

CORPORATE
PROFILE
2013

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Building bridges between advanced technologies and society as an electronics technology trading company; paving the way to a bright future through a spirit of creation



Hideo Toda
President

Message from the President

Since its establishment in 1952, TK has made its mission to become a technology trading company, specializing in electronics, that promptly introduces cutting-edge, world-class products to the Japan market under its corporate philosophy of “Creation.” For this reason, many of the products we have brought to market were pioneering products in Japan. This includes electronic article surveillance systems, OCR systems, and kanji-based data-processing systems.

In order to continue adding new value and delivering new products to the Japan market, it is essential to have the marketing ability that accurately obtains advanced information, expertise in product discovery, and the ability to discern market needs, all of which are our strongest assets. In addition to these strengths, our capacity in consulting, development, and customization delivered through our highly skilled engineers has helped us garner from our customers a solid rapport and strong credibility as a technology trading company.

Going forward, we aim to harness all of our strengths and assets in expanding the range of our activities in international markets, with a focus in Asia, and further growing our business.

TK will continue to work under the spirit of “Creation” in adding new value to the market and contributing to the prosperity of industry and society.

Corporate Philosophy

**Creativity lies at the heart of all our business activities.
This allows us to pursue our three principal goals:**

1. Enhancing customer satisfaction
2. Gaining worldwide trust
3. Contributing to society

The reason behind why customers continuously choose TK over others

Market-in

Building a supply-demand structure of new products and technologies based on an understanding of customer needs.

Contributing to the realization of a safety, security, and amenity of society through providing world-leading products and technologies

In order to promptly introduce cutting-edge products and technologies to the Japanese market, TK has over the years developed increasingly strong ties with the world's most advanced manufactures, in addition to setting up a U.S. office as early as 1962. Today these ties form the foundation of a formidable information network and our advanced information-gathering expertise. By making use of cutting-edge information, TK has been able to uncover promising new products and technologies and, after sufficient market research and evaluation, introduce these to the Japan market. The company even won recognition in 1990 from the U.S. Department of Commerce as "an enterprise contributing to commerce."

To address the needs of a globalized business environment, TK established TAKACHIHO KOHEKI (H.K.) Ltd. in Hong Kong in 2001, TAKACHIHO TRADING (SHANGHAI) Co., Ltd. in Shanghai in 2007, and Takachiho Fire, Security & Services (Thailand) in 2011, to continue its contributions to realizing a safety, security, and amenity of society through delivering cutting-edge products and technologies to a wide range of customers around the world.

Engineering Sales

Solution services backed by advanced proprietary technologies and a wide range of experience.

Solving customers' problems with sophisticated technical abilities And developing high-value-added businesses

As a supplier of cutting-edge products globally, TK understands that its customers need more than product information; they need a comprehensive technical service suited to their needs. TK responds with a total service covering everything from initial consulting to product selection, up-to-the-minute technical support, customization suited to the customer's needs, and after-sales follow-up including maintenance, operations and controls after introduction. We consider customization to be particularly important when introducing a product suited to the Japan market and along these lines, have won a strong reputation for our many achievements in various fields.



Partnership

Trustworthiness over a half-century and stable business with blue-chip customers.

Steady dealings with blue-chip customers, including leading Japanese firms and government offices

TK's customers include many of Japan's leading firms as well as other key businesses and government offices. Many of our customers have been with us for over a half-century; this is indeed a testament to our trustworthiness and achievement. Of our top 100 corporate customers by volume, a full 46 have made at least four orders in the last five years (fiscal year ended March 31, 2013). Therefore, stable business with blue-chip customers is a firm business foundation for future growth.

Global Network

Leading foreign high-tech manufacturers

U.S. Office TAKACHIHO KOHEKI (H.K.) TAKACHIHO TRADING (SHANGHAI)
Takachiho Fire, Security & Services (Thailand)

Retail Security Products

Building security for retailers

Semiconductor Products

Supply of semiconductors to the electronics market

Business Solution Products

Responding to a variety of business needs such as information and physical security

TK
Japanese market

Mechanical Component Products

Structural parts that add functions of safety and convenience

Customer Service

Support in utilizing our products

New Products

Generating new value through the development of new markets

Leading Japanese high-tech manufacturers

Six Business Fields with a Focus on High-Potential Markets

Understanding market needs through marketing. TK understands the potential needs of the Japanese market and focuses on six business fields centered on markets with high growth potential. With six business areas, we have identified synergies between businesses, secured profit opportunities and developed a dominant business using a balanced management strategy.

