

New Japan Radio of Microelectronics and Microwave

Semiconductor technology symbolized by “microelectronics technology” has now developed into nano-level technology, indicating that there are no bounds to the course of integrated circuit advancement. At our company, wireless communication technology typified by “microwave technology” has evolved into not only microwave band but also millimeter-wave band, which suggests that there will be an accelerated increase in speed and capacity. These two micro technologies, “μ&μ (mu and mu)”, are key technologies that play a major role in the multimedia technology age.

“μ&μ” limitlessly brings closer two types of “μ”, semiconductor technology and microwave technology which have been developing separately. The fusion of these two technologies allows a dramatic expansion of multimedia possibilities.

Fusing these two “μ” technologies and achieving even more significant progress are the major missions of New Japan Radio (New JRC), which focuses on the multimedia age. In the 21st century when the world of multimedia is vast, we have set our sights on further development of information technology and audiovisuals.

With “μ&μ” as our slogan, New JRC ventures into the development of microelectronics technology as well as microwave technology.

***Discovering new technology
and new domains through
the fusion of μ & μ.***

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Message from President

Today's prosperity is built to a large extent on the foundation of electronics technology.

New Japan Radio Co., Ltd., was founded in 1959 as the progeny of Japan Radio Co., Ltd., a pioneer in microwave and semiconductor technologies in Japan. Since then, we have refined our own technologies and developed products uniquely our own, making a significant contribution to electronics technology. Now, under the banner of $\mu&\mu$, the fusion of LSI and microwave technologies, we're set to meet the demands of the multimedia age.

New Japan Radio will continue to contribute to both industry and society with a corporate strategy that envisions the future and foresees the pioneering high-level technologies in this rapidly evolving field.



Ryo Ogura
President of New Japan Radio Co., Ltd.

For the Future

Corporate social responsibility (CSR) of New JRC is based on the concept "companies are social devices."

In order to be recognized as a productive member of society, our company must make clear the importance of its existence and be influential in creating positive social values. We believe that it is important that each and every employee understands this and takes actions based on his own initiative.

For this reason, under the CSR Vision that promotes our social responsibility management, each company of the New JRC Group is engaged in unique CSR activities.

The Great East Japan Earthquake, which occurred on March 11, 2011, had various impacts such as the disruption of supply chains and restrictions of electricity supply. In light of these circumstances, we must respond to the ever-changing expectations and demands of our society while seeking dialogue with our stakeholders.

Through the "provision of optimum parts using " $\mu&\mu$ " technology as an axis", which you could say is our business theme, we will continue to go forward into the future so that we can contribute to the realization of a sustainable society.

For Harmony with Nature

Global environmental conservation is increasingly becoming an important task all around the world and Japan is working to improve the global environment through the combined efforts of the government and the private sector.

In September 2009, in order to address global warming the then Hatoyama administration proposed a goal of "reducing CO₂ emissions by 25% compared to 1990 levels." To meet this target, the Japanese government launched a nationwide promotional campaign to curb global warming called the "Challenge 25 Campaign", encouraging the public to take action against global warming.

With regard to biological diversity, the "Aichi Target" was adopted at the tenth meeting of the Conference of the Parties (COP10) to the Convention on Biological Diversity, which was held in Nagoya in October 2010. This meeting presented "creating a world where human beings can coexist with nature in harmony by year 2050" as a goal, and it is expected that the importance of private companies' roles will be emphasized more and more in the future.

Under such circumstances, we will help conserve biological diversity through cooperation with society, while striving to raise environmental awareness and promote environmental conservation activities in the future. Our company will work actively on this theme with the desire "We wish to live on a green Earth with clean water."

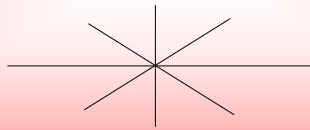
This "CSR & Environment Report 2011" mainly reports on the activities of the New JRC Group between April 2010 and March 2011. It would be wonderful if you could give us your candid opinions and thoughts.

August 2011

Corporate Values

Corporate Mission

To aid in the healthy development of society by accomplishing our focal role in matching the expectations of society with those of our customers



To realize our corporate mission by providing the best products possible based on our unique "microelectronics and microwave" technologies

CSR Vision

Based on the concept that we, New Japan Radio Group, has a social responsibility to "realize our corporate mission and continue to be a contributor to the growth of a healthy society";

- 1) We are aware of being a member of society.
- 2) We always think about what we can do to further improve social development and people's lives through the provision of optimum parts using $\mu&\mu$ technology as an axis.
- 3) We meet the expectations of the society surrounding us and our stakeholders while putting an effort into building relationships of trust with them.
- 4) Moreover, we contribute to the realization of a sustainable society.

Company Profile

Company Name and Others

Company Name	New Japan Radio Co., Ltd.
Established	September 8, 1959
Head Office	NB Nihonbashi Bldg., 3-10, Nihonbashi Yokoyama-cho, Chuo-ku, Tokyo 103-8456, Japan Tel. + 81-3-5642-8222 / Fax. + 81-3-5642-8220
Paid-in capital	5,220,075,750 yen (as of March 31, 2011)
Number of stocks issued	39,131,000 (as of March 31, 2011)
Number of shareholders	3,132 (as of March 31, 2011)
Stock Exchange Listing	September 2, 2002 1st Section, Tokyo Stock Exchange
Net Sales	45,613 millions of yen (Consolidated) 34,741 millions of yen (Non-Consolidated) *:for the year ending March 31, 2011
Number of Employees	3,116 (Consolidated) 1,547 (Non-Consolidated) *:for the year ending March 31, 2011



Main products	Segment	Products
	Microwave tubes and Radar Components	Microwave tubes (Magnetrons, CFAs, TWTs, Klystrons, TR tubes) Radar Components, Cathodes (Barium Impregnated Cathode)
	Microwave application products	Microwave Components (BUC and LNB for VSAT, FWA RF Unit for Terrestrial Communications, Sensor Module for Security)
	Semiconductors	Integrated Circuits (IC) (Bipolar, CMOS, Bi-CMOS) Semiconductor-Devices (Optoelectronic Devices, GaAs IC/FET)

Operation Sites (as of March 31, 2011)

Kawagoe Works

Address 1-1, Fukuoka 2 Chome, Fujimino City, Saitama 356-8510, Japan
Tel. +81-49-264-2111
Fax. +81-49-264-4241

Western Regional Sales & Marketing Office

(On October 1, 2011 Western Sales Department)

Address Tamurakoma Bldg., 3-9, Azuchi-machi 3 Chome, Chuo-ku, Osaka City, Osaka 541-0052, Japan
Tel. +81-6-6262-0200
Fax. +81-6-6262-0878

Sendai Sales Office

Address Sendai Bldg., 3-22, Ichiban-cho 2 Chome, Aoba-ku, Sendai City, Miyagi 980-0811, Japan
Tel. +81-22-225-4395
Fax. +81-22-225-4398

Taiwan Office

Address 103 8F-7, Lane 211, Civic Blvd. Sec. 1, Datong District, Taipei City 103, Taiwan (R.O.C)
Tel. +886-2-2552-6778
Fax. +886-2-2552-6800



Kawagoe Works

Group Companies

Saga Electronics Co., Ltd. (Saga Electronics)

Head Office	NB Nihonbashi Bldg., 3-10, Nihonbashi Yokoyama-cho, Chuo-ku, Tokyo 103-0003, Japan
Saga Works	950 Tateno, Yoshinogari-cho, Kanzaki-gun, Saga 842-0032, Japan
Paid-in capital	50,000,000 yen (100% owned by "New JRC")
Business Lines	Assembly of the IC for New JRC with small portion of the capacity for other companies.

NJR Trading Co., Ltd. (NJR Trading)

Head Office	NB Nihonbashi Bldg., 3-10, Nihonbashi Yokoyama-cho, Chuo-ku, Tokyo 103-0003, Japan
Kansai Sales Office	Tamurakoma Bldg., 3-9, Azuchi-machi 3 Chome, Chuo-ku, Osaka City, Osaka 541-0052, Japan
Paid-in capital	20,000,000 yen (100% owned by "New JRC")
Business Lines	Marketing and sales of the products of New JRC and other companies.

NJR Chichibu Co., Ltd. (NJR Chichibu)

Head Office / Arakawa Works	1646 Arakawakamitano, Chichibu City, Saitama 369-1802, Japan
Paid-in capital	80,000,000 yen (100% owned by "New JRC")
Business Lines	Assembly of New JRC's opto semiconductor devices and IC.

NJR FUKUOKA CO., LTD. (NJR FUKUOKA)

Head Office / Fukuoka Works	1-2, Imajuku-higashi 1 Chome, Nishi-ku, Fukuoka City, Fukuoka 819-0161, Japan
Paid-in capital	300,000,000 yen (100% owned by "New JRC")
Business Lines	Subcontraction of Bi-polar/analog IC wafer manufacturing.

NJR CORPORATION

Head Office	125 Nicholson Lane, San Jose, CA 95134, U.S.A.
Paid-in capital	70,000 US\$
Business Lines	Import, marketing and sales of "New JRC" products (semiconductor and microwave related products) in North and South America.

THAI NJR CO., LTD. (THAI NJR)

Head Office	88 MU 13, Tambol Makhuajae, Amphur Muang, Lamphun 51000 Thailand
Paid-in capital	240,000,000 Baht (93% owned by "New JRC")
Business Lines	Assembly of New JRC IC and LSI.

NJR (SINGAPORE) PTE LTD

Head Office	No.1 TANNERY ROAD #05-01/02 ONE TANNERY SINGAPORE 347719
Paid-in capital	200,000 SP\$ (100% owned by "New JRC")
Business Lines	Marketing and sales of New JRC products (semiconductor and microwave related products) in South-East Asia.

NJR SHANGHAI CO., LTD.

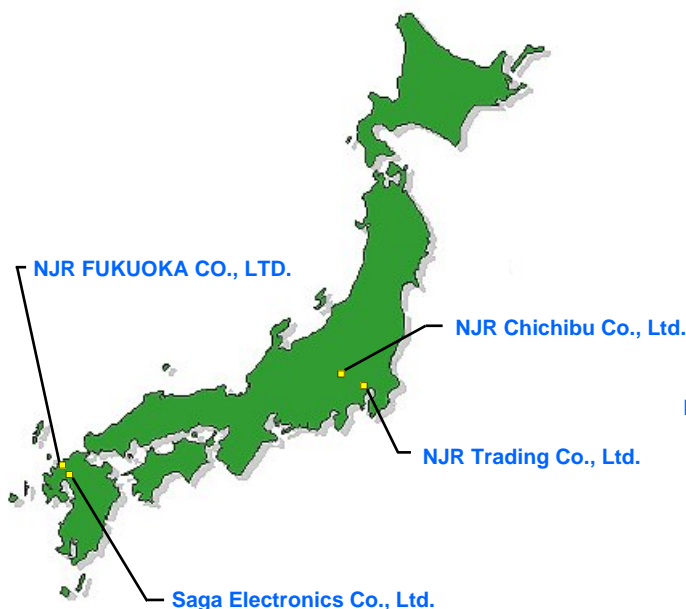
Office	30 Floor Hua Du Building, 838 Zhang Yang Road Pu Dong Shanghai, China 200122
Paid-in capital	700,000 US\$ (100% owned by "New JRC")
Business Lines	Import, marketing and sales of "New JRC" Products (semiconductor and microwave related products) In North-East area of china.

NJR KOREA CO., LTD.

Head Office	#1305, Woolim Lions Valley 2, 680 Gasan-dong, Geumcheon-gu, Seoul, 153-023 KOREA
Paid-in capital	90,000,000 Won (100% owned by "New JRC")
Business Lines	Sales support of "New JRC" semiconductor Products of Korea.

