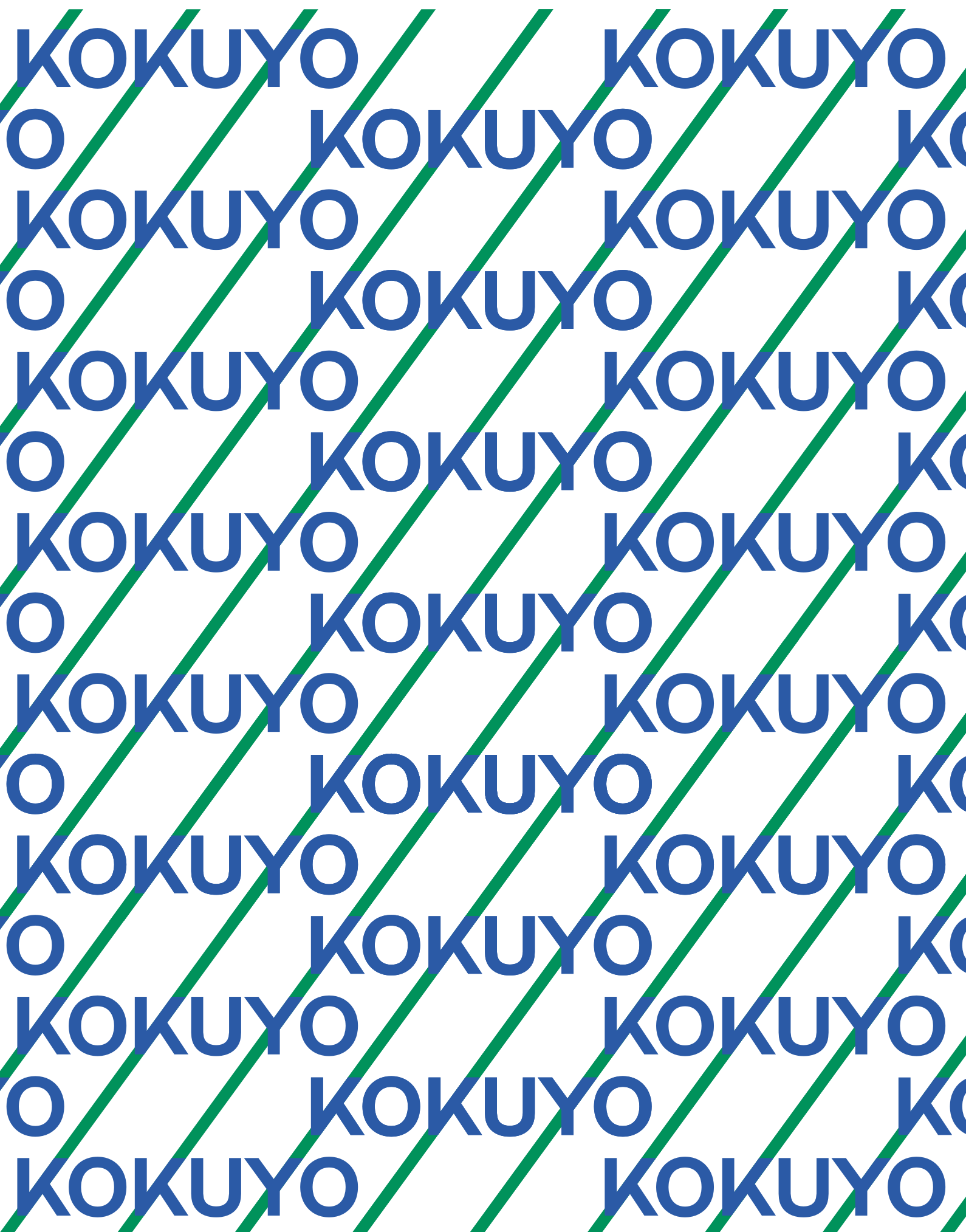




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Message from the CEO



Curiosity as the Engine for a Sustainable Future

KOKUYO Co., Ltd.
Representative Corporate Officer,
President & CEO
Hidekuni Kuroda

In 2021, we launched our long-term vision, CCC 2030, with 2030 as the end year. Facing a highly uncertain future, we wanted to be an organization that would always create value. To that end, we envisaged an ideal future scenario and then backcasted from that scenario to our present circumstances to understand the gap between the two. We then set out on a new challenge to close this gap. Central to this vision is the idea of a self-directed, collaborative society.

This is a society in which diversity is respected and in which everyone acts autonomously, thinks creatively, and works together to build a brighter future. It is a future in which people with diverse perspectives reach out to each other across barriers and inspire each other to be more creative. Through this positive cycle, we can address the huge array of social and economic problems in the world and create better wellbeing for the planet, for communities, and for individuals.

In 2025, our organization reached its 120th anniversary. We used this milestone as an opportunity to unveil a new corporate message: Curiosity is life. Time and again throughout our long history, we have been there with customers in the moment when they feel they want to go further in something. This feeling comes from a wellspring of curiosity. It encourages not rivalry but a spirit of mutual respect and collaboration. In these times of division, it gives people the power to come together again. We want to channel people's curiosity, believing that it is the engine by which we can build the self-directed, collaborative society.

Over the years, we have taken a thoroughly customer-oriented approach to marketing whereby we offer something exciting ("a future you can't wait for") that is one step ahead. We have also used live offices, directly run retail stores, and an online community to convey new experience value in what we call a wow-factor creation cycle. We are currently on our fourth medium-term plan, Unite for Growth 2027, in our path toward the 2030 goal in our long-term vision. As part of this plan, we are combining the knowledge in each business division, much of which was accumulated through sustainability initiatives, in order to generate greater inter-business synergy.

Through our business activities, we will address material issues, create the positive social impact we were destined to create, namely, making the self-directed, collaborative society a reality. That is our overarching mission. United in this aspiration, all employees will engage in value creation, expediting a cycle of social value and economic value that will increase the overall value of our organization.

With the world's social and environmental issues growing increasingly complex, we can generate the power to forge a brighter tomorrow by helping people develop positive and smart solutions in their work life and in their study life and home life. As an organization committed to creating abundance in work life, study life, and home life, we believe in the power of people's curiosity and want to share in people's journey toward a sustainable future.

Hidekuni Kuroda Director, Representative Corporate Officer, President & CEO

Sustainable Management

Policy

KOKUYO Group Sustainable Management Policy

In 2025, we enhanced our organizational framework for sustainability and, to reflect the new organizational design, updated our Sustainable Management Policy.

KOKUYO Group Sustainable Management Policy

The Kokuyo Group, to present a tomorrow you can't wait for, is helping to build through its business activities a self-directed, collaborative society that keeps addressing socioeconomic issues.

A self-directed, collaborative society is one where self-disciplined individuals recognize each other and collaborate, thereby creating new value. Diverse individuals find their own sense of fulfillment, mutually enhancing each other's creativity within close-knit relationships rather than conformity. We believe that realizing such a society will lead to the resolution of numerous socioeconomic issues.

We define this as the social impact (social value) that Kokuyo should create. To achieve this society, we will implement sustainable management based on a Forest-Like Management Model and a logic model, and collaborate with all stakeholders, including our customers, supply chain partners, members of the local community, shareholders and investors, and Kokuyo Group officers and employees, as well as future generations.

1. Environment

A healthy global environment is an essential foundation for work, learning, and daily life.

The Kokuyo Group recognizes global environment issues such as climate change, depletion of resources, loss of biodiversity, and pollution as perpetual issues shared by the whole world. We will assume the lead in taking action to resolve these issues by bringing together the wisdom of various people involved in our business activities.

2. Society

Protecting people's dignity and respecting their rights allows individuality in the world to shine and forms the foundation for sustainable development. The Kokuyo Group will respect the human rights of all people involved in every aspect of its business activities and will not engage in discrimination, harassment, and will not tolerate child labor, or forced labor. Furthermore, we will foster wellbeing both within and outside the Group by promoting new ways of working and creating innovation through building diverse organizations.

3. Corporate Governance

The Kokuyo Group has established the Kokuyo Group's Code of Conduct which commits us to acting with high ethical standards, as well as complying with laws and regulations.

Furthermore, corporate governance is one of our strategic priorities. We will make ongoing efforts to improve management efficiency, transparency, and fairness, in order to build long-term value in a sustainable manner and in a way that reflects the Kokuyo identity.

4. Supply Chain

With the rapid progress of economic globalization, risks such as human rights violations, widening wealth disparities, and environmental degradation are increasing in supply chains, including in developing countries. To ensure that the earth and society remain sustainable, the Kokuyo Group will strive to build mutual understanding and trust with our supply chain partners with shared understanding of the Kokuyo Group's value of co-creation with empathy, work together to fulfill our social responsibilities, and continue contributing to social development.

Revised Date: December 1, 2025

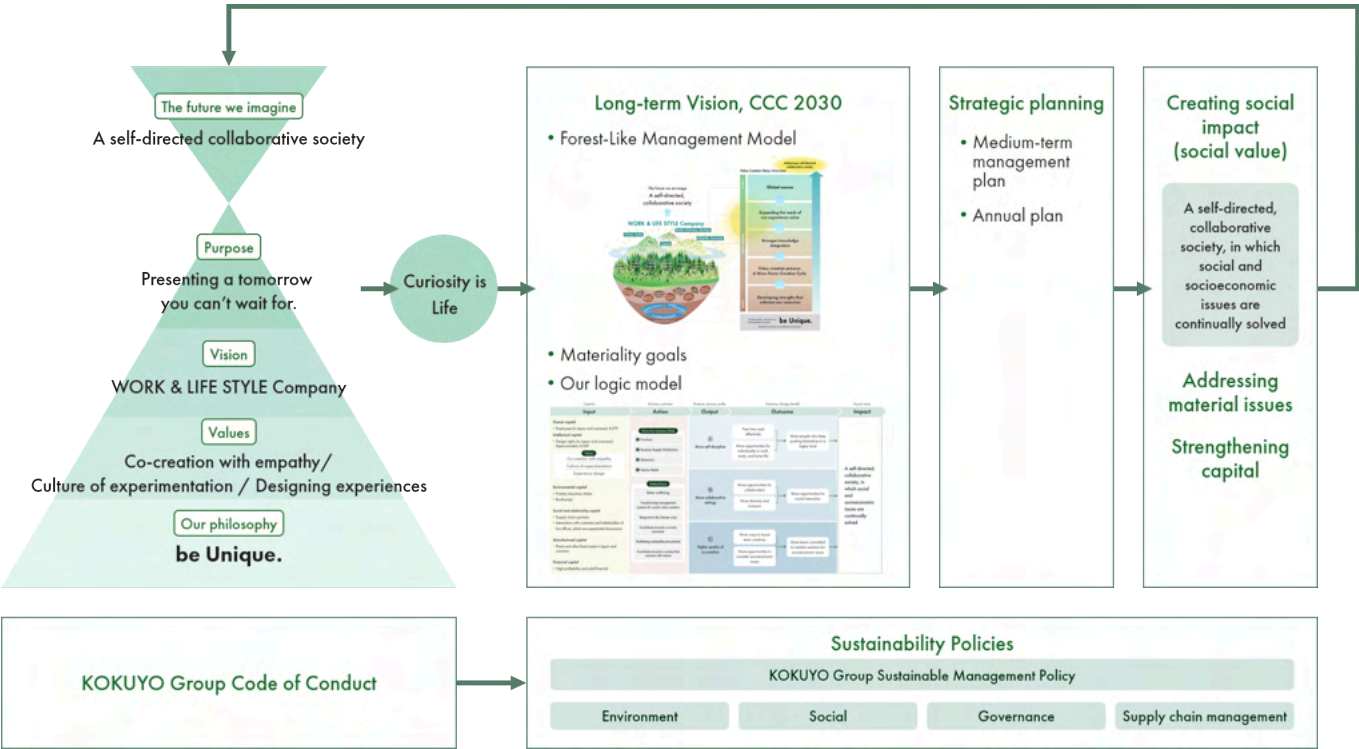
KOKUYO Co., Ltd.
Director,
Representative Corporate Officer,
President and CEO
Hidekuni Kuroda

Sustainability for Kokuyo Group

We will channel people’s curiosity to create a more abundant life in the areas of work, study, and home life, thereby contributing to a more sustainable world.

In 2021, we unveiled a long-term vision called CCC 2030. CCC 2030 emphasizes sustainable business and commits us to building a self-directed collaborative society. A self-directed, collaborative society is one where self-disciplined individuals recognize each other and collaborate, thereby creating new value. In other words, we lead the way to a world in which people engage in a plethora of social issues, resulting in better wellbeing for individuals, communities, and the planet as a whole. That is the transformative social impact (or social value) we want to deliver. To help create such a future, we are shifting to a business model we call the Forest-Like Management Model. We have defined our material issues (sustainability themes that are relevant to our business and our stakeholders) and use a logic model to show how our business activities address social issues and generate economic value. In these ways, we have clarified the path of long-term value creation.

At the core of our sustainability framework is the KOKUYO Group Sustainable Management Policy, which is aligned with the Kokuyo Group Code of Conduct.



[Organizational framework for sustainability](#)

[Sustainability Policies and Guidelines](#)

[Process for Identifying Material Issues](#)

[Logic Model for Social Value Creation](#)

[Material Issues and Performance](#)

[Balancing Social Value with Economic Value](#)

Links

- [KOKUYO Group’s Value System and Code of Conduct](#)
- [Long-term vision](#)
- [Medium-Term Plan](#)

Organizational framework for sustainability

Organizational framework for sustainability, decision-making process

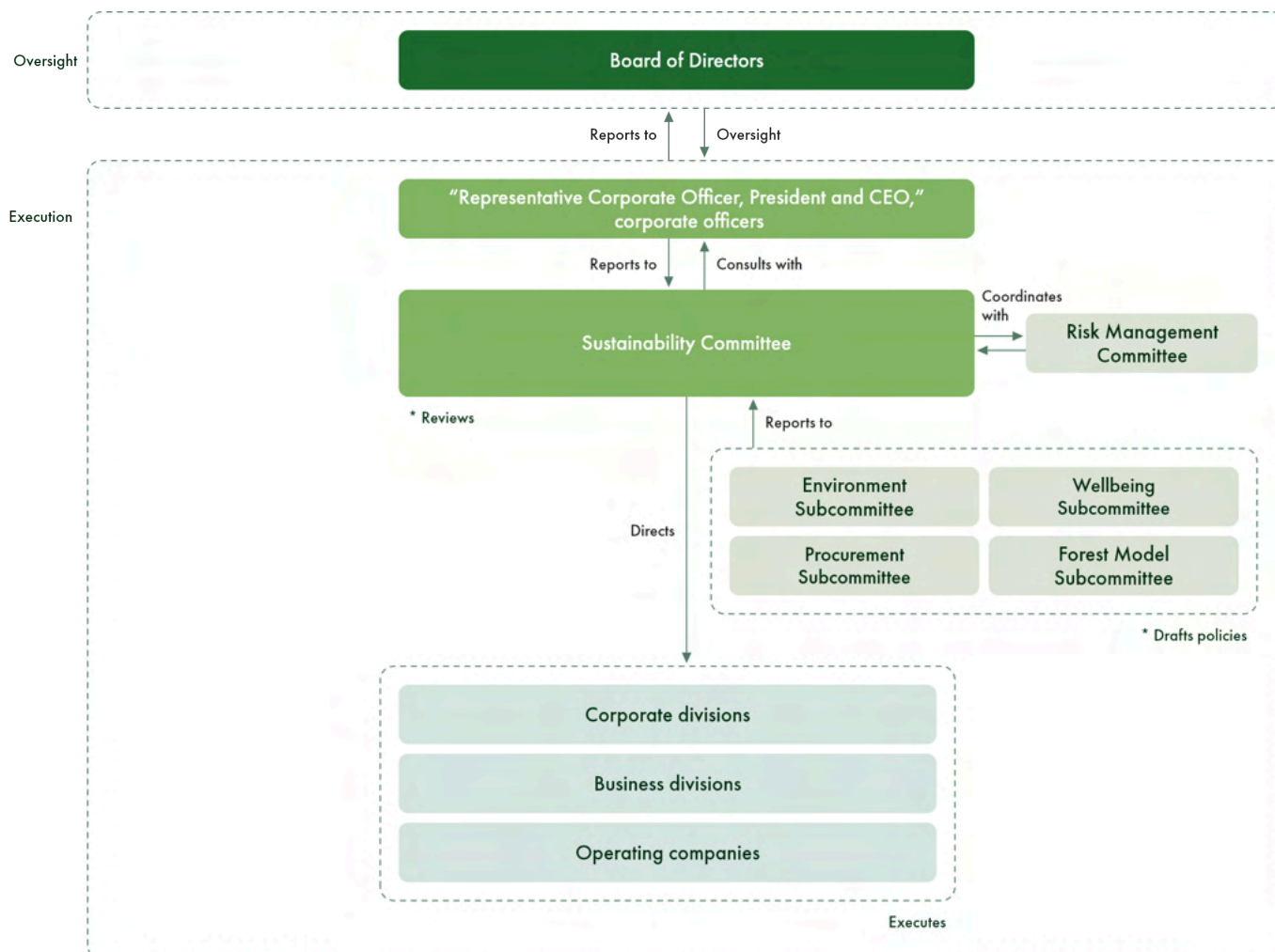
Our framework for sustainability includes the Sustainability Committee. This committee deliberates on our overall sustainability strategy, how to address the material issues, and how to generate positive social impacts.

The committee is chaired by the person who is Director, Representative Corporate Officer, President and CEO. Its secretariat is headed by the managing officer in charge of sustainability and its membership comprises every corporate officer and managing officer.

The committee consists of four subcommittees, each of which examines a particular area of sustainability and reports its findings to the main committee. The subcommittees are the Environment Subcommittee, Procurement Subcommittee, Wellbeing Subcommittee, and Forest Model Subcommittee.

The committee regularly reports to and advises the Board of Directors regarding the sustainability-related matters (risks, opportunities, strategies, and goals) it has discussed (or that any of the four subcommittees has discussed) in order to obtain the necessary board approval and facilitate board supervision.

In this way, the committee structure facilitates action on sustainability with a view to sustaining value creation.



Committee membership, role

Deliberative body	Chairperson	Membership	Function/role, relevance to material issues	
Board of Directors	Outside Director Takehiro Kamigama	Outside directors Inside directors	The Board of Directors approves the sustainability strategy, medium-term plans, and annual plans and supervises progress toward goals. It also approves and supervises the basic sustainability policy and proposed non-financial disclosures.	• Approves and supervises sustainability strategy • Approves and supervises basic sustainability policy • Approves proposed non-financial disclosures
Sustainability Committee	Director, Representative Corporate Officer, President and CEO Hidekuni Kuroda	All managing officers All corporate officers Head of secretariat: Managing Officer Masahiro Fukui	The committee identifies sustainability-related risks and opportunities and formulates a sustainability strategy that defines material issues and goals related to such. It reviews sustainability policies, sustainability guidelines, and proposed non-financial disclosures. With the approval of the Board of Directors, it develops sustainability action plans.	• Formulates a sustainability strategy and discusses an action plan • Drafts sustainability policies • Reviews proposed non-financial disclosures • Reports to the Board of Directors, submits proposals for board approval
Environment Subcommittee	Managing Officer Masahiro Fukui	Members of corporate divisions Members of business divisions Members of operating companies	The subcommittee focuses on environmental issues relevant to KOKUYO Group as a whole. It has three taskforces for leading cross-organizational efforts to accomplish the goals for the following material issues: the Climate Crisis Taskforce, the Circular Economy Taskforce, and the Taskforce for Coexistence with Nature.	• Applies ISO 14001 • Respond to the climate crisis • Contribute toward a circular economy • Contribute toward a society that coexists with nature
Procurement Subcommittee	Managing Officer Koji Morita	Same as above	To facilitate sustainable procurement, the subcommittee engages with suppliers to ensure that they share our commitment to co-creation with empathy. It applies a plan-do-check-act cycle among suppliers. The scope of the cycle is initially limited to tier-1 suppliers of materials used in KOKUYO products and distributors' private brands, but it will be expanded to include other suppliers.	• Engages in supply chain management • Applies KOKUYO Group Paper and Timber Procurement Standards
Wellbeing Subcommittee	Managing Officer Yasunari Koshikawa	Same as above	The subcommittee facilitates efforts to pitch ideas for new ways of working and promote diversity, inclusion, and innovation. To achieve the goals set for material issues, the subcommittee will establish two inter-divisional taskforces, one devoted to promoting wellbeing among employees and the other devoted to promoting wellbeing among external stakeholders.	• Improve wellbeing among employees and external stakeholders
Forest Model Subcommittee	Corporate Officer Toshio Naito	Same as above	The subcommittee works to disseminate across KOKUYO Group the Forest-like Management Model for creating value. To help balance social value with economic value, the subcommittee encourages more employees to identify in their current jobs ways to address social issues and to develop visionary ideas (Mirai Yokoku).	• Transition to a management system that creates social value

Sustainability Policies and Guidelines

Listed below are sustainability policies and guidelines that we have established to ensure that our business activities create social value.

Category	Policy or guideline	PDF
	KOKUYO Group Sustainable Management Policy	Japanese  [PDF:463KB] English  [PDF:108KB]
Environment	KOKUYO Group Environmental Policy	Japanese  [PDF:541KB] English  [PDF:135KB]
	KOKUYO Group Circular Policy “SUTENAI CIRCLE”	Japanese  [PDF:431KB] English  [PDF:125KB]
	KOKUYO Group Timber Procurement Policy	Japanese  [PDF:219KB] English  [PDF:69.4KB]
	KOKUYO Group Paper and Timber Procurement Standards	Japanese  [PDF:341KB] English  [PDF:86.5KB]
Society	KOKUYO Group Human Rights Policy	Japanese  [PDF:603KB] English  [PDF:153KB]
	KOKUYO Group Quality Policy	Japanese  [PDF:229KB] English  [PDF:81.9KB]
	KOKUYO Group Safety and Health Policy	Japanese  [PDF:223KB] English  [PDF:81.4KB]
	KOKUYO Group Health and Productivity Declaration	Japanese  [PDF:250KB] English  [PDF:102KB]
Governance	KOKUYO Group Anti-Bribery and Anti-Corruption Policy	Japanese  [PDF:590KB] English  [PDF:89.8KB]
	KOKUYO Group Competition Law Policy	Japanese  [PDF:502KB] English  [PDF:82.9KB]
Supply Chain Management	KOKUYO Group Sustainable Procurement Policy KOKUYO Group Sustainable Procurement Standards	Japanese  [PDF:737KB] English  [PDF:167KB]
	KOKUYO Group Responsible Minerals Procurement Policy	Japanese  [PDF:336KB] English  [PDF:84.3KB]
	Partnership Building Declaration	Japanese  [PDF:421KB]
	Multi-Stakeholder Policy	Japanese  [PDF:481KB]

Logic Model for Social Value Creation

We have identified material issues aligned with our general strategies. We address these material issues through our business activities. In December 2024, we established a logic model to represent the social and economic value impacts of efforts to address material issues and how such efforts contribute to our long-term vision of a self-directed, collaborative society.

Our fourth medium-term plan includes a process for quantifying these impacts and sets out a logic model showing the causal relationship between our business activities and socioeconomic value creation, linking them with our efforts to increase the value of our organization.

The Social Value We Create, Our Logic Model

In the self-directed collaborative society that we envisage, people embrace their individuality but respect each other and work together as a community to create new value.

Everyone goes beyond their boundaries, not to conform, but to share diverse ideas and perspectives and positively influence one another, allowing creativity to flourish. That is the kind of society that can take on plethora of socioeconomic challenges this world faces.

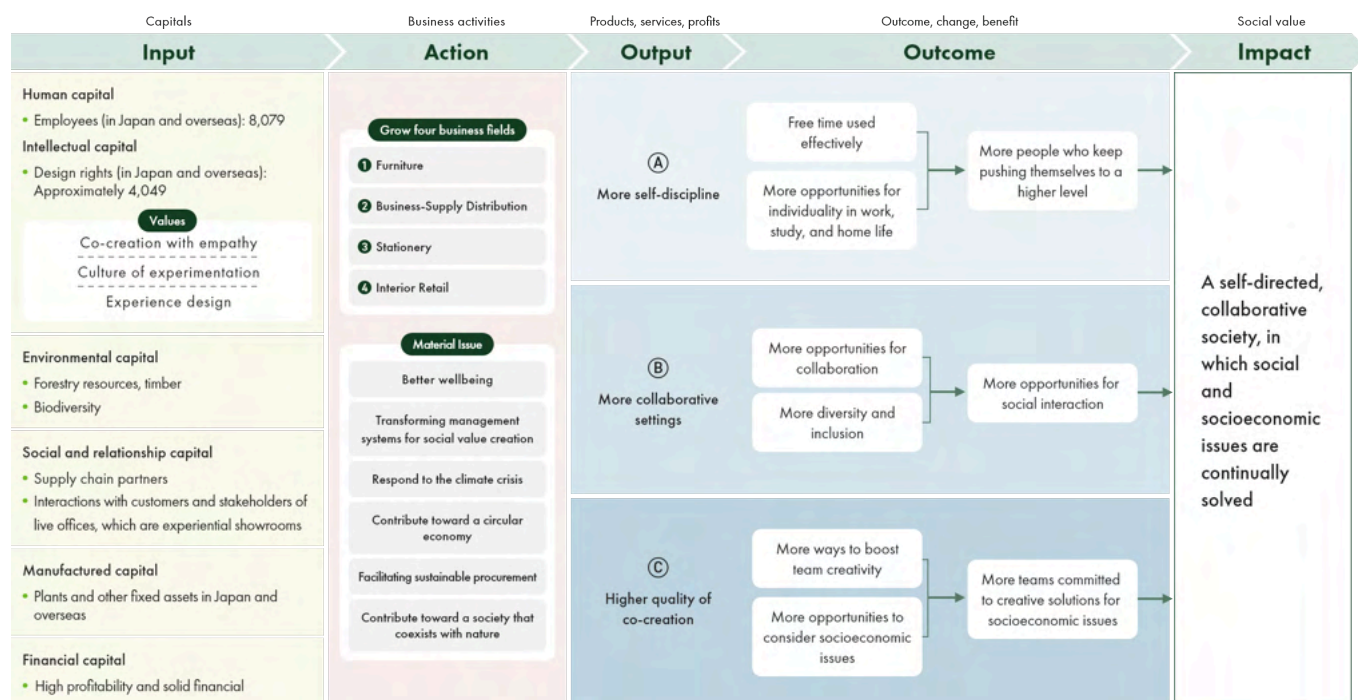
To create this self-directed, collaborative society, where socioeconomic issues can continually be addressed, we need to show how our business activities contribute to this goal. That is why we established a logic model. Guided by the evidence from this logic model, we will increase the positive social impacts of our businesses.

The Social Value We Create



Our Logic Model

The logic model defines two broad actions: 1) to grow our four business fields and 2) to address our material issues. These actions generate outputs (products, services, profits) in three ways, labeled (A), (B), and (C). The outputs, in turn, lead to three types of outcome: more people who keep pushing themselves to a higher level, more opportunities for social interaction, and more teams committed to creative solutions for socioeconomic issues. The ultimate impact in terms of social value is the creation of a self-directed, collaborative society that keeps addressing socioeconomic issues.



Impact KPI

Theme	Impact KPI
(A) More self-discipline	(Individuality in work, study, and home life) 1. More opportunities for individuality in work, study, and home life
(B) More collaborative settings	(More opportunities for collaboration) 2. More collaborative spaces or areas and people participating in communities
	(More diversity and inclusion) 3. More types of barriers to reduce from society
(C) Higher quality of co-creation	(More team creativity) 4. More teams becoming successful at co-creation
	(More opportunities to consider socioeconomic issues) 5. More people addressing socioeconomic issues
	(More opportunities to consider socioeconomic issues) 6. More products that contribute to solving socioeconomic issues

Process for Identifying Material Issues

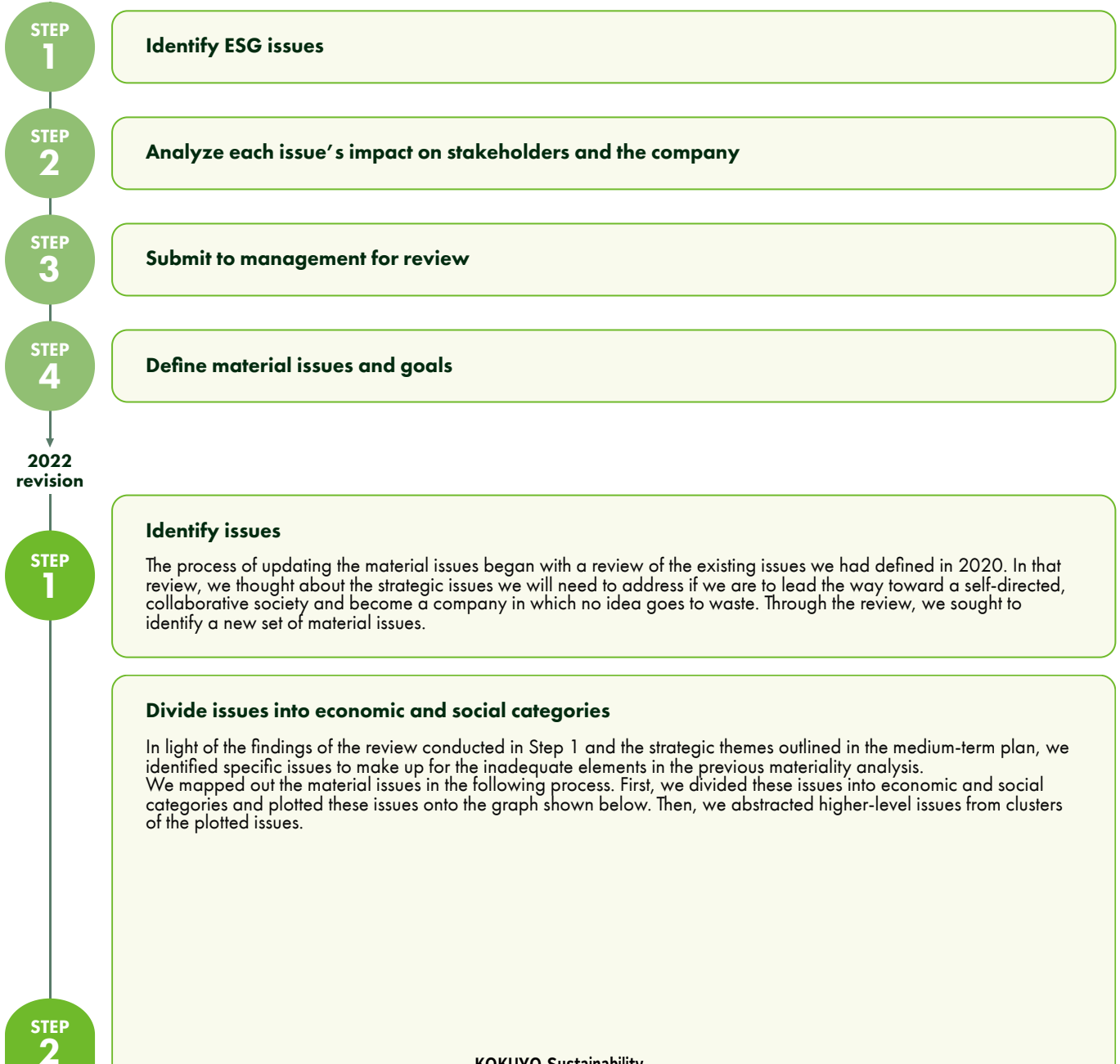
Process for Identifying Material Issues

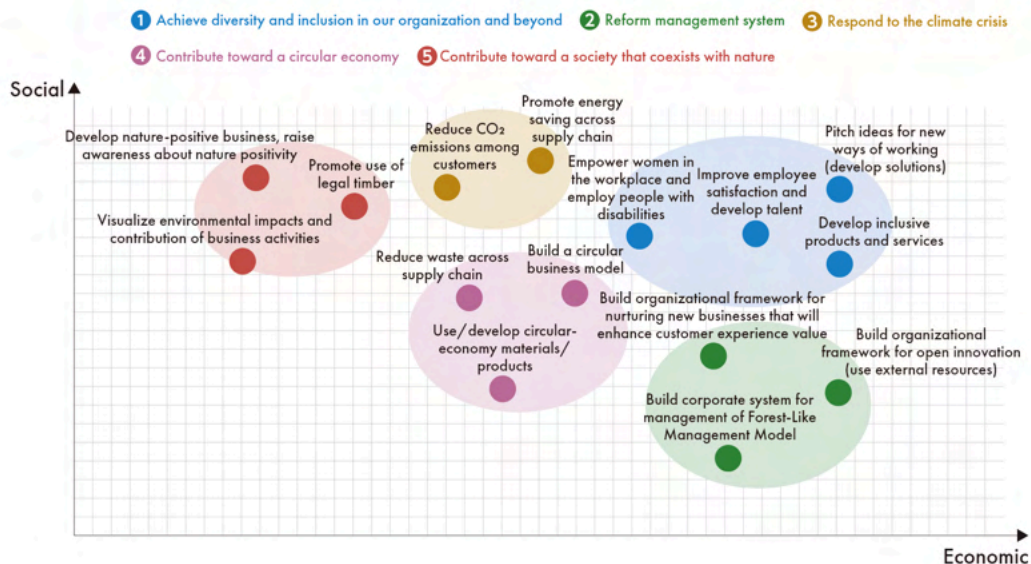
We follow the principle of dynamic materiality. This means we recognize that our material (sustainability) issues will change over time and periodically review and update them.

We conducted one such review in 2022. In that review, we decided to radically update the set of material issues, aligning them closer with our general strategies. During the review, we analyzed the gap between the future we envisage in our long-term vision and third medium-term plan and the current situation to identify the issues to be addressed. We then evaluated each issue's economic and social importance to identify the material issues.

In 2025, we conducted another review to align the material issues with the fourth medium-term plan. In this review, we reassessed the activities we undertake for each material issue, the coverage of the actions, and the relative importance of each issue.

2020 materiality analysis [Learn](#) about the process through which we identified material issues in 2020 and 2021.





STEP 3

Consider realigning material issues

Previously, our material issues were aligned with the SDGs. However, in this stage, we realigned them with the society we envisage. We then built an organizational framework for these realigned issues. We have set KPIs for our new set of material issues. For the time being, the KPIs are based on our vision for 2030.

2025 revision

We reviewed the scope of activities for “building a circular business model” previously grouped in the fourth material issue (“contribute toward a circular economy”) and separated it out as “promoting sustainable procurement”.

Process for Identifying Material Issues in 2020

Process for Identifying Material Issue (2020-2021)



* ESG: Environmental, Social, Governance

Step 1 Identify ESG issues

First, we identified 34 potential environmental, social, and governance issues by referring to the SDGs and to data from MSCI Inc. and the Sustainability Accounting Standards Board (SASB).

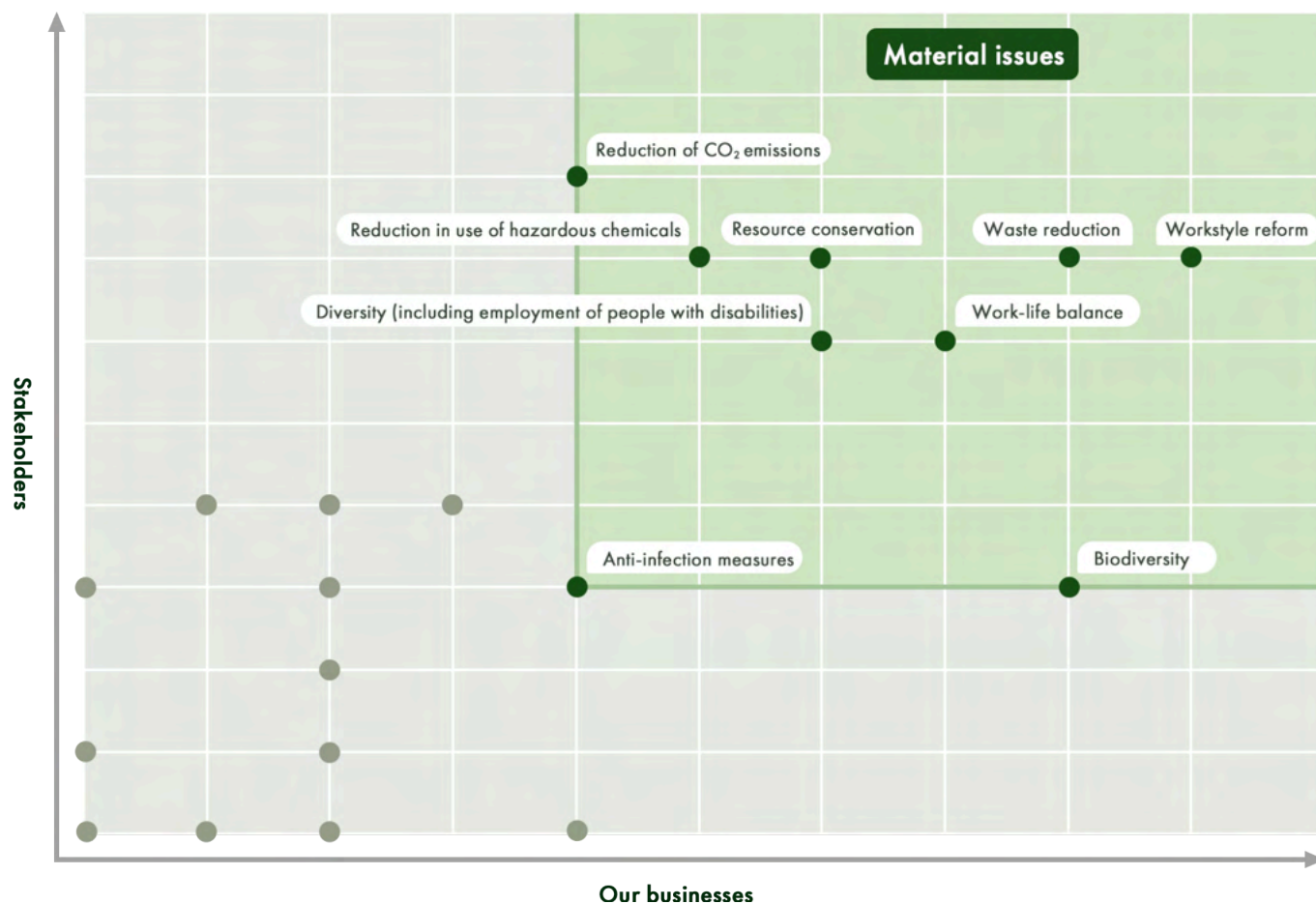
	Perspective	Was a survey conducted?	Was desk research (secondary research) conducted?
Stakeholders	Consumers	○	—
	Key clients	○	—
	Investors (MSCI, SASB)	—	○
	National and local governments (growth strategy)	—	○
Our businesses	SDG contribution from products, services, and CSR items	—	—
	Development divisions	○	—
	Senior management	No, but a discussion was held	—

※ SDGs: Sustainable Development Goals MSCI: Morgan Stanley Capital International
 SASB: Sustainability Accounting Standards Board CSR: Corporate Social Responsibility

Step 2 Analyze each issue's impact on stakeholders and the company

Having identified potential issues, we then rated each issue in terms of how much it matters to stakeholders and how much it impacts our business. Issues that had a high score on both metrics were defined as material.

マテリアリティマップ



Step 3 Submit to management for review

The issues rated as material were then reviewed by the management to determine whether the materiality designation was valid.



Step 4 Define material issues and goals

In 2020, we set goals for each material issue. The goals are to be achieved by 2030.

Material issue		2030 goal
Material issue 1 Pitch ideas for new workstyles	Pitch ideas for ways of working in the new normal, support work-life balance	Employees act on their initiative and solve problems through teamwork
Material issue 2 Promote diversity and inclusion	Build a diverse, innovative workplace that is inclusive of gender, disability, and nationality	Workforce is diverse, individual differences are respected, and employees feel empowered
Material issue 3 Respond to the climate crisis	Reduce CO ₂ emissions through energy efficiency and renewable energy. Use forests to offset emissions.	Carbon absorption: At least 6,000 t-CO ₂ absorbed a year

Material issue		2030 goal
		Reduce CO ₂ emissions: Emissions down by 26% from 2013 level in 2030
Material issue 4 Contribute toward a circular economy	Promote human rights, resource conservation, and waste reduction across the entire supply chain to contribute toward a circular economy	100% of waste (office, buildout services, inventory) recycled
		Procurement policies applied throughout corporate group
Material issue 5 Contribute toward a society that coexists with nature	Protect biodiversity and reduce use of hazardous chemicals to minimize environmental impacts	Promote use of legal timber
		Forest conservation: Forests thinned at 150 hectares a year
		Reedbed conservation: Reeds trimmed at 1.5 hectares a year

As of 2020

Material Issues and Performance

KOKUYO's material issues

We have identified six material issues for KOKUYO Group. Under these six themes, we create social value through our businesses. The six material issues are shown below along with our basic policy for the material issue and the risks and opportunities we have identified.

Material issue	Basic Policy	Risks and Opportunities	Linked SDGs
Strategy 1 Improve Wellbeing among Employees and External Stakeholders	Material Issue 1  Improve wellbeing 1-1. Pitch ideas for new workstyles 1-2. Promote diversity, inclusion, and innovation	We will promote work-life balance, new workstyles, and a diverse workplace (inclusive of gender, disability, and nationality) that produces innovation, so that our corporate group develops products with inclusive design, contributing to wellbeing within our organization and wellbeing in society at large. For this, we have two challenge goals: pitch ideas for new workstyles, and promote diversity, inclusion, and innovation. Opportunities Improving the wellbeing of our employees will help us to hire and retain a diversity of creative individuals who are the wellspring of our competitiveness. Supporting these individuals to reach their full potential will enable us continually to create new value and to boost our productivity. There is a business incentive to improving the wellbeing of society. We can gain more earning opportunities by providing the products and services needed to realize a society in which every individual can play an active role, including those with disabilities. It will also increase our reputation and resonance, enabling us to form a larger business network.	  
Strategy 2 Expand Business Fields through the Forest-Like Management Model	Material Issue 2  Transition to a management system that creates social value	Over the years, we've offered solutions for new ways of working, learning, and living through a process of first-hand experimentation in which we design experiences for customers through products and services. Amid the plethora of socioenvironmental issues, we want to transform management systems and lead the way to a sustainable future with the support of all employees and businesses. Risks We can reduce risks associated with field expansion by transforming our management system in line with the Forest-Like Management Model (e.g. strengthening business infrastructure and risk management). Opportunities We can respond to changes in our operating environment and continually increase the value of our organization if we identify unmet needs and commit to an ever-evolving business portfolio and to creating inter-business synergies in a way that continually generates new value.	
Strategy 3 Safeguard the Planet as a Place for Work and Life	Material Issue 3-1  Respond to the climate crisis	Over 90% of our CO2 emissions are from our value chain (scope 3), meaning that we can't contribute to carbon neutrality on our own. Rather, we work with our supply chain partners on initiatives such as switching to more sustainable raw materials and delivery methods to contribute toward carbon neutrality. Risks Addressing climate change reduces and prepares us for not only short-term financial risks, such as higher energy or transportation costs, but also future physical risks and the risk of rising environmental costs. Opportunities We expect that the supply of low-emissions products and solutions and the enhancement of our brand image will increase our earnings opportunities and boost our external valuation, and that this will support our share price.	   

Material issue		Basic Policy	Risks and Opportunities	Linked SDGs
		We want to use the planet's limited resources efficiently in delivering value to customers. Accordingly, we have been working to recycle more of our waste and to develop ecologically sustainable products and services. As an organization that provides products that are as accessible to as many people as possible, we also aim to promote individuated zero-waste lifestyles.	Risks We can reduce risk from resource procurement and reputational damage by recovering and reusing resources. Opportunities Winning the support of consumers looking for more sustainable products will increase our business opportunities while resource recycling will help us build a lasting relationship with many customers. This will increase our earnings from maintenance, updating and other services.	   
		With the rapid progress of economic globalization, multinational corporations have grown massive. In pursuit of cheap labor, these corporations extend their supply chains into developing countries. This trend is exacerbating human rights violations such as forced labor and child labor and widening economic disparities. Meanwhile, environmental problems are growing ever more severe. Our group will fulfill its social responsibilities together with suppliers and continue contributing to social development.	Risks A consumer boycott could threaten the survival of our business. We must avoid this threat by addressing human rights issues and environmental risks in our supply chain. Communicating such initiatives to our customers will enable us to market products at prices that fairly reflect the costs of addressing these risks.	 
		Conservation of forests is a major imperative for us since we use timber in many of our business operations, including the production of mainstay products such as notebooks and office furniture. Over the years, we have worked to conserve biodiversity and reduce our use of hazardous materials in order to minimize our impact on the environment. We will monitor and take steps to improve our impact on the environment so that we can balance business activities with natural capital for a healthier planet.	Risks We can ensure stable procurement of raw materials and the continuity of our business by understanding biodiversity-related risks, identifying the nature-related risks in our procurement operations, identifying the environmental risks to areas surrounding our business locations, and then using this knowledge to balance our business interests with natural capital. Opportunities Such actions will create resonance among customers and maintain, if not strengthen, our brand image, feeding through into increased earnings.	

Material Issues and Performance

We have identified material issues aligned with our corporate strategies (as set out in our long-term vision and fourth medium-term plan). In December 2024, we set targets for these material issues. The targets are to be achieved by 2027. Shown below are the targets and results for each material issue.

Strategic Theme	Material Issue	2027 goal	2025 result	2030 Challenge goal
1 Improve Wellbeing among Employees and External Stakeholders	1-1 Pitch ideas for new workstyles	(1) •Take-up of paid leave: 100%	76.8%	Flexible and diverse work options: 27 challenge goals (three per year for nine years)
		(2) •Percentage of management posts held by women: 16%	13.8%	

Strategic Theme	Material Issue	2027 goal	2025 result	2030 Challenge goal
	1-2 <u>Promote diversity, inclusion, and innovation</u>	(3) •Percentage of new products that incorporate inclusive design: At least 35%	48.8%	Percentage of new product series that incorporate inclusive design: At least 50%
2 <u>Expand Business Fields through the Forest-Like Management Model</u>	<u>Transforming management systems for social value creation</u>	(4) •Number of visionary idea (Mirai Yokoku) experiments (4th medium-term plan total): 30	13	Percentage of net sales with balanced social value and economic value: 100%
		•Percentage of employees addressing socioeconomic issues through their job: 100%	91.1%	Percentage of employees addressing social issues: 100%
3 <u>Safeguard the Planet as a Place for Work and Life</u>	3-1 <u>Respond to the climate crisis</u>	(5) Scopes 1 and 2 •Change from 2022 level: -35% Scope 3 •SBTi goals to be set by suppliers collectively accounting for 125,000 t-CO ₂ of our scope 3 emissions (12.5% of our category 1 emissions) •Complete formulation of action plan for achieving the 2030 goals.	Scopes 1 and 2 40.0% reduction Scope 3 •SBTi goals set by suppliers collectively accounting for 84,800 t-CO ₂ of our scope 3 emissions •Process launched for implementing action plan for achieving 2030 goals	Scopes 1 and 2 Reduce Scope 1 & 2 greenhouse gas emissions by 42% between 2022 and 2030 Scope 3 •Reduce greenhouse gas emissions from the Scope 3 category "purchased goods and services" by 25% between 2022 and 2030 •SBTi goals set by suppliers collectively accounting for 12.5% of our emissions from "purchased goods and services"
				Carbon absorption: At least 6,000 t-CO ₂ absorbed a year
	3-2 <u>Contribute toward a circular economy</u>	(6) •Percentage of net sales attributable to products that incorporate circular-business guidelines: 40%	11.0%	Percentage of net sales attributable to products sold by group (including overseas companies) that support a transition to a circular economy: At least 80%
		•Recycling rate for general business waste (including dead stock): 97%	95.2%	
		•Recycling rate for plastic waste: 100%	85.9%	Recycling rate for waste (from offices, worksites, and warehouses): 100%
		•Reduction in mixed construction waste from 2023 level: 75%	73.4%	
	3-3 <u>Facilitating sustainable procurement</u>	(7) •Percentage of products sourced from suppliers ranked B or above: At least 75%	65%	•Percentage of products sourced from suppliers ranked B or above: 100%
	3-4 <u>Contribute toward a society that coexists with nature</u>	•Percentage of net sales attributable to products that satisfy KOKUYO Group Paper and Timber Procurement Standards: 75%	•Stationery business: Disclosures aligned with the TNFD recommendations	Carbon footprint of business activities visualized and carbon neutrality achieved
		•Visually representing environmental impacts: Complete visualization process in all major businesses		

Strategic Theme	Material Issue	2027 goal	2025 result	2030 Challenge goal
		•Number of environmental conservation projects: 3		Forest conservation: Forests thinned at 150 hectares a year
				Reedbed conservation: Reeds trimmed at 1.5 hectares a year

* (1),(2): This applies to the following entities: KOKUYO Co., Ltd., Kaunet Co., Ltd., KOKUYO Marketing Co., Ltd., KOKUYO Supply Logistics Co., Ltd., KOKUYO Logitem Co., Ltd., Actus Co., Ltd., and KOKUYO & Partners Co., Ltd.

* (3) through (7): These have a smaller coverage. In future reporting, we will standardize the coverage to encompass consolidated subsidiaries inside and outside Japan.

Balancing Social Value with Economic Value

Over the years, we've offered solutions for new ways of working, learning, and living through a process of first-hand experimentation in which we design experiences for customers through products and services. Amid the plethora of socioenvironmental issues, we want to transform management systems and lead the way to a sustainable future with the support of all employees and Group businesses. As more partner companies and customers engage with us, the circle of empathy will expand, sparking more innovation and solving more socioeconomic issues.

Material Issues and Performance

See Goals and Results: Strategic Theme 2.

Goals and Results >

Seeds of social value sown: Visionary idea (Mirai Yokoku) experiments

By 2030, we aim to have all of our new and existing businesses contributing to the solution of socioeconomic issues.

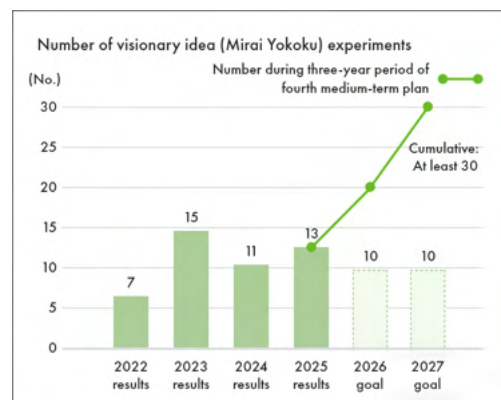
To that end, the fourth medium-term plan (2025 to 2027) commits us to raising the number of visionary idea (Mirai Yokoku) experiments we produce as part of our efforts to create new value for a "tomorrow you can't wait for." In line with this goal, we will commit resources in a sustained manner toward new experiments and entrepreneurship that will resonate with an increasing number of stakeholders and lead the way in tackling socioeconomic issues.

