



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



Gold
In addition to being used for jewelry, this multitasking 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.

CSR Report 2021



 **TANAKA**
TANAKA PRECIOUS METALS

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

LBMA

GOOD DELIVERY
REFEREE

LPM

LONDON
PLATINUM &
PALLADIUM
MARKET

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.

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 •Yokohama-Motomachi Store
•Sendai Store •Nagoya Store •Shinsaibashi Store
•Fukuoka Nishitetsu Grand Hotel Store

Mitomo Semicon Engineering Co., Ltd. (MSE)

•Headquarters and plant (Ibaraki)

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

LT Metal Co., Ltd. (LT Metal)

Nippon PGM America, Inc.

Nippon PGM Europe S.R.O.

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

(Data as of May 31, 2021)

Editorial Policy

TANAKA Precious Metals publishes its CSR Report on 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.

We would be honored to receive feedback from our stakeholders. As before, your comments and opinions will be used to improve TANAKA Precious Metals' future initiatives.

Period

April 1, 2020 to March 31, 2021

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 2021

Reference guidelines

ISO 26000:2010
Environmental Reporting Guidelines 2018

Website

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

Publisher

Tanaka Holdings Co., Ltd.
Corporate Sustainability Communications Division,
CSR Promotion Department
Tokyo Building 22F, Marunouchi 2-7-3, Chiyoda-ku,
Tokyo 100-6422 Japa
Tel: +81-3-6311-5506 (direct)
Fax: +81-3-6311-5508
Website:
<https://www.tanaka.co.jp/english/about/csr/>

CONTENTS

02

Message from our CEO

Strength of TANAKA

04

Businesses of TANAKA

Features

06

Feature 1:
Dealing with COVID-19

08

Feature 2:
Aiming to Establish a
Sound Material-cycle Society

12

Feature 3:
History of Measures to Address
Environmental Incidents

For the Sustainable Future

14

Research and Development

Continuous Development of Trust

16

Quality and Trust

18

Protection of
the Global Environment

22

Contribution to Local
Communities and Society

24

Active Role of Each Employee

28

Creation of a Safer
Work Environment

31

CSR Management

32

To Be an Honest and
Healthy Company

34

CSR Performance

36

Results of the Questionnaire
on the CSR Report

37

Third-party Assurance

Aiming to be a company with a 200-year history, TANAKA will launch a new voyage



Representative Director & CEO
TANAKA Koichiro

田中浩一郎

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. The TANAKA Precious Metals has taken various measures against infectious diseases to keep the business running. To ensure that our production and development sites can fulfill their responsibility for the supply of products to customers and joint development, our front-line staff in the assets and jewelry businesses can fulfill their responsibility for the distribution of precious metals including the wholesale and retailing of them and, above all, the safety and health of our employees and their families are protected, we will continue to make efforts and creative attempts to prevent infections. Since I assumed the office of Representative Director and CEO in April 2020, I have focused on

business management from a super-long-term perspective. I try to think about a sustainable society and super-long-term corporate management with an eye toward 2085, in which we will mark our 200th anniversary. The repeated thoughts of creating the future that no one has ever seen remind me of the Age of Exploration when people set sail from Europe in search of the unseen world. Then, we decided to begin a great voyage toward the unseen future together with all employees in fiscal 2021 under the TANAKA Renaissance Plan. To prepare for it, we set up a project team that is mainly composed of young employees and directly controlled by the president in fiscal 2020 and had an open and frank dialogue. While imagining the global environment, including the climate and resources, in 65 years time, we started to design a map showing the image of the

industries that support people's lives such as food, medicine and cities in 2085. Through the discussions over six months, we reaffirmed the high potential of precious metals, as well as our company, in various fields ranging from food, fashion, health, transportation and other aspects of everyday life, to urban planning and space development, in the world in 2085. Precious metals are full of potential. The exploration of frontiers such as space, deep sea and human bodies, or the development of devices and products that make people's lives more abundant, is not possible without precious metals. To unlock their potential and create a better future is our mission as a leading company in the field of precious metals. In the TANAKA Renaissance Plan, we focus on sustainability as a keyword. Initiatives for the solution of climate change, recycling and other global

environmental issues, as well as social problems such as human rights and poverty, are incorporated into the long-term scenario of each of the divisions and in-house companies. We have also changed the title of the CSR & Corporate Communications Division to "Corporate Sustainability Communications Division" to internally and externally represent it as a symbol of our determination to further enhance our efforts to create a sustainable society in the future. The TANAKA Precious Metals has explored the recycling of precious metals to establish a material-cycle business for more than 130 years since its founding. We will continue to help solve global environmental issues and social problems based on our strength as a company that deals in precious metals, which are rare resources, and begin a new voyage toward 2085, in which we mark our 200th anniversary.

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

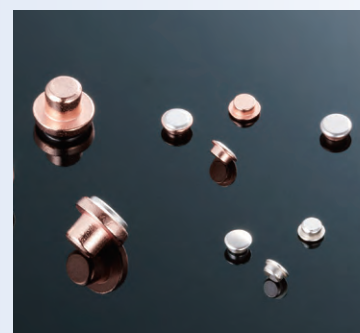
We provide products that solve problems faced by customers in a very wide variety of fields, ranging from semiconductors and electronic parts to automotive materials and medicine. We underpin the industry in general and the foundation of society through the supply of precious metal materials as an "unsung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



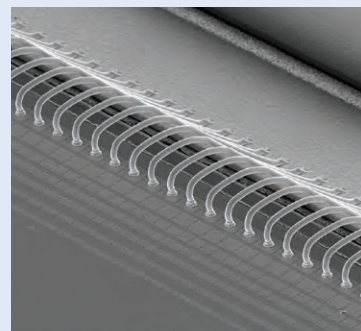
Recycling



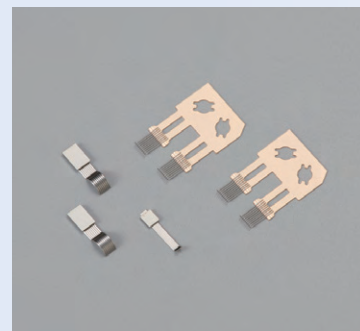
Precious metal materials



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



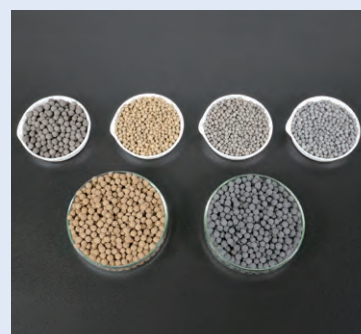
Packages and sealing
Semiconductor and electronic parts



Sensor materials



Platinum materials for
the glass industry



Energy and environment
Catalysts



Medical
Test kits



Technology development
Compounds

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.

Also being a Good Delivery Referee accredited by LBMA *1 and LPPM *2, we produce gold and platinum bullion with our world-class technology and sell only new bullion to give a sense of security to customers.

We also sell gold and platinum coins as the only import and sales agency certified by minting authorities in various countries outside the respective countries where the coins are issued.

With beautiful designs, the coins are also popular as gifts.

*1 LBMA stands for London Bullion Market Association.
*2 LPPM stands for London Platinum and Palladium Market.



Precious Metal Reserve Products

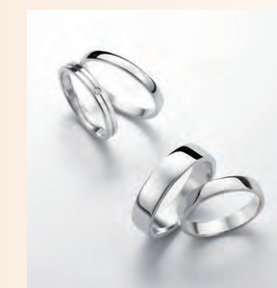
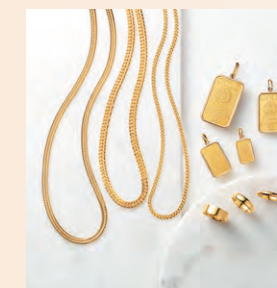
Gold Reserve Plan is a product that allows customers to purchase gold, platinum and silver in a single account with a minimum monthly amount of 3,000 yen. Customers can steadily purchase precious metals for their security in the future.

Jewelry

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

Jewelry and artifacts

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

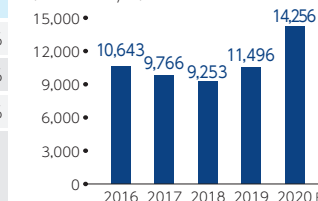


Financial Condition of the TANAKA Precious Metals

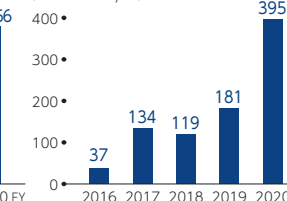
Financial results overview

	million yen		
	FY2019	FY2020	Year-on-year change
Net sales	1,149,604	1,425,617	124.0%
Net income	18,113	39,547	218.3%
Total assets	635,662	709,140	111.6%
Capital adequacy ratio	37.7%	38.5%	—

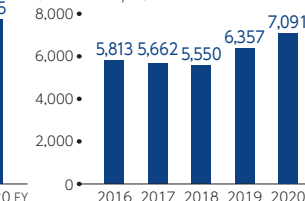
Net sales
(100 million yen)



Net income
(100 million yen)



Total assets
(100 million yen)



Metalor Technologies International SA is included.

Dealing with Novel Coronavirus (COVID-19)

In its efforts to prevent the spread of COVID-19 infections, the TANAKA Precious Metals responds promptly to the situation that changes from day to day to secure the safety of customers, employees and their families and fulfill its responsibility for supplying products to customers without stopping the operation.

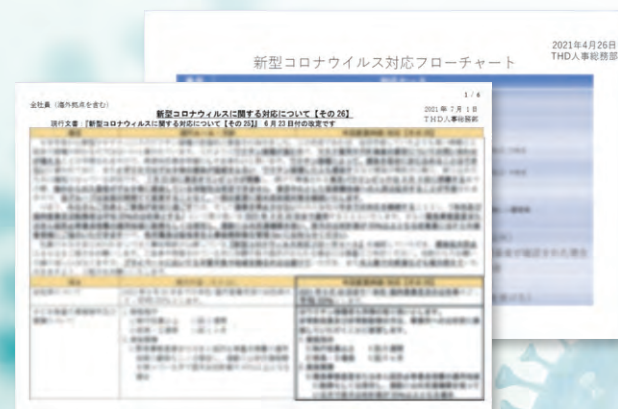
Establishment of the Emergency Response Headquarters

In response to the first declaration of a state of emergency by the Japanese Government in April 2020, we established the TANAKA Precious Metals emergency response headquarters.

Its activities include the formulation of policies to protect people from infections, the establishment of relevant systems and the collection of relevant information in and outside the Group.

Company-wide Efforts

We update the documents describing the actions to address COVID-19 frequently according to social circumstances. The subjects mentioned in the documents include the attendance rate, business trips (in Japan, overseas and to bases in the Group), acceptance of visitors, meetings and training sessions, internal social gatherings, entertainment of clients, staggered working hours, work from home, measures to prevent droplet infections and voluntary restraint.



Establishment of In-house Systems

The following in-house systems have been set up to prevent employees from being infected.

○ Work from home and staggered working hour

As measures to prevent infections, employees working at Headquarters and Branches are encouraged to work from home arrangements or stagger their working hours so that they can minimize infection risks while commuting to and from work, as well as contact with other employees.

For the introduction of the systems, we provide education on work from home arrangements and take other initiatives to disseminate the systems.

At present, we set an upper limit to the attendance rate each month and manage personnel to ensure that the number of those who come to the office is below the upper limit.

In the meantime, those who come to the office out of necessity stagger their working hours in consideration of congestion on the public transportation means they respectively use.



○ Allowance for the purchase of hygiene items

We supply 2,000 yen to all employees as a monthly allowance for measures to address COVID-19 from April 2021.

○ Implementation of PCR tests

Staff members in managerial or higher positions undergo a PCR test regularly. In addition, all employees who applied for a PCR test have undergone it.

○ Provision of a special paid holiday at the time of vaccination

To ensure that employees can receive vaccination with a sense of security, a special paid holiday is provided to them on the day of vaccination (twice).

○ Consideration to pregnant women

When a pregnant woman is instructed to take leave by her family doctor, etc., special paid holidays are provided to her.

