

Tokyo Seimitsu Co., Ltd.

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



Tokyo Seimitsu

SUSTAINABILITY REPORT 2022



Gaging the future with Metrology, Creating the future with

Corporate Philosophy

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

MOTTO

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

Corporate Brand

ACCRETECH

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

Sustainability Slogan

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

Our corporate philosophy is "Growing together with partners and customers by collaborating technology, knowledge and information to create the world's No. 1 products." We actively form partnerships with companies and human resources with whom we share this purpose, and are working to realize 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!" We are building the world's No. 1 technology-oriented product development system.

Our corporate brand, "ACCRETECH," was introduced in 2001. It is a

compound word formed from "Accrete" and "Technology," signifying "Grow Together" and expressing our corporate philosophy.

Drawing on this philosophy, the Tokyo Seimitsu Group has provided manufacturers around the world with precision measuring instruments that fully leverage our cutting-edge precision measuring technologies 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, products, and services that are friendly to global society and to the global environment. We will continue working alongside our stakeholders to build a "future full of dreams."

Semiconductors

Scope of This Report

Organizations covered :	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)
Affiliated Companies :	Tosei Engineering Corp. Tosei Systems Co., Ltd. Tosei Box Corp. Accretech Powerro System Co., Ltd.
Period covered :	In principle, the report covers activities from April 1, 2021 to March 31, 2022. 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. We have changed the name of this report from "CSR Report" to "Sustainability Report" to better communicate the Group's approach to sustainability, our targets, fiscal 2021 achievements and future plans, and ESG information in an organized manner. The report is intended to improve communication with our stakeholders, including customers, shareholders, investors, employees, business partners, local communities, and industry associations.



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 achievements may differ from those of our outlook.

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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.

By overcoming countless changes and through continuous evolution, Tokyo Seimitsu is delivering precision measuring instruments and semiconductor manufacturing equipment using the 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, and 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. Precisely because this is the future we aspire to, 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.

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)



Coordinate measuring machine XYZAX SVA FUSION (2004)



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



Roundness and cylindrical profile measuring instrument RONDCOM CREST (2018)



Coordinate measuring machine XYZAX AXCEL (2017)



Charge/discharge testing system (2019)

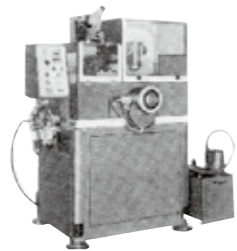


Optical Measuring Instruments Opt-scope Rex (2021)

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)



Polish grinder PG200RM (2000)



CMP ChaMP211 (2009)



High rigid grinder HRG300 (2011)



Dicing blade (2013)



Dicing machine AD3000T-PLUS (2018)



Probing machine AP3000 (2020)

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 high-pressure 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



Tokyo Seimitsu Kogu Co., Ltd. (1949)

1964

- 1964 ● Develops wafer probing machine
- 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)

1992

- 1992 ● ACCRETECH 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
- ACCRETECH America, Inc. and ACCRETECH 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 ● ACCRETECH Finance Co., Ltd. is established

2001

- 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 ● 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



Hachioji ACCT Tower (2001)

2008

- 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 ● 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



Osaka Sales Office

2019

- 2019 ● Accretech Powertronic System Co., Ltd. is established (acquires shares of Fujitsu Telecom Networks Fukushima Limited, changes name)
- ACCRETECH SBS Inc. and 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 Powertronic System Co., Ltd. (previous Fujitsu Telecom Networks Fukushima Limited) to wholly owned subsidiary is completed
- Remodeled the Osaka Sales Office
- 2021 ● New company building at ACCRETECH TAIWAN CO., LTD. is completed
- New Taiwan Application Center is established
- 2022 ● Hitoshi Yoshida is appointed Chairman and CEO
- Ryuichi Kimura is appointed President and COO
- Company listing is moved to the Prime Market, owing to a change in the Tokyo Stock Exchange's classifications

Tokyo Seimitsu Business Overview

Growing together with partners and knowledge and information to

customers by collaborating technology, create the world's No. 1 products

Tokyo Seimitsu is expanding its business globally, including in Europe, the US, and especially Asia, with semiconductor manufacturing equipment and precision measuring instruments as the pillars of our business.

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



Supporting Manufacturing Activities through Measuring Technologies

29.6 billion yen

High-Precision Measuring Instruments

In the automobile, heavy duty equipment, aircraft, and other industries around the world, the high-precision measuring instruments of the Metrology Company are utilized in precision measurement labs and machining tooling lines, where they have 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
- Optical shaft measuring instrument
- 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



Support Industry and Lifestyles with Core Products

101.1 billion yen

Semiconductor Production Equipment

The semiconductor manufacturing equipment the Semiconductor Company provides is used to produce semiconductors, which are essential to our daily lives. We have established global top shares in the fields of conventional wafer manufacturing, testing, and back-end processing. The Company has also entered the fields of CMPs (chemical mechanical planarizers) 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 (CMPs)
- Edge grinding machine
- Stripping and washing machine

Tackling social issues and contributing the value generated by products and "Health and Safety" "Quality" to a sustainable society through services focusing on "Environment and Energy-saving."

Top Message



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

Hitoshi Yoshida
Chairman and CEO

Ryuichi Kimura
President and COO

We would like to express our sincere gratitude to our stakeholders for their continued support.

The Tokyo Seimitsu Group operates in two distinct fields; semiconductor manufacturing equipment and measuring instruments. This arrangement lends itself to stable earnings. In addition, as the only semiconductor manufacturing equipment company that possesses measurement technologies, we have increased synergy that we can put to use in providing cutting-edge products and services that help our customers improve their productivity.

The global operating environment changed drastically since the outbreak of COVID-19 in fiscal 2020. The pandemic is a problem facing the entire planet and all of humankind.

In 2021, the world economy showed signs of recovery as vaccinations emerged to fight the new coronavirus. At the same time, we faced more frequent and severe natural disasters due to global warming, as well as further changes in the world situation, including the situation concerning Russia and Ukraine. The accompanying stagnation in resource supplies and soaring fuel prices have led to increasingly serious global circumstances.

Against this backdrop, companies face growing demand to take responsibility for their membership in a sustainable society, such as by adhering to the SDGs. The Tokyo Seimitsu Group also is highly aware of its responsibility to help realize a sustainable society.

Major Steps toward Sustainability in Fiscal 2021

In fiscal 2021, we made a major shift in our CSR initiatives, charting a course toward sustainability. We revamped the previous CSR Committee and established the Sustainability Committee, chaired by the president and CEO (who is now chairman). We also formulated and publicized our Basic Sustainability Policy. Furthermore, in August 2021 we launched a TCFD-response project. We analyzed the risks and opportunities that climate change poses to our business. In addition to sharing and fleshing out related issues, we have worked to proactively disclose climate-related financial information in accordance with the TCFD framework.

In March 2022, we announced our support of the TCFD recommendations and set long-term targets. In line with the Japanese government's stated aim of making the nation carbon neutral by 2050, we set the goal of reducing total CO₂ emissions by 50% (compared with fiscal 2018 levels) by 2030.

Further Promoting Sustainability under a New Medium-Term Management Plan

To step up our initiatives to address medium- to long-term management issues and accelerate business execution, the Company established a new management structure, appointing Hitoshi Yoshida to the position of Chairman and CEO and Ryuichi Kimura to President and COO.

To meet the expectations of our stakeholders and resolve social issues together as a group, we have revised our conventional materiality themes from six perspectives in our Basic Sustainability Policy: “respect for human rights,” “efforts to address environmental issues,” “earning the trust of society,” “participation in and contribution to local communities,” “human resource development,” and “building and running a fair, transparent, and efficient corporate governance system.” We began promoting initiatives in line with our newly formulated purpose, of “Gaging the future with Metrology, Creating the future with Semiconductors.”

This report has also transitioned from a CSR Report to a Sustainability Report. In addition to our state of progress on reducing the CO₂ emitted through our business activities and lowering our environmental impact, this report introduces our systems and activities to promote our employees' sense of fulfillment from work, through ensuring respect for human rights and diverse values, promoting their safety and health, and developing their capabilities. We will continue working toward more appropriate information disclosure, especially focusing on sustainability.

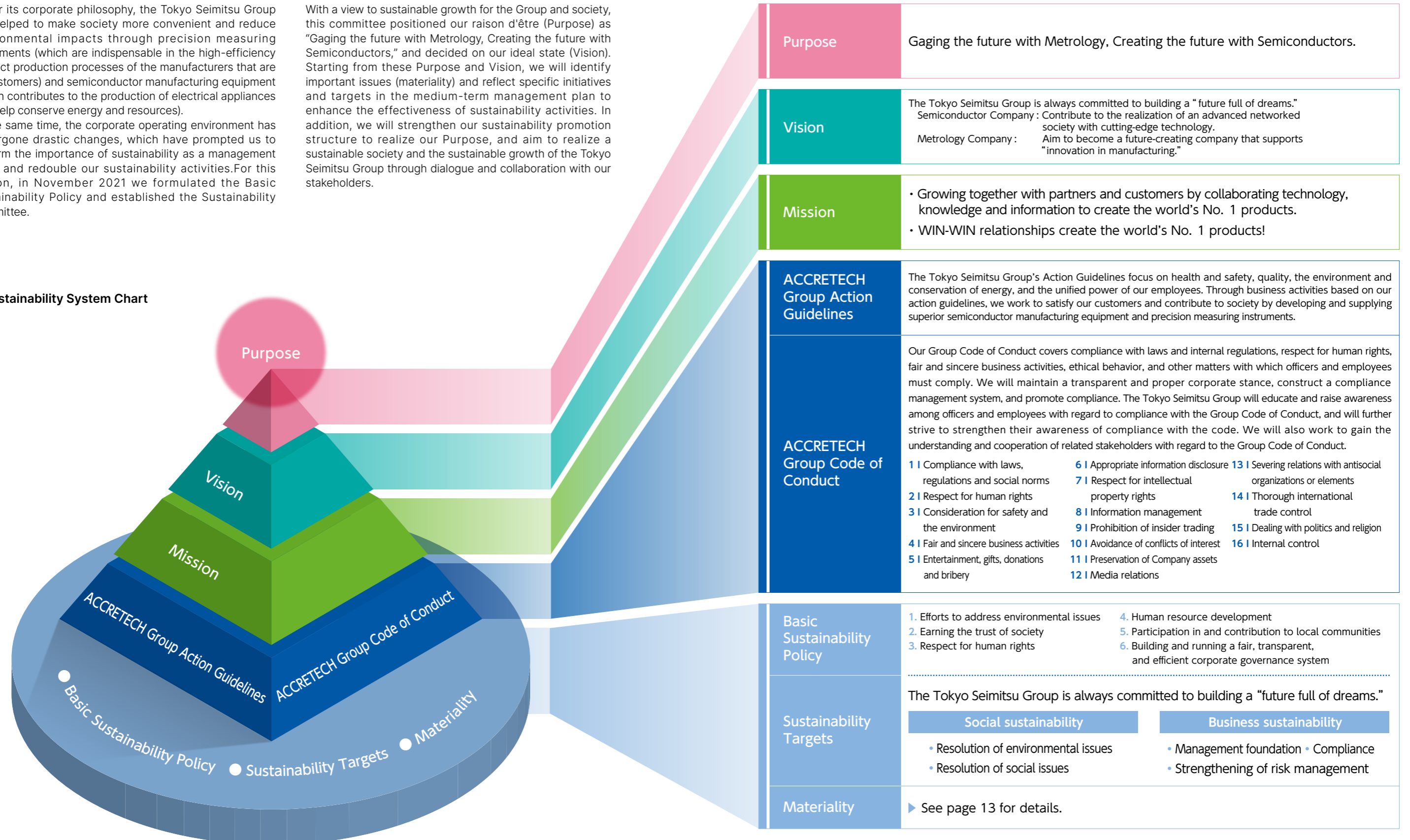
While deepening WIN-WIN relationships with our many stakeholders and creating new value, the Tokyo Seimitsu Group will continue playing a role in building a “future full of dreams.”

Sustainability of the Tokyo Seimitsu Group

Under its corporate philosophy, the Tokyo Seimitsu Group has helped to make society more convenient and reduce environmental impacts through precision measuring instruments (which are indispensable in the high-efficiency product production processes of the manufacturers that are its customers) and semiconductor manufacturing equipment (which contributes to the production of electrical appliances that help conserve energy and resources). At the same time, the corporate operating environment has undergone drastic changes, which have prompted us to reaffirm the importance of sustainability as a management issue and redouble our sustainability activities. For this reason, in November 2021 we formulated the Basic Sustainability Policy and established the Sustainability Committee.

With a view to sustainable growth for the Group and society, this committee positioned our raison d'être (Purpose) as "Gaging the future with Metrology, Creating the future with Semiconductors," and decided on our ideal state (Vision). Starting from these Purpose and Vision, we will identify important issues (materiality) and reflect specific initiatives and targets in the medium-term management plan to enhance the effectiveness of sustainability activities. In addition, we will strengthen our sustainability promotion structure to realize our Purpose, and aim to realize a sustainable society and the sustainable growth of the Tokyo Seimitsu Group through dialogue and collaboration with our stakeholders.

● Sustainability System Chart

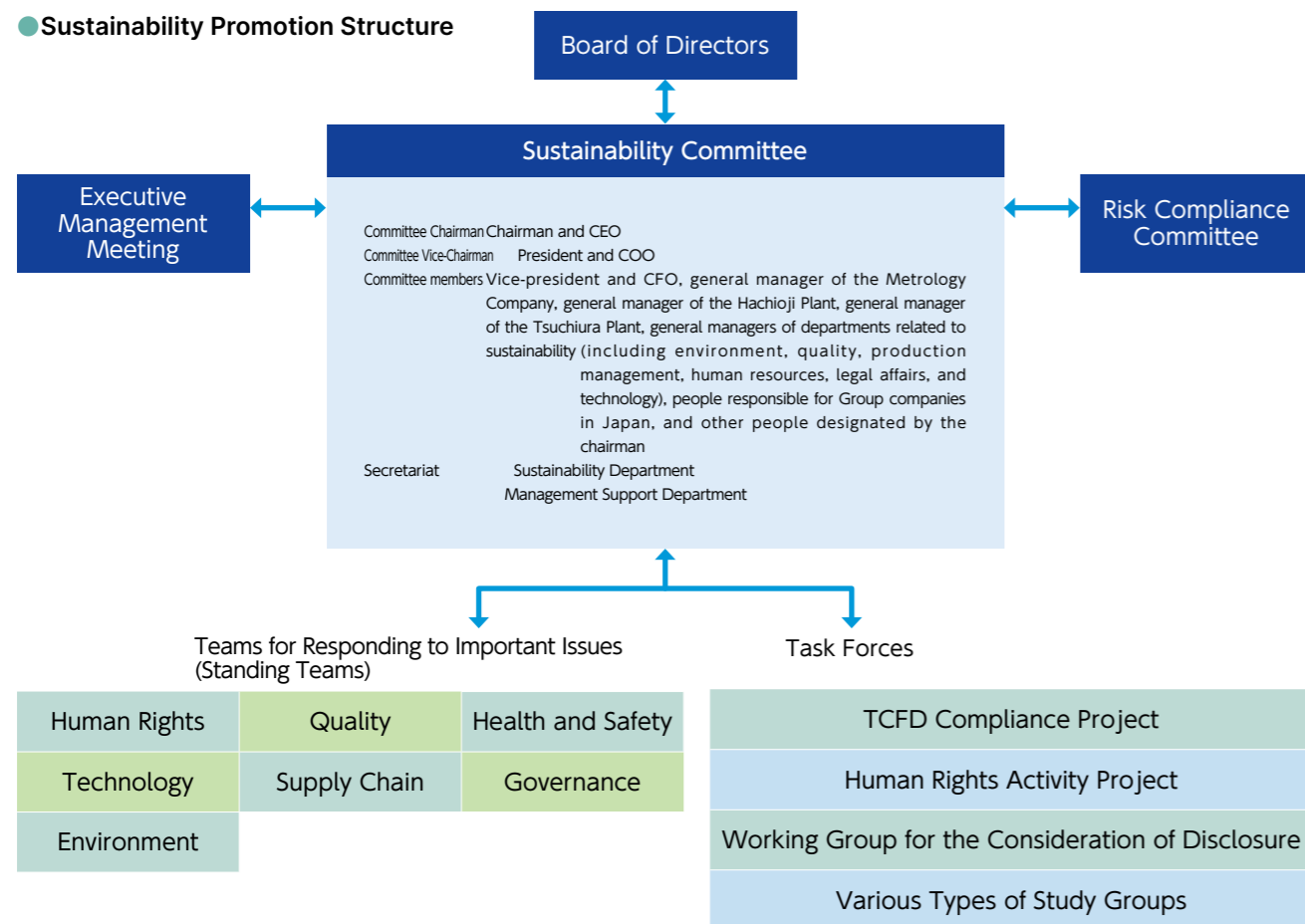


Sustainability Promotion Structure

In November 2021, we revamped our structure, establishing the "Sustainability Committee" as an outgrowth of the CSR Committee. Chaired by the chairman and CEO, this committee oversees the drafting, formulation, planning, and implementation of sustainability activities, and monitors and investigates information in addition to formulating basic policies, establishing an operational structure, and setting and discussing targets and indicators. In addition, the

meeting engages in such activities as reporting and providing recommendations to the Executive Officers' Meeting and the Board of Directors. Beneath this committee, we have established seven teams to handle important issues. When it becomes necessary to consider or draft important items, the committee chairman appoints a task force to address them.

● Sustainability Promotion Structure



● PDCA Cycle for Sustainability Activities

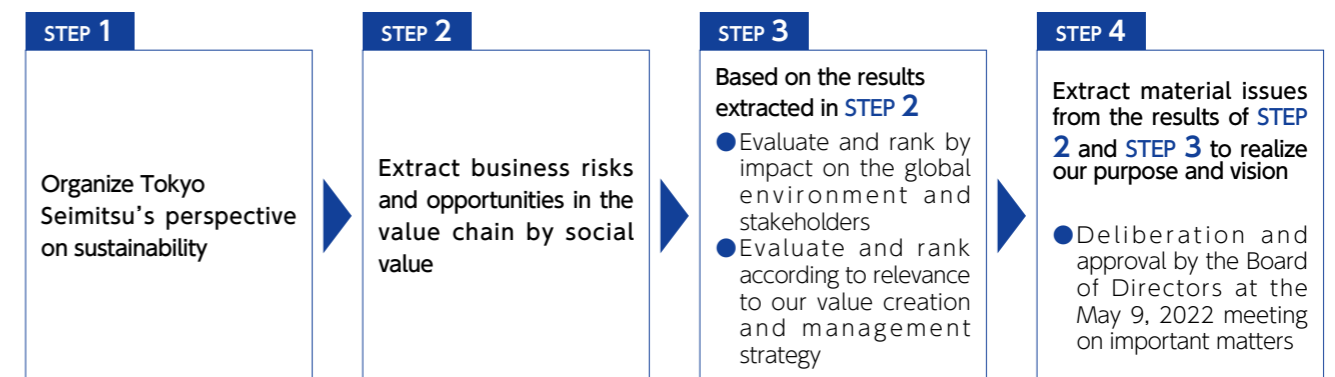


Revising Our Materiality Issues

In 2019, we identified seven material issues of particular importance in our pursuit of sustainability for business and society. When formulating our medium-term management plan commencing in fiscal 2022, we reviewed materiality once again in order to realize the purpose and vision set forth by the Sustainability Committee. After reviewing the status of the value chain surrounding the Group's business

activities, its impact on the environment and society, and other issues to be taken into account, we decided to utilize the current framework. By presenting specific initiatives and goals and putting them into easy-to-understand language, we have clarified the issues that each employee needs to address and made it easier for them to understand the value of their work, thereby increasing their motivation.