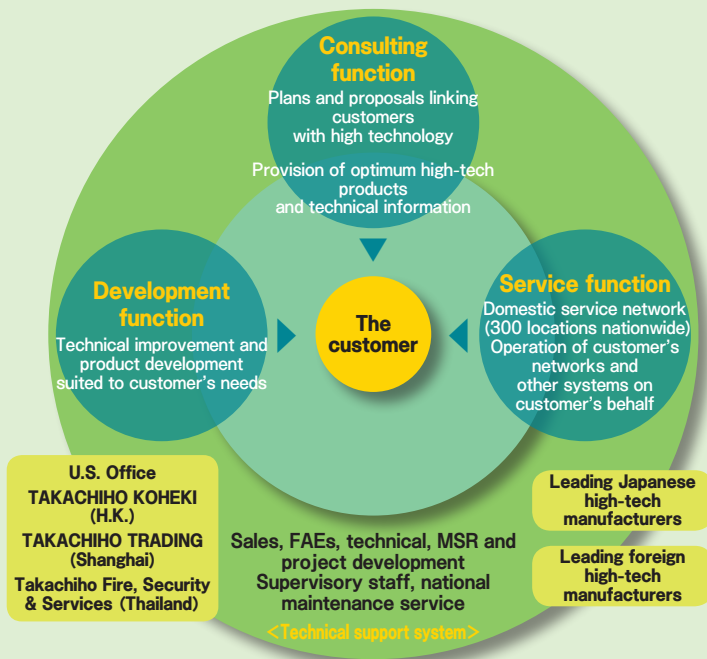
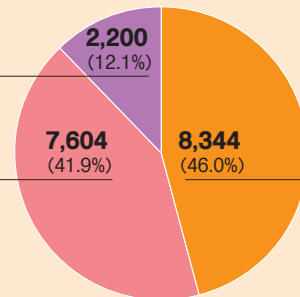
Share of Sales by Segment (Fiscal year ended March 31, 2013)

(Millions of yen)

Customer Service Segment

System Segment

Device Segment



Percentage of engineering workers of all employees

41.5%

Note: With degree of science and engineering and/or experience in engineering field.
As of April 1, 2013

Technical support system

- Technical support of development with FAE (Field Application Engineers)
- Gathering product and technical information through the U.S. Office and business development staff
- A maintenance system through 300 after-sales service centers nationwide, providing service 24 hours a day and 365 days a year
- A relationship of trust between sales engineers and manufacturers
Information exchange on products and technology

Percentage of repeat transactions

46.0%

Among our customers as of the fiscal term ended March 2013, 46 of our top 100 companies by transaction volume placed orders with us at least four times in the past five years.



Revolutionizing retail store security using a track record with the largest share in the Japan market

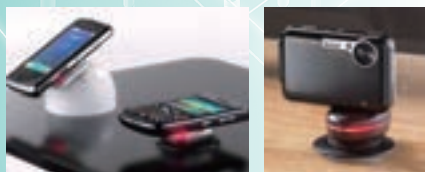


Electronic Article Surveillance (EAS) System



Types of tags

Examples of attached tags



Merchandising Technologies

Retail Security

In 1970, TK became the first company in Japan to import and sell the electronic article surveillance (EAS) system manufactured by Sensormatic (now Tyco Fire & Security) of the United States. Our customers are in diverse fields, which include music stores, fashion boutiques, drugstores, general merchandise stores, home centers, and home appliance discounters. Our systems are also being used by new markets including convenience stores supermarkets.

We can offer optimal “total security solutions,” depending on our customers’ businesses and store formats, thanks to our long-standing experience and expertise and to our extensive product lineup of gates and tags, surveillance camera systems, and remote monitoring systems, all designed to prevent the unlawful removal of store or office property. After system installation, value-added services such as follow-up and education are provided by our specialist staff, which has helped us earn the top share (51.0%) in Japan’s EAS market.