Other Initiatives

○ Installation of body temperature measurement devices near the entrances used by employees when they enter or leave the office

○ Deployment of carbon dioxide concentration meters (CO₂ monitors) in meeting rooms

○ Placement of partitions to prevent droplets from spreading, disinfectant solutions and sanitizing wipes, as well as reduction of the number of chairs and layout changes, in office rooms, meeting rooms and lounges

○ Setting and clear indication of the maximum occupancy of meeting rooms

○ Adherence to the rule of having an hourly break for ventilation when a meeting is held

○ Avoidance of conversations while eating

○ Disinfection and cleaning of workplaces



Body temperature measurement device at an entrance



CO₂ monitor

Initiatives in Plants, Facilities and Departments

○ Entry in a table recording the actions of each person (entry of body temperature, others who had contact with the person, etc.)

○ Increase in the operation of commuter bus services (TKK Ichikawa Plant and TKK Shonan Plant)

○ Replacement of some doors by ones with contactless sensors

○ Regular PCR tests in sales departments

○ Introduction of a two-shift system into the production system to avoid crowding and prevent production from stopping

○ Use of meeting rooms to decentralize clerical work areas

○ Introduction of an online conference system to avoid face-to-face meetings

○ Restriction on the use of the beds in the health management office

○ Change of the layout in canteens to avoid people from facing each other while eating



Canteen at Hiratsuka Plant



Canteen at Shonan Plant

Initiatives at Stores

○ Operation with part of the stores closed

○ Request for customers to disinfect their hands and fingers, check their body temperature and wear a face mask

○ Affixing of stickers to elevator and store floors to indicate the positions to stand

○ Distribution of tickets to customers to limit the number of visitors who stay in the bullion section

○ Reduction of the number of chairs in the waiting area of the bullion section

○ Installation of acrylic plates on the customer booths in the bullion section

○ Wearing of a face mask or face shield by employees

○ Disinfection of jewelry each time after it has been tried on by customers



Customers are asked to check their body temperature and disinfect their hands and fingers at the entrance of a store.



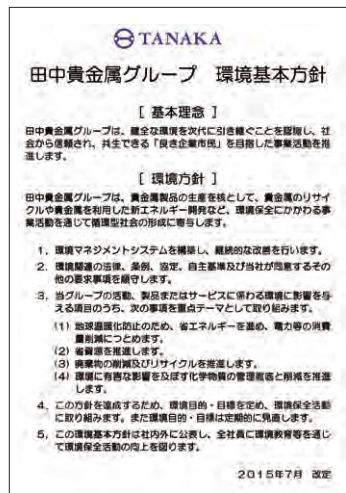
Products are disinfected after they are tried on by customers

Aiming to Establish a Sound Material-cycle Society

The TANAKA Precious Metals has continuously recycled precious metals 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.

In the meantime, while many companies mention a decarbonized society in their basic environmental policies, we have consistently aimed to help create a sound material-cycle society through business activities. In the TANAKA Renaissance Plan, which is a new medium-term plan initiated in fiscal 2021, we reorganized our activities in the three fields of direct materials, indirect materials and industrial waste to enhance our measures to establish a sound material-cycle society and realize a Circular Economy.

Direct materials	Cyclical use of precious metals and improvement of environmental indicators
Indirect materials	Continuous recycling of copies of the CSR Report and consideration of recycling of other indirect materials
Industrial waste	Reduction of industrial waste and promotion of zero emission



Direct Materials

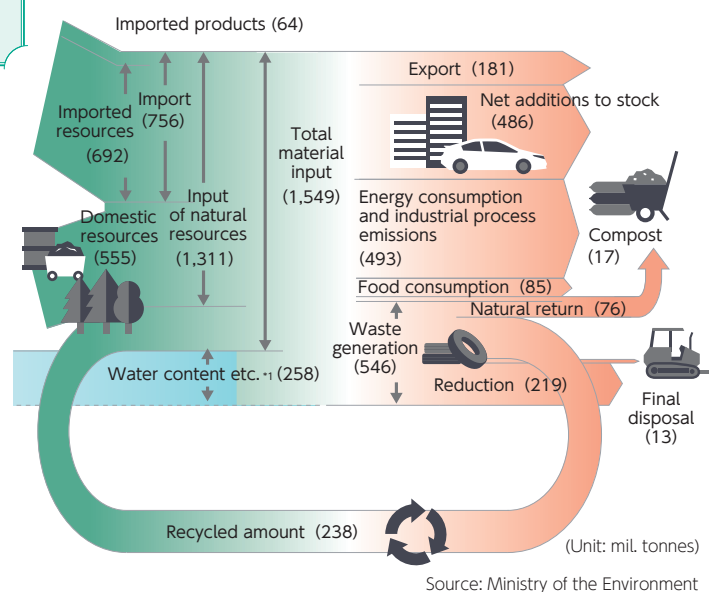
Cyclical Use of Precious Metals

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.

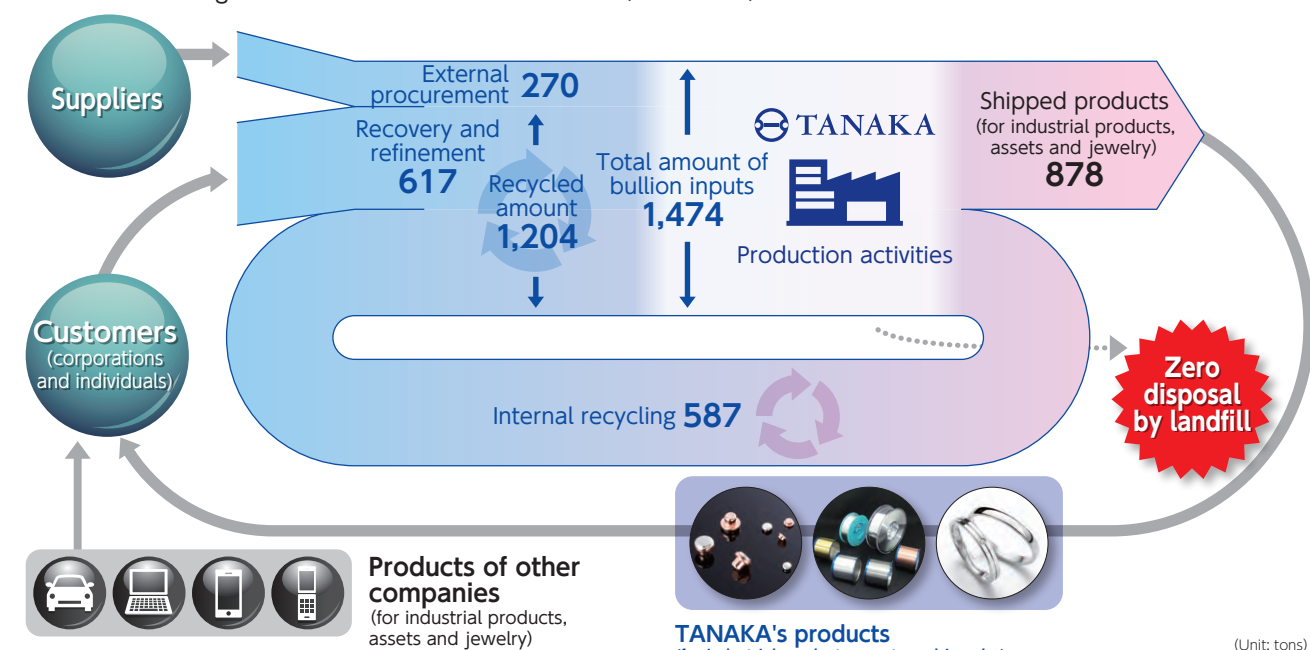
●Schematic Material Flow Diagram in Japan (fiscal 2018)



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.

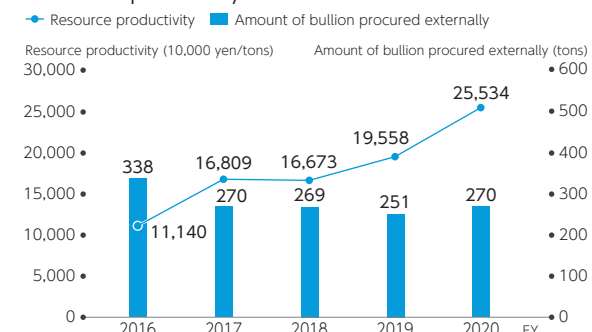
●Bullion Flow Diagram of the TANAKA Precious Metals (fiscal 2020)



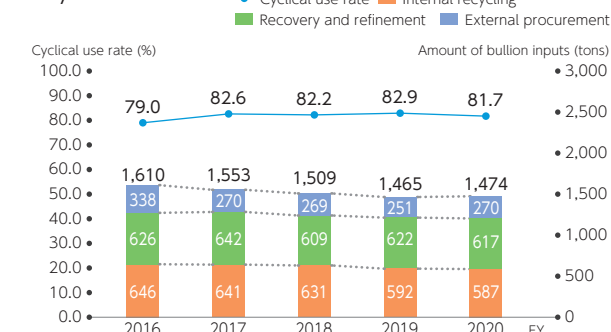
•Kinds of precious metals: Platinum, gold, silver, palladium, etc.
•External procurement: Bullion purchased through the market from trading companies, mining companies, etc.
•Recovery and refinement: Bullion refined from the items recovered from customers
•Internal recycling: Part of bullion generated 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.

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

●Resource productivity



●Cyclical use rate



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 figure for resource productivity reached a record high in fiscal 2020. 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.

Recycling Activities through RE: TANAKA (jewelry purchasing service)

RE: TANAKA is a recycling service to purchase precious metals jewelry that is no longer needed and reuse it for industrial products and various other purposes to make it useful again in society. Through this service, we aim to promote cyclical use of rare precious metals resources and help reduce damage to the natural environment caused by mining development.

田中貴金属の貴金属ジュエリー買取
RE:TANAKA
[リ・タナカ]

* RE: TANAKA is a jewelry recycling system of TANAKA Kikinzoku Kogyo K.K.

Indirect Materials

Recycling of Copies of the CSR Report

We have set up an upcycling system to print the CSR Report on LIMEX sheet and collect the copies that employees have finished reading to recycle them.

Use
LIMEX

Recover
LIMEX

Recycle
LIMEX



TANAKA
CSR Report 2020



Collect the copies of
the CSR Report that employees
have finished reading



Distribute LIMEX cups
to all employees

What Is LIMEX?

LIMEX is mainly made from limestone, which can be extracted from the earth almost inexhaustibly. This new environmentally friendly material uses almost no water or wood chip and can substitute paper and plastic. Each copy of the TANAKA Precious Metals CSR Report 2021 saves approximately 19 liters of water.



Main LIMEX products

Photo courtesy of TBM Co., Ltd.

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. 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." 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 printed the CSR Report 2019 on LIMEX sheet, continuously distributed the printed report to all employees and collected the copies from employees who had finished reading them. The collected copies were used as raw materials for producing coasters.



Coasters (fiscal 2020)

Collection of Copies of the CSR Report



Collection box (in the headquarters building)

A total of 2,640 copies of the CSR Report that employees had finished reading were collected and sent to TBM Co., Ltd. in April 2021.



CSR Tsushin Issue No. 1934
(issued on October 29, 2020)

Recycling of Copies of the CSR Report

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



Copies were shredded and
stapler needles were removed



Shredded copies of
the CSR Report



Pelletizing



Finished cup (fiscal 2021)

Distribution of Cups That Were Produced by Recycling LIMEX to All Employees

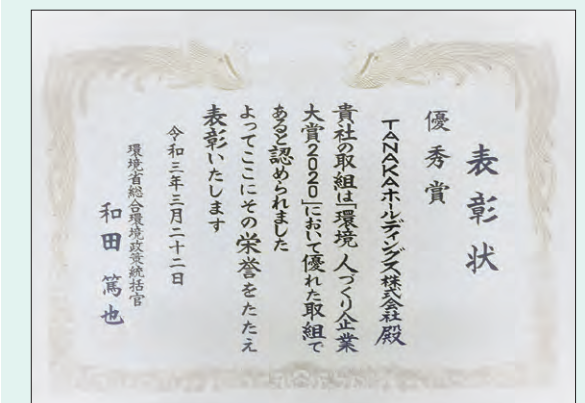
The cups were finished and distributed to all employees in July 2021. We received various feedback from employees, including "The logo is interesting because it mentions that the cup is made from the CSR Report," "The color and design are wonderful" and "I guess the cup can also be used as other items such as a pen holder and a small planter."

This CSR Report 2021 is also printed on LIMEX sheet and we will continue to collect the copies that employees have finished reading for recycling.