NJR HONG KONG LIMITED

Head Office	No.7 on 12/F., Shatin Galleria, 18-14 Shan Mei Street, Fotan, Shatin, N.T., Hong Kong
Paid-in capital	600,000 HK\$ (100% owned by "New JRC")
Business Lines	Sales of "New JRC" semiconductor Products in south area of China.

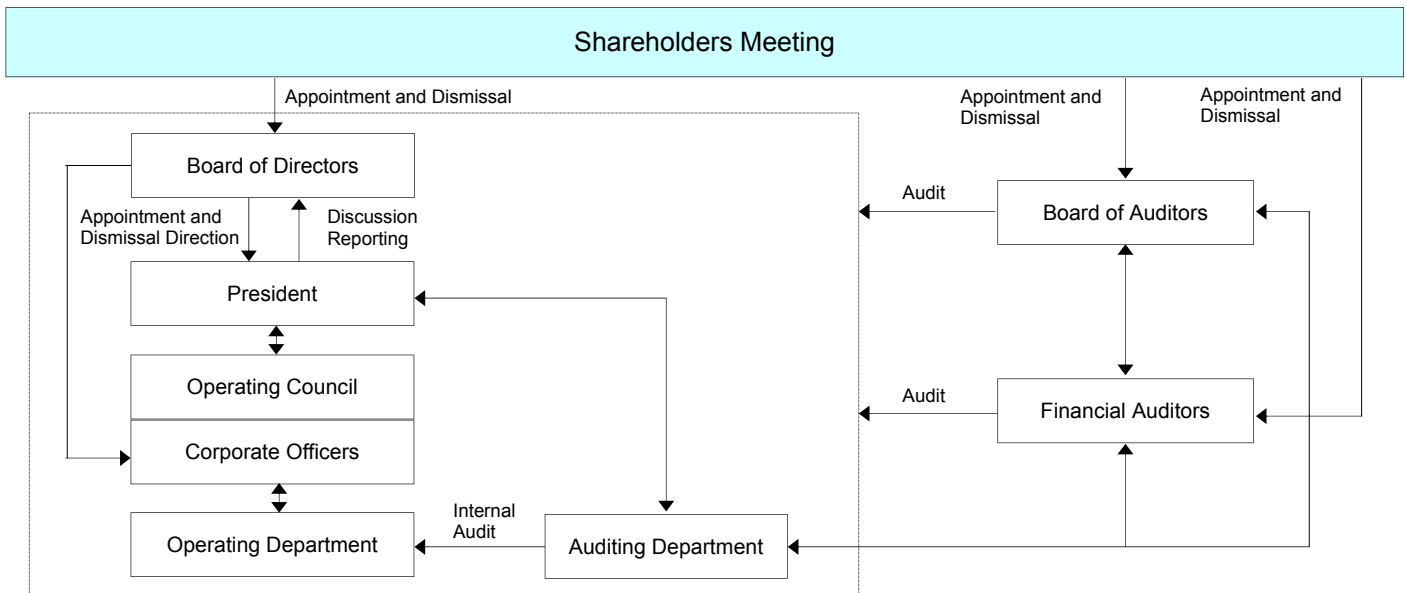


Corporate Governance

Status of Corporate Governance

New JRC believes in corporate governance that responds to the expectation of stakeholders through the expansion of corporate value, keeping our internal control system prepared and active to ensure the effectiveness, efficiency, and suitability of our operations, as we strive for management that makes decisions rapidly and is uncompromisingly transparent.

Corporate Governance System



New JRC has its Board of Auditors set up and we are separating the functions of management decision-making and direction from the function of business operation and introducing an operating officer system in order to strengthen both functions.

The “Board of Directors” of New JRC consists of ten directors (as of June 27, 2011) and is responsible for the company’s major business decisions and overseeing directorial duties. The Operating Council which consists of full-time directors, full-time auditors and corporate officers is held twice every month in order to ensure speedy and efficient decision-making regarding day-to-day operations.

The “Board of Auditors” of New JRC consists of three auditors (as of June 27, 2011) and is responsible for auditing from an independent perspective factors such as the director’s fulfillment of duties, including the preparation and application of internal control system.

Auditing by auditors and internal auditing

Auditors attend important meetings of the Board of Directors, the Operating Council, etc., and give their opinions on suitability, in addition to auditing the New JRC Group and other duties. Auditors are not assigned full-time staff, but they can give directions for matters necessary for the completion of audits. Employees who receive such direction from auditors cannot receive any instructions and orders from directors or their department supervisors regarding the directions received from auditors.

New JRC has its Corporate internal Auditing Department under direct supervision of the president performing internal audits as necessary and perfecting compliance. New JRC’s auditing department’s systematic audits extend beyond business audits to audits into the effectiveness of the internal control system.

Outside directors and auditors

New JRC appoints outside directors so that they can oversee overall business through objective points of view including the views of the parent company and professional perspectives. Outside auditors are appointed with the expectation of drawing on their audit abilities and direction over business execution by utilizing their knowledge and experiences in finance, accounting, and business administration.

Financial auditors

New JRC has an auditing contract with Deloitte Touche Tohmatsu LLC. Structures are in place in order to receive smooth audits, e.g., to provide documents requested in an audit and any materials needed for its execution.

Preparation of the Internal Control System

Considering it an important duty of the management, for the sake of the company's health and sustained growth, to keep the internal control system continuously prepared and active, we have determined a "basic policy on an internal control system," in accordance with the provisions of the Companies Act and the Ordinance for Enforcement of the Companies Act. We have been securing the effectiveness, efficiency, and suitability of our operation in conformity with this policy, and it has also been adopted by each subsidiary.

Perfecting compliance

For compliance activities, New JRC and each of its subsidiaries instituted the "Corporate Code of Conduct" including declarations regarding the commitment of directors and employees and policies. Each department is also raising awareness by offering annual compliance training sessions using a training handbook. Moreover, the Corporate internal Auditing Department receives training reports and conducts compliance audits in order to determine the penetration level of compliance awareness and level of practices.

During fiscal 2010, New JRC assessed how much compliance is penetrated and actually practiced by examining compliance-training reports received from each department.

New JRC also has reviewed the content of the training handbook with a focus on items in common among every department in order to improve the content of the training for future years.

Furthermore, New JRC has concluded the "memorandum on eliminating antisocial forces" with our suppliers and subcontractors to define the position of our whole supply chain as a means to shutting off any relationship with antisocial forces.

Promoting risk management

New JRC Group has implemented a risk management system (RMS) throughout the group with the following risk management policy: "We fulfill social responsibilities by responding in an appropriate manner to the risks which could pose great impact on the smooth operation of our business. Moreover, we pursue sustained growth by ensuring the safety and security of stakeholders including employees, conserving managerial resources, and providing continuous services."

New JRC Group have implemented RMS as well as made continuous improvements to prevent risks and to minimize damage with measures such as responding to risks and states of emergencies that could pose great impact on our business.

In fiscal 2010, New JRC Group has promoted risk management activities by focusing on the risks which are especially important and specific to each department, identifying those risks as the ones each corresponding department has to respond, and then trying to develop countermeasures within RMS.

Assuring reliability of financial report

New JRC has implemented a series of management cycles (PDCA cycles) to ensure credibility of financial report by assessing the effectiveness of the work related to a financial report according to the financial reports internal control system operation rules. The same procedures are implemented among each subsidiary. Furthermore, for work that falls under certain criteria, the auditing department conducts a financial reports control audit to confirm effectiveness, in addition to a Deloitte Touche Tohmatsu LLC internal control audit.

In fiscal 2010, we aimed to "improve the effectiveness of the financial reports internal control system."

We have promoted the holding of in-house briefing sessions for department heads and the integration of documents related to similar work. With these activities, we have continued our efforts, since last year, at eliminating chances of misstatements on important items in financial reports.

As a result, department heads' understanding on the importance of this system has deepened and the streamlining of various procedures has progressed compared to fiscal 2009, and we were able to operate the system appropriately.

We filed our internal control report* to the Kanto Regional Finance Bureau on June 30, 2011.

©Measures for Business Continuity Plan (BCP)

New JRC has established a BCP (assuming an earthquake scenario with an intensity of 6-upper or greater on the Japanese seismic scale) based on a large-scale disaster management regulation to realize the following goal: "In case of large-scale disaster or for such possibility, we are trying to achieve our contribution by implementing necessary measures to ensure the safety of employees and guests, to conserve business property, to recover quickly and continue our work, and to stabilize local communities as soon as possible. We fulfill social responsibility as a company by implementing these measures."

In the future, the New JRC Group as a whole is aiming to review the BCP by examining response manuals including a current large-scale disaster management regulation based on various information and survey results revealed from the Great East Japan Earthquake.

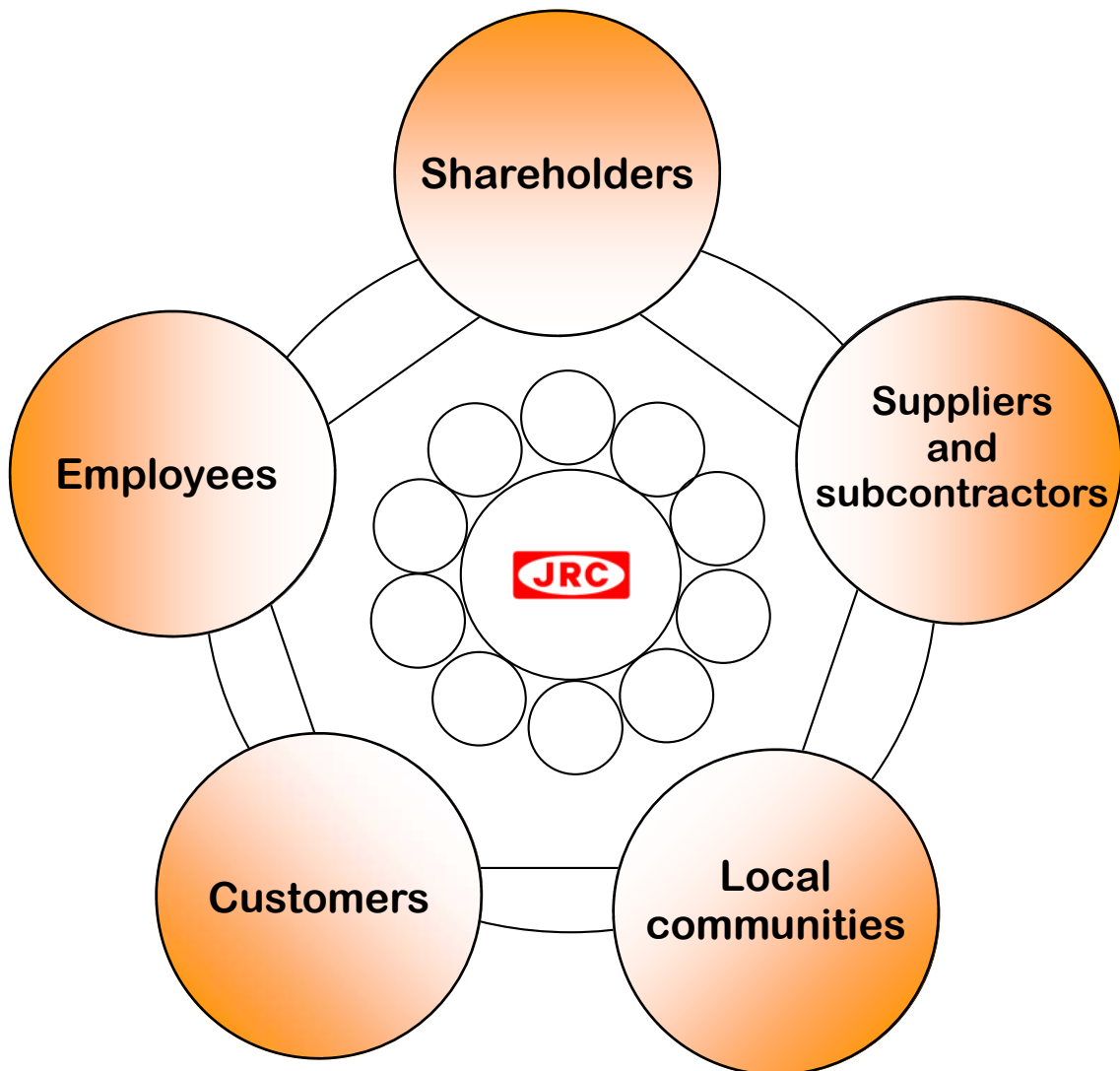
*: For internal Control Report, please visit EDINET (Electronic Disclosure for Investors' NET work) website. (<http://info.edinet-fsa.go.jp/>)

Promise with Stakeholders

We, the New JRC Group, believe that it is important to establish relationships of trust with our stakeholders in order to meet their expectations and demands.

