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CSR Report 2011

Message from the President



On behalf of the Toyo Denki Group, I would like to express my deepest condolences to all those who have suffered as a result of the Great East Japan Earthquake. I offer my sincere wish for a complete and swift recovery.



The Great East Japan Earthquake that occurred on March 11, 2011 and the subsequent problems at the Fukushima Daiichi Nuclear Power Plant have forced a great number of people to endure the hardships of life as refugees in evacuation centers. I pray that the untiring efforts of those in the affected areas as well as the hard work of the nuclear power plant employees who are attempting to restore stability to the damaged facility will lead to the quick and full recovery of not only the areas affected by the disaster but indeed the whole of Japan.

In the face of this disaster, I was reminded of our company's corporate social responsibility policies and felt a deep responsibility to use our products and systems to help create a safer, more secure and more sustainable society.

Thus, Toyo Denki employees will strive to continue providing the highest quality products and systems to help with the efforts to repair and rebuild infrastructure, stabilize our customers' production facilities, and maintain the supply of electricity. We believe that our efforts will contribute to a speedier recovery in the affected areas.

In addition, because our company's plants and facilities normally consume a large amount of electricity, we are implementing a variety of measures designed to reduce our use of electricity in order to help maintain the stable supply of electric power.

I hope that everyone will continue in their support and understanding of our CSR policies.

July 2011

Hiroshi Tsuchida

President
Toyo Denki Seizo K.K.

Environmental Initiatives



Toyo Denki is developing, designing, and manufacturing a variety of environmentally-friendly products in its three core businesses of Transportation Systems, Industrial Systems, and Information Systems. The company carries out environmental protection initiatives throughout the process of manufacturing and delivering its products and systems.

● Efforts to Reduce CO₂ Emissions

In 2010, Toyo Denki reduced its CO₂ emissions to 51.1% of the 1990 level, but total emissions were up 20.1% from the previous year. The increase was due to the higher volume of products manufactured and shipped, as well as the start of operations at the Engineering Center, the new design devel-

opment facility at the Yokohama Plant.

CO₂ emissions per unit of production were also down, at 41.6% of the 1990 level, but this too was a 3.4% increase over the previous year. This increase was likely due to the fact that capacity utilization was up in 2010.

● Efforts to Reduce Waste

Since fiscal 2006, Toyo Denki has reduced its landfill waste output to less than 10% of 1998 level, achieved by implementing strict rules for waste processing and other measures including comprehensive sorting of metal scraps and paper recycling. The total volume of waste was over 1,200 tonnes in 1996, but in the last few years has hovered at the

600 to 700 tonne level.

As a result of implementing paper recycling in 2002, the recycling rate for general waste rose to approximately 70% in 2007 from 30% the year recycling began. In recent years, the amount of recycled general waste has hovered around 60%.

● Control of Hazardous Materials

PCB waste is stored and reported in accordance with Japan's Act on Special Measures concerning Promotion of Proper Treatment of PCB Wastes, and the proper applications are made for its disposal. The company is reducing emissions of volatile organic compounds (VOCs) via a range

of methods, including substituting other substances for VOCs and using recycled solvents. Going forward, the company will focus on management of chemical substances contained in products, including green management.

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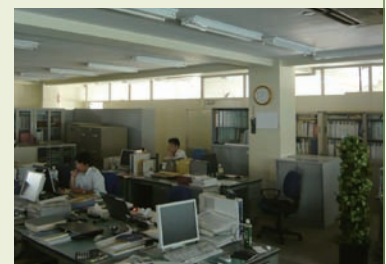
Toyo Denki's Efforts to Conserve Energy

Power consumption cut 20% year on year in the period from March through May 2011

Since acquiring ISO14001 Environmental Management System certification in 2010 for its headquarters, the company has been making aggressive efforts to reduce its use of electric power and paper in its offices.

