

Business Summary

2018 Social Responsibility & Environmental Report

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Editorial policy

This report presents the Group of Soshin Electric companies' approach to society and the environment.

【Period covered】

From April 2017 to March 2018

【Coverage】

Soshin Electric Co., Ltd.
Soshin Powertech Co., Ltd.
Soshin Device Co., Ltd.
Risshin Electronics Co., Ltd.
Soshin Electronics (M) Sdn. Bhd.

Issued in June 2018

■ Corporate Profile (As of the end of March 2018)

Company name : Soshin Electric Co., Ltd.
URL: <http://www.soshin.co.jp>

Tokyo Head Office
No. 1-1-1, Shibaura, Minato-ku, Tokyo 105-0023, Japan
Tel. 81-3-5730-4500 Fax. 81-3-5730-4504

Established in : December 1938
Incorporated in : April 1944
Capital : 3,806 million Japanese yen
(As of the end of March 2018)
Number of employees : 835 (Total)
(As of the end of March 2018)

■ Business Locations

【Sales offices in Japan】

Tokyo Operating Headquarters
Osaka office / Nagoya office / Saku office / Kyushu office

【Domestic plant and R&D location】

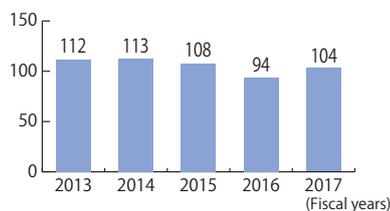
Asama Plant / Chikuma Technical Center

【Group companies】

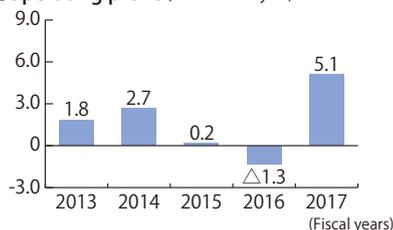
Soshin Powertech Co., Ltd.
Soshin Device Co., Ltd.
Risshin Electronics Co., Ltd.
Soshin Electronics (M) Sdn. Bhd.
Soshin Electronics of America Inc.
Soshin Electronics Europe GmbH
Soshin Electronics (SZ) Limited
Taiwan Soshin Electric Co., Ltd.

■ Financial Highlights

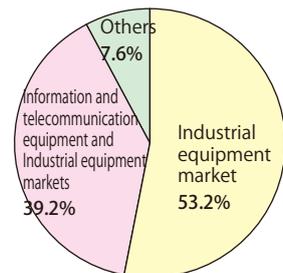
■ Sales amount (100 Million yen)



■ Operating profit (100 Million yen)



■ Sales ratio per market (2017)



Business Domain & Related Products

To meet the needs of the times and expectations of customers in the industrial instrument and information and telecommunication equipment markets, as well as ultimately to contribute to realization of a low-carbon society, the Group of Soshin Electric companies manufactures small and high-performance products with the least amount of industrial waste in consideration of environmental impact.

[Industrial equipment sector]

• Noise related-field

Needs are growing for countermeasures against disturbance due to noises arising in fields of industries such as semiconductor manufacturing facilities and machine tools, equipment supporting our daily life such as air-conditioners and elevators, and environmental and energy-saving facilities such as solar power generation where reduction of the load on the global environment is anticipated.

