

<English>

# TAMURA CORPORATION REPORT 2014

CORPORATE PROFILE / CSR REPORT DIGEST

## Bilrite 90

Tamura Corporation since 1924



  
TAMURA

# TOP MESSAGE



**The new three-year medium-term management plan “Bilrite Tamura” launched in FY2013**  
**Tamura recovers by pushing profit-oriented structural reforms**  
 — Inheriting the resolve from its 90-year history, Tamura shall move forward steadfastly with a view to becoming a 100-year-old company —

**Naoki Tamura**  
 President  
 Tamura Corporation



Declaring its support for the U.N. Global Compact  
 The Tamura Group declares to its stakeholders that it will continue to support the U.N. Global Compact's ten principles in the areas of human rights, labor, the environment, and anti-corruption, and enact a set of core values in those four areas.

## Tamura shows recovery in the first year of the new three-year medium-term management plan by pushing profit-oriented structural reforms

In FY2013, the new three-year medium-term management plan “Bilrite Tamura” was launched. The plan calls for Tamura to achieve three goals: creating sound management, establishing the best global operation, and manufacturing excellent products. In particular, in order to create sound management, it strove to improve operating profit ratio by changing the focus of personnel from sales to profits, and maintaining connective profits (profits calculated by adding the cost of each product) at reasonable levels. The emphasis on profitability and resulting structural reforms contributed vastly to the rapid recovery of performance.

By business segment, the weak yen had a negative impact on the profitability of the electronic components business for which we stepped up overseas production. Nevertheless, the implementation of two countermeasures helped minimize the impact of the depreciating yen. One was the reduction of fixed costs by optimizing the global production system, and the other was the monitoring of individual product costs in real time through the group-wide introduction of a cost monitoring system. In the electronic components business, several years of hard work geared toward shifting products for consumer use to those for industrial use also bore fruit, and satisfactory results in the sales of large components in such areas as new energy, railways, and power transmission and distribution were achieved.

In the electronic chemicals and soldering systems business, Tamura increased both sales and profits of electronic chemicals, backed by brisk markets for in-vehicle equipment, smartphones, and tablet computers. Meanwhile, many high-value-added products that were actively developed and introduced enjoyed the effects of the weak yen because they were manufactured in Japan. Sales of soldering systems remained sluggish due to a delay in the recovery of capital investment, but given the growing number of inquiries received, it appears that sales have recovered.

The network and wireless equipment business had also struggled in the first half of the year. Nevertheless, new products with high performance and functionality were well received, as indicated by the increase in orders in the second half.

## Establishing a robust global supply chain through appropriate budget allocation and human resource development

In order to establish the best global operation, Tamura overhauled its sales system that depended largely on Japanese-affiliated companies, and stepped up its approach to foreign companies. It actively promoted local staff to higher positions, thus transforming its overseas bases into locally self-contained ones. It also made several efforts to optimize cooperation among its overseas bases and improve global budget allocation. One example was the promotion of local development by building R&D centers in China and South Korea. Another example was the shift of the production of electronic components and LED from China to Bangladesh. Thus, Tamura increased overseas sales (Asia, Europe, and the Americas) to more than 50% of total sales.

As described above, the Tamura Group acknowledges the importance of managing its global supply chain properly. In FY2013, as part of its human resources development program, the Group provided overseas training for young employees in China and global mindset training aimed at raising globally competitive personnel. Furthermore, as part of its efforts to globally provide group-wide training at individual organizational levels, it introduced all employees locally hired by overseas subsidiaries to Tamura's management philosophy, and provided management training for managers and supervisors in China. Thus, the Tamura Group is working to establish a robust global supply chain from the aspect of human resources as well.

## Taking on the challenge of addressing pioneering development themes in which growth is expected

The third goal of manufacturing excellent products replaced the “No. 1 and Only One” strategies that had been implemented in the previous medium-term management plan. In this initiative, development projects that were expected to lead to future growth produced clear results.

In the area of electronic components, Tamura had embarked on a pioneering development project on gallium oxide substrates with the aim of manufacturing high-luminance LED products. It had

successfully developed a MOS transistor earlier than any other manufacturer in the world. The MOS transistor is a next-generation power device that is expected to meet various needs in areas that require large current and power output, such as photovoltaic power generation, railways, and hybrid cars. Sales of high-efficiency power source modules filled with insulating urethane are anticipated to grow, backed by regulations related to standby power, which are expected to be introduced in Europe and North America. In terms of electronic chemicals, Tamura had worked to develop components related to smartphones and other devices as the need for thinner and higher-density ones grew. Products developed and marketed in FY2013 included new materials to bond electronic components at lower temperature than before, and to adhere one substrate to another at low temperature and pressure, with the latter offering an alternative to connectors. Moreover, in order to meet the demand for ultra-small chip components, Tamura had worked to develop technology for making solder paste even finer than before.

## Aiming to become a corporate group with a 100-year history well trusted by society

Thanks to its stakeholders, Tamura Corp. celebrated the 90th anniversary of its foundation on May 11, 2014. To this day, the Group has continued to uphold the values of its founder, who wanted to supply customers with the world's best products, as the fundamental principles of management, and has pursued its business while holding fast to those principles. By doing so, the Tamura Group aims to become a group of companies well trusted by society as it approaches its centennial.

July 2014

## MISSION STATEMENT

### 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

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.

### GUIDELINE

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.

# TAMURA CORPORATION REPORT 2014

CORPORATE PROFILE / CSR REPORT DIGEST

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**Editorial policy:** This report will be published as “TAMURA CORPORATION REPORT 2014” to serve as an introduction to the Tamura Group. It is a compilation of Tamura's “CORPORATE PROFILE,” which introduces the group's overview and business activities, and “CSR REPORT DIGEST,” a digest of its CSR activities.

A detailed report of CSR activities is available on the “CSR Activities” page of the Tamura Corporation website. The Global Reporting Initiative (GRI) “Sustainability Reporting Guidelines 3.1,” the “Environmental Report Guidelines (FY2012 Edition)” of the Ministry of the Environment of Japan, and the “ISO26000” Guidance Standard were referred to when “CSR Activities” was edited.

**Period covered:** April 1, 2013 to March 31, 2014  
 (Includes some activities in or after April 2014)

**Publication date:** August 2014  
 (Previous report: August 2013 next report: due in August 2015)

**For further information, please contact:** CSR Promotion Div.

TEL: +81-3-3978-5293, FAX: +81-3-3978-2760

E-mail: [csr@tamura-ss.co.jp](mailto:csr@tamura-ss.co.jp)

Website: <http://www.tamura-ss.co.jp/>

# TAMURA GROUP VISION



## Bilrite 90

Tamura Corporation since 1924

May 11, 2014

Tamura Corporation, originally established as Tamura Radio Store, is celebrating its 90th anniversary.

The word “Bilrite” is coined from “Build up” and “right.” It is the time-honored trademark of products Tamura manufactured soon after its foundation.

“Rightly” “Build up”

The Bilrite trademark embraces Tamura’s resolve to contribute to society through its superior products.

Inheriting the resolve from its 90-year history, Tamura shall move forward steadfastly with a view to becoming a 100-year-old company.



While reflecting on the company’s founding principles, we are forging ahead with the 10th medium-term business plan, “Bilrite Tamura,” with FY2015 designated as the final year.

### Manufacturing excellent products

- Upgrading No.1 and Only One products
- Recovering investments made in new and strategic businesses

### Creating sound management

- Enhancing emphasis on profit rather than sales
- Maintaining an appropriate level of “connective profit”

### Establishing the best global operation

- Global optimal allocation of labor and other costs
- Encouraging local staff to play an active role



# GENEALOGY OF PRODUCT DEVELOPMENT

~Tamura's technology is nurtured by history, unequaled to this day~

## HISTORY

1924~  
Manufacture and sale of radio and gramophone



1930~  
In-house production of Bilrite series transformer



The company that would eventually become the Tamura Group came into being in 1924, one year before the start of radio broadcasting in Japan, as the Tamura Radio Store. Its main business was radio repair and the manufacture of original radios. In the process of pursuing superior sound, the firm came to handle the manufacture of the key component, the transformer. Its reputation as the "Tamura of transformers" created a foundation on which to expand its businesses, including various electronic components related to transformers; flux and soldering materials that were born out of the pursuit of quality joining materials for the manufacture of transformers; soldering systems; and even broadcast audio equipment and communication systems, based on achievements in the manufacture of transformers for broadcasting and communication. Currently, Tamura Corporation conducts business operations in three areas: electronic components, electronic chemical mounting, and information equipment, to develop and supply products that meet the needs of new markets, such as the environment and energy markets.