In this section, we will express what type of company we want to be as well as the direction we will aim for in terms of our relationship with “employees”, “customers”, “shareholders”, “suppliers and subcontractors” and “local communities”, respectively, and report the status of our efforts toward these goals and the results of our activities.

Positioning this report as one of our dialogues with the stakeholders, we will put efforts into establishing relationships of trust while continuing to meet your expectations and demands.



Promise with Employees

We, the New Japan Radio Group,
organize an environment where each employee values the company’s philosophy,
shares it among themselves and is able to work sincerely with a professional attitude,
and also provide a solid development system.
Through this, we promise to become a corporate group which can truly satisfy our employees,
making them feel, “I am happy to be a member of the New Japan Radio Group!”

New JRC sees the whole personnel system based on the recognition that each personnel treatment system is linked to each other. With the “qualification grade system” as the main system, we have established diversified systems regarding “employment & staffing”, “development”, “evaluation” and “treatment”.

In addition, we implement a self-awareness survey every year for the purpose of “examining our systems by directly obtaining underlying information from employees” and make use of it for planning various personnel measures. These systems and the measures described below are to be implemented sequentially at our subsidiaries for the optimization of the entire Group.



System chart image

Aiming for the Employment of Appropriate Human Resources and the Staffing for Revitalization

New JRC employs personnel based on the principle that we ensure a certain number of employees who strive for self-development for each job type. Furthermore, as for technical personnel, each division independently hires them in order to employ human resources most suitable for the needs of each workplace. Through such efforts, we aim to ensure the appropriate allocation of human resources.

Moreover, we aim for staffing which takes the activation of the organization and each individual’s career awareness into account through a self-awareness questionnaire and a job entry system, which is for “promoting each employee’s autonomy (independence) and facilitating staffing designed to place the right people in the right jobs from a long-term view, including supporting employees’ career development.”

Striving to Build a Solid Development System

In addition to the stratified development system, New JRC plans and operates group training and self-selection type education programs, including training on practical business affairs and special training by both external and internal instructors, in order to support our employees who have a great desire for growth. We also organize educational and developmental environments by actively introducing correspondence education and open seminars designed to improve the abilities required for our employees.

Planning and Introduction of Self-selection Type Education

New JRC makes active efforts toward planning and introducing self-selection type education programs which respect employees’ independence.

In fiscal 2010, we continued pursuing the “planning and implementation of new education and training programs” as our goal, and we tried to enrich self-selection type education programs based on internal needs and expertise while taking changes in business environments surrounding the company into consideration. Moreover, we newly introduced a seminar “Yugaku-juku (meaning a school of having fun and learn)” as a new style of education which today anybody can join without hesitation.

We also believe that it is essential to improve the basic skills of our technical staff in order to promote their development. As part of the introductory education for new employees, we offered thorough basic education programs, including the “Basic Lecture on Technology”, for new IC engineers.



Seminar “Yugaku-juku”

Providing Personnel Evaluation and Treatment Appropriate for Changes in Environments

The New JRC Group uses various personnel treatment systems for the purpose of “activating the organization, dealing with the diversification of employees and making use of specialists”.

With regard to personnel evaluation, we do not place a disproportionate weight on results but value what actions an employee takes within his or her recognized role based on the Corporate Values. In other words, we value the process. Then, we fairly evaluate the degree of the employee’s contribution to the company. We think it is important to treat the employee according to the results of the evaluation.

Review of the personnel evaluation system

In fiscal 2010, we introduced the personnel evaluation system which responds to changes in business environments in order to evaluate not just the results of duties but also how much one’s potential is demonstrated in the process of performing the duties. Furthermore, we reviewed personnel evaluation items to evaluate activities linked to the streamlining of workplace environments where employees feel satisfied to work. We have also introduced a self-valuation system for our employees (staff and managers).

Activities for Maintaining Employees’ Motivations

New JRC implements solid support activities for the MBO system* based on the notion that the linkage between the MBO system and career development is important for maintaining the motivation of our employees.

The “career counselling room” is also available at all times. It offers not only advice on careers but also consultation on troubles related to workplace environments and human relationships. Furthermore, we provide solid leave systems (volunteer, self-development, health care, nursing and parental leaves) and systems related to childbirth and child rearing, aiming to “create a better work environment which enables employees to manage both work and child-raising/family life as part of our next-generation development support.” In fiscal 2010, we held “discussion meetings” in conjunction with the labor union to nurture the next generation of staff members who work while raising a family, and also conducted an awareness questionnaire for staff.



“Discussion Meeting” to nurture the next generation

Training supporters and helping activities

Since fiscal 2008, New JRC has been developing a management position called “supporters” who have the knowledge necessary for early discovery and response to mental problems as part of our measures to prevent mental health problems caused by work-related concerns and other types of stress.

In fiscal 2010, in addition to continuing to develop “supporters,” we supported their supporting activities to take root by holding “supporters follow-up meetings” for currently employed supporters.

MBO system support activities

The New JRC Group has introduced the MBO system for the purpose of “encouraging each employee to take a greater role in the whole organization, demonstrate more independence, and improve his or her ability to assign tasks while maintaining the top-down and bottom-up balance.” We offer an appropriate, supportive system related to target setting and the MBO system operation within the organization.

In fiscal 2010, we organized and systemized MBO education at each structure level with the aim of further increasing the basic knowledge of MBO.



Supporter Training Program

*: At New JRC, MBO stands for Management By Objectives and Self Control.

To get employees to think, "I am happy to be a member of the New JRC Group!"

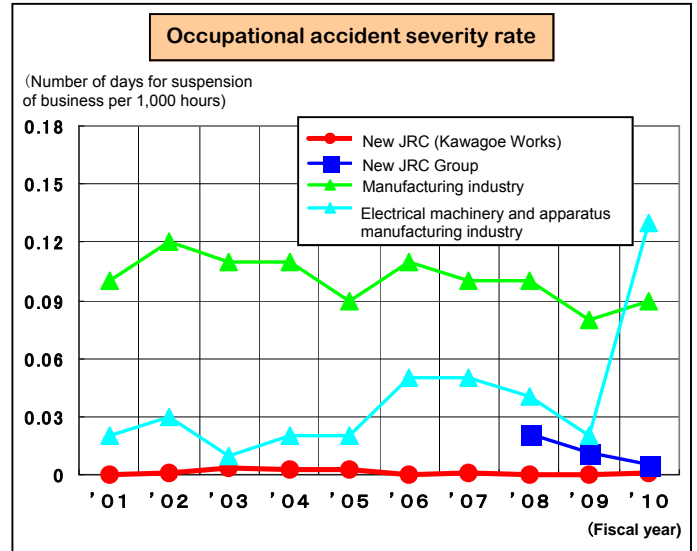
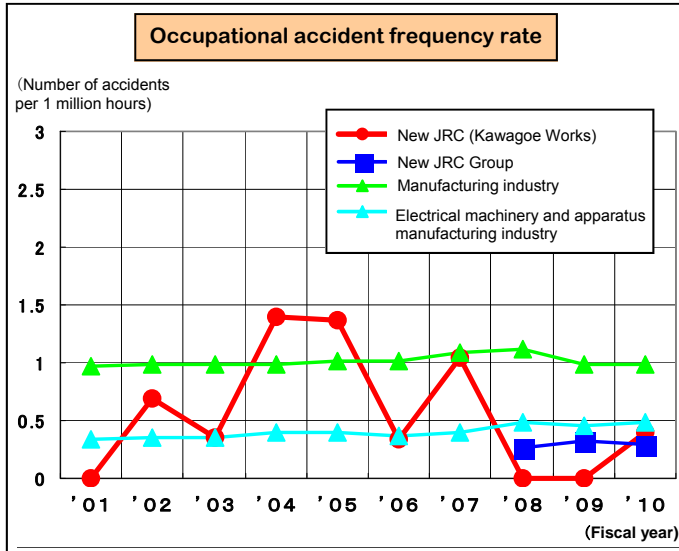
Safety and Health of Employees

At the New JRC Group, based on the principle of "safety and health precede all other things," all of us recognize the importance of safety and health and are working to create a safer, more pleasant workplace by improving our facilities, environment and work methods.

Furthermore, we are actively promoting activities for maintaining and enhancing employees' health by having on staff resident medical personnel including industrial physicians.

In fiscal 2010, we established the New JRC Group Safety and Health Policy and Target in order to facilitate integrated safety-and-health activities within the Group, and worked toward improving the safety and health standards of the entire Group.

At Kawagoe Works of New JRC, with a goal of continuing to achieve consecutive years of no accidents, we are putting efforts into reducing safety and health risks such as making sure that protective outfits are worn, implementing 4S (seiri, seiton, seisou, seiketsu – sorting out, tidying up, cleaning, cleanliness) activities and practicing risk assessment activities. These measures have also contributed to the fact that our occupational accident frequency rates (industrial accident frequency rate) and occupational accident severity rate (degree of accident seriousness), which are the indices of industrial accidents, are lower than the national average.



Group Safety and Health Policy

We, New Japan Radio group, shall continuously work on the securement of safety and comfortable workplaces and the health promotion of employees by operating the safety and health activities appropriately under understanding and cooperation of employees, based on the principle that "safety and health take priority over anything else".

1. We shall comply with the safety and health related laws and regulations, and the safety and health management rules underlying our safety and health activities.
2. We shall establish the targets for every yearly safety and health activity to further improve the safety and health control level.
3. We shall endeavor to eradicate the potential unsafe situations by promoting the safety and health activities such as 4S, near miss assessment and risk assessment.
4. We shall provide positive supports for the employees' voluntary activities for mental and physical health.
5. We shall systematically provide the safety and health educations to increase the employees' awareness of safety and health.
6. We shall make this Safety and Health Policy well-known to the employees as well available to the public.

JRC Group Safety and Health Targets in fiscal year 2011

■ Safety Targets

1. Achievement of zero employment injuries.
(In each business place, achievement of zero employment injuries.)
2. Reduction in the commuting injuries by half compared with the previous fiscal year.
(In each business place, achievement of zero commuting injuries.)

■ Health Targets

1. Promotion of a mental health measures based on the guideline for maintenance and promotion of mental health, etc.
2. Promotion of a comfortable workplaces.
3. Promotion of management of chemical substances.

April 1st of 2011
General Safety and Health Manager of Group
General Manager of Kawagoe Works, Kazuo Ohzoe.
New Japan Radio Co., Ltd.



