matters is how small and light you can make the batteries and how you can increase their capacity without compromising safety. A higher capacity battery provides a larger amount of current. We have a lineup of charge/discharge testing systems specifically designed for a large amount of current. The major strength of these systems is that they endure tests conducted under severe conditions while changing temperature. Their sales can be expected to increase further.
Taking advantage of the fact that we are the only manufacturer of semiconductor manufacturing equipment that possesses measurement technologies, we have brought to market semiconductor manufacturing equipment with Metrology Company’s measuring instruments built in them. It is also noteworthy that we have been able to build a track record by delivering our equipment to several domestic semiconductor manufacturers.



Charge/discharge testing system

New mid-term business plan and market conditions

I just got transferred from the semiconductor manufacturing equipment business this year and do not know well about the precision measuring instruments business yet. Regarding the semiconductor manufacturing process, though, I have learned from many customers about the timeframe, development approaches, and the direction of evolution among other things. Going forward, I will work hard to learn about precision measuring instruments and explore ways to advance the “integration” of the two businesses efficiently. My mission in the new mid-term business plan is “integration.” Specifically, this involves modularizing measuring instruments and building them into

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semiconductor manufacturing equipment among other things. And that requires interactions among engineers. Engineers of both companies should consolidate system development activities by sharing their needs, integrating their technologies, and candidly discussing how to design software and hardware beyond corporate boundaries. We intend to push forward these moves toward "integration."

Also, the growing need for labor saving is expected to lead to the increased use of automation and IT in all kinds of manufacturing sites, including those for semiconductors, automobiles, and aircrafts. We are well-positioned to take advantage of this trend. Take, for example, a manufacturing site where a 3D printer is used. Using our X-ray inspection system, we can build an environment in which the thickness and internal structure of the product container can be checked through non-destructive testing.

There is also a rapidly increasing need to perform inspections without stopping the production line. This not only saves time and labor but also increases the efficiency of preventive and regular maintenance of manufacturing equipment through data analyses. Our measuring instruments are excellent in this respect. We want to grow these businesses as well under the new mid-term business plan.

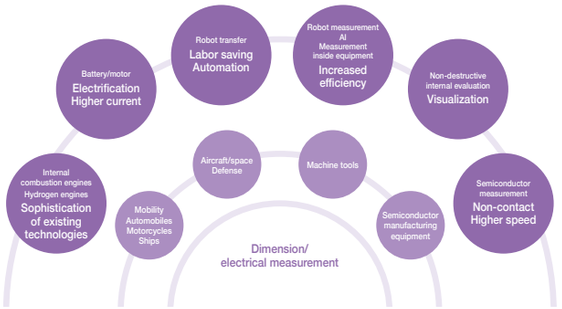
Another target of the new mid-term business plan is to "expand recurring businesses." One of them is "consigned measurement" whereby we evaluate samples provided by customers on a fee basis. We also seek to expand the business of calibrating old instruments and the software maintenance business.

Through these efforts, we plan to bring our net sales to a record high of 45 billion yen in fiscal 2027. Roughly speaking, multipurpose measurement products, that is, coordinate and contour measuring instruments (including recurring and synergistic products), will account for 60% of the total sales, with automated measurement products, that is, machine control measuring components (same as above), and charge/discharge testing systems representing 30% and 10%, respectively.

Future of the Tokyo Seimitsu Group

Currently, I also serve as Deputy General Manager of the "Business Strategy Department," which thinks about the future of our group 10 or 20 years from now. What we do in this department is figure out what the world will be like and should be like in the future and discuss what kinds of business and technology will be needed or discarded. Going forward, we will put together our ideas into business plans, take stock of our existing technologies, and identify the technologies we need to develop. We are currently in a phase where we stretch our imagination in a flexible manner. Next year, we will dig deeper to refine the ideas and ultimately work out details such as when we make investments and form a task force and how we build the organization.

Business opportunities



Sophistication of existing technologies for internal combustion engines and hydrogen engines

Higher measurement precision and more advanced automation are required for the processing of engine parts, which offers business opportunities for our multipurpose measurement products (coordinate and contour measuring instruments) in general.

Spread of higher-current batteries and motors

The spread of EV motors, which are made of high-precision parts, represents business opportunities for our multipurpose measurement products (coordinate and contour measuring instruments) in general. Also, increased demand for EV battery evaluations expands business opportunities for charge/discharge testing systems. Growing demand for non-destructive battery testing may generate the need for X-ray CT systems as well, whose internal production we are currently pushing forward.

Labor saving and automation of robot transfer

Advances in labor-saving efforts and automation are expected to generate the need to automate the transfer process by installing measuring instruments in parts processing sites. This will likely lead to increased demand for our highly robust multipurpose measurement products (coordinate and contour measuring instruments) in general. It can also be expected that there will be business opportunities for software solutions linked with measurement automation as well as for products built into machine tools such as sensors and gauges.

Non-contact high-speed semiconductor measurement

The spread of high-precision, non-contact inspections of semiconductor manufacturing equipment parts and devices leads to increased demand for high-precision measurements using our optical measurement solutions.

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New Mid-term Business Plan (FY2025-2027) — Cross-segmental Integrated Business Strategy —

Creating Innovations through Technical Synergies

Tokyo Seimitsu is the only manufacturer of semiconductor manufacturing equipment that possesses measurement technologies. To further reinforce the strengths and characteristics of being such a manufacturer, we aggressively pursue technical synergies between “precision measuring instruments business” and “semiconductor manufacturing equipment business.”
We also seek to develop innovations and achieve sustainable growth by establishing a new organization for cross-segmental business strategies and ramping up efforts to create future-oriented businesses.

Pursuit of unique added value and differentiation through technology integration

Making the most of being a company that possesses both the semiconductor manufacturing equipment and precision measuring Instruments businesses, we are working to develop semiconductor manufacturing equipment with our high precision measuring instruments built in them. The recently developed products include the “AD3000T-PLUS Opt-scope built in,” which is a dicing machine featuring the “Opt-scope” non-contact 3D surface texture and contour measuring instrument, and the “AP3000-Opt/Ales” combined with a probing machine.
Through such technology integration, we will continue to provide semiconductor manufacturing equipment that supports both high precision machining and inspections, delivering unique solutions that meet diverse customer needs.

Promotion of new business planning through a company-wide organization

We established a new organization - “Business Strategy Department” - in fiscal 2025 to explore future business seeds and push forward mid- and long-term business strategies. This department is a company-wide organization in charge of formulating mid- and long-term plans, including new business plans.
The Head of Semiconductor Company serves as its general manager, with the Head of Metrology Company acting as its deputy general manager.
A team of members, composed of experts on specific fields, is working to create businesses for the future of our group 10 or 20 years from now. Being a company-wide organization, the department is aimed to promote technology integration and create new businesses and innovative products. By exploring new business seeds, we look to lay the groundwork for the creation of next-generation businesses and sustainable growth.

Technical synergies between the “precision measuring instruments business” and “semiconductor manufacturing equipment business”

Applying the measurement technology of the precision measuring instruments business to semiconductor manufacturing equipment enables higher precision machining and inspections.

AD3000T-PLUS Opt-scope built in

New

Machining groove profile measurement using a dicing machine

AP3000-Opt/Ales

Inspection of needle tracks in three dimensions (height, width, and depth)

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Message from CFO

Building a Stable and Robust Financial Base

Introduction

I made a connection with the Tokyo Seimitsu Group when I joined its German subsidiary in 1997. Upon returning to Japan in 2009, I started to work at its head office, helping set up and reorganize overseas subsidiaries. From 2019, I worked in Fukushima on post-merger integration (PMI) efforts for the company that Tokyo Seimitsu acquired through M&A. Since returning to the head office in 2023, I have been engaged in management, IR, and special missions among other tasks at the Management Support Department under direct control of the president. Regarding the new mid-term business plan, I played a role in determining its position and drafting its basic policies in consultation with the president and other relevant personnel.
When I was transferred to Fukushima, I was close to 60 years old. I thought my career at the Tokyo Seimitsu Group would end there. So, to be honest, I am surprised that I have been appointed as CFO. Having been assigned this enormous responsibility, I will do my best to enhance the corporate value of our group.

Business environment and results

The business environment surrounding our group in fiscal 2024 is characterized by the remarkable growth of the semiconductor manufacturing equipment business despite the sluggish sales of consumer products, such as smartphones and PCs, and power semiconductors for electric vehicles (EVs). The business was supported significantly by demand for generative AI and demand in China.
The precision measuring instruments business, on the other hand, had a tough time as the order trend of machine tools remained stagnant. Yet, we produced results in developing new areas such as aircrafts and semiconductors. The rechargeable battery business is poised to grow partly because of the government's industrial policy.
Regarding the fiscal 2024 business results of our group, the net sales hit an all-time high of 150.5 billion yen, because sales grew in the areas where the semiconductor manufacturing equipment business has a competitive advantage and we succeeded in winning orders for equipment replacement in the precision measuring instruments business. With the operating profit and operating margin reaching 29.7 billion yen and 20%, respectively, I consider that the overall financial results are not bad. While the net sales missed the target of 170 billion yen set forth in the previous mid-term business plan, it was inevitable because the target was premised on the recovery of consumer demand. The three-year average ROE also reached 15%.

Our financial direction

We intend to set a target of maintaining an equity ratio of 70% and a cash amount equivalent to half a year of fixed costs, two months of variable costs, and additional costs. This is because the semiconductor manufacturing equipment business is highly volatile and we need to maintain a sufficiently sound financial base to endure any changes. We also have to keep the amount of cash to an appropriate level where we can make flexible moves if needed. It is crucial to make sure that we can make decisions on capital investment and M&A at our own discretion without being influenced by intentions of outsiders.

Capital allocation

We use the cash flows from operating activities for capital investment and dividends. I think that, if we still have some room in free cash flow and the cash balance is not a concern, then we can choose to buy back our shares as additional shareholder returns. Essentially, this policy has not changed from the previous mid-term business plan. We have carried out stock buybacks flexibly in the past, and we will take a similar action depending on circumstances.
While increasing liabilities for higher leverage is an option because it brings down the weighted

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average cost of capital (WACC), whether we do so depends on the cash status. Since an increase in demand for high-value-added products makes inventory management difficult to do, I will keep paying attention to it. As for the credit rating, I consider it a minimum requirement to maintain the current A minus (stable) rating (assigned by Rating & Investment Information, Inc.).
I presume that we are going to make capital investments totaling 30 to 40 billion yen over three years. Judging from the current investment level, I think the total investment amount will be close to these figures.
A major investment will go to the construction of a new plant in Hachioji City, Tokyo. We will pay a deposit for the land within fiscal 2025. Since the design is not yet started, the total construction cost is unclear. With a land size about 80% as large as that of the Hachioji Plant (approx. 37,000 m^2), the new plant will be quite a huge building.
The new plant is being built to meet the growing demand for increasingly larger semiconductor manufacturing equipment. The construction will not begin until fiscal 2027, the final year of the new mid-term business plan, partly due to the environment assessment by the Tokyo Metropolitan Government. Payment will start in earnest during the period of the next mid-term business plan.
Moreover, we plan to build demo centers abroad and construct our company's building in South Korea. There is also a plan to open demo centers in Vietnam and India where the semiconductor industry is growing.
The ratio of investment in R&D to net sales is a little less than 8%, and the total investment amount over three years is presumed to be 35 to 40 billion yen. The investment is primarily used to develop elemental technologies for strategic products. These include high-precision temperature control for chucks, which are the core parts of probing machines.

New mid-term business plan

What I aim to achieve as the CFO under the new mid-term business plan is to build a robust financial base that remains stable under any circumstances. To meet this challenge, I want to focus on increasing profits first. What matters most is a solid foundation.
The operating margin target set in the new mid-term business plan is 24%, which is higher than the actual operating margin of 20% achieved in fiscal 2024. It is therefore necessary to increase the sales ratio of high-added-value equipment while raising the gross profit margin by lowering the manufacturing cost, particularly in the semiconductor manufacturing equipment business. I also want to grow highly profitable businesses other than the sale of equipment, such as recurring businesses. I think that our group has been focused more on the sale of equipment than on installation base businesses. Going forward, however, I consider it imperative to establish a revenue base by leveraging recurring businesses such as the lucrative business of selling consumables.

ROIC and ROE

The return on invested capital (ROIC), which we introduced in fiscal 2022, has spread across the company to the point where the revenue status can be monitored on a business-by-business basis. We are currently in the process of changing the way we use this metric based on what we have learned so far.
Recently, we have changed how overseas subsidiaries divide their assets by segment. Getting the knack of it, we are beginning to use the metric more strictly. At the moment, the ROIC is mainly used for department management and awareness raising for employees. With calls for disclosure growing among outsiders, however, we will give it careful consideration.
In my view, the ROE target of 15% is a minimum requirement to fulfill. Given the recent hikes in interest rates, I suspect that the cost of shareholders' equity is probably more than 10% when it is calculated using the β value that reflects the volatility of the semiconductor industry. We intend to keep improving the ROIC as well by increasing the profit margin and asset turnover.

Shareholder returns and IR

As for shareholder returns, the target dividend payout ratio is 40%. We buy back our shares depending on circumstances. I think, however, that investing funds in equipment and other resources for growth will be eventually the best returns for shareholders.
To make sure that our shareholder return policy and growth strategy are fairly evaluated and to enhance our corporate value, I will commit myself to IR activities. Our company is not highly valued, compared to rivals in the same industry. With the help of Ryuichi Kimura, CEO, I will make better known the value of having both precision measuring instruments business and semiconductor manufacturing equipment business.

	Net sales	Operating profit	Operating margin	ROE
FY2024 results	150.5 billion yen Semiconductor manufacturing equipment 113.5 billion yen Precision measuring instruments 37.1 billion yen	29.7 billion yen Semiconductor manufacturing equipment 24.3 billion yen Precision measuring instruments 5.4 billion yen	20% Semiconductor manufacturing equipment 21% Precision measuring instruments 15%	15%
Mid-term business plan period (FY2025-2027) Single year	185.0 billion yen Semiconductor manufacturing equipment 140.0 billion yen Precision measuring instruments 45.0 billion yen	45.0 billion yen	24%	15%

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Revision of Materiality

Defining New 6 Themes and 23 Materiality Issues

Reviewing the status of the value chain surrounding its business activities and the impact on the environment and society, among other issues to be taken into account, in line with the mid-term business plan starting in fiscal 2025 and ending in fiscal 2027, the Tokyo Seimitsu Group has revised its materiality as follows. The materiality consists of 6 themes and 23 materiality issues. Its aim is to “contribute to the realization of an enriched society” by “contributing to the creation of a sustainable society” through the “trust and confidence of stakeholders.” Going forward, we intend to revise the materiality continuously as needed.

Materiality issues and priority initiatives

Theme	Materiality issues	Priority initiatives (FY2025 mid-term plan)
Contribution to the realization of an enriched society	Creation and provision of products that resolve social issues	Provision of new products and services that resolve social issues
	Contribution to semiconductor manufacturing that creates the future and enriches society	Spread of products and services
	Contribution to innovation in manufacturing through precision measurement	Spread 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	Reduction in business CO_2 emissions
		Thorough 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 of water consumption
		Thorough harmful substance control
		Promotion of biodiversity conservation activities
	Realization of a circular economy	Shift to resource recycling (circular economy)
	Advanced environmental management system	ISO 14001 maintenance and management
Maintenance and enhancement of a corporate attitude for living up to the trust and confidence of stakeholders	Promotion of sustainability in the value chain	Promotion of sustainable procurement
		Respect for human rights
	Securing of product quality and stable supply and improvement on customer support	Increased customer satisfaction
		Sophistication of quality management
	Promotion of stakeholder engagement	Promotion of IR activities
		Contribution to technological development through industry-government-academia collaboration
		Promotion of beautification activities in local communities
		Swift and fair information disclosure

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Theme	Materiality issues	Priority initiatives (FY2025 mid-term plan)
Creation of a workplace where diverse people can work positively and energetically	Promotion of Diversity, Equity, and Inclusion (DE&I)	Promotion of women's participation and advancement (recruitment and development of female human resources who play major roles)
		Improvement of a workplace where people with disabilities can play active roles
	Creation of a workplace where people can work in good health, both physically and mentally, and safely	Dissemination and reinforcement of measures that help employees promote their health
		Increased awareness about safety and health among employees
	Improvement of employee engagement	Dissemination of our purpose and vision
		Creation of a corporate culture for tackling difficult challenges without fear of failure
		Creation of an organizational culture for working with a sense of unity beyond corporate and departmental boundaries
Strengthening of governance as the basis for fair corporate activities	Strengthening of corporate governance	Stricter demand for corporate ethics and legal compliance
		Timely and appropriate information disclosure
	Strengthening of compliance	Maintenance and improvement of internal control functions
	Promotion of risk management	Enhanced risk management
		Strengthening of information security measures
		Enhancement in cyber security
Strengthening of the business infrastructure	Promotion of human resource development	Human resource development for innovation creation
		Development of autonomous human resources
		Creation of skill standards for individual job types
	Strengthening of R&D capabilities	Reinforcement of capabilities to deal with cutting-edge technologies
	Management and utilization of intellectual properties	Investment in and utilization of intellectual properties
	Promotion of digital transformations (DX)	Utilization of digital technologies (promotion of DX and use of AI)
	Creation of a corporate culture that supports innovation	Promotion of measures to spread our purpose
	Realization of sustainable and stable business management	Strengthening of recurring businesses
		Continuous review and improvement of the business continuity plan
		Efficient capital utilization
		Fair profit distribution

Process of defining materiality issues

STEP 1

Analyze the impact that our company has on society through our value chain based on the actual condition, in reference to GRI, SASB, and other international guidelines, and identify the sustainability issues that we need to address

STEP 2

Analyze megatrends, major stakeholders, business plans, etc. to identify overlooked issues and potential sustainability issues that are highly likely to arise in the future in addition to the known existing issues

STEP 3

Based on the results extracted in STEP 1 and STEP 2:

- Evaluate and rank by impact on the global environment and stakeholders
- Evaluate and rank according to relevance to our value creation and management strategy

STEP 4

Based on the results of STEP 3, identify our materiality issues

- Organize and summarize the issues before finalizing them in order to make them easy to understand for stakeholders
- After approval at the Sustainability Committee meeting in April 2025, approve the publication of the materiality in the mid-term business plan at the Board of Directors in May 2025

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Value-creation Process

The Tokyo Seimitsu Group has been continuously providing the “soil to cultivate technology and achieve innovation” throughout its history, something that is reflected in the six elemental technologies that serve as the source of its core technologies.
We believe that promoting business growth through synergies between our core technologies and our three strengths as well as continuing to evolve the Tokyo Seimitsu Group’s business model will lead to the realization of the creation of an “affluent society where everything in our daily lives evolves to be more convenient” and a “sustainable society where we can enjoy the richness of nature and happiness in various ways.”

INPUT*1

Financial capital
- Shareholders' equity: 167.9 billion yen
- Rating: A- (R&I)
- ROE: 15.5%

Manufactured capital
- Cumulative capital expenditure: 80.2 billion yen*2
- Capital expenditure as a percentage of net sales: 7.4%*2
- Manufacturing sites: 13 sites in 5 countries and regions*3
- Sales and service sites:
  60 sites in Japan
  59 sites in 18 countries and overseas regions

Intellectual capital
- Cumulative R&D expenditure: 79.3 billion yen*2
- Number of patents: 1,207 (as of December 2024)
- Group leader system
- Technology transfer projects

Human capital
- Number of consolidated regular employees: 2,767
  Number of engineers: 1,582
  Number of Manufacturing Dept. personnel: 672
- A culture that encourages engineers to take on new challenges

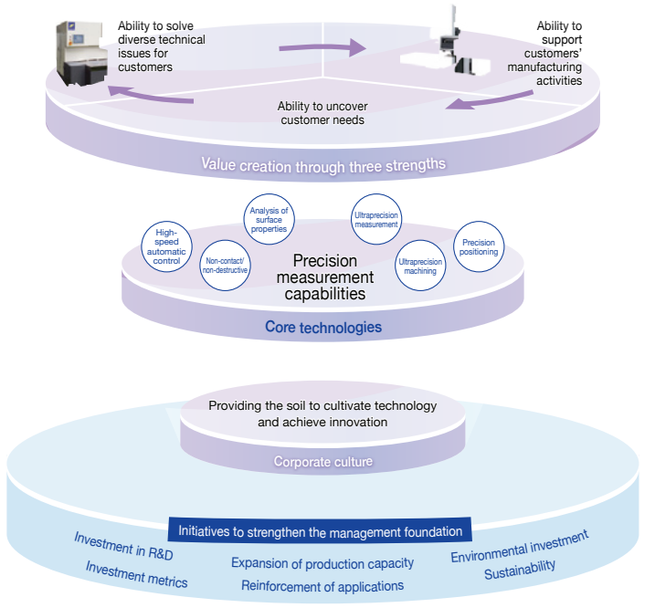
Social relationship capital
- Strong relationship of trust with customers and solution presentation ability
- Alliances with leading companies
- Customer satisfaction

Natural capital
- Total energy consumption: 423,410 GJ*4, 5
- Water consumption: 172,482 m³*4
- Promotion of eco-factories and eco-products

PURPOSE

Gaging the future with Metrology, Creating the future with Semiconductors

Working alongside our customers to achieve the world's No.1 in manufacturing



OUTPUT

Creation of economic value (fiscal 2024 results)

ROE	Three-year average 15%*6
Net sales	150.5 billion yen
	Semiconductor manufacturing equipment 113.5 billion yen
	Precision measuring instruments 37.1 billion yen
Operating profit	29.7 billion yen
Shareholder return	Dividend payout ratio 40.1%

Initiatives for key ESG issues

Promotion of business activities that contribute to the creation of a sustainable society

Maintenance and enhancement of a corporate attitude for living up to the trust and confidence of stakeholders

Creation of a workplace where diverse people can work positively and energetically

Strengthening of governance as the basis for fair corporate activities

OUTCOME

An affluent society where everything in our daily lives evolves to be more convenient

Smart factory

Surgical robots and telemedicine

Metaverse

A sustainable society where we can enjoy the richness of nature and happiness in various ways

Electric vehicles

Eco-friendly and highly efficient power generation

Sustainable growth

*1 Fiscal 2024 results *2 Cumulative value over 10 years *3 Including the Nagoya Plant completed in August 2025
*4 At the manufacturing sites of Tokyo Seimitsu Co., Ltd. (non-consolidated basis) *5 Types of energy covered: Gas (LPG), volatile oil, kerosene, light oil, and electricity
*6 Three-year average ROE = Net profit attributable to shareholders of the parent (simple average for fiscal 2022-2024) ÷ equity ratio (simple average for fiscal 2021-2024)

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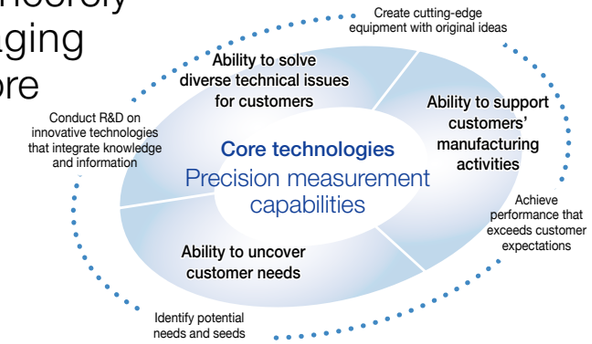
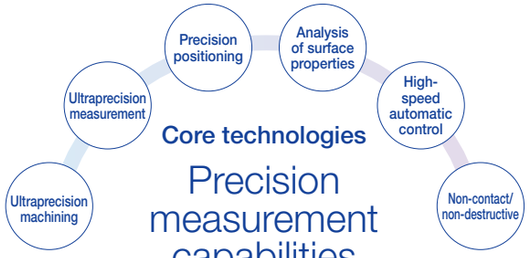
Tokyo Seimitsu's Business Model

We Are Committed to Addressing Manufacturing Challenges Sincerely and Thoroughly from the Customer's Point of View by Leveraging "Precision Measurement Capabilities," Which Are Our Refined Core Technologies, and Three Strengths

The Tokyo Seimitsu Group supports the manufacturing activities of customers who manufacture semiconductors and automobiles with its unique measurement technologies through both its precision measuring instruments business and semiconductor manufacturing equipment business. These "measurement" technologies include "precision positioning," "ultraprecision measurement," and "ultraprecision machining." Hearing customers' voices constantly, we explore needs and seeds that have never been addressed by anyone before. Our experienced engineers develop innovative equipment by drawing on their collective wisdom and experience. Our strength lies in our tireless pursuit of technology and our thorough customer orientation.



Tokyo Seimitsu's core technologies



Our products are made by several key elemental technologies based on "precision measurement capabilities," which are our core technologies.
Through precise measurement, we are able to provide feedback for positioning, ultraprecision machining, high-speed automatic control, and even more advanced ultraprecision measurement. Depending on the application, we are expanding into elemental technologies that allow non-contact and non-destructive testing.
Through measurement, we are also developing elemental technologies for software, such as algorithms that use measurement data to discern the properties of an object.

