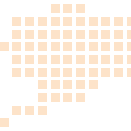


# Stakeholder Engagement

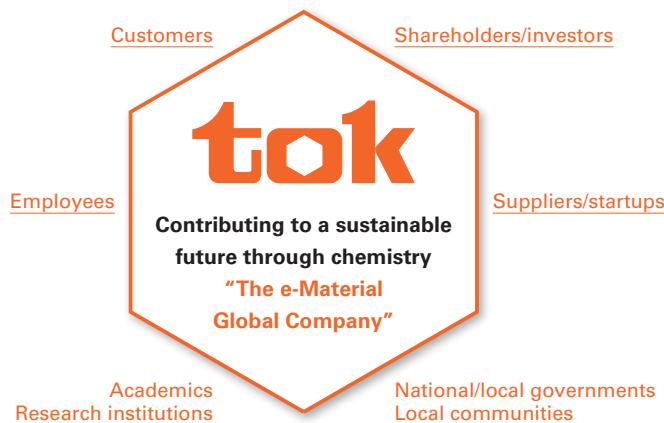


## To establish win-win relationship with all stakeholders

TOK will achieve long-term sustainable value creation by generating new solutions and breakthroughs through collaboration with stakeholders in response to increasingly complicated social issues and technological requirements.

TOK aims to establish win-win relationships with all stakeholders as mentioned below.

### Our Stakeholders



TOK will contribute to the resolution of unexpected risks and new social issues that will continue to emerge by creating shared value through close communication with stakeholders in Japan and overseas.

### Customers

#### ■ Shared value

- Inspiring customers with high value-added products (satisfactory features, low cost and superior quality)
- Relationship of trust that enables continued value creation in the cutting-edge fields
- Production structure that guarantees stable supply to society

#### ■ Policies and basic initiatives

- Devised company-wide strategies for the TOK Medium-Term Plan 2021 Focusing on (1) and (2) (**see page 39**)
- Aiming to provide new added value that inspires customers as the overarching aspiration under TOK Vision 2030
- Customer-oriented strategies (The trinity of sales, R&D, and manufacturing) to be further deepened and advanced
- Risk distribution by having production sites in five regions across the world

#### ■ Communication channels

- Customer-oriented sites established in Japan, the United States, South Korea, and Taiwan, and face-to-face meetings at customer sites (partially replaced with online meetings)

#### ■ Specific examples and latest achievements

- Have received supplier awards from many customers



Intel Corporation Preferred Quality Supplier Award (2021)

### Shareholders/investors

#### ■ Shared value

- Long-term sustainable growth and corporate value enhancement
- Increased capital efficiency
- Strengthened engagement through constructive dialog

#### ■ Policies and basic initiatives

- Communicating with enhanced transparency of business management through timely and fair disclosure of information on finance and business activities
- Director, Executive Officer, and Department Manager of General Affairs Department undertakes management and oversight as IR Officer.
- Records of opinions and requests received through dialogs are collected and regularly reported to all directors for information sharing.
- In accordance with the Disclosure Policy, TOK endeavors to provide consistent information and ensure fair, timely, and appropriate disclosure.
- TOK has also established rules for the management of insider information and strives to ensure stringent observance.

#### ■ Communication channels

- Business results meetings for institutional analysts/investors (2 sessions\*)
- Individual meetings with institutional analysts/investors (281 sessions\*)
- Financial results briefings for individual investors (4 sessions\*)
- The integrated reports, business reports to shareholders and the notice of the convocation of the ordinary general meeting of shareholders are published on our website.

#### ■ Specific examples and latest achievements

- Individual meetings with institutional analysts/investors containing ESG topics (22 sessions\*)



Business results meeting was held online (FY 2020/12)

\* Achievements in FY 2020/12

## Employees

### ■ Shared value

- Frank, open-minded business culture as one of the management principles
- Personnel system and measures that respect the values of each individual
- Establishing an environment that enables longer working life (e.g. enhancement of re-employment system)

### ■ Policies and basic initiatives

- The philosophy of the TOK Group Policy on Utilizing Human Resources is incorporated into respective human resource measures
- Focusing on the company-wide strategy (3) under TOK Medium-Term Plan 2021 (see page 39)
- Focusing on enabling all employees to work lively with pride as an overarching aspiration under TOK Vision 2030; Also featuring the utilizing global personnel as one of the Seven Management Strategies under the Vision

### ■ Communication channels

- Employee engagement survey
- Dialog sessions between young employees and the President
- Group newsletters issued in multiple languages (Japanese, English, Korean, and Chinese)
- Whistleblowing system to identify and improve or prevent compliance risks at an early stage (reports received: three times\*)

### ■ Specific examples and latest achievements

- Strengthened communication to foster unity on a global basis (by issuing the group newsletters and the president's video message on TOK Vision 2030 in multiple languages, etc.)
- Implemented CSR training for employees, as well as all directors, audit & supervisory board members, and officers: 185 participants\*



Group newsletters that facilitates mutual understanding among group human resources

\* Achievements in FY 2020/12

## Academics and research institutions

### ■ Shared value

- Initiatives toward technological breakthrough through industry-academia collaboration
- Enhancing and streamlining basic research through industry-academia collaboration
- Expediting R&D process through collaboration with international research institutions

### ■ Policies and basic initiatives

- Accumulating technological seeds that will lead to future blue oceans and new concepts
- Acquiring a broad range of technological seeds through open innovation in order to input internal resources in a full scale as soon as a market takes off

### ■ Communication channels

- Sending TOK human resources to universities and research institutions in Japan and overseas
- Joint research and development
- Providing grants through the Tokyo Ohka Foundation for The Promotion of Science and Technology

### ■ Specific examples and latest achievements

- Established a joint laboratory with Yokohama City University (July 2019)
- Provided grants through the Tokyo Ohka Foundation for the Promotion of Science and Technology in 2020: 99 projects, 40.45 million yen



Established a joint laboratory with Yokohama City University aiming at the establishment of the next-generation high-purity processing technology (July 2019)

## Suppliers/startups

### ■ Shared value

- Solid partnership to create high added value
- Supply chain that guarantees a stable supply to society while respecting the environment and human rights
- Open innovation through corporate venturing

### ■ Policies and basic initiatives

- Chemical substance regulations, customer requirement standards, and TOK procurement policy are shared through the TOK Group Standards on Chemical Substances Management
- Business transactions with impartiality, fairness, and transparency based on the CSR Policy, while respecting human rights, society and the global environment
- Management of supplier information in accordance with the TOK Group Information Management Policy

### ■ Communication channels

- Inspection and verification of manufacturing systems through periodic audits (on-site and online)
- Joint research and development in the new R&D building

### ■ Specific examples and latest achievements

- Started open innovation in the new R&D building



The new R&D building started operation as a site for open innovation

## National/local governments and local communities

### ■ Shared value

- Sustainable development of society
- Response to global risks including infectious diseases, climate change, and geopolitical risks
- Response to unexpected risks that will emerge

### ■ Policies and basic initiatives

- Contribute to a sustainable future through chemistry as our purpose
- Close collaboration with national and local governments and communities to earn trust from stakeholders worldwide as an overarching aspiration under TOK Vision 2030

- Proactively promoting social contribution activities in the areas around TOK business sites, emphasizing cooperation and collaboration with local communities and establishing a relationship of trust

### ■ Communication channels

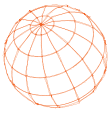
- Negotiation with competent authorities in Japan, the United States, South Korea, and Taiwan related to environmental regulations and applicable laws
- Activities in accordance with the local policies and objectives in response to infectious disease risks and climate change risks, as well as decarbonization initiatives
- Emphasize local communication at normal times as the basis of stable value provision to society

### ■ Specific examples and latest achievements

- Dialog about the environment and society: 550 participating employees (result 2020)
- Dialog with local communities (suspended in 2020 considering the risk of COVID-19)
- Donation to local governments and organizations, including relief money for preventing the spread of COVID-19 infection: 112.69 million yen (result 2020)



Participated in the afforestation activities with residents of Kanagawa Prefecture through the Kanagawa Trust Midori Foundation



# Our Material Issues

## Initiatives to Address Material Issues for Enhancing Corporate Value

By focusing on the initiatives to address the material issues for enhancing corporate value, we aim to evolve further in both the financial and nonfinancial fields.

### —Continuing Contributions to Society—

TOK has its root in integrated thinking, which aims to make sure that all management resources and initiatives ultimately contribute to society. This is evident in the original management principles presented by the founder, Shigemasa Mukai, that we should contribute to society by raising the quality of our products and supplying goods with added value, while continuing efforts to enhance technology in a frank and open-minded business culture.

Based on this corporate DNA, we are working to develop and provide high value-added products that contribute to innovation, which we have identified as one of TOK's material issues, aiming to achieve the maximum potential of sustainable value creation capabilities.