Safety and Health committee

Promise with Customers

We, the New Japan Radio Group,
think about what kind of joy and satisfaction we can provide by offering our products and services. By meeting “QCDES” in demand, we promise to become a corporate group which can truly satisfy customers, making them feel,
“The New Japan Radio Group is true to its reputation!”

Main Efforts for QCDES

“Q” – Measures for quality assurance

New JRC pushes forward with quality management focusing on the quality management system, striving to increase CS (customer satisfaction).

“C” – Cost reduction

The New JRC Group always provides cost-competitive products and services with an aim to improve the exchange of value which is continuously supported by our customers.

“D” – Delivery date management

In order that we provide products and services in a timely manner appropriate for the delivery date designated by customers, the New JRC Group seeks to maintain and improve the system which allows us to flexibly deal with changes in orders received or production changes by sharing information such as demand forecast between the sales department and the production department.

“E” – Environmental measures

The environmental measures are described on page 19 onward.

“S” – Safety of products

The New JRC Group mindfully prevents the occurrence of defects resulting from design or manufacturing based on the full understanding of the aims of the Product Liability Act, aiming to ensure a higher level of safety for products and services provided to customers.

New Product Development System

New JRC proposes research and development and new product development which are ahead of customer needs, market needs and social needs. We have an internal system where not only product quality and required characteristics but also environmental aspects, safety and customer satisfaction are inspected from the planning stage by reviewing designs at each stage of new product development.

In the fiscal year 2010, we developed 114 new products (core products). As examples of highly original products, we developed products which contribute to society, such as outdoor transmitters for satellite communication, which achieved greater energy efficiency and significant size and weight reductions.

◎CS Questionnaire Results

New JRC implemented CS questionnaires in order to investigate how customers receive our products and the services we provided to them. The results of the questionnaires are as follows.

	Fiscal 2009			Fiscal 2010		
	Microwave tubes and Radar Components	Microwave application products	Semiconductors	Microwave tubes and Radar Components	Microwave application products	Semiconductors
Overall satisfaction level	4.8	4.7	4.5	5.0	4.6	4.5
By category						
1. Sales activities in general	4.7	4.6	4.4	5.0	4.5	4.4
2. Delivery date	4.8	4.5	4.7	5.3	4.5	4.9
3. Quality/functions	4.9	4.6	4.7	5.0	4.7	4.8
4. Technical support	4.8	4.9	4.3	4.8	4.5	4.4

Evaluation criteria

6: Very satisfied 5: Satisfied 4: Somewhat satisfied 3: Somewhat dissatisfied 2: Dissatisfied 1: Very dissatisfied (Median: 3.5)

Promise with Shareholders

We, the New Japan Radio Group,
with support from our shareholders, grow continuously and
fulfill social responsibilities through the highly transparent conduct of our business.
By appropriately returning what we achieve,
we promise to become a corporate group which can truly satisfy our shareholders,
making them feel, “The New Japan Radio Group is worth supporting!”

Appropriate Return to Shareholders

Considering the importance of continuing steady cash dividends to our shareholders, New JRC holds up a basic policy of distributing dividends biannually at the middle and end of the fiscal year. During fiscal 2010, we exerted a strong effort to further recover our business performance in order to realize resumption of the dividend. We achieved some positive results by sales expansion strategies and promotion of efficiency and streamlining in general management. However, we determined to hold distribution of both the interim and year-end dividends due to the still uncertain future of order-receiving and currency exchange trends.

(Changes in dividends per share)

	Fiscal 2006	Fiscal 2007	Fiscal 2008	Fiscal 2009	Fiscal 2010
Interim	6.00 yen	6.00 yen	6.00 yen	0.00 yen	0.00 yen
Year-end	6.00 yen	6.00 yen	2.00 yen	0.00 yen	0.00 yen
Annual Total	12.00 yen	12.00 yen	8.00 yen	0.00 yen	0.00 yen

Timely and Appropriate Disclosure of Corporate Information

New JRC considers it important, not only to timely disclose information required by law, but also to continually disclose information that is useful to our shareholders and investors in order to maintain business transparency.

During fiscal 2010, we invited institutional investors and financial analysts to the result briefings held in May and November to provide explanations (mainly regarding our business and product strategies aiming to return to a growth track) and we also sent out reports to our shareholders.

Furthermore, we have reviewed “IR” pages on New JRC’s website in order to improve convenience for the users.*

*: For disclosure documents and results briefings material, please visit New JRC’s website at <http://www.njr.co.jp/english/>

Commitment to Open Shareholders Meetings

New JRC considers it important to operate a shareholders meeting, which is the highest decision-making body of the company, in a proper manner so that the shareholders can understand and support our business.

During fiscal 2010, we avoided the days on which shareholders meetings of other companies were heavily concentrated and held an annual meeting of shareholders on June 27, 2011 so that more shareholders could attend. We reported on various kinds of items and also obtained approvals on all agenda items for fiscal 2010.

We will strive to operate our business based on the agendas approved by our shareholders.



The 76th Annual Meeting of Shareholders

Development of Optimal Financing and Fund Management

New JRC is working to improve our financial strength based on a mid-to-long term financing structure. During fiscal 2010, we maintained stable business operations with a long-term fund of 10 billion yen obtained in fiscal 2009 by creating syndicate loans. Also, utilizing the 3-billion-yen commitment line contracts we entered into at the same time, we realized more flexible financing arrangements. Moreover, we review cash flow improvement plans as part of our financial strength improvement and we are working on the enhancement of the management base through development of the cash flow management system.

To get shareholders to think, “The New JRC Group is worth supporting!”

◎Mid-to-long Term Business Strategies

Mid-to-long term business strategies for the growth of the New JRC Group are formulated with emphasis on the following points.

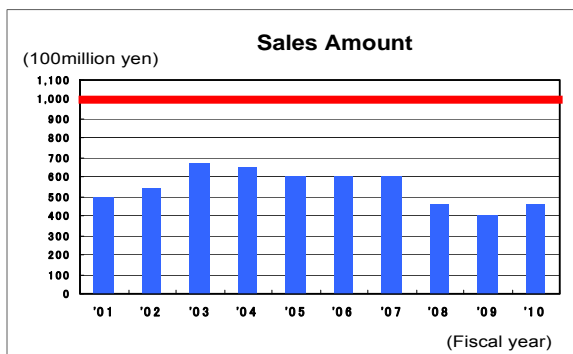
1. Strengthening the sales forces in East Asia
(Action plans)
 - 1) To Strengthen the function by increasing the number of FAEs (Field Application Engineers)
 - 2) To promote global cooperation of overseas sales bases in East Asia
2. Strengthening price competitiveness and ensuring profit
(Action plan)

To reconstruct production systems restructuring and cost-reduction from the perspective of group-wide optimization and to promote
3. Developing new products, in collaboration with other businesses unique high-value-added products & technologies, and new devices
(Action plans)
 - 1) To develop new products such as power devices using BCD (bipolar-CMOS-DMOS) processes, which are developed in collaboration with UMC Japan
 - 2) To develop SiICs, such as digital controlled power supply ICs, digital video decoders, and low-current wireless Transceiver ICs, as well as to put them into practical use
 - 3) To develop MEMS (Micro Electro Mechanical Systems) devices, SiC and GaN wide bandgap semiconductors, and millimeter-wave devices, as well as to put them into practical use
4. Conducting socially responsible businesses
(Action plans)
 - 1) To promote quality management and environmental management
 - 2) To expand an application of ISO/TS16949 (international standard for quality management system for the automobile industry) among the group
 - 3) To maintain and improve CSR activities and the internal control system

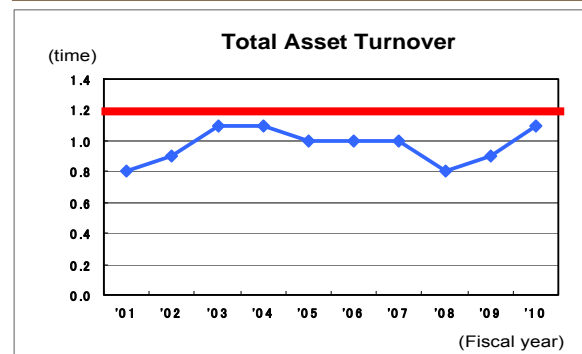
◎Target Managerial Indexes and Changes in Achieved Results [Consolidated]

Although the business environment that the New JRC Group operates in is very challenging, we are trying to make a speedy business recovery and continue to aim at reaching the following four indexes.

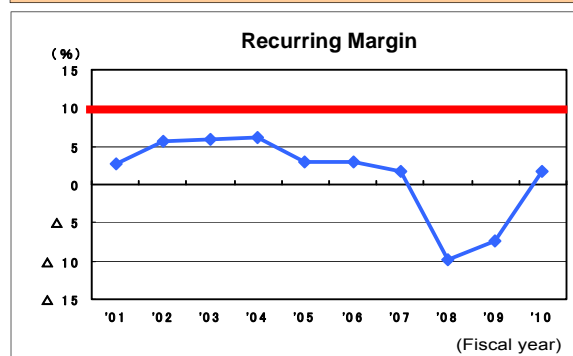
Sales Amount
Target: 100 billion yen or more



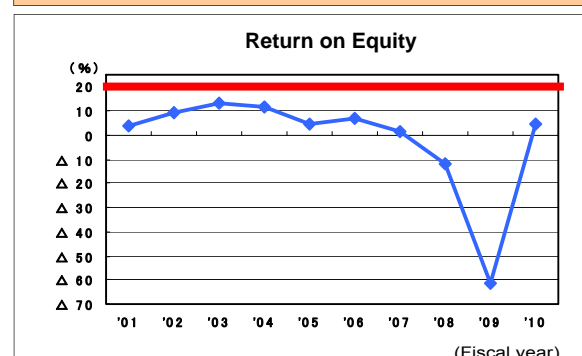
Total Asset Turnover
Target: 1.2 turnover or more



Recurring Margin
Target: 10% or more



Return on Equity
Target: 20% or more



To get suppliers and subcontractors to think, “The New JRC Group is trustworthy!”

Promise with Suppliers and Subcontractors

We, the New Japan Radio Group,
build excellent partnerships full of trust and respect with our suppliers and
subcontractors through healthy transactions.
By working together for further development and growth,
we promise to become a corporate group which can truly satisfy our suppliers and
subcontractors, making them feel, “The New Japan Radio Group is trustworthy!”

Promoting CSR Procurement

Our mission is to procure superior materials and services for QCDES, as well as to contribute to stable and continuous production activities and to enhanced performance without neglecting consideration for the compliances and environment from CSR points of view.

In fiscal 2010, we promoted the purchasing and subcontracting activities of the New JRC Group based on the basic procurement policies formulated in April, and we also started activities to fulfill the CSR procurement.

In fiscal 2011, we are going to enhance cooperation among the New JRC Group through exchanging information within the Group under circumstances where the supply chains are not normal due to the Great East Japan Earthquake. We will work to ensure stable and continuous production activities under mutual understanding and the trusted relationships we have with our suppliers and subcontractors.

Basic Procurement Policies (New JRC)

1. Open-door policy

By following the principle of free competition, we will make efforts for open, fair, and honest purchasing and subcontracting activities.

2. Partnership

Our intent is to develop and grow with our suppliers and subcontractors as equal partners through healthy transaction relationships. To do so, we will make efforts to better mutual understanding and improve relationships of trust through closer communication.

3. Legal compliance and confidentiality

Besides complying with laws, we respect social norms and promote sensible purchasing and subcontracting activities. Furthermore, we suitably manage our suppliers' and subcontractors' confidential information obtained through transactions, and such information will not be disclosed to outsiders without the suppliers' and subcontractors' consent.

4. Green procurement

We will work on greener procurement for conservation of the global environment.

5. CSR

We will promote CSR (Corporate Social Responsibility) approaches across the board. For that reason, we will also promote CSR procurement for purchasing and subcontracting activities.