We will disseminate a logic model to give a clearer idea of how employees create, in their jobs, social value as well as economic value.

Over the three years of the fourth medium-term plan, we will take actions to achieve the following two goals: to produce 30 visionary idea (Mirai Yokoku) experiments and to have 100% of employees creating positive social impacts through their job. In 2025, we produced 13 Mirai Yokoku experiments. One of these was a solution for organizational growth called Teamus. Teamus visually presents team data and delivers an intervention to increase the wellbeing of each team member and the productivity of the organization as a whole.

Besides Teamus, we implemented a number of multi-approach projects. One example was a workstyle solution that uses AI to streamline thinking processes and channel creativity. Another was a project for reusing Japanese timber in a way that creates value.

In this way, we continue to expand our horizons in engaging in social issues and creating new value in people's work life, study life, and home life.

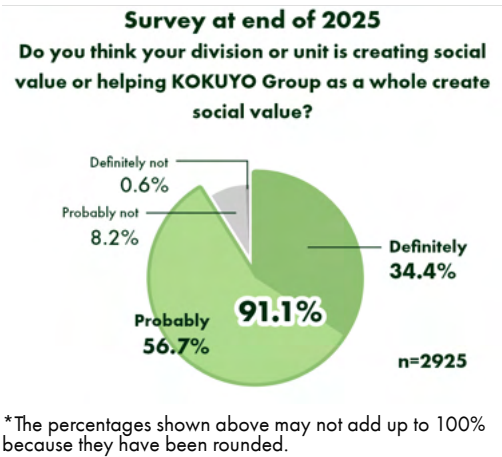


* Entities assessed: Domestic consolidated subsidiaries, KOKUYO K Heart Co., Ltd., Heartland Co., Ltd.

Mirai Yokoku Experiments >

Awareness of Social Value Creation

We carried out a questionnaire survey at the end of 2025 to understand the current level of awareness among our employees and to provide a reference point for future initiatives towards achieving our 2027 goal (as set out in the fourth medium-term plan) for 100% of employees to be addressing social issues through their job. A total of 91.1% of our employees responded “definitely” or “probably” to a question asking whether they believe they are creating social value through their own job, suggesting that a growing number of employees have such an awareness. We will implement measures to achieve the 2027 goal of 100% and carry out further surveys to understand how far awareness of addressing socioeconomic issues through their job has permeated our organization.



Actions

| KOKUYO Marketing University and KOKUYO Marketing Graduate School

We developed these educational programs to help meet our goal of at least 30 visionary idea (Mirai Yokoku) experiments. KOKUYO Marketing University gives younger employees a chance to learn customer-oriented problem-solving skills. KOKUYO Marketing Graduate School gives older (or mid-ranking) employees a chance to develop their long-term strategic thinking skills. Attendees, by honing their practical marketing skills, finish the course with the ability to lead new business projects that will be the seeds of our future success. More than 320 employees have graduated from one of the two programs. Since graduating, they have taken on fresh challenges, driving our growth as an organization.

KOKUYO Marketing University and KOKUYO Marketing Graduate School >

| Disseminating Sustainability Across the Organization

We disseminate sustainability across our organization through an initiative called Sustainable Academia. As part of this initiative, we help each employee create social value in their job. The fourth medium-term plan sets out a goal for 2027: for 100% of employees to be addressing social issues through their job. In 2025, which was year 1 in the fourth medium-term plan, we continued our existing initiatives for material issues and also began informing employees about our general approach to sustainability and about our trailblazing examples of balancing social value with economic value.

One example was an event featuring a rescue-themed board game designed to inform employees about sustainable business management in a fun way. In another example, we published sustainability-related articles in our email magazine Sustainable Academia News. An example of an initiative for encouraging action was Sustainable Lab, which experiments with solutions for the sustainability-related issues employees have identified.

Event:
Rescue KOKUYO from Sustainability
Complacency >

Email magazine:
Sustainable Academia News >

Encouraging action:
Sustainable Lab >

Balancing Social Value with Economic Value: Actions

Seeds of social value

Experiments in Mirai Yokoku ✓

Disseminating sustainability within the organization

Event:
Rescue KOKUYO from Sustainability
Complacency ✓Email magazine:
Sustainable Academia News ✓Encouraging action:
Sustainable Lab ✓

Experiments in Mirai Yokoku

Mirai Yokoku 2025

Case study

A Solution for Organizational Growth: Maximizing Human Capital, Building Autonomous Teams

We have defined our social role as that of a work and lifestyle company. This means that we now transcend our traditional categories of furniture and stationery and expand the reach of our business fields.

Our fourth medium-term plan, Unite for Growth 2027, commits us to creating synergies between our existing businesses. As part of this, we have developed a solution that drives organizational growth by maximizing individual and organizational performance. That is, as well as focusing on the hard side, namely, optimizing physical office spaces, it focuses on the soft side, namely, expediting a human-capital-centered leadership and improving employee engagement.

We unveiled this solution in April 2025, naming it Teamus. Teamus is a business support service that combines KOKUYO Group's accumulated insights from workstyle research with the client's own best practices for organizational reform.

First, the team in question is surveyed using our original questionnaire tool and the results are then graphically presented to represent the team's status. Next, Teamus delivers an intervention consisting of dialogue and coaching to facilitate mutual understanding between team members and encourage behavioral change. This intervention encourages both autonomous growth as individuals and teamwork.

In fiscal 2025, we enlisted a dedicated organization to develop a fully fledged support structure for Teamus, drawing on the customer touchpoints and track record in spatial design cultivated in our existing businesses. By the end of the year, Teamus had begun delivering services to a wide range of companies.

This case study empirically illustrates how we are creating both social and economic value: By assisting each team in its own efforts to transition into a more autonomous organization, we are helping the clients improve employee wellbeing and organizational productivity.



Teamus: A solution for organizational growth

Teamus: A solution that channels team power to deliver organizational growth* >

Yuimori: Sustainable wooden furniture as part of a practical initiative promoting recycling of community resources* >

Pilot scheme with the Toda-city Board of Education: Supporting a new form of study (student-led, problem-solving based)* >

Utsuho Academy: A project to recycle melamine-coated wooden desks* >

ChopValue Manufacturing Japan: A joint project to recycle disposable wooden chopsticks into office furniture* >

Launch of digital transformation services for admin: Using our business-process knowhow to ease the stress in digitally transforming admin operations* >

Clearnote and Carry Campus in collaboration with Manabi-aid Co., Ltd.: A digital study tool (videographic lessons) to aid learning in in-between moments* >

Dig: A talent-development facility for discovering employee knowledge and for sharing accumulated tacit knowledge and passion across the organization* >

Collaborative project between logistics, industry, and academia: Making logistics more sustainable and preparing the next generation of logistics workers* >

Campus: A notebook series rebranded as a learning-style partner to channel young people's creativity* >

A project to rebrand KOKUYO as a whole under the theme of curiosity to contribute to a self-directed collaborative society* >

Office Agent AI: An AI-driven workstyle support service that streamlines thinking to stimulate creativity* >

Manabikata Lab: Researching people's learning styles to redefine the value we offer* >

Mirai Yokoku 2024

Case study

A Project to Make Buildings Profitable Again (Increasing the Value of Vacant Buildings)

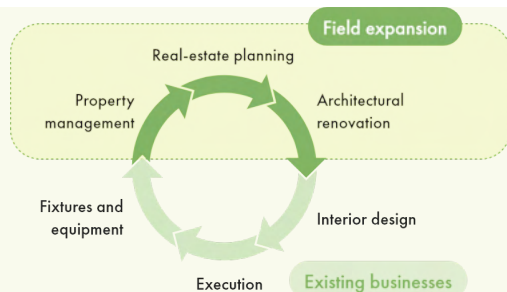
Our fourth medium-term plan, Unite for Growth 2027, commits us to increasing the value of spaces by applying our expertise in delivering value in furniture, fixtures, equipment, and interior design for offices.

Increasing the value of spaces means interior renovation work that incorporates the functions people demand and that ensures that the space is commercially viable.

An example of increasing the value of spaces is Creative Lounge Mov, a members-only co-working lounge that opened in Shibuya Hikarie in 2012. Another example is The Campus Flats Togoshi. Opened in 2023 in the Togoshi area of Tokyo, The Campus Flats Togoshi is an apartment building that once served as a company dorm. We renovated the building, converting it into a co-living space.

Drawing on the spatial design expertise we developed in our existing businesses, we established the Asset-Value-Up Office to meet emerging demand related to spatial assets. For example, we anticipate a growing demand for addressing the problem of vacant office space in small- and medium-sized office buildings. We also expect that the rising cost of constructing office buildings will drive demand for increasing the value of office space in existing office buildings. In March 2025, we took the first step in this new business by acquiring a vacant office building in the Kuramae district of Taito-ku, Tokyo.

We will build our track record in increasing the value of spaces by engaging in real-estate planning for investment, engaging in architectural renovation, and creating a model for managing the property once it enters service. In this way, we will expand the reach of our field into real-estate renovation.



Left: A shared office called Mov Kuramae (our first real-estate renovation project)
Right: Creative Lounge Mov

Repurposing a dilapidated building: Project to renovate an office building in its entirety* >

Loopla: A project to re-use recyclable, sustainable materials in office furniture* >

Collaboration between Yokoku Research and Kyoto University: Enhancing wellbeing in the workplace* >

Pandoor: A service for people working multiple jobs whereby companies and workers seeking growth opportunities are matched with companies seeking solutions for business challenges* >

Using the "Hello! Family." tool to test out ideas for empowering people with disabilities* >

Reopening of The Campus: A testing ground for post-pandemic workstyles* >

How We Live (a global lifestyle brand): Kokuyo and Actus's collaboration for work-life integration* >

Culture Snack: A culture festival for revitalizing local communities* >

Piloting the re-use of acrylic panels: A collaboration with Sumitomo Chemical Company* >

Paper packaging with on-pack QR code for accessing multilingual and audio product information* >

Harakado: A community factory for creating new value in household goods* >

Mirai Yokoku 2023

"Hello! Family.": An IoT-driven child-monitoring tool that stimulates new parent-child conversations* >

The Campus Flats Togoshi: A residential complex for prototyping lifestyle ideas* >

Sauna Bu: A new lifestyle brand from Kokuyo's sauna club* >

Study With Campus: A self-study space for students in junior-high and high schools* >

Sutenai Circle and Hows Design: Supporting a circular economy and using inclusive design to promote wellbeing among the public* >

"Tsunage Loopa!": Learning about the environment through a practical experience in recycling notebooks* >

Kokuyo Haku Shanghai 2023: A summer life-themed event in China conjuring up memories of summer days during one's student years* >

Pop-up shops in Thailand and Malaysia featuring Kokuyo stationery* >

KokuyoDoors: A try-out shop where people can discover how great Japanese stationery is* >

Another Store: Delivering futuristic customer experiences in a real-life store space* >

Campus for Schools: Adjustable school desks and chairs optimized for GIGA schools* >

Kokuyo Digital Academy: A program for cultivating a digitally savvy workforce through education and practice* >

Core: A hall for open communication, maximizing the value of in-person gatherings* >

Baton no Yokoku: Developing unique, creative solutions to the problems faced by communities* >

Sustainable Academia Weeks: An event to raise sustainability awareness among all employees* >

Mirai Yokoku 2022

Carry Campus: A study app for junior-high and high school students* >

Zaitaku Hyakka: Web media for working at home* >

The Campus hosts future-school festival by Kamiyama Marugoto College of Design, Technology, and Entrepreneurship* >

Wellness program One Tap Sports for Biz launched with Euphoria* >

Kokuyo trials oVice, a new kind of virtual sensory space* >

"Kokuyo Open Lab.": Combining spaces with digital transformation to experiment with new workstyles* >

Kaunet Loopa Paper Resource Recycling Service* >

* Japanese Only

Sustainable Academia: Disseminating Sustainability within the Organization

Event: Rescue KOKUYO from Sustainability Complacency

We held a fun learning event to inform employees about the actions we have taken on material issues, our current progress in sustainability, and what our corporate sustainability goals are. The event, titled Rescue KOKUYO from Sustainability Complacency, was held at three venues in Tokyo and Osaka. Attendee satisfaction rate reached 99.2%, higher than in events of previous years. The event proved an eye-opener for attendees who had previously felt distanced from the sustainability agenda.

At the event, attendees designed a booklet featuring a rescue-themed board game. The booklets have been posted to group companies and other business locations to spread the sustainability message to more employees.

Story for the board game:

Overhearing an employee's insensitive remark at a sustainability expo, you begin to wonder: Is KOKUYO becoming complacent about sustainability!?

A dark future awaits such an organization: The organization stops offering paid leave and becomes environmentally unfriendly. It then loses the confidence of its shareholders.

Solve the material issue puzzle to save KOKUYO from this fate.



Employees playing Rescue KOKUYO from Sustainability Complacency

Email Magazine Sustainable Academia News

Our email magazine Sustainable Academia News includes articles about our actions on material issue and trailblazing initiatives for balancing social value with economic value. It is published every month or so for KOKUYO Group employees in Japan.

▽Topics in previous volumes

Volume	Topics
Vol.1	What exactly is an integrated report?／What exactly is a logic model?
Vol.2	What exactly is sustainable business management?／The environmental and social landscape around KOKUYO
Vol.3	What exactly are impact KPIs?／Examples of balancing social value with economic value: Saxa
Vol.4	Questionnaire survey on attitudes toward sustainability／Examples of balancing social value with economic value: Melamine veneer
Vol.5	Event announcement from Sustainable Academia／Examples of balancing social value with economic value: Mineral water
Vol.6	What does it mean to coexist with nature?／Report on Sustainable Academia event
Vol.7	Examples of coexisting with nature／Introducing Well-Station



Sustainable Academia News

Sustainable Lab: Encouraging Action

Sustainable Lab is a platform for employees to develop and implement their own plans towards solving the KOKUYO Group's material issues. During 2025, a total of nine teams throughout the group challenged themselves to find solutions in areas such as improving wellbeing and contributing toward a circular economy, and shared their results. This provided a forum for employees to take ownership of and rethink familiar issues and for related parts of our business to benefit from new insights into issue resolution.



March 2025
Sustainable Lab participants present their work

Environmental Management

KOKUYO recognizes that environmental problems, including global warming and the reduction of forest resources, are pressing issues. We will bring together the best business brains to develop sustainable solutions.

Policy

KOKUYO Group Environmental Policy



To build a "sustainable society," it is necessary to implement integrated activities aimed at achieving a decarbonized society, a circular economy, and a society that coexists with nature. The KOKUYO Group Environmental Policy sets out specific actions to that end. The policy is updated yearly. Following an update in April 2025, the policy identifies four environmental challenges: 1) responding to the climate crisis, 2) contributing to a circular economy, 3) contributing to a society that coexists with nature, and 4) legal compliance and pollution prevention. The first three are material issues, while the fourth was already part of our policy on protecting the environment. It also sets out three types of actions, which align with our code of conduct: 1) unleashing creativity and innovation, 2) widening the scope of empathy, collaboration, and co-creation, and 3) ensuring robust management. The policy was further updated in December 2025 to clarify our commitment to net zero. Guided by this policy, each operating company sets its own environmental target, taking into account the nature of its businesses, and then takes actions to improve its environmental performance.

KOKUYO Group Environmental Policy

A healthy global environment is an essential foundation for work, learning, and daily life. The Kokuyo Group recognizes global environment issues such as climate change, depletion of resources, loss of biodiversity, and pollution as perpetual issues shared by the whole world. We will assume the lead in taking action to resolve these issues by bringing together the wisdom of various people involved in our business activities.

■Environmental challenges

1. Responding to the climate crisis

To support the net-zero transition, we will work toward net-zero greenhouse emissions throughout our supply chains by shifting fully to renewable energy, committing to energy efficiency, and engaging in environmental conservation initiatives that increase carbon sequestering.

2. Contribute toward a circular economy

To support the transition to a circular economy, across our supply chain, we will use less resources, recycle more waste, develop products and services that are recycling-friendly in each stage of their life cycle, and pitch ideas for waste-free lifestyles, contributing to a waste-free world.

3. Contribute toward a society that coexists with nature

To help restore biodiversity and other forms of natural capital, we commit to legal, transparent, and sustainable procurement of forest resources. To minimize negative impacts to ecosystems, across our supply chain, we will reduce the use of harmful chemical substances, improve resource productivity, and use water more efficiently.

4. Legal compliance and pollution prevention

As well as complying with environmental regulations by country and region, we will follow the environmental policies set out in industry guidelines we have endorsed, meet stakeholders' expectations regarding the environment, and adhere to global environmental initiatives we have endorsed. We also strive to prevent air, water, and soil pollution.

■Actions

5. Unleashing creativity and innovation

We will contribute toward solving the environmental issues of local communities and society in general by proposing environmentally sustainable products and services along with channeling our creativity toward technological pursuits, workstyles, and lifestyles that improve environmental performance.

6. Widening the scope of empathy, collaboration, and co-creation

To collaborate with a wider body of stakeholders in protecting the environment, we will communicate our environmental commitments and performance with customers through active disclosures of our environmental data, endorse more global environmental initiatives, and work closer with industrial associations and stakeholders.

7. Ensuring adaptable management

To ensure sustain positive environmental impacts, we commit to an ongoing cycle for improving environmental

management. This includes setting policies and targets and improve environmental performance. It also includes building and applying a database of knowledge and best practices and educating employees in such.

Revised Date: December 1, 2025

KOKUYO Co., Ltd.

Director,
Representative Corporate Officer,
President and CEO
Hidekuni Kuroda

KOKUYO Group Environmental Policy in Japanese [\[PDF:554KB\]](#)

KOKUYO Group Environmental Policy in English [\[PDF:139KB\]](#)

Processes in place

Obtaining ISO 14001 certification

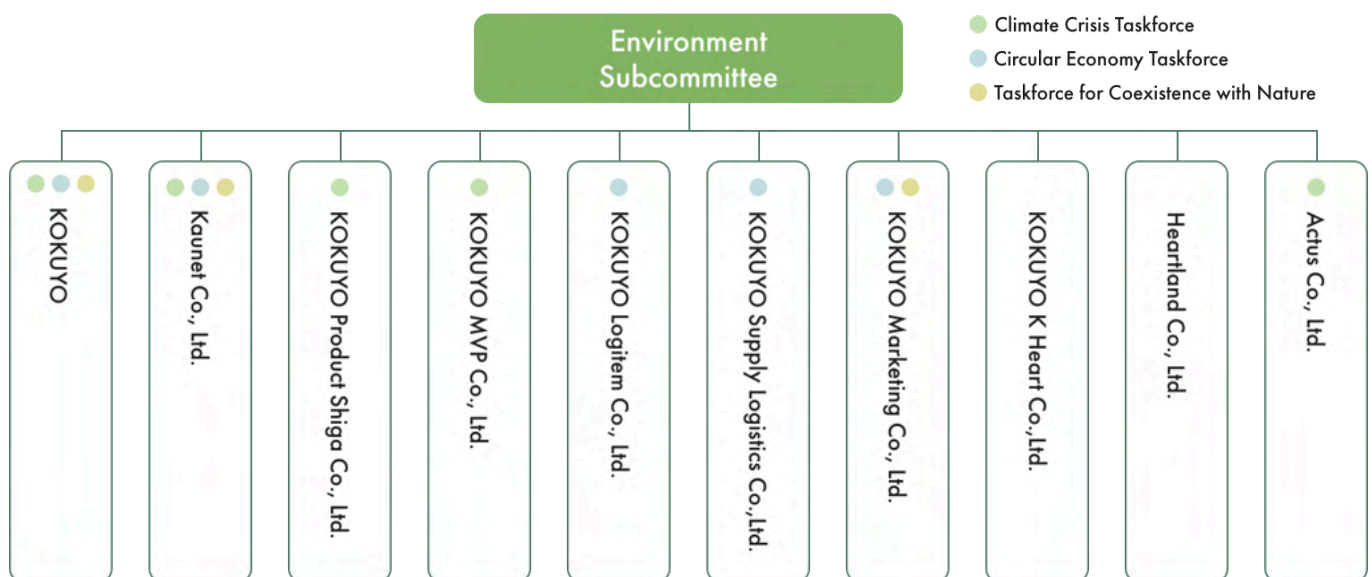
Seventy-five (approximately 47%) of the 161 sites in KOKUYO and its consolidated subsidiaries have received ISO 14001 certification.

[Sites with ISO 14001 Certification](#) >

Environmental Management System (EMS) (Japan)

Our Environmental Management System (EMS) is certified to ISO 14001. It consists of an integrated accreditation system for planning, R&D, production, marketing, sales, services, storage, and shipment. Since 2004, the system has covered KOKUYO and all major subsidiaries in Japan. While keeping the core elements of the EMS consistent across the group, we differentiate according to the scale of the environmental impact. Specifically, operating companies and plants with a relatively large environmental impact get case-specific treatment, while those with less environmental impact get standard treatment. We also try to give the companies sufficient leeway to manage their environmental impacts in a manner that suits the nature of their businesses. For example, we allow the companies to set environmental targets in line with their business strategies.

Previously, our environmental initiatives were led by the Environment Committee. This committee coordinated efforts to address environmental issues and monitored socioenvironmental trends. However, we later decided that a more group-wide approach was necessary to deal with the increasingly diverse and complex environmental issues in Japan and around the world. In 2022, we reorganized the committee into a subcommittee (Environmental Subcommittee) of the new Sustainability Committee and increased its membership to include Actus Co., Ltd., (our interior retail business) and Heartland Co., Ltd. (a special subsidiary—a company focused on employing people with disabilities). The Environmental Subcommittee has three taskforces for leading cross-organizational efforts to accomplish the goals for the three material issues: the Climate Crisis Taskforce, the Circular Economy Taskforce, and the Taskforce for Coexistence with Nature.



Three taskforces
for material issues

Climate Crisis Taskforce

- KOKUYO Co., Ltd.
- Kaunet Co., Ltd.
- KOKUYO Product Shiga Co., Ltd.
- KOKUYO MVP Co., Ltd.
- Actus Co., Ltd.

Circular Economy Taskforce

- KOKUYO Co., Ltd.
- Kaunet Co., Ltd.
- KOKUYO Logitem Co., Ltd.
- KOKUYO Supply Logistics Co., Ltd.
- KOKUYO Marketing Co., Ltd.

Taskforce for Coexistence with Nature

- KOKUYO Co., Ltd.
- Kaunet Co., Ltd.
- KOKUYO Marketing Co., Ltd.

Actions

Environmental Education



Internal (First- and Second-Party)
Auditing and Third-Party Auditing



Overview of Third-party Reviews of
Environmental Performance Data



Related data

ESG databook > E-06 Environmental accounting* [PDF:2MB]

ESG databook > E-07 Sites with ISO 14001 certification* [PDF:2MB]

ESG databook > E-08 Reports on business sites* [PDF:2MB]

ESG databook > E-09 Environmental education* [PDF:2MB]

ESG databook > E-10 Internal auditing and third-party auditing* [PDF:2MB]

ESG databook > E-11 Overview of third-party reviews of environmental performance data* [PDF:2MB]

* Japanese Only

Environmental Management: Actions

Environmental Education



Internal (First- and Second-Party) Auditing and Third-Party Auditing



Overview of Third-party Reviews of Environmental Performance Data



Environmental Education

We provide training opportunities to raise employees' awareness about environmental conservation, learn the knowledge necessary for accomplishing our environmental goals, and gain the expertise to deal with emergencies. These opportunities include briefing sessions about environmental law, which are provided by the ISO Promotion Office, workshops for training the auditing team, and an assortment of programs provided by each corporate division. In 2025, we held an internal event called Sustainable Academia, as we did in 2024. The event included a program called Sutenai Marché. In this program, employees bring in items that they no longer need and write messages on cards communicating their feelings about the items in question. These messages are then read by the people the items are handed on to. This experience gives employees a stronger idea about sustainability.

ESG databook > E-09 Environmental education [PDF:2MB]



Sustainable Academia
Sutenai Marché
(Shinagawa Office)



Sustainable Academia
The Campus Green Adventure!
(Shinagawa Office)



Emergency drill*
* Simulated emergency: An oil discharge from a hazardous goods warehouse (KOKUYO's Shibayama Plant)

Internal (First- and Second-Party) Auditing and Third-Party Auditing

Internal audits (first- and second-party audits) are performed to ensure conformity across our corporate group, with a focus on legal compliance. In first-party audits, the auditee (a group company) performs the audit on itself. In second-party audits, our ISO Promotion Office performs the audit on the auditee. In 2025, first-party audits were performed between June 6 and August 25, second-party audits were performed between July 28 and September 5, and third-party (ISO 14001) audits were performed between December 1 and 4. Besides these audits, the ISO Promotion Office performed snap second-party audits of four sales companies between May 19 and 23, as the 2024 third-party audit had identified in these sales companies minor nonconformities that required corrective action. The snap audits found no nonconformities, denoting that the nonconformities had been remedied.

The first- and second-party audits identified 20 instances requiring corrective action, one of which was a major nonconformity. The nonconformity concerned a distribution subsidiary. The auditors were unable to find any contracts stipulating the subsidiary's trading relationships with a contractor that removes, and another contractor that disposes of, waste generated by one of the subsidiary's business locations. The auditors noted that this could constitute a violation of the Act on Waste Management and Public Cleaning. However, it was later revealed that such contracts were in fact present, unbeknownst to the auditors at the time of the auditing. The logistics subsidiary has a practice whereby contracts with waste service providers are retained in electronic format on a central database managed by the head office. However, at the time of the auditing, some contracts were yet to be inputted onto the database, which explains why they were missed by the auditors. Of the 20 nonconformities, 15 were identified in the first-party audit, suggesting that the audit team has improved somewhat in its discernment. Waste disposal is a recurring theme among the nonconformities, so we will further improve training on proper waste management.

The third-party (ISO 14001) audits highlighted 18 good aspects. It is also true, however, that a minor nonconformity was highlighted. Facilities for storing industrial waste are legally required to display a signboard detailing the categories of waste stored at the site. A business location in Tokyo was storing used battery cells in plastic containers without including this information on the signboard there. A plan for corrective action was submitted to the auditor. The corrective action has been taken. The business location now has a designated place for storing used batteries and the facility signboard at the storage facility has been amended. To make sure there is no such nonconformity in other business

locations, all business locations are checking whether the information on their signboards matches the waste, battery cells or otherwise, being stored. We will provide environmental training focused on waste disposal methods, and the ISO Promotion Office will conduct on-site inspections.

The third-party audit in 2025 was a surveillance audit.

ESG databook > E-10 Internal auditing and third-party auditing [\[PDF:2MB\]](#)



ISO 14001 audit
(KOKUYO Marketing's Kobe office)



ISO 14001 audit
(KOKUYO's Mie Plant)



ISO 14001 audit
(KOKUYO Logitem's Chubu distribution center)



ISO 14001 audit
(KOKUYO's Shinagawa Office)



ISO 14001 audit
(KOKUYO MVP's Aoya Plant)



ISO 14001 audit
(KOKUYO Supply Logistics' Chubu distribution center)

Overview of Third-party Reviews of Environmental Performance Data

We underwent a third-party review by Bureau Veritas Japan to receive opinions from an independent standpoint regarding the accuracy, transparency, consistency, validity and completeness of the environmental performance data (environmental burden data and Scope 3) of 28 companies in the KOKUYO Group. In this review, methods for measuring and managing data were subjected to on-site inspections at four of the reviewed business locations, all of which were in Japan (KOKUYO Product Shiga, Origin's head office, KOKUYO Logitem's Shin-Chiba distribution center, and KOKUYO Marketing's Fukuoka office). Bureau Veritas Japan identified six excellent aspects and 16 opportunities for improvement. It also identified 52 issues requiring corrective action and 57 aspects requiring better transparency. During the review period, we rectified the issues requiring corrective action and aspects requiring better transparency. Bureau Veritas Japan noted that each site had sufficient data transparency, with evidential documentation stored correctly. It was also impressed by how the system's alarm function is used to proactively interview site staff. On the other hand, it noted some instances where data items were transcribed inaccurately and some instances of missing data. Bureau Veritas Japan recommended managerial measures to address these issues. That is, it recommended that we establish standard operating procedures for collecting and aggregating data and establish a system of double checking to prevent input errors. In light of this feedback, we will take steps to make our disclosures more accurate and precise and to improve the data estimation process, both internally and throughout our supply chains.

Third-party Audit Certification [>](#)

ESG databook > E-11 Overview of third-party reviews of environmental performance data [\[PDF:2MB\]](#)



Environmental performance data
A third-party audit
(KOKUYO Logitem's Shin-Chiba distribution center)



Environmental performance data
A third-party audit
(KOKUYO Product Shiga Co., Ltd.)



Environmental performance data
A third-party audit
(Origin's Headquarters Plant)

Climate change

Over 90% of our CO₂ emissions are from our supply chain (scope 3), meaning that we cannot contribute to the carbon transition just by reducing emissions from our own businesses. We rely on numerous production and distribution partners. To combat climate change, we work with these supply chain partners on initiatives such as switching to more sustainable raw materials and delivery methods.

Material Issues and Performance

See Goals and Results: Strategic Theme 3-1.

Goals and Results >

Actions

- Disclosures aligned with the TCFD recommendations >
- Near-term Targets Validated by SBTi >
- Calculating Our GHG Emissions Volume >
- Roadmap to 2050 Target for CO₂ Reduction >
- GHG Emissions Reduction >
- Product CO₂ Visualization >

Third-Party Recognition

Collaboration between KOKUYO Logitem and Nippon Express earns top award for Excellent Business Entities Working on Modal Shift 

Related data

ESG databook > E-01 Responding to climate change  [PDF:2MB]

Disclosures aligned with the TCFD recommendations

Governance

In 2022, the KOKUYO Group endorsed the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). We regard climate change as a major strategic concern and have established an organizational framework for managing climate-related risks. Under the supervision of the Board of Directors, the Sustainability Committee identifies climate-related risks so that the management can incorporate the information into strategic planning and take the decisions and actions necessary to mitigate the risks. The Sustainability Committee manages and monitors climate-related and other important sustainability matters in an integrated manner. To supervise this process effectively, the Board of Directors hears reports from the committee at regular intervals and then deliberates on nature-related risks and other sustainability issues. The committee seeks board approval on any significant risk, opportunity, strategy, or policy, allowing board oversight over such matters.

The Sustainability Committee's membership consists of corporate officers and managing officers. It is chaired by the "Director, Representative Corporate Officer, President & CEO" and its secretariat is headed by the managing officer in charge of sustainability. The Committee monitors social and environmental trends to identify strategic concerns related to sustainability. It then formulates action plans and allocates budgetary resources for addressing these concerns. One of the Sustainability Committee's subcommittees is the Environment Subcommittee. This subcommittee identifies climate-related risks, incorporates the findings into strategic planning, and spearheads organization-wide efforts to mitigate the risks.

Strategies

We use scenario analysis to identify climate-related risks and opportunities and their financial implications so that the necessary measures can be taken. Since 2030 is the endpoint for our long-term vision, our scenario analysis projects climate-related shifts in society and among stakeholders between now and that endpoint. Through FY2022 we conducted scenario analysis for the following businesses: furniture and business-supply distribution in the workstyle field, and stationery and interior retail in the lifestyle field.

Scenario Analysis

Scenario	Overview	Main reference scenarios
Within 1.5°C	Net Zero Emissions by 2050 Scenario ("NZE Scenario": a possible future pathway toward the goal of limiting global warming to below 1.5 °C relative to preindustrial times): Government regulation is tougher compared to that in the 4 °C scenario, and people take a greater interest than they do at present in climate change and other environmental issues.	• IEO World Energy Outlook 2021. Sustainable Development Scenario/Net Zero Emissions by 2050 Scenario • IPCC SSP1-1.9
4 °C scenario	Stated Policies Scenario ("STEPS": a scenario that takes into account policies that have been adopted and those that have been announced for adoption in the future): Government regulation is weak compared to the 1.5 °C scenario. GHG emissions may increase for a time, and people's interest in climate change and the environment remains as it is now.	• IEO World Energy Outlook 2021. Stated policies Scenario • IPCC SSP5-8.5

Risks and Opportunities

< Workstyle Field >

Scenario	Furniture Business
Within 1.5°C	With growing pressure around the world for a net-zero transition, our customers, suppliers, and other social stakeholders will take more action to contribute to the net-zero transition and to reduce waste. The financial/business risks include higher CO ₂ emissions costs, the need for more capital spending, higher raw material costs, and a decline in net sales following changes in customers' needs. The opportunities include the potential for developing goods and services to cover shifting customer needs and behavior, and the potential to expand business domains by developing low-emissions businesses. Accordingly, we will seize the opportunity to develop new products and services so that we can create value suited to the changes among customers and in society.
4 °C scenario	Timber prices rise amid the global spread in consumer activism coupled with climate impacts. Manufacturing and transportation become increasingly vulnerable to climate-related disaster risks. The financial/business risks include higher raw materials costs and the risk that hiking sales prices to absorb the cost increases may cause a drop in demand for furniture products. Where physical risks materialize, the risks include opportunity losses, business suspension, and the cost of responding to the incident. We will address the risks by increasing our organization's resilience. We also eye opportunities in the changing market trends, including the rise of disaster management efforts and new workstyles in our customers' offices. To capture these opportunities, we will develop new solutions that create value.
Scenario	Business-Supply Distribution Business
Within 1.5°C	As the net-zero transition progresses, customers, distributors, and other social stakeholders take more action to contribute to the net-zero transition and to reduce waste. The financial/business risks include the costs of carbon taxes, higher transport costs, and a decline in net sales following changes in customers' needs. The opportunities include the potential to increase sales revenue with a lineup suited to the shifting customer needs. Accordingly, we will seize the opportunity to change our product lineup and expand our digital measures so that we can increase our climate resilience and create value suited to the changes among customers and in society.
4 °C scenario	Raw material prices rise amid the global spread in consumer activism coupled with climate impacts. Physical risks materialize, disrupting transportation and other parts of the supply chain, which may have severe ramifications for the business model. The financial/business risks include higher costs, both for raw materials and for transportation. Where physical risks materialize, the risks include opportunity losses, business suspension, and the cost of responding to the incident. To address the risks, we will strengthen our organization's resilience by altering our procurement strategy and expanding digital measures.

< Lifestyle Field >

Scenario	Stationery Businesses
Within 1.5°C	The global net-zero transition leads to new consumer and market trends, with consumers changing their attitudes toward stationery and other consumables and with new workstyles and learning styles emerging. The financial/business risks include higher CO ₂ emissions costs, higher raw material costs, the costs of added investment, and the risk that the stationery market shrinks amid digitalization. The financial/business opportunities include the chance to create new value by developing products and services for Japanese and overseas markets that cater to the emerging trends.
4 °C scenario	Cost pressures increase amid the global spread in consumer activism and the physical impacts of climate change become an increasing threat. The financial/business risks include higher costs in raw materials and energy. Where physical risks materialize, the risks include opportunity losses and the cost of responding to the incident. Financial/business opportunities include a growing demand for stationery in overseas markets. The opportunities can be realized by strengthening resilience, globalizing the supply chain, and expanding in overseas markets.
Scenario	Interior Retail
Within 1.5°C	The net-zero transition increases pressure to realize ecological sustainability, including reducing the CO ₂ emissions generated in the life cycle of furniture (from production to disposal). The financial/business risks include higher CO ₂ emissions costs, higher raw material costs, and the costs of added investment. They also include the risk that people purchase interior goods less frequently out of concern for the environment and the risk of increased competition from furniture rental and subscription services. Financial/business opportunities can be realized by balancing business interests with environmental friendliness, such as by carbon footprint labeling and developing services that reduce furniture waste (e.g. repair services).
4 °C scenario	Prices for timber goods and other products rise amid the global spread in consumer activism coupled with climate impacts. The supply chain and retail activities become increasingly vulnerable to climate-related disaster risk. The financial/business risks include higher raw materials costs and the risk that hiking sales prices to absorb the cost increases may cause a drop in demand for furniture products. Where physical risks materialize, the risks include opportunity losses and the cost of responding to the incident. We will alter our procurement strategy and develop our e-commerce business to strengthen resilience against these risks, ensuring stable delivery of value.

Risk management

Climate-related risks are managed by the Environment Subcommittee (a subcommittee of the Sustainability Committee). Guided by the findings of regular internal and third-party research, this subcommittee identifies and evaluates the risks with the participation of managers responsible for each business division. Once the risks are identified and evaluated, they are communicated to the business divisions concerned. The strategic implications of the risks are incorporated into strategic planning by the Sustainability Committee, while business-specific implications are addressed by the relevant business divisions. For groupwide risk management, the Risk Management Committee has been organized to steer efforts across the corporate group.

To integrate climate-related risk management into this existing system for groupwide risk management, the Risk Management Committee will now coordinate with the Sustainability Committee's Environment Subcommittee. Specifically, the Environment Subcommittee will inform the Risk Management Committee about important matters concerning risk management and the state of compliance with environmental laws and regulations.

Metrics and Targets

Committing to reach carbon neutrality by 2050, we take action to reduce emissions caused directly by our business activities (scopes 1 and 2) as well as emissions in the supply chain related to business activities across the KOKUYO Group (scope 3).

Science-Based Targets initiative (SBTi) Certification for Our Greenhouse Gas Emissions Reduction Targets

We have obtained short-term Science-Based Targets initiative (SBTi) certification for the targets listed below as stepping stones for achieving carbon neutrality by 2050.

- Reduce total scope 1 and scope 2 greenhouse gas emissions by 42% between 2022 and 2030
- Reduce greenhouse gas emissions from the scope 3 category "purchased goods and services" by 25% between 2022 and 2030
- By 2028, SBTi goals to be set by suppliers collectively accounting for 12.5% of emissions from purchased goods and services



SCIENCE
BASED
TARGETS

DRIVING AMBITIOUS CORPORATE CLIMATE ACTION

2027 commitment goal, result in 2025

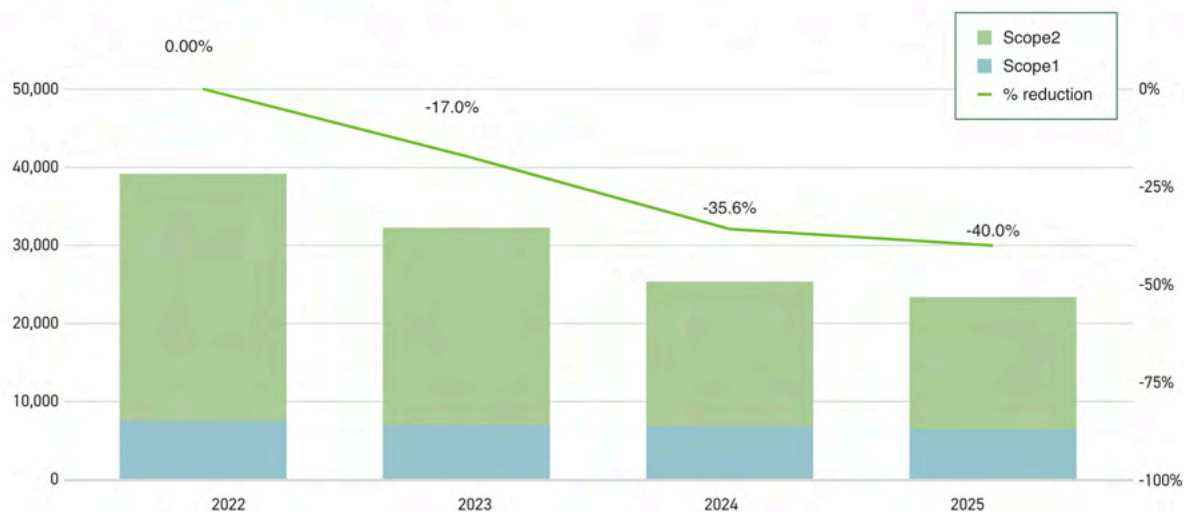
Goals:

Reduce total scope 1 and scope 2 greenhouse gas emissions by 35% between 2022 and 2027

Result:

In 2025, we achieved this target two years ahead of schedule. In that year, Scope 1 and 2 emissions were 40.0% down from the 2022 level.

Result compared to 2027 target (Scope 1 & 2: 35% reduction in CO2 emissions from 2022 level)



Note: When calculating reduction, we recalculated past year results on the basis of the scope of consolidation in 2025.

Goal 2:

Formulate an action plan for achieving 2030 scope 3 target (reduce greenhouse gas emissions from the scope 3 category "purchased goods and services" by 25% between 2022 and 2030)

Result:

We asked our paper suppliers to give us primary data showing the emissions per unit of production of the paper we purchase from them, mindful of the fact that much of our Scope 3 emissions are derived from paper production and that we therefore need to engage suppliers in reducing emissions from this source. The paper suppliers were supportive of what we are trying to do and six of them provided the data we requested. We also reached out to six furniture makers in our supply chain and asked them to support us in our efforts to reduce supply chain emissions. They agreed to do so.

Goal 3:

Has suppliers, responsible for 125,000 t-CO₂ of our scope 3 emissions, set Science-Based Targets initiative (SBTi) goals

Result:

We conducted a questionnaire survey and interviewed a sample of suppliers accounting for 80% of our procurement spending to understand their current commitment to reducing emissions. The results revealed that the suppliers (including those founded by KOKUYO Group) committing to science-based targets represent 84,800 t-CO₂ of our Scope 3 emissions, which is 68% of our target of 125,000 t-CO₂.

Climate Change: Actions

Near-term Targets Validated by SBTi ✓

Calculating Our GHG Emissions Volume ✓

Creating a Roadmap to the 2050 Target for CO₂ Reduction ✓

GHG Emissions Reduction ✓

Product CO₂ Visualization ✓

SBTi Certification for Our Greenhouse Gas Emissions Reduction Targets

We recognize climate change as a vital management issue. We have positioned “Respond to the climate crisis” as one of our material issues and are working to reduce our greenhouse gas emissions (Scopes 1 and 2 (*1)). The Science Based Targets initiative (SBTi) (*2) evaluated our GHG reduction targets on the road to our 2050 carbon neutrality goal and validated them as science-based near-term targets.

- Reduce total scope 1 and scope 2 greenhouse gas (*3) emissions by 42% between 2022 and 2030
- Reduce greenhouse gas emissions from the scope 3 (*1) category “purchased goods and services” by 25% between 2022 and 2030
- Have suppliers, responsible for 12.5% of our emissions from “purchased goods and services,” set Science-Based Targets initiative (SBTi) goals by 2028

We will expand our emissions reporting to include scope 3 emissions and work with our suppliers to support the carbon transition.



DRIVING AMBITIOUS CORPORATE CLIMATE ACTION

*1 Scope 1: Direct GHG emissions from operations that are owned or controlled by the reporting company (e.g. emissions from the combustion of fuels by the reporting company)
 Scope 2: Indirect GHG emissions associated with the generation of purchased electricity, steam, or heating consumed by the reporting company
 Scope 3: Indirect GHG emissions other than those in scope 2 that occur in the value chain of the reporting company

*2 Science Based Targets initiative (SBTi)
 The SBTi is an international initiative formed in 2015 as a collaboration between four global NGOs: the CDP, the United Nations Global Compact, the World Resources Institute (WRI), and the World Wide Fund for Nature (WWF). It calls on companies to adopt science-based targets for GHG emissions reduction as way of achieving the goals of the Paris Agreement.

*3 GHG stands for greenhouse gases.

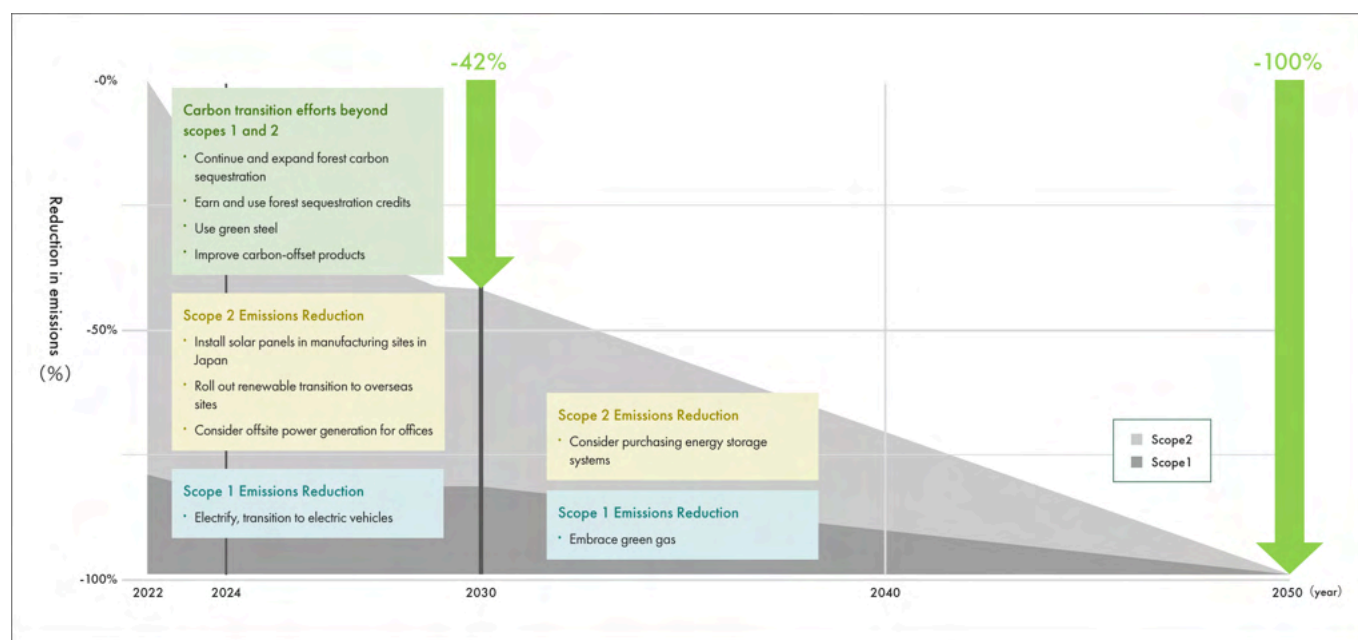
Calculating Our GHG Emissions Volume

Calculating GHG Emissions Volume for 29 KOKUYO Group Companies

We are expanding inclusion in the calculation of GHG emissions volume through our business activities as necessary for reducing emissions in our supply chain.
 In 2025, we disclosed the estimated emissions of 28 consolidated subsidiaries (including four newly consolidated that year).
 Please see the Sustainability Databank on our website for emissions volumes.

Creating a Roadmap to the 2050 Target for CO₂ Reduction

We have created a roadmap that illustrates the amounts of GHG emissions we will need to reduce to become carbon neutral by 2050. One way we achieve this goal is to reduce our scope 1 and 2 emissions (emissions from our own operations or energy purchases). Reducing such emissions is not the only way we drive the carbon transition. As an organization that uses forest resources extensively, we also use forest carbon credits to offset emissions associated with such resource use.



GHG Emissions Reduction

Renewables Shift

Electric power is the major source of our scope 1 and 2 emissions. We are working to shift our supply to renewable energy sources in order to reduce our own greenhouse gas emissions within our supply chain (scopes 1 and 2).

We shifted the following domestic sites to renewable energy between 2022 and 2024: the Mie Plant (which manufactures office furniture), KOKUYO Product Shiga (which makes notebooks), the Shibayama Plant (which manufactures room partitions), KOKUYO MVP's Tottori Plant (which manufactures file binders), and The Campus (our core live office in Shinagawa, Tokyo).

Our commitment to a low carbon transition extends to our global operations. In India, solar power facilities have been installed at KOKUYO Camlin's Tarapur and Patalganga plants.

Similarly, in 2025, a papermaking plant operated by KOKUYO Commerce (Shanghai) Co., Ltd., switched to renewable energy.

Thanks to these efforts, by 2025, as much as 42.4% of the energy consumed across KOKUYO Group (which includes overseas businesses) came from non-fossil fuel energy sources.

- Performance in 2027 commitment goals >
- ESG databook > E-01 Responding to climate change > Power usage and ratio to fossil-fuel power [\[PDF:2MB\]](#)

Engaging with Suppliers

For Scope 3 emissions (supply chain emissions), we have committed to goal related to total reduction of Scope 3 emissions and to a goal related to supplier engagement (getting suppliers to commit to reduction goals).

For total reduction, we asked our paper suppliers to give us primary data showing the emissions per unit of production of the paper we purchase from them, mindful of the fact that much of our Scope 3 emissions is derived from paper production and that we must therefore reduce emissions from this source. The paper suppliers were supportive of what we are trying to do. A number of them provided the data we requested. We also reached out to six furniture makers in our supply chain and asked them to support us in our efforts to reduce supply chain emissions. They agreed to do so. By staying in regular contact with suppliers, we gain a better idea of how much each supplier is emitting and what we can do to expedite reduction in our supply chain emissions.

As for supplier engagement, we have conducted a questionnaire survey and interviews among a sample of suppliers accounting for 80% of our procurement spending to understand their current commitment to reducing emissions. The results revealed that the suppliers (including those founded by KOKUYO Group) committing to science-based targets represent 84,800 t-CO₂ of our Scope 3 emissions, which is 68% of our target of 125,000 t-CO₂. We will continue engaging with suppliers to reduce supply chain emissions. In 2026, we will hold workshops with suppliers to resolve any technical issues with GHG calculation.

Actus Engages in 2025 Government Model Program for GHG Reduction

Actus, a group company that sells imported furniture alongside original brands of furniture and other interior goods, was experiencing a major hurdle in its supplier engagement efforts. Namely, the majority of its suppliers did not calculate their GHG emissions. Together with three of its suppliers, Actus enrolled on a model program run by the Ministry of the Environment (Government Model Program for GHG Reduction for the year ended March 2026). The purpose of the program was to establish a best-practice model for supplier engagement in the calculation and reduction of GHG emissions. During an eight-month period, Actus provided technical support to help its suppliers to calculate their GHG emissions and commit to reduction targets. By the end of this period, two of the three suppliers had calculated their emissions. The remaining supplier committed to reduction targets. The program involves engaging with suppliers to develop an emissions

reduction plan focused on production processes. The plan might involve, for example, assessing the operational status of production machinery and apparatus, improving yield rate, and identifying ways to streamline workflows. The program offers a cost incentive for suppliers by focusing on initiatives for improving yield rate and reducing leftover materials (such as by changing criteria for material selection). Drawing on the insights gained from Actus’s participation in the program, we will roll out the initiatives to other suppliers in 2026 to further reduce our supply chain emissions.

