

A collage of four images: top-left shows a globe with a grid; top-right shows a modern multi-story office building; bottom-left shows a large array of solar panels on a roof; bottom-right shows a white wind turbine against a blue sky.

CSR Report 2012

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Message from the president

Leveraging Our Assured Manufacturing Expertise for a Sustainable Society

Firstly, I would like to extend my condolences to those who were affected by the Great East Japan Earthquake that occurred on March 11, 2011. As a company that develops and manufactures electrical equipment for rail vehicles and industrial solutions, Toyo Denki will make every effort to leverage its assured manufacturing expertise to aid in the early reconstruction of disaster areas and contribute to a sustainable society.

It has been three years since we announced our intentions to strengthen our corporate social responsibility (CSR) initiatives under the Challenge Up mid-term management plan that we launched in July 2009. In that interval, we have witnessed great changes in the situation surrounding our company that have served to reinforce the importance of CSR initiatives. At Toyo Denki, we have been working to develop even more energy-efficient solutions for our customers, and are increasing our use of sustainable energy such as through the adoption of solar power generation systems.

Lately, we have increased our efforts to reach out to children and spread the message of environmental and energy conservation, through environmental workshops that our employees teach at schools. Nothing would please me more than if we could help foster the environmental awareness of children, who represent our future. Going forward, we will actively welcome people to tour our production facilities in order to inform the public about our CSR initiatives.

In June 2012, we launched our latest Dash 2012 mid-term management plan, under which we will bring an even greater sense of urgency to accelerate our CSR initiatives. We thank you for your continued support as we strive to meet our social responsibilities as a corporation.

July 2012

Hiroshi Tsuchida

President
Toyo Denki Seizo K.K.





Environmental Initiatives

Toyo Denki develops and manufactures a variety of environmentally-friendly products and solutions in the segments of transportation solutions, industrial solutions, and IT solutions. We also pursue company-wide initiatives to realize environmental conservation in all of our products and solutions.

Efforts to Reduce CO₂ Emissions

•In 2011, Toyo Denki's CO₂ emissions were 52.9% lower than 1990 levels, down 16.5 percentage points from the previous year. Starting in July 2011, we implemented energy-saving measures at our main Yokohama Plant to comply with new regulations governing energy use. These measures have also helped to raise the efficiency of our production activities.

•CO₂ emissions per unit of production were 45.9% lower than 1990 levels, down 7.3 percentage points from the previous year. The contributing factors were the same as for the reduction of CO₂ emissions (Figure: CO₂ Emissions by Volume and Per Unit of Production Output).

Efforts to Reduce Waste

•Since fiscal 2006, Toyo Denki has consistently reduced the output of landfill waste to less than 10% of 1998 levels, and in 2011 waste was just 2.2% of 1998 levels. This has been a result of extensive efforts to follow waste processing rules, sorting of metal waste, and recycling of paper resources. We have also increased the reuse of packaging materials for delivered raw materials, to reduce use of wood crates. Moving forward, we will double-check actual landfill waste in order to raise the reliability of our numerical data.

•The total volume of waste was over 1,200 tonnes in 1996, but in the last few years has hovered at the 600 to 700 tonne level.
 •As a result of implementing paper recycling in 2002, the recycling rate for general waste rose to approximately 75% in 2007 from 30% the year recycling began. In recent years, the amount of recycled general waste has hovered around 60%.

Control of Hazardous Materials

•PCB waste is stored and reported in accordance with Japan's Act on Special Measures concerning Promotion of Proper Treatment of PCB Wastes, and the proper applications are made for its disposal.
 •Air emissions of volatile organic compounds (VOCs) were down 9.8% from the previous year. The main reason for the reduction was a year-on-year decrease in the production vol-

ume of products that use VOC-containing materials. Toyo Denki will continue to shift toward using non-VOC materials, and implement recovery and reuse of solvents, for further waste reduction. We will also focus on the management of chemical substances contained in products, through green procurement and other efforts.



