TCLC

Tri Chemical Laboratories Inc.

2025 Integrated Report

CONTENTS

Purposes of Issuing the Integrated Report

We aim to enhance our corporate value through dialogues with our stakeholders and co-creation with our employees by disseminating our value creation story in an easy-to-understand manner to our stakeholders including our investors and employees.

Contents of the Report

We explain our history and values, our business and strengths, our future vision and the value creation story to realize the vision, and our initiatives to realize sustainable growth.

Editorial Policies

The Integrated Report 2025 was prepared based on the following editorial policies.
(1) To provide stakeholders with easy-to-understand information about our business, the value creation we aim to achieve, our strategies and business model, and the strengths and management resources that are the source of our value creation.
(2) The above shall serve as a source of information for medium-to long-term dialogues with stakeholders.

Reporting Period

The primary reporting period is from February 1, 2024 to January 31, 2025 (If the period differs from the period covered by the report, a note is inserted).

Organizations Covered by the Report

The reporting data covers Tri Chemical Laboratories, Inc. and its Four affiliated companies in Japan and abroad (If the scope of data differs from the scope of the report, the scope is indicated on a case-by-case basis).

*In this report, Tri Chemical Laboratories, Inc. on its own is referred to as “Tri Chemical Laboratories” or “the Company”, while Tri Chemical Laboratories and its domestic and overseas affiliated companies are referred to as “Tri Chemical Group” or “the Group.”

Reference Guidelines

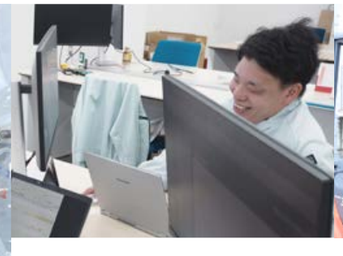
The “International Integrated Reporting Framework” of the International Integrated Reporting Council (IIRC) and the “Guidance for Collaborative Value Creation” of the Ministry of Economy, Trade and Industry (METI) are used as references.

Forward-looking Plans

This report contains forward-looking statements regarding future plans, strategies, and performance. Please note that actual results may differ from these plans due to various factors.

Management Philosophy / Material of Materials









Management Philosophy

Contributing to the development of leading-edge technology through science and technology to realize the creation of leeway for people

Our approach to “Leeway”

Since our founding, we have followed the philosophy of “having leeway and enjoy your leisure time”,
and achieved a relaxed work-life balance while encouraging our employees to take on challenges. As a result,
we have established a strong position in the field of leading-edge semiconductors, which always requires expertise and creativity.

1 Providing Better Product Technology

We aim to maximize customer satisfaction by improving our development capabilities and production technologies and providing better products and technologies for our customers.

2 Safety Improvement / Health Promotion / Environmental Conservation

We do our business activities with a proper awareness of the “significant impact of chemical substances on the environment,” always keeping in mind the improvement of the safety and health of our customers and employees, and positioning “environmental conservation activities” as one of the most important management issues.

3 Soundness and Growth

We strive to maximize corporate value by engaging in businesses with sustained soundness and growth potential.

4 Open Corporate Climate

We aim to create a fair and open corporate climate in which each employee can work with a high sense of pride and responsibility.

Long-term Vision

Material of Materials

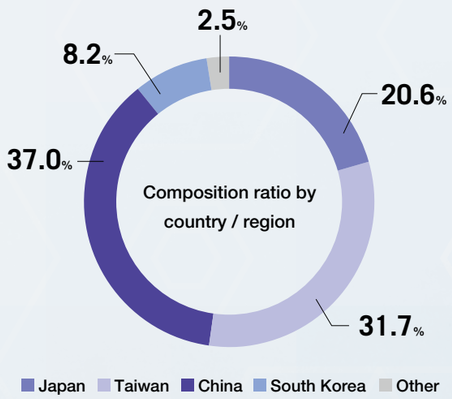
Solving social issues together with customers through the power of chemistry

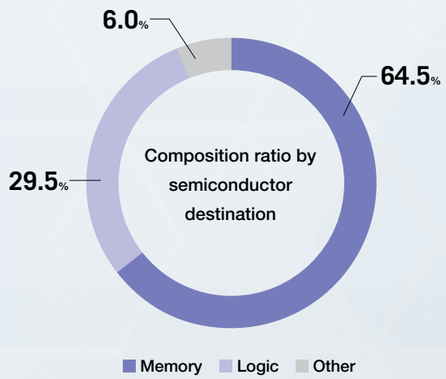


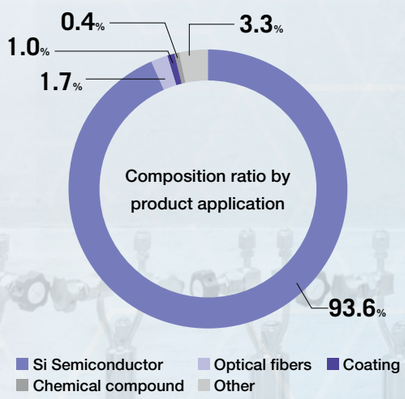


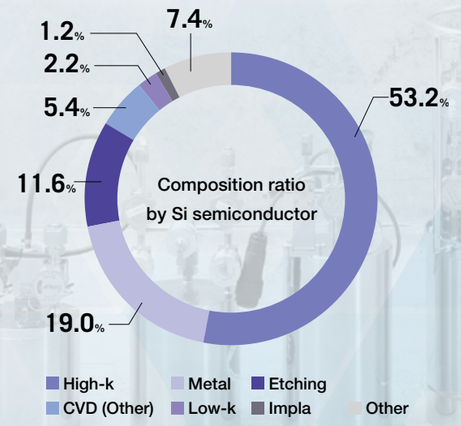
At a Glance (Fiscal Year ended Jan. 2025)

Net sales
18.9 billion yen









Operating profit
5.25 billion yen

Operating Profit Ratio
27.8 %

Net Profit Attributable to Owners of Parent
4.96 billion yen

Net Profit Margin
26.2 %

Equity Ratio
85.5 %

ROE (Return on Equity)
16.8 %

Net Profit per Share
152.69 yen

Dividend per Share
35 yen

Number of Items Handled
Approx. 2,000 items

R&D Expenses
660 million yen

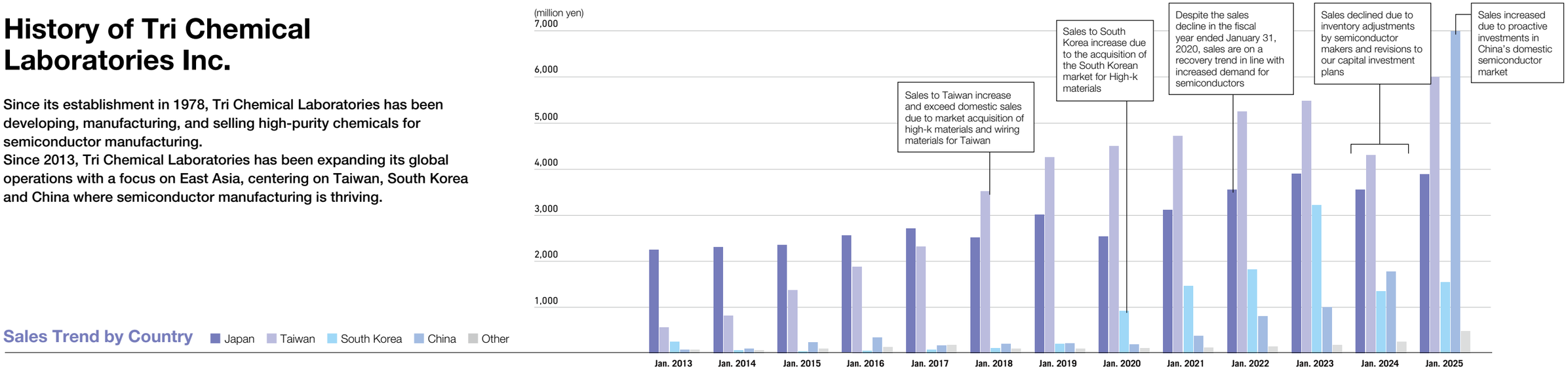
Number of employees
274

Ratio of Female Managers
10.7 %

History of Tri Chemical Laboratories Inc.

Since its establishment in 1978, Tri Chemical Laboratories has been developing, manufacturing, and selling high-purity chemicals for semiconductor manufacturing.
Since 2013, Tri Chemical Laboratories has been expanding its global operations with a focus on East Asia, centering on Taiwan, South Korea and China where semiconductor manufacturing is thriving.

Sales Trend by Country



1970 | 1990 | 2000 | 2010 | 2020

Corporate History

1978.12	Establishes Tri Chemical Laboratories Inc. in Sagamihara-shi, Kanagawa	1994. 1	Establishes HBR Co., Ltd. in Koto-ku, Tokyo (later relocated to Minato-ku, Tokyo) as a joint venture with Air Liquide Japan G.K.	2007. 8	Listed on the Osaka Securities Exchange Nippon New Market "Hercules"	2010. 10	Listed on the Osaka Securities Exchange JASDAQ (Standard) following the merger of the Osaka Securities Exchange Hercules, the Osaka Securities Exchange JASDAQ, and the Osaka Securities Exchange NEO	2018. 1	Change to the First Section of Tokyo Stock Exchange	2020. 9	Builds the Annex Building in Uenohara-shi, Yamanashi
1984. 3	Its Head Office Plant are relocated to Aikawa-machi, Aiko-gun, Kanagawa	1994.11	Head Office Plant are relocated to Uenohara-shi, Yamanashi	2008.11	Builds Uenohara Second Plant in Uenohara-shi, Yamanashi	2013. 7	Listed on the JASDAQ (Standard) section of the Tokyo Stock Exchange following the merger of the cash markets of the Tokyo Stock Exchange and Osaka Securities Exchange			2022. 4	Listed on the Tokyo Stock Exchange Prime Market following a review of the Tokyo Stock Exchange's market segmentation
										2025. 3	Builds Minami-Alps Plant in Minami-Alps-shi, Yamanashi

Global Strategies

2013. 12	Opens South Korea Office in Seongnam City, South Korea (relocated to Suwon City later)	2017. 3	Establishes wholly owned subsidiary, Tri Chemical Electronic Materials Taiwan Inc. in Zhubei City, Hsinchu County, Taiwan	2020. 7	Builds the plant of Tri Chemical Electronic Materials Taiwan Inc. in Tongluo Township, Miaoli County, Taiwan
2016. 7	Establishes an affiliated company, SK Tri Chem Co., Ltd. in Sejong Special Self-Governing City, South Korea through merger with SK Inc.			2024. 8	Establishes wholly owned subsidiary, Tri Chemical Laboratories China Inc., in Shanghai, China

Production System

With manufacturing bases in Japan, Taiwan and South Korea, we have established a flexible system that can respond to customer needs, from production of a few milligrams to production of tons.

Head Office Plant
Characteristics: Manufacturing base for small-volume high-purity chemicals for R&D, contract synthesis, etc.

Uenohara Second Plant
Characteristics: Chemical plant producing 1 to 10 tons of high purity chemicals

Annex Building
Characteristics: An administration building with a clean room on the 1st floor, an analysis room on the 2nd floor, an office on the 3rd floor, and an employee cafeteria on the 4th floor

Minami-Alps Plant
Characteristics: Large-scale manufacturing base in Minami-Alps-shi for new etching materials, etc.

Subsidiary in Taiwan
Tri Chemical Electronic Materials Taiwan Inc.
Characteristics: A base for manufacturing, development and sales of high-purity chemicals in Taiwan

Affiliated Company in South Korea
SK Tri Chem Co., Ltd.
Characteristics: A base for manufacturing, development and sales of high-purity chemicals in South Korea

Other bases

Subsidiary in China
Tri Chemical Laboratories China Inc.

Affiliated Companies
HBR Co., Ltd.

Branches/Sales Offices
South Korea Office

Top Message

Achieving profitable growth contributing to technological innovation throughout the industry, by supplying high-purity chemicals necessary for manufacturing leading-edge semiconductors

Kiyoshi Tazuke
Tri Chemical Laboratories Inc.
Representative Director,
President & CEO,
Executive Officer

Establishing a presence in the semiconductor industry by customizing, manufacturing, developing, and ensuring stable supply of high-purity chemicals in small quantities and wide varieties

For the fiscal year ended January 31, 2025, we revised the forecast upward during the year, and with net sales of 18,905 million yen, up 68.1% over the previous year, and operating profit of 5,256 million yen, up 169.8% over the previous year, we achieved record high sales and profit. Sales increased in the markets in Japan, Taiwan, South Korea, and China following recovery in the semiconductor market, and in the Chinese market in particular, customers launched production at a pace that was faster than expected, and demand for both logic and memory semiconductors increased significantly. We also increased production to meet the greater demand than expected for new materials, such as those related to packaging technology.

We have set out to maintain an operating profit ratio of around 25%, and while we exceeded that target figure with 27.8% for the fiscal year ended January 31, 2025, and looking back at our past reveals that we had faced issues with low profit ratios. We first set out sourcing intermediate products from outside suppliers and turning them into products, so there was no way of controlling manufacturing costs. Given such circumstances, after I was appointed President, we rolled out new production facilities and created a system allowing us to cover all processes in-house, from development to manufacturing, which gave us the means of controlling manufacturing costs.

Armed with this integrated system, we specialized in the development, manufacture and supply of wide variety of chemical materials in small quantities necessary for manufacturing semiconductors. Given that is vital that our materials are compatible with the semiconductor manufacturing equipment that use them, over the course of development we worked with production equipment manufacturers to develop a number of high-purity chemicals used for manufacturing leading-edge semiconductors—to date, we have now developed more than 2,000 types of chemicals. And by manufacturing and supplying products with a reliable quality, we built up many small markets with high added-value and achieved growth together with high profit ratios.

There are few companies around the world that operate a similar business structure like ours—one of the reasons for this is that major companies with large-scale manufacturing facilities that are seeking production efficiency find it challenging to take on niche products that only provide a minimal impact on their business performance. There is often only one competing company for each single product when it comes to actual sites, but there are no companies capable of competing with us across all our fields—one of our fortes is being able to handle in bulk a wide range of products in small quantities. Our ability to tailor product specifications to cater to the requirements of each customer is another area where we stand out from our competitors, and I feel that the level of recognition and presence we have amongst our customers in the semiconductor industry has been on the rise in recent years.

Top Message

Gradually stepping up initiatives for supplying products and new materials to meet growing market demand

We are reviewing our three-year medium-term management plan on a rolling basis every year. The medium-term management plan covering the fiscal years ending January 31, 2026 to January 31, 2028 aims to achieve net sales of 31.5 billion yen (up 66.6% from the fiscal year ended January 31, 2025), operating profit of 8.62 billion (up 64.0% from the same year), and an operating profit ratio of 27.4% in the final year. With the market scale for each product sector anticipated to grow going forward, we are planning to make gradual efforts to respond to boost production based on the production plans of our customers.

Both sales and profits are anticipated to increase for the fiscal year ending January 31, 2026 over the previous year, and we are expecting sales to grow across all regions, by securing demand for leading-edge semiconductors and the Chinese market. More specifically, we are planning the construction and operation of semiconductor plants in areas like Kyushu and Hokkaido, and we expect that this will increase the supply of our products. We are also planning for significant growth in sales of materials related to packaging technology for the market in Taiwanese market, etching materials for the Korean market and materials for memory semiconductors that are undergoing a significant growth in production in the Chinese market.

Another area we have high expectations of is the new etching materials for next-generation 3D-NAND products. This material is used for the manufacturing process of leading-edge semiconductors with greater capacity, and enables the formation of memory channel holes in a stacked structure with over 400 layers and short processing times. Mass-production of leading-edge semiconductors by our customers is slated to begin from 2026, and we are anticipating demand to further increase for this material from the end of 2025.

The Minami-Alps Plant, which had been under construction to ensure a stable supply of this new material, was completed in March of this year as planned, and we are steadily moving forward with construction of a production system. We will be proceeding to mass-production after evaluating the products. Given that the Minami-Alps Plant is a mass-production plant for etching gas and the specifications there differ from existing plants, we are also making additional efforts on safety measures by harnessing external knowledge. We are introducing labor-saving measures by rolling out automated production equipment to reduce operations that are directly operated by human workers—this will also help boost our cost competitiveness. After we have constructed our new production model, we are planning to apply the knowledge acquired and state-of-the-art equipment to our existing plants to make them more advanced.

Hiring and training people capable of communicating and thinking independently, and coming up with new ideas

Those in charge of developing our leading-edge, high-purity chemicals are each and every one of our employees, and boosting our human capital is necessary for creating high value-added products. With the growth in the size of our business, we are acquiring human resources in a proactive manner, and hiring about 20 employees every year—mostly students who have majored in the chemical field. When it comes to training our human resources, we make sure that we assign the appropriate personnel to the right places to give them the opportunity to acquire onsite experience, and also develop and run training programs for fostering human resources with know-how related to areas such as the development of chemicals, quality, production processes, and health and safety.

I am of the view that companies with minimal communications will not experience growth, so I regularly inform my employees to ensure that communications are smooth and easy at our company. I have shared the same office as our employees since I was appointed President in 2014, to engage in communication with them. Communicating well with customers and suppliers makes you better draw in knowledge and enhance your skills. I also want our employees to act as “thinkers.” Instead of simply memorizing the tasks they learn, it is crucial that each and every employee remains skeptical, with questions like “Is this process actually required?” and “Doing it this way might help save labor.” When employees join our company, I tell them: “Always keep in mind the value in questioning everything you don’t currently know.” I also personally stay motivated by trying to question everything.

Promoting management based on advice received from the broad perspectives of our external directors and external auditors

With our governance structure, we appointed two new external directors (of which one is female) and two new external auditors in April 2024, in addition to the one external director who was reappointed. This means that our management team comprises external directors who are lawyers, those who are well-versed in corporate management in the chemical field, and those with marketing experience at foreign companies, while external auditors comprise certified public accountants and managers who are familiar with the Korean market. The Board of Directors points out various factors and provides recommendations drawing on an extensive range of perspectives, including management and sales aspects as well as overseas business and the promotion of women’s activities.

We also increased the number of executive officers by three, by appointing officers in charge of the Safety Promotion Department, Quality Management Department and Technology Development Department. We will be strengthening each department even more while also further solidifying our management structure to ensure sustainable growth for the Company.

Brief History

Apr. 1987 Joined the Company
Apr. 2007 Director & General Manager, Marketing & Sales Department
Apr. 2012 Senior Executive Director
Apr. 2014 Representative Director & President
Jul. 2016 Director, SK Tri Chem Co., Ltd. (current position)
Mar. 2017 Director, Tri Chemical Electronic Materials Taiwan Inc. (current position)
Apr. 2022 Representative Director, President & CEO, Executive Officer, in charge of Management, Quality Management, and Safety Promotion Department
May 2024 Representative Director, President & CEO, Executive Officer in charge of Management (current position)
Apr. 2025 Director, Sun Fluoro System Co., Ltd. (current position)

Developing new materials necessary for more sophisticated semiconductors to achieve sustainable growth and enhance corporate value

Under our long-term vision “Material of Materials — Solving social issues together with our customers through the power of chemistry,” we will continue to take on the challenge of developing new materials for use in leading-edge manufacturing processes, contribute to coming up with technological innovation across various industries, resolving issues our customers are facing, and achieving a sustainable society, and aim to be an “indispensable company” to all our stakeholders.

We will continue with development and supply of high value-added products based on the concept of small quantities and wide varieties toward achieving sustainable growth. Requirements for more sophisticated semiconductors remains high, and we are still receiving a broad range of requests for our products. In the same way as miniaturization of semiconductors transitioned from flat to three-dimensional designs, new technologies are always being developed for packaging and other processes. I think that technological innovation will drive change in manufacturing processes, after which new technologies, materials and applications will be required, and in turn this will lead to a rise in small markets for a variety of new materials. In light of this, we will move ahead with development at a steady pace without lagging behind the rate of evolution in semiconductors.

We are planning on net sales of 30 billion yen in the fiscal year ending January 31, 2027. If we are able to increase the volume of sales while maintaining our current high profit ratios, and we increase the amount of our profit, we will be able to increase the amount we can use for investments. I hope to take on new challenges in a proactive manner, including becoming involved in new process areas and areas of “medium volume” with increased scale, in addition to “small-quantity, wide variety” areas.