Energy Saving

We are working to improve our energy efficiency alongside the transition to renewable energy sources. Energy intensity per unit of sales shows how much power we consume for every unit of sales value. This has continued to improve from a 2022 peak.

ESG databook > E-01 Responding to climate change > Energy intensity per unit of sales [\[PDF:2MB\]](#)

For energy efficiency, we are rolling out LED lighting in our business locations. In 2025, KOKUUYO Logitem installed LED lighting on the ground floors of its distribution centers in the Greater Tokyo Area. The transition to LED has significantly contributed to energy efficiency. Facilities that converted to LED consume 70% less energy than before.

Product CO₂ Visualization

For our main products, we estimate the total product carbon footprint (PCF), meaning the carbon footprint generated across the whole of the product life cycle, from the procurement of raw materials to the time of final disposal or recycling.

From 2010 to 2023, we estimated total PCF independently. However, we now follow industry standards in our calculations in anticipation of rising demand for such calculation in green markets. For stationery and office supplies, we follow the calculation rules of the All Japan Stationery Association. For office furniture, we follow the calculation rules of the Japan Office and Institutional Furniture Association. These industrial associations issued these standards in March 2024 in response to the passing of the 2023 Act on Promoting Green Purchasing, which set out requirements related to the carbon footprint of stationery and office furniture.

As well as following these industry standards, we adhere to a PCF scheme that Osaka Prefecture launched in conjunction with the 2025 Osaka Expo. The scheme encourages companies that have best practices in calculating supply chain emissions. Its purpose is to encourage companies to generate data that visually illustrates such emissions.

The results of this calculation exercise are as follows.

Carbon Footprint Calculation for KOKUYO Products



For reference: See here for the results of the “carbon footprint system pilot program” implemented in 2010 (run by METI and related ministries and agencies).

Carbon Footprint Actions (2010) >

Carbon Footprint Actions (2010)

What is Product Carbon Footprint (PCF)?



Calculating PCF



Results of PCF Calculations



What is Product Carbon Footprint (PCF)?

Product carbon footprint (PCF) represents the total amount of carbon dioxide generated in the life cycle of a product.



Carbon Footprint Label

This label is used to indicate the carbon footprint of the product in question.* The label depicts a weighing scale. The weight displayed on the scale plate indicates the product's carbon footprint (the amount of carbon dioxide generated in the product's life cycle). Carbon footprint is a measure of environmental impact.

* This label design is used in government pilot program for PCF calculation (the program, whose title translates as "carbon-footprint-system pilot program," is run by METI in collaboration with other government entities).

PCF: CO₂ Generated in a Product's Life Cycle

Products we use every day consume plenty of energy across their life cycle, which includes procuring the raw materials, producing the product, distributing or selling it, using it or maintaining it, and disposing of it or recycling it. Most of this energy is generated from fossil fuels such as oil. How much carbon dioxide do all these fossil fuels generate? The carbon footprint tells you how much carbon dioxide was generated in the product's life cycle.

Considering Environmental Impacts across the Product's Life Cycle

We have a longstanding commitment to understanding the environmental impacts across the life cycles of our products. For many years, we have used our own scheme for indicating such impacts. That is, we have labeled products with the "eco-batsu" label. The label indicates products with inadequate environmental consideration at four stages of the life cycle: production, transportation, use, and disposal. Indicating this information encourages efforts to reduce the environmental impact and assess CO₂ emissions at each of these stages.

Knowing the Carbon Footprint is a First Step to Carbon Reduction

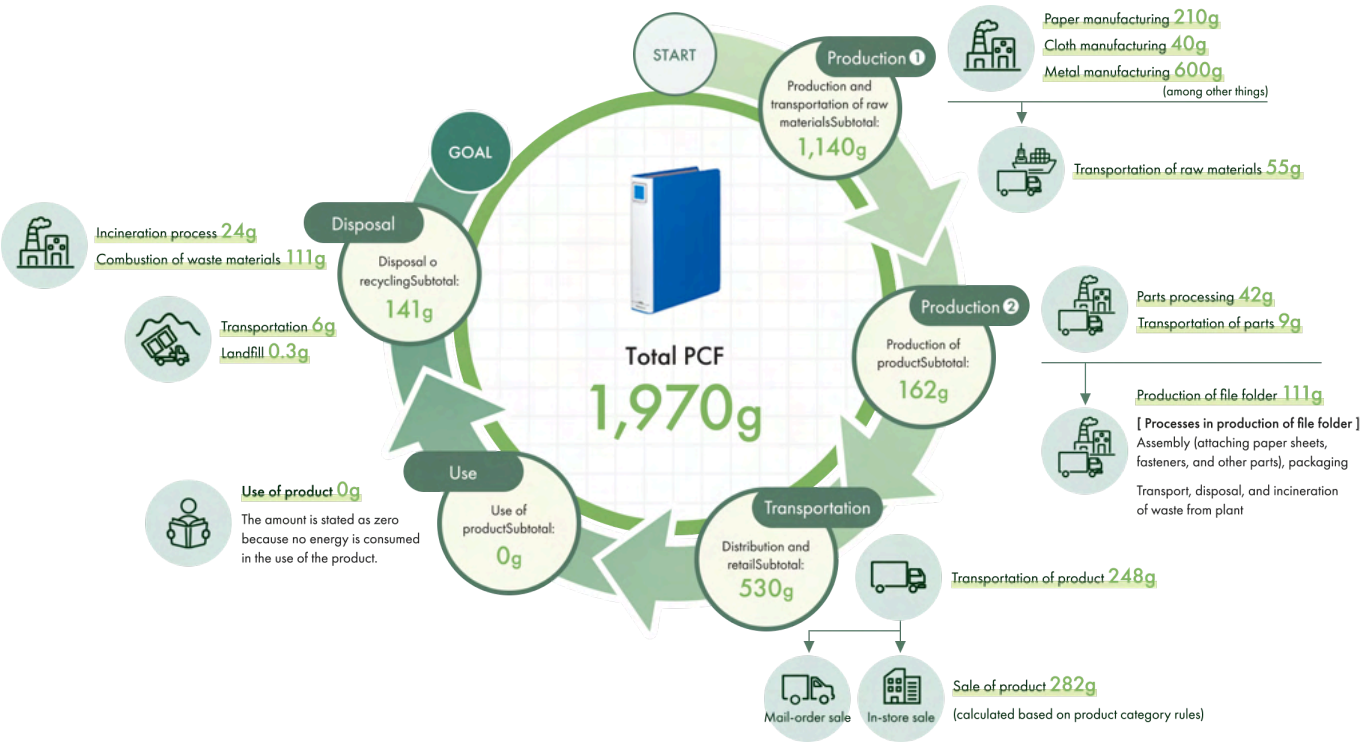
While PCF represents the amount of carbon dioxide generated in the life cycle of a particular product, we can also measure the carbon footprint at a particular stage of the life cycle. By understanding which life cycle stages have higher carbon footprints than others, we can act more effectively to reduce the overall environmental impact. When this information is displayed on products, customers can make sustainable choices when purchasing products and have a better idea about how to use these products.

Calculating PCF

An example of the life cycle of a KOKUYO product

The example shown below illustrates the amounts of carbon dioxide generated at different stages of the product life cycle.

* The product in this example is a tube file (Ecotwin-R: 7-RT650B)



* In the case of this product, all amounts have been rounded to three significant digits (which may include a decimal).

This is the life cycle for one of our tube files. Across this life cycle, a total of 1,970 grams of carbon dioxide is generated.

The total decreases by around 880 grams if the user reuses the fasteners and dividing cards and uses a replacement cover (in the case of 7-RT650B).

Results of PCF Calculations

Shown below are the results of our PCF calculations.

Product series: Tube file Ecotwin-R

Product in question		Carbon footprint by stage					
No.	Product code	Procurement of raw materials	Production	Distribution, retail	Use, maintenance	Disposal, recycling	Total
	Description						
CV-AR-013	7-RT630B	1,040g	160g	486g	0g	122g	1,810g

Product in question		Carbon footprint by stage					
No.	Product code	Procurement of raw materials	Production	Distribution, retail	Use, maintenance	Disposal, recycling	Total
	Description						
	A4 / 30mm, blue						
CV-AR-014	7-RT630C	1,040g	160g	486g	0g	122g	1,810g
	A4 / 30mm, silver						
CV-AR-015	7-RT640B	1,080g	160g	505g	0g	126g	1,870g
	A4 / 40mm, blue						
CV-AR-016	7-RT640C	1,080g	160g	505g	0g	126g	1,870g
	A4 / 40mm, silver						
CV-AR-017	7-RT650B	1,140g	162g	530g	0g	141g	1,970g
	A4 / 50mm, blue						
CV-AR-018	7-RT650C	1,140g	162g	530g	0g	141g	1,970g
	A4 / 50mm, silver						
CV-AR-019	7-RT660B	1,190g	163g	551g	0g	145g	2,050g
	A4 / 60mm, blue						
CV-AR-020	7-RT660C	1,190g	163g	551g	0g	145g	2,050g
	A4 / 60mm, silver						
CV-AR-021	7-RT670B	1,250g	165g	575g	0g	165g	2,160g
	A4 / 70mm, blue						
CV-AR-022	7-RT670C	1,250g	165g	575g	0g	165g	2,160g
	A4 / 70mm, silver						
CV-AR-023	7-RT680B	1,320g	166g	600g	0g	168g	2,250g
	A4 / 80mm, blue						
CV-AR-024	7-RT680C	1,320g	166g	600g	0g	168g	2,250g
	A4 / 80mm, silver						

Product series: Replacement cover for tube file Ecotwin-R

Product in question		Carbon footprint by stage					
No.	Product code	Procurement of raw materials	Production	Distribution, retail	Use, maintenance	Disposal, recycling	Total
	Description						
CV-AR-001	7-RH630B	447g	123g	338g	0g	113g	1,020g
	Replacement paper (for 7-RT630B)						
CV-AR-002	7-RH630C	447g	123g	338g	0g	113g	1,020g
	Replacement paper (for 7-RT630C)						
CV-AR-003	7-RH640B	443g	122g	346g	0g	116g	1,030g
	Replacement paper (for 7-RT640B)						
CV-AR-004	7-RH640C	443g	122g	346g	0g	116g	1,030g
	Replacement paper (for 7-RT640C)						
CV-AR-005	7-RH650B	477g	125g	361g	0g	131g	1,090g
	Replacement paper (for 7-RT650B)						
CV-AR-006	7-RH650C	477g	125g	361g	0g	131g	1,090g
	Replacement paper (for 7-RT650C)						
CV-AR-007	7-RH660B	466g	124g	369g	0g	134g	1,090g
	Replacement paper (for 7-RT660B)						
CV-AR-008	7-RH660C	466g	124g	369g	0g	134g	1,090g
	Replacement paper (for 7-RT660C)						
CV-AR-009	7-RH670B	505g	126g	382g	0g	153g	1,170g
	Replacement paper (for 7-RT670B)						
CV-AR-010	7-RH670C	505g	126g	382g	0g	153g	1,170g
	Replacement paper (for 7-RT670C)						
CV-AR-011	7-RH680B	552g	127g	397g	0g	157g	1,230g
	Replacement paper (for 7-RT680B)						

Product in question		Carbon footprint by stage					
No.	Product code	Procurement of raw materials	Production	Distribution, retail	Use, maintenance	Disposal, recycling	Total
	Description						
CV-AR-012	7-RH680C	552g	127g	397g	0g	157g	1,230g
	Replacement paper (for 7-RT680C)						

Product series: Ecotwin-R made with timber harvested in forest-thinning operations

Product in question		Carbon footprint by stage					
No.	Product code	Procurement of raw materials	Production	Distribution, retail	Use, maintenance	Disposal, recycling	Total
	Description						
CV-AR-025	7-RTK6100B	1,440g	167g	643g	0g	188g	2,440g
	A4 / 100mm, blue						
CV-AR-026	7-RTK630B	1,100g	157g	482g	0g	122g	1,860g
	A4 / 30mm, blue						
CV-AR-027	7-RTK650B	1,200g	160g	527g	0g	141g	2,030g
	A4 / 50mm, blue						
CV-AR-028	7-RTK660B	1,250g	161g	549g	0g	145g	2,110g
	A4 / 60mm, blue						
CV-AR-029	7-RTK680B	1,350g	164g	594g	0g	111g	2,220g
	A4 / 80mm, blue						

* In the above calculations, we used the following parameters.

- Product category rule (PCR) title: File binder
- PCR code: PA-AR-01
- In January 2022, we launched KOKUYO-Style Hybrid Work as a post-pandemic workstyle. We updated our guidelines accordingly.
- Common database for intensity: The provisional database provided in the government pilot program mentioned earlier ("carbon-footprint-system pilot program").

Low partition flexcell

Product in question		Carbon footprint by stage					
No.	Product code	Procurement of raw materials	Production	Distribution, retail	Use, maintenance	Disposal, recycling	Total
	Description						
CV-AK-001	PP-FX0911 P81 HYNB3	31kg	7kg	3kg	0kg	5kg	46kg
	W900×H1135mm						
CV-AK-001	PP-FX0911 P81 HYN52	31kg	7kg	3kg	0kg	5kg	46kg
	W900×H1135mm						
CV-AK-001	PP-FX0911 P81 HYN22	31kg	7kg	3kg	0kg	5kg	46kg
	W900×H1135mm						
CV-AK-001	PP-FX0911 P81 HYNA2	31kg	7kg	3kg	0kg	5kg	46kg
	W900×H1135mm						
CV-AK-001	PP-FX0911 P81 HYNB6	31kg	7kg	3kg	0kg	5kg	46kg
	W900×H1135mm						
CV-AK-001	PP-FX0911 P81 HYN54	31kg	7kg	3kg	0kg	5kg	46kg
	W900×H1135mm						
CV-AK-001	PP-FX0911 P81 HYN24	31kg	7kg	3kg	0kg	5kg	46kg
	W900×H1135mm						
CV-AK-001	PP-FX0911 P81 HYNA5	31kg	7kg	3kg	0kg	5kg	46kg
	W900×H1135mm						
CV-AK-002	PPS-FXP11 P81	21kg	1kg	≤1kg	0kg	1kg	23kg
	Corner post (H1135mm)						

Storage cabinet Edia

Product in question		Carbon footprint by stage					
No.	Product code	Procurement of raw materials	Production	Distribution, retail	Use, maintenance	Disposal, recycling	Total
	Description						
CV-AK-003	BWU-K59SAW, BWUB-S9SAW	89kg	27kg	7kg	0kg	1kg	124kg
	Open storage unit (W900×H1110×D450mm)						
CV-AK-003	BWU-K59SAW, BWUB-S9F4	89kg	27kg	7kg	0kg	1kg	124kg
	Open storage unit (W900×H1110×D450mm)						

Product in question		Carbon footprint by stage					
No.	Product code	Procurement of raw materials	Production	Distribution, retail	Use, maintenance	Disposal, recycling	Total
	Description						
CV-AK-003	BWU-K59F1, BWUB-S9SAW	89kg	27kg	7kg	0kg	1 kg	124kg
	Open storage unit (W900×H1110×D450mm)						
CV-AK-003	BWU-K59F1, BWUB-S9F4	89kg	27kg	7kg	0kg	1 kg	124kg
	Open storage unit (W900×H1110×D450mm)						

* In the above calculations, we used the following parameters.

- PCR title: Office furniture
- PCR code: PA-AK-01
- Common database for intensity: The provisional database provided in the government pilot program mentioned earlier ("carbon-footprint-system pilot program").

The PCF amounts presented above have been verified under the government pilot program mentioned earlier ("carbon-footprint-system pilot program").



* In the case of file folder products, the subtotals and total have been rounded to three significant digits (which may include a decimal). In the case of office furniture, they have been rounded to the nearest whole number.

* The calculations were made during the pilot stage of the government scheme in March 2010. The results are subject to change in the case the scheme is reformed. They may not be comparable to the equivalent calculations made by other companies.

* We have no plans at present to display the carbon footprint on the product itself.

Recycling

We want to use the planet's limited resources efficiently in delivering value to customers. Accordingly, we have been working to recycle more of our waste and to develop ecologically sustainable products and services. As an organization that provides reliable products to a broad range of people, we also aim to promote individualized zero-waste lifestyles. Kokuyo will engage partners and customers in our efforts to help lead the way toward a circular economy, one that recycles and reuses rather than wastes.

Material Issues and Performance

See Goals and Results: Strategic theme 3-2

Goals and Results >

Processes in place

| Circular business guidelines: SUTENAI CIRCLE

One of our material issues is to contribute toward a circular economy with the ideal outcome being a scenario in which our collaboration with partners and customers leads to a zero-waste society. To achieve this outcome, we developed SUTENAI CIRCLE, a set of circular business guidelines, in 2023. Of the processes labeled A to G, this policy emphasizes strengthening efforts in use (D), collection (E), and recycling (F) most of all, in order to close the recycling loop and slow down the cycle. Through communication with users and the relevant industry, we will shift to truly circular products and roll out services for circulation.

SUTENAI CIRCLE* >

* Japanese Only

Use D

Support the desire not to be wasteful

- Provide information and services supporting longer product lifespan
- Power saving

Distribution and delivery C

Reduce resource waste in distribution and delivery

- Less packaging, recycling, reuse, decarbonization
- More efficient delivery
- Appropriate redistribution and recycling of returned or unsold merchandise

Safety G

No use of hazardous substances

- Prevent environmental pollution
- No threat to human health



Collection E

Help people get rid of unwanted things with peace of mind

- Provide information and services supporting circulation
- Promote a pro-circularity mindset

Recycling F

Seek recycling technologies and routes

- Build traceable recycling routes
- Appropriate redistribution and recycling of collected items

Resource procurement A

Resource recycling and climate change taken into account

- Use fewer resources
- Use certified or traceable materials
- Use recycled materials (us and our partners)
- Switch to low carbon materials

Design and manufacturing B

Design and manufacturing with use, recovery and recycling in mind

- Materials and design innovations ensuring long product lifespan
- Seek materials and designs that facilitate collection and recycling
- Product designs that use resources efficiently

Actions

Products and services integrating circularity principles



Organization-wide:
Tsunage Loopa (an experiential learning program) >



Stationery Business:
Tsunage Loopa edition of Campus notebooks >



Furniture Business:
Long-life design >



Business Supply Distribution:
Loopa (office plastic waste recycling) >



Interior Retail Business:
Helping maximize the lifespan of furniture >



Efforts in logistics operations:
Cleaning service to make furniture as good as new >

Reducing and recycling



Reducing and recycling at Shibayama plant >



Resource-efficient deliveries (using foldable crates instead of cardboard boxes) >



Returning and reusing buffer packaging materials >



Recycling stretch film used in warehouses >



Reusing and recycling collected furniture >

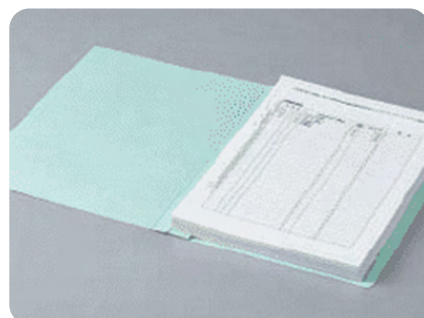
Reducing and recycling plastic waste



Loopla (office plastic waste recycling) >



Switching to paper packaging >



The All-Paper series >

Third-party recognition

Fiscal 2024 Good Design Award awarded to office recycling services Kaunet Loopla and Kaunet Loopla >

Related data

ESG databook > E-03 Saving and recycling resources [PDF:2MB]

Recycling: Actions

Products and services integrating circularity principles



Reducing and recycling



Reducing and recycling plastic waste



Products and services integrating circularity principles

Case study | Organization-wide: Tsunage Loopa (an experiential learning program)

Tsunage Loopa is an environmental education program that prompts participants to think about how we can look after our planet. The program brings together schoolkids in Japan, who use notebooks, KOKUYO, which makes the notebooks, and anyone engaged in recycling. In the program, schoolkids bring in used notebooks for recycling and get to see and touch the result of the recycling—new notebooks that are partly made from the old notebooks. This experience helps transform attitudes about recycling and pave the way toward a more sustainable future. As of February 2026, a total of 315 schools (roughly 93,000 pupils) have participated in this program, returning some 51,000 notebooks (roughly 6.1 tons) to us.



Case study | Stationery Business: Tsunage Loopa edition of Campus notebooks

We have released a special edition of Campus notebooks for elementary school students. The front and back covers are made from used notebooks that were returned by elementary schools participating in Tsunage Loopa. In this way, we are creating a notebook-to-notebook recycling loop that delivers notebooks back to the children with no loss in the value of the materials. We hope that the product prompts children to think about non-wasteful ways of using many other kinds of products.



Case study | Furniture Business: Long-life design

We have adopted the Co.S.M.O concept, in which we use a platform for multiple furniture series, allowing for modular elements that can be reassembled and replaced as necessary. Co.S.M.O furniture has durable core structures and units with environmentally friendly designs that make the furniture as light and compact as possible, minimizing CO2 emissions during transportation. For long-selling furniture models, we extended our warranty from three to ten years in 2022. Through measures such as this, we are committing to maximizing the useful lifespan of our products and services.



Case study | Business Supply Distribution: Loopa (office wastepaper recycling)

We have launched Kaunet Loopa, a simple, convenient, and reliable service for recycling office wastepaper. The program now collects and recycles paper packs, paper cups, confidential documents, and miscellaneous wastepaper. To facilitate the recycling of many more materials, we will incorporate a design-for-recyclability strategy (using design and manufacturing processes that enable recycling).



Case study | Interior Retail Business: Helping maximize the lifespan of furniture

To reduce furniture waste, we have three services that help maximize the lifespan of furniture.

1. We offer a repair and maintenance service that extends the furniture's lifespan.
2. When users have no alternative but to discard furniture (such as when the family composition has changed or when they move house), we offer to buy back the furniture and upcycle it.
3. We recycle 100% of worn-out or broken furniture.



Case study | Efforts in logistics operations: Cleaning service to make furniture as good as new

We offer a cleaning service for fabric products such as office chairs, sofas and low-level partitions, as well as for other office furniture, including desks and storage units. Using specialized cleaning equipment (in the case of fabric products), we remove sweat stains, hand marks, dust and other dirt that has built up over years of use. We also clean all items as their (non-fabric) surfaces and structural parts require and return them to the customer as good as new.

In this way, the cleaning service helps extend the useful lifespan of valued office furniture. Office furniture that is cared for in this way makes for a pleasanter working environment. At the moment this service is only available in the Tokyo area but we plan to expand it to other areas in the future.

Note: An item's condition or materials, the type of dirt or how long it has gone uncleaned may make it impossible to clean items in some cases.



Reducing and recycling

The volume of waste materials generated by KOKUYO's and 28 consolidated subsidiaries' business offices in 2025 was 20,652 tons (previous year: 20,314 tons), and the recycling rate was 95.2% (previous year: 95.7%). We generated 4,326 tons of waste materials on worksites (previous year: 4,452 tons) with a recycling rate of 71.9% (previous year: 82.9%). We have clarified the responsibilities of the prime contractor for worksite waste disposal and made worksites more responsible for not generating waste in the first place. We started working to reduce the amount of waste generated by our worksites by, for example, reviewing our parts and materials ordering processes. As waste materials generated on worksites are not homogenous, it is often difficult to recycle, as a given batch can contain various types of waste. Nevertheless, we will continue to strive to dispose of our waste properly and to increase our recycling rate to 100%, as well as to reduce the volume of waste generated to start with.

ESG databook > E-03 Resource saving and recycling > Total waste volume [\[PDF:2MB\]](#)

Reducing

Case study | Reducing and recycling at Shibayama plant

The Shibayama Plant is working to increase its recycling rate and to boost the percentage of materials recycled for use as resources. It raised this to around 52.3% in 2025 by correctly sorting its industrial waste and by seeking help from a waste-management provider that can recover materials from glass waste, which was previously unable to recycle. The plant will continue to go further in reducing and recycling its waste.



Reusing

Case study

Resource-efficient deliveries (using foldable crates instead of cardboard boxes)

KOKUYO products are now delivered to retailers in foldable crates to minimize the use of packaging materials. Normally, the products would be delivered in cardboard boxes, which the retailers would have to dispose of themselves. The switch to foldable crates minimizes resource use. Moreover, we periodically collect the crates, which helps inculcate a commitment to a sustainable circular economy in our distribution channels.



Case study | Returning and reusing buffer packaging materials

We encourage our distribution channels to return buffer packaging materials (cushioning material that protects the contents from shocks) so that they can be reused. We have started reusing coverings that protect desk corners and door stoppers used to keep storage unit doors from opening. By recovering and reusing these materials rather than allowing them to be thrown away after delivery, we are supporting the more efficient use of plastic resources.



Reusing, Recycling Reusing and Recycling Used Products

Case study | Recycling stretch film used in warehouses

Kaunet's warehouses and KOKUYO Logitem's distribution centers use stretch film to prevent goods from shifting and falling. We now recover this for reuse after intermediate processing. By recovering materials that would previously have been disposed of and reusing them as materials in our products, we are reducing resource usage in product manufacture and the amount of plastic waste incinerated, thereby contributing to an environmentally friendly circular economy.



Case study | Reusing and recycling collected furniture

We continue to run a collect and reuse/recycle scheme. After delivering products, we offer to take away the customer's disused products so that they can be reused and recycled if their condition permits. In 2025, KOKUYO Logitem collected around 3,608 tons of used office furniture (desks, chairs, and so on). About 610 tons of the collected furniture was salvaged for reuse. The remainder was dismantled and sorted for recycling.



A desk being dismantled and sorted

Reducing and recycling plastic waste

In 2025, the KOKUYO Group generated 4,177 tons of plastic waste, of which we recycled 85.9%. Our distribution business generated the most plastic waste and our worksites and retail and services businesses also generated a lot. Alongside working to reduce the volume of plastic waste we generate, we are also making efforts to boost the recycling rate and the quality of our recycling (transition from thermal recycling, which focuses on using waste as a fuel source, to material recycling, which focuses on turning waste into new products).

ESG databook > E-03 Resource saving and recycling > Plastic waste volume: Industrial waste  [PDF:2MB]

Case study | Plastic Recycling Service Loopla and Reuse within the KOKUYO Group

Kaunet, the online office products sales arm of the KOKUYO Group, offers the Loopla plastic recycling service. It recovers used clear plastic folders and reuses the plastic in office furniture parts, stationery and office products such as desk organizers.

A wide range of product lines, including popular office furniture series COODE, FABRE and Picora Livina, have used plastic recovered in this way in the manufacture of new products for 2025. We aim to bring this clear folder recovery and recycling service to the attention of more of our customers and to promote its spread.



Case study | Switching to Paper Packaging to Reduce Plastic Use

We are introducing more eco-friendly paper packaging. We started to use plastic-free paper packaging for our SAXA brand scissors and Harinacs stapleless staplers in 2024. This action saves around 11 tons of plastic a year.*

The nature of the paper packaging allows us to print concise product information and a design on the front and information about what uses the product can be put to on the back, with an aperture enabling customers to see its texture. These innovations make it easier to communicate these brands and their features and functions to our customers.

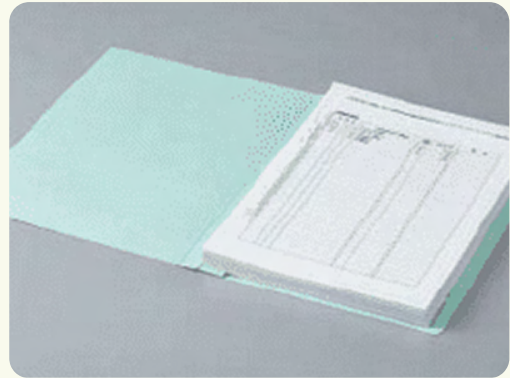
* 1 Based on the total volume of plastic used in the previous blister packs for SAXA scissors and Harinacs stapleless staplers shipped annually



Case study | The All-Paper series

This is a series of filing products made entirely from paper. When first launched in 2004, customers liked these products because they could be disposed of without having to separate out different types of waste. With rising awareness of the problem of plastics in our oceans, they have recently gained plastic-free eco-friendly appeal.

The All-Paper series is involved in the Ministry of the Environment's Plastics Smart Campaign, which focuses on the global problem of ocean plastics. The campaign facilitates action on this problem through partnership with a wide range of individuals, local governments, NGOs, companies, and research agencies. We will continue to seize on the latest technologies to tackle the plastics problem.



Large-capacity flat file (from the All-Paper series)

Coexistence with Nature

Conservation of forests is a major imperative for us since we use timber in many of our business operations, including the production of mainstay products such as notebooks and office furniture. Over the years, we have worked to conserve biodiversity and reduce our use of hazardous materials in order to minimize our impact on the environment. We will monitor and take steps to improve our impact on the environment so that we can balance business activities with natural capital for a healthier planet.

Material Issues and Performance

See Goals and Results: Material Issues 3-4.

Goals and Results >

Policy

KOKUYO Group Timber Procurement Policy



In 2011, we released the KOKUYO Group Timber Procurement Policy to enshrine our commitment to sustainable use of forest resources. Since our foundation, timber has served as an important resource in our products, such as paper. Recognizing the vital role that forests have played, we will continue to uphold our commitment to balancing business development with conservation of forestry resources. As part of this, we will ensure that our timber procurement is legal, transparent, and sustainable so that our carbon footprint is minimal and so that biodiversity is preserved.

KOKUYO Group Timber Procurement Policy

In procuring forest resources, we pledge to observe the following principles and continually strive for more ethical and sustainable procurement.

1. Make procurement more transparent, mindful of the problem of illegal logging and related timber trade
2. Choose timber suppliers in a more meticulous and scrupulous way to promote the sustainable use of forest resources
3. Recognize the valuable roles that forests play in local communities and ensure that procurement activities preserve and facilitate these roles

Effective Date: January 1, 2011
Revised Date : December 1, 2025

KOKUYO Co., Ltd.
Director
Representative Corporate Officer,
President and CEO
Hidekuni Kuroda

KOKUYO Group Timber Procurement Policy in Japanese [PDF:219KB]

KOKUYO Group Timber Procurement Policy in English [PDF:69.4KB]

KOKUYO Group Paper and Timber Procurement Standards



In April 2024, we established the KOKUYO Group Paper and Timber Procurement Standards. We satisfy these standards in our procurement of paper and timber. We will go further in ensuring that our procurement activities are sustainable—and that respect for people's safety and human rights is upheld across our supply chain.

KOKUYO Group Paper and Timber Procurement Standards

KOKUYO's businesses rely significantly on paper products, timber, and other blessings of nature. As paper and timber are renewable raw materials, KOKUYO's businesses can be sustainable by using properly managed paper and timber. However, if the natural environment that supplies such resources is not properly conserved, it will also be impossible to sustain KOKUYO's businesses.

Keeping this point firmly in mind, we will undertake sustainable procurement while properly conserving or strengthening biodiversity and ecosystems that are the foundation of our businesses as well as considering the safety and human rights of everyone in our supply chain.

1. For both paper and timber, in principle, we will prioritize the use of certified raw materials* that are trusted internationally.
2. If there are unavoidable circumstances such that certified raw materials cannot be used, we will use legal paper products and timber for which the following items can be confirmed.
 - (1) The raw material can be properly traced back to its most upstream place of production.
 - (2) Documents can be obtained certifying that the raw material complies with the laws and regulations of the country in which it was produced.
 - (3) The raw material does not come from a species that is under threat of extinction.
 - (4) The raw material does not have an adverse impact on natural ecosystems.
 - (5) The raw material does not have an adverse impact on local environments and communities.
3. For recycled raw materials, we will only use legal paper and timber recycled from raw materials on the market.
4. We will always monitor the proportion of raw materials falling under the above conditions. We aim to make the proportion of raw materials falling under the above conditions reach 100% by 2030.
5. Even if a raw material is certified, if there are doubts about its sustainability, we may suspend procurement temporarily until we can confirm that it meets the standards.

Although the above procurement standards apply to paper and timber, we will also undertake the procurement of other raw materials in accordance with the standards and develop separate procurement standards in the future.

* Currently, systems for such certified raw materials include the Forest Stewardship Council® (FSC®) and the Programme for the Endorsement of Forest Certification (PEFC).

Effective Date: April 1, 2024

KOKUYO Co., Ltd.
Director,
Representative Corporate Officer,
President and CEO
Hidekuni Kuroda

KOKUYO Group Paper and Timber Procurement Standards in Japanese [PDF:341KB]

KOKUYO Group Paper and Timber Procurement Standards in English [PDF:86.5KB]

Actions

Disclosures Aligned with the TNFD Recommendations

As an organization that uses forest resources, we are committed to understanding biodiversity and raw material risks and to ascertaining environmental risks pertaining to our business sites and the surrounding areas. As part of this, we keep track of developments related to the Taskforce on Nature-related Financial Disclosures (TNFD) and follow the TNFD recommendations. That is, for nature-related matters, we develop organizational processes, evaluate and act on priority issues, and improve the quality of disclosures.

Sustainable Timber Use

- Certifications as a Procurer of Legal and Sustainable Timber >
- How We Have Used Forest Resources in Furniture Products, Due-Diligence Review >
- Results of Due Diligence Review of Timber Compliance (in Accordance with Timber Legality Certification Due Diligence System Manual —Furniture Edition) >

Products and Services Embodying Coexistence with Nature

- 

Yuimori (wooden furniture) >
- 

EF Counter, Featuring Modesty Panels Made from Locally Sourced Timber >
- 

FSC Certification >

Environmental Conservation

- 

Yui-no-Mori Project (forestry conservation) >
- 

ReEDEN Project (reedbed conservation) >

Managing Water Risks

- Assessing and Identifying Water Risks >
- Compliance with Water-related Laws, Regulations and Standards >
- Initiatives to Save Water >

Third-Party Recognition

- Yuimori (a brand of sustainable wooden furniture) honored at Japan Wood Design Award 2023 >
- Yuimori (a brand of sustainable wooden furniture) earns top prize at the 6th EcoPro Awards >

Related data

ESG databook > E-02 Water resources [PDF:2MB]

ESG databook > E-02 Forest resources [PDF:2MB]

Disclosures Aligned with the TNFD Recommendations

As an organization that uses forest resources, we are committed to understanding biodiversity and raw material risks and to ascertaining environmental risks pertaining to our business sites and the surrounding areas. As part of this, we keep track of developments related to the Taskforce on Nature-related Financial Disclosures (TNFD) and follow the TNFD recommendations. That is, for nature-related matters, we develop organizational processes, evaluate and act on priority issues, and improve the quality of disclosures.

Governance

The KOKUYO group regards contributing toward a society that coexists with nature as a key element of sustainability. As with other important aspects of sustainability, we take a holistic approach to managing issues relating to biodiversity and the natural environment within our organizational infrastructure for sustainability.

We have an organizational framework for facilitating nature-positive actions such as preserving or restoring biodiversity. Specifically, under the supervision of the Board of Directors, the Sustainability Committee identifies nature-related risks so that the management can incorporate the information into strategic planning and take the decisions and actions necessary to mitigate the risks.

The Sustainability Committee manages and monitors biodiversity and other important sustainability matters in an integrated manner. To supervise this process effectively, the Board of Directors hears reports from the committee on a regular basis and then deliberates on nature-related risks and other sustainability issues. The committee obtains board approval for decisions on any sustainability-related risk, opportunity, strategy, or policy that is strategically significant, enabling board oversight over such matters.

The Sustainability Committee's membership consists entirely of corporate officers and managing officers. It is chaired by the Representative Corporate Officer and its secretariat is headed by the managing officer in charge of sustainability. The Committee monitors social and environmental trends to identify strategic concerns related to sustainability. It then formulates action plans and allocates budgetary resources for addressing these concerns. Regarding biodiversity, our Environment Subcommittee (a subcommittee of our Sustainability Committee) collaborates with the relevant managers to identify risks, incorporate the findings into strategic planning, and spearhead organization-wide efforts to solve issues.

When it comes to supply chain management, we have established the KOKUYO Group Sustainable Procurement Policy and Standards to clarify internal controls and build trust with suppliers. The Sustainability Committee monitors supply chain engagement to check whether it aligns with the policy and standards, contributing to effective supervision of risks and opportunities across the supply chain. Since timber resources are particularly important to KOKUYO Group, we also established, separately from these policy and guidelines, the KOKUYO Group Policy on Timber Procurement and KOKUYO Group Standards for Paper and Timber Procurement to help keep timber procurement is legal, transparent, and sustainable, ensuring harmony between business growth and forests.

Strategies

The LEAP approach designed by the Taskforce on Nature-related Financial Disclosures (TNFD) enables us to identify our dependencies and impacts on nature and our nature-related risks and opportunities, and informs our deliberations on measures to reduce our environmental footprint and to address these risks and opportunities.

In implementing the LEAP approach, we determine the business assets and regions and the commodities (natural resources at the furthest upstream reaches of our supply chain) for analysis with reference to the TNFD general requirements for disclosure and analyze by business segment.

In 2024, we conducted the LEAP analysis on our Stationery Businesses (manufacture, procurement and sale of notebooks and other office supplies), having identified the timber used to make our paper products as a commodity with significant impact on nature and because paper-related products account for a large share of KOKUYO Group's entire inventory.

The entities analyzed were the main KOKUYO Group production assets for these businesses and the supply chain for key raw material paper. The analysis involved researching and analyzing the environmental impacts of the chain of business processes and the anticipated risks and opportunities. Figure 1 shows the series of processes in the LEAP survey and analysis. Table 1 shows the external tools and databases we used in the survey and analysis.

Figure 1: LEAP approach for surveying and analyzing nature-related issues

Locate	Evaluate	Assess	Prepare
- Using external tools and referring to global data, identify KOKUYO Group's dependencies on nature and the impacts of its business activities on nature. - Identify sensitive locations (business assets and locations that require attention in relation to biodiversity).	- Evaluate the scale of the dependencies and impacts (inputs and outputs of natural resources). - Identify which dependencies and impacts are material. - Evaluate findings on sensitive locations to identify high-priority locations.	- Identify risks and opportunities related to the dependencies and impacts. - Use a scenario analysis to assess the severity and likelihood of the risks and opportunities.	- Derive strategy from findings. - Incorporate findings into nature-related disclosures.

Table 1. External tools and information used in analysis

Title	Description	Stage in which used	Provider or developer
ENCORE (Exploring Natural Capital Opportunities, Risks and Exposure)	ENCORE is a tool for analyzing an organization's exposure to nature-related risks and determining its dependencies and impacts on nature. We used it to identify the dependencies on nature of our operations and those of our supply chain.	Locate Evaluate	Natural Capital Finance Alliance (NCFA)
Global Forest Watch	Global Forest Watch is an online application that provides satellite data for monitoring forest conditions in real time. We used it to monitor the forested areas from which KOKUYO Group timber is sourced.	Locate Evaluate	World Resources Institute (WRI)
IBAT (Integrated Biodiversity Assessment Tool)	IBAT is a tool that offers geolocal biodiversity data. The information is based on databases related to country-specific conservation areas, Important Bird and Biodiversity Areas (IBAs ^{*1}), Key Biodiversity Areas (KBAs ^{*2}), and habitats of threatened species. We used it to identify conservation areas and KBAs relevant to KOKUYO Group operations.	Locate Evaluate	International Union for Conservation of Nature (IUCN) World Conservation Monitoring Centre (WCMC) BirdLife International Conservation International
Aqueduct	Aqueduct is a global tool for assessing water risk. We used it to assess water risks and flood risks in our supply chain.	Locate Evaluate	World Resources Institute (WRI)
Water Risk Filter	Water Risk Filter is a global online tool for screening physical and indirect water risks and evaluating their importance. We adopted its items of physical, regulatory, and reputational water risks pertaining to areas where KOKUYO Group and our suppliers operate. We also adopted its measures for identifying risk items and determining their importance.	Assess	World Wildlife Fund (WWF) German Investment Corporation (DEG)
Biodiversity Risk Filter	Biodiversity Risk Filter is a global online tool for screening physical and indirect biodiversity risks and evaluating their importance. We adopted its items of physical, regulatory, and reputational biodiversity risks pertaining to areas where KOKUYO Group and our suppliers operate. We also adopted its measures identifying risk items and determining their importance.	Assess	World Wildlife Fund (WWF)

* 1 IBAs are areas that are important for the conservation of birds and biodiversity.

* 2 Derived from the IBA concept, KBAs are areas that are important for non-bird species.

The LEAP analysis we conducted on the stationery business indicated that five KOKUYO Group assets have a high water risk. One is in Thailand, one in China, and three in India. Another key finding concerned the procurement of the timber used in notebooks and other products in our stationery business. That is, timber supply sources in Southeast Asia have a risk of driving deforestation and violating the rights of local communities. These findings have given us clarity on how we can better contribute to nature positivity. It is clear, for example, that the business assets in question should devise measures to use less water and reduce harmful discharges and that we should communicate more effectively with supply-chain partners.

1. Identifying Dependencies and Impacts

Material dependencies and impacts in our value chain are identified as follows. Referring to global databases, we assess the business activities in the location and asset of interest and the effects of such in the surrounding area to determine the nature-related inputs to and outputs from the business activities in question.

When evaluating the dependencies and impacts on nature throughout the KOKUYO group value chain, we evaluated the dependencies and impacts for each business activity with reference to the typical business sector values provided by a third-party tool, namely, Exploring Natural Capital Opportunities, Risks and Exposure (ENCORE). We evaluated the dependencies and impacts for each business activity with reference to the typical business sector values provided by ENCORE. Guided by ENCORE's logic model for business-specific dependencies and impacts, we assessed the inputs to and outputs from the actual business activities of each KOKUYO Group asset of interest. We then

compiled these evaluations in a heatmap, which indicates the areas of particular concern in regard to dependencies and impacts. The heatmap is shown in Table 2 below.

Table 2. Dependencies and impacts heatmap

Supply chain tier	Main activity	Impact on nature										
		Inputs				Outputs						
		Area of land use	Area of freshwater use	Volume of water use	Other biotic resource extraction (e.g. fish, timber)	Emissions of GHGs	Emissions of non-GHG pollutants	Emissions of toxic pollutants to water and soil	Emissions of nutrient pollutants to water and soil	Solid waste	Disturbances (noise, light, etc.)	Introduction of invasive species
Resource procurement	Deforestation, afforestation, other forestry activity	VH	M	M	VH	M	VH	H	H	L	H	H
Tier1	Paper manufacture	L	-	M	-	M	H	M	-	H	M	-
Our business assets	Paper product manufacture (printing)	L	-	M	-	M	-	M	-	H	M	-
	Stationery manufacture	L	-	M	-	M	H	H	-	L	M	-
	Warehousing	L	-	L	-	M	-	-	-	L	-	-

Key

VH

... Very High

H

... High

M

... Medium

L

... Low

VL

... Very Low

-

... No dependency or impact

Supply chain tier	Main activity	Dependency on nature																				
		Provisioning services					Regulation and maintenance services															
		Biotic resource provisioning	Genetic material	Water supply	Animal-based energy	Global climate regulation	Rainfall pattern regulation	Local climate regulation	Air filtration	Soil quality regulation	Soil and sediment retention	Solid waste remediation	Water purification	Water flow regulation	Flood mitigation	Storm mitigation	Noise attenuation	Pollination	Biological control	Nursery population and habitat maintenance	Dilution by atmosphere and ecosystems	Mediation of sensory impacts (other than noise)
Resource procurement	Deforestation, afforestation, other forestry activity	VH	VH	H	M	VH	VH	VH	H	H	VH	M	VH	M	H	M	VL	M	H	H	-	VL
Tier1	Paper manufacture	-	-	M	-	VL	M	L	VL	-	L	M	-	M	M	M	VL	-	VL	-	L	-
Our business assets	Paper product manufacture (printing)	-	-	L	-	VL	VL	L	VL	-	L	M	-	L	L	L	VL	-	VL	-	L	-
	Stationery manufacture	-	-	M	-	VL	VL	L	VL	-	L	-	L	L	L	L	VL	-	-	-	-	VL
	Warehousing	-	-	VL	-	VL	VL	L	VL	-	L	-	-	VL	VL	L	VL	-	VL	-	-	-

The ENCORE analyses of production assets in the stationery business have highlighted environmental impacts such as air pollution, waste, and water use. However, all these concerns pertain to emissions from pulping processes, which is irrelevant to KOKUYO Group's actual business activities. Among the operations in the stationery business, production of paper products (such as notebooks) involves procuring semi-finished paper products (products already processed from pulp) and processing them into finished products (mainly by printing). As such, the main inputs are limited to use of general water and energy infrastructure. Both use of water and emissions of toxic pollutants to water and atmospheric emissions are low compared to the typical business sector values provided by ENCORE. Taking this into account, we assumed that if there is an interface of concern in KOKUYO Group's production of paper products, then it is the environmental impact of the handling and disposal of waste. It is also true that assessments of plants producing glue tape and drawing and painting equipment indicate high dependencies and impacts in atmospheric pollution, emission of toxic pollutants to water, and use of water. Taking this into account, and considering also the use of chemical substances in production, we recognized this as a dependency and impact of concern. Analysis of the supply chain for paper (as a raw material) indicate a very high level of environmental impact associated with production activities involving forest resources (tree felling, afforestation) and a very high level of dependency of such activities on ecosystem services. These findings are consistent with our own view of the situation. Pulping is, as mentioned above, something that takes place in our upstream supply chain. We therefore recognize as a concern environmental impacts of paper production such as atmospheric pollution, emission of toxic pollutants to water, and use of water.

2. Understanding our Relation to Sensitive Locations

The TNFD advocates four criteria for recognizing sensitive locations: biodiversity importance, ecosystem integrity, water risk, and cultural importance of ecosystem service. Using this set of criteria, we investigated where our businesses interface with the protected area management categories defined by the International Union for Conservation of Nature (IUCN) and KBAs, the levels of flood risk and water stress, and the level of alteration to the natural environment, with reference to external mapping analysis tool. The results are shown in Table 3 below. For each location, the analysis covered the area within a 1 km radius of the center of the asset location.

Table 3. Business assets in sensitive locations

Company	Facility name	Importance to biodiversity			Water risk*	
		Designated protected area	IUCN protected area management category	Proximity	Water stress	Flood risk
KOKUYO Product Shiga Co., Ltd.		Koto Prefectural Natural Park	V	Within 1 km radius	Low - Medium	Low - Medium
KOKUYO MVP Co., Ltd.	Tottori Plant	Lake Koyamaike wildlife sanctuary	IV	Within 1 km radius	Low - Medium	Low - Medium

Company	Facility name	Importance to biodiversity			Water risk*	
		Designated protected area	IUCN protected area management category	Proximity	Water stress	Flood risk
	Aoya Plant	Nishi-Inaba Prefectural Natural Park, common fishery right area (Tottori)	V、VI	Within 1 km radius	Low - Medium	Low - Medium
KOKUYO Supply Logistics Co., Ltd.	Shutoken IDC	Tokyo Bay wildlife sanctuary	IV	Inside designated area	Low - Medium	Low - Medium
	Shiga NDC	Koto Prefectural Natural Park	V	Within 1 km radius	Low - Medium	Low - Medium
KOKUYO-IK (Thailand) Co., Ltd.	Thailand Plant	-	-	-	High	Extremely High
KOKUYO Commerce (Shanghai) Co., Ltd.	Shanghai Plant	-	-	-	Extremely High	High

* Water risk assessment utilizing World Resources Institute Aqueduct Water Risk Atlas framework indicators.

2.1 KOKUYO Group Business Assets

The assets in KOKUYO Group's stationery business mainly comprise plants and distribution centers. In plants, the main operations are printing and stationery production. At the plants in Japan and the plant in Shanghai, namely KOKUYO Commerce (Shanghai) Co., Ltd., paper goods are processed. Overseas plants other than the one in Shanghai produce writing tools, crayons, glue tape, and correction tape.

Two plants used for processing paper products (KOKUYO Product Shiga and KOKUYO MVP's Tottori Plant) and one distribution center in the Tokyo metropolitan area (KOKUYO Supply Logistics) are located in or near a prefectural natural park or wildlife sanctuary. Another finding was that plant used for processing paper products (KOKUYO MVP's Aoya Plant) is located near the coastline of the Sea of Japan and the vicinity lies within a common fishery right area and a prefectural natural park. However, these assets have a limited impact on protected ecosystems, in that they emit no or only limited toxic substances into the air or water and because one of the assets has measures in place to protect birds.

As for overseas assets, an Aqueduct analysis of water risks indicated highly concerning flood and water risks in the Shanghai plant (used for processing paper products) and in the KOKUYO-IK's plant (Thailand), which produces clear books, PP file folders, glue tape, and correction tape. Of particular concern is KOKUYO-IK (Thailand). In its use of water, the plant was revealed to be discharging toxic substances into the water. We concluded that this asset requires attention.

We also analyzed water risks in the 1 km radius around KOKUYO Camlin (India), which produces crayons and art equipment. The analysis indicated that such risks are lower than those pertaining to the Thai and Shanghai plants. However, the broader geographic context raises some concerns. The asset is located in the Maharashtra, which is prone to droughts. The drought risk in turn creates a risk of water restrictions being imposed in downstream areas. Taking this factor into consideration, we concluded that risk is similar to that in the Thai and Shanghai locations.