Tokyo Seimitsu's three strengths

Strength 1

Ability to uncover customer needs

We are able to identify diverse customer needs early on, based on our strong trust-based relationships with customers

Points of differentiation

- Ability to identify diverse requests from customers (problem-finding ability and the ability to detect subtle signs)
  - A system in which engineering, manufacturing, sales, and customer engineers (CEs) work in unity to understand customer needs
- Solution capabilities to meet a wide range of customer needs
  - Technology-centered marketing and planning under the group leader system

Strength 2

Ability to solve diverse technical issues for customers

Utilizing core technologies from the perspective of new markets and customers, we create innovative functions by leveraging our creative technological development capabilities

Points of differentiation

- A culture that encourages engineers to take on new challenges
- Experienced engineers who deliver on challenging functional requirements (engineers with high-level "skills")
- Inheritance and standardization of craftsmanship (inheritance of quality control know-how and formalization of knowledge)
- Standardization committee for cross-organizational deployment of electrical control technology and design methods

Strength 3

Ability to support customers' manufacturing activities

We leverage our advanced technological capabilities to help customers optimize and maximize their production capacity

Points of differentiation

- Deep trust between customer engineers and customers (building WIN-WIN relationships by working closely with customers and having candid conversations with them)
- Helping customers maximize equipment performance through on-site customization
- Quick response and customer-focused support system
- Training of excellent customer engineers and flexible teamwork systems for each device

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Message from Head of Administration Company

Seeking to Support the Sustainable Growth of the Tokyo Seimitsu Group

Asashi Kato
Head and Executive Officer of Administration Company

About Administration Company

Supporting the business infrastructure for sustainable growth

The organization name of Administration Company may not sound familiar. In general terms, it is a corporate division. Tokyo Seimitsu has an in-house company system that not only operates business units but also includes a corporate division. Our role is to support Tokyo Seimitsu's business as an administration company with a sense of unity.
We have seen both our net sales and the number of employees more than double over the past 10 years. And now, we need to address increasingly sophisticated and complex challenges, such as compliance, information security, and sustainability.
I feel that Administration Company that supports the business infrastructure has a bigger role to play in making sure Tokyo Seimitsu keeps growing amid this situation.

The roadmap for sustainable growth is clearly described in the "long-term vision" announced last year, as well as in the "mid-term business plan" that kicked off this fiscal year. The Integrated Report, which we started to issue three years ago, presented the "value-creation process" and "three strengths." Back then, I interviewed staff of each department as a member of the Secretariat to find out what makes us stronger than competitors and gather "tacit knowledge" from across Tokyo Seimitsu.
What is common to what I was told is as follows: "Tokyo Seimitsu has a corporate culture that encourages engineers to try whatever they like." and "When addressing a customer's problem, all employees start by looking at the problem from the customer's point of view. There are no organizational boundaries among sales, technology, manufacturing, and service personnel."
The Integrated Report says these things in somewhat idealized terms. But they represent what frontline personnel truly feel, and the top management mentions these things on a routine basis. With the number of employees increasing and the environment changing constantly, we cannot maintain our strengths and value-creation process without doing anything. In supporting Tokyo Seimitsu's business, I intend to keep thinking about what Administration Company can do to further reinforce these strengths.

●Basic policy on mid-term business plan (FY2025-2027)

Achieves both strengthening of the business and reinforcement of its foundation

New materiality

Supporting the entire group from two perspectives of ESG and business growth

We revised the Tokyo Seimitsu Group's materiality this May. In addition to the existing ESG initiatives, the revised materiality includes the perspective of how to achieve business growth.
Although Administration Company cannot contribute directly to increasing net sales or profits, there are a number of things we should do. These include developing human resources and creating a corporate culture for tackling new technological challenges and promoting the integration of metrology and semiconductors, making the purpose widely known, and strengthening the business infrastructure through information systems and intellectual property activities.
Going forward, we will support the entire group in line with the new materiality.

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1. Toward a sustainable society
On the environmental front, efforts are underway to reduce CO_2 emissions from plants and create eco-friendly products among others. Regarding these environmental efforts, Tokyo Seimitsu currently has a lead. I hope to see the efforts spread across all the group companies.
As for supply chain management, we have a working group in place. We hold a “supplier briefing session” once a year to discuss not only the environment but other topics as well including human rights and information security. In addition, we conduct questionnaire-based surveys on suppliers to identify problems and make improvements. We are going to make more of these initiatives, moving forward.
We consider these activities part of our main jobs we need to do to ensure that Tokyo Seimitsu continues to exist in society. The activities are led by the Sustainability Committee headed by the Chairman.

2. Human capital-related measures
Since three years or so ago, we have had working group sessions, where executives of the individual departments gather to discuss human resource development and various other topics. During these discussions, I asked the attendees when they felt most satisfied at work. All of them replied that it was when they were put in charge of a job.
You tend to consider a job a mere obligation when you just follow instructions. Doing a job of your own will makes you more motivated and helps you improve your skills.
The CEO, Ryuichi Kimura, has a strong passion for human resource development. A half-day event will be held this fiscal year for all the managers of the Tokyo Seimitsu Group. We are going to step up the initiatives even more.
Also, securing diversity is a major issue. Women working in this industry has long been few. It took a lot of effort to achieve the numerical targets of the recruitment rate and employee ratio set forth in the previous “Action Plan for Promoting Employment and Careers of Women.” The new “Action Plan for Promoting Employment and Careers of Women” is more focused on the development of female employees, including the promotion to management positions.
As for the employment of persons with disabilities, we are not merely committed to meeting the numerical target of the employment rate but also building an environment where these individuals can grow with the sense that they are contributing to the company. Specifically, the departments entrust persons with disabilities with such tasks as scanning and assembly work. They feel that they are growing day by day while doing their jobs.

3. Ensuring business continuity and strengthening the foundation for business growth
Ensuring business continuity requires strengthening the foundation for business activities such as corporate governance, compliance, and risk management. The Tokyo Seimitsu Group pushes forward these activities through various committees. Ramping up information security is an urgent issue in risk management. A number of measures are underway including the construction of new infrastructure and the establishment of the CSIRT (Computer Security Incident Response Team). As for compliance, we cannot respond flexibly to violations and other problems just by creating rules after they occur. We not only train employees on compliance but formulate recurrence prevention measures as well by digging deeper into the causes of those problems.
Intellectual properties, public relations, and information systems are the areas where Administration Company works together with the business companies to provide support in reinforcing business activities.
Our intellectual property activities have been focused on protection. From now on, we will not only protect existing intellectual properties but also strive to be more proactive by analyzing industry trends and securing intellectual properties even before market needs surface. In public relations activities, we seek not just to increase the brand value of our products through exhibitions and brochures but to boost our corporate brand value as well. In terms of the utilization of information technology, we are seeing several efforts take shape gradually, including the use of generative AI and the introduction of no-code tools.

From now on

Leveraging our expertise to contribute to the realization of the business strategy

Since becoming Head of Administration Company this April, I have talked with the managers of the divisions about what will be required of us and how we should operate. A variety of opinions have been presented on the response to globalization, further understanding of and contribution to the businesses of the two companies, use of information technology to increase the work efficiency of the entire group, etc. Anyway, we hope to see the corporate division work as one as Administration Company. We intend to help Tokyo Seimitsu achieve sustainable growth and enhance its corporate value, by leveraging our expertise to contribute to the realization of the business strategy.

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Infrastructure to Support Technological Innovation

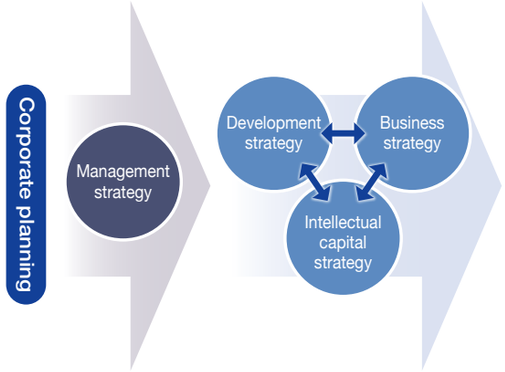
Technology development in intellectual capital strategy

Basic policy on intellectual capital

● Position of the intellectual capital strategy

We place an emphasis on intellectual capital, which is a major component of intangible assets, and actively invest in enhancing this value.

The Intellectual Property Department works closely with our business units when formulating and implementing effective intellectual capital strategies to support technology development and promote management strategies from an intellectual property perspective.



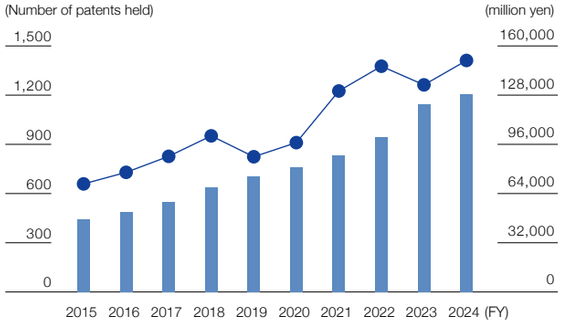
Promote development strategy based on management strategy and intellectual capital strategy based on business strategy

● Expansion of intellectual capital

The quantity of intellectual property rights held by the Company has been increasing. We will continue to actively acquire rights to expand our intellectual capital. It is evident that our business performance is improving in correlation with the expansion of intellectual capital. It is also clear that the steady expansion of intellectual capital is supported by abundant R&D expenditures.

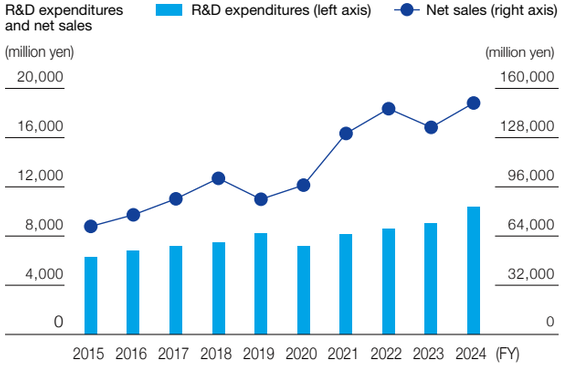
Also, given the recent moves to produce more semiconductors in Japan and economic trend forecasts, we are acquiring intellectual property rights overseas.

Correlation between number of patents held and net sales



* The number of patents held is the value recorded as of the end of December of each year.

R&D expenditures and net sales



* The net sales and R&D expenditures are the values available as of the end of each fiscal year.

Intellectual capital initiatives

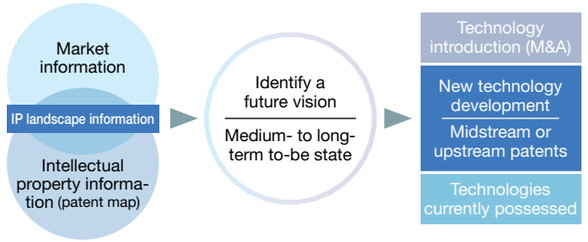
Current situation analysis

● Creation of technologies based on intellectual property strategy and market trend forecasts

To analyze the status of our intellectual properties, we are conducting patent map analysis and taking stock of the intellectual capital we possess. Results of these analyses are used to strengthen our core technologies and formulate further strengthening measures (portfolio expansion), as well as to see where other companies stand in terms of intellectual capital and explore the potential for expansion into new technological fields.

Furthermore, in market trend forecasts and strategy based on a tentative IP landscape study, these results are not just used for analyzing the intellectual property information of our own company and other companies. We combine the results with market information to look for hints on mid- and long-term business strategy. This way, we identify the technical elements that we need in the mid to long term and create technologies that fit customer needs.

We call patent technologies developed based on mid- or long-term strategy “midstream or upstream patents.” A theme meeting is held on a regular basis to secure a business domain before the emergence of a market. As for upstream patents, we aim to create innovative technologies not only on our own but also in joint development efforts through industry-government-academia collaboration.



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Infrastructure to Support Technological Innovation

● Enhancement of our patent network

We grasp the current status of our patent network by taking stock of intellectual properties and keep the patent network in optimal condition by acquiring additional patents as necessary. This creates a high barrier to market entry, which gives us a competitive advantage. In particular, inventions regarded as basic patents have been widely patented in countries around the world, and key inventions are tightly controlled as confidential information.
We also review patent rights with the Technology Division on a regular basis and discard unnecessary ones to avoid excessive investments.

● Patent application strategy (comprehensive and stable acquisition of rights)

We hold regular invention consultation meetings with the Technology Division to ensure that all inventions, including those not recognized even by inventors, are discovered and applied for patents. We also strive to improve the quality of application specifications and enhance experimental data to ensure that we can acquire patent rights in a flawless and stable manner.
In the prosecution work, we aim to acquire a wide range of rights by avoiding unnecessary limitation amendments and opinion assertions. We also file applications for similar inventions from multiple perspectives to increase the stability of rights. This ensures that, even if any of such inventions is partially invalidated, the protection of the inventions can be maintained in effect.
At the same time, we are focused on creating demand for licensing by acquiring rights in anticipation of technology transfer outside of our business domains.

● Brand protection

We have obtained trademark rights for our corporate mark and the names and logos of our products in countries around the world, establishing a system to protect our brand. We also periodically monitor the status of other companies' trademark registrations to adequately address the risk of confusion about the origin of our products. Furthermore, we register a wide range of domain names for individual countries in regions where we do business.

● Design protection

Product features other than technical aspects, such as aesthetic product designs and parts designs, are also protected as intellectual capital. Through the intellectual property mix, we protect our business from multiple angles and aim to synergize the value of our intellectual capital.

PULCOM W10
Control unit for in-process and post-process measurements

● Promotion of the creation of intellectual capital

We regularly hold a forum where the managers of each department gather to think about the future society and explore the possibilities of our contribution to society. Managers of each department gather to discuss solutions to issues identified through this initiative, thereby promoting the creation of high-quality patent inventions. These activities offer opportunities for younger employees to present ideas and take on challenges, which contributes to increased engagement and human resource development.
In addition, in order to stimulate intellectual creation activities and ensure the protection of intellectual properties, we not only provide compensation for employee inventions but also offer rewards to inventors who developed excellent inventions or patent inventions that have made a significant contribution to our business performance. We also award departments and individuals who have filed a large number of patent applications each fiscal year.

● Respect for other companies' rights

At each product development stage, development council meetings are held to check whether the intellectual property rights possessed by other companies are not infringed, as well as to assess the risk of infringement. Our intellectual property specialists engage in the entire process, from the initial development stage to the sales activity stage, to provide support for a wide range of legitimate business activities, including support with patents, designs, trademarks, copyrights, and unfair competition prevention.
In addition, we constantly monitor patent publications and investigate the development trends of other companies in order to avoid potential risks early on.
Furthermore, we cooperate with relevant departments to include appropriate intellectual property descriptions in product instruction manuals, catalogs, and other materials that we distribute.

● Intellectual property-related human resource development

In order to improve intellectual property literacy, we conduct function-based intellectual property training. As for younger engineers in particular, basic training is repeated several times a year for each technology division to encourage them to create new intellectual capital. Each technology division has an IP manager in charge of patents, trademarks, designs, copyrights, etc., who conducts IP management on a daily basis and provides on-the-job training. Also, inventors deepen their practical knowledge of patents by filing patent applications and handling examinations together with the Intellectual Property Department and the IP manager of their department. In addition, we provide company-wide intellectual property education through e-learning to encourage members of those departments with little involvement in intellectual properties to acquire the basic knowledge and raise the level of intellectual property literacy across the company.

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Infrastructure to Support Technological Innovation

Evolution of elemental technologies through industry-government-academia collaboration

In modern society where technological innovations advance quickly and customer needs keep growing more diverse and more sophisticated, there are limitations for a single company to push forward research and development all on its own. It is therefore vital to gain access to latest research results and advanced expert knowledge by actively collaborating with external partners such as universities and public research institutes. This allows you to create new technologies and products efficiently and effectively.
The Tokyo Seimitsu Group is active in promoting industry-government-academia collaboration. By integrating diverse knowledge and technologies of different fields and industries, we accelerate the creation of innovations. This way, we seek to differentiate our products and services that leverage our unique strengths as well as to achieve sustainable growth and increased corporate value. Going forward, we will continue to provide higher-value-added products and solutions by flexibly adapting to changes in society and markets through collaboration with external partners.

Tokyo Seimitsu leading ISO standard development

The precision of roundness measuring machines was previously evaluated based on the ISO 4291 international standard (JIS B 7451:1997) published in 1985. Many years passed since the publication of ISO 4291, and roundness measuring machines significantly advanced in functionality and precision, compared to the time when the standard was introduced, making it difficult to fully evaluate the measurement performance of the latest machines with the existing standard.

Given this situation, Japanese roundness measuring machine manufactures that belonged to the Japan Precision Measuring Instruments Manufacturers Association launched a joint effort to develop a new international standard. In 2012, the chief engineer of Tokyo Seimitsu spoke at the plenary meeting of an expert committee (TC213) during the ISO conference held in Madrid, advocating the need for a new ISO standard on roundness measuring machines. As a result, the creation of a new standard was officially approved to revise the existing ISO 4291 standard. Discussions began at international conferences, with our chief engineer assigned as the project leader.
After 12 years of discussions following the proposal of a new ISO standard, ISO published a new international standard, ISO 5463, in September 2024. There have been very few international standards developed under the leadership of Japanese organizations. This project led by Tokyo Seimitsu was very meaningful for our industry as well. We stay committed to creating global standards and developing elemental technological innovations.

Promotion of innovation through technological exchange between business units

The Tokyo Seimitsu Group holds a meeting to report on the progress of development once a month for the semiconductor manufacturing equipment business and precision measuring instruments business, respectively. This report meeting is attended not only by members of one business unit but also by the group leader of the other business unit, thus offering precious opportunities for technological exchange and information sharing between the two units.
Also, the annual best practice report meeting is attended by all employees of the Technology Division, and they share the problems and challenges they have faced at the individual business units as well as the lessons learned and the experiences of overcoming those problems and challenges. This makes the employees more motivated toward development and boosts their business promotion capability.
In recent years, technological exchange between the development departments of the two business units has become even more active. Through such cross-organizational collaboration, we aim to create more innovations. We will continue with these and other activities to ramp up technological expertise and competitiveness.

The annual best practice report meeting

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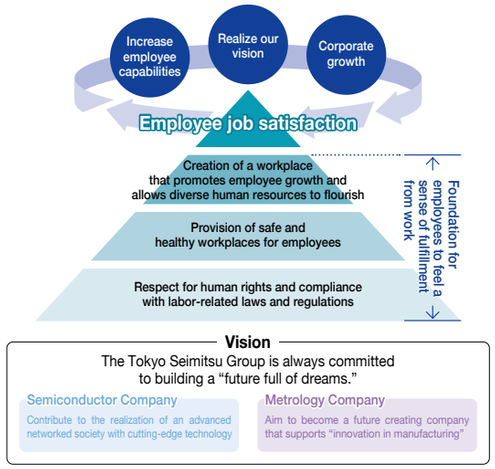
Environment That Encourages New Challenges (Human Capital Strategy)

Fundamental considerations

In order to achieve the vision and mission of the Tokyo Seimitsu Group, every one of its employees, who are our greatest assets, must grow and develop while maximizing their abilities to achieve their dreams.
To this end, we strive to increase employee job satisfaction by promoting “respect for human rights and compliance with labor-related laws and regulations,” “provision of safe and healthy workplaces for employees,” and “creation of a workplace that promotes employee growth and allows diverse human resources to flourish.”

Tokyo Seimitsu Group’s vision and mission
https://www.accretech.com/en/company/purpose.html

Fundamental considerations of human capital



Human resource development

Based on the belief that the growth of each and every employee is essential for the Group to continue to grow sustainably, we have established a human resource development policy. With various training programs in place that are based on our human resource development policy, we are working to develop human resources in order to further enhance one of our strengths - “abilities to uncover customer needs, solve diverse technical issues, and support manufacturing” - and help our employees become next-generation leaders.

Human resource development policy
https://www.accretech.com/en/sustainability/esg/humanresources.html

Enhancing human resource development capabilities

We provide supervisors with “human resource development training” in order to help them develop their subordinates into professionals who can grow autonomously. This training is aimed to get the supervisors to acquire the “dialogue skills that promote growth.”
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.

Visualizing the necessary skills for individual job types

To visualize human capital, each expert committee is identifying the skills necessary for individual job types and creating job type-specific skill standards. These skill standards are expected to be used in occasions such as meetings between supervisors and subordinates to help the subordinates grow autonomously. Currently, a skill standard for mechanical design engineers is being drafted, which will be used on a trial basis in a specific department.

Improving employee engagement

In order for the Group to achieve significant growth in a rapidly changing environment, it is important for employees to work with high motivation, improve productivity, and generate innovative ideas to deliver high added value to customers. We have the “Improvement Proposal Award,” “Technology Award,” and “New Business Proposal Award” to encourage employees to be creative and try something new. We also share award-winning activities with employees through internal newsletters and best practice report meetings to motivate them to take on new challenges.
Furthermore, we set up the “Engagement Improvement Working Group” in January 2024 to promote cross-departmental efforts to improve employee engagement. In October 2024, the working group was renamed as the “Human Capital Working Group” and expanded to strengthen human capital in general in addition to improving engagement. Going forward, we will push forward the following activities:

- Find human resources who think outside the box and train them to create innovations.
- Create booklets and videos to make the purpose and vision understood by all employees.
- Form cross-departmental teams and create booklets about individual departments to deepen mutual understanding among members of those departments.
- Ensure active internal communication and create a workplace where younger employees find it easy to express their opinions.

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Environment That Encourages New Challenges (Human Capital Strategy)

Promotion of diversity & inclusion

We believe that diverse perspectives and ideas stimulate each other and create new value, resulting in synergies that extend beyond the sum of individual capabilities. We are committed to eliminating acts of discrimination based on age, gender, race, religion, national origin, or disabilities, as well as to creating workplaces where diverse human resources can work in a safe and healthy environment.
We respect the personalities of each and every employee and are creating an environment where employees can make the most of their capabilities in a rewarding way.

Promotion of women's participation and advancement

In order to ensure that women play more active roles in core positions, we consider it an urgent priority to hire more female regular employees and improve our workplace environment. We have the "Action Plan for Promoting Employment and Careers of Women" (fiscal 2021-2025) in place and have been promoting a variety of measures. As a result, the indicators that we planned to meet by the end of fiscal 2025 were achieved ahead of schedule. In response, we created a new action plan called the "Action Plan Based on the Act on the Promotion of Women's Active Engagement in Professional Life" (fiscal 2025-2026).
We stay committed to hiring more female regular employees and ramping up our efforts to further promote the participation of women in order to create a sustainable organization.

● Action Plan for Promoting Employment and Careers of Women

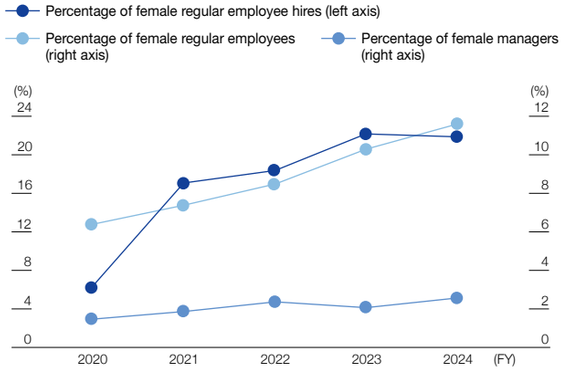
Targets (fiscal 2021-2025)

Percentage of female regular employee hires	20%
Percentage of female employees among regular employees	10%

Targets (fiscal 2025-2026)

Women working as managers, section chiefs, or assistant section chiefs	Increase by 1.5 times or more compared to March 2025
Average overtime work hours of full-time workers	Less than 25 hours

Trends in data for promotion of women's participation and advancement



● Initiatives for the promotion of women's participation and advancement

Promotion of hiring female regular employees

- We created a brochure for female students to increase the ratio of female recruits and raise the level of interest among those students. The brochure featured a roundtable discussion by young female employees and an interview of a female employee in her 15th year at the company.

Career development support for female employees

- We conducted human resource development skills training for supervisors to raise awareness of the importance of developing female subordinates. Supervisors engage in individual interviews with subordinates for the promotion of women's participation and advancement at each workplace.
- External counseling services were introduced in April 2022. (These services are available not only to women but to all employees as well.)

Employment of persons with disabilities

We seek to create environments in which persons with disabilities can be socially independent and work with a sense of fulfillment while experiencing growth. Working with Hello Work (Japan's job placement office), employment support centers, special needs schools, etc., we ensure that the hired employees are assigned to jobs and workplaces that fit their individual aptitudes. Specifically, we had each department identify tasks that accommodate the characteristics of individual persons with disabilities and established a workplace in April 2023 by consolidating those tasks. The workplace has dedicated support staff, and 16 persons with disabilities work there as of April 2025. They have been entrusted with scanning and assembly work by business units, making a significant contribution to the Company.

Hiring of foreign nationals and mid-career workers

Mid-career workers are an indispensable part of our workforce. Also, we hire and promote 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%.

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IT Platform to Support Business Infrastructure

Business sophistication and efficiency increase through IT utilization

Use of generative AI for business operations

With the rapid evolution and spread of generative AI in recent years, the role of generative AI is no longer limited to increasing work efficiency and cutting costs. Generative AI, which makes development and management decision-making processes much faster and more accurate, is becoming an indispensable tool for companies to boost their competitiveness and create new values.

Tokyo Seimitsu introduced a ChatGPT-based internal generative AI platform (ACCT-BRAIN) in September 2024, which employees in Japan use for business operations. As we introduced this platform, we provided training for employees so that they gained a deep understanding of how to use AI and the points to note. We are going to accumulate the knowledge about the use of the platform and apply AI gradually to business operations where it is expected to be effective.

Strengthening the foundation of information sharing worldwide

The Tokyo Seimitsu Group started to use cloud storage in fiscal 2024 to enable worldwide information sharing. Cloud storage allows all kinds of contents to be managed in a centralized manner on a group-wide basis, and we look to achieve efficient management and operation of information assets scattered across multiple sites.

There is a limit to what small-scale sites can do for IT security. The use of cloud storage, by contrast, makes us capable of maintaining a high security level for all the group companies. Not only does this solve security issues and reduce information leak risks, but it also helps reinforce company-wide governance.

Regarding the management of information in cloud storage, we have new rules in place that are common throughout the group. The information is managed according to these globally unified rules. Through these efforts, we provide an efficient and safe information sharing environment, strengthening the foundation that supports global business operations.

Smart work record input and work efficiency improvement

The Tsuchiura Plant has a smartphone-based work record input system in place that uses business-use-only smartphones to increase the on-site work efficiency. It allows employees with limited access to PCs, such as plant workers, to input daily work records on the spot. Designed for easy and quick input of work record data, the system streamlines the daily collection of work records while reducing the workload of workers.

