





## Tokyo Seimitsu Company Profile

### Corporate Philosophy:

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**We create the world's No. 1 products and grow together to a higher level by integrating excellent technology, wisdom, and information from around the world.**

### MOTTO:

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

### Corporate Brand:

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**ACCRETECH**

A fusion of "Accrete" and "Technology," signifying  
**"Grow Together."**

We create the world's No. 1 products and grow together to a higher level by integrating excellent technology, wisdom, and information from around the world. We actively form partnerships with companies and human resources with whom we share this purpose, and are achieving breakthrough new product developments at the nanotechnology level.

To succeed in these collaborations, we foster a global and hybrid corporate cultural environment for Tokyo Seimitsu (ACCRETECH) that encompasses diverse cultures under the motto "WIN-WIN RELATIONSHIPS CREATE THE WORLD'S NO. 1 PRODUCTS!" Through our technology orientation, we are working to build the world's No. 1 product development system.

Our corporate brand "ACCRETECH," introduced in 2001, is a compound word formed from "Accrete" and

"Technology," signifying "Grow Together." It expresses our corporate philosophy of "We create the world's No. 1 products and grow together to a higher level by integrating excellent technology, wisdom, and information from around the world."

Drawing on this philosophy, we have provided manufacturers around the world with precision measuring instrument that fully leverages our cutting-edge precision measuring technology and our semiconductor manufacturing equipment that makes use of our precision positioning technology. Taking the idea "No measurement, no manufacturing" (Nothing can be created without means of measurement.) as the origin for manufacturing, we will continue diligently striving to provide valuable technologies and services that are friendly to global society and to the global environment.

# CONTENTS

The History of Tokyo Seimitsu .....	4	Initiatives for Safe Workplace Environments	
Tokyo Seimitsu Business Overview .....	6	Creation of healthy workplaces where people can work with a sense of purpose	
CEO's Message .....	8	Realization of Comfortable Workplace Environments where People can Play Active Long-Term Roles	
Business Strategy .....	10	Provision of Opportunities for Every Individual to Grow	
Tokyo Seimitsu's Policy on CSR .....	12		
ACCURETECH Group Code of Conduct .....	14		
Stakeholder Engagement .....	15		
<b>Corporate Governance</b> .....	<b>16</b>	<b>Relationship with Shareholders and Investors</b> .....	<b>34</b>
Corporate Governance		Dialogue with Shareholders and Investors	
Compliance		<b>Relationship with the Global Environment</b> .....	<b>36</b>
Risk Management		Eco-products	
<b>Relationship with Customers</b> .....	<b>20</b>	Overall Image of Environmental Impacts	
Compliance and Employee Training		Eco-factory	
Maintenance and Improvement of Product Quality		Chemical Substances Control	
A Global, Meticulous Support Structure		History of Our Environmental Conservation Activities	
A Support Structure Tailored to Customers		<b>Relationship with Society</b> .....	<b>42</b>
<b>Relationship with Suppliers</b> .....	<b>26</b>	Relationship with Local Communities (Hachioji Area)	
CSR Fulfillment Together with Suppliers		Relationship with Local Communities (Tsuchiura Area)	
<b>Relationship with Employees</b> .....	<b>28</b>	Relationship with Industry Group	
Consideration of Human Rights and Compliance with Labor-Related Laws and Regulations		<b>Introduction to Group Companies</b> .....	<b>45</b>
		<b>Data</b> .....	<b>48</b>
		<b>ISO 26000 Correspondence Table</b> .....	<b>50</b>

## Scope of This Report

<b>Organizations covered:</b>	Tokyo Seimitsu, Co., Ltd. Semiconductor Company, Hachioji Plant (Hachioji City, Tokyo) Sales Offices (3 offices in Japan) Metrology Company, Tsuchiura Plant (Tsuchiura City, Ibaraki) Sales Offices (14 offices in Japan) Administration Company (Hachioji City, Tokyo)	<b>Affiliated Companies:</b>	Tosei Engineering Corp. Tosei Systems Co., Ltd. Tosei Box Corp. Accretech Powertro System Co., Ltd.
		<b>Period covered:</b>	In principle, the report covers activities from April 1, 2020 to March 31, 2021. It also includes recent initiatives and ongoing initiatives from before the reporting period.

## Editorial Policy

The Tokyo Seimitsu Group endorses the philosophy of the Sustainable Development Goals (SDGs) advocated by the United Nations. Recognizing the responsibilities and roles we must fulfill to realize a sustainable society, we engage in CSR activities on the basis of ISO 26000. Tokyo Seimitsu positions sustainability initiatives as priority items in the Mid-term Management Plan that we released in May 2018. Based on this, the Tokyo Seimitsu CSR Report introduces our basic policy for solving social issues through our business activities and for the sustainable enhancement of our corporate value, as well as our fiscal 2020 achievements and our future plans. We hope that this report will serve as a tool for communication with stakeholders and for better understanding of our Group companies.

### For additional information:

- CSR section of Tokyo Seimitsu website  
<https://www.accretech.jp/english/csr/index.html>
- Tokyo Seimitsu product information  
<https://www.accretech.jp/english/product/index.html>

### Materials available for download:

- Company information  
<https://www.accretech.jp/english/company/guide.html>
- Financial data <https://ir.accretech.jp/en/index.html>
- CSR Report <https://www.accretech.jp/english/csr/index.html>



SDGs: International Goals for Achieving a Sustainable and Better World by 2030

### Note Regarding Forward-Looking Statements

Future plans, strategies, and business results described in this report are based on circumstances as of the time of this writing. Actual business results and outcomes may differ from those of our outlook.

# The History of Tokyo Seimitsu

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

Always Changing. Creating the Future. Onward Toward an Unrivaled, One-of-a-kind Presence.

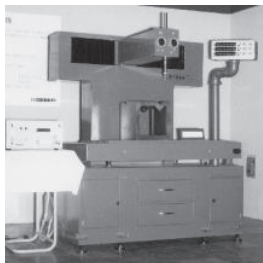
### Precision Measuring Instruments



High pressure flow-type air micrometer (1952)



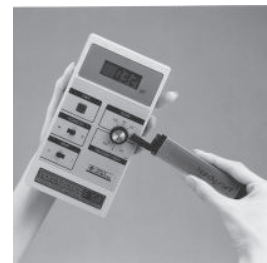
Coordinate measuring machine DELTA SURFCOM (1962)



Coordinate measuring machine DCM-600A (1969)



Roundness and cylindrical profile measuring instrument RONDCOM 5A (1979)

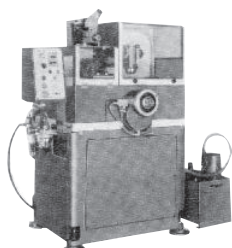


Surface texture measuring instrument HANDYSURF E-10A (1984)

### Semiconductor Manufacturing Equipment



Germanium pellet automatic thickness sorting machine (1958)



Dicing machine A-WD-75A (1970)



Probing machine A-PM-3000A (1979)



Dicing machine A-WD-3000A (1984)



Probing machine A-PM-90A (1992)

#### 1949

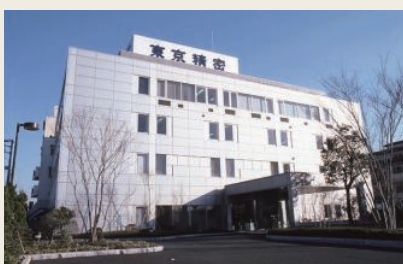
- 1949 ●Tokyo Seimitsu Kogu Co., Ltd. is established
- 1951 ●Commences manufacture and sales of measuring machines using mechanical gauges
- 1952 ●Develops Japan's first flow type air micrometer
- 1955 ●Head office in Mitaka
- 1957 ●Develops Japan's first LVDT type electric micrometer
- Daiichi Seiki Co., Ltd. is established
- 1958 ●Develops Japan's first germanium pellet automatic thickness sorting machine
- 1962 ●Changes name to Tokyo Seimitsu Co., Ltd.
- Stock is listed on the Tokyo Stock Exchange 2nd Section
- Develops surface texture measuring instruments
- 1963 ●Opens Hachioji Plant
- Develops Japan's first internal diameter blade-type wafer slicing machine
- 1964 ●Develops wafer probing machine



Tokyo Seimitsu Kogu Co., Ltd. (1949)

#### 1965

- 1967 ●Develops roundness measuring machine
- 1969 ●Opens Tsuchiura Plant
- Tosei Engineering Corp. is established
- Develops Japan's first coordinate measuring machine
- 1970 ●Develops wafer dicing machine
- 1979 ●Markets roundness and cylindrical profile measuring instruments using in-house technology for high-precision rotary air bearings
- 1985 ●New building at Mitaka head office is completed
- Tosei Systems Co., Ltd. is established jointly with Computer Engineering & Consulting (CEC) Ltd. as a software development company
- 1986 ●Stock is listed on the Tokyo Stock Exchange 1st Section
- 1987 ●Research Laboratory is established
- 1988 ●Introduces Group Leader system
- 1989 ●Tokyo Seimitsu Europe GmbH (Germany) is established
- Tokyo Seimitsu America, Inc. (US) is established



Head office in Mitaka (1985)

#### 1990

- 1992 ●ACCURETECH Service Center Co., Ltd. (South Korea) is established
- Changes name of Daiichi Seiki Co., Ltd. to Micro Technologies Co., Ltd.
- 1994 ●Hachioji Plant and Tsuchiura Plant acquire ISO 9001 certification
- Hachioji Plant attains certification as certified length measurement laser calibration business operator under the traceability system of the Measurement Act
- Beijing Representative Office is established
- Tokyo Seimitsu (Malaysia) Sdn. Bhd. is established
- 1995 ●Tsuchiura Plant attains certification as a certified block gauge calibration business operator under the traceability system of the Measurement Act
- ACCURETECH America, Inc. and ACCURETECH Manufacturing Company (US) are established
- Enters into partnership with Carl Zeiss (Germany) in the field of precision measuring instruments
- 1996 ●Technical Center is established in Hsinchu, Taiwan
- 1997 ●Establishes principles for product development
- Tokyo Seimitsu (Singapore) Pte. Ltd. is established
- 1998 ●Establishes MOTTO
- Hachioji Plant and Tsuchiura Plant acquire ISO 14001 certification
- 1999 ●ACCURETECH Finance Co., Ltd. is established

Overcoming countless changes and always evolving, Tokyo Seimitsu is delivering precision measuring instruments and semiconductor manufacturing equipment with highest-level technology to provide customers with new possibilities for manufacturing activities.

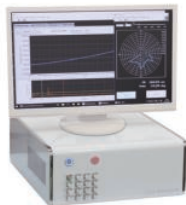
Overflowing with curiosity and pride, we will constantly tackle the challenges of technical innovation.

Our endeavors to spread our fields of activity throughout the world and to keep on meeting new needs that arise will continue without end.

Our mission is to achieve the world's best manufacturing activities. We will continue devoting ourselves to manufacturing activities and will hone our skills as we draw up our dreams and move forward step by step, toward the future that we want to shape.



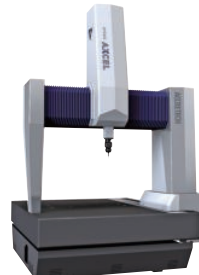
Coordinate measuring machine  
XYZAX SVA FUSION  
(2004)



Optical measuring  
instruments Opt-measure  
(2012)



Surface texture and contour  
measuring instrument  
SURFCOM-NEX  
(2013)



Coordinate measuring machine  
XYZAX AXCEL  
(2017)



Charge/discharge testing  
system  
(2019)



Polish grinder  
PG200RM  
(2000)



Probing machine  
UF3000  
(2003)



CMP  
ChaMP211  
(2009)



High rigid grinder  
HRG300  
(2011)



Dicing blade  
(2013)

## 2000

- 2001 ● Introduces corporate brand "ACCRETECH"
- Completes new Hachioji Main Plant Building (ACCT Tower)
- Tosei Box Corp. is established
- 2002 ● Introduces In-House Company System

## 2005

- 2005 ● New Hachioji Plant and Tsuchiura Plant are completed
- Renews partnership agreement with Carl Zeiss (Germany) for another 5 years
- 2007 ● ACCRETECH Korea, Co., Ltd. is established
- MAHOH DICING MACHINE receives Chairman's Award of the Japan Machinery Federation at the 27th JMF Awards for Energy Efficient Machinery
- Tsuchiura Plant attains certification as certified length measurement laser calibration and coordinate measuring machine fixed calibration business operator under the traceability system of the Measurement Act
- 2008 ● Tsuchiura Metrology Center opens
- Tsuchiura CMM building is completed
- Enters into technical tie-up with Mitaka Kohki Co., Ltd. on non-contact metrology
- 2009 ● Accretech America Inc. is established
- 2010 ● Head office moves to Hachioji
- 2011 ● Semiconductor Company Hachioji Plant No. 5 is completed
- Hachioji Metrology Center opens
- 2012 ● Begins blade business acquired from Mitsubishi Materials Corporation
- ACCRETECH Application Center is established to address diversification of device processes

## 2015

- 2015 ● Changes name of Tokyo Seimitsu (Thailand) Co., Ltd. to Accretech (Thailand) Co., Ltd.
- 2016 ● Semiconductor Company Hachioji Plant No. 6 is completed
- 2017 ● Issues ACCRETECH Declaration on Promotion of Women's Participation and Advancement
- Collaborates with Panasonic Factory Solutions Co., Ltd. on laser grooving devices for proliferation of plasma dicing method
- 2019 ● Accretech Powertro System Co., Ltd. is established (acquires shares of Fujitsu Telecom Networks Fukushima Limited, changes name)
- ACCRETECH SBS Inc., ACCRETECH SBS UK Ltd. are established (Subsidiary Tosei Engineering Corp. acquires balancer business and UK subsidiary from Schmitt Industries, Inc.)
- 2020 ● MI building of Tsuchiura Plant is completed
- Opens semiconductor business department of Vietnamese subsidiary
- Conversion of Accretech Powertro System Co., Ltd. (previous Fujitsu Telecom Networks Fukushima Limited) to wholly owned subsidiary is completed



Hachioji ACCT Tower (2001)

## Tokyo Seimitsu Business Overview

We Create the World's No. 1 Products and Grow Together to a Higher Level by

Tokyo Seimitsu is expanding its business globally, including in Europe, US, and especially Asia, with semiconductor manufacturing equipment and precision measuring instrument as the pillars of our business. We aim to create the world's No. 1 products and grow together to a higher level by integrating excellent technology, wisdom, and information from around the world.

### Supporting Manufacturing Activities through Measuring Technologies

25.4 billion yen

Sales amount  
(consolidated)

Ordinary profit  
(consolidated)

Number of employees  
(consolidated)



### Precision Measuring Instruments

In the automobile, heavy duty equipment, aircraft, and other industries around the world, the high-precision measuring instrument of the Metrology Company is used in precision measurement labs and machining tooling lines, where it has earned a high reputation among customers. We will continue our unceasing product development to enhance durability, create smaller footprints, automate operations, and effect other improvements.

#### Multipurpose measuring equipment

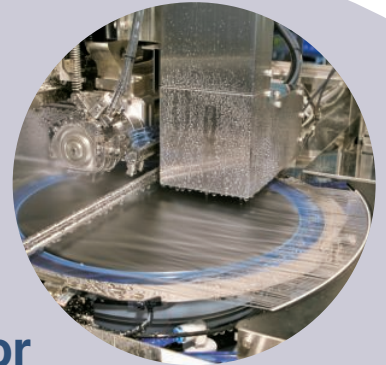
- Coordinate measuring machines
- Surface texture and contour measuring instruments
- Roundness and cylindrical profile measuring instruments
- Optical measuring instruments
- X-ray CT system
- Software

#### Automatic measuring instrument

- In-process gauges and post process gauges
- Electric and air micrometers
- High precision digital measurement instrument
- Built-in measuring instruments
- Special-purpose custom products
- Grinding wheel auto balancer



Tackling Social Issues and Contributing to a products and services focusing on "Health and



**97.1**  
billion yen

**15.8**  
billion yen

**2,293**  
people

(As of March 31, 2021)

## Semiconductor Manufacturing Equipment

The Semiconductor Company has established global top shares in the fields of conventional wafer manufacturing, testing, and back-end processing. The Company has also entered the fields of CMP (chemical mechanical planarizer) and flaking, and is supporting our customers' construction of optimum production systems for semiconductor manufacturing processes.

- Dicing machines
- Precision dicing blades
- Probing machines
- Polish grinders
- High rigid grinders
- Chemical mechanical planarizers (CMP)
- Wafer manufacturing systems

## Support the Industry and Living with Core Products

**71.7** billion yen

sustainable society through the value generated by Safety, "Quality," "Environment and Energy-saving."



President and CEO

A handwritten signature in black ink that reads "Hitoshi Yoshida". The signature is written in a cursive, flowing style.

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

I would like to express my sincere gratitude to our stakeholders for their ongoing support and good wishes. Fiscal year 2020 was a year in which the COVID-19 pandemic exerted a global impact. While the declarations of states of emergency in Japan and lockdowns in countries around the world have placed restrictions on people, remote work- and nesting-related demands have created new markets and brought great change to our lives.

Beyond that, changes are occurring in surrounding society itself. Under such circumstances, there is increasing momentum for companies to address the SDGs and otherwise take responsibility as members of a sustainable society. The Tokyo Seimitsu Group, too, is strongly aware that we have a responsibility to bring about a sustainable society.

Applying the precision positioning technology that we have built up since our founding, the Tokyo Seimitsu Group has provided the world with semiconductor manufacturing equipment that is indispensable for the production of the cutting-edge semiconductors and electronic components that are vital to digital transformation (DX), along with precision measuring instrument that contributes to energy conservation in automobiles and other areas. In 2015, when the SDGs were adopted at the United Nations Summit, we established our CSR Department under the direct control of the President, and named an ongoing role in building a future full of dreams as the slogan for our CSR activities. We set issues (materiality) from the viewpoint of the ESGs and individual targets for solving those issues, and are working toward the achievement of a sustainable society.

### Initiatives for ESG

With regard to the "E" (environmental) of ESG, we are promoting environmentally friendly product design using life cycle assessment (LCA) methodology, which quantitatively evaluates the environmental impacts of a product over its entire life cycle. We have released semiconductor manufacturing equipment and precision



measuring instruments that reduce environmental impacts during product use, which accounts for most of the life cycle of the products.

In response to environmental issues such as water resources, waste, and climate change caused by global warming, we are working toward the reduction of CO<sub>2</sub> emissions from electricity used in our business activities, reduction of water and paper resource consumption, and improvement of waste recycling efficiency. In the past, the Tokyo Seimitsu Group had implemented mid-term targets with proprietary reduction targets. Upon the announcement by the Japanese government that it would raise its fiscal year 2030 target for greenhouse gas reduction, we revised our reduction targets. In addition, in 2021 we launched internal initiatives related to the TCFD (Task Force on Climate-related Financial Disclosure), under which we plan to disclose risks, business opportunities, and Tokyo Seimitsu Group initiatives in the future.

With regard to the "S" (social) of ESG, with a strong sense of pride and responsibility for supporting customers' manufacturing activities through measuring technologies and products, we have advanced activities to improve and enhance quality and service while continuing to change with the times. As measures against COVID-19, we are working to offer new services including web-based seminars, remote demonstrations, and remote support using wearable devices.

To strengthen sustainable supply chains, we are developing a web-based system for suppliers that will address the ever-growing need for information sharing, including supplier CSR questionnaires, notifications of disasters such as earthquakes and heavy rains, surveys of damage conditions, and communication of various notifications. In combination with the CSR seminar that we hold yearly, we aim to build a structure that enables more sustainable and active communication with suppliers.

With regard to people, we have formulated a new Action Plan for Promoting Employment and Careers of Women. We respect the diversity of our employees, and seek to create workplaces where we can leverage the individuality of all people. We are also working toward the creation of rewarding workplaces by preparing safe and healthy working environments, promoting work efficiency, and reducing overtime.

Regarding the "G" (governance) in ESG, in response to the illegal behavior that occurred at a consolidated subsidiary of the Tokyo Seimitsu Group, we established a special investigation committee to clarify the whole picture. Based on the recommendations of the committee, we are formulating and executing recurrence prevention measures. To establish more transparent governance, we will undertake reforms of our organizational culture and enhancement of education, setting compliance as the

highest priority for the whole Group.

While deepening WIN-WIN relationships with our many stakeholders and creating new value, the Tokyo Seimitsu Group will continue playing a role in building a future full of dreams.

