

## We will reinforce our CSR management, aiming to become a company which continues to provide new value for the general good.



### The CSR management that the Takuma Group is targeting - the spirit of the company foundation -

Takuma marks its 70th anniversary this year. Our company founder, Tsunekichi Takuma, renowned as one of the ten great inventors of Japan during the Meiji and Taisho periods (1868 - 1926), established Takuma Boiler Manufacturing Co., Ltd. with the aim of developing a domestically produced boiler on a par with foreign-made products. Since then, under the principles of the company foundation - "Service to the nation through boiler manufacturing" - we have been contributing to society by producing goods which are needed and recognized as valuable to the world.

I believe this spirit of "Service to the nation through boiler manufacturing", namely contributing to society through corporate activities, by producing goods that are needed, represents the basic principles of our

CSR, which has traditionally been succeeded over the past 70 years. The products and services we have provided have been developed and modified to suit contemporary requirements, with our current main products waste power generation plants and biomass power plants, established on a cornerstone of combustion technology with boilers at the core. These products are a much-needed breakthrough; closely linked to efforts to resolve global warming and environmental concerns, which we currently face as global issues. With this in mind, we expect our roles in the fields of the environment and energy to be further increased in future.

### The Basis for Promoting CSR Management

The "Takuma Group Ethics Charter" and the "Takuma Group Code of Conduct" are examples that represent the basis for promoting the CSR management we are targeting. It is a fundamental concept of business management to enhance profit performance through highly transparent and healthy corporate activities, based on compliance with applicable laws and corporate ethics. All directors and employees must remain aware of the prevailing circumstances, as well as our social responsibilities, while implementing the corporate activities. Both the "Takuma Group Ethics Charter" and the "Takuma Group Code of Conduct" represent guidelines on how to behave from the perspective of members of the Takuma Group.

In the code of conduct, the six items of "Harmony with Society", the "Implementation of Compliance with Applicable Laws and Healthy Economic Activities", "Respect for Basic Human Rights", the "Practice of Customer Satisfaction", "Appropriate Information Disclosure" and the "Protection of

Corporate Assets and Information" are established as pillars. All directors and employees must understand their meaning and practice while engaged in daily corporate activities. To achieve that, I, myself, as company President, would like to take the initiative in setting good examples during such activities.

### Respond to our stakeholders' expectations by striving our utmost for business recovery

Unfortunately, the business performance in fiscal 2007 revealed a heavy deficit, due to the impact of losses from overseas business. Without earnings, we are unable to respond to the expectations of our stakeholders, including shareholders, suppliers and employees.

In the current fiscal year, the final year of our 8th mid-term management plan, we intend to return to profitability, as the first step, by accelerating the development of various measures, based on the "promotion of group management" and "selection and concentration" - cited as the basic policy of the mid-term management plan, as well as promptly responding to our business environment and consequently progressing to achieve long-term cooperative development as a whole group.

### Contribution to resolve environmental issues, such as global warming countermeasures

Under the Kyoto Protocol, various measures, including the reduction of greenhouse gases (CO<sub>2</sub>), have been promoted at a global level and Japan has also been tackling efforts to achieve the goal of reducing CO<sub>2</sub> by 6% over fiscal 1990 levels. Despite these efforts, however, the progress has not been as much as expected in terms of the status quo. Toward CO<sub>2</sub> reduction and furthermore, environmental conservation, as well as establishing a resource recycling-oriented society, we believe that the provision of high-quality products that meet social needs, both at home and abroad, in the fields of the environment and energy, represents our social contribution to the world.

It would be such an honor if Takuma's technologies and product lineups could help solve environmental and energy issues. We would like to remain a



company which provides favorable new value to society through our continuing efforts.

### For the readers of this CSR Report

Since this Report is the second issue as in the form of the CSR Report, there is still considerable room for improvement; however, we would be more than happy if the Report could help you understand our efforts. In order to accomplish corporate social responsibilities, communication with a wide variety of stakeholders is necessary and we consider this Report to be one of the effective tools to do so. Seriously accepting feedback from the audience, we will continue to create a reader-friendly CSR Report. We would appreciate your frank feedback and directions.

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Takuma Co., Ltd.

**Hajime Tejima**  
President and CEO