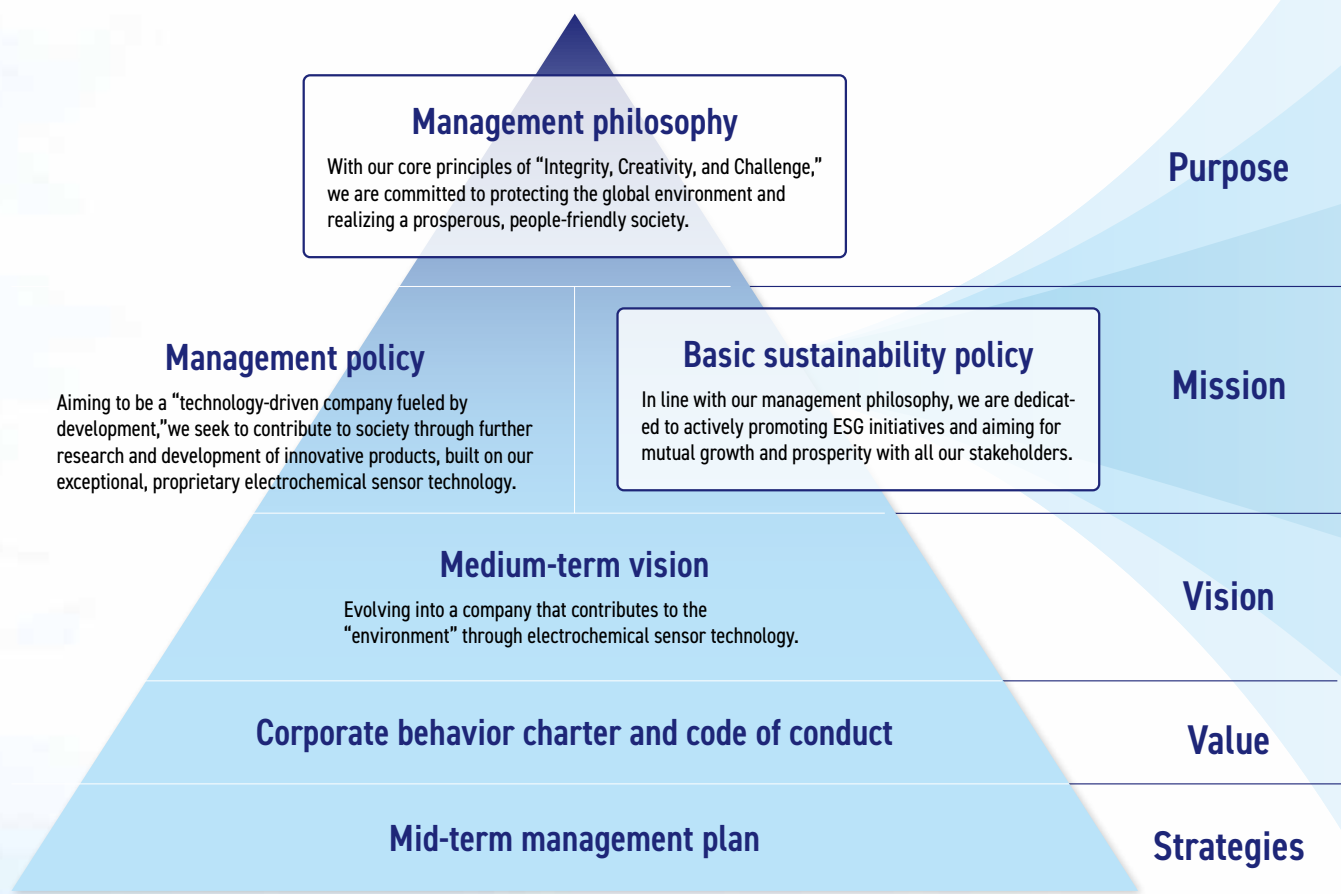


Sustainability Report 2025



Celebrating the 80th anniversary of our founding, we reaffirm our gratitude and continue refining our one-of-a-kind sensor technology to keep safeguarding the “environment” and “health”

DKK-TOA philosophy and Code of Conduct



Integrity, Creativity,

g,
health."

Relationship with stakeholders



Our approach to sustainability

Based on the principle of "six-way satisfaction," we ensure that our business provides benefits to all stakeholders which include "customers," "business partners (suppliers)," "shareholders," "employees," "community/society," and the "global environment." We believe that adopting such approach will lead to enhanced corporate value, stronger management, reduced business risks, and the discovery of new business opportunities. We aim to fulfill our social responsibilities in all aspects of ESG (Environmental, Social, Governance) and strive to achieve both a "sustainable society" and "sustainable growth" for our Group.

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Report overview

Editorial policy

Our Sustainability Report 2025 is designed to clearly and concisely present the DKK-TOA Group's commitment to and actions regarding sustainability, including a comprehensive perspective on ESG (Environmental, Social, and Governance) matters.

We are committed to utilizing this report as one of our communication tools with stakeholders and continue to strive for improvement while taking your opinions into consideration.

Report range

Period

FY 2024 (April 1, 2024 to March 31, 2025)
Some activities and information before and after this period are also included.

Organization

DKK-TOA and Group companies
*If the report subject organization changes depending on the event, it is indicated individually.

Publication date

June 2025

Person responsible for publication

General Manager of Corporate Strategy
Department

Challenge

80 Years of Progress



Perfecting measuring technology

As a specialized manufacturer of measuring equipment, known as the “Mother Tool of Industry,” we have provided high-quality products across a wide range of fields, including environmental and medical measurement. Our measuring instruments have continually evolved over the course of 80+ years thanks to our exceptional sensor technology and experience. We will continue to enhance our technologies and contribute to the world by creating innovative products.

Founding period

Advanced as a measuring instrument manufacturer alongside the development of infrastructure and expansion of industry, demand for environmental conservation increased

1944

- TOA Electronics Ltd. established in Koishikawa Ward (Current Bunkyo Ward), Tokyo
Pioneered the use of glass electrode pH meters



1940

1945

- DKK Corporation established in Musashino City, Tokyo
Launched business with glass electrode pH meters and developed online analyzers for plant applications

1950

1954

- Developed the first domestically produced glass electrode pH meter (HM-5(A))
Became a top seller with sales of over 20,000 units



Heritage Certification

Recognized as “Analytical and Scientific Instrument Heritage” in 2014
As products that contributed to Japan’s industrial development

1961

- Listed on the 2nd Section of the Tokyo Stock Exchange

1960

1963

- Constructed the current Saitama Factory in Sayama City, Saitama Prefecture
- Developed Japan’s first automated nitrogen oxide analyzer
DKK Corporation participated in a project organized by the then Ministry of Health and Welfare. Since then, we have cultivated the field of ambient air analyzers



1968

- Head office built in Takadanobaba, Shinjuku ward, Tokyo

1970

- Developed Japan’s first “river water quality monitor”
Installed in the Yodo and Tama rivers at the request of the former Ministry of Construction.
- Developed Japan’s first ambient oxidant analyzer



First in Japan

First in Japan

1970

1973

- Current DKK-TOA Iwate Corporation established as a production subsidiary in Tono City, Iwate Prefecture

1979

- Started sales of clinical examination devices
Obtained approval to develop medical instruments from the former Ministry of Health and Welfare. Entered the field of biochemical and medical-related equipment



- Addressed the total pollutant load control

Enabled measurement of organic pollutants flowing into enclosed water areas such as Tokyo Bay, Ise Bay, and Seto Inland Sea



1980

1980s

- Developed large-scale equipment for the energy industry
Developed petroleum analyzers for petrochemical plants and boiler sampling systems for managing water quality in thermal power plants



*The figure illustrates the trend in net sales.

Changes in the market environment

After experiencing rapid economic growth, Japan faced serious environmental pollution problems, leading to changes in the market environment and the establishment of environmental laws such as the Basic Law for Environmental Pollution Control

Growth period

Following the merger in 2000, launched anew as a comprehensive measuring equipment manufacturer, meeting diverse applications from desktop to field use

Maturity period

Signed a business and capital alliance agreement with Hach Company and expanded our overseas operations

Take-off period

Made large-scale investments aiming for net sales of 20 billion yen, targeting business expansion as a system integrator

Net sales:
18 billion yen
(FY 2024)

2000
DKK-TOA
CORPORATION
was established

1990

1990

- Current DKK-TOA Yamagata Corporation established as a production subsidiary in Shinjo City, Yamagata Prefecture

1994

- Current DKK-TOA Service Corporation established as an after-sales service subsidiary in Higashiyamato City, Tokyo

1995

- Acquired ISO9001 certification
 - Water quality meters adopted as the standard in waste incineration facilities across Japan
- Between 1990 and the early 2000s, these facilities were constructed nationwide as a measure against dioxins, and our automatic calibration-enabled pH meters became the standard for water quality management



2000

2000

- Acquired ISO14001 certification

2005

- Bionics Instrument Co. Ltd. acquired as a wholly owned subsidiary
Industrial gas detector division expanded
- Entered into business and capital alliance agreement with Hach
Became the sole distributor of Hach products in Japan in 2006 expanded sales in China through Hach China



2009

- Began supporting PM2.5 measurement
New environmental standards were established and nationwide monitoring by Atmospheric Environment Continuous Monitoring and Measurement Bureau commenced the following year



2010

- New R&D Center opened at Saitama Factory



2010

2013

- Listed on the First Section of the Tokyo Stock Exchange

2014

- Developed an automatic water quality analyzer for tap water that functions for 72 hours during power outages
Became a major success, adopted by numerous municipalities in Japan and Seoul city in South Korea



2017

- New factory for medical-related devices built at Saitama Factory



2018

- Acquired water quality business from Metawater Co., Ltd.
Enhanced our product lineup in the water supply market by acquiring businesses for 8 types of water quality meters

2019

- Launched local production in China of total nitrogen and total phosphorus automatic measuring equipment



2020

2022

- Acquired ISO13485 certification

2024

- Established the Thailand Office
- Certified by the Ministry of Economy, Trade and Industry as a "DX Certified Company"



- New Sayama Integration Center opened at Saitama Factory
A base that brings together research, development, design, and production technologies to foster the business of system integration for measuring and analytical instruments



The 1992 Earth Summit increased global momentum for environmental preservation

Globalization progressed as developed industrial nations expanded overseas production in emerging countries

The spread of IoT was driven by advances in ICT (information and communication technology)

SDGs were set to aim for a sustainable society, and DX became more active

MESSAGE FROM THE PRESIDENT

Responding to the changing environment and diversifying needs, we are taking on the challenge of creating new business as a system integrator that delivers added value, aiming for net sales of 20 billion yen.



President and Representative Director

K. Takashima

TAKASHIMA Kazuyuki

Aiming to lead the next leap forward as the new president

I am Kazuyuki Takashima, appointed President and Representative Director in June 2025. I have become in charge at a critical milestone, inheriting the growth trajectory built by the previous president, and will continue evolving our company into one that is truly indispensable to society by steadily implementing various initiatives under the new Medium-term Management Plan (“New Mid-term Plan”).

Fiscal year 2024 was the first year that the company recorded consolidated net sales over 18 billion yen

In fiscal year 2024, we achieved record consolidated net sales exceeding 18 billion yen for the first time, recovering from the temporary downturn during the COVID-19 pandemic. While overseas business was affected by a decline in the Chinese economy, our domestic performance benefited from increased semiconductor equipment orders and reinforcement of our after-sales business, leading to a record high in net sales. Although operating profit decreased due to relocating production and bearing increased costs in overseas certification testing, personnel/R&D, and participation in large-scale exhibitions, we ended the year as planned.

Efforts under the previous Mid-term Plan laying the foundation for the next stage

In fiscal year 2024, we completed the Sayama Integration Center as the culmination of our previous Mid-term Plan, which focused on the slogan “better manufacturing.” We also made major investments in the BPR-DX project and established our Thailand Office to build a sales base in Southeast Asia. These efforts have helped us establish a solid foundation for the New Mid-term Plan.

Pursuing net sales of 20 billion yen through large-scale investments and expansion into new domains

The New Mid-term Plan, which began in fiscal year 2025, sets targets of 20 billion yen in net sales, 1.8 billion yen in operating profit, and 1.5 billion yen in net profit. Making large-scale investments and expanding into new business domains will hold the key. Domestically, we will enhance our value as a “solution company sought after by customers,” while internationally, we will focus on further expanding brand recognition worldwide.

Domestic strategy

Aiming to provide value beyond individual products as a system integrator

To drive future growth, we must enhance our ability to provide solutions that meet customer needs and further strengthen our after-sales business. Our goal is to become a system integrator that delivers added value beyond individual products. By combining our measuring equipment with automation and labor-saving features tailored to diverse on-site needs, we will solve customer issues and deliver long-term value, building lasting relationships. We will also actively pursue collaborations with other companies to realize this strategy.

Overseas strategy

Establishing the DKK-TOA brand as one recognized worldwide

In addition to existing markets in China, South Korea, and Taiwan, we are expanding into the broader Asia region, the United States, and Europe. In Southeast Asia and India, where continued economic growth is expected, we will utilize our partner Hach Company's sales network to expand sales for infrastructure such as water supply and sewerage systems. We are also promoting business expansion in Europe and the United States, where demand for semiconductor equipment investment is expected to remain strong, driven by growth in data centers, generative AI, and economic security needs.

Development strategy

Accelerating product development that contributes to the creation of safe and secure environment

Our sensor technology, refined over more than 80 years, underpins our ability to propose solutions to a broad range of social challenges and enables us to respond swiftly to changes in demand. In addition to ongoing efforts in land-based aquaculture, we are also taking on the development of new products in fields such as lithium-ion battery recycling and ZLD (Zero Liquid Discharge)* seawater desalination. We will promote joint research and technical collaboration with other companies and academia to accelerate development and deliver new products with greater speed.

*A system that produces reusable water from wastewater, eliminating wastewater discharge

Manufacturing strategy (production and service)

Continuing capital investments and strengthening business foundation for growth

We will continue to actively participate in capital investments. At DKK-TOA Iwate Corporation, we are constructing a new plant to expand production capacity. At Saitama Factory, we plan to improve production efficiency by expanding automation equipment, build a training center to enhance after-sales technical expertise, and upgrade our core systems as part of our DX initiative. Through these efforts, we aim to establish a robust business foundation.

Advancing sustainability efforts

Creating systems that allow diverse human resources to thrive and take on challenges

This fiscal year, we will set KPIs (Key Performance Indicators) to monitor progress on the material issues identified last year and further advance our sustainability efforts. Recognizing human capital as the driving force behind growth, we will invest steadily in creating a vibrant workplace where employees are motivated and empowered to take on challenges. We believe these initiatives will improve business performance, expand operations, and help us achieve our material issues.

Clarifying a policy of progressive dividends* as a measure to return profits to shareholders

Cash generated through expanding sales will be allocated in a well-balanced manner toward enhancing corporate value through capital investment, human capital investment, new product development, expansion of overseas operations, and shareholder returns. Regarding returns to shareholders, we have maintained or increased dividends for many years. To make our approach clear, we have announced a policy of progressive dividends.

*In general, progressive dividends refer to a policy in which dividends are either maintained or increased, without any reduction in the payout.

Continuing efforts to meet a changing environment and diverse needs to achieve sustainable growth

With increasing demand for automation and labor-saving, the proliferation of generative AI, and further DX advancements, semiconductor-related capital investment continues to grow rapidly. In this changing environment, responding to climate change, achieving SDGs, and addressing diverse needs have become increasingly important. Our group will continue to deepen collaboration with stakeholders, fully utilize our resources and strengths, and take on the challenge of solving various issues. We are committed to achieving sustainable growth together with society, and we will work as a group to fulfill this mission.

