

Corporate Social Responsibility Initiatives

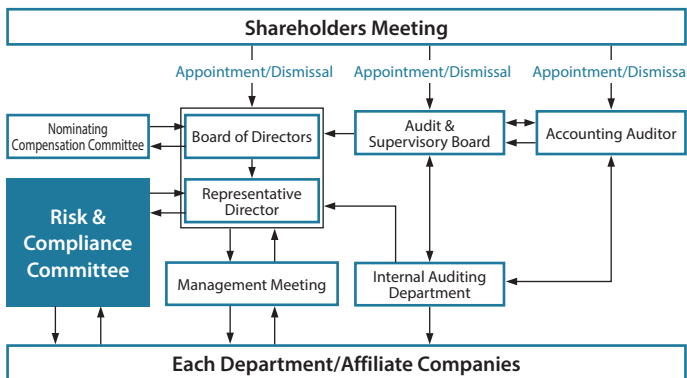
Our corporate philosophy of contributing to the world by pursuing the possibilities inherent in carbon embodies the objective of corporate social responsibility (CSR) itself, namely, contributing to sustainable development. Based on our corporate philosophy, all employees including senior management vow to make ongoing contributions to sustainable development by maintaining healthy relationships with all our stakeholders and working on environmental and social issues.

■ Corporate governance

Under our corporate philosophy of contributing to the world by pursuing the possibilities inherent in carbon, to develop perpetually as a global corporate group, we have built a firm internal control system and also promote healthy corporate activities that prioritize compliance. All Toyo Tanso employees are provided with a copy of our behavioral standards, which indicate action guidelines, and our compliance guidebook, which explains laws and regulations

that must be observed. In addition to carrying out educational activities to encourage awareness, we have rolled out this policy at our affiliates in Japan and overseas with the aim of ensuring a unified awareness across the entire group. We have also established a risk and compliance committee, and are working to solve various issues through interdepartmental coordination.

[Corporate Governance Structure]



■ Employment and workplace environment

In addition to striving to create workplace environments that provide job satisfaction, we aim to ensure that every employee can enjoy well-being in mind and body. To respect basic human rights and guarantee fair and equitable employment free from discrimination, in addition to providing company regulations, we support all employees through a comprehensive system that includes a dedicated help desk. We have also thoroughly implemented occupational safety and health measures and taken steps to prevent industrial

accidents through the establishment of an advisory committee. In 2010, we formed a dedicated department to promote work-life balance, and are also focused on ensuring that our workplaces provide job satisfaction and are easy to work at, for example, by holding annual factory tours for families of employees and obtaining the Next-generation Certification Mark (also known as the "Kurumin Mark").



*"Kurumin Mark" is a certification of Japanese Ministry of Health, Labour and Welfare, for companies which provide support to families raising children.



Quality and product safety

■ Quality and product safety

Based on the ISO 9001 standard, which all our Japanese production bases have acquired, we are striving to improve quality and are engaged in continuous improvement activities every step of the way from design and development to production, sales, and service. For these activities, we have adopted a theme of prioritizing the improvement of customer satisfaction to ensure that we are able to manufacture completely unique products and deliver the highest standards of quality.

■ Control system about product liability

We establish control regulations about product liability, and not only work for the prevention of an accident caused by defects in products at each step such as product planning, designing, manufacturing, sales, but construct proper response system in case of an accident.



Fair operating practices

■ Fair operating practices

With the aim of maintaining international peace and safety, and from the perspective of encouraging the nonproliferation of weapons of mass destruction and the like and preventing the excessive stockpiling of regular weapons, our basic policy is to not illegally export or supply goods and technologies restricted by the Foreign Exchange and Foreign Trade Control Act and other export-related laws in violation of

such laws. We have also established security trade control rules in order to ensure appropriate security trade control. We will conduct thorough education and training and other measures to ensure that all Toyo Tanso employees are familiar with the intent of these rules and put them into action. In addition to such measures, we also invest in efforts aimed at ensuring fair transactions.



Environment

■ Environment

We conduct corporate activities that contribute to environmental protection with the aim of ensuring coexistence and harmony between humankind, carbon, and nature. Carbon products contribute to the prevention of global warming and environmental preservation through factors such as clean energy, energy efficiency, and recycling. We focus on the environment and energy fields, in which our products and technologies play active roles. Moreover, in addition to reducing waste and strictly managing environmental pollutants based on laws and regulations, we ensure that all employees strive to raise awareness regarding environmental sustainability through efforts such as encouraging the efficient use of energy, labor savings, and more in manufacturing processes.

■ Management of environmentally harmful substances

With the market demanding adequate responses to global regulations on specified chemical substances, we gather and organize up-to-date information on related laws and regulations under the leadership of our environmental management department. Moreover, in addition to implementing adequate responses in relevant products, we aim to minimize the risk on human health and the environment through the sound management and appropriate communication of information regarding the chemical substances included in our products.



Community

■ Community participation and development

Community contributions

In Kagawa Prefecture, which is home to four of Toyo Tanso factories including affiliated company, we are proactively involved in efforts to encourage regional development and coexistence with the community, including:

- Fighting fires and participating in relief efforts in the event of a natural disaster through involvement with local fire brigades.
- Participating in community clean up activities.
- Sponsoring and proactively participating in festivals, community events, and sporting events to support regional development activities.

Employee development and academic promotion

Toyo Tanso supports the operation of the Kondo Zaidan, a public interest foundation that is currently primarily funded by Toyo Tanso stock. Established at the behest of our founder, the late Teruhisa Kondo, the foundation contributes to social development through its scholarship program and to academic research through its research grant program.