Topic

Received 2020 Excellent Enterprise Award for Environmental Human Resource Development

In recognition of our contribution to the circular economy through resource recycling efforts such as the adoption of original environmental indicators and the recycling of the CSR Report, we received the Award of Excellence in the large enterprise category of the Environment and Human Resource Development Enterprise Award 2020.



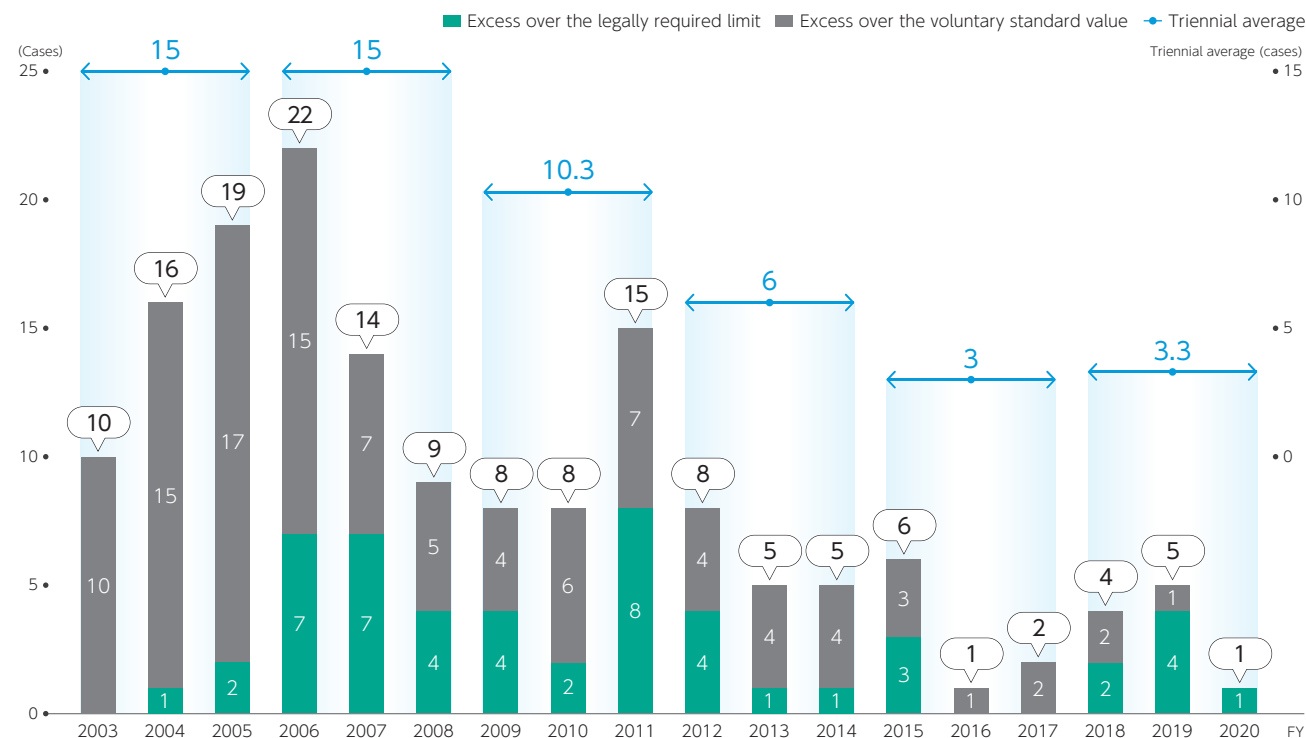
Industrial Waste Reduction of Industrial Waste

For the reduction of industrial waste, see Protection of the Global Environment in P18.

History of Measures to Address Environmental Incidents

To prevent water pollution, air pollution, etc., the TANAKA Precious Metals has voluntarily set internal standard values that are even stricter than the levels required by laws and regulations. Defining the cases where the voluntary standard values are exceeded as environmental incidents, we promote various measures to prevent the occurrence and recurrence of them.

●Number of Environmental Incidents (FY2003 to FY2020)



The changes in the number of environmental incidents that occurred from fiscal 2003 show a long-term downward trend. We had one environmental incident in fiscal 2020, which was a record low.

●Major Internal Rules

	Item	Description
Ordinary management	Management of voluntary standard values	Voluntary standard values are set to be 50% of the legal standards
Response to incidents	Flash reports on environmental incidents	Quick communication of information in the event of an environmental incident (The Environmental Managers Sub-committee checks cause analysis and actions to address it)
	Reporting and notification standards	Standards concerning reporting and notification to relevant government bodies in case of an environmental incident

* 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.

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.

Main Measures Taken to Address Environmental Incidents in the Past

1964	Started to apply 50% of the legal standard as the voluntary environmental standard value (for water pollution)
1974	Established the voluntary environmental standard values as internal regulations
1985	Set up the Central Safety, Health and Environment Committee (the predecessor of Environmental Managers Sub-committee) Deployed an environmental manager in each plant and facility Launched flash reports on disasters, environmental incidents and near misses
1994	Started to issue monthly reports on the results on safety, health and environment
1999	Formulated the Basic Environmental Policy Saga Production Headquarters of TANAKA Denshi Kogyo K.K. obtained ISO 14001 certification (for the first time in the Group)
2000	Separated the Central Environmental Council from the Central Safety and Health Committee as an independent body
2003	Added more voluntary environmental standard values (50% for air pollution, 2db lower for noise)
2006	Conducted inspections on noise simultaneously throughout the company
2011	Set up the SHE Promotion Office Launched the Central SHE Committee and the SHE Promotion Office Manager Council
2013	Tsukuba Plant of Tanaka Kikinzoku Kogyo K.K. obtained ISO 14001 certification (all bases obtained the certification)
2014	Started environmental SA/RA
2015	Started monitoring on environmental laws
2016	Considered the introduction of inspection by internal experts
2018	Sorted out the environmental incident database
2019	Started plant inspections by the members of the Environmental Managers Sub-committee

Blue: Activities to prevent the occurrence of environmental incidents
Green: Activities to prevent the recurrence of environmental incidents

In our commitment to environmental incidents, it is especially notable that we set the voluntary environmental standard value for water pollution to be 50% of the legally required limit in 1964. While many companies adopt 70% or 80% of the legally required limits as their voluntary standard values in general, we have continuously applied such strict voluntary standard values for more than 50 years without relaxing them.

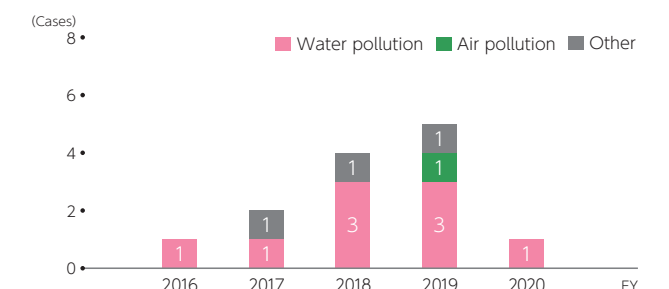
Needless to say, when a legal limit is lowered as a result of a revision of national or local legislation, we accordingly adopt an even stricter voluntary standard value, which also makes management in plants and facilities more difficult. Nevertheless, despite the severe voluntary standard values, which are 50% of the legal limits, the number of environmental incidents is on a downward trend.

These strict measures to address environmental incidents have been inherited from our predecessors and have become part of our corporate culture. We will hand down this high awareness of environmental conservation to the next generations and the TANAKA employees in 2085, in which we mark our 200th anniversary.

Zero Environmental Incident Activities

We had one environmental incident in fiscal 2020. We took corrective measures immediately and have worked to prevent its recurrence.

●Number of Environmental Incidents

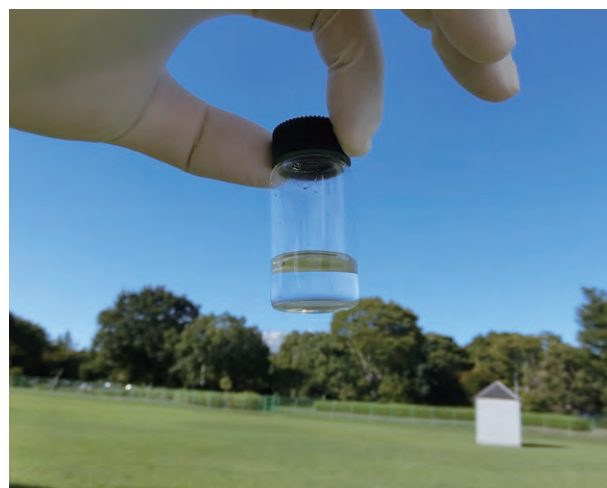


Research and Development

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.

Development of High-Purity Precious Metal Precursors for Next-generation Semiconductors

TANAKA Kikinzoku Kogyo is committed to the development of precursors of ruthenium and various other precious metals and has developed a new liquid ruthenium precursor named "TRuST" for CVD and ALD processes. With the miniaturization and optimization of its molecular structure, the vapor pressure of TRuST is more than 100 times higher as compared to that of previous liquid ruthenium precursors. During the development of this precursor, TANAKA Kikinzoku Kogyo was in charge of material design and synthesis research while Professor Soo-Hyun Kim, Ph.D., School of Materials Science and Engineering, College of Engineering at Yeungnam University in South Korea researched the optimization of the film formation characteristics. This precursor will help increase the performance of semiconductors used in smartphones, computers, data centers, etc. and also reduce energy consumption for them.



Precursor

Topic

Received FY2020 Technology Award from Catalyst Manufacturers Association, Japan

- In recognition of the development of a hydrophobic precious metal catalyst that is useful for the oxidation reactions of hydrogen and in hydrogen infrastructure -

The development of a hydrophobic precious metal catalyst through our joint research with the National Institutes for Quantum and Radiological Science and Technology (QST) received FY2020 Technology Award from Catalyst Manufacturers Association, Japan (CMAJ).

This catalyst can be used for the oxidation reactions of hydrogen and combustible gases without the need for heaters and other equipment, which enables the reactions to be carried out in outdoor environments without access to an electric power source or in disaster-affected areas during power failures. Because of its hydrophobic properties, this catalyst has potential for applications in safety equipment for preventing explosions and other accidents. It is particularly promising for use in infrastructure development for the hydrogen energy society.



Hydrophobic precious metal catalyst

Topic

Won the "Award in Industry" under the FY2019 FCDIC Honoring System

We won the "Award in Industry" under the FY2019 FCDIC Honoring System, which is run by the Fuel Cell Development Information Center (FCDIC). The FCDIC Honoring System was established in 2016 to commemorate the company's 30th anniversary. In this system, the Award in Industry, Award in Science, Incentive Award and Special Achievement Award are presented to organizations and individuals who have made outstanding contributions to the promotion of fuel cell development and relevant industries, as well as the progress and development of science and technology related to fuel cells. Through this system, FCDIC aims to support the development of fuel cell technologies and help introduce and disseminate fuel cell systems.

TANAKA Kikinzoku Kogyo K.K. received the Award in Industry in recognition of its contribution to the industry in the field of fuel cell catalysts over many years. We will continue to supply products that support the technologies for the use of hydrogen, which is a key to becoming carbon neutral.



Electrode catalysts for fuel cells

Creation and Protection of Intellectual Property Rights

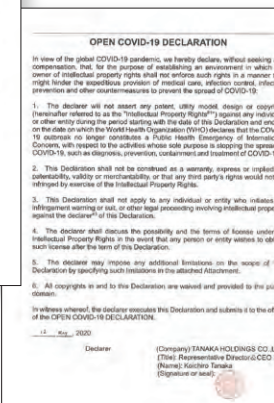
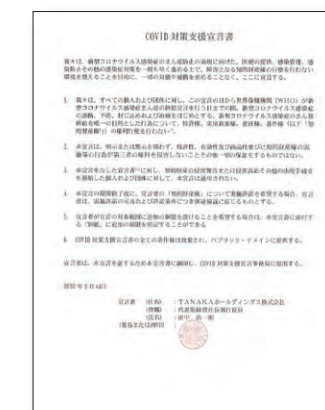
Being aware that intellectual property rights such as patent rights, utility model rights, design rights, trademark rights and copyright, as well as know-how, are important assets for companies, we actively endeavor to develop such rights. In the research of new technology and the development, production 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.