Management Plan

Our group has formulated the New Mid-term Management Plan covering fiscal years 2025 to 2027. This plan takes a backcasting approach, aiming to achieve net sales of over 25 billion yen in and beyond fiscal year 2030 by pursuing structural reform and growth strategies.

1

Review of the previous Mid-term Management Plan

Achievements

- Captured demand from semiconductor-related capital investments and achieved record net sales
- Promoted foundational investments such as construction of the Sayama Integration Center, the opening of the Thailand Office, and the BPR-DX project

Future challenges

- Expanding sales in new markets
- Mitigating the risks of overreliance on the Chinese environmental water quality meter market
- Improving operating profit margins through pricing optimization
- Increasing production capacity toward 20 billion yen in sales
- Strengthening cost competitiveness by standardizing components and optimizing production sites

[Consolidated basis]	Target (previous plan)	FY 2024 results
Net sales	18.85 billion yen	18.05 billion yen
Overseas sales ratio	21.7%	13.3%
Operating profit	1.9 billion yen	1.33 billion yen
Return on equity (ROE)	6.6%	5.0%

2

Medium- to long-term vision

Contributing more to the environment through one-of-a-kind sensor technology

We have made various environmental efforts through our unique “electrochemical sensor technology.” Going forward, we will continue identifying new opportunities in both domestic and international settings to provide environmental solutions and aim for further growth by leveraging this sensor technology.

Water quality meters

Air quality meters

Gas detection alarms

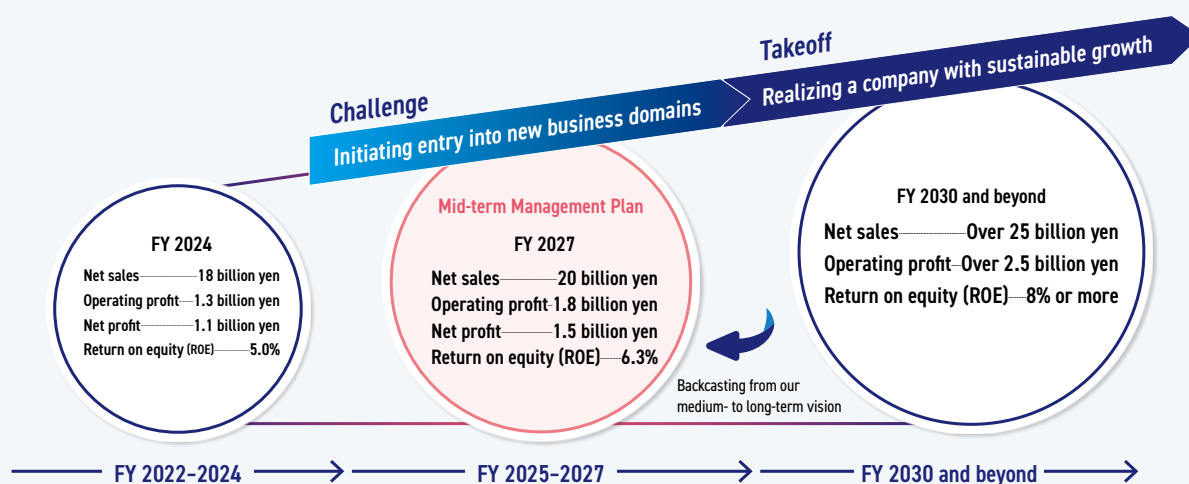
Powder type dialysis agent dissolving devices

Contributing to safe and secure “living environments”

Contributing to safe and secure “work environments”

Contributing to safe and secure “health environments” for patients

Positioning of the Mid-term Management Plan and management targets



Company-wide strategy

Taking on the challenge of creating new business and achieving 20 billion yen in net sales



Domestic business strategy

Aiming to become a solution company sought out by customers

- ✓ Evolving into a system integrator

- ✓ Strengthening global sales including Japan through synergies with Hach Company

- ✓ Reinforcing after-sales business
- ✓ Reinforcing product sales for new markets



Overseas business strategy

Broadening worldwide recognition of the DKK-TOA CORPORATION brand

- ✓ Expanding sales to the semiconductor sector in Europe and the U.S.

- ✓ Reinforcing sales in emerging markets in Asia



Tackling social issues

Addressing societal challenges by utilizing our technology

- ✓ Land-based aquaculture
- ✓ Lithium-ion battery (recycling)
- ✓ Zero liquid discharge seawater desalination*



Further advancing sustainability efforts

We will set KPIs for each material issue to practice the PDCA cycle

- ✓ Business activities
- ✓ ESG-focused activities

*Zero Liquid Discharge (ZLD): A system that produces reusable water from wastewater, eliminating wastewater discharge



keyword

System integrator

As a system integrator, we will combine our measuring equipment with functions such as automation and labor-saving systems to solve customer challenges and deliver long-term value, thus building sustained and trusted relationships.

Our measuring equipment



Diverse systems

- Automation
- Remote monitoring
- Pre-processing of measurement environments, etc.

Growth strategy investment

- Making continued investments to expand production capacity, improve efficiency, and strengthen our after-sales business
- Enhancing operational efficiency through continued system infrastructure investments



Construction of a new plant for DKK-TOA Iwate Corporation

- Increased production scale
- Facilitating production of products and reagents currently manufactured at other factories (as part of our BCP)

Scheduled to begin operations: April 2026

Planned investment: Approximately 1.2 billion yen



Additional investment in Saitama Factory

- Installing automated equipment to enhance production efficiency
- Constructing a training center that also serves as a showroom with permanently installed operational units

Scheduled to begin operations: April 2027

Planned investment: Approximately 1 billion yen



Introduction of a new core system

- Developing a new business model for efficiency and growth
- Strengthening infrastructure to support it

Scheduled trial implementation: During fiscal year 2025

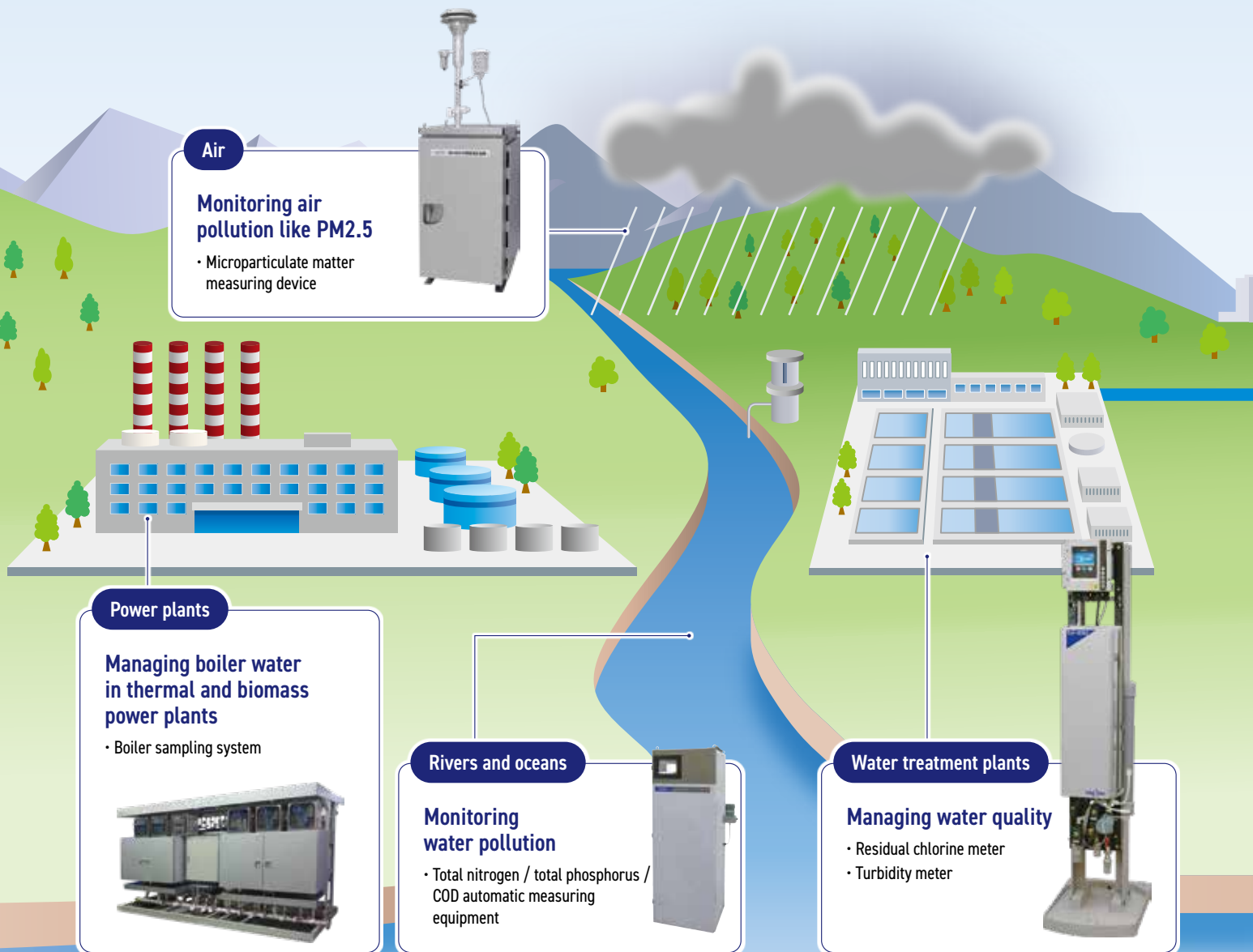
Planned investment: Approximately 1.2 billion yen

Basic policy for financial strategy

- Making proactive investments to achieve sustainable growth and enhance medium- to long-term corporate value
- Aiming to realize a return on equity (ROE) of 8% as early as possible through balanced sheet management
- Expanding shareholder returns by continuing the progressive dividend policy that maintains or increases dividends, targeting a payout ratio of 30% or more and flexibly repurchasing shares as needed

Business area

DKK-TOA's Measuring Instruments:
Monitoring the Global Environment and a Prosperous Society



Used in public offices and all factories as the “Mother Tool of Industry”



Supporting water quality management in all fields

Contributes to water quality control and pollution prevention in all water-related situations, from oceans, rivers, and lakes to drinking water and sewage treatment



Measuring various substances in the atmosphere

Monitors PM2.5 and various other air pollutants from factories, automobiles, and homes



Providing reliable products for medical facilities

Supports dialysis treatment with sensor and electronics technologies cultivated over many years



Catching and alerting toxic gas leaks

Detects and warns of leaks of toxic gases generated in chemical plants, etc., contributing to workplace safety

Waste incineration facilities

Monitoring emissions that can be a source of dioxins

- Flue gas hydrogen chloride analyzer



Households

Monitoring tap water

- Automatic water quality analyzer for tap water



Medical equipment

Supporting dialysis treatment

- Powder type dialysis agent dissolving device (A solvent dissolver/B solvent dissolver)



Various factories (e.g., Food, chemical)

Managing quality and monitoring wastewater

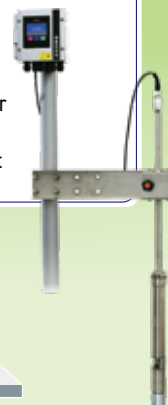
- On-site pH meters
- Portable water quality meter



Sewage treatment plants

Managing water quality

- Organic pollution monitor
- Automatic ammoniac measurement equipment

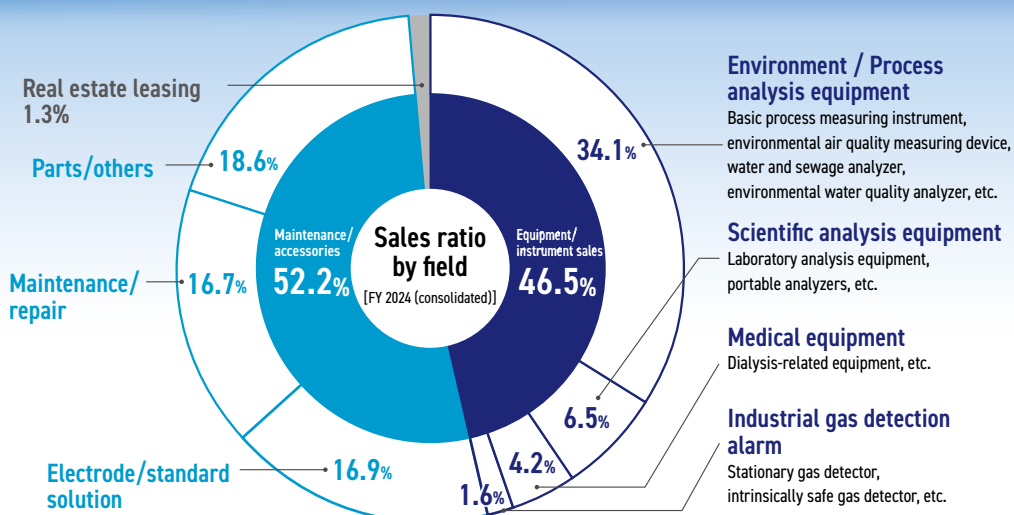


DKK-TOA's business

As a comprehensive measuring instrument manufacturer, we support people's lives in a wide range of fields, from environmental measurement to chemical analysis.

The instrument sales in the measuring equipment business represents 46.5% of the total sales.

After-sales business such as sales of consumables and parts, maintenance, and repair of these measuring instruments accounts for 52.2%, playing a key role in supporting our stable business performance.



Sustainability Management

In line with our management philosophy, we are dedicated to actively promoting ESG initiatives and aiming for mutual growth and prosperity with all our stakeholders. Guided by this philosophy, we aim to address material issues through business activities, practice ESG management, and greatly contribute to achieving SDGs.

Structure for advancing sustainability

We have set up the Sustainability Committee to encourage a more proactive approach to sustainability across our Group. Headed by the President and Representative Director, the Committee is largely made up of several directors and managers from relevant divisions, creating a cross-organizational structure. Matters discussed by the Committee are presented and reported to the Executive Committee and the Board of Directors as necessary. We also ensure appropriate oversight by the Board of Directors through regular reports and study sessions from the Sustainability Committee.

Key functions of the Committee

- Discussing sustainability strategies and main initiatives
- Creating subcommittees centered on important subjects such as climate change, decarbonization, and human capital management, and formulating and implementing specific actions
- Fostering communication about sustainability within the organization and to external parties

In FY 2024, the committee's activities included reporting on subcommittee activities, discussing the materiality KPIs and the formulation of a human rights policy.

External evaluation: We have received a "Bronze" rating from EcoVadis.

We are honored to have received a "Bronze" rating from EcoVadis, a global sustainability evaluation organization based in France, for four consecutive years. EcoVadis rates over 150,000 companies across 185 countries based on four key areas: environment, labor and human rights, ethics, and sustainable procurement. Our "Bronze" rating indicates that we are among the top 35% of all companies evaluated.

