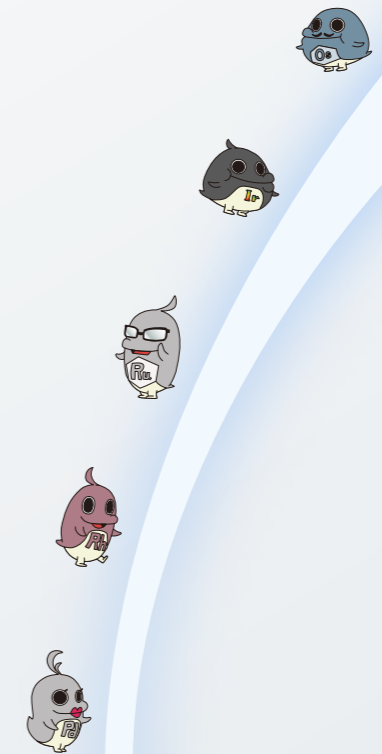




CSR Report 2020



Platinum
From catalysts to anticancer agents, a promising star with much hidden potential.



Gold
In addition to being used for jewelry, this multitiered element is used for ultrafine wires in mobiles and smartphones, playing a hugely important role when conducting electricity.



Silver
Without silver, photographs would not have been invented. Found all around, including your mirrors.



Palladium
Able to absorb large amounts of hydrogen, so perfect for use with high purity hydrogen generators.



Rhodium
When solidified, cannot be melted by anything. Very hard element used for plating to create hard surfaces.



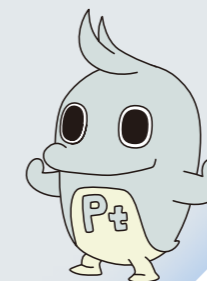
Iridium
Used for vehicle spark plugs because of excellent hardness and corrosion resistance, and for the crucibles used to manufacture sapphire substrates for LEDs because of high heat resistance.



Ruthenium
Used as an optical catalyst to reduce water to hydrogen. Enables increased storage capacity for hard disks.



Osmium
Useful in biotechnology and forensic sciences.



Core subjects of ISO 26000



Organizational Governance



Human Rights



Labor Practices



The Environment



Consumer Issues



Fair Operating Practices



Community Involvement and Development



A universal design font is adopted to make the characters easy to read.

Corporate Philosophy

The TANAKA group:

A leading company in the field of precious metals,
With superior creativity and technical excellence,
We build customer trust through rapid responses that exceed expectations,
Contribute to the creation of a prosperous society,
As well as to the future of the planet through sustainable use
of precious metals.

Code of Conduct

1. Greet Everyone
2. Show your Smile
3. Give Thanks
4. Maintain Safety
5. Challenge Yourself



TANAKA is accredited as a Good Delivery Referee for gold and silver by The London Bullion Market Association (LBMA), and also appointed as a Good Delivery Referee by London Platinum & Palladium Market (LPPM). In both cases, TANAKA is one of the only five Good Delivery Referees in the world (and the only one in Japan), which are responsible for assessing Precious metals melting technologies and analytical skills of all accredited gold and silver refiners.

Editorial Policy

The TANAKA Precious Metals publishes its CSR Report to report the corporate social responsibility (CSR) activities promoted by the Group for making contribution to the realization of a prosperous society and a beautiful future for the Earth supported by precious metals, as well as to enhance communication with stakeholders for the improvement of the Group's initiatives in the future. This year's report features "precious metals recycling" and "use of LIMEX to recycle CSR reports" to introduce the commitment of the TANAKA Precious Metals to the establishment of a sound material-cycle society. We would be honored to receive feedback from our stakeholders. As before, your comments and opinions will be used to improve the TANAKA Precious Metals' future initiatives.

Period

April 1, 2019 to March 31, 2020
In order to provide a general view of activities under each topic covered in the report, some contents may represent activities taken outside this period.

Scope

TANAKA Holdings Co., Ltd. and consolidated subsidiaries. However, Metalor Technologies International SA is excluded. Indications are made in areas of the report where the scope differs.

Publication

October 2020

Reference guidelines

ISO26000:2010
Environmental Reporting Guidelines 2018

Website

This report and past issues are also available on our website: <http://www.tanaka.co.jp/english/csr/index.html>

Publisher

TANAKA Holdings Co., Ltd. CSR & Corporate Communications Division, CSR Promotion Department
Tokyo Building 22F, 7-3 Marunouchi 2-chome, Chiyoda-ku, Tokyo 100-6422, Japan
Tel: +81-3-6311-5506 (direct)
Fax: +81-3-6311-5508
website: <http://www.tanaka.co.jp/english/index.html>

Domestic bases

TANAKA Holdings Co., Ltd. (THD)

•Headquarters (Tokyo)

Tanaka Kikinzoku Kogyo K.K. (TKK)

•Headquarters (Tokyo) •Iwate Plant •Tomioka Plant
•Ichikawa Plant •Sodegaura Plant •Isehara Plant •Hiratsuka Plant
•Shonan Plant •Hiratsuka Technical Center
•Tsukuba Facility / Tsukuba Technical Center •Isehara Technical Center
•FC Catalyst Development Center •Tanaka Distribution Center
•Nagoya Branch •Osaka Branch •Fukuoka Branch •Kyoto Sales Office

Tanaka Denshi Kogyo K.K. (TD)

•Saga Production Headquarters •Tokyo Office •Shonan Satellite Plant

Electroplating Engineers of Japan, Limited (EEJA)

•Headquarters (Tokyo) •Hiratsuka Office

Tanaka Kikinzoku Jewelry K.K. (TKJ)

Store: GINZA TANAKA
•Main Store (Ginza) •Shinjuku Store •Store at Hotel Chinzanso Tokyo
•Isetan Tachikawa Store •Isetan Urawa Store •Yokohama-Motomachi Store
•Sendai Store •Nagoya Store •Nagoya Mitsukoshi Sakae Store
•Shinsaibashi Store •Fukuoka Nishitetsu Grand Hotel Store

Nippon PGM Co., Ltd. (PGM)

•Headquarters (Tokyo) •Kosaka Plant

Overseas bases

TANAKA Kikinzoku Kogyo K.K. (TKK)

•Taiwan TANAKA Kikinzoku Kogyo Co., Ltd. •Taipei Sales Office •Kaohsiung Sales Office
•TANAKA Kikinzoku (Ningbo) Co., Ltd. •TANAKA Kikinzoku (Chengdu) Co., Ltd. •TANAKA Kikinzoku Kogyo K.K. Seoul Branch
•TANAKA Kikinzoku Kogyo K.K. Hong Kong Branch •TANAKA Kikinzoku International (Shanghai) Co., Ltd.
•TANAKA Kikinzoku International (Shanghai) Shenzhen Branch •TANAKA Kikinzoku International (Singapore) Pte., Ltd.
•TANAKA Kikinzoku International (Singapore) Pte., Ltd. Manila Branch •TANAKA Kikinzoku International (Thailand) Co., Ltd.
•TANAKA Kikinzoku International (America) Inc. •TANAKA Kikinzoku International (America) Inc. San Jose Branch
•TANAKA Kikinzoku International (Europe) GmbH •TANAKA Kikinzoku International (India) Private Limited

TANAKA Denshi Kogyo K.K. (TD)

•TANAKA Electronics Singapore Pte. Ltd. (TES) •TANAKA Electronics Malaysia Sdn. Bhd. (TEM)
•TANAKA Electronics (Hangzhou) Co., Ltd. (TEC) •TANAKA Electronics Taiwan Co., Ltd. (TET)
•TANAKA Electronics Taiwan Co., Ltd. Technical Center (TET/TC)

Electroplating Engineers of Japan, Limited (EEJA)

•EEJA (Shanghai) CO., Ltd.

Metalor Technologies International SA

Chengdu Guangming Paite Precious Metal Co., Ltd. (GMPT)

LT Metal Co., Ltd. (LT Metal)

Nippon PGM America, Inc.

Nippon PGM Europe S.R.O.

(Data as of May 31, 2020)

CONTENTS

02 Message from the President

Strength of TANAKA

04 Businesses of TANAKA

Features

06 Feature 1: Pursuit of Resource Productivity through the Recycling Loop of Precious Metals

08 Feature 2: Use of LIMEX to Recycle CSR Reports

For the Sustainable Future

10 Research and Development

Continuous Development of Trust

12 Trust in TANAKA

14 Protection of the Global Environment

18 Contribution to Local Communities and Society

20 Active Role of Each Employee

24 Creation of a Safer Work Environment

27 CSR Management

28 To Be an Honest and Healthy Company

30 CSR Performance

33 Third-party Opinion

Aiming to be a company with a 200-year history

The TANAKA Precious Metals is setting sail under a new management structure



Representative Director & Chairman
TANAE, Akira

田苗明

Representative Director & CEO
TANAKA, Koichiro

田中浩一朗

Response to the outbreak of COVID-19

I am Koichiro Tanaka and assumed the office of Representative Director and CEO in April 2020. I would like to offer my sincere sympathy to those who have suffered COVID-19 and also express gratitude and respect for all medical workers who are committed to treatment and infection prevention. In the TANAKA Precious Metals, up to 90% of the employees, mainly those in the Headquarters, work from home. When employees need to work in the office, measures are taken to reduce infection risk, including staggering of working hours and installation of acrylic partitions. Our production and development sites, which are responsible for the supply of products to customers and joint development, as well as our front-line staff in the assets and jewelry businesses, who are in charge of the distribution of precious metals including wholesale and retailing of them, have made efforts and taken creative measures to prevent infection while maintaining operations to fulfill their respective responsibilities. Moreover, we have declared that we will not exercise the intellectual property rights in our possession to help end the COVID-19 pandemic (P11) and are promoting the development of a simple test kit to detect infection to COVID-19 quickly (P11). In response to the unprecedented challenges faced by the whole world, I will continue to spearhead our efforts to fulfill our social responsibility while giving the top priority to the safety and health of our employees and their families.

Towards the next medium-term plan

We are promoting the GOGO Plan 2020, a six-year medium-term management plan launched in fiscal 2015. In the past five years, we accelerated the improvement of efficiency in all aspects of production, sales and technology in our industrial product business, as well as the global development of our businesses through such initiatives as the introduction of the in-house company system, the acquisition of Metalor Technologies International SA and the creation of synergy. In the assets business, we started to offer Gold Accumulation Plans, which are TANAKA Kikinzoku's new online accumulation account program that is even more convenient for customers. In the jewelry business, we adopted a policy of going back to the basics under the slogan of "TANAKA Kikinzoku is a synonym of gold = Back to the Gold" to satisfy the demands of the customers who love TANAKA Kikinzoku. While fiscal 2020 is the final fiscal year for the current medium-term plan, we recognize it not as the final goal but as a checkpoint for further growth and development. One year ahead of the end of the current plan, we carried out various reforms, including the appointment of a new president, to facilitate the successful implementation of the next medium-term plan, which will start in fiscal 2021.

Pursuit of sustainability

The TANAKA Precious Metals has continuously recycled precious metal bullion since its founding. Today, all employees engage in the recovery of the bullion under the slogan "Any bullion is Money" and even trace amounts of bullion attached to uniforms, etc., in addition to bullion in production facilities, are carefully recovered. We have evaluated those bullion recycling activities in a quantitative manner and established "bullion flow diagram," "resource productivity" and "cyclical use rate" as our unique environmental indicators (P06). The capacity to recycle direct materials without wasting one gram in business activities is our strength in the pursuit of the sustainability of companies and society. In the meantime, the copies of our CSR Report 2019, which was published last year, were printed on LIMEX, a material made from limestone. We have set up an upcycling system to collect and recycle the copies that employees have finished reading, instead of disposing of them (P08). This initiative is the cyclical use of indirect materials, namely the copies of CSR Reports. We will continue to pursue the sustainability of business activities whether the materials are direct or indirect.

Aiming to be a company in business for 200 years, 300 years and beyond

Japan is the oldest nation existing in the world. Our predecessors overcame various challenges such as diseases, wars and famines and have maintained the nation for more than 2,000 years without a break while accumulating history and culture. In other words, it might be considered to be a country that has practiced sustainability more than any other country in the world. In the meantime, the TANAKA Precious Metals has established a material-cycle business while making creative efforts for precious metals, which are attractive materials, since the foundation in 1885 and marked its 135th anniversary in 2020. While many companies set long-term targets for 2030 or 2050, I would like to develop a super-long-term vision towards 2085, when we celebrate our 200th anniversary. Young employees have launched a project for it, which is directly controlled by the president, and now have open-minded discussions. We plan to coordinate the vision in the autumn of this year and reflect it on the next medium-term plan to be initiated in the next fiscal year. While setting the super-long-term vision to be developed soon as a milestone, the TANAKA Precious Metals aims to be a perpetual and socially beneficial company in business for 200 years, 300 years and beyond and will continue to contribute to the realization of a sustainable society.



Businesses of TANAKA

TANAKA has delivered special values based on precious metals to the world for more than 130 years since the foundation.

We will continue to try everything we can do with precious metals and develop new fields.

Industrial products

We provide products that solve problems faced by customers in a very wide variety of fields, ranging from semiconductors and electronic parts to automotive materials and medicine. We underpin the industry in general and the foundation of society through the supply of precious metal materials as an "unsung hero."



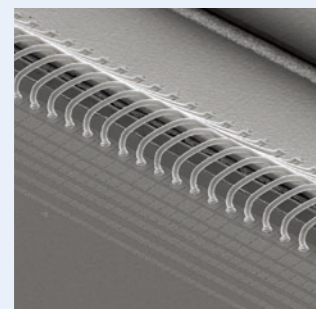
Recycling



Precious metal materials



Electronic mechanical materials (relays, motors, switches)
Electronic functional materials



Packages and sealing
Semiconductor and electronic parts



Sensor materials



Platinum materials for the glass industry



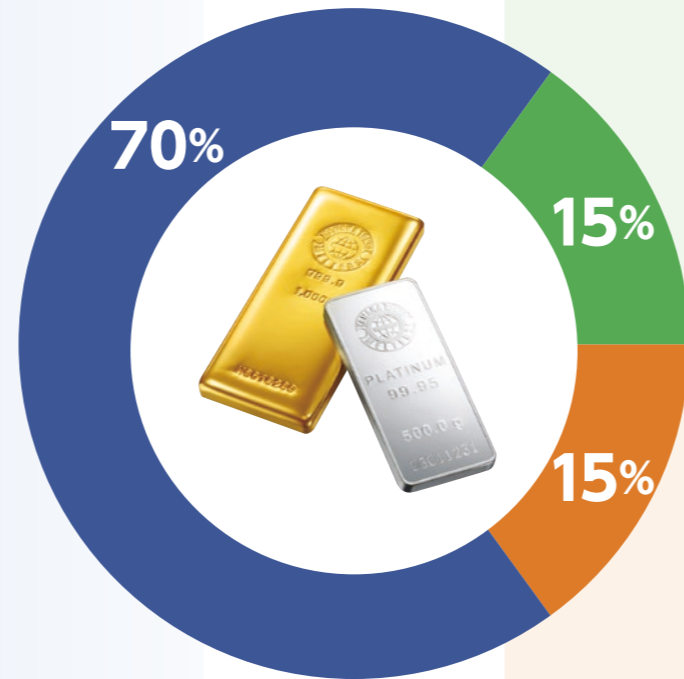
Energy and environment



Medical



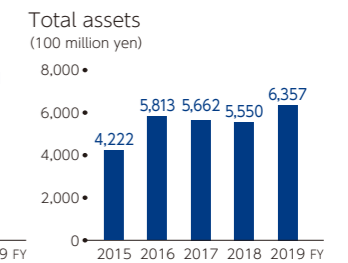
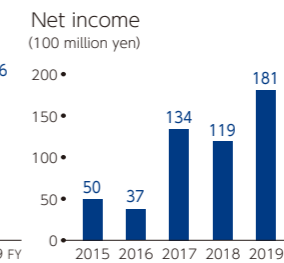
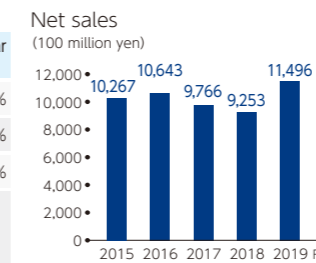
Technology development



Financial Condition of the TANAKA Precious Metals

Financial results overview

	million yen		
	FY2018	FY2019	Year-on-year change
Net sales	925,259	1,149,604	124.2%
Net income	11,851	18,113	152.8%
Total assets	554,959	635,662	114.5%
Capital adequacy ratio	40.8%	37.7%	—



Metalor Technologies International SA is included.