COVID-19と
戦う知財宣言



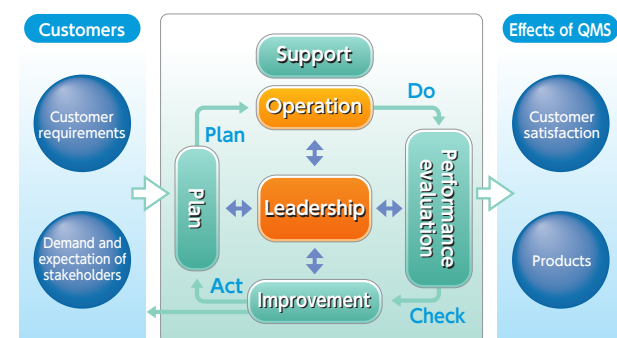
Quality and Trust

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.

Establishment of 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 about our company among customers for our industrial product business in Japan and overseas 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. In fiscal 2020, we received responses from 134 customers (103 companies in Japan and 31 overseas companies) and the average score was 75.6. While the COVID-19 pandemic placed restrictions on visits to customers during the fiscal year, many of the responses mentioned that information was exchanged through online interviews. 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 the 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 2020, our domestic and overseas factories were audited by third-party auditors qualified by RBA or were audited directly by customers. Through those audits, our compliance with RBA Code of Conduct were evaluated.

○ EcoVadis *2 Certification

We underwent a company-wide CSR assessment by EcoVadis concerning the environment, labor and human rights, ethics and sustainable procurement of materials and were awarded a silver rating again in fiscal 2020.

*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: EcoVadis is a CSR assessment agency who evaluates more than 65,000 organizations and companies from 200 business sectors and 160 countries through the world. It gives clients CSR rating in five scales, that is platinum, gold, silver, bronze or no rating.

● Screening of Counterparties

To deal with the risks associated with the globalization of business, we strictly screen counterparties to prevent any involvement in the infringement of human rights, financing of terrorists, money laundering, unfair dealings, conflicts and environmental destruction and to avoid transactions with those subject to sanctions and antisocial forces.

Evaluation from Customers

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

[FY2020] Major awards given by customers

Company	Customer	Award	Reason for the commendation
Chemical Recovery	Cataler Corporation	Quality Award	Contribution to quality by the achievement of zero defects
Semiconductor (TEC)	Unimos Microelectronics (Shanghai) Co., Ltd.	PARTNER OF THE YEAR 2020	Overall evaluation (quality, prices, delivery time)
AuAg Chemical Recovery	Hyundam Industrial Co., Ltd. (HIC) Hyundam Industries Technology Institute	Plaque of appreciation	Contribution in the past and gratitude

Supply Chain Management

○ Commitment to the Responsible Procurement of Minerals

With the establishment of its Responsible Mineral Management Policy *1, 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 *2 and LPPM *3 Responsible Guidance

With respect to platinum, gold, silver and palladium, we conduct due diligence based on the LBMA Responsible Guidance and the LPPM Guidance and renew the certification every year after an audit by a designated third-party agency.

○ Approach to Suppliers

While asking principal suppliers to comply with the RBA Code of Conduct, we also ask them to conduct CSR self-assessment. In addition, we visit and survey some suppliers that are considered to have a large impact on our business and is exposed to high risk. In fiscal 2020, we asked about 150 suppliers to conduct CSR self-assessment and no serious problem was identified in any of them.

We have joined the education and enlightenment task force of the CSR Committee of Japan Electronics and Information Technology Industries Association (JEITA), which is an industry group. And we were engaged in preparation of educational materials to make suppliers have good comprehension on JEITA's "Responsible Business Conduct Guidelines". Following our suggestion, our principal suppliers participated in the briefing session held in July 2020.



LBMA Responsible Gold Certificate



LBMA Responsible Silver Certificate



LPPM Responsible Platinum and Palladium Certificate

*1 https://www.tanaka.co.jp/english/sourcing_policy/

*2 LBMA: London Bullion Market Association

*3 LPPM: London Platinum & Palladium Market

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.

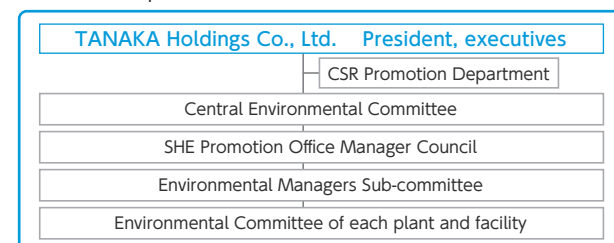
Environmental Management System

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 (Date of acquisition)

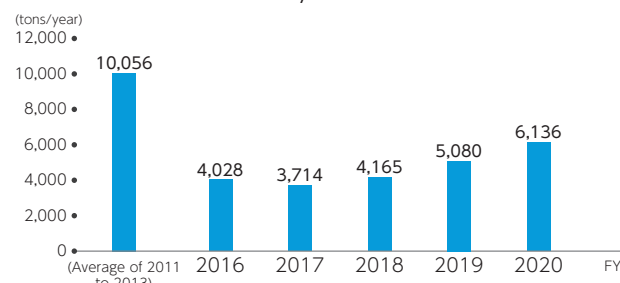
TANAKA Kikinzoku Kogyo K.K.			
Shonan Plant	October 2000	Iwate Plant	January 2005
Ichikawa Plant	May 2002	Isehara Plant	March 2005
Technical Center	May 2002	Tomioka Plant	March 2005
Hiratsuka Plant	October 2002	Tsukuba Plant	December 2013
Taiwan TANAKA Kikinzoku Kogyo Co., Ltd.			
			May 2010
TANAKA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

Efforts to Reduce Waste

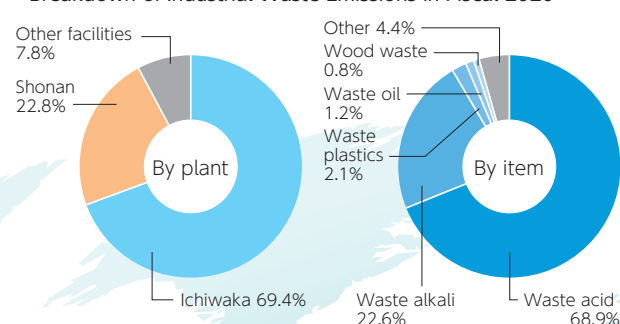
The TANAKA Precious Metals sets a target of reducing industrial waste emissions by 1% each year. In fiscal 2020, we aimed to reduce the emissions by 1% from the previous fiscal year to 5,029 tons but failed to meet the target with an increase of 20.8% to 6,136 tons. We will promote further measures to ensure that we can control the waste generated in association with the expansion of our business.

Company-wide target » Reduction of industrial waste emissions by 1% each year

Industrial Waste Emissions by Year



Breakdown of Industrial Waste Emissions in Fiscal 2020

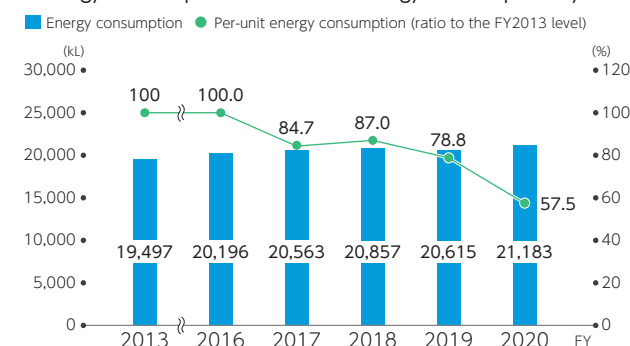


Commitment to the Prevention of Global Warming

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 we increased energy consumption by 2.8% and CO₂ emissions by 0.6% from the previous fiscal year reflecting the favorable business environment, per-unit energy consumption was substantially reduced by 27% year-on-year (to 57.5% of the fiscal 2013 level). We will continue to enhance our energy saving efforts including increases in the efficiency of various devices and the improvement of their operation.

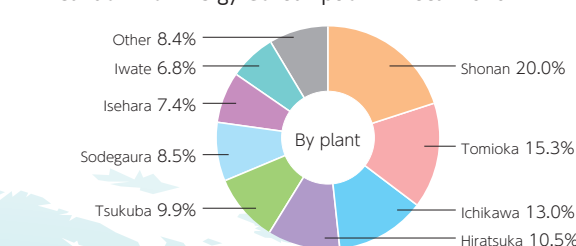
Company-wide target » Reduction of per-unit energy consumption by 1% each year

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 2020



CO₂ Emissions by Year



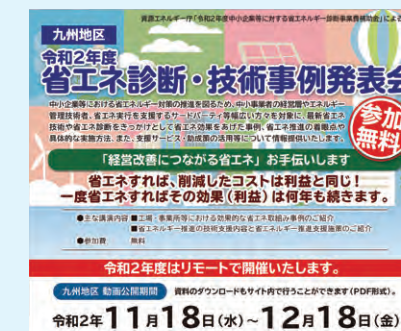
* CO₂ emissions are calculated with the CO₂ emission factor of each electric power supplier in the region where each of the plants and facilities is located by each fiscal year.

Topic

Energy saving activities of our two plants were introduced as advanced cases

In the FY2020 Energy Conservation Diagnosis and Technical Case Presentation Meeting hosted by the Energy Conservation Center, Japan, the energy saving activities of Tomioka Plant of TANAKA Kikinzoku Kogyo K.K. and Saga Production Headquarters of TANAKA Denshi Kogyo K.K. were introduced with videos as advanced cases. In the videos, the respective staff in charge of the activities in the two plants explained the introduction of a power monitoring system, renewal of equipment and a system to promote energy saving activities.

<https://www.shindan-net.jp/seminar-online/>



* The videos are not available online anymore.

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, six facilities have introduced photovoltaic power generation in our Group. We will continue to promote the introduction in a planned manner.



Rooftop of Hiratsuka Plant

Plant	Year of introduction	Energy reduction effect
Saga Production Headquarters of TANAKA Denshi Kogyo K.K.	FY2006	4%
Tomioka Plant of TANAKA Kikinzoku Kogyo K.K.	FY2007	1%
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%

Protection of the Global Environment

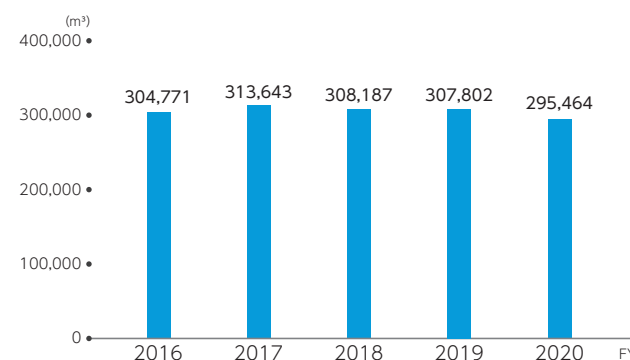


Reduction of Water Consumption

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

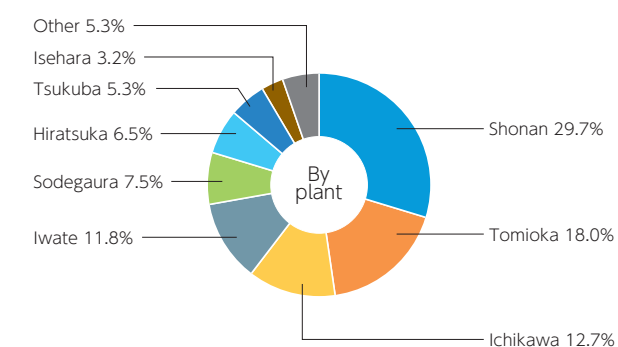
Water Consumption by Year



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.

Breakdown of Water Consumption in Fiscal 2020



Prevention of Environmental Pollution

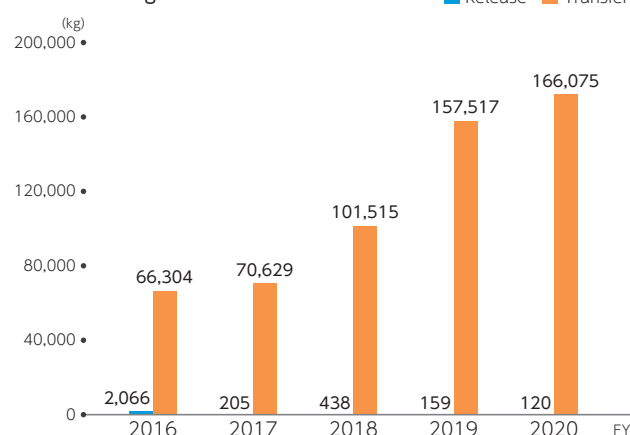
As to the substances specified under the Act on Confirmation, etc. of Release Amounts of Specific Chemical Substances in the Environment and Promotion of Improvements to the Management Thereof (PRTR* Act), we notify the national government of the amounts released in the environment and the amounts transferred

to outside the facilities.

