



Management Philosophy

It is the mission of our Company and our Group to contribute to society, with a focus on our business of leveraging electronics and other advanced technology to create products that embody functions of human senses: measurement, cognition, and control.

1. Continually hone our technology to develop products that lead the world.
2. Anticipate changes in the market and create new value.
3. Prioritize quality in our products and earn the trust of customers.
4. Develop human resources who improve their abilities and their character to contribute to fulfilling our mission.
5. Engage in sound and fair corporate activities in line with social norms.
6. Protect the environment and work to conserve limited resources.
7. Increase our overall corporate value and meet the expectations of our stakeholders.

Company profile (as of Thursday, September 30, 2021)

Trade name:	Tokyo Keiki Kabushiki-gaisha
Company name in English:	TOKYO KEIKI INC.
Founded:	May 1, 1896
Established:	December 21, 1948
Paid-in capital:	¥7,217,597,300
Employees:	1,319 (Consolidated: 1,709)

Editorial policy

We issue this report for the purpose of providing easily understood information on sustainability at TOKYO KEIKI to stakeholders including customers, business partners, shareholders, investors, local communities, and employees. Our goal is to make this report a useful tool for communication with our stakeholders.

Period covered

Fiscal 2020 (April 2020 to March 2021)

Some data and information on activities from April 2021 are also included.

Scope of coverage

Financial information:

TOKYO KEIKI INC. and its domestic and overseas consolidated subsidiaries

Non-financial information:

TOKYO KEIKI INC.
TOKYO KEIKI AVIATION INC.
TOKYO KEIKI POWER SYSTEMS INC.
TOKYO KEIKI RAIL TECHNO INC.
MOCOS JAPAN CO., LTD.
TOKYO KEIKI PRECISION TECHNOLOGY CO., LTD.

Referenced guidelines

GRI Standards

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Message from the President

With the world at the mercy of COVID-19 in fiscal 2020, our Company was forced to restrict its activities in many scenarios, making the year one that tested our patience with the inability to move forward with plans. Looking at our operating results, net sales declined 11.3% year on year to ¥42.08 billion, operating profit declined 33.3% to ¥1.25 billion, ordinary profit declined 27.5% to ¥1.46 billion, and profit attributable to owners of parent declined by 33.7% to ¥950 million.

Major changes are taking place in circumstances surrounding our Group. In response to the global heightening of environmental awareness spurred by climate change and the biodiversity crisis, the achievement of a carbon-neutral society has become an urgent issue. The government of Japan has declared its aim to realize such a society by cutting greenhouse gas emissions to virtually zero by 2050. As a company existing in this age, we recognize our natural responsibility to act with consideration of the sustainability of society and the planet by making efforts not only in the environmental field but also in matters such as gender equality and achieving a just society. We further recognize that companies unable to respond

to change will necessarily disappear. Another pressing issue for us is adapting to the scheduled spring 2022 market restructuring of the Tokyo Stock Exchange, which will set up a Prime Market with stricter listing standards.

Continuing as a company needed by society

In May 2021, we celebrated the 125th anniversary of our founding. Long before the terms “SDGs” and “ESG” came into being, we have engaged in business with a mission of creating a safe and secure society and under a principle of solving issues in society. We were the first company in Japan to tackle many of our fields of business, and we have created products that boast top spots within their business niches. We were also early to undertake improvement of the work environment and employee welfare, during a history that includes the establishment of Japan’s first health insurance association. These achievements have come down to us today as the DNA of TOKYO KEIKI, which strives to solve social issues while also advancing our business. Now, at this major turning point in our history, we hope to return anew to our origin and connect it to the development of our business.

A growth strategy that starts with sustainability

By continuing to grow sustainably through the dual activities of contributing to protection of the global environment and solving social issues to ensure people's safety and security, we seek to continue as a company that is needed by society. With this determination in mind, in June 2021 we launched TOKYO KEIKI Vision 2030 with the aim of achieving sustainable growth and improvement of our medium- to long-term corporate value through the creation of global niche-leading businesses from the approach of the SDGs.

TOKYO KEIKI Vision 2030 is our declaration of intent to make a sharp turn toward growth rooted in sustainability and ESG initiatives. To achieve this, we identified the management issues faced by our Group and the social issues toward which our Company can make contributions. We further clarified five business domains that we should strengthen, key points for deepening our existing businesses, and issues related to human resource development and organizational reform, among other matters. Based on our vision, we seek to grow as a company that once again takes on the challenge of leading the resolution of social issues.