We will be placing a priority on investments for growth, and also consider boosting shareholder returns while balancing our cash flow. We hope that you will look forward to sustainable growth of and increased corporate value of Tri Chemical Laboratories, and we ask you for your continued support.

Value Creation Story

Drawing on our management philosophy of “Contributing to the development of leading-edge technology through science and technology to realize the creation of leeway for people,” we are focused on creating value contributing to resolving social issues and sustainable growth, based on our unique technological capabilities and customer-driven stance.
By supplying high-purity chemicals and services, we will be contributing to technological development and the realization of prosperous and sustainable society.

Solving Social Issues × Strengthening Business Foundation

The Society We Aim for

Society with “Leeway”

(=Sustainable Society)

Management Philosophy

1. Providing Better Product Technology
2. Safety Improvement / Health Promotion / Environmental Conservation
3. Soundness and Growth
4. Open Corporate Climate

Contributing to the realization of a decarbonized society

Technology and product development

Safe and secure manufacturing

Strengthening corporate governance

Output

Products

- Semiconductor materials, raw materials
- Proposals related to semiconductor manufacturing

Outcome

- Industrial and technological development
- Growth of customer companies
- Employees’ leeway and job satisfaction
- Contributing to a decarbonized and resilient society
- Increase in shareholder value

Contribution to the realization

Our Vision for 2040

Long-term Vision

Material of Materials

Solving social issues together with customers through the power of chemistry

Contribution to technological development by providing high-purity chemicals

Contribution to the realization of sustainable industries and society

Input

- Human Capital
- Intellectual Capital
- Social Relational Capital
- Financial Capital
- Manufactured Capital
- Natural Capital

Business Model

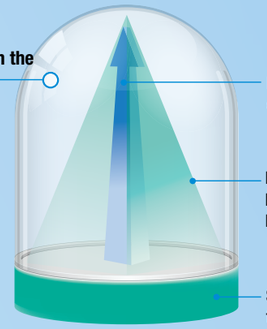
Four Strengths

1 Professional Human Resources for Development of Leading-edge Materials
2 Development and Production System for a Small Quantities / Wide Variety of Products
3 Relationships with Customers
4 Joint Development with Equipment Providers

Creating an organization in which a diverse workforce can thrive

Communication with investors/stakeholders

Manufacturing in harmony with the environment



For details, refer to p.23

Materiality

For details, refer to p.39

Financial Goals

- Maintain an operating profit ratio of about 25%
- Continued sales growth

Non-financial Goals

- Initiatives to grasp GHG emissions and reduce them
- Creation of environmentally friendly products and business models
- Maintaining high profitability through new product development
- Occupational safety, health management
- Ongoing dialogues with investors and stakeholders

Social Changes and Trends

- Climate change and other environmental issues
- Digital and other technological innovations
- Demographic changes
- Increased geopolitical risks
- Growing interests of investors and stakeholders in social issues

Strengths of Tri Chemical Laboratories / Business Strategy

With the production and development of chemicals used for manufacturing semiconductors, we are focusing on creating unique products that only Tri Chemical Laboratories is capable of manufacturing, by drawing on our four fortes centered on personnel with specialized knowledge and advanced development capabilities. By supplying high value-added products, we are building a system capable of not only ensuring quality and safety, but also responding accurately to the diverse and sophisticated requirements of our customers.

As a manufacturer specializing in high-purity chemicals, we have many highly motivated employees with extensive scientific knowledge and development experience.

We are equipped with a development system and production facilities capable of handling about 2,000 types of products, even for small quantities ranging from a few milligrams.
No other major chemical manufacturers can establish a similar system.

We are recognized for our technology and actual results, and have established relationships with some of the world-class semiconductor manufacturers, who bring inquiries for chemicals to us first.
Our ability to constantly respond to leading-edge development projects further strengthens our technical capabilities.

Leading-edge semiconductors require not only the purity of chemicals, but also the matching and adjustment of manufacturing equipment.
We have established a relationship with a domestic equipment manufacturer that has the world's top market share in order to jointly develop products.

Business (Product) Strategies 1

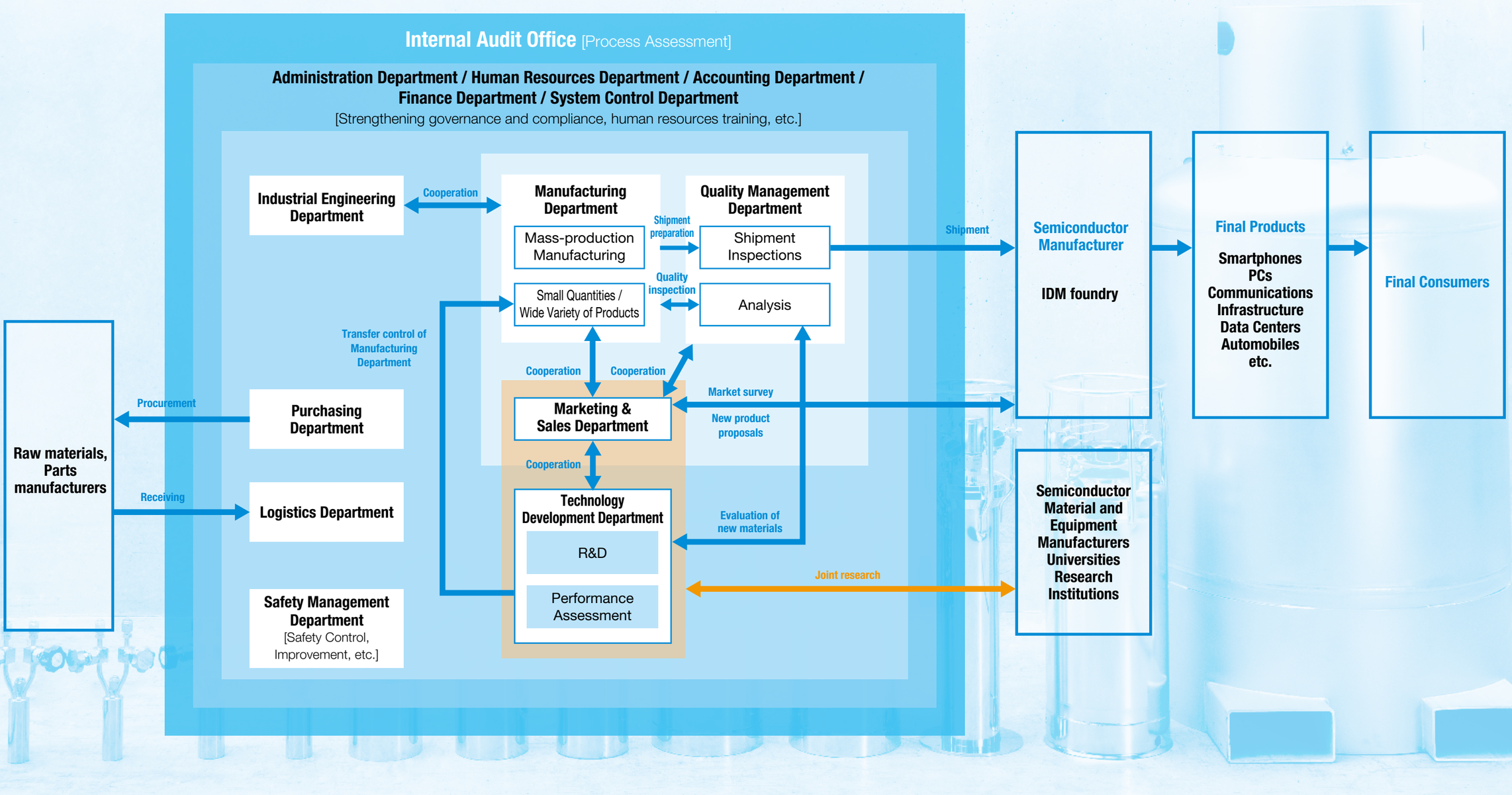
- We focus on the development and manufacturing of high-purity chemicals used in leading-edge logic and memory semiconductors and other products.
- We create product areas that only we can produce in the world, and maintain the high profit ratio by continuing to specialize in these areas. Also, we maintain our strengths in R&D by being a company that is constantly at the forefront of our customers' projects.

Business (Product) Strategies 2

- We are expanding our product line by focusing on high value-added products even for small quantities.
- We are capturing the demand for "products that are essential to our customers but only used in small quantities," while global manufacturers overseas stop manufacturing as they consolidate their bases and focus on mass-produced, general-purpose products.

Semiconductor Industry Value Chain and Our Position

We are engaged in providing high value-added, high-purity chemicals mainly for the semiconductor industry.
The chemicals we provide are used in manufacturing semiconductors such as leading-edge logic and memory in particular, and these semiconductors are widely used in smartphones, PCs, data centers, and communication infrastructure.
We are also engaged in manufacturing and maintenance of containers for shipping high-purity chemicals, and the contract development of deposition processes, utilizing other peripheral technologies.

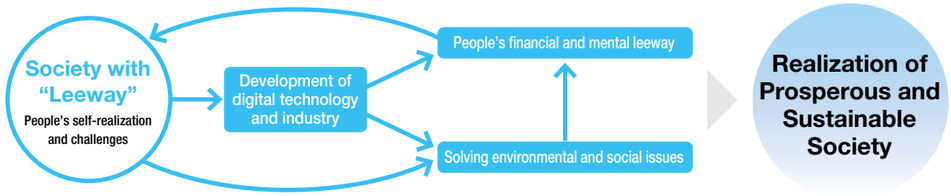


Long-term Vision

The Social Image We are Aiming for: “Society with ’Leeway’”

Since our founding, we have focused on “leeway.” Our management philosophy has been “having leeway and enjoy your leisure time” since our founding. Following this philosophy, we have realized a relaxed work-life balance while encouraging our employees to take on challenges, and as a result, we have established a strong position in the field of leading-edge semiconductors, which always requires expertise and creativity.

Based on our management philosophy and the history of our company’s development, we have defined the society we wish to realize as “society with ’leeway.’” We believe that society in which people’s lives are more affluent and convenient than ever before, and in which environmental and resource issues have been resolved, resulting in society in which people can live with peace of mind, will enable people to engage in activities for self-realization and for further solving social issues, and will result in the realization of even better society.



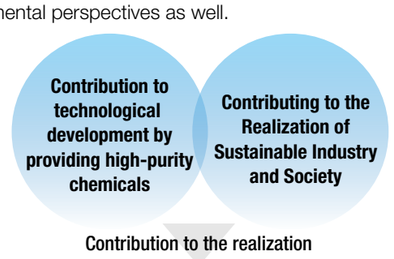
Long-term Vision, “Material of Materials”

Material of Materials

Solving social issues together with customers through the power of chemistry

Position	Management Resources to Support the Position	Financial KPIs	Non-financial KPIs
A global leader in the “low-volume, high-value-added” chemical materials	Cutting-edge science technology and know-how, Cooperation and co-creation with customers and business partners, Employees who understand engineering and business	Achieving sustainable sales growth and high revenues (Maintaining an operating profit ratio of about 25%)	Carbon neutrality by 2050

Our long-term vision, “Material of Materials,” is an expression of the ideal form of a company we aim for in order to contribute to the realization of “society with leeway.” The word “material” has the meaning of “necessary or indispensable” in addition to the meaning of “material” that we manufacture. We believe that further development of the digital industry and the realization of a sustainable society, creating value for society and our customers, and remaining an irreplaceable and indispensable company are the key to maintaining growth and a high rate of profitability. By developing and providing chemical materials necessary for miniaturization and high integration of semiconductors, we have been contributing to the spread of convenient and inexpensive devices and communication services, thereby creating leeway on finance and time for people. Going forward, we will continue to work on our business to make the semiconductor industry as a whole more robust and sustainable industry that can coexist in harmony with the environment and society, so that we can realize society with “leeway” from the social and environmental perspectives as well.



Medium-to Long-term Environmental Awareness (Risks and Opportunities)

We have organized the possible opportunities and risks by focusing on “digitalization and technological innovation,” “changes in demographic structure and the balance of power,” “increased geopolitical risks,” and “transition to a decarbonized, recycling-oriented society” as changes in the external environment that may affect our ability to create economic and social value and our competitive advantage.

These elements are used as inputs for the consideration of our vision and materiality, which are material issues to be addressed in the future, and will be reviewed on an ongoing basis in light of important changes in the external environment and our business structure.

Changes in the External Environment		Opportunities	Risks
Economy / Industry	Digitalization and technological innovation	● Increased demand for our products (high-purity chemical materials) due to increased demand for advanced semiconductors ● Improving productivity of our employees through automation of development and manufacturing processes	● Risks of reduced hiring due to increased demand for human resources in semiconductor and digital-related industries ● Risks of reduced demand and commoditization of advanced semiconductors due to the spread of quantum computers ● Risks of obsolescence of our advantages due to innovations in development processes such as materials informatics
Society	Changes in demographic structure and power balance	● Growing demand for digital devices, especially in emerging countries ● Growing demand for digital devices and semiconductors for manpower saving and automation due to population decline ● Attracting diverse human resources by realizing diverse and relaxed work styles	● Shortage of human resources and increased labor costs due to declining birthrate and outflow of population to urban areas
	Increased geopolitical risks	● Gaining market share among customers through local production, etc.	● Raw material procurement risks or export suspension risks due to changes in social conditions ● Risks of reduced manufacturing volume by customers and reduced demand for our products due to supply shortages of other semiconductor materials caused by the complexity of the supply chain
Environment	Transition to decarbonized, recycling-oriented society	● Opportunities to build new competitive advantages by developing chemical materials and manufacturing processes that contribute to reducing environmental impact	● Risks of customer defection due to delayed response to climate change ● Risks of cash flow impairment due to introduction of carbon tax, etc. ● Risks of damage to the local environment due to chemical spills, etc.

Medium-term Management Plan

The Group has formulated a medium-term management plan for the next three years (rolling annual review) that reflects the latest external and internal environment, and is working on our business.

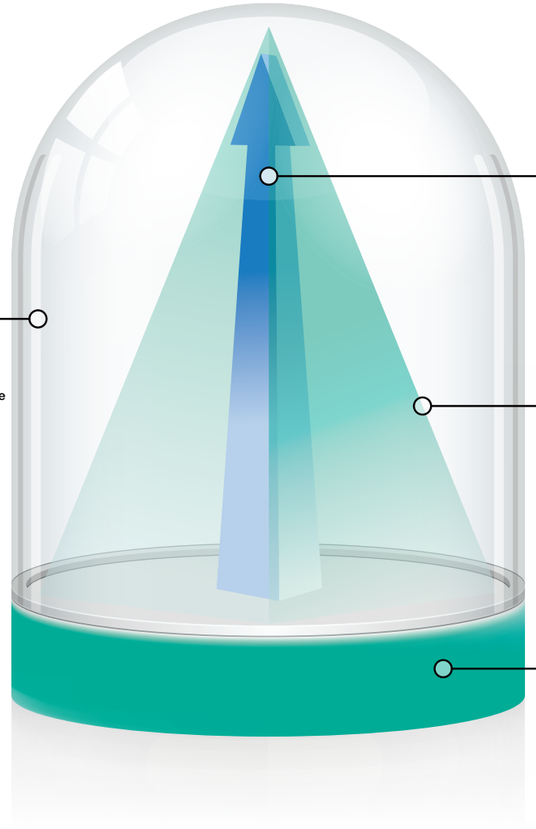
We consider net sales and operating profit to net sales ratio to be particularly important management indicators. We will strive to build a robust corporate structure that can surely generate profits by promoting management efficiency while aiming for stable sales growth and expansion of scale.

We aim to maintain the operating profit to net sales ratio at around 25%.

Basic Strategies and Specific Initiatives

With demand for leading-edge semiconductors expected to increase both in Japan and overseas, the Company will continue to maintain both high growth and high profit ratio by focusing on the development of high-purity chemicals and expanding its low-volume, high-value-added product line.

In addition, we will take on the challenge of decarbonizing in the semiconductor industry through our business activities in order to grow in harmony with the environment and society. Also, in order to further promote these initiatives, we will also continue to strengthen the management foundation for the realization of strategies, including the enhancement of production and sales capabilities.



Challenge of decarbonizing in the semiconductor industry (Sustainability)

- Development of materials for next-generation high-performance semiconductors with high functionality
- Study of initiative policies for grasping and reducing GHG emissions in the supply chain

Development of high-purity chemicals (Deepening)

- Development and provision of high-purity chemicals for leading-edge semiconductors

Expanding its low-volume, high-value-added product line (Broadening)

- Capturing market share of major overseas companies in low-volume, high-value-added areas
- Exploring business opportunities overseas and in other industries

Strengthening the management foundation for the realization of strategies

- Strengthening production and sales systems at the Taiwan plant, etc.
- Acquiring / training human resources
- Improving business continuity planning
- Strengthening initiatives related to ESG foundation

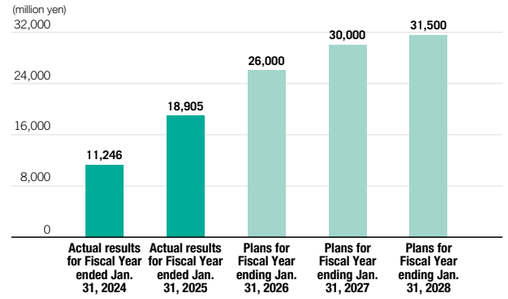
Review of Fiscal Year Ended Jan. 31, 2025

Net sales and operating profit exceeded the initial plan due to an increase in demand of primarily semiconductors used for generative AI, and much higher demand than initially forecast for chemical compounds for semiconductor production following aggressive investments in the Chinese market. In addition, ordinary profit and net profit attributable to shareholders of parent also exceeded the initial plan due to an increase in operating profit.

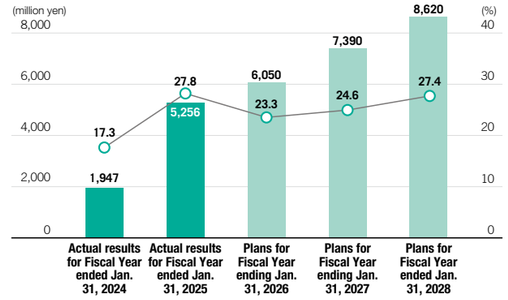
Numerical Goals for Fiscal Year Ending Jan. 31, 2026 - Fiscal Year Ending Jan. 31, 2028

In the medium-term management plan ending January 31, 2028, we aim to achieve net sales of 31.5 billion yen and operating profit of 8.62 billion yen by capturing market growth and promoting the various policies shown on the left.

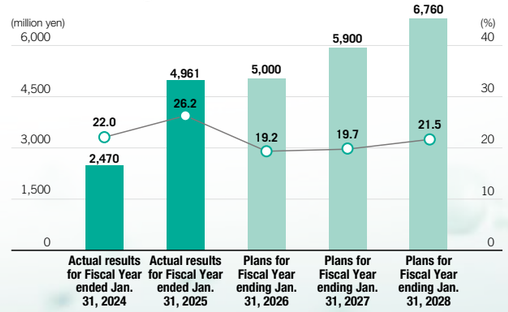
Net Sales



Operating Profit / Net Sales Ratio



Net Profit Attributable to Owners of Parent / Net Profit Margin Attributable to Owners of Parent



[Message from Directors]

Finance Department

Boosting corporate value by making investments for growth and enhancing capital efficiency

Yoshihide Suzuki | Director & Executive Officer, Administration Department

Brief History

Apr. 1994 Joined the Company
Oct. 2007 General Manager, Corporate Planning Office
Apr. 2014 General Manager, Management Department
Feb. 2017 Executive Manager, Administration Department and System Management Department
Apr. 2018 Director in charge of Administration Department / System Management / Quality Management Department
Feb. 2021 Director in charge of Accounting / Finance / Purchasing Department
Apr. 2022 Executive Officer in charge of Administration Department
Apr. 2024 Director & Executive Officer in charge of Administration Department (current position)

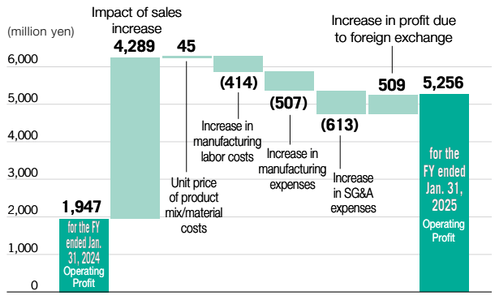
Review of Fiscal Year Ended Jan. 31, 2025

In the fiscal year ending January 31, 2025, global demand for semiconductors recovered from the decline experienced through the fiscal year ended January 31 2024, and sales of our materials grew across all regions in line with the increase in production of advanced semiconductors for generative AI and the increase in semiconductor production in China. In light of this, net sales were 18,905 million yen (up 68.1% year-on-year), operating profit was 5,256 million yen (up 169.8% year-on-year), ordinary profit was 6,583 million yen (up 100.9% year-on-year), and net profit attributable to owners of parent was 4,961 million yen (up 100.8% year-on-year), meaning we achieved record high sales and profit. The operating profit ratio, which we emphasize, increased significantly to 27.8% (up 10.5 percentage points year-on-year), as a result of the effect of mass-production on higher sales, despite factors like an increase in SG&A expenses due to higher transportation costs in sales to China.