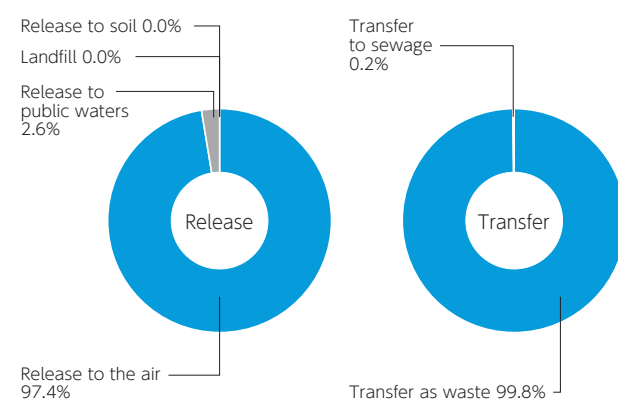
We will continue to be committed to the proper management of chemical substances in business activities to prevent environmental pollution.

* PRTR: Pollutant Release and Transfer Register

Total Release and Transfer Amounts of PRTR-designated Substances



Breakdown of PRTR-designated Substances in fiscal 2020

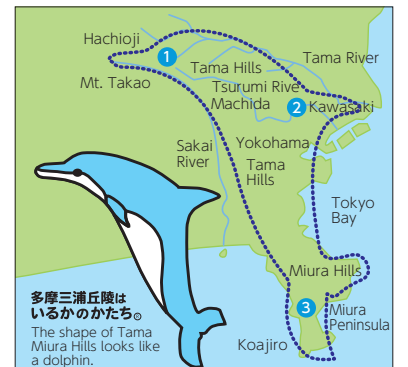


Conservation of Biodiversity

The TANAKA Precious Metals supports the Blooming Dolphin Hill Project launched by Tsurumi River Basin Networking, which is an NPO in Yokohama, Kanagawa (represented by Dr. KISHI Yuji), 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.



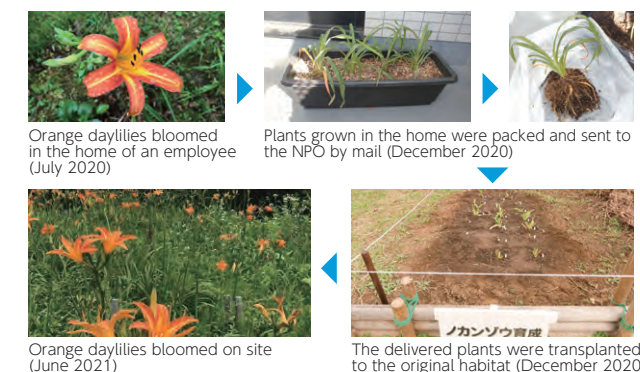
Location	Activity	Future plan
① Maru Pond, the headwater of Tsurumi River (Machida, Tokyo)	Transplanted 500 tawny daylilies in March 2020	2021: 1,000 plants 2023: 4,000 plants
② Tsunashima Barashima (Yokohama, Kanagawa)	Transplanted 500 orange daylilies in November 2019	2021: 2,000 plants 2023: 10,000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



Cultivation of Orange Daylilies in the Homes of Employees

As an alternative to the eco-tours that had been organized every year, which were canceled due to the impact of COVID-19, we have launched an orange daylily cultivation program in which employees can participate at home. In this program, orange daylilies were sent by mail from Tsurumi River Basin Networking to the employees who applied for participation in it, who later returned the plants they grew and increased over a year in December 2020. The NPO then transplanted the returned plants to a river bed and their flowers bloomed beautifully all over it in the summer of 2021.

We will continue the program to grow orange daylilies in the homes of employees and plan to organize an on-site ceremony to return the plants after the end of the COVID-19 pandemic.



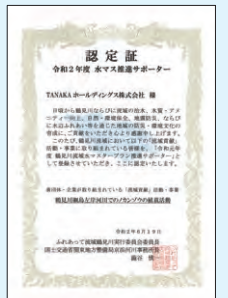
Topic

Certified as a "Water Master Plan Promotion Supporter"

In recognition of our activities to conserve biodiversity, we were certified as "FY2020 Water Master Plan Promotion Supporter" by the Keihin River Office, Kanto Regional Development Bureau, Ministry of Land, Infrastructure, Transport and Tourism.

What Is a Water Master Plan Promotion Supporter?

Tsurumi River Basin Water Council (Ministry of Land, Infrastructure, Transport and Tourism, Tokyo Metropolitan Government, Kanagawa Prefecture, Yokohama City, Kawasaki City, Machida City and Inagi City) formulated the Tsurumi River Basin Water Master Plan (Water Master Plan) in August 2004. In line with the vision of this Water Master Plan, the organizations and companies involved in activities that contribute to the basin ("basin CSR activities") are certified as Water Master Plan Promotion Supporters.



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.

TANAKA



Certification as a Tokyo Sports Promotion Company

TANAKA Holdings Co., Ltd. sponsors various sports events and also organizes programs that encourage employees to have interaction with each other and improve their health through sports activities. We continue this commitment even in the new normal with the spread of COVID-19 infections through initiatives such as online spectating of various sports events instead of watching those events in the venues.

In addition, we became an official partner of the Japanese Para-Sports Association (JPSA) in 2012 and have co-sponsored the Japan Blind Football Association (JBFA) and the Japanese women's blind football team since 2017.

In recognition of those activities, TANAKA Holdings was certified as a Tokyo Sports Promotion Company by the Tokyo Municipal Government for six consecutive years from fiscal 2015.



Support of and Participation in Sports for People with Disabilities

The competitions organized by the Japanese Para-Sports Association and the Japan Blind Football Association, which are co-sponsored by the TANAKA Precious Metals, were held with no spectators due to the COVID-19 pandemic and we therefore organized online spectating. We also supported the operation of ceremonies in "Santen IBSA Blind Football World Grand Prix 2021 in Shinagawa," an international competition of blind football held from May 30 to June 5, 2021, as a category sponsor and supplied the medals, trophies and award plaques to be granted to the teams and players.

We will continue to conduct activities that can promote the understanding of sports for people with disabilities through various opportunities.



Photo courtesy of WANIBE Haruo/Japan Blind Football Association

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 171 applications for this 22nd invitation and provided grants of 16.1 million yen in total to 26 research projects.

●Gold Award: 2 recipients, 2 million yen each

Development and application of precious metal catalytic reactions with unconventional low-temperature action using surface protonics

Professor SEKINE Yasushi, Waseda University

Development of oxidation resistant Ir-based high-entropy alloy

Professor MURAKAMI Hideyuki, Waseda University

○Scholarship Program

We launched the program that aims to support academic, technological and socio-economic development in fiscal 2018. In fiscal 2020, as in previous fiscal years, scholarships were provided to three undergraduate and postgraduate students majoring in science and technology at Tohoku University.

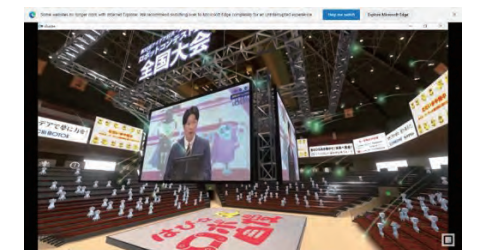
This fiscal year, we had exchanges with the students through online interviews, in place of face-to-face interviews.

We will continue to value the connection with the scholarship recipients in various ways.

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 the manufacturing activities of young engineers. This fiscal year, the contest was organized online to address the COVID-19 pandemic.



Main Activities

Donation and Fund-raising Activities

We participated in a program to purchase sticky rice dumplings and sweet potatoes from Zenan Homeless Social Welfare Foundation to support single mothers.

TANAKA Electronics Taiwan Co., Ltd. April to August 2020 No. of participants: 106 in total NT\$12,480

Donation and Fund-raising Activities

We provided 330 meals of emergency food to children's cafeterias via a volunteer organization "Hibarino no Nakamatachi."

Hiratsuka Plant of Tanaka Kikinzoku Kogyo K.K.

Donation and Fund-raising Activities

Our plants and facilities implement various donation and fund-raising activities.

Hiratsuka Plant and Nagoya Branch of Tanaka Kikinzoku Kogyo K.K., Tanaka Kikinzoku Jewelry K.K., Tanaka Electronics Malaysia Sdn. Bhd., Tanaka Electronics Singapore Pte. Ltd., Tanaka Electronics Taiwan Co., Ltd. and Tanaka Electronics (Hangzhou) Co., Ltd.

Local Cleaning Activities

The following plants and facilities implement activities to clean plants, their neighborhood and other areas in a regular manner.

Tomioka Plant, Shonan Plant and Tsukuba Facility of TANAKA Kikinzoku Kogyo K.K., Saga Production Headquarters of TANAKA Denshi Kogyo K.K., Shinjuku Store 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.

Annual Paid Holidays

To comply with the Act on the Arrangement of Related Acts to Promote Work Style Reform, which was enforced in April 2019, we have worked to have our employees take five or more annual paid holidays in a year across the Group since fiscal 2018. In fiscal 2020, all of those who are required to take five or more annual paid holidays in a year achieved the target.

In Japan	2019	2020
Annual paid holiday (5 or more days) utilization rate	100%	100%
Average number of annual paid holidays taken	12.9 days	14.0 days
(Manufacturing units)	12.2 days	14.0 days
(Indirect units)	14.5 days	14.0 days
Average overtime hours	14.34 hours	13.40 hours
Average service years: male	13.9 years	14.5 years
Average service years: female	12.1 years	12.7 years
Nursing care leave	1 person	3 person
Reduced working hours for nursing care	1 person	1 person

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.



Topic 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】

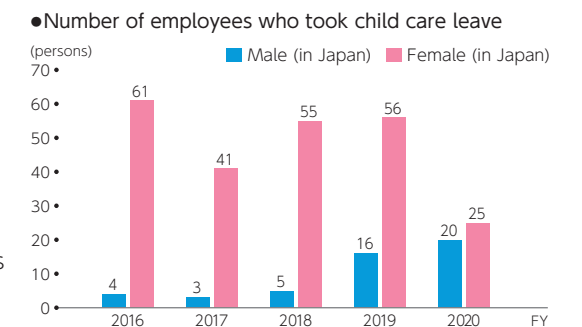
This program is applicable until April 15 of the year when the child is a second-grade elementary school student. The working hours can be reduced to six hours in principle or five hours at the request of the employee.

【Sick/injured child care leave】

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.

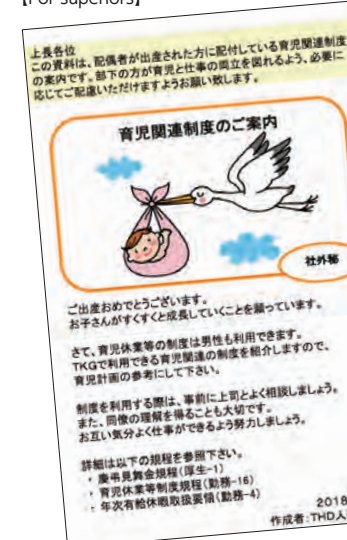
We strive to inform employees of the internal systems related to child care and create an environment where employees can use them easily through the distribution of a leaflet to the employees whose spouses gave birth, as well as their superiors, and the distribution of a booklet in manager training. The number of male employees who take child care leave has been on an upward trend since fiscal 2016. With 20 male employees taking child care leave in fiscal 2020, 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.



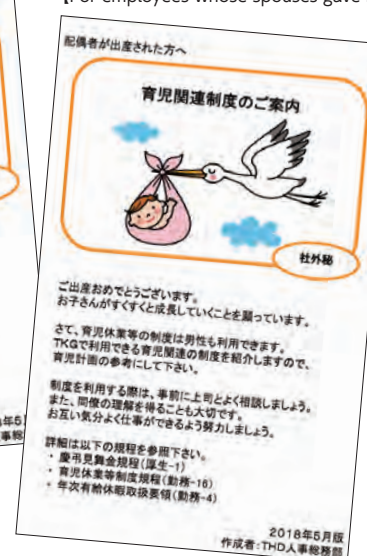
【Booklet distributed in manager training】



【For superiors】



【For employees whose spouses gave birth】



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



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. In addition, we started to appoint staff dedicated to the employment of persons with disabilities in the second half of fiscal 2020 to strengthen follow-up actions after the recruitment as well as to achieve and maintain the legally required percentage.