Assets

We offer gold and platinum products to diversify and protect assets in an optimal manner.



Bullion and coin

Gold is the only element that never lost its value in the past six thousand years and also a global common asset.

Our bullion is produced with our world-class technology. Customers can choose gold from nine sizes and platinum from four sizes according to the budget.

We are certified by minting authorities that issue coins in various countries as a sole agency for the sales and import.

Gold coins and platinum coins are designed beautifully and also popular as gifts.



Precious Metal Accumulation Products

Gold Accumulation Plan is a product that allows customers to purchase gold, platinum and silver in a single account with a minimum monthly amount of 3,000 yen.

Customers can steadily purchase precious metals for their security in the future.



Jewelry and artifacts

We offer products with reliable quality developed by the history and tradition of TANAKA Kikinzoku to customers.



Remodeling

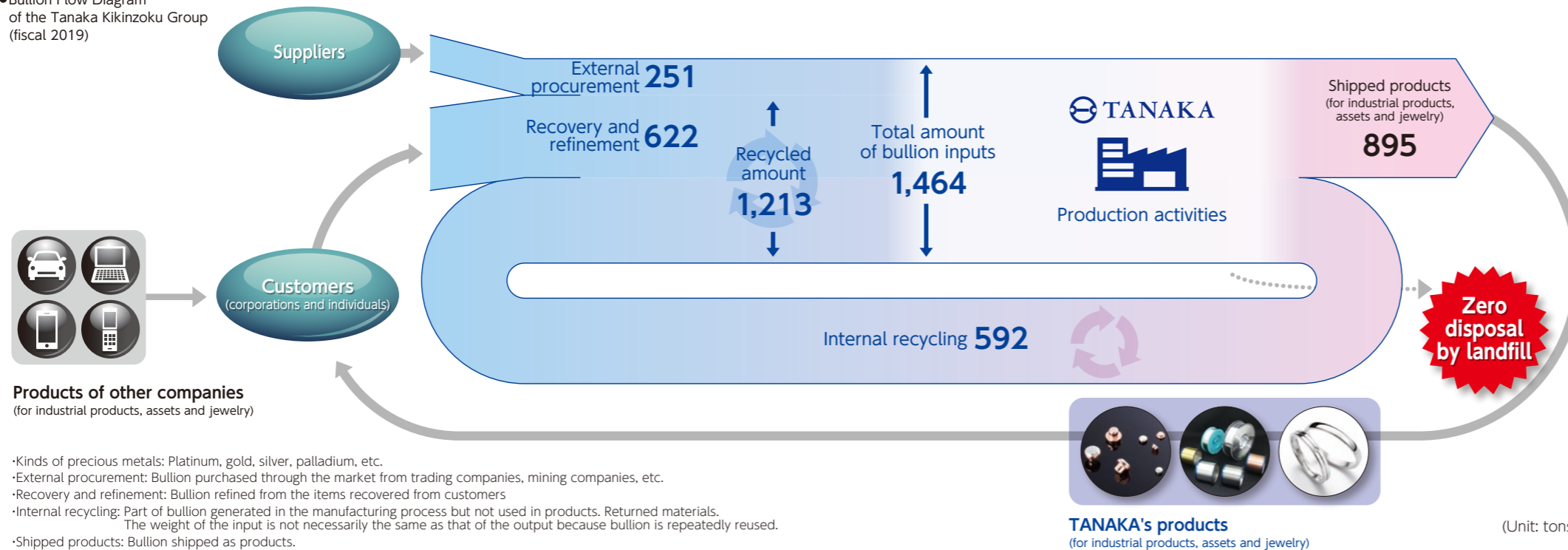
To ensure that valuable jewelry is loved and used for long years, we offer services to remodel jewelry using diamonds and pearls into a design/item of customers' choice.

Jewelry

We deliver jewelry, which shines brightly in various scenes of life, with reliable quality that is worth treasuring for a long time.

Pursuit of Resource Productivity through the Recycling Loop of Precious Metals

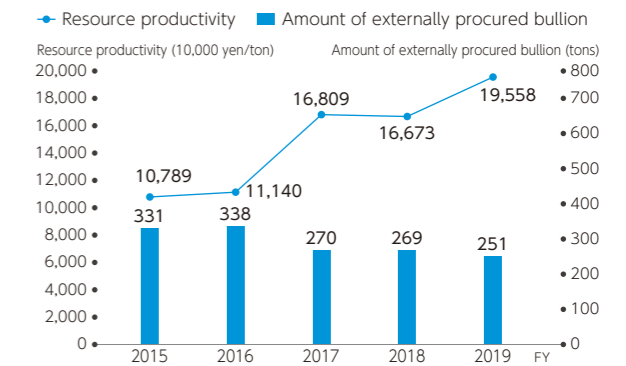
●Bullion Flow Diagram of the Tanaka Kikinzoku Group (fiscal 2019)



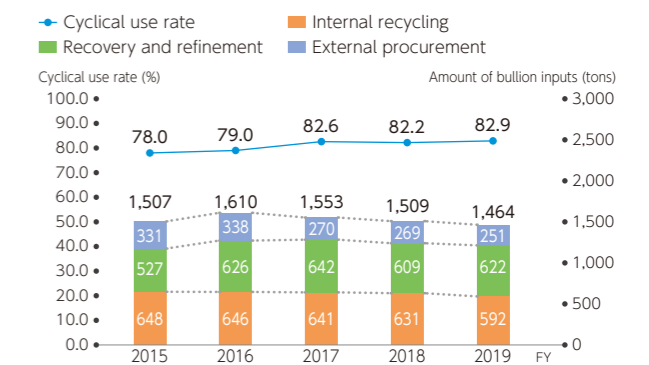
Products of other companies (for industrial products, assets and jewelry)

- Kinds of precious metals: Platinum, gold, silver, palladium, etc.
- External procurement: Bullion purchased through the market from trading companies, mining companies, etc.
- Recovery and refinement: Bullion refined from the items recovered from customers
- Internal recycling: Part of bullion generated in the manufacturing process but not used in products. Returned materials. The weight of the input is not necessarily the same as that of the output because bullion is repeatedly reused.
- Shipped products: Bullion shipped as products.

●Resource Productivity



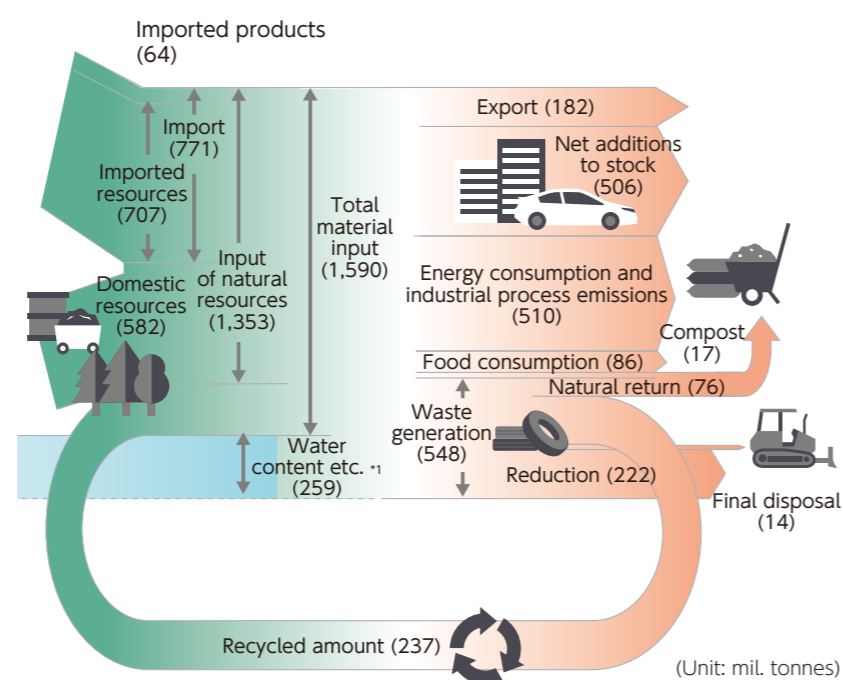
●Cyclical Use Rate



Actions of the Japanese Government for the Establishment of a Sound Material-Cycle Society

The Fundamental Plan for Establishing a Sound Material-Cycle Society, which was approved by the Cabinet in March 2003, set the diagram of material flow in Japan as a whole and three indicators, namely resource productivity, cyclical use rate and final disposal amount. In the meantime, Environmental Reporting Guidelines 2018 was published in June 2018. In this revision, entities are required to not comprehensively report on the overall material flow but independently identify and disclose the material environmental impacts they must address.

●Schematic Material Flow Diagram in Japan (fiscal 2017)



Source: Ministry of the Environment

Formulation of Original Environmental Indicators

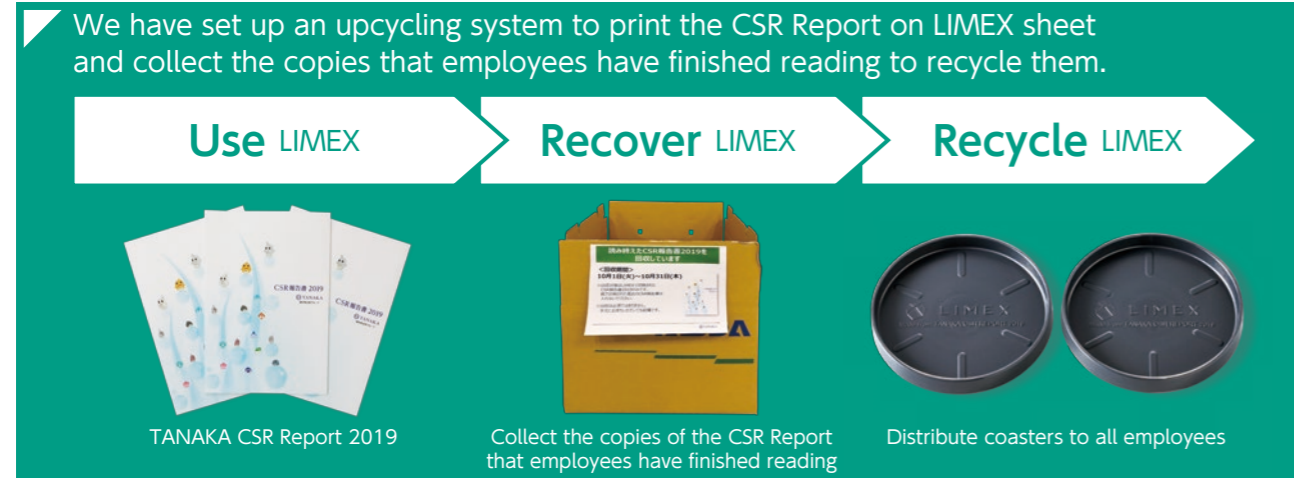
Accordingly, the TANAKA Precious Metals formulated its original environmental indicators in fiscal 2018. In response to the revision of the Environmental Reporting Guidelines in the 2018 edition, we defined the material environmental impacts that our business activities directly have as "the amount of precious metal bullion inputs and the recycled amount" and established the bullion flow diagram and two indicators of "resource productivity" and "cyclical use rate" in accordance with the material-cycle fundamental plan of the Japanese Government. Note that we have not established an indicator equivalent to the final disposal amount for the Japanese Government because we do not dispose of any precious metal.

	Indicators in the material-cycle fundamental plan of the Japanese Government	Environmental indicators of the TANAKA Precious Metals
① Resource productivity	GDP/Amount of the inputs of natural resources, etc.	Gross margin on sales/Amount of external procurement
② Cyclical use rate	Recycled amount/Total amount of material inputs	Recycled amount/Total amount of bullion inputs
③ Final disposal amount	Amount of landfilled waste	—

Resource productivity represents the profit per ton of externally procured bullion and can be regarded as the earning power from an environmental perspective. Cyclical use rate indicates the ratio of the amount of bullion recycled internally to the total amount of bullion inputs and has been around 80%. The figures for both resource productivity and cyclical use rate reached a record high in fiscal 2019. In the future, we will improve those environmental indicators to contribute to the establishment of a sound material-cycle society and the realization of a circular economy*.

* Concept to concurrently achieve a sound material-cycle society and economic activities. It is required to generate wealth from waste materials and from waste in business activities.

Use of LIMEX to Recycle copies of the CSR Report



What is LIMEX?

LIMEX is mainly made from limestone, which can be extracted from the earth almost inexhaustibly. This new environmentally friendly material uses no water or wood chip and can substitute paper and plastic. Each copy of the TANAKA Precious Metals CSR Report 2020 saves approximately 19 liters of water.



Main LIMEX products

Reasons Why LIMEX was Adopted

The TANAKA Precious Metals distributes its CSR Report to all employees every year and conducts a questionnaire survey at the same time. More than 2,000 replies were submitted for each survey in recent years (see P32). In this employee questionnaire, we received opinions like "Printing of the CSR Report may be a waste of resources" and "Other companies have eliminated printed copies and now prepare a PDF version only" every year. On the other hand, the secretariat was afraid that the

elimination of printed copies to issue the PDF version only might reduce the number of employees who read the CSR Report. Therefore, we decided to print the CSR Report 2019 on LIMEX sheet, continuously distribute the printed report to all employees and collect the copies from employees who have finished reading them to launch an upcycling system.

Records on the Use of LIMEX and the Process to Launch the Upcycling System

January 2019	Prepared disaster prevention cards and distributed them to all employees
July 2019	Issued CSR Report 2019
September 2019	Asked all employees to submit ideas on the items to be produced in the upcycling system Participated in the Kanagawa Upcycle Consortium
October 2019	Collected 1,187 copies of the CSR Report and sent them to TBM Co., Ltd.
November 2019	Discussed items to be produced in the upcycling system with TBM Co., Ltd. based on the ideas submitted by employees
March 2020	Finished the items for the upcycling system and distributed them to all employees

TANAKA disaster prevention card, in which we adopted LIMEX for the first time

TANAKA BCP方針 2019年改定版 | TANAKAグループの共通方針
身の安全の確保を第一優先とする
復旧・復旧後、速やかに業務を再開する
安全確保の後に順次、事業継続計画を遂行する
害時の対応心得
安全確認システムへの回答は、安全が確保できた後、速やかに実施する。(24時間以内)
安全確認システムを介した回答ができない場合は、連絡、上司等に連絡を行い、連絡を受けた上司は代替で回答を行う。
出張先等で被災した場合は、出張先または滞在先の指示に従って避難し、安全が確保できた後に上司等に連絡を行う。
周囲の安全状況が確認できない場合は、出勤・帰宅しない。

Invitation of Ideas for the Items to Be Produced in the Upcycling System

We asked employees to submit ideas on the items to be produced by collecting and recycling the copies of the CSR Report. Under the theme of "substitutes for familiar paper or plastic products," we received 73 ideas in total. Then, we discussed the items to be produced in the upcycling system with TBM Co., Ltd., which is the developer of LIMEX. As a result of the consideration of various conditions including the total weight of the copies of the CSR Report estimated to be collected, the number of the items that can be distributed to all employees, partners that can support the production of the items and the delivery date, we selected coasters, which had been proposed by two employees, among the 73 ideas.

Collection of Copies of the CSR Report

Then, we collected the copies of the CSR Report that employees had finished reading as part of an event for the 3R Promotion Month in October. A total of 1,187 copies were collected from the headquarters, plants, branch offices and other facilities and sent to TBM Co., Ltd.



Display on the collection box in the headquarters building

Recycling of Copies of the CSR Report

The copies of the CSR Report collected were shredded and pelletized in a plant of TBM Co., Ltd.



PARTNER'S VIEW

TBM has promoted various initiatives with TANAKA Holdings since January 2019. We are very glad that TANAKA Holdings adopted the LIMEX coasters produced in the upcycling system to realize a new measure to recycle resources. LIMEX is mainly made from limestone, which is a naturally abundant resource, and its true value can be achieved by recycling it. We would be happy if we can continue to support the CSR activities of TANAKA Holdings through LIMEX and promote initiatives for the establishment of a sound material-cycle society together.

