

KOKUYO

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# SUSTAINABILITY REPORT

KOKUYO Group  
Website Sustainability  
PDF version  
2025



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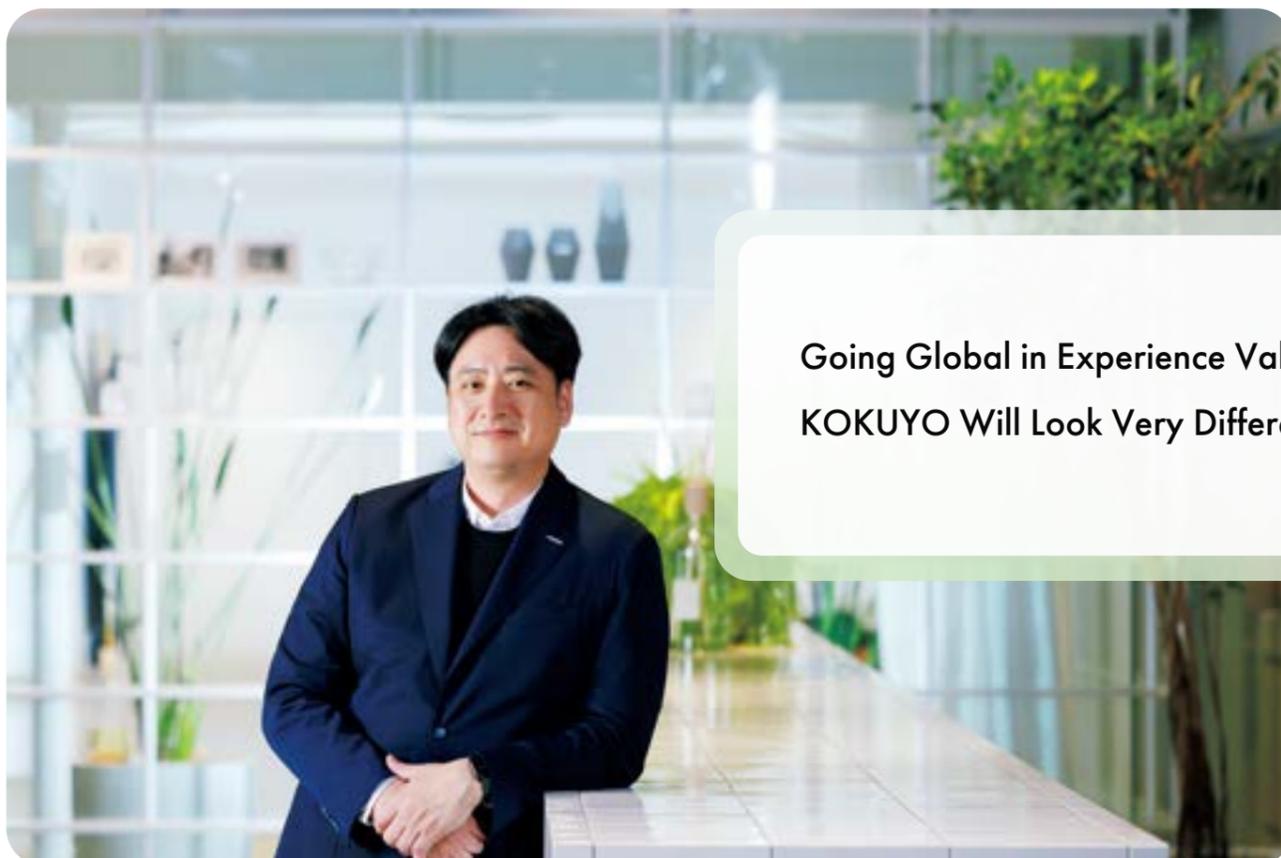
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## MESSAGE FROM THE CEO



Going Global in Experience Value—  
KOKUYO Will Look Very Different in 2027

Hidekuni Kuroda President and CEO

### My Task as CEO

KOKUYO Group is now on its 4th medium-term plan, Unite for Growth 2027, which runs from 2025 to 2027. Let me tell you about the background and strategic context in which we developed this plan.

KOKUYO traces its history back to 1905, when Zentaro Kuroda opened a shop selling binders for Japanese-style ledgers (wacho). Initially producing just binders, Kuroda started producing his own wacho with built-in binders and then started producing Western-style ledgers. After Japan entered its period of high economic growth, Kuroda launched a range of other products, including the iconic Campus notebooks and other stationery. He also expanded into office design and installation, offering goods such as steel cabinets. As Kuroda's company expanded in this way, it remained true to its underlying ethos—Kuroda's belief in creating a positive social impact, encapsulated in his maxim that any business will succeed as long as it provides something useful. This ethos was then incorporated into KOKUYO's code of conduct, which emphasized listening to customers and empathizing with their needs. This philosophy inspired KOKUYO to create unique products. However, it started becoming overshadowed by something else: In the process of prioritizing business expansion and competitiveness, KOKUYO established a business model that involved selling through a distribution network across Japan. This model served the company well for many years, but it also meant that KOKUYO became a little too focused on the needs and competition trends among its retail partners, and not focused enough on end users. The problem with this approach became apparent in the 2008 financial crisis. Amid the crisis, office furniture and stationery became increasingly homogenous, leading to intense price competition that narrowed profit margins.

When I became president of KOKUYO in 2015, I was assigned a tough task by the Nominating & Compensation Committee at that time: I was to lead a radical transformation in KOKUYO to create a high-profit business portfolio that would deliver sustained growth in the long-term value of our organization—and I was to do so without damaging the confidence of employees and supply chain partners. I had no illusions about the toughness of such an undertaking, as I knew just how conservative the company's culture was and how its Campus notebooks had delivered stable sales for many years. I started by reorganizing our corporate structure in Japan. Back in 2004, KOKUYO had formed a corporate group by spinning off its businesses and establishing a holdings company. This structure had left us in a suboptimal situation, impeding effective communication and decision-making. I believed that unifying KOKUYO into one organization would help us coordinate resources and pursue a bolder vision. On this basis, I adopted a policy of focusing on adding value to avoid price wars and focusing on gross profit ratio as the key performance indicator. The first stop in this agenda was to understand our customers.

## A new corporate culture to support business transformation

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We could never avoid a price war just by targeting the obvious needs. I decided that the secret to stimulating customers' creativity would be to target niche unmet needs along with ones that are emerging but not yet prevalent. For these needs, we would deliver experience value—an added value proposition that would set apart the KOKUYO brand. To deliver experience value, we would need to shift our focus from our sales channels to the end user. Needless to say, committing to this approach would also benefit our retail partners.

It had become apparent that a top-down approach was ill-suited to the challenges of the new age of uncertainty. Believing that employee autonomy would be the driving force of experience value, I focused on ending the insular, conservative, and top-down culture and building in its place a culture that would unleash each employee's creativity. I particularly wanted to create an open, speak-up culture.

When the COVID-19 pandemic struck in 2020, it sparked rapid changes in people's values and workstyles along with calls for an end to office attendance. Many spoke of a decline in demand for stationery. A sense of alarm rose in KOKUYO too, and this alarm motivated everyone in the company to commit to my program of reform. Employees shared their perspectives and ideas, and we incorporated this feedback into a long-term vision, which we unveiled in 2021 under the title CCC 2030.

CCC 2030 committed us to building a world that is self-directed and collaborative. Suited to an age of diversity, this is a world that celebrates people's independence and individuality but in which everyone respects each other and works together as a community. Guided by this vision, we committed to a business model suited to delivering experience value. Under this deepened model, known as the Forest-Like Management Model, employees were to act autonomously and reach out across divisional boundaries to create one example of value after the other. CCC 2030 included a financial goal for 2030: 500 billion yen in net sales. The vision presented two challenges: First, if we were to meet the need for unique value in an age that celebrates individuality, then KOKUYO employees would have to be unique themselves. Second, if we were to shift from a business model focused on mass producing a small number of items to one focused on mass producing a wide variety of items, then we would have to do something to prevent inefficiencies. The solution, I concluded, was to change practices right across the value chain—including production and sales as well as planning, design, and development. That is why we updated our philosophy, which had remained the same for over a century, to the new philosophy statement, "be Unique."

The first part of this long journey was our 3rd medium-term plan, called Field Expansion 2024, which ran from 2022 to 2024.

## 3rd medium-term plan: Laying the foundation for a more adventurous KOKUYO

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The 3rd medium-term plan had set two strategic priorities: improving profit growth and efficiency in our existing businesses in Japan and expanding our revenue streams overseas. We fell short of our targets for FY 2024, the final year of the plan, after experiencing headwinds from economic adversities in China. However, we did make headway in gearing up our corporate resources for going forward in the Forest-like Management Model. We grew net sales and improved profitability in our furniture business and other businesses and used M&As and other means to build stronger business assets overseas. In 2022, we made Hong Kong furniture maker HNI Hong Kong Limited (now KOKUYO Hong Kong) a fully consolidated subsidiary. This acquisition gave us furniture production function targeting Mainland China and other markets. It also gave us Lamex, a popular furniture brand in the region. By transferring production to Lamex, we expanded our production capacity. By gaining Lamex's knowhow, we improved production efficiency. In this way, we have gained a firm foothold for further global expansion. We have also hired outside experts in business administration to gear up our corporate functions for the next step.

The cultural transformation now has tangible manifestations. In one example, we renovated a disused company dormitory into THE CAMPUS FLATS TOGOSHI. KOKUYO's first co-living space, THE CAMPUS FLATS TOGOSHI embodies our new organizational culture in which employees think and act independently and proactively. Employees have spontaneously developed ideas for business projects. One is the Office Renovation Project and another is the Tokushima Future Convenience Store, but there are many other examples, too numerous to list. I also have a palpable sense of the progress we have made toward a more open culture. The change is clear from our monthly questionnaire on employee engagement. Most strikingly, for the item measuring the degree to which employees feel we have a culture that empowers challenge-taking, the score has gone from 63 in 2021 to as high as 71 in March 2025. This finding reinforces my faith in the actions we have taken. By reinforcing our corporate assets, we have created a solid platform for going forward in the 4th medium-term plan.

## Updating the Forest-Like Management Model for Better Group Coordination

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Back in 2021, we renovated our office in Shinagawa, Tokyo, turning it into THE CAMPUS. To date, THE CAMPUS has received some 270,000 visitors. We keep tweaking and improving the site, including its greenery, lighting, and size of art installations. We also keep monitoring data on how employee-friendly the environment is and the extent to which it is facilitating communication. THE CAMPUS serves as a laboratory in which employees, taking a customer perspective, experiment with interior design ideas for workstyles and organizational setups that align with our vision of a self-directed, collaborative society.

We apply this culture in our strategy for tangible products, including our iconic, long-selling Campus notebooks. Listening to customer feedback, we identify unmet needs, experiment with product samples, and observe the settings in which customers use the products, with a view to refining the products. We take the same approach when designing office furniture. Taking the perspective of the person who will use the furniture, we consider subtle design touches in areas that might not be obvious but that will make a big difference to the user.

As these examples illustrate, we develop future-oriented experience value through a culture of experimentation underpinned by emotional empathy and co-creation with the customer. Our longstanding commitment to this creative cycle has enabled us to expand the reach of our business fields. The 4th medium-term plan uses the phrase “wow-factor creation cycle” to describe this cycle and identifies it as a forte of KOKUYO Group. The plan also commits us to using this cycle to expand the scope of the experience value we offer. In overseas markets, we can draw on our experience value to differentiate ourselves from the competition, enabling us to expand overseas without getting dragged into price wars over tangible products.

While each of our businesses has its own separate set of products, each also has a body of best practices and knowledge in relation to the same wow-factor creation cycle. If such business-level knowledge is shared and channeled, we can update our Forest-Like Management Model (incorporating the idea of the wow-factor creation cycle) and identify specific ways to transform our business portfolio. That is exactly what we have committed to doing in the 4th medium-term plan.

## 4th medium-term plan: The phase for portfolio transformation

Over the years, we have built up our business assets and have seen decent growth in our performance. However, our portfolio has remained largely the same, and overseas sales have only ever represented only a small share of total revenue. The three years of the 4th medium-term plan will be a phase for far-reaching changes in the portfolio. With these changes, KOKUYO will look very different in 2027 to how it looks now. For this transformation, we have increased the growth investment budget from 30 billion yen of the previous medium-term plan to about 70 billion yen. We will spend this budget both on projects to fortify our existing businesses in Japan and overseas markets and on inorganic, M&A-led growth. To give our shareholders and other investors confidence in our commitment to increasing the value of our stock, we have made our quantitative targets as precise as possible and established a framework for improving the value of our organization. Instead of prioritizing annual operating income as we have done previously, we will focus on minimizing capital costs while also prioritizing the medium- and long-term cashflows (or EBITDA) to support our investing activities. For 2027, the final year of the plan, our targets are as follows: Net sales of 430 billion yen (27% higher than in 2024), an EBITDA of 43 billion yen (39% higher than in 2024), and an EBITDA margin of 10%.

With these targets in mind, we clarified our portfolio strategy. That is, we plotted our businesses onto a matrix of four quadrants and committed to two modes of growth for each business: top-line growth (growth in net sales) and bottom-line growth (improvement in profitability). As the matrix indicates, the business with the highest strategic priority is the furniture business. KOKUYO entered the interior design market as early as 1969, with a nationwide network of live offices. Over the decades since then, we have accumulated industry-leading expertise in interior design. Harnessing this expertise, we will create synergies between interior design, human capital, renovation, and other upstream needs in order to expand the scope of our experience value. Likewise, in our investment strategy, we will focus on generating cash flows from our existing businesses in the Japanese furniture market and then use these cash flows to fund adventurous growth opportunities such as M&A deals and new business ventures. A key theme for such adventurous growth opportunities will be overseas businesses.

## Going global in experience value

In our global expansion, we will focus resources on Asian and ASEAN markets. These markets will continue to enjoy economic growth, but we can only achieve business growth in them if we understand what the consumers want and then add distinctive value. Part of our value proposition is the quality associated with our brand. In Japan, KOKUYO has history of craftsmanship going back over a century. In overseas markets, we will uphold this heritage to build a brand identity and penetrate the market. However, no matter how high the quality of our products is, we will succumb to price competition if we rely on exporting the products from Japan. We must therefore localize production. There are several options for localizing production, including establishing our own plants, closing M&A deals, and collaborating with local partners. We will pick the options that are best suited to the markets in question. Such localization will enable us to deliver differentiated experience value. CSO Toshio Naito will explain our business-specific strategies for overseas markets. I will therefore briefly discuss the strategic backdrop to the stationery business, which has a key role to play in our global expansion.

With Chinese consumers increasingly prizing design flare and functionality, Japanese stationery has grown popular among Chinese schoolgirls thanks in part to social media. Meanwhile, the student market in China has diversified, with a rise in exploratory learning, cooperative learning, and individualization. To respond to these diversified needs, we shifted to a direct-to-consumer model, in which we bypass retailers and sell directly to consumers online or at directly run stores, increasing our touchpoints with end users. This approach proved successful. Between 2017 and 2023, we achieved an annual growth rate of 15% and increased our gross profit margin by 10 percentage points.

But the thing is, this kind of student market for stationery exists only in Japan, China, and South Korea, which have similar exam prep practices. Student markets around the world remain largely untouched. We made a start in targeting India’s student market in 2011 with the acquisition of Camlin Limited (present KOKUYO Camlin), a company covering the whole of India. By replicating this process in ASEAN markets, we can steal a march from our competitors in building global business assets. We will insource a higher percentage of stationery products for global markets, with a focus on writing and drawing tools, and build up our overall momentum with a view to becoming the top player in Asian student markets by 2027.

To enable such global expansion, we need a workforce savvy in the global markets concerned. We can go some way in acquiring local talent through M&As, but we will also hire such talent and train up a globally fluent workforce.

## Diversity as driving force toward a self-directed, collaborative society

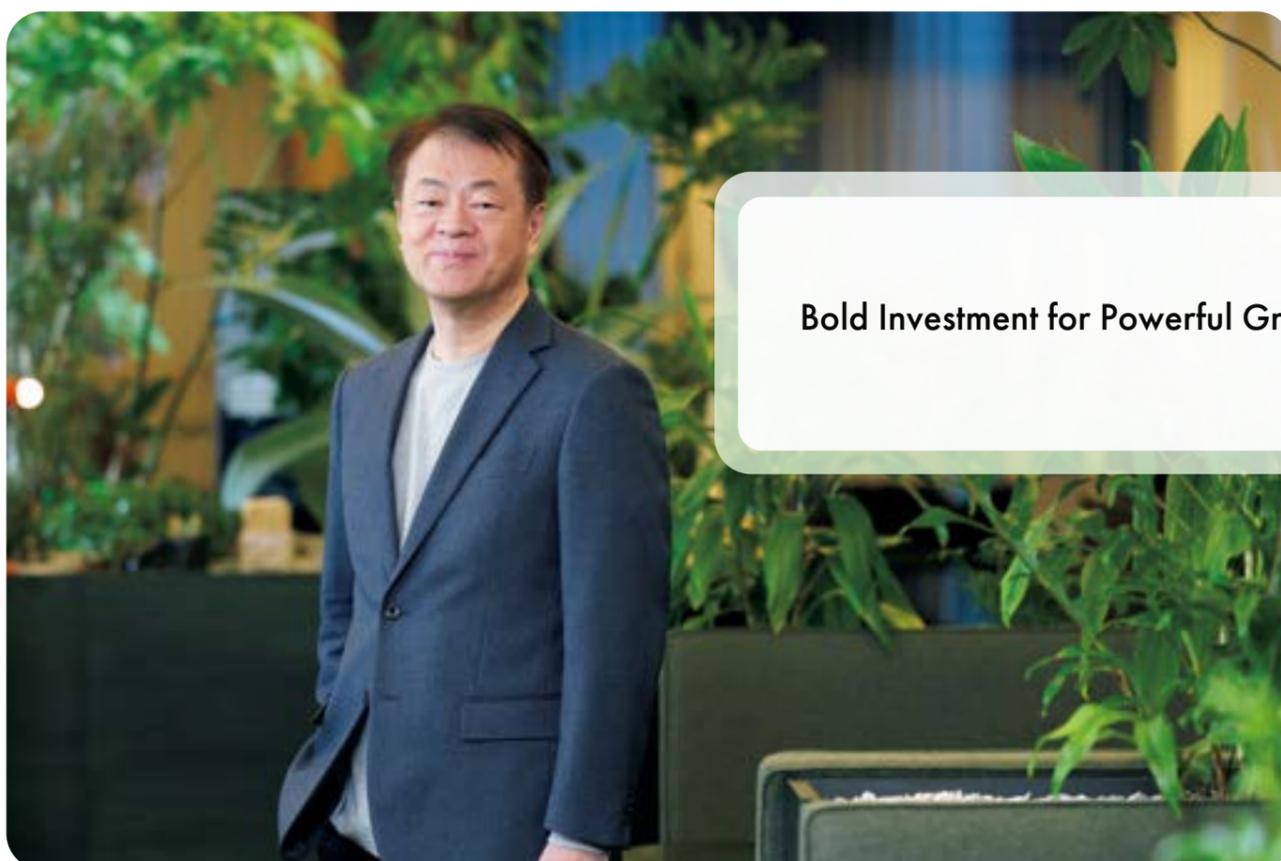
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I always keep two things in mind. The first is the need to keep listening to objective opinions. In 2024, we transitioned our governance structure to that of a “company with a nominating committee and other committees.” Such a structure is globally standard and befits an organization committed to going global. Another reason we shifted to this structure is that it more clearly separates monitoring from business execution, enabling swifter decision-making. On our Board of Directors, five of the eight members are company outsiders. These outside directors bring a range of professional insights and are unafraid of giving constructive criticism. I listen to their feedback. Such company outsiders tend to raise many concerns when the company is about to take a risk. I welcome such constructive criticism because it increases our chance of success. Let me share an example. For the 3rd medium-term plan, we had a growth investment budget of 30 billion yen. Ultimately, we spent only 11 billion yen of the budget. We were considering some potential M&A deals that would have put us over budget. However, we decided against these deals following a multiangled, intricate risk analysis, which considered the valuation of the companies in question as well as the prospects for a return on investment and post-merger integration. We could only have undertaken such a rigorous analysis because we were able to draw on the expertise of the outside directors.

Another example is embedding a long-term perspective in our business strategy. A long-term perspective is crucial in creating sustained value for our organization and all our stakeholders. It is my duty as a leader to take a long-term perspective, review the longstanding culture and practices that an organization with a long history as ours has, and then clear away that which is not worth keeping while retaining and upholding that which is. One thing I certainly want to keep is KOKUYO’s unique workforce, which is full of what I call “diligent and quirky” employees—employees who are diligent about meeting the customer’s needs and who will engage their creative thinking to the full in order to do so. Such a workforce is a core asset for the sustained creation of experience value. I respect the ideas and opinions of the employees and want to build the world’s most open, speak-up corporate culture so that employees feel confident about taking challenges.

The year 2025 marks KOKUYO’s 120th anniversary. With diversity as our driving force, we envisage the shape of world in the next 100 years and press on in our journey toward the self-directed, collaborative society we believe in. I hope you will share in this journey.

# MESSAGE FROM THE CSO



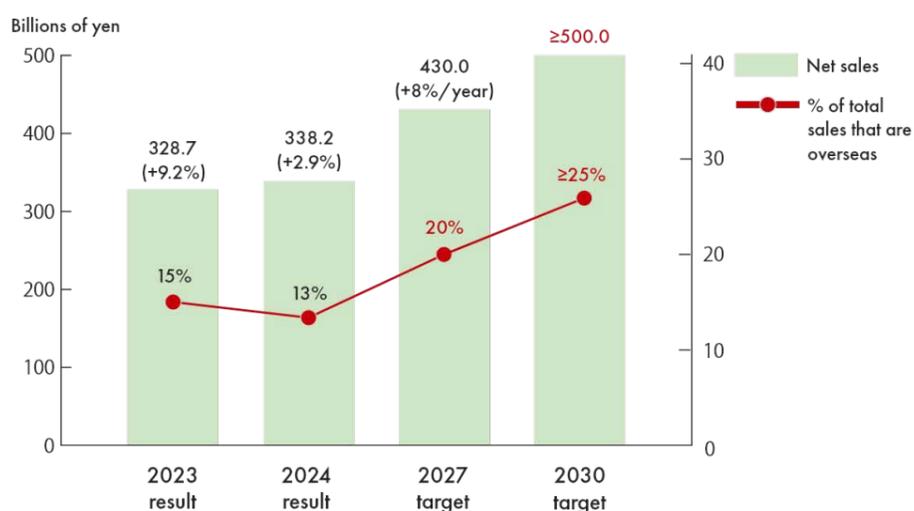
**Bold Investment for Powerful Growth**

**Toshio Naito**  
 Director,  
 Corporate Officer Division Manager  
 of the Corporate Planning Division CSO  
 Chair of Forest Model Subcommittee

## 3rd medium-term plan: Effective in gearing up for growth

During the three years of our 3rd medium-term plan, Field Expansion 2024, our financial performance improved. We achieved growth in net sales, gross profit, and operating profit, and our gross margin, a measure of profitability, increased 0.5 percentage points over the three years. On the other hand, we struggled to grow sales in China, a market we were focusing on. Crucially, demand for value-added stationery diminished amid the economic downturn China experienced in 2024. We also struggled to grow sales of office furniture amid the slumping real-estate market. With these headwinds, we fell short of the initial targets in Field Expansion 2024. We did, however, achieve strong results in other key indicators. ROE exceeded the initial target of 8.0%, reaching 8.5%. This accomplishment partly reflects the gain on sale of investment securities that we recorded after bringing forward the sale of cross shareholdings. Another indicator we performed well in was gross margin, which was particularly relevant to our strategy of focusing on added value. Gross margin reached 39.3%, an increase of 4.6 percentage points from the level in 2015 (34.7%). The results for ROE and gross margin suggest that our operations have become much more profitable.

On the qualitative side, we made palpable progress in our growth strategies aligned with our long-term vision, CCC 2030. We improved the profitability of our existing businesses and sowed seeds of new business growth. We also geared up our corporate-level assets (corporate functions, IT system, strategic investments) for the next stage of growth.

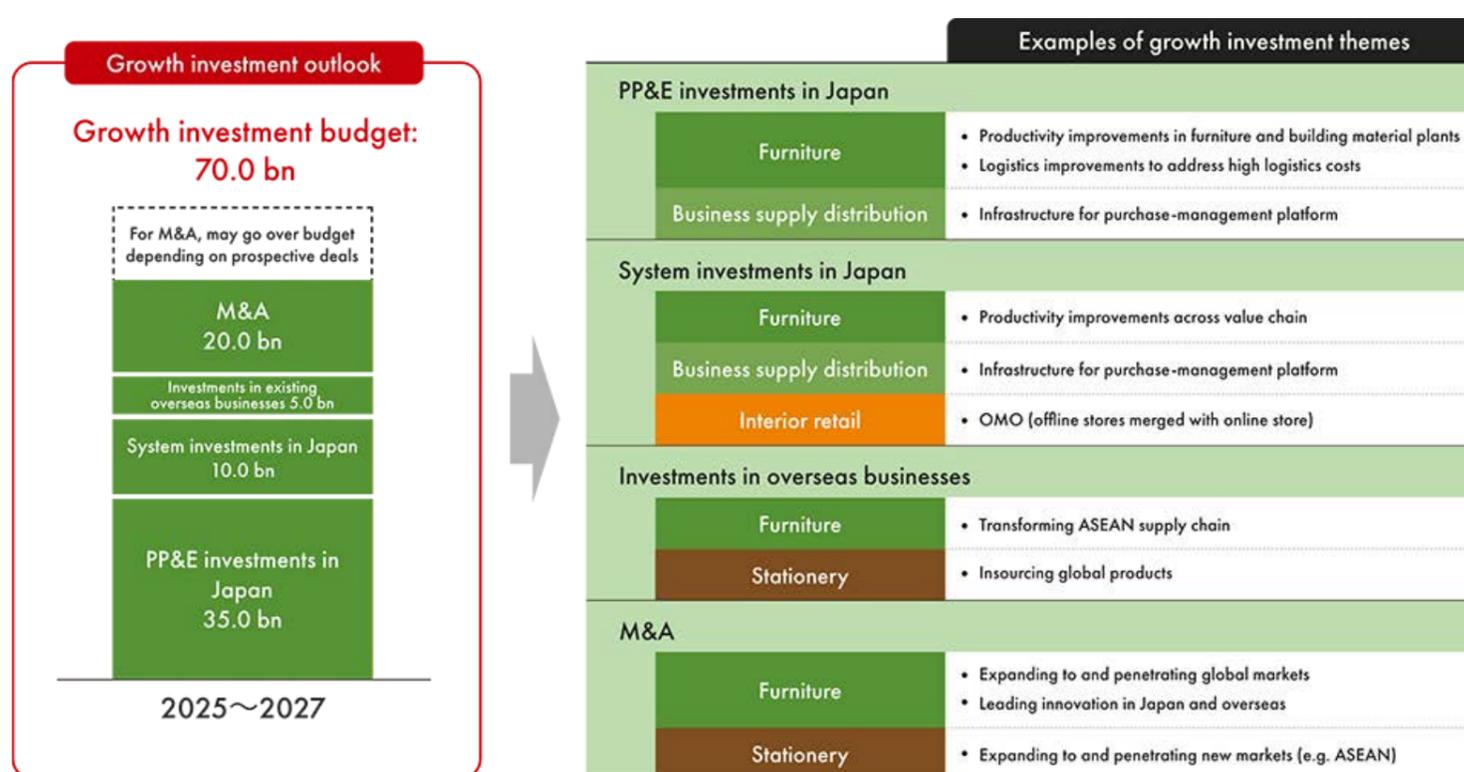


## 4th medium-term plan: Committing to bolder growth

The 4th medium-term plan, Unite for Growth 2027, envisages three years of powerful growth, with a strategic investment budget for growth at least twice the size of that in the previous medium-term plan.

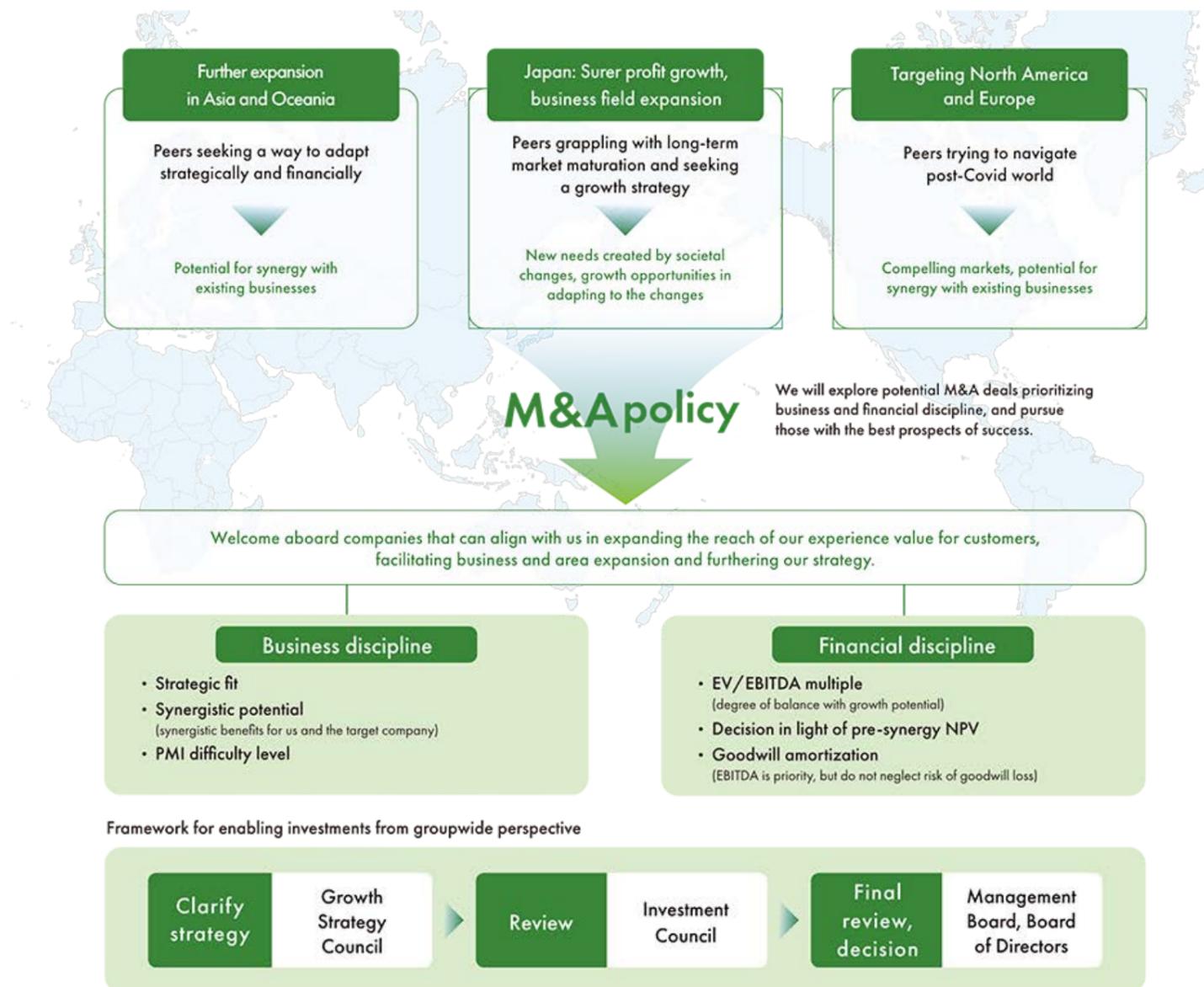
In our investment activities, we will focus on projects related to existing businesses with low risk and high return prospects. Such investments will generate stable cash flows. These cash flows will fund riskier investments such as M&A deals and new business ventures, which in turn will accelerate the shift in our business portfolio. Even in these comparatively riskier investments, we will minimize the risk by targeting investments into areas that are adjacent to, or are likely to generate synergies with, our existing businesses. We will also invest actively in digital innovations to develop a new service- or subscription- based model for recurring revenue, driving the transition to a new business model for the whole of KOKUYO Group by 2030.