## PRODUCTS

### Electronic components

Transformers, inductors, reactors  
Choke coils  
Current sensors

AC adaptors, Battery chargers  
Power modules  
Industrial power supplies

Piezoelectric ceramic products

Thermal-links, Resistors

LED-related products  
Vending machine products

### Electronic chemicals/FA systems

Solder paste & post-flux  
Self Assembling Material

Solder resists  
(for rigid PCBs and flexible PCBs)  
OSP (pre-flux)  
White reflective material, black absorbing material,  
Transparent insulation material

Reflow soldering system  
Wave soldering system  
Spray fluxer and other peripheral devices

### Information equipment

Audio mixing console for broadcast use  
Sound editor and other equipment for broadcast use

Wireless intercom  
Wireless microphone

Communication network equipment  
Security-related equipment  
OEM products

## CORE TECHNOLOGY

### Power solutions

- Dust core material development and mass-production technology
- Thermal protective element development and mass-production technology
- Electromagnetic field, heat, structural analysis (simulation) technology
- High-efficiency, low-noise power supply technology
- Large coil production technology
- Production technology for insulation encapsulation in coil processing
- Environmental technology
- Adaptive technology for highly reliable standards (JAXA and MIL standards, etc.)

### Piezoelectric ceramics

- Material development and process technology
- Element design technology and analysis technology
- Technology for controlling piezoelectric elements

### LED and semiconductor devices

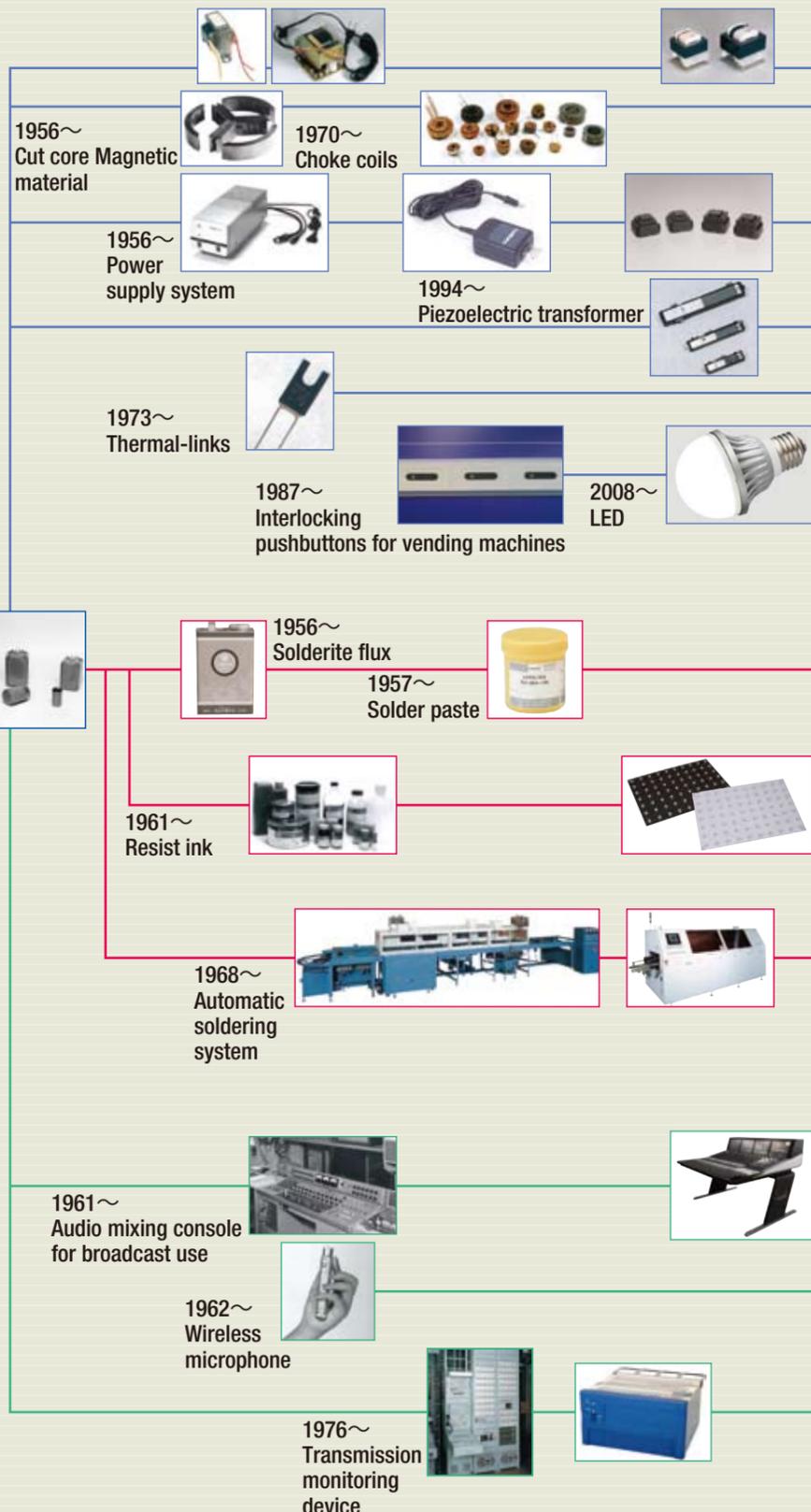
- LED packaging technology
- Waterproofing technology
- Thermal design and analysis technology
- Optical design and analysis technology
- High-efficiency reflection processing technology
- Growth technology of single crystal substrates
- High-quality epitaxial growth technology
- High efficiency High-power LED manufacturing
- Lighting design technology

### Electronic mounting process, PCB material and semiconductor mounting material

- Unified, collaborative product development for both material and equipment
- Resin design and synthesis technology (photosensitive resin, thermosetting resin, thermoplastic resin)
- Metal powder production technology
- Soldering technology
- Photosetting technology
- Thermosetting technology
- Environmental technology (technologies compliant with Pb-free, halogen-free requirements)
- Reflow heating technology
- Soldering technology
- Wave soldering technology
- Heat control technology
- (Nitrogen) Atmosphere control technology

### Information equipment

- Audio processing technology
- Digital signal processing technology
- Light modulation/demodulation technology
- Acoustic technology
- High-frequency technology
- Radio technology
- High-density mounting technology
- Surround-sound technology