In addition, to create sustainable value in the innovative field of fine chemicals, we need to minimize risks in the areas of the environment, laws and regulations (chemical substance management), and human resources through governance. We therefore identified these themes as part of our material issues and continue to work through a PDCA cycle to lower capital costs.

#### Material Issues Identification/ Revision Process

##### Step 1

TOK selected the issues it needs to address to create sustainable value by taking into account the global frameworks of ISO 26000, GRI Standards, the International Integrated Reporting Framework, SDGs, and the Responsible Care Code of the Japan Chemical Industry Association.

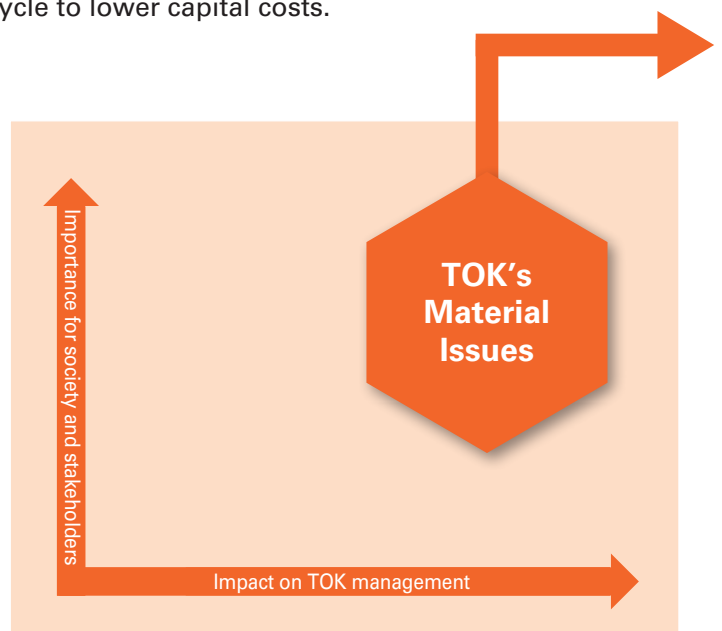
##### Step 2

TOK evaluated selected issues to prioritize them from the two axes of *importance for society and stakeholders*, which took into account evaluation items by ESG survey organizations and day-to-day dialogs with stakeholders, and *importance to TOK management*, which considered the overall strategy of the medium-term plan and the strategies of each division, and identified the six most important items as proposed material issues.

##### Step 3

The main initiative was also set to go through the PDCA cycle for each material issue, approved by management, and identified as TOK's material issues.

Then, in 2020, the material issues and the key initiatives were partially revised in accordance with the revised TOK Vision 2030.



# Sustainable enhancement of corporate value through shared value creation



## Material issues for enhancing corporate value

Material issues	ESG fields	Key initiatives	Risks and opportunities	SDGs to which we contribute
Creation of new added value that contributes to innovation	Social (S)	Further improve customer satisfaction	<ul style="list-style-type: none"> <li>Expand markets in all fields of innovative fields, legacy fields, front-end processes, and back-end processes of semiconductors</li> <li>Increase in needs for ultrahigh purification in semiconductor materials</li> <li>Intensifying global competition in the semiconductor industry and increased geopolitical risks</li> </ul>	
		Contribute to innovation and solving social issues	<ul style="list-style-type: none"> <li>Expanding role of the semiconductor industry in solving social issues</li> <li>Expanding semiconductor market driven by development of the data economy, accompanied by growing geopolitical risks concerning conflict over data hegemony</li> </ul>	
Strengthen personnel capabilities		<ul style="list-style-type: none"> <li>Global personnel development in conjunction with the increase in overseas sales ratio</li> <li>Intensifying competition for recruitment in semiconductor-related industries</li> <li>Pursuit for the level of happiness aligned with individual values</li> </ul>		
Diversity and inclusion		<ul style="list-style-type: none"> <li>Increasing competitiveness through active participation by diverse personnel</li> <li>A growing number of ageing employees and using their "know-why"</li> </ul>		
Enhancement of personnel measures on a global basis	Social (S)	Respect for human rights and fair working conditions	<ul style="list-style-type: none"> <li>Creation of workplaces that follow the management principle of a frank and open-minded business culture to accommodate diverse work styles</li> </ul>	
Advancement of corporate governance	Governance (G)	Strengthen the effectiveness of governance	<ul style="list-style-type: none"> <li>Strengthening the oversight function of the Board of Directors, aimed at maintaining and improving the transparency and solidness of business management</li> </ul>	
		Compliance	<ul style="list-style-type: none"> <li>Building a system to respond to revisions to laws and regulations in each country</li> </ul>	
		Risk management	<ul style="list-style-type: none"> <li>Flexible implementation of risk management system directly controlled by the president</li> </ul>	
Global environmental conservation	Environment (E)	Promote environmental management	<ul style="list-style-type: none"> <li>Expansion of energy-saving effects from advances in miniaturization of semiconductors</li> <li>Tighter global environmental regulations</li> </ul>	
		Address climate change issues toward decarbonization	<ul style="list-style-type: none"> <li>Expansion of power semiconductor materials and equipment markets</li> <li>Cost increase due to spread of carbon pricing</li> <li>Cost increase due to greater sophistication of temperature management for cutting-edge products</li> </ul>	
		Promote resource recycling	<ul style="list-style-type: none"> <li>Initiatives toward to realize a circular economy</li> <li>Increase in water stress due to global warming</li> <li>Increased interest in the marine plastics issue</li> </ul>	
		Preserve air, water, and soil environments	<ul style="list-style-type: none"> <li>Further risk reduction due to clearing standards stricter than regulations</li> </ul>	
		Preserve biodiversity	<ul style="list-style-type: none"> <li>Risk reduction through initiatives addressing biodiversity and water resources as a single issue</li> <li>Increased risk of global biodiversity loss</li> </ul>	
Chemical substance management		Precisely address laws and regulations	<ul style="list-style-type: none"> <li>Increased product value by taking thorough action prior to legislation from before and during the early stages of material development</li> <li>Tighter chemical substance control regulations in major developed countries</li> </ul>	
Occupational health and safety/ Security and disaster prevention	Social (S)	Occupational health and safety/Reduction of risks posed by chemical substances	<ul style="list-style-type: none"> <li>Further risk reduction through RBA audits and ISO 45001 certification</li> </ul>	

# Material Issues/2020 Results & 2021 Issues and Goals

Material issues	ESG fields	Key initiatives	Issues and goals of FY 2020/12
Creation of new added value that contributes to innovation	Social (S)	Further improve customer satisfaction	<ul style="list-style-type: none"> <li>■ Rapidly and steadily work to develop a support structure rigorously focused on customer satisfaction along with R&amp;D</li> <li>■ Through rigorous marketing, TOK will carefully identify and intensively and proactively address solutions that lead to the creation of new value for customers.</li> <li>■ Improve detection sensitivity for metal impurities that comply with customer development roadmaps</li> </ul>
		Contribute to innovation and resolutions to social issues	<ul style="list-style-type: none"> <li>■ Ambitiously develop the technologies required by 5G, IoT and other innovations</li> <li>■ Continue to develop and strengthen commercial viability of high-functional films, life science-related materials, and optical materials</li> <li>■ Expand cutting-edge materials development at the new R&amp;D building</li> <li>■ Expand collaborative projects with other companies and groups</li> </ul>
Strengthen personnel capabilities		<ul style="list-style-type: none"> <li>■ Strengthen human resource development by introducing new training</li> <li>■ Continue promoting a good work-life balance</li> </ul>	
Diversity and inclusion		<ul style="list-style-type: none"> <li>■ Continue promotion of corporate activities that leverage diversity</li> <li>■ Promote personnel exchanges within the Group</li> <li>■ Continue to promote women in the workplace</li> </ul>	
Enhancement of personnel measures on a global basis	Social (S)	Respect for human rights and fair working conditions	<ul style="list-style-type: none"> <li>■ Further develop details of the system</li> <li>■ Raise awareness and conduct training in preparation for introduction of new personnel system</li> <li>■ Implement training based on new themes</li> <li>■ Continue efforts to prevent harassment</li> </ul>
		Strengthen the effectiveness of governance	<ul style="list-style-type: none"> <li>■ Confirm implementation status of new remuneration system</li> <li>■ Further enhance the nomination system and related issues</li> <li>■ Increase transparency of the Nomination and Compensation Advisory Committee</li> <li>■ Introduce a new remuneration system for directors</li> <li>■ Continue to thoroughly operate the PDCA cycle to improve the effectiveness of the Board of Directors (assess its effectiveness once a year)</li> <li>■ Set out authority for subsidiaries inside and outside Japan</li> <li>■ Enhance internal control functions</li> <li>■ Continue to improve business processes</li> <li>■ Promote sharing of business operations through the Group and review organization roles</li> <li>■ Create systems for CSR entrenchment and RBA Code of Conduct compliance</li> </ul>
Advancement of corporate governance	Governance (G)	Compliance	<ul style="list-style-type: none"> <li>■ Continue activities to instill compliance</li> <li>■ Minimize legal risks</li> <li>■ Establish and implement legal and regulatory management systems</li> <li>■ Continue appropriate operation of internal reporting system</li> <li>■ Further enhance internal reporting system</li> </ul>
		Risk management	<ul style="list-style-type: none"> <li>■ Work to reduce risks previously and newly identified in risk assessments</li> <li>■ Create a unified BCP for the Group to begin implementation in 2021</li> <li>■ Continue to hold drills to increase awareness and aim to keep response rate high</li> <li>■ Conducted desktop drills</li> <li>■ Revised information security countermeasures and information management rules to align with work-style reforms and open innovation</li> <li>■ Promote effective utilization of information through digitalization</li> <li>■ Maintain and entrench information management standards</li> </ul>