In the Japanese furniture business, our investments in tangible production assets have mainly involved updating existing assets. This implies that we could do a lot more to improve productivity. We will therefore invest in a productivity transformation to further improve gross margin. We will then combine high added value with competitive pricing to create a clear differentiation from competitors. Logistics is another area where we will create more efficiencies. These areas will account for a large portion of our maintenance capital-expenditure budget of 19 billion yen and our growth capital-expenditure budget of 70 billion yen, and the fund allocations will improve our competitiveness.



In our M&A strategy, we will focus on penetrating or expanding in ASEAN markets and in India and Australia. To that end, we will acquire assets that will enable us to localize production and sales operations in these markets. We will accumulate potential M&A leads and consider a range of possibilities, including contributing to an industry shakeup in Japan and overseas markets.

After investing in a project related to an existing business, we will closely monitor the performance of the investment using our internal profit standards. When it comes to investing in IT systems, we will invest in projects for adapting to increasingly complex business flows and in projects for updating basic automatization platforms. Likewise, in our M&A activities, we will use rigorous valuation methods and assess strategic alignment in order to increase the odds of success.



## Greater experience value across our global operations

### Furniture

For the Japanese furniture business, our medium-term targets are as follows: an average annual growth rate in net sales of 5% and an EBITDA margin of 19.3%, an increase of 1.9 percentage points from the 2024 level.

With more women in the workforce and higher retirement ages helping to curb the decline in Japan's working population, we anticipate a higher supply of office spaces in the Tokyo Metropolitan Area and, commensurate with this, brisk demand for office relocations and office renovation. KOKUYO, ahead of its competitors, upgraded its operations to take on office interior design services. Consequently, we now have more than 300 experts in office interior design, one of the highest in the industry. This gives us a competitive advantage that we can flex to the full to beat any competition in this area. Having forged a relationship with many large-size enterprises, we can leverage our interior design prowess to expand into office renovation services and meet the demand among these large enterprises for utilizing idle real-estate. We can also improve services we have already launched, including a service that evaluates the effects of office designs upon employee performance and an implementation-phase service that helps employers empower and deploy their talent effectively. Having integrating our operating companies in 2015, we now have much better coordination between sales, production, and development. After becoming less product-focused and more market-focused, we have optimized our products and services to market needs while also improving productivity, which has been a driving force behind the increase in gross margin. We will improve our gross profit margin further by continuing to invest in projects to transform productivity and by tightening coordination across the value chain. We will also improve our capacity to take on contracts and develop global products to improve our competitiveness in Japan and overseas markets.

As for overseas markets, success here requires us to reduce lead times and improve cost competitiveness. To that end, we will transform our supply chain for ASEAN markets by localizing and concentrating production on a component basis and establishing localized sites dedicated to component assembly. We will also start taking orders from markets in the Asia-Oceania region. To differentiate our products, we will localize them to the demand landscape particular to the country or territory in question. In ASEAN markets, we will target middle and high market segments and offer experience value across the whole of the office cycle, from design to implementation, thereby building a business model that delivers recurring revenue. Through these measures, we can achieve the following medium-term targets for the overseas furniture business: an average annual growth rate in net sales of 16% and an EBITDA margin of 13.4%, an increase of 3.7 percentage points from the 2024 level.

### Business supply distribution

For business supply distribution, our medium-term targets are as follows: an average annual growth rate in net sales of 8% and an EBITDA margin of 7.0%, an increase of 0.7 percentage points from the 2024 level. The B to B e-commerce market is set to grow, and AI innovations will improve customer experience and productivity. To capitalize on the opportunities, we will develop platform-based services that are differentiated from the competition in how they deliver services optimized to the needs of individual users. We have two platform-based services for purchase management (Benri Net and With Kaunet) and we inherited part of Fujitsu Coworco Limited's business in October 2024. These assets give us access to a clientele consisting of more than 6,000 large enterprises and links with some 700 e-commerce websites. Adding to these assets, we will link up with big-name e-commerce players, dedicated suppliers, and local suppliers to offer an

overwhelming range of products and a smooth user experience. We will also use AI to provide customized recommendations, reducing the stress associated with purchase management, and deliver services for improving risk management. Leveraging a multi-business model that combines e-commerce with our nationwide network of offline retail stores, we will keep growing our clientele of large enterprises. Eventually, we will develop services that use data analytics to optimize supply chains.

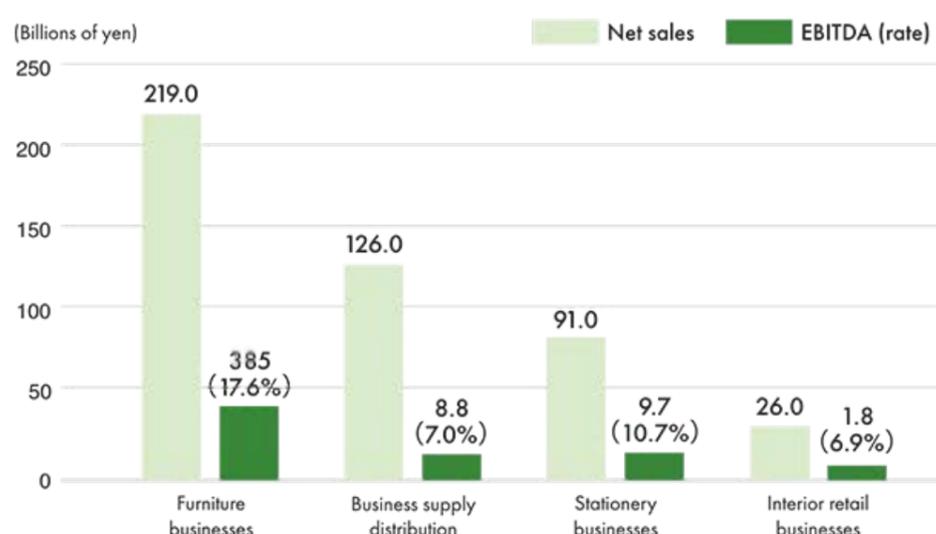
## Stationery

Japan's stationery market will continue to shrink, and adversities will persist in the Chinese market. The outlook is more favorable in India and ASEAN markets, where population growth and higher incomes will create brisk demand for stationery. Given these projections, our medium-term targets are as follows: an average annual growth rate in net sales of 3% and an EBITDA margin of 10.6%, an increase of 0.9 percentage points from the 2024 level.

In the Indian and ASEAN markets, we will place weight on the B to C sector, leveraging the expertise we developed in the Chinese market. Part of this will involve building the global brand identity of Campus, which commands a strong brand identity in Japan. It will also involve differentiating our products by ensuring that they deliver experience value. In the writing and drawing tool category and in other stationery categories, we will insource global products to improve profitability and increase the ratio of global products to products for the Japanese market. Insofar as our B to C stationery operations target the student demographic, we will need localized branding and localized production. Likewise, our sales channels will need to consist of local retail partners as well as an online channel. Accordingly, we will invest to develop such assets.

## Interior retail

As in other markets, e-commerce is accounting for an ever-larger share of the residential furniture market. Our growth strategy for this market will involve linking offline stores with the online store in our existing business. It will also involve KOKUYO and Actus working closer with external partners to extend our reach into the B2B sector. We can market Actus's upmarket European furniture to owners of high-class apartment blocks and hotels to expand our reach to the residence sector, as part of our portfolio transition.



## Driving further transformation

I joined KOKUYO in 1985. Over the years, I have seen KOKUYO adapt to the changing times by shifting from a model of mass-producing high-quality goods at low cost to a model that targets more precisely a range of unmet needs. KOKUYO now has a more diverse range of individualist employees and a flatter organizational structure. Staying true to the founder's belief in providing something useful, we will uphold our organizational culture and values while embarking on bold reforms. I look forward to helping President Hidekuni Kuroda drive this agenda of transformation.

## MESSAGE FROM THE DIVISION MANAGER OF CSV



### A Genuine Balance of Social and Economic Value

**Naotaka Umeda**

Managing Officer

Division Manager of Audit Committee Office and CSV Division

## Balancing social value with economic value

Throughout its long history, KOKUYO has maintained the same stance of addressing societal needs through its business activities. Compared to its early years, KOKUYO now has a wider range of business operations, including stationery, furniture, business supply distribution, and interior retail. These business domains might seem disconnected from each other at first glance, but they all have something in common: a constant focus on adapting to a changing social landscape and addressing the latest needs among customers and society at large. This enduring principle is what has culminated in KOKUYO's current business portfolio. In my daily interactions with employees, I get a palpable sense of how this philosophy of making a positive social impact has become part of the culture and lifeblood of KOKUYO.

Losing none of its passion for producing and delivering products and services that address societal needs, KOKUYO now takes a longer view by envisaging an ideal future scenario and back-casting from that future to today in order to determine what needs to be done to get from here to there. The ideal future scenario is a self-directed, collaborative society. Back-casting from that scenario, we have identified material tasks to accomplish over the medium term. In our last materiality analysis, we plotted a number of issues onto a graph with one axis describing their social relevance and the other describing their economic relevance. We then picked out those issues that had the highest relevance in both indices.

By incorporating the need for sustained business growth (economic relevance) into our materiality analysis, we ensured that the material issues we defined would be more authentic and compelling. Take for example, the strategy to expand business fields through the Forest-Like Management Model. This strategy involves expanding the delivery of experience value to contribute toward a self-directed, collaborative society. This social value is balanced with economic value: building more sources of earnings for KOKUYO. As such, it is a core strategic task for building KOKUYO's value over the medium and long term.

While this materiality analysis has helped, it does not go far enough in communicating the extent to which social value is balanced with economic value in our business activities. An example is the strategy to transition to a management system that creates social value. One of the 2030 goals for this material issue is to have 100% of our net sales coming from activities that combine social and economic value. While this goal statement emphatically declares our commitment to building a self-directed, collaborative society, it falls short in presenting the business logic—it does not show how pursuing this social value will also create economic value. We have started producing a number of examples that align with this goal, but we still need to do more to create a compelling materiality narrative.

## Representing impacts in a logic model

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On this basis, a key priority in the 4th medium-term plan, Unite for Growth 2027, is to ensure that internal and external stakeholders have a clear idea about the future scenario we envisage and about our material issues. We have created a logic model to visually represent how KOKUYO's business operations, sustainability initiatives, and talent development strategy are causally related to the creation of social value. We now need to refine this.

KOKUYO's business, at its core, involves using co-creation with empathy and using our culture of experimentation to design new experience value. The driving force behind this process is the abstract concept of creativity. If we can give a compelling account of the causal relationship between our business activities and the abstract concept of social value and the casual relationship between our core competences and economic value, then we can instill greater confidence in our shareholders and many other stakeholders and inspire greater passion, belonging, and motivation in our employees.

To that end, we are developing visual representations of the social value and economic value KOKUYO is seeking to create as part of its long-term vision, CCC 2030. So far, we have clarified three examples: more people who keep pushing themselves to a higher level, more opportunities for social interaction, and more teams committed to creative solutions for societal issues. These examples represent important outcomes aligned with the impact we ultimately want to produce: a self-driven collaborative society, where one socioenvironmental issue after another is solved. We will incorporate these three categories into the logic model so that people can see at a glance what type of impact a given product or business is creating and what economic value it is producing. Having created the logic model, we are now in the phase of refining it. Eventually, we will use the logic model as a tool to monitor the economic and social value of each business unit and then incorporate the findings into business strategy in a cyclical process.

## Dynamic materiality: Evaluating and adapting

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As to whether our material sustainability initiatives for the goal of a self-directed, collaborative society really resonate with stakeholders, the acid test will be whether KOKUYO continues on the path of sustained business growth. We can boast about our social value as much as we like, but unless we stay relevant and essential to the public, no economic value will emerge. To ensure that our sustainability initiatives contribute to sustained business growth, we must periodically review our material issues and monitor progress using effective KPIs. We engage in dynamic materiality, meaning that we periodically update our material issues to reflect changes in the external business environment and in our business strategies.

When we specify our material issues and visually represent their impacts, we do so not just for the purpose of meeting disclosure standards and getting favorable ratings. We will keep communicating our values internally and externally and linking them with our business activities. We also keep up efforts to embed sustainability in our business operations and in the behavior of every employee.

## Communicating our values and disseminating materiality

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To ensure that KOKUYO's initiatives resonate with internal and external stakeholders, we have to keep communicating the values we believe in and keep rectifying behaviors and practices that do not align with these values. We aspire to build a self-directed, collaborative society, we develop plans and initiatives to build such a world, and we use material issues (materiality) to measure the progress. These three elements are always central to our organization. As Division Manager of CSV Division, I will continue to spearhead actions for disseminating our materiality and communicating our impacts among our businesses and employees.

## MESSAGE FROM THE MANAGER THE HUMAN TALENT & CULTURE DIVISION



Unleashing Employees' Creativity to Take KOKUYO to the New Frontier

**Yasunari Koshikawa**

Managing Officer

Division Manager of Human & Culture Division

Chair of Wellbeing Subcommittee

### Empathy and humanistic creativity

Over the years, KOKUYO has expanded from stationery into office furniture and interior design, but one thing has remained constant ever since the organization was first founded: KOKUYO has always been sensitive to the needs of its customers and created solutions that make customers' study lives and work lives better. Alongside this tradition, we have a workforce that takes pride in honing their empathy and humanistic creativity. KOKUYO is an organization of people who are driven most of all by the desire to create something that will delight the customer. This body of people is the source of inimitable ideas that help differentiate our business. Our long-cherished corporate culture and unique approach to value creation constitute core competences that we will continue to cherish and hone.

As empathetic and creative as KOKUYO employees are, when I joined in 2022, I got the impression that the employees, individually and collectively, were enclosed in an invisible cage. As is often the case for companies with a long history, the business model was a little too rigid and employees were limiting themselves and their potential to their particular business domains. It was also true, though, that everyone was passionate about delivering new value in whatever business domain they were in. Over the past 20 years, KOKUYO's consolidated net sales have trended at 300 billion yen. KOKUYO has potential to increase its revenue growth if it deploys its talent in new business domains and global markets. My role is to prepare the organizational structures that will unleash every employee's potential. To execute this task, KOKUYO needs an injection of fresh ideas. Drawing on my experience working for a growing company, I will channel my cumulative career experience into KOKUYO with a view to empowering employees and unlocking powerful business growth.

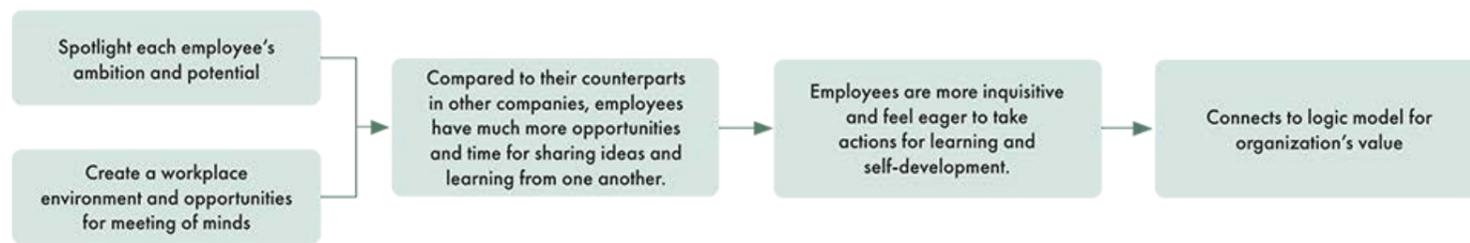
The 4th medium-term plan, Unite for Growth 2027, sets out a basic approach of updating the Forest-Like Management Model and expanding the delivery of experience value in Japan and overseas. This approach requires us to venture into new frontiers, and we cannot do so if we remain constrained by past practices. That is why, in our talent development strategy, we will develop actions for maximizing KOKUYO-style creativity.

### Uncovering and unleashing every employee's creativity

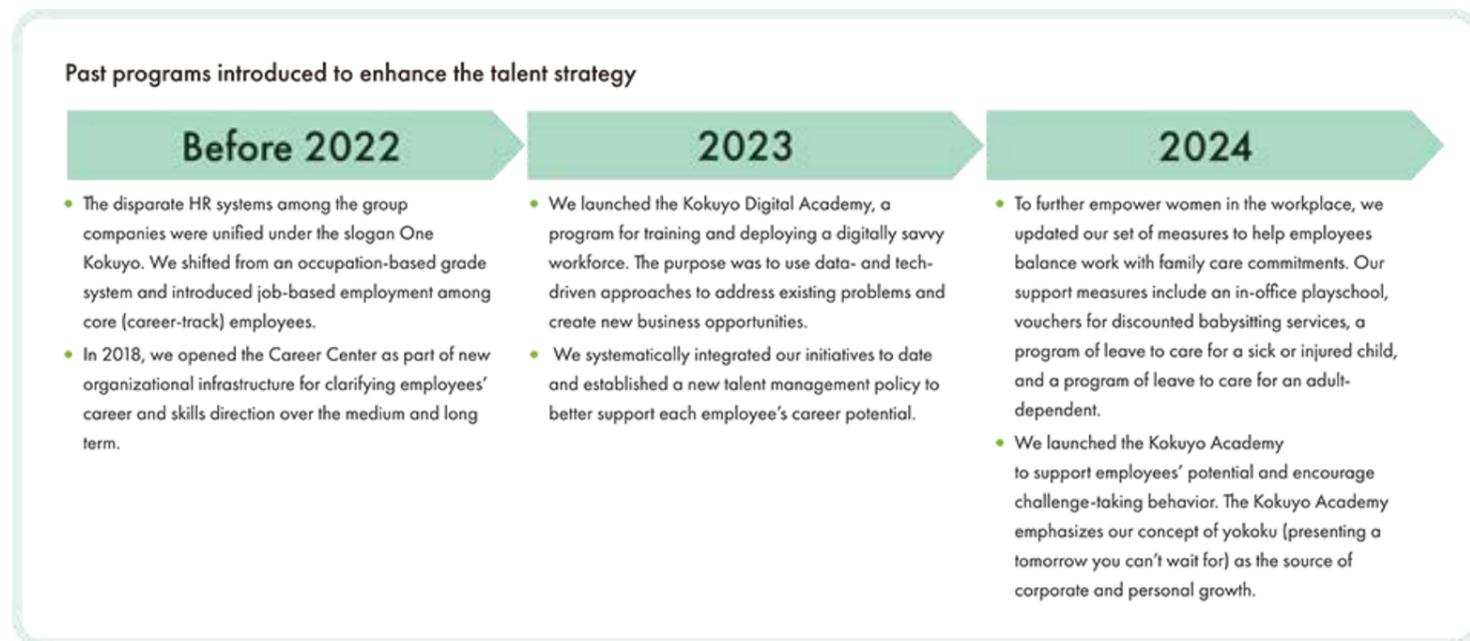
Our talent development strategy identifies creativity as the source of KOKUYO's value creation. It also identifies the need for stronger leadership to further empower this creativity.

Aligned with KOKUYO's vision of a self-directed, collaborative society, the talent development strategy sets the goal of cultivating a workforce that has a singular passion for building a humanistic world. The first step is to have a workforce that embodies the ideal of everyone acting autonomously but also interdependently with others. To that end, we take a range of actions to spotlight each employee, uncovering their hidden talents and inspiring them to excel. These actions include discussing individual employees' potential, from multiple perspectives, at the Talent Development Committee. They also include one-on-one consultations between an employee and the employee's supervisor for discussing the employee's creative ideas and future career. Such measures link KOKUYO's growth with employees' personal growth.

**Talent strategy and talent investment story**



**Past programs introduced to enhance the talent strategy**



At our company, we conduct the employee engagement survey "wevox" on a monthly basis to monitor changes.

As a result of our ongoing talent strategy measures, the engagement score has risen three points over the past two years. This is an impressive accomplishment. Alongside the improvement in engagement, the organizational culture has become more future-oriented. With the update to the Forest-Like Management Model, managers and other employees have started thinking more about the future of the business, rather than just the present situation or what happened in the past. Alongside this change, KOKUYO has introduced performance-linked stock compensation. The stock compensation plan, initially for just "core employees" (career-track employees of a certain rank upward), will encourage the recipients to take an interest in building KOKUYO's value over the medium and long term. As with the use of EBITDA as a performance metric in the 4th medium-term plan, this measure is designed to instill confidence in the company's medium- and long-term growth prospects by linking part of the compensation to KOKUYO's value over the medium and long term.

The seeds of creativity in employees can only be nourished into mighty trees if KOKUYO has strong leadership. A clearer understanding of the need for leadership is now taking root among employees thanks to the updated Forest-Like Management Model. To drive KOKUYO's global expansion, we need leaders who can brave the challenges of an uncertain future, who can take decisions at critical junctures, and who can work with a team of diverse cultural backgrounds. KOKUYO's leadership team increasingly understands that such leadership skills are essential for the company's strategy of expanding the delivery of experience value.

Key elements of the Forest-Like Management Model	Talent management tasks	Examples of actions	Contribution to overall value
Value creation cycle	Hire the talent to sustain the value creation cycle	<ul style="list-style-type: none"> <li>Active hiring of fresh graduates and mid-career candidates</li> <li>TV advertising, reform of corporate culture (by reforming systems), internal and external dissemination</li> <li>Distinctive initiatives like the 20% Challenge</li> </ul>	Sustained improvements in hiring competitiveness
Strategy to expand the reach of our experience value	Nurture leadership talent that will grow businesses by expanding the reach of our experience value	<ul style="list-style-type: none"> <li>Leadership and creativity program (Kokuyo Academy)</li> <li>Encouraging employees to be company shareholders (so they will take a greater interest in our overall value)</li> </ul>	Sustained improvements in employee engagement
Accumulating knowledge	Make workplace more conducive to experimentation and innovation	<ul style="list-style-type: none"> <li>Original interior designs that encourage new workstyles and teamwork</li> <li>New workstyle ideas trialled at THE CAMPUS (Shinagawa)</li> <li>Opening of DIG, a family restaurant-style learning space where diverse activities intersect</li> <li>Relocation of head office to create new connections with people and companies</li> </ul>	Continuous improvements in productivity Development of innovative ideas

## Further transformation in the organizational culture

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Once an employee's creativity has been uncovered, it needs to be channeled into business activities. One way of doing that is through meaningful redeployments. Purposeful redeployments is a key task for this year. Last year, we attempted a number of redeployments with a view to unleashing employees' potential. The problem was that our organization had limited experience in redeploying staff for the purpose of upskilling. This year, we will take a more flexible approach and accumulate a body of best practices in redeployment. Meaningful redeployments will be an effective practical measure in disseminating business-level knowledge, as envisaged in the Forest-Like Management Model. By transcending boundaries between business units, and especially with redeployments among the leadership class, leaders will gain opportunities for encountering effective practices in other business units. It will also increase the number of cases where employees, through a redeployment, walk a different path from the path they normally walk and gain successful experiences from such. This will create an appetite within the organization for more redeployments and challenge-taking behavior, which will be crucial in driving further transformation in our organizational culture.

## A globally esteemed organization

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The actions we have taken in our quest for a self-directed, collaborative society are starting to produce results. As more employees begin to discover their potential and take on challenges, we will start seeing palpable differences in business outcomes. I feel confident and excited about the limitless possibilities that KOKUYO's humanistic creativity can produce. With a talent strategy that focuses on each employee, I will continue to serve my role in forging a future in which KOKUYO is a globally esteemed organization.

# SUSTAINABLE MANAGEMENT

## Sustainable Business Strategy

In 2022, we established the Sustainable Business Strategy. For many years, our CSR Charter had served as a basic set of principles guiding our efforts to fulfill our corporate social responsibility (CSR). However, we decided to reformulate the charter as a sustainable business strategy that would bridge our long-term vision with our policy on stakeholder engagement.

### Sustainable Business Strategy

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 balance social value and economic value, we will address social and environmental challenges and offer inspiration in work, learning, and living.~

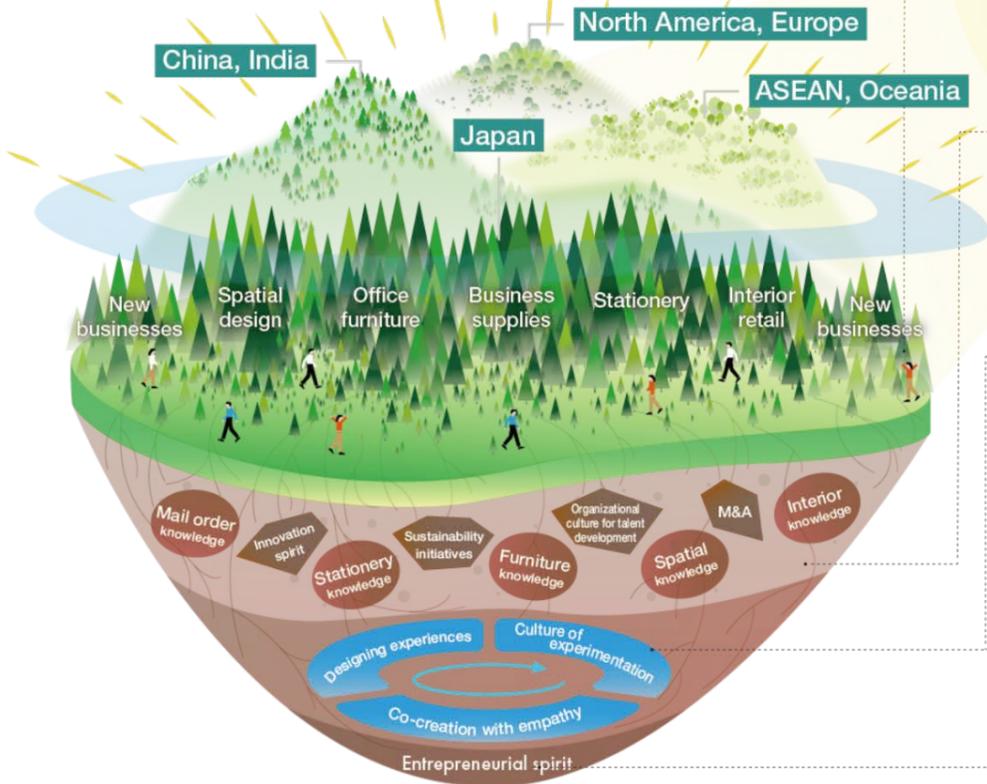
## Creating Value Through the Forest-Like Management Model

Our long-term vision, CCC 2030, commits us to achieving net sales of ¥500 billion in 2030. Central to this vision is the Forest-Like Management Model, which encapsulates the kind of value KOKUYO creates. KOKUYO excels in designing experiences, has a culture of experimentation, and combines co-creation with empathy. We will flex these three strengths to integrate knowledge between our businesses, mount a strategy to expand the reach of experience value we offer, grow our businesses in Japan, and expand in Asia and other global markets.

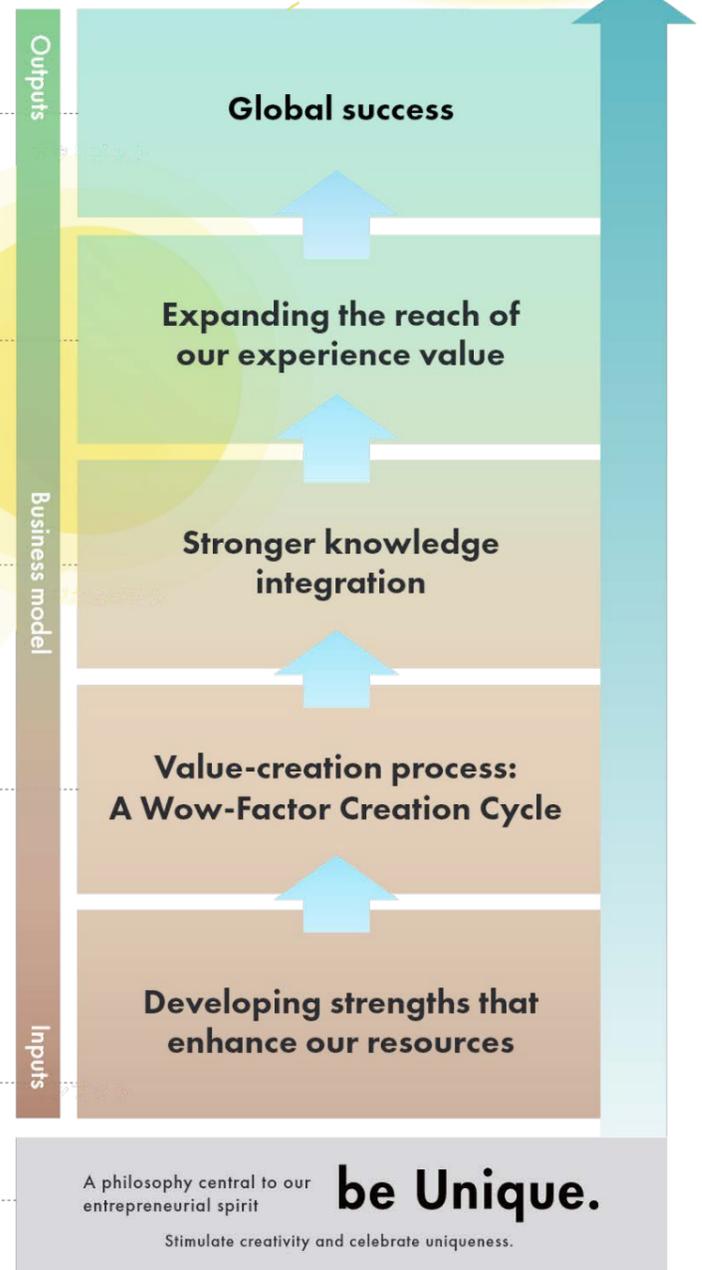
Having identified sustainability action as one of our processes of value creation, we try to ensure that all value we create through our business activities represents a balance of social value and economic value.

