

# CSR Report 2022

 **TANAKA**  
TANAKA PRECIOUS METALS

 **TANAKA**



**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.





## 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

## 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

## Overseas bases

### TANAKA Kikinzoku Kogyo K.K. (TKK)

- Taiwan TANAKA Kikinzoku Kogyo Co., Ltd. •Hsinchu Plant •Hukou Plant •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) Co., Ltd. Shenzhen Branch •TANAKA Kikinzoku (Singapore) Private Limited
- TANAKA Kikinzoku (Singapore) Private Limited 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 (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. Branch of Southern Taiwan Science Park (TETK)
- TANAKA Electronics Taiwan Co., Ltd. Technical Center (TET/TC)

### EEJA Ltd. (EEJA)

- EEJA (Shanghai) CO., Ltd.

### Metalor Technologies International SA

### LT Metal Co., Ltd. (LT Metal)

### EEJA Ltd. (EEJA)

- Headquarters (Tokyo) •Hiratsuka Office

### Tanaka Kikinzoku Jewelry K.K. (TKJ)

- Store: GINZA TANAKA
- Main Store (Ginza) •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

### Nippon PGM America, Inc.

### Nippon PGM Europe S.R.O.

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

(Data as of May 31, 2022)



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

## Editorial Policy

The TANAKA Precious Metals publishes its CSR Report 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 the TANAKA Precious Metals' future initiatives.

## Period

April 1, 2021 to March 31, 2022

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

September 2022

## 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

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

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Photo: Orange daylilies and coastal daylilies protected in the houses of employees





# Combining the knowledge of all employees, we will work to create a sustainable future

Representative Director & CEO  
TANAKA Koichiro

田中浩一朗



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.

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. Looking ahead to 2085, the year when the company will mark its 200th anniversary, the TANAKA Precious Metals launched TANAKA Renaissance Plan (TRP), which aims to realize a sustainable society and ultra long-term corporate management, in fiscal 2021. While many companies commonly set a three- or five-year medium-term plan, it is very challenging to think about the future in 63 years. It requires us to devote the knowledge of all employees.

To create a corporate culture where employees think with their heads and create innovations, I put my ideas and wishes for creating the future into a book as a bible of TRP and distributed it to all employees in April 2022. Using the book as a material, management staff and employees are exchanging their opinions freely and vigorously to repeatedly consider the creation of a future no one has ever seen. A keyword in the TANAKA Renaissance Plan is "sustainability." The plan sets 2085 in the far-off future as the target year, so it may be said that the plan itself is an act of seeking sustainability. While the TANAKA Precious Metals has explored the recycling of precious metals to establish a material-cycle business for more than 130 years since its foundation, we would like to be a company that will lead the shift to a low-carbon

and recycling-oriented society from a higher viewpoint and a broader perspective from now on. Therefore, to further accelerate the various activities performed by our plants and facilities to protect the global environment, we announced the TANAKA Precious Metals Statement on Carbon Neutrality in April 2022 to declare that we aim to make our CO<sub>2</sub> emissions net zero in 2050. We will continuously work to solve global environmental issues and social problems based on our strength as a company that deals in precious metals, which are rare resources, and try to create a sustainable future that can be achieved by solving them.

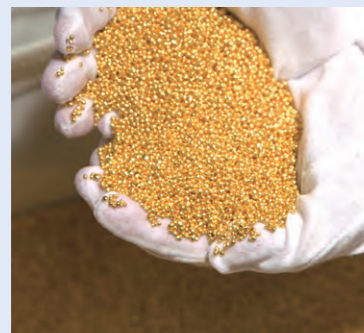


# Businesses of TANAKA

The TANAKA Precious Metals has delivered special values based on precious metals to the world for more than 130 years since its 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 stable supply of precious metal materials as a leading company in the precious metals industry.



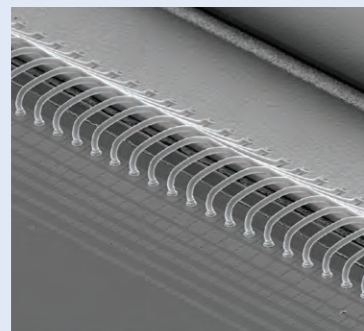
Recycling



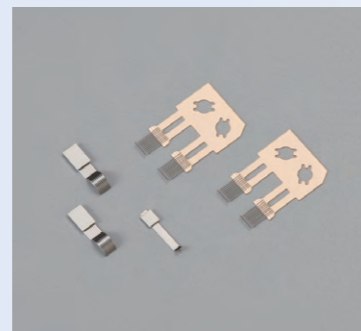
Precious metal materials



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



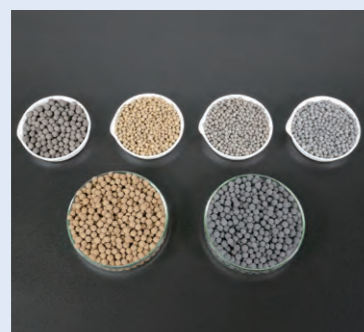
Packages and sealing  
Semiconductor and electronic parts



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

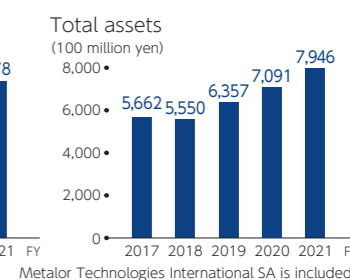
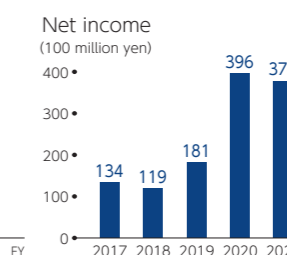
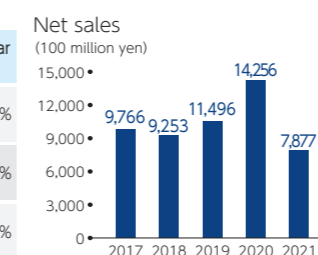
We offer products with reliable quality developed by the history and tradition of TANAKA Kikinzoku to customers.



## Financial Condition of the TANAKA Precious Metals

### Financial results overview

	million yen		
	FY2020	FY2021	Year-on-year change
Net sales	1,425,617	787,728	55.3%
Net income	39,597	37,757	95.4%
Total assets	709,140	794,617	112.1%



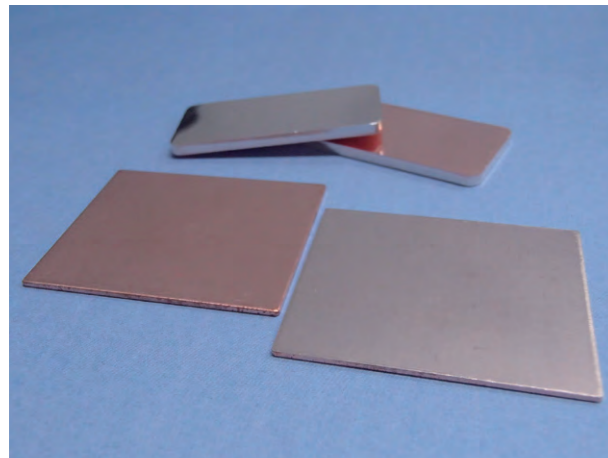


# Research and Development

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 active brazing filler metal/copper composite for power devices - To be used for next-generation heat sinks, etc. -

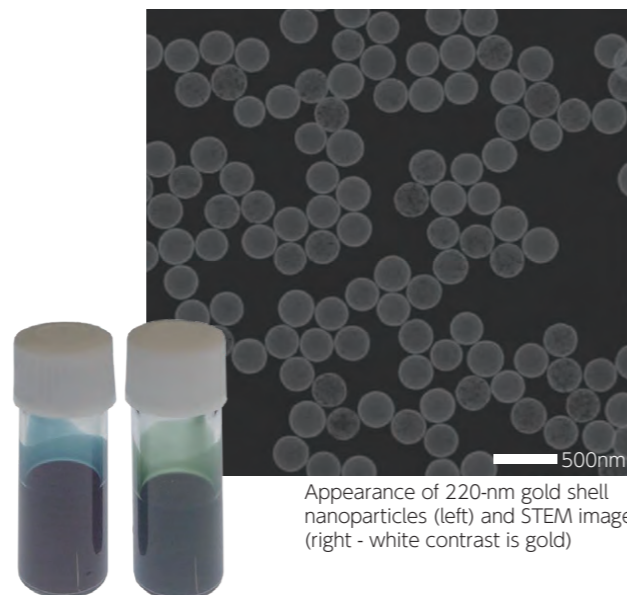
TANAKA Kinkinzoku Kogyo K.K. developed a product in which an active brazing filler metal is clad to a side of a copper (Cu) material. It can be bonded directly to various materials including ceramics (oxides, nitrides, carbides) and carbon materials and can therefore be applied to ceramic circuit bases for power devices and next-generation heat sinks. As a feature, containing no solvent, the material generates no residues, improves bonding reliability and produces no volatile organic compounds (VOCs). In addition, it significantly shortens the blazing time to lower energy use and reduce environmental impact.



Active brazing filler metal/copper composite  
Left: Composite (copper side)  
Right: Composite (active brazing filler metals side)

## Development of gold shell nanoparticles that can be prepared in high concentrations using high dispersion stability - With expected applications in biosensors and other optical devices -

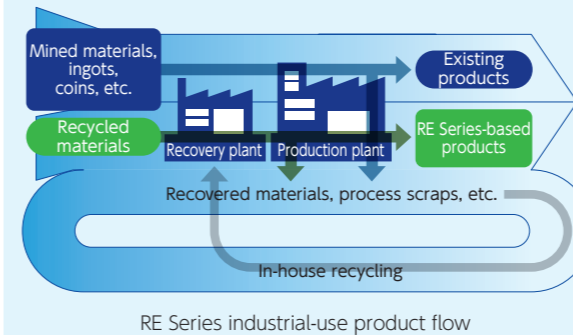
Gold shell nanoparticles are designed to cover the surface of silica and other particles with an extremely thin gold shell that has a thickness of approximately 10 nm. They exhibit strong surface plasmon resonance. Additionally, by using the high dispersion stability in water and polar solvents, it is possible to prepare dispersion liquids in a concentration that is 100 to 1,000 times higher than that of gold nanoparticles currently being sold on the market. The overall size of gold shell nanoparticles can be controlled within a range of 80 nm to 250 nm, allowing them to be given a wide variety of optical characteristics. This is especially true for colloids with a particle diameter of several hundred nm prepared in high concentrations. They are easier to integrate or structure three-dimensionally and can be expected to be used as materials for surface-enhanced Raman scattering and optical materials that react to light in the visible light to the near-infrared region such as photochemical conversion materials. The nanoparticles can also be applied to various optical devices including optical displays that are required to have high image quality with liquid crystal, optical sensing, plasmonic nanoantenna and biosensors used for cancer screening, etc.