### ● Important issues (materiality)

Environmental	Environmental contribution through products (eco-products)
	Environmental contribution through business activities (eco-factory)
Social	Value provision through products
	Strengthening of sustainable supply chain
	Creation of workplaces where diverse people can play active roles
	Creation of rewarding workplaces
Governance	Strengthening of management foundation
	Strengthening of compliance

### ● Main initiatives for ESG in FY2020

#### Environment

- Development of environmentally friendly products: Development and release of products with consideration of LCA\*1
- Prevention of global warming: Switch to low-carbon electricity and installation of solar panels at the MI building of the Tsuchiura Plant
- Resource conservation and recycling: Reduction of water and paper usage, improvement of waste recycling rate

#### Social

- Quality and safety: Quality improvement through QMS activities and provision of safety training
- Services: Construction of operating structures for remote support and remote demonstrations
- Supply chain: Promotion of CSR activities in collaboration with suppliers
- Enhancement of workplace environment: Promotion of women's participation and advancement, healthy company declaration, working hours management

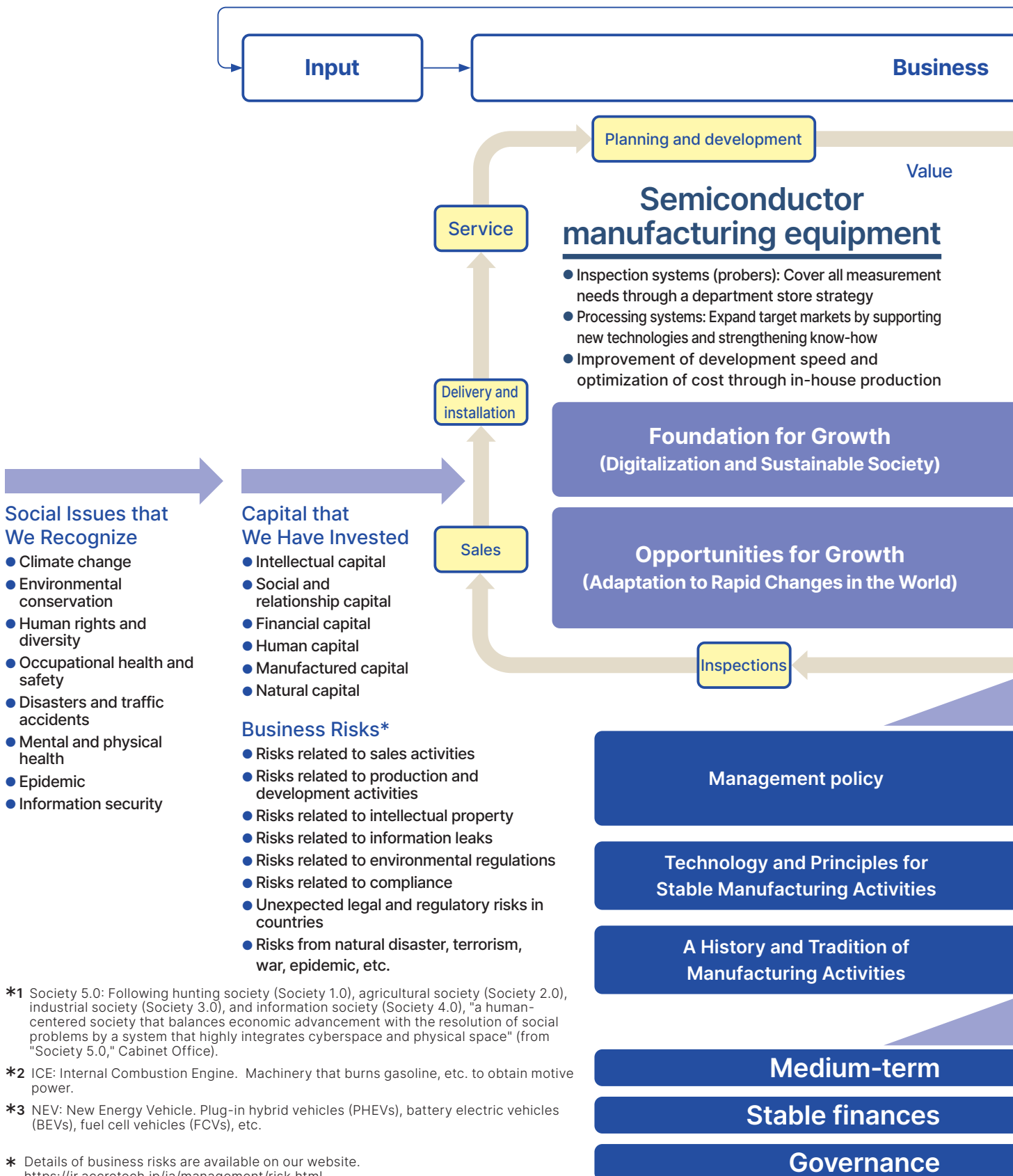
#### Governance

- Compliance: Implementation of continuous compliance education and strengthening of monitoring systems
- Risk management: Strengthening BCPs\*2 and information security structure

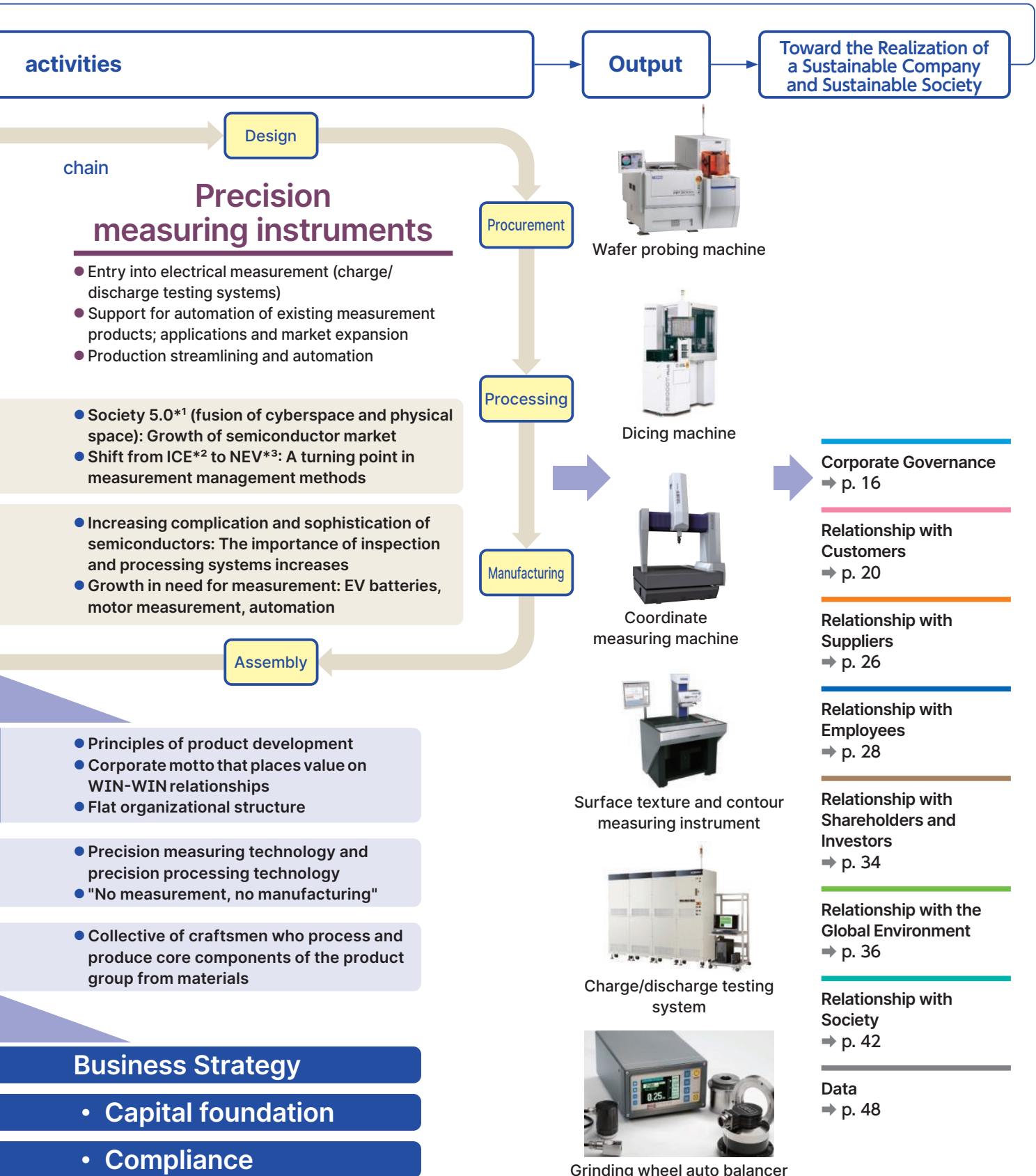
\*1 LCA: Life Cycle Assessment

\*2 BCPs: Business Continuity Plan

# Tokyo Seimitsu's Value Creation Model



As a manufacturer of semiconductor manufacturing equipment and precision measuring instruments, our Group focuses on cutting-edge product development and customer support that contribute to improving customers' productivity. Taking prerequisites for corporate growth – "safety and health," "quality," "environment and energy conservation," and "the unified power of our employees" – as our action guidelines, and leveraging the precision measuring technology and precision processing technology that we have built up, we will contribute broadly to society, including customers, shareholders, employees, local communities, and the international community, through the development and supply of excellent semiconductor manufacturing equipment and precision measuring instruments.



# Tokyo Seimitsu's Policy on CSR

Driven by a corporate philosophy of "We create the world's No. 1 products and grow together to a higher level by integrating excellent technology, wisdom, and information from around the world," the Tokyo Seimitsu Group promotes collaboration with all stakeholders, including suppliers and the manufacturers that are our customers, and seeks to achieve a sustainable society.

## MOTTO

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



Wind power generation

# ACCRETECH



Precision measuring instruments



Small components



Materials



Electric components

## Corporate Philosophy

**We create the world's No. 1 products and grow together to a higher level by integrating excellent technology, wisdom, and information from around the world.**

**Suppliers**  
Partners in  
Creating New  
Value Together

# Achievement of a Sustainable Society

## Support Manufacturing and Society with Measuring Technology

Finished products  
Manufacturers supported by Tokyo Seimitsu



Digital communication devices



Medical devices



Next-generation robots



Automobiles



Semiconductor manufacturing equipment



Through precision measuring instrument that is indispensable in the high-efficiency product production processes of the manufacturers that are our customers, and semiconductor manufacturing equipment that contributes to the production of electrical appliances that help conserve energy and resources, the Tokyo Seimitsu Group has contributed to making society more convenient and to reducing environmental impacts. This means that, through the measuring technologies and products that the Tokyo Seimitsu Group provides, we support customers' manufacturing activities and, through the finished products produced by these, support society as a whole.

In order for us to continue providing society with diverse value through our products, it is essential that we grasp the needs of our customers and society from a medium- and long-term perspective, and collaborate with the many suppliers who agree with Tokyo Seimitsu's

corporate philosophy.

We will continue to create new technologies grounded in WIN-WIN relationships with our stakeholders and to support society through manufacturing activities that enhance quality of life while maintaining and improving the environment. At the same time, we will enter new fields in which we can leverage our technologies to provide safety and security, and will contribute to the development of a sustainable society.

To continue growing together with our stakeholders, we will assess impacts on the environment, respect for human rights, and other factors in all processes of our corporate activities, and, remaining aware of the responsibilities of the Tokyo Seimitsu Group, will strive to fulfill our role in society. As a part of these efforts, we wish to openly disclose ourselves as we are through our CSR Report, and work toward varied forms of communication with our stakeholders.

# ACCRETECH Group Code of Conduct

In order to create WIN-WIN relationships with customers, shareholders, investors, suppliers, and other stakeholders and to achieve long-term sustainable development together, the Tokyo Seimitsu Group must engage in actions that are accepted by society in the conduct of our business activities.

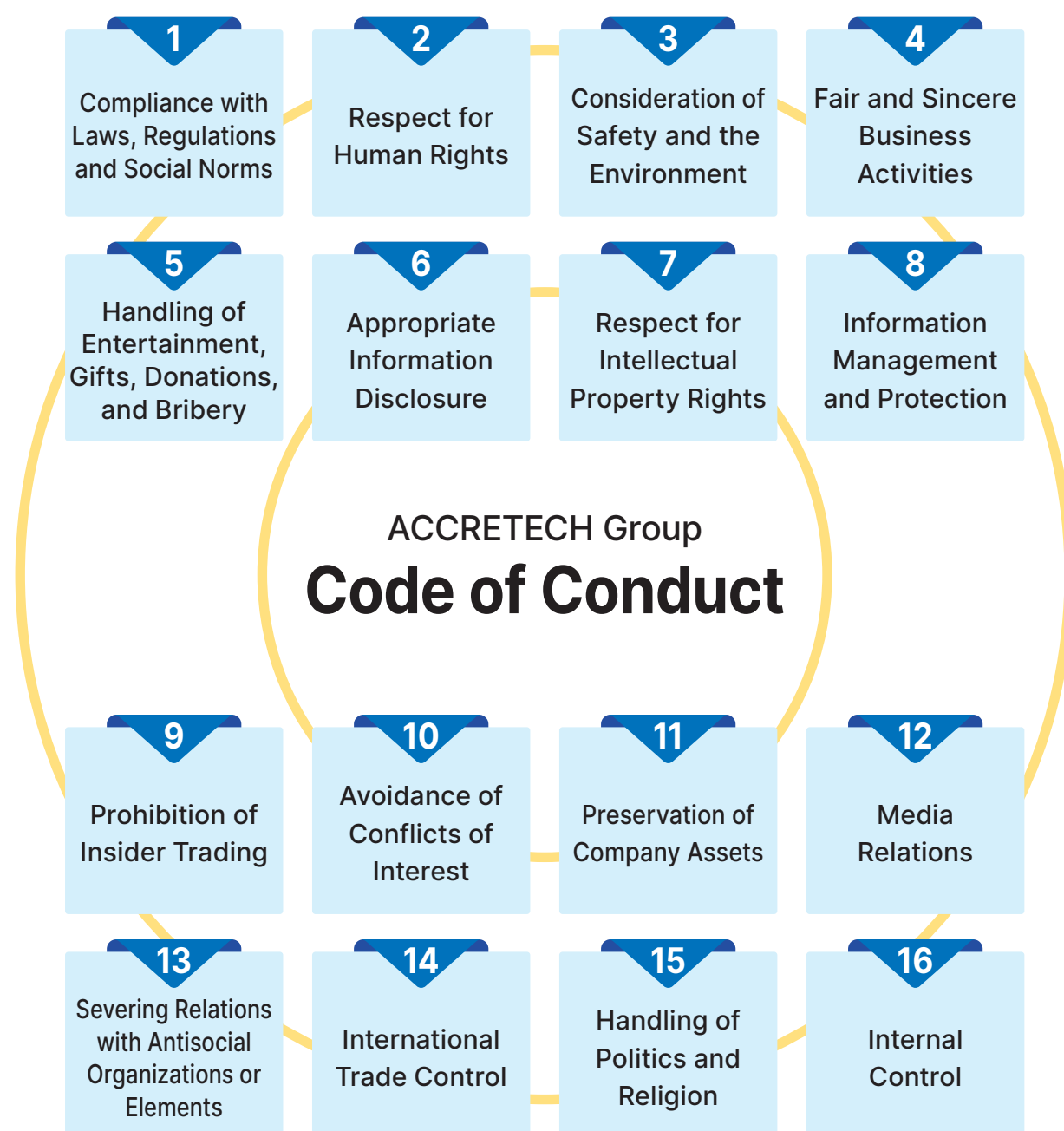
The Tokyo Seimitsu Group has established the ACCRETECH Group Code of Conduct (hereinafter "Group Code of Conduct"), covering compliance with laws and internal regulations, respect for human rights, fair and sincere business activities, ethical behavior, and other matters with which officers and employees must comply. We will maintain a transparent and proper corporate

stance, construct a compliance management system, and promote compliance.

The Tokyo Seimitsu Group will educate and raise awareness among officers and employees with regard to compliance with the Group Code of Conduct, and will further strive to raise awareness of compliance with the code.

We will also work to gain the understanding and cooperation of related stakeholders with regard to the Group Code of Conduct.

An overview of the action guidelines indicated by the Group Code of Conduct is as follows.

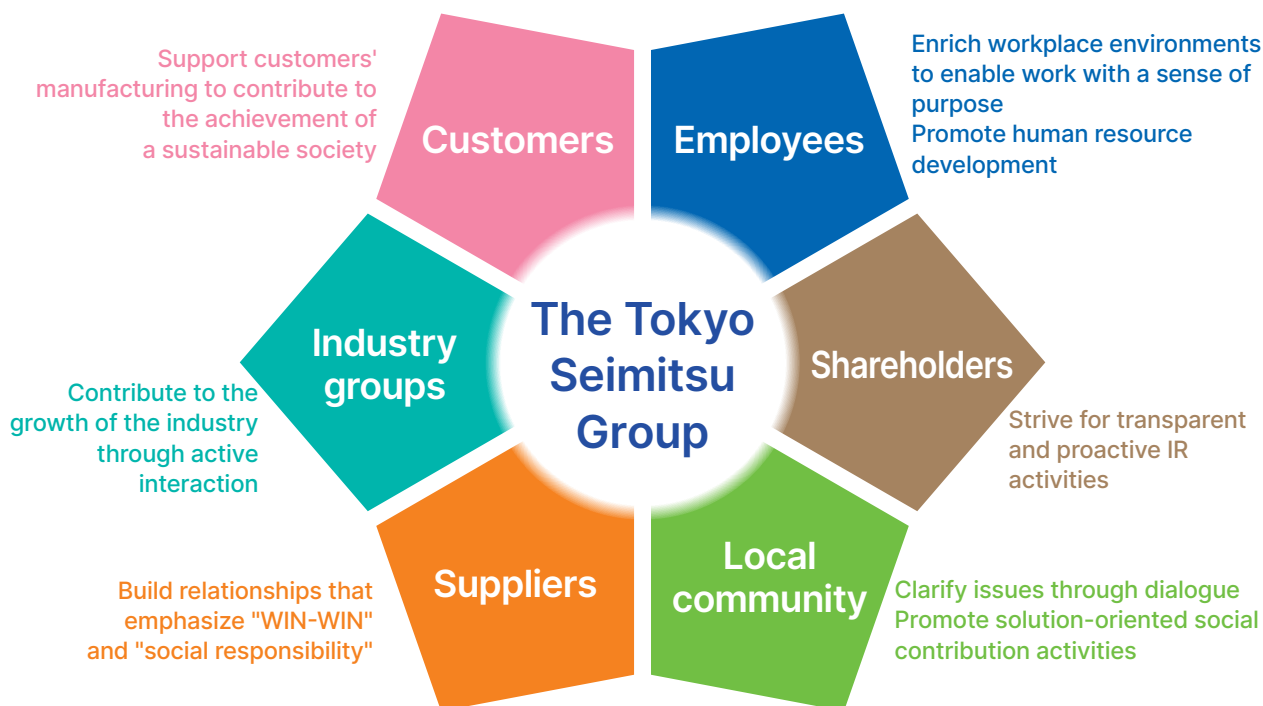


# Stakeholder Engagement

The Tokyo Seimitsu Group believes that continuous, active, two-way communication with stakeholders is important in creating business value and social value while fulfilling our social responsibilities. By sharing information on real needs and issues through sincere

communication with stakeholders, we seek to build strong and deep relationships of trust and grow together. We will deepen WIN-WIN relationships with our many stakeholders as we work toward the enhancement of corporate value and contribution to the world.

## ● Major stakeholders of the Tokyo Seimitsu Group



## ● Major means of communication with stakeholders

Stakeholder	Major means of communication
Customers	<ul style="list-style-type: none"> <li>● Implementation of customer satisfaction questionnaire (once a year)</li> <li>● Support from Sales Division/customer service departments (as needed)</li> <li>● Exhibitions/events (several times a year)</li> <li>● Metrology Center (seminars and workshops, private trade shows, etc.) (several times a year), etc.</li> </ul>
Employees	<ul style="list-style-type: none"> <li>● Labor management negotiations</li> <li>● Information dissemination via company newsletter and intranet (as needed)</li> <li>● Whistleblower system (as needed), etc.</li> </ul>
Shareholders	<ul style="list-style-type: none"> <li>● Shareholders' Meeting (once a year)</li> <li>● Business results briefing (four times a year)</li> <li>● Issuance of shareholder newsletter (twice a year)</li> <li>● Briefings for individual investors (once a year)</li> <li>● Information dissemination via website, etc. (as needed)</li> </ul>
Local communities	<ul style="list-style-type: none"> <li>● Issuance of public relations information of the Tokyo Federation of Labor Standards Associations, Hachioji Branch (five times a year) and participation in seminars (as needed)</li> <li>● Special lectures for local students (every few years)</li> <li>● Submission of pollution control plan and activity report to Tsuchiura City (once a year)</li> </ul>
Suppliers	<ul style="list-style-type: none"> <li>● CSR questionnaire (once a year)</li> <li>● Support through procurement activities (as needed)</li> </ul>
Industry groups	<ul style="list-style-type: none"> <li>● Participation in Semiconductor Equipment Association of Japan (SEAJ)</li> <li>● Participation in ISO Technical Committee</li> <li>● Participation in the Japan Society for Precision Engineering</li> <li>● Japan Precision Measuring Instruments Manufacturers Association</li> <li>● Semiconductor Equipment and Materials International (SEMI), etc.</li> </ul>

# Corporate Governance



The Tokyo Seimitsu Group is working to build and operate a highly transparent management system, with the aim to achieving sustainable growth and the medium- and long-term enhancement of its corporate value.

## ● Basic Policy on Corporate Governance

The Tokyo Seimitsu Group makes its corporate philosophy "We create the world's No. 1 products and grow together to a higher level by integrating the excellent technology, wisdom, and information from around the world." By practicing this philosophy under the corporate brand "ACCRETECH" that expresses it in a single word, we aim to achieve sustainable growth and enhance our corporate value amid the advance of rapid technical innovation and economic globalization.

## ● Basic Policy on Compliance

We have prepared compliance-related structures, policies, and regulations that we make known to employees through education and training, always keeping the ACCRETECH Group Code of Conduct in mind.

## ● Basic Policy on Risk Management

The Tokyo Seimitsu Group is committed to properly managing risks that could affect business continuity. The Group acts to prevent the manifestation of potential risks in our business, and responds to those that do manifest.

## Corporate Governance

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

Governance Report submitted to the Tokyo Stock Exchange. Japanese and English versions of the Corporate Governance Report of Tokyo Seimitsu Co., Ltd., are available at the website below.

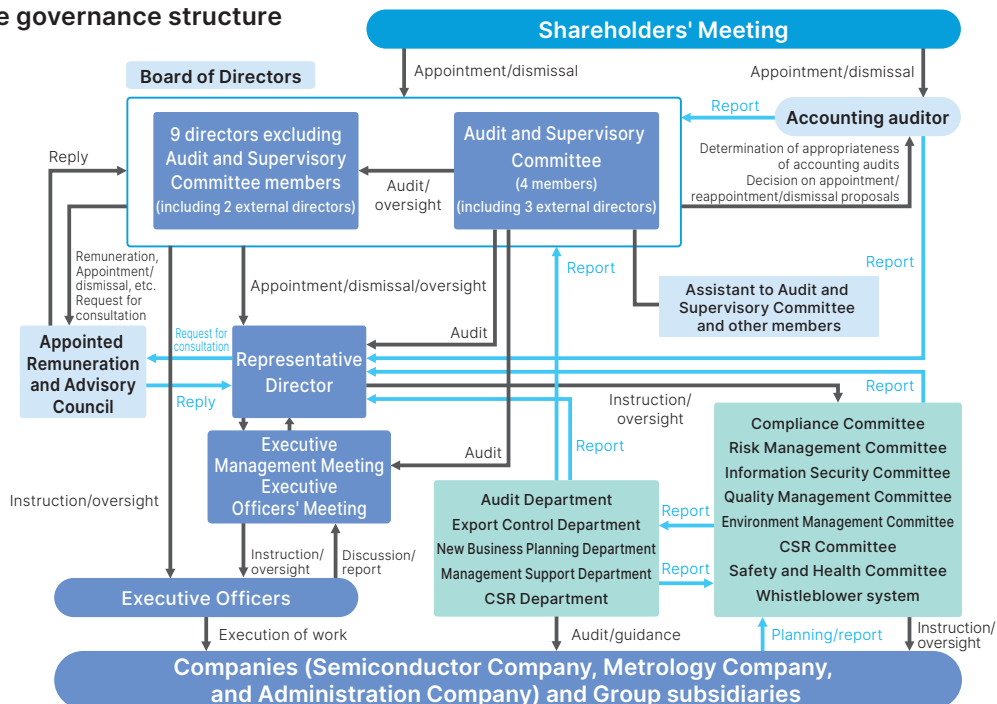
**Basic Policy on the Corporate Governance Code**  
<https://www.accretech.jp/english/company/basicpolicy.html>

**Corporate Governance Report**  
[https://www.accretech.jp/english/company/corporate\\_governance\\_report.pdf](https://www.accretech.jp/english/company/corporate_governance_report.pdf)

## Basic Policy on the Corporate Governance Code

Tokyo Seimitsu Co., Ltd. supports all of the principles of the Corporate Governance Code. We report on the status of our compliance with the code in the Corporate

## ● Corporate governance structure





## Cross-held Shares

The presence of parties such as business partners as stable shareholders can result in less rigorous monitoring of management by shareholders. In addition, cross-held shares constitute an asset not utilized in the corporate balance sheet, and may be inefficient in terms of capital management. Accordingly, Tokyo Seimitsu handles cross-held shares in accordance with the following policy.

- The Board of Directors comprehensively examines the medium- and long-term economic rationality and qualitative aspects of cross-held shares on the basis of risk and return.
- In principle, we will reduce cross-held shares which were not recognized by examination to be significant.
- We will hold shares that are deemed to contribute to medium- and long-term improvement of corporate value.

As a result of this policy, between April 2020 and March 2021 the Company sold 11.5 million cross-held shares.

## Basic Policy and Structures for Internal Control

While working to strengthen corporate governance and compliance, we are also strengthening our internal control structures and systems for ensuring soundness and transparency in our management.