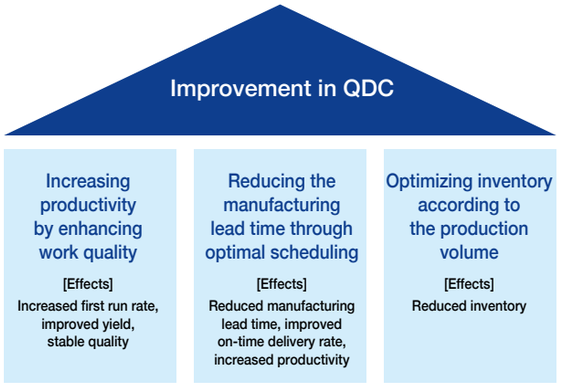
This system also makes it easier to select and input manufacturing processes and work contents, helping to visualize the data about which work process or task takes how many man-hours. By analyzing and utilizing these kinds of data, we seek to improve work processes and increase productivity.

Improving productivity using IT

In the light of the trends of the semiconductor market that is expected to grow, we are boosting our production capacity in preparation for future increases in demand. To respond flexibly to rapid changes in the market and tough quality requirements, just expanding the production scale is not enough. We also need to maintain stable production and supply and keep meeting the high-level requirements of Q (quality), D (delivery), and C (cost). This requires reevaluating the existing production processes and increasing work efficiency further using IT.

While we have long been working to increase productivity by using IT at production sites, there still remains some information that needs to be managed with paper documents and Excel files. This leads to delayed information sharing, dependency on individual skills, and work inefficiency.

Given this situation, we understand that we need to improve our QDC levels from the perspectives of “increasing productivity by enhancing work quality,” “reducing the manufacturing lead time through optimal scheduling,” and “optimizing inventory according to the production volume.” To address these challenges, we are going to organize and standardize work processes. At the same time, we will integrate information technology (IT) and operational technology (OT) to increase work efficiency and maximize productivity.



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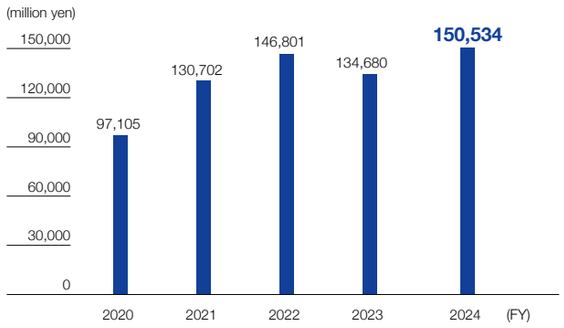
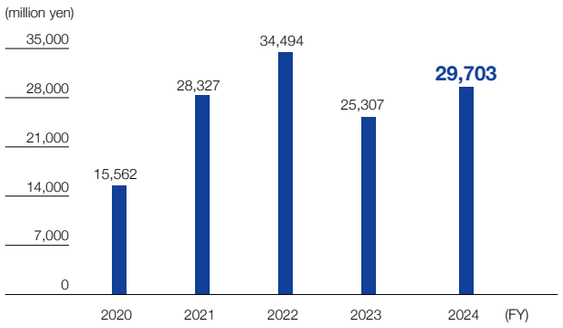
Financial

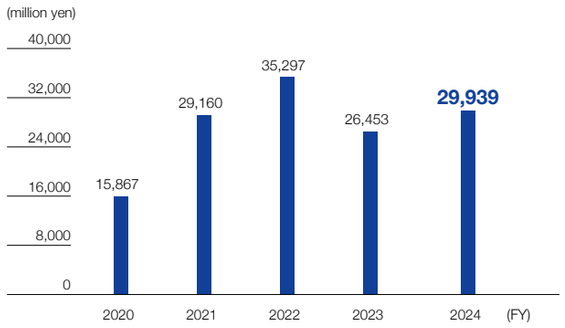
Net sales



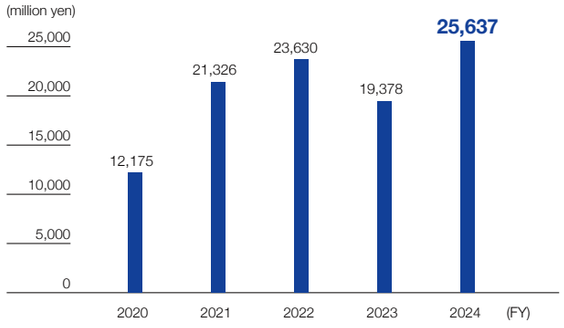
Operating profit



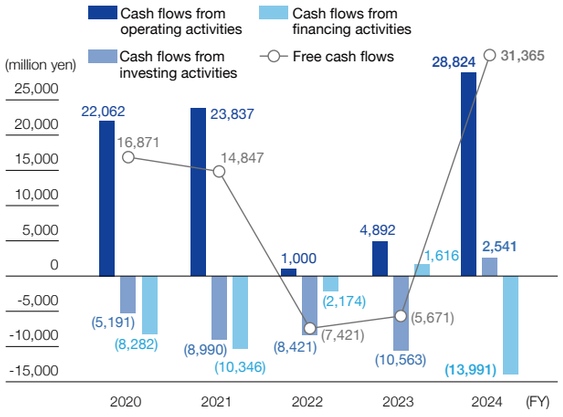
Recurring profit



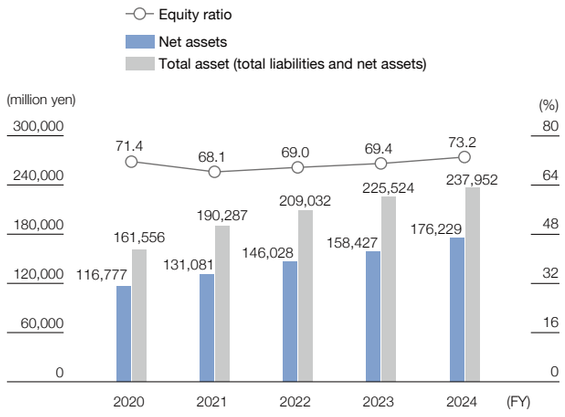
Net profit (net profit attributable to shareholders of the parent)



Cash flows



Balance sheet



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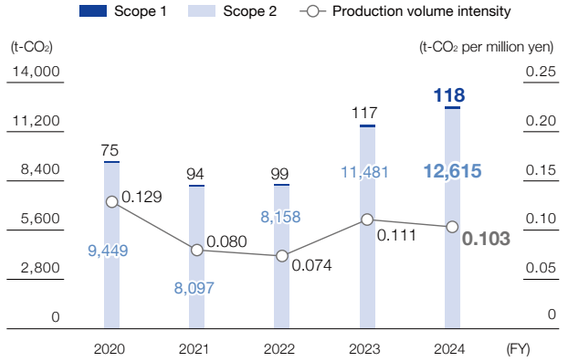
Non-financial

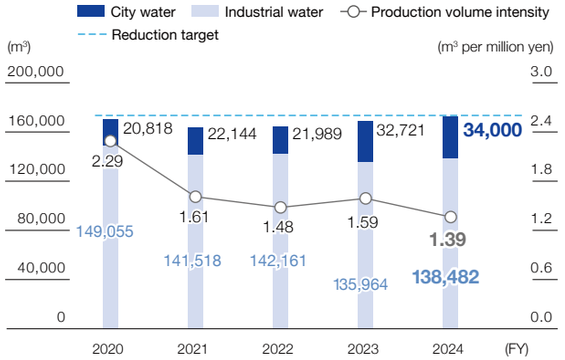
CO_2 emissions



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

The results for fiscal 2023 include data from the Hanno Plant (data since the construction of the new plant was completed in July) and Furudono Plant (data since the business acquisition in October).

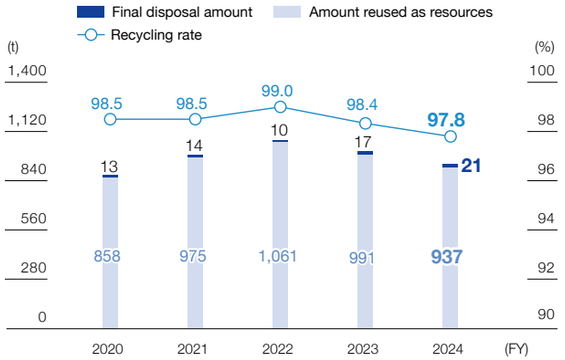
Amount of water withdrawal



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

The results for fiscal 2023 include data from the Hanno Plant (data since the construction of the new plant was completed in July) and Furudono Plant (data since the business acquisition in October).

Waste amount and recycling rate



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

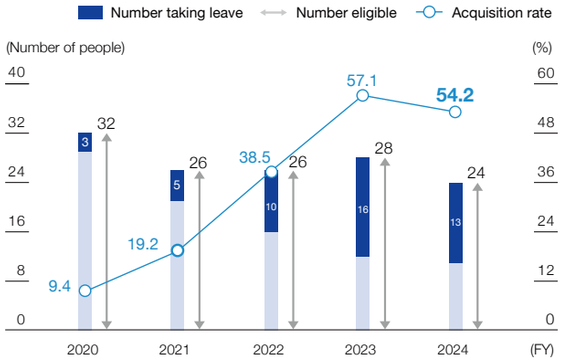
The results for fiscal 2023 include data from the Hanno Plant (data since the construction of the new plant was completed in July).

Percentage of female employees and female managers

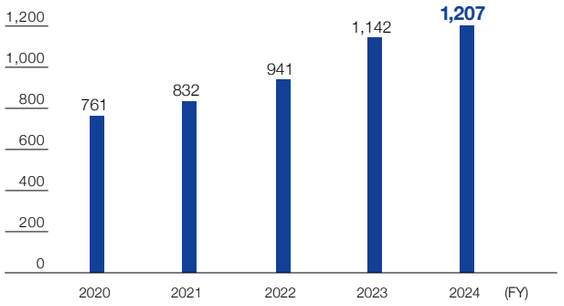
	FY2020	FY2021	FY2022	FY2023	FY2024
Percentage of female managers	1.5%	1.9%	2.4%	2.1%	2.6%
Percentage of female officers	7.7%	7.7%	15.4%	16.7%	16.7%
Percentage of female regular employee hires	6.1%	17.0%	18.3%	22.1%	21.8%
Percentage of female regular employees	6.4%	7.4%	8.5%	10.3%	11.6%

* Locations covered: Tokyo Seimitsu Co., Ltd. (non-consolidated basis)
The percentage of enrolled individuals

Percentage of male employees taking childcare leave



Number of patents held



* The number of patents held is the value recorded as of the end of December of each year.

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Sustainability Management

The Tokyo Seimitsu Group sees sustainability as a major management issue and is promoting sustainability initiatives more than ever. We have reinforced our promotion structure for achieving the purpose, creating the Basic Sustainability Policy and establishing the Sustainability Committee in November 2021 among others. We consider it essential to identify important sustainability issues, define concrete measures by incorporating those issues into the medium- and long-term strategies, and implement the measures through business activities. Based on this idea, we continue to pursue sustainable social development as well as the Tokyo Seimitsu Group's sustainable growth.

Basic Sustainability Policy

The Tokyo Seimitsu Group strives to enhance its corporate value while playing an active role aimed at realizing a sustainable society by forming WIN-WIN relationships with all stakeholders, including customers, shareholders, suppliers, employees, local communities, and the international community, through our business activities based on our mission "Growing together with partners and customers by collaborating technology, knowledge, and information to create the world's No.1 products," which we put into practice.

Basic Sustainability Policy

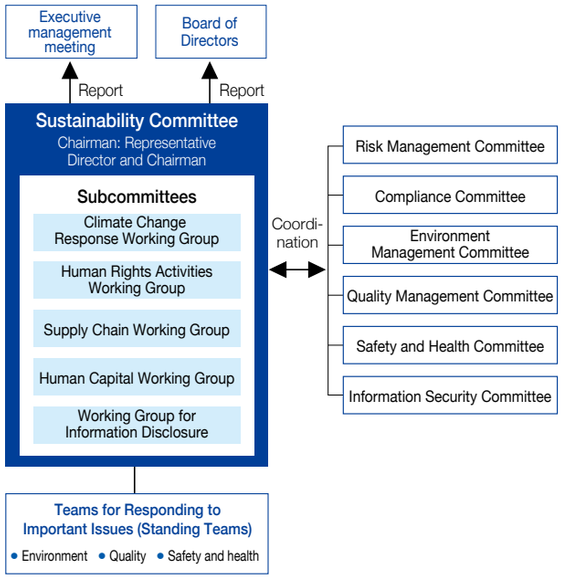
1. Efforts to address environmental issues
2. Earning the trust of society
3. Respect for human rights
4. Human resource development
5. Participation in and contribution to local communities
6. Building and running a fair, transparent, and efficient corporate governance system

Basic Sustainability Policy (in full)
https://www.accretech.com/en/sustainability/esg/guideline.html

Sustainability Promotion Structure

The Tokyo Seimitsu Group has the Sustainability Committee in place to appropriately promote and manage sustainability activities. This committee, chaired by the Chairman, is in charge of drafting, formulating, planning, and implementing sustainability activities. The committee has six expert committees, with three teams for responding to important issues operating under its control. The chairman establishes subcommittees when there are urgent issues that need to be addressed.

Sustainability promotion structure



Sustainability Committee

Chairman	: Representative Director and Chairman
Frequency of meetings	: Twice a year
Functions	: Formulating basic policies, establishing an operational structure, and setting targets and indicators Reporting and providing recommendations during each executive officers' meeting and Board of Directors' meeting Monitoring implementation of policies and collecting various types of information

In April 2024, we changed the name "Human Rights Activities Project" to "Human Rights Activities Working Group" (standing working group). The working group works together with our group and our supply chain constituents to address issues related to human rights.

Sustainability management
Initiatives in the mid-term business plan (fiscal 2025-2027)

E Promoting corporate activities aimed at carbon neutrality	● Reducing environmental impact by providing Tokyo Seimitsu's products and services ● Curbing GHG emissions from business activities ● Promoting sustainable procurement activities
S Strengthening our corporate stance of utilizing human assets and enhancing social trust	● Creating a workplace where employees can make the most of their capabilities while staying healthy both mentally and physically ● Improving employee engagement to make employees more motivated to work and create a stronger sense of unity in the organization ● Increasing customer satisfaction by providing high-quality products and services
G Strengthening governance as the basis for fair corporate activities	● Cultivating high corporate ethics and a law-abiding spirit on a group wide basis ● Promoting timely and appropriate information disclosure ● Enhancing risk management

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Environment

Information disclosure related to climate change (disclosure based on TCFD recommendations)

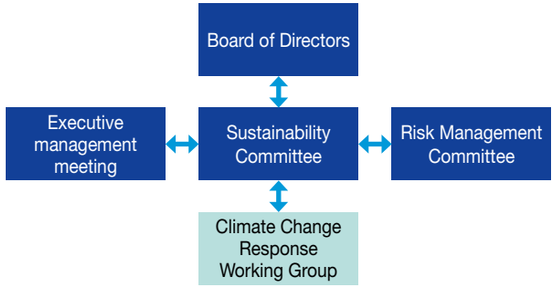
In March 2022, Tokyo Seimitsu expressed its support of the recommendations of the "Task Force on Climate-related Financial Disclosures (TCFD)." We analyze the risks and opportunities that climate change presents to our business, share issues, and promote the disclosure of climate-related financial information based on the TCFD framework.

▼For details, please visit the website below.
Information disclosure related to climate change (disclosure based on TCFD recommendations)
https://www.accretech.com/en/sustainability/esg/tcfd.html

Governance

The Tokyo Seimitsu Group recognizes climate change as an important management issue. The Sustainability Committee discusses and manages the risks and opportunities related to climate change challenges. It regularly submits proposals and reports to the Board of Directors.
The Sustainability Committee is chaired by the Chairman. Its activities are reported to the Sustainability Committee meeting that is held twice a year, and the report is submitted to the Board of Directors if deemed necessary by the chairman.
The directors 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. The board will define the milestones for achieving the fiscal 2030 targets in cooperation with the Climate Change Response Working Group.

Climate Change Response Working Group



● Climate Change Response Working Group

The "Climate Change Response Working Group" has been established as a subcommittee of the Sustainability Committee. The members of the working group research and investigate activities related to climate change response and submit reports to the committee periodically. The related personnel of the technology, manufacturing, sales, and management departments take part in the working group, identifying risks and opportunities, analyzing scenarios, and discussing countermeasures on a cross-organizational basis.

Risk management

To identify and manage risks associated with business execution, the Tokyo Seimitsu Group has established "risk management regulations" and the "Risk Management Committee," which is headed by the President and CEO. Systems are in place to prevent potential risks from manifesting and to prepare for crises.
The "Climate Change Response Working Group," a subcommittee of the Sustainability Committee, takes the lead in identifying, assessing, and examining risks (transitional and physical risks) related to climate change. The working group reports the results to the Sustainability Committee on a regular basis or as needed in an urgent situation. If the identified risk is deemed to have an impact on business management, the Sustainability Committee promptly reports it to the Board of Directors for deliberation.
Climate change risks have been added to the risks addressed by the Risk Management Committee. The working group conducts flexible discussions concerning risk assessments and the investigation of measures for risks that have become apparent, in order to enable group-wide response.

Strategy

We conducted a Scope 1 and Scope 2 emissions analysis of Tokyo Seimitsu's domestic businesses.
We will continue to monitor the GHG emissions of the group companies (companies in Japan and overseas subsidiaries) and respond accordingly. For Scope 3 emissions, we have been working to monitor Categories 1 and 11 whose emissions are estimated to be huge. Beginning in 2025, we are proceeding with the monitoring of the other categories.

● Risks and opportunities associated with climate change

Since future projections are highly uncertain and difficult to analyze, we examined GHG emissions based on multiple scenarios. With the international community moving toward the view that any response under the 2°C or less scenario is insufficient, we conducted our analysis with the 1.5°C scenario in mind. On the other hand, measures under the 1.5°C scenario make people less conscious about physical risks. For projecting our business environment, therefore, we assumed the 4°C scenario, where continuing with the current economic activities would lead to temperature rises.

(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

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Scenarios	Risks/opportunities		Events	Description	Financial impact	Manifestation periods
1.5°C	Risks	Regulations	Carbon pricing	● 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	Shift to EVs	● Decrease in demand for the conventional businesses and products (measuring instruments for internal combustion engine parts)	▲▲▲	Short term
			Decarbonization premiums	● 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 response to decarbonization	● Delays in climate change action and other ESG efforts adversely affecting financing and business relationships	▲▲	Medium term
	Opportunities	Markets	Shift to EV Electrification/ digitalization	● Growing demand for measurement of new EV materials and parts; increased use of semiconductors leading to increased production capacity	▲▲▲	Medium term
			Growing renewable energy markets	● Growing demand for measuring instruments due to expanding renewable energy markets	▲	Long term
		Resource energy efficiency	Production equipment	● Energy-saving measures in plants (equipment and processes) and recycling of resources leading to increased productivity and meeting the customer need for decarbonization	▲	Short term
		Products and services	Low-carbon products and services	● Enhancement in the product reputation and competitiveness on the market by reducing environmental impact from the LCA perspective ● Meeting the customer need for lighter products (increased demand for measuring products)	▲▲	Short term
4°C	Risks	Physical (acute)	Occurrence of intensifying disasters	● Increase in risk management costs (BCP response) ● Property damage due to disasters and restoration costs ● Suspension of operations due to disasters (our own and supplier factors)	▲▲▲	Medium term
	Opportunities	Resilience	Disaster response	● Stable supply of products and services during disasters to help customers maintain their production systems	▲▲	Medium term

Legend Financial impact: ▲▲▲ = Large, ▲▲ = Moderate, ▲ = Small Manifestation periods: Short term: 2022 to 2024, Medium term: 2025 to 2029, Long term: 2030 and beyond

In addition, we reanalyzed environmental risks and opportunities and changed the actions to be taken on a medium- to long-term basis, as follows:

- Organization of the overall picture of climate change and policies to address climate change
- Exploration of new business areas
- BCP enhancement, starting with our response to climate change
- LCA and Scope 3 (including coordination with customers and suppliers)

▶Monitoring of GHG emissions of group companies (companies in Japan and overseas subsidiaries)

We have started conducting surveys to study GHG emissions (Scope 1 and Scope 2) at the manufacturing sites of our group companies.

▶Efforts for Scope 3 disclosure

Most of our products are manufactured internally using procured parts and materials and then put on the market. Customers operate these products on their sites.
For this reason, we believe it is important to grasp the amount of greenhouse gas emissions in the entire value chain.
We launched a new project for Scope 3 in fiscal 2024. Currently, we are proceeding with the monitoring of Categories 1 to 15.

● Strategy for opportunities

In the process of achieving carbon neutrality across all industries worldwide, demand is expected to grow for efficiency and energy conservation in production activities (mainly through digitalization) as well as for transition to decarbonized energy (mainly through electrification). As a result, the scope of application of digital and telecommunication technologies will expand, leading to a rapidly growing need for electronic devices and electronic components. Accordingly, demand for semiconductor devices is expected to rise continuously, resulting in a phenomenal increase in the need for the semiconductor manufacturing equipment we provide.
In addition, as electronic devices and electronic components become more sophisticated in functionality, their designs become more complex, leading to a growing need to address new issues in manufacturing processes. Tokyo Seimitsu develops and provides products that meet this need.
Furthermore, the progress of digitization and electrification will lead to a rise in power consumption due to the increasing data volumes and computational complexity (the spread of IoT devices and AI) as well as an increase in power loss due to the growing use of electric motors. With next-generation power semiconductors (GaN, SiC, etc.) expected to come into widespread use, we are accelerating the development of related technologies and products.
We believe that, while new challenges will emerge as society seeks to achieve carbon neutrality as mentioned above, customer needs will also keep changing. We will continue to provide new value by meeting customer needs comprehensively with a wide range of products including inspection systems and processing equipment.

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Strategy for opportunities in the semiconductor manufacturing equipment business

1. Appropriate capital investment to meet growing demand

In order to meet the rapidly increasing demand for semiconductor devices, we will steadily strengthen our production system for semiconductor manufacturing equipment. The Hanno Plant began operations in July 2023, and the construction of a new plant in the Nagoya area was completed in August 2025.

2. Sales activities that are thoroughly customer-oriented

Our strength lies in our thorough customer-oriented approach. Our manufacturing, engineering, service, and sales teams work as one to listen to our customers' voices on a daily basis. Through these initiatives, we will not only quickly grasp the quantitative and qualitative needs of semiconductor manufacturing equipment but also pursue products and services that satisfy our customers with the aim of building relationships that enable us to grow together with our customers.

3. Participation in industry groups and joint research projects

Tokyo Seimitsu is an auditor of the Semiconductor Equipment Association of Japan (SEAJ) and leads discussions on energy conservation and CO_2 reduction in its Environmental Subcommittee. We also work in the Semiconductor Climate Consortium as a founding member of the Semiconductor Equipment and Materials International (SEMI).

In addition, we are actively working on the development of next-generation technologies. As a member of Tsukuba Power Electronics Constellation (TPEC), we are taking part in R&D and human resource development efforts. We are also conducting joint R&D activities with the Center for Innovative Integrated Electronic Systems (CIES), Tohoku University. Tokyo Seimitsu is a member of the Nagaoka Power Electronics Workshop as well.

Through these initiatives, we will strive to develop products and technological breakthroughs from a medium- to long-term perspective and identify changes in the industry.

Based on the above-mentioned policies, we will seek to increase the net sales of the semiconductor manufacturing equipment business to 140 billion yen by fiscal 2027 (fiscal 2024 result: 113.5 billion yen).

As the only semiconductor manufacturing equipment manufacturer in the industry that has "measurement technologies," we will also work to integrate the two relevant technologies. Incorporating measuring instruments into semiconductor manufacturing equipment enables more accurate inspections and processing, which provides unique value. We expect synergies between the two businesses through this initiative to amount to sales of around 13 billion yen by 2025.

Strategy for opportunities in the precision measuring instruments business

1. Electric power sector

(1) Adoption of renewable energy (bearing measurement technology for offshore wind power generation)

The decarbonization of electricity and a stable supply of electric power requires utilizing various power sources including renewable energy. Offshore wind power generation in particular is expected to grow significantly and create substantial economic ripple effects.

Using our highly accurate roundness and cylindrical shape measurement technology, we measure the shape, distortion, and inclination of large-size bearings, which greatly influence the power generation efficiency of wind power generators, thus maximizing the effect of introducing wind power generation.

(2) Expansion of the storage battery industry (charge/discharge testing systems)

The spread of EVs and the growing use of renewable energy are projected to increase the production of rechargeable batteries dramatically. Tokyo Seimitsu develops and sells charge/discharge testing systems used to evaluate the performance and reliability of rechargeable batteries. Charge/discharge tests involve repeated charging and discharging of batteries and consume a large amount of electricity. Our unique "energy sharing method" provides an energy saving of up to 30%.

These products and services help combat climate change by reducing customers' CO_2 emissions during testing and accelerating R&D and dissemination of rechargeable batteries. At the same time, they contribute to our growth as well.

(→ P52 Energy sharing method-based charge/discharge testing system)

2. Non-electric power sectors (consumer, industrial, and transportation)

(1) (Overall) Progress of electrification and digitalization (measurement technology for semiconductor manufacturing equipment and electric vehicles)

What is important for the decarbonization of non-electric power sectors is measures for dealing with combustion equipment and facilities that use fossil fuels. Increasing efficiency through electrification (heating with electricity, heat pumps, electrification of vehicles, etc.) and digitalization plays a major role. In line with this trend, the use of electronic devices and sensors is growing, leading to increasing demand for semiconductors. We provide precision measuring instruments that are indispensable for the manufacturing and inspections of semiconductors and electronic components. The expanding market is expected to support continued demand growth.

With electrification advancing in the automotive industry as well, we will contribute to the transformation of the industry and the spread of new energy vehicles by utilizing our coordinate measuring instruments and X-ray CT systems for high-precision measurement of drive systems and batteries.

(2) (Industrial) Compatibility of temperature adaptation and energy conservation (measurement products that are resistant to temperature changes)

While countries around the world are working to achieve carbon neutrality by 2050, the average global temperature is projected to rise by between 0.5 and 1°C even if the goals set by each country are met. If the world fails to make progress, there will be heightened risks of temperature rises exceeding 4°C and abnormal weather events. In response to these risks, we provide measurement products that are resistant to temperature changes, helping the manufacturing industry maintain its sustainable production activities.

