



Tamura Group Procurement Guidelines



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TAMURA CORPORATION

1. To Our Trading Partners

The Tamura Group (the corporate group comprised of the Tamura Corporation and its subsidiaries; referred to after as “the Tamura Group”) sees its “Mission (Raison d’être)” as “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.” To fulfill this Mission, the Tamura Group has set forth the following five fundamental management principles known as the “Tamura Group Vision” that govern the conduct of its business operations.

Tamura Group Vision

1. The management of the Tamura Group is based on businesses related to the requirements of the global electronics industry.
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.
3. The Tamura Group evaluates its employees with fairness and highly rates excellent performance and exceptional productivity.
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.
5. The Tamura Group strives to protect the global environment, conserve natural resources and promote recycling.

However, in order for the Tamura Group to both fulfill its social responsibilities and in good faith develop its business activities, we request that not just the members of the Tamura Group but all of our trading partners be fully aware of, and support the ideals set forth in the Tamura Group vision. We consider the support our trading partners vital for the Tamura Group’s purchasing activities.

Tamura Corporation requests that all of our trading partners comply with the “Tamura Group Procurement Guidelines” outlined below and further that they also encourage their own suppliers to implement these guidelines.

2. Fundamental Purchasing Principles

The Tamura Group, as a global entity, continues to expand its worldwide materials procurement activities and based upon recognition of the Tamura Group Vision pursues mutual profit creation for both itself and corporations with which it will establish an ongoing partnership.

Tamura Group Fundamental Purchasing Principles

- (1) In terms of quality, the Tamura Group trades only with corporations that, in addition to providing products of the “Highest Quality”, also have implemented reliable quality controls based on a full awareness of the Tamura Group’s quality assurance principles.
- (2) In terms of the environment, the Tamura Group trades only with corporations that fully consider worldwide trends in environment preservation, abide by the Tamura Group Green Procurement Standards and proactively implement systems that consider environmental impact.
- (3) In terms of market demand, the Tamura Group trades only with corporations that have an ongoing commitment to actively and independently introducing improvements and reforms that respond to changes in demand.
- (4) In terms of specialist manufacturers, the Tamura Group trades only with corporations that possess unique skills and technologies not possessed by rival corporations.
- (5) The Tamura Group promotes simplification of trade routes.
- (6) The Tamura Group trades only with corporations that are proactive in providing opinions, proposals and information and conduct their activities with a sense of enthusiasm.
- (7) The Tamura Group trades only with corporations that consider human resources to be one of their most important assets, are passionate about providing ongoing education and training and always strive to improve the skill level throughout their entire organization.

3. Specific Focus Items

(ア) Ensuring Customer Trust and Satisfaction

Our trading partners should ensure customer trust and improve customer satisfaction by taking into consideration factors such as the quality, safety, reliability, eco-friendliness and information security demanded by their customers.

(イ) Respect of Human Rights

Our trading partners should in their corporate activities ensure that there is no discrimination based upon nationality, race, ethnicity, gender, age, religion, beliefs, social standing, illness or mental or physical disability.

① Prohibition against all forms of discrimination

Our trading partners should respect the human rights of all individuals and not engage in any act that disrespects these rights, including but not limited to discriminating statements, threats, sexual harassment or abuse of power.

② Protection of private information

Our trading partners should handle private information relating to both their company and other parties with the highest standard of care, to ensure there is no infringement on the privacy of any party.

③ Freedom of association

Our trading partners should, in accordance with the laws of the countries and regions in which they conduct business, respect the rights of freedom of association and union membership and not engage in any retaliation, threats or harassment against persons who exercise those rights.

④ Voluntary employment agreements

Our trading partners should not engage in any non-voluntary labor practices including forced labor, indentured labor, slave labor and non-voluntary convict labor. As all labor is voluntary, any employee should have the right to terminate their employment upon provision of reasonable notice.

⑤ Prohibition against child labor.*¹

Our trading partners should not use child labor in any stage of its operations.

⑥ Minimum wage

Our trading partners should at a minimum pay their employees a salary that is in compliance with all wage related laws, including but not limited to the minimum wage, overtime work pay and all other

legally stipulated allowances and benefits.

⑦ Working hours

Our trading partners should comply with all applicable laws and regulations concerning the number of designated working days per year and the number of working hours per week, (including overtime work except in the case of emergencies or other exceptional circumstances).

(ウ) A Safe and Healthy Working Environment

Our trading partners should at all times make every effort to ensure a safe and healthy working environment so as to prevent injury, illness or accidents at the workplace.

① Implementation of machinery and equipment safety measures

Our trading partners should in respect of used machinery and equipment ensure that all required safety measures such as interlocks, safety guards and protective barriers are in place, and that thorough maintenance is performed.

② Ensuring thorough hygiene

Our trading partners should independently identify and assess the status of biological or chemical substances and, where appropriate handling of hazardous substances cannot be fully guaranteed through engineering or handling procedures, handle them appropriately and provide all other required protective clothing and equipment.

③ Ensuring security safeguards and measures in the workplace

Our trading partners should implement all appropriate design, engineering and control methods and procedures in their risk prevention strategies concerning electricity, any other energy source, fires, vehicle control and prevention of slipping, tripping or danger from falling objects through safety measures such as lockouts or tag outs to ensure a safe work environment. Where these methods and procedures cannot be fully guaranteed through risk control strategies alone, our trading partners should implement additional measures to ensure the protection of their employees.

④ Comprehensive emergency disaster responses

Our trading partners should identify the circumstances, conditions and events that will be considered an accident or emergency and should establish the required systems and procedures to investigate such an accident or emergency. Further to minimize the effects of such an accident or emergency our trading partners should in advance establish emergency countermeasures and implement the same as required.

