

Meeting the Expectations of Society by Fulfilling Our Corporate Social Responsibilities

Tadayuki Sasaki
Executive Director
Managing Executive Officer
Yamatake Corporation



At Yamatake, we recognize that companies are important members of society and understand that earning the trust of society is achieved through meeting the expectations that the public has in us. The Group is currently implementing broad-ranging corporate social responsibility (CSR) management to fulfill responsibilities to its stakeholders and society at large. We pursue CSR management from two perspectives.

The first relates to our fundamental CSR activities, specifically, implementing thorough business ethics and legal compliance, strengthening responses to and managing all risks in the business environment, enhancing the workplace, ensuring the safety and security of employees, improving the quality of products and services, and preventing product-related problems. These are the most fundamental responsibilities we must carry out as a member of society. At Yamatake, we believe that there are no shortcuts to earning society's trust. Combined with resolute initiatives to further strengthen corporate governance, we strive for management that is always fair and honest.

The second perspective is contributing to society through our social contribution activities and through our businesses by leveraging our technological and operational strengths. Rooted in our company culture and spirit, our employees take part in a range of social contribution activities, such as helping to educate the public about the environment and participating in the organization of an environment-friendly international marathon. Furthermore, we are positively contributing to the development of a sustainable society by utilizing our technologies to reduce CO₂ emissions as well as spread safety-related business practices. In these ways, we believe that we are meeting society's expectations.

Based on our Group philosophy of "human-centered automation," all actions of the Group are centered on a consideration for the environment and a desire to **enrich people's lives. Our CSR management is how we turn philosophy into practice.** We work to earn the trust of our stakeholders and all members of society by being a company that meets expectations.

During fiscal 2006, ended March 31, 2007, the 100th year of Yamatake's establishment, we formulated a new CSR philosophy identifying medium-term CSR management objectives. These objectives reflect our values as a company, as well as our efforts to meet them that began in fiscal 2007, and how we are realizing management that will meet society's expectations and enable us to remain a trusted member of society.

Promoting CSR Management

As a Group, we will continue to combine our CSR-related efforts to meet shared management objectives.

Corporate Governance

Founded on our Group philosophy, we will continuously increase corporate value by fulfilling our corporate social responsibility to observe laws, regulations and business ethics and to establish social contribution activities as part of management policy.

Risk Management

We will increase management stability by improving our ability to respond to and manage any risk that may affect the Company's business.

Compliance

To promote sound and ethical business activities, we will work to ensure that every officer and employee understands and carries out our policy of compliance with all relevant laws, regulations and internal rules, including those for sound and ethical business practices.

Employee Relations

We will promote greater dynamism in the workforce and within the Company by emphasizing links among employees, the Company and society in general.

For Local Communities

Conscious of our role as a member of society, we will positively develop social contribution activities that will enrich people's lives and help protect the environment.

The Group is promoting CSR management under its three-year medium-term management plan, which began in 2007. We recognize that initiatives to ensure good compliance, internal controls, risk management, quality control, environmental protection, and health and safety are crucial for gaining the trust of society and for ensuring our growth.

Basic Guidelines for CSR Management

The Group has established three basic objectives as guideline for CSR that serve as the foundations of its management.

Basic Objectives

We shall establish and carry out CSR management as a world-class manufacturer of a comprehensive range of automation equipment.

1. The Group will strengthen its corporate structure through the combined initiatives of the Headquarters, in-house companies and Group companies in CSR fields that are paramount to its survival and success. This entails working actively to promote quality, environmental preservation and safety through compliance practices throughout our organization in accordance with related laws and ordinances, further gaining the trust of the communities where we work.
2. We will hone and enhance our preparedness for dealing with any risks facing the Group and establish tangible response mechanisms for dealing with emergencies as they occur so that we will not lose the trust of the communities around us or any of our enterprise value.
3. Through its businesses, the Group will establish and fulfill goals for aggressively promoting CSR initiatives that contribute to society and improve the environment and activities that help the community and will seek to consistently increase enterprise value. We will also convey information concerning these initiatives to our stakeholders.

Domain of CSR Initiatives

In line with the basic objectives of the three-year medium-term management plan, the Group has divided CSR activities into basic and more proactive initiatives and has

Domain of CSR Initiatives



identified six areas of focus. In each of these six areas, the Group is geared toward promoting CSR activities that help the community as well as enhance its business operations. We will promote CSR practices through initiatives in each of these areas.

CSR Promotion Framework

The Group's CSR Promotion Committee was established to enact initiatives over a broad range of fields and oversee PDCA (Plan, Do, Check, Act) cycles. The committee is comprised of senior managers in charge of promoting CSR at individual Group companies and meets once every two months. CSR initiative planning, execution, appraisal and reporting are conducted principally by the committee.