2.2 Areas Where Tier-1 Suppliers Operate

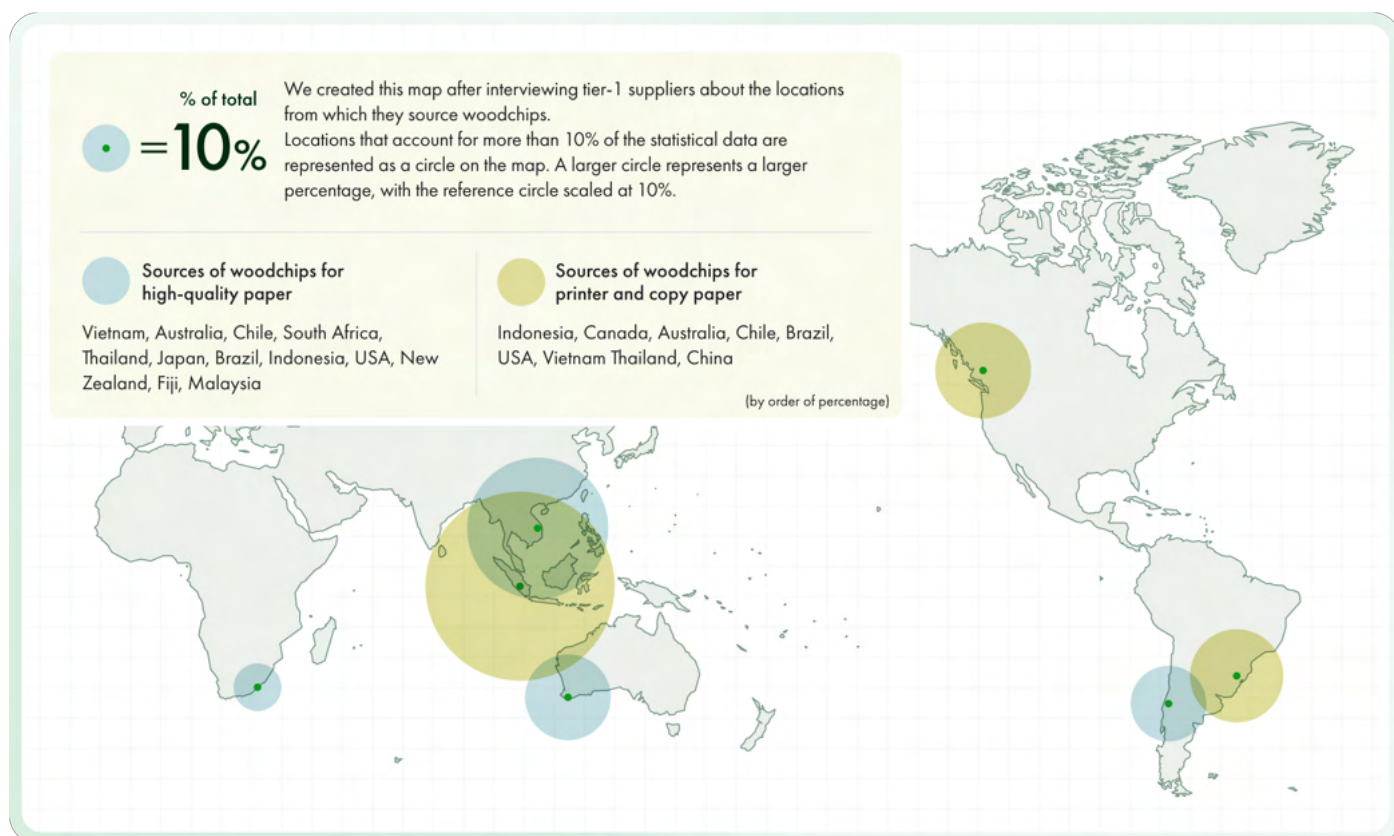
For KOKUYO Group's paper-related products, pulping is conducted by major suppliers; as such, the upstream supply chain is likely to be heavily dependent upon water resources. The major suppliers with whom we deal directly are located in Japan and Indonesia. According to the Aqueduct analysis conducted in sensitive locations in Japan and Indonesia, there is a high level of water stress and flood risk in the Indonesian locations.

2.3 Analysis of Forest Resource Procurement Areas

Timber resources are the most important of the natural resource to KOKUYO Group's businesses. We need to observe socioenvironmental developments affecting forest plantations and communities where forest workers are active, as such developments constitute one of the most critical variables in whether we can continue to use paper as resource for our products. We are working to establish traceability in our timber procurement so that we can be assured that the resources we procure were produced in sustainable and sound ways. When assessing the dependencies and impacts of the sites from which we procure forest resources, we apply our Sustainable Procurement Policy alongside the LEAP approach.

The raw materials used to make the paper products that we trade in the stationery business (which was the subject of analysis) are mainly derived from broad-leaved pulpwood. However, woodchips prepared for pulping are an assortment sourced from forests in multiple locations, making it unfeasible to distinguish the breakdown by procurement source. Accordingly, we have created a rough breakdown derived in part from qualitative information gleaned from interviews with major paper suppliers. The main procurement locations for paper material are shown in Figure 2.

Figure 2. Map of locations from which woodchips are sourced



* The above figures do not represent actual values; they represent estimates gleaned from interviews with tier-1 suppliers and from publicly available information. Because the woodchips are all pulped together regardless of where they came from, it is unfeasible to determine the exact breakdown. The above data may therefore differ from the reality.

The above results show that the procurement of forest resources used in our paper products is concentrated in Southeast Asia (Vietnam and Indonesia) and that a fair proportion of the resources come from Australia, Chile, and South Africa. With this information, we used the WRI's Global Forest Watch app to check the condition of the forests in these source areas. In Table 4, we have shown the tree cover loss we observed along with contextual information. Deforestation is most striking in the Southeast Asian locations, and it is driven by the conversion of woodland into commercial land and by forestry practices. The developed nations of Australia and Canada have committed to forest conservation, with regulations that limit the areas in which forestry can be practiced. However, global warming has increased the prevalence of forest fires, which could negatively impact the prospects for sustainably procuring the forest resources.

Table 4. Forest condition in assumed locations from which tier-1 suppliers procure woodchips (estimated breakdown)

Woodchip category	Source	% of total (estimate ^{*1})	Forest condition ^{*2}
Woodchips for high-quality paper	Vietnam	c.30%	National tree cover loss since 2000: 3.56 Mha Main drivers of tree cover loss: Land conversion, forestry Government encourages acacia cultivation
	Australia	c.18%	National tree cover loss since 2000: 9.03 Mha Main drivers of tree cover loss: Forest fires, forestry National and provincial governments regulate forestry to conserve forests
	Chile	c.16%	National tree cover loss since 2000: 2.35 Mha Main drivers of tree cover loss: Forestry National Forestry Corporation manages forestry practices properly
	South Africa	c.10%	National tree cover loss since 2000: 1.60 Mha Main drivers of tree cover loss: Forestry Government has banned logging and land conversion in primary forests
Woodchips for printer and copy paper	Indonesia	Large share	National tree cover loss since 2000: 30.8 Mha Main drivers of tree cover loss: Logging Conflicts arise between loggers and indigenous communities over rights to the land
	Canada	Moderate	National tree cover loss since 2000: 57.5 Mha Main drivers of tree cover loss: Forest fires Logging is regulated at a national level, with loggers required to plant at least as much trees as they fell
	Brazil	Moderate	National tree cover loss since 2000: 68.9 Mha Main drivers of tree cover loss: Logging The government supports land conversion in anticipation of rising global food demand

*1 These percentages do not represent actual values; they represent estimates gleaned from interviews with tier-1 suppliers.

*2 The tree cover loss figures were obtained from desk-based research using Global Forest Watch. They were compiled according to the Global Forest Watch data as of February 2025.

3. Risks and Opportunities

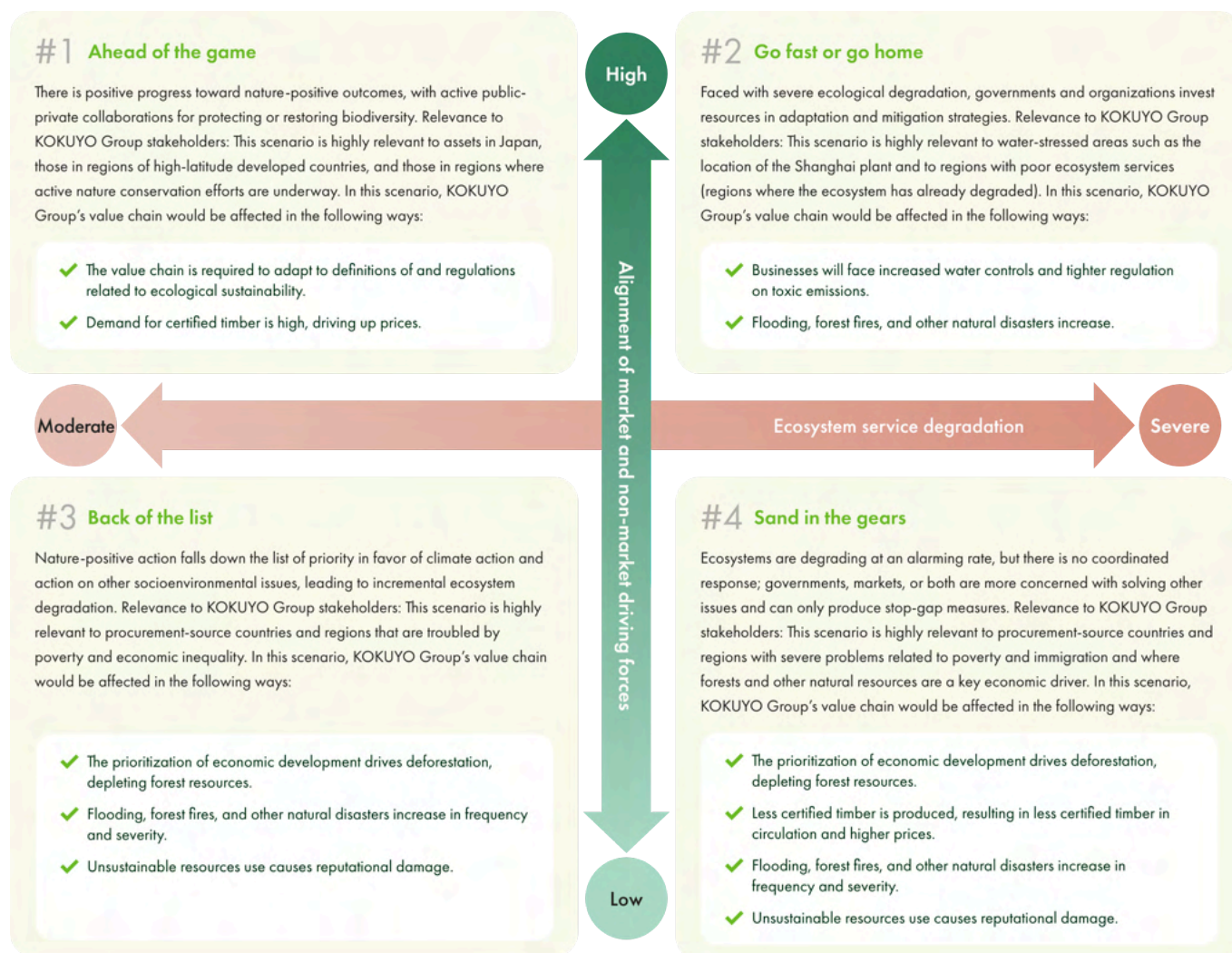
Our assessment of the nature-related risks and opportunities in the KOKUYO group value chain is based on the main dependencies and impacts we have identified and the outcomes of our research into forest conditions in nearby sensitive locations and resource procurement locations (as described above). We thereby identify and evaluate both the risks to our group value chain and the impacts our group business and actions have on the environment and society (double materiality).

When identifying nature-related risks and opportunities, we use the risk and opportunity categories in the TNFD risk and opportunity registers and the TNFD sector-specific guidance. When analyzing how the risks and opportunities affect KOKUYO Group, we use the scenario analysis outlined in the TNFD's guidance on scenario analysis.

When evaluating the materiality of each risk, we take into account the materiality of the dependencies and impacts and the scale of the inputs and outputs, using the region-specific risk indicators set out in the WWF Risk Filter Suite. The TNFD guidance on scenario analysis recommends using exploratory scenarios to envisage biodiversity-related risks and opportunities that are uncertain, taking into account the characteristics of the region and asset as well as factors that are of significance to the business model.

In the scenario analysis conducted in fiscal 2024, we focused on the business facilities and regions that are particularly important to KOKUYO Group operations, as revealed in the assessment of our dependencies and impacts and a survey of sensitive locations. In regard to these facilities and regions, we considered what risks and opportunities may emerge, what financial implications they have for KOKUYO Group, and how likely these impacts are to materialize. Following the example approach set out in the TNFD guidance for scenario analysis, we adopted two critical uncertainties, each with two possible states. The first was ecosystem service degradation, which describes the extent of the physical impact (moderate or severe). The second was alignment of market and non-market driving forces, which describes the extent to which driving forces are transitioning to nature-positive actions (transition risk: high or low). We combined these two critical uncertainties to create a 2x2 matrix with four scenarios for consideration. We then plotted onto this matrix the key assets and regions relevant to the value chain of our stationery business. We then analyzed the interactions between them and identified the four plausible future scenarios shown in Figure 3.

Figure 3. Plausible future scenarios



4. Scenario Analysis

Table 5 summarizes the risks and opportunities we think are key issues for the KOKUYO Group's Stationery Businesses as a result of this analysis. "Impact" describes the potential social and environmental impacts of KOKUYO Group's activities. "Risks" and "opportunities" describe the financial impacts on KOKUYO Group. "Severity" takes into account the score for the relevant risk item in the WWF Risk Filter Suite, the scale of the KOKUYO Group activities concerned, and the risk probability according to the scenario analysis.

Table 5. Risk and opportunity evaluation outcomes

Category	Item	Impacts	Risks	Opportunities	Relevant business facilities/regions	Scenario (Figure 3)	Severity (Figure 4)	Major mitigation measures	
Transition risks	Laws and regulation	Pollution control	• Contribution to local water quality improvement and water stress reduction through appropriate water intake and discharge management	• Cost of water intake and discharge management and complying with emissions regulations for water contaminants	–	Our business assets	# 1 # 2	Low	▶ Stay up to date with regulatory information ▶ Upgrade facilities to improve efficiency of resource consumption
		Environmental regulation	–	• Further resource allocation for measuring and reducing environmental footprint of our products	• Capture of new earnings opportunities by swiftly developing environmentally friendly products that comply with local definitions and regulations	Suppliers to our business facilities	# 1 # 2	High	▶ Product lifecycle assessment ▶ Appropriate information disclosure and engagement
	Market	Response to environmentally responsible demand	• Destruction of unique ecosystems through inappropriate commercial woodland development in response to excessive demand or price competition • Contribution to sustainable forest management through support for forest certification systems	• Increase in procurement costs due to rising demand for FCS timber	• Higher capacity to meet environmentally responsible demand, and thus higher earnings, as a result of a stronger supply chain for FCS timber.	Areas where our suppliers procure their resources	# 1 # 2	High	▶ Establish and improve traceability ▶ Strengthen supplier engagement
		Our good standing	–	• Damage to our reputation with business partners and other stakeholders and consequent reduction in earnings opportunities due to a lack of attention to social and environmental issues in the areas where we procure resources	–	Resource procurement areas	# 3 # 4	Medium	▶ Establish and improve traceability ▶ Strengthen sustainability due diligence process
	Reputation	Local environment conservation	• Restoration of local biodiversity through environmental conservation activity in our business facility environs	• Damage to our local reputation and consequent increase in engagement costs due to inappropriate plant water intake and discharge and waste management	–	Our business assets	# 1	Medium	▶ Maintain and enhance environmental data management ▶ Strengthen engagement with local authorities and downstream partners
Physical risk	Acute	Disasters affecting our plants	–	• Increase in losses due to more severe or more frequent direct damage from natural disasters, loss of earnings opportunities due to operational shutdowns	–	Our business assets	# 2 # 4	Medium	▶ Increase diversity of BCP measures ▶ Improve disaster prevention infrastructure
		Supply chain damage	• Increased risk of flooding, wildfires, and landslides, etc., resulting from the encouragement of inappropriate land development in the case of traceability failure	• Supply disruption due to disasters affecting our supply chains, increase in costs due to rise in timber resource prices	–	Regions where our suppliers procure their resources	# 3 # 4	High	▶ Supply chain diversification ▶ Climate change countermeasures (GHG emissions reduction)
	Chronic	Reduction in resource production capacity	• Change in climate patterns or ecosystem degradation due to excessive resource extraction	• Depletion of water or timber resources due to changes in wildfires, climate patterns, or drainage basins, and consequent costs increase due to higher resource prices	–	Resource procurement areas	# 3 # 4	High	▶ Establish and improve traceability ▶ Strengthen supplier engagement ▶ Active use of FCS timber

5. Current Actions to Address the Issues

We are addressing the key issues identified in the analysis by promoting sustainable procurement across KOKUYO Group. To that end, we established the KOKUYO Group Policy on Timber Procurement in 2011 and the KOKUYO Group Standards for Paper and Timber Procurement in 2024. We have also started engaging with stakeholders across our supply chain. In the stationery business, we promote sustainable use of forest resources. The Forest Stewardship Council (FSC) has certified our printer and copy paper and notebooks. We also support community action. In 2006, we launched a project to conserve a private forest in the Taisho district of Shimanto, Kochi Prefecture. In this project, we thin the forest and make effective use of the resulting timber. KOKUYO Product Shiga participates in a project to conserve the reedbeds in Biwa Lake in line with Shiga Prefecture's ordinance on reedbed protection. The project involves protecting the reedbeds and promoting their sustainable use in order to preserve Lake Biwa's environment. Learn more about these initiatives on the following pages: Supply chain management, FSC certification, Yui-no-Mori Project, and ReEDEN Project (FSC® C004748).

Supply Chain Management >

FSC Certification >

Yui-no-Mori Project >

ReEDEN Project >

6. Future Actions

The LEAP-based analysis revealed concerns regarding the procurement of woodchips used for our paper products. These findings remind us of the need for better engagement with stakeholders at the various stages of timber resource procurement. Of particular concern is the risk that procurement activities in Vietnam, Indonesia, and other parts of Southeast Asia could be abetting deforestation. The findings also give us the hope that, with effective communication, we can promote sustainable use of forest resources and make our supply chain more resilient. We have therefore concluded that we should develop robust due-diligence processes for stakeholders who have an interest in the regions identified as high-priority regions. The LEAP analysis we conducted in 2024 was limited to the stationery business. We will conduct a similar analysis in the furniture businesses and other businesses to increase the quality of our disclosures. See [here](#) for information about use of forest resources in the furniture business.

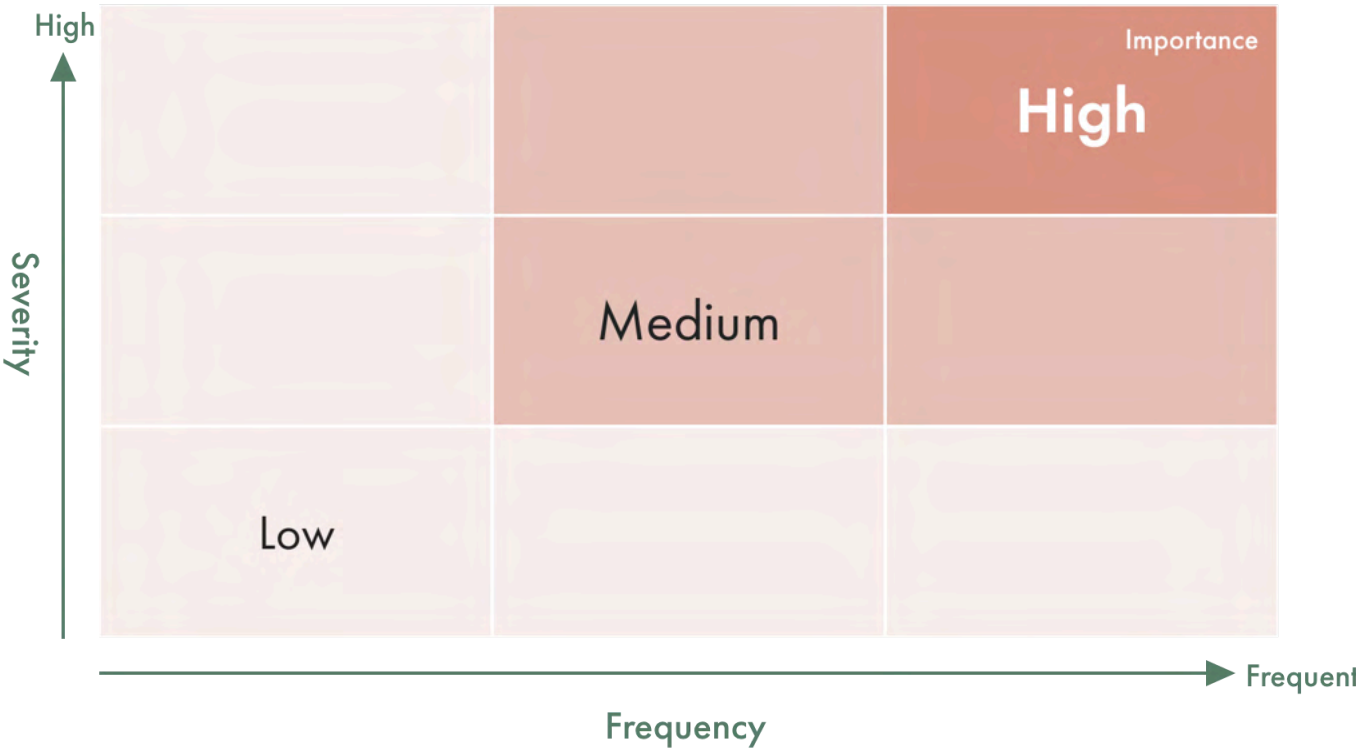
Risks and Impacts Management

Our Environment Subcommittee (a subcommittee of the Sustainability Committee) identifies and evaluates our dependencies and impacts on nature and our nature-related risks and opportunities with the participation of managers responsible for each business division. This is guided by the findings of regular internal and third-party research. This regular research on nature-related issues identifies and evaluates matters in light of the findings of LEAP-based research and analysis in

response to issues and requests raised by our governance and due diligence processes. We have evaluated the identified nature-related issues by severity and frequency (Figure 4), taking into account the importance of each risk and opportunity as shown in Table 5. The severity score takes into account a range of factors, including the scale of the business activities in KOKUYO Group and its supply chain (the scale of procurement, monetary amount of procurement, amount of natural resources used) and the output results of external evaluative tools related to nature. The frequency score is the result of a qualitative analysis that includes the scenario analysis and takes into account the relevant KOKUYO Group business activities and local factors (regulatory landscape, market trends). Items that scored high in both indicators were defined as high-priority items.

Once the risks are identified and evaluated, they are communicated to the business divisions concerned. The strategic implications of the risks are incorporated into strategic planning by the Environment Subcommittee of the Sustainability Committee, while business-specific implications are addressed by the relevant business divisions. For groupwide risk management, the Risk Management Committee has been organized to steer efforts across the corporate group. To integrate nature-related risk management into this existing system for groupwide risk management, the Risk Management Committee will now coordinate with the Environment Subcommittee of the Sustainability Committee. Specifically, the Environment Subcommittee will inform the Risk Management Committee about important matters concerning risk management and the state of compliance with environmental laws and regulations.

Figure 4. Schema for assessing risks and opportunities



Metrics and Targets

Table 6 shows the KPIs for tracking the progress of our efforts to address our fifth material issue: contribute toward a society that coexists with nature.

Table 6. Contribute toward a society that coexists with nature (material issue)

Challenge goal for 2030	2027 commitment goal	Main actions (taken in FY2024)
Carbon footprint of business activities visualized and carbon neutrality achieved	▶Percentage of net sales attributable to products that satisfy KOKUYO Group Paper and Timber Procurement Standards: 75% ▶Visually representing environmental impacts: Complete visualization process in all major businesses	▶Established KOKUYO Group Paper and Timber Procurement Standards ▶Contributed to forest and reedbed conservation
Forest conservation: Forests thinned at 150 hectares a year	▶Number of environmental conservation projects: 3	
Reedbed conservation: Reeds trimmed at 1.5 hectares a year		

Every year, we upload to the ESG databank section of our website about our use of natural resources, emissions of toxic substances, and other disclosures. Table 7 lists nature-related metrics (identified in the LEAP analysis) for the disclosure indicators set out in the TNFD guidance, along with links to the relevant ESG disclosures.

Table 7. Related indicators

Metric No.	Nature-related variable	KPI	Where data is disclosed
C1.0	Total spatial footprint	Total surface area where the organization has control	ESG databook > E-08 Reports on business sites [PDF:2MB]
C2.0	Pollutants released to soil	Amount of pollutants released to soil	N/A (no such pollutants)
C2.1	Wastewater discharged	Volume discharged	ESG databook > E-02 Water resource saving [PDF:2MB]
		Volume of toxic substances in discharged wastewater	ESG databook > E-04 Chemical substances subject to PRTR Law [PDF:2MB]
C2.2	Waste generation and disposal	Weight of total waste	ESG databook > E-03 Resource saving and recycling [PDF:2MB]
		Weight of hazardous waste	
		Volume of waste recycled	
C2.3	Plastic pollution	Weight of plastic used	ESG databook > E-03 Resource saving and recycling [PDF:2MB]
C2.4	Air pollutants	Non-GHG air pollutants weight by type	ESG databook > E-04 Chemical substances subject to PRTR Law [PDF:2MB]
C3.0	Water withdrawal and consumption from areas of water scarcity	Amount of water withdrawal and amount of consumption from areas of water scarcity	ESG Databook > E-08 Reports on business sites: Thailand Plant, Shanghai Plant [PDF:2MB]
C3.1	Quantity of high-risk natural commodities sourced from land/ocean/freshwater	Quantity of timber sourced	ESG databook > E-05 Using forestry resources [PDF:2MB] * (Timber data for furniture products only)
C7.0	Risks	Value of assets, liabilities, revenues, and expenses that are assessed as vulnerable to nature-related transition risks	To be disclosed in future
C7.1		Value of assets, liabilities, revenues, and expenses that are assessed as vulnerable to nature-related physical risks	
C7.2		Description and value of significant fines/penalties received, or litigation action, in the reporting year covered by nature-related disclosure due to negative nature-related impacts	
C7.3	Opportunities	Amount of capital expenditure, financing, or investment deployed towards nature-related opportunities	ESG databook > E-06 Environmental accounting [PDF:2MB]
C7.4		Increase and proportion of revenue from products and services producing demonstrable positive impacts on nature	

Download the ESG data using the link below.

[ESG Databook](#) [\[Excel:266KB\]](#)

Coexistence with Nature: Actions

Sustainable Timber Use

Products and Services Embodying
Coexistence with Nature

Environmental Conservation



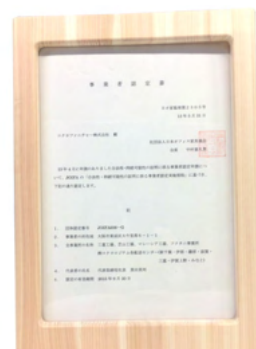
Managing Water Risks



Sustainable Timber Use

Certifications as a Procurer of Legal and Sustainable Timber

We have been certified as a “procurer of legal and sustainable timber” by the Japan Office and Institutional Furniture Association (JOIFA). In line with the requirements set out in the certification practice statement for Certified Legal Timber Operator system, we engage in practices to ensure that the timber products we use and sell are legal and sustainable. Examples include recordkeeping, assigning dedicated members of staff, and keeping paper trail showing how the timber is used.



How We Have Used Forest Resources in Furniture Products, Due-Diligence Review

In 2025, we used around 9,800 tons of wood in furniture products. This accounts for 17% of all wood we used in products, excluding packaging. Of the wood used in furniture products, 22% consisted of rough-cut lumber that was made into solid wood or engineered wood (including plywood). The remaining 78% consisted of forest residues (byproduct from thinning or clearing) or engineered wood (including medium-density fiberboard and particle board) made from such. Each year, we report such data to JOIFA, the body that certifies us as a “procurer of legal and sustainable timber,” in compliance with the Act on Promoting Green Procurement. As per JOIFA’s reporting guidelines, we try to identify the wood species among the timber we use.

Timber Use >

We conduct annual surveys to identify the tree species, usage volumes, and country or region of origin of the wood we use. It is often unfeasible to identify the country or region of origin of the timber used in products, but we do our best to source the products sustainably.

Timber Use Survey >

Results of Due Diligence Review of Timber Compliance (in Accordance with Timber Legality Certification Due Diligence System Manual —Furniture Edition)

In 2025 our annual due-diligence review of timber compliance (in accordance with Timber Legality Certification Due Diligence System Manual —Furniture Edition) revealed no potential legal issues with the timber we used. We will continue performing rigorous due diligence while finding ways to further enhance the manual’s effectiveness. You can access the latest version (ver 1.6) using the link below.

Timber Legality Certification Due Diligence System Manual (Furniture Edition, ver 1.6) [\[PDF:300KB\]](#)

Products and Services Embodying Coexistence with Nature

As much as 67% of Japan's landmass is covered by forests. Forests help prevent sediment runoff, contribute to water retention, and absorb CO₂. They also provide a renewable resource. However, in much of the country's man-made forests, which account for 40% of all the forests, these roles are not fully performed due to insufficient forest thinning. In 1998, we started developing furniture made from thinned timber, releasing it to the market in 2000. By making our office products from Japanese timber that was harvested during thinning operations, we create new demand for wood while also contributing to sustainable forestry.

CASE | Yuimori (Wooden Furniture)

Back in October 2006, we launched the Yui-no-Mori Project in partnership with the Taisho-cho Forestry Association (now the Shimanto Forestry Association) in Kochi Prefecture. More recently, we launched Yuimori, a brand of wooden furniture. The furniture is made from Japanese timber, some of which is harvested in Yui-no-Mori Project. In this way, the project contributes to greater harmony between people and nature. By using Japanese timber, the brand contributes to harmony with nature. Yuimori products feature elegant and impactful designs along with the high quality required for office furniture. They are also designed for sustainable disposal. The products were designed by Keiji Ashizawa, who boasts an extensive design portfolio from architecture to furniture. Furniture experts TENDO CO., LTD. (headquartered in Tendo, Yamagata; represented by Kaoru Moriyama) fabricated the designs, bringing out the timber feel. We contributed our own know-how in office furniture, such as ideas for making a chair comfortable. Through Yuimori, we contribute to greater harmony with nature.

yuimori >



ym-01 Lounge chair and table series

CASE | EF Counter, Featuring Modesty Panels Made from Locally Sourced Timber

EF Counter is a series of modular counters that can be rearranged to suit changes in the organization or changes in desired use. With their universal design, the counters are friendly to the elderly and to wheelchair users. While part of the structure is made from standardized materials, the modesty panel is made from timber sourced from the locality in question. This arrangement ensures that the counters are no less functional and versatile than standard counters are. The table edge has a groove for securing a walking stick or similar items and a grip for wheelchair users.



The customizable counter protects user's privacy and enhances the experience of using the amenity.



A walking stick rests securely on the edge.



The edge is easy for wheelchair users to grip.

CASE | FSC Certification

In 2003, we received chain-of-custody (CoC) certification from the Forest Stewardship Council® (FSC). The FSC is an international non-governmental organization that runs a system of third-party forestry certification. Its purpose is to preserve forest environments by promoting a responsible form of forest management that benefits local communities and is economically sustainable. CoC certification applies to the processing and distribution of FSC-certified products. Within our group, KOKUYO, Kaunet and KOKUYO Product Shiga have obtained FSC and CoC certification. Thus, the paper products these companies sell (copy paper, notebooks, and other such products) are FSC-accredited. In 2016, KOKUYO received CoC certification under the Programme for the Endorsement of Forest Certification (PEFC). The PEFC is a forest certification scheme. Its criteria is based on accepted intergovernmental standards. We aim to get more of our products certified for their sustainable use of forest resources. (FSC® C004748).



FSC label certifying responsible forest management



Printer paper (PPC Color Paper)



Reed paper

Environmental Conservation

| Yui-no-Mori Project

In 2006, we launched a project to conserve a private forest in the Taisho district of Shimanto, Kochi Prefecture, which we named Yui-no-Mori ("linkage forest"). In this project, we thin the forest and make effective use of the resulting timber. Our purpose is to lead the way in reviving manmade forests and restoring the link between the natural environment and local livelihoods. In 2007, the forest-management project was certified by the FSC. Today, Yui-no-Mori has a surface area of 5,425 hectares, and a cumulative area of 2,264 hectares has been thinned. Kochi Prefecture has awarded us the "CO₂ absorption certificate" since 2007. In FY2024, the forest absorbed 3,322 tons of CO₂. The cumulative total (April 2006 to March 2025) stands at 83,330 t-CO₂. The Yui-no-Mori Project has earned the following accolades: In January 2022, it earned the grand prize in the "conservation in practice" category at the Japan Nature Conservation Awards 2022 Nature Conservation Society of Japan; in May 2022, it earned the "excellence award" (Forestry Agency Director-General Award) at Forests × Decarbonization Challenge 2022; in 2020, it earned a "sustainability action" commendation from the Ecological Life and Culture

Organization and the “18th Corporate Philanthropy Award” from the Japan Philanthropic Association; in 2019, it won a commendation at the Low Carbon Challenge Cup 2019 and a “minister’s prize” in the corporate category of the 7th Ministry of the Environment’s Good Life Awards; in 2018, it won a “Green Wave Award” prize at the Biodiversity Action Awards; and in 2017, it won the 2017 Japan Wood Design Award. Yui-mori (the brand of products made from timber harvested in the Yui-no-Mori Project) was honored at the 6th Eco Pro Awards and at the 2023 Japan Wood Design Award.

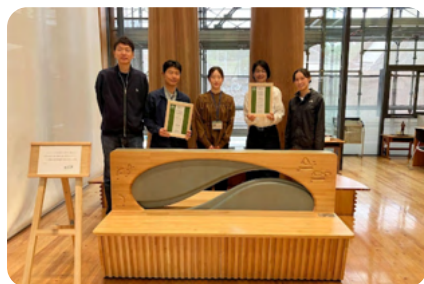
Yui-no-Mori ("linkage forest") >

Kochi Prefecture Confers “CO₂ Absorption Certificate”

On November 12, 2025, Kochi Prefecture awarded KOKUYO and Kaunet a CO₂ absorption certificate in recognition of the fact that we had offset a total of 3,322 tons of CO₂ (KOKUYO offset 2,707 tons and Kaunet offset 614 tons). The award ceremony was held in the Shimanto Town Hall. The 3,322-ton offset represented 14% of the group’s total CO₂ emissions in 2025 (23,475 tons). This project is an important initiative addressing not only forest conservation but also global warming prevention.

The Project Continues to Receive FSC Certification

Following a regular audit performed on September 30 and October 1, 2025, the project was recertified by the FSC.



Presentation of CO₂ absorption certificates



CO₂ absorption certificate



An FSC certification audit in progress

Regularly Monitoring Thinning Outcomes

An important part of forest conservation is seeing the outcomes of thinning. We monitor these outcomes over the long term in partnership with the Shimanto municipal government, Shimanto Forestry Association, and Shimanto High School. In 2025, the monitoring survey was conducted on May 20 by Shimanto High School alone owing to poor weather. The vegetation survey was performed as normal on November 11.

Related information: [View the latest vegetation survey report from the students of Shimanto High School](#)

ReEDEN Project

The reeds of Lake Biwa play an essential role. They provide an aquatic habitat, support biodiversity, and absorb CO₂. In the past, the reeds served as material for roofing and sudare screens, but with the decline of such traditional industries, the reedbeds are no longer maintained so well. The lake once had 260 hectares of reedbeds, but only half remains. In 1992, Shiga Prefecture passed the Ordinance of Reed-Community Conservation to address the problem by conserving, cultivating, and using the reeds. Believing that such action would preserve Lake Biwa’s beautiful environment and fight climate change, KOKUYO Product Shiga has, since 2007, supported this agenda through a conservation initiative and through sustainable use.

Restore the Reeds: The Network for protecting Lake Biwa through reed management

We have formed a network of partnerships for protecting Lake Biwa through reed management. The network had to suspend activities during the pandemic (KOKUYO Project Shiga continued managing the reeds on its own), but it resumed activities in February 2023. Membership of the network has grown amid an ongoing commitment to sustainable-business initiatives and environmental conservation initiatives. This growth is further driven by a growing personal awareness of the importance of environmental initiatives in ensuring a sustainable future. Thus, there is a growing interest in the network’s founding vision, which is for all local stakeholders to act together in addressing a local environmental issue that concerns them all. Now encompassing 135 companies that share the vision, the network holds reed-cutting events twice a year, in January and February. In 2025, it held one in Iba-Naiko in January and the other in Nishinoko in February. Alongside winter reed cutting, the network helps organize and advertise summer events, including a fishing competition to clear away invasive fish species. Reed cutting supports the environment because when the reeds grow, they provide more sequestration and filter impurities from the water to a greater extent. During the pandemic, the reedbed area under management shrunk. Compared to reedbeds that are never trimmed, reedbeds that are periodically trimmed have thicker, longer reeds and thus absorb a greater amount of CO₂. To expand the project outward, we have brought on board more stakeholders outside our network of volunteers. As of 2025, 37 activities have been held, with a cumulative total of 6,100 people participating. We will hold more activities in the future.



February 1, 2025: 318 people participated in the reed-cutting event at Nishinoko.



How Reed Conservation Can Contribute to a Low-Carbon World: Showing the Impact

In biomass surveys, predetermined samples of the reeds are cut from the reedbeds and their length is measured to derive an average length. The average length is then multiplied by the reed-cutting area to determine the amount of carbon dioxide the reedbeds are sequestering. This formula for calculating the CO₂ absorption in reeds has been published on Shiga Prefecture's website. The findings are shared with the organizations and individuals participating in the network to guide their future environmental activities.

In 2025, a single reed-cutting event resulted in the sequestering of 9.17 tons of carbon dioxide over a project area of 6,857 square meters.

There is now a body of evidence to show how the project is contributing toward a low-carbon world. The data has demonstrated that the project is mitigating climate change in addition to improving the lake's water quality and biodiversity. This knowledge has boosted participants' motivation and brought more people on board. The project team plans to expand the use of the CO₂ absorption tool to encouraging action across the whole of the prefecture. The team's vision is to follow up the carbon sequestration work in forests across Japan by developing an unprecedented carbon sequestration system for lakeside environments.



Measuring reed length as part of a biomass survey (in Iba-Naiko and Nishinoko)

Managing Water Risks

Water is an indispensable resource to every individual and organization on this planet, while water-related risks are increasing as the world population grows. Understanding just how vital water is, we are committed to using water as efficiently as possible and to identifying and addressing water risks.

Assessing and Identifying Water Risks

We have assessed the level of water risks in accordance with the recommendations of the Taskforce on Nature-related Financial Disclosures (TNFD). More information is available [here](#) (Disclosures Aligned with the TNFD Recommendations). As yet, we have observed no cases where our business activities resulted in the occurrence of water-related risks, such as water shortages with adverse environmental impacts. Nevertheless, we will continue to collect local information to analyze water risks. Together with that, we will appropriately manage business so that our business activities do not have an adverse effect on the environment.

[Disclosures Aligned with the TNFD Recommendations](#) >

[ESG Databook > E-02 Water Resources](#)  [PDF:2MB]

Compliance with Water-related Laws, Regulations and Standards

We comply with all laws, regulations, and standards that apply where we operate. In FY2025, there were no cases in which we committed a major violation of, or were fined or penalized under, a water-related law or regulation.

Initiatives to Save Water

Of the water used by KOKUYO Group, over 50% is used in Japan. Among the manufacturing processes, steel product painting accounts for much of the water usage. As part of our efforts to save water, Shibayama Plant (Chiba), our main manufacturing plant for office furniture, recycles cleaning water. The cleaning water is evaporated by heat exhausted from a deodorizing furnace. Basically, none of the cleaning water is discharged. Sludge generated during the treatment process is reduced in volume and disposed of appropriately.

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.

Processes in place

To prevent environmental pollution, we are tightening environmental risk management and compliance with legal and regulatory requirements. Under our environmental management system (certified to ISO 14001), we monitor values subject to regulation and identify and evaluate risks of environment-related grievances and incidents. The results of such assessments guide our efforts to develop measures to manage and reduce the risk on an ongoing basis.

Actions

Compliance with Japanese Environmental Laws and Regulations

Our operations in Japan are currently subject to 29 environmental laws and regulations. In June every year, we evaluate the status of our compliance with these laws and regulations. In 2025, there were no cases in which we committed a major violation of, let alone fined or penalized under, an environmental law or regulation.

Training on Environmental Regulatory Requirements

We organize environment-related education and awareness-raising activities to motivate employees to put the KOKUYO Group Environmental Policy into action.

Each organizational unit runs a training program certified to ISO 14001 to improve employees' awareness of the environmental impacts of our business activities, improve their knowledge of the KOKUYO Group Environmental Policy, our environmental targets, and our environmental management system, and to encourage the employees to advance from awareness to practical goal-oriented behavior. In 2025, a total of 77 employees received training on the key information about the change to the law.

Managing Chemical Substances Included in Products

We recognize that every supplier has a moral responsibility not only to avoid the use of prohibited substances but also to handle hazardous substances (substances that could harm the environment or health) safely and to communicate the hazard information. We also recognize that there has been of late a clear global shift in the regulation of chemical substances. Specifically, countries around the world are moving from the traditional hazard-based approach, which focuses on the inherent properties of a chemical substance that make it potentially hazardous, to a more scientific risk-based approach, which focuses instead on the circumstances in which these potential hazards may cause harm. We, too, have shifted toward risk-based assessments over the past several years. In 2014, we listed up the hazards in the chemical substances we use. Referring to this list, we started examining the risks of the substances in 2015 on a priority basis. In 2017, based on our findings, we assessed hazards and exposure risks of those substances, before developing and implementing Guidelines for Managing Chemical Substances Included in Product (Stationery Edition). In 2025, we revised the guidelines to reflect regulatory developments in Japan (namely, the revision to the Act on the Regulation of Manufacture and Evaluation of Chemical Substances) and those in overseas. We also held seminars on chemical substance management in ASEAN and North America. We will continue to improve employees' competence in complying with chemical substance regulations to satisfy the standards customers expect in relation to regulatory compliance and safety information labeling.



Enforcing appropriate management and handling of chemical substances
(KOKUYO Head Office)



Publicizing the harms and dangers of chemical substances on noticeboard panels
(KOKUYO Shibayama Plant)



Scanning for heavy metals using X-ray fluorescence
(KOKUYO Head Office)

Related data

ESG databook > E-04 Management of chemical substances  [PDF:2MB]

Respect for Human Rights

We have a code, policy, and guidelines to ensure that our stakeholders' human rights are always respected in the course of our business activities.

Policy

Kokuyo Group Human Rights Policy

Kokuyo Group Human Rights Policy

KOKUYO Group has signed the United Nations Global Compact, indicating its endorsement of the principles enshrined therein. In 2025, we formulated a human rights policy with expert advice. The policy received board approval on November 27 of that year.

KOKUYO Group Human Rights Policy

The Kokuyo Group, to present a tomorrow you can't wait for, is helping to build through its business activities a self-directed, collaborative society that keeps addressing socioeconomic issues. We believe that protecting people's dignity and respecting their rights is one of the essential elements for celebrating uniqueness and building a self-directed and autonomous society.

Based on this fundamental stance, the Kokuyo Group hereby establishes the Kokuyo Group Human Rights Policy (hereinafter referred to as "this Policy") to clarify its approach to respecting human rights.

The Kokuyo Group will fulfill its responsibility to respect the human rights of stakeholders in all countries and regions throughout its business activities in accordance with this Policy.

1. Positioning of this Policy

This Policy was formulated based on the United Nations Guiding Principles on Business and Human Rights and presents the Kokuyo Group's approach to respecting human rights in its business activities in accordance with the Kokuyo Group's Code of Conduct.

2. Respect for international human rights standards and compliance with laws and regulations

The Kokuyo Group will support and respect international standards in relation to human rights such as the International Bill of Human Rights (the Universal Declaration of Human Rights, the International Covenant on Civil and Political Rights, and the International Covenant on Economic, Social and Cultural Rights) the International Labour Organization (ILO) Declaration on Fundamental Principles and Rights at Work, the United Nations Guiding Principles on Business and Human Rights, and the United Nations Declaration on the Rights of Indigenous Peoples, and will work toward putting those standards into practice.

Furthermore, the Kokuyo Group will comply with all applicable laws and regulations in the countries and regions where it conducts business activities. When faced with conflicts between internationally recognized human rights standards and the laws and regulations of individual countries and regions, we will pursue methods to maximize respect for internationally recognized human rights standards.

3. Scope of application

This policy applies to all officers and employees of the Kokuyo Group (including regular employees, contract employees, and temporary employees).

Furthermore, the Kokuyo Group will request that all its business partners, including suppliers, understand and support the contents of this Policy, and will work continuously to ensure that this Policy is respected.

4. The Kokuyo Group's responsibility for respecting human rights

The Kokuyo Group understands that its business activities may directly or indirectly impact the human rights of its stakeholders.

The Kokuyo Group will prohibit forced labor, child labor, and human trafficking, respect freedom of association and the right to collective bargaining, prohibit discrimination based on race, ethnicity, religion, nationality, language, age, gender, sexual orientation, disability, and other such characteristics, prohibit all forms of harassment, manage proper working hours and reduce excessive overtime, guarantee equal pay for equal work, ensure payment of the minimum wage and support a living wage, ensure a healthy and safe workplace

environment, protect personal information and privacy, guarantee consumer safety and the right to know, guarantee the rights of workers from overseas, and prevent bribery and corruption. We will commit to not infringing any other internationally recognized human rights of stakeholders in our business activities, and to appropriately addressing any adverse human rights impacts arising from our own business activities in order to rectify them.

Furthermore, when external parties (including all suppliers and other business partners, as well as external organizations and individuals involved in Kokuyo Group business activities) are involved in the occurrence of adverse human rights impacts, we will strive to ensure that we do not directly or indirectly contribute to or become involved in human rights violations. This will include by urging appropriate measures to respect human rights and prevent violations.

5. Implementation of human rights due diligence

The Kokuyo Group will establish a human rights due diligence framework in accordance with the United Nations Guiding Principles on Human Rights to fulfill its responsibility to respect human rights. We will identify human rights adverse impacts on stakeholders arising through our own business activities and supply chain, and continually implement measures to prevent and mitigate such impacts.

6. Rectification and remediation

If it becomes clear that the Kokuyo Group's business activities have caused, contributed to, or been involved adverse human rights adverse impacts, we will work to rectify the problems and provide remedies through appropriate means.

7. Education and training

The Kokuyo Group will reflect the concepts of this Policy in procedures necessary to ensure its full implementation across all its business activities. We will also conduct the necessary education and training to ensure that all Kokuyo Group officers and employees fully understand this Policy.

Furthermore, we will strive to ensure respect for human rights throughout the entire supply chain by thoroughly disseminating the contents of this Policy to all our business partners, including suppliers.

8. Dialogue and consultation with stakeholders

The Kokuyo Group will continually engage in dialogue and consultation with relevant stakeholders and external experts in the series of initiatives based on this Policy.

9. Disclosure of information

The Kokuyo Group will disclose information in a timely and appropriate manner regarding the process and effectiveness evaluation results of its human rights initiatives based on this Policy.

10. Governance structure

With regard to the implementation of this Policy, we will designate an executive officer with responsibility for its execution, establish various policies based on this Policy, and specify and implement detailed measures across the entire Kokuyo Group.

11. Continual review of this Policy

The Kokuyo Group understands that specific issues that should be addressed will change due to social changes, business trends, and other factors. To deepen our commitment to respecting human rights, we will continually review this Policy after engaging in dialogue and consultation with stakeholders and external experts.

This Policy has been approved by the Board of Directors of KOKUYO CO., LTD.

Established: December 1, 2025

KOKUYO Co., Ltd.
Director,
Representative Corporate Officer,
President and CEO
Hidekuni Kuroda

KOKUYO Group Human Rights Policy in Japanese [\[PDF:603KB\]](#)

KOKUYO Group Human Rights Policy in English [\[PDF:153KB\]](#)

Processes in place

| Human rights due diligence

In 2026, we will begin engaging in human rights due diligence (HRDD). We will also create a human rights roadmap for embedding an ongoing process for identifying human rights grievances, taking actions to prevent or mitigate them, and then evaluating the actions to identify how we can improve.

The first process for HRDD, to be undertaken in 2026, will be to conduct a questionnaire survey among group companies and suppliers. In the value chain analysis we conducted at the time we established the human rights policy, we obtained findings suggesting that we need to be mindful of work-related risks such as those related to workplace health and safety and long working hours.

In the HRDD questionnaire survey, we will obtain more precise data about these concerns, including whether the risks exist and what their exact nature is. From these findings, we will derive specific actions to take.

Actions

- Cutting Excessive or Unfair Work >
- No Use of Child Labor or Forced Labor >
- A Safe and Healthy Work Environment (Occupational Health and Safety) >
- No Workplace Bullying or Harassment >
- Personal Information Protection >
- A Living Wage >
- Supply Chain Actions >
- Stakeholder-specific Hotlines >

Respect for Human Rights: Actions

Cutting Excessive or Unfair Work ✓

No Use of Child Labor or Forced Labor ✓

A Safe and Healthy Work Environment (Occupational Health and Safety) ✓

No Workplace Bullying or Harassment ✓

Personal Information Protection ✓

A Living Wage ✓

Supply Chain Actions ✓

Stakeholder-specific Hotlines ✓

Cutting Excessive or Unfair Work

In FY2023, we pledged our commitment to reforming employee management, having identified such reform as a strategic priority. The ongoing reform program has three components: a follow-up process, 1-on-1 consultations, and encouraging leave take-up. The purpose of the reform is to foster an organizational environment conducive to corporate and individual growth.

A follow-up process makes employees more aware of the hours they are working, leading to less overtime and a change of mindset toward their own workstyles.

We have changed rules related to workstyles. For example, we have provided flextime with no core time, added explicit rules about intermittent breaks, and allowed for hybrid work (mixing work from home with office attendance). We also use objective measures to monitor volume of work and hours worked. Occupational physicians help overworked employees manage their time and help.

Employees attend interviews and workshops about workstyles and break style as part of an effort to build an organizational culture with working practices that encourage corporate and individual growth and excellence.

[Reducing Overtime with a New Approach to Employee Management](#) >

[KOKUYO-Style Hybrid Work](#) >

[ESG databook > S-06 Parental leave and nursing care leave, paid leave take-up](#)  [PDF:2MB]

No Use of Child Labor or Forced Labor

We check the job candidate's personal identification documents to confirm their age and never employ anyone under the mandatory age of employment.

To prevent use of forced labor, we only ever employ willing applicants, state the terms of employment (including remuneration) in writing, and provide an orientation program to new recruits.

We always let foreign nationals keep their passports, ensuring that they work in a free and open environment.

A Safe and Healthy Work Environment (Occupational Health and Safety)

We are committed to keeping our employees healthy, happy, and safe at work so that they can perform at their best. As part of this, we have developed safety measures for times of emergency. We also encourage employees to participate in wellness activities and to engage more positively in their work.

[Occupational Health and Safety](#) >

No Workplace Bullying or Harassment

Anti-harassment Training

In line with the KOKUYO Group Code of Conduct, we have a website with educational content on workplace harassment and provide anti-harassment training, including a course for new career-track employees and rank-specific courses.