©Commitment to Green Procurement

Green procurement of stationary and office supplies

The New JRC Group is making an effort to maintain and improve the green procurement rate by establishing procurement criteria for office supplies such as EcoMark-certified and Green Purchasing Network-listed products.

Green procurement of equipment

Before procurement, New JRC Group confirm that equipment does not contain any hazardous chemicals and is resource saving.

Green procurement of parts and materials

The New JRC Group has prepared “the New JRC Group management criteria of environment-related substances” and provided its criteria to our suppliers and subcontractors in order to clarify prohibited substances in parts and materials purchased by the group. We also examine the contents of parts and materials.



Green procurement

To get people in local community to think, “We can get along with the New JRC Group!”

Promise with People in Local Community

We, the New Japan Radio Group,
not only provide products and services but also continue to be aware of how significant
our employees and corporate activities as a whole are in society and
whether our activities make contributions to local communities.
We promise to become a corporate group which can truly satisfy people in a local
community, making them feel, “We can get along with New Japan Radio Group!”

Disaster Preparedness

In cases where disasters including earthquakes occur, the New JRC Group follows the large-scale disaster management regulations as well as our disaster prevention manual at the facilities and implements various types of disaster prevention activities using our organizational strength and equipment in order to minimize human and physical damage. Furthermore, we conduct Group-wide safety confirmation drills and organize our communication plan within the Group to be followed in the event of a disaster.

In fiscal 2010, we reviewed our “fire defense plan” and “fire defense organization” as a measure to correspond with the revised Fire Service Act, and reinforced our disaster prevention activities.

In compliance with the “Disaster Prevention Activity Plan for 2010,” New JRC Kawagoe Works implemented a variety of education and training programs in disaster prevention (disaster prevention education for new employees, fire extinguisher training, fire hydrant handling training, company-wide disaster drills, etc.). Moreover, we conduct disaster prevention activities, such as setting up special committees at our facilities where high-pressure gasses and hazardous materials are handled on an ongoing basis.



Company-wide Disaster Drill



Fire Extinguisher Training

© Actions on the impacts of the Great East Japan Earthquake

New JRC promptly has set up an emergency headquarters after the Great East Japan Earthquake. The headquarters discusses effective countermeasures by collecting information on matters which affect business operations such as disruptions in logistics functions, planned blackouts, and peak power suppression measures in the summer months, and sequentially implement the countermeasures. We, the New JRC Group, fulfill our social responsibilities by recognizing once again that we are a member of society, seeking “what we can do,” and acting on every one of the plans.



Emergency Headquarters

◎Introduction of Social Contribution and Community Activities

Reception of interns

New JRC and THAI NJR support students in having experiences related to their majors and future careers through having them work at companies while they are still in school. We receive interns every year. In the fiscal year 2010, we received 8 interns.

Reception of local junior high school students through the Social Experience Challenge Program

New JRC supports the Social Experience Challenge Program for junior high school students sponsored by Fujimino City in Saitama Prefecture. We support this program’s activities by receiving students of junior high schools in the city to our Kawagoe Works.

Our desire is to help them widen their views on life through communications with those engaged in work and provide them with opportunities to think about the difficulty and joy of working as well as their future careers.

We received 5 students from two junior high schools in the city in 2010.



Social Experience Challenge by local junior high school students

Cleanup activities around the company

The main facilities of the New JRC Group cooperate in local cleanups to show our gratitude to local communities who always support our business. As part of our local volunteer activities, we regularly implement cleanup activities around the company with the support of labor unions and employees’ families.



Area around New JRC Kawagoe Works

◎Recognition from Local Organizations, etc.

Receiving an award at a nationwide contest for safe facilities

At the Thailand nationwide contest for safety and health sponsored by the Thai Ministry of Labour, THAI NJR received an award for excellent facilities from the Minister of Labor Chalermchai.

We have received this award for 7 consecutive years.



Received in July, 2010

Silver award at the Zero Accident Campaign

Following the bronze award in 2009, THAI NJR won the silver award at the 2010 contest, which was sponsored by the Thai Ministry of Labour, for its management system, management conditions and clean accident record related to safety and health.



Received in July, 2010

Quality and Environmental Management

Quality Policy and Environmental Policy

In order to facilitate quality management and environmental management, New JRC Group declare the New JRC Group Vision and set policies at each company.

Quality vision of New Japan Radio Group

The New Japan Radio Group will provide products and services meeting society's and customer's expectations and quality needs using the unique technologies and ingenuity of all members.

Environmental vision of New Japan Radio Group

Recognizing that protecting the global environment is a major issue for everyone to assure sustainable growth, the New Japan Radio Group will work together in all fields of manufacturing, sales, and service of semiconductor and microwave products to protect the environment.

Basic Quality Policy and Basic Environmental Policy (New JRC)

With the Basic Quality Policy and Basic Environmental Policy, New JRC carries out activities focusing on the improvement and management of the quality and environment.

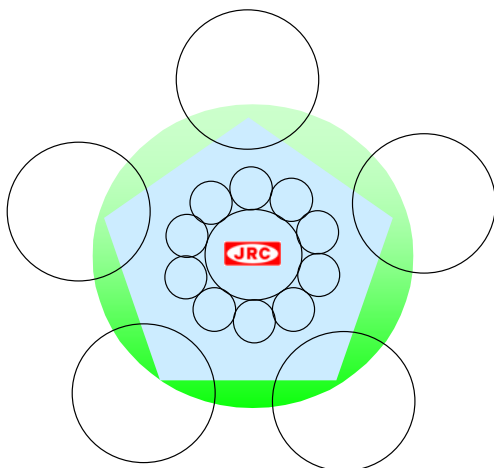
In fiscal 2010, we declared in the basic environmental policy to engage in social action programs and nature conservation activities, such as biological diversity.

Basic Quality Policy (New JRC)

- (a) We provide ingenious products and create attractive quality by focusing on customers' expectations and needs.
- (b) We ensure quality meets customers' needs by continuing improvement of quality activities in all product processes.
- (c) We set annual quality targets that all members work together to achieve.
- (d) We use the PDCA cycle effectively as a quality management system for the company's basic management system to prevent recurrence of problems.
- (e) We provide safe and reliable products and services by complying with safety laws and regulations.

Basic Environmental Policy (New JRC)

- (a) We comply with agreed environment-related laws, policies, etc., while also establishing and complying with any necessary voluntary standards.
- (b) We create and review basic documentation for the environmental management system to continuously improve it.
- (c) We set environmental objectives and targets, thereby striving to continuously improve environmental performance.
- (d) To reduce environmental loads and prevent pollution, we engage in the following activities to prevent global warming, reduce waste and hazardous substances, and save resources.
 1. Perform energy saving at manufacturing and service facilities, and electricity saving campaigns
 2. Control release of general and industrial wastes
 3. Work towards reducing manufacturing chemical emissions and substituting materials with lower environmental loads
 4. Work towards developing and offering environmentally friendly products, such as low-power products
 5. Manage chemicals in products to promote elimination and reduction of hazardous substances
 6. Expand environmentally beneficial activities through improvement of primary business
- (e) We implement social contribution activities, thereby striving to nature conservation and environmental protection.
- (f) We provide environmental education to all staff to raise awareness about environmental protection.
- (g) We make our environmental policy in public.



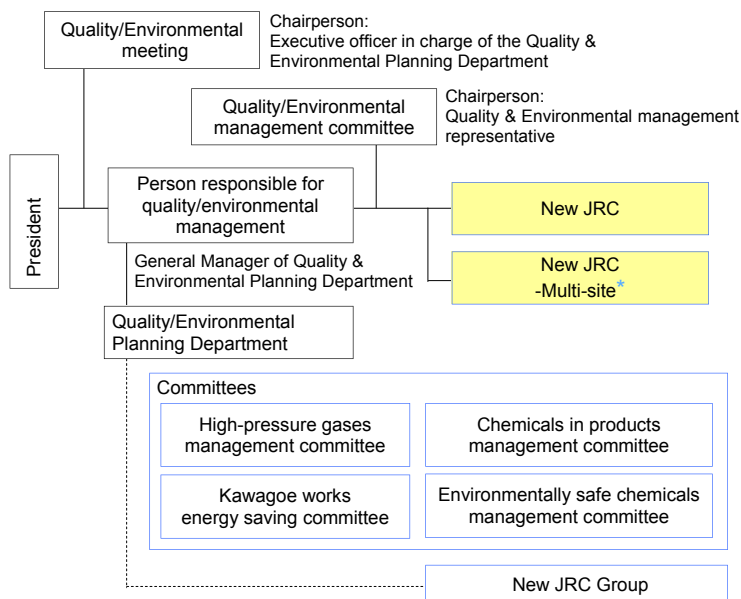
Quality and Environmental Management

The New JRC Group strives to contribute to creating a livable society by maintaining and improving two management systems which are positioned as part of quality and environmental management.

Quality and environmental management organization structure

At the New JRC Group, each company streamlines its quality and environmental management organization structure and implements quality management and environmental protection activities.

Quality and environmental management organization structure of New JRC



*: New JRC-Multi-site certification
 ISO 9001: NJR Chichibu
 ISO 14001: NJR Trading, NJR Chichibu,
 NJR Service (dissolved as of April 1, 2011)

External and internal environmental audits

The audits include an external examination* (performed by examining authorities) and an ISO14001-required internal environmental audit (performed by company). The New JRC Group undergoes external examinations by examining authorities and performs internal environmental audits using its internal auditors, in an ongoing effort to maintain and improve the quality and environmental management system.

*: For information on "The New JRC Group's ISO9001/TS16949 and ISO14001 certification acquisition statuses," please visit New JRC's website at <http://www.njr.co.jp/english/>

Environmental Accounting

The New JRC Group employs environmental accounting as business management and information disclosure tools to assess the efficiency and effectiveness of the environmental management system. In fiscal 2010 environmental investment totaled 59 million yen, and our environmental conservation expenses were 441 million yen. The effects of our environmental conservation were, looking from the results of our energy-saving activities, 163 tons of CO₂ reduction, and, in terms of resource reduction, 437 thousand kWh of electricity, 1,036 m³ of water, and 21,924 kg of waste. The economic effects of our environmental conservation amounted to approximately 13 million yen. We are going to continuously engage in planned investment and enhancement of energy conservation.

Item		Environmental investment (¥1,000)	Environmental conservation cost (¥1,000)	Economic effects of environmental conservation measures (¥1,000)	Environmental conservation effects
Cost in business area	Pollution prevention	-	2,234	-	
	Global environmental conservation	59,060	81,659	4,224	Electricity reduction: 437,000 kWh Greenhouse gases reduction: 163t-CO ₂
	Resource recycling	-	48,199	9,088	Paper reduction: 242 kg Negative developing solution reduction: 889 kg Water reduction: 1,036 m ³ Waste reduction: 21,924 kg
Upstream/downstream		-	103	-	Packing material: 1,335 kg reduction
Management activity		-	40,945	-	
R&D		-	142,481	-	
Social activity		-	1,778	-	Tree planting: 240 trees Donation of polio vaccine: 155 people's worth
For environmental damage		-	-	-	
Other costs		-	123,905	-	
Total		59,060	441,304	13,312	

Quality/environmental education for employees

The New JRC Group provides quality and environmental education to employees at each company. We conduct various educational programs so that they understand the companies' policies and targets toward quality and the environment through education and training, aiming to contribute to the continuous implementation of improvement activities as well as the maintenance, management and improvement of our quality and environmental management system.

In addition, we are making efforts toward raising our employees' awareness of environmental conservation and rules and regulations.