The future we envisage  
A self-directed,  
collaborative society

## WORK & LIFE STYLE Company



### Value Creation Story: Overview



[Organizational framework for sustainability >](#)

[Sustainability policies and guidelines >](#)

[Logic Model for Social Value Creation >](#)

[Process for Identifying Material Issues >](#)

[Material Issues and Performance >](#)

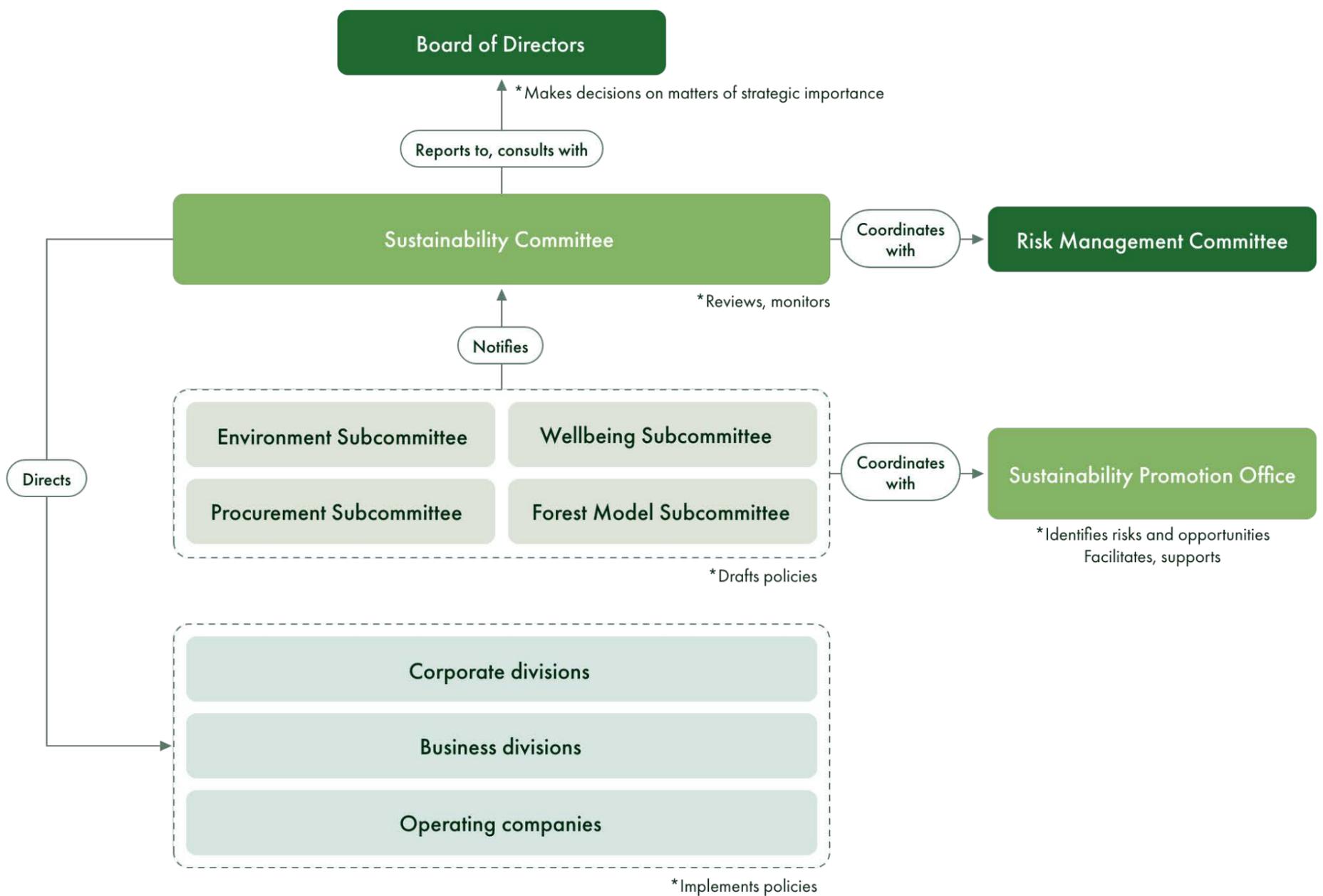
reference:Medium-Term Plan >

reference:Value System >

# ORGANIZATIONAL FRAMEWORK FOR SUSTAINABILITY

## Organizational framework for sustainability, decision-making process

We have the Sustainability Committee, which is responsible for general sustainability strategy and for managing progress in material issues. Chaired by the managing officer heading the CSV Division, the Sustainability Department serves as the secretariat for the Sustainability Committee. Every corporate officer, including the CEO, is a member of the committee. The committee consists of four subcommittees: the Environment Subcommittee, Wellbeing Subcommittee, Procurement Subcommittee, and Forest Model Subcommittee. These subcommittees discuss risks, opportunities, strategies, and goals related to sustainability. The outcomes of discussions are reported semiannually to the Board of Directors. The board then makes the final decisions on matters of strategic importance.



## Committee membership, role

Organization	Chairperson	Membership	Function/role, relevance to material issues	
Sustainability Committee	Managing Officer Naotaka Umeda	Representative Corporate Officer President and CEO Managing Officer	With subcommittee reporting and stakeholder engagement, the committee monitors the plan-do-check-act process for sustainable management and regularly reports the results of such monitoring to the Board of Directors.	<ul style="list-style-type: none"> <li>Identifies material issues</li> <li>Assigns priority to material issues, develops action plans for material issues and reviews budgetary allocations for the plans</li> <li>Regularly reports to Board of Directors</li> </ul>
Environment Subcommittee	Managing Officer Masahiro Fukui	Corporate divisions Business divisions Members of operating companies	The subcommittee leads action to address environmental issues relevant to KOKUYO Group as a whole. The Environmental Subcommittee has three taskforces for leading cross-organizational efforts to accomplish the goals for material issues: the Climate Crisis Taskforce, the Circular Economy Taskforce, and the Taskforce for Coexistence with Nature.	<ul style="list-style-type: none"> <li>Applies ISO 14001</li> <li>Responds to the climate crisis</li> <li>Contributes toward a circular economy</li> <li>Contributes toward a society that coexists with nature</li> </ul>
Procurement Subcommittee	Managing Officer Koji Morita	Same as above	The committee engages with suppliers to ensure that they share our commitment to co-creation with empathy. It applies a plan-do-check-act cycle to tier-1 suppliers (suppliers of KOKUYO products, including Kaunet private brands, and suppliers of distributors' private brands). The scope will be expanded to other suppliers.	<ul style="list-style-type: none"> <li>Engages in supply chain management</li> <li>Applies KOKUYO Group Paper and Timber Procurement Standards</li> </ul>
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. It covers the five core companies and communicates its activities to group companies. The scope may be expanded to other companies in FY2025 or later.	<ul style="list-style-type: none"> <li>Improves Wellbeing among Employees and External Stakeholders</li> </ul>
Forest Model Subcommittee	Corporate Officer Toshio Naito	Same as above	The subcommittee develops an annual plan aligned with material issues, tracks progress in the plan, and prepares the plan for the forthcoming fiscal year to disseminate the Forest-like Management Model across KOKUYO Group.	<ul style="list-style-type: none"> <li>Transition to a management system that creates social value</li> </ul>

# SUSTAINABILITY POLICIES AND GUIDELINES

We have established a policy and guidelines to guide our efforts to incorporate sustainability into our business activities.

## Sustainable Business Strategy

We established the Sustainable Business Strategy to bridge our long-term vision with our policy on stakeholder engagement.

[Sustainable Management >](#)

## KOKUYO Group Environmental Policy

Building a sustainable society will require the creation of a decarbonized and recycling-oriented society that can coexist with nature. The KOKUYO Group Environmental Policy sets out specific actions to that end.

[Environmental Management >](#)

## KOKUYO Group Code of Conduct

After we started expanding globally, it became apparent that we needed to define a set of common behavioral standards while giving leeway to local differences, such as cultural differences, differences in values, and differences in legal interpretations. To that end, we established the KOKUYO Group Code of Conduct.

[Respect for Human Rights >](#)

[KOKUYO Group's Value System >](#)

## KOKUYO Group Safety and Health Basic Policy

KOKUYO believes that creation of a safe, secure and pleasant working environment, safety measures in times of disaster and other measures are the foundations for employees to work vigorously and demonstrate their full abilities. To that end, we established the KOKUYO Group Safety and Health Basic Policy. We have signed up to the Valuable 500 to support diversity and the inclusion of people with disabilities in the workplace.

[Occupational Health and Safety >](#)

## KOKUYO Health and Productivity Management Declaration

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We support employee health and productivity on the belief that the key to employee well-being is to encourage employees to take an interest in their health and engage positively at work. Our commitment is enshrined in the KOKUYO Health and Productivity Management Declaration, which is aligned with the Sustainable Business Strategy.

[Occupational Health and Safety >](#)

## KOKUYO Group Anti-Bribery and Anti-Corruption Policy

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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.

[Risk Management >](#)

## Circular Economy Policy: SUTENAI CIRCLE

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We created the Circular Economy Policy as an updated version of the eco-batsu initiative, which we have continued since 2008. The policy is designed to support closed-loop recycling and reduce recycling speed by reinforcing the areas of use, collection, and recycling. Through communication with users and the venous industry, we will shift to truly circular products and roll out maintenance and collection services for circulation.

[Recycling >](#)

## KOKUYO Group Sustainable Procurement Policy

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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 trust with them, and continue working with them to fulfill our collective social responsibility to support development of society.

[Supply Chain Management >](#)

## KOKUYO Group Sustainable Procurement Guidelines

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To ensure that our supply chain contributes to a sustainable planet and society, we established the KOKUYO Group Sustainable Procurement Guidelines. Based on the Sustainable Procurement Policy, these guidelines clarify the requirements and expectations for both KOKUYO and our suppliers.

[Supply Chain Management >](#)

## Declaration on Building Partnerships

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We declare our commitment to building new partnerships with suppliers for specified purposes, in which we collaborate and further our mutual interests with our supply-chain partners. These partnerships will facilitate supply-chain transactions and create value, contributing to a more sustainable world.

## Policy on Multistakeholder Processes

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As part of our commitment to creating a self-directed, collaborative society, we create value together with a diverse range of stakeholders, including employees, supply chain partners, and investors.

[Supply Chain Management >](#)

## KOKUYO Group Policy on Timber Procurement

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In 2011, we released the KOKUYO Group Policy on Timber Procurement to enshrine our commitment to sustainable use of forest resources.

[Coexistence with Nature >](#)

## KOKUYO Group Paper and Timber Procurement Standards

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We recognize the roles played by forests such as in curbing global warming and promoting biodiversity. Accordingly, we have established the KOKUYO Group Paper and Timber Procurement Standards. We are aiming with these standards for development in harmony with forest resources in the future while taking into consideration legality, transparency and sustainability in relation to the procurement of materials.

[Coexistence with Nature >](#)

## KOKUYO Quality Pledge

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The KOKUYO Quality Pledge enshrines our commitment to quality. In line with this pledge, we will satisfy customers and earn their trust by delivering products and services that enrich work, learning, and living. We will also manage risks effectively and ensure the accuracy of information about our products and services.

[Together with Customers >](#)

# 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 long-term overall value creation.

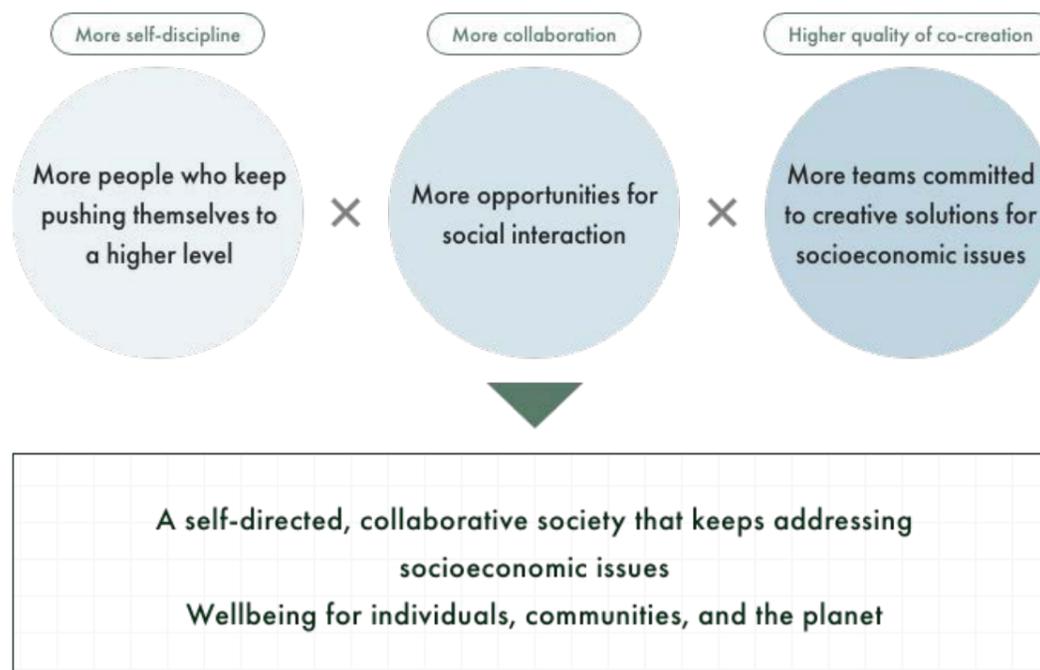
## The Social Value We Create, Our Logic Model

In a self-directed collaborative society, 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.

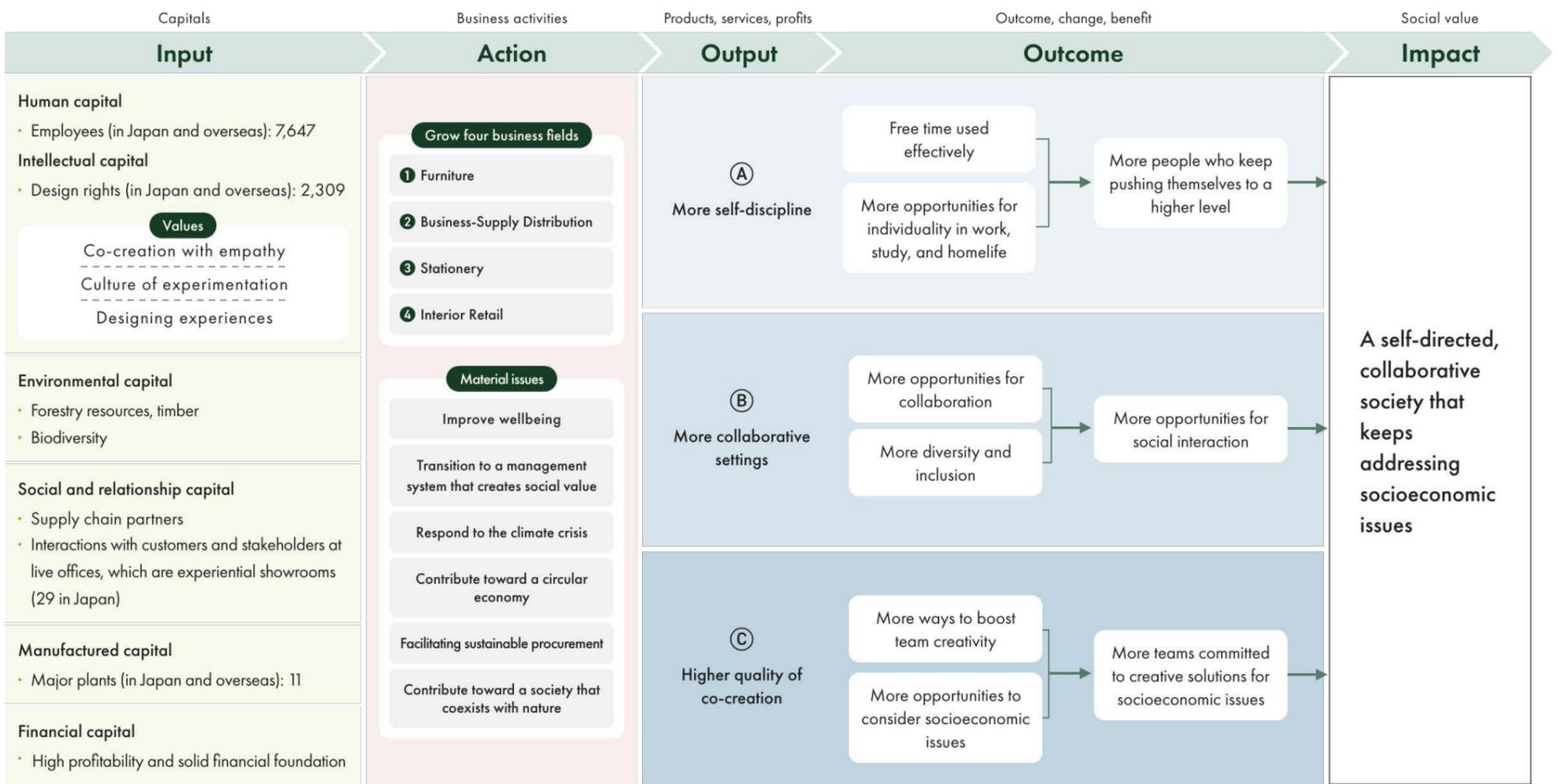
To create this self-directed, collaborative society, where socioeconomic issues can continually be addressed, we need to show how our business activities contribute to this goal. That is why we established a logic model. Guided by the evidence from this logic model, we will increase the positive social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



## KPIs to Measure Impact

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

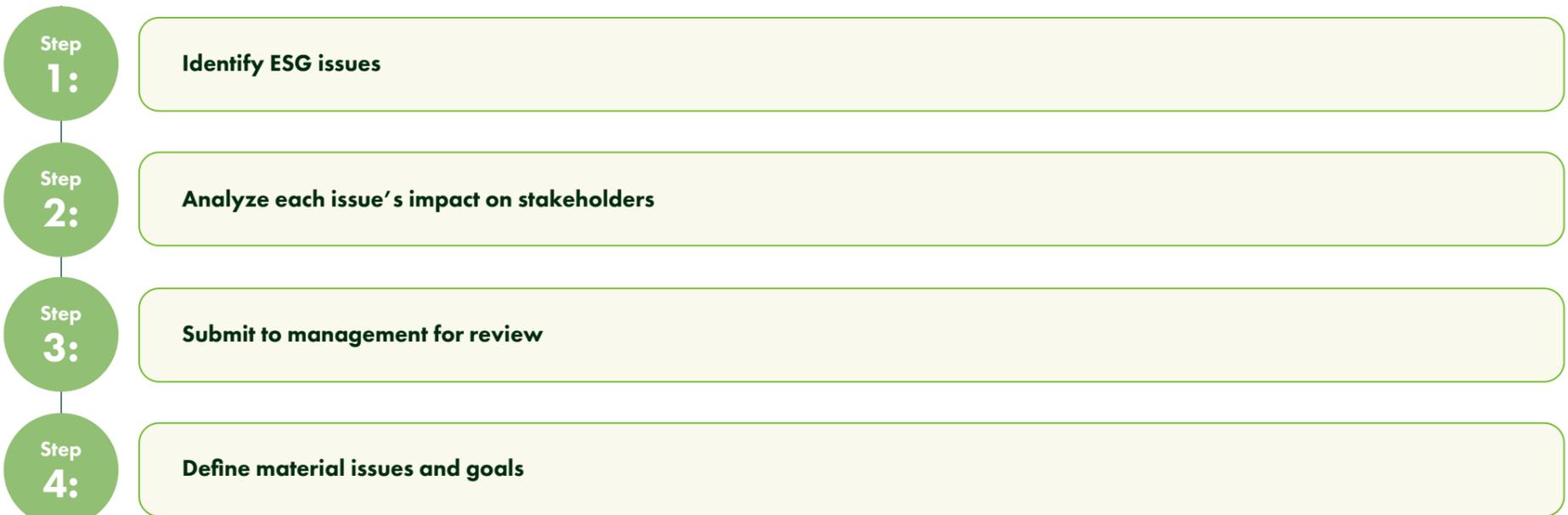
# PROCESS FOR IDENTIFYING MATERIAL ISSUES

## 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.



### 2022 revision

**Step 1: Identify issues**

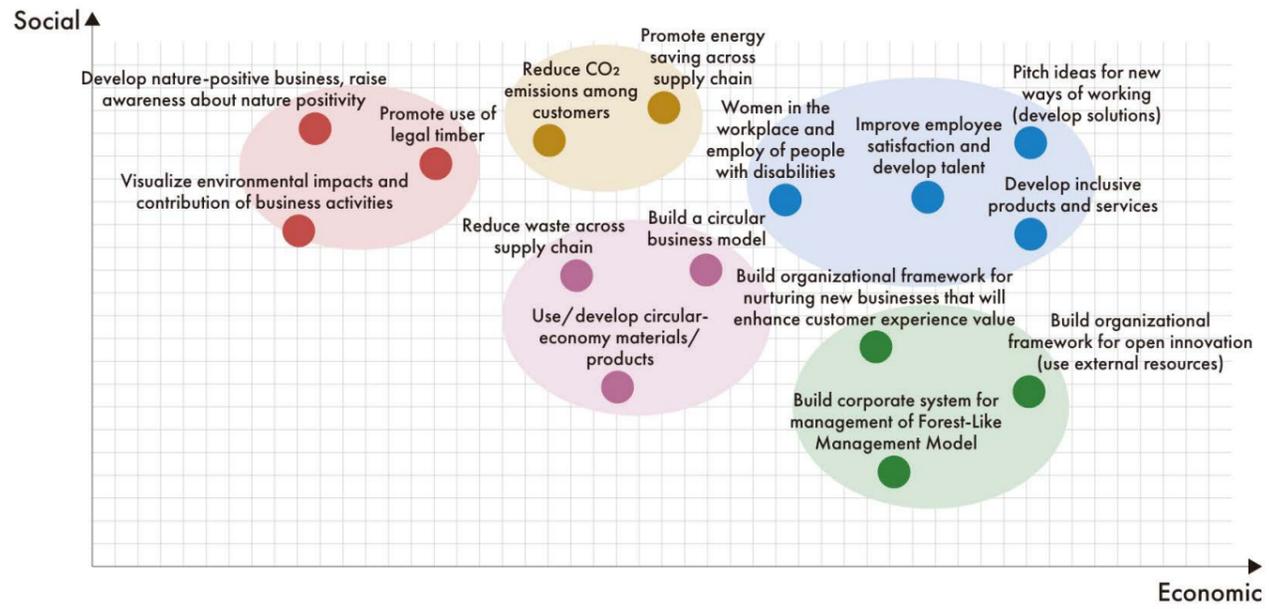
The process of updating the material issues began with a review of the existing issues we had defined in 2020. In that review, we thought about the strategic issues we will need to address if we are to lead the way toward a self-directed, collaborative society and become a company in which no idea goes to waste. Through the review, we sought to identify a new set of material issues.

**Step 2: Divide issues into economic and social categories**

In light of the findings of the review conducted in Step 1 and the strategic themes outlined in the medium-term plan, we identified specific issues to make up for the inadequate elements in the previous materiality analysis.

We mapped out the material issues in the following process. First, we divided these issues into economic and social categories and plotted these issues onto the graph shown below. Then, we abstracted higher-level issues from clusters of the plotted issues.

- 1 Achieve diversity and inclusion in our organization and beyond
- 2 Reform management system
- 3 Respond to the climate crisis
- 4 Contribute toward a circular economy
- 5 Contribute toward a society that coexists with nature



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).

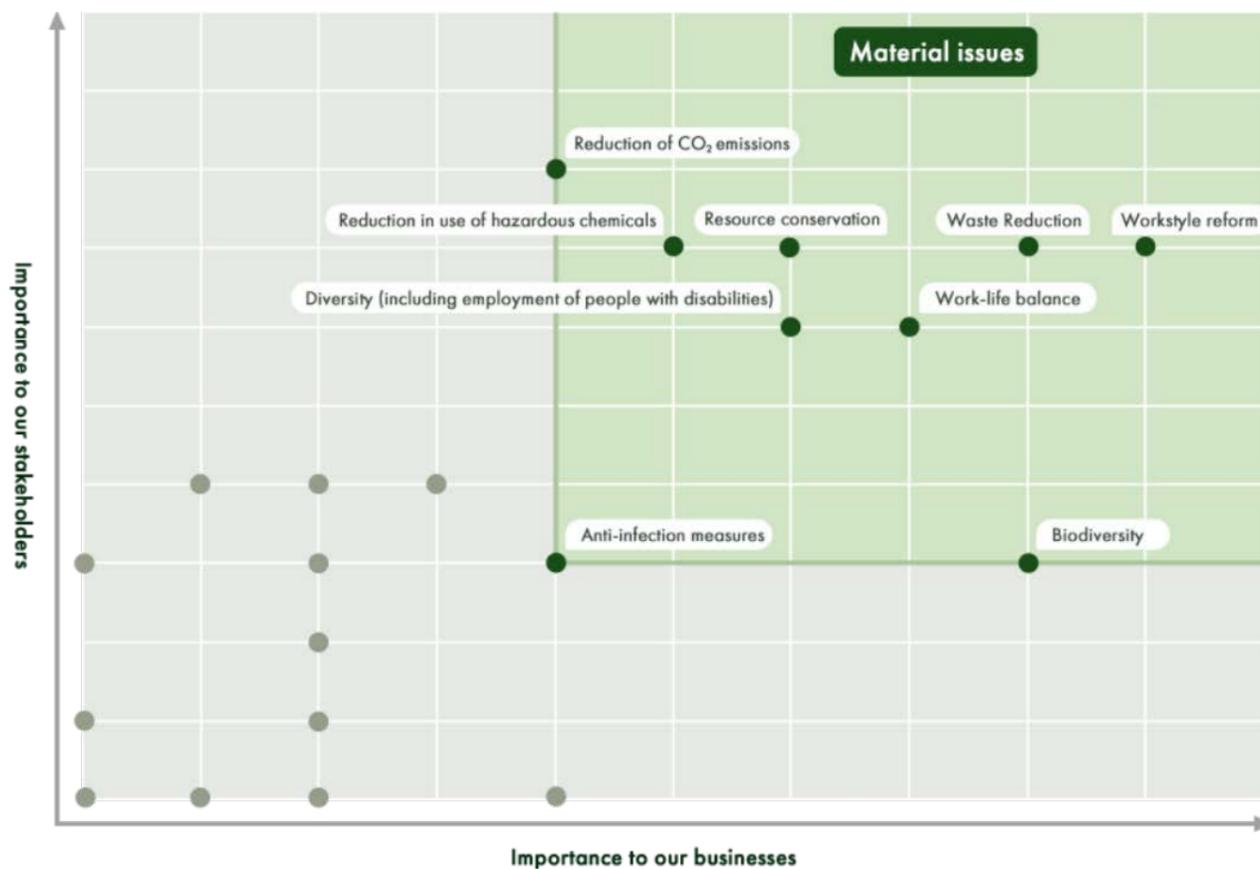
	Perspective	Was a survey conducted?	Was desk research (secondary research) conducted?
Stakeholders	Consumers	Yes	No
	Key clients	Yes	No
	Investors (MSCI, SASB)	No	Yes
	National and local governments (growth strategy)	No	Yes
Our businesses	SDG contribution from products, services, and CSR items	No	No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

\* 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

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.

Materiality matrix



### 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

Finally, in regard to the material issues, we set goals/targets for 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 <sub>2</sub> emissions through energy efficiency and renewable energy. Use forests to offset emissions.	Carbon absorption: At least 6,000 t-CO <sub>2</sub> absorbed a year
		Reduce CO <sub>2</sub> emissions: Emissions down by 26% from 2013 level in 2030
Material issue 4 Contribute toward a circular economy	Promote human rights and resource conservation / waste reduction in the entire supply chain	100% of waste (office, buildout services, inventory) recycled
		Procurement guidelines 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 Issues (materiality)		Basic Policy	Risks and Opportunities	Linked SDGs
<p>Strategy 1</p> <p><b>Improve Wellbeing among Employees and External Stakeholders</b></p>	<p><b>Material Issue 1</b></p>  <p><b>Improve wellbeing</b></p> <p>1-1. Pitch ideas for new workstyles 1-2. Promote diversity, inclusion, and innovation</p>	<p>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 ways of working, and promote diversity, inclusion, and innovation.</p>	<p>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. Improving the wellbeing of society involves the provision of products and services needed to realize a society in which every individual can play an active role, including those with disabilities. We believe this will enhance our reputation and expand our networks, bringing us more earnings opportunities.</p>	  
<p>Strategy 2</p> <p><b>Expand Business Fields through the Forest-Like Management Model</b></p>	<p><b>Material Issue 2</b></p>  <p><b>Transition to a management system that creates social value</b></p>	<p>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.</p>	<p>We will transform our business portfolio by identifying unmet needs and continually creating value aligned with our other material issues (materiality). This will enable us to respond to changes in our operating environment and to continually enhance our corporate value. Evolution of our management system to the Forest-Like Management Model is essential to this endeavor.</p>	

Material Issues (materiality)		Basic Policy	Risks and Opportunities	Linked SDGs
<p>Strategy 3</p> <p><b>Safeguard the Planet as a Place for Work and Life</b></p>	<p>Material Issue 3-1</p>  <p>Respond to the climate crisis</p>	<p>Over 90% of our CO<sub>2</sub> 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.</p>	<p>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. 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.</p>	       
	<p>Material Issue 3-2</p>  <p>Contribute toward a circular economy</p>	<p>We want to use the planet's limited resources efficiently. Accordingly, we've 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 individualized zero-waste lifestyles.</p>	<p>We will reduce risk from resource procurement and reputational damage by recovering and reusing resources. 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 should increase our earnings from maintenance, updating and other services.</p>	   
	<p>Material Issue 3-3</p>  <p>Promote sustainable procurement</p>	<p>With the rapid progress of economic globalization, multinational corporations have grown massive, while human rights issues such as forced labor and child labor in supply chains extending to developing countries in pursuit of low costs, widening wealth disparities and environmental degradation have become more and more serious. Our group will fulfill its social responsibilities together with suppliers and continue contributing to social development.</p>	<p>Avoiding consumer boycott and similar risks by addressing human rights and environmental risks in our supply chains is essential to the sustainability of our business. Communicating such initiatives to our customers will enable us to market products at prices that fairly reflect the costs of addressing these risks.</p>	  
	<p>Material Issue 3-4</p>  <p>Contribute toward a society that coexists with nature</p>	<p>Conservation of forests is a major imperative for us since we use plenty of timber (not least in our mainstay products of 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.</p>	<p>We strive to understand biodiversity as well as the risks relating to our raw materials and the environmental risks to our business sites and their surrounds. We aim thereby to achieve business operations in balance with natural capital and hence stable raw material procurement and sustainable business. We believe this will resonate with our customers and maintain, if not strengthen, our brand image, feeding through into increased earnings.</p>	  

## Material Issues and Performance

In December 2024, we set targets for 2027 to guide us in materiality actions aligned with our corporate strategies (as set out in our long-term vision and fourth medium-term plan). Shown below are the targets and results for each material issue.

