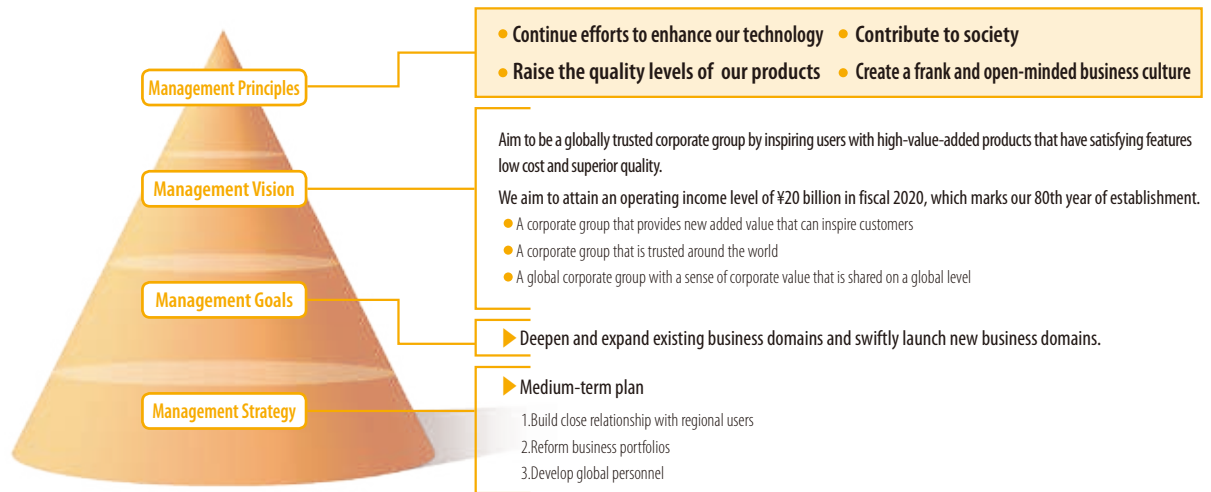


tok's Management Principles and CSR

TOK is committed to working hand-in-hand with our stakeholders to create social values that can contribute to the realization of a sustainable society, based on our four management principles.

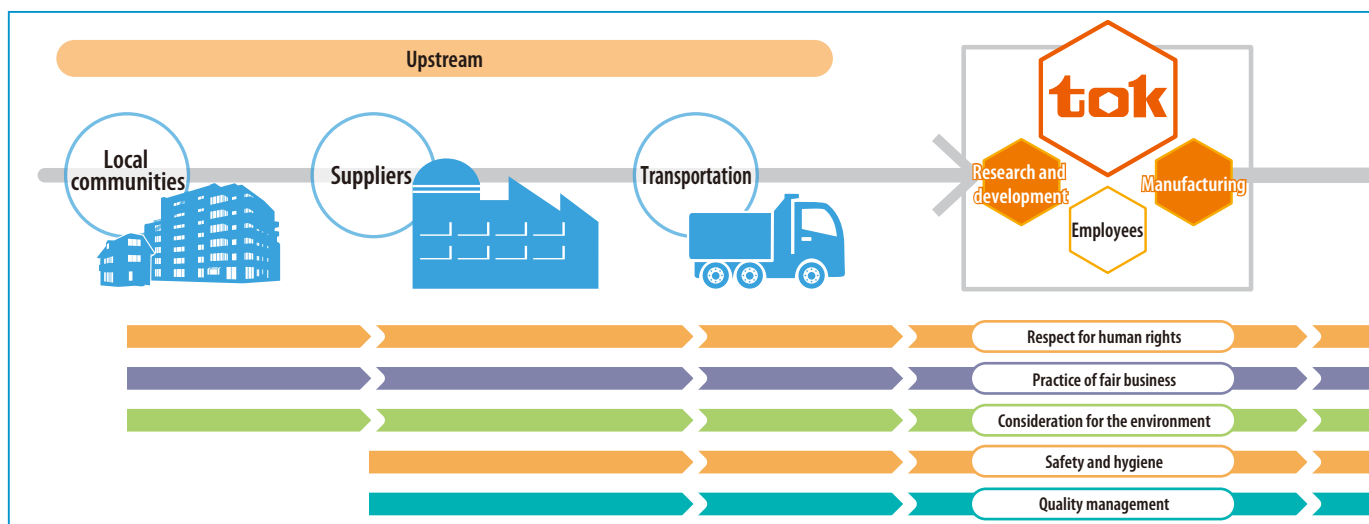
Putting Our Management Principles into Practice Through CSR