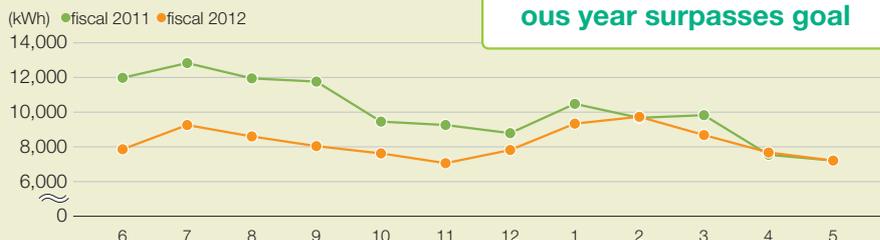
Head Office Energy Conservation Initiatives

Reducing Energy Consumption and Going Paperless

Following the Great East Japan Earthquake of March 11, 2011, Toyo Denki set a goal of reducing head office energy consumption by 15% from the previous year. We achieved the goal in fiscal 2011 with a 17.8% reduction.

The head office will relocate in September 2012. Toyo Denki will use this move as an opportunity to implement further energy-saving measures and paperless practices.

Head office energy consumption



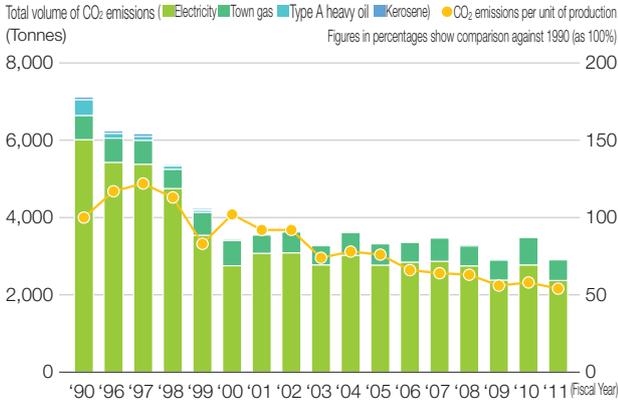
* Excludes energy consumption from central HVAC system used by all building tenants



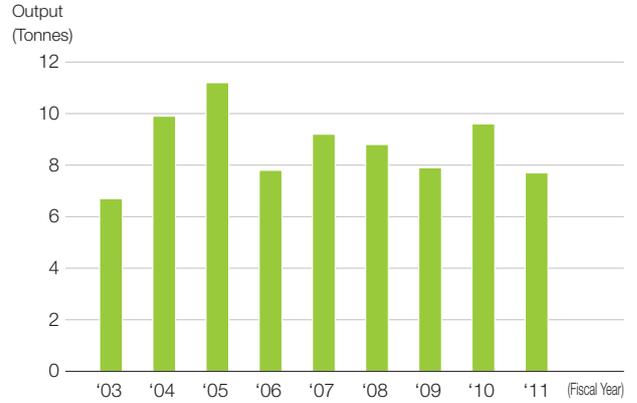
Tokyo Tatemono Yaesu Building in Chuo-ku, Tokyo, future home of Toyo Denki head office

Environmental Performance Data

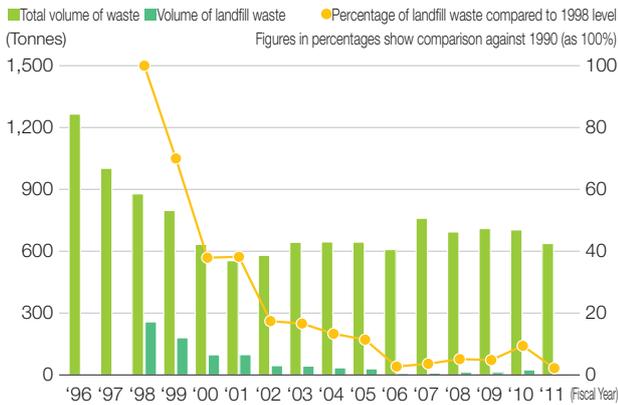
CO₂ Emissions by Volume and Per Unit of Production Output



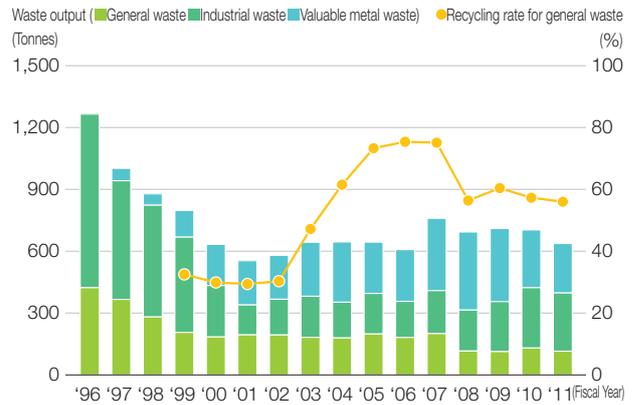
Notification Volume for Pollutant Release and Transfer Register (PRTR) Substances