● Process of Defining the Material Issues



ESG	Materiality issues	Sustainability objectives	Priority initiatives	Posted contents
E Environment	• Products and business activities that resolve environmental problems	• Prevention of global warming • Resource-saving activities • Formation of a recycling-oriented society	• Reduction of CO ₂ emissions • Reduction in consumption of electricity, water, and paper • Reuse of waste as resources	• Environmental Management ▶P20-21 • Response to Climate Change ▶P22 • Eco-Products ▶P24-25 • Eco-Factory ▶P26-28
	• Environmental contributions through the provision of products and services	• Prevention of global warming • Resource-saving activities	• Environmentally friendly products • Stable supply of parts	• Eco-Products ▶P24-25 • Support Structure (Semiconductor Manufacturing Equipment Business) ▶P35-36
S Society	• High-value-added products that resolve social issues	• Product liability	• Quality control • Chemical substances control	• Product Quality Enhancement ▶P32-33 • Chemical Substances Control ▶P29
	• Supply chain development	• Reduction of procurement risk	• Reinforcement of the supply chain	• CSR Fulfillment Together with Suppliers ▶P39-41
	• Creating a workplace where a diverse range of people can play an active role and are physically and mentally healthy and fulfilled in their work	• Working environment • Health and safety • Increased productivity • Diversity • Human Resource Development	• Labor standards • Health and safety • Increased diversity • Training program	• Occupational Health and Safety ▶P43-45 • Disaster and Accident Prevention ▶P46-47 • Health ▶P48-49 • Diversity ▶P50 • Work-Life Balance ▶P51 • Human Resource Development ▶P52 • More Rewarding Work ▶P53
• Respect for human rights	• Prevention of human rights violations	• Respect for human rights • Promotion of diversity	• Human Rights ▶P42 • Diversity ▶P50	
G Governance	• Management foundation that supports corporate activities	• Sustainable business growth • Enhanced competitiveness	• Internal control • Audit function	• Corporate Governance ▶P60-62
	• Compliance	• Fair, transparent, and prompt corporate activities • Anti-bribery and anti-corruption	• Corporate ethics and legal compliance • Disclosure • Whistleblower system • Compliance education	• Compliance ▶P63-64 • Dialogue with Shareholders and Investors ▶P67
	• Stronger risk management	• Crisis management against disaster	• Business continuity plan	• Risk Management ▶P65-66

Sustainability Special

Disclosure Based on TCFD

On March 29, 2022, Tokyo Seimitsu expressed its support of the recommendations of the “Task Force on Climate-related Financial Disclosures (TCFD)” and disclosed information on the same day. Climate change, including rising temperatures and increasingly severe natural disasters, will have a significant impact on the social economy, and we consider this to be a major risk for our business as well. On the other hand, we believe that addressing climate change will lead to increased corporate resilience and product competitiveness, as well as provide opportunities for business expansion. We will analyze the risks and opportunities that climate change poses to our business, share and work to unfold issues, and promote the disclosure of climate-related financial information based on the TCFD framework.



Please see our website for details.
<https://www.accretech.jp/english/sustainability/tcf.html>



Stakeholder Engagement

Concepts and Initiatives▶ 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. Going forward, 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



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.



Tokyo Seimitsu's Responsibilities

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

Major Means of Communication

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

Key Results in Fiscal 2021

Relationship with customers	Objectives	Initiatives/structures	Main outcome of activities
Value provision through products	Increased customer satisfaction	Questionnaire-based survey	Customer satisfaction surveys (once a year) Percentage of satisfactory ratings : 94.28 (%)
	Global support structure	Stable parts supply structure Customer training	17 locations in Japan and overseas, CE Stock Search System Remote support using smart glasses
	Support activities to build customer's future	Metrology centers Overseas showrooms	Four locations in Japan, nine overseas Seminars and classes (including web-based seminars) Provision of solutions Consigned measurement Overseas technical training

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, for all employees to demonstrate their capabilities to the utmost.



Tokyo Seimitsu's Responsibilities

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

Major Means of Communication

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

Key Results in Fiscal 2021

Relationship with employees	Objectives	Initiatives/structures	Main outcome of activities
Creation of rewarding workplaces	Securing of safe and secure workplaces	Zero accidents resulting in leave Skills/special education training	Accidents resulting in leave : 2 Total participants : 96
	Mental and physical health	Healthy company declaration	Percentage of people undergoing health checkups : 100% Video dissemination on health topics
	Realization of comfortable workplace environments where people can play active long-term roles	Measures to address long working hours Action Plan for Promoting Employment and Careers of Women	Rate of taking five or more days of annual paid leave : 100% Percentage of female regular employee hires : 17.0% Percentage of female regular employees : 7.4%
	Provision of opportunities for every individual to grow	Human resource training/development	Common training (major themes) : 5,649 hours Level-specific training (major themes) : 1,037 hours

Shareholders and Investors

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



Tokyo Seimitsu's Responsibilities

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

Major Means of Communication

- Shareholders' Meeting (once a year)
- Business results briefings (four times a year)
- Issuance of shareholder newsletters (twice a year)
- Briefings for individual investors (once a year)
- Dialogue with institutional investors and security analysts
- Information dissemination via website, etc. (as needed), reports (Securities Report, Sustainability Report, etc.), website (IR information, Sustainability, Product information, etc.)

Key Results in Fiscal 2021

Relationship with shareholders and investors	Theme	Opportunities for dialogues	Main outcome of activities
Opportunities for dialogues	Fair and appropriate information disclosure	(99th) Annual general meeting of the shareholders	Number of times : 1; rate of exercise of voting rights : 82.0%
		Handling coverage by institutional investors/analysts	Number of times : 322 total
		Conferences for overseas investors	Number of times : 4
		Briefings for individual investors	Number of times : 1 (online participants : 1,167)
		Business results briefings/press conferences	Number of times : 7

*1 IR / Investor Relations. Activities through which companies communicate their current status and future expectations to stakeholders

Local Community

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.



Tokyo Seimitsu's Responsibilities

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

Major Means of Communication

- Joined Tokyo Federation of Labor Standards Associations, Hachioji Branch
- Special lectures for local students (every few years)
- Submission of pollution control plan and activity report to Tsuchiura City (once a year)
- Volunteer activities

Key Results in Fiscal 2021

Relationship with local communities	Main expectations and values	Community/system	Main outcome 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	General Affairs and Public Relations Department at Hachioji branch, 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, 25 participants
Tsuchiura City (local government)	Environmental conservation activities	Tsuchiura City Pollution Control Agreement Eco-partner Agreement	Submission of pollution control plan, business plan, and implementation report Cleanup of Nakanuki Park : 50 times, total 100 participants
Local schools	Support for students	Invitations to the Hachioji Plant Visits to nearby schools	Support for career education programs Vocation-specific career guidance meetings

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.



Tokyo Seimitsu's Responsibilities

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

Major Means of Communication

- CSR questionnaire (once a year)
- Support through procurement activities (as needed)
 - Supplier CSR Guidelines
 - Web-based system for suppliers
 - Workshop for suppliers (once a year)
 - Commendations for suppliers (once a year)

Key Results in Fiscal 2021

Relationship with suppliers	Objectives	Initiatives/structures	Main outcome 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	Conducted in September 2022
	Strengthening of information sharing	Web-based system for suppliers	Request for investigation of nonconforming product use
	Manufacturer's responsibility	CSR training for employees	e-learning

Industry Groups

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.



Tokyo Seimitsu's Responsibilities

- Participation, collaboration in industry groups

Major Means of Communication

- Semiconductor Equipment Association of Japan (SEAJ)
- International Organization for Standardization (ISO) Technical Committee
- The Japan Society for Precision Engineering
- Japan Precision Measuring Instruments Manufacturers Association
- Semiconductor Equipment and Materials International (SEMI), etc.

Key Results in Fiscal 2021

Relationship with industry groups	Main outcome of activities
Semiconductor Equipment Association of Japan (SEAJ)	Service Subcommittee, Safety Training Subcommittee
International Organization for Standardization (ISO) Technical Committee	Technical committee TC213 Participation in working groups WGs for coordinate measuring machine standards, roundness measuring machine standards, surface texture measuring instrument/filter standards, and measurement uncertainty standards
The Japan Society for Precision Engineering	Inauguration to Board of Directors of the society Intelligent Nano-Measure Technical Committee Convergence Engineering Technical Committee
Japan Precision Measuring Instruments Manufacturers Association	Chaired by the Company's Chairman Yoshida, participation in technical committees and working groups

Environment



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Environmental Management

Approach and Initiatives▶ 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 CO₂ emissions, promote resource conservation, control total waste generation and chemical substance emissions, and contribute to the achievement of a sustainable society.

Environmental Policy

The Company sets environmental targets at both of its plants (Hachioji and Tsuchiura), 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.

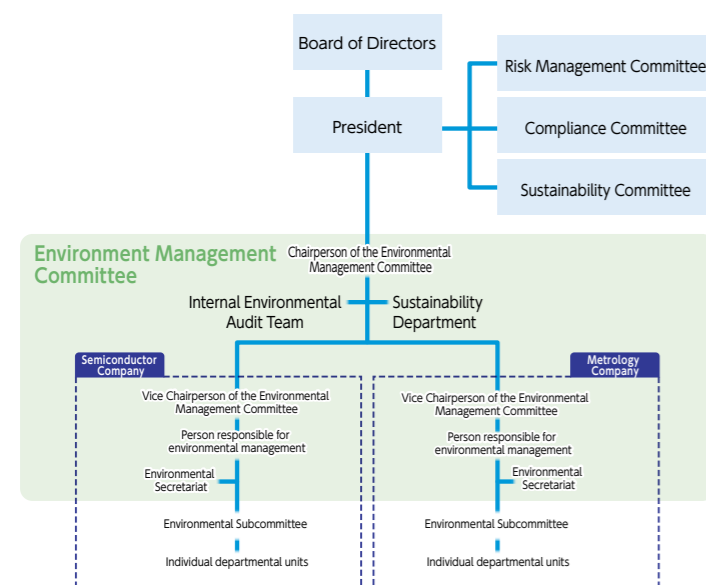
Basic Environmental Philosophy, Basic Environmental Policy, Environmental Policy
<https://www.accretech.jp/english/sustainability/attempt/environment/management.html>

Environmental Management System (EMS)

At both the Hachioji Plant and the Tsuchiura Plant, we have created an Environmental Management System (EMS*) that is based on our Environmental Management Manual, which conforms to ISO 14001:2015*2. An Environmental Subcommittee established at each plant conducts an annual survey of environmental aspects of the organization, products, services, and facilities in accordance with the Environmental Monitoring and Measurement Management Regulations. We evaluate their

environmental impacts and prepare, approve, implement, evaluate, and report on our “Environmental Objectives Implementation Plan” and “Environmental Management System Program” based on legal requirements, our Environmental Policy, and stakeholder requirements. In addition, internal audits are conducted twice a year to check the management status of facilities and equipment that are reviewed reviews, as well as to confirm that environmental standards are being properly observed, notified about, and reported.

Environmental Management Structure



*1 EMS / A plan, system, or process for achieving the environmental impact policies and goals set by a company or other organizations.
 *2 ISO 14001:2015 / An international certification standard for environmental management systems established by the International Organization for Standardization (ISO). Serves as a guideline for creating systems aimed at reducing environmental risks in corporate activities.

Environmental Management System Programs

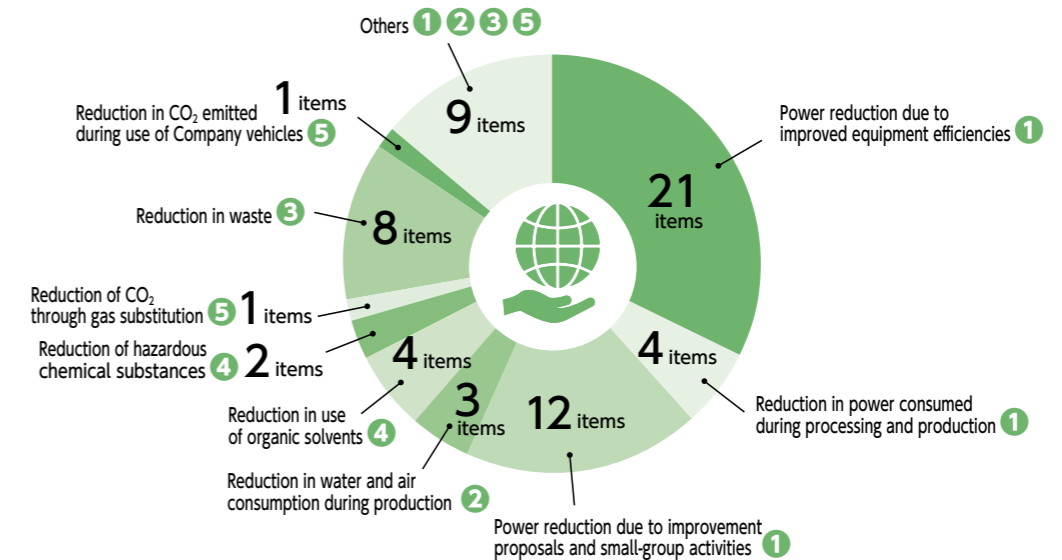
We plan and implement initiatives to reduce the environmental impact of our business activities as environmental system programs. In fiscal 2021, we planned programs for 65 items. We reached our targets for 52 items, for an overall achievement rate of 80.0%.

For items on which we do not meet our targets, we clarify the reasons we fell short and take corrective measures. These measures are then passed forward to the next year's environmental system programs to foster continuous improvement activities.

In fiscal 2021, we transitioned to alternatives to acetone, an organic solvent, reducing our use of acetone by 66% from the previous year. We also reduced the amount of product area covered by paint, which contains more than 1,000 chemicals. This change reduced paint use per item

by 60%. We also set a goal of reducing the use of or finding alternatives for at least 10 hazardous chemical substances. We reduced by 35 the number of registered factory chemicals that were previously used at plants.

Environmental System Program Initiatives



Response to Climate Change

For many years, Tokyo Seimitsu has set its own targets and worked to conserve energy at its production sites, the Hachioji and Tsuchiura plants. In order to achieve the reduction targets required of signatories to the Paris Agreement*³ and the 2030 target for reducing greenhouse gases set by the Japanese government on April 22, 2021, we have set new medium- and long-term reduction targets for CO₂ emissions for energy used and consumed at both plants (Scope 1 and 2), including for business activities, production activities, and research and development.

We recognize it is impossible to achieve these goals by conserving electricity alone. Accordingly, we are working to decrease electricity consumption by using electricity produced using renewable and low-carbon sources, and switching to high-efficiency equipment.

In addition to setting CO₂ emission reduction targets, we have set targets for reducing water risk in corporate activities and decreasing the consumption of paper as a resource. We have also set target recycling rates that will help drive the transition to a resource-recycling society. We are working to achieve these targets and are monitoring and evaluating our results.

Medium and Long-term reduction targets
 By fiscal 2025, reduce CO₂ emissions by 35% from 2018 levels (year target set : 2021)
 By fiscal 2030, reduce CO₂ emissions by 50% from 2018 levels (year target set : 2022)

*³ Paris Agreement / An internationally agreed-upon framework adopted at the 21st Conference of the Parties (COP21) to the United Nations Framework Convention on Climate Change that defines post-2020 efforts to address climate change issues. This framework sets a common global goal of "keeping a global temperature rise this century well below 2°C above pre-industrial levels and pursuing efforts to limit the temperature increase even further to 1.5°C."