(→ P52 Precision-guaranteed temperature change range expanded by SURFCOM NEX 200)

(3) (Transportation) Contribution to weight reduction and efficiency (measurement technology for complex engine parts)

Decarbonizing the transportation sector requires that transportation equipment be more lightweight and more efficient. For the aircraft sector in particular, while electrification and fuel conversion

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are progressing, it remains to be an important development issue to improve the structures of airframes and engines. For example, “BLISK,” a component that integrates the blades and rotor disc of an engine, is vital for making aircraft engines lighter and reducing the air resistance. The development and production of BLISK requires highly accurate metal processing and shape measurement. Our “XYZAX Opt-BLISK” uses a non-contact sensor and enables accurate and quick measurement. Leveraging high-precision measurement technologies, we will continue to help the transportation sector increase efficiency and achieve decarbonization.

(→ P52 Opt-BLISK)

● Strategy for risks

▶ Enhancing BCP and BCMS

Due to an increase in natural disasters caused by climate change and economic security concerns, there is a growing need for business continuity in emergencies. We are working to enhance our Business Continuity Plan (BCP) and Business Continuity Management System (BCMS). In preparation for disasters being intensified by climate change, we have the following management schemes in place in case operations at our plants are suspended and the facilities of suppliers and subcontractors sustain damage.

・Assumed damage to our own plants:

We have assessed the risk of flooding at our plants (Hachioji, Hanno, Tsuchiura, Furudono) based on hazard maps and other information from local governments and confirmed that the risk of flooding is sufficiently small.

・Suppliers and subcontractors:

We evaluate the risk of flooding using evaluation tools such as local government hazard maps and “Aqueduct Floods” of the World Resources Institute (WRI), taking into account the size of the impact on our business, e.g., the amount of money involved and the irreplaceability of the relevant suppliers. We are considering the countermeasures for suppliers that are judged to be at high risk.

● Strategy for Scope 3 emissions (Category 11)

As a result of calculating Scope 3 emissions (Categories 1 and 11) based on Life Cycle Assessment (LCA), it has been found that Category 11 emissions related to semiconductor manufacturing equipment has the greatest impact and that emission reduction efforts are highly important.

In addition to the power consumption of our products, the semiconductor manufacturing process also consumes energy in the production of ultrapure water, which is necessary for clean room maintenance, temperature control, and semiconductor cleaning.

Our LCA results show that CO_2 emissions associated with indirect emissions from dicing machines can be as high as or higher than CO_2 emissions associated with electricity consumption during product use. Therefore, it is also important to reduce these emissions.

We are working to slash the footprint of our products to reduce the energy required for air conditioning, while at the same time developing products that use smaller amounts of water (ultrapure water) for semiconductor cutting and processing.

Our design principles for new product development include “compactness,” “design that achieves energy conservation throughout the product life cycle,” and “resource-saving design.” When we develop products, we conduct LCA and set targets for indirect emissions, including CO_2 emissions.

Indicators and targets

The Tokyo Seimitsu Group is committed to achieving carbon neutrality by 2050.

We have established CO_2 (Scope 1 and Scope 2) emission reduction targets that we aim to achieve in fiscal 2025 and 2030. The CO_2 emissions derived from the electricity purchased to operate the plants make up a majority of our GHG emissions. Our measures are therefore focused on conserving electricity.

Given the expected growth in semiconductor demand, the Tokyo Seimitsu Group is planning to expand its production capacity, which is projected to increase energy consumption. In fiscal 2023, CO_2 emissions increased as we completed the construction of the Hanno Plant and added the Furudono Plant to our group with the transfer of the charge/discharge testing system business.

Going forward, we intend to curb CO_2 emissions by promoting energy conservation activities, installing more solar power generation systems, and using non-fossil certificates.

CO_2 emission reduction targets

FY2025 target	Reduce Scope 1 and Scope 2 emissions by 35% by FY2025 (compared to FY2018 levels)
FY2030 target	Reduce Scope 1 and Scope 2 emissions by 50% by FY2030 (compared to FY2018 levels)

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

CO_2 emissions results and targets for fiscal 2025

	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024	FY2025 (target)	FY2030 (target)
Emissions (t-CO_2)	11,982	9,524	8,191	8,257	11,598	12,733	8,003	6,156
(Compared with FY2018)	Down 2.68%	Down 22.64%	Down 33.47%	Down 32.94%	Down 5.80%	Up 3.42%	Down 35.00%	Down 50.00%
Electricity consumption (MWh)	25,448	28,843	29,835	29,546	37,432	43,316	—	—
CO_2 emission production volume intensity (t-CO_2/million yen)	0.191	0.129	0.080	0.074	0.111	0.103	—	—

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

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Environmental management

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

Basic environmental philosophy, basic environmental policy, and environmental policy
https://www.accretech.com/en/sustainability/esg/management.html

Environmental management system

We have an Environmental Management System (EMS) in place that conforms to ISO 14001. The Environmental Subcommittees of Semiconductor Company and Metrology Company conduct an annual survey of environmental aspects of the organizations, products, services, and facilities in accordance with the Environmental Monitoring and Measurement Management Regulations. We evaluate their environmental impacts and prepare, approve, implement, assess, and report on our "Environmental Objectives Implementation Plan" and "Environmental Management System Programs" based on legal requirements, our environmental policy, and stakeholders' requests.
Internal audits are conducted twice a year to check the management status of facilities and equipment, and the Environment Management Committee confirms that environmental standards are properly observed and that notifications and reports are appropriately submitted.

Environment Management Committee

Chairman : Head of Administration Company
Frequency of meetings : Twice a year
Functions : Deliberating on and promoting environmental management activities at the Hachioji Plant, Hanno Plant, Tsuchiura Plant, and Furudono Plant
Checking the status of compliance with environmental laws and regulations and the progress of environmental impact reduction activities
Creating and implementing the environmental management system and improving it continuously

Environmental Objectives Implementation Plan/Environmental Management System Programs

The divisions affiliated with each Environmental Subcommittee prepare an Environmental Objectives Implementation Plan that specifies the details of efforts, deadlines, and evaluation methods to achieve the environmental targets of Semiconductor Company and Metrology Company. Based on this plan, they prepare Environmental Management System Programs describing annual implementation plans and the progress of those plans.
The results of the activities based on the Environmental Management System Programs are reported every three months to the heads of relevant divisions and persons responsible for environmental management. In fiscal 2024, we planned programs for 56 items and reached our targets for 53 items (achievement rate of 94.6%).

Environmental Management System Programs conducted in fiscal 2024

Main initiatives	Cases
Power reduction by increasing equipment efficiency	25
Reduction in power consumed during processing and production	5
Power reduction due to improvement proposals and small-group activities	5
Reduction in water and air consumption during production	1
Reduction in use of organic solvents	4
Reduction of hazardous chemical substances	4
CO_2 reduction by using alternative gases	1
Waste reduction	3
Others	8

Eco-factory

We are a manufacturing company, and more than 99% of our CO_2 emissions come from the electricity used in our plants. Almost all of our environmental impacts, including water resources and waste generation, are attributable to plant operations. Therefore, our activities to reduce environmental impact are promoted mainly through our plants.

Promotion of global warming prevention (toward a decarbonized society)

The CO_2 equivalent of electricity purchased and used during the plant operations accounts for almost all the GHG emitted by Tokyo Seimitsu. To combat global warming, we are promoting initiatives focused on the procurement of renewable electric power and energy conservation.

CO_2 emission reduction targets

Scope 1 and Scope 2 emissions
35% reduction by fiscal 2025 (compared to fiscal 2018)
50% reduction by fiscal 2030 (compared to fiscal 2018)
Locations covered: Tokyo Seimitsu Co., Ltd. (non-consolidated basis)

Fiscal 2024 targets and results

CO_2 emission reduction (Scope 1 + Scope 2)

Plan/target	35% reduction by FY2025 compared to FY2018 Benchmark emissions : 12,312 t-CO_2 Reduction target : 8,003 t-CO_2
Result	12,733 t-CO_2 (3.42% increase compared to FY2018)

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

In fiscal 2023, CO_2 emissions increased as a result of the completion of the Hanno Plant and the acquisition of the Furudono Plant due to the transfer of the business operations. Fiscal 2024 saw a further increase in CO_2 emissions as these two plants operated over a one-year period. Going forward, we intend to curb CO_2 emissions by promoting energy conservation activities, installing more solar power generation systems, and using non-fossil certificates.

Trend in CO_2 emission

			Unit	FY2020	FY2021	FY2022	FY2023	FY2024
Total CO_2 emissions			t-CO_2	9,524	8,191	8,257	11,598	12,733
	Scope 1	Gas (LPG)	t-CO_2	42	51	54	70	71
		Fuel*	t-CO_2	33	43	45	47	47
	Scope 2	Electricity	t-CO_2	9,449	8,097	8,158	11,481	12,615
CO_2 emission production volume intensity			t-CO_2/million yen	0.129	0.080	0.074	0.111	0.103

Locations covered: Tokyo Seimitsu Co., Ltd. Hachioji Plant, Hanno Plant (from July 2023), Tsuchiura Plant, and Furudono Plant (from October 2023)
* Fuels calculated: Volatile oil, kerosene, and light oil

Resource recycling and waste reduction

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

Waste reduction and reuse of waste as resource

Plan	Recycling rate of 95% or higher by FY2024
Result	Recycling rate 97.8% Total emission 958 t Amount reused as resource 937 t Final disposal amount 21 t

Reduction of resource (paper) use (paper procurement volume production volume intensity reduction)

Plan	5% reduction by FY2024 compared to FY2019 Benchmark usage 0.443 kg/million yen Reduction target 0.421 kg/million yen
Result	0.122 kg/million yen (72.5% reduction compared to FY2019)

Locations covered: Tokyo Seimitsu Co. Ltd. Hachioji Plant, Hanno Plant, and Tsuchiura Plant. For the Furudono Plant, only reduction of resource (paper) use was used in calculations

● Waste reduction and reuse of waste as resource

In order to reduce waste, we are implementing various initiatives, such as replacing cardboard boxes for packaging delivered parts with reusable plastic boxes and having wooden pallets picked up by shipping companies. Each plant has targets for waste reduction and reuse of waste as resource. We are working to increase the recycling rate, with the Hachioji Plant recycling all its waste by various means including thermal recycling and the Tsuchiura Plant switching to a vendor capable of treating liquid waste for recycling.

● Reduction of resource (paper) use

In order to reduce our use of paper, we are creating an environment in which work can be performed using electronic data during every process in the company. Using the electronic transaction system (ACCRETECH Web-EDI System) put into operation in December 2023, we have converted paper documents such as order forms and drawings into electronic data. The individual departments of the plants have become increasingly paperless, reducing paper consumption by as much as approx. 9,200 kg in fiscal 2024 compared to the previous year.

Water resource

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

Reduction of water consumption (water usage production volume intensity reduction)

Plan	5% reduction by FY2024 compared to FY2019 Benchmark usage 2.74 m^3 Reduction target 2.60 m^3
Result	1.39 m^3/million yen (49.1% reduction compared to FY2019)

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

● Reduction of water consumption and water recycling

All of the water withdrawals we use is provided using city water and groundwater. In fiscal 2024, we used 172,482 m^3 of water. The volume of wastewater is increasing at the Hachioji Plant in particular, which is expanding the production of semiconductor manufacturing equipment that uses a large amount of water (pure water). To promote water recycling, we collect and filter a portion of wastewater and use the filtered water as the raw water for pure water.

Chemical substance control

With regard to the chemical substances used by the Tokyo Seimitsu Group and those contained in component materials, we comply with the laws and regulations of Japan and those of the export destination regions. For chemical substances that are not regulated, we exercise control based on voluntary standards to minimize impacts on people and the environment.

● Chemical substance control based on voluntary standards

Our internal regulations stipulate substances with the potential to pollute the environment and mandate notification to the person responsible for environmental management when handling such substances. In addition to keeping track of the amount of each substance handled, storage location, maximum storage volume, etc., we have SDSs* and emergency response tools and conduct periodic drills to prepare for emergency situations. We also promote the use of non-toxic or low-toxic alternatives to organic solvents and other hazardous chemical substances. In fiscal 2024, we reduced the number of chemical substances by 59 compared to the reduction target of 10 substances.

* Safety data sheet (SDS): An SDS provides information on the hazards, toxicity, storage and disposal methods, and other information on the handling of chemical substances to be provided

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Eco-products (environmental contribution through products)

The Tokyo Seimitsu Group considers it important to provide safe, high-quality, high-performance, and environmentally friendly products. Through these eco-products (environmental contribution through products), we will contribute to the resolution of customers' environmental issues and the realization of carbon neutrality.

Life Cycle Assessment (LCA)

When developing a new product, we set targets for LCA (Life Cycle Assessment: a calculation standard for converting the environmental impact of each stage of a product's life cycle, from raw material form to manufacturing and disposal, into CO_2 emissions) with the aim of reducing CO_2 emissions from conventional machines.
We have calculated LCA for our existing products and, since fiscal 2023, simulated Scope 3 Category 11 emissions (CO_2 emissions associated with the use of products we sold). We have also evaluated CO_2 emission reductions through functional improvements, etc. We will continue to make improvements to increase production efficiency and reduce CO_2 emissions.

Control of chemical substances contained in product

In order to establish a system for managing chemical substances contained in products in response to environmental laws and regulations and customer requirements, we have the Environmental Green Initiative Team in the Sustainability Department. We hold briefing sessions to request suppliers to strictly control and report on chemical substances contained in the parts we procure. So far, over 400 suppliers have participated in these sessions. Using a cloud system, we conduct supplier surveys concerning RoHS Directive and REACH (Registration, Evaluation, Authorization and Restriction of Chemicals) among other regulations. We also have an analysis room equipped with an X-ray fluorescence spectrometer, gas chromatography mass spectrometer, and other necessary equipment, which allows us to perform checks as needed.

● Green procurement

Since we established the green procurement guideline in April 2003, suppliers have cooperated with us in efforts related to control of chemical substances contained in products. With regulations on the management of hazardous chemical substances becoming more stringent in recent years, we established the green procurement standard in fiscal 2023 to reinforce the guideline. Since then, we have been working to build a system that prioritizes the procurement of environmentally-friendly parts and materials with low environmental impact.

● Compliance with RoHS Directive and other environmental laws and regulations

For the Metrology Company products, we have investigated six substances of the RoHS Directive and the four phthalic acids added in 2021, determining that we ship 100% compliant products. While the Semiconductor Company products are exempt from the RoHS Directive as large-scale stationary industrial equipment, we established a RoHS Analysis Room in fiscal 2018 to voluntarily analyze chemical substances contained in procured parts.
Since July 2020, we have made all our products comply with the TSCA-PBT*2 regulations, in addition to restricting the use of PFOA*1-related substances that were added to the Persistent Organic Pollutants (POPs) regulations. We export 100% compliant products to areas where the regulations are enforced.

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

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

Systems that reduce environmental impact

Due to the nature of production equipment, the products of Tokyo Seimitsu offer many hours of operation and have long service lives. Consequently, when converted into CO_2 emissions, the power consumption from usage of the products accounts for a large portion of the total emissions over the life cycle.
This has prompted us to focus on developing and designing products for reducing environmental impact at customers' manufacturing sites.

High rigid grinder: HRG3000RM II

In the manufacture of semiconductors, wafers are becoming thinner as semiconductor packages become thinner and chips become multilayered.
The HRG3000RM II high rigid grinder achieves mirror surface processing comparable to that of a polish grinder, by increasing rigidity with original technology, and has improved the machining speed and productivity three times that of a polish grinder. As a result, compared to the conventional polish grinder, the power consumption per wafer processed is slashed by 61%, with water and air consumption cut by 57% and the installation area of the equipment in the clean room reduced by 65%.
In addition, polish-less (chemical-less) processing contributes to cutting costs and reducing environmental impact.

HRG3000RM Ⅱ

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Opt-BLISK

A “BLISK,” which consists of a rotor disc and multiple blades, is a component of the aircraft engine. The integrated structure has reduced the number and weight of parts while the “measurement” technology, required by the complex structure, has also become more sophisticated.
Opt-BLISK is a dedicated measuring instrument. Its unique measurement path generative technology and 4-axis synchronous control for the XYZ axes and rotational probes enable high-speed scanning measurements with optimal measurement paths that maintain sensitivity even in blisks with narrow areas where blades overlap. Combining AXCEL, a coordinate measuring machine that achieves high acceleration, with non-contact, high-accuracy rotating probes has reduced measurement time by approximately 60% compared to conventional contact-type sensor measurements, while cutting power consumption during measurement as well.
It also contributes to improving aircraft fuel efficiency by accurately measuring blisk edge shapes.

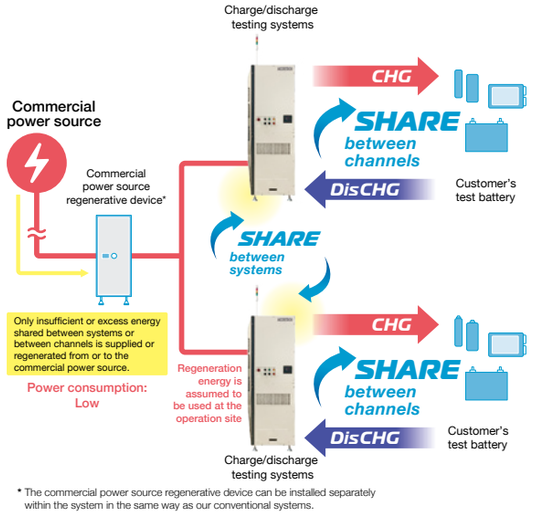
XYZAX Opt-BLISK

Energy sharing method-based charge/discharge testing systems

Rechargeable batteries are indispensable for storing the renewable energy for electric vehicles and solar power generation that do not generate CO_2.
A charge/discharge testing system is used for charge/discharge cycle tests in a wide range of applications such as the R&D of rechargeable batteries and capacitors and quality inspections during mass production.
While our existing charge/discharge testing system regenerates energy back to the commercial power source, our unique “energy sharing function” achieves energy savings of up to 30% (in-house comparison) by sharing surplus power among multiple batteries in the device being tested as well as between devices. This helps customers reduce CO_2 emissions and power costs.

Precision-guaranteed temperature change range expanded by SURFCOM NEX 200

Highly accurate measurements using a precision measuring instrument typically require a precision air-conditioned environment such as a calibration room where temperature and humidity are strictly controlled.
SURFCOM NEX 200 with the HTG option supports a wider precision-guaranteed temperature change range, allowing highly accurate measurements to be conducted in a general air conditioning environment.
Precision air conditioning not only requires a higher initial cost than general air conditioning but consumes more power while in operation. Our precision measuring instruments improve customers’ environments for using these instruments and contribute to reducing environmental impact while maintaining precision and reliability.



* The commercial power source regenerative device can be installed separately within the system in the same way as our conventional systems.

Precision-guaranteed temperature expanded by SURFCOM NEX 200

Precision air conditioning	General air conditioning
Temperature change: 0.5°C/h Calibration temperature: 20°C±0.1°C to ±0.5°C	Temperature change: 2.0°C/h Calibration temperature: 20°C±5°C

When precision air conditioning is changed to general air conditioning (flow rate: 100 m³/min)

- Annual CO_2 emission reduction by reducing power consumption: 6,880 kg
- Cost effect on electricity charges: 360,000 yen

* Calculated based on the specifications of various air conditioning products available as of September 2025, the power consumption at a flow rate of 100 m³/min for both precision air conditioning and general air conditioning systems is determined, assuming 10 hours of daily operation and 220 operating days per year.
* Calculated by applying the national average emission factor of 0.000438 t-CO_2/kW based on the “emission factors per electricity provider (for calculating the greenhouse gas emissions of specific emitters)” announced by the Ministry of the Environment and the Ministry of Economy, Trade and Industry on December 22, 2023.
* The electricity charges were calculated based on a unit charge of 23 yen per kWh.

SURFCOM NEX 200 DX2/SD2

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Supporting the manufacture of next-generation power semiconductors that contribute to decarbonization

Power semiconductors are key devices used in power converters. They are essential devices for the realization of a decarbonized society as they can reduce power consumption and use energy efficiently. Power semiconductors are used in various electronic devices including electric vehicles, railcars, refrigerators, air conditioners, wind power generation equipment, and renewable energy-related equipment. Next-generation power semiconductors made from new materials such as SiC and GaN are expected to contribute to energy conservation as they can operate with high voltage resistance and low loss at high frequency. We offer an enhanced product lineup that supports next-generation power semiconductors.

HRG200X / HRG300
High rigid grinder

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

UF2000
Probing machine

With an option supporting high voltage resistance and large current for SiC/GaN

ChaMP-211/ ChaMP-232
Chemical Mechanical Planarizer (CMP) device

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

Precision dicing blade

Blades available for SiC

Initiatives to address transportation-related environmental issues

Environmental contribution through delivery lockers

In recent years, the increasingly diverse lifestyles have led to the rapid growth of electronic commerce (EC) market, resulting in an increase in the number of home delivery packages. On the other hand, however, the redelivery of packages has become a major social issue as it increases CO_2 emissions and worsens the shortage of drivers. The use of delivery lockers is drawing attention as an effective solution to this issue.
Tosei Box Corp., one of the Tokyo Seimitsu Group companies, manufactures and sells delivery lockers and mailboxes. Through delivery lockers, we contribute to labor savings and reductions in CO_2 emissions by preventing package redelivery.

TA-M300/TA-M600
Delivery box integrated with mailbox

Reduction of packaging materials through returnable packaging

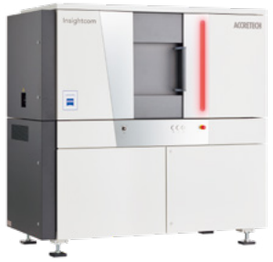
Collecting returnable packages from destinations and reusing the collected packages reduces waste and mitigates the environmental impact. We are adopting returnable packaging for SURFCOM NEX and have calculated how much waste and how much CO_2 emission we can reduce a year by adopting returnable packaging.

CO_2 reduction by changing the means of transportation

Since fiscal 2023, we have been making efforts to change the means of transporting precision measuring instruments in Japan from chartered transportation to long-distance consolidated cargo transportation and simultaneous transportation. Currently, consolidated cargo transportation accounts for 20.6% of the total domestic transportation volume, with simultaneous transportation accounting for 3.4%. These efforts achieved a CO_2 reduction equal to 5,827 kg-CO_2 in fiscal 2024.

CO_2 reduction through knockdown production

Tokyo Seimitsu has a business partnership with Germany's Carl Zeiss and engages in knockdown production of the company's X-ray CT system for measurement, Insightcom® 160. We purchase major parts from Germany's Carl Zeiss. We then procure other parts, such as chassis and covers, and conduct assembly and inspections in Japan. This approach substantially slashes the volume of transportation from Germany, reducing CO_2 emissions from air transportation by approximately 89% compared to Zeiss METROTOM 1.



Insightcom® 160

Insightcom is a registered trademark of Tokyo Seimitsu Co., Ltd.

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Quality

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

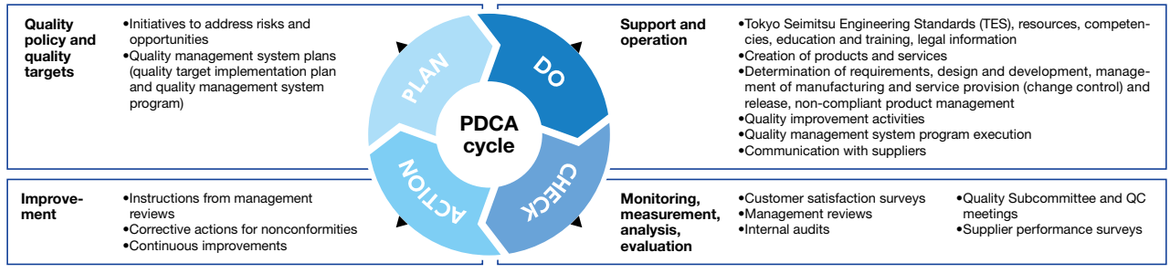
Quality policy
We conduct quality control in line with the quality targets set by Semiconductor Company and Metrology Company based on the quality policy, working to improve the quality of products and support.

Quality policy (full text)
https://www.accretech.com/en/sustainability/esg/product_quality.html

Quality management system

Tokyo Seimitsu has acquired ISO 9001 certification, the international standard for quality management systems, at the plants where we develop, design, and manufacture our products. We have established the Tokyo Seimitsu Quality Management System (QMS) and have been promoting quality improvement activities through the PDCA cycle based on the quality policy and quality targets.

PDCA cycle based on our quality policy and quality targets



Target and fiscal 2024 result

Customer satisfaction survey

Target*	Achieve a satisfactory rate of 95.0% or more by FY2028
Result	Customer satisfactory rate in FY2024: 94.8%

* As we achieved the target for fiscal 2025 ahead of schedule, we raised the target from the initially planned 94.8%.

Quality control structure (Quality Management Committee)

Chaired by the director in charge of quality (Head of Administration Company), the Quality Management Committee reviews the performance, effectiveness, and appropriateness of the quality management system at the committee meeting held twice a year.
The director in charge of quality reports to the Board of Directors and receives instructions and supervision. In fiscal 2024, there were no quality management issues that required corrective actions to be taken.

Quality Management Committee

Chairman	: Director in charge of quality (Head of Administration Company)
Frequency of meetings	: Twice a year
Functions	: Deliberating on the adequacy and effectiveness of the quality management system Implementing the quality management system and improving its effectiveness continuously Promoting the continuous maintenance and improvement of the quality of our products, services, and operations

Internal quality audits

The internal audit team conducts internal quality audits twice a year. Certified auditors conduct audits in accordance with the quality manual under the direction of the quality control managers of Semiconductor Company and Metrology Company, who report the audit results and the effectiveness of the quality management system to the Quality Management Committee. During the internal quality audits performed in fiscal 2024, the auditors did not indicate that corrective actions were needed to be taken.

