

# KOKUYO

KOKUYO Report  
2018



❖ KOKUYO's CSR Charter	❖ Corporate Profile	❖ KOKUYO's Three Business Areas	❖ KOKUYO Group History	❖ KOKUYO's CSR	❖ Customers
❖ Regional Communities	❖ Environmental Conservation	❖ Corporate Activities	❖ Respect for Human Rights	❖ Third-Party Assessments	



## KOKUYO's CSR Charter

While remaining profitable and honest in its business practices, KOKUYO conducts business that is necessary for society.

In addition to complying with laws and regulations, we seek to maintain continuity of our business by acquiring the trust of all related stakeholders, investors, and, of course, our customers by fulfilling our social responsibilities as a corporate citizen.

### For Our Customers

- ❶ Without being satisfied with the present conditions, we continue to improve the safety and quality of our entire product line and services.
- ❷ Strive to continually innovate society through our business operations by developing new products and services.

### For Regional Communities

- ❶ Strive to be a trusted 'corporate citizen' on both regional and national levels via proactive interaction and planning with regional communities, while respecting regional culture and customs and encouraging their advancement.

### For Environmental Conservation

- ❶ Concentrate the wisdom of each of our employees, and align the actions of our entire company in order to assist in reaching solutions for the common environmental problems facing the world today.
- ❷ By developing Eco Products, we strive to decrease the environmental burden over the life cycle of these Products and to introduce new environmental engineering and green procurement techniques.
- ❸ Contribute towards the advancement of a 'low carbon society' by proposing revolutionary work styles and environments, and decrease society's overall burden on the environment.

### Corporate Activities

- ❶ Conduct transparent, just, and free competition and business transactions while keeping sound and correct relations with politicians and governmental bodies.
- ❷ In order to become a trusted company, we strive for business partner relations that are consistently fair and built upon a foundation of reciprocal cooperation, allowing for mutual growth.
- ❸ Recognize our responsibility to increase our corporate value for stockholders, and maintain a corporate management style that earns the trust of society through its transparency and virtue.

### Respect for Human Rights

- ❶ Respect the human rights of all individuals involved with or affected by all of our corporate activities. We support work environments free from discrimination, and do not approve of child labor or forced labor practices.
- ❷ Strive to accept each and every employee's individual character and personal values, and become a company where many different human resources can fully express their abilities and develop themselves.

# Contents

● KOKUYO's CSR Charter .....	1
● Corporate Profile .....	3
● KOKUYO's Three Business Areas ...	5
● KOKUYO Group History .....	7
● KOKUYO's CSR .....	9
● Customers .....	29
● Regional Communities .....	41
● Environmental Conservation .....	52
● Corporate Activities .....	75
● Respect for Human Rights .....	92
● Third-Party Assessments .....	112

## Reporting Period

January 1, 2017 to December 31, 2017

## Publication Period

Report published: May 2017

Next report to be published: April 2018

Previous report published: June 2016

## Scope of the Report

The KOKUYO Group refers to KOKUYO Co., Ltd., and its domestic and overseas Group companies, comprising 20 consolidated subsidiaries, certain activities involve other subsidiaries and affiliates.

## Reference Guidelines

·ISO26000

·Japanese Ministry of the Environment Environmental Reporting Guidelines 2012

·GRI (Global Reporting Initiative) Sustainability Reporting Guidelines 4th Edition

## Corporate Profile

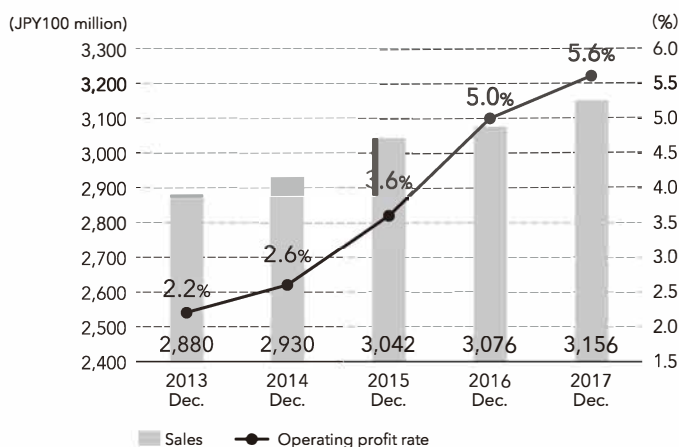
Company name	KOKUYO Co., Ltd.
Head Office location	6-1-1 Oimazato-minami, Higashinari-ku, Osaka-shi, Osaka 537-8686 JAPAN
Telephone	+81-6-6976-1221 (main switchboard)
Number of employees	6,699 (Consolidated) 2,014 (Parent company)*As of the end of December 2017
Stock listings	Tokyo Stock Exchange (First Section)
Capital	JPY 15.8 billion
Sales volume	JPY 315.6 billion (Consolidated from January 1 to December 31, 2017)
Business description	Stationery manufacturing, purchasing, and sales; office furniture manufacturing, purchasing, and sales; space design and consultation, etc.

## Directors

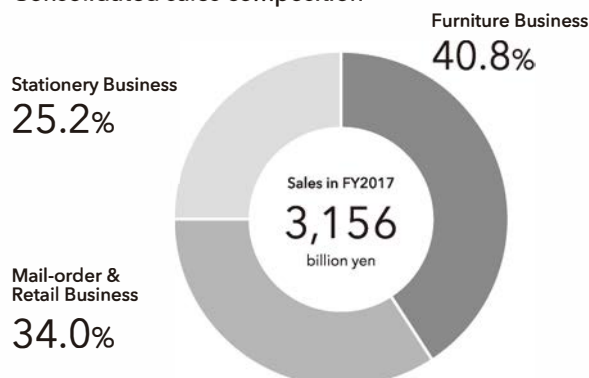
Members of the Board	Representative Director of the Board, Chairman	Akihiro Kuroda
	Representative Director of the Board, President and CEO	Hidekuni Kuroda
	Director of the Board, Vice Chairman	Yasuhiro Kuroda
	Director of the Board	Takuya Morikawa
	Director of the Board	Nobuyuki Miyagaki
	Independent Director of the Board	Hisao Sakuta
	Independent Director of the Board	Hiroshi Hamada
Audit & Supervisory Board Members	Independent Director of the Board	Taketsugu Fujiwara
	Outside Audit & Supervisory Board Member (Full-time Outside Audit & Supervisory Board Member)	Kazutoshi Maeda
	Outside Audit & Supervisory Board Member	Morihiro Murata
Managing Officers	Outside Audit & Supervisory Board Member	Hideyuki Yasue
	President and CEO	Hidekuni Kuroda
	Senior Managing Officer, International Business Division	Takuya Morikawa
	Senior Managing Officer, Corporate Administrations	Nobuyuki Miyagaki
	Managing Officer, Finance & Accounting Division	Naotaka Umeda
	Managing Officer, Furniture Business Division	Kozo Sakagami
	Managing Officer, "Kaunet" Business Division (President & CEO, Kaunet Co., Ltd.)	Kenichiro Takahashi
	Managing Officer, Stationery Business Division	Masahiro Fukui

## Financial data graphs

### Sales & Operating profit rate



### Consolidated sales composition



\* The sales ratios were calculated based on sales to external customers.

❖ KOKUYO's CSR Charter	❖ Corporate Profile	❖ KOKUYO's Three Business Areas	❖ KOKUYO Group History	❖ KOKUYO's CSR	❖ Customers
❖ Regional Communities	❖ Environmental Conservation	❖ Corporate Activities	❖ Respect for Human Rights	❖ Third-Party Assessments	

## Major Subsidiary Companies

### Japan

#### [Stationery Business]

- KOKUYO Product Shiga Co., Ltd.  
312 Kamigano, Aisho-cho, Echi-gun, Shiga 529-1203  
TEL: +81-749-37-3611
- KOKUYO MVP Co., Ltd.  
2-201 Minami, Koyama-cho, Tottori-shi, Tottori  
TEL: +81-857-28-0241
- KOKUYO Supply Logistics Co., Ltd.  
6-1-1 Oimazato-minami, Higashinari-ku, Osaka-shi, Osaka 537-8686  
TEL: +81-6-6976-1370
- IWAMI Paper Industry Co., Ltd.  
1-378 Ushiroda, Tsuwano-cho, Kanoashi-gun, Shimane 699-5605

#### [Furniture Business]

- KOKUYO Engineering & Technology Co., Ltd.  
5F Estage Osaki, 3-5-2 Osaki, Shinagawa-ku, Tokyo 141-0032  
TEL: +81-3-5436-7407
- KOKUYO Logitem Co., Ltd.  
6-1-1 Oimazato-minami, Higashinari-ku, Osaka-shi, Osaka 537-8686  
TEL: +81-6-6973-9470
- Wilkhahn Japan Co., Ltd.  
B1F Tokyo Tatemono Aoyama Building,  
3-5-5 Kita-Aoyama, Minato-ku, Tokyo 107-0061  
TEL: +81-3-5414-8088
- CW Facility Solution Inc.  
1-8-35 Konan, Minato-ku, Tokyo 108-8710  
TEL: +81-3-3474-6530

#### [Mail-order & Retail Business]

- Kaunet Co., Ltd.  
16F Nissay Aroma Square, 5-37-1 Kamata, Ota-ku, Tokyo 144-8721  
TEL: +81-3-6800-5700
- Actus Co., Ltd.  
12F BYGS Shinjuku Building, 2-19-1 Shinjuku, Shinjuku-ku, Tokyo 160-0022  
TEL: +81-3-5269-3201

#### [Sales Subsidiaries]

- KOKUYO Marketing Co., Ltd.  
18F Kasumigaseki Building, 3-2-5 Kasumigaseki,  
Chiyoda-ku, Tokyo 100-6018  
TEL: +81-3-5510-3146
- KOKUYO Hokkaido Sales Co., Ltd.  
5-1-7 Higashi Sapporo Gojo, Shiroishi-ku, Hokkaido 003-0005  
TEL: +81-11-815-5940

### Overseas

#### [Stationery Business]

- KOKUYO Vietnam Co., Ltd.  
Land Plot B2-B7, Nomura-Haiphong IZ, Km13,  
An Duong Dist., Hai Phong City, Vietnam  
TEL: +84-225-3743257
- KOKUYO Vietnam Trading Co., Ltd.  
Land Plot B2-B7, Nomura-Haiphong IZ, Km13,  
An Duong Dist., Hai Phong City, Vietnam  
TEL: +84-225-3743422
- KOKUYO Commerce (Shanghai) Co., Ltd.  
No. 203 2F Tower B, SIM Technology Building, Lane 633,  
Jinzhong Rd, Changning District, Shanghai, 200335 P.R. CHINA  
TEL: +86-21-3252-3636
- KOKUYO-IK (Thailand) Co., Ltd.  
529 Moo 4 Bangpoo Industrial Estate Soi 8C,  
T.Praksa, A.Muang, Samutprakarn 10280, Thailand  
TEL: +66-2-709-4675
- KOKUYO Camlin Ltd.  
48/2, Hilton House, Central Road, MIDC,  
Andheri (East), Mumbai, 400093, India  
TEL: +91-22-6655-7000
- KOKUYO RIDDHI PAPER PRODUCTS Private Ltd.  
Office No. 402, Casablanca, 4th Floor,  
Gulmohar Cross Road # 10, JVPD Scheme,  
Andheri (W), Mumbai 400049, India  
TEL: +91-22-2430-6043
- S&T Logistics (Shanghai) Co., Ltd.  
B-1, No.333, XingBang Rd., JiaDing District, Shanghai, 201815 P.R. CHINA  
TEL: +86-21-5284-9988

- KOKUYO Tohoku Sales Co., Ltd.  
Sendai TB Building, 4-3-10 Tsutsujigaoka,  
Miyagino-ku, Sendai-shi, Miyagi 983-0852  
TEL: +81-22-292-6594
- KOKUYO Kitakanto Sales Co., Ltd.  
3172-48 Tonya-machi, Utsunomiya-shi, Tochigi 321-0911  
TEL: +81-28-656-5561
- KOKUYO Hokuriku-Niigata Sales Co., Ltd.  
2-17-2 Kurose Kitamachi, Toyama-chi, Toyama 939-8216  
TEL: +81-76-491-5946
- KOKUYO Tokai Sales Co., Ltd.  
Katoken Building, 1-4-10 Kamimaezu, Naka-ku,  
Nagoya-shi, Aichi 460-0013  
TEL: +52-324-5941
- KOKUYO Sanyo-Shikoku Sales Co., Ltd.  
6F Sumitomo Seimei Okayama New City Building, 3-10 Togiya-cho,  
Kita-ku, Okayama-Shi, Okayama 700-0826  
TEL: +81-86-225-5943

#### [Other Major Subsidiaries]

- POSTALSQUARE Co., Ltd.  
11F Mita 3-chome MT Building, 3-14-10 Mita, Minato-ku, Tokyo 108-0073  
TEL: +81-3-5439-4701
- KOKUYO & Partners Co., Ltd.  
18F Kasumigaseki Building, 3-2-5 Kasumigaseki,  
Chiyoda-ku, Tokyo 100-6018  
TEL: +81-3-5510-4552
- KOKUYO K Heart Co., Ltd.  
6-8-10 Oimazato-minami, Higashinari-ku,  
Osaka-shi, Osaka 537-8686  
TEL: +81-6-6973-9322
- Heartland Co., Ltd.  
2018 Hatashiro, Sennan-shi, Osaka 590-0524  
TEL: +81-72-480-0567
- KOKUYO Finance Co., Ltd.  
6-1-1 Oimazato-minami, Higashinari-ku, Osaka-shi, Osaka 537-8686  
TEL: +6-6976-1221

#### [Furniture Business]

- KOKUYO Malaysia Sdn. Bhd.  
Lot 79&83, Senawang Industrial Park, 70400 Seremban, NSDK, Malaysia  
TEL: +60-6-679-6096
- KOKUYO Furniture (China) Co., Ltd.  
1F Xinjinqiao Square, No.7 West Beijing Road,  
Huangpu District, Shanghai, 200003 P.R.CHINA  
TEL: +86-21-6141-3001
- KOKUYO Design Consultants (Shanghai) Co., Ltd.  
1F Xinjinqiao Square, No.7 West Beijing Road,  
Huangpu District, Shanghai, 200003 P.R.CHINA  
TEL: +86-21-6141-3101
- KOKUYO International Asia Co., Ltd.  
8F The Sun's Group Centre, 200 Gloucester Road, Wanchai, Hong Kong  
TEL: +852-2522-3292
- KOKUYO International (Malaysia) Sdn. Bhd.  
E-31-08, Menara Suezcap 2, KL Gateway,  
No.2, Jalan Kerinchi, Gerbang Kerinchi Lestari,  
59200 Kuala Lumpur, Malaysia  
TEL: +60-3-2720-2820
- KOKUYO International (Thailand) Co., Ltd.  
999/9 The Office at Central World 9th Fl, Unit 912  
Rama 1 Rd., Pathumwan Bangkok, 10330, Thailand  
TEL: +66-2-264-5100

#### [Other Major Subsidiaries]

- KOKUYO (Shanghai) Management Co., Ltd.  
Room201 2F Tower B, SIM Technology Building, Lane 633,  
Jinzhong Rd, Changning District, Shanghai, 200335 P.R. CHINA  
TEL: +86-21-6070-2650

❖ KOKUYO's CSR Charter	❖ Corporate Profile	❖ KOKUYO's Three Business Areas	❖ KOKUYO Group History	❖ KOKUYO's CSR	❖ Customers
❖ Regional Communities	❖ Environmental Conservation	❖ Corporate Activities	❖ Respect for Human Rights	❖ Third-Party Assessments	

## KOKUYO's Three Business Areas



Working

Proposing spaces that bring out the best in individuals, inspire creative work, and support the wellbeing of staff

In recent years, against a background of an aging population with a declining birthrate and changes to the fundamental sense of values of working people, an emphasis has been given to the creation of a work environment bringing out the best in individuals and supporting them to work in good health. In response to such trends, KOKUYO will keep proposing work spaces increasing employee motivation and nurturing team creativity.



❖ KOKUYO's CSR Charter	❖ Corporate Profile	❖ KOKUYO's Three Business Areas	❖ KOKUYO Group History	❖ KOKUYO's CSR	❖ Customers
❖ Regional Communities	❖ Environmental Conservation	❖ Corporate Activities	❖ Respect for Human Rights	❖ Third-Party Assessments	



# Learning

## Supporting various learning styles across all generations

Learning alone, learning with friends or colleagues, learning while working, learning while child-rearing, learning for a new career and learning at any age... Different ways of learning matching an individual's lifestyle are now spreading across the generations. Through the development and the sale of stationery and furniture, and the creation of spaces for learning, KOKUYO continues supporting diverse learning styles.

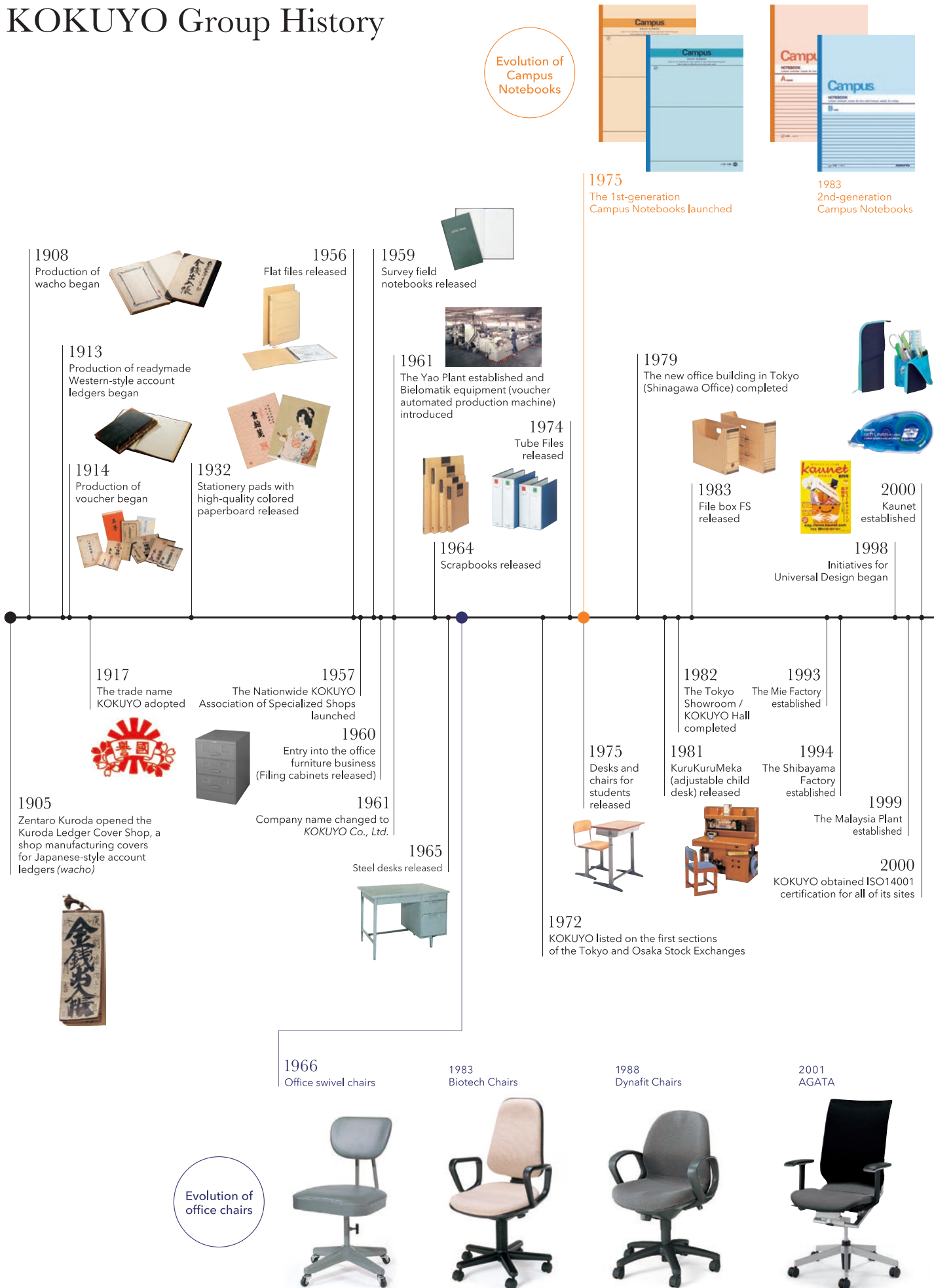


## Delivering products that make life even better

The boundaries between working, learning, and living are slowly fading away, as increasing numbers of people make the best use of their time and space to improve their lives. And for every single one of them KOKUYO offers a variety of products and services, and supports them in enhancing their quality of life.

# Living

# KOKUYO Group History





❖ KOKUYO's CSR Charter	❖ Corporate Profile	❖ KOKUYO's Three Business Areas	❖ KOKUYO Group History	❖ KOKUYO's CSR	❖ Customers
❖ Regional Communities	❖ Environmental Conservation	❖ Corporate Activities	❖ Respect for Human Rights	❖ Third-Party Assessments	

## Evolution of the Live Office

Since the establishment of Japan's first Live Office in 1969, KOKUYO has always given shape to the next-generation office. *Worker-friendly spaces and easy-to-use furniture* created by our approach have been successfully adopted by many companies. KOKUYO is always at the edge exploring product development, innovative spatial layouts, and research into different work styles. As we lead the times, we only offer the best proposals for the latest office working styles and spaces.

### 1969 Japan's first Live Office

Japan's first Live Office is born. Our own KOKUYO designed office becomes a *live showroom* allowing visitors to see how our employees actually work using our products.



### 1980s Offices supporting communication

KOKUYO proposes an office style supporting more efficient daily operations and designed to meet the increasing needs for better communication.



### 1990s Large-scale free-address office

KOKUYO is one of the first to catch on to the evolution of devices, and implements the *free-address office* where employees share space and no longer need their own individual desk.



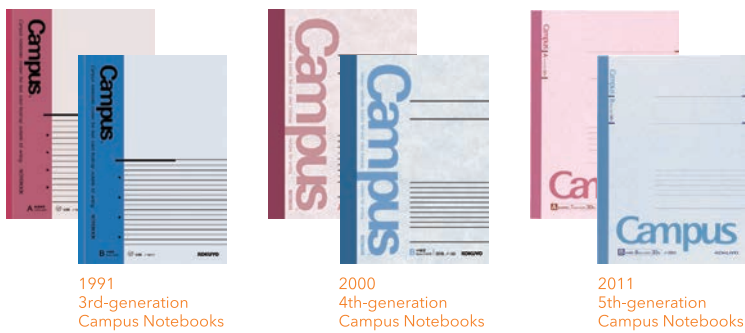
### 2000s Large-scale all-wireless LAN office

A wireless LAN system allows staff free movement anywhere inside the company. The practical use of IP mobile phones enables cost down.



### 2010s Offices supporting cloud work

By making the best use of evolving cloud support, better team communication is established. A new way of connection to outside the company is also created.



1991  
3rd-generation  
Campus Notebooks

2000  
4th-generation  
Campus Notebooks

2011  
5th-generation  
Campus Notebooks

2009  
Harinacs  
(staple-free stapler)  
released

2011  
KOKUYO Camlin established

2012  
Shanghai Notebook  
Plant established

2013  
Kaucore launched

2015  
Soft-ring® notebooks  
dot-filled borders released

2016  
In-house office bag  
Mobaco released

2017  
New Standard  
Filing Series  
"NEOS" Launched

2005  
Dot Liner  
(glue tape)  
released

2006  
Neo Critz pen  
cases released

2008  
The Eco X-mark  
initiative began

2007  
Heartland  
established

2006  
The Yui-no-Mori  
Project began

2006  
KOKUYO invested in Actus Co., Ltd.

2005  
100th anniversary  
with the redesign of the company logo

2003  
KOKUYO K Heart established

2003  
Full-scale operations started in China

2002  
KOKUYO DESIGN AWARDS began

2014  
INSPIRE

2016  
Duora

2017  
ing

2017  
Innovative Chair "ing"  
Launched that Changes  
the Concept of  
Sitting

2016  
interval (seat-table ensemble)  
released

2015  
Electric height-adjustable table series  
SEQUENCE released



❖ KOKUYO's CSR Charter	❖ Corporate Profile	❖ KOKUYO's Three Business Areas	❖ KOKUYO Group History	❖ KOKUYO's CSR	❖ Customers
❖ Regional Communities	❖ Environmental Conservation	❖ Corporate Activities	❖ Respect for Human Rights	❖ Third-Party Assessments	

## ■ KOKUYO's CSR

# Message from the President

Aiming to Realize a Sustainable Society by Seriously  
Accepting and Confronting Difficult Challenges  
Facing Customers and Communities

Hidekuni Kuroda  
Representative Director of the Board,  
President and CEO  
KOKUYO Co., Ltd.



## ■ Aiming to Achieve the Goals in our Medium-term Management Plan: "Self-reform Focusing on Value Creation - Value Transformation 2018"

We established the following as our mission statement for the future: "KOKUYO aims to be a Life & Work Style Company that enriches society by providing value through our products and services to enhance customers' creativity and to deliver improvements to their Quality of Life so that they can work, learn and live better." To this end, since FY2016, under the three-year, medium-term management plan "Self-reform focusing on value creation - Value Transformation 2018," we have been working on "operating model reform" that realizes customer-oriented value creation and the "development of sustainable profitability" to enable medium- to long-term sustainable growth. We were able to finish FY2017, the second year of this plan, with the highest gross margin since our company was listed on the Tokyo Stock Exchange. In terms of our operating margin, we were able to achieve last year's goal (5.0%) one year ahead of schedule, making FY2017 an extremely successful year financially. FY2018 will be the last year of this plan. We plan to review our goals one more time and forge ahead toward achieving them.

## ■ Implementing Work Style Reform at Our Own Workplace in the Pursuit of New Work Styles

Societal issues - such as Japan's low birth-rate and ageing population, changes in young people's values (work values), the focus on health and productivity management, and intensifying global competition - are becoming more diversified and complicated. In this context, both private and public sectors are promoting discussion and initiatives related to work style reform. As a company that has always pursued products and services that provide high added value to working people, we have for many years been facing the question of "What kind of unique work style reform can KOKUYO help to achieve?"

In 2017, in order to take our initiatives one step further and foster a corporate culture that draws out value from our employees, we established the Tokyo Shinagawa SST Office. With the goal of re-centralizing and optimizing all management resources, improving efficiency, and seeking a KOKUYO-style work style, all departments are located on a single floor in the new office. By removing physical and psychological barriers between departments to ensure smooth communication and enhanced collaboration, the new office is designed to improve workplace productivity. We believe that the experience of thinking over, trying out, and implementing such work style reform ourselves will lead to suggestions that are beneficial to our customers.

❖ KOKUYO's CSR Charter	❖ Corporate Profile	❖ KOKUYO's Three Business Areas	❖ KOKUYO Group History	❖ KOKUYO's CSR	❖ Customers
❖ Regional Communities	❖ Environmental Conservation	❖ Corporate Activities	❖ Respect for Human Rights	❖ Third-Party Assessments	

## To All Stakeholders

---

KOKUYO has built its history of more than 100 years by earnestly facing customers' needs as they changed with the times, and finding the solution for each one. This attitude remains the same today, although these are said to be uncertain times as societal issues and corporate business activities have become entangled with increased complexity. We are committed to continue doing our utmost to work on creating new value that contributes to the realization of a sustainable society, by placing importance on facing issues of both customers and society at large.

❖ KOKUYO's CSR Charter	❖ Corporate Profile	❖ KOKUYO's Three Business Areas	❖ KOKUYO Group History	❖ KOKUYO's CSR	❖ Customers
❖ Regional Communities	❖ Environmental Conservation	❖ Corporate Activities	❖ Respect for Human Rights	❖ Third-Party Assessments	

## ■ KOKUYO's CSR

# CSR Management

KOKUYO's founder Zentaro Kuroda once said: "Business is something that we do for society, and the profit we gain from business is a reward for our contribution to society." Now too, more than 100 years on from KOKUYO's foundation, we are keeping alive the spirit of our founder in our CSR activities.



## Concepts



## Basic Concepts

The KOKUYO Group began when founder Zentaro Kuroda opened a small shop selling ledger covers made with Japanese paper in 1905. The founder moved from his village to Osaka with the aspiration of making his business the pride of his hometown Etchu (present-day Toyoma Prefecture). Through the brand Kokuyo (国誉), which is the current company name KOKUYO (コクヨ), his aspiration has been passed down to the KOKUYO Group and captured in its business. In 2004, we enacted the KOKUYO Group CSR Charter based on our corporate philosophy to establish better relations with various stakeholders as a good corporate citizen (which was partially revised in 2012). Our basic policy for ensuring the ongoing growth of society and the KOKUYO Group has been clarified in line with five key themes: our customers, regional communities, environmental conservation, corporate activities, and respect for human rights.

※ Related information: "[KOKUYO Group CSR Charter](#)"



## System for the Promotion of CSR

The KOKUYO Group promotes CSR activities on a group-wide basis through linkages among CSR-related sections. The CSR & Environmental Group formulates and reviews policies and helps to define issues and targets in order to strategically promote CSR. We also operate an environmental committee and a central health and safety committee, among other such organs tasked with dealing with important concerns. With special sections leading the way, our entire group pursues these concerns in a coordinated fashion. We will continue to strive to achieve sustained growth for society and the Group while maintaining a state of harmony with stakeholders through CSR information disclosure and dialogue.



## KOKUYO's CSR Charter

While remaining profitable and honest in its business practices, KOKUYO conducts business that is necessary for society. In addition to complying with laws and regulations, we seek to maintain continuity of our business by acquiring the trust of all related stakeholders, investors, and, of course, our customers by fulfilling our social responsibilities as a corporate citizen.

❖ KOKUYO's CSR Charter	❖ Corporate Profile	❖ KOKUYO's Three Business Areas	❖ KOKUYO Group History	❖ KOKUYO's CSR	❖ Customers
❖ Regional Communities	❖ Environmental Conservation	❖ Corporate Activities	❖ Respect for Human Rights	❖ Third-Party Assessments	

## For Our Customers

1. Without being satisfied with the present conditions, we continue to improve the safety and quality of our entire product line and services.
2. Strive to continually innovate society through our business operations by developing new products and services.

## For Regional Communities

1. Strive to be a trusted 'corporate citizen' on both regional and national levels via proactive interaction and planning with regional communities, while respecting regional culture and customs and encouraging their advancement.

## For Environmental Conservation

1. Concentrate the wisdom of each of our employees, and align the actions of our entire company in order to assist in reaching solutions for the common environmental problems facing the world today.
2. By developing Eco Products, we strive to decrease the environmental burden over the life cycle of these Products and to introduce new environmental engineering and green procurement techniques.
3. Contribute towards the advancement of a 'low carbon society' by proposing revolutionary work styles and environments, and decrease society's overall burden on the environment.

## Corporate Activities

1. Conduct transparent, just, and free competition and business transactions while keeping sound and correct relations with politicians and governmental bodies.
2. In order to become a trusted company, we strive for business partner relations that are consistently fair and built upon a foundation of reciprocal cooperation, allowing for mutual growth.
3. Recognize our responsibility to increase our corporate value for stockholders, and maintain a corporate management style that earns the trust of society through its transparency and virtue.

## Respect for Human Rights

1. Respect the human rights of all individuals involved with or affected by all of our corporate activities. We support work environments free from discrimination, and do not approve of child labor or forced labor practices.
2. Strive to accept each and every employee's individual character and personal values, and become a company where many different human resources can fully express their abilities and develop themselves.

❖ KOKUYO's CSR Charter	❖ Corporate Profile	❖ KOKUYO's Three Business Areas	❖ KOKUYO Group History	❖ KOKUYO's CSR	❖ Customers
❖ Regional Communities	❖ Environmental Conservation	❖ Corporate Activities	❖ Respect for Human Rights	❖ Third-Party Assessments	



## Kokuyo Group Code of Conduct

Accompanying the development of KOKUYO's overseas activities, it is necessary to prepare a common code of conduct for the group by taking into account of local customs and mores. In August 2012, the KOKUYO Group enacted its KOKUYO Group Code of Conduct as a set of common provisions applicable to the KOKUYO Group and prepared the KOKUYO Group Code of Conduct Handbook with supplementary points based on business practices, laws, and other matters that differ depending on the country or region.

### 1. Compliance with laws and internal rules and acting with integrity

We not only comply with laws and internal rules, but also act with high ethical standards and integrity.

### 2. Respect for human rights and personality

We do not discriminate based on race, ethnicity, religion, nationality, language, gender, disability or other status.

We do not engage in conduct that constitutes sexual harassment or power harassment.

We do not tolerate child labor or forced labor.

### 3. Preservation of the global environment

We work to eliminate or reduce the environmental burden whilst focusing on global environmental issues, such as global warming and declining forest resources.

### 4. Free competition and fair trading

We comply with laws and internal rules related to prohibition of monopolization, fair competition and fair trading and will not engage in conduct that deviates from these standards.

### 5. Provision of safe and reliable goods and services

We strive to win customers' satisfaction continuously through the provision of safe and reliable goods and services.

### 6. Proper handling of company assets and protection of intellectual property

We properly manage, maintain, and utilize every tangible and intangible company asset. We respect the intellectual property rights of others.

### 7. Proper information management and financial reporting

We honestly and properly create records of the company, as well as manage and report information collected and obtained in the course of business in accordance with proper procedures based on the materiality of such information. We carry out accounting and financial reporting in compliance with laws and internal rules relevant to financial, accounting, and tax affairs.

### 8. Prohibition of acts involving conflicts of interest

We will not engage in any act that involves or may involve a conflict between personal and corporate interests. If there is a possible conflict of interest, we will report it to our superiors.

### 9. Prohibition of insider trading

We will not engage in insider trading or any act that triggers insider trading laws or regulations in connection with the trading in shares of the Kokuyo Group or any other company

### 10. Proper management of entertainment and gifts

We will not give or receive entertainment and gifts in deviation from normal business practices. We will not illegally give entertainment or gifts to public servants or government officials.

### 11. Handling of unreasonable external demands

We will not comply with any unreasonable external demand.