The website and training programs convey the message that workplace harassment is unacceptable behavior that, as well as stopping the victims fulfilling their potential, harms victims' human rights in that it subjects them to unfair humiliation and personal attack.

All employees undergo annual anti-harassment training once a year in conjunction with Human Rights Week. In this training event, the attendees are briefed about the company's basic approach and presented with case studies to update their awareness.

We also provide a channel for employees to raise concerns about harassment and take other measures to foster an organizational culture in which no employee has to suffer in silence.

ESG databook > S-05 Working hours, unions, training > Career management and training  [PDF:2MB]

Personal Information Protection

We have established the Personal Information Protection Policy to guide efforts to protect personal information.

Policy on Personal Information Protection >

A Living Wage

In remunerating employees, we of course comply with legal requirements on the minimum wage and the payment of such. We also commit to paying a reasonable living wage. To that end, we provide a salary that escalates by year, subject to performance review, and we increase wages across the board above the consumer price index.

In fiscal 2025, the average annual salary paid to KOKUYO employees was ¥7.86 million.

Supply Chain Actions

Rapid economic globalization has given rise to colossal multinationals. Many are extending their supply chains into developing economies in an effort to drive down costs. This trend is creating ever more challenging socio-environmental issues. Examples include human rights issues such as forced labor and child labor, widening inequality, and environmental issues.

Our group will fulfill its social responsibilities together with suppliers and continue contributing to social development.

Supply Chain Management >

Stakeholder-specific Hotlines

For employees, we provide a group-wide whistleblowing hotline (the KOKUYO Group Hotline) for reporting concerns related to compliance or corporate ethics. The hotline is global and accessible to all employees of the global KOKUYO Group, whether they work in Japan or an overseas location.

We also provide a whistleblowing hotline for our supply-chain partners. The purpose of the hotline is to build healthy relationships with our supply-chain partners and to achieve mutual sustainable growth.

For customers, we have the Customer Support Center. The center collects feedback about our products and services so that we can improve the products or services in question.

Stakeholder category	Hotline
Employees	Whistleblowing Hotline: the KOKUYO Group Hotline
Supply-chain partners	The KOKUYO Group Hotline for Supply-Chain Partners
Customers	KOKUYO Customer Support Center* * Japanese Only

Wellbeing Among Communities

To improve wellbeing among external stakeholders, we will accelerate our process for developing products in line with our concept of inclusive design.

We will use Hows Park as a testing ground for us to pilot our inclusive-design initiatives. At Hows Park, a diverse team of individuals will stimulate each other's creativity to develop inclusive products and services.

To help improve wellbeing among diverse groups of individuals and society at large, we will promote to society at large our design methods and the dialogue-based inclusive design approach at our diversity office, Hows Park.

Material Issues and Performance

See Goals and Results: Strategic Theme 1-2.

Goals and Results >

| Hows Design, Our Approach to Inclusive Design

KOKUYO works with Kokuyo K Heart Co., Ltd., (a disability-friendly special subsidiary) and external stakeholders on an inclusive design process. Through this process, we identify social barriers and work on ideas for creating a more inclusive world that embraces individuality. The process, known as Hows Design, is intended to create tangible and intangible goods through a combination of empathy*1 and co-creation.*2

*1 We use interviews, questionnaires, and workshop sessions to discover differences in perspectives and subjective experiences.

*2 We test out prototypes in design workshops and work with the lead users to generate ideas for overcoming social barriers.



Hows Design consists of four processes:

- 1. Identify a social barrier**
- 2. Explore ideas for solving the problem**
- 3. Test product samples**
- 4. Test specific products or services**

Visit the Hows Design website for more information.

HOWS DESIGN * >

* Japanese Only

Actions

| Launch of Hows Park (Diversity Office)

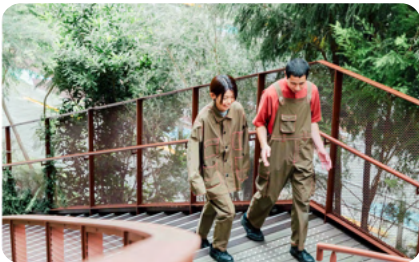
On the first floor of our head office, we built Hows Park, a pro-diversity office that embraces inclusive design. From the first stage of the design process, we engaged in dialogue with a diverse spectrum of lead users, including people with hearing impairment, mental-health problems, and lower-limb conditions, and wheelchair users to ensure that the office would be accessible and inclusive to all. The office serves as a testing ground for putting Hows Design (KOKUYO's concept of inclusive design) into action. We hold many workshops in the office so that a higher percentage of our products are designed through the Hows Design process, contributing to greater inclusion for people with disability and a reduction in social barriers. In 2024, 26.6% of our newly launched products were designed through the Hows Design process (our goal was 20%). The goal for 2027 is 35% (the result in 2025 was 48.8%, indicating that we are on course to this goal). The goal for 2030 is 50%.

Launching Hows Park in a step toward D&I * >
 * Japanese Only



Hows Park accommodates diverse needs with the shape and height of furniture, easy visibility, and comfortable sense of distance.

Hows Design practices



A new form of inclusion: Making cleaning visible* >
 * Japanese Only



Inclusive design requires a continual process of questioning: An interview with inclusive design expert Professor Hirai* >
 * Japanese Only

Hows Design ReleasesHows Design Releases



Campus: An eraser that erases well but is hard to break* >
 * Japanese Only



Campus: A quick-release binder ring* >
 * Japanese Only



Hemming* >
 * Japanese Only



Hangout* >
 * Japanese Only



Easy-Carry ID Card Holder with Band* >
 * Japanese Only



260 ml labelless bottles of Japanese mineral water (from the Tsumagoi highlands)* >
 * Japanese Only

Third-Party Recognition

Six Hows Design products honored in the 2025 Good Design Award* >

Saxa scissors with non-stick blades win top prize at 34th Japanese Stationery Awards* >

Memorization pen set with blue sheet earns IAUD International Design Award* 

Hows Design (our inclusive design process) awarded three stars in Sustainable ☆ Selection 2024* >

* Japanese Only

Together with Employees

Unleashing the creativity of our talent is key to generating new value and addressing social issues. Our business operations depend upon our employees being healthy and safe both mentally and physically and upon our employees flourishing and excelling as individuals. KOKUYO therefore values having an open, speak-up culture and provides training that helps employees unleash their creativity to the full.

Policy

Health and Productivity

KOKUYO Group Health and Productivity Declaration

We have issued the KOKUYO Group Health and Productivity Declaration, which aligns with our sustainability strategy. We commit to building a healthy workplace as this declaration states.

KOKUYO Group Health and Productivity Declaration

To build a self-directed, collaborative society, we will present a tomorrow you can't wait for and lead the way in sustainable business practices. To achieve this, promoting wellbeing both within and outside our organization is crucial.

Three main strategies for improving wellbeing

1. Pitch ideas for new workstyles
2. Promote diversity, inclusion, and innovation
3. Promote employee health and engagement

Wellbeing (a state of being healthy and happy) is critical to building a healthy workplace. We therefore support employees' physical and mental health and encourage employee engagement. In this task, we cooperate with our employees, our health insurance association, and our workforce's labor union, glean insights and best practices for promoting wellbeing in society at large.

Effective Date: October 1, 2019
Revised Date : October 1, 2022

KOKUYO Co., Ltd.
Director,
Representative Corporate Officer,
President and CEO
Hidekuni Kuroda

KOKUYO Health and Productivity Declaration in Japanese [\[PDF:250KB\]](#)

KOKUYO Health and Productivity Declaration in English [\[PDF:102KB\]](#)

Talent Management

Talent Management Policy

The Talent Management Policy describes KOKUYO Group’s best practices and approaches to relating with our employee. We would like to clarify these and utilize them as criteria for drawing out the value of each individual.

Talent Management Policy

The Talent Management Policy describes Kokuyo’s best practices and approaches to relating with our employee. We would like to clarify these and utilize them as criteria for drawing out the value of each individual.

1. **Engage in open, simple and fair organizational management for all to maximize the capabilities of our diverse workforce**
2. **Expect employees of all ages and experience levels to grow and provide talent with capabilities and growth appetite with opportunities to actively take on challenges**
3. **While respecting the career aspirations of each individual, view job transfers as an opportunity to discover and grow one's own unrealized potential, and provide opportunities for diverse activities that transcend departments and countries from a company-wide perspective**
4. **Encourage employees to think about their own career pathways autonomously and provide employees committed to results and growth with the right roles and compensation**

Talent Management Policy in Japanese  [PDF:5.78MB]

Talent Management Policy in English  [PDF:3.87MB]

Occupational Health and Safety

KOKUYO Group Safety and Health Policy



We are committed to providing a safe and comfortable workplace in which employees feel engaged and able to excel to the full.

KOKUYO Group Safety and Health Policy

Our philosophy/belief Safety First!

The KOKUYO Group promotes safety and health initiatives based on our belief that the employee’s individual mental and physical health, in addition to their safety, is the foundation of the company’s sustainable business growth.

Our promise

1. **To comply with the Industrial Safety and Health Act, relevant laws and regulations, and the KOKUYO Group’s guidelines and standards.**
2. **To endeavor to prevent industrial accidents and diseases, while encouraging continuous and proactive workplace improvement.**
3. **To foster an open company culture in which all employees participate, in order to ensure the safety and health of all people involved in the KOKUYO Group business operations.**

Effective Date: April 1, 2017

KOKUYO Co., Ltd.
Director,
Representative Corporate Officer,
President and CEO
Hidekuni Kuroda

KOKUYO Group Policy on Occupational Health and Safety in Japanese  [PDF:223KB]

KOKUYO Group Policy on Occupational Health and Safety in English  [PDF:81.4KB]

Actions

Health and Productivity: Actions



Wellbeing among Employees:
Actions



Talent Management: Actions



Occupational Health and Safety:
Actions



Dialogue with Employees: Actions



Third-Party Recognition

KOKUYO selected for Kenko Investment for Health 2025* >

KOKUYO and Kaunet listed among the “White 500” Outstanding Organizations in the 2025 KENKO Investment for Health Program* >

KOKUYO Marketing listed as an Outstanding Organization in Large Enterprise Category in the 2025 KENKO Investment for Health Program*

KOKUYO awarded commendation prize at the 24th Telework Promotion Awards*

First WELL Health-Safety Rating obtained for multiuse building in Japan* >

* Japanese Only

Related data

Health and Productivity

ESG databook > S-05 Working hours, unions, training* [PDF:2MB]

ESG databook > S-06 Parental leave, paid leave take-up* [PDF:2MB]

ESG databook > S-07 Employee health* [PDF:2MB]

Wellbeing among Employees

ESG databook > S-04 Diversity* [PDF:2MB]

Human Resources Management

ESG databook > S-05 Working hours, unions, training* [PDF:2MB]

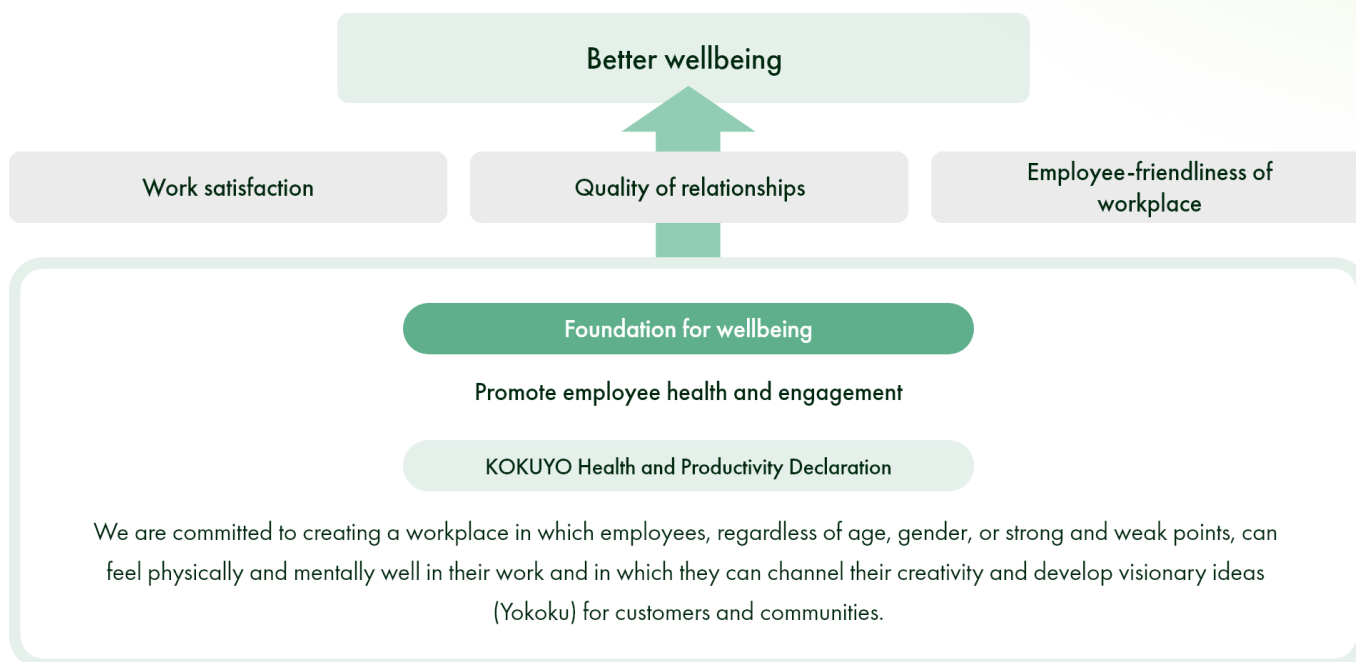
Occupational Health and Safety

ESG databook > S-08 Occupational health and safety* [PDF:2MB]

* Japanese Only

Health and Productivity

We are committed to creating a workplace in which diverse employees feel physically and mentally well in their work and in which they can channel their creativity and develop visionary ideas (Yokoku) for customers and communities. These commitments are central in our efforts to manage employees' health and productivity. Our health and productivity task-team prioritizes three elements of employee wellbeing: work engagement, quality of relationships, and the employee-friendliness of the workplace. The team also develops actions grounded in employees' everyday realities to addresses health and productivity issues that are endemic to Japan, such as the aging workforce and work engagement levels that are lower than those of other countries.



Goals for Employee Health and Productivity, Results in 2024

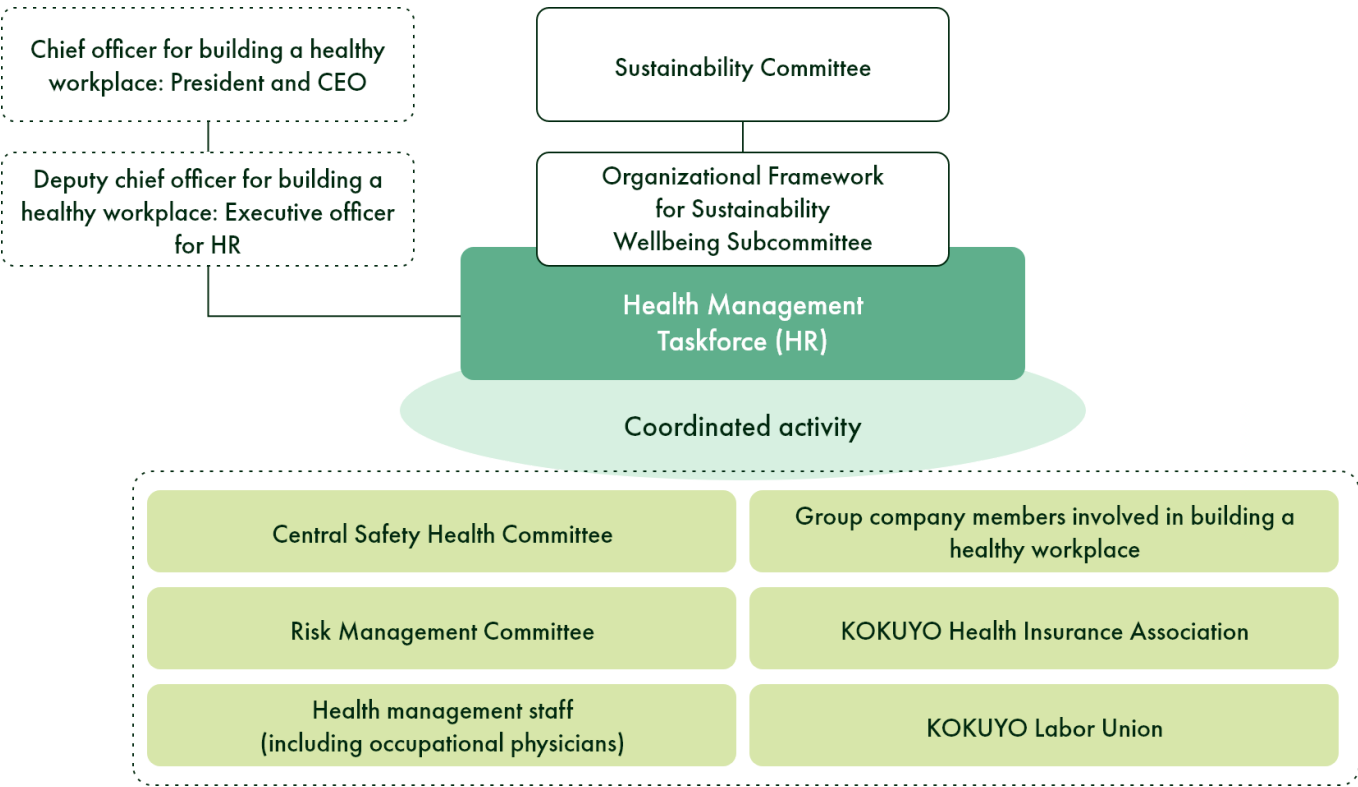
As part of our commitment to health and productivity management, we have set the following KPIs and goals, taking into account the latest circumstances.

KPI	Employee engagement	Presenteeism
Context	Our latest work engagement score is C+ (2.43, deviation value of 54.7). Thus, we will continue to perform above the national average (52.7 as of 2024) and aim for further improvement in work engagement.	Presenteeism is high compared to the national average. Given that past data suggests a strong correlation between overtime and presenteeism, we will focus on reducing excessive work, with the initial goal of bringing presenteeism down to the national average.
Target	2.27 (deviation value of 65, grade B)	15
Initial score (FY2023)	2.47 (deviation value of 53.1, C+)	21.5
Latest score (FY2024)	2.43 (deviation value of 54.7, C+)	21.7

Processes in place

KOKUYO Health and Productivity System

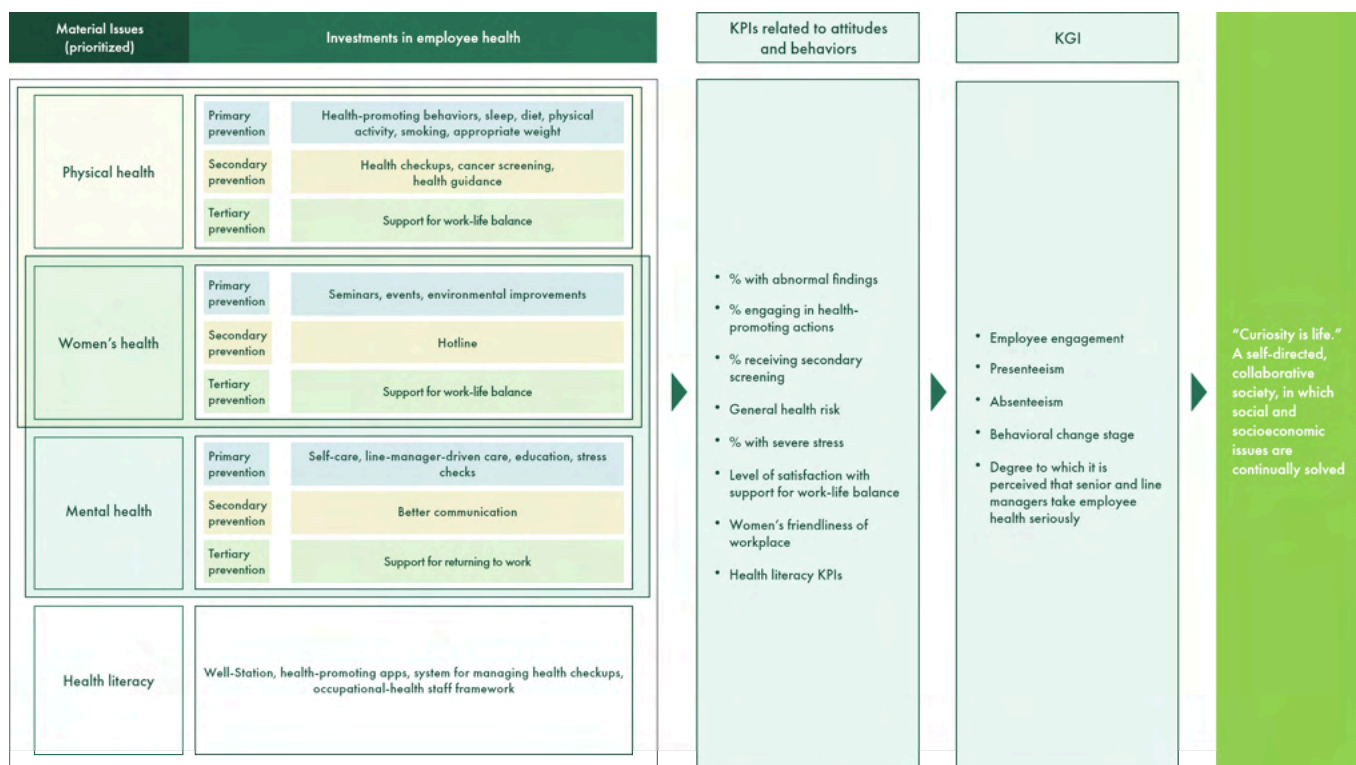
In FY2022, we established the Health Management Taskforce within the Subcommittee for Building an Organizational Framework for Sustainability and Promoting Wellbeing in order to expedite efforts to build a healthy workplace. The following bodies collaborate in managing employee health and engagement: the KOKUYO Group Central Safety Health Committee, Risk Management Committee, KOKUYO's health management staff (including occupational physicians), group company members involved in building a healthy workplace, KOKUYO Health Insurance Association, the KOKUYO Labor Union, and the Health Management Taskforce (HR).



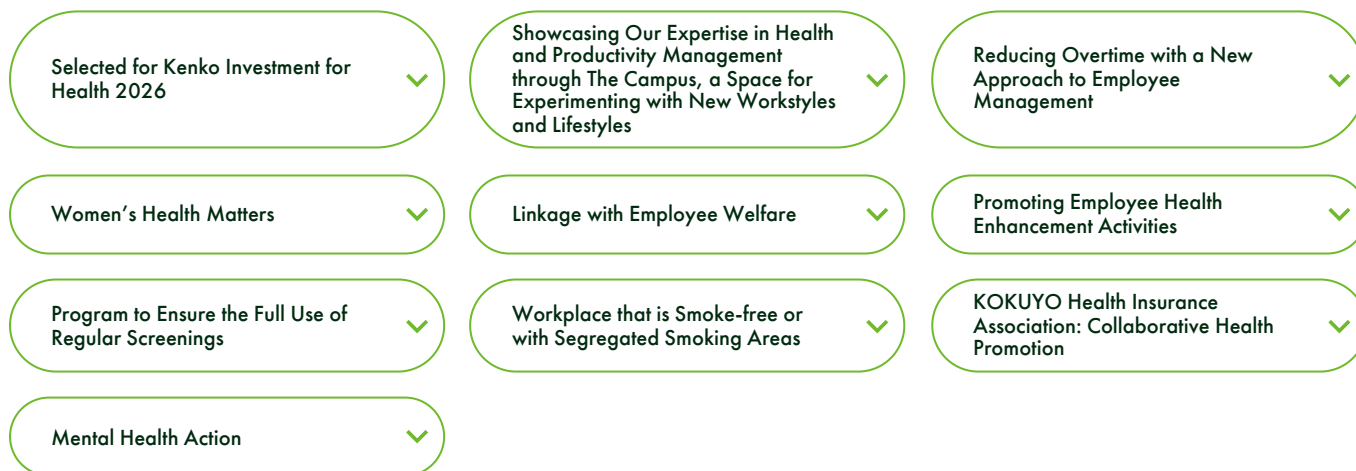
View data on health-promotion performance [here](#).

Strategic Roadmap for Health and Productivity Management

As part of our strategy for promoting employee health, we set out goals, tasks, expected outcomes, and investments.



Actions



Selected for Kenko Investment for Health 2026

KOKUYO, Kaunet, and KOKUYO Marketing were selected for inclusion in the Kenko Investment for Health 2026 under the large enterprise category. For KOKUYO and Kaunet, this was eighth consecutive listing and the ninth overall. For KOKUYO Marketing, it was the seventh consecutive listing. KOKUYO Supply Logistics was selected for inclusion in the Kenko Investment for Health 2026 under the small and medium enterprise category, the first time the company was listed in such. We remain committed to managing employee health and productivity and will continue to improve employee wellbeing.



Showcasing Our Expertise in Health and Productivity Management through The Campus, a Space for Experimenting with New Workstyles and Lifestyles

In February 2021, we opened The Campus in Shinagawa, Tokyo. The Campus is a space for experimenting with new workstyles and lifestyles. The Campus is a space in which people from different professional backgrounds gather to explore and test new ideas to identify the values of the future. It is tied in with KOKUYO'S Next Experience, a project to engage in tasks for solving long-term social issues. We will continue to use The Campus to widely showcase to society the knowledge and know-how of health and productivity management that KOKUYO has put into practice and proposals to protect the mental and physical health, safety and security of employees and visitors.

Reducing Overtime with a New Approach to Employee Management >

KOKUYO-Style Hybrid Work >

ESG databook > S-05 Working hours, union, education  [PDF:2MB]

ESG databook > S-06 Parental leave and nursing care leave, paid leave take-up  [PDF:2MB]

Main Proposals to Protect the Mental and Physical Health, Safety and Security of Employees and Visitors

- **Employees' mental health issues associated with the proliferation of telecommuting, measures to address these issues**
Encourage cross-organizational communication to build new relationships and develop and propose spaces, furniture, fixtures and stationery that are optimized to each user's purpose, which could be to help the user concentrate or immerse themselves in work or to relax.
- **Measures to prevent infectious diseases**
Prevent infection by, among other things, controlling droplet-based, contact-based, and aerosol-based infections, and visualizing the behavior of those infected with diseases using IoT-driven behavioral analysis. and so on.

First WELL Health-Safety Rating*1 obtained for multiuse building in Japan*2 >

The above initiatives have been recognized. The Shinagawa live office and Tokyo showroom in The Campus have acquired the WELL Health-Safety Rating,*1 which evaluates health and safety according to global standards.

*1 The WELL Health-Safety Rating for Facility Operations and Management was launched by the International WELL Building Institute in June 2020 in response to the spread of Covid-19. The criteria in the third-party evaluation include anti-Covid measures, emergency preparedness programs, cleaning and sanitization procedures, and air and water quality management.

*2 Japanese Only



Reducing Overtime with a New Approach to Employee Management

In FY2023, we recognized that we could only achieve growth over the medium and long term if senior and middle managers take urgent action to reform our approach to employee management. With this strategic awareness, we take an approach to employee management that emphasizes accompanying the employee.

Under this approach, we began trialing 1-on-1 meetings with senior managers and other managers for addressing issues that arise in the course of business operation. Guided by the insights from the trials, we finalized an official 1-on-1 format for KOKUYO along with a work follow-up process for fixing imbalances in work assignments and making the workplace conducive to high-market-value work. Each hierarchical layer has a defined set of roles and responsibilities. The senior leadership engages actively with team members, enabling the management to predict man-hours and obtain timely insights. In this way, the issues employees experience are dealt with quickly. The new approach to employee management has proved effective. Overtime hours have significantly reduced and that has led to changes in how time is used.

We will keep working to entrench this initiative in FY2025. At the same time, we will engage in such efforts to lower the barriers to taking vacations.

Women's Health Matters

Context

Previously, we had not done enough to build a women-friendly workplace. Employees complained that the workplace was women-unfriendly and that it was hard for women to balance work with family commitments.

With young women making up a relatively large share of our workforce compared to that of the average company in Japan, more employees than before have experienced life events related to women's wellness (such as hormonal disorders, maternity, and motherhood).

Accordingly, in FY2023, we made a concerted effort to address these concerns. We committed to helping women balance their work and private life and to supporting women's health and wellbeing. We also made a focused effort to build a more women-friendly workplace.

Actions

- We provided a health advice service led by an occupational physician with expertise in women's health.
- We established the Wellness Station to improve contact between a public health nurse and employees. We also provided a channel whereby employees can easily reach out to occupational health professionals.
- To address the health-related obstacles to empowering women in the workplace and make the workplace more gender inclusive, we organized a seminar led by an inhouse occupational physician. The seminar was about women's health matters such as premenstrual syndrome, menopausal challenges, cervical cancer, and breast cancer). Male employees were also encouraged to actively participate in the events.
- We organized events (seminars, workshops, and a get-togethers with mentors) for employees with concerns about life events such as childbirth and parenting.
- Providing for women's sanitary needs: With the support of Kao's Laurier in the Workplace project, we provided, on a test basis, sanitary pads in the restrooms of the head office.
- For women aged 40 or above, we expanded breast cancer screenings and established a subsidy program through KOKUYO Health Insurance Association. In the screening program, a mammography van and an ultra sonographer visit the Shinagawa head office and the Shibayama and Mie plants to screen employees there.

| Linkage with Employee Welfare

Health is the key principle in Play Work Mileage, our choice-based program of employee welfare. Play Work Mileage supports employee health in the following ways.

It encourages employees to invest in their own health

Employees can redeem points against expenses they incur in promoting their health, including expenses for optional examinations for comprehensive medical checkups, medical bills, and the cost of various health supplies. In FY2024, our employees redeemed a collective total of approximately 211 million yen in points.

| Promoting Employee Health Enhancement Activities

We operate a program that records employees' health-promoting actions and allots points according to such records. The points can be redeemed for subsidies under the aforementioned choice-based program of employee welfare. The aim of this program is to encourage employees to make a habit of engaging in light exercise, walking, and similar routines with an awareness of their health in their daily lives. We have also been running the Walking Campaign for a limited time to encourage even more employees to participate in the program such as by competing over which team walks the greatest number of steps. We ran a wellness program which provides seminars, surveys and individual guidance by trainers in a set to improve and enhance the health literacy of employees about physical ailments.

| Program to Ensure the Full Use of Regular Screenings

This is a program to support employee health. We hold seminars with occupational physicians before and after employees undergo their regular health checkups so that the results of those checkups can lead to improvements for the next time. We hold these seminars online so that the families of employees can also participate in them.

| Workplace that is Smoke-free or with Segregated Smoking Areas

Data from Japan Tobacco's annual Japan Smoking Rate Survey indicates a high rate of smoking among male employees in our corporate group. On April 11, 2020, Japan banned indoor smoking with some exceptions. In conjunction with the ban, we banned smoking on all KOKUYO sites in Japan. We continue our efforts to raise employees' awareness of the risks of smoking.

ESG databook > S-07 Employee health [PDF:2MB]

| KOKUYO Health Insurance Association: Collaborative Health Promotion

The KOKUYO Health Insurance Association collaborates with KOKUYO in promoting employee health. This collaboration includes delivering health checkups and cancer screenings.

- The association uses the network health checkup service to enable its members to receive health checks (including a general health check known as a ningen dock) at medical institutions nationwide. Members' families can receive a health checkup at the same medical institution.
- In 2022, the association started providing KOKUYO with a subsidy for colorectal cancer screenings. We integrated the subsidized screenings into our health checkup program so that all employees have the screenings.
- The association has raised the maximum amount of subsidy for breast and cervical cancer screenings.
 - In 2020, it raised the maximum amount of subsidy for actual expenses incurred in breast cancer screenings.
 - In 2023, it raised the maximum amount of subsidy for actual expenses incurred in cervical cancer screenings.

- In 2023, the association started subsidizing prostate cancer screenings.
- In 2023, the association started mailing HPV and PSA test kits.
These test kits are for members who do not receive a subsidy for cervical or prostate cancer screenings.

The association works with KOKUYO to provide a round-the-clock counseling service for physical and mental health concerns. It also provides counseling services related to general health, medical care, long-term nursing care, parenting, and mental health. In 2023, it launched a health app that encourages health-promoting activities (regular exercise, healthy diet, sleep hygiene).

Mental Health Action

We conduct an annual stress check as required by law.

To promote a culture of self-care, in which employees feel comfortable asking for help after the stress check, we have introduced the Employee Assistance Program. This externally run program encourages employees to recognize the warning signs and symptoms of stress and to seek preventive health services at an early stage.

We have been conducting the pulse survey monthly since 2021. The purpose of this is to promote fixed-point observation of issues in ways of working and workplaces and to encourage dialogue in teams to build even better organizations.

We identify issues that we will tackle with priority and measures to deal with those issues by business and human resource departments engaging in dialogue while comprehensively looking at the survey results and personnel and organizational data.

ESG databook > S-07 Employee health [PDF:2MB]

Wellbeing among Employees

To help improve wellbeing, we will promote work-life balance, new workstyles, and a diverse workplace (inclusive of gender, disability, and nationality) that produces innovation.

As a pioneer of new and better workstyles and lifestyles, we both propose new workstyles and embrace diversity, inclusion, and innovation in our own workplaces so that our employees will feel engaged and bring their authentic selves to work.

Material Issues and Performance

See Goals and Results: Material Issues 1-1.

Goals and Results >

Actions

Workstyle Reform

KOKUYO-Style Hybrid Work	Shift to mindset that values employees' disposable time	Programs for Workplace Diversity
Enabling Work-Life Balance	Flextime in Distribution Centers	Partnerships with External Organizations

Diversity and Inclusion

Employing People with Disabilities	Embracing Diversity	Helping Employees Build Diverse and Fulfilling Careers
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| Workstyle Reform

KOKUYO-Style Hybrid Work

In 2022, we launched KOKUYO-Style Hybrid Work. This program honors diversity while encouraging employees to engage in workstyles that improve the productivity and creativity of the team as a whole, so that personal growth can accompany team outcomes. KOKUYO's distinctive workstyle model is practiced by supporting each employee's "life-based working," a term we use to describe a situation in which the one's workstyle, learning style, and lifestyle are balanced and embody one's uniqueness. For example, employees choose one of three workstyle categories (office-based, balanced, home-based) and then decide with their supervisors on a workstyle that will best suit their individual and team performance. Teams regularly review members' workstyles to see how they can improve. With the workplace expanding, we provide employees with a satellite-style multipurpose space, known as n.5 (pronounced "enu-ten-go"). The space may be used as a satellite office, but it can also be used for activities for employees to engage independently in practices related to personalized work life, study life, and home life. Employees use n.5 for a variety of purposes, including for self-led seminars and other self-organized events.

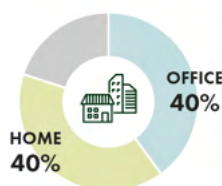
Coming into the office four or five days a week

Office-based



Coming into the office two or three days a week

Balanced



Coming into the office once a week at most

Home-based



Shift to mindset that values employees' disposable time

To help employees gain more disposable time, we are transforming employee management with new approach to workstyles and time allocation, focusing on three themes: follow-up process, 1 on 1, and leave support.

For the follow-up process theme, supervisors keep track of members' work with timely follow-ups and then modify work schedules and reallocate resources as necessary. This process helps standardize workflows and improve efficiency at each organizational unit. Alongside this, we have set days for which we encourage employees to take paid leave and encourage employees and their supervisors to hold dialogues about strategic take-up of leave.

Such dialogue will only be effective if there is an open organizational culture, enabling transparency in relationships.

We have examined the kind of 1-on-1 sessions that best suit our organization (the frequency of the sessions, the settings in which they are held, and the tools used), resulting in the KOKUYO 1-on-1 model, which we have rolled out across our organization. We also hold communication events across divisional boundaries.

We are also actively committed to reforming workstyles in the logistics industry. KOKUYO Supply Logistics and KOKUYO Logitem have introduced flextime for distribution center staff and all other employees.

With flextime, employees exercise autonomy in deciding which hours they work according to busy and slow periods. This contributes to wellbeing by freeing up disposal time and by reducing physical and mental strain.

Take-up of paid leave: Seven main group companies in Japan*



For the years between 2021 and 2024, "main group companies in Japan" refers to the following five companies: KOKUYO Co., Ltd., Kaunet Co., Ltd., KOKUYO Marketing Co., Ltd., KOKUYO Supply Logistics Co., Ltd., and KOKUYO Logitem Co., Ltd. For 2025, it refers to seven companies: the five companies listed above plus Kokuyo & Partners Co., Ltd., and Actus Co., Ltd.

Programs for Workplace Diversity*

We are going further to support the careers of diverse employees and accommodate their needs associated with each life stage.

Maternity leave	Pregnant employees are entitled to a leave of absence for a period lasting from six weeks before the due date (14 weeks if a multiple pregnancy) to eight weeks after it.
Spouse's leave	Employees whose spouse is pregnant are entitled to two days' leave around the due date.
Parental leave	Employees are entitled to a leave of absence to care for their children until the child's 2nd birthday (if the child's second birthday falls in April, until the end of that April).
Sick child leave	If employees have any children who have not yet graduated from grade 6 of elementary school, they are entitled to five days of leave a year or, if they have multiple applicable children, 10 days of leave a year (the leave can also be taken on an hourly basis). Taking such leave has no impact on wage or bonus.
Nursing care leave	Employees are entitled to take, for each care dependent, up to three periods of leave totaling no more than 183 days.
Short nursing care leave	Employees are entitled to take, for each care dependent, five days of leave a year or, if they have multiple care dependents, 10 days of leave a year (the leave can also be taken on an hourly basis). Taking such leave has no impact on wage or bonus.
Shorter hours	Employees with children are entitled to take shorter work schedules until the children complete grade 3 of elementary school. Employees who are caregivers to dependents with long-term care needs are entitled to take shorter work schedules for up to three years per dependent.
Wellness leave	This is an updated form of menstrual leave. It now covers employees who require leave for menstrual pain or maternity checkups and to men and women who require leave for infertility treatment.
KOKUYO-Style Hybrid Work	We promote a mixture of home and office working.

Complete flextime (with no predetermined core period)	We encourage employee productivity with flexible work hours.
Re-employment system for employees who voluntarily resigned	We run a returnship program to help reintegrate into the workplace regular employees who resigned because of marriage, childbirth, childcare, nursing care, spouse relocation, overseas study, charity work, a career change, or other valid personal reasons. We believe that bringing in outside experience and insight further increases the diversity of our organization.
Re-employing mandatory retirees	We have in place a system that, in principle, allows employees who wish to work at the KOKUYO Group after retiring at the mandatory age of 60 to continue working as senior employees. Through this initiative, the retirees get opportunities to continue a professional role in society after mandatory retirement. In return, they use their experience and knowledge to help younger colleagues develop.

* These programs apply in KOKUYO and major subsidiaries.

ESG databook > S-06 Parental leave and nursing care leave, paid leave take-up  [PDF:2MB]

Enabling Work-Life Balance

The KOKUYO Group endeavors to create an employee-friendly working environment with consideration for the work-life balance. These initiatives have been recognized. Three companies* in our group have acquired the Kurumin Mark.

The Kurumin Mark certifies that the company or organization in question is an active supporter of working parents. The certification system is run by the Ministry of Health, Labour and Welfare as part of the ministry's efforts to address the nation's declining birthrate. It is provided for in the Law for Measures to Support the Development of the Next Generation.

* The companies which have acquired the Kurumin Mark are KOKUYO Co., Ltd., Kaunet Co., Ltd., and KOKUYO Marketing Co., Ltd.



Flextime in Distribution Centers

The distribution industry faces a number of labor challenges. For example, restrictions on truckers' overtime will come into effect in Japan in 2024. To address the challenges, KOKUYO Group has embraced workstyle reform.

It is generally believed that flextime is unfeasible for the distribution industry. Nonetheless, KOKUYO Logitem introduced flextime for back-office staff in 2009 and then for distribution center staff in 2022.

As well as prompting a higher uptake of flextime in delivery operations, KOKUYO Logitem has set a best-practice model for the industry.

In 2023, KOKUYO Supply Logistics introduced flextime for distribution center staff and all other employees.

With flextime, employees exercise autonomy in setting their work schedule according to the level of work demand. This frees up disposable time and reduces physical and mental strain. It also sets a good example of flexible workstyle practices for the industry.

KOKUYO Logitem's news page 

KOKUYO Supply Logistics' news page 

Partnerships with External Organizations

In 2023, KOKUYO earned an award from the Japan Telework Association, an organization dedicated to promoting telework as a workstyle that uses digital technology to remove restraints of time and place.

In an effort to explore new work options, we participate in a public-private council on telework and workations. The council was established to promote workations and build up the number of workation practitioners.

We have been member of the Iku-boss Corporate Alliance (Sponsored by Fathering Japan) ever since the program began in December 2014.

Members of this alliance share best practices for ensuring that supervisors, in their efforts to empower their subordinates and deliver positive outcomes for the organization, are sensitive to subordinates' need for work-life balance. Through our membership of the alliance, we gain opportunities to rethink approaches to diversity management and organizational culture.

Diversity and Inclusion

Employing People with Disabilities

KOKUYO has been an active employer of people with disabilities ever since 1940. In that year, KOKUYO started recruiting students from a school for the deaf in Osaka (now known as Chuo School for the Deaf). The students were employed in the company's factory in Imazato, which stood on the site of what is now our Head Office.

A turning point in our policy for employing people with disabilities came in 2002, when we unveiled a program of structural reform. This reform program involved spinning off our business units into new companies. A question we then faced was how to provide jobs in the new group companies for people with disabilities. In September 2003, we founded KOKUYO K Heart Co., Ltd. as a "special subsidiary" (meaning a disability-friendly employer that is counted as part of the parent company).

In December 2006, we founded Heartland Co., Ltd., a subsidiary devoted to employing people with intellectual or mental disabilities. As of June 1, 2025, people with disabilities make up 2.59% of the group's workforce.

ESG databook > S-01 Employee composition: No. of employees with disability

 [PDF:2MB]



Heartland Co., Ltd. is a special subsidiary of KOKUYO. It employs local people with disabilities and specializes in the running of agriculture. It creates employment for a total of approximately 7,000 people with disabilities annually.

Embracing Diversity

Believing that talent diversity is essential to creativity, we maintain a rough gender parity when hiring fresh graduates and actively hire people who already have career experience.

The Campus (our office in Shinagawa, Tokyo) embraces diversity and inclusion. It has an all-gender bathroom that LGBTQ+ people or anyone can feel comfortable using.

It also has a nursing room (accessible to men as well as women) and a multi-faith prayer room.

To help empower diverse talent, we operate the KOKUYO Academy, a talent-development institution that focuses on training up leadership talent to manage our businesses.

As part of our efforts to provide a workplace in which employees with family care needs feel supported, we have updated our support measures for balancing career with family care commitments, provided an in-office playschool for when schools break for spring and summer, and allowed the option to bring children to the office. We are verifying real changes in the workstyles of such employees.

Helping Employees Build Diverse and Fulfilling Careers

Among our metrics for measuring empowerment of diverse employees in the workplace is a material goal: 16% of management posts to be occupied by women in 2027.

We also provide support measures to help employees balance work with family care commitments. Such support helps prevent the career bottleneck that employees can experience when they take time away from work to look after children or care for an elderly relative.

We extended the coverage of leave to care for a sick or injured child so that employees can now use it until their child is in the sixth grade of elementary school.

We also relaxed the requirements for family care leave. Additionally, we offer the new workstyle option of bringing their children to the workplace.

We organize a Life & Career Day. The event features talks by guest speakers from pioneering companies about balancing work with parenting, encouraging men to take paternity leave, and other topics. It also features a panel discussion by employees. For junior employees and their supervisors, we have KOKUYO Career Dock.

KOKUYO Career Dock includes two programs run simultaneously. One is a self-development program for the junior employees. The other is a program for training subordinates attended by the employees' supervisors. KOKUYO Career Dock is designed to foster a common understanding between supervisors and subordinates about career growth and challenge-taking.

The training programs are also attended by senior managers to encourage the junior employees to commit to professional development and their supervisors to support their development.

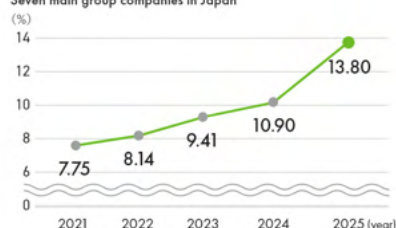
These efforts earned KOKUYO the Eruboshi Certification, which honors companies that commit to empowering women in the workplace.

However, this accolade has not made us complacent. We recognize that we have more work to do in empowering women in the workplace. Of particular concern is the gender disparity in years of service among engineering staff at factories.

We will continue to help employees develop their potential and forge fulfilling careers.



Percentage of management posts held by women:
Seven main group companies in Japan*



* For the years between 2021 and 2024, "main group companies in Japan" refers to the following five companies: KOKUYO Co., Ltd., Kaunet Co., Ltd., KOKUYO Marketing Co., Ltd., KOKUYO Supply Logistics Co., Ltd., and KOKUYO Logitem Co., Ltd. For 2025, it refers to seven companies: the five companies listed above plus Kokuyo & Partners Co., Ltd., and Actus Co., Ltd.



Bringing children to work



An event for thinking about the career-life balance

Talent Management

We can only succeed in our long-term vision and business strategies if we empower the necessary talent. That is why our basic approach to employee management is to support both employee growth and business growth. In other words, we support a growth cycle that both expands the reach of our business fields and expands the potential of every employee. We have established the Talent Management Policy to enshrine a common understanding between senior management and employees on the values and principles Kokuyo Group should observe when engaging with individuals.

Actions

Creating a Cyclical Process of Employee Growth and Business Growth ✓

Actions in Line with Talent Management Policy ✓

Yokoku for Increasing the Value of Our Organization ✓

20% Challenge: Internal Moonlighting ✓

KOKUYO Marketing University and KOKUYO Marketing Graduate School ✓

Creating a Cyclical Process of Employee Growth and Business Growth

We aim for a cyclical process of employee growth and business growth. This approach balances two goals: expanding our business portfolio to cultivate a diverse ecosystem of businesses, and allowing individuals (our talent) to expand their career opportunities.



Actions in Line with Talent Management Policy

Recognizing that our employees are a social assets, we engage closely with every employee to unlock their potential for driving business growth and creating positive social impacts.

Providing opportunities for all employees to shine

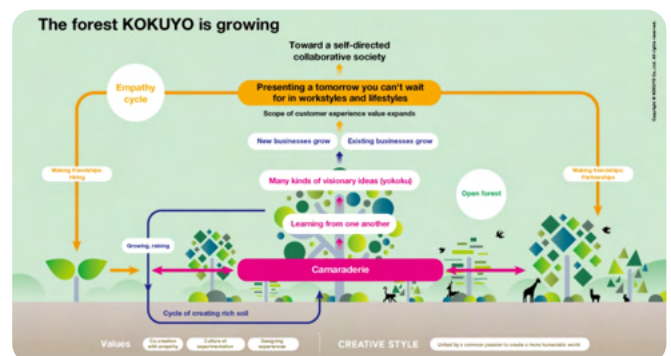
A broad spectrum of employees (young to senior) volunteer for the 20% Challenge (internal moonlighting), gaining experience of working in another part of the organization.

	In 2024, we started supporting talent fluidity, an important measure for career support. We offer many opportunities to work in another division or other country. We believe that such redeployments help employees uncover their hidden potential and grow, provided that the person's career preferences are respected.
Maximizing the speed of growth in talented and passionate employees	In 2024, we opened a talent-development institution called KOKUYO Academy. The idea behind KOKUYO Academy is to give attendees an idea of yokoku (the passion and ambition to create a better tomorrow) as the source of corporate and personal growth and to help them refine the leadership and creative skills they need to put such yokoku into practice. We also have a number of training programs to support employee growth. For junior employees and their supervisors, we offer KOKUYO Career Dock, which consists of two programs run simultaneously. One is a self-development program for the junior employees. The other is a program for training subordinates attended by the employees' supervisors. KOKUYO Career Dock is designed to foster a common understanding between supervisors and subordinates about career growth and challenge-taking. The training programs are also attended by senior managers to encourage the junior employees to commit to professional development and their supervisors to support their development. To help cultivate a globally fluent leadership team, we established Global Challenge Trainee, a new status for junior employees who will take on tough assignments overseas. Our talent management system is designed so that employees can step up the career ladder regardless of their age or years of experience.
Nurturing leadership talent for leading team-based value creation	The task of nurturing individual leadership talent is not left entirely to employees' immediate superiors. It is a job shared by other senior staff around the person, managers of other divisions, and by HR. At the Talent Development Committee, members discuss career advancement and growth opportunities for individual employees, considering multiple perspectives. All career-track staff receive 360-degree assessments to provide feedback about their leadership performance. They also attend workshops to further develop their leadership skills.
Helping employees build diverse and fulfilling careers	To prevent situations in which employees are forced to give up their career because of childcare commitments or family care commitments, we have revised our systems and improved our programs for helping balance career with such commitments. • For employees on flextime, we have added explicit rules about intermittent breaks • We have extended the coverage of leave to care for a sick or injured child so that employees can now use it until their child is in the sixth grade of elementary school. We have also relaxed the criteria for caregiver leave. • We provide a babysitting subsidy, allow employees to bring their children to work, and provide an in-office playschool. We have also revised our personnel evaluation approach for employees on maternity or parental leave so that their leave does not create a blank period in their record. We track the skills employees are accumulating over time and provide continual feedback to support the person's growth. To give middle-aged and senior employees greater autonomy over their careers, we have partially eased our prohibition on working second jobs. Believing that employees should take the initiative in their career and growth, we are providing the support measures to facilitate such self-driven action and improve the value of our talent.

Yokoku for Increasing the Value of Our Organization

Creative yokoku by diverse talent is key to creating the new value expanding the reach of our business fields. We define yokoku as the passion and ambition to create a better tomorrow.

We excel in value creation because our employees are sensitive to the problems our customers face and their resolve, or yokoku, to address these problems in creative ways. We maximize this strength by shining the spotlight on each employee, bringing out their uniqueness and talent to the full, and by nurturing the leadership skills to put yokoku into action. Alongside this, we foster an open organizational culture that encourages employees to express their yokoku and a workplace environment that emphasizes bonding and solidarity among diverse employees who share the yokoku spirit.



We run the Yokoku Workshop to encourage yokoku among our employees. Employees discuss yokoku and learn about each other's ideas and goals, fostering a mutually supportive environment. At the workshop in 2025, 1,151 employees presented their yokoku ideas and goals. At the team workshops, 93 teams (a total of 403 employees) developed a team yokoku.