On the financial front, total assets were 36,944 million yen (up 5,079 million yen year-on-year), mainly due to an increase in trade receivables and inventories following the increase in business performance, and an increase in construction in progress account in line with construction of the Minami-Alps Plant. Cash and deposits amounted to 9,439 million yen (down 1,058 million yen year-on-year). Net assets amounted to 31,587 million yen (up 4,017 million yen year-on-year) due to an increase in retained earnings, and the equity ratio was 85.5% (up 1.0 points year-on-year).

ROE was 16.8% (up 7.6% year-on-year). We estimate that our cost of equity is about 9%, and we will work on maintaining and improving return on capital above this level. While we had been working on increasing our inventories with an emphasis on safety over efficiency, based on the disruptions to supply chains experienced during the COVID-19 pandemic, we are planning to return to more conventional inventory levels. We will be maintaining an operating profit ratio of around 25% while also increasing our asset efficiency, which will result in ongoing increases in the corporate value of the Company.

Graph of factors contributing to increase/decrease in operating profit for the fiscal year ended Jan. 31, 2025



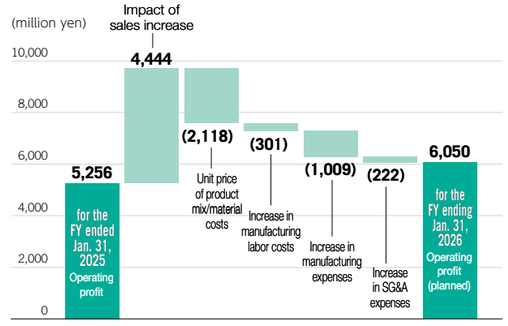
*Before transfer of R&D expenses

Outlook for the Fiscal Year Ending January 31, 2026, and Plans for the Final Year of the Medium-term Management Plan

For the forecast for the fiscal year ending January 31, 2026, we are planning on achieving record net sales of 26 billion yen (up 37.5% year-on-year), primarily due to the expansion of sales for leading-edge semiconductors and to the Chinese market. As for profits, while we are expecting an increase in raw material costs, personnel costs due to the increase in headcount and wages, and depreciation costs due to the construction of the Minami-Alps Plant, the substantial increase in net sales means we are planning for an operating profit of 6,050 million yen (up 15.1% year-on-year), operating profit ratio of 23.3% (down 4.5 points year-on-year), ordinary profit of 6,900 million yen (up 4.8% year-on-year), and net profit attributable to owners of parent of 5,000 million yen (up 0.8% year-on-year). The exchange rate is assumed to be 140 yen per U.S. dollar. The exchange rate sensitivity in operating profit is 45 million yen per 1 yen.

The three-year period of the medium-term management plan also assumes a trend of both increasing sales and profits, with financial targets for the fiscal year ending January 2028 of 31,500 million yen in net sales (up 66.6% from the fiscal year ended January 2025), 8,620 million yen in operating profit (up 64.0% year-on-year), 9,430 million yen in ordinary profit (up 43.2% year-on-year), and 6,760 million yen in net profit attributable to owners of parent (up 36.2% year-on-year).

Graph of factors contributing to increase/decrease in operating profit for the fiscal year ended Jan. 31, 2026



* Before transfer of R&D expenses

Investment Plan

Capital expenditures for the fiscal year ended January 31, 2025 totaled 2,985 million yen, following investments into areas such as the Minami-Alps Plant, existing plants and containers for sales. In the medium-term management plan (fiscal years ending January 31, 2026 to January 31, 2028), we are planning on making cumulative capital investments of 16.5 billion yen over the three-year period, primarily for rolling out equipment for launching production at the Minami-Alps Plant, as well as for improving safety, enhancing quality control, environmental response, and creating a comfortable working environment.

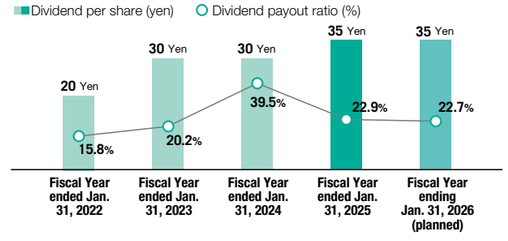
Capital Expenditure

	Amount (million yen)	Contents
Fiscal year ended Jan. 31, 2024	**1,960**	Synthetic equipment, product shipping containers, land deposit for Minami-Alps Plant, etc.
Fiscal year ended Jan. 31, 2025	**2,985**	Product shipping containers, building and land deposit for Minami-Alps Plant, etc.
Fiscal Year ending Jan. 31, 2026 (planned)	**9,415**	Investment in Minami-Alps Plant, etc.
Fiscal Year ending Jan. 31, 2027 (planned)	**5,270**	Investment in Minami-Alps Plant, etc.
Fiscal Year ending Jan. 31, 2028 (planned)	**1,846**	Investment in Minami-Alps Plant, etc.

Dividend Policy

Our policy is to actively develop our business and strengthen our structure, while at the same time paying stable dividends. For the fiscal year ended January 31, 2025, we increased the dividend per share by 5 yen to 35 yen, based on the significant increase in profits. For the fiscal year ending January 31, 2026, we also plan to pay a dividend of 35 yen per share.

Dividend per share and dividend payout ratio



[Message from Directors]

Technology Department

Launching the Minami-Alps Plant and focusing on strengthening the production system for expanding sales

Hironobu Ohsugi | Director & Executive Officer, Technology Department

Brief History

Apr. 1995 Joined the Company
Apr. 2006 General Manager, Manufacturing Department
Feb. 2017 Executive Manager, Manufacturing & Industrial Engineering Department
Apr. 2017 Director in charge of Manufacturing and Industrial Engineering
Sep. 2019 Representative Director & President, HBR Co., Ltd. (current position)
Apr. 2022 Executive Officer in charge of Technology Department
Apr. 2023 Director & Executive Officer in charge of Technology Department (current position)

Review of Fiscal Year Ended Jan. 31, 2025

Manufacturing Department

Manufacturing volume recovered in line with recovery in the semiconductor market, and while we did face some difficulties handling manufacturing due to the substantial increase in sales compared to our initial plan, we were able to respond properly in order to achieve our sales plan. There are still many aspects of the manufacturing process that rely on physical manpower, and this increase in manufacturing volume made us keenly aware of the lack of manpower we have available. To address this, we are working with the Industrial Engineering Department to focus on automating equipment and computerizing and utilizing data to help save labor and enhance safety.

Industrial Engineering Department

We continued following up with the Manufacturing Department regarding making improvements to manufacturing facilities and technical aspects. Of these, we worked on making preparations for rolling out production equipment at the Minami-Alps Plant. The manufacturing facilities installed at the Minami-Alps Plant are of a size that we have never handled at the Head Office Plant. Given how challenging handling gas products is, we focused on carefully examining facilities designed specifically for labor savings and safety.

Outlook and Initiatives for the Fiscal Year Ending January 31, 2026 and Beyond

Manufacturing Department

We will continue focusing our efforts on securing and cultivating human resources. We hire new graduates every year, and while many of our employees are aged in their 20s to their early 30s, we currently only have few managers who are aged in their 40s or older. We are planning on boosting this by increasing mid-career employment and taking a proactive approach to appointing young employees with a high level of skills and motivation. Given the increase in the number of employees without a chemistry major hired with mid-career employment, we will also look into revising our evaluation system so that employees who are proficient in a single operation can be assessed properly.

Industrial Engineering Department

We are moving ahead with initiatives for boosting productivity, by examining processes and implementing automation throughout production, as well as utilizing collected and analyzed data for production and maintenance work. We are also working with engineering manufacturers to focus on improving existing manufacturing equipment for products to “achieve ’what we are seeking’ on-site.” We will also continue rolling out production facilities at the Minami-Alps Plant. To handle the introduction of large-scale facilities, we are focusing on achieving labor savings and enhancing safety through automation.

Special Feature

Minami-Alps Plant

Completed in March 2025, the Minami-Alps Plant was constructed in Minami-Alps City in Yamanashi Prefecture as a production base for new materials. A completion ceremony was held in April, and preparations are in progress toward full-scale operations.

The facilities include an Administration Building comprising an office and cafeteria, and the Manufacturing Buildings 1 & 2 housing manufacturing facilities. The Administration Building features wooden materials in a design that is in harmony with nature. The Manufacturing Buildings are slated to be manufacturing new materials for which growth is anticipated in the future, such as etching gas products for next-generation 3D-NAND and CVD materials. After rolling out production facilities for etching gas products this fiscal year, we will have customers assess our products as we make preparations to begin mass-production. Three production lines have been planned for the facility, with the first production line to be set up in the fiscal year ending January 31, 2026. Meanwhile, preparations are also in progress for the second production line, which is scheduled to be set up in the fiscal year ending January 31, 2027. We are making steady progress with the steps required for prototypes, customer assessments and mass-production.

Completion ceremony

Administration Building

Manufacturing Building 1

Manufacturing Building 2

[Message from Directors]

Marketing & Sales Department

Committed to suggesting the ultimate solutions for issues our customers are facing

Takashi Udagawa | Executive Officer in charge of Marketing & Sales Department (Japan / South Korea)

Brief History

Apr. 1994 Joined the Company
Feb. 2017 General Manager, Marketing & Sales Department I
Apr. 2020 Director in charge of Marketing & Sales Department (Japan / South Korea)
Apr. 2022 Executive Officer in charge of Marketing & Sales Department (Japan / South Korea) (current position)

Review of Fiscal Year Ended Jan. 31, 2025

In the fiscal year ending January 31, 2025, the semiconductor market experienced an increase in demand related to generative AI on a global scale, and the market for high bandwidth memory (HBM) and memory products for data centers grew in size. In light of such circumstances, our sales to the domestic market increased 9.2% from the previous year to 3,888 million yen, and sales to the Korean market increased 14.0% from the previous year to 1,542 million yen.

For our materials that customers are considering using in manufacturing processes for next-generation semiconductor memory, we have been working on improving quality, safety and analysis precision, expanding capacity, implementing initiatives related to strengthening our manufacturing system, and preparing for mass-production at the Minami-Alps Plant, in order to acquire development certification for our materials.

Given that competition for developing next-generation semiconductors is becoming increasingly intense, as a company that handles materials used in manufacturing processes, we have been receiving an extremely large volume of inquiries. We have a large number of opportunities to engage in discussions with manufacturers of manufacturing equipment and R&D customers, and have been able to provide samples of several new materials.

Outlook and Initiatives for the Fiscal Year Ending January 31, 2026 and Beyond

We are planning a 33.7% year-on-year increase in domestic sales to 5.2 billion yen and a 42.6% year-on-year increase in sales to South Korea to 2.2 billion yen. Capital investments related to generative AI are expected to continue, and our supply of products used in the manufacturing process of next-generation semiconductors is also expected to increase. In addition to acquiring mass-production certification as soon as possible following development certification from our customers, the entire company will be working on the optimum allocation of personnel and increasing productivity to meet robust demand from our customers.

In Japan, we managed to secure the commercial rights for a number of gases and chemicals for our customers who are semiconductor manufacturers, and we are expecting to increase supply from 2027 and beyond as our customers launch their production lines going forward.

In terms of training human resources involved in sales, we are seeking to train human resources capable of accurately identifying markets, customer trends and requirements, providing feedback internally, and advancing matters as project leaders while drawing on the cooperation of various departments. Some of our main customers include companies involved in the mass-production of semiconductors and those that focus on development, and by covering both of them in a well-balanced manner, we are able to acquire a wide array of knowledge and a multitude of approaches.

Strengthening development systems for high value-added products for achieving sustainable growth in China

Tatsuya Ohira | Executive Officer in charge of Marketing & Sales Department (Taiwan/China)

Brief History

Apr. 1996 Joined the Company
Apr. 2015 General Manager, Marketing & Sales Department II
Feb. 2017 Executive Manager, Marketing & Sales Department
Apr. 2020 Director in charge of Marketing & Sales Department (Taiwan / China) and Technology Development
Feb. 2021 Director in charge of Marketing & Sales Department (Taiwan / China)
Apr. 2022 Executive Officer in charge of Marketing & Sales Department (Taiwan / China) (current position)

Review of Fiscal Year Ended Jan. 31, 2025

While the market environment in the fiscal year ended January 31, 2025 underwent stagnation in terms of semiconductors for automotive and industrial machinery that performed well through 2023, demand grew for next-generation semiconductors for generative AI.

In light of this, we achieved record highs for sales in Taiwan and China. Sales to Taiwan increased 39.3% year-on-year to 5,998 million yen due to the strong growth in sales of materials related to generative AI. In China, sales increased to our existing customers due to the increase in production capacity of their semiconductor plants that are now operating at full capacity—we also acquired new commercial rights, resulting in sales of 7.0 billion yen, around 3.9-times year-on-year.

Outlook and Initiatives for the Fiscal Year Ending January 31, 2026 and Beyond

For the fiscal year ending January 31, 2026, we are planning a 24.2% year-on-year increase in sales to Taiwan to 7.45 billion yen and a 47.1% year-on-year increase in sales to China to 10.3 billion yen. For the fiscal year ended January 31, 2025, given that we were unable to 100% meet the strong demand of our customers due to issues related to production capacity, we will fine-tune our systems after closely examine sales plans to ensure a stable supply, and develop new products in a steady manner.

Semiconductor-related manufacturers in China have an advantage of having access to local raw materials and low logistics costs, and materials produced in China have been gaining market share in recent years. With Chinese manufacturers expected to build up their strength going forward, we need to maintain a close eye on the circumstances surrounding our competition. The prices of commodity materials will drop as new competitors come along, so I think it is important that we continue to develop high value-added products as quick as we can.

We established a Chinese subsidiary in August 2024 with the view to collecting information and providing support to our customers—to ensure ongoing business in China over the medium- to long-term span, I think we need to build up a system that allows us to sell products through our Chinese subsidiary, so we will continue making efforts toward localization.

We are increasing mid-career employment for human resources engaged in sales. We are seeking human resources who are proficient with languages and keen on learning about chemicals and our products at manufacturing sites, and have experienced staff accompany them to gain experience with sales work before visiting sites on their own. Our employees are able to achieve rapid growth by repeating the suggestions given to them, and learning about products and customer processes themselves.

[Message from Directors]

Technology Development Department

Responding to our customers' requirements by further enhancing our technical capabilities and strengthening our development systems

Satoru Mihashi | Executive Officer
Technology Development Department

Brief History

Apr. 1997 Joined the Company
Feb. 2017 General Manager, Technology Development Department
May 2024 Executive Officer in charge of Technology Development Department (current position)

Our Technology Development Department comprises three sections: "New Development Section," "Material Development Section" and "Development Planning Section." The New Development Section covers activities like the development of new materials that are unique to the Company and development with the view to acquiring patents, and also promotes joint research with the National Institute of Advanced Industrial Science and Technology and universities. The Material Development Section provides sample materials in line with the requirements of our customers, and creates processes needed for mass-production. The Development Planning Section assesses films of developed materials with equipment used during the actual manufacturing process, and also provides data on films.

The policy of the Technology Development Department is "improving technical capabilities" and "enhancing customer satisfaction through human resource training." We are seeking to become a Technology Development Department that is deemed indispensable by our customers and throughout the Company by better identifying the requirements of our customers, developing new materials, promoting development of materials that are just a fit for the specifications our customers need, improving quality, and reducing costs.

Review of Fiscal Year Ended Jan. 31, 2025

In the past, our policy was to build up technology and know-how internally, but two years ago we made the change to a policy of acquiring patents with the view to boosting our name recognition by our customers—we filed two patent applications in the fiscal year ended January 2023, five in the fiscal year ended January 2024 and six in the fiscal year ended January 2025. Going forward, we will continue working toward filing five to ten patent applications per year. We also provide information on the materials we develop on our website as well as on the database of the National Institute of Advanced Industrial Science and Technology that is available for browsing by a range of companies. We have become a common name throughout the semiconductor industry as the name of our Company is associated with our materials—an example that highlights this is "Tri Chemical's High-k."

Initiatives for the Future

In April 2025, we established the new "Technology Development Section" to make processes from development through to commercialization smoother. The department is responsible for submitting samples of new products to customers, and then moving products that are ready for mass-production to the Manufacturing Department.

The Technology Development Department aims to train human resources who are not constrained by fixed ideas and who are able to take on new approaches, and we have created an environment for encouraging people who are keen on researching with their own initiative. Until now, most of those who joined our company had a keen interest in chemistry and semiconductors, and they honed their skills by focusing on the work and activities they were fond of, and studying themselves to cover any area they were lacking in—the Company provided them with the support they needed to cultivate their technical prowess. We are currently creating an educational program that provides a system for this learning style.

Special Feature

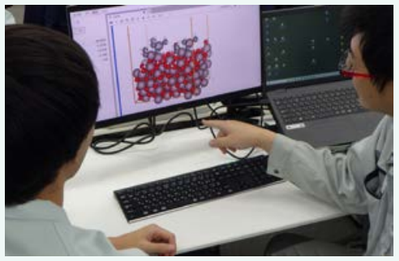
Development Policy

Development Policy

In the semiconductor industry which is our main sales destination, there is a continuing need for higher performance semiconductors in response to the increase in the volume of various types of data and the expansion of applications for AI and in-vehicle applications. There is also a continuing need to develop and market new chemical materials accordingly. Under this environment, the Company's research and development is centered on the Technology Development Department, which coordinates its activities with the Industrial Engineering Department, Manufacturing Department, Marketing & Sales Department and other departments, and has established a system that enables it to deliver results quickly and efficiently.

Development initiatives

We mainly develop materials for semiconductors, develop materials for the energy sector, develop chemical peripheral equipment and support the mass production of newly developed products. The Technology Development Department works closely with the Marketing & Sales Department and has established a system that enables the quick introduction of new materials and provision of data. Restructuring the organization into one that is easier to understand has allowed us to create an environment that allows for a greater level of freedom of thought and experimentation. We provide support for young employees so they are able to play an active role by allowing them to speak their minds and come up with suggestions. With an eye to the future, we hold regular design FMEA meetings and development presentations to promote product development that is closer to customers and the Manufacturing Department.



Utilizing simulations to work on efficient problem solving

Advancing development by freely exchanging ideas

Most of our new developments are the result of requests from our customers. To cater to such requests, we are working to commercialize new products by engaging in joint research and development, not only within our company but also with outside cooperating organizations and partner companies. Given that the inspiration gained by interacting with overseas customers and subcontractors can give rise to new technologies and developments, we also send employees on business trips to China and secondments to South Korea. During business trips to China, our employees give presentations on developments to our Chinese customers with the view to build friendly relationships with them.

We are working on maintaining and harnessing know-how and intellectual property rights on new technologies and materials in order to boost our corporate value. And if the intellectual property rights of another company already exist, we will look into negotiating to be granted or transferred a license, as well as respect the intellectual property rights of other companies by avoiding technical scopes or terminating projects.

[Message from Directors]

Quality Management Department

Ensuring comprehensive quality education by reviewing quality control systems and workflows tailored to business expansion

Akira Tabaru | Executive Officer, Quality Management Department

Brief History

Apr. 1995 Joined the Company
Apr. 2020 General Manager, Quality Management Department
May 2024 Executive Officer in charge of Quality Management Department (current position)

The Quality Management Department has the Quality Management Section and the Analysis Section. Group 1 of the Quality Management Section covers quality assurance (QA) operations, including creating external documents, handling issues that surface with shipped products, and responding to requests to audit our sites by customers. Group 2 is responsible for quality control (QC), with work such as inspections before shipments. The Analysis Section comprises two groups: Group 1 conducts analyses on a % to ppm*1 level in ordinary rooms, while Group 2 measures trace metallic impurities (ppb*2 or less) in a clean room.