## With Stakeholders






## KOKUYO's Stakeholders

Working towards realizing a sustainable society, the KOKUYO Group is actively promoting CSR management to meet the expectations of various stakeholders including customers, shareholders, partner companies and local communities.



## Stakeholder Communication

Stakeholder	Main opportunities for dialogue	Examples of implementation in FY2017
 <p><b>Customers</b></p>	<ul style="list-style-type: none"> <li>Customer Support Center</li> <li>"Inquiries" form and Q&amp;A page on website</li> <li>Provision of various product information</li> <li>Management of "Dealers' Guide" where stores handling KOKUYO products can be searched from the website</li> <li>Various events and seminars</li> </ul>	<ul style="list-style-type: none"> <li><a href="#">A System for Utilizing Feedback from Customers</a></li> <li><a href="#">Soft Ring® Notebooks and Memo Pads &lt;Colorful&gt; (dotted ruled lines) (perforated)</a></li> <li><a href="#">Kaunet Holds First-ever Exposition "Kaunet Festival"</a></li> </ul>
 <p><b>Employees</b></p>	<ul style="list-style-type: none"> <li>Consultation between labor and management</li> <li>Various training programs</li> <li>Company newsletter</li> </ul>	<ul style="list-style-type: none"> <li><a href="#">The First Joint Sports Day Held with Employees and Family Members of KOKUYO Group Companies in China</a></li> <li><a href="#">Furniture Business Division Unity-Strengthening Meeting to Promote Knowledge, Interchange, and Unity</a></li> <li><a href="#">Product Training that also Serves as a Platform for Intergroup Exchange</a></li> <li><a href="#">Open Challenge Program that Expand Visions through Interactions with Human Resources from Different Industries</a></li> </ul>
 <p><b>Clients</b></p>	<ul style="list-style-type: none"> <li>Audit of subcontractors</li> <li>Various meetings and events</li> <li>Holding exhibitions</li> </ul>	<ul style="list-style-type: none"> <li><a href="#">Work Style Reform Suggestion Committee Started with Retailers for True Work Style Reform</a></li> <li><a href="#">New Product Briefing Held in Hanoi, Vietnam, Inviting Partner Companies</a></li> <li><a href="#">Events Held to Celebrate the 20th Anniversary of the Founding of KOKUYO Malaysia</a></li> <li><a href="#">Subcontractor Meetings Held by Kokuyo's Furniture Business Division</a></li> <li><a href="#">Stationery Business Conducted an Audit of Subcontractors</a></li> </ul>
 <p><b>Stakeholders</b></p>	<ul style="list-style-type: none"> <li>IR activities</li> <li>Information disclosure</li> </ul>	<ul style="list-style-type: none"> <li><a href="#">Shareholder special benefit plans</a></li> <li><a href="#">"Company information session: Story of 'Dotliner' tape glue development"</a></li> </ul>

❖ KOKUYO's CSR Charter	❖ Corporate Profile	❖ KOKUYO's Three Business Areas	❖ KOKUYO Group History	❖ KOKUYO's CSR	❖ Customers
❖ Regional Communities	❖ Environmental Conservation	❖ Corporate Activities	❖ Respect for Human Rights	❖ Third-Party Assessments	

Stakeholder	Main opportunities for dialogue	Examples of implementation in FY2017
<p><b>Regional Communities</b></p> 	<ul style="list-style-type: none"> <li>• Social contribution activities</li> <li>• Disaster recovery activities</li> <li>• Regional contribution activities</li> </ul>	<ul style="list-style-type: none"> <li>• <a href="#">The 15th KOKUYO Design Award 2017 with "New Story" Theme</a></li> <li>• <a href="#">Summer Vacation KOKUYO Logistics Center Tour for Parents and Children Held</a></li> <li>• <a href="#">Local Cleanup Activities and Blood Donation</a></li> <li>• <a href="#">Campus Art Award 2017, a Painting Competition for Junior High and High School Students</a></li> <li>• <a href="#">Chasing Big Dreams with Small Notebooks! - Handing Dreams and Books to Children</a></li> <li>• <a href="#">World Art Day 2017</a></li> </ul>
<p><b>Environment</b></p> 	<ul style="list-style-type: none"> <li>• Global warming preventive measures</li> <li>• Resource-saving and recycling</li> <li>• Concern for biodiversity</li> </ul>	<ul style="list-style-type: none"> <li>• <a href="#">Summary for 2017</a></li> <li>• <a href="#">Improving the accuracy of data on waste materials</a></li> </ul>



## ■ KOKUYO's CSR

# Content Index






### GRI Standards content index

Description	Core Questions	Standards	GRI Standards Questions	Page
<b>General Disclosures</b>				
<b>102: General Disclosures</b>				
<b>1. Organizational profile</b>	○	102-1	Name of the organization	<a href="#">Corporate Data</a>
	○	102-2	Activities, brands, products, and services	<a href="#">Business Overview</a>
	○	102-3	Location of headquarters	<a href="#">Corporate Data</a>
	○	102-4	Location of operations	<a href="#">Locations</a>
	○	102-5	Ownership and legal form	<a href="#">Corporate Data</a>
	○	102-6	Markets served	<a href="#">Business Overview</a>
	○	102-7	Scale of the organization	<a href="#">Corporate Data</a>
				<a href="#">Locations</a>
				<a href="#">Earnings Highlights</a>
				<a href="#">Financial Position</a>
	○	102-8	Information on employees and other workers	<a href="#">CSR Data: Society</a>
○	102-9	Supply chain		
○	102-10	Significant changes to the organization and its supply chain		
○	102-11	Precautionary Principle or approach	<a href="#">Labor Practices/Safety and Health</a>	

❖ KOKUYO's CSR Charter	❖ Corporate Profile	❖ KOKUYO's Three Business Areas	❖ KOKUYO Group History	❖ KOKUYO's CSR	❖ Customers
❖ Regional Communities	❖ Environmental Conservation	❖ Corporate Activities	❖ Respect for Human Rights	❖ Third-Party Assessments	

Description	Core Questions	Standards	GRI Standards Questions	Page
1. Organizational profile	○	102-12	External initiatives	<a href="#">Commendation and Recognitions from Outside</a>
	○	102-13	Membership of associations	
2. Strategy	○	102-14	Statement from senior decision-maker	<a href="#">Message from the President</a>
		102-15	Key impacts, risks, and opportunities	<a href="#">Securities Report p15 (Japanese)</a> 📄 (1.39MB)
3. Ethics and integrity	○	102-16	Values, principles, standards, and norms of behavior	<a href="#">KOKUYO's CSR Charter</a> <a href="#">KOKUYO Group Code of Conduct</a>
		102-17	Mechanisms for advice and concerns about ethics	<a href="#">Securities Report p15 (Japanese)</a> 📄 (1.39MB)
4. Governance	○	102-18	Governance structure	<a href="#">Basic Concepts of CSR</a> <a href="#">Corporate Governance</a>
		102-19	Delegating authority	
		102-20	Executive-level responsibility for economic, environmental, and social topics	
		102-21	Consulting stakeholders on economic, environmental, and social topics	
		102-22	Composition of the highest governance body and its committees	<a href="#">Securities Report p32 (Japanese)</a> 📄 (1.39MB)
		102-23	Chair of the highest governance body	<a href="#">Securities Report p32 (Japanese)</a> 📄 (1.39MB)
		102-24	Nominating and selecting the highest governance body	
		102-25	Conflicts of interest	
		102-26	Role of highest governance body in setting purpose, values, and strategy	

Description	Core Questions	Standards	GRI Standards Questions	Page
		102-27	Collective knowledge of highest governance body	
		102-28	Evaluating the highest governance body's performance	
		102-29	Identifying and managing economic, environmental, and social impacts	<a href="#">Securities Report p15, 32 (Japanese)</a> 📄 (1.39MB)
		102-30	Effectiveness of risk management processes	
		102-31	Review of economic, environmental, and social topics	
		102-32	Highest governance body's role in sustainability reporting	
		102-33	Communicating critical concerns	
		102-34	Nature and total number of critical concerns	
		102-35	Remuneration policies	<a href="#">Securities Report p33 (Japanese)</a> 📄 (1.39MB)
		102-36	Process for determining remuneration	<a href="#">Securities Report p33 (Japanese)</a> 📄 (1.39MB)
		102-37	Stakeholders' involvement in remuneration	<a href="#">Securities Report p33 (Japanese)</a> 📄 (1.39MB)
		102-38	Annual total compensation ratio	
		102-39	Percentage increase in annual total compensation ratio	
	<b>5. Stakeholder engagement</b>	○	102-40	List of stakeholder groups
○		102-41	Collective bargaining agreements	<a href="#">Securities Report p8 (Japanese)</a> 📄 (1.39MB)

Description	Core Questions	Standards	GRI Standards Questions	Page
<b>5. Stakeholder engagement</b>	○	102-42	Identifying and selecting stakeholders	<a href="#">With Stakeholders</a>
	○	102-43	Approach to stakeholder engagement	<a href="#">With Stakeholders</a>
				<a href="#">Dialogue with our Customers</a>
				<a href="#">CSR Report 2017 Survey Results</a>
○	102-44	Key topics and concerns raised	<a href="#">CSR Report 2017 Survey Results</a>	
<b>6. Report</b>	○	102-45	Entities included in the consolidated financial statements	<a href="#">KOKUYO Group</a>
	○	102-46	Defining report content and topic Boundaries	
	○	102-47	List of material topics	
	○	102-48	Restatements of information	
	○	102-49	Changes in reporting	
	○	102-50	Reporting period	<a href="#">CSR Report 2017</a>  (11.0MB)
	○	102-51	Date of most recent report	<a href="#">CSR Report 2017</a>  (11.0MB)
	○	102-52	Reporting cycle	<a href="#">CSR Report 2017</a>  (11.0MB)
	○	102-53	Contact point for questions regarding the report	<a href="#">For questions regarding the report, please contact below.</a>
	○	102-54	Claims of reporting in accordance with the GRI Standards	
	○	102-55	GRI content index	<a href="#">Content Index</a>
	○	102-56	External assurance	<a href="#">Environmental Management and Third-party Inspection</a>

❖ KOKUYO's CSR Charter	❖ Corporate Profile	❖ KOKUYO's Three Business Areas	❖ KOKUYO Group History	❖ KOKUYO's CSR	❖ Customers
❖ Regional Communities	❖ Environmental Conservation	❖ Corporate Activities	❖ Respect for Human Rights	❖ Third-Party Assessments	

Description	Core Questions	Standards	GRI Standards Questions	Page
<b>103: Management Approach</b>				
		103-1	Explanation of the material topic and its Boundary	
		103-2	The management approach and its components	
		103-3	Evaluation of the management approach	
<b>Material topics</b>				
<b>200: Economic</b>				
<b>201: Economic Performance</b>		201-1	Direct economic value generated and distributed	<a href="#">Earnings Highlights</a>
		201-2	Financial implications and other risks and opportunities due to climate change	
		201-3	Defined benefit plan obligations and other retirement plans	<a href="#">Environmental Management and Third-party Inspection</a>
		201-4	Financial assistance received from government	
<b>202: Market Presence</b>		202-1	Ratios of standard entry level wage by gender compared to local minimum wage	
		202-2	Proportion of senior management hired from the local community	
<b>203: Indirect Economic Impacts</b>		203-1	Infrastructure investments and services supported	
		203-2	Significant indirect economic impacts	
<b>204: Procurement Practices</b>		204-1	Proportion of spending on local suppliers	

Description	Core Questions	Standards	GRI Standards Questions	Page
<b>205: Anti-corruption</b>		205-1	Operations assessed for risks related to corruption	
		205-2	Communication and training about anti-corruption policies and process	
		205-3	Confirmed incidents of corruption and actions taken	
<b>206: Anti-competitive Behavior</b>		206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	
<b>300: Environment</b>				
<b>301: Materials</b>		301-1	Materials used by weight or volume	<a href="#">Environmental Performance Data</a>
		301-2	Recycled input materials used	<a href="#">Environmental Performance Data</a>
		301-3	Reclaimed products and their packaging materials	
<b>302: Energy</b>		302-1	Energy consumption within the organization	<a href="#">Environmental Performance Data</a>
		302-2	Energy consumption outside of the organization	<a href="#">Environmental Performance Data</a>
		302-3	Energy intensity	<a href="#">Environmental Performance Data</a>
		302-4	Reduction of energy consumption	<a href="#">Environmental Performance Data</a>
		302-5	Reductions in energy requirements of products and services	
<b>303: Water</b>		303-1	Water withdrawal by source	<a href="#">Reports by Business Site</a>
		303-2	Water sources significantly affected by withdrawal of water	
		303-3	Water recycled and reused	

Description	Core Questions	Standards	GRI Standards Questions	Page
<b>304: Biodiversity</b>		304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	<a href="#">Yui no Mori</a>
				<a href="#">ReEDEN Project</a>
		304-2	Significant impacts of activities, products, and services on biodiversity	
		304-3	Habitats protected or restored	<a href="#">Yui no Mori</a>
<b>305: Emissions</b>		304-4	IUCN Red List species and national conservation list species with habitats in areas affected by operations	
		305-1	Direct (Scope 1) GHG emissions	<a href="#">Environmental Performance Data</a>
		305-2	Energy indirect (Scope 2) GHG emissions	<a href="#">Environmental Performance Data</a>
		305-3	Other indirect (Scope 3) GHG emissions	<a href="#">Environmental Performance Data</a>
		305-4	GHG emissions intensity	<a href="#">Environmental Performance Data</a>
		305-5	Reduction of GHG emissions	<a href="#">Environmental Performance Data</a>
		305-6	Emissions of ozone-depleting substances (ODS)	
<b>306: Effluents and Waste</b>		305-7	Nitrogen oxides (NOX), sulfur oxides (SOX), and other significant air emissions	<a href="#">Environmental Performance Data</a>
		306-1	Water discharge by quality and destination	<a href="#">Reports by Business Site</a>
		306-2	Waste by type and disposal method	<a href="#">Environmental Performance Data</a>
		306-3	Significant spills	
	306-4	Transport of hazardous waste		

❖ KOKUYO's CSR Charter	❖ Corporate Profile	❖ KOKUYO's Three Business Areas	❖ KOKUYO Group History	❖ KOKUYO's CSR	❖ Customers
❖ Regional Communities	❖ Environmental Conservation	❖ Corporate Activities	❖ Respect for Human Rights	❖ Third-Party Assessments	

Description	Core Questions	Standards	GRI Standards Questions	Page
<b>306: Effluents and Waste</b>		306-5	Water bodies affected by water discharges and/or runoff	
<b>307: Environmental Compliance</b>		307-1	Non-compliance with environmental laws and regulations	<a href="#">Compliance with the law and the prevention of pollution</a>
<b>308: Supplier Environmental Assessment</b>		308-1	New suppliers that were screened using environmental criteria	
		308-2	Negative environmental impacts in the supply chain and actions taken	
<b>400: Social</b>				
<b>401: Employment</b>		401-1	New employee hires and employee turnover	<a href="#">CSR Data: Society</a>
		401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	
		401-3	Parental leave	<a href="#">CSR Data: Society</a>
<b>402: Labor/Management Relations</b>		402-1	Minimum notice periods regarding operational changes	
<b>403: Occupational Health and Safety</b>		403-1	Workers representation in formal joint management-worker health and safety committees	<a href="#">Securities Report p8 (Japanese)</a> 📄 (1.39MB)
		403-2	Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities	<a href="#">CSR Data: Society</a>
		403-3	Workers with high incidence or high risk of diseases related to their occupation	
		403-4	Health and safety topics covered in formal agreements with trade unions	



Description	Core Questions	Standards	GRI Standards Questions	Page
<b>404: Training and Education</b>		404-1	Average hours of training per year per employee	
		404-2	Programs for upgrading employee skills and transition assistance programs	<a href="#">Human Resource Development Program</a>
		404-3	Percentage of employees receiving regular performance and career development reviews	
<b>405: Diversity and Equal Opportunity</b>		405-1	Diversity of governance bodies and employees	<a href="#">CSR Data: Society</a>
		405-2	Ratio of basic salary and remuneration of women to men	
<b>406: Non-discrimination</b>		406-1	Incidents of discrimination and corrective actions taken	
<b>407: Freedom of Association and Collective Bargaining</b>		407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	
<b>408: Child Labor</b>		408-1	Operations and suppliers at significant risk for incidents of child labor	<a href="#">With Business Partners: Basic Concepts</a>
<b>409: Forced or Compulsory Labor</b>		409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	<a href="#">With Business Partners: Basic Concepts</a>
<b>410: Security Practices</b>		410-1	Security personnel trained in human rights policies or procedures	
<b>411: Rights of Indigenous Peoples</b>		411-1	Incidents of violations involving rights of indigenous peoples	
<b>412: Human Rights Assessment</b>		412-1	Operations that have been subject to human rights reviews or impact assessments	

❖ KOKUYO's CSR Charter	❖ Corporate Profile	❖ KOKUYO's Three Business Areas	❖ KOKUYO Group History	❖ KOKUYO's CSR	❖ Customers
❖ Regional Communities	❖ Environmental Conservation	❖ Corporate Activities	❖ Respect for Human Rights	❖ Third-Party Assessments	

Description	Core Questions	Standards	GRI Standards Questions	Page
		412-2	Employee training on human rights policies or procedures	
		412-3	Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening	
<b>413: Local Communities</b>		413-1	Operations with local community engagement, impact assessments, and development programs	<a href="#">Domestic contribution activities</a>
				<a href="#">Foreign contribution activities</a>
		413-2	Operations with significant actual and potential negative impacts on local communities	
<b>414: Supplier Social Assessment</b>		414-1	New suppliers that were screened using social criteria	
		414-2	Negative social impacts in the supply chain and actions taken	<a href="#">With Business Partners: Basic Concepts</a>
<b>415: Public Policy</b>		415-1	Political contributions	
<b>416: Customer Health and Safety</b>		416-1	Assessment of the health and safety impacts of product and service categories	<a href="#">Quality Assurance at KOKUYO Stationery</a>
				<a href="#">Quality Assurance at KOKUYO Furniture</a>
				<a href="#">Kaunet Quality Assurance</a>
		416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	
<b>417: Marketing and Labeling</b>		417-1	Requirements for product and service information and labeling	

❖ KOKUYO's CSR Charter	❖ Corporate Profile	❖ KOKUYO's Three Business Areas	❖ KOKUYO Group History	❖ KOKUYO's CSR	❖ Customers
❖ Regional Communities	❖ Environmental Conservation	❖ Corporate Activities	❖ Respect for Human Rights	❖ Third-Party Assessments	

Description	Core Questions	Standards	GRI Standards Questions	Page
<b>417: Marketing and Labeling</b>		417-2	Incidents of non-compliance concerning product and service information and labeling	
		417-3	Incidents of non-compliance concerning marketing communications	
<b>418: Customer Privacy</b>		418-1	Substantiated complaints regarding concerning breaches of customer privacy and losses of customer data	
<b>419: Socioeconomic Compliance</b>		419-1	Non-compliance with laws and regulations in the social and economic area	


**ISO26000**

Information about issues concerning the following core subjects of ISO26000 can be viewed in the following sections of this CSR report.

ISO26000 Core Subjects	Issues	Page
Organizational governance	Issue 1: Organizational governance	<ul style="list-style-type: none"> <li>• <a href="#">Message from the President</a></li> <li>• <a href="#">CSR Management</a></li> <li>• <a href="#">Corporate Governance and Risk Management</a></li> </ul>
Human rights	Issue 1: Due diligence Issue 2: Human rights risk situations Issue 3: Avoidance of complicity Issue 4: Resolving grievances Issue 5: Discrimination and vulnerable groups Issue 6: Civil and political rights Issue 7: Economic, social and cultural rights Issue 8: Fundamental principles and rights at work	<ul style="list-style-type: none"> <li>• <a href="#">CSR Management: Basic Concepts</a></li> <li>• <a href="#">KOKUYO's CSR Charter</a></li> <li>• <a href="#">KOKUYO Group Code of Conduct</a></li> <li>• <a href="#">System Linking Company's Growth with Individual Growth</a></li> <li>• <a href="#">Work Style Reform</a></li> <li>• <a href="#">Human Resource Development</a></li> <li>• <a href="#">Employees' Safety and Health</a></li> <li>• <a href="#">Respect for Human Rights</a></li> <li>• <a href="#">Basic Framework for Diversity</a></li> <li>• <a href="#">With Business Partners: Basic Concepts</a></li> <li>• <a href="#">CSR Data: Society</a></li> </ul>
Labor practices	Issue 1: Employment and employment relationships Issue 2: Conditions of work and social protection Issue 3: Social dialogue Issue 4: Health and safety at work Issue 5: Human development and training in the workplace	<ul style="list-style-type: none"> <li>• <a href="#">KOKUYO's CSR Charter</a></li> <li>• <a href="#">KOKUYO Group Code of Conduct</a></li> <li>• <a href="#">System Linking Company's Growth with Individual Growth</a></li> <li>• <a href="#">Work Style Reform</a></li> <li>• <a href="#">Human Resource Development</a></li> <li>• <a href="#">Employees' Safety and Health</a></li> <li>• <a href="#">Respect for Human Rights</a></li> <li>• <a href="#">Basic Framework for Diversity</a></li> <li>• <a href="#">With Business Partners: Basic Concepts</a></li> <li>• <a href="#">CSR Data: Society</a></li> </ul>
Environment	Issue 1: Prevention of pollution Issue 2: Sustainable resource use Issue 3: Climate change mitigation and adaptation Issue 4: Protection of the environment, biodiversity and restoration of natural habitats	<ul style="list-style-type: none"> <li>• <a href="#">CSR Management: Basic Concepts</a></li> <li>• <a href="#">KOKUYO's CSR Charter</a></li> <li>• <a href="#">KOKUYO Group Code of Conduct</a></li> <li>• <a href="#">With Business Partners: Basic Concepts</a></li> <li>• <a href="#">Environmental Management and Third-party Inspection</a></li> <li>• <a href="#">Global Warming Preventive Measures</a></li> <li>• <a href="#">Resource-saving and Recycling Measures</a></li> </ul>

❖ KOKUYO's CSR Charter	❖ Corporate Profile	❖ KOKUYO's Three Business Areas	❖ KOKUYO Group History	❖ KOKUYO's CSR	❖ Customers
❖ Regional Communities	❖ Environmental Conservation	❖ Corporate Activities	❖ Respect for Human Rights	❖ Third-Party Assessments	

Environment		<ul style="list-style-type: none"> <li>• <a href="#">Compliance with the law and the prevention of pollution</a></li> <li>• <a href="#">Developing Environmentally-friendly Products and Services</a></li> <li>• <a href="#">Biodiversity/Promoting Environmental Communications</a></li> <li>• <a href="#">Environmental Performance Data</a></li> <li>• <a href="#">Reports by Business Site</a></li> <li>• <a href="#">Yui no Mori</a></li> <li>• <a href="#">Eco-Batsu Activities</a></li> </ul>
Fair operating practices	<p>Issue 1: Anti-corruption</p> <p>Issue 2: Responsible political involvement</p> <p>Issue 3: Fair competition</p> <p>Issue 4: Promoting social responsibility in the value chain</p> <p>Issue 5: Respect for property rights</p>	<ul style="list-style-type: none"> <li>• <a href="#">CSR Management: Basic Concepts</a></li> <li>• <a href="#">System for the Promotion of CSR</a></li> <li>• <a href="#">KOKUYO's CSR Charter</a></li> <li>• <a href="#">KOKUYO Group Code of Conduct</a></li> <li>• <a href="#">With Business Partners: Basic Concepts</a></li> <li>• <a href="#">Corporate Governance and Risk Management</a></li> </ul>
Consumer issues	<p>Issue 1: Fair marketing, factual and unbiased information and fair contractual practices</p> <p>Issue 2: Protecting consumers' health and safety</p> <p>Issue 3: Sustainable consumption</p> <p>Issue 4: Consumer service, support, and complaint and dispute resolution</p> <p>Issue 5: Consumer data protection and privacy</p> <p>Issue 6: Access to essential services</p> <p>Issue 7: Education and awareness</p>	<ul style="list-style-type: none"> <li>• <a href="#">KOKUYO's CSR Charter</a></li> <li>• <a href="#">Providing Peace of Mind and Safety to Customers</a></li> <li>• <a href="#">CSR Report 2017 Survey Results</a></li> <li>• <a href="#">CSR Data: Reflecting the views of customers</a></li> <li>• <a href="#">Eco-Batsu Activities</a></li> </ul>
Community involvement and development	<p>Issue 1: Community involvement</p> <p>Issue 2: Education and culture</p> <p>Issue 3: Employment creation and skills development</p> <p>Issue 4: Technology development and access</p> <p>Issue 5: Wealth and income creation</p> <p>Issue 6: Health</p> <p>Issue 7: Social investment</p>	<ul style="list-style-type: none"> <li>• <a href="#">KOKUYO's CSR Charter</a></li> <li>• <a href="#">KOKUYO Group Code of Conduct</a></li> <li>• <a href="#">New Products and Services in 2017</a></li> <li>• <a href="#">Human Resource Development</a></li> <li>• <a href="#">Domestic contribution activities</a></li> <li>• <a href="#">Foreign contribution activities</a></li> <li>• <a href="#">Commendation and Recognitions from Outside</a></li> <li>• <a href="#">Biodiversity/Promoting Environmental Communications</a></li> <li>• <a href="#">CSR Data: Society</a></li> </ul>

❖ KOKUYO's CSR Charter	❖ Corporate Profile	❖ KOKUYO's Three Business Areas	❖ KOKUYO Group History	❖ KOKUYO's CSR	❖ Customers
❖ Regional Communities	❖ Environmental Conservation	❖ Corporate Activities	❖ Respect for Human Rights	❖ Third-Party Assessments	

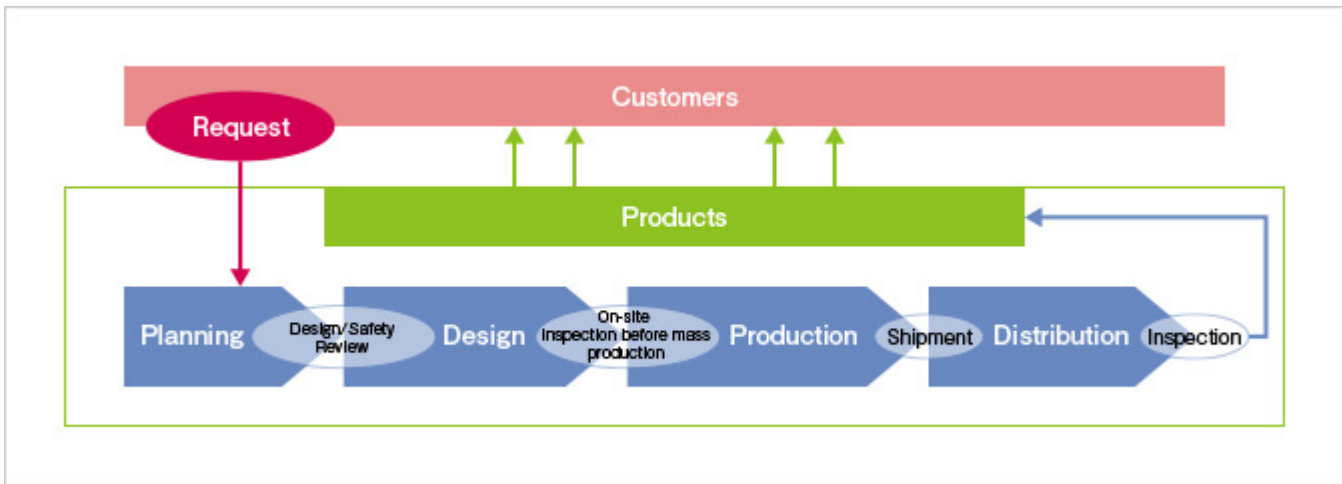
## ■ Customers

### Providing Peace of Mind and Safety to Customers

The KOKUYO Group strives to maintain and improve quality in order to ensure that customers can use our products safely and securely. As the ratio of overseas production such as in Asia increases, we work closely with overseas production factories, pass on production technology and know-how, and share and thoroughly implement our quality standards.

#### Quality Assurance at KOKUYO Stationery

In order to deliver quality that our customers can trust, we have taken steps to systematically build, operate and improve our systems for quality assurance.

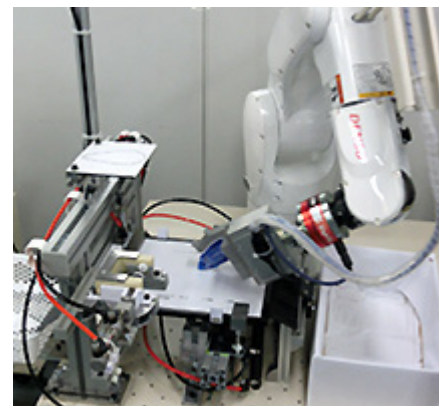


#### Quality Maintenance and Improvement

##### 1) Deepening the Quality Assurance System

KOKUYO has re-examined design review and safety review, which are important processes for the quality, and production trial observation as well as guidelines for chemical management to work out the details of the contents to reflect the times. Those efforts have been utilized for the education of young and new employees and promoted for use as a bible for employees involved in quality control, aiming to deepen the quality assurance system.

In addition, by introducing product risk evaluation methods and implementing risk countermeasures, we strive to enable our customers to use our products with confidence.



Introduction of robots in quality testing

##### 2) Establishment of the inspection system on a global basis

KOKUYO has established an inspection skill evaluation method with global standards, which evaluates the skill level of inspectors around the world and sets up a system for education and guidance with the aim of maintaining a certain level of inspection skills. In addition, we provide necessary paraphernalia and manuals for inspection globally to maintain the level of inspection at a certain level, thereby increasing the accuracy of discovering faulty products during inspection to prevent the outflow of faulty products.

❖ KOKUYO's CSR Charter	❖ Corporate Profile	❖ KOKUYO's Three Business Areas	❖ KOKUYO Group History	❖ KOKUYO's CSR	❖ Customers
❖ Regional Communities	❖ Environmental Conservation	❖ Corporate Activities	❖ Respect for Human Rights	❖ Third-Party Assessments	

### 3) Increasing the speed and accuracy of handling complaints

In addition to safety, people around the world are seeking a sense of reassurance and now anybody can receive and transmit large amounts of information anytime. As we consider it to be essential to further increase the accuracy and speed of handling customer complains in the future, we have embarked on visualizing and standardizing the processes, information for making decisions, and evaluation criteria of the course of actions that corporations should take when product risk occurs. This will ensure the unification of decision-making process procedures within the organization and minimize the variation of determination, as well as to speed up the process.

### 4) Enhancement of value evaluation testing in addition to quality verification testing

While we thoroughly implement quality verification testing at the time of the renewal of existing products and development of new products, we make continuous efforts to maintain and improve testing quality by introducing robots. Additionally, to respond to the various needs of users, we have been working to conventionally confirm quality to see whether products are sturdy and offered at a low price and to quantify the quality to ensure that valuable and attractive products are offered to customers.

## Quality Assurance at KOKUYO Furniture

The KOKUYO Furniture business has acquired ISO 9001 Quality Management System certification. Based on this, we are developing and thoroughly implementing process procedures covering product planning, design, production, and installation. Moreover, each department related to production, delivery and installation takes actions for improvement each day, and the opinions and requests from customers are used to improve overall quality.

## Enabling Customers to Use KOKUYO Products with Confidence

### 1) Setting High In-House Standards

In the process of developing new products, we conduct multi-faceted evaluations to ensure ease of use and safety. In the production phase, we ensure compliance with the Japanese Industrial Standards (JIS) and other industry standards, as well as our even more demanding in-house standards.

### 2) Responding when Failures Occur

Should a product fail while being used by a customer, that information is shared among all related departments to provide a fast response. In this process, we identify the cause of the problem and incorporate corrective measures into the product and its manufacturing process in order to prevent recurrences of similar failures. If a serious accident occurs, the Compliance Committee determines the policy to be followed, reports the issue to the relevant government authorities, and notifies the public through newspapers and websites to limit the extent of any damage.

### 3) Notifications Regarding Product Safety and Quality

KOKUYO Furniture uses its corporate website as a medium for making notifications regarding product safety and quality. The most-appropriate one of the following four sections of the website is selected, depending on the nature of the notifications.

1. Important notice regarding product safety
2. Important notice regarding defective quality
3. Announcement regarding the safety and proper use of a product
4. Other announcement regarding product safety and quality



Web page for KOKUYO FURNITURE Co.,Ltd. Notifications Regarding Product Safety and Quality

### 4) Full Set of Quality Improvement Initiatives for the Total Process through to Delivery

In selling furniture, our company's responsibility is also to deliver our products to customers' offices and make them ready for use. For this reason, we strive to continuously improve quality not only in our manufacturing processes, but

❖ KOKUYO's CSR Charter	❖ Corporate Profile	❖ KOKUYO's Three Business Areas	❖ KOKUYO Group History	❖ KOKUYO's CSR	❖ Customers
❖ Regional Communities	❖ Environmental Conservation	❖ Corporate Activities	❖ Respect for Human Rights	❖ Third-Party Assessments	

also in shipment and delivery. We provide training on product assembly techniques and customer service manners to the partner companies subcontracted to deliver our products. We also hold a nationwide contest every year to judge the abilities in product assembly and customer service. Through these activities, we are raising the awareness level of delivery personnel, with the goal of achieving continuous quality improvement.

## Handing letters of appreciation containing heartfelt comments to share customers' frank opinions

KOKUYO Logitem, the company responsible for distribution, has conducted a web-based customer survey twice a year since 2012 on the quality of delivery. The feedback received from customers through the survey is delivered to partner companies and delivery centers operating on the front lines of product delivery. Based on favorable comments received from customers, we select drivers who have met the various selection criteria for work leading to added value in delivery, and show our gratitude by handing letters of appreciation containing heartfelt comments directly to the drivers. We continue to share customers' frank opinions with field personnel to further motivate the drivers and improve delivery quality.



In-house voting to pick the winners of the Most Heartfelt Comment Award and the Award for Largest Number of Heartfelt Comments



## Kaunet Quality Assurance

Kaunet handles an array of products from stationery, office supplies such as copy papers to beverages, food, electric appliances, gifts, medical related products, store operation products, made-to-order products including business cards and stamps, and office furniture from 1,000 manufacturers. As a distributor, Kaunet has been making efforts to work together in the value chain and improve not only the quality of the line of goods but also the customer service at call centers and delivery to offer a sense of security and safety to customers.