[Self-assessment of goal achievement]

- Undertook, achieved results
- △ Undertook, but need to do more
- × Did not undertake or achieve yet

	Main achievements and progress in FY 2020/12	Evaluation	Issues and goals of FY 2021/12	Pages	SDGs to which we contribute
	<ul style="list-style-type: none"> <li>■ Consolidated net sales: Increased by 14.4% year-on-year</li> </ul>	○	<ul style="list-style-type: none"> <li>■ Rapidly and steadily work to develop a support structure rigorously focused on customer satisfaction along with R&amp;D</li> <li>■ Through rigorous marketing, TOK will carefully identify and intensively and proactively address solutions that lead to the creation of new value for customers.</li> </ul>	P56-59 P64-71	
	<ul style="list-style-type: none"> <li>■ Improve detection sensitivity for metal impurities that comply with customer development roadmaps</li> </ul>	○	<ul style="list-style-type: none"> <li>■ Improve detection sensitivity for metal impurities that comply with customer development roadmaps</li> </ul>	P8 P65 P67	
	<ul style="list-style-type: none"> <li>■ Increased total net sales of cutting-edge photoresists by 19.2% year-on-year</li> </ul>	○	<ul style="list-style-type: none"> <li>■ Ambitiously develop the technologies required by 5G, IoT and other innovations</li> </ul>	P40-41 P56-59	
	<ul style="list-style-type: none"> <li>■ Promoted development and commercialization of high-functional films for use in separators for lithium-ion storage batteries, optical materials for use in UV nanoimprint materials, and life science-related materials for use in biochip manufacturing materials and cell sequencing chips</li> </ul>	○	<ul style="list-style-type: none"> <li>■ Continue development and strengthen commercial viability of high-functional films, life science-related materials, and optical materials</li> </ul>	P44-45	
	<ul style="list-style-type: none"> <li>■ Commenced operations of new R&amp;D building</li> <li>■ Number of collaborative projects promoted with other companies and groups: Increased by approx. 2% year on year</li> </ul>	○	<ul style="list-style-type: none"> <li>■ Expand cutting-edge materials development at the new R&amp;D building</li> <li>■ Expand collaborative projects with other companies and groups</li> </ul>	P58-59 P65-67	
	<ul style="list-style-type: none"> <li>■ Implementing teaching and coaching training for section managers</li> </ul>	○	<ul style="list-style-type: none"> <li>■ Implementing training for new managers and transferred employees</li> </ul>	P60-63	
	<ul style="list-style-type: none"> <li>■ Ratio of paid leave taken: 72.0%*</li> <li>■ Expanded the range of eligibility for childcare support systems (shorter working hours, childcare time, occupational rehabilitation system) (Previously: up to the child's fourth year of elementary school; now: up to the child's sixth year)</li> <li>■ Increased childcare leave taken (male employees: 1 in 2019 to 5 in 2020)*</li> </ul>	○	<ul style="list-style-type: none"> <li>■ Continue promoting a good work-life balance</li> <li>■ Flex time expanded to more departments and work from home was introduced as an official system</li> <li>■ Hourly paid holiday system was introduced</li> </ul>	P60-63	
	<ul style="list-style-type: none"> <li>■ Ratio of non-Japanese employees: 24.2%</li> <li>■ Ratio of local hires in overseas management positions (consolidated basis): 53.8%</li> <li>■ Personnel exchange within the Group was limited due to the impact of COVID-19</li> </ul>	△	<ul style="list-style-type: none"> <li>■ Continue promotion of corporate activities that leverage diversity</li> <li>■ Promote personnel exchanges within the Group</li> </ul>	P60-63 P78	
	<ul style="list-style-type: none"> <li>■ Ratio of women in senior and middle management: 3.2%*</li> <li>■ Ratio of female new graduates hired: 38.5%*</li> </ul>	△	<ul style="list-style-type: none"> <li>■ Continue to promote women in the workplace</li> <li>■ Career training featuring life stages was introduced</li> </ul>	P60-63 P78	
	<ul style="list-style-type: none"> <li>■ Further develop details of the system</li> <li>■ Introduction of the new system was postponed from 2021 to 2022 due to the impact of COVID-19</li> </ul>	△	<ul style="list-style-type: none"> <li>■ New system was formulated in detail toward introduction in 2022</li> </ul>	P60-63	
	<ul style="list-style-type: none"> <li>■ Conducted dialogs between managers and executives based on TOK Vision 2030</li> <li>■ Efforts to implement human rights education including harassment prevention</li> </ul>	○	<ul style="list-style-type: none"> <li>■ Continue efforts to prevent harassment</li> <li>■ Implement human rights education</li> </ul>	P60-63	
	<ul style="list-style-type: none"> <li>■ Implemented and confirmed status of implementation of new remuneration system</li> <li>■ Management successor planning</li> <li>■ Conducted evaluation of the Board of Directors for the previous fiscal year and made improvements on identified issues</li> <li>■ Revised the content of the questionnaire for the Board of Directors evaluation</li> <li>■ Revised authority for subsidiaries inside and outside Japan</li> </ul>	○	<ul style="list-style-type: none"> <li>■ Establish new remuneration system and formulate performance indicators concerning next medium-term plan</li> <li>■ Formulate skill matrix of directors</li> <li>■ Continue to thoroughly operate the PDCA cycle to improve the effectiveness of the Board of Directors (assess its effectiveness once a year)</li> <li>■ Enhance internal control functions</li> <li>■ Confirm the operating status after the revision of authorities</li> </ul>	P74-93	
	<ul style="list-style-type: none"> <li>■ Established new import management function in GMS (Group Management System)</li> <li>■ Established monitoring system for amendments to laws</li> <li>■ Progress rate on issue resolution in operating processes: 98%</li> <li>■ Streamlined operations of the division in charge of CSR and received RBA audit at the Koriyama Plant</li> </ul>	○	<ul style="list-style-type: none"> <li>■ Review the structure and operation of GMS Committee</li> <li>■ Visualize operations to achieve standardized and globally optimized operations in the Group</li> </ul>	P50-52 P78 P90-91	
	<ul style="list-style-type: none"> <li>■ Conducted compliance training</li> <li>■ Prepared the <i>Guide to Overseas Laws for Seconddees</i></li> <li>■ Incorporated the Compliance Standards of Conduct into the CSR Policy</li> </ul>	○	<ul style="list-style-type: none"> <li>■ Continue activities to instill compliance</li> </ul>	P90-91	
	<ul style="list-style-type: none"> <li>■ Listed laws applicable to group businesses</li> <li>■ Revised group compliance rules</li> <li>■ Started formulating the list of applicable laws and the legal management procedures</li> </ul>	△	<ul style="list-style-type: none"> <li>■ Formulate and disseminate the list of applicable laws and the legal management procedures</li> </ul>	P51 P90-91 P95	
	<ul style="list-style-type: none"> <li>■ Three reports were received, for which solutions and recurrence prevention measures were explored and implemented consulting an expert (legal advisor)</li> </ul>	△	<ul style="list-style-type: none"> <li>■ Continue appropriate operation of internal reporting system</li> <li>■ Further enhance and disseminate whistleblowing system</li> </ul>	P91	
	<ul style="list-style-type: none"> <li>■ Continued activities to reduce risks assessed as highly impacting on business continuity, such as the risk of flooding caused by torrential downpour or the risk of spread of COVID-19 infection</li> </ul>	○	<ul style="list-style-type: none"> <li>■ Work to reduce risks previously and newly identified in risk assessments</li> </ul>	P91-96	
	<ul style="list-style-type: none"> <li>■ Formulated BCP scenarios and restoration principles at the production sites of overseas subsidiaries</li> </ul>	△	<ul style="list-style-type: none"> <li>■ Create a unified BCP for the Group to begin implementation in 2022</li> </ul>	P91-93	
	<ul style="list-style-type: none"> <li>■ Conducted drills to improve awareness of the safety confirmation system in the event of major natural disasters. Three company-wide drills held with high response rate maintained in all</li> </ul>	△	<ul style="list-style-type: none"> <li>■ Continue to hold drills to increase awareness and aim to maintain a high response rate</li> </ul>	P91-93	
	<ul style="list-style-type: none"> <li>■ Reviewed information security measures and information management rules for improvement</li> <li>■ Promoted shift to paperless practice and prepared the <i>Files and Folders Classification Guidebook</i> for the use of information</li> <li>■ Conducted information management training</li> </ul>	○	<ul style="list-style-type: none"> <li>■ Promote effective utilization of information</li> <li>■ Review of cyber security measures</li> <li>■ Maintain and entrench information management standards</li> </ul>	P92-93	










