

Corporate Social  
Responsibility Report  
2009



# - Aiming to be “Your One and Only Company”\*

## Mission

The Tamura Group supplies an original range of products and services, highly regarded in the global electronics market, to satisfy the evolving needs of customers, employees and shareholders supporting the Group's growth.

## Vision

- Vision-1** The management of the Tamura Group is based on businesses related to the requirements of the global electronics industry.
- Vision-2** The business of the Tamura Group is based on technologies that support rapidly diversifying customer needs, with a special focus on high market value.
- Vision-3** The Tamura Group evaluates its employees with fairness and highly rates excellent performance and exceptional productivity.
- Vision-4** The Tamura Group is a responsible member of the global community and respects the laws and customs of the countries in which it conducts business activities.
- Vision-5** The Tamura Group strives to protect the global environment, conserve natural resources and promote recycling.

\* Tamura's corporate slogan. It expresses the idea of striving to continue to be a company providing products and services that please its customers and society by perfecting those areas that only Tamura is able to achieve.

## Business Segments of the Tamura Group

### Electronic Components Segment

Development, manufacturing and marketing of materials, components, and finished products, including ceramic elements, transformers, LEDs, and battery chargers, contributing to the supply of products in a wide range of markets, from household appliances to industrial devices, medical instruments, and aerospace equipment.



### Electro-Chemical Materials Segment

Development, manufacturing, and marketing of printed circuit board materials and soldering materials for PCB components, supporting the growth of a wide range of electronics equipment manufacturing, including mobile telephones, televisions, video game machines, automobiles, and personal computers.



### Information Equipment Segment

Broadcast and audio equipment and wireless communication devices are all contributing to the growth of digital broadcasting. While communication equipment and systems are helping build the “ubiquitous network society,” wireless communication devices for railway systems, security-related instruments, and health and welfare equipment are providing safety, security, and comfort in everyday living.



### Soldering Systems Segment

Development, manufacturing and marketing of PCB soldering devices, contributing to the growth of various electronics equipment industries, including household appliances, devices for motor vehicles, and communication systems.

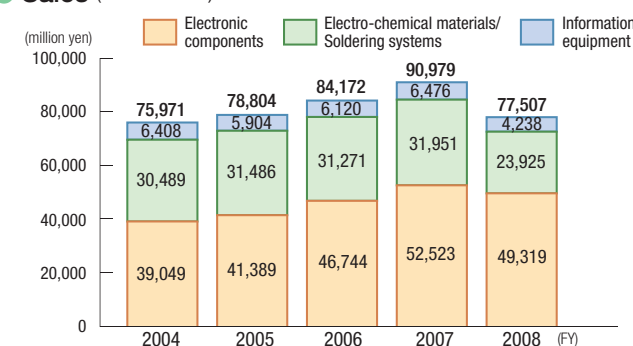


## Overview of the Tamura Group

### Group Outline (as of March 31, 2009)

Parent company	TAMURA CORPORATION
President	Naoki Tamura
Head office	1-19-43 Higashi-Oizumi, Nerima-ku, Tokyo, Japan
Business	Electronic components segment Electro-chemical materials segment Soldering systems segment Information equipment segment
Capital	¥11,829 million
Shares	Authorized 252,000,000 shares Issued/outstanding 75,067,736 shares Closing date March 31 Number of shareholders 9,217
Number of employees	6,977 (consolidated)
Net sales	¥77,507 million (consolidated)

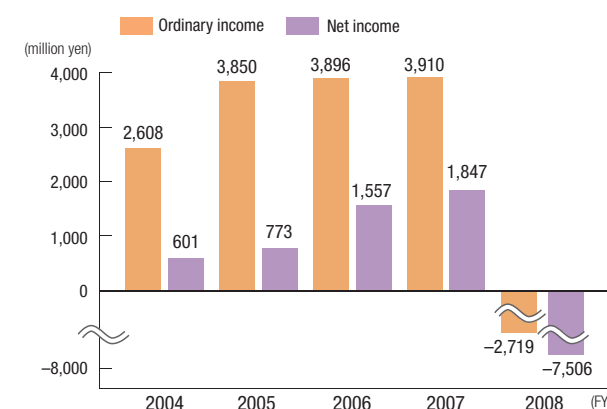
### Sales (consolidated)



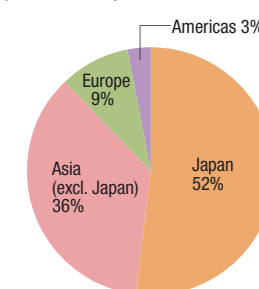
Note 1: Net sales shown are for external customers by business segment (excludes internal net sales between different businesses).

Note 2: The amount of net sales for each fiscal year includes other operations (transportation, warehousing and insurance).

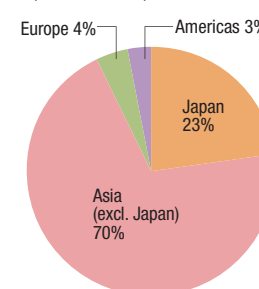
### Ordinary income/Net income (consolidated)



### Composition of net sales by region (consolidated)



### Composition of employees by region (consolidated)



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### Editorial policy

This is the third CSR Report issued by the Tamura Group. The working group responsible for compiling the CSR Report led discussions on the Tamura Group's CSR activities and has endeavored to convey that information in an easy-to-understand format. Furthermore, the Special Feature showcases leading examples of manufacturing aimed at assisting the lives of people and contributing to environmental protection and the development of a sustainable society. We intend to continue to improve and refine our CSR Report in the future, giving consideration to the opinions we receive from readers.

\* We refer to the Global Reporting Initiative (GRI) 2006 Sustainability Reporting Guidelines, and the Environment Report Guidelines (FY2007 edition) of the Ministry of the Environment (MOE) of Japan.

### Reporting period

April 1, 2008 to March 31, 2009 (Includes some activities in or after April 2009)

### Scope

This report covers the activities of Tamura Corporation and its group companies. (The group companies are shown in the list of “schedule for integration” on page 26 and KOHA Co., Ltd. (KOHA is excluded from environmental data.))

### Publication date

August 2009 (previous report: August 2008; next report: August 2010)

### For further information

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Tamura promotes “Contributing to society through manufacturing” and “Activities in corporate social responsibility” by bringing out our unique and superior corporate strengths, founded on a management philosophy that has remained unchanged since its establishment.

Naoki Tamura  
President

### Tamura's founding spirit of “Contributing to society with outstanding products” is the foundation of its CSR management policy

Thanks to our customers and business partners, Tamura Corporation marks its 85th anniversary this year. The central source of our business growth has been “transformers” in terms of products. In terms of business philosophy, it has been founded on the business concept introduced by the founder at the very establishment of the company: “To contribute to society through outstanding products and technologies that are admired worldwide.” I believe that we have been able to operate for the past 85 years in the same industry, in the same business segments, and with the same products only because we have been working diligently and consistently from this founding spirit.

At present, Tamura upholds as its corporate slogan the creation of a “One and Only Company,” by “bringing out our unique and superior corporate strengths.” These words reflect the founding spirit, but are reworded to suit the feeling of today. This spirit, which has remained unchanged since the establishment of the company, is the foundation of Tamura's CSR policy.

### Our mission is to continue developing products that make a contribution to future generations and to promote business management based on CSR

The worldwide recession that started in the latter half of 2008 also had a huge impact on Tamura. FY2008 was the second year of the company's Medium-Term Management Plan,\*1 resulting in a decline in business for the year. Unfortunately, we do not expect to be able to achieve the business targets that we originally set. Notwithstanding, we have continued to pursue the development of “prod-

ucts that make a contribution to future generations” even under the current circumstances. Today, we see the seeds beginning to grow in various business operations and are convinced that they will contribute immensely to our next business management plan.

In the area of promoting CSR within business management, the CSR Management Committee, set up in FY2007 with outside experts among its members, is continuing to meet this year. In September 2008, Tamura became the 69th company in Japan to participate in the UN Global Compact.\*2 The company now plans to begin taking practical measures in line with the Global Compact.

### Focus on development based on the keyword “environment”—an area where Tamura is able to demonstrate its unique and superior strengths

We are convinced that the “environment” is an area where Tamura is able to demonstrate its unique and superior strengths in developing “products that make a contribution to future generations” and have been engaged in the development of “products that Tamura creates for the first time in the world and contributes to the global environment in ways that only Tamura can.”

Among the leading examples are motor vehicle-related products. In contrast to automobiles of the past that consisted mostly of components based on mechanical technologies, the ratio of electrical and electronic technologies has risen greatly, especially for hybrid and other new-generation vehicles. One example is the development of the hybrid vehicle reactor that is used to drive motors electrically. In the future, we expect to see further growth in the need for electrical and electronic technologies in the area of motor vehicles, such as with the introduction of the electric vehicle.

The next example is light-emitting diode (LED)

technology. KOHA Co., Ltd., became part of Tamura's consolidated group in May 2008. Through the convergence of KOHA's LED technology with the range of technical expertise at Tamura, we are on course for developing the “one and only” LED products that meet the needs of society and are about to form a specialist product group in this area.

In addition to these areas, we have succeeded in developing a variety of environment-conscious products, such as compact, high-efficiency AC adapters and ductless reflow systems. The reflow system has gained outstanding recognition in the area of environment-related investment.

### Activities to reduce environmental impact, the responsibility of a “manufacturing business”

In addition to developing products that contribute to future generations, we are actively involved in a wide range of activities in order to fulfill the social responsibilities of a manufacturing business.

Life Cycle Assessment (LCA), introduced in FY2008, starting with the Electronic Components Segment, in the drive to cut down the CO<sub>2</sub> emissions from products that we manufacture, is presently being widely applied in other business segments. Coverage is also growing steadily in the number of product items as well. We were convinced of the need to reduce electrical power consumption, especially in the production stage, and embarked on revamping our production process through various improvements in manufacturing efficiency. We also believe in the need to replace any materials that may contain hazardous substances, regardless of whether they provide advantages in improving productivity. We intend to continue working to comply with the regulations governing chemical substances and at the same time promoting activities that have a real effect in reducing environmental impacts,

through speeding up studies on new manufacturing processes through ISO 14001 activities.

### Becoming the true “one and only company” by strengthening CSR awareness throughout the business group

Through the development of products that contribute to society, and in taking the CSR action that I have mentioned, our key players are each and every employee of the Tamura Group. The corporate mission statement of the Group has been clearly set out in writing and describes Tamura's commitment to CSR in terms of our contribution to society and protection of the global environment. Although we make efforts to implant CSR awareness in new employees through this statement, we feel that this awareness is in fact best cultivated among young people through voluntary participation in CSR activities. One example of this is the dispatch of instructors from Tamura to the “Monozukuri School” for children, sponsored by JEITA\*3 and governmental organizations, over the past few years. In 2008, Tamura hosted this workshop independently. The workshop drew the participation of a large number of volunteers from a wide range of business divisions and departments in the Group. Notwithstanding the harsh business conditions this year, the company has decided to host the workshop once again in 2009, in response to the enthusiasm among employees to “organize it once again for the joy of seeing children having fun!” It is through the accumulation of such volunteer work by our employees that we see CSR awareness disseminating throughout the entire Tamura Group.

Tamura will continue to pursue “bringing out unique and superior corporate strengths” in the Group—not only in manufacturing products for society but also in the various CSR activities it organizes.

August 2009

#### \*1 Medium-Term Business Plan

“T's Power!” the 8th Medium-Term Business Plan covering FY2007 through FY2009, targeted the achievement of ¥8.5 billion in operating profits, and more than 8% in the operating profit ratio in consolidated business performance for the final fiscal year. These goals centre on the reinforcement of business group management and on the realization of a profit-making scenario focused on three business areas—namely, business with growth potential, business producing stable earnings, and business with strategic value.



#### \*2 UN Global Compact

Voluntary action guidelines proposed by then United Nations' Secretary-General Kofi Annan at the World Economic Forum in 1999, to “bring together the creative resources of private businesses to meet the wishes of the people who are underprivileged and the needs of future generations.” Participating businesses are asked to comply and implement the 10 Principles on human rights, labor standards, the environment, and anti-corruption. (See page 04.)

#### The Ten Principles of the UN Global Compact

##### [Human Rights]

Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights; and  
Principle 2: make sure that they are not complicit in human rights abuses.

##### [Labour]

Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;  
Principle 4: the elimination of all forms of forced and compulsory labour;  
Principle 5: the effective abolition of child labour; and  
Principle 6: the elimination of discrimination in respect of employment and occupation.

##### [Environment]

Principle 7: Businesses should support a precautionary approach to environmental challenges;  
Principle 8: undertake initiatives to promote greater environmental responsibility; and  
Principle 9: encourage the development and diffusion of environmentally friendly technologies.

##### [Anti-Corruption]

Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery.