## For Product Deliveries (Main Services)

### 1) Same-day, next-day delivery services (Except for certain products and services)

Except in Okinawa Prefecture, remote islands and some hilly and mountainous areas, Kaunet delivers orders the next day if orders are placed before 6 p.m.

Same-day delivery areas may receive the order on the same day if an order is placed before 11 a.m.

### 2) Promotion of simple packaging

For deliveries of products in paperboard boxes, which is the most common packaging, Kaunet exercises its ingenuity in using cushioning materials for protecting products as little as possible. For imperious products in a lower volume, the orders are delivered using simple packaging, such as paper bags or polyethylene bags to conserve resources.



Our efforts on simple packaging



❖ KOKUYO's CSR Charter	❖ Corporate Profile	❖ KOKUYO's Three Business Areas	❖ KOKUYO Group History	❖ KOKUYO's CSR	❖ Customers
❖ Regional Communities	❖ Environmental Conservation	❖ Corporate Activities	❖ Respect for Human Rights	❖ Third-Party Assessments	

### 3) The services for selecting packaging of delivery (For online orders only)

While customers highly appreciate the delivery using simple packaging, Kaunet also responds to the request for delivery using boxes to accommodate occasions when sending orders to business partners or as a gift. When placing an order, customers can select the packaging form each time.

### 4) Furniture delivery with assembly services

Delivery staff specializing in furniture offer delivery, unpacking, assembling, and installation to packing material collection for the delivery of large furniture, heavy furniture, and those requiring complicated assembly.

## Collection services

Kaunet promotes resource conservation and recycling outdated Kaunet catalogues and cardboards for shipping, as well as the collection services for used toner cartridges.

## Office Activities in Countermeasures for Disasters

### 1) Developing a menu of countermeasures against earthquakes for office

Since the Great Hanshin Earthquake, we have carried out verification of earthquake countermeasures for offices. However, we recognized that there were still issues of office safety and security as we supported the restoration of our customers' offices after the Great East Japan Earthquake. There was also a sudden increase in consultations about earthquake countermeasures after the earthquake, and we even received many inquiries and requests that we were unable to answer with the vibration verification experiments we had performed.

With these experiences and consultations in mind, we carried out a wide range of verification experiments so that we could suggest further earthquake countermeasures. Based on the large amount of data obtained from these experiments, we determined the relationship between seismic waves and earthquake preparedness rationally to devise objective evaluation criteria for earthquake-resistant furniture. We thus propose a menu of earthquake countermeasures for offices, catering to the level and cost of countermeasures that our customers desire.



※ Related information: [Menu of Countermeasures Against Earthquakes for Office](#)

### 2) Developing a menu for introducing and utilizing emergency supplies best-suited to offices

KOKUYO is operating a disaster solution business to provide emergency supplies essential in the process of building an organization's BCP, as well as the expertise necessary for introducing and operating them. Using primarily the SONAeL, a guidebook on emergency supplies, and the PARTS-FIT, a disaster countermeasure series for both normal states and during emergencies, we are assisting our customers in simultaneously achieving a comfortable working environment and emergency preparedness.



❖ KOKUYO's CSR Charter	❖ Corporate Profile	❖ KOKUYO's Three Business Areas	❖ KOKUYO Group History	❖ KOKUYO's CSR	❖ Customers
❖ Regional Communities	❖ Environmental Conservation	❖ Corporate Activities	❖ Respect for Human Rights	❖ Third-Party Assessments	



働く場所にフィットする。  
 防災事業は単に備蓄の目安ではありません。  
 働く場所から立ちあがらせて備蓄を確保する仕組みが新しいPARTS-FIT。



エレベーターにそなえる。  
 地震や火災などで大勢の人が行き来するエレベーター。  
 エレベーターの扉、扉口までの通路も支えるエレcabi。



PARTS-FIT



elecabi  
 Emergency supplies cabinet for elevators

### 3) Raising the level of awareness

KOKUYO is working aggressively to raise awareness of the need to be prepared for disasters. These include holding seminars around Japan on the theme of earthquake countermeasures for offices. Subjects covered in these seminars included the difficulties faced by management immediately after the Earthquake (using KOKUYO Tohoku Sales Co., Ltd., as an example), the continuous development of the selection-distribution-management-renewal cycle as companies move from the "stockpiling" stage to the "continue to stockpile" stage 7 years after the earthquake as a measure to stockpile emergency supplies from the perspective of business continuity planning (BCP), and the creation of offices that can withstand strong earthquakes (KOKUYO Furniture).



Seminars on disaster countermeasures for corporations

❖ KOKUYO's CSR Charter	❖ Corporate Profile	❖ KOKUYO's Three Business Areas	❖ KOKUYO Group History	❖ KOKUYO's CSR	❖ Customers
❖ Regional Communities	❖ Environmental Conservation	❖ Corporate Activities	❖ Respect for Human Rights	❖ Third-Party Assessments	

## ■ Customers

# Dialogue with our Customers

KOKUYO Group values dialogue with customers. We sincerely accept opinions, requests, and suggestions from customers we receive on various occasions and strive to use these to develop and improve our products and services, and to improve customer satisfaction.

### Activity highlights

### Kaunet Factory, an Interactive Furniture Showroom, Opens



Kaunet Co., Ltd., which sells office products online and by fax, opened the Kaunet Factory, a furniture showroom, on the first floor of its headquarters building (located in Kamata, Ohta-ku, Tokyo). The Kaunet Factory addresses the recently increasing number of layout inquiries resulting from moving or remodeling small and medium-sized offices. This interactive showroom allows customers to not only check out actual products, but also view furniture pieces and design their layout on the spot. The showroom is composed of the following sections:

- Office chair area

Customers can select the size and level of support they prefer and then experience comfortable office chairs best suited to them.

- Desk area

Customers can select the ideal desk according to their intended use and available space, and experience the width and depth of the top board. They can also try out various options designed to improve work efficiency.

- Simulation area

Drawings and numbers cannot easily convey the actual feel of a workspace. In this area, one of our consultants can assist the customer in creating a simulated layout of the customer's work space using actual products.

- Consultation area

Office furniture professionals not only respond to customer's requests, but also point out potential problems and issues customers might not easily realize on their own. Furthermore, for customers using the simulated office layout service, immediately after the customer tries out various products, the drawing is corrected on the spot to incorporate any changes on a real-time basis and the customer can confirm the changes on 3D images.

Kaunet uses the information it obtains through direct communication with customers using these platforms and listening to their frank opinions, to develop future products and provide better services.

※ For details, please visit→[the Kaunet Factory webpage.](#)

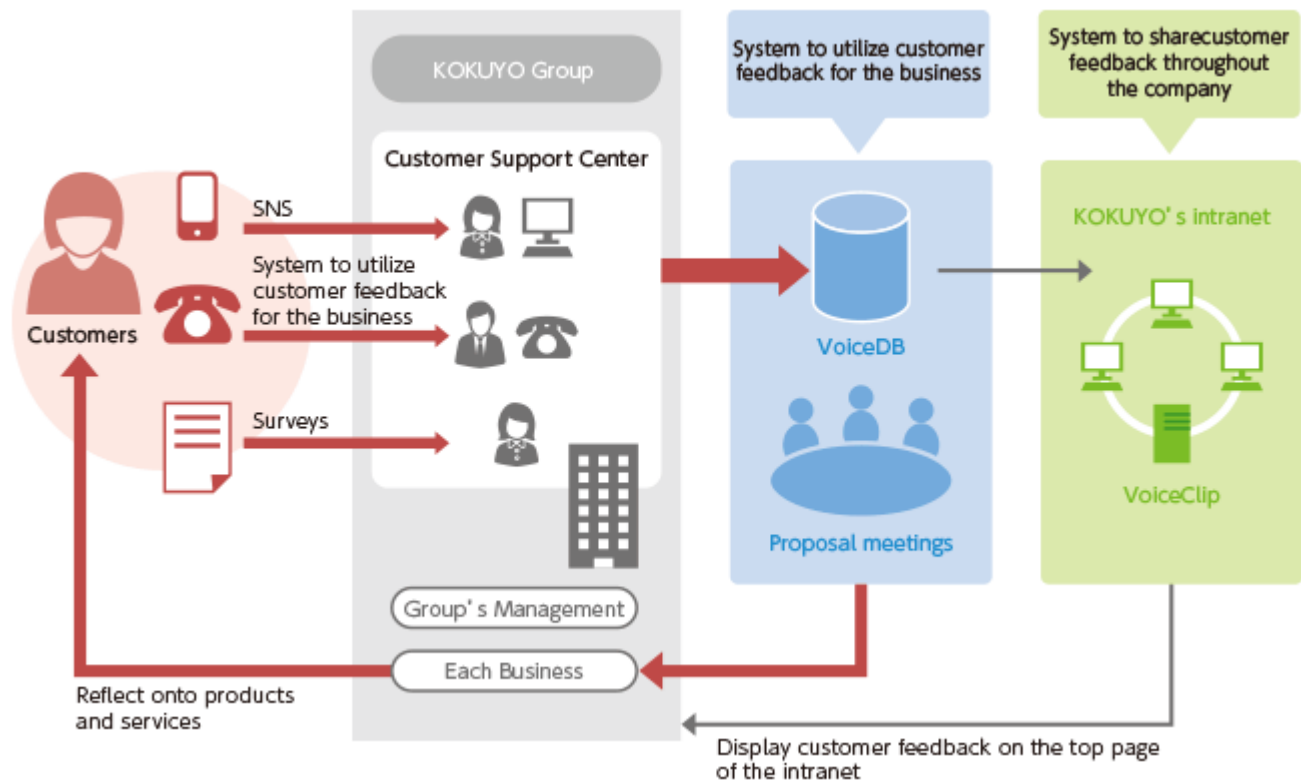


Kaunet Factory floor plan

❖ KOKUYO's CSR Charter	❖ Corporate Profile	❖ KOKUYO's Three Business Areas	❖ KOKUYO Group History	❖ KOKUYO's CSR	❖ Customers
❖ Regional Communities	❖ Environmental Conservation	❖ Corporate Activities	❖ Respect for Human Rights	❖ Third-Party Assessments	

## A System for Utilizing Feedback from Customers

In order to share customer feedback across the entire group, we use the intranet, VoiceClip, to share feedback of customers with all of our group employees (customer personal information is excluded beforehand). Both angry complaints and words of appreciation from customers are updated weekly on VoiceClip. Since 2012, we have been working to improve visualization by displaying customer feedback on the top page of the Group's intranet. Additionally, the customer feedback submitted to the customer support center is summarized in a database (personal information excluded), VoiceDB, so that Group employees can access the database to freely navigate through previous feedback as needed.

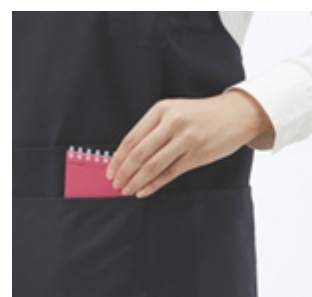


## Soft Ring® Notebooks and Memo Pads <Colorful> (dotted ruled lines) (perforated)

In March 2015, KOKUYO launched the Soft Ring® notebook (in Semi B5 and A5 sizes), which is bound with "Soft Rings" made from a resin that do not interfere with writing. Since its launch, this novel notebook achieved cumulative sales of over 5 million units by the end of September 2017. Many of the customers who purchased Soft Ring® notebooks indicated that they would also like to have a pocket-size version that would be easy to carry and handy for taking notes. As this customer request matched the wish of the department in charge to expand the Soft Ring® notebook product line-up, a memo pad in a modified A7 size and notebooks in B6 and A6 sizes were launched in November 2017.



Soft Ring® notebook and memo pad product line-up



Soft Ring® memo pad in use

❖ KOKUYO's CSR Charter	❖ Corporate Profile	❖ KOKUYO's Three Business Areas	❖ KOKUYO Group History	❖ KOKUYO's CSR	❖ Customers
❖ Regional Communities	❖ Environmental Conservation	❖ Corporate Activities	❖ Respect for Human Rights	❖ Third-Party Assessments	



## Dialogues with our Customers



### The internal structure of the Customer Support Center was changed.

In November, the structure of the Customer Support Center was significantly changed. Under the new structure, the support person who receives a customer inquiry is required to see to it that the inquiry is fully addressed to a satisfactory conclusion. This requires each support person to possess ample product knowledge and the ability to understand and solve the customer's true issue. Therefore, a new team was formed to support and enhance these efforts so that the entire customer support organization could work together to solve customer issues. Meanwhile, a new team for collecting and analyzing customer opinions was also formed, with the collected information being utilized in products and services as well as to provide improved services to customers.

The goal of the KOKUYO Customer Support Center is to provide customers with KOKUYO-style useful support while flexibly coping with societal changes.



### Kaunet Holds First-ever Exposition "Kaunet Festival"

With the goal of increasing the convenience and member benefits of Kaunet, our web- and FAX-based office product sales site, a first-ever exposition "Kaunet Festival" was held on December 14, 2017. Thirteen suppliers, including KOKUYO Stationary Business Division, co-sponsored the event, helping to make it more festive. At the festival, our employees promoted the benefits of Kaunet services, centered on Kaukore products (Kaunet original products), directly to visitors and conveyed KOKUYO's approach. We believe that the event enabled visitors to experience Kaunet's appeal firsthand. We will utilize the valuable opinions received from customers for future service improvement.



Event venue crowded with many visitors immediately following the opening



### Creating Model Office for "Reforming People's Work Style" through Collaboration with Customers

The Chugoku branch of KOKUYO Marketing Co., Ltd. received a letter of appreciation from NTT Facilities Inc. Chugoku Branch for its contribution in building a model office that supports the concept of "Reforming People's Work Style" that NTT Facilities is aiming to achieve. The recent remodeling was positioned as a model office of Reforming People's Work Style that can actually be experienced by customers. It can be said that the collaboration between NTT Facilities, an expert in facility making, and KOKUYO, an expert in office making, was the major factor in successfully creating the first innovative new office in the country. The office received the Thirtieth Nikkei New Office Awards (2017) - Chugoku Region Block New Office Promotion Award (Award given by the Director-General of the Chugoku Bureau of Economy, Trade and Industry).



The completed model office. In the future, the two companies will work together to make suggestions on various issues such as "Reforming People's Work Style", while utilizing their respective offices.

❖ KOKUYO's CSR Charter	❖ Corporate Profile	❖ KOKUYO's Three Business Areas	❖ KOKUYO Group History	❖ KOKUYO's CSR	❖ Customers
❖ Regional Communities	❖ Environmental Conservation	❖ Corporate Activities	❖ Respect for Human Rights	❖ Third-Party Assessments	

## Interview Training Based on New Skill Indexes

---

Based on the New Skill Indexes revised in FY2016, we conducted interview training in 2017. The training included a course on understanding the importance of comprehending customers' true needs and providing solutions that exceed customer expectations, as well as a practical skills seminar to enhance listening skills to draw out customer profiles and usage scenarios so that these solutions can be provided. The course described case studies in which listening resulted in solutions that exceeded customer expectations, as well as in-house initiatives to develop new products or improve products based on customer feedback. In the practical skills seminar, operators were divided into pairs and trained in listening skills using role play.

Another goal of the KOKUYO Customer Support Center is to provide customers with KOKUYO-style useful support by understanding their true needs and striving to provide solutions that exceed customer expectations.

■ Customers

## New Products and Services in 2017



January 30th, 2017 Stationery business

[File series "MOTTE" designed for women launched](#)



March 13th, 2017 Other

[Book "Secrets to Preparing an Information Packet that Will Get You Instant Approval" Published](#)



April 19th, 2017 Stationery business

[New Standard Filing Series "NEOS" Launched](#)



July 3rd, 2017 Stationery business

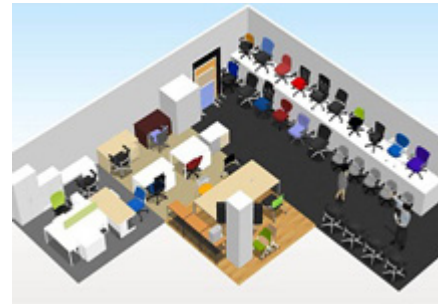
[New Series "KaTaSu" Useful for Sorting and Utilizing Personal Documents Launched](#)



August 9th, 2017

Stationery business

**["Hakoake" Scissors that Can be Used like a Box Cutter Launched](#)**



August 9th, 2017

Mail-order Business / Retailing

**[Interactive Furniture Showroom "Kaunet Factory" Opened](#)**



September 27th, 2017

Stationery business

**[New Customizable Ballpoint Pen "Eraberuno" Debuts](#)**



October 27th, 2017

Other

**[Book "KOKUYO's Simple Organizing Techniques" Launched](#)**



November 6th, 2017

Furniture business

**[Personal Locker "iNON" Launched](#)**



November 6th, 2017

Furniture business

**[Conference Room Chair "Spline" Launched](#)**





November 6th, 2017

Furniture business

**[Conference Room Table "CALM" Launched](#)**



November 6th, 2017

Furniture business

**[Five Office Lounge Furniture Products Launched](#)**



November 7th, 2017

Furniture business

**[Innovative Chair "ing" Launched that Changes the Concept of Sitting](#)**



December 18th, 2017

Stationery business

**[Limited Number of "Biwacomic" Notebooks Launched](#)**

❖ KOKUYO's CSR Charter	❖ Corporate Profile	❖ KOKUYO's Three Business Areas	❖ KOKUYO Group History	❖ KOKUYO's CSR	❖ Customers
❖ Regional Communities	❖ Environmental Conservation	❖ Corporate Activities	❖ Respect for Human Rights	❖ Third-Party Assessments	

## ■ Regional Communities

# Domestic contribution activities

### Activity highlights

## The 15th KOKUYO Design Award 2017 with "New Story" Theme



KOKUYO DESIGN AWARD 2017

— NEW STORY —

The KOKUYO Design Award is a design competition that aims to attract product designs for commercialization from a broad range of general users, bringing forward products that are superior from a user's perspective. The Award marked its 15th year in 2017. Examples of products commercialized based on past entries include the True Measure, winner of a Merit Award in 2014, and the Manga Packing Tape, winner of a Merit Award in 2016, both of which were launched commercially in 2017. The themes of the Design Award in recent years have included not only practicality and beauty in design, but also suggestions on ways of living and lifestyle, such as "Beautiful Living" (2015) and "How to Live" (2016). This year, moving beyond this orientation, we were hoping for fresh entries capable of establishing new genres in working, learning, and living in the age of material overabundance. This is why "New Story" was chosen as the theme. A total of 1,326 entries (880 from Japan and 446 from overseas) were received.

As an advance event, an open discussion was held on July 26, featuring KOKUYO Design Award judges Mr. Ryosuke Uehara and Ms. Yoshie Watanabe of KIGI, and Ms. Ryuko Kida of the Elle Decor magazine, as well as KOKUYO President Hidekuni Kuroda. The participants held a lively discussion about "New Story", while introducing various entries from Japan and around the world answering the question, "What is your new story?" Then, on August 8 and 9, the KOKUYO Design Award Story 2011-2016 Exhibit was held inside the Bunshi Messe, one of the largest stationery events in Japan, adding excitement to the KOKUYO Design Award 2017. The four winning entries were selected on January 18, 2018. The Grand Prix went to Eatool (designed by Daisuke Kakinoki, Haruka Mitani, and Yuki Yawata) of nyokki.



The KOKUYO Design Award exhibit at the Bunshi Messe 2017, displaying models of all entries that won the Grand Prix and Merit Awards between 2011 and 2016

\* For details, please visit → [the KOKUYO Design Award website](#).

❖ KOKUYO's CSR Charter	❖ Corporate Profile	❖ KOKUYO's Three Business Areas	❖ KOKUYO Group History	❖ KOKUYO's CSR	❖ Customers
❖ Regional Communities	❖ Environmental Conservation	❖ Corporate Activities	❖ Respect for Human Rights	❖ Third-Party Assessments	



## KOKUYO Original Pocket Notebook Provided in Sponsorship of J. League Division 2 Soccer Team, JEF United Chiba

In order to deepen its relationship with the JR East Japan Group, the Furniture Business Division is co-sponsoring JEF United Chiba, a professional soccer team that plays in Japan's J. League Division 2. To provide KOKUYO-style sponsorship, the Furniture Business Division obtained the cooperation of the Stationery Business Division to create and provide a field notebook\* engraved with the 2017 team slogan "Pasion - Fight with All Our Might." ("Pasion" means passion in Spanish.)

As a symbol for the players, fans, and team officials to work together throughout the season toward promotion to Division 1, the notebook was given out to the first 1,200 spectators arriving at the season's opening game (J. League Division 2, Section 2) played against Montedio Yamagata at JEF United Chiba's home stadium on March 4, 2017.

\*A long-term favorite pocket notebook launched in 1959. Although it was originally designed for recording surveying results out in the field, it is now being used in a variety of applications, such as taking notes outdoors and in everyday life, because of its ease of use outdoors.



People from the Furniture Business Division and the JEF team. Shown on the right is the field notebook recently provided.



## Lecture at the Fourth Smart Sound Design Society Symposium

On March 3, World Hearing Day, Yukinobu Iwakiri of KOKUYO Engineering & Technology Co., Ltd. (KET) gave a lecture at the Fourth SSDS Symposium hosted by the Smart Sound Design Society (SSDS)\*.

Entitled, "Diversifying work styles and what future offices will require," the lecture introduced office sound environments and sound solutions KOKUYO has in mind. It provided an excellent opportunity for attendees to learn about the activities of KET, which utilizes sound technology to support office worker productivity improvement and contribute toward work style reform. Furthermore, the symposium resulted in networking among professionals in a variety of sound-related fields, which may lead to promising new advances in sound solutions.

\* An organization established with the goal of promoting and popularizing sound design (which uses sound to aurally generate a sense of beauty or improve functioning) and building comfortable and functional sound environments.



Panel discussion after the lectures



## KOKUYO-Sponsored Nishinomiya Storks Wins the B2 League Championship

KOKUYO Marketing Co., Ltd. signed an official sponsorship contract with the Nishinomiya Storks, a professional basketball team in Nishinomiya City, Hyogo Prefecture, with the goal of contributing to the community and creating a local culture that enhances the ability to unite. In the first B2 League championship game held on May 20, 2017, the Nishinomiya Storks won 78-53 over the powerful team, Shimane Susanoo Magic, becoming the first champions of the B2 League.

On May 25, the Nishinomiya Storks players visited the Umeda Office to thank KOKUYO Marketing for its support and report the team's promotion to the B1 League. Through continued support of the Nishinomiya Storks, KOKUYO Marketing plans to keep making a contribution to the local community.



Nishinomiya Storks players who came to visit the Umeda Office

❖ KOKUYO's CSR Charter	❖ Corporate Profile	❖ KOKUYO's Three Business Areas	❖ KOKUYO Group History	❖ KOKUYO's CSR	❖ Customers
❖ Regional Communities	❖ Environmental Conservation	❖ Corporate Activities	❖ Respect for Human Rights	❖ Third-Party Assessments	



## Presenting Improvement Activities at the All-Japan Convention for Logistics Improvement Case Studies

On May 16 and 17, 2017, the All-Japan Convention for Logistics Improvement Case Studies was held, hosted by the Japan Institute of Logistics Systems. The goal of the Convention is to broaden participants' view and promote future logistics rationalization activities by sharing excellent improvement case studies and expertise from logistics sites. From the KOKUYO Group, KOKUYO Supply Logistics Co., Ltd. (KSL) participated in the Convention as it had the previous year.

At the 2017 convention, which was the 31st, outstanding improvement cases at 30 companies selected from all over Japan were presented. KSL reported on improvement resulting from collaboration with intra-warehouse partners that went beyond company boundaries inside a warehouse. By having our company's improvement appreciated by others and having an opportunity to incorporate other companies' improvement examples, we are aiming to further improve our abilities in logistics operations.



Presentation under the theme of "We should have done that! Ways of coping with environmental change"



## Summer Vacation KOKUYO Logistics Center Tour for Parents and Children Held

In 2017, KOKUYO Supply Logistics Metropolitan Area IDC, repeated the popular Summer Vacation KOKUYO Logistics Center Tour for Parents and Children it had held in 2016. This year the event was hosted jointly by Okumoto Irohado K.K., a retailer, and KOKUYO Marketing with the goal of helping children learn about and feel more familiar with KOKUYO by having them tour and experience KOKUYO's logistics operations. Despite rainy weather on the day of the event, 21 people (12 elementary school students and 9 guardians) participated in the event.

Our hope is that the recent experience will help the participants become more interested in the stationery they casually use every day, and become true KOKUYO fans.



The children experienced picking operations inside the warehouse and operations involving the inspection tablet introduced in May



## KOKUYO Supply Logistics Chubu IDC Interviewed by Local Elementary and Middle School Students

KOKUYO Supply Logistics Chubu IDC, which performs logistics services, was featured in the "PR Komaki," a PR brochure of its hometown, Komaki City. This was part of a project in which fifth and sixth graders and middle school students in Komaki City visit interesting places and companies, and publish articles created from interviews and photos in a PR brochure. In addition to being featured in the PR brochure, the article was also posted at elementary schools within the city. On the day of the visit, IDC personnel took some creative steps, for example incorporating a quiz into their overview explanation, to help the students understand logistics operations in a fun way.

Through these activities, we hope to not only provide children with work experience, but also convey the appeal of Chubu IDC to as many Komaki City residents as possible.



Children experiencing picking and sorting operations for KOKUYO products during a tour

❖ KOKUYO's CSR Charter	❖ Corporate Profile	❖ KOKUYO's Three Business Areas	❖ KOKUYO Group History	❖ KOKUYO's CSR	❖ Customers
❖ Regional Communities	❖ Environmental Conservation	❖ Corporate Activities	❖ Respect for Human Rights	❖ Third-Party Assessments	

## Calendar Featuring Letter-shaped Chairs and Beautiful Japanese Scenery

The HELLO Chairs were born out of the KOKUYO Design Award. By combining letter-shaped chairs to write a message in space, these chairs are designed to allow people to communicate using chairs.

The Furniture Business Division worked on the KOKUYO Calendar Project, which photographs HELLO Chairs in areas of beautiful Japanese scenery. The photos were taken by Mr. Makoto Hada, a photographer who shoots a wide range of objects, from celebrities to scenery. The planning for the photo shoot, its design, and location negotiations were all done by KOKUYO employees, rather than a design company. We plan to use this calendar broadly as a new tool for conveying KOKUYO's appeal to customers.



HELLO CHAIR



January Mt. Fuji and the rising sun



March Beginning of a new life

## Helping Revitalize Shopping Districts across Japan through the Isu-1 Grand Prix

The Isu-1 Grand Prix\*, an office chair two-hour endurance race, was again held in shopping districts across Japan in 2017. Each year, KOKUYO teams are formed with KOKUYO product retailers and agencies in various regions, helping to revitalize shopping districts through race participation. In 2017, KOKUYO International (Malaysia) Sdn Hbd organized races in Malaysia and Singapore for the first time in the ASEAN.

In a new initiative, an official website was established offering a service to rent "Isu-1 vehicles" to high school teams to involve local young people. This service enables high school students, for whom purchasing office chairs presents a financial obstacle, to easily participate in the races, making them more exciting.



Newly established official website of [KOKUYO Isu-1 Racing](#)

## The Job Study Initiative

The Job Study is a cross-industry seminar held by a team of human resources personnel from leading companies in various industries. They meet to discuss what kind of seminar is truly useful for students and use the results to organize a seminar themselves. When it was first launched in 2005, the issue of early departure for newly hired college graduates, where 30% leave their employment within three years, was a major issue. To address this issue and to provide an opportunity for corporations and students to come together, we have brought about the realization of mutual communication where corporations and students can talk about the significance of working by planning a program on the concept of real opinions and hand-made. Since then, 13 years have passed and we have continued to face students with sincerity, and today, a total of 20 leading companies from various industries have joined the Job Study. As of the end of 2017, the Job Study had amassed 13 years of positive results. At the 4th Career Education Awards, the Job Study received the Award for Encouragement for sharing philosophies regarding the broad range of challenges students face just prior to entering the workforce by a wide variety of companies and flexibly dealing with these challenges. However, the environment surrounding students and companies, including economic fluctuations and the graduate recruitment environment, is rapidly changing, and numerous issues still exist between job seekers and companies even in the current so-called seller's market. Against this backdrop, the Job Study is asking the representatives of the personnel departments of 20 participating companies to shun the status quo and come together and seriously consider what is required and what they would like to do as they look to the future.

❖ KOKUYO's CSR Charter	❖ Corporate Profile	❖ KOKUYO's Three Business Areas	❖ KOKUYO Group History	❖ KOKUYO's CSR	❖ Customers
❖ Regional Communities	❖ Environmental Conservation	❖ Corporate Activities	❖ Respect for Human Rights	❖ Third-Party Assessments	



## The Voice of a Person in Charge

### To Increase the value Job Study can provide

I have the feeling that the number of new challenges facing students, corporations and universities have increased and changed because of the rapid changes of the graduate recruitment environment in recent years.

Because it is an era when needs and difficulties have diversified, the program we hold is not standardized. We carry out programs thinking about who and what will benefit, as well as the schedule and contents.

While KOKUYO as a single company can only do so much on its own, the 20 companies that comprise this program are committed to joining forces to create new value and opportunities that others cannot provide.



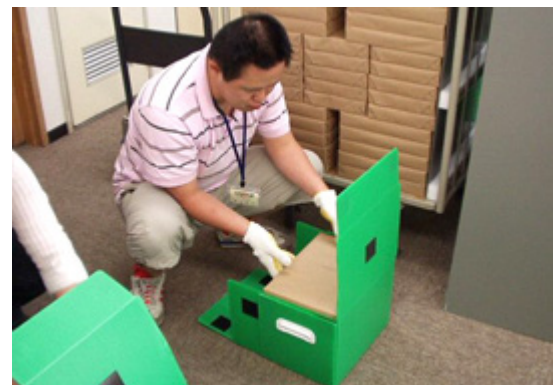
Hiroki Yamamoto  
KOKUYO HRBP Office



## Tying the Environment, Welfare, and the Community Together with Photocopier Paper: the Eco-Lab Heart Shiga Initiative

KOKUYO Marketing and KOKUYO Product Shiga are engaged in green purchasing activities and have been participating in the Shiga Green Purchasing Network (Shiga GPN), a local network program, since June 2006. The KOKUYO Group has been involved since the beginning with the Eco-Lab Heart Shiga initiative, which was developed by Shiga GPN's Research Society for Green Purchasing Evaluation Techniques and is presently operated by NPO Shiga Prefecture Social Employment Business Promotion Center.

This initiative constitutes a system for requesting the use of plastic boxes in place of cardboard boxes to deliver photocopier paper for daily use to approximately 150 cooperative workshops within Shiga Prefecture where disabled persons are employed. It was begun in 2007 with two aims: environmental (reducing unnecessary packaging) and welfare (promoting and employing disabled persons). By using photocopier paper manufactured at KOKUYO Product Shiga, a model consisting of elements based entirely in the local community is in place.



Delivery using a plastic box instead of a cardboard box

❖ KOKUYO's CSR Charter	❖ Corporate Profile	❖ KOKUYO's Three Business Areas	❖ KOKUYO Group History	❖ KOKUYO's CSR	❖ Customers
❖ Regional Communities	❖ Environmental Conservation	❖ Corporate Activities	❖ Respect for Human Rights	❖ Third-Party Assessments	

The Eco-Lab Heart Shiga initiative is highly regarded in terms of uniqueness, sustainability and development, and it won the grand prize of the "13th Green Purchasing Award" in 2011. With the increase in participating corporations and organizations, not only is there a reduction in rubbish, but also the income of the disabled people working in the workshops can be improved through delivery of photocopier paper, other eco products and products made in the workshops.

To companies and organizations with offices in Shiga Prefecture, would you like to participate in the original CSR activities of Shiga Prefecture, the advanced prefecture in terms of environment and welfare?



## Local Cleanup Activities and Blood Donation

The KOKUYO Group collaborates with local communities through cleanup activities carried out at office buildings, plants, Distribution Centers, and overseas business offices. Cleanup activities are performed once a year around the head office building in Osaka with the cooperation of the local government.

Through a tie-up with the organizers of the Osaka Marathon, Operation Osaka Marathon Cleanup has been organized since 2011 as a cleanup activity for all areas of Osaka so as to present a clean city to visitors to Osaka. The company participated in this activity in collaboration with the local government.

At various sites around the country, our employees have participated in blood donation drives since 1980. In 2017, 33 employees donated blood on an occasion when the Japanese Red Cross Osaka Blood Center visited the company.



## Initiatives of KOKUYO Tohoku Sales

Since the Great East Japan Earthquake, we have continued reconstruction support activities, mainly concentrating on activities that support children.



## Providing Support for the Michinoku Future Fund

KOKUYO Tohoku Sales provides support for the MICHINOKU Future Fund Charitable Foundation as a corporate supporter. This fund provides tuition fees (maximum 3 million yen annually) which are not required to be repaid when high school students orphaned by the Great East Japan Earthquake pursue higher education such as university, college, and vocational schooling with the purpose of helping children who will build the future of Tohoku, which is the real basis of recovery, to grow up without abandoning their dreams and hopes. Agreeing to that purpose, KOKUYO Tohoku Sales has been supporting the fund since 2012.

This fund does not stop at simply providing scholarships. Periodic events, annual interviews, and interactions with corporate supporters are also sponsored with the heartwarming intention that children who have endured painful experiences will not be left alone. In March of every year, events to celebrate new students' entrance to schools of higher learning and enrolled students' graduation are held with supporters and others involved, in which the students have an opportunity to passionately discuss their future dreams and goals.

KOKUYO Tohoku Sales, along with the MICHINOKU Future Fund Charitable Foundation, will continue to support these young people's dreams of higher education.



Gathering of the sixth graduating class of students held in March 2017



## Campus Art Award 2017, a Painting Competition for Junior High and High School Students

Since 2015, KOKUYO has held the Campus Art Award for junior high and high school students jointly with the Yomiuri Teens Newspaper (issued by the publishing company The Yomiuri Shimbun).