Appearance of 220-nm gold shell nanoparticles (left) and STEM image (right - white contrast is gold)

## Launch of "RE Series" of recycled precious metals, which uses 100% recycled materials

The RE Series is composed of gold (Au), platinum (Pt) and other precious metals refined from 100% recycled precious metals. TANAKA Kinkinzoku Kogyo K.K. has been operating a recycled precious metals business since it was established. It has now expanded its RE Series production line to manufacture products that use 100% recycled precious metal materials. In April 2022, TANAKA began using RE Series gold to supply PGC-RE, a gold compound for plating, as its first product using RE Series materials.



100% RECYCLED  
TANAKA PRECIOUS METALS

RE Series logo

## Creation and Protection of Intellectual Property Rights

Being aware that intellectual properties such as patents, devices, designs, trademarks and literary works, as well as know-how, are important assets for companies, we actively endeavor to develop them. 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 intellectual property education mainly to staff in technology departments throughout the year to enhance their awareness of intellectual properties.

## 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.





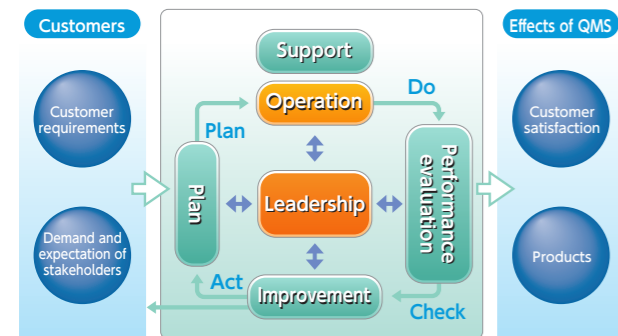
# Quality and Trust

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. In fiscal 2021, we received responses from 170 customers (117 companies in Japan and 53 overseas companies) and the average score was 75.0 (out of 100). While the average score was 61.2 when the survey was launched in fiscal 2016, we have continuously received a score of 75 or higher in recent years. 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 2021, 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 was 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 2021.

\*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 that evaluates more than 90,000 organizations and companies from 200 business sectors and 160 countries throughout the world. It gives clients CSR rating on 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.

### [FY2021] Major awards given by customers

Company	Customer	Award	Reason for the commendation
AuAg Company	Xiamen Hongfa Electroacoustic Co., Ltd.	Strategic cooperation	Overall assessment of suppliers (quality, delivery, service, management)
Semiconductor Company	Tongfu Microelectronics Co., Ltd.	Letter of appreciation	Gratitude for TEC's cooperation for many years
Semiconductor Company	Chongqing Sokon Motors	Letter of appreciation	Gratitude for the establishment of a good relationship through cooperation and support as a supplier
Semiconductor Company	Hua Tian Technology (Xi'an) Co., Ltd.	Letter of appreciation	Gratitude for the establishment of a good relationship through enormous cooperation and support
Semiconductor Company (TEC)	Hua Tian Technology (Nan Jing) Co., Ltd.	FY2021 Excellent Quality Supplier	Gratitude for the stable product quality and services

## Supply Chain Management

### Commitment to the Responsible Procurement of Minerals

With the establishment of its Responsible Mineral Management Policy\*1, the TANAKA Precious Metals 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. When procuring materials for precious metals including recycled materials, we carefully conduct detailed check of suppliers as to whether they have any problems or risks concerning CSR issues (the environment, human rights, society, compliance, ethics, etc.) to ensure responsible sales of precious metal products.

### 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 be exposed to high risk. In fiscal 2021, we asked about 150 suppliers to conduct CSR self-assessment and encouraged them to promote improvement voluntarily. 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 were engaged in the preparation of educational materials to make suppliers have a good comprehension of JEITA's "Responsible Business Conduct Guidelines". Following our suggestion, our principal suppliers participated in the briefing session held in February 2021.



LBMA Responsible Gold Certificate



LBMA Responsible Silver Certificate



LPPM Responsible Platinum and Palladium Certificate

\*1 [https://www.tanaka.co.jp/english/sourcing\\_policy/](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.

## 2050 Statement on Carbon Neutrality

In April 2022, we made TANAKA Precious Metals Statement on Carbon Neutrality to declare that we aim to make our CO<sub>2</sub> emissions net zero in 2050. A company-wide project team headed by the CEO has also been launched to take measures to achieve carbon neutrality such as the improvement of energy efficiency in plants and the development of products that contribute to a decarbonized society.



TANAKA Precious Metals Statement on Carbon Neutrality

The TANAKA Precious Metals will take on the challenge of addressing global warming, a social issue on a global scale, by aiming to achieve carbon neutrality by 2050 and actively introducing technologies that contribute to a decarbonized society within the Group and in society.

To reduce greenhouse gases arising from business activities, we will continuously undertake emission reduction activities, such as increasing energy efficiency, improving manufacturing processes and adopting the use of green energy, at our plants and offices.

At the same time, we will provide products that meet the expectations of customers working toward a decarbonized society, including catalysts that contribute toward greenhouse gas reduction and high-performance materials such as those used in electric vehicles. We will also strengthen our precious metal recycling business to contribute toward a circular economy, thereby creating a prosperous and sustainable future for the Earth with our own hands. We will consider tree-planting and activities to preserve forest rejuvenation such as the creation of Tanaka Forest.

The TANAKA Precious Metals aims to achieve carbon neutrality through these activities. In fiscal 2022, we will form a company-wide project team directly controlled by the CEO to consider and implement specific measures. The TANAKA Precious Metals will continue to provide value to customers and society as a whole through products and solutions that apply the unique characteristics of precious metals.

## Commitment to the Prevention of Global Warming

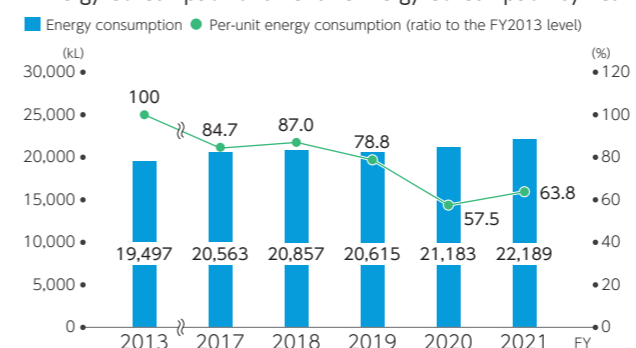
The TANAKA Precious Metals sets a target of reducing per-unit energy consumption by 1% each year to conform to the Act on the Rational Use of Energy of Japan.

Reflecting the favorable business environment, we increased both energy consumption and CO<sub>2</sub> emissions by approximately 5% and per-unit energy consumption by approximately 10% (a decrease of 36.2% from the fiscal 2013 level) from the previous fiscal year.

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

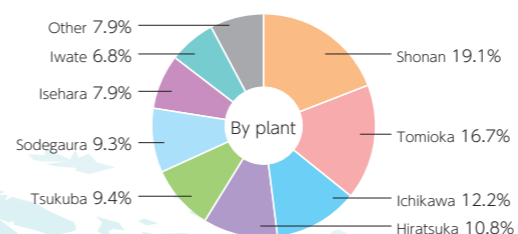
Company-wide target » Reduction of per-unit energy consumption by 1% each year

### Energy Consumption and Per-unit Energy Consumption by Year

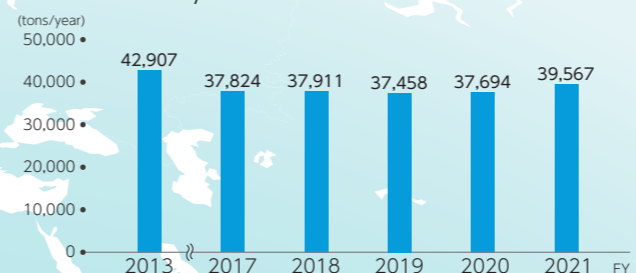


\* Energy amount is calculated by converting electricity, gas, etc. into crude oil. Per-unit energy consumption is calculated with the gross margin on sales in the profit and loss statement as the denominator.

### Breakdown of Energy Consumption in Fiscal 2021



### CO<sub>2</sub> Emissions by Year



\* CO<sub>2</sub> emissions are calculated with the CO<sub>2</sub> emission factor of each electric power supplier in the region where each of the plants and facilities is located by each fiscal year.

## Introduction of Photovoltaic Power Generation

Tomioka Plant of TANAKA Kikinzoku Kogyo K.K. expanded its photovoltaic power generation equipment and started its operation in January 2022. While the equipment had reduced energy consumption in the whole plant by 1% before the expansion, it has raised the rate to slightly higher than 3%.