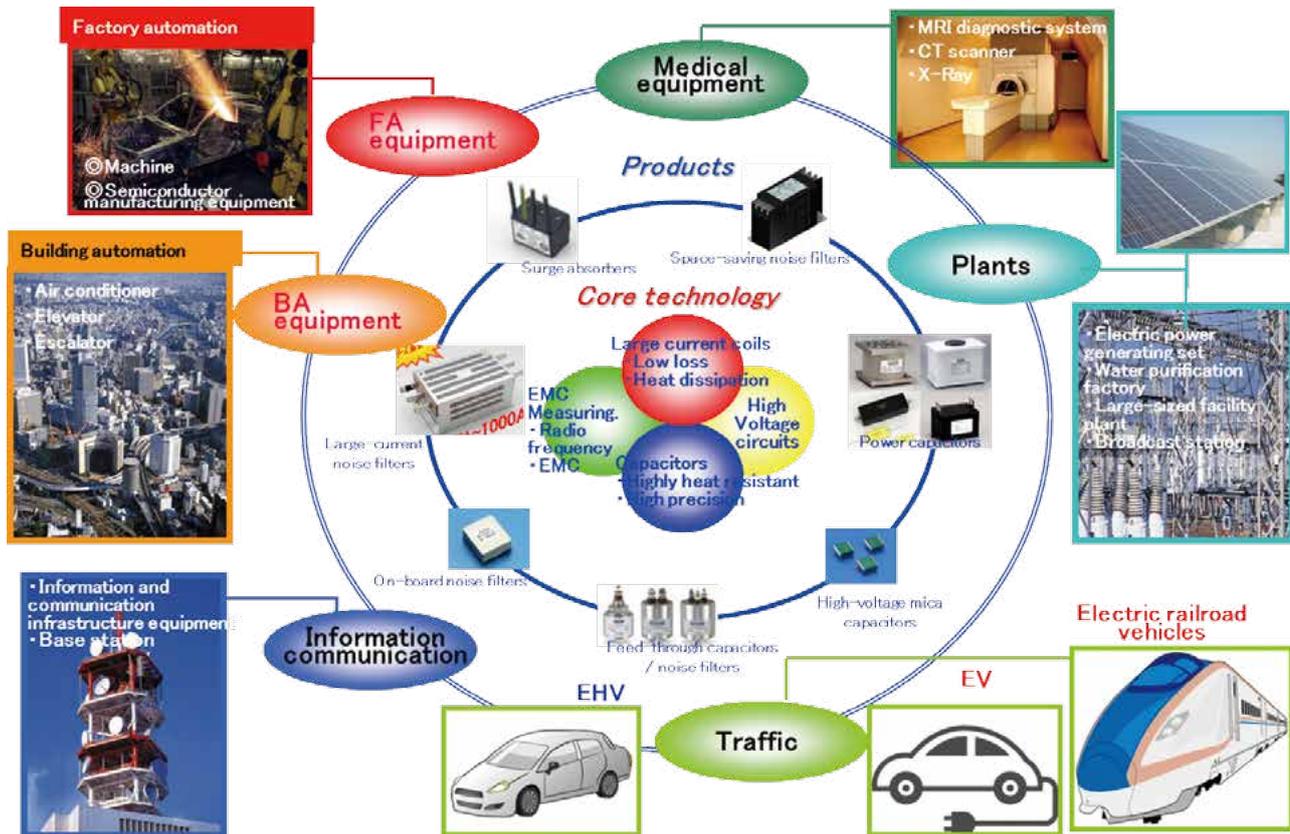
Our EMC products have played a key role in many industrial fields as a solution for issues related to noises developing in these equipment and facilities.

Furthermore, our range of business includes total support for customers such as provision of noise-measuring and diagnosing services on site or in our large radio-wave shield chamber.

• Car and railway electronics

In automobiles where parts are required to be highly reliable, noise filters and capacitors are used for quick charging of plug-in hybrid electric vehicles (PHEV) and electric vehicles (EV) which are gaining market acceptance.

Railway vehicles and rail traffic control systems are other areas where a variety of our filters and capacitors work to support safety and ease.



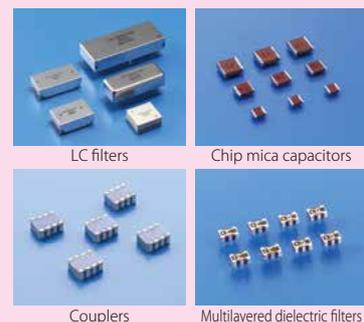
[Information and telecommunication equipment sector]

• For information and telecommunication infrastructures

RF parts such as couplers, filters and capacitors support communication systems including base stations for mobile phone systems.

• For telecommunication terminals

Multilayered dielectric filters are adopted for ever-advancing smartphone, wireless LAN systems for tablet PC terminals and for Bluetooth communication modules.



A Message from the President



President
Takashi Kamioka

A succession of business scandals has recently surfaced involving steel and automobile companies that had been cited as examples of exemplary Japanese business enterprises. Facts have been disclosed about how the companies disregarded rules in such ways as falsification of data or conducted inspections by non-qualified persons despite supposedly having a business principle that the utmost concern should be placed on having a high regard for quality and establishment of trust with customers. Behaviors that originated from an easy belief that neglecting requirements to a certain extent would be of no problem caused an ideal situation to be lost as time went by.

Without taking such movements at other companies as somebody else's problems, and by verifying that our products are produced in strict compliance with the promises we have made with customers, we have reaffirmed that we are free of violation of rules. Under the current situation where the sense of business enterprises' CSR is called into question, the penetration of CSR consciousness and corresponding action to guard the company and keep its employees intact are what is important. We will keep on looking into this matter.

In regard to the working rule reforms promoted by the national government, we will disseminate the new overtime work rule across the company and arrange a system for following up on the actual status of overtime work.

Our environmental impact reduction activity successes in this fiscal term were the achievement of a decrease in energy consumption by integration of production locations, improvement of product defect rates and introduction of energy-saving equipment.

Interaction with local community people through events at various locations is also evidence of our continued social contribution.

We will remain clearly conscious that enterprises can continue to exist only with performance of social responsibilities that they should carry out and our action will go on accordingly. It is our sincere desire that our stakeholders will keep on encouraging us with their support.