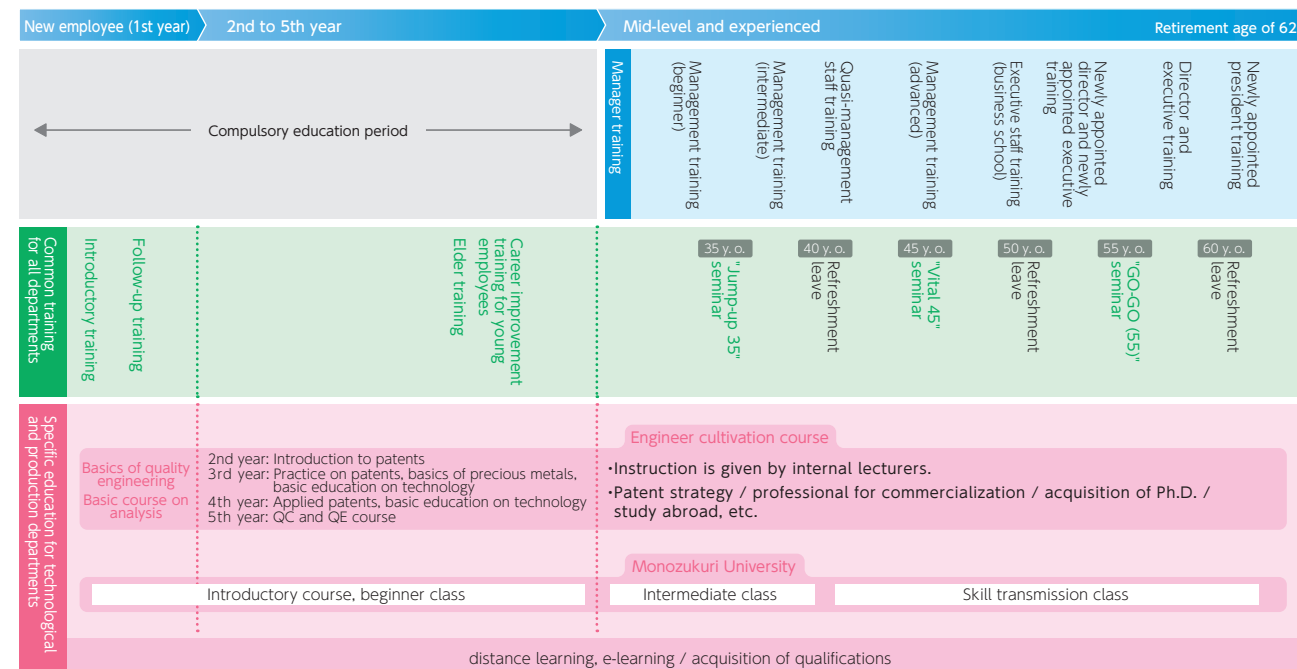
Reemployment of Retired Employees

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. In addition, we provide management training to managers to improve their skills for management and communication at workplaces. This training course has beginner, intermediate and advanced classes and the curriculum is designed for the respective positions. All managers completed the course in fiscal 2020 and we have launched the second round with revised content.

●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. The percentage of those who underwent the stress check in fiscal 2020 was 91.5%.

CSR Tsushin

We launched a daily newsletter named "CSR Tsushin" in April 2012 as a communication tool to publicize CSR activities.

After a temporal suspension and publication with decreased frequency for several months due to the COVID-19 pandemic, we have returned to a daily publication since April 2021.

The newsletter has reached the 2,000th issue.

"CSR Tsushin" covers the core issues of ISO 26000, such as organizational governance, human rights, the environment, labor practice and community involvement. Articles are prepared by the staff members of CSR Promotion Department, field by field.

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 Promotion Department distributes the newsletter to departments of the plants and facilities by email every day and receiving departments display it on bulletin boards in worksites, canteens, etc.

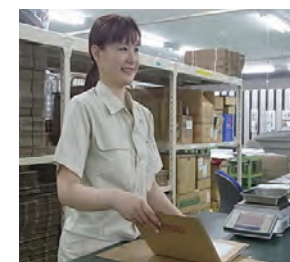


Book to Make Use
of CSR Tsushin



CSR Tsushin is displayed
in canteens, etc.

TANAKA NOW



I am currently in charge of the packing of bullion for investment to be delivered to the members of our Gold Accumulation Plan as well as the inspection and assortment of bullion coins for investment bought out by the company stores and official dealers of TKJ. I was born with hearing loss and can hardly hear conversations including talks on the phone and broadcasting. But I can hear big metallic sounds such as those of scratching inscription on bullion, which aims to mark it as bullion not for resale.

While I can read the lips of a person who is talking, or speak from myself, thanks to the training on the auditory-verbal method that I learned in my early childhood, I have difficulty in reading the lips of others these days because they always wear a mask due to the COVID-19 pandemic. Since I cannot hear voices well, I always try to

promote communication with colleagues in my workplace and also use a speech conversion system, as well as emails and conversations in writing, to ensure that my hearing loss does not interfere with my work. My colleagues also give consideration to me and I am very grateful to them.

As I work in a plant, I also have a fear of evacuating too late in case that a warning alarm rings when I am working by myself, as well as a fear of obstructing or colliding with a forklift or cart coming from behind me because I cannot hear its sound. Although I always assume what may occur around me before taking an action, I often make a wrong guess or get a wrong idea. I sincerely wish that an environment where everyone, with or without disabilities, can work with a sense of security is developed with barrier-free equipment and creative ideas.

FUJITA Narumi (grade of disability: grade 2 hearing disability),
Shonan Branch Office, Material Logistics Department, TANAKA Kikinzoku Kogyo K.K.

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.

Review of Overall Safety Activities

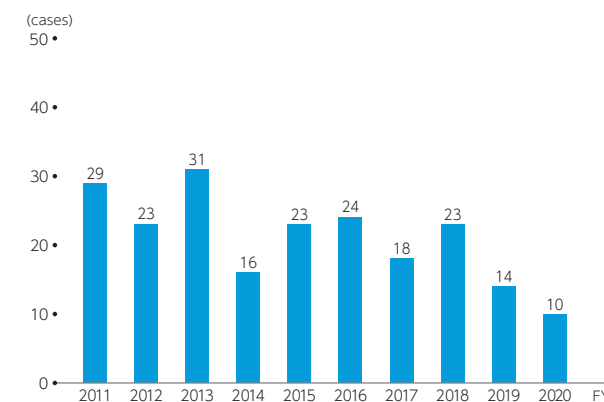
With the aim of ensuring that "Employees cooperate with each other to maintain a safe, secure and cheerful workplace," which is the "Ideal State we would like to achieve" in fiscal 2020, we have promoted safety activities on a daily basis according to the annual policy "Give top priority to safety, and establish a secure and cheerful workplace."

We have taken safety measures to address priority issues every year since fiscal 2017. While the plants and facilities tackled their respective challenges such as "getting caught" and "cut and graze," we set "prevention of fall" as a challenge to be addressed commonly at the beginning of this fiscal year and took measures with a focus on the elimination of unsafe situations.

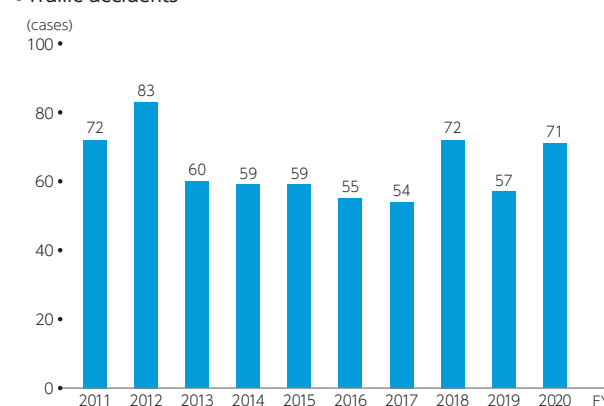
The number of occupational accidents in fiscal 2020 was 10, which was the lowest in the last 10 years. All of the 10 accidents occurred mainly due to unsafe acts. We will continuously make maximum efforts to identify risks and take measures to address them.

In the meantime, the number of traffic accidents was 71. The number has been around 60 over the past 10 years and many rear-end accidents occurred to cause damage.

●Accidents



●Traffic accidents



TANAKA NOW

Tsukuba Facility has achieved zero accidents for two consecutive years. I think that this achievement is attributed to the high safety awareness of all employees, risk assessments and safety inspections to identify risks early and take measures to address them. I assume that the activities of Tsukuba Facility to obtain ISO 45001 certification also helped us continue to achieve zero accidents. Zero accidents do not necessarily mean that the workplace is safe. We will not aim to maintain the status quo but work to make the workplace even safer with the concerted efforts of all employees.

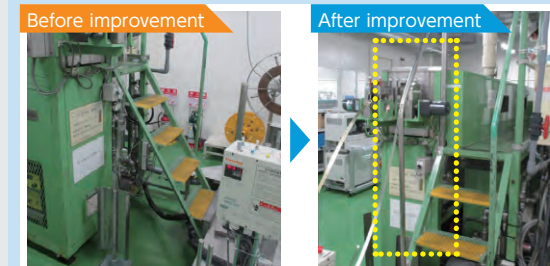
KASAI Yasuhiro, Safety Manager,
Tsukuba Facility, PGM Company, TANAKA Kikinzoku Kogyo K.K.



Introduction of Examples of Safety Measures Taken to Address Priority Issues

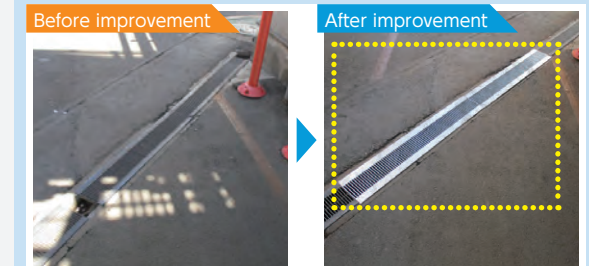
Example 1 Common challenge: Fall

Hiratsuka Plant, AuAg Company



A machine had a handrail only on one side of the stairs and there was a risk of falling when a person climbs up or down the stairs with one hand, so a handrail was installed on the other side as well.

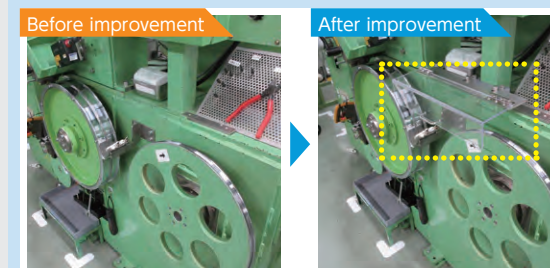
Ichikawa Plant, Chemical & Refining Company



There was a risk of fall due to the deformation of gratings on a passage of forklifts, so they were replaced with load-bearing gratings.

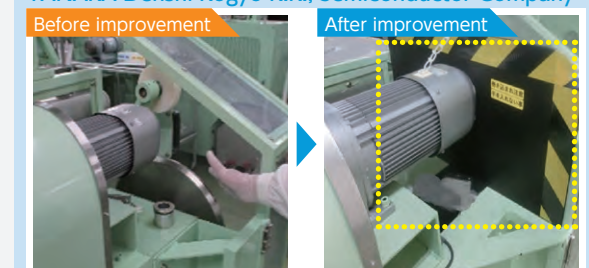
Example 2 Challenge for individual sites: Getting caught

Iwate Plant, AuAg Company



There was a risk of hands getting caught in the capstan roller, so a cover was attached to prevent hands from getting caught.

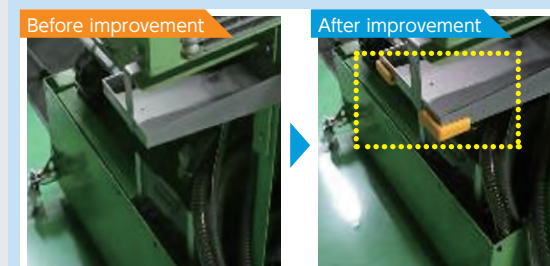
Saga Production Headquarters of TANAKA Denshi Kogyo K.K., Semiconductor Company



There was a risk of hands getting caught or pinched in the rolling part of the winder, so a cover was attached to eliminate the gap.