In particular,

- We are constructing an effective internal control system by the Board of Directors and are establishing a structure for compliance with laws, regulations, and the Articles of Incorporation, to conduct overall business execution properly and soundly.
- The Audit and Supervisory Committee audits the effectiveness and functioning of the internal control system.
- The Audit Department evaluates and verifies the effectiveness of the operation of internal controls related to financial reporting.

In response to inappropriate accounting actions by the former CEO of a consolidated subsidiary that came to light in February 2021, Tokyo Seimitsu Co., Ltd. formulated recurrence prevention measures for the issue and worked to further strengthen compliance and internal control through means including reviewing structures and operations. We will continuously and effectively work toward the improvement of compliance and internal control by enhancing our corporate governance and strengthening our internal control structure.

Details of our basic policy on internal control systems are available on our website.

[https://www.accretech.jp/english/company/internal\\_control.html](https://www.accretech.jp/english/company/internal_control.html)

## About Internal Audits

- The Audit Department conducts internal audits of the Tokyo Seimitsu Group's business execution, to verify the validity of management and compliance with laws and regulations, the Articles of Incorporation, internal regulations, and so on.
- The Audit Department also collaborates with other divisions and teams to audit IT control.

When an internal audit discovers an act of business execution that violates laws, regulations, the Articles of Incorporation, or internal regulations, or is deemed as a risk for other reasons, the Audit Department immediately reports to the CEO, Board of Directors and Audit and Supervisory Committee, after which action is taken by the Board of Directors.

Internal audits are conducted on the basis of an annual plan approved by the Board of Directors. The results are promptly reported to the CEO, as well as made known at the Board of Directors and the Executive Management Meeting. Information on audit findings and recommendations for improvement are shared with relevant divisions in the Company.

In fiscal year 2020, the Audit Department audited five internal departments and Group companies. While minor indications of differences from internal regulations were found in some operations, there were none that could lead to legal violations or serious risks.

## Compliance

The Tokyo Seimitsu Group will comply with laws and social norms and will act with integrity and ethics to meet the expectations of all of our stakeholders.

Toward that end, we have built a compliance management structure and have established compliance-related policies and regulations. We are working to make these well known through education and training, so that all officers and employees will maintain a mindset of serving as good corporate representatives and good citizens, and will act with sound judgment and high ethical standards. To not only assess the status of compliance on a regular basis but also quickly discern compliance-related problems, we have established a whistleblower system that allows officers and employees to seek consultation and make reports upon discovering incidents related to compliance.

## Compliance Management Structure

We have established a Compliance Committee to serve as the managing organization for the Tokyo Seimitsu Group's compliance initiatives. The committee's members, mainly directors and executive officers, include officers in charge of production, engineering, personnel management, and Group companies. The Committee chairperson is the compliance supervision manager for the Tokyo Seimitsu Group and Tokyo Seimitsu. The directors of the Group companies who are committee members serve as the compliance supervision managers in their companies. The compliance supervision manager appoints a compliance supervision administrator to promote compliance measures. The compliance supervision administrator has the duty of promoting measures and reporting operational status to the compliance supervision manager.

The Compliance Committee engages in reporting and deliberation concerning compliance measures and their implementation status, including revision of the ACCRETECH Group Code of Conduct, enactment and revision of regulations, and planning for education and training related to compliance. In the event of violation of or potential conflict with laws and regulations, the committee promptly issues a report and discusses response measures and recurrence prevention measures. In the previous fiscal year, the Compliance Committee functioned and operated satisfactorily as a venue for reporting and deliberation.

## Compliance Education

In ensuring compliance, it is important to instill in all officers and employees an understanding of the laws and rules to be followed and an awareness that these must be observed. The Tokyo Seimitsu Group provides varied

educational opportunities to enhance knowledge of compliance and to maintain and improve the level of compliance awareness.

Along with new employee training, training for managers, and other opportunities for level-specific training, the Company has introduced an e-learning-based training mechanism in Japan. The Company also strives to offer education according to business field and division, including education for compliance with relevant laws and regulations in industrial safety and health training at production sites, and education for compliance with laws and regulations related to quality and environmental management.

Through the Compliance Committee, we report regularly on educational plans and achievements related to compliance.

In the previous fiscal year, we conducted education according to plan.

## Whistleblower System

Since fiscal year 2006, we have established and operated a compliance consultation service that serves as a whistleblower system.

We make this system known to domestic and overseas Group companies.

The compliance consultation service consists of the following internal and external contacts:

- (1) Whistleblower contact points  
(Compliance Committee members)
- (2) Personnel Counseling Department
- (3) External lawyers
- (4) External directors
- (5) Director serving as an Audit and Supervisory Committee Member

We ensure the anonymity and protection of privacy of whistleblowers, and take care to prevent disadvantageous treatment of whistleblowers. The content and handling of whistleblower reports are reported and deliberated in Compliance Committee meetings.

In whistleblowing results in the previous fiscal year, there were no compliance-related issues that could affect the business activities of the Tokyo Seimitsu Group.

## Initiatives for Compliance

The Tokyo Seimitsu Group has always endeavored to prevent corruption and bribery. In response to the recent strengthening of laws and regulations relating to prevention of bribery and corruption in various countries, in January 2020 the Tokyo Seimitsu Group announced its Anti-Bribery and Anti-Corruption Policy that follows the provisions of the ACCRETECH Group Code of Conduct. The Tokyo Seimitsu Group will endeavor to comply with this policy to prevent bribery and corruption, and asks for the understanding and cooperation of our stakeholders in complying with the policy.

## Compliance Status

In the previous fiscal year, evaluations conducted through internal and external audits found no illegal behavior (other than any already disclosed), legal violations, compliance violations, or other problems that could affect business activities, with regard to adequacy of financial reporting, product quality and environmental initiatives, handling of stakeholders inside and outside the Company, and other matters of the Tokyo Seimitsu Group.

# Risk Management

## Risk Management Policy

Details of our Risk Management Policy and risk items are available on our website.

<https://www.accrettech.jp/english/csr/corporateGovernance/RiskManagement.html>

## Risk Management Structure

The Tokyo Seimitsu Group has established a Risk Management Committee, chaired by the President and CEO and composed of officers in charge of Group companies and executive officers appointed by the chairperson.

The committee requests reports on the prevention of potential risks from risk management divisions, makes reports to the Board of Directors as necessary, and, in the event that a risk materializes, immediately establishes a Risk Task Force.

## Business Continuity Plan (BCP\*1)

Tokyo Seimitsu conducts reviews and adjustment of BCPs and plant BCPs, in accordance with our business continuity policy.

In fiscal year 2020, we continued from the previous year in conducting damage estimation for scenarios of threats at our companies and plants, and fragility analysis of our current countermeasures. We carried out earthquake-proof reinforcement, continuity measures for product supply and service provision, and review of manuals in practical aspects, among other actions. For our head office network, we conducted disaster recovery testing to check the disaster recovery environment and the preservation of institutional data.

While enforcing COVID-19 infection prevention measures, we reaffirmed the operations through drills addressing the basics of evacuation and disaster prevention, and conducted night-time evacuation measures and reviews of stockpiles. For BCPs at Group companies in Japan, we engaged in further reinforcement of our data backup structure and entrenchment of the alternative production system that we operated through the previous fiscal year.

## Safety Confirmation System

The Tokyo Seimitsu Group has introduced a Safety Confirmation System for confirming people's safety via mobile phones and smartphones following a disaster or accident. We explain the system to new employees and enforce early registration. We carry out operation drills twice a year to confirm the system's effectiveness and to raise awareness of the system among all employees, and use the drill results to perform reviews and disseminate information. In the second half of fiscal year 2020, we conducted drills by division for the first time, with the aim of disseminating information on the monitoring role performed by staff who confirm safety.

## Measures Against COVID-19

As actions to prevent the spread of the COVID-19 infection, we reduced the infection risk for employees and made improvements to the workplace environment. In response to the introduction of measures and policy changes by the government, we appropriately reviewed and revised our

guidelines for response to COVID-19 patients and their close contacts, worked to prevent infection, and maintained our structure for responding to cases of infection.

**Measures to Reduce Infection Risks**

- Working from home
- Distribution of face masks to be used during work and commuting
- Daily checking and reporting of body temperature
- Encouragement of taking leave when in poor physical condition
- Restraint from domestic and overseas business trips

**Improvement of Workplace Environment**

- Placement of alcohol-based disinfectants, etc.
- Deployment of non-contact thermometers
- Hand-washing
- Enforcement of gargling and other sanitary practices
- Regular indoor ventilation
- Review of cafeteria operation/meeting operation (reduction in number of participants, use of web meeting, etc.)
- Distancing through change of workplace layouts
- Installation of acrylic barriers

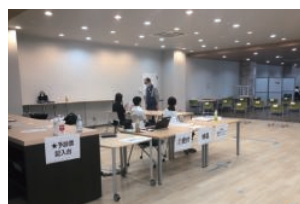


Example of infection prevention measures (employee cafeteria)

**Implementation of Workplace Vaccinations**

In line with government policy on COVID-19 vaccinations in the workplace, Tokyo Seimitsu made the decision to carry out workplace vaccinations at the Hachioji Plant from July 2021. Within Tokyo Seimitsu and Group companies, we conducted vaccinations for employees at the Hachioji Plant, including temporary employees. We are moving forward with plans to extend vaccinations to family members and to neighboring companies with which we have cooperative relationships. The vaccinations are voluntary, and we use application procedures via our

in-house web-based system to avoid forcing vaccinations on unwilling persons. If adverse reactions occur on day of vaccination or the following day, we apply special paid leave so as to avoid unreasonable work. As the government has requested the continuation of preventive measures even after vaccination, we call on employees to steadily continue the practice of measures.



Workplace vaccination

**Information Security**

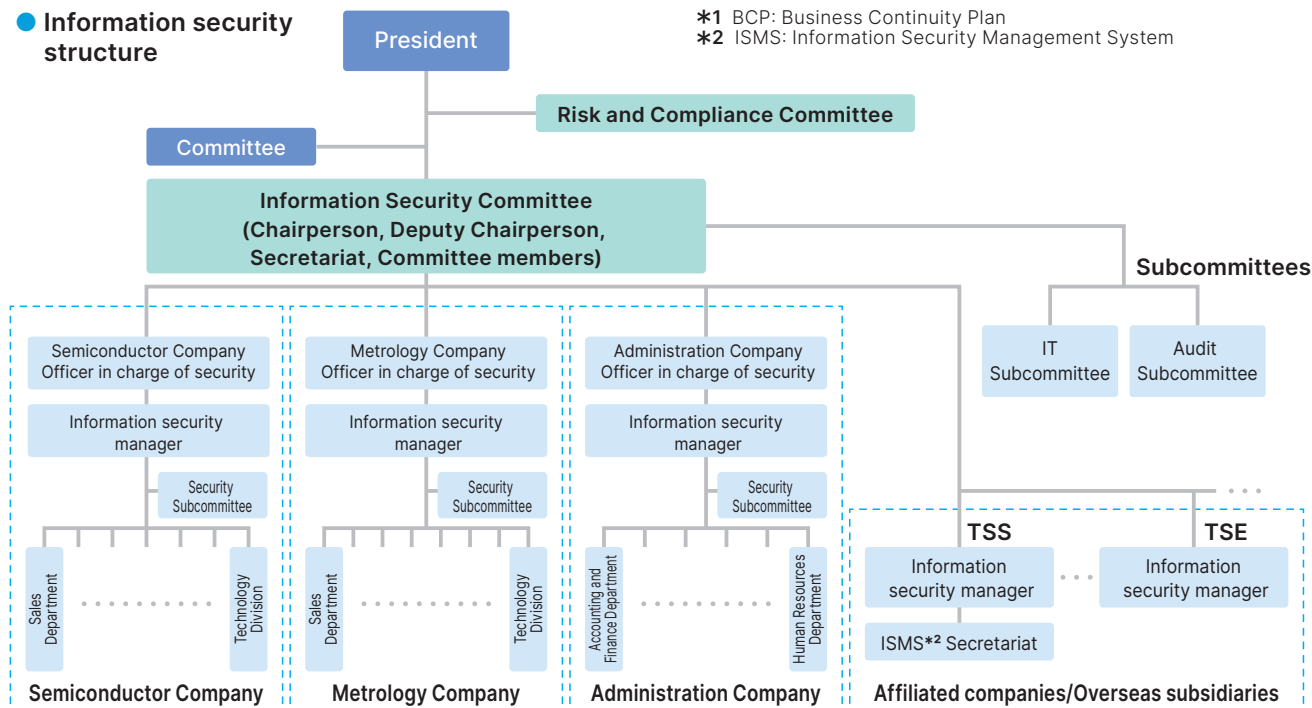
The involvement of digital information in our business processes has increased sharply in recent years amid the onrushing wave of digital transformation. We recognize that heightening the effectiveness of information security while balancing data protection against the promotion of innovation is a vital issue.

In response to growing information security risks such as the ransomware and information leak incidents reported in recent years, in fiscal year 2020 we reviewed our information security structure and strengthened our initiatives. While maintaining the mindset of cooperation in conventional cross-organizational management, we established IT subcommittees and audit subcommittees under the Information Security Committee chaired by a Company officer, to create a structure for solving specialized issues that must be addressed company-wide and for conducting audits of activities. In group companies, we assigned officers in charge of security, information security managers, and information security subcommittees that serve as working units, performed detailed management and problem solving tailored to companies' particulars, and further strengthened activities to protect information security assets. Information on our basic policy for information security is available on our website.

<https://www.accretech.jp/english/company/SecurityPolicy.html>

- \*1 BCP: Business Continuity Plan
- \*2 ISMS: Information Security Management System

**Information security structure**



# Relationship with Customers



Lending a sincere ear to our customers and untiringly effecting improvements day by day, we support our customers' manufacturing through the supply of semiconductor manufacturing equipment and precision measuring instruments driven by state-of-the-art technology, and through full-fledged support. Doing so, we help to bring about a sustainable society.

Relationship with stakeholders	Theme	Initiatives/structures	Main outcomes of activities
Value provision through products	Maintenance and improvement of product quality	Tokyo Seimitsu Quality Management System (QMS) Change control effectiveness ratio (target: 0.5% or less)	QMS System Program (achievement rate: 71%) Change control effectiveness ratio: 0.38%
	Initiatives for customer satisfaction	Questionnaire-based survey	Number of responses, Semiconductor Company: 110% year-on-year Introduction of NPS
	Meticulous global support	Standardization of support quality Customer training	Implementation of Global Service Meeting Remote support project using smart glasses
	Support tailored to customers	Four domestic centers Nine overseas showrooms	Seminars and classes (including web-based) Provision of solutions Consigned measurement Overseas technical training

### Basic Policy on Quality

As products provided by Tokyo Seimitsu are incorporated into production equipment, we consider outstanding quality as meaning the provision of stable and reliable product quality and prompt and meticulous support quality. We constantly strive to improve both of these aspects of quality.

## Quality Policy

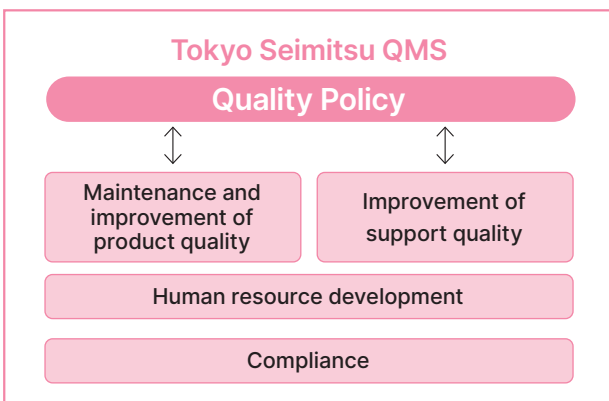
At both of our plants, Tokyo Seimitsu sets quality targets and conducts quality control in line with the quality policy set by our Quality Officer, and works to improve the quality of products and support. Information on our quality policy is available on our website.

<https://www.accretech.jp/english/csr/customer/index.html>

## Quality Control Initiatives

In 1994, we achieved ISO 9001\*1 certification at both the Hachioji Plant and Tsuchiura Plant. Since then, we have built the Tokyo Seimitsu Quality Management System (QMS) with the ISO 9000 series at its center, and have worked to build safety, quality, and reliability into our product realization process and to improve quality through total quality control (TQC).

We engage in activities for the improvement and enhancement of quality and service, never forgetting our responsibility to protect and improve the social status and interests of our customers by steadily providing them with products and services of outstanding quality.



## Compliance and Employee Training

### Compliance Education

Compliance is an indispensable element in providing customers with stable and reliable quality products and services. We have introduced an e-learning system to conduct compliance education for all of our employees. We work to improve understanding through confirmation tests following course completion. We also strive to raise awareness of compliance through yearly education on key items concerning information security and the Group Code of Conduct.

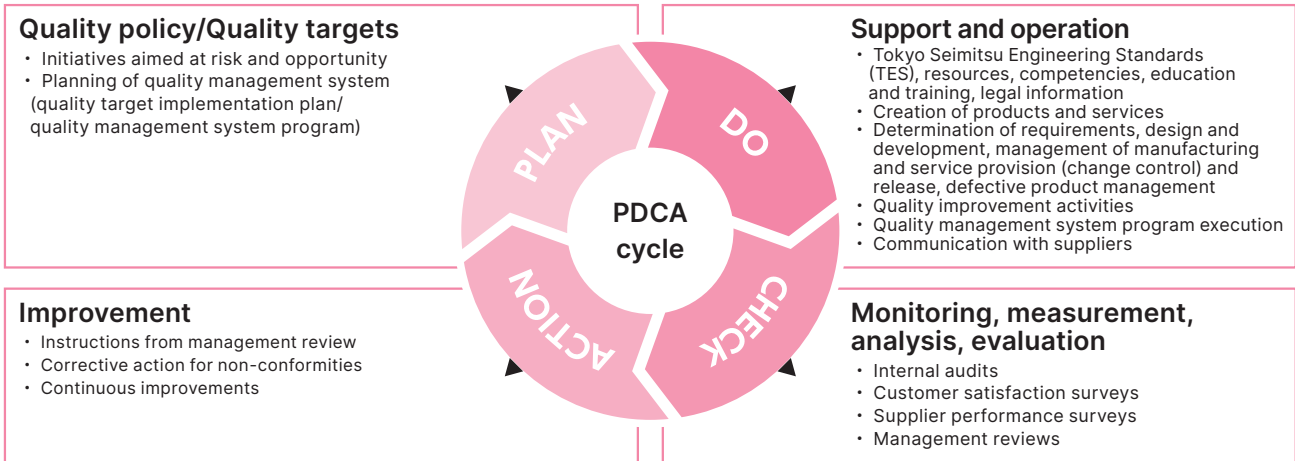
### Quality Education

We conduct education on our ISO management system via e-learning, and work to make the management system known to all employees. We are also building a system for engaging in work on basis of the latest regulations and standards, by conducting division-level education on revisions to our internal regulations and standards and by checking implementation status through internal audits. As a part of our employee training, we conduct education in line with internal regulation to develop personnel who possess the capabilities required for work that impacts product quality. As an activity conducted every November, which we designate Quality Month, we solicit quality slogans from employees to raise awareness of quality.

### Compliance with Countries' Laws and Regulations (RoHS\*2/REACH\*3/POPs\*4)

Tokyo Seimitsu uses an in-house system to manage compliance with environmental laws and regulations, including the RoHS Directive, REACH regulations, and POPs Regulation, for the products that we ship. With the

● Provision of stable and reliable product quality and prompt and meticulous support quality



Corporate Governance

Relationship with Customers

Relationship with Suppliers

Relationship with Employees

Relationship with Shareholders and Investors

Relationship with the Global Environment

Relationship with Society

cooperation of suppliers, we register information on chemical substances contained in delivered component materials into the in-house system, and check the conformance of these against the applicability of laws and regulations for each of our products.

For component materials that we newly adopt, too, we survey chemical substances contained in these at the time of selection to confirm compliance with laws and regulations.

### Maintenance and Improvement of Product Quality

Following our acquisition of ISO 9001 certification for the Hachioji Plant and Tsuchiura Plant in January 1994, we built and have been operating the Tokyo Seimitsu QMS, a quality management system integrated across both plants. In line with transition to ISO 9001:2015, we obtained the certification in June 2017. Under quality control managers at both plants, we engage in necessary PDCA activities and make continuous improvements to our Tokyo Seimitsu QMS to provide products and services that satisfy our customers.

### Quality Improvement Activities through our QMS System Program

To enhance performance and continuously improve our Quality Management System, we evaluate performance data for quality control items (quality management system program achievement rate, on-time delivery rate, non-conforming product rate, defective rate, complaint rate, etc.) at QC\*5 meetings, and formulate and implement improvement measures. We input priority targets and activities requiring continuous improvement as quality targets for the next fiscal year, create quality target implementation plans and quality management system programs for each department and group, and formulate quality goal implementation plans. Under the quality management system program, we confirm the results in Quality Subcommittee meetings held every three months, evaluate progress, and consider measures for improvement. Last fiscal year, we achieved 100% of our targets for 53 out of a total of 75 items, resulting in a 71% target achievement rate. For the remaining items, we clarify factors behind the non-achievement and feedback measures for improvement.

### Strengthening of Change Control

To prevent impacts on quality from changes in design and manufacturing processes, we perform change control for design, manufacturing, and services and work to continuously maintain quality. Since establishing our Change Control Rules for high-level standard documents in 2017 and incorporating these into the lower-level standard documents of relevant divisions, we have reduced the risk of defects associated with change by conducting risk assessments of change control in line with these management standards.

We are now accumulating performance data from change control for use as a database concerning similar changes, and are improving the environment to enable speedier and more efficient change control.

Regarding the reduction of complaints associated with change control, from 2018 we have set an effectiveness index for change control as a KPI\*6, with 0.5% or less as our target value.

$$\text{Change control effectiveness ratio (\%)} = \frac{\text{Number of complaints}}{\text{Number of change controls implemented}} \times 100\%$$

Our change control effectiveness ratio in fiscal year 2020 was 0.38%, achieving our target value.

### Activities for Supplier Quality Improvement

Ensuring quality in procured components is essential for achieving stable and reliable product quality. With our suppliers as key partners, we will carry out our social responsibilities throughout the supply chain. We distribute the document "Quality Systems and Environmental Systems Expected of Partner Companies" to suppliers and work to maintain and improve the quality of the products we procure. We manage quality defects in procured products using Defective Product Notices, and work with suppliers to investigate root causes and prevent recurrence of the issue. Depending on the degree of defect, we conduct audits and cooperate with the suppliers in improving quality.

In fiscal year 2020, we were unable to conduct quality audits because of the COVID-19 pandemic. Accordingly, we selected 16 suppliers based on delivery record and quality status, summarized analyses of the causes of issues that occurred along with recurrence prevention measures, and offered quality guidance to the suppliers to improve quality.

We plan to resume quality audits in fiscal year 2021.