OKU, Toshiro, Account Manager, Sales Headquarters, TBM Co., Ltd.
OKAZAWA, Tomohiro, New Business Designer, Sales Headquarters, TBM Co., Ltd.

Completion of Coasters and Distribution of Them to All Employees

We produced 3,200 coasters with the cooperation of Shonan Giken Co., Ltd. in March 2020 and distributed them to all employees.



We received various feedback from employees, including "I am very happy to use a product produced by recycling the CSR Report," "It is good that the logo, Made from TANAKA CSR REPORT 2019, shows originality" and "The coaster is more solid and easier to use than I expected."

Introduction of our system in the Kanagawa Upcycle Consortium

We made a presentation on our upcycling system at the 2nd regular meeting of the Kanagawa Upcycle Consortium*, which was held on January 30, 2020. The upcycling of copies of the CSR Report was introduced as a system covering the three categories of "use," "recovery" and "reuse" of LIMEX.

* This industry-government collaborative organization was launched in May 2019 for the development of a sustainable circular community through the upcycling of LIMEX. Fifty-two organizations have participated as of January 2020.



Future Development

This CSR Report 2020 is also printed on LIMEX sheet and we will continue to collect the copies that employees have finished reading for upcycling. The TANAKA Precious Metals has practiced the recycling of precious metals for more than 100 years since its founding. We recognize the upcycling of the CSR Report as a key subject for contribution to the establishment of a sound material-cycle society, as well as for the precious metal business, which is our main business, and will continue to enhance the system.

Research and Development

For the TANAKA Precious Metals, research and development is a source of value creation.

We will pursue the potential of precious metals with a broad perspective to open the door to a more prosperous society as well as a beautiful future of the Earth in a steady and continuous manner.

For fuel cell catalysts, TANAKA Kikinzoku Kogyo was awarded as one of the Global Niche Top Companies Selection 100 in 2020 by the Ministry of Economy, Trade and Industry

In its Global Niche Top Companies Selection 100 program, the Ministry of Economy, Trade and Industry of Japan selects successful companies in global niche markets, as well as outstanding companies operating a business on parts, materials and other items that are becoming more important in the supply chain amid changes in the international situation. In the category of materials and chemistry for 2020, TANAKA Kikinzoku Kogyo was certified for fuel cell catalysts.

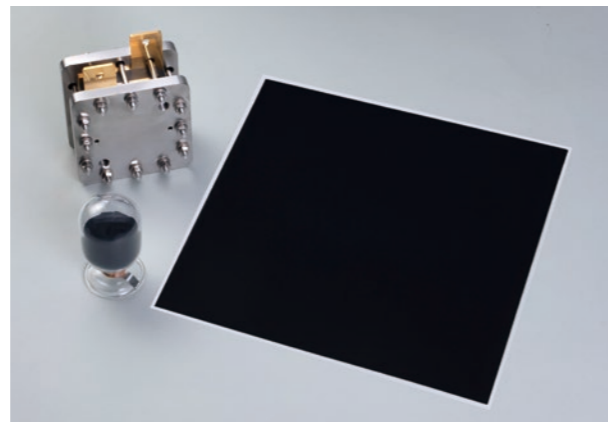
We have maintained the largest share in the global market of electrode catalysts for polymer electrolyte membrane fuel cells (PEFCs) for 15 years while also promoting industry-government collaboration. In 2018, we expanded the facilities of FC (fuel cell) Catalyst Development Center to meet an increase in demand for electrode catalysts in line with the growth of the fuel cell market.



Press release of the Ministry of Economy, Trade and Industry on the Global Niche Top Companies Selection 100 in FY 2020 <https://www.meti.go.jp/press/2020/06/20200630002/20200630002.html>

Supply of samples for the assessment of large electrolyte membranes coated with catalysts used for solid polymer water electrolysis

TANAKA Kikinzoku Kogyo has started to supply samples for the assessment of large catalyst coated membranes (CCMs). CCMs are electrolyte membranes coated with catalysts and used for solid polymer water electrolysis, which is expected to play a role in the production of hydrogen with renewable energy. The size of the coated surface can be increased to 1,000 x 1,000 mm at a maximum according to requests in the design. The samples enable device and infrastructure equipment manufacturers to conduct large-scale tests at the initial development stage and also shorten the technological development period. The use of the characteristics of the CCMs as the benchmark at the development stage helps achieve higher efficiency in the development of solid polymer water electrolysis equipment.



Development of simple test kits for infectious diseases

Gold is used in simple test kits for flu, RS virus, norovirus and various other infectious diseases, as well as pregnancy.

Those test kits are commonly based on immunochromatography as the basic principle. This testing method uses nanometer-size gold colloids.

One of our strengths is the technology to control the particle diameter of gold colloids. In the mechanism to produce gold colloids, molecule-size gold compounds are processed to "grow into" fine particles with a diameter of a few nm to 150 nm.

We also have the technology to change the surface shape. While gold colloids are usually spherical, they can be processed into a spike shape and the color of gold colloids can also be changed into blue and other colors by changing the shape. We have successfully developed blue gold colloids for test kits for the first time in the world. Differences in the color of colloids make it easier to examine multiple items at a time and reduce the physical burden of patients and medical staff. They are also expected to reduce costs.



Creation and Protection of Intellectual Property Rights

Being aware that intellectual property rights such as patent rights, utility model rights, design rights, trademark rights and copyright, as well as know-how, are important assets for companies, we actively endeavor to develop such rights. In the research of new technology and the development, production and sales of products and goods, we respect the intellectual property rights of third parties and deal with any infringement activities of other companies on our rights in a strict manner in accordance with the relevant laws of each country. We also provide patent education mainly to staff in technology departments throughout the year to enhance their awareness of intellectual property.

IP Open Access Declaration against COVID-19

The participants in this IP Open Access Declaration against COVID-19 declare that they will not assert any intellectual property rights in their possession, whether in Japan or overseas, for activities that aim to prevent the spread of COVID-19. According to this declaration, we will contribute to the early termination of the COVID-19 outbreak.



TOPICS Development of a test kit for COVID-19

To help prevent the spread of COVID-19 infection, we are promoting the development of a test kit for COVID-19.

Antigen test kit under development



TOPICS Opening of a new base in India

We established TANAKA Kikinzoku International (India) Private Limited in Mumbai, India on December 23, 2019 to respond to demands in the automobile catalyst, semiconductor and hydrogen energy markets. With the establishment of a base in India, we aim to enhance our business strategy for India, the Middle East and Africa.

External view of the building where TANAKA Kikinzoku International (India) Private Limited is located



TANAKA NOW

Intellectual Property Department gives lectures, including practical lessons, on subjects including the outline of intellectual property, the patent system, patent application specifications, patent search and infringement of patent rights to second, third and fourth-year engineers. We also organize relevant lectures for staff in Sales Department and lectures on trademarks and designs for TKJ and Precious Metals Department.

Intellectual property is a very precious company asset and an important tool to differentiate products from competitors and gain business advantage.

We will provide knowledge and skills of intellectual property to interested persons and give support to ensure that they can work in a smart way.

KURIHARA, Kenichi, Intellectual Property Department, CSR & Corporate Communications Division, TANAKA Holdings Co., Ltd.

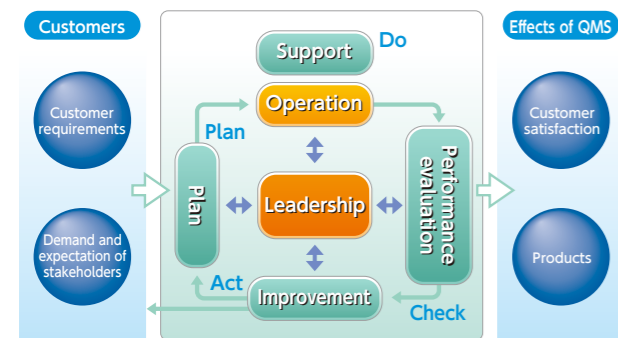
Trust in TANAKA

Delivery of "good items" to customers is a principle of the TANAKA Precious Metals. In addition to the quality of products, we also pay attention to human rights, environment, health and safety, ethics and other CSR issues in the process of producing products.

Quality Management Activities Based on a Quality Management System

We have established and operated a quality management system (QMS) based on ISO 9001 in all factories of the TANAKA Precious Metals. We also review the effectiveness of the QMS and improve the system through, for example, the introduction of requirements of IATF16949, which is a QMS standard for the car industry, so that we can promptly respond to wide-ranging customer demand on quality and continuously supply safe and secure products that satisfy customers.

Quality Management System Diagram



Customer Satisfaction Survey

The TANAKA Precious Metals has conducted a customer satisfaction survey since fiscal 2016. This survey aims to understand the real demands and complaints of customers in Japan and overseas towards our company based on their responses to an annual questionnaire survey and use the results for the improvement of various issues. The responses to the survey are converted into numeric values and we aim to increase the average score to 80 by fiscal 2020. In fiscal 2019, we received responses from 173 customers (119 companies in Japan and 54 overseas companies) and the average score was 76.4 (an increase of 0.6 points year-on-year). From the score of 61.2 in fiscal 2016, we have steadily raised the score. We will continue to promote the improvement of various issues to make our customers more satisfied.

External CSR Assessments That Satisfy Customers

- RBA *1 Audit
The TANAKA Precious Metals has formulated TANAKA Precious Metals Code of Conduct and TANAKA Precious Metals Standards of Conduct, which are in line with the RBA Code of Conduct, to stipulate that each officer and employee should fulfill social responsibility for CSR issues including human rights, environment, health and safety and ethics in their daily operations. In fiscal 2019, as in the previous fiscal year, we were audited by third-party institutions accredited by RBA, as well as direct audits by customers, in multiple factories in Japan and overseas for the evaluation of compliance with the RBA Code of Conduct.
- ecovadis *2 Certification
We underwent a company-wide CSR assessment by ecovadis concerning environment, labor and human rights, ethics and supply chain and were awarded a silver rating again in fiscal 2019.

*1 RBA (Responsible Business Alliance): RBA is a CSR promotion organization mainly operated by major global companies in the electronic and electrical industries. It has established the RBA Code of Conduct as specific CSR rules to be followed by companies.

*2 ecovadis: In this CSR assessment agency, more than 50,000 organizations from 190 business categories and 150 countries in the world are registered. Gold, silver, bronze or no medal (four-grade evaluation) is assigned depending on the results of the CSR assessment.

Evaluation from Customers

The TANAKA Precious Metals has received awards, etc. from various customers in appreciation for our efforts to support their production activities.

[FY2019] Major awards given by customers

Company	Customer	Award	Reason for the commendation
AuAg	Panasonic Corporation	Encouragement Award	Contribution to substantial performance improvement and cost reduction of on-vehicle relays through the development of new contact materials
Chemical Recovery	Catalyst Manufacturers Association, Japan	Technology Award	Contribution to the expansion of the applicability of hydrophobic precious metal catalysts
	FCDIC	Award in Industry	Contribution to the industry in the field of fuel cell catalysts
	NGK SPARK PLUG CO., LTD.	Excellence Prize in the material category	Overall evaluation (management, technical capabilities, quality, contribution to cost reduction, delivery time)
PGM	Cataler Corporation	Quality Award	Contribution to quality by the achievement of zero defects
	Seagate	Best Partner Award	Overall evaluation (technology, quality, business)
Semiconductor	Toshiba Semiconductor (Thailand) Co., Ltd.	Excellent Supplier Award	Excellent quality
	Advanced Semiconductor Engineering Inc. ASE Group	2019 Outstanding Supplier	Overall evaluation (technical services, prices, delivery time, quality)
	TongFu Microelectronics Co., Ltd.	Excellent Supplier Award	Overall evaluation (technical services, prices, delivery time)
	Unimos Microelectronics (Shanghai) Co.,Ltd.	PARTNER OF THE YEAR 2019	Overall evaluation (quality, prices, delivery time)
New Business	The Japan Society of Applied Physics	Excellence Prize in the 7th Exhibition Award	Result of a vote by participants in the academic society
AP	ON Semiconductor	FE Perfect Quality Gold Award	Excellent quality
	ON Semiconductor	BE Perfect Quality Award	Overall evaluation (quality, prices, delivery time, services, the environment)

Supply Chain Management

- Approach to Suppliers
We approach to main suppliers to comply with the RBA Code of Conduct and continuously conduct the survey of their status of compliance and feeding back of the results. We also visit some suppliers that are considered to have a large impact on our business and involve high risk. In fiscal 2019, a CSR survey was conducted on about 200 suppliers and no serious problem was identified in any of them.
- Commitment to the Responsible Procurement of Minerals
With the establishment of its Responsible Mineral Management Policy, TANAKA Kikinzoku Kogyo K.K. promotes the elimination of human rights abuses including child labor, financing of terrorists, money laundering, unfair dealings, involvement in conflicts and environmental destruction in the procurement of minerals used as raw materials such as conflict minerals including gold, tantalum, tungsten and tin, as well as cobalt.
- Acquisition of Certification Based on LBMA *1 and LPPM *2 Responsible Guidance
With respect to gold and silver, we conduct due diligence based on the LBMA Responsible Gold and Silver Guidance and renew the certification every year after an audit by third-party. For platinum and palladium as well, we underwent a similar audit based on LPPM Guidance and acquired certification in July 2020.



LBMA Responsible Gold Guidance LBMA Responsible Silver Guidance

"Responsible Mineral Management Policy"
http://www.tanaka.co.jp/sourcing_policy/

*1 LBMA: London Bullion Market Association
*2 LPPM: London Platinum & Palladium Market

TOPICS The "Hoshi S" mark received a certificate to commemorate the continuous registration of the trademark

The "Hoshi S" mark of TANAKA Kikinzoku Jewelry K.K. was registered as a trademark in 1910 and is engraved on all products of GINZA TANAKA that have met our quality standards, which are the strictest in the industry, to endorse their reliable quality. This mark has received a certificate to commemorate the continuous registration of the trademark from the Japan Patent Office in its project to celebrate the 150th anniversary of the Meiji Period in Japan. The certificate is issued to trademark rights that have been maintained since the days before the end of the Meiji Period (July 30, 1912).



Protection of the Global Environment

To hand down the beautiful earth to the future is a task shared by the international community and also a major challenge. The TANAKA Precious Metals is pursuing every possibility to minimize the environmental impact of its business activities.

GOGO Plan 2020 ~ Environment ~ "To be a leading company in environmental conservation in Japan"

State we need to achieve

Specific activities and measures to be a leading company in environmental conservation can be designed and launched.

Ideal State we would like to achieve

Environmental activities, including protection of the environment and contribution to biodiversity, are actively performed to be a leading company in environmental conservation.

FY2015 to FY2017

FY2018 to FY2020

We have established the environmental action policy for the whole Group based on the mid-term business plan "GOGO Plan 2020" and specified that the "Ideal State we would like to achieve" in fiscal 2020 is "to be a leading company in environmental conservation in Japan."

Environmental Management System

All of our production bases in Japan have obtained ISO 14001 certification for their environmental management systems and make continuous efforts to perform environmental conservation activities. In particular, we set targets for the Group as a whole to reduce CO₂ emissions (for prevention of global warming) and industrial waste emissions (for the establishment of a recycling-oriented society) and eradicate environmental incidents (for prevention of pollution), and aggressively strive to meet the targets.

To promote environmental conservation activities in a steady and smooth manner, we have set up a Group-wide structure with the Central Environmental Committee, which is composed of plant managers and facility managers, at the top. In addition, SHE* Promotion Office Manager Council, as well as the Environmental Managers Sub-committee composed of environmental managers, holds a meeting periodically to share information and exchange opinions actively.