Initiatives Enacted in Fiscal 2007, ended March 31, 2008

Management of Compliance Risks

1. Promoting thorough Compliance
In commemoration of the Company's 100th anniversary, the Group is promoting training sessions for the revised Business Conduct Guidelines at all Group workplaces conveying messages from the president in Corporate Ethics Awareness Month, issuing special CSR reports in internal publications and carrying out other activities to thoroughly convey the importance of adhering to good corporate ethics and obeying laws and ordinances.
2. Strengthening Legal Response
The Group has been focusing on developing the tangible means to educate, explain and effectively respond to important legislations and regulations as a priority in its activities.
3. Building Companywide Internal Risk Management System
The Group is strengthening measures for predicting, appraising and preventing risks and limiting potential

damages from exposure to the risks faced by the Group that may result from changes in its business environment.

Internal Control of Financial Data

To prepare for the April 2008 implementation of Article 24.4.4 of the Financial Instruments and Exchange Law (relating to internal controls for company financial reporting, also known as J-SOX), in March 2007 a Groupwide project was established to ensure J-SOX compliance for internal control is achieved, centered on the activities of a section in the Internal Control Conduct Department. In addition, the Group has pushed forward with preparations for the documentation of business processes and the creation of appropriate management systems.

Initiatives in Other Areas

1. For personnel and workplace safety, Groupwide activities are taking place with the goal of creating healthy and safe workplaces.
2. In the areas of quality, product liability and the environment, the Group continues to strengthen its policies for promoting quality and product liability response and has established goals and policies for the Group to further reduce carbon dioxide emissions.
3. For contributing to communities, the Group fosters environmental protection through several means and, under its new basic policies established for social contribution, promotes activities to aid local communities.

Future CSR Policy Initiatives Management of Compliance Risks

1. Promoting thorough Compliance
Future policies will focus on compliance and monitoring over a wide range of Group managers and employees to instill awareness of compliance issues and gauge important themes.
2. Strengthening Legal Responses and Risk Management
The Group will develop more extensive mechanisms for dealing with laws. Also, key measures targeting specific risks will be subject to annual management-level reviews, and the Group as a whole will strive to develop countermeasures most appropriate to each risk.

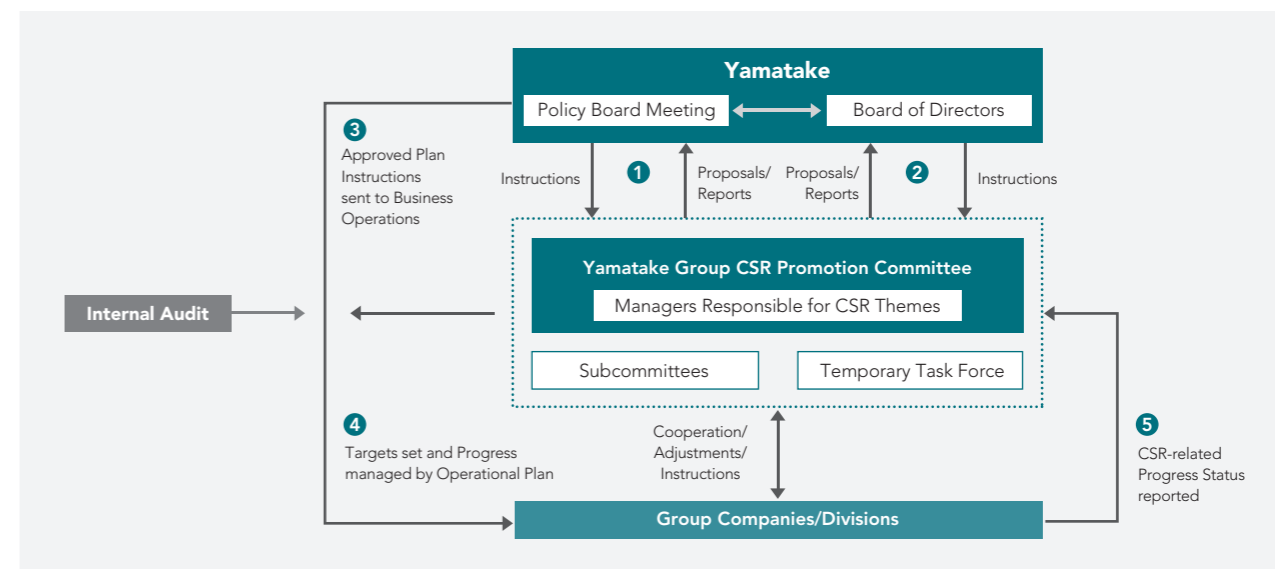
Internal Control over Financial Reporting

Founded on the preparations it completed prior to April 2008, the Group will continue to focus its energies on meeting J-SOX requirements reporting by evaluating the current status of internal control and by implementing continuous improvements relating to "Reliability of Financial Reporting."