Supplier quality audits

Suppliers who supply many of the parts and components required for our products cooperate in our quality audits using our ISO 9001-compliant checklists. In fiscal 2024, supplier quality audits were conducted at 20 companies (cumulative total of 239 companies). No nonconformities with our quality control standards and quality requirements were found.

Customer satisfaction survey

To use customer feedback for the improvement and enhancement of our products and services, we conduct customer satisfaction surveys to grasp and boost customer satisfaction. The percentage of satisfactory ratings in the fiscal 2024 survey was 94.8%. We analyze the results of improvement measures and related factors and implement measures for improvement.

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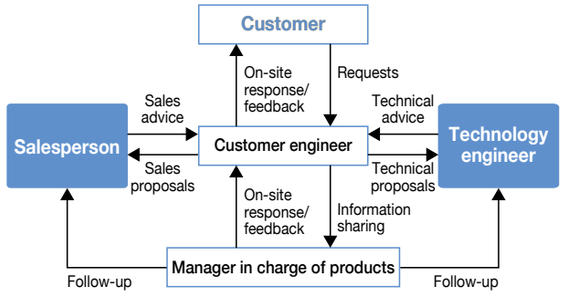
Support and Services

Semiconductor manufacturing equipment business

The Customer Engineering (CE) Department of Semiconductor Company is responsible for maintaining and improving the quality and productivity of the company's semiconductor manufacturing equipment around the world, covering a wide range of processes from installation setup and maintenance to training support and the supply of maintenance parts. Based on a deep relationship of trust with our customers, we also strive to understand their needs and support their manufacturing activities. In order to contribute to our customers' profits and increase customer satisfaction by providing high-performance products and high-quality support, we have established a global support structure based on the teamwork of the entire Customer Engineering Department.

Support structure

The Customer Engineering Department of Semiconductor Company provides a high level of customer responsiveness and value-added services through the Service Department. It supplies parts without delay through parts centers to support customers' manufacturing activities both at home and abroad.



Education and training

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

Improvement of support quality

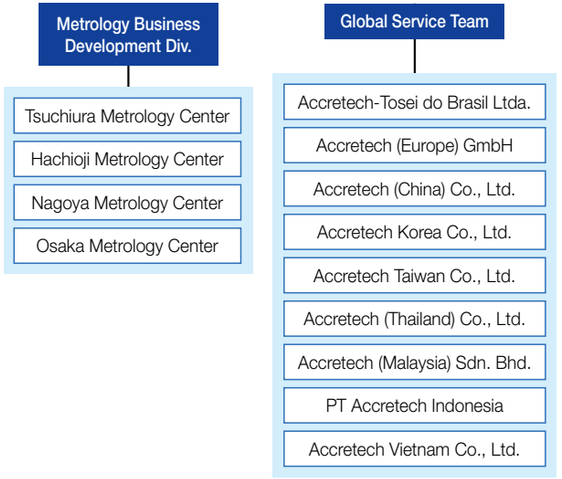
- **Digitalization of services**
  To promote remote support, we have implemented and enhanced online security measures and established a new dedicated channel for smart glasses at the Hachioji Plant.
- **Training services for customers**
  Not only do we offer training for customers who visit our offices, but we also go to any sites around the world to provide equipment operation and maintenance training upon request.

Precision measuring instruments business

Based on the idea that providing "precision" and "reliability" is the "origin of manufacturing," we conduct the precision measuring instruments business to support the creation of our customers' futures through our precision measurement technology, under the slogan "No Measurement, no Manufacturing."

Support structure

Metrology Company has established metrology centers at four locations in Japan and showrooms at nine overseas locations, building a system for providing customer-friendly technical support.



Metrology centers

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

Training of engineers overseas

In order to strengthen the global support structure, the Global Service Team invites overseas service engineers from various countries to the metrology center located in the Tsuchiura Plant for intensive training and drills. In fiscal 2024, two people from one country participated in the basic training for new engineers, and two people from one country participated in the advanced training for skilled and experienced engineers.

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Supply Chain Management

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

Procurement policy

In providing high-performance, high-quality products and services to customers, the Tokyo Seimitsu Group deepens partnerships with all suppliers through procurement, builds mutual cooperation and trust, and forges relationships that allow us to grow and develop together.
In addition to quality, we comply with laws and social norms, and engage in procurement activities that fulfill social responsibilities such as human rights, labor, safety and health, global environmental protection, and information security throughout the supply chain.
Through fair and impartial evaluation processes and communication, we will respond to market changes and promote high-value-added manufacturing together with reliable suppliers.

Promotion structure

To build a sustainable supply chain, we established a Supply Chain Team in the Sustainability Department. We also set up a Supply Chain Working Group in July 2023, which is led by that team.
We will promote sustainable procurement by creating opportunities and an environment for dialogue with suppliers, managing supply chain issues, and mitigating risks.

Basic transaction agreement

In May 2024, we revised our basic transaction agreement. In addition to clauses such as legal compliance, anti-bribery, and protection of personal information, we have added clauses to strive to comply with our standards (CSR guidelines, information security standards, and green procurement standards) in order to clarify that we will work together to fulfill our social responsibilities throughout the supply chain.

Supplier CSR guidelines

We have declared our compliance with the Responsible Business Alliance (RBA) to meet the demands of the international community, including corporate responsibility for the safety of the working environment, worker dignity, and environmental impact throughout our supply chain.
Based on the RBA Code of Conduct, we have formulated the Tokyo Seimitsu supplier CSR guidelines that set out our requirements with regard to “procurement policy,” “human rights and labor,” “occupational safety and health,” “environment,” “ethics,” “safety and quality,” and “information security.” We ask that our suppliers understand the purpose of these guidelines and cooperate with us in promoting sustainable procurement activities.

Tokyo Seimitsu’s supplier CSR guidelines
https://www.accretech.com/jp/assets/SupplierCsrGuidelines.pdf

Green procurement standards

We are promoting green procurement and have established the green procurement standards, which indicate that we will prioritize the procurement of materials with low environmental impact and environmentally-friendly designs.
These standards were established in April 2024 to comply with strengthened environmental laws and regulations based on the “green procurement guidelines” created in April 2003.
In order to promote understanding of and cooperation with these standards, we provided explanations at supplier briefing sessions in 2024.

Supplier CSR survey

Since fiscal 2016, we have carried out surveys using Supply Chain Management (SCM) check sheets to grasp our suppliers’ efforts to address environmental and social issues. Also, sustainability assessments based on the RBA SAQ have been conducted since fiscal 2022.
To get a more accurate grasp of the conditions of the entire supply chain, the surveys have been targeted at the major suppliers in the top 80% in terms of procurement costs since fiscal 2023. In fiscal 2024, 112 companies responded to the survey (response rate: 92.6%). The results of the assessment analysis are individually provided to suppliers as feedback. For items where efforts are found to be insufficient, suppliers are requested to take corrective actions and improvement measures.

Target and result

Target	Assessing companies that account for 80% of the procurement cost
Result	Assessments conducted: 121 companies (Ratio of procurement cost: 80%) Responses received: 112 companies (response rate: 92.6%)

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Curtailing and managing environmental impact (risk)

We ask our suppliers to use the “environmental management structure survey sheet” or “environmental management checklist” for survey and evaluation purposes in order to develop and manage systems to avoid environmental risks in the supply chain. Suppliers that outsource product manufacturing or services are required to participate in our survey conducted every two years regarding human health and living environments, including air pollution, water pollution, the Offensive Odor Control Act, vibration and noise facilities, and specially controlled wastes.

Opportunities and environments for dialogues with suppliers

Supplier briefing sessions

We hold supplier briefing sessions as an opportunity for holding dialogue with suppliers. We plan to hold these briefings each year so that people can understand and cooperate with our sustainable procurement initiatives.

Supplier briefing sessions in fiscal 2024

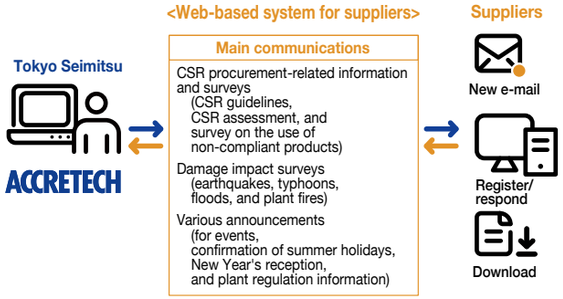
Hachioji	Attended by 135 people from 103 companies (including online participants)
Furudono	Attended by 48 people from 38 companies

CSR seminars

Every year, Tokyo Seimitsu offers CSR seminars at workshops sponsored by suppliers. At the CSR seminar held in May 2025, we asked our suppliers to strengthen their abilities to address business continuity risks posed by cyber attacks and recognize information security measures as management challenges, based on the results of the information security survey conducted in 2024.

Web-based system for suppliers

The “web-based system for suppliers” we developed is aimed to share information with all of our suppliers in a comprehensive and non-overlapping manner. This system addresses the ever-growing needs for information sharing, including supplier CSR surveys, notifications of disasters such as earthquakes and heavy rains, surveys of damage conditions, and communication of various notifications. We use this system to build a structure for more sustainable and active communication with suppliers.



Supplier award

We present the supplier award once a year. We commend outstanding suppliers based on evaluations of five items: “quality,” “cost,” “delivery time,” “level of cooperation,” and “management.” In fiscal 2024, we commended two suppliers and presented them with certificates of recognition.

Business Partnership Building Declaration

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

パートナーシップ構築宣言

https://www.biz-partnership.jp/declaration/22838-05-18-tokyo.pdf

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

Electronic transaction system

In December 2023, we launched our electronic transaction system (ACCRETECH Web-EDI System) into operation. Web-EDI is a system for electronically exchanging information, such as order placement and receipt, between companies using a Web browser. The system makes procurement operations more efficient, paperless, and compliant with invoice reporting and the Electronic Books Maintenance Act. It aims to strengthen compliance (compliance with laws and regulations such as the Subcontract Act) by accumulating and visualizing transaction information, and to enable a faster initial response by quickly grasping the situation of suppliers in the event of a disaster and its impact on production.

Training for employees

We conduct training for employees in the procurement-related departments to develop human resources who promote responsible procurement. In fiscal 2024, we provided e-learning training for Tokyo Seimitsu employees on the “Subcontract Act (Act against Delay in Payment of Subcontract Proceeds, etc. to Subcontractors)” and “security export control.”

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Work Styles

Health management

In order for our personnel 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 issued a healthy company declaration in 2019 and are working to create a healthy and comfortable workplace.

Fiscal 2024 results

Health declaration	Achievements and results
100% of medical checkups will be taken	The percentage of people undergoing regular health checkups was 94.4%
We will utilize the results of health checkups	A total of 198 people were encouraged to receive specified health guidance
We will create a healthy environment	Disseminated the video addressing healthy company declaration themes 12 times
	Disseminated the video on health topics 12 times
	Published a column on health topics 12 times (in the internal newsletter)
We will promote better “dietary habits”	Provided a healthy company declaration for cafeterias
	Offered a collaboration menu in cafeterias (once a week)
We will encourage “exercise”	Introduced the walk rally sponsored by the Health Insurance Association, the remote walking class, and health promotion programs
We will encourage people to “quit smoking”	Disseminated the video on health topics
We will promote “mental health”	Introduced counseling services Achieved a 99.4% examination rate for stress level checks (eligible employees: 1,658)

Measures to address long working hours

As measures to address long working hours, we manage working hours through entry/exit systems, have days for leaving work on time (every Wednesday and bonus payment days), and encourage our employees to take annual paid leave. Also, we offer industrial physician consultation to employees with high total overtime hours over a one- or three-month period. We check the health conditions of these individuals and review their work burdens to help them stay healthy mentally and physically.

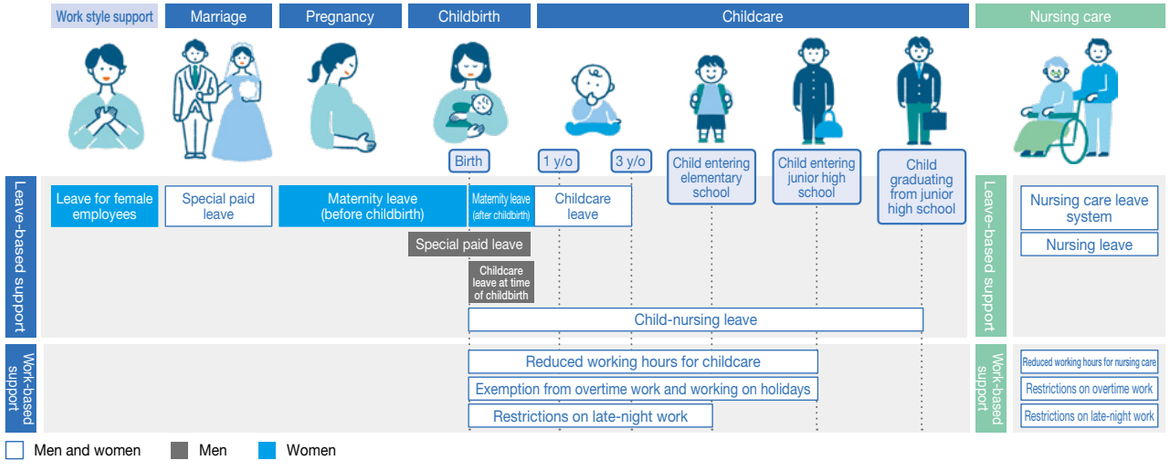
Number of overtime hours and number of days of paid leave taken

	Unit	FY2021	FY2022	FY2023	FY2024
Number of overtime hours per person	Hours	29.3	25.7	20.6	21.2
Number of days of paid leave taken per person	Days	13.1	14.5	13.8	13.7

Work-life balance

The Tokyo Seimitsu Group is committed to creating a workplace environment where all employees can make the most of their capabilities while balancing work and private life. In order to support employees who are raising children, caring for family members, or dealing with various other hardships such as illness and injury, we have a unique leave system in place that far exceeds legal standards.
Also, to ensure that child-rearing employees can balance work and childcare as well as that all employees can work with peace in mind in our work environment, we have created an action plan (fiscal 2025 to 2026) based on the “Act on Advancement of Measures to Support Raising Next-Generation Children.”

Main support systems



Target

Annual paid leave	100% acquisition rate (five days of annual leave)

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

Result

		FY2021	FY2022	FY2023	FY2024
Annual paid leave acquisition rate (%)		69.8	76.7	72.3	71.9
Rate of taking five days of annual paid leave (%)		100	100	100	100
Number of employees taking refreshment leave (persons)		14	34	22	33
Percentage of employees taking childcare leave (%) (number of people taking leave/number of people eligible)	Women	None eligible	100 (2/2)	100 (1/1)	100 (3/3)
	Men	19.2 (5/26)	38.5 (10/26)	57.1 (16/28)	54.2 (13/24)
	Return to work rate	100	100	100	100
Number of employees taking child-nursing leave (persons)		7	11	16	18
Number of employees utilizing the nursing care leave system (persons)		0	0	0	0
Number of employees taking nursing leave (persons)		4	9	12	15

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

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Occupational safety and health

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

Promotion structure

At our Hachioji Plant, Hanno Plant, and Tsuchiura Plant, we have the Safety and Health Committee, with each plant manager serving as the general safety and health manager.
The committee plans and deliberates on major safety- and health-related matters in a bid to maintain and improve a safe and comfortable work environment. To raise employees' awareness of safety and health in the workplace and maintain and promote their health, the committee meets once a month in principle, as well as on an ad hoc basis when the general safety and health manager deems necessary.
At the Furudono Plant, which is a small-scale workplace with fewer than 50 employees, the plant manager promotes workplace safety and health as a health promoter and participates in the Safety and Health Committee of the Tsuchiura Plant to report on the Furudono Plant. We conduct internal audits twice a year, with results submitted to the Audit Department and reported to the Board of Directors. The Safety and Health Committee is subject to audits by the Audit Department.

Safety and Health Committee

Chairman	: General Safety and Health Managers (plant managers of the Hachioji Plant, Hanno Plant, and Tsuchiura Plant)
Frequency of meetings	: Once a month
Functions	: Maintaining and improving safe and comfortable work environments Establishing a system for ensuring safety and managing the health of our employees by appointing legal managers and establishing specialized committees to raise awareness of safety and health in the workplace and to maintain and promote health

Occupational accidents

The total number of occupational accidents in fiscal 2024 decreased by nine from the previous fiscal year, with one involved in an accident resulting in leave and nine others involved in accidents not resulting in leave. Many of these accidents occurred during work. We therefore urge employees to keep their workplace clean and tidy and step up the workplace patrol. We are also promoting other efforts such as workplace meetings and the practice of calling out to each other.

	Target	FY2021	FY2022	FY2023	FY2024
Accidents resulting in leave (incidents)	0	2	1	4	1
Accidents not resulting in leave (incidents)	0	10	12	15	9

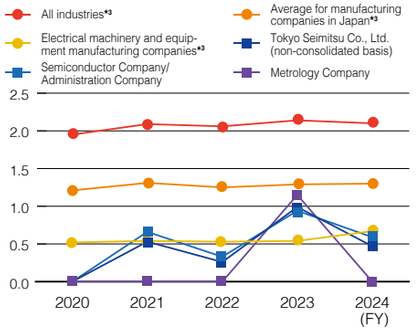
Risk assessments at work sites

We make risk assessments regularly by conducting a workplace patrol to check working environments and identify issues. This helps us create measures for the identified issues and make improvements. Also, when introducing new machinery or changing work procedures, we strive to avoid risks by conducting education and training on machinery operation, heavy equipment work, electrical wiring operation, and other topics as needed, in addition to risk assessments.

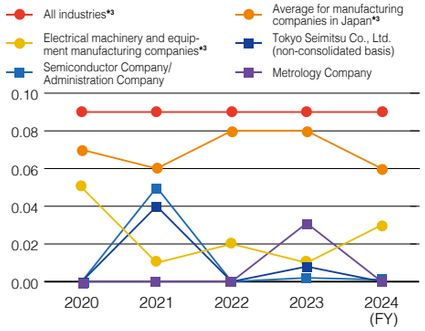
● Risk assessment training

Risk assessment training is conducted by outside instructors to prevent occupational accidents. In fiscal 2024, this training was carried out at both Hachioji Plant and Tsuchiura Plant. Participants learned how to identify hazards and estimate, remove, and mitigate risks. The training was conducted in group work format, allowing members of departments that otherwise would not have much interaction to exchange views with one another. Logically understanding the process leading to an occupational accident provided a meaningful direct opportunity for recurrence prevention and education.

Frequency rate*1 of accidents resulting in leave



Severity rate*2 for accidents resulting in leave



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

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

*3 Source: "Survey on Industrial Accidents" of the Ministry of Health, Labour and Welfare

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Respect for Human Rights

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

Human Rights Policy

1. Basic views on human rights
2. Support and respect for international human rights norms; compliance with local labor laws and regulations
3. Scope
4. Prohibition of child labor and forced labor
5. Prohibition of discrimination and acceptance of diversity
6. Respect for freedom of association and right to collective bargaining
7. Prohibition of harassment
8. Human rights due diligence and relief efforts
9. Education on human rights
10. Information disclosure and dialog

Human Rights Policy
https://www.accretech.com/en/company/humanrightspolicy.html

Promotion structure

Tokyo Seimitsu established the “Human Rights Activities Project,” which consists of members from the Human Resources Department, Management Support Department, Production Control Department, and General Affairs Department, to address human rights across the board involving all of our group companies, suppliers, and local communities. In 2024, the project was expanded to the Human Rights Activities Working Group, which works together with the Tokyo Seimitsu Group and its supply chain constituents to promote further understanding and dissemination of the “Tokyo Seimitsu Group Human Rights Policy.”
Building on its existing structure, the current working group is making multilateral and cross-departmental efforts, with the participation of the Sustainability Department, Legal Affairs Department, IT Department, Sales Department, and Quality Assurance Department.

Human rights due diligence

Based on the “Tokyo Seimitsu Group Human Rights Policy,” we started human rights due diligence initiatives in fiscal 2022 to identify, prevent, and remedy risks to human rights posed by the Group’s business activities. In fiscal 2024, we conducted a status survey of Tokyo Seimitsu Co., Ltd., 4 domestic group companies, and 22 overseas group companies in accordance with the Responsible Business Alliance (RBA) Code of Conduct and the Self-Assessment Questionnaire (SAQ). While the survey found no serious risk of human rights violations, some issues were identified that should be considered with regard to the safety of employees. We are currently making improvements on these issues.
In fiscal 2024, we expanded the scope of the survey to include 121 key suppliers. We provide feedback on survey results on an individual basis and resolve issues through dialogue.
We will continue to conduct periodic surveys and promote human rights risk countermeasures for all of our business activities.

Human rights education and training

The “ACCRETECH Group Code of Conduct” clearly states the compliance with laws and social norms related to labor standards and occupational safety and health and the prohibition of acts that infringe on human rights. e-learning education related to the ACCRETECH Group Code of Conduct is provided on a group-wide basis every year.
We also provide separate education and training programs on respecting human rights to promote the understanding and practice of the “Tokyo Seimitsu Group Human Rights Policy.” In fiscal 2024, we conducted e-learning education on the prevention of harassment for four group companies in Japan.

Establishment of whistleblowing/ consultation contact points

We have an internal whistleblower contact point in place for individuals wishing to report violations of laws and regulations, misconduct, etc. In fiscal 2024, there were no reports of human rights violations from within the group. An external contact point has also been in place for suppliers since fiscal 2023.

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Messages from External Directors

Turning Products Meeting Emerging Needs into Industry Standards

Kiyoshi Takamasu
External director

The results of the assessment of the effectiveness of the Board of Directors were announced in May. What do you make of the assessment?

The assessment was conducted using an external organization and a questionnaire, including questions allowing for open-ended answers, and supported by discussions by internal and external directors. I think the process was well-designed. Steady progress has been made in terms of the problems pointed out last time, indicating that continuous efforts have been underway to improve the Board of Directors. It is going to be necessary to further reinforce the coordination between strategic discussions and the decision-making and oversight functions of the Board of Directors, moving forward. Tokyo Seimitsu needs to stay committed to increasing transparency and objectivity in succession planning as well as to building a better director training system. I also think that it will be extremely important from now on to disclose the assessment results including comparisons with competitors and foster a sense of governance in line with the management strategy.

In light of your expertise, what do you expect us to do in terms of business, going forward?

My area of expertise is measurement technology, and Tokyo Seimitsu has a track record of creating world-class products in this area. With coordinate and contour measuring instruments in particular, its strength lies in its ability to supply high-precision, multi-function products in a stable manner. Considering the future growth, though, it will be difficult to keep growing just by relying on these products. I think Tokyo Seimitsu will need to identify customer needs more quickly and prepare to meet those needs for future functions and applications ahead of the market. Going forward, Tokyo Seimitsu should expand aggressively into areas like semiconductors, aircraft, and space, in addition to automobiles. You already have a successful semiconductor manufacturing equipment business under your belt. So, I consider it crucial to turn products that meet emerging needs into industry standards in collaboration with that technology.

External Directors Now Make Up Half of the Board of Directors

Kazuya Mori
External director

The results of the assessment of the effectiveness of the Board of Directors were announced in May. What do you make of the assessment?

I answered the questionnaire, too. I think the results appropriately sum up what we said and accurately reflect where the Board of Directors stands.
In Tokyo Seimitsu's board meetings, the external directors all engage in discussions actively, expressing their opinions and asking questions. This is possible because the company gives us information about the agenda in advance and we can hold pre-meetings for preliminary discussions. The makeup of the external directors is excellent, too. Being an expert on semiconductor devices, I have plenty of knowledge I can share about manufacturing equipment and users. The other members are all professionals as well, including a university professor well versed in measurement technology, a lawyer, a certified public accountant, and an environment expert. With these external experts, the Board of Directors can provide guidance on a wide range of key issues.
The Board of Directors is well balanced, with half of its members being external directors from fiscal 2025, making the board more open to opinions from outsiders.
Previously, succession planning was a cause of concern. Since fiscal 2024, though, the potential successor has served as the moderator of board meetings, which helps us get to know that person well. It provides some firsthand information we can use to decide on the successor in the future.

In light of your expertise, what do you expect us to do in terms of business, going forward?

I look forward to you following through with the new mid-term business plan. Currently, the semiconductor market is sluggish, except for demand for AI, and the shift to EVs and self-driving cars is also decelerating. Amid this situation, you have this plan to keep your market share. So, I want to see you deliver on it.
I also hope that you will have more female internal directors in the future. Generally speaking, men in my generation tend to be insensitive to harassment. Women are more sensitive. Just increasing female external directors does not really solve this problem. It may take time, but I want you to develop human resources while increasing female managers.

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The Company Is Committed to Improving Governance

Yuriko Sagara

External director
(Audit and Supervisory Committee member)

The results of the assessment of the effectiveness of the Board of Directors were announced in May. What do you make of the assessment?

The assessment results are mostly consistent with the way I see the current situation. I think that there is an atmosphere for open discussions in which each external director can state their views based on their professional knowledge.
Tokyo Seimitsu offers opportunities for external directors to better understand its business, such as participation in executive management meetings, on-site inspections of subsidiaries, and plant tours. We are also given opportunities to discuss the long-term strategy and take part in the Sustainability Committee meetings. The company is committed to making improvements in line with the requests of the external directors. One more thing that I see as improvement is that the resolutions of the Board of Directors are now explained by the general managers of the relevant divisions.
If I were to ask for further improvement, it would be an opportunity for the external directors to participate in discussions beforehand with regard to any project that involves relatively huge cost or carries significant weight to the company's business.

In light of your expertise, what do you expect us to do in terms of business, going forward?

I hope to see the importance of elemental technology recognized more widely. The President emphasizes this at every occasion, and I feel that there is now wider understanding than before about the importance of utilizing technologies while protecting them under intellectual property rights. With a new organization established for intellectual property strategies, the Tokyo Seimitsu employees are becoming increasingly aware of the need to acquire patents more strategically by using the IP landscape and the use of disclosed patent information to decide the company's business direction. Going forward, I would like to see an increase in the Intellectual Property Department personnel, enabling more aggressive use of intellectual properties.
From the perspective of the development of future human resources, I hope that more younger employees and women will be assigned to positions with responsibility and play active roles.