#### \*3 JEITA

Japan Electronics and Information Technology Industries Association



# Tamura Group Synergy Drives LED-Related Business Forward



Tamura Corporation officially entered the LED business in March 2008 through a capital and business alliance with KOHA Co., Ltd. (hereafter, "KOHA"). So far, the products born from our collaboration with KOHA include: LED tube and bulb lamps, in which Tamura's power supply technologies are combined with LEDs; a white reflective material for LEDs, a new LED peripheral component coated with our electro-chemical materials; and visible light telecommunication technology, which utilizes Tamura's telecommunications technologies. We are putting our group efforts into sustainable corporate growth and realization of a sustainable society through expanding the environmental market—the most demanded area today.

## What is an LED?

LED stands for Light Emitting Diode; that is, a semiconductor which emits light when an electric current is applied. Compared with conventional light sources, LEDs offer various beneficial characteristics, including low power consumption, longer life, they are more compact, light in weight, have better visibility, produce less heat and UV emissions, and contain no mercury. Due to these advantages and for their nature to contribute in energy saving and CO<sub>2</sub> emissions reduction, usage of LEDs is rapidly expanding.

Still there are some challenges facing the widening use of LEDs—costs, light emission efficiency, color temperature, color rendering, and further development of peripheral technologies and new usages. Much hope is being placed in the expectations for finding solutions to these issues in order for LEDs to become more widely used.

## The LED Device Development Project—Development of the Next Generation LED Core Technology

LED Development Department of Tamura Corporation Core Technology Center and KOHA Optical Business Promotion Group jointly established the LED Device Development Project in the Device Building of Tamura Corporation's Sayama Techno Park and we commenced full operations in April 2009. An expansion of facilities and human resources is now underway to propel development of the core technology for the next-generation LEDs.



## KOHA Co., Ltd.

### KOHA's LED products

The number of vending machines installed across Japan exceeds four million. Approximately half of these machines dispense drinks and cigarettes, and out of these, an amazing 90% or more use KOHA's LED buttons—thanks to their excellent dustproof, waterproof, and shockproof features.

Additionally, KOHA provides its LED products to a wide range of industries: chip LEDs for consumer and industrial electronic devices and amusement machines, LED modules for illuminated signs, and a range of LED lights, such as LED tubes and bulb lamps.

## Development of LED bulb lamps that contribute to energy saving and environmental protection



Report by  
Masatoshi Kawamata

KOHA has developed an LED bulb lamp called the "Shining Ball Wide," which utilizes LED characteristics and delivers significantly improved energy efficiency and long life compared to conventional incandescent bulbs.

Lot variations in the color and brightness of LEDs can be noticeable due to their light-emitting mechanism and structure. Therefore special design efforts are required to produce a good quality lamp using LEDs. KOHA solved these problems, utilizing their long-cultivated expertise in LEDs and applied LED product development technologies and in optical and thermal analysis simulation technologies to the full.

In addition to improvements to the casing structure, KOHA's LED bulb lights boast unique features not seen in the products of other manufacturers, such as wide-angle light dispersion using a light defusing hood, an original heat emitting mechanism to deliver the best performance from the LEDs, and implementation of a safe and highly reliable dedicated power supply system.

The Ministry of Economy, Trade and Industry is currently promoting the replacement of incandescent lamps with energy-saving compact self-ballasted fluorescent lamps (CFLi) by 2012, to help reduce CO<sub>2</sub> emissions. KOHA expects a rise in demand for LED bulb lamps as substitutes for incandescent and CFLi lamps.

As a "light engineering company," KOHA will continue its efforts in developing LED products that contribute to society.



LED Module for Illuminations [JR Meguro Station, Tokyo]



Installation example of LED Lamp [Mallage Shobu, Saitama]

Low power consumption	1/9 the electricity costs compared to an incandescent light 6.2 W power consumption
Long life	20 times longer than incandescent bulbs (Est. life: approx. 40,000 hours)
Industry's top-class brightness	400 lm Equivalent to 60 W incandescent light (Comparison at one meter directly beneath the light source)
World's smallest class size and weight	62 mm diameter × 98 mm length 116 g weight
Wide-angle light dispersion	Beam angle: 170 degrees



## Material to Product Development

# Tamura—"Your One and Only Company" Supporting People's Lives Everywhere

The Tamura Group's products, whether materials or end products, are present almost everywhere in our daily lives. Here are some of the ways in which the Tamura Group's products are being employed.

Electronic components    Electro-chemical materials    (\*) indicates a pictured product  
Soldering systems\*    Information equipment    \*Employed in the production of printed boards.

### Computer printer

- ★ Piezoelectric ceramic transformer
- Thermal cutoff
- Switch-mode power transformer
- Coil
- Liquid solder resist
- Solder paste
- Flux
- Air reflow system
- N2 reflow system
- Soldering system

### Personal computer

- ★ Piezoelectric inverter
- AC adapter
- Thermal cutoff
- Liquid solder resist
- Solder paste
- Flux
- N2 reflow system
- ★ RFID

### Copier

- Reactor
- Power transformer

### Automobile

- Thermal cutoff
- Coil
- Reactor
- Automotive liquid solder resist
- Automotive solder paste
- Carbon paste
- Flux
- ★ N2 soldering system
- ★ N2 reflow system

[Soldering system]  
A machine to simultaneously connect all components attached to a board by dipping the board in hot liquid solder.

[Reflow system]  
A machine that permanently connects components temporarily attached by a solder paste to the board. Controlled heat is applied to the board, re-melting the solder to achieve permanent fixation.

### Marine radar

- Pulse transformer
- Solder paste
- Flux

### Fishfinder

- Piezoelectric ceramic oscillator
- Solder paste
- Flux

### Elevator

- Reactor
- Sensor

### Communications station

- ★ Network monitoring and control system

### Outside broadcasting van

- Mixing console for outside broadcasting van

### Street light

- LED Beam Light Unit

### Vending machine

- Interlocking pushbutton
- Price indicator
- Message board
- Keyboard
- LED lamp

### X-ray/CT imaging

- Power transformer

### Biochemical analyzer

- Power transformer

### Industrial robot

- Switch-mode power transformer
- Current sensor
- Power Transformer
- Reactor
- LED display

### Broadcast station

- ★ Wireless intercom system
- ★ Audio mixing console

### Store lighting

- LED lamp

### Air conditioner

- ★ Piezoelectric high voltage power supply
- Thermal cutoff
- Coil
- Switch-mode power transformer
- Reactor
- Number-display LED
- Liquid solder resist
- Solder paste
- Flux
- Air reflow system
- Soldering system

### LCD television

- ★ Piezoelectric inverter
- Thermal cutoff
- Switch-mode power transformer
- Liquid solder resist
- Solder paste
- Flux
- Air reflow system
- Soldering system

### Intercom

- Power transformer
- Air reflow system

### DVD recorder

- Solder paste
- ★ Flux
- Air reflow system
- Soldering system

Organic materials used in soldering to clean metal surfaces to achieve better connections between the components and the board.

### Video game console

- Thermal cutoff
- Coil
- Liquid solder resist
- Solder paste
- Flux
- N2 reflow system

### Audio equipment

- Thermal cutoff
- Coil
- Power transformer
- Air reflow system
- Soldering system

### Nursing/welfare facility

- ★ Portable speech aid
- ★ Videophone terminal

### Household fuel cell

- Reactor

### Mobile phone

- ★ AC adaptor
- Thermal cutoff
- Chip LED lamp
- Liquid solder resist
- Carbon paste
- Solder paste
- ★ Air reflow system

### Wristwatch

- ★ Liquid solder resist
- Insulating coating applied to areas of a circuit board that need to be protected from taking solder. Often green in color.

### Store lighting

- LED Lamp
- ★ Fluorescent LED Light

### Lighting

- ★ LED Lamp
- ★ Fluorescent LED Light
- Thermal cutoff
- Switch-mode power transformer
- Air reflow system
- Soldering system

### Refrigerator

- ★ Thermal cutoff
- Reactor
- Switch-mode power transformer
- Liquid solder resist
- Solder paste
- Flux
- Air reflow system
- Soldering system

### Microwave oven

- Air reflow system
- Soldering system

### Induction cooker

- Reactor
- Air reflow system
- Soldering system

### Gas leak detector

- Power transformer

### Washing machine

- Thermal cutoff
- Switch-mode power transformer
- Reactor
- Liquid solder resist

### Ultrasonic cleaner

- Piezoelectric ceramic transformer

### Vacuum cleaner

- Current transformer

### Digital camera

- AC adaptor
- Thermal cutoff
- Chip LED lamp
- Liquid solder resist
- ★ Solder paste
- N2 reflow system

A paste made of solder, flux, and other materials used to connect electronic components to a board.

### Water heater (Eco Cute)

- Switch-mode power transformer
- Reactor

### Solar power generation

- ★ Current sensor
- ★ Reactor

### Train station display

- LED Lamp

### Train signal

- Departure indicator

### Automatic Train Stop (ATS)

- ★ Communication transformer

### Train station

- ★ Wireless microphone



Tamura Products Contribute to Society

Electronic Components Segment

## Development of automotive reactors— key components for high performance and energy efficiency in next-generation and hybrid cars



Report by  
Ryo Nakatsu

### Improvements in fuel and powertrain efficiency in hybrid cars

#### Automotive Reactor

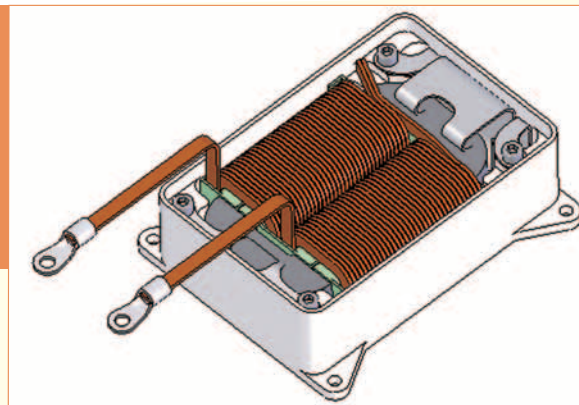
Hybrid cars have come into wide use as the next-generation of motor vehicles. At the same time, the powertrain, the heart of a car, is becoming increasingly electronic, pushing up demand for in-vehicle electronic components.

Foreseeing that such demand will increase market needs for automotive reactors, Tamura Corporation started the development of automotive reactors about five years ago.

From the beginning of this development, four of Tamura's departments united their expertise: Design, Production Technology, Manufacturing, and Quality Assurance.

An automotive reactor is a passive component in the powertrain circuit and is indispensable for improving fuel and powertrain efficiency in a hybrid car. Not only is it required to deliver high reliability and high performance, it must also be optimally designed in order to minimize its size and cost.

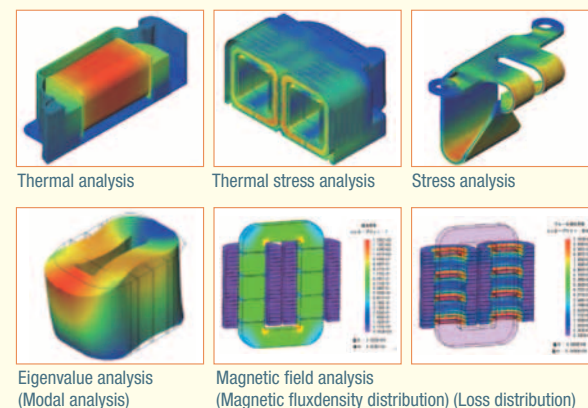
This is why we directed all our efforts into establishing the most efficient design methods, including simulation technology so that we could deliver optimally-designed reactors for different customized specifications in a prompt manner. This is the result of our struggles in the early stages of development, when we had to go through numerous attempts in test production until



the design target values and actual values matched—only then could we proceed to make a prototype.

This automotive reactor has been installed in the most advanced hybrid cars since May 2009. We continue to improve our technology to meet the persistent market calls for increased performance, efficiency, and environment-friendliness in automotive components, hoping our efforts will make even a small contribution to society.

#### Simulation samples



#### Message from the Segment Director



**Masahiro Asada**  
General Manager of Electronic  
Components Business Sector  
Director/Vice President of  
Tamura Corporation

### Meeting the automotive industry's growing requirement for electronics through high performance and high added-value components— and expanding into the environmental market as demanded today

Social demand for companies to take countermeasures against global warming is becoming stronger day by day. In particular, efforts to reduce CO<sub>2</sub> emissions through improvements in energy usage efficiency utilizing electronic technologies, as represented by hybrid cars and electric cars, are expected to further intensify. We are currently directing our business with a focus on the development of high performance and high value-added components that are essential and effective in environment-friendly products. These components are mainly coil parts, including transformers and reactors installed in the power conversion unit in hybrid and electric cars.

In addition to these components, we have set targets to expand the sales ratio of our eco-friendly products and are meeting these targets by developing switching adapters and other products boasting improved efficiency. In this way we are aiming to raise our contribution to CO<sub>2</sub> reduction efforts.