⑤ Control of physical labor conditions

Our trading partners should identify the physical labor required of their employees in the performance of duties (including heavy and repetitive labor such as manual lifting operations, labor that requires standing for an extended period, and assembly line work) and continually examine and audit the performance of the same.

⑥ Establishment and implementation of reporting procedures and systems for industrial accidents and occupational illnesses

Our trading partners should establish and implement all procedures and systems required for reporting industrial accidents and occupational illnesses to ensure full understanding of the circumstances surrounding the same. These reporting procedures and systems should include the following:

- ① Encouragement of employee reporting.
- ② Classification and recording of accidents and illnesses.
- ③ Provision of required treatment.
- ④ Investigation of accidents and illnesses and implementation of elimination strategies.
- ⑤ Encouragement of employees to return to work.

(エ) Free Competition and Fair Trade

Our trading partners should comply with all applicable laws and regulations regarding free competition, fair trade and prohibition against monopolies in the countries and regions in which they conduct business and should not engage in any acts that deviate from the basic principles upon which these laws and regulations were enacted.

(オ) Prohibition Against Insider Trading

Our trading partners should not engage in any acts for financial gain that adversely affect the sound or fair operation of any securities market, including but not limited to the use of any insider information^{*2} obtained in the course of their business.

(カ) Prohibition Against Inappropriate Hospitality or Gifts

Our trading partners should not provide or accept hospitality or gifts or engage in any similar activities that are outside the scope of socially acceptable standards that may be construed as bribery.

(キ) Prohibition Against Inappropriate Dealings with Public Bodies and Inappropriate Political Contributions

Our trading partners should comply with all applicable laws and regulations regarding dealings with public bodies and provision of political contributions.

(ク) Compliance with Laws and Regulations Regarding Import and Export Controls for Security

Our trading partners should comply with all applicable laws and regulations regarding import and export including the Foreign Exchange and Foreign Trade Law and all other applicable laws and regulations of their trading partner countries that are set forth for the purpose of maintaining international peace and security, and not engage in any acts that are in breach of these laws and regulations.

(ケ) Creation, Protection and Use of Intellectual Property Rights^{*3} and Know-How

Our trading partners should, in respect of intellectual property rights, encourage creative endeavors and appropriately protect and utilize intellectual property rights and know-how.

(コ) Appropriate and Timely Information Disclosure

Our trading partners should in accordance with all applicable laws and regulations record and disclose appropriate records and reports on their financial position and accounts that are reliable, honest, accurate, timely and easy to understand.

(カ) Appropriate Protection and Handling of Information (Corporate Information, Private Information, etc.)

Our trading partners should establish rules for the appropriate custody, handling and control of information (including corporate and private information) created or obtained in the course of business operations as well as information of a proprietary nature and further not disclose information obtained from the Tamura Group to a third party without the consent of the Tamura Group.

(シ) Handling of Loaned Assets

Our trading partners where using assets (including fixed assets, semi-fixed assets and inventory) owned by the Tamura Group should comply with all required procedures, handle those assets in accordance with the terms and conditions of the governing agreement, comply with all applicable laws and regulations and not loan or otherwise transfer them to any third party.

(ス) Respect for the Global Environment

Our trading partners, based on a recognition that systems to tackle environmental issues are vital for the existence of any corporation, should comply with all applicable laws, regulations and systems both within Japan and abroad, strive to minimize environmental impact caused through manufacturing

processes and independently and actively implement and promote all such measures.

① Restrictions on products containing specified substances

Our trading partners should comply with all applicable laws and regulations restricting or preventing the use of specified substances including regulations concerning the recycling, disposal and labeling of the same, as well as complying with the Tamura Group's "Green Procurement Standards".

② Chemical substances and environmental pollutants

Our trading partners should identify chemical substances and similar that may cause environmental pollution and establish regulations, controls and procedures to ensure their safe handling, transport, storage, reuse and disposal.

③ Discharged water and waste materials

Our trading partners should appropriately treat and process discharged water and waste materials created by product manufacture prior to release or disposal of these materials.

④ Atmospheric pollution

Our trading partners should identify volatile organic compounds (VOC), aerosols, corrosive agents, particulate substances and ozone depleting substances created in product manufacture as well as the by-products resulting from incineration and ensure appropriate monitoring and treatment prior to release or discharge.

⑤ Anti-pollution and resource saving measures

Our trading partners should reduce waste to the greatest extent possible for the purpose of eliminating pollution and saving natural resources.

(七) Cooperation with the International Community and Co-existence with Local Communities

Our trading partners should actively engage in corporate activities that contribute to local communities so as to deepen the relationship of mutual trust and understanding and ensure harmony and peaceful co-existence.

*1 “Child Labor” is defined as employment of a person under the age of 15 (Except where under the applicable laws in the regions or countries in which our trading partners conduct business the working age is 14, in which case employment of a person under the age of 14) or in countries with a compulsory education age, employment of a person still subject to compulsory education.

Child labor as a legally recognized work experience program in accordance with applicable laws and regulation is permitted.

Employees under the age of 18 should not perform dangerous duties. Further, taking into consideration the necessity for children to receive an education, there may also be restrictions on nighttime work.

*2 “Insider Information” is defined as important internal information not yet publicly released including but not limited to increases or decreases in capital, new products, corporate mergers, acquisitions or tie-ups, sales results or ordinary profits.

*3 “Intellectual Property Rights” are defined as patent rights (including those to independently developed inventions), utility model rights, design rights, trademarks, program copyright, circuit placement use rights and similar.