



TOWA CORPORATION

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TOWA CORPORATION

INTEGRATED REPORT 2025



# INTEGRATED REPORT 2025



# Our Heritage Transformed into New Innovation

Since its founding in 1979, TOWA has created innovative technology not bound by conventional thinking in the industry, while seriously facing a variety of issues. Utilizing our accumulated technologies, we create the future and aim to use our innovation to reach “the top of the world.”



## New character on the cover **TOWAPPY**

“TOWAPPY” is the character we have created to more widely deliver information for achieving our long-term vision TOWA Vision 2032 inside and outside the company.

For a profile of TOWAPPY and other details, see page 50.



# Happy Tech Happy World

## Corporate Mission

Our corporate mission is to contribute to the growth of the world's industries by developing and providing key enabling technologies for each successive generation of products.

Through our “quarter-lead” policy, we will respond to the needs of our customers and the industry at large by boldly taking on the challenge of developing innovative technologies and novel products, producing results, and contributing to the development of global industry.

## Basic Management Policy

We believe that our core competence lies in our high-precision molding-related technologies, which have enabled us to develop ultra-precision molds.

By returning to this origin, we will focus on domains where we can take advantage of our core competence and optimize quality, cost and delivery (QCD) to establish a profitable structure.

In addition, we will look to the future of semiconductor packaging technologies, which continue to advance under the theme of “slimmer dimensions, miniaturization, and multi-stage configuration,” and we are developing solution-based strategies in development, production, and marketing to meet market needs ahead of the competition.

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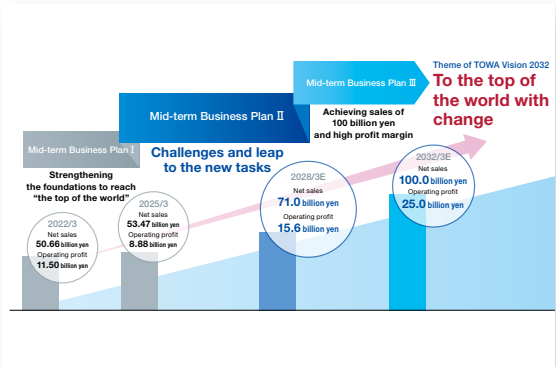


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Editorial Policies

The TOWA Group has been publishing a report since fiscal 2022 to provide a comprehensive overview of its financial performance and non-financial initiatives. This *TOWA Integrated Report 2025* is intended to provide stakeholders with an easy-to-understand introduction to strategies comprising the Group's management mission of "relentlessly improving technological standards" with our business models.

Maintaining a dialogue with stakeholders is essential to ensuring the sustainable growth of the TOWA Group. We hope this report will help you understand the TOWA Group's efforts and provide us with your honest feedback.

Reporting Period

This report covers the company's 2024 fiscal year (April 1, 2024–March 31, 2025). Some of the information provided address events occurring outside this reporting period.

Scope of Report

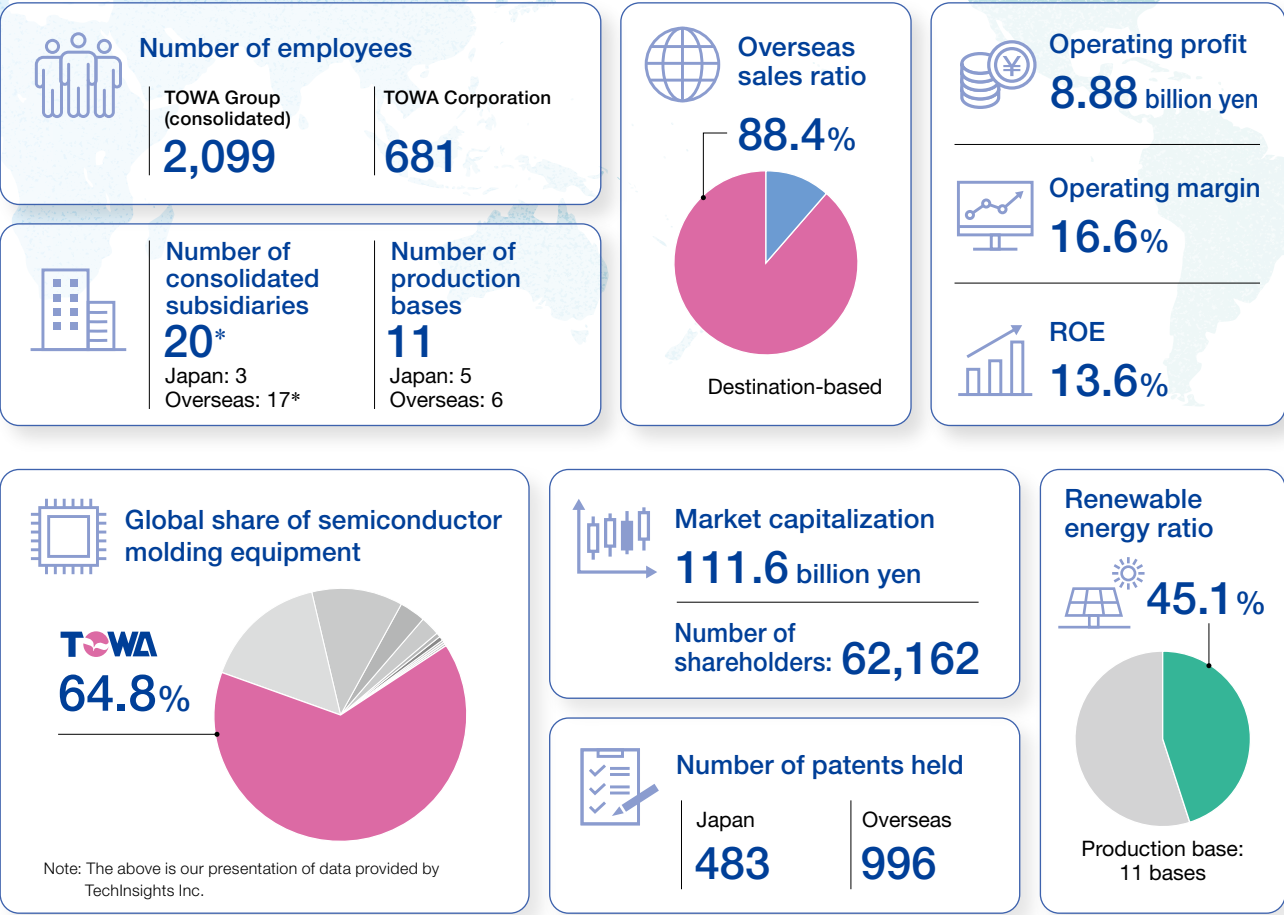
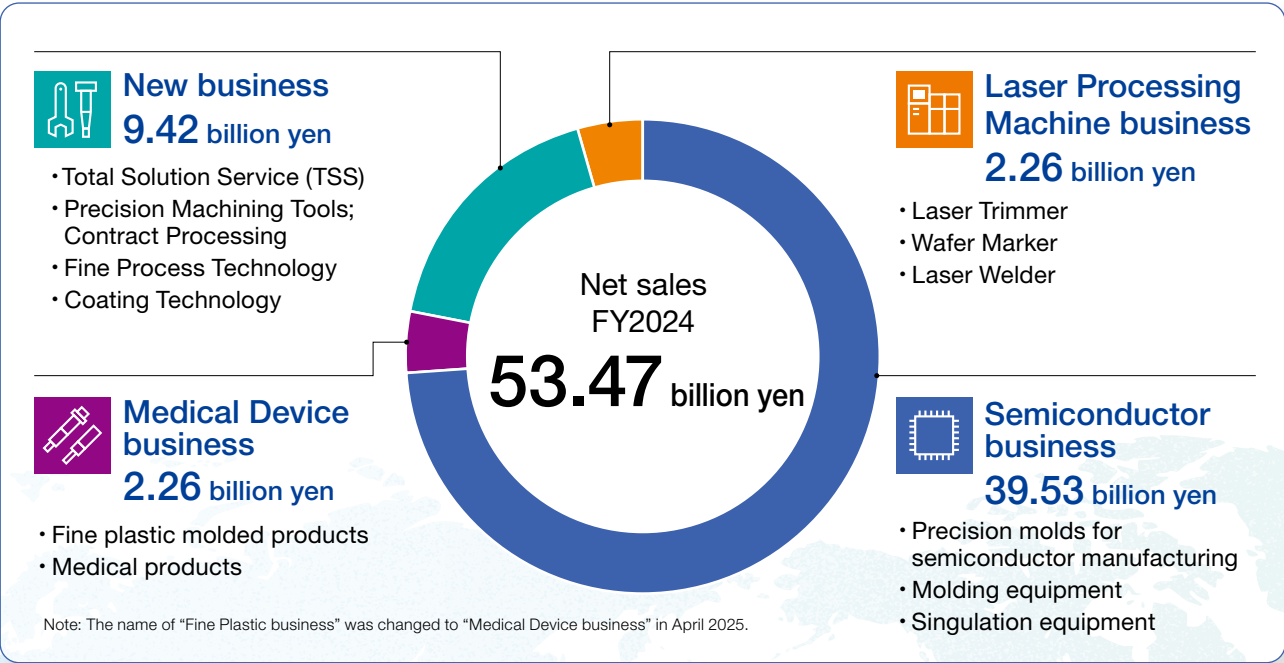
This report encompasses TOWA Corporation and the corporate members of the TOWA Group.

Forward-Looking Statements

Earnings forecasts and other forward-looking statements presented in this report are based on information available at the time of preparation as well as certain assumptions that we judge to be reasonable. Such statements necessarily entail uncertainties. Please note that actual results may differ significantly from these forecasts due to a variety of factors.

At a Glance

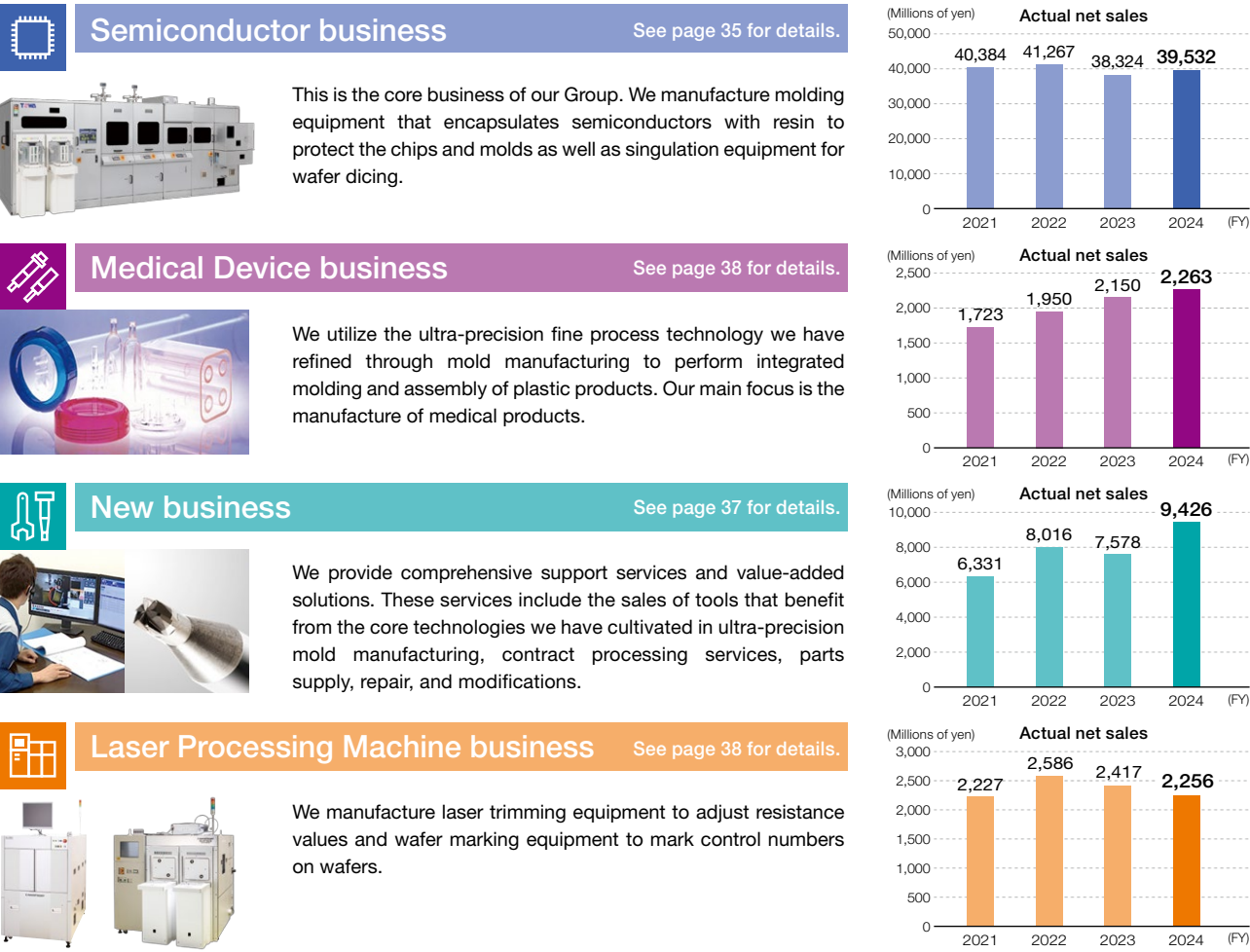
Since its founding, TOWA Corporation has excelled as a technology developer that develops de facto standards through its deep understanding of the needs of the manufacturing sector. We continue to expand our business globally across four business segments centered on the semiconductor industry.



The fiscal year ended March 31, 2025, or as of the end of March 2025  
\* As of the end of April 2025

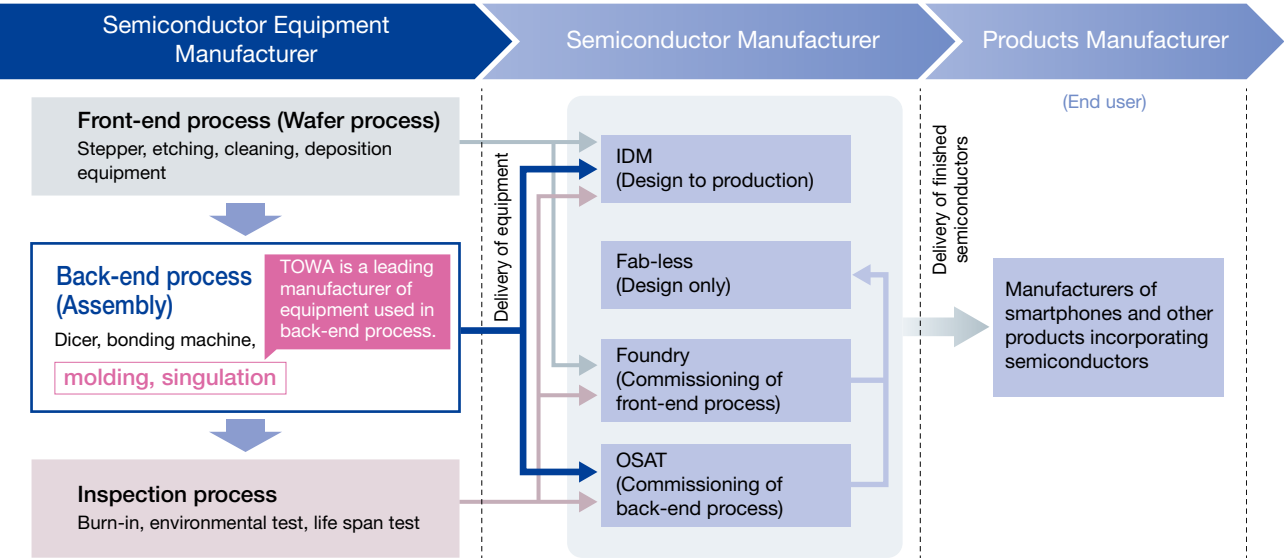
Overview of the TOWA Group's Business

Introducing Our Business Segments



TOWA Group's Position in Semiconductor Manufacturing

Semiconductor equipment manufacturers can be classified as those producing specialized equipment for wafer (front-end) process, assembly (back-end) process, or inspection process, which they provide to semiconductor manufacturers. The semiconductors these manufacturers produce with this equipment are further supplied to downstream manufacturers who incorporate these semiconductors into their own products. The TOWA Group is a manufacturer of semiconductor equipment used in the back-end process.



Our Growth Journey

TOWA has continued to walk hand in hand with the semiconductor industry during its period of rapid growth. Our history is one of technological revolutions, and since our founding in 1979, we have continued to grow through epoch-making technological revolutions. The development of the multi-plunger marked the beginning of this trend. Since then, we have always been at the forefront of this industry, creating new technologies and products.

1979

Molding Revolution 1

Establishment of de facto standard

Development of multi-plunger molding method

1 Introduction of the multi-plunger mold

We achieved quality improvement and reduction of resin waste by shortening the flow path with an automatic molding method that injects multiple small-size resins.



Multi-plunger mold

1995

Molding Revolution 2

Y-series became a big seller

Development of module system

2 The module system (Y-series) became a best seller

The modular linkage allows for an increase or decrease in the number of presses, which meets the current needs in the back-end process. We contributed to the growth of the industry by making it the de facto standard not only for our own company but also for semiconductor manufacturing as a whole.



Y-series

2009

Molding Revolution 3

Establishment of new de facto standard

TOWA Launched Compression equipment

3 Supporting cutting-edge products with the compression molding method

TOWA's unique compression molding method enables molding of cutting-edge products without resin flow. This also contributes to cost reduction and CO<sub>2</sub> reduction.



Model PMC1040-S

2032

To the top of the world with change

Become an unrivaled one and only company

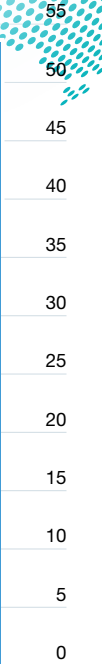
1979  
TOWA Precision Industries Limited founded  
as a manufacturer and seller of "ultra-precision molds" and "semiconductor manufacturing equipment"

79/12 80/12 81/12 82/12 83/12 84/12 85/12 86/12 87/12 88/12 89/3 90/3 91/3 92/3 93/3 94/3 95/3 96/3 97/3 98/3 99/3 00/3 01/3 02/3

Dot-com Bubble Collapse

Financial Crisis of 2007-2008

Net sales  
(Billions of yen)



Apr 1979  
Establishment of TOWA

Sep 1996  
Listed on Osaka Securities Exchange

Nov 2000  
Listed on Tokyo Stock Exchange

Mar 2014  
Announcement of TOWA Vision 10-year

Mar 2022  
Announcement of long-term vision "TOWA Vision 2032"

Major events

Apr 1979  
TOWA Precision Industries Limited founded  
A manufacturer and seller of "ultra-precision molds" and "semiconductor manufacturing equipment"

1987  
Advanced into medical domain  
Began injection molding for medical devices

1991  
Acquisition of BANDICK Corporation in March and Micro Component Technology Malaysia Sdn. Bhd. (now TOWAM Sdn. Bhd.) in April, making them subsidiaries

Mar 1991  
The company established the Kyoto East Plant



1996  
Cost-cutting through overseas production  
Started overseas factories operation

Mar 1998  
Completed construction of new Headquarters/Factory and relocated operations to the new facility



Dec 1998  
Establishment of Kyushu Factory (now Kyushu Work)

Jun 2002  
Establishment of TOWA (Suzhou) Co., Ltd. in Suzhou, China

2004  
Establishment of Global Service System  
TOWA started overseas field service

Apr 2013  
Establishment of TOWA Korea Co., Ltd. in Seoul, Korea

Oct 2015  
TOWA Korea Co., Ltd. acquired the molding business of SEMES Co., Ltd.

2015  
Acquisition of the molding business of Samsung's subsidiary  
TOWA became the first vendor for Samsung

Aug 2018  
Acquisition of OMRON LASERFRONT INC. (now TOWA LASERFRONT CORPORATION), making it a subsidiary

Oct 2018  
Establishment of TOWA (Nantong) Co., Ltd. in Nantong, China, which acquired the molds manufacturing business of Kinergy EMS (Nantong) Co., Ltd. (same year in November)

2018  
Acquisition of laser processing machine business  
Acquisition of the molds manufacturing business in China

Sep 2021  
Establishment of TOWA R&D Suzhou Co., Ltd. in Suzhou, China

2022  
Acquisition of blade business  
Full-scale development of consumables business

Jan 2022  
Acquisition of Fine International Co., Ltd. in Korea, (now TOWA FINE CO., LTD.), making it a subsidiary

Mar 2023  
Establishment of TOWA TOOL SDN. BHD. in Malaysia, which acquired the molds manufacturing business of K-Tool Engineering Sdn. Bhd. (same year in April)

## Message from the Chairman



**Hirokazu Okada**  
Representative Director,  
Chairman & CEO

## Passing on our enterprising spirit to the next generation to pave the way for TOWA's future

### [Regarding the change of president]

**Having achieved our 10-year vision, I entrust the baton of the next generation to the new president, Mr. Miura.**

Effective April 1, 2025, Muneo Miura was newly appointed as Director, President Executive Officer. I, Hirokazu Okada, accordingly assumed my new responsibility as Representative Director, Chairman & CEO (Chief Executive Officer). Under the new management structure, we will strive to develop a more robust management base and increase our corporate value.

I have known Mr. Miura since I set up a local subsidiary in Singapore. As one of the founding members, he was stationed there for over a decade and made considerable efforts in improving our technology. After returning to Japan, he advanced his career in the technical department and then in the sales department, where he built relationships with our customers. Fluent in different languages, he is a human asset who can closely communicate with customers. I'm sure that he is exactly the right person for a top executive.

Looking back, I became president in 2012 at the age of 61. For

the semiconductor industry, it was an era of ups and downs: at first the industry was booming and companies were profitable, but the next year plunged into recession and companies went into the red. It was a strong desire when I became president to level out the markedly fluctuating silicon cycle and to make our company capable of sustainable growth. Upon assuming the position of president, Kazuhiko Bando, the founder, said to me, "This is the only one promise you must keep: Never run a deficit." To this day, I have never forgotten this meaningful advice.

Fortunately, with our compression molding equipment and other products leading the industry, we have been on a growth path to improve our business performance. In 2014, when our net sales were around 17 billion yen and operating profit was barely a few percent, I encouraged everyone, saying, "Let's dream together," and set ambitious targets of achieving 50 billion yen in net sales and 8 billion yen in operating profit (operating

margin of 16%) by 2024, 10 years from then. At first, some people inside the company said, "There's no way these numbers can be reached. Is the president serious about it?" However, repeating the phrase, "Let's dream," again and again, every employee began to work toward the targets on their own initiative.

The efforts that we had made since then to achieve the targets in developing markets, improving our production system, and nurturing human resources led to attaining our sales target of 50 billion yen in the fiscal year ending March 31, 2022, two years ahead of schedule. Moreover, operating profit exceeded 10 billion yen as opposed to the initial 8-billion-yen target, and operating margin amounted to 22.7%.

While we originally considered 2024 as a milestone, reaching our targets two years earlier has allowed us to paint our next vision earlier than we planned. In 2022, we formulated our long-term vision TOWA Vision 2032, and have been implementing it

with 2025 positioned as the final year of the Mid-term Business Plan I. At the same time, I have been waiting for the right moment for the change of president. Judging that if I miss this milestone, the next opportunity could be three years from now, I have decided to entrust the presidency to Muneo Miura. In the semiconductor industry, which is changing at a dizzying speed, managers in their 40s and 50s are standard worldwide. For our company to realize more agile management, I was keenly aware of the need to pass the baton to the younger generation. Given this background, I have decided to hand over the presidency.

Now that TOWA's position in the semiconductor industry is becoming clearer, our customers' expectations are growing stronger. I hope that the new organization led by Mr. Miura will keep the momentum going to operate business and pursue development with an eye toward next-stage expansion.

### [Looking back on 13 years as president]

## Achieving sustainable growth at TOWA through bold overseas investment

Looking back on my 13 years as president, my primary focus has been on investment in overseas markets. The starting point was a project in Suzhou, China. It was around 2014, when many Japanese manufacturers withdrew from China following the yen's rapid depreciation caused by the so-called "Abenomics" economic policy enacted by the second cabinet of Shinzo Abe. In this context, we made up our mind to swim against the tide and expand our plant in Suzhou, China. Back then, companies in the vicinity asked us in surprise, "Why is TOWA expanding its plant at this time?"

When the expansion was completed in 2016 and operations began in 2017, demand for semiconductors in China began to pick up again. Since we had expanded our production capacity by 1.5 times, we were able to meet our customers' needs at once. In retrospect, the timing was perfect.

How were we able to make such a decision? One reason is that I had regular dialogues with our Chinese customers, especially top management. In casual conversation, we can find cues that encourage decisions. My intuition told me that now was the time to make a move.

At the time, we encountered a major turning point in building relationships of trust with local customers. Many manufacturers viewed China as a cost center and were scrambling to find ways to produce goods at low costs. However, from my perspective, there was no way that China would continue to be a cost center indefinitely, so I embarked on creating a system to transform it into a profit center. My aim was to raise the local technological level to allow production lines to be established independently. To this end, we have made every effort to give each location a clear direction in terms of both technology and organization.

As we continued these efforts, the COVID-19 pandemic that broke out in 2020 made me feel confident that what I have done was right. To that point, we had dispatched people from Japan for

equipment installation and other purposes, but that option was no longer viable during the pandemic. We nevertheless had a locally self-contained system because we had developed local members. This was truly a great achievement, and we were able to achieve localization at the right time.

Today, local members head business operations at all of our overseas bases: two production plants in China, Malaysia, and South Korea. Aside from the development bases in China where Japanese nationals are involved, all production bases are led locally. I believe that the TOWA Group as a whole is functioning well now that each base is being operated autonomously.

TOWA is a manufacturing company, so the most important thing is to make products in line with the needs of our customers and maintain steady profits. That's all there is to it. To this end, the most important factor is sales capabilities. No matter how advanced our technology is, it is useless if we don't have the ability to align it with what our customers need. How much cutting-edge information can our sales staff gather and bring back to the company to provide the direction that we should take? This matters the most in terms of our future growth.

Additionally, to truly meet the needs of our customers as a Make-to-Order manufacturer, follow-up after delivery is essential. Once the equipment is delivered, installed, and put into operation, our job is complete. But local customers often ask about other equipment, saying, "Please have a look at this," or "Could you do this?" A common response might be to decline, saying, "That's not my responsibility." However, our representatives try to meet their request, even if it is not their job. If there is something they are not sure of, they contact the head office on the spot for confirmation and do their best to accommodate requests.

I'm proud of the fact that many of our employees consider this attitude a matter of course. On many occasions customers have thanked TOWA for going this far, and what makes me happier

than anything else is to see that this has taken root naturally as part of our corporate culture.

Now, as the chairman, I also feel that I should take initiative in passing down the corporate culture that we have cultivated to the next generation. I am of a generation that has overcome numerous hardships together with the founder. I believe that it is my

responsibility from now to hold important the founding principles developed in a proper manner, help develop the human resources that will become the next-generation leaders, and set the stage for the future in upgrading our technology.