\* Tokyo Ohka Kogyo Co., Ltd. only

# Material Issues/2020 Results & 2021 Issues and Goals

Material issues	ESG fields	Key initiatives	Issues and goals of FY 2020/12		
Global environmental conservation	Environment (E)	Promote environmental management	Develop and produce environmentally friendly products	<ul style="list-style-type: none"> <li>Stably supply i-Line photoresists for power semiconductors</li> <li>Expand sales of equipment for power semiconductors</li> </ul>	
			Eradicate environmental accidents that affect external parties	<ul style="list-style-type: none"> <li>Number of environmental accidents: Severe accidents: Zero</li> </ul>	
			Proactive response to new environmental regulations	<ul style="list-style-type: none"> <li>Introduce electronic manifests at sites where they have not been introduced</li> <li>Examine the introduction of an integrated waste management system</li> </ul>	
			Proactive disclosure of environmental information	<ul style="list-style-type: none"> <li>Proactively disclosed information by publishing the <i>Integrated Report</i> and disclosed environmental information on website</li> </ul>	
			Create an environmental ISO organization and systems	<ul style="list-style-type: none"> <li>Examine methods for effective implementation of company-wide environmental management activities</li> </ul>	
		Address climate change issues toward decarbonization	Improve energy-related CO <sub>2</sub> emissions per base unit* [Medium-term target] Reduce energy-related CO <sub>2</sub> emissions (per base unit) by 11 points by 2030 compared with 2019 (reduction of 1 point annually)	<ul style="list-style-type: none"> <li>[New medium-term targets] FY 2020 only</li> <li>Reduce by 11 points compared with 2019 by 2030</li> <li>* Reduction target values changed from FY 2020</li> <li>Reduce energy-related CO<sub>2</sub> emissions (per base unit) by 1 point compared with 2019 in 2020</li> </ul>	
			Improve energy consumption per base unit* [Medium-term target] Reduce energy consumption (per base unit) by 11 points by 2030 compared with 2019 (reduction of 1 point annually)	<ul style="list-style-type: none"> <li>[New medium-term targets] FY 2020 only</li> <li>Reduce by 11 points compared with 2019 by 2030</li> <li>* Reduction target values changed from FY 2020</li> <li>Reduce energy consumption (per base unit) by 1 point compared with 2019 in 2020</li> </ul>	
			Improve energy consumption per base unit in distribution*	<ul style="list-style-type: none"> <li>Reduce energy consumption (per base unit) by at least 1 point year-on-year</li> </ul>	
			Measures to prevent global warming at overseas manufacturing sites	<ul style="list-style-type: none"> <li>Developed production activities from standpoint of energy conservation</li> </ul>	
		Promote resource recycling	Initiatives to address water risk*	<ul style="list-style-type: none"> <li>Propose and execute plans at each site</li> </ul>	
				<ul style="list-style-type: none"> <li>Reduce by 13% compared with 2017 by 2030</li> <li>Reduce by 3% compared with 2017 in 2020</li> </ul>	
			Reduce industrial waste* [Medium-term target] Reduce industrial waste (per base unit) by 5 points by 2020 compared with 2015 (reduction of 1 point annually)	<ul style="list-style-type: none"> <li>Reduce industrial waste (per base unit) by 5 points compared with 2015 and by 1 point year-on-year</li> <li>Industrial waste disposed in landfills =&gt; less than 1%</li> <li>Achieve zero emissions</li> </ul>	
		Preserve air, water, and soil environments	Prevent Air, Water, and Soil Pollution	<ul style="list-style-type: none"> <li>Incidents where operational thresholds are exceeded: None</li> </ul>	
			Countermeasures against ozone-depleting substances	<ul style="list-style-type: none"> <li>Manage CFC leakage volume through proper management of equipment</li> <li>Examine introduction of non-CFC equipment when renewing facilities</li> </ul>	
			Comply with PRTR Law	<ul style="list-style-type: none"> <li>Review factors for PRTR-regulated substance emissions and transportation volume</li> </ul>	
		Preserve biodiversity	Improve awareness of biodiversity based on TOK Biodiversity Protection Declaration and encourage participation in related activities	<ul style="list-style-type: none"> <li>Implement ongoing employee training</li> <li>Continue activities to preserve forests</li> </ul>	
		Chemical substance management	Precisely address laws and regulations	Carry out appropriate and reliable management of chemical substances	<ul style="list-style-type: none"> <li>Maintain upstream management system</li> <li>Continue to strengthen and operate chemical substance management system</li> </ul>
				Properly Comply with PCB Special Measures Act	<ul style="list-style-type: none"> <li>Examine creating a roadmap for disposing PCB waste (low concentration) by 2027 deadline</li> </ul>
Occupational health and safety/ Security and disaster prevention	Social (S)	Occupational health and safety/Reduction of risks posed by chemical substances	Foster a safety culture	<ul style="list-style-type: none"> <li>Established and improved occupational health and safety management systems</li> </ul>	
			Promotion of safety education and training, and disaster drills	<ul style="list-style-type: none"> <li>Prepare to acquire ISO 45001 certification and to extend the scope of certification</li> </ul>	
		Promotion of risk assessment activities in chemical substance handling work	<ul style="list-style-type: none"> <li>Improve risk assessments (take action to clarify high-risk, high-severity operations and equipment and reduce the risks at each site)</li> <li>Continue implementation of internal guidelines for handling of highly corrosive chemical substances</li> <li>Confirm and improve handling status of chemical substances through internal and external audits</li> </ul>		
		Zero workplace accidents*	<ul style="list-style-type: none"> <li>Achieve zero workplace accidents</li> </ul>		

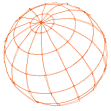
[Self-assessment of goal achievement]

- Undertook, achieved results
- △ Undertook, but need to do more
- × Did not undertake or achieve yet