Volume of Landfill Waste



Output of General and Valuable Waste



Power Initiatives at the Yokohama Plant

500kW Solar Power System Added to Yokohama Plant

In the aftermath of the Great East Japan Earthquake, like many other companies, Toyo Denki faced the major management challenge of securing stable power and keeping electricity costs down. In May 2012, we started building a rooftop solar power system at the Yokohama Plant to alleviate the plant's power demand during the peak summer months. The 500kW generating system, set for completion in late July 2012, will also reduce utility costs.

Toyo Denki will continue to implement initiatives to curb energy consumption, while using sustainable energy and phasing in energy-efficient facilities to conserve energy and help address global warming.



Rooftop solar panels on building at Yokohama Plant

Data for Solar Power System

Output	: 500kW
Annual power generation	: 500,000kWh
CO ₂ emissions saved	: 180tonnes/year



Social Contribution Activities

Toyo Denki makes social contributions by focusing on initiatives that benefit local communities.

Public tours of a company plant

We hosted a tour of the Yokohama Plant, working in cooperation with the Kanazawa Ward Office of Yokohama City, which organizes eco-education tours to introduce citizens to environmental initiatives being undertaken by local companies and the environmental performance of their products. We received local elementary school students and their guardians, who toured the main production facility where products such as pantographs and railway motors are made.



Date: August 24, 2011
Participants: Elementary school students and guardians residing in Kanazawa Ward

Career Workshops at High Schools

Career education is implemented at many schools to enhance career awareness among junior and senior high school students. Toyo Denki sends development and design engineers to schools to speak about their jobs, to help students better understand what it is like to work for an electrical equipment manufacturer.



Workshops in fiscal 2011: Izumi Junior High School, Odawara City (September 2011)
Sagamihara High School, Kanagawa Prefecture (September 2011)

Environmental Workshops at Elementary Schools

Railways are being closely examined today as an effective mass transportation solution to help address climate change. As a company that develops and manufactures many types of electrical equipment solutions for rail vehicles, Toyo Denki sends employees to elementary schools to conduct workshops about eco-friendly railway systems.



Workshops in fiscal 2011: Youkoudaidaisan Elementary School, Yokohama City (January 2012)
Namiki-Chuo Elementary School, Yokohama City (February 2012)

Plant Tours for Families of Employees

As part of its efforts to create a vibrant corporate culture, Toyo Denki arranges for families of employees to participate in tours of the Yokohama Plant. These tours have elicited positive feedback, helping participants to better understand what their family members do, while providing an interesting behind-the-scenes look at a manufacturing facility.



Date: March 27, 2012

CSR Action Plan for Fiscal 2012 (June 1, 2012 to May 31, 2013)

Fiscal 2012 marks the first year of our Dash 2015 medium-term management plan. In this fiscal year, we will endeavor to pursue CSR through our core business by engaging in the design, development, and manufacturing of environmentally-friendly solutions. We will also strive to solidify our CSR initiatives and expand the scope of the activities.

Environmental Initiatives • Conserving energy

Social Contribution Activities

- Company tours for elementary school students
- Internship programs and other measures

About This Report

Purpose and Editorial Policy

The purpose of this report is to disclose the basic approach to corporate social responsibility (CSR) of Toyo Denki Seizo K.K., and its progress in the area of CSR initiatives, in a format that is accessible for readers. In assembling this report, the company referred to the *Environmental Reporting Guidelines* (Fiscal Year 2012 Version) issued by Japan's Ministry of the Environment as well as questionnaire items relating to socially responsible investment (SRI). In this report, the company conveys information that it considers to be important to Toyo Denki and its stakeholders.

Period Covered by This Report

This report focuses on the 2011 fiscal year from June 1, 2011 to May 31, 2012, but also contains some information from before and after this period.

Scope

Toyo Denki Seizo K.K.

Publication Date

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July 2013

Reference Guidelines

Environmental Reporting Guidelines (Fiscal Year 2012 Version) issued by Japan's Ministry of the Environment

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