20% Challenge: Internal Moonlighting

In 2020, to promote an empowered workplace in which employees actively pursue opportunities for professional development, we launched 20% Challenge, a program of internal moonlighting in which participants spend 20% of their working time engaging in a job for another organizational division.

Organizational divisions issue recruitment notices for certain jobs ("challenges"), employees apply for them, and the head of the division in question works with the HR team to find the right candidate.

The program runs for three to 12 months, and participants' initiatives and their contributions to the company and to external stakeholders count toward their individual personnel evaluation. To date, approximately 500 employees have participated.

These participants stepped across business and organizational boundaries to engage in challenges such as market research for overseas businesses, strategy support, R&D project anticipating the future of digital learning, and raising employees' eco-awareness.

The idea is that employees try to divide their time 80–20 between their normal work and the new assignment, a ratio that is ideal for raising workplace productivity without compromising one's normal work. Through this program, we visualize workplace activity. We then identify aspects to rectify or recalibrate through dialogues among the employees concerned and their managers and HR.

		2021	2022	2023	2024	2025
Employees who have participated in the 20% Challenge	Annual total	68	60	77	112	125
	Cumulative total	129	189	266	378	503

KOKUYO Marketing University and KOKUYO Marketing Graduate School

KOKUYO Marketing University is a project-based training program for employees who graduated from university between three and 12 years ago. The program teaches attendees to consider customers' perspectives and to develop ideas that tap into an unmet need.

The attendees acquire knowledge about marketing and strategic planning. They then apply their knowledge right away in a project in which they create a product concept. Under the guidance of external corporate strategists, they spend around half a year perfecting the product idea and then present it to the management.

Since the program began in 2017, more than 200 younger employees have taken on a project related to development, planning, or another area.

The program continues to provide a starting point for employee development and action. For example, attendees can enhance their learning by making use of the program's mentorship system, in which they receive support from graduates of the program. Additionally, attending the program leads to positive changes in workplace outputs and encourages the employees to accept an offer of redeployment and the fresh challenges it brings.

KOKUYO Marketing Graduate School is a program for mid-level leaders, who are aged between 30 and 49. The program is designed to equip these employees with strategic acumen, including the ability to objectively forecast future scenarios.

During the program, attendees are presented with 10-year business themes determined by the management. Under the guidance of external marketing professionals, they spend around nine months engaging in team work to perfect their growth strategy for KOKUYO and then present it to the management.

Since the program's launch in 2019, more than 140 employees have participated.

Many of the program graduates are playing an active part in the company after seizing opportunities to take on the challenge of an even larger role such as through company-wide projects after completing the program.

		2021	2022	2023	2024	2025
KOKUYO Marketing University participants	Annual total	25	25	25	24	25
	Cumulative total	118	143	168	192	217
KOKUYO Marketing Graduate School participants	Annual total	26	20	20	20	16
	Cumulative total	73	93	113	133	149



A group discussion at KOKUYO Marketing University



A final presentation at KOKUYO Marketing Graduate School

Occupational Health and Safety

We are committed to providing a safe and comfortable workplace in which employees feel engaged and able to excel to the full. Our integrated package of health and safety programs includes safety training for preventing occupational accidents. It also includes programs to support employees' physical and mental wellness, so that employees continue to feel engaged in their job.

Processes in place

System for Occupational Health and Safety

We want employees to feel engaged in their job and to reach their full potential. A necessary condition for this is providing employees with a safe, secure, and pleasant working environment, with safety measures in place for times of disaster.

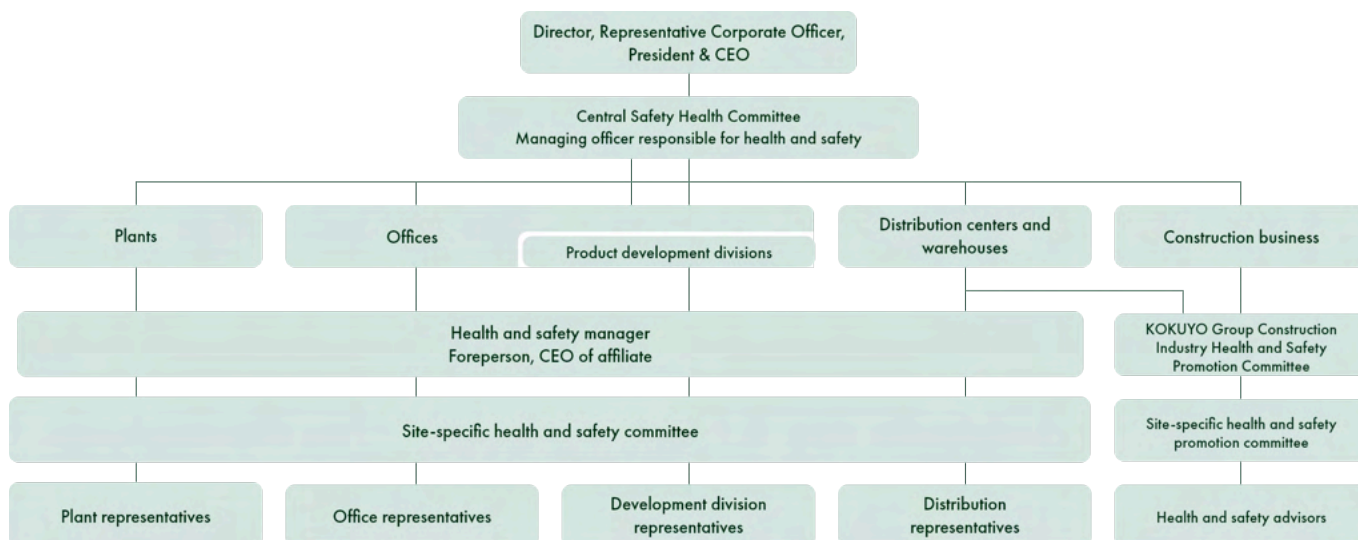
On this belief, the KOKUYO Group Central Safety Health Committee—which has the function of overseeing safety and health within the KOKUYO Group—coordinates with the health and safety committee of each workplace to establish the necessary systems and processes for employee safety, incorporating the opinions of employees themselves.

We engage in health and safety efforts on a daily basis with the goal of reducing occupational accidents to zero.

We participate as a board member company in the labor standards association and job-creation association at the head office location to stay up to date with latest announcements and guidance from public authorities so that we avoid violating the Labor Standards Act.

We also have a dedicated internal team that monitors regulatory developments to ensure that we comply with the latest regulations and manage regulatory risks effectively.

If an occupational accident or incident does occur, it will be reported to senior management without delay so that steps can be taken to minimize the risk impact.



ISO 45001 Certification

We have a system in place for managing occupational health and safety in compliance with legal requirements applying in the territories where we operate. The system includes organizational processes for protecting employee safety. It also includes group-wide processes for cases where an occupational incident occurs. These incident processes ensure the timely communication of information and ensure that processes are rectified as necessary in light of such information.

As of May 2026, two KOKUYO Group companies have obtained ISO 45001 certification: KOKUYO Camlin Ltd. and Dongguan Lamex Furniture Co., Ltd.

Actions

Plant Safety Checks, Safety Awareness Survey

Between early 2025 and February 2026, we conducted two major initiatives to reappraise safety levels from a more impartial and multifaceted perspective as part of our perennial commitment to zero occupational accidents. The first initiative was a plant safety checkup. We hired a third-party expert to conduct the checkup at 11 plants of five companies in Japan. We actively incorporated the third-party expert's observations, giving us an impartial eye on the easily missed risks lurking in everyday workflows.

Guided by the expert advice, we will take the necessary measures in both hard and soft infrastructure to expedite our pursuit of safety excellence.

The second initiative was a safety awareness survey. We hired a third-party organization to conduct the survey among employees working in manufacturing and distribution workplaces.

The survey results indicated that, on the whole, safety awareness and safety behavior are well entrenched among the employees.

The results also revealed a clear correlation between the quality of safety behavior and the degree of intra-organizational communication.

The correlation implies that workplaces with fluid communication have a better safety culture.

In light of this finding, we will improve both structural and cultural aspects of safety.

Incorporating employee feedback, we will develop effective safety structures and foster a communicative organizational culture so that employees can always feel safe and secure in their workplace.



Management Training for Engineering Staff

To facilitate the communication and problem solving necessary for safety, the KOKUYO Group Central Safety Health Committee and KOKUYO Academy run a talent development program for plant engineering staff with medium and long term time horizons.

The learning content is tailored to rank. For managers, the program includes coaching. For employees with potential to become leaders in the future, it includes communication training and problem-solving tasks.

It also includes repeated workshops in which such future leaders practice expressing their ideas and communicating with others. With such content, attendees master the process for solving problems in the workplace and gain a clearer understanding of how to be a leader.

The training program is being rolled out to other workplaces across KOKUYO Group to encourage cross-business interactions and knowledge sharing, which will foster a more dynamic organizational culture.

KOKUYO Group Safety Conference

During Japan's National Safety Week* (July 1 to 7 every year), we organize safety conferences to enhance safety-consciousness in manufacturing, construction, and product development workplaces across KOKUYO Group. The conference programs are intricately designed for each region.

The 2025 conference included presentations about cases that occurred during the year and instructions about preventing similar cases. It also included a presentation of awards to commend excellence in health and safety and a transport safety seminar.

Each conference concludes with a pledge to make the ensuing year incident-free.

* Run by the Ministry of Health, Labour and Welfare and the Japan Industrial Safety & Health Association, National Safety Week is a campaign that calls upon employers to take voluntary actions to prevent workplace injuries. It also aims to raise awareness about health and safety and entrench workplace safety.



Dialogue with Employees

We encourage close communication between the management and employees so that, by 2030, we will be an organization of diverse employees empowered to create new value that addresses social issues. To foster such communication and dialogue, we are building an open, speak-up culture in which members with differing values and perspectives feel confident in trying out new ideas.

Actions

In-house Awards Program (The Awards) ✓

Townhall Meetings ✓

Employee Satisfaction Survey (stress check) ✓

Pulse Survey ✓

Working with Union Toward Our Vision ✓

| In-house Awards Program (The Awards)

In 2023, we launched an in-house awards program called The Awards. The program celebrates not only the end result but the process, contributing to a comradely atmosphere of mutual respect and encouragement.

In 2025, the third year of the program, the following two awards were conferred along with the President's Award to honor contributions that increase KOKUYO's value.

Six of the winning teams presented their initiatives in an event called Great Job Story, which was also held in the previous year.

In the presentations, the award recipients told their stories in their own words, with dramatic peaks and troughs and some comical touches. The stories conveyed KOKUYO's distinctive culture across the Group.

The Awards 2025 was a truly global event. It was beamed online to employees in China, India, and ASEAN, enabling employees across borders to share in the celebrations of one another's successes.



YOKOKU Award

This accolade honors teams and projects that engage in Yokoku experiments.

Most Valuable Person (MVP) Award

This accolade honors employees who create value in multiple ways and who positively impact others.

| Townhall Meetings

Townhall meetings are occasions for frank and open conversations between the management and employees.

In 2025, 11 townhall meetings were held in seven locations between division managers and their subordinates. With 2025 being year 1 of the fourth medium-term plan, the meetings focused on how to enhance efforts to achieve the strategic goals set out in the medium-term plan.

| Employee Satisfaction Survey (stress check)

We conduct an annual stress check as required under law.

By analyzing the responses, along with overtime data and interview data, we identify issues. With this information, HR liaises with the organizational units in question to facilitate dialogues aimed at prompting self-led solutions.

| Pulse Survey

To provide an effective feedback loop, KOKUYO and Kaunet conduct pulse surveys, a type of survey that is conducted frequently (once a month in our case). Pulse surveys provide immediate data about individual employees and teams. The data can be represented using metrics related to alert response or team improvement and collated with other datasets. Pulse surveys also give the management immediate feedback about frontline workplaces, enabling the management to take timely action in pursuit of the organization's long-term vision (such action may include introducing a new workstyle). In summary, these monthly pulse surveys allow us to continually monitor the condition of teams and the organization. They also contribute to an open, speak-up culture, in which employees of any position feel able to share ideas and feedback on an equal footing.

| Working with Union Toward Our Vision

We have a process of dialogue in place to ensure that the company and employee union see eye to eye. Twice a year, senior managers meet with union representatives to exchange opinions and negotiate. We also hold monthly labor-management meetings in which human resource person and union representatives engage in ongoing discussions with a view to creating the right workplace and work conditions and clarifying the best way forward for the company and its employees. In this way, management and union representatives work together to foster a positive mindset, make organizational improvements to maintain or boost employee engagement and job satisfaction, and take other actions to create a workplace in which employees feel safe and well in body and mind.

Together with Customers

By engaging in dialogue with customers and giving customers confidence and peace of mind, we ensure that our business will remain indispensable to the public and contribute to a more sustainable society.

Policy

KOKUYO Group Quality Policy

KOKUYO always develops new products and services from the perspectives of customers, and, without being satisfied with the present conditions, we continue to improve the safety and quality of our entire product line and services.

KOKUYO Group Quality Policy

We design experiences of near the future with a wow-factor based on empathy and co-creation with our customers. We deliver experiences that enrich the work, studies and home life of our customers through our products and services.

1. We will develop products and services that deliver experiences with a wow-factor to our customers through co-creation and empathy.
2. We will provide products and services with safety and security and pursue better quality
3. We comply with relevant laws and regulations and fulfill our social responsibilities.
4. We share knowledge within the Group and all members related to our whole supply chain engage in quality improvement.
5. We continuously engage in improvement of our management systems in response to changes in the environment.

Effective Date: September 29, 2025

KOKUYO Co., Ltd.
Director,
Representative Corporate Officer,
President and CEO
Hidekuni Kuroda

KOKUYO Group Quality Policy in Japanese [\[PDF:229KB\]](#)

KOKUYO Group Quality Policy in English [\[PDF:81.9KB\]](#)

Actions

Providing Peace of Mind and Safety:
Actions



Dialogue with Customers: Actions



Related data

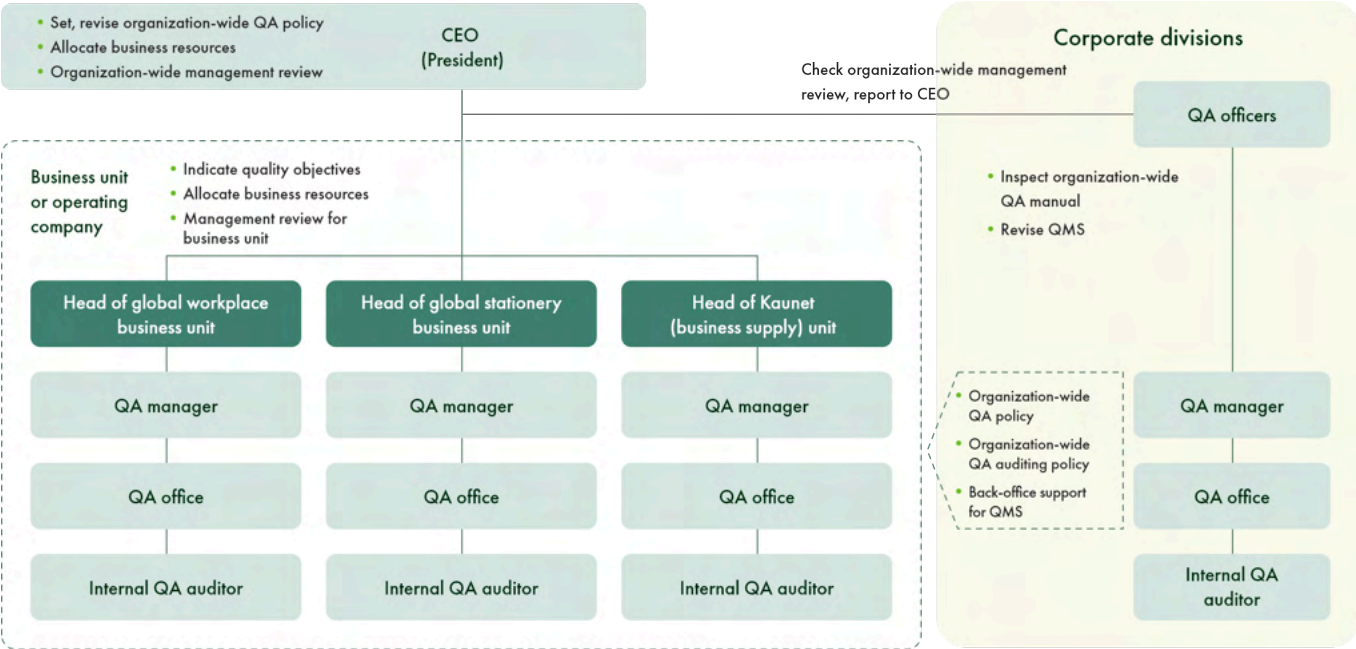
ESG databook > S-09 Listening to customers  [PDF:2MB]

Providing Peace of Mind and Safety

KOKUYO always develops new products and services from the perspectives of customers, and, without being satisfied with the present conditions, we continue to improve the safety and quality of our entire product line and services.

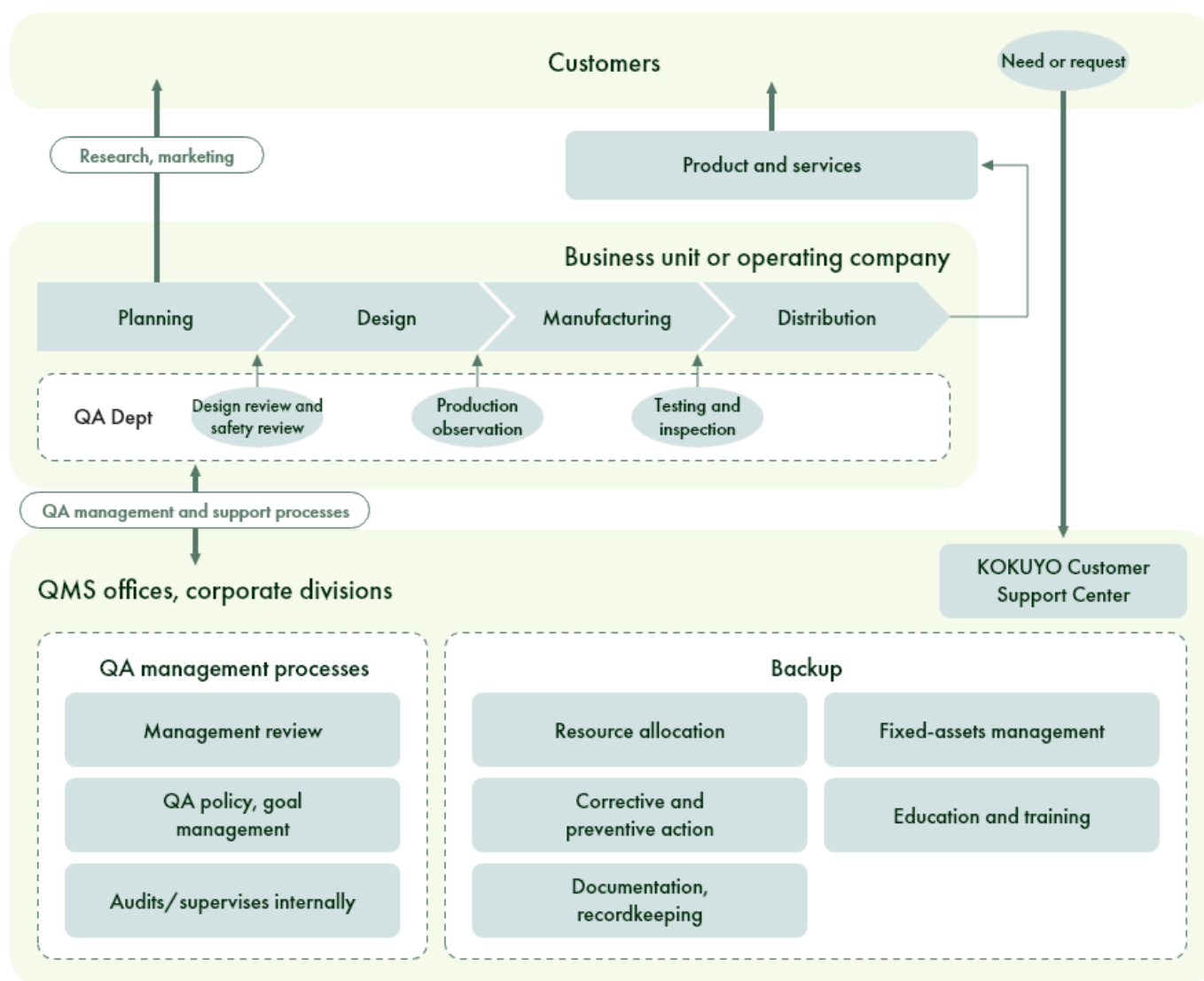
Processes in place

Quality Management System (QMS)



Managing the Quality Assurance Process

In accordance with our quality management system (QMS), we manage and continually improve quality at each process: planning, design, manufacturing, distribution, and quality assurance.



- In accordance with our QMS, a third-party audit and internal audit are conducted once a year.
- We provide organized and sustained QA education (team leader training and programs for training or improving the skills of internal QA auditors).
- We inform employees about the QMS, improve its effectiveness, and improve motivation to engage in it (using our newsletter Online, webcasts, an award program, and issuing QMS straps).

Obtaining ISO 9001 Certification

As of June 2019, all companies in our corporate group have attained ISO 9001:2015 (which specifies requirements for a quality management system) and we have standardized the manufacturing ("craftsmanship process") for our three main areas of business: office furniture, stationery, mail-order office supplies (Kaunet). Our quality management systems (QMS), as well as complying with the requirements specified in ISO 9001:2015, are continually improved. In other words, we continually look for ways to make our workforce more quality consciousness and to improve customer satisfaction, believing that quality goes hand in hand with sustained business growth.

As of May 2025, ISO 9001 certification has been obtained by 11 (35%) of the 30 relevant companies (KOKUYO and consolidated subsidiaries in and outside Japan).

4 certified companies in Japan: KOKUYO Co., Ltd., KOKUYO Product Shiga Co., Ltd., Kaunet Co., Ltd., Origin Co., Ltd.
 7 certified companies overseas: KOKUYO-IK (Thailand) Co., Ltd., KOKUYO Vietnam Co., Ltd., KOKUYO Commerce (Shanghai) Co., Ltd., KOKUYO Camlin Ltd., KOKUYO (Malaysia) Sdn. Bhd., KOKUYO Furniture (China) Co., Ltd., Dongguan Lamex Furniture Co., Ltd.



Registration certificate number: JQA-2029
Registered business: KOKUYO Co., Ltd.

- Scope of registered activities:
- Design, development and manufacture of office furniture
 - Purchase and sale of office furniture
 - Design, development, manufacture and construction of furniture used in public facilities
 - Design, development, manufacture and construction of building materials
 - Design and development of stationery products
 - Purchase and sale of stationery products
 - Planning, development, purchase and sale of products handled by Kaunet

Relevant business / production sites:

- Global Workplace: Head Office, Mie Plant, Shibayama Plant, Tokyo Shinagawa Office and Umeda Office
- Global Stationery: Head Office, Tokyo Shinagawa Office, and Osaka Nanko Distribution Center
- Kaunet Co., Ltd.: Tokyo Shinagawa Office

* Current as of June 16, 2025

Actions

QMS talent development



Quality Assurance for Stationery



Quality Assurance for Furniture



Quality Assurance for Kaunet's Products



QMS talent development

Through our QMS, we keep improving our processes to enhance customer satisfaction. To that end, we make efforts to secure a steady stream of QA talent.

This task forms part of the senior leadership's Quality Pledge. Every year, the business units' QMS offices organize training to provide for the expected roles and ability levels.

Annual Training to Improve the Skills of the Members of the QMS Internal Audit Team

We conduct internal audits every year in our QMS activities. The purpose of those audits is to evaluate whether the QMS is producing results as intended.

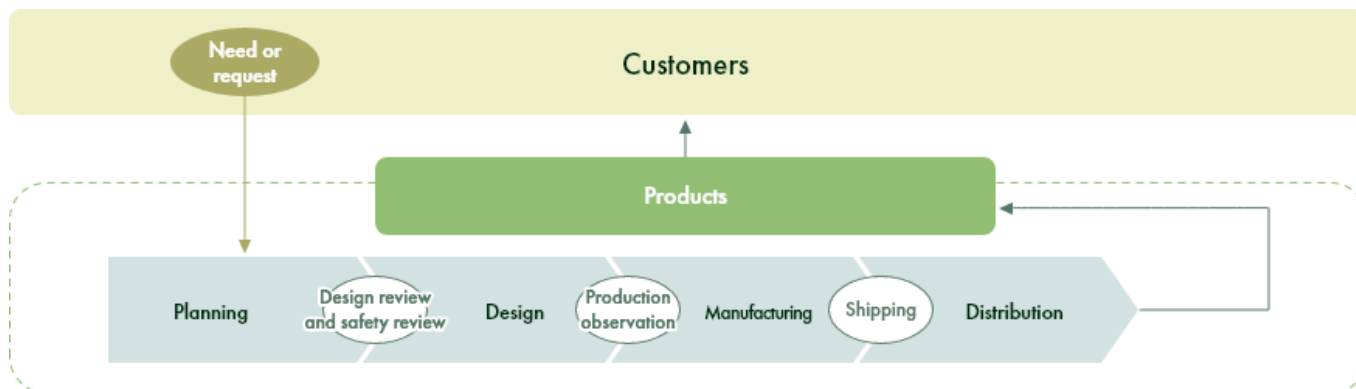
The members of the internal audit team appointed by the organization evaluate whether products, services and the processes that produce those comply with the requirements in internal audits. If there is a problem, the identified organization promptly strives to correct it. KOKUYO considers these internal audits to be a very important measures to enhance customers' level of satisfaction. Accordingly, we provide skills-upgrading training every year so that members of the internal audit team improve their skills to be able to conduct effective internal audits.

Regular Team Leader Training

Team leaders are process owners (they are accountable for the process in question). To train up process owners, we organize an annual training program focusing on how to apply the QMS in organizational management. In group discussions, attendees deepen their knowledge about the need for the QMS, the role of a team leader, effective strategies, and how they should support members.

Quality Assurance for 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, covering planning, design, manufacturing, and distribution.



1. Continually improving quality assurance

To ensure that customers can use our products safely and securely, we continually improve our system for quality assurance by updating the key processes (design review, safety review, production observation, chemical substance management, legal compliance).

We also perform risk assessments to identify and mitigate potential risks.

2. Inspection and testing based on international standards

As part of our quality assurance efforts, we have established inspection and testing processes that are in line with international standards.

We evaluate testing and inspection processes with a view to improving the country-specific standards. Additionally, we endeavor to do more to catch defects before the product is sold to customers.

3. Responding to customer complaints quicker and more accurately

It is not enough for a product to be objectively safe; the customer must feel reassured that it is so. This is especially true in today's world, where people have a plethora of information at their fingertips.

Accordingly, we need to respond all the quicker and all the more accurately to customer complaints. To that end, we have established clear and standardized protocols, tools, and criteria for responding to such incidents.

Such standardization enables a quicker response process and minimizes inconsistencies in responses.

4. Improving quantitative evaluations to complement quality evaluations

We have always performed thorough quality evaluations when updating products or releasing new ones, and we recently introduced robotics to enhance the reproducibility and accuracy of the testing.

For a product to satisfy customers, it must not only be reasonably priced and reliable; it must also have a wow-factor. We have started quantifying the extent to which a product has this.



Robotics technology for quality evaluations

Quality Assurance for Furniture

Our global workplace businesses attained ISO 9001 certification in 1997. Since then, we have standardized the marketing, planning, design, production, and installation processes for furniture. We use a PDCA cycle to ensure that we always provide products and services that are tailored to the changing ways in which people work, learn, and live.

We continually strive to improve our manufacturing, delivery, and installation. We listen to feedback from customers and use this feedback to inform and guide our continual-improvement activities.

1. Setting high standards for craftsmanship

When designing and developing a product, we assess safety and functionality using a variety of metrics. As well as measuring the product against the Japanese Industrial Standards and other industry standards, we measure it against our own standards, which are even higher and which we update annually.

2. Dealing with defects

When a customer finds a defect in one of our products, we inform the relevant division without delay. As well as investigating the cause for the defect, we make the necessary improvements in the product or manufacturing process to prevent a similar defect.

3. Public notices concerning safety or quality issues

We use our website to alert consumers about safety or quality issues with our products.

If there is a serious safety issue, the Risk Compliance Committee will determine the response. To limit the damage, we will notify the relevant authorities and issue notices on our website and in newspapers and other media to alert consumers.



Public notices page on KOKUYO corporate site
Important notices concerning safety or quality issues*

* Japanese Only

Quality Assurance for Kaunet's Products

Kaunet has a huge lineup that includes stationery, office supplies (including copy paper), food and drink, home appliances, gifts, medical equipment, shop equipment, order-made business cards and seals/stamps, and office furniture. The business has around 8,000 suppliers. It also has its own premium brand, Kaukore, which includes more than 5,300 products for enhancing workplace productivity.

Kaunet always strives to develop and deliver useful products that are based on ideas from the user's perspective.

To ensure that its products are safe and command confidence, Kaunet works engages in improvement efforts across the value chain, from improving the quality of products to improving the quality of customer service at call centers and the quality of deliveries.

1. A call center for hearing customer feedback on a daily basis

The feedback obtained at the customer call center gives us insights for refining existing products and services and insights for new product development projects. Kaunet shares the feedback throughout the entire company so that it can improve its products and services.

2. Trustworthy delivery service

Customers can order Kaunet products on the company's website or from its printed catalog. Goods are delivered, at the earliest, on the same day or on the following day.

An assembly service is also available for bulky furniture and items that are tricky to assemble. For this service, delivery staff trained in furniture assembly will assemble and install the item in the customer's office or home and take all the packaging away with them.

Dialogue with Our Customers

At the Customer Support Center, we handle all customer inquiries thoroughly and sincerely.

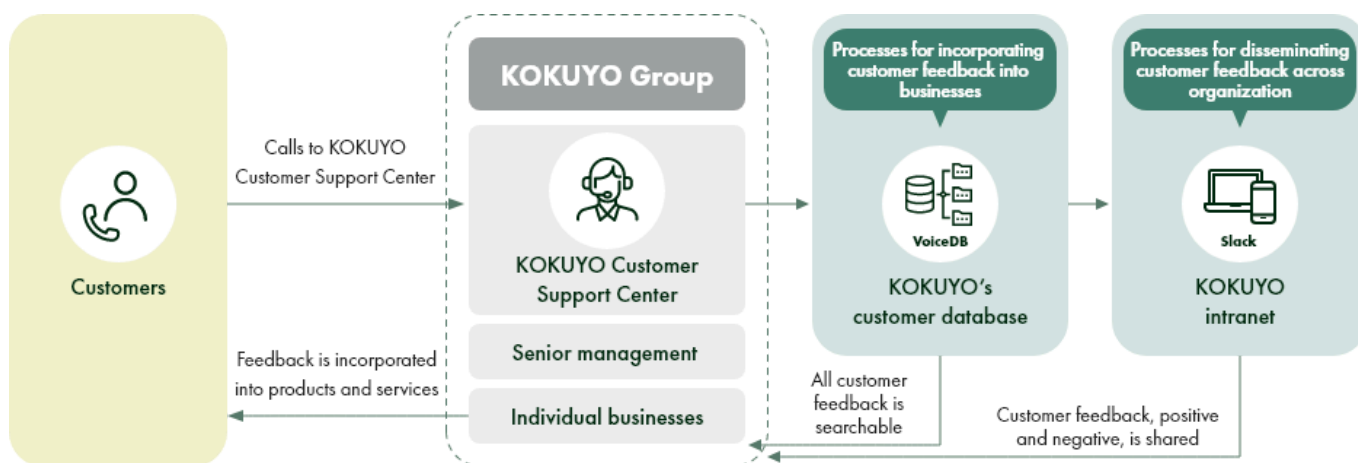
In addition, we take feedback as valuable opinions for improving products and services across our corporate group, and make effort to share them across the entire company.

Processes in place

A System for Utilizing Feedback from Customers: KOKUYO Customer Support Center

Our Customer Support Center collects and logs information on more than 200 inquiries a day received from customers into our VoiceDB database. The feedback is then shared throughout the organization (after removing all personally identifiable data), allowing employees to obtain insights for improving products and services at the planning and development stages.

Every week, we use Slack (a communication tool) to distribute both positive feedback and issues which the KOKUYO Customer Support Center believes should be shared and recognized by all employees in particular. This practice has led to improvements. It is fostering a corporate culture in which we make improvements by listening carefully to our customers.



KOKUYO Customer Support Center* >

* Japanese Only

Actions

Making Use of Customer Feedback: Stationery ✓

Making Use of Customer Feedback: Business Supply Distribution ✓

Customer Harassment Response Guidelines ✓

Making Use of Customer Feedback: Stationery

In 2025, we received some 25 thousand customer inquiries pertaining to the stationery business.

We take the valuable feedback we receive from our customers seriously. We strive to make improvements on a daily basis so that we can provide even better products and services from the point of view of our customers.

ESG databook > S-09 Listening to customers [PDF:2MB]

We made use of customer feedback* >

* Japanese Only

| Making Use of Customer Feedback: Business Supply Distribution

Kaunet, our mail-order sales company, operates Monitor Kaunet, a web community through which it interacts with customers directly. Monitor Kaunet helps Kaunet understand the concerns and problems customers experience on a daily basis, providing inspiration for product ideas.

Monitor Kaunet community site* [🔗](#)

* Japanese Only



| Customer Harassment Response Guidelines

We receive valuable opinions and requests from our customers. On the other hand, we also receive some unreasonable complaints which include excessive demands and abusive language. We are taking steps to prevent a deterioration in the working environment in accordance with the [KOKYO Group Code of Conduct](#).

Customer Harassment Response Guidelines* [>](#)

* Japanese Only

Together with Communities

Actions

We commit to being a trustworthy corporate citizen, one that respects national and local cultures and that engages actively in community-rooted initiatives that help communities flourish.

Culture Snack Vol. 02: Discovering the Community's B-Side



Christmas Presents for Single-Parent Families



Shareholder Benefit Program (option for charitable donation)



KOKUYO Design Award 2026



Campus Art Awards 2025



CSR in China: Chasing Big Dreams with Small Notebooks



Culture Snack Vol. 02: Discovering the Community's B-Side

On November 28 and 29, 2025, we held Culture Snack Vol. 02 in the premises of The Campus and in other areas in the Shinagawa Konan area.

The event, the second in the Culture Snack series, was organized on the theme of celebrating the B-side of the community. The idea was to discover and enjoy together a new side (the B-side) of the people who live and work in the area.

The event was well-attended, with 133 stalls. Besides KOKUYO Group employees, the attendees included many employees of local companies and many local residents.

As with Culture Snack Vol. 01, Culture Snack Vol. 02 included a mystery-solving event around Shinagawa and the Isu-1 Grand Prix (in which contestants race around a course in office chairs). Much fun was had by attendees. Local firms were even more involved this year. They helped design and set up the event venue and the stalls, fostering closer ties with the community.

The community spirit was truly alive over the two days, with many second-timers delighted to be reunited with one another again this year and many first-time exhibitors thrilled by the new experiences.

During the event hours (late afternoon to evening on the weekdays and morning to evening at the weekend), numerous people inhabited an event space featuring the flavors of the community and experienced for themselves the hidden charms of the Shinagawa area.

Thanks to the support of local businesses and residents, the event proved a success in deepening connections with the community.



Christmas Presents for Single-Parent Families

In 2025, KOKUYO supported Heart-Full Family's High Five Christmas 2025 project. For this project, we donated some 80 thousand stationery gifts to 13,000 single-parent families across Japan.

This was the third year of the High Five Christmas project, which will continue to run each year. In the first year (High Five Christmas 2024), we donated some 70 thousand stationery presents to around 10,000 families across Japan.

As many single-parent families struggle with the cost of living amid inflation, we wanted to give children of such families a Christmas present containing the stationery they need in their studies, thereby giving children festive joy and learning opportunities.

We received messages of thanks from the families who received presents. For example, one parent said that their child was delighted to have a brand new pen. Another said that the gift was a godsend because they usually had to make do with old stationery, being unable to afford new stationery.

In 2025, we delivered a Campus gift pack, Campus being a brand that supports students in their studies.

Through support activities like this, we are helping build a world in which children can study in a way that suits them best.

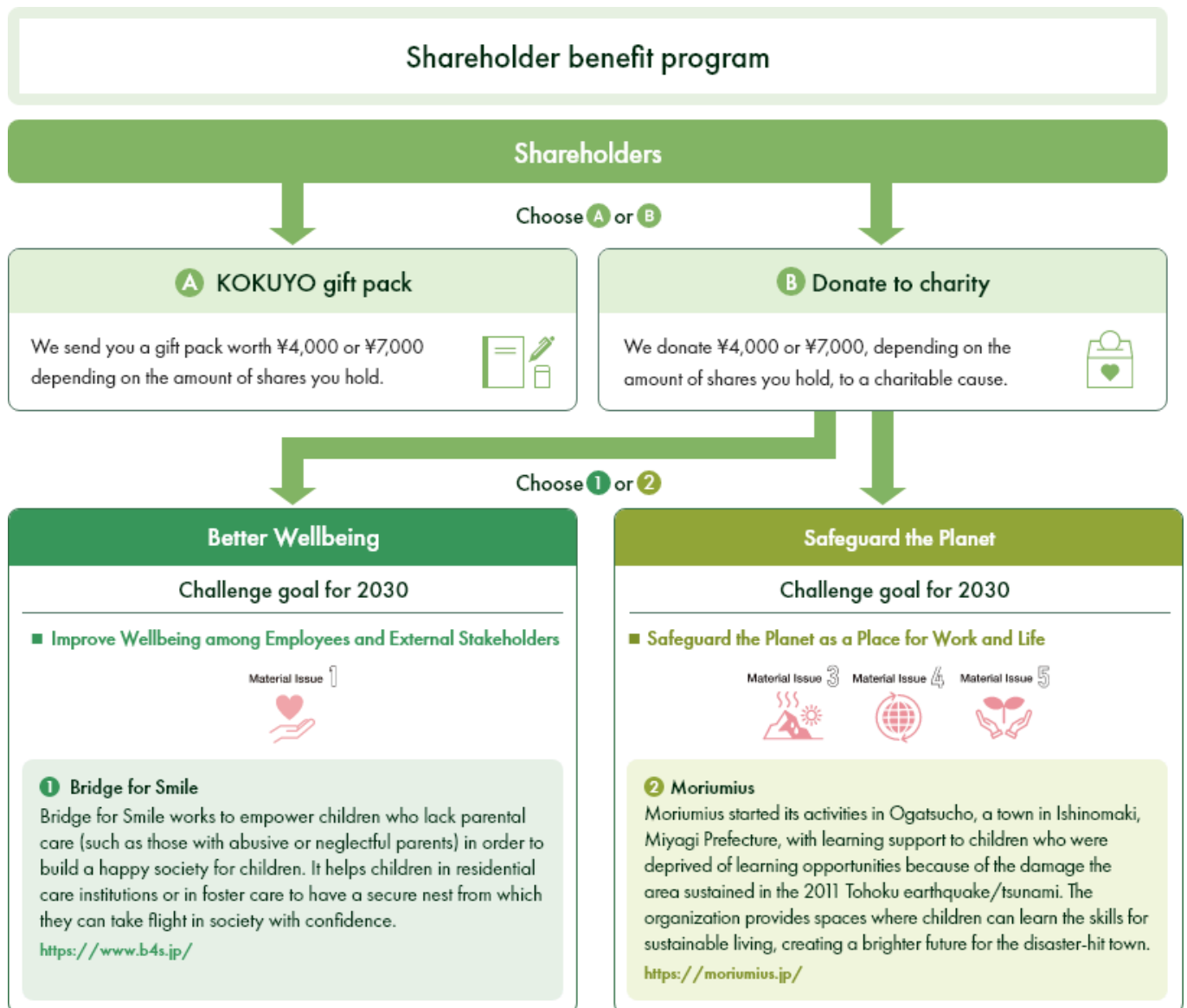


Shareholder Benefit Program (option for charitable donation)

We provide a shareholder benefit program to give shareholders a better understanding of our businesses and of the products and services we deliver.

We have added an option from December 2022 to make a charitable donation so that shareholders can more deeply appreciate our efforts to address material issues.

The donations will fund activities to support children's independence and learning.



KOKUYO Design Award 2026: Supporting and Co-creating with Talented Designers

KOKUYO Design Award is an international competition for product design that aims to co-create with talented designers and support their activities.

KOKUYO Design Award 2026 marked the 23rd year of the event since it began in 2002. The 2026 event, titled Hamon [ripples]: Design that Resonates, focused on the theme of unearthing ideas derived from one's experience, examining them from multiple perspectives, and exploring standards for the future. In line with this theme, we asked for product designs that make ripples.

We received 1,344 entries from 60 countries (785 of the entries were from Japan and 559 were from other countries).

In February 2026, ten of the entries were selected for the New Generation Award. The winners received a trophy and a cash prize of ¥30,000.

The New Generation Award was created in 2024 to encourage a new generation of budding challenge-takers. This accolade is awarded to some of the KOKUYO Design Award entries submitted by students. The entries are selected not for their commercial potential but for their compelling ideas and perspectives.

Following the final round of deliberation in March 2026, the judges picked the winner of grand prize and three winners of the highly commended prize, presenting them with trophies and cash prizes*. The grand prize went to Before Note.

* The cash prize for the entry that won the grand-prize winner was ¥2,000,000. For each of the entries that won the highly commended prize, it was ¥500,000.

KOKUYO Design Award* >



The top individual prize-winning piece: Before Note
Hiroki Kannari

Campus Art Awards 2025: A Painting Competition for Junior High and High School Students

We hold the Campus Art Awards in partnership with The Yomiuri Chukosei Shimbun. Campus Art Awards is a drawing competition for students at junior high school and high school. The award program began in 2015, and the 2025 event, the 10th year of the program, gathered 3,045 works.

The event was titled My Sweet Hometown: Plugging My Hometown.

This theme focused on the landscapes, customs, traditions, events, cuisine, confectionary, and other motifs associated with the students' hometowns. The purpose was to give students an opportunity to take an interest in their hometown, discover its charms, and express them.

For the top individual prize, the winner received 50 Campus notebooks featuring the person's winning picture. The school of the winner received 1,000 of the notebooks featuring the winning picture.

Campus Art Awards [🔗](#)



The top individual prize-winning piece: The Extraordinary in the Ordinary
The artist was Tsubasa Hara, a third-year student at Kanazu Junior High School (Awara City, Fukui Prefecture) (the academic year is as of FY2025)

CSR in China: Chasing Big Dreams with Small Notebooks

We want to contribute to a self-directed, collaborative society, in which everyone thrives.

In 2014, we launched a community outreach program called Chasing Big Dreams with Small Notebook.

In this program, members of Yujian Aixin, a nonprofit established by KOKUYO employees, visit elementary schools in China where they attend lessons and play games with the children.

They give the children notebooks and other KOKUYO stationery.

In 2025, the tenth year of the program, the Yujian Aixin members visited an elementary school in the Zhaozhuang District of Zhumadian, Henan.

As well as giving stationery products, the members conducted an environmental survey of the classrooms in advance and repaired the flooring of a 40-year old school building.

Drawing on KOKUYO's spatial design prowess, the members redesigned the classroom. The members and children decorated the walls, which were showing signs of wear and tear. The colorful decorations included images of Campus notebooks and furniture. The renovated classroom was named Love Campus.



Love Campus: A bright and beautiful place to study



Children decorating a wall by themselves for a more colorful future



PHILOSOPHY

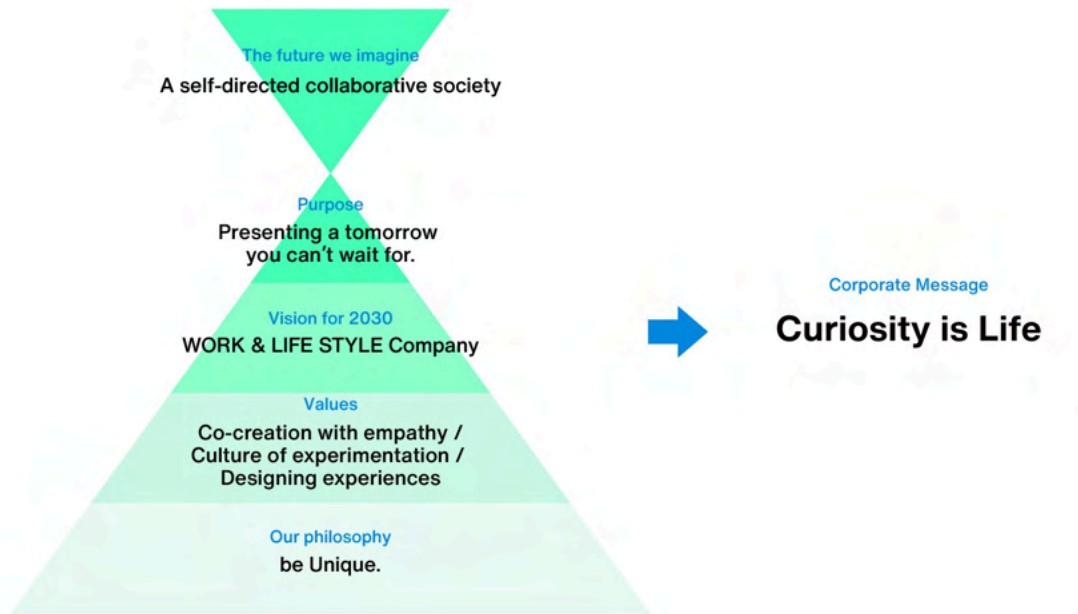
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[Value System](#)

[Founder's Philosophy](#)

[KOKUYO Group Code of Conduct](#)

Value System



Corporate Message

KOKUYO
Curiosity is Life

Curiosity is where everything begins.
It makes learning fun.
Leads to breakthroughs in our work.
Makes living a joyful experience.

But that's not all.
When diverse curiosities come together,
they inspire and fuel each other,
igniting creativity.
When we are all fully and uniquely ourselves
and work together to create something meaningful,
our lives overflow with happiness.
That's why at KOKUYO,
we want to awaken people's curiosity.
To create a space for it to flow freely,
and build a future overflowing with it.
In life, we need many things to survive,
but curiosity is what allows us to thrive.
Curiosity for the lives of all, today and always.
We are KOKUYO.

Founder's Philosophy

Enrich the world through our products

We support the growth of our customers through our products and services
so as to enrich society.

KOKUYO Creed

When born into this world, a child has nothing to call its own.
Our bodies, minds, and spirits grow and are nourished by the love of our
parents and families,
the guidance and discipline of our teachers, and the encouragement of
society as a whole.

We grow and mature and adopt vocations suitable to ourselves and the
education instilled in us.

These vocations must be pursued with the utmost diligence and gain the trust
of colleagues, clients, and communities around us. The only way to secure
this trust is to act with absolute sincerity in every action and endeavor
undertaken.

In this way, our endeavors succeed in and of themselves, and we are happy
in our vocations.

“Sincerity not only in words but also in action” – this is the KOKUYO creed.



Long-Term Vision CCC 2030

LEARN MORE

KOKUYO Group Code of Conduct

KOKUYOCOC_HP_Japanese 

KOKUYOCOC_HP_English 

KOKUYOCOC_HP_Chinese 

KOKUYOCOC_HP_Vietnamese 

KOKUYOCOC_HP_Malay 

KOKUYOCOC_HP_Thai 

KOKUYOCOC_HP_Hindi 

KOKUYOCOC_HP_Marathi 

The objective of KOKUYO Group Code of Conduct is to set forth basic standards of conduct for its officers and employees from the perspective of acting in compliance with laws and regulations and social ethics when conducting corporate activities of the KOKUYO Group.

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.

KOKUYO_Anti-bribery_Japanese 

KOKUYO_Anti-bribery_English 

11. Handling of unreasonable external demands

We will not comply with any unreasonable external demand.

Risk Management

Our fourth medium-term plan, Unite for Growth 2027, requires us to tweak existing businesses and expand into new business fields. We must therefore detect and actively address risks that could disrupt these efforts. To that end, we are enhancing our risk sensitivity and developing a risk management program involving both management and frontline staff.

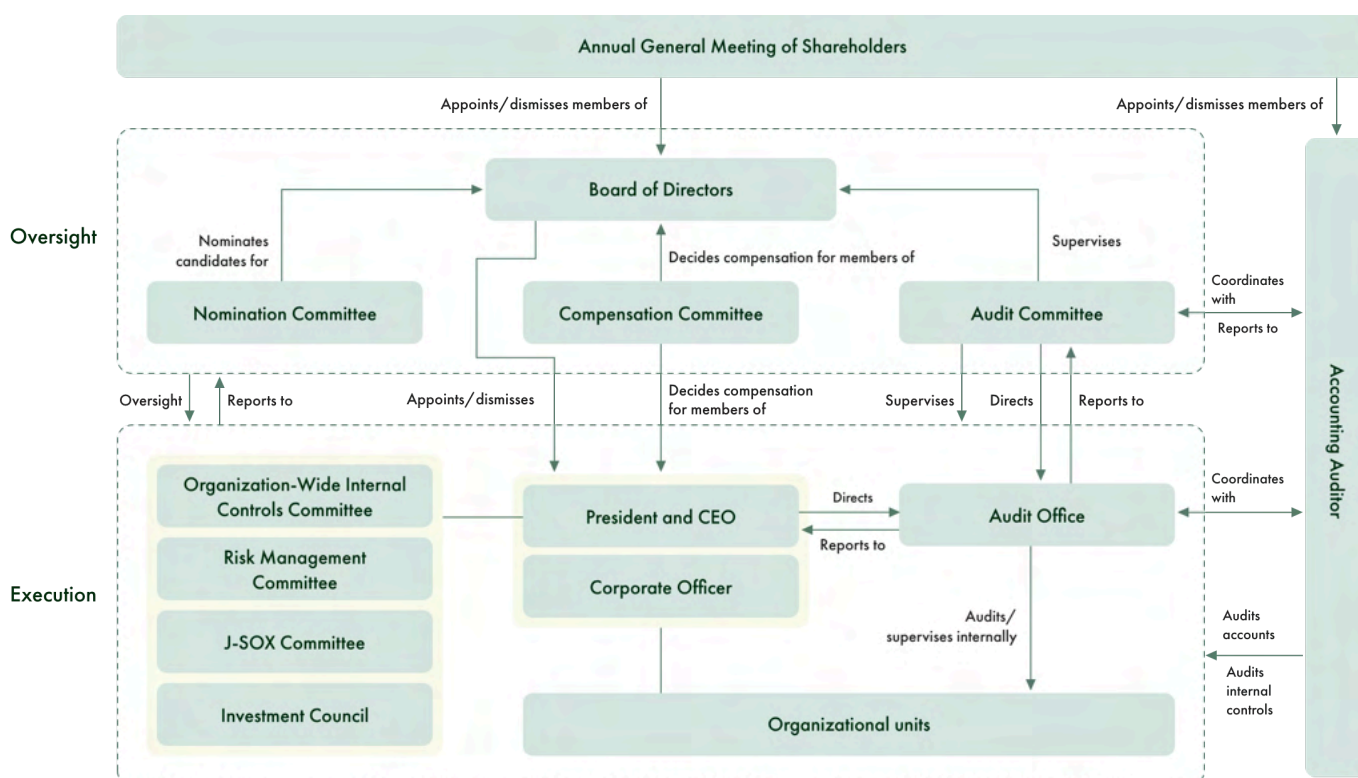
Processes in place

Risk Management Structure

Our risk management structure is designed to enable an integrated approach in which the management of risks affecting KOKUYO Group as a whole is integrated with business strategy, with efforts to ensure that the acceptable risks we take in pursuit of our goals are well balanced with the returns from such risk-taking. This approach involves identifying and assessing all risks that threaten to disrupt our efforts to achieve our corporate goals (including strategic risks, financial risks, operational risks, and compliance risks) and then acting in a way that is optimal for our organization as a whole.