The TOK Group has established, as its management vision, the aim of becoming a corporate group that is trusted around the world, and is committed to achieving this goal by creating inspiration (characteristics, cost, and quality that satisfy our customers) through high value-added products, founded upon our four management principles: "Continue efforts to enhance our technology;" "Raise the quality levels of our products;" "Contribute to society;" and "Create a frank and open-minded business culture." We strive to enhance sustainable corporate values through our business activities, and to contribute to the growth and progress of society.



We aim to create shared social values with our stakeholders by optimizing our value-chain management.

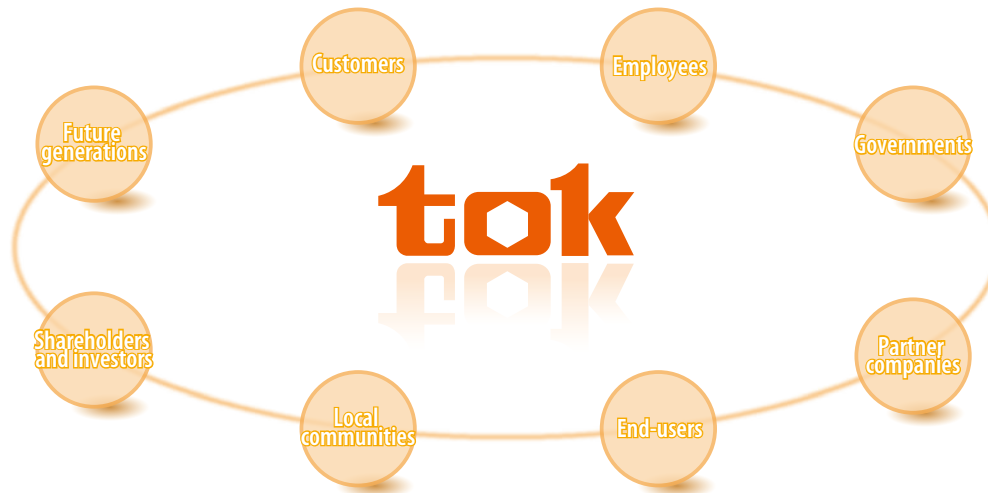
We believe that the creation of social values that can only be generated by the TOK Group, in fields where we can best apply our unique character, is the most effective way in which we can contribute to society. TOK's basic CSR stance is to create shared social values with our stakeholders and enhance our corporate value at the same time. To that end, we study our entire value-chain and evaluate our position (or scope of influence) within this value-chain, and strive to carry out unique corporate activities that also take into consideration the needs of our customers and of the society as a whole.



TOK's Social Responsibility – Initiatives on Important CSR Issues

The TOK Group has various stakeholders that are positively or negatively impacted by our business activities. As such, we constantly draw out stakeholder-related issues that we believe to be of particular importance, and put continuous and focused effort into resolving these issues. We ensure that we accurately capture these issues that are important to our Group, that is, the expectations and demands from society toward our Group, and that we deal with them appropriately.

Going forward, we will constantly bear in mind our management principles of “continuing efforts to enhance our technology,” “raising the quality levels of products,” “contributing to society,” and “creating a frank and open-minded business culture,” and continue to communicate actively with our stakeholders, in order to fulfill our responsibility to customers, business partners, employees, local communities, and shared societies and shareholders around the world.



For instance, with regard to our suppliers, which are part of the “upstream” in the value-chain, one of the important management strategies is to ensure that we maintain our competitive edge by securing “superior” suppliers that can provide quality materials with a high cost performance. At the same time, gaining a clear understanding of the risks associated with suppliers, such as serious compliance violations, is just as important an issue in CSR management. The TOK Group is committed to creating values that are useful to society by optimizing value-chain management, including for issues such as human rights and conservation of the environment. This involves further enhancing such “plus” factors (enhancing the positive impact of plus factors), and further eliminating such “minus” factors (transforming the “minus” into “plus” factors).