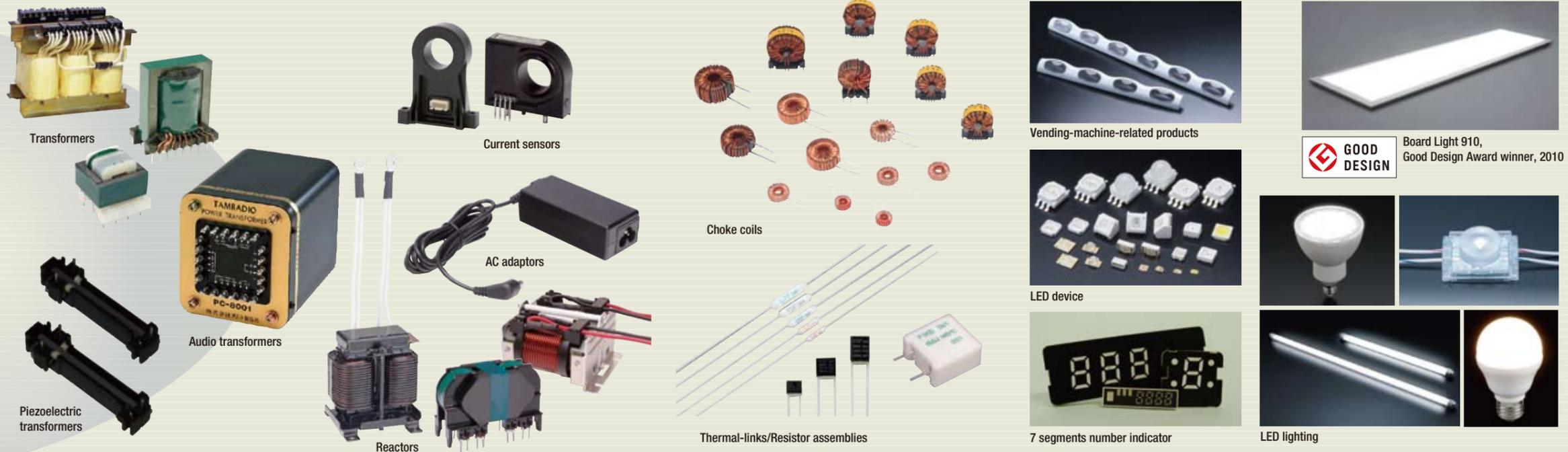


# PRODUCT REVIEW

~Supporting the electronics industry from materials to systems~

## Electronic components

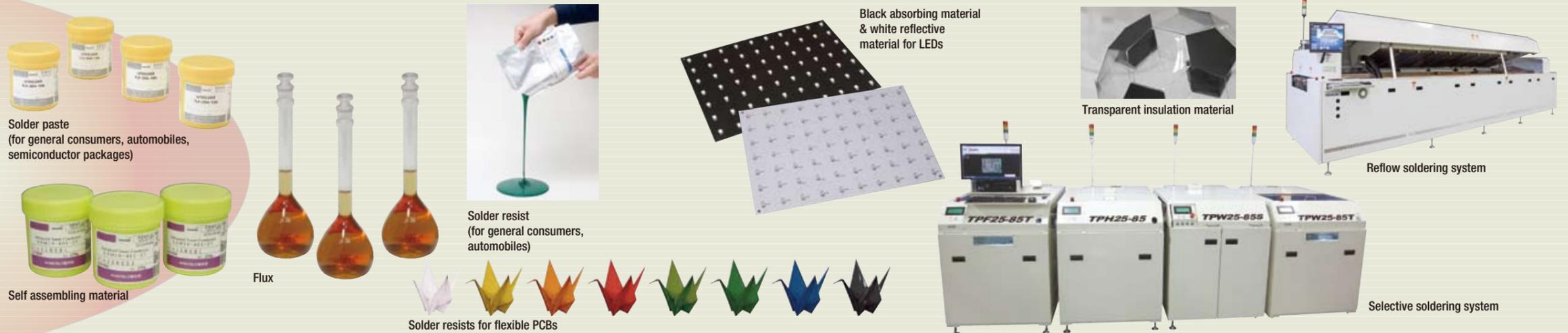
Development, manufacture, and marketing of materials, components, and finished products, including transformers, LEDs, piezoelectric ceramics, and battery chargers, contributing to the supply of products in a wide range of markets, from household appliances to industrial devices, medical instruments,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



**GOOD DESIGN** Board Light 910, Good Design Award winner, 2010

## Electronic chemicals/ FA systems

Development, manufacture, and marketing of PCB materials, soldering materials for PCB components, and PCB soldering systems, contributing to the growth of various electronics equipment industries.



## Information equipment

Audio mixing console and wireless communication devices are all contributing to the growth of digital broadcasting. While communication equipment and systems are helping build a "ubiquitous network society," wireless communication devices for railway systems, security-related instruments are providing safety, security, and comfort in everyday living.

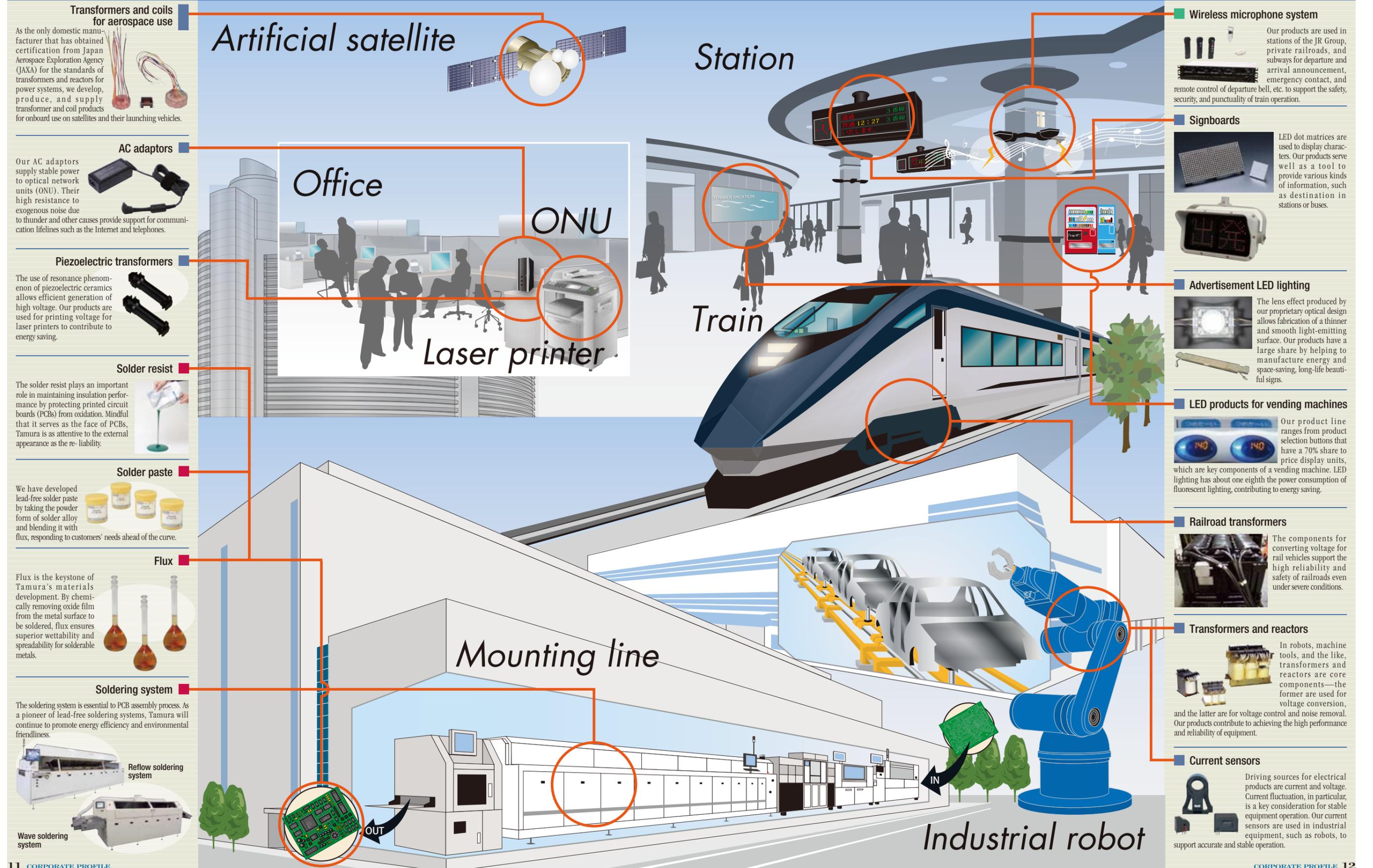




# Supporting society and industry

Our technological contributions are reliable, highly functional, and efficient Tamura's technologies sustain our lives behind the scenes

Electronic components   Electronic chemicals/FA systems   Information equipment

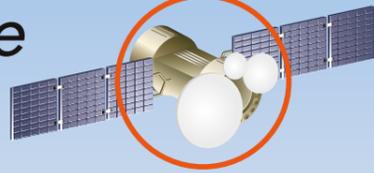


## Transformers and coils for aerospace use

As the only domestic manufacturer that has obtained certification from Japan Aerospace Exploration Agency (JAXA) for the standards of transformers and reactors for power systems, we develop, produce, and supply transformer and coil products for onboard use on satellites and their launching vehicles.



## Artificial satellite

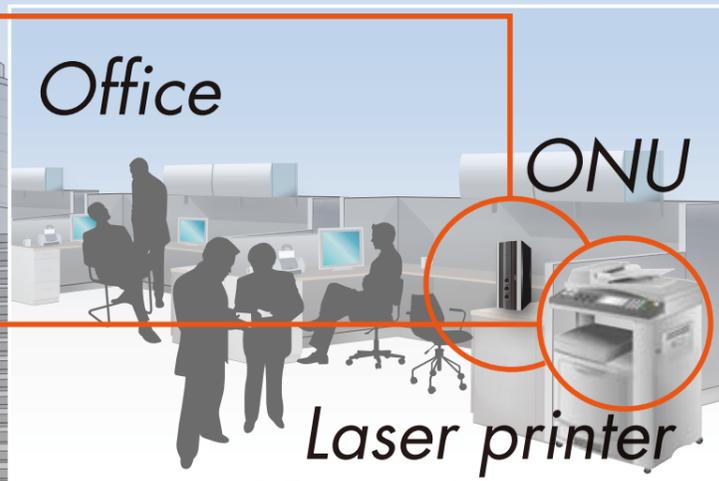


## AC adaptors

Our AC adaptors supply stable power to optical network units (ONU). Their high resistance to exogenous noise due to thunder and other causes provide support for communication lifelines such as the Internet and telephones.



## Office



## ONU

## Laser printer

## Piezoelectric transformers

The use of resonance phenomenon of piezoelectric ceramics allows efficient generation of high voltage. Our products are used for printing voltage for laser printers to contribute to energy saving.



## Solder resist

The solder resist plays an important role in maintaining insulation performance by protecting printed circuit boards (PCBs) from oxidation. Mindful that it serves as the face of PCBs, Tamura is as attentive to the external appearance as the re-liability.



## Solder paste

We have developed lead-free solder paste by taking the powder form of solder alloy and blending it with flux, responding to customers' needs ahead of the curve.



## Flux

Flux is the keystone of Tamura's materials development. By chemically removing oxide film from the metal surface to be soldered, flux ensures superior wettability and spreadability for solderable metals.