Other Areas for Initiatives

The Group will clarify objectives and implementation plans for initiatives in various fields based on the achievements seen in fiscal 2007 and under the guidance of the CSR Promotion Committee, will continue to work to accomplish the plans.

CSR Promotion Framework



Yamatake has introduced an executive officer system for corporate governance that separates decision making from actual execution of Company policy to facilitate the prompt implementation of policy initiatives. In addition, the Board of Directors and the Board of Corporate Auditors oversee and monitor the actions of executive officers.

Viewpoint on Corporate Governance

Our basic policy on corporate governance is to promote policies that fulfill our social responsibilities based on good ethical practices and contribute to the welfare of the community based on sound legal and regulatory compliance, and we work to consistently increase enterprise value for the benefit of our shareholders and all our stakeholders by enhancing policies and schemes to realize highly efficient, fair and transparent business practices.

Framework for Corporate Governance
Board of Directors and Executive Officer System

The Board of Directors makes decisions on legal issues and other important matters and oversees conditions for the implementation of policy actions. The executive officer system, separating decision making from actual policy execution, provides the means for swift policy execution and has strengthened the auditing and oversight capabilities of business activities.

The Board of Directors generally meets monthly, and for executive personnel implementing actual business policy, Board meetings comprising an executive board of representatives of the Board of Corporate Auditors and executive officers* meet twice monthly as part of initiatives to further strengthen business operations through prompt decision making and policy execution.

* Executive officers include the president, senior managing directors and managing directors

Corporate Auditor System and Internal Audits

Yamatake uses a corporate auditor system that comprises five corporate auditors including three external auditors, with three of these auditors serving on a full-time basis. Auditors attend meetings of the Board of Directors and other management council meetings. They assess business conditions through audits conducted at workplaces, and through audits of in-house companies, including strict auditing of business and policy decisions of directors and executive officers.

With a staff of 11, the Internal Audit Office conducts regular internal audits of the Company's head office staff divisions as well as of each in-house company. Its audits encompass all aspects of management activities.

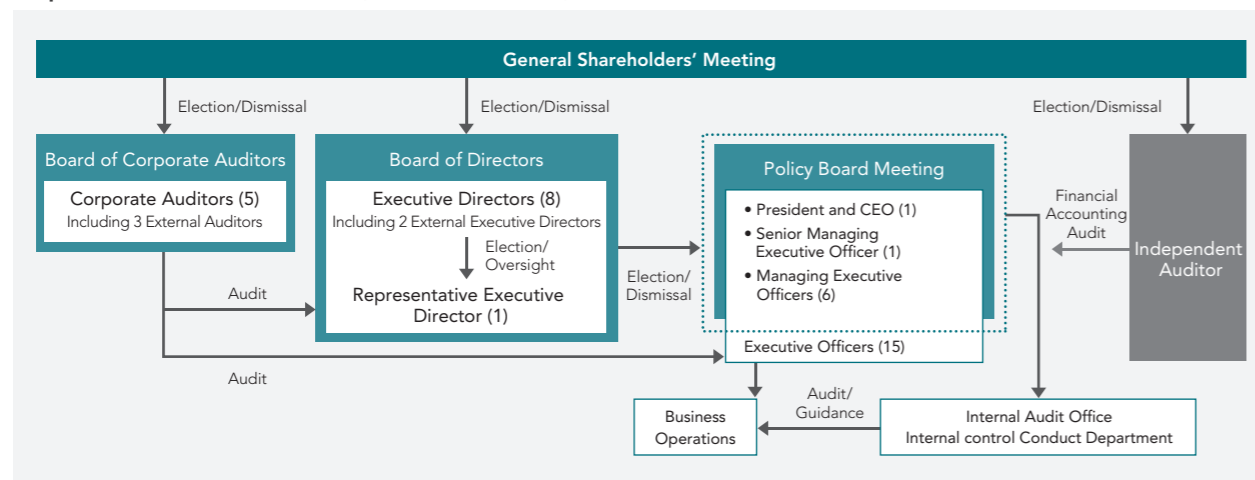
Current Framework

Yamatake's Board of Directors was composed of eight members as of July 1, 2008, including five members that also serve as executive officers and three members (including two external directors) with no day-to-day management or oversight of Company operations. These independent directors provide oversight and business advice from a broader and more independent perspective.