The contest theme was "My Sweet Home Town - a Great Favorite of Mine." The aim is to create opportunities for the youth of Japan's future to turn their attention to their local areas, to notice their attractiveness and to share that with others by taking up the theme of local landscape, customs, traditions, events, food, confectionery, etc.

❖ KOKUYO's CSR Charter	❖ Corporate Profile	❖ KOKUYO's Three Business Areas	❖ KOKUYO Group History	❖ KOKUYO's CSR	❖ Customers
❖ Regional Communities	❖ Environmental Conservation	❖ Corporate Activities	❖ Respect for Human Rights	❖ Third-Party Assessments	

The winners for the Grand Prix, the Yomiuri Teens Newspaper Award, the KOKUYO Award, and the District Merit Awards were selected from 1,393 entries. The Grand Prix went to "The Best of Koshigaya" by Anna Gotoh.



Campus Notebook with the Grand Prix-winning work "The Best of Koshigaya" on its cover was sold as a limited edition item on KOKUYO's official online shop.



❖ KOKUYO's CSR Charter	❖ Corporate Profile	❖ KOKUYO's Three Business Areas	❖ KOKUYO Group History	❖ KOKUYO's CSR	❖ Customers
❖ Regional Communities	❖ Environmental Conservation	❖ Corporate Activities	❖ Respect for Human Rights	❖ Third-Party Assessments	

## ■ Regional Communities

# Foreign contribution activities

## Initiatives in China

### Donating Notebooks through the Consulate General of Japan in Shanghai

In March 2017, while giving a lecture introducing Japan at the China-Japan Friendship Changzheng Elementary School in Huangbo Town, Ruijin City, Jiangxi Province, the Consulate General of Japan in Shanghai gave KOKUYO notebooks as gifts to the students there.



### Chasing Big Dreams with Small Notebooks! - Handing Dreams and Books to Children

From May 21 to 23, 2017, five employees from the Shanghai, Beijing and Shenzhen offices of KOKUYO (Shanghai) Management Co., Ltd., KOKUYO Commerce (Shanghai) Co., Ltd. and KOKUYO Furniture (China) Co., Ltd. gathered together to visit Liufang Primary School in the town of Mingkou in Leping City, Jiangxi Province, and interacted with the children there. On this visit, in addition to donating KOKUYO stationery including Campus notebooks, we donated about 200 books collected from all the employees of KOKUYO Group in China. The employee volunteers spent a meaningful day with the children, reading books and doing crafts using KOKUYO stationery. We organize these kinds of interchange activities with children every year. Seeing the stationery they have made bring smiles to so many children's faces was an irreplaceable experience for the employees. KOKUYO is actively having its employees participate in volunteer activities to help them personally understand the concept of contributing to society through our products.



❖ KOKUYO's CSR Charter	❖ Corporate Profile	❖ KOKUYO's Three Business Areas	❖ KOKUYO Group History	❖ KOKUYO's CSR	❖ Customers
❖ Regional Communities	❖ Environmental Conservation	❖ Corporate Activities	❖ Respect for Human Rights	❖ Third-Party Assessments	

## Presenting Gift Sets to Poor Children to Celebrate Discharge from Hospital through Cherry Blossom Foundation of the Shanghai Japanese Commerce & Industry Club

In May 2016, the Shanghai Japanese Commerce & Industry Club established the Cherry Blossom Foundation based on a cooperative agreement with the Shanghai Children's Health Foundation. For three years, the Cherry Blossom Foundation has been helping poor families with surgery or treatment expenses for their children who are suffering from strabismus or congenital dislocation of joints. Additionally, the Club presents celebratory gift sets packed with stationery, sweets, etc. to children being discharged from the hospital.

On September 15, 2017, members of the Club visited the Children's Hospital of Shanghai and handed the celebratory gift sets directly to the child patients who had been receiving support. The gift sets included stationery donated by KOKUYO.

## 2017 KOKUYO Mid-Autumn Moon Cake & Fund-Raising Activities

For the Mid-Autumn Festival of 2017, the KOKUYO Group in China distributed specially made moon cakes to its employees as part of a fund-raising activity. The employees were able to donate money by simply scanning a payment code found inside the moon cake box with a smartphone. Notebooks, erasers, pencils, etc. purchased with the donated money were presented to primary schools in mountainous areas.

The mountainous regions and farming areas in the interior of China still lack sufficient educational infrastructure, and students in many areas do not have enough school supplies. In order to help as many children as possible have dreams for the future, KOKUYO plans to continue pouring resources into educational support activities for children.



## Initiatives in India

### World Art Day 2017

As part of its annual celebration of Camlin Art Week, Kokuyo Camlin celebrated with a series of art events including a painting activity organized at the renowned Welham Boys School in Dehradun. Camlin Art week was organized to commemorate World Art Day, which is on April 15th, the birthday of Leonardo Da Vinci.

Students divided into 15 teams, hailing from well-known boarding schools from across Dehradun and Mussoorie, participated in an art event on April 12, 2017. The students painted large canvases on the theme of "Future through the eyes of the Past", under the special guidance of their art instructors.

The beautiful paintings created by these school children were exhibited on April 13th at the Welham Boys School, allowing the general public to enjoy them, as well. In a glittering function held at the School, all the participants were honored for taking part in the painting activity. Noted Indian Artist and Sculptor Jatin Das was the special guest. Other important dignitaries attending the event included Chief Marketing Officer, Kokuyo Camlin, Saumitra Prasad, and the Principal of Welham Boys School, Gunmeet Bindra. To add to the celebrations of Camlin Art Week, a number of workshops were organized on various subjects including Caricature, Calligraphy, Lino/Wood cut etc. In addition to the



❖ KOKUYO's CSR Charter	❖ Corporate Profile	❖ KOKUYO's Three Business Areas	❖ KOKUYO Group History	❖ KOKUYO's CSR	❖ Customers
❖ Regional Communities	❖ Environmental Conservation	❖ Corporate Activities	❖ Respect for Human Rights	❖ Third-Party Assessments	

on-ground activities, Kokuyo

Camlin also organized an initiative reaching out to audiences on social media platforms. Using the hash tag #ArtWeekChallenge, art enthusiasts were invited to post their artwork every day from April 11-14 and to nominate three friends to participate as well. Winners will receive exclusive Camlin Fine Art Supply baskets worth Rs. 7000, as well as a host of other art merchandise. Kickstarted on April 11th, the Art Week Challenge received a tremendous response from by leading artists in India and art communities on Facebook and Instagram. Prize winners were announced on April 15, World Art Day.

### ❖ Kokuyo Camlin gifts notebooks to Assam Flood-affected children

During the recent floods in Assam in the month of August, Kokuyo Camlin helped children there with notebooks for their regular studies. This activity was done in association with Child Help Foundation Trust which distributed the notebooks to the affected regions of Assam.

### ❖ Rally for River

Kokuyo Camlin joined hands with the Isha Foundation, which organized a campaign to save dwindling rivers of India in September and October 2018. The campaign was led by the spiritual teacher and founder of Isha Foundation, known as "Sadhguru." Kokuyo Camlin organized a creative writing contest across the community's schools, in which the children were asked to write about the importance of rivers with Camlin Mechanical Pencils - pencils which do not destroy trees during their manufacture. The activity was very well received with the participation of 1500 schools in 26 cities and the key events attended by leading dignitaries, including chief ministers, Union Ministers & the Vice President of India.

### ❖ Children's day with CRY children at Kidzania

Kokuyo Camlin worked together with the NGO CRY to make Children's Day (14th November) a very special day for underprivileged children. An event was organized at the most exciting venue in the area - Kidzania, where the children enjoyed a fun learning experience, particularly at the Camlin art & craft studio.



### ❖ Holding New Year's Celebration with Childhood Cancer Patients

In 2017, KOKUYO Camlin again held an event for children fighting childhood cancer at Shree Ghadge Maharaj Dharmshala, as it had in 2016. At the event, the children passed a pleasant time drawing pictures using KOKUYO Camlin products and enjoying a magic show.



❖ KOKUYO's CSR Charter	❖ Corporate Profile	❖ KOKUYO's Three Business Areas	❖ KOKUYO Group History	❖ KOKUYO's CSR	❖ Customers
❖ Regional Communities	❖ Environmental Conservation	❖ Corporate Activities	❖ Respect for Human Rights	❖ Third-Party Assessments	

## 📊 Celebrating Teachers day with tree planting

In what could be termed a unique way of celebrating National Teachers' Day, premiere stationery giant, Kokuyo Camlin joined hands with the CK Group of educational institutes for a tree planting day. School children from the institutes each pledged and planted a sapling to honor their favorite teacher, as a token of appreciation and gratitude.

A plaque was placed alongside each sapling with the teachers' name on it, as well as details on the plant and the species it originated from. The activity was unique in the sense that, by planting a sapling, each student presented their favorite teacher with a gift that would last a lifetime. At the same time, the students also made a small contribution to the environment by planting a sapling to make it greener.

The teachers were extremely humbled and touched by the gesture of students planting a sapling in their name and were thrilled with the plaques bearing their names placed alongside.



## 📊 Kokuyo Camlin beautifies the slums in Mumbai

Kokuyo Camlin joined hands with the Social Service League to beautify under-equipped schools in slum areas. Volunteers beautified the walls of government schools there, using Camlin products to create a friendlier and more colorful study environment.



## ■ Environmental Conservation

# Environmental Management and Third-Party Inspection

While recognizing that solutions to the problems of global warming, deforestation, and other issues affecting the global environment are urgently required, our entire workforce is committed to combining our collective wisdom in order to engage in actions designed to resolve these issues.

## Environmental Management

### The Group's Vision for the Environment

Building a sustainable society will require the creation of a recycling-oriented, low-carbon society that can coexist with nature.








The KOKUYO Group Vision for the Environment consists of an environmental philosophy and an environmental policy with seven specific activities: the prevention of global warming; resource saving and recycling; procurement, development and supply of environmentally friendly products; biodiversity; legal compliance and preventing pollution; information disclosure and communication; and environmental management. Based on this vision, all group companies have developed goals that reflect the characteristics of their business activities and are working on reducing their environmental impact.

KOKUYO Group's Vision for the Environment

Environmental principles

Since its foundation and based on KOKUYO's enduring corporate philosophy of "being useful to the world through our products", KOKUYO has identified the global environmental challenges to realizing a sustainable society, such as global warming, resource depletion, and biodiversity conservation as persistent problems shared by the whole world. Taking the initiative, KOKUYO is working to find solutions for these problems by mobilizing the wisdom of various people active in the business world.

Environmental policies

	<b>Prevention of global warming</b>	KOKUYO is taking measures to significantly cut the amount of greenhouse gasses it emits in order to realize a low carbon output society.
	<b>Resource saving &amp; recycling</b>	KOKUYO is taking measures to promote the idea of Reduce - Reuse - Recycle by efficiently using limited resources in order to further the development of a recycling-oriented society.
	<b>Procurement, development and supply of environmentally friendly products</b>	KOKUYO is taking measures to promote the development of new environmental technologies and green procurement in order to reduce the environmental load of the entire product recycling process.
	<b>Biodiversity</b>	KOKUYO seeks to reduce its impact on the ecosystem and to maintain a low impact on it by engaging in business activities that give consideration to biodiversity.
	<b>Legal compliance &amp; preventing pollution</b>	In addition to environmental laws and regulations, KOKUYO seeks to observe the industry guidelines that have been accepted by the company and its own standards, as well as to prevent environmental pollution.
	<b>Information disclosure &amp; communication</b>	KOKUYO actively discloses environmental information, works on communication with its customers and all external entities, and is fully engaged in environmental preservation activities.
	<b>Environmental management</b>	All KOKUYO employees work together and seek to develop new ecological business models, and the company is taking measures to continuously improve its environmental load and to develop the business.

## Medium- to Long-Term Environmental Action Plan

### Medium- to Long-term Environmental Action Plan (Fiscal 2020)

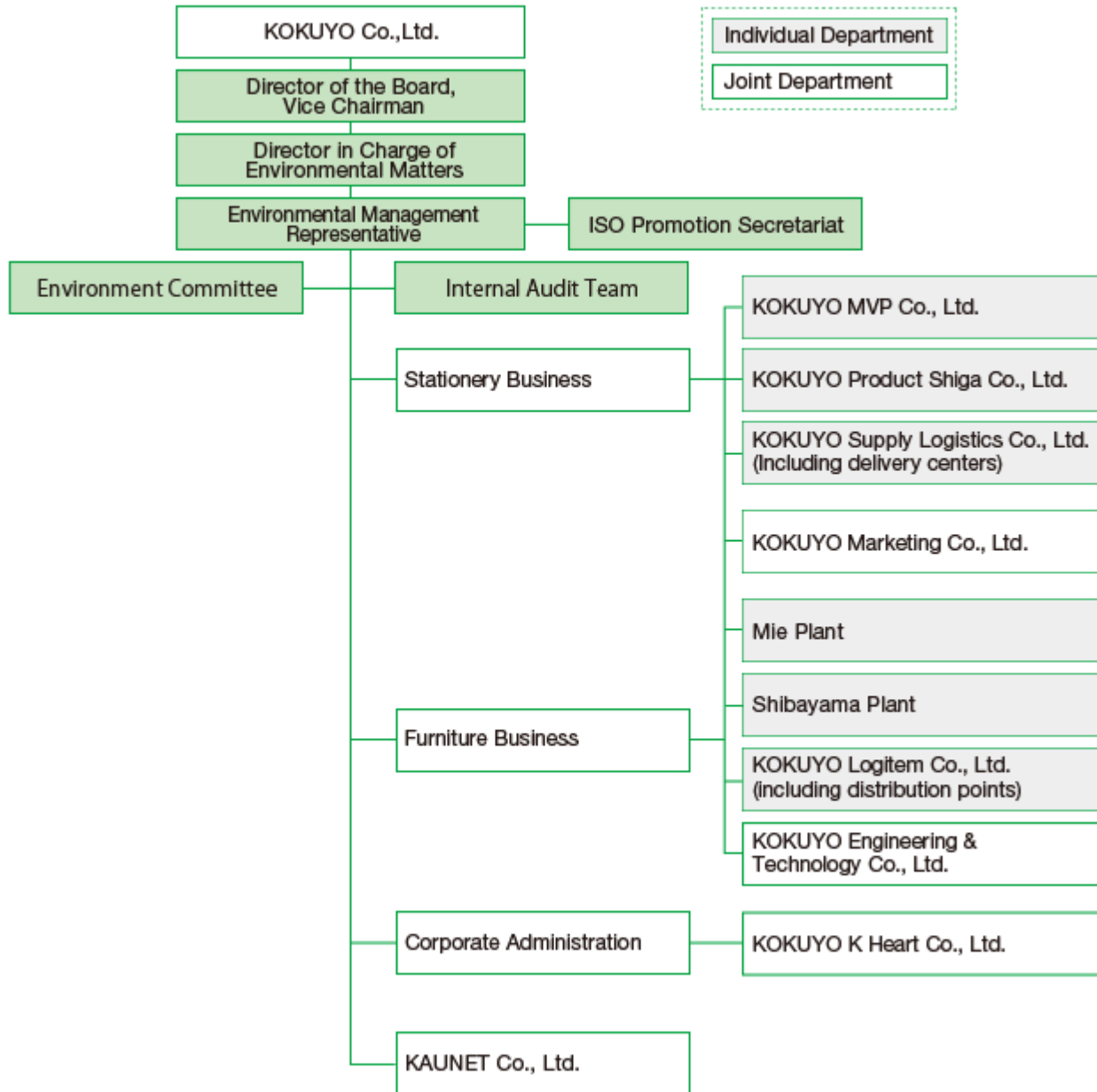
Environmental policy	Measures	Fiscal 2015 performance	Fiscal 2016 performance	Fiscal 2017 performance	Fiscal 2020 goals
Prevention of global warming	CO <sub>2</sub> Cut CO <sub>2</sub> emissions (vs. FY 1990)	Reduced by 8.1% (in Japan))	Reduced by 11.2% (in Japan))	Reduced by 10.3% (in Japan))	Reduced by 30% (in Japan))
	Cut energy consumption (vs. FY 2010) *Average 1% reduction per year in unit energy consumption	Reduced by 13.7% (unit energy consumption)	Reduced by 16.4% (unit energy consumption)	Reduced by 16.5% (unit energy consumption)	Reduced by 10% (unit energy consumption)
Resource saving and recycling	Increase the rate of recycling in relation to the total volume of emissions ※incl. waste materials	94.9%	94.5%	94.6%	100%

### Migration to ISO 14001 2015

In 2004, the scope of registrations for the environmental management system was enlarged to cover all major consolidated subsidiaries in Japan. This resulted in a multi-site certification system that encompasses planning, R&D, manufacturing, sales and services, and warehousing and shipping operations. The environmental management system is structured to reflect the level of the environmental impact while preserving consistency across the KOKUYO Group. Companies and factories with a relatively large environmental impact are classified as individual units. Companies with a relatively small impact are classified as common units. In addition, the environmental management system reflects the unique aspects of the activities of each group company. This allows companies to perform environmental management that matches their operations, such as by establishing goals based on each company's business plan. While MELON, a database system for the management of environmental documents and records, was previously introduced, we enhanced the functionality of this system in July 2013 in an effort to expand the scope of target sites and improve the user-friendliness, efficiency, and accuracy of document management and browsing.

In December 2016, we received and successfully completed an inspection based on migration to the 2015 version.

## Environmental Management System



## Results of Internal Audits and Third-Party Inspection

The KOKUYO Group performs internal audits in two stages: primary audits are conducted by operating companies and secondary audits are conducted primarily by the ISO Promotion Secretariat. Ensuring compliance with laws and regulations is the highest priority of these audits. Group audits also undergo ISO 14001 third-party inspection and the CSR Report is checked by a third party. For fiscal year 2017, primary audits were conducted between July 3 and 31, secondary audits were conducted between August 1 and 31, and third-party inspection was carried out between November 28 and December 1. Note that the third-party inspection in 2017 was regularly scheduled.

### Internal audits

FY in which conducted	2015	2016	2017
Sites subject to monitoring	72	65	70
• Primary audits	57	50	55
• Secondary audits	15	15	15
Matters cited	53	36	28
• Minor points of nonconformity	6	8	12
• Corrections	47	28	16

### Third-party inspection (ISO14001)

FY in which conducted	2015 (update)	2016 (periodic/migration)	2017 (periodic)
Sites subject to examination	29	24	21
Matters cited for improvement			
• Minor points of nonconformity	0	0	0
• Improvement opportunities	31	21	16
Strong points	0	0	0
Good points	8	4	4



### Summary of Third-Party Inspection

Environment load data and scope 3 emissions for 31 KOKUYO Group companies have been subject to verification at KOKUYO's head office. On-site examinations relating to data measurement and management methods have also been conducted at three sites in Japan (KOKUYO Product Shiga Co., Ltd., KOKUYO Furniture Business Division - Engineering Department (Shinagawa Office), and KOKUYO Logitem Co., Ltd. Kansai DC) and one site overseas (KOKUYO Camlin Ltd. Tarapur Factory). This process resulted in a number of matters being pointed out: a total of 9 assessable points, 10 opportunities for amelioration, 26 requests for modifications, and 21 requests for clarification. The requests for modification and clarification were dealt with during the verification period.

For the verification of scope 3 emissions, the need for clarifying the data collection scope in each category was cited as requiring improvement because the collection scope had been noted as "consolidated" or "consolidated and affiliate" depending on the category.

Based on these matters that were pointed out to us, we will endeavor to enhance the disclosure of information encompassing the entire supply chain and improve the precision of such information.



## KOKUYO Group CSR Report 2017 Independent Verification Report

To: KOKUYO Co., Ltd.



Bureau Veritas Japan Co., Ltd.  
System Certification Services Headquarters

Bureau Veritas Japan Co., Ltd. (Bureau Veritas) has been engaged by KOKUYO Co., Ltd. (KOKUYO) to conduct independent verification of its selected environmental data for inclusion in the KOKUYO Group CSR Report 2017 (the Report), issued under the responsibility of KOKUYO. The aim of this verification is to consider the accuracy and the reliability of environmental data detailed in the Report and to provide a verification opinion based on objective evidence.

### 1. Verification Outline

1) Environmental impact data generated through business operations in FY2016 (January 1, 2016 through December 31, 2016)

Scope of Verification	Site Visited	Verification Methodology
Environmental impact data generated through business operations of KOKUYO and its 31 subsidiary companies (7)	<ul style="list-style-type: none"> <li>- KOKUYO's Head Office</li> <li>- KOKUYO MVP Co., Ltd., Tofori Factory</li> <li>- KOKUYO MVP Co., Ltd., Aoya Factory</li> <li>- KAJINET Co., Ltd., Sapporo distribution center</li> <li>- KOKUYO Hakkaido Sales Co., Ltd.</li> <li>- KOKUYO Commerce (Shanghai) Co., Ltd., Shanghai Factory</li> </ul>	<ul style="list-style-type: none"> <li>- Review of documentary evidence produced by KOKUYO's Head Office and the sites visited</li> <li>- Interviews with relevant personnel of KOKUYO's Head Office and the sites visited</li> <li>- Site inspection and review of data monitoring procedures</li> <li>- Validation of the reported data against supporting documentary evidence</li> </ul>

(7) Environmental impact data verified are energy usage, water usage, substance input, container and packaging materials, greenhouse gas emissions, SOx/NOx emissions, waste discharged, waste water discharged, CO2/BOD, cyclonic water use at plants, cyclonic resource use on premises, collected used products, re-use of used products, and Japanese PPEs, Product Release and Transfer Register) Law designated substances.

2) Environmental accounting data and Environmental Activity Evaluation Index data in FY2016 (January 1, 2016 through December 31, 2016)

Scope of Verification	Site Visited	Verification Methodology
Environmental accounting data	- KOKUYO's Head Office	- Review of documentary evidence produced by KOKUYO's Head Office
Environmental soundness, efficiency indicators		- Interviews with relevant personnel of KOKUYO
Environmental impact points in JEPDA (Japan Environmental Policy Index)		- Validation of the reported data against supporting documentary evidence

This verification was conducted using Bureau Veritas' standard procedures and guidelines for external verification of non-financial reporting, based on current best practice. Bureau Veritas refers to the International Standard on Assurance Engagements (ISAE) 3000 in providing a limited assurance for the scope of work stated herein.

### 2. Findings

1) Environmental impact data generated through business operations in FY2016

Based on the verification work and processes followed, there is no evidence to suggest that:

- the environmental data stated in the Report is not consistent with the data collected and consolidated at KOKUYO's head office;
- the environmental data reported to KOKUYO's head office by those sites visited by Bureau Veritas is not free from significant error or bias.

2) Environmental accounting data and Environmental Activity Evaluation Index data in FY2016

Based on the verification work and processes followed, there is no evidence to suggest that:

- the calculation of Environmental accounting data and Environmental Activity Evaluation Index data is not consistent and in accordance with the criteria prepared by KOKUYO for this purpose;
- the data used for calculating Environmental accounting data and Environmental Activity Evaluation Index data and the associated calculation results are not free from significant error.

Bureau Veritas has implemented a code of ethics across its business which is intended to ensure that all our staff maintain high standards in their day-to-day business activities. This is particularly evident in the prevention of conflicts of interest. Bureau Veritas activities for KOKUYO are for social reporting verification only and we believe our verification assignment did not raise any conflicts of interest.



## GREENHOUSE GAS EMISSIONS VERIFICATION STATEMENT

To: KOKUYO Co., Ltd.



Bureau Veritas Japan Co., Ltd.  
System Certification Services Headquarters

Bureau Veritas Japan Co., Ltd. (Bureau Veritas) was engaged by KOKUYO Co., Ltd. (KOKUYO) to conduct limited assurance for the greenhouse gas (GHG) emissions reported in the KOKUYO Group CSR Report 2017 for the period of January 1, 2016 through December 31, 2016.

### 1. Scope of Verification

KOKUYO requested Bureau Veritas to verify the accuracy of the following GHG information, to a limited level of assurance:

1) Scope 1 and Scope 2 emissions:

-GHG emissions through business operations of KOKUYO and its 31 subsidiary companies

2) Scope 3 emissions:

-Categories 1, 2, 3, 4, 5, 6, 7, 11, 12 and 13 of Scope 3 GHG emissions accounted in line with the GHG Protocol's Corporate Value Chain (Scope 3) Accounting and Reporting Standard, and the boundaries defined by KOKUYO for each category.

### 2. Methodology

Bureau Veritas conducted the verification in accordance with the requirements of the international standard ISO 14064-3(2006): Greenhouse gases - Part 3: Specification with guidance for the validation and verification of greenhouse gas assertions.

As part of Bureau Veritas' assurance, the following activities were undertaken:

- Interviews with relevant personnel of KOKUYO responsible for the identification and calculation of GHG emissions;
- Review of KOKUYO's information systems and methodology for collection, aggregation, analysis and review of information used to determine GHG emissions; and
- Audit of a sample of source data to check accuracy of quantified GHG emissions.

### 3. Conclusion

Based on the verification work and processes followed, there is no evidence to suggest that the GHG emissions assertions shown below:

- are not materially correct and are not a fair representation of KOKUYO's activities as per the scope of work;
- are not prepared in accordance with the methodology for calculating GHG emissions established and implemented by KOKUYO.

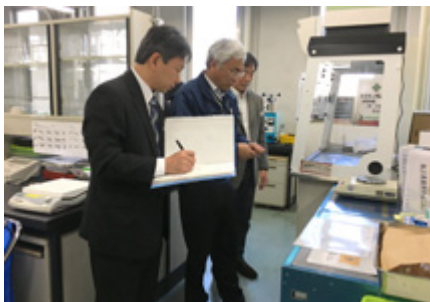
Verified greenhouse gas emissions		
Scope 1	Scope 2	Scope 3
8,450 t-CO <sub>2</sub> e	37,049 t-CO <sub>2</sub> e (location based) 34,503 t-CO <sub>2</sub> e (market based)	335,730 t-CO <sub>2</sub> e

The breakdown of Scope 3 emissions verified are as follows.

Category	t-CO <sub>2</sub> e	Category	t-CO <sub>2</sub> e	Category	t-CO <sub>2</sub> e
1	258,942	9	3,273	12	25,868
2	8,362	6	657	13	3,349
3	3,883	7	2,281		
4	25,095	11	7,774		

### [Statement of Independence, Impartiality and Competence]

Bureau Veritas is an independent professional services company that specializes in Quality, Health, Safety, Social and Environmental management with over 130 years history in providing independent assurance services. No member of the verification team has a business relationship with KOKUYO, its Directors or Managers beyond that required of this assignment. We conducted this verification independently and to our knowledge there has been no conflict of interest. Bureau Veritas has implemented a Code of Ethics across its business to maintain high ethical standards among staff in their day-to-day business activities. The verification team has extensive experience in conducting assurance over environmental, social, ethical and health and safety information, systems and processes.



ISO14001  
Third-party audit (KOKUYO workshop)



ISO14001  
Third-party audit (KOKUYO Shibayama Plant)



Environmental performance data third-party verification (KOKUYO Product Shiga)

## ■ Environmental Conservation

### Global Warming Preventive Measures

We are developing an environmental management system with the goal of becoming an Asian company. In order to reduce the amount of greenhouse gases significantly with a view to achieve a low-carbon society, we have expanded the scope of our reporting targets.

2017 Goals (Reporting scope A)	2017 Actual Achievements (reporting scope A)	Evaluation
Year-on-year change in CO2 emissions excluding impact on productions: up 1.4% (Total volume: +4.6%)	Year-on-year change in CO2 emissions excluding impact on productions: up 2.4% (Total volume: +2.5%) 25,979t-CO2 (fixation of electricity emission factors: 0.378kg-CO2/kWh) 32,577t-CO2 (emission factor by electric power company and by country)	Accomplished
Energy consumed: year-on-year change in unit energy consumption: up 1.3%	Energy consumed: year-on-year change in unit energy consumption (per unit of sales): up 0.2%	Accomplished

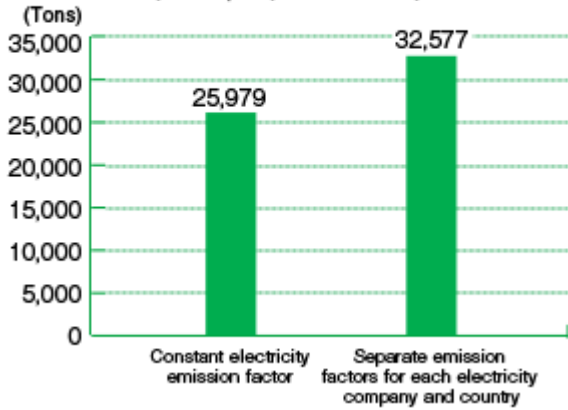
#### Summary for 2017

If calculated for the existing scope of operations using the electricity emissions factor of 0.378 kg-CO<sub>2</sub>/kWh (which is the overall power average in 2000 as reported by the Federation of Electric Power Companies), the KOKUYO Group's CO<sub>2</sub> emissions in 2017 totaled 25,979 tons, 637 tons (2.5%) more than in the previous year. Based on estimates, there were emission reductions of 440 tons due to operational improvements and 320 tons due to equipment improvements. Manufacturing operations and the closing and consolidating of facilities raised emissions by 1,390 tons. As a result, there was an effective reduction in CO<sub>2</sub> emissions of 760 tons from a combination of operational and equipment improvements. Consequently, excluding the impact of production activities, emissions were down 2.4% from the previous year, allowing us to meet our goal of a 1.4% reduction.

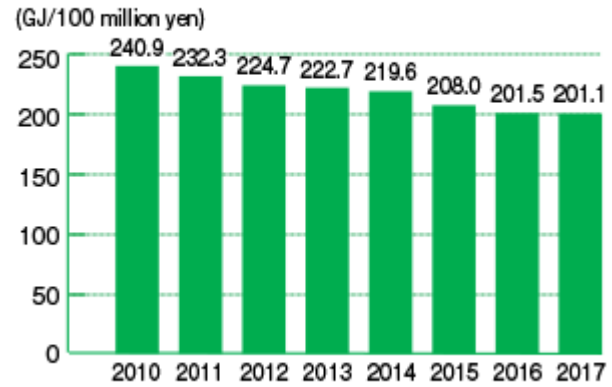
Looking at sources of CO<sub>2</sub> emissions, there was an increase of 1,320 tons at factories due to an increase in production. However, as there was a decrease of 550 tons due to higher manufacturing efficiency and other improvements, factories recorded a net increase in emissions of about 770 tons. For distribution activities as well, emissions decreased by 25 tons because of measures such as the consolidation of distribution centers. There was also a reduction of 60 tons due to heightened electricity and energy conservation measures, resulting in a net decrease in emissions of 85 tons. In offices, emissions were down approximately 40 tons as a result of the more efficient use of heating and cooling systems and the effective use of heat storage. Additionally, to use energy more efficiently, we oversee unit energy consumption, which is obtained by dividing energy consumption by sales. In 2017, our unit energy consumption was 0.2% less than in the previous year.

If the 2012 emission coefficients for each of the various countries on the greenhouse gas (GHG) protocol website made public by the World Business Council for Sustainable Development (WBCSD) and the World Resource Institute (WRI) are adopted as the figures for the CO<sub>2</sub> emission coefficients and added to the Japanese CO<sub>2</sub> emission coefficients based on the Act Concerning the Promotion of Global Warming Countermeasures (for 2017, actual emission coefficients for each electricity company for 2015 and 2016), then the total will rise by 6,598 tons to 32,577 tons.

### Comparison of Cases with a Fixed Electricity Emission Factor and Cases with Separate Emission Factors for Each Electricity Company and Country



### Actual Emission Coefficients for Each Electricity Company



### Scope of Reporting

While 16 companies were included in the scope of CO<sub>2</sub> emission reporting (reporting scope A \*1) until 2011, all consolidated subsidiaries came to be included in the scope of reporting starting in 2012 (for 2017, 31 companies; reporting scope B \*2). As a result, CO<sub>2</sub> emissions totaled 43,112 tons (including 1,491 tons at non-consolidated sales companies). The changes to the emission coefficient and the extension of CO<sub>2</sub> emission reporting to the supply chain have resulted in significant changes for the KOKUYO Group. Consequently, we believe that the medium-term goals for emissions will have to be re-examined.

※ 1 : A: KOKUYO Co., Ltd., 12 consolidated subsidiaries, and 3 affiliated companies

※ 2 : B: KOKUYO Co., Ltd., 20 consolidated subsidiaries, and 10 affiliated companies (KOKUYO S&T and KOKUYO Furniture were integrated with KOKUYO Co., Ltd. in October 2015)

※ Related information: "[Changes in CO<sub>2</sub> emissions](#)"



### Measures Implemented in Offices to Help Mitigate Global Warming

Offices lowered CO<sub>2</sub> emissions by 40 tons over the previous year. Offices lowered CO<sub>2</sub> emissions by 80 tons over the previous year. To accomplish this, we conducted a review of the methods by which heating and cooling systems were being operated, a review of working styles, promotion of no-overtime days and activities that encourage employees to go home early, and the reduction of electricity use, such as by replacing lighting fixtures with LEDs. At our Shinagawa office, an electric power visualization system is used to lower electricity use during on-peak hour of daytime through the efficient operation of heating and cooling systems and heat storage tanks. In addition, a program that encourages people to use public transportation for sales activities cut gasoline use by about 8% compared to the previous year, which represents a reduction in CO<sub>2</sub> emissions of 30 tons. In 2017, the cool biz and warm biz campaigns were combined into a smart biz campaign that was in effect all year long.



Solar panels installed at the new wing of our Osaka office

❖ KOKUYO's CSR Charter	❖ Corporate Profile	❖ KOKUYO's Three Business Areas	❖ KOKUYO Group History	❖ KOKUYO's CSR	❖ Customers
❖ Regional Communities	❖ Environmental Conservation	❖ Corporate Activities	❖ Respect for Human Rights	❖ Third-Party Assessments	



## Measures for the Prevention of Global Warming in Our Plants

A reduction of 310 tons in CO<sub>2</sub> emissions was achieved at our plants thanks to operational improvements attributed in part to a shortening of the time required to make changes to product types, the thorough application of rules for the operations of production equipment, the conducting of inspections, the elaboration of production schedules, and a reduction of waste made possible through energy checks. In addition, a reduction of 240 tons in CO<sub>2</sub> emissions was achieved by embracing energy-saving equipment, including adopting systems that enable the installation of inverters and switching to LED lights.