	Achievements in FY 2020/12	Evaluation	Issues and goals of FY 2021/12	Pages	SDGs to which we contribute
	<ul style="list-style-type: none"> <li>■ Stably supply i-Line photoresists for power semiconductors</li> <li>■ Expand sales of equipment for power semiconductors</li> </ul>	○	<ul style="list-style-type: none"> <li>■ Stably supply i-Line photoresists for power semiconductors</li> <li>■ Expand sales of equipment for power semiconductors</li> </ul>	P42-43 P66 P69-70	      
	<ul style="list-style-type: none"> <li>■ Number of environmental accidents: Severe accidents: Zero</li> </ul>	○	<ul style="list-style-type: none"> <li>■ Number of environmental accidents: Severe accidents: Zero</li> </ul>	P104-105	
	<ul style="list-style-type: none"> <li>■ Continue to prepare for introducing electronic manifests</li> <li>■ Examine introduction of an integrated waste management system</li> </ul>	△	<ul style="list-style-type: none"> <li>■ Introduce a comprehensive management system for environment-related data</li> </ul>	P102-103	
	<ul style="list-style-type: none"> <li>■ Proactively disclosed information by publishing the <i>Integrated Report</i> and disclosed environmental information on website</li> </ul>	○	<ul style="list-style-type: none"> <li>■ Proactively disclosed information by publishing the <i>Integrated Report</i> and disclosed environmental information on website</li> </ul>	P12-13	
	<ul style="list-style-type: none"> <li>■ Identified risks and opportunities at each department to set company-wide targets</li> </ul>	○	<ul style="list-style-type: none"> <li>■ Examine methods for effective implementation of company-wide environmental management activities</li> </ul>	-	
	<ul style="list-style-type: none"> <li>■ Reduce energy-related CO<sub>2</sub> emissions (per base unit) by 11 point compared with 2019 in 2020</li> </ul>	○	<ul style="list-style-type: none"> <li>[New medium-term targets] FY 2021 and after</li> <li>■ Reduce energy-related CO<sub>2</sub> emissions (per base unit) by 15 points compared with 2019 by 2030</li> </ul>	P98-99	
		○	<ul style="list-style-type: none"> <li>[New medium-term targets] FY 2021 and after</li> <li>■ Reduce energy-related CO<sub>2</sub> emissions (per base unit) by 1 point compared with the previous year</li> </ul>	P98-99	
	<ul style="list-style-type: none"> <li>■ Reduce energy consumption (per base unit) by 9 points compared with 2019 in 2020</li> </ul>	○	<ul style="list-style-type: none"> <li>[New medium-term targets] FY 2021 and after</li> <li>■ Reduce energy consumption (per base unit) by 15 points compared with 2019 by 2030</li> </ul>	P98-99	
		○	<ul style="list-style-type: none"> <li>[New medium-term targets] FY 2021 and after</li> <li>■ Reduce energy consumption (per base unit) by 1 point compared with the previous year</li> </ul>	P98-99	
	<ul style="list-style-type: none"> <li>■ No change in energy consumption (per base unit) compared with 2019 in 2020</li> </ul>	△	<ul style="list-style-type: none"> <li>■ Reduce energy consumption (per base unit) by at least 1 point year-on-year</li> </ul>	P98-99	
	<ul style="list-style-type: none"> <li>■ Developed production activities from standpoint of energy conservation</li> </ul>	○	<ul style="list-style-type: none"> <li>■ Developed production activities from standpoint of energy conservation</li> </ul>	P99	
	<ul style="list-style-type: none"> <li>■ Propose and execute plans at each site</li> </ul>	○	<ul style="list-style-type: none"> <li>■ Propose and execute plans at each site</li> </ul>	P100-101	
	<ul style="list-style-type: none"> <li>■ Attained the target by reducing 8.3% vs. 2017*</li> <li>* Starting with the FY 2021 target, the base year was shifted from 2017 to 2019 for new activities</li> <li>&lt;Reference&gt; Increased by 1.2% vs. 2019</li> <li>■ Installed water bars at the Sagami Operation Center to reduce flooding risks</li> </ul>	○	<ul style="list-style-type: none"> <li>■ Reduce by 15% compared with 2019 by 2030</li> <li>■ Continue measures against flooding risks</li> </ul>		
	<ul style="list-style-type: none"> <li>■ Attained the target by reducing 11 points vs. 2015</li> <li>The target left unattained because of increase by 15 points vs. previous year</li> </ul>	△	<ul style="list-style-type: none"> <li>■ Reduce base unit by 15 points vs. 2019 by 2030</li> </ul>	P102-103	
	<ul style="list-style-type: none"> <li>■ Industrial waste disposed in landfills =&gt; less than 1%</li> <li>Achieved zero emissions for a seventh consecutive year</li> </ul>	○	<ul style="list-style-type: none"> <li>■ Industrial waste disposed in landfills =&gt; less than 1%</li> <li>Achieve zero emissions</li> </ul>		
	<ul style="list-style-type: none"> <li>■ Operational thresholds were exceeded for a specified substance in groundwater at Sagami Operation Center</li> </ul>	×	<ul style="list-style-type: none"> <li>■ Incidents where operational thresholds are exceeded: None</li> </ul>	P104-105	
	<ul style="list-style-type: none"> <li>■ Manage CFC leakage volume through proper management of equipment</li> <li>■ Examine introduction of CFC-free equipment when renewing facilities</li> </ul>	○	<ul style="list-style-type: none"> <li>■ Manage CFC leakage volume through proper management of equipment</li> <li>■ Examine introduction of non-CFC equipment when renewing facilities</li> </ul>		
	<ul style="list-style-type: none"> <li>■ Review factors for PRTR-regulated substance emissions and transportation volume</li> </ul>	○	<ul style="list-style-type: none"> <li>■ Maintain compliance with PRTR Act</li> </ul>		
	<ul style="list-style-type: none"> <li>■ Implemented CSR training for employees, as well as all directors, audit &amp; supervisory board members, and officers (185 participants)</li> <li>■ Dispatched employees to participate in activities at the Kanagawa Trust Midori Foundation</li> </ul>	○	<ul style="list-style-type: none"> <li>■ Implement ongoing employee training</li> <li>■ Continue activities to preserve forests</li> </ul>	P105	
	<ul style="list-style-type: none"> <li>■ Maintain upstream management system</li> <li>· Supplier survey system has yet to be introduced</li> <li>■ Continue to strengthen and operate chemical substance management system</li> <li>· Proceeded with the listing of legal requirements included in chemical substance import laws and customer requirements</li> </ul>	△	<ul style="list-style-type: none"> <li>■ Establish chemical substance information management system</li> <li>■ Continue to strengthen and operate chemical substance management system</li> </ul>	P106-110	 
	<ul style="list-style-type: none"> <li>■ Formulated a road map toward the completion of disposal</li> </ul>	○	<ul style="list-style-type: none"> <li>■ Formulate and promote equipment renewal plan based on the road map toward the deadline of disposal of PCB waste (low concentration) in 2027</li> </ul>		
	<ul style="list-style-type: none"> <li>■ Acquired ISO 45001 certification at the Gotemba plant in June 2020</li> <li>■ Conducted internal audit at sites where ISO 45001 certification is scheduled to be expanded in 2021, and established occupational health and safety management system</li> </ul>	○	<ul style="list-style-type: none"> <li>■ Established and improved occupational health and safety management systems</li> <li>■ Prepare to acquire ISO 45001 certification and to extend the scope of certification (to complete acquisition at sites in Japan by 2023)</li> </ul>	P52 P109-110	 
	<ul style="list-style-type: none"> <li>■ Continued reduction activities for risks with high severity at each site. Also promoted risk assessment and hazard prediction activities for infrequent operations</li> <li>■ Established and started operation of internal standards for highly corrosive substances and poisonous/deleterious substances</li> <li>■ Improved the handling of chemical substances and antistatic measures and so on through ISO 45001 internal audit and external review</li> </ul>	○	<ul style="list-style-type: none"> <li>■ Strengthen risk assessment and hazard prediction activities for infrequent operations</li> <li>■ Establish Lockout/Tagout (LOTO) rules</li> </ul>		
	<ul style="list-style-type: none"> <li>■ Workplace accidents: 7</li> <li>■ Achieved zero accidents resulting in lost workdays</li> </ul>	×	<ul style="list-style-type: none"> <li>■ Achieve zero workplace accidents</li> </ul>		

\* Tokyo Ohka Kogyo Co., Ltd., and consolidated subsidiaries in Japan





# TOK at a Glance

## Business Portfolio

We are leveraging the Material Business, our current earnings driver centering on cutting-edge domains, and realizing synergy with our Equipment Business, which is cultivating new niche business domains.

### Materials Segment

### Equipment Segment

Develops high value-added products as an earnings driver

#### Risks and opportunities by segment

→ See pages 65 and 69

#### M&E (Materials & Equipment) strategy

Strengthen our value creation in all directions in the 2D and 3D semiconductor markets

Getting one step ahead of market needs in synergy with the Materials Segment

#### Electronic functional materials

##### Photoresists

Widely used materials indispensable for the **microprocessors** for devices, including semiconductors, LCD panels, and other electronic products



#### High-purity chemicals

##### High-purity chemicals

Clean solutions, thinners, developing solutions, and other chemicals with **world-leading high purity**



#### Process equipment

##### Semiconductor manufacturing equipment

TOK's Zero Newton wafer handling system enables significant increases in efficiency of the **3D packaging process** of semiconductors and the **thinning process for power semiconductors**



##### High-density integration materials

Packaging photoresists and MEMS materials and so on, which are compatible with **multi-layer stacking** accompanying advances made in semiconductor microprocessors



##### Inorganic and organic chemicals

Chemicals used in a wide range of industries



##### LCD panels manufacturing equipment

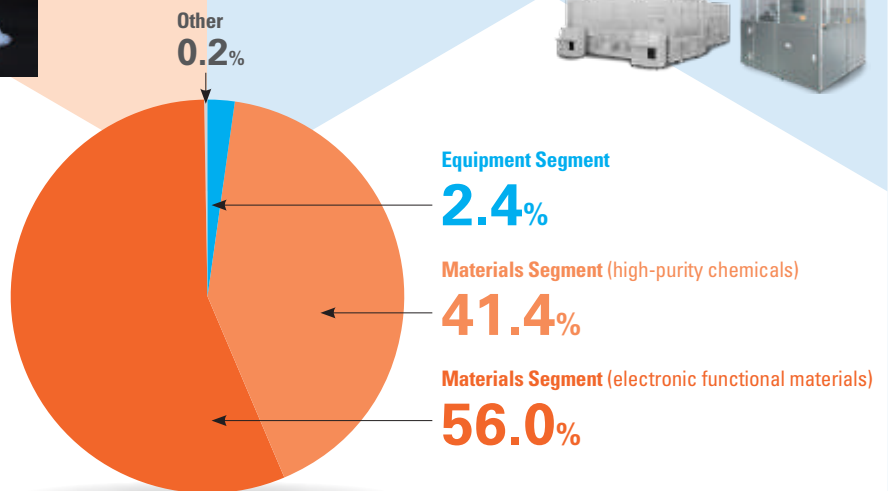
Various types of process equipment, including UV curing machines used to manufacture **flexible displays**, coating machines that can achieve high-precision performance, and coating machines for R&D