Tamura Products Contribute to Society

Information Equipment Segment

## Supply of AMQ1100 to China Central Television and excellent performance in the Beijing Olympics



Report by  
Hiroki Ohashi

### Compact, multifunctional, and user-friendly

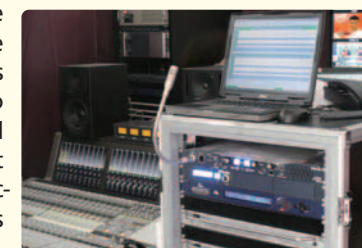
#### "AMQ1100" Digital Audio Mixing Console

The first Olympics in China were held in Beijing in summer 2008. It was only in March 2008, when our AMQ1100 Digital Audio Mixing Console was selected as the main mixer for live broadcast coverage of the Beijing Olympics by China Central Television (CCTV). This achievement was due to the mixer's properties of safety, reliability, operability, and a range of functions to deliver high quality broadcasting, including excellent audio quality and 5.1 channel surround sound. However, the specified delivery deadline was April 2008—far too short a time for our client to learn the mixer's specifications and acquire the necessary knowledge and skills to operate the mixer by the time of the actual broadcasts in August.

Together with Tamura's Broadcasting Department, members of the Overseas Sales Promotion Project provided full and extensive support for the successful delivery of live Olympic coverage—from the specification assessment of the models, to supply, delivery, and training of clients and distributors. This even

included technical support during the actual live broadcasting. As Tamura did not have any sales history in China, our efforts to win acknowledgement of our brand were substantial. We attached prime importance to establishing a relationship of trust, studied English in order to be able to communicate directly, and prepared explanatory documents in English. This was to ensure that we could be fully understood because having interpreters would be too cumbersome, as the technical explanations and training required many specialized terms. We also made our explanations as simple and clear as possible, and always included practical demonstrations.

As a result of our intensive technical support, the broadcasting coverage was successful and our client gave us very positive feedback, noting that the AMQ1100 embodied excellent sound quality and straightforward operability. This has become a substantial achievement for us and one that will surely lead to further business opportunities. Keeping the fundamentals of manufacturing in mind, we would like to refine the skills we have acquired thus far, and continue to design systems and develop products that can deliver satisfaction to our customers across the world.



#### Message from the Segment Director



**Koichiro Maiki**  
General Manager of  
Broadcast Business Unit  
Executive Officer of  
Tamura Corporation

### Supporting a safe, secure, and affluent life, contributing to environmental protection and the "ubiquitous society" with our "One and Only" products and services that meet the demands of the times

People's lifestyles today are so diverse, and safety, security, and affluence are in demand. At the same time, damage to the global environment is becoming increasingly serious. Tamura's information equipment business aims to achieve the largest share in the world market for Digital Audio Mixing Console for Live Broadcasting and for Portable Audio Mixer. Tamura's Audio Mixing Console—in which our technology and expertise have been fully integrated—contribute in disseminating culture and information by Japanese broadcasting stations. In the area of transportation business, our wireless microphone systems for railway stations support the safe and secure traffic management of trains, and in the telecommunications, security, and welfare area, our infrastructural equipment and terminals are helping to realize a safe and secure ubiquitous network society. In the coming years, we are planning to combine our existing technologies with new technologies, such as power line communications (PLC), LED visible light telecommunications, and Radio Frequency Identification (RFID) in order to create eco-friendly products that will contribute to society in a wide range of fields.



Tamura Products Contribute to Society

Electro-Chemical Materials Segment

## Lead-free solder paste of high reliability and stable quality required for automotive components utilized in the core of a vehicle



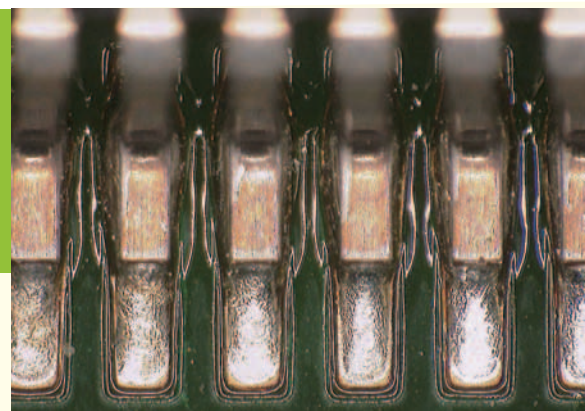
Report by  
Takeshi Onoki

Development of lead-free materials for automotive components with future needs in view

### Lead-Free Solder Paste for Automotive Application

The lead-free movement to meet new environmental requirements has now reached printed circuit boards for automotive components.

Most of the lead used in vehicles is contained in the battery; however, this does not mean that other automotive electronic components are exempt from the lead-free requirements—just as for general electronic devices. Our development of lead-free materials for automotive components began in 2002



with future needs in view.

Solder paste is transferred onto a board using the screen printing method. We attempted to achieve the ultimate fineness in printing from the beginning but we first met with a series of failures. Next, we conducted a thorough problem analysis to determine the cause of the fault. Through this process, we can proudly say that we established the foundations of a method for assessing incomplete interconnection of Ball Grid Array (BGA) solder.

Up to this time, our lead-free materials had been used for automotive components that did not directly influence safety, such as for electric windows. This development project, however, was specifically for use in the core of the car, an engine electronics control unit. This required the materials to be very special—realizing characteristics completely different from those for consumer electronic devices, and with a reliability and quality stability high enough to be used in the most crucial components of a vehicle.

We anticipate that even higher standards will be required for components to be used in eco-friendly cars. We keep our “information antenna” stretched out for today’s environmental trends and continue to develop Tamura’s “One and Only” products.



Product Development Team

#### Message from the Segment Director



**Guohua Li**  
President & CEO  
Tamura Kaken Corporation  
Director/Vice President of  
Tamura Corporation

**In the electro-chemical materials industry, which plays a significant role in the global environment, we develop eco-friendly products as a “One and Only” company, contributing to the future**

Electro-chemical materials play an important role in protecting the global environment. That is why Tamura Kaken is urgently developing eco-friendly products that also have the minimum impact on our conventional production procedures. Such products include: flux and pre-flux free from VOCs, lead and halogen-free liquid solder resists, and lead-free solder pastes.

Our lead-free solder paste, perfected by a newly-developed and highly reliable activator, is beginning to be used across the world as one of Tamura’s “One and Only” products.

We will continue our active development of LED-related materials and electro-chemical materials for new energy sources that will alleviate CO<sub>2</sub> emissions and contribute in forming a low-carbon society. As a “One and Only” company that contributes to the further eco-friendly future, we will support development of the electronics industry, aiming to benefit society.

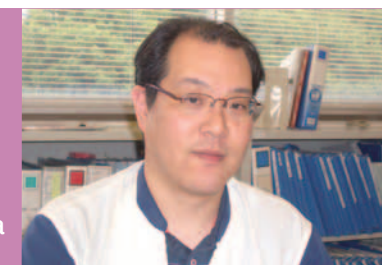
Tamura Products Contribute to Society

Soldering Systems Segment

## Introduction of an innovative “ductless reflow” method completes the new energy-saving reflow system with significant CO<sub>2</sub> emissions reduction



Report by  
Shoichiro Matsuhisa



Ductless reflow—a new approach in SMT processing

### Ductless Reflow System: TND Series

Reflow systems are the largest CO<sub>2</sub> emitter among the machines in our surface mount technology (SMT) production lines.

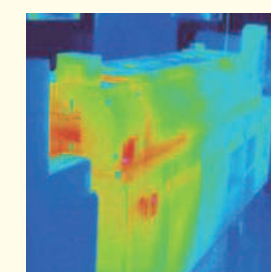
The typical total power draw of such reflow systems accounts for more than 60% of the power drawn by the entire SMT line. Our mission was “to identify a means to reduce this power draw—in other words, cut CO<sub>2</sub> emissions.”

Our attempt was to introduce “ductless reflow,” a completely novel approach within the SMT industry. We sought out methods to assess and test the status of ductless heating, in addition to assessment and testing of conventional reflow systems. We designed and developed a system focusing on the three principles in heat treatment: heat convection, heat conduction, and radiant heat. To achieve an energy-saving reflow, together with less CO<sub>2</sub> emissions, we eliminated convection between the oven and the outer casing, increased the efficiency

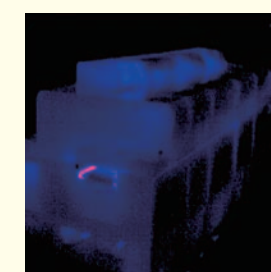
of heat conduction by reducing the surfaces in contact with the oven, and used new materials to reduce radiant heat. Finally, we completely eliminated the heat that is usually exhausted from the reflow system through a factory duct. The result is our highly energy-efficient Ductless Reflow System: TND Series.

We are currently working on development of a flux collection unit using powder, offering the minimum power draw, and specifically designed for reflow systems. We hope to develop and commercialize—ahead of other firms—more of these new products that meet a range of social needs, including energy saving and environmental protection.

#### Comparison of surface temperatures using thermography



TAP Series



TND Series

#### Message from the Segment Director



**Takashi Fukano**  
President & CEO of  
Tamura FA System Corporation  
Executive Officer of  
Tamura Corporation

**Materials and equipment that possess effective value as eco-friendly products, manufactured with the entire energy-saving life cycle in view**








The manufacturing procedure of such products takes careful consideration of the reduction in environmental loading. As a result, the materials and components produced go on to create products which themselves reduce environmental loading... Tamura’s products may not always be eye-catching, however, they are indispensable in a variety of commercial products. The ductless reflow technology featured in this article provides effective eco-friendly value—not only as a standalone reflow system, but in the way that it adds value to the entire energy-saving production procedure. We hope that this system will demonstrate our commitment to Life Cycle Assessment (LCA) in manufacturing. We believe that all products that appear on the market should be eco-friendly. Eco-friendliness is today’s prime characteristic for selecting new equipment, even for production machinery such as a soldering machines. We will continue to contribute to the industry by further pursuing eco-friendliness in our new products and technologies.





# A History of CSR Activity













The Tamura Group has engaged in CSR activity in accordance with the times ever since operations began in 1924. In this section we trace the timeline of CSR activity undertaken by the Tamura Group.

1920s	1924 — ● Founding ●	
1950s	1959 — ● In-house bulletin first published	
1980s	1988 — ● Tamura Hinchley Ltd. (UK)—now Tamura-Europe Ltd.—is first Tamura Group member to acquire ISO 9001 certification (unavailable in Japan at the time)	 Tamura Radio Store
1990s	1994 — ● Childcare leave introduced ● The Tamura Corporation power supply business unit acquires ISO 9001 certification—the first of its kind for the Group in Japan	
	1998 — ● Ta Fong Electro Chemical Industry Co., Ltd. (electro-chemical materials segment) is first Tamura Group member to acquire ISO 14001 certification	 Environmental Report
	1999 — ● Sales of lead-free reflow system commence	
2000s	2000 — ● Management philosophy (Tamura Group Mission Statement) established ● Tamura Corporation (Tokyo and Saitama plants) acquires ISO 14001 certification	
	2002 — ● Green procurement measures commence ● Environmental Report first published ●	 Quenu
	2004 — ● Compliance with EU RoHS Directive (effective July 2006) begins ● MAPS system introduced ● Mascot “Quenu” created ●	
	2005 — ● CSR Promotion Project established ● 80th anniversary show “Tamura Fair—En” held ●	 80th anniversary show “Tamura Fair—En”
	2006 — ● Risk Management Regulations established ● Web-based Alarm Escalation Notification System introduced ● Compliance Committee formed ● Compliance Generalization Section established ● “T’s Bar” online community created ●	 “T’s Bar” online community
	2007 — ● ISO 14001 global certification acquired (electronic components segment/information equipment segment) ● Sponsorship agreement entered with AS Elfen Sayama FC (Nadeshiko League) ● Tamura Group Code of Conduct established ● Tamura Group Procurement Guidelines compiled ● CSR Management Committee formed ● CSR Promotion Center established ● Environmental Report published in new format as the CSR Report ●	 CSR Report
	2008 — ● Business partnership with KOHA Co., Ltd. ● Participation in the UN Global Compact ● Monozukuri School organized ●	
	2009 — ● Supply of hybrid vehicle reactors starts ● Full-scale start of LED development project	 Monozukuri School



# CSR Activity Report

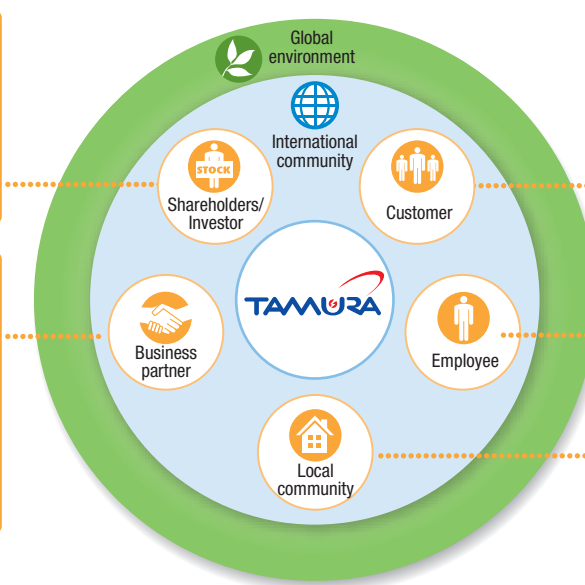
The Tamura Group engages CSR activities in six main areas, as listed below.