[Stance on future business]

Taking the changes in the times as an opportunity for growth, we will take on the challenge of creating new value.

Since 2022, in accordance with TOWA Vision 2032, we have been moving forward with our business looking 10 years ahead. I can say this now, but back in 2014, when the target of “achieving net sales of 50 billion yen in 10 years” was set, I honestly did not have a clear concept in my mind as to the degree sales would progress in each business. In other words, it was all a dream. That being said, the starting point was firm determination to work hard to make the dream come true.

Thankfully, as we implemented various measures, results followed. Then, in 2022, our Vision reached a milestone, and we are now moving toward our target of “net sales of 100 billion yen” over the next 10 years. We have formulated a roadmap for this target based on a clear vision, and as I see it, this target is highly likely to be achieved.

With regard to new profit opportunities toward 100 billion yen in net sales, in recent years we have often heard terms like 2.5D or 3D packaging and chiplets. At the same time, in addition to front-end and back-end processes, the term “middle-end process” has emerged, which has not yet clearly been defined. This is a concept that emerged through discussions on whether

we should continue with technological development pursuing 2 nm chips and 1 nm chips beyond that in the front-end process alone, given balances between cost and productivity. Here emerging needs and profit opportunities are arising to which our technology can contribute.

Meanwhile, in 2022, the United States imposed strict export restrictions on advanced semiconductor manufacturing equipment for China used for 14 nm or smaller processes. In the following year, however, a smartphone featuring a 7 nm semiconductor manufactured by a Chinese manufacturer was in the news. Even without cutting-edge equipment, products can be created by making full use of legacy equipment. This is a testament to the power of technology. Seeing these examples, I realize that the coordination between front-end and back-end processes is becoming increasingly important from the viewpoint of profitability, rather than just pursuing cutting-edge miniaturization technology. By perceiving these trends accurately, we can take on new challenges and take our business to the next level.

[Developing next-generation talent]

Building a system to pass on our philosophy and enterprising spirit with TOWA Academy playing a central role

The most critical issue for the next stage of growth is the development of human resources. In order to remain the industry-leading company for the next 10 to 20 years and beyond, we are working to develop human resources under the theme of “Enabling the Next Generation of Leadership with TOWA-ism,” as set forth in our Mid-term Business Plan II.

One specific initiative is the full launch of the TOWA Academy. The Academy, which had been operated as the Preparation Department, was developed and reorganized as a part of a framework for passing down corporate philosophy and technology. Going beyond the transfer of knowledge, the Academy aims to proliferate TOWA's underlying values and its attitude toward manufacturing throughout the next generation. In addition, it also puts effort into developing leaders who will lead TOWA in the future through appointment and training human

resources with the motivation to take on challenges, as stipulated in our Corporate Mission.

Furthermore, as part of our human resources development initiatives, we appointed Mr. Akihiro Yano, former manager of the Hanshin Tigers professional baseball team, as an outside director. Mr. Yano made his mark in an area different from our business. Since stepping down as manager, he has been engaged in various activities ranging from lecturing to supporting muscular dystrophy patients and children in foster homes. What drew our attention was his perspective on human resource development that he gained in his position as a baseball team manager. Despite being from a field different from corporate management, there are many shared aspects in terms of leading an organization. I'm sure that his experiences will give us new insights from a different angle.

Even if top management communicates that it will place great value on human resource development, this does not necessarily mean that it will spread through the organization. On the other hand, messages from someone like Mr. Yano, who has experience in the world of professional baseball, will sound very convincing to each employee and demonstrate alternative ways of thinking.

This is why we decided to invite him to become a board member. When we asked Mr. Yano to help us, he readily agreed. We hope that he will be a pillar of support in making the TOWA Academy initiative even more meaningful as we move ahead.

[Message for the future]

We will continue to forge ahead toward our dreams for the next 10 years based on our core technology— precision molds.

The semiconductor business will continue to grow toward 2032, the final year of the TOWA Vision 2032. Along with this, our company will also continue to grow. Moving forward, in addition to showing further strengths in the back-end process of semiconductor manufacturing, I have a good feeling about opening up new markets in conjunction with the progress of our efforts in the front-end process. We will steadily move toward our targets of 100 billion yen in net sales and 25 billion yen in operating profit by 2032.

Aside from the semiconductor business, although still small in scale, the medical equipment contract production business handled by our group company BANDICK Corporation is growing consistently. At present, net sales in this segment have exceeded 2 billion yen and have momentum to reach 3 billion yen. We see potential for this business to grow to the 10-billion-yen scale in the future. Another promising example is the laser-related business operated by the TOWA LASERFRONT Corporation.

We also have high expectations for our tooling business that applies our core technology of precision molds. Since our company's founding, we have gained expertise in end mills (tools) used at our own precision mold production sites and have been developing and manufacturing tools in-house alongside the machining process. Selling these tools for in-house use to outside customers initiated our entry into the tooling field. Although annual net sales are still around 500 million yen, product development will continue, as these tools are related to TOWA's core technologies. We hope that the tooling business will grow into our second or third pillar over 10 years and beyond. In that sense, we are now sowing seeds for the future.

By adding businesses outside of the semiconductor field, I would say that we will see the possibility of surpassing our target of 100 billion yen and reaching 200 billion yen or even 300 billion yen. Just as I did 10 years ago, now I want to call on our employees again to dream together.

Finally, I would like to mention the essence of TOWA's business: our precision mold technologies. It's a bit of a stretch, but I truly believe that even if the semiconductor equipment business were to cease to exist, our company would survive as long as it maintains its precision mold technologies. It has so much value as the core of our technology. On these grounds, we will continue to strengthen our precision mold technology in spite of whatever happens. Our stance will never waver on this.

And we must ensure that this attitude is passed on to the next generation. Just looking at the numbers, it is true that sales of semiconductor manufacturing equipment are twice those of precision molds. Nevertheless, we could only get this far because of our core, the precision molds, and thanks to this technology, our company will be able to continue to exist. I strongly feel that this awareness should thoroughly be instilled in all our employees.

Recently, due to the lack of economic momentum in the semiconductor market combined with tariff policies in major countries, companies have been cautious about capital investment. However, this is just a temporary trend, and an upward trend in the economy will surely come back sooner or later. Therefore, I think it is important to continue to take a sound, forward-looking approach, and not be swayed by the immediate situation.

A company cannot survive by just repeating the same things without trying to innovate. How can it change or transform itself with the times? This is the fundamental issue faced by a company and the key to its growth and survival. I myself will keep this in mind and continue to promote the future growth of TOWA.



Message from the President



Muneo Miura  
Director,  
President Executive Officer

We are determined to take on challenges that are unique to TOWA, centered on technology and human resources, contributing to the next-generation semiconductor industry.

[On assuming the position of president]  
Leading TOWA in a period of change by drawing on my field experience in engineering and sales

My name is Muneo Miura, and I was appointed Director and President Executive Officer as of April 1, 2025. As the semiconductor industry faces a major turning point, I feel a sense of resolve in taking on this great responsibility.

I joined this company in 1990 as an engineer and had been involved in the design of molds for semiconductor packaging. Eight years later, I was assigned to a newly established factory in Singapore as a start-up member. At that time, we had many customers based in Southeast Asia, so we set up a system to enable meticulous design and manufacture locally. My assignment in Singapore extended for about 12 years, dealing with customers not only in Southeast Asia but also in Greater China, including mainland China and Taiwan. After returning to Japan in 2010, I engaged mainly in the sales field.

Over the past quarter century, the state of semiconductor manufacturing has changed dramatically. When I joined the company, processing technology achieving micron-level precision, flatness, and the like reflected the needs of the times. However, since around the year 2000, what our customers want from manufacturing equipment has changed. High-performance processing equipment has become more readily available, enabling reasonable levels of precision processing outside Japan. In addition to the expected requirements for precision processing, the process itself has come to be questioned as to the capability of manufacturing high-quality semiconductors stably at a low cost. In other words, there has been a demand for acceptable-precision yet quality-assured and highly productive equipment that will lead to cost reduction. Precision mold technologies are

still our core technology and the source of our competitiveness. That alone, however, is no longer sufficient. The reality is that a balance between quality, productivity, and cost performance is necessary in today's market.

In response to this, as our founder called "Quarter Lead," we have been devoted to technological development looking a quarter step ahead of customer needs, which has enabled us to accurately respond to challenges in each era and thereby achieve business growth. Utilizing our unrivaled, revolutionary plastic molding technologies, such as the transfer and compression

molding, we have established an unshakable business foundation in the back-end process of semiconductor manufacturing. In collaboration with material manufacturers, we have also pursued the fundamental question, "What processes are truly necessary for this molding technology?" I see that these persistent efforts have come to fruition in the form of our technological achievements. If we give up halfway, technology will halt at that point. However, we have a corporate culture of "never giving up," and I realize that this is the driving force behind our technological evolution.

[Review of the Mid-term Business Plan I and current issues]  
Strengthening priority areas and horizontal deployment of technologies for sustainable growth

In accordance with the Mid-term Business Plan I (hereinafter, "Mid-term Plan I"), we strived to achieve net sales of 60 billion yen in the final year of the Plan. Although net sales of 50 billion yen in fiscal 2020 were achieved, due to the subsequent recession in the semiconductor industry, which made semiconductor manufacturers more cautious about capital investment, we were unable to reach our target of 60 billion yen in the final year.

Still, we have never compromised our stance of creating demand ourselves while also responding to our customers' most challenging issues, even in the cutting-edge fields. As a result, alongside the remarkable growth of the AI field, our equipment has established a 100% share of the memory market in this field. This has encouraged our customers to make continued intensive investments, allowing us to maintain net sales exceeding 50 billion yen over the three years of the Mid-term Plan I.

On the other hand, our current issue is business opportunities related to our flagship semiconductor molding equipment. We have sales bases around the world, and our business structure is such that when sales of equipment grow in a given region, after-sales business, or services including parts supply and maintenance, will expand commensurately. After-sales service has been offered as part of our TSS (Total Solution Service) business, and now we are promoting investments to allow it to be

led locally. Our products have traditionally built a competitive edge in terms of technology and brand, but competing products are rapidly increasing with government subsidies in the Chinese market. To cope with this situation, we intend to create a system to further expand the scope of our after-sales business by localizing what can be done at sites in Southeast Asia and China.

Although we have overwhelming competitiveness in the development and sales of cutting-edge equipment, when looking at the whole semiconductor industry, this cutting-edge area is merely the top of the pyramid, or rather, the middle-range and low-end markets have wider bases and larger volume. Regarding the current situation of not fully capturing these markets because of difficulties in generating profit, we will put further effort in manufacturing products that accommodate customer needs to gain market share in these areas as well.

In addition, we are receiving an increasing number of inquiries from customers who want to utilize our press equipment and handling technologies that we have built up over the past 40 years for purposes other than the semiconductor molding process. Our future policy is to further broaden the range of our technologies in the semiconductor industry and expand areas of application through horizontal deployment of existing technologies.

[Issues and initiatives for fiscal 2025]  
Accelerating investment for growth and improving responsiveness to semiconductor market recovery

Our Mid-term Business Plan II (hereinafter, "Mid-term Plan II") started in fiscal 2025. With this year positioned as the year in which we will rise to challenges in earnest toward our target of 100 billion yen in net sales by 2032, and we regard it as important to put in place the system necessary to meet the target. With the Mid-term Plan I, we worked to solidify the foundation for this long-term vision, but at this point, our factory production capacity

is still not sufficient to support net sales of 100 billion yen. This is the reason behind our resolution that it is essential to make investments in expanding our production system to ensure we can meet future demand. I know there are various views on our target ROE and dividend payout ratio set in the Mid-term Plan II. Needless to say, we place importance on returning profit to our shareholders and investors and will endeavor to increase the

dividend payout ratio to the fullest extent possible, but for the time being, our policy prioritizes investment for future growth.

With regard to the market in fiscal 2025 and beyond, through dialogue with various customers, I get the feeling that the silicon cycle has hit the bottom and is about to turn upward again. Although there are significant fluctuations in demand in the semiconductor industry, there is no doubt that, in the long run, the industry is on an upward curve of growth. Following a surge in sales in 2022, many customers built up inventory, causing a temporary drop in demand, but thanks to the recent optimization of delivery schedules, sales are on the rise again.

Under these circumstances, we put emphasis on several indicators to determine proper timing for our customers' capital

investments. Among the most important is the utilization ratio of their production lines; with customers, especially in AI-related fields, production is carried out under extremely high loads. At the same time, many customers are concerned about "uncertainty about the future" generated by tariff measures in major countries. Even though their utilization ratio is rising, the reality is that they are still carefully considering timing in making capital investments.

Taking that into account, we have a system in place to fulfill orders in a timely manner, without missing the next period in which demand spikes. Orders tend to flood in quickly during the recovery phase of the silicon cycle. In anticipation of this, we are deliberating various countermeasures and are making thorough preparations to capitalize on recovery demand.

as end mills and drills, mold release films, medical devices, and laser processing equipment. Because the Mid-Term Plan II is positioned as an investment phase, we will strive to put one or two of these businesses on a growth path. In this regard, seeking

profit too early could undermine our enterprising spirit, which is our strength. With this in mind, we will focus on profitability and steadily grow our new pillars of business, taking a long-term approach.

[Innovation in semiconductor manufacturing equipment]  
New market opportunities created by sophisticated back-end processes

As the semiconductor industry is undergoing a seismic shift propelled by AI advancements, we will work to accurately understand market trends. The evolution of packaging technology is closely related to the background of our technology being adopted in high bandwidth memory (HBM) that is indispensable for GPUs used for generative AI. In conventional flip chip packaging, the mainstream process was holding the chip in place with tape and filling the gap using capillary underfill before molding. In contrast, we have come up with a technology called Mold Underfill (MUF). This is a molding technology that uses compression and vacuuming to fill the gap inside the package altogether.

The MUF technology offers advantages like process simplification, reduced material use, and significant increases in productivity. MUF has been proven to be effective as it can also improve heat dissipation through its single-step molding process.

We are also breaking new ground in innovative technological areas, such as 2.5D packaging and chiplets. In the front-end process of advanced semiconductor chip manufacturing, circuit miniaturization (reduction of line width) is reaching its limit and driving up costs. For this reason, technological approaches from back-end process and middle-end process areas are receiving attention. As per this trend, market opportunities are increasing for our molding and singulation technologies to contribute.

Also, for singulation equipment, our second most important product after molding equipment, we began development in the late 1990s ahead of our competitors, and sales have been going up. Competition is intense, however, for conventional dicer and handler-based systems, and it has been difficult to generate as much profit as with molding equipment.

The trigger to overcome this situation was a request received several years ago from one of our customers, asking us to develop faster singulation equipment. We decided to develop a laser cutting technique that goes beyond conventional concepts. After a degree of trial and error, we managed to ship a prototype this year. It was so well received that it is now in the process of being installed on our customers' production lines.

This laser singulation equipment is twice as productive as conventional models and is also space-saving, as a single unit can perform tasks for which two units were needed previously. In addition, there is a strong demand for making battery sizes as large as possible for smartphones, tablets, and wearable devices, which requires semiconductor chips to be arranged within a restricted space and, in some cases, irregular shape cutting. This requirement can only be met by our lasers, not by conventional dicers. With our new laser technology playing a key role, we are committed to expanding the scope of our business by proposing something "novel and better" as we did for molding equipment.

[Human resource development with a view to future growth]  
Creating a foundation for maximizing human capital and enhancing practical training

It goes without saying that recruiting and training human resources is an important issue in achieving our target of 100 billion yen in net sales by 2032. Meanwhile, with growing issues surrounding an aging population with fewer children, it has become even more difficult to secure human resources in Japan. Along with effort in hiring and training a large number of employees every year, it is important to have a perspective on developing talented human resources through education and training. I see acquiring and training more high-functioning employees as one of our major tasks ahead.

With a pervasive era of AI upon us, increasing productivity per employee directly leads to bolstering corporate competitiveness. At the same time, it is essential to review our work procedures

and eliminate waste in business operations through AI-driven DX promotion. I personally use AI on a daily basis, but we need to think about ways to boost productivity per employee while leaving AI to whatever it can deal with. With these efforts defined as some of our priority issues, we will concentrate on the efficient use of human resources, or "maximization of human capital," over the next three years.

TOWA has a great deal of accumulated data and knowledge. I believe that the key to our future growth lies in our efficient use of these. In that sense, we position the introduction and utilization of AI as a part of our internal human resource development efforts, not just a technological measure.

[TOWA's next mission]  
Contributing to the revival of the Japanese semiconductor industry while keeping an eye on structural changes in the global market

Having been involved in the semiconductor industry for years, I have genuinely experienced the overwhelming presence of IT giants in the United States. A structure has been formed that once they decide what they want to make, their directions are provided to device manufacturers, and ultimately Asian companies are responsible for manufacturing. Under this system, our company indirectly provides equipment and materials. We have settled for the status quo, receiving necessary compensation and making products as we are told.

It is also important to understand that big IT companies are making dozens or hundreds of times more profit by utilizing our products; I personally have a strong awareness of problems with this structure. When I joined TOWA, the Japanese semiconductor industry was thriving and most of our sales came from Japanese customers. Today, overseas customers dominate nearly 90% of our sales.

My hope is to break through this current situation, even if only a little. Of course, we should work to solve our overseas customers' problems more efficiently than ever before, but in my opinion, it is also necessary for us to establish horizontal relationships with related companies, such as domestic manufacturers of equipment or materials, to form a group of Japanese companies that can compete on the global market. By building a structure in which a group of Japanese companies set the direction to take by showing what society needs and requesting device manufacturers to produce, I hope we can revive Japan's semiconductor industry. In

recent years, there has been a movement toward the development and mass production of advanced logic semiconductors in Japan. It is my dream that TOWA will contribute to these developments and contribute to Japan's semiconductor industry. We are determined to take on challenges that are unique to TOWA, centered on technology and human resources, and work for the next-generation semiconductor industry, accurately understanding business trends for the coming age.



[Cultivating new businesses]  
Building a business portfolio looking to future growth

During the Mid-Term Plan II, we intend to further accelerate growth in the semiconductor field while at the same time reviewing our business portfolio.

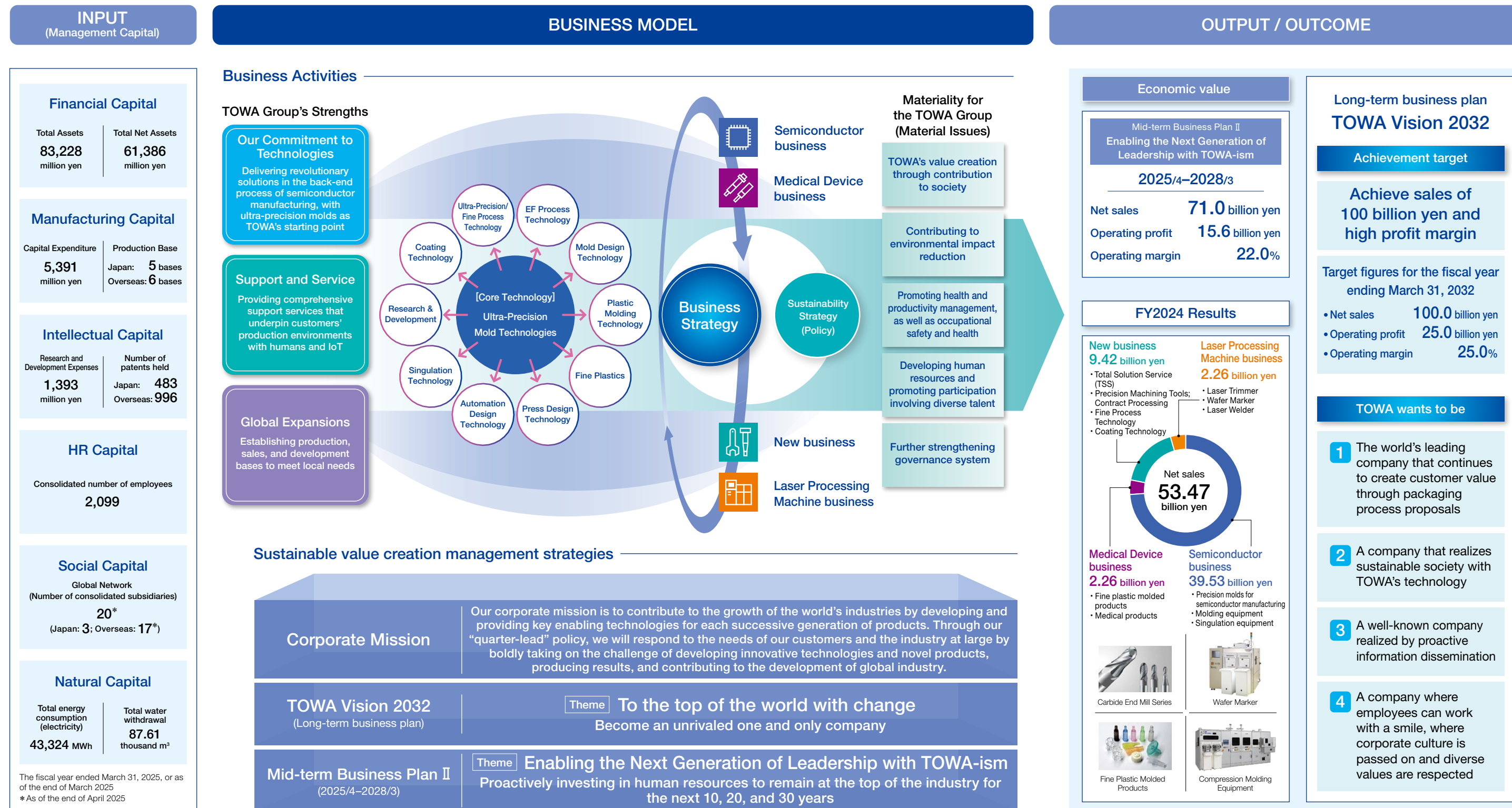
At present, approximately 90% of our sales are made up of our semiconductor business, including our new business of TSS (Total Solution Service), and if demand for semiconductors stagnates in the future, it could severely affect our business

performance. To avoid this, we intend to focus on building a portfolio that ensures stable earnings even if the semiconductor market slumps by reducing our dependence on semiconductor-related businesses.

Specifically, we will explore new applications outside the semiconductor field related to our core technologies and develop products in new fields worked on within the TOWA Group, such

## Value Creation Process of the TOWA Group

As demand for semiconductors increases rapidly for various applications, customers have growing expectations for the TOWA Group. With an eye on contributing to the resolution of social issues such as how to achieve sustainability, we will continue to pursue further growth and increase corporate value through a business model that only we can create, aiming to become an unrivaled one and only company.



## Strengths of the TOWA Group

TOWA's technological foundation was established over many years by our predecessors, who demonstrated their passion for manufacturing through a commitment to research and development. This approach, which includes after-sales support, represents our greatest strength and serves as an asset we use to grow our total solution services. We have expanded our development, production, and sales hubs around the world to position ourselves close to our customers. This enables us to respond quickly and appropriately to customer demand in terms of development, manufacturing, and supply.

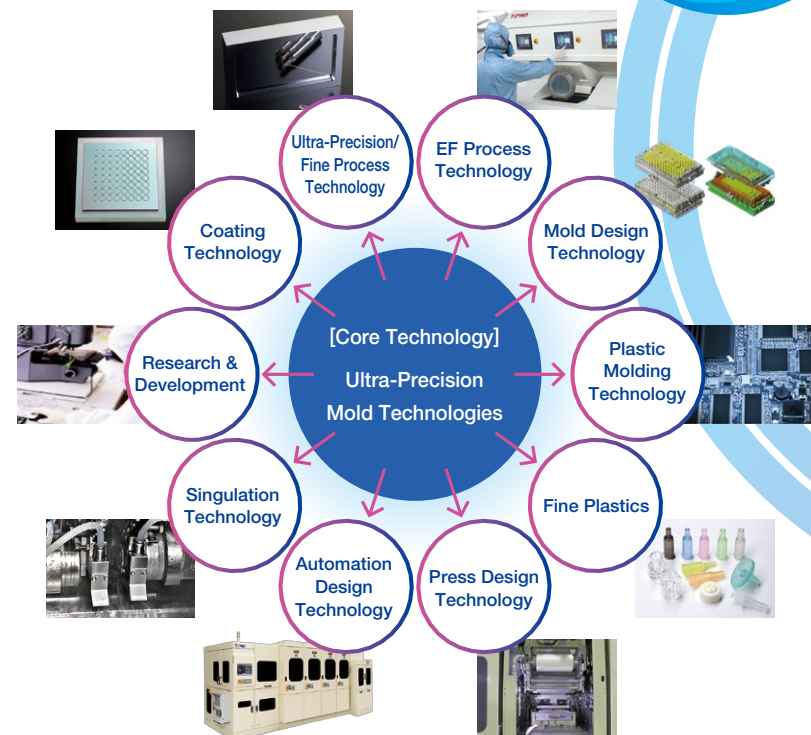
- Core competence: mold manufacturing technologies used for our ultra-precision molds
- Developing solutions that anticipate market needs

While our core technology lies in manufacturing ultra-precision molds, we have also been developing innovative technology in ultra-precision mold machining, plastic molding, and equipment design. Specifically, we are researching **ultra-precision and fine process technology** that can be applied in areas such as semiconductors, optical components, and medical devices, thereby contributing to industry innovation.

Our proprietary BANCERA® **coating technology** enhances the durability and releasability of molds and is widely used for surface treatment of molds, mechanical parts, glass materials, and other items. **EF (ultra-precision electroforming) process technology** is effective for the mass production of molds that require complicated shapes and high precision. This technology can significantly improve the productivity of ultra-precision molds while reducing costs.

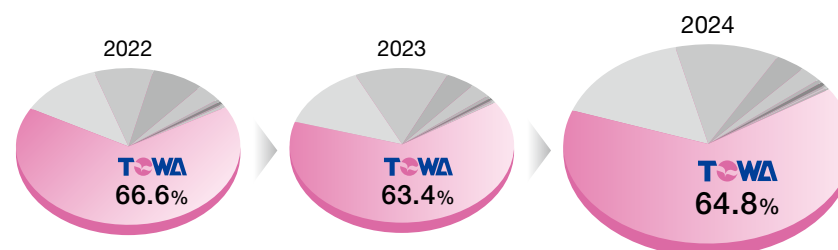
Utilizing **mold design technology** based on 3D CAD and CAE analysis, we optimize the design process to produce high-quality molds. In **plastic molding technology**, in particular, we have been at the head of the industry since establishing standards in the semiconductor molding market. While our strength also lies in **press design and automation design technologies**, we provide mold process solutions that anticipate market needs, thereby meeting customers' requirements for quality and delivery deadlines. Capitalizing on the engineering plastic molding technology we have developed since our foundation, we meet diverse needs for **fine plastic products**.

In semiconductor post-process **singulation technology**, which we have been developing since the 1990s ahead of competitors, we combine our long-established cutting expertise with high-speed handling and image analysis technology to provide high-quality singulation equipment.