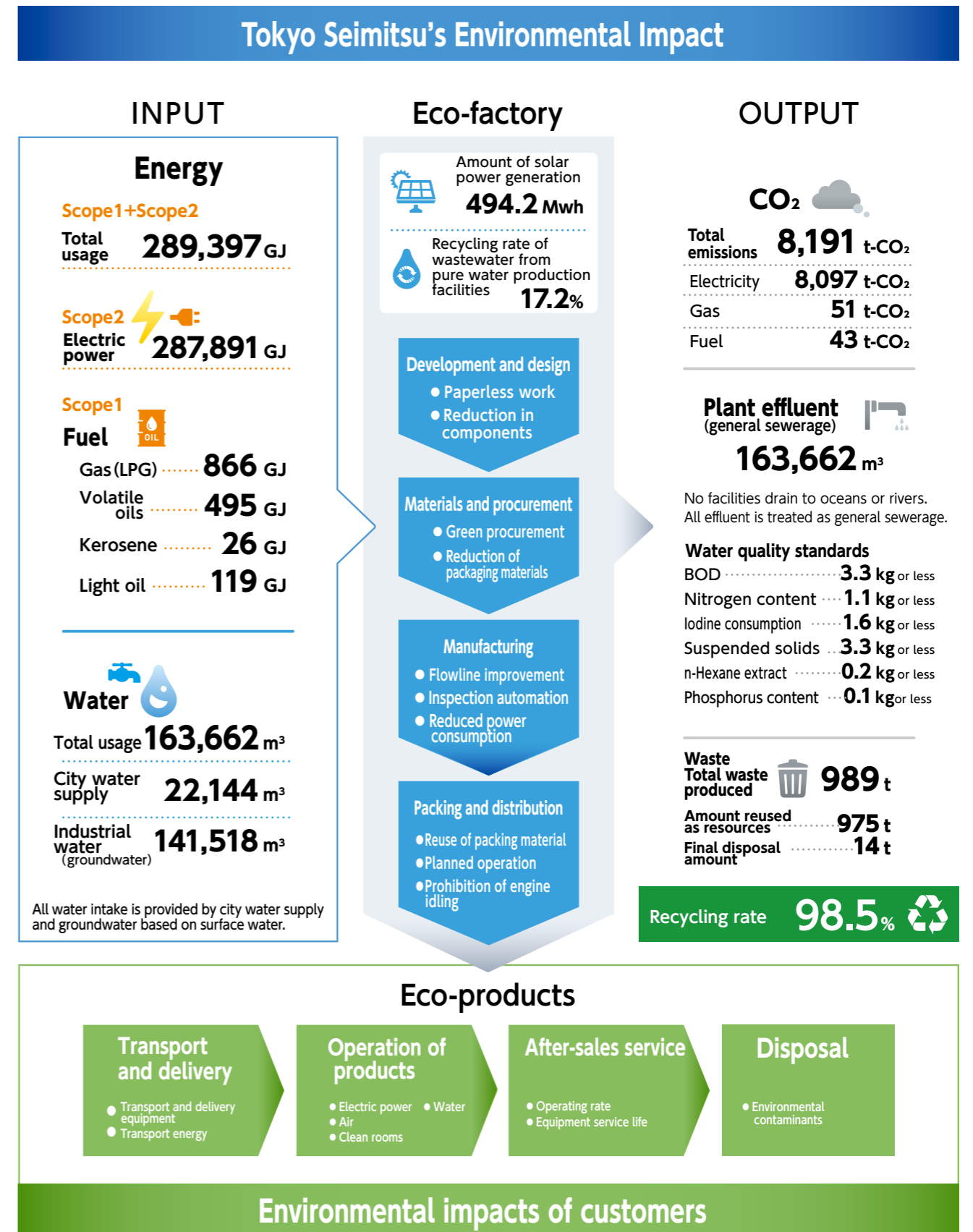
Key Results in Fiscal 2021

Most important issues	Objectives	Initiatives/structures	Main outcome of activities
Eco-products (environmental contribution through products)	Development of environmentally friendly products	Environmental impact assessment based on LCA	Semiconductor manufacturing equipment AP3000 Precision measuring instruments SURFCOM NEX (DX2/SD2) RONDCOM NEX (DX2/SD2)
Eco-factory (environmental contribution through business activities)	Reduction of CO ₂ emissions	35% reduction compared to FY2018 by FY2025 Year set : 2021 Period : FY2020 to FY2025 Benchmark emissions : 12,312 t-CO ₂ Reduction target : 8,003 t-CO ₂	8,191 t-CO ₂ (33% reduction compared to FY2018)
	Promotion of energy conservation (reduction of electricity during use)	2%/year reduction (2% of electricity used in the previous year) Fiscal 2021 environmental system program	Down 578.9 Mwh (2.01% less electricity used than in FY2020)
	Promotion of resource conservation (Water consumption production volume intensity reduction) (Paper procurement volume production volume intensity reduction)	5% reduction compared to FY2019 by FY2024 Year set : 2020 Period : FY2020 to FY2024 Benchmark emissions : 2.74 m ³ /million yen Reduction target : 2.60 m ³ /million yen 5% reduction compared to FY2019 by FY2024 Year set : 2020 Period : FY2020 to FY2024 Benchmark emissions : 0.443 kg/million yen Reduction target : 0.421 kg/million yen	1.61 m ³ /million yen (41% reduction compared to FY2019) 0.337 kg/million yen (24% reduction compared to FY2019)
	Reduction of waste emission, reuse as resources	Recycling rate of 95% or higher by FY2024 Year set : 2020 Period : FY2020 to FY2024 Target : 95% or higher	Recycling rate : 98.6% Total emissions : 989 t Amount reused as resources : 975 t Final disposal amount : 14 t
	Chemical substances control	Substitution of organic solvents Reduction in paint use	Reduction in amount of acetone used (down 66% year-on-year) 60% reduction in use per unit of HRG200X**
	Environmental system management	Internal environmental audits	Two times/year

** HRG200X / A fully automatic high rigid twin axis grinder, a fully automated machine with a high-output automatic transport function

Overview of Environmental Impact

Overview of Environmental Impact in Fiscal 2021



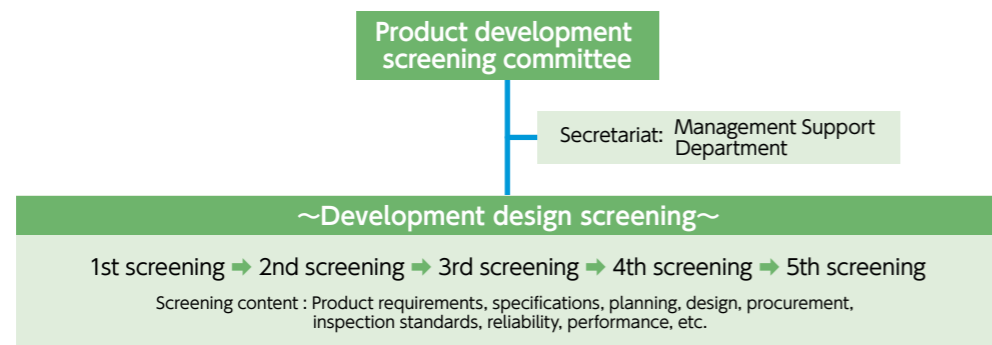
Eco-Products (Environmental Contribution through Products)

Approach and Initiatives ▶ By providing precision measuring instruments that are indispensable in the high-efficiency product production processes of the manufacturers that are its 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. Going forward, as well, we believe it is our role to continue being a responsible manufacturing company that provides safe, high-quality, high-performance, and environmentally friendly products.

New Product Development Screening

We screen the environmental performance of new products based on our own internal regulations (TES*5), and work to develop environmentally friendly products. In accordance with the new product development screening rules, we set up a product development screening committee and conduct deliberations for each product planning theme. The

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



●TES New Product Development Screening Rules

Development Principles

<Principles for product development>
<https://www.accretech.jp/english/company/management.html>

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

Design Principles

<Those related to the environment out of the 10 principles>

- Compactness
- Minimum number of parts
- Environmentally responsive.....Reduce environmental impact across the life cycle
- Energy-saving design Life Cycle Assessment (LCA)
- Resource-saving design
- Avoid or reduce the use of hazardous chemical substances
- Reduction of chemicals, emissions measures
- Consideration toward product disposal

Life Cycle Analysis (LCA) during Product Development

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

screening. LCA targets are set at the time of design, and LCA performance is calculated and evaluated by evaluation organizations to determine the results. 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

AP3000

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 CO₂ emissions from LCA by 11.72% 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

SURFCOM NEX

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 CO₂ emissions from the equipment during use by about 10%. Precision is guaranteed over a wide temperature range of 20°C±5°C, enabling highly reliable measurements even in environments where temperature control is difficult.



RONDCOM NEX

The RONDCOM NEX (DX/SD) series of roundness and cylindrical profile measuring instruments has been accelerating labor-saving inspections with its extensive lineup, diverse functions, and excellent labor-saving options that enable hassle-free measurement of any workpiece. We released the RONDCOM NEX (DX2/SD2) series as a successor to the RONDCOM NEX (DX/SD) series.

The RONDCOM NEX100 (DX2/SD2), which is a manual machine, has a newly designed sampling board for measurement data, allowing the use of a power-saving computer. As a result, in LCA we succeeded in reducing CO₂ emissions by 24% compared to conventional machines. The ROMDCOM NEX DX2 model also features an all-in-one space-saving design that integrates the measurement and data processing sections.



Reducing the Environmental Impact of Existing Products

For existing products, we are working to reduce consumption of electricity, water, and air, and increase service life through environmental system programs designed through our environmental management system.

●System Product Targets in Fiscal 2021

During product production		During product use	
Reduction of machining man-hours (electricity)	2	Reduction in dry air consumption	1
Reduction of wastewater volume	1	Reduction of water consumption	1
Reduction in use of organic solvents	3	Reduction of electricity consumption	2
Extended life of plating solution	1		

Eco-Factory (Environmental Contribution through Business Activities)

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

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

Electricity and CO₂

The greenhouse gases emitted by the Company consist primarily of the CO₂ equivalent of electricity purchased and used in the operation of the Hachioji Plant and Tsuchiura Plant. As a global warming prevention measure, we are focusing on conserving electricity. Specifically, 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 CO₂ reductions, we upgraded heat-source facilities and adopted CO₂-free electricity*⁷ in fiscal 2021, and have confirmed a CO₂ emissions reduction effect. We will make all possible efforts to reduce carbon and move closer to a carbon-free society.

***⁷ CO₂-free electricity** /

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



Tokyo Seimitsu's CO₂ emissions

	Previous five-year plan			New five-year plan* ⁶		
	FY2017 performance	FY2018 performance	FY2019 performance	FY2020 performance	FY2021 performance	FY2022 plan
Emissions (t-CO ₂)	12,311	12,312	11,976	9,524	8,191	6,500
Electric power used (Mwh)	25,163	25,765	25,448	28,843	29,835	31,100
CO ₂ emissions equivalent (t-CO ₂ /million yen)	0.181	0.160	0.191	0.129	0.080	—

*⁶ New five-year plan / In 2021 we revised our reduction target and extended the period by one year.

Amount of solar power generation and CO₂ reduction volume

	FY2017	FY2018	FY2019	FY2020	FY2021
Amount of solar power generation (Mwh)	458.8	450.1	427.5	469.5	494.2
CO ₂ reduction volume (t-CO ₂)	207	214	200	215	221

Management of Environmental Impact on the Atmosphere

Other Gases

The Company also manufactures freezers that use HFC*⁸ 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.

Atmospheric gas discharge

Unit : t-CO₂

Other gases	FY2017	FY2018	FY2019	FY2020	FY2021
CH ₄	0.0	0.0	0.0	0.0	0.0
N ₂ O	0.0	0.0	0.0	0.0	0.0
HFC	0.0	9.4	2.0	11.0	0.0
PFC	0.0	0.0	0.0	0.0	0.0
SF ₆	0.0	0.0	0.0	0.0	0.0

*⁸ HFC / Hydrofluorocarbons (HFCs) do not contain chlorine atoms that deplete the ozone layer and are therefore used as chlorofluorocarbon substitutes in air conditioners and other coolants.

Management of Environmental Impact on Bodies of Water

Water

The area around the Hachioji Plant, where we manufacture semiconductor manufacturing equipment, and the area around the Tsuchiura Plant, where we manufacture precision measuring instruments, are in the Low-Medium class of water stress according to the Aqueduct assessment tools of the World Resources Institute (WRI). At the Hachioji Plant, we are expanding production of semiconductor manufacturing equipment, which uses large amounts of water (pure water), so the amount of wastewater is also increasing. To reduce water consumption, we collect and filter some of the discharged water and reuse it as raw water

used in producing purified water.

In addition, in fiscal 2021 we implemented the following initiatives to reduce water consumption, and we have confirmed the effectiveness of the reductions.

- Introduced low-drainage type pre-plating cleaning equipment (Hachioji Plant)
- Installed pressure reducing valve in pure water supply facility (Hachioji Plant)

Wastewater recycling rate*⁹ from pure water production facilities

2019	2020	2021
16.3%	17.2%	17.2%

*⁹ Wastewater recycling rate / Amount recycled/amount used (= raw water input + amount recycled)

Water usage

	Previous five-year plan			New five-year plan	
	FY2017	FY2018	FY2019	FY2020	FY2021
Water usage (m ³)	149,544	157,375	171,706	169,873	163,662
Water usage production volume intensity (m ³ /million yen)	2.20	2.05	2.74	2.29	1.61

Reduction of Resource Use

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 creating an environment in which every process in the Company can work using electronic data. We will continue striving to reduce our use of paper.

Paper purchasing volume

	Previous five-year plan			New five-year plan	
	FY2017	FY2018	FY2019	FY2020	FY2021
Paper purchasing volume (kg)	31,159	30,800	27,766	28,622	34,234
Paper purchasing volume Production volume intensity(kg/million yen)	0.458	0.401	0.444	0.386	0.337

Reducing Amount of Waste Produced and Reusing It as Resources

Waste and 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*¹⁰. We are also working to increase the recycling rate at the Tsuchiura Plant by switching to a vendor that treats liquid waste for recycling.

*¹⁰ **thermal recycling** / A recycling method that recovers and reuses the thermal energy generated when waste is incinerated.

Reuse of waste as resources and final disposal amount

	Previous five-year plan			New five-year plan	
	FY2017	FY2018	FY2019	FY2020	FY2021
Total emissions (t)	829	1,010	892	857	989
Amount recycled (t)	816	998	879	844	975
Final disposal amount (t)	14	9	12	13	14
Recycling rate (%)	98.3	99.1	98.6	98.5	98.5

Chemical Substances Control

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

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*¹¹ 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.

*¹¹ **SDS** / Safety data sheets (SDSs) provide information on the hazards, toxicity, storage, disposal methods, and other information on the handling of chemical substances.

Specified Chemical Substance Control

Of chemical substances that we handle, we have submitted notifications for two substances that exceed standard amounts for substances specified by the PRTR*¹² 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.

*¹² **PRTR** / The Pollutant Release and Transfer Register (PRTR) is a system for providing notification of the release and transfer of pollutants. It is a system for identifying, compiling, and publicly announcing the sources of hazardous chemicals and the amounts released into the environment.

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 2016 we have conducted cloud-based surveys on the RoHS Directive, REACH regulations, and other topics. In addition, 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 2018, we established

a RoHS Analysis Room to analyze chemical substances contained in procured parts. Since July 2020, our products across the Company started complying with the TSCA-PBT*¹³ regulations, in addition to the PFOA*¹⁴ regulations that were added to the POPs regulations. We export 100% compliant products to areas where the regulations are enforced.

*¹³ **TSCA-PBT** / A persistent, highly accumulative, toxic substance as defined by the US Toxic Substances Control Act (TSCA).

*¹⁴ **PFOA** / Perfluorooctanoic acid (PFOA) is a type of organofluorine compound that has been identified as a carcinogen.



History of Our Environmental Conservation Activities

- 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 ● 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
- 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 ● 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
- 2022 ● January** Partial introduction of CO₂-free electricity at the Tsuchiura Plant
- May** Switch to low-carbon electricity and partial introduction of CO₂-free electricity at the Hachioji Plant

Third-Party Commendations

● Received top award for activities to rationalize the use of electric power



Receipt of the Kanto Region Rationalization of Electric Power Use Committee Chairman's Award for Fiscal 2021

● CO₂ emission reduction certificate



Reduction of CO₂ from trash bags (changed to the use of recycled trash bags)

Society



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Product Quality Enhancement

Approach and Initiatives▶ As products provided by the Tokyo Seimitsu Group 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, we set quality targets and conduct quality control in line with the quality policy set by our Quality Officer, and work to improve the quality of products and support.

Quality Policy
https://www.accretech.jp/english/sustainability/attempt/society/product_quality.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.

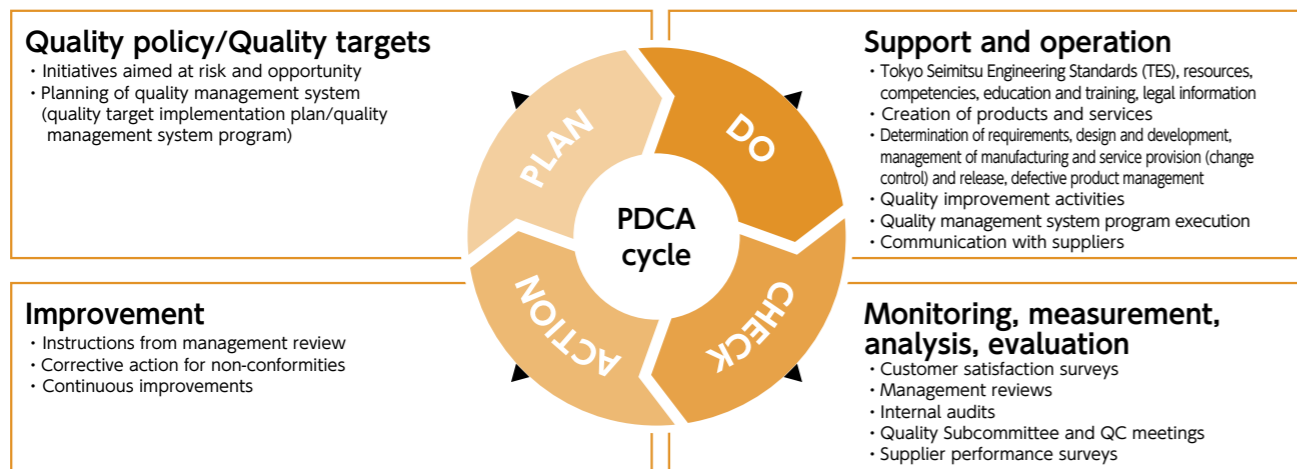
*1 ISO 9001 / An international standard concerning systems and mechanisms of management to achieve goals in response to the needs of an organization's customers and markets, through quality assurance for products and services. In line with the transition to ISO 9001:2015, we obtained the certification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

Maintenance and Improvement of Product Quality

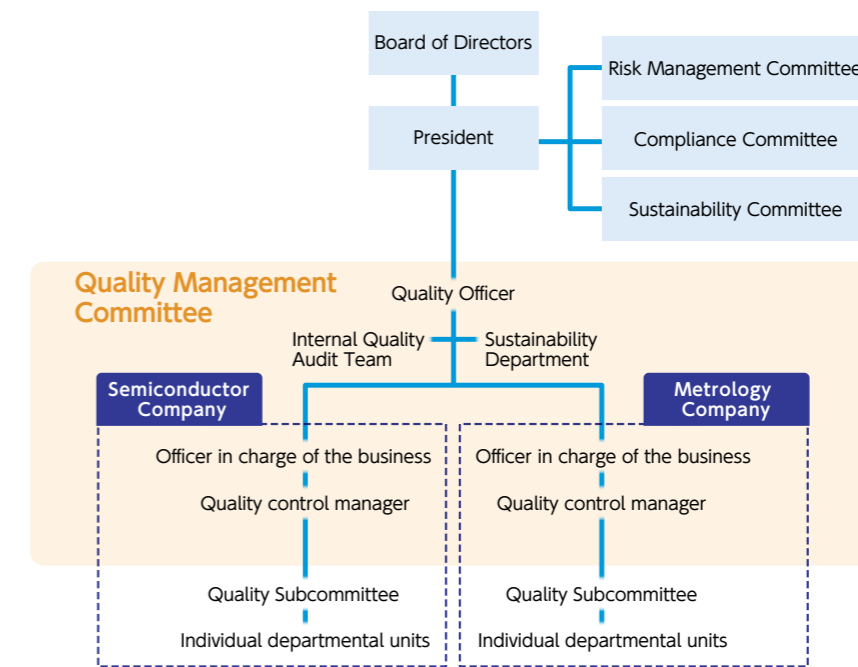
Based on its quality policy and quality targets, the Company promotes quality improvement activities using a PDCA cycle. Specifically, we evaluate performance data for quality control items (quality management system program achievement rate, on-time delivery rate, nonconforming product rate, defective rate, complaint rate, etc.) at Quality

Management Committee attended by top management officials, Quality Subcommittee, and QC meetings, and formulate and implement improvement measures. Through these activities, we make continuous improvements to our Tokyo Seimitsu QMS to provide products and services that satisfy our customers.

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



● Quality Control Structure



Internal Quality Audits

We conduct regular internal quality audits twice a year in accordance with our Quality manual*2. Teams of internal auditors who have undergone auditor training conduct audits of the effectiveness of the quality management

system using a checklist under the direction of the quality control managers at the Hachioji and Tsuchiura plants. Internal audits in fiscal 2021 identified no items requiring corrective action.