In recent years, our efforts have been put into guarding floor display models of increasingly popular smartphones and tablets from theft, as well as developing product display systems that cater to the need for illustrating both style and product appeal. Our timely, innovative proposals have solidified TK’s leading market position.

Main products

- Electronic Article Surveillance Systems
- Inventory Intelligence
- Merchandising Technologies
- Image Surveillance Systems
- Store Management Systems

Business Solution Products

Delivering safety, security, and amenity of business environments



Cloud-based Wireless LAN system



Access control systems

Network

TK builds extranets between companies and provides customers with product family solutions that support the disaster recovery and business continuity plans, such as SSL-VPN solutions that enable secure remote access for employees that work at home using smartphones or tablets and mobile workers, as well as multi-homing solutions that provide redundancy between office locations and Internet communications.

At the same time, we provide optimal solutions that enhance the security, usability and efficiency of corporate networks, including building an intranet with wired/wireless LAN, one-time password solutions that improve personal identification, cloud-based Internet security service solutions and measures against illegal PC connections.

Office Security

TK offers a total security system featuring access control systems that provide integrated control of surveillance cameras, recording equipment and various sensors. TK has a strong track record of servicing important facilities, such as office data centers, research institutes and public offices for their security management needs. In addition, TK is developing systems that utilize control system access logs for employers’ locations and wellness in case of an emergency, as well as portable safety confirmation systems that allow employers to instantly account for the number of employees present at an emergency evacuation center. These systems are to be introduced to companies looking to revamp their business continuity plan as the current market conditions demand.

TK also offers other solutions, such as an RFID solution for tracking the location of employees and articles, enabling inventory management and preventing the removal of important property.

Main products and Applications

- Network Products
- WAN/LAN
- Network security

- Office Security Products
- Access control systems
- IP solutions/IP cameras/NVR systems
- Properties removal management systems

Technologies supporting our customers through the operation and monitoring of networks



Support services that ensure the easy implementation of TK's products

Our support services in the customer service market focus on our information network, access control systems and on the provision of a wide range of customer support services, including installation and maintenance of TK security equipment and business solution equipment. We currently cover all equipment information for 10,836 customers throughout Japan. As a "technical trading company," we provide various services through our nationwide information network in collaboration with cooperating companies so that our customers can maximize their use of TK products with ease.

High-value-added services that meet outsourcing needs

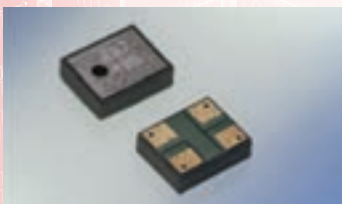
We now see growing corporate demand for the outsourcing of systems operation and maintenance in order to achieve professional services without fixed expenses. Our professional services include the NOC service that monitors customers' networks 24 hours a day, the SOC service that monitors network security against unauthorized accesses to a network, and the MSR consulting service for the security of retail customers. TK is helping customers reduce their systems operation and management costs, thus reducing risk while ensuring a high level of operating safety.

Solutions Services

- Support
- Maintenance
- Operation and management
- Installation and tuning

Semiconductor Products

Responding to the market where future growth is expected, including in-home information appliances, communications equipment and industrial equipment



Knowles Electronics



Kionix



Anadigics

Providing semiconductor and electronic parts for cutting-edge products

TK handles a wide range of latest foreign-made semiconductors. This represents one of our most important business segments as it accounts for more than 20% of total company sales. Responding to today's continuously evolving technical demands for higher speed, greater functionality, greater density, lower power consumption, and smaller size, TK relies on its dense network of foreign offices and contacts to identify promising products. The Company, which has always focused on specific applications and specific technologies, is placing greater emphasis on handling exclusive products and customized products, and is currently directing new energies toward its product line-up.

Helping customers realize their product concepts

TK is able to propose concepts for entire systems by seeking to expand its market presence through a focus on the delivery of innovative concepts to customers. To distinguish itself from competitors, TK relies in part on the strong technical support provided by its Field Application Engineers (FAEs), each of whom has thorough knowledge of technical trends. Thanks to these capabilities, we have won the confidence of our customers and are building a dominant position even in today's highly competitive markets.