Risk management, corporate governance, and internal controls are all critical components of corporate management, but rather than managing each separately, we integrate them under common goals so that they function as an organic whole, helping us sustain business growth and achieve our goals.

To ensure that the right internal controls are in place and working effectively, we established the Organization-Wide Internal Controls Committee, which is chaired by the President and CEO. The committee sets organization-wide guidelines and rules related to internal controls. It also monitors the internal controls (checking whether the right internal controls are in place and whether they are working) as necessary. For risk management, we have the Risk Management Committee, a body that advises the President and CEO on risk management. The committee ascertains and assesses a broad set of risks that could potentially impact KOKUYO Group and advises on how to control the potential effects of the risks. The committee is responsible for putting in place measures to enable the unified management of risks that have materialized, affecting KOKUYO Group. It is also responsible for keeping the risk management system running, confirming that measures are in place to ensure that risks that have materialized do not materialize again, and monitoring action plans for major risks.



Risk Assessment Process

Outlined below is KOKUYO Group's risk assessment process for the organization as a whole and for individual business units. The process is spearheaded by the Risk Compliance Committee.

1. Identifying risks

Corporate and business divisions assess legal and regulatory developments, societal expectations, industrial trends, and business strategies to identify risks and opportunities in environmental, social, and governance categories.

2. Assessing risks and assigning priority level

The risks identified in 1 are assessed by the likelihood that they will materialize and by the magnitude of the effect on KOKUYO Group's business and stakeholders if they do materialize. The risks that score high in both measures are classified as major (i.e. high-priority) risks.

3. Conferring on actions to take

Risk managers of the relevant corporate and business divisions confer on whether the risk in question should be avoided, mitigated, transferred, or accommodated and on what specific measures to take.

4. Monitoring and updating

The risk managers of corporate and business divisions regularly monitor the progress made in formulating and implementing measures to address the major risks. The set of risks and opportunities are regularly updated to reflect social and business trends so that the process can be continually improved.

Risks Affecting KOKUYO Group and Measures to Address These Risks

Business Risks		Identified risks	Measures
External Risks	Economic Risks	Economic fluctuations in Japan could negatively affect corporate earnings and expenditure on fixed assets.	Shift business model from tangibles to intangibles to expand the fields of our existing businesses and develop new businesses
		Economic uncertainties prevail in China and other important overseas markets.	Monitor country- and region-specific risks, go further in overseas expansion and improve coordination with local subsidiaries.
		US economic policy could have ramifications, as could other region-specific political and economic changes, and regulatory and ESG-related momentum could increase.	
	Market Risks	Market decentralization and digitalization could hamper KOKUYO Group's efforts to gain and maintain a competitive advantage.	Make business structure adaptable to a market changes
		Labor shortages in logistics and construction could threaten business continuity.	Minimize workload in logistics and construction without sacrificing business continuity and growth prospects
	Risks Associated with Changes in Fair Value	Fluctuations in financial markets reduce the fair value of our investment securities.	Regularly assess holdings to determine whether it is worth continuing to hold them; consider selling and offloading holdings
Risks Related to Business Operations	Risks Associated with Natural Disasters and Infectious Disease Outbreaks	A major natural disaster could cause a suspension in business activities or a reduction in business activities in Japan or overseas.	Regularly review the business continuity plan to ensure it is effective
	Compliance Risks	A violation of regulatory requirements (related to quality, trade, environment, labor, health and safety, accounting standards, or tax) might be detected or confirmed	- Continually spread awareness of the KOKUYO Group Code of Conduct - Establish KOKUYO Group Anti-Bribery and Anti-Corruption Policy and KOKUYO Group Competition Law Policy - Ensure regulatory response by regularly monitoring regulatory developments and compliance with the latest regulations
	Quality Risks	A product recall could harm our performance and reputation	- Establish and disseminate KOKUYO Group Quality Policy - Implement and operate a quality management system aligned with ISO 9001

Business Risks		Identified risks	Measures
	Procurement and Environmental Risks	- Performance may be negatively affected by fluctuations in raw material prices and exchange rates. - Financial health may be damaged by such. - Deficiencies in ESG could harm our performance, financial health, or reputation.	- Use forward exchange agreements, optimize local procurement ratios, and diversify suppliers - Establish the Regulations for the KOKUYO Group Sustainable Procurement Policy and the Regulations for the KOKUYO Group Sustainable Standards to promote mutual business growth with supply-chain partners
	Talent and Labor Risks	- Delays in attracting and training talent could stunt business growth. - An occupational accident or employee health issue could harm our performance, financial health, or reputation.	- Establish the Talent Management Policy and the KOKUYO Academy (a talent development organization) to expedite investments in talent development - Promote diversity and inclusion by establishing the Regulations for the KOKUYO Group Human Rights Policy and the Regulations for the KOKUYO Group Health and Productivity Management Declaration, by expanding anti-harassment training (adding content on non-tolerance of abusive customers), and by making the workplace accommodative toward people with disabilities - Consider establishing a manual setting out global safety standards (covering workplaces in and outside Japan) - For KOKUYO Group Hotline in Japan, connect the hotline to an external whistleblowing service and extend coverage to suppliers
	Information Security Risks	- Performance could be negatively affected by a virus or cyberattack that causes system stoppage or by the leakage of sensitive information or customers' personal data. - If our business profile changes or expands beyond the coverage of our existing workflows and core IT systems, the coverage gap may impede productivity or internal controls	- Improve system failure detection and defenses against viruses and other cyberthreats, back up data regularly - Set rules on the handling of customer and personal data, inform employees about information security risks - Consider revising business processes and updating core system
	AI risks	AI has ethical risks such as leakage of sensitive or personal information and other privacy violations.	Draft an internal policy on the use of AI and develop plans for AI governance
	Investment Risks	Macroeconomic changes could harm the performance or financial health of companies in our investment portfolio.	Consult outside experts during the investment vetting process, keep improving the monitoring process
	Risks Related to Effective Use of Real-Estate	Changes in the external business environment could, along with other changes, negatively affect the value of our real-estate holdings.	Offload non-business assets to improve efficiency of real-estate and net cash

Actions

Initiatives in 2025



Strengthening BCP Measures



Managing Information Security Risks



Obtaining ISO 27001 Certification



Risk Management: Actions

Initiatives in 2025



Strengthening BCP Measures



Managing Information Security Risks



Obtaining ISO 27001 Certification



Initiatives in 2025

- Having expanded in ASEAN markets, we established an ASEAN desk to strengthen management of risks in the ASEAN regions.
- In view of the growing geopolitical tensions and cyberthreats, the Risk Management Committee established subcommittees dedicated to country-specific risks and information security risks (both of which are key strategic themes).
- We established the Organization-Wide Internal Controls Committee. This committee, chaired by the President and CEO, is responsible for setting organization-wide policies and rules related to internal controls and monitoring whether situationally appropriate internal controls are in place and working effectively.
- To instill a commitment to sustained and effective compliance, we established a compliance month, a period in which everyone across KOKUYO Group focuses on implementing compliance-related policies.
- We established the KOKUYO Group Quality Management System (QMS) Regulations to unify quality management policies across KOKUYO Group and improve the quality of the QMS.
- We established the KOKUYO Group Anti-Bribery and Anti-Corruption Policy and KOKUYO Group Competition Law Policy to tighten legal compliance.

KOKUYO Group Anti-Bribery and Anti-Corruption Policy >

KOKUYO Group Competition Law Policy >

Strengthening BCP Measures

We have developed a business continuity plan, which we continually review and revise as part of a business continuity planning lifecycle. The plan includes measures for maintaining a stable supply of goods when an emergency such as a natural disaster disrupts operations in our plants or offices. Mindful of the threat of catastrophic events such as earthquakes, extreme storms, flooding, fires, major power outages, and infectious disease, we have reaffirmed the importance, in terms of business continuity, of getting the initial responses right and minimizing the damage from such calamities. We therefore use emergency manuals, emergency drills, and similar means to ensure that every employee will act safely in an emergency to safeguard human life.

In view of the rising concern for sustainability (ESG, SDGs), we will secure emergency power sources that include solar power systems and reserve batteries.

Managing Information Security Risks

One of our key sustainability-related tasks is to maintain the trust of customers and the public and the trustworthiness of our services. Recognizing the strategic imperative of maintaining information security and safeguarding personal information, we are committed to developing organization-wide processes for managing information and to continuously improving them.

1. Laws and ordinances regarding information security and other standards are adhered to.
2. Personal information is managed according to the Personal Information Protection Policy defined by the KOKUYO Group.
3. Appropriate safety measures are taken in order to prevent unauthorized access to information assets, as well as loss, falsification and leakage, etc. of information assets.

4. Regulations and rules regarding the management and use of information assets are formulated and revised, and education is continually conducted to employees about these regulations and rules.
5. Inspections and improvements are continually conducted on the management system and initiatives related to information security.

Obtaining ISO 27001 Certification

As of the end of 2025, we have obtained ISO 27001 for the data transfer services and document management services provided by the Net Solutions Department and Document Solutions Department (these departments operate under the Corporate Planning Division's Innovation Center) and for the HR services provided by the HRCA Solutions Department (which operates under the Global Workplace Business Division).

Compliance and Anti-corruption

Our compliance architecture, centered on the KOKUYO Group Code of Conduct, is designed to foster a corporate culture based on integrity and thus instill trust in all our stakeholders.

Policy

The KOKUYO Group is subject to various laws and regulations when engaging in business activities. Those laws and regulations govern areas of business including product quality, fair trade and other transactions, the environment, labor, health and safety, accounting standards, taxation business, bribery and information management. We have established the KOKUYO Group Code of Conduct which each employee must follow to engage in corporate activities in accordance with social ethics while complying with those laws and regulations. We use this KOKUYO Group Code of Conduct globally as the basis of our daily activities. We also explicitly prohibit the bribing of public officials. In these and other ways, we commit to full compliance.

KOKUYO Group Code of Conduct >

KOKUYO Group Anti-Bribery and Anti-Corruption Policy

The KOKUYO Group Anti-Bribery and Anti-Corruption Policy was established on January 1, 2025, in line with the Ministry of Economy, Trade and Industry's Guidelines for the Prevention of Bribery of Foreign Public Officials.

KOKUYO Group Anti-Bribery and Anti-Corruption Policy

1. Definitions

In this Policy, the meanings of the words and terms listed in the following paragraphs shall be as set out in those paragraphs.

- (1) "Corrupt Practices" means any and all forms of corrupt acts, including, but not limited to, bribery, extortion, money laundering, embezzlement, and obstruction of justice.
- (2) "Bribery" is defined as any act by which money or other benefits (money or other benefits include "money, vouchers, gift certificates, loans, guarantees, warranties/invitations/donations, sponsorship/gratuities, rebates, promotional expenses, discounts/job opportunities for oneself or one's relatives, etc.") are given, offered, solicited or promised, directly or indirectly, to a public official or counterparty for the purpose of obtaining an improper advantage.
- (3) "Public Officials" means (i) any person who engages in public services for a national or local foreign (or domestic) government, (ii) any person who engages in services for an agency affiliated with a domestic government or a foreign national government, (iii) any person who engages in services for a domestic or a foreign Public Enterprise, (iv) any person who engages in public services for an International Organization and (v) any person who exercises a public function on behalf of a foreign national government, etc. as delegated, etc.
- (4) "Public Enterprise" means any enterprises for which: (i) a majority of its voting shares are owned by; (ii) a majority of its total capital is contributed by; or (iii) a majority of its officers are designated or appointed by; one or more national or local foreign (or domestic) government (including public interest corporations), and such enterprise equivalents as defined by government ordinance. An enterprise defined by government ordinance as equivalent to any of the foregoing refers an enterprise: (i) a majority of the voting rights of all shareholders of which are owned by; (ii) which is under the control of, through the holding of golden shares that require permission, license, approval or consent, etc. in order for all or some resolutions at general shareholder's meetings cannot be effective; or (iii) which is under the control of, via indirect ownership of a majority of its stock, etc; one or more national or local foreign (or domestic) governments.
- (5) "Private Sector Entities" means all business partners involved in the business of the KOKUYO Group, including but not limited to suppliers, and their directors, officers and employees.
- (6) "Facilitation Payments" are small payments intended to facilitate or expedite procedures for routine administrative services carried out by Public Officials so that the person in question can make any wrongful gain in business.
- (7) "Agents, etc." means third parties to whom the KOKUYO Group outsources its business, including but not limited to sales distributors and/or agents.

2. Purpose

The purpose of this Policy is to establish the basic requirements for the KOKUYO Group to comply with laws and regulations and to prevent Bribery and corruption, with the aim of maintaining sound and transparent relationships with politics, governments/public authorities and Private Sector Entities. This Policy constitutes an internal rule of

KOKUYO Co., Ltd. and applies to the entire each of its subsidiaries (hereinafter referred to as “KOKUYO Group Companies” Unless the context otherwise requires, words importing the singular include the plural and vice versa.). Each KOKUYO Group Companies is responsible for ensuring that its officers and employees — including directors, auditors, executive officers, and other officers, as well as all full-time and part-time workers, temporary staff, and contract employees — comply with this Policy and with any Anti-Bribery and Corruption (ABC) Law related internal rules established by their respective KOKUYO Group Companies.

3. Compliance with Laws and Regulations

KOKUYO Group Companies shall comply with Anti-Bribery and Corruption (ABC) laws and regulations in all countries and regions where it operates and shall not engage in any form of corrupt practice. In Japan, KOKUYO Group Companies shall ensure that all employees are familiar with the internal rules based on the discipline of the National Public Service Ethics Act. In addition, KOKUYO Group Companies shall also pay attention to the extraterritorial application of foreign laws and regulations.

4. Prohibition of Bribery of Public Officials

KOKUYO Group Companies shall not bribe Public Officials, whether directly or indirectly. In the event of a Bribery demand from Public Officials, such a demand shall be rejected and immediately reported to the Risk Management Division or its designated department for action.

5. Prohibition of Bribery with Private Sector Entities

KOKUYO Group Companies shall not, directly or indirectly, engage in Bribery of Private Sector Entities in violation of the law applicable to KOKUYO Group Companies. KOKUYO Group Companies shall not accept Bribes from Private Sector Entities in violation of the law applicable to KOKUYO Group Companies.

6. Appropriate Entertainment, Gifts, etc.

KOKUYO Group Companies shall establish its own rules on entertainment and gifts in order to prevent Bribery and ensure compliance with the law in conducting business.

7. Prohibition of Facilitation Payments

KOKUYO Group Companies are prohibited from making Facilitation Payments, whether directly or indirectly.

8. Prohibition of Bribery by Agents, etc.

KOKUYO Group Companies shall never give Bribery instructions to Agents, etc. or other third parties. When appointing Agents, etc. or other third parties, KOKUYO Group Companies will require them compliance with this Policy in contracts and other agreements.

9. Anti-Bribery System

KOKUYO Group Companies shall continuously work on its anti-Bribery management system, including the adaption of internal rules to prevent Bribery, regular assessment of Bribery risks in the group and the establishment of a consultation service and monitoring. In addition, the group shall work to prevent Bribery by educating relevant directors, officers, employees and others on this Policy and the prohibition of Bribery through education and training on anti-Bribery.

10. Disciplinary Action

The KOKUYO Group may take any disciplinary actions against any director, officer or employee who violates anti-Bribery laws and regulations, this Policy or the internal anti-Bribery rules of each company, in accordance with the internal rules of KOKUYO Group Companies.

Effective Date : January 1st 2025
Revised Date : January 1st 2026

KOKUYO Co., Ltd.
Director,
Representative Corporate Officer,
President and CEO
Hidekuni Kuroda

KOKUYO Group Anti-Bribery and Anti-Corruption Policy in Japanese [\[PDF:590KB\]](#)

KOKUYO Group Anti-Bribery and Anti-Corruption Policy in English [\[PDF:89.8KB\]](#)

KOKUYO Group Competition Law Policy

The KOKUYO Group Competition Law Policy was revised on January 1, 2026, in line with the Japan Fair Trade Commission's Guide for the Design and Implementation of an Effective Antimonopoly Act Compliance Program.

KOKUYO Group Competition Law Policy

1. Basic Policy

- (1) KOKUYO Co., Ltd. and its subsidiaries (the “KOKUYO Group” and individually, a “KOKUYO Group Company”) are committed to complying with all competition laws applicable to the businesses of the KOKUYO Group in each country and region where the KOKUYO Group operates, including the Antimonopoly Act of Japan (collectively, “Competition Laws”).
- (2) Each KOKUYO Group Company shall establish, implement, and maintain internal rules to ensure effective compliance with the Competition Laws.

2. Scope of Application

This Policy constitutes an internal rule of KOKUYO Co., Ltd. and applies to the entire KOKUYO Group. Each

KOKUYO Group Company is responsible for ensuring that its officers and employees — including directors, auditors, executive officers, and other officers, as well as all full-time and part-time workers, temporary staff, and contract employees — comply with this Policy and with any Competition Law related internal rules established by their respective KOKUYO Group Company. Furthermore, each KOKUYO Group Company shall seek the understanding and cooperation of all external parties involved in its business activities to support adherence to this Policy.

3. Whistleblower Reporting System

The KOKUYO Group Hotline, which is available to all officers and employees of the KOKUYO Group as well as business partners of the KOKUYO Group in Japan, accepts reports regarding actual or suspected violations of Competition Laws by any organization or individual within the KOKUYO Group. In accordance with the operational rules of the KOKUYO Group Hotline, any retaliatory or otherwise disadvantageous treatment of whistleblowers for having made a report is strictly prohibited.

4. Principles of Conduct

(1) Compliance with Laws and Regulations

Each KOKUYO Group Company shall comply with the Competition Laws applicable to its businesses in each country and region where it operates, as well as with its own internal company rules.

(2) Prohibition of Cartels and Bid Rigging

No KOKUYO Group Company shall engage in any price-fixing agreements, production coordination, market allocation, bid rigging, or any other cartel or collusive conduct that violates Competition Laws.

(3) Principle of Prohibiting Information Exchange with Competitors

No KOKUYO Group Company, in principle, shall exchange competitively sensitive information with competitors. This prohibition also applies to contacts through industry associations, joint research, exhibitions, and similar forums. Contact with competitors shall be properly managed.

(4) Maintaining Appropriate Relationships with Business Partners

No KOKUYO Group Company shall engage in any conduct that violates any applicable Competition Laws and unfairly harms its business partners or other business operators in the course of their business activities.

(5) Prohibition of Private Monopolistic Practices

No KOKUYO Group Company shall engage in any conduct that constitutes private monopolization under the Antimonopoly Act of Japan or any similar prohibited conduct under other applicable Competition Laws.

(6) Prohibition of Violations through Agents

No KOKUYO Group Company shall cause any of its agents, distributors or other third parties to engage in acts that violate any of the prohibitions set forth in sub-sections (2) through (5) above.

(7) Cooperation in investigations with Competition Authorities

Each KOKUYO Group Company will respond in good faith if they receive an inquiry or are subject to an investigation from a competition authority having jurisdiction over its respective locations.

5. Framework for Compliance with Competition Laws

Each KOKUYO Group Company shall continuously work to establish and maintain an effective framework for developing internal rules aimed at ensuring compliance with all Competition Laws and related laws and regulations, as well as for the proper implementation of those rules. In addition, each KOKUYO Group Company will provide education and promote awareness among its officers and employees regarding this Policy and its respective Competition Law related internal rules.

6. Disciplinary Action

Each KOKUYO Group Company may impose disciplinary action, in accordance with its internal rules, on employees who violate any applicable Competition Laws, this Policy, or the Competition Law related internal rules of their respective KOKUYO Group Company.

Effective Date : January 1st 2026

KOKUYO Co., Ltd.

Director,
Representative Corporate Officer,
President and CEO
Hidekuni Kuroda

KOKUYO Group Competition Law Policy in Japanese [📄\[PDF:502KB\]](#)

KOKUYO Group Competition Law Policy in English [📄\[PDF:82.9KB\]](#)

ESG databook > G-02 Alleged violations of competition law and anti-corruption legislation [📄\[PDF:2MB\]](#)

Actions

Whistleblowing Hotline: the
KOKUYO Group Hotline



Instilling Compliance



To Supply Chain Partners: Our
Stance on Hospitality



| Whistleblowing Hotline: the KOKUYO Group Hotline

We have a whistleblowing hotline for employees (the KOKUYO Group Hotline) and one for supply chain partners (the KOKUYO Group Hotline for Supply Chain Partners), whereby issues or concerns can be raised.

The KOKUYO Group Hotline

We have a group-wide hotline (the KOKUYO Group Hotline). For inquiries made in Japan, the hotline connects to a third-party whistleblowing service. Inquiries made outside Japan are received within KOKUYO. To protect whistleblowers from retribution and to protect their anonymity, we have established internal rules about hotline management and regularly train employees involved in hotline operations. The hotline for employees can be accessed from the company's internal network. Chinese group companies have their own internal whistleblowing hotline (known as Rèxiàn).

ESG databook > G-03 Data on use of KOKUYO Group Hotlines  [PDF:2MB]

The KOKUYO Group Hotline for Supply-Chain Partners

The KOKUYO Group has established and is operating a whistleblowing hotline which can be used by our supply chain partners. The purpose of the hotline is to build healthy relationships with our supply chain partners and to achieve mutual sustainable growth.

The KOKUYO Group Hotline for Supply-Chain Partners >

| Instilling Compliance

Training Programs

As part of our commitment to fostering a corporate culture that cherishes innovation and integrity, we regularly provide compliance training and conduct questionnaire surveys on compliance. In 2025, we introduced Compliance Month. The purpose of Compliance Month is to raise employees' compliance awareness and to set aside a period for focusing on compliance-related initiatives as part of an organization-wide commitment to compliance.

ESG databook > G-04 Compliance training  [PDF:2MB]

Compliance Magazine

We have a compliance magazine. New issues are generally released every month. The magazine includes breakdowns of relevant legislation, details about legislative reforms, and case studies illustrating the risks of legal violations. This content is communicated with illustrations and plain-language text. In this way, the magazine serves way to regularly raise employees' compliance awareness. The compliance magazine content is also displayed on digital signage in company premises.

Risk Management and Compliance Hubs for China and ASEAN

KOKUYO (Shanghai) Management Co., Ltd., serves as our hub for risk management and compliance in China. KOKUYO International (Malaysia) Sdn. Bhd. serves as the ASEAN desk, managing risk and compliance in ASEAN markets. These hubs help us gain timely insights into legislative developments and tailor compliance measures to the realities of the territory in question.

| To Supply Chain Partners: Our Stance on Hospitality

We refrain from forms of hospitality that would violate the law or your internal rules. Please contact us if you suspect that someone from KOKUYO Group is offering you hospitality that violates your internal rules.

Intellectual Property (IP)

To differentiate our company from competitors, we encourage the acquisition of IP rights and ensure that we respect and never infringe the IP rights of other companies. To make the most of our IP as our operations expand across the globe, KOKUYO regularly exchanges information with overseas subsidiaries, improving coordination in our global IP strategy.

Policy

KOKUYO Group Code of Conduct

Recognizing that IP is an important current and future corporate asset, we appropriately manage, protect, and utilize our IP and respect the IP rights of others.

KOKUYO Group Code of Conduct 6: Safeguarding KOKUYO Group assets, respecting intellectual property

We appropriately manage, safeguard, and use KOKUYO Group's assets, tangible and intangible, and avoid infringing the intellectual property of others.

Commentary

- All KOKUYO Group assets, whether tangible and intangible, must be managed in accordance with internal rules to protect them from loss, theft, or unauthorized disclosure. Only use such assets for official business purposes. Never take such assets outside the workplace, or give them to a third party, without authorization.
- Always respect, never infringe, the intellectual property (IP) rights of others. To avoid the risk that a new product or technology infringes IP rights and causes litigation, due diligence must be taken at every step from research & development, through to design, production, and sales.
- Never improperly access or use another person's confidential information.

KOKUYO Group Code of Conduct >

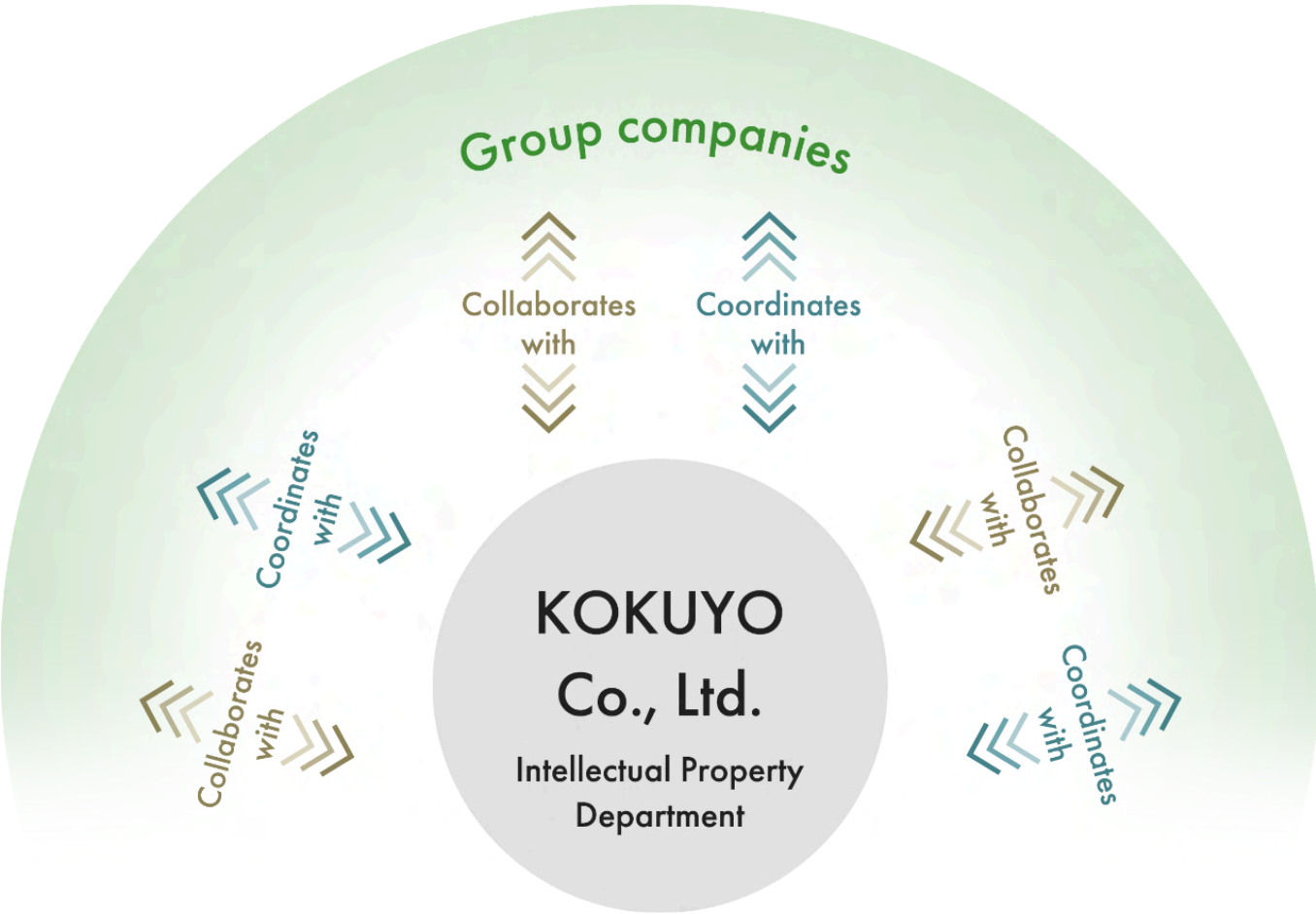
Processes in place

Management and Operational Structure

The Risk Management Division's legal department has a unit devoted to managing intellectual property (IP) for our subsidiaries in Japan and overseas. The unit works to standardize and unify the use of, and strategies concerning, intellectual property across KOKUYO Group. The unit's duties include managing procedures for obtaining protections for our IP (inventions, designs, and trademarks), conducting preliminary surveys to ensure that we avoid violating the IP rights of others, and routine monitoring rival products to check for potential violations of our own IP rights. Should a dispute occur, the unit will coordinate with the management to enable a swift and satisfactory resolution.

International Coordination in IP

We are working to make the most of our IP as our operations expand across the globe. Our corporate headquarters in Japan and our overseas subsidiaries hold regular intellectual property meetings to exchange information and take anti-counterfeiting measures in order to better collaborate on our global intellectual property strategy.



Working with External Partners

As a member of the International Intellectual Property Protection Forum (IIPPF), which works to resolve the problem of overseas intellectual property infringement by taking aim at counterfeiting and piracy, we meet to exchange opinions with other companies and e-commerce operators around the world.

International Intellectual Property Protection Forum (IIPPF) [🔗](#)



Actions

- Better Coordination with Overseas Subsidiaries ✓
- Anti-Counterfeiting Measures ✓
- Safeguarding Our IP Rights and Complying with IP Law ✓
- Creating and Leveraging IP Rights ✓

Better Coordination with Overseas Subsidiaries

The IP unit provides IP training to improve coordination with our overseas production subsidiaries.

Anti-Counterfeiting Measures

We monitor domestic and overseas markets as well as e-commerce websites and other websites and take measures against products that infringe the KOKUYO Group’s rights. Measures include sending warning letters to manufacturers and requesting platformers to remove such products from their sites. For cases outside Japan, we take legal measures (such as seeking injunctions or filing lawsuits) against factories that make counterfeit products and against wholesalers dealing in such. We will continue to take a firm stance against counterfeiting wherever in the world we find it.



Counterfeit of C2 pencil case



Counterfeit of Mark+ (2-tone markers)



Counterfeit of HacoHaco (pencil case) in China





Counterfeit of Hacokabe (storage tool) in China exposed



Counterfeit of Nemunemu (pencil case) in China



Counterfeit of Nemunemu (pencil case) in China



After discovering that counterfeit products were being sold on an e-commerce site in China, we located the factory manufacturing the products. An injunction was issued against the factory in February 2022. Authorities confiscated 248 Hacokabe and 681 Nemunemu counterfeits. The manufacturer was later fined. Information about our anti-counterfeiting activities is posted on the official WeChat account of our local subsidiary.

ESG databook > G-05 No. of patents in Japan and overseas [\[PDF:2MB\]](#)

| Safeguarding Our IP Rights and Complying with IP Law

The KOKUYO Group Code of Conduct stipulates that we respect the intellectual property rights of others while the intellectual property unit establishes and operates the system for research, analysis, and close investigation to prevent and avoid the violation of rights held by others. In addition, awareness-raising activities for respecting the intellectual property rights of others and improving awareness of legal compliance are conducted for development departments through training as the necessity arises and as part of daily work.

| Creating and Leveraging IP Rights

The IP unit and development departments 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. In compliance with Article 35 of the Patent Act, we have incorporated into our internal rules a system that incentivizes inventions that will increase customer satisfaction and support our business success.

Supply Chain Management

With the rapid progress of economic globalization, multinational corporations have grown massive. In pursuit of lower costs, these corporations extend their supply chains into developing countries. This trend is exacerbating human rights violations such as forced labor and child labor and widening economic disparities. Meanwhile, environmental problems are growing ever more severe. Our group will fulfill its social responsibilities together with supply chain partners and continue contributing to social development.

Material Issues and Performance

See Goals and Results: Material Issues 3-3.

Goals and Results >

Policy

KOKUYO Group Sustainable Procurement Policy

The KOKUYO Group Sustainable Procurement Policy enshrines our commitment to ensuring that our procurement activities contribute to a sustainable planet and society. Under this policy, we communicate our belief in co-creation with empathy to our supply chain partners, work to build mutual understanding and trust with them, and continue working with them to fulfill our collective social responsibility to support the development of society.

KOKUYO Group Sustainable Procurement Policy

To ensure that the earth and society remain sustainable, the Kokuyo Group will strive to build mutual understanding and trust with our supply chain partners with shared understanding of the Kokuyo Group's value of co-creation with empathy, work together to fulfill our social responsibilities, and continue contributing to social development.

1. Quality management

By providing products and services that enrich "work, learning and living," we will continue to respond to the trust of customers and pursue customer satisfaction.

We will conduct comprehensive risk management and provide accurate product and service information.

2. 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.

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.

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

3. Health and safety

We will comply with health and safety related laws and regulations including the Industrial Safety and Health Act. We will pay appropriate wages and allowances, provide welfare programs, properly conclude labor agreements, comply with applicable laws and regulations, and protect the rights of workers.

We will encourage continuous and self-initiated workplace improvement and strive to prevent occupational accidents and illness.

4. Environmental preservation

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

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.

5. Fair trade

We will establish and implement an appropriate system for internal control to obtain logical assurance that we are achieving the four goals of effectiveness and efficiency in operations, reliability of reports, compliance with laws and regulations related to our business activities, and the maintenance of assets.

ESG actions<Supply Chain Management >

When engaging in procurement, we will comply with the applicable laws, regulations, treaties, and so on in each country and region and follow industry standards and international norms (including standards formulated by the KOKUYO Group).

We will take a firm stand and not accede to any improper demands made by criminal organizations that threaten the good order and safety of civil society. Furthermore, we will not have any business dealing with such organizations.

We will respect the rights of trading partners, take action to prevent all corruption including extortion and bribery, and will practice sound, proper, and fair trade.

6. Information security

We will properly manage confidential corporate information including sales, technical, and management information as well as personal information and prevent loss and leaks of information.

We will not engage in insider trading including trading of the shares of our own company or affiliated companies based on non-public material inside information and will not engage in any conduct that induces insider trading.

Effective Date: April 1, 2013
Revised Date: December 1, 2025

KOKUYO Co., Ltd.
Director,
Representative Corporate Officer,
President and CEO
Hidekuni Kuroda

KOKUYO Group Sustainable Procurement Policy in Japanese [\[PDF:494KB\]](#)

KOKUYO Group Sustainable Procurement Policy in English [\[PDF:133KB\]](#)

KOKUYO Group Sustainable Procurement Standards

We have established the matters we want to achieve together with our supply chain partners in the KOKUYO Group Sustainable Procurement Standards, which is based on the KOKUYO Group Code of Conduct and the KOKUYO Group Sustainable Procurement Policy, to ensure the earth and society continues to remain sustainable.

KOKUYO Group Sustainable Procurement Standards

To ensure that the earth and society remain sustainable, the KOKUYO Group establishes these KOKUYO Group Sustainable Procurement Standards as a statement of what we want to achieve in collaboration with trading partners based on the KOKUYO Group Code of Conduct and KOKUYO Group Sustainable Procurement Policy. We also ask our trading partners to ensure that the requirements stated below are implemented, and that they in turn seek their trading partners' understanding of the KOKUYO Group Sustainable Procurement Standards and promotion of the requirements therein.

1. Quality management

By providing products and services that enrich "work, learning and living," we will continue to respond to the trust of customers and pursue customer satisfaction. We will conduct comprehensive risk management and provide accurate product and service information.

1-1 Ensuring product safety

We will fulfill our responsibilities as a supplier by designing, manufacturing, and selling products that satisfy safety standards established by the laws and regulations of each country and ensuring adequate product safety.

1-2 Quality management

We will comply not only with applicable laws and regulations relating to product and service quality, but also KOKUYO Group quality standards and customer requirements.

1-3 Provision of accurate product and service information

We will appropriately disclose information relating to our business activities, product quality and safety, and so on and will strive to understand and provide product and service information in response to requests from stakeholders.

1-4 Management of the risk of disasters and other risks

We will create risk management systems during normal times and provide stable supplies of products to customers.

2. Respect for human rights

We understand the culture and business customs of various countries and regions and aim for a society where the rights of all people are respected. We will not permit unfair discrimination or child and forced labor. Moreover, we will not conduct transactions with companies, groups, or other entities that engage in such practices. We will not allow sexual harassment, power harassment, bullying, or other such violations of human rights.

2-1 Prohibition of child labor and forced labor

We will not permit unfair discrimination or child and forced labor. Moreover, we will not conduct transactions with companies, groups, or other entities that engage in such practices.

2-2 Prohibition of sexual harassment, power harassment, and discrimination

We will not allow sexual harassment, power harassment, bullying, or other such violations of human rights. Furthermore, we will give appropriate consideration to requests from workers relating to religious practices.

- 2-3 Freedom of association and right to collective bargaining**
We will comply with local laws and regulations and respect the right of workers to organize as a means of conducting labor-management discussions regarding working environments, wage levels, and other issues.
- 3. Health and safety**
We will comply with health and safety related laws and regulations including the Industrial Safety and Health Act. We will pay appropriate wages and allowances, provide welfare programs, properly conclude labor agreements, comply with applicable laws and regulations, and protect the rights of workers. We will encourage continuous and self-initiated workplace improvement and strive to prevent occupational accidents and illness.
- 3-1 Occupational health and safety**
We will give due consideration to employee health and safety and strive to create comfortable workplaces.
- 3-2 Consideration for work hours**
We will not require workers to work in excess of the limits set by laws and regulations in the regions where they work. Furthermore, we will appropriately manage workers' work hours and days off with due consideration for international standards.
- 3-3 Appropriate wages and allowances**
We will comply with all applicable laws and regulations concerning compensation (including minimum wages, overtime pay, and allowances and deductions from wages required by law) paid to workers. We will also take into consideration wage levels that can provide for the necessities of life (living wages).
- 3-4 Responses to emergency situations**
To prepare for emergency situations such as disasters and accidents that could harm human life and physical safety, we will identify such emergency situations including the likelihood of occurrence, prepare action procedures for emergency measures that will minimize harm to workers and assets, install necessary facilities and so on, and conduct education and training so that action can be taken in the event of a disaster.
- 3-5 Occupational accidents and occupational illnesses**
We will identify, assess, record, and report on the status of occupational accidents and occupational illnesses and take appropriate countermeasures and remedial measures.
- 3-6 Industrial safety**
We will identify, assess, and appropriately manage the risk of worker exposure to harmful biological, chemical, and physical effects in the workplace.
- 3-7 Consideration for work that imposes physical burdens**
We will identify and assess work that imposes physical burdens on workers and appropriately manage such work so that it does not lead to occupational accidents or occupational illnesses.
- 3-8 Safety measures for machinery and equipment**
We will assess whether there are any safety-related risks concerning machinery and equipment that workers use in their work and take appropriate safety measures.
- 3-9 Facility health and safety**
We will appropriately ensure health and safety in facilities provided for workers (dormitories, cafeterias, bathrooms, etc.).
- 3-10 Health and safety communication**
We will provide education and training on appropriate health and safety information regarding the various hazards that workers may be exposed to while working using language and methods that workers can understand and establish systems for workers to provide feedback concerning their safety-related opinions.
- 3-11 Worker health management**
We will perform appropriate health management for all employees.
- 4. Environmental preservation**
The Group takes environmental protection initiatives on a global scale, and by actively participating in communities and acting as a good corporate citizen, seeks to create mutually beneficial relationships with society. 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.
- 4-1 Reduction of energy consumption and greenhouse gas emissions**
We will strive to improve energy efficiency and take measures to continuously reduce our energy consumption as well as greenhouse gas emissions across our entire supply chain.
- 4-2 Atmospheric emissions**
We will implement appropriate measures to reduce atmospheric emissions of harmful substances.
- 4-3 Water management**
We will appropriately manage the impact of water intake and discharge on the surrounding natural environment. To do this, we will monitor the use and release of water and strive to conserve water. Before wastewater is discharged or disposed of, we will monitor, control, and process it and we will identify sources of pollutants that could cause water contamination and appropriately manage them.
- 4-4 Preservation of biodiversity**
We will strive to conserve the raw materials used in our business and preserve biodiversity in the regions where we conduct business.
- 4-5 Effective use of resources and waste management**
We will promote the 3Rs (reduce, reuse, recycle) and strive to effectively use resources and curtail the generation of waste.
- 4-6 Management of chemical substances**
We will identify, label, and manage chemical substances and other materials that pose risks to people and the environment and manage them to ensure safe handling, transportation, storage, use, recycling or reuse, and disposal.
- 4-7 Management of chemical substances in products**
We will comply with applicable laws and regulations and customer requirements concerning the prohibition or restriction of use of specific substances in products.

4-8 Social contribution

We will actively participate in social, educational, and cultural support initiatives, interaction with local communities, beautification programs, volunteer programs, and so on.

5. Fair trade

We will establish and implement an appropriate system for internal control to obtain logical assurance that we are achieving the four goals of effectiveness and efficiency in operations, reliability of reports, compliance with laws and regulations related to our business activities, and the maintenance of assets.

When engaging in procurement, we will comply with the applicable laws, regulations, treaties, and so on in each country and region and follow industry standards and international norms (including standards formulated by the KOKUYO Group). We will take a firm stand and not accede to any improper demands made by criminal organizations that threaten the good order and safety of civil society. Furthermore, we will not have any business dealing with such organizations. We will respect the rights of trading partners, take action to prevent all corruption including extortion and bribery, and will practice sound, proper, and fair trade.

5-1 Compliance

We will comply strictly with national and regional laws and regulations, social norms, and corporate ethics and strive to educate employees.

5-2 Fair and transparent trade

We will conduct fair and transparent trade that respects free competition. Furthermore, we will not use our status as the buyer to demand money, goods, or special treatment from trading partners.

5-3 Prohibition of dealings with criminal organizations

We will take a firm stand and not accede to any improper demands made by criminal organizations that threaten the good order and safety of civil society. Furthermore, we will not have any business dealing with such organizations.

5-4 Protection of intellectual property rights

We will protect intellectual property rights and not engage in any improper use.

5-5 Prohibition of conflicts of interest

We will not engage in any conduct where officers or employees use their status to gain personal benefit contrary to the proper interests of the company.

5-6 Protection of whistleblowers

We will protect the confidentiality of information relating to whistleblowing and the anonymity of whistleblowers and eliminate any retaliation against whistleblowers.

5-7 Prohibition of insider trading

We will not engage in insider trading including trading of the shares of our own company or affiliated companies based on non-public material inside information and will not engage in any conduct that induces insider trading.

5-8 Responsible minerals procurement

We will not procure minerals—such as tantalum, tin, tungsten, and gold—used in the products that we manufacture if it is found that they cause or contribute to any serious human rights violations, environmental destruction, corruption, conflict, and so on in conflict and high-risk regions.

5-9 Ensuring reliability of reports

We will ensure the reliability of reports (including nonfinancial information) and will not tolerate the falsification of records or significant misrepresentations in applications, reports, and such.

6. Information security

We will properly manage confidential corporate information including sales, technical, and management information as well as personal information and prevent loss and leaks of information. We will not engage in insider trading including trading of the shares of our own company or affiliated companies based on non-public material inside information and will not engage in any conduct that induces insider trading.

6-1 Defense against cyber attacks

We will take defensive measures against cyber attacks and other threats and conduct management to prevent harm to the company and others.

6-2 Protection of personal information

We will comply with relevant laws and regulations relating to and appropriately manage and protect all personal information including the personal information of suppliers, customers, consumers, and employees.

6-3 Prevention of leaks of confidential information

We will appropriately manage and protect not only our own confidential information, but also confidential information received from customers and third parties.

Effective Date: April 1, 2013
Revised Date: December 1, 2025

KOKUYO Co., Ltd.
Director,
Representative Corporate Officer,
President and CEO
Hidekuni Kuroda

KOKUYO Group Responsible Minerals Procurement Policy

We recognize that mining operations in, or transactions involving metals and materials sourced from, conflict regions and high-risk regions can harm human rights, damage the environment, and fund armed groups. To ensure responsible procurement of metals and minerals, we have established the KOKUYO Group Policy for the Responsible Procurement of Metals and Minerals.

KOKUYO Group Responsible Minerals Procurement Policy

The KOKUYO Group's purpose statement is "Presenting a tomorrow you can't wait for." By solving material issues and creating social impact through our business activities, we seek to create a self-directed, collaborative society where diverse people mutually enhance each other's creativity and continue to solve social issues while feeling their own sense of satisfaction.

The mining and trading of minerals in conflict and high-risk regions around the world may lead to issues, including forced labor, child labor, and other human rights violations as well as environmental destruction. The profits obtained through mining and trading of minerals in these regions may also become funding for armed forces. The use of minerals from these regions may help contribute toward conflict, human rights violations, environmental destruction, and so on. The KOKUYO Group recognizes problems with such minerals as a key social issue and has formulated the KOKUYO Group Responsible Minerals Procurement Policy to undertake responsible minerals procurement that does not use minerals that are related to conflict, human rights violations, and such.

1. The KOKUYO Group undertakes responsible minerals procurement while referencing the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas.
2. The KOKUYO Group will not procure minerals—such as tantalum, tin, tungsten, and gold—used in the products that we manufacture if it is found that they cause or contribute to any serious human rights violations, environmental destruction, corruption, conflict, and so on in conflict and high-risk regions.
3. In line with the purpose of this Policy, we will also ask the trading partners of the KOKUYO Group to undertake responsible minerals procurement.

Effective Date: December 1, 2025

KOKUYO Co., Ltd.
Director,
Representative Corporate Officer,
President and CEO
Hidekuni Kuroda

KOKUYO Group Policy for the Responsible Procurement of Metals and Minerals in Japanese [\[PDF:336KB\]](#)

KOKUYO Group Policy for the Responsible Procurement of Metals and Minerals in English [\[PDF:84.3KB\]](#)

Declaration on Building Partnerships, Policy on Multistakeholder Processes

As part of our commitment to sustainability and in support of the Future Partnership Building Promotion Council, we have published the Partnership Building Declaration and Policy on Multistakeholder Processes to add value to our overall supply chain, achieve prosperity for all partners, and facilitate value co-creation with a wide array of stakeholders.

Partnership Building Declaration

We hereby declare our commitment to working with our supply chain partners and value-creation partners in the following ways to achieve mutual prosperity and build new partnerships.

1. Commitment to a Supply Chain of Mutually Beneficial and Open Business Relations (Not Limited by Scale or Keiretsu Status)

We engage with supply chain partners at multiple tiers, as opposed to only direct suppliers, to add value to our supply chain. We pursue mutually beneficial trading partnerships with a wide array of suppliers, rather than limiting our business dealings to conventional trading partnerships or to companies of a certain scale or position within a keiretsu (companies with vertically integrated interlocking relationships).

Our approach to supplier engagement aligns with our Environmental Policy. Under the theme of responding to the climate crisis, we engage with suppliers in achieving a net-zero supply chain. Under the theme of contributing toward a circular economy, we engage with suppliers in leading the way toward a recycling, zero-waste future. Under the theme of contributing toward a society that coexists with nature, we engage with suppliers in ensuring that our procurement of forest resources is legal, transparent, and sustainable.

We use our insights and best practices to enhance wellbeing among supply chain partners and other stakeholders in line with our Sustainable Management Policy, which states that, to build a self-directed, collaborative society, we will present a tomorrow you can't wait for and lead the way in sustainable business practices.

2. Complying with Government Standards for Subcontracting

In compliance with the government standards for subcontracting (shinko kijun), which are based on the Act on

Promotion of Entrusted Small and Medium-sized Enterprises, we commit to fair trading practices with small- and medium-sized subcontractors. In particular, we commit to ameliorating unfair ordering practices, unfair payment terms, unfair payment methods, and demands on subcontractors to hold company-owned equipment (such as molds or jigs), and to ensuring propriety in the safeguarding and trading of intellectual property. We also commit to actively redressing any other trading practice that hinders supply chain partnerships that are mutually beneficial.

3. Other

We commit to working with distribution partners to improve distribution operations. As part of this, our distribution subsidiaries voluntarily publish declarations endorsing the government's White Logistics Movement (an initiative to encourage fair business dealings in the distribution industry). As part of our efforts to achieve mutual business growth with suppliers, we ask suppliers to comply with our Sustainable Procurement Policy.

We make this declaration in full knowledge of government standards for subcontracting (shinko kijun), which are based on the Act on Promotion of Entrusted Small and Medium-sized Enterprises.

Effective Date: January 20, 2025
Revised Date: January 8, 2026

KOKUYO Co., Ltd.
Director,
Representative Corporate Officer,
President and CEO
Hidekuni Kuroda

Multi-Stakeholder Policy

We are committed to building a self-directed collaborative society, a future society in which diverse values are respected, in which personal fulfillment is balanced with helping and supporting others, in which everyone lives life to the full, and in which people are connected in their work life, study life, and home life.

To that end, we take a multi-stakeholder approach whereby we work with employees, supply chain partners, shareholders, investors, communities, and other stakeholders on projects aligned with the Forest-Like Management Model, a business model for developing new businesses and expanding their reach.

Profits and benefits yielded from these efforts should be distributed fairly among the stakeholders, as this drives our business success and creates long-term social value. We therefore commit to giving back to employees, to trading fairly with supply chain partners, and to engaging with stakeholders in other ways, as described below.

1. Giving Back to Employees

We concentrate our resources on areas with bright growth prospects and invest in employee skills development to sustain our business growth, improve productivity, and maximize added value.

Employees deserve a share of the profits and benefits yielded from these efforts. One way we give back to employees is by raising wages in a manner conducive to our circumstances and in accordance with the fundamental principles for setting wages. Another way we give back to employees is by treating them well in general. We are proactive in providing training programs and other programs that boost employee engagement and productivity.