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

Supplier Quality Improvement Activities

Our suppliers, who are our valued partners, supply us with many of the parts and components necessary for our products. In addition to internal quality improvement activities, we ask our suppliers for their understanding of our quality initiatives, to develop quality improvement activities such as reducing quality risks and improving quality levels. In

fiscal 2021, supplier quality audits were subject to limitations on activity in the face of COVID-19. However, we conducted audits using a checklist based on our quality control standards and quality requirements, and received cooperation from 10 companies.

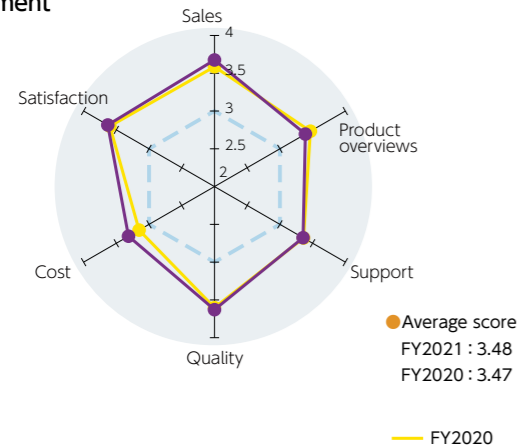
Increased Customer Satisfaction

Approach and Initiatives▶ The Tokyo Seimitsu Group 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.

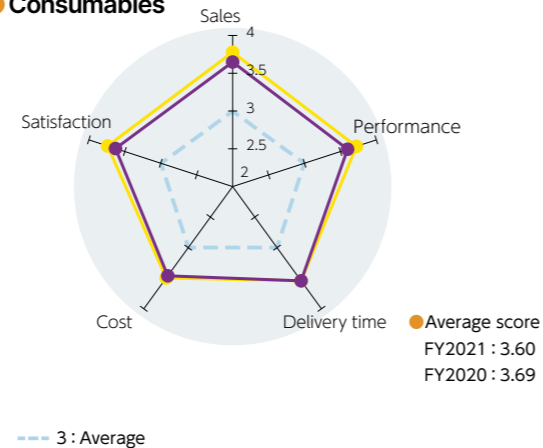
● FY2021 Questionnaire Findings

Semiconductor Manufacturing Equipment Business

● Equipment

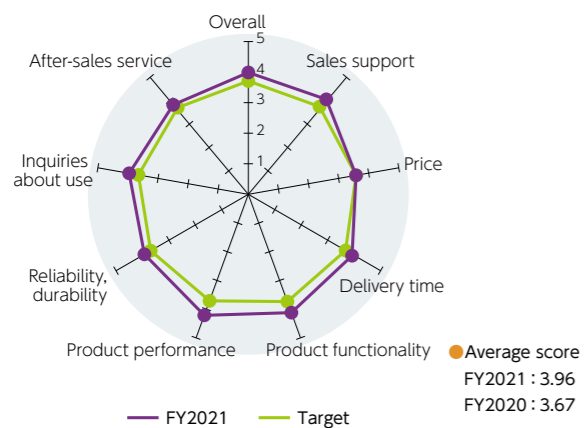


● Consumables

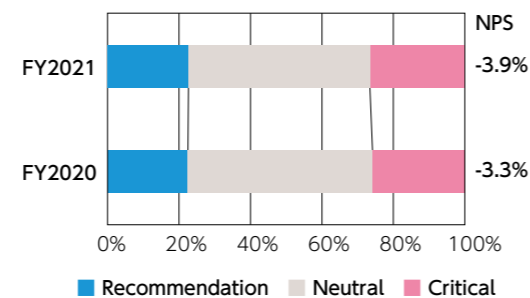


Precision Measuring Instrument Business

● Survey of customers one year after purchasing measurement products



● NPS® (Net Promoter Score) questionnaire



Efforts to Increase Customer Satisfaction

We have established new metrics to improve customer satisfaction, and the Quality Assurance Department has taken the lead in working with related departments to initiate customer follow-up and improvement efforts in response to low ratings and feedback.

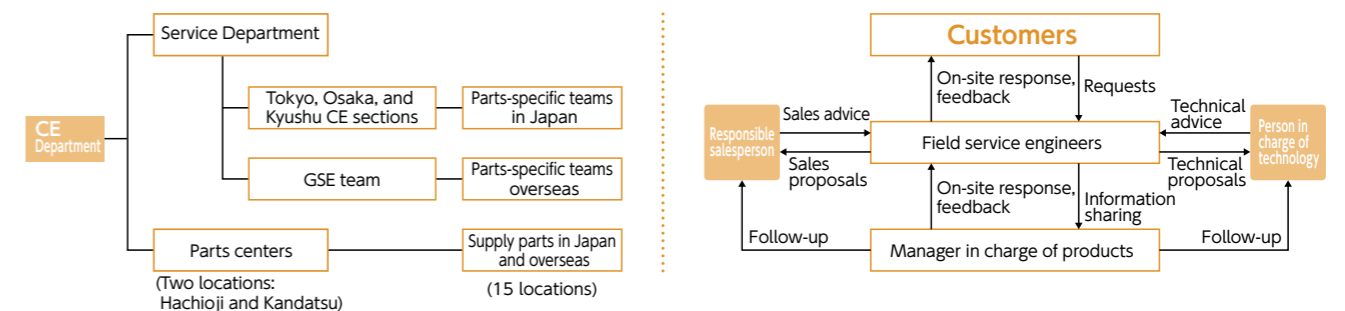
New metric : Percentage of satisfactory ratings in customer satisfaction surveys
Target : 94.80% (through FY2025)
actual in FY2021 : 94.28%

Support Structure (Semiconductor Manufacturing Equipment Business)

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

Support Structure

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



Efforts to Ensure Stable Parts Supplies

We currently supply maintenance parts to customers in approximately 40 countries around the world. We are responding to the challenges posed by COVID-related lockdowns and the numerous logistics problems stemming from current global circumstances by working to propose routes that are both optimal and shortest. To achieve this, we are sharing information with shipping and cargo-handling companies.

Consignment (External Inventory) Support

We stock maintenance parts at 17 locations in Japan and overseas to facilitate emergency supplies. This arrangement is working effectively under current conditions that are challenging in terms of logistics and material availability. In addition, the CE Stock Search System facilitates information-sharing on the status of all inventories. This makes it possible for locations to support each other in the event of an emergency.

Inventory Management

We ensure an appropriate inventory level of parts in a timely manner in light of changing conditions. Parts can be ordered with an automated system using MRP, which reduces labor-hours, speeds arrangements, and prevents ordering errors, thereby maintaining the number of parts in stock.

Strict Compliance on Overseas Exports

We ensure strict compliance by responding appropriately to various export regulations in the face of ever-changing international situation and environmental issues.

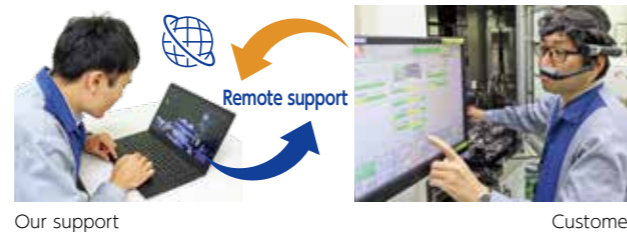
Maintaining Support Quality Despite the Pandemic

As we work to maintain or enhance support quality despite COVID-19, we are taking into consideration the safety and security of our customers and implementing infection prevention measures in accordance with our guidelines.

- Working from home ● Act in a way that social distancing is always kept in mind
- Returning home directly after business trips
- Avoid multiple people traveling in one Company vehicle
- Employ other remote supports that meet the needs from restrictions on business travel

New Remote Support Project

We have established the GSE-led ACCT GLOBAL REMOTE SUPPORT (AGRS) team and launched a remote support project. This project, which involves the use of smart glasses*³, was established mainly by young employees around Japan. By running and managing this project, we aim to build a customer support structure that is unaffected by circumstances, while learning work methods and principles of conduct.



*³ Smart glasses/Wearable device shaped like spectacles. Information can be displayed on the lenses.

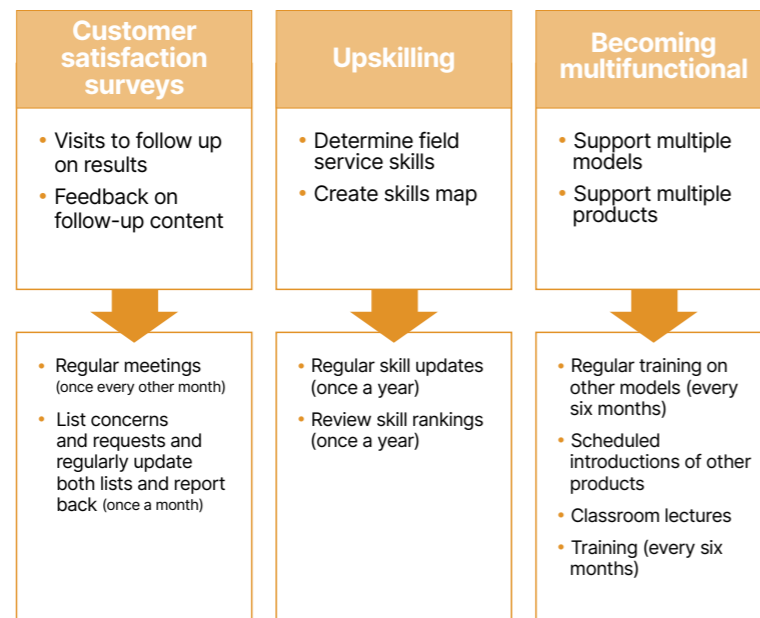
Efforts to Enhance Support Satisfaction

We analyze the support-related results of annually-conducted customer satisfaction questionnaire surveys in the semiconductor manufacturing equipment business.

To improve support satisfaction, we believe it is necessary to cultivate engineers who can think logically and flexibly and to provide a support framework, and are taking initiatives accordingly. Accordingly, we are working to improve our support structure.

Items on the satisfaction questionnaire that relate to support

- Delivery, installation and start-up
- Maintenance and repair work
- Delivery time for maintenance and repair parts
- Providing information and responding to inquiries
- Operation and maintenance training
- Amount of maintenance fee



Support Structure (Precision Measuring Instrument Business)

Approach and Initiatives▶ 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 instruments, as the origin of manufacturing. Armed with this understanding, we conduct support activities aimed at creating the future for our customers using precision measurement technologies. 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.

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 knowhow of measurement technologies and the operation of measuring instruments are stationed at the Centers to meet our customers’ diverse needs.

Technology <A Place for Learning about Products and Measurement>

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. In addition, we conduct web-based seminars to provide information to large numbers of people.

Number of Times “Place for Learning” Provided

Purpose	Number of times
Seminars and classes (including web-based seminars)	10
Classes/measurement guidance at public institutions	23

Activities in FY2021

Details	Number
Call center responses	8,642
Training sessions	206 times

< 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.



Sincerity <Proposal of Solutions >

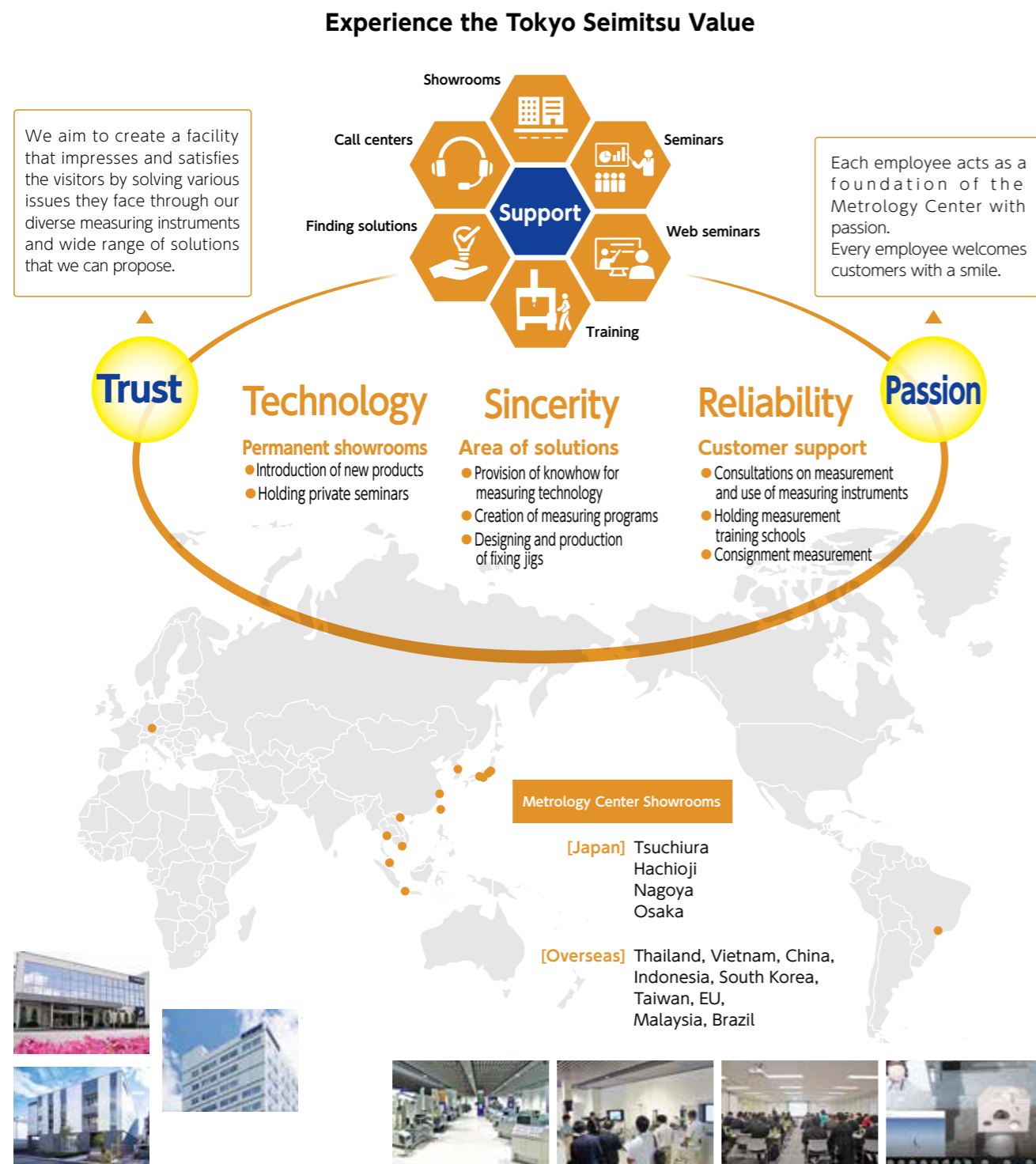
To deepen WIN-WIN relationships with our customers, we go beyond responding to the requests of visiting guests to address their greater expectations, by offering services including solutions proposals and operation training. For customers unable to come to us, we have readied a structure for responding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

Reliability <Customer Support>

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

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 for service engineers abroad to travel to Japan, however, we create and provide video teaching materials to improve the skills of such engineers.



CSR Fulfillment Together with Suppliers

Approach and Initiatives▶ In providing high-performance, high-quality products to customers, the Tokyo Seimitsu Group 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 company that meets the needs of the international community while collaborating with our Group, builds a strong value chain and engages in high-value-added manufacturing.

Terms and Conditions

We are committed to fair and equitable transactions with our suppliers in accordance with our purchasing management rules and other internal regulations. Aiming for close, good and stable business relationships that continue into perpetuity, we conduct procurement surveys that include the following items when business commences or continues.

Quality System

We require ISO 9001 certification or the equivalent, or assurance that business partners' quality systems meet our standards.

Supply products, parts, and raw materials that satisfy our quality requirements

We require suppliers to do the following: examine business partners' procedure manuals, inspection manuals, and inspection reports; examine dimensions, accuracy, and other aspects bases on samples; and evaluate the number of defective product notification slips issued and the magnitude of the defects.

Environmental Consideration

We require that suppliers have acquired ISO 14001 certification or environmental activity evaluation program certification or registration, or that their business partners have their own environmental management system and are active in this area.

Activities to Curtail and Manage Environmental Impact (Risk)

We ask our suppliers to use our "Environmental Management Structure Survey Sheet" or an "Environmental Management Checklist" to conduct severance and evaluation, and to develop and manage a system to avoid environmental risks in the supply chain. Suppliers that outsource product

manufacturing or services are required to conduct a survey every two years regarding human health and living environments, including air pollution, water pollution, the Offensive Odor Control Act, vibration and noise facilities, and specially controlled wastes.

Formulation of Supplier CSR Guidelines and Request for Cooperation

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

Tokyo Seimitsu's Supplier CSR Guidelines
<https://www.accretech.jp/english/sustainability/attempt/society/csr.html>

Supplier CSR Survey Activities

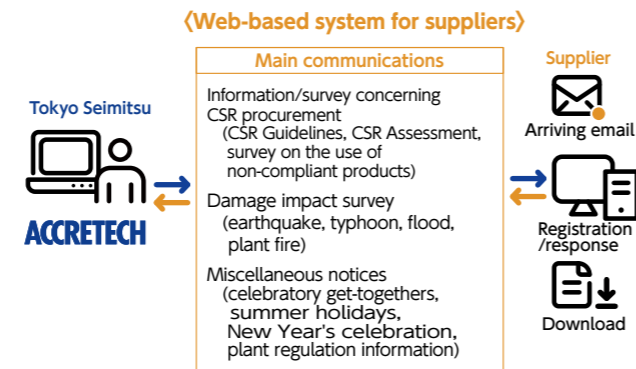
Since fiscal 2016, we have used the "SCM (Supply Chain Management) Check Sheet" to survey suppliers' compliance with CSR. The average score of the 166 responding companies was 88.7 points out of 100. Of the scores, 4.8% were in the 70s, 51.2% in the 80s, and 44.0% in the 90s. By category, the three items 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 for 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.

Surveys using the SCM (Supply Chain Management) Sheet

Survey items	Average score (166 companies)	Details
Legal compliance	88.7 points out of 100	<p>4.8% 51.2% 44.0%</p> <p>90s~ 80s~ 70s~</p>
Ethics management		
Environmental management		
Facility and equipment (safety) management		
Labor and employment management		
Biodiversity		
Conflict minerals		
Business continuity		

Web-Based System for Suppliers

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



Implementation of Supplier Commendations

Once a year, the Company 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 2020 to prevent the spread of COVID-19. In fiscal 2021, we commended two business partners and presented them with certificates of recognition.

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. In fiscal 2021, the workshop was postponed due to COVID-19, but we held a CSR seminar in September 2022.