* SHE: Safety, Health and the Environment

Structure to promote environmental conservation activities



List of the Facilities That Have Obtained ISO 14001 Certification

TANAKA Kikinzoku Kogyo K.K.	
Shonan Plant	October 2000
Ichikawa Plant	May 2002
Technical Center	May 2002
Hiratsuka Plant	October 2002
Iwate Plant	January 2005
Isehara Plant	March 2005
Tomioka Plant	March 2005
Tsukuba Plant	December 2013
Taiwan TANAKA Kikinzoku Kogyo Co., Ltd.	
Taiwan TANAKA Kikinzoku Kogyo Co., Ltd.	May 2010
TANAKA Kikinzoku (Ningbo) Co., Ltd.	
TANAKA Kikinzoku (Ningbo) Co., Ltd.	January 2019
Saga Production Headquarters of TANAKA Denshi Kogyo K.K.	
Saga Production Headquarters of TANAKA Denshi Kogyo K.K.	August 1999
TANAKA Electronics Malaysia Sdn. Bhd.	
TANAKA Electronics Malaysia Sdn. Bhd.	June 1999
TANAKA Electronics Singapore Pte. Ltd.	
TANAKA Electronics Singapore Pte. Ltd.	December 1999
TANAKA Electronics (Hangzhou) Co., Ltd.	
TANAKA Electronics (Hangzhou) Co., Ltd.	February 2005
TANAKA Electronics Taiwan Co., Ltd.	
TANAKA Electronics Taiwan Co., Ltd.	March 2013
Electroplating Engineers of Japan Ltd.	
Electroplating Engineers of Japan Ltd.	November 2000

Commitment to the Prevention of Global Warming

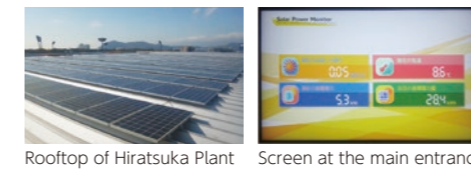
The TANAKA Precious Metals sets a target of reducing per-unit energy consumption by 1% each year to conform to the Act on the Rational Use of Energy of Japan.

While our energy consumption had been slightly increasing since fiscal 2015 reflecting the favorable business environment, it was reduced by 1.2% year-on-year in fiscal 2019 due to a decrease in production activities with the impacts of COVID-19 and other factors. We aimed to reduce per-unit energy consumption to 85.3% of the fiscal 2013 level and met the target by reducing it to 78.8%. In the meantime, we are also reducing CO₂ emissions steadily.

We will continue to enhance our energy saving efforts including increases in the efficiency of various devices and the improvement of their operation.

○ Introduction of Photovoltaic Power Generation
Hiratsuka Plant of TANAKA Kikinzoku Kogyo K.K. started photovoltaic power generation in January 2020. It is estimated that the introduction will reduce energy consumption in the whole plant by 3%.

So far, five facilities have introduced photovoltaic power generation in our Group.



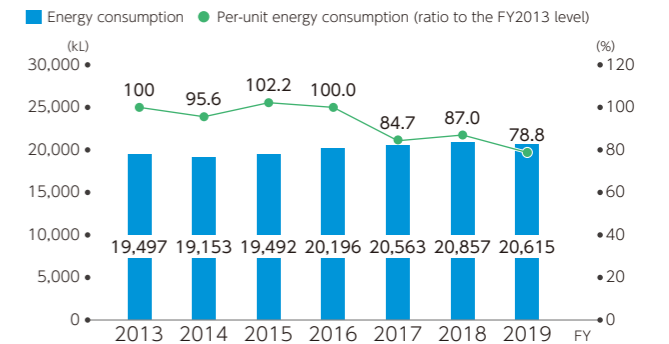
Rooftop of Hiratsuka Plant Screen at the main entrance

Plant	Year of introduction	Energy reduction effect
Saga Production Headquarters of TANAKA Denshi Kogyo K.K.	FY2016	4%
Shonan Plant of TANAKA Kikinzoku Kogyo K.K.	FY2016	1%
Isehara Plant of TANAKA Kikinzoku Kogyo K.K.	FY2017	4%
Tsukuba Facility of TANAKA Kikinzoku Kogyo K.K.	FY2017	4%
Hiratsuka Plant of TANAKA Kikinzoku Kogyo K.K.	FY2019	3%

Efforts to Reduce Waste

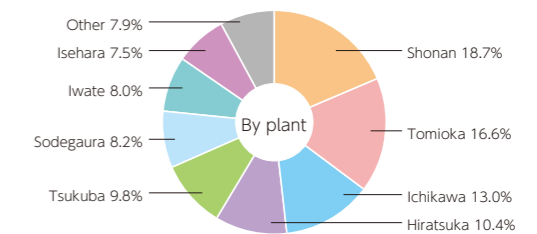
The TANAKA Precious Metals sets a target of reducing industrial waste emissions by 2% each year from the base fiscal year (average of the emissions from fiscal 2011 to 2013). We aimed to reduce the emissions by 64% from the base fiscal year to 3,620 tons in fiscal 2019 but failed to meet the target with the reduction rate of 50% (5,080 tons). The failure was attributed to the start of the full-scale operation of the FC Catalyst Development Center in Hiratsuka, Kanagawa and Sodegaura Plant in Sodegaura, Chiba, as well as the impact of the disposal of effluent as industrial waste when effluent treatment was suspended due to an environmental incident. We will promote further measures to control the waste generated in association with the expansion of our business.

Energy Consumption and Per-unit Energy Consumption by Year

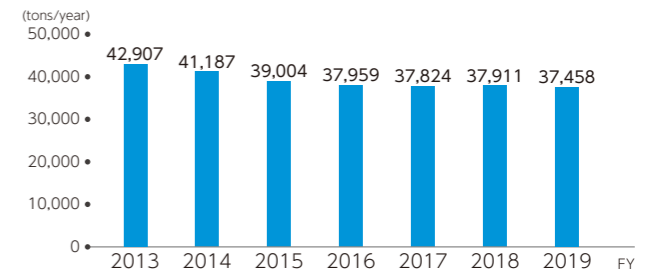


* Energy amount is calculated by converting electricity, gas, etc. into crude oil. Per-unit energy consumption is calculated with the gross margin on sales in the profit and loss statement as the denominator.

Breakdown of Energy Consumption in Fiscal 2019

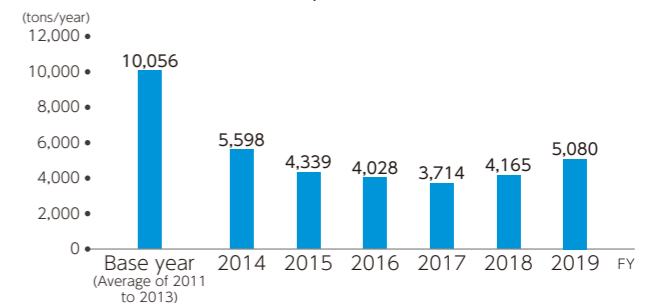


CO₂ Emissions by Year

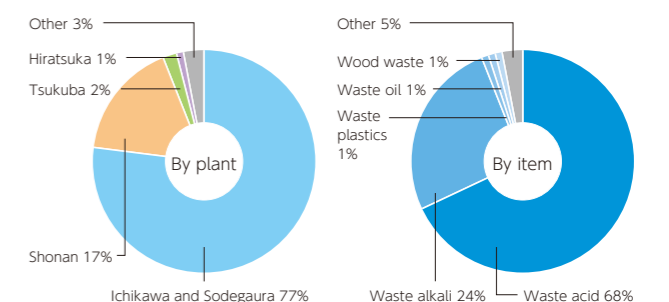


* CO₂ emissions are calculated with the CO₂ emission factor of each electric power supplier in the region where each of the plants and facilities is located by each fiscal year. The factors used in fiscal 2018 were applied again in fiscal 2019.

Industrial Waste Emissions by Year



Breakdown of Industrial Waste Emissions in Fiscal 2019



Protection of the Global Environment

Reduction of Water Consumption

While there is growing concern over water shortage on a global scale, we are making efforts to reduce water consumption in our business activities. The water use in the TANAKA Precious Metals as a whole reached a peak in fiscal 2017 and has been on a downward trend since then. By plant, Shonan Plant and Tomioka Plant account for around half of the water consumption. We will continue to strive for the effective use of water resources through the recycling of water in our plants based on effluent treatment along with the improvement of processes.

Prevention of Environmental Pollution

As to the substances specified under the Act on Confirmation, etc. of Release Amounts of Specific Chemical Substances in the Environment and Promotion of Improvements to the Management Thereof (PRTR* Act), we notify the national government of the amounts released in the environment and the amounts transferred to outside the facilities. The amounts released from the TANAKA Precious Metals as a whole were 159 kg in fiscal 2019. Most of them were released to the air and there was no release to soil or landfill. We will continue to be committed to the proper management of chemical substances in business activities to prevent environmental pollution.

* PRTR: Pollutant Release and Transfer Register

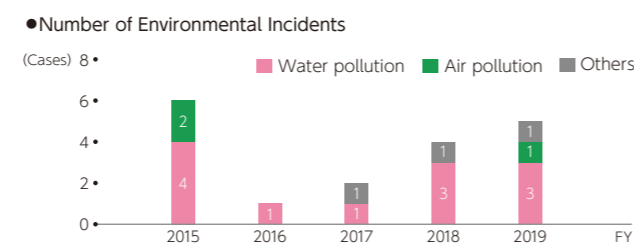
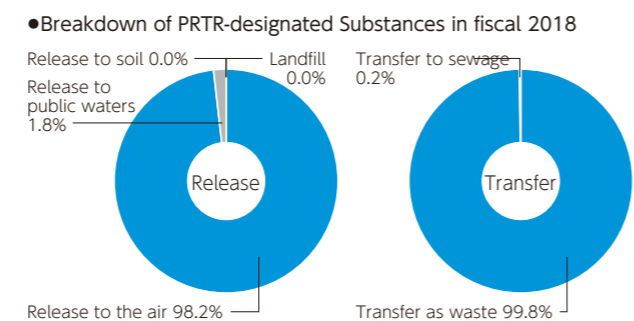
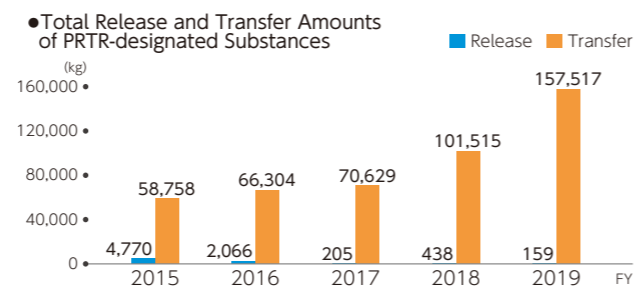
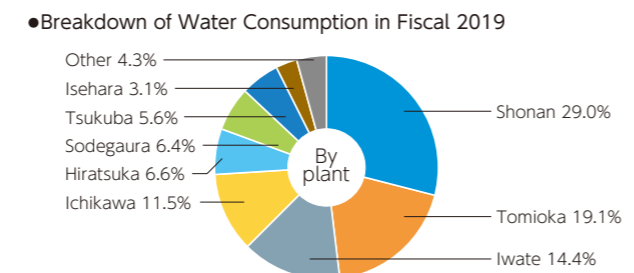
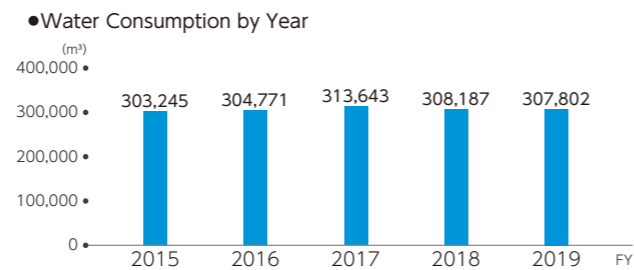
Environmental Incident Eradication Activities

To prevent air pollution, water pollution and soil pollution, we have set internal limits that are even stricter than the levels required by law and regulations. In particular, the internal limits for air and water pollutants are set to be 50% of the regulatory values in principle. In case of any environmental incident (such as an excess over the internal limit), we respond promptly to it and strive to identify the cause and prevent its recurrence. We convey information internally through "flash reports on environmental incidents" and submit reports to relevant government bodies in accordance with the reporting and notification standards. While we had five environmental incidents in fiscal 2019, we took corrective measures immediately and have worked to prevent their recurrence.

Major Internal Rules

Item	Description	Year of establishment
Ordinary management	Management of voluntary standard values	1974
Response to incidents	Flash reports on environmental incidents	2002
	Reporting and notification standards	2004

* Definition of an environmental incident: Non-compliance with laws and regulations, excess of voluntary standard values, complaints from neighbors, minor accidents resolved within the site, etc.

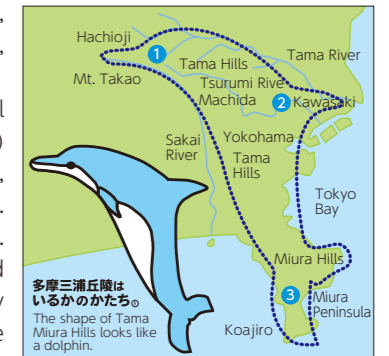


Conservation of Biodiversity

As an initiative to conserve biodiversity, the TANAKA Precious Metals started to cooperate with Tsurumi River Basin Networking, which is an NPO in Yokohama, Kanagawa (represented by Dr. KISHI, Yuji), in fiscal 2019. We support the Multi-nature River Development Blooming Dolphin Hill Project, which was launched by the NPO in April 2019. Dr. Kishi has named Tama Miura Hills "Dolphin Hill" after the dolphin-like shape of the hills, which range from the eastern side of Mt. Takao to Machida, Kawasaki, Yokohama, Yokosuka and Miura Peninsula.

In this project, alternative and attractive indigenous plants that need only small maintenance work (e.g. cow parsnip, tawny daylily, orange daylily and coastal daylily) will be replanted in the places that are covered by exotic species causing hay fever, such as hybrid ryegrass, therefore have to be treated regularly with weeding, etc. The project aims to create safe and biologically diverse multi-nature biotopes. Cow parsnips show beautiful flowers from April to May while larvae of old world swallowtail grow in the plants. The varieties of daylily also bloom beautifully from July to September and various species of swallowtail butterflies such as the Chinese windmill are attracted to the flowers to suck nectar.

We support this project in three locations of the Dolphin Hill.



Location	Activity	Future plan
1 Maru Pond, the headwater of Tsurumi River (Machida, Tokyo)	Transplanted 500 tawny daylilies in March 2020	2021: 1,000 plants 2023: 4,000 plants
2 Tsunashima Barashima (Yokohama, Kanagawa)	Transplanted 500 orange daylilies in November 2019	2021: 2,000 plants 2023: 10,000 plants
3 Koajiro Coastal Area Zone B (Miura, Kanagawa)	Transplanted 200 coastal daylilies in March 2020	2021: 500 plants 2023: 2,000 plants

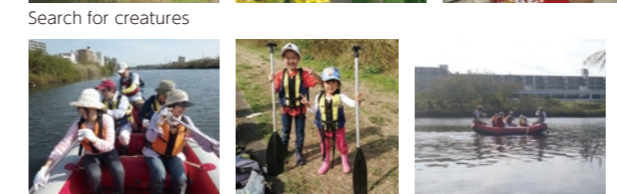


Transplantation of Orange Daylilies in Tsunashima Barashima

On November 2, 2019, 500 orange daylilies were transplanted in Tsunashima Barashima along Tsurumi River. Eleven of our employees and their families also participated in the event together with NPO staff.



In addition to the transplantation of orange daylilies, the event included a search for creatures and boat riding.



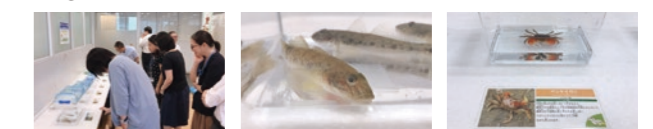
A video of the event is posted on our website.



<https://www.tanaka.co.jp/about/csr/>

Opening of an "eco cafe"

On September 18, 2019, we opened an "eco cafe" in our Headquarters in Tokyo Building. A small aquarium was created in the office building on the day and many employees enjoyed watching creatures from Tsurumi River.



Moreover, Dr. Kishi gave a lecture on the Multi-nature River Development Blooming Dolphin Hill Project while a workshop was also organized to create a "basin address," which aims to recognize each location from a natural perspective. Thus, the event offered an opportunity to carefully think about various issues ranging from biodiversity to disaster prevention.



Lecture by Dr. Kishi TANAE, Akira, then president, also joined the workshop

By coincidence, Typhoon Hagibis hit the Kanto Region and caused severe damage on October 12, three weeks after the event. Those who attended the workshop provided comments such as "I was able to respond calmly because I knew my basin address" and "I was watching the situation of the river whose basin covers the location of my house through live cameras of the local government, instead of collecting information on another river where the embankment collapsed."