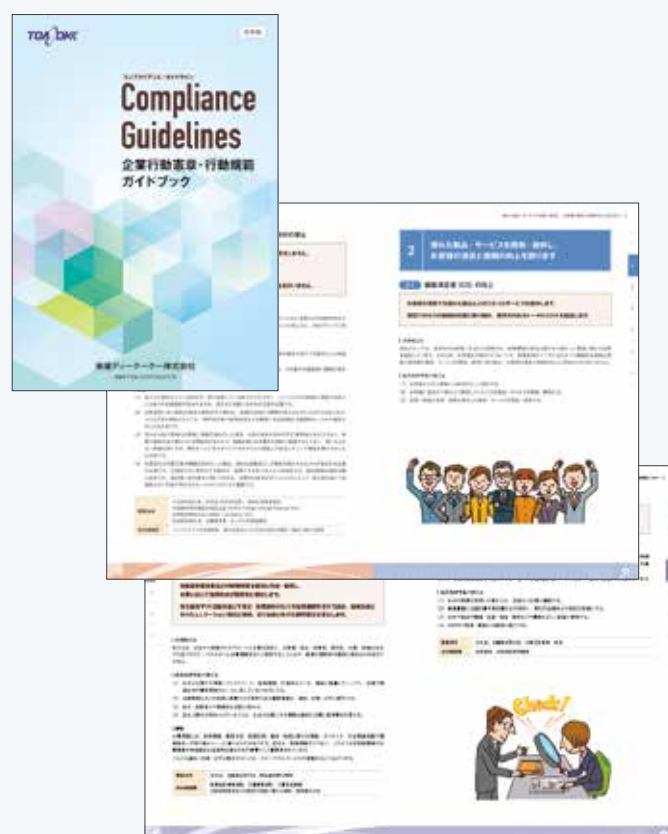


Corporate Behavior Charter

We have a Corporate Behavior Charter and Code of Conduct that all members of our Group follow to fulfill our social responsibilities based on our corporate philosophy. We not only routinely check compliance with our Corporate Behavior Charter and Code of Conduct, but we also update their content as needed to ensure they remain current and relevant.

Corporate Behavior Charter

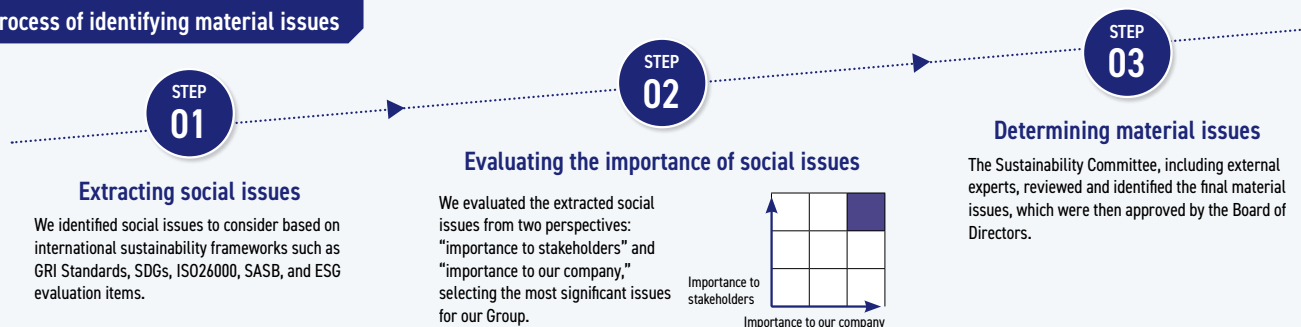
1. We comply with laws and regulations and conduct honest, fair, and transparent transactions.
2. We develop and provide excellent products and services to improve customer satisfaction and trust.
3. We will contribute to the preservation of the global environment and the realization of prosperous, people-friendly society through environmental and medical measurement.
4. We emphasize transparency and disclose necessary corporate information to stakeholders in a timely manner.
5. While respecting the personality and individuality of employees, we will ensure a comfortable working environment with consideration for health and safety.
6. As a member of the global economies, we will respect the customs and cultures of other countries and contribute to their development.
7. We will adopt a firm stance against antisocial forces and organizations and cut off any ties with them.



Our Group's material issues and KPI (Key Performance Indicator)

In March 2024, based on our Group's basic sustainability policy, we identified key issues that our Group will focus on with priority. In March 2025, we set KPIs and mid-term targets for fiscal year 2027 and initiated concrete efforts accordingly.

Process of identifying material issues



	Material issues	Themes to be addressed	KPI	Mid-term targets (FY 2027 targets)	FY 2024 results
Business	Contributing to a safe and secure society We aim to contribute to the development of a safe and secure social infrastructure by providing products and services that meet societal needs and advancing measurement technology.	Providing products and services that solve environmental and social issues	Number of overseas certifications obtained	Total of 17 certifications in 3 years	7 certifications
		Offering products and services that can be used safely	Proper management of chemical substances in products	Establishment, operation, and continuous improvement of chemical substance management system	—
		Strengthening partnerships within the supply chain	CSR questionnaire surveys to main suppliers	Maintain supplier response rate at or above 80%	86% (FY 2023 survey)
E	Protecting the global environment By quantitatively understanding the environmental impact associated with our business activities and working on reducing this impact and promoting resource recycling, we aim to realize our management philosophy of "protecting the global environment."	Responding to climate change	Scope1	3% reduction in waste emissions compared to FY 2024	323t-CO ₂ e
			Scope2	Continuation of zero CO ₂ emissions	0t-CO ₂ e
			Scope3	Improve calculation accuracy of emissions data	135,812t-CO ₂ e
		Effective utilization of resources	Waste emissions (per unit of net sales)	3% reduction compared to FY 2024	0.011 tons per million yen in net sales
			Water usage (per unit of net sales)	3% reduction compared to FY 2024	1.069 m ³ per million yen in net sales
S	Promoting the success of diverse talent By promoting business activities that respect diverse values, we aim to create a work environment where employees can fully utilize their abilities.	Promoting diversity	Three-star "Eruboshi" certification* (for companies promoting women's empowerment)	Maintain certification	Maintain certification
			Paternity leave acquisition rate	100%	78%
		Developing autonomous talent	Training expenses per employee*	50,000 yen annually	35,000 yen annually
		Creating a rewarding workplace	Employee engagement score (positive response rate)	50% or more	45%
		Ensuring occupational health and safety	Number of occupational accidents	Zero	2 requiring leave, 1 not requiring leave
		Respecting human rights across all business activities	Completion rate of human rights-related training	100%	100%
G	Responsible business activities To achieve sustainable growth and enhance corporate value, we promote business activities that comply with laws, are fair, just, and transparent.	Building a strong governance system	Number of major legal violations	Zero	Zero

*These figures are on a non-consolidated basis.

Aiming to solve social issues

Through our products and services, our Group aims to not only address traditional social issues but also develop the ability to identify and solve newly emerging and potential issues, thereby meeting and exceeding the expectations and trust of our stakeholders.

Research and development framework

We create a roadmap looking 10 years ahead and review it annually, allowing us to develop products that truly meet customer needs. We have built a vertically integrated business model that includes all necessary facilities, functions, and skills for product development, from design to production, sales, and after-sales service. Utilizing this strength, we promote the development of new products and the deepening of production technology across the entire Group. In important areas such as healthcare, we actively engage in industry-academia collaboration to incorporate cutting-edge knowledge and technology into our research and development.

R&D Center
(Sayama city, Saitama Prefecture)



Development strategy meetings

We regularly hold development strategy meetings led by the General Manager of the Development Technology Division. These meetings bring together management executives, as well as development, manufacturing, and sales teams to discuss plans for new technologies and product development, investment amounts, and market evaluations of new products, aiming to continuously produce competitive and innovative products and technologies.

Technology discussion meetings

We hold multiple technology discussion meetings each year to share and collaborate on technology across departments and group companies, enhancing the company's overall technical capabilities. The sessions include training by internal and external instructors and product-focused discussions. In FY 2024, a total of 344 participants from development, production, and sales/ marketing departments attended these meetings.

Intellectual property

To encourage continuous innovation that contributes to our business, we have established an internal policy on inventions. This includes a reward system upon patent registration and a recognition ceremony honoring employees who contribute significantly to intellectual property activities, thereby enhancing motivation among research and development staff.

Intellectual property education

We conduct various intellectual property education programs for employees throughout the year. For example, on "Invention Day," a company-wide event held annually, we offer training sessions led by external experts and members of the intellectual property department. Topics include avoiding infringement of third-party rights and securing rights for our technologies and brand. These sessions help promote and support our R&D activities.



"20th Invention Day" poster in October 2024

New product briefings

We hold annual new product briefings to introduce development achievements and new products, share the latest technology trends within the Group, and facilitate active opinion exchange and valuable information sharing. The briefings consist of oral sessions and poster sessions, with 190 participants from development, sales, and production departments in FY 2024.



Trending topic

"10-Year Vision Dream Plan 2024" company-wide presentation

The third "10-Year Vision Dream Plan 2024" project (14 members, from December 2023 to September 2024) forecasted social issues ten years into the future and explored how our technologies and products could contribute. New business concepts were proposed in areas such as ZLD seawater desalination, lithium-ion batteries, and applications of AI.



Our Group's products contributing to the SDGs



Monitoring water pollution (Discharged water monitoring)

Total nitrogen / total phosphorus
automatic measuring equipment

We provide equipment to monitor the environmental water quality of closed water areas such as Tokyo Bay, Ise Bay, and the Seto Inland Sea. In 2019, we acquired the Chinese national certification for a new model of all-nitrogen and all-phosphorus automatic measuring device for environmental water quality monitoring developed for China, established a local production system, and are providing a stable supply.



Automatic all-nitrogen /
all-phosphorus measuring device
for China



Water quality management in land-based aquaculture

Multi-parameter water quality meter,
carbon dioxide meter, etc.

These systems are drawing attention as a sustainable fishing method that minimizes impact on marine resources and the environment. Maintaining stable conditions for farmed fish requires careful water quality management, including parameters such as temperature, dissolved oxygen (DO), and pH. We offer a wide range of water quality meters that can handle various measurement parameters and scenarios.



Portable multi-parameter
water quality meter



On-site water quality meter



Inspecting tap water

Automatic water quality analyzer
for tap water

Our automated meter for tap water is installed in public places such as parks and continuously monitors seven inspection criteria that are indispensable for safe and clean water. In addition to major cities in Japan, more than 300 units have been adopted by the Seoul Waterworks Authority in South Korea, playing a role in water quality monitoring.



Automatic water quality analyzer
for tap water



Installed in Seoul (Korea)



Efficient water use in semi-conductor manufacturing

pH meter, resistivity meter, COD
analyzer, etc.

Semiconductor production requires large volumes of water. With global demand for semiconductors on the rise, efforts to reuse wastewater and reduce total water usage are becoming increasingly important for maintaining stable operations. Our measuring equipment is used both to manage ultrapure water during the cleaning process and to monitor water reuse processes.



Resistivity meter



Fluoride ion analyzer



Supporting the adoption of decarbonization technologies

pH meter, electric conductivity analyzer,
COD analyzer, gas chromatograph, boiler sampling system, etc.

Development of new technologies such as hydrogen and ammonia-based power generation that do not emit CO₂ is progressing toward decarbonization. Our company specializes in supplying a range of process analysis equipment needed to produce hydrogen, hydrogen power generation, ammonia power generation, biomass power generation, and carbon dioxide capture and storage (CCS) technology. This equipment plays a vital role in enabling these sustainable energy production methods.



Industrial pH meter
transmitter



Automatic COD
analyzer



Boiler sampling system installed
at a biomass power plant



Monitoring air pollution

Ambient air measuring equipment

Our ambient air measuring equipment boasts the top market share in Japan and the sales is expanding to overseas markets. In 2016, we obtained the Korean national certification for PM_{2.5} measuring equipment in South Korea, and it was adopted in subway premises and Incheon International Airport. Also in India, which is facing serious air pollution, we provide ambient air monitoring systems that monitor air pollutants such as sulfur dioxide (SO₂) and nitrogen oxides (NO_x) and equipment installed in ambient air measurement vehicles.



PM_{2.5} measuring device for Korea



Ambient air measurement vehicle (India)

Environmental conservation

Our Group as an environmental measuring equipment manufacturer provides society with technologies and products that are useful for environmental conservation, while minimizing pollution during the manufacturing processes.

Environmental policy

Recognizing the impact of our business activities on the environment, the Group has set up the following environmental policy in implementing development, design, procurement, production, sales, and services related to environment/process analyzers, scientific analyzers, and medical equipment.

■ Promoting environmentally friendly business activities

- We are committed to reducing the environmental impact of our business activities to contribute to environmental conservation.
- The entire Group addresses environmental conservation in accordance with the environmental management system.

■ Providing environmentally friendly products and services

- We comply with laws and regulations regarding restrictions on the use of harmful substances and handling of chemical substances.

ISO14001 certification acquisition status

Registered entities	DKK-TOA Corporation (Head Office, Saitama Factory), DKK-TOA Service Corporation
Acquisition date	October 2000

Environmental education

We are raising awareness so that each employee is conscious of and feels responsible for reducing the environmental impact. New employee training includes environmental education, covering topics such as global warming, the importance of water, and our company's environmental initiatives. In addition, we encourage our employees to take the Certification Test for Environmental Specialists * sponsored by the Tokyo Chamber of Commerce and Industry and provide them with textbooks.

*A registered trademark of the Tokyo Chamber of Commerce and Industry.



Release of ESG publication "HOIPPO"

We publish "HOIPPO," a quarterly magazine aimed at fostering internal communication about key issues in Environment (E), Social (S), and Governance (G) domains. These are important areas that demand conscientious action and responsibility within our corporate functions.



Compliance with environmental laws

We comply with environmental regulations and industry standards, striving to prevent pollution and to reduce the emission of substances that negatively impact the environment.

■ Mechanism for compliance with environmental laws

At each Group business site, an environmental law officer conducts an annual review of the items specified by law. This includes confirming compliance evaluations, documenting the evaluation status, obtaining approval from responsible persons, and reporting to the environmental law department. Additionally, we share information on legal revisions and the latest updates. In FY 2024, there were no significant violations (fines/sanctions) of environmental regulations within our Group. We will continue to strive for proper management.



■ Compliance with various directives and regulations

• European RoHS Directive

Our products fall under Category 9 "monitoring and control instruments" as specified in Annex I of the European RoHS Directive (2011/65/EU). For products that are marketed with the CE mark, we provide products that comply with the RoHS Directive.

• European REACH Regulation

We are promoting green procurement in collaboration with our suppliers to ensure compliance with the REACH Regulation ((EC) No 1907/2006) for articles, substances, and mixtures.

• China Restriction of Hazardous Substances in Electrical and Electronic Equipment (China RoHS)

Our products that are directly exported to China comply with the requirements of China RoHS.

• Act on Preventing Mercury Pollution of the Environment (Japan)

In accordance with the Act on Preventing Mercury Pollution of the Environment, we provide information on products containing mercury to ensure their proper disposal.

Climate change and decarbonization response

Our Group is committed to minimizing the impact of our business on climate change. To that end, we promote initiatives such as reducing greenhouse gas (GHG) emissions and advancing energy conservation.

GHG emissions reduction

We calculate GHG emissions for Scope 1, 2, and 3 in accordance with the GHG Protocol. We promote Scope 1 reduction and publish the GHG emissions for each business site on the company intranet to raise employee awareness.

For Scope 2, we have achieved net-zero emissions through the introduction of renewable energy and the purchase of J-Credits, and we aim to continue to achieve virtually zero emissions.

Scope 3 calculations will be performed with more precision.

GHG emissions (in metric tons of CO₂e):

	FY 2022	FY 2023	FY 2024
Scope 1	339	329	323
Scope 2	0	0	0
Scope 3	—	116,623	135,812

Note 1: The Scope data presented here is on a Group-wide basis.

Note 2: The calculation for Scope 2 is based on a market-based method.