As a part of our internal reforms aimed at this, we created two new organizations: the Future Design Unit that aims for bottom-up innovation, and the Sustainability Office that seeks to promote ESG- and SDG-related activities across the company. To supervise the Sustainability Promotion Office, we also established a Sustainability Committee, of which I serve as Chairman. Under this new structure, we intend to draw out innovation from the standpoint of sustainability and connect this to growth strategies.

Medium-term Business Plan

Spanning three years from fiscal 2021, our Medium-term Business Plan has the primary goal of strengthening foundations and solidifying fundamentals based on our medium- to long-term strategy, to achieve the ten-year goals set in TOKYO KEIKI Vision 2030. The three-year period also marks a phase of identification, incorporation, and development of the growth drivers that will support our future.



Our basic policy is to continue creating unique, high-value-added products aimed at solving the social issues addressed by the SDGs. By growing profits through contributions to safety and the environment and by achieving sustainable growth and enhancing our medium- to long-term corporate value, we intend to meet the demands and expectations of our stakeholders. To achieve this, we plan to move forward with initiatives based on three basic policies: (1) Expansion of our business domains, (2) Promotion of globalization, and (3) Continuous strengthening of our existing businesses.

We applied for a transition to the Tokyo Stock Exchange's Prime Market in the spring of 2022, and have made it our mission to prepare a commensurate level of governance and to continuously enhance our corporate value. At the same time, the number of issues that our Group must solve, such as the creation of a sustainable society and the advance of a digital society, is increasing. While linking these to each other, we will continue our efforts toward becoming a company that grows sustainably.

I ask all of our stakeholders for their continued guidance and support.

Representative Director
President & CEO

Message from the Chief Sustainability Promotion Officer



Since our founding and long before the word “sustainability” became recognized, our Group has made contributions to society by providing products and services that solve issues in Japan’s social infrastructure.

While we acknowledge that this historical background makes us a company that is highly attuned to the sustainability concept of connecting company growth with contribution to solving environmental and social issues, our launch of sustainability organizations took place in June 2021. As such, we have just begun corporate management with awareness rooted in the context of sustainability.

With my appointment as the person in charge of promoting sustainability, I recognize my mission as reorganizing our conventional business from the modern perspective of sustainability management and connecting this to the future vision indicated in TOKYO KEIKI Vision 2030, to lay a foundation for our next 100 years of development.

Recent years have seen active movement around the world involving sustainability, including the expansion of ESG-related investment and the European Green Deal set of policy initiatives. In order for our Group to continue as a sustainable company listed on the Tokyo Stock Exchange Prime Market and to remain a company that will long be needed by society, I believe it is imperative that we not only demonstrate superiority in our conventional products and services and in our financial base, but also

continuously add new ability to create corporate value that solves environmental problems and social issues.

To sustainably add this new value, all of our employees must hold a strong sense of responsibility that seeks to contribute to society through the business activities they are involved in. Transforming the Group as a whole into a collection of employees that hold this mindset is also one of the roles assigned to the person in charge of sustainability promotion.

We will organize our in-house structure and examine diverse sustainability initiatives, including the earlier-mentioned enhancement of corporate value in a manner considerate of the environment and society, actions aimed at carbon neutrality and TCFD recommendations, and promotion of diversity and inclusion, and will press forward to demonstrate concrete initiatives.

Executive Officer, Chief of Sustainability Promotion

Yukihiro Suzuki

Company History

Begins manufacture of navigational instruments such as compasses and depth sounders



Compass installed in bridge of the flagship "Mikasa"

Successfully develops Japan's first marine radar system



MK-II Mod.0 Radar Display

Begins manufacture of Sperry gyrocompasses

Head Office moves to Kamata, Tokyo



Successfully develops the world's first ultrasonic flowmeter and moves into the field of flow measurement



UF-100 Ultrasonic Flowmeter

Establishes NEW TOKYO KEIKI (now TOKYO KEIKI Yaita Plant) for mass production of electronic and measurement products



Develops radar warning system used in the F-4EJ fighter plane

Celebrates 100 years of operations

Establishes Maritime Traffic Department in the Electronics Systems Division



Restores the "TOKYO KEIKI" corporate name

Establishes Chinese subsidiary TOKYO KEIKI (SHANGHAI) CO., LTD.