Tokyo Seimitsu CSR Seminars

FY2015	Policy on CSR	FY2020	Overview of Web-based System for Suppliers Trends in Environmental Laws and Regulations for Products CSR Questionnaire
FY2016	Overview of the "SCM Check Sheet" and Survey Request	FY2021	Transition from CSR to Sustainability Activities Self-Assessment Referencing the RBA's Code of Conduct
FY2017	Trends in CSR Results of the Previous Year's "SCM Check Sheet" Tokyo Seimitsu's CSR Activity Report		
FY2018	Tokyo Seimitsu's CSR Activity Report Trends in CSR Initiatives for the Supply Chain Supplier CSR Guidelines (First Edition) Overview and request for submission of "Check Report"		
FY2019	Trends in Prohibited Substances in Products in 2020 Sharing of Information on Typhoon Damage in 2019 Review of BCP Introduction to Disaster Countermeasures		



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

Human Rights

Approach and Initiatives▶ The Tokyo Seimitsu Group recognizes that it is essential to respect the human rights not only of its employees but also of the stakeholders involved in the Group's business. Accordingly, we ensure compliance with the five items of the "ACCRETECH Group Code of Conduct," which is clearly stated in "2. Respect for Human Rights."

Respect for Human Rights

- (1) The ACCRETECH Group respects fundamental human rights.
- (2) ACCRETECH Group executives and employees shall respect the personality and individuality of all stakeholders, welcome diversity, and shall not discriminate on the basis of gender, age, nationality, ethnicity, race, physical or mental disability, gender orientation, culture, religion, ideological or political beliefs, national origin or family background, etc.
- (3) ACCRETECH Group executives and employees shall not engage in harassment, slander, jokes, sexual advances, or other verbal or physical harassment (in other words, sexual harassment, power harassment, and maternity harassment) or any other harassment that offends personal dignity or disrespects one's character, based on gender, authority, position, or other factors.
- (4) The ACCRETECH Group complies with the labor-related laws and regulations of the regions in which it operates, and respects and does not infringe on the fundamental rights of workers. We do not engage in illegal or inappropriate acts, such as unfair labor, forced labor, or child labor, in any aspect of our business activities. In addition, we will ask our business partners and others for their understanding and strongly request that they comply with labor-related laws and regulations, respect and protect basic labor rights, and eliminate illegal and inappropriate behavior.
- (5) The ACCRETECH Group provides employees with opportunities to demonstrate their abilities and achieve self-fulfillment, and evaluates the results of their abilities in an objective and fair manner. We also support our employees' efforts to improve their abilities through education and training programs and systems.

We instruct our Group companies in Japan and overseas to verify the age of employees and to comply with local laws and regulations to prevent child labor and to ensure that no employee is restrained in a manner that constitutes forced labor. We also perform regular audits. We conduct e-learning on this Code of Conduct on a regular basis.

● ACCRETECH Group Action Guidelines

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

Occupational Health and Safety

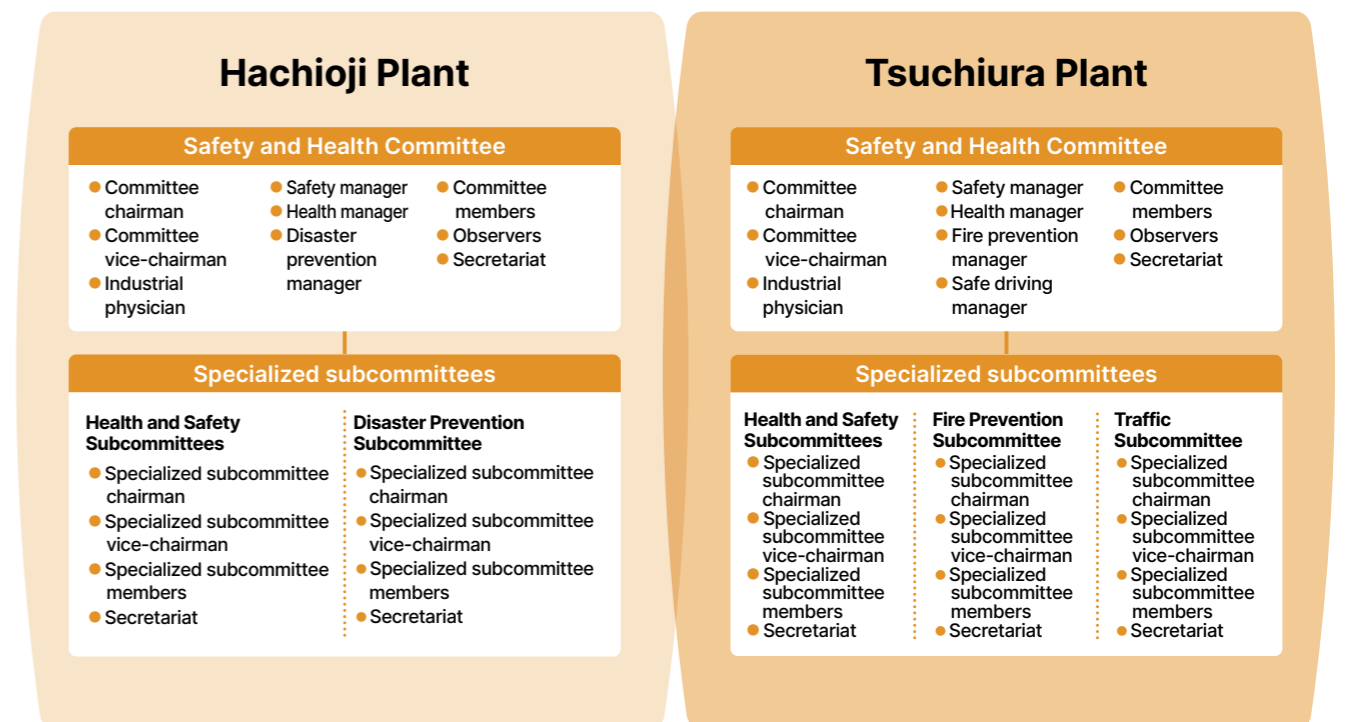
Approach and Initiatives▶ Within the ACCRETECH Group Code of Conduct, "3. Consideration for safety and the environment" clearly states that we strictly observe laws and regulations related to occupational health and safety in the regions where the Company operates, as well as rules established for the prevention of occupational accidents. Many devices, parts, tools, and machine tools from the Tokyo Seimitsu Group, a manufacturer of machinery, can be found at manufacturing and distribution sites. As our products consist of equipment used in production, many tasks such as delivery, installation, maintenance, and inspection occur in the unfamiliar environments of customers' production sites. By carefully investigating risks associated with these, observing and predicting the movement and flowline of workers, and implementing measures to minimize safety risks, we promote occupational health and safety initiatives so that everyday work actions can be carried out safely and rationally.

Safety and Health Committees

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

committee meets once a month, in principle, and on an adhoc basis when the committee chairperson deems necessary. In fiscal 2021, the committee met 12 times, as scheduled.

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



Occupational Accidents

The Hachioji and Tsuchiura plants aim for “zero accidents resulting in leave.” In fiscal 2021, injuries due to work-related accidents numbered two accidents resulting in leave and 10 accidents not resulting in leave. By accident type, “flying or falling objects” and “cuts or abrasions” accounted for the majority of accidents. In response, we are continuing our efforts to prevent recurrence and raise safety awareness through education and guidance on equipment handling, thorough implementation of protective equipment wear, and thorough implementation of the 5S*4.

Accidents by Type

Type	Number of occupational accidents (incidents)	Number of injuries or fatalities due to work-related accidents (people)
Flying or falling objects	5	5
Cuts or abrasions	3	3
Being caught	2	2
Falling	1	1
Colliding	1	1

Frequency of Accidents Resulting in Leave*5

	FY2017	FY2018	FY2019	FY2020	FY2021
Semiconductor Company	0.00	0.00	0.97	0.00	0.66
Metrology Company	0.00	0.00	0.00	0.00	0.00
Tokyo Seimitsu (non-consolidated)	0.00	0.00	0.71	0.00	0.53

Severity of Accidents Resulting in Leave*6

	FY2017	FY2018	FY2019	FY2020	FY2021
Semiconductor Company	0.000	0.000	0.004	0.000	0.050
Metrology Company	0.000	0.000	0.000	0.000	0.000
Tokyo Seimitsu (non-consolidated)	0.000	0.000	0.003	0.000	0.040

*4 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).

*5 Frequency of accidents resulting in leave / Indicates the frequency of injury or death due to occupational accidents.

Formula : (Casualties / total hours worked) × 1,000,000

*6 Severity of accidents resulting in leave / Indicates the percentage of the degree of loss caused by occupational accidents.

Formula : (Total lost workdays / total hours worked) × 1,000

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.

Course Attendees in Fiscal 2021

Unit : People

Content of courses conducted by the Tokyo Federation of Labor Standards Associations, Hachioji Branch	Hachioji Plant	Tsuchiura Plant
Training course for sling and crane operators	6	5
Foremen and safety and health supervisors	6	8
Operation chief of organic solvents	1	3
Skill training course for chief of specified chemical substances (tetraalkyl lead, etc.)	4	0
Special training for workers handling specified dust	0	0
Handling of dangerous substances Category Ko-4	0	1
Risk prediction training	0	0
Advanced lifesaving skills	4	0
Self-defense firefighting	0	0
Disaster prevention management skills	0	0

Unit : People

Content of courses conducted by the Tokyo Federation of Labor Standards Associations, Hachioji Branch	Hachioji Plant	Tsuchiura Plant
Fire and disaster prevention manager	0	0
Chief electrical engineer	0	0
Forklift	1	1
Oxygen deprivation	1	0
Full harness	2	0
Cultivation of hygiene promoters	1	0
Total	26	18

Training at the Tsuchiura Plant	Number of attendees
Forklift, sling work, crane safety training	52

Safety Inspection and 5S Patrols

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

We regularly carry out 5S patrols to promote the tidying and ordering of workplaces. Using a scoring system 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 considering the purchase of industrial chemicals, we conduct a chemical substance risk assessment to check for the presence of contained environmental pollutants (organic solvents, specified chemical substances, hazardous materials, etc.), in accordance with our internal regulations. The department in charge of this matter at the Hachioji Plant decides whether to purchase the chemicals based on the results of assessments conducted at the Hachioji and Tsuchiura plants. In fiscal 2021, 87 new chemical substance

risk assessments were conducted at the two plants, both for new uses and for reviews of existing uses. We require divisions that manage and use chemical substances to conduct regular inspections and regular quantity checks. We also conduct internal environmental audits in accordance with ISO 14001, and carry out patrols of chemical management and storage status through the Regulated Substance Control Working Group under the Safety and Health Committee.

Assurance of Safety Outside of Plants

Operations at our plants that mainly supply semiconductor manufacturing equipment take 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. The Service Expert Committee of the Semiconductor Equipment Association of Japan (SEAJ) aims to improve the quality of maintenance services for semiconductor manufacturing equipment and other products and to eliminate accidents involving service personnel. In addition to guidelines for entering clean rooms in the event of a disaster, the subcommittee promotes efforts to create work checklists and guidelines for preventing COVID-19 infections among field service engineers. In addition, SEAJ's Safety Training Subcommittee is working to make safety training for installation, maintenance, and service personnel of semiconductor manufacturing equipment an industry standard, as “SEAJ recommended safety training.” Our employees on the SEAJ Safety Training Subcommittee conduct online work safety training for CEs and manufacturing/design engineers at the Semiconductor

Company, as well as for internal and regional offices. In fiscal 2021, 388 people attended our internal courses.

Number of People Attending SEAJ Work Safety Sources in Fiscal 2021

1. New attendees: 98
2. Updated course attendees (two-year updates): 72



Clean room clothing

Disaster and Accident Prevention

Approach and Initiatives ▶ The Tokyo Seimitsu Group conducts systematic drills, maintains stockpiles, and organizes a self-defense fire brigade as a disaster-prevention countermeasure organization to prepare for in-plant explosions, fires, toxic gas leaks, and natural disasters such as earthquakes and wind and water damage.

Evacuation Drills for All Sections

Each year, each plant's Disaster Prevention Subcommittee plans and conducts emergency evacuation drills for all departments in the plant. In fiscal 2021, the Hachioji Plant conducted an evacuation drill using "protecting yourself from disasters" as an e-learning theme. To complete the course, participants were required to pass a test (scoring 80 points or more). The details of such training are reported to the Tokyo Fire Department, by submitting a "Notice of

Self-Defense Fire Drill Implementation." At the Tsuchiura Plant, drills were conducted to teach employees how to use fire extinguishers and what to do as the initial action to put out fire, in the event of a conflagration resulting from an earthquake or other causes. All participants (40 people) received instruction and guidance on the use of fire extinguishers from an invited lecturer from Japan Protect Co.



Emergency Stockpiles

Based on the "Rules of managing stockpiles for major disasters," each year we review our stockpiled quantities and the storage of drinking water, food, and other necessary supplies.

As of the end of fiscal 2021, the Hachioji Plant had stockpiles sufficient to supply 1,583 people for three days. The Tsuchiura Plant had quantities sufficient for 30 people for two days.

Self-Defense Fire Brigade

At the Hachioji and Tsuchiura plants, we organize self-defense fire brigades and conduct regular training one or two times a month according to annual plans. The company also participates in an annual "self-defense firefighting training review" hosted by the Hachioji Fire Department. In this competition, self-defense fire brigades from business establishments in the city gather to compete in a heated competition to test the effectiveness of their daily training based on speed and accuracy of indoor fire hydrant operation. For fiscal 2021, personnel from the Hachioji Fire

Department visited each operation site to conduct individual reviews, and the Hachioji Plant received an award for excellence.



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 2021, the Hachioji Plant conducted independent training 38 times for 12 divisions. At the Tsuchiura Plant, 107 people from the plant department took part in chemical cleaning agent splash prevention training.



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.



● Safety Course Participants (including those who watched DVDs on traffic safety)

Tsuchiura	330
Hachioji	416

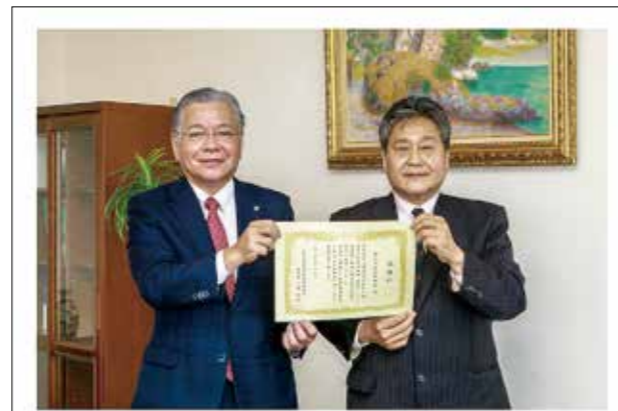
Health

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

Healthy Company Declaration

Employee health is a cornerstone of a company's long-term stable management. We have committed ourselves 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 we received a silver certificate as an "Excellent Health Company."



In May 2021, the Tokyo Metal Business Health Insurance Association Mr. Hideyuki Kobayashi, Chairman of the Board of Directors, presented us with a letter of appreciation.

Healthy company declaration
https://www.accretech.jp/english/sustainability/attempt/society/product_quality.html

Health Declaration	Execution Details and Results
100% of medical checkups will be taken.	Achieved 100% in fiscal 2021
We will utilize the results of health checkups	Reported on the status of health checkups and stress check results (Risk Compliance Committee, Safety and Health Committee)
We will create a healthy environment.	Video dissemination on health topics (monthly)
We will promote better diet.	Collaborative menu offerings (once per week)
We will encourage exercise.	Dissemination of "healthy company" newsletter
We will promote nonsmoking.	Video dissemination on health topics Dissemination of "healthy company" newsletter
We will promote mental health.	Video dissemination on health topics Dissemination of "healthy company" newsletter Stress level check system

Health Checkups and Stress Level Check System

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. Individuals with high stress levels meet with industrial physicians. We also conduct organizational analyses and, after reporting to the Risk Compliance Committee and the Safety and Health Committee, work to improve the workplace environment.

Healthy Company Declaration Collaborative Menu

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



Video Dissemination on Health Topics (Monthly)

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



Preventing Health Problems (Physical and Mental) Due to Long Working Hours

As measures to address long working hours, we manage working hours through entry/exit systems, encourage our employees to take annual paid leave, and promote industrial physician consultations and the taking of annual paid leave for employees who have a high level of total working hours within a month or three month. We introduced the entry/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 collated with entry time and exit time or PC log time to accurately assess working hours. We are able to thoroughly assess working status even when employees are working from home or on holidays. In fiscal 2021, average monthly overtime hours per person rose by 3.8 hours from the previous year due to a sharp increase in semiconductor-related orders.

● Main Measurers for Addressing Long Working Hours

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

Diversity

Approach and Initiatives▶ 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, the Tokyo Seimitsu Group believes it can help all employees, with their diverse personalities and values, to reach their full potential. As the first step toward this, we will focus on diversity initiatives including promotion of employment for women, promotion of employment for people with disabilities, and enhancement of work-life balance, to advance the creation of rewarding workplaces suited to individuals.

Women's Participation and Advancement

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

● Progressing the Action Plan for Promoting Employment and Careers of Women

Indicator	Target to be achieved by end-FY2025	Figure at end-FY2021
Percentage of female regular employee hires	20% or more	17.0%
Percentage of female regular employees	10% or more	7.4%

● Specific Initiatives

Hiring of women (new graduates)	<ul style="list-style-type: none"> Increase contact with female students and expand opportunities Introduce benefits and childcare support programs that exceed legal requirements Prepare and distribute job introduction materials, including those for interviews with female employees Hold women-only events, such as roundtable discussions with female employees
Support for the career development of female employees	<ul style="list-style-type: none"> Lectures by female executives from other companies to develop the careers of female engineers Introduction of external counseling services in April 2022
Opportunities for female employees to interact with each other	<ul style="list-style-type: none"> At the Semiconductor Company, Metrology Company, and Administration Company, meetings for female employees to exchange opinions on the promotion of women's activities

Action Plan for Promoting Employment and Careers of Women
<https://www.accretech.jp/sustainability/humanResources.html>
<https://www.accretech.jp/english/sustainability/attempt/society/diversity.html>

Employment of Persons with Disabilities

The Company 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.

● Rate of Employment of Persons with Disabilities

	June 2020	June 2021	June 2022
Percentage of employment of persons with disabilities	1.94%	1.95%	2.07%
Statutory employment rate	2.2%	2.3%	2.3%

● Specific Initiatives

Coordination	<ul style="list-style-type: none"> Conduct workplace tours and practical training in cooperation with employment support agencies, special needs schools, etc. Also, conduct periodic interviews regarding workplace retention.
Job creation	<ul style="list-style-type: none"> Promote understanding of employment and job creation through discussion with divisions that do not have persons with disabilities, and submit job requirements to Hello Work. Promote mutual understanding through workplace tours and practical training.
Retention	<ul style="list-style-type: none"> Have employees in the host department participate in a supporter training course to strengthen the hosting system.

Work-Life Balance

Approach and Initiatives▶ The Tokyo Seimitsu Group 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.

