

Microwave Level Gauges Active in the Field of National Disaster Readiness

Since our founding, our Group has engaged in business under a mission of creating a safe and secure society and a philosophy of solving issues in society. The DNA of TOKYO KEIKI, which tackles solutions to social issues as a pioneer, lives on in the field of national disaster readiness. The following is an introduction to an application employing microwave level gauges, which have attracted particular attention in recent years.

The history of our Group's microwave level gauges

From around 1955, our Company entered the field of process control systems with a focus on petrochemicals. We began developing markets in the automation field in partnership with overseas companies, centered on the "microsen" electronic process control device. In the process of doing so, we developed and sold capacitance-type and ultrasonic-type level gauges. In 1974, ahead of competitors, we began joint development of microwave level gauges with the University of Electro-Communications. We subsequently strengthened our microwave level gauge business through a domestic exclusive sales agreement for high-precision marine microwave level gauges developed by SAAB Marine Electronics (SME), a division of Swedish company SAAB. In 1993, we expanded our business domains, including supplying SME with our microwave transmitter/receiver modules. We currently offer a varied lineup of microwave level gauges developed in-house, along with microwave level gauges for ships (manufactured by Rosemount Tank

Radar, originally SME).

A microwave level gauge is a measuring instrument that calculates liquid level from the time required for microwaves transmitted from the device and reflected from the measured liquid level to return to the instrument. Ultrasonic-type devices based on the same principle also exist, but as ultrasonic waves are sound waves, these devices face problems including an inability to accurately measure propagation time when, for example, the speed of sound changes due to change in the temperature of the space between the device and the measured surface. Accurately measuring and correcting temperature distribution along the propagation path is particularly difficult outdoors, and wind and rain can also affect measurement. Microwaves, by contrast, are electromagnetic waves (i.e., light) and are nearly unaffected by these factors. Accordingly, microwave level gauges have found wide use in many fields in recent years.

Tide level and tsunami observation facilities, and crisis management water gauges

Surrounded by the sea, Japan constantly faces the risk of disasters caused by major earthquakes and tsunamis. In response, the Japan Meteorological Agency has set up tide level and tsunami observation facilities around Japan to monitor the coast. Our microwave level gauges are active in the facilities as measuring equipment used for observation and measurement of tide levels.

Recent years have seen many natural disasters attributed to climate change caused by global warming. If global warming further progresses and the atmospheric temperature rises by 2°C, predicted changes related to climate change include precipitation in Japan increasing to about 1.1 times the current level and the probability of

flooding roughly doubling. Due to the climate change-related increase in heavy rainfalls, the number of rivers in which water has exceeded the flood hazard level (i.e., the water level at which overflowing may occur) is on the rise.

Under these conditions, the importance of river water level gauges is growing day by day. At the same time, the high cost of conventional water level gauges has made installation and maintenance costs an issue for widespread use along small- and medium-sized rivers. To solve these problems, the Ministry of Land, Infrastructure, Transport and Tourism has taken the lead in developing low-cost water level gauges (with a cost of under 1 million yen for the gauge unit) specialized

in water level observation during floods. Our new crisis management water gauge seeks to promote the proliferation of water level gauges in rivers previously lacking these and rivers requiring detailed water level assessment at the level of riverside land, thereby

enhancing the water level monitoring network.

Pressure-type, ultrasonic-type, microwave-type, and other sensors exist for these water level gauges. Our Group provides high-performance microwave level gauges.

The TOKYO KEIKI Group's microwave level gauges for crisis management-oriented and disaster readiness monitoring water level gauges

MD-10 microwave level gauge for crisis management water gauges

Our MD-10 microwave level gauge is a microwave water level gauge widely adopted for crisis management by the Ministry of Land, Infrastructure, Transport and Tourism, with a record of delivery of about 2,500 units so far. Developed by leveraging our technology and know-how gained through extensive experience and achievements in the field of river water level measurement, the MD-10 achieves accurate and stable water level observation even during floods.



MD-10 microwave level gauge for crisis management water gauges

RPL-10 flood control level gauge

The frequent occurrence of localized heavy rains in recent years has increased the risk of inland flooding in which water flows in reverse out of drainage manholes, creating a need for water level monitoring inside manholes. Our RPL-10 flood control level gauge was developed to meet this new need for monitoring the water level of inland inundation. It combines the merits of a microwave level gauge and a pressure-type level gauge to reliably measure water levels in manholes. This product for mitigating flood damage is unique to our Group and unrivaled by other companies.