Note 3: Scope 3 calculations began in FY 2023.

Participation in climate change initiatives

We have joined the RE Action—Declaring 100% Renewable initiative.* Since FY 2021, we have continued to achieve 100% renewable electricity use.

*A framework for organizations such as companies, local governments, educational institutions, and medical institutions to declare their intention to convert 100% of their electricity usage to renewable energy and take action toward that goal.



Introduction of renewable energy

Our group has shifted nearly all electricity used in operations to renewable sources, including those covered by non-fossil fuel certificates, to ensure de facto renewable energy use.

Acquisition of carbon credits

For locations such as sales offices where renewable electricity usage is not feasible due to building restrictions, we offset our carbon emissions using CO₂ reduction value or "J-Credit" provided by the Sun and Forest Association in Yamagata Prefecture.

Governor Yoshimura (right) Contract signing at Yamagata Prefectural Office



Solar power generation system

Solar power generation equipment has been installed at Saitama Factory. The equipment generated 209 MWh of electricity in FY 2024.



Energy conservation initiatives

We are actively pursuing energy conservation through the introduction of highly energy-efficient equipment and LED lighting, as well as the implementation of Cool Biz and Warm Biz dress codes. Additionally, Saitama Factory is implementing measures to suppress peak electricity demand. The Group's total power consumption for FY 2024 dropped to 5,103MWh*—a 26.6% increase from the previous year due to factors such as the operation of the new Sayama Integration center.

* Renewable Energy: 4,914MWh J-Credits: 189 MWh

(Reference) Total Energy Consumption (including gasoline) in FY 2024: 48,764 GJ

Obtaining environmental certification

- Sayama Integration Center (completed in 2024): Obtained ZEB certification¹
- Medical Device Center (completed in 2017): Rated "A" under CASBEE²
- R&D Center (completed in 2010): Rated "B+" under CASBEE²

* 1: Net Zero Energy Building

* 2: Comprehensive Assessment System for Built Environment Efficiency



Geothermal heating and cooling via radiant panels (Sayama Integration Center)



107.5 m² of rooftop greenery to reduce AC power consumption (R&D Center)

Environmentally conscious logistics: Modal shift

To reduce the environmental impact of long-distance transportation between Saitama Factory and DKK-TOA Yamagata Corporation, we are utilizing Japan Rail Freight instead of trucks.



Our exclusive container

Use of low-emission vehicles (prevention of air pollution)

Low-emission vehicles, including hybrids and electric cars, account for 51% of our group's company vehicles. As a company dedicated to mitigating air pollution, we are registered as a "Clear Sky Supporter" with the Tokyo Metropolitan Government.



Green IT

To promote energy-saving in IT operations, we are gradually switching to energy-efficient IT devices (e.g., laptops, servers). All PCs are centrally managed by a specialized department to ensure appropriate usage levels.

Environment

Efforts towards waste minimization

Under the theme of “effective utilization of resources,” identified as one of our material issues, we have set a FY 2027 target of reducing the unit amount of waste emissions by 3% compared to FY 2024. We are actively working to reduce waste emissions in line with this goal.

General waste reduction measures

In addition to being diligent about separating recyclables, we minimize waste by encouraging the use of double-sided and indexed printing and prefer digital data to cut down on paper use.

Each year, we donate unused calendars and planners to the Shinjuku Social Welfare Conference.



Managing industrial waste

For industrial waste, including hazardous materials, we sign manifest agreements with disposal contractors and perform regular on-site inspections to reduce the risk of illegal disposal and ensure proper handling.



Separating industrial waste (Saitama Factory)



On-site inspection of waste disposal contractors (Saitama Factory)

Environmentally conscious logistics

We strive to minimize the environmental impact by being conscious of packaging and transportation.

- Switch from wooden to paper pallets for large-scale transportation
- Phasing out polyurethane foam and replacing it with paper for the packaging of smaller products
- Adopting the use of corrugated boxes certified by the Forest Stewardship Council (FSC)*

* An international certification system designed to ensure products are produced under sustainable forest



Paper pallets

Waste emissions and recycling volume

(ton)

	FY 2022	FY 2023	FY 2024
General waste emissions	82	75	68
Recycled amount	69	63	67
Nonhazardous industrial waste	95	72	128
Specific hazardous industrial waste	11	9	10
Total waste	190	156	207
Per-unit emissions (ton per million yen in net sales)	0.011	0.009	0.011

Note 1: “General waste emissions” refer to the combined total of paper recycled and other waste that is incinerated.

Note 2: “Recycled amount” refers to the recyclable paper materials within the total volume of general waste emissions.

Note 3: Based on a consolidated basis, excluding sites with limited access to data due to lease arrangements

Conservation of water resources

We strive to preserve water resources through effective water use and by maintaining and improving the quality of wastewater.

Water usage reduction

As part of our materiality initiatives, we have set a FY 2027 target of reducing water usage per unit of net sales by 3% compared to FY 2024, and are promoting efforts to cut water consumption.

	FY 2022	FY 2023	FY 2024
Total water usage (m ³)	16,622	16,671	19,305
Per-unit usage (m ³ per million yen in net sales)	1.005	0.955	1.069

Note: Based on a consolidated basis, excluding sites with limited access to data due to lease arrangements

[Key initiatives]

- Introducing automatic faucets and water-saving toilets
- Reusing rainwater and wastewater for equipment cleaning at Saitama Factory



Wastewater from reverse osmosis water purification reused for toilet flushing (Saitama Factory)

Management of wastewater quality

We conduct inspections of wastewater treatment facilities (pH neutralization facilities), calibrate measuring instruments, and perform water quality tests in accordance with laws, ordinances, and agreements with local governments. In FY 2024, there were no violations of standards or regulations regarding wastewater quality within our Group.



pH neutralization facility (Saitama Factory)

Participation in national initiatives

To help maintain and restore healthy water environments, we are a member of the Water Project, a public-private collaboration initiated by the Ministry of the Environment. Through this membership, we actively exchange information with other participants and reflect that knowledge in our own water conservation practices.



Environmentally friendly manufacturing

We produce products with consideration of the environmental impact over the entire life cycle of products, from purchasing parts/materials to designing, producing, using, and disposing of products. Our products are produced in collaboration with many suppliers. We have established a Basic Procurement Policy, and when selecting suppliers, we prioritize transactions with companies that understand and cooperate with our environmental policy, and promote green procurement. Additionally, we conduct Life Cycle Assessment (LCA) in product development. When developing new products or changing models of conventional products, we carry out "environmental conformity assessments" by eight criteria of weight reduction, long-term usability, reuse/recycling, ease of processing, environmental protection, packaging materials, information provision, and energy saving, and thus promote environmental consideration in manufacturing.

NPW-160H*, the automatic all-nitrogen/all-phosphorus measuring device for China

Reagent usage	Compared to the conventional model	3/5 (40% reduction)
	Compared to manual analysis by JIS (Japan Industrial Standards)	Approximately 1/20 (94% reduction)
Pure water usage	Compared to the conventional model	17.5L reduction per year
Waste liquid amount	Compared to the conventional model	27.3L reduction per year
Power consumption (average)	Compared to the conventional model	25% reduction

*See page 14

Mercury-free product: Organic pollution monitor model "OPM-161L"

Light source	Conventional model	Mercury-vapor lamp
	Current model	UV-LED
Weight	Compared to the conventional model	About 1/2

Management of chemical substances

We have established our "safety regulations for analyzers for dangerous chemical substances manufactured and sold by our company" and are making efforts to minimize the impact on the environment through proper management of chemical substances and reduction of emissions. In order to respond to the tightening of domestic and overseas chemical substance regulations such as the Pollutant Release and Transfer Register Law and Restriction of Hazardous Substances Directive, we have established a chemical substance safety management committee to share information, study countermeasures, hold seminars on chemical substance handling, and so on. Furthermore, as a means to gather and communicate information on chemical substances in products, we are in the process of introducing a chemical substances management system.



Seminar on chemical substance handling



Hazardous substances handling seminar

In accordance with various laws and regulations (such as the Industrial Safety and Health Act, the PRTR Law, and the Poisonous and Deleterious Substances Control Act), we prepare and publish data of Safety Data Sheet (SDS) on our website.

Conservation of biodiversity

We strive for the sustainable use of resources and aim to actively contribute to the realization of a society in harmony with nature. In addition to our efforts mentioned above, we also carry out the following ongoing activities.

Participation in Tokyo Greenship Action

Every year, we participate in Tokyo Greenship Action, a natural environment conservation activity sponsored by the Tokyo Metropolitan Government Bureau of Environment. In 2024, 24 employees, majority of which were new hires, participated in removing undergrowth and thinning with the cooperation of volunteer organization and NPOs Midori Support Hachioji and Hachidai Ryokuyukai in the Hachioji Otani Ryokuchi Conservation Area.



Supporting Green Feather Campaign

As a shareholder benefit, we offer QUO cards (prepaid cards; see page 32) with a donation function to support the green feather campaign. The green feather campaign is a fund-raising activity run by the National Land Afforestation Promotion Organization, and the collected donations are used for forest maintenance, greening promotion projects, and human resource development related to forests in Japan and overseas.



緑の募金

Promotion of eco-friendly purchasing

We prioritize the use of paper made from recycled materials or FSC-certified forest paper for items such as user's manuals, catalogs, company envelopes, copy paper, and business cards.

Trending topic

Certified as a "Water Cycle ACTIVE Company"

We have been certified as a "Water Cycle ACTIVE Company" by the Cabinet Office's Headquarters for Water Cycle Policy under the FY2024 Water Cycle Company Registration/Certification Program. This certification recognizes companies that contribute to water circulation through active initiatives.



水循環
認 証
ACTIVE

Customers (quality / service)

Quality management based on quality policy

Quality policy

Quality activities that exceed customer expectations

- We provide excellent products and sincere services that continue to leave an impression on our customers.
- We propose “monozukuri” that accurately grasps the needs and changes of customers and society, and considers everything from receiving orders to production, service, and disposal.
- We create a corporate culture that can continuously improve, develop, and execute business processes.



All employees wear a badge to share Quality First awareness

To deliver better products and services, we have established a quality management system certified under ISO standards. We strive to improve design quality, optimize production processes, introduce appropriate testing equipment, and provide quality education to prevent quality issues before they occur.

Quality management system certification status

Registered entities	Certification	Acquisition date
DKK-TOA (Head Office, Saitama Factory)	ISO 9001	September 1995
	ISO 13485	April 2022
DKK-TOA Yamagata Corporation	ISO 9001	December 1996
DKK-TOA Iwate Corporation	ISO 9001	September 1995
DKK-TOA Service Corporation	ISO 9001	November 2003

Quality management education

We provide quality management education to acquire knowledge useful for daily work, such as the concept and various methods of quality control as well as the problem-solving process. Related departments are promoting the acquisition of QC KENTEI (Quality Management and Quality Control Examination) grades*.

* A system sponsored by the Japanese Standards Association and the Union of Japanese Scientists and Engineers to objectively judge how much quality control knowledge you have and give certification.

Responding to opinions and managing complaints

Customers' opinions and complaints regarding products and services are received by the sales department, maintenance service department, online, and call center. When handling complaints, the sales, manufacturing, development, maintenance service, and quality assurance departments work together to investigate the root cause and take appropriate measures to prevent recurrence and quality issues horizontally.

We also have a full range of test equipment to verify safety and reliability for quality improvement.



EMC test equipment

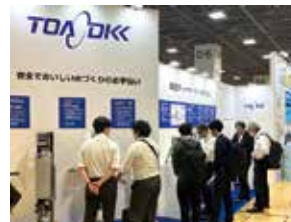


Large environmental test room

Providing information and after-sales support to customers

Customer communication

We actively participate in exhibitions both in Japan and abroad to present our latest measuring technologies. Additionally, we conduct webinars and distribute informative product videos to help customers make effective use of our measuring equipment. We are also enhancing the content and usability of our website on an ongoing basis.



2024 Water Supply Exhibition in Kobe



SEMICON West 2024 (San Francisco, USA)

Enhancing after-sales service

Our measuring equipment requires calibration before use, replacement of consumables, and regular maintenance. Due to the increasing complexity of our devices, specialized technical skills are required for adjustments and inspections. To ensure customers can use our equipment with confidence over the long term, we offer comprehensive maintenance services.

• Equipment doc (regular inspection)

Our expert technicians inspect equipment conditions, providing maintenance such as parts replacement, adjustment, and calibration.

• Contact center

We provide detailed responses to customer inquiries.

• Repairs

We collect, repair, and return customer equipment. When needed, we also arrange substitute devices* during repair periods.

*Depending on the product, substitutes may not always be readily available.



Brochure for Equipment Doc

Service network and enhancement of maintenance skills

[Domestic]

We operate 14 technical service centers in major cities, and collaborate with 76 authorized and special dealers at 238 locations nationwide. We maintain a high standard of service by implementing a proprietary service engineer certification system and conducting regular training sessions.



Air analysis equipment maintenance training course

[Overseas]

There are 42 distributors in 16 countries to serve the local markets. Additionally, we provide online maintenance training and technical guidance at distributor locations.



Technical training session for agents in India

Business partners

Promotion of CSR procurement

Our Corporate Code of Conduct emphasizes the importance of fair and equitable procurement activities, and we actively foster communication and collaboration with our suppliers.

Suppliers selection policy

We prioritize doing business with companies that meet the following conditions.

1. Compliance: Suppliers must demonstrate a strong commitment to adhering to all applicable laws, regulations, and social norms, while placing a significant emphasis on upholding human rights and environmental standards.
2. Sound business practice
3. Reliability: Suppliers must be able to consistently provide the required quantities of goods or services within the specified timelines to meet the delivery deadlines and adapt to demand fluctuations while maintaining reasonable prices and quality.
4. Supply chain agility: Suppliers must have the ability to ensure a stable supply chain and promptly adapt to changes in supply and demand dynamics.

Basic procurement policy

We work on sustainable procurement activities with the understanding and cooperation of our business partners regarding the following elements.

1. Compliance with laws and social norms
 - Thorough compliance with related laws and regulations (antitrust law, commercial law, subcontracting law, foreign exchange law, personal information protection law, etc.)
 - Elimination of relationship with companies linked to antisocial forces
 - Avoiding the use of conflict minerals
2. Environmental consideration

Promoting green procurement in consideration of the global environment and reducing environmental impact throughout the product life cycle
3. Ensuring excellent quality

Striving to maintain and improve quality, meet our requirements, and provide safe, secure, and reliable products and services to fulfill our customers' needs
4. Securing delivery time and establishing stable supply system

Establishing a stable and flexible supply system of materials and services to continuously supply products to customers and respond to supply and demand fluctuations
5. Maintaining and improving employees' health by creating a work environment where employees feel safe

| Addition of CSR Clauses to the Basic Sales Agreement

We clearly communicate our sustainability expectations to our business partners by including CSR clauses in our master sales agreements. These clauses, integrated into our basic transaction agreements, cover essential aspects such as legal compliance, safeguarding personal information, preventing involvement with anti-social forces, and prohibiting bribery.

| Promotion of green procurement

To deliver environmentally conscious products to the market, we actively pursue green procurement. We've also introduced a dedicated green procurement system that allows us to effectively manage information about chemical substances present in our products.



Supplier evaluation and monitoring

We conduct annual evaluations to assess our suppliers' management performance in terms of QCD (Quality, Cost, and Delivery). These evaluations consider factors such as company size, financial status, management practices, QCD management, business continuity plan (BCP) compliance, and environmental management.