Too Many Items on the Agenda despite Constructive Exchanges of Views

Motoko Kawasaki

External director
(Audit and Supervisory Committee member)

The results of the assessment of the effectiveness of the Board of Directors were announced in May. What do you make of the assessment?

The results of the effectiveness assessment are pretty much the same as I feel about the Board of Directors. The board consists of individuals with diverse backgrounds and expertise. It is right in size and has an open atmosphere for candid discussions. I think that the leadership of Board Chairman Hitoshi Yoshida and the good personality of each director make constructive exchanges of views possible.
One thing I want to see improved is that there are too many items on the agenda. There are occasions when I wonder if we have dug deep enough into each individual item. We should make clear what we expect of the Board of Directors. Revising the presentation standard is an option. I think it is better to leave what managers can do to the managers and let the Board of Directors focus on in-depth discussions about important issues such as medium- and long-term strategies.

In light of your expertise, what do you expect us to do in terms of business, going forward?

Tokyo Seimitsu is earnestly committed to sustainability. This year, the company earned a higher rating from a non-profit organization, called "CDP," that runs an independent environmental disclosure system. On the other hand, however, the pace of reduction in CO_2 emissions is a bit slower than planned. The new mid-term business plan mentions the "evolution of sustainability management" with regard to the "strengthening of the business infrastructure," and I believe that efforts are underway at the front line. Yet, I think we should review the concrete measures and activities once again and provide advice actively.
In recent years, the global trends for sustainability have become increasingly uncertain, with the introduction of new regulations delayed in Europe. However, I think the main trend will remain unchanged. So, I want Tokyo Seimitsu to keep up with the fluid situation surrounding regulations and achieve differentiation by developing eco-friendly products and appropriately advertising their performance.

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Value Objective Opinions from Outsiders

Sumiko Takayama
External director
(Audit and Supervisory Committee member)

What are your hopes and plans as a new external director?

While I have many years of experience working as a certified public accountant, I don't know much about Tokyo Seimitsu's business or the industry in which it operates. That makes me free from what happened in the past and what is customary in the industry. When I ask questions or state my views, I will place importance on simple doubts that come to mind and a feeling of strangeness that I get while I compare Tokyo Seimitsu with other companies. I hope that will make you see what is taken for granted in a different light and consider it a problem. I think that, if this helps Tokyo Seimitsu achieve growth or make improvements, it will be my contribution as a new external director.

Based on your experience, what kind of role do you think an external director should play?

Tokyo Seimitsu's Board of Directors consists of individuals with diverse expertise, and I feel there is clarity in terms of the roles the members should play in the board as well as where they stand. I think the company expects me to play a role in finance and accounting, and I want to value an objective broad perspective offered from the outside. Also, I consider the external directors responsible for raising constructive questions for medium- to long-term growth.
When I look at the new mid-term business plan from these points of view, I think that the position that the company aspires to establish in 10 years' time is easy to understand because it is consistent with the purpose and long-term vision. Regarding the views on the future including the synergies of precision measuring instruments business and semiconductor manufacturing equipment business, on the other hand, you should paint a clearer picture, which I think will make it easier for investors and shareholders to envision what Tokyo Seimitsu plans to do going forward. I also suggest that you lay out concrete measures to achieve quantitative targets and indicate sustainability and non-financial targets as well. That will make your long-term growth plan more convincing. Going forward, I intend to offer advice on these matters as well.

| Spotlight Question |

What do you think of the synergies between precision measuring instruments and semiconductor manufacturing equipment?

Cross-departmental information sharing and personnel exchanges are key

Semiconductor manufacturing now requires even higher precision, even higher speed, and even higher throughput. To meet these needs, not merely increasing the measurement resolution but the basic elements, such as measurement reliability and measurement uncertainty management, are crucial. Tokyo Seimitsu has strengths in both measurement technology and semiconductor manufacturing technology. By combining these technologies appropriately, we should be able to create machines that have values that are not found in competitors' products. To address this challenge, I consider cross-departmental information sharing and personnel exchanges to be key. As an external director, I am going to keep providing technical support to make sure Tokyo Seimitsu makes better use of these synergies.

Kiyoshi Takamasu

What matters is to keep refining elemental technologies

That is essential for achieving the targets defined in the new mid-term business plan. In the semiconductor manufacturing process, it is necessary to measure thickness and check for scars before and after an instrument is used. Tokyo Seimitsu has the measurement technology to do this. When semiconductor manufacturing equipment and precision measuring instruments are combined into a single unit, the manufacturing process becomes shorter. Plus, users only need to purchase one piece of equipment, which is hugely beneficial for them.
Also, this is an effective way to counter Chinese manufacturers that are becoming increasingly competitive in the field of semiconductor manufacturing equipment. These manufacturers import machines, create similar products, and sell them at lower prices. Tokyo Seimitsu should protect its measurement and other elemental technologies thoroughly through patents and other copy protection measures. That makes it difficult for competitors to imitate products. What matters is to keep refining elemental technologies.
Besides Semiconductor Company and Metrology Company, which are technical groups directly involved in business activities, Tokyo Seimitsu has a department dedicated to the basic research of elemental technologies. I hope to see new technologies emerge from this organization.

Kazuya Mori

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Directors and Executive Officers (As of June 23, 2025)

Hitoshi Yoshida
Chairman

Company shares held 10,800

April	1983	Joined the Company
April	2002	Executive Officer, Metrology Company
June	2005	Director
October	2007	President, Metrology Company
June	2011	Representative Director
April	2015	President and CEO
April	2022	Chairman and CEO
June	2025	Chairman (to present)

Ryuichi Kimura
President and CEO

Company shares held 4,812

April	1986	Joined the Company
April	2005	Executive Officer, Semiconductor Company
June	2005	Director
August	2007	President, Semiconductor Company
June	2011	Representative Director
April	2015	Executive Vice President and COO
April	2019	Head of Semiconductor Company
April	2022	President and COO
June	2025	President and CEO (to present)

Takahiro Hokida
Director
Head and Executive Officer of Semiconductor Company

Company shares held 3,600

October	1995	Joined the Company
April	2010	Executive Officer, Semiconductor Company
April	2012	General Manager, Test Technology Department, Technology Division, Semiconductor Company
April	2014	Managing Executive Officer, Semiconductor Company
June	2015	Director (to present)
July	2023	General Manager, Technology Division, Semiconductor Company
April	2025	Head and Executive Officer of Semiconductor Company (to present)

Shinji Akimoto
Director

Company shares held 2,712

April	1987	Joined the Company
April	2000	General Manager, Human Resources Planning Dept., Planning Division
April	2002	General Manager, Human Resources Department, Administration Company
April	2007	Executive Officer, General Manager, Human Resources Department, Administration Company
June	2018	Auditor
June	2019	Director (Audit and Supervisory Committee member) (to present)

Romi Pradhan
Director

Company shares held 660

January	1991	Joined California Energy Commission (US)
October	1992	Joined Bridgestone Corporation
August	2000	Joined Teradyne Inc. (US)
March	2001	Joined ACCRETECH AMERICA INC. (US subsidiary of Tokyo Seimitsu)
April	2012	Executive Vice President, ACCRETECH AMERICA INC.
April	2013	Executive Officer of Semiconductor Company, Tokyo Seimitsu and Supervisor for World Wide Accounts (to present)
June	2016	President, ACCRETECH AMERICA INC. (to present)
June	2023	Director (part-time) of Tokyo Seimitsu (to present)

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Directors and Executive Officers

Kiyoshi Takamasu
External director

Company shares held —

April	1982	Research associate, The Department of Precision Engineering, Faculty of Engineering, The University of Tokyo
October	1987	Associate Professor, Department of Precision Mechanical Engineering, School of Engineering, Tokyo Denki University
March	1990	Visiting Fellow, The University of Warwick, U.K.
November	2001	Professor, The Department of Precision Machinery Engineering (currently The Department of Precision Engineering), Graduate School of Engineering, The University of Tokyo
March	2020	President, The Japan Society for Precision Engineering
June	2020	Director (Audit and Supervisory Committee member), Tokyo Seimitsu Professor Emeritus, The University of Tokyo (to present)
June	2021	Director (part-time) of Tokyo Seimitsu (to present)

Kazuya Mori
External director

Company shares held —

April	2014	Plant Manager, Oita Operations, Toshiba Corporation
April	2016	President, Japan Semiconductor Corporation
June	2021	Full-time Audit & Supervisory member, NuFlare Technology, Inc.
June	2023	Director (part-time) of Tokyo Seimitsu (to present)

Yuriko Sagara
External director

Company shares held —

October	2001	Admitted to the bar; joined Nakamura & Partners
August	2005	Registered as a patent attorney
January	2013	Partner, Nakamura & Partners (to present)
June	2019	Director (Audit and Supervisory Committee member), Tokyo Seimitsu (to present)
June	2021	External director (Audit & Supervisory Committee member), NOF Corporation (to present)

Motoko Kawasaki
External director

Company shares held —

June	2016	General Manager, Corporate Planning Department, FUJIFILM Holdings Corporation General Manager, CSR Division, FUJIFILM Corporation
June	2019	Executive Officer, General Manager of ESG Division and General Manager of General Affairs Department, FUJIFILM Holdings Corporation Executive Officer, General Manager of ESG Division, FUJIFILM Corporation
June	2021	Full-time Corporate Auditor, FUJIFILM Holdings Corporation (to present) Full-time Corporate Auditor, FUJIFILM Corporation (to present)
June	2024	Director (Audit and Supervisory Committee member), Tokyo Seimitsu (to present)

Sumiko Takayama
External director

Company shares held —

April	1997	Joined Ebara Corporation
October	2001	Joined Tohmatsu & Co. (currently Deloitte Touche Tohmatsu LLC)
July	2005	Registered as a certified public accountant (member of the Japanese Institute of Certified Public Accountants, Tokyo Regional Chapter)
January	2019	Representative, Sumiko Takayama CPA Office (to present)
January	2020	Engagement Partner, LEGALEX LLC
December	2022	Outside Director, SHOEI Co., Ltd. (to present)
June	2024	Outside ASB Member, MIXI, Inc. (to present)
June	2025	Director (Audit and Supervisory Committee member), Tokyo Seimitsu (to present)

In-house company system and executive officer system

Semiconductor Company					
Head	Takahiro Hokida	Executive Officer	Romi Pradhan	Executive Officer	Koji Akada
Managing Executive Officer	Yuichi Kubo	Executive Officer	Keng Hooi TEE	Executive Officer	Ryo Sakata
Managing Executive Officer	Masaki Kanazawa	Executive Officer	Hiroyuki Sakai		
Managing Executive Officer	Ryoichi Ide	Executive Officer	Masayuki Azuma		

Metrology Company			
Head	Kazumasa Ishikawa	Executive Officer	Tetsuya Kikuta
Managing Executive Officer	Taichi Fujita	Executive Officer	Yoichi Togawa
Executive Officer	Takashi Masuda	Executive Officer	Hikaru Masuta
Executive Officer	Mutsumi Ono		

Administration Company	
Head	Asashi Kato
Managing Executive Officer	Kimito Koizumi
Executive Officer	Tomoko Inose

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Corporate Governance

The Tokyo Seimitsu Group considers it essential to improve corporate governance for conducting fair and transparent business activities as a corporate citizen trusted by the international community. Under the Basic Policy on Corporate Governance, we seek to establish an effective corporate governance structure and system.

Basic Policy on 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 medium to long-term returns for shareholders.
4. The Group strives to maintain appropriate collaboration with stakeholders (customers, suppliers, employees, creditors, local communities, etc.) other than shareholders.
5. The Group strives to ensure proper information disclosure and transparency.

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

Corporate governance structure

Tokyo Seimitsu has adopted a company structure with an audit and supervisory committee. For dealing with matters that do not fall under the criteria for submission to the Board of Directors, we have adopted an executive officer system to speed up the decision-making process by delegating a large amount of authority to the head of each company after defining their scope of duties and authority in accordance with the relevant regulations of Tokyo Seimitsu. Also, we share information and enhance deliberations on a company-wide basis through executive management meetings. In addition, various cross-company committees, such as the Risk Management Committee and the Compliance Committee, are in place to consider and monitor material issues from various perspectives to make appropriate decisions.

Board of Directors

Our Board of Directors is composed of six directors not served as Audit and Supervisory Committee members (two of whom are external directors) and four directors served as Audit and Supervisory Committee members (three of whom are external directors). The board is chaired by the chairman. The Board of Directors holds regular monthly meetings, and extraordinary meetings are also held as necessary.
The Board of Directors deliberates on important matters related to management as stipulated by law, the articles of incorporation, the rules of the Board of Directors, etc. as well as on monthly, quarterly, and annual business results. It also supervises the execution of business by each director.

●Major items deliberated in fiscal 2024

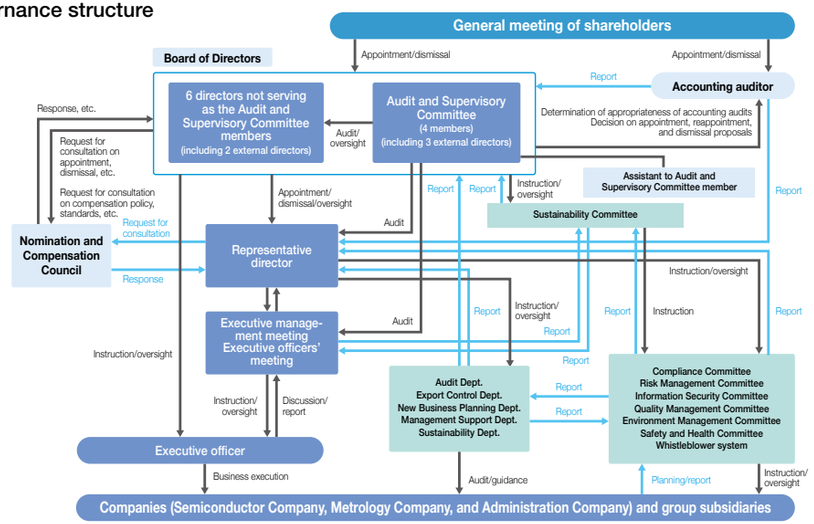
<Business portfolio management>
· Business plans (development, equipment, personnel, expenses, etc.)

<Sustainability>
· Report on the results of activities of the Sustainability Committee in fiscal 2024
· Sustainability Committee report

<Company-wide risk management>
· Report on the results of the activities of the “Compliance Committee” and “Risk Management Committee” conducted in the second half of fiscal 2023 and report on the activities planned for fiscal 2024
· Report on the results of the activities of the “Compliance Committee” and “Risk Management Committee” conducted in the first half of fiscal 2024

<Other items>
· Disclosure of the “corporate governance report”
· Assessment of the effectiveness of the Board of Directors
· Partial revision of the “Director Compensation Regulation,” “Basic Policy on Corporate Governance,” and “Nomination and Compensation Council Regulation” and establishment of the “Regulation for Stock-Based Compensation for Directors”

Corporate governance structure



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Audit and Supervisory Committee

Our Audit and Supervisory Committee, which is a parallel organization to the Board of Directors, is composed of one internal Audit and Supervisory Committee member and three external Audit and Supervisory Committee members. One of the Audit and Supervisory Committee members has remarkable knowledge of finance and accounting. They audit the Company's business execution, account processing, asset management, etc. throughout the year by attending the Board of Directors and other important meetings, hearing about the status of business execution, and reviewing important approval documents in order to check for legal violations, breaches of fiduciary duty, and other kinds of misconduct. Also, the Audit and Supervisory Committee exchanges opinions with the Audit Dept., which is an internal audit organization, and the accounting auditor on the audit system to determine whether there are problems in auditing, as well as issues and other matters on an as-needed basis, in an effort to enhance the effectiveness of audits. At the same time, the committee receives regular reports on findings and related information from internal audits conducted in accordance with the annual audit plan.

Executive management meeting and executive officers' meeting

We have an executive officer system in place to make speedy decisions on product development planning to respond quickly and flexibly to market trends. In addition to supervising the progress of business plans at regular monthly executive management meetings and executive officers' meetings, we share information and enhance deliberations on a company-wide basis through the executive management meetings.

Nomination and Compensation Council

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

Regarding the nomination of directors, the council deliberates on matters related to the nomination of directors, including appointments and dismissals, and reports results to the Board of Directors.

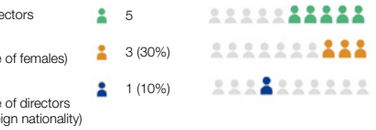
With regard to director compensation, the council reviews and decides the standard amount of compensation by position, and deliberates on matters related to director compensation policies and reports results to the Board of Directors.

Board of Directors and committee composition and activities

	Composition			Number of meetings held (FY2024)
	Chairman	Internal directors	External directors	
Board of Directors	Representative Director and Chairman	5*	5**	16 times
Audit and Supervisory Committee	Internal director	1	3	13 times
Nomination and Compensation Council	External director	0	5	5 times

* Of these directors, one served as full-time Audit and Supervisory Committee member ** Of these directors, three served as Audit and Supervisory Committee members

Diversity of the Board of Directors



Constitution of the Board of Directors (skills matrix and attendance)

	Age	Board of Directors' meeting attendance	Diversity of external directors	Major past experience	Board of Directors	Audit and Supervisory Committee	Nomination and Compensation Council	Skills and experiences: Corporate management/management strategy	Industry knowledge	Technology/intellectual property/manufacturing	Sales/marketing	International business/global experience	Accounting/finance	Legal/risk management	Personnel/labor/human resource development	IT/information systems
Hitoshi Yoshida	65	16/16		Measurement technology	○			○	○	○	○	○				○
Ryuichi Kimura	62	16/16		Semiconductor sales	○			○	○		○	○				
Takahiro Hokida	63	16/16		Semiconductor technology	○				○	○	○	○				○
Romi Pradhan	56	16/16	●	Overseas subsidiary management	○			○	○		○	○				
Kiyoshi Takamasu	70	16/16	◎	Academic	○		○		○	○		○				
Kazuya Mori	65	16/16	◎	Company management	○		○	○	○	○		○				
Shinji Akimoto	61	16/16		Human resources	○	○								○	○	
Yuriko Sagara	50	15/16	◎○	Lawyer	○	○	○			○		○		○		
Motoko Kawasaki	64	*12/12	◎○	Company management	○	○	○	○						○		
Sumiko Takayama	50	—/—	◎○	Certified public accountant	○	○	○						○	○		

Age: As of the end of June 2025
Independent external corporate director: ◎ Female: ○ Foreigner: ●
(Note 1) This matrix represents the areas in which each director has more expertise and the areas in which we expect them to play a more active role, based on their experience and other factors. It does not represent all the knowledge and experience of each person.
(Note 2) The Board of Directors' meeting attendance data is for fiscal 2024.
* Since Ms. Kawasaki was newly appointed at the 101st Regular Shareholders' Meeting held on June 21, 2024, the attendance status at the Board of Directors meetings held after her appointment is shown.

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Director compensation

We have policies and procedures in place for determining the amount of compensation, etc. for directors in the "Basic Policy on Corporate Governance."
The formula for calculating restricted stock compensation paid to directors in charge of business execution as a medium- to long-term incentive to share profits with shareholders was revised by adding capital efficiency (ROE) in 2023 and the ESG coefficient in 2024.

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

Basic policy

1. The compensation scheme to reward senior management is designed to ensure that it functions as an incentive system to make the Corporate Philosophy 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.

Compensation structure

The compensation of directors not served as Audit and Supervisory Committee members nor external directors (hereinafter referred to as "directors in charge of business execution") shall consist of "basic compensation," which is fixed, and "performance-linked compensation" and "stock compensation" that are variable.
The compensation of Audit and Supervisory Committee members and external directors shall consist only of "basic compensation," in light of their responsibilities of supervising and auditing business execution.
The "basic compensation" paid to directors shall be fixed monetary compensation paid monthly during their term of office. The total annual payment of basic compensation and performance-linked compensation shall be within the upper limit range approved by the general meeting of shareholders. "Basic compensation" amount for each director is based on the standard amount of compensation by position*.

*** Standard amount of compensation by position:**
The amount of compensation determined by the compensation ratio on a position-by-position basis based on the compensation amount of the President. It is formulated by the Compensation Planning Committee and approved by the Nomination and Compensation Council

"Performance-linked compensation" paid to directors in charge of business execution shall be short-term performance-linked monetary compensation paid at a certain time every year during their term of office. The total annual payment of basic compensation and performance-linked compensation shall be within the upper limit range approved by the general meeting of shareholders. The following formula is used to calculate "performance-linked compensation" paid to directors in charge of individual business execution.

[Performance-linked compensation]
Basic bonus amount x group business performance coefficient x **each internal company's business performance coefficient**

Basic bonus amount: Consolidated net profit x 1% x basic compensation ratio
Basic compensation ratio: Ratio of basic compensation per director, divided by the total amount of basic compensation of directors in charge of business execution

Group business performance coefficient:
Based on the achievements of the fiscal-term operating profit plan
Within ±10% of target: 1, more than +10% and up to +30%: 1.1, more than +30% and up to 50%: 1.2, more than +50%: 1.3,
-30% or more and less than -10%: 0.9,
-50% or more and less than -30%: 0.8, less than -50%: 0.7
(When the operating profit falls year over year, this coefficient is 1 or less.)

Each internal company's business performance coefficient:
Used to comprehensively evaluate the internal company's business results and other significant achievements (0.9 to 1.1)

"Stock compensation" paid to directors in charge of business execution is provided as a medium- to long-term incentive to share profits with shareholders. Stock compensation consists of the first benefit and the second benefit, and points are granted to directors based on the Regulation for Stock-Based Compensation for Directors. When certain requirements are met, a point is converted to one share of the company's stock and shares or other form of compensation equivalent to the number of points held are paid. The total number of points granted to directors of the Company shall not surpass the upper limit approved at the general meeting of shareholders. Points to be granted to directors in charge of individual business execution are calculated for the first benefit and the second benefit, respectively, as follows.

[Stock compensation]
Points of first benefit
Points determined by position
Points of second benefit
Points determined by position x capital efficiency coefficient x ESG coefficient x medium-term performance coefficient

Points determined by position:
Formulated by the Compensation Planning Committee based on the standard amount of compensation by position, and approved by the Nomination and Compensation Council

Capital efficiency coefficient:
Most recent three fiscal years' average consolidated ROE:
15% or more: 1.2, 10% or more and less than 15%: 1, and less than 10%: 0.8

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

Medium-term performance coefficient:
Based on the achievements of mid-term operating profit target

Basic coefficient: 1; when the mid-term operating profit target is achieved: 2

Process for determining compensation

I. The Board of Directors delegates the task of determining

the compensation structure and compensation standards for each position to the Compensation Planning Committee, consisting of the representative director and some of the directors.

II. To increase transparency and objectivity, the proposal of directors' compensation amounts and related matters (such as standard amount of compensation by position) formulated by the Compensation Planning Committee and the amounts for each director's basic compensation, performance-linked compensation, and stock compensation shall be deliberated and determined by the Nomination and Compensation Council, which consists of Audit and Supervisory Committee members and external directors.

III. Compensation amounts for directors served as Audit and Supervisory Committee members will be mutually discussed and resolved among those directors.

Total amount of compensation for each officer category of the reporting company, total amount of compensation by type, and the number of eligible directors

Officer category	Total amount of compensation (million yen)	Total amount of compensation by type (million yen)					Number of officers in this category (persons)
		Basic compensation	Performance-linked compensation	Restricted stock compensation	Board Benefit Trust (BBT)	Non-monetary compensation (among forms of compensation listed to the left)	
Director (excluding Audit and Supervisory Committee members and external directors)	686	227	261	16	182	198	6
Directors served as Audit and Supervisory Committee members (excluding external directors)	22	22	—	—	—	—	1
External directors	42	42	—	—	—	—	6

(Notes) 1. The number of external directors includes one director who resigned at the conclusion of the 101st Regular Shareholders' Meeting held on June 21, 2024.

2. Compensation to directors (excluding directors served as Audit and Supervisory Committee members) shall be less than 700 million yen per year (70 million yen for external directors) as ratified at the 101st Regular Shareholders' Meeting held on June 21, 2024. Separately, it has been decided to introduce a performance-based stock compensation system known as "Board Benefit Trust" (excluding directors served as Audit and Supervisory Committee members and external directors). Non-monetary compensation shall be the amount of "Board Benefit Trust," whose expenses are recorded over multiple years, combined with the amount of restricted stock compensation recorded in the current business year, according to the compensation period. The number of directors (excluding directors served as Audit and Supervisory Committee members) at the conclusion of the aforementioned Regular Shareholders' Meeting is eight, including two external directors.

3. Compensation to directors served as Audit and Supervisory Committee members shall be less than 60 million yen per year, as ratified at the 96th Regular Shareholders' Meeting held on June 24, 2019. The number of directors served as Audit and Supervisory Committee members at the conclusion of the aforementioned Regular Shareholders' Meeting is four.

4. Individual compensation for directors (excluding directors served as Audit and Supervisory Committee members) is determined by the Board of Directors after consultation with the Nomination and Compensation Council in accordance with the basic compensation policies, compensation structure, and decision-making process for compensation. Tokyo Seimitsu considers that this is done in accordance with the basic policy.

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

Total amount of consolidated compensation for each director of the reporting company

Name	Total amount of consolidated compensation (million yen)	Officer category	Company category	Total amount of consolidated compensation by type (million yen)				
				Basic compensation	Performance-linked compensation	Restricted stock compensation	Board Benefit Trust (BBT)	Non-monetary compensation (among forms of compensation listed to the left)
Hitoshi Yoshida	185	Director	Reporting company	60	70	3	51	55
Ryuichi Kimura	185	Director	Reporting company	60	70	3	51	55
Koichi Kawamura	151	Director	Reporting company	51	59	3	37	40

(Notes) 1. Above are limited to directors whose total amount of consolidated compensation is 100 million yen or more.