● Main Systems

Category	Overview	Category	Overview
Childcare leave system	<ul style="list-style-type: none"> The maximum length of absence can be extended until the child reaches three years of age. Employees are paid 20% of wages during the period of absence until the child reaches two years of age. 	Days for leaving work on time	<ul style="list-style-type: none"> Wednesdays and bonus payment days (two times a year) are set as days for leaving work on time.
Child-nursing leave	<ul style="list-style-type: none"> This leave is available for up to five days per year per child up to junior high school graduation. 	Long-term leave system	<ul style="list-style-type: none"> Five consecutive vacation days each fiscal year (two days of Company holidays + three days annual paid leave)
Reduced working hours for childcare	<ul style="list-style-type: none"> Employees raising children up to junior high school age may reduce their scheduled working hours by up to three hours per day. 	Refreshment leave system	<ul style="list-style-type: none"> Employees who are 50 years of age or older and have reached 10 years of service are entitled to 10 consecutive days of vacation (in addition to vacation, travel vouchers or cash payment)
Nursing care leave system	<ul style="list-style-type: none"> Up to three leaves of absence are available per person eligible for nursing care, not exceeding a total of 1 year. Employees are paid 20% of wages during these leave periods. 	Hourly paid leave system	<ul style="list-style-type: none"> In addition to half-day installments (morning and afternoon), leave may be taken in hourly increments.
Nursing leave	<ul style="list-style-type: none"> Up to five days may be taken per year per person eligible for care, or up to 10 days if there are two or more people eligible for care. 	Obligation to take five days of paid leave per year	<ul style="list-style-type: none"> Eligible employees who are granted at least 10 days of paid leave per year. This does not include special paid leave or other leave other than annual paid leave. Percentage of leave taken in fiscal 2021 : 100%
Nursing care shortened working hours system	<ul style="list-style-type: none"> Employees caring for a family member may reduce their scheduled working hours by up to three hours per day. 		

Welfare Benefits

We offer 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. In addition, we have agreements with outside facilities such as membership resort clubs and employee benefit service companies, making their services readily available to employees.

Human Resource Development

Approach and Initiatives▶ Employees are assets to the Tokyo Seimitsu Group. Based on the belief that the growth of each and every employee is essential for the Group to continue to grow sustainably, we have established a Human resource development policy and provide programs, including education and training, to support the growth of our employees. In addition, we work with business units to secure and cultivate human resources who understand our business and are necessary for our business strategy. The Group's Human resource development aims to achieve sustainable growth together through a WIN-WIN relationship between employees and the Company.

Human resource development policy
<https://www.accretech.jp/english/sustainability/humanResources.html>

Training Program

The Company 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 others. 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.

● Training Achievements

Common training (major themes)	Time
New employee training	3,375 hours
New employee follow-up training	176 hours
e-learning	
Required courses	
Work readiness course	123 hours
Compliance-related education	1,672 hours
Basic course on workplace mental health care for managers	151 hours
Elective courses	
Basic course on business etiquette	152 hours
Basic course on personal mental healthcare	
TOEIC®test score improvement	
total	5,649 hours
Distance learning(frequent themes)	Total people
Introduction to using AI with Python	
Production Meister basic course	114
Production Meister, level 3 course	

Level-specific training (major themes)	Time
Training for new managers	45 hours
Training for new section chiefs	193 hours
Training for new assistant section chiefs	454 hours
360-degree feedback review training	345 hours
total	1,037 hours

Department-specific training (major themes)	Total people
General technical training	
Mechanical design training	
Electrical circuit design training	
SEAJ recommended safety training	
Programming seminar	224
Semiconductor-related seminar	

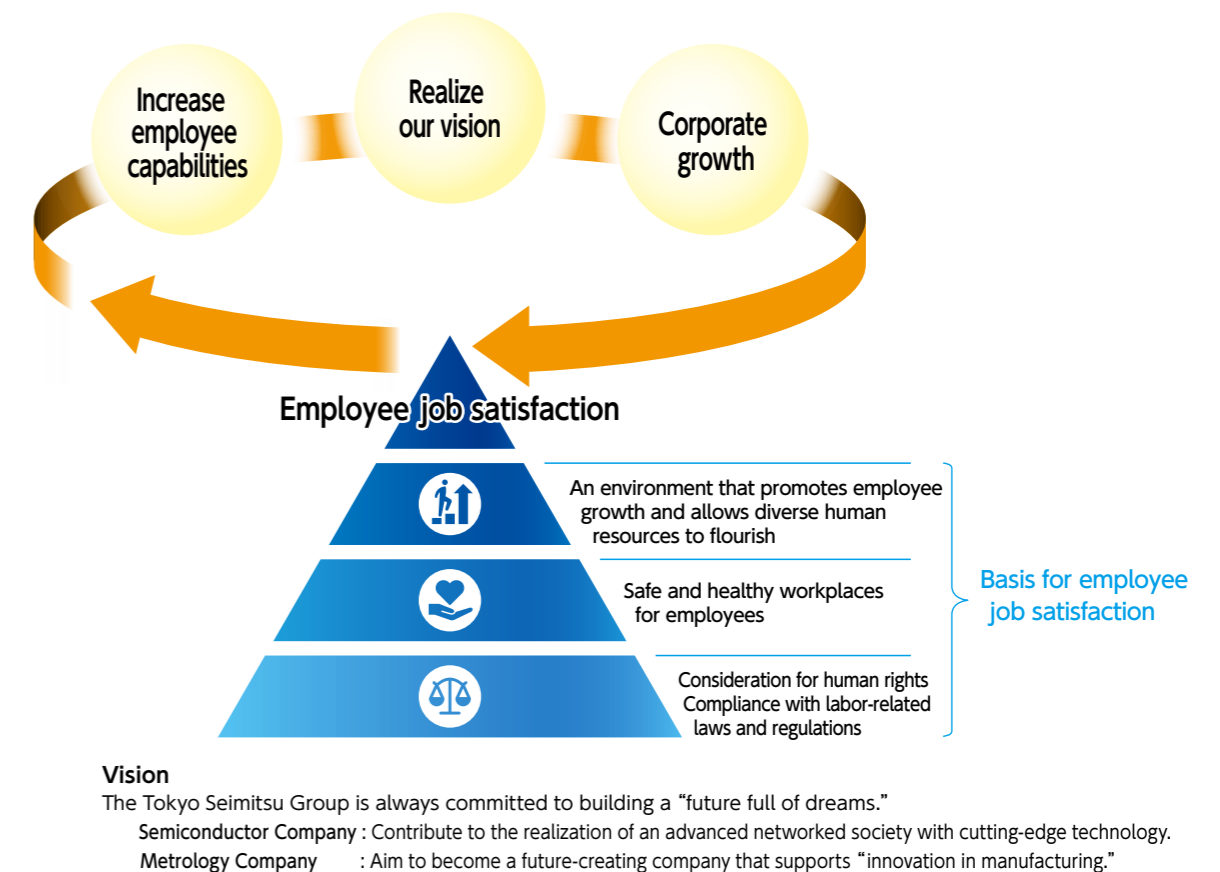
Award Systems

The Company has a variety of award systems to improve employees' motivation.

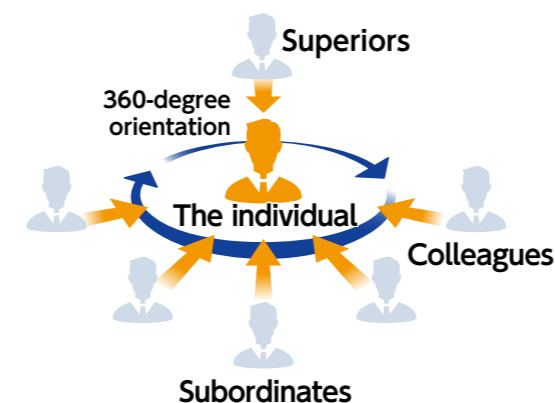
Improvement Proposal Awards	Technical Awards	New Business Plan Proposal Awards
These awards are for outstanding performance, including task improvements, quality and performance improvements, material cost reductions, safety and environmental improvements, and office work improvements.	These awards recognize employees and technology development projects that made technical achievements contributing to the improvement of business performance. (Details of excellent projects are shared every year at the Development Success Story Meeting, attended by employees of companies' Technology Divisions.)	These awards, aimed at the entire Tokyo Seimitsu Group, including overseas companies, commend ideas for new products likely to appear in the future, based on open-minded thinking.

More Rewarding Work

Approach and Initiatives▶ To enable the Tokyo Seimitsu Group to grow significantly in a rapidly changing operating environment, we have been creating the foundations to enhance job satisfaction, such as consideration for human rights, providing a safe workplace, promoting health and wellness, and respecting diversity, so that employees can maximize their abilities and perform at their best. In another effort to improve employee motivation and engagement, we are launching a working group aimed at enhancing employee job satisfaction, conducting 360-degree feedback (evaluation) and stress level checks, and introducing an external counseling service (April 2022).



● 360-degree feedback



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

1. Recognize gaps between one's own analysis and observation of their behavior by those around them, to reflect on oneself, and to use this as a kick-start for behavioral change
2. Help participants understand their management skills and improve them further

Social Contribution

Approach and Initiatives ▶ 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.

Educational and Cultural Initiatives

Learning the Way of Manufacturing in Hachioji

The city of Hachioji, in 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 the content of these lectures 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 surprise at the depths of Tokyo Seimitsu's involvement in the industrial development of Japan.



Lecture by Hachioji Plant manager (January 2020)

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

Career Studies

We welcomed students from junior high schools in the city of Hachioji to a career study program with the aim of helping them learn how to think and learn about careers and career paths, and to promote their own SDG initiatives. The students listened intently to employees' responses to questions about the Company's approach to the SDGs, job satisfaction, and other topics. We hope that examples of our efforts will provide an opportunity for students to further promote and deepen their thinking and commitment to the SDGs.

- Overview of the Company's business
- Our social contribution initiatives and the SDGs
- Our vision of the world of the future
- Our message to students
- Question and answer, etc.



Job-Specific Career Guidance Subcommittees

With the aim of providing opportunities for hands-on activities to nurture future leaders of manufacturing, we offer job-specific career guidance subcommittees for first-year high school students. In fiscal 2021, the head of our production site visited a high school in the city of Sayama and gave a lecture titled "course on the manufacturing of mechanical parts" to introduce young people (who will be key to the future of manufacturing) to the concepts of job satisfaction and

manufacturing. The seminar provided an overview on a specific method of manufacturing a semiconductor manufacturing equipment and on our plants, offering a good opportunity for the participants to get an idea of what it is like to work in the manufacturing industry.



Volunteer Activities for Environmental Beautification

We recognize that volunteer activities are an important part of our corporate citizenship activities.

Hachioji City Adopt-A-Road Program



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

Since 2004, the Hachioji Plant has implemented such activities into a part of the curriculum for new employee group education every year, focusing on the rotary on the east side of JR Kita-Hachioji Station. Placing priority on preventing the spread of COVID-19, activities were conducted one time in fiscal 2021, with 25 participants.

Nakanuki Park Beautification Activities

The Tsuchiura Plant joins other companies near Nakanuki Park for weekly cleanups in and around the park. Since 2006, we have also carried out cleanups on our own across our divisions in turn every Monday. In fiscal 2021, we did so 50 times with participation by a total of 100 employees. Over the years of these cleanup activities, awareness has increased among the local community. Streets around the park that had been covered in litter have improved markedly. 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.

"Adopt-A-Road Program," City of Hachioji Website

<https://translation2.j-server.com/LUCHOJC/ns/tl.cgi/https://www.city.hachioji.tokyo.jp/kurashi/life/001/001/016/p006890.html?SLANG=ja&TLANG=en&XMODE=0&XCHARSET=utf-8&XJSID=0>

Hachioji Plant's Contribution to the Community

Efforts to Promote Energy Conservation

The Kanto Bureau of Economy, Trade and Industry has organized "associations of factory districts designated for energy management" in each of the prefectures under its jurisdiction to proactively promote energy conservation. The purpose of the associations is to promote the rationalization of energy use in a comprehensive and effective manner through mutual collaboration and information exchange between the Energy Conservation Center, Japan and the Kanto Bureau of Economy, Trade and Industry.

In addition, once a year the "liaison association of factories designated for energy management" meets to share and exchange information about the associations of factory districts. As our Hachioji Plant chaired the "Tokyo association of factory districts designated for energy management" in fiscal 2021, the Plant made a report on its activities as a representative of the Tokyo area.

Kanto Bureau of Economy, Trade and Industry
<https://www.kanto.meti.go.jp/english/index.html>

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, Industrial Accident Compensation Insurance Act, 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.

Tsuchiura Plant's Contribution to the Community

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

The Company has concluded a pollution control agreement with Tsuchiura City, aimed at the conservation of atmospheric environment and water environment, noise and vibration prevention, and the prevention of pollution from business activities. 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, Soil pollution preventive measures, Noise and vibration preventive measures, Groundwater depletion prevention measures, Ground subsidence preventive measures, Odor preventive measures, Groundwater contamination preventive measures, Chemical substances management, Waste disposal measures

Locations of 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 the city of Tsuchiura. The Agreement promotes the efficient use of electricity and other energy as well as the reduction of garbage in business activities, and the initiatives to raise awareness of environmental conservation in the local community.

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, concerning the environmental education and awareness-raising activities for employees. The report is made available on the Tsuchiura municipal website.

Reference : Eco-partner Agreement, Tsuchiura City municipal website

<https://www.city.tsuchiura.lg.jp/page/page014896.html>

Donations for Humanitarian Aid Related to the Situation in Ukraine

We donated ¥10 million to the Office of the United Nations High Commissioner for Refugees (UNHCR*) to provide humanitarian assistance to people suffering from the damage in Ukraine and surrounding areas. UNHCR operates in approximately 135 countries around the world, providing international protection and assistance to refugees and stateless people. The agency has a long track record and a base in eastern Ukraine. We sincerely hope that this situation will be brought to an end as soon as possible and that the days of peace and safety will return to everyone who has been forced to live under such difficult circumstances.

***7 The Office of the United Nations High Commissioner for Refugees (UNHCR) /**

As the UN's refugee agency, the UNHCR provides international protection and assistance to refugees, internally displaced people, and stateless people around the world, with support from governments and private sectors worldwide.

<https://www.unhcr.org/>

Participation in Industry Groups

Approach and Initiatives▶ The Tokyo Seimitsu Group actively participates in industry groups, making recommendations, proposals, and lobbying for the development of the semiconductor and measuring instruments industries. We also collaborate with other companies to improve technology and quality, promote standardization, and create new value.

SEAJ (The Semiconductor Equipment Association of Japan)

Our employees participate in the Service and Safety Training subcommittees of the SEAJ's Safety & Support Committee. These efforts, which aim to enhance the quality of maintenance services, including for semiconductor manufacturing equipment, and achieve a zero accident rate among service personnel, involve creating and providing

various guidelines and checklists. The organization is also promoting the adoption of "SEAJ recommended safety training" as the industry standard.

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

ISO Technical Committee

The International Organization for Standardization (ISO) promotes standardization, mainly in industrial fields, through Technical Committees (TCs). Our employees have been appointed as representative members for Japan of TC213, which deliberates and formulates geometrical product specifications (GPS). They are currently taking part in working groups covering coordinate measuring machine standards, roundness measuring machine standards, surface texture measuring instrument/filter standards, and

measurement uncertainty standards. 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.

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

The Japan Society for Precision Engineering

Expert committees of the Japan Society for Precision Engineering are organized by experts in their respective fields to promote the sound development of precision engineering technology and to conduct ongoing research on important issues. Our employees are members of the Expert Committee for Intelligent Nano-Measurement*⁸ and the Expert Committee for Convergence Engineering*⁹. Also, in fiscal 2022 one of our employees was appointed to the society's board, where he will work to promote its activities.

***⁸ Expert Committee for Intelligent Nano-Measurement /**
An expert committee on technological developments including intelligent data processing, traceability, and standardization.

***⁹ 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).

The Japan Society for Precision Engineering
https://www.jspe.or.jp/wp_e/

Japan Precision Measuring Instruments Manufacturers Association

The Japan Precision Measuring Instruments Manufacturers Association holds comprehensive exhibitions concerning measurement and all related aspects, promotes standardization that contributes to the improvement of technology and quality, and holds seminars in collaboration with other organizations. Through such activities, the association contributes greatly to the promotion of Japan's precision measuring instrument industry. Since fiscal 2020, Tokyo Seimitsu President and CEO Hitoshi Yoshida has served as the chair of the industry association, making a firmwide major contribution toward promoting the precision measuring instruments industry.

In October 2021, we held the Measuring Technology Expo 2021 in collaboration with the Japan Optical Measuring Instruments Manufacturers' Association, taking thorough measures to prevent the spread of COVID-19. In fiscal 2022, we plan to co-sponsor and exhibit at JIMTOF2022 The 31st Japan International Machine Tool Fair hosted by the Japan Machine Tool Builders' Association.

Japan Precision Measuring Instruments Manufacturers Association

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

Measuring Technology Expo 2021

https://www.mt-expo.jp/2021/contents_en/index.html

JIMTOF2022 The 31st Japan International Machine Tool Fair

<https://www.jimtof.org/en/index.html>

Governance



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Corporate Governance

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

The Tokyo Seimitsu Group makes its corporate philosophy "Growing together with partners and customers by collaborating technology, knowledge and information to create the world's No. 1 products." By practicing this philosophy under the corporate brand "ACCRETECH" that

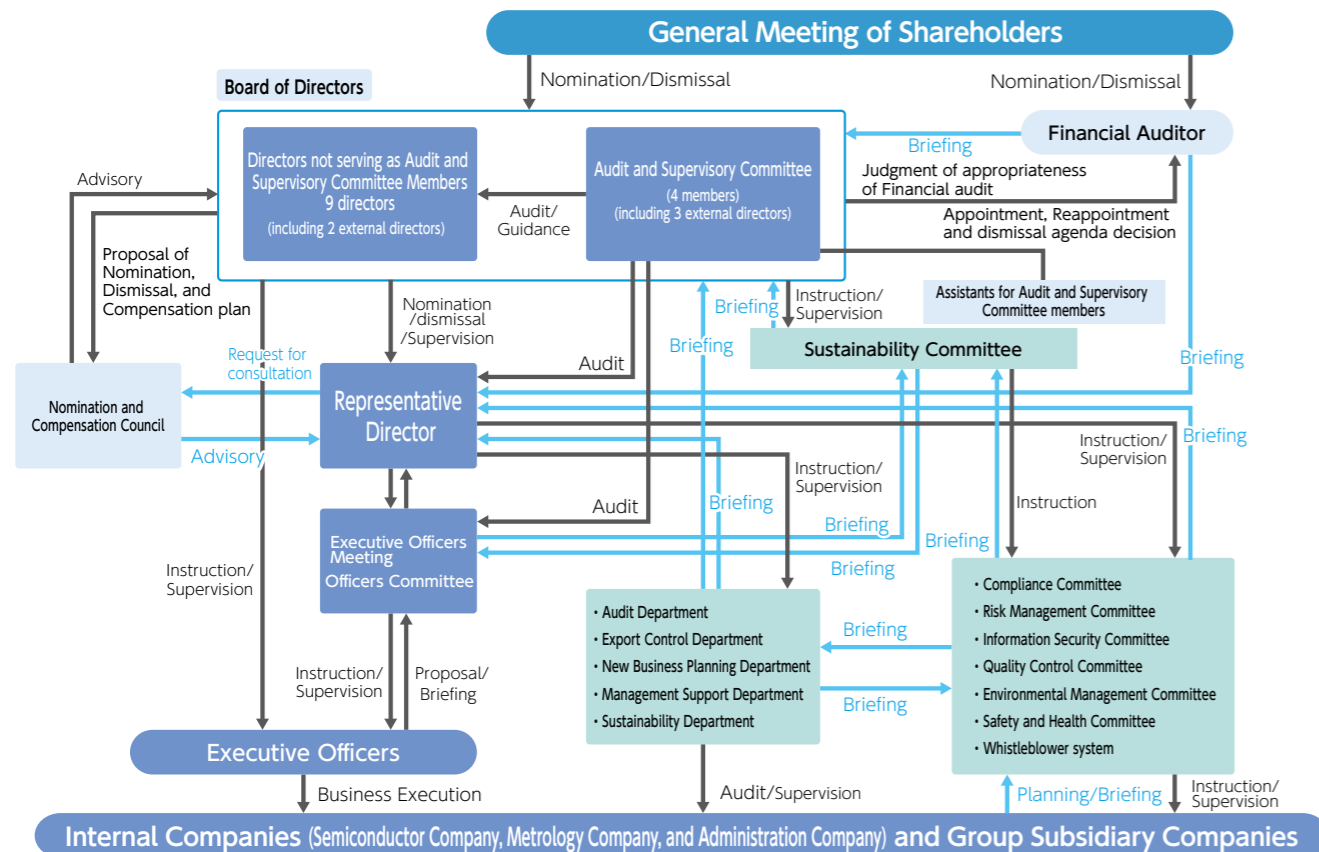
expresses it in a single word, we aim to achieve sustainable growth and enhance our corporate value amid the advance of rapid technical innovation and economic globalization.