In addition, we periodically distribute CSR questionnaires to major suppliers. The most recent survey in February 2024 received responses from 86 out of 100 suppliers.



| On-site inspections

For critical suppliers or those undergoing significant changes, our procurement department representatives conduct on-site visits and interviews. These visits help identify potential risks early, gather information on challenges and requests, and contribute to enhancing functionality, quality, and productivity. We also provide guidance to help suppliers understand the importance of sustainability initiatives.

| Supplier appreciation meeting

In July 2024, we held a "Supplier Appreciation Meeting" with the participation of 84 representatives from 42 companies. During the meeting, we explained our management goals and procurement policies, and expressed our gratitude for their ongoing support.



Education for procurement staff

To promote fair and impartial procurement, especially within departments directly involved in sourcing, we conduct annual training on relevant regulations such as the Antimonopoly Act and the Act against Delay in Payment of Subcontract Proceeds, etc. to Subcontractors (Subcontract Act). In FY2024, the training attendance rate on the Subcontract Act and related topics was 67%. We have also incorporated goals related to sustainable procurement into the performance evaluations of procurement personnel.

Participation in national initiatives

| "Declaration of Partnership Building"

We have publicly endorsed the "Declaration of Partnership Building," an initiative led by the Cabinet Office and the Small and Medium Enterprise Agency. This declaration promotes the creation of added value across the supply chain and proper subcontracting practices.



| "White Logistics" movement

In support of the "White Logistics" initiative promoted by the Ministry of Land, Infrastructure, Transport and Tourism, the Ministry of Economy, Trade and Industry, and the Ministry of Agriculture, Forestry and Fisheries, we have submitted a declaration of voluntary action. We will promote work style reforms such as reducing truck drivers' workload and improving efficiency in collaboration with the industry.



Employees

Respect for human rights

Our Code of Conduct clearly states that we do not tolerate discriminatory treatment based on race, origin, beliefs, gender, religion, nationality, or educational background. As part of our material issues, we have positioned "respect for human rights across all business activities" as a key initiative. In November 2024, we established and published a Human Rights Policy in accordance with the UN Guiding Principles on Business and Human Rights, which serve as the global standard for respecting human rights in corporate activities.

▶ Promoting human rights education

To foster respect for basic human rights, we regularly conduct training on compliance and harassment. Additionally, our in-house newsletter introduces compliance case studies in cartoons to make it easier to understand.



Compliance case studies in our in-house newsletter

Recent trainings

Aimed employees	Subject	Participation rate
For all Group employees	Sexual minority (implemented in February 2023)	66% participated
	Business and human rights / Supply chain (implemented in December 2023)	69% participated
	Unconscious bias (implemented in September 2024)	100% participated
For general managers, department heads, and Group Company Presidents	Harassment prevention (implemented in February 2020)	77% participated
For line managers	Harassment prevention (implemented in November 2021)	90% participated

▶ Measures against human rights violations(remedies and corrections)

To resolve discrimination and harassment concerns, we have established both internal and external reporting contact points in accordance with our "Internal Reporting Procedure." Additionally, we provide dedicated counseling to address human rights-related issues. These contact points are regularly communicated to all managers and employees through our company newsletter and intranet. In FY 2024, there was one reported case. Upon receiving such information, we promptly conduct a factual investigation. If the investigation confirms any human rights violations, we implement corrective actions and measures to prevent recurrence, in addition to imposing disciplinary action on the violator.



Poster on whistleblower system

▶ Supply chain efforts

We have developed a "Basic procurement policy" (see page 20) that emphasizes respect for human rights, ensuring health and safety, and compliance with laws and regulations. We are committed to ensure its widespread implementation across our supply chain.

Efforts in human capital management

Our company values individuals who embody our corporate philosophy of "Integrity, Creativity, and Challenge." We are committed to recruiting, developing, and nurturing individuals with human integrity, fresh ideas and innovation, and determination and drive while continually improving our internal environment to create a motivating workplace.

Recruitment and training policy

We aim to attract and train highly skilled and ethically minded individuals who possess creative thinking and autonomy.

[Three key elements]

- Actively recruit and promote capable and motivated personnel, new graduates and experienced workers alike
- Training by expertise, skillset and ranks, as well as passing down knowledge and skills
- Support for self-development (including new skills acquisition) and career development

Policy for creating a comfortable work environment

We will promote an internal environment in which human resources with diverse values can fully demonstrate their abilities.

[Three key elements]

- Respect human rights and create a workplace free of discrimination
- Maintain good labor-management relations and create a work environment in which each employee plays an active role
- Further promotion of employee safety and health management

Human resource development

To support the self-directed growth and challenge of every employee, we offer tier-based and specialized training programs, self-development support systems, on-the-job training (OJT), and various e-learning opportunities.

▶ Main training / systems

Hierarchical education	At key points in career development, employees take inventory of their abilities, recognize new roles according to their job grade, and acquire new knowledge and skills. <ul style="list-style-type: none"> • New employee training • Young employee follow-up training • Promotional training, job-specific training, leadership development
Specialized education	We offer training tailored to individual challenges and learning themes to enhance each person's expertise. <ul style="list-style-type: none"> • Technology: Risk assessment education, production technology education • Production: Special process skill training, inspector training, quality management education • Sales: Sales education, product education
Management education	Employees acquire the knowledge and skills necessary for managing organizations and teams. <ul style="list-style-type: none"> • Evaluator training • Management training • Career support training • Mental health line care training
Self-development	<ul style="list-style-type: none"> • Fees waived for those who have finished the correspondence education support program (207 courses) • Qualification acquisition incentive system (approximately 100 qualifications) • Employee invention system
Compliance	<ul style="list-style-type: none"> • Compliance, risk management training, etc.

Fair treatment

Recruitment selection

We fairly judge the abilities and aptitudes of applicants and hire them without discrimination or prejudice. We have also established a fair recruitment selection system by appointing/registering a fair recruitment and human rights awareness promoter.

Performance evaluation system

Our company has implemented a target management system, conducting personnel evaluations twice a year. At the start of each fiscal year, employees and their supervisors agree on performance targets, fostering self-motivation and enhancing employee engagement. Evaluation results are communicated at performance reviews, providing valuable feedback. To ensure fairness and transparency, we provide assessment training to managers and supervisors, enabling them to conduct objective and comprehensive personnel evaluations.



Compensation system

Our company strictly guarantees equal pay for equal work regardless of gender. Our compensation system provides clear stipulations in terms of salary, bonuses, evaluations, and pay raises, ensuring transparency by disclosing this information to all employees. The ratio of women's wages to men's wages is as follows. There is no wage difference for the same work between genders; any differences are due to the number of employees at each level of responsibility (qualification). We aim to reduce this disparity through human resource development and support for balancing work and childcare.

Ratio of women's wages to men's wages: FY 2024 (non-consolidated)

Regular employees	84.2% ^{*1}
Part-time and fixed-term employees	74.0% ^{*2}
All employees	84.3%

*1: The difference arises because regular employees include both comprehensive and specialized positions, with a higher proportion of women in specialized positions and a lower proportion of women in managerial positions.

*2: The difference arises because there is a high proportion of men in fixed-term employment positions that involve important duties such as skills transfer for retired re-employed individuals.

In-house award system

In recognition of the achievements and efforts of employees, we have an annual in-house award system to reward outstanding achievements in various categories, including business excellence, qualification acquisition, long-term service, and improvement proposals. This recognition program is closely tied to employee job satisfaction. As an R&D-focused company, we actively promote patent acquisition among our employees. On a special in-house event called Invention Day, we hold an award ceremony to honor those who have contributed to intellectual property activities.



Rewarding business excellence

Self-reporting system

All employees complete a self-report annually, providing feedback on job satisfaction, career aspirations, requests for transfers or relocations, health conditions, and workplace environment. This ensures open communication between the employees and the company.

Promoting diversity

Active female employees

Women make up 29.3% of our employees (consolidated basis: 28.7%). The percentage of women in managerial positions is 18.7% and it is on the rise. To ensure diversity in the pool of candidates for managerial positions, we have set a target of a 30% female recruitment rate, aiming for the future ratio of female managers to match the overall female employee ratio.

Since 2018, our company has continuously received the highest level of three-star "Eruboshi" Certification from the Ministry of Health, Labour and Welfare as a company that promotes women's participation and advancement in the workplace.



Active retired employees

Retirees bring valuable expertise, knowledge, and skills that they have cultivated over the years, making them valuable resources for passing down knowledge to the next generation. Our commitment to promoting the active participation of seniors at Saitama Factory has earned us the certification from Saitama Prefecture as a company dedicated to this cause.

Active mid-career hires

Mid-career hires make up 26.9% of our employees and 28.5% of our managerial positions, actively supporting our business as key personnel. In FY2024, mid-career hires made up 48.8% of all new employees.

Active foreign employees

Although domestic sales dominate our business, foreign employees account for 4.3% of total staff and 0.8% of management. To support our proactive business expansion overseas, we are focused on recruiting foreign employees and training them for managerial positions.



Networking events for foreign employees

Support for employees with disabilities

At Saitama Factory, we have made various accommodations to enhance accessibility for employees with disabilities. These include installing elevators for wheelchair users, automating office entrance doors, and providing wheelchair-accessible restrooms.



Labor-management cooperation

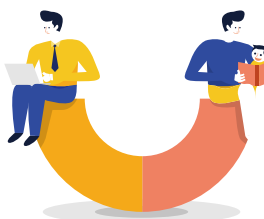
Our Corporate Code of Conduct stipulates that "we recognize workers' rights and engage in collective bargaining, consultations, and dialogue at the administrative level with workers' representatives to facilitate mutual understanding between labor and management." We have established a good relationship with the DKK-TOA Labor Union. In addition to concluding a "Labor Agreement" concerning various labor conditions, we actively share information and hold discussions with the labor union to address issues related to work style reforms, safety and health, welfare, and the overall labor environment.



Employees

Promoting work-life balance

As part of our efforts to create an environment in which a diverse workforce can take on challenges and play an active role, we are actively working to support our employees in achieving a work-life balance. In addition to reducing over-time and encouraging employees to take their paid leave, we are developing systems that enable diverse work styles.



Support for diverse work styles

System	Outline of the System
Half-day paid leave	Allows for taking paid leave in half-day increments.
Hourly paid leave	Allows for taking paid leave in hourly increments.
Staggered working hours	Enables employees to start and finish their workday by up to one hour earlier or later.
Lost annual paid leave	Allows accumulation of up to 40 days of annual paid leave that would otherwise expire, with up to 5 days accumulated per year. This can be used for personal illness, family illness, or fertility treatments.
Welcome-back program	Gives priority to reemploying former employees who left due to marriage, childcare, or caregiving responsibilities.

Support for childcare and nursing care

System	Outline of the System
Childcare leave	Until the child becomes 1 year old (maximum 2 years old)
Shorter working hours for childcare	Up to third grade of elementary school
Maternity Support Leave	3 days as special leave
Child nursing care leave	For one child up to third grade of elementary school, 5 days; for two or more children, 10 days can be taken*
Nursing care leave	Up to a total of 124 days
Shortened working hours for nursing care	Up to 3 years per person
Nursing care leave of absence	5 days* per family member in need of nursing care

* Lapsed annual paid leave can also be used. However, priority shall be given to childcare leave regulations and nursing care leave regulations

Work-life balance related data: FY2024 (non-consolidated)

Percentage of annual paid leave taken	77.2%
Average overtime hours	9.0 hours/person/month
Percentage of employees taking childcare leave	Female:100% Male:60% (3 out of 5)
Percentage of employees returning to work after taking childcare leave	100%
Length of service	Male:14.0 years Female:15.5 years

- Saitama Factory has been certified by Saitama Prefecture as a platinum rank company that practices diverse work styles.



Enhancing employee engagement

We aim to be a company where diverse employees can demonstrate their individuality and abilities, and continue to thrive with a sense of purpose.

Employee awareness surveys

To understand the current state of employee engagement and utilize the findings for human resources and labor measures, we conduct an annual awareness survey targeting all group employees (85.6% response rate in October 2024). As a result, high evaluations were given for "employment stability," "safe and hygienic environment," "ease of taking leave," and "contribution to local communities and society," which were confirmed as strengths of our group. Additionally, the survey indicated a need for further strengthening communication between employees and with management, which we will address for improvement. The detailed survey results are reported to the Board of Directors, and various measures are implemented based on these findings.

Company-wide meetings

We hold company-wide meetings (also accessible via web) twice a year, where management shares information such as annual reviews, goals, and strategies with all employees. The content is also disseminated and ingrained through the company newsletter.

Employee stock ownership plan

We operate the DKK-TOA Employee Stock Ownership Association to enhance employee benefits (supporting asset formation) and to increase awareness of participation in management. This system enables a 20% incentive payment to be added to employee contributions and used toward purchasing company stock within the Group.

Trending topic

80th Anniversary Ceremony

In November 2024, the 80th anniversary ceremony and social gathering were held at a hotel in Tokyo, with participation of over 600 employees from our group. We honored the achievements of the predecessors who have supported our group to date and expressed our renewed gratitude for their contributions to the company's development. All group employees celebrated this milestone, envisioning "DKK-TOA of the World" soaring and shining brightly in its 90th and 100th anniversaries.



Occupational safety and hygiene

We prioritize the well-being of our employees by implementing "Safety and Health Management Regulations" and establishing Safety and Health Committee at each business site in compliance with the Industrial Safety and Health Act. Our goal is to provide a workplace environment that supports both the mental and physical health of our employees.

| Safety and Health Committee

The Safety and Health Committee collaborates with both labor and management to develop an annual plan encompassing safety patrols, risk assessments, and safety and health education. Monthly meetings are held to assess plan implementation, address employee feedback, and proactively resolve issues. This ongoing process ensures a continuous enhancement of safety and health practices. Additionally, during the monthly workplace inspections conducted by our industrial physician, we assess various aspects of the work environment, including hygiene, lighting, and noise levels, and implement improvements as needed. Furthermore, we post the meeting minutes and materials from the industrial physician's talks on health management and workplace hygiene on our company intranet to keep all employees informed.

| Preventing occupational accidents

To prevent occupational accidents, we conduct regular inspections of machinery and equipment and enforce the use of appropriate protective gear (such as protective glasses, masks, clothing, and gloves) based on the nature of the work and chemicals involved. Furthermore, we conduct periodic risk assessments of tools, machinery, work methods, and workplaces that involve handling chemical substances. These measures are implemented to minimize risks and ensure a safe working environment for our employees.



Safety board displaying the latest information on accidents at Saitama Factory

| Safety and health education

To maintain and improve employee safety awareness and knowledge, we have prepared a "Safety Guide" and distributed one handbook to every employee of the Group. The content is periodically revised as needed. The Guide describes the basics of safety, such as how to wear protective equipment, how to handle hazardous substances, and how to respond in the event of an accident or disaster.



| Preventing traffic accidents

We often use a car when visiting a site such as a customer's factory. In addition to holding regular safety driving seminars, we strive to ensure safety by reviewing past driving records using Telematics (drive recorder with a built-in communication system).

| Occupational accidents (for the entire Group)

	FY 2022	FY 2023	FY 2024
Lost-time accidents	None	None	2 cases
Non-lost-time accidents	3 cases	3 cases	1 case
Frequency rate	0.00	0.00	1.54
Intensity rate	0.00	0.00	0.02

(Reference)

- Frequency rate: Number of casualties / total number of working hours × 1,000,000
- Intensity rate: Number of lost workdays / total number of working hours × 1,000

Promotion of health management

We have established the "Declaration of Health" to promote sound corporate management focused on the physical and mental health of employees and their families. We implement various initiatives to promote the health and awareness of employees based on the health management promotion plan.

| Acquiring "Gold Certification" for excellence in health management

Our company published a "Health Enterprise Declaration" and had annually received "Silver Certification," STEP 1 of the Health Excellent Company certification, from the Tokyo Federation of Health Insurance Societies since 2019. In March 2025, we acquired STEP 2 "Gold Certification." Our main group companies have acquired "Silver Certification."