2. Numbers above are rounded down to the nearest million yen.

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Related party transactions, etc.

Tokyo Seimitsu shall not be engaged in any transactions with directors and/or major shareholders that may damage its interests or the common interests of the shareholders, as indicated in (7) Related Party Transactions in the Directors and Boards section of the Basic Policy on Corporate Governance.
When a director intends to enter into a transaction with Tokyo Seimitsu for him/herself or for any third party, the director shall obtain prior approval of the Board of Directors, according to the rules of the Board of Directors, and report important facts concerning that transaction at the board meeting. Terms and conditions for the transaction shall be determined in the same manner as a transaction with third parties.
To identify any transactions involving a conflict of interest by directors, Tokyo Seimitsu annually and regularly checks the existence of such transactions (excluding director compensation) between the Tokyo Seimitsu Group and the directors or their family members within the second degree of kinship.
When Tokyo Seimitsu intends to enter into any transaction with a major shareholder or other related party, that transaction shall be approved in advance by personnel with authority commensurate with the importance and scale of the transaction in accordance with internal regulations determined by the Board of Directors.

Cross-shareholdings

The Board of Directors comprehensively examines whether shares held as cross-holdings are worthwhile based on risks and returns from the perspective of medium- to long-term economic rationality and qualitative considerations such as the purpose of holding those shares and the credit status. If this examination results in the judgment that it is not worthwhile to retain the cross-holdings, such holdings are reduced in principle. If it is determined that holding such shares will contribute to the improvement of medium- to long-term corporate value, they are retained. As a result of such deliberation, Tokyo Seimitsu sold 19 cross-shareholdings (including shares deemed to be held) for 8,415 million yen between April 2015 and March 2025.

Assessing the effectiveness of the Board of Directors

To improve the performance of the Board of Directors, we assess its effectiveness and discuss future actions every year.

Assessment method

Tokyo Seimitsu conducts questionnaire surveys of all directors (including Audit and Supervisory Committee members) regarding the items listed below. After the summarized survey results and analysis results were reviewed by the internal and external directors, the Board of Directors held discussions to evaluate its effectiveness and consider future actions.
In preparing the questionnaire as well as compiling and analyzing the results of the questionnaire, the Company utilizes external organizations to ensure transparency and effectiveness.

[Fiscal 2024 questionnaire items]
7 items, 25 questions in total
- Roles and functions of the Board of Directors
- Scale and composition of the Board of Directors
- Management of the Board of Directors
- Implementation of internal controls, etc.
- Use of external directors
- Relationship with shareholders and investors
- Progress in governance system relative to the previous year

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

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

In the Board of Directors, its members with diverse experience and expertise have free and vigorous discussions, with external directors actively offering advice on management based on the knowledge in their areas of expertise. The results concluded that the effectiveness of the Board of Directors was largely ensured, with the provision of ample opportunities for external directors to gain a better understanding of Tokyo Seimitsu.
As part of our efforts to further enhance the discussions about medium- and long-term challenges, which was identified as an issue last year, we took part in group management council meetings and long-term strategy planning meetings by the external directors. As for succession planning, we offer training to candidates and hold discussions at the Nomination and Compensation Council. We also consider it necessary to further deepen discussions.
In addition, we move forward with efforts to grasp the actual situation of executive training to find out more about concrete activities such as external directors' visits to domestic and overseas plants and sales offices.
At the same time, some issues have been identified from this year's questionnaire as follows:
- Need for further enhancement of discussions about medium- and long-term challenges
- Need to deepen discussions on succession planning

Future actions

To further enhance discussions about medium- and long-term challenges, we have set up a medium- and long-term strategy planning team and are building a framework for sharing the contents of discussions with the Board of Directors. We intend to consider the need to review the management of the Board of Directors as well. With regard to succession planning, we will further deepen discussions at the Nomination and Compensation Council in order to ensure that external directors can recognize candidates.
We continue to keep our Board of Directors effective through these activities.

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Compliance

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

ACCRETECH Group Code of Conduct
https://www.accretech.com/en/company/action_guidelines.html

Compliance management structure

The Tokyo Seimitsu Group has the “Compliance Committee” in place, chaired by the Head of Administration Company, with the compliance officer and compliance general manager assigned.
The Compliance Committee reports and deliberates on the progress of compliance measures, including the revision of the “ACCRETECH Group Code of Conduct,” enactment and revision of regulations, and planning and implementation of education and training related to compliance. In the event of violation of or potential conflict with laws and regulations, the committee promptly issues a report to the Board of Directors and Audit and Supervisory Committee and discusses response measures and recurrence prevention measures.
In fiscal 2024, the “Compliance Committee” convened seven times.

Compliance Committee

Chairman	: Head of Administration Company
Frequency of meetings	: Six times a year plus extraordinary meetings as necessary
Functions	: Revising the “ACCRETECH Group Code of Conduct” and other rules and regulations Deliberating on compliance-related education/training plans and the status of related initiatives Establishing relevant sections and related organizations that deal with major laws, regulations, and social norms related to business operations, and ensuring thorough compliance with laws and regulations Reporting details of compliance-related misconduct and measures taken to the Board of Directors and the Audit and Supervisory Committee in the event of such misconduct

Compliance awareness survey

In fiscal 2024, the Company conducted an online, anonymous survey of all employees in Japan and overseas. The results show that, of the issues identified by the last survey, the “need to reduce workloads related to goal setting and amount of operations” has been resolved and that many improvements have been made in terms of awareness of the whistleblower system among others. We stay committed to measures to ensure compliance.

Issues brought to light by the compliance awareness survey

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

Anti-bribery and anti-corruption

The Tokyo Seimitsu Group created an “Anti-bribery and Anti-corruption Policy” in January 2020, based on the action guidelines set forth in the “ACCRETECH Group Code of Conduct.” We make clear our basic anti-corruption stance and provide training to raise awareness among employees. In fiscal 2024, we trained employees on “Compliance with Laws and Regulations and Social Norms,” “Fair and Sincere Business Activities,” and “Entertainment, Gifts, Donations and Bribery” in the Accretech Group Company Code of Conduct Training (e-learning).
Also, we keep the Compliance Committee informed about whether any violation has been found. In fiscal 2024, there were no violations of anti-bribery or anti-corruption rules.

Anti-bribery and Anti-corruption Policy
https://www.accretech.com/en/company/anti-bribery_anti-corruption_policy.html

Compliance education

The Tokyo Seimitsu Group provides various educational opportunities to enhance knowledge of compliance and to maintain and improve the level of compliance awareness.
Along with “new employee training,” “training for managers,” and other opportunities for level-specific training, we provide e-learning-based training in Japan. In fiscal 2024, we conducted compliance education, including on the “ACCRETECH Group Code of Conduct” (an ongoing training theme) for all relevant personnel.
In addition, we submit a report regularly to the “Compliance Committee” on compliance-related training plans and results.

Accretech Group Company Code of Conduct Training in fiscal 2024

- Number of attendees: 3,287 (non-consolidated basis: 1,414, group-wide basis: 1,873)
- Participation rate: 100%

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Whistleblower system

The Tokyo Seimitsu Group has a whistleblower system in place to facilitate reporting and consultation on infractions of laws and regulations, human rights violations, harassment, corrupt practices such as bribery and other illegal transactions, and other inappropriate behavior. In addition to an employee's superior, we provide various internal and external contact points for direct whistleblowing, including Compliance Committee members, the secretariat, the Personnel Counseling Department, external lawyers, external directors, and directors served as Audit and Supervisory Committee members.
We ensure the anonymity and protection of privacy of whistleblowers and take care to prevent them from disadvantageous treatment. The content and handling of whistleblower reports are reported to and deliberated in "Compliance Committee" meetings.

In August 2022, the Whistleblower System Regulations were revised as follows:

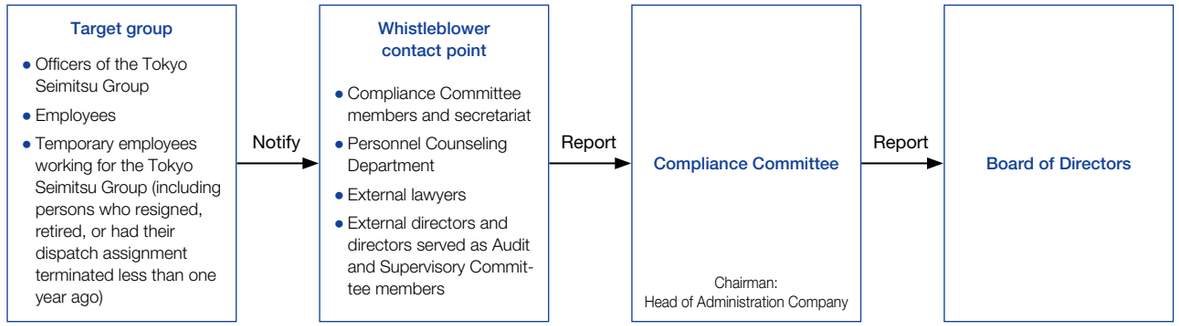
- Expanded the scope of whistleblowers in line with the "Whistleblower Protection Act"
- Made clear that anonymous reports will be accepted and not rejected solely because they are anonymous
- Made a revision requiring the whistleblower contact point as well as all parties involved in the investigation to keep secrets
- Clearly prohibited persons requested to cooperate in the investigation from providing false information, slandering, or giving information for any improper purpose

In fiscal 2024, although there were 17 whistleblowing cases, there were no compliance issues affecting our business activities.

▶Whistleblower System Regulations: https://www.accretech.com/jp/company/internal_reporting.html

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

Whistleblower system



▶Actions to be reported or consulted on

- Any action that endangers the safety or health of employees, business partners, or other stakeholders
- Actions that cause deterioration or destruction of the local environment
- Serious violations of Tokyo Seimitsu's code of conduct, compliance regulations, employment regulations, or other internal regulations
- All types of harassment
- Other violations of laws and regulations, inappropriate acts, or acts contrary to social justice
- Concealment, destruction of evidence, or leakage of information in relation to any of the acts listed in the preceding items

Compliance status

In fiscal 2024, evaluations conducted through internal and external audits found no illegal behavior, legal violations, compliance violations, or other problems that could affect business activities, with regard to the adequacy of our financial reporting, product quality and environmental initiatives, handling of stakeholders inside and outside the company, etc.

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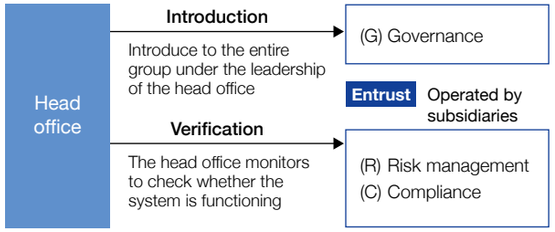
Group company management system

In order to maintain and strengthen group governance and maximize the corporate value of the entire group on a sustainable basis, we have defined a basic approach to group governance, which covers the group companies in Japan and overseas, and have established and maintained the group company management system.

Fundamental considerations

The group company management system defines the governance framework and concept necessary for sound corporate management, in line with the “basic policy on internal control system.” We have this system introduced throughout the group under the leadership of the head office.
We also established the “Subsidiary Management Regulation” for the purpose of clarifying the roles and objectives of the management of subsidiaries to make the group’s internal control transparent and to improve the management efficiency of the corporate group.
Under the group company management system, subsidiaries take the lead in implementing risk management and compliance, taking into account the laws, regulations, characteristics, and business activities specific to the regions in which the subsidiaries operate. In addition, the matters that can be implemented only by the judgment and approval of subsidiaries and those that require application to, approval of, and reporting to the head office are clearly defined in the regulations, and the head office monitors, confirms, and verifies whether the subsidiaries are functioning and operating in a sound manner.
By clarifying the roles and responsibilities of the head office and subsidiaries, we will promote effective operational management and aim to enhance the corporate value as a unified group.

[Fundamental considerations]



The head office and subsidiaries share roles and responsibilities under the leadership of the head office and **work together to enhance the corporate value of the entire Group** in accordance with the “basic policy on internal control system.”

[Subsidiary Management Regulation]

- Management and supervision: Management Support Department (Person in charge: General Manager of the Management Support Department)
- Matters that require application and reporting on the part of subsidiaries

Matters requiring the head office’s approval (resolution of the Board of Directors or CEO approval)

Matters that need to be reported to the head office

Established and operated in accordance with regulations regarding application and reporting matters from subsidiaries

Matters requiring resolution by subsidiary directors

Matters that may be resolved by the CEO of a subsidiary

Matters for which subsidiaries can exercise regulations and self-management

- Provision of information, document maintenance and inspection, and auditing of subsidiaries

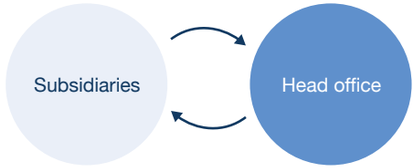
Clarification of roles and responsibilities of head office and subsidiaries

■ Head office’s roles and responsibilities

(1) Present the Group’s overall strategy and values, and communicate them as a mission to subsidiaries
(2) Monitor and verify that subsidiaries are adequately controlling critical risks that could hinder mission accomplishment and business continuity
(3) Take firm action if a subsidiary is found to be deviating from the Group’s values

■ Subsidiaries’ roles and responsibilities

(1) Avoid the risk of bankruptcy
(2) Establish a compliance system
(3) Implement management practices that enhance corporate value



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Items to be monitored

Item to be monitored	Monitoring frequency
Business management self-inspection and reporting	Quarterly
Report on the status of accounts receivable management	Monthly
Report on the management of long-term uncollected accounts receivable	Monthly
Consideration of profit allocation (dividends)	Annually
Business plans (orders, profit/loss, facilities/development, personnel)	Semi-annually/quarterly
Monthly performance reports	Monthly
Monitoring of local accounting audits of overseas subsidiaries	Annually
Subsidiary management briefings	Annually
Company-wide internal control/business process control related to financial results and financial reporting	Annually
Response to individual cases	As needed
Global monitoring of transfer pricing taxation	Quarterly
Review of accounting, tax, and legal compliance systems of overseas subsidiaries	Annually
Monitoring of status of local laws and regulations, and their revisions and repeals	As needed
Application before implementation of salary revision	Once a year
Application before implementation of bonus payment	Twice a year
On-the-spot investigation and report requests	As needed
Business trips to support the establishment and maintenance of business management systems	As needed
Gathering of information through participation in external seminars and providing of this information to subsidiaries	As needed

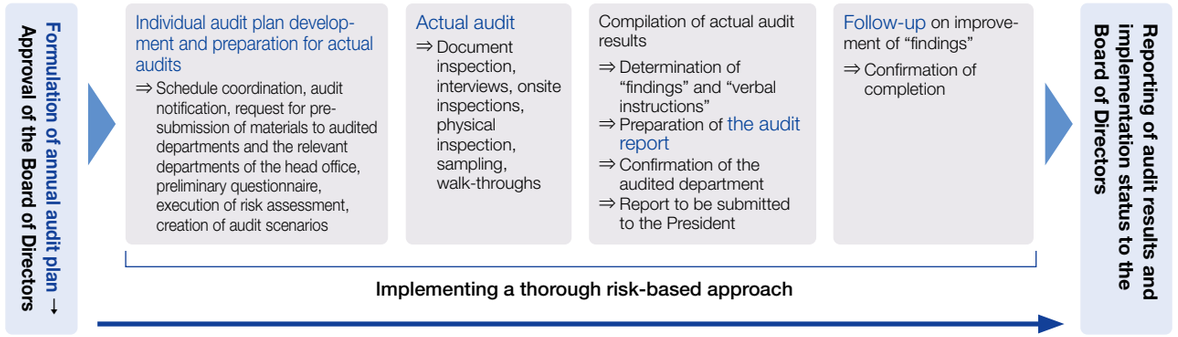
Internal audits

Internal audits are conducted for the purpose of verifying and evaluating the effectiveness of internal controls from an objective and independent standpoint (assurance function), and providing advice and recommendations on the establishment of a system to control risks more appropriately through improvements and the establishment of rules.
The group company management system provides guidance and follow-ups on the development and operation of the risk management cycle through internal audits of group companies.

[Objectives of internal audits]

1. Verify and evaluate the effectiveness of internal controls from an objective and independent standpoint (assurance function)
- Whether risks are being controlled effectively

2. Provide advice and recommendations on improvements and the establishment of rules
- Provide advice and follow-ups on more appropriate control of risks
  ⇒ Part of risk management



Enhancement of future actions

We will promote the following measures in the future:

- Continuous thorough implementation of group governance in accordance with the regulations concerning application items from subsidiaries and reporting items
- Support for timely and appropriate responses to business operation risks at overseas subsidiaries by enhancing and establishing GRC reviews
- Promotion of the development of laws and regulations for overseas subsidiaries related to business management and procedures
- Continuous sharing of information for risk assessment by strengthening cooperation among the Management Support Department, Legal & Intellectual Property Department, and Audit Department

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Risk Management

To identify and manage risks associated with business execution, the Tokyo Seimitsu Group has established “risk management regulations” and the “Risk Management Committee,” which is headed by the President and CEO. Systems are in place to prevent potential risks from manifesting and to prepare for crises. If a risk arises, we immediately set up a “Risk Response Team,” headed by the President and CEO, to respond to that risk and take action to quickly settle the situation.

Risk Management Policy

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

Risk Management Policy and risk items

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

Risk Management Committee

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

Risk items and content

The risks associated with business are listed below:

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

Since climate change-related risks are risk factors that may affect our group’s business activities, we have added them to the list of risks covered by the Risk Management Committee since 2024.

Business continuity plan

The Tokyo Seimitsu Group has formulated a “business continuity policy” that places the highest priority on maintaining the supply of parts and materials necessary for customers to continue operations as well as on confirming and ensuring the safety of employees and their families and protecting human life and conducting rescue and recovery activities in the region. We review and adjust our business continuity plan (BCP) and plant BCPs based on this policy. Taking changes in the external environment into account, we continue to review and detail BCPs and manuals from a practical standpoint, as well as measures to ensure the continuity of product supply and service provision, in addition to seismic reinforcement measures at the department level, including general affairs, production management, manufacturing, and IT.

▶What we did in fiscal 2024

- Enhanced internal and external inventories of maintenance parts and consumables for semiconductor manufacturing equipment (continued from fiscal 2023)
- Disaster Recovery (DR)* test for the Enterprise Resource Planning (ERP) system
- Management of stockpiles and storage at each plant in accordance with the “Rules for Managing Stockpiles in the Event of a Major Disaster”

Hachioji Plant	: 3 days’ worth of stockpiles for 1,583 people
Hanno Plant	: 3 days’ worth of stockpiles for 400 people
Tsuchiura Plant	: 2 days’ worth of stockpiles for 30 people

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

Safety confirmation system

We have a “safety confirmation system” in place for confirming people’s safety via mobile phones and smartphones in the event of a disaster or accident. We explain the system to new employees and enforce early registration. We carry out operation drills twice a year to verify the system’s effectiveness and to raise awareness of the system among all employees. In addition to the safety confirmation via e-mail, we started to use the safety app and messenger app as well in fiscal 2023, improving the response rate and stepping up the measures for e-mail reception delays and reception rejection. We are continuing efforts to collect final response rate and elapsed time data and implement measures for improvement.

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Risk Management

Information security

We have the basic policy on information security in place to protect the information assets entrusted to us by customers and business partners as well as our own information assets. The Information Security Committee is chaired by the Head of Administration Company, with an officer in charge of security, a security manager, and Security Subcommittee assigned to each company. Group companies also participate in the committee. To our chagrin, unauthorized access to the servers of our group companies occurred in 2023. Taking this situation seriously, we have implemented security enhancements since 2024. We are also working to prevent leaks of confidential company information and personal information due to the expansion of the scope of activities through telecommuting etc., as well as to provide training to improve the literacy of each individual employee.

Information security targets and results

	Target	Result
Number of regular information exchange meetings on information security	38 times	37 times
Number of serious incidents	0	0
Number of serious personal information leaks	0	0
Participation in security-related seminars	Twice per year	Twice per year
Provision of specialized security-related training	Three times per year	Three times per year
Information security training participation rate	100%	99.8%

Details of security enhancements (from 2024)

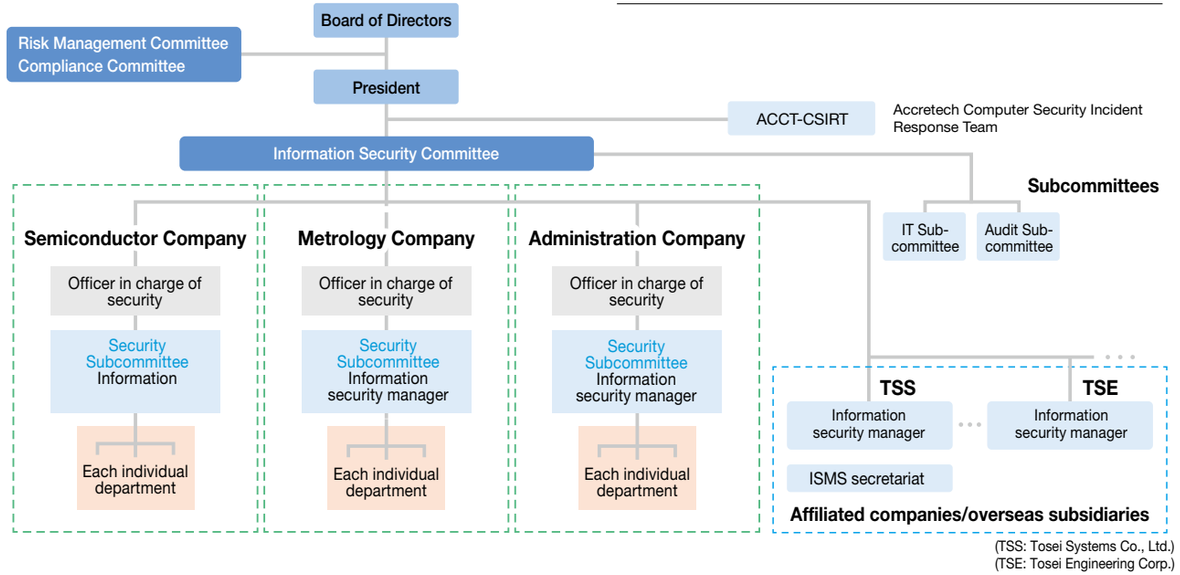
- Contracted with an external SOC*1 to establish a 24/7 security monitoring system.
- Installed EDR*2 software in all terminals in Japan and overseas to establish a system that can immediately detect and respond to suspicious behavior and cyber attacks.
- Introduced a common global data management platform.
- Started “ACCT-CSIRT*3” activities to quickly respond to incidents.
- Conducted a security survey based on the supplier information security standard.

★1 SOC (Security Operation Center):
A team of experts that monitors and analyzes threats to information systems

★2 EDR (Endpoint Detection and Response):
A tool that motors PCs and other endpoint devices to detect and deal with suspicious behavior

★3 ACCT-CSIRT (Accretech-Computer Security Incident Response Team):
Generic name to refer to a team of experts in charge of analyzing and investigating security incidents, identifying causes, providing response support, discussing recurrence prevention measures, etc.

Information security system chart



Establishment of the SOC and CSIRT

To respond to increasing cyber attacks, we have a 24/7 monitoring system in place using an external SOC. We also have the ACCT-CSIRT, which conducts security monitoring and quickly responds to any incident it detects. In fiscal 2024, we held a meeting to evaluate the capability to respond to cyber incidents. A simulation drill was conducted, based on a scenario of an internal file server being infected by a ransomware attack, to review how the individual departments responded and identify the existing concerns and problems.

Information Security Committee

Chairman : Head of Administration Company
Frequency of meetings : Twice a year
Functions : Establishing an information security management system
Stipulating information security regulations
Promoting and maintaining a system for implementing information security measures, related education and training, regular evaluation, and continuous improvement

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Dialogue with Shareholders and Investors

Tokyo Seimitsu is committed to investor relations (IR) activities that enable shareholders and investors to better understand the Company through timely and appropriate information disclosure and constructive dialogue.

Basic policy on IR disclosure

The Tokyo Seimitsu Group will disclose and provide fair and accurate information in a timely manner in accordance with various laws and regulations as well as the "ACCRETECH Group Code of Conduct."

In addition, with the aim of promoting constructive dialog with shareholders, investors, and other stakeholders, the Company discloses information deemed effective for further understanding of the Tokyo Seimitsu Group as appropriate.

IR disclosure policy (full text)

https://www.accretech.com/en/ir/irpolicy.html

Information disclosure method

In addition to providing electronic public notices in accordance with laws, regulations, and stock exchange rules, we publish notices on the timely disclosure network (TDnet) of corporate information operated by the Tokyo Stock Exchange and on the Electronic Disclosure for Investors' NETwork (EDINET), the Financial Services Agency's electronic disclosure system for securities reports and other disclosure documents under the Financial Instruments and Exchange Act. Information that we publish on TDnet is also provided on the IR information page on our website.

Financial and other information is arranged in a form that can be downloaded from the top page of the IR website, and important information to stakeholders, such as rating information, is disclosed through IR News on our website.

- Consolidated financial results information (financial results summary, summary presentation, briefing Q&A session, etc.)
- Securities report
- Notice of convocation for the general meeting of shareholders, other matters to be provided electronically, and resolution notice
- Corporate governance report
- Electronic public notice
- Articles of incorporation
- Integrated Report
- Other information on the business, operation, or business performance of the company that has a significant influence on investment decisions

Opportunities for dialogue

We provide the following dialogue opportunities for our shareholders and investors to gain a deeper understanding of the Tokyo Seimitsu Group. The opinions obtained through dialogues with shareholders and institutional investors are summarized as appropriate, reported to the Board of Directors and at the executive management meeting, and shared with relevant departments.