While an increase in production resulted in an increase in CO<sub>2</sub> emissions of 1,320 tons on a year-on-year basis, the net increase was only 770 tons (increase of 530 tons domestically and an increase of 240 tons overseas) resulting from a reduction of 510 tons attributed to the above operational improvements and equipment improvements.



Solar panels installed at Shiga factory



## Measures for the Mitigation of Global Warming in Logistics

In the area of logistics (storage and shipping), we reduced CO<sub>2</sub> emissions by 85 tons compared to the preceding year. Operational improvements achieved through the promotion of daily energy-conservation activities, along with equipment improvements achieved through the introduction of energy-saving lighting fixtures and a review of optimal luminance for lighting fixtures at distribution centers, reduced emissions by 60 tons. In operating an automated three-dimensional warehouse, KOKUYO Logitem's Ina Distribution Center adopted an electricity demand meter as part of efforts to reduce peak electricity consumption in response to tight supply-and-demand conditions for electricity. In 2017, emissions were reduced by 25 tons through measures such as site consolidation, resulting in a net decrease of 85 tons when combined with the reduction of 60 tons achieved through operational and equipment improvements.



Hybrid streetlights installed at our Metropolitan Area Integrated Distribution Center (IDC)



## Ascertaining GHG Emission Volumes for the Entire Supply Chain

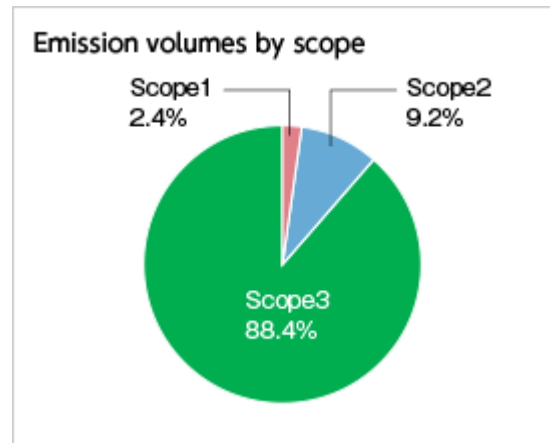
In recent years, a movement to engage in carbon disclosure projects (CDP) and to manage and externally disclose Scope 3 (encompassing production, shipping, business trips, commutation, and other categories) emissions generated through supply chains that indirectly emit GHG has been gaining momentum.

While the KOKUYO Group has also engaged in such actions in certain areas such as shipping, actions started to be taken in 2014 in accordance with the Ministry of the Environment's Basic Guidelines on Calculating Volumes of Greenhouse Gas Emissions.

Generated through Supply Chains. The volume of GHG emissions for the entire supply chain in year 2017 was 371,268 tons of CO<sub>2</sub>. Scope 3 emissions accounted for approximately 90 per cent of this figure with 70 per cent thereof attributed to "Category 1 purchased products and services". Since data has not yet been fully collected from all cooperating plants, this percentage is expected to rise. Given that there are also problems in other categories, improvements will be made from next term.

❖ KOKUYO's CSR Charter	❖ Corporate Profile	❖ KOKUYO's Three Business Areas	❖ KOKUYO Group History	❖ KOKUYO's CSR	❖ Customers
❖ Regional Communities	❖ Environmental Conservation	❖ Corporate Activities	❖ Respect for Human Rights	❖ Third-Party Assessments	

Third-party verification services provided by Bureau Veritas Japan have also been secured to ensure the reliability of disclosed information and data.



## ■ Environmental Conservation

### Resource-saving and Recycling Measures

To promote the growth of a recycling-oriented society, we are endeavoring to reduce, reuse, and recycle by effectively utilizing limited resources.

Objectives for 2017	2017 Performance	Evaluation
Enhancement of the recycling rate against the total amount of waste •Offices: 96.9% or above •Construction sites: 81.6% or above	•Offices: 96.8% •Construction sites: 82.7%	▲ ○

#### Summary for 2017

#### Improving the Accuracy of Data on Waste Materials

The volume of waste materials generated by KOKUYO Group business offices in 2017, including all consolidated subsidiaries, was 20,409 tons (including 98 tons at non-consolidated sales companies). This was an increase of 953 tons.

Approximately 600 tons of this amount resulted from increased production at factories.

#### Measures Taken at Factories

The recycling rate in factories in 2017 was 96.3%. The KOKUYO Group has already achieved zero emissions in relation to industrial waste materials from our own factories in Japan. The recycling rate for overseas factories in 2017 was 84.8%. We are working to limit the discharge of waste materials and to increase recycling, while considering the different circumstances related to recycling in each country.

#### Measures Taken by the Logistics Division

The recycling rate in 2017 for the Logistics Division was 98.4%. Cardboard, wooden pallets and other packaging materials used for packing products in the logistics process are repaired and re-used. In 2017, 30 tons of cardboard and wooden pallets were re-used. We strive to continue efficiently using resources.

#### Treatment of Waste Materials at Construction Sites

The responsibilities of the prime contractor with respect to the disposition of waste materials generated on construction sites have been clarified, and the obligations of the waste-generating company have been tightened.

In 2017, efforts were made to contain waste materials in part through a review of the methods by which parts subject to processing at construction sites are ordered. As a result, we determined that we generate approximately 3,750 tons of

❖ KOKUYO's CSR Charter	❖ Corporate Profile	❖ KOKUYO's Three Business Areas	❖ KOKUYO Group History	❖ KOKUYO's CSR	❖ Customers
❖ Regional Communities	❖ Environmental Conservation	❖ Corporate Activities	❖ Respect for Human Rights	❖ Third-Party Assessments	

waste materials on construction sites with a recycling rate of approximately 82.7%.

As waste materials generated on construction sites are not homogenous, there are many cases in which recycling is difficult due to the intermingling of various types of waste materials in a given batch. Nevertheless, we will continue to properly dispose of waste materials in conjunction with the implementation of controls on their generation and aim to achieve our medium- and long-term target of 100% for the rate at which waste materials are recycled. To promote the growth of a recycling-oriented society, we are endeavoring to reduce, reuse, and recycle by effectively utilizing limited resources.

## Reusing and Recycling End-of-Life Products

When we deliver products, we pick up end-of-life products for disposal from customers and recycle or reuse these items depending on their condition.

In 2017, KOKUYO Logitem collected 1,820 tons of office desks and chairs and other used products. Approximately 180 tons of the collected products were reused, and those that could not be reused were dismantled and sorted for recycling.



Desk disassembly

❖ KOKUYO's CSR Charter	❖ Corporate Profile	❖ KOKUYO's Three Business Areas	❖ KOKUYO Group History	❖ KOKUYO's CSR	❖ Customers
❖ Regional Communities	❖ Environmental Conservation	❖ Corporate Activities	❖ Respect for Human Rights	❖ Third-Party Assessments	

## ■ Environmental Conservation

### Legal Compliance and Pollution Prevention

We are striving to prevent environmental pollution by complying with statutes and regulations relating to the environment as well as industry guidelines to which we have subscribed and our own standards.

#### Summary of 2017

Twenty-eight environmental laws and regulations are currently applicable to the KOKUYO Group within Japan. In June every year, we evaluate the status of our compliance with these laws and regulations.

The evaluation results showed no events that violated laws. However, in some divisions, we discovered insufficient responsibility transfer due to changes in responsible personnel, or insufficient ability on the part of responsible personnel to satisfy the criteria established by compliance evaluation. Therefore, in 2018, we plan to implement educational activities to improve the abilities of employees responsible for monitoring compliance.

#### Proper Disposition of Chemical Substances

The KOKUYO Group endeavors to properly manage and handle chemical substances.

Based on the implementation of the revised mandatory for risk assessment of chemical substances in June 2016, we are working on further safety management and environment improvement at each work place.

For example, at KOKUYO Furniture's Shibayama Plant, the company is converting safety data sheets (SDS) for purchased paint and other items into a database in which warnings for usage and references to related laws and regulations are included to make it possible to check required information when needed.

In addition, efforts are being made to prevent accidents by posting panels indicating warning levels for toxicity, hazardousness, and flammability as divided by color (green, yellow, and red) based on the content of chemical and other substances at sites where paint and other items are used and by making warnings more visible for handlers when such substances are used.

Other offices are also practicing safety management appropriate to the situation at their sites.



Panels posted for toxicity and hazardousness to be known to all (KOKUYO Shibayama Plant)

#### Holding Chemical Substance Management Training

We hold training sessions on a regular basis to ensure the proper management of chemical substances.

For the annual plan created by the Safety Health Committee being run at each office or factory, we provide clear guidelines on safe management and operation to ensure that chemical substance management is a continuous activity.



❖ KOKUYO's CSR Charter	❖ Corporate Profile	❖ KOKUYO's Three Business Areas	❖ KOKUYO Group History	❖ KOKUYO's CSR	❖ Customers
❖ Regional Communities	❖ Environmental Conservation	❖ Corporate Activities	❖ Respect for Human Rights	❖ Third-Party Assessments	



Training sessions were held in each office (KOKUYO Headquarters)



Active kaizen communication among employees responsible for managing chemical substances (KOKUYO Product Shiga)



Making the need for risk assessment well-known and ensuring appropriate activities in the annual plan (KOKUYO Shibayama Plant)



Ensuring proper management and handling (KOKUYO Headquarters)



Ensuring proper management and handling (KOKUYO MVP Tottori Plant)



Ensuring proper management and handling (KOKUYO Mie Plant)

❖ KOKUYO's CSR Charter	❖ Corporate Profile	❖ KOKUYO's Three Business Areas	❖ KOKUYO Group History	❖ KOKUYO's CSR	❖ Customers
❖ Regional Communities	❖ Environmental Conservation	❖ Corporate Activities	❖ Respect for Human Rights	❖ Third-Party Assessments	

## ■ Environmental Conservation

### Developing Environmentally-friendly Products and Services

The KOKUYO Group is working on new environmental technologies and green procurement in order to reduce the environmental load over the entire life cycle of its products.

Fiscal 2017 Goals	Fiscal 2017 Actual Achievements	Assessment
Maintain zero Eco-Batsu	Zero was maintained	Accomplished

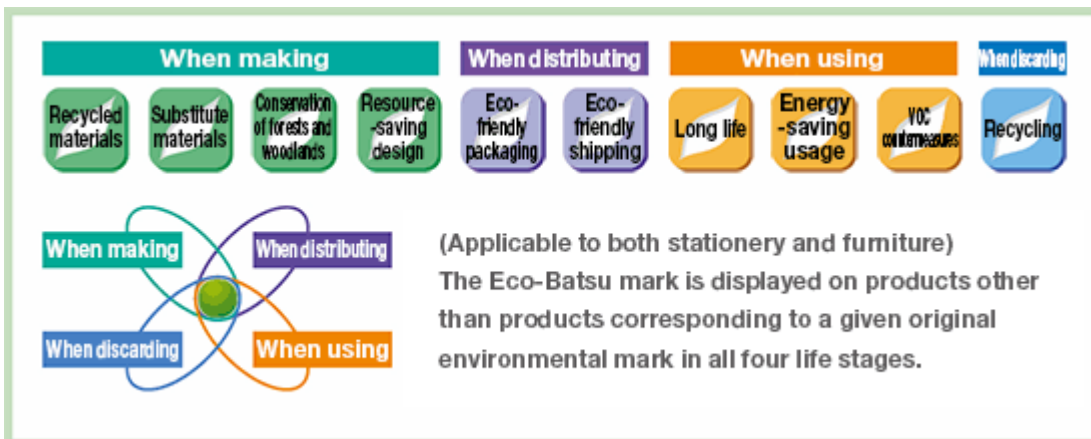
#### 2017 Activities

##### Continuing to Ensure that No Eco-Batsu Mark Tarnishes Our Catalog

The KOKUYO Group started using the Eco-Batsu mark for products in the 2008 General Catalog. This mark is used for group products that are not sufficiently environmentally friendly at any stage of their life cycle, including manufacturing, distribution, usage, and disposal. We tasked ourselves with removing the Eco-Batsu mark from all of our products in three years. This goal was reached in the 2011 General Catalog and no Eco-Batsu products have emerged since then. We strive to continue to ensure that no Eco-Batsu products can be found in the 2018 General Catalog. Our Eco-Batsu initiative was an opportunity for reviewing manufacturing processes and getting employees not directly involved with manufacturing to review their own approaches to work, office environments, and proposals made to clients. Since reaching our goal of zero Eco-Batsu marks, we have been pursuing the development of eco-friendly products that exceed customer expectations in accordance with the watchword: eco + creative.

##### Improving Verification

Even after achieving the goal of zero Eco-Batsu marks, we have been verifying conformance to standards more stringently. In particular, we audit the ratios of used paper and reprocessed resin at our subcontractors every year to ensure the reliability of our environmental indicators.

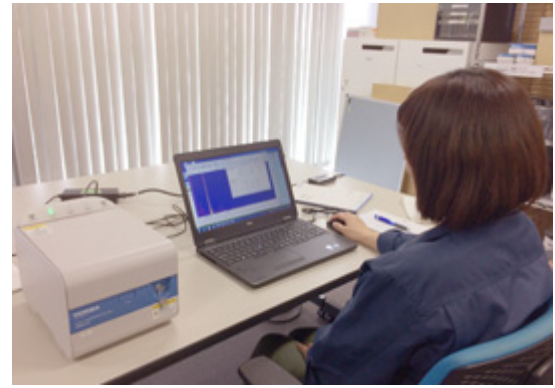


Eco-Batsu mark

❖ KOKUYO's CSR Charter	❖ Corporate Profile	❖ KOKUYO's Three Business Areas	❖ KOKUYO Group History	❖ KOKUYO's CSR	❖ Customers
❖ Regional Communities	❖ Environmental Conservation	❖ Corporate Activities	❖ Respect for Human Rights	❖ Third-Party Assessments	

## Promoting the Management of Chemical Substances Included in Products

In recent years, regulations governing chemical substances including the RoHS Directive and REACH in Europe have been strengthened worldwide and demands for reports on the status of the use of a wide range of chemical substances have been received from the market. The KOKUYO Group recognizes that the non-use of substances regulated by law and the management and provision of information on the status of the use of substances for which there is a potentially negative impact on the environment and people are social obligations shared by all companies that provide products. At the same time, there has been a clear shift from a conventional hazard-based management approach that used to focus only on the hazardous nature inherent in chemical substances to a risk-based management approach based on the scientific method. In responding to these global changes, we first set about specifying a hazards-based list of substances in 2014 and in 2015. We then carried out research based on the substance list in sequence, starting from the highest-priority products. In 2017, based on information obtained from our research, we evaluated the toxicity of and human exposure to the contained substances, and created the Stationery Edition of the Guidelines for Managing Chemical Substances Included in Products.



Checking for the presence of heavy metals using an X-ray fluorescence spectrometer

In responding to these global changes, we first set about specifying a hazards-based list of substances in 2014 and in 2015. We then carried out research based on the substance list in sequence, starting from the highest-priority products. In 2017, based on information obtained from our research, we evaluated the toxicity of and human exposure to the contained substances, and created the Stationery Edition of the Guidelines for Managing Chemical Substances Included in Products.

## FSC®-certified products

KOKUYO has obtained FSC® and COC certification since 2003. The Forest Stewardship Council® (FSC) is one of several third-party organizations operating an international forestry and woodlands certification program and aims to conserve the environment found in forests and woodlands appropriately and promote the management of forests and woodlands in a manner that is socially beneficial for local communities while also being economically sustainable. COC (short for "chain-of-custody") certification constitutes the certification of the management of the processes of processing and logistics. In the KOKUYO Group, KOKUYO, Kaunet and KOKUYO Product Shiga have obtained FSC® and COC certification and are selling copier paper, notebooks, and other FSC-certified products. In 2016, PEFC and COC certification was also obtained.



PEFC (Programme for the Endorsement of Forest Certification Schemes) is an organization that mutually approves forest certification criteria created by each county or region. The KOKUYO Group will strive to increase certified products in order to use sustainable forest resources.



PPC color paper



Reeds-based photocopier paper



UU chair

❖ KOKUYO's CSR Charter	❖ Corporate Profile	❖ KOKUYO's Three Business Areas	❖ KOKUYO Group History	❖ KOKUYO's CSR	❖ Customers
❖ Regional Communities	❖ Environmental Conservation	❖ Corporate Activities	❖ Respect for Human Rights	❖ Third-Party Assessments	

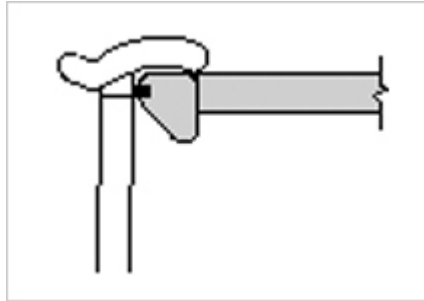


## Protocol counter

The Protocol counter is a reception counter developed to also satisfy the need to use locally harvested lumber throughout Japan. The finish of the counter, designed by graf decorative mode no.3 design products inc., presents a clean and modern feel. Adopting the concept of universal design, the counter provides, for example, a groove for securing walking canes and a grip for wheelchair users at the edge of the countertop.



Winner of the Wood Design Award 2017



Walking cane holder provided at the edge of the countertop



Smooth-textured grip at the edge of the countertop for wheelchair users

※ Related information: "[Assessments and awards received from outside the KOKUYO Group](#)"

## Delivery example (City Office Building in Koka City, Shiga Prefecture)



Koka City, located in the southeastern part of Shiga Prefecture, is gifted with many forests and is also a crucial water catchment area and water quality conservation area for Lake Biwa. Koka's new city office building, which was completed in March 2017, was built with a great deal of lumber harvested in Shiga Prefecture for its interior and furniture, and also acts as an initiator for promoting local forestry. KOKUYO received an order for the reception counter for the new Koka City Office building, and delivered a Protocol counter made with hinoki (Japanese Cypress) grown in Shiga Prefecture. The Protocol counter, developed in order to use locally harvested lumber for the reception counter, uses universal design, which is kinder to seniors and wheelchair users. At the same time, it features an elegant design that highlights the attractiveness of local lumber, making the new office building, which has been made using a large amount of wood, a more attractive space. As the national government's initiative to promote the use of lumber in public buildings has become more widely known, an increasing number of national and local municipality public buildings are using locally harvested lumber. Capitalizing on the expertise that it has developed over the years, the KOKUYO Group plans to continue manufacturing and providing products that utilize local lumber effectively, are more functional yet friendly to the environment, and are based on the concept of universal design that is easy to use for anyone.

## ■ Environmental Conservation

# Biodiversity/Promoting Environmental Communications

The KOKUYO Group strives to reduce its impact on ecosystems and help conserve natural habitats by carrying out business activities that take biodiversity into account. We are proactively engaged in forest-conservation activities in the Shimanto River basin area of Kochi Prefecture and environmental conservation activities in the area in and around Lake Biwa in Shiga Prefecture.

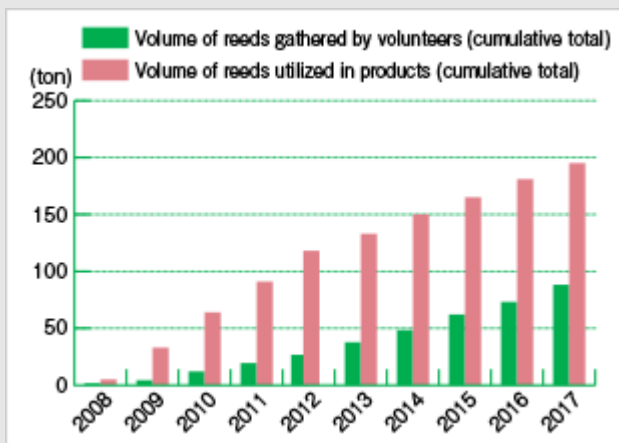
### Activity highlights

### ReEDEN: The Outcomes of Activities over the Past 10 Years



KOKUYO Product Shiga is a main plant for the KOKUYO Group, where notebooks and other paper products are manufactured. As the plant operates near Lake Biwa, a place that supports the lives of people while also being a dynamic habitat for many forms of life, KOKUYO Product Shiga has engaged in proactive activities for environmental conservation. Particular focus has been directed towards activities involving reeds. Reeds not only absorb carbon dioxide but also help to purify water by absorbing nitrogen and phosphorous in the process of growing and serve as a home for organisms living in Lake Biwa. Reeds used to be used for making reed screens, roofs, and other goods. However, the use of reeds for such purposes disappeared as peoples' lifestyles changed, meaning that reed beds were no longer being maintained and consequently fell into a state of dilapidation. Launched in November 2007 to promote the use of reeds and to make the state of the reeds widely known, the ReEDEN Project marked its 10th year in 2017.

During this 10-year period, reed-harvesting events were held 31 times, with a cumulative total of 3,530 people participating. The gathered volume reached approximately 90 tons and the amount of reeds utilized in products reached approximately 200 tons.



### Awards and recognition

2008	Special Recognition Prize in the Green Purchasing Award
2009	Merit Award in the Eco Products Award
2013	Certified by Kokocool Mother Lake Selection
2015	Grand Prize at the Kaueco Grand Prix
2015	Honorable mention in the company award for the fostering of environmentally-aware personnel
2015	Reed calligraphy pen recognized as one of The Wonder 500TM collection of products
2016	Reed calligraphy pen awarded the Hanayaka Kansai Selection Prize
2017	Biwako Template won the Japanese Stationery of the Year Award for Excellence in the Design Category
2018	Shiga Biodiversity Grand Prize
2018	Shiga Prefecture Low-Carbon Society Development Award

❖ KOKUYO's CSR Charter	❖ Corporate Profile	❖ KOKUYO's Three Business Areas	❖ KOKUYO Group History	❖ KOKUYO's CSR	❖ Customers
❖ Regional Communities	❖ Environmental Conservation	❖ Corporate Activities	❖ Respect for Human Rights	❖ Third-Party Assessments	



## KOKUYO Group's Basic Policy for Timber Procurement

In 2011, the KOKUYO Group prepared its Basic Policy for Timber Procurement and clarified its stance regarding the sustainability of forest resources that are the most significant of the Group's important raw materials. Since its founding, the KOKUYO Group has broadened and developed its business activities using forest-derived materials, including paper production. KOKUYO is fully aware of the roles that forests have played and will continue to play regarding global warming and biodiversity. KOKUYO will aim to develop in harmony with forest resources while taking into consideration the legality, transparency, and sustainability of the Group's procurement of materials.

### KOKUYO Group Basic Policy for Timber Procurement

The KOKUYO Group procures forest-derived materials according to the following policy and is working to make continued improvements.

1. Aim for highly transparent materials procurement, with an awareness of issues of illegal cutting and illegal transactions in the timber trade.
2. Procure material through more appropriate supply chains to support sustainable use of forest resources.
3. Based on an awareness of the social value and roles of forest resources in the region, procure materials with due consideration for maintaining the supply and preservation of resources.

### Use of Domestic and Local Materials

Forests, which accounts for approximately 67% of Japan's land area, play a role in retaining water (usually referred to as soil and sand outflow prevention and watershed protection) and in absorbing CO<sub>2</sub>, etc. Forests are also renewable resources, 40% of which are man-made. However, many of the man-made forests are unable to make the most of the above-mentioned multiple functions that forests offer as maintenance such as thinning are performed too late. KOKUYO worked to develop furniture from timber from thinning since 1998 and starting selling them from 2000. We believe that we can increase the demand for new timber through the active use of domestic timber (timber from thinning) and support the realization of a sustainable society where we live in harmony with forests.



BS+ desk system



Writing table



FUBI

❖ KOKUYO's CSR Charter	❖ Corporate Profile	❖ KOKUYO's Three Business Areas	❖ KOKUYO Group History	❖ KOKUYO's CSR	❖ Customers
❖ Regional Communities	❖ Environmental Conservation	❖ Corporate Activities	❖ Respect for Human Rights	❖ Third-Party Assessments	

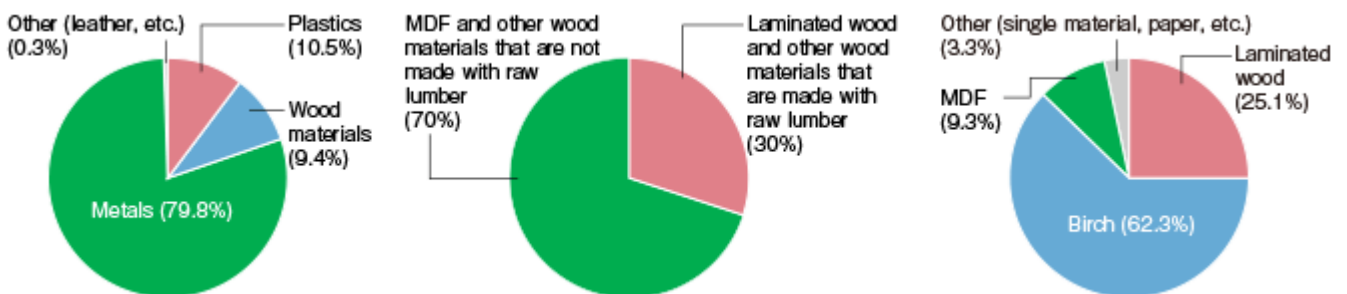
## Obtaining certification as a company dealing with matters of legality and sustainability

We have been certified as a company dealing with matters of legality and sustainability by the Japan Office Institutional Furniture Association (JOIFA) in line with revisions made to the Green Purchasing Act. We endeavor to promote the use and sale of timber and wood products that have been certified as legal and sustainable in such terms as forms control, the appointment of managers, and usage reports in accordance with this practice code.



## Status of the Use of Wood Materials

Approximately 5,200 tons of wood materials were used by KOKUYO Furniture in the year 2017 to make products. This figure is equivalent to 9 per cent of all materials used for production (excluding packaging). In breaking down these wood materials, 30 per cent consists of solid wood, laminated wood, and other wood materials that are made with raw lumber while 70 per cent consists of wood materials that are not made with raw lumber, such as thinned wood, waste wood, unused materials and wood boards constituting pieces fabricated from the foregoing materials (MDF and particle boards). This information is reported annually to JOIFA as yearly handling results for certification as a company dealing with lawful wood materials under the Green Purchasing Act. We also endeavor to ascertain the types of trees corresponding to wood materials that are made with raw lumber pursuant to JOIFA's guidelines on the written declarations that are made of wood.



## Study on the actual usage of wood

KOKUYO studies the tree species, amount used and the country/ regions of origin of the wood-based materials used in its furniture products every year. However, it is hard to determine the country of origin for commercial components and similar items. We will continue to work towards obtaining the information in order to use sustainable resources.

Tree species	Form of wood	Amount used (converted to m <sup>3</sup> )	Country/region of
Ayous	Solid wood	266.1	Indonesia, Cameroon
Oak	Solid wood	0.1	Malaysia
Kapur	Solid wood	23.8	Malaysia, Indonesia
Japanese cedar	Solid wood	2.9	Japan
Oak	Solid wood	1.4	Russia
Pine	Solid wood	72.0	New Zealand, Chile
Beech	Solid wood	57.6	Germany, Thailand, Croatia
Hinoki cypress	Solid wood	1.2	Japan
Falcata	Laminated woo	99.5	Indonesia
Poplar	Solid wood	217.6	Indonesia, USA, Canada
White Oak	Solid wood	0.3	Canada, USA
Gum Tree	Solid wood	308.0	Vietnam, Australia
Rubber wood	Solid wood	83.2	Indonesia, Thailand, Germany, Malaysia
Lauan	Laminated woo	458.0	Malaysia, Indonesia, Philippines
Total		1,591.6	

※ Information from suppliers has been included. Wood materials such as MDF that do not use raw lumber as materials have been excluded.  
 ※ Only tree species with the specified country/region of origin are shown.



❖ KOKUYO's CSR Charter	❖ Corporate Profile	❖ KOKUYO's Three Business Areas	❖ KOKUYO Group History	❖ KOKUYO's CSR	❖ Customers
❖ Regional Communities	❖ Environmental Conservation	❖ Corporate Activities	❖ Respect for Human Rights	❖ Third-Party Assessments	



## Yui no Mori Project

In 2006, KOKUYO named the private forest in Taisho, Shimanto-cho, Kochi Prefecture "Yui-no-Mori" and started forest conservation with a focus on efficient utilization of timber from forest thinning. Yui-no-Mori has had FSC® (Forest Stewardship Council®) forest management certification since 2007. In the same year, KOKUYO concluded the partnership agreement of "Collaborative Reforestation Project with Environmentally Progressive Companies"(Shimanto Forest Cooperative /Shimanto-cho/Kochi Prefecture) by Kochi. With the expiration of the partnership agreement in 2016, the agreement was revised and re-concluded under a condition of renewal every year on April 1, 2016. Yui-no-Mori is about 100 hectares, and the thinned forest area was 2 hectares when it was started. After 11 years, the applicable area became 5,429 hectares, and the total thinned forest area has expanded to 1,416 hectares. In addition, a CO<sub>2</sub> absorption certificate has been issued by Kochi Prefecture since 2007, and the amount of absorbed CO<sub>2</sub> of FY2016 was 6,598 tons raising the cumulative total to 43,058 tons. (From April 2006 to March 2017.) The Yui no Mori Project won the Wood Design Award 2017.

※ Related information: "[Assessments and awards received from outside the KOKUYO Group](#)"



## Yui no Mori Project Receives Letter of Appreciation and CO<sub>2</sub> Absorption Certificate from Kochi Prefecture

On September 21, the 11th Collaborative Forest Forum was held at the Kochi Prefectural Culture Hall. Because 2017 marked the 10th year of its participation in the project, KOKUYO received a letter of appreciation from Kochi Prefectural Governor Ozaki. A CO<sub>2</sub> absorption certificate was also presented.

Mr. Ozaki expressed his gratitude for KOKUYO's long-term contributions to various initiatives, such as environmental conservation, forest maintenance, industry promotion, and the promotion of Kochi Prefecture.



Presentation of a letter of appreciation



Presentation of a CO<sub>2</sub> absorption certificate



Wood Design Award (at the Eco Products Exhibit)



## KOKUYO has obtained FSC® certification

Yui-no-Mori has had FSC (Forest Stewardship Council®) forest management certification since 2007. A regular audit was conducted on August 23 and 24, and KOKUYO continues to maintain FSC® certification.

Tours for Fully Fledged Certified Employees and Monitoring

❖ KOKUYO's CSR Charter	❖ Corporate Profile	❖ KOKUYO's Three Business Areas	❖ KOKUYO Group History	❖ KOKUYO's CSR	❖ Customers
❖ Regional Communities	❖ Environmental Conservation	❖ Corporate Activities	❖ Respect for Human Rights	❖ Third-Party Assessments	

## Tours for Fully Fledged Certified Employees and Monitoring

Over 2 days on November 11 and 12, a Yui no Mori experience tour to commemorate employees' fully fledged certification was held for employees in their 4th year at the company who had cleared certain requirements and taken their fully-fledged certification. Through various activities such as surveying the water quality of Shimanto, planting commemorative trees and gathering with the local Shimanto Forest Cooperative and Shimanto High School, the tour aims to improve employees' environmental awareness and increase their interest in KOKUYO's environmental activities. In one of the events, we conducted a vegetation survey for the 11th time in collaboration with the Shimanto Forestry Cooperative, Shimanto High School, and staff members of the K?chi prefectural and Shimanto municipal governments. The visualization of the effects of thinning is essential for carrying out forest conservation activities. In order to monitor the effects of these activities over the long run, we are continuing to conduct surveys at two specific sites.

※ Related information: "[Report by Shimanto High school students](#)"



FSC®Audit



Participants in the monitoring activities



Vegetation survey being conducted

## Effective Utilization of Forest Thinning

In order to effectively take advantage of forest thinning, KOKUYO Furniture has been manufacturing and selling furniture made with timber from forest thinning in collaboration with the local Shimanto Forestry Cooperative since 2000. Catalog retailer Kaunet also began selling primarily stationery as Yui-no-Mori branded products in 2007 and currently offers 14 items as of 2017. In order to promote understanding of its activities and increase the number of supporters, Kaunet implemented a framework for donating customer points toward the thinning of Yui-no-Mori in 2008. This year alone, the company has received approximately 90 applications for the submission of donations. In addition, the Yui-no-Mori 1% Donation Project was commenced in February 2011 and continues to operate to this day. This project is to donate a portion of the sales of Yui-no-Mori products to the National Land Afforestation Promotion Organization's Green Fund.



Kaunet's Yui no Mori Products

## 2017 Activities of ReEDEN Project

### Protecting Lake Biwa by Promoting the Use of Reeds

By harnessing production technologies developed to date and its developmental capabilities with a paper-production company, KOKUYO Product Shiga has been using reeds to produce copier paper, notebooks, and other industrial products and selling them at a price suitable for the market under the ReEDEN Series brand name. In addition, in an effort to create a market that contributes to the environment through the use of reeds, business cards made with 100 percent reed pulp, reed-based brush pens, and other high value-added products have been developed. Other efforts included the release of Lake Biwa stationery series as locally made stationery with themes relating to Lake Biwa, Shiga tours and local specialties, and the joint development by Lake Biwa Museum in Shiga Prefecture and Campus Notes. A portion of sales is donated to a local environmental organization for activities dedicated to the conservation of reeds.

❖ KOKUYO's CSR Charter	❖ Corporate Profile	❖ KOKUYO's Three Business Areas	❖ KOKUYO Group History	❖ KOKUYO's CSR	❖ Customers
❖ Regional Communities	❖ Environmental Conservation	❖ Corporate Activities	❖ Respect for Human Rights	❖ Third-Party Assessments	



ReEDEN series

※ Related information: "[ReEDEN Project](#)"



Lake Biwa stat



Biwako Template

## Recruiting Members of the Local Community to Protect Lake Biwa with Reeds

The Network to Protect Lake Biwa with Reeds was set up in 2009 with KOKUYO Product Shiga serving as the secretariat of this organization. This network aims to contribute to the conservation of the natural environment of Lake Biwa in part through the establishment of modest connections among various companies and organizations. This network, which began with a handful of corporate members, now boasts a membership of 123 supporting entities. The primary activity of the network entails the conservation of reed beds that fulfill an important role for the Lake Biwa ecosystem and water environment. These activities, which were initially staffed by several KOKUYO Product Shiga employees, have now expanded significantly to activities in which members of local environmental groups and representatives of network members now gather in the hundreds to participate, with 3,530 members participating in mowing the reeds. We will collaborate with experts to investigate biomass of reed bed as our next attempt. We will demonstrate the achievements of the activities by investigating biomass, carbon content, and so on. We are also working with Shiga Prefecture to prepare for a possible future carbon certification system for reeds based on this data. These activities shared along through network communications alongside topics relating to local environments by specialists and introductions of environmental activities of member companies to increase camaraderie.