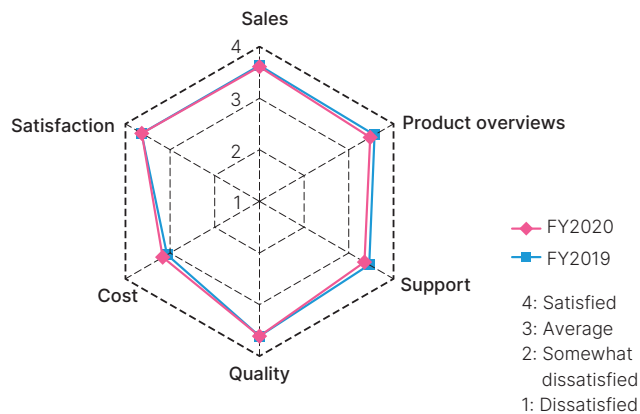
## Initiatives for Customer Satisfaction

Tokyo Seimitsu conducts questionnaire-based surveys of customers who use our products. We use their opinions to improve and enhance our products and services, and work to raise customer satisfaction.

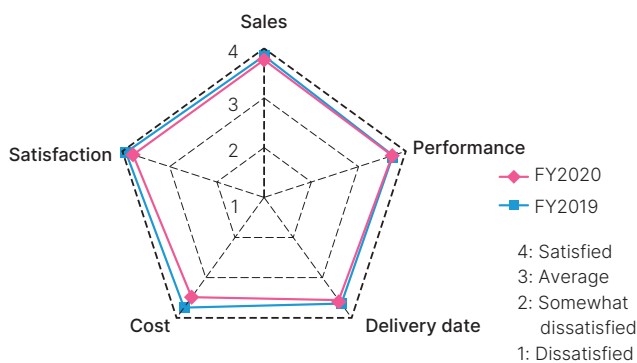
### Improvement Activities Based on Customer Satisfaction Surveys (Initiative by the Semiconductor Company)

Every year, we conduct a customer satisfaction questionnaire survey concerning our products, and aggregate and analyze the results. Comparing these with the results of the fiscal year 2019 survey, we have affirmed improvement in many items. Graphs of semiconductor manufacturing equipment probers and cutting blades, based on the results of the current fiscal year's questionnaire, are shown as examples.

#### FY2020 questionnaire findings (Equipment: Probers)



#### FY2020 questionnaire findings (Cutting tools: blades)

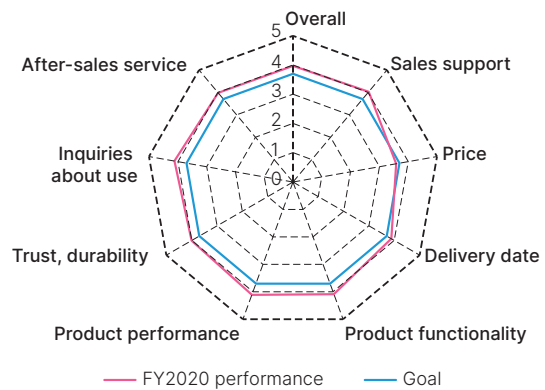


In addition to customer visits, the web-based system that we introduced in fiscal year 2018 has become widely used, and our fiscal year 2020 survey received 110% of the responses received in the previous year. We will continue efforts to reflect the opinions of our customers in the improvement of customer satisfaction.

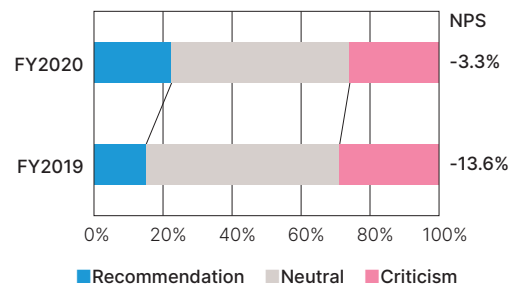
### Improvement Activities Based on Customer Satisfaction Surveys (Initiative by the Metrology Company)

We use a customer satisfaction questionnaire to survey customers one year after purchasing measurement products, and aggregate and analyze the survey results. Our goal is a customer satisfaction score of 3.7, a target

that we met in fiscal year 2020 with a score of 3.97. Aiming for further improvement, we respond to all individual customers' comments in the customer satisfaction questionnaire.

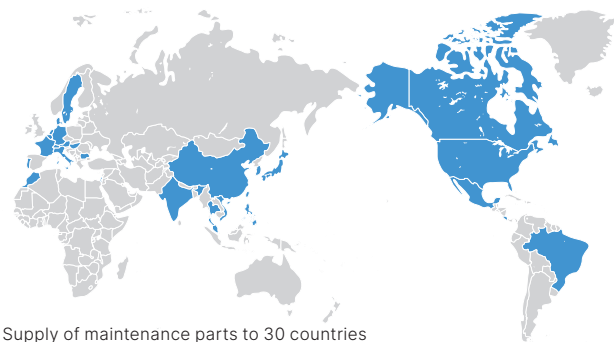


In addition to this questionnaire, in July 2019 we began using a NPS® (Net Promoter Score) questionnaire. We analyze the results of this questionnaire to improve customer loyalty.



## A Global, Meticulous Support Structure

### Semiconductor Manufacturing Equipment Business A Worldwide Semiconductor Business and Global Support Structure



In 2020, we supplied maintenance parts to 395 overseas customers and 295 domestic customers in 30 countries (including Japan). ACCRETECH Group companies at 47 sites in 13 countries provide support for equipment that operates around the world. In the large country of China, where the growth of deliveries is particularly marked, we have service bases at 12 locations. In Shanghai and Shenzhen, we have a structure in place to respond to diverse customer requests, including support for training through observation of equipment and demonstration of

processing and evaluation at Application Centers equipped with state-of-the-art demonstration equipment.

## Training System for Young Engineers

The Semiconductor Company's Customer Engineering Department-Global Service Engineer (GSE) Group has been active since 2011 as departments performing education and support for overseas service engineers. Its members consist of personnel with overseas post experience and foreign engineers based in Japan. They engage in support for customer requests and for equipment operation and troubleshooting, using web meeting, telephone calls, email, and other means of daily communication with overseas subsidiaries, engineers, and sales staff.

A feature of GSE's engineer education is a program called Global Training, which since 2014 has taken in young engineers from overseas as one-year trainees in Japan. The purpose of the training is to deepen understanding of technology, quality, production, applications, and so on, to train engineers who can provide high-level support to customers after returning to their countries. Trainees also make connections with members from the head office and go on to become promising engineers. A total 17 persons have undergone the training up until 2019. Every one of these remains active with the company at locations around the globe.

In fiscal year 2020, we were unable to hold the training because of the COVID-19 pandemic.



Scene from 2019

## Global Service Meeting (GSM)

The GSE has held the Global Service Meeting (GSM) every year since 2013. About 60 service engineer representatives from local subsidiaries gather at the Hachioji Plant for practical training using real equipment and to receive and share up-to-date information. We have held the GSM eight times, creating relationships of trust between the head office and local subsidiaries through the exchanges. Cooperation with local subsidiaries has become all the more important under the COVID-19 pandemic, during which we must maintain speedy and attentive responses to customers' requests. This year's GSM will be held online. We believe that we can overcome the current difficult conditions up until the relationships that we have built up with local subsidiaries.



Scene from 2019

At the same time the GSM is held, we conduct skills checks for all engineers and perform and manage level certifications. By certifying work that can be performed by engineers according to their level, we provide customers with high work quality. Engineer skills are classified into four ranks depending on the type of equipment. We create training manuals matched to each rank. Engineers who undergo the training and are recognized by superiors as having mastered the training rise to a higher rank, which leads to career advancement.

## Training Services for Customers

Upon request, we conduct equipment operation and maintenance training for customers in-house or at work sites around the world. To meet the special requests that we often receive from customers, we flexibly adapt training content and prepare training manuals accordingly. From early 2020, the COVID-19 pandemic has left us unable to use training methods from previous years, a situation that we expect will continue for some time. In line with this, we are launching a project team centered on young people in the Customer Engineering Department for transitioning to IT-based remote training that allows VR-based practical experience, even without the use of real equipment. In this way, we have begun concrete approaches to new ways of doing things.

## New Remote Support Project

Due to the inability to engage face-to-face with customers under the COVID-19 pandemic, GSE took the lead in establishing the ACCT GLOBAL REMOTE SUPPORT (AGRS) Team.

As a part of this, we launched a remote support project using smart glasses\*, focused on young team members in Japan. The team is working to build a customer support structure, unaffected by the pandemic, for learning work methods, action principles, and so on through project management and administration.



Tokyo Seimitsu's support

Customer

# A Support Structure Tailored to Customers

## Precision Measuring Instrument Business Support Activities that Create Customers' Futures through Precision Measuring Technology

Adopting the slogan "No measurement, no manufacturing," Tokyo Seimitsu's Precision Measuring Instrument Business sees providing society with precision and reliability, not merely selling measuring instrument, as the origin of manufacturing. No manufacturing is possible without the process of measuring. We further believe that measuring accurately is an indispensable task in order for our customers to reliably provide products that earn the trust of society. Toward that end, we have established a structure to provide various forms of support.

### Experience the Tokyo Seimitsu Value



#### Showrooms at Metrology Center

<b>[Japan]</b> Tsuchiura Hachioji Nagoya Osaka	<b>[Overseas]</b> Thailand, Vietnam, China, Indonesia, Korea, Taiwan, EU, Malaysia, Brazil
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## Initiatives by Metrology Centers

Tokyo Seimitsu has established four Metrology Centers in Tsuchiura, Hachioji, Nagoya, and Osaka to provide close support to our customers. Engineers with sufficient know-how of measurement technologies and the operation of measuring instruments are stationed at the Centers to meet our customers' diverse needs.

### <A Place for Learning about Tokyo Seimitsu's Products and Measurement: Technology>

We hold plant tours, product workshop, metrology seminars, and other events for dealers, universities and high schools, local companies, and customers who use our measuring instruments, to provide a place for learning where these parties can deepen their understanding of measurement technology and view a variety of product exhibits.

As another initiative, we also conduct web-based seminars to provide information to large numbers of people.



We aim to create a facility that impresses and satisfies the visitors by solving various issues they face through our diverse measuring instruments and wide range of solutions that we can propose.

Technology

#### Permanent showrooms

- Introduction of new products
- Holding private seminars

Sincerity

#### Area of solutions

- Provision of knowhow for measuring technology
- Creation of measuring programs
- Designing and production of fixing jigs

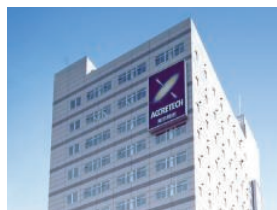
Reliability

#### Customer support

- Consultations on measurement and use of measuring instruments
- Holding measurement training schools
- Consignment measurement



Each employee acts as a foundation of the Metrology Center with passion. Every employee welcomes customers with a smile.



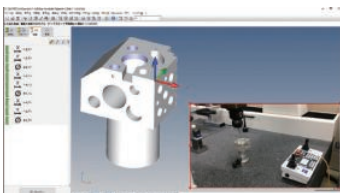


## ● Number of times providing place for learning

Purpose	Number of times
Seminars and classes (including web-based seminars)	14
Classes/measurement guidance at public institutions	11

### <Proposal of Solutions: [Sincerity]>

To deepen WIN-WIN relationships with our customers, we go beyond responding to the requests of visiting guests to address their greater expectations, by offering services including solutions proposals and operation training. For customers unable to come to us, we have readied a structure for responding remotely.



### <Customer Support: [Reliability]>

We have set up a call center in the Metrology Centers to offer consultation on measurement, handling of measuring instruments, and troubleshooting support.

We analyze the content of inquiries for incorporation into operation manuals to facilitate easier use. We also regularly conduct measurement guidance at training schools and otherwise provide support to purchasers of our measuring instruments. We even perform consigned measurement on behalf of customers who do not have required instruments, have instruments without needed features, or are otherwise unable to perform measurement on their own.

### ● Activities in FY2020

Details	Number
Call Center responses	9,405
Training sessions	194

### <Initiatives for Customer Safety and Security>

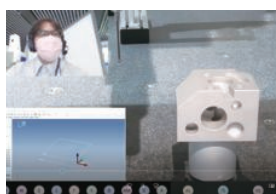
Customers can directly visit our Metrology Centers and gain hands-on experience with measuring instruments and methods to deepen their understanding of Tokyo Seimitsu's measuring instruments. For those unable to visit for reasons including travel restrictions under the COVID-19 pandemic, we offer support through remote demonstrations and web-based seminars, and make efforts to help customers understand our measuring instruments safely and with peace of mind.



## Training of Engineers Overseas

In our global service departments, service engineers from different countries come together at the Metrology Center in the Tsuchiura Plant to undergo intensive training and drills. Given the difficulty of traveling to Japan, however, we create and provide video teaching materials to improve the skills of service engineers in those countries.

- \*1 ISO 9001: An international standard concerning systems and mechanisms of management to achieve goals in response to the needs of an organization's customers and markets, through quality assurance for products and services.
- \*2 RoHS Directive: Restriction of Hazardous Substances Directive. A directive that places restrictions on the use of specified hazardous substances.
- \*3 REACH regulations: EU regulations for the Registration, Evaluation, Authorisation and Restriction of Chemicals.
- \*4 POPs Regulation: European Parliament and Council regulations on persistent organic pollutants (POPs).
- \*5 QC: Quality Control.
- \*6 KPIs: Key Performance Indicators.
- \*7 Smart glasses: A wearable device that is worn like glasses and links with a computer or smartphone to display layers of digital information through the lenses.



# Relationship with Suppliers



To deepen WIN-WIN relationships with all of our suppliers, we will construct a supply chain that places importance on social responsibility and seek sustainable growth together.

Relationship with stakeholders	Theme	Initiatives/structures	Main outcomes of activities
Strengthening of sustainable supply chain	CSR surveys/check-ups	Supplier CSR questionnaire	88.7 out of 100 points
	Entrenchment of CSR procurement	Workshop for Suppliers	1 time/year
	Strengthening of information sharing	Web-based system for suppliers	Completion of development
	Manufacturer's responsibility	CSR training for employees	e-learning

## Basic Policy on Procurement

In providing high-performance, high-quality products to customers, Tokyo Seimitsu views all suppliers that provide the necessary materials, parts, and services as important partners. To build WIN-WIN relationships with those suppliers, it is vital that we fulfill our social responsibilities throughout the supply chain, in terms of not only safety and quality but also human rights and labor, occupational safety and health, the environment, ethics, and information security, fully complying with laws and social norms. Each supplier, acting autonomously as a responsible business that meets the needs of the international community while collaborating with our Company, engages in high value-added manufacturing within a strong value chain.

## CSR Fulfillment Together with Suppliers

Tokyo Seimitsu has declared its conformance with the Responsible Business Alliance (RBA: former EICC). To meet the demands of the international community throughout the supply chain, including safety in working environments, worker dignity, and corporate responsibility for environmental impacts, we also ask our suppliers to cooperate in complying with international standards.

### Formulation of Supplier CSR Guidelines and Request for Cooperation

To meet the expectations of the RBA and the international community, we have formulated the Tokyo Seimitsu Supplier CSR Guidelines that set out our procurement policy and our supplier guidelines with regard to human rights and labor, occupational safety and health, the environment, ethics, safety and quality, and information security.

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

Tokyo Seimitsu's Supplier CSR Guidelines are available on our website.

<https://www.accretech.jp/english/csr/supplier/CsrWithSuppliers.html>  
<https://www.accretech.jp/english/csr/supplier/images/Guidelines.jpg>

### Supplier CSR Survey Activities

Since fiscal year 2016, we have used the "SCM (Supply Chain Management) Check Sheet" to survey suppliers' compliance with CSR. We survey and score suppliers on items in eight main categories: "Legal compliance," "Ethics management," "Environmental management," "Facility and equipment (safety) management," "Labor and employment management," "Biodiversity," "Conflict minerals," and "Business continuity."

The average score of the 166 responding companies was 88.7 points out of 100. Of the scores, 4.8% were in the 70s, 51.2% in the 80s, and 44.0% in the 90s.

By category, the three items with the lowest percentages

were "Promotion of women's advancement in labor and employment management," "Biodiversity," and "Business continuity." We work through our Workshop for Suppliers to make improvements in these areas. We confirmed that proper management is being performed in the other five items, and shared this confirmation.

We are also deepening close cooperative relationships with suppliers by means including direct visits to ask about CSR compliance status and areas of difficulties and to discuss support for resolving problems. By doing so, we are promoting collaboration to fulfill our social responsibilities throughout the supply chain.

In the area of environmental consideration, we also use a separate "Environmental Management Structure Survey Sheet" to conduct surveys and request improvements. Based on the survey results, we identify operations that have an impact on the environment, and request submission of an "Environmental Impact Contractor Register" and "Environmental Conservation Status Survey Sheet."

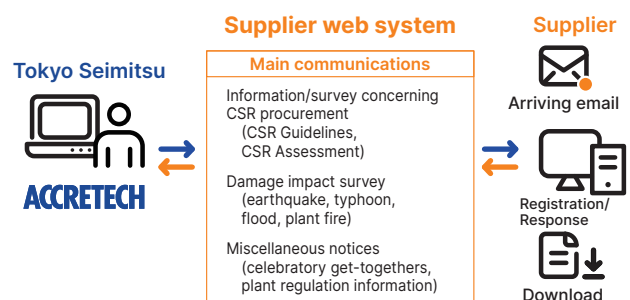
### Mutual Development with Suppliers

#### Web-based system for suppliers

We are developing a web-based system to share information with suppliers, broadly and without redundancy.

This will address the ever-growing need for information sharing, including supplier CSR questionnaires, notifications of disasters such as earthquakes and heavy rains, surveys of damage conditions, and communication of various notifications.

We will use this system to build a structure for more sustained and active communication with suppliers.



## Implementation of Supplier Commendation

Once a year, Tokyo Seimitsu conducts commendations for vendors. We commend outstanding suppliers based on evaluations of five items: quality, cost, delivery time, rate of cooperation, and management. The commendations were canceled in fiscal year 2020, as in fiscal year 2019, to prevent the spread of the COVID-19 infection.

## Implementation of Workshops for Suppliers

Every year, Tokyo Seimitsu offers CSR seminars at workshops hosted by suppliers to aid understanding of the importance of fulfilling social responsibilities in the supply chain.

The fiscal year 2020 workshop was held on March 5, in a smaller format under measures to prevent the spread of the COVID-19 infection.

Following the workshop, we shared information by sending materials to suppliers who were unable to participate, and exchanged ideas by e-mail.

### ● Tokyo Seimitsu CSR Seminar

**FY2015** Policy on CSR

**FY2016** Overview of the "SCM Check Sheet" and Survey Request

**FY2017** Trends in CSR  
Results of the Previous Year's "SCM Check Sheet"  
Tokyo Seimitsu's CSR Activity Report

**FY2018** Tokyo Seimitsu's CSR Activity Report  
Trends in CSR  
Initiatives for the Supply Chain  
Supplier CSR Guidelines (First Edition)  
\* Overview and request for submission of "Check Report"

**FY2019** Trends in Prohibited Substances in Products in 2020  
Sharing of Information on Typhoon Damage in 2019 and Review of BCP  
Introduction to Disaster Countermeasures

**FY2020** Overview of Web-based System for Suppliers  
Trends in Environmental Laws and Regulations for Products  
CSR Questionnaire



## Results of Training for Employees

Every year, we conduct e-learning-based education for Procurement Department employees who are in contact with suppliers. We offer training on topics including ethics, safety and quality, and information security, and check on approaches to suppliers.

### ● Tokyo Seimitsu's employee education themes

1. Tokyo Seimitsu Code of Conduct
2. Subcontract Act
3. Information security
4. Ethics

# Relationship with Employees



To enable all employees to work with a sense of purpose, we will promote the development of human resources and will create workplace environments that are healthy and safe both physically and mentally, letting all employees demonstrate their capabilities to the utmost.

Relationship with stakeholders	Theme	Initiatives/structures	Main outcomes of activities
Creation of workplaces where diverse people can play active roles	Promotion of compliance	ACCRETECH Group Code of Conduct	e-learning: 1 time/year
Creation of rewarding workplaces	Securing of safe and secure workplaces	Zero accidents resulting in leave	Achievement of zero accidents resulting in leave
	Creation of healthy workplaces where people can work with a sense of purpose	Skills/special education training	Participants: 116
	Realization of comfortable workplace environments where people can play active long-term roles	Healthy company declaration	Improvement of environment for promotion of health
	Provision of opportunities for every individual to grow	Measures to address long working hours	100% rate of taking 5 or more days of annual paid leave
		Action Plan for Promoting Employment and Careers of Women	Ratio of job applicants: 27.9%
		Human resource training/development	Hiring ratio: 14.5%
			Education and training: 1,731 hours

## Basic Policy on Human Resources

Employees are the core assets of Tokyo Seimitsu. We believe that carefully protecting and nurturing these assets is indispensable to the sustainable growth of our company. We work to prevent acts of discrimination based on age, gender, race, religion, country of origin, or disabilities, and to create workplaces where diverse human resources can work in safety and health. We also provide education and an environment that encourages the growth of each individual, and undertake initiatives that encourage employees to work with motivation and a sense of purpose.

## Five Initiatives

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

avoid constraints that equate to forced labor. We conduct regular audits of these matters. Tokyo Seimitsu has a labor union that holds collective bargaining rights guaranteed by collective agreement. Employee representatives, chosen by election, engage in direct discussions with managers and work toward working environment improvements through courteous discussions. In these discussions, we also confirm adherence to statutory maximum working hours and statutory minimum wage.

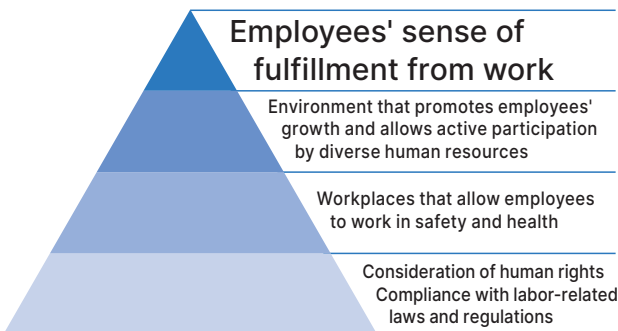
## Initiatives for Safe Workplace Environments

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

- Safety management in plants
- Assurance of safety outside of plants
- Disaster prevention, disaster mitigation, and emergency lifesaving
- Traffic safety during commuting and business trips

## Safety Management in Plants

Plants are spaces where employees carry out work every day. The basic structure of a plant does not undergo significant change other than during expansion or



## Consideration of Human Rights and Compliance with Labor-Related Laws and Regulations

We indicate compliance with labor standards and with social norms and laws concerning occupational health and safety, prohibition of acts that infringe on human rights, and other matters in the ACCRETECH Group Code of Conduct, and regularly conduct e-learning regarding this code of conduct.

Tokyo Seimitsu instructs domestic and overseas group companies to confirm age when hiring to prevent child labor, and to comply with local laws and regulations to

renovation, but it does change continuously due to adjustments in production activities, changes in product composition, improvement activities, and so on.

Accordingly, ongoing activities to seek out and mitigate safety risks are important.

At both our Hachioji Plant and Tsuchiura Plant, we have set reduction targets for industrial accidents and accidents involving company cars, and engage in ongoing accident reduction activities. Under each plant's Safety and Health Committee, we promote multifaceted activities through establishing subcommittees such as the Safety Subcommittee, the Health Subcommittee, and the Disaster Prevention Subcommittee.

## Activities of the Safety and Health Committee

At each plant, we organize a Safety and Health Committee with the Plant Manager as the general safety and health manager. Based on the annual plan approved by the Board of Directors, the committees carry out activities for occupational safety related to the environment, machinery, tasks, etc.; occupational health related to infection, food poisoning, mental health, chemicals, etc.; self-defense firefighting; disaster prevention and mitigation; traffic safety and emergency lifesaving; and other matters. We also conduct internal audits twice a year, with results submitted to the Audit Department and reported to the Board of Directors. The Health and Safety Committee is subject to audits by the Audit Department.