Area of activity	Issue/Themes	Main activities in FY2008	Refer to	Main stakeholders concerned
Compliance/Corporate ethics	• Communicate management philosophy and Tamura Group Code of Conduct • Promote compliance with laws and regulations • Enhance compliance education	• Dissemination of corporate philosophy and Tamura Group Code of Conduct • Opening of Legal Affairs Counseling Room • Compliance education (e-learning programs)	page 15 page 17	 Employees
Risk management	• Strengthened risk management	• Development of Manual for the Prevention and Control of Pandemic Influenza • Transfer of mainstay business servers to external locations • Dissemination of Web-based Alarm Escalation Notification System	page 18	 Employees
Information management	• Reinforced data protection program • More timely & accurate corporate information disclosure	• System reinforcement through establishing information security regulations • Expanded sites of security using ID card verification system • Timely & appropriate corporate information disclosure on Web site	page 18 page 20	 Shareholder  Employees
Human rights & labor	• Improved employee education • Establishment of fair & impartial evaluation system • Activation of internal communication	• Improved employee education • Regular mental health counseling • Improved internal communications through intracompany events	page 21-22	 Employees
Environment/Quality	• Increased customer satisfaction • Further action on ISO 14001 comprehensive certification • Offering environment-friendly products • Reduction in use of substances with environmental impact • Promotion of energy & resource saving • Increased green procurement	• Action on REACH regulations • Group-wide ISO 14001 action (all segments) • Increased ratio of environment-friendly products within total sales: target 35.0%; actual 35.0% • Reduction of environmental impact substances: target 22.0% over FY2005; actual 37.1% • Reduced CO <sub>2</sub> emissions: target –7.8% over FY2005; actual –2.5% • Increased green procurement	page 19-20 page 25-29	 Customer  Employees  Business partner
Social contribution	• Continuous social contribution activities • Coexistence with community & volunteer activities • Promotion of cultural, arts, & sports activities	• Monozukuri School • Internships & company tour programs • Sponsorship of community events & cleanup activities • Sponsorship contract of AS Elfen Sayama FC (Nadeshiko League)	page 23-24	 Local community  Employees
Items other than above 6 areas	• CSR promotion in the supply chain • UN Global Compact participation	• Preparations for inspection of CSR promotion status • Participation in UN Global Compact (Sept. 2008)	page 20 page 03-04	 Business partner  International community

## Main stakeholders of Tamura Group

We strive for business management that will generate profit for shareholders and investors and meet their expectations, and we endeavor to disclose information in an appropriate and timely manner to ensure accurate representation of the Tamura Group's corporate activities.

Frameworks for cooperation with business partners are vital when considering the social and environmental effects of our business activities. In addition to engagement in fair and honest business dealings, we promote CSR procurement and green procurement as a way to incorporate social and environmental considerations into supply chain management.



We endeavor to understand the needs of our customers so that we can continually supply products and services that will earn their trust and give them satisfaction in regard to aspects such as quality and safety. We also provide products and services with high social value, for example in terms of welfare or environmental preservation, that will contribute both to the growth of our customers and to the creation of a sustainable society.

The development of each and every employee sustains the growth of the Tamura Group. We strive to create workplaces that assist employee self-fulfillment, encouraging them to place value on partnership, personal growth, the courage to innovate and individuality, as well as to make the most of their abilities.

To earn the favor and trust of the local community, we show respect for the history, customs and culture of each country or region and undertake social contribution activities in close association with the community. We also seek to contribute to local development, attaching importance to communication.





# CSR at the Tamura Group

The Tamura Group is actively promoting Corporate Social Responsibility (CSR), recognizing the importance of each and every employee understanding the concept and acting accordingly.

## CSR Promotion System

Under the leadership of the CSR Management Committee, Tamura is promoting the concept chiefly in the six areas of compliance and corporate ethics, risk management, information management, human rights and labor, environment and quality and social contribution. The Committee was established in May 2007 and convenes twice a year (in spring and fall), inviting the participation of outside experts, for regular review of the Tamura Group's CSR activities and exchange of views on its CSR action policy.

### CSR dissemination activities

Activities conducted in FY2007 have again been held in 2008, including new employee training on the concept and intracompany CSR presentations, CSR Report and newsletters at each member company of the Tamura Group. At the presentation meetings, explanations were given on the historical background of CSR, recent developments in the area, business philosophy based on the concept and the Tamura Group's Code of Conduct, as well as presentation on the UN Global Compact, in which the Group participated in September 2008.

### Executive message:

#### Promoting CSR activity

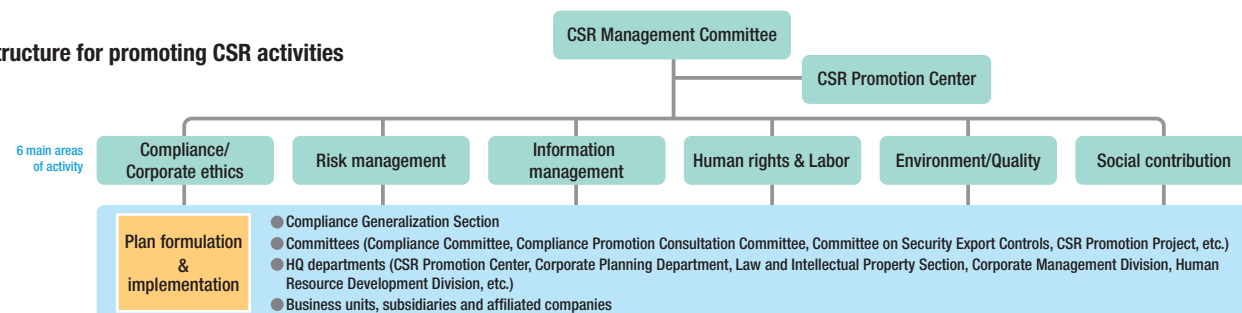
The basic and essential function of corporate social responsibility (CSR) is to make management resources at a business corporation lead to solutions to problems in society. CSR holds meeting only when the management resources of the business are applied effectively both vertically and horizontally in the organization and its technologies and business models are applied in activities and these activities accumulate and produce continuing results. Amid the rapid changes in society, we face the need to organize new activities in the future. Notwithstanding, the Tamura Group plans to pursue further advancement in its CSR activities while identifying what must be done to serve the interests of its stakeholders and determining what activities and programs are expected of Tamura and uniquely Tamura.

Hajime Kubo

Executive Officer in Charge of CSR



### Structure for promoting CSR activities



### Management philosophy

Corporate Slogan:  
Aiming to be "your one and only company"

#### Tamura Group Mission

The reason for the Tamura Group's existence; the overriding concept

Basic management policy and publicly-declared attainment targets

Standards of thought and action to be observed constantly by executives and employees alike

Mission  
(See page 01)

Vision  
(See page 01)

Guidelines

1. We attach great importance to partnership.
2. We attach great importance to nurturing a spirit of creativity.
3. We attach great importance to individuality.
4. We attach great importance to social responsibility.

Specific standards based on the Conduct Guidelines

#### Seventeen Aspects of Tamura Group Code of Conduct

1. Ensuring customer trust and satisfaction
2. Acquiring the trust of our shareholders and stakeholders in our business activities
3. Respect for human rights
4. A safe and healthy working environment
5. Free competition and fair trade
6. Prohibition against insider trading
7. Prohibition against inappropriate hospitality or gifts
8. Prohibition against inappropriate dealings with public bodies and inappropriate political contributions
9. Compliance with laws and regulations regarding import and export controls for security
10. Creation, protection and use of intellectual property rights and know-how
11. Prohibition against association with anti-social groups
12. Prohibition against competition or conflicting interests
13. Appropriate and timely information disclosure
14. Appropriate protection and handling of information (corporate information, private information, etc.)
15. Protection of company assets
16. Respect for the global environment
17. Cooperation with the international community and coexistence with local communities

#### [MEMO]

Tamura's founding spirit of "Contributing to society with outstanding technologies and products" is expressed in the phrase "the one and only company," upheld as the corporate slogan representing Tamura's management philosophy. In April 2000, the Tamura Group Mission, structured into three tiers with the Mission at the top, was established to be positioned alongside the Vision and the Guidelines. The Tamura Group Mission embodies "the desire to be a global company that is accepted by the international community" and "a source of pride for its employees and keeps the dream alive." In January 2007, the Tamura Group Code of Conduct was instituted to outline the standards of thought and action to be adhered to in day-to-day activities that are envisioned in the Tamura Group Mission guidelines.



# Corporate Governance

The Tamura Group is enhancing its corporate governance to help maximize corporate value through the Group's management

## Approach to Corporate Governance

Shareholders are of fundamental importance to management within the Tamura Group, and it is with them in mind that we aim to achieve management compliance with a team possessing a keen sense of responsibility and sound ethical standards. Improving the efficiency and transparency of management to maximize corporate value is therefore the basis of our corporate governance policy.

## Corporate Governance Framework

### Board of Directors and system of executive officers

As a means to avoid inconsistencies between management decision-making and executive functions, the directors of the board for the Tamura Group take on executive roles with responsibility over each of the business divisions under a "system of executive officers." Efficient implementation of business operations by directors is ensured through monthly convening of the Board of Directors, as well as executive meetings attended by directors and divisional officers who discuss matters relating to the operations of the Group and the monitoring of management.

### System of statutory auditors and internal auditing

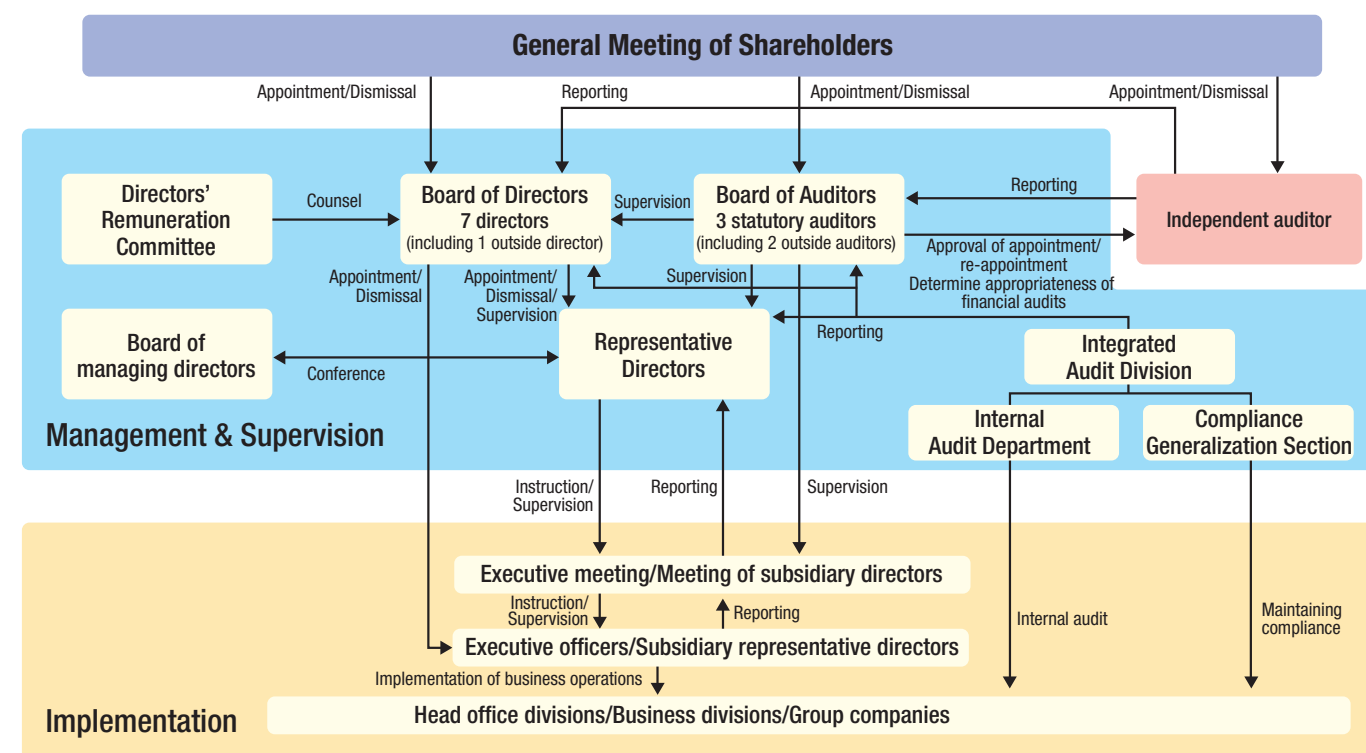
The Board of Auditors comprises three statutory auditors (including two outside auditors) whose auditing tasks include attendance at meetings of the Board of Directors, executive meetings and listening to operating reports by directors and executives, inspection of documents requiring authorization, and examination of the operations and financial standing of the main business facilities. The Internal Audit Office works in conjunction with statutory auditors to conduct internal audits each year of more than 30 bases in Japan and overseas covering Head Office or Group companies in line with an annual audit plan.