Double-checks are conducted during inspections. Employees who take measurements have them checked with their superiors, who in turn verify the figures with a higher-level manager. The Quality Management Department focus on the number of complaints and the number of non-conformances with in-house work as indicators.

Review of Fiscal Year Ended Jan. 31, 2025

The Quality Management Department provides training on the ISO 9001 quality management system for all employees. We had used materials prepared in-house until last fiscal year, but from the fiscal year ended January 31, 2025, we are thoroughly educating our employees again based on QC certification documents.

The chemicals manufactured by our Company are shipped in stainless steel containers to prevent exposure to air, and given that stainless steel containers are also a crucial component of our products, we are revising and enhancing our inspection methods.

Initiatives for the Future

Our company has handled a wide variety of products in small quantities from our earliest days, and in light of the recent growth in our sales volume, we will revise our management system and simplify our workflow through to shipments—a step that has become increasingly complex. When it comes to managing competence*3, we also want to create proposals for ranking the level of competence required for each manufacturing process, which will lead to raising the skill level of employees and achieve more reliable quality.

I also think it is crucial to increase the sense of urgency with the increase in sales to overseas customers. I was involved in work in South Korea, and whenever an issue arose, employees with authority to make decisions sprang to action immediately, and all the departments involved coordinated their efforts together to respond to the issue and resolve it quickly. We will work on creating a system that is capable of responding quickly and raise employee awareness.

In addition to taking QC certification tests for acquiring general concepts, the training we provide for our human resources seeks to increase outside involvement by taking external seminars and joining in on-site audits of our customers, as our employees' thinking has the risk of becoming polarized by our internal methods.

*1: Abbreviation of parts per million. Refers to impurities of 1/1,000,000 (0.0001%)
*2: Abbreviation of parts per billion. Refers to impurities of 1/1,000,000,000 (0.0000001%)
*3: ISO 9000 series Quality Management System terminology for "the ability to apply knowledge and skills to achieve intended results"

Special Feature

Quality Policy

Quality Policy

The Company has been certified to the international quality management system standard ISO 9001 since 2000. This quality management system applies to all operations related to the design, development, manufacture and sale of our chemical products and ensures that we can provide products that our customers can use with ease.

Tri Chemical Laboratories Quality Policy

We aim to maximize customer satisfaction by improving our development capabilities and production technologies and providing better products and technologies for our customers.
To achieve this, we will work on continuously improving the effectiveness of our quality management system.

Quality initiatives

Since obtaining ISO 9001 certification in 2000, we have been striving to operate a comprehensive quality assurance system and a system of continuous improvement and enhancement, led by the Quality Management Department. The Analysis Room is equipped to cope with increased production volumes, while the Clean Room (CR) is fully equipped to prevent contamination by foreign objects and maintain a clean environment at all times. In FY2023, the expansion of the analytical CR in the Annex building was completed and a more powerful analytical system was built.

To maximize customer satisfaction, our Quality Management Department is not only working to prevent the shipment of defective products, but also to boost our ability to respond to complaints and make corrections to any non-conformances that occur. We are working on re-establishing R&R (roles & responsibilities) with the medium-term goal of creating real-time monitoring of manufacturing records and operating a system that stops activities as soon as abnormalities are detected.

We are training engineers on a company-wide scale so that all employees are able to perform their duties in a responsible manner. We are running QMS (Quality Management System) training for all employees and redefining competence for enhancing the skills and awareness of quality control by our employees. Changing and simplifying our structure to facilitate a single workflow allows us to create an environment where employees are able to focus on their work, which is enhancing productivity and quality.

Inspection work for defective products

Inspecting all items

[Message from Directors]

Safety Promotion Department

Targeting zero occupational accidents by focusing on efforts to boost safety in coordination with other departments

Tadaaki Hiraki | Executive Officer, Safety Promotion Department

Brief History

Apr. 1995	Joined the Company
Apr. 2006	General Manager, Technology Development Department
Feb. 2017	General Manager, Quality Management Department
Apr. 2020	Executive Manager, Safety Management Department
May 2024	Executive Officer in charge of Safety Promotion Department (current position)

The Safety Management Department was established in 2020 as a management department committed to ensuring management of safety. In July 2022, we acquired ISO 45001 certification, the international standard for occupational health and safety management systems, and we are coordinating efforts with all departments—the Technology Development Department and Manufacturing Department, Industrial Engineering Department, Quality Management Department, and Marketing & Sales Department—to enhance safety by implementing a PDCA cycle.

The Safety Management Department comprises two separate groups—Group 1 is responsible for managing health and safety at the head office, Second Plant and Annex Building, as well as for correcting work-related accidents and problems, and also prepares Safety Data Sheets (SDS)*1 to be submitted to customers and yellow cards*2 that are required for transportation. Group 2 manages health and safety at the Minami-Alps Plant and is in charge of correcting work-related accidents or problems there.

When it comes to managing on-site safety, we conduct quarterly "walk-throughs" of our work sites with the President, and also receive advice on initiatives related to health and safety from an industrial safety engineer who is an external consultant, to ensure that improvements are implemented. We also provide regular in-house training for new employees regarding the handling of chemicals, safety and risks at chemical plants, and training on relevant laws and regulations pertaining to employees.

Review of Fiscal Year Ended Jan. 31, 2025

With the new chemical substance control system being rolled out under the Industrial Health and Safety Law, we revised our internal rules to ensure appropriate compliance with the laws. We implemented in-house training and other programs for training human resources capable of filling two newly created positions: Chemical substance handler and Protective equipment management supervisor.

Initiatives for the Future

While the Department was established in 2020 with the aim of reducing problems and work-related accidents, there is still ample room to make improvements, and our effort cannot be considered sufficient. We will continue implementing initiatives with the view to further reducing work-related accidents and problems, while coordinating efforts with related departments.

In terms of human resources, new employees assigned to the Safety Management Department are rotated to different jobs in a proactive manner to give them the opportunity to also gain experience in other departments. We will be training human resources capable of handling a wide array of tasks, by implementing OJT and ensuring communications with other departments.

*1: A sheet that lists the hazards of chemical substances, first aid measures, and precautions for handling, storage and disposal
*2: Emergency contact card that lists emergency measures and contact information, etc. in the event of an accident during the transportation of hazardous materials (chemical substances, high-pressure gases, etc.).

Special Feature

Safety Promotion Policy

Occupational Health and Safety Management Policy

We are committed to operating under the following occupational health and safety policy and creating a safe and secure working environment for our employees and reducing occupational safety risks. In July 2022, the Company obtained ISO 45001 certification, the international standard for occupational health and safety management systems. This occupational health and safety management system applies to all operations and employees involved in the design, development, manufacture, sale and analysis of our chemical substances.

Tri Chemical Laboratories Occupational Health and Safety Management Policy

As our business is the development, manufacturing and sale of cutting-edge and high purity chemicals, we correctly recognize the "danger and management method of each chemical substance," always place utmost importance on the elevation of safety and advancement of health among our employees and related people, and engage in the following activities.

1. **We develop the occupational health and safety management organization and clarify responsibilities and authorities to promote activities for occupational health and safety.**
2. **We comply with legal requirements concerning occupational health and safety as well as internal regulations.**
3. **We set occupational health and safety goals and strive for improvement in order to realize a safe and healthy workplace.**
4. **We aim for a comfortable and safe environment by clarifying dangerous and harmful factors at the workplace and continuously performing risk assessment.**
5. **We develop a PDCA cycle in order to elevate the occupational health and safety performance, and strive for continuous improvement.**
6. **We make arrangements for everybody to engage in activities for occupational health and safety based on the cooperation of all people working for our company.**

Safety initiatives

Led by the Safety Management Division, members are selected from each department and a Health and Safety Committee meeting is held once a month. The initiatives revolve around reporting near-miss activities and discussing ways to prevent problems, with the aim of creating a better working environment.

Our on-site improvement activities include regularly conducting on-site walk-throughs (patrols) with executives and employees from departments unrelated to sites, to help identify risks from a broad range of perspectives as part of efforts toward making improvements and prevention.

We offer a wide range of training courses covering the topics of disaster response and safe operations. Emergency response training includes evacuation drills and fire drills that factor in various types of disaster scenarios, covering the varying circumstances at each plant. First aid training that we conduct every year includes practical application of chest compressions and use of AEDs as well as explanations of artificial respiration and removal of foreign materials and hemostasic methods—the training includes hands-on sessions so that trainees are able to respond to actual first aid scenarios.

In addition to safety and health training for new employees when they join our company, we also provide existing employees with safety and health training covering a range of topics annually to help raise their awareness of safety. We invite instructors from outside the company to help cover training topics that requires specialized knowledge like protective equipment and risk assessment, and for topics that require a large number of participants, such as tailgate lifter training.

KYT (hazard prediction training) also uses specific examples of actual work to help reduce risks that are present throughout the work environment.

Special Feature

Tri Chemical Electronic Materials Taiwan Inc.

History of Tri Chemical Electronic Materials Taiwan

We are engaged in the development, manufacturing and sales of high-purity chemical materials for semiconductors, solar cells, optical fibers, and other products. Taiwan is one of the world's leading centers of semiconductor production within the semiconductor industry that is our primary destination of sales, and is also where many core users of our products are located. It is also in close proximity to Southeast Asian markets such as China, Singapore and Malaysia. Growth in markets throughout Southeast Asia is significant, and to respond accurately and quickly to the needs of the semiconductor market, we opened a Taiwan branch in Zhubei City in Hsinchu County, Taiwan, in December 2004 to operate as a sales base.

Since then, we have been working in a proactive manner toward securing overseas commercial rights and increasing our sales volume by expanding our Taiwan branch, with efforts such as increasing the number of sales staff to suit market conditions. In March 2017, we established our wholly owned subsidiary Tri Chemical Electronic Materials Taiwan Inc. with the aim of developing, manufacturing and selling high-purity chemical materials in Taiwan to respond more precisely to growth of the Southeast Asian market, including Taiwan. Our subsidiary in Taiwan is positioned as one of our most important moves in our medium- to long-term global strategy, and in July 2020, we constructed the plant of Tri Chemical Electronic Materials Taiwan Inc. in Tongluo Township of Miaoli County in Taiwan. Establishing a local production and development base helps our Group to achieve sustainable growth by being able to respond quickly to such needs.

Corporate History

December 2004	Opens Taiwan Branch of Tri Chemical Laboratories
March 2017	Establishes wholly owned subsidiary, Tri Chemical Electronic Materials Taiwan Inc. in Zhubei City, Hsinchu County, Taiwan (later relocated to Tongluo Township, Miaoli County)
July 2020	Builds plant in Tongluo Township, Miaoli County, Taiwan
June 2021	Acquires ISO 9001:2015 and ISO 14001:2015
February 2023	Acquires ISO 45001:2018
December 2023	Completes second phase of construction


Taiwan Branch


Tri Chemical Electronic Materials Taiwan Inc. (Tongluo Plant)

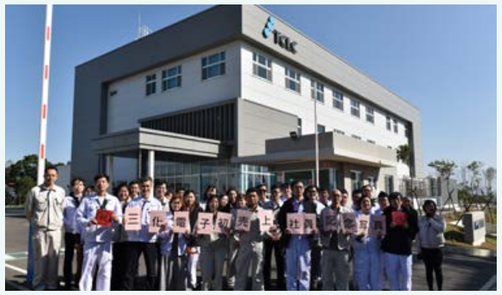
Initiatives at Tri Chemical Electronic Materials Taiwan

Tri Chemical Electronic Materials Taiwan develops, manufactures and sells high-purity chemical materials in Taiwan. For development and manufacturing, we coordinated efforts with the head office for deploying facilities and establishing a shipping system. Training for employees, including business processes, involved transferring employees with abilities in areas like development and manufacturing from the head office, primarily with the role of providing OJT.

As one of the initiatives of Tri Chemical Electronic Materials Taiwan, we acquired "Green Building Certification" in November 2020. This is a certification system run by a public institution that certifies buildings with a high level of environmental and social awareness, that are constructed to green building standards. We also expanded the plant in December 2023 as part of efforts to enhance the facilities here.

Other certifications we have acquired include ISO 9001 and 14001 in June 2021, and ISO 45001 in February 2023. Tri Chemical Electronic Materials Taiwan is engaged in the development and manufacture of high-purity chemical materials similarly to the head office, and is also conscious of and promotes maintaining a high level of quality, eco-friendly manufacturing activities, safe operations, and more.

An event that is held every year at Tri Chemical Electronic Materials Taiwan is the year-end party. This year-end party is called "wěiyá" and is a unique Taiwanese culture, held in appreciation of employees for their service. Affiliated companies and the families of many employees are also invited to the party, which serves as a great opportunity for employees to interact with each other over food as well as a lottery and other games.


Tri Chemical Electronic Materials group photo


Plant expanded during second phase of construction


Year-end party at hotel in Taichung City

Interview with President

Masahito Shibata
Executive Officer
President, Tri Chemical Electronic Materials Taiwan Inc.

Brief History

Apr. 1991 Joined the Company
May 2004 General Manager, Marketing & Sales Department I
Apr. 2012 Director & Executive Manager, Marketing & Sales Department
Feb. 2017 Director, in charge of Marketing & Sales and Technology Development
Apr. 2020 Director, the Company & President, Tri Chemical Electronic Materials Taiwan Inc.
Apr. 2022 Executive Officer, the Company & President, Tri Chemical Electronic Materials Taiwan Inc. (current position)

President Shibata performing a ritual known as "Bye-Bye (拜拜)" in Taiwan after completion of the Tongluo Plant

Q1 You were appointed President, of Tri Chemical Electronic Materials Taiwan Inc. in April 2020. Can you provide a brief overview of Tri Chemical Electronic Materials Taiwan, and talk about any initiatives you are taking and changes you have noticed there since being appointed?

As a wholly owned subsidiary, Tri Chemical Electronic Materials Taiwan was established as a manufacturing, development, and sales base with the view to boosting our supply capability with a product mix to semiconductor manufacturers in Taiwan. We had sales functions available at our branch office when I was appointed, but we were the first in our group to operate business overseas alone, and we only focused on managing operations and rolling out technology owned by Tri Chemical Laboratories. During the COVID-19 pandemic, our customers also sought to implement local production and local consumption into their semiconductor supply chains, and we have also quickly been able to take a closer approach to Taiwan—today we are now driving ahead with our unique business practices and enhancing product control while incorporating DX.

Q2 Tell us about the makeup of your employees, and the roles that both seconded and local employees have, as well as the ambiance at your company.

We have 46 employees here, including 38 hired locally and eight seconded from Japan. We currently have seconded employees taking on a managerial or leadership role for teaching our local hires about technology and other matters, but looking ahead, I would also like to have our local hires take on these managerial roles or be in charge of new technical work. Employees are taking an active approach to their vacation and flex time, with positive communications in the spirit of the Tri Chemical Group's management philosophy of "Creating Leeway."

Q3 What are your views and initiatives on training human resources?

To be honest, securing local human resources in Taiwan who are skilled at handling chemicals is extremely challenging. In this regard, given that everyone in Taiwan has an edge in understanding the importance of SOPs (Standard Operating Procedures), we ask our employees to break down and clarify the details of the manufacturing processes of each product even further so that the same product can be made by anyone doing the work—we also ask them to perform manufacturing data processing and analysis management. I also think it is important to encompass the company's goals in the targets of each department—this makes it easier to determine the results and outcomes of each employee, and whether they are contributing to the company. We have rolled out a personnel assessment system (KPI), but I feel that it is difficult to achieve company growth with that alone. We are planning to implement new initiatives such as arranging opportunities for each department to deliberate on how to achieve the goals of the Company. With this in mind, every year we have consultants run training to help train human resources.

Q4 What type of human resources are you seeking? What do you require of or expect from your employees?

I am looking for human resources who are able to respond to the needs of our customers in a sensitive manner, like those who can quickly gather and understand our customers' needs, those who are able to respond to and discuss our customers' needs, and those who can create products that meet our customers' needs. There are many leading-edge semiconductors companies located in Taiwan, and they are growing at a much faster pace than a decade ago. This has resulted in demand for our products to soar at a terrific rate every year. I think that human resources that are armed with the skills and knowledge to respond to customer needs are essential for ensuring sustainable growth of the Company.

Q5 What are the initiatives you will focusing on in the future, and the businesses and projects you want to take on?

In all honesty, I am aiming to incorporate DX for "strengthening manufacturing." We are currently in the middle of developing an AI-based logistics system, and will be checking to see if this development is able to help reduce mistakes made by humans and redistribute our manpower. We are hoping to maintain a sustainable position in the supply chain throughout the leading-edge electronics field.

Materiality (Material Issues)

We are committed to achieving the SDGs from the stance of our business and business model, and defined materiality as “important issues that we must work to resolve from the perspective of maintaining our competitive advantage and creating corporate value over the medium to long term.”

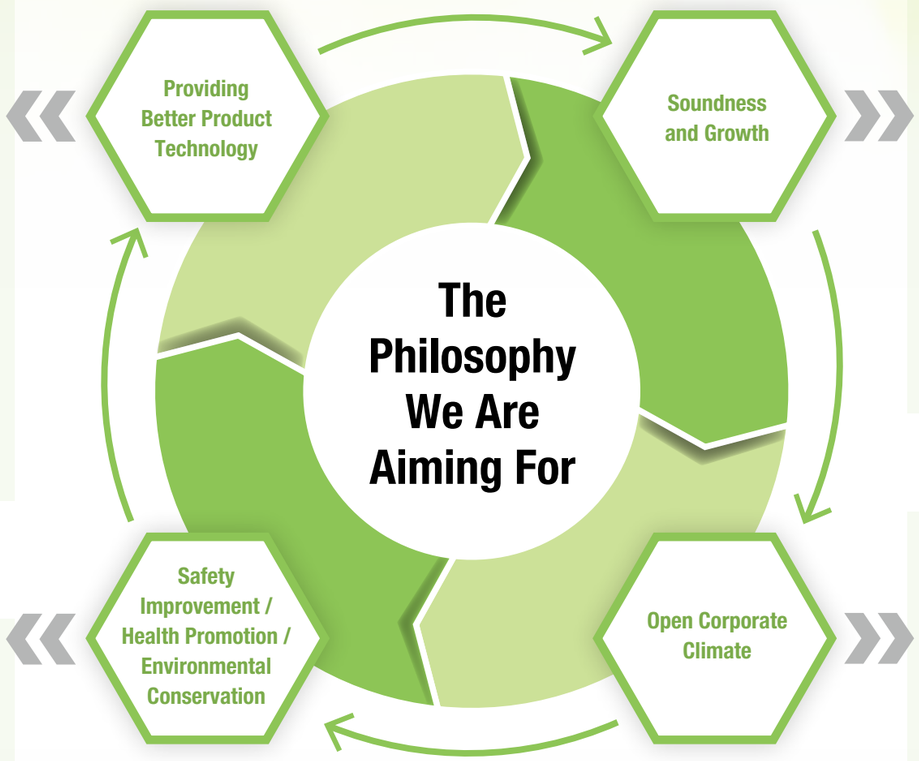
We are committed to address these seven materialities, which are linked to our management philosophy, in order to contribute to the development of our customers and industries by utilizing our chemical-related technologies, and to realize the “society with leeway” that we aim for.