Strategic Theme	Material Issue	target 2024	result 2024	Key actions taken in 2024	target 2027	challenge-target 2030
<u>1.</u> <u>Improve</u> <u>Wellbeing among</u> <u>Employees and</u> <u>External</u> <u>Stakeholders</u>	1-1 Pitch ideas for new workstyles	1) Shift to mindset that values employees' disposable time • Take-up of paid leave by managers and employees: 100%	• 71.1% (five group companies)	• <u>Provided programs</u> <u>to empower diverse</u> <u>employees</u>	• Take-up of paid leave: 100%	Challenge goals for flexible and diverse work options: 27 challenge goals (three per year for nine years)
		• Percentage of leadership roles occupied by women: 12%	• 10.9% (five group companies)		• Percentage of management posts held by women: 16%	
	1-2 Promote diversity, inclusion, and innovation	2) • Percentage of new product series that incorporate inclusive design: At least 20%	• 26.6%	• <u>Developed products</u> <u>with inclusive design</u>	• Percentage of new products that incorporate inclusive design: At least 35%	
<u>2.</u> <u>Expand Business</u> <u>Fields through the</u> <u>Forest-Like</u> <u>Management</u> <u>Model</u>	Transforming management systems for social value creation	3) • Number of visionary idea (Mirai Yokoku) experiments (3rd medium-term plan total): 30 or more	• 11 (3rd medium- term plan total:33)	<u>Ran organization-</u> <u>wide events for</u> <u>learning about</u> <u>sustainability</u>	• Number of visionary idea (Mirai Yokoku) experiments (4th medium-term plan total): 30	Percentage of sales with balanced social value and economic value: 100%
		• Rate of participation in sustainability initiatives: 100%	• 90.2%		• Percentage of employees addressing socioeconomic issues through their job: 100%	Percentage of employees addressing social issues: 100%

Strategic Theme	Material Issue	target 2024	result 2024	Key actions taken in 2024	target 2027	challenge-target 2030	
3. Safeguard the Planet as a Place for Work and Life	<u>3-1</u> Respond to the climate crisis	4) • Reduce CO <sub>2</sub> emissions: Reduce CO <sub>2</sub> emissions in Japan by 50% compared to 2013	• 54.1%	<ul style="list-style-type: none"> <li>• <u>Shifted workplaces (offices and plants) to renewables energy</u></li> <li>• <u>Obtained SBTi validation</u></li> </ul>	Scopes 1 and 2 • 35% reduction in CO <sub>2</sub> emissions from 2022 level	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 • Have suppliers, responsible for 12.5% of our emissions from “purchased goods and services,” set SBTi goals by 2028	
					Scope 3 • Set SBTi goals with suppliers (responsible for 125,000 t-CO <sub>2</sub> ) • Complete formulation of action plan for achieving 2030 goals		Carbon absorption: At least 6,000 t-CO <sub>2</sub> absorbed a year
	<u>3-2</u> Contribute toward a circular economy	5) • Percentage of new products incorporating circular-business guidelines: 100%	• 100%	<ul style="list-style-type: none"> <li>• <u>Developed products aligned with circular-business guidelines</u></li> <li>• <u>Developed services related to the transition to a circular economy</u></li> </ul>	• Percentage of net sales attributable to products that incorporate circular-business guidelines: 40%	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%		Recycling rate for waste (from offices, worksites, and warehouses): 100%
					• Recycling rate for plastic waste: 100%  • Reduction in mixed construction waste from 2023 level: 75%		
	<u>3-3</u> Facilitating sustainable procurement	6) • Percentage of key suppliers (some 400 companies) providing feedback (evaluations, issues to address) in supplier evaluation survey: 100%	• We surveyed 566 suppliers and supplied feedback to the 501 that responded (88.5% response rate)	<ul style="list-style-type: none"> <li>• <u>Conducted questionnaire survey among suppliers and engaged with them to address the issues identified in survey</u></li> </ul>	• Percentage of products sourced from suppliers ranked B or above: At least 75%	• Percentage of products sourced from suppliers ranked B or above: 100%	

Strategic Theme	Material Issue	target 2024	result 2024	Key actions taken in 2024	target 2027	challenge-target 2030
	<u>3-4</u> <u>Contribute</u> <u>toward a society</u> <u>that coexists with</u> <u>nature</u>	-	-	<ul style="list-style-type: none"> <li>• <u>Established</u> <u>KOKUYO Group</u> <u>Paper and Timber</u> <u>Procurement</u> <u>Standards</u></li> <li>• <u>Contributed to</u> <u>forest and reedbed</u> <u>conservation</u></li> </ul>	<ul style="list-style-type: none"> <li>• Percentage of net sales attributable to products that satisfy KOKUYO Group Paper and Timber Procurement Standards: 75%</li> <li>• Visually representing environmental impacts: Complete visualization process in all major businesses</li> </ul>	<ul style="list-style-type: none"> <li>Carbon footprint of business activities visualized and carbon neutrality achieved</li> <li>Forest conservation: Forests thinned at about 150 hectares a year</li> <li>Reedbed conservation: Reeds trimmed at about 1.5 hectares a year</li> </ul>

\* 1) applies to the following entities: Kaunet, KOKUYO Marketing, KOKUYO Supply Logistics, and KOKUYO Logitem Co., Ltd.

\* 2)3)5)6) have a smaller coverage. In future reporting, we will standardize the coverage to encompass consolidated subsidiaries inside and outside Japan.

# 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.

## KOKUYO Group Environmental Policy (April 2025 version)

Building a sustainable society will require the creation of a decarbonized and circular economy that can coexist with nature. The KOKUYO Group Environmental Policy sets out specific actions to that end. We updated the policy to reflect the public’s demand and the latest corporate direction. The latest version of the policy (as updated in April 2025) 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 updated policy elaborates further on each theme to better illustrate the challenges and actions to be taken. 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

We recognize that global warming, depletion of resources, biodiversity conservation and other global environmental problems are perpetual issues shared by the whole world to achieve a sustainable society. Accordingly, the KOKUYO Group 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



##### Responding to the climate crisis

To support the carbon transition, we will significantly reduce our greenhouse emissions throughout our supply chains by shifting to renewable energy, committing to energy efficiency, and engaging in environmental conservation initiatives that increase carbon sequestering.



##### Contribute toward a circular economy

To support the transition to a circular economy, 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.



##### 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, we will reduce the use of harmful chemical substances, improve resource productivity, and use water more efficiently.



##### Legal compliance and pollution prevention

As well as complying with environmental regulations by country and region, we will follow to 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.

#### Actions



##### Unleashing creativity and innovation

We will channel our creativity to generate positive social and environmental impacts with environmentally sustainable products and services, along with technologies, workstyles, and lifestyles that improve environmental performance.



##### Widening the scope of empathy,

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.



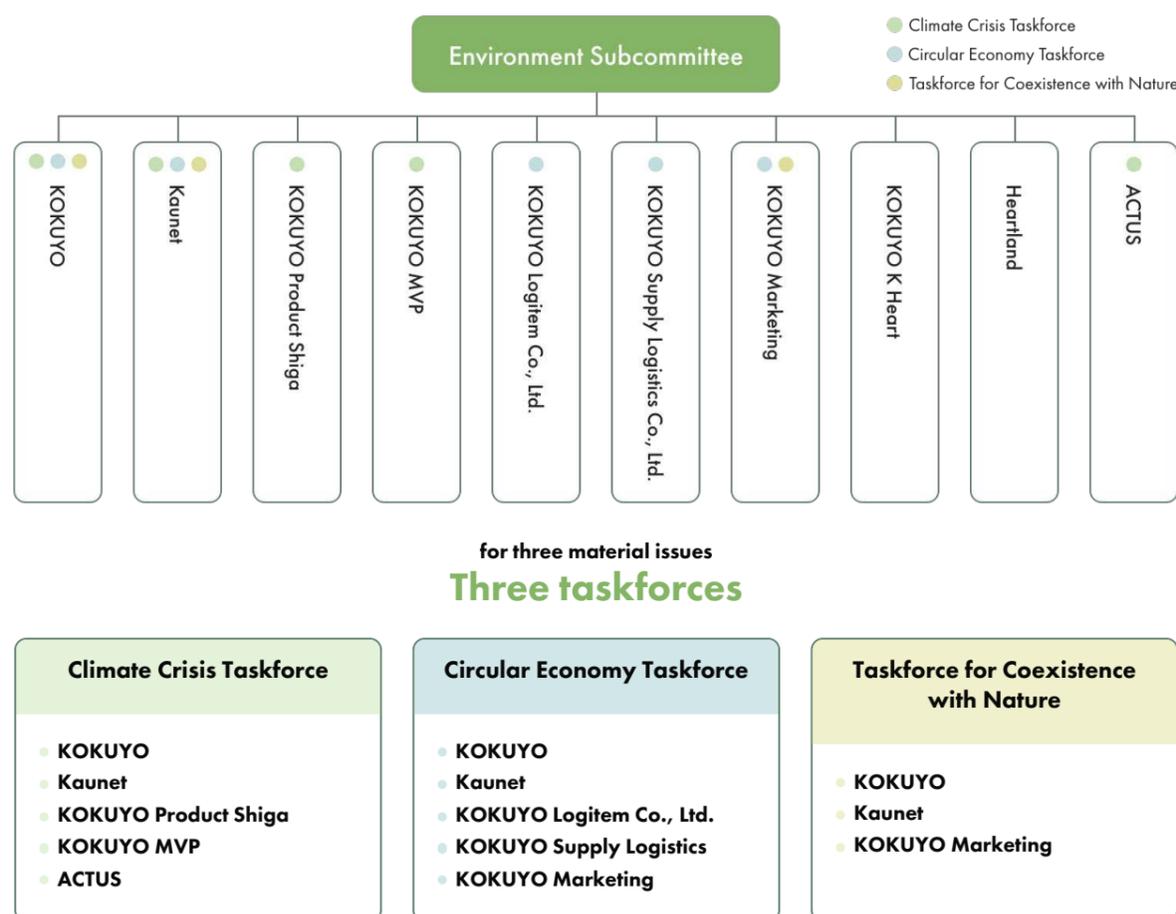
**Ensuring robust management**

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.

## Environmental Management System (EMS)

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 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 (our interior retail business) and Heartland (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.



## 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 training provided by each corporate division. In fiscal 2024, as in fiscal 2023, we saw an increase in employees attending general environmental training as a result of organizing an internal event called Sustainable Academia Weeks. The event included a seminar on the circular economy, which was attended (in some cases online) by 359 employees. The 2024 result for briefings on environmental targets and legislation represented an increase because we held more workshops about the law concerning asbestos.

Education and training category	Number of attendees*Total employees attending training programs and drills		
	2022	2023	2024
General environmental education	2,611	3,466	2,628
Briefings on environmental targets and legislation	1,711	1,657	2,062
Accident/emergency response drills	234	316	303
Training for internal audit team	17	17	52
Other	68	94	51
<b>Total</b>	<b>4,641</b>	<b>5,550</b>	<b>5,096</b>



The venue for the circular economy seminar during Sustainable Academia Weeks (Shinagawa office)



Attendees discuss circular businesses models (Shinagawa office)



Emergency drill (for discharge event) (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 2024, first-party audits were performed from June 18 to August 7, second-party audits were performed from August 1 to September 3, and third-party (ISO 14001) audits were performed from November 25 to December 6. The first- and second-party audits identified 31 instances requiring corrective action, one of which was a major nonconformity. The nonconformity concerned transactions with a partner who purchases office furniture for reselling. In some cases, the fees paid exceeded the proceeds from the sale. The auditor noted that we might be in violation of the Act on Waste Management and Public Cleaning if the partner continued to supply its removal and transportation services without a consignment contract. We have already taken corrective action (by concluding such a contract). The total number of instances requiring corrective action was higher than in 2023. This reflects the wider scope of the audit (the audit covered items that were not covered in previous years). We will improve our compliance activities accordingly. Among the nonconformities identified in the first- and second-party audits, those related to operational management were the most frequent with 13 cases.

The third-party (ISO 14001) audits highlighted 21 good aspects, a ten-year record. It is also true, however, that a minor nonconformity was highlighted in relation to our processes for evaluating and maintaining compliance, as a sales company's business office failed, during the audit, to produce its consignment contract for the disposal of its industrial waste or a copy of the contractor's license. We have submitted to the auditor a plan for corrective action. The business site in question has been reevaluated for compliance and the situation has been rectified. To ensure that a similar problem never occurs in other business sites, we are requiring all business sites to undertake self-checks regarding their process for evaluating compliance and to give staff basic training in environmental law. The ISO Promotion Office will conduct an extraordinary audit of the sales company in question.

The third-party audit in 2024 was a recertification audit.

### Internal Audits

Year	2022	2023	2024
Sites audited	72	79	72
• First-party audit	56	63	56
• Second-party audit	16	16	16

### Third-Party Audits

Year	2022 surveillance audit	2023 surveillance audit	2024 recertification audit
Sites audited	14	18	25
Excellent aspects	0	0	0

Year	2022	2023	2024
• Extraordinary audit	—	—	—
Issues identified	26	20	31
• Serious nonconformity	0	1	1
• Minor nonconformity	6	5	10
• Corrective action	20	14	20

Year	2022 surveillance audit	2023 surveillance audit	2024 recertification audit
Good aspects	10	17	21
Minor nonconformities	0	0	1
Opportunities for improvement	25	16	23



ISO 14001 audit  
(KOKUYO Marketing's Nagoya office)



ISO 14001 audit  
(KOKUYO Product Shiga)



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



ISO 14001 audit  
(KOKUYO's Shinagawa Office)



ISO 14001 audit  
(KOKUYO's Mie Plant)



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

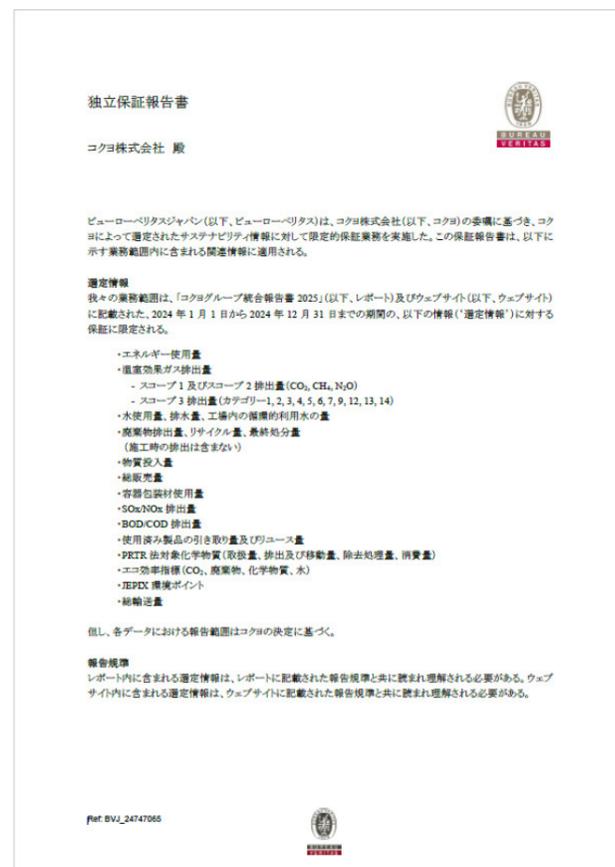
# Overview of Third-party Reviews of Environmental Performance Data

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 39 companies\* in the KOKUYO Group. It also visited workplaces to see how data was being measured and managed. Three Japanese workplaces were visited: (KOKUYO MVP's Aoya Plant, Nikkan's main plant, and KOKUYO Supply Logistics' Fukuoka distribution center). One overseas workplace was visited: (Dongguan Lamex Furniture's Dongguan plant). The review identified six excellent aspects and 10 opportunities for improvement. It also identified 29 issues requiring corrective action and 29 opaque aspects requiring better transparency. During the review period, we rectified the issues and clarified the opaque aspects.

The review concluded that information was transparent on the basis that a third party could easily understand how primary documentation is categorized, recategorized, aggregated, and calculated. It also noted, however, that certain data items were aggregated or inputted inaccurately. In light of the issues raised, we will continue working hard to improve the accuracy and precision of disclosures both internally and throughout our supply chains.

## Independent Assurance Statement >

Year	2022	2023	2024
Excellent aspects	11	8	6
Opportunities for improvement	12	9	10
Issue requiring corrective action	38	31	29
Aspects requiring better transparency	7	23	29



Environmental performance data  
A third-party audit  
(KOKUYO MVP: Aoya plant)



Environmental performance data  
A third-party audit  
(Nikkan's main plant)



Environmental performance data  
A third-party audit  
(KOKUYO Supply Logistics' Fukuoka distribution center)

	Consolidated group companies	Equity-method affiliates
Within Japan	KOKUYO Co., Ltd.	KOKUYO Hokkaido Sales Co., Ltd., KOKUYO Tohoku Sales Co., Ltd., KOKUYO Kitakanto Sales Co., Ltd., KOKUYO Hokuriku-Niigata Sales Co., Ltd., KOKUYO Tokai Sales Co., Ltd., KOKUYO Sanyo-Shikoku Sales Co., Ltd., Chubu Kispia, Nikkan
	Kaunet Co., Ltd., KOKUYO Marketing Co., Ltd., KOKUYO Supply Logistics Co., Ltd., KOKUYO Logitem Co., Ltd., KOKUYO Product Shiga Co., Ltd., KOKUYO MVP Co., Ltd., LmD International Co., Ltd., Actus Co., Ltd., KOKUYO Finance Co., Ltd., KOKUYO & Partners Co., Ltd., Origin Co., Ltd., Estic Corporation	

	Consolidated group companies	Equity-method affiliates
Overseas	KOKUYO Vietnam Co., Ltd., KOKUYO Malaysia Sdn. Bhd., KOKUYO (Shanghai) Management Co., Ltd., KOKUYO Commerce (Shanghai) Co., Ltd., KOKUYO Furniture (China) Co., Ltd., KOKUYO Design Consultants (Shanghai) Co., Ltd., KOKUYO International Asia Co., Ltd., KOKUYO International (Malaysia) Sdn. Bhd., KOKUYO Vietnam Trading Co., Ltd., KOKUYO CAMLIN Ltd., KOKUYO Hong Kong Ltd., Global Known Ltd., Lamex China Investment Ltd., Lamex Trading Co. Ltd., Dongguan Lamex Furniture Co., Ltd., Lamex (S) Sales Pte. Ltd., KOKUYO-IK (Thailand) Co., Ltd., KOKUYO International (Thailand)	

# CLIMATE CHANGE

Over 90% of our CO<sub>2</sub> emissions are from our value chain (scope 3), meaning that we can't contribute to carbon neutrality just by reducing emissions from our own businesses. We rely on numerous production and distribution partners. To contribute to carbon neutrality, 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 >](#)

## Processes in Place

### Disclosures Aligned with the TCFD Recommendations

As a manufacturer and retailer with a large supply chain, we have a duty to combat the worldwide problem of climate change. As part of this, we keep track of developments related to the Taskforce on Climate-related Financial Disclosures (TCFD) and follow the TCFD recommendations. That is, for climate-related matters, we develop organizational processes, evaluate and act on priority issues, and improve the quality of disclosures.

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



## Actions

[SBTi validation >](#)

[Calculating our GHG emissions volume >](#)

[GHG emissions reduction >](#)

[Calculating product carbon footprint >](#)

## Third-Party Recognition

Collaboration between KOKUYO Logitem and Nippon Express Earn Top Award for Excellent Business Entities Working on Modal Shift\* [🔗](#)

\* Japanese Only

## Related data

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### Global Warming Preventative Measures

[Scope 1 and 2 Emissions >](#)

[Scope 3 Emissions >](#)

[Scope 1, 2, and 3 Emissions >](#)

[Electricity Consumption >](#)

[Energy Intensity per Unit of Sales >](#)

# 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. To supervise this process effectively, the Board of Directors hears reports from the committee twice a year and then deliberates on climate-related risks and other sustainability issues. The board also makes decisions on strategically significant risks. The Sustainability Committee’s membership consists entirely of managing officers and it is chaired by the Managing Officer of the CSV Division. 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. The Environment Subcommittee (a subcommittee of the Sustainability Committee) collaborates with the managers responsible for each business division to identify climate-related risks, incorporate the findings into strategic planning, and spearhead 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	Description	Main reference scenarios
Within 1.5 °C	Sustainable Development / Net-zero Scenarios: Committing to a net-zero transition by 2050, the world acts to keep global warming 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.	<ul style="list-style-type: none"> <li>IEO World Energy Outlook 2021. Sustainable Development Scenario/Net Zero Emissions by 2050 Scenario</li> <li>IPCC SSP1-1.9</li> </ul>
4 °C scenario	Stated Policies Scenario: Government regulation is weak compared to the 1.5 °C scenario. There are no further measures or further policy intentions beyond what governments have already implemented or stated. GHG emissions may increase for a time, and people’s interest in climate change and the environment remains as it is now.	<ul style="list-style-type: none"> <li>IEO World Energy Outlook 2021 Stated policies Scenario</li> <li>IPCC SSP5-8.5</li> </ul>

### Risks and Opportunities

< Workstyle Field >

Scenario	Furniture Businesses
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 <sub>2</sub> emissions costs, the need for more capital spending, higher raw material costs, and a decline in sales revenue 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
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 sales revenue 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 <sub>2</sub> 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 Businesses
Within 1.5°C	The net-zero transition increases pressure to realize ecological sustainability, including reducing the CO <sub>2</sub> emissions generated in the life cycle of furniture (from production to disposal). The financial/business risks include higher CO <sub>2</sub> 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. To manage these risks, we will strengthen resilience and ensure stable deliveries of our products by altering our procurement strategy and developing our e-commerce business.

## 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 Environment Subcommittee, while business-specific implications are addressed by the relevant business divisions. Under the existing system for groupwide risk management, the Risk Management Committee steers efforts across the corporate group to manage groupwide risks.

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

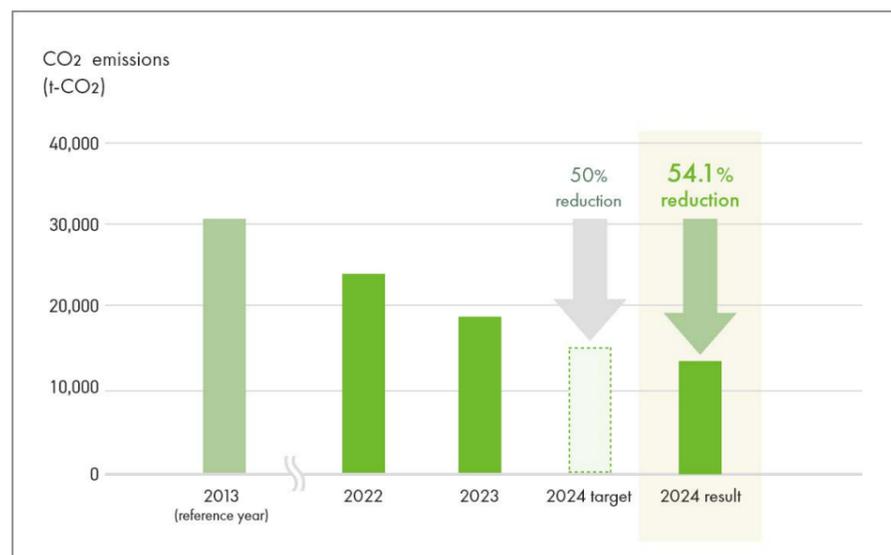
Committing to reach carbon neutrality by 2050, we take action to reduce emissions caused directly by our business activities (scopes 1 and 2) as well as emissions in the supply chain related to business activities across the KOKUYO Group (scope 3).

### 2024 commitment goal, result

In our third medium-term plan, we set the 2024 commitment goal of reducing emissions by 50% from the 2013 level.

We accomplished this goal. Emissions in 2024 were 54.1% down from the 2013 level.

\* Coverage: KOKUYO and its subsidiaries in Japan, including its two special subsidiaries (KOKUYO K Heart and KOKUYO Heartland)



	2013 (reference year)	2022	2023	2024 target	2024 result
CO <sub>2</sub> emissions (t-CO <sub>2</sub> )	30,683	24,101	18,741	15,341	14,085
% reduction	-	-21.5%	-38.9%	-50.0%	-54.1%

### 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
- Have suppliers, responsible for 12.5% of our emissions from "purchased goods and services," set Science-Based Targets initiative (SBTi) goals by 2028



## Setting 2027 commitment goals

We have set the following 2027 commitment goals for “respond to the climate crisis” (one of our material issues) as interim targets towards achieving our 2030 Science-Based Targets initiative goals.

- Reduce total scope 1 and scope 2 greenhouse gas emissions by 35% between 2022 and 2027
- Formulate an action plan for achieving 2030 scope 3 target (25% reduction in greenhouse gas emissions from “purchased goods and services” versus 2022 level)
- Have suppliers, responsible for 125,000 t-CO<sub>2</sub> of our scope 3 emissions, set Science-Based Targets initiative (SBTi) goals

We will expand the coverage of our scope 3 reporting (reporting of supply chain emissions) and work with our suppliers to support the carbon transition.

## CLIMATE CHANGE: ACTIONS

### Science-Based Targets Initiative (SBTi) Validation 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).

We have obtained short-term SBTi validation 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
- Have suppliers, responsible for 12.5% of our emissions from “purchased goods and services,” set SBTi goals by 2028

We will expand our greenhouse gas reduction efforts to include scope 3 emissions (supply chain emissions) and work with our suppliers to support the carbon transition.



SCIENCE  
BASED  
TARGETS

DRIVING AMBITIOUS CORPORATE CLIMATE ACTION

### Calculating Our GHG Emissions Volume

#### Calculating GHG Emissions Volume for 31 KOKUYO Group Companies

We are expanding inclusion in the calculation of emissions volume through our business activities as necessary for reducing emissions in our supply chain.

In 2024, we disclosed the estimated emissions of 30 consolidated subsidiaries, including four newly consolidated that year.

Please see [the Sustainability Databank](#) on our website for emissions volumes

### 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) in 2022; KOKUYO Product Shiga (which makes notebooks) in 2023; and in 2024, 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). These efforts resulted in a 54.1% reduction in our emissions in Japan in 2024 versus the 2013 level.

Overseas, in India we have installed solar power plants at KOKUYO Camlin's Tarapur and Patalganga plants, and expanded the area of solar panels at Patalganga in 2024. These efforts resulted in an increase in the weighting of non-fossil fuel energy sources in our group's electric power consumption to 39% by 2024.

- [2024 Commitment Goal, Result](#) >

- [Scope 1 and 2 Emissions >](#)
- [Electric Power Consumption, Non-Fossil Fuel Weighting >](#)

## 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.

### [Energy Intensity per Unit of Sales >](#)

We had anticipated that plants would use more energy with the rise in production, but we managed to reduce energy use by improving operations and upgrading production equipment.

Company	Base	% reduction
KOKUYO (Malaysia)	Malaysia Plant	-2.2%
KOKUYO Supply Logistics	Osaka Nanko Distribution Center	-3.8%
	Ibaraki Distribution Center	-3.8%
	Chubu Integrated Distribution Center	-3.1%

KOKUYO Marketing has achieved a sharp reduction in power consumption at many of its 22 offices throughout Japan by insisting that air-conditioning is set at an appropriate temperature, improving working practices through having its staff leave the office on time and utilizing co-working spaces, and implementing a turn-down-the-lights campaign. This success is backed by the provision of environmental education to its staff. The company raised environmental-consciousness among its employees through initiatives such as annual e-learning and the disclosure of each individual office's energy consumption.

Company	Base	% reduction
KOKUYO Marketing	Tachikawa Office	-21.0%
	Nagano Office	-11.3%
	Kyoto Office	-6.0%
	Wakayama Office	-16.7%
	Kumamoto Office	-5.3%
	Miyazaki Office	-13.8%

## Product CO<sub>2</sub> Visualization

The KOKUYO Group measures the CO<sub>2</sub> expenditure of its products through their whole lifecycle, from creation through disposal or recycling.

Hitherto this has been an independent endeavor. However, the attention to the carbon footprint of stationery, office supplies and office furniture in the 2023 Act on Promoting Green Purchasing and other developments have led to expectation that demands for product carbon footprint (PCF) calculation will increase. In response, in March 2024, the All Japan Stationery Association formulated and published "rules for calculating the carbon footprint of stationery and office supplies" and the Japan Office and Institutional Furniture Association (JOIFA) formulated and published "calculation rules by product: office furniture."

Also, the Osaka Prefectural Government instituted at the occasion of Expo 2025 in Osaka a "model business for visualizing CO<sub>2</sub> emissions throughout an entire supply chain" project to support companies in calculating and reducing their PCF. Its aim is to further promote efforts to visualize CO<sub>2</sub> emissions. We have participated in this model business, calculating PCF for our core products.

The results of this calculation exercise are as follows.

## Carbon Footprint Calculation for KOKUYO Products

	① Raw materials procurement stage	② Manufacturing stage	③ Distribution and retail stage	④ Usage stage	⑤ Disposal or recycling stage	Total
Campus range of notebooks	0.22 Tsunage Loopa 0.21 63%	0.02 6%	0.05 14%	0.00 0%	0.05 14%	0.35 kg-CO <sub>2</sub> e
Flat files	0.08 50%	0.02 13%	0.03 19%	0.00 0%	0.03 19%	0.16 kg-CO <sub>2</sub> e
Glue tape	0.07 19%	0.12 32%	0.03 8%	0.00 0%	0.15 41%	0.37 kg-CO <sub>2</sub> e
Workstations	469.99 80%	85.64 15%	12.89 2%	0.00 0%	19.89 3%	588.41 kg-CO <sub>2</sub> e
Chairs	44.43 75%	4.50 8%	0.57 1%	0.00 0%	9.80 17%	59.30 kg-CO <sub>2</sub> e

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: CO<sub>2</sub> Generated in a Product's Life Cycle

Products we use every day consume plenty of energy across their life cycle, which includes procuring raw materials, producing the product, distributing it, disposing of it, and 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 CO<sub>2</sub> emissions at each of these stages.