## Reduction of Industrial Accidents

The Hachioji Plant and Tsuchiura Plant have each set a target of zero accidents resulting in leave. Both plants achieved this target in fiscal year 2020, but each experienced three minor accidents (six in total) that did not result in leave.

To prevent these from becoming serious accidents, we work to prevent recurrence of minor accidents and are strengthening our inspections and risk assessments.

Tsuchiura Plant of the Metrology Company maintains a record of 31 consecutive years of no accidents resulting in leave.

The accident frequency rate\*<sup>1</sup> and severity rate\*<sup>2</sup> for the Semiconductor Company, the Metrology Company, and Tokyo Seimitsu (non-consolidated) are shown below.

### ● Frequency rate for accidents resulting in leave\*<sup>1</sup>

	FY2016	FY2017	FY2018	FY2019	FY2020
Semiconductor Company	0.71	0.00	0.00	0.97	0.00
Metrology Company	0.00	0.00	0.00	0.00	0.00
Tokyo Seimitsu (non-consolidated)	0.51	0.00	0.00	0.71	0.00

### ● Severity rate for accidents resulting in leave\*<sup>2</sup>

	FY2016	FY2017	FY2018	FY2019	FY2020
Semiconductor Company	0.043	0.000	0.000	0.004	0.000
Metrology Company	0.000	0.000	0.000	0.000	0.000
Tokyo Seimitsu (non-consolidated)	0.031	0.000	0.000	0.003	0.000

## Initiatives for Occupational Safety

In addition to assessments and countermeasures for work environment risks conducted through workplace patrols and risk assessments performed when introducing new machinery or changing work procedures, we work to avoid risk by conducting education and training on

machinery operation, heavy machinery work, wiring operation, and other topics as needed.

We further supplement in-house education with participation in occupational safety seminars at external training institutes. Most of these seminars at external institutes are conducted by the Hachioji Branch of the Tokyo Federation of Labor Standards Associations, of which our Company is a participating member. These seminars aid in promoting occupational accident prevention activities for workers in the region, in addition to providing education for our employees.

### ● Items implemented in FY2020

Unit: persons

Hachioji Plant (conducted by Tokyo Federation of Labor Standards Associations, Hachioji Branch: ★)	No. of people
Safety and health education course for new employees (at time of hiring)*	43
Skill training course for sling work/special training course for crane operation*	23
Training for foremen and safety and health supervisors*	10
Skill training course for operation chief of organic solvent*	12
Skill training course for chief of specified chemical substances and tetraalkyl lead, etc.*	2
Special training for workers dealing with dust*	10
Tsuchiura Plant	No. of people
Safety training for forklift, sling, and crane operations	48



## Safety Inspection and 5S\*<sup>3</sup> Patrols

At the Hachioji Plant, we conduct safety inspections of all workplaces once a year through teams composed of several persons, including the Plant Manager. On safety inspections, we use a check sheet to identify safety risks. At workplaces where risks are discovered, we conduct follow-up inspections at a set period of time after directions for improvement are issued, to confirm the effectiveness of the improvements. We regularly carry out 5S patrols to promote the tidying and ordering of workplaces. Using a scoring system introduced in fiscal year 2017, we commend high-scoring workplaces twice a year, increasing 5S awareness in every workplace.

## Handling of Chemicals and Chemical Substances

When purchasing new chemicals and chemical substances, the division in charge at the Hachioji Plant grants purchasing permission for both plants. This enables the division to track all chemicals and chemical substances used and stored at both plants. Through this central management of chemical substance risks, usage/storage methods, laws and regulations to be observed, and the requirements of these, all applicable divisions are able to quickly prepare for and respond to legal revisions. We require divisions that manage and use chemical substances to conduct regular inspections and regular quantity checks in accordance with standards, to conduct regular internal audits by qualified ISO 14001 internal auditors, and to carry out patrols of chemical management and storage status by the Regulated Substance Control

Subcommittee under the Safety and Health Committee. In fiscal year 2020, we conducted these patrols seven times, including follow-up patrols. In fiscal year 2020, we conducted a chemical substance risk assessment by reviewing 76 currently used and newly adopted chemical substances at both plants.

## Assurance of Safety outside of Plants

As the products provided by Tokyo Seimitsu consist of equipment used in production, many tasks such as equipment installation, maintenance, and modification occur at customers' production sites. At our plants, we perform risk management according to our own standards and methods, and are able to control safety standards related to the environment and equipment. At customers' plants, however, we are unable to judge risks in advance. Operation of semiconductor manufacturing equipment in particular takes place in what are known as super clean rooms. The special clean room clothing worn during work in these rooms narrows the field of view and restricts movement.

Under these conditions, workers must have the ability to anticipate and avoid potential dangers at an early stage. To provide education and training for improving this ability, the CE (Customer Engineering) Department of the Semiconductor Company, which is in charge of customer



Clean room clothing

support and support engineer training, implements the Work Leader Training of the SEAJ (Semiconductor Equipment Association of Japan) every two years. Trainees hone their skills by repeatedly undergoing regularly-updated education, enhancing their ability to execute work more safely.

## Disaster Prevention, Disaster Mitigation, and Emergency Lifesaving

### ○ Evacuation drills for all sections

In order to prevent the spread of the COVID-19 infection, the evacuation drill that we conduct annually for all divisions was changed to a drill avoiding the "three Cs" (Closed spaces/ Crowded places/Close-contact settings), conducted under the guidance of the Hachioji Fire Department.

### ○ Individual level

- Confirmation of floor evacuation routes using evacuation route map
- Confirmation of locations of fire extinguishers and fire hydrants on the floor using checklist

### ○ Division/team level

- Briefings for leaders, covering the sounding of alarm (or occurrence of disaster) to completion of evacuation
- Briefings and guidance on handling of fire hydrants and fire extinguishers

The Hachioji Plant conducts drills for divisions and teams, and reports outcomes to the Hachioji Fire Department. Similarly, the Tsuchiura Plant also conducted confirmation of evacuation routes and fire extinguishers locations for all divisions and teams.



Team-level evacuation drill

## Self-Defense Fire Brigade

At both the Hachioji Plant and Tsuchiura Plant, we organize self-defense fire brigades and conduct regular training one or two times a month according to annual plans. We have installed Digital CB transceivers to enable practical firefighting activities while maintaining proper communication in emergencies, and increased the number of the transceivers to five in fiscal year 2020. We plan to further increase the number of units in consideration of manufacturing site expansion.

## Emergency Scenario Training

In every division, we conduct emergency scenario training for splash prevention, recovery/cleaning, and other tasks in situations such as hazardous substance leaks.

A training plan is submitted to the person responsible for environmental management at the start of each fiscal year, and a report is submitted following training. In fiscal year 2020, the Hachioji Plant conducted independent training for 11 divisions. At the Tsuchiura Plant, 105 people from the plant department took part in chemical cleaning agent splash prevention training.



Emergency scenario training

## Emergency Lifesaving

To allow us to assign multiple participants in emergency lifesaving training to all workplaces at both plants, several employees undergo emergency lifesaving courses every year. In fiscal year 2020, four people underwent an advanced first aid seminar at the Hachioji Plant. The seminar was canceled at the Tsuchiura Plant to prevent the spread of the COVID-19 infection.

We have installed AEDs at the Hachioji Plant and Tsuchiura Plant, as well as at the large Sales Offices in Nagoya and Osaka. At the large Hachioji Plant, one AED\*4 and one stretcher are placed in each of the eight buildings. The plant also engages in disaster response and emergency lifesaving measures including drinking water dispensers, power generators, and trash cans containing portable toilets for disaster response.

## Traffic Safety During Commuting and Business Trips

Every year, the Hachioji Plant and the Tsuchiura Plant invite lecturers from the traffic section of their local police stations to hold seminars on traffic regulations and traffic safety. Employees authorized to drive company cars are required to attend the seminar, as are commuting employees who have received permission to park a car, a motorcycle, or a bicycle at the Company.

In fiscal year 2020, under the guidance of their local police stations, the plants conducted the seminars with steps taken to avoid the "three Cs"(Closed spaces/ Crowded places/Close-contact settings) and prevent the spread of the COVID-19 infection. The Hachioji Plant held the seminar two times, with attendance by a total of 205 people. The Tsuchiura Plant raised awareness of safe driving in divisions and confirmed the training implementation records for all targeted people.

## Creation of Healthy Workplaces where People can Work with a Sense of Purpose

In order for people to make the most of their capabilities and work with a sense of purpose, we believe it is important for those people and their families to be physically and mentally healthy. We offer healthy lifestyle support for our employees and their families, and work to create comfortable workplaces by means including strict working hour management to avoid long working hours.

### Healthy Company Declaration

Employee health is a cornerstone of a company's long-term stable management. We have made efforts toward the health of our employees by means that include conducting health checkups. As a further company initiative to address health management, we issued a "healthy company declaration" to the Tokyo Federation of the National Federation of Health Insurance Societies, and in August 2020 received a silver certificate as an "Excellent Health Company."

We have set a target of health checkups by 100% of employees, determine monthly health themes (exercise, food, sleep, etc.), and carry out activities to publicize these within the company. In addition to health themes, we use our portal site and other means to post and publicize any health-related information received from the Tokyo Metropolitan Government or the Ministry of Health, Labour and Welfare. The cafeterias at the Hachioji Plant and Tsuchiura Plant offer a "Healthy Company Declaration Collaborative Menu" once a week. Diet is another area in which we consider the health of our employees, and health awareness is increasing among employees.



At the Hachioji Plant and Tsuchiura Plant, specified health guidance is available from health insurance society nurses during working hours. Our implementation rate for specified health guidance in fiscal year 2020 was 61.0%, far above the national average\*5.

We also respond to the health management survey conducted every year by the Ministry of Economy, Trade and Industry. While identifying issues, we will work to raise our level as a "healthy company" to achieve the next step.



In May 2021, we received a letter of appreciation from Hideyuki Kobayashi, Chair of the Tokyo Kinzoku Jigyou Health Insurance Society.

## Health Checkups and Stress Level Checks

Every year, we perform periodical health checkups, comprehensive medical examinations, gynecological checkups, and other procedures to check the health of employees. For persons with abnormal findings, we encourage repeat examinations and provide specified health guidance. Our examination rate for stress level checks, including employees at overseas posts or stationed outside the company, exceeds 99%. The checks have become established as an opportunity for employees to take note of their own mental condition. We manage individual stress level check results in accordance with laws and regulations and provide feedback to the individuals, conduct organizational analysis and, after making report to the Risk Management Committee and the Safety and Health Committee, work to improve the workplace environment. Based on the results of stress level checks and other information, in fiscal year 2020 we encouraged managers to undergo e-learning related to mental health.

### Initiatives to Address Infection Risk

In the past, employees individually sought influenza vaccination. From fiscal year 2019 at the Hachioji Plant and from fiscal year 2020 at the Tsuchiura Plant, we have made vaccination possible during working hours, including for Group company employees working at these operation sites. Over 600 employees were able to receive vaccinations as a result, an aid in preventing influenza. From July 2021, we conducted COVID-19 vaccinations at successive workplaces in the Hachioji Plant, for Tokyo Seimitsu and Group company employees (including temporary employees) working at the plant. We are moving forward with plans to extend vaccinations beyond employees working at the Hachioji Plant.

## Realization of Comfortable Workplace Environments where People can Play Active Long-Term Roles

By developing environments and systems under which people accept each other's lifestyles and values in anticipation of changes in the times and in the environment, Tokyo Seimitsu believes that people inspiring each other on the basis of diverse perspectives and ideas can create new value and can achieve synergies that exceed the sum of individual abilities. As the first step toward this, we will focus on diversity initiatives including promotion of employment for women, promotion of employment for persons with disabilities, and enhancement of work-life balance, to advance the creation of rewarding workplaces suited to individuals.

Corporate Governance

Relationship with Customers

Relationship with Suppliers

Relationship with Employees

Relationship with Shareholders and Investors

Relationship with the Global Environment

Relationship with Society

## Promotion of Women's Participation and Advancement

As we reach the final year of our Action Plan for Promoting Employment and Careers of Women, we have been working toward the achievement of its goals. In new graduate recruitment, we hold online job fair and interviews with female employees in a variety of job types and also offer information on the childcare support system online, and have strengthened public relations aimed at recruitment of women. We also carry out initiatives such as PR activities regarding the active recruitment of women aimed at high school career counselors, and have achieved recruitment in departments where placement of women has been low, such as manufacturing departments. To increase the number of female applicants for mid-career recruitment, we included information including statistics on maternity leave, childcare leave, and female leave in our job postings, to publicize our women-friendly workplaces. We also posted information on our numerical performance and initiatives in the Ministry of Health, Labour and Welfare's Database on Promotion of Women's Participation and Advancement in the Workplace, and disclose information to job seekers.

In further promotion of women's participation and advancement, we believe that we must increase the number of women who play central roles within the Company. Accordingly, we will launch a new Action Plan in fiscal year 2021 to promote the recruitment, training, and retention of female human resources. It will focus on initiatives aimed at promoting active participation by women more than ever, going beyond recruitment to include education, training, and networking events for female employees.

### Action Plan for Promoting Employment and Careers of Women

1. Period of plan: April 1, 2021 to March 31, 2026
2. Targets

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

3. Details of initiatives and implementation period  
 From April 2021, we will engage in the following initiatives in sequence.  
 (Initiatives will be changed/added as necessary, based on progress and on measured effects every fiscal year)

#### (1) Focus on recruitment activities to expand recruitment of women

- Setting of policies and targets to increase the hiring ratio for women
- Active public relations aimed at job seekers
- Increase in points of contact between female employees and female job seekers

#### (2) Awareness-building within the Company for active participation by female employees, and support for female employees

- Awareness-raising for managers regarding training for female subordinates
- Implementation of training for female employees to foster awareness of own career building
- Provision of opportunities for networking among female employees

#### (3) Creation of comfortable workplace environments for all employees

- Awareness-raising for managers regarding work-life balance and diversity management
- Implementation of education to prevent harassment (maternity harassment, sexual harassment, etc.)

### Recruitment status

Unit: %

Targets	Ratio of female job applicants 30%	Female hiring ratio 20%
As of March 2017	22.1	15.6
As of March 2018	22.9	11.6
As of March 2019	22.3	13.4
As of March 2020	22.3	6.2
As of March 2021	27.9	14.5

### Percentage of female employees

Unit: %

Details	FY2018	FY2019	FY2020
Percentage of female managers	1.4	1.4	1.5
Percentage of female officers	0.0	7.7	7.7
Percentage of female employees	17.0	16.8	16.6
Ratio of average years of service, female employees vs male employees	73.8	68.4	68.4

## Employment of Persons with Disabilities

Tokyo Seimitsu works to create environments in which persons with disabilities can be socially independent and play active roles. As a part of this, after cooperating with Hello Work job placement centers to consider work and workplaces matched to the individual aptitudes of persons with disabilities, we carry out pre-employment internship training in cooperation with employment support centers, schools for special needs education, and other parties, and provide work support aimed at retention after individuals join. This fiscal year, the Company invited a total supporter for employment of people with mental disorders to conduct a course for the development of job supporters for people with mental disorders or developmental disabilities, sponsored by the Ministry of Health, Labour and Welfare. The course had 19 participants from four divisions that take in persons with disabilities, deepening understanding of the characteristics of disabilities. One employee underwent training, sponsored by the Tokyo Foundation for Employment Services, for supporters of persons with disabilities in the workplace, and is now providing support for work. As of June 1, 2021, our rate of employment of persons with disabilities was 1.95% (1.92% in the previous fiscal year), falling short of the statutory employment rate of 2.3%. However, through collaboration with schools for special needs education, our initiatives have led to hires by divisions that had no record of accepting persons with disabilities. We will continue to accept trainees in administration departments and manufacturing departments, and to advance initiatives to hire persons with disabilities.

## Measures to Address Long Working Hours

As measures to address long working hours, we manage working hours through entry/exit systems and promote industrial physician consultations and the taking of annual paid leave for employees who have a high level of total working hours within a month or three months, or who have had annual leave recommended. We introduced the entrance/exit system, which uses IC card-based employee ID cards, at local sites other than the Hachioji Plant and Tsuchiura Plant from fiscal year 2020, and strengthened company-wide management of working hours. Under the system, the arrival time and leaving time reported by an employee are checked against entry time and exit time or PC log time to accurately assess working hours. We are able to thoroughly assess working status even when working from home or on holidays.

At the same time, as a concrete measure to reduce working hours, we set Wednesdays and bonus payment days (two times a year) as days for leaving work on time, and broadcast this goal throughout buildings at the start of work. We also distribute individual overtime records of subordinates to their managers, and undertake initiatives such as encouraging restrictions on long working hours. In fiscal year 2020, however, production increased sharply due to semiconductor-related orders, and average monthly overtime hours per person increased by 1.3 hours from the previous year. We urged all employees to take annual paid leave in a



planned manner and to take long-term leaves, and monitored the status of leave-taking. Through this, we achieved 100% of the statutory obligation of five or more days of annual paid leave. We will continue active efforts to reduce working hours and will promote the taking of leave, to create workplaces where employees work in good health.

## Initiatives for Work-Life Balance

Tokyo Seimitsu creates environments where all employees can play active roles while balancing work and life. To fully support employees who face challenges such as child-rearing, nursing care of a family member, illness, or injury, we have set up a unique leave system that greatly exceeds statutory standards. Employees can take childcare leave until the child reaches age of three, with 20% of wages paid during the leave period through age of two. Employees can also take advantage of a working day shortened by three hours until the child enters junior high school, which aids in balancing work with child-rearing.

We also support employees who work while providing nursing care. As with childcare leave, employees receive 20% of wages during nursing care leave, and can shorten the working day by up to three hours. Male as well as female employees are now making use of the childcare and nursing care systems. For long-term sick or injury leave, we have set up a generous program that lets employees focus on treatment without worry by providing wage compensation for up to two and a half years. In March 2021, we introduced hour-based annual leave to create work-friendly workplace where employees can easily take time off to suit their circumstances. Many employees are making use of the program, with 160 cases of use recorded as of June 2021.

## Welfare Benefits

Tokyo Seimitsu offers welfare benefits usable in a variety of life scenarios, to enhance work-life balance for employees and their families. The services apply to a wide range of areas including subsidies for leisure facility accommodations and discount services for entertainment, leisure, dining, and health facilities.

## Provision of Opportunities for Every Individual to Grow

By drawing out and enhancing the strengths and capabilities of employees through education and training, we help individuals feel personal growth and become motivated. Employees who feel a sense of fulfillment from work and leverage their abilities to the utmost are able to achieve self-actualization in the workplace, which connects to the performance of the company. Through this WIN-WIN relationship with employees, Tokyo Seimitsu's human resource development aims to achieve sustainable growth together.

## Training Achievements

● Training achievements		Unit: Hours
Training	Total	
New employee training	1,290	
Level-specific training for promoted persons (managers)	63	
Level-specific training for promoted persons (section chiefs)	168	
Level-specific training for promoted persons (assistant section chiefs)	210	
Total	1,731	

Tokyo Seimitsu has established a variety of training programs for employee skill development, incorporated into our human resource development system. We perform level-specific training conducted according to career level, common training for learning basic business skills, section-specific training for acquiring specialized knowledge matched to departments' work content, and other forms of training. We have also introduced an e-learning system and encourage active participation in external seminars. We offer a full line of programs for personal development, tailored to individual employees.

Due to the cancellation of some training and the shortening of new employee training as a COVID-19 pandemic countermeasure, total training course hours in fiscal year 2020 declined significantly from the previous year to 1,731 hours. For new employees, we used e-learning, personnel interviews, and other means to minimize the impact of the shortened training. We provided opportunities for training even under the COVID-19 pandemic, by means including moving our level-specific trainings online.

## Initiatives for Personal Development

We encourage the use of correspondence education courses as a component of personal development, and pay 80% of training fees for employees who complete courses within the deadline. Course takers are increasing every year. As a result of strengthening awareness of the program, the number of courses taken increased 70% from the previous fiscal year. In fiscal year 2021, we will hold technical courses requested by engineers and courses on knowledge required at manufacturing sites to offer more opportunities than ever for personal development. We also advocate personal development through e-learning. The number of such courses taken in fiscal year 2020 increased to 3.5 times the number in the previous year.

## Award Systems

Tokyo Seimitsu has a variety of award systems for improving employees' motivation. Improvement Proposal Awards are given during the first morning assembly of April to commend outstanding proposals for ingenuity, invention, ideas, and improvement, including task improvements, quality and performance improvements, material cost reductions, safety and environmental improvements, and office work improvements. Technical Awards recognize employees for technical achievements that contribute to improved business performance, to encourage success in technology development projects. Details of excellent projects are shared every year at the Development Success Story Meeting, attended by employees of companies' Technology Divisions. In New Business Plan Proposal Awards aimed at the entire Tokyo Seimitsu groups, including overseas corporations, we commend outstanding ideas for new products likely to appear in the future, based on open-minded thinking about how future society will change.

- \*1 Accident frequency rate: Frequency of accidents, expressed as the number of casualties caused by industrial accidents per one million total working hours.
- \*2 Accident severity rate: The severity of accidents, expressed as the total number of working days lost per 1,000 total working hours.
- \*3 5S: A slogan for maintenance and improvement of workplace environments. It stands for sort (seiri), set in order (seiton), shine (seisou), standardize (seiketsu), and sustain (shitsuke).
- \*4 AED: Automated External Defibrillator.
- \*5 The fiscal year 2019 specified health guidance implementation rate is given as 23.2% in the Ministry of Health, Labour and Welfare's "2019 Medical Examinations on Specified Items/Specified Health Guidance Implementation Status."

# Relationship with Shareholders and Investors



We are working on highly transparent and proactive IR\*1 activities to enhance shareholders' and investors' understanding of Tokyo Seimitsu.

Relationship with stakeholders	Theme	Opportunities for dialogues	Main outcomes of activities
Highly transparent and active IR activities	Fair and appropriate information disclosure	(98th Term) Regular Shareholders' Meeting Handling coverage by institutional investors/analysts Conferences for overseas investors Briefings for individual investors Business results briefings/press conferences	Rate of exercise of voting rights: 85.5% Number of times: 262 total Number of times: 2 Number of times: 1 (online participants: 774) Number of times: 4

## Policy on Information Disclosure to Shareholders and Investors

By providing information on our business, strengths, strategic shareholder returns, and other matters to shareholders and investors in an accurate, easy-to-understand, timely, and fair manner to deepen understanding of our Company, we strive to enhance our corporate transparency and build long-term relationships of trust. In addition to releasing varied IR information on our website, we actively create opportunities for direct dialogues with shareholders, investors, and analysts through Shareholders' Meetings, business results briefings, and other briefings.

Along with the regular disclosure of timely disclosure, quarterly reports, and other financial information, in response to the global expansion of ESG investment and the revision of Japan's Stewardship Code and Corporate Governance Code, we strive to disclose information on both financial and non-financial aspects through our CSR Report, describing ESG initiatives in our mid-term management targets, and so on. To communicate our vision for the Company from both financial and non-financial perspectives in the future, we aim to make "reports through integrated thinking."