FY 2020/12

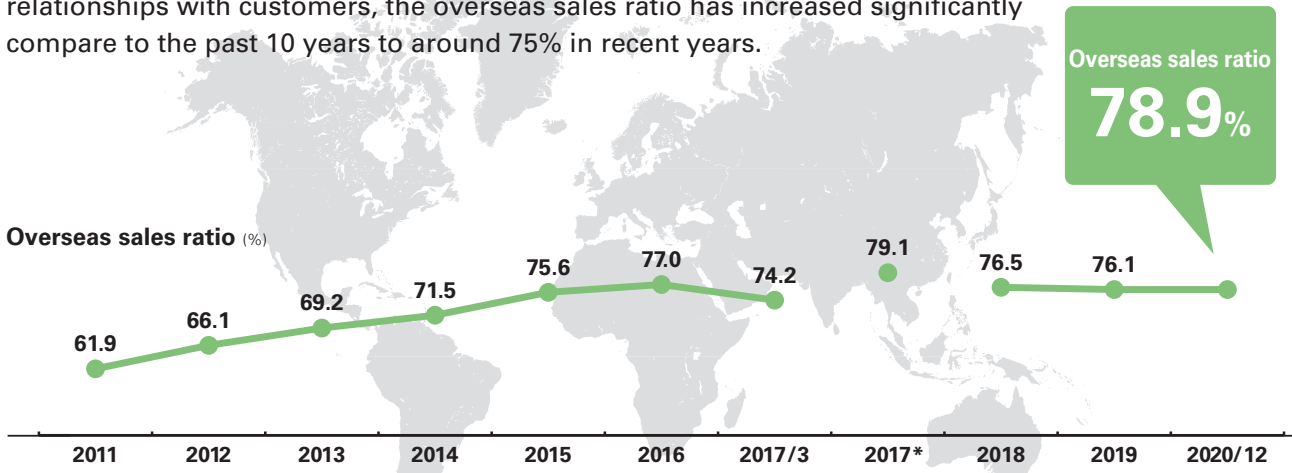
Consolidated net sales

¥ **117.5** billion



## Global Expansion

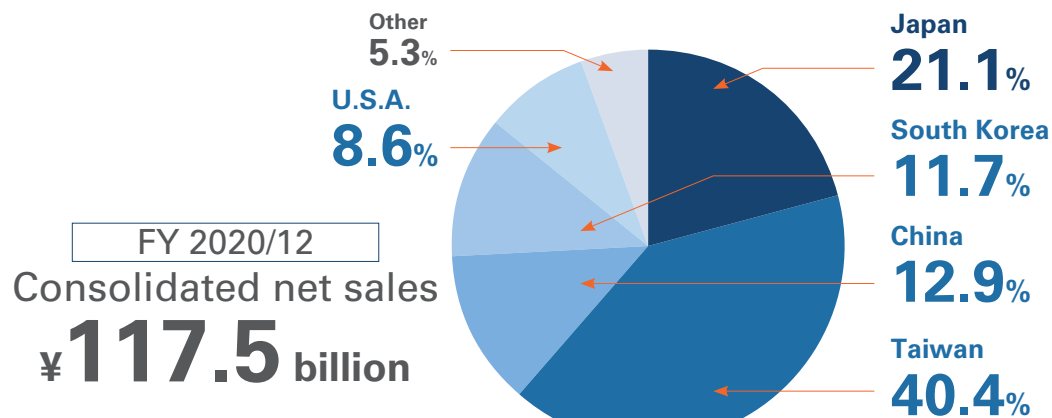
As a result of our focus on the semiconductor field and strategy of building close relationships with customers, the overseas sales ratio has increased significantly compare to the past 10 years to around 75% in recent years.



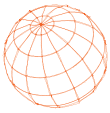
\* The Company changed its fiscal year-end from March 31 to December 31 effective from fiscal 2017.

Japan	The U.S.	Taiwan	China	South Korea
<ul style="list-style-type: none"> <li>· Headquarters (nine sites)</li> <li>· Number of employees (consolidated): 1,244</li> </ul>	<ul style="list-style-type: none"> <li>· One local subsidiary (two sites)</li> <li>· Number of employees (consolidated): 124</li> </ul>	<ul style="list-style-type: none"> <li>· One local subsidiary (three sites)</li> <li>· Number of employees (consolidated): 196</li> </ul>	<ul style="list-style-type: none"> <li>· Two local subsidiary (two sites)</li> <li>· Number of employees (consolidated): 40</li> </ul>	<ul style="list-style-type: none"> <li>· One local subsidiary (one site)</li> <li>· Number of employees (consolidated): 127</li> </ul>
Tokyo Ohka Kogyo America, Inc.	TOK Taiwan Co., Ltd.	Chang Chun TOK (Changshu) Co., Ltd.	TOK China Co., Ltd.	TOK Advanced Materials Co., Ltd.
Headquarters/ Five plants/ Two operation centers/ Logistics Center				

\* Number of employees: As of December 31, 2020



\* Other: Europe and Singapore and so on



# TOK at a Glance

## Product Portfolio

TOK has strong niche domains both in the front-end processes and back-end processes of semiconductor production with strengths in both miniaturization and 3D packaging. It also provides cutting-edge value in high-purity chemicals as non-photosensitive materials and in equipment.

Semiconductor manufacturing field	Global No.1*	EUV photoresists	KrF excimer laser photoresists	g-Line and i-Line photoresists	
	ArF excimer laser photoresists	Electronic beam (EB) photoresists	Interlayer insulation films		
	Diffusion agents	Materials for cover coat	Directed Self-Assembly (DSA) materials		
	Plasma ashing system				
Semiconductor packaging manufacturing field		Bump photoresists	Resists for Wafer-level CSP		
Image sensor/ MEMS manufacturing field		Materials for Photosensitive permanent	Resists for Microlens		
		Lift-off resists			
3D packaging field		Zero Newton® 3D packaging Equipment	Adhesive materials		

High-purity chemicals	Clean Solutions	Thinners	Developing solutions	
	Organic chemicals	Stripping solutions	Inorganic chemicals	
	Surface modifiers			

Panel manufacturing field	TFT resists	Resists for color filter	UV curing machines	
	Resists for Organic EL	High-reliability transparent materials		

\* Based on the share of projected shipment volume in 2020 (calculated based on Fuji Chimera Research Institute, "Current Status and Future Outlook of Cutting-edge/Noticeable Semiconductor-related Markets 2020")

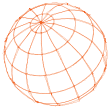
SDGs to which we contribute



# Main Targeted Markets, Applications, and End Products

All TOK products pertain to the B2B businesses, and people usually do not see its products in their daily lives. However, they are indispensable materials for upgrading end products that contribute to diverse innovations and the resolution of social issues.