※ Related information: "[The Network to Protect Lake Biwa with Reeds](#)"

## Expanding Activities: Non-native Fish Fishing Contest and Canoe Reed Bed Observation Event

The Network to Protect Lake Biwa with Reeds, consisting of various different industries and organizations, is expanding its activities year after year. The reeds are mowed in winter so that buds start to sprout in the reed bed when the spring comes. We have held a fishing contest to remove non-native fish around the reed bed since 2011. The aim is to exterminate the black bass and bluegill that threaten endemic species of Lake Biwa such as willow gudgeon and carassius auratus grandoculis. This environmental activity can be enjoyed by Network members and their families together. The number of participants is increases each time, with approximately 170 people participating last year. We contribute to conserving the ecosystems of Lake Biwa together with children. The canoe reed bed observation event is an event to observe thick reed beds from the lake surface in summertime by riding canoes through a maze-like waterway. The delighted and amazed voices of participants echo as they stroll around the reed bed, where they cut and take reeds from the surface of the lake onto their canoes.



Fishing contest to remove non-native fish



Observation of reed beds from canoes



Biomass survey of winter reeds

※ Related information: "[ReEDEN Journal](#)"

❖ KOKUYO's CSR Charter	❖ Corporate Profile	❖ KOKUYO's Three Business Areas	❖ KOKUYO Group History	❖ KOKUYO's CSR	❖ Customers
❖ Regional Communities	❖ Environmental Conservation	❖ Corporate Activities	❖ Respect for Human Rights	❖ Third-Party Assessments	

■ Corporate Activities

# Corporate Governance and Risk Management

**Activity highlights** Continuously Holding Compliance Training at Overseas Group Companies



KOKUYO-IK (Thailand) Co., Ltd., which manufactures stationery products in Thailand, has continued to hold annual compliance trainings since 2013 with the goal of enhancing its employees' compliance awareness. To ensure that every employee fully understands the importance of compliance, all employees, including directors and managers, attend this training. In the training session held on January 5, 2017, the participants together read out loud the KOKUYO Group Code of Conduct, which applies to all companies within the KOKUYO Group, to reconfirm the code, therefore making the training session an important platform for reaffirming the significance of compliance. For KOKUYO-IK (Thailand), which operates 24 hours a day, this training session is also an extremely important opportunity for all employees (approximately 270 people) to gather together. Utilizing this opportunity, all employees enhanced their awareness as members of the KOKUYO Group by, for example, reciting together the KOKUYO Creed (Thai language version), in which the KOKUYO founder Zentaro Kuroda clearly stated his own management philosophy. For companies planning to expand overseas business, the management structure in their overseas group companies is a major issue, and the development and propagation of compliance awareness in particular has become important. In order to continue complying with laws and regulations and carrying out business activities in accordance with social ethics, the KOKUYO Group plans to actively carry out training to promote compliance that is consistent with the local situation at its overseas sites.



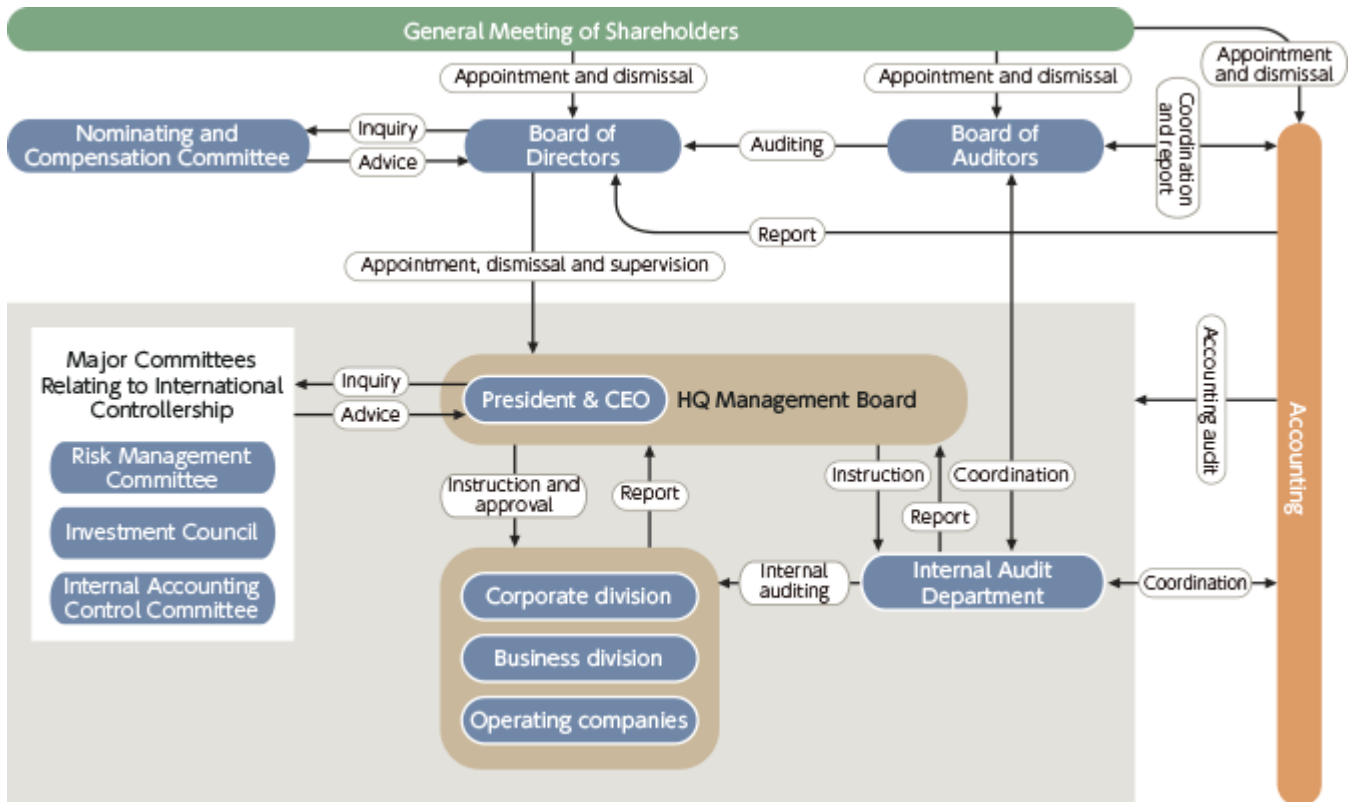
Explanatory material in Thai language

❖ KOKUYO's CSR Charter	❖ Corporate Profile	❖ KOKUYO's Three Business Areas	❖ KOKUYO Group History	❖ KOKUYO's CSR	❖ Customers
❖ Regional Communities	❖ Environmental Conservation	❖ Corporate Activities	❖ Respect for Human Rights	❖ Third-Party Assessments	

## Basic Concepts

## Corporate Governance Structure

With the aim of ensuring the reproducibility and continuity of transparent, apt, and efficient business administration, we established a structure for corporate governance. In order to ensure that business and operations are carried out without improprieties, without mistakes, and efficiently, we developed and are operating a system of internal control that we are striving to improve and enhance on an ongoing basis. Headed by various board members, key committees linked to internal control appoint members from among multiple related sections and endeavor to systematically promote and fortify responses to important issues concerning CSR on a group-wide basis.



## Board of Directors, Audit & Supervisory Board Members, and Managing Officers

[For a list of the members of the board of directors, please see the basic information in the Corporate Profile.](#)

## KOKUYO's Basic Policy of Intellectual Property Rights

As one of the strategies to differentiate ourselves from competitors, the KOKUYO Group promotes the following initiatives to encourage the acquisition of intellectual property rights, and at the same time, to respect intellectual property rights of others:

### 1) Management and Operational Structure of Intellectual Property Rights

The KOKUYO Group aims to standardize and centralize utilization and strategies for intellectual property rights by controlling operations related to the intellectual property rights of subsidiaries and affiliated companies in Japan and overseas centrally within the intellectual property rights group of the legal department.

The group monitors the products of our competitors on a daily basis for the acquisition of rights in inventions, design, and trademarks; as well as executing thorough preliminary surveys to prevent a violation of the intellectual property

❖ KOKUYO's CSR Charter	❖ Corporate Profile	❖ KOKUYO's Three Business Areas	❖ KOKUYO Group History	❖ KOKUYO's CSR	❖ Customers
❖ Regional Communities	❖ Environmental Conservation	❖ Corporate Activities	❖ Respect for Human Rights	❖ Third-Party Assessments	

rights of others; and protecting our intellectual property rights. In addition, in cases where there is a conflict with competitors, the group corresponds to such a situation through cooperation with the management by taking a rapid and optimal approach for resolution.

## 2) Protection and Legal Compliance of Intellectual Property Rights

The KOKUYO Group Code of Conduct stipulates that we respect the intellectual property rights of others while the intellectual property group establishes and operates the system for research, analysis, and close investigation to prevent and avoid the violation of rights held by others.

## 3) Promotion of Creation and Utilization of Intellectual Property Rights

The intellectual property group and development division work closely from the early stage of development to increase the superiority of the products in the market and focus on creating and discovering inventions that contribute to differentiation from competitors' products. We also aim to adhere to Sec. 33 of the Patents Act and establish an incentive system for employee invention as an internal rule, in the aim of increasing customer satisfaction and encourage inventions that strengthen the Group's development.



### Operation of a Whistle-blower System, KOKUYO Group Hotline

The KOKUYO Group Hotline is a hotline where employees can seek advice on problems related to compliance and corporate ethics that are difficult to counsel and resolve within the workplace. It is a global system that can be used not only by employees in Japan but also by the employees of the KOKUYO Group at overseas offices.



### Commencement of Group-wide Risk Management Promotion

The KOKUYO Group took the opportunity of the integration in 2015 to establish an organization and start taking steps to promote risk management.

The aim of this activity is to establish a risk management circle from the Group's point of view. First, we started with recognizing what kind of risk exists in the entire KOKUYO Group, and considered policy of prioritization and measures from a perspective of what is best for the Group as a whole, and then promoted it.

We will clarify the particularly important themes or themes related to the entire organization, and aim to improve the effectiveness and efficiency of risk management by advancing the activity across the entire Group.



### Formulation and Implementation of Business Continuity Planning (BCP\*)

Business Continuity Planning (BCP) defines action plans to continue business operations to the best of our ability after the occurrence of unforeseen circumstances, such as disasters and accidents, as well as action plans to recover and resume business in as little time as possible where interruption is unavoidable.

In order to product supply with greater stability even in critical times such as disaster or outbreak of infectious disease, KOKUYO Group is thorough in its Group-uniting crisis management and will continue to promote continuous business management.

\*BCP (Business Continuity Planning)

❖ KOKUYO's CSR Charter	❖ Corporate Profile	❖ KOKUYO's Three Business Areas	❖ KOKUYO Group History	❖ KOKUYO's CSR	❖ Customers
❖ Regional Communities	❖ Environmental Conservation	❖ Corporate Activities	❖ Respect for Human Rights	❖ Third-Party Assessments	

## BCP and Emergency-Handling Training by the Furniture Business Division

Because KOKUYO's response structure and action procedures did not function fully following the Great East Japan Earthquake, they were completely revised and training was held to verify the details of the revision. The BCP and Emergency-Handling Training was held by the Furniture Business Division on December 6, 2017. The training assumed that a Tonankai Earthquake had occurred, severely affecting the abilities of businesses in western Japan to continue operating. The intent of the training was to validate the effectiveness of the early response if the furniture business' continuity emergency headquarters were set up in the Shinagawa SST Office. The training turned out to be a large-scale event, with a total of 73 employees participating in Tokyo and western Japan. We will develop solutions for the issues identified during the training, and reexamine our response structure and action procedure in order to make them more effective.



Participants, who were divided into teams according to function, discussed whether executing the specified action procedures would handle the potential crisis scenarios that they had been assigned.

## Early Response Measures during Disasters

To ensure that all employees can restore calm behavior in the event of large-scale disaster, we distributed survival cards that list procedures to be followed during times of disaster and ask that all employees carry the cards with them at all times.

The survival card provides three rules to follow during disasters - (1) to ensure one's personal safety, (2) to remain calm, and (3) to report one's own condition - as well as information about how to browse disaster message boards offered by cell phone companies and an information section for identification in case of unexpected circumstances.

In addition, the emergency action plans for employees that provide a full detail of the survival card are posted on the intranet to raise awareness of measures for disasters.



Survival cards (left) and emergency action plans for employees (right)

## Creation of a Safety Confirmation System and Implementation of Practice

To quickly confirm the safety of Group employees in times of disasters, in 2006, we set up a safety confirmation system using cell phones, PCs, fixed line telephones and other means of employee communication. Immediately after the earthquake in March 2011, it was temporarily impossible to use telephones and e-mail. At present, however, there is no other alternative systems available to confirm the safety of a large number of employees at the same time. For the time being, we will continue to require all employees to register their cell phones and other contact addresses, and make sure that all employees receive notification and that contact information is kept up to date and in a usable state.

## Implementation of Emergency Drills at Business Locations

To ensure that all employees take safety precautions on their own in an emergency, along with regular countermeasures for earthquakes, we are conducting periodic training and drills simulating a large-scale earthquake on weekdays.

The Osaka Headquarters and the Shinagawa Office holds an evacuation drill simulating the situation after receiving an early earthquake warning. Actions for maintaining safety by taking cover under desks were implemented. Based on the scenario of an office fire following an earthquake, full emergency training is being offered, beginning with immediate

❖ KOKUYO's CSR Charter	❖ Corporate Profile	❖ KOKUYO's Three Business Areas	❖ KOKUYO Group History	❖ KOKUYO's CSR	❖ Customers
❖ Regional Communities	❖ Environmental Conservation	❖ Corporate Activities	❖ Respect for Human Rights	❖ Third-Party Assessments	

firefighting and simultaneous reporting to the fire department and disaster center, through to evacuation after abandoning firefighting efforts.

The KOKUYO Group will continue to increase Group-wide crisis-response capability in the future.



An emergency drill held at the Osaka Headquarters



❖ KOKUYO's CSR Charter	❖ Corporate Profile	❖ KOKUYO's Three Business Areas	❖ KOKUYO Group History	❖ KOKUYO's CSR	❖ Customers
❖ Regional Communities	❖ Environmental Conservation	❖ Corporate Activities	❖ Respect for Human Rights	❖ Third-Party Assessments	

## ■ Corporate Activities

### With Business Partners

KOKUYO is aware that increasing corporate value is our responsibility to shareholders and investors. KOKUYO strives to make accurate and timely disclosure of corporate information in order to maintain transparent and sound corporate management.

#### Activity highlights

#### Work Style Reform Suggestion Committee Started with Retailers for True Work Style Reform



ACW  
ACTION TO CHANGE  
WORKSTYLE



Seizing a business opportunity in the trend for work style reform, which many companies are striving for, KOKUYO started the Work Style Reform Suggestion Committee (nicknamed "Action to Change Workstyle" (ACW)) together with retailers who are KOKUYO Jewelry Members (KJM)\*. The most important goal of this committee is to strengthen the relationship between retailers and customers, resulting in sustained growth for both KOKUYO and the retailers. Between April and May 2017, ACW Kick-off meetings were held at five locations. Afterwards, a forum was held at 29 locations throughout Japan to explain specific activity details to the sales staff of the retailers that had agreed with the objectives of the ACW. The ACW has also prepared a variety of mechanisms to support retailers' sales activities, such as tools for effectively drawing out customer issues and needs, and workshops to improve proposal-making skills.



Working Environment Navigation Tool that visualizes the issues existing in the customer's working environment

There have been strong public calls regarding the importance of work style reform and initiatives to achieve it. However, while many IT tools and various systems for preventing overwork are being introduced, working-level people are increasingly complaining that efforts toward work style reform have not produced any results and that the situation has actually gotten worse. Therefore, the ACW will proceed with proposal-making activities to achieve a working environment that is truly friendly to workers and in which both efficiency for the company and comfort for individual workers can be achieved so that individuals and teams can demonstrate creativity. The process will begin with reform of the working environment (working space), which directly affects the mindset and actions of workers, as well as tools (stationery and furniture necessary for working), and operation (the 5S rule, etc.).

\* A system to rank and incentivize retailers who sell more than a certain amount of KOKUYO products based on annual sales.

❖ KOKUYO's CSR Charter	❖ Corporate Profile	❖ KOKUYO's Three Business Areas	❖ KOKUYO Group History	❖ KOKUYO's CSR	❖ Customers
❖ Regional Communities	❖ Environmental Conservation	❖ Corporate Activities	❖ Respect for Human Rights	❖ Third-Party Assessments	



## Basic Concepts



### Building Stronger Relationships of Trust with Our Suppliers

As corporate activities are becoming more globalized, KOKUYO Group is well aware that managing its own company and subsidiary companies is insufficient for fulfilling the scope of social responsibility. In 2013, the Group therefore invited 32 principal subcontractors to give an account of the procurement policy and implemented a self-examination questionnaire for feedback to the subcontractors. In 2014, we sent the basic procurement policy and guidelines to nearly 400 suppliers. We will strive to further build relationships of trust through these activities.

## KOKUYO Group's Procurement Policy

The KOKUYO Group shares its Corporate philosophy of "Enrich the world through our products" with its suppliers and, while working to create relationships of mutual understanding and confidence as well as fulfilling its social responsibility, continues to contribute to social development.

### ■ Pursuit of Quality and Safety

The Group strives to maintain its position as the first choice of its customers, while responding to the special needs of various countries and regions as well as pursuing the highest standards of quality and safety.

### ■ Mutual Development

The Group respects and observes the regulations as well as social norms of various countries and regions, while also conducting fair and transparent transactions, as it works to structure sincere relationships of mutual trust and achieve mutual development.

### ■ Respect for Human Rights

The Group understands the culture and business customs of various countries and regions in the aim of creating a society where the rights of all people are respected.

### ■ Environmental Protection and Symbiosis with Local Community

The Group takes environmental protection initiatives on a global scale and, by actively participating in the life of the community and acting as a good corporate citizen, seeks to create mutually beneficial relationships with society.



### KOKUYO Group Procurement Guidelines

The Kokuyo Group fulfills its social responsibilities throughout its supply chains. To contribute to society through its business activities, the Group has prepared its Kokuyo Group Procurement Policy and the Kokuyo Group Procurement Guidelines.

❖ KOKUYO's CSR Charter	❖ Corporate Profile	❖ KOKUYO's Three Business Areas	❖ KOKUYO Group History	❖ KOKUYO's CSR	❖ Customers
❖ Regional Communities	❖ Environmental Conservation	❖ Corporate Activities	❖ Respect for Human Rights	❖ Third-Party Assessments	

## 1. Pursuing Quality and Safety

The Group strives to maintain its position as the first choice of its customers, while responding to the special needs of various countries and regions as well as pursuing the highest standards of quality and safety.

### 1-1. Customer Satisfaction

To increase customer satisfaction, the Group works to grasp the needs of its customers accurately as it strives to develop and offer products and services that are superior in quality and safety.

### 1-2. Responding to Customers

The Group takes the customers' perspective and responds promptly and sincerely to customer requests and complaints, while also endeavoring to improve quality and prevent future issues related to customer satisfaction.

### 1-3. Product Supply

The Group strictly observes delivery schedules and ensures product supply by maintaining appropriate levels of inventories and structuring effective logistics systems.

### 1-4. Managing Disaster and Other Risks

The Group creates risk management systems during normal times and is able to provide stable supplies of products to its customers.

### 1-5. Fair Pricing

The Group provides products at competitive prices through activities to maintain product supply and ongoing cost-cutting efforts.

## 2. Mutual Development

The Group respects and observes the regulations as well as social norms of various countries and regions while also conducting fair and transparent transactions, as it works to structure sincere relationships of mutual trust and achieve mutual development.

### 2-1. Promoting Compliance Best Practices

The Group strictly observes the laws, social norms, and corporate ethics of various countries and regions and strives to keep its employees informed about compliance matters.

### 2-2. Fair and Transparent Transactions

The Group respects fair, transparent, and free competition and conducts its transactions accordingly. The Group prohibits behavior by its employees that takes advantage of the Group's position as purchaser of goods and services, including such behavior as making requests for monetary compensation or other special treatment.

### 2-3. Prohibition of Transactions and Other Relationships with Antisocial Forces

The Group takes a resolute attitude toward antisocial groups and other forces that are a threat to order in society and to safety, and, therefore, rejects all unreasonable requests from such elements. In addition, the Group does not engage in transactions with or have other relationships with such antisocial groups.

### 2-4. Protection of Intellectual Property Rights

The Group takes measures to protect and prevent unauthorized use of intellectual property.

### 2-5. Prohibition of Conflicts of Interest

The Group prohibits its management and staff from taking advantage of their positions to obtain personal gain or engage in behavior that is contrary to the interests of Group companies.

### 2-6. Management of Confidential Information

The Group appropriately manages confidential information related to sales, technology, management, and other issues as well as personal information and strives to prevent the loss or leakage of information.

### 2-7. Information Disclosure and Dissemination

The Group properly discloses information on its business activities, the quality of its products, safety, and other matters. In accord with stakeholder requests, the Group provides information on its products and gathers and disseminates environment-related information, including information on harmful chemical substances that may be contained in its products.

### 2-8. Prohibition of Insider Transactions

The Group forbids trading in, and encouraging the trading in, the shares of Group companies and associated companies based on undisclosed, material insider information.

## 3. Respect for Human Rights

The Group understands the culture and business customs of various countries and regions and aims for a society where the rights of all people are respected.

### 3-1. Prohibition of Child and Forced Labor

The Group does not permit unfair discrimination or child and forced labor. Moreover, the Group does not conduct transactions with companies, groups, or other entities that engage in such practices.

### 3-2. Prohibition of Sexual and Power Harassment

The Group does not allow sexual harassment, power harassment, bullying, or other such violations of human rights.

### 3-3. Promotion of Occupational Health and Safety

The Group considers the safety and health of its employees and seeks to create comfortable working conditions.

### 3-4. Human Resource Training

The Group actively trains its employees to work effectively when they are assigned to posts in foreign countries.

## 4. Environmental Protection and Symbiosis with Local Communities

The Group takes environmental protection initiatives on a global scale, and, by actively participating in the life of the community and acting as a good corporate citizen, seeks to create mutually beneficial relationships with society.

### 4-1. Promotion of Environmental Protection Activities

The Group respects and observes environment-related laws, and, in all its activities, takes initiatives to protect the environment. Moreover, the Group conducts activities that give consideration to the natural environment and biodiversity.

### 4-2. Understanding and Reducing the Impact on the Environment and Observing Green Procurement Practices

In its business activities, the Group understands the impact that its operations have on the environment, and, by improving its facilities and reconsidering the materials it uses, the Group works to reduce the burden of its operations on the natural environment. As part of these activities, the Group also observes green procurement practices.

### 4-3. Contributing to Society

The Group participates actively in providing support for social, educational, and cultural activities as well as in promoting exchange with local communities, including offering assistance for beautification projects, volunteer work, and other activities.

❖ KOKUYO's CSR Charter	❖ Corporate Profile	❖ KOKUYO's Three Business Areas	❖ KOKUYO Group History	❖ KOKUYO's CSR	❖ Customers
❖ Regional Communities	❖ Environmental Conservation	❖ Corporate Activities	❖ Respect for Human Rights	❖ Third-Party Assessments	

## Project to Link Logitem Delivery Center to Head Office Divisions

During the relocation of KOKUYO Logitem's head office divisions to the second floor of the KOKUYO headquarters office, an area where employees can actually see and touch KOKUYO products was set up in the middle of the office. Named the "Touch & Look Hub," its purpose is to facilitate linkage between the head office and the delivery center. Here, the "Linking Project"\* regularly holds trainings with the goal of helping head office employees to improve their product knowledge and become more familiar with operations that take place at the site (delivery center).

The Linking Project plans to continue holding a variety of training sessions at the Touch & Look Hub to build a mechanism that links the head office with the delivery center.

\* The Linking Project is made up of KOKUYO Logitem female employees who worked on workplace environment improvement as part of the "What I'd like to be" project, as well as members of the Future Workshop, which is deliberating future distribution issues related to KOKUYO furniture.



At the Fourth Training held on February 15 and 17, participants were divided into two-person teams and tried out assembly work

## New Product Briefing Held in Hanoi, Vietnam, Inviting Partner Companies

On March 2, 2017, KOKUYO Vietnam Co., Ltd. held a meeting in Hanoi to demonstrate new products for FY2017, inviting approximately 130 influential wholesalers and retailers in the northern part of the country. In addition to new product explanations, the meeting introduced the Campus 1 Gia Dinh? Campaign ("1 Gia Dinh?" means "One family?" and is a key policy, chosen with the hope that the manufacturer, wholesalers, and retailers will grow together like a family). Incentive trips to Japan were also introduced and wholesalers with excellent results were recognized by presenting them with plaques.

KOKUYO aims to build strong bonds with distribution partners in Vietnam and grow together to become companies that are cherished by customers.



Plaques presented to express appreciation to wholesalers with excellent results in 2016

## Events Held to Celebrate the 20th Anniversary of the Founding of KOKUYO Malaysia

On April 21 and 22, various events were held, including a 20th anniversary ceremony for KOKUYO Malaysia Sdn. Bhd. In the anniversary ceremony on April 21, commemorative photos were taken and tree planting was carried out with a hope for the future expansion of international business. On the day of the ceremony, the International Business Division also held an ASEAN strategy meeting, attended by representatives from local sales subsidiaries (in Malaysia, Thailand, Singapore, and Indonesia) that had generated record-high profits in 2016, and animated discussions were held for the achievement of further growth.

At the annual dinner\* held on April 22, all participants, including guests from Japan, wore traditional Malaysian batik clothing, making the party quite lively and full of enriching interactions.



Commemorative photo taken for the 20th anniversary with people forming the number "20"

\* A party that Malaysian companies hold once a year and invite their employees to. It is similar to the "forget-the-year party" in Japan.

❖ KOKUYO's CSR Charter	❖ Corporate Profile	❖ KOKUYO's Three Business Areas	❖ KOKUYO Group History	❖ KOKUYO's CSR	❖ Customers
❖ Regional Communities	❖ Environmental Conservation	❖ Corporate Activities	❖ Respect for Human Rights	❖ Third-Party Assessments	

## Subcontractor Meetings Held by Kokuyo's Furniture Business Division

Kokuyo's Furniture Business Division holds subcontractor meetings with the executives of major subcontractors twice a year. In 2017, the meetings were held in May and December. At the May meeting, participants reflected upon the high demand season and shared their forecast for future sales trends. At the December meeting, the furniture business division reflected upon the current financial period, and also explained their policies for the 2018 high demand season and market trends.

In addition, KOKUYO expressed its gratitude by formally recognizing subcontractors that took excellent initiatives. Their initiatives were also presented, enabling us to learn from one another to support our coexistence and co-prosperity, and cooperate to improve the entire furniture business.

In November, a study meeting was held targeting mid-level employees in the design and development departments of subcontractors, to share KOKUYO's approach to market analysis and design concepts in its monozukuri.



Explanation by Mr. Sakagami, Group Managing Officer and Head of Furniture Business Division



Ceremony to formally recognize superior subcontractors

## "Driver Competition" contest for achieving impressive deliveries

Since 2010, KOKUYO Logitem, the company responsible for distribution, has held the Driver Competition involving truck drivers of partner companies and other operators, with the goal of further improving customer satisfaction in the delivery of our furniture products. The level of recognition for this competition has been increasing both inside and outside the company year after year as a platform for fully demonstrating abilities in product assembly and customer service cultivated through everyday efforts. The competition level has also been increasing every year. The theme for the eighth competition held in 2017 was "Thoroughness in Basic Actions." The national final was held on September 9, and the winner among 364 entrants from all over Japan was chosen. The event helped the participants to return to the basics of product delivery and also learn techniques for preventing the increasing number of accidents resulting in property damage.



In addition to simulated delivery and assembly, vehicle guiding was newly added as one of the categories in this year's competition

❖ KOKUYO's CSR Charter	❖ Corporate Profile	❖ KOKUYO's Three Business Areas	❖ KOKUYO Group History	❖ KOKUYO's CSR	❖ Customers
❖ Regional Communities	❖ Environmental Conservation	❖ Corporate Activities	❖ Respect for Human Rights	❖ Third-Party Assessments	



## Stationery Business Conducted an Audit of Subcontractors

The Stationery business has been implementing an audit of subcontractors for the purpose of securing reliability of environmental indicators in product catalogs. In 2017, we conducted a factory audit of 90 companies.

We visit our subcontractors to check for compliance with standards concerning environment-friendliness established by the Green Purchasing Law, etc. The audit follows the audit procedure established by KOKUYO to confirm whether the ratios of used paper and reprocessed resin conform to the standards, whether specified materials that meet the standards aroused in the production process, and whether there are any issues in the legitimacy of materials. In addition, we work with the subcontractors to consider challenges to properly guarantee compliance with environment-conscious standards in the audit.

By exchanging information on examples of cases where reliability with regards to production control was improved, we will strive to ensure the reliability of environmental indicators in the future.

In order to enhance the values that we offer to our customers, we will aim to achieve mutual development based on long-term relationships of trust by sharing our strategies and policies with both our manufacturing and logistics service suppliers periodically.

❖ KOKUYO's CSR Charter	❖ Corporate Profile	❖ KOKUYO's Three Business Areas	❖ KOKUYO Group History	❖ KOKUYO's CSR	❖ Customers
❖ Regional Communities	❖ Environmental Conservation	❖ Corporate Activities	❖ Respect for Human Rights	❖ Third-Party Assessments	

## ■ Corporate Activities

### With Stakeholders

KOKUYO is aware that increasing corporate value is our responsibility to shareholders and investors. KOKUYO strives to implement accurate and timely disclosure of corporate information in order to maintain transparent and sound corporate management.



#### Basic Concepts



#### Policy and Achievements Regarding Dividends

We are working towards sustainable business growth to maximize corporate value in the medium- to long-term and to increase dividends paid to shareholders. In FY2017, we offered an annual dividend of 29.0 yen per share (13.5 yen as an interim dividend and 15.5 yen as a year-end dividend). Retained earnings are actively employed to make investments for future growth.



#### Making Management More Transparent

##### 1) IR Activities

We strive to fairly and accurately convey the KOKUYO Group businesses, corporate attitude and vision for the future, as well as achieve two-way communication. In 2017, we conducted the following IR activities:

###### ■ For institutional investors:

The financial results briefing was held twice last year. At the briefings, the President and CEO spoke about the Group's results and strategies. We also explained the Group's status through individual visits, small meetings, and foreign investor conferences.

###### ■ For individual investors:

In addition to explanations regarding the Group, the person in charge of product development introduced the product development process to help increase understanding of the Group and to foster a sense of familiarity.

We will continue to proactively engage in IR activities to increase our corporate value.

##### 2) Information Disclosure:

We disclose information in accordance with the rules established by the Tokyo Stock Exchange for the timely disclosure of corporate information by issuers of listed securities (hereinafter referred to as the "rules of timely disclosure"). With regards to information that may not be subject to the rules of timely disclosure, we also endeavor, as a matter of basic policy, to promptly disclose as proactively and fairly as possible by way of appropriate methods so as to help investors to understand our company better.

※ Related information: [IR News](#)

❖ KOKUYO's CSR Charter	❖ Corporate Profile	❖ KOKUYO's Three Business Areas	❖ KOKUYO Group History	❖ KOKUYO's CSR	❖ Customers
❖ Regional Communities	❖ Environmental Conservation	❖ Corporate Activities	❖ Respect for Human Rights	❖ Third-Party Assessments	



## Shareholder Special Benefit Plans

To respond to the continuing support of KOKUYO shareholders and with the aim of significantly deepening the understanding of the KOKUYO Group by having shareholders actually use Group products, KOKUYO has established a shareholder special benefit plan. Under this plan, KOKUYO Group products are sent once per year to holders of 500 shares or more.



KOKUYO Group products sent to shareholders at the end of December, 2017

### IR for individual investors

#### "Company information session: Story of 'Dotliner' tape glue development"

On May 12, 2017, an IR event was held for individual investors titled "Company information session: Story of 'Dotliner' tape glue development" to secure loyal stockholders.

In general, individual investors invest in shares to gain profits through stock dealing and to obtain dividends. As such, the holding period of shares is unstable. However, we believe that by making individual investors loyal fans of KOKUYO, they will become great customers for our products and services and will end up holding onto shares for a longer period of time.

Therefore, in addition to the provision of information such as the company overview and future business strategies through the standard investor information sessions, we held an IR event to convey stories relating to products so that investors could understand KOKUYO better and become better acquainted with the company.

The first part of the company information session described KOKUYO's history, overviews of each business, financial status, strategies for the future, target for the period ending December 31, 2017. In the second part, the person responsible for the Stationery business introduced the development process, which took about 3 years, and the product line-up of the Glue Tape "Dot Liner", which was launched in 2015 and achieved cumulative sales of 100 million.

Of the individual investors who attended the event, some requested more detailed information relating to the business and finances, while many shared opinions and thoughts on KOKUYO's focus when creating Campus notebooks.





❖ KOKUYO's CSR Charter	❖ Corporate Profile	❖ KOKUYO's Three Business Areas	❖ KOKUYO Group History	❖ KOKUYO's CSR	❖ Customers
❖ Regional Communities	❖ Environmental Conservation	❖ Corporate Activities	❖ Respect for Human Rights	❖ Third-Party Assessments	

■ Corporate Activities

## New Value Creation

With the issues facing society in recent years becoming more diversified and complex, we are striving to create KOKUYO-style values so that our customers' work, learning, and living can become more creative and fruitful.