Solar panels additionally installed in Tomioka Plant

Plant	Energy reduction effect
Saga Production Headquarters of TANAKA Denshi Kogyo K.K.	4%
Tomioka Plant of TANAKA Kikinzoku Kogyo K.K.	3%
Shonan Plant of Tanaka Kikinzoku Kogyo K.K.	1%
Isehara Plant of Tanaka Kikinzoku Kogyo K.K.	4%
Tsukuba Facility of Tanaka Kikinzoku Kogyo K.K.	4%
Hiratsuka Plant of Tanaka Kikinzoku Kogyo K.K.	3%

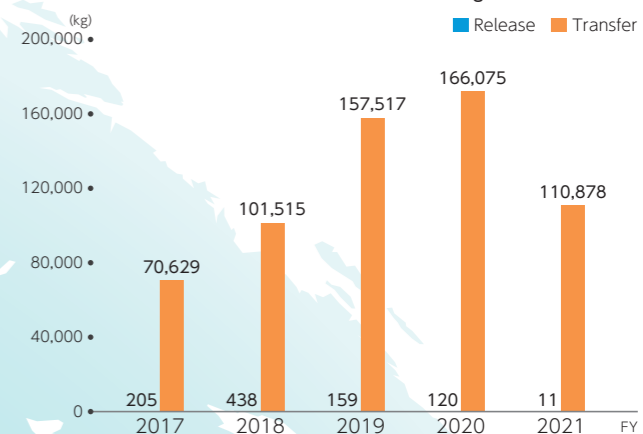
## Prevention of Environmental Pollution

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



# Protection of the Global Environment

## 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.

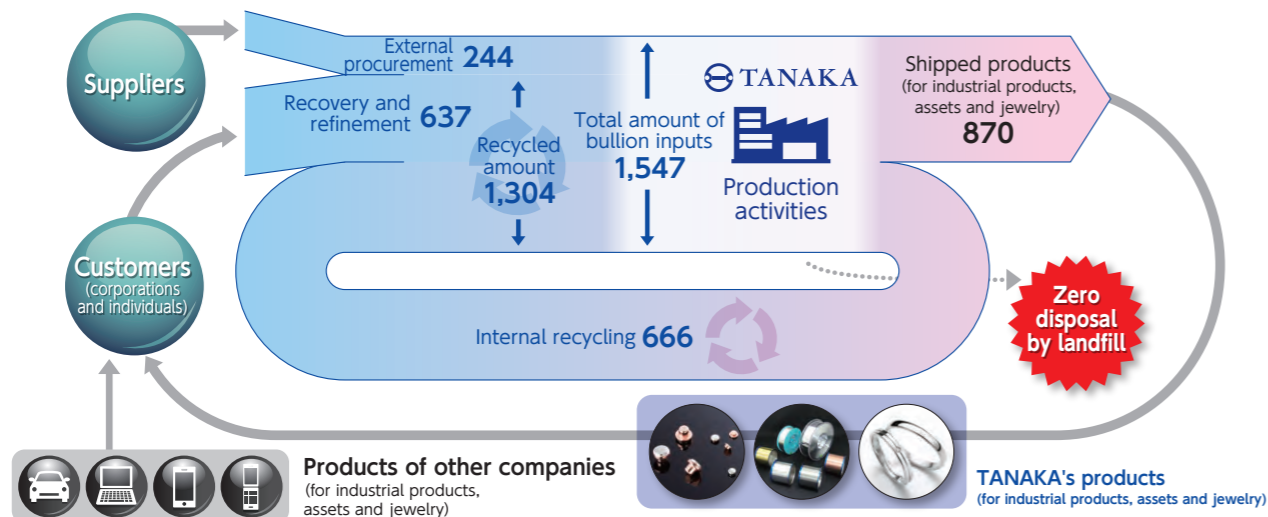
In the TANAKA Renaissance Plan, which is a new medium-term plan initiated in fiscal 2021, we reorganized

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

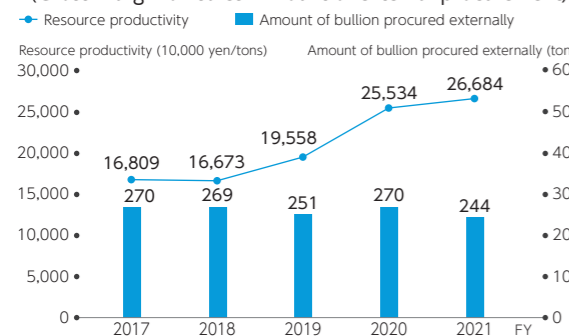
## Direct Materials Cyclical Use of Precious Metals

### Bullion Flow Diagram of the TANAKA Precious Metals (fiscal 2021)



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

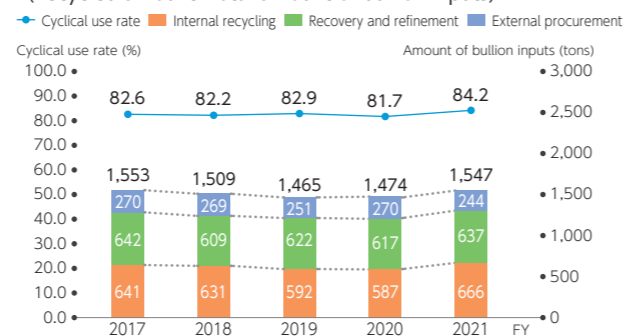
### Resource productivity (Gross margin on sales/Amount of external procurement)



Resource productivity represents the profit per ton of externally procured bullion and can be regarded as the earning power from an environmental perspective. The 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%. 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.

### Cyclical use rate (Recycled amount/Total amount of bullion inputs)



## 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



TANAKA CSR Report 2019 to 2021

### Recover LIMEX



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

### Recycle LIMEX



Distribute coasters (fiscal 2020) and cups (fiscal 2021) to all employees

As an initiative to recycle indirect materials, we started to print the CSR Report on LIMEX\* and collect the copies that employees have finished reading to recycle them in fiscal 2019. The copies were recycled to produce coasters in the first fiscal year and cups in the second fiscal year, which were then distributed to all employees.

This year, which was the third fiscal year for the initiative, we decided to donate the collected copies of the CSR Report as resources so that we can make a greater social contribution than recycling for employees. The copies will be sent to TBM Co., Ltd., which produces LIMEX, and then recycled to be used in various places such as parks and schools.

\* 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 2022 saves approximately 15 liters of water.

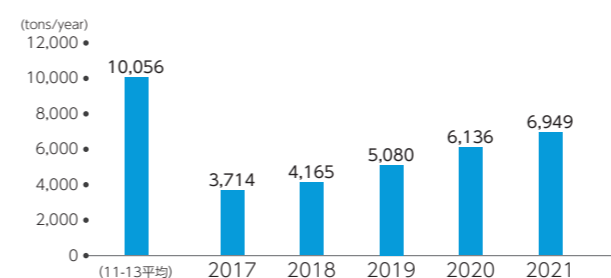


## Industrial Waste Reduction of Industrial Waste

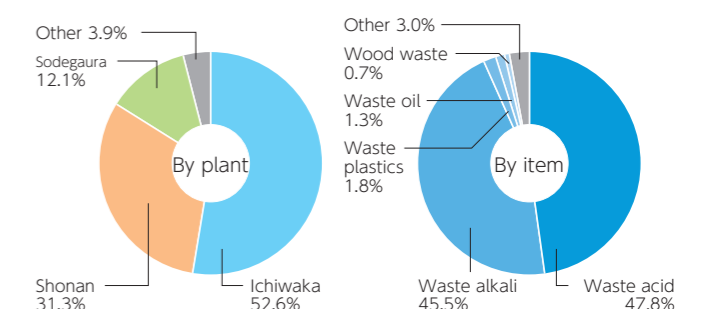
The TANAKA Precious Metals sets a target of reducing industrial waste emissions by 1% each year. In fiscal 2021, we aimed to reduce the emissions by 1% from the previous fiscal year to 6,074 tons but failed to meet the target with an increase of 13% to 6,949 tons. We will promote further measures to 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 2021





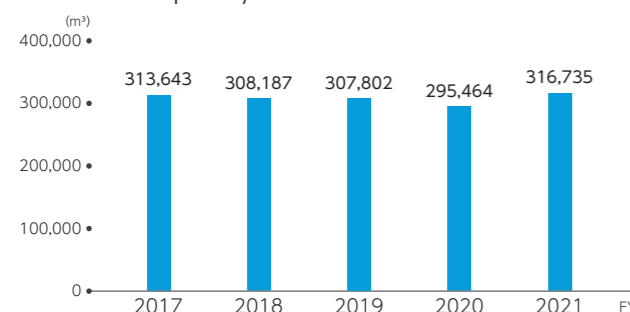
# Protection of the Global Environment

## Reduction of Water Consumption

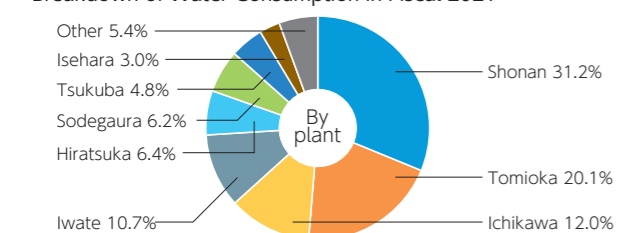
While there is growing concern over water shortage on a global scale, we are making efforts to reduce water consumption in our business activities. In the water use of the TANAKA Precious Metals as a whole by plant, Shonan Plant and Tomioka Plant account for around half of the water consumption.

We will continue to strive for the effective use of water resources through the recycling of water in our plants based on effluent treatment along with the improvement of processes.

### Water Consumption by Year



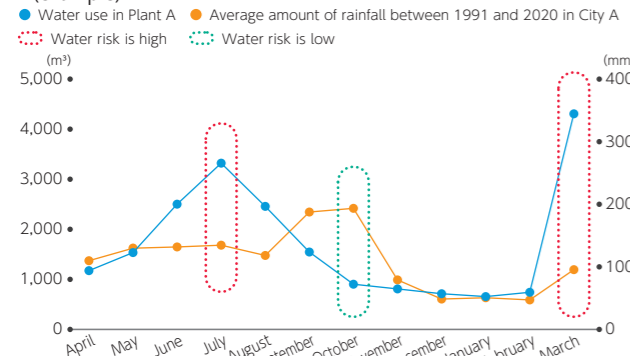
### Breakdown of Water Consumption in Fiscal 2021



### Identification of water risk

We recognize water use in all plants and the average amount of rainfall in the region where each of them is located. Assuming that the plants face higher water risk during a period with low rainfall, we are working to reduce water consumption.