Contribution to Local Communities and Society

The TANAKA Precious Metals aims to develop activities that can contribute to the local communities and countries with which we are linked through our business activities so that they can be more healthy and prosperous. We are developing support activities as corporate efforts, as well as volunteer activities of the employees, in various places with focus on continuity.

Promotion of Sports

Tokyo 2020 Official Supporter

TANAKA Holdings Co., Ltd. has signed an agreement with the Tokyo Organising Committee of the Olympic and Paralympic Games to become a Tokyo 2020 Official Supporter in the category of "Precious Metals and Jewelry" under the Tokyo 2020 Sponsorship Programme.



TOPICS Participation in the "Making medals from urban mines! Everyone's Medal Project"

TANAKA Kikinzoku Kogyo joined this project, which is organized by the Tokyo Organising Committee of the Olympic and Paralympic Games, through NTT DOCOMO, INC. and the Japan Environmental Sanitation Center, which are the collaborators. In this project, which aims to help establish recycling and realize a sustainable society, metals are recovered from used mobile telephones and other small appliances to create medals to be awarded to the winners in the games from the metals. We are in charge of the recycling of precious metals in the process to produce medals and have mainly refined gold and silver. The project recovered the amount of metals necessary for about 5,000 gold, silver and bronze medals in total for the Olympic and Paralympic Games over two years from April 2017. We hope that the recycling of precious metals, which are limited resources, is promoted more through this project.



Procedures of the refinement
 ① Apply a special solution to extract gold by dissolution and reduction reaction. ② Filtrate and dry the extracted solution to turn it into powder (gold powder). ③ Melt the gold powder at a high temperature and put it in cold water to turn the gold into grains.

Certification as a Tokyo Sports Promotion Company and as a Sports Yell Company

TANAKA Holdings Co., Ltd. sponsors various sports events and also organizes health-promoting events, a program to experience boccia in employee training and other programs that encourage employees to have interaction with each other and improve their health through sports activities. In addition, we became an official partner of the Japanese Para-Sports Association (JPSA) in 2012 and started to co-sponsor the Japan Blind Football Association (JBFA) and the Japanese women's blind football team in 2017. In recognition of those activities, TANAKA Holdings was certified as a Tokyo Sports Promotion Company by the Tokyo Municipal Government for five consecutive years from fiscal 2015 and as a Sports Yell Company by the Japan Sports Agency for three consecutive years from fiscal 2017, respectively.



Support of and Participation in Sports for People with Disabilities

TANAKA Kikinzoku involves employees in Japan Para Championships organized by the Japanese Para-Sports Association, as well as domestic and international competitions of blind football, as cheering spectators and volunteers. We also organize events to experience sports for people with disabilities at domestic bases, as well as programs to experience such sports in the corporate sports festival. With the cooperation of the Japan Blind Marathon Association, we experienced "escort walk" to walk close to a race walker while securing the course and giving instructions on which way to move in the corporate sports festival in fiscal 2019. In addition, as a new initiative, we held "Para-Sports Park! - Blind Soccer Experience Event" in collaboration with Hiratsuka City, in which some of our bases are located. We will continue to conduct activities that can promote the understanding of sports for people with disabilities through various opportunities including spectating and cheering and volunteer activities.



Human Resource Development

TANAKA Kikinzoku Memorial Foundation

○ Grants for Research on Precious Metals
 This grant program has been carried out every year since fiscal 1999 to support research and development on new technologies to which precious metals can contribute. We received a total of 198 applications for this 21st invitation and provided grants of 16.1 million yen in total to 26 research projects.

"Creation of recycling technology to establish a precious metals recycling industry from E-waste (electronic waste) in the world"

Gold Award 2 million yen Professor KONISHI, Yasuhiro, Osaka Prefecture University *

"Unravel the mysterious gold surface at a molecular level"

Gold Award 2 million yen Dr. YAMADA, Kazuhiko, Associate Professor, Kochi University

* The position is as of March 31, 2020.

○ Scholarship Program
 We launched the program that aims to support academic, technological and socio-economic development in fiscal 2018. In fiscal 2019, as in the previous fiscal year, scholarships were provided to three undergraduate and postgraduate students majoring in science and technology at Tohoku University. We will continue to value the connection with the scholarship recipients.

○ Support for Recovery from the Great East Japan Earthquake
 The "Bond of Love - Cherry Blossom Trees Planting 135" program, which was launched in 2013 as a volunteer initiative to assist the recovery of the Tohoku Region from the Great East Japan Earthquake, marked its seventh year. We upgraded the activities from fiscal 2018, when the goal of planting 135 cherry blossom

trees was achieved, to give "double support," which consists of donation through a foundation to maintain the cherry blossom trees and exhibitions of local products to assist the producers in the affected area. The exhibition in fiscal 2019 extended the range of the products and involved all worksites in the TANAKA Precious Metals to widen the support.



Co-sponsorship of Robot Contest for Technical College Students (Kosen-Robocon)

Competition of ideas - Robot Contest of National Colleges of Technology (Kosen-Robocon) is an event where technical college students think outside the box and create robots by themselves to experience the joy of manufacturing. Students from 62 campuses of 57 technical colleges all over Japan compete in a preliminary round in eight regions, and the 25 teams that have won the round move into the national competition held in Tokyo.

The TANAKA Precious Metals has co-sponsored the Robocon for technical college students since 2012 to support manufacturing activities of young engineers.



Main Activities

- Donation and Fund-raising Activities** We participated in a program to purchase sweet potatoes from Zenan Homeless Social Welfare Foundation to support single mothers. TANAKA Electronics Taiwan Co., Ltd. January to March 2020
- Sports Promotion Activities** Our employees worked as volunteer staff at a water station in the Penang Bridge International Marathon. TANAKA Electronics Malaysia Sdn. Bhd. No. of participants: 26 November 2019
- Cultivation of Human Resources and Development of Art and Culture** We invited Professor MAEDA, Hiroto from Department of Crafts, Faculty of Fine Arts, Tokyo University of the Arts as a lecturer and organized a precious metals workshop to create original silver spoons. TANAKA Holdings Co., Ltd. No. of participants: 59 August 2019
- Local Cleaning Activities** The following plants and facilities implement activities to clean plants, their neighborhood and other areas in a regular manner. Plants and facilities of TANAKA Kikinzoku Kogyo K.K., Saga Production Headquarters of TANAKA Denshi Kogyo K.K., Hiratsuka Office of Electroplating Engineers of Japan, Limited, Main Store (Ginza) of TANAKA Kikinzoku Jewelry K.K., TANAKA Electronics Singapore Pte. Ltd., TANAKA Electronics (Hangzhou) Co., Ltd.



For other activities, see our website: <https://www.tanaka.co.jp/about/csr/communication.html>

Active Role of Each Employee

While employees are being diversified, the creation of a workplace environment where each of them can fulfill their potential is essential for the future of the TANAKA Precious Metals. We are working to improve the workplace environment from various aspects to ensure that diverse employees can play an active role.

Work Style and Vacation Style Reforms and Active Roles of Diverse Employees

The TANAKA Precious Metals aims to create a workplace environment where all diverse employees can work vividly. As part of our commitment to it, we review work styles and vacation styles for their improvement through a composite approach.

In Japan	2018	2019
Annual paid holiday (5 or more days) utilization rate	91.1%	100%
Average number of annual paid holidays taken	11.5 days	12.9 days
(Manufacturing units)	11.9 days	12.2 days
(Indirect units)	13.2 days	14.5 days
Average overtime hours	10.37 hours	14.34 hours
Average service years: male	13.3 years	13.8 years
Average service years: female	11.4 years	12.1 years
Nursing care leave	1 person	1 person
Reduced working hours for nursing care	1 person	1 person

Annual Paid Holidays

While the Act on the Arrangement of Related Acts to Promote Work Style Reform was enforced in April 2019 to require companies to have their employees take five or more annual paid holidays in a year, we have promoted the rule across the Group since fiscal 2018. The achievement rate was 100% in fiscal 2019.

Support for Employees to Achieve a Balance between Nursing Care and Work

We take various initiatives to develop a workplace environment where employees can balance nursing care and work.

1. Systems that exceed the legal requirements

【Nursing care leave】

Employees can take nursing care leave for 365 days for each member in need of nursing care.

【Reduced working hours for nursing care】

The working hours can be reduced to six hours in principle or five hours at the request of the employee.

2. Establishment of consultation services

Consultation services are available in and outside the company to give employees advice about nursing care.

3. Provision of information to employees

To help employees obtain information on nursing care before they face the issue, we distribute a relevant booklet in age-based training and provide information via the corporate intranet.



TOPICS Acquisition of Kurumin Certification (4 Group companies)

Companies of the TANAKA Precious Metals Group have been certified as childcare support companies by the Minister of Health, Labor and Welfare. The certification is granted when a company that has developed an action plan based on the Act on Advancement of Measures to Support Raising Next-Generation Children achieves the goals set under the plan and satisfies certain criteria. We will continue to work for the maintenance of the Kurumin Certification.

Certified companies: TANAKA Holdings Co., Ltd., TANAKA Denshi Kogyo K.K., Electroplating Engineers of Japan Ltd., TANAKA Kikinzoku Jewelry K.K. TANAKA Kikinzoku Kogyo K.K. is currently working to acquire the certification.



Support for Employees to Achieve a Balance between Child Care and Work

We operate various programs to develop a workplace environment where employees can achieve a balance between child care and work, including those which exceed the legal requirements. We will continue to help employees achieve a balance between child care and work from the perspectives of work style reforms and work-life balance.

1. Systems that exceed the legal requirements

【Special paid holidays for employees whose spouses gave birth】

Employees whose spouses gave birth can take three special paid holidays to spend time for hospitalization, discharge and notification.

【Child care leave】

Child care leave can be taken until the child reaches 18 months in principle (or up to 2 years when the criteria are met).

【Reduced working hours for child care】

This program is applicable until April 15 of the year when the child is a second-grade elementary school student.

The working hours can be reduced to six hours in principle or five hours at the request of the employee.

【Sick/injured child care holidays】

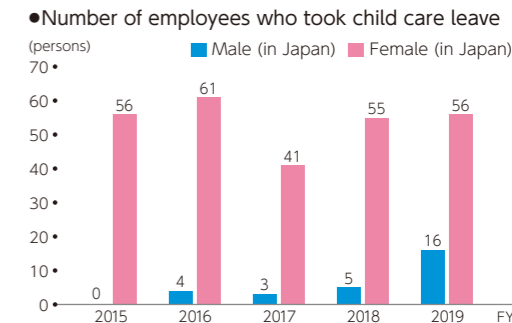
This holiday can be taken until April 15 of the year when the child is a second-grade elementary school student.



2. Encouragement of male employees to take child care leave, etc.


We strive to inform employees of the internal systems related to child care and create an environment where employees can use them easily through the distribution of a leaflet to the employees whose spouses gave birth, as well as their superiors, and the distribution of a booklet in manager training.

The number of male employees who take child care leave has been on an upward trend since fiscal 2016. With 16 male employees taking child care leave in fiscal 2019, which was a record high, the effects of our efforts are gradually becoming apparent. We will continue to expand the programs to help employees achieve a balance between child care and work.



The leaflet for superiors mentions that they should encourage employees to use the program at their request.

TANAKA NOW



I took child care leave for one month when my wife returned home from her parents' house after giving birth to our second child. Our first child was also still small, so I took the leave to reduce the burden of raising two children on my wife even if only slightly. However, I struggled with taking care of them because I had not got used to it. It was a precious experience for me because I deeply learned how hard it is to raise children and also witnessed the growth of my children that I was able to see only at that time beside them. I spent more time with my family during the child care leave, which made me think that I should work even harder for my family after return I to work.

CHIGAMA, Yuhei Leader, Production Engineering Department, Business Management Division, TANAKA Kikinzoku Kogyo K.K.

Active Role of Each Employee

Employment of Persons with Disabilities

To enhance the employment of persons with disabilities, we regularly participate in an event for the recruitment of persons with disabilities and our plants and facilities actively accept interns from local schools for handicapped children. Our system to help employees adapt themselves to the workplace (job coach program) is also used for job retention of the recruited persons with disabilities.

Recruitment of Global Employees

We also hire non-Japanese employees for globalization. To help them get used to life in Japan quickly after their employment, we provide various support for their life in Japan including pickup at the time of arrival in Japan and assistance with paperwork for living in Japan. They can also learn Japanese using the language training programs designated by the company.

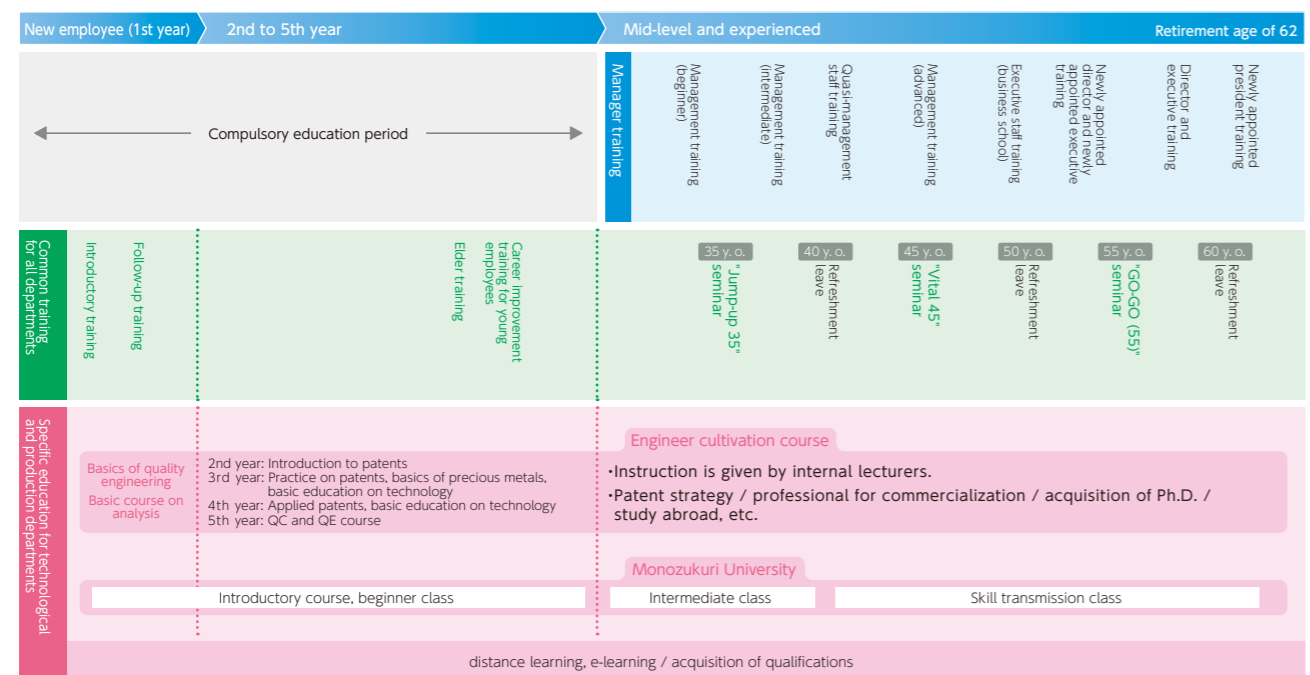
Reemployment of Retired Employees

Based on the Law concerning Stabilization of Employment of Older Persons, any employee who has reached the retirement age of 62 can continue to work if they wish to do so. The period of the reemployment contract is one year in principle and the contract is renewed upon mutual agreement between the company and the employee. Employees can be reemployed until they reach 65 as a general rule.

Human Resource Development

The TANAKA Precious Metals is cultivating personnel in a planned manner through systematic training programs, ranging from new employee training to manager training, to ensure that the growth of each employee leads to the vitalization of the whole organization. "Jump-up 35" seminar and "Vital 45" seminar are common training for all departments to have employees look back upon their past careers and establish future targets for their further growth and success. At the same time, since those seminars bring Group employees of the same age together, the participants can develop horizontal ties, irrespective of whether they were hired as new graduates or mid-career employees, and also stimulate each other. We also organize basic training on precious metals and technology and a QC and QE course to improve knowledge and skills on precious metals.

Education Program



Mental Health

With the recognition that the management of the mental health of employees is an important matter, we promote the improvement of a workplace environment including human relationships and take wide-ranging initiatives such as the early detection of those with mental disorders.