## Basic Concept of the Internal Controls

The Tamura Group acknowledges stable and efficient management, appropriate accountability and compliance with laws and regulations, as well as in-house rules, as objectives of internal systems established to enhance management controls. Risk management, compliance and internal auditing have been identified as methods for achieving these objectives with structures being put in place accordingly.

\*For further details about our corporate governance information, visit <http://www.tamura-ss.co.jp/jp/finance/governance.html>

### Corporate governance framework





# Compliance/Risk Management

The Tamura Group is maintaining and strengthening its framework for compliance and risk management in order to ensure compliance with corporate ethics and laws and regulations and to be able to address a wide range of management crises effectively.

## Compliance Framework at Tamura

Tamura is maintaining and strengthening its functions to secure compliance with laws and regulations and to take action accordingly with the establishment of the Compliance Committee, the Compliance Promotion Consultation Committee and the Compliance Generalization Section, an organization independent of Tamura's business operational divisions.

### Compliance Committee

The Compliance Committee was established in 2006 with the company president as chair. Inviting attendance of outside experts, the committee convenes twice a year to look into the state of the compliance framework and into planning and implementation of compliance activities, as well as to deliberate and issue resolutions on compliance-related issues and agenda items, execute corrective measures and issue necessary recommendations to relevant business divisions and sections.

### Compliance Promotion Consultation Committee

The Compliance Promotion Consultation Committee was set up in 2006, chaired by the general manager of the Compliance Generalization Section. In the organization, seven compliance units have been formed to cover the entire Tamura Group, with a promotion officer representing each unit. The committee meets four times a year as a general rule, for planning and deliberations on activities that are necessary to boost establishment and dissemination of the compliance framework throughout the Group.

### In-house Compliance Hotline

As a mechanism for counseling and reporting illegal activity, the In-house Disclosure Regulations have been established and In-house Compliance Hotline has been set up for access to the Compliance Generalization Section via intranet or dedicated phone line. Any action detrimental to the interests of the reporting or cooperating party is prohibited. The rights of the reporting employees are protected to encourage and solicit information that will lead to reinforcement of the compliance framework and to early detection of internal risks.

### Security Export Control System

Security Export Control System is a governmental program aimed at preventing inappropriate use of Japanese products and technologies in other countries. To address this issue, a management organization headed by the company president was formed in 2005, with the Security Export Control Committee established as the group-wide supervisory division. Furthermore, export control officers have been appointed for Tamura's business operation division and shipping division.

### Legal Affairs Counseling Room

In 2008, Tamura Group's Legal Affairs Group set up the Legal Affairs Counseling Room on its intranet in order to upgrade the group's capability in addressing legal risks and to reduce such risks in the group as a whole. The intranet site publishes information on inquiries that are asked repeated inside the organization, as well as case studies on precedents in order to cut down risks in this area in day-to-day business operations.

## Risk Management

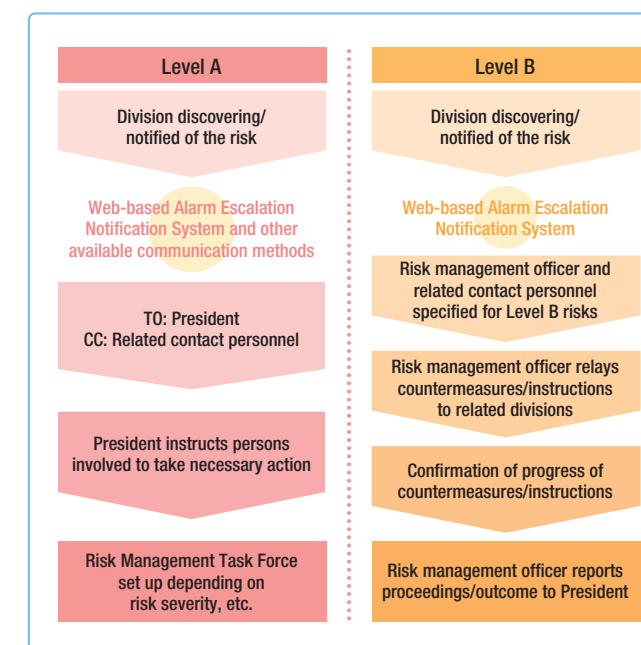
### Risk Management Regulations

In order to address the risks that can seriously affect business management, Risk Management Regulations have been established and implemented to strengthen the risk management system for the entire Tamura Group. The fundamental principles underlying these regulations are swift, objective and concerted action by management and employees to address management-related risks and, if human lives are threatened, the top priority is placed upon the protection and rescue of personnel. Furthermore, "Alarm Escalation" items, divided into categories of Level A and Level B, have been established, corresponding to the level of risk and scale of impact. In 2008, the Alarm Escalation items concerning natural disasters were reexamined, giving consideration to major earthquakes and the new H1N1 influenza.

### Web-based Alarm Escalation Notification System

For speedy and accurate reports on Alarm Escalation items under the Risk Management Regulations, the Web-based Alarm Escalation Notification System has been set up on the Tamura intranet. In 2008, there have been 11 Level A reports and 47 Level B reports, which were all handled and processed appropriately, corresponding to the situation of each case.

#### ● Response to Level A/Level B risks in accordance with Risk Management Regulations



## Information Security

In FY2008, Information Security Basic Policy and Information Security Management Regulations were established to ensure the appropriate and timely disclosure of information, as well as for the protection and management of information (including both corporate and personal data), in accordance with the type and nature of the information. Information-related risk management is being implemented under the policy and regulations on information security. In addition to technical security measures, including network security protection and data access control, the ID card authentication systems have been introduced as physical security measures. In FY2008, these systems were installed at Tamura Kaken Corporation and at the Sayama Device Block at Sayama Technopark. In addition, employee training and awareness-raising activities have been organized to further foster the protection of private and corporate data and prevent information leakage.

## Principal Risk-Management Activities in 2008

### Action on Pandemic Influenza

The Pandemic Influenza Control Manual was published in 2008, in order to deal with the possibility of an outbreak of the H1N1 influenza, given that a vaccine that is safe and effective against the disease has not yet been developed, or is not available in adequate quantities. The manual encourages precise action by laying down rules on how to prevent the introduction and spread of the flu inside the organization, and help to protect management, employees, families, and customers from contracting the disease. The manual also gives details of the internal organization for maintaining priority business operations and communication channels in the event of an outbreak, and the action plans that should be in place in each business division and segment.

### IT server transfer

In order to protect against major disasters such as fire, power failure, and earthquakes, and against data leakage, the mainstay business servers that are key to Tamura operations servers, accounts servers, and servers for risk management were transferred to an external data center with seismic protection facilities in January 2009.



## CSR Highlights

### E-learning Program conducted

"To foster greater individual awareness toward compliance"

As part of Tamura's compliance education program, an educational booklet was produced and distributed to 1,701 employees in FY2008. Later, a PC-based test was conducted to check their understanding of the concept. For those who do not use PCs as part of their job routine, they took the test by taking turns in using PCs. In this program, 99.7% of the test-takers passed the comprehension level test.



**Shinji Oeda**

Compliance Promotion Officer  
Electronic Components Business Unit

The number of employees in the Electronic Components Business Unit that required assessment for understanding of compliance numbered roughly 800 for both domestic and overseas operations. Although the program was time-consuming, due to the differences of peak periods in business for each operation, the state of PC availability, etc., we were able to complete the comprehension test for all persons, thanks to the extensive cooperation provided by the heads of each operation and other senior officials. I am confident that this program contributed to greater understanding and awareness of compliance with law and believe that this first-ever test conducted was able to produce solid results. Nonetheless, I believe that the greatest issue we must address in the years ahead is the actions that we must take to maintain and advance the level of awareness.

#### MESSAGE





## Customer Relations

We are enhancing customer satisfaction by supplying top-quality products based on our proprietary technology.

### Efforts to Enhance Customer Satisfaction

#### Links with customers

Our job does not end on delivery of the product. The Tamura Group has forged longstanding relationships of trust with its customers through customer-based product development and after-sales service.

And as the Tamura Group expands into global markets, we position production and sales bases close to customer facilities as part of a business framework that allows us to respond quickly to customer needs.

#### SCM<sup>\*1</sup> activities (MAPS<sup>\*2</sup> System)

In order to meet the demands of customers to deliver “the necessary goods in the necessary quantities, at the necessary time,” we have introduced the “MAPS System” for integrated management of key business operations at sales and manufacturing centers, both in Japan and overseas. In 2008, assessment index management has been implemented to ensure stability in system activities.

\*1: SCM (Supply Chain Management)

\*2: MAPS is the name of Tamura Group’s Enterprise Resource Planning (ERP) system and is the acronym for “Management Accounting Production Sales.”

#### T’s Bar

T’s Bar is a community site chiefly managed by Tamura Corporation, for all audio fans, primarily using vacuum tube (valve) amplifiers for music appreciation. This community Web site offers essays on audio technology and information on special events. It also has a bulletin board for customers to post comments freely and exchange information and ideas. In 2008, the community was able to interact directly with customers through participation in a vacuum tube audio fair. It was also able to deliver the experience of Tamura’s high audio quality through support of an “Audio Concert.”

\* For further details about T’s Bar, visit <http://www.tamura-ss.co.jp/tsbar/>

### Quality

In the spirit of the founding of the company to “contribute to society through outstanding products,” we continue to work on quality improvement. The latest in quality improvement methodology has been adopted in a number of production lines, and quality control training is being organized on an ongoing basis for both workplaces and individual employees. Furthermore, the company’s improvement proposal and ideas suggestion system encourages employees to voluntarily implement ideas in the work environment that can help prevent errors and losses.

#### Customer quality

In 2008, we received certification by a major electrical appliance manufacturer as a business partner supplying important components that contribute to product safety. We are continuing to pursue quality improvements, not only based on our own standards but also to meet the quality requirements of our customers.

#### Quality Promotion Conference

The Tamura Group Quality Promotion Conference was held in October 2008. This conference is held annually to present successful cases that have led to improvements in quality across the entire group. Experts from outside the company are invited to give lectures, providing employees with the opportunity to raise their awareness and to again dedicate all of their energy toward quality improvement.



### Dynamic Action on REACH Regulations<sup>\*1</sup>

Tamura Corporation has acted early on the 15 Substances of Very High Concern (SVHC) specified under the REACH regulation in Europe, adopting regulatory criteria within its Green Procurement Standards in October 2008. The company is also preparing to address additions to the list of substances causing environmental impact through its extensive research system. In 2008, a new database was created, backed by Tamura’s expertise cultivated through our RoHS research in the past. With this database, we have been able to build a system for the consolidated management of customer inquiries, including research and response, and have completed preparations for startup of the system in July 2009. Considering that the number of SVHCs is expected to rise to 1,500 in the future, we are conducting advance research and gathering AIS<sup>\*2</sup> data under JAMP,<sup>\*3</sup> which covers all the substances expected to be listed. In this way we are gathering data that confirms that the chemical substances used in Tamura’s products are safe for manufacturing in any business segment or division inside the Group. Presently, we have promptly responded to around 370 inquiries from customers (as of June 30, 2009) by the agreed deadlines and intend to continue upgrading customer satisfaction in the future.

\*1: REACH Regulations: EU directive on Registration, Evaluation, Authorization, and Restriction of Chemicals

\*2: AIS: Article Information Sheet (basic information communication sheets used to report on the chemical substances contained in products).

\*3: JAMP: Joint Article Management Protection-consortium



Haruhiko Sato

Electronic Components Segment



## Business Partner Relations

Collaborating with all our business partners on quality, the environment and social responsibility allows us to deliver products that are satisfactory to customers.

### Purchasing Policy

The Tamura Group Basic Purchasing Policy states that, “as a company operating around the globe, we shall maintain a global perspective in our procurement of materials, working in the pursuit of profit creation together with companies that can demonstrate an understanding of the Tamura Group Vision and are able to participate in an ongoing partnership.” Seven areas, including quality, environmental considerations and uniqueness, are specified as criteria for purchasing.

#### Tamura Group Basic Purchasing Policy

- (1) Purchase from companies with strong “quality first” ideals, understanding of Tamura Group quality management policy and consistent quality management practices.
- (2) Purchase from companies familiar with global environmental protection trends that observe the Green Procurement Standards for the Tamura Group and are able to initiate environmental considerations.
- (3) Purchase from companies capable of independent action in constantly seeking improvements and reforms to satisfy the needs of the market.
- (4) Purchase from specialist manufacturers that are unique in their industry.
- (5) Pursue the simplification of purchasing routes.
- (6) Purchase from companies that demonstrate enthusiasm and are forthcoming with opinions, suggestions and information.
- (7) Purchase from companies that view human resources as valuable assets and actively engage in employee education to raise the standard of the company as a whole.