Remuneration for Directors and Corporate Auditors

Yamatake discloses the total remuneration for directors and corporate auditors in its official Company accounts and at regularly convened general shareholders' meetings. In fiscal 2007, ended March 31, 2008, total remuneration paid to eight directors amounted to ¥359 million (the uppermost limit on remuneration is ¥450 million). For the five auditors, total remuneration amounted to ¥87 million (the uppermost limit is ¥120 million).

Corporate Governance Framework (As of June 27, 2008)



Risk management for forecasting and assessing risks from changing business conditions, for preventing risks to the Group as a whole and for taking proper steps to alleviate losses is essential for ensuring the consistent and stable growth of the Group. We are extending our network of risk control and increasing stability in business management.

Groupwide Total Risk Management

To strengthen Groupwide risk management, in fiscal 2007 we surveyed and brought together the responses of all major business divisions within the Group regarding what risks they considered to have the potential to impact Company management significantly.

Until the present, we have kept priority response measures in place for each Group company to deal with the most serious risks that Yamatake must be able to respond to. Going forward, we will additionally investigate and evaluate alterations to our management environment so that we may fully grasp any changes to present risks or the appearance of new risks. Going forward, we will conduct regular and thorough analysis and evaluation of changes in our management environment to ensure all potential risks are discovered. Then, after management-level decisions to identify and prioritize the risks that must be addressed, we will decisively implement measures most appropriate to each risk. In this way, we will strive as a Group to construct an infallible risk management system.

Earthquake-Risk Prevention

In 2003, the Group's Emergency Response Manual was compiled to ensure rapid response to emergencies and other disasters by clarifying command hierarchies and organizing response teams. In 2004, the Earthquake Emergency Procedure Manual, originally compiled in 1996 following a major earthquake in Kobe, was revised and improved. In 2005, our system for confirming the safety of employees and their family members was expanded to include e-mail in addition to voice-response to ensure quicker and more extensive communication between parties. In 2006, recognizing that major earthquakes can also occur in regions not normally prone to seismic activity, the Group decided to extend its measures for earthquake responsiveness to all offices and factories in Japan. We have drawn detailed maps pinpointing equipment that may potentially fall and areas at risk of falling objects in our

offices and started enacting measures to reduce on-site hazards. In addition, we have identified and provided emergency provisions for employees who may have difficulty returning home and clarified safe routes for them to return to the Company in the event of a major earthquake or other disaster.

The Shonan and Isehara factories are equipped with the Emergency Earthquake Information System that we developed in-house, which uses using real-time seismic bulletins to issue warnings prior to the arrival of seismic waves at offices and factories. The aim is to enable workers to reach safe locations 20–30 seconds before seismic activity begins. In 2007, disaster drills using the system were conducted when the Fujisawa Technology Center began operations.

Business Continuity Plans

Based on earthquake prediction data, in 2005 Yamatake started enacting plans to ensure ongoing business operations in the event of major earthquakes in the Tokai or Kanto areas. In 2006, we analyzed the potential impact from disasters on key businesses, data communication systems and factory infrastructure and formulated precautionary measures and policies for restoring operations immediately after problems occur. In 2007, comprehensive earthquake disaster drills were conducted at two factories to confirm the efficiency of our planning and preparedness for a disaster scenario.



Verification of business continuity plans (Headquarters)



Earthquake disaster drills (Isehara factory)

Information Security Management

Yamatake has built management systems, devised regulations and developed innovative security mechanisms in conjunction with privacy legislation enacted in Japan.

In 2006, we introduced access control systems using integrated circuit IC cards at our main workplaces. In 2007, the Group's Information Security Regulations were devised, and the Information Security Subcommittee for the overall Group was inaugurated to promote data management for the Group as a whole.

Yamatake recognizes that compliance is essential in gaining the respect and trust of society, thereby ensuring the Company's continued existence and development. Compliance requires not only that we observe the relevant laws and regulations but also that each of our officers and employees truly understand and follow sound and ethical business practices.

Business Conduct Policy and Business Conduct Guidelines
Business Conduct Policy

Grounded in our philosophy at the time, in 1993 the Group established and put into practice a "Business Conduct Policy" as business conduct standards for officers and employees. We revised this Business Conduct Policy in fiscal 2006, ended March 31, 2007, to correspond with the revisions made to the Group's philosophy on the occasion of Yamatake's 100th anniversary. The Business Conduct Policy covers six areas: the Company's public responsibilities; its social responsibilities; compliance with antitrust and other fair trading legislation; respect for human rights; management and use of Company property; and the promotion of environmental protection.