Materiality	Related Themes	Initiative Policies
1 Contributing to the realization of a decarbonized society	• Life cycle management • Decarbonization and carbon neutrality • Response to climate change	• Initiatives to grasp GHG emissions and reduce them based on the International Framework (Scope3) • Creation of environmentally friendly products and business models (S)
2 Technology and product development	• R&D • Quality improvement • Material development and process innovation • Response to technological innovation	• Maintaining high profitability through new product development • Customer satisfaction improvement • Providing high quality products (S) • Product / technology development in next-generation growth areas (B)

SDGs to Contribute: 8 DECENT WORK AND ECONOMIC GROWTH, 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE, 12 RESPONSIBLE CONSUMPTION AND PRODUCTION

Materiality	Related Themes	Initiative Policies
3 Manufacturing in harmony with the environment	• Waste reduction • Recycling of products and raw materials • Stable product supply	• Cleaning of our customers’ manufacturing equipment • Recovery and reuse of product containers (S) • Wastewater and waste management • Reduction in GHG emissions (Scope 1,2) (B)

SDGs to Contribute: 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE, 12 RESPONSIBLE CONSUMPTION AND PRODUCTION, 13 CLIMATE ACTION, 15 LIFE ON LAND



Materiality	Related Themes	Initiative Policies
4 Safe and secure manufacturing	• Occupational health and safety • Customer safety and manufacturing responsibility • Business continuity in the event of a disaster	• Occupational health and safety, health management • Safety-conscious manufacturing and product development • Development of BCP (B)
5 Strengthening corporate governance	• Diversity of Directors • Evaluating the effectiveness of directors	• Skills mapping for Directors • Training for Directors (B)

SDGs to Contribute: 8 DECENT WORK AND ECONOMIC GROWTH, 16 PEACE, JUSTICE AND STRONG INSTITUTIONS

Materiality	Related Themes	Initiative Policies
6 Creating an organization in which a diverse workforce can thrive	• Promotion of D&I • Improved job satisfaction • New hires and turnover prevention • Continuous improvement of treatment	• Work-style reform(Acquisition of long-term leave) • Promotion of childcare leave, etc. • Enhancement of training opportunities (B)
7 Communication with investors/ stakeholders	• Communication with investors • Communication with stakeholders	• Continuous dialogues with investors • Conducting dialogues with stakeholders (B)

SDGs to Contribute: 3 GOOD HEALTH AND WELL-BEING, 5 GENDER EQUALITY, 8 DECENT WORK AND ECONOMIC GROWTH

Categorization of Materiality

S ··· Social issues
The one aiming to contribute to solving issues faced by society, investors and stakeholders through business activities

B ··· Business foundation
The one aiming to enhance social values by minimizing environmental and social impacts as a natural duty of a company

Materiality Review Process

1 Listing of Social Issues to be Considered
While referring to various guidelines such as GRI and SASB, as well as major ESG indexes and evaluation items of evaluation organizations, we have listed approximately 80 candidate social issues that we should address in the long term, taking into account of our business characteristics, strategies, and business models.

2 Priority Assessment
The importance of the items was evaluated based on two axes (impact on society and impact on our business) through discussions by directors and executive officers, incorporating evaluations by external experts, and the items with high ratings on both axes were selected as material items.

3 Overall Organization and Study of Measures
The extracted items were grouped according to similarities and linkages of themes and initiatives, and organized into 7 materialities in relation to our management philosophy.

Materiality Review Process of Future Review and Policy for Initiatives

Based on the identified materialities, we will make our initiatives to solve these issues more effective by formulating specific action plans in our medium-term management plan and other future plans, and by establishing and operating indicators (KPIs) to evaluate the progress of these plans.

The materiality identified this time will be reviewed periodically, taking into account changes in the social and business environment and reflecting the opinions of investors and stakeholders.

Initiatives Related to Materiality (1)

Philosophy	Materiality	Initiative Policy	Initiative Contents
Providing Better Product Technology	1 Contributing to the realization of a decarbonized society 2 Technology and product development	Maintaining a highly profitable structure through new product development, etc. (Goal: 10 new product development projects by FY2025) (Actual results: 14 projects in FY2020-2024)	Through the development of products for leading-edge technologies and recycled products, the application of existing products to other fields, and initiatives aimed at obtaining patents, we will continue to take on the challenge of entering new areas of business, maintain a structure that generates high profits, and contribute to technological innovation and energy reduction across the industry. [Specific initiative] Through collaboration with customers such as equipment manufacturers and educational and research institutions, we are working mainly with the “New Development Section,” a dedicated section, and we achieved our target of 10 new product development contracts by FY2025, ahead of schedule.
		Increasing customer satisfaction by providing high-value-added products	By providing high-value-added products to our customers, we will achieve higher customer satisfaction and establish a foundation for a sustainable company. [Specific initiative] In order to encourage technological innovation by our customers, our Marketing & Sales Department and Technology Development Department actively propose product technologies, and our Technology Development Department and Manufacturing Department work diligently to respond to requests from our customers. With the establishment of the new Minami-Alps Plant, preparations are also underway to ensure a comprehensive production system, such as mass-production of existing products and the manufacture of new etching materials.
		Providing high quality products in line with customer needs	We will improve our manufacturing technology/equipment, etc. to develop a system that enables us to provide high-quality products that meet customer needs. [Specific initiative] During the development of new products, we have working groups consisting of Technology Development Department, Manufacturing Department, and Marketing & Sales Department to thoroughly discuss manufacturing technologies, business processes, and other issues. In addition, we have begun to improve quality through the use of digital technology, such as real-time monitoring of manufacturing records. Through further stabilization of the manufacturing process and reduction of non-conforming products, we are striving to provide high-quality products to our customers.
		Initiatives to grasp GHG emissions and reduce them (Scope 3)	To realize a decarbonized society, we promote grasping the actual status and reducing all greenhouse gas (GHG) emissions related to our business activities. [Specific initiative] We have been calculating emissions for Scope 3 (GHG emissions other than our own in our business activities) since FY2022, and are examining the targets and scope, collecting data, organizing them by category, processing data, and tabulating them.
Safety Improvement / Health Promotion / Environmental Conservation	3 Manufacturing in harmony with the environment	Reduction of environmental impacts by cleaning customers’ manufacturing equipment (Goal: We will continue to receive more than 500 contracts by the end of FY2025) (Actual results: 537 contracts in FY2024)	To reduce the environmental impact of resources and manufacturing energy, we clean our customers’ manufacturing equipment and maintain its components. [Specific initiative] To reduce the impacts on the environment, we started parts cleaning service in 2019. Customers’ recognition of our services is gradually improving, and we are preparing to accept local support at our Taiwanese subsidiary. Going forward, we will continue coming up with proposals that meet customer needs by providing services that stand out from others.
		Effective use of resources through returnable product containers (collection and reuse)	To make effective use of limited resources, we make our product containers returnable (collect and reuse). [Specific initiative] In principle, we ask our customers to return the product containers we provide after their use. Collected containers are thoroughly cleaned and rigorously inspected for reusability before being used. We are also working on making our containers collectable and reusable with customers approval. Containers that are not suitable for reuse are recycled as resources for manufacturing new containers, etc.
		Reduction of environmental impacts through thorough management of wastewater and exhaust gas	Based on the belief that business activities and environmental considerations should go hand in hand, we thoroughly manage industrial wastewater and industrial emissions in order to reduce the burden on the environment, including the conservation of mountain ecosystems. [Specific initiative] We have introduced a system that constantly monitors the water quality of wastewater generated in the manufacturing process to ensure that it does not have a negative impact on the surrounding environment. Emissions into the air are also strictly controlled, and efforts are being made to install toxin disabling equipment and strengthen monitoring systems.
		Reduction of greenhouse gas emissions with appropriate energy management, etc. (Goal: FY2030 / 46% reduction in carbon dioxide emissions [Compared to FY2022]) (Actual results: 10.5% reduction in FY2024 [Compared to FY2022])	As a countermeasure against global warming, we will work to reduce greenhouse gas emissions (Scope 1, 2) with appropriate energy management and other methods. [Specific initiative] By analyzing the amount of energy used for the manufacturing process and the time of day, etc. when the energy is used, we are striving to reduce energy consumption by controlling facility operating hours, and also looking into ways of increasing the effectiveness of insulation in piping and other areas. We are also studying the reuse of thermal energy emitted from the manufacturing process.
Soundness and Growth	4 Safe and secure manufacturing 5 Strengthening corporate governance	Establishment of occupational health and safety management system	We will build a safe and secure workplace for all employees through appropriate management of occupational health and safety. [Specific initiative] In addition to acquiring ISO 45001 certification in 2022 and operating an occupational health and safety management system, we are also strengthening risk assessment in accordance with the revision of the Occupational Health and Safety Regulations in 2024. By continuing to make improvements through the PDCA cycle and educating employees on occupational health and safety, we are creating a workplace where everyone can work comfortably.
		Business Continuity Plan (BCP) initiatives for disasters, etc.	We have a Business Continuity Plan (BCP) in place to ensure that we can respond quickly as an organization in the event of a large-scale disaster such as an earthquake. [Specific initiative] We are expected to fulfill our supply chain responsibilities and have established rules and procedures to restore operations as quickly as possible, while placing the highest priority on human life and physical safety. In addition, periodic reviews involving management are conducted to enhance the effectiveness of the plan.
		Initiatives to evaluate the effectiveness of the Board of Directors to strengthen governance	We aim to manage the company better by disclosing our activities to strengthen governance (an evaluation of the effectiveness of the Board of Directors). [Specific initiative] In FY2024, we surveyed all directors and auditors and found that our Board of Directors is operating properly and its effectiveness is ensured. In FY2025, the Company will promote initiatives to discuss important issues surrounding sustainability in light of medium- and long-term management strategies and other factors at Board of Directors meetings, strengthen group governance, and improve methods of training directors and officers.
Open Corporate Climate	6 Creating an organization in which a diverse workforce can thrive 7 Communication with investors/stakeholders	Improvement of workplace environment through promotion of work-style reform (Goal: FY2025 / Acquisition rate of long-term leave 85%) (Actual results: FY2024 / Acquisition rate of long-term leave 83.7%)	Through the promotion of work style reforms, we aim to create a work environment in which employees can work with vitality, shorten total working hours, and increase the acquisition rate of long-term leave. [Specific initiative] We are working to create a workplace environment in which everyone can feel motivated to work through measures to promote work style reform, such as reducing manufacturing process time by introducing equipment, an in-house award system for outstanding efforts, eliminating unnecessary regular meetings, encouraging telework, increasing the acquisition rate of long leave, building a cooperative system in the workplace by disclosing each employee’s schedule, and sending an encouraging message from top management.
		Creating an environment conducive to achieving compliance	To achieve compliance, we will develop an environment that facilitates the use of the whistle-blowing system. [Specific initiative] The Company’s internal whistle-blowing system is a system whereby any event that should be reported can be reported (reporting anonymously is acceptable) to any of the following: an unattended reception post within the Company, Administration Department, Human Resources Department, a full-time corporate auditor, a corporate lawyer (external), or a labor and social security attorney (external). We ensure that the content of reports is kept confidential and that whistleblowers are not treated in a disadvantageous manner. In addition, in order to increase the utilization rate of the whistle-blowing system, the Company is working to raise awareness of the system through study sessions, the Company’s intranet, and other means.
		Dialogues with investors/stakeholders	We will engage in appropriate dialogues with investors and stakeholders in order to remain a company that continues to be trusted by customers and society. [Specific initiative] We hold financial results briefings and company presentations for individual investors. With regard to the General Meeting of Shareholders, a participatory hybrid virtual meeting was implemented so that more shareholders could watch the meeting. In the future, we will consider an attendance-based hybrid virtual general meeting, taking into consideration the status of other companies holding such meetings and the implementation environment. In addition, we have prepared an integrated report to provide an easy-to-understand description of our business, the value creation we aim to achieve, our business model, and the strengths and management resources that are the source of our value creation.

Initiatives Related to Materiality (2)

Providing Better Product Technology

Maintaining a highly profitable structure through new product development, etc

By developing products for leading-edge technologies and recycled products, applying existing products to other fields, and engaging in initiatives aimed at obtaining patents, we will maintain a structure that generates high profits and contribute to technological innovation and energy reduction throughout the industry.

Goal: **10 new product development projects by FY2025**
Actual results: **14 projects in FY2020-2024**

The role we should play

The semiconductor industry, which is our major sales destination, saw an increase in demand of primarily semiconductors used for generative AI, and chemical compounds for semiconductor production increased significantly higher than initially forecast following aggressive investments in the Chinese market. Under this environment, the Company's research and development is centered on the Technology Development Department, which coordinates its activities with the Industrial Engineering Department, Manufacturing Department, Marketing & Sales Department and other departments, to establish a system that enables it to deliver results quickly and efficiently. The role we should play is to maintain a high-profit structure with the regular development of superior products, so we can contribute to technological innovation throughout the industry and reduce energy* in society. So through collaboration with customers such as equipment manufacturers and educational and research institutions, we are working mainly with the "New Development Section," a dedicated section, and we achieved our target of 10 new product development contracts by FY2025, ahead of schedule.

* Our products are mainly used as raw materials for manufacturing semiconductors, especially for leading-edge devices. As we innovate our technology and develop new products, we can help society reduce energy consumption by minimizing the size of semiconductors.

Increasing customer satisfaction by providing high-value-added products

By providing high-value-added products to our customers, we will achieve higher customer satisfaction and establish a foundation for a sustainable company.

- **Proactive product technology proposals**
- **Diligent approaches to requested projects**
- **Create a new production system**

To meet the demands of our customers

In the semiconductor industry, in addition to ongoing investment in data centers, the broad spread such as the increase in terminals equipped with AI functions is anticipated to contribute to growing demand for semiconductors, and demand for chemical compounds for semiconductor production is also expected to increase. For Tri Chemical Laboratories, we are coordinating efforts between our sales, development and manufacturing departments to drive operational reforms and cost performance improvements, so that we are able to respond to customer requests more accurately. Going forward, we are aiming to improve customer satisfaction by improving our development capabilities and production technologies even more, and providing better products and technologies for our customers. Due to this, in order to support technological innovation by our customers, our Marketing & Sales Department and Technology Development Department actively propose product technologies, and our Technology Development Department and Manufacturing Department are working diligently to respond to requests from our customers, to ensure maximum customer satisfaction. With the establishment of the new Minami-Alps Plant, preparations are also underway to ensure a comprehensive production system, such as mass-production of existing products and the manufacture of new etching materials.

* Requested projects mean those in which we receive requests from customers for experiments, design, development, data measurement, etc. An increase in the number of requested projects indicates high customer expectations and a commitment to technological improvement and innovation.

Safety Improvement / Health Promotion / Environmental Conservation

Reduce the environmental impact of cleaning customers' manufacturing equipment

To reduce the environmental impact of resources and manufacturing energy, we clean our customers' manufacturing equipment and maintain its components.

Goal: **Continuing to be entrusted with more than 500 contracts by FY2025**
Actual results: **537 contracts in FY2024**

Consideration for environmental issues

In recent years, as climate change and loss of biodiversity have become more prevalent on a global scale, the need for all people and companies to take ownership of these issues has become more urgent. As a company engaged in the development, manufacturing, and sales of leading-edge, high-purity chemical products, we are properly aware of the "significant impact of chemical substances on the environment" and we do our business activities with the improvement of the safety and health of our customers and employees always in mind, and with "environmental conservation activities" as one of our top management priorities. Against this backdrop, we launched our parts cleaning service in 2019 to reduce our environmental impact. The number of orders is steadily increasing each year, and we are preparing to accept these orders by providing local support at our Taiwanese subsidiary. Going forward, we will continue coming up with proposals that meet customer needs by providing services that stand out from others.

Initiatives Related to Materiality (3)

Soundness and Growth

Business Continuity Plan (BCP) initiatives for disasters, etc.

We have a Business Continuity Plan (BCP) in place to ensure that we can respond quickly as an organization in the event of a large-scale disaster such as an earthquake.

■ **Responsible Supply Chains**

Preparation of Business Continuity Plan (BCP)

In order to contribute to the development of cutting-edge technology, we are expected to fulfill our supply responsibilities of supply chains by utilizing our knowledge of the technology, equipment, etc. Therefore, while placing the highest priority on human life or physical safety, we will restore operations as quickly as possible in accordance with regulations and procedures, and will fulfill our role in emergencies (natural disasters, accidents, etc.). Regarding manufacturing in an emergency, we will consider alternative production by the Taiwanese subsidiary (or by the factory in Japan in the event of an emergency at the Taiwanese subsidiary) and mutual dispatch of employees, if necessary. With regard to procurement, we will conduct periodic surveys of suppliers on a normal basis, evaluate and manage suppliers based on the information obtained, and strive to manage procurement and secure alternative suppliers in the event of an emergency. In order to make the operation of this plan an ongoing initiative, regular reviews will be conducted, including by management, and revisions will be made as necessary.

Initiatives to evaluate the effectiveness of the Board of Directors to strengthen governance

We aim to manage the company better by disclosing our activities to strengthen governance (an evaluation of the effectiveness of the Board of Directors).

■ **Sustainable growth through the implementation of an evaluation of the effectiveness of the Board of Directors**

Summary of an evaluation of the effectiveness of the Board of Directors

With respect to the evaluation of the effectiveness of the Board of Directors in FY2024, a questionnaire was sent to all directors and auditors, which was analyzed and evaluated based on the opinions of an external consultant. As a result, we confirmed that our Board of Directors was properly operated and its effectiveness was ensured. We will continue to examine the Board of Directors with the aim of making it more effective.

Initiatives for FY2025

In FY2025, we will promote discussions at Board of Directors meetings on important issues surrounding sustainability in light of medium- and long-term management strategies and other factors, strengthen group governance, and improve methods* of training directors and corporate auditors. In addition, we will examine the skills required as directors and corporate auditors from the perspective of the Company's medium- to long-term growth, and will provide focused training.

* As part of our training policy, we proactively provide opportunities to promote understanding of our group through training by external organizations, tours and explanations of internal facilities, to ensure that directors and auditors can appropriately fulfill their expected roles and responsibilities.

Open Corporate Climate

Improvement of workplace environment through promotion of work-style reform

Through the promotion of work style reforms, we aim to create a work environment in which employees can work with vitality, shorten total working hours, and increase the acquisition rate of long-term leave.

Goal: **FY2025 / Acquisition rate of long-term leave 85%**
Actual results: **FY2024 / Acquisition rate of long-term leave 83.7%**

Employees' voices

"Systems available while raising children"
(Purchasing Department, Section Manager, female)

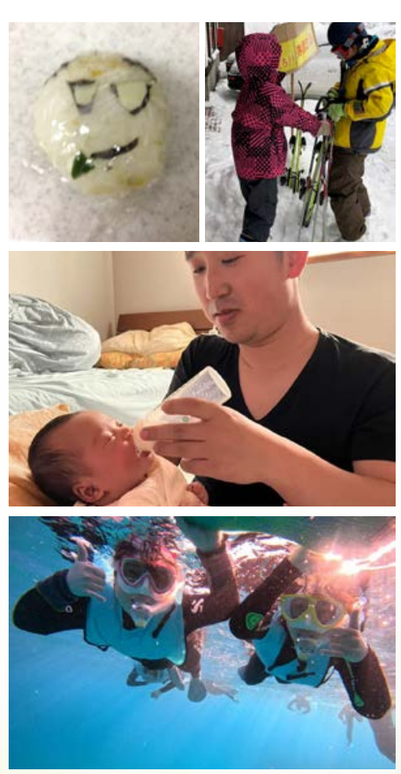
I am currently raising two high school students, and when my oldest child started elementary school, I made use of the flex system that was available at the time. My core working hours were from 8AM to 4PM during the challenging time that my children were in first grade of elementary school. I currently make my children's lunch in the morning before heading off to work. Our company trends for childcare leave used to have many employees returning to work in April regardless of the age of their children, but more recently, there has been an increase in the number of female and male employees taking leave until the child is one year old. Some employees also work-from-home as they balance work and childcare, and I feel that the system has been developed to help support childcare.

"Operational system where we all assist one another"
(Marketing & Sales Department, male)

I took around one month childcare leave. During my childcare leave, I was able to focus on raising my child by making work adjustments so that my colleagues could cover the customers I normally handle. The childcare leave not only allowed me to spend more time with my child, but also helped give my wife time to rest. Our work environment was such that we could support one another thorough communication, so I can take leave even though I work at a department with fixed tasks. I would like to spend more time with my family in the future by using the long-term leave system. I feel that at our Company, there is a greater level of understanding for males taking childcare leave.

"Enjoying my private life with a leave system that is easy to take"
(Quality Management Department, female)

I joined the company in April 2024. In October, I traveled to Hawaii for 7 days with others who also joined, to take part in new employee training. In Hawaii, we all kindled our friendship by taking part in activities like snorkeling and parasailing. I also had a trip in Japan in March using my extended leave, and also travel to Taiwan for three days and two nights using my paid vacation. We share our days off with the group in advance, so we can make adjustments to our work and are able to take days off as we need. We have developed a system where we help one another out, which makes it is easy for us to say when we want to take some days off, and we are able to take leave as requested. The system makes it easy to take days off, so I am able to spend more time with my family and friends. A fulfilling private life also boosts motivation for my work.



Enrichment of Human Capital

Tri Chemical's Human Resources Strategies

We believe that the development of our employees and the maximization of their abilities are essential for the sustainable enhancement of our corporate value, and for this reason we consider our employees to be the most important management capital for the company. Based on this concept, we support the growth of each employee by actively providing position-based training, various skill improvement training programs, and support for the acquisition of qualifications, etc. Under our management philosophy of "Creating Leeway," we are working to create a workplace environment where employees can maximize their abilities while maintaining harmony between work and life.