#### Promoting green procurement

In order to deliver environment-friendly and safe products to customers, the Tamura Group established its Green Procurement Standards in 2002. These standards were revised in 2008 to further promote active procurement of parts and components with the less environmental impact from suppliers and other business partners engaged in environmental protection activities. Furthermore, we are asking our suppliers to install environmental management systems and systems that guarantee chemical substance controls based on the Guidelines for the Management of Chemical Substances in Products from JAMP/JGPSSI,<sup>\*</sup> and to conduct research on environmentally-controlled substances specified by the Tamura Group.

\* JGPSSI: Japan Green Procurement Survey Standardization Initiative

#### Promoting CSR-based procurement

We are asking for the cooperation and understanding regarding the Tamura Group Procurement Guidelines, established in 2007, among our suppliers and business partners. In 2008, preparations commenced to produce research standards and survey forms to be used to confirm the state of progress made in CSR promotion.



## Shareholder and Investor Relations

Timely and proper disclosure of company information in line with laws and regulations gives shareholders and investors an accurate understanding of the Tamura Group and wins their trust.

### Financial Briefings for Investors

Financial results are announced in November, for the six months ending September, and in May, for the twelve months ending March. On each occasion, a press briefing is held. This is followed within a few days by a briefing for analysts and institutional investors at which senior managers present an overview of financial results and forecasts for the future. At briefings for investors, we also conduct surveys relating to investor relations of the Tamura Group as part of our efforts to improve the communication of company information to shareholders and investors.

### IR Information Website

To ensure that information is released in an expeditious and fair manner, a website for investors has been set up as a way to foster communication.\* Financial statements and materials distributed at financial briefings are posted on the website immediately after financial results are announced. We also issue quarterly financial reviews and shareholder notices as other forms of communication with shareholders and investors.



\* IR information can be found at <http://www.tamura-ss.co.jp/en/finance/index.html>





# Employee Relations

Employees are a source of energy for the Tamura Group. Various initiatives are underway to raise the motivation and capability of individual employees, ensure safe and healthy work conditions and, through sound communication, stimulate corporate activities.

## Policy Relating to Employees

The Tamura Group attaches importance to partnership, personal growth, the courage to innovate and individuality in each of its employees.

Employees are evaluated fairly, with praise being offered most to those who achieve results through hard work. We also ensure the health and safety of employees through the provision of a comfortable and efficient workplace environment that supports various lifestyles.

### Recruitment and education policy

The Tamura Group has organized vibrant recruitment activities under its policy of “Spirits Up” recruitment and hopes to recruit staff who can identify with its stance. In employee education, we are pushing forward for growth as a vibrant and energetic enterprise through inclusion of “Spirits Up” activities in new employee training and organizing programs for senior executives and managerial employees aimed at vitalizing the organization.

## The Personnel System and Human Resource Development

### Job grading system

The job grading system in place since fiscal 2002 determines the “grade” of an employee’s job according to specific actions and performance, as opposed to age, educational background and gender. This has nurtured a climate that allows employees to demonstrate their full potential and willingly take on roles of responsibility.

### Personnel evaluation policy

Personnel evaluation must be conducted in a fair and transparent manner, which depends much upon whether the evaluation is reasonable in the eyes of individuals. Dialogue between employees and their managers, for the determination of goals, confirmation of outcomes and provision of feedback, for example, is necessary in all aspects of a job. Managerial and supervisory personnel undergo performance evaluation training, which focuses on such areas as the importance of dialogue with employees and communication techniques.

### In-House Recruitment System and Job Preference Program

Two systems implemented via the company intranet have the purpose of revitalizing the organization by attempting to meet the needs and preferences of both individual employees and the corporate organization. Under the In-House Recruitment System, divisions invite employees to apply for available positions. The Job Preference Program is a system whereby individuals list jobs they would like to perform and endeavor to realize that placement.

### In-house training

Training programs are implemented for each job level and type so that employees gain the necessary skills and knowledge to carry out their particular tasks, and also as an opportunity for communication between workplaces. Regular reviews of training programs will continue as we seek further improvements.



### Education and training system

#### Level-based training

For junior employees	Correspondence/online course for newly hired staff (new graduates)
	Group new employee training
	On-the-job production training for new employees
	Follow-up training
For mid-level employees	Basic training in management
	Correspondence course for managerial employees
	Stress management education
	Organization development training
	Performance evaluation training
	Training for next-generation managers
	Retirement preparation training

#### General training programs

Language education for overseas assignments
ISO training
CSR training
Compliance training
Correspondence/online training

\* Data for Tamura Corporation

### “Spirits Up!” campaign

As part of efforts to foster a dynamic organization with energetic employees, the “Spirits Up!” campaign, which commenced in FY2006, seeks to boost motivation through day-to-day greetings. By attaching importance to greetings as the first step in good communication and encouraging employees to greet company visitors as well as each other in a cheerful manner, the company is likely to become more vibrant.

## Occupational Health and Safety

The Tamura Group directs great attention to the prevention of work-related accidents, promotion of good health, and prevention of illness among employees, as well as measures for development of work environments that are safe and comfortable.

### Health and safety

Many activities are organized that give consideration to employee health and safety. Based on an annual health and safety plan, activities are organized with a clear definition of where responsibilities lie, in order to foster voluntary safety management activities and development of comfortable workplaces. The Health and Safety Committee undertakes weekly safety inspection rounds, combined with annual workplace tours conducted personally by the company president. These opportunities help promote intracompany communication and at the same time help all employees to support workplace safety.

### Number of labor accidents/working days lost

	FY2006	FY2007	FY2008
Number of labor accidents	5	4	4
Number of working days lost	26	0	0

\* Data for Tamura Corporation

### Stress management education

For the purpose of acquiring basic knowledge on basic psychology and to identify opportunities for the early detection and prevention of “illnesses of the mind” in workers, stress management education has been conducted for all executive and managerial staff, as well as senior management, in 2007 and 2008. This enabled employees to acquire a correct understanding of stress management and to exchange opinions transcending job functions and workplaces through group discussions, etc.

Number of trainees in FY2008: 157

\* Data for Tamura Corporation and Tamura Kaken Corporation

### Regular EAP\* Assessments

As one aspect of employee health management, industrial counselors come in once a month to provide Regular EAP Assessments. This provision is an opportunity for employees to seek advice on concerns in the workplace or the home and for managers to discuss problems they are having with their employees or regarding communication in the workplace.

\* Employee Assistance Program

## Action for the Care of the Next Generation

In order to create an environment where employees are able to provide appropriate care for their children,

programs have been created allowing for maternity leave during prenatal and postnatal periods, childcare leave, shorter working hours for those involved in child care, leave to care for sick children, leave in case of childbirth by spouses and restrictions on overtime during late-night hours and other after-work hours.

### Number of employees taking maternity & childcare leave

	FY2006		FY2007		FY2008	
	Men	Women	Men	Women	Men	Women
Maternity leave	0	3	0	4	0	4
Childcare leave	0	3	0	4	0	3

\* Data for Tamura Corporation

### Number of workers working shorter hours

	FY2006		FY2007		FY2008	
	Men	Women	Men	Women	Men	Women
Shorter working hours	1	3	1	4	1	3

\* Data for Tamura Corporation

## In-House Communication

Junior employees take a leading role in the planning and implementation of in-house events that are designed to encourage interaction among fellow employees. Events include summer festivities, company trips and bowling competitions.

In particular, festivities held every year in summer are a Tamura seasonal tradition. New employees stage short performances, and events such as quiz competitions are held, all contributing to the excitement on the day. It is an excellent opportunity for employees to socialize with one another.



Summer festivity

### MESSAGE

I joined the Tamura family at the beginning of 2009. I had previous experience with Quality and Environment Management Systems in various companies. Here I work as assistant to Quality Manager. This company cares for their employees and their work satisfaction even in times of economic crisis. People working for Tamura are very friendly and helpful so it is very pleasant to work here.

Our department is responsible for QMS and EMS in the company. As Znojmo is a very nice and clean town we are doing our best to contribute and improve our impact on environment.



Gabriela Achrerova

Tamura-Europe Ltd., o.s. (Czech Republic)





# Social Contribution Activities

For coexistence and harmony with society, as well as to foster mutual understanding and build bonds of trust with national governments and local communities, we are promoting social contribution activities rooted in local communities and related regions.

## Social Contribution Activities

### Company tours and spotbill duck observation program

The Tamura Group organizes company tours for children in local communities, ranging from kindergartners to junior high school students, in order to help them see and experience manufacturing and environmental protection activities in action.

Furthermore, Tamura Corporation holds spotbill duck observations every year around May through June, inviting children from nearby nurseries and kindergartens to watch the spotbill ducks care for their chicks in the company's inner garden.



Watching the spotbill ducks care for their chicks

### Internships and job experience programs

In order to provide the younger generation of people—important members of the society of the future—with opportunities to gain first-hand experience of what work is all about through actual experience of a manufacturing workplace, the Tamura Group offers various internships and job experience programs. Young people are able to learn about work in a classroom setting and also directly on the job, as well as work experience that is different from normal part-time jobs.

#### 2008 internships and job experience programs

Region	Target	Number of persons	Business site
Suginami, Tokyo	High school students in Suginami	2	Tamura Corporation Head Office
Tokyo	Junior college students	2	Tamura Corporation Head Office
Kurihara City, Miyagi	Junior high school students in Kurihara City	4 (2 persons each in two programs)	Wakayanagi Tamura Corp.
Numata City, Gunma	High school students in Numata City	2	Gunma Tamura Corp.
Numata City, Gunma	Students from special schools for the disabled in Numata	1	Gunma Tamura Corp.
Numata City, Gunma	Junior high school students in Numata	2	Gunma Tamura Corp.
Yuzamachi City, Yamagata	High school students in Yuzamachi	6 (3 persons each in two programs)	Tohoku Tamura Corp.
Yamagata	Junior college students	1	Tohoku Tamura Corp.

### Assistance in natural disasters

There were a number of major natural disasters in 2008, with Cyclone Nargis hitting Myanmar in May, the Great Sichuan Earthquake in China in the same month, and the Iwate-Miyagi Nairiku Earthquake in Japan in June. Tamura Corporation and members of the Tamura Group contributed relief funds to these disaster-stricken areas. The employees of member companies also organized charity drives to gather contributions. We have also supported the activities of the Japanese Red Cross engaged in international rescue and disaster relief activities and made donations to fund their operations.



Large-scale landslide at the upstream of Aratozawa Dam in Miyagi

### Sponsorship and support of community events

The Tamura Group has been providing sponsorship and support for community events and civic festivals, including the Teruhime Festival and Nerima Festival in Nerima-ku, Tokyo, where Tamura Corporation is located, as well as other community-based social contribution activities.

#### 2008 Tamura Group corporate sponsorship and support

Region	Program	Business site
Tokyo	Donation to Kiirori Boshi no Kai (Yellow Hat Society)*	Tamura Corporation
Kurihara City, Miyagi	Sakura Festival	Wakayanagi Tamura Corp.
Kurihara City, Miyagi	Kotohira Shrine Festival	Wakayanagi Tamura Corp.
Aizuwakamatsu City, Fukushima	Otaue Festival	Aizu Tamura Corp.
Kawagoe City, Saitama	Kozutsumi Community Bon-odori Festival	Tamura Seiko Corp. Tamura Distribution Center Inc.
Kawagoe City, Saitama	Donation of news bulletin board to Kawagoe Municipal Naguwashi Junior High School	Tamura Seiko Corp.
Iruma City, Saitama	Iruma Banto Festival	Tamura Kaken Corp.
Yuzamachi City, Yamagata	Yuzamachi Nishihama Fireworks Festival	Tohoku Tamura Corp.
Temecula City, USA	Children's Matsuri organized with sister city in Japan, to present Japanese culture	Tamura Corporation of America
Temecula City, USA	Donation to Fire Department	Tamura Corporation of America

\* Donation of yellow hats to new elementary school students in Tokyo and other nearby areas with a high number of traffic accidents, to help protect children from accidents.

### Other activities

Members of the Tamura Group are engaged in a variety of activities, including blood donations and cleanup activities.

#### Other activities in 2008

Activity	Business site
Japanese Red Cross blood donations	Tamura Corporation and Tamura Distribution Center Inc.
Acceptance of Indonesian trainees*	Tamura Corporation
Cleanup activities in local community	Tamura Distribution Center Inc.
AED units opened for use by local citizens	Tamura Distribution Center Inc.
Open use of parking areas during local events	Aizu Tamura Corp., Tohoku Tamura Corp. & Tamura Distribution Center Inc.

\* Trainee acceptance starting in 2008, to support the training program under the Japan-Indonesia Association for Economic Cooperation (JIAEC).



Cleanup activities at Tamura Distribution Center

### Nadeshiko League

Tamura Corporation is supporting the AS Elfin Sayama Football Club, which plays in the Nadeshiko League. This is a club of football players of junior high school age and older that is run by volunteers. As its main sponsor, Tamura Corporation provides a training space and supports the club's sports promotion activities. We also hold football clinics for disabled persons and children and parents.



