

Social Report

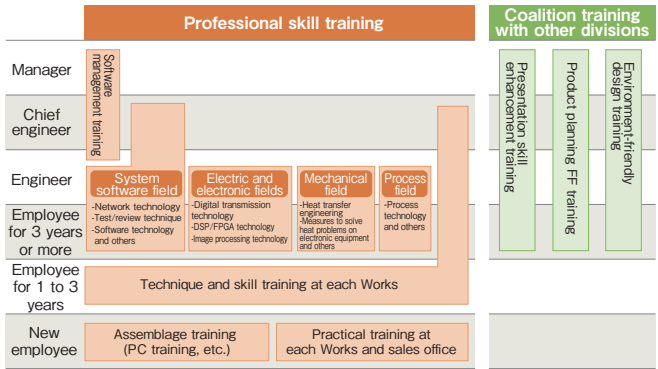
## With Our Colleagues

In recent years, our company has been changing the structure of business departments, reorganizing its Group member companies, and conducting business structural reforms for "overall optimization" and "efficient management." We consider "people" to be the center of all these reforms and that our most important efforts lie in enabling outstanding personnel to display their full abilities without reservation. Under that concept, we have been revising various programs, training personnel, and organizing our workplace environment.

### Assistance in career development

Our basic philosophy in developing personnel is to train our employees to "think for themselves and act on their own convictions." The basis lies in self-training where every employee sets and addresses their own goals and challenges, while we provide on-the-job training and training programs classified by rank and job category.

Among the representative seminars are "leadership development seminars" and "career development seminars" intended for employees with seven to ten years of service in the company. "Carrier development seminars" analyze the individual areas of strength and values among the trainees. By allowing them to discover the points that make their jobs and lives more fulfilling, these seminars provide opportunities for self-actualization and personal growth. The "management leader special program" seminars began at the beginning of the latter half of fiscal 2005. The half-year curriculum is organized so that trainees can debate themes with executives and train together in terms of the roles of business managers based on various issues, including engineer ethics and CSR.

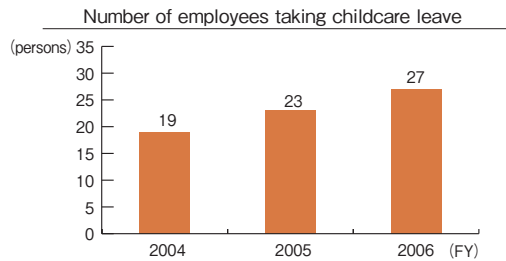


### Ongoing human rights seminars

To prevent unscientific discrimination against people of certain domestic communities, races, nationalities, and sex, and for other reasons, human rights seminars are held companywide in a systematic manner. To prevent sexual harassment more effectively, fiscal 2006 saw about 30 sexual harassment advisors trained Group-wide by both labor and management. Moreover, a human rights seminar is repeated periodically in the Group member companies as a permanent seminar included in recruiting seminars, seminars for middle-rank employees, new salaried employee seminars, new general manager seminars, and other rank-specific seminars.

### Assistance in rearing the next generation

As an assistance program for employees having and rearing children, we provide a childcare leave program as well as a program of shorter service hours geared for childcare. This program is available to parents until immediately before their children enter elementary school. It has been decided that from fiscal 2004 on, parents living in communities where no childcare program is available can continue using the corporate program until their children complete the third year at elementary school. From fiscal 2004 on, the number of employees taking advantage of the childcare leave program has increased every year. In fiscal 2006, 27 of the 28 applicable employees joined the program.



### Promoting the employment of diverse personnel

According to the guideline of "Respect the diversity, character and individuality of all employees," we promote the employment of elderly citizens and persons with disabilities. The rehiring program for retirees, which was introduced on a trial basis in fiscal 2005, was introduced on a full-scale basis in fiscal 2006, resulting in 25 employees being rehired as senior employees. We thus use the skills of experienced senior employees and provide a rewarding workplace. Moreover, Koganei Works recycles paper resources by using wet shredders. This is intended not only to "ensure information security" and "promote the buildup of a recycling society," but also to create more job opportunities for persons with disabilities. Fiscal 2007 will mark the start of collecting documents from all places of business in the Tokyo region, thus promoting recycling and expanding job opportunities for persons with disabilities.