To prevent accidents, we provide special education and training to employees working in operations with significant environmental risks, such as handling high-pressure gases and chemicals, and operations related to environmental regulations.

Environmental Efforts

Main target companies of environmental efforts:
New JRC Head Office and Kawagoe Works, NJR Trading, NJR Chichibu, NJR Service, Saga Electronics, NJR FUKUOKA, THAI NJR

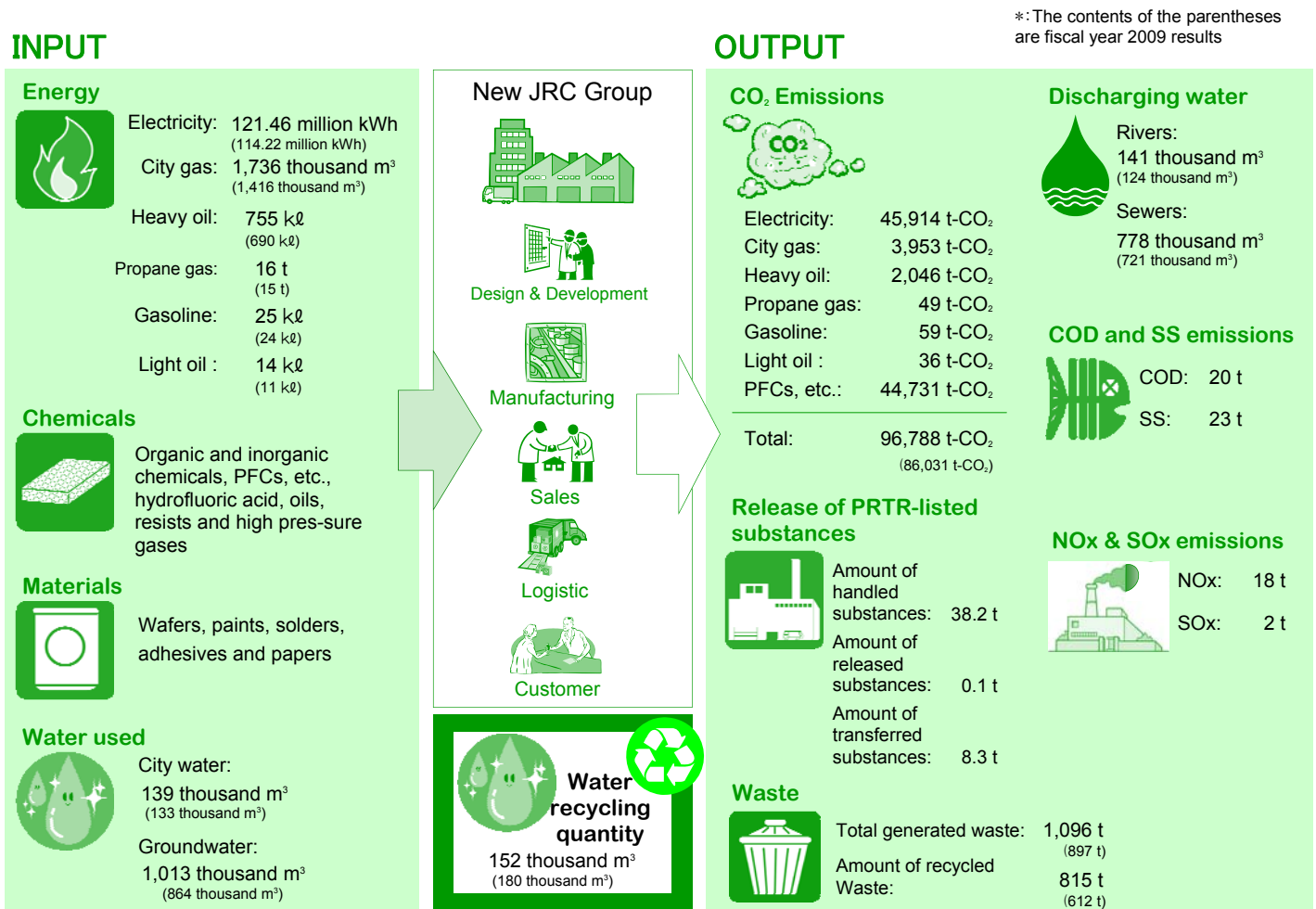
Involvement in Business Activities and Environmental Protection

Business activities such as design & development, raw materials procurement, manufacturing, sales and logistic of each product family have various environmental impacts on surrounding areas and the global environment. We are assessing these impacts, and promoting load reduction activities for activities with greater impact.

New JRC Group's material flow

When reducing environmental load, the New JRC Group works to understand the environmental load of its business activities. The following outlines the environmental load caused by the business activities of the New JRC Group from input of raw materials and energy to logistic of final products.

In fiscal 2010, both INPUT and OUTPUT increased as production increases.



Environmental aspect and impact assessment

In addition to INPUT and OUTPUT assessments, New JRC introduced a system to extract and assess the environmentally friendly operations of each department to help promote measures with beneficial impacts on the environment. Thus, we promote measures to create beneficial impacts on the environment.

This environmental impact assessment is conducted every year. Through this assessment, we aim to again acknowledge the relationship between each department's operations and the environment as well as to raise each and every employee's environmental awareness.

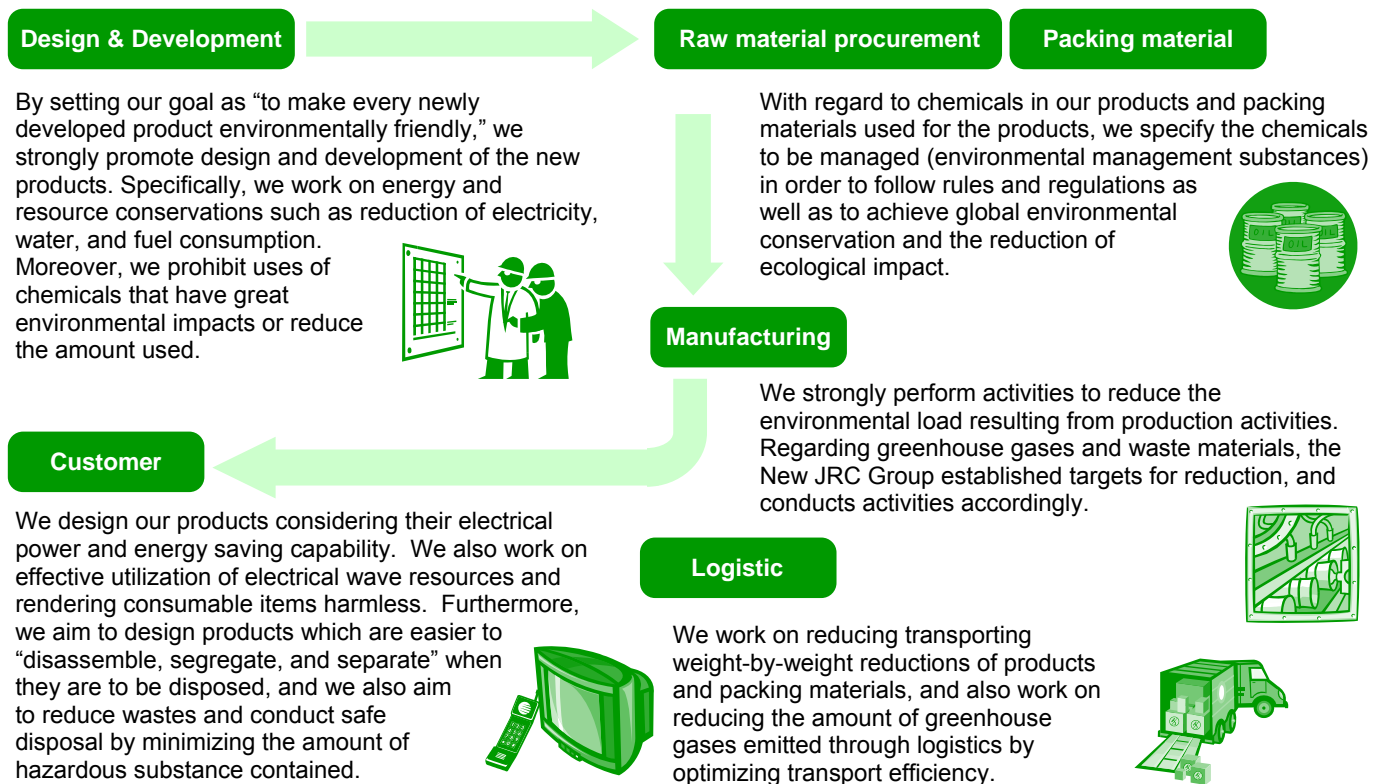
In fiscal 2010, we determined from the results of our assessment that electricity and 28 different chemicals among INPUT and chrome etching waste liquid and calcium fluoride sludge among OUTPUT had high environmental impacts; we identified these substances as "substances which have impacts on the environment." Accordingly, we reduced amount of consumption for INPUT and enforced recycling for OUTPUT.

Reducing the Environmental Load in the Product Life Cycle

The New JRC Group aims to reduce its environmental load through business activities and product lifecycles.

Environmentally Friendly Products

The New JRC Group is developing new products while considering, throughout the course of product development, the various impacts that products have on the environment.



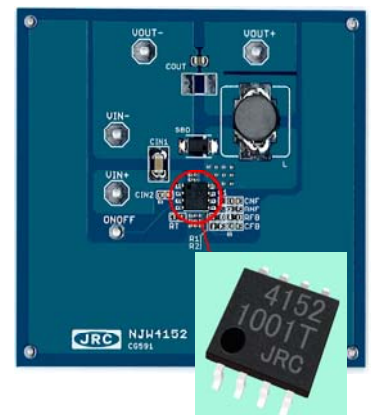
© “Wide input-range products” contributing to conservation of ecology

New JRC names semiconductor products which operate with a wide range on supply voltages “wide input-range products,” and 34 new products have been developed. Power supply ICs which accommodate a wide range of supply voltages are needed in a broad number of areas including in-vehicle devices, industrial instruments, and home appliances.

For example, car navigation systems are usually designed to operate with 12 V batteries, but they need to withstand a pulse voltage of around 35 V for safety design reasons. Moreover, new needs of “being able to operate with low voltages” have also arisen, in addition to the ones mentioned above, for eco friendly vehicles such as idling-stop vehicles and electric vehicles. An engine starter has to turn over often in idling-stop vehicles, and therefore, it has to operate uninterruptedly even under a temporarily low voltage condition when starting up the engine.

“Wide input-range products” have been developed to meet these needs.*

NJW4152 (representative product)



*: For more information on “Wide input-range products,” please visit New JRC’s website: <http://semicon.njr.co.jp/eng/wideinputrange/>

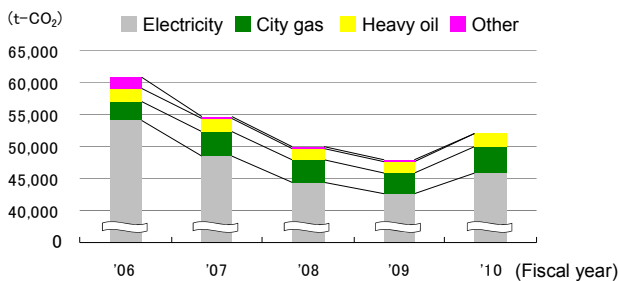
Prevention of Global Warming

A major cause of global warming is increased emissions of “greenhouse gases”. So, we are committed to taking energy-saving measures, using energy effectively to reduce CO₂ emissions from energy use. Also, we are committed to reducing PFCs, etc., high Global Warming Potential (GWP) Gases, and replacing by lower GWP gases.