Basic Policy on Corporate Governance

The Company supports all of the principles of the Corporate Governance Code. We report on the status of our compliance with the code in the Corporate Governance Report submitted to the Tokyo Stock Exchange. Japanese and English versions of our Corporate Governance Report are available at the website below.

Corporate Governance Policy
<https://www.accretech.jp/english/company/basicpolicy.html>
Corporate Governance Report
<https://www.accretech.jp/english/company/fs12jh0000021zrd-att/fs12jh0000042ybe.pdf>

Corporate Governance Structure



Board of Directors and the Audit and Supervisory Committee

The Board of Directors is composed of nine directors who are not Audit and Supervisory Committee members (two of whom are external directors) and four directors who are Audit and Supervisory Committee members (of whom three are external directors). The Board of Directors holds regular monthly meetings, and extraordinary meetings are also held as necessary. The Board of Directors deliberates on important matters related to management as stipulated by law, the Articles of Incorporation, and the Board of Directors Regulations, as well as monthly, periodic, and annual business results, and supervises the execution of business by each director. The Board of Directors is chaired by Hitoshi Yoshida; Shinji Akimoto chairs the Audit and Supervisory Committee. The Audit and Supervisory Committee, in cooperation with the Audit Department (the Company's internal auditing department) and the accounting auditor, audits the decision-making process of the Board of Directors and the status of business execution by directors.

Cross-Shareholdings

The Board of Directors comprehensively examines whether shares held as cross-holdings are worthwhile based on risk and return from perspective of medium- to long-term economic rationality, and qualitative considerations such as the purpose of holding and credit status. If this examination results in the judgment that it is not worthwhile to retain cross-holdings, in principle such holdings are reduced. However, if it is determined that holding of such shares will contribute toward the improvement of medium- to long-term corporate value, they are retained. As a result of such deliberation, the Company sold 15 cross-shareholdings (including shares subject to deemed holding) for ¥7,421 million between April 2015 and March 2022.

Internal Control

Based on the basic policy for internal control systems resolved by the Board of Directors, we are working to strengthen corporate governance and compliance. We are also reinforcing the internal control structure and system to ensure management soundness and transparency.

Basic Policy on Internal Control Systems

https://www.accretech.jp/english/company/internal_control.html

Nomination and Compensation Council

The Company has established a Nomination and Compensation Council as a voluntary committee for the purpose of clarifying the independence, objectivity, and accountability of the Board of Directors functions, especially in nomination of and compensation to the directors. The council consists of members of the Audit and Supervisory Committee and external directors. Independent external corporate directors are in the majority (now all five members are external corporate directors) on the council, helping to realize deliberations fully independent from management. Regarding the nomination of directors, the council deliberates and reports to the Board of Directors on matters related to nomination of directors, including appointments and dismissals. With regard to director compensation, the council deliberates on and resolves classification of compensation per post, and deliberates and reports to the Board of Directors on matters related to compensation policies.

Audit Function (Internal Audits)

The Audit Department systematically conducts audits of the Company and its subsidiaries in accordance with internal audit regulations to verify compliance with laws, the Articles of Incorporation, and corporate regulations, as well as of administrative adequacy. If the Audit Department finds any violation of laws, regulations, the Articles of Incorporation or internal rules, or any performance of duties that may cause a loss due to some other reasons at the Company or its subsidiaries, the general manager of the Audit Department immediately notifies the president and COO and tells employees to implement corrective or improvement actions. The Audit Department periodically reviews and revises, as necessary, the items to be audited and the method of conducting the audits. In fiscal 2021, the Audit Department audited six internal departments and Group companies. With regard to theme-based audits of the Company and all subsidiaries, in fiscal 2022 the Audit Department reported to the president, the Audit and Supervisory Committee, and the Board of Directors the results of audits conducted on the theme of management of cash and deposits. Due to the COVID-19 pandemic, we outsourced the departmental audits of two overseas subsidiaries. These audits were conducted by local accountants. All of these audits were reported to the Executive Management Meeting, and the status of each department and subsidiary and areas requiring improvement were shared within the Company.

Executive Officer System

The Company has in place an executive officer system to make speedy decisions on product development planning to respond quickly and flexibly to market trends. Executive officers oversee the progress and implementation of business plans at regular Executive Management and Executive Officers' meetings.

Assessing the Effectiveness of the Board of Directors

The Company conducts questionnaire surveys of all directors (including Audit and Supervisory Committee members) regarding the roles, functions, and operations of the Board of Directors. The Board of Directors discusses among the internal and external directors the results of the responses being summarized and analyzed, and then the Board of Directors evaluates its effectiveness and discusses future actions. See the following website for our assessment of Board of Directors effectiveness from April 2021 to February 2022.

Summary of Evaluation of the Effectiveness of the Board of Directors

<https://ir.accretech.jp/en/news/news-12396541282000.html>

Executives

Title	Name	Title	Name
Chairman and CEO	Hitoshi Yoshida	External director	Shozo Saito
President and COO	Ryuichi Kimura	External director	Kiyoshi Takamasu
Executive vice president and CFO	Koichi Kawamura	Director (standing Audit and Supervisory Committee member)	Shinji Akimoto
Director	Akihiro Endo	External director (Audit and Supervisory Committee member)	Yuriko Sagara
Director	Takahiro Hokida	External director (Audit and Supervisory Committee member)	Masaki Sunaga
Director	Shuichi Tsukada	External director (Audit and Supervisory Committee member)	Tsuneko Murata
Director	Wolfgang Bonatz		

(As of July 1, 2022)



Compliance

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

The Company has established the Compliance Committee, which is chaired by the Company’s vice president. This committee assigns compliance officers and compliance managers at the Company and each subsidiary, to improve the compliance system and ascertain and address important issues in all business activities by the directors and employees of the Company and its subsidiaries. The Compliance Committee engages in reporting and deliberation concerning compliance measures and their implementation status, including revision of the “ACCURETECH 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 fiscal 2021, the “Compliance Committee” met seven times, including

extraordinary meetings, and operated appropriately as a forum for reporting and deliberation. In addition, we have established divisions and organizations in charge of ensuring through compliance with major laws, regulations, and social norms related to the Group’s business operations. Each of these divisions reviews its business and operations, formulates and revises rules and regulations related to the Company and daily operations, and informs and instructs officers and employees as necessary, based on an understanding of the content of the important laws and regulations under its jurisdiction and an examination of their impact on business and operations.

Compliance Awareness Survey

The Group conducts a “Compliance Awareness Survey” to confirm employee awareness and the status of compliance and to reflect survey results in future initiatives. In fiscal 2021, the Company conducted an online, anonymous survey of all employees in Japan and overseas, and we work to resolve issues that came to light.

<Issues Brought to Light by the Compliance Awareness Survey>

- Reinforce efforts related to the compliance system
- Strengthen efforts to eliminate harassment and discrimination
- Enhance efforts to increase awareness of the whistleblower hotline
- Improve the organizational climate, including communication
- Reduce workloads related to goal setting and amount of operations

Initiatives to Prevent Corruption and Bribery

The 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 “ACCURETECH Group Code of Conduct.” We will endeavor to comply with this policy to prevent bribery and corruption.

Compliance Education

The Tokyo Seimitsu Group provides varied educational opportunities to enhance knowledge of compliance and to maintain and improve the level of compliance awareness. Along with "new employee training," "training for managers," and other opportunities for level-specific training, the Company has introduced an e-learning-based training mechanism in Japan. In fiscal 2021, we conducted Compliance education, including on the Accretech Group Code of Conduct (an ongoing training theme) for all relevant personnel. In addition, we report regularly to the "Compliance Committee" on compliance-related training plans and results.

● Accretech Group Company Code of Conduct Training in Fiscal 2021

- Participants : 2,868 people
(Of which, 1,773 members of Group companies, including overseas companies)
Participation rate : 100%

Whistleblower System

In 2006, we introduced a whistleblower system to facilitate reporting and consultation on infractions of laws and regulations, human rights violations, harassment, corrupt practices such as bribery and other illegal transactions, and other inappropriate behavior (ethical violations, etc.), as well as violations of the "ACCRETECH Group Code of Conduct." In addition to an employee's superior, the organization provides various internal and external contacts, including Compliance Committee members, the secretariat, the Personnel Counseling Department, external lawyers, external directors, and directors serving as Audit and Supervisory Committee members. We ensure the anonymity and protection of privacy of whistleblowers, and take care to prevent them from disadvantageous treatment. The content and handling of whistleblower reports are reported and deliberated in "Compliance Committee" meetings. Seven incidents were reported in fiscal 2021; there were no compliance-related issues affecting our business activities.

■ Target group

The Group's employees (all employees, including full-time, contract, fixed-term, temporary, part-time, and dispatched employees)

■ Reporting Methods

Telephone, email, in writing, in person

Actions that can be reported or consulted:

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

Compliance Status

In fiscal 2021, evaluations conducted through internal and external audits found no illegal behavior, legal violations, compliance violations, or other problems that could affect business activities, with regard to adequacy of financial

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

Risk Management

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

Risk Management Policy and Risk Topics

https://www.accretech.jp/english/sustainability/attempt/governance/risk_management.html

Business Continuity Plan

The Group has formulated a "business continuity policy" that places the highest priority on confirming and ensuring the safety of employees and their families, maintaining the supply of parts and materials necessary for customers to continue operations, and protecting human life and conducting rescue and recovery activities in the region. We review and adjust the Company's business continuity plan (BCP) and plant BCPs on this basis. In fiscal 2021, as in the previous year, we continued to analyze assumptions of damage and vulnerabilities of current countermeasures in the event of a threat to each company and plant. Taking changes in the external environment into account, we reviewed and detailed BCPs and manuals from a practical standpoint, as well as measures to ensure the continuity of product supply and service provision, in addition to seismic reinforcement measures at the level of each department, including general affairs, production management,

manufacturing, and IT. In terms of BCP for information systems, in fiscal 2021 we conducted an "annual DR*test" with a new core system (ERP) that began operating that year. Under our factory BCPs, each year we review our stockpiled quantities and the storage of drinking water, food, and other necessary supplies based on the "rules for managing stockpiles in the event of a major disaster." As of the end of fiscal 2021, the Hachioji Plant had stockpiles sufficient to supply 1,583 people for three days. The Tsuchiura Plant had quantities sufficient for 30 people for two days.

*¹ DR/Disaster Recovery. Refers to the ability to mitigate damage, maintain functions, or recover and restore an information system that is seriously damaged by a natural disaster or other events. It also refers to the facilities, systems, and measures that are in place to prepare for such a situation.

Safety Confirmation System

We have introduced a "Safety Confirmation System" for confirming people's safety via mobile phones and smartphones following a disaster or accident. We explain the system to new employees and enforce early registration. We carry out operation drills twice a year 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 2021, we shortened our "safety confirmation system operation drill" from 48 hours to 24 hours to speed up the process of confirming the safety of employees in light of the frequent occurrence of large-scale earthquakes in recent years.

Measures to Counter COVID-19

We continue to implement various infection prevention measures, with the goals of ensuring that preventing employee infection remains a top priority and continuing our business and operations. At the same time, in the aim of preventing infection we periodically review our guidelines for handling COVID-19 infections and close contacts, and we establish response systems in the event of having cases among our employees.

● Main Infection Prevention Measures

- Placement of alcohol-based disinfectants
- Encouragement of taking leave for those in poor physical condition
- Encouragement of hand washing, gargling, and other sanitary practices
- Deployment of non-contact thermometers
- Regular indoor ventilation
- Working from home
- Restraint from domestic and overseas business trips
- Review of cafeteria operation/meeting operation (reduction in number of participants, use of web meetings, etc.)
- Distancing through change of workplace layouts
- Daily checks of body temperature

Dialogue with Shareholders and Investors

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

Implementation of Workplace Vaccinations

We began conducting workplace vaccination at the Hachioji Plant in July 2021. By April 2022, we had completed the third workplace vaccination. Within Tokyo Seimitsu and Group companies, we conducted vaccinations for employees at the Hachioji Plant, including temporary employees, as well as family members and neighboring companies with

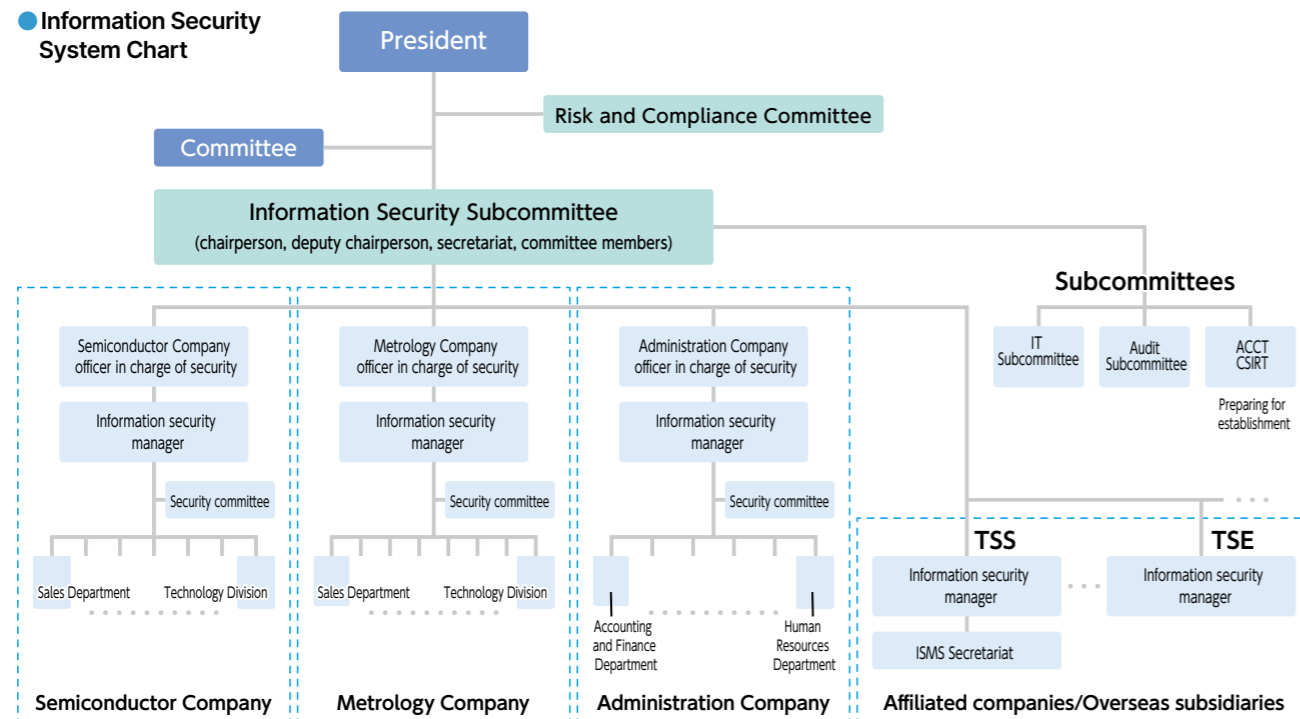
which we have cooperative relationships. We conducted a total of 3,081 vaccines. We introduced a special paid leave system that employees can take advantage of if they experience adverse reaction on the day of the vaccine or the following day. In this way, we are striving to prevent the spread of infection by making health and safety our top priority.

Information Security

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

including remote work (working from home), and provide education to improve individual employee literacy. In fiscal 2021, we restructured the Information Security Subcommittee, assigning a director in charge of security, a security manager, and a security subcommittee to each company. Group (consolidated) companies also participate on the committee and work together to implement security measures.

Information Security System Chart



	Target	Actual
Number of regular information exchange meetings on information security	18 times	18 times
Number of serious incidents	0 cases	0 cases
Proper management of personal information, number of serious personal information leaks	0 cases	0 cases
Participation in security-related seminars	Once per year	Once per year
Provision of specialized security-related training	Once per year	Once per year
Information security training participation rate	98% or higher	100%

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

IR Initiatives

The Company's IR Disclosure Policy stipulates that it will conduct IR activities fairly. Under the supervision of the director in charge of IR, the Management Support Department works with the accounting department and each business unit to disclose information required by laws and regulations in a timely and appropriate manner. In

addition, we strive to build long-term relationships of trust with shareholders, investors, and other stakeholders through direct dialogues such as earnings conferences and individual IR meetings.

Please see the IR Disclosure Policy on our website.
<https://ir.accretech.jp/en/irpolicy.html>

Opportunities for Dialogues

We strive to provide more opportunities to receive valuable opinions and questions from shareholders, institutional investors, security analysts, and individual investors. By creating opportunities for direct communication between

the Company and stakeholders, we foster a deeper understanding of the Company and obtain feedback that we provide to management.

	Times held
(99th) Annual General Meeting of Shareholders	1 time, rate of exercise of voting rights : 82.0%
Handling coverage by institutional investors/analysts	Total of 322 times
Conferences for overseas investors	4 times
Briefings for individual investors	1 time (online participants : 1,167)
Business results briefings/press conferences	7 times

Earnings Conferences, Presentations
<https://ir.accretech.jp/en/library/presentation.html>

Disclosure Policy

In accordance with laws, regulations, and stock exchange rules, we publish notices on TDnet, the Timely Disclosure network of corporate information operated by the Tokyo Stock Exchange, and the On EDINET (Electronic Disclosure for Investors' NETwork). Also, the following information is provided on the IR information site on the Company's website. (★ indicates an item for which English-language version is available.)