### Knowing the Carbon Footprint is a First Step to Carbon Reduction

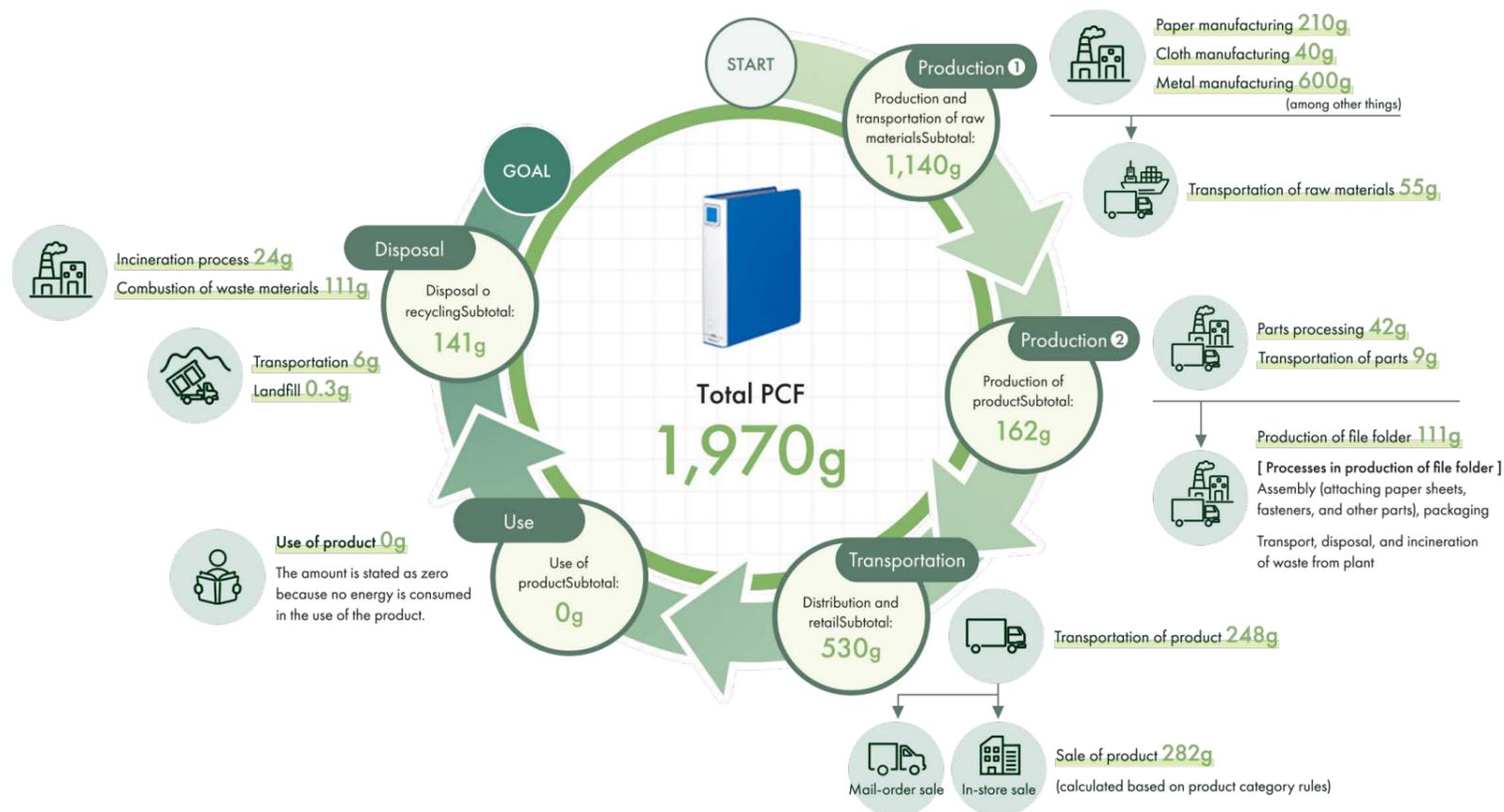
While PCF represents the amount of carbon dioxide generated in the life cycle of a particular product, we can also measure the carbon footprint at a particular stage of the life cycle. By understanding which life cycle stages have higher carbon footprints than others, we can act more effectively to reduce 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: フーRT650B)



\* In the case of this product, the subtotals and total 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 フー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
	A4 / 30mm, blue						

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-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)						
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 P 81HYNB3	31kg	7kg	3kg	0kg	5kg	46kg
	W900×H1135mm						
CV-AK-001	PP-FX0911 P 81HYN52	31kg	7kg	3kg	0kg	5kg	46kg
	W900×H1135mm						
CV-AK-001	PP-FX0911 P 81HYN22	31kg	7kg	3kg	0kg	5kg	46kg
	W900×H1135mm						

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 P 81HYNA2	31kg	7kg	3kg	0kg	5kg	46kg
	W900×H1135mm						
CV-AK-001	PP-FX0911 P 81HYNB6	31kg	7kg	3kg	0kg	5kg	46kg
	W900×H1135mm						
CV-AK-001	PP-FX0911 P 81HYN54	31kg	7kg	3kg	0kg	5kg	46kg
	W900×H1135mm						
CV-AK-001	PP-FX0911 P 81HYN24	31kg	7kg	3kg	0kg	5kg	46kg
	W900×H1135mm						
CV-AK-001	PP-FX0911 P 81HYNA5	31kg	7kg	3kg	0kg	5kg	46kg
	W900×H1135mm						
CV-AK-002	PPS-FXP11 P 81	21kg	1kg	≤1kg	0kg	1kg	23kg
	Corner post (H1135mm)						

## Storage cabinet Edia

Product in question		Carbon footprint by stage					
No.	Product code	Materials 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)						
CV-AK-003	BWU-K59F1、BWUB-S9SAW	89kg	27kg	7kg	0kg	1kg	124kg
	Open storage unit (W900×H1110×D450mm)						
CV-AK-003	BWU-K59F1、BWUB-S9F4	89kg	27kg	7kg	0kg	1kg	124kg

Product in question		Carbon footprint by stage					
No.	Product code	Materials of raw materials	production	Distribution, retail	Use, maintenance	Disposal, recycling	Total
	Description						
	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 breakdowns may differ from the data shown on the carbon footprint website.

\* 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 products that are as accessible to as many people as possible, we also aim to promote individualized zero-waste lifestyles. We will engage partners and customers in our efforts to help build 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. The policy is designed to support closed-loop recycling through seven processes labeled A to G, especially use (D), collection (E), and recycling (F). Through communication with users and the venous 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**

- 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

**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

**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

**Actions**

**Products and services integrating circularity principles**



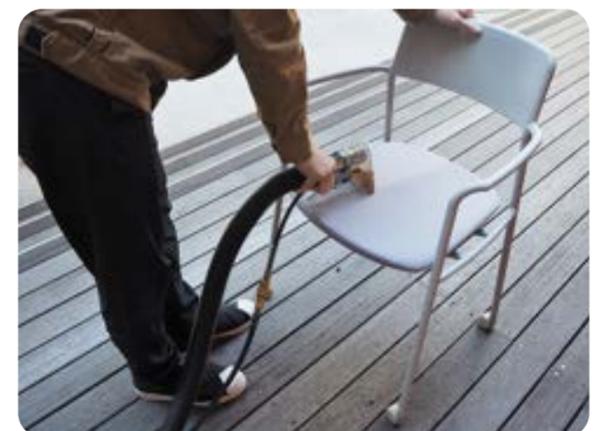
Organization-wide:  
Tsunage Loopa (an experiential learning program) >



Stationery Business:  
Tsunage Loopa edition of Campus notebooks >



Furniture Business:  
Long-life design >



Business Supply Distribution:

Loopa (office wastepaper 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 >

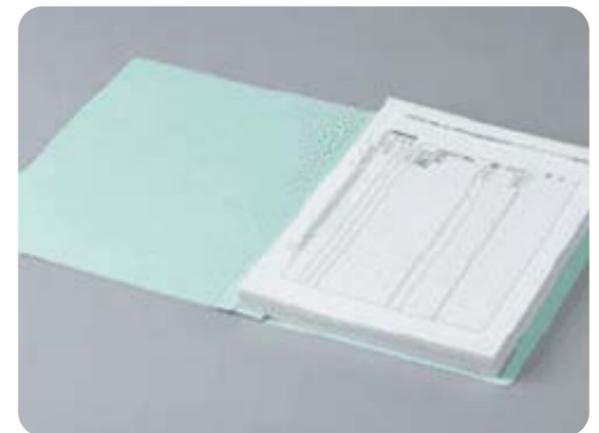
## Reducing and recycling plastic waste



Loopa (office plastic waste recycling) >



Switching to paper packaging >



The All-Paper series >

## Third-party recognition

Kaunet Loopa and Kaunet Loopla win fiscal 2024 Good Design Award\* >

\*Japanese Only

## Related data

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[Resource Saving and Recycling >](#)

[Efforts to recycle plastic >](#)

# RECYCLING: ACTIONS

Products and Services Integrating Circularity Principles

Reducing Waste and Recycling

Reducing and Recycling Plastic Waste

## Products and Services Integrating Circularity Principles

### CASE | 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 March 2025, a total of 193 schools (roughly 52,000 pupils) have participated in this program, returning some 34,000 notebooks (roughly 4.7 tons) to us.



### CASE | 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 customer with no loss in the value of the materials. We hope that the product prompts people to think about non-wasteful ways of using many other kinds of products.



## CASE | 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 CO<sub>2</sub> 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 | Business Supply Distribution: Loopa

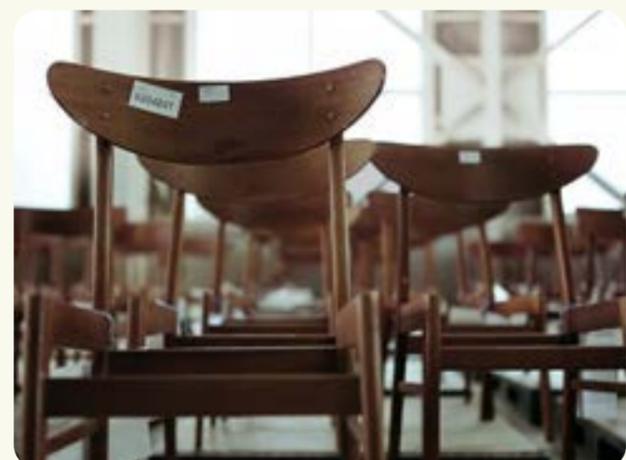
Kaunet Loopa is a simple, convenient, and reliable service for recycling office wastepaper. The program now collects and recycles paper packs, paper cups, confidential documents, and miscellaneous wastepaper. To facilitate the recycling of many more materials, we will incorporate a design-for-recyclability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



## CASE | 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 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 | 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 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.

\*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 Waste and Recycling

The volume of waste materials generated by KOKUYO's and our 30 consolidated subsidiaries' business offices in 2024 was 20,314 tons (previous year: 21,153 tons), and the recycling rate was 95.7% (previous year: 94.6%). We generated 4,451 tons of waste materials on worksites (previous year: 3,992 tons) with a recycling rate of 82.9% (previous year: 82.1%). 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.

Office Waste Volume >

## Reducing

### CASE | 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 49.6% in 2024 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.



### CASE | 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 | 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

### CASE | 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 | 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 2024, KOKUYO Logitem collected around 3,491 tons of used office furniture (desks, chairs, and so on). Around 625 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 2024, the KOKUYO Group generated 3,651 tons of plastic waste, of which we recycled 88.2%. 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).

[Data Relating to Waste Plastic Generated as Industrial Waste at Our Domestic Business Sites Based on The Plastic Resource Circulation Act >](#)

## CASE | 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 picoraLivina, 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 | Switching to Paper Packaging to Reduce Plastic Use

Focusing on the introduction of more eco-friendly paper packaging. We started to use plastic-free paper packaging for our SAXA brand scissors and Harinacs stapleless staplers in December 2024. This 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.

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



## CASE | The All-Paper Series

This is a series of filing products made entirely from paper. When first launched in March 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 plenty of timber (not least in our mainstay products of 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: Strategic Theme 3-4.

[Goals and Results >](#)

## Processes in Place

### 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.

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



### KOKUYO Group Policy on Timber Procurement

In 2011, we released the KOKUYO Group Policy on Timber Procurement 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 forests play in mitigating global warming and supporting biodiversity, we aim to promote harmony with forests by ensuring that our timber procurement is legal, transparent, and sustainable.

[KOKUYO Group Policy on Timber Procurement](#) 

### KOKUYO Group Paper and Timber Procurement Standards

In April 2024, we established the KOKUYO Group Standards for Procuring Paper and Timber. 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](#) 

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

In 2024 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 view the manual (ver 1.5) by following the link below.

Results of Due Diligence Review of Timber Compliance (in Accordance with Timber Legality Certification Due Diligence System Manual —Furniture Edition, ver 1.5)\*  [PDF:306KB]

\* Japanese Only

## Actions

### Sustainable Timber Use

Certified as a Procurer of Legal and Sustainable Timber 

How We Have Used Forest Resources, Due Diligence Review 

### Products and Services Embodying Coexistence with Nature



Yuimori (Wooden Furniture) 



EF Counter Made from Locally Sourced Timber 



FSC Certification 

### Environmental Conservation



Yui-no-Mori Project (Forest Conservation) 



ReEDEN Project (Reedbed Conservation) 

## Third-Party Recognition

Yuimori (a brand of sustainable wooden furniture) was honored at the 2023 Good Design Awards\* 

Yuimori (a brand of sustainable wooden furniture) earns the top prize at the 6th EcoPro Awards\* 

\* Japanese Only

## Related data

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[Forest Resources >](#)

## 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 twice a year and then deliberates on nature-related risks and other sustainability issues. The board also makes decisions on any sustainability matter that is strategically significant.

The Sustainability Committee's membership consists entirely of managing officers and it is chaired by the Managing Officer of the CSV Division. 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 managers responsible for each business division 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 Guidelines 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 guidelines, 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.

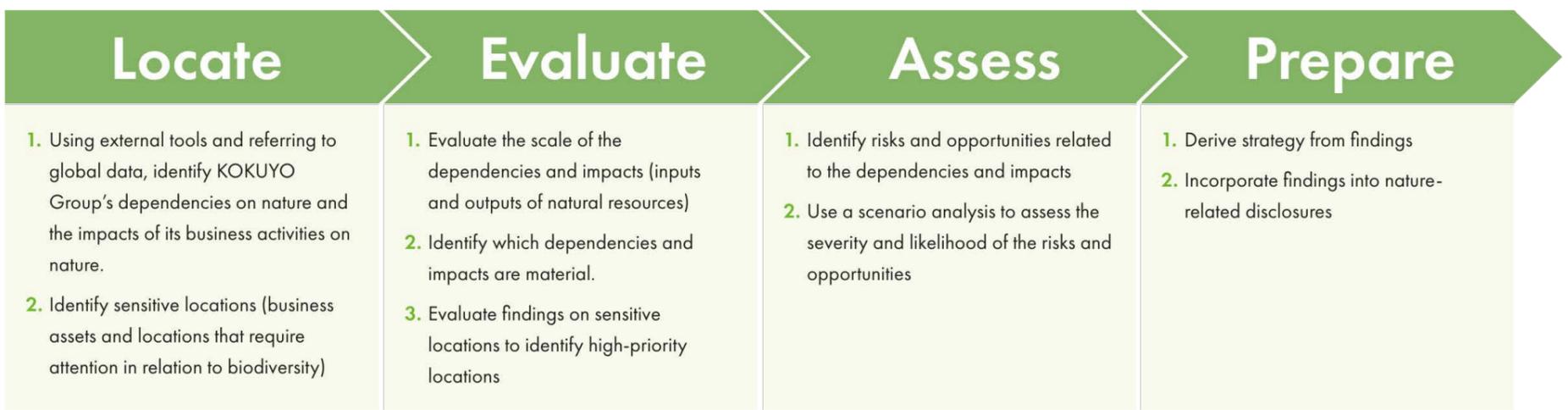
In implementing the LEAP approach, we determine the business assets and regions and the commodities (natural resources at the furthest upstream reaches of our supply chain) for analysis with reference to the TNFD general requirements for disclosure and analyze by business segment.

In fiscal 2024, we conducted the LEAP analysis on our Stationery Businesses (manufacture, procurement and sale of notebooks and other office supplies), having identified paper 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 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 processes



**Table 1. External tools and information used in analysis**

Title	Description	Stage in which used	Provider or developer
<b>ENCORE</b> (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)
<b>Global Forest Watch</b>	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)
<b>IBAT</b> (Integrated Biodiversity Assessment Tool)	IBAT is a tool that offers geolocational 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
<b>Aqueduct</b>	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)
<b>Water Risk Filter</b>	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 determining the importance of each risk.	Assess	World Wildlife Fund (WWF) German Investment Corporation (DEG)
<b>Biodiversity Risk Filter</b>	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 for determining the importance of each risk.	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 stationary business indicated that five KOKUYO Group assets have a high water risk. One is in Thailand, one in Shanghai, and three in India. Another key finding concerned the procurement of the timber used in notebooks and other products in our stationary business. That is, timber supply sources in Southeast Asia run the 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

When identifying material dependencies and impacts in our value chain, we use global databases and take into account the nature of our business activities in the region and location of interest, the nature-related inputs to and outputs from our business activities.

We used the external Exploring Natural Capital Opportunities, Risks and Exposure (ENCORE) tool in 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 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 helps us see where we should be particularly concerned about our dependencies and impacts. The heatmap is shown 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
Tier 1	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
Tier 1	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 has limited relevance 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 supply channels 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 IUCN protected area categories 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 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 category	Proximity	Water stress	Flood risk
KOKUYO Product Shiga Co., Ltd.	Headquarters Plant	Koto Prefectural Natural Park	V	Within 1 km radius	Low - Medium	Low - Medium

Company	Facility name	Importance to biodiversity			Water risk*	
		Designated protected area	IUCN protected area category	Proximity	Water stress	Flood risk
KOKUYO MVP Co., Ltd.	Tottori Plant	Lake Koyamaike wildlife sanctuary	IV	Within 1 km radius	Low - Medium	Low - Medium
	Aoya Plant	Nishi-Inba 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.

The results indicated that 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 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. KOKUYO-IK, in its use of water, 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

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., printing is undertaken. Overseas plants other than the one in Shanghai produce writing tools, crayons, glue tape, and correction tape.

The results indicated that three plants used for printing (KOKUYO Product Shiga, Iwami Paper Industries, and KOKUYO MVP's Tottori Plant) and one distribution center in the Tokyo metropolitan area (KOKUYO Supply Logistics) are located in or near a wildlife sanctuary. Another finding was that plant used for printing (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.

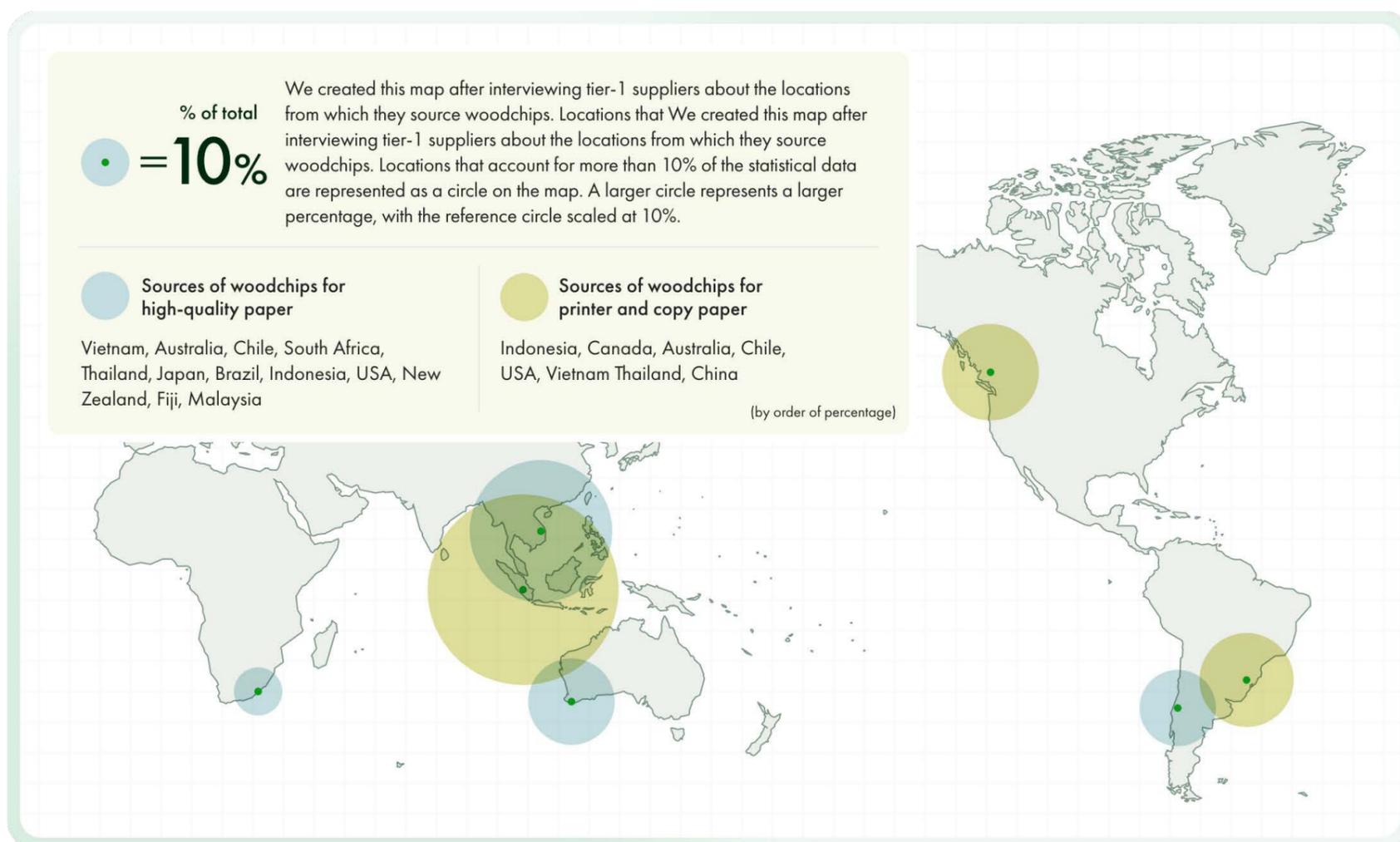
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## 2.3 Analysis of Forest Resource Procurement Areas

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 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 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 5, 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**

Woodchip category	Source	% of total (estimate <sup>*1</sup> )	Forest condition <sup>*2</sup>
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
	South Africa	c.16%	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
	Chile	c.10%	National tree cover loss since 2000: 2.35 Mha Main drivers of tree cover loss: Forestry National Forestry Corporation manages forestry practices properly

Woodchip category	Source	% of total (estimate <sup>*1</sup> )	Forest condition <sup>*2</sup>
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
	Brazil	Medium share	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
	Canada	Medium share	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

\*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. 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 the relevant risks and opportunities, we use the relevant 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.

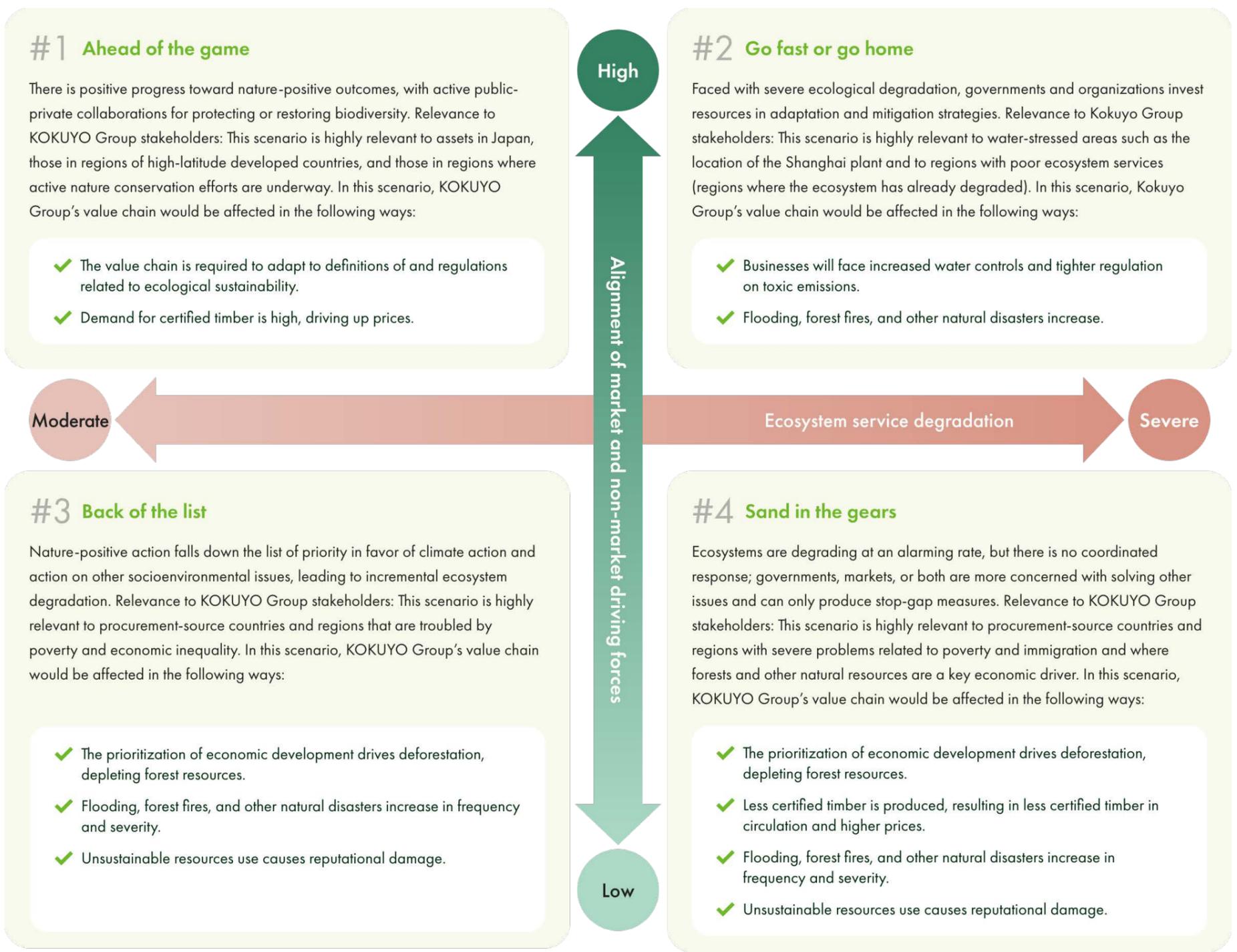
When evaluating the materiality of each risk, we take into account the materiality of the dependencies and impacts and the scale of the inputs and outputs, using the region-specific risk indicators set out in the WWF Risk Filter Suite.

The TNFD guidance on scenario analysis recommends using exploratory scenarios to describe uncertainties and plausible futures, taking into account the characteristics of the region and asset as well as factors that are of significance to the business model.

In accordance with this approach, the scenario analysis we conducted in fiscal 2024 first clarified what form the risks and opportunities for the business facilities and regions we see as particularly important to our operations are likely to take. This is based on an assessment of our dependencies and impacts and a survey of sensitive locations. It then examined the potential financial impacts for the KOKUYO group and how likely they 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	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 the 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 plantation development in response to excessive demand or price competition • Contribution to sustainable forest management through support for forest certification systems (FCS)	• Increase in procurement costs due to rising demand for FCS timber	• Higher capacity to meet environmentally responsible demand and growth in earnings through strengthening our FCS timber procurement supply chain	Regions 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 concern for 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 product management	—	Our business assets	# 1	Medium	▶ Maintain and enhance environmental data management ▶ Strengthen engagement with local authorities and downstream partners
		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
Physical risk	Acute	Supply chain damage	• Increased risk of flooding, wildfires, landslides, etc. through encouragement of inappropriate land development due to traceability failures	• 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)
		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. In 2007, the project was certified by the FSC. 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: Implementing the basic policy, 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 to engage 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 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.

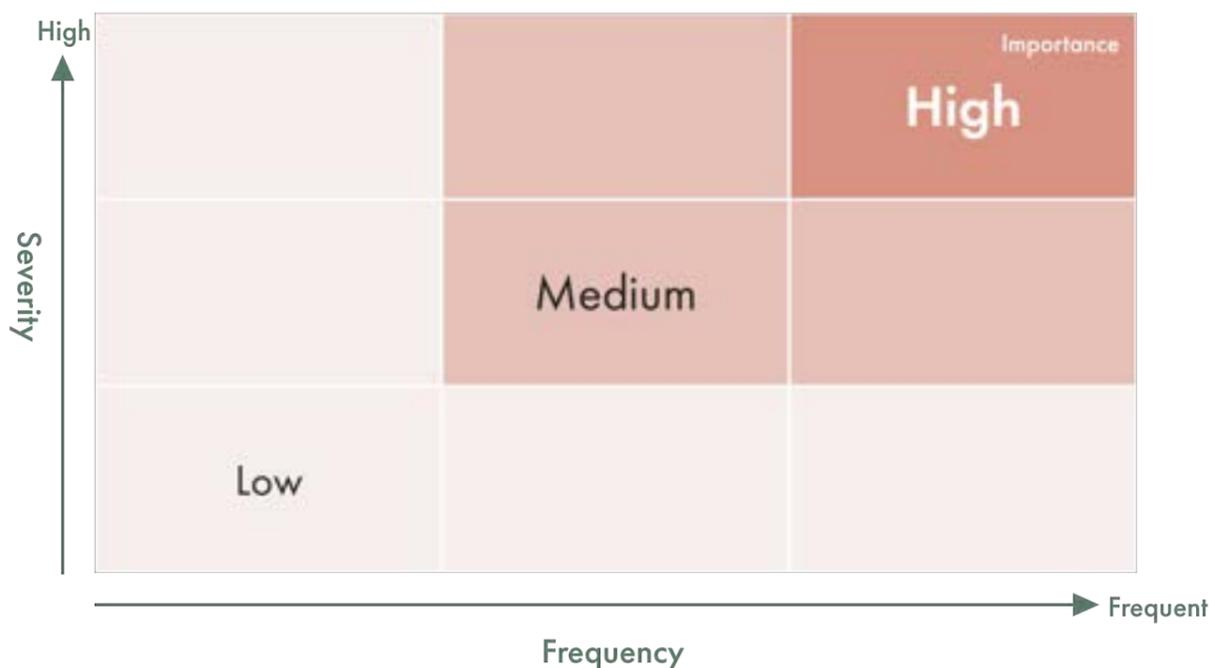
This regular research identifies and evaluates matters based on the findings of LEAP-based research and analysis in response to issues and requests raised by our governance and due diligence processes. We have evaluated the identified nature-related issues by severity and frequency, taking into account 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, 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. The Environment Subcommittee provides the Risk Management Committee with reports about important risk-management matters and the state of compliance with environmental laws and regulations.