### Correlation between water use and the average amount of rainfall (example)



The average amount of rainfall in the past 30 years is compared with the actual water use by month in the previous fiscal year to identify the periods when water risk is high and the periods when water risk is low.

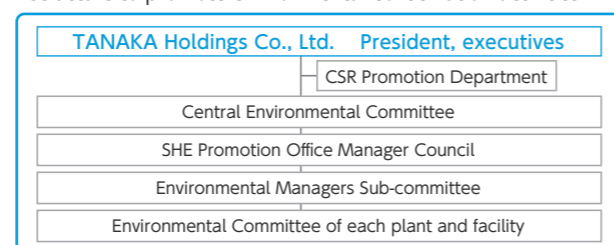
## Environmental Management System

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 CO<sub>2</sub> 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

Facility	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
EEJA Ltd.	November 2000

## Environmental Incident Eradication Activities

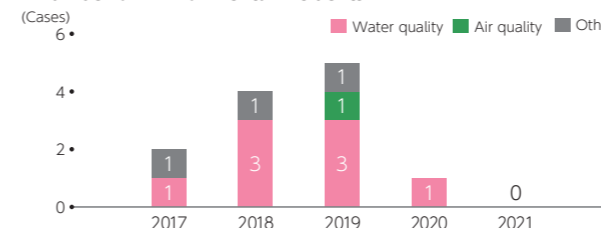
To prevent water pollution, air pollution, etc., we have voluntarily set internal standard values that are even stricter than the levels required by laws and regulations. Defining the cases where the voluntary standard values are exceeded as environmental incidents, we promote various measures to prevent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

### 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.

### Number of Environmental Incidents



## Conservation of Biodiversity

In fiscal 2020, we launched an initiative to grow orange daylilies and coastal daylilies in the houses of the employees who applied for it, as well as the premises of our plants, and return the increased plants to a river bed of Tsurumi River in Yokohama, Kanagawa and Koajiro no Mori (Koajiro Forest) in Miura, Kanagawa, which are original habitats of the flowers. In the summer of 2021, their flowers bloomed all over the river bed of Tsurumi River.

### <Purpose of this initiative>

Hybrid ryegrass, which is known to cause hay fever, grows in river beds and parks and is difficult to eliminate by weeding. Therefore, we plan to plant indigenous species that are endangered in the region such as orange daylilies and coastal daylilies to cover the ground with them and control the growth of the community of hybrid ryegrass. We protect coastal daylilies, which are sometimes targeted by robbers, by growing them in safe places such as the houses of employees and the premises of our plants and offices.



\* Photos of orange daylilies and coastal daylilies grown in the houses of employees are posted at the bottom of Page 01 (company information and contents).

**TOPICS** An outstanding feat! Environmental incidents were reduced to zero for the first time

While the voluntary environmental standard values for water quality were set to be 50% of the legal standards in 1964, we successfully reduced the number of environmental incidents that occur in a year to zero for the first time in fiscal 2021. Our operation caused no legal violation or excess of voluntary standard values. We consider that this achievement was attributable to the efforts of all employees in the TANAKA Precious Metals to conserve the environment under the initiative of environmental managers and chemical managers in the plants.

Tomioka Plant carried out a large-scale repair of the wastewater treatment facilities from fiscal 2020 to fiscal 2021. The whole wastewater treatment equipment was covered by a tent (building with a roof) while an embankment to prevent waste liquid from leaking into the plant was constructed and the emergency shutoff valves for preventing the liquid from flowing out of the plant were replaced with electric ones.



## TANAKA NOW

I have worked for EEJA Ltd. for 26 years and had opportunities to see nature in various parts of the world while I was stationed in foreign countries including the United States (Oregon, New Mexico and California), Ireland and Israel. In particular, I feel that the natural environment in Japan is wonderful because the ecosystem decorating the four seasons is vivid in a transitory manner. EEJA Ltd. received 25 coastal daylilies from NPO Koajiro Outdoor Activity Organizing Committee in June 2021 and their beautiful orange flowers soon bloomed in August. It is the second year for the initiative to protect coastal daylilies and our flowerbeds are crowded with increased coastal daylilies. Many of them bloomed again in July 2022.



**Yasushi Odagiri**  
SHE Promotion Office, EEJA Ltd.



# 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

### Selected as a Model Company in Promotion of Sports in Tokyo

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

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 seven consecutive years from fiscal 2015 and was also selected as a model company in the promotion of sports in Tokyo for the fourth time overall.



### Support of and Participation in Sports for People with Disabilities

We organized online spectating of competitions organized by the Japanese Para-Sports Association and the Japan Blind Football Association, which are co-sponsored by the TANAKA Precious Metals, during the COVID-19 pandemic. In addition, a guidebook and spectator items to encourage employees to watch the games and cheer at home were produced and distributed to them. Other activities we planned and promoted to address the COVID-19 pandemic also included the organization of an online lecture session for employees to learn the charms of blind football with the cooperation of the Japan Blind Football Association. We will continue to conduct activities that can promote the understanding of sports for people with disabilities through various opportunities.



Mr. Eigo Matsuzaki  
Executive Director,  
Japan Blind Football Association



Mr. Hajime Teranishi  
Former member of the Japanese  
blind football team

## Donation of Welfare Vehicles

EEJA Ltd. donated three vehicles, which were two general vehicles and one special vehicle adapted for wheelchair users, to the Hiratsuka Social Welfare Council and received a letter of gratitude.



## 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 137 applications for this 23rd invitation and provided grants of 16.6 million yen in total to 23 research projects.

#### Gold Award: 2 recipients, 2 million yen each

Enhancing development of model-based design and production technologies for electronic parts containing precious metals

Junior Associate Professor **Hiroaki Kubota**, Tokai University

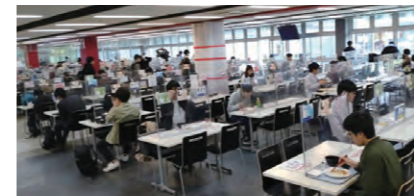
Formation of backside power delivery network using precious metal wires

Associate Professor **Fumihiko Inoue**, Yokohama National University

#### Scholarship Program

We launched the program that aims to support academic, technological and socio-economic development in fiscal 2018. In fiscal 2021, a scholarship was provided to one student at Tohoku University.

This fiscal year, in addition to the scholarship program, we also organized "100 yen breakfast" to help many students get more energetic.



◆ 9 days in July 2021: approximately 3,500 meals  
◆ 21 days in October and November 2021: approximately 8,000 meals

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

Competition of ideas - Robot Contest of National Colleges of Technology (Kosen-Robocon) is a nationwide event where young people think outside the box and create robots by themselves to experience the joy of manufacturing and share the importance of generating ideas and the greatness of manufacturing. Technical college students all over Japan apply various ideas and produce robots according to the theme for the competition, which is different every year, to win the regional competition, advance to the national tournament and get good results. The TANAKA Precious Metals has co-sponsored the Robocon for technical college students since 2012 to support the future engineers of Japan.



## Main Activities

### Donation and Fund-raising Activities

We collected educational donations through the purchase of mooncakes to be distributed to employees and provided the donations to Xiaoyuer Social Welfare Foundation.

TANAKA Electronics Taiwan Co., Ltd. NT\$56,100

### Donation and Fund-raising Activities

We donated used clothes to Kaohsiung Garden of Hope Social Service Center, a nursing home.

TANAKA Electronics Taiwan Co., Ltd. Technical Center 115 articles

### Donation and Fund-raising Activities

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

Tanaka Kikinzoku Jewelry K.K., Saga Production Headquarters of Tanaka Denshi Kogyo K.K., Tanaka Electronics Taiwan Co., Ltd., Tanaka Electronics (Hangzhou) Co., Ltd., Tanaka Electronics Malaysia Sdn. Bhd. and Tanaka Electronics Singapore Pte. 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., EEJA Ltd., TANAKA Electronics Taiwan Co., Ltd. and 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

We work to comply with the Act on the Arrangement of Related Acts to Promote Work Style Reform, which was enforced in April 2019, across the Group. "To have our employees take five or more annual paid holidays in a year" was set as a target in fiscal 2018 and all offices achieved it.

In Japan	2020	2021
Annual paid holiday (5 or more days) utilization rate	100%	100%
Average number of annual paid holidays taken	14.0 days	12.8 days
(Manufacturing units)	14.0 days	12.5 days
(Indirect units)	14.0 days	13.6 days
Average overtime hours	13.40 hours	14.49 hours
Average service years: male	14.5 years	14.4 years
Average service years: female	12.7 years	13.2 years
Nursing care leave	3 person	4 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.



## 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 fifth-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 leave 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.

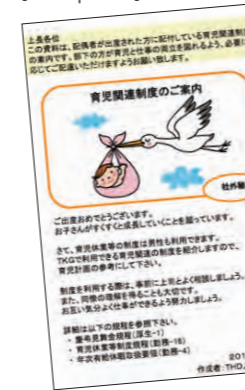
The number of male employees who take child care leave has been on an upward trend since fiscal 2016. With 25 male employees taking child care leave in fiscal 2021, which was a record high, the effects of our efforts are gradually becoming apparent (see Page 29). We will continue to expand the programs to help employees achieve a balance between child care and work.



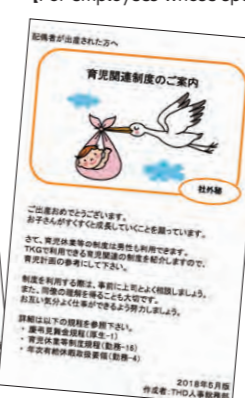
【Booklet distributed in manager training】



【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.



## 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., EEJA Ltd., TANAKA Kikinzoku Jewelry K.K.  
TANAKA Kikinzoku Kogyo K.K. is scheduled to acquire the certification in 2022.