Introduces company-based organizational structure

Changes corporate governance system to have an Audit and Supervisory Committee

1896 ● Begins production of pressure gauges in Koishikawa, Tokyo as Wada Keiki Seisakusho, Japan's first instrument factory



1901 ●
1917 ● Company reorganized as TOKYO KEIKI CO., LTD.
● Optical instruments business spun off and established as Nippon Kogaku K.K. (now Nikon) with Mitsubishi joint-stock company

1918 ●
1923 ● Begins development of aeronautic instruments

Company name changed to TOKYO KEIKI SEIZOSHO

1948 ● 株式会社 東京計器製造所
TOKYO KEIKI



Flight Compass

1952 ●
1954 ● Begins manufacture of hydraulic equipment

1962 ● Develops a rail inspection car using ultrasonic flaw detection technology



1968 ● Establishes TOKYO VICKERS CO., LTD. (now TOKYO KEIKI Sano Plant) for mass production of hydraulic equipment

1969 ●
1970 ● Company name changed to TOKYO KEIKI CO., LTD.



1971 ●
1973 ● Establishes DAICHI TOKYO KEIKI CO., LTD. (now TOKYO KEIKI Nasu Plant) as a specialized factory for the manufacture of aerospace and terrestrial electronic products

1990 ● Company name changed to TOKIMEC, INC.



1996 ●
1999 ● MRG-10 microwave level gauge goes on sale



2005 ●
2008 ●
2011 ● Establishes TOKYO KEIKI PRECISION TECHNOLOGY CO., LTD. in Vietnam as a base for hydraulic equipment manufacturing

2012 ●

2013 ●
2016 ●
2021 ● Celebrates 125 years of operations



Our Businesses

Marine Systems Business

Supporting safe and secure ocean navigation through cutting-edge gyrocompass technology and marine autopilot technology

- As the nautical equipment pioneer and the first manufacturer of marine radar, gyrocompasses, and autopilots in Japan, we offer a lineup of nautical equipment necessary for piloting. We supply these products around the world.
- As a top manufacturer of marine gyrocompasses and marine autopilots, we also participate in unmanned vessel development projects.

Marine Systems Company

MOCOS JAPAN



Autopilot



Electronic Chart Display and Information System

Hydraulics and Pneumatics Business

Supporting manufacturing and infrastructure development on the ground

- We provide hydraulic, pneumatic, and electronic products that feature excellent energy efficiency and operability, mainly in the industrial machinery and construction equipment markets. We support the creation of societal infrastructure.
- We contribute to the proliferation of next-generation energy through our hydrogen compression system.

Fluid Power & Control Systems Company

TOKYO KEIKI POWER SYSTEMS INC.

TOKYO KEIKI PRECISION TECHNOLOGY



High-pressure, low-noise, variable-displacement piston pump



Display for construction machinery



Hydraulic hydrogen compressors for hydrogen filling stations

Fluid Measurement Equipment Business

Measurement Systems Company

Supporting the management of water resources and prevention of river disasters through accurate measurement technology

- We achieved the world's first practical application of ultrasonic flowmeters. We contribute to the effective use of valuable water resources through flow rate monitoring of water and sewerage systems and of agricultural water.
- Our microwave level gauge-based water level monitoring system aids in prevention and mitigation of river flooding and urban flooding.



High-precision ultrasonic flowmeter



Microwave level gauge

Supporting safe living through gas-based fire extinguishing systems

- Ever since we became the first in Japan to develop inert gas-based fire extinguishing systems, we have protected valuable assets from fires at facilities not suited to water- and foam-based fire extinguishing.



Gas-based fire extinguishing systems

Defense & Communications Equipment Business

Electronics Systems Company

Communication & Control Systems Company

TOKYO KEIKI AVIATION INC.

Supporting society through proprietary microwave application technology and inertial sensor technology

- We develop and provide aircraft electronic equipment and submarine inertial navigation systems for the defense market.
- We provide a vessel traffic service system that handles vessel traffic control in congested sea lanes, including in Tokyo Bay and Osaka Bay.
- Our high-performance microwave application products contribute to the miniaturization of semiconductors and to space projects.
- We support smart agriculture through inertial sensors and control technology.
- We provide attitude control systems that bring together our core technologies, including gyrosensors, accelerometers, and magnetic azimuth sensors, for helicopters, media relay vehicles, and more.