IR Disclosure Information

- 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 decision★

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

Introduction to Group Companies Affiliated companies of the Tokyo Seimitsu Group are introduced below.

Tosei Engineering Corp.

Company Profile

- **Date of establishment:** April 15, 1969
- **Head office:** 4-6 Higashinakanuki-machi, Tsuchiura-shi, Ibaraki
- **Representative:** Katsushi Goto
- **Sales:** 13,997 million yen (FY2021)
- **Employees:** 569 (as of March 31, 2022)
- Note: Excludes our employees stationed to other companies; includes employees of other companies stationed at our companies.
- **URL:** <https://www.toseieng.co.jp/component/en/>
- **Bases:** 4 plants and 13 service bases in Japan, 3 plants and 10 bases overseas



Business Overview

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

Tosei Box Corp.

Company Profile

- **Date of establishment:** September 1, 2001
- **Head office:** 1-22-17 Akebono-cho, Tachikawa-shi, Tokyo
- **Representative:** Hideaki Takano
- **Sales:** 1,203 million yen (FY2021)
- **Employees:** 43 (As of March 31, 2022)
- **URL:** <https://www.toseibox.com>
- **Bases:** 4 bases in Japan, 0 bases overseas



Business Overview

Tosei Box offers richer living environments by providing delivery lockers that can be used with peace of mind, under the motto "Safety, Comfort and Relief." The company believes its business contributes greatly to the environment and society by helping logistics-related businesses reduce re-deliveries, resulting in the reduction of CO₂ emissions and burdens on delivery staff. As one measure to prevent the spread of COVID-19, such social tools are growing increasingly important as part of "new normal" lifestyles that seek to prevent in-person contact. The company is also working to promote products equipped with state-of-the-art personal authentication technologies such as contactless IC cards, facial recognition, and vein recognition, as well as automatic door-opening products. Tosei Box will continue striving to supply better products and services that contribute to the society of the future, while engaging actively in sustainability activities. On the employee education front, the company strives to raise awareness by communicating the social significance of its business. It uses e-learning to ensure that all employees participate in education on such topics as the Code of Conduct, information security, and harassment. Through BCP activities, Tosei Box helps customers restore equipment and resume business operations in the event of disaster.

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:** 2,446 million yen (FY2021)
- **Employees:** 148 (As of March 31, 2022)
- **URL:** <https://www.toseisystems.co.jp/>
- **Bases:** 2 bases in Japan, 0 bases overseas



Business Overview

Tosei Systems is a Tokyo Seimitsu Group company that supports Tokyo Seimitsu's product development in the software field. Tosei Systems contributes to high-quality and safe manufacturing by developing embedded software that controls equipment and Windows applications incidental to equipment, mainly for Tokyo Seimitsu's semiconductor manufacturing equipment and measuring equipment, as well as the products of affiliated companies. The company is also involved in the development and operational support of core systems (ERP) and is responsible for the overall software operations of the Tokyo Seimitsu Group, helping to ensure its security by contributing to the maintenance and management of the system. Tosei Systems is stepping up its public relations targeting the recruitment of female students in order to create a work environment in which all employees can play an active role and to promote the advancement of women in the company. Tosei Systems focuses on training new graduates, starting with a mentor system to follow up on job offers. This is followed by three months of training, including outside training, after new recruits join the company. The company also conducts management training on the themes of "accurately understanding harassment" and "practicing prevention, early detection, and early response to mental health issues" in an effort to foster an organizational culture that is easy for all employees to work in.

Accretech Powertro System Co., Ltd.

Company Profile

- **Date of establishment:** October 1, 1999
- **Head office:** 50 Osaku, Matsukawa, Furudono-machi, Ishikawa-gun, Fukushima
- **Representative:** Masahiro Tomoeda
- **Sales:** 1,105 million yen (FY2021)
- **Employees:** 71 (As of March 31, 2022)
- **URL:** <https://www.acct-powertro.jp/>
- **Bases:** 5 bases in Japan, 0 bases overseas



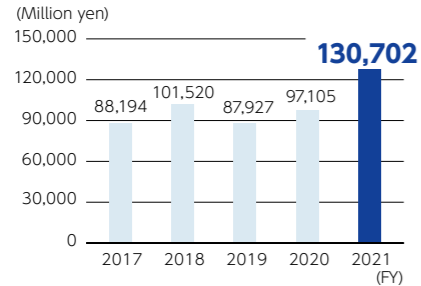
Business Overview

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

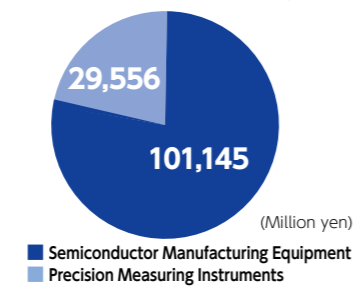
Data

Corporate Data

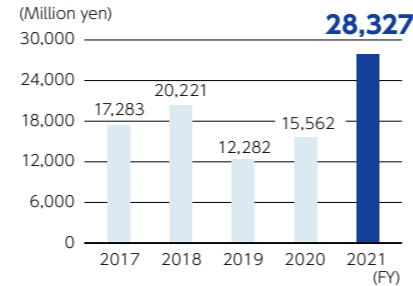
Sales amount



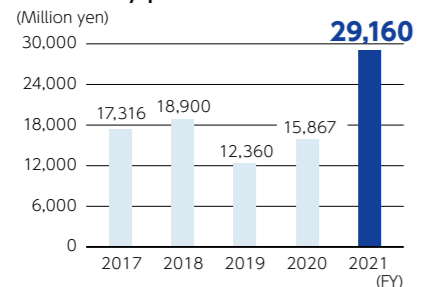
FY2021 sales amount by business



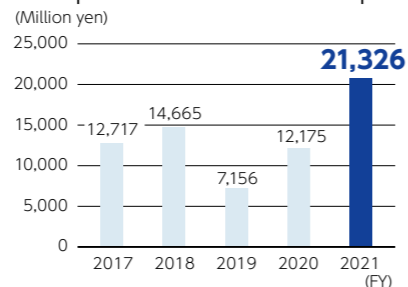
Operating Profit



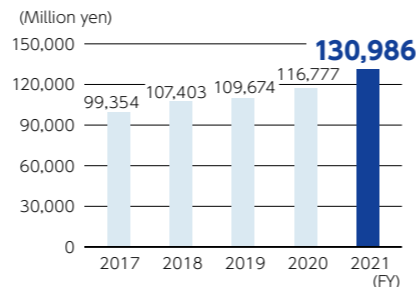
Ordinary profit



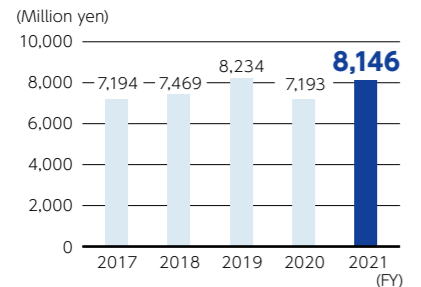
Net profit attributable to owners of the parent



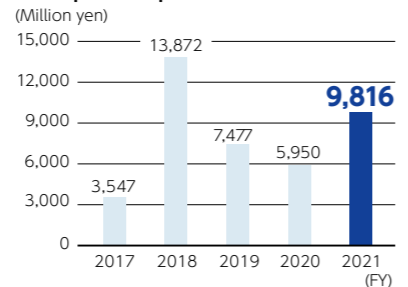
Net assets



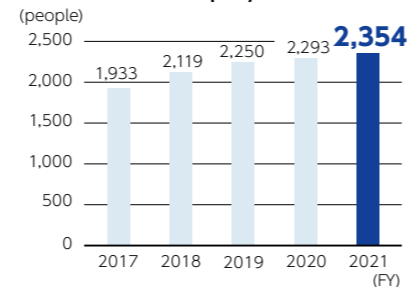
R&D



Capital expenditures

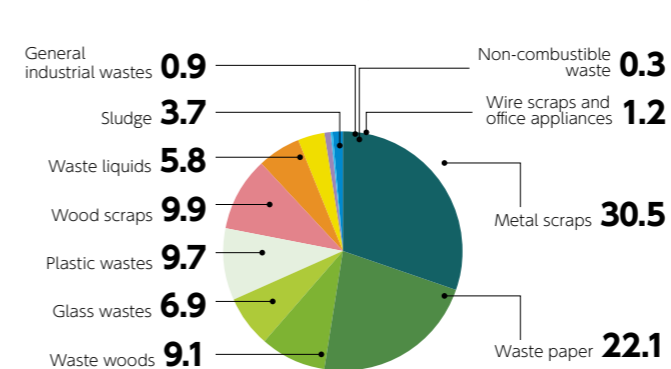


Number of employees

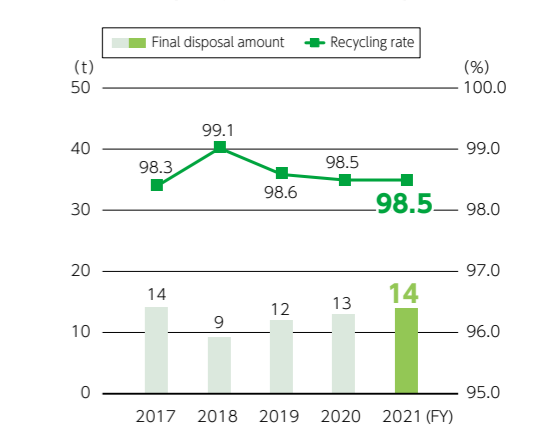


Relationship with the Global Environment

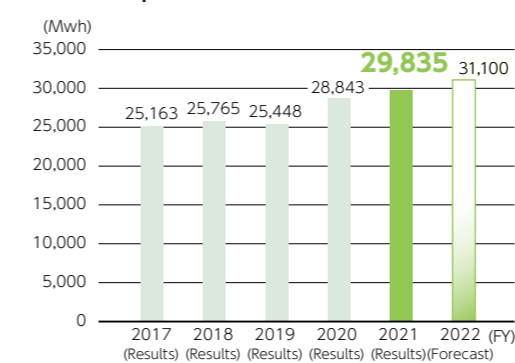
Breakdown of industrial waste generated in FY2021 (%)



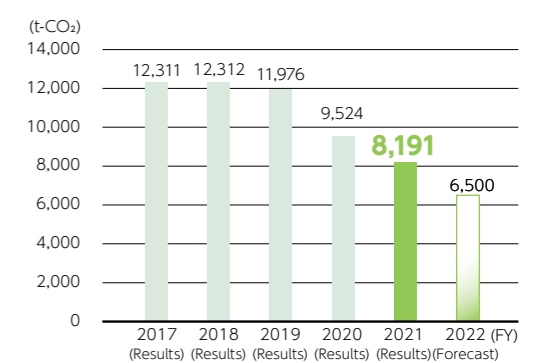
Trend of recycling rate and final disposal amount



Electric power used



CO₂ emissions

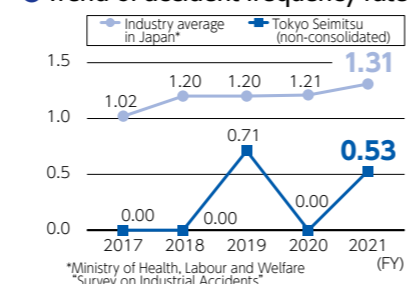


Relationship with Employees

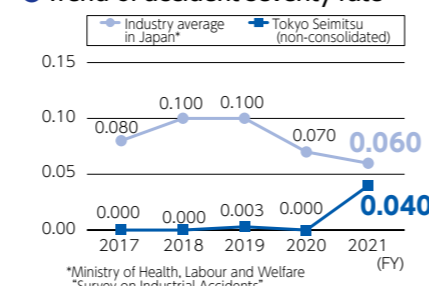
Human resource data (Non-consolidated)

	FY2018	FY2019	FY2020	FY2021
Percentage of female managers	1.4%	1.4%	1.5%	1.9%
Percentage of female officers	0.0%	7.7%	7.7%	7.7%
Percentage of female employees	17.0%	16.8%	16.6%	17.2%
Ratio of average years of service, female employees vs male employees	73.8%	68.4%	68.4%	65.2%
Average age	40.4	40.0	39.9	39.8
Average years of service	11.6	11.2	11.2	11.1
New graduate retention rate	95.8%	82.6%	85.7%	95.5%
Percentage of employment of persons with disabilities	2.10%	2.13%	2.17%	1.95%
Turnover rate of regular employees	2.58%	4.32%	3.05%	3.00%
Percentage of paid leave taken (for all employees including fixed-term, short-term, and temporary employees)	62.4%	69.0%	60.8%	62.4%
Number of personal development correspondence education courses applications	22	97	161	178
	(-)	(441% year-on-year)	(166% year-on-year)	(111% year-on-year)
Frequency rate for accidents resulting in leave*	0.00	0.71	0.00	0.53
Severity rate for accidents resulting in leave*	0.000	0.003	0.000	0.040
Percentage of women taking childcare leave (number of people taking leave / number of people eligible)	100% (3/3)	None eligible	100% (2/2)	None eligible
Percentage of men taking childcare leave (number of people taking leave / number of people eligible)	0.0% (0/25)	0.0% (0/24)	2.9% (1/34)	17.9% (5/28)

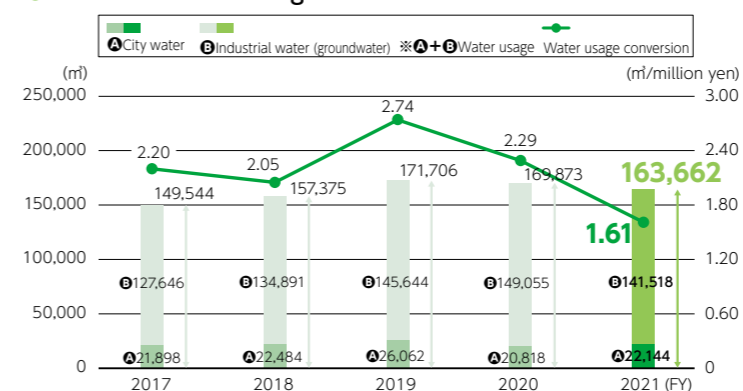
Trend of accident frequency rate



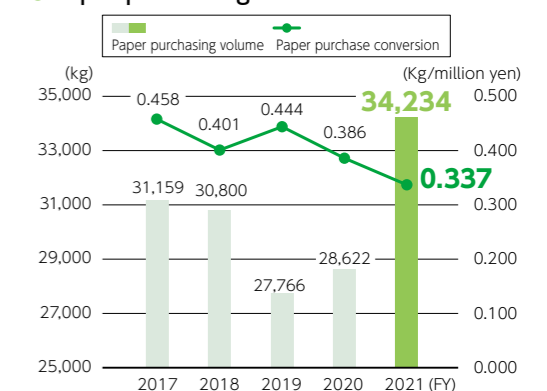
Trend of accident severity rate



Amount of water usage


















Paper purchasing volume



ISO 26000 Correspondence Table

The Tokyo Seimitsu Group is organizing the status of its initiatives in line with the core subjects of ISO 26000 and expanding its sustainability initiatives and reporting.

ISO 26000 Core Themes	Issues	Our Initiatives	Related SDGs
6.2 Governance	6.2 Governance	Top Message Tokyo Seimitsu Group's Sustainability Stakeholder Engagement Governance Basic Policy Corporate Governance Compliance Risk Management	 
6.3 Human rights	6.3.3 Due diligence 6.3.4 Human rights risk situations 6.3.5 Avoidance of complicity 6.3.6 Resolving grievances 6.3.7 Discrimination and vulnerable 6.3.8 Civil and political rights 6.3.9 Economic, social, and cultural rights 6.3.10 Fundamental principles and rights at work	Tokyo Seimitsu Group's Sustainability Stakeholder Engagement Society CSR Fulfillment Together with Suppliers Human Rights Occupational Health and Safety Disaster and Accident Prevention Health Diversity Work-Life Balance More Rewarding Work Governance Compliance	 
6.4 Labour practices	6.4.3 Employment and employment relationships 6.4.4 Conditions of work and social protection 6.4.5 Social dialogue 6.4.6 Health and safety at work 6.4.7 Human Resource Development and training at work	Tokyo Seimitsu Group's Sustainability Stakeholder Engagement Society Product Quality Enhancement Increased Customer Satisfaction Support Structure (Semiconductor Manufacturing Equipment Business) Support Structure (Precision Measuring Instrument Business) CSR Fulfillment Together with Suppliers Human Rights Occupational Health and Safety Disaster and Accident Prevention Health Diversity Work-Life Balance Human Resource Development More Rewarding Work	    
6.5 Environmental	6.5.3 Prevention of pollution 6.5.4 Sustainable resource use 6.5.5 Mitigation of and adaptation to climate change 6.5.6 Environmental preservation, biodiversity, and recovery of natural habitats	Tokyo Seimitsu Group's Sustainability Disclosure based on TCFD Environment Environmental Management Response to Climate Change Overview of Environmental Impact Eco-Products Eco-Factory Chemical Substances Control History of Our Environmental Conservation Activities	    
6.6 Fair business practices	6.6.3 Prevention of corruption 6.6.4 Responsible political involvement 6.6.5 Fair competition 6.6.6 Promotion of social responsibility in the value chain 6.6.7 Respect for property rights	Tokyo Seimitsu Group's Sustainability Stakeholder Engagement Environment Environmental Management Chemical Substances Control Society CSR Fulfillment Together with Suppliers Governance Risk Management Dialogue with Shareholders and Investors	

ISO 26000 Core Themes	Issues	Our Initiatives	Related SDGs
6.7 Consumer issues	6.7.3 Fair marketing, information, and contractual practices 6.7.4 Protection of health and safety of consumers 6.7.5 Sustainable consumption 6.7.6 Consumer services, support, resolution of complaints and grievances 6.7.7 Consumer data protection and privacy 6.7.8 Access to essential services 6.7.9 Education and raising awareness	Tokyo Seimitsu Group's Sustainability Stakeholder Engagement Environment Eco-Products Society Product Quality Enhancement Increased Customer Satisfaction Support Structure (Semiconductor Manufacturing Equipment Business) Support Structure (Precision Measuring Instrument Business) CSR Fulfillment Together with Suppliers Social Contribution Governance Risk Management	
6.8 Community Involvement and Community Involvement and community development	6.8.3 Participation in the community 6.8.4 Education and culture 6.8.5 Job creation and skill development 6.8.6 Technology development and access 6.8.7 Creation of wealth and income 6.8.8 Health 6.8.9 Social investment	Tokyo Seimitsu Group's Sustainability Stakeholder Engagement Society Health Human Resource Development Social Contribution Participation in Industry Groups Governance Risk Management	 

For additional information:

- Sustainability section of Tokyo Seimitsu website
<https://www.accretech.jp/english/sustainability/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/news.html>
- Sustainability Report
<https://www.accretech.jp/english/sustainability/attempt/index.html>