## Soldering system

The soldering system is essential to PCB assembly process. As a pioneer of lead-free soldering systems, Tamura will continue to promote energy efficiency and environmental friendliness.



## Reflow soldering system

## Wave soldering system

## Wireless microphone system

Our products are used in stations of the JR Group, private railroads, and subways for departure and arrival announcement, emergency contact, and remote control of departure bell, etc. to support the safety, security, and punctuality of train operation.



## Signboards

LED dot matrices are used to display characters. Our products serve well as a tool to provide various kinds of information, such as destination in stations or buses.



## Advertisement LED lighting

The lens effect produced by our proprietary optical design allows fabrication of a thinner and smooth light-emitting surface. Our products have a large share by helping to manufacture energy and space-saving, long-life beautiful signs.



## LED products for vending machines

Our product line ranges from product selection buttons that have a 70% share to price display units, which are key components of a vending machine. LED lighting has about one eighth the power consumption of fluorescent lighting, contributing to energy saving.



## Railroad transformers

The components for converting voltage for rail vehicles support the high reliability and safety of railroads even under severe conditions.



## Transformers and reactors

In robots, machine tools, and the like, transformers and reactors are core components—the former are used for voltage conversion, and the latter are for voltage control and noise removal. Our products contribute to achieving the high performance and reliability of equipment.



## Current sensors

Driving sources for electrical products are current and voltage. Current fluctuation, in particular, is a key consideration for stable equipment operation. Our current sensors are used in industrial equipment, such as robots, to support accurate and stable operation.



# GROUP NETWORK



Offices and Factories/Affiliated Companies as of July 1, 2014

- 01 Head Office
- Electronic Components**
- Offices and Factories
  - 02 SAKADO FACTORY
  - 06 OSAKA SALES OFFICE
  - 07 NAGOYA SALES OFFICE
- Affiliated Companies - Japan
  - 01 KOHA CO.,LTD
  - 04 TAMURA THERMAL DEVICE CORPORATION
  - 09 AIZU TAMURA CORPORATION
  - 10 WAKAYANAGI TAMURA CORPORATION
  - 11 KOHA CO.,LTD.Hamamatsu Plant
- Affiliated Companies - Overseas
  - 01 TAMURA CORPORATION OF KOREA
  - 02 TAMURA CORPORATION OF CHINA LIMITED
  - 02 TAMURA SEIKO ELECTRONICS(CHANG SHU)CO.,LTD.
  - 04 HEFEI ECRIEE-TAMURA ELECTRIC CO.,LTD.
  - 05 TAMURA ELECTRONICS(S.Z.)CO.,LTD.
  - 05 TAMURA ELECTRONICS(HUI ZHOU)CO.,LTD.
  - 05 ANZEN DENGU(HUI ZHOU)CO.,LTD.
  - 06 TAMURA CORPORATION OF HONG KONG LIMITED
  - 07 TAMURA POWER TECHNOLOGY CO.,LTD.
  - 08 TAMURA CORPORATION(THAILAND)CO.,LTD.
  - 09 TAMURA ELECTRONICS(M)SDN.BHD.
  - 10 TAMURA CORPORATION SINGAPORE PTELTD.
- 11 OP-SEED CO.,(BD)LTD.
- 12 TAMURA ELCOMPONICS TECHNOLOGIES PVT.LTD.
- 13 TAMURA EUROPE LIMITED.
- 14 TAMURA EUROPE LIMITED o.s.(CZECH Branch)
- 15 TAMURA CORPORATION OF AMERICA
- 16 TAMURA POWER TECHNOLOGIES DE MEXICO,S.A.DE C.V.
- 17 TELEPART-TAMURA INDUSTRIA E COMERCIO LTDA.
- 17 Industria Sul Brazil de Transformadores Ltda.
- 17 Indusul Industria de Transformadores Ltda.
- Electronic Chemicals / FA Systems**
- < Electronic Chemicals >
  - Offices and Factories
    - 03 IRUMA FACTORY
    - 05 KODAMA FACTORY
    - 06 OSAKA SALES OFFICE
    - 07 NAGOYA SALES OFFICE
  - Affiliated Companies - Overseas
    - 01 TAMURA CHEMICAL KOREA CO.,LTD.
    - 02 SHANGHAI XIANGLE TAMURA ELECTRO-CHEMICAL INDUSTRY CO.,LTD.
    - 03 TAMURA ELECTRONIC MATERIAL(TIANJIN) CO.,LTD.
    - 05 TAMURA KAKEN(DONGGUAN)LTD.
    - 06 TAMURA CORPORATION OF HONG KONG LIMITED
    - 07 TAMURA KAKEN TECH CO.,LTD.
    - 08 TAMURA CORPORATION (THAILAND) CO., LTD.
    - 09 TAMURA KAKEN(M)SDN. BHD.
- < FA Systems >
  - Offices and Factories
    - 04 SAYAMA FACTORY
    - 06 OSAKA SALES OFFICE
    - 07 NAGOYA SALES OFFICE
    - 08 FUKUOKA SERVICE OFFICE
  - Affiliated Companies - Overseas
    - 01 TAMURA CORPORATION OF KOREA
    - 02 TAMURA FA SYSTEM (SUZHOU) CORPORATION
    - 08 TAMURA CORPORATION (THAILAND) CO., LTD.
    - 10 TAMURA CORPORATION SINGAPORE PTELTD.
    - 14 TAMURA EUROPE LIMITED. o.s.(CZECH Branch)
    - 18 TAMURA CORPORATION VIETNAM CO., LTD.
- Information Equipment**
- Offices and Factories
  - 01 TOKYO FACTORY
  - 06 WEST JAPAN SALES OFFICE
- Affiliated Companies - Japan
  - 09 AIZU TAMURA CORPORATION
- Affiliated Companies - Overseas
  - 01 TAMURA CORPORATION OF KOREA
- 10 TAMURA CORPORATION SINGAPORE PTELTD.
- 13 TAMURA KAKEN(U.K.)LTD.
- 15 TAMURA KAKEN CORP.,U.S.A.

# CSR REPORT DIGEST

We believe that CSR (the corporate social responsibility) of the Tamura Group is to achieve the Mission Statement (P.2) through our business activities. To this end, we are actively promoting CSR, as we recognize the importance of each and every employee understanding the concept and acting accordingly.

## Corporate Slogan

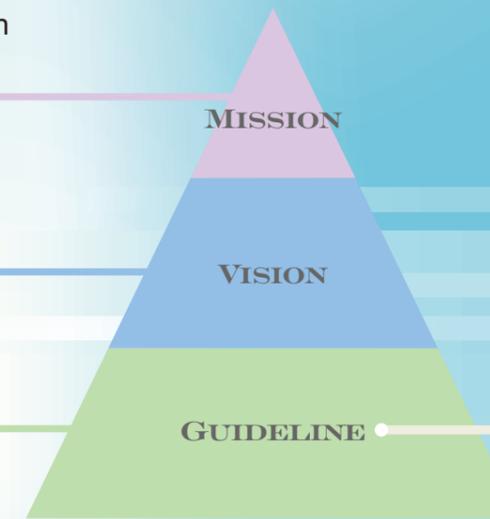
Tamura's mission is to be "your one and only company"

## Tamura Group Mission

The reason for the 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



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

1. Ensuring Customer Trust and Satisfaction
2. Acquiring the Trust of All Shareholders and Stakeholders in our Business Activities
3. Respecting Basic Human Rights
4. Safe and Healthy Workplace Environment
5. Free Competition and Fair Trade
6. Prohibition Against Insider Trading
7. Prohibition Against Inappropriate Entertainment or Gifts
8. Prohibition of Inappropriate Transactions with and Inappropriate Political Contributions to Public Bodies
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 of Participation in Antisocial Behavior
12. Prohibition Against Competition or Conflict of Interest
13. Appropriate and Timely Disclosure of Information
14. Appropriate Protection and Handling of Information (Corporate Information, Private Information, etc.)
15. Preservation of Company Assets
16. Respect for the Global Environment
17. Cooperation with the International Community and Co-existence with Local Communities

Tamura's founding spirit of "Supplying customers with the world's best products" is expressed in the phrase "the one and only company," upheld as the corporate slogan representing Tamura's management philosophy. 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.

## Main stakeholders of Tamura Group

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

Frameworks for cooperation with business partners are vital when social and environmental effects of our business activities are taken into consideration. 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 the 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 such aspects as quality and safety. We also provide products and services with high social value, for example, in terms of welfare or environmental preservation, which will contribute both to the development 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 promote 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.



Plans and Results of CSR Initiatives

# Main Initiatives and Results in FY2013 and Plans for FY2014

The Tamura Group is promoting corporate social responsibility (CSR) activities, as listed below.