Main products

- **Analog IC**
Analog Devices
Anadigics
Diodes
Monolithic Power Systems
Nuvoton
- **Communication Devices**
Pulse
Anadigics
Octasic
Scintera Networks
- **Micro Processors**
KinnexA
Nuvoton
- **Power Modules**
Murata Power Solutions
- **Sensors**
Knowles Electronics
Kionix
- **Passive Devices**
Wispry
Sand 9

No. 1 market share in slide rails for ATMs



Slide rails



Gas springs

Realizing a comfortable social living environment through the movement solution

TK's mechanical component products include slide rails and gas springs, lifting systems, dampers, and key systems. Their applications range widely from financial terminals, copiers, office furniture and housing equipment including build-in kitchen systems, to amusement equipment. Together, these products contribute to creating safety, security, and a comfortable lifestyle.

One noteworthy product is slide rails for ATMs (automated teller machines), in which TK retains the top market share in Japan. These slide rails have recently been installed not only in ATMs for conventional financial institutions but also at railway stations, department stores, and convenience stores, and are also increasingly being used in the China market.

TK is dedicated to developing products that meet the needs of its customers in safety, durability, and operability. To this end, we provide custom designs, test models as well as carry out assessment test and simulation analyses using our proprietary programs. Moreover, we have built a strong reputation through our value-added marketing activities, geared toward providing total solutions that utilize our commitment to quality control, as well as our broad product mix utilizing our wide range of product families.

Main products

- **Slide Rails**
Aluminum slide rails: TK
Steel ball-bearing-type slide rails
- **Gas Springs**
Hitachi Automotive Systems (Tokico brand)
- **Lifting Systems**
Belt lifting systems: TK
- **Cable Guides**
TK, Tsubakimoto Chain
- **Cylinder Lock Systems**
LEHMANN, Sargent and Greenleaf
- **Monitor Arms**
Modernsolid
- **Shutter Systems**
Fennel
- **Dampers**
Fuji Latex
- **Other Mechanical Components**
Rear-view mirrors
Casters
Soft-closing brackets and units

New Products

Providing customers with new value through the creation of new businesses



RFID library management system



"Zero wait time" checkout service



Laminated bus bars (3D-CAD image)

RFID Library System

The RFID library system enables automation and increases efficiency of library operations, including the lending and return of library books and materials, and management of inventory through scanning IC tag data attached to library books, CDs, DVDs, and other audio visual resources with a dedicated terminal device.

Checkout management system "IQ lane"

IQ Lane, which makes "zero wait time" checkout service possible, provides appropriate number of checkout counters to be opened by counting the number of the shoppers entering the store and waiting in line at the each checkout counter by thermo-sensor installed at the store entrance and ceiling of the checkout counter, and comparing such data with the number of the checkout counters in service and each shopper's dwell time at the checkout counter. It has contributed to improving shopper satisfaction through minimizing wait time at the checkout counter, as well as reducing the store operation cost optimizing the checkout work load of clerk.

New Products

The company is actively introducing new products in social infrastructure market (Railway, Electricity, Photovoltaic generation, Equipment related Electric Vehicle, Industrial Equipment, Medical Equipment etc). TK is working to expand its business and improvement of proposal of ability to the customers by utilizing 3D CAD system for designing laminated bus bars. In addition, TK is developing distinctive business by enriching of the lineup of power electronics products (reactor, transformers and high current board) or insulation products (lightning arrester, surge absorbers) which have needs with laminated bus bar as the core.

A global network in place to support the needs of our customers

Offices



Affiliated companies

S Cube inc.

TMM Bldg., 1-10-5 Iwamoto-cho, Chiyoda-ku, Tokyo 101-0032
Tel. 03-5820-3151

Businesses: Development, manufacture, and sales of electronic loss prevention systems.

URL <http://www.s-cubekk.co.jp>

TK Communication Technology Co., Ltd.

1-2-8 Yotsuya, Shinjuku-ku, Tokyo 160-0004
Tel. 03-3355-1106

Businesses: Import and export, sales and development, and support service for mailing systems.

URL <http://www.tkcomtech.com>

JME Co., Ltd.

5F, the second Teikei Bldg, 4-30-18 Yotsuya, Shinjuku-ku, Tokyo 160-0004
Tel. 03-5363-3411

Businesses: Import, export and distribution of electronic parts.

URL <http://www.jme.co.jp>

TAKACHIHO KOHEKI (H.K.) Ltd.