## Shareholder Bulletin

We deliver our "Shareholder Bulletin" to shareholders twice a year. Most recently, we reported on fiscal year 2020 consolidated business results, the acquisition of treasury stock during the fiscal year, the MI building that began operation at the Tsuchiura Plant in May 2020, and the Taiwan Application Center and Metrology Center that began operation in May 2021.



[https://ir.accretech.jp/en/library/business\\_report/main/0/teaserItems2/01/linkList/0/link/kabunushi\\_97.pdf](https://ir.accretech.jp/en/library/business_report/main/0/teaserItems2/01/linkList/0/link/kabunushi_97.pdf)

## Dialogue with Shareholders and Investors

### Shareholders' Meeting

Every June, we hold a Regular Shareholders' Meeting in Hachioji City, Tokyo, where our head office is located. We post the convocation notice on our website as early as possible. In recent years, we have set the schedule to avoid days on which shareholders' meetings are concentrated. The meetings are chaired by the President and CEO in accordance with our Articles of Incorporation. In addition to business reports prescribed by the Companies Act, the President and CEO reports on market conditions, the Tokyo Seimitsu Group's business strategy, our future business outlook, and other matters. By providing an opportunity to receive valuable opinions and questions from shareholders, we make the meeting a venue where shareholders and management can engage in direct communication, to deepen understanding of the Tokyo Seimitsu Group. We held our fiscal year 2021 Regular Shareholders' Meeting on June 21, under measures to prevent the spread of the COVID-19 infection.

### Business Results Briefings and Handling of Coverage

In line with the release of second quarter and full-year financial results, we conduct business results briefings for institutional investors and security analysts, provide overviews of our consolidated business results, future outlook, and the Tokyo Seimitsu Group's business strategy by Representative Director, and field questions from attendees. The questions and answers can be viewed on our IR website. In response to requests, we also participate in about 200 individual interviews and meetings for domestic and foreign investors.

## Briefings for Individual Investors

We conduct briefings for individual investors. In fiscal year 2020, we held a web-based briefing session in March 2021. The President and CEO provided a briefing centered on the outline of the Group, our history and business, strengths of the Company, mid-term targets, our CSR policy, shareholder returns, and other topics, and responded to the many questions from individual investors in attendance.

## Information Disclosure

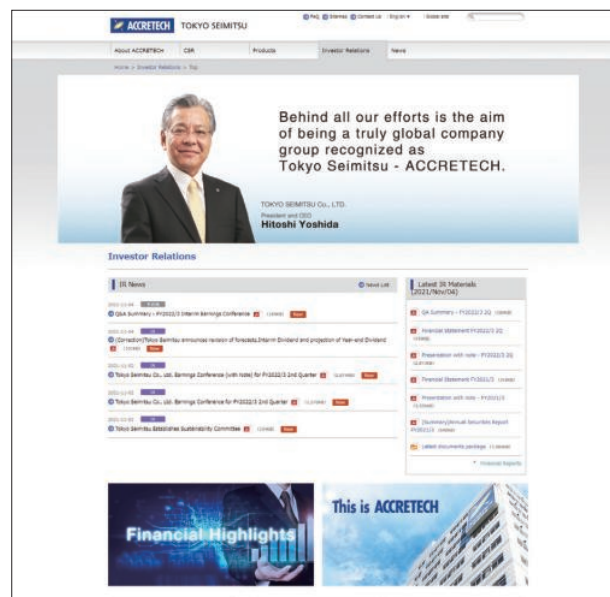
Our Company is listed on the First Section of the Tokyo Stock Exchange, and discloses the following information in accordance with laws, regulations, and the rules of the stock exchange via TDnet (Japan Exchange Group Timely Disclosure network), EDINET (Electronic Disclosure for Investor's NETWORK based on Financial Instruments and Exchange Act), and our IR website (The mark "★" indicates disclosure of English versions).

- Consolidated financial results information (financial results summary, summary presentation, briefing Q&A session, etc.)★
- Securities report★, quarterly report, extraordinary report, confirmation report
- Notice of convocation for Shareholders' Meeting★, Internet Disclosure Information for Notice of Convocation, resolution notice★
- Corporate governance report
- Internal control report
- Notice of independent officers
- Electronic public notice
- Articles of incorporation★
- Other information on the business, operation, or business performance of the Company that has significant influence on investment decisions★

## IR Site for Investors

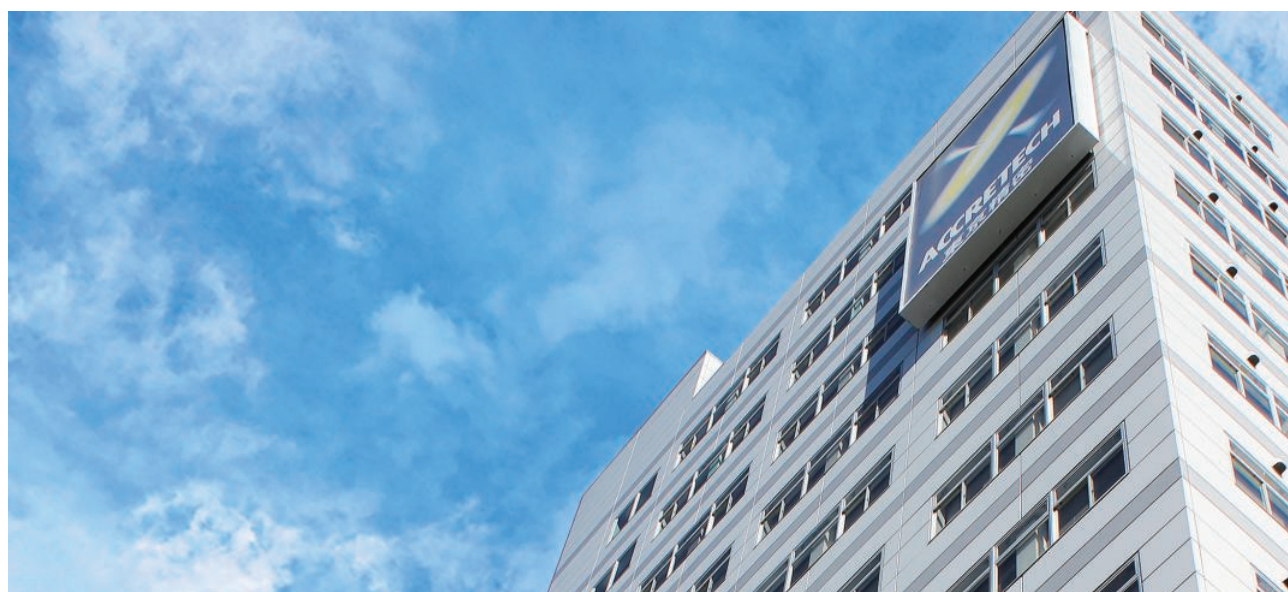
On our website, we have established an IR section to support the provision of information to shareholders and investors.

In addition to using the automatic linkage function of timely disclosure information to enhance the immediacy of information, the section offers batch download of the latest IR materials, business performance highlights, smartphone compatible layout, and other features to support the provision of information to shareholders and investors.



<https://ir.accretech.jp/en/index.html>

\*1 IR: Investor Relations. This refers to actions by companies to provide shareholders and investors with information (business condition, financial status, business performance, outlook, etc.) necessary for investment decisions.



Corporate Governance

Relationship with Customers

Relationship with Suppliers

Relationship with Employees

Relationship with Shareholders and Investors

Relationship with the Global Environment

Relationship with Society

# Relationship with the Global Environment



All of us will work to reduce our impacts on the environment in all value chains, including in the life cycles of the products we provide, and will make efforts to maintain a sustainable society and global environment.

Most important issues	Theme	Initiatives and Goals	Main outcomes of activities
Eco-products	Development of environmentally friendly products	Environmental impact assessment based on LCA*1	Semiconductor manufacturing equipment AP3000 Precision measuring instruments SURFCOM NEX (DX2/SD2)
Eco-factory	Reduction of CO <sub>2</sub> emissions	35% reduction compared to FY2018 by FY2025	23% reduction compared to FY2018
	Promotion of resource conservation (water)	5% reduction compared to FY2019 by FY2024	16% reduction compared to FY2019
	Waste recycling	Recycling rate of 95% or higher	98% final disposal amount 13t
	Chemical substances control	Substitution of organic solvents	Reduction in amount of acetone used
	Environmental management system	Internal environmental audits	Two times/year

## Basic Policy on the Environment

In 1997, Tokyo Seimitsu established its Basic Environmental Philosophy under the concept of "Manufacturing is possible only when the global environment is conserved." This basic philosophy is expressed in our Basic Environmental Policy, and is embodied in our Basic Policy so that all employees can put it into practice in business activities. Tokyo Seimitsu conducts all of its business activities on the basis of these philosophies and policies. Through our products and business activities, we aim to reduce our electricity usage and CO<sub>2</sub> emissions, promote resource conservation, control total waste generation and chemical substance emissions, and contribute to the achievement of a sustainable society.

## Environmental Policy

Tokyo Seimitsu sets environmental targets at both of its plants, and engages in environmental management, in accordance with the Environmental Policy set by officers in charge of the environment. We promote continuous environmental conservation activities that span the entirety of development, design, production, and service. Information on our Basic Environmental Philosophy, Basic Environmental Policy, and Environmental Policy is available on our website.

<https://www.accretech.jp/english/csr/globalEnvironment/index.html>

## Environmental Targets: Looking Back on the Previous Five-Year Plan

In our previous five-year plan, we worked to reduce production volume intensity by 5% over five years. Although we achieved a 5% reduction in CO<sub>2</sub> emissions, we did not achieve our electricity consumption target. Conventional activities to achieve targets will not meet the emissions reductions required by the Paris Agreement.

We decided that aggressive targets aimed at 2030 are needed in our future initiatives to reduce CO<sub>2</sub> emissions.

### CO<sub>2</sub> emissions reduction: five-year plan and evaluation

<b>Year set</b>	2015	Evaluation
<b>Starting fiscal year - Target fiscal year</b>	FY2015 - FY2019	
<b>Reduction target</b>	5% reduction compared to FY2014 by FY2019 (1) Electric power consumption production volume intensity (kwh/million yen)	Not achieved
	(2) CO <sub>2</sub> emissions production volume intensity (t-CO <sub>2</sub> /million yen)	Achieved

## New Five-Year Plan

In fiscal year 2020, we proceeded with a new five-year plan based on our own reduction targets. However, we revised our reduction targets following the announcement by the Japanese government on April 22, 2021 that it would raise its fiscal year 2030 greenhouse gas reduction targets. We will extend our target fiscal year by one year and reduce CO<sub>2</sub> emissions by 35% compared to fiscal year 2018 by the end of fiscal year 2025.

This target is a number that we cannot achieve simply by conserving electricity. Accordingly, we are making reductions in our electricity usage by adopting the use of electricity derived from renewable energy and low-carbon electricity, switching to high-efficiency equipment, and other means.

### CO<sub>2</sub> Emissions reduction: New five-year plan and progress

<b>Year set</b>	2020 → Revised 2021	FY2020 Performance
<b>Starting fiscal year - Target fiscal year</b>	FY2020 - FY2025	
<b>Benchmark emissions Reduction target</b>	35% reduction compared to FY2018 by FY2025 12,312 (t-CO <sub>2</sub> ) 8,003 (t-CO <sub>2</sub> )	9,524 (t-CO <sub>2</sub> ) (23% reduction)

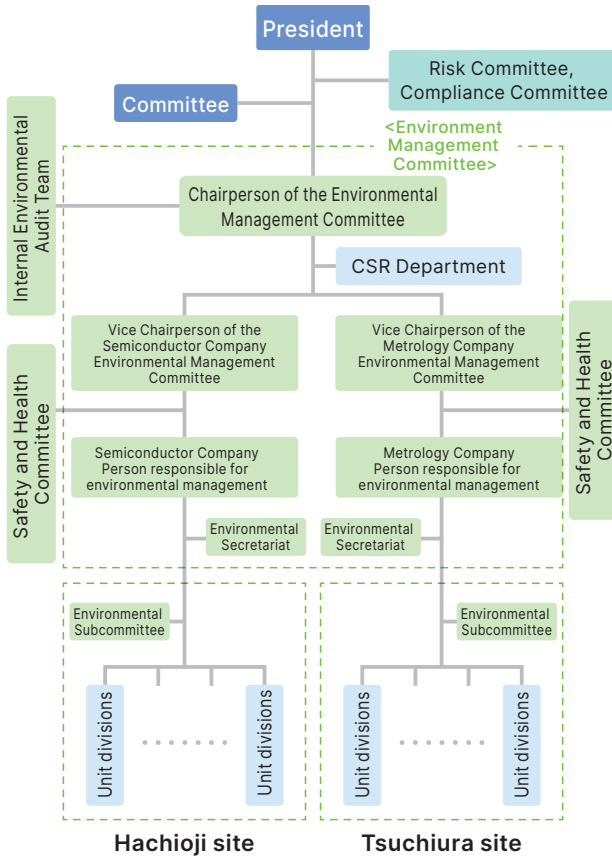
## Environment Management System (EMS)

We engage in environmental management under an environmental management system (EMS\*2), with the officer in charge of the environment serving as the person responsible for environmental management under the president, who is the chief executive officer for environmental conservation activities.

We have set up environmental subcommittees at both the Hachioji Plant and Tsuchiura Plant, and undertake

environmental management with the full participation of subcommittee members appointed by departments. We do so through an EMS that is based on our Environmental Management Manual, which conforms to ISO 14001:2015\*<sup>3</sup>).

● **Tokyo Seimitsu Co., Ltd. Environmental Management Structure Organizational Chart**



**Internal Environmental Audits**

We carry out periodical internal environmental audits twice a year to confirm the status of enforcement, as stipulated in the Environmental Management Manual. Based on a checklist collecting recommendations made every year, we conduct audits through an audit team of two or three people headed by a lead auditor. Auditors renew their internal audit qualifications yearly through examinations. The audit team leader is appointed by the chairperson of the Environmental Management Committee from among auditors with sufficient experience and capabilities.

**Eco-products**

**Life Cycle Assessment (LCA) during Product Development**

Tokyo Seimitsu recognizes its responsibility for the environmental impacts of its products over their entire life cycles. In 2016, the Technical Working Group (Technical WG) of the CSR Committee unified the calculation standards for converting emissions to CO<sub>2</sub> at every stage from product manufacturing to disposal (life cycle assessment: LCA). The CO<sub>2</sub> emissions derived through

this method are set as essential evaluation items in product development. By also carrying out LCA for products currently in production, we make improvements to our conventional products and conduct comparative evaluations of these with in-development and new products.

**Development of Environmentally Friendly Products: Semiconductor Manufacturing Equipment**

The AP3000 is a next-generation ultra-high-performance probing machine developed as a successor to the UF3000EX. It achieves high precision, high throughput, low vibration, and quietness. We succeeded in reducing CO<sub>2</sub> emissions from life cycle assessment (LCA) by about 12% compared to the UF3000EX. (The number of years in service is calculated as 15 years.) The product carries forward the functions and operability of the previous model and maintains compatibility with recipe and map data, to offer safe and reliable ease of use.

**Precision measuring instruments**

Our SURFCOM NEX surface texture and contour measuring instrument has undergone a significant renewal into SURFCOM NEX (DX2/SD2), which combines high efficiency, versatility, and reliability. Through improvements to the tracing driver and electric column drive mechanism, we achieved an impressive drive speed 1.6 times that of conventional machines of the same type in the X-axis (left/right) direction and 5 times in the C-axis (up/down) direction. In combination with a newly developed hybrid detector capable of simultaneously measuring surface texture and contours at up to 26mm in the Z direction, the product is able to efficiently measure any workpiece in a short time. As a result of this, we were able to reduce CO<sub>2</sub> emissions from the equipment during use by about 10%.



AP3000

SURFCOM NEX (DX2/SD2)

Corporate Governance

Relationship with Customers

Relationship with Suppliers

Relationship with Employees

Relationship with Shareholders and Investors

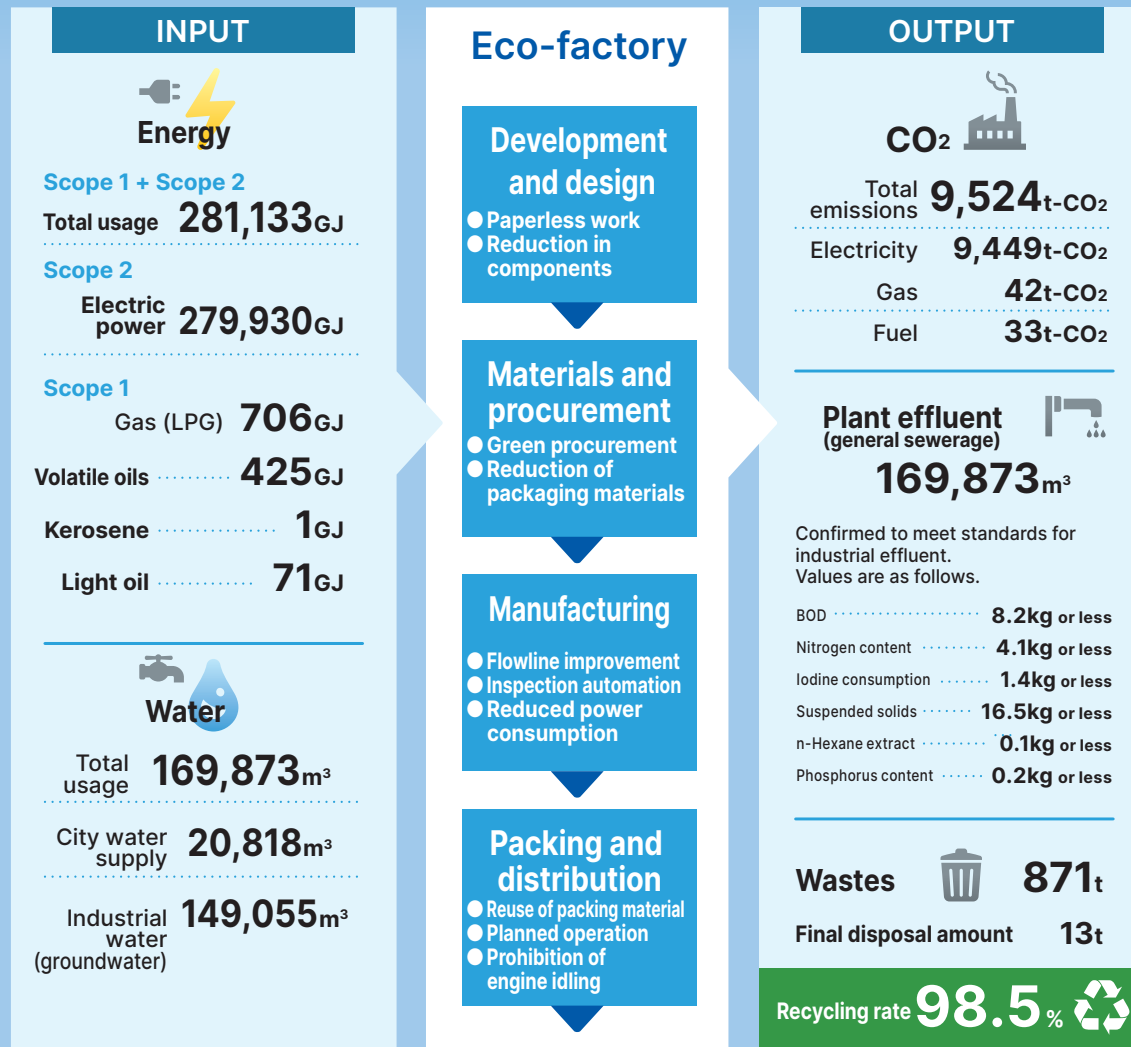
Relationship with the Global Environment

Relationship with Society

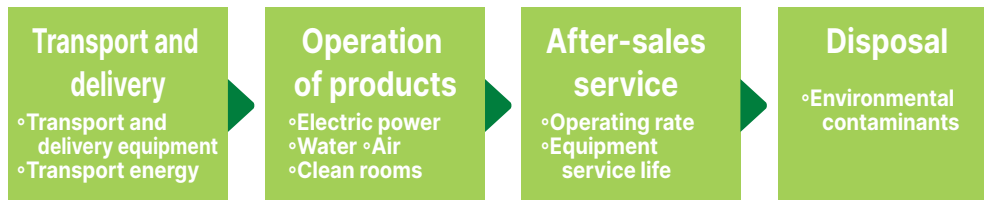
# Overall Image of Environmental Impacts

## Overall Image of Environmental Impacts in FY2020

### Environmental impacts of Tokyo Seimitsu



### Eco-products



### Environmental impacts of customers

Corporate Governance  
Relationship with Customers  
Relationship with Suppliers  
Relationship with Employees  
Relationship with Shareholders and Investors  
Relationship with the Global Environment  
Relationship with Society

## Eco-factory

Tokyo Seimitsu is a machinery manufacturer that performs tooling of precision parts in-house. Over 99% of the energy that we consume consists of power for our production plants, and the amount of water that we use for cutting and processing is considerable as well.

Production volume is increasing for products that process semiconductors using water, as is the volume of water used for inspection, adjustment, test processing, and other work. Accordingly, we are continuing efforts to reduce our usage of electricity and water.

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

We are undertaking efforts to reduce CO<sub>2</sub> emissions from electricity used at plants by 35% compared to fiscal year 2018 by the end of fiscal year 2025, as a short-term target. For fiscal year 2021, we expect the CO<sub>2</sub> reduction to be 30%.

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

## Electricity and CO<sub>2</sub>

The greenhouse gases emitted by Tokyo Seimitsu consist primarily of the CO<sub>2</sub> equivalent of electricity purchased and used in the operation of the Hachioji Plant and Tsuchiura Plant. As a global warming prevention measure, we are focusing on conserving electricity. We are systematically switching to LED lighting, installing human detection sensors and solar panels, and upgrading to high-efficiency, energy-saving air-conditioners, compressors, and other equipment. To effectively achieve CO<sub>2</sub> reductions, we adopted renewable electric power and low-carbon electricity in fiscal year 2020, and have confirmed a CO<sub>2</sub> emissions reduction effect. We will make all possible efforts to reduce carbon and move closer to a carbon-free society.

#### ● Tokyo Seimitsu's CO<sub>2</sub> emissions

	Previous five-year plan				New five-year plan	
	FY2016 Performance	FY2017 Performance	FY2018 Performance	FY2019 Performance	FY2020 Performance	FY2021 Plan
Emissions (t-CO <sub>2</sub> )	12,176	12,311	12,312	11,976	9,524	8,240
Electric power used (kwh)	24,197	25,163	25,765	25,448	28,843	29,500
CO <sub>2</sub> emissions equivalent (t-CO <sub>2</sub> /million yen)	0.204	0.181	0.160	0.191	0.129	—

Other Gases Tokyo Seimitsu also manufactures freezers that use HFC\*4 gases, for use in semiconductor manufacturing equipment. We properly manage the refrigerant gas, discharging almost no gas to the outside. We are also switching to gas refrigerants that have low global warming coefficients.

As chemical substances that we use are also environmental pollutants, we properly manage these in accordance with relevant laws and regulations. To respond to emergencies such as leak accidents, we conduct emergency scenario training and work to address environmental pollution.