Business Conduct Guidelines

Based on the Business Conduct Policy, in 2000 Yamatake drew up—from both legal and ethical perspectives—the Group's Business Conduct Guidelines, which covers all business activities. Prompted by the revisions made to the Group's philosophy and Business Conduct Policy, we also revised our Business Conduct Guidelines in 2006 to incorporate: 1) items to accommodate the increasingly international nature of the business, 2) a more proactive stance, 3) a shift from prohibitive to declarative expressions, and 4) the perspective gained from the results of our compliance monitoring. In addition, along with expanding the scope of these new guidelines with our business partners, we have also made them public by posting them on our web site. Furthermore, we created a card-size version of the Business Conduct Policy and Business Conduct Guidelines and distributed them to Group companies and business partners. Our overseas affiliates in Europe, North America and Asia have begun preparing their own versions of these new guidelines.



Portable card-size version (above)
Business Conduct Guidelines (left)

Promoting Compliance
Corporate Ethics Committee

As the body charged with promoting compliance, the Group's Corporate Ethics Committee, chaired by the officer in charge of CSR, convenes twice each year to ensure compliance on both regulatory and ethical issues.

Promoting Internal Controls

The Internal control Conduct Department is responsible for driving forward compliance-driven activities at Group companies. Specifically, the department's functions include providing information about the revised Business Conduct Guidelines, monitoring compliance status, providing education and holding seminars on compliance-related issues, and using all types of media sources such as Company magazines to disseminate information. The department is also involved in CSR issues, social contribution, comprehensive risk management and compliance with the Financial Instruments and Exchange Law.

Compliance Manager and Leader Structure

In 2006, when the guidelines were revised, we decided to create a new structure for compliance management and leadership that was comprised of individuals with organizational responsibility at the manager level or higher from throughout the Group. This new structure, intended as a framework to ensure the coordinated and effective implementation of compliance, became fully operational in 2007. The compliance managers and leaders are responsible for extending compliance in the workplace and providing guidance (e.g., helping to disseminate the Group's philosophy, Business Conduct Policy and Business Conduct Guidelines and educating employees about them), developing and managing solid guidelines for the workplace and uncovering and reporting various risks.

Disseminating the Business Conduct Guidelines

To disseminate the Business Conduct Guidelines, and based on a request made during fiscal 2007 from the officer in charge of CSR, the compliance managers and leaders at each workplace explained the revised guidelines, and then all employees were tested for their own knowledge of compliance. Weaknesses can be gauged from the results of these on-site meetings and self-assessment tests, allowing managers and responsible departments to reinforce the relevant areas. This information can then be used in subsequent training sessions.

Compliance Education

In fiscal 2007, we decided to offer compliance education tailored to each employment level after reviewing the

objectives, content and methods used for compliance education. First, we held a seminar for Group officers on "Internal Controls and the Company" conducted by outside experts during Corporate Ethics Awareness Month. We have also provided Group training for compliance managers and leaders and other professionals on compliance education methods and matters connected with antitrust laws, on information security and on construction industry laws that are of particular importance to our industry. This training has been conducted by sending representatives from the department in charge to branches and offices throughout Japan.

As a trial, we have also conducted training using case studies in compliance. We have been conducting an online compliance training program in stages, and in fiscal 2007 we completed a round of training for Group executives, mid-level managers and regular employees. To train new employees, we provide an explanation of the Group's philosophy, the Business Conduct Policy and the Business Conduct Guidelines as well as conduct ethical training using case studies. The presidents of our overseas affiliates, as well as the managers of our overseas offices, undergo training twice each year and others being stationed overseas receive training before going abroad.

Disseminating Information

During Corporate Ethics Awareness Month in October 2007, the president of Yamatake Corporation and the chairman of the CSR Promotion Committee respectively sent a message to employees. Additionally, web pages tailored for compliance managers and leaders were added to the "compliance web" administered by the Internal control Conduct Department, which we use as a means to distribute various types of information. The compliance web is a web site especially for posting compliance-related information, such as Corporate Ethics Awareness Month messages, details about the mission and the role of compliance managers and leaders and how the system works, training materials for the compliance managers and leaders, and self-assessment tools.

Compliance Monitoring

In February and March 2008, we conducted a compliance awareness and acceptance survey to officers and both regular and contract employees across the Group, receiving responses from nearly 90% of personnel queried. This response rate indicates that there is a growing awareness of compliance among all employees because of our compliance training, online learning programs and the encouragement from the compliance managers and leaders for employees in the workplace.

Internal Whistle-blowing System

In October 2003, we launched a "Voice of Conscience" hotline as a mechanism for internal reporting and counseling. In addition to mitigating compliance risk, the program is intended to function as a mechanism that allows employees to report transgressions and as a means to foster an ethical organizational culture. The scheme originally covered the Group, but in October 2006 it was extended to partner companies and other parties. This system for internal reporting and counseling offers conduits: an internal contact and an external contact at a neutral third-party organization.