Fiscal 2008 result: third place in the Division 2

## CSR Highlights

### Lake Izunuma-Uchinuma\* Cleanup Campaign

In September 2008, Wakayanagi Tamura Corporation participates in the Lake Izunuma-Uchinuma Cleanup Campaign organized jointly by the cities of Kurihara and Tome in Miyagi Prefecture, mobilizing local citizens. As a company operating in the area, we have been participating in this movement to help clean up and beautify the area. In participating in the cleanup, we have been able to meet junior high school students who had been on our plant tours in the past and interact with people from other companies, helping to promote closer ties with others as a community-rooted activity, as well as improving the environment.

Although some waste had accumulated in the area due to the forces of nature, there was also garbage that had clearly been dumped there, as well as foul-smelling paper diapers, showing a decline in the sense of ethics in some members of the public. As members of the Tamura Group, we saw that there was much that could be done by Wakayanagi Tamura, and hope to continue working in this area by participating in various activities, however small. We will also explore ways to contribute to the local community without extensive spending, in order to build up society's trust in our organization.

**Katumi Onodera**  
Wakayanagi Tamura Corporation



\* One of the 37 locations in Japan registered under the Ramsar Convention (Convention on Wetlands of International Importance), Lake Izunuma-Uchinuma in the Kurihara and Tome areas in Miyagi Prefecture, was the second to be registered in Japan.

#### MESSAGE



**Yuki Miura**  
Wakayanagi Tamura Corporation

#### Participating for the first time

I was surprised by the large number of local citizens, students, and people from other companies in the area that showed up so early in the morning.

Known as one of the world's leading habitats for migratory birds, we walked the periphery of Izunuma—extending several kilometers—for a number of hours, cleaning up and picking up the garbage.

I'm looking forward to participating in this campaign in the future, as part of my contribution to the local community.

## CSR Highlights

### Monozukuri School

In July 2009, the "Monozukuri School: Building a Radio on One's Own" was held for fifth grade and sixth grade students in Nerima-ku, where Tamura Corporation's head office is located. The participants were taught by employees who volunteered as teachers. They were given an explanation of the mechanism of how a radio produces sound, and practical training on how to use a soldering iron to attach electronic components on a board—essential information for building a radio! Although the elementary school students found it a little difficult to handle soldering irons, which they had not used before, they eventually learned how to use them. When they were able to hear sounds coming from their own radios, they brought their ears close to the speakers, listening and smiling. They finished their radios by decorating them with seals and paint to add a personal touch to what they had built.

We believe that one of the most important responsibilities of the manufacturing industry towards society is to communicate the excitement and wonder of "making things" to the younger generation. We plan to continue providing opportunities to children to experience the excitement and pleasure of manufacturing in the years ahead.

**Yoko Funato**  
Human Resources Development Division



Sponsors: Nerima Education Board, Tokyo  
Tokyo Branch of the Institute of Electronics, Information and Communication Engineers

#### MESSAGE



**Naoki Kawashima**  
Human Resources Development Division

#### An event that we wish to continue organizing

This is the second workshop we held—the first one was in 2008. This time, we took charge of the entire operation, from making presentations to two elementary schools from which participants are solicited, selecting the junior high school to serve as the venue, and reception and management on the day of the workshop. These activities provided invaluable experience for us.

On the day, 18 children built their own radios. Seeing the children get so much enjoyment makes me really hope that this will become a regular event.

# Environmental Management Systems

The Tamura Group is contributing to the development of a sustainable society and fulfilling its social responsibility through global acquisition ISO 14001 certification and actions to reduce environmental impact through continuous improvement.

## Development of Environmental Management Systems

Tamura Group commenced development of a globally-integrated environmental management system in 2006, in order to respond effectively to environmental issues, including global warming and hazardous chemicals, contribute to the growth of a sustainable society, and put the wishes of senior management directly into action. We aim to successfully promote environmental protection activities through the application of measures and programs in line with our corporate environmental policy on a group-wide scale.

## The Tamura Group Environmental Policy

### Management Concept

The Tamura Group contributes to the protection of our truly abundant planet and conducts all of its business activities in harmony with the environment. The activities shall be based on the Group Mission Statement: "The Tamura Group offers an original range of products and services, highly regarded in the global electronics market, to satisfy the evolving needs of customers, employees and shareholders supporting the Group's growth."

### Code of Conduct

As the Tamura Group designs, develops and produces electronic components, electro-chemical materials, soldering equipment and information equipment, based on our Management Concept that places first priority on environmental protection, we implement an environmental management system to ensure the efficient use of resources, pollution prevention and compliance with laws and regulations. We are also committed to continuously improving the management system and focus on the following activities for environmental protection.

1. We supply eco-friendly products.
2. We control and reduce the impact of materials on the environment.
3. We promote energy and resource savings.

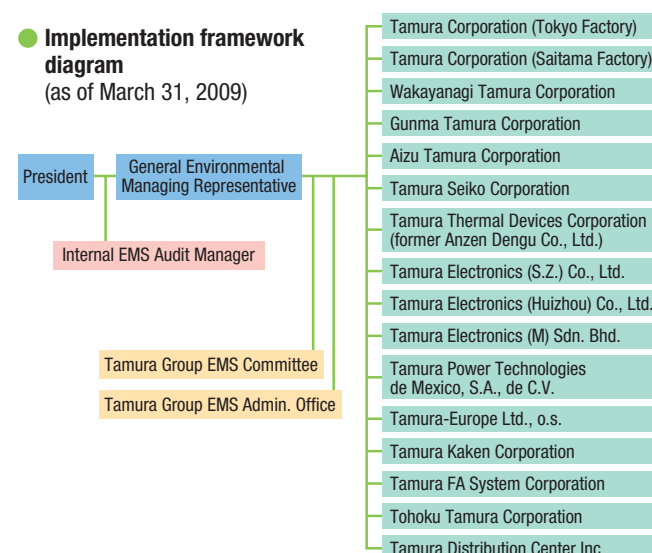
## Integration of Environmental Management Systems

The year 2008 fell on the third year of the integration process. This year, the systems at Tamura Kaken Corp., Tamura FA System Corp., Tohoku Tamura Corp., Tamura Distribution Center Inc., and Tamura-Europe Ltd., o.s. (Czech Republic) were newly integrated, completing full integration of all business segments in February 2009. In the days ahead, integration will continue to proceed towards covering all operations, including nonmanufacturing businesses.

## Implementation Framework

For the implementation of environmental management systems, the Tamura Group EMS Committee has been formed, headed by President Tamura and supervised by the General Environmental Managing Representative. The committee is working to raise environmental performance of the Group as a whole, making improvements where necessary and implementing activities across the board.

### Implementation framework diagram (as of March 31, 2009)



### Schedule for integration

FY2006	FY2007	FY2008	FY2009
<p>Integration completed in January 2007</p> <ul style="list-style-type: none"> <li>• Tamura Corporation (Tokyo Factory)</li> <li>• Tamura Corporation (Saitama Factory)</li> <li>• Wakayanagi Tamura Corporation</li> <li>• Gunma Tamura Corporation</li> <li>• Aizu Tamura Corporation</li> <li>• Tamura Seiko Corporation</li> <li>• Tamura Thermal Devices Corporation (former Anzen Dengu Co., Ltd.)</li> <li>• Tamura Electronics (S.Z.) Co., Ltd.</li> <li>• Tamura Electronics (Huizhou) Co., Ltd.</li> <li>• Tamura Electronics (M) Sdn. Bhd.</li> </ul>	<p>Integration completed in January 2008</p> <ul style="list-style-type: none"> <li>• Tamura Power Technologies de Mexico, S.A., de C.V.</li> </ul>	<p>Integration completed in February 2009</p> <ul style="list-style-type: none"> <li>• Tamura Kaken Corporation</li> <li>• Tamura FA System Corporation</li> <li>• Tohoku Tamura Corporation</li> <li>• Tamura Distribution Center Inc.</li> <li>• Tamura-Europe Ltd., o.s.</li> </ul>	<p>Integration to be completed by January 2010</p> <ul style="list-style-type: none"> <li>• Tamura Seiko Corporation</li> <li>• Tamura Thermal Devices Corporation (former Anzen Dengu Co., Ltd.)</li> </ul> <p>* As the offices moved on April 1, 2009, they will be integrated again.</p>

# Environmental Goals, Performance, and Evaluation

The Tamura Group is working on environmental protection under its three group-wide goals of "Increasing sales of eco-friendly products," "Reducing materials that impact the environment adversely" and "Reducing CO<sub>2</sub> emissions."

## Tamura Group Goals, Performance and Evaluation

As a result of activities organized in 2008, we succeeded in achieving the goals for all of these items.

### Tamura Group goals and performance in FY2008

	Environmental objectives	Targets for FY2008	Achievements for FY2008
I	Increasing sales of eco-friendly products	Sales ratio of eco-friendly products: 35.0%	35.0%
II	Reduction of materials that adversely impact on the environment	Chemical substances designated under the PRTR* Law: 22.0% reduction compared to FY2005	37.1%
III	Reduction of CO <sub>2</sub> emissions	CO <sub>2</sub> emissions: -7.8% reduction compared to FY2005	-2.5%

PRTR: Pollutant Release and Transfer Register; a public registry on harmful chemical substance emissions into the environment that may have a potentially serious impact, as well as movements of waste.

## Summary of the Tamura Group's Environmental Impact

In order to realize a sustainable society, it is important to reduce our impact on the environment and effectively utilize the limited resources available to us.

The Tamura Group is working to enhance environmental performance through improvements to environmental management made following measurement and analysis of required resources and energy (inputs) and CO<sub>2</sub> and waste generated by business activities (outputs).

### Summary of the environmental impact in FY2008

INPUT		Business activities		OUTPUT	
Electricity	48,338 MWh	Procurement ↓ Development ↓ Manufacturing ↓ Distribution ↓ Customer		CO <sub>2</sub>	32,561 t-CO <sub>2</sub>
Processed natural gas	65,000 m <sup>3</sup>			Wastewater	404,000 m <sup>3</sup>
Gasoline	285 kl			Total waste generated	2,097 t
Heavy oil	132 kl			Recycling volume	1,292 t
Diesel	396 kl			Total disposal volume	283 t
Heating oil	30 kl				
Paper	12.26 million sheets				
Water	423,000 m <sup>3</sup>				
Chemical substances designated under the PRTR Law*	348 t				

\* We manage our factories overseas with the same criteria. This figure is combined with our factories overseas





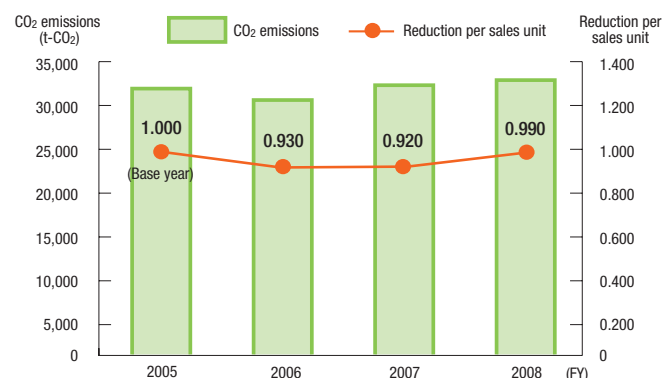
# Action on Environmental Protection

The Tamura Group is involved in activities to reduce CO<sub>2</sub> emissions and to conserve energy across its business operations, in order to help reduce global warming. At the same time, the Group is pushing forward its drive to reduce substances that adversely impact the environment and to minimize such impact with attention to product life cycles.

## CO<sub>2</sub> Reduction

The Tamura Group is moving forward in improving production efficiency and promoting the introduction of energy-saving equipment, as recommended by companies specializing in support facilities for the Tamura Group. With the reconfiguration of manufactured goods, CO<sub>2</sub> emissions increase was curbed by 2.5% in 2008 over 2005 levels, succeeding in achieving the goal (of curbing the increase to 7.8%). Notwithstanding, the basic consumption unit (CO<sub>2</sub> emissions level / total sales), which serves as an indicator of energy consumption efficiency, has remained roughly constant at a standard annual level. We plan to make further efforts in energy conservation through wider use of power demand monitoring devices and continual improvement efforts in productivity. The CO<sub>2</sub> emissions target for 2009 is a reduction by 4% over 2005 levels.

### Results of efforts to reduce CO<sub>2</sub> emissions



\* This figure differs from the result in the TAMURA CSR Report (page 24) because the figure is total of all 16 integrated companies.