#### ● Atmospheric gas discharge

Unit: t-CO<sub>2</sub>

Other Gases	FY2016	FY2017	FY2018	FY2019	FY2020
CH <sub>4</sub>	0.0	0.0	0.0	0.0	0.0
N <sub>2</sub> O	0.0	0.0	0.0	0.0	0.0
HFC	2.6	0.0	9.4	2.0	11.0
PFC	0.0	0.0	0.0	0.0	0.0
SF <sub>6</sub>	0.0	0.0	0.0	0.0	0.0

### Promotion of Resource Conservation

## Water

Our production volume of semiconductor manufacturing equipment that uses water is increasing. These use large amounts of pure water, and produce an increasing amount of wastewater. Tokyo Seimitsu collects and filters a portion of water that earlier had been discharged, for reuse in producing pure water. The area of the Hachioji Plant, where we manufacture semiconductor manufacturing equipment, and the area of the Tsuchiura Plant, where we manufacture precision measuring instruments, are in the Low-Medium class of water stress according to the Aqueduct tools of the World Resources Institute (WRI). As a measure to reduce our amount of water usage, we are examining the reuse of wastewater discharged in the process of producing pure water, and are introducing equipment for this.

#### ● Water consumption production volume intensity reduction plan and progress

Year set	2020	FY2020 Performance
Starting fiscal year - Target fiscal year	FY2020 - FY2024	
Benchmark emissions Reduction target	5% reduction compared to FY2019 by FY2024 2.74 (m <sup>3</sup> /million yen) 2.60 (m <sup>3</sup> /million yen)	2.29 (m <sup>3</sup> /million yen) (16% reduction)

#### ● Water usage

	Previous five-year plan				New five-year plan
	FY2016	FY2017	FY2018	FY2019	FY2020
Water usage (m <sup>3</sup> )	142,629	149,544	157,375	171,706	169,873
Water usage Production volume intensity (m <sup>3</sup> /million yen)	2.29	2.20	2.05	2.74	2.29

## Paper

As paper uses many resources, including wood and water, we believe that reducing the amount of paper that we use will contribute to the conservation of the global environment. We are advancing initiatives to gradually create an environment in which every process in the Company can work using electronic data. We will continue making efforts toward reduction.

#### ● Paper procurement volume production volume intensity reduction plan and progress

Year set	2020	FY2020 Performance
Starting fiscal year - Target fiscal year	FY2020 - FY2024	
Benchmark procurement volume Reduction target	5% reduction compared to FY2019 by FY2024 0.443 (kg/million yen) 0.421 (kg/million yen)	0.386 (kg/million yen) (13% reduction)

#### ● Paper purchasing volume

	Previous five-year plan				New five-year plan
	FY2016	FY2017	FY2018	FY2019	FY2020
Paper purchasing volume (kg)	29,827	31,159	30,800	27,766	28,622
Paper purchasing volume Production volume intensity (kg/million yen)	0.501	0.458	0.401	0.444	0.386

## Waste Recycling

We are making efforts to reduce waste, such as replacing cardboard boxes used for packaging with reusable plastic boxes. All waste from the Hachioji Plant is recycled, by means including thermal recycling.

### ● Waste recycling plan and progress

<b>Year set</b>	2020	FY2020 Performance
<b>Starting fiscal year - Target fiscal year</b>	FY2020 - FY2024	
<b>Target</b>	Recycling rate of 95% or higher by FY2024	98.5% (95% or higher)

### ● Waste recycling volume/rate

	Previous five-year plan				New five-year plan
	FY2016	FY2017	FY2018	FY2019	FY2020
Waste Recycling Volume (t)	1,157	831	1,010	905	872
Recycling rate (%)	96.3	98.3	99.1	98.6	98.5

## Chemical Substances Control

With regard to chemical substances that we use and that are contained in component materials, we comply with the laws and regulations of Japan and of the regions to which we export. For chemical substances that are not regulated, we perform management based on voluntary standards to minimize impacts on people and the environment.

### Chemical Substances Control Based on Voluntary Standards

In our internal regulations, we stipulate substances with the potential to pollute the environment, and mandate notification to the person responsible for environmental management when handling such substances. We assess the amount handled, the storage location, maximum storage capacity, and other matters for each substance, prepare SDSs\*5 and emergency response equipment, and conduct periodic training to respond to unforeseen circumstances.

We are also examining alternatives to organic solvents and other hazardous chemical substances, along with ways to eliminate or reduce the hazards.

## History of Our Environmental Conservation Activities

### 1995

- 1996** ● July Start of education and training for environmental conservation activities
- September Establishment of Environmental Committee
- 1997** ● February Formulation of Environmental Philosophy  
Start of environmental impact surveys at the Hachioji Plant, Tsuchiura Plant, and Company divisions
- May Formulation of Environmental Management Manual
- 1998** ● March Acquisition of ISO 14001 certification at Hachioji Plant and Tsuchiura Plant
- September Establishment of MOTTO (Code of Conduct)
- 1999** ● November Shut-down and subsequent dismantling of waste incinerator (Semiconductor Company)

### 2000

- 2000** ● March Start of operation of CMP, back grinder, and other waste water treatment facilities (Semiconductor Company)
- May Dismantling of heavy oil boiler-based heating equipment and underground heavy oil tank (Semiconductor Company)
- 2001** ● April Renewal of ISO 14001 certification
- May Start of use of new main building at Hachioji Plant
- 2002** ● March Discontinuation of in-house incinerator (Metrology Company)
- 2003** ● March Formulation of ACCRETECH Group Green Procurement Guideline
- 2004** ● February Upgrade of air conditioning equipment from heavy oil boiler to electric equipment (Metrology Company)
- August Formulation of ACCRETECH Group Code of Conduct
- September Issuance of Environmental Report



## Specified Chemical Substances Control

Of chemical substances that we handle, we have submitted notifications for two substances that exceed standard amounts for substances specified by the PRTR\*6 Law. In addition, at the Hachioji Plant we use and submit notifications for five chemical substances to be appropriately controlled according to the Tokyo Metropolitan Environmental Security Ordinance.

## Control of Chemical Substances Contained in Products

We conduct briefing sessions for suppliers to request strict control and reporting related to chemical substances contained in the parts we procure. So far, over 400 suppliers have participated. With the cooperation of suppliers, since fiscal year 2016 we have conducted cloud-based surveys on the RoHS Directive, REACH regulations, and other topics. Since July 2017, we have managed six substances related to Metrology Company products in accordance with the RoHS Directive. Our export products for the EU region are 100% compliant with the directive. We are also examining the four types of phthalic acid that will be added to the RoHS Directive from July 2021. We have confirmed conformity for these substances and have begun shipments. While Semiconductor Company products are exempt from

the RoHS Directive as large-scale stationary industrial equipment, we are gradually adapting these to the directive as well. In fiscal year 2018, we established a RoHS Analysis Room to analyze chemical substances contained in procured parts. Our products across the Company comply with the PFOA\*7 regulations that were added to the POPs regulations in July 2020. We export 100% compliant products to areas where the regulations are enforced.

- \*1 LCA (Life Cycle Assessment): A method for quantitatively evaluating environmental impacts at each stage (procurement, manufacturing, transport, sales, use, disposal, reuse) over the life cycle of a product or service.
- \*2 EMS: Environmental Management System
- \*3 ISO 14001 : International standards for management systems and structures for engaging in environmental conservation within an organization
- \*4 HFC: Hydrofluorocarbon. An alternative to CFCs.
- \*5 SDS: Safety Data Sheet, which collects chemical substance name, manufacturer name, handling method, types of risks and hazards, physical characteristics, environmental impacts, safety measures, emergency response, emergency measures, and other information for chemical substances. Under the PRTR Law, manufacturers and other companies are required to aggregate amounts of chemical substance emissions and amounts of waste transfer, and to report these to the national government via local government bodies, with mandatory attachment of SDSS.
- \*6 PRTR: Pollutant Release and Transfer Register. A system for the notification of releases and transfers of chemical substances.
- \*7 PFOA: Perfluorooctanoic acid.

Corporate Governance  
Relationship with Customers  
Relationship with Suppliers  
Relationship with Employees  
Relationship with Shareholders and Investors  
Relationship with the Global Environment  
Relationship with Society

### 2005

- 2005 ● February Discontinuation of specified facilities at Tsuchiura Plant
- April Receipt of commendation from Ibaraki Labour Bureau for workplace safety
- April Start of use of new Hachioji Plant and new Tsuchiura Plant
- June Acquisition of 2004 ISO 14001 certification
- July Briefing for suppliers on hexavalent chrome-free
- 2006 ● January Implementation of hexavalent chrome-free
- April Completed phase-out of halon fire extinguishers
- June Implementation of "COOL BIZ" policy
- October Start of production using lead-free solder in new products (Semiconductor Company)
- 2007 ● February Receipt of Japan Machinery Federation Chairman's Award for laser dicing machine, under the Energy-Efficient Machinery Award system
- 2008 ● March Receipt of letter of commendation from the Fire Chief
- 2009 ● November Renewal of approval of Hachioji Plant as certified fire safety building

### 2010

- 2010 ● August Adopt-A-Road commendation from Tokyo Metropolitan Government
- 2011 ● June Completion of Hachioji Plant No. 5
- November Revision of Environmental Policy
- 2012 ● July Start of cutting and grinding tool business
- 2013 ● March Acquisition of ISO 14001 certification for cutting and grinding tool business
- 2015 ● June Installation and operation of solar panels at Hachioji Plant No. 5
- 2016 ● May Completion of Hachioji Plant No. 6
- November Installation and operation of solar panels at Hachioji Plant No. 6
- 2017 ● June Acquisition of 2015 ISO 14001 certification
- 2020 ● March Switch to low-carbon electricity for a portion of electric power at Hachioji Plant
- April Completion of MI building of Tsuchiura Plant
- June Installation of solar panels at MI building of Tsuchiura Plant
- November Switch to low-carbon electricity for a portion of electric power at Tsuchiura Plant



# Relationship with Society



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

Relationship with stakeholders	Main expectations and values	Community/System	Main outcomes of activities
Hachioji City (local government)	Coexistence with local companies Fire prevention campaign Environmental conservation activities	Tokyo Federation of Labor Standards Associations, Hachioji Branch Hachioji Firefighting Four-Party Cooperative Hachioji City Adopt-A-Road Program	Public Relations Department, regular public relations newsletter published 5 times/year Member of the Japan Association for Safety of Hazardous Materials, Vice-Chair of the Fire Prevention Management Study Group Cleanup of the rotary on the east side of JR Kita-Hachioji Station: 1 time, 27 participants
Hachioji City (region)	Support for students	Nihon Kogakuin College of Hachioji Learning the Way of Manufacturing in Hachioji	January 2020 lecture
Tsuchiura City (local government)	Environmental conservation activities	Tsuchiura City Pollution Control Agreement Eco-partner Agreement	Submission of pollution control plan Submission of business plan/implementation report Cleanup of Nakanuki Park: 51 times, total 102 participants
Industry group	Prosperity of the industry	ISO Technical Committee Japan Precision Measuring Instruments Manufacturers Association	TC213 WG: 2 participants Chairman: Hitoshi Yoshida, President and CEO, Tokyo Seimitsu

## Relationship with Local Communities (Hachioji Area)

### Joined Tokyo Federation of Labor Standards Associations, Hachioji Branch

Circumstances surrounding labor are undergoing change today as social and economic frameworks transform rapidly. Labor-related laws and regulations are accordingly subject to frequent enactment and amendment. The Hachioji Branch of the Tokyo Federation of Labor Standards Associations, together with the Hachioji Labor Standards Inspection Office and member companies under its jurisdiction, promotes dissemination of the Labor Standards Act, Industrial Safety and Health Act, and industrial accident-related and other relevant laws and regulations, as well as improvement of labor management and occupational accident prevention activities. By doing so, it serves as an organization that strives for the creation of safe, healthy, and comfortable workplaces, the improvement of worker welfare, the enhancement of labor productivity, and the development of a healthy industry.

Our Hachioji Plant, a member company of the Hachioji Branch, belongs to the branch's General Affairs and Public Relations Department, where our plant plays a role in strengthening cooperation among member companies through the release of regular public relations.

### Cooperation with the Hachioji Fire Department

The Hachioji Firefighting Four-Party Cooperative conducts regional fire prevention campaigns and other activities in cooperation with the Hachioji Fire Department. The Hachioji Plant General Affairs Department is involved in the administration of regional firefighting as a member of the Japan Association for Safety of Hazardous Materials and as the Vice-Chair of the Fire Prevention Management Study Group.

### Hachioji City Adopt-A-Road Program

In this sort of "adoption" program, local residents and private companies carry out beautification activities for roads, parks, or other public facilities, caring for these as if their own children, while receiving tools, materials, and support from the

local governments with jurisdiction over the facilities. Since 2004, the Hachioji Plant has implemented such activities into a part of the curriculum for new employee group education every year, focusing on the rotary on the east side of JR Kita-Hachioji Station. Placing priority on preventing the spread of the COVID-19 infection, activities were conducted one time in fiscal year 2020, with 27 participants.



Adopt-A-Road Program, Hachioji City municipal website <https://www.city.hachioji.tokyo.jp/kurashi/life/001/001/016/p006890.html>

#### VOICE

### From a Participating Employee



Back-end Process Technology Department, Technology Division, Semiconductor Company

#### Reia Ootomo

Around Kita-Hachioji Station, where I was in charge of cleanup, I was very disappointed to see so many cigarette butts, empty cans, and other litter. As there are no trash cans around the station, I want people to take their own trash away with them. Kita-Hachioji Station is used by many people, including Tokyo Seimitsu employees, local residents, and workers at other companies. I came to see that the Adopt-a-Road activity is very important in making the station an area that everyone can use comfortably. Through the activity, I was also able to interact with people I had not met from other divisions, which made the time fulfilling for me. This is my second time taking part in activity. I hope to continue doing so on a regular basis to help create a comfortable environment.

### Learning the Way of Manufacturing in Hachioji

Hachioji City, part of the Tokyo metropolitan area, has many fundamental technologies-related companies with advanced technological capabilities, and companies, research institutes, and universities with outstanding product development capabilities. The proportion of these is particularly large in the two high technology fields of electronics and devices

and electrical machinery. Every year since fiscal year 2016, the Nihon Kogakuin College of Hachioji has invited industry leaders from manufacturing and other companies in Hachioji City as lecturers for a special class (Learning the Way of Manufacturing in Hachioji) that communicates to students preparedness for becoming members of society, the appeal of manufacturing and of Hachioji, and other topics. Students attending the class aim to put it to use in future classes, practical training, job hunting, and career design, to achieve their dreams and goals. Our Company took part in the first class, and again in the fourth class in January 2020. On the theme of "Current Status of State-of-the-Art Semiconductor Manufacturing Equipment: Supplied from Hachioji to the World," the Tokyo Seimitsu Hachioji Plant Manager drew on smartphones, automobiles, rockets, and other familiar objects to talk about how our semiconductor manufacturing equipment and world-class precision measuring technologies are used in the manufacture of cutting-edge technology products that move people's lives forward. Attending students expressed



Lecture by Hachioji Plant Manager (January 2020)

surprise at the depths of Tokyo Seimitsu's involvement in the industrial development of Japan.

Nihon Kogakuin College of Hachioji, 2019-2020 Record of "Learning the Way of Manufacturing in Hachioji" [https://neec.meclib.jp/nhac\\_monodukuri/book/](https://neec.meclib.jp/nhac_monodukuri/book/)

## Relationship with Local Communities (Tsuchiura Area)

Based on a fundamental goal of achieving a future "Tsuchiura, a city on the water where people and nature exist and live together," the city of Tsuchiura has set an action policy for specific efforts and is developing actions aimed at environmental conservation and creation.

### Tsuchiura City Pollution Control Agreement

Our Company has concluded a pollution control agreement with Tsuchiura City, aimed at the atmospheric environment, water environment, noise and vibration prevention, and the prevention of pollution from business activities. Our Company, located in Kandatsu Industrial Park, has also signed a tripartite agreement that includes the city of Kasumigaura. For the protection of Lake Kasumigaura, too, we will maintain our understanding of the content of the pollution control agreement and will continue taking all possible measures to prevent pollution in line with our Basic Philosophy and Environmental Policy.

#### ● Pollution Control Measures

Air pollution preventive measures, water pollution preventive measures, noise preventive measures, odor preventive measures  
Groundwater depletion preventive measures, waste treatment measures, specially controlled industrial waste (PCB-containing waste), disposal of high-voltage capacitors (PCB-containing items), soil pollution counter-measures, greening measures, measurement and reporting

#### ● Location of Lake Kasumigaura and the Tsuchiura Plant



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

In March 2016, the Tsuchiura Plant signed the Tsuchiura Eco-Partner Agreement, which takes a leading role in reducing greenhouse gas emissions and waste in the area around Tsuchiura City. Every April, the plant submits an implementation report that summarizes the activities of the previous fiscal year and an implementation plan for the current fiscal year, which are made available on the Tsuchiura City municipal website. Covered content includes the efficient use of electricity and other energy in business activities, the reduction of garbage from business activities, initiatives to raise awareness of environmental conservation in the local community, and plans and implementation reports concerning environmental education and awareness-raising activities for employees.



Reference: Eco-partner Agreement, Tsuchiura City municipal website <https://www.city.tsuchiura.lg.jp/page/page004517.html>

### Community Beautification Activities

The Tsuchiura Plant joins other companies near Nakanuki Park for weekly cleanups in and around the park. Since 2006, we have also carried out cleanups of areas around our divisions on our own every Monday. In fiscal year 2020, we did so 51 times with participation



Community beautification activities

by a total of 102 employees. Over the years of these cleanup activities, awareness has increased among the local community. Streets around the park that had been covered in litter have improved markedly. Despite this, as litter from trucks parked illegally at night and other trash have not disappeared, we will continue our activities to help beautify public parks and improve public manners.

#### VOICE

### From a Participating Employee



General Affairs Section, Tsuchiura Plant, Metrology Company

#### Toshihiro Momo

Nakanuki Park in Tsuchiura City is a place where parents, children, and senior citizens gather for walks and exercise on weekdays and holidays. As the park is located within an industrial park, many trucks drive near-

by and often park on the streets beside the park. Most litter picked up is not from users of the park but from vehicles parked on the streets. As this is not penalized, the situation has unfortunately been left unchecked. However, since we began the cleanup activity, litter has been decreasing. Even if it will be difficult to reduce the litter to zero, I hope to keep up the activity to reduce litter as much as possible.

Corporate Governance

Relationship with Customers

Relationship with Suppliers

Relationship with Employees

Relationship with Shareholders and Investors

Relationship with the Global Environment

Relationship with Society

## Relationship with Industry Group

Tokyo Seimitsu is applying its accumulated know-how and information not only to its own business but also to related organizations, for the further prosperity of the industry.

### Semiconductor Equipment Association of Japan (SEAJ)

SEAJ engages in a wide range of activities that encompass statistical surveys, surveys of industry issues and new technologies, holding seminars and lectures, and promotion of standardization, to promote the sound development of the semiconductor manufacturing equipment industry and its related industries. We also cooperate with the development of the semiconductor manufacturing equipment industry, with a number of our employees taking part in SEAJ.

### ISO Technical Committee

Headquartered in Geneva, Switzerland, the International Organization for Standardization (ISO) was formed for the handling of products under common standards and rules to facilitate international trade. The organization has established over 20,000 international standards. Its genre-specific Technical Committees, numbering over 300, set standards for products in their respective genres. Among the committees relevant to our Company is TC213, which deliberates and establishes standards related to "dimensional and geometrical product specifications and verification." Here, rules involving length standards, drawing dimension description methods and measuring instrument specification standards for the methods, inspection methods, and other matters are divided among Working Groups (WGs) and discussed.

Two employees of our Company have been appointed as representative members from Japan. They are currently taking part in WGs for coordinate measuring machine standards, roundness measuring machine standards, surface texture measuring instrument/filter standards, and measurement uncertainty standards. The venue for TC213's twice-yearly regular meetings rotates among countries. Under the COVID-19 pandemic, deliberations on new pending standards and on revisions to established standards are taking place online. In deliberations over roundness measuring machine standards, we lead discussions as the Project Leader for international conferences, and promote international standardization based on proposals from Japan.

### The Japan Society for Precision Engineering

The Japan Society for Precision Engineering is an academic society that contributes greatly to the development of industry and to the improvement of production technologies. It holds academic lectures, seminars, symposiums, and plant tours, and publishes academic journals. Tokyo Seimitsu participates in the Expert Committee for Intelligent Nano-Measurement\*1 and the Expert Committee for Convergence Engineering\*2, while also serving as the accounting auditor for the former committee. In fiscal year 2021, as part of the activities of the society, we are taking part in relevant international conference symposium sessions as Co-Chair, and are working toward international exchanges and industry-academia collaboration.

### Japan Precision Measuring Instruments Manufacturers Association

The Japan Precision Measuring Instruments Manufacturers Association holds comprehensive exhibitions concerning measurement and all aspects of it, promotes standardization that contributes to the improvement of technology and quality, and holds seminars in collaboration with other organizations, among other activities that contribute greatly to the promotion of Japan's precision measuring instrument industry. We take active part in subcommittees, committees, exhibition management, and so on, making major contributions to the development of the precision measuring instrument industry. Since fiscal year 2020, Tokyo Seimitsu President and CEO Hitoshi Yoshida has served as the Chair of the industry association. The JIMTOF2020 exhibition, held every other year, was held online in 2020 because of the COVID-19 pandemic. We participated in the event to contribute to industrial development in this field.

In fiscal year 2021, we are taking part in planning for a seminar to be held by the association at the scheduled Measuring Technology Expo 2021. We also perform editing work for JIS guidebook from the CMM\*3 Subcommittee.

- \*1 Expert Committee for Intelligent Nano-Measurement: An expert committee on technological developments including intelligent data processing, traceability, and standardization.
- \*2 Expert Committee for Convergence Engineering: An expert committee on new design and productive techniques that digitize object information from 3D shape scanning technologies (industrial X-ray CT and 3D surface scanners) and utilize that information in digital engineering systems (CAD, CAM, CAE).
- \*3 CMM: Coordinate Measuring Machine, a measuring machine capable of measuring objects in three dimensions.

Affiliated companies of the Tokyo Seimitsu Group are introduced below.

# Introduction to Group Companies 1

## Tosei Engineering Corp.

### Company Profile

- **Date of establishment:** April 15, 1969
  - **Head office:** 4-6 Higashinakanuki-machi, Tsuchiura-shi, Ibaraki
  - **Representative:** Katsushi Goto
  - **Sales:** 12,081 million yen (FY2020)
  - **Employees:** 584 (as of March 31, 2021)
- Note: Excludes our employees stationed to other companies; includes employees of other companies stationed at our companies.
- **URL:** <https://www.toseieng.co.jp/company/>
  - **Bases:** 4 plants and 13 service bases in Japan, 3 plants and 10 bases overseas



### Business Overview

Tosei Engineering Corp. was founded in 1969 as a Group company of Tokyo Seimitsu Co., Ltd. to provide service for Tokyo Seimitsu products and to develop and manufacture equipment for automation and labor-saving in measurement. Since our founding, we have worked to accumulate technology and develop business through the provision of precision measuring instruments and services for these in the field of precision processing, under the concept of "No measurement, no manufacturing." In particular, we have specialized in the development and manufacture of automatic measuring instruments used on production lines for automobiles, bearings, home appliances, and electronic products. We have also entered the semiconductor manufacturing equipment field on the base of these precision technologies, and are now growing this business into one of our main divisions. Since our founding, we have focused on providing proprietary technology and services under the motto "Customer First." We will continue working to become a one-of-a-kind company that can promptly meet customers' needs.