### TOWA's Current Market Position

Trend in Global Share of Semiconductor Molding Equipment



Note: The above is our presentation of data provided by TechInsights Inc.

### Our Commitment to Technologies

### Support and Service

### The Three Pillars Supporting TOWA's Growth

### Global Expansions

#### • Total Solution Service (TSS)

Support Services    Parts Supply Services    TEN-System Support System  
Productivity Improvement Services    Proposals for Adding Value

#### • Training Center

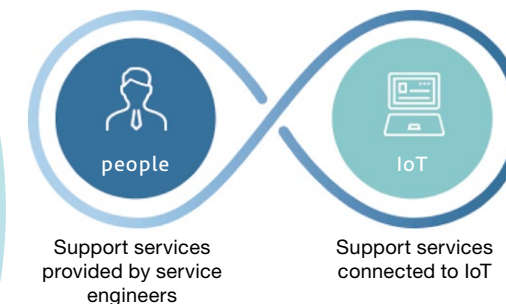
#### • Laboratory

We provide a variety of services and support to the customers that use our products.

For example, our Total Solution Services (TSS) offer comprehensive support services that underpin customers' production environments with humans and IoT.

The training center provides our customers with knowledge and expertise on how to operate our equipment safely and reliably.

In addition, our laboratory has a package development support system in place to shorten customers' package development cycles and provide molding and singulation process solutions.

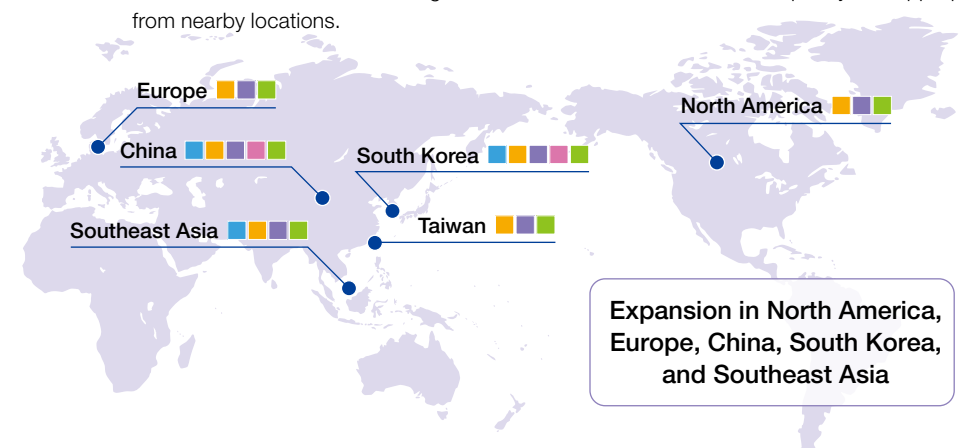


- Establishing sales and production bases in major semiconductor-producing regions
- Constructing a service system to respond flexibly to market changes

Our sales and production bases are strategically located in major semiconductor-producing regions, enabling us to respond quickly to customer needs and ensure high satisfaction.

We are committed to meeting the diverse needs of our customers quickly and appropriately, from nearby locations.

- Production Base
- Sales Office
- Service Facility
- Training Center
- Laboratory



## Products and Technologies of the TOWA Group

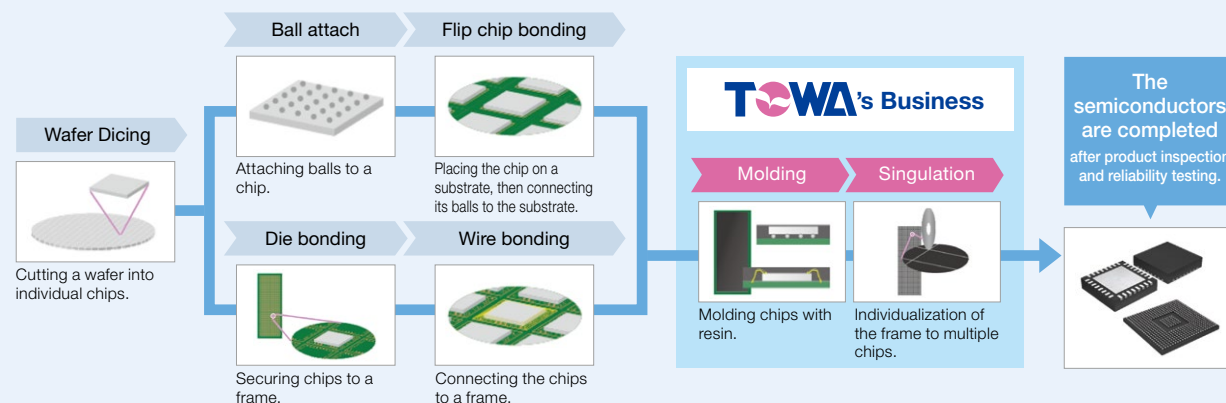
The TOWA Group's greatest strength is its technological expertise. We have continued to share our cutting-edge technologies with the world, especially our advances in the back-end process of semiconductor manufacturing. Our starting point was the development of a module system for ultra-precision molds. The ultra-precision fine process technology we cultivated as a result furnished us with a stepping stone to the Medical Device business and other new businesses. A variety of technologies, including our unrivaled compression molding, are contributing to further technological development around the globe.

### Semiconductor

#### Revolutionary solutions for the back-end process of semiconductor manufacturing

##### Front-end and back-end processes

The manufacture of semiconductors involves both front-end and back-end processes, and TOWA is a manufacturer of equipment used in the back-end process. The back-end process includes lining up the semiconductor chips on a substrate, connecting the gold wires, covering the chips with resin to protect them, cutting them into pieces, and testing their operation. The process of covering (molding) chips with resin is called molding and the process of cutting is called singulation, and we at TOWA have been thoroughly pursuing the performance of these devices.



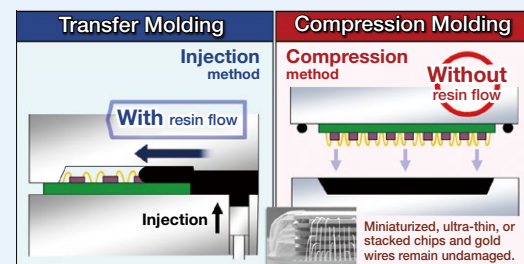
#### Our compression equipment demonstrating overwhelming superiority in molding processes

Transfer molding has been used for many decades to inject resin into the recesses of enclosed molds. This approach creates an issue whereby the gold wires are distorted by the flow of resin during injection, damaging the delicate chips. Our unique compression molding method, which removes the influence of flow by simply immersing the product in resin, has made it possible to mold advanced products and significantly reduce costs.

Compression molding is ideal for next-generation packages such as 2.5D and 3D packages. They represent our technological advantage because these new packages are expected to grow in anticipation of accelerating demand for semiconductors associated with next-generation technologies such as autonomous driving, 5G communications, AI, and IoT.



Due to patents and technical difficulties, this product has remained unrivaled in the market since its introduction in 2009.



Substituting compression molding for transfer molding is a packaging solution. Compression molding has become the indispensable technique for high-end products such as memory chips.

#### Advanced singulation equipment that elevates quality and boosts productivity

Our singulation equipment cuts semiconductor panels, which have been molded in the molding process, into individual pieces. Our equipment is capable of cutting pieces as small as 1 mm × 1 mm, the smallest dimensions in the industry. Our strength lies in our ability to offer solutions that incorporate the cutting blades our Group develops and manufactures.

We are now expanding sales of the advanced Model FMS4040, which reduces labor while delivering improved productivity and environmental performance. In March 2025, LGS1040 made its debut, featuring laser singulation technology developed jointly with our group company TOWA LASERFRONT. This equipment can offer flexible cutting and enhanced productivity.



### Medical Device

#### Contributing to medical care with plastic molding processes utilizing nanotechnology

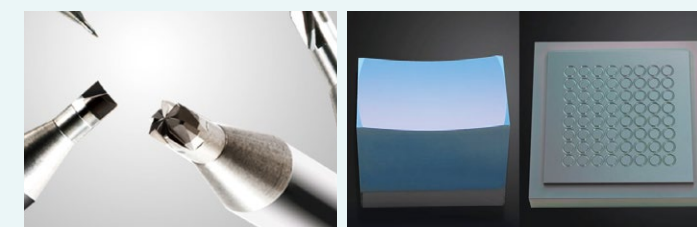


Our Medical Device business, focused on medical products, undertakes contract production of fine plastic molded products for medical applications. These products include medical syringes and intravenous drip components. Our original ultra-precision and fine process technologies enable high-precision mass-production molding, and our core technology of "injection molding to assembly" in clean room facilities is characterized by one-stop production from inspection to shipping. We satisfy a wide array of our customers' molding needs, from development models and small-lot to mass production. We are also working on environment-friendly biomass plastics and biodegradable plastics.

### New business

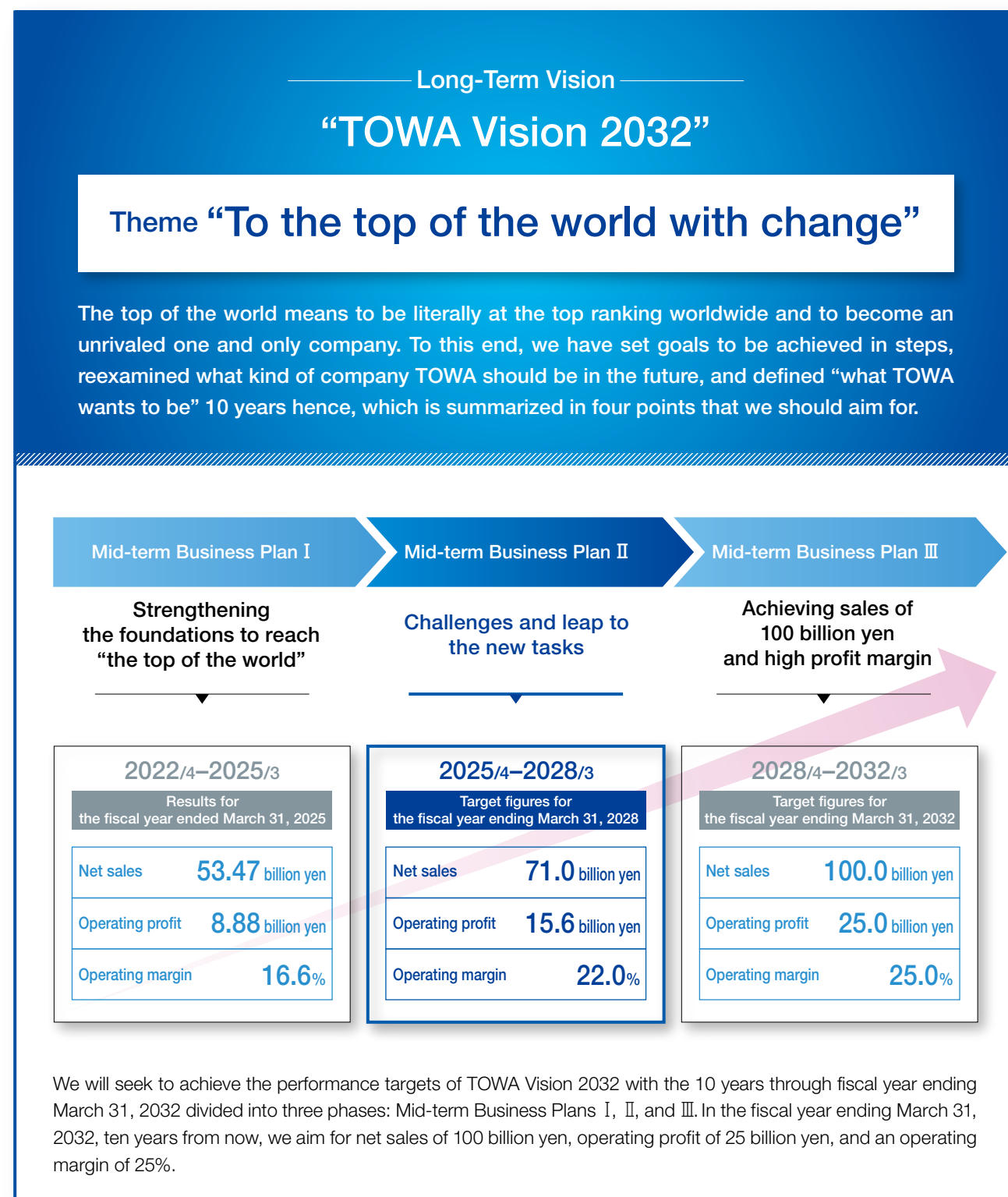
#### Developing new businesses by applying TOWA's core technologies

We are developing our TSS business, which offers total solutions, including sales of our proprietary end mills (tools) that support our ultra-precision machining technology for dies and molds, contract processing business that applies our ultra-precision machining and coating technologies, after-sales service, modification and repair of our semiconductor manufacturing equipment, and sales of used equipment.



## Long-Term Vision “TOWA Vision 2032”

In March 2022, TOWA formulated its long-term vision “TOWA Vision 2032,” a new challenging theme for the next 10 years to create a paradigm shift and move to a completely different and higher stage, thereby becoming an unrivaled one and only company in the world.



## What TOWA wants to be 10 years hence (2032)

In formulating TOWA Vision 2032, we reexamined what kind of company TOWA should be in the future and defined “what TOWA wants to be 10 years hence.” The vision is a more specific image that the company and each employee should envision to sustainably enhance corporate value and move toward “the top of the world.”

- |          |                                                                                                                        |                                                                                                                                                                                                                                   |
|----------|------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>1</b> | The world's leading company that continues to create customer value through packaging process proposals                | We will create value that our customers can obtain from our technology and knowledge related to the packaging process TOWA is proud of.                                                                                           |
| <b>2</b> | A company that realizes sustainable society with TOWA's technology                                                     | We will contribute to the realization of a sustainable society by utilizing TOWA's technologies in various fields.                                                                                                                |
| <b>3</b> | A well-known company realized by proactive information dissemination                                                   | In our expansion into new businesses with securing human resources and BtoC in mind, we will strive to actively engage in PR activities because we believe it is necessary to raise our name recognition in society at large.     |
| <b>4</b> | A company where employees can work with a smile, where corporate culture is passed on and diverse values are respected | We will pass on the DNA we cultivate even over the next ten years. At the same time, we aim to be a company that respects diverse values that change with the times and cares about its employees by responding to them flexibly. |

## Materiality for the TOWA Group

|                                                                                         |
|-----------------------------------------------------------------------------------------|
| TOWA's value creation through contribution to society                                   |
| Contributing to environmental impact reduction                                          |
| Promoting health and productivity management, as well as occupational safety and health |
| Developing human resources and promoting participation involving diverse talent         |
| Further strengthening governance system                                                 |

We have identified the materiality for the TOWA Group as issues that must be addressed in order to achieve what TOWA wants to be and that will increase our corporate value by addressing and resolving them. We will aim to be at the top of the world by continuously improving our “earning power” and creating further value.

## TOWA Vision 2032 progress overview

Our previous long-term vision (from April 2014 to March 2022) started with net sales of 17.1 billion yen in fiscal 2014, setting ambitious targets of net sales of 50 billion yen, operating profit of 8 billion yen, and an operating margin of 16% in 10 years. To fulfill these targets, we made aggressive capital investments in anticipation of market trends. We accordingly achieved these targets two years ahead of schedule in the fiscal year ended March 31, 2022.

Under the theme of “To the top of the world with change,” TOWA Vision 2032 aims to achieve net sales of 100 billion yen, operating profit of 25 billion yen, and a high operating margin of 25.0% by the fiscal year ending March 31, 2032.

In our Mid-term Business Plan I, which runs through March 2025, focusing on “strengthening the foundation to reach the ‘top of the world,’” we have promoted the development of new technology and investments in production equipment. These efforts culminated in the sales expansion of TOWA's unique compression molding equipment and molds, along with the development and release of new products, including YPM1250-EPQ, which is optimized for chiplets and is expected to serve as a pillar of our next mid-term business plan, and LGS1040, which is equipped with a new laser singulation process.

In efforts to strengthen our human resources foundation, we have set up the TOWA Academy Preparation Department to develop human resources to pass down TOWA's technology to the next generation. We have also been actively securing human resources to expand our business scale.

Based on the foundation reinforced during the Mid-term Business Plan I, in April 2025, we launched the Mid-term Business Plan II, defined as a period of “Challenges and leap to the new tasks” toward net sales of 100 billion yen.



Our molding equipment Model YPM1250-EPQ, developed for semiconductors used for generative AI, won the Grand Prix in the semiconductor manufacturing equipment category at Semiconductor of the Year 2024 awards, hosted by Sangyo Times in Japan.



Monozukuri training where participants learn the basics of TOWA's core competence, ultra-precision mold technology

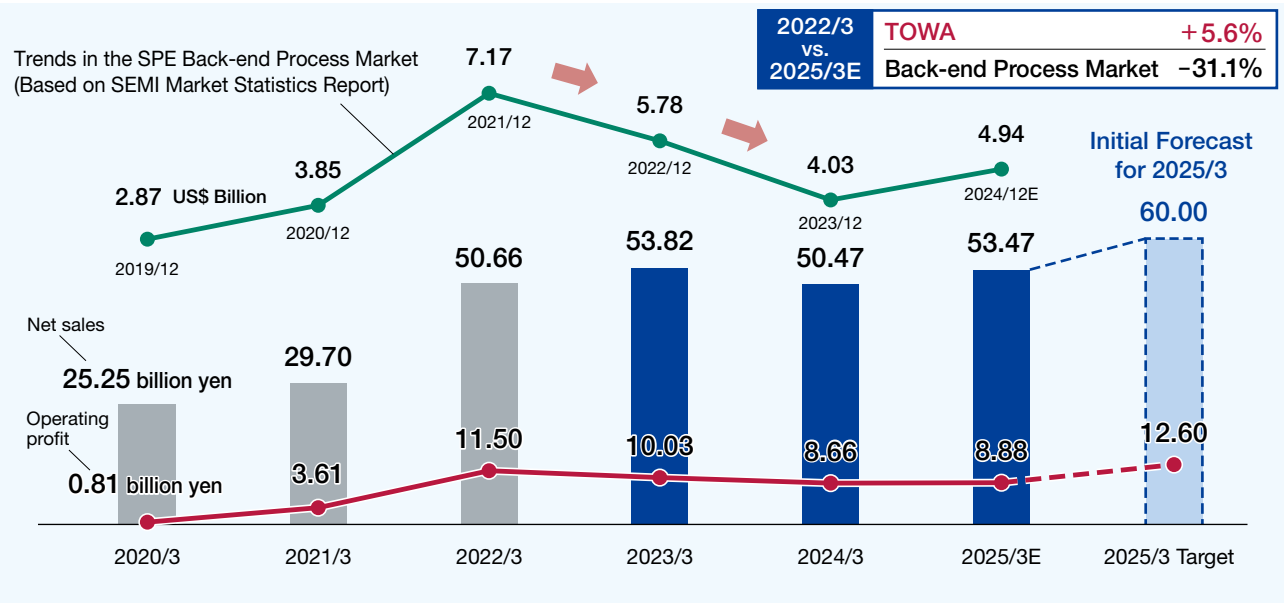
Review of the Mid-term Business Plan I (from April 2022 to March 2025)

Having accomplished the previous long-term vision ahead of schedule in the fiscal year ended March 31, 2022, TOWA has set a new long-term vision and is working to attain the new vision by dividing its period into three phases, each of which is a mid-term business plan.

With the three years from the fiscal year ended March 31, 2023 to the fiscal year ended March 31, 2025 (the Mid-term Business Plan I) positioned as a period for strengthening our foundation to deliver on this long-term vision, we have proactively increased personnel and made R&D and capital investments.

Mid-term Business Plan I achievements—  
Establishment of a foundation capable of consistently generating net sales of over 50 billion yen

Although we were unable to meet the initial numerical targets of the Mid-term Business Plan I amid a sluggish semiconductor market, solidifying our business foundation, which was weak to accommodate the surge in sales at the time in 2022, enabled us to build a structure that can consistently generate sales of 50 billion yen or more even during market downturns.



Results by business segment

For the fiscal year ended March 31, 2025, the final year of the Mid-term Business Plan I, net sales amounted to 53.47 billion yen, up 5.6%, compared to the fiscal year ended March 31, 2022, immediately prior to the start of the same plan, which is the final year of the previous long-term vision. This sales growth was achieved despite the fact that the semiconductor back-end equipment market experienced negative growth of more than 30% during this period.

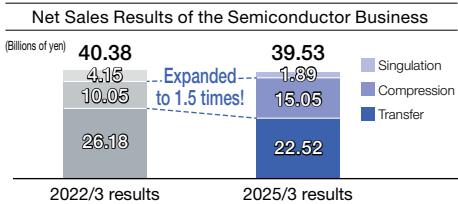
|                  |                          | 2022/3 Results    |         | 2025/3 Results    |
|------------------|--------------------------|-------------------|---------|-------------------|
| Net sales        | Total sales              | 50.66 billion yen | +5.6%   | 53.47 billion yen |
|                  | Semiconductor            | 40.38 billion yen | -2.1%   | 39.53 billion yen |
|                  | Medical Device           | 1.72 billion yen  | +31.4%  | 2.26 billion yen  |
|                  | New business             | 6.33 billion yen  | +48.9%  | 9.42 billion yen  |
|                  | Laser Processing Machine | 2.22 billion yen  | +1.3%   | 2.26 billion yen  |
| Operating profit |                          | 11.50 billion yen | -22.8%  | 8.88 billion yen  |
| Operating margin |                          | 22.7%             | -6.1 pt | 16.6%             |

Amid downturns in the semiconductor market, the Semiconductor business saw slight negative growth and the Laser Processing Machine business remained flat. On the other hand, the Medical Device business and New business posted significant growth.

Operating profit decreased because of our proactive personnel expansion and R&D and capital investments, but as mentioned earlier, we attained net sales of more than 50 billion yen consistently and built a foundation to fulfill TOWA Vision 2032.

Semiconductor business

- Sales expansion of TOWA's original compression molding equipment and molds.
- Developing competitively marketable products as pillars of the next mid-term business plan.
- Maintaining the top market share and further expanding it.

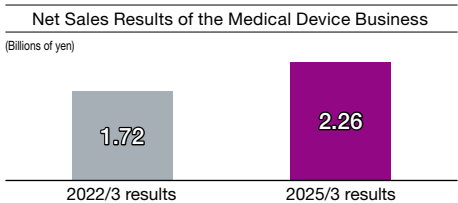


With the expansion of sales of TOWA's unique compression molding equipment and molds, the advanced package for generative AI and other applications utilizes our equipment, driving an increase in net sales scale approx. 1.5 times over the past three years. In addition, YPM1250-EPQ, equipment that we have developed and optimized for chiplets, won the Grand Prix in the semiconductor manufacturing equipment category at Semiconductor of the Year 2024 awards and is expected to be a pillar of our next mid-term management plan. We have maintained the top share of the semiconductor molding equipment market, with our global market share growing from 59.3% to 64.8%\* during the mid-term plan period under review.

\* Calculated by our company based on data from TechnoSearch Inc.

Medical Device business

- Expanding the handling of high-value-added products by utilizing clean rooms.
- Expanding production areas to support business growth.

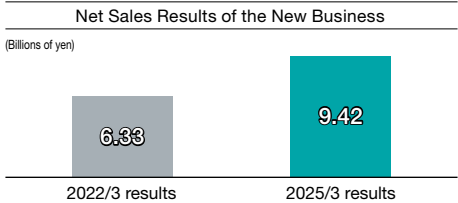


Utilizing clean rooms, we expanded the handling of high-value-added products such as medical devices. In addition, aiming at business growth, we also expanded our production areas and boosted production capacity by approximately 30%. Utilizing our strengths in medical device assembly technology, sales went up by approximately 1.3 times in the Medical Device business.

Note: The name of "Fine Plastic business" was changed to "Medical Device business" in April 2025.

New business

- Along with an increase in the cumulative number of delivered units, the sales of TSS\* have increased due to high-value-added after-sales services directly provided by the original manufacturer.
- Sales expansion of semiconductor-related consumables such as release films and blades.
- Starting overseas expansion of the tool business.

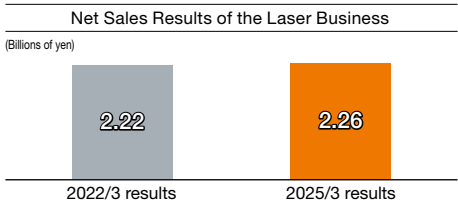


An increased cumulative number of delivered units and provision of high-value-added after-sales services directly provided by the original manufacturer generated more sales of TSS. We also acquired a blade business through M&A and expanded the range of semiconductor-related consumables. In the tool business, we started operations overseas in preparation for business expansion. As a result of these efforts, sales in New business grew approximately 1.5 times.

\* TSS: Total Solution Service (Sales of semiconductor manufacturing equipment parts, after-sales services, and renewal businesses, etc.)

Laser Processing Machine business

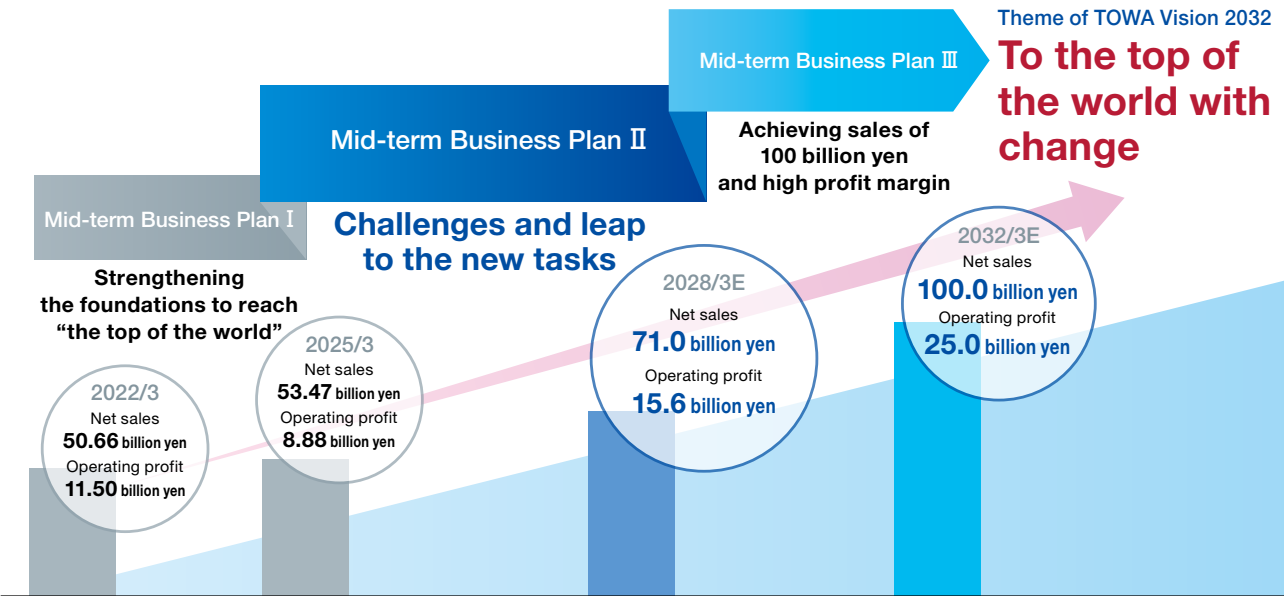
- Enhancing customer support through the promotion of a direct sales system.
- Expanding overseas customers by leveraging sales channels in the semiconductor business.
- Deploying laser processing technology in the semiconductor business.