Self-assessment Criteria Achievement of 100% or higher 80 - 100% less than 80%

Area of activity	Issue/Theme	Main activities planned for FY2013	Results of main activities in FY2013	Self assessment	Report page	Main stakeholder	Main activities planned for FY2014
General	<ul style="list-style-type: none"> <li>● Elimination of CSR risk</li> <li>● Enrichment of CSR education</li> </ul>	<ul style="list-style-type: none"> <li>● Preparation for CSR self-check</li> <li>● Education making use of the "CSR Information Site"</li> </ul>	<ul style="list-style-type: none"> <li>● Education making use of the "CSR Information Site"</li> <li>● Preparation of "CSR Information Site-Practical Exercises" (Plan changed from CSR self-check)</li> </ul>		WEB	Employee	<ul style="list-style-type: none"> <li>● Completion of preparation of "CSR Information Site-Practical Exercises"</li> </ul>
Compliance / Corporate ethics	<ul style="list-style-type: none"> <li>● Communication of management philosophy and "Tamura Group Code of Conduct"</li> <li>● Promotion of compliance with laws and regulations</li> <li>● Enhancement of compliance education</li> </ul>	<ul style="list-style-type: none"> <li>● Promotion of education for dissemination of corporate philosophy and the "Tamura Group Code of Conduct"</li> <li>● Promotion of compliance education</li> </ul>	<ul style="list-style-type: none"> <li>● Revision of "Tamura Group Code of Conduct" - Compliance with ISO26000</li> <li>● Promotion of CSR procurement/green procurement, non-use of conflict minerals</li> <li>● Education of CSR (incl. compliance) in short-term training courses for management level personnel</li> <li>● Education through compliance movie materials</li> <li>● Education on management philosophy at Chinese subsidiaries</li> <li>● Compliance awareness survey</li> </ul>		WEB page17	Employee	<ul style="list-style-type: none"> <li>● Promotion of education for dissemination of corporate philosophy and the "Tamura Group Code of Conduct"</li> <li>● Promotion of compliance education</li> </ul>
Risk management	<ul style="list-style-type: none"> <li>● Strengthening of risk management</li> </ul>	<ul style="list-style-type: none"> <li>● Periodic/occasional review of BCP documents</li> <li>● Well-planned preparation of stockpiles at individual business sites</li> <li>● Implementation of emergency drills</li> </ul>	<ul style="list-style-type: none"> <li>● Global implementation of BCP in individual business segments</li> <li>● Domestic/global formulation of BCP in the Electronic Chemicals Business segment</li> <li>● Preparation of stockpiles at domestic business sites (power generators, rescue devices, portable toilets, blankets, etc.)</li> </ul>		WEB	Employee	<ul style="list-style-type: none"> <li>● Periodic/occasional review of BCP documents</li> <li>● Well-planned preparation of stockpiles at individual business sites</li> <li>● Implementation of emergency drills</li> </ul>
Information management	<ul style="list-style-type: none"> <li>● Reinforcement of data protection program</li> <li>● More timely and appropriate disclosure of corporate information</li> </ul>	<ul style="list-style-type: none"> <li>● Reinforcement of the information protection system</li> <li>● Timely and appropriate corporate information disclosure on Website</li> </ul>	<ul style="list-style-type: none"> <li>● Timely and appropriate corporate information disclosure on Website</li> </ul>		WEB	Shareholder/ investor, Employee	<ul style="list-style-type: none"> <li>● Reinforcement of the information protection system</li> <li>● Timely and appropriate corporate information disclosure on Website</li> </ul>
Human rights / Labor	<ul style="list-style-type: none"> <li>● Enrichment of internal employee education</li> <li>● Establishment of fair and impartial evaluation system</li> <li>● Activation of internal communications</li> </ul>	<ul style="list-style-type: none"> <li>● Continuous provision of overseas training</li> <li>● Enrichment of healthcare</li> <li>● Internal inspections for safety and health</li> <li>● Response to conflict minerals issues</li> </ul>	<ul style="list-style-type: none"> <li>● Training of managers at Chinese subsidiaries</li> <li>● Overseas training for young and mid-career employees</li> <li>● Labor management training for managers</li> <li>● Periodic stress counseling sessions offered</li> <li>● Installation of drive recorders in company-owned cars</li> <li>● Internal inspections for safety and health (at Tamura's individual business sites and others)</li> <li>● Survey of suppliers on their use of conflict minerals</li> </ul>		WEB page17	Employee International community	<ul style="list-style-type: none"> <li>● Continuous provision of overseas training</li> <li>● Improvement of healthcare</li> <li>● Internal inspections for safety and health</li> <li>● Response to conflict minerals issues</li> </ul>
Environment / Quality	<p><b>[Quality]</b></p> <ul style="list-style-type: none"> <li>● Further increased customer satisfaction</li> <li>● Increased green procurement</li> </ul>	<ul style="list-style-type: none"> <li>● Quality inspection by top management</li> <li>● Quality improvement awareness building activities during the quality month</li> <li>● Hosting of the Tamura Group Quality Promotion Conference</li> <li>● Update of green procurement standards</li> <li>● Strengthening of management of chemical substances in products</li> </ul>	<ul style="list-style-type: none"> <li>● Message sent by officers responsible for quality on the first day of the quality month</li> <li>● Hosting of the 7th Tamura Group Quality Promotion Conference</li> <li>● Revision of "Green Procurement Standards" (respond to revisions of environmental laws and regulations)</li> <li>● Promotion of sharing of information on establishment, revision, and abolishment of laws and regulations for chemical substances in products</li> </ul>		WEB	Customer, Business partner, Employee	<ul style="list-style-type: none"> <li>● Quality improvement awareness building activities during the quality month</li> <li>● Hosting of the Tamura Group Quality Promotion Conference</li> <li>● Update of green procurement standards</li> <li>● Strengthening of management of chemical substances in products</li> </ul>
	<p><b>[Environment]</b></p> <ul style="list-style-type: none"> <li>● Promotion of group-wide integrated ISO 14001 certification</li> <li>● Promotion of energy and resource savings</li> <li>● Reduction in use of substances with environmental load</li> <li>● Offering eco-design products</li> </ul>	<ul style="list-style-type: none"> <li>● Increased ratio of eco-design product sales to total sales Premier eco-design products: 15% (General eco-design products: 49%)</li> <li>● Reduction of substances with environmental load: 60% reduction in basic unit vs. FY2005</li> <li>● Reduction of power consumption: 3% reduction vs. FY2005</li> <li>● Compliance with environmental laws and regulations</li> </ul>	<ul style="list-style-type: none"> <li>● Ratio of eco-design product sales to total sales Premier eco-design products: 15% [Target achieved] (General eco-design products: 58% [Target achieved])</li> <li>● Reduction of substances with environmental load: 64% reduction [Target achieved]</li> <li>● Reduction of power consumption: 4% reduction [Target achieved]</li> <li>● No violations of environmental laws and regulations</li> </ul>		WEB page19-20	Customer, Local community, International community, Employee	<ul style="list-style-type: none"> <li>● Ratio of eco-design product sales to total sales Premier eco-design products: 17%</li> <li>● Reduction of substances with environmental load: 64% reduction in basic unit vs. FY2005</li> <li>● Reduction of power consumption: 5% reduction vs. FY2005</li> <li>● Compliance with environmental laws and regulations</li> </ul>
Social contribution	<ul style="list-style-type: none"> <li>● Continuous social contribution activities</li> <li>● Coexistence with community and volunteer activities</li> <li>● Promotion of cultural, arts, and sports activities</li> </ul>	<ul style="list-style-type: none"> <li>● Donation activities</li> <li>● Hosting of <i>Monozukuri</i> (manufacturing) school</li> <li>● Sports promotion</li> <li>● Internship and job experience programs</li> <li>● Co-existence with the community, volunteer activities</li> <li>● Promotion of Eco-cap Campaign</li> <li>● Promotion of used stamp collection</li> </ul>	<ul style="list-style-type: none"> <li>● Donation activities</li> <li>● Voluntary contribution to typhoon victims in the Philippines</li> <li>● Hosting of <i>Monozukuri</i> (manufacturing) school (Aizu Tamura also held it for the first time.)</li> <li>● Sponsorship of AS Elfen Saitama (Women's football club)</li> <li>● Implementation of internship and job experience programs</li> <li>● Promotion of environment beautification activities near and around individual business sites</li> <li>● Promotion of Eco-cap Campaign</li> <li>● Promotion of used stamp collection</li> <li>● Promotion of supporting UNICEF by collecting foreign coins</li> </ul>		WEB page17-18 (Part of the results described in the left column)	Local community, International community, Employee	<ul style="list-style-type: none"> <li>● Donation activities</li> <li>● Hosting of <i>Monozukuri</i> (manufacturing) school</li> <li>● Sports promotion</li> <li>● Internship and job experience programs</li> <li>● Co-existence with the community, volunteer activities</li> <li>● Promotion of Eco-cap Campaign</li> <li>● Promotion of used stamp collection</li> <li>● Promotion of supporting UNICEF by collecting foreign coins</li> </ul>
Others	<ul style="list-style-type: none"> <li>● Dissemination of UN Global Compact activities</li> </ul>	<ul style="list-style-type: none"> <li>● Dissemination using the "CSR Information Site"</li> </ul>	<ul style="list-style-type: none"> <li>● Implementation of education making use of the "CSR Information Site"</li> </ul>		WEB	Employee, International community	<ul style="list-style-type: none"> <li>● Dissemination using the "CSR Information Site"</li> </ul>
	<ul style="list-style-type: none"> <li>● ISO26000 compliance</li> </ul>	<ul style="list-style-type: none"> <li>● Revision and communication of "Tamura Group Code of Conduct"</li> </ul>	<ul style="list-style-type: none"> <li>● Revision of "Tamura Group Code of Conduct" - Compliance with ISO26000</li> </ul>		WEB	Employee, International community	<ul style="list-style-type: none"> <li>● Communication of "Tamura Group Code of Conduct"</li> </ul>
	<ul style="list-style-type: none"> <li>● CSR promotion in the supply chain</li> </ul>	<ul style="list-style-type: none"> <li>● Promotion of general knowledge regarding non-usage of conflict minerals</li> <li>● Promotion of CSR procurement</li> <li>● Promotion of green procurement</li> </ul>	<ul style="list-style-type: none"> <li>● Survey of suppliers on their use of conflict minerals</li> <li>● Revision of "Procurement Guidelines" - Promotion of CSR procurement/green procurement, non-use of conflict minerals</li> <li>● Formulation of BCP</li> <li>● Elimination of antisocial forces</li> <li>● Promotion of CSR procurement</li> <li>● Promotion of green procurement</li> </ul>		WEB	Business partner, International community	<ul style="list-style-type: none"> <li>● Promotion of general knowledge regarding non-usage of conflict minerals</li> <li>● Promotion of CSR procurement</li> <li>● Promotion of green procurement</li> </ul>