DKK-TOA Health Declaration

We hold the Corporate Behavior Charter "respecting the personality and individuality of employees and ensure a comfortable working environment with consideration for health and safety." Following the Charter, we will endeavor to create such environment where every employee's physical and mental health is protected and each can work with passion and enthusiasm.

| Certified as sports promoting company for seven consecutive years

We support club activities and host a walking event to improve employee health and promote communication. In recognition of these efforts, we have been certified as one of sports cheering companies by the Japan Sports Agency for seven years in a row.



| Periodic health examinations and stress checks

As required by the Industrial Safety and Health Act, we conduct annual periodic health checkups for all employees. Employees handling hazardous substances undergo additional special health checkups. Furthermore, we perform annual stress checks for all employees, ensuring a high examination rate of over 95%. These measures contribute to maintaining the well-being and overall health of our workforce.

| Mental health measures

In addition to regularly conducting line care for managers (section chiefs) and self-care training for employees, we offer various e-learning and correspondence courses related to mental health. Furthermore, we operate a return-to-work support program for employees on leave due to mental health issues or non-work related injuries and illnesses.



Mental health self-care workshop by an industrial physician

| Infectious disease countermeasures

We conduct annual mass influenza vaccinations at our major business locations. Additionally, we place gargling solutions and disinfectants in each workplace to prevent and control the spread of infectious diseases.



Community and society

Social contribution and sponsorship activities

Domestic support

Educational support

Participation in JAIMA summer science school

Participation in JAIMA summer science school In July 2024, the 12th JAIMA Summer Science School was held, attended by 50 middle and high school students from the Tokyo metropolitan area. Our company was responsible for the ion chromatography workshop, where students experienced operating the analysis equipment using samples such as fruit juice and soy sauce.



Participated in JEMIMA Environmental Measurement Committee Summer School

In August 2024, the JEMIMA (Japan Electric Measuring Instruments Manufacturers' Association) Environmental Measurement Committee Summer School was held in Tokyo, with 15 groups and 40 parents and children participating. Our company allowed them to experience measuring residual chlorine meters in tap water and measuring the turbidity meter of beverages.



Sports Sponsorship

- We became an official supporter of "Kurita Water Gush Akishima," a team in NTT Japan Rugby League One.
- We are registered as a full member of "Montedio Yamagata," a professional soccer team active in Yamagata Prefecture, where our group company is located.



©MONTEDIO YAMAGATA

Support for the Japan Braille Library

We provide ongoing support by purchasing tickets to the annual "Charity Film Screening" (with audio description) hosted by the Japan Braille Library, a social welfare corporation located next to our head office. Additionally, we include training on how to assist visually impaired individuals and understanding Braille blocks as part of our new employee education program.



Sponsored Shinjuku Art Brut Corporate Exhibition

The 3rd Shinjuku Art Brut Corporate Exhibition, a welfare art exhibition for artists with disabilities and elderly artists, was held in December 2024. The purpose was to promote diversity and inclusion and expand opportunities for artists by exhibiting their works in corporate offices, and our company displayed 30 pieces at the Head Office entrance. Based on a vote, the "DKK-TOA CORPORATION Award" was determined by the Shinjuku Art Brut Corporate Exhibition Promotion Consortium.* At the joint awards ceremony held in April 2025, a certificate and supplementary prize were presented.

*A group consisting of 44 social welfare corporations in Shinjuku Ward, comprising the "Shinjuku Ward Social Welfare Corporation Liaison Council" as members and sponsoring companies as special members, operating this exhibition.



DKK-TOA CORPORATION Award-winning artwork

Participation in local cleaning activities

We participate in the "No Littering and No Smoking on the Street Campaign" in the Takadanobaba Station area, where our head office is located. Additionally, Saitama Factory regularly conducts cleaning activities in the surrounding areas.



Sponsorship of regional events

We sponsored the Sayama Irumagawa Tanabata Festival (Saitama Prefecture), one of the three major Tanabata festivals in the Kanto region, and the 13th Hakoneyama Ekiden Race 2025 (Shinjuku Ward, Tokyo).



Overseas support

Educational support for children in Asia

We help the Educational Support for Asia (ESA) Association, a non-profit organization dedicated to aiding the education of children in Bangladesh and India, by facilitating the sales of curry and chai spices. In FY 2024, our Group ordered a total of 234 bags (equivalent to the annual education expenses of 6 children).



TABLE FOR TWO vending machine installed

Saitama Factory has set up eight TABLE FOR TWO (TFT) donation-enabled vending machines. These machines aim to support school lunches in developing countries. TFT is an initiative originating from Japan that addresses two pressing issues simultaneously: hunger in developing nations and the rise of obesity and lifestyle-related diseases in developed countries.



Community and society (Group companies)

DKK-TOA Yamagata initiatives

Company profile

Year of establishment	1990
Capital	10 million yen
Number of employees	84 persons
Location	Oaza-Fukuda, Shinjo City, Yamagata Prefecture

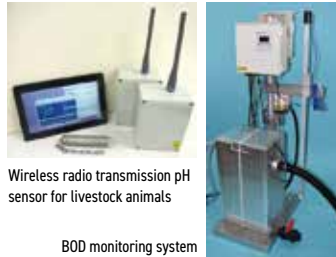
DKK-TOA Yamagata operates an integrated system for manufacturing a wide range of measuring instruments. This system includes parts assembly, processing, adjustment, final inspection, and shipping. Our commitment to quality management led us to obtain ISO9001 certification back in 1996.



New product development

We also design applied products and develop new products. In recent years, we have developed and marketed new products for the livestock industry, such as the "wireless radio transmission pH sensor for livestock animals" (jointly developed with Iwate University) and the "BOD* monitoring system" (jointly developed with the National Agricultural Research Organization).

*BOD (biochemical oxygen demand) is a parameter for assessing water quality



Wireless radio transmission pH sensor for livestock animals

BOD monitoring system

Internship opportunities

We accepted students from Kamuro Industrial High School and Mamurogawa Junior High School, allowing them to experience assembling parts, among other things.



Supplier appreciation meeting

To maintain stable cooperative relationships with suppliers, we held a supplier appreciation meeting in September 2024, attended by 40 people from 23 companies.



Obtained Yamagata Smile Company Certification

As a company committed to promoting work-life balance and women's active participation, we have been certified as a Diamond Smile Company, the highest level of the "Yamagata Smile Company Certification" program by Yamagata Prefecture.



Acquiring "Silver Certification" for excellence in health management

In 2019, DKK-TOA Yamagata announced the "Healthy Company Declaration" initiated by the Tokyo Federation of Health Insurance Associations. In 2021, it was awarded the prestigious "Silver Certification" for achieving excellence in health management.



High-pressure gas safety seminar

Environmental consciousness

We have adopted hydroelectric power generation through the Yamagata Hydroelectric Premium* program. This enables us to prioritize local production and consumption of renewable energy. By utilizing this eco-friendly power source, our electricity consumption produces virtually zero CO₂ emissions.

* This is a brand of electric power supply offered by Tohoku Electric Power Company, Inc. in collaboration with Yamagata Prefecture. It involves a contract to receive renewable energy from the hydroelectric power plant operated by the Yamagata Prefectural Enterprise Bureau.



CO₂ free certificate

DKK-TOA Iwate initiatives

Company profile

Year of establishment	1973
Capital	10 million yen
Number of employees	41 persons
Location	Ayaori-machi, Tono City, Iwate Prefecture

DKK-TOA Iwate Corporation manufactures water quality measuring equipment like automatic titrators and salinity analyzers, as well as advanced sensors used in pH meters and electrical conductivity meters. Our commitment to quality management led us to obtain ISO9001 certification back in 1995.



Pursuing advanced glass processing techniques

In the intricate art of glass processing, which demands exceptional craftsmanship, we have established a unique certification system to focus on developing young technicians. As a result, many skilled glass processing technicians are thriving in our company. Products such as pH electrodes are assembled in clean rooms to maintain high-quality standards.



Acceptance of company tours

We accepted company tours for 17 students from Tono High School and 11 students from Tono Ryokuho High School. After receiving a brief introduction of the company, they took a tour of the factory.



Acquiring "Silver Certification" for excellence in health management

In 2019, DKK-TOA Iwate announced the "Healthy Company Declaration" initiated by the Tokyo Federation of Health Insurance Associations. In 2021, it was awarded the prestigious "Silver Certification" for achieving excellence in health management.



AED training

Environmental consciousness

We have adopted hydroelectric power generation through the Iwate Reconstruction Power Hydroelectric Premium* program. This enables us to prioritize local production and consumption of renewable energy. By utilizing this ecofriendly power source, our electricity consumption produces virtually zero CO₂ emissions.

* Contract with Tohoku Electric Power Co., Inc. to receive renewable energy from the hydroelectric power plant operated by the Iwate Prefecture Enterprise Bureau

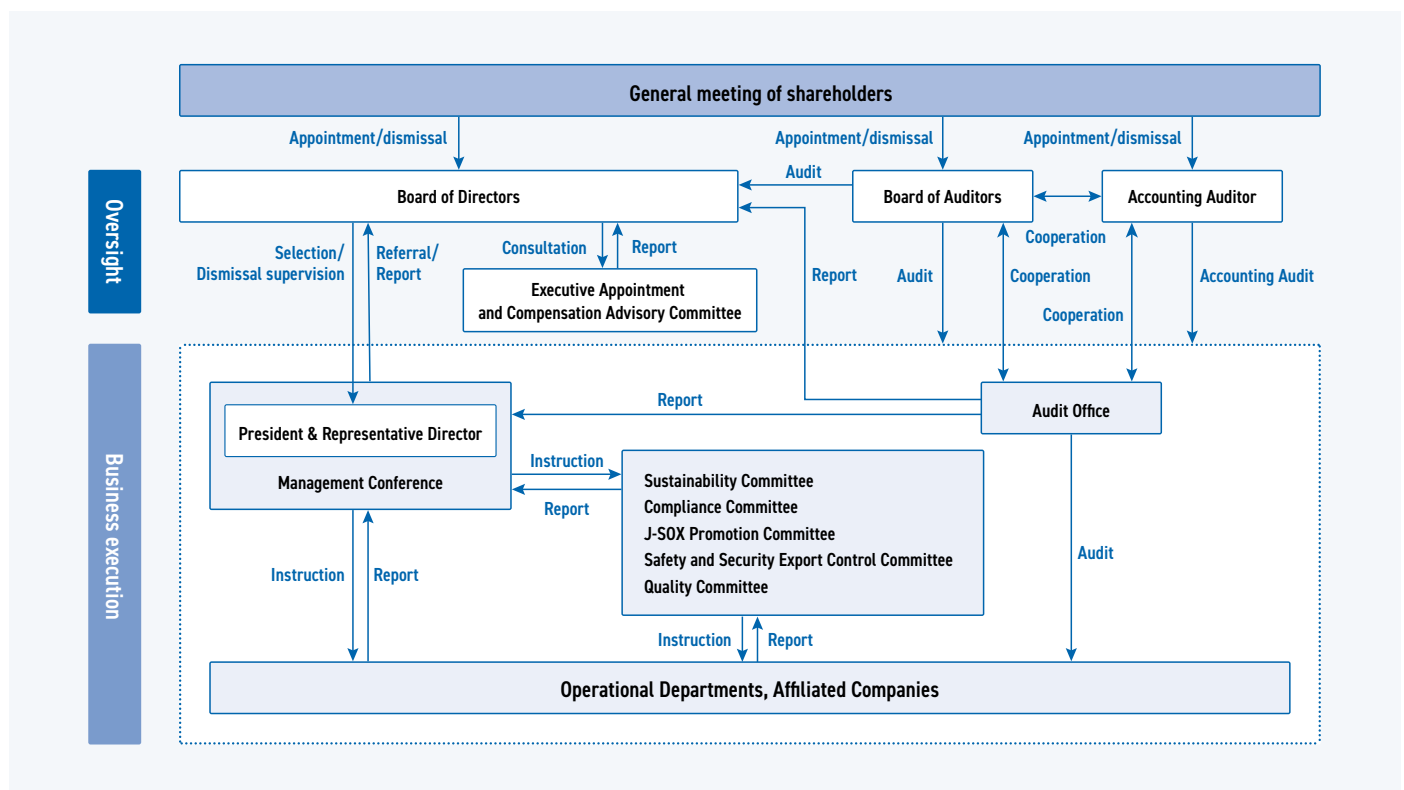


CO₂ free certificate

Corporate governance

Our company believes that sound corporate activities based on high ethical standards and fairness are extremely important, and we are committed to ensuring transparency and thorough compliance with laws and regulations across all aspects of management and operations. One of our material issues is “Building a Strong Governance System,” and we have established the “Corporate Governance Guidelines” with the aim of clarifying our basic approach to corporate governance and the matters we should address.

System outline



Our company has adopted a structure with a Board of Auditors, judging that the audit system by corporate auditors, including those from outside, makes our auditing function effective for our business operations.

Board of directors

12 meetings in FY 2024

Composed of 12 directors (including two outside directors), the Board of Directors generally meets once a month to make decisions on basic management matters and important business matters, and to supervise the business execution status of each director. The term of office for directors is one year to ensure that the management system can respond quickly to changes in the business environment.

Board of auditors

13 meetings in FY 2024

The Board of Auditors consists of four corporate auditors (including three independent outside auditors). The full-time corporate auditors attend Board of Directors meetings, management meetings, and other important meetings to monitor the execution of duties by the directors.

Executive appointment and compensation advisory committee

3 meetings in FY 2024

Meetings are held as needed, with an independent outside director as chairperson. The committee deliberates on the appointment and dismissal of directors, corporate auditors, and executive officers, as well as the compensation of directors and executive officers, and reports to the Board of Directors.

Management conference

23 meetings in FY 2024

The Management Conference is composed of the president, directors with title, and persons appointed by the president, and is held at least once a month. The Conference deliberates on individual issues related to business execution from a practical perspective and make swift and decisive decisions.

Internal audit

The Audit Office, which reports directly to the President, audits the status of compliance with laws and regulations, efficiency of operations, etc., in cooperation with corporate auditors and accounting auditors.



Director skills matrix

The basic policy is to ensure diversity while considering the appropriate number of members for our Board of Directors, with a well-balanced overall set of individual abilities, insights, and experiences.