### Systematic implementation of safety and health activities

Our companywide basic policy is: "Urge all employees to re-recognize 'safety first' and 'mental and physical health first' in an effort to reduce risks within the workplace, and thus establish a workplace environment where people can work with peace of mind." With that policy in mind, each place of business has drafted its own safety hygiene activity plan and is striving to systematically maintain and improve its levels of safety and health. In fiscal 2007, we emphasize the following eight items:

- 1 Recheck the potential for disaster, then take and revise corrective action to ensure safety and health.
- 2 Examine and eliminate risks and hazards to ensure safety in terms of machinery, equipment, and work methods.
- 3 Implement safety activities to increase safety awareness and establish a flexible workplace culture.
- 4 Ensure mental and physical well-being, and establish a comfortable workplace.
- 5 Prevent health disorders due to overwork and work-induced stress.
- 6 Observe relevant laws and regulations.
- 7 Ensure that risk management is thoroughly conducted. (Continue to take actions against earthquakes, fires, explosions, and other accidents.)
- 8 Ensure that appropriate actions are taken thoroughly against asbestos hazards.

### Providing even better mental health care

We had implemented the Employee Assistance Program (EAP) to help its employees solve their problems and concerns. Since fiscal 2006, we have been implementing the mental health care program for the entire Group with the three-year plan, aiming to reduce by half cases of mental disorder by collaborating with the Health Insurance Association. More specifically, we held mental health seminars at offices and factories nationwide for all employees. A total of 2,086 trainees attended the 23 seminars. Moreover, opportunities were provided for individual interviewers with a specialist physician each month at an office or factory. A reinstatement program and other matters were also meticulously implemented as a case management.

### Continued updates of zero-disasters records

Each place of business has been systematically promoting safety and health activities aimed at achieving the zero-disasters target.

Each month, safety and health representatives implement the 5 S's (*seiri, seiton, seiso, seiketsu, and shitsuke*; that is, "tidiness, orderliness, systematized cleanliness, standards," and "sustaining discipline"), conduct inspection tours, examine general cleaning of the workplace, and give suggestions to prevent *hiyari hatto* (discovery and improvement of unsafe situations), thus identifying risks carefully. As a result, each factory has achieved a record of zero disasters as shown in the table below.

Achievement status of zero-disasters records		
Place of business	Zero-disasters record	Date achieved
Hamura Works	Class 5 (35.5 million hours)	May 2004
Koganei Works	Class 2 (10.5 million hours)	January 2005
Toyama Works	Class 2 (10.5 million hours)	September 2006

\* The Toyama Works obtained certification for its "Occupational Safety and Health Management System (OSHMS)" in June 2001.

### Disaster prevention measures

For disaster prevention, we have long had a large-scale earthquake disaster manual for each factory and been providing general refuge training according to that manual. For fiscal 2007, we have raised the action level even more and are now committed to drafting a [Business Continuity Plan \(BCP\)](#).<sup>\*1</sup> The private firefighting team at each factory plays a central role in disaster prevention activities. In fact, the team undergoes periodic training every month to raise the skills of members relative to initial firefighting, refuge guidance, and other operations. As a result, the Operation Method Training Examination Meeting organized by competent local fire departments considers every factory as achieving good results. Moreover, under the agreement with the city of Kodaira and the Kodaira Fire Department, Koganei Works features a system where its firefighting squad is to be mobilized and dispatched in case of an earthquake-induced fire in the neighborhood, and thus contributes to community firefighting.



In fiscal 2006, the private firefighting team won at the Operation Method Training Examination Meeting organized by the Kodaira Fire Department.