In addition, our chemical materials are characterized by small volumes, high variety, and high purity. In order to maintain and improve these characteristics, we believe it is important to accumulate and pass on niche technologies and know-how. To this end, the Company has been working to improve its personnel turnover rate as a key figure and to retain its human resources through such measures as: enhancement of benefit packages that include support for balancing work with childcare and nursing care; a personnel evaluation system that emphasizes meetings between supervisors and subordinates so that diverse personnel can freely express their opinions; and health management aimed at managing employees' mental and physical health.

Initiatives for Health Management

"Health management" refers to efforts to consider health management from a managerial perspective and to create a health-conscious and comfortable working environment so that each and every employee can work in good health for a long time. Based on the Company's corporate philosophy, investment in employees' health is expected to lead to organizational revitalization, such as increased employee vitality and productivity, which in turn will lead to improved business performance and stock price performance. As a result, it is expected to lead to improved business performance and stock price. Health management initiatives at the Company will be promoted mainly by the Human Resources Department in cooperation with each department.

In 2023, we launched our "Health Management" initiative and were recognized as a "Yamanashi's Excellent Health Management Company." In order to launch the initiative, a survey of employees was conducted to ascertain and analyze the current status of the Company, and initiatives for health management are being promoted.

2025 健康経営優良法人
KENKO Investment for Health
中小規模法人部門

Major Health Management Initiatives

Health Care	● Providing regular medical checkups ● Increasing the rate of secondary health checkups and providing specific health guidance, lifestyle improvement guidance, etc. ● Initiatives to improve the rate of family health checkups ● Promoting the use of the Health Screening and Breast Cancer Examination Cost Subsidy Program ● Promoting the use of telephone health counseling ● Providing mental health counseling ● Having them take a stress check and analysis/utilization of test results ● Interviews with industrial physicians upon request
Encouraging Health Maintenance and Promotion Activities	● Providing healthy menu items in the cafeteria ● Display of calories, salt, etc. on menus

Initiatives Related to Promotion of Women's Activities

We are working on improving the workplace environment as a way of creating an atmosphere where all employees are able to play an active role, regardless of gender. In addition to establishing systems, we regularly review and revise the rules we have in place, and disseminate details throughout the Company so that employees are able to easily make use of the system. In recognition of these efforts, we were certified under the "Yamanashi Crystal Erumin" system. By working on improving the issues we are currently facing, going forward we will strive to create a workplace environment that allows employees to maintain a work-life balance.

(1) Continued employment

To improve the work-life balance of our employees, we have introduced a flex system and allow employees to work-from-home. We have also set up work days that make it easier for employees to take consecutive days off, and a system that allows them to more easily take childcare and nursing care leave. We are also working on establishing a system that makes it easier to take paid vacations, long-term leave and refreshment leave system (which grants special bonuses and leave corresponding to the number of years of service or age).

(2) Unique initiatives for childcare leave for male employees

We are sharing work details and creating a cooperative system at each department to develop an environment that makes it easier to take childcare leave.

(3) Work styles such as working hours

A time-stamping system makes it easy to manage the number of overtime hours. We are focusing on reducing the number of overtime hours, with some departments incorporating "No Overtime Days."

(4) Ratio of managers

We currently have a number of females assigned to management positions. To ensure that all employees, regardless of gender, have the opportunity to demonstrate their abilities, we are regularly running training programs for improving their skill level and honing their abilities.

(5) Diverse career paths

We are transitioning employees from non-permanent positions to permanent positions, and are actively taking an active approach to hiring employees for permanent positions, regardless of age or gender.


山梨クリスタルえるみん
認定証
株式会社 トリケミカル研究所
山梨県上野原市上野原8154－217
令和7年3月3日から令和10年3月2日まで
令和7年3月3日
山梨県知事 長崎 幸太郎


Yamanashi Crystal Erumin certification ceremony

Society / Environment / Supply Chain Sustainability

Reduction of waste

Some of the raw material containers we currently use are glass bottles. Raw materials in glass bottles are disposed of by crushing the glass after use. We are looking into the possibility of changing this to a stainless-steel container. If this could be accomplished, after the raw materials are used, the stainless-steel containers could be returned to the place of purchase and the raw materials would be placed in the same containers again, thus creating a cycle of resources. Some containers in the manufacturing process have also been changed from glass to stainless steel as part of resource-recycling initiatives.

A similar approach will also be implemented at the Minami-Alps Plant, which was completed in March 2025.

Reuse of waste

We used to pay to dispose of metal waste generated during the manufacturing process, but we now have recycling companies collect some of our metal waste free of charge as part of efforts toward recycling metal resources.

We still examining how to reuse by-products generated during the manufacturing process, and are currently coordinating efforts with such recycling companies.

Biosphere Reserve

The Company constructed its “Minami-Alps Plant” in Minami-Alps-shi, Yamanashi Prefecture, in 2025.

Prior to the completion of the plant, we signed a Green Partner Agreement with Minami-Alps-shi, Yamanashi Prefecture, which was registered as a Minami-Alps Biosphere Reserve in June 2014 and implemented Nature Positive Declaration in August 2023. In cooperation and collaboration with Minami-Alps-shi, we will strive to contribute to the development and promotion of the region, as well as to the conservation of the beautiful natural environment and the promotion of natural environmental education, based on the principles of the Biosphere Reserve*, while contributing to the SDGs.

In FY2024, we ran a special exhibition at the Minami-Alps-shi Ashiyasu Mountain Building and installed deer-proof fences at Mt. Kushigata. An exhibition held at the Ashiyasu Mountain Building for commemorating the 10th anniversary of Minami-Alps Biosphere Reserve registration featured works by dye artist Ena Furuya, who hails from Yamanashi Prefecture and is active both in Japan and abroad for using the traditional batik dyeing process using melted wax—a workshop was also held for making unique handkerchiefs using vegetable dyeing techniques. Deer-proof fences on Mt. Kushigata were installed under the “Wilderness Forest Conservation Plan” between from FY2023 and FY2026, and this year they were installed near the mountaintop.


Deer-proof fences installed at Mt. Kushigata

* UNESCO (United Nations Educational, Scientific and Cultural Organization U.N.E.S.C.O.) has internationally recognized this area for the purpose of harmonizing the conservation and sustainable use of ecosystems (symbiosis between nature and human society). It is an initiative to conserve the rich ecosystems and biodiversity of the region, to learn from nature, and to achieve sustainable development culturally and economically and socially. These are referred to as UNESCO Eco-Parks in Japan, but are called “Biosphere Reserves: BR” overseas.

Recycling of products

For products that are requested by customers, we are actively promoting initiatives to recycle products. We re-refine, re-fill, and re-analyze products that are not used up and discarded.

Currently, we are making arrangements to commercialize the recycled products, although the plan has been pushed back from the original date.

In the future, as recycling of products is promoted, it is expected to decrease the amount of waste and reduce the amount of raw materials used. We are also proposing the use of recycled products to our customers.

Purchase of Shin-Yamanashi Power

“Shin-Yamanashi Power” is a plan that supplies CO_2-free electricity generated at Yamanashi Prefecture’s hydroelectric power plants. This is used for 90% of the power we use at our Uenohara Second Plant, which has reduced our CO_2 emissions. This ensures local production and local consumption of electricity, while a portion (environmental value) of the electricity fees we pay are used as a source of financing for environmental conservation projects in Yamanashi Prefecture.

FY2024 Shin-Yamanashi Power certificate granting ceremony

Chairperson’s Award from the Kanto Region Electricity Usage Rationalization Committee

We upgraded our air-conditioning systems at the Head Office Plant in December 2022. Before the upgrade, the systems being used were of specifications installed 30 years ago that had a high environmentally impact. Energy-efficient systems were installed as part of the upgrade to improve air conditioning efficiency and reduce energy costs. This helped to reduce energy consumption by 56.5%.


FY2024 Kanto Region Electricity Usage Rationalization Committee Chairperson’s Award presentation ceremony

TCFD 1

Further Climate Change Action in Accordance with TCFD Recommendations

In accordance with the Prime Market Corporate Governance Code, we have conducted a scenario analysis of the risks and opportunities that climate change presents to our business based on the TCFD recommendations and have disclosed the relevant information in this Integrated Report. In the future, we will expand the scope of our analysis, reflect it in our management strategies, and work to enhance disclosure of information on financial impacts. In order to continue to contribute to the formation of a decarbonized society, we will take the opportunity of endorsing the TCFD recommendations to further promote climate change measures.

Basic Item	Overview	Description
Governance	**Governance of the organization with respect to climate-related risks and opportunities**	Supervisory structure of the Board of Directors for risks and opportunities
		Management's role in assessing and managing risks and opportunities
Strategies	**Organization's climate-related risks/opportunities and their impact on business, strategies, and finances**	Short-, medium- and long-term risks and opportunities
		Impacts of risks and opportunities on business, strategies, and finance
		Impact of 2°C target and other climate scenarios, resilience of organizational strategy
Risk management	**Process for identifying, assessing, and managing climate change risks**	Climate-related risk identification and assessment process
		Climate-related risk management process
		Status of integration into organization-wide risk management
Indicators and targets	**Indicators and targets used to assess and manage climate-related risks and opportunities**	Indicators used to manage climate change risks and opportunities
		Greenhouse gas emissions (Scope 1, 2, 3)
		Targets and performance used to manage climate change risks and opportunities

Governance

We plan to further strengthen our governance on climate change in the future. Furthermore, our efforts for addressing climate change are handled by our Sustainability Committee that is chaired by the Representative Director, President & CEO, Executive Officer. The Sustainability Committee meets once a quarter to identify key risks and opportunities related to sustainability such as climate change, examine measures to address them, promote and provide support for initiatives to address priority issues, and monitor progress, as well as develop response policies and supervise the relevant departments. The results of sustainability studies are reported and recommendations are made to the Corporate Strategy Meeting once a quarter, and the Board of Directors manages and supervises the contents of the relevant reports. Our corporate governance system is described in "Basic Ideas on Corporate Governance (P.61-)."

Structure of the Sustainability Committee	
Chairperson	**Representative Director, President & CEO, Executive Officer**
Vice Chairperson	**Directors (except Representative and External Directors)**
Committee Members	**Executive Officers**
Secretariat	**Administration Department**

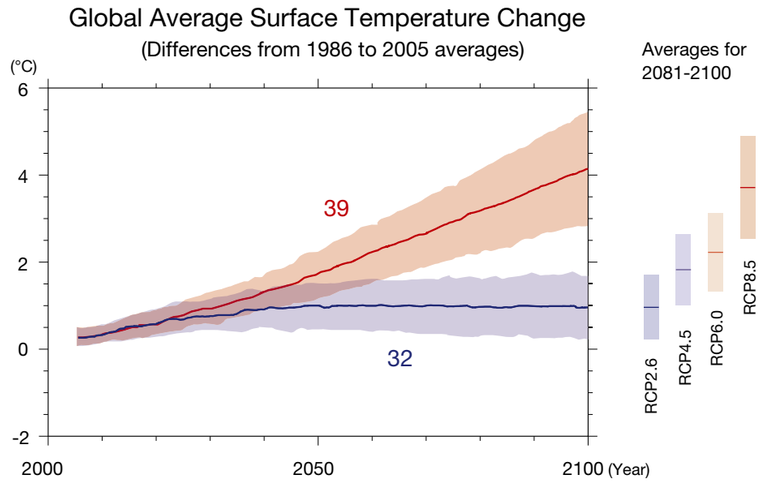
Strategies

We believe that the impact that climate change brings presents both risks and opportunities. In FY2022, our Group analyzed scenarios in accordance with the TCFD framework to assess the impact of future climate change.

Reference Scenario

Category	Scenario Overview	Type of Risks	Reference
4°C Scenario	**Scenario where temperatures continue to increase as expected without no actions being taken to address climate change, resulting in physical risks/opportunities**	**"Acute" and "Chronic" physical risks**	**● IEA World Energy Outlook 2020. Stated Policy Scenario ● IPCC RCP8.5**
2°C Scenario	**Scenario where various actions are implemented to prevent global warming, resulting in risks/opportunities associated with the transition to a decarbonized society**	**"Policies and regulations" with transition risks "Technology," "market" and "reputation"**	**● IEA World Energy Outlook 2020. Sustainable Development Scenario Net Zero Emission 2050 ● IPCC RCP2.6/SSP2.6**

The Paris Agreement sets goals to hold global temperature increase to well below 2°C above pre-industrial levels and pursue efforts to limit it to 1.5°C above pre-industrial levels. Based on these goals, the Intergovernmental Panel on Climate Change (IPCC) in October 2018 created a special report on the impact of 1.5°C global warming, as well as the corresponding greenhouse gas emission pathways—we used these scenarios for our scenario analysis.



Source: The Working Group I contribution to the IPCC Sixth Assessment Report, tentative translation of summary for policy makers (Ministry of Education, Culture, Sports, Science and Technology, and Japan Meteorological Agency)

TCFD 2

Risk management

Process of identifying and assessing climate-related risks

The ISO 14001 committee actively identifies and assesses risks in the “general environment.” In conjunction with this activity, the Sustainability Committee conducts a broader examination of risk opportunities in overall sustainability with a particular focus on addressing climate change.

Processes of managing climate-related risks

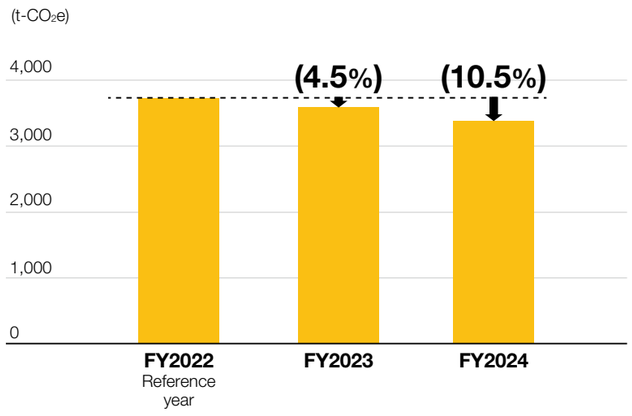
Significant sustainability risks, including climate change, are reviewed by the Sustainability Committee and reported quarterly to the Corporate Strategy Committee. The Management Strategy Committee discusses and reports to the Board of Directors on the reported climate-related risks and the policy for dealing with them. The response policies discussed and decided by the Board of Directors are reflected in the business activities of each department through the Sustainability Committee, and the status of responses is monitored.

Indicators and targets

FY2030 46% reduction in Scope 1 and 2 emissions (compared to FY2022)

At the Sustainability Committee meeting held in December 2023, we set the target for reducing our Group’s Scope 1 and 2 emissions by 46% by FY2030, compared to the level in FY2022. We will promote more efficient energy use at our production facilities and the use of non-fossil energy in order to achieve this ambitious goal.

CO_2 emissions



Risks and Opportunities as of 2030

	Category	Subcategory	Further Subcategory	Business Impact	Time Axis	Degree of Impact	Response
Risks	Transition Risks	Policy / Regulation	Carbon tax	Increase in energy procurement costs	Short-term	Small	● Set long-term GHG reduction targets ● Introduction of energy-saving equipment
				Increased costs due to the start of the carbon tax	Medium-term	Small	
			Electricity	Increase in electricity costs	Medium-term	Medium	● Switching to renewable energy ● Introduction of energy-saving equipment
		Market	Plastic packaging materials	Increase in unit cost of raw materials for plastic packaging materials	Medium-term	Small	● Use of recycled raw materials ● Transition to low-carbon products/ suppliers ● Biomass plastic
			Increase in interest rates	Increase in interest rates due to climate change	Long-term	Small	● Decrease in long-term debt
			Conversion to renewable raw materials	Increase in raw material costs	Long-term	Large	● Use of recycled raw materials ● Transition to low-carbon products/ suppliers ● Set long-term GHG reduction targets
		Reputation	Environment-related	Increase in expenses for environment-related measures	Medium-term	Small	● System introduction ● Improve efficiency of emission calculation
	Physical Risks	Acute	Plant shutdowns of suppliers	Production stoppage due to supplier’s plant shutdown	Long-term	Large	● Identification of water risks and implementation of countermeasures, diversification of raw material sources ● BCP development/continuous review at each supplier ● Reinforcement of proactive measures (review of inventory levels, consideration of multiple purchases and locations, etc.)
			Flooding	Suspension of operations due to damage caused by flooding at the company’s plant	Long-term	Medium	● BCP formulation/continuous review at each supplier ● Reinforcement of proactive measures (review of inventory levels, consideration of multiple purchases and locations, etc.)
Opportunities	—	Energy sources	Solar power generation	Cost reductions through the introduction of renewable energy	Medium-term	Small	● Investment in renewable energy
			Increase in semiconductors for EVs	Increase in revenue from new product development and sales	Long-term	Large	● Expansion of semiconductor manufacturing materials for EVs
		Market	Proactive response to climate change issues	Proactive responses lead to new opportunities	Short-term	Small	● Proactive disclosure of environmental matters

TCFD 3

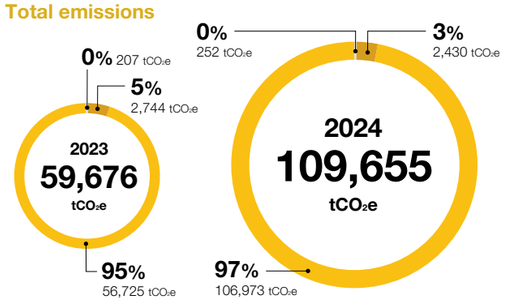
Indicators and targets

Promoting taking more measures against climate change in accordance with TCFD recommendations

Tri Chemical Laboratories Inc.

Emissions by Scope	Emissions in FY2024 [tCO_2e]
Scope 1	252
Scope 2	2,430
Scope 3	106,973
Total	109,655

Total emissions

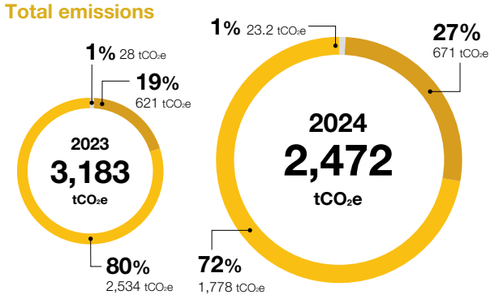


Scope 3 Breakdown of Emissions	Emissions [tCO_2e]	Composition in the Fiscal Year (%)
Category 1	92,802	86.8
Category 2	6,081	5.68
Category 3	481	0.45
Category 4	6,195	5.79
Category 5	1,174	1.1
Category 6	134	0.12
Category 7	107	0.1
Total	106,973	100

Tri Chemical Electronic Materials Taiwan Inc.

Emissions by Scope	Emissions in FY2024 [tCO_2e]
Scope 1	23.2
Scope 2	671
Scope 3	1,778
Total	2,472

Total emissions



Scope 3 Breakdown of Emissions	Emissions [tCO_2e]	Composition in the Fiscal Year (%)
Category 1	1,617	90.9
Category 2	104	5.84
Category 3	6.12	0.34
Category 5	3.55	0.2
Category 6	27.6	1.55
Category 7	20.3	1.14
Total	1,778	100

* In accordance with the GHG Protocol, transactions between group companies are excluded from the calculation.