Note: Activities in 2013, with some exceptions, are available on the following Web page. URL <http://www.tamura-ss.co.jp/en/csr/index.html>



Social Performance Report

# CSR Topics in FY2013

## Initiatives for traffic safety

In FY2013, the Tamura Group concentrated its efforts on initiatives to ensure traffic safety. It installed a drive recorder in all company cars of its business sites so that it could respond appropriately to accidents if they occurred. It also strove to raise the awareness of its employees about traffic safety so that they paid full attention when they drove a company car. Furthermore, it put detailed bicycle management regulations in place in order to ensure the safety of employees who commuted to/from work by bicycle. External lecturers were invited to hold traffic safety classes for car and bicycle users at individual business sites. Thus Tamura taught its employees how to prevent traffic accidents. In the future, Tamura will continue these initiatives to contribute to reduction of traffic accidents.

## Designated as a model safe bicycle user

On September 27, 2013, Tamura Corp. was designated by the Tokyo Metropolitan Police Department as a model company using bicycles safely.

The Tokyo Metropolitan Police Department designates exemplary companies that work actively to ensure safe use of bicycles as "model safe bicycle users," which is a system aimed at raising the awareness of company employees about traffic safety and ensuring safe management of bicycles. Rated highly for its initiatives to reduce traffic accidents involving bicycles to zero, Tamura became the 31st company to be designated as such in the 23 wards of Tokyo and the first in the jurisdiction of the Shakujii Police Station (including business sites in Saitama Prefecture), where its head office is located.



## Internship and Job Experience Programs

The Tamura Group considers it as its corporate social responsibility (CSR) to tell the rising generation how wonderful "Monozukuri (product manufacturing)" is, and based on this recognition, it is implementing programs that enable young people to experience a manufacturing site first-hand and realize the joy of working. Under its internship and job experience programs, it receives junior and senior high school and university students as well as foreign students studying in Japan to its business sites, including overseas subsidiaries. In these programs, it also receives school



TAMURA CORPORATION

teachers to provide opportunities of learning human resource development and customer service systems at businesses and using such experience for future school administration and class improvement.



TAMURA ELECTRONICS(M)SDN.BHD.

## Development of Human Resources with a Global Perspective

With the aim to further promote activation of the Group's organization from the global viewpoint, we have been making efforts to strengthen the capability and skills of each individual employee. We are working on creating a corporate environment toward a "global enterprise where everyone plays a major role" by clearly setting the growth target for each employee to become global human resources and by developing a structure in which the valuable global skills accumulated by employees through their experience in international business and the skills of local employees overseas can be fairly evaluated as the corporate assets.

In FY2013, as part of its efforts to develop globally competitive personnel, the Tamura Group provided its young employees with two kinds of training: overseas training in China for all the new employees and global mindset training for employees in their second to fifth year. In China, it educated all locally hired employees in its corporate philosophy and trained managers and supervisors in management abilities. Thus, the Group carried out training programs by organizational level, which were developed for all its companies, on a global scale.



During the overseas training for new employees in China, trainees exchanged with local employees.



Global mindset training



Management training for overseas subsidiaries in Shanghai

## Monozukuri School

Since 2008, the Tamura Group has held *Monozukuri* (manufacturing) classes for elementary school students around its business sites each year. In FY2013, in these classes, students tried to manufacture a radio of their own – a product that was first manufactured when Tamura was founded.

## Aizu Tamura Corporation

On January 31, 2014, Aizu Tamura Corp. hosted its first *Monozukuri* class. At its plant, which produces power sources and broadcasting equipment, six employees skilled in soldering guided 54 sixth graders from an elementary school in Aizu Misato Town, Fukushima Prefecture, in manufacturing radios as part of the school's handicraft class. All students experienced soldering for the first time but looked happy and satisfied when they heard sounds from the radios they had completed. Well received by both the school personnel and the guardians of the students, this program led the local community to learn more about Tamura as a company operating there. The program is planned to continue as a periodic initiative.



## Tamura Corporation and Koha

On November 30, 2013, Tamura and Koha jointly hosted their sixth *Monozukuri* class at an elementary school in Tokyo's Nerima Ward, where the latter has its business site. Thirteen elementary school students from the ward participated in this program, and a group of engineers consisting mainly of Koha employees guided them in the manufacture of radios, which focused on soldering. Tamura and Koha takes turns to implement this program once a year in the neighborhood where they have a business site. The two companies will continue this initiative in the belief that it will help produce engineers who will lead the next generation.



## Supporting UNICEF by collecting foreign coins

In 2013, the Tamura Group joined a campaign of the Japan Committee for UNICEF to collect foreign coins. Foreign coins collected from Tamura Group employees in Japan were used for the UNICEF's programs to save children in the world. The initiative, which had theretofore been carried out by some volunteers in the Group, was expanded in 2013 to cover the entire group. In the first year of the group-wide initiative, we donated about 11.5 kilograms of foreign coins and bills, which were worth approximately 81,000 yen. We will continue to participate in this campaign.



## Sponsoring AS Elfen Saitama in Japan Women's Football League

Tamura Corporation, since 2006, has been supporting as a Top Partner the AS Elfen Saitama that is based in Sayama City of Saitama Prefecture and belongs to the Nadeshiko League of the Japan Women's Football League. By finishing second in the Challenge League of Japan Women's Football League in 2013, AS Elfen Saitama moved up to the Nadeshiko League in 2014 again. AS Elfen Saitama, which was renamed from AS Elfen Sayama FC, is actively expanding its activities. Tamura's business site in Sayama City, Saitama Prefecture, houses a sports center where the football club is based. The sports center has been made available to local residents and at the same time, has served as the practice ground for the club. Tamura also supports the activities of the Comprehensive Community Sport Club, the aim of which is to promote health and sports, including football lessons run by the NPO that operates the club. We will continue to improve our social contribution activities for the community through supporting sports activities.





# Environmental Topics in FY2013

## Environmental Management

The Tamura Group is working to lessen our environmental impact through ongoing improvements, making our contribution to the realization of a sustainable society.

## Integration of Environmental Management System

The Tamura Group established a globally unified environmental management system in 2006 and had integrated 25 sites at 16 companies by FY2013, the intent of which was to improve environmental performance and strengthen environmental governance of the Group as a whole.

## Tamura Group Environmental Targets, Performance, and Evaluation

The Tamura Group has taken the initiative in environmental protection by setting three common targets: "increasing the percentage sales of eco-design products," "reducing substances with environmental load," and "reducing power consumption," for each of the three main measures specified in its environmental policy. All of the three targets were achieved in FY2013.

## Tamura Group Environmental Policy

### Environmental Concept

The Tamura Group promotes the conservation of a biologically diverse global environment and conducts all of its business activities in harmony with the environment. These activities are 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."