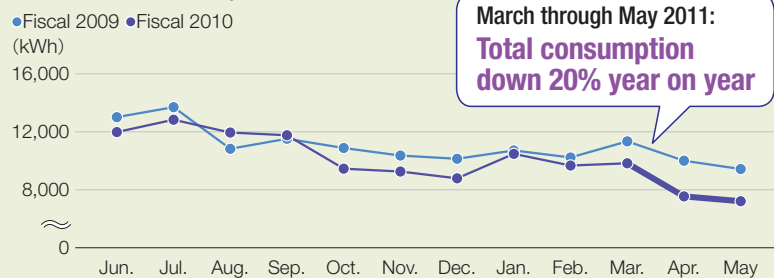
In the wake of the Great East Japan Earthquake of March 2011, electric power usage has been reduced by using fewer lights in work areas and more efficient use of electrical office machines.

These efforts were highly effective: total electric power consumption from March through May 2011 was down 20% year on year. The company will implement a variety of other energy saving measures as part of its efforts to save power and ameliorate climate change.



Lights are kept off during lunch hour in work areas

Electric Power Consumption in Offices

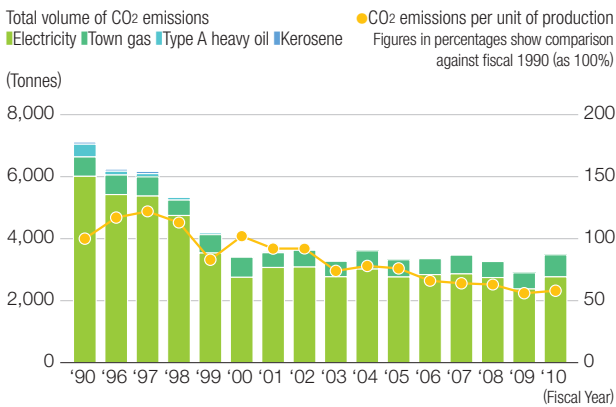


March through May 2011:
Total consumption down 20% year on year

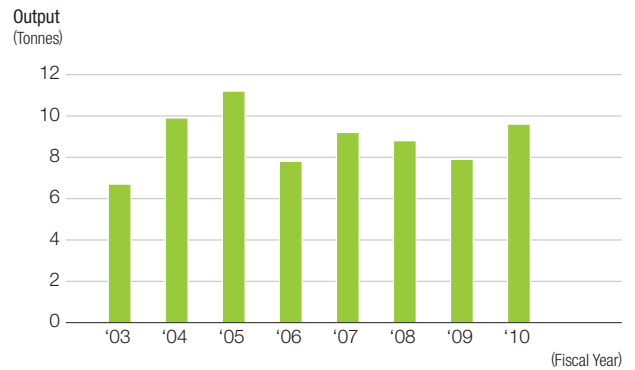
*Excluding those buildings with central air conditioning that Toyo Denki occupied as tenants.

Environmental Performance Data

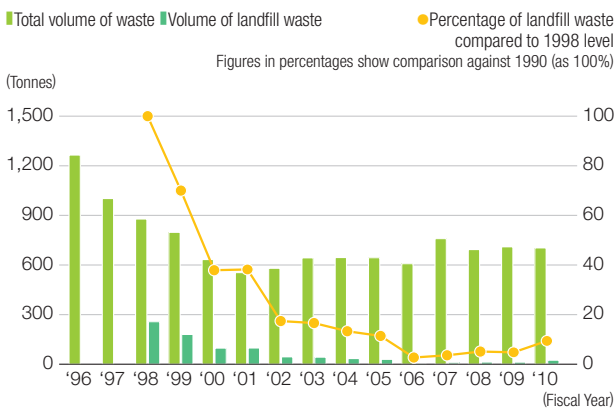
CO2 Emissions by Volume and Per Unit of Production Output



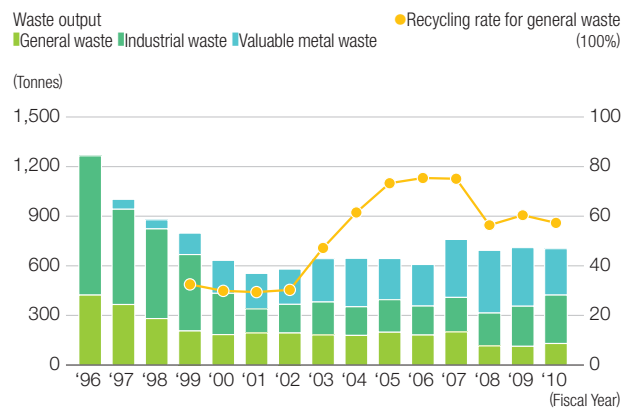
Notification Volume for Pollutant Release and Transfer Register (PRTR) Substances