	Positions and principal responsibilities at the company	Corporate management	Sales & marketing	Manufacturing, engineering and development	Global	Finance & accounting	Legal & risk management
TAKASHIMA Kazuyuki	President and Representative Director	●	●	●			
NAKAJIMA Nobuhisa	Managing Director & Sales Supervisor & General Manager of Domestic Sales Div.	●	●	●			
KOSAKA Toru	Board Director & General Manager of Administration Div.	●	●			●	●
ARAKAWA Satoshi	Board Director & General Manager of Development & Technology Div.	●		●			
NISHIZAWA Takashi	Board Director & Deputy General Manager of Development & Technology Div.	●		●			
YAMAGISHI Yuji	Board Director & General Manager of Overseas Sales Div.	●	●		●		
KUDO Hajime	Board Director & General Manager of Production Div.	●		●			
YAMAMORI Yasuo	Board Director & Executive Adviser	●		●	●		
MARU Sadakatsu	Board Director	●	●		●		
Tom MacFarlane	Board Director	●	●		●	●	
AZUMA Nozomi	Outside Board Director, Independent Officer						●
IGARASHI Jinichi	Outside Board Director, Independent Officer	●		●			

Main agenda for the Board of Directors

In addition to regular resolutions, the main agenda items for FY 2024 are as follows:

Business strategy	Mid-term Management Plan, business execution (sales, development, production, DX, etc.), shareholder returns
Governance	Evaluation of the effectiveness of the Board of Directors, executive compensation, risk management
Sustainability	Formulation of human rights basic policy, human capital measures, and setting of material issues KPIs

Reasons for appointment and attendance of outside officers (FY 2024)

	Reasons for appointment	Attendance
Outside board directors	AZUMA Nozomi As an attorney and a visiting professor at a law school, he possesses a high level of expertise and extensive experience, especially in corporate legal affairs.	• Board of Directors: 12/12 meetings attended
	IGARASHI Jinichi He has extensive experience and broad insights as a corporate executive, having served as the President of JX Research Corporation (now ENEOS Research Institute).	• Board of Directors: 12/12 meetings attended
Outside auditors	INOUE Kenji He has significant knowledge in finance and accounting, gained through his extensive experience in both sales and management departments at Meiji Yasuda Life Insurance Company.	• Board of Directors: 12/12 meetings attended • Board of Auditors: 13/13 meetings attended
	WATANABE Hiroshi He has specialized knowledge and abundant experience as a certified public accountant and tax accountant.	• Board of Directors: 11/12 meetings attended • Board of Auditors: 13/13 meetings attended
	USAMI Shin He has substantial knowledge in finance and accounting, having served as the President Meiji Yasuda Life Planning Center Co., Ltd.	• Board of Directors: 10/10 meetings attended • Board of Auditors: 10/10 meetings attended

Note: Outside auditor USAMI Shin was appointed on June 26, 2024.

Improving the Board of Directors' effectiveness

Each year, we conduct surveys for all directors and corporate auditors, and based on the results, we analyze and evaluate the effectiveness of the Board of Directors and discuss challenges and future initiatives.



Efforts to enhance the Board of Directors' effectiveness

Based on the FY 2023 evaluation, we implemented the following initiatives:

- Multiple discussions on human resource development, human resource strategy, and corporate value enhancement were held as discussion themes for our group's new Mid-term Management Plan.
- Eight informal meetings of directors were held to promote understanding and shared recognition of important management issues and to facilitate communication.
- Continued prior distribution of Board of Directors meeting materials (in principle, approximately three business days prior).

Evaluation results for FY 2024

The Board of Directors has made notable strides in improving operational quality and fostering robust discussions, leveraging the valuable input and guidance of external directors, consistent with the previous year. However, in the pursuit of further enhancing the Board's effectiveness, the following critical issues have been identified:

- Deeper discussions on overseas and new business (including M&A) strategies, human capital management, and management conscious of capital cost and stock price as discussion themes for the group's medium- to long-term direction.
- Given the lack of female board members, we will continuously consider the appointment of female executives, including recruiting from outside the company.

Corporate governance

Remuneration for directors and corporate auditors

Our company follows a fundamental policy that aligns director remuneration with shareholder value, aiming to establish clear management accountability and enhance long-term corporate value.

Compensation structure

Executive compensation comprises three components: “fixed compensation” (monetary), “performance-based compensation” (monetary), and “restricted stock compensation” (non-monetary), which serves as a medium- to long-term incentive. Independent outside directors and corporate auditors, who maintain independence from day-to-day business operations, receive only fixed remuneration.

Compensation determination process

The amount of individual compensation for directors is determined within the limits set by the resolution of the General Meeting of Shareholders. Based on a resolution of the Board of Directors, the President and CEO is delegated the authority to decide on the specifics. To ensure that this authority is exercised appropriately, the Executive Personnel and Compensation Advisory Committee is consulted, and its recommendations are obtained, thereby ensuring the objectivity and transparency of the compensation determination process.

FY2024 Results (millions of yen)

Classification of officers	Total amount of compensation	Breakdown			Number of persons paid
		Fixed	Performance-based	Non-monetary compensation	
Directors (outside directors)	219 (13)	163 (13)	31 (—)	25 (—)	11 persons (2 persons)
Auditors (outside auditors)	35 (22)	35 (22)	—	—	6 persons (4 persons)

Note: The personnel receiving compensation include one director who retired during the current fiscal year and two auditors. Two directors who serve without compensation are not included.

Internal control

In 2006, the Board of Directors implemented the “Basic Policy for Internal Control System” in accordance with the requirements of the Companies Act and the Ordinance for Enforcement of the Companies Act. This policy has been periodically revised as needed. Building upon this foundation, the company has established a robust system to ensure that directors’ duties are carried out in compliance with applicable laws, regulations, and the Articles of Incorporation. Additionally, the company has implemented a system to uphold the appropriateness of operations across the entire Group.

Internal control reporting for financial reporting

To ensure the reliability of financial reporting in line with the Financial Instruments and Exchange Law, we have established the J-SOX Promotion Committee. This committee is responsible for developing a comprehensive system to maintain and enhance the effectiveness of financial reporting controls. Our ongoing efforts focus on continual improvement and strengthening of these controls.

Policy holdings of stocks

When maintaining and strengthening stable relationships with business partners and alliances is deemed to contribute to the enhancement of the Group’s corporate value, we hold shares of such counterparties. Annually, the Board of Directors examines and assesses all policy-held stocks, including the purpose of holding, trading activities over the past year, medium- to long-term prospects, dividend amounts, and verifies the appropriateness of holding them.

	FY 2022	FY 2023	FY 2024
Number of issues	15 issues	15 issues	14 issues
Balance sheet amount	2,161 million yen	3,947 million yen	2,262 million yen

Message from outside director

Diverse human resource development and communication are key to further corporate value enhancement

Outside director **AZUMA Nozomi**

Having achieved record sales, we aim for further growth with full-scale operation of the new building

Our company set a new sales record in fiscal year 2024. With the full-scale operation of the new Sayama Integration Center building completed last June, we aim to improve productivity and profitability through strengthened collaboration between development and production. We will continue to contribute to addressing environmental issues using our unique electrochemical sensor technology, striving for further growth.

Updates to human resource development and communication that will determine future growth

For further growth, in addition to appropriate capital investment, it is essential to prioritize

human capital management to develop a diverse workforce that can take on bold challenges and make effective decisions. To be an organization where each employee is motivated to contribute by fully demonstrating their abilities, it may be necessary to review the overall communication within the organization, in addition to investing in human capital and education.

Respecting positions and opinions while deepening discussions is key to enhancing corporate value

Having experienced the COVID-19 pandemic, we realized the significance of various work styles such as remote work and web conferencing, while also being reminded of the importance of true communication. Sustainable growth cannot be expected from a group of “yes-man” who do not express their opinion due to reluctance, reservations, and overthinking. Regardless of age, gender, back-

ground, or position, I believe the key to medium- to long-term corporate value enhancement lies in clearly expressing one’s own thoughts while respecting others’ position and opinion, and engaging in thorough discussions when necessary to aim higher.

Addressing management challenges to remain a company that makes an impact

Our company is full of motivated and talented individuals. To maximize their potential and remain a company that contributes to global environmental conservation and people’s health while meeting customer needs in terms of environmental issues, we will continue to address management challenges with a slightly unconventional approach under the new system.



Compliance

Promoting compliance

To ensure adherence to ethical practices, we have implemented the Corporate Behavior Charter*, Code of Conduct, and Compliance Management Regulations. To oversee compliance efforts, we have established the Compliance Committee, which comprises the director responsible for the Administration Division, division general managers, and presidents of Group companies. The Committee actively discusses critical compliance issues, facilitates information sharing, and promotes awareness and education. Furthermore, designated compliance managers within the divisions under the Committee's control regularly monitor and assess compliance promotion initiatives across the entire Group.

* Please refer to page 11.



Internal reporting system

To ensure employees can consult at any time if they discover acts that violate laws or regulations, or have the potential to do so, we have established internal contact points, as well as external contact points and a dedicated harassment consultation desk. Investigations are conducted according to the nature of the consultation or report, and if a violation is confirmed, corrective measures (including disciplinary action) are implemented, and recurrence prevention measures are taken. Furthermore, the "Internal Reporting Handling Procedures" ensure the confidentiality of the whistleblower and guarantee that no retaliation will occur as a result of making a report. Our group received one internal report in FY 2024, and no significant violations have occurred.

Addressing compliance violations

In the event that a compliance violation is found after a thorough investigation of a complaint or report, we will take immediate action to rectify the situation and implement preventive measures. These corrective actions extend beyond the specific department involved, encompassing the entire Group to ensure non-recurrence.

Compliance awareness survey

To ascertain the actual status of compliance penetration and confirm the effectiveness of our efforts, we conduct a compliance awareness survey of all Group employees every three years in the form of an anonymous questionnaire. The analysis results of the survey (97.6% response rate in 2024) are utilized for compliance promotion measures.

Compliance legal education

Based on the compliance promotion plan formulated annually, we conduct training for all employees and provide easy-to-understand compliance case studies through a monthly compliance newsletter and internal company newsletters.

Here are some other compliance-related efforts we make.

Job specific training

Upon joining the company, employees receive training based on the Corporate Behavior Charter, and upon promotion, they undergo position-specific training that includes examples of harassment and other relevant topics.

Specialized education on laws and regulations

We offer specialized training on various topics, such as antitrust law, subcontracting law, anti-corruption measures such as bribery regulations, and labor management. This training ensures a deep understanding of legal requirements and fosters compliance across the organization.



Fair business transactions

Our Corporate Behavior Charter stipulates the prevention of corruption, such as bribery, violations of antitrust laws, violations of the Subcontract Act, and other improper provision or receipt of benefits, and we strive for its thorough implementation. Each department conducts a risk assessment for each corrupt act at least once a year. Additionally, regular audits by the Internal Audit Office include content related to corrupt acts, and we confirm the implementation status of corrective measures for identified issues.

Compliance with antitrust and competition laws

To prevent cartel or suspected cartel activities, we have implemented measures such as prior notification, approval, and recording of communication with other companies in the same industry, depending on the nature of the interaction. In FY 2024, no legal actions were taken for our Group due to anti-competitive, anti-trust, or monopolistic practices.

Anti-bribery initiatives

We prohibit corrupt acts such as offering or proposing bribes, improper entertainment or gifts, or acts that appear as such, as well as receiving excessive entertainment or gifts. In FY 2024, there were no instances of bribery violations. Consequently, no disciplinary actions or internal interventions were necessary.



[Key initiatives]

- Incorporating anti-bribery clauses in annual contracts with domestic distributors and other parties
- Ensuring compliance with laws and regulations by conducting confirmation and verification processes for overseas distributors
- Implementing stricter approval processes for entertainment expenses and maintaining thorough transaction records
- Holding regular training sessions, primarily for the sales departments

Exclusion of antisocial forces

We strictly adhere to the "Regulations for Eliminating Antisocial Forces" and are working to sever ties with and exclude anti-social forces such as organized crime groups. We have implemented measures to prevent our products and services from being utilized in financial crimes or money laundering activities.

[Key initiatives]

- Inclusion of provisions in transaction contracts to eliminate any involvement with antisocial forces
- Conducting thorough checks on business partners to ensure they are not affiliated with antisocial forces
- Generally prohibiting payments to third countries and third parties



Transparency of relationships with medical institutions, etc.

In academic-industrial collaboration activities with medical and research institutions, etc., there is a risk of conflicts of interest. Therefore, we have established "Guidelines for Transparency of Relationships with Medical Institutions" and disclose information regarding financial provisions to medical institutions, etc.

Prevention of misconduct in public research funding

Based on the Ministry of Education, Culture, Sports, Science and Technology's "Guidelines for Management and Audit of Public Research Funds at Research Institutions," we have established and publicly disclosed our basic policies.

Risk management

Risk management system

We have established Risk Management Regulations and the Compliance Committee plays a central role in regularly assessing and reviewing the system. Annually, we conduct a comprehensive analysis of company-wide risks, taking into account the nature of our business and changes in the external environment. This helps us identify and evaluate potential risks and create a risk map. For critical risks, the Management Committee confirms appropriate countermeasures. Our entire Group actively works to mitigate risks and devise contingency plans. To ensure effective risk management, the Audit Office conducts individual interviews with departments and affiliated companies. The findings are then reported to the Board of Directors. This process enables us to monitor and ensure the proper management of risks across the organization.

List of Risks

Risk classification	Examples of risk items	
External environment	Industry trends	Competition, technological innovation
	Political/social factors	Modification of laws and regulations
	Exchange rate fluctuations	Increase in purchase price
	Financial institutions/investors	Capital raising, market expectations
	Job seekers	Talent acquisition
	Supply chain	Stagnant or rising supply of parts/materials, logistics
	Business continuity	Natural disasters, infectious diseases, country risk
Operation	Business strategy	Policy/management strategy
	Sales/services	Customer satisfaction, product labeling/advertising, management/guidance of contract stores
	Research & development	Product development, technology transfer
	Production/quality	Quality control, product liability, deterioration and breakdown of equipment/machinery
	Real estate leasing	Tenant eviction
	Human resources/labor	Human rights, occupational accidents, human resources development
	Business functions	Intellectual property, accounts receivable collection, information disclosure, information security, legal affairs (contracts/litigation)
Governance	Business alliances	Alliance with Hach Company
	Compliance/internal control	Violation of antitrust law/subcontract law, bribery, forgery, misconduct, export control, infringement of intellectual property rights, information communication

Security export control

To properly implement security export control aimed at maintaining international peace and security, we have established the "Security Export Control Regulations", and set up a Security Trade Control Committee under the direct control of the president. This committee is responsible for security trade reviews, regular audits of the management status, sharing the latest information on relevant laws and regulations, and conducting internal education.



Information security

In order to appropriately protect the information assets of our stakeholders from a wide range of threats, we have formulated an "Information Security Policy", "Privacy Policy" (Act on the Protection of Personal Information), and Information Security Measures Regulations, and are implementing and operating information security measures. No major security incidents, such as personal data leaks, were reported within the Group during FY 2024.

Information security promotion system

Each department conducts self-assessments of risks at least once a year, and we implement PDCA to minimize risks. Additionally, the Information Security Subcommittee (a subordinate organization of the Compliance Committee established in April 2025), will formulate and implement measures for new and remaining risks. Furthermore, the Internal Audit Office conducts internal audits of information security policies and systems three times a year.

Main information management measures

Human measures	Development of internal regulations and rules, implementation of education and training
	<ul style="list-style-type: none"> In-house training upon joining the company Offering e-learning (100% attendance rate in 2020) Targeted attack email training (conducted in February 2025)
Technical measures	Measures to prevent leakage of corporate secrets and personal information, and cyberattacks
	<ul style="list-style-type: none"> Malware countermeasures Firewall construction Internet communication checks Access control to systems Vulnerability diagnosis and response for information systems
Physical measures	Management of entry and exit to key areas to prevent unauthorized entry into buildings and physical destruction or unauthorized removal of information assets

Immediate response in case of incident

Each division and group company that discovers an incident promptly reports to the compliance manager. Depending on the damage and its potential, contacts to internal and external stakeholders and measures to prevent the spread of damage are implemented according to established procedures.