# Active Role of Each Employee

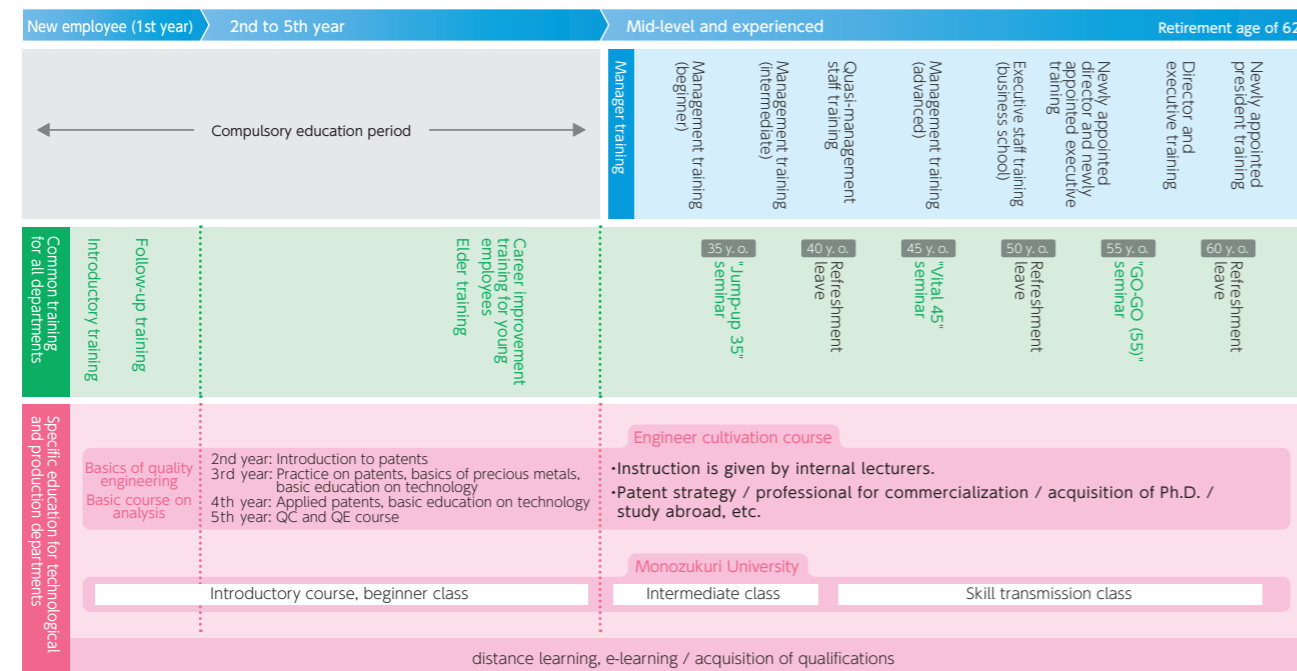
## Employment of Persons with Disabilities

To enhance the employment of persons with disabilities, we regularly participate in an event for the recruitment of persons with disabilities. For persons with disabilities who join the company, we organize study sessions on major characteristics of their disabilities and necessary considerations for them, as well as office tours, in advance to minimize their concerns. After they start to work, we have regular interviews for their retention through coordination with local support agencies and interested persons in the company on an as-needed basis to give them opportunities to seek advice casually and thereby ensure that they can work actively with a sense of security for a long time. In the meantime, 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.

### Education Program



## 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. Common training for all departments includes training provided at the time of joining the company, as well as training for employees who have reached the milestone of the age of 35 or 45 to look back upon their past careers and establish future targets for their further growth and success. 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 receive stimulation from each other.

For technical employees, we organize lectures on "the basics of precious metals," "quality engineering" and "patents" mainly to have internal lecturers hand down their skills to the participants. Management training is provided to managers with different curriculums designed for beginner, intermediate and advanced classes according to their respective positions. This training aims to equalize and standardize the skills of management staff while also cultivating a culture where those who are in a higher position take the initiative to learn and thereby activating the organization.

## Active Role of Women

As a measure to promote diversity, we launched a cross-industrial exchange meeting with participants from multiple companies in April 2022. In the meeting, female employees from different companies exchange opinions on their careers and present a proposal for the realization of diverse workstyles to the top management of their companies in December. The subject of discussion is how the career they desire can be realized. Participants of different ages and life stages talk with each other about their concerns related to working styles in their workplaces, their ideal careers and other subjects.

In response to the cross-industrial exchange meeting, an internal seminar group of female TANAKA Precious Metals employees has also been formed, triggered by the suggestion of a female employee. The members have been recruited from the companies and the seminar is held monthly with the support of many female employees. In the seminar, participants learn about advanced cases where women play an active role in society and understand internal systems and their current situation to think about what the active role of women means for the TANAKA Precious Metals.

The seminar members are working with enthusiasm. For example, having become aware of the importance of dialogues through the exchange of their ideas and opinions, they have dialogues with other employees as well and present what they have noticed from them as feedback at a seminar in their companies. Senior female employees also participate as observers to generate exchanges between different generations. We will continue to encourage women to play an active role in achieving a better future for the TANAKA Precious Metals.



## TANAKA NOW

I attend an internal seminar for women that is organized to think about "career forms for women to shine" as a measure to promote diversity. I have taken maternity leave and child care leave, as well as nursing care leave, and always thought about self-fulfillment in my career during the use of reduced working hours. I applied for the seminar because, now that working styles have been diversified with increases in work from home due to the COVID-19 pandemic, I thought it is time to promote the establishment of an environment where each employee can shine more without being bound by conventional common sense.



**Kumiko Morimoto**  
 Planning Office,  
 Sales Management Department  
 TANAKA Kikinzoku Kogyo K.K.

In the cross-industrial exchange meeting held in April 2022, I shared various issues, such as the lack of role models and difficulty in career design after returning from child care leave, through discussions with various participants of different ages and life stages from different organizations. For example, I heard an opinion that the understanding and support of workplaces and partners and teleworking, flex and other systems that allow employees to work flexibly are needed to make the work environment more pleasant for women. I learned that it is important to not only have necessary systems in the company but also change the mindset in workplaces, houses and society and develop an environment where people accept various lifestyles of others.

In the future, I would like to contribute to the establishment of an environment where diverse individuals can show their abilities to the fullest and work actively through the development of a work environment where both men and women can work while maintaining a balance between work and life, career development that is not limited by childbirth or child rearing and the assignment of duties that is free from genders and unconscious bias.







# For the Realization of Healthy Management

## Dealing with COVID-19

We have developed rules of conduct for employees to prevent the expansion of COVID-19, which will be revised as needed according to the social circumstances. In addition, we have created a flowchart on what should be done in case an employee or any family member sharing a house has a fever or other poor health conditions or has had contact with an infected person and get infected and notified employees of the flowchart.



### Main subjects in the rules of conduct

- Measures to prevent droplet infection
- Work from home and staggered working hours
- Attendance rate in headquarters and sales bases in Japan
- Implementation of PCR tests
- Domestic and overseas business trips
- How to conduct meetings and training sessions
- How to organize entertainment of clients and social gatherings
- Requests for voluntary restraint in the private life

### Programs related to COVID-19

- Continuous provision of allowance for the purchase of hygiene items
- Provision of a special paid holiday at the time of vaccination
- Provision of a special paid holiday as a measure for maternity health care
- Provision of a special paid holiday to respond to temporary closings of elementary, junior high and high schools
- Application of work from home to those with reduced working hours for child care

## Mental Health

We take the following initiatives for the management of the mental health of employees.

- Development of the internal consultation system with nurses deployed at the health management office of facilities
- Establishment of external telephone service for health consultations
- Implementation of stress checks
- Reinstatement system  
We have introduced internal rules to allow the employees who are taking leave to return to work smoothly (reinstatement support program).
- Provision of mental health training to new employees and year-round employed workers  
Training is given to those employees to enable them to recognize stress and learn how to address it at the start of their working life.

## Initiatives for the Improvement of Health

The TANAKA Precious Metals has made the Health Declaration and promoted activities to prevent the diseases of employees and help them maintain and improve their health based on the declaration.

### Health Checkup

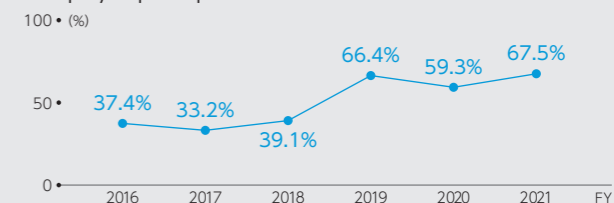
We continuously maintain the percentage of those undergoing a regular health checkup and secondary test at 100%. Various cancer screening tests have also been added to the items of the health checkup.

## Events for the Improvement of Health

### ○ Health Challenge

This program aimed to enhance the awareness of health among employees and encourage them to make it a habit to have exercises, improve their dietary life, quit smoking, etc. in their daily life. The participants selected targets from among items that they can tackle individually without working too hard and tried to achieve the targets for two months. The mechanism has been modified to allow family members to participate as well.

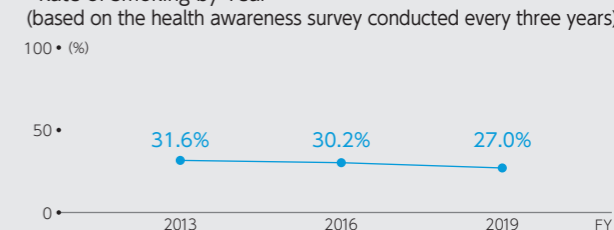
### ● Employee participation rate



### ○ “Quit Smoking” Campaign

This campaign was organized to give both smokers and non-smokers an opportunity to think about the impact of passive smoking and encourage smokers to quit smoking. We invited self-produced posters, senryu poems on quitting smoking and messages to smokers and exhibited them in the company.

### ● Rate of Smoking by Year



## Initiatives for Quitting Smoking

### ① Ban on smoking at worksites

All indoor smoking areas have been eliminated and smoking is now allowed only in outdoor smoking areas during the designated time with measures taken to prevent passive smoking.