Our shift from a sales system using distributors to a direct sales system enabled us to provide attentive service and better understand customer needs. Overseas, utilizing sales channels in our semiconductor business, we built demand in China through new customer acquisition. We are also working to apply laser technology to semiconductor manufacturing equipment, which we expect to develop into epoch-making products in the semiconductor cutting process. Although sales were flat due to low demand for automotive and industrial machinery, we will continue to devote full attention to developing more competitive products.

## Mid-term Business Plan II (from April 2025 to March 2028)

TOWA aims to become a unique company in the world that does not allow others to follow, implementing the Mid-term Business Plan in three phases to fulfill our long-term vision. In the Mid-term Business Plan I, we prioritized strengthening the foundation to reach “the top of the world” and strived to increase the Group’s competitiveness by scaling up the workforce and making proactive investments in R&D and production equipment. Under the theme of “Challenges and leap to the new tasks,” the Mid-term Business Plan II outlines our commitment to take on new challenges to turn the goals of TOWA Vision 2032 into reality.



### Theme of the Mid-term Business Plan II

The theme of the Mid-term Business Plan II is “Enabling the Next Generation of Leadership with TOWA-ism.”  
The source of our competitiveness is our human resources, and we will invest more proactively in human resources to remain at the top of the industry for the next 10, 20 years, and beyond.

Enabling the Next Generation of Leadership with TOWA-ism

### TOWA Human Resource Strategy

**Succession of corporate philosophy and transmission of technical knowledge through the TOWA academy**

We will pass on TOWA's underlying corporate philosophy and technical knowledge we have developed to the next generation with TOWA Academy playing a central role.

**Creating future leaders who will bear the future**

We will strive to create leaders who can advance TOWA more than ever over 10 to 20 years in all aspects, including human resource development, appointment, and training.

**Strengthening human capital with DX and AI**

Utilizing DX and AI to increase our production and development capabilities, sales and service systems, and management system, we will increase sales and profit per capita.

**Building an environment for the active participation of diverse talent**

To drive innovation for further growth, we will build an environment in which diverse human resources can fully utilize their talent.

### Basic Policy of the Mid-term Business Plan II

|   |                                                                                                                            |                                                                                                                                                                                                                                                                                                                                 |
|---|----------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1 | Enhancing the added value of products and services through paradigm shifts to improve profitability.                       | We will not just provide products and services, but will provide our customers with higher value-added experience through processes, products, and services that incorporate fresh perspectives, thereby improving profitability.                                                                                               |
| 2 | Achieving speed management and strengthening market competitiveness through the utilization of DX and AI.                  | We will utilize DX and AI in all business activities, including development, design, sales, service, and management, to achieve agile management that can take swift action even in a rapidly changing market environment.                                                                                                      |
| 3 | Creating new markets by leveraging core competencies*.                                                                     | Utilizing our core competencies, we will create new revenue opportunities and avoid being bound by existing framework by moving into other processes in semiconductor manufacturing or completely different fields altogether.                                                                                                  |
| 4 | Promoting the development of human resources with diverse, challenge-oriented thinking that will lead the next generation. | In addition to creating an environment in which diverse human resources can play active roles, we will pass on our management philosophy of a challenge-oriented thinking to the next generation and work to develop human resources to carry TOWA into the future.                                                             |
| 5 | Enhancing social contribution and corporate value through proactive efforts toward sustainability.                         | Placing importance on activities with due consideration for impact on the global environment and our connection with society in addition to the safety and health of stakeholders, in terms of the continuation of our business activities and growth of the company, we will push forward with our sustainability initiatives. |

\*Core competencies: Unique strengths or expertise that cannot be easily imitated by other companies.

### Numerical targets for the Mid-term Business Plan II

| (Billions of yen) | 2025/3 Results |         | 2028/3 Targets |  | TOWA Vision 2032                                         |
|-------------------|----------------|---------|----------------|--|----------------------------------------------------------|
| Net sales         | 53.47          | +32.8%  | 71.00          |  | Target figures for the fiscal year ending March 31, 2032 |
| Operating profit  | 8.88           | +75.7%  | 15.60          |  | Net sales 100.0 billion yen                              |
| Operating margin  | 16.6%          | +5.4 pt | 22.0%          |  | Operating profit 25.0 billion yen                        |
| Ordinary profit   | 9.40           | +66.0%  | 15.60          |  | Operating margin 25.0%                                   |
| Net profit        | 8.12           | +34.2%  | 10.90          |  |                                                          |

### Sales Target by Business

| (Billions of yen)                 | 2025/3 Results |        | 2028/3 Targets |
|-----------------------------------|----------------|--------|----------------|
| Net sales                         | 53.47          | +32.8% | 71.00          |
| Semiconductor business            | 39.53          | +31.8% | 52.10          |
| Medical Device business           | 2.26           | +23.7% | 2.80           |
| New business                      | 9.42           | +41.1% | 13.30          |
| Laser Processing Machine business | 2.26           | +24.1% | 2.80           |

We seek a higher profit margin than now by providing higher value-added processes, products, and services, as well as reducing costs and improving productivity.  
There are no changes to our long-term targets for net sales and operating profit set for the fiscal year ending March 31, 2032.

The name “Fine Plastic business” has been changed to “Medical Device business.”

Business Strategies

 Semiconductor business

In addition to establishing an unrivaled top market share in the high-end packaging process, we will raise the ratio of high-value-added products by expanding sales of MUF, Resin Flow Control, and other unique processes. We will also strive to improve the gross profit margin by boosting productivity through DX promotion and AI utilization.

**Responding to customer needs through process innovation**

**Becoming the global cost leader through utilization of DX and AI**

**Delivering unique products to the world through a global development system**

**Toward Securing Revenue**

- Increase compression ratio.
- Improve the gross profit margin of the semiconductor business by increasing the ratio of high-value-added products and utilizing AI and DX.

**Key Initiatives**

- Establish an unrivaled top market share in the high-end packaging process.
- Expand sales of unique processes such as MUF and Resin Flow Control.
- Smart Factory Transformation through DX, AI, and robotics.

Net Sales Targets of the Semiconductor Business  
(Billions of yen)

|                |                                          |
|----------------|------------------------------------------|
| 2025/3 results | Mid-term Business Plan II 2028/3 targets |
| 39.53          | 52.10                                    |

 Medical Device business

Utilizing our core competencies in molding and assembly technologies, we will expand sales of high-value-added products and thereby increase profits. We also aim to build our brand as a medical device manufacturer.

**Utilizing advanced molding technology for the creation of sophisticated medical devices**

**Achieving a high-profit structure through integrated production**

**Creating value-creating business through the refinement of skills**

**Toward Securing Revenue**

Focusing on “molding technology” and “assembly technology” to expand sales of high-value-added products and increase profits.

**Key Initiatives**

- Optimization of the production system in anticipation of expanding production bases and the advancement of smart factories.
- Pioneering next-generation business by integrating TOWA Group's core competencies with Medical Device business technologies.
- Establishing a brand as a medical device manufacturer.

Net Sales Targets of Medical Device Business  
(Billions of yen)

|                |                                          |
|----------------|------------------------------------------|
| 2025/3 results | Mid-term Business Plan II 2028/3 targets |
| 2.26           | 2.80                                     |

 New business

We will strive to increase sales and profit margins by expanding service opportunities arising from an increased number of delivered equipment units and promoting equipment renewal business. Furthermore, we will optimize our production system and build a robust sales structure to allow the tool business to become a new primary source of revenue.

**Expanding the business through high-value-added products leveraging core competencies**

**Becoming as a major brand in the tool manufacturing industry**

**Generating new revenue through a subscription-based business model**

**Achieving sustainability through a renewal business model**

**Toward Securing Revenue**

- Expansion of sales and improvement of profit margins through increasing the number of delivered equipment units and promoting the renewal business.
- Positioning the tool business as a new pillar.

**Key Initiatives**

- Provide high-value-added support for over 3,500 delivered units.
- Expand the sales area of the renewal business.
- Strengthening the tool business
  - Optimizing production through smart factory, enhancing product lineup, and reinforcing the global sales system.

Net Sales Targets of New Business  
(Billions of yen)

|                |                                          |
|----------------|------------------------------------------|
| 2025/3 results | Mid-term Business Plan II 2028/3 targets |
| 9.42           | 13.3                                     |

 Laser Processing Machine business

We will aim to increase profit margins through competitive product sales and production cost reductions. At the same time, we are pursuing business expansion through the development of processes and products utilizing laser technology applicable to the semiconductor manufacturing process.

**Securing stable revenue and expand business with competitive products**

**In-house production of oscillation units and transition to subscription business**

**Making an impact on semiconductor processes with laser technology**

**Toward Securing Revenue**

- Increase profit margins through the sale of competitive products and reduction of production costs.
- Develop processes and products applicable to semiconductor processes.

**Key Initiatives**

- Establish laser processing methods effective for achieving next-generation semiconductor packaging.
- Enhance overseas sales and support system and improve production efficiency through strengthened group collaboration.
- Create added value through new maintenance services, such as subscription businesses.

Net Sales Targets of Laser Processing Machine Business  
(Billions of yen)

|                |                                          |
|----------------|------------------------------------------|
| 2025/3 results | Mid-term Business Plan II 2028/3 targets |
| 2.26           | 2.80                                     |

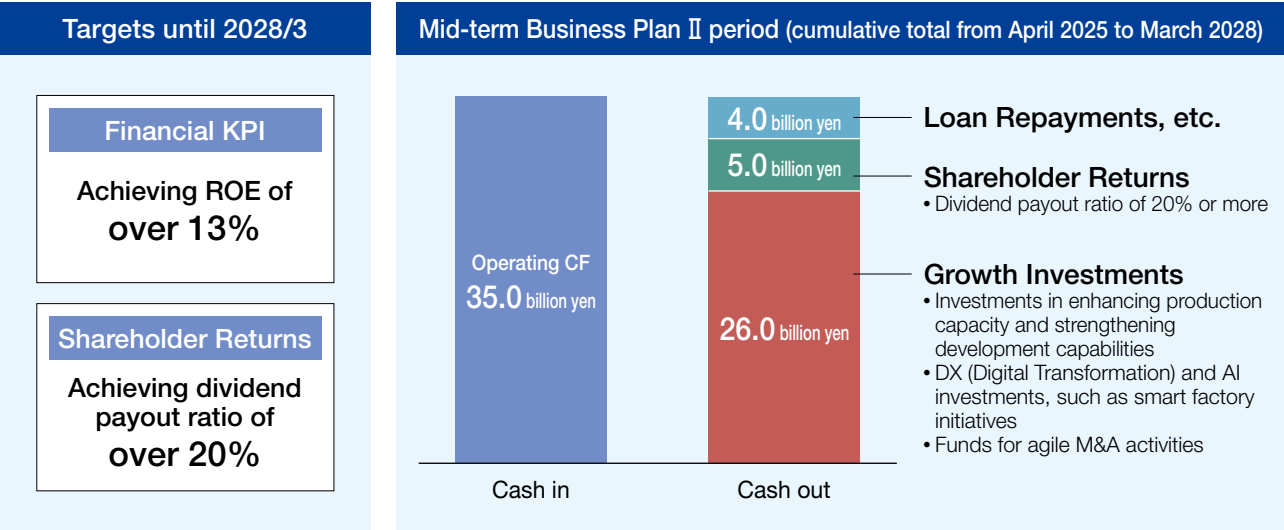
Financial Strategy / Cash Allocation

The TOWA Group has so far set numerical targets for net sales and operating profit. Now, to raise awareness of more efficient management, we have set a new target for ROE. During the period set for the ongoing Mid-term Business Plan, we aim to achieve 13% or more.

Regarding shareholder returns, there is no change in our policy of delivering stable dividends, as we will continue to invest to fulfill our long-term vision, but we have set a new target for the dividend payout ratio, 20% or more, for the ongoing Mid-term Business Plan period.

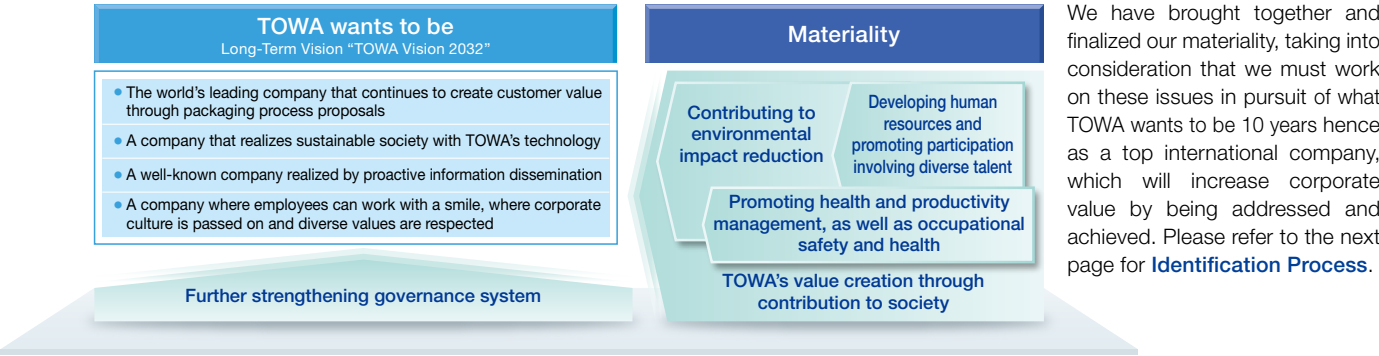
Going forward, we will also disclose cash allocation. A significant portion of operating cash flow will be allocated to growth investments to reach our target of 100 billion yen in net sales by 2032.

- A significant portion of operating cash flow is allocated to growth investments.
  - Meanwhile, with a focus on improving capital efficiency, new “financial KPIs” and “shareholder return targets” were established.



Sustainability Strategy / Materiality (material issues)

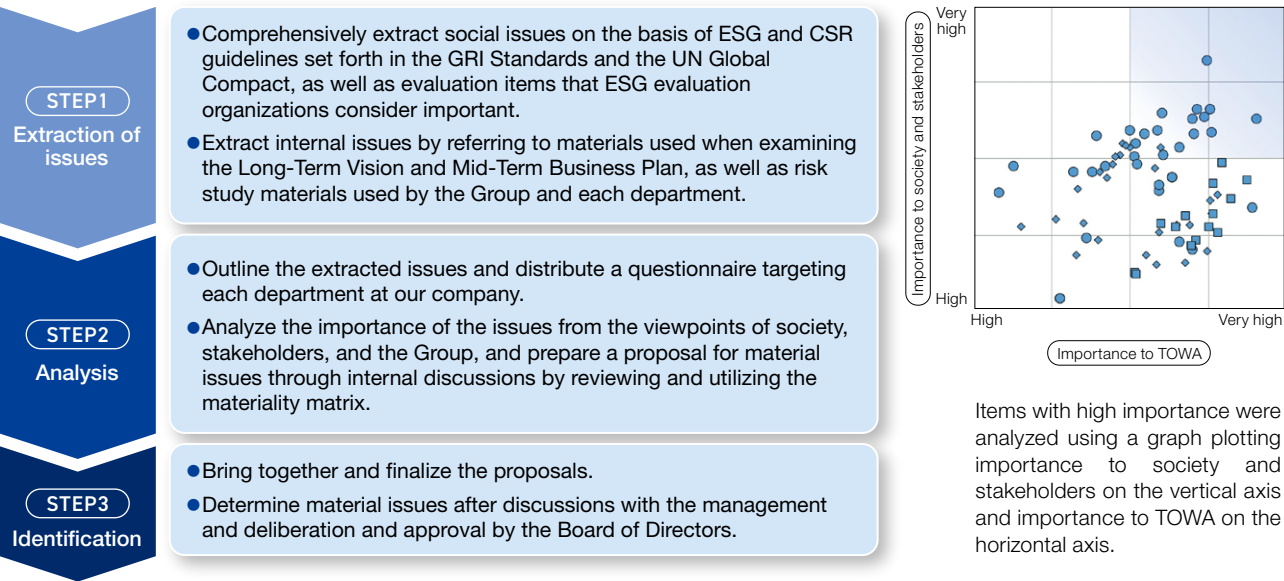
We have identified our materiality (material issues). This refers to issues to be addressed toward what TOWA wants to be 10 years hence, as clarified in our long-term vision TOWA Vision 2032. By continuing to deal with these issues through the period of the current Mid-term Plan, we will improve sustainability in society through the provision of value, while at the same time increasing the long-term and sustainable earning power of the Group and encouraging further value creation.



Materiality for the TOWA Group

| Materiality                                                                             | Initiatives                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | Related SDGs                                                                                                                                                                                                                                                                |
|-----------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| TOWA's value creation through contribution to society                                   | <ul style="list-style-type: none"><li>• As stated in our management policy, we intend to respond to the needs of our customers and the industry at large by boldly taking on the challenge of developing innovative technologies and novel products, producing results, and contributing to the development of global industry through our “quarter-lead” attitude. Under this policy, we aim to become a world-leading company that continues to create value, as we strive to enhance customer trust and satisfaction.</li><li>• We will contribute to the realization of a sustainable society by utilizing technologies based on TOWA's core competence and by taking initiatives with our eyes set on social issues.</li><li>• We will actively disseminate information about our initiatives to increase our name recognition.</li></ul>                                                     | <div><div>9</div><div>INDUSTRIAL INNOVATION AND INFRASTRUCTURE</div></div> <div><div>12</div><div>RESPONSIBLE CONSUMPTION AND PRODUCTION</div></div> <div><div>13</div><div>CLIMATE ACTION</div></div> <div><div>17</div><div>PARTNERSHIPS FOR THE GOALS</div></div>        |
| Contributing to environmental impact reduction                                          | <ul style="list-style-type: none"><li>• We will work to reduce CO<sub>2</sub> emissions in our business operations and promote the introduction of renewable energy sources, aiming to achieve carbon neutrality throughout the Group.</li><li>• We will move ahead with eco-friendly development for our own products, and provide eco-friendly products and services to contribute to our customers’ decarbonization and environmental measures. We will also pursue a circular economy (economic activities that reduce waste generation and recycle products while maintaining high value) through our modification business, sales of used equipment, and TSS (Total Solution Service).</li><li>• We will promote environmental preservation efforts through our environmental management system, reduce waste, and strictly control environmentally hazardous chemical substances.</li></ul> | <div><div>7</div><div>ENERGY AFFORDABLE AND CLEAN ENERGY</div></div> <div><div>9</div><div>INDUSTRIAL INNOVATION AND INFRASTRUCTURE</div></div> <div><div>12</div><div>RESPONSIBLE CONSUMPTION AND PRODUCTION</div></div> <div><div>13</div><div>CLIMATE ACTION</div></div> |
| Promoting health and productivity management, as well as occupational safety and health | <ul style="list-style-type: none"><li>• We will put into practice our belief: “when employees are healthy and full of energy, both physically and mentally, the company’s business will flourish.” By maintaining and promoting health; improving the work environment and occupational safety; and enhancing employee engagement we will create an environment in which our employees can work with joy and satisfaction.</li><li>• We will promote workstyle reforms by improving operational efficiency through DX.</li></ul>                                                                                                                                                                                                                                                                                                                                                                   | <div><div>3</div><div>GOOD HEALTH AND WELL-BEING</div></div> <div><div>4</div><div>QUALITY EDUCATION</div></div> <div><div>8</div><div>ECONOMIC GROWTH AND ECONOMIC OPPORTUNITIES</div></div>                                                                               |
| Developing human resources and promoting participation involving diverse talent         | <ul style="list-style-type: none"><li>• We will develop global human resources who will lead the next generation with diverse and ambitious mindsets and who can respond to changing environments (risk).</li><li>• We will respect diversity and create an environment in which diverse human resources can play a more active role.</li><li>• We will pass on TOWA's core competence technologies and corporate culture, which have been cultivated since its founding.</li></ul>                                                                                                                                                                                                                                                                                                                                                                                                                | <div><div>4</div><div>QUALITY EDUCATION</div></div> <div><div>5</div><div>GENDER EQUALITY</div></div> <div><div>8</div><div>ECONOMIC GROWTH AND ECONOMIC OPPORTUNITIES</div></div> <div><div>10</div><div>REDUCED INEQUALITIES</div></div>                                  |
| Further strengthening governance system                                                 | <ul style="list-style-type: none"><li>• We will proceed with corporate governance and compliance initiatives to strengthen our governance structure.<ul style="list-style-type: none"><li>• Strengthening of risk management</li><li>• Strengthening of BCP system</li><li>• Strengthening of intellectual property strategy</li><li>• Strengthening of information security</li></ul></li><li>• Initiatives for personal information protection</li></ul>                                                                                                                                                                                                                                                                                                                                                                                                                                         | <div><div>5</div><div>GOOD GOVERNANCE</div></div> <div><div>8</div><div>ECONOMIC GROWTH AND ECONOMIC OPPORTUNITIES</div></div> <div><div>10</div><div>REDUCED INEQUALITIES</div></div> <div><div>16</div><div>PEACE, JUSTICE AND STRONG INSTITUTIONS</div></div>            |

Identification process



Special Feature

Strategic Technologies

Contributing to the Evolution of Semiconductor Packaging

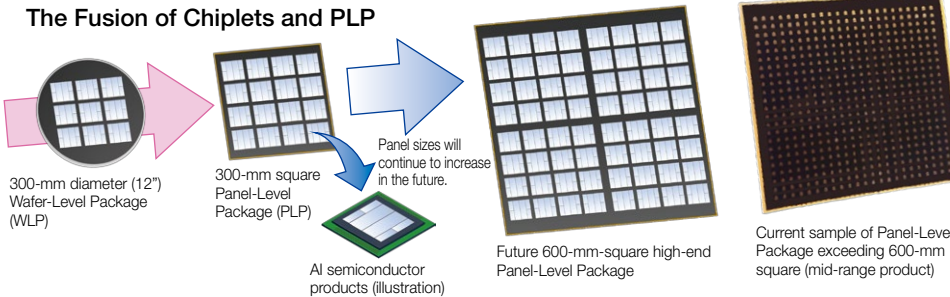
From Mid-range/Low-end to High-end:  
Packaging Technology That Enhances the Productivity of Today's Increasingly Large AI Semiconductors

As the evolution of AI and the digitization of society continue to accelerate, demand has grown for semiconductor products offering higher performance. In particular, GPUs that support generative AI are incorporating chiplet technology, which integrates heterogeneous chips, leading to higher density and larger sizes. At the same time, in the smartphone and wearable device markets, efforts to reduce costs through miniaturization, weight reduction, and improved production efficiency are becoming important factors. Panel-Level Packaging (PLP) is now drawing attention as a technology that meets these needs, and we expect it to be adopted as a key technology for the future of semiconductor fabrication.

We are proud to have served as an industry pioneer in developing panel-level packaging technology that has resulted in the emergence of innovative equipment that supports the packaging of large panels.

Panel-Level Packaging (PLP): The key to the widespread adoption of advanced semiconductors

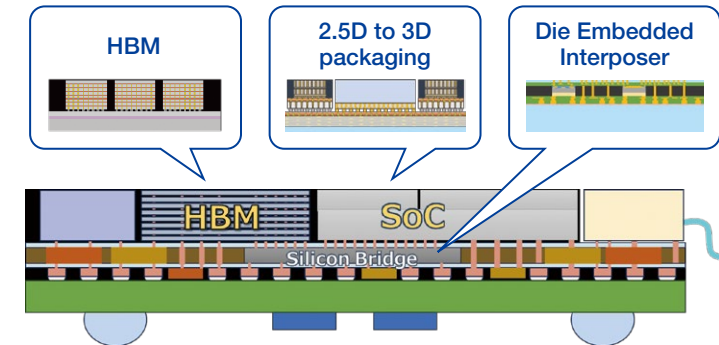
PLP has been accepted as a conventional technology that accommodates the increasing size of substrates while reducing costs and improving production efficiency for mid-range to low-end semiconductor products. More recently, however, this technology has been extended to the production of advanced AI semiconductors, which are becoming larger and feature more densely packed chips. The conventional approach of using round silicon wafers as carrier substrates poses the challenge of excessive waste arising from the arrangement of increasingly large square interposers (intermediate substrates). By accommodating square carrier substrates, however, PLP contributes to more efficient placement and improved productivity.



Our Contribution to Cutting-Edge Trends and Future Evolution in PLP

Increasingly, advanced packaging now requires multiple molding steps rather than a single-step operation. In the production process for high bandwidth memory (HBM), which stacks the DRAM chips essential to generative AI, the compression molding process is performed. Furthermore, the process of assembling system-on-a-chip (SoC) products and other such logic chips requires a second molding step employing advanced vacuum compression molding compatible with the wafer-level package (WLP) size. The chips are then individually singulated after top-side grinding to expose them as needed. We offer singulation equipment that handles this dicing process. To complete the chiplet packages, the next step is substrate mounting and final molding. For this step, we suggest the use of exposed molding on the substrate using transfer molding.

As the transition progresses from the currently mainstream WLP to PLP, various types of molding processes — to accommodate advances in redistribution layers (RDLs), for example — will be increasingly required. To address these changes, we offer solutions that address the entire process flow, rather than just the individual processes. Our objective is to provide comprehensive support focused on these advanced packaging processes.



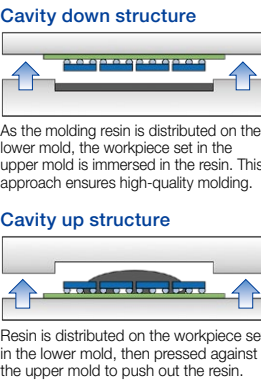
Our Technologies That Meet the Challenges of Large-Format PLP Molding

The larger panel size in semiconductor packaging process presents many technically challenging issues. We are addressing these challenges with a variety of technologies focused on our unique compression molding technology, which is designed for high-quality packaging of large panels.

Our unique compression molding employing the “cavity down” structure

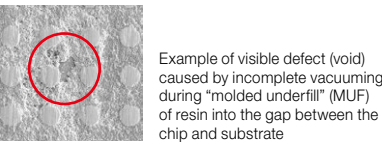
Our proprietary “cavity down” structure offers several advantages, as it allows the molding resin and panel to be handled separately. With the cavity down structure, the molding resin is evenly distributed on the lower mold, preventing voids and incomplete filling. In contrast, the “cavity up” structure distributes the resin directly over the workpiece (such as a substrate with a chip mounted), which can easily trap air in gaps between the balls and other areas, potentially leading to voids and incomplete filling. As well, this process causes the molding resin to be pushed out during clamping, which can lead to chip misalignment and flow marks.