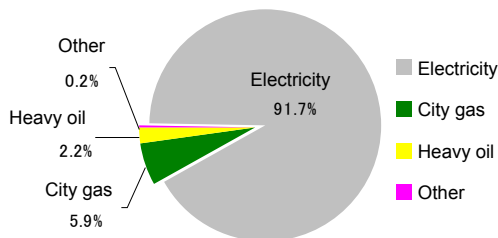
Reduction of the energy origin CO₂ emissions

To reduce CO₂ emissions as far as possible, the New JRC Group is working on energy-saving manufacturing and air-conditioning facilities, high-efficiency operation, installation of inverters in air conditioners, lighting and extraction fans, streamlining and rationalization of manufacturing, and fuel conversion from heavy oil to city gas.

Amount of the energy origin CO₂



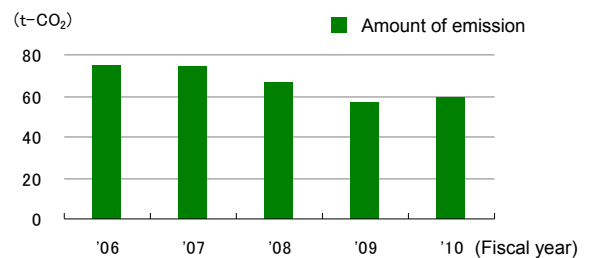
Energy breakdown of New JRC Group in 2010



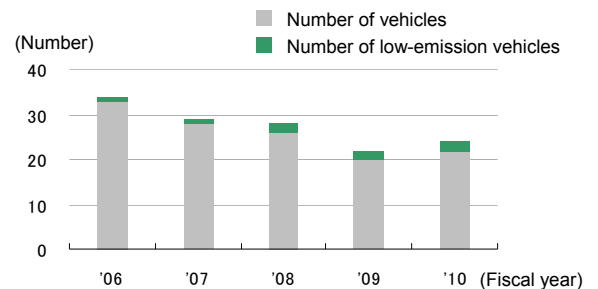
CO₂ reduction for company-owned vehicles

The New JRC Group is practicing idling-stops to reduce CO₂ emissions from company-owned vehicles.

Changes in the amount of CO₂ emissions from gasoline



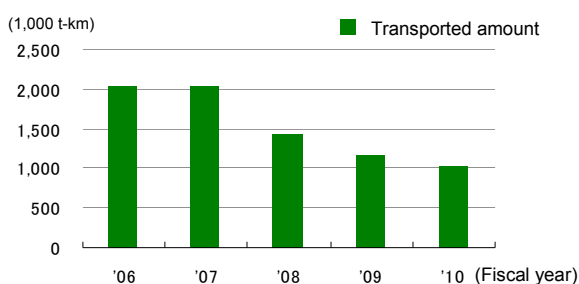
Number of company-owned vehicles



Reduction of CO₂ emissions from product transportation

The New JRC Group works on the reduction of CO₂ emissions from manufacturing processes, and each facility of each Group company works on reduction of CO₂ emissions through measures of effective logistics and measures for improving fuel efficiency by weight reductions.

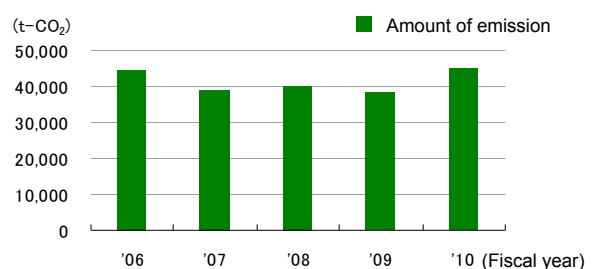
Transported amount



Reduction of PFCs, etc.

The New JRC Group uses various greenhouse gases, such as perfluorocarbon (PFC), hydrofluorocarbon (HFC) and sulfur hexafluoride (SF₆) in semiconductor-related manufacturing. To help prevent global warming, we are working to reduce and substitute these greenhouse gases.

Emissions of PFCs, etc.



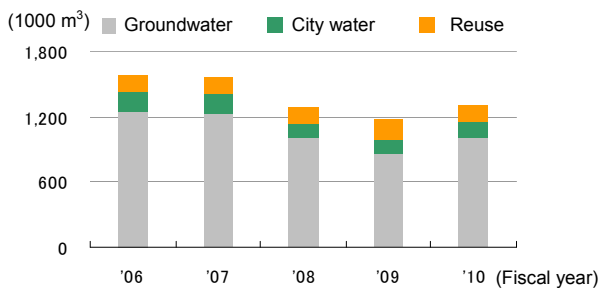
Building a "Sound Material Cycle Society"

To maximize the efficiency in usage of the limited resources is a major challenge in global environment conservation. We are committed to reducing environmental loads by promoting consumption reduction, resources reconversion, and recycling.

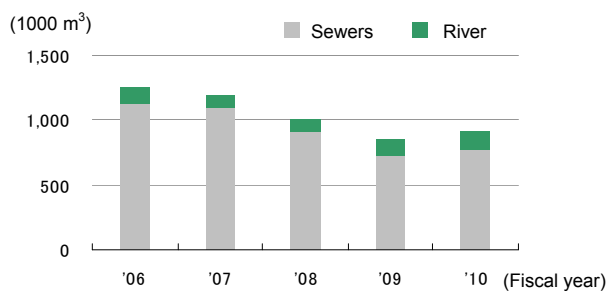
Control of the water usage

About 89% of the water used by the New JRC Group is supplied from groundwater. It is used as pure water for the processes in semiconductor manufacturing, cooling water for equipment, air conditioning water for temperature regulation, and other water for miscellaneous uses. We have always been promoting activities to reduce the amount of water use and to improve water-use efficiency, and we will continue maintaining and managing the activities.

Changes in water usage



Changes in water discharge



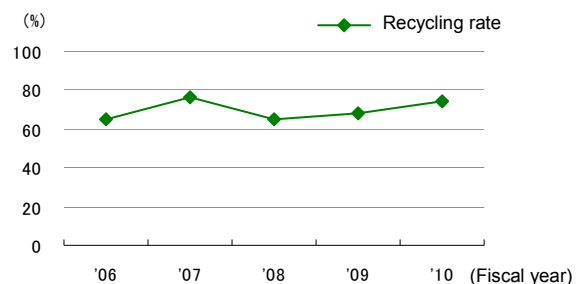
Reduction of the total volume of waste generation

The New JRC Group controls waste generation and reused or recycled waste. We carefully sort the various wastes generated by facilities based on resource and type. We also review collection methods to familiarize employees with separation methods for reusing or recycling waste. In future, we will continue to promote turning water into valuable resources through separation and breakdown and to control the total volume of waste generation in addition to recycling.

Changes in waste discharge amount



Recycling rate



Segmented valuable resources

Response to Environmental Risks

Some chemicals used in manufacturing can damage health or have a serious adverse effect on the natural environment even in small amounts. In addition to managing appropriate use of chemicals, we are working to replace hazardous chemicals with harmless ones as well as on reducing emissions. Moreover, in order to comply with regulations, we voluntarily set more stringent standards than the regulation values.

Environment-related regulatory compliance

The New JRC Group established a system to take prompt and appropriate measures to take in cases of violation of law or an incident related to the environment and any other problems.

[Accidents and violations of legal regulations and other requirements]

No accident or violation has occurred in fiscal 2010.

[Whether or not environment-related lawsuits have been filed, content of lawsuits, and state of response to lawsuits]

No environment-related lawsuits have been filed in fiscal 2010.

[Amount of penalty, fine, etc., concerning environment; number of penalties, fines, etc. concerning environment]

No penalties, fines, etc., have occurred in fiscal 2010.

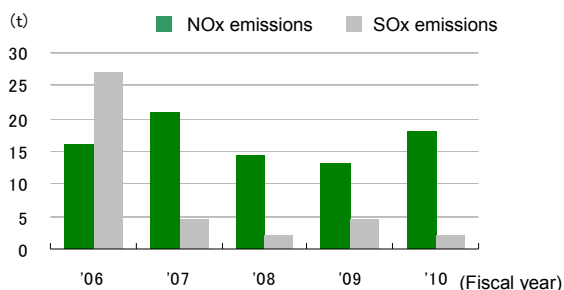
[Complaints about environment]

No complaints, etc., have occurred in fiscal 2010.

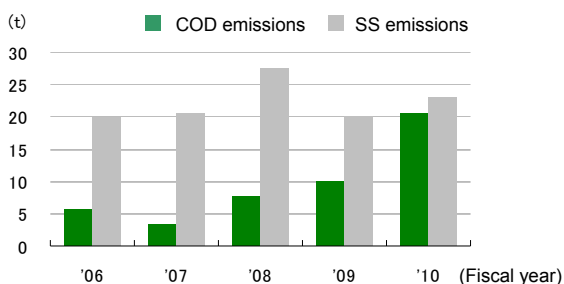
Air pollution and water pollution prevention measures

The New JRC Group has set severer "voluntary management criteria" for emissions than the stipulated emission concentrations in government standards, and we prevent environmental contamination such as air pollution and water pollution by conducting periodic measurements.

Changes in SOx and NOx emissions



Changes in COD and SS emissions



Note: In addition to the measurement of storm water discharge, we have added the measurement of public sewers for COD emissions monitoring since fiscal year 2010.

Appropriate Management of Chemicals

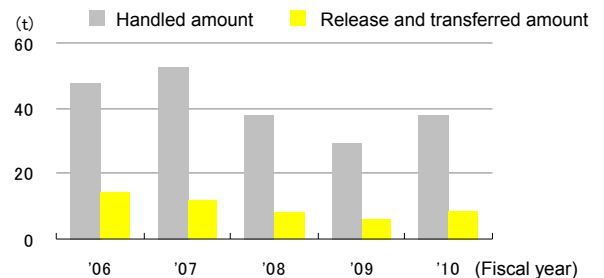
The New JRC Group uses various chemicals and is establishing a management system for chemicals while working on reducing the amounts used.

With regard to the main chemicals that are used, chemicals that are thought to be possibly used and substances which are prohibited for use, New JRC has established the "environmentally safe chemical management standards", which specifies the names of approximately 350 kinds of substances and their classifications, in order to ensure appropriate management.

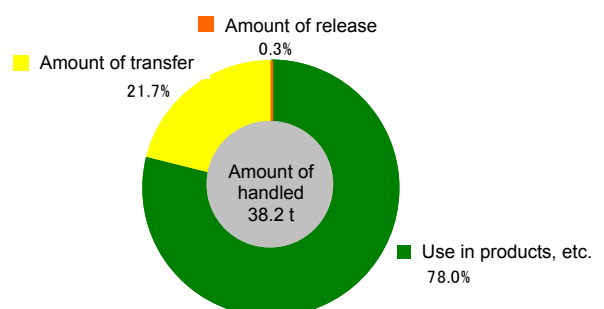
Reduction of PRTR Law-listed Substances

New JRC Group companies and facilities in Japan abide by the Law Concerning Reporting, etc. of Releases to the Environment of Specific Chemical Substances and Promoting Improvements in Their Management (PRTR Law). We monitor the releases of chemical substances to the air and public waters and the amounts of waste transferred out of the facilities as well as released to the sewer, and report releases to the municipalities.

Changes in PRTR Law-listed substances



Handled amount of PRTR Law-listed substances and amount of release and transfer in 2010



Conservation of Biological Diversity

As the awareness of the Earth's environment heightens, environmental challenges that corporations have to work on have been diversified.

In addition to activities for reduction of environmental loads such as prevention of global warming, resources circulation, and management of chemicals, consideration of biological diversity is expected.

We engage in minimizing the impacts that our business operations could have on living organisms, as well as promoting the conservation of biological diversity through cooperation with society.