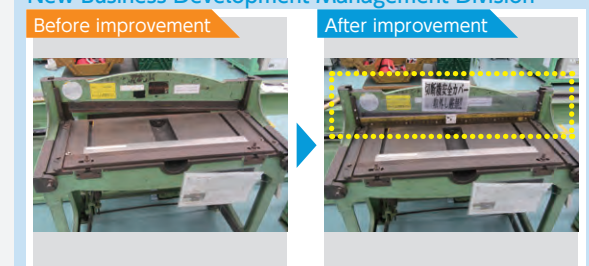
Example 3 Challenge for individual sites: Cut and graze

Isehara Plant, PGM Company



There was a risk of cutting hands and fingers with the sharp corners of equipment, shelves, carts and other carriers, so the corners were covered with cushions.

Isehara Technical Center, New Business Development Management Division



There was a risk of cutting hands and fingers with the blade edge when materials are handled on the foot-operated cutting machine, so a safety cover was attached.



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) Our Group aims to cultivate a culture that prioritizes safety and health, based on the belief that employee's health is an important driving force for the business.
- (2) Our Group aims to create a workplace environment in which employees can work in healthy, happy and positive circumstances.
- (3) Our Group 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.

Topic

Renewal of Silver Certification as
Healthy Companies

The Silver Certification as Healthy Companies we obtained in August 2019 was renewed in recognition of our continuous efforts to improve the health of employees by keeping the percentage of employees undergoing a regular health checkup at 100% and implementing the health challenge program and the quit smoking campaign. Tanaka Kikinzoku Jewelry K.K. was also certified in November 2020.

Topic

Recognition under the 2021 Certified
Health & Productivity Management Outstanding
Organizations Recognition Program

The five TANAKA Precious Metals companies* continued to be recognized under the 2021 Certified Health & Productivity Management Outstanding Organizations Recognition Program (in the large enterprise category).

* 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.



Initiatives in Fiscal 2020

Health Checkup

A regular health checkup was conducted later than usual due to the COVID-19 pandemic. We maintained the percentage of those undergoing a regular health checkup and secondary test at 100% again in 2020. When a regular health checkup is organized, lifestyle disease screening with a gynecological exam is also conducted. The employees who reach the age of 45 can receive a complete health checkup with their spouses.

Improvement of Health

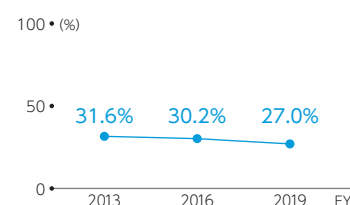
We are taking various initiatives to enhance health awareness among employees. In the "health challenge" program, the participants select targets from among health-related items that they can tackle individually without working too hard, such as the improvement of their diet and sleep and an increase in

body strength, and try to achieve the targets for two months to promote the improvement of their lifestyle. In fiscal 2020, the program was modified to record the results online and allow family members to participate as well.

Commitment to Encouraging Employees to Quit Smoking

Indoor smoking was banned at all worksites in Japan in April 2020. We also established a program to subsidize medical costs at smoking cessation clinics to encourage smokers to quit smoking. The "quit smoking" campaign is organized continuously to lower the rate of smoking.

●Rate of Smoking by Year
(based on the health
awareness survey
conducted every
three years)



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 P8-9) 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 P22-23), as well as activities to conserve biodiversity in the environment (see P21) 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	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	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	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 CO ₂ emissions and waste materials. 4) Promote appropriate management of water resources. 5) Actively work to recycle precious metals.
Fair business practices	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	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.

Established: November 1, 2008 Revised: October 1, 2016

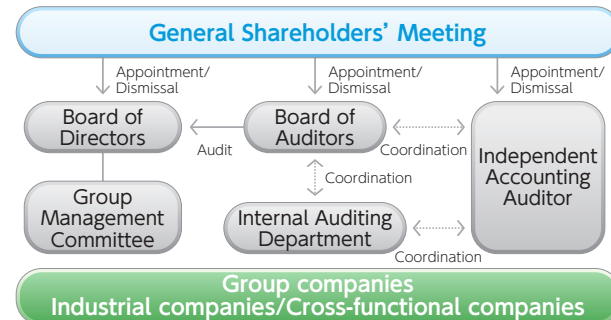
To Be an Honest and Healthy Company

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.

Corporate Governance

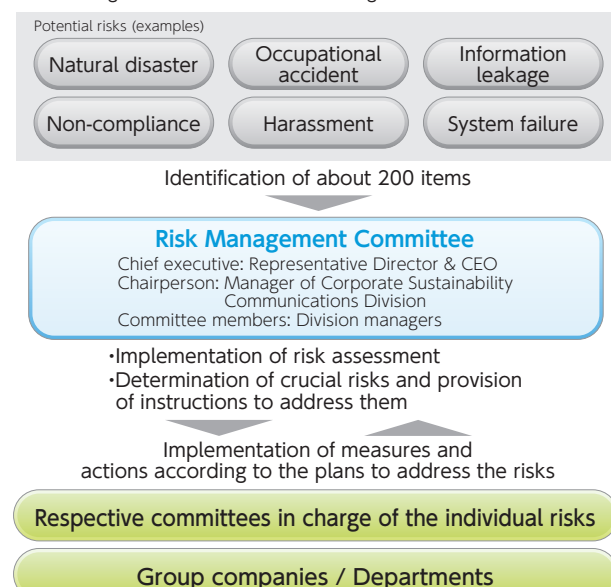
The TANAKA Precious Metals has established a corporate governance system and specified basic policy for internal control to ensure respect for the rights and interests of all stakeholders and business operations, accounting and other activities in a legitimate and proper manner. Based on the system and 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

●Risk Management Promotion Structure Diagram



The TANAKA Precious Metals has formulated Risk Management Committee with Representative Director & CEO and Manager of Corporate Sustainability Communications Division of TANAKA Holdings serving

as the chief executive and the chairperson, respectively. A meeting of the 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.

Business Continuity Planning (BCP)

The business continuity plan is revised on an as-needed basis in response to natural disasters and various other risks. We are now developing manuals to address volcano eruption risk in addition to storm and flood damage and COVID-19. In fiscal 2020, we installed live cameras at 10 plants in Japan, which now enable us to check the circumstances in the plants and their surrounding areas on a smartphone. We expect that they will be used to make decisions on whether employees should come to the office or not and what actions should be taken in case of a storm, flood, etc. in the future.



Compliance Training

To enhance compliance awareness and prevent dishonest acts, we provide e-learning courses on subjects such as the dissemination of the compliance guidebook, the whistleblowing system, compliance with the Antimonopoly Law, prevention of corruption and protection of personal information. In January 2021, we also launched an e-learning course on trade secrets mainly for executives, as well as the employees who often have access to technical information, to prevent the leakage of technical and other information because it is a concern associated with teleworking, which is promoted on the back of the COVID-19 pandemic. A total of about 680 persons have taken the course as of July 2021.

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, etc. 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. The whistleblowers are strictly protected to ensure that they will not suffer a disadvantage. In addition, we have established rules to give consideration to the human rights of migrant 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.

Whistleblowing System

In fiscal 2020, 11 reports were received in the whistleblowing system. We have treated all of the cases properly while protecting the whistleblowers and maintaining 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 of our products or technologies 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 "individual customers," "corporate customers" and "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. 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.

TANAKA NOW

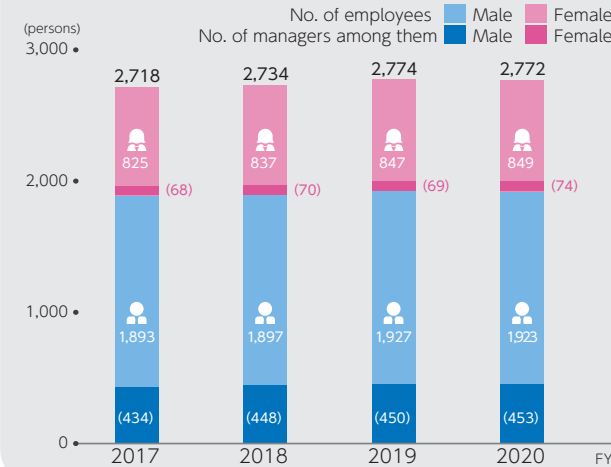
Do you know ISO 27001? It is an international standard to operate an information security management system (ISMS). We use part of this standard to manage the precious personal information of individual customers provided by them. In the event that an accident occurs, the company will be socially responsible and, above all, it will also cause inconvenience to customers. To prevent such accidents, we at the secretariat work every day to implement educational and other activities that aim to further enhance employees' understanding of the management of personal information.

OKADA Minako, ISO 27001 Secretariat

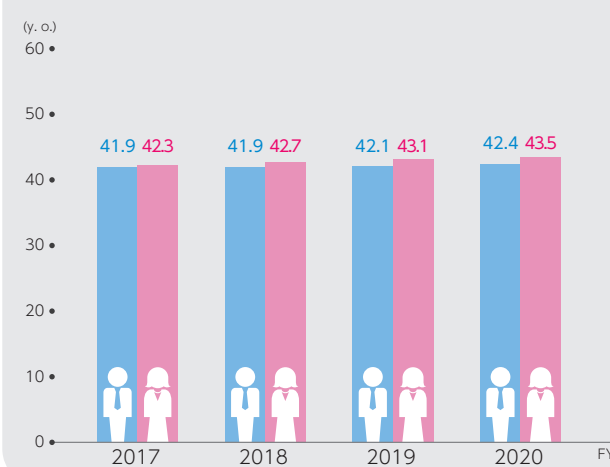


CSR Performance

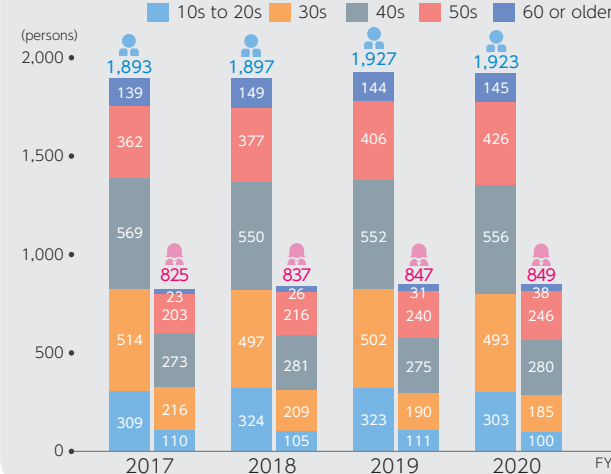
Number of employees and managers (in Japan)



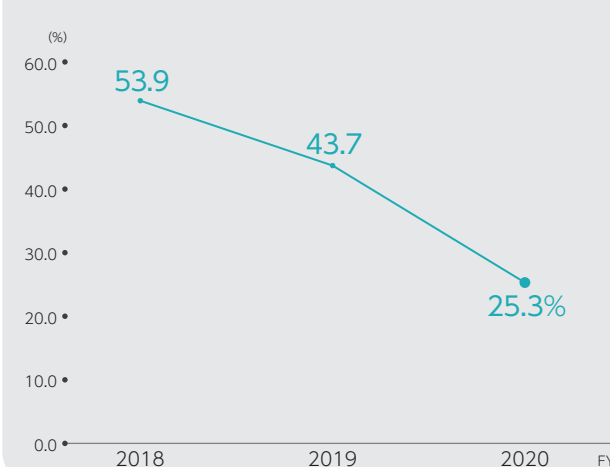
Average age (in Japan)