Furthermore, the cavity down structure ensures uniform thermal conductivity for the workpiece and molding resin. The workpiece to be molded comprises a variety of components and materials, including semiconductor chips, package substrates, and molding resin, each with its own unique thermal expansion coefficient. Therefore, with the cavity up structure, the molding resin, whose temperature is low immediately after being fed, can contribute to warpage and other problems. The cavity down structure, meanwhile, allows for preheating of the workpiece, further reducing warpage and residual stress.



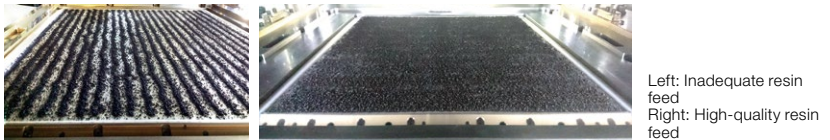
Vacuum Technology

The interiors of the molds used to package large workpieces can be quite large. High product quality is ensured by thoroughly evacuating the air from the narrow gaps between the numerous chips and components mounted on the substrate.



Resin Feed

Even with compression molding, improper resin feed can cause chip misalignment due to resin flow and voids caused by residual air. Furthermore, ensuring consistent molding thickness requires mold and press precision as well as an appropriate feed of resin to large-area molds. We utilize our wide-ranging expertise to ensure consistent quality while also increasing productivity through improved cycle times.



Other Proprietary Technologies

Our large proprietary presses ensure a high level of precision even for large-area molds while accommodating a wide range of clamping forces. We can meet a variety of customer needs with options that include compatibility with Class 100 clean rooms, molding thickness measurement, and visual inspection.

Introducing TOWA Products

Our Model CPM1180 compression molding equipment meets industry demand with the capability of packaging ultra-large panels up to 660 × 620 mm. Additionally, our Model CPM1080 compression molding equipment supports advanced packaging innovations such as HBM, 2.5D/3D, chiplets, FOWLP, and PLP.

| Model CPM1180     | Fully automatic ultra-large panel packaging machine designed to accommodate future industry needs | Model CPM1080-HP  | A compression molding machine offering high precision and productivity for WLP and PLP molding processes |
|-------------------|---------------------------------------------------------------------------------------------------|-------------------|----------------------------------------------------------------------------------------------------------|
|                   | Maximum panel size 660 × 620 mm                                                                   |                   | 12" (φ300 mm)<br>320 mm sq.                                                                              |
| Target devices    | Meets a wide range of needs from mid-range to high-end.                                           | Target devices    | Accommodates HBM/2.5D/3D/Chiplets/FOWLP/PLP and other advanced packages.                                 |
| Ultra-large PLP   | Unique press structure achieves high precision even with large plates.                            | High quality      | Advanced vacuum technology ensures consistent molding thickness.                                         |
| High productivity | Our proprietary resin feeding method contributes to high productivity.                            | High productivity | Meets customer needs with a variety of options, including the capacity to dock up to four presses.       |

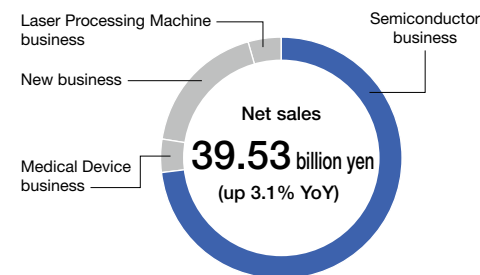


## Semiconductor business

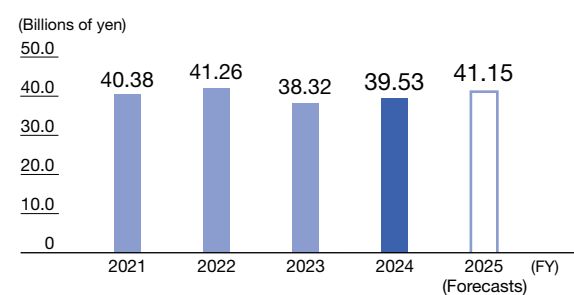
As consistent technological innovation is essential in the semiconductor industry, we are committed to providing cutting-edge technology to customers worldwide, evolving as a leading molding equipment manufacturer.



### Net sales breakdown



### Net sales



## Business Summary

The Semiconductor business, the core of our business portfolio, focuses on development and manufacturing of molding equipment (resin molding equipment), singulation equipment and ultra-precision molds.

Molding technology, where semiconductor chips are protected from external factors (dust, moisture, shock, etc.) by resin molding, is key to improving the reliability of semiconductors.

To this end, we manufacture two types of equipment: transfer molding equipment, in which thermosetting resin is supplied around the chip through a gate (supply port) and then hardened, and compression molding equipment, in which thermosetting resin supplied in granule form is preheated and melted on a mold, immersing semiconductor chips in the resin and then hardening the resin.

Compression molding equipment, designed to mold semiconductors in advanced products for memory and 5G devices, meets the diversified needs of the future market.

Singulation equipment, designed to singulate molded products, includes proprietary equipment for cutting and storing products molded by transfer/compression methods.

Our line of ultra-precision molds for resin molding are highly evaluated by customers worldwide, and originate from a module system developed at the time of our founding.



Compression molding equipment  
Model **PMC2030-D**

## Business Conditions in Fiscal 2024

Semiconductor business sales increased to 39,532 million yen (up 1,207 million yen, or 3.1% year-on-year). Contributing factors include robust investments in China and other parts of Asia, as well as higher sales of precision molds for semiconductor manufacturing, driven by increased equipment deliveries and improved customer utilization ratios.

### The competitive edge of our semiconductor equipment business

Ever since we pioneered the development of fully automated semiconductor resin molding equipment with multi-plungers and established the industry standard, we have been a leading company in the semiconductor molding market. We also place a premium on in-house manufacturing, with a system in place to meet a variety of customer needs.

To conduct prototype evaluations and joint development with customers, our laboratories worldwide use compression molding equipment optimized for manufacturing high-speed HBM for AI applications, transfer molding equipment designed for back-end process technology in advanced semiconductors such as chiplets and 3D packaging. In addition, as we are located in the same geographic region as our customers, we respond to customer demands, including meeting cutting-edge needs, through a more efficient system that can provide products promptly.



Transfer molding equipment ideal for  
manufacturing of 2.5D/3D/chiplet products  
Model **YPM1250-EPQ**

## Business Strategies

Responding to customer needs through process innovation

Becoming the global cost leader through utilization of DX and AI

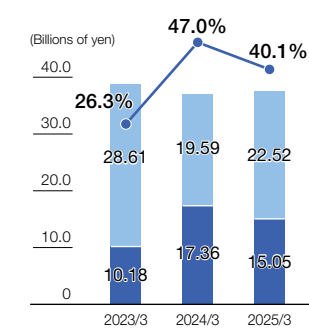
Delivering unique products to the world through a global development system

Toward Securing Revenue

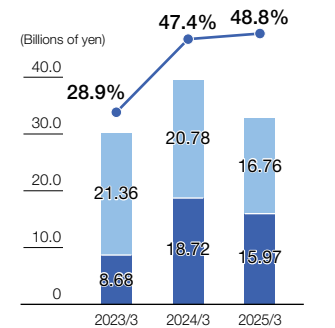
- Increase compression ratio.
- Improve the gross profit margin of the semiconductor business by increasing the ratio of high-value-added products and utilizing AI and DX.

### Compression ratios

#### Net sales



#### Amount of orders received



\* Including equipment and molds

### Net sales and orders received for equipment and molds

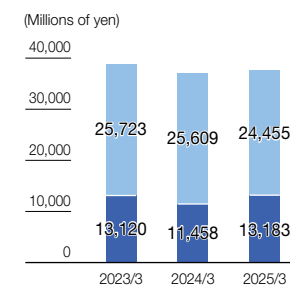
Precision molds for semiconductor manufacturing



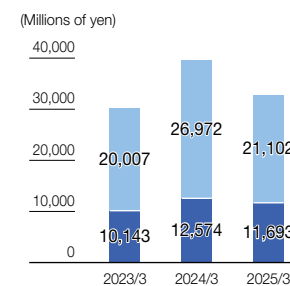
Molding equipment

Singulation equipment

#### Net sales

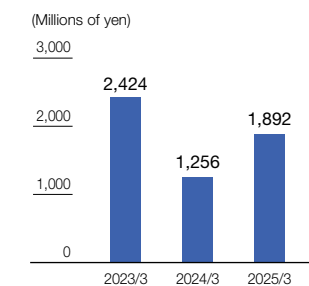


#### Amount of orders received

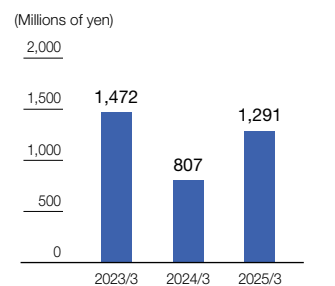


■ Precision molds for semiconductor manufacturing ■ Molding equipment

#### Net sales



#### Amount of orders received



■ Singulation equipment

## Topics

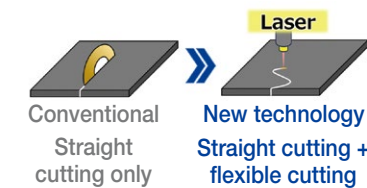
### Subsidiary establishment in India

While we have been serving the Indian market through a sales subsidiary in Singapore, we established a new sales subsidiary in Gurugram in April 2025 to respond to growing semiconductor investments in India. We are accordingly committed to strengthening customer trust and reinforcing our business foundations in the country. Looking ahead, we are further extending our reach into the South Asian market, marking significant contributions to realizing the TOWA Vision 2032.



### Laser singulation process development

We developed a new laser singulation process that expands semiconductor applications and enhances production efficiency, and in March 2025 released equipment incorporating this process. It enables unprecedented high-speed, non-contact processing, substantially improves production efficiency, and supports the precise cutting of complex, curved shapes. Additionally, its dry laser cutting eliminates the use of water in singulation process, contributing to a significant reduction in water consumption at customer plants.



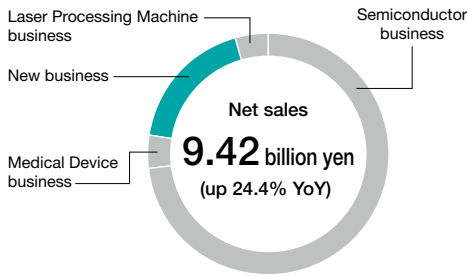
Laser singulation equipment  
Model **LSG1040**

## New business

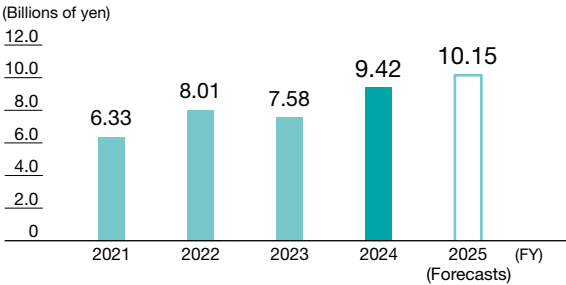
We are developing new markets and creating new businesses by leveraging our core technologies.



### Net sales breakdown



### Net sales



## Business Summary

We are developing New business and creating new values in the market by leveraging our accumulated mold manufacturing technology for semiconductors.

### ● TSS Business (Total Solution Service)

We offer total solutions, ranging from after-sales service for and modification/repair of our semiconductor manufacturing equipment to sales of used equipment.

### ● Tooling Business

We manufacture and sell proprietary tools, the manifestation of our expertise in mold manufacturing.

### ● Contract Business

Our contract processing business provides coating processing based on TOWA's proprietary mold surface treatment technology, and ultra-precision/fine process and EF (ultra-precision electroforming) process technologies we have cultivated in ultra-precision mold manufacturing, all of which can be applied or integrated into medical devices, optical components, household articles, etc.



Carbide end mill series featuring proprietary coating technology, providing extended service life across a range of workpieces

## Business Strategies

Expanding the business through high-value-added products leveraging core competencies

Becoming as a major brand in the tool manufacturing industry

Generating new revenue through a subscription-based business model

Achieving sustainability through a renewal business model

Toward  
Securing  
Revenue

- Expansion of sales and improvement of profit margins through increasing the number of delivered equipment units and promoting the renewal business.
- Positioning the tool business as a new pillar.

## Business Conditions in Fiscal 2024

New business sales remained strong, particularly parts, components, and consumables for semiconductor manufacturing equipment, driven by increased equipment deliveries and improved customer utilization ratios. As a result, the TSS (Total Solution Service) business grew significantly with net sales of 9,426 million yen (up 1,847 million yen, or 24.4% year-on-year).

### The strength of our New business

The strength of our New business lies in our human resources specializing in ultra-precision mold manufacturing, with each member possessing professional expertise and capabilities. We are developing and upgrading an environment and facilities required for coating, nanomanufacturing, and tooling technologies, which are expected to find their way into wide-ranging strategies, given their diversified applications.

Our proprietary cutting tools provide solutions to customers according to the nature of workpieces and cutting processes they use. Our coating technology developed in-house, for example, is improved with new properties such as anti-reflection and super water-repellency for applications other than molds. Our contract processing business continues to help various customers find solutions by leveraging TOWA's core technologies.



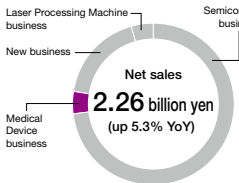
Facilities and an environment enabling nano-processing, one of our strengths (fine process facilities)

## Medical Device business

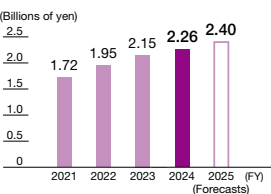
We contribute to a better future with fine plastics, which are used in medicine and a variety of other industries.



### Net sales breakdown



### Net sales



## Business Summary

The Medical Device business involves molding of fine plastics for use in medical devices, telecommunication equipment, information appliances, optical devices, etc., with focus on injection molding and assembly of medical device parts and components. Specifically, BANDICK Corporation, a group company established in 1983, manufactures and assembles fine plastic products in cleanrooms to ensure their reliability and quality.

## Business Conditions in Fiscal 2024

Medical Device business recorded net sales of 2,263 million yen (up 113 million yen, or 5.3% year-on-year) and operating profit of 453 million yen (down 4 million yen, or 1.1% year-on-year) due to robust demand for molded products and assemblies for medical devices.



Fine plastic products are all manufactured in cleanrooms, with more than 40 electric injection molding machines in place.

## Business Strategies

Utilizing advanced molding technology for the creation of sophisticated medical devices

Achieving a high-profit structure through integrated production

Creating value-creating business through the refinement of skills

Toward  
Securing  
Revenue

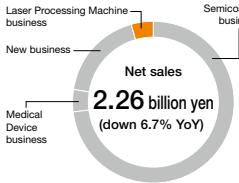
- Focusing on "molding technology" and "assembly technology" to expand sales of high-value-added products and increase profits.

## Laser Processing Machine business

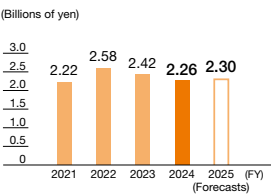
We seek to create new markets, with laser processing technology integrated into back-end process technology.



### Net sales breakdown



### Net sales



## Business Summary

TOWA LASERFRONT manufactures laser trimmers, wafer markers, and laser welders. We aim to create new markets, with laser processing technology integrated into semiconductor manufacturing.

Wafer marker for laser marking on wafers with product names, lot numbers, and other control numbers



## Business Conditions in Fiscal 2024

Laser Processing Machine business recorded net sales of 2,256 million yen (down 160 million yen, or 6.7% year-on-year) and operating profit of 73 million yen (down 31 million yen, or 30.1% year-on-year), as customer utilization ratios remained low, leading to lower sales in the main application (laser trimmers), and labor costs rose due to workforce expansion to support business growth and strengthen development systems.

## Business Strategies

Securing stable revenue and expand business with competitive products

In-house production of oscillation units and transition to subscription business

Making an impact on semiconductor processes with laser technology

Toward  
Securing  
Revenue

- Increase profit margins through the sale of competitive products and reduction of production costs.
- Develop processes and products applicable to semiconductor processes.

# Sustainability of the TOWA Group

## Our Basic Policy for Sustainability

To enhance our corporate value and realize sustainable society, we (TOWA Group) contribute to the development of industries through our management philosophy “Quarter Lead” and our Corporate Mission, Code of Conduct and Environmental Policy, and we also build firm relationships of trust with all of our stakeholders including customers, shareholders, investors, suppliers, employees and their families, and communities.

## TOWA’s Response to the SDGs

TOWA shall focus on the following seven goals of the 17 Sustainable Development Goals identified by the United Nations, particularly those with relevance to our business.



| TOWA's<br>Materiality                                                                                                      | Specific initiatives                                                                                |                                                        | Relevant SDGs | Relationship<br>with ESG |
|----------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------|--------------------------------------------------------|---------------|--------------------------|
|                                                                                                                            | Activities                                                                                          | Descriptions                                           |               |                          |
| TOWA's value<br>creation through<br>contribution to<br>society<br><br>Contributing to<br>environmental<br>impact reduction | Development,<br>manufacture and<br>sale of products<br>incorporating<br>proprietary<br>technologies | Development of<br>resin-efficient<br>equipment         | <br><br><br>  | <br>                     |
|                                                                                                                            |                                                                                                     | ZERO DEFECT<br>initiative                              |               |                          |
|                                                                                                                            |                                                                                                     | Customer<br>experience<br>initiative                   |               |                          |
|                                                                                                                            | Contributing to<br>human health and<br>a healthy<br>environment                                     | Global<br>environmental<br>conservation<br>initiatives | <br><br><br>  |                          |

| TOWA's<br>Materiality                                                                                                      | Specific initiatives                                                                              |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | Relevant SDGs | Relationship<br>with ESG |
|----------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------|--------------------------|
|                                                                                                                            | Activities                                                                                        | Descriptions                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |               |                          |
| TOWA's value<br>creation through<br>contribution to<br>society<br><br>Contributing to<br>environmental<br>impact reduction | Used<br>equipment<br>sales                                                                        | TOWATEC Co., Ltd. purchases semiconductor manufacturing equipment that has completed its intended role at the customer's site, and then refurbishes and sells the equipment to the next customer with support in an integrated manner. TOWATEC responds to customer needs and contributes to the effective use of resources.                                                                                                                                                                                                                                                                                                                        | <br><br><br>  | <br>                     |
|                                                                                                                            | Good health<br>and well-being                                                                     | <ul style="list-style-type: none"> <li>BANDICK Corporation manufactures <b>plastic molded products for medical devices</b> and specially regulated medical devices approved by Japan's Ministry of Health, Labour and Welfare.</li> <li>Support is provided to muscular dystrophy patients and juvenile facilities through the “3-9 Yano Fund,” established by Akihiro Yano, the ex-manager of the Hanshin Tigers baseball club.</li> <li>Employees participate in a <b>blood donation program</b>.</li> </ul>                                                                                                                                      | <br><br><br>  |                          |
| Promoting<br>health and<br>productivity<br>management,<br>as well as<br>occupational<br>safety and<br>health               | Health and<br>productivity<br>management                                                          | <ul style="list-style-type: none"> <li>“<b>TOWA Health Declaration</b>,” represented by the motto “when people are healthy, full of energy, both physically and mentally, and the company's business will flourish,” is in place to maintain and improve the health of all employees.</li> <li><b>TOWA Club activities and company events</b> are held to encourage communication among employees and help them improve their health, knowledge, and engagement in hobbies, as well as season mind and body.</li> <li><b>Stress check programs</b> have been in place since December 1, 2015, for all workplaces with over 50 employees.</li> </ul> | <br>          |                          |
|                                                                                                                            | Human resource<br>management                                                                      | <ul style="list-style-type: none"> <li>“<b>TOWA Work Style Reform Policy</b>” was adopted on April 1, 2020, where a premium is placed on each employee's health and career satisfaction, one of our key business challenges.</li> <li>Programs are in place to <b>help employees return to work after maternity and childcare leave</b>.</li> <li>Employees are encouraged to achieve a <b>work-life balance</b>, with a “creative holiday” system in place to help employees take paid leave.</li> </ul>                                                                                                                                           | <br><br><br>  |                          |
|                                                                                                                            | Developing<br>human<br>resources and<br>promoting<br>participation<br>involving<br>diverse talent | <b>  Personal development, qualification acquisition, and award systems  </b> <ul style="list-style-type: none"> <li>All employees are encouraged to take correspondence courses twice a year for personal development purposes.</li> <li>Employees are encouraged to take the TOEIC and HSK exams, with all expenses covered by the company once a year.</li> <li>The “Challenge Award” and the “Global TOWA Award” are in place in addition to awards provided to employees according to their length of service and contributions to the company.</li> </ul>                                                                                     | <br><br><br>  |                          |
| Further<br>strengthening<br>governance<br>system                                                                           | Regulatory<br>compliance                                                                          | <ul style="list-style-type: none"> <li>Employees are trained and educated on compliance issues, export management, harassment, and environmental awareness in addition to participating in <b>in-house training programs</b>.</li> <li>A <b>whistleblowing system</b> is in place, with dedicated mail addresses (one of which is exclusively for female employees) provided for survey by an investigation committee.</li> <li>The “Human Rights Policy” and the “Anti-corruption Policy” are in place to ensure appropriate business activities.</li> </ul>                                                                                       | <br><br><br>  |                          |
|                                                                                                                            | Corporate<br>governance                                                                           | Our management is in line with the Corporate Governance Code, with other companies' conditions considered in addition to policies of proxy-advisory firms, to opt for a more practical governance system.                                                                                                                                                                                                                                                                                                                                                                                                                                           | <br>          |                          |
|                                                                                                                            | Risk<br>management                                                                                | We have established a Risk Management Committee, chaired by the president, as the company's highest risk management body. Its purpose is to undertake, on a regular basis, the identification and evaluation of risks that should be addressed.                                                                                                                                                                                                                                                                                                                                                                                                     | <br><br>      |                          |

# Environmental Initiatives of the TOWA Group

## Fundamental Policy

At TOWA Group, to contribute to the achievement of a sustainable, recycling-oriented society, we have established the Environment Management System at each plant and office and make effort to minimize the environmental impact of our business activities.

We also strive to improve the environmental performance of our products by designing and developing them with a focus on the reduction of the environmental impact as the primary goal.

## Environmental Policy

TOWA Corporation recognizes that protection of the global environment is an important issue shared by the entire human race. Through all of our business activities, we provide the market with “new products, new merchandise and services” by means of environmentally friendly technological development and contribute to reducing the global environmental impact.

1. Fully understanding the global environmental aspects of our business activities, products and services, we will make every effort to prevent global environmental pollution and counter global warming.
2. We will comply with environmental laws and regulations related to our business activities, products and services.
3. We engage in the following as the key tasks for our business activities, products, and services:
  - (1) Promotion of green design taking into account life cycle, with low environmental impact.
  - (2) Promotion of green procurement encouraging the supply chain for low environmental impact.
  - (3) Reduction and control in the use of environmentally hazardous chemical substances
  - (4) Continuous efforts to save energy and resources in our business activities
4. To achieve this Environmental Policy, we set strategic targets, formulate specific steps for realizing them, set indexes for measuring the results quantitatively, and make efforts to ensure continuous improvements.

April 1, 2025

Muneo Miura

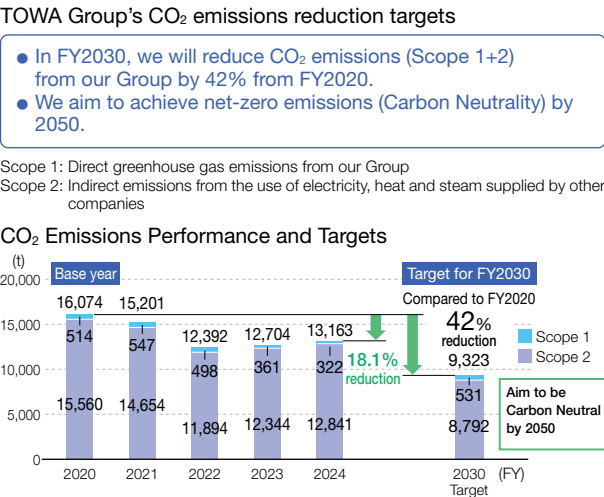
Director, President Executive Officer, TOWA Corporation

## Climate Change Measures — Initiatives for CO<sub>2</sub> Reduction

The TOWA Group has set a series of CO<sub>2</sub> emissions reduction targets to achieve carbon neutrality, emphasizing the reduction of greenhouse gas emissions, a key factor in climate change. Since fiscal 2021, we have accordingly been fully implementing climate change countermeasures, including the installation of solar panels at our production bases and switching to renewable energy plans provided by electric power companies.

The TOWA Group's CO<sub>2</sub> emissions (Scope 1 and 2 emissions) in fiscal 2024 rose slightly to 13,163 t (+459 t year-on-year), due to the completion of countermeasures originally planned in fiscal 2021 and an increase in net sales.

We are committed to further reducing CO<sub>2</sub> emissions by expanding the use of renewable energy and steadily implementing ongoing countermeasures.



## Information Disclosure in Line with TCFD Framework

The TOWA Group recognizes “climate change” as one of its key business challenges and announced its support for the TCFD\* recommendations in May 2022. Climate change-related governance, strategy, risk management, and metrics & targets are all disclosed according to the recommendations. For example, an environmental management promotion system is in place for governance purposes, while the Board of Directors reviews and determines basic climate change policies and performs risk management.

\*TCFD stands for “Task Force on Climate-related Financial Disclosures,” which recommends companies, etc. to disclose climate change-related information.

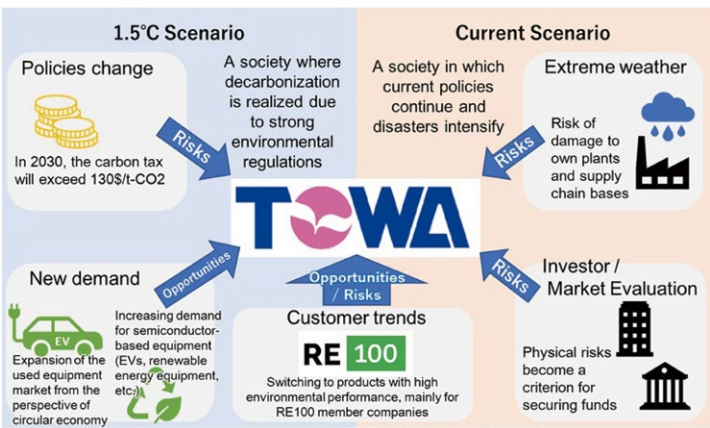
In setting up climate change strategies, moreover, potential risks and opportunities for our business are reviewed and summarized, with a focus on the entire supply chain, including semiconductor-related products. At the same time, qualitative/quantitative analyses of the 1.5°C scenario, etc. are performed to evaluate risks and opportunities involved. Scenario analyses will be periodically reviewed, taking into account future environmental changes.

Regarding risk management, the Risk Management Subcommittee, chaired by the president, periodically identifies and evaluates risks to be addressed.