**Table 4. Schema for assessing risks and opportunities**



## Metrics and Goals

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)**

2030 challenge goals	2027 commitment goal	Main actions (taken in FY2024)
Carbon footprint of business activities visualized and carbon neutrality achieved	<ul style="list-style-type: none"> <li>▶ Percentage of net sales attributable to products that satisfy KOKUYO Group Standards for Paper and Timber Procurement: 75%</li> <li>▶ Visually representing environmental impacts: Complete visualization process in all major businesses</li> </ul>	<ul style="list-style-type: none"> <li>▶ Established KOKUYO Group Standards for Paper and Timber Procurement</li> <li>▶ Contributed to forest and reedbed conservation</li> </ul>
Forest conservation: Forests thinned at about 150 hectares a year	<ul style="list-style-type: none"> <li>▶ Number of environmental conservation projects: 3</li> </ul>	
Reedbed conservation: Reeds trimmed at about 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	Indicator	Where data is disclosed
C1.0	Total spatial footprint	Total surface area where the organization has control	<a href="#">ESG Databank&gt;Reports on Business Sites in Japan</a> <a href="#">ESG Databank&gt;Reports on Business Sites Overseas</a>
C2.0	Pollutants released to soil	Amount of pollutants released to soil	N/A (no such pollutants)

Metric No.	Nature-related variable	Indicator	Where data is disclosed
C2.1	Wastewater discharged	Volume discharged	<a href="#">ESG Databank&gt;Water Resource Saving</a>
		Volume of toxic substances in discharged wastewater	<a href="#">ESG Databank&gt;Chemical Substances Subject to PRTR Law</a> <a href="#">ESG Databank&gt;Environmental Load Material Flow</a>
C2.2	Waste generation and disposal	Weight of total waste	<a href="#">ESG Databank&gt;Resource Saving and Recycling</a>
		Weight of hazardous waste	
		Volume of waste recycled	
C2.3	Plastic pollution	Weight of plastic used	<a href="#">ESG Databank&gt;Resource Saving and Recycling</a>
C2.4	Air pollutants	Non-GHG air pollutants weight by type	<a href="#">ESG Databank&gt;JEPIX</a> <a href="#">ESG Databank&gt;Chemical Substances Subject to PRTR Law</a> <a href="#">ESG Databank&gt;Environmental Load Material Flow</a>
C3.0	Water withdrawal and consumption from areas of water scarcity	Amount of water withdrawal and amount of consumption from areas of water scarcity	<a href="#">ESG Databank&gt;Reports on Business Sites Overseas&gt;Thai Plant</a> <a href="#">ESG Databank&gt;Reports on Business Sites Overseas&gt;Shanghai Plant</a>
C3.1	Quantity of high-risk natural commodities sourced from land/ocean/freshwater	Quantity of timber sourced	<a href="#">ESG Databank&gt;Using Less Forestry Resources</a> (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, revenue, 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	<a href="#">ESG Databank&gt;Environmental Accounting</a>
C7.4		Increase and proportion of revenue from products and services producing demonstrable positive impacts on nature	

## COEXISTENCE WITH NATURE: ACTIONS

Sustainable Timber Use



Products and Services Embodying Coexistence with Nature



Environmental Conservation



### Sustainable Timber Use

#### Certified 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 strive to ensure that the timber we use is legal and sustainable by providing a paper trail to show how the timber is procured and used and by appointing the right people to manage this process.



#### How We Have Used Forest Resources, Due-Diligence Review

In 2024, we used around 8,100 tons of wood in furniture products. This accounts for 15% of all wood we used in products, excluding packaging. Of the wood used in furniture products, 33% consisted of rough-cut lumber that was made into solid wood or engineered wood (including plywood). The remaining 67% 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 >](#)

### 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 CO<sub>2</sub>. 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 made from timber harvested in Yui-no-Mori Project. 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 Mokko (headquartered in Tendo, Yamagata; represented by Yukio Kato) 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\* [🔗](#)

\* Japanese Only



## 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 CoC certification, and sell FSC accredited copier paper, notebooks and other products. In 2016, we received COC certification under the Program 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 project was certified by the FSC. Today, Yui-no-Mori has a surface area of 5,425 hectares, and a cumulative area of 2,164 hectares has been thinned. Kochi Prefecture has awarded us the “CO<sub>2</sub> absorption certificate” since 2007. In FY2023, the forest absorbed 3,786 tons of CO<sub>2</sub>. The cumulative total (April 2006 to March 2024) stands at 80,0009 t- CO<sub>2</sub>. In 2023, Yuimori (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. The Yui-no-Mori Project itself has earned accolades too. 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. In 2017, it won the 2017 Japan Wood Design Award.

Yui-no-Mori (“linkage forest”)\* [🔗](#)

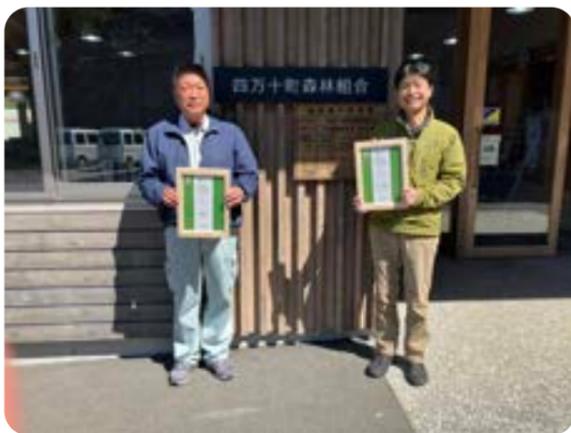
\* Japanese Only

### Kochi Prefecture Confers “CO<sub>2</sub>Absorption Certificate”

On March 19, 2025, Kochi Prefecture awarded KOKUYO and Kaunet a CO<sub>2</sub> absorption certificate in recognition of the fact that we had offset a total of 3,786 tons of CO<sub>2</sub> (KOKUYO offset 3,103 tons and Kaunet offset 683 tons). The award ceremony was held at the Kubokawa office of the Shimanto Forestry Association in the Shimanto Town Hall. Presenting the award, [First-name] Baba (head of the Forestry Promotion and Environment Department) thanked the two companies for contributing over the years to Kochi’s efforts to preserve its environment, manage its forests, promote local industry, and support its PR. To help spread the word about Yui-no-Mori, Kaunet launched a scheme in 2008 whereby customers can use their loyalty points to fund the thinning work. In 2024, there were around 148 applications for the scheme. The 3,786-ton offset represented 15% of the group’s total CO<sub>2</sub> emissions in 2024 (25,164 tons). This project is an important initiative addressing not only forest conservation but also global warming prevention.

### FSC Certification

Yui-no-Mori has enjoyed FSC certification since 2007. Following a regular audit performed on August 8 and 9, 2024, the project was recertified by the FSC.



Presentation of CO<sub>2</sub> absorption certificates



CO<sub>2</sub> absorption certificate



An FSC certification audit in progress  
(photo taken during 2023 audit)

### 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 Shimanto Forestry Association, Shimanto High School, and officials of Kochi Prefecture and Shimanto. On June 1, 2024, we measured the water quality of Shimanto River. On October 29, we conducted a vegetation survey. We usually conduct the vegetation survey in two set locations, each divided into nine zones. However, in the 2024 survey, we conducted the survey in one location, with just four zones, due to bad weather.

\* Japanese Only

## ReEDEN Project

The reeds of Lake Biwa play an essential role. They provide an aquatic habitat, support biodiversity, and absorb CO<sub>2</sub>. 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 an ordinance 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 with many companies resolving to continue sustainable-business initiatives and environmental initiatives and with many individuals recognizing that environmental initiatives are essential to secure a sustainable future. The network had formed in the first place on the understanding that local stakeholders should act together to address a local environmental issue that concerns them all. Now encompassing 133 companies that share the vision, the network engages in reed cutting three times every winter, from December to March. The network cut reeds in Lake Nishinoko on two occasions in February 2024, in Iba-Naiko in December 2024. 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 absorb carbon dioxide 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, and more healthy reeds. To expand the project outward, we have brought on board more stakeholders outside our network of volunteers. Since the project began in 2017, 37 activities have been held, with a cumulative total of 6,100 people participating. We will hold more activities in the future.



270 participants



330 participants



December 14, 2024: Winter reed cutting in Iba-Naiko with partners from the Iba area



February 10, 2024: Winter reed cutting in Nishinoko with partners from the Shimotoira area

### 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 CO<sub>2</sub> 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 2024 (counting three rounds of reed cutting), 15.38 tons of carbon dioxide was sequestered over a project area of 11,500 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 tool with a view to benefiting 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)

# 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

### Water risks (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.

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



## Actions

### Response to Water Risks

[Awareness of Water Risks >](#)

[Compliance with Water-related Laws, Regulations and Standards >](#)

[Initiatives to Save Water >](#)

### Prevention of Pollution

[Managing Chemical Substances Included in Products >](#)

## ESG data

[Water Resources Saving >](#)

[Managing Chemical Substances >](#)

# LEGAL COMPLIANCE AND POLLUTION PREVENTION: ACTIONS

Response to Water Risks



Prevention of Pollution



## Environmental Compliance

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 2024, there were no cases in which we committed a major violation of, or were fined or penalized under, an environmental law or regulation.

## Response to 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-related risks.

### Awareness of 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](#)).

Water risks, such as the impact on business from a shortage in water, have not yet materialized in relation to our business at the present time. Nevertheless, we will continue to grasp local information in that area 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](#) >

[Water usage across KOKUYO Group and water usage in production sites located in water-stressed areas](#) >

### Compliance with Water-related Laws, Regulations and Standards

We comply with all laws, regulations, and standards that apply where we operate. In FY2024, 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.

# Prevention of Pollution

## Managing Chemical Substances Included in Products

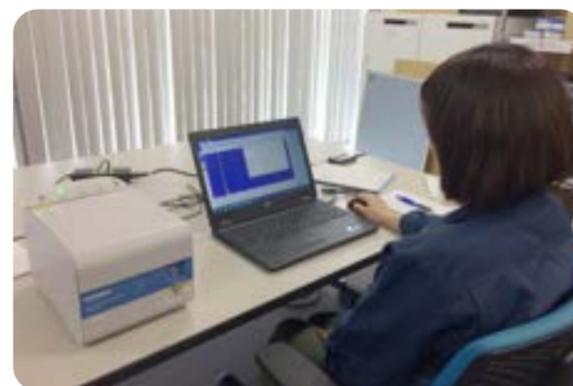
We recognize that every supplier has a moral responsibility not only to avoid the use of prohibited substances but also to handle hazardous substances (substances that could harm the environment or health) safely and to communicate the hazard information. We also recognize that there has been a clear 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 2024, we held seminars on management of chemical substances included in products, while revising this guidelines in accordance with Japan's Act on Control of Household Products Containing Harmful Substances and overseas chemical substances regulations. We will continue to improve the capabilities of our employees to meet the demands of our customers such as for compliance with chemical substance regulations and safety information disclosures.



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

# WELLBEING

Wellbeing is the experience of feeling happy and healthy. 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. To promote wellbeing in society, we will develop products using our concept of inclusive design. For this, we have two challenge goals: pitch ideas for new ways of working, and promote diversity, inclusion, and innovation.

## Material Issues and Performance

See Goals and Results: Strategic Theme 1

[Goals and Results >](#)

## Processes in Place

### Improve Wellbeing among Employees

As an organization committed to pitching new lifestyles and workstyles for a more abundant life, we have made wellbeing central to the KOKUYO model. We want our employees unleash their inner uniqueness and creativity in their work, yielding insights and ideas that they can then pitch to society.

To promote employee wellbeing, we are shifting to a mindset that places more value on employees' time and promoting employee empowerment and growth. We commit to building a workplace that accommodates diverse workstyles and that empowers employees to develop their potential and build their career.

[KOKUYO-Style Hybrid Work >](#)

[Programs for Workplace Diversity >](#)

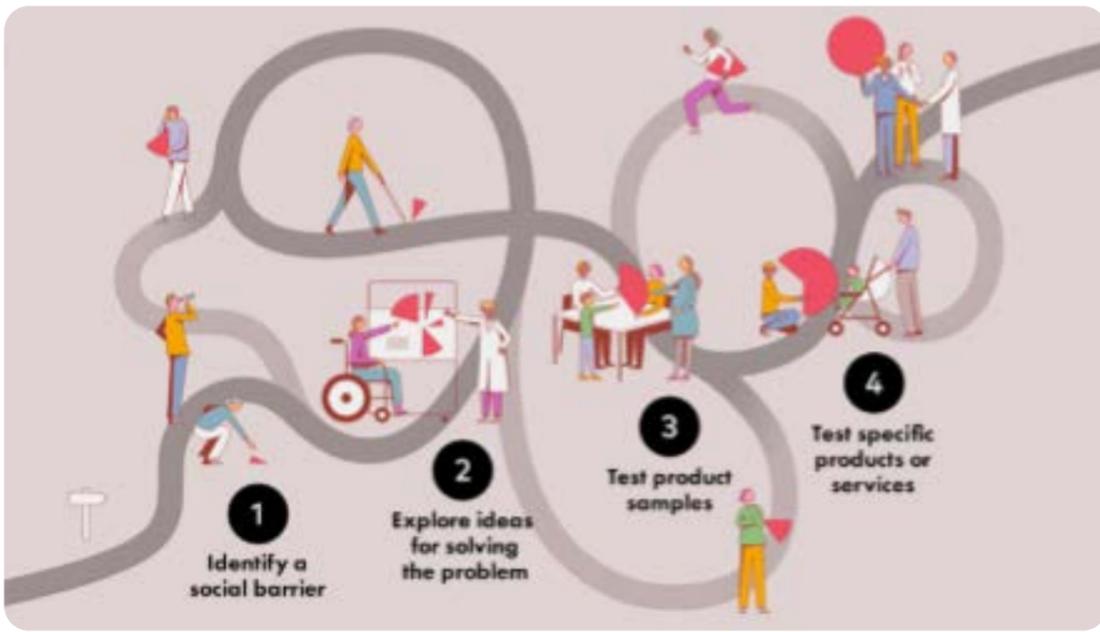
[Flextime in Distribution Centers >](#)

### Improve Wellbeing among External Stakeholders

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 the public at large, we will pitch our inclusive designs and our designs for the dialogue-based diversity office.

[HOWS DESIGN, Our Approach to Inclusive Design\\* !\[\]\(85e93435ed5e0c84cb57c0eafee16bc1\_img.jpg\)](#)

\* Japanese Only



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

## Actions

### Improve Wellbeing among Employees



New Workstyles (Telecommuting, Flextime, and Bringing Children to Work) [➤](#)



Life & Career Day (an Event for Thinking about Balancing Work with Parenting and Promoting Paternity Leave) [➤](#)

### Improve Wellbeing among External Stakeholders



HOWS PARK (Diversity Office) [➤](#)



A New Form of Inclusion: Making Cleaning Visible\* [➤](#)



Shinichiro Kumagaya (Research Center for Advanced Science and Technology, University of Tokyo) Tours The Campus during a Practical Workshop\* [➤](#)

\* Japanese Only

## Third-Party Recognition

KOKUYO selected for Kenko Investment for Health 2025\* [🔗](#)

Kaunet recognized as 2025 Outstanding Organization of Kenko Investment for Health Program in White 500\* [🔗](#)

KOKUYO Marketing recognized as 2025 Outstanding Organization of Kenko Investment for Health Program in Large Enterprise Category\* [🔗](#)

HOWS DESIGN awarded three stars in Sustainable ☆ Selection 2024\* [🔗](#)

\* Japanese Only

## Related data

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[Working Hours, Paid Leave Takeup Rate >](#)

# WELLBEING: ACTIONS

Improve Wellbeing among Employees

Improve Wellbeing among External Stakeholders

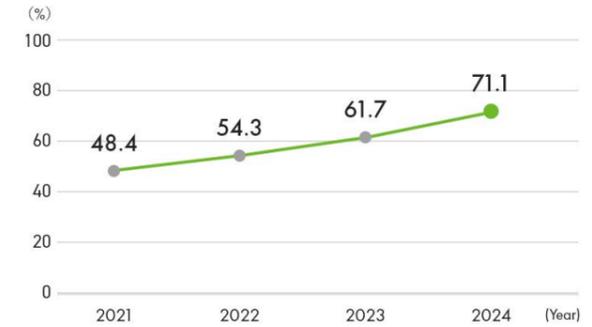
## Improve Wellbeing among Employees

### CASE | 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, team leaders 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: Five main group companies in Japan



### CASE | Helping Employees Build Diverse and Fulfilling Careers

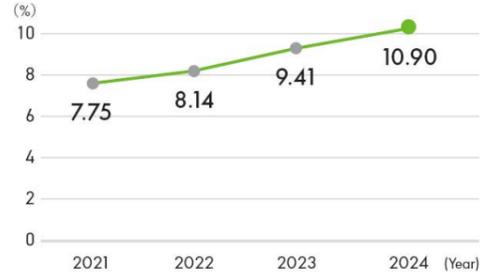
Among our metrics for measuring empowerment of diverse employees in the workplace is a material goal: 16% of management posts to be occupied by women in 2027. We also provide support measures to help employees balance work with family care commitments. Such support helps prevent the career bottleneck 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, 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.

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

% of management posts held by women:  
Five main group companies in Japan



Bringing children to work



An event for thinking about the career-life balance

## Improve Wellbeing among External Stakeholders

### CASE | Promoting KOKUYO Inclusive Design

We have a cross-organizational taskforce that promotes inclusive design across the KOKUYO Group. We have launched and showcased HOWS DESIGN, a KOKUYO-style approach to inclusive design. HOWS DESIGN uses a design approach that emphasizes co-creation through a process of dialogue inspired by asking plenty of “how” questions. Two “how” questions are particularly important: “how are you?” which represents a concern for the people’s needs and “how will we do it?” which represents the passion to build them a better tomorrow. Products and services created in HOWS DESIGN are labeled with an original mark. They also have an inclusive design that accommodates the needs of people with disability and are based on ideas developed through a process of dialogue with members of KOKUYO K Heart Co., Ltd. (a disability-friendly subsidiary) and KOKUYO employees who have a disability. As well as promoting inclusive design, the taskforce has launched a HOWS DESIGN website, held universal manner training sessions for employees, a workshop to experience what it is like to have disabilities, and a boccia event. These and other activities of the taskforce all involve co-creation with external partners. Our goal for 2024 was for 20% of our newly launched products to have been designed through the HOWS DESIGN process. We exceeded this goal, reaching 26.6%. As part of our efforts to reach the goal, we launched a diversity office called HOWS PARK in 2023. HOWS PARK runs workshops attended by designers, marketers, inventors, and lead users.

In 2024, HOWS PARK held more than 100 workshops. We will step up efforts to reach our 2030 challenge goal, which is for at least 50% of newly marketed products to incorporate inclusive design.



# HOWS DESIGN

**This mark appears on products and services that were created through HOWS DESIGN**

- A varied range of lead users participate from the planning stage
- A pro-diversity approach is used to gain insights that lead to ideas for potential solutions
- A prototype is shared with lead users in a process of dialogue, and the design is reworked and improved accordingly
- The design includes features that eliminate barriers to accessibility, so that users can have a better experience

<https://www.kokuyo.co.jp/sustainability/howdesign/>\*

\* Japanese Only

## HOWS DESIGN Releases

### CASE | Stationery: Scissors with Hybrid Arch Blade (Saxa)

We revamped Saxa, a popular scissors series equipped with a hybrid arch blade for extra sharpness. Retaining the same features, the new release adds an inclined insert, in an industry first. This new feature makes it easy to cut thin or thick material using the right hand or left.

To make the product more environmentally friendly, the packaging was switched from a blister pack to paper packaging. The revamped product also comes with an accessibility code (QR code for accessing multilingual and audio product information).

[Find out more\\*](#)

\* Japanese Only



### CASE | Stationery: Blue Memorization Sheet with Orange Marker Pen (Campus)

When studying for exams, students in Japan typically use a colored sheet and marker pen to aid memorization. They highlight key content with the marker and then a colored sheet over the page to hide this information.

Respecting visual diversity, this product consists of a blue sheet and orange marker (as opposed to the traditional red sheet and green marker set), making it accessible to more people.

The product has been certified by Color Universal Design (CUD).

[Find out more\\*](#)

\* Japanese Only



### CASE | Furniture: Hemming

Hemming is a shell chair with an ergonomic design, not just in terms of being comfortable to sit in: It is also easy to stand up from and say to pull out and carry.

[Find out more\\*](#)

\* Japanese Only



## CASE | Furniture: Energy Line

Energy Line is a clamp power strip for desks. It features a linear socket design, allowing the user to plug in their device anywhere along the strip, making work a little easier.

As it has no separate sockets, multiple users can share the power strip. Each strip can accommodate up to five electrical plugs (typical household plugs).

[Find out more\\*](#) 

\* Japanese Only



## CASE | Business Supply Distribution: Easy-Carry ID Card Holder with Band

This is an ID card holder with a band for versatile usage. Users can slip their hand through the band, grasp the holder with their fingers, or pull out the ID card. Users can also fix the strap with the band, allowing easy storage.

This product was commercialized following an inclusive design workshop in 2023. The workshop, designed to promote HOWS DESIGN, was jointly organized by three corporate divisions of KOKUYO Group and by KOKUYO K Heart, a special subsidiary.

[Find out more\\*](#) 

\* Japanese Only



## CASE | Business Supply Distribution: Mineral Water Sourced from Tsumagoikogen (260ml labelless, 260ml "omotenashi")

We developed a plastic bottle with an inclusive design that anyone can carry and open with ease.

We analyzed how people open a plastic bottle and incorporated our findings into the design.

[Find out more\\*](#) 

\* Japanese Only



# LABOR AND TALENT

Workstyle Reform, Diversity, and Inclusion

Human Resources Management

## Workstyle Reform, Diversity, and Inclusion

### Initiatives in 2024

#### CASE | 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 place for testing ideas that incorporate HOWS DESIGN (KOKUYO's concept of inclusive design). In fiscal 2024, more than 100 workshops were held. Consequently, 26.6% of our newly launched products were designed through the HOWS DESIGN process (our goal was 20%).

\* Related information

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.

### Programs

#### 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	Employees with children who are yet to enroll at elementary school 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.
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.

\* View data on numbers of employees taking childcare and nursing care leave >

## 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 superiors 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 related to employees' working, learning, and living. Employees use n.5 for a variety of purposes, including for self-led seminars and other self-organized events.



## Collaborating with External Organizations to Unlock New Workstyle Options

In 2023, KOKUYO earned an award from the Japan Telework Association, an organization dedicated to promoting telework as a flexible work option 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 leaders, in their efforts to empower the employees and deliver positive outcomes for the organization, are sensitive to employees' need for work-life balance. Through our membership of the alliance, we gain opportunities to rethink approaches to diversity management and organizational culture.

## 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 deciding which hours they work during busy periods. This frees up disposable time and reduces physical and mental strain. It also sets a good example of flexible workstyle practices for the industry.

\* Related information : [KOKUYO Logitem's news page\\*](#) 

\* Related information : [KOKUYO Supply Logistics' news page\\*](#) 

\* Japanese Only

## 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 is granted to companies and organizations which proactively support childrearing by the Ministry of Health, Labour and Welfare that is working to reduce the declining birthrate. This initiative is based on 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.



## 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 as a "special subsidiary" (meaning a disability-friendly employer that is counted as part of the parent company). In December 2006, we founded Heartland, a subsidiary devoted to employing people with intellectual or mental disabilities.

As of June 1, 2024, people with disabilities make up 2.55% of the group's workforce.

\* Related information: [Employees Composition \(Employees with Disabilities\)](#) >



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

## Embracing Diversity

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.

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.

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.

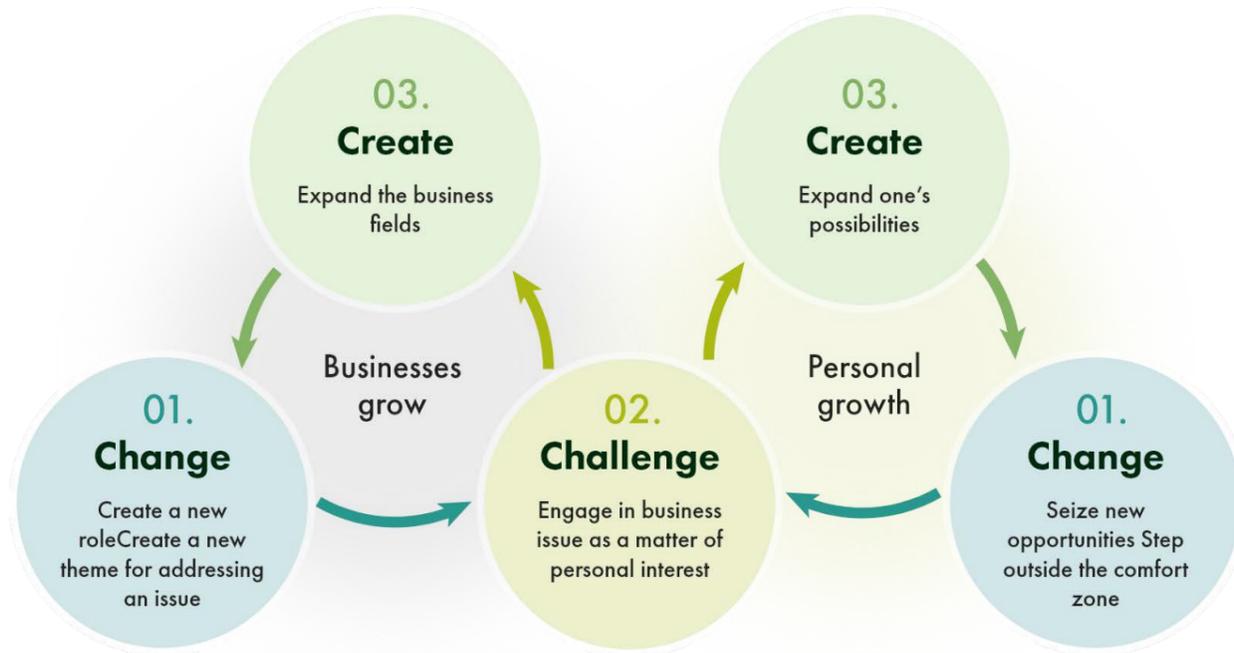
As part of our efforts to provide a workplace in which employees with family care needs feel supported, we have updated our support measures for balancing career with family care commitments, provided an in-office playschool for when schools break for spring and summer, and allowed the option to bring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

We are verifying real changes in the workstyles of such employees.

## Human Resources Management

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 to expand their career opportunities.

## Creating a Cyclical Process of Employee Growth and Business Growth

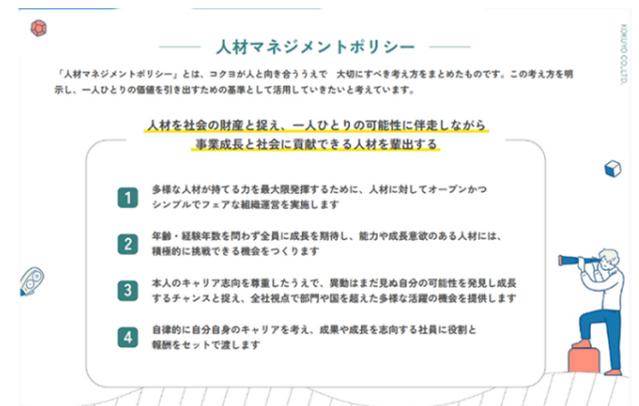


## Talent Management Policy

In 2023, we established the Talent Management Policy. This policy enshrines the principle that KOKUYO's workforce as an asset to society and that we should help every employee achieve their potential and cultivate talent that will drive business growth and contribute toward a better society. This principle is shared by the management and every employee.

Talent Management Policy [PDF:6.1MB]

\*Japanese Only



## Actions in Line with Talent Management Policy

<p>Providing opportunities for all employees to shine</p>	<p>A broad spectrum of employees (young to senior) volunteer for the 20% Challenge (internal moonlighting).</p> <p>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.</p>
<p>Maximizing the speed of growth in talented and passionate employees</p>	<p>In 2024, we opened a talent-development institution called KOKUYO Academy. The idea behind KOKUYO Academy is to give attendees an idea of yokoku as the source of corporate and personal growth and to help them refine the leadership and creative skills they need to make their yokoku a reality. We also have a number of training programs to support employee growth.</p> <p>For junior employees, we offer 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.</p> <p>Our talent management system is designed so that employees can step up the career ladder regardless of their age or years of experience.</p>
<p>Nurturing leadership talent for leading team-based value creation</p>	<p>The task of nurturing 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 and growth opportunities for individual employees, considering multiple perspectives.</p> <p>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.</p>

## 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.

- 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 provide a babysitting subsidy, allow employees to bring their children to work, and provide an in-office playschool.

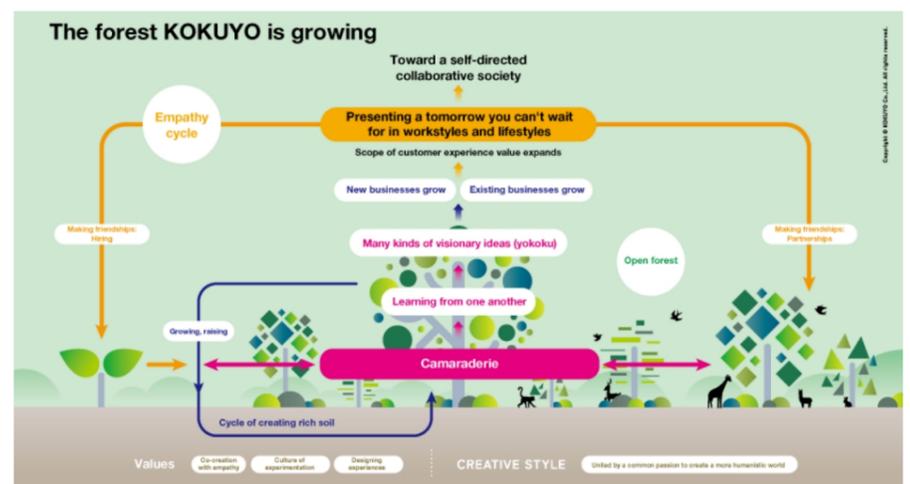
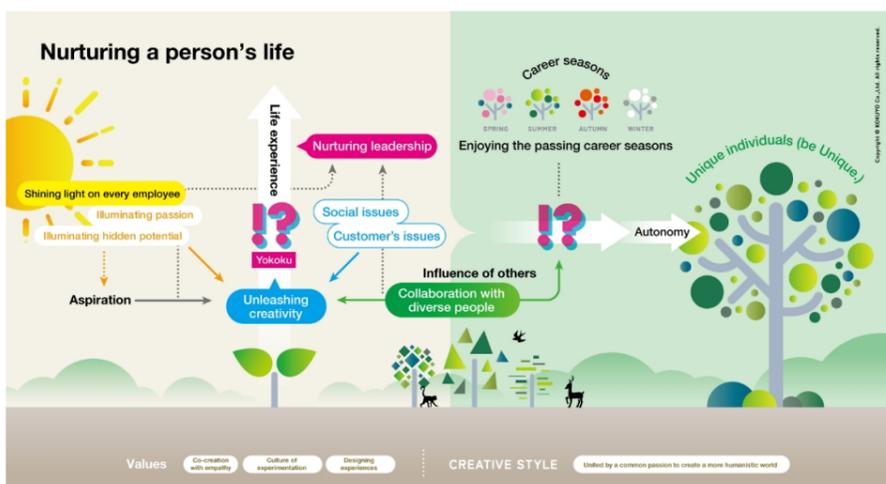
We have also revised our personnel evaluation approach for employees on maternity or parental leave so that their leave does not create a blank period in their record. We track the skills employees are accumulating over time and provide continual feedback to support the person's growth.