## Reduction of Environmentally-Harmful Substances

The Tamura Group is working on curbing and reducing environmental pollution of air, water, and soil by hazardous chemicals through improving its manufacturing technologies. Since 2006, the Group has been directing its energy into reducing PRTR-controlled substances and has applied the same standards at its overseas plants. Reductions in these harmful substances have been made through the introduction of solvent recycling devices, process improve-

### Action at Gunma Tamura

Solvent recycling devices have been installed for the reuse of used solvents and to achieve a reduction in environmentally-harmful substances.



ments, and identifying wasteful practices. We have been able to cut these substances by 37.1% over 2005 levels.

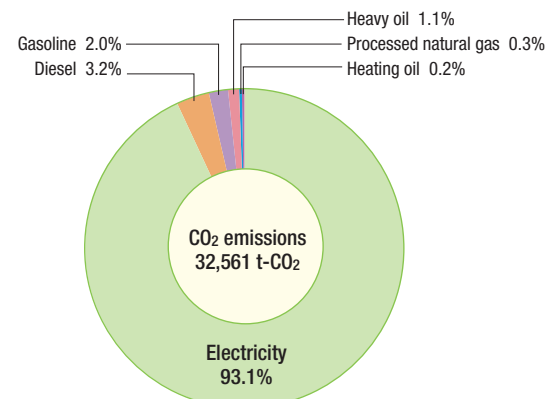
### Tamura Corporation's "Trans-Coil" used in "Ibuki," the Greenhouse Gases Observing Satellite (GOSAT)

©JAXA



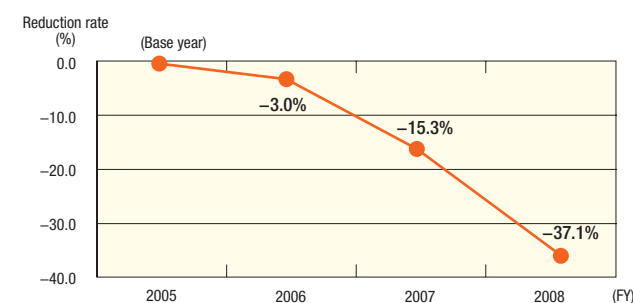
The greenhouse gases observing satellite, "Ibuki," which was launched in January 2009, is a joint project of the Japan Aerospace Exploration Agency (JAXA), the National Institute for Environmental Studies, and the Ministry of the Environment in Japan. It is the world's first satellite dedicated to planet-wide observation of greenhouse gases. As the only Japanese manufacturer of electric power trans-coils authorized by JAXA, we are pleased to be contributing to measures to address global warming through this project.

### Breakdown of CO<sub>2</sub> emissions in FY2008



Coefficient for CO<sub>2</sub> emissions from electricity:  
Japan—Based on Enforcement Order of Law Concerning the Promotion of the Measures to Cope with Global Warming  
Overseas—Based on figures in International Energy Agency Data Services 2005  
Coefficient for CO<sub>2</sub> emissions from resources other than electricity:  
For Japan and overseas—Based on Enforcement Order of Law Concerning the Promotion of the Measures to Cope with Global Warming

### Results of efforts to reduce materials that adversely impact on the environment



## Growth in the Ratio of Sales of Environment-Friendly Products

The Tamura Group has established its own, exhaustive "environmental assessment evaluation standards for products," which are being applied to new product design and development. These standards should help in the development and sales of environment-friendly products. Practically, we evaluate and certify low-energy-consumption designs, designs for conservation of resources, reduction in size and weight, longer product life, recyclability, and control of hazardous chemicals, undertaken either at the design review stage or when appropriate.

Starting in 2008, we introduced Life Cycle Assessment (LCA), aimed at quantitative assessment of environmental impacts to reduce CO<sub>2</sub> emission levels to the maximum in the production and consumer use stages, and it is now

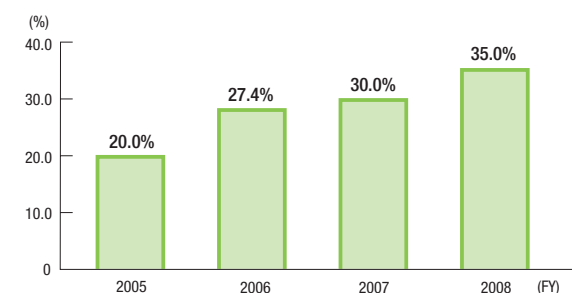
### Action at Tamura Electronics (Hui Zhou)

A solar power system has been installed as a water heating facility in the employee dormitory, contributing to a reduction in CO<sub>2</sub> emissions and to energy conservation.



being implemented in phases, starting with new products from the Electronic Components and Information Equipment business segments. In 2009, studies will be conducted into the application of LCA in the Electro-Chemical Materials and Soldering Systems segments, towards eventual coverage of all our business segments.

### Ratio of environment-friendly products to total sales



### Action at the Saitama Factory

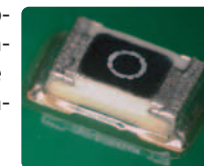
A centralized air-conditioning control system has been installed in cooperation with specialized suppliers, in order to enable accurate temperature control and improve operational efficiency, resulting in a reduction in costs and a curb in CO<sub>2</sub> emission levels.



## Environment-Conscious Manufacturing

### Development of next-generation soldering materials

Thermosetting Conductive Adhesive Paste TCAP Series, a product developed by Tamura Kaken, is capable of tin/bismuth-type lead-free soldering at low temperatures, and also functions as an adhesive resin. It is distinguished by its higher soldering reliability compared with tin/silver/lead-type solder paste, and for being free of VOCs (volatile organic compounds) and high environmental impact substances controlled under the RoHS Directive. It boasts reduced halogen levels (F, Cl, Br, etc.) and also helps reduce electric power consumption for heating compared to conventional tin/silver/lead-type solder paste as it can be soldered at lower temperatures.



	Power	Halogen	Volatile compounds
TCAP-5401-27	Approx. 9.6 kW/h	Approx. 600 ppm	<2x10 <sup>-8</sup> g/m <sup>2</sup>
Conventional paste	Approx. 12.2 kW/h	Approx. 3,000 ppm	Approx. 6.7x10 <sup>-4</sup> g/m <sup>2</sup>
Notes	Thermal process only	Compared using catalog data	Compared using our data

### Notebook PC adapter with the industry's top-ranking efficiency and standby power consumption levels

With the recent inception of regulations requiring disclosure of energy efficiency indicators for AC adapters and other external power sources, related standards are becoming stricter every year. In the face of regulatory action anticipated to become increasingly demanding in the future, as represented by EnergyStar Ver. 2.0 and California's regulation levels, we have introduced a notebook PC adapter with standby power level of under 0.1 W and an average efficiency of 90%. This ranks top in the industry for products with improved power factors, and was achieved through innovative adaptation of quasi-resonance, synchronous rectification, and other technologies.

As a result, CO<sub>2</sub> emissions have been reduced through these efforts to cut down energy consumption.





# Action with Full Employee Participation

The participation of each and every employee is the key to continual improvement in efforts to reduce environmental impacts. The Tamura Group ensures exhaustive compliance with environment-related laws and regulations and works on preventing accidents and minimizing risks by organizing training and drills for accidents and emergency scenarios.

## Emergency Drills

In 2008, the Tamura Group again organized drills to prepare for emergency situations, chiefly environmental accidents.

● Fire drill  
[Tamura Electronics (Malaysia)]



● Fire drill  
[Tamura Electronics (Hui Zhou)]



● Fire drill [Tamura-Europe Ltd., o.s.  
(Czech Republic)]



● Drills in the dangerous materials  
warehouse [Tamura Seiko]



## Compliance with Environmental Laws

In response to complaints from local residents regarding noise from the air pumps used in production at Tamura Electronics (S.Z.), a sound insulation board was installed.

● Sound insulation board  
[Tamura Electronics (S.Z.)]



## Environmental Education

In order to raise individual awareness concerning the environment and implement environmental protection activities, we are organizing systematic environmental training programs for designated operations. These include improving understanding of environmental management systems and the handling of dangerous and hazardous materials and substances.

● Internal environmental auditor training



### Comment by the Chair of the Internal Environmental Audit Committee

During FY2008, internal environmental audits were conducted at all 16 business sites, including five newly added this year. These audits, executed with emphases on the status of compliance with legal requirements and on operational management mechanisms, identified 154 cases, including 41 non-conformities. Many cases concerned inadequacies in daily waste management and disposal procedures, revealing that the procedures and schemes established by those companies were not being followed faithfully. Corrections were instigated through reviewing production mechanisms to eliminate excess, inconsistencies, and wastefulness, comprehensive re-training, and reinspections of each site. As a result, the systems were confirmed to have been optimized at all the sites concerned.

## Management Review by President Tamura

With five new additions, including Tamura Kaken Corp., Tamura FA System Corp., and Tamura-Europe Ltd., o.s. (Czech Republic), virtually all major business sites of the Group are now covered by internal audits. The audit findings show that the integration of the new sites has been smoothly completed. On the other hand, there has been a significant increase in the number of problem cases identified by the internal audits compared with 2007. However, the non-conformities were different from those identified in 2007, which I believe shows that environmental management, starting from the cases indicated in the previous audit and leading to corrective action, have been implemented effectively. Also, the number of non-conformities identified in the external audits has actually declined, which demonstrates that the auditing skill levels of internal auditors has actually improved, and that self-inspection is proving effective.

# Third-Party Opinion

on Tamura Corporation's Corporate Social Responsibility Report 2009

The following third-party opinion is presented from the perspective of promoting "the integration of CSR theory and practice" while seeking to foster CSR practice in business enterprises and academic development of its logical framework.

### ■ Characteristics that are highly evaluated

Information is disclosed effectively from the perspective of "defense and offense" for the establishment of "CSR that is 'uniquely Tamura,' aiming at becoming a One and Only company."

The CSR Report 2009 of Tamura Corporation (hereafter, "Tamura"), viewed from this author's perspective of "defensive and offensive approaches towards CSR," can be outlined as follows.

There are two main areas of defensive CSR—namely, compliance with laws and regulations, and economic responsibility, the two key areas that lay the groundwork for a company's growth. In terms of compliance, Tamura has fulfilled its obligations in CSR in the international arena by becoming, in September 2008, the 69th signatory in Japan to join the United Nations Global Compact. In economic accountability, although the company faced serious obstacles in business performance, impacted by the worldwide economic recession in FY2008, Tamura has been able to demonstrate its responsibility by announcing a business recovery plan through aggressive product development that contributes to the future, including its LED business and development of a "ductless reflow device."

Offensively, Tamura's other CSR activities can be seen in its manufacturing efforts at development of its "hybrid vehicle reactor," which supports high levels of performance and efficiency in hybrid vehicles, thereby contributing to environmental protection and development of a sustainable society.

### ■ Improvements anticipated in the future

Expectations focus on strengthening activities in cooperation with employees, and reporting with close attention to a wider range of stakeholders.

This CSR report should seek to clarify what is being implemented and what is being emphasized with particular regard to the stakeholders that Tamura sees as important. Also, it is necessary to identify stakeholder needs through dialogues, and clarify any gaps between what Tamura implements and what stakeholders expect from the company.

In promoting CSR activities, it is important to stimulate employee action. This is because employees are themselves important stakeholders and at the same time the key to fostering such activities. Determining the status of employee understanding and needs concerning CSR activities establishes the starting point in building employee satisfaction (ES). And it is through such action that customer satisfaction (CS) is achieved. I sincerely look forward to further improvements in the report in the future for the sustainable development of Tamura Corporation.

### Jun-ichi Mizuo

Ph.D., Economics  
Professor & Director, Institute of Economic Research,  
Surugadai University  
Lecturer,  
Graduate School of the Tokyo Institute of Technology



**Profile:** Graduated from Kobe University of Commerce in 1970. After working at Shiseido Co., Ltd., Professor Mizuo joined Surugadai University in 1999 where he works to date. During his time at Shiseido, he worked in the area of CSR, and from 1997 was involved in the establishment of formal corporate ethics, the first for a business enterprise in Japan. Professor Mizuo has always worked for the dissemination and entrenchment of such concepts. He serves as guest researcher at Waseda University's Institute of Corporate Ethics, is managing director of the Japan Society of Business Ethics, director of the Nippon Academy of Management Education, and director of Japan Management Diagnosis Association, among other positions. His publications include *CSR de Keiiryoku wo Takameru* (Upgrading Management Abilities through CSR), published by Toyo Keizai, Inc.

## In Response to the Third-Party Opinion

We are happy to receive the review of Professor Jun-ichi Mizuo of Surugadai University on Tamura Corporation's CSR Report 2009.

On the establishment of CSR activities distinctive of Tamura to become a One and Only company, which Professor Mizuo evaluated highly, I am very pleased that this has been so well appreciated from the perspective of "defense and offense" within CSR.

At the same time, I also appreciate that Professor Mizuo has pointed out the need for closer contact with employees and awareness of a wider range of stakeholders as points that require improvement.

We accept these third-party opinions in good faith and will continue to work for improvements towards realizing our goal of becoming "a company that grows continuously with society."



**Makoto Yanagawa**  
Manager,  
CSR Promotion Center  
Human Resource  
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It is printed on FSC certified paper with soy ink  
certified by the American Soybean Association.