### ② Subsidization of medical costs for outpatient therapy to quit smoking at smoking cessation clinics

We provide subsidies to employees who have quit smoking through outpatient treatment at smoking cessation clinics.

## Health Awareness Survey of Employees

We conduct the health awareness survey of employees every three years to understand their health awareness and lifestyle habits and progress in their efforts. The next survey will be organized in 2022.

## Subsidy for Influenza Vaccination

We provide subsidies to employees and their dependents who have received influenza vaccination.



### Commended by the Chief of a Labor Standards Inspection Office

TANAKA Holdings Co., Ltd. was commended by the Chief of the Chuo Labor Standards Inspection Office in recognition of its efforts for safety and health in September 2021.



### Renewal of Silver Certification as Healthy Companies

We obtained the Silver Certification as Healthy Companies in August 2019 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. The certification was renewed again in fiscal 2021.

Tanaka Kikinzoku Jewelry K.K. was also certified in November 2020.



### Recognition under the 2022 Certified Health & Productivity Management Outstanding Organizations Recognition Program

The five TANAKA Precious Metals companies\* continued to be recognized under the 2022 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.  
(EEJA Ltd. from April 2022),  
TANAKA Kikinzoku Jewelry K.K.





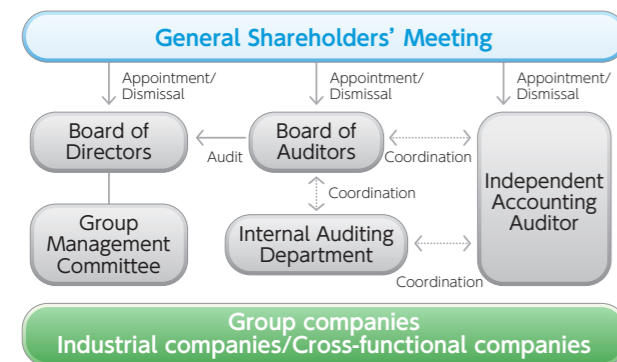
# To Be an Honest and Healthy Company

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 action 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. We installed live cameras at 10 plants in Japan in fiscal 2020 and they 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.



Smartphone screen (sample)

## Compliance Training

To enhance compliance awareness and prevent dishonest acts, we continue to provide e-learning courses on subjects such as the dissemination of the compliance guidebook, the promotion of the use of the whistleblowing system, compliance with the Antimonopoly Law and the Subcontract Law, prevention of corruption and protection of personal information. In response to the situation that work from home has become a common work practice, we also provide e-learning on trade secrets to prevent the leakage of internal information.

## 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 training to prevent and eliminate harassment since 2014. For example, we improved the training curriculum to ensure that it can address various forms of harassment that could occur in a company in 2019 and invited an expert to organize a case study seminar for executive staff in 2020.

## Whistleblowing System

In fiscal 2021, six reports were received in the whistleblowing system. We have treated all of the cases appropriately while following our regulations on the whistleblowing system, protecting the whistleblowers and maintaining confidentiality.

## 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.

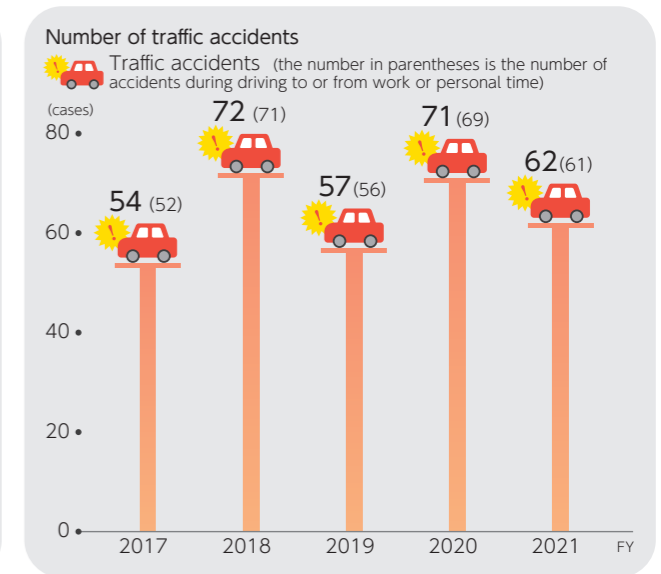
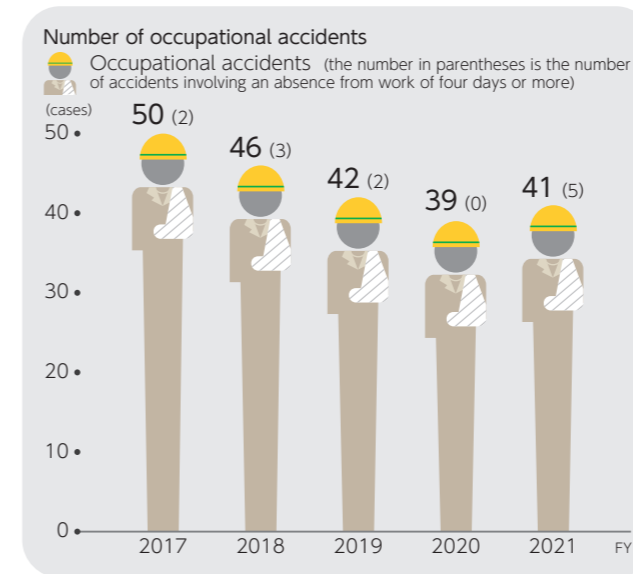
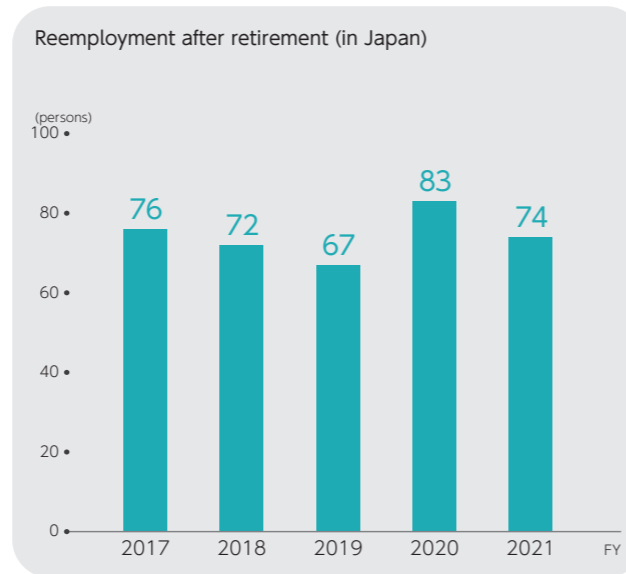
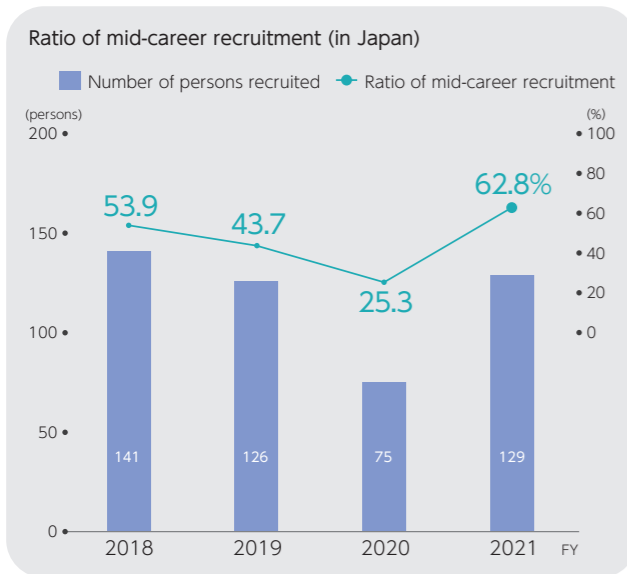
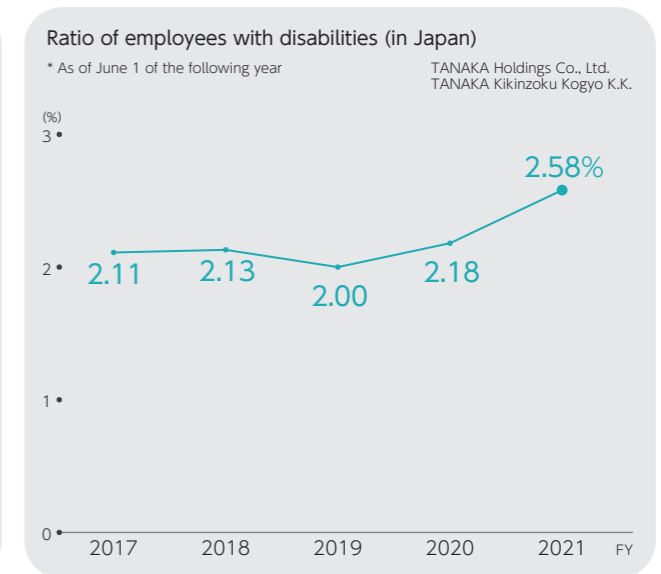
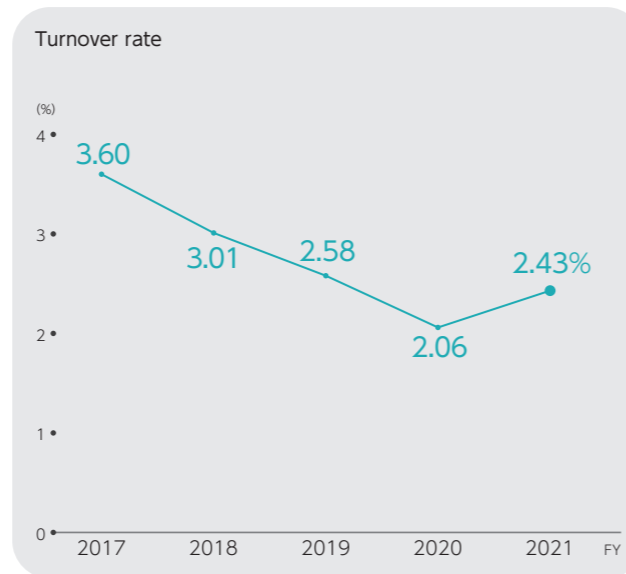
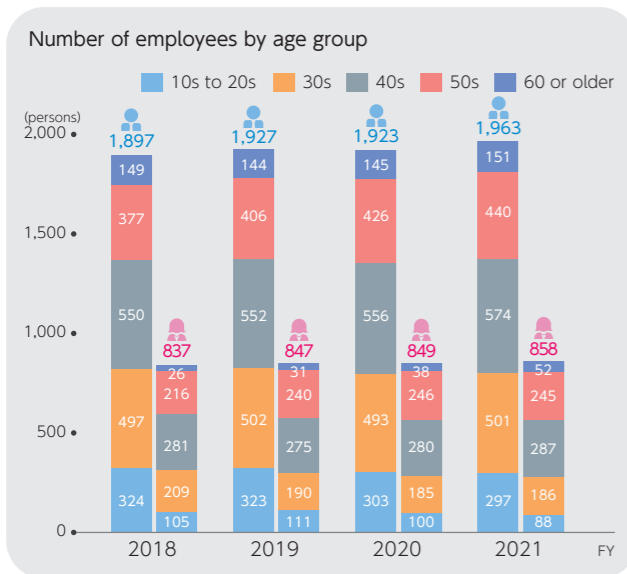
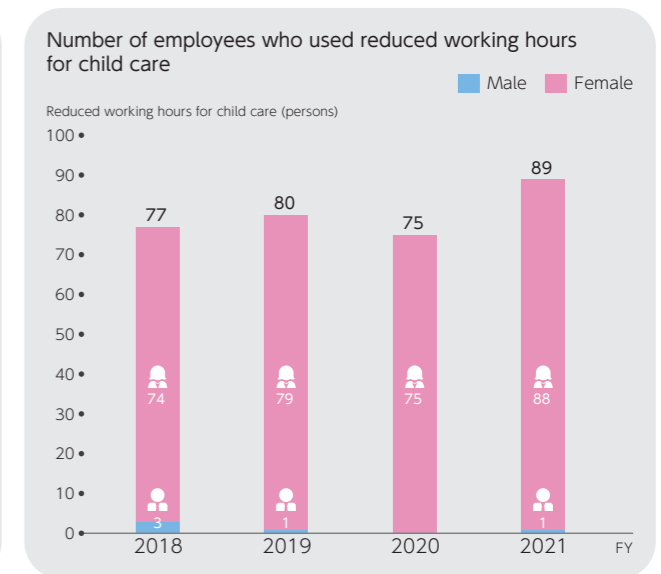
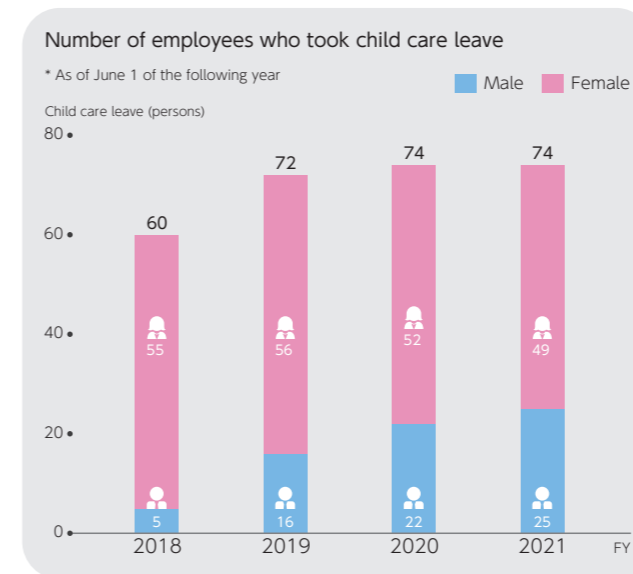
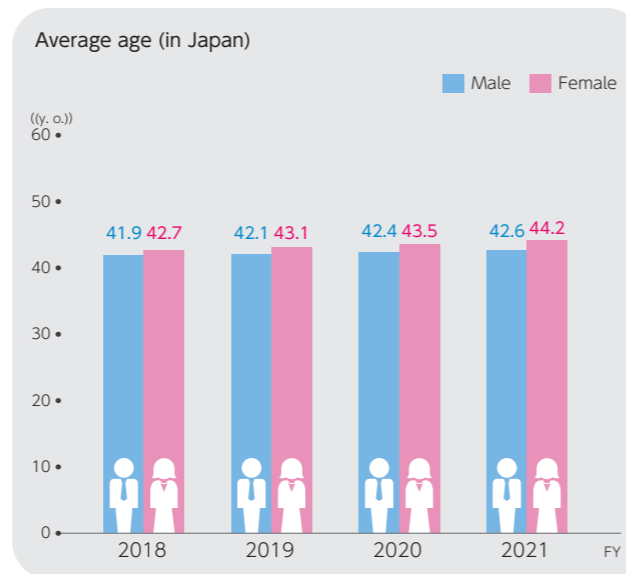
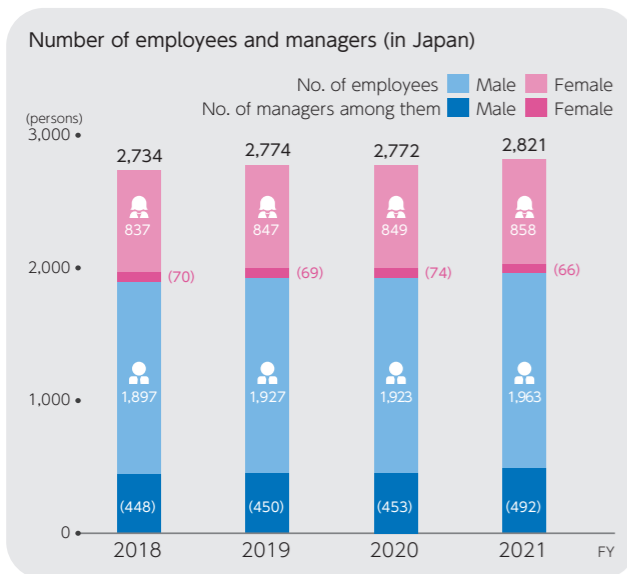