RPL-10 flood control level gauge

Addressing increasingly severe natural disasters

In addition to the products introduced above, our Group is advancing development of varied equipment for national disaster readiness. We are focusing on the particularly urgent field of flood preparedness, and have set a business strategy of contributing to the safety of society through fluid measurement, monitoring, and management. Microwave level gauges have recently found application not only in simple water level measurement but also in flood control areas such as automatic control of discharge gates in reservoirs where emergency release is required when water inflow increases due to heavy rain.

We will continue making it our mission to achieve safety for society and happiness for people through proprietary technology centered on “measurement,

cognition, and control,” and will continue our untiring challenge to make this mission a reality. We invite you to closely watch our Group's activities in the future.



Reservoir gate automation equipment

Establishment of the Sustainability Office

In June 2021, our Group established the Sustainability Committee and the Sustainability Office as Group-wide organizations to promote sustainability management, which seeks to enhance business sustainability through consideration of environmental, social, and economic sustainability. The background to the establishment of these new organizations and their structures are introduced below.

Background to the establishment of the Sustainability Office

In May 2021, our Group celebrated its 125th anniversary, marking what is truly a history of innovation. Long before the terms “SDGs” and “ESG” came into being, our Group engaged in business under a mission of creating a safe and secure society and under the principle of solving issues in society. At this 125-year juncture, we are making a major course change from “stability” to “growth” that takes in a broader perspective, to shift to a stage of medium- to long-term corporate value enhancement and sustainable growth through the creation of global niche top businesses that take the SDGs as their approach.

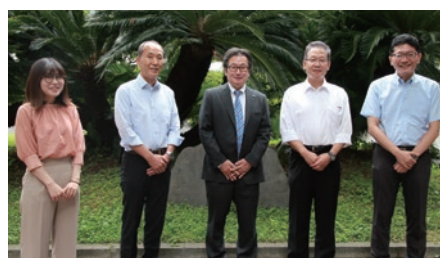
We have also decided to transition to the Prime Market amid the market restructuring of the Tokyo Stock Exchange. From here on out, we will be tasked with the mission of maintaining a level of governance appropriate to a company listed on the Prime Market, and of constantly pursuing enhancement of our corporate value. At the same time, as the world now takes great steps toward the achievement of the SDGs and drastic changes begin, initiatives that consider ESG are becoming important corporate management metrics for achieving corporate value, and movements to demand ESG information disclosure by companies are gaining strength. Issues related to the elements of ESG that our Group must solve, such as the creation of a sustainable society and the advance of a digital society, are expected to increase significantly.

Under these circumstances, last year we produced our first ESG report. Doing so made clear to us that our Group-wide functions and organizations for addressing issues and goals pertaining to elements of

ESG are weak. Reflecting on this, we established the Sustainability Office as an organization that will provide a top-down view of ESG issues in our Group as a whole and will propose strategies and measures for connecting this view to sustainable growth of the Group by resolving the issues. The goal of the Sustainability Office is to share our visions for the coming 10 years and 20 years with all Group employees, to create new innovation toward that end, and to create a new TOKYO KEIKI Group that achieves sustainable growth while solving social issues.

We also established a Sustainability Committee chaired by the President & CEO. This Committee deliberates and shares sustainability management-related policies and measures drafted by the Sustainability Office in collaboration with other Head Office staff departments, and executes decisions across the Group without delay.

Last year, to provide information concerning ESG, we published an ESG Report with an awareness of IR aspects. From this year, in light of the report’s significance as a report on the activities of the Sustainability Office and the Sustainability Committee, we have changed its name to Sustainability Report.



Members of the Sustainability Office

Sustainability Management and TOKYO KEIKI Vision 2030

Sustainability management is the formulation of business strategy with consideration of the impacts of the company on the environment and society, while at the same time considering the impacts of these on the company. It is not possible for a company to survive in an era of rapid change without making changes itself, taking the influence of its surroundings into consideration. Sustainability management also means responding from a long-term perspective to opportunities and risks that the environment and society pose to our Group, and reallocating management resources accordingly. In other words, sustainability management is business management itself. To achieve sustainability management, our newly established TOKYO KEIKI Vision 2030 reaffirms the Group DNA that has been handed down over 125 years and aims for continued sustainable growth into the future. The Sustainability Office is planning a number of measures aimed at making TOKYO

KEIKI Vision 2030 a reality.

We have made the content of TOKYO KEIKI Vision 2030 available on our website.