Room 505, 5/F, Lippo Sun Plaza, 28 Canton Rd, Tsimshatsui, Kowloon, Hong Kong
Tel. 2730-3334

Businesses: Import, export and distribution of electronic parts, structural precision parts and security products.

URL <http://www.takachiho-kk.com.hk>

TAKACHIHO TRADING (SHANGHAI) Co., Ltd.

Room 1507, CityCenter of Shanghai A, No.100 Yunyi Road, Shanghai, China
Tel. 21-6237-1035

Business: Import, export and distribution of electronic parts and structural precision parts.

Takachiho Fire, Security & Services (Thailand) Ltd.

1858/110-111 TC1F Tower 25/Floor, Bangna-Trad Road, Bangna, Bangna, Bangkok 10260, Thailand
Tel. 2-366-9000

Businesses: Import and sales of security systems and fire prevention equipment.

Mighty Card Corporation

5/F, Shibuya Minami Tokyo Bldg, 3-12-18 Shibuya, Shibuya-ku, Tokyo 150-0002
Tel. 03-5466-0510

Business: Development and sales of RFID tag (data carrier) and peripheral device (reader/writer) system, maintenance, management, consulting, etc.

URL <http://www.mightycard.co.jp>

History The spirit of "Creation" is in the DNA of TAKACHIHO KOHEKI

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| <p>1952 ● Company begins marketing of accounting machines made by U.S. firm Burroughs (now Unisys).</p> <p>1959 ● Begins marketing of computers made by Burroughs.</p> <p>1963 ● Begins marketing of Japan's first OCR (optical character reader) systems.</p> <p>● Begins marketing of Japan's first electronic article surveillance systems.</p> <p>1970 ● Begins marketing of slide rails.</p> <p>● Develops and begins marketing of Japan's first kanji-based data processing system.</p> <p>1971 ● Begins marketing of automated insertion system.</p> <p>● Begins marketing of semiconductors.</p> <p>● Lists its shares on JASDAQ.</p> <p>2000 ● Begins marketing of access control system CCURE 800 series manufactured by Tyco Electronics Corporation.</p> <p>2001 ● Establishes TAKACHIHO KOHEKI (H. K.) Ltd. in Hong Kong. Begins sales for the China and Asia markets.</p> <p>2002 ● Establishes TK Communication Technology.</p> <p>● Acquires S cube inc.</p> <p>2003 ● Begins marketing of SiSonic microphone manufactured by Knowles Electronics.</p> <p>● Lists its shares on the Second Section of the Tokyo Stock Exchange.</p> <p>2004 ● Begins marketing of MEMS sensors manufactured by Kionix, Inc.</p> <p>● Begins marketing of high quality power amps manufactured by Anadigics, Inc.</p> | <p>2005 ● Lists its shares on the First Section of the Tokyo Stock Exchange.</p> <p>● Begins marketing of radio frequency identification (RFID) library management systems.</p> <p>2006 ● Begins marketing of bevel gear elevator system manufactured by Kettler, Inc.</p> <p>● Establishes TAKACHIHO TRADING (SHANGHAI) Co., Ltd. in Shanghai.</p> <p>2007 ● Begins marketing of high speed communications devices manufactured by Vitesse Semiconductor Corporation.</p> <p>2009 ● Begins marketing of laminate busbar products manufactured by Methode Electronics, Inc.</p> <p>● Begins marketing of TK Micro Rail, the world's smallest slide rail.</p> <p>2010 ● Begins marketing of the AC2000 all IP-based access control system manufactured by CEM Corporation.</p> <p>● Establishes Takachiho Fire, Security & Services (Thailand).</p> <p>2011 ● Begins marketing of access control system CCURE 900 series manufactured by Tyco Electronics Corporation.</p> <p>● Begins marketing of all-in-one IP Camera iCVR manufactured by Video IQ, Inc.</p> <p>● Acquires Mighty Card Corporation.</p> <p>● Begins marketing of Cloud-based Wireless LAN System manufactured by Meraki, Inc.</p> <p>2013 ● Begins marketing of Analog Devices' products as an authorized distributor.</p> |
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- Acquisition of ISO14001 certification
- Acquisition of ISO 9001 certification
- Acquisition of ISO 27001 certification



JMAQA-1946
JMAQA-E381
JMAQA-S075