Approach to conservation of biological diversity

The New JRC Group has been continuously conducting greening activities such as tree planting, green roof, and green curtain. We also engage in the conservation of biological diversity which is a foundation of ecosystem services.

New JRC has been conducting forest conservation activities since fiscal 2010.

A large volume of groundwater is used for production of semiconductor products. Water is purified by organisms in the forest and becomes groundwater. We need to conserve the biological diversity of forests in order to continue utilizing natural resources such as groundwater.

In fiscal 2010, we planted 240 trees including sawtooth oak (*Quercus acutissima*), konara oak (*Quercus serrata*), wild chestnut (*Sterculia murex*), and wild cherry (*Prunus jamasakura*) trees in "Tatsugaya" Ogosemachi, Saitama. The staff who could not participate in tree planting instead participated in forest conservation activities by means of a donation.

We will continue engaging in the conservation of biological diversity through forest conservation activities such as greening and underbrush trimming.



Green Curtain



Green Roof



Tree Planting, November, 2010

Medium-term Environmental Targets

We set the fiscal year 2010 medium-term environmental targets for the New JRC Group, and activities were implemented independently at each company.

New JRC Group medium-term environmental targets

(Judgment; OK: achieved, NG: not achieved)

Target items	Target type	Unit	Fiscal 2010 results/judgement		
			Target for fiscal year	Actual results	Judgement
Copy paper usage (absolute quantity) <Converted in Size A4 >	Absolute quantity target	1,000 sheets	8,266	5,034	OK
Energy used	Absolute quantity target	1,000 GJ	1,599	1,152	OK
Carbon dioxide emissions	Absolute quantity target	t-CO ₂	78,821	89,357	NG
Transported amount	Absolute quantity target	1,000 t-km	6,969	1,031	OK
Amount of PRTR substances handled	Absolute quantity target	Kg	67,190	38,164	OK
Amount of non-recycled waste discharged	Absolute quantity target	t	354	281	OK

(Reasons for the judgment "NG" and the plans for improvement)

Carbon dioxide emission: We made improvement by using hexafluoroethane as an alternative gas and by shortening the time of product treatment performed with equipment that uses octafluoropropane. However, types of products and production of products which use PFC gas have both increased, and therefore, the amount of emission increased. In fiscal 2011, we are planning to introduce a PFC treatment facility as a plan to reduce PFC gas emissions.

◆ New JRC, NJR Trading, NJR Chichibu, NJR Service

Target items	Target type	Unit	Fiscal 2010 results/judgement		
			Target for fiscal year	Actual results	Judgement
Copy paper usage (absolute quantity) <Converted in Size A4 >	Absolute quantity target	1,000 sheets	5,593	2,873	OK
Energy used	Absolute quantity target	1,000 GJ	802	590	OK
Carbon dioxide emissions	Absolute quantity target	t-CO ₂	48,100	30,821	OK
Transported amount	Absolute quantity target	1,000 t-km	5,417	938	OK
Amount of PRTR substances handled	Absolute quantity target	Kg	25,090	12,523	OK
Amount of non-recycled waste discharged	Absolute quantity target	t	35	2	OK

◆ Saga Electronics

Target items	Target type	Unit	Fiscal 2010 results/judgement		
			Target for fiscal year	Actual results	Judgement
Copy paper usage (absolute quantity) <Converted in Size A4 >	Absolute quantity target	1,000 sheets	2,400	1,927	OK
Energy used	Absolute quantity target	1,000 GJ	190	194	NG
Carbon dioxide emissions	Absolute quantity target	t-CO ₂	7,400	7,282	OK
Transported amount	Absolute quantity target	1,000 t-km	72	67	OK
Amount of PRTR substances handled	Absolute quantity target	Kg	1,100	1,235	NG
Amount of non-recycled waste discharged	Absolute quantity target	t	11	0	OK

◆ NJR FUKUOKA

Target items	Target type	Unit	Fiscal 2010 results/judgement		
			Target for fiscal year	Actual results	Judgement
Copy paper usage (absolute quantity) <Converted in Size A4 >	Absolute quantity target	1,000 sheets	273	234	OK
Energy used	Absolute quantity target	1,000 GJ	607	368	OK
Carbon dioxide emissions	Absolute quantity target	t-CO ₂	23,321	51,254	NG
Transported amount	Absolute quantity target	1,000 t-km	1,480	26	OK
Amount of PRTR substances handled	Absolute quantity target	Kg	41,000	24,406	OK
Amount of non-recycled waste discharged	Absolute quantity target	t	2	2	OK

◆ THAI NJR

Target items	Target type	Unit	Fiscal 2010 results/judgement		
			Target for fiscal year	Actual results	Judgement
Amount of non-recycled waste discharged	Absolute quantity target	t	306	277	OK

Data Resources

This report is written based on the sources of data in the table below and conversion formulas.

Item	Unit	Data resources/data conversion unit
Power usage	kWh	"Electricity charge account statement" issued by electric power company
City gas usage	m ³	"Bill" issued by city gas company
Heavy oil usage	kℓ	"Bill" issued by company supplying heavy oil
Propane gas usage	m ³	"Bill" issued by propane gas company
Groundwater usage	m ³	Flow meter by each company
Service water usage	m ³	Flow meter by each company
Discharge to sewers	m ³	Flow meter by each company
River drainage	m ³	Flow meter by each company
CO ₂ Emissions	t-CO ₂	Power: Amount of electricity (MWh) × 0.368 (t-CO ₂ /MWh) (New JRC, NJR Trading, NJR Chichibu, NJR Service) Power: Amount of electricity (MWh) × 0.348 (t-CO ₂ /MWh) (Saga Electronics) Power: Amount of electricity (MWh) × 0.387 (t-CO ₂ /MWh) (NJR FUKUOKA) Power: Amount of electricity (MWh) × 0.425 (t-CO ₂ /MWh) (THAI NJR) City gas: City gas (m ³) × 45 (MJ/m ³) × 10 ⁻³ × 0.0138 (t-C/GJ) × 44/12 Heavy oil A: Heavy oil A (kℓ) × 39.1 (GJ/kℓ) × 0.0189 (t-C/GJ) × 44/12 Propane gas: Propane gas (t) × 50.2 (GJ/t) × 0.0163 (t-C/GJ) × 44/12 Gasoline: Gasoline (kℓ) × 34.6 (GJ/kℓ) × 0.0183 (t-C/GJ) × 44/12 Light oil: Light oil (kℓ) × 38.2 (GJ/kℓ) × 0.0187 (t-C/GJ) × 44/12
Waste emissions	t	Weight measured by waste disposer: recorded on manifest slip
Recycling rate	%	Defined as follows: {(Recycled object weight)/(Waste weight + Recycled object weight)} × 100
Energy in crude oil equivalent	kℓ	Day power: Amount of electricity (MWh) × 9.97 (GJ/MWh) × 0.258 (kℓ/10GJ) × 10 ⁻¹ Night power: Amount of electricity (MWh) × 9.28 (GJ/MWh) × 0.258 (kℓ/10GJ) × 10 ⁻¹ City gas: Amount of city gas (m ³) × 0.045 (GJ/m ³) × 0.258 (kℓ/10GJ) × 10 ⁻¹ Heavy oil A: Amount of heavy oil A (kℓ) × 39.1 (GJ/kℓ) × 0.258 (kℓ/10GJ) × 10 ⁻¹
Greenhouse gases emissions	t-CO ₂	Calculated by IPCC (Intergovernmental Panel on Climate Change) equation
PRTR Aggregate	t	Handled amount: total quantity of purchased and produced substances using materials management system Releases to atmosphere: atmosphere concentration analyzed Transferred amount of waste to sewer drainage: drainage concentration analyzed Transferred amount of waste to outside relevant office: waste concentration analyzed

Contact information for the CSR & Environment Report

New Japan Radio Co., Ltd.

CSR DEPARTMENT

CSR ENVIRONMENT SECTION

1-1, Fukuoka 2 Chome, Fujimino City, Saitama 356-8510, Japan
Tel. +81-49-278-1256, Fax. +81-49-278-1464

This report is available at our website.

<http://www.njr.co.jp/english/>

Issued: August 2011

“The New JRC Group CSR&Environment Report 2011” Questionnaire

Thank you for reading the “New JRC Group CSR&Environment Report 2011.”
 We would like to reflect your feedback on our future CSR&Environmental conservation activities and report preparation.
 We would appreciate your cooperation in kindly filling out and returning the questionnaire.

Question 1: How did you feel about this report? Please put a check mark inside a box which represents your answer.

● **Understandability (such as readability and lucidity of expressions)**

- Very easy to understand Easy to understand Somewhat hard to understand Hard to understand

Comments: ()

● **Design (layouts, letter sizes, pictures, graphs, tables etc.)**

- Very easy to see Easy to see Somewhat hard to see Hard to see

Comments: ()

● **Fullness of content**

- Very fulfilling Fulfilling Somewhat not fulfilling Not fulfilling

Comments: ()

● **Volume of the report (number of pages)**

- To much Right volume Somewhat small Too small

Comments: ()

● **Please list the content item(s) which stood out and intrigued you.**

- | | |
|--|--|
| <input type="checkbox"/> <u>Message from President (P1)</u> | <input type="checkbox"/> <u>Quality and Environmental Management (P17-18)</u> |
| <input type="checkbox"/> Corporate Values (P2) | <input type="checkbox"/> Quality policy and environmental policy (P17) |
| <input type="checkbox"/> CSR Vision (P2) | <input type="checkbox"/> Quality and environmental management (P18) |
| <input type="checkbox"/> <u>Company Profile (P3-4)</u> | <input type="checkbox"/> <u>Environmental Efforts (P19-26)</u> |
| <input type="checkbox"/> <u>Corporate Governance (P5-6)</u> | <input type="checkbox"/> Involvement in Business Activities and Environmental Protection (P19) |
| <input type="checkbox"/> Status of Corporate Governance (P5) | <input type="checkbox"/> Reducing the Environment Load in the Product Life Cycle (P20) |
| <input type="checkbox"/> Preparation of the Internal Control System (P6) | <input type="checkbox"/> Prevention of Global Warming (P21) |
| <input type="checkbox"/> <u>Promise with Stakeholders (P7-16)</u> | <input type="checkbox"/> Building a "Sound Material Cycle Society" (P22) |
| <input type="checkbox"/> Promise with Employees (P8-10) | <input type="checkbox"/> Response to Environmental Risks (P23) |
| <input type="checkbox"/> Promise with Customers (P11) | <input type="checkbox"/> Conservation of Biological Diversity (P24) |
| <input type="checkbox"/> Promise with Shareholders (P12-13) | <input type="checkbox"/> Medium-term Environmental Targets (P25) |
| <input type="checkbox"/> Promise with Suppliers and Subcontractors (P14) | <input type="checkbox"/> Data Resources (P26) |
| <input type="checkbox"/> Promise with People in Local Community (P15-16) | |

Question 2: How did you feel about the New JRC's website? (<http://www.njr.co.jp/english/csr/index.html>) Please put a check mark inside a box which represents your answer.

- Very easy to understand Easy to understand Somewhat hard to understand Hard to understand

Comments: ()

Question 3: How did you feel about the CSR&Environmental conservation activities of New JRC? Please put a check mark inside a box which represents your answer.

- Much appreciated Appreciated Not really appreciated Not appreciated

Comments: ()

Question 4: Please tell us about your background? Please put a check mark inside a box which represents your answer.

- Employees of the New JRC Group Customer Shareholder/Investor Supplier/Subcontractor
 People in local community Person who works in a CSR&Environment related department of a corporation/organization Others

Question 5: Please give us your feedback on this report or the CSR&Environmental conservation activities of the New JRC Group.

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Thank you for your cooperation.

 *New Japan Radio Co., Ltd.*