○ Consultation Services
Nurses are deployed at the health management office of major worksites on a full-time basis to consult with employees about their physical and mental health issues. External consultation services have also been set up and employees and their families can use the services by phone and email. Employees can also undergo personal interviews and counseling.

○ Stress Check
We have conducted stress checks for all employees since fiscal 2016. In this initiative, employees check their own mental state and each workplace assesses health risks comprehensively through group analysis to improve the workplace environment. Specifically, we implement a program to practice assertion for the improvement of workplace communication.

CSR Tsushin

As an internal communication tool for our CSR activities, we issue "CSR Tsushin" (CSR daily news) every day from April 2012. The 1,900th issue was published in July 2020. Subjects related to the core issues of ISO 26000, such as organizational governance, human rights, the environment, labor practice and community involvement, are covered and the articles are prepared by the staff members of CSR Promotion Department in charge of the respective subjects. CSR Promotion Department distributes the newsletter to departments of the plants and facilities by email every day and the departments display it on bulletin boards in worksites, canteens, etc. In 2018, articles extracted from the back issues were re-edited in one brochure named "Book to Make Use of CSR Tsushin," which was distributed to departments so that they can use it to raise awareness of CSR activities and for other purposes. We will update the data for every 100th issue and add articles and update the book for every 1,000th issue.



CSR Tsushin is displayed in canteens, etc.

TANAKA NOW

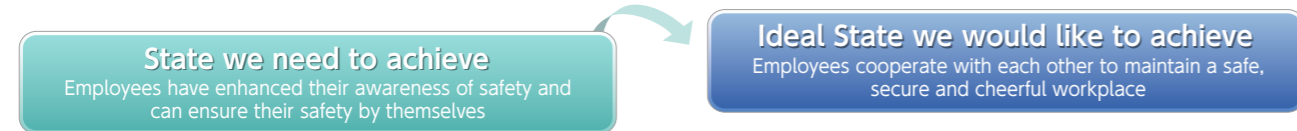
When the then president said that it would be considered as a success if CSR Tsushin continued for six months, I shouted "You just wait!" (In my mind, of course). If it is initiated, it must be continued for at least 10 years in any event. "If we do it, we should start it in a proper style," said the then manager of the department. The preparation started with the format and we asked Communications and Advertising Department to design it. As to who prepares the newsletter and how, we decided that a different person is appointed by rotation every day to prepare each issue on a PowerPoint slide. What does CSR Promotion Department do? What is CSR in the first place? Setting these issues as the starting point, the newsletter explained what CSR is, who CSR Promotion Department members are and what jobs the department does. We searched for topics from the pivotal issues of our jobs including safety, the environment, community involvement and organizational governance, which are core subjects of ISO 26000. While CSR means corporate social responsibility and involves business continuity, CSR activities are not something special but may include the whole business activities, or in other words, all daily activities ranging from manufacturing to indirect duties when you look at them from a different angle. Eight years have passed since the first issue and the 1,900th issue was published. The 10th anniversary is coming soon. It will be a milestone that demonstrates our steady efforts and also merely a checkpoint. I appreciate your continued support for CSR Tsushin.

YAMAMOTO, Nobuo CSR Promotion Department, CSR & Corporate Communications Division, TANAKA Holdings Co., Ltd.

Creation of a Safer Work Environment

The creation of a workplace environment where employees can work safely with a sense of security is a challenge that is profound and most important for companies. The TANAKA Precious Metals strives to ensure the safety and health of employees while focusing on the development of relationships that facilitate mutual cooperation between them.

GOGO Plan 2020 ~ Safety ~ "Give top priority to safety, and establish a secure and cheerful workplace"



FY2015 to FY2017

FY2018 to FY2020

Having gone through the "State we need to achieve" in fiscal 2017 and aiming to be the "Ideal State we would like to achieve" in fiscal 2020 based on the mid-term business plan "GOGO Plan 2020," we will promote safety management activities under the core safety policy "Give top priority to safety, and establish a secure and cheerful workplace."

Review of Overall Safety Activities

With the aim of ensuring that "Employees cooperate with each other to maintain a safe, secure and cheerful workplace," which is the "Ideal State we would like to achieve" in fiscal 2020, our plants and facilities perform safety activities on a daily basis with the safety managers playing the main role according to the annual policy "Give top priority to safety, and establish a secure and cheerful workplace." We have also undergone a safety diagnosis of the Japan Industrial Safety and Health Association every year since fiscal 2015 and made efforts with focus on the reduction of unsafe situations.

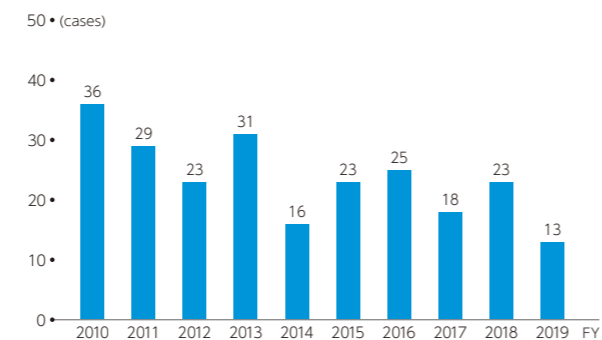
As in the previous fiscal year, our plants and facilities took safety measures to address the priority issues selected for each of them such as "getting caught" and "chemical and burn injuries" in fiscal 2019.

The number of occupational accidents in fiscal 2019 was 13, which was the lowest in the last 10 years. We will continuously make maximum efforts to identify residual risks and take measures to address them.

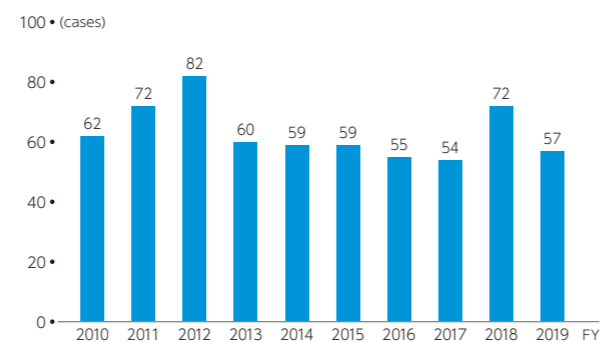
In the meantime, the number of traffic accidents was 57. The number has been around 60 over the past 10 years and many rear-end accidents occurred to cause damage.

In fiscal 2020, which is the final fiscal year for GOGO Plan 2020, we will continue to enhance safety management activities and aim to create a safer workplace environment.

Accidents



Traffic accidents



TANAKA NOW

To maintain zero accidents, while also working to improve unsafe situations (of machines, equipment, materials, etc.), we conduct safety campaign activities once a week or so as a safety measure to address priority issues with focus on people's awareness, actions and movements that can cause unsafe actions. Themes for raising awareness are selected from accidents and serious potential accidents, as well as daily reports on potential accidents, and a safety action slogan including the themes is chanted by all staff members in each workplace every morning while they point at the slogan. Safety cannot be achieved in a passive manner. We all need to be more sensitive to (aware of) danger and become able to respond to it (avoid the danger) with active and positive actions. While introducing ideas and measures to make the activities amusing and interesting, we will further expand the activities involving all employees in cooperation with managers in a way to move the hearts of the workers so that we can continue to maintain zero accidents in the future.

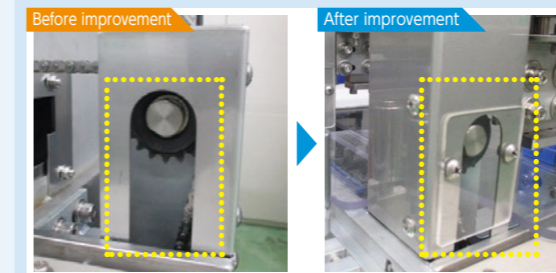
SEITA, Kazuyoshi Safety Manager, Hiratsuka Plant, AuAg Company, TANAKA Kikinzoku Kogyo K.K.

Introduction of Examples of Safety Measures Taken to Address Priority Issues

Example 1

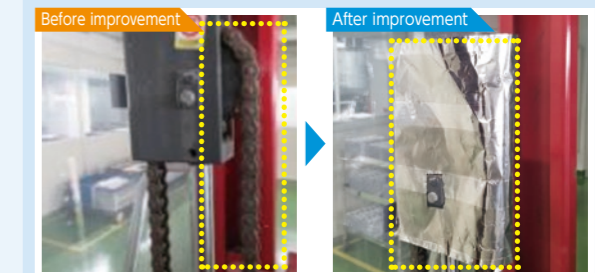
Getting caught

Hiratsuka Plant, AuAg Company



There was a risk of getting caught at the opening of the gear case, so a cover was attached to eliminate the gap into which hands or fingers can be inserted.

Tsukuba Facility, PGM Company



There was a risk of getting caught in the exposed chain, etc., so a cover was attached to eliminate the gap into which hands or fingers can be inserted.

Example 2

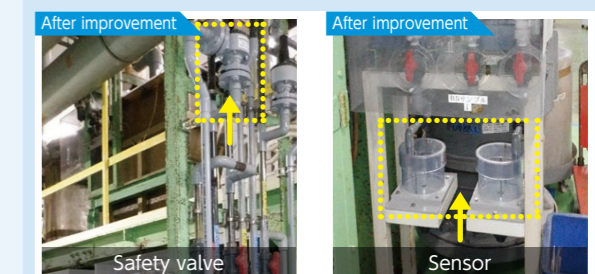
Chemical and burn injuries

Isehara Plant, PGM Company



There was a risk of getting burnt with the exposed body of the electric furnace, so it was covered with heat-resistant curtains and safety fences to avoid body parts from touching any high-temperature section.

Shonan Plant, Chemical & Refining Company

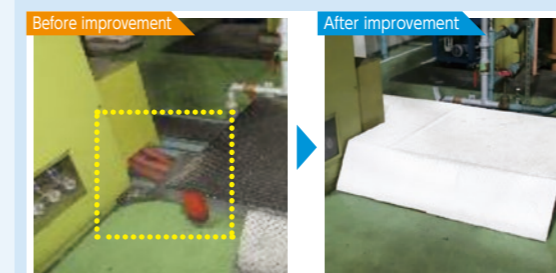


There was a risk of scattering of liquid due to an increase in internal pressure to cause chemical injuries, so safety valves and sensors were attached to stop the metering pump when the pressure has reached an abnormal level.

Example 3

Fall

Tomioka Plant, AuAg Company



There was a risk of fall due to a gap on a stage over pipes, so the gap was closed to avoid a foot from entering it.

Isehara Technical Center, Global Marketing / R&D Division



There was a risk of falling while carrying burdens on stairs due to difficulty in checking the steps, so a freight elevator was installed.



Creation of a Safer Work Environment

CSR Management

Commitment to the Health Declaration

While giving top priority to the health of employees and their families, the TANAKA Precious Metals promotes the prevention of diseases and the maintenance and improvement of their health.

Health Initiatives

- (1) The company aims to cultivate a culture that prioritizes safety and health, based on the belief that employee health is an important driving force for the business.
- (2) The company aims to create a workplace environment in which employees can work in healthy, happy and positive circumstances.
- (3) The company takes a comprehensive approach to maintain and improve the health of its employees and their families, to promote a healthy work-life balance, and to improve productivity, aiming to create a workplace that encourages the participation of its diversified employees.

TOPICS Acquisition of Silver Certification as Healthy Companies

We issued the "Healthy Company Declaration" to the Tokyo Federation of the National Federation of Health Insurance Societies and actively promoted healthy and productivity management and health maintenance. As a result, we acquired Silver Certification as Healthy Companies in August 2019.

Certified companies: TANAKA Holdings Co., Ltd. (Silver Certificate No. 808), TANAKA Kikinzoku Kogyo K.K. (Silver Certificate No. 807), TANAKA Denshi Kogyo K.K. (Silver Certificate No. 809), Electroplating Engineers of Japan Ltd. (Silver Certificate No. 810)

TANAKA Kikinzoku Jewelry K.K. has been making efforts to acquire the certification since September 2019.



Silver Certificate No. 808

TOPICS Recognition under the 2020 Certified Health & Productivity Management Outstanding Organizations Recognition Program

The Ministry of Economy, Trade and Industry of Japan and the Nippon Kenko Kaigi recognized five TANAKA Precious Metals companies* under the 2020 Certified Health & Productivity Management Outstanding Organizations Recognition Program (in the large enterprise category) in March 2020. While we initially aimed to acquire the recognition in March 2021, we were recognized one year ahead of schedule.

* 5 TANAKA Precious Metals companies: TANAKA Holdings Co., Ltd., TANAKA Kikinzoku Kogyo K.K., TANAKA Denshi Kogyo K.K., Electroplating Engineers of Japan Ltd., TANAKA Kikinzoku Jewelry K.K.



2020 健康経営優良法人 Health and productivity

Health Checkup

We continue to maintain 100% of regular health checkup rate and secondary test rate among employees. When a regular health checkup is organized, lifestyle disease screening and gynecological exam are also conducted. The employees who reach the age of 45 can receive a complete health checkup with their spouses. The nurses working in the worksites on a full-time basis take follow-up actions to ensure the instructions of industrial physicians based on the results of the regular health checkup are properly fed back to employees.

Improvement of Health

We are taking various initiatives to enhance health awareness among employees. The "quit smoking" campaign is organized in May every year to encourage smokers to stop smoking by setting a no-smoking day in the company and displaying posters, senryu poems and support messages selected from the works invited from employees. In April 2020, indoor smoking was banned in all worksites and all indoor smoking rooms were eliminated. In the "health challenge" program, the participants select targets from among health-related items, such as the improvement of their diet and sleep and an increase in body strength, and try to achieve the targets for two months to promote the improvement of their lifestyle.

Approach to CSR

We aim to perform activities to fulfill corporate social responsibility (CSR) not as something isolated from daily operations but as part of our business activities. In addition, the basic approach to all stakeholders mentioned in the Mission Statement has underpinned our CSR activities consistently since our early days. For example, we have continued the recycling of bullion (see P6-7) as part of our daily activities since our founding, which is symbolized by the slogan "Any bullion is money," and it is a typical initiative to reduce environmental impact. We continuously promote activities to incorporate CSR into our daily business operations through community involvement, which is represented by social contribution activities (see P18-19), as well as activities to conserve biodiversity in the environment (see P17) and other initiatives.

- Mission Statement** Having spent more than 130 years in business since its foundation, we set our basic approach to all corporate activities, including those for corporate social responsibility (CSR), in addition to the improvement of quality, productivity and technology, in the Mission Statement.
- Corporate Philosophy and Code of Conduct** The Corporate Philosophy states that we will lead the precious metals industry, implement various business continuity activities including the conservation of the global environment and work for the creation of a prosperous society based on the basic approach mentioned in the Mission Statement. For the realization of the Corporate Philosophy, we specify five basic stances on actions that should be considered in daily activities as Code of Conduct, along with the Mission Statement.
- Code of Conduct and Standards of Conduct** We describe the principles of corporate activities to fulfill social responsibility and contribute to the creation of a sustainable society in our daily activities in the Code of Conduct and the Standards of Conduct. They have been set in accordance with the seven core subjects of ISO 26000 and based on respect for internationally recognized standards in addition to compliance with domestic laws. We have also established a proper management system to control compliance with the Standards of Conduct.

TANAKA Precious Metals Code of Conduct

Organizational governance	Promote sound business practices with transparency and accountability.
Human rights	Eliminate all forms of discrimination, whether on the basis of race, nationality, sex, age, social status, position or responsibilities, etc.
Work practices	Endeavor to do the best work and prioritize safety in a free and open-minded corporate culture.
Environment	Promote environmental protection and contribute to the future of this beautiful planet.
Fair business practices	Promote sound business activities in the spirit of legal compliance.
Consumer issues	Respond to the trust and expectations of customers, and generate excitement for them.
Community participation and community development	Aim for a well-balanced and prosperous society, and contribute to the revitalization of local communities.