CSR Initiatives in the Building Systems Company



Hitoshi Fukui
Manager of the General Affairs Section,
Building Systems Company,
Yamatake Corporation

In accordance with the Group's Business Conduct Guidelines, the Building Systems Company is working to ensure that it fully adheres to the law in all of its practices.

In fiscal 2007, we conducted seven seminars in 13 locations nationwide, reaching a total of 2,024 employees. In particular, we began conducting compliance classes on compliance for laws and regulations that directly affect our business activities. These sessions went beyond theoretical issues to provide useful and tangible information, and attendees paid close attention and asked many pertinent questions. This illustrates that these sessions raised employee awareness and that compliance has become entrenched within our corporate culture.

While the number of corporate scandals across the globe has been declining, they unfortunately do still occur from time to time. Yamatake, along with further raising employee awareness, is working together with partner companies to ensure full compliance. Going forward, we will continuously strive to ensure that we remain trusted by customers and shareholders and that we serve society to the best of our abilities.

We are continuing to focus on developing human resources as part of our efforts to make “human-centered automation” a reality. In doing so, we are putting into practice Yamatake’s long-standing view that our employees are a valued asset, the source of corporate cultural renewal and the creative source of our enterprise value.

**Responding to Changing Times
New Remuneration Scheme**

In April 2008, Yamatake began using a new remuneration system for regular employees. The previous system was put in place in April 2004, but we decided to revise this system with three goals in mind: 1) maintaining and enhancing employee motivation, 2) fostering the drive to take on new challenges, and 3) enhancing teamwork capabilities.

The remuneration scheme is important to achieve these goals, and we have conducted seminars throughout Japan to give our employees a deeper understanding of the new system. Additionally, we plan to continue holding biannual training sessions to ensure that evaluations are fair and acceptable and that the new system becomes well established.

Rehiring Employees after Retirement (Senior Employees)

Following amendments to the Law Concerning Stabilization of Employment of Older Persons, Yamatake has expanded and improved its system for reemploying personnel who have officially retired. We created an environment in which employees who are still healthy and eager to work after reaching the retirement age of 60 can continue to provide leadership and remain active in the workplace based on their knowledge, expertise and extensive experience.

Consequently, the post-retirement reemployment rate exceeds 70%, and the number of employees working after being rehired as “senior employees” increased from 62 in fiscal 2006 to 146 in fiscal 2007. These senior employees actively put their wealth of experience and broad range of skills to use in a variety of workplaces.



Senior employees remain active in a variety of workplaces

Nurturing Human Resources Development throughout the Company

With the goal of making “human-centered automation” a reality, Yamatake is promoting reform in a plethora of business areas, and strengthening and expanding its international operations. In addition to our existing education programs, we are making a concentrated effort to: 1) shore up management at all levels as the foundation of our efforts

to achieve business targets, 2) foster human resources on a global level to assume the essential responsibilities for our international business, and 3) encourage employees to study on their own to acquire credentials and language skills.

Based on the principle that human resources are the underlying source of growth and that an enterprise cannot grow if its personnel are not nurturing and expanding their own skills, we are working to build even more solid foundations for the Group through a more concerted focus on personal training and development.

Utilizing our Diverse Human Resources

Hiring Overseas Employees (Hiring Exchange Students, Offering Internships)

Each year, the Group offers internships to students from overseas. More than 50 people have taken advantage of internships offered by the Group. In fiscal 2007, university students from Canada, England, Portugal and Germany spent one year undergoing on-site training in R&D and product development. They learned about Japan’s latest technologies and took strides in developing skills that will be especially useful in their native countries for future employment.

We also invited three foreign students from Germany, China and Mongolia who are attending Japanese universities to work alongside our staff during two-week sessions. As the students are already extremely proficient in the Japanese language, they experienced no language barriers and could communicate freely with our staff. They have expressed interest in working for Japanese companies upon graduation, and we hope that their experience at our workplaces will be put to good use in pursuing their careers.



Interns in fiscal 2007 (foreign-exchange students)

Growth in Employee Headcount Overseas

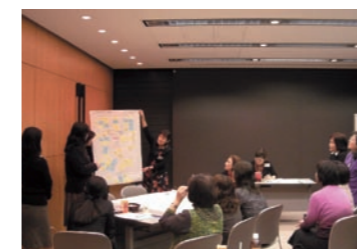
Yamatake has continued to aggressively expand overseas since establishing its first overseas unit in China in 1993 and now has more than 20 locally incorporated subsidiaries and offices overseas. There are approximately 1,000 people

working for Group companies overseas, including about 100 employees sent overseas from Japan.