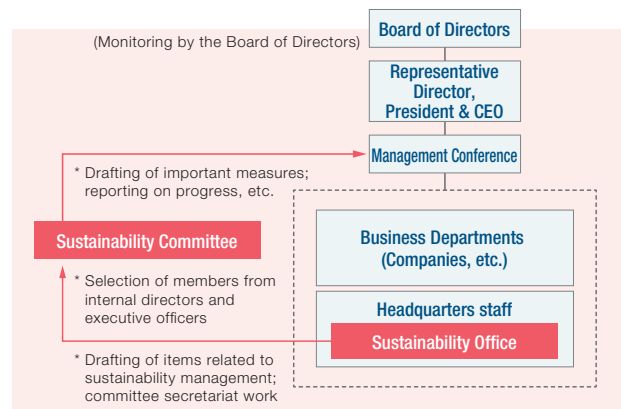
TOKYO KEIKI Vision



Sustainability promotion system

At the center of our Group, the Sustainability Office plans and promotes measures involving sustainability management.

The Sustainability Committee is chaired by the President & CEO and selects Members from Internal Directors and Executive Officers. It functions as a meeting body that discusses and shares sustainability management-related policies and measures, and executes decisions without delay across the Group. It also makes proposals on key measures and issues progress reports to the Management Conference and the Board of Directors.



Message from the Sustainability Office

The slogan of the Sustainability Office is “Let’s all be happy!” We cannot achieve the ultimate goal of the SDGs, a world that leaves no one behind, unless each of our stakeholders is happy.

For all of us, including our stakeholders, to be happy, it is essential that our Group generate sustainable profits and grow. At the same time, we exist in an age in which companies that do not consider the environment and society will be abandoned by customers, by suppliers, and even by markets and shareholders, and will necessarily disappear. Not being content with our history

of enduring for 125 years, the Sustainability Office will boldly transform our behavior to meet the coming era, with all members of the Office working as one to create a company that is better than ever. Our Group has many employees who hold an awareness of issues and who will support our future. We hope to involve employees like these in creating a new history for our Group.

Stakeholder Engagement

To the extent possible, we provide opportunities for dialogs with stakeholders to discuss and exchange thoughts on the status of our business and our initiatives to resolve social issues through our business. We will continue such efforts to enhance communication.

Major areas of stakeholder engagement

Stakeholders	Communication method	Point of contact for dialog
Customers	<ul style="list-style-type: none"> • Daily sales activities • Explanation of product operation • Training • Product maintenance and service • Exhibitions, etc. • Hydraulic School (course on hydraulics) 	<ul style="list-style-type: none"> • Business Divisions (sales/service departments) • Corporate Communications Office
Shareholders / Investors	<ul style="list-style-type: none"> • General Meeting of Shareholders^{*1} • Financial results briefings^{*2} • Disclosure of financial results briefing materials on IR-related web pages • Individual meetings with institutional investors^{*3} 	<ul style="list-style-type: none"> • Legal Governance Affairs Office (Handling of General Meeting of Shareholders) • Corporate Communications Office
Suppliers / partner companies	<ul style="list-style-type: none"> • Holding of business policy briefing sessions (cooperating factories, distributors, agents) • Daily procurement activities • Auditing of cooperating factories 	<ul style="list-style-type: none"> • Material Management & Purchasing Office, factories' materials sections • Business Divisions (sales departments)
Employees	<ul style="list-style-type: none"> • Labor-Management Negotiations / Management Council (labor-management deliberations) • Briefings on programs, dialogs with the President & CEO^{*4} • Evaluation interviews 	<ul style="list-style-type: none"> • Human Resources and General Affairs Department • Corporate Planning & Administration Office
Communities	<ul style="list-style-type: none"> • Dialogs with industrial park unions, etc. • Dialogs with local residents' associations, etc. • Community cleanup campaigns together with companies in vicinity of industrial parks • Sponsorship of local events (fireworks displays, etc.) 	<ul style="list-style-type: none"> • (Headquarters District) Human Resources and General Affairs Department • (Factories) Factory administration sections • (Hanno) TKA Administration Department^{*5} • (Tanuma) TPS Administration Section^{*4}
Government	<ul style="list-style-type: none"> • Dialogs with government officials (local government, police, fire department, etc.) • Response to government agencies in the event of accident or incident 	<ul style="list-style-type: none"> • (Headquarters District) Human Resources and General Affairs Department • (Factories) Factory administration sections • (Hanno) TKA Administration Department^{*5} • (Tanuma) TPS Administration Section^{*6} • Corporate Planning & Administration Office (Government agency response)

Notes *1 Video streamed following the General Meeting of Shareholders due to the COVID-19 pandemic (from June 2021)

*2 Video streamed due to the COVID-19 pandemic (from June 2020)

*3 Telephone conferences and online conferences held due to the COVID-19 pandemic

*4 Held with a limited number of participants and support for online conferencing due to the COVID-19 pandemic

*5 TKA: TOKYO KEIKI AVIATION INC.