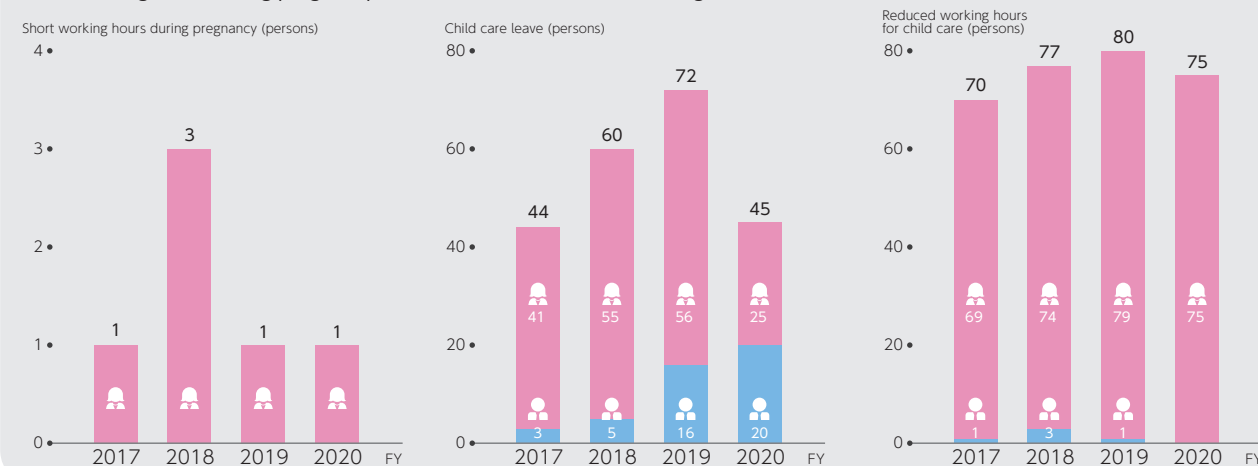
Number of employees by age group



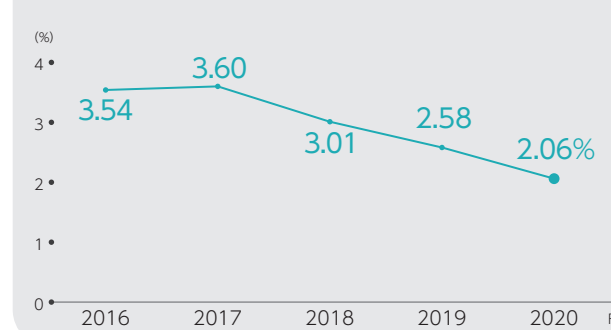
Ratio of mid-career recruitment



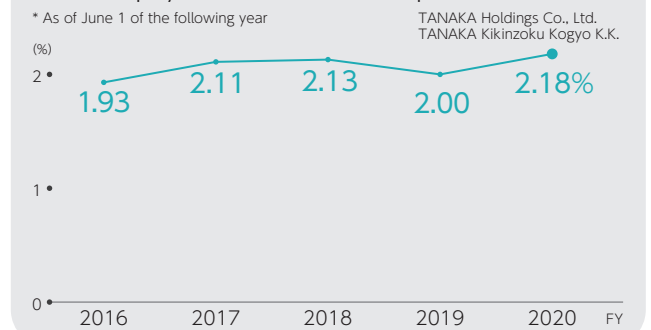
Short working hours during pregnancy, child care leave, reduced working hours for child care



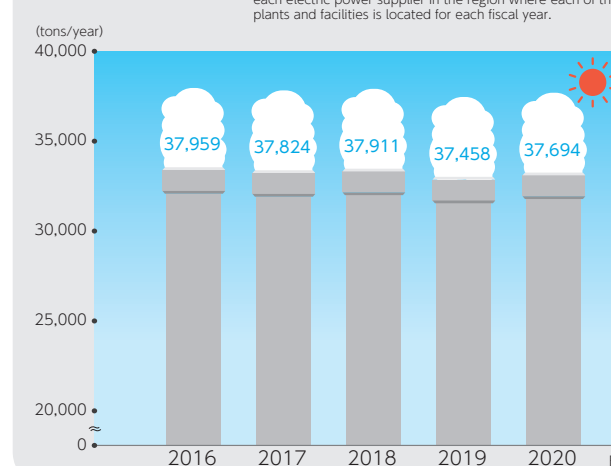
Turnover rate



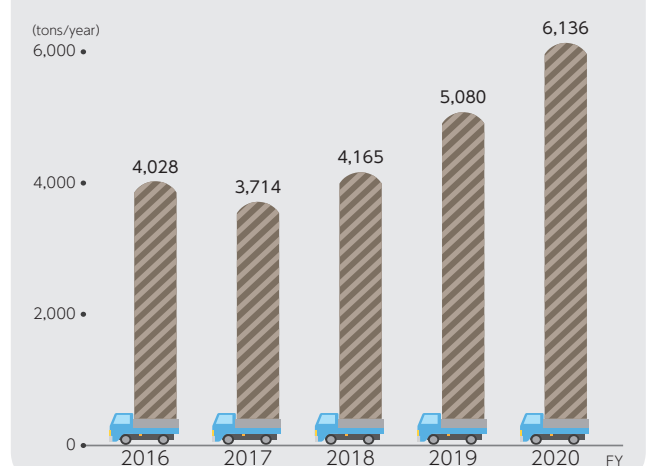
Ratio of employees with disabilities (in Japan)



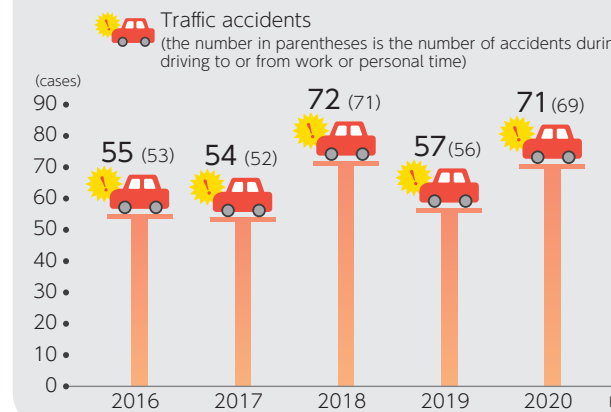
CO₂ emissions



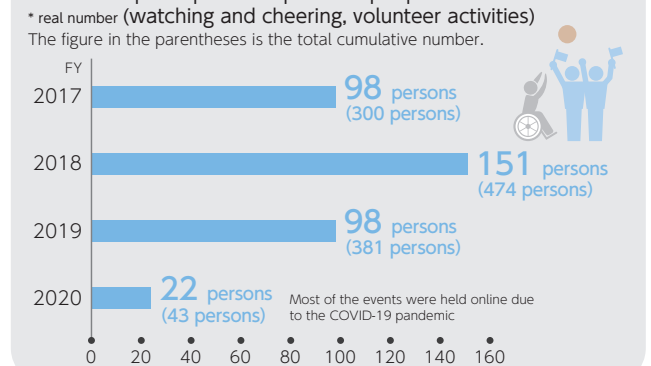
Industrial waste emissions



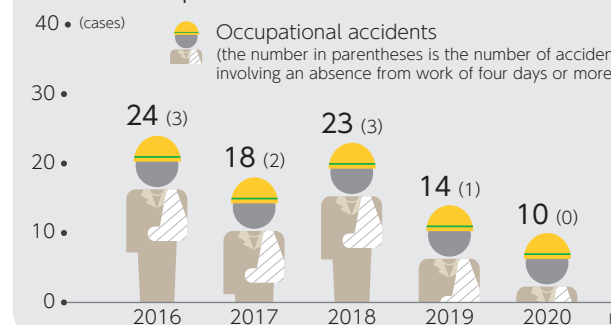
Number of traffic accidents



Number of participants in sports for people with disabilities



Number of occupational accidents



Number of the new patents registered in Japan



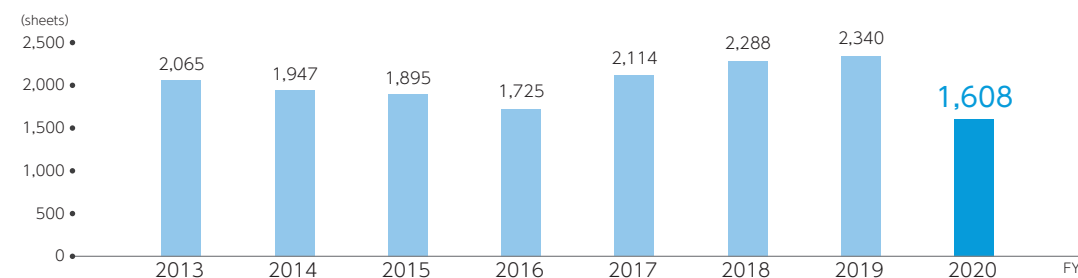
Results of the Questionnaire on CSR Report

The TANAKA Precious Metals conducts a questionnaire survey of all employees on its CSR Report every year. In past fiscal years, a paper-based questionnaire was conducted and the plants, facilities, branch offices and other sites individually collected the questionnaire forms and sent them to the secretariat by in-house mail. However, in the previous fiscal year, the forms were not collected at each site but employees sent their own forms directly to the secretariat, while an online questionnaire was also introduced, to prevent COVID-19 infections.

* The answers to the questionnaire partly include those from external customers.

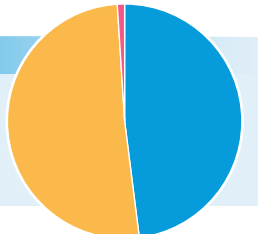
Results of the Questionnaire on CSR Report 2020

Number of the answer sheets collected



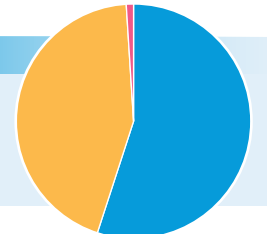
Understandability

- Easy to understand 48%
- Average 51%
- Difficult to understand 1%



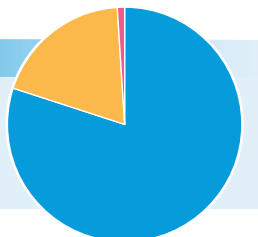
Content

- Rich 55%
- Average 45%
- Insufficient 1%



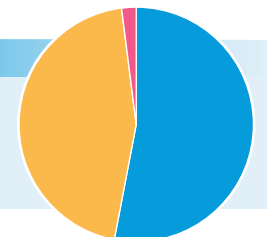
Information volume

- Appropriate 81%
- Too much 19%
- Too small 1%



Design

- Good 53%
- Average 45%
- Not good 2%



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

- I want to know about the measures taken to respond to COVID-19 in plants and other places
- An electronic questionnaire should be adopted in addition to the paper-based one if possible
- I did not have enough time to read the CSR Report carefully because it was collected too early
- Other items than coasters should be considered
- I have not received the coaster yet
- The situations after improvement with safety measures should be presented more clearly

Improvements

- The actions taken in plants, stores, etc. are introduced in the feature article in P7
- A web-based questionnaire has been added
- While the copies were collected two months from the distribution in the previous year, the period has been extended to six months for CSR Report 2021
- Cups are distributed this year
- We have checked the situation and addressed it
- The explanation of the situations after improvement has been made clearer

Third-party Assurance

The TANAKA Precious Metals asks Sustainability Accounting Co., Ltd. to conduct third-party assurance to increase the reliability of the CSR performance data presented in the CSR Report. The details are mentioned below.

1. Purpose

Assurance procedures are carried out on whether the indicators of CSR performance in fiscal 2020 reported in P34-35 of CSR Report 2021 were calculated in accordance with the standards specified by the company.

2. Assurance procedures

The procedures are conducted in accordance with International Standard on Assurance Engagement 3000 (ISAE 3000). The key procedures include:

- Interviews with the personnel in charge of the company's calculation standards
- Review of the calculation standards
- Cross-checks with the data obtained through sampling and recalculation to determine whether the indicators were calculated according to the calculation standards

3. Conclusion

The assurance procedures have identified nothing indicating that any indicator on important matters was not calculated in accordance with the calculation standards specified by the company.



Independent Assurance Statement

September 15, 2021

Mr. Koichiro Tanaka
Representative Director
TANAKA Holdings Co., Ltd.

1. Purpose

We, Sustainability Accounting Co., Ltd., have been engaged by TANAKA Holdings Co., Ltd. ("the Company") to provide limited assurance on the Company's CSR performance data during the fiscal year 2020 reported in page 34-35 of the CSR Report 2021. The purpose of this task is to carry out our assurance procedures and express our conclusion on whether the CSR performance data were calculated in accordance with the Company's standards. The Company's management is responsible for calculating the CSR performance data. Our responsibility is to independently express our assurance conclusion.

2. Procedures Performed

We conducted our assurance engagement in accordance with International Standard on Assurance Engagement 3000 (ISAE 3000). The key procedures we carried out included:

- Interviewing the Company's responsible personnel to understand the Company's standards
- Reviewing the Company's standards
- Performing cross-checks on a sample basis and performing a recalculation to determine whether the CSR performance data were calculated in accordance with the Company's standards.

3. Conclusion

Based on the procedures performed, nothing has come to our attention that causes us to believe that the CSR performance data have not been calculated in all material respects in accordance with the Company's standards.

We have no conflict of interest relationships with the Company.

Takashi Fukushima
Representative Director
Sustainability Accounting Co., Ltd.