Among these employees are a growing number of individuals who have served as key employees at overseas affiliates since these companies were founded and who now serve as managers. At our local affiliates in the U.S., Europe, China and South Korea, local employees have been serving as directors and had been appointed to important managerial posts. Their expertise is crucial for meeting the needs of our many customers in providing products, services and expertise in markets worldwide.

More Active Involvement of Women in the Workplace

From December 2007 to February 2008, targeting female managers and section chief deputies, Yamatake enacted a program designed to encourage greater involvement among female employees in the workplace. After the program was completed, each individual drew up an action plan that will be reviewed in conjunction with supervisors over three- and six-month intervals.



Training session for female employees

Yamatake Friendly: Hiring People with Developmental Disabilities

Yamatake Friendly, a special subsidiary that meets the needs of people with developmental disabilities, celebrated its 10th anniversary in February 2008. In addition to performing work that is essential to operations in the Group, Yamatake Friendly is increasingly accepting consignment projects and work for outside companies and organizations. This company hosts tours and employs trainees to work alongside people with developmental disabilities, which enables people to see firsthand the considerable potential that people with developmental disabilities have to participate in the workforce, and encourages a greater understanding of the challenges they face.

Number of Tours and Outside Trainees (1998 to 2007)

- Tours: 409, with a total of 2,965 visitors
- Number of trainees accommodated: 163 sessions, over a total of 1,048 days

**Creating a Healthy Workplace
Addressing Mental Health Issues**

Through its automation operations, the Group aims to provide customers with a sense of safety, comfort and accomplishment. These automation operations are founded on the efforts of our employees, each of who is vital to Yamatake. We have created systems to provide full support and backup for employee health management. Recently, the seriousness of mental health issues—a problem shared by all of society—has come to light. Yamatake implements mental health support measures tailored to the lifestyles of each employee. For example, after new employees complete their training and are placed in a work location, a specialist counselor will visit each workplace to provide counseling.

Regular Testing for Metabolic Syndrome

Since fiscal 2008, Yamatake has offered regular testing to detect metabolic syndrome. In addition, Safety Service Center Co., Ltd., a Group member, has been contracted to provide employees with health guidance via motivational and active support after the completion of the regular testing. Utilizing communication and technology for health support, Yamatake is committed to providing everyone, but particularly the elderly, with a sense of safety, comfort and accomplishment through health care operations that offer peace of mind. This commitment of course includes supporting the health of its employees and their families.

Labor Initiatives toward a Work-Life Balance

Now that lifestyles and values are diversifying, employees are seeking more fulfilling lives, ways of working best suited to their lifestyles and more time out of the workplace.

We believe that increasing job satisfaction and motivating employees to apply themselves to their jobs raises productivity and enables us to maintain consistent quality in the workforce. Consequently, we established the Work-Life Balance (WLB) Committee with representatives from both labor unions and management to work toward achieving harmony between the individual, his or her individual pursuits and work. The goal here is for employees to achieve peace of mind as well as a sense of comfort and accomplishment.

Based on the Group's "human-centered automation" concept for helping communities, enriching individual lives and promoting environmental protection, we actively contribute to the welfare of our fellow citizens through environmental protection, education, health and welfare, and community initiatives.

Social Contribution

In fiscal 2007, ended March 31, 2008, Yamatake worked to realize safety, comfort and fulfillment in people's lives and to help create a better global environment under its "human-centered automation" concept for Group companies. We reconfirmed these policies through social contribution activities in the communities where we live and work. We also recognize the need to actively promote social responsibility as a good corporate citizen and will remain actively engaged in pursuits that help the community.

Basic Policies for Contributing to Society

- We work to realize safety, comfort and fulfillment in people's lives under our "human-centered automation" concept. All employees are dedicated to promoting environmental preservation, education and training for youth, health and welfare, and activities for enhancing communities and individual well-being and improving the global environment. Contributing to the community is one of our most important missions as a company.
- We promote these activities bearing in mind the value created both for individuals and for our stakeholders.
- We are committed to ongoing participation in activities that enrich the culture and spirit of society.