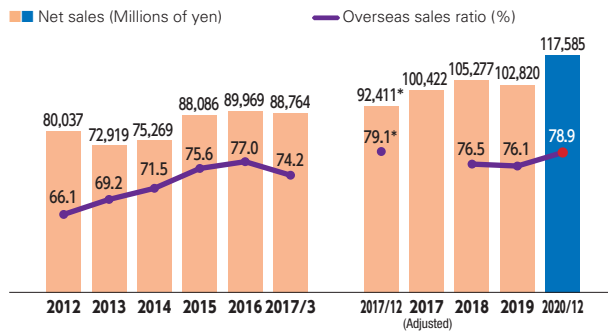


# Trends of Key Ten-Year Data and Analysis

## Ten-Year Financial Highlights

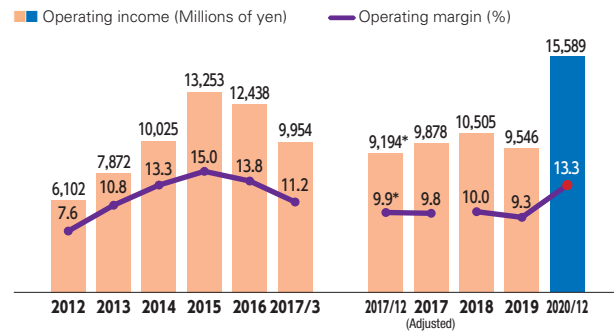
### Net sales/Overseas sales ratio\*

¥117,585 million **78.9%**



### Operating income\*/Operating margin

¥15,589 million **13.3%**

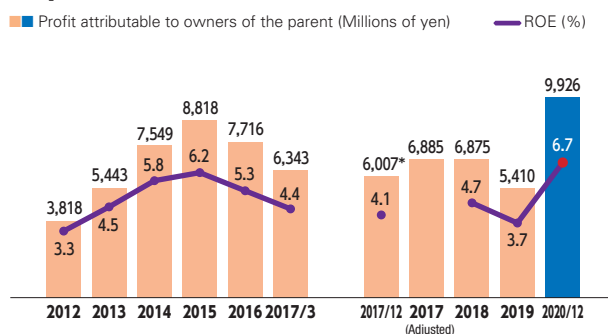


With the aim to be a globally trusted corporate group by inspiring customers with high value-added products and to achieve a consolidated operating income of 20.0 billion yen, as overarching aspirations for 2020 under the long-term vision formulated in 2010, TOK has promoted long-run R&D while upgrading its world-leading microprocessor technology and high-purity processing technology based on customer-oriented strategies and marketing. It also made largest-scale investments ever during the TOK Medium-Term Plan 2015 and the TOK Medium-Term Plan 2018. In FY 2020/12, TOK harvested the effect of these measures owing to the increased semiconductor demand that resulted from stay-home needs in the COVID-19 pandemic, leading to record-high net sales and operating income. In addition, its operating margin also improved owing to the growth of high-added value products in the cutting-edge semiconductor field, such as EUV/ArF/KrF photoresists, combined with the reduced depreciation and amortization.

\* Because of the change in the fiscal year-end, the fiscal year ended December 31, 2017, was an irregular nine-month period in Japan and 12 months overseas.

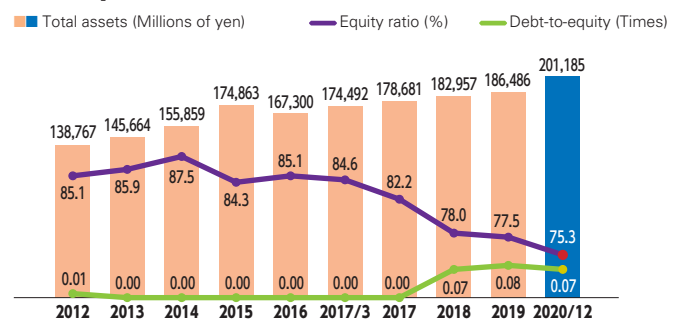
### Profit attributable to owners of the parent\*/ROE

¥9,926 million **6.7%**



### Total assets/Equity ratio/Debt-to-equity

¥201,185 million **75.3%** **0.07 times**



In FY 2020/12, TOK renewed its record-high profit attributable to owners of the parent with increased ROE. In coming years, TOK will aim for ROE  $\geq 8\%$  targeted in the TOK Medium-Term Plan 2021, and ROE  $\geq 10\%$  targeted in the TOK Vision 2030, emphasizing ROIC at the same level as ROE, while agilely responding to the uncertain business environment, investment environment, and changes in the financial situation (see pages 46–49, “Message from the CFO”).

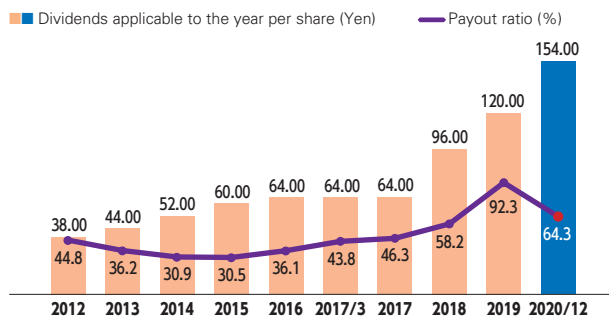
As a long-run R&D-driven company that continues to target the top niche markets, TOK’s basic policy is to maintain sufficient cash reserves to compete in development with larger rivals and facilitate agile investments. The equity ratio has stayed at around 85% for many years, but should gradually start to decline as a consequence of long-term debt financing, better shareholder returns, and one of the largest share buybacks the Company has ever undertaken under balance sheet management since the TOK Medium-Term Plan 2018.

\* Because of the change in the fiscal year-end, the fiscal year ended December 31, 2017, was an irregular nine-month period in Japan and 12 months overseas.

## Dividends applicable to the year per share/Payout ratio

¥154.00

64.3%

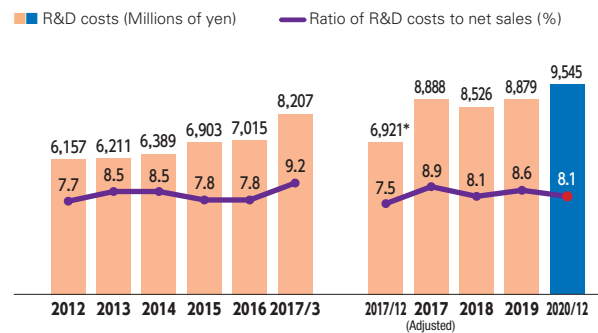


Until the fiscal year ended March 31, 2016, our basic policy targeted a consolidated dividend payout ratio of at least 30%. In the fiscal year ended March 31, 2017, we changed to a policy that targets a sustained dividend at a consolidated payout ratio of at least 40% while taking current levels into account. TOK has introduced a new dividend policy that targets DOE of 3.5%, beginning with year-end dividends in the fiscal year ended December 31, 2018, in order to respond to the expectations of long-run investors (see pages 46–49 “Message from the CFO”).

## R&D costs\*/Ratio of R&D costs to net sales

¥9,545 million

8.1%



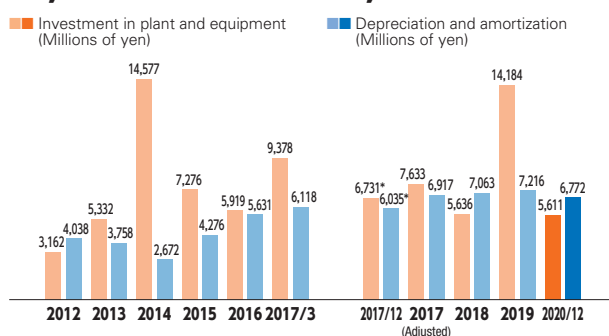
TOK’s spending on R&D is equivalent to roughly 8% of net sales. By utilizing R&D costs that increase in proportion to sales increase, TOK will strengthen proposals before receiving requests from customers and will also endeavor to improve development efficiency by employing enhanced knowledge productivity, materials informatics (MI), and computational chemistry (see pages 58-59, “Message from the Director in Charge of Research and Development”).

\* Because of the change in the fiscal year-end, the fiscal year ended December 31, 2017, was an irregular nine-month period in Japan and 12 months overseas.

## Investment in plant and equipment/ Depreciation and amortization

¥5,611 million

¥6,772 million



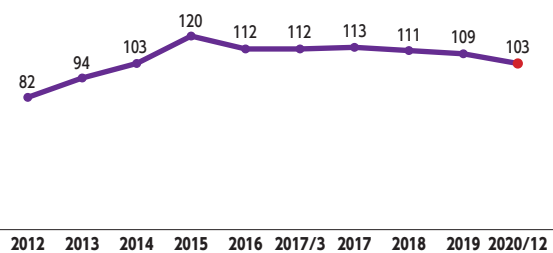
Depreciation and amortization increased as a result of large-scale investments during the TOK Medium-Term Plan 2015 and the TOK Medium-Term Plan 2018, but under the TOK Medium-Term Plan 2021, the Company plans to invest in production equipment with long depreciation periods, so depreciation and amortization should increase at a more moderate pace. Under TOK Vision 2030, TOK will make strategic investments while maximizing cash generation, aiming to achieve net sales of 200.0 billion yen in FY 2030/12.

\* Because of the change in the fiscal year-end, the fiscal year ended December 31, 2017, was an irregular nine-month period in Japan and 12 months overseas.

## Exchange rate

¥103

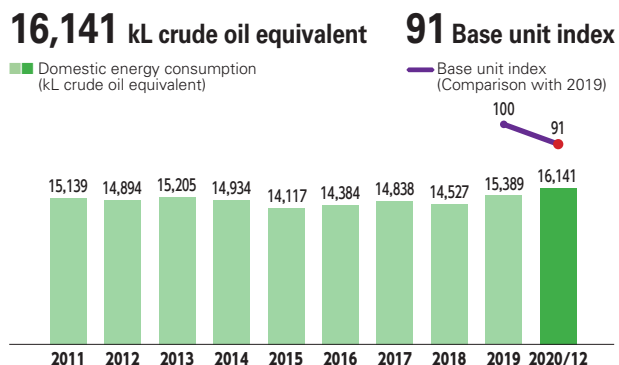
(Yen/U.S. dollars, As of March 31)



As global risks continue to increase, the Company intends to advance global cash management by including adjusting the balance of cash positions among overseas sites as a part of balance sheet management. We are thus enhancing financial risk controls for fluctuations in exchange rates and market liquidity.