Business Continuity Plan (BCP)

Our Group recognizes the critical role our measuring instruments play in lifeline needs, including water supply, electricity, and medical care. To mitigate such risks and minimize the effects of a disaster, we have established "Business Continuity Plan (BCP) Initial Response Regulations."

[Key initiatives]

- Establishing regulations and manuals to expedite business resumption after a disaster
- Implementing a system for verifying the safety of our employees and regular testing
- Establishing alternative procurement methods, including a dual-supplier purchasing system for materials and parts
- Developing an alternative production system
- Installing servers for internal key systems in earthquake-resistant facilities

Promoting "Stay for Safety"

To ensure employee safety, we have implemented various measures, including disaster prevention cards to be carried by employees at all times, a safety confirmation system, and a stockpile of supplies enough for up to four days. In recognition of our commitment, we have been certified by the Tokyo Metropolitan Government as a company promoting the "Stay for Safety" policy since 2020.



Investor relations

Basic policy on information disclosure

Our Corporate Code of Conduct emphasizes transparency and disclose necessary corporate information to stakeholders in a timely manner. This is our basic policy for information disclosure. In order to build a strong relationship of trust with our stakeholders, we comply with all applicable laws and regulations and strive to disclose important information in a fair, timely, and appropriate manner.

Information disclosure on IR website

Our IR website provides timely disclosure information as well as financial results, supplementary materials, annual securities reports, and investor meeting materials.



Publication of business reports

We print business reports twice a year (June and December) to offer shareholders up-to-date information about the Company's performance and operations.



In fiscal year ending March 31, 2025 (81st business period)

Shareholder questionnaire

In 2024, we conducted a "Shareholder Survey", receiving feedback from 442 shareholders. We value this input and will incorporate it into our management and investor relations (IR) endeavors.

Efforts to prevent insider trading

To prevent insider trading, our company follows the "Regulations Concerning Management of Internal Information and Regulation of Internal Transactions." These regulations cover the handling of undisclosed material facts (insider information) and transactions such as stock trading by officers and employees. We conduct internal training and distribute newsletters to prevent insider trading within our organization.

Communication with shareholders and investors

Revitalization of general meetings and facilitation of exercise of voting rights

We disclose the notice of general meetings on our website three weeks before the meeting date, allowing shareholders ample time to review the agenda items. To facilitate voting rights exercise, we have introduced electronic voting and provided English translations of some of the convocation notices. During the general meetings, in addition to the statutory business reports required by corporate law, we provide clear and understandable presentations on our management strategies and performance outlook.

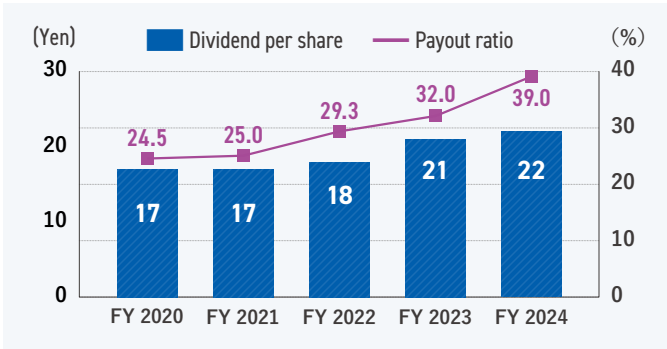


Holding briefings and responding to individual interviews

We regularly hold briefings for institutional investors and financial advisors, and we respond to individual interviews with institutional investors as needed. We also publish company explanation videos for individual investors. We report our dialogue with shareholders and investors to the Board of Directors and leverage the insights gained to enhance our management practices.

Dividend policy

Our basic policy is to continue appropriate and stable progressive dividends with a dividend payout ratio of 30% or more as a guideline. For FY 2024, we increased the dividend per share by 1 yen compared to the previous year, setting to 22 yen.



Shareholder benefit program

As a token of gratitude to our shareholders and to enhance the appeal of our shares for long-term investors, we have introduced a special benefit program. Shareholders listed in our shareholders' register by the end of September each year, holding 100 or more shares, are eligible to receive QUO Cards with a donation function (Green Fund*).

*See page 18



About us

Corporate information



Head office building

Company profile

Company name	DKK-TOA CORPORATION
Founded	September 19, 1944
Capital	1,842,481,000 yen
Listed exchange	Tokyo Stock Exchange (Securities Code: 6848)
Head office	1-29-10 Takadanobaba, Shinjuku-ku, Tokyo 169-8648
Number of employees	596 (consolidated), as of March 31, 2025
Business description	<ul style="list-style-type: none"> • Manufacture and sales of measuring equipment and medical equipment • Sales of measuring instrument parts and consumables • Maintenance and repair of measuring equipment • Real estate leasing

Board of directors and corporate auditors (as of June 26, 2025) (*Outside officers)

Board Director	President and Representative Director	TAKASHIMA Kazuyuki
	Managing Director	NAKAJIMA Nobuhisa
	Board Director	KOSAKA Toru
	Board Director	ARAKAWA Satoshi
	Board Director	NISHIZAWA Takashi
	Board Director	YAMAGISHI Yuji
	Board Director	KUDO Hajime
	Board Director	YAMAMORI Yasuo
	Board Director	MARU Sadakatsu
	Board Director	Tom MacFarlane
	Board Director	AZUMA Nozomi *
	Board Director	IGARASHI Jinichi *
Corporate Auditors	Full-time Corporate Auditor	INOUE Kenji *
	Full-time Corporate Auditor	DAIMI Keiichiro
	Corporate Auditor	WATANABE Hiroshi *
	Corporate Auditor	USAMI Shin *

Matters related to shares (As of March 31, 2025)

Authorized shares:	50,000,000 shares
Issued shares:	19,880,620 shares
Number of shareholders:	5,244

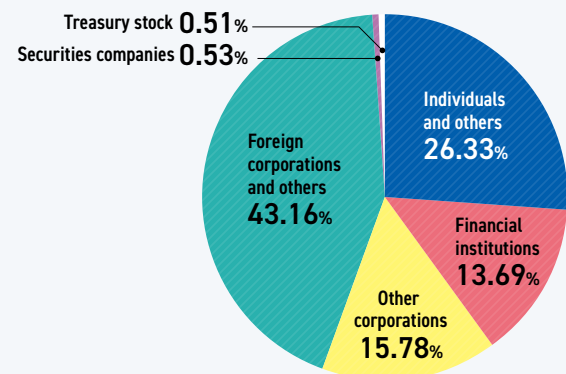
Principal shareholders:

Shareholder's name	Shares owned (thousand shares)	Equity ownership ratio (%)
Hach Company	6,659	33.67
K.K. UH5	1,329	6.72
Meiji Yasuda Life Insurance Company	1,050	5.31
NHGGP JAPAN OPPORTUNITIES FUND, L.P.	971	4.91
K.K. UH Partners2	680	3.44
YAMASHITA Sunao (individual)	661	3.34
Mizuho Bank, Ltd.	462	2.34
MUFG Bank, Ltd.	419	2.12
Sompo Japan Insurance Inc.	312	1.58
BANK JULIUS BAER AND CO.LTD. A/C FOR MR MITSUTOKI SHIGETA	264	1.33

Note 1: Number of shares owned is rounded down to the nearest thousand.

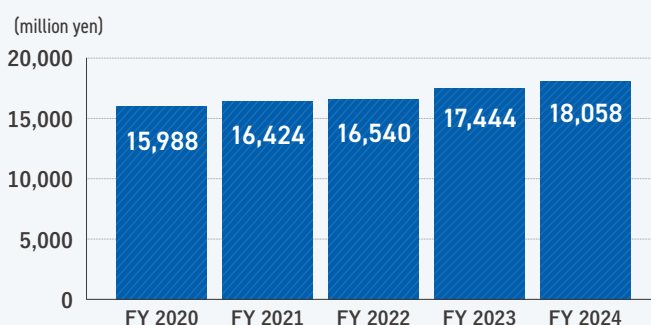
Note 2: The equity ownership ratio is calculated based on the outstanding shares less treasury stock (101,616 shares) set out below and rounded to the second decimal place.

Ownership distribution (percentage of total issued shares)

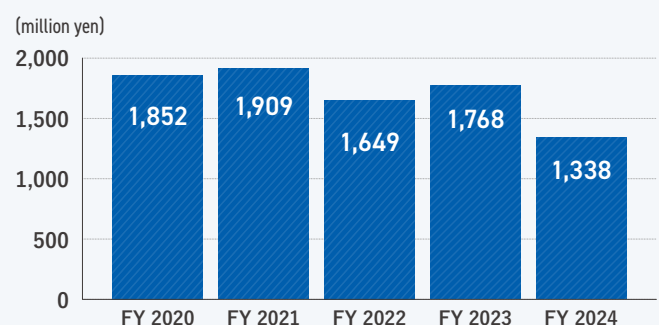


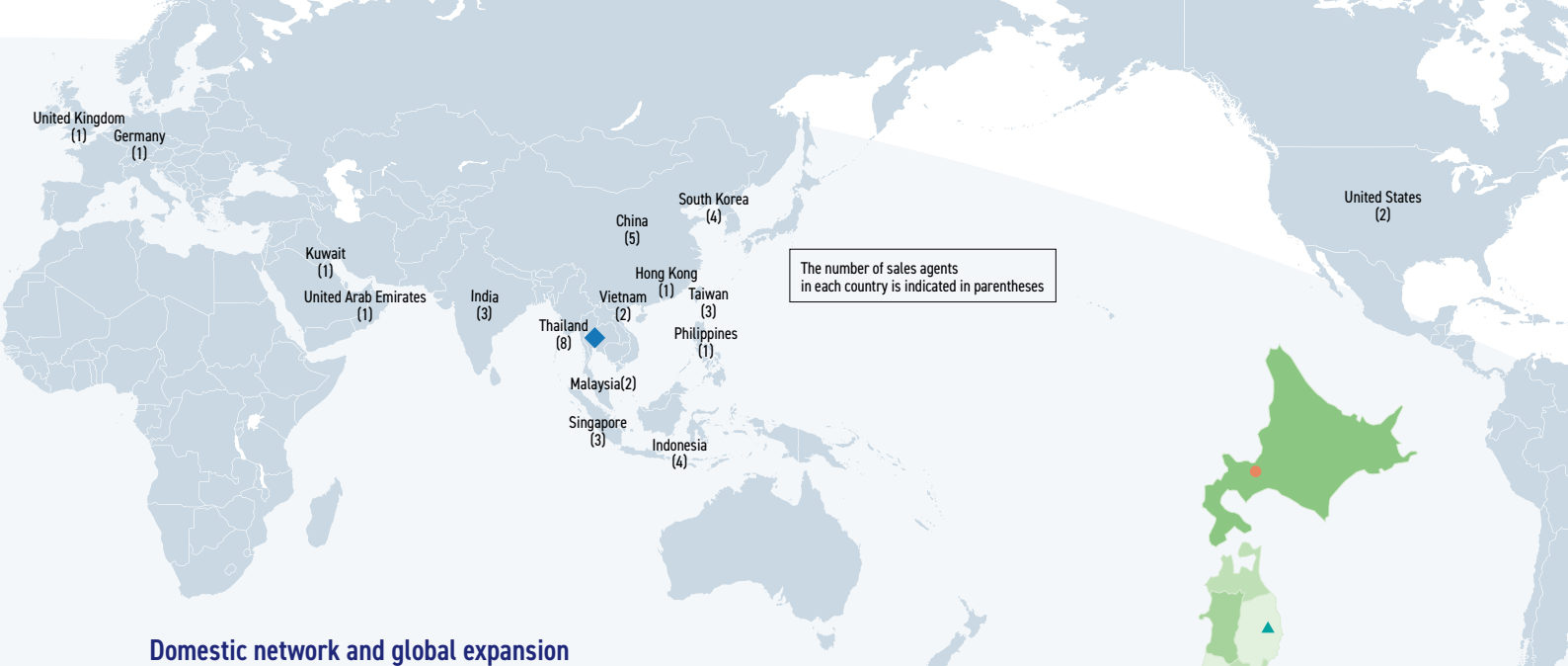
Performance trends (consolidated)

| Net sales



| Operating profit





Domestic network and global expansion

In Japan, we have established an integrated system from development, manufacturing, sales to after-sales service in order to respond to customer requests. We provide attentive after-sales service through our sales offices, technical service centers, and related service companies nationwide so that our customers can use our products with peace of mind for a long time. We also have 42 overseas sales distributors in 16 countries, selling in 35 countries (as of FY 2024).

■ Head office

● Sales bases

Sapporo Sales Office

Sendai Sales Office

Chiba Sales Office

Nagoya Sales Office

West Japan Sales Department (Osaka)

Hiroshima Sales Office

Shikoku Sales Office

Kyushu Sales Office

Nagasaki Sales Office

◆ Other bases

Saitama Factory

Thailand Office

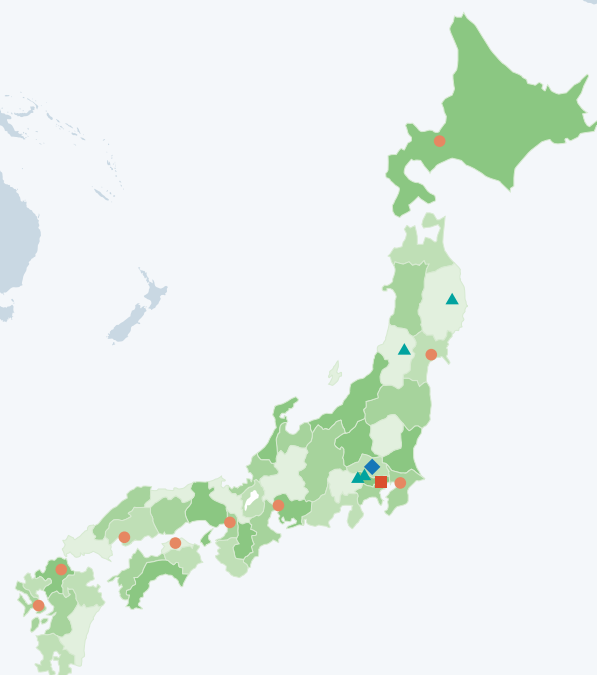
▲ Main group companies

DKK-TOA Yamagata Corporation

DKK-TOA Iwate Corporation

Bionics Instrument Co., Ltd.

DKK-TOA Service Corporation



Saitama Factory

(From the left, R&D Center, Sayama Integration Center, Medical Device Center)



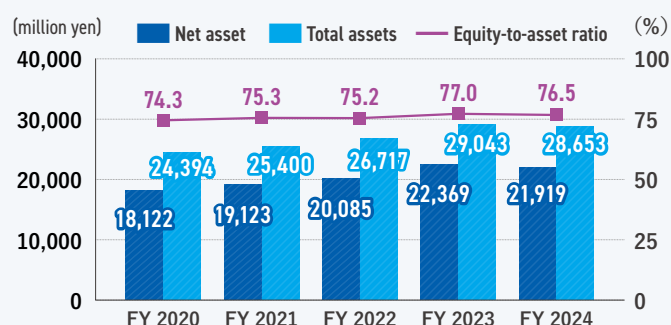
| Net profit attributable to owners of parent

(million yen)



| Net assets / Total assets and Equity-to-asset ratio

(million yen)





DKK-TOA CORPORATION

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<https://www.toadkk.co.jp/english/>

[Contact]

Corporate Strategy Department

e-mail: ir@toadkk.co.jp