TANAKA Precious Metals Standards of Conduct

Human rights	<ol style="list-style-type: none"> 1) Do not behave in any way that discriminates on the basis of nationality, race, ethnicity, skin color, sex, age, religion, beliefs, social status, ancestry, property, existence of physical or mental disabilities or political views. 2) Do not use any child labor or forced labor. 3) Provide an appropriate work environment for young workers. 4) Appropriately manage working hours and payment of wages. 5) Do not mistreat or unjustly coerce someone using your position in work or in sales (i.e., power harassment) through harassment, disdain or words. 6) Do not engage in any speech or conduct related to sex in opposition to the feelings of those around you or the person you are speaking with (i.e., sexual harassment). 7) Do not slander or denigrate any company or individual.
Work practices	<ol style="list-style-type: none"> 1) Prioritize respect for human life, and comply with laws and ordinances related to occupational safety and health. 2) Understand the importance of systematic and continuous activities related to health and safety, and actively take part in driving these activities. 3) Understand the dangers and mental and physical hazards related to your own work, prepare for emergencies and implement training, and strive to take measures for disaster and accident prevention. 4) Respect the right of employees to participate in collective bargaining and rallies. 5) Provide appropriate employee benefits.
Environment	<ol style="list-style-type: none"> 1) Comply with environmental regulations, regional agreements and in-house rules. 2) Promote the thorough control and reduction of chemical substances that may have a harmful impact on the environment. 3) Promote the conservation of energy and resources, and the reduction of CO₂ emissions and waste materials. 4) Promote appropriate management of water resources. 5) Actively work to recycle precious metals.
Fair business practices	<ol style="list-style-type: none"> 1) Comply with laws and ordinances to maintain anti-monopoly laws and other fair competition rules, and compete fairly and freely. 2) For gifts of money and goods, business entertainment, donations and political contributions, behave appropriately and comply with laws, ordinances and in-house rules. 3) Do not commit bribery, corruption, extortion or embezzlement. 4) For the import and export of goods and technologies, comply with international treaties, laws, ordinances and in-house rules and follow the appropriate and necessary procedures. 5) Do not use a dominant position to engage in such behavior as unilaterally changing the terms of business or forcing a purchase. 6) Respect intellectual property rights and do not infringe on them. 7) Have absolutely no dealings with anyone with connections to antisocial groups or armed groups. 8) Contribute to establishing a relationship of mutual cooperation and trust with other businesses. 9) Along with following company rules regarding trade secrets, and controlling and protecting them, do not leak or disclose trade secrets to others or use without permission. 10) Do not behave in any way that is problematic in terms of business ethics, or act or conduct yourself individually in opposition to the profits of the company. 11) Appropriately control company assets (information, products, merchandise, equipment, machinery, consumables, intellectual property, tangible and intangible assets such as the brand) and do not use these assets illegally or unfairly. 12) Do not conduct insider trading based on nonpublic information acquired through the course of business. 13) Implement a whistleblowing system to help prevent compliance violations and protect whistleblowers against disadvantage.
Consumer issues	<ol style="list-style-type: none"> 1) Comply with all laws and ordinances applicable to products, merchandise and services. 2) Do not violate laws and ordinances such as competition laws or those related to labeling. 3) Protect the personal information obtained from customers, business partners, employees and others. 4) In advertisements and other publicity, create labeling based on a substantial and objective foundation; do not engage in false or misleading advertising. 5) Ensure product safety and product quality. 6) Provide information related to the correct methods of use, cautions in use and application, and information related to such features as the functions and strengths of products, merchandise and services. 7) Along with disclosing business information and increasing the transparency of management, achieve accountability for the company. 8) Undertake honest sales and service activities. 9) Do not make sales with excessive premiums or use deceptive sales methods. 10) In the event that a quality problem that can harm the company's reputation arises, respond appropriately. 11) For enquiries and complaints from the customer, follow in-house rules and guidelines to deal with the situation, give appropriate feedback and prevent recurrence of the problem. 12) Actively work to reduce material use to a minimum, make use of reclaimed materials and develop products, merchandise and services that save energy.
Community participation and community development	Provide support for activities contributing to society through such work as academic research, education, environmental protection, cultural and artistic activities, and local community service, and work to foster harmony and co-exist with local communities.

To Be an Honest and Healthy Company

In addition to legal compliance, we continuously promote Group-wide initiatives to develop business activities that are correct in accordance with social ethics on a global scale.

Compliance

In accordance with the TANAKA Precious Metals Code of Conduct and the TANAKA Precious Metals Standards of Conduct, we promote fair and sound business activities that do not only comply with laws but also observe social ethics through the acts of each employee.

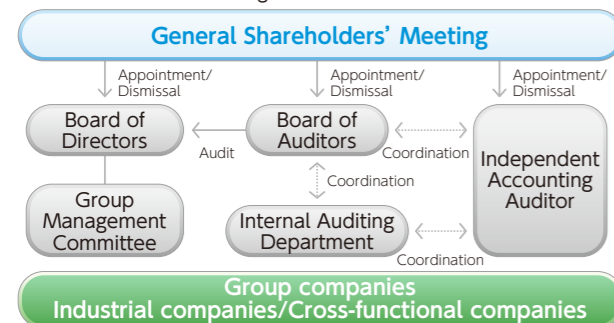
We have established a whistleblowing system to prevent, detect and correct any non-compliance, dishonest act, etc. at an early stage. In addition, we work to ensure legal compliance through the implementation of plans to address the important risks determined by Risk Management Committee, internal audits by Internal Auditing Department, compliance training and other initiatives.

Corporate Governance

The TANAKA Precious Metals aims to realize healthy and transparent business management by enhancing the management monitoring mechanism and to always be efficient and competitive companies.

We have also established a corporate governance system and specified basic policy for internal control to ensure respect for the rights and interests of all stakeholders and business operations, accounting and other activities in a legitimate and proper manner. Based on the system and basic policy, the Board of Directors, Group Management Committee, the Board of Auditors and Internal Auditing Department play their respective roles.

Governance Structure Diagram

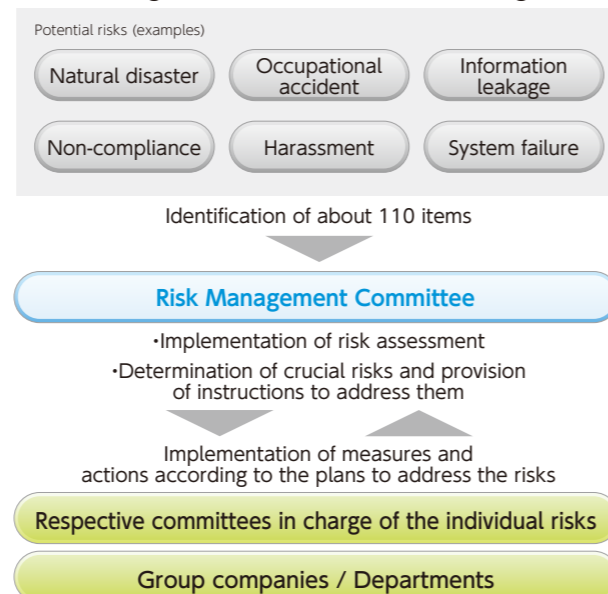


Risk Management Promotion Structure

The TANAKA Precious Metals has formulated Risk Management Committee with Representative Director & CEO and Manager of CSR & Corporate Communications Division of TANAKA Holdings serving as the chief executive and the chairperson, respectively. A meeting of the Risk Management Committee is held twice a year to evaluate risks, check the status of actions for

risks, determine crucial risks to be addressed and give instructions on the actions to be taken for the risks. For the crucial risks determined in the meeting, the respective committees and departments in charge of the individual risks develop plans to address them and take actions according to the plans.

Risk Management Promotion Structure Diagram



Business Continuity Planning (BCP)

The TANAKA Precious Metals has developed business continuity plans (BCPs) to ensure that, in the event that our operation is suspended due to a natural disaster, etc., we can resume it promptly and secure a stable supply of products and services to customers. We continued to conduct a BCP drill at all plants in Japan, the departments of Headquarters and two overseas plants in fiscal 2019. Moreover, we reviewed the criteria for actions to respond to natural disasters, including those for deciding whether employees should come to the office or stay home, and revised the emergency response manual. We will continue to conduct BCP drills and also review BCPs to further enhance our capacity to address emergencies.



BCP drill (TANAKA Kikinzoku (Ningbo) Co., Ltd.)

Respect for Human Rights

The TANAKA Precious Metals declares in the TANAKA Precious Metals Code of Conduct and the TANAKA Precious Metals Standards of Conduct that we will eliminate any discriminations on the basis of nationality, race, ethnicity, skin color, sex, age, religion, beliefs, social status, ancestry, property, existence of physical or mental disabilities or political views and will not use any child labor or forced labor. We also give internal education to prevent discrimination, harassment, etc. and have in place systems to give consultations and receive reports on non-compliance so that we can take corrective actions. The whistleblowers are strictly protected to ensure that they will not suffer a disadvantage. In addition, we give consideration to migrant workers by establishing rules to respect the human rights of workers including that no registration or commission fee for recruitment should be collected from the workers and that the workers retain their own identification certificates, passports or work permits, visas, etc.

Harassment Prevention Training

The TANAKA Precious Metals has provided harassment prevention training since fiscal 2014 while preparing detailed content for managers and general employees separately. In fiscal 2019, we reviewed the training curriculum to ensure that it can address various forms of harassment that could occur in companies, and started to introduce familiar examples and case studies in the training.

Compliance Training

To enhance the awareness of compliance and prevent dishonest acts, we launched e-learning courses for domestic and overseas expatriate staff, as well as local staff in managerial positions, in October 2018. The subjects of the courses include the whistleblowing system, compliance with the Antimonopoly Law and protection of personal information and a total of approximately 400 persons, who are mainly staff in managerial positions, have taken them as of May 2020. We plan to provide e-learning training to all sales staff, along with staff newly appointed to managerial positions, in the future.

Whistleblowing System

In fiscal 2019, a total of seven reports were received in the whistleblowing system.

We have treated all of the cases properly while protecting the whistleblowers and ensuring confidentiality according to our regulations on the whistleblowing system.

Commitment to Security Export Control

For global companies that deliver products and services to customers around the world while depending on international peace and safety, proper export control based on international cooperation is an essential duty. TANAKA Kikinzoku Kogyo K.K. has formulated its original security export control regulations (compliance program or CP) according to Foreign Exchange and Foreign Trade Act and other laws and notified the Ministry of Economy, Trade and Industry of them. We carefully control exports to prevent any product or technology of TANAKA from being used for international terrorism or crime or diverted to nuclear or biochemical weapons, etc. In addition, we work to seize the trend of the US Export Administration Regulations (EAR), which are applied extraterritorially to become effective virtually all over the world, and other regulations to address them properly.