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 Long-Term Value Creation

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 aspiration to create a better future.

The source of our value creation lies in our employees' sensitivity 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.



## Initiatives in 2024

### Creating new opportunities for challenge-taking

#### CASE | 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' achievements and efforts count toward their individual personnel evaluation. To date, approximately 370 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 solutions for 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
Cumulative total of employees who have participated in the 20% Challenge	129	189	266	378

## CASE | 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 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 190 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 40. 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 130 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
KOKUYO Marketing University Participants (cumulative total)	118	143	168	192
KOKUYO Marketing Graduate School Participants (cumulative total)	73	93	113	133



A group discussion  
at KOKUYO Marketing University



A final presentation  
at KOKUYO Marketing Graduate School

# 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.

Employee Safety

Employee Health

## Employee 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. The goal of our health and safety efforts is to reduce 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.

### KOKUYO Group Safety and Health Basic Policy

#### 【Basic Policy】

Safety First! We take a safety-first approach on the belief that the cornerstone of all our business is the mental and physical wellness of every employee.

#### 【Code of Conduct】

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

## Initiatives in 2024

### KOKUYO Group Construction Industry and Plants Health-and-Safety Conferences

During Japan's National Safety Week\* (first week of July), we organize health-and-safety conferences to enhance safety-consciousness across the corporate group. The conference programs are intricately designed for each region. They include presentations about cases that occurred during the year and instructions about preventing similar cases. They also include a presentation of awards to commend excellence in health and safety. 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.

### Construction Industry: KOKUYO Group Construction Industry Health-and-Safety Conferences

The KOKUYO Construction Industry Health and Safety Promotion Committee organizes health-and-safety conferences at seven venues for our construction partners in the KOKUYO Group. It does so on the belief that employee health and safety is foundational to business growth. The first half began with presentations about best practices during the previous year followed by the presentation of awards to exemplary health and safety staff. For the second half, a guest speaker delivered a presentation about health and safety. The conferences concluded with attendees reciting on mass the conference slogan and pledging to make the ensuing year incident-free.

## Plants: Safety Conventions and Safety Patrols in Plants in the KOKUYO Group in Japan

We held safety conferences and safety patrols at six key plants in Japan. The conferences presented occupational accident data from the previous year, gave briefings about safety initiatives, delivered themed training, and declared a pledge on safety. We will also continue to provide opportunities to take a pause and think about safety once a year at each site over our entire group in the future. We will do that to connect a culture that protects safety with the future.



### Development: Manufacturing Safety Conference and Safety Patrol

Safety conferences and safety patrols are organized in a hybrid format by connecting the workshops held in Osaka that develop our products and inspect quality to Shinagawa X-stage. The purpose is to keep employees ever mindful about occupational accident prevention and about what needs to be done to prevent such accidents, as we handle mechanical tools and various chemical substances in product development processes as well as in plants. In FY2024, the conferences and patrols used a hybrid format. This format resulted in a higher number of attendees, as it was possible for remote workers and staff at the Shinagawa office to attend online. The conference therefore succeeded in raising safety awareness among many employees.

### Zoomed-In Central Safety Health Committee

KOKUYO's Mie Plant and KOKUYO Logitem's Mie distribution center held a meeting of the Zoomed-In Central Safety Health Committee for staff in charge of health and safety in relation to forklift operation in manufacturing and distribution sites. Invited to the event was an outside instructor with expertise in forklift safety. On the day of the event, the instructor listened to the safety practices in each workplace, toured the workplaces, assessed the risks, and gave detailed feedback. The instructor's feedback included important perspectives for managing workplace safety, observations about risks that can easily get overlooked, and other valuable knowledge that is rarely gained in everyday work. The participants found the event very useful. In this way, the participants gained many valuable tips and insights. Further meetings of the Zoomed-In Central Safety Health Committee will be held with a flexible approach to setting the them. These meetings will help improve safety awareness and workplace effectiveness across KOKUYO Group.

### Management Training for Plant Staff

To help develop the talent pool for plants over the medium and long term, the KOKUYO Group Central Safety Health Committee and KOKUYO Academy provided leaders with management training. For young staff with leadership potential, they ran a two-day training camp focusing on communication and problem-solving. Both training programs involved tasks in which attendees practice expressing their ideas, communicating with others, and solving problems, all of which helped the attendees discover their leadership potential. The training programs were delivered at Mie Plant and Shibayama Plant. They will be rolled out to other plants across KOKUYO Group.

## Employee Health

### 【Wellbeing : Building a healthy workplace】

We support employee health and productivity on the belief that the key to employee wellbeing is to encourage employees to take an interest in their health and engage positively at work.



## 【KOKUYO Health and Productivity Declaration】

We have issued the following declaration to signal our commitment to building a healthy workplace as part of our sustainability strategy.

### KOKUYO Health and Productivity Declaration

Sustainable Business Strategy is stated as follows: 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. A key part of this strategy is promoting wellbeing both within and outside our organization.

#### Three main strategies for improving wellbeing:

- Pitch ideas for new workstyles
- Promote diversity, inclusion, and innovation
- 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.

## Processes in Place

### Six Core Actions for Building a Healthy Workplace

01

#### Health management

Provide health checks and follow-ups and offer a range of medical options to maintain employees' health or prevent deterioration

02

#### Workplace

Continuously improve the workplace to support the physical and mental wellbeing of employees.

03

#### Mental health

Analyze the results of stress checks and other employee surveys to identify how to support employees' mental health and engagement.

04

#### New workstyles

Facilitate flexible work arrangements—allow remote working, reduce overtime, encourage uptake of annual leave, support employees with caring commitments, and help employees balance work with family obligations.

05

#### Health awareness

Provide employees with information and education to promote self-care.

06

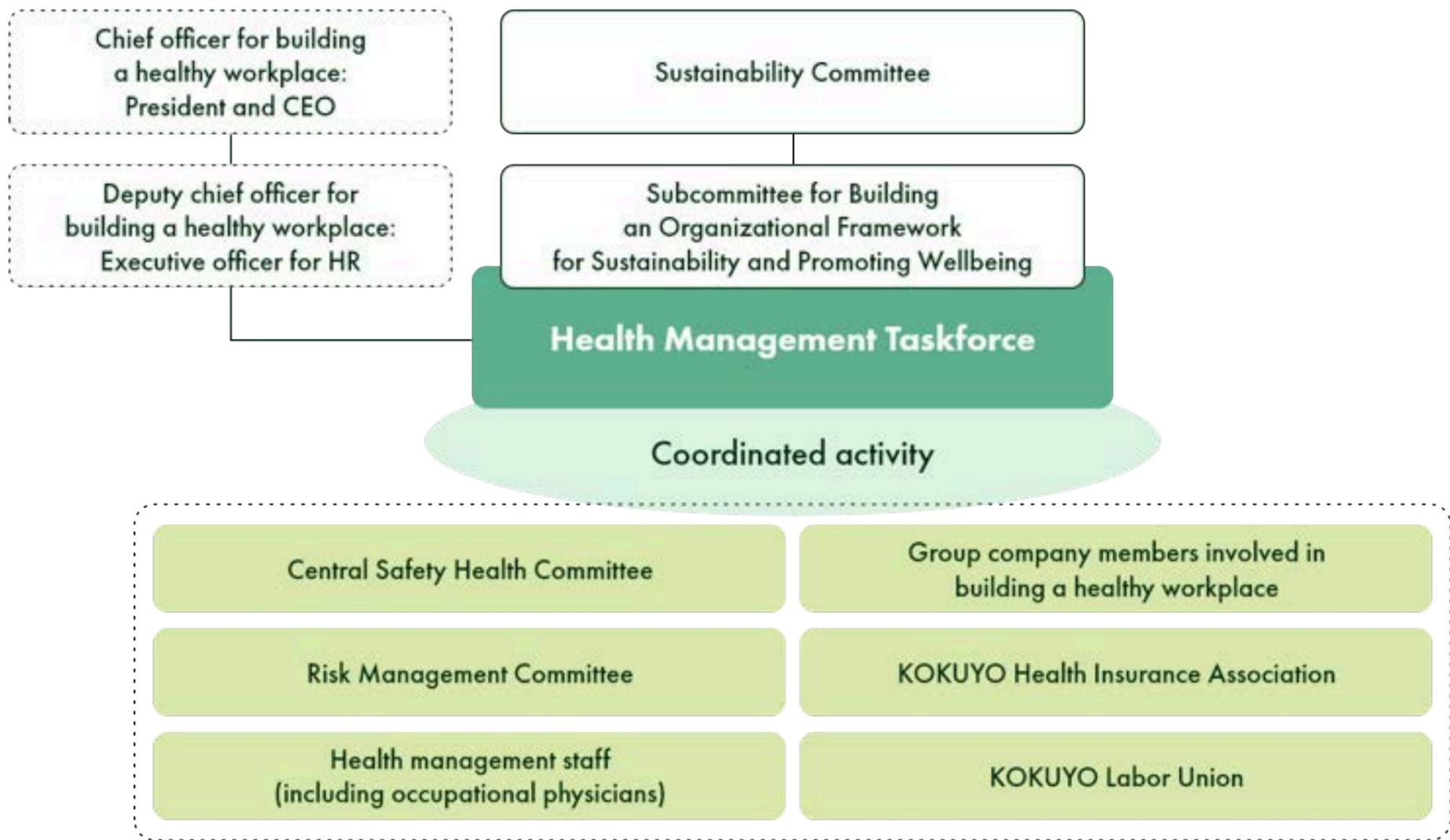
#### Employee engagement

Clarify problems in the organizational culture and make the necessary changes to encourage greater engagement in work.

### Organizational Framework for Building a Healthy Workplace

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.

Employee health and engagement is managed by the KOKUYO Group Central Safety Health Committee, Risk Management Committee, KOKUYO's health management staff, group company members involved in building a healthy workplace, health insurance associations, labor unions, and the Health Management Taskforce.

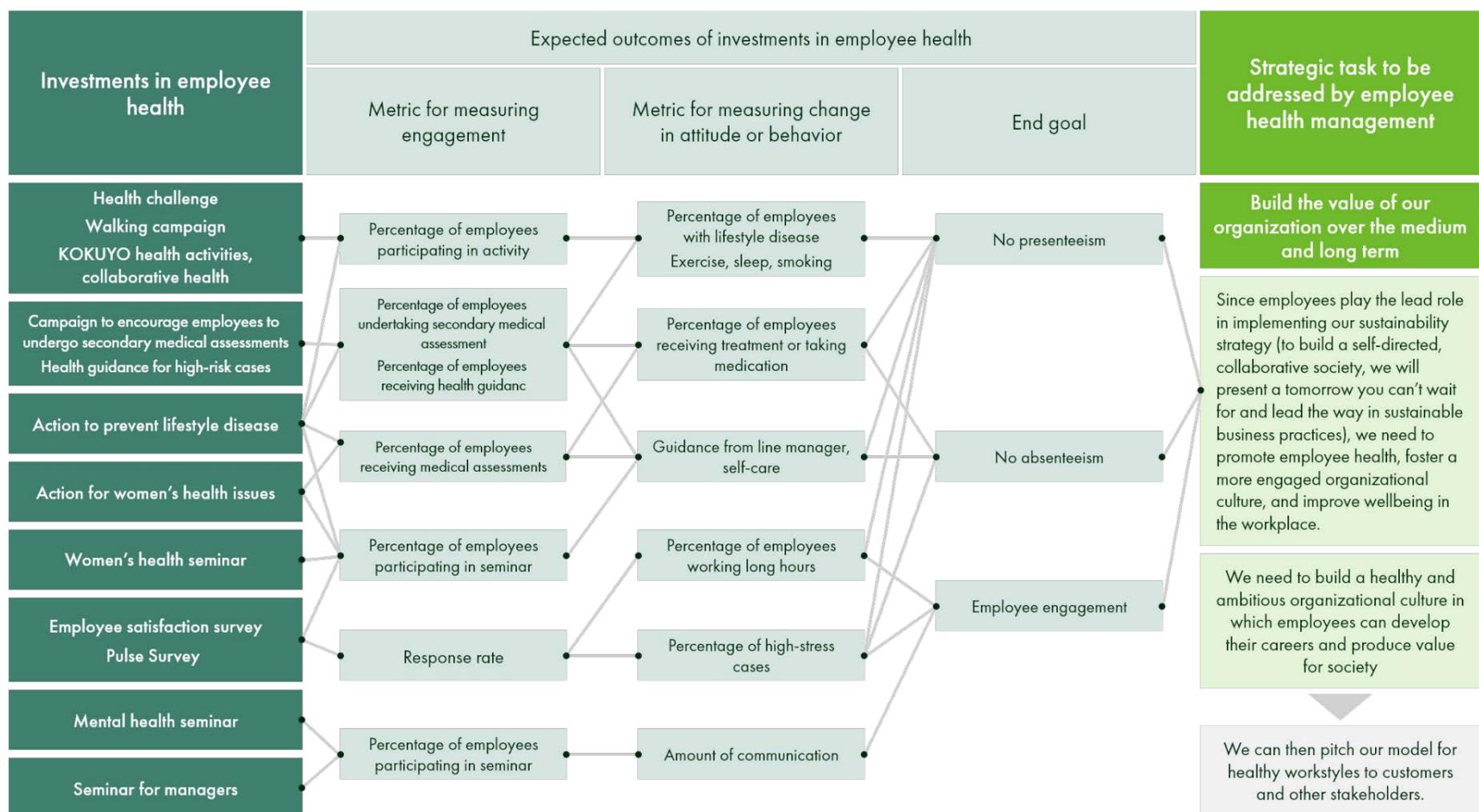


\* View data on health-promotion performance [here](#)

### Strategic roadmap for KOKUYO health and productivity management

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

\* The roadmap shows, from the left, investments, expected outcomes, tasks, and the ultimate goal.



### Initiatives in 2024

#### Employee Health Goals: 2023 Results

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

KPI	Employee engagement	No presenteeism
Context	Our latest work engagement score is C+ (2.47, deviation value of 53). 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
Score in early 2023	2.47 (deviation value of 53.1, C+)	21
Latest score (early 2024)	2.43 (deviation value of 54.7, C+)	21.5

## Selected for Kenko Investment for Health 2025

On March 11, 2025, KOKUYO was selected by the Ministry of Economy, Trade and Industry (METI) and Tokyo Stock Exchange, Inc. for “Kenko Investment for Health 2025” as a listed company with outstanding health management. On the same date, KOKUYO and Kaunet were recognized by METI and Nippon Kenko Kaigi (NKK) for inclusion among 500 whitelisted companies, earning the official designation “2025 Outstanding Organization of Kenko Investment for Health Program (White 500).” KOKUYO Marketing earned a separate accolade under the same program (“2025 Outstanding Organization of Kenko Investment for Health Program,” large enterprise category).

METI’s Kenko Investment for Health program reviews the efforts of TSE-listed companies that have integrated employee health management into their business strategies and selects those companies that demonstrate excellence in employee health management. The program includes Outstanding Organizations of KENKO Investment for Health to give recognition to companies with exemplary practices. We will continue to promote wellbeing in line with the KOKUYO Health and Productivity Declaration, which we established in October 2019 and updated in 2022.



## 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.

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

- Take measures to address mental health issues which are increasing with the advancement of telecommuting**  
 Increase communication, promote the building of new relationships beyond the boundaries of purposes and organizations, and showcase spaces, furniture, fixtures and stationery which can control concentration, immersion and relaxation according to the purpose
- Measures to prevent infectious diseases**  
 Take measures to prevent droplet-based, contact-based and aerosol-based infections based on experimental verification, and visualize the behavior of those infected with diseases and close contacts based on behavioral analysis using the IoT etc.

The above initiatives have been recognized. This is the first complex in Japan to have acquired the WELL Health-Safety Rating\* which evaluates health and safety according to global standards.

\* The WELL Health-Safety Rating for Facility Operations and Management provides third-party verification that the certified building is clean and safe. The rating was launched by the International WELL Building Institute in June 2020 in response to the spread of Covid-19. The criteria for the rating include anti-Covid measures, emergency preparedness programs, cleaning and sanitization procedures, and air and water quality management.

## Actions

### Management reform initiatives

In FY2023, we positioned management reform by management and managers in particular as an urgent matter for mid- to long-term sustainable growth. Accordingly, we worked to put into practice a partnership-based management style. Specifically, we developed the format and structure of 1on1 in KOKUYO through a 1on1 trial for all management and managers to solve the issues which arise in the course of engaging in business. We also put into practice business follow-up activities to eliminate imbalances in business and to create an environment to engage in high-market value work. This is an initiative in which roles and responsibilities are determined for each layer. The upper layers proactively involve members. The concerns facing each are then quickly resolved through man-hour forecasting and grasping the situation in a timely manner. These efforts have had an effect.

Overtime hours have significantly reduced and that has led to changes in how time is used. We will work to entrench this initiative in FY2024. At the same time, we will engage in such efforts to lower the barriers to taking vacations.

## Women's Health

### 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 harder for women than it was for men to balance their work with family commitments (such as parenting or elder care). With young women making up a relatively large share of our workforce (disproportionate to their share in the general population), more employees than before have experienced life events related to women's wellness (such as hormonal disorders, maternity, and motherhood).

Accordingly, in 2023, 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 installed 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 health insurance.  
In the screening program, a mammography van and a ultrasonographer visit the Shinagawa head office and the Shibayama and Mie plants to screen employees there.

## 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 FY2023, our employees redeemed a collective total of approximately 236 million yen in points.

### Promoting employee health enhancement activities

We operate a program which allows employees to earn points which they can use to receive subsidies under the aforementioned choice-based program of employee welfare according to records of their walking and daily lifestyle habits. The aim of this program is to encourage employees to practice health promotion by making it a habit to engage in light exercise and to take actions 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.

## Smokefree Workplace

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 company premises in Japan. We continue our efforts to raise employees' awareness of the risks of smoking.

## Preventing Infectious Disease

The Covid-19 pandemic severely disrupted people's lives around the world. The world continues to face the threat of infectious diseases, including the big three (HIV/AIDS, tuberculosis, and malaria). We take steps to prevent infectious diseases among our employees, especially those going on overseas secondments or business trips. We inform such employees about health management tips and infection risks, including information about the necessary inoculations, along with a subsidy for such. We also have a medical assistance agreement that covers such employees.

To further support both these employees and their accompanying families, we provide a hotline manned by an occupational physician and health-management staff. In these ways, we help ensure that the employees and their families are healthy and have peace of mind.

## KOKUYO Health Insurance Association: Collaborative Health Promotion

The KOKUYO Health Insurance Association collaborates with us in supporting 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 us a subsidy for colorectal cancer screenings. We integrated the subsidized screenings into our health checkup program so that all employees get screened for colorectal cancer.
- The association has raised the maximum amount of subsidy for cervical and breast 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 us 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.

In addition to the employee survey, 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 these survey results and personnel and organizational data.

# 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.

KOKUYO Group Code of Conduct



Key Actions



Rectification, Redress



## KOKUYO Group Code of Conduct

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.

[KOKUYO Group's Value System >](#)

## Key Actions

### 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 has exacerbated socioenvironmental issues. Examples include human rights issues such as forced labor and child labor, widening inequality, and environmental degradation. Along with our supply-chain partners, we are determined to fulfill our corporate social responsibility by creating positive socioeconomic impacts.

[Supply Chain Management >](#)

### Preventing Use of Child Labor and Forced Labor

The KOKUYO Group Code of Conduct explicitly prohibits child labor and forced labor, along with discrimination on the basis of race, ethnicity, religion, nationality, language, or disability. To prevent use of child 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. 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.

### Personal Information Protection

We have established the Personal Information Protection Policy.

[Personal Information Protection Policy >](#)

## 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, 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 in late November and early December, 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. In 2024, we added to the training content about sexual orientation and gender identity (SOGI), including the message that anyone can be a perpetrator or victim of anti-SOGI harassment and content emphasizing the importance of respect for diversity.

## Employee Health and Safety

[Employee Safety >](#)

[Employee Health >](#)

## Eliminating Overwork and Providing a Living Wage

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 their workstyles and break styles to identify working practices that are most valuable for supporting corporate and individual growth.

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 increases wages across the board above the consumer price index. In fiscal 2024, the average annual salary paid to KOKUYO employees was ¥7.82 million.

## Rectification, Redress

### Whistleblowing Hotline

We have a group-wide hotline (the KOKUYO Hotline). For inquiries made in Japan, the hotline connects to a third-party whistleblowing service. Suppliers can use the hotline too. Inquiries made outside Japan are received within KOKUYO. In fiscal 2024, the hotline received 25 inquiries (there were also six inquiries that did not need to be reported to KOKUYO), some from inside Japan and some from outside Japan. The inquiries were dealt with appropriately.

[Whistleblowing Hotline: the KOKUYO Hotline >](#)

# TOGETHER WITH COMMUNITIES

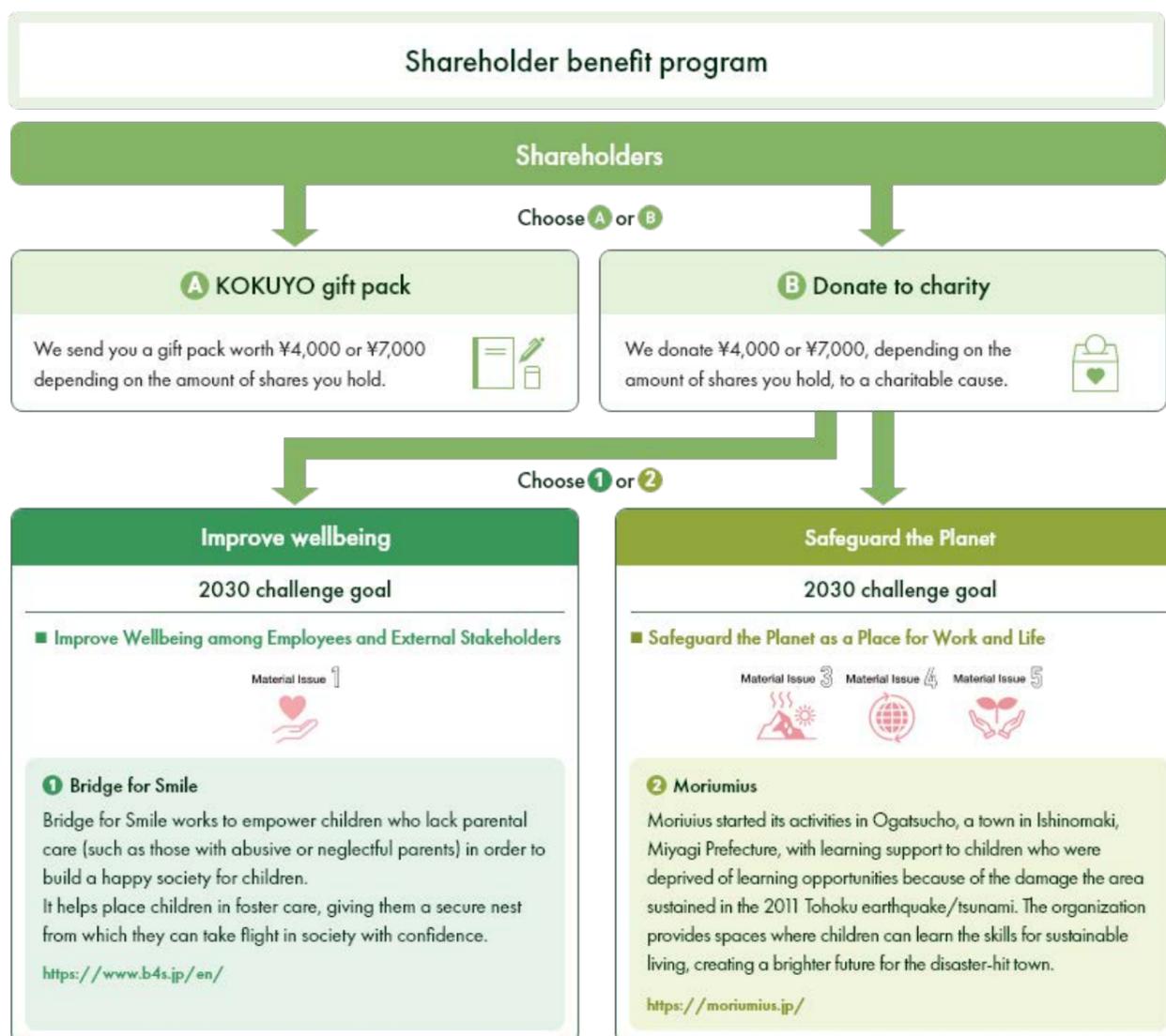
KOKUYO strives to be a trusted corporate citizen on both regional and national levels via proactive interaction and planning with regional communities, while respecting regional culture and customs and encouraging their advancement.

## Initiatives in 2024

### 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 be used in social contribution activities such as to support children’s independence and learning.



## KOKUYO Design Award 2025: 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.

The 2025 event was titled “prototype.” In general usage, “prototype” refers to an early, unfinished version of a product used for testing. In the competition, the word implied a prototype with the potential to move an idea to the next stage.

In line with this concept, we invited people to submit product designs that could become a starting point for something amazing in the future.

We received 1,448 entries from 61 countries (716 of the entries were from Japan and 732 were from other countries). Ten of the entries earned 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 2025, 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 Newron (an innovative pen).

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\\*](#) 

\* Japanese Only



Grand prize winner:  
Newron Toshiyuki Kawada

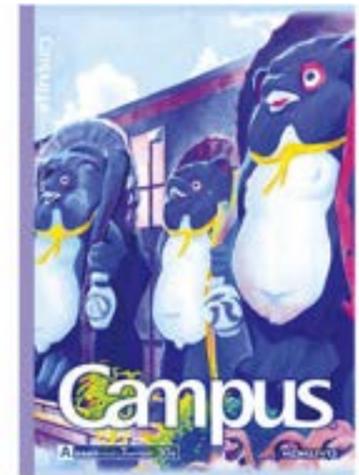
## Campus Art Awards 2024: A Painting Competition for Junior High and High School Students

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 3,057 works.

The event was titled My Sweet 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\\*](#) 

\* Japanese Only



The top individual prize-winning piece: Shigaraki Ware  
The artist was Nagomi Mori, a first-year student at  
Shiga Prefectural Ritto High School  
(the academic year is as of FY2024)

## 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. This year marked the ninth year of the program.

Volunteers from KOKUYO’s workforce visit an elementary school in Yunnan, China. They conduct a lesson and organize games with the children to forge ties with the community. The school receives a donation from KOKUYO and the children receive KOKUYO notebooks.

As in 2023, KOKUYO participated in the community outreach program along with LAMEX,\* another operating company in the group. The event provided an opportunity to deepen mutual understanding and interaction. We visited the same school as before to follow up the children’s progress.

\* Dongguan Lamex Furniture Co., Ltd., is a Hong Kong company that manufactures and sells office furniture.



With everyone’s good will, we make a huge difference



Yong’an Primary School, Dali Bai Autonomous Prefecture, Yunnan  
Province, October 21, 2024

## 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.

Providing Peace of Mind and Safety to Customers



Dialogue with Our Customers



### Providing Peace of Mind and Safety to Customers

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.

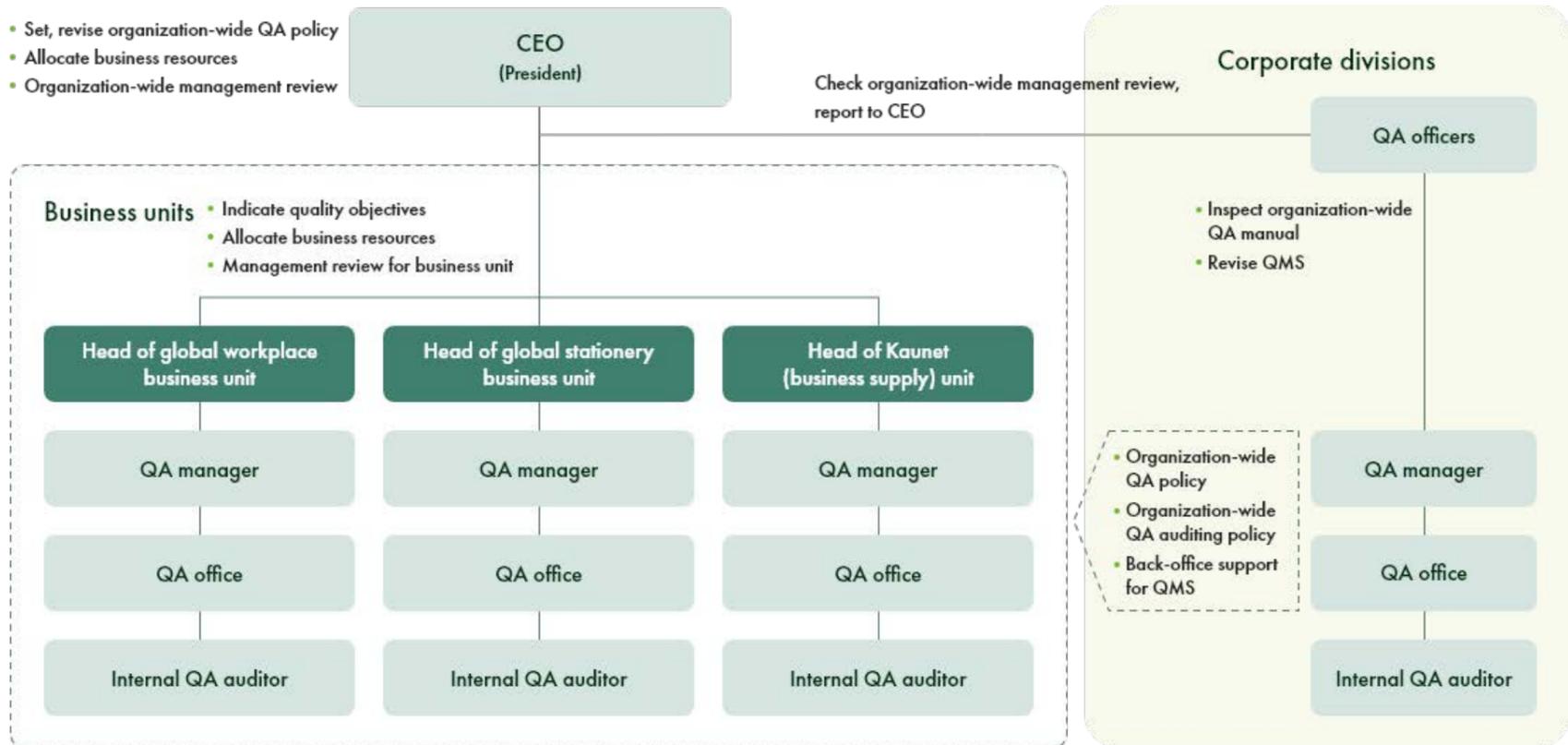
#### KOKUYO Quality Pledge

We shall continually aim to delight and win the trust of customers by providing products and services that help people work, learn, and live better.