## Promotion of Personal Information Management

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 the personal information of individual customers, we use part of the ISO 27001 (information security management system) standard. Furthermore, we hold a meeting of the Personal Information Management Committee once in six months to check the management status in each of the categories, promote continuous improvement and prevent the leakage of personal information.



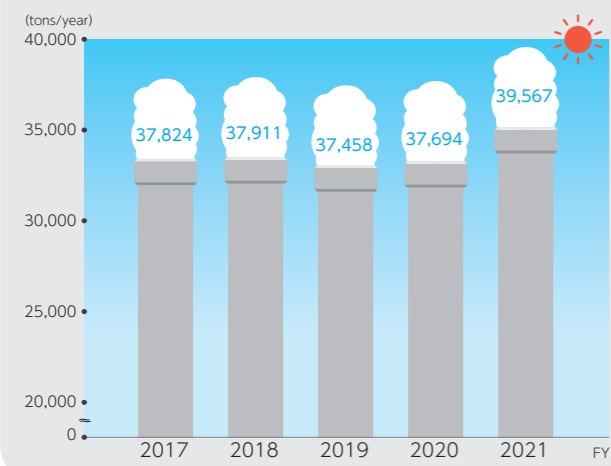
# CSR Performance



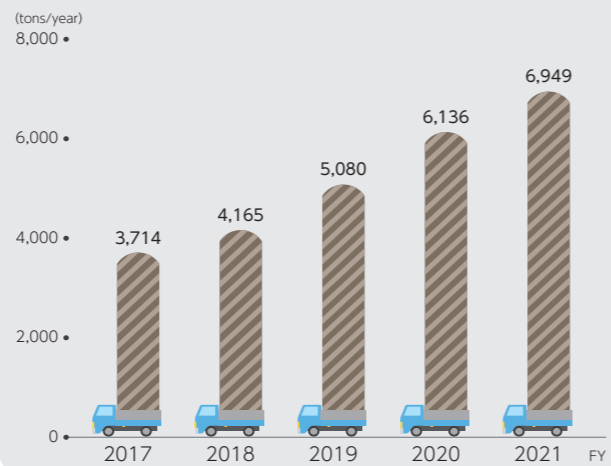


# CSR Performance

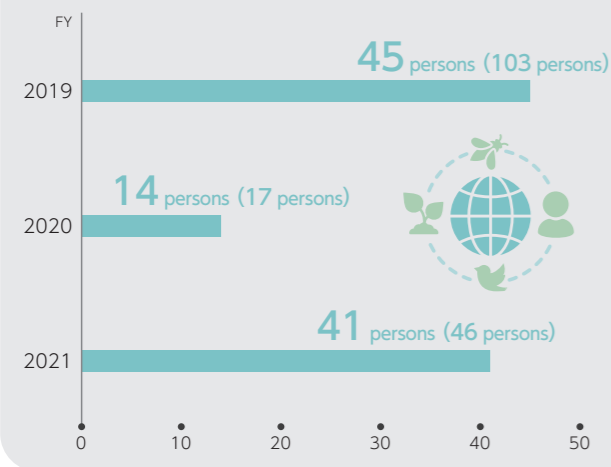
**CO<sub>2</sub> emissions**  
CO<sub>2</sub> emissions are calculated with the CO<sub>2</sub> emission factor of each electric power supplier in the region where each of the plants and facilities is located for each fiscal year.