## Ten-Year Non-Financial Highlights

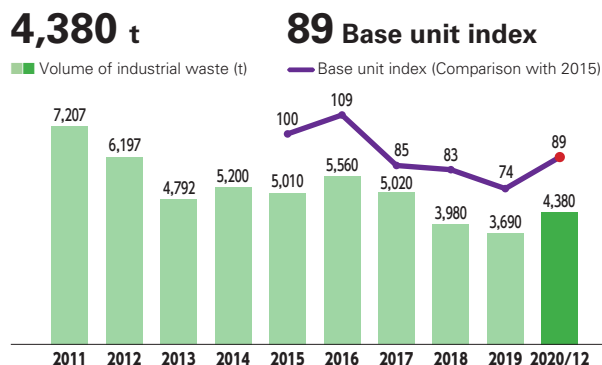
### Domestic energy consumption\*



Toward the new 10-year target to reduce energy consumption (per base unit) by 15 points compared with 2019 by 2030, TOK achieved a reduction of 9 points year-on-year owing to increased production efficiency at several sites. The Company will carry on with efforts to reduce its environmental impact by improving production processes, increasing work efficiency, and reviewing equipment and operational methods.

\* Tokyo Ohka Kogyo Co., Ltd., and consolidated subsidiaries in Japan  
Because of the change in the fiscal year-end, totals for 2013 onward are from January through December. Totals for 2011 and 2012 are from April to March.

### Volume of industrial waste\*1

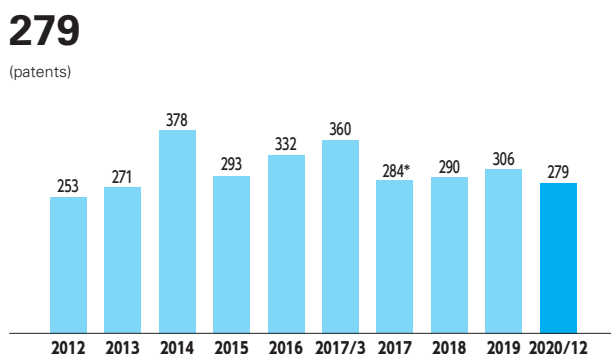


TOK has achieved zero emissions\*\*2 for seven consecutive years as the volume of its industrial waste headed to landfill disposal via intermediate treatment remained below 1% of the total. TOK targets a reduction of 5 points in total industrial waste by 2020 compared with the base unit indexed to 2015. The Company has achieved a reduction of 11 points through continuous activities to refine and reuse process effluents, and to internally process and recover effluents while turning them into items of value. In 2021, TOK will set new targets indexed to 2019 and further continue reduction efforts.

\*1 Total sum of general industrial waste and specially controlled industrial waste.  
Because of the change in the fiscal year-end on Tokyo Ohka Kogyo Co., Ltd., and consolidated subsidiaries in Japan, totals for 2013 onward are from January through December. Totals for 2011 and 2012 are from April to March.

\*\*2 Definition of zero emissions: Landfill disposal volume (direct or after intermediate treatment) of less than 1% of industrial waste discharged by business activities.

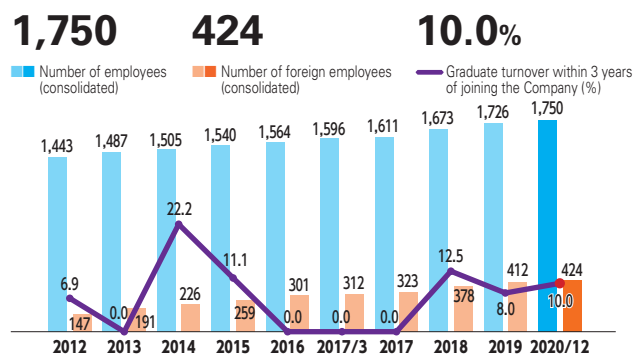
### Number of patents registrations



The number of patent registrations in the cutting-edge semiconductor fields is on a decreasing trend due to the increased development difficulty, but patent registrations have been rising for new businesses and new materials. Going forward, we will aim for the stable pursuit of business development through new and promising technologies, while building barriers to entry through patent acquisition. We will form a patent portfolio that supports corporate value enhancement more effectively by discerning whether to employ open or closed strategies on a case-by-case basis.

\* Because of the change in the fiscal year-end, results for the fiscal year ended December 31, 2017 are only for nine months.

### Number of consolidated employees/Number of consolidated foreign employees/Graduate turnover within 3 years of joining the Company\*



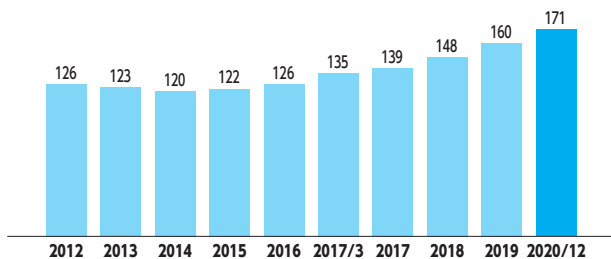
At TOK, the number of foreign employees has been increasing as a result of an increase in the number of overseas development and production sites and the emphasis on merit-based hiring of new graduates regardless of nationality. Based on the spirit of a frank and open-minded business culture, one of our management principles, and the basic philosophy that human resources are a company asset, we have expanded various personnel systems and training programs. As a result, the ratio of new graduate hires who quit within three years of joining the Company has remained at a low rate. In February 2020, TOK was recognized in 2020 Certified Health & Productivity Management Outstanding Organizations Recognition Program for a third consecutive year.

\* Tokyo Ohka Kogyo Co., Ltd. only

**Number of female employees\***

**171**

(People)



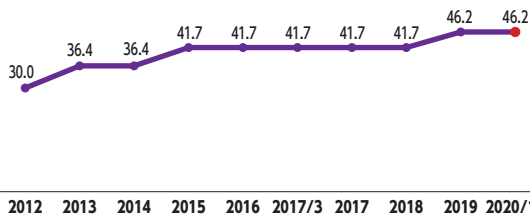
The ratio of female new graduate hires has held steady at about 40%, and the number of female employees has been increasing as a result of better supportive measures to retain and promote women in our company. In recognition of our initiatives to offer flexible work styles, support for career formation plans, and support for childrearing, TOK was again selected as a constituent stock in 2021 for the MSCI Japan Empowering Women Index. Although the ratio of women in management positions remains at a same level, many management candidates have been developed.

\* Tokyo Ohka Kogyo Co., Ltd. only (employees exclude those seconded from other companies to TOK, and include people seconded from TOK to other companies and contract workers)

**Ratio of outside officers in the Board of Directors**

**46.2%**

(%)

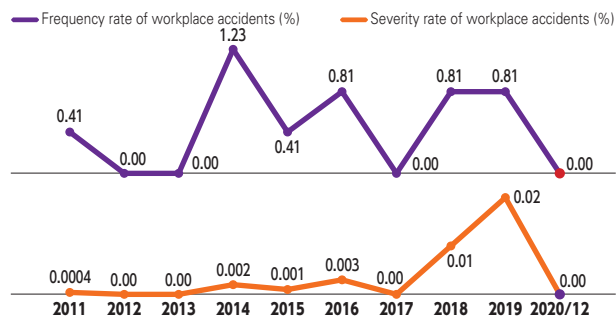


TOK increased the number of outside audit & supervisory board members by one to three in 2013, and increased the number of outside directors by one in 2015 and 2020, respectively, to three. Therefore, the ratio of outside officers on the Board of Directors is now 46.2%.

**Frequency rate of workplace accidents/  
Severity rate of workplace accidents\***

**0.00%**

**0.00%**



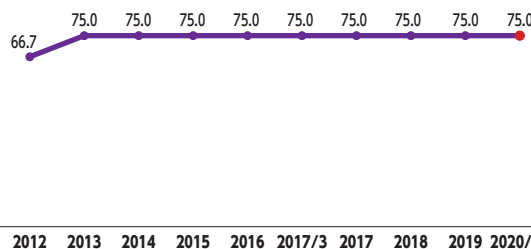
In FY 2020/12, TOK achieved zero both in the frequency of workplace accidents and in the severity of workplace accidents. However, seven incidents without lost workdays occurred; therefore, the Company reviewed the risks and implemented measures to prevent a recurrence. TOK will continue to make concerted company-wide efforts to prevent workplace accidents, including the utilization of the RBA audit results and effort to acquire the ISO 45001 certification at increased sites.

\* Tokyo Ohka Kogyo Co., Ltd. only

**Ratio of outside members among audit & supervisory board members**

**75.0%**

(%)



The ratio of outside members on the audit & supervisory board has been 75.0% ever since the number of outside members was increased by one to three in 2013.