Results in fiscal 2024

	Number of times
(102nd) Regular Shareholders' Meeting	Once Rate of exercise of voting rights: 80.1%
Handling coverage by institutional investors/analysts	Total of 992 times
Conferences for overseas investors	8 times
Briefing for individual investors	Once (online participants: 2,113)
Business results briefings/press conferences	4 times

In fiscal 2024, the semiconductor manufacturing equipment industry attracted a high level of interest, with attention focusing particularly on the demand for High Performance Computing (HPC) including generative AI. This resulted in more opportunities for us to communicate with institutional investors and analysts. We dealt with this situation by increasing IR spokespersons and streamlining interview coordination. We provided supplementary information concerning common questions of investors beforehand in disclosed materials and at business results briefings. We also attended more group meetings hosted by securities firms where a large number of institutional investors gathered, thus increasing opportunities for constructive communication and enhancing the quality of communication.

Insider information

In accordance with all the relevant laws and regulations, "ACCRETECH Group Code of Conduct," and internal regulations, we strictly manage insider information until it is disclosed by TDnet or by the means prescribed by laws and regulations, while working to prevent insider trading.

Furthermore, when IR staff are engaged in dialogue with specific stakeholders, they take care to ensure that they do not unintentionally convey insider information or undisclosed information that is highly likely to have a significant impact on the price of securities, by ensuring that more than one person participates in that dialogue.

IR information sites

- **Global site**
  https://www.accretech.com/en/ir/

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Key Consolidated Financial Data

	(Unit)	FY2013 (FY2014/3)	FY2014 (FY2015/3)	FY2015 (FY2016/3)	FY2016 (FY2017/3)	FY2017 (FY2018/3)	FY2018 (FY2019/3)	FY2019 (FY2020/3)	FY2020 (FY2021/3)	FY2021 (FY2022/3)	FY2022 (FY2023/3)	FY2023 (FY2024/3)	FY2024 (FY2025/3)
Net sales	million yen	55,268	66,445	70,274	77,792	88,194	101,520	87,927	97,105	130,702	146,801	134,680	150,534
Semiconductor manufacturing equipment	million yen	31,360	40,179	41,773	50,291	59,523	69,117	56,198	71,745	101,145	112,365	100,055	113,481
Precision measuring instruments	million yen	23,908	26,266	28,500	27,501	28,671	32,403	31,728	25,359	29,556	34,436	34,624	37,053
Cost of goods sold	million yen	34,845	40,275	42,185	48,152	53,818	60,430	53,452	60,190	77,694	84,967	79,917	88,081
Gross profit on sales	million yen	20,422	26,169	28,089	29,640	34,375	41,090	34,474	36,914	53,008	61,834	54,762	62,453
Operating profit	million yen	8,466	12,124	13,222	13,659	17,283	20,221	12,282	15,562	28,327	34,494	25,307	29,703
Semiconductor manufacturing equipment	million yen	3,720	6,963	7,339	8,820	11,292	13,195	7,915	13,565	24,698	29,866	19,899	24,311
Precision measuring instruments	million yen	4,745	5,160	5,883	4,839	5,990	7,025	4,366	1,996	3,628	4,628	5,408	5,392
Non-operating income	million yen	626	726	243	318	170	688	255	540	987	965	1,404	921
Non-operating expenses	million yen	68	59	232	112	138	104	177	235	153	162	259	684
Recurring profit	million yen	9,024	12,791	13,232	13,864	17,316	20,805	12,360	15,867	29,160	35,297	26,453	29,939
Extraordinary gains	million yen	79	9	8	583	4	58	57	1,354	390	103	824	4,493
Extraordinary losses	million yen	12	4	0	32	2	419	1,712	1,074	34	2,099	21	158
Current net benefits before tax citation	million yen	9,090	12,796	13,240	14,415	17,318	20,443	10,705	16,147	29,516	33,301	27,255	34,275
Income tax and others	million yen	3,201	3,767	3,484	4,464	4,542	5,719	3,598	3,978	8,132	9,607	7,791	8,531
Net profit	million yen	5,889	9,028	9,756	9,951	12,775	14,724	7,106	12,169	21,384	23,693	19,463	25,744
Net profit attributable to minority interests	million yen	30	35	52	41	58	58	(49)	(6)	57	62	84	106
Net profit attributable to shareholders of the parent	million yen	5,858	8,993	9,704	9,909	12,717	14,665	7,156	12,175	21,326	23,630	19,378	25,637
Accumulated other comprehensive income	million yen	1,278	1,940	(2,557)	420	2,348	(2,483)	(722)	849	1,026	1,051	1,688	741
Comprehensive income	million yen	7,168	10,969	7,199	10,371	15,124	12,240	6,384	13,018	22,411	24,745	21,152	26,486
Return on equity (ROE)	%	9.7	13.0	12.7	12.0	13.8	14.4	6.7	10.9	17.4	17.3	12.9	15.5
Return on assets (ROA)	%	7.3	9.9	9.7	9.2	10.3	10.1	4.7	7.9	12.1	11.8	8.9	11.1
Book value per share (BPS)	yen	1,557.28	1,787.05	1,903.29	2,083.40	2,367.92	2,551.20	2,601.10	2,810.79	3,187.39	3,573.81	3,875.32	4,305.52
Earnings per share (EPS)	yen	142.06	217.97	234.58	239.32	306.41	352.92	171.89	293.83	522.52	581.33	480.49	633.75
Diluted net profit per share	yen	141.49	216.93	233.29	237.80	304.02	350.23	170.72	291.43	517.51	575.62	475.42	628.31
Gross profit margin	%	37.0	39.4	40.0	38.1	39.0	40.5	39.2	38.0	40.6	42.1	40.7	41.5
Operating margin	%	15.3	18.2	18.8	17.6	19.6	19.9	14.0	16.0	21.7	23.5	18.8	19.7
Semiconductor manufacturing equipment	%	11.9	17.3	17.6	17.5	19.0	19.1	14.1	18.9	24.4	26.6	19.9	21.4
Precision measuring instruments	%	19.9	19.7	20.6	17.6	20.9	21.7	13.8	7.9	12.3	13.4	15.6	14.6
Recurring profit margin	%	16.3	19.3	18.8	17.8	19.6	20.5	14.1	16.3	22.3	24.0	19.6	19.9
Net profit margin	%	10.6	13.5	13.8	12.7	14.4	14.4	8.1	12.5	16.3	16.1	14.4	17.0

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Current assets	million yen	55,865	67,873	72,710	82,792	94,990	110,094	97,771	111,516	133,829	143,972	153,831	169,341
Fixed assets	million yen	26,699	30,584	29,223	31,670	37,902	47,478	48,777	50,039	56,457	65,060	71,693	68,610
Total assets	million yen	82,565	98,457	101,933	114,463	132,893	157,573	146,549	161,556	190,287	209,032	225,524	237,952
Current liabilities	million yen	15,571	21,718	21,416	26,570	32,807	40,948	29,017	39,296	55,641	50,947	46,002	46,933
Fixed liabilities	million yen	2,324	2,367	1,099	698	731	9,220	7,857	5,482	3,564	12,057	21,094	14,789
Net assets	million yen	64,668	74,371	79,418	87,194	99,354	107,403	109,674	116,777	131,081	146,028	158,427	176,229
Total liabilities and net assets	million yen	82,565	98,457	101,933	114,463	132,893	157,573	146,549	161,556	190,287	209,032	225,524	237,952
Equity ratio	%	77.8	75.0	77.3	75.5	74.0	67.3	73.9	71.4	68.1	69.0	69.4	73.2
Net cash and deposits	million yen	17,926	24,754	25,768	32,521	35,869	30,102	24,999	36,076	43,535	25,888	11,611	34,457
Dividend per share (ordinary dividend)	yen	23	55	59	72	92	105	76	104	185	235	192	253
Dividend per share (commemorative dividend)	yen	—	—	—	—	—	20	—	—	—	—	—	—
Purchases of treasury stock	million yen	2	2	2	1	2	1	1	3,002	2,501	1,583	922	1,383
Dividend payout ratio	%	16.2	25.2	25.2	30.1	30.0	35.4	44.2	35.4	35.4	40.3	40.0	40.1
Total shares issued	shares	41,278,381	41,340,681	41,423,381	41,495,581	41,575,881	41,598,381	41,695,381	41,759,981	41,869,581	41,903,281	42,104,381	42,170,081
Amount of treasury stock among shares issued	shares	33,542	34,609	35,393	35,819	36,251	36,791	37,207	715,164	1,222,956	1,529,552	1,705,058	1,705,289
Cash flows from operating activities	million yen	6,434	10,820	7,210	12,809	10,931	12,932	5,965	22,062	23,837	1,000	4,892	28,824
Cash flows from investing activities	million yen	(1,374)	(2,958)	(3,823)	(3,486)	(4,649)	(13,952)	(6,116)	(5,191)	(8,990)	(8,421)	(10,563)	2,541
Cash flows from financing activities	million yen	(3,244)	(1,762)	(2,851)	(2,953)	(3,163)	5,443	(6,375)	(8,282)	(10,346)	(2,174)	1,616	(13,991)
Orders	million yen	57,692	70,241	69,159	83,487	103,979	98,909	87,576	117,060	186,056	136,326	120,885	145,631
Semiconductor manufacturing equipment	million yen	33,434	43,297	41,033	56,232	73,327	65,335	57,709	93,181	152,896	99,366	86,082	107,713
Precision measuring instruments	million yen	24,257	26,943	28,126	27,254	30,651	33,573	29,866	23,878	33,159	36,960	34,802	37,917
Order backlog	million yen	14,866	18,662	17,994	23,663	39,448	36,836	36,965	56,920	112,274	101,799	88,004	83,101
Semiconductor manufacturing equipment	million yen	9,349	12,467	11,706	17,647	31,452	27,670	29,182	50,619	102,370	89,371	75,398	69,630
Precision measuring instruments	million yen	5,516	6,194	6,288	6,015	7,996	9,165	7,782	6,301	9,904	12,428	12,606	13,470
Ratio of orders to sales (BB ratio)	—	1.04	1.06	0.98	1.07	1.18	0.97	1.00	1.21	1.42	0.88	0.90	0.97
Semiconductor manufacturing equipment	—	1.07	1.08	0.98	1.12	1.23	0.95	1.03	1.30	1.51	1.07	0.86	0.95
Precision measuring instruments	—	1.01	1.03	0.99	0.99	1.07	1.04	0.94	0.94	1.12	0.93	1.01	1.02
Ratio of order backlog to net sales	%	26.9	28.1	25.6	30.4	44.7	36.3	42.0	58.6	85.9	69.3	65.3	55.2
Semiconductor manufacturing equipment	%	29.8	31.0	28.0	35.1	52.8	40.0	51.9	70.6	101.2	79.5	75.4	61.4
Precision measuring instruments	%	23.1	23.6	22.1	21.9	27.9	28.3	24.5	24.8	33.5	36.1	36.4	36.4

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R&D expenditures	million yen	4,979	5,744	6,292	6,791	7,194	7,469	8,234	7,193	8,146	8,542	9,042	10,354
Semiconductor manufacturing equipment	million yen	4,087	4,645	5,104	5,443	5,826	6,154	6,216	5,748	6,728	6,798	7,383	7,989
Precision measuring instruments	million yen	891	1,098	1,187	1,347	1,368	1,314	2,017	1,445	1,418	1,743	1,659	2,365
Capital investment	million yen	1,803	3,249	3,795	4,145	3,547	13,872	7,477	5,950	9,793	9,725	11,602	10,245
Semiconductor manufacturing equipment	million yen	874	2,459	2,940	3,647	2,543	12,235	3,832	3,499	9,223	7,248	8,652	6,590
Precision measuring instruments	million yen	929	789	855	498	1,003	1,636	3,644	2,450	569	2,476	2,949	3,655
Depreciation	million yen	1,830	1,837	2,012	2,380	2,541	2,655	3,450	3,516	3,551	3,832	4,673	5,105
Semiconductor manufacturing equipment	million yen	1,304	1,238	1,340	1,668	1,824	1,909	2,450	2,343	2,447	2,642	3,411	3,670
Precision measuring instruments	million yen	525	599	671	711	716	746	1,000	1,172	1,103	1,189	1,262	1,435
Goodwill amortization	million yen	427	427	261	102	102	226	41	28	29	42	54	49
Semiconductor manufacturing equipment	million yen	140	133	119	102	102	102	39	7	7	8	9	9
Precision measuring instruments	million yen	287	294	141	—	—	123	1	20	21	34	45	39
R&D expenditure as a percentage of net sales	%	9.0	8.6	9.0	8.7	8.2	7.4	9.4	7.4	6.2	5.8	6.7	6.9
Semiconductor manufacturing equipment	%	13.0	11.6	12.2	10.8	9.8	8.9	11.1	8.0	6.7	6.1	7.4	7.0
Precision measuring instruments	%	3.7	4.2	4.2	4.9	4.8	4.1	6.4	5.7	4.8	5.1	4.8	6.4
Capital expenditure as a percentage of net sales	%	3.3	4.9	5.4	5.3	4.0	13.7	8.5	6.1	7.5	6.6	8.6	6.8
Semiconductor manufacturing equipment	%	2.8	6.1	7.0	7.3	4.3	17.7	6.8	4.9	9.1	6.5	8.6	5.8
Precision measuring instruments	%	3.9	3.0	3.0	1.8	3.5	5.1	11.5	9.7	1.9	7.2	8.5	9.9
Depreciation and amortization as a percentage of net sales	%	3.3	2.8	2.9	3.1	2.9	2.6	3.9	3.6	2.7	2.6	3.5	3.4
Semiconductor manufacturing equipment	%	4.2	3.1	3.2	3.3	3.1	2.8	4.4	3.3	2.4	2.4	3.4	3.2
Precision measuring instruments	%	2.2	2.3	2.4	2.6	2.5	2.3	3.2	4.6	3.7	3.5	3.6	3.9
Total regular employees(*)	people	1,393	1,447	1,559	1,784	1,933	2,119	2,250	2,293	2,354	2,468	2,658	2,767
Non-consolidated basis	people	618	637	679	726	809	868	912	944	992	1,054	1,200	1,292
Consolidated subsidiaries	people	775	810	880	1,058	1,124	1,251	1,338	1,349	1,362	1,414	1,458	1,475
Total non-regular employees(*)	people	540	620	690	720	820	980	980	996	1,123	1,258	553	566
Non-consolidated basis	people	330	380	440	445	500	620	610	611	712	783	323	337
Consolidated subsidiaries	people	210	240	250	275	320	360	370	385	411	475	230	229
Number of employees(*)	people	1,933	2,067	2,249	2,504	2,753	3,099	3,230	3,289	3,477	3,726	3,211	3,333
Non-consolidated basis	people	948	1,017	1,119	1,171	1,309	1,488	1,522	1,555	1,704	1,837	1,523	1,629
Consolidated subsidiaries	people	985	1,050	1,130	1,333	1,444	1,611	1,708	1,734	1,773	1,889	1,688	1,704
Average age of regular employees (non-consolidated basis)	years old	42.1	41.8	41.3	41.4	40.9	40.4	40.0	39.9	39.8	39.6	39.2	38.9
Average years of service of regular employees (non-consolidated basis)	years	13.5	13.2	12.7	12.5	12.1	11.6	11.2	11.2	11.1	11.1	10.2	10.1
Average annual salaries of regular employees (non-consolidated basis)	yen	7,158,712	7,329,971	7,523,864	7,426,572	7,815,525	7,582,169	7,152,806	7,013,791	7,496,101	7,984,646	8,018,157	7,828,240
Consolidated subsidiaries	companies	13	13	14	16	16	17	17	17	17	17	17	17
Consolidated subsidiaries in Japan	companies	5	5	5	5	5	6	6	6	6	6	6	6
Consolidated subsidiaries overseas	companies	8	8	9	11	11	11	11	11	11	11	11	11
Non-consolidated subsidiaries	companies	13	16	17	15	14	14	16	16	13	12	12	11
Affiliated companies	companies	—	—	—	—	1	1	1	1	1	1	1	1

★ In the Integrated Report, "Number of regular employees" is shown instead of "Number of employees," which is set forth in the securities report. The number of non-regular employees is added to the number of regular employees, and the Integrated Report refers to this sum as "Number of employees."
Note also that, since fiscal 2023, temporary employees have been excluded.

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Environment-related data

			FY2020	FY2021	FY2022	FY2023	FY2024
Energy use							
Gas (LPG), volatile oil, kerosene, light oil [GJ]	Consolidated		—	—	—	—	26,409
	Tokyo Seimitsu Co., Ltd. (non-consolidated basis)	Manufacturing sites	1,203	1,506	1,502	1,756	1,873
		Others(*2)	—	—	—	—	6,352
	Consolidated subsidiaries	Japan	—	—	—	—	9,157
		Overseas	—	—	—	—	9,027
Electricity [GJ](*1)	Consolidated		—	—	—	—	516,070
	Tokyo Seimitsu Co., Ltd. (non-consolidated basis)	Manufacturing sites	279,930	287,891	287,042	363,457	421,537
		Others(*2)	—	—	—	—	7,533
	Consolidated subsidiaries	Japan	—	—	—	—	45,698
		Overseas	—	—	—	—	41,302
Percentage of renewable electric power [%]	Tokyo Seimitsu Co., Ltd. (non-consolidated basis)	Manufacturing sites	15.7	18.5	29.8	27.5	43.9
CO_2 emissions							
Total CO_2 emissions (Scope 1 + Scope 2) [t-CO_2]	Consolidated		—	—	—	—	18,988
	Tokyo Seimitsu Co., Ltd. (non-consolidated basis)	Manufacturing sites	9,524	8,191	8,257	11,598	12,733
		Others(*2)	—	—	—	—	767
	Consolidated subsidiaries	Japan	—	—	—	—	2,609
		Overseas	—	—	—	—	2,880
CO_2 emission production volume intensity (Scope 1 + Scope 2) [t-CO_2/million yen]	Tokyo Seimitsu Co., Ltd. (non-consolidated basis)	Manufacturing sites	0.129	0.080	0.074	0.111	0.103
Power generation							
Solar power generation [MWh]	Tokyo Seimitsu Co., Ltd. (non-consolidated basis)	Manufacturing sites	469.5	494.2	469.6	659.9	1,022.0
Water withdrawal							
Total quantity of water withdrawal [m^3]	Consolidated		—	—	—	—	214,028
	Tokyo Seimitsu Co., Ltd. (non-consolidated basis)	Manufacturing sites	169,873	163,662	164,150	168,685	172,482
		Others(*2)	—	—	—	—	1,296
	Consolidated subsidiaries	Japan	—	—	—	—	13,329
		Overseas	—	—	—	—	26,921
Production volume intensity [m^3/million yen]	Tokyo Seimitsu Co., Ltd. (non-consolidated basis)	Manufacturing sites	2.29	1.61	1.48	1.59	1.39
Wastewater							
Industrial wastewater (general sewage)(*3) [m^3]	Consolidated		—	—	—	—	201,570
	Tokyo Seimitsu Co., Ltd. (non-consolidated basis)	Manufacturing sites	169,873	163,662	164,150	168,685	172,482
		Others(*2)	—	—	—	—	1,296
	Consolidated subsidiaries	Japan	—	—	—	—	13,329
		Overseas	—	—	—	—	14,463
Water recycling							
Water recycling rate from pure water production facilities(*4) [%]	Tokyo Seimitsu Co., Ltd. (non-consolidated basis)	Manufacturing sites	17.2	17.2	17.7	17.1	17.4

*1 Including the amount of power generated by Tokyo Seimitsu's solar power generation facilities
*2 Excluding sales offices, branches, etc.
*3 All effluent is treated as general sewage
*4 Hachioji Plant of Tokyo Seimitsu

Human resource data

		FY2020	FY2021	FY2022	FY2023	FY2024
Consolidated employee overview						
Total number of employees [people]		3,289	3,477	3,726	3,211	3,333
	Total regular employees [people]	2,293	2,354	2,468	2,658	2,767
Percentage of female employees among regular employees [%](*1)		—	—	—	15.0	15.0
Non-consolidated employee overview						
Total number of employees(*2, 4) [people]		1,555	1,704	1,837	1,523	1,629
	Total regular employees [people]	944	922	1,054	1,200	1,292
Percentage of female regular employees [%](*1)		6.4	7.4	8.5	10.3	11.6
Percentage of female managers [%](*1)		1.5	1.9	2.4	2.1	2.6
Percentage of female officers [%]		7.7	7.7	15.4	16.7	16.7
Average age of regular employees [years old]		39.9	39.8	39.6	39.2	38.9
Average years of service of regular employees [years]		11.2	11.1	11.1	10.2	10.1
	Men [years]	11.4	11.4	11.5	10.6	10.5
	Women [years]	7.8	7.5	7.3	6.3	6.4
New graduate retention rate (three years after entering the Company) [%]		90.9	87.7	88.4	95.5	91.2
Turnover rate [%]		3.3	4.1	3.7	4.0	3.5
Percentage of employment of persons with disabilities(*3) [%]		1.94	1.95	2.07	2.17	2.39
Percentage of employees taking childcare leave [%]		14.7	19.2	42.9	58.6	59.3
	Men [%]	9.4	19.2	38.5	57.1	54.2
	Women [%]	100.0	None eligible	100.0	100.0	100.0
Total training hours [hours]		3,385.1	6,445.9	9,938.7	14,992.9	14,668.2
Average number of training hours per person [hours]		3.6	7.0	9.4	12.5	11.4
Education investment per person [yen]		22,432.3	29,415.3	35,576.5	41,981.4	40,909.3

*1 Percentage of enrolled regular employees
*2 In the Integrated Report, "Number of regular employees" is shown instead of "Number of employees," which is set forth in the securities report. The number of non-regular employees is added to the number of regular employees, and the Integrated Report refers to this sum as "Number of employees."
*3 Data depicted in the table are current as of June 1 of each year. The "Act to Facilitate the Employment of Persons with Disabilities" stipulates that employment of one individual with a serious disability is equivalent to employing "two individuals" for purposes of calculating the number of associates with disabilities and percentage of employment.
*4 The internal definition of the disclosed number of employees was changed in fiscal 2023, and this figure excludes temporary employees.

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Company information

Company name : Tokyo Seimitsu Co., Ltd.

URL : https://www.accretech.com/en/

Head office : 2968-2 Ishikawa-machi, Hachioji-shi, Tokyo

Established : March 28, 1949

Paid-in capital : 11,573 million yen (as of March 31, 2025)

Number of employees* : 1,629 (non-consolidated basis) 3,333 (consolidated basis)

Major business lines : Manufacture and sales of semiconductor manufacturing equipment and precision measuring instruments

* In the Integrated Report, "Number of regular employees" is shown instead of "Number of employees," which is set forth in the securities report. The number of non-regular employees is added to the number of regular employees, and the Integrated Report refers to this sum as "Number of employees."

Affiliated companies

(Japan)

- Tosei Engineering Corp.
- Tosei Systems Co., Ltd.
- Accretech Create Corp.
- Tosei Box Corp.
- Accretech Powertro System Co., Ltd.
- Accretech Finance Co., Ltd.

(Overseas)

- 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 BRASIL 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.

Stock information

Overview (as of March 31, 2025)

Securities code	7729
Stock market listing	Prime Market, Tokyo Stock Exchange
Number of shares issued	42,170,081
Number of shareholders	19,628

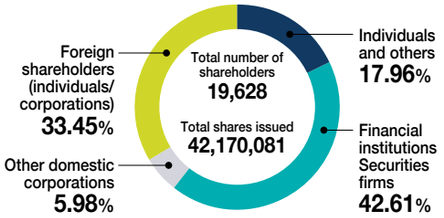
Principal shareholders (top 10) (as of March 31, 2025)

Name	Number of shares held (thousand)	Percentage of shares held (%)
The Master Trust Bank of Japan, Ltd. (trust account)	7,256	17.84
Custody Bank of Japan, Ltd. (trust account)	4,946	12.16
STATE STREET BANK AND TRUST COMPANY 505001	1,733	4.26
JPMorgan Securities Japan Co., Ltd.	1,174	2.89
The Precise Measurement Technology Promotion Foundation	1,058	2.60
Shintaro Yano	686	1.69
Mizuho Bank Ltd.	672	1.65
JP MORGAN CHASE BANK 385781	527	1.30
STATE STREET BANK WEST CLIENT–TREATY 505234	516	1.27
NORTHERN TRUST CO. (AVFC) RE FIDELITY FUNDS	469	1.16

(Note) The percentage of shares held was calculated with the treasury stock (1,505,289 shares) deducted.

Status of share distribution by owner

(as of March 31, 2025)



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Editorial policy

The Tokyo Seimitsu Group began publishing an integrated report in fiscal 2022 to provide financial information and non-financial information, including environmental, social, and governance (ESG) information, in an integrated manner to stakeholders including customers, shareholders, and investors, and provide them with understanding regarding the Group's initiatives aimed at continuously enhancing corporate value.
The report of this fiscal year version focuses on the newly started mid-term business plan (fiscal 2025-2027) and contains messages from a broader range of officers to ensure that the management policy and plan are understood more deeply.
In compiling data for this report, we have referred to the valuable opinions of stakeholders in addition to the "International Integrated Reporting Framework" of the IIRC (now IFRS Foundation) and the "Guidance for Collaborative Value Creation" from the Ministry of Economy, Trade and Industry, in order to make improvements. We hope you find this report instrumental in further deepening your understanding of Tokyo Seimitsu.

Environment Social Governance
価値協創ガイダンス

Information disclosure structure

Detailed financial information, non-financial information, etc. not provided in this report is available on our website.

Scope of the report

Period covered
This report mainly covers the period from April 1, 2024 to March 31, 2025. It also includes some topics from before and after that period.

Organizations covered
The Tokyo Seimitsu Group, comprising Tokyo Seimitsu Co., Ltd. and its consolidated subsidiaries. In principle, reporting covers both Tokyo Seimitsu Co., Ltd. and its consolidated subsidiaries. However, some non-financial data covers Tokyo Seimitsu Co., Ltd. only.

Accounting standards
Unless otherwise stated, reporting is in accordance with Japan GAAP.

Cautionary note regarding forward-looking statements
The plans, strategies, and future prospects described in this report are based on certain assumptions that we consider reasonable at the time of disclosure. Actual results may differ due to various factors.

Publication date
October 2025

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