Other Indirect Emissions (Scope 3)

Category 1	Emissions from activities up to the production of raw materials/parts/purchased goods/materials for sale
Category 2	Emissions generated from the construction and manufacture of our own capital goods
Category 3	Emissions from procurement of fuels necessary for power generation, such as electricity and heat, etc., which are procured from other companies
Category 4	(1) Emissions from logistics (transportation, loading, and storage) of products and services purchased from suppliers to the company during the reporting year (2) Emissions from logistics services (transportation, loading, storage) other than (1) purchased in the reporting year (emissions from logistics services for which the company bears the costs) Volume of activity: domestic and international shipment flow rates * The transportation of Tri Chemical Electronic Materials Taiwan Inc. is included in the emissions of the main body of Tri Chemical Laboratories
Category 5	Emissions from the transportation and treatment of waste generated by the Company
Category 6	Emissions associated with employees' business travel
Category 7	Emissions from employees' travel to and from work
Category 8	GHG emissions from products leased by the Company are not included because they are subject to Scope 1 and 2 emissions calculations
Category 9	Transportation of products for which the Company is not the shipper is not included in this calculation because it is difficult to ascertain
Category 10	Emissions from the processing of intermediate products by business operators; processing of products is not included in the scope of calculation because the Company is a manufacturer of intermediate materials for chemical products
Category 11	Emissions from the use of products by users (consumers and businesses) are not included in the calculation because the Company is a manufacturer of intermediate materials for chemicals and they do not correspond to the use of products
Category 12	Emissions from disposal of products by users (consumers and businesses) at the time of disposal; disposal of products is not included in the scope of calculation for chemical intermediate material manufacturers
Category 13	Not included in the calculation because there are no leased assets being leased
Category 14	Not included in the calculation because the emissions and business form in the franchisee are not a franchise system
Category 15	Emissions related to the management of investments do not fall under the category of "investment for profit" and are therefore excluded from the calculation

List of Directors and Officers

Directors / External Directors

Name/Position		 **Jumpei Takenaka** Date of Birth: Sep. 1, 1940 **Representative Director & Chairman**	 **Kiyoshi Tazuke** Date of Birth: Oct. 21, 1964 **Representative Director, President & CEO, Executive Officer**	 **Hironobu Ohsugi** Date of Birth: August 13, 1972 **Director & Executive Officer**	 **Yoshihide Suzuki** Date of Birth: July 31, 1971 **Director & Executive Officer**	 **Toshihisa Hashimoto** Date of Birth: February 3, 1978 **External Directors**	 **Hitoshi Iida** Date of Birth: March 2, 1958 **External Directors**	 **Kyoko Kato** Date of Birth: April 6, 1963 **External Directors**
Years in Office		46 years	17 years	7 years	5 years	2 years	1 year	1 year
Attendance Rate at the Board of Directors Meetings		16/16 (100%)	16/16 (100%)	16/16 (100%)	13/13 (100%)	16/16 (100%)	13/13 (100%)	12/13 (92%)
Expertise and experience of our Directors	Corporate Management	●	●				●	
	Manufacturing Technology R&D	●	●	●				
	Human Resource Strategies	●	●		●			
	Sales and Marketing		●				●	●
	Global		●					●
	Financial Accounting				●			
	Legal Risk Management					●		●
	ESG Sustainability		●	●	●			

Corporate Auditors

Name/Position		 **Motoharu Takamatsu** Date of Birth: May 2, 1961 **Corporate Auditor**	 **Koji Sakakura** Date of Birth: March 13, 1965 **External Auditor**	 **Young Gil Chung** Date of Birth: Nov. 3, 1962 **External Auditor**
Years in Office		6 years	1 year	1 year
Attendance Rate at the Board of Directors Meetings		16/16 (100%)	11/13 (85%)	13/13 (100%)
Attendance Rate at the Board of Corporate Auditors Meetings		14/14 (100%)	9/10 (90%)	10/10 (100%)
Expertise and experience of our Directors	Corporate Management			●
	Manufacturing Technology R&D	●		
	Human Resource Strategies			
	Sales and Marketing			
	Global			
	Financial Accounting		●	
	Legal Risk Management	●	●	
	ESG Sustainability		●	●

(current as of April 2025)

* The number of years in office of Mr. Hironobu Ohsugi and Mr. Yoshihide Suzuki is the total number of years including the number of years they served as directors in the past.
* Mr. Yoshihide Suzuki, Mr. Hitoshi Iida, Ms. Kyoko Kato, Mr. Koji Sakakura, and Mr. Young Gil Chung were appointed at the 46th General Meeting of Shareholders that was held on April 25, 2024, so their attendance at Board of Directors meetings and Board of Corporate Auditors meetings is the number of meetings they attended after being appointed.

Executive Officers

Masahito Shibata
Date of Birth: May 30, 1967
Tri Chemical Electronic Materials Taiwan Inc. President

Takashi Udagawa
Date of Birth: April 14, 1970
Marketing & Sales Department (Japan / South Korea)

Tatsuya Ohira
Date of Birth: June 10, 1973
Marketing & Sales Department (Taiwan/China)

Tadaaki Hiraki
Date of Birth: Nov. 6, 1970
Safety Promotion Department

Akira Tabaru
Date of Birth: March 2, 1972
Quality Management Department

Satoru Mihashi
Date of Birth: Sep. 24, 1971
Technology Development Department

Message from Newly Appointed Executive Officers

Safety Promotion Department
Tadaaki Hiraki

I have extensive experience related to manufacturing, development and quality control, and am intending to draw on this experience to create a safer, healthier and more comfortable workplace. When it comes to improving the working environment in particular, we are promoting autonomous management of chemical substances and the working environment by working with the relevant departments and utilizing risk assessment, etc., with the aim of creating plants that are worker conscious. I am confident that a safe and hygienic workplace will result in a stable supply and enhanced product quality, which will contribute to enhancing our brand value.

Quality Management Department
Akira Tabaru

To ensure that all our employees act in a responsible manner for providing the highest quality services for semiconductor materials that are becoming more advanced by the year, we are continuously assessing quality and making improvements. I think that our ultimate objective is “achieving complete customer satisfaction and maintaining that level,” and by making improvements to our existing quality control system, restructuring our management systems and making workflows simpler, we can ensure that all employees are able to focus more keenly on all the tasks they are in charge of.

Technology Development Department
Satoru Mihashi

For the semiconductor industry that is steadily progressing and evolving at a rapid pace, the development of the materials it uses is crucial. At the Technology Development Department that I am in charge of, our researchers are working on ongoing research and development by engaging in daily experiments to come up with new materials for the world. We are working with everyone to fully leverage new ideas and knowledge with the view to shaping the results of our efforts and accomplishments as products for the world. We will be coordinating efforts with everyone to identify unique, optimal solutions that cannot be developed even with AI, with the aim of becoming a department and company that is deemed indispensable all around the world.

Message from External Directors

Can you tell us about your review of the fiscal year ended January 31, 2025?

Hashimoto: Tri Chemical Laboratories achieved record high net sales and operating profit for the fiscal year ended January 31, 2025. I think that this accomplishment comes on the back of efforts of each and every employee in fulfilling the roles assigned to them, for meeting the needs of customers and delivering products of consistent quality.

An external director with experience as a manager in the chemical industry, and an external director with experience in marketing at a foreign company also joined the Board of Directors. Opinions are also occasionally provided from an external auditor who is knowledgeable in financial accounting, and an external auditor who is well versed in overseas matters and has experience in corporate management. Armed with this structure, I feel that discussions can now be held covering topics from a more multifaceted, global stance. In addition to renewing awareness of the importance of safety and being cost-conscious, I feel that a culture is being cultivated more than ever for finding if any improvements can be made or seeing if new approaches can be implemented, instead of trying to force existing methods to be used. I can sense that this feeling is being instilled in each and every one of the employees.

The initiatives implemented through the fiscal year ended January 31, 2025 is certain to lead to future growth, which I hope will continue in a sustainable manner.

Iida: After I was appointed to the position of external director in April 2024, I have been expressing my opinions at the Board of Directors meeting and other meetings, drawing on the knowledge that I have built up by being involved in the semiconductor industry and my experience as a manager. As a result, I hope that my efforts contributed in some way to the growth in sales and profits for the fiscal year ended January 31, 2025. When it comes to overall management, I think that Tri Chemical Laboratories is still a company that is developing, and needs to enhance and strengthen its management foundation, corporate governance system, sustainability, and other areas—it needs to address the challenges it is facing to achieve these in a quick and appropriate manner, but I am confident that it is fully capable of achieving overcoming them.

In terms of technical aspects, my work was mainly related to compound semiconductors, and given that my knowledge was lacking in some areas, I felt that I needed to continue acquiring knowledge about the silicon semiconductor front-end products that the Company handles.

As the chair of the Nomination and Compensation Committee, I was able to ensure transparency in the decision-making process for the appointments and compensation of officers. We also think the Company needs to make sure that future directors and other human resources are provided with the appropriate form of education.

Kato: When I take a look back over the past year, I realize that have learned a lot about the semiconductor industry and Tri Chemical Laboratories' businesses at the Board of Directors meetings. There is still so much I have to learn, but I am grateful for having the opportunity to be involved in such a vibrant industry. Demand for semiconductors has continued to rise rapidly in tandem with the tremendous pace of AI services and other factors in recent years, and this has had a significant impact on Tri Chemical Laboratories' sales—numerous monthly reports are showing record high results. To ensure a stable supply going forward, ensuring that systems are in place, particular regarding personnel, will be crucial for the Manufacturing Department. There are many companies that are finding it difficult to secure capable human resources, but I am pleased to see that Tri Chemical Laboratories just welcomed 16 new graduates.

I had the opportunity last year to visit the Company's plant in Taiwan. While I was there, I was able to speak directly with the Taiwanese staff there, making it a very productive visit. I admired the tremendous sense of belonging that everyone had, and the fact that so many could speak Japanese fluently. In Japan, construction of the Minami-Alps Plant advanced smoothly, and I always looked forward to seeing the reports on monthly progress. It was great to see that the completion ceremony was held in April as planned. I am looking forward to visiting the plant after it actually starts operations.

What aspirations do you have for the future as External Directors?

Hashimoto: As operations start at the Minami-Alps Plant and production systems at our Taiwanese subsidiary are enhanced, I think that we will be able to develop a system capable of responding to customer demand in a more timely manner. I also hope to share my views on the Company's business strategies in China and South Korea, which will hopefully lead to growth.

I feel that the importance of "preventive legal work" is growing, even with the legal work that I have been involved in. To achieve sustainable business growth, I think that it will become increasingly important to identify issues that have the potential of growing into problems, and examine how to deal with them in advance. I also feel that it is crucial to ensure that communications between the Development, Production, Quality Management, Safety and Health, Sales, and Administration departments are maintained quickly and closely, and that they coordinate efforts together to handle those issues. The scope of social responsibilities required of companies in recent years is also becoming broader and more diverse, and I feel that the Administration and other departments need to be enhanced in order to fulfill these responsibilities. I hope to raise the topic of addressing such issues with members of the Board of Directors.

The semiconductor industry is moving at such a fast pace, and looking ahead, I hope to see the company responding with a sense of speed while making additional effort contributing to sustainable growth.

Iida: My first task will be fulfilling my duties as an external director toward achieving the targets of the Tri Chemical Laboratories group's medium-term management plan that ends in the final year of the 50th term (fiscal year ending January 31, 2028)—net sales of 31,500 million yen and operating profit of 8,620 million yen in the final year of the plan. Resolveing the issues that the Company is currently facing will be important for achieving this, and it needs to quickly commence operations at the Minami-Alps Plant in Japan, strengthen the production system at the Tongluo Plant of Taiwanese subsidiary Tri Chemical Electronic Materials Taiwan and ensure smooth business activities at the Chinese subsidiary Tri Chemical Laboratories China Inc.—I also want to provide accurate advice on maintaining the appropriate approach for management for strengthening business activities at the South Korean affiliate SK Tri Chem Co., Ltd.

While there is an air of uncertainty throughout the semiconductor market due to factors like the introduction of reciprocal tariffs by President Trump, in my capacity as an external director, I will be focusing my effort so that a solid management foundation can be created for achieving medium- to long-term growth in China and the East Asian market, where size of the semiconductor market is anticipated to grow going forward.

I will also continue concentrating efforts on ensuring safety first and compliance with laws and regulations.

Kato: The number of female officers appointed at publicly listed companies is on the rise every year. While I am the first female officer to be appointed at Tri Chemical Laboratories, I did not have many opportunities to interact directly with employees during my first year of service. I hope to have more chances to hear from our employees in the future. I hope to be given the chance to run workshops, consultation sessions and interviews to see if there is any way of boosting the motivation of female employees or assisting with their career development.

I have been working for foreign companies for more than three decades, and have facilitated a number of projects run by multinational teams. Hopefully I will be able to talk about how to engage in positive communications and actions when working with team members from overseas, including male employees. For those who need to use English for their work or those seeking to learn English in the future, I think I will be able to provide good advice.

As an external director and female officer, I will strive to enhance my understanding of Tri Chemical Laboratories' businesses and provide appropriate advice by drawing on my experience as best as possible.

Basic Ideas on Corporate Governance 1

As an R&D-oriented company, we recognize that the basic goal of corporate governance is to increase and maximize corporate value by focusing management resources on the development of chemicals for leading-edge industries, the development of product application technologies, and the exploration of functionality, and to contribute to our shareholders and other diverse stakeholders. Based on this recognition, we will promptly conduct fair and efficient management by ensuring transparency in management execution, strengthening internal control systems, and thoroughly managing crises starting from the basis of compliance.

Overview of the Corporate Governance System and Reasons for Adopting the System

Our company has adopted a Board of Directors and a Corporate Auditor system, under which the Board of Directors and the Board of Corporate Auditors each make decisions on, supervise, and audit the execution of important business operations. This is because we believe that the most effective way to enhance corporate governance is to strengthen management by enhancing audits by corporate auditors, whose authority has been strengthened in accordance with the Companies Act, and by strengthening each function of management decision-making and management supervision and clarifying responsibilities through the appointment of independent external directors.

Board of Directors

The Board of Directors of the Company consists of seven directors, including three independent outside directors, and is chaired by the President and Chief Executive Officer. In principle, the regular meeting of the Board of Directors is held once a month to decide basic management policies, matters required by law, and other important management matters. In order to ensure fairness and transparency in the execution of management, one full-time auditor and two external auditors attend the meetings to monitor the directors' performance of their duties. Furthermore, executive officers are invited to attend meetings as necessary to enhance business execution and supervision functions.

Nomination & Compensation Committee

The Nomination and Compensation Committee, chaired by an independent external director and composed of two representative directors and three independent external directors, is established as a voluntary advisory body under the Board of Directors to strengthen the independence and objectivity of the Board of Directors' functions regarding nomination and compensation of directors and executive officers. Nomination and compensation of directors and executive officers are decided by the Board of Directors based on the report of the Nomination and Compensation Committee.

Board of Corporate Auditors

The Board of Corporate Auditors is chaired by a full-time corporate auditor and consists of three auditors, including two external auditors. In addition to participating in the Board of Directors meetings and other important meetings, the Board of Corporate Auditors holds regular meetings once a month in principle to share information among auditors and to build an efficient audit execution system.

Management Strategy Meeting

In order to execute decisions made by the Board of Directors and other related matters, Management Strategy Meeting chaired by the President and Chief Executive Officer is held in principle once a month. It consists of 20 members, including Directors, Corporate Auditors, Executive Officers, and employees with responsibilities at or above the level of general manager of each department, and serves to ensure the thorough dissemination and understanding of business operations.

Sustainability Committee

The Sustainability Committee, chaired by the President and Chief Executive Officer, discusses policies and initiatives related to the promotion of sustainability (including climate change) on a quarterly basis, and reports and makes recommendations to the Corporate Strategy Committee.

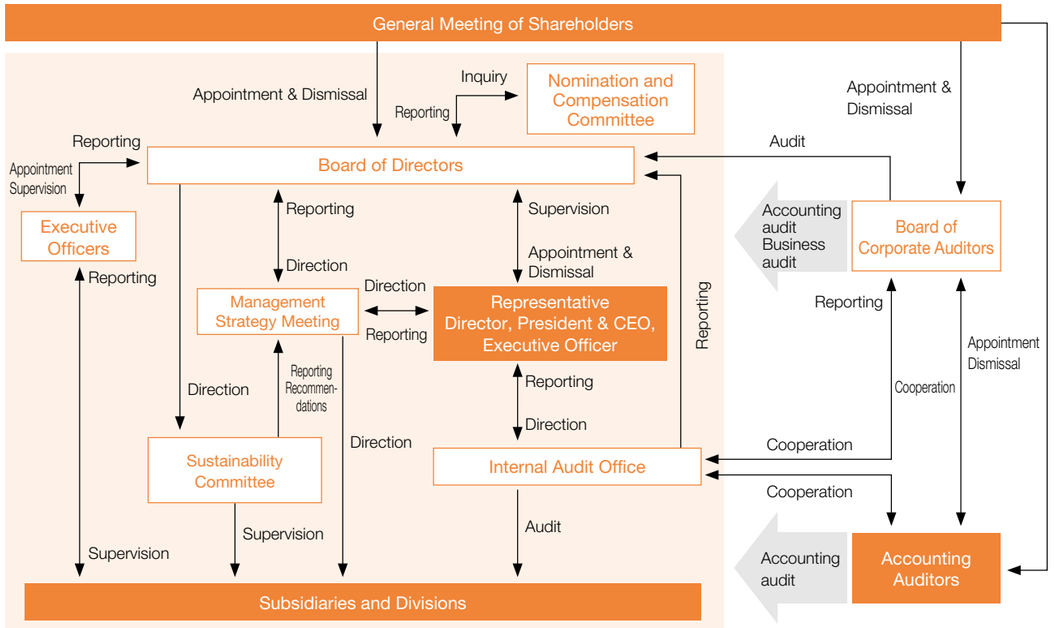
Executive Officers

In April 2022, the Company introduced an executive officer system to separate the supervisory and executive functions to enable efficient execution of operations, while at the same time enhancing discussions at Board of Directors meetings and speeding up management decision-making.

Internal Audit Office

The Internal Audit Office has been set up as an organization that reports directly to the Representative Director & President, and conducts internal audits of business activities in accordance with the annual audit plan, as well as makes suggestions, proposals and advice for making ongoing improvements by assessing the effectiveness of internal control related to financial reporting.

Our Corporate Governance System



Status of Internal Control System

By establishing an internal control system, the Company is working to strengthen compliance and risk management, as well as to ensure the effectiveness of audits by corporate auditors.

- A system to ensure that the performance of duties by Officers and employees complies with laws and regulations and the Articles of Incorporation
- Matters concerning the storage and management of information related to the performance of duties by Directors and Executive Officers
- Regulations and other systems for managing the risk of loss
- A system to ensure the efficient execution of duties by Directors and Executive Officers
- A system to ensure the appropriateness of operations of the corporate group consisting of the Company and its subsidiaries
- Matters concerning the system related to employees to assist the Board of Corporate Auditors when the Board of Corporate Auditors requests to appoint such employees, and matters concerning the independence of such employees from the Directors
- A system for reporting by officers and employees to the Board of Corporate Auditors and other systems related to the Board of Corporate Auditors
- A system for handling expenses incurred in the performance of duties by corporate auditors
- Other systems to ensure that audits by the Board of Corporate Auditors are conducted effectively

Basic Ideas on Corporate Governance 2

Contents of Exemptions from Liability for Directors and Auditors

Pursuant to Article 426, Paragraph 1 of the Companies Act, the Company stipulates in its Articles of Incorporation that directors (including former directors) and auditors (including former auditors) may be exempted from liability for damages under Article 423, Paragraph 1 of the said Act by a resolution of the Board of Directors to the extent permitted by law.

Contents of the Limited Liability Agreement

Pursuant to Article 427, Paragraph 1 of the Companies Act, the Company and its external directors and external auditors have entered into an agreement to limit their liability for damages under Article 423, Paragraph 1 of the said Act. The maximum amount of liability for damages under this agreement is the amount stipulated by law.

Contents of Directors' and Officers' Liability Insurance

We have concluded a directors' and officers' liability insurance policy with an insurance company as stipulated in Article 430-3, Paragraph 1 of the Companies Act, which covers the amount of liability, settlement amounts, legal fees, etc. to be borne by the insured. The Company's directors, auditors, and executive officers are insured, and the Company bears all premiums for this insurance. In the event that the Company pursues liability for damages against the insured, the insurance policy excludes liability, and measures are taken to ensure that appropriateness of the execution of duties is not impaired.

Number of Directors

The Company's Articles of Incorporation stipulate that the Company shall have no more than 10 directors.

Requirements for Appointment and Dismissal of Directors

(1) The Company's Articles of Incorporation stipulate that the resolution for the election of directors shall be adopted by a majority of the voting rights of the shareholders present at the meeting where the shareholders holding one-third or more of the voting rights of the shareholders who are entitled to exercise their voting rights are present.
(2) The Company's Articles of Incorporation stipulate that the election of directors shall not be by cumulative voting.

Matters that may be Resolved by the Board of Directors instead of the General Meeting of Shareholders

(1) The Company's Articles of Incorporation stipulate that the Company may acquire treasury stock by a resolution of the Board of Directors to enable the execution of a flexible capital policy.
(2) The Company's Articles of Incorporation stipulate that interim dividends may be paid by resolution of the Board of Directors in order to increase opportunities to distribute surplus to shareholders.