Volume of Landfill Waste



Output of General and Valuable Waste



CLOSE UP

Power Saving Initiatives at the Yokohama Plant

Striving to meet its voluntary goal of an 18% reduction compared to last year's contract demand

In July 2011, the government imposed energy consumption restrictions on major energy consumers, defined as those that consume 500 kW or more of contract demand, within the area covered by Tokyo Electric Power Company (TEPCO) and Tohoku Electric Power Co.

Toyo Denki's manufacturing base, the Yokohama Plant, is subject to these restrictions and has had a 15% reduction over the previous year's contract demand imposed on it. However, the Yokohama Plant was already committed to at least an 18% voluntary reduction in electric power consumption. In addition to use of its solar power generation and ice thermal energy storage systems, the plant has implemented the following power saving measures.

- Reducing the number of lights in use and the level of lighting by 50%
- Turning computer monitors off when employees are away from their work areas
- More efficient use of copiers, electric hot water dispensers, and other electrical machinery
- Reducing the number of vending machines in use
- Restricting the use of elevators
- Reviewing the number of large electric furnaces in use and shifting their hours of operation

Toyo Denki's own Toyo Wireless Measurement System helps to visualize energy consumption.



The company's solar power generation system



The company's ice thermal energy storage system

Contributing to Relief Efforts in the Wake of the Great East Japan Earthquake



The following are details of Toyo Denki's programs to assist the victims of and areas affected by the Great East Japan Earthquake that struck in March 2011.

● Relief Fund

On March 31 Toyo Denki Group contributed ten million yen to the Central Community Chest of Japan as part of its efforts to take part in relief programs for victims of the disaster that struck on March 11 and the reconstruction of the

affected areas.

In addition, 937 of the group's executives and employees voluntarily contributed 2,120,963 yen to the relief fund set up by the Japan Red Cross.

● Supply of Equipment to Volunteers Working in the Affected Areas

Toyo Denki has supplied volunteers organized by the company's labor union with dust respirators.



One of the areas affected by the tsunami (photo taken by a Toyo Denki employee in the city of Iwaki, Fukushima Prefecture in May 2011)

CSR Action Plan for Fiscal 2010

(June 1, 2011 to May 31, 2012)

In this final year of the Challenge Up medium-term management plan, the company will focus its resources on implementing environmental initiatives and social contribution activities in addition to the development, design, and manufacture of environmentally-friendly products—the social contribution which its core businesses make.

Environmental Initiatives

- On July 1, 2011 Toyo Denki implemented its plan to comply with the government-imposed energy consumption restrictions (voluntary energy consumption target: 18% reduction compared to the previous year's contract demand)
- Aggressive use of renewable energy and ice thermal energy storage systems at the company's production facilities

Social Contribution Activities

- Public tours of the company's plants
- Field lectures on the environment aimed at elementary and junior high school students
- Internship programs and other measures

About This Report

Purpose and Editorial Policy

The purpose of this report is to disclose the basic approach to corporate social responsibility (CSR) of Toyo Denki Seizo K.K., and its progress in the area of CSR initiatives, in a format that is accessible for readers. In assembling this report, the company referred to the Environmental Reporting Guidelines (Fiscal Year 2007 Version) issued by Japan's Ministry of the Environment as well as questionnaire items relating to socially responsible investment (SRI). In this report, the company conveys information that it considers to be important to Toyo Denki and its stakeholders.

Period Covered by This Report

This report focuses on fiscal 2010, the fiscal year from June 1, 2010 to May 31, 2011, but also contains some information from before and after this period.

Scope

Toyo Denki Seizo K.K.

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Reference Guidelines

Environmental Reporting Guidelines (Fiscal Year 2007 Version) issued by Japan's Ministry of the Environment

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