Aircraft radar warning receivers



Vessel traffic service system



Solid state microwave power supply



Automated straight-line assistance device for agricultural vehicles



Antenna directioning system

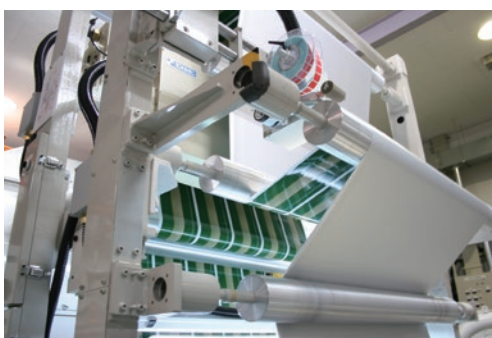
Other Businesses

Inspection Systems Company

TOKYO KEIKI RAIL TECHNO INC.

Our Printing Inspection Equipment business contributes to maintaining quality in printing

- Our high-precision image processing technology detects printing troubles, contributing to improved quality in printed matter.



Printing quality inspection system

Our Railway Maintenance business supports safe transport on railways

- We support railway maintenance work through rail inspection cars and rail flaw detectors. Our products are used by over 70% of Japan's railway companies.

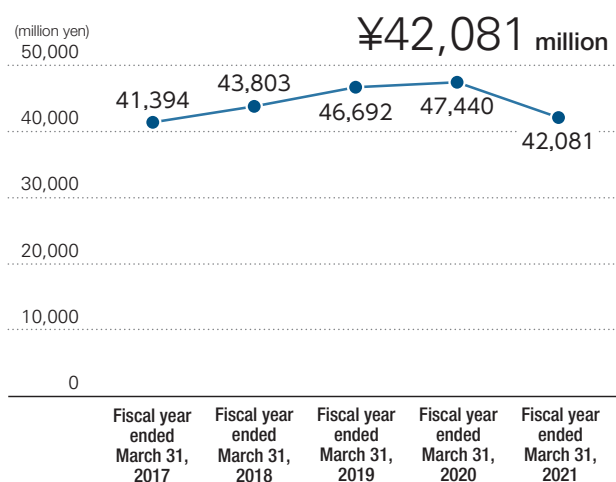


Rail inspection car

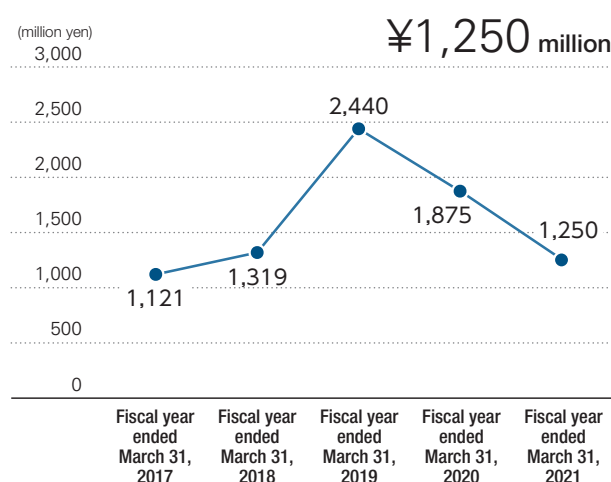
Financial and Non-Financial Highlights

Financial information

Changes in consolidated net sales

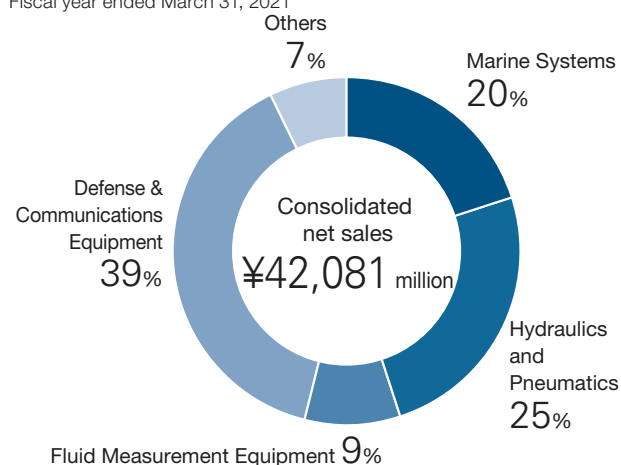


Changes in consolidated operating profit



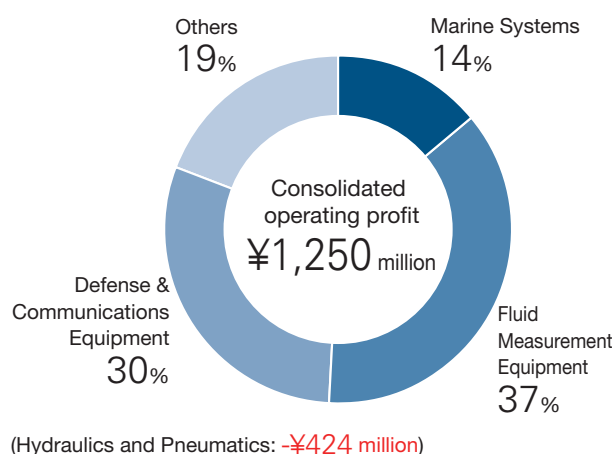
Consolidated net sales segment ratios

Fiscal year ended March 31, 2021

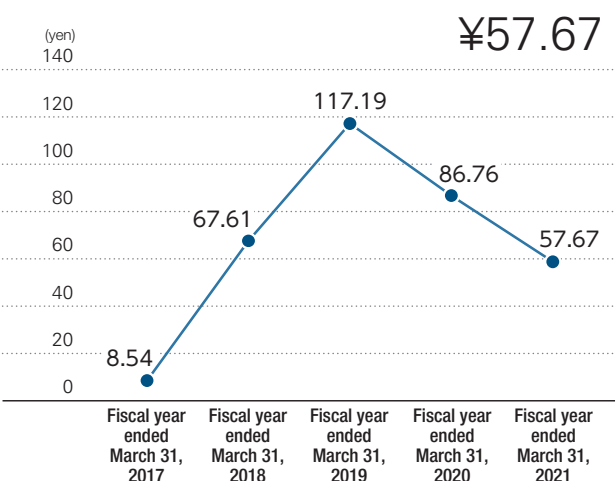


Consolidated operating profit segment ratios

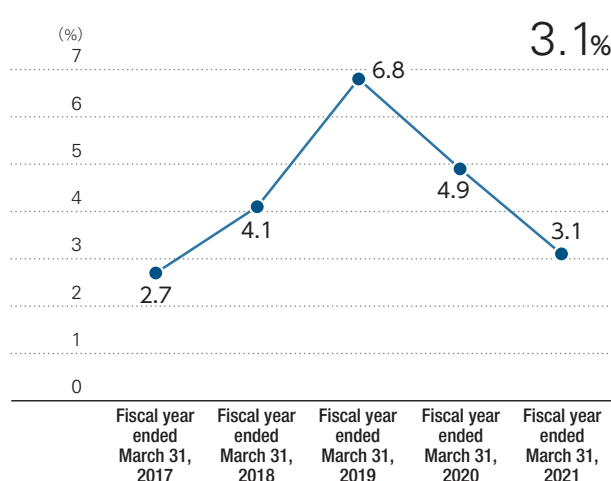
Fiscal year ended March 31, 2021



Changes in earnings per share



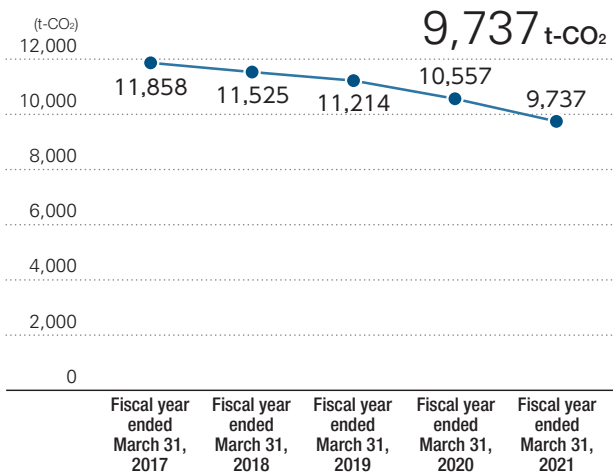
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Non-financial information