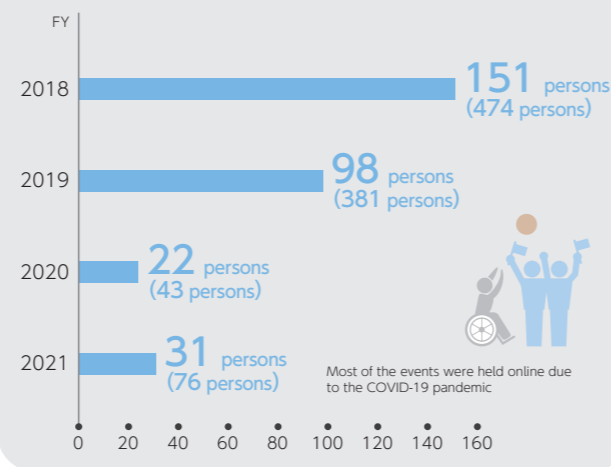
**Industrial waste emissions**



**Number of participants in activities to conserve biodiversity** \* real number  
The figure in the parentheses is the total cumulative number.



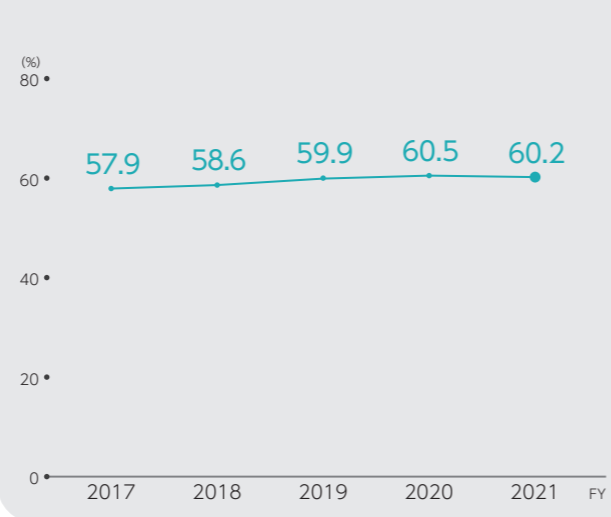
**Number of participants in sports for people with disabilities** \* real number (watching and cheering, volunteer activities)  
The figure in the parentheses is the total cumulative number.



**Number of the new patents registered in Japan**



**Union membership rate (in Japan)**



# CSR Management



## 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 Page 12) 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 Pages 16 to 17), as well as activities to conserve biodiversity in the environment (see Page 15) and other initiatives.

- Mission Statement** Having spent more than 130 years in business since our 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 for compliance with the Standards of Conduct.

TANAKA Precious Metals Code of Conduct	
Organizational governance	Promote sound business practices with transparency and accountability.
Human rights	Eliminate all forms of discrimination, whether on the basis of race, nationality, sex, age, social status, position or responsibilities, etc.
Work practices	Endeavor to do the best work and prioritize safety in a free and open-minded corporate culture.
Environment	Promote environmental protection and contribute to the future of this beautiful planet.
Fair business practices	Promote sound business activities in the spirit of legal compliance.
Consumer issues	Respond to the trust and expectations of customers, and generate excitement for them.
Community participation and community development	Aim for a well-balanced and prosperous society, and contribute to the revitalization of local communities.
TANAKA Precious Metals Standards of Conduct	
Human rights	<ol style="list-style-type: none"> <li>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.</li> <li>Do not use any child labor or forced labor.</li> <li>Provide an appropriate work environment for young workers.</li> <li>Appropriately manage working hours and payment of wages.</li> <li>Do not mistreat or unjustly coerce someone using your position in work or in sales (i.e., power harassment) through harassment, disdain or words.</li> <li>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).</li> <li>Do not slander or denigrate any company or individual.</li> </ol>
Work practices	<ol style="list-style-type: none"> <li>Prioritize respect for human life, and comply with laws and ordinances related to occupational safety and health.</li> <li>Understand the importance of systematic and continuous activities related to health and safety, and actively take part in driving these activities.</li> <li>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.</li> <li>Respect the right of employees to participate in collective bargaining and rallies.</li> <li>Provide appropriate employee benefits.</li> </ol>
Environment	<ol style="list-style-type: none"> <li>Comply with environmental regulations, regional agreements and in-house rules.</li> <li>Promote the thorough control and reduction of chemical substances that may have a harmful impact on the environment.</li> <li>Promote the conservation of energy and resources, and the reduction of CO<sub>2</sub> emissions and waste materials.</li> <li>Promote appropriate management of water resources.</li> <li>Actively work to recycle precious metals.</li> </ol>
Fair business practices	<ol style="list-style-type: none"> <li>Comply with laws and ordinances to maintain anti-monopoly laws and other fair competition rules, and compete fairly and freely.</li> <li>For gifts of money and goods, business entertainment, donations and political contributions, behave appropriately and comply with laws, ordinances and in-house rules.</li> <li>Do not commit bribery, corruption, extortion or embezzlement.</li> <li>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.</li> <li>Do not use a dominant position to engage in such behavior as unilaterally changing the terms of business or forcing a purchase.</li> <li>Respect intellectual property rights and do not infringe on them.</li> <li>Have absolutely no dealings with anyone with connections to antisocial groups or armed groups.</li> <li>Contribute to establishing a relationship of mutual cooperation and trust with other businesses.</li> <li>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.</li> <li>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.</li> <li>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.</li> <li>Do not conduct insider trading based on nonpublic information acquired through the course of business.</li> <li>Implement a whistleblowing system to help prevent compliance violations and protect whistleblowers against disadvantage.</li> </ol>
Consumer issues	<ol style="list-style-type: none"> <li>Comply with all laws and ordinances applicable to products, merchandise and services.</li> <li>Do not violate laws and ordinances such as competition laws or those related to labeling.</li> <li>Protect the personal information obtained from customers, business partners, employees and others.</li> <li>In advertisements and other publicity, create labeling based on a substantial and objective foundation; do not engage in false or misleading advertising.</li> <li>Ensure product safety and product quality.</li> <li>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.</li> <li>Along with disclosing business information and increasing the transparency of management, achieve accountability for the company.</li> <li>Undertake honest sales and service activities.</li> <li>Do not make sales with excessive premiums or use deceptive sales methods.</li> <li>In the event that a quality problem that can harm the company's reputation arises, respond appropriately.</li> <li>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.</li> <li>Actively work to reduce material use to a minimum, make use of reclaimed materials and develop products, merchandise and services that save energy.</li> </ol>
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

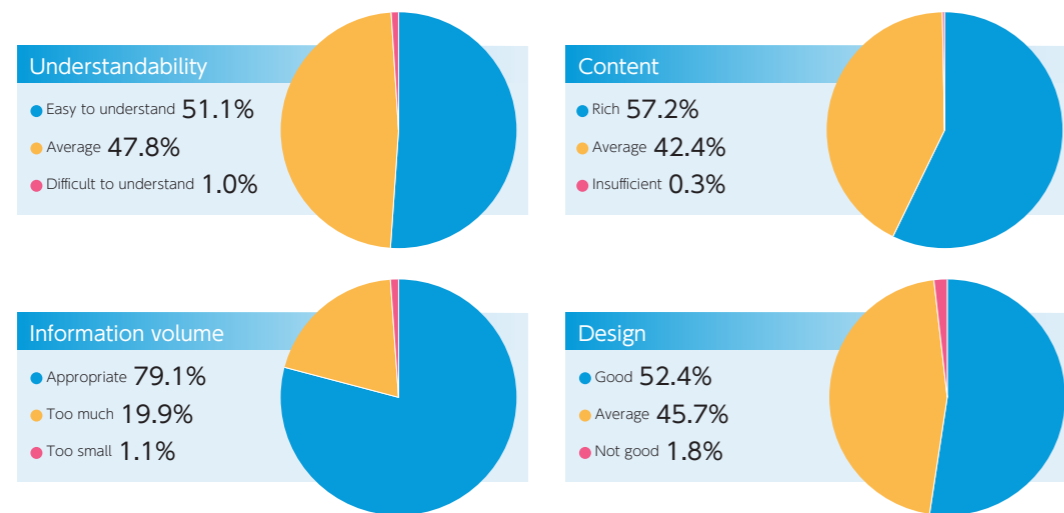
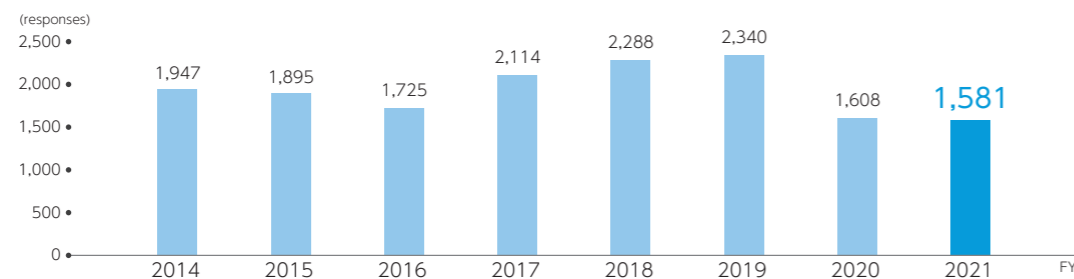


# Results of the Questionnaire on CSR Report

The TANAKA Precious Metals conducts a questionnaire survey of all employees on its CSR Report every year. To prevent COVID-19 infections, from the previous fiscal year, the forms are not collected at each site but employees send their own forms directly to the secretariat now while an online questionnaire is also used. This fiscal year, 17% of the answers were made through the online questionnaire.

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

## Results of the Questionnaire on CSR Report 2021



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

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

Opinions and requests	Improvements
It would be better to use recycled copies of the report for other purposes such as a donation.	We donated recycled copies as school supplies and materials for teaching aids.
It is good that CSR performance is presented clearly.	More data were added.
I want to know more about the achievement of balance between work and nursing care.	The number of employees who took nursing care leave was added to CSR performance.
I have become interested in activities to conserve biodiversity.	The number of employees who participated was added to CSR performance.
I want to know more about health activities.	The pages on health activities were enhanced.
The volume is increasing every year/too much	The total number of pages was reduced by four.

# 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 2021 reported on Pages 28 to 30 of CSR Report 2022 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.