Activities as an AEO-Certified Exporter

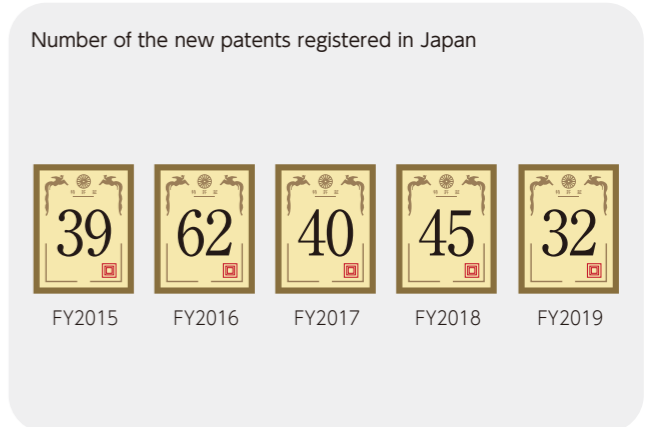
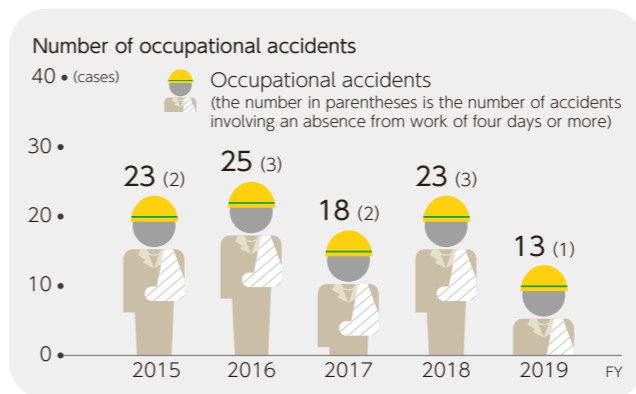
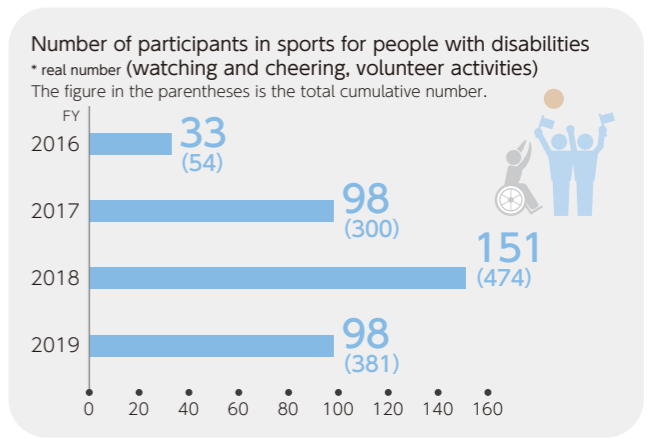
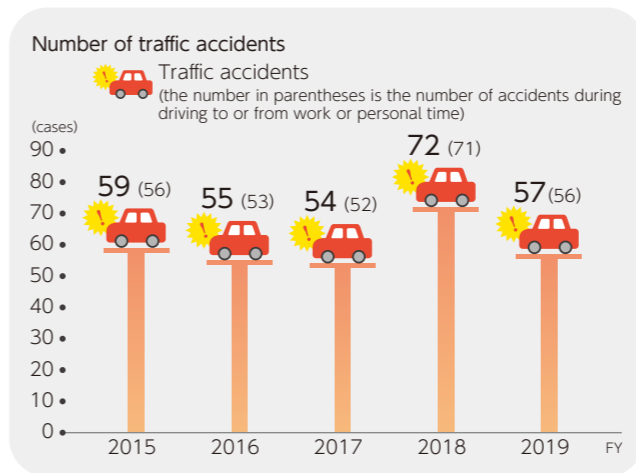
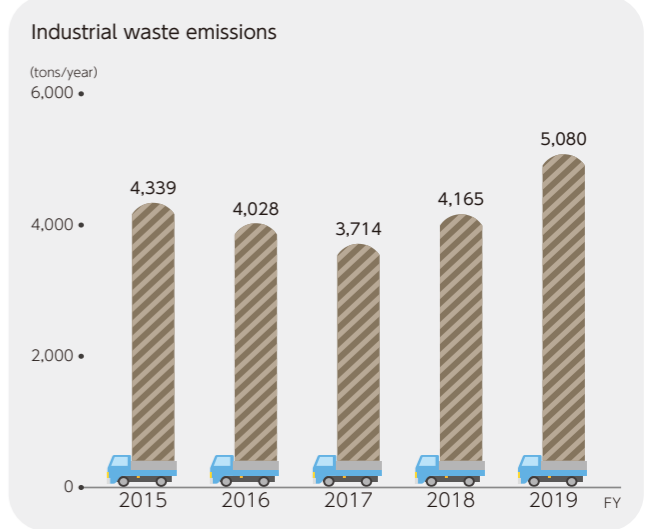
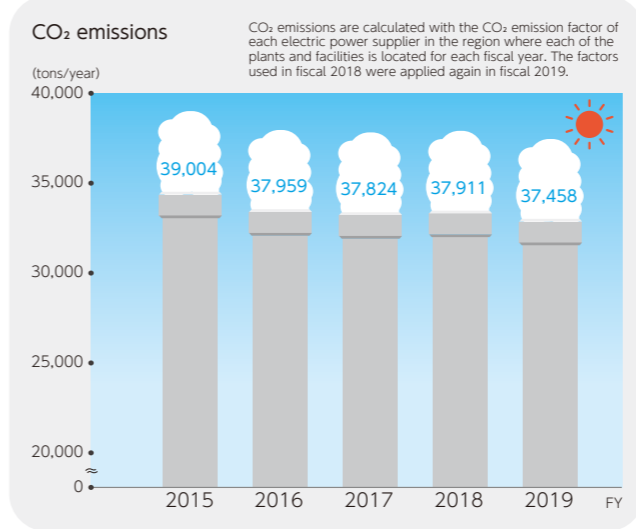
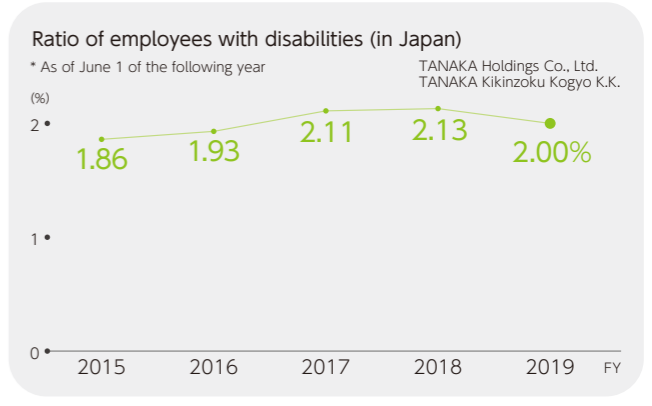
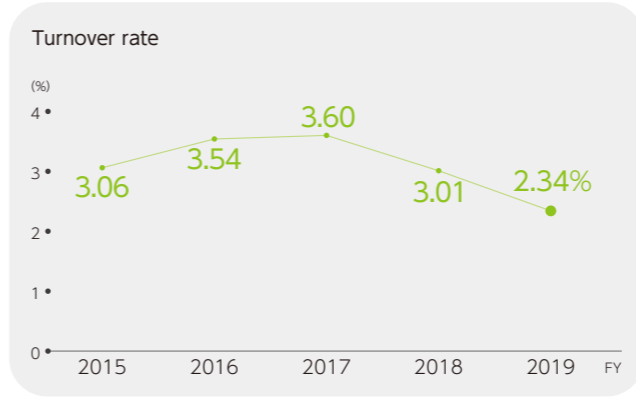
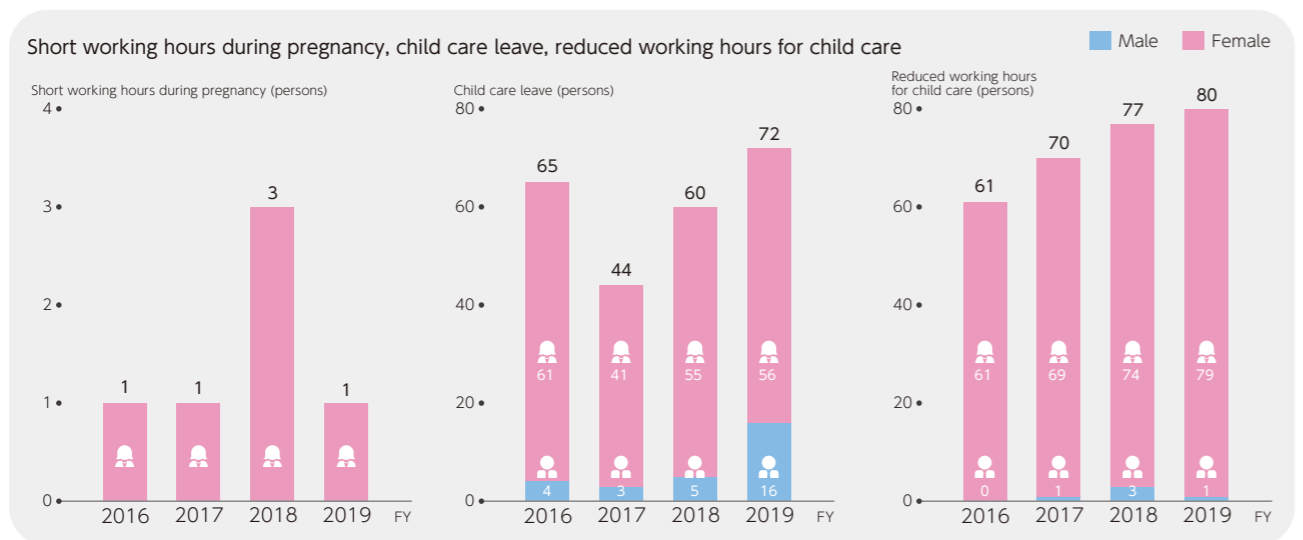
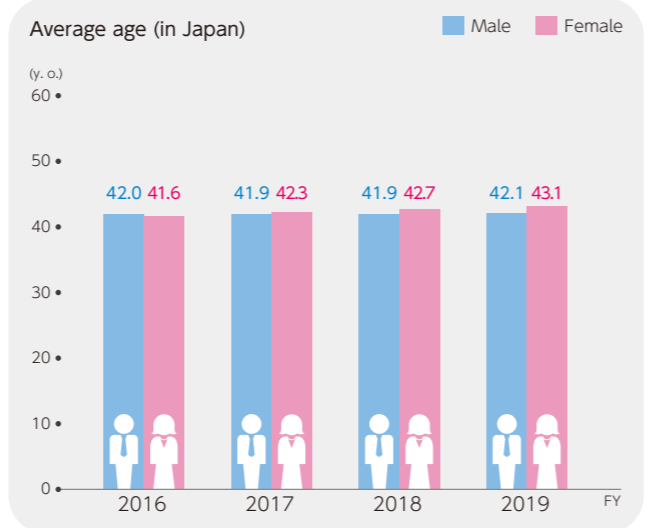
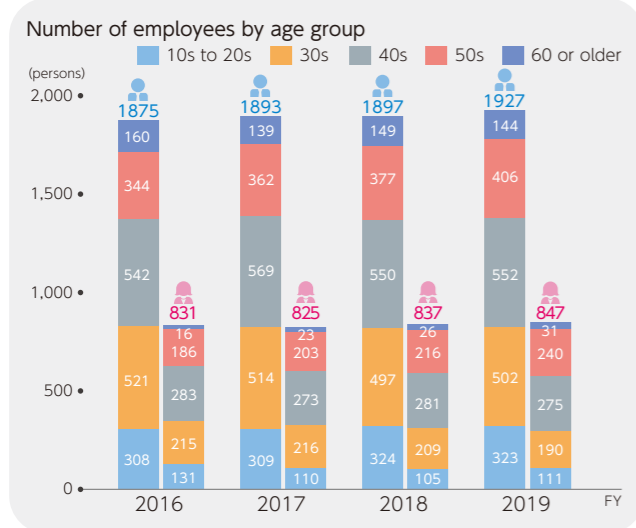
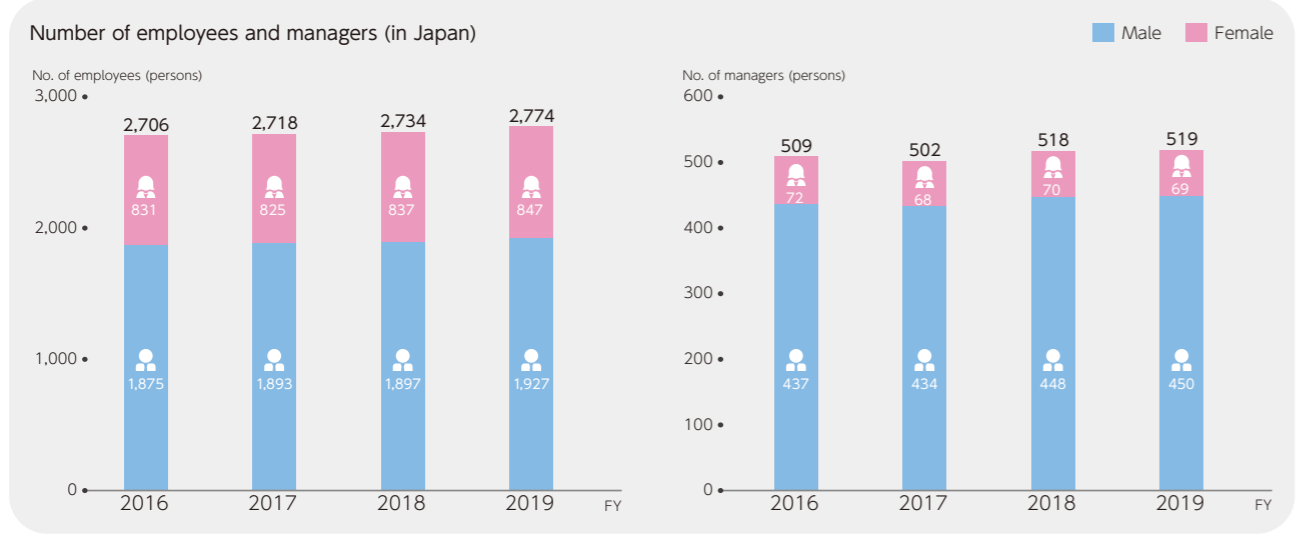
Certified as an exporter authorized by the customs authority (AEO exporter), TANAKA Kikinzoku Kogyo K.K. has in place compliance systems for the security of freight, transportation, sites, etc., internal audits, management of contractors, communication networks with custom authorities and within the company and education system. We also supply products under reliable security.



Promotion of Personal Information Management

The TANAKA Precious Metals manages personal information, which is classified into the three categories of "personal information of individual customers," "personal information of corporate customers" and "personal information of employees, etc." according to the personal information management regulations. Especially for the management of personal information of individual customers, we have obtained ISO 27001 (information security management system) certification to promote proper management of the information. Furthermore, we hold a meeting of the Personal Information Management Committee once in six months to check the management status, promote continuous improvement and prevent the leakage of personal information.

CSR Performance



CSR Performance

Third-party Opinion

Third-party Assurance



Representative of CCI Research Institute, director and "Management Communication Study Group" member of the Japan Society for Corporate Communication Studies, examiner of KEIDANREN Internal Media Awards

Masamichi Shimizu



Profile

Mr. Shimizu worked at the Japan Management Association and was a professor of the School of Business Administration at Shukutoku University before establishing CCI Research Institute in 2014. His specialty is environmental and CSR communication. His major books are "Internal Communication Management," "Overview of Public Relations," "The history of internal communications in Japanese company" "Environmental Communication," "CSR Management," "CC Theory and Practice of Strategy" and many others.

I Am Looking forward to the Commitment to Becoming a 200-year Company.

I read eight issues of the CSR Report from 2013 until this year. During the period, while there has been no change in the basic content, the scope of the commitment has been expanded every year and the efforts were further enhanced in 2020. In this year's report, I especially gave attention to the message from the president at the beginning.

While the company marked its 135th anniversary, Mr. Tanaka was appointed as the new president and showed his strong will to develop a super-long-term vision towards 2085 (the 200th anniversary). I guess that the vision will not only respond to the latest business challenges and present business risks caused by demographic change and climate change, as well as the potential of new technologies and new businesses, but also express what world is expected to be newly created with the widespread use of digital technology. While the new world is necessarily required to be a sustainable society, how to contribute to the creation of the new world is a challenge for a 200-year-old company.

The COVID-19 outbreak, which became apparent around January

of this year, may be a factor in the prediction of future society. Infectious diseases have continuously had a major impact on the social and economic activities of countries all over the world and also urged companies to respond actively. In this difficult situation, great expectations are placed on the companies and organizations that contribute to the improvement of medical and hygiene services as well as those which contribute to an increase in productivity through the development and dissemination of various digital products. You have also promoted R&D, production and sales activities that support the lives and jobs of people, such as commitment to the development of simple test kits for infectious diseases based on gold processing technology. You have focused on human resource development as well because effective business activities are created based on the ideas and efforts of individual employees. If such activities are promoted even more strongly, you will be able to be a global company with a solid business foundation in 2085.

To Become a Leading Environmental and CSR Company

The lifecycle of the CSR Report continues even after its production and distribution to employees. The copies of the report are recycled by using LIMEX. When I visited your production site, I heard many times that you have the custom of saying "Any bullion is money." It is a wonderful corporate culture. To consider bullion as money is an idea of recycling and an idea of human communication. If you say "Good morning" to someone and the person also replies "Good morning," you can feel secure and comfortable. Similarly, you can obtain something tangible only when you receive and understand a report accurately, communicate it to others and take

actions actively while considering that the issue is your matter. It is the same with the bullion turning into money.

You are a leading company in precious metals. Accordingly, based on your unique business characteristics, you have calculated the margin per ton of externally procured bullion (resource productivity) and the ratio of the amount of bullion recycled internally to the total amount of bullion inputs (cyclical use rate) to numerically present how efficiently resources are used to generate profits.

Increase Supporters through an Inside-out Approach

You are continuously improving your resource productivity and cyclical use rate. Meanwhile, there is no particular problem in other environmental and CSR activities, the workplace environment or business management. However, it is difficult to explain the fact that there is no problem. The explanation of the effects that have been achieved requires proper disclosure of data on the outcomes of the efforts.

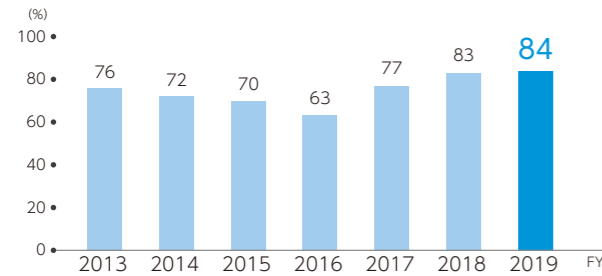
When your reports for different fiscal years are compared, descriptions and data on the global environment and personnel are presented in different places and various efforts are reported in parallel for each category. This leads to problems in the preparation of the report including difficulty in comparing results for different fiscal years. I strongly hope that you improve it.

I also hope that your executives, employees and partners have opportunities to talk with their families, friends and business partners about your CSR activities by reference to this report. While this report is issued once a year, it can also be regarded as a sort of "internal magazine" because the employee questionnaire is additionally contained. Recently, companies have started to use internal magazines as a tool for internal communication (IC). IC methods are also used for recruitment activities, sharing of corporate principles and business statements for investors. Even when a report is prepared for readers inside the company, it can be more effective if the content is properly communicated by executives and employees to outside readers.

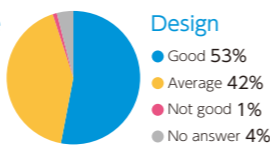
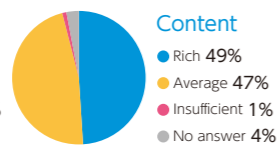
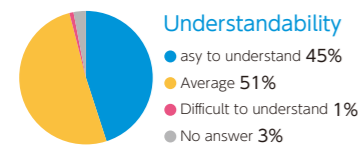
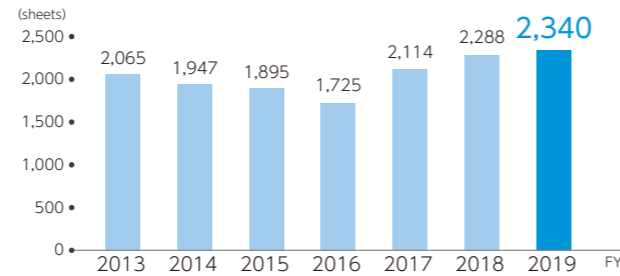
I strongly hope that you make use of this approach extensively.

Results of the Questionnaire on CSR Report 2019

Response rate among employees in Japan



Number of the answer sheets collected



Briefing Sessions on the CSR Report

We organize briefing sessions on the CSR Report for all employees in Japan every year. The response rate for the questionnaire survey reached a record high of 84% in fiscal 2019. We will continuously work to inform employees of the CSR Report and improve their understanding through the briefing sessions.

Opinions and Requests Obtained through the Questionnaire in the Previous Fiscal Year

We receive various opinions and requests through the questionnaire every year. We will continue to improve the CSR Report by reference to your opinions and requests.

Opinions and requests	Improvements
Use environmentally friendly ink	The mark of non-VOC ink, which has been used since last year, is shown on the back cover
Make the paper a little thinner	The 200-micron LIMX sheet was replaced with 150-micron sheet (25% thinner)
Introduce specific examples of improvement made through safety measures in individual plants	They are introduced on P25
Cover the production of medals for the Tokyo 2020 Olympic Games	It is introduced on P18
Disclose personnel data	The paid holiday (5 days or more) utilization rate in manufacturing and indirect units, the number of employees who took nursing care leave, turnover rate and percentage by age group are additionally disclosed
Mention the implementation of the customer satisfaction survey	It is introduced on P12
Provide more articles on research and development	They are introduced on P10-11
Publicize the recycling project more	It is introduced in the feature article on P06-07
Let us know whether the whistleblowing system is actually used or not and whether it has a track record or not	They are introduced on P29
Design the layout in a way to introduce more comments from employees	Comments from four employees are presented in TANAKA NOW this year