Requirements for Special Resolution of General Meeting of Shareholders

For the purpose of smooth operation of the General Meeting of Shareholders, the Company stipulates in its Articles of Incorporation that special resolutions of the General Meeting of Shareholders stipulated in Article 309, Paragraph 2 of the Companies Act shall be adopted by 2/3 or more of the voting rights of shareholders present at the meeting where shareholders holding 1/3 or more of the voting rights of shareholders who are entitled to exercise voting rights are present.

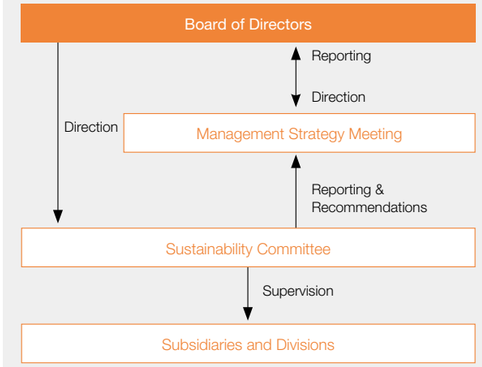
Sustainability

Governance

Our Group considers building a sustainable society as its social responsibility and aims to manage its operations in a sustainable manner. To strengthen our sustainability promotion system, we have established the Sustainability Committee, chaired by Kiyoshi Tazuke, Representative Director, President & CEO, Executive Officer. In order to realize a sustainable society and to enhance corporate value, the Company reports and makes proposals to the quarterly meetings and the Management Strategy Meeting regarding matters to be promoted by the Group with respect to sustainability.

Sustainability Committee

Chairperson: Representative Director, President & CEO, Executive Officer
Vice Chairperson: Directors (except Representative and External Directors)
Committee Members: Executive Officers
Secretariat: Administration Department



Basic Sustainability Policy

In order to realize our management philosophy of "Contributing to the development of leading-edge technology through science and technology to realize the creation of leeway for people", we aim to "realize a sustainable society" and "achieve sustainable growth" by proactively addressing materiality issues through our corporate activities.

We will also strive to create value together with our stakeholders toward the realization of a sustainable society, and to fulfill our social responsibility by further strengthening our environmental, social, and governance initiatives.

Employees	We consider the health and safety of our employees as the foundation of our corporate growth, respect diversity, strive to create a workplace that can generate imaginative ideas, and actively promote the success of our human resources. We also respect the freedom of association, the right to collective bargaining, and other rights provided by law.
Business Contacts	We will strive to build a sustainable supply chain through fair, open, and free competition in cooperation and collaboration with each other.
Global Environment	We aim to reduce greenhouse gas emissions and environmental impact through technology and product development. We will also work to conserve biodiversity and engage in sustainable activities.
Local Community	We will mutually collaborate with local governments on economic and social development and work toward the realization of a sustainable society.
Shareholders and Investors	Based on mutual dialogue, we aim to enhance corporate value through long-term stable growth.

Overview of Sustainability Committee Meetings

Meetings in FY2024	Four times
Main topics	Reporting on our Group's CO_2 emissions
	Studying and implementing the introduction of energy conservation systems
	Comparing and studying CO_2 emissions as part of commuting methods
	Studying and implementing the purchases of non-fossil certificates
	Studying the acquisition of certifications related to the promotion of women's activities

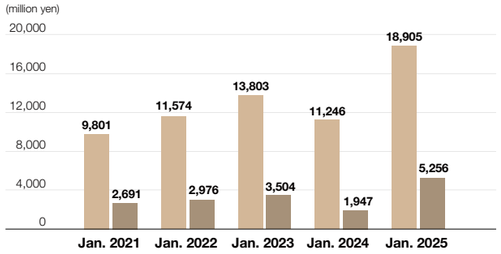
Financial Information*1

	Fiscal year ended Jan. 31, 2015	Fiscal year ended Jan. 31, 2016	Fiscal year ended Jan. 31, 2017	Fiscal year ended Jan. 31, 2018	Fiscal year ended Jan. 31, 2019	Fiscal year ended Jan. 31, 2020	Fiscal year ended Jan. 31, 2021	Fiscal year ended Jan. 31, 2022	Fiscal year ended Jan. 31, 2023	Fiscal year ended Jan. 31, 2024	**Fiscal year ended Jan. 31, 2025**
Net sales (million yen)	4,103	4,956	5,469	6,445	7,792	8,267	9,801	11,574	13,803	11,246	**18,905**
Japan (million yen)	2,351	2,556	2,710	2,517	3,009	2,534	3,118	3,552	3,904	3,560	**3,888**
Taiwan (million yen)	1,372	1,877	2,323	3,519	4,263	4,508	4,729	5,255	5,490	4,305	**5,998**
South Korea (million yen)	42	52	79	111	206	924	1,458	1,824	3,223	1,352	**1,542**
China (million yen)	238	339	171	197	211	193	375	800	1,006	1,777	**7,000**
Other (million yen)	98	129	184	100	102	107	119	141	177	249	**475**
Cost of sales (million yen)	2,670	3,046	3,296	3,558	4,200	4,314	5,420	6,739	8,224	7,160	**10,893**
Gross profit (million yen)	1,432	1,910	2,173	2,887	3,591	3,952	4,381	4,835	5,579	4,086	**8,012**
Gross profit ratio (%)	34.9	38.5	39.7	44.8	46.1	47.8	44.7	41.8	40.4	36.3	**42.4**
Selling, general and administrative expenses (million yen)	1,081	1,188	1,196	1,288	1,438	1,625	1,689	1,858	2,074	2,138	**2,755**
Selling, general and administrative expenses (%)	26.3	24.0	21.9	20.0	18.5	19.7	17.2	16.1	15.0	19.0	**14.6**
Operating profit (million yen)	351	721	976	1,598	2,153	2,326	2,691	2,976	3,504	1,947	**5,256**
Operating profit ratio (%)	8.6	14.6	17.9	24.8	27.6	28.1	27.5	25.7	25.4	17.3	**27.8**
Net profit attributable to owners of parent (million yen)	360	473	767	1,145	2,267	2,939	3,377	4,095	4,832	2,470	**4,961**
Net profit attributable to owners of parent (%)	8.8	9.5	14.0	17.8	29.1	35.6	34.5	35.4	35.0	22.0	**26.2**
Capital expenditure (million yen)	396	589	851	1,379	901	2,715	2,741	920	1,426	1,960	**2,985**
Depreciation and amortization (million yen)	235	266	337	372	483	642	814	1,019	1,209	1,304	**1,372**
R&D expenses (million yen)	228	280	363	302	408	484	452	486	569	665	**660**
ROE (Return on Equity) (%)	13.3	15.1	20.6	25.0	37.7	35.4	30.4	24.1	20.5	9.2	**16.8**
ROA (Return on Assets) (%)	9.0	12.3	15.0	20.2	29.2	28.5	24.7	22.0	20.5	10.2	**19.1**
Total assets (million yen)	5,245	5,991	7,055	9,032	11,094	15,144	19,867	28,288	32,115	31,864	**36,944**
Net assets (million yen)	2,911	3,375	4,071	5,089	7,025	9,581	12,601	21,320	25,876	27,570	**31,587**
Equity ratio (%)	55.5	56.3	57.7	56.3	63.3	63.3	63.4	75.4	80.6	86.5	**85.5**
Cash flows from operating activities (million yen)	369	504	1,483	1,135	1,411	1,809	2,090	3,638	6,392	2,972	**3,675**
Cash flows from investing activities (million yen)	(339)	(610)	(1,009)	(1,536)	(1,244)	(1,564)	(2,963)	(932)	(1,557)	(1,781)	**(3,116)**
Free cash flow (million yen)	29	(105)	474	(401)	166	245	(873)	2,705	4,834	1,190	**559**
Cash flows from financing activities (million yen)	358	146	190	38	269	(226)	948	3,594	(1,703)	(1,858)	**(1,620)**
Cash and cash equivalents at end of period (million yen)	792	830	1,495	1,134	1,595	1,618	1,698	8,034	11,137	10,497	**9,439**
Dividend per share[*2] (yen)	1.75	2.50	4.00	5.25	11.25	14.50	17.00	20.00	30.00	30.00	**35.00**
Dividend payout ratio (%)	14.2	16.2	16.3	14.3	15.5	15.4	15.7	15.8	20.2	39.5	**22.9**

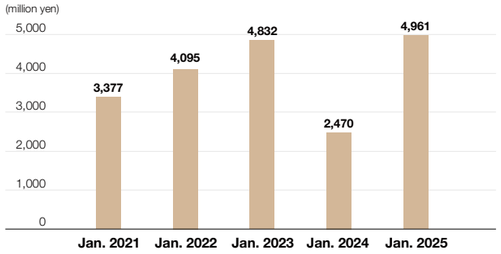
*1 Figures for the fiscal year ended January 31, 2018 and earlier are shown in the non-consolidated financial statements, and figures for the fiscal year ended January 31, 2019 and later are shown in the consolidated financial statements.
*2 On February 1, 2021, the Company conducted a 4-for-1 stock split of its common stock. The annual dividend amount per share has been calculated as if the stock split took place at the beginning of the fiscal year ended January 31, 2015.

Consolidated Financial Highlights

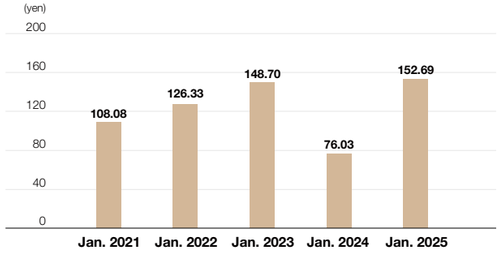
Net Sales **Operating Profit**



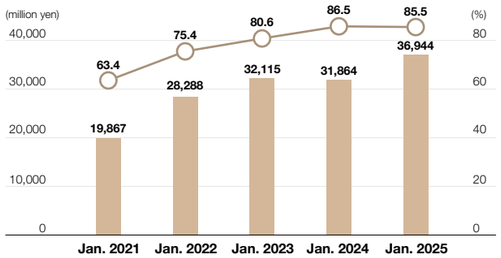
Net Profit Attributable to Owners of Parent



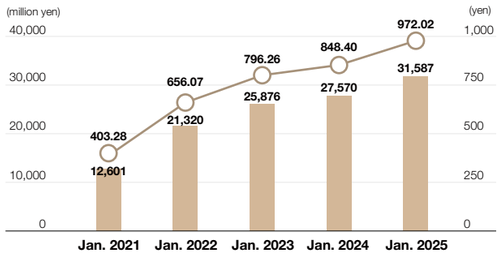
Net Profit per Share



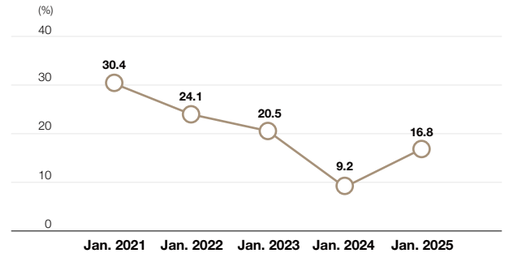
Total Assets **Equity Ratio**



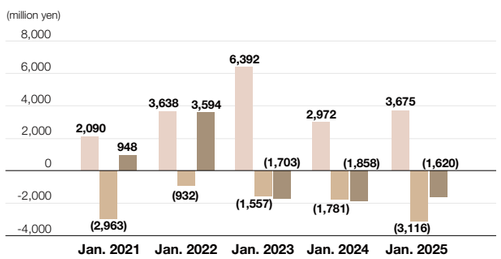
Net Assets **Rate of Return on Equity**



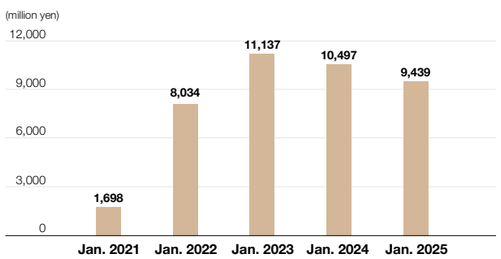
Return on Equity



Cash Flows from Operating Activities
Cash Flows from Investing Activities
Cash Flows from Financing Activities



Cash and Cash Equivalents at the End of Period



Non-financial Information

		Fiscal year ended Jan. 31, 2021	Fiscal year ended Jan. 31, 2022	Fiscal year ended Jan. 31, 2023	Fiscal year ended Jan. 31, 2024	**Fiscal year ended Jan. 31, 2025**
Number of patents filed	(patents)	0	0	2	5	**6**
Number of new product developments, etc. (cumulative total from fiscal year ended January 31, 2021 and beyond)	(products)	0	3	5	7	**14**
Number of employees	(employees)	179	211	242	256	**274**
Males	(people)	144	170	199	208	**217**
Females	(people)	35	41	43	48	**57**
Ratio of female employees*1	(%)	17.20	16.85	15.92	15.42	**17.54**
Ratio of female managers*1	(%)	7.7	10.7	11.5	11.5	**10.7**
Ratio of disabled persons employed*1	(%)	3.4	2.0	2.2	2.5	**2.4**
Average age of employees*1	(years)	35.4	34.7	34.7	34.8	**34.8**
Average number of years of service of employees*1	(years)	10.0	9.1	9.1	9.1	**9.1**
Number of new graduate hires*1	(people)	17	16	13	16	**16**
Number of mid-career hires*1	(people)	1	9	9	5	**8**
Personnel turnover rate*1	(%)	3.95	3.21	1.13	2.51	**2.35**
Acquisition rate of annual paid leave*1 *2	(%)	54.0	58.6	73.6	69.5	**70.5**
Acquisition rate of long-term leave*1 *2	(%)	62.8	68.5	77.9	80.5	**83.7**
Acquisition rate of childcare leave by male employees*1	(%)	22.0	67.0	50.0	60.0	**80.0**
Average monthly overtime working hours*1	(%)	13.0	10.6	8.5	5.0	**8.9**
Electricity consumption*3	(kWh)	—	—	6,574,852	6,070,746	**6,864,063**
Greenhouse gas emissions (Scope 1, 2, 3)*3	(tCO_2e)	—	—	65,727	62,859	**112,127**
Industrial waste emissions*2	(t)	923.426	1152.422	1378.901	869.312	**1157.502**
Water consumption*3	(m^3)	—	—	32,764	38,242	**35,349**
Number of cleaning services for manufacturing equipment parts*4	(services)	—	345	796	1,200	**537**

*1 Calculated on a non-consolidated basis.
*2 Calculated based on the period between April 1 and March 31.
*3 Calculated based on the fiscal year ended January 31, 2023.
*4 Calculated based on the fiscal year ended January 31, 2022.

Stock Information / Company Information

Stock Information (as of January 31, 2025)

Total number of shares authorized to be issued	108,960,000
Total number of shares issued and outstanding	32,496,830 (excluding 1,810 shares of treasury stock)
Total number of shareholders	17,590

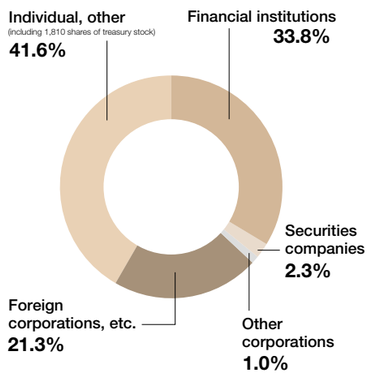
Listed stock exchange	Tokyo Stock Exchange Prime Market
Securities code	4369
Administrator of shareholders' register	4-5, Marunouchi 1-Chome, Chiyoda-ku, Tokyo, Japan Mitsubishi UFJ Trust and Banking Corporation

Major Shareholders (Top 10)

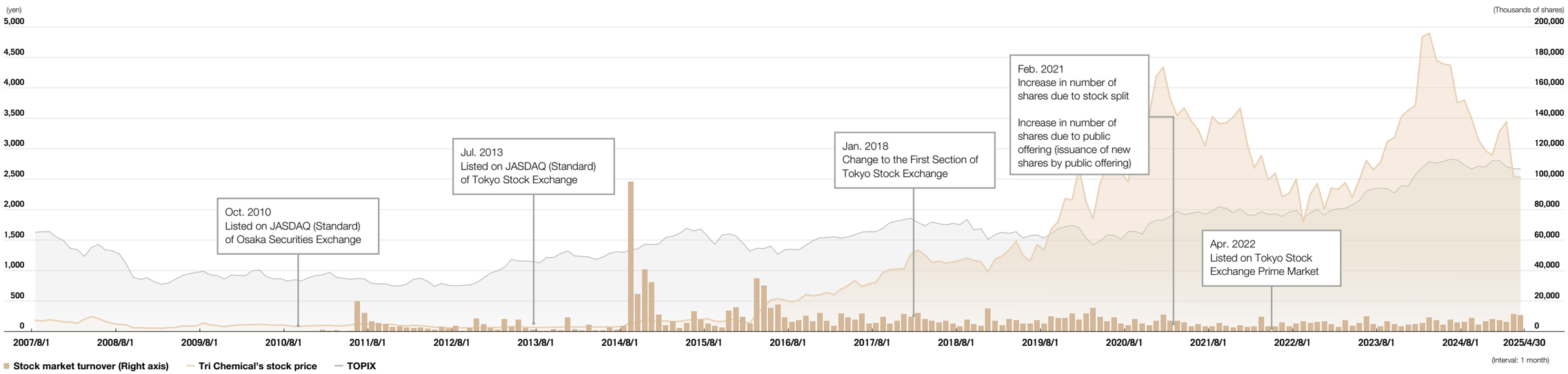
Name	Number of Shares Owned	Shareholding ratio (%)*
Custody Bank of Japan, Ltd. (trust account)	4,673,200	14.38
The Master Trust Bank of Japan, Ltd. (trust account)	4,267,200	13.13
Jumpei Takenaka	4,163,840	12.81
STATE STREET BANK AND TRUST COMPANY 505001 (Permanent Agent: Mizuho Bank, Ltd., Settlement & Clearing Services Department)	1,667,487	5.13
The Yamanashi Chuo Bank, Ltd.	1,400,000	4.30
Tri Chemical Laboratories Employee Stock Ownership	729,800	2.24
MORGAN STANLEY & CO. LLC (Permanent Agent: Mitsubishi UFJ Morgan Stanley Securities Co., Ltd.)	576,366	1.77
J.P.MORGAN SECURITIES PLC (Permanent Agent: Citibank, N.A., Tokyo Branch)	482,552	1.48
THE NOMURA TRUST AND BANKING CO., LTD. (Permanent Agent: Citibank, N.A., Tokyo Branch)	472,000	1.45
THE BANK OF NEW YORK MELLON 140042 (Permanent Agent: Mizuho Bank, Ltd., Settlement & Clearing Services Department)	408,643	1.25
Total	18,841,088	57.97

* Ratio of Shares Owned to Total Number of Shares Issued (Excluding Treasury Stock) (%)

Distribution Status by Owner



Stock Prices Changes



Company Information (as of January 31, 2025)

Company Information

Trade name	Tri Chemical Laboratories Inc.
Established	December 1978
Capital stock	¥3,278,912,800

Number of employees	228 (274 for consolidated)
Business description	Development, manufacturing and sales of materials for semiconductors, optical fibers, solar cells, catalysts, special reagents, etc.

Tri Chemical Group

The Company	Tri Chemical Laboratories Inc. (Head Office Plant) 8154-217 Uenohara, Uenohara-shi, Yamanashi TEL+81-554-63-6600 (Main)
	Uenohara Second Plant 8154-16 Uenohara, Uenohara-shi, Yamanashi
	Annex Building 8154-29 Uenohara, Uenohara-shi, Yamanashi
	Minami-Alps Plant 1020-1 Shimoimai, Minami-Alps-shi, Yamanashi
	South Korea Office 1306, Ace Gwanggyo Tower 3, 77 gil, Changnyong-daero 256, Yeongtong-gu, Suwon-si, Gyeonggi-do, South Korea

Subsidiaries	Tri Chemical Electronic Materials Taiwan Inc. No. 6, Neighboring Tongke 3rd Road, 12 Jiuhu Village, Tongluo Township, Miaoli County, Taiwan
	Tri Chemical Laboratories China Inc. Room 760, Unit 702, No. 150, Zunyi Road, Changning District, Shanghai
Affiliated Companies	HBR Co., Ltd. SK Tri Chem Co., Ltd.