*6 TPS: TOKYO KEIKI POWER SYSTEMS INC.

Specific initiatives

Engagement with customers

Our Group is working to promote smart agriculture aimed at labor efficiency and greater precision in agricultural work through the use of inertial measurement technology and automatic control technology. Our automated straight-line assistance device for agricultural machinery uses advanced technology to automate straight-line driving by skilled tractor operators. During development, we had both experienced drivers and those not accustomed to straight-line driving perform driving, and

listened to their opinions.

In November 2020, we participated in a Nasu District workshop on smart agriculture in Otawara, Tochigi Prefecture, sponsored by the Nasu District Certified Agriculture Council and the Nasu Agricultural Promotion Office. There we demonstrated a tractor equipped with our AG-GEAR3 automated straight-line assistance device for agricultural machinery. Customers participating in the event experienced automated steering and offered their opinions from users' perspectives. We will continue to

deepen our engagement with agricultural practitioners to aid in solving issues such as ensuring stable supplies of food, and will connect this engagement to product development that contributes to the sustainable development of agriculture.



Engagement with shareholders

We view the General Meeting of Shareholders as a valuable forum for dialog with our shareholders, and have held these meetings at our Head Office. However, to prevent COVID-19 contagion we requested limitations on the number of participants, and decided to stream the meetings online from the end of the annual General Meeting of Shareholders held in June 2021. By doing so, we hope to deepen understanding of the Group's business activities among our many shareholders, including those who refrained from attending in person and those located far away.

In January 2021, we introduced the TOKYO KEIKI Premium Benefits Club shareholder benefit program. Through a questionnaire aimed at shareholders who register as users for the online service of this benefit program, we have been able to listen to shareholders more directly than ever. We reflect the encouragement that we receive from many shareholders in our management activities. We also make use of a "Shareholders Post" function on the Club website to deliver information from our Company to registered shareholders. From June 2021, shareholders are also able to exercise electronic voting rights through the TOKYO KEIKI Premium Benefits Club, increasing convenience for shareholders and achieving lower environmental impact by reducing mailings.

Online stream of the 90th General Meeting of Shareholders

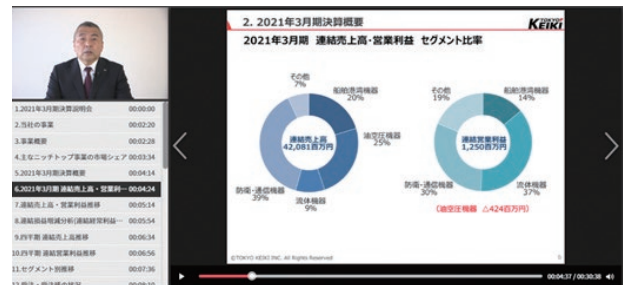


Engagement with institutional investors

We normally hold financial results briefings at meeting venues, primarily for institutional investors. From June 2020, however, we have been streaming videos online to prevent COVID-19 contagion. The streamed financial results briefings have been well received as, unlike physical venues, they place no restrictions on date, time, or place. In addition, we handle IR interviews through telephone conferences and online conferences to avoid face-to-face meetings.

As our Group's businesses are diverse, we make refinements to materials for every financial results briefing, to make our business activities more easily understood.

Online stream of the financial results briefing for the fiscal year ended March 2021



Communication of information through the media

Our Group works to deepen understanding of our business activities by communicating information to stakeholders through varied media. President & CEO Ando has made appearances recently in the following media to explain our Group's products and business activities, which are widely deployed throughout society yet rarely seen by the public. The media appearances also allow explanation of our long-term plan expressing management targets through 2030 under the TOKYO KEIKI Vision 2030 announced in June 2021, along with the growth drivers and other factors by which we will achieve that plan, to deepen understanding among our stakeholders.

Communication of information through media appearances

Date	Media	Information communicated
April 2021	Radio NIKKEI, "Kono kigyo ni chumoku! Soba no fukunokami (Company Watch! The Market God of Luck)"	Business overview; growth businesses
June 2021	Nikkei CNBC, "Toppu ni kiku (Top-Level Interview)"	Business overview; TOKYO KEIKI Vision 2030