Examples:

On the matter of raising wages, we commit to delivering across-the-board pay increases and higher starting wages.

On the matter of training, we run a number of programs to foster a culture of challenge-taking and continuous learning. One example is the 20% Challenge, an internal moonlighting program designed to encourage attendees to take the initiative in their career and professional development and to invigorate organizational units. Another example is Kokuyo Academy, a talent development institution focused on fostering leadership and creativity. We will continue to improve the working environment and provide more growth opportunities so that all employees can reach their full potential.

2. Fair Business Dealings with Supply Chain Partners

We commit to fair trading relationships as stated in the Partnership Building Declaration.

Our endorsement of the Partnership Building Declaration is published on a dedicated government website (<https://www.biz-partnership.jp/declaration/122533-05-05-osaka.pdf>). If the government removes our endorsement from the website, we will voluntarily remove this Multi-Stakeholder Policy from the public domain. To ensure fair dealings with suppliers exempted from consumption tax, we follow government guidance on fulfilling duties under the invoice system with respect to tax-exempt parties and their supply chain partners.

3. Other Examples of Engaging with Stakeholders

We recognize that close engagement with all categories of stakeholders is essential if we are to achieve sustainable corporate development.

See our corporate website for other examples of engaging with stakeholders.

All commitments outlined above are subject to ongoing review.

Effective Date: January 27, 2025
Revised Date: December 1, 2025
February 16, 2026

KOKUYO Co., Ltd.
Director,
Representative Corporate Officer,
President and CEO
Hidekuni Kuroda

Partnership Building Declaration in Japanese [PDF:421 KB]

Policy on Multistakeholder Processes in Japanese [PDF:481 KB]

Actions

Sustainable Procurement Efforts >

The KOKUYO Group Hotline for Supply Chain Partners >

Supply Chain Management: Actions

Sustainable Procurement Efforts

We have been surveying our suppliers to ascertain their efforts towards sustainable procurement since 2022 and sent our questionnaire to 553 suppliers in 2025.

We received responses from 500 of these suppliers (90.4% response rate) and feedback the results to the respondents.

We will continue to work towards receiving responses from all our suppliers in 2026.

We rank our suppliers from A to D based on their questionnaire answers. We have a commitment goal for 2027 to procure at least 75% of supplies from A- or B-ranked suppliers and to generate at least 75% of merchandise sales from products that meet the KOKUYO Group Paper and Timber Procurement Standards we instituted in April 2024.

We also seek for our suppliers to sign an agreement signaling their awareness and endorsement of our KOKUYO Group Sustainable Procurement Policy and KOKUYO Group Sustainable Procurement Standards. As of the end of December, 2025, 1,049 of the 1,158 suppliers we targeted have signed (99.1% sign-up rate).

See [Co-existence with Nature](#)

Surveying Suppliers on the Sustainable Procurement Policy and Obtaining Their Consent to Such

	Questionnaire survey	Consent form *
Total no. of target companies	553	1,058
No. of target companies that signed agreement/responded to questionnaire	500	1,049
% of target companies that signed agreement/responded to questionnaire	90.4%	99.1%

* Current as of December 31, 2025

Example of a completed questionnaire

公司名称	
业务部门	国誉商业（上海）

综合评价	
2025年度	2024年度
B	C

评价基准	
得分率 ^{*1} 80%以上	A
得分率在60%以上但不足80%	B
得分率在40%以上但不足60%	C
得分率在40%以下或者CP ^{*2} 得分为0	D

*1：贵公司的得分/满分 *2：关键点（Critical Point）的缩写

项目	2025年度评价	备注	2024年度评价
质量管理	B	实施了必要的措施，期待持续推进活动。	C
尊重人权	B	实施了必要的措施，期待持续推进活动。	B
安全卫生	C	在采取的措施中发现了一些不足之处，期待能有更进一步的推进。	C
环境保护	C	在采取的措施中发现了一些不足之处，期待能有更进一步的推进。	C
公平交易	B	实施了必要的措施，期待持续推进活动。	B
信息安全	B	实施了必要的措施，期待持续推进活动。	B

【备注】

贵公司虽然没有按照部分要求开展业务，但还是按照国誉集团可持续采购政策所要求的水平开展业务。

The KOKUYO Group Hotline for Supply-Chain Partners

We provide a whistleblowing hotline for our supply-chain partners. The purpose of the hotline is to build healthy relationships with our supply-chain partners and to achieve mutual sustainable growth.

Applicable Users

Officers or employees (including contract employees, part-time employees and temporary employees) of Japanese supply chain partners that have entered into a contract with a KOKUYO Group company in Japan

Applicable Report Contents

Actual or potential legal violations, wrongdoings, or violations of the [KOKUYO Group Code of Conduct](#) by organizations or individuals in the KOKUYO Group, or concerns about information security

- * We do not accept reports on matters internal to supply chain partners that are not related to the KOKUYO Group.
- * As a rule, we expect the inquirer to name the supply chain partner and individuals in question.
- * We accept anonymous reports. However, please tell us the name of the organization or individual causing the problem.

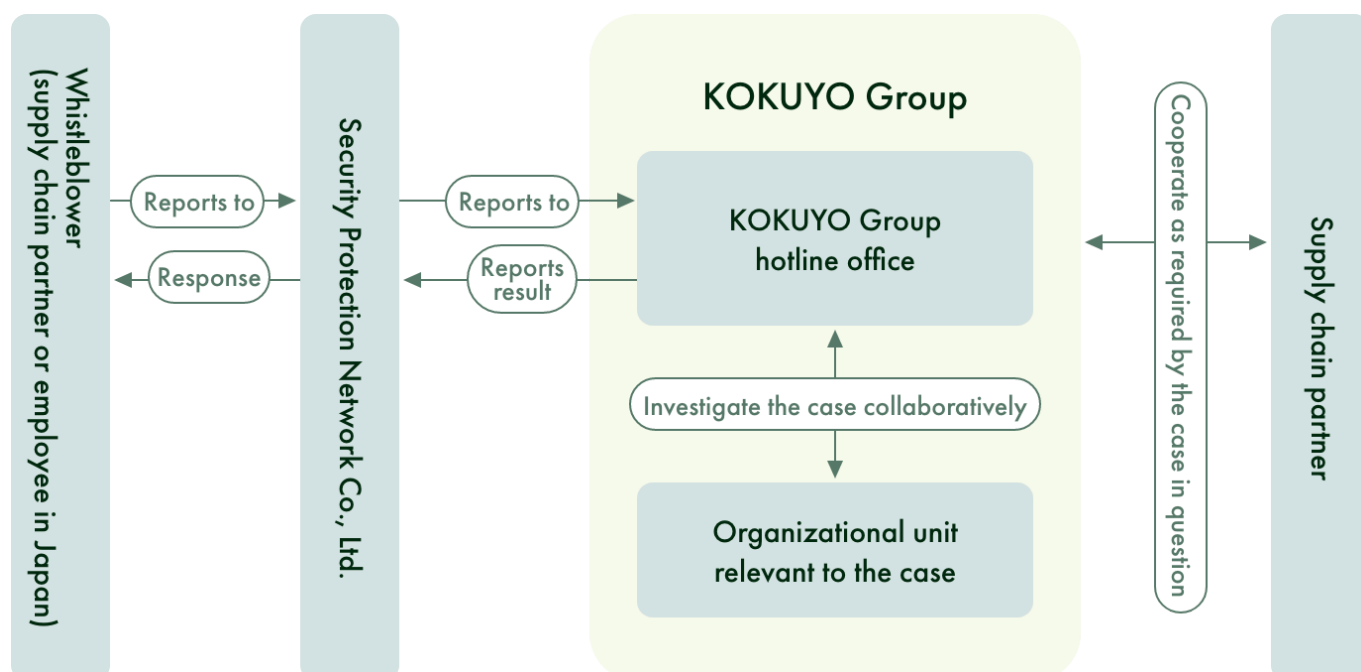
How to Make a Report and Report Flow

Please send your report to the e-mail address below.

kokuyoOrisk-hotline.com

- * When inputting this address, replace ○ with @ (we used ○ here to prevent our email being spammed).

We contract out this hotline service to Security Protection Network Co., Ltd., (SPN). SPN will not share your name or organization or any other personal information with the KOKUYO Group without your consent. Any investigation or other response necessitated by your report will be carried out in-house by the KOKUYO Group. With your permission, we may need to respond in collaboration with your organization.



When a Report Is Received

- We will not treat whistleblowers or supply chain partners disadvantageously due to making a report.
- In principle, SPN will need to know your name and your organization's name in order to carry out a thorough investigation and to provide feedback. Notwithstanding, your name or organization or any other personal information will not be shared with the KOKUYO Group without your consent.
- If you wish to report anonymously, make this clear when making the report. SPN will avoid identifying you as the whistleblower when reporting its findings to the KOKUYO Group Hotline Office. Note that anonymity may in some cases prevent a full investigation or an effective response.
- We will not accept reports which slander or libel individuals, false reports and reports based on improper purposes under any circumstances.
- KOKUYO Group will investigate the content of your report when this is deemed necessary. Please provide any materials or data relevant to your report (we may not be able to undertake the necessary investigation if the content of your report is unclear). We may need to investigate in collaboration with your organization.
- In principle, we will not conduct an investigation against your wishes. However, if the contents of your report constitute a serious violation of laws or ordinances, or if it is deemed important by the KOKUYO Group, we may conduct an investigation without obtaining your consent.
- SPN will report its findings to you alone. Please do not utilize the content in whole or in part for any other purpose.

Data on Use of Hotline

The ESG databook includes data on the use of the hotline between 2021 and 2025.

ESG databook > G-03 Data on use of the KOKUYO Group Hotline* [PDF:2MB]

* Japanese Only

Endorsement of International Initiatives

We promote sustainability actions compliant with international initiatives, certification systems and guidelines.

UN Global Compact

We have endorsed the UN Global Compact. In accordance with the Ten Principles of the UN Global Compact, we commit to responsible business practices in the areas of human rights, labor, environment, and anti-corruption to support a sustainable future.

Task Force on Climate-Related Financial Disclosures (TCFD)

We have endorsed the recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD), a body that has developed a framework that companies can use to disclose their climate-related actions and climate-related financial impacts. In line with the recommendations, we disclose our strategies and policies, including non-financial information such as initiatives for a zero-carbon transition, in our integrated report.

Disclosures aligned with the TCFD recommendations >

Taskforce on Nature-related Financial Disclosures (TNFD)

As an organization that uses forest resources, we are committed to understanding biodiversity and raw material risks and to ascertaining environmental risks pertaining to our business sites and the surrounding areas. As part of this, we keep track of developments related to the Taskforce on Nature-related Financial Disclosures (TNFD) and follow the TNFD recommendations. That is, for nature-related matters, we develop organizational processes, evaluate and act on priority issues, and improve the quality of disclosures.

Disclosures Aligned with the TNFD Recommendations >

Certification from SBTi

The Science Based Targets initiative (SBTi) is an international initiative to promote the setting of science-based greenhouse gas emissions reduction targets towards achievement of the Paris Agreement. We have obtained SBTi validation for our short-term targets towards achieving carbon neutrality.

Obtaining SBTi Validation >

30 by 30

We have endorsed the 30 by 30 initiative, which is an initiative to increase protected and conserved area coverage in land and sea to at least 30% by 2030. In connection with this, we participate in the Japanese business coalition called the 30by30 Alliance for Biodiversity.

The Valuable 500

We define a commitment to diversity as a commitment to creating a workplace that is inclusive of a diverse array of circumstances and values and accommodates a diverse array of workstyles so that everyone can reach their full potential.

We have signed up to the Valuable 500, a global network supporting the leaders of 500 businesses worldwide to drive a revolution in diversity and inclusion, which will enable people with disabilities to reach their full potential.

[The Valuable 500 Affiliation*](#) >

* Japanese Only

Japan Climate Leaders' Partnership (JCLP)

The Japan Climate Leaders' Partnership (JCLP) is a group of Japanese companies that formed a coalition in 2009 on the belief that industry should maintain a healthy sense of crisis about the need for a transition to a low-carbon, sustainable economy and should begin taking active steps toward this goal.

We aspire to be a leader in the carbon transition and an organization that is valued by society.

Japan Partnership for Circular Economy (J4CE)

The Japan Partnership for Circular Economy (J4CE) was founded by the Ministry of the Environment (MOE), Ministry of Economy, Trade and Industry (METI), and the Keidanren for the purpose of strengthening public and private partnerships, with the aim of further fostering understanding of the circular economy among a wide range of stakeholders, including domestic companies. We have signed up to J4CE and are taking action to support Japan's transition to a circular economy.

[J4CE](#) 

ISO 9001

We have obtained ISO 9001 certification, the internationally recognized standard for Quality Management Systems (QMS), and pursue our business in accordance.

[Obtaining ISO 9001 Certification](#) >

ISO 14001

We have obtained ISO 14001 certification, an internationally recognized standard for Environmental Management Systems (EMS), and pursue our business in accordance.

[Obtaining ISO 14001 Certification](#) >

ISO 45001

Three of our consolidated subsidiaries have obtained ISO 45001, the internationally recognized standard for occupational health and safety management systems, and pursue their business in accordance.

[ISO 45001 Certification >](#)

ISO 27001

Three of our business divisions have obtained ISO 27001 certification, the internationally recognized standard for information security management systems, and pursue their business in accordance.

[Obtaining ISO 27001 Certification >](#)

FSC® CoC Certification

We have obtained Forest Stewardship Council (FSC) chain of custody (CoC) certification, an internationally recognized standard for promoting sustainable forest management. Our manufacturing and distribution processes comply with this standard. Within our group, KOKUYO, Kaunet and KOKUYO Product Shiga have obtained FSC CoC certification, and sell FSC accredited copy paper, notebooks and other products (FSC code FSC-C004748).

PEFC CoC Certification

We have obtained Program for the Endorsement of Forest Certification (PEFC) certification, an internationally recognized standard for ensuring that wood and paper products derived from PEFC certified forests are appropriately tracked and managed through the manufacturing and distribution processes all the way through to the consumer. We pursue our business in accordance with this standard.

Sustainable Development Goals (SDGs)

Our material issues align with the Sustainable Development Goals (SDGs), and we keep the SDGs in mind when developing products and services.

The SDGs were enshrined in the 2030 Agenda for Sustainable Development, released in 2016 following its adoption at the UN Summit in September 2015. They represent the aspiration of the 193 member states to achieve a better and more sustainable world by 2030.

Japan's Guidance for Collaborative Value Creation

In our integrated reporting, we adhere to the Guidance for Collaborative Value Creation provided by Japan's Ministry of Economy, Trade and Industry (METI). This guidance serves as a lingua franca for companies and investors to engage with each other. Business leaders use the guidance to organize and integrate the information investors want to know (the organization's values, business model, strategy, governance, and so on) so that they can communicate more effectively with the investors.

Integrated Reporting Framework of the International Integrated Reporting Council

Our integrated reporting is also guided by the Integrated Reporting Framework of the International Integrated Reporting Council (IIRC). We use this framework to organize information about our value-creation process. The IIRC is a global coalition of regulators, investors, companies, standard setters, accountants, and NGOs.

ISO 26000

We align our disclosures with the core themes set out in ISO 26000.

ISO 26000 is an internationally recognized standard concerning social responsibility. It was published by the International Organization for Standardization on November 1, 2010.

[Mapping to other guidelines](#) >

GRI Standards

We also align our disclosures with the GRI Standards, which serve as a framework for reporting environmental, social, and governance information.

The guidelines are provided by the Global Reporting Initiative, an NPO dedicated to setting international standards on sustainability.

[Mapping to other guidelines](#) >

SASB Standards

We follow the SASB Standards when identifying our material issues.

The SASB Standards are standards on sustainability-related accounting and disclosures provided by the Sustainability Accounting Standards Board, an NPO that sets standards for corporate disclosures of non-financial information, by which a company's long-term value can be measured.

External Partnerships

We proactively share environmental information with customers and other external stakeholders to encourage engagement in environmental conservation.

Collaborating with external organizations and providing environmental education

We share environmental information with diverse stakeholders and collaborate with external organizations in addressing key environmental issues in order to contribute toward a sustainable world. We also run a schools outreach program that prompts schoolkids who will lead the next generation to take a personal interest in environmental issues.

Participating organizations and projects

Case study | All Japan Stationery Association

In 2019, the All Japan Stationery Association launched an SDG research committee for the purpose of guiding efforts in the stationery industry to balance environmental and social governance with economic aspects. The committee consists of 17 companies, and KOKUYO has chaired the committee ever since it began. In 2021, the committee established a basic policy on SDG action. In 2022, the SDG research committee was reconstituted as the SDG Committee to promote more practical initiatives. The committee then established a number of working groups.

There are currently four working groups: one on CO₂ reduction, one on calculating the carbon footprint of products (PCF), one on reducing plastics, and one on disclosing sustainability information. In 2023, the committee's main actions included drawing up, and briefing association members about, a manual for the simplified calculation of scope 1 and 2 emissions, a simplified method for calculating product-specific emissions, and guidelines for designing stationery and office supplies that use plastic.

In 2025, they included establishing rules and example procedures for estimating the PCF of each category of stationery and office supplies, running workshops related to such, and organizing employee briefings and fora to disseminate the information.



Case studies presented at a forum on corporate decarbonization strategies (March 2025)

List of key associations and projects

- Osaka-fu Kogyo Kyokai [Osaka Industrial Association]: Chair of environmental action committee
- Kansai Economic Federation: Member of the environment and energy committee's energy and environment subcommittee
- Japan Clean Ocean Material Alliance
- Green Purchasing Network: Trustee

- All Japan Stationery Association: Chair of Sustainability Committee
- Japan Office and Institutional Furniture Association: Member of the Sustainability Committee
- Japan Chemical Industry Association: Member of the Chemical Management Committee

External lectures and events

Case study | Students Create New Product in Our Co-Creation Partnership with College

In April 2025, KOKUYO launched a product design project with 11 students from Kamiyama Marugoto College of Design, Technology, and Entrepreneurship, as part of KOKUYO's partnership with the college. The students created two new types of Campus notebooks.

The project was an extra-curricular activity designed to stimulate the students' curiosity for learning and ultimately contribute to our goal of a self-directed, collaborative society. The project lasted a year and the students took the lead in all stages of the project, from planning to sales (market survey, customer analysis, concept, design, sales strategy). The students also visited retail stores and KOKUYO Shiga Product to test a prototype.

Through this project, the students' fresh ideas were combined with KOKUYO's extensive experience in manufacturing, culminating in a product matched to an emerging demand related to study activities by students at elementary or junior high school. The notebooks, as limited edition items, were put on sale in a number of retail stores on February 4, 2026.



A meeting between KOKUYO employees and the students

Case study | Tsunage Loopa, a schools outreach program

For reference: Tsunagleloop! Tsunage Loopa is an experiential education program for learning about the environment. In the program, schoolchildren return their used notebooks. The used notebooks are then recycled into materials used in new products. By taking part in the recycling process, the children learn about the relationship between a circular economy and protecting the environment. In FY2025, we received applications from 120 schools (with a rough total of 39 thousand students). Employees from seven KOKUYO Group companies visited the first 50 schools to deliver classes there. The students who attended these classes have the role of spreading the message to their peers, creating momentum for a shift to a circular economy.



One of the schools visited in 2025

Case study | Kaunet's Loopa Drink: A Partnership for Recycling Drink Containers

Loopa Drink is a service run by Kaunet, a group company that delivers e-commerce services. In this service, Kaunet provides offices with special box for used beverage containers such as waterproof paper cups and paper cartons with aluminum layers. Kaunet collects the boxes and recycles the waste.

Many paper cartons have aluminum layers and many paper cups have water-resistant coating, making them difficult to recycle. In many cases, the products end often end up being incinerated. However, Loopa Drink is able to recycle them thanks to Kaunet's partnership with Corelex Shinei, which specializes in recycling such challenging paper items.

Roles in partnership

Kaunet Co., Ltd.:

Runs Loopa Drink service, collects the wastepaper

Corelex Shinei:

Recovers the wastepaper and recycles it into toilet paper

Kaunet Loopa (paper resource recycling service)*  [PDF: 1,163 KB]

* Japanese Only



Collecting paper cartons with aluminum layers

Third-Party Recognition

Inclusion in ESG Indexes (as of May 2026)

Name of Recognition	Score
FTSE Blossom Japan Sector Relatives Index	Selected for inclusion in index
MSCI Japan ESG Select Leaders Index	Selected for inclusion in index
MSCI Japan Empowering Women Index (WIN)	Selected for inclusion in index
S&P/JPX Carbon Efficient Index	Selected for inclusion in index
MSCI Japan Empowering Women Select Index	Selected for inclusion in index
Morningstar Japan ex-REIT Gender Diversity Tilt Index	Selected for inclusion in index

Third-party Sustainability Ratings

Name of Recognition	Score	Date of rating
MSCI ESG Rating	Score: A	February 2025
CDP	Climate Change: B	December 2025
	Forests: B-	
	Water security: B	
FTSE ESG Rating	Score: 3.2	June 2025
Sustainalytics ESG Risk Ratings	Score: 7.9 Negligible (scored on a five-point scale: negligible, low, medium, high, severe) Global ESG Leader, Industry ESG Leader, Regional Leader	December 2025
EcoVadis	 EcoVadis sustainability rating 	August 2025

Other third-party ratings and accolades

Name of Recognition	Score	Date of rating or accolade
CSR Companies Ranking 2026 (Toyo Keizai Inc.)	Overall ranking: 265th	February 2026
2025 Nikkei Sustainable Management Survey	★3.5	November 2025
2025 Nikkei Smart Work Survey	★3.5	November 2025

Third-Party Recognition and Accolades for Sustainability Commitment

Date	Title	
January 2026	KOKUYO given Eruboshi certification	
March 2025	KOKUYO selected in the 2025 KENKO Investment for Health Program >	
March 2025	Kaunet listed among the “White 500” Outstanding Organizations in the 2025 KENKO Investment for Health Program 	

Date	Title	
March 2025	KOKUYO Marketing listed as an Outstanding Organization in Large Enterprise Category in the 2025 KENKO Investment for Health Program 🔗	 2025 健康経営優良法人 KENKO Investment for Health 大規模法人部門
February 2025	KOKUYO's blue sheet with pen set for memorization earns bronze at 2024 IAUD International Design Award [PDF: 875KB] 📄 [PDF:875 KB]	—
November 2024	HOWS DESIGN (KOKUYO Group's inclusive design process) earns three stars in Sustainable ★ Selection 2024 ➤	—
October 2024	Collaboration between KOKUYO Logitem and Nippon Express earn top award for Excellent Business Entities Working on Modal Shift 🔗	—
October 2024	Kaunet Loopa and Kaunet Loopla (Kaunet's office waste recycling services) earn 2024 Good Design Award ➤	—
November 2023	Yuimori (sustainable wooden furniture brand) earns Japan Wood Design Award 2023 ➤	—
September 2023	Yuimori (sustainable wooden furniture brand) earns the top prize at the 6th EcoPro Awards ➤	 EcoPro Awards
August 2023	GENKI Net for Creating a Sustainable Society gives KOKUYO a certificate of appreciation for Kaunet's Loopa service for recycling paper ➤	—
January 2023	At the METI-run National Awards for Greenery Factories, KOKUYO Mie Factory earns Award of the Chairman of the Japan Greenery Research and Development Center ➤	 全国みどりの工場大賞 National Award for Greenery-Factory
February 2021	The Shinagawa live office and Tokyo showroom in The Campus become the first mixed-use facility in Japan to get WELL Health-Safety rating* ➤ * Japanese Only	—

ESG Data

ESG Databook

The ESG databook contains key ESG-related data (data related to environmental, social, and governance metrics). The data is available in an Excel file to allow for easy use and analysis.

Excel

Download (266KB)



PDF

Download (2MB)



The data was last updated in 2025.
It is usually updated yearly.

Data

Mapping to other guidelines



Third-party Audit Certification



PDFs of Sustainability Website
Content and the Integrated Report



Mapping to other guidelines

Mapping to GRI Standards



ISO 26000 Index



Mapping to GRI Standards

The statement of use	Following the GRI Standards, KOKUYO Co., Ltd., reports GRI-indexed content for the period under review (January 1 to December 31, 2024).
Title of GRI 1 used	GRI 1: Foundation 2021

GRI Standards	Disclosure titles		Page
GRI 2: General disclosures 2021	2-1	Organizational details	About KOKUYO >
			Group companies >
	2-2	Business entities covered by the organization's sustainability reporting	Editorial policy > Companies covered >
			Editorial Policy >
	2-3	Reporting period, reporting frequency and contact details	Editorial Policy >
	2-4	Description of revisions and corrections to information	-
	2-5	Third-party assurance	Organizational framework for sustainability >
			Third-party Audit Certification >
	2-6	Activities, value chains and other business relationships	KOKUYO Businesses >
			Supply Chain Management >
			Integrated Report 2025 (p. 29–30) > Global business infrastructure
	2-7	Employees	ESG databook > S-01 Employee composition > By position
	2-8	Workers other than employees	ESG databook > S-01 Employee composition > By employment status and location
	2-9	Governance structure and composition	Corporate governance > Corporate governance system >

GRI Standards	Disclosure titles		Page
	2-10	Nominating and selecting in the highest governance body	Corporate governance > 2. Nominating Committee >
	2-11	Chair of the highest governance body	Corporate governance > 1. Board of Directors >
	2-12	Role of the highest governance body in supervision of the management of impacts	Organizational framework for sustainability >
	2-13	Transferring responsibility for the management of impacts	-
	2-14	Highest governance body's role in sustainability reporting	Organizational framework for sustainability >
	2-15	Conflicts of interest	KOKUYO Group's value system and Code of Conduct > KOKUYO Group Code of Conduct 
	2-16	Communicating critical concerns	Organizational framework for sustainability >
	2-17	Collective knowledge of highest governance body	Corporate governance > 13. Skills matrix >
	2-18	Evaluating the highest governance body's performance	Corporate governance > 8. Board effectiveness evaluation >
	2-19	Remuneration policies	Corporate governance > 9. Policy for determining compensation for directors and corporate officers >
	2-20	Process for determining remuneration	Corporate governance > 9. Policy for determining compensation for directors and corporate officers >
	2-21	Annual total compensation ratio	Corporate governance > 9. Policy for determining compensation for directors and corporate officers >
	2-22	Statement on the strategy for sustainable development	Message from the CEO >
	2-23	Policy statement	Sustainability Policies and Guidelines >
			KOKUYO Group's value system and Code of Conduct > KOKUYO Group Code of Conduct 
			Together with employees > Talent Management Policy >
	2-24	Implementation of the policy statement	Environmental Actions >
			Social Actions >
			Governance Actions >
			Supply Chain Management: Actions >
	2-25	Process to correct negative impacts	Compliance and anti-corruption > Actions >
			Dialogue with our customers > A system for utilizing feedback from customers (the Customer Support Center) >

GRI Standards	Disclosure titles		Page
			ESG databook > S-09 Listening to customers 
			Risk Management > Risks affecting KOKUYO businesses and measures to address these risks >
	2-26	System for seeking advice and system for raising concerns	Compliance and Anti-corruption >
	2-27	Compliance with laws and regulations	Legal Compliance and Pollution Prevention > Environmental Compliance in Japan >
			Compliance and Anti-corruption >
	2-28	Organizations with membership qualifications	External Partnerships > Participating organizations and projects >
	2-29	Approach to stakeholder engagement	Together with Communities >
			Dialogue with Our Customers >
			Dialogue with Employees >
			Supply Chain Management >
			Coexistence with nature: Actions > Environmental conservation >
	2-30	Labor agreement	Annual Securities Report (p. 10) 
GRI 3: List of material issues 2021	3-1	Process for determining material topics	Process for Identifying Material Issues >
	3-2	List of material topics	Material Issues and Performance > KOKUYO's Material Issues >
	3-3	Management of material topics	Organizational framework for sustainability >
			Material Issues and Performance > KOKUYO's Material Issues >
GRI 101: Biodiversity 2024	101-1	Policies to halt and reverse biodiversity loss	-
	101-2	Management of biodiversity impacts	Disclosures aligned with the TNFD recommendations > 2. Understanding our Relation to Sensitive Locations >
	101-3	Access and benefit-sharing	-
	101-4	Identification of biodiversity impacts	Disclosures aligned with the TNFD recommendations > 2. Understanding our Relation to Sensitive Locations >
	101-5	Locations with biodiversity impacts	Disclosures aligned with the TNFD recommendations > 2. Understanding our Relation to Sensitive Locations >
	101-6	Direct drivers of biodiversity loss	ESG databook > E-02 Water resources > Water use by production sites in water-stressed areas 
			ESG databook > E-01 Addressing global warming 

GRI Standards	Disclosure titles		Page
	101-7	Changes to the state of biodiversity	Yui-no-Mori (“linkage forest”) > Survey Work to monitor forest and nature >
	101-8	Ecosystem services	Disclosures aligned with the TNFD recommendations > 1. Identifying dependencies and impacts >
GRI 201: Economic performance 2016	201-1	Direct economic value generated and distributed	Earnings Highlights >
	201-2	Financial implications and other risks and opportunities due to climate change	Disclosures aligned with the TCFD recommendations >
	201-3	Defined benefit plan obligations and other retirement plans	Annual Securities Report (p. 122) 
	201-4	Financial assistance received from government	-
GRI 202: Presence in the local economy 2016	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	-
GRI 203: Indirect economic impacts 2016	203-1	Infrastructure investments and services supported	-
	203-2	Significant indirect economic impacts	-
GRI 204: Procurement practices 2016	204-1	Proportion of spending on local suppliers	-
GRI 205: Anti-corruption 2016	205-1	Operations assessed for risks related to corruption	-
	205-2	Communication and training about anti-corruption policies and procedures	Compliance and anti-corruption > Compliance initiatives >
			ESG databook > G-04 Compliance training 
	205-3	Confirmed incidents of corruption and actions taken	ESG databook > G-02 Accusations under anti-bribery legislation 
GRI 206: Anti-competitive behavior 2016	206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	ESG databook > G-02 Accusations under anti-bribery legislation 
GRI 207: Tax 2019	207-1	Approach to tax	-
	207-2	Taxation business governance, control, and risk management	-
	207-3	Stakeholder engagement and management of concerns related to tax	-
	207-4	Country-by-country reporting	-
GRI 301: Materials 2016	301-1	Materials used by weight or volume	-
	301-2	Recycled input materials used	-
	301-3	Reclaimed products and their packaging materials	-
GRI 302: Energy 2016	302-1	Energy consumption within the organization	ESG databook > E-01 Addressing global warming > Scope 1 and 2 emissions 

GRI Standards	Disclosure titles		Page
			ESG databook > E-08 Reports on business sites 
	302-2	Energy consumption outside of the organization	ESG databook > E-01 Addressing global warming > Scope 3 emissions 
	302-3	Energy intensity	ESG databook > E-01 Addressing global warming > Inter-year comparison in energy intensity by unit of sales 
	302-4	Reduction of energy consumption	ESG databook > E-01 Addressing global warming 
	302-5	Reductions in energy requirements of products and services	ESG databook > E-01 Addressing global warming > Scope 3 emissions 
GRI 303: Water and effluents 2018	303-1	Interactions with water as a shared resource	Disclosures Aligned with the TNFD Recommendations >
	303-2	Management of water discharge-related impacts	-
	303-3	Water withdrawal	ESG databook > E-02 Water resources 
			ESG databook > E-08 Reports on business sites 
	303-4	Water discharge	ESG databook > E-02 Water resources 
			ESG databook > E-08 Reports on business sites 
	303-5	Water consumption	ESG databook > E-02 Water resources 
			ESG databook > E-08 Reports on business sites 
GRI 304: Biodiversity 2016	304-4	IUCN Red List species and national conservation list species with habitats in areas affected by operations	-
GRI 305: Emissions 2016	305-1	Direct (Scope 1) GHG emissions	ESG databook > E-01 Addressing global warming > Scope 1 and 2 emissions 
	305-2	Energy indirect (Scope 2) GHG emissions	ESG databook > E-01 Addressing global warming > Scope 1 and 2 emissions 
	305-3	Other indirect (Scope 3) GHG emissions	ESG databook > E-01 Addressing global warming > Scope 3 emissions 
	305-4	GHG emissions intensity	ESG databook > E-01 Addressing global warming > Inter-year comparison in energy intensity by unit of sales 
	305-5	Reduction of GHG emissions	-
	305-6	Emissions of ozone-depleting substances (ODS)	-
	305-7	Nitrogen oxides (NOX), sulfur oxides (SOX), and other significant air emissions	ESG databook > E-08 Reports on business sites 

GRI Standards	Disclosure titles		Page
GRI 306: Waste 2020	306-1	Waste generation and significant impacts related to waste	Recycling >
	306-2	Management of significant impacts related to waste	Recycling >
	306-3	Generated waste	ESG databook > E-03 Resource saving and recycling > Total waste volume 
	306-4	Undisposed waste	ESG databook > E-03 Resource saving and recycling > Total waste volume 
	306-5	Disposed waste	ESG databook > E-03 Resource saving and recycling > Total waste volume 
GRI 308: Supplier environmental assessment 2016	308-1	New suppliers that were screened using environmental criteria	-
	308-2	Negative environmental impacts in the supply chain and actions taken	Supply Chain Management: Actions > Sustainable Procurement Efforts >
GRI 401: Employment 2016	401-1	New employee hires and employee turnover	ESG databook > S-02 Employment data 
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	-
	401-3	Parental leave	ESG databook > S-06 Parental leave and nursing care leave, paid leave take-up 
GRI 402: Labor/management relations 2016	402-1	Minimum notice periods regarding operational changes	-
GRI 403: Occupational health and safety 2018	403-1	Occupational health and safety management system	Occupational Health and Safety >
	403-2	Hazard identification, risk assessment, and incident investigation	ESG databook > S-08 Occupational health and safety 
	403-3	Occupational health services	Respect for Human Rights: Actions > Personal Information Protection >
	403-4	Worker participation, consultation, and communication on occupational health and safety	Occupational health and safety > Actions > KOKUYO Group Construction Industry and Plants Health-and-Safety Conferences >
	403-5	Worker training on occupational health and safety	Occupational health and safety > Actions > Management training for engineers >
	403-6	Promotion of worker health	Health and Productivity >
	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Wellbeing among Employees >
	403-8	Workers covered by an occupational health and safety management system	Annual Securities Report (p. 10) 
	403-9	Work-related injuries	ESG databook > S-08 Occupational health and safety 
	403-10	Work-related ill health	ESG databook > S-07 Employee wellness 

GRI Standards	Disclosure titles		Page
			ESG databook > S-08 Occupational health and safety 
GRI 404: Training and education 2016	404-1	Average hours of training per year per employee	-
	404-2	Programs for upgrading employee skills and transition assistance programs	Talent Management >
	404-3	Percentage of employees receiving regular performance and career development reviews	-
GRI 405: Diversity and equal opportunity 2016	405-1	Diversity of governance bodies and employees	ESG databook > S-01 Employee composition > By employment status and gender 
	405-2	Ratio of basic salary and remuneration of women to men	ESG databook > S-04 Diversity > Gender wage gap 
GRI 406: Non-discrimination 2016	406-1	Incidents of discrimination and corrective actions taken	-
GRI 407: Freedom of association and collective bargaining 2016	407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	-
GRI 408: Child labor 2016	408-1	Operations and suppliers at significant risk for incidents of child labor	-
GRI 409: Forced or compulsory labor 2016	409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	-
GRI 410: Security practices 2016	410-1	Security personnel trained in human rights policies or procedures	-
GRI 411: Rights of indigenous peoples 2016	411-1	Incidents of violations involving rights of indigenous peoples	-
GRI 413: Local communities 2016	413-1	Operations with local community engagement, impact assessments, and development programs	-
	413-2	Operations with significant actual and potential negative impacts on local communities	-
GRI 414: Supplier social assessment 2016	414-1	New suppliers that were screened using social criteria	-
	414-2	Negative social impacts in the supply chain and actions taken	Supply Chain Management: Actions >
GRI 415: Public policy 2016	415-1	Political contributions	-
GRI 416: Customer health and safety 2016	416-1	Assessment of the health and safety impacts of product and service categories	Providing Peace of Mind and Safety >
	416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	-
GRI 417: Marketing and labeling 2016	417-1	Requirements for product and service information and labeling	-
	417-2	Incidents of non-compliance concerning product and service information and labeling	-
	417-3	Incidents of non-compliance concerning marketing communications	-

GRI Standards	Disclosure titles		Page
GRI 418: Customer privacy 2016	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	-

ISO 26000 Index

Below, we have mapped disclosures to the ISO 26000 core subjects.

Core subjects	Issues	Description	Page
6.2 Organizational governance			Message from the CEO >
			KOKUYO Group Sustainable Management Policy >
			Corporate governance >
6.3 Human rights	6.3.3 Due diligence	Organizations should identify, prevent, and address actual or potential human rights impacts resulting from their activities or the activities of those with which they have relationships.	—
	6.3.4 Human rights risk situations	Organizations should give special attention to situations in which human rights abuses are more likely to go unnoticed. Examples include a culture of political corruption and transactional relations in which work is performed on an informal basis without legal protection.	—
	6.3.5 Avoidance of complicity	An organization may be considered complicit if it gains improper advantage from human rights abuses by assisting in a violation of human rights or by benefitting from human rights abuses committed by someone else.	—
	6.3.6 Resolving grievances	Organizations should provide a mechanism for those who believe their human rights have been abused to bring this to the attention of the organization and seek redress.	Respect for human rights: Actions > Stakeholder-specific hotlines >
	6.3.7 Discrimination and vulnerable groups	Organizations should prohibit practices that discriminate, directly or indirectly, against anyone based on prejudice. They should actively ensure equal opportunity and respect for all individuals, including those who are vulnerable.	KOKUYO Group Human Rights Policy >
	6.3.8 Civil and political rights	Organizations should respect individuals' right to a life with dignity, with the liberty and integrity as a person and member of society. This includes freedom of speech and expression and the right to take part in political processes.	KOKUYO Group Human Rights Policy >
	6.3.9 Economic, social and cultural rights	Organizations should respect the right of every person to lead a life necessary for their mental and physical health and wellbeing.	KOKUYO Group Human Rights Policy >
	6.3.10 Fundamental principles and rights at work	These are the fundamental rights at work defined by the International Labour Organization (ILO), namely freedom of association, the right to collective bargaining, the elimination of forced or compulsory labor, the abolition of child labor, and the elimination of discrimination.	KOKUYO Group Human Rights Policy >
6.4 Labor practices	6.4.3 Employment and employment relationships	Employment and the employment relationship should be established to ensure that work performed by the employee is in the interest of society, the organization, and the employee, with both	Dialogue with employees > Working with union toward our vision >

Core subjects	Issues	Description	Page
		employers and employees having rights and fulfilling their obligations.	Welfare and Benefits ↗
	6.4.4 Conditions of work and social protection	Conditions of work should align with relevant international labor standards. Social protection refers to policies and practices, primarily provided by the state, to mitigate financial hardship in cases such as illness, injury, maternity, and old age.	Wellbeing among employees > Workstyle reform ➤
	6.4.5 Social dialogue	Organizations should provide a mechanism for social dialogue that includes negotiation, consultation, or exchange of information between representatives of government, employers (organizations), and workers, regarding policies and solutions while considering the respective priorities and demands of both employers and workers.	Dialogue with Employees ➤
	6.4.6 Health and safety at work	Organizations should provide a workplace and working conditions that support workers' physical and mental health, and mechanisms to accommodate workers' objections and needs.	Wellbeing among employees > Workstyle reform ➤ Occupational Health and Safety ➤
	6.4.7 Human development and training in the workplace	Organizations should provide opportunities for improving an individual's capabilities and competences, increasing the individual's ability to maintain or improve their economic, social, and cultural living standards.	Talent Management ➤
6.5 Environment	6.5.3 Prevention of pollution	Organizations should prevent emissions to air, discharges to water, generation of waste, release of toxic and hazardous chemicals, and other forms of pollution.	Environmental Management ➤
			Legal Compliance and Pollution Prevention ➤
			ESG databook > E-04 Chemical substances 📄
	6.5.4 Sustainable resource use	Organizations should promote sustainable resource use involving the responsible use of energy, fuel, resources, processed goods, land, and water.	Recycling ➤
			ESG databook > E-08 Reports on business sites 📄
			ESG databook > E-01~11 📄
	6.5.5 Climate change mitigation and adaptation	Organizations should take action to reduce GHG emissions and implement measures to avoid or minimize damage associated with climate change.	Climate change ➤
			ESG databook > E-08 Reports on business sites 📄
			ESG databook > E-01 Addressing global warming 📄
6.6 Fair operating practices	6.6.3 Anti-corruption	Organizations should prohibit corruption, which is the abuse of entrusted power for private gain. Examples of corruption include bribery, conflict of interest, fraud, money laundering, and trading in influence.	Coexistence with Nature ➤
			Yui-no-Mori ("linkage forest") > Survey Work to monitor forest and nature ➤
	6.6.4 Responsible political involvement	To support public political processes that benefit society at large, organizations should prohibit use of undue influence and avoid behavior such as manipulation, intimidation, and coercion.	Compliance, anti-Corruption > KOKUYO Group Anti-Bribery and Anti-Corruption Policy ➤
			Compliance, anti-Corruption > KOKUYO Group Anti-Bribery and Anti-Corruption Policy ➤

Core subjects	Issues	Description	Page
	6.6.5 Fair competition	Organizations should avoid anti-competitive behavior such as price fixing, bid rigging, and dumping (predatory pricing), and any other actions that impede free competition between organizations.	Compliance, anti-corruption > KOKUYO Group Competition Law Policy >
	6.6.6 Promoting social responsibility in the value chain	As well as adopting practices of social responsibility themselves, organizations should promote such adoption among their trading partners and other stakeholders.	Supply chain management > KOKUYO Group Sustainable Procurement Policy and Standards >
	6.6.7 Respect for property rights	Property rights cover both physical property and intellectual property. Organizations should respect property rights and never violate them.	Intellectual Property Rights >
6.7 Consumer issues	6.7.3 Fair marketing, factual, and unbiased information and fair contractual practices	In marketing and advertising, organizations should provide sufficient information and avoid omitting critical information so that consumers can make informed decisions about purchases. This may include providing information about the social or environmental impacts of the product or service.	—
	6.7.4 Protecting consumers' health and safety	Organizations should provide products and services that are safe, with minimal risk of harm to consumers, along with instructions for safe use. Measures to protect safety should include mechanisms for product withdrawal and recall when the product, after having been placed on the market, presents an unforeseen hazard or has a serious defect.	Providing Peace of Mind and Safety >
	6.7.5 Sustainable consumption	Organizations should offer consumers socially and environmentally beneficial products and services, considering the full life cycle. They should also provide consumers the information they need to make informed decisions about purchases	Recycling > Circular Business Guidelines: Sutenai Circle >
	6.7.6 Consumer service, support, and complaint and dispute resolution	These are the mechanisms organizations should use to address the needs of consumers after products and services are bought or provided. Such mechanisms include technical support regarding use, as well as provisions for return, repair, and maintenance in the case of performance defects. They also include after-sales support and advice systems.	Customer Support >
	6.7.7 Consumer data protection and privacy	Organizations should safeguard consumers' rights of privacy by limiting the types of information gathered and the ways in which such information is obtained, used, and secured.	Policy on Personal Information Protection >
	6.7.8 Access to essential services	Organizations that provide essential services such as water services should show consideration to vulnerable users by, for example, refraining from disconnecting the service (in cases of non-payment) without providing a reasonable timeframe to make the missing payment.	—
	6.7.9 Education and awareness	Organizations should educate and inform consumers so that they are conscious of their rights and responsibilities and more likely to make knowledgeable purchasing decisions and consume responsibly.	—
6.8 Community involvement and development	6.8.3 Community involvement	Organizations should participate and involve themselves with communities in which they operate to contribute to the public good and community development and foster amicable relations with community organizations and stakeholders.	External partnerships > External partnerships: Actions >
			Coexistence with nature: Actions > Environmental conservation >
	6.8.4 Education and culture	Organizations should take action to improve the quality of and access to education. They should also help conserve and promote cultural activities.	Together with Communities >
			External partnerships > External partnerships: Actions >

Core subjects	Issues	Description	Page
	6.8.5 Employment creation and skills development	Organizations should create jobs and analyze the impact of their activities upon employment creation. They should also use skills development programs to encourage employment.	Wellbeing among Communities >
			Talent Management >
	6.8.6 Technology development and access	Organizations should contribute to technological development for community development. They should also adopt technology in such a way as to promote more effective use of human resources and technology diffusion.	—
	6.8.7 Wealth and income creation	Organizations should contribute to wealth and income creation in communities where they operate through a wide range of initiatives, including improving productivity and running entrepreneurship schemes.	—
	6.8.8 Health	Organizations should minimize negative health impacts of their activities and services. They should help raise public health standards in the communities where they operate by encouraging health lifestyles and disease prevention.	Wellbeing among employees > Workstyle reform >
	6.8.9 Social investment	Organizations should invest resources in infrastructural projects and other projects in such a way as to improve life in the communities where they operate.	—

Third-party Audit Certification

We underwent a third-party review by Bureau Veritas Japan to receive opinions from an independent standpoint regarding the accuracy, transparency, consistency, validity and completeness of the environmental performance data (environmental burden data and Scope 3) of KOKUYO Co., Ltd., and 28 other companies in the KOKUYO Group.*

* Details of the companies can be found [here](#).

INDEPENDENT ASSURANCE STATEMENT

To: KOKUYO Co., Ltd.



Bureau Veritas Japan Co., Ltd. (Bureau Veritas) has been engaged by KOKUYO Co., Ltd. (KOKUYO) to provide limited assurance over sustainability information selected by KOKUYO. This Assurance Statement applies to the related information included within the scope of work described below.

Selected information

The scope of our work was limited to assurance over the following information included within KOKUYO Group Integrated Report 2026 (the Report) and Website (the 'Website') for the period of January 1, 2025 through December 31, 2025 (the 'Selected Information'):

- Energy usage
- Greenhouse gas emissions
 - Scope 1 and Scope 2 emissions (CO₂, CH₄ and N₂O)
 - Scope 3 emissions (Category 1, 2, 3, 4, 5, 6, 7, 9, 12, 13 and 14)
- Water usage, Water discharged and Cyclical water use at plants
- Waste discharged, Waste recycled and Final disposal waste
- Substance input
- Overall sales volume
- Container and packaging material
- SOx/NOx emissions
- BOD/COD emissions
- Collected used products and Re-use of used products
- Japanese PRTR (Pollutant Release and Transfer Register) Law designated substances (Volume handled, released, treated and consumed)
- Environmental friendliness efficiency indicators (CO₂, Waste, Chemicals and Water)
- Overall volume transported

Note: The reporting boundaries for each data are defined by KOKUYO.

Reporting criteria

The Selected Information included within the Report needs to be read and understood together with the reporting criteria stated in the Report.

The Selected Information included within the Website needs to be read and understood together with the reporting criteria stated in the Website.

Limitations and Exclusions

Excluded from the scope of our work is any verification of information relating to:

- Activities outside the defined verification period;
- Any other information within the Report, which is not listed as the 'Selected Information'.
- Any other information within the Website, which is not listed as the 'Selected Information'.

This limited assurance engagement relies on a risk based selected sample of sustainability data and

Ref: BVJ_29491415



Editorial Policy

The content on this website has been curated to help you understand our commitment to corporate sustainability, our initiatives for addressing material issues, and our other sustainability initiatives. We have included plenty of referential data too. We have also tried to show how our activities align with our long-term vision, CCC 2030, and our fourth medium-term plan. Unveiled in 2021, CCC 2030 commits us to a building a world in which anyone can feel empowered as individuals and also feel socially connected with one another. We call this the self-directed, collaborative society. Transcending our traditional categories of furniture and stationery, we create solutions for greater abundance in work life, study life, and home life.

Our fourth medium-term plan runs from 2025 to 2027. The broad theme of the plan is to place the organization on the path of high growth toward CCC 2030 and beyond. This also plays an important role in the evolution of corporate sustainability. The curation of this website is also guided by a logic model. Believing that self-directed, collaborative society is key to addressing the host of socioenvironmental issues affecting the world today, we created a logic model so that the social value we create will increasingly overlap with the economic value we create and bring us closer to such a society.

We will continue to refine the logic and aim to create a greater impact on society.

Companies covered

Companies covered: KOKUYO and 28 subsidiaries

Companies within Japan		Companies overseas	
1	Kaunet Co., Ltd.	1	KOKUYO Vietnam Co., Ltd.
2	KOKUYO Marketing Co., Ltd.	2	KOKUYO (Malaysia) Sdn. Bhd.
3	KOKUYO Logitem Co., Ltd.	3	KOKUYO Commerce (Shanghai) Co., Ltd.
4	KOKUYO Supply Logistics Co., Ltd.	4	KOKUYO Furniture (China) Co., Ltd.
5	KOKUYO Product Shiga Co., Ltd.	5	KOKUYO Design Consultants (Shanghai) Co., Ltd.
6	KOKUYO MVP Co., Ltd.	6	KOKUYO Commerce (Shanghai) Co., Ltd.
7	KOKUYO Finance Co., Ltd.	7	KOKUYO International (Malaysia) Sdn. Bhd.
8	LmD International Co., Ltd.	8	KOKUYO Vietnam Trading Co., Ltd.
9	Actus Co., Ltd.	9	KOKUYO Camlin Ltd.
10	KOKUYO & Partners Co., Ltd.	10	Kokuyo Hong Kong Ltd.
11	Origin Co., Ltd.	11	Lamex Trading Co., Ltd.
12	Estic Corporation	12	Dongguan Lamex Furniture Co., Ltd.
		13	Lamex (S) Sales Pte. Ltd.
		14	KOKUYO-IK (Thailand) Co., Ltd.
		15	KOKUYO International (Thailand) Co., Ltd.
		16	Kokuyo Workplace India Ltd.

Period covered:

The content on this website pertains mainly to the fiscal year ended December 31, 2025.

Frequency and timing updates:

The website is updated yearly. The last update was in May 2026.

Guidelines and frameworks consulted:

- GRI Standards
- ISO 26000
- SASB Standards
- Task Force on Climate-Related Financial Disclosures (TCFD)
- Taskforce on Nature-related Financial Disclosures (TNFD)

Third-party verification

Of the environmental data, environmental load data and scope 3 emissions data are subjected to third-party verification to ensure the data are accurate, transparent, consistent, relevant, and complete.

[Third-party Audit Certification](#) >