### CSR Topics

#### ● Compliance and Communication of Internal Regulations

In order to remain a company trusted by all of our stakeholders, we are working to strengthen our corporate governance and compliance while ensuring the soundness and transparency of management. Through appropriate decision-making, we seek to achieve sustainable growth and increase our medium- and long-term corporate value. We conduct e-learning-based education for all of our employees every year to thoroughly communicate internal rules and regulations, including the ACCRETECH Group Code of Conduct. In fiscal year 2020, all targeted

participants (100% participation rate) took part in education on the topics of information security, harassment, and media relations.

#### ● Continuous Practice of Small-group Activities

All of our employees maintain a high everyday awareness of issues and engage in voluntary improvement activities. In recent years, our Niigata Plant has conducted small-group activities with participation by all employees, using small PDCA cycles to effectively make refinements under employee-proposed themes such as manufacturing process improvements, quality enhancement, and workplace environment improvements. All employees raise issues from the perspectives of worksites and users, and develop these into mechanisms for continuous improvement. At the Kandatsu Plant, we actively engage in improvement activities that extend beyond workplace improvements to productivity and quality improvements and reduction of man-hours. By working as a team to solve problems in the workplace and advance the company, we also hone our practical capabilities. Small-group activities create more opportunities to demonstrate capabilities, an outcome which increases motivation, generates a sense of responsibility, and contributes to raising awareness of compliance across the company.

#### ● Continuous Improvement through an Integrated Management System

To contribute to the creation of a sustainable society and to deliver safe and reliable products to all of our customers, we are actively working to reduce our environmental impacts. In addition to promoting environmental conservation activities, we conduct continuous education for employees to further enhance product safety and quality. We obtained ISO 9001 certification in August 2003 and ISO 14001 certification in February 2020. Subsequently, we constructed an integrated management system for both certifications and acquired both in May 2020. Through continuous improvements, these certifications connect to the strengthening of our organizational capabilities.

#### ● Creation of Safe and Secure Workplace Environments

Every month, each of our operation sites holds a Safety and Health Committee meeting. The Safe Operation Subcommittee, Fire Prevention Subcommittee, Safe Driving Subcommittee, and Environmental Subcommittee each goes beyond compliance with the Industrial Safety and Health Act and related laws, and acts to ensure the safety and security of employees and to maintain and improve healthy and comfortable working environments. At the Kandatsu Plant and Niigata Plant, we carry out monthly 5S3T Patrols to create comfortable working environments in which all employees can work safely. Every month, the plants appoint different patrol committee members so that improvements are actively proposed from new perspectives. The company as a whole is evolving toward more efficient workplaces. The Nagoya Plant conducts safety patrols to raise the safety awareness of all employees, improve workplace environments, and contribute to achieving zero industrial accidents. Through initiatives that use safe work risk assessments to reduce risks, we conduct assessments of risks of hazard factors and enact essential safety measures based on risk reduction priorities.

# Introduction to Group Companies 2

## Tosei Systems Co., Ltd.

### Company Profile

- **Date of establishment:** October 1, 1985
- **Head office:** 2968-2 Ishikawa-machi, Hachioji-shi, Tokyo (inside Tokyo Seimitsu Plant)
- **Representative:** Koichi Kawamura
- **Sales:** 2,212 million yen (FY2020)
- **Employees:** 139 (as of March 31, 2021)
- **URL:** <https://www.toseisystems.co.jp/>
- **Bases:** 2 bases in Japan, 0 bases overseas



### Business Overview

Tosei Systems Co., Ltd. is a wholly owned affiliate of Tokyo Seimitsu that supports Tokyo Seimitsu's product development in terms of software.

Focusing on Tokyo Seimitsu's semiconductor manufacturing equipment and measuring equipment, as well as equipment of affiliated companies, we perform development and maintenance of embedded software that controls equipment and Windows applications incidental to equipment. We are also involved in development and operational support for enterprise resource planning (ERP) systems and the creation and maintenance of web sites, and undertake wide-ranging software operations for entire Tokyo Seimitsu Group. We conduct new graduate and mid-career recruitment of men and women from different academic backgrounds according to aptitude for software, enabling us to handle a wide range of software-related work. We are making efforts toward education for new graduates, employing a mentor system that tracks prospective employees as well as four-month training, including external training, after employees join. The final curriculum item in external training is a team development project using microcomputer boards. Participants are able to gain an overall view of on-site development, from requirements definition to design, production, and presentation of results. We work to ensure that new graduates are able to get off to a confident start at where they are assigned following training.

### CSR Topics

In the current fiscal year, we expanded our ISO 27001 information security management system to all development departments and renewed certification for Tosei Systems Co., Ltd.

Our company-wide ISMS activities have led to the expansion of certification from specific areas to all departments. We will continue to operate and improve the system in order to remain a company that is trusted by our stakeholders.

## Tosei Box Corp.

### Company Profile

- **Date of establishment:** September 1, 2001
- **Head office:** 2968-2 Ishikawa-machi, Hachioji-shi, Tokyo
- **Representative:** Hideaki Takano
- **Sales:** 1,022 million yen (FY2020)
- **Employees:** 42 (as of March 31, 2021)
- **URL:** <https://www.toseibox.com>
- **Bases:** 4 bases in Japan, 0 bases overseas



### Business Overview

Tosei Box offers richer living environments through delivery lockers that can be used with peace of mind, under the motto "Safety, Comfort and Relief." We believe that our business greatly contributes to society by letting logistics-related businesses reduce re-deliveries and CO<sub>2</sub> emissions as well as reduce excessive burdens on delivery staff.

The boxes offer lessened face-to-face contact as a COVID-19 infection control measure, which we believe makes them an increasingly vital social tool under the new normal lifestyles following the pandemic.

We meet customers' needs with a lineup of stainless steel and color coated product types that improve security and operability for customers and that harmonize with buildings' interiors.

Products equipped with advanced technologies such as non-contact IC cards, facial recognition, and vein authentication for personal identification, and products with automatically opening doors, are becoming widespread.

We will continue our efforts to supply better products and services and to actively engage in CSR activities so that we can make contributions to the society of the future.

In education targeting all employees, we communicate the social significance of our business, and use e-learning to raise awareness of our Code of Conduct, information security, and harassment-related education.

Through BCP activities, we also work to provide quick support for restoration of customers' equipment and faster resumption of business following a disaster.

# Accretech Powertro System Co., Ltd.

## Company Profile

- **Date of establishment:** October 1, 1999
  - **Head office:** 50 Osaku, Matsukawa, Furudono-machi, Ishigawa-gun, Fukushima
  - **Representative:** Masahiro Tomoeda
  - **Sales:** 1,148 million yen (FY2020)
  - **Employees:** 94 (as of March 31, 2021)
  - **URL:** <https://www.acct-powertro.jp/>
  - **Bases:** 5 bases in Japan, 0 bases overseas
- Business Overview



Based on the power supply technology we have developed over many years, we perform development, manufacturing, sales, and service for the charge/discharge testing systems indispensable for the testing and evaluation of secondary batteries and capacitors. Our equipment is primarily used in R&D for lithium-ion batteries installed in hybrid vehicles, plug-in hybrid vehicles, and other electric vehicles, as well as charge/discharge cycle testing for quality assurance. For customers who do not have test equipment or who have limited testing capacity, we also provide a contracted battery evaluation service using our charge/discharge testing system. Customers' needs for this service are increasing, and we are working across the company to make this a major pillar of our business.

Under our company mission of "Contribute to forthcoming environmental society through involvement as secondary battery evaluation professionals in the evolution and development of the industry," we hope to greatly aid the ongoing shift toward electric vehicles amid global environmental regulatory movements.

## CSR Topics

The town of Furudono in Fukushima Prefecture, the location of our head office, is a typical regional small town in Japan with a shrinking population of about 5,000 people. For that reason, companies like ours must maintain stronger awareness of ourselves as members of the local community, and must make contributions to it. We hope to continue activities such as clean-ups along the neighborhood river and provision of extracurricular lessons for local elementary and junior high school students.



**Charge/  
discharge  
testing system**  
Energy Testing System

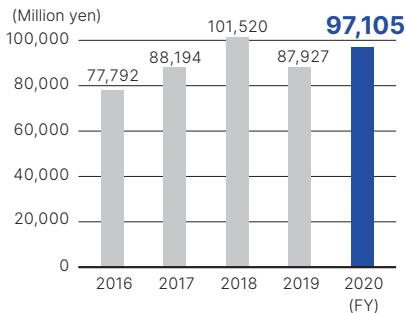
**Contracted  
battery  
evaluation  
service**



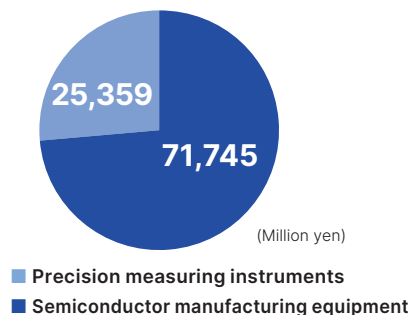
# Data

## Corporate Data

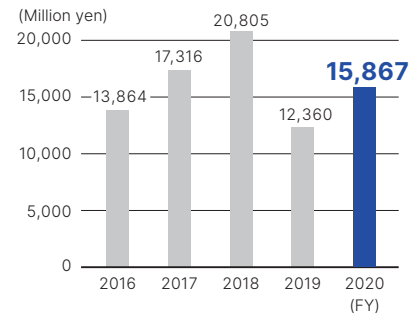
### ● Sales amount



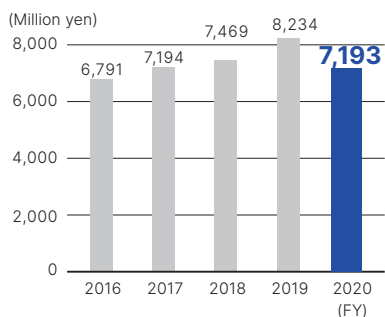
### ● FY2020 sales amount by business



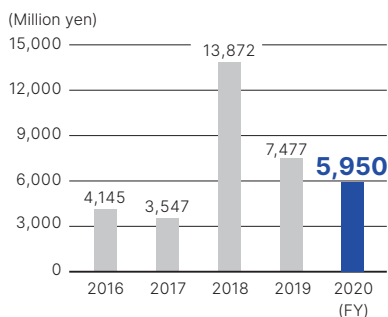
### ● Ordinary profit



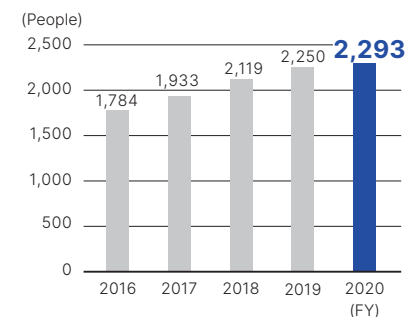
### ● R&D



### ● Capital expenditures



### ● Number of employees

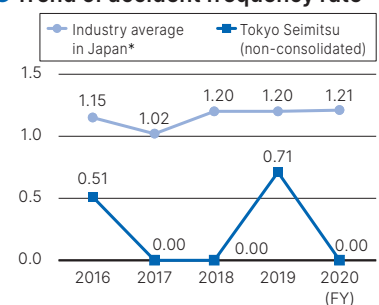


## Relationship with Employees

### ● Human resource data (Non-consolidated)

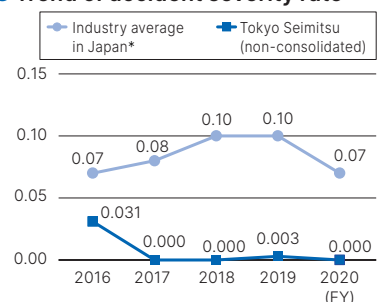
	FY2018	FY2019	FY2020
Percentage of female managers	1.4%	1.4%	1.5%
Percentage of female officers	0.0%	7.7%	7.7%
Percentage of female employees	17.0%	16.8%	16.6%
Ratio of average years of service, female employees vs male employees	73.8%	68.4%	68.4%
Ratio of female job applicants in new graduate recruitment	22.3%	22.3%	27.9%
Ratio of female prospective employees in new regular employee recruitment	13.4%	6.2%	14.5%
Percentage of employment of persons with disabilities	2.10%	2.13%	2.01%
Turnover rate of regular employees	2.58%	4.39%	3.1%
Percentage of paid leave taken (for all employees including fixed-term, short-term, and temporary employees)	62.4%	69.0%	60.8%
Number of personal development correspondence education courses applications	22 (-)	97 (441% year-on-year)	161 (166% year-on-year)
Frequency rate for accidents resulting in leave*	0.00	0.71	0.00
Severity rate for accidents resulting in leave*	0.000	0.003	0.000

### ● Trend of accident frequency rate



\* Ministry of Health, Labour and Welfare "Survey on Industrial Accidents"

### ● Trend of accident severity rate

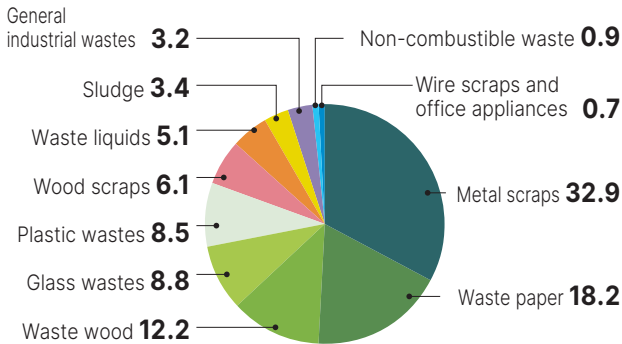


\* Ministry of Health, Labour and Welfare "Survey on Industrial Accidents"

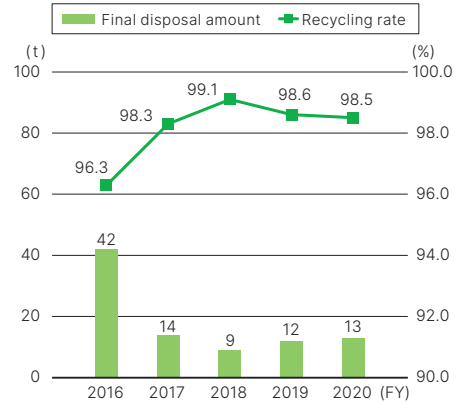


## Relationship with the Global Environment

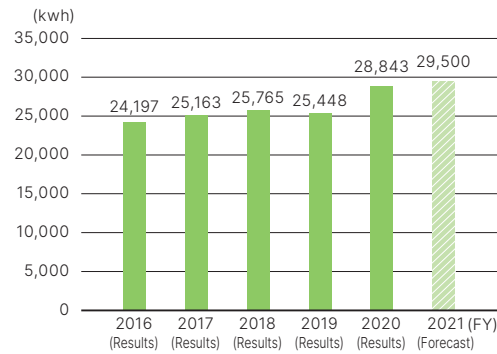
### ● Breakdown of industrial waste generated in FY2020 (%)



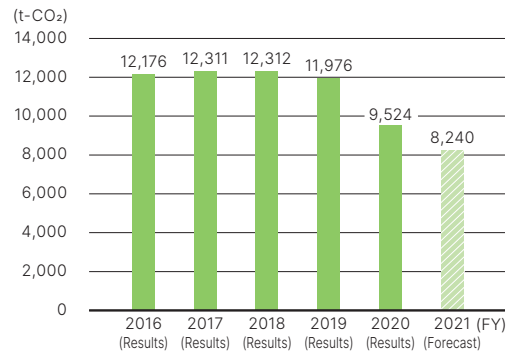
### ● Trend of recycling rate and final disposal amount



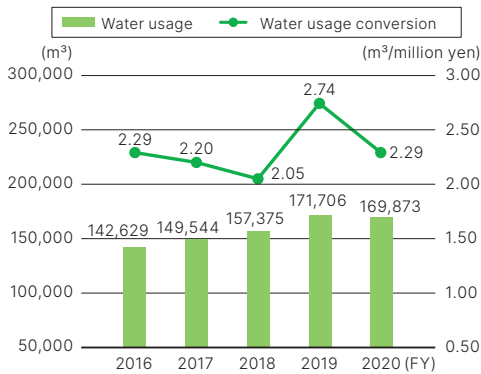
### ● Electric power used



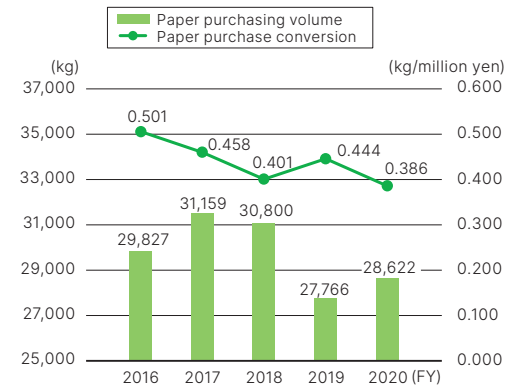
### ● CO<sub>2</sub> emissions



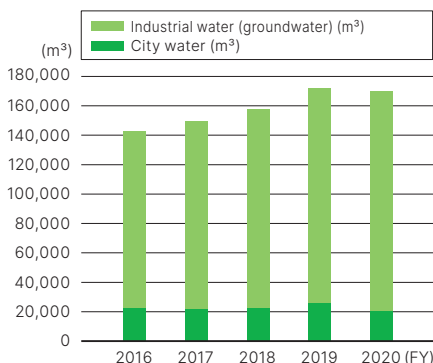
### ● Amount of water usage



### ● Paper purchasing volume











### ● Trend of water usage by source



# ISO 26000 Correspondence Table

We organized our CSR initiatives in correspondence with the core themes of the ISO 26000 for our CSR reporting to expand upon our CSR initiatives and reporting.

ISO 26000 Core Themes	Issues	Our Initiatives	Related SDGs
Governance	1. Governance	<ul style="list-style-type: none"> <li>● CEO's Message</li> <li>● Tokyo Seimitsu's Policy on CSR</li> <li>● Value Creation Model</li> <li>● ACCRETECH Group Code of Conduct</li> <li>● Stakeholder Engagement</li> <li>● Corporate Governance               <ul style="list-style-type: none"> <li>• Corporate Governance</li> <li>• Compliance</li> <li>• Risk Management</li> </ul> </li> <li>● Relationship with Customers               <ul style="list-style-type: none"> <li>• Compliance and Employee Training</li> </ul> </li> <li>● Relationship with Suppliers               <ul style="list-style-type: none"> <li>• CSR Fulfillment Together with Suppliers</li> </ul> </li> <li>● Relationship with Employees               <ul style="list-style-type: none"> <li>• Consideration of Human Rights and Compliance with Labor-Related Laws and Regulations</li> </ul> </li> </ul>	
Human rights	2. Due diligence	<ul style="list-style-type: none"> <li>● ACCRETECH Group Code of Conduct</li> <li>● Relationship with Suppliers               <ul style="list-style-type: none"> <li>• CSR Fulfillment Together with Suppliers</li> </ul> </li> <li>● Relationship with Employees               <ul style="list-style-type: none"> <li>• Consideration of Human Rights and Compliance with Labor-Related Laws and Regulations</li> <li>• Initiatives for Safe Workplace Environments</li> <li>• Creation of Healthy Workplaces where People can Work with a Sense of Purpose</li> <li>• Realization of Comfortable Workplace Environments where People can Play Active Long-Term Roles</li> </ul> </li> <li>● Corporate Governance               <ul style="list-style-type: none"> <li>• Compliance</li> </ul> </li> </ul>	 
	3. Human rights risk situations		
	4. Avoidance of complicity		
	5. Resolving grievances		
	6. Discrimination and vulnerable		
	7. Civil and political rights		
	8. Economic, social, and cultural rights		
9. Fundamental principles and rights at work			
Labour practices	10. Employment and employment relationships	<ul style="list-style-type: none"> <li>● ACCRETECH Group Code of Conduct</li> <li>● Relationship with Customers               <ul style="list-style-type: none"> <li>• A Global, Meticulous Support Structure</li> <li>• A Support Structure Tailored to Customers</li> </ul> </li> <li>● Relationship with Suppliers               <ul style="list-style-type: none"> <li>• CSR Fulfillment Together with Suppliers</li> </ul> </li> <li>● Relationship with Employees</li> <li>● Relationship with Society               <ul style="list-style-type: none"> <li>• Relationship with Local Communities</li> </ul> </li> </ul>	 
	11. Conditions of work and social protection		
	12. Social dialogue		
	13. Health and safety at work		
Environmental	14. Human resource development and training at work	<ul style="list-style-type: none"> <li>● ACCRETECH Group Code of Conduct</li> <li>● Relationship with the Global Environment               <ul style="list-style-type: none"> <li>• Basic Policy on the Environment</li> <li>• Eco-products</li> <li>• Eco-factory</li> <li>• Chemical Substances Control</li> </ul> </li> <li>● Relationship with Society               <ul style="list-style-type: none"> <li>• Relationship with Local Communities</li> </ul> </li> </ul>	   
	15. Prevention of pollution		
	16. Sustainable resource use		
	17. Mitigation of and adaptation to climate change		
Fair business practices	18. Environmental preservation, biodiversity, and recovery of natural habitats	<ul style="list-style-type: none"> <li>● ACCRETECH Group Code of Conduct</li> <li>● Corporate Governance               <ul style="list-style-type: none"> <li>• Compliance</li> <li>• Risk Management</li> </ul> </li> <li>● Relationship with Suppliers               <ul style="list-style-type: none"> <li>• CSR Fulfillment Together with Suppliers</li> </ul> </li> <li>● Relationship with Shareholders and Investors</li> </ul>	
	19. Prevention of corruption		
	20. Responsible political involvement		
	21. Fair competition		
	22. Promotion of social responsibility in the value chain		
23. Respect for property rights			
Consumer issues	24. Fair marketing, information, and contractual practices	<ul style="list-style-type: none"> <li>● ACCRETECH Group Code of Conduct</li> <li>● Corporate Governance</li> <li>● Relationship with Customers               <ul style="list-style-type: none"> <li>• Initiatives for Customer Satisfaction</li> </ul> </li> <li>● Relationship with Suppliers               <ul style="list-style-type: none"> <li>• CSR Fulfillment Together with Suppliers</li> </ul> </li> <li>● Relationship with the Global Environment               <ul style="list-style-type: none"> <li>• Eco-products</li> </ul> </li> </ul>	
	25. Protection of health and safety of consumers		
	26. Sustainable consumption		
	27. Consumer services, support, resolution of complaints and grievances		
	28. Consumer data protection and privacy		
	29. Access to essential services		
	30. Education and raising awareness		
Community development	31. Participation in the community	<ul style="list-style-type: none"> <li>● ACCRETECH Group Code of Conduct</li> <li>● Relationship with Employees               <ul style="list-style-type: none"> <li>• Creation of Healthy Workplaces where People can Work with a Sense of Purpose</li> <li>• Provision of Opportunities for Every Individual to Grow</li> </ul> </li> <li>● Relationship with Society               <ul style="list-style-type: none"> <li>• Relationship with Local Community</li> <li>• Relationship with Industry Group</li> </ul> </li> </ul>	
	32. Education and culture		
	33. Job creation and skill development		
	34. Technology development and access		
	35. Creation of wealth and income		
	36. Health		
	37. Social investment		





Hachioji and Tsuchiura Plants obtained ISO 9001 and ISO 14001 certifications simultaneously.

## Tokyo Seimitsu Co., Ltd.

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