**Activity highlights**      **Innovative Chair "ing" that Changes the Concept of Sitting**



The "ing," debuted with great fanfare in November 2017, is a chair based on a completely new concept that supports both the mind and health of office workers, freeing them from "sitting." Recent surveys indicate that the number of hours Japanese people sit on a chair each day is the longest in the world, and the heightened health risks caused by this extended sitting have become a serious social problem. KOKUYO decided that this is an issue it must solve since it has been involved in work styles in Japan for many years. The starting point was the establishment of the Innovation Center in 2014. The Innovation Center aims for the development of innovative new products with future potential that can be differentiated from other companies' products, preventing them from getting pulled into price competition. In addition, the Center works toward monozukuri that is not market-driven (merely responding to customer expectations) but product-driven (exceeding customer expectations and betraying them in a good sense).



The seat sways 360 degrees in all directions, enabling the person to keep moving while sitting on it.

Based on these concepts, the "ing" was developed through an unprecedented number of trials and errors over a period of approximately four years. Based on the viewpoint that the essence of the problem is not sitting itself, but maintaining the same posture for a long time, we created an innovative chair that keeps the person healthy even while sitting on it by drawing out body movements to revitalize the body and the brain.

KOKUYO has long worked to create innovations from a variety of aspects, including technology and design. The "ing" is a product that once again demonstrates KOKUYO's potential and its inherited DNA both inside and outside the company. The "ing" could lead to an innovative new stage of work style reform. By utilizing the "ing," we hope to innovate how people work and make the Japanese working environment more comfortable.

\* For details, please visit [the "ing" website](#).

❖ KOKUYO's CSR Charter	❖ Corporate Profile	❖ KOKUYO's Three Business Areas	❖ KOKUYO Group History	❖ KOKUYO's CSR	❖ Customers
❖ Regional Communities	❖ Environmental Conservation	❖ Corporate Activities	❖ Respect for Human Rights	❖ Third-Party Assessments	



## "Think of Things" Opens as a New Point of Contact with Customers

On May 26, 2017, a new KOKUYO facility opened in Sendagaya, Tokyo. On the first floor is the "Think of Things" lifestyle shop and caf?, stocked with products that can be considered tools to produce stimulation and discoveries in both daily life and work. The second floor has a studio and the third floor is provided with offices. In this stimulating environment where people seeking new values can congregate, a variety of experiments will be initiated through products, service, events, etc. We plan to use this new facility as a platform where, by having direct exchanges with end users, we will be able to actually experience customers' taste and trends and think about and create values that KOKUYO can provide for the future.



Under the theme of "Crossing the boundary between work and private life," the shop promotes tools that can produce stimulation and discoveries in both private life and work.



## The Work Style Research Institute, which Suggests Future Work Styles from a Unique Viewpoint

KOKUYO's Work Style Research Institute continues to suggest necessary new work styles for offices from a unique viewpoint, by sensing changes in work styles early on. Its official website opened in July 2017, strengthening information dissemination. The website also features unique work-style-related content, including a report on "walking meetings," which all famous executives and politicians are said to be practicing, as well as KOKUYO's unique work value diagnostic tool "#workTag." The Laboratory's goal is to materialize undiscovered work styles that will bring change to the marketplace by collecting information and conducting research from the viewpoint of "How much enjoyment can workers derive from their work and does it enrich them?"



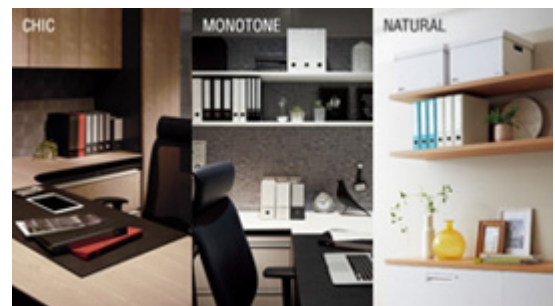
Official website, which introduces the activities of the Work Style Research Institute and their results to customers

\* For details, please visit [the Work Style Research Institute's official website.](#)



## NEOS Series Creating New Office Standard for Files

Sixty years have passed since flat files were invented in 1956. KOKUYO's files have undergone many changes in response to the needs of the times. The NEOS Series, launched in 2017 as a new standard file series, is characterized by a variety of colors that can be coordinated with office furniture, which was previously not possible. In addition to a high degree of design freedom, the evolution in functionality conceived for the series as a whole makes the NEOS Series the ideal tool for creating a worker-friendly and beautiful office space. We will continue to work on developing products that can demonstrate KOKUYO's uniqueness by capitalizing on our unique strength of being able to design stationery and furniture as a set.



Refined color line-up to create office spaces with a variety of concepts

❖ KOKUYO's CSR Charter	❖ Corporate Profile	❖ KOKUYO's Three Business Areas	❖ KOKUYO Group History	❖ KOKUYO's CSR	❖ Customers
❖ Regional Communities	❖ Environmental Conservation	❖ Corporate Activities	❖ Respect for Human Rights	❖ Third-Party Assessments	



## Work Style Reform EXPO to Promote Work Style Innovation through Sound Environment Improvement

KOKUYO Engineering & Technology Co., Ltd., which provides office relocation services, exhibited at the Fourth Work Style Reform EXPO. The goal was to promote sound solution and gain contact points with highly promising users who are seriously thinking about work style reform.

Sound solution is a technology for improving the worker-friendliness of workplaces by improving sound environments. A sound-masking system is a representative product that is effective in ensuring speech privacy. At the venue, visitors were able to experience sound masking using virtual reality, making the Expo an excellent opportunity for promoting sound solutions, which are not yet well known in Japan.



Sound masking for experiencing a 360-degree view with sound using VR, which became the centerpiece of the exhibit



## "Hakokatsu" Initiative to Encourage Reuse of Empty Copy Paper Boxes

The Hakokatsu project is a company-wide initiative of Kaunet Co., Ltd., which sells office products through the web or fax. We redesigned the outside box for copying paper so that it could be reused by customers when the box was empty. To better accommodate the storage and shipping applications indicated by many customers, we left as wide a space as possible on the box for describing its stored content. This size can accommodate multiple labels. We also provided a space on the box top where a shipping label could be pasted.

Following the redesign, we have been promoting wider utilization by publishing a booklet summarizing reutilization examples. We also held a campaign to encourage customers to submit their utilization methods so as to create high added values to differentiate our products from competing products.

**BOXデザイン一新!** コピー用紙のパッケージが生まれ変わりました。

① 再利用しやすいフタ式/フラップ式

② 天面  
Top

③ 側面  
Side

国際的な森林認証PEFCを取得。

「PEFC認証」とは、各国で定められた国・地域別の森林認証制度の相互承認を行う、国際的な制度の一つです。違法伐採を抑制し、持続可能な森林管理の促進を目指すことを目的に1999年に設立され、独立した第三者認証機関が認証します。PEFC認証製品を使用することは持続可能な森林管理の促進を支援することができます。

Hakokatsu design based on the concept of ease of reuse

❖ KOKUYO's CSR Charter	❖ Corporate Profile	❖ KOKUYO's Three Business Areas	❖ KOKUYO Group History	❖ KOKUYO's CSR	❖ Customers
❖ Regional Communities	❖ Environmental Conservation	❖ Corporate Activities	❖ Respect for Human Rights	❖ Third-Party Assessments	



## Implementing work style reforms: Commencing Business at the Tokyo Shinagawa SST Office

In October 2017, KOKUYO established and moved its operations in the Tokyo region to a new office; on October 2, business commenced at the Tokyo Shinagawa SST Office.

The goals of the move were the re-centralization and optimization of our management resources, efficiency improvements, and the establishment of a new work style suited to KOKUYO. For some time now, the company has been working hard to develop a variety of new products and design a range of business spaces that would contribute to work style reforms at its Japanese offices. In order to take our initiatives one step further and foster a corporate culture that draws out value from our employees, we established the Tokyo Shinagawa SST Office.

The new office locates all departments on a single floor. By removing both physical and psychological barriers between different departments to ensure smooth communication and enhanced collaboration, the office is designed to improve workplace productivity. With the exception of staff who require specialized terminals for their work, for example, the office operates a system where employees are free to change desk. We hope that by changing where they sit on a daily basis and thereby expanding their observable world, employees will be encouraged to have new realizations and ideas, and that inter-staff

communications will improve. Of course, we realize that establishing a new office will not solve all our problems in one go. However, we firmly believe that the experience of thinking about, trying out, and implementing such work style reforms ourselves will lead to suggestions beneficial to our customers.

Location: 18th Floor, Shinagawa Season Terrace,  
Konan 1-2-70, Minato Ward, Tokyo



❖ KOKUYO's CSR Charter	❖ Corporate Profile	❖ KOKUYO's Three Business Areas	❖ KOKUYO Group History	❖ KOKUYO's CSR	❖ Customers
❖ Regional Communities	❖ Environmental Conservation	❖ Corporate Activities	❖ Respect for Human Rights	❖ Third-Party Assessments	

## ■ Respect for Human Rights

# System Linking Company's Growth with Individual Growth

To bring out the motivation and creativity of our employees, KOKUYO is making efforts to change goal setting and evaluation systems and methods in the Personnel System.

### Creating an Environment that Facilitates the Growth of Each Employee

The KOKUYO Group is promoting the development of mechanisms and environments where capable and enthusiastic employees can play an active role in the workplace, and where they are appreciated for their performance regardless of nationality, race, gender, age, religion or academic background.

In addition to these measures, we are undertaking operation model reforms as part of our medium-term management plan, "Self-reform focusing on value creation -Value Transformation 2018," which was started in October 2015. These reforms focus on realizing customer-orientated value creation with the goal of eliciting changes in the relationship between people and the company, as well as encouraging the motivation and bringing out the creativity of our employees.

[Three approaches that will bring about changes in the relationship between people and the company]

- (1) Changes to the goal setting system
- (2) Changes to the evaluation system
- (3) Clearer reflection of evaluation in employee treatment

In support of this medium-term management plan, we are working to build a goal-setting system in which that enables each employee can better understand the purpose of making effort goal that they are working toward.

In the previous commitment-style communication, in which supervisors unilaterally communicated goals, these goals tended to be unmovable, leaving employees unable to fully understand them. Under the new system, we are switching to consensus-style communication, where supervisors and subordinates repeatedly discuss why this high priority theme should be addressed and what goal they want to set for themselves.

Managers and members of top management also hold workshops related to goal setting to share information such as "what has just been achieved" and "what was able to be reformed," in order to gain a better understanding of the issues related to setting goals for the next term. We will continue promoting efforts to more fully establish this new goal-setting system.

For the evaluation system, we switched from relative evaluation to absolute evaluation, which gives a clearer view of how evaluation is reflected in compensation. This switch now allows each employee to define the specific results to be achieved when setting goals, i.e., what has to be accomplished by when and to what degree. Then, evaluation and compensation are determined based on how fully the employee has achieved the set goals.

❖ KOKUYO's CSR Charter	❖ Corporate Profile	❖ KOKUYO's Three Business Areas	❖ KOKUYO Group History	❖ KOKUYO's CSR	❖ Customers
❖ Regional Communities	❖ Environmental Conservation	❖ Corporate Activities	❖ Respect for Human Rights	❖ Third-Party Assessments	

■ Respect for Human Rights

## Communication with Employees

Activity highlights

The First Joint Sports Day Held with Employees and Family Members of KOKUYO Group Companies in China



KOKUYO Group has been actively expanding its business in the rapidly growing Asian market, particularly in China, where many Group companies are conducting business. With the goals of promoting internal exchange among Group companies in China and improving employee morale, the KOKUYO Group Companies in China gathered together and held their first joint sports day, the "2017 KOKUYO China Happy Carnival", on October 28, 2017. On the day of the event, a total of nearly 400 people, comprising employees of KOKUYO Commerce (Shanghai) Co., Ltd., S&T Logistics (Shanghai) Co., Ltd., KOKUYO Design Consultants (Shanghai) Co., Ltd., KOKUYO Furniture (China) Co., Ltd., and KOKUYO (Shanghai) Management Co., Ltd., along with their family members, gathered at the Shanghai Huangpu Gymnasium beginning in the early morning. The participants were divided into eight teams and enjoyed various games.

At the opening ceremony, following a video message from the Head Office, expatriate employees from Japan led all of the participants in a warm-up exercise to mark the start of the event. In addition to a team relay, a tug of war contest, and a parent-child game, the event also included all sorts of original games featuring KOKUYO furniture and stationery products, such as a relay transporting various types of KOKUYO stationery products, an office chair race, and a true or false game to test one's knowledge of KOKUYO-related information.

This first joint sports day turned out to be a very memorable experience for everyone, with many employees and family members participating, and all participants playing and laughing together. The type of communication that is not possible in the workplace was achieved. For example, team members cheered on or helped each other, making the event a great opportunity for strengthening bonds among KOKUYO Group Companies in China.



Staff members in cartoon-character costumes handed out toys to the children. A play area for children was also set up so that family members could also enjoy the event.

❖ KOKUYO's CSR Charter	❖ Corporate Profile	❖ KOKUYO's Three Business Areas	❖ KOKUYO Group History	❖ KOKUYO's CSR	❖ Customers
❖ Regional Communities	❖ Environmental Conservation	❖ Corporate Activities	❖ Respect for Human Rights	❖ Third-Party Assessments	



Relay transporting various types of KOKUYO stationery products. Each player had to complete the entire process, from picking, packing, shipping, packaging, and delivery.



## Communication with Employees



### Sports Day and Appreciation Gathering at KOKUYO Product Shiga Co., Ltd., which is Aiming to become an "Enjoyable" Company

As part of its initiatives to become an "interesting company," KOKUYO Product Shiga Co., Ltd. held a Sports Day and Appreciation Gathering on April 28, 2017. The purpose of the event was not only for the employees to have a good time together, but also for them to gain a sense of camaraderie by joining together outside production activities as well. Planning and preparation for the event were carried out mostly by younger and mid-level employees who had attended the second leader training the previous fiscal year.

The event was attended by approximately 150 people, including the employees of KOKUYO Product Shiga, as well as employees of other KOKUYO Group companies. The participants competed in a total of six games, including some original ones. After that, part-time workers and employees of silver human resource centers who could not attend the Sports Day joined the evening Appreciation Gathering, making it a banquet with full participation.



The event was held with the goal, "Let's enjoy working together as colleagues!"



### Two Friendly Get-togethers Held at KOKUYO Stationery Factories in Japan

On May 26, 2017, KOKUYO Product Shiga Co., Ltd., KOKUYO MVP Co., Ltd., and WAMI Paper Industry Co., Ltd. of the KOKUYO Stationery (ST) Group gathered for an Issue-Sharing Meeting. The content to be discussed in the meeting was negotiated and decided in advance during a video conference. The purpose of the recent meeting was to encourage participants' awareness by sharing information and exchanging opinions about issues facing the ST factories in Japan so that the results could be utilized in the participants' activities.

Then, on May 27, a friendly softball tournament was also held among three teams in the KOKUYO Association, formed primarily with members of KOKUYO Product Shiga, KOKUYO MVP, and ST Department. The plan is to actively promote opinion exchange and interaction within the group in order to together create standards for the ST production factories.



A total of 30 employees who came together again for the first time in three years exchanged opinions on the following four themes: safety, preventive maintenance, improvement/education, and production control operation.

❖ KOKUYO's CSR Charter	❖ Corporate Profile	❖ KOKUYO's Three Business Areas	❖ KOKUYO Group History	❖ KOKUYO's CSR	❖ Customers
❖ Regional Communities	❖ Environmental Conservation	❖ Corporate Activities	❖ Respect for Human Rights	❖ Third-Party Assessments	

## ■ Furniture Business Division Unity-Strengthening Meeting to Promote Knowledge, Interchange, and Unity

To integrate its value chain more strongly, the Furniture Business Division has since 2012 been holding unity-strengthening meetings, where all members involved in the business gather together, with the goal of promoting interchange and unity across departmental boundaries. This year's meetings were held from July 25 through September 12 in Tokyo, Osaka, Mie, and Shibayama.

For the main event, the "That's Great! Award," a furniture business commendation system, model employees and teams that made impactful contributions or achieved great results were selected, and an awards ceremony was held to honor individuals and business departments. We believe that setting up opportunities to highlight individual employees working on the front lines in this way will strengthen unity and interchange throughout the entire business division.



Capital Region High-Demand Period Loading Capacity Improvement Team, which won the Good Job! Award in the Business Category of the That's Great! Award 2017

## ■ 2017 KOKUYO Memorial Service for Deceased Employees

When the KOKUYO Group marked its 70th anniversary in 1974, a memorial monument for deceased employees was built on Mt. Koyasan at the suggestion of the late Shonosuke Kuroda, honorary chairman. A memorial service has been held every year since to enshrine the spirit of employees who passed away in the previous year in order to show appreciation for the predecessors who contributed to the development of the KOKUYO Group. At the 2017 KOKUYO Memorial Service for Deceased Employees held on August 21, 2017, following a Buddhist memorial service conducted at the main hall of the Tentokuin temple, the service moved to the Daireien cemetery at Mt. Koyasan, where a memorial service for deceased employees was held in front of the KOKUYO Memorial Monument for the Deceased. An enshrining ceremony was then held in which thin wooden boards bearing the names of the deceased were placed in the memorial monument. Note that 14 people were enshrined in FY2017, and the total since 1974 has reached 600.



The memorial service attended by KOKUYO Vice Chairman Yasuhiro Kuroda, along with bereaved family members

## ■ "What I'd Like to Be" Office Plans Events, such as Female Employee Training

The "What I'd Like to Be" Office, which aims to ensure diversity promotion and the advancement of women at KOKUYO Logitem, again planned a variety of training sessions and events in 2017. On September 12, the fourth "What I'd Like to Be" meeting, a workshop targeted at female employees, was held in Nagoya. Then on October 11, the "What I'd Like to Be" Office sponsored its first project, an area event called "KOKUYO Product Shiga Plant Tour". In addition, from August to September, a participatory activity suggested by the Office was also carried out, in which refreshing, damp washcloths were distributed to drivers who were loading or unloading cargo.

From now on, the Office hopes to plan new events to promote diversity from a variety of viewpoints.



Ms. Sayaka Otaki, a yoga instructor, giving a lecture at the "What I'd Like to Be" meeting



❖ KOKUYO's CSR Charter	❖ Corporate Profile	❖ KOKUYO's Three Business Areas	❖ KOKUYO Group History	❖ KOKUYO's CSR	❖ Customers
❖ Regional Communities	❖ Environmental Conservation	❖ Corporate Activities	❖ Respect for Human Rights	❖ Third-Party Assessments	

## ❖ "Shunjukai" Retirement Ceremony for Employees Approaching Mandatory Retirement

This retirement ceremony is to celebrate the retirement of employees of the KOKUYO Group who are approaching mandatory retirement, in appreciation of their many years of hard work. The ceremony is held twice a year, once each in the first and second halves of the fiscal year. In FY2017, 32 and 43 employees were included in the first- and second-half ceremonies, respectively.

During the ceremony, after the company song was sung in unison, Chairman Kuroda presented each retiring employee with a list of commemorative gifts. During this presentation, what KOKUYO underwent in the year each employee joined the company was described. In addition, recollections about life at KOKUYO written by the attendees themselves and the message that they wished to convey to younger generations of employees were also read to express appreciation for their many years of effort and contribution.



Commemorative group photo taken in front of the portrait of founder, Zentarō Kuroda

## ❖ Family Day for Expressing Appreciation to Family Members Held in Shinagawa and Osaka

The Stationery Business Division holds its Family Day to provide an opportunity to show appreciation to family members who regularly support its employees. Family Day 2017, which marked the 10th year the program was held, was attended by 191 and 198 employees and their family members in Osaka and Shinagawa, respectively.

The event is planned by project members consisting of mid-career hires, young employees who have been with the company between one and two years, and others recommended by individual divisions. This year's event focused on helping family members to broaden their understanding of KOKUYO. Exploration tours were held, using the historical material room in Osaka and the showroom in Shinagawa, providing opportunities to come into contact with KOKUYO's history and products.



Happily exploring the showroom while answering quizzes about KOKUYO products

❖ KOKUYO's CSR Charter	❖ Corporate Profile	❖ KOKUYO's Three Business Areas	❖ KOKUYO Group History	❖ KOKUYO's CSR	❖ Customers
❖ Regional Communities	❖ Environmental Conservation	❖ Corporate Activities	❖ Respect for Human Rights	❖ Third-Party Assessments	

## ■ Respect for Human Rights

# Work Style Reform

### Activity highlights

### Participation in Telecommuting Day with the Goal of Achieving a Balanced Work Style



As part of the citizen's movement toward work style reform, the Japanese government designated July 24 each year through 2020 as Telecommuting Day. Participating in this movement, KOKUYO also conducted a trial of telecommuting on July 24 (in the Tokyo area) and August 8 (in areas other than Tokyo).

Employees wishing to try an autonomous work style were encouraged to apply for authorization and approximately 160 people participated. Each of these employees tried out telecommuting, flextime, etc., experiencing a new work style, such as effectively utilizing commuting time or working in a space different from the usual work environment. A survey following the trial returned many positive responses, such as "I was able to increase my productivity," "I was able to spend my time more purposefully," "I want to utilize it again in the future." On the other hand, however, some employees experienced lower productivity because of the type of work involved or the home network environment, reconfirming issues that must be addressed when promoting telecommuting.

KOKUYO has so far established the physical environment for telecommuting by, for example, introducing a telecommuting system with the goal of supporting employees wishing to continue working while caring for a child or sick family member, and also introducing ICT technology on a trial basis. Through these steps, we have increased the level of knowledge necessary for promoting work style reform. Taking into consideration the results of the recent Telecommuting Day initiatives, we will continue to utilize a variety of methods in striving to develop new, more balanced work styles.

❖ KOKUYO's CSR Charter	❖ Corporate Profile	❖ KOKUYO's Three Business Areas	❖ KOKUYO Group History	❖ KOKUYO's CSR	❖ Customers
❖ Regional Communities	❖ Environmental Conservation	❖ Corporate Activities	❖ Respect for Human Rights	❖ Third-Party Assessments	



## Joint Labor-Management Initiative to Reform Work Style

To achieve balanced work styles, we consider it to be important to reform both our systems and mindset. Therefore, our labor and management are working together to promote the following initiatives:

- Ensuring that all employees understand the systems and rules (holding attendance rule study meetings and individual consultations about the telecommuting system)
- Promotion of "Plus 3 Vacation Days" (taking an additional three paid vacation days a year)
- Creation of a transparent workplace culture (improving the workplace utilizing employee surveys)



## Support of the "Bring Your Child to Work Day" Organized by College Students

KOKUYO cooperated with the "Bring Your Child to Work Day" organized by college students and sponsored by manma\*. This project was developed based on manma's vision of having society as a whole participate in rearing children, as well as the wishes of parents in families with two working parents to have their children experience life outside of school during spring break. KOKUYO supported this project because we agree with manma's vision, and also because the project can become part of our initiatives to support employees who are working while raising children. On the day of the event, the 15 elementary school children who participated, five of whom were KOKUYO employees' children, tried out a variety of programs in the KOKUYO office. This recent initiative provided the employees' children with an opportunity to better understand the company that their parents work for and what they do.

\* manma is an organization founded by female college students with the goal of providing young people with opportunities to holistically design their careers also taking into account such issues as marriage and child rearing. The organization holds its "Taste Life as a Working Parent" program and exchange events between college and elementary school students on a regular basis.

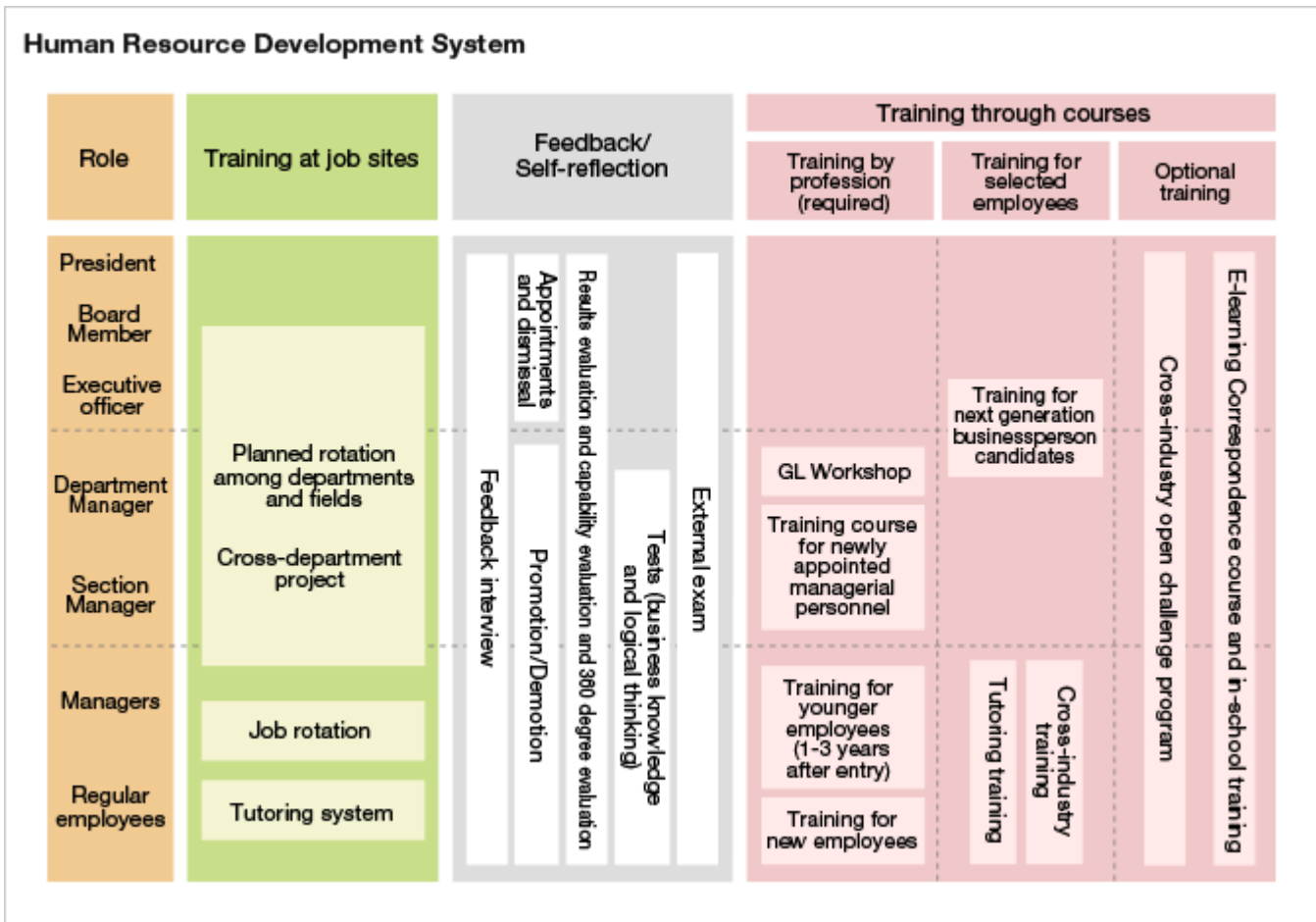
■ Respect for Human Rights

# Human Resource Development

We are implementing initiatives that can maximize the motivation and ability of each individual employee as we seek to become a company where all employees, from new employees to management, constantly learn and progress.

## Policy of Human Resource Development

The KOKUYO Group is promoting systematic individual development centered on three elements - job site, feedback, and training - with the goal of maximizing the individual value of each employee. Training is given mainly by profession at each turning point for businesspersons to provide them with different opportunities to develop their potential through training for selected employees and optional training, offering strong support for employees willing to accept such challenges.



❖ KOKUYO's CSR Charter	❖ Corporate Profile	❖ KOKUYO's Three Business Areas	❖ KOKUYO Group History	❖ KOKUYO's CSR	❖ Customers
❖ Regional Communities	❖ Environmental Conservation	❖ Corporate Activities	❖ Respect for Human Rights	❖ Third-Party Assessments	



## Human Resource Development Program



### Product Training that also Serves as a Platform for Intergroup Exchange

KOKUYO Logitem Co., Ltd., which is responsible for logistics, holds product trainings targeting employees engaged in back-office administration or sales at KOKUYO Marketing Co., Ltd., which is responsible for sales and marketing. In 2017, trainings were held in May and July.

In the training held at the Shinagawa Office in July, methods of assembling products during delivery and the number per box and configurations of parts necessary for assembly, as well as how products are packed for delivery were explained in an easy-to-understand manner even for employees seeing the actual items for the first time. The points to remember when processing purchase orders were also explained. For employees who never see actual products, the training provided an important training ground for improved understanding of the products. Furthermore, the opportunity was a valuable platform for exchanges among group company employees who do not normally interact with each other and a chance to share their problems and requests.



Assembly demonstration and explanation of products and operation procedures



### Joint Three-Company Women's Seminar - Exchanges across Company Boundaries Producing Synergistic Effects

Furniture Business Division (Engineering Department and Special Solution Department), KOKUYO Logitem Co., Ltd., and KOKUYO Engineering & Technology Co., Ltd. held the Joint Three-Company Women's Seminar on July 14, 2017. The aim of the seminar was to help female employees become more motivated and find their unique career paths by gaining a new understanding of their own strengths and values and strengths and thinking about the significance of working.

Another goal of the seminar was to have female employees from different companies who are responsible for providing back-end support in a variety of job categories gather in one place, motivate each other, and consider common problems and issues together to produce synergistic effects, leading to personal growth. This goal was achieved.



The seminar in 2017, the second of its kind, was held for 15 mid-level and veteran female employees.

❖ KOKUYO's CSR Charter	❖ Corporate Profile	❖ KOKUYO's Three Business Areas	❖ KOKUYO Group History	❖ KOKUYO's CSR	❖ Customers
❖ Regional Communities	❖ Environmental Conservation	❖ Corporate Activities	❖ Respect for Human Rights	❖ Third-Party Assessments	

## KOKUYO Logitem Holds First Training for Distribution Personnel

KOKUYO Logitem held its first training targeting delivery personnel working at distribution centers throughout Japan. The purpose of this training is to transform ways of thinking so that each distribution employee as a KOKUYO professional on the front line performs actions with customers in mind, increasing the value of the distribution section. Many employees from the KOKUYO Group also attended the recent first training session, bringing the total attendance to almost 50.

In the training, Mr. Teruo Yabe\*, President of Omotenashi Company, was invited as a guest lecturer, and activities such as group discussion were held. This provided the attendees an excellent opportunity to reassess their work from the customer's perspective. Improvement activities will continue in the future as the training is expanded to distribution centers throughout Japan.

\* Mr. Yabe transformed East Japan Railway Company's bullet train cleaning team into a hospitality team. For his initiative and achievement, Mr. Yabe received recognition for a well-managed hospitality company from Japan's Ministry of Economy, Trade and Industry and the Service Hospitality Award Special Prize from the Japan Institute of Information Technology.



During the group discussion, attendees discussed what they could do to please customers.

## Open Challenge Program that Expand Visions through Interactions with Human Resources from Different Industries

The Open Challenge Program (hereinafter referred to "OCP") is a cross-industry exchange training program that the KOKUYO Group has been participating in. Employees within the Group are invited to participate voluntarily.

The aims of the OCP are the expansion of visions (to become aware of their own potential); acquisition of knowledge, skills, and mindset required for future career formation; and meeting new people (building of external network).

The secretariats of participating companies give opinions and carefully choose the high-quality program. A questionnaire of the participants revealed high results for satisfaction.

Great benefits of this program include coming into contact with values that are different from those of KOKUYO in particular, and interacting with human resources from different industries. It is a good opportunity to form valuable personal connections.



❖ KOKUYO's CSR Charter	❖ Corporate Profile	❖ KOKUYO's Three Business Areas	❖ KOKUYO Group History	❖ KOKUYO's CSR	❖ Customers
❖ Regional Communities	❖ Environmental Conservation	❖ Corporate Activities	❖ Respect for Human Rights	❖ Third-Party Assessments	

## ■ Respect for Human Rights

### Employees' Safety and Health

KOKUYO believes that creating a safe, secure and pleasant working environment, health management of the employees, and safety measures in times of disaster are the foundation for employees to work vigorously and demonstrate their full abilities. We establish systems and structures while actively exchanging opinions with employees.

#### KOKUYO Group Occupational Safety and Health Basic Policy

**[Basic policy]**

Safety First!

The KOKUYO Group promotes safety-related activities because it regards the health and safety of each employee's mind and body as the foundation of its business.

**[Code of conduct]**

1. Comply with all relevant laws and regulations, including those related to the Industrial Safety and Health Law, as well as internal guidelines and standards.
2. Encourage continuous and autonomous workplace improvement, and strive to prevent occupational accidents and health problems.
3. To ensure the safety and health of everyone involved in the Group's business, promote the creation of a transparent culture in which everyone participates.

❖ KOKUYO's CSR Charter	❖ Corporate Profile	❖ KOKUYO's Three Business Areas	❖ KOKUYO Group History	❖ KOKUYO's CSR	❖ Customers
❖ Regional Communities	❖ Environmental Conservation	❖ Corporate Activities	❖ Respect for Human Rights	❖ Third-Party Assessments	

**Activity highlights** **FY2017 KOKUYO Group Construction and Factory Safety and Health Conferences was Held**



As people all over Japan were thinking about the importance of safety while marking the 90th annual National Safety Week\* (the first week of July), the KOKUYO Group also thought about safety at all of its locations throughout Japan and held its Safety and Health Conference with the goal of raising awareness.

• [Construction] FY2017 KOKUYO Group Construction Safety and Health Conference

With a belief that the safety and health of its employees and partners constitutes the foundation that supports company growth, the KOKUYO Construction Safety and Health Promotion Committee set its FY2017 goal as: "The KOKUYO Group companies shall aim to boost further safety awareness and fully establish and enhance an autonomous safety culture". At various regional conferences, employees and partners shared this goal, reaffirming their commitment to keep working together. The events at seven venues throughout Japan included an opening address by Vice Chairman Kuroda, the chair of the Central Safety Health Committee, speeches by the representatives of the various regions, an activity report by the Construction Safety and Health Promotion Committee, and formal recognition of partners.