### Main Measures

The main focus of the Tamura Group's business is the design, development, production and servicing of electronic components, electro-chemical materials, soldering equipment and information equipment. Our environmental management system ensures the efficient use of resources, pollution prevention and compliance with regulations. We are also committed to continuously improving the management system and focus on the following activities for environmental protection:

1. The supply of eco-friendly products.
2. Control and reduction of environmental burden materials.
3. Promotion of energy conservation and saving resources.

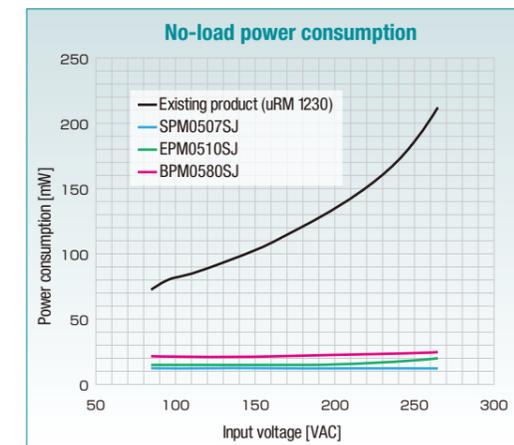
## New Premier Eco-design Products

The Tamura Group carries out the product environmental assessment in the development and design phase and while addressing the minimization of environmental impact, we will contribute to the global environment through development and offering of premier eco-design products.

### Power modules (SPM, EPM, and BPM Series)

Laws and regulations requiring energy conservation are becoming increasingly strict on a global scale. Meanwhile, there are ever-growing demands for energy-saving power sources as manufacturers offer greater numbers of electric appliances whose additional value is environmentally conscious designs.

Tamura's high-efficiency power modules, namely, the SPM, EPM, and BPM Series, substantially improve power consumption characteristics at the time of no load, and efficiency characteristics at the time of light load (when products are in standby mode). These modules meet customers' need to develop products with the industry's highest level of energy conservation performance in a short period of time, thus helping reduce power consumption and development man-hours.



### PAF-300 Series, solder resist for flexible PCBs

In recent years, there have been demands for thinner, lighter, and more sophisticated mobile equipment as typified by smartphones and tablet computers, and demands for thinner and lighter printed wiring boards with components mounted at higher density have been also growing. Such electronic equipment is increasingly using flexible printed circuits (FPCs).

The PAF-300 Series meets the needs of customers who demand not only functions such as the flexibility required for FPC solder resist but also high design quality. It is a halogen-free, flame-resistant, safe, and functional solder resist product whose beautiful color never fades. It excels in flexibility and comes in various colors.

#### The PAF-300 Series is characterized by:

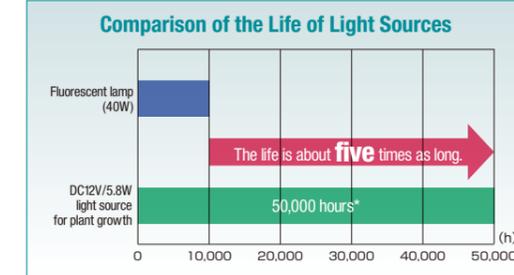
- Environmental consciousness: Halogen-free
- Design: Comes in various colors.
- Safety: Flame-resistant (UL-certified)
- Functionality: Flexibility, low elasticity, low resilience, and low warpage



### DC12V/5.8W, a light source for plant growing

The light source DC12V/5.8W was developed to offer an alternative to fluorescent lamps used for plant cultivation and make light sources more energy-saving.

One example of its application is that it is used to cultivate buna shimeji mushrooms, and growers favorably evaluate the product, saying that it provides a growth environment comparable to or better than ones offered by ordinary fluorescent lamps. It is as long as 40W fluorescent lamps but lasts for 50,000 hours, approximately five times the life of conventional fluorescent lamps. In addition, polycarbonate is used for its pipe, allowing users to use it safely because it is unlikely to break. The new light source can easily be maintained because it has a water-proof structure and can be washed if it is stained.



## FY2013 Targets and Performance of the Tamura Group

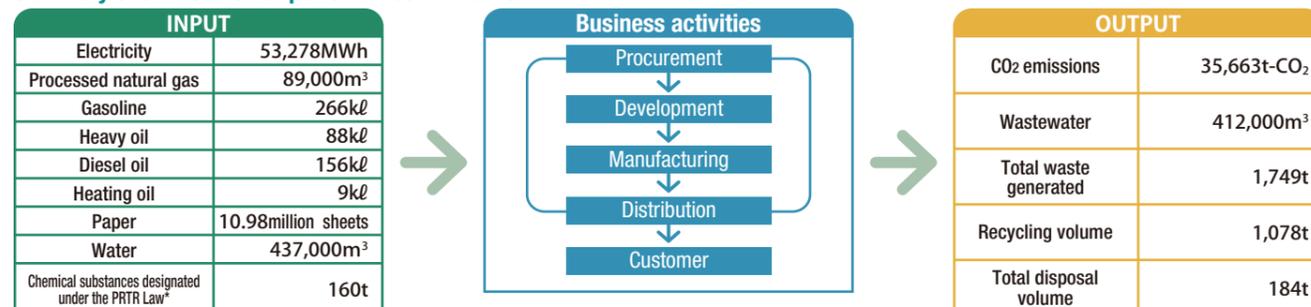
	Environmental objectives	Environmental targets for FY2013	Achievements for FY2013	Environmental targets for FY2014
I	Increase in percentage sales of eco-design products	Percentage sales of Premier eco-design products: 15% (General eco-design products: 49%)	15% (58%)	Percentage sales of premier eco-design product: 17%
II	Reduction of substances with environmental load	Chemical substances designated under the PRTR Law*: 60% reduction in basic unit vs. FY2005	64% reduction	Chemical substances designated under the PRTR Law*: 64% reduction in basic unit vs. FY2005
III	Reduction of power consumption (Reduction of CO <sub>2</sub> emissions)	Reduction of power consumption: 3% reduction vs. FY2005	4% reduction	Reduction of power consumption: 5% reduction vs. FY2005

\* 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 transfer of waste

## Summary of the Tamura Group's Environmental Performance

The Tamura Group has a quantitative grasp of environmental load generated through its business operations and is working to reduce environmental load in various aspects of its business activities through development of premier eco-design products as well as improvements in productivity and distribution efficiency.

### Summary of environmental performance in FY2013

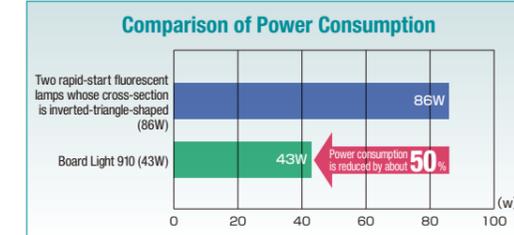


\* We manage our factories overseas with the same criteria. This includes the figures for our factories overseas.

### Ceiling LED lighting Board Light Series

The Board Light Series provides next-generation, thin, and lightweight LED lighting that can easily be installed. It responds flexibly to layout changes in offices and stores because it can be easily built into the ceiling as if ceiling boards are attached to the ceiling.

The new product reduces power consumption by approximately 50% compared with a set of two conventional rapid-start fluorescent lamps, thereby contributing to reduction in CO<sub>2</sub> emissions and power consumption.



\* Power consumption varies slightly depending on the lamps and lamp types used.