In addition, metrics & targets are set to achieve one environmental target (CO<sub>2</sub> emissions reduction) while Scope 1 and 2 CO<sub>2</sub> emissions are quantified to disclose our environmental performance.

We are committed to minimizing climate change-related risks by strengthening governance, identifying risks and opportunities, and keeping track of financial impacts in line with the TCFD's framework while promoting information disclosure.

For details, please refer to the website: Disclosure in line with TCFD recommendations.



World view of each scenario drawn by TOWA

<https://www.towajapan.co.jp/en/company/environment/#TCFD>

### Overview of the set scenario

|                               | Set scenario                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
|-------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                               | 1.5°C scenario                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | Current scenario                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
| Forecast business environment | <p><b>Risks</b></p> <ul style="list-style-type: none"><li>● Toward the realization of a world of 1.5°C, the introduction of carbon tax is progressing all over the world, and in 2030, the carbon tax will exceed 130\$/t-CO<sub>2</sub> in developed countries.</li><li>● Customers' environmental awareness will increase, and energy saving and CO<sub>2</sub> saving of manufacturing equipment will be strictly required. However, the development of energy-saving technology will make great progress.</li></ul> <p><b>Opportunities</b></p> <ul style="list-style-type: none"><li>● Demand for semiconductor manufacturing equipment will expand significantly from the current level due to the growth in EV sales, the spread of renewable energy equipment, and the growing needs of customers to achieve international initiatives (RE100, SBT, etc.).</li><li>● With the spread of the concept of circular economy in addition to economic efficiency, the used market for manufacturing equipment will expand significantly from the current level.</li></ul> | <p><b>Risks</b></p> <ul style="list-style-type: none"><li>● As the frequency of severe disasters such as typhoons and floods grows, the risk of damage to our own plants and supply chain bases increases.</li></ul> <p><b>Opportunities</b></p> <ul style="list-style-type: none"><li>● With the growth of EV sales, the spread of renewable energy equipment, and the growing needs of customers to achieve international initiatives (RE100, SBT, etc.), the demand for semiconductor manufacturing equipment is increasing, but the growth will be slower than in the 1.5°C scenario.</li><li>● From an economic point of view, the used market for manufacturing equipment is expanding, but the growth will be slower than in the 1.5°C scenario.</li></ul> |
| Reference scenario            | <ul style="list-style-type: none"><li>● IEA: WEO2021 NZE and SDS</li><li>● IPCC Sixth Assessment Report / Working Group I Report: SSP1-1.9, SSP1-2.6</li></ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | <ul style="list-style-type: none"><li>● IEA: WEO2021 STEPS</li><li>● IPCC Sixth Assessment Report / Working Group I Report: SSP3-7.0, SSP5-8.5</li></ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |

# Environmental Initiatives of the TOWA Group

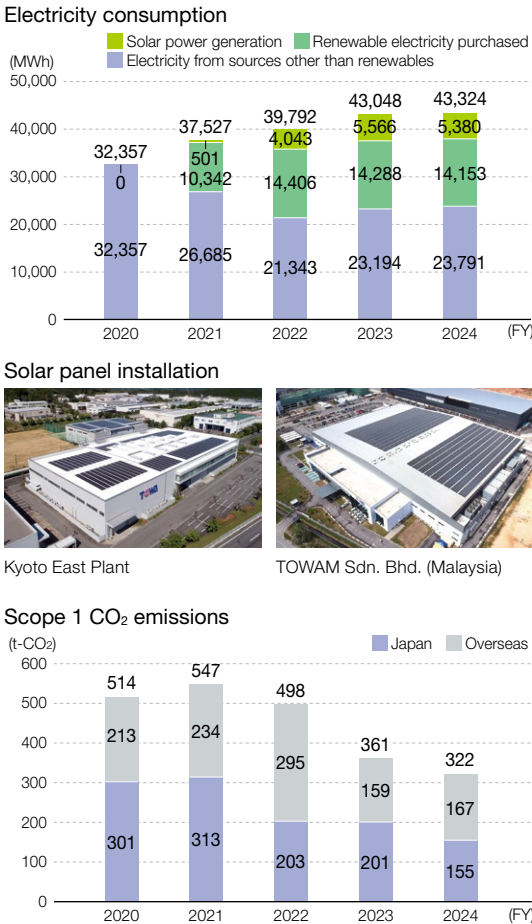
## Calculation of CO<sub>2</sub> Emissions and Measures for Reduction

### Scope 1 and 2 emission reduction measures

The TOWA Group is proactively switching to renewable energy for its electricity consumption. As an energy generation measure, for example, we have been installing solar panels since January 2022 to supply electricity to our plants. In fiscal 2024, electricity generation totaled 5,380 MWh, corresponding to a CO<sub>2</sub> emissions reduction of approximately 3,200 t. At the same time, since July 2021, our major plants in Japan (Headquarters/Factory, Kyoto East Plant, and Kyushu Work) have been switching to renewable electricity supplied by electric power companies. As a result, renewable electricity accounted for 45.1% (percentage of renewable energy) of our plants' total electricity consumption in fiscal 2024. The TOWA Group remains committed to further expanding its use of renewable energy.

Efforts are also underway to reduce Scope 1 CO<sub>2</sub> emissions resulting from fuel consumption. Recent key measures include switching from utility gas-powered air conditioning to highly efficient electric-powered systems (April 2022 at the Headquarters/Factory and October 2023 at TOWA Korea).

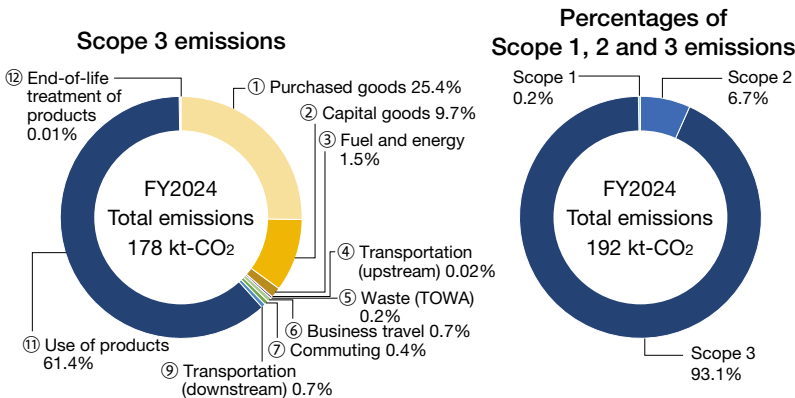
In addition, the fleet of company cars is switching to fuel-efficient hybrid and electric vehicles, with two electric vehicles introduced at the Headquarters/Factory in 2022. As a result, the Group's Scope 1 CO<sub>2</sub> emissions have decreased significantly since fiscal 2022. We will continue to reduce Scope 1 CO<sub>2</sub> emissions.



### Calculation of Scope 3 emissions

In addition to efforts to reduce Scope 1 and 2 emissions originating from the direct use of fuels and electricity, we started calculating our Group's Scope 3 emissions in fiscal 2022 to promote reduction efforts and cover all our corporate activities. Scope 3 emissions refer to those generated across the corporate value chain, from upstream activities (manufacture of purchased goods, employees' business travel, etc.) to downstream activities (transportation of sold products, customers' electricity consumption during product use, disposal of products, etc.).

Focusing on emissions from product use, a category that accounts for a substantial portion of total emissions, we will enhance calculation accuracy and further contribute to customers and society by improving product energy efficiency and reducing waste while taking into account the amount of avoided emissions.



### Scope 3 emissions in FY2024

| Category                                        | Actual amount of emissions (kt-CO <sub>2</sub> ) | Boundaries | Calculation methods                                                                                                                                                                                                                                  |
|-------------------------------------------------|--------------------------------------------------|------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Total Scope 3 emissions                         | 178.42                                           | —          | —                                                                                                                                                                                                                                                    |
| 1. Purchased goods and services                 | 45.38                                            | *1         | Calculated by multiplying the purchase amount by the emissions intensity.                                                                                                                                                                            |
| 2. Capital goods                                | 17.34                                            | *2         | Calculated by multiplying the capital investment by the emissions intensity of our industry sector.                                                                                                                                                  |
| 3. Fuel and energy related activities           | 2.66                                             | *1         | Calculated by multiplying the amount of energy purchased by the emissions intensity.                                                                                                                                                                 |
| 4. Transportation and distribution (upstream)   | 0.04                                             | *1         | Calculated for transportation of products within the country of production: transported weight × distance × emissions intensity. (However, transportation of purchased products and services was calculated in Category 1.)                          |
| 5. Waste generated in operations                | 0.34                                             | *1         | Calculated by multiplying the amount of waste by the emissions intensity by type, taking transportation into account.                                                                                                                                |
| 6. Business travel                              | 1.17                                             | *1         | Non-Consolidated: calculated by multiplying the amount of transportation expenses paid by the emissions intensity of each means of transportation.<br>Group companies: calculated by multiplying the number of employees by the emissions intensity. |
| 7. Employee commuting                           | 0.68                                             | *1         | Calculated by multiplying the number of employees and the number of business days by the emissions intensity for each city category.                                                                                                                 |
| 8. Leased assets (upstream)                     |                                                  |            | Calculated within Scope 1 and 2.                                                                                                                                                                                                                     |
| 9. Transportation and distribution (downstream) | 1.22                                             | *3         | Calculated for transportation of products excluding Category 4: transportation weight × distance × emissions intensity.                                                                                                                              |
| 11. Use of sold products                        | 109.57                                           | *3         | Calculated by estimating and setting annual power consumption and product life for each product type sold, and multiplying by the CO <sub>2</sub> emission factors.                                                                                  |
| 12. End-of-life treatment of sold products      | 0.02                                             | *3         | Calculated by multiplying the weight of products sold by the emissions intensity by waste type and treatment method.                                                                                                                                 |

\*10. Processing of sold products," \*13. Leased assets (downstream)," \*14. Franchises" and \*15. Investments" are excluded as they have no activities subject to emissions calculation.

\*1 Main production bases Japan: Headquarters/Factory, Kyoto East Plant, Kyushu Work, BANDICK Corporation, TOWA LASERFRONT Corporation  
Overseas: TOWA Korea Co., Ltd., TOWAM Sdn. Bhd., TOWA (Suzhou) Co., Ltd., TOWA (Nantong) Co., Ltd., TOWA FINE CO., LTD., TOWA TOOL SDN. BHD.

\*2 Consolidated

\*3 Products sold by the semiconductor and laser businesses

Access our website for the emission coefficients used and information on Scope 1 and 2 emissions.

<https://www.towajapan.co.jp/en/company/esgdata/>

### Activities and initiatives

#### Green procurement, design and purchasing

As part of our Environmental Management System (EMS), the Green Procurement Guidelines and the Green Design Regulations are established for material procurement, design, and manufacturing to comply with the RoHS Directive and reduce emissions of environmentally hazardous substances. In addition, our Environmental Policy and handling procedures along with the Green Procurement Guidelines are provided for material and parts suppliers and outsourcees deeply involved in environmental aspects in accordance with the significance of their environmental implications, i.e., environmental conservation efforts throughout the supply chain. We remain committed to designing and developing environmentally friendly products.

#### Utilizing sustainability-linked loans

We signed a sustainability-linked loan agreement with the Bank of Kyoto, Ltd. in 2022 to raise a fund of 1.2 billion yen with a loan term of five years, intended for investment in growth strategies set out in "TOWA Vision 2032." In fiscal 2024, we also achieved sustainability performance targets (SPTs) and acquired the incentives provided.

#### Plant air conditioning renovation at the headquarters/factory

The headquarters/factory switched from utility gas-powered air conditioning to electric-powered systems in April 2022 and utilized electric power companies' renewable energy plans to reduce CO<sub>2</sub> emissions from utility gas use. Additionally, in fiscal 2024, 82 aging packaged air-conditioning units, including 17 outdoor units, at factories, meeting rooms, and other facilities were replaced with energy-efficient models, which is expected to save electricity consumption by approximately 30%. Switching from conventional water-cooled systems to air-cooled systems is also expected to reduce water consumption by approximately 700–800 t. Since these air-conditioning systems had used R22 (HCFC) refrigerant containing ozone-depleting substances, we delivered it to a registered recovery operator for proper disposal in accordance with relevant laws and regulations. We are committed to improving the energy efficiency of each individual unit.



# Social Initiatives of the TOWA Group

## Fundamental Policy

We promote work styles that respect diverse personalities, not only to improve quality and safety and security in manufacturing and product development, but also to pursue the health and happiness of all employees and their families. In addition, we will fulfill our social responsibility to improve the safety, health, and vitality of the community based on the SDGs concept.

## Human Capital Initiatives

We regard our employees as our most valuable asset, and are trying to develop human resources and promote health and productivity management. Above all, we place the highest priority on the health and job satisfaction of all employees. We are striving to enhance our corporate value over the medium to long term by setting the basic policy on human resource development, including ensuring diversity of human resources, and the policy on creating an internal environment.

### Basic Policy on Human Resource Development

TOWA believes that the source of corporate development is to pass on to the next generation a corporate culture of “bringing about innovation” through “continuous challenge” actions. TOWA believes that the support for a variety of challenges of each employee will lead to corporate growth, foster a culture in which employees learn by themselves, and achieve an organization capable of autonomous growth.

In this way, TOWA aims to produce “talent” to inherit the founder ideology, to keep challenging themselves, and to try to bring about innovation.

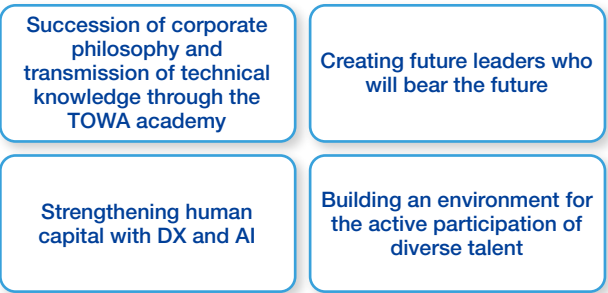
### Internal Environmental Policy

TOWA is committed to maintaining and improving the health of all employees and creating a workplace environment that is full of smiles, based on the belief that when people are healthy, full of energy, both physically and mentally, and the company’s business will flourish.

TOWA also believes that creating an environment, in which TOWA employees can work in good mental and physical health, will bring wellbeing and happiness to them and their families, and brighter society.

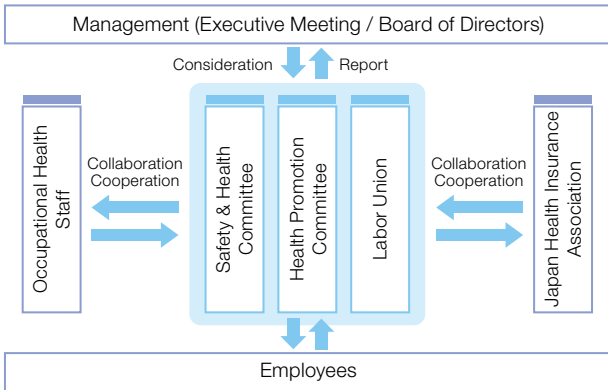
### Strategies for Human Resource Development

Our Mid-term Business Plan II focuses on human resource initiatives under the theme of “Enabling the Next Generation of Leadership with TOWA-ism.” We recognize that the source of our competitiveness is our human resources and strive to invest more proactively in human resources to remain the industry-leading company over the next 10 years, 20 years, and beyond.



### Health and Productivity Management Promotion Organization

Based on discussions at management meetings and Board of Directors meetings, our company is working to maintain and promote the health of its employees, with the Health Promotion Committee playing a central role, in cooperation with occupational health staff, the Safety & Health Committee, the labor union, and other organizations.



### Basic Policy Indicators and Targets

We have set the following indicators and targets for promoting human capital initiatives.

| Indicators                                             | Targets    | Results<br>(current consolidated fiscal year) |
|--------------------------------------------------------|------------|-----------------------------------------------|
| Percentage of mid-career hires in management positions | 35.0%*6    | 36.0%                                         |
| Percentage of non-Japanese managers                    | 10.0%*6    | 4.5%                                          |
| Percentage of female managers                          | 10.0%*6    | 3.4%                                          |
| Presenteeism loss percentage*1                         | 22.8%*7    | 25.0%                                         |
| Absenteeism*2                                          | 2.1 days*7 | 3.3 days                                      |
| Work engagement*3                                      | 2.52*7     | 2.49                                          |
| Lively scale*4                                         | 110*7      | 105                                           |
| Overall health risk*5                                  | 85*7       | 91                                            |

Figures in the table represent indicators, targets, and actual results for TOWA on a non-consolidated basis.

- \*1 Percentage of productivity loss from poor employee performance due to physical or mental health problems despite being at work
- \*2 Absence from work (on leave of absence) due to mental or physical health problems
- \*3 The state of feeling energized at work and proud of one's work (max: 5)
- \*4 Overall value of a sense of unity at workplace and individual work engagement (the higher the number, the better)
- \*5 A score indicating the degree of risk that workplace stress poses to individual health (the lower the number, the better).
- \*6 By March 2032
- \*7 By March 2028

### Human Rights Policy

TOWA Group, in its own business activities, will deepen its understanding that the human rights of all concerned parties must be respected and will conduct appropriate activities based on the Human Rights Policy that the Group has established. For our Human Rights Policy, please refer to the website below. <https://www.towajapan.co.jp/en/company/humanrights/>

### DE&I (Diversity, Equity and Inclusion)

In addition to diversity in terms of classifications such as age, nationality, gender, and disabilities, we respect diversity in “perspectives and thoughts” coming from values and experiences that may be difficult to see, and are creating a groupwide structure and culture that transforms diversity into our strength.

#### Creating a diverse workforce

- Respect for diverse values
- Employment of more people with disabilities
- Promotion of the active participation of women

### Human Capital Initiatives

#### Initiatives to pass on TOWA-ism

The TOWA Academy has been holding “TIK (TOWA-ism Keisho (passing on) Meetings” since last year. At the meetings, participants reflect on their own “principles in thinking and acting” in their work and have department-level discussions on points that are consistent and sympathetic with TOWA's corporate philosophy. The TOWA Academy will continue its efforts to “foster a culture of taking on new challenges” and to “develop talents who can bring about innovation by challenging themselves” now and in future years.

#### In-house awards and commendations

Awards are given to recognize employees' long years of service and contributions to our business performance. We have also created the “Challenge Award” to honor ambition and the “Global TOWA Award” given to our affiliates around the world.

#### Training and education

Various types of educational sessions on compliance, export control, mental health, line care (for managers), information security, basic training for working adults (basics of DX, etc.), legal matters, quality and environmental management

awareness, SDG, ESG, and other themes are provided using e-learning.

#### Introduction of an Employee Stock Ownership Plan (J-ESOP)

To realize our long-term vision, our employees are required to take on high-level challenges. From the perspective of rewarding their achievements, we introduced this plan as an incentive in 2023. By becoming shareholders themselves, our stock price increases in conjunction with the increase in corporate value, which helps employees to accumulate their property. This will contribute to driving greater employee engagement going forward and benefiting our company's sustainable growth.

#### Post-retirement reemployment system

Since March 2022 we have a reemployment system in place under which retired employees get paid the same level of salary as before retirement. This is expected to help employees maintain an independent lifestyle after retirement, increase opportunities for self-expression and growth through participation in work, and accelerate the transfer of knowledge and corporate culture to younger employees.

S Social Initiatives of the TOWA Group

Activities and Initiatives

Promoting Smart Work Styles

TOWA Work Style Reform Policy

Our TOWA Work Style Reform Policy aims to respect and support the values and lifestyles of our employees. We regard our employees as our most valuable asset, and place the highest importance on the health and career satisfaction of every employee. We therefore regard work style reform as a priority management issue. This policy, formulated to demonstrate appreciation of employee independence, encourages employees to think about their own work style and those of others in order to improve our work environment. It also supports them to seize opportunities for personal growth and development by encouraging motivation for self-improvement.

System for employees' returning to work after maternity and childcare leave according to their lifestyle

We understand that employee health and career satisfaction are closely tied to the ability of our employees to continue working actively when they bear and raise children. We have therefore instituted a system that is flexible enough to accommodate various lifestyles so that we can provide a supportive workplace environment.

Going forward, we will continue to promote the development of a welcoming environment in which more employees can take maternity leave and childcare leave with peace of mind and can feel comfortable and confident when they return to the workplace.

Support for work-life balance

|                 |                    |
|-----------------|--------------------|
| Childcare leave | Nursing care leave |
| Caregiving      | Returning to work  |

...etc.

Formulation of TOWA action plans for supporting work-life balance

According to the Act on Advancement of Measures to Support Raising Next-Generation Children and the Act on Promotion of Women's Participation and Advancement in the Workplace, we have formulated action plans to support work-life balance, and have announced our action plans, etc. on the Ministry of Health, Labour and Welfare's website "Support the balance between work and family life" and "The Database on Promotion of Women's Participation and Advancement in the Workplace." With each plan, we will promote measures by providing information to employees, examining issues in implementation, and providing training to managers. For details of each plan, please refer to the following links to the Ministry of Health, Labor and Welfare.

General Employer Action Plan in Accordance with the Act on Advancement of Measures to Support Raising Next-Generation Children

Support for balancing work and family life

<https://ryouritsu.mhlw.go.jp/>

Action Plan in Accordance with the Act on Promotion of Female Participation and Career Advancement in the Workplace

The Database on Promotion of Women's Participation and Advancement in the Workplace

[https://positive-ryouritsu.mhlw.go.jp/positivedb/en\\_index.html](https://positive-ryouritsu.mhlw.go.jp/positivedb/en_index.html)

Topics External evaluation

Regarding external evaluation of our health and productivity management, we have been certified as a Health and Productivity Management Organization 2025 (Large Enterprise Category, four years in a row), Sports Yell Company 2025 (three years in a row), and Kyoto Health Promotion Company. Certification of the Health and Productivity Management Organization was also awarded to TOWATEC Co., Ltd. (Small and Medium Enterprise Category, three years in a row) and TOWA LASERFRONT Corporation (Small and Medium Enterprise Category, six years in a row).

Additionally, in accordance with the Act on the Promotion of Women's Active Engagement in Professional Life (Act on Promotion of Women's Participation and Advancement in the Workplace), our company received the second level "Eruboshi" certification from the Ministry of Health, Labour and Welfare as an excellent company in implementing its female empowerment initiatives.



Promoting Health and Productivity Management

As part of our efforts to promote health and productivity management, we are working to create an environment in which employees feel satisfied and feel that their work is rewarding. We are committed to promoting health and productivity management by maintaining and enhancing the health of every employee, improving work-life balance, and creating a safe workplace environment for employees to work to their best ability.

TOWA Health Declaration

TOWA is committed to maintaining and improving the health of all employees based on the belief that when people are healthy, full of energy, both physically and mentally, and the company's business will flourish. We promote the creation of a workplace full of smiles and rich in spirit and aim to create wellbeing for employees and their families as well as brighter society.



TOWA club activities and various company events

Many employees participate in athletic and cultural club activities started by employees. We also subsidize a portion of the activity expenses to reduce the burden on individuals and to support their activities. We also hold other events in which employees' families can participate.



In November, we held a sports festival at the multi-purpose field of our Kyoto East Plant. With perfect weather and no clouds in the sky, this event brought together employees and their families to deepen exchange through sports.

Establishment of a Health Care Room

In order to promote employee health and welfare, we have "Health Keepers (in-house therapists)" in place. They are nationally certified in



physical therapy and provide physical therapy, self-care guidance, and health advice. The Health Care Room provides information to employees and is focused on creating an environment that is easy for them to use.

Mental health-related training

With the cooperation of mental health specialists, we provided "Self-care Training." Participants learned about the importance of self-care and the basics of maintaining mental health.

We also held "Line Care Training" for managers. This is a practical training program held over two sessions consisting of lectures and group work, including interview practice.



Line Care Training

Consultation point to support mental health

In an effort to maintain and enhance employee health and improve company productivity, we have a consultation point in place staffed by outside counselors, where mental health care support is provided in an environment comfortable for employees to voice their concerns about work, career, and mental health. Counseling trial sessions are also held for more employees to take advantage of this support.

Cancer screening grant

Recognizing the importance of early diagnosis and treatment of cancer in supporting the enhancement of employee health, we are increasing opportunities to provide accurate information about cancer by, for example, holding "Women's Health Lectures" for all employees on diseases common to women and health risks we should be cautious of. In addition, we are striving to increase screening rates by covering all the expenses for the five government-recommended cancer screening tests.

Partner company of the Corporate Action to Promote Cancer Control

TOWA has been registered as a partner company of the Corporate Action to Promote Cancer Control. We also participate in Working RIBBON, a project that leads efforts in preventing cancer for women in companies, with the objective of expanding our health and productivity management initiative.



The 11th Award as a Kyoto Health Promotion Company

TOWA has been certified continuously since 2023 as a "Kyoto Health Promotion Company" in accordance with Kyoto Prefecture's certification system that recognizes companies making efforts to improve the cancer screening rates of their employees and promote their health. The award is presented annually to companies that have made outstanding efforts, and we received the Excellence Award at the Health Expo KYOTO 2024 held on November 21.



Award Ceremony, Health Expo KYOTO 2024

Learn more about our health and productivity management initiatives here.

<https://www.towajapan.co.jp/jp/company/health/>

# S Social Initiatives of the TOWA Group

## Manufacturing and Delivering Safe and Secure Products

### Pursuing the best possible quality for customer trust and satisfaction

As a company with a core business of manufacturing, we are working to establish and improve processes that ensure consistent quality in every step through design, manufacturing, inspections, and post-delivery services. At the same time, we are working to improve the quality of our services and operations with the introduction of the latest systems and AI.

In addition, we have developed a quality policy and to achieve it, we set strategic targets, formulate specific steps for realizing them, set indicators for measuring the results quantitatively, and make efforts to ensure continuous improvement.

As a leading supplier in the global semiconductor industry, we at TOWA Corporation have worked from early on to establish robust quality assurance systems and to acquire certification of registration with ISO 9001, the international standard for quality management systems, in preparation for conducting quality assurance activities at international technical standards that respond to globalization. All of the Group's production bases except for BANDICK Corporation have acquired ISO 9001 certification. BANDICK, which is engaged in contract molding and assembly of medical devices, has acquired ISO 13485 certification, a quality management system for manufacturing medical devices.



Equipment and environment in which the latest technology and high-quality products are produced



ISO 9001  
certification  
(Quality)



ISO 14001  
certification  
(Environment)

(Excluding the Bandoh Memorial  
Research Laboratory and INNOMS  
Promotion Dept.)

## Topics Customer Relations Initiatives

### 2024 Texas Instruments Supplier Excellence Award from Texas Instruments Inc.

TOWA has received the 2024 Texas Instruments Supplier Excellence Award from Texas Instruments Incorporated (Dallas, Texas, U.S.A.).

This award is presented by Texas Instruments to its suppliers that consistently achieved high standards of technological innovation, collaboration, and performance. TOWA was one of 19 companies selected from more than 10,000 suppliers around the world, in recognition of exceptional commitment to technological innovation and collaboration, as well as outstanding performance in the areas of cost, environmental and social responsibility, technology, responsiveness, assurance of supply, and quality. We remain committed to providing one-of-a-kind processes, products, and services that will help our customers improve productivity and reduce total costs.