• [Factories] Safety and Health Conferences and Safety Patrol at KOKUYO Group factories in Japan

Safety and health conferences, as well as safety patrols, were held at five plants in seven locations in Japan. At the safety and health conferences, as part of the initiatives to create transparent workplaces, a letter of appreciation was presented to employees recommended by executives at various work locations, and a lecture was given by the editor-in-chief of the Safety and Disaster Prevention Manual.

Each of the safety and health conferences for construction and factories included innovative content to prevent safety awareness from becoming a mere slogan. In order to pass our safety-protecting culture onto future generations, we will continue to provide opportunities on a site-by-site basis within the entire KOKUYO Group to pause every year and think about safety.

\*National Safety Week aims to promote voluntary health and safety activities in the industries, to enhance public awareness concerning occupational safety and to ensure the firm implementation of safety activities advocated by the Ministry of Health, Labour and Welfare and Japan Industrial Safety and Health Association.



Formal recognition of partners who had performed safe, efficient, and high-quality work at delivery locations or factories in various regions. (This photo was taken at the Kanto Area Conference.)



Safety patrol



❖ KOKUYO's CSR Charter	❖ Corporate Profile	❖ KOKUYO's Three Business Areas	❖ KOKUYO Group History	❖ KOKUYO's CSR	❖ Customers
❖ Regional Communities	❖ Environmental Conservation	❖ Corporate Activities	❖ Respect for Human Rights	❖ Third-Party Assessments	



## Basic Concepts

The KOKUYO Group is promoting safe, secure and pleasant working environments while encouraging active exchange of opinions with the workplaces, as they are vital to smooth business operations.



## KOKUYO Group Health Targets and 2017 Results

The KOKUYO Group has been promoting health activities by collaborating with the in-house Health Insurance Association and Health Management Office in setting specific health goals from 2013 in order to prevent lifestyle-related diseases.

We have carried out a walking campaign to encourage the habit of enjoyable exercise in which employees record daily the number of steps taken and their weight, and have also held healthy eating seminars in collaboration with public health centers. Moreover, as cancer prevention measures, we installed mammography systems so that examinations can be performed during regular in-house health check-ups, to promote having medical examinations for breast cancer and colorectal cancer. Furthermore, we have actively enhanced health check options. For example, we now allow employees to undergo complete medical check-ups if desired, and have created opportunities for employees to benefit from medical examinations and increase their health awareness.

### KOKUYO Group data

	2013	2014	2015	2016	2017
Percentage of employees with a BMI over 25	21%	23%	23%	23%	24%
Percentage of employees who smoke (from Q&A data)	26%	26%	27%	26%	26%



## Specific Steps We have Taken in 2017

### 1) Implementation of health campaign

It was the fourth year of the walking campaign that is held jointly by KOKUYO and KOKUYO Health Insurance Association for all employees. This health activity, called the GG campaign, is based on the concept of "enjoy becoming fit and receiving rewards!" Each employee self-reports the number of steps they have taken daily, and those who achieved their goals receive seasonal fruits. We will strive to increase health awareness by continuing this activity, for which the number of participants is increasing every year.



❖ KOKUYO's CSR Charter	❖ Corporate Profile	❖ KOKUYO's Three Business Areas	❖ KOKUYO Group History	❖ KOKUYO's CSR	❖ Customers
❖ Regional Communities	❖ Environmental Conservation	❖ Corporate Activities	❖ Respect for Human Rights	❖ Third-Party Assessments	

### Number of participants of the GG campaign

	2014	2015	2016	2017
Participants	340 person	670 person	853 person	923 person

### 2) Infection control measures

In order to reduce the risk of severe illness, we are expanding the opportunities (places) to have flu vaccinations within the company. The Health Insurance Association also offers subsidies, making it easier for employees to get vaccinations, even at clinics outside the company if desired.

We also have gargling solution and masks available at each worksite, and are utilizing posters and company-wide e-mail messages to consistently carry out activities to raise awareness about disease prevention and prevent the spread of communicable diseases.

### Number of people who had vaccinations

	2014	2015	2016	2017
No. of people receiving vaccinations	2,487 person	2,749 person	2,852 person	2,630 person

### 3) Mental health initiatives

Since 2016, we have been conducting stress checks based on laws and regulations.

In order to establish a system where each employee can receive self-care without hesitating, we are making an environment where we can support prevention at an early stage by introducing the EAP (Employee Assistance Program) operated by an external institution to make the employees notice the burdens that they feel.

Additionally, we conduct comprehensive employee surveys related to work engagement, employee satisfaction (ES), and compliance awareness as workplace health markers.

Of the survey results, the items related to workplace culture in particular are collated with data on hours worked. The findings are then utilized as opportunities, tools, and KPIs for workplace improvement and incorporated into worksite-originated activities.



## Labor Practices/Safety and Health



### KOKUYO Group Factory Get-together for Safety Managers from the Five Factories in Japan

Believing that the health and safety of its employees are the foundation of company growth, KOKUYO Group is taking safety and health management initiatives from a variety of perspectives. In FY2017, we held a get-together event on October 26 bringing together managers engaged in health and safety activities at the five factories in Japan (Mie Factory, Shibayama Factory, KOKUYO Product Shiga Co., Ltd., KOKUYO MVP Co., Ltd., and IWAMI Paper Industry Co., Ltd.). The participants carried out a factory patrol, attended safety trainings, engaged in Group work activities, and exchanged information.

By promoting cross-departmental safety and health issues at individual business groups, such as factories, construction



Experiencing a simulated disaster in a safety laboratory

❖ KOKUYO's CSR Charter	❖ Corporate Profile	❖ KOKUYO's Three Business Areas	❖ KOKUYO Group History	❖ KOKUYO's CSR	❖ Customers
❖ Regional Communities	❖ Environmental Conservation	❖ Corporate Activities	❖ Respect for Human Rights	❖ Third-Party Assessments	

sections, distribution sections, and offices, which tend to view issues in a more vertical orientation, the KOKUYO Group Central Safety Health Committee strives to maintain the safety and health of group employees and create a work environment and culture that enable employees to work vigorously and demonstrate their full abilities.



Group work carried out focused on the emergency stop buttons of machines

## ■ Presentation on Forklift Accident Elimination Initiative at the National Industrial Safety and Health Conference

The 76th National Industrial Safety and Health Conference was held recently in Kobe (sponsored by the Japan Industrial Safety & Health Association), providing an information exchange platform for people involved in safety and health activities to present improvement examples and research results. Shigeki Mori, a safety manager at KOKUYO Shibayama Factory, made a presentation at the Conference on forklift accident elimination measures being taken at the Factory.

The Shibayama Factory experienced a total of eight property damage accidents caused by forklifts in 2012. Recognizing the causes of these accidents as issues that could lead to serious disasters, the Factory started forklift accident elimination activities. Past accidents were analyzed and sorted into various causes, i.e., management, behavior, condition, and training problems, and improvement activities were implemented. In this way, the Factory succeeded in completely eliminating forklift-caused accidents in 2016, and has continued improvement activities into the present.



Mr. Mori's presentation titled, "Forklift Accident Elimination Activities: Improvement through Innovative Steps", was presented before an audience of more than 500 people

❖ KOKUYO's CSR Charter	❖ Corporate Profile	❖ KOKUYO's Three Business Areas	❖ KOKUYO Group History	❖ KOKUYO's CSR	❖ Customers
❖ Regional Communities	❖ Environmental Conservation	❖ Corporate Activities	❖ Respect for Human Rights	❖ Third-Party Assessments	

## ■ Respect for Human Rights

### Basic Framework for Diversity

The KOKUYO Group promotes diversity as an essential initiative for sustainable growth and development. We are taking steps with the belief that diversity means creating a work environment where many positions and values are mutually recognized and various work styles are permitted, thus making it possible for each and every employee to draw on his or her innate abilities.

#### Activity highlights

#### Heartland Co., Ltd., a Pioneer in Hiring People with Disabilities, Marks its Tenth Anniversary



Heartland Co., Ltd. was started as Kokuyo's second special subsidiary\* following KOKUYO K Heart Co., Ltd. It is the first special agricultural production subsidiary in Japan. The company grows salad spinach using hydroponics and has received a great deal of attention from both inside and outside KOKUYO as a pioneer in hiring people with intellectual or physical disabilities and expanding the range of jobs available to them. Since its operation start, 4,200 people have visited the company, and 7,500 people with disabilities a year (a cumulative total of 70,000 people) have been received from outside institutions based on contractual agreements that allow people with disabilities to work and get paid on a piecework basis. In this way, Heartland is making a social contribution, in addition to hiring people with disabilities as its own employees. More recently, the company has been drawing national attention as a pioneer in "agriculture-welfare collaboration" for its goal of achieving an inclusive society by solving the agricultural labor shortage by employing people with disabilities. Heartland is also carrying out other various activities, for example, multiple major users of the Furniture Business Division came to tour the Heartland facility. In addition, Heartland personnel appeared as panelists at various types of lecture-style meetings and acted as instructors at an agriculture-welfare collaboration project contracted from the Osaka prefectural government. In October 2017, Heartland marked its 10th year of operation with an anniversary party attended by many people, including current Heartland employees. Others who attended included people and organizations that had been involved in establishing Heartland, as well as people currently involved, such as previous employees, KOKUYO personnel who were involved in establishing Heartland, Osaka Prefectural Corporation for Agricultural Land Development and Greenery-Environment Promotion, Sennan City, and employees from facilities that hire persons with disabilities. As its next challenge, Heartland is currently trying to grow new vegetables such as coriander and kale, and plans to keep taking on new challenges as a pioneering special subsidiary.



President Tani giving a lecture at an employment development forum

\* A special subsidiary is a subsidiary that makes special arrangements for hiring people with disabilities and is counted as one of the parent company's business sites in calculating its rate of hiring people with disabilities.

❖ KOKUYO's CSR Charter	❖ Corporate Profile	❖ KOKUYO's Three Business Areas	❖ KOKUYO Group History	❖ KOKUYO's CSR	❖ Customers
❖ Regional Communities	❖ Environmental Conservation	❖ Corporate Activities	❖ Respect for Human Rights	❖ Third-Party Assessments	



## Basic Concepts



## Basic Framework for Diversity

We believe that diversity means creating a work environment where many positions and values are mutually recognized and various work styles are permitted, thus making it possible for each and every employee to draw on his or her innate abilities. KOKUYO has identified the following four basic themes related to diversity:

<p><b>Sharing the significance of diversity initiatives</b></p> <ul style="list-style-type: none"> <li>■ Share the significance as a means of creating an atmosphere where it is easy to work</li> <li>■ Share the significance as a means of creating an atmosphere where employees can draw fully on their abilities</li> </ul>	<p><b>Achieving a good work/life balance</b></p> <ul style="list-style-type: none"> <li>■ Create an environment where employees can achieve a good balance between work and their private lives</li> <li>■ Realize a highly productive work style</li> </ul>
<p><b>Structuring a system and implementing it throughout the Company</b></p> <ul style="list-style-type: none"> <li>■ Develop a system to make flexible work styles possible</li> <li>■ Implement these systems throughout the Company</li> </ul>	<p><b>Supporting the activities of a diversity of human resources</b></p> <ul style="list-style-type: none"> <li>■ Make the most of diverse human resources, regardless of nationality, ethnic origin, gender, age, religious beliefs, academic background, and other characteristics</li> <li>■ Promote an active role for female employees</li> </ul>

## Establishment and Penetration of Support Systems

The KOKUYO Group is working to make improvements in its systems to create an environment where it is easy to get a good balance between work and life, such as bearing children, raising them, and caring for senior family members. (The parts underlined are beyond the range of statutory provisions)

### Statutory system for the purpose of child-rearing and nursing-care support\*

Maternity leave	Six weeks before childbirth (14 weeks for multiple-birth pregnancies) and eight weeks after childbirth
Spousal maternity leave	A leave of absence granted when a spouse is giving birth. <u>Two days for each childbirth.</u>
Childcare leave	<u>A childcare leave is given until the day the child reaches the age of two. (For a child born in April, childcare leave is given until the end of April in the year the child reaches the age of two.)</u>
Sick/Injured childcare leave	Up to 5 days per year, or 10 days for two or more children, to look after a child below school age. (Can also be obtained in half-day units)
Family care leave	<u>Up to a total of 183 days</u> for each person requiring nursing care. (Can be taken in up to 3 blocks)
Nursing care leave	Up to 5 days per year per person requiring nursing care, or 10 days for two or more. (Can also be obtained in half-day units)
Short working hour system	<ul style="list-style-type: none"> <li>Childcare: <u>Until child finishes their third year in elementary school.</u></li> <li>Nursing care: Up to three years per person requiring nursing care.</li> </ul>
Teleworking	Can be taken in 1-day units (up to 52 times in one year) or hourly units <ul style="list-style-type: none"> <li>Childcare: <u>Until child finishes their third year in elementary school.</u></li> <li>Nursing care: <u>Up to three years</u></li> </ul>
Re-employment system	<u>Eligible personnel include regular employees who left their jobs due to marriage, child-bearing, childcare, job relocation of spouse, study abroad, volunteer work, career change and other reasons recognized by the company</u>

\* The system is applied to KOKUYO and its principal subsidiaries (In principal, all employees are eligible for flextime work schedule. Flextime system without a core period introduced)

\* Related information: ["Number of Employees Taking Leave for Childbearing and Senior Care"](#)

❖ KOKUYO's CSR Charter	❖ Corporate Profile	❖ KOKUYO's Three Business Areas	❖ KOKUYO Group History	❖ KOKUYO's CSR	❖ Customers
❖ Regional Communities	❖ Environmental Conservation	❖ Corporate Activities	❖ Respect for Human Rights	❖ Third-Party Assessments	

## Achieving a Good Work/Life Balance

The KOKUYO Group is committed to providing ideal working conditions with consideration for achieving a good work/life balance. These efforts have been recognized by the government and four of the group companies have received a certification logo (nickname: Kurumin Mark) as of December 31, 2017.

The Kurumin Mark is a certification logo issued by the Ministry of Health, Labour and Welfare, which promotes the improvement of the nation's declining birth rate, based on the Law for Measures to Support the Development of the Next Generation, to recognize corporations and organizations taking an active stance in supporting child-raising.

[Companies that received the Kurumin Mark] As of December 31, 2017

KOKUYO Co., Ltd., KAUNET Co., Ltd.,

KOKUYO Marketing Co., Ltd., KOKUYO Engineering & Technology Co., Ltd.



## Introduction of Teleworking System and Flextime System without a Core Period

KOKUYO has introduced a teleworking system on a daily or hourly basis for employees who have restrictions on time or place due to child rearing or nursing care. The system allows employees to engage in both child rearing and work by using their spare time efficiently, such as the time before leaving to work in the morning or the time after finishing housework until going to bed. Therefore, the number of employees utilizing this system is increasing.

Furthermore, we aim to improve work-life balance and realize higher productivity by introducing a flextime system without a core period and making working hours flexible.

## Cross-industry Initiatives

We strive for collaborations that go beyond industry boundaries in order to promote diversity.

### KOKUYO Participates in the Iku-Boss Project Alliance

KOKUYO has participated in the Iku-Boss Project Alliance sponsored by Fathering Japan since it started in December 2014.

In order for organizations to maximize the abilities of employees, management must understand that employees have time constraints due to factors such as childcare, care for elderly relatives and illnesses, and it is essential for the management to change their way of thinking. By participating in the Iku-Boss Corporation Alliance, participating advanced corporations with the same awareness of challenges can share their knowledge to make it an opportunity to reconsider their diversity management as well as working style and workplace climate. In addition, by considering the image of ideal supervisors (Iku-Boss) in the new era through the collaboration of corporate networks with the aim of developing further, KOKUYO strives to use it for the solution to challenges held by customers as a corporation that suggests new working styles.



❖ KOKUYO's CSR Charter	❖ Corporate Profile	❖ KOKUYO's Three Business Areas	❖ KOKUYO Group History	❖ KOKUYO's CSR	❖ Customers
❖ Regional Communities	❖ Environmental Conservation	❖ Corporate Activities	❖ Respect for Human Rights	❖ Third-Party Assessments	

## Activities in Diversity Western Japan Workshop

KOKUYO participates in the Diversity Western Japan Workshop, in which about 50 companies located in the Kansai region gather to share information and establish networks. Diversity promotion managers from various companies gather and exchange opinions on themes such as reforms in the way of working, support for disabled people to take active roles, and support for a balance between work, child care and nursing care, and we make use of what we have learned in our own companies.

## Activities in Union of Four Companies for Ideal Way of Working

For the purpose of making a working environment where each and every employee can play an active role, four companies with the same awareness of issues established a group to consider the ideal way of working.

In 2017, a cross-industry interchange was held, designed to help male employees think about work styles that enable both them and their partners to thrive at work.



## KOKUYO K Heart Co., Ltd. Aiming to be a Pioneer in Hiring Persons with Disabilities

KOKUYO K Heart was started in 2004 with the goal of hiring persons with disabilities within the KOKUYO Group. The company is currently playing the role of a supporter of the KOKUYO Group, and all of its employees, including persons with no disabilities, seniors, and persons requiring mental health care, are working in their full capacities in various suitable positions.

The Act for Promotion of Employment of Persons with Disabilities was amended in April 2018, in which the legally required employment rate for people with disabilities was increased to 2.2%. In response, KOKUYO K Heart has been working with KOKUYO's business divisions to create job opportunities and hire more people with disabilities, and is now confident about reaching the 2.2% goal. Also keeping future amendments\* in mind, KOKUYO K Heart is aiming to remain a pioneer in hiring people with disabilities by breaking down the stereotypical view that "people with disabilities can handle only simple tasks" and creating job opportunities for employees who have various disabilities.

\* The April 2018 amendment of the Act for Promotion of Employment of Persons with Disabilities will raise the legally required employment rate for persons with disabilities to 2.2% for companies with 100 or more employees. The rate is then expected to rise to 2.3% by March 2021 and 2.5% by April 2023.



KOKUYO K Heart is actively expanding its business scope. The photo shows the Stationery Development Section.



❖ KOKUYO's CSR Charter	❖ Corporate Profile	❖ KOKUYO's Three Business Areas	❖ KOKUYO Group History	❖ KOKUYO's CSR	❖ Customers
❖ Regional Communities	❖ Environmental Conservation	❖ Corporate Activities	❖ Respect for Human Rights	❖ Third-Party Assessments	

## ■ Third-Party Assessments

# Commendation and Recognitions from Outside



## Commendations



### KOKUYO Recognized under the 2017 Certified Health and Productivity Management Organization Recognition Program

Because of its initiatives addressing health issues and promoting health, KOKUYO was one of the organizations recognized in the 2017 Certified Health and Productivity Management Organization Recognition Program\* by the Ministry of Economy, Trade and Industry, which officially recognizes large corporations and small/medium-sized enterprises that are practicing particularly excellent health and productivity management.

KOKUYO was selected because it set employee health goals in 2013 and has been promoting various activities in collaboration with its in-house Health Insurance Association and Health Management Office, in order to help its employees achieve resistance to lifestyle diseases. Additionally, KOKUYO has been expanding industrial health staff working at its Health Management Office. It has also established a follow-up system and is working to reduce the risk of diseases becoming more severe by digitalizing and analyzing health checkup result data. In the future, Kokuyo plans to expand the activity scope to cover the entire Group in sponsoring health-promoting activities.



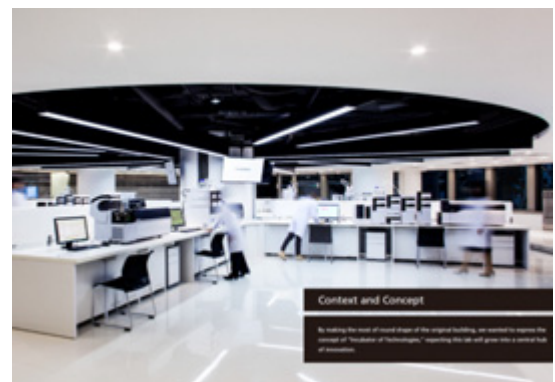
In FY2017, the first year of the program, 235 organizations were recognized under the large enterprise category (White 500) and 95 organizations under the small and medium-sized enterprises (SME) category.

\* The goal of the 2017 Certified Health and Productivity Management Organization Recognition Program is to help establish an environment that highlights excellent corporations working on health and productivity management so that their employees, job seekers, related companies, financial institutions, etc. will recognize them as strategically tackling employee health management from a managerial viewpoint.



### KOKUYO-designed Office Receives Globally Prestigious iF Design Award 2017

At the iF Design Award 2017\*, the Shimadzu China MS Center, designed by Naoki Sawada, the Design Manager at KOKUYO Furniture (China) Co., Ltd., received the award in the Interior Architecture category, out of more than 5,500 entries from 59 countries around the world. Winning the award in the Interior Architecture category, one of seven design categories, for the first time was a spectacular achievement for the KOKUYO Group. The winning design achieved a concept of "showroom laboratory" by providing both the functions of a laboratory that enables advanced MS-related research and development by utilizing mass spectrometry (MS) technology, and a showroom with an innovative spatial design.



Shimadzu China MS Center, built by Shimadzu Corporation at Shimadzu (China) Co., Ltd., a group company in China

\* The iF Design Award, given by iF International Forum Design GmbH, which has a history of more than half a century, is one of the most famous design awards and is internationally recognized as the mark of excellent design.

❖ KOKUYO's CSR Charter	❖ Corporate Profile	❖ KOKUYO's Three Business Areas	❖ KOKUYO Group History	❖ KOKUYO's CSR	❖ Customers
❖ Regional Communities	❖ Environmental Conservation	❖ Corporate Activities	❖ Respect for Human Rights	❖ Third-Party Assessments	

## Biwako Template Wins Merit Award in the 26th Stationery of the Year Award - Design Category

At the 26th Stationery of the Year Award, the largest stationery award in Japan, the Biwako Template in the ReEDEN Series\* of KOKUYO Product Shiga Co., Ltd. was selected for a merit award. The year's five best stationery products are selected in both the Functionality and Design categories, and the Biwako Template received the merit award in the Design category. The Biwako Template makes it easier to trace and draw Lake Biwa, the creatures living there, as well as symbols closely associated with Lake Biwa and Shiga Prefecture. The package paper board is made of reed grass grown in the Lake Biwa and Yodo River, incorporating local characteristics with the possibility for expansion to other regions. These factors were the reasons for the selection of the Biwako Template for the award.



- (1) Can be used to easily draw Lake Biwa (as well as Takeshima Island)
- (2) Can be used as a ruler
- (3) Comes with three functions that can be used to draw shapes for recording trips

\* The ReEDEN Series of eco-friendly stationery products were developed using reed grass grown in the Lake Biwa and the Lake Biwa and Yodo River because reed grass helps to maintain the environmental health of the area by for example improving the water quality and conserving the ecosystem.

## Eight KOKUYO Products Receive 2017 Good Design Awards

The Good Design Awards, a comprehensive design promotion system organized by the Japan Institute of Design Promotion, were announced on October 4, with eight KOKUYO products receiving awards. Of these products, one received the Good Design - Long Life Design Award, given to excellent products that have been manufactured for many years and continue to be popular among users.

Products that received 2017 Good Design Awards

- (1) DAYS OFFICE
- (2) Working chair "cocotte"
- (3) Fabric screen "stripel"
- (4) Planner wall "RAYS"
- (5) Planner wall "SHIFT"
- (6) Laser pointer "Laser Pointer for PC" (long-life, pen type)
- (7) True Ruler (recipient of the KOKUYO Design Award - 2014 Merit Award)

Product that received the 2017 Good Design - Long Life Design Award

- (8) MP binder "Binder MP"



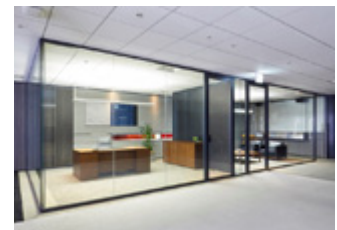
(1) DAYS OFFICE



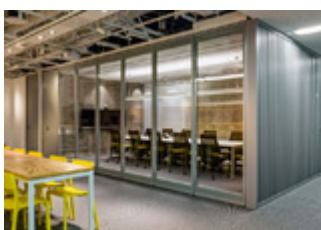
(2) Working chair "cocotte"



(3) Fabric screen "stripel"



(4) Planner wall "RAYS"



(5) Planner wall "SHIFT"



(6) Laser pointer "Laser Pointer for PC" (long-life, pen type)



(7) True Ruler



(8) MP binder "Binder MP"

Duora

❖ KOKUYO's CSR Charter	❖ Corporate Profile	❖ KOKUYO's Three Business Areas	❖ KOKUYO Group History	❖ KOKUYO's CSR	❖ Customers
❖ Regional Communities	❖ Environmental Conservation	❖ Corporate Activities	❖ Respect for Human Rights	❖ Third-Party Assessments	

## KOKUYO Receives the Prestigious German Design Award 2018

KOKUYO receives the German Design Award 2018, an internationally prestigious design award that is presented by the German Design Council, which was established in 1953 with support from the German Federal Parliament. The award is structured in four tiers: Gold, Winner, Special Mention, and Nominee. The Gold, Winner, and Special Mention Awards are given to excellent designs selected from nominated products. KOKUYO's "Duora" office chair received Special Mention, and the spatial design of an office/gallery at the new headquarters of CoorsTek Inc., which KOKUYO designed, received the Winner tier award.



"Duora" Office Chair



Office/Gallery of CoorsTek's new headquarters designed by KOKUYO

## DAYS OFFICE Website Receives Fifth Web Grand Prix Award

At the Fifth Web Grand Prix, KOKUYO's DAYS OFFICE\* website received the Grand Prix Award in the Corporate BtoB Site Award in the Corporate Grand Prix category.

The DAYS OFFICE website includes a simulator function that allows users to customize products. Customers can intuitively select furniture that they like, find the price on a real-time basis, and purchase the desired product on the electronic commerce site. The user-friendly simulator also allows BtoB users to print out detailed information, such as parts numbers and prices, in a proposal document format. The recent award was given in recognition of the high level of ease of use of the simulator function.



[DAYS OFFICE website](#)

\* This is a unique brand of furniture for configuring office space, born of the work style research expertise accumulated at KOKUYO. Placing DAYS OFFICE furniture pieces makes it possible for anyone to achieve a comfortable space that responds to the diversity of their employees, without the need for cumbersome interior construction work on items such as ceilings and floors.

❖ KOKUYO's CSR Charter	❖ Corporate Profile	❖ KOKUYO's Three Business Areas	❖ KOKUYO Group History	❖ KOKUYO's CSR	❖ Customers
❖ Regional Communities	❖ Environmental Conservation	❖ Corporate Activities	❖ Respect for Human Rights	❖ Third-Party Assessments	

## KOKUYO Group Wins Japan Two Wood Design Awards 2017 on the First Application

The Yui-no-Mori project\* and the Protocol counters developed through its activities both won the Japan Wood Design Award 2017. The Japan Wood Design Award targets objects and actions related to "wood," and formally recognizes products and initiatives, etc. that are considered excellent from the three consumer viewpoints of enriching lives, making people healthy, and enhancing society. KOKUYO received two awards on its first attempt.

The Yui-no-Mori project won an award in the Communication field of the Social Design category. The project was recognized as an example of collaboration between a community and a corporation taking multi-faceted initiatives, encompassing everything from product and human resource development to the promotion of lumber use and education, thereby producing secondary benefits such as continuity and learning by participants.

\* The Yui-no-Mori project was started in 2006 in Shimanto-cho, Kochi Prefecture, with the goals of regenerating a deteriorating planted forest and revitalizing the local community that protects it. As part of this project, KOKUYO is making office furniture using timber from forest thinning.



[Yui-no-Mori project website](#)



Protocol counter, created using timber from forest thinning in the Yuri-no-Mori project

## Assessments

The following table lists the assessments KOKUYO received from external organizations in FY2017:

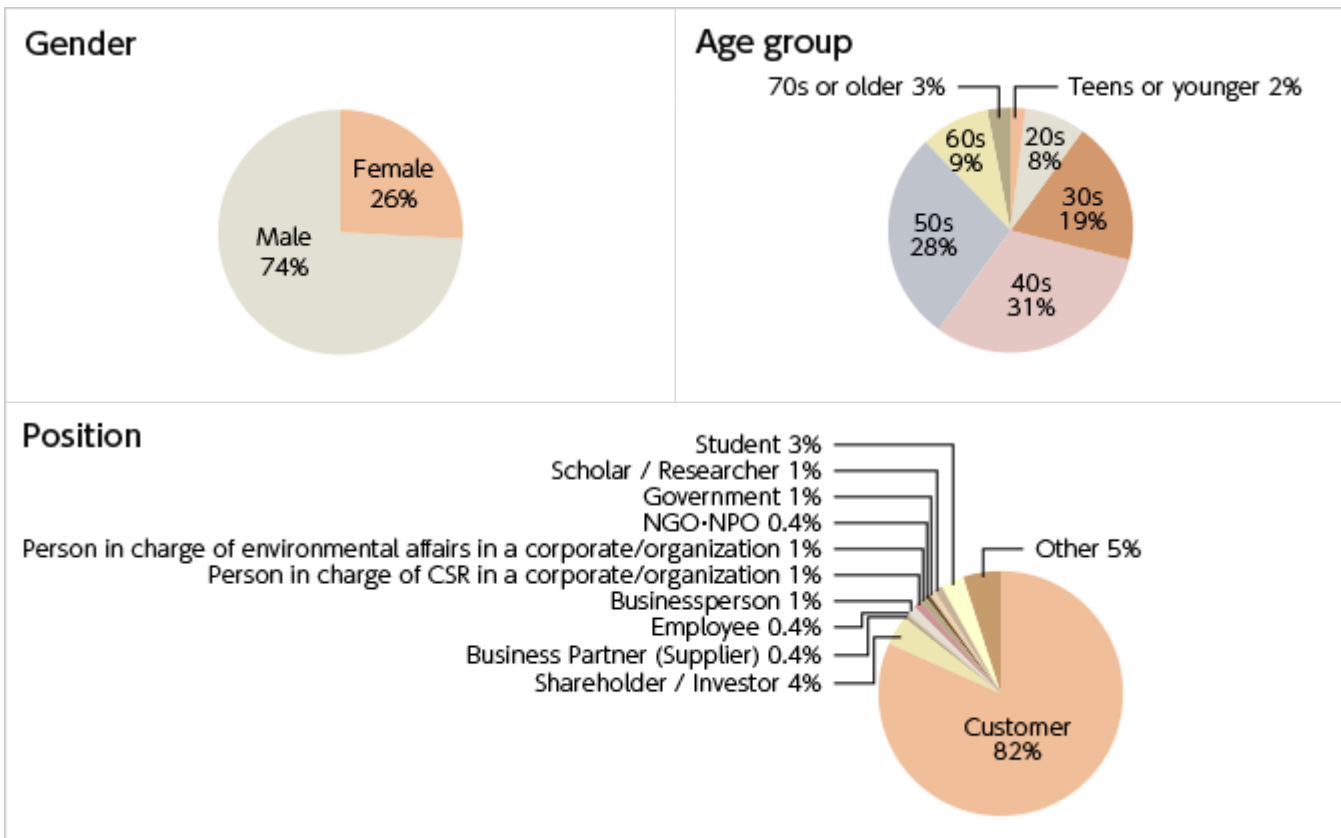
12th Toyo Keizai CSR Ranking (Toyo Keizai Inc.)	Overall ranking: 236th
17th Corporate Honesty and Transparency (Ethical and Social) Survey (IntegreX)	Total score: 57th
SNAM Sustainability Index (SOMPO Risk Management & Health Care Inc.)	Overall score: 227.5
Beech Tree Forest Survey (SOMPO Risk Management & Health Care Inc.)	Overall ranking: A
CDP Climate Change	C (Awareness)
CDP Forests	B (Management)
21th Environmental Management Survey (Nikkei Inc.)	Overall ranking: 67th

## ■ Third-Party Assessments

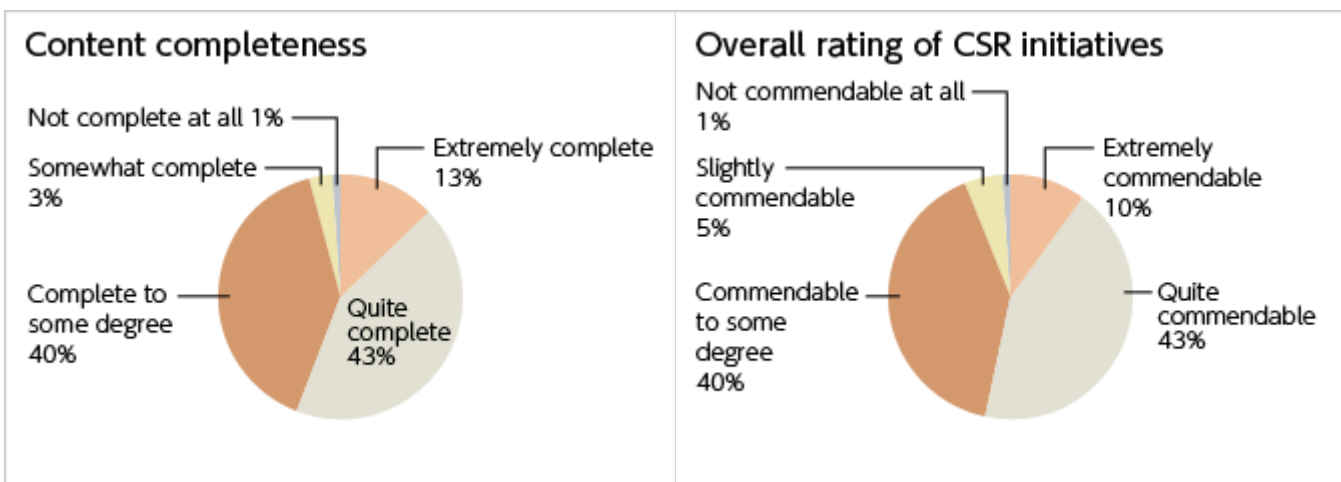
# CSR Report 2017 Survey Results

The KOKUYO Group conducts a survey on our website that asks people both inside and outside the company for their opinions so that we can utilize the results to improve our future activities and reports. The results of our survey on the CSR Report 2017 are summarized below. We would like to express our sincere appreciation to all those who participated in the survey.

### Attributes of those who participated in the survey



### Survey results



**KOKUYO**