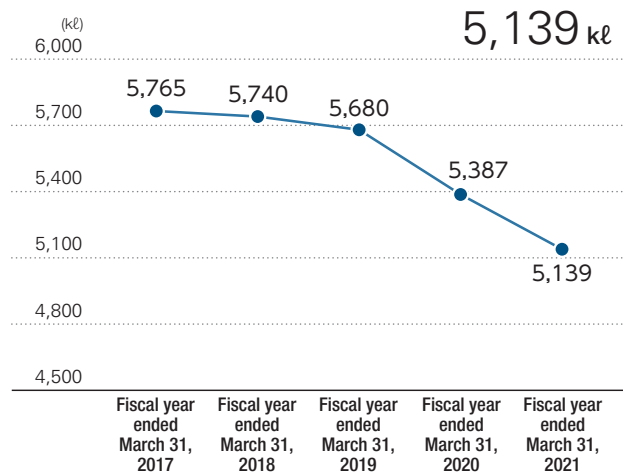
Carbon dioxide emissions

Note: Data is aggregated for the Head Office, Nasu Plant, Sano Plant, Yaita Plant, Tanuma Plant, Hanno Plant, and TOKYO KEIKI PRECISION TECHNOLOGY (Vietnam)

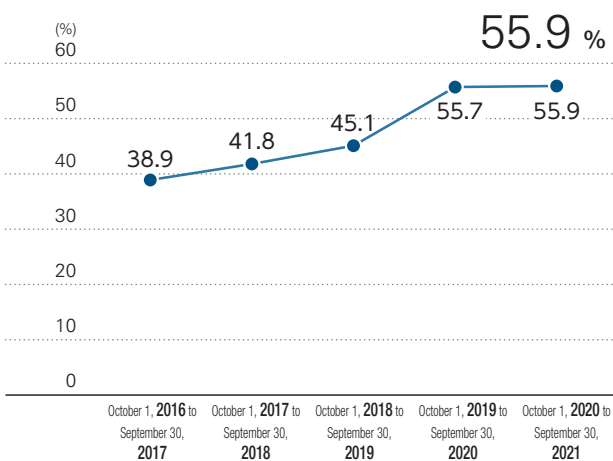


Energy usage (crude oil equivalent)

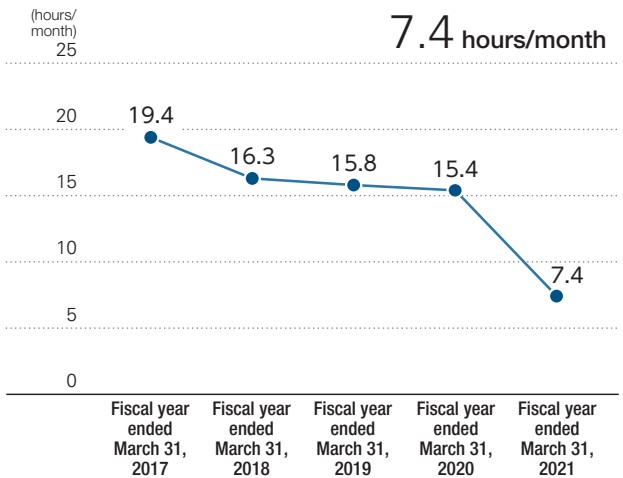
Note: Data is aggregated for the Head Office, Nasu Plant, Sano Plant, Yaita Plant, Tanuma Plant, Hanno Plant, and TOKYO KEIKI PRECISION TECHNOLOGY (Vietnam)



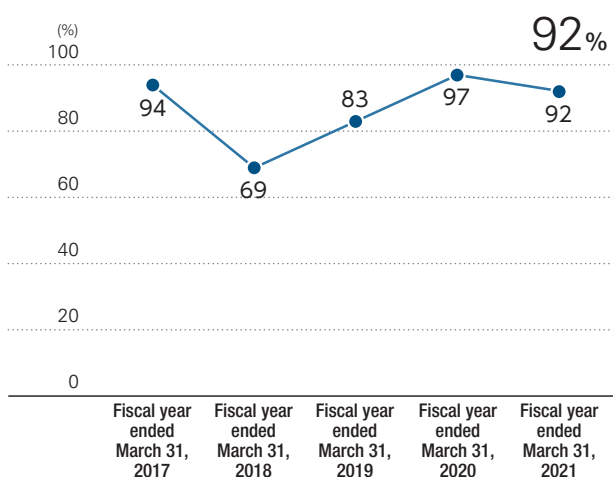
Annual leave utilization ratio



Average overtime hours



Reemployment rate for employees past retirement age



Women/foreign nationals in management positions