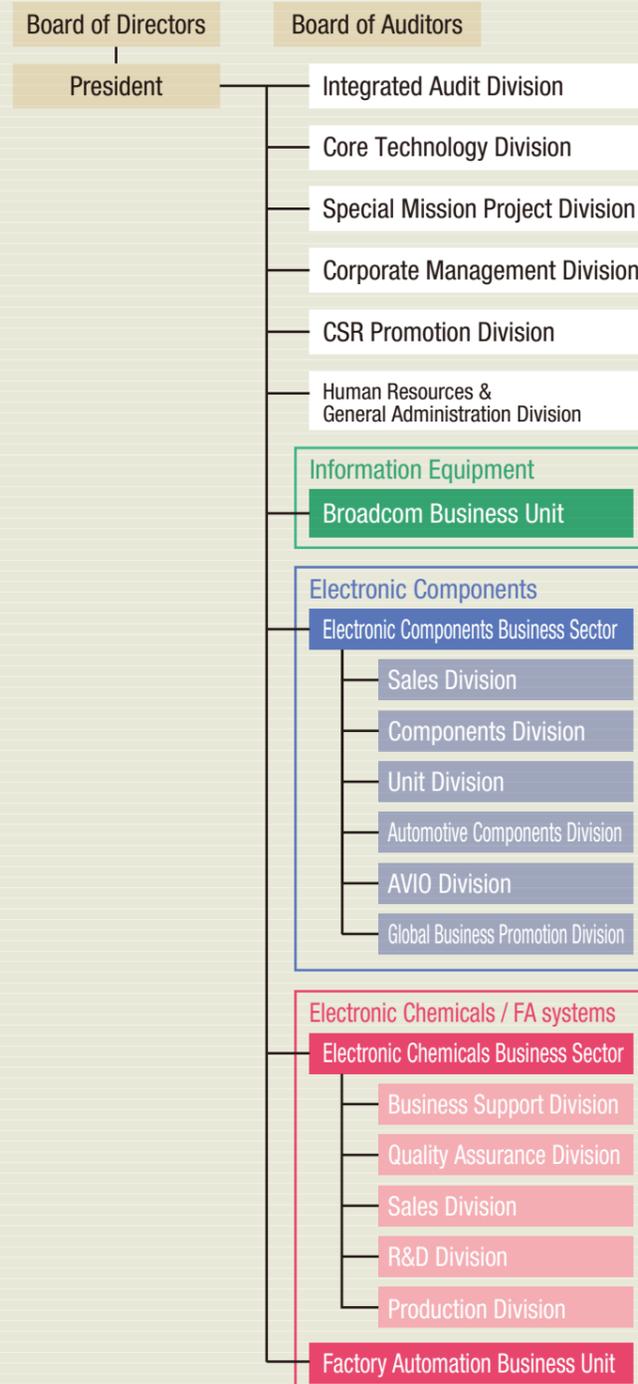
# CORPORATE DATA

## Company Profile

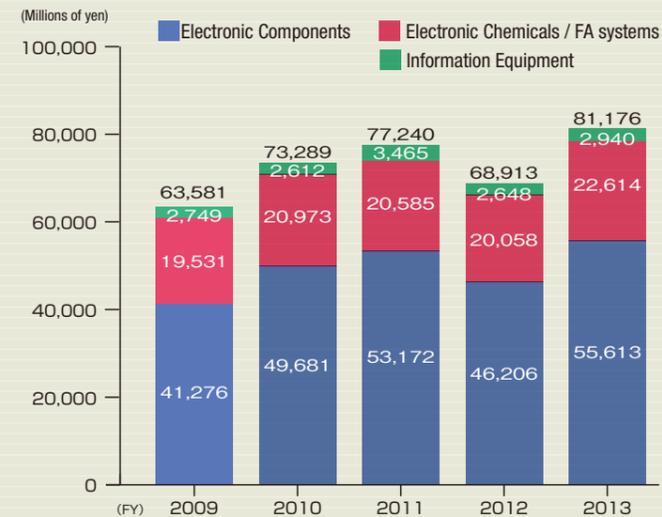
<b>Company name</b>	TAMURA CORPORATION	
<b>Founded</b>	May 11, 1924 (incorporated in 1939)	
<b>Capital</b>	¥11,829 million (as of March 31, 2014)	
<b>Share capital</b>	(as of March 31, 2014) Authorized 252,000,000 shares Issued and outstanding 82,013,280 shares (Not including 758,193 shares of treasury stock)	
<b>Closing date</b>	March 31, each year.	
<b>Number of shareholders</b>	11,165	
<b>Directors/Corporate</b>	(as of June 26, 2014)	
	President/CEO	Naoki Tamura
	Director/Vice President	Guohua Li
		Masahiro Asada
	Director	Takeo Minomiya (Outside Director)
	Director/ Senior Executive Officer	Yasuhiro Nakashima
		Norihiko Nanjo
		Shoichi Saito
	Senior Executive Officer	Yusaku Hashiguchi
		Tatsuya Kiyota
	Executive Officer	Koichiro Maiki
		Akira Tokumitsu
		Naokazu Sueda
		Seiji Shibata
	Standing Auditor	Hajime Kubo
	Auditor	Masanori Sato (Outside Auditor)
		Koichi Moriya (Outside Auditor)

## Organization Map

(as of April 1, 2014)

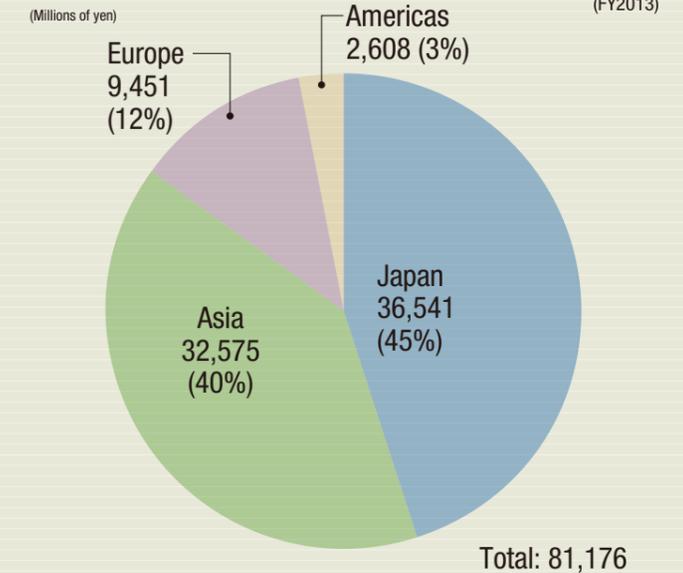


## Net sales (consolidated)

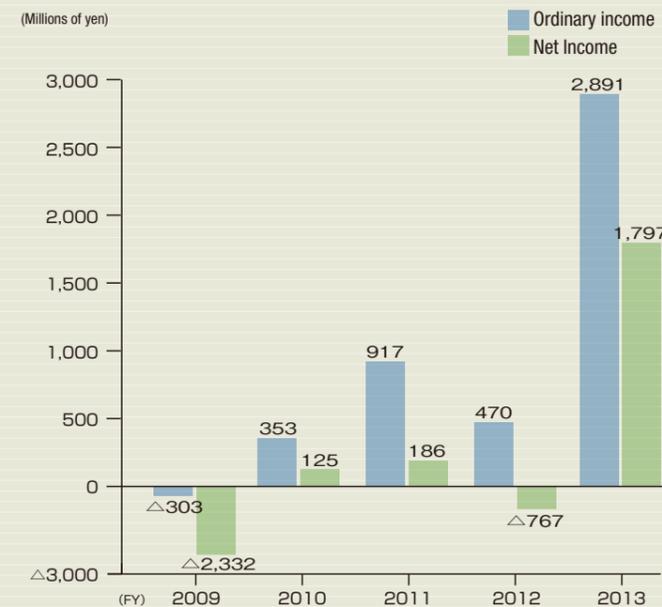


\*Net Sales Shown are for external Customers by business segment (excludes internal net sales between different businesses).  
\*The amount of net sales for each fiscal year includes other operations (transportation, warehousing and insurance).

## Composition of net sales by region (consolidated)

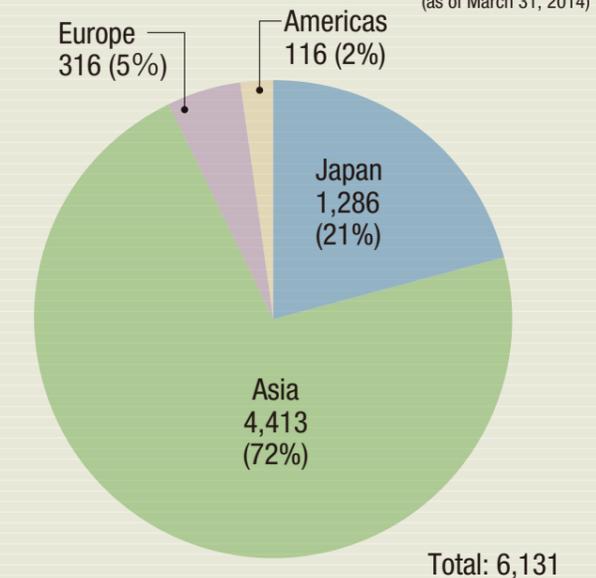


## Ordinary income/Net income (consolidated)



## Number of employees by region (consolidated)

(as of March 31, 2014)





Network Japan  
WE SUPPORT

Tamura Group joins the  
“United Nations Global Compact”

\* UN Global Compact  
Voluntary action guidelines proposed by the then United Nations Secretary-General Kofi Annan at the World Economic Forum in 1999, and officially launched as a UN activity in the following year (2000), to “bring together the creative resources of private businesses to meet the wishes of the underprivileged and the needs of future generations.”



COMMUNICATION ON  
PROGRESS

This is our **Communication on Progress**  
in implementing the principles of the  
**United Nations Global Compact** and  
supporting broader UN goals.

We welcome feedback on its contents.

<http://www.tamura-ss.co.jp/>



Tamura's mascot Quenu

**TAMURA CORPORATION**

1-19-43, Higashi-Oizumi, Nerima-ku, Tokyo  
JAPAN 178-8511