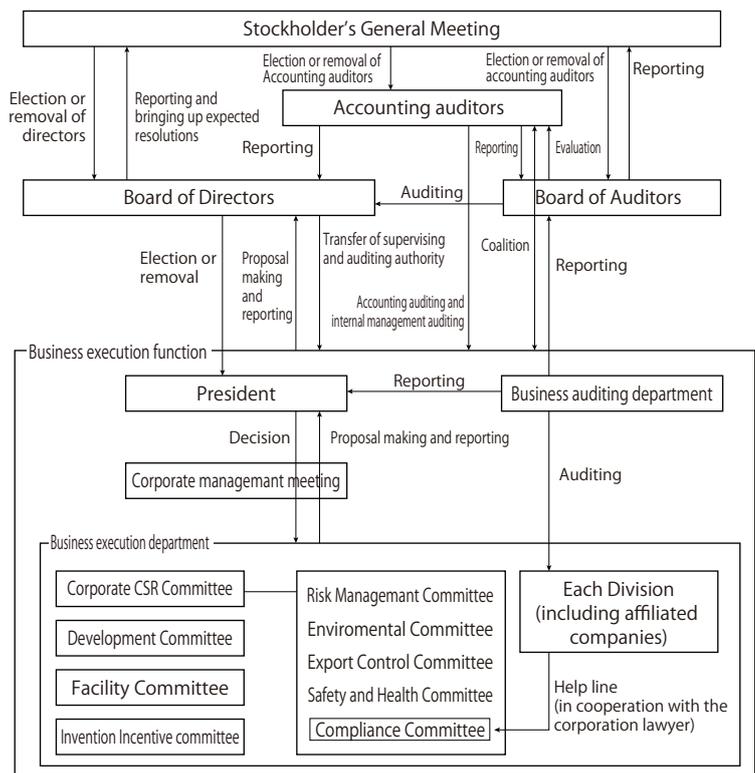
◆ Corporate Governance

The Group of Soshin Electric companies has positioned enhancement of corporate value as one of our key management issues.

We regard the enhancement of corporate governance as an important measure that raises the legality of the business activities and transparency of corporate management, leads us to become an entity trusted by every stakeholder (stockholders, customers, company employees, suppliers and relevant local communities) and is conducive to the rise of corporate value.

To make them a reality, we strive for ensured compliance with laws by identifying the responsibilities of the Board of Directors' Meeting and Auditors' Meeting such as adjustment of the management organization, improved management efficiency and enhancement of the management monitoring function. Establishment of relationship of mutual trust through ensured gaining of stockholders' privilege and equality and promoted dialogues are other matters we seek.

Governance system





Soshin Electric Co. Group's Guidelines for Corporate Behavior

I Realization of corporate philosophy

[1] Provision of products that better contribute to social environment

From a long-term global perspective, we will commit ourselves to create new value by providing products and services that protect the global environment and realize safety and security in society. We will gain trust from our customers and society by seeking quality and safety.

II Policy to engage in business activities

[2] Disclosure of corporate information

We will release, in an accurate and timely manner, information sought by the public, including information on our management, finance, products or services to improve transparency in management and gain society's trust in NGK group companies.

[3] Total enforcement of compliance and risk management

We will abide by the laws and rules of each country and area in which we do business and will enforce our compliance thoroughly, respecting international arrangements that are applicable to us.

We will develop human resources who are sincere and have high ethical standards. In addition, through our efforts to build an internal control system and implement risk management, we will protect our corporate assets and credit, as well as the rights of third parties.

[4] Respect for humanity and assurance of comfortable working environment

We will hire and treat people in a proper and fair manner and provide a safe and pleasant working environment in which our people can work comfortably without sacrificing their family life. We will make available opportunities that people with versatile talent can try and will support the development of human resources through the acquisition of knowledge and expertise.

We will prevent bullying, discrimination, harassment or any other acts that violate human rights. If there is a human rights violation, we will take appropriate action in an expeditious manner.

[5] Implementation of fair, free and transparent transactions

As a good and equal partner, we will implement fair, free and transparent transactions in search of mutual benefit with our business partners.

In addition, we will promote our commitment to discharge our corporate responsibility for society throughout the supply chain used by the NGK group companies.

III As a member of society

[6] Preservation of global environment

We will contribute to the preservation of the global environment by committing ourselves to take the lead in reducing environmental burdens at every location and in every process that is involved in our business activities. We will cooperate in efforts with local communities to preserve the environment and will also actively support our employees' efforts.

[7] Cooperation with local communities and promotion of social action programs

We will actively commit ourselves to contributing to society, satisfying the needs of local communities with our interest in the social tasks required by each country and local community in accordance with our objective to become a corporate citizen that can be trusted by local communities.

[8] Communication with stakeholders

Through communication with all of our stakeholders, including customers, business partners, shareholders, employees and members of local communities, we will enhance their understanding of the NGK group companies and review corporate activities based on comments forwarded to us. We will use these in our efforts to accomplish our social responsibilities.