### Customer Experience Improvement Initiatives

In order to swiftly and accurately assess customer needs and improve customer satisfaction, we are promoting initiatives that focus on enhancing the value of customer experience, not only at the point of purchase of products and services but through the whole process, from before purchase, during use, and to after-sales follow-up.

In 2024, a project started in April with four priority issues set based on the results of a periodic survey conducted in January. An interim briefing meeting was held in November, where each team reported on their progress, shared future schedules, and held a question-and-answer session to reaffirm their commitment to their common goal. As of fiscal 2024, this project has approximately 60 participants. Going forward, we will further improve cross-functional collaboration, and all teams will work toward the common goal of improving NPS (Net Promoter Score: a metric for the likelihood of acquiring customer recommendation) and customer satisfaction. We expect this initiative will improve employee satisfaction and job satisfaction (employee experience) as well.



Interim debrief meeting in November

## Activities Involving Social Contribution / Participation in Communities and Events

### In-house blood drive

Each year in the spring and summer, in cooperation with the Japanese Red Cross Society, we continue to hold a blood drive for our employees. In recognition of our support for their blood drives over the years, the Japanese Red Cross Society graciously presented TOWA with the Silver Merit Award and the Golden Merit Award. We remain committed to collaborating with the Japanese Red Cross Society to promote blood donations and raise awareness of their need as part of our effort to support people around the world who require blood transfusions.



The Japanese Red Cross  
Society's Gold Merit Award

### Endorsement of the "Kyoto Kokorozashi (Aspirations) Scholarship" Program

TOWA has endorsed the Kyoto Kokorozashi Scholarship program by the Kyoto Omron Community Foundation and began providing benefits for 2025 as a supporting member. This scholarship program is designed to encourage students who are related to Kyoto Prefecture, have aspirations for their future, and are motivated to grow and contribute to society in their studies. Through this program, we will contribute to solving social issues by encouraging the growth and enthusiasm for social contribution in young next-generation leaders.



### Supporting the "3-9 Yano Fund"

Akihiro Yano, Director of TOWA and former manager of the Hanshin Tigers baseball club, established the "3-9 Yano Fund" (the Japanese pronunciation of 3-9 being a homonym for "thank you") to support individuals with muscular dystrophy as well as foster homes in Japan. This foundation raises funds through its own vending machines, and we have installed a vending machine for the fund in our company. The vending machine we installed in 2015 was the first of its kind installed in Kyoto.



Vending machine installed  
at Headquarters/Factory  
to support the Fund

### Kyoto Explorative Learning Expoe

TOWA set up its booth at the Kyoto Explorative Learning Expo, an event organized by Kyoto Prefecture and Kyoto Sangyo 21 and held at AEON MALL Katsuragawa (August 16) and Art and Technology Village Kyoto in Oyamazaki Town, Kyoto Prefecture (September 16). This event provides a valuable opportunity for elementary and junior high school students to encourage their curiosity and inquisitiveness by experiencing *monozukuri* (manufacturing) and different forms of technology at Kyoto-based companies.

After the introduction of the relationship between our familiar smartphones and TOWA's technology and the presentation of super water-repellent technology, we received many different unique ideas through a questionnaire survey. This event was a meaningful contribution to the local community.



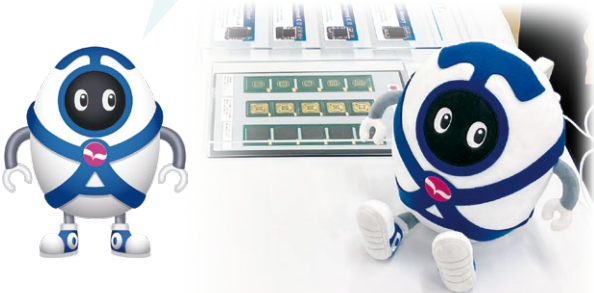
Presentation of super water-repellent  
technology

## Topics Introducing TOWAPPY!

"TOWAPPY" is a character created to more widely deliver information to help achieve our long-term vision TOWA Vision 2032 inside and outside the company. Along with this, we have established the visual concept message "Happy Tech Happy World." Toward the realization of our long-term vision, we secure human resources through recruitment and other means, and aim to become a well-known company, taking into account the possibility of developing a B-to-C business.



|                    |                                                                                                  |
|--------------------|--------------------------------------------------------------------------------------------------|
| Name               | TOWAPPY                                                                                          |
| Origin of the name | Delivering happiness to the world from TOWA                                                      |
| Address            | Kyoto                                                                                            |
| Height             | 100.1 cm                                                                                         |
| Date of birth      | April 17 (Anniversary of TOWA's foundation)                                                      |
| Mission            | Delivering happiness to people all over the world with semiconductors at its core                |
| My dream           | Creating Happy Tech one after another to contribute to a world where people can feel truly happy |
| My favorite words  | Challenge yourself!                                                                              |



# Corporate Governance of the TOWA Group

## For a Higher Level of Corporate Governance

We make continuous efforts to enhance our corporate governance system, aiming for the sustainable growth of the TOWA Group and the medium- and long-term improvement of our corporate value.

We are striving to further strengthen and practice our corporate governance, based on the following fundamentals:

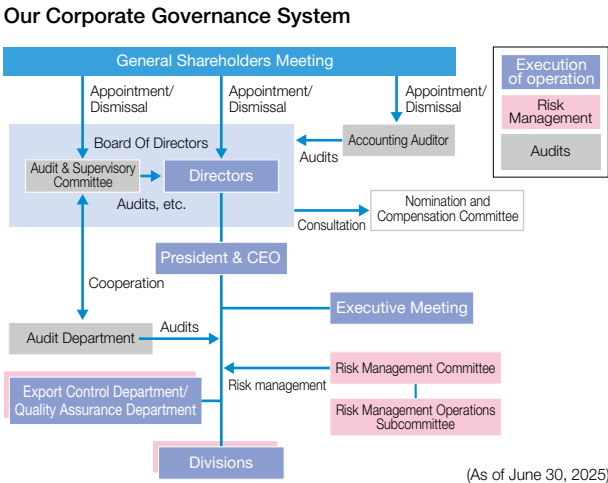
- 1. Ensuring that the actions of the TOWA Group are legal and socially responsible
- 2. Ensuring and maintaining the transparency and objectivity of our business management
- 3. Building an organization and system that is able to respond rapidly to changes in the environment
- 4. Ensuring fair business administration with importance attached to shareholders, by protecting the rights of our shareholders and being open and candid with them, for example
- 5. Creating corporate value and employment by building strong relationships with our stakeholders

## Corporate Governance System

Our main approaches are as follows.

### Strengthening the function of the Board of Directors

We have adopted the Company with Audit and Supervisory Committee system to strengthen the function of the Board of Directors and to exert corporate governance more effectively, as well as to enhance the effectiveness of management by making decisions and executing operation more rapidly. We have four outside directors (Male 2, Female 2), and independent outside directors comprise more than one-third of the Board of Directors.



### Overview of the Board of Directors

The Board of Directors consists of seven directors (excluding directors who are Audit and Supervisory Committee Members but including one independent outside director) and four Audit and Supervisory Committee Members (including three independent outside directors). Chaired by Muneo Miura, Director, President Executive Officer, in addition to regular monthly meetings, the Board holds extraordinary meetings as necessary to make decisions on matters stipulated by laws and regulations as well as on other important matters related to management.

#### Overview and activities of the Board of Directors

|                                |                                                                                                                                                                                                                                                             |
|--------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Composition                    | 11 directors (including 4 independent outside directors)                                                                                                                                                                                                    |
| No. of meetings held in FY2024 | 17                                                                                                                                                                                                                                                          |
| Main matters resolved          | Matters related to the General Meeting of Shareholders, financial results, officer compensation, budgets and business plans, human resources and organization, funds, subsidiaries, sustainability, revision or abolition of important internal rules, etc. |
| Main matters reported          | Reports on evaluation of the effectiveness of the Board of Directors, status of business execution, monthly business results, audits, shares for investment held for any purpose other than pure investment, etc.                                           |

With regard to the effectiveness of the Board of Directors, the Audit and Supervisory Committee Members who have voting rights at the Board of Directors' meetings conduct audits to gain a correct understanding of the current status of the Board of Directors, and to ensure more effective operation. Every year, the Board of Directors conducts a questionnaire survey (self-assessment) for all directors to analyze and evaluate its effectiveness.

The survey analysis confirmed that substantial discussions are held at the Board of Directors' meetings with each member freely expressing their opinions, as well as outside directors giving their views and asking questions, and that the Board meetings are conducted appropriately and sufficiently in terms of frequency and time, and also in terms of the number and details of deliberation items, thus ensuring the effectiveness of the Board of Directors. The survey results and opinions received are discussed at the Board of Directors meetings to further improve their effectiveness.

The Board of Directors is composed in view of diversity after specifying the experience, knowledge, and abilities required of directors to maintain an appropriate balance between important management decisions and supervision of business execution. Please refer to "Directors and Senior Management" on page 56 for the skills matrix describing the main areas of experience and expertise for each director.

### Nomination and Compensation Committee (non-obligatory organization)

We have the Nomination and Compensation Committee in place as an advisory board to the Board of Directors to enhance the fairness, transparency, and objectivity of the decision process in director nomination, promotion, or demotion as well as their remuneration. The committee is composed of the following seven members: four independent outside directors; one representative director, chairman & CEO; one director, president executive officer; and one director, managing executive officer, administration division manager. The chairman is an independent outside director.

#### Member of the Nomination and Compensation Committee

|                  |                                                                                                                                                                                                                                                                                                                                             |                                                                                                   |                                |
|------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------|--------------------------------|
| Chairman         | Outside Director, Audit and Supervisory Committee Member                                                                                                                                                                                                                                                                                    | Daisuke Wake                                                                                      | No. of meetings held in FY2024 |
| Committee Member | Representative Director, Chairman & CEO<br>Director, President Executive Officer, Marketing and Sales Division Manager<br>Director, Managing Executive Officer, Administration Division Manager<br>Outside Director<br>Outside Director, Audit and Supervisory Committee Member<br>Outside Director, Audit and Supervisory Committee Member | Hirokazu Okada<br>Muneo Miura<br>Nobutaka Shibahara<br>Akihiro Yano<br>Miho Goto<br>Motoko Tanaka | 3                              |

### Audit and Supervisory Committee

The Audit and Supervisory Committee consists of one director, Hiroshi Hattori, and three outside directors, Daisuke Wake, Miho Goto, and Motoko Tanaka. The Committee's deliberation items include: audit policy, audit plans, division of duties, preparation of audit reports, evaluation of accounting auditor, formation of opinions on the appointment and compensation of directors other than those who are the Audit and Supervisory Committee Members, and reporting on the status of execution of duties by Full-Time Audit and Supervisory Committee Members. In fiscal 2024, the Committee held 17 meetings.

### Risk management

We have established a Risk Management Committee, chaired by the president, as the company's highest risk management body. Its purpose is to undertake, on a regular basis, the identification and evaluation of risks that should be addressed. This committee has established multiple risk management subcommittees to monitor risks in each area of concern every month in the realms of internal control, export management, quality assurance, and other areas. The activities of these subcommittees are reported quarterly to the Board of Directors and the content of their activities is reviewed by outside directors as well.

# Corporate Governance of the TOWA Group

## Business risks

The Group is exposed to various risks because of its important role in supporting end products indispensable to modern society, such as semiconductors and medical equipment, and because of its global-scale operation centering on the semiconductor business. Items that may have a significant impact on investor decisions are listed in the table below. For explanation of these risks and our risk handling, please refer to the “Risk Factors” section of our annual securities report. Please note that these risks are based on the Group’s judgment as of the end of the current consolidated fiscal year and are not an exhaustive list of risks associated with the Group.

 <https://www.towajapan.co.jp/jp/wp-content/uploads/sites/2/2024/10/2025account.pdf>

| Risk items                                                                                                                                                                                                                         |                                                                                                                                                               |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>(1) Risks associated with sales</b><br>① Risks associated with economic and semiconductor market trends<br>② Risks associated with price competition<br>③ Risks associated with concentration of sales destinations and regions | <b>(4) Risks associated with recruitment and training of human resources</b>                                                                                  |
| <b>(2) Risks associated with production</b><br>① Risks associated with overseas expansion<br>② Risks associated with natural disasters, etc.<br>③ Risks associated with procurement of raw materials, etc.                         | <b>(5) Financial risks</b><br>① Foreign exchange risks<br>② Risks associated with interest-bearing debt<br>③ Risks associated with impairment of fixed assets |
| <b>(3) Risks associated with development</b><br>① Risks associated with new product development<br>② Risks associated with intellectual property                                                                                   | <b>(6) Risks associated with information security</b>                                                                                                         |
|                                                                                                                                                                                                                                    | <b>(7) Risks associated with climate change</b>                                                                                                               |

## Initiatives to Enhance Corporate Governance and Improve Corporate Value

### Compliance Initiatives

#### Internal reporting system

Our General Affairs Department has set up a dedicated email address as a consultation point for employees and has established a mechanism for employees to submit reports and arrange consultations directly. We have also created an email address exclusively for the use of female employees that serves as a direct means of contacting the female employee supervisor. (Personal interviews can also be arranged.) When necessary, the Investigation Committee will conduct an inquiry and consult with outside experts. Moreover, we are implementing a set of internal rules to prevent whistleblowers from suffering any consequences for their reporting.

#### Prevention of corruption

In accordance with our “Anti-corruption Policy,” the TOWA Group strives to thoroughly prevent corruption, which could involve the abuse of professional power through one’s own position or the power of a third party. This may involve bribery, embezzlement, coercion in providing benefits, and fraudulent bidding, as well as obstruction of justice, money laundering, or other acts complicit in such abuses.

For our Anti-corruption Policy, please refer to the website below.

 <https://www.towajapan.co.jp/en/company/anticorruption/>

#### In-house training

Knowledge necessary for conducting business activities or working for a company in compliance with laws, regulations, and social norms is delivered to our employees mainly through e-learning. Our web-based learning courses offer CSR and compliance programs for different levels of employees. These courses are provided on a regular basis to firmly establish our employees’ knowledge and awareness.

#### <Examples of training provided>

Educational sessions on compliance, export control, harassment, mental health, information security, environmental issues, etc.

## Main actions implemented to enhance corporate governance

### For strengthening the function of the Board of Directors

For the purpose of strengthening the functions of and improving diversity in the Board of Directors, we have increased the number of female directors by one to two, effective June 2022. As of July 2025, the percentage of female executives is 18%.

### Promoting sustainability information disclosure in securities reports

We are promoting the disclosure of sustainability information in accordance with amendments to the Cabinet Office Ordinance on Disclosure of Corporate Affairs, etc. We will further improve our sustainability-related systems and move forward with initiatives to enhance information disclosure.

### Intellectual property management

Based on its “Intellectual Property Policy,” the TOWA Group is further strengthening domestic and overseas intellectual property and are taking countermeasures against risks such as infringement of other companies’ rights. The TOWA Group will expand its scope of activities to all companies in the TOWA Group to strengthen and control its intellectual property and establish an appropriate intellectual property management system while stimulating invention and creation.

For our Intellectual Property Policy, please refer to the website below.

 <https://www.towajapan.co.jp/jp/company/ip/>

## Reduction of shares for investment held for any purpose other than pure investment

We may hold other companies’ shares as one of our strategies such as business alliance, funding and expanding transaction to achieve our continuous growth and middle / long term growth. We assess such shares periodically to see if the risk or benefit of holding share are commensurate with the cost of capital. Based on the assessment, the Board of Directors will decide whether we should continue holding the shares or not. The number of shares, that have little significance, will be sold in consideration of market trends or important conditions.

For the fiscal year ended March 31, 2025, we sold one share. The balance of shares for investment held for any purpose other than pure investment, in terms of market value at the end of March 2025, accounted for 7.2% of our consolidated net assets at the end of March 2025. Since June 2015, when the Corporate Governance Code was introduced, we have sold seven shares. We will continue to consider the sale of shares that are deemed to be of little significance for us to hold.

Voting rights are exercised appropriately based on a comprehensive assessment of whether they contribute to improving the middle to long-term corporate value of the investee company and the impact on the company.

For more details, please refer to our Corporate Governance website, as shown below.

 <https://www.towajapan.co.jp/en/company/governance/>

## IR and SR Activities

Through active dialogue with analysts, institutional investors, individual investors, and other stakeholders, we explain our thoughts and situation, and opinions received are shared in management to improve our corporate value.

| IR and SR activity details                                    | No. of times implemented in FY2023 | No. of times implemented in FY2024 |
|---------------------------------------------------------------|------------------------------------|------------------------------------|
| Financial results briefings and press conferences (by CEO)    | 4                                  | 4                                  |
| Individual meetings with institutional investors and analysts | Approx. 330                        | Approx. 400                        |
| Participation in conferences for institutional investors      | 3                                  | 11                                 |

In addition to the above, TOWA’s products and technology were introduced to institutional investors and analysts at various exhibitions.

Directors and Senior Management

Director



**Hirokazu Okada**  
Representative Director, Chairman & CEO



**Muneo Miura**  
Director, President Executive Officer  
Marketing and Sales Division Manager



**Koichi Ishida**  
Director, Senior Managing Executive Officer  
Core Technology Business Division Manager



**Nobutaka Shibahara**  
Director, Managing Executive Officer  
Administration Division Manager



**Kazuhiro Nishimura**  
Director, Senior Executive Officer  
Production Division Manager



**Kazuhiko Nakanishi**  
Director, Executive Officer  
Corporate Planning Division Manager,  
Concurrent Director of Secretary Department,  
Concurrent Director of INNOMS Promotion  
Department



**Akihiro Yano**  
Outside Director



**Hiroshi Hattori**  
Director, Full-time Audit & Supervisory  
Committee Member



**Daisuke Wake**  
Outside Director, Audit & Supervisory  
Committee Member  
Representative of Wake Certified Public  
Accountant Office · Audit & Supervisory  
Committee Member (Part-time) of Shirai  
Electronics Industrial Co., Ltd.



**Miho Goto**  
Outside Director, Audit & Supervisory  
Committee Member  
Lawyer of Goto Law Office



**Motoko Tanaka**  
Outside Director, Audit & Supervisory  
Committee Member  
Representative of Tanaka Certified Public  
Accountant Office · Outside Audit &  
Supervisory Board Member of Wacoal  
Holdings Corp.

Executive Officer

**Fangshun Niu**  
Managing Executive Officer  
TOWA (Shanghai) Co., Ltd.  
Chairman

**Sangyoun Han**  
Managing Executive Officer  
TOWA Korea Co., Ltd.  
Representative Director

**Hidenori Sasada**  
Executive Officer  
TOWATEC Co., Ltd.  
President & CEO

**Toshihiro Terauchi**  
Executive Officer  
BANDICK Corporation  
President & CEO

**Naoki Takada**  
Executive Officer  
Development Division Manager

Skills matrix

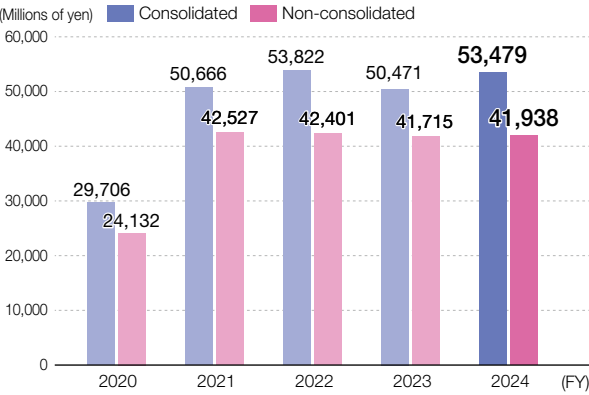
|                    | Position/title                                                 | Outside | Independent | Nomination and<br>Compensation<br>Committee | Corporate<br>management | Human<br>resource<br>development | Production,<br>engineering<br>development | Expatriate<br>experience | Sales and<br>marketing | Accounting | Legal and<br>compliance |
|--------------------|----------------------------------------------------------------|---------|-------------|---------------------------------------------|-------------------------|----------------------------------|-------------------------------------------|--------------------------|------------------------|------------|-------------------------|
| Hirokazu Okada     | Representative<br>Director, Chairman &<br>CEO                  |         |             | ○                                           | ●                       |                                  | ●                                         | ●                        | ●                      |            |                         |
| Muneo Miura        | Director, President<br>Executive Officer                       |         |             | ○                                           |                         |                                  |                                           | ●                        | ●                      |            |                         |
| Koichi Ishida      | Director, Senior<br>Managing Executive<br>Officer              |         |             |                                             |                         |                                  | ●                                         |                          | ●                      |            |                         |
| Nobutaka Shibahara | Director, Managing<br>Executive Officer                        |         |             | ○                                           | ●                       | ●                                |                                           | ●                        |                        |            | ●                       |
| Kazuhiro Nishimura | Director, Senior<br>Executive Officer                          |         |             |                                             | ●                       |                                  | ●                                         | ●                        |                        |            |                         |
| Kazuhiko Nakanishi | Director, Executive<br>Officer                                 |         |             |                                             | ●                       |                                  |                                           |                          |                        | ●          |                         |
| Akihiro Yano       | Director                                                       | ○       | ○           | ○                                           |                         | ●                                |                                           |                          |                        |            |                         |
| Hiroshi Hattori    | Director, Full-time<br>Audit & Supervisory<br>Committee Member |         |             |                                             |                         |                                  |                                           |                          |                        | ●          |                         |
| Daisuke Wake       | Director, Audit &<br>Supervisory<br>Committee Member           | ○       | ○           | ◎                                           |                         |                                  |                                           |                          |                        | ●          |                         |
| Miho Goto          | Director, Audit &<br>Supervisory<br>Committee Member           | ○       | ○           | ○                                           |                         |                                  |                                           |                          |                        |            | ●                       |
| Motoko Tanaka      | Director, Audit &<br>Supervisory<br>Committee Member           | ○       | ○           | ○                                           |                         |                                  |                                           |                          |                        | ●          |                         |

◎ Chairman

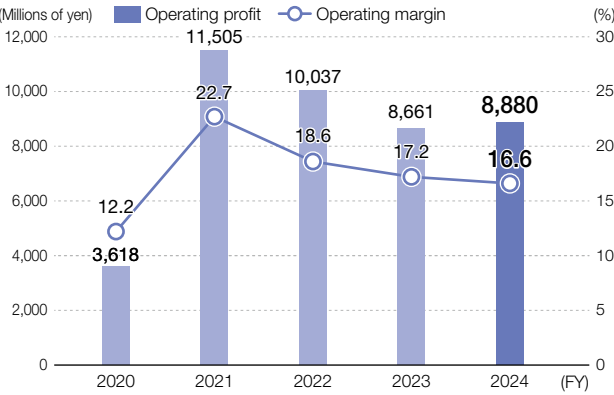
# Financial and Non-financial Highlights

## Financial Highlights

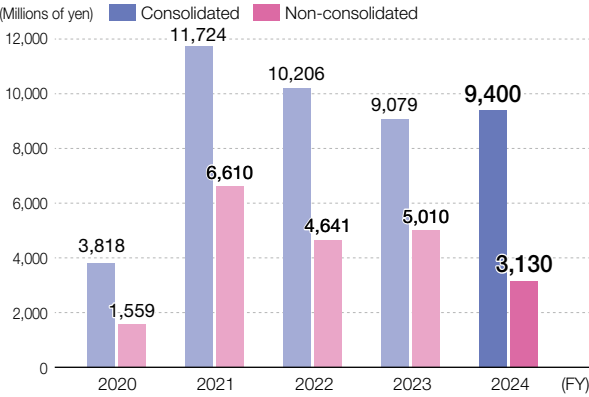
### Net sales



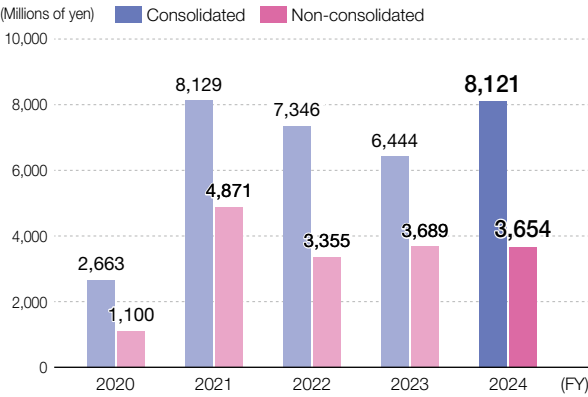
### Operating profit / Operating margin (Consolidated)



### Ordinary profit

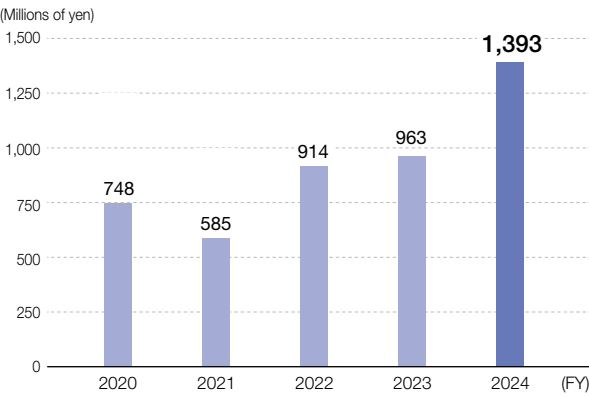


### Net profit

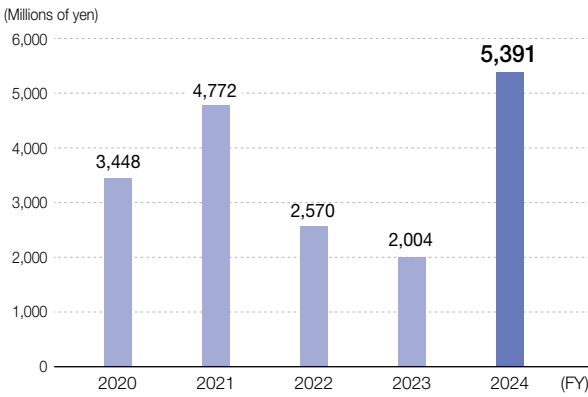


\* Consolidated figures represent net profit attributable to owners of parent.