Major Fields of Social Contribution Activities

Taking into account our strengths and special characteristics as a company and the needs of society around us, we decided in fiscal 2006 to focus our social contribution efforts

Major Areas of Social Contribution Activities

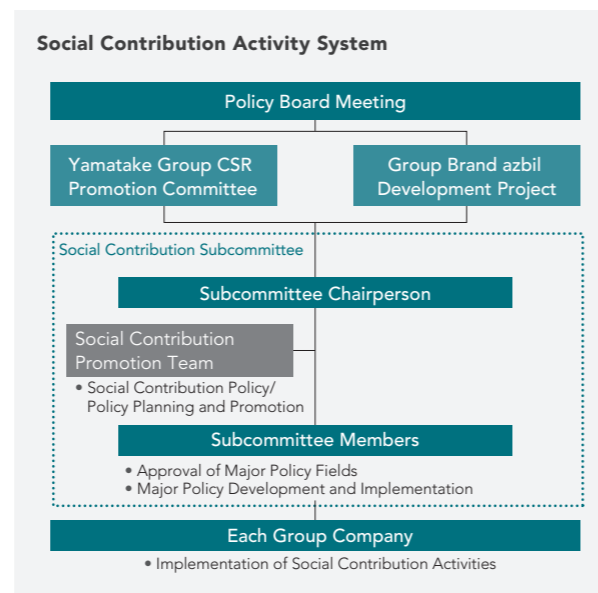


into four particular fields: environment, education, health and welfare, and community initiatives.

- **Environment:** We promote energy-saving and educational activities on environmental matters and instigate clean-up campaigns for beaches and mountains as part of our environmental support initiatives.
- **Education:** We provide educational opportunities through personal participation in projects, principally in the environmental field for elementary school students, and promote local community activities for youth.
- **Health and Welfare:** Activities include visits by employees, their families and the Company's club and volunteer groups to day-service care facilities.
- **Community:** Activities include support for local sporting events (promoting environmental awareness, collecting and separating garbage, and other pursuits), PC refurbishment and donation and assistance with disaster recovery.

Promoting Social Contribution

Whereas our activities were run by our social contribution secretarial team, in fiscal 2007 we established the Social Contribution Subcommittee under the administration of the CSR Promotion Committee to establish basic policies for social welfare activities, to set up systems for contribution and to flexibly and systematically design and promote social welfare programs. Our efforts geared toward social contribution are as outlined below.



In the four areas of environment, education for youth, health and welfare, and community initiatives, we have been promoting a number of measures to contribute to society. Here, we introduce some of these activities from fiscal 2007.

Environment Education Health and Welfare Community

Tour of Model Factory for Energy Conservation

A wide range of visitors, ranging from corporate and government personnel in charge of environmental and energy-saving practices to elementary, middle and high school students, visit our factory. During these visits, we showcase our energy-saving initiatives, including those created by the Fujisawa Technology Center. More than 5,500 visitors were welcomed in fiscal 2007.



Factory tour



Garbage-processing equipment

Participating in Earth Day Tokyo 2007

Yamatake was a participant in Earth Day Tokyo 2007, an event to raise environmental awareness. We lent waste-processing equipment for turning garbage into fertilizer to the event free of charge. We also applied Life Cycle Analysis to assess the event's environmental impact, as we did in 2006.

Participating in Festivals at Regional Facilities

Yamatake is an active participant in festivals at regional facilities as an officially registered manager for such events. The Company independently plans and exhibits displays on eco-brands, education about good dietary practices, scientific experiments, industrial arts and other features that have proved especially popular with visitors. In addition, we plan and manage independent festivals at such facilities as the Kamatori Community Center in Midori Ward, Chiba City, which holds a music festival.



Festival at Kamatori Community Center



Study session at Tokiwamatsu Public Elementary School

Supporting Environmental Education for Elementary School Students

The Company has supported environmental training at the Tokiwamatsu Public Elementary School in Shibuya Ward, Tokyo, since fiscal 2004. Our theme in 2007 was "Refuse." Children took field trips to the Fujisawa Technology Center to study the theme during the year and were given practical lessons about recycling, how not to waste resources and other lessons in how refuse directly affects our lives.

Yamatake's Original "Eco-Kids Series" Environmental Education Program

Yamatake independently operates an environmental education program at the Social Education Center in Taito Ward, Tokyo, and the Kamatori Community Center in Midori Ward, Chiba City (both are operated by the Company as an officially registered manager). Sessions are held twice in the summer and the autumn by Yamatake in conjunction with student environmental volunteers.



Eco-Kids

Supporting Environmental Activities at 2008 Shonan International Marathon

Yamatake seeks to raise awareness of environmental issues, such as by being a leading Eco-Friendship supporter at the 2008 Shonan International Marathon. We cooperate with organizers to plan and manage the event's environmental-related activities, including on-site recycling. Employees participate in providing major assistance to runners, volunteers and spectators cheering the event, and enliven them through the Company's Team azbil. We once again provided the popular Eco Café in 2008, and the environment-friendly beverages proved immensely popular.



Sorting refuse (left) Eco Café (below)