### Research and development expenses (Consolidated)

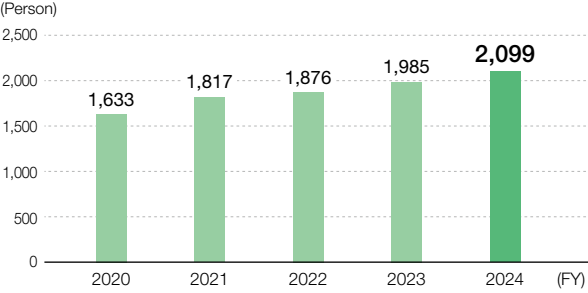


### Capital expenditure (Consolidated)



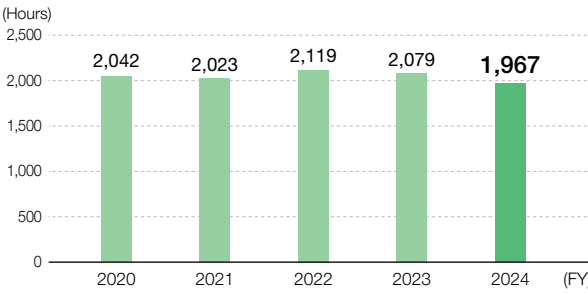
## Non-financial Highlights

### Number of consolidated employees



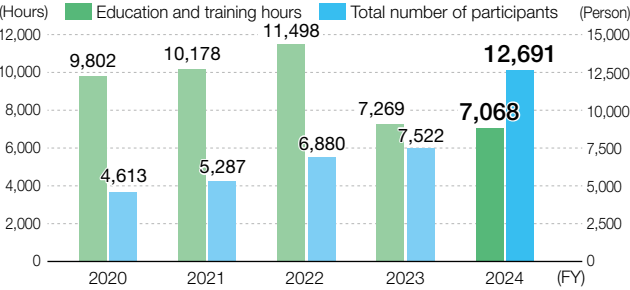
\* Calculated the total number of regular employees and fixed-term contract employees as of the end of each fiscal year.

### Total annual working hours per employee



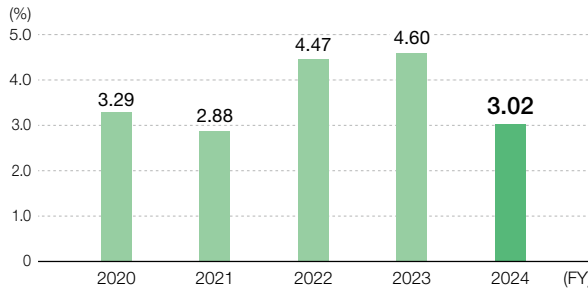
\* Calculated the TOWA employees.  
\* Excluding retired employees, employees on leave, and seconded employees.

### Education/training hours and number of participants



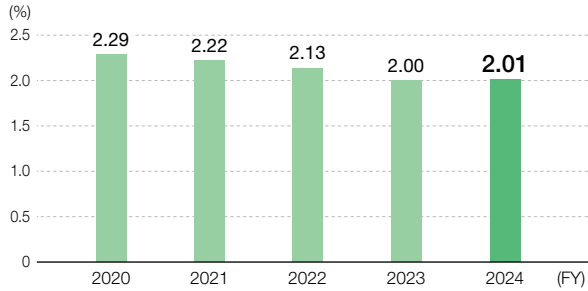
\* Totaled only the common training hours of the TOWA employees.

### Turnover rate of regular employees



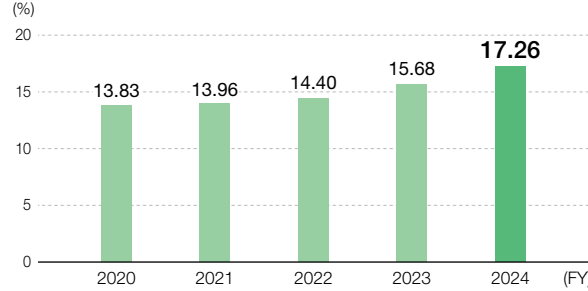
\* Calculated by the formula: the number of retired employees by the end of each fiscal year ÷ the number of employees at the beginning of the year × 100. (not including employees who retired at the mandatory retirement age)  
\* Calculated the TOWA employees.

### Percentage of employees with disabilities



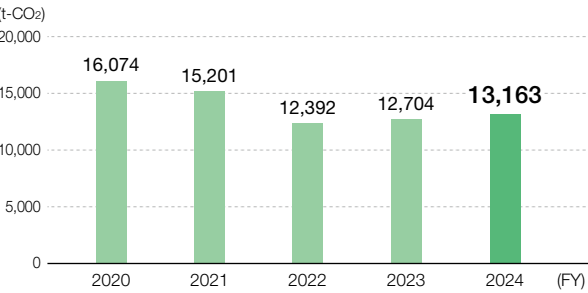
\* Calculated the actual employment rate throughout the year.  
\* Calculated the TOWA employees.

### Percentage of female employees



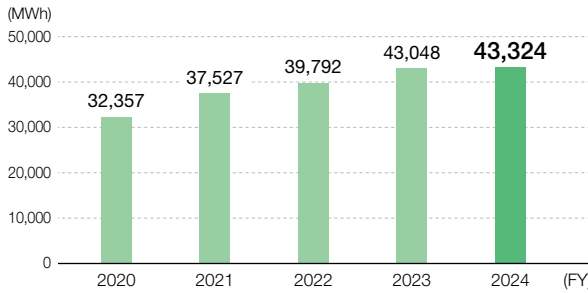
\* Calculated at the end of each fiscal year \* Calculated the TOWA employees.

### CO<sub>2</sub> emissions



Figures represent the total of five production bases, including group companies in Japan, and six production bases at overseas group companies. For CO<sub>2</sub> emission factors, the Ministry of the Environment's list of emission factors by electric utility is used for Japan, and the published value of the Emissions Factors issued by the IEA for overseas. For the CO<sub>2</sub> emission factor of fuel, the values published by domestic gas companies and the calculation method and emission factor list by the Ministry of the Environment are used.

### Electricity consumption



Figures represent the total of five production bases, including group companies in Japan, and six production bases at overseas group companies.

Consolidated Balance Sheet

| (Unit: Thousands of yen)                                   |                    |                    |
|------------------------------------------------------------|--------------------|--------------------|
| Assets                                                     | FYE March 31, 2024 | FYE March 31, 2025 |
| Current assets                                             |                    |                    |
| Cash and deposits                                          | 20,830,999         | 21,338,921         |
| Notes receivable-trade                                     | 86,464             | 58,972             |
| Electronically recorded monetary claims-operating          | 345,054            | 351,247            |
| Accounts receivable-trade                                  | 15,049,199         | 11,332,248         |
| Lease receivables and investments in leases                | —                  | 19,965             |
| Merchandise and finished goods                             | 4,110,721          | 3,828,829          |
| Work in process                                            | 10,041,146         | 10,223,352         |
| Raw materials and supplies                                 | 1,699,212          | 1,795,319          |
| Other                                                      | 1,550,660          | 1,709,806          |
| Allowance for doubtful accounts                            | (2,363)            | (6,364)            |
| Current assets                                             | 53,711,096         | 50,652,299         |
| Non-current assets                                         |                    |                    |
| Property, plant and equipment                              |                    |                    |
| Buildings and structures                                   | 22,106,434         | 22,949,252         |
| Accumulated depreciation-buildings and structures          | (13,065,298)       | (13,670,130)       |
| Buildings and structures, net                              | 9,041,135          | 9,279,121          |
| Machinery, equipment and vehicles                          | 17,554,193         | 18,094,025         |
| Accumulated depreciation-machinery, equipment and vehicles | (11,954,563)       | (12,434,302)       |
| Machinery, equipment and vehicles, net                     | 5,599,630          | 5,659,723          |
| Land                                                       | 5,289,066          | 6,566,490          |
| Leased assets                                              | 1,594,823          | 1,685,684          |
| Accumulated depreciation                                   | (440,008)          | (509,906)          |
| Leased assets, net                                         | 1,154,815          | 1,175,777          |
| Construction in progress                                   | 232,675            | 829,705            |
| Other                                                      | 4,852,823          | 5,248,194          |
| Accumulated depreciation                                   | (4,002,437)        | (4,258,128)        |
| Other, net                                                 | 850,385            | 990,066            |
| Property, plant and equipment                              | 22,167,709         | 24,500,885         |
| Intangible assets                                          |                    |                    |
| Other                                                      | 1,329,271          | 1,421,284          |
| Intangible assets                                          | 1,329,271          | 1,421,284          |
| Investments and other assets                               |                    |                    |
| Investment securities                                      | 9,244,703          | 4,446,381          |
| Deferred tax assets                                        | 445,334            | 517,376            |
| Retirement benefit asset                                   | 641,147            | 678,782            |
| Other                                                      | 322,569            | 1,011,477          |
| Investments and other assets                               | 10,653,756         | 6,654,017          |
| Non-current assets                                         | 34,150,736         | 32,576,186         |
| Assets                                                     | 87,861,833         | 83,228,486         |
| Liabilities and Net Assets                                 | FYE March 31, 2024 | FYE March 31, 2025 |
| Current liabilities                                        |                    |                    |
| Notes and accounts payable-trade                           | 3,834,249          | 2,551,525          |
| Electronically recorded obligations                        | 36,252             | 28,887             |
| Short-term borrowings                                      | 9,400,000          | 7,000,000          |
| Current portion of long-term borrowings                    | 1,560,000          | 1,120,000          |
| Lease liabilities                                          | 149,506            | 166,833            |
| Income taxes payable                                       | 1,827,856          | 1,222,764          |
| Advances received                                          | 2,598,098          | 1,819,014          |
| Provision for bonuses                                      | 986,299            | 1,168,008          |
| Provision for bonuses for directors                        | 98,443             | 117,231            |
| Provision for product warranties                           | 307,882            | 313,722            |
| Other                                                      | 2,399,211          | 2,501,956          |
| Current liabilities                                        | 23,197,801         | 18,009,944         |
| Non-current liabilities                                    |                    |                    |
| Long-term borrowings                                       | 2,490,000          | 1,370,000          |
| Lease liabilities                                          | 419,819            | 407,950            |
| Deferred tax liabilities                                   | 2,330,034          | 957,017            |
| Retirement benefit liability                               | 933,297            | 1,014,238          |
| Provision for share awards                                 | 40,497             | 82,967             |
| Other                                                      | 14,479             | —                  |
| Non-current liabilities                                    | 6,228,128          | 3,832,173          |
| Liabilities                                                | 29,425,930         | 21,842,118         |
| Shareholders' equity                                       |                    |                    |
| Share capital                                              | 8,955,671          | 8,969,261          |
| Capital surplus                                            | 450,981            | 464,571            |
| Retained earnings                                          | 38,359,732         | 45,479,594         |
| Treasury shares                                            | (115,191)          | (115,241)          |
| Shareholders' equity                                       | 47,651,194         | 54,798,186         |
| Accumulated other comprehensive income                     |                    |                    |
| Valuation difference on available-for-sale securities      | 6,013,298          | 2,817,381          |
| Foreign currency translation adjustment                    | 4,642,014          | 3,716,815          |
| Remeasurements of defined benefit plans                    | 129,394            | 53,984             |
| Total accumulated other comprehensive income               | 10,784,708         | 6,588,181          |
| Net assets                                                 | 58,435,903         | 61,386,368         |
| Liabilities and net assets                                 | 87,861,833         | 83,228,486         |

Consolidated Statement of Income and Consolidated Statement of Comprehensive Income

| (Unit: Thousands of yen)                              |                    |                    |
|-------------------------------------------------------|--------------------|--------------------|
| Consolidated Statement of Income                      | FYE March 31, 2024 | FYE March 31, 2025 |
| Net sales                                             | 50,471,799         | 53,479,205         |
| Cost of sales                                         | 32,273,620         | 33,572,197         |
| Gross profit                                          | 18,198,179         | 19,907,008         |
| Selling, general and administrative expenses          | 9,536,350          | 11,026,604         |
| Operating profit                                      | 8,661,829          | 8,880,404          |
| Non-operating income                                  |                    |                    |
| Interest income                                       | 145,619            | 191,313            |
| Dividend income                                       | 282,068            | 131,849            |
| Rental income from non-current assets                 | 57,982             | 71,243             |
| Miscellaneous income                                  | 170,083            | 307,345            |
| Non-operating income                                  | 655,754            | 701,751            |
| Non-operating expenses                                |                    |                    |
| Interest expenses                                     | 71,787             | 91,336             |
| Depreciation of assets for rent                       | 30,397             | 33,083             |
| Foreign exchange losses                               | 120,986            | 31,466             |
| Miscellaneous losses                                  | 14,677             | 25,884             |
| Non-operating expenses                                | 237,849            | 181,771            |
| Ordinary profit                                       | 9,079,734          | 9,400,384          |
| Extraordinary income                                  |                    |                    |
| Gain on sale of non-current assets                    | 35,135             | 6,559              |
| Gain on donation of non-current assets                | 23,200             | —                  |
| Gain on sale of investment securities                 | —                  | 1,306,284          |
| Compensation for damage income                        | —                  | 524,175            |
| Extraordinary income                                  | 58,335             | 1,837,020          |
| Extraordinary losses                                  |                    |                    |
| Loss on sale of non-current assets                    | —                  | 2,734              |
| Loss on retirement of non-current assets              | 10,209             | 14,292             |
| Loss on valuation of investment securities            | 12,786             | 12,056             |
| Extraordinary losses                                  | 22,995             | 29,083             |
| Profit before income taxes                            | 9,115,073          | 11,208,320         |
| Income taxes-current                                  | 2,942,089          | 3,149,194          |
| Income taxes-deferred                                 | (271,208)          | (61,924)           |
| Income taxes                                          | 2,670,880          | 3,087,270          |
| Profit                                                | 6,444,193          | 8,121,050          |
| Profit attributable to owners of parent               | 6,444,193          | 8,121,050          |
| (Unit: Thousands of yen)                              |                    |                    |
| Consolidated Statement of Comprehensive Income        | FYE March 31, 2024 | FYE March 31, 2025 |
| Profit                                                | 6,444,193          | 8,121,050          |
| Other comprehensive income                            |                    |                    |
| Valuation difference on available-for-sale securities | 3,700,708          | (3,195,917)        |
| Foreign currency translation adjustment               | 2,071,376          | (925,199)          |
| Remeasurements of defined benefit plans               | 109,390            | (75,410)           |
| Total other comprehensive income                      | 5,881,475          | (4,196,527)        |
| Comprehensive income                                  | 12,325,668         | 3,924,523          |
| (breakdown)                                           |                    |                    |
| Comprehensive income attributable to owners of parent | 12,325,668         | 3,924,523          |

Consolidated Statement of Cash Flows

| (Unit: Thousands of yen)                                                             |                    |                    |
|--------------------------------------------------------------------------------------|--------------------|--------------------|
| Consolidated Statement of Cash Flows                                                 | FYE March 31, 2024 | FYE March 31, 2025 |
| Cash flows from operating activities                                                 |                    |                    |
| Profit before income taxes                                                           | 9,115,073          | 11,208,320         |
| Depreciation                                                                         | 2,540,701          | 2,673,130          |
| Amortization of goodwill                                                             | 146,567            | 149,445            |
| Increase (decrease) in allowance for doubtful accounts                               | (641)              | 4,156              |
| Increase (decrease) in provision for bonuses                                         | (17,175)           | 186,197            |
| Increase (decrease) in provision for bonuses for directors (and other officers)      | (1,688)            | 19,680             |
| Increase (decrease) in retirement benefit liability                                  | 6,952              | (77,837)           |
| Increase (decrease) in provision for share awards                                    | 40,497             | 44,209             |
| Increase (decrease) in provision for product warranties                              | (9,671)            | 7,903              |
| Interest and dividend income                                                         | (427,687)          | (323,162)          |
| Interest expenses                                                                    | 71,787             | 91,336             |
| Foreign exchange losses (gains)                                                      | 66,833             | (21,873)           |
| Loss (gain) on sale of investment securities                                         | —                  | (1,306,284)        |
| Decrease (increase) in trade receivables                                             | (1,476,948)        | 2,844,772          |
| Decrease (increase) in inventories                                                   | 96,607             | 21,205             |
| Decrease (increase) in other current assets                                          | (43,896)           | (475,440)          |
| Increase (decrease) in trade payables                                                | 1,193,242          | (1,300,121)        |
| Increase (decrease) in other current liabilities                                     | 348,150            | (148,798)          |
| Other, net                                                                           | (339,832)          | 175,611            |
| Subtotal                                                                             | 11,308,874         | 13,772,451         |
| Interest and dividends received                                                      | 258,150            | 325,446            |
| Interest paid                                                                        | (73,066)           | (92,933)           |
| Income taxes paid                                                                    | (1,906,869)        | (3,646,478)        |
| Income taxes refund                                                                  | 78,790             | 14,319             |
| Net cash provided by (used in) operating activities                                  | 9,665,880          | 10,372,805         |
| Cash flows from investing activities                                                 |                    |                    |
| Payments into time deposits                                                          | (505,352)          | (1,772,258)        |
| Proceeds from withdrawal of time deposits                                            | 322,857            | 1,122,975          |
| Proceeds from sale of investment securities                                          | —                  | 1,540,447          |
| Payments of other investments                                                        | (4,589)            | (513,930)          |
| Purchase of property, plant and equipment and intangible assets                      | (1,668,564)        | (5,044,564)        |
| Proceeds from sale of property, plant and equipment and intangible assets            | 35,612             | 11,454             |
| Payments for acquisition of businesses                                               | (933,600)          | —                  |
| Other, net                                                                           | (20,128)           | (102,342)          |
| Net cash provided by (used in) investing activities                                  | (2,773,764)        | (4,758,217)        |
| Cash flows from financing activities                                                 |                    |                    |
| Net increase (decrease) in short-term borrowings                                     | —                  | (2,400,000)        |
| Proceeds from long-term borrowings                                                   | 100,000            | —                  |
| Repayments of long-term borrowings                                                   | (1,930,000)        | (1,560,000)        |
| Purchase of treasury shares                                                          | (101,754)          | (2,111)            |
| Dividends paid                                                                       | (1,000,785)        | (1,001,188)        |
| Purchase of shares of subsidiaries not resulting in change in scope of consolidation | (435,922)          | —                  |
| Other, net                                                                           | (155,902)          | (162,963)          |
| Net cash provided by (used in) financing activities                                  | (3,524,364)        | (5,126,263)        |
| Effect of exchange rate change on cash and cash equivalents                          | 719,024            | (615,211)          |
| Net increase (decrease) in cash and cash equivalents                                 | 4,086,775          | (126,886)          |
| Cash and cash equivalents at beginning period                                        | 16,430,497         | 20,517,272         |
| Cash and cash equivalents at end of period                                           | 20,517,272         | 20,390,386         |

Global Network

TOWA Corporation

- ①Headquarters/Factory

②Kyoto East Plant

③Kyushu Work
- ④Tokyo Sales Office

⑤Nagano Sales Office



①Headquarters/Factory



②Kyoto East Plant



③Kyushu Work

- Production Base
- Sales Office
- Service Facility
- Training Center
- Laboratory



⑥BANDICK Corporation

⑥BANDICK Corporation

- ①Headquarters

③Kyushu Service

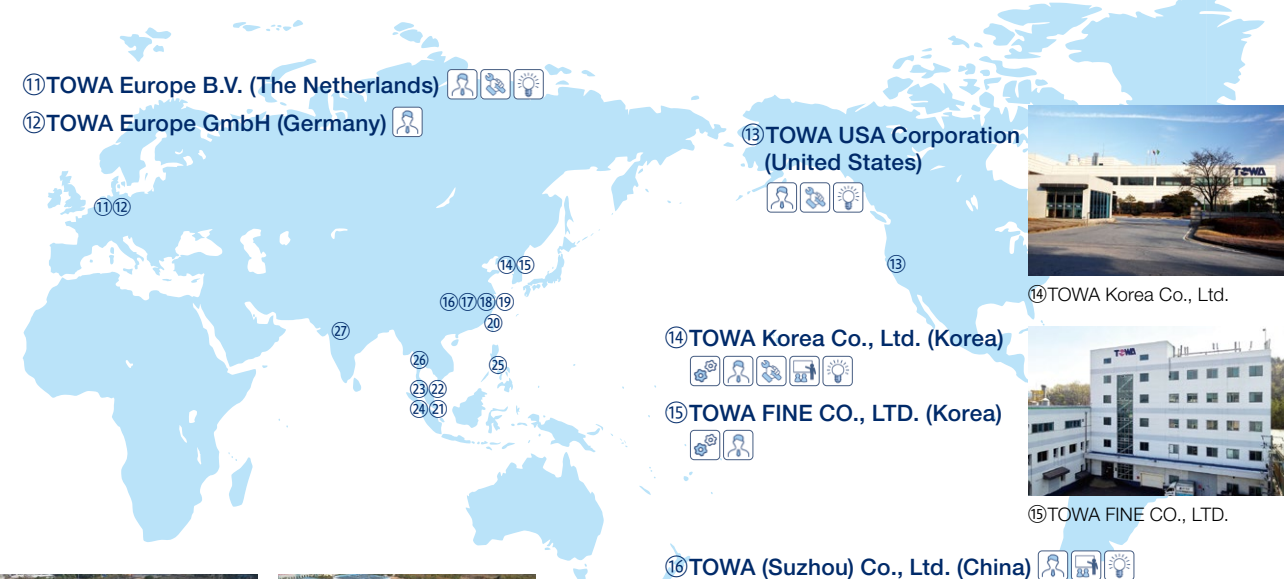
⑦Tohoku Service

TOWA LASERFRONT Corporation

- ⑧Headquarters/Factory

⑨Chubu Sales Office

⑩Kansai Sales Office



⑩TOWA (Suzhou) Co., Ltd.



⑩TOWA (Nantong) Co., Ltd.



②TOWAM Sdn. Bhd.



③TOWA TOOL SDN. BHD.

- ①⑥TOWA (Suzhou) Co., Ltd. (China)

①⑦TOWA (Shanghai) Co., Ltd. (China)

①⑧TOWA (Nantong) Co., Ltd. (China)

①⑨TOWA R&D Suzhou Co., Ltd. (China)

②⑩TOWA Taiwan Co., Ltd. (Taiwan)

②⑪TOWA Asia-Pacific Pte. Ltd. (Singapore)

②⑫TOWAM Sdn. Bhd. (Malaysia)

②⑬TOWA TOOL SDN. BHD. (Malaysia)

②⑭TOWA MALAYSIA SALES & SERVICES SDN. BHD. (Malaysia)

②⑮TOWA Semiconductor Equipment Philippines Corp. (Philippines)

②⑯TOWA THAI COMPANY LIMITED (Thailand)

②⑰TOWA SEMICONDUCTOR INDIA PRIVATE LIMITED (India)

Company Overviews (As of March 31, 2025)

Company Information

|                         |                                                                                       |
|-------------------------|---------------------------------------------------------------------------------------|
| Company name            | TOWA CORPORATION                                                                      |
| Established             | April 17, 1979                                                                        |
| Paid-in capital         | 8,969,261,572 yen                                                                     |
| Address of headquarters | 5 Kamichoshi-cho, Kamitoba, Minami-ku, Kyoto-shi, Kyoto Japan<br>TEL (+81)75-692-0250 |
| Number of employees     | TOWA Corporation: 681<br>TOWA Group (consolidated): 2,099                             |
| Website                 | <a href="https://www.towajapan.co.jp/en/">https://www.towajapan.co.jp/en/</a>         |
| Stock listings          | Prime Market of Tokyo Stock Exchange                                                  |

Stock Information

|                                          |                                                                                                                                                                                                                                                                                                                                                              |
|------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Number of shares authorized              | 240,000,000                                                                                                                                                                                                                                                                                                                                                  |
| Number of shares issued                  | 75,140,556                                                                                                                                                                                                                                                                                                                                                   |
| Number of shareholders                   | 62,162                                                                                                                                                                                                                                                                                                                                                       |
| Fiscal year                              | One year from April 1 to March 31 of the following year                                                                                                                                                                                                                                                                                                      |
| Ordinary general meeting of shareholders | Every year in June                                                                                                                                                                                                                                                                                                                                           |
| Record date                              | Exercise of rights at the general meeting of shareholders and year-end dividend: March 31<br>Interim dividend: September 30                                                                                                                                                                                                                                  |
| Number of shares per unit                | 100                                                                                                                                                                                                                                                                                                                                                          |
| Shareholder registry administrator       | 1-3-3 Marunouchi, Chiyoda-ku, Tokyo<br>Mizuho Trust & Banking Co., Ltd.                                                                                                                                                                                                                                                                                      |
| Method of public notice                  | Public notices of the company shall be given by electronic public notice; provided that in case it is impossible to place electronic public notice due to accident or any other unavoidable events, they shall be given in <i>The Nihon Keizai Shimbun</i> .<br>Public notice website: <a href="https://www.towajapan.co.jp">https://www.towajapan.co.jp</a> |

TOWA Group

Japan

- TOWA Corporation

Headquarters/Factory

Kyoto East Plant

Kyushu Work
- BANDICK Corporation

TOWATEC Co., Ltd.

TOWA LASERFRONT Corporation

Overseas

- TOWA Asia-Pacific Pte. Ltd. (Singapore)

TOWAM Sdn. Bhd. (Malaysia)

TOWA TOOL SDN. BHD. (Malaysia)

TOWA MALAYSIA SALES & SERVICES SDN. BHD. (Malaysia)\*

TOWA Semiconductor Equipment Philippines Corp. (Philippines)

TOWA THAI COMPANY LIMITED (Thailand)

TOWA SEMICONDUCTOR INDIA PRIVATE LIMITED (India)\*

TOWA USA Corporation (United States)

TOWA Europe B.V. (The Netherlands)

TOWA Europe GmbH (Germany)

TOWA (Suzhou) Co., Ltd. (China)

TOWA (Shanghai) Co., Ltd. (China)

TOWA (Nantong) Co., Ltd. (China)

TOWA R&D Suzhou Co., Ltd. (China)

TOWA Taiwan Co., Ltd. (Taiwan)

TOWA Korea Co., Ltd. (Korea)

TOWA FINE CO., LTD. (Korea)

\*Established in April 2025

Principal Shareholders

| Name                                   | Number of shares held (thousands of shares) | Shareholding ratio (%) |
|----------------------------------------|---------------------------------------------|------------------------|
| The Master Trust Bank of Japan, Ltd.   | 5,753                                       | 7.66                   |
| K.B. Kousan Co., Ltd.                  | 5,700                                       | 7.59                   |
| N.regalo Co., Ltd.                     | 3,780                                       | 5.03                   |
| The Bank of Kyoto, Ltd.                | 2,099                                       | 2.80                   |
| Custody Bank of Japan, Ltd.            | 1,798                                       | 2.39                   |
| JPMorgan Securities Japan Co., Ltd.    | 1,623                                       | 2.16                   |
| Hideyuki Hamada                        | 1,286                                       | 1.71                   |
| Rakuten Securities, Inc.               | 1,127                                       | 1.50                   |
| TOWA Employee Shareholding Association | 934                                         | 1.24                   |
| JP MORGAN CHASE BANK 385781            | 849                                         | 1.13                   |

(Note 1) Shareholdings in The Master Trust Bank of Japan, Ltd. and Custody Bank of Japan, Ltd. are related to the trust business.  
(Note 2) Shareholding ratio is calculated excluding treasury shares (43,275 shares).  
(Note 3) The total number of shares authorized increased by 160,000,000 shares due to an amendment to the Articles of Incorporation following a 3-for-1 stock split on October 1, 2024, by resolution of the Board of Directors held on August 29, 2024.  
(Note 4) On October 1, 2024, the Company implemented a 3-for-1 common stock split, and the number of shares shown above represents the number of shares after the stock split.

Number of shares by sector (thousands of shares)