1. We shall endeavor to develop products that exceed customer expectations in every way
2. We shall endeavor to ensure product safety and to raise the bar on product quality
3. We shall comply with legal requirements and fulfill our corporate social responsibility
4. We shall listen to customers and incorporate their feedback into the development cycle
5. We shall update our management system in response to changes in the business landscape

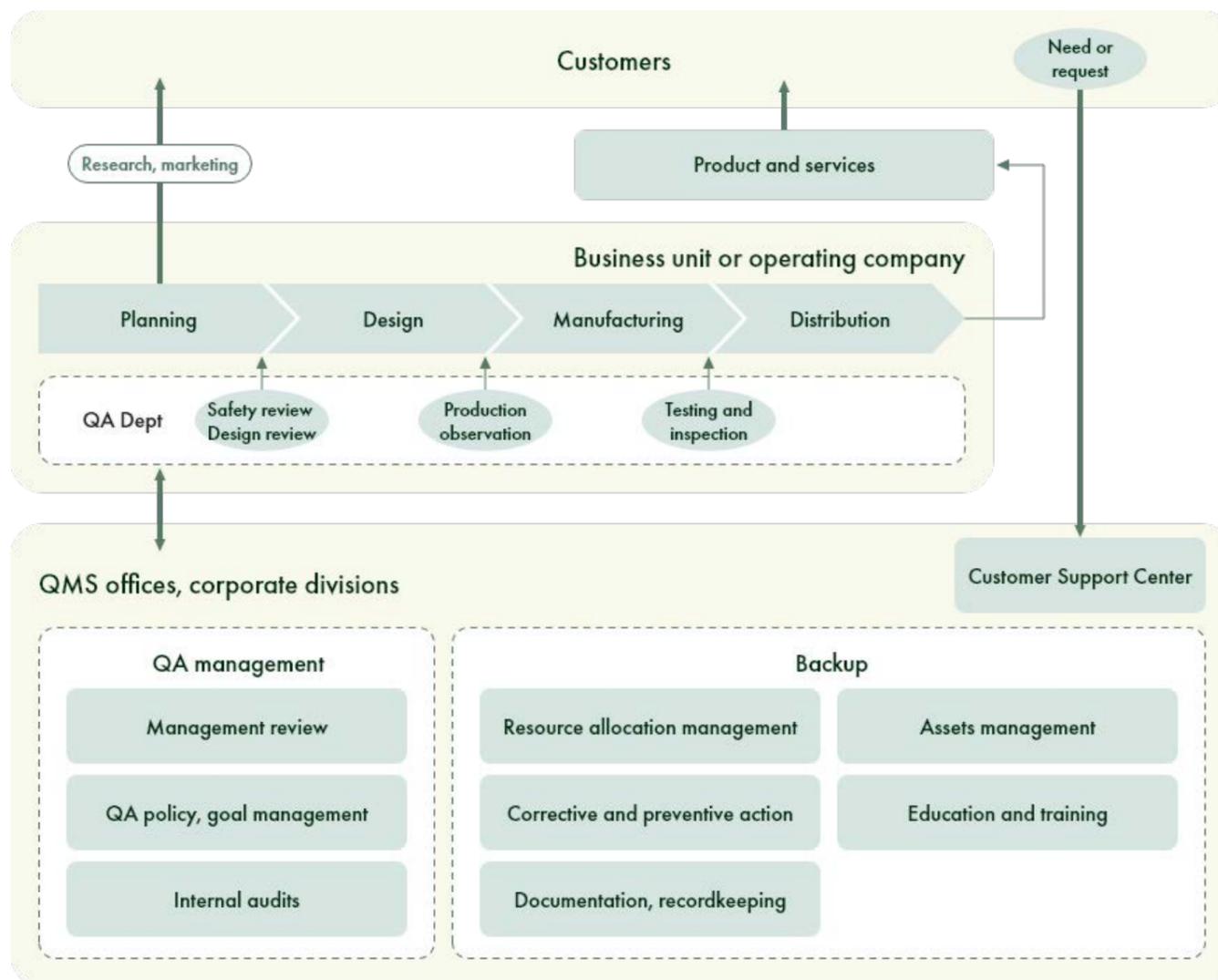
[KOKUYO Group Code of Conduct](#) >

## Quality Management System (QMS)



## Managing the quality assurance process

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



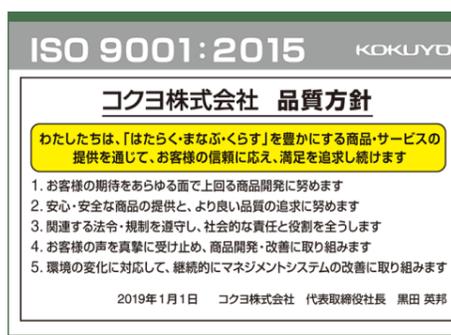
※ Safety review Design review

- 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).

## Processes in place

Attainment of ISO 9001 (Quality Management System) Certification by All Companies

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, and Kaunet’s office supplies. Our quality management systems, 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.



Registration certificate number: JQA-2029

Registered business: KOKUYO Co., Ltd.

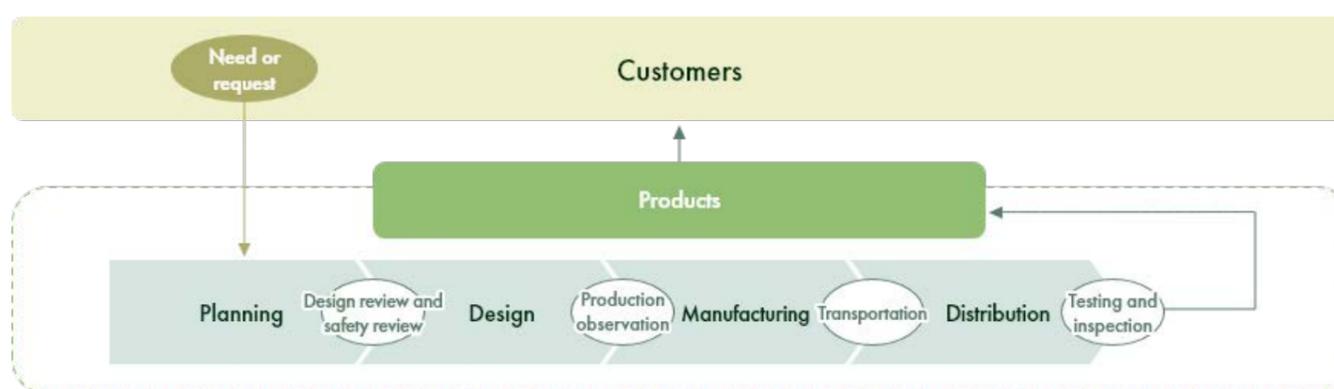
- Scope of registered activities:
- Design, development and manufacture of office furniture
  - Purchase and sale of office furniture
  - Design, development, manufacture and construction of furniture used in public facilities
  - Design, development, manufacture and construction of building materials
  - 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 Delivery Center
  - Kaunet Co., Ltd.: Tokyo Shinagawa Office

※ Current as of June 16, 2025

## 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

When testing and inspecting products, we apply 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 streamlines the response process and minimizes inconsistencies in responses.

### 4. Testing for quality, testing for value

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 testing

## 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 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 personnel 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. 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.

### 3. Public notices concerning safety or quality issues

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



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, 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 emphasizes workplace productivity. At least 5,300 products are sold under this brand. Kaunet always strives to develop useful products based on ideas from the user's perspective. To ensure that its products are safe and command confidence, Kaunet works together in the value chain to improve not only the quality of its goods but also the customer service at call centers and delivery.

### 1. Kaukore, Kaunet's premium series

Office workers often experience small hassles and annoyances. With products that solve these problems, office work would be much easier. On this belief, Kaunet has developed the Kaukore series, a series of original products that designed to eliminate user-stress.



### 2. Hearing it straight from the customers: Monitor Kaunet

Kaunet 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



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

As well as Monitor Kaunet, Kaunet operates a call center. The feedback obtained over the phone leads to improvements to existing products and services as well as to new products. Kaunet shares the feedback throughout the entire company so that it can improve its products and services.

### 4.Trustworthy delivery service

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

## Initiatives in 2024

### QMS talent development

Through our QMS, we keep improving our processes to enhance customer satisfaction. To that end, we secure a steady stream of QA talent. This task forms part of the senior leadership's Quality Pledge. Every year, the business units' QA 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 quality management system (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 customer 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.

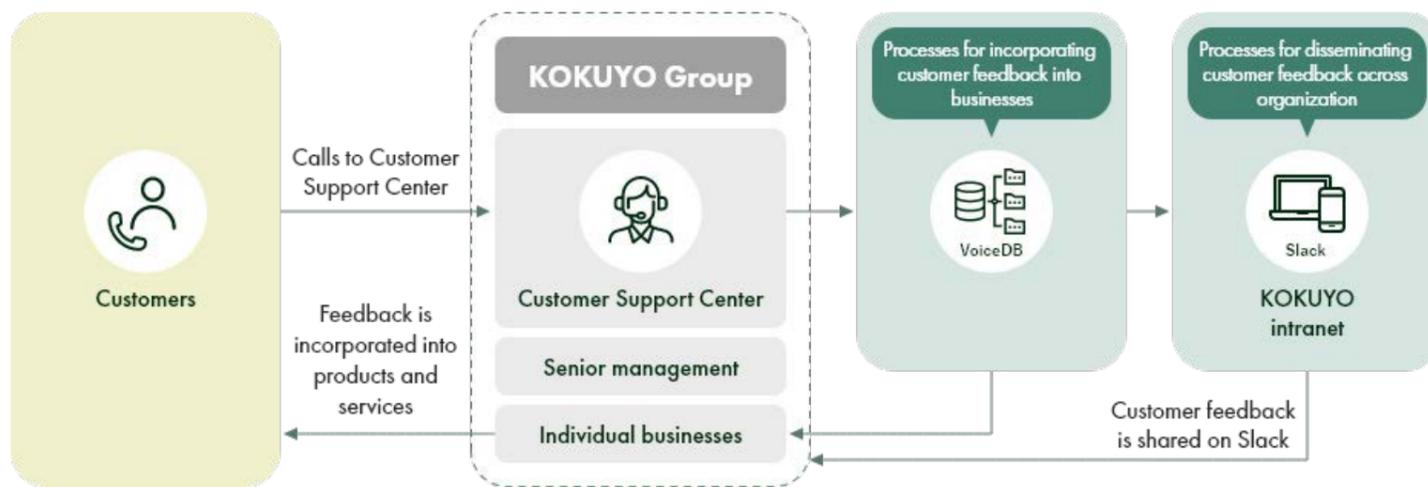
## Dialogue with Our Customers

At the Customer Support Center, we handle all customer inquiries thoroughly and sincerely. In addition, we take feedback as valuable opinions for improving KOKUYO's products and services, and make effort to share them across the entire company.

## Processes in place

### A System for Utilizing Feedback from Customers

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 identify ways to improve 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 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.



## Initiatives in 2024

### Making use of customer feedback

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.

We made use of customer feedback\* [🔗](#)

\* 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 KOKUYO Group Code of Conduct.

Customer Harassment Response Guidelines\* [🔗](#)

\* Japanese Only

## TOGETHER WITH EMPLOYEES

We are aiming to foster an open and easy-to-communicate organizational culture in which it is possible to create value through varied experimentation with members who have different values.

The purpose of that is to be a company that creates new value by extracting the value of diversified human resources and solving social issues in 2030.

We will look to entrench a culture of experimentation where all employees respect each other and can easily access the information they need. It will also be one where value is produced through repeated trial and error in our third medium-term plan, Field Expansion 2024. Our goal with that is to change the way of working at KOKUYO into one of hybrid work and project-based work.

### Employee Communication

#### Processes in place

##### 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 negotiate 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 mindset and make organizational improvements to 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.

##### 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 facilitates dialogues aimed at prompting self-led solutions.

##### Pulse Survey

We conduct a pulse survey to be able to rotate through the PDCA cycle at a high pace of once a month in KOKUYO Co., Ltd. and Kaunet Co., Ltd. One purpose of the survey is to grasp the state of individuals and teams and then use it together with other data as the indicator for responding to alerts and improving teams. Another purpose of the survey is for management to grasp the state of sites and employees even more timely and accurately while taking various measures such as new ways of working and initiatives to realize our long-term vision. We are aiming to foster an easy-to-communicate corporate culture in which employees can think and talk with each other about the company on an equal footing regardless of their position through establishing a habit of always be aware of the condition of their teams and organizations by continuing this survey every month.

#### Initiatives in 2024

##### Employee Town Meetings

Managers held town meetings with employees to allow employees to voice their feelings about their own careers, their expectations toward future career support measures, their concerns and queries, and things that inspire them. Because the problems employees face depend on their life stage, the town meetings were designed for certain age groups (a meeting would be called, for example, "Honest Conversation with Employees in their 30s) or for employees with children. A total of 14 town meetings were held online.

##### In-house Awards Program (THE AWARDS)

In 2023, we launched an in-house awards program called The Awards. The program is designed to create a culture in which our employees put into words what they want to attempt and then receive support for taking on those challenges from those around them. In 2024, three awards were offered to praise our close colleagues such as people and teams who are working hard on YOKOKU, people who are providing support behind the scenes, and people who have grown. The awards were presented along with the President's Award for activities contributing to KOKUYO's value enhancement. Four of the winning teams presented their initiatives to the organization as a whole in an event called Great Job Story. All four presentations were dramatics, with peaks, troughs, and tears. The presentations were delivered online by the members themselves.



### Best YOKOKU Award

Teams and projects which take on YOKOKU and work on various experiments (self-nomination or nomination by others)

### Most Improved Person (MIP) Award

A colleague who has undergone remarkable growth (nomination by others)

### Most Supportive Person (MSP) Award

A colleague who supports and advances experiments in various aspects (nomination by others)

# 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 risks that could disrupt these efforts and then actively develop measures to address these risks. To that end, we are enhancing our risk sensitivity and developing a risk management program involving both management and frontline staff.

## Risk Management Structure

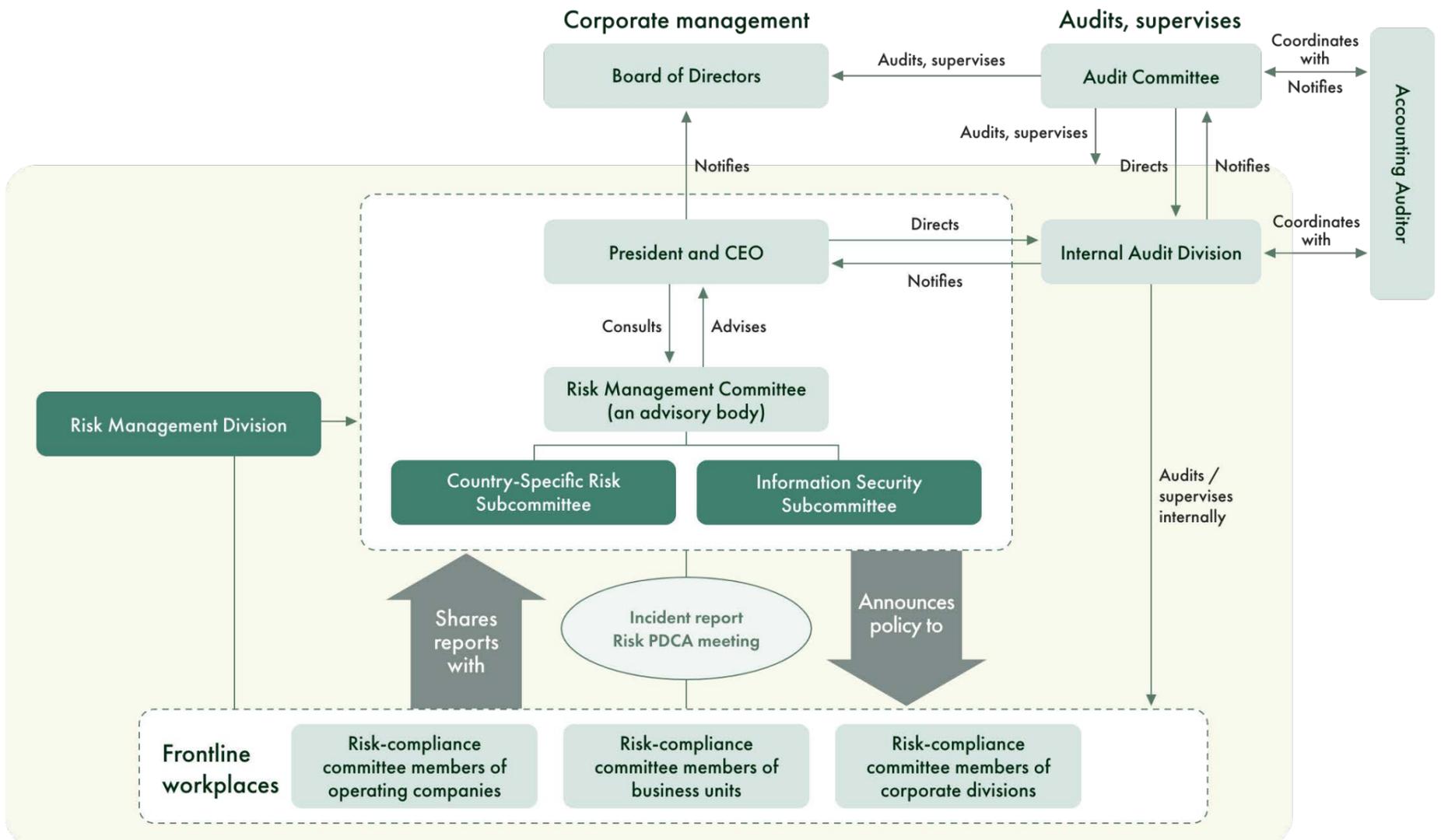
We have the Risk Management Committee, a body that advises the President and CEO on risk management. The committee ascertains and assesses a broad set of risks that could potentially impact KOKUYO Group and then spearheads efforts to control (avoid, mitigate, transfer, accommodate) these risks, and reports its findings to the CEO. If the committee determines that a risk has a high level of threat or urgency, it informs the Board of Directors and Audit Committee.

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 the right balance between risk and return. It is also designed so that risk management frameworks and processes are coordinated with governance and internal controls. To that end, in non-emergency times, the committee holds regular quarterly meetings to provide unified management of risks that have occurred in the KOKUYO Group and to monitor corrective/preventive action and risk response planning as part of an ongoing PDCA cycle. The President and CEO reports to the Board of Directors on the management status of such risks.

Country-specific risks and information security risks are regularly monitored by the Risk Management Committee's subcommittees.

For country-specific risks, the scale of which increases as we expand globally, we work with our local subsidiaries and other local parties to gain an accurate understanding of the national and regional political and economic situation and then bolster our measures for managing the risks. For information security risks, we evaluate vulnerabilities in our software, operating systems, and network devices, including those in overseas sites, and then update our rules on information handling and brief employees accordingly. In these ways, we are managing each risk as part of an organization-wide effort to ensure effective and efficient risk management.

### Organizational Framework



## Business Risks Affecting KOKUYO

The following table shows the risks we have identified and the measures we are taking to address these risks. The risks are divided into external risks and risks related to business operations. In the knowledge that the scope of our business will change as we expand the reach of our business fields and nurture new business ideas, we will stay vigilant so that we can detect new risks relevant to our business operations and take the appropriate action.

## Risks Affecting KOKUYO and Measures to Address These Risks

Business Risks		Identified risks	Measures
External Risks	Economic Risks	<ul style="list-style-type: none"> <li>Economic fluctuations in Japan could affect corporate earnings and in expenditure on fixed assets.</li> </ul>	<ul style="list-style-type: none"> <li>Shift business model from tangibles to intangibles to expand the fields of our existing businesses and develop new businesses</li> </ul>
		<ul style="list-style-type: none"> <li>Economic uncertainties prevail in China and other important overseas markets</li> </ul>	<ul style="list-style-type: none"> <li>Monitor country-specific risks, go further in overseas expansion and improve coordination with local subsidiaries</li> </ul>
		<ul style="list-style-type: none"> <li>US economic policy could have ramifications, as could other region-specific political and economic changes, and regulatory and ESG-related momentum could increase</li> </ul>	
	Market Risks	<ul style="list-style-type: none"> <li>Market decentralization and digitalization diminish KOKUYO Group's competitive advantage</li> </ul>	<ul style="list-style-type: none"> <li>Make business structure adaptable to a market changes</li> </ul>
		<ul style="list-style-type: none"> <li>The quality of our services might diminish amid staff shortages in logistics and construction</li> </ul>	<ul style="list-style-type: none"> <li>Minimize workload in logistics and construction without sacrificing business continuity and growth prospects</li> </ul>
	Risks Associated with Changes in Fair Value	<ul style="list-style-type: none"> <li>Fluctuations in financial markets reduce the fair value of our investment securities</li> </ul>	<ul style="list-style-type: none"> <li>Regularly assess holdings to determine whether it is worth continuing to hold them; consider selling and offloading holdings</li> </ul>
	Risks Associated with Natural Disasters and Infectious Disease Outbreaks	<ul style="list-style-type: none"> <li>A major natural disaster could cause a suspension in business activities or a reduction in business activities in Japan or overseas</li> </ul>	<ul style="list-style-type: none"> <li>Regularly review the business continuity plan to ensure it is effective</li> </ul>

Business Risks		Identified risks	Measures
Risks Related to Business Operations	Compliance Risks	<ul style="list-style-type: none"> <li>A violation of regulatory requirements (related to quality, trade, environment, labor, health and safety, accounting standards, or tax) might be detected or confirmed</li> </ul>	<ul style="list-style-type: none"> <li>Continually spread awareness of the KOKUYO Group Code of Conduct</li> <li>Ensure regulatory response by regularly monitoring regulatory developments and compliance with the latest regulations</li> </ul>
	Quality Risks	<ul style="list-style-type: none"> <li>A product recall could harm our performance and reputation</li> </ul>	<ul style="list-style-type: none"> <li>Implement and operate a quality management system aligned with ISO 9001</li> </ul>
	Procurement and Environmental Risks	<ul style="list-style-type: none"> <li>Performance is vulnerable to fluctuations in raw material prices and exchange rates</li> <li>Deficiencies in ESG could harm our performance and reputation</li> </ul>	<ul style="list-style-type: none"> <li>Use forward exchange agreements, optimize local procurement ratios, and diversify suppliers</li> <li>Use Sustainable Procurement Policy and Sustainable Procurement Guidelines to promote mutual business growth with supply-chain partners</li> </ul>
	Talent and Labor Risks	<ul style="list-style-type: none"> <li>Delays in attracting and training talent could stunt business growth</li> <li>An occupational accident or employee health issue could harm our performance or reputation</li> </ul>	<ul style="list-style-type: none"> <li>Follow the Talent Management Policy and use KOKUYO Academy (a talent development organization) to expedite investments in talent development</li> <li>Promote diversity and inclusion through anti-harassment training (adding content on non-tolerance of abusive customers) and making the workplace accommodative toward people with disabilities</li> <li>Consider establishing a manual setting out global safety standards (covering workplaces in and outside Japan)</li> <li>For KOKUYO Group Hotline in Japan, connect the hotline to an external whistleblowing service and extend coverage to suppliers</li> </ul>
	Information Security Risks	<ul style="list-style-type: none"> <li>Performance could be harmed by a cyberattack that causes system stoppage or the leakage of sensitive business information or customers' personal data</li> <li>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 impede internal controls</li> </ul>	<ul style="list-style-type: none"> <li>Use vulnerability analysis to enhance security, have the IT Risk Subcommittee regularly monitor information security</li> <li>Improve system failure detection and cyber-defenses, back up data regularly</li> <li>Set rules on the handling of customer and personal data, inform employees about information security risks</li> <li>Consider revising business processes and updating core system</li> </ul>
	Investment Risks	<ul style="list-style-type: none"> <li>Macroeconomic changes could harm the performance of companies in our investment portfolio</li> </ul>	<ul style="list-style-type: none"> <li>Consult outside experts during the investment vetting process, keep improving the monitoring process</li> </ul>
	Effective Use of Real-Estate	<ul style="list-style-type: none"> <li>Changes in the external business environment could negatively affect the value of our real-estate holdings</li> </ul>	<ul style="list-style-type: none"> <li>Offload non-business assets to improve efficiency of real-estate and net cash</li> </ul>

## Promoting Compliance

### KOKUYO Group Code of Conduct

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 >](#)

## Whistleblowing 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. Suppliers can use the hotline too. Inquiries made outside Japan are received within KOKUYO. In fiscal 2024, the hotline received 25 inquiries (there were also six inquiries that did not need to be reported to KOKUYO), some from inside Japan and some from outside Japan. The inquiries were dealt with appropriately.

[KOKUYO Group Hotline \(For Supply Chain Partners\) >](#)

## Business Continuity Planning

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 of getting the initial responses right and minimizing the damage from such calamities. We 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), our emergency power sources include solar power systems and reserve batteries.

## Basic Policy on Bribery and Corruption

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.

### Download PDFs

#### KOKUYO Group Anti-Bribery and Anti-Corruption Policy

Japanese  [PDF:135KB]

English  [PDF:128KB]

## Initiatives Regarding Management of Intellectual Property Rights

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

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

The 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 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.

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

The KOKUYO Group Code of Conduct stipulates that we respect the intellectual property rights of others while the intellectual property 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.

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

The intellectual property 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. We also aim to adhere to Sec. 35 of the Patents Act and establish an incentive system for employee invention as an internal rule, with the aim of increasing customer satisfaction and encouraging inventions that strengthen the Group's development.

[Initiatives Regarding Intellectual Property Rights\\*](#) 

## Initiatives Regarding Information Security

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The KOKUYO Group undertakes the establishment of an information security management system, adherence with relevant laws and regulations, and safety management of confidential information (customer information, personal information, etc.) in our possession obtained as part of our business.

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.

# FOREST-TYPE MANAGEMENT

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. As more partners 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 >

## Strategy to achieve goal

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 commits us to raising the number of visionary idea (Mirai Yokoku) experiments we produce in an effort to create businesses with positive socioenvironmental impacts. 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 Mirai Yokoku experiments and to have 100% of employees creating positive social impacts through their job.

In 2024, we took a step into new territory by pre-releasing pandoor, a support service for people working multiple jobs. pandoor matches employees who want opportunities to work outside their usual job with companies that need help with challenging tasks such as developing a new business and formulating and implementing business and function strategies. We will keep rolling out new initiatives. In 2025, for instance, we plan to launch a digital service to support junior-high and high school students and a service to support organizational growth in workplaces.



\* Entities assessed: Domestic consolidated group companies, KOKUYO K Heart Co., Ltd., Heartland Co., Ltd.

## Mirai Yokoku experiments

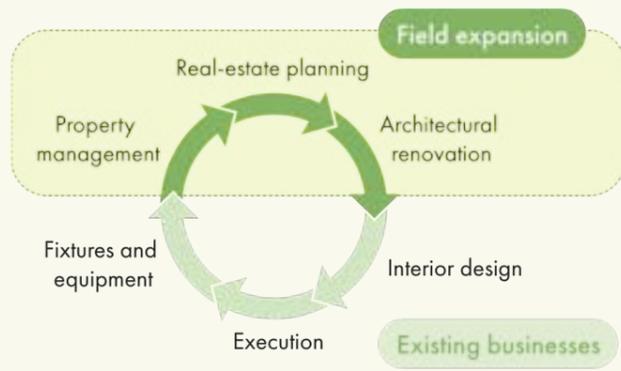
### CASE | A Project to Make Buildings Profitable Again (Increasing the Value of Vacant Buildings)

We have defined our 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. The strategy for the furniture business as set out in the fourth medium-term plan, Unite for Growth 2027, is to leverage our strengths to expand the business fields and generate synergies with existing businesses. Part of this strategy involves 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 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 Togoshi, 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.

Building on our track record of spatial design 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.



## Contributing Toward a Circular Economy: Promoting Use of Sustainable Materials through Loopla for Office Furniture

With growing public interest in the environment and with companies increasingly expected to engage in sustainability, we follow a set of guidelines titled Sutenai Circle, which guides us in recycling resources and contributing to a circular economy. One of our circular-business initiatives is Kaunet's Loopla service. This service collects used plastic folders from offices and other workplaces and recycles them into new products, without burdening the users. Through Loopla, KOKUYO recycles the used folders into office chairs. In another example of our range of circular-business initiatives, paper offcuts generated during the production of notebooks and other products are reused as material for a line of office chairs called Kamikara. Kamikara fabric is made from 20% paper and provides the durability and other physical properties that office furniture requires.



### Other Mirai Yokoku Experiments

Side business support service: pandoor\* >

Revitalizing local communities: Culture Snack\* >

A testing ground for post-pandemic workstyles: The Campus reopened\* >

\* Japanese Only

## EDUCATION FOR SUSTAINABILITY

We provide education and training and host internal events about sustainability and creating social value to raise awareness of sustainability in our workforce and to achieve our 2027 materiality target for 100% of employees addressing socioeconomic issues through their job.

The Sustainable Academia initiative we launched in 2021 provides opportunities to learn about these issues mainly through discussion sessions involving KOKUYO Group managers and outside experts. We aim for participants to take ownership of sustainability and to think about what solutions we, as the KOKUYO Group, can provide.

The Sustainable lab initiative we launched in 2022 provides a platform for employees to put the solutions they have devised into practice, and many employees take up this challenge every year.

### CASE | Sustainable Academia: The Wellbeing of Society

We held an educational event comprising a range of activities, including discussion sessions, workshops and exhibitions, on the theme of supporting innovation based on an understanding of disability and awareness of social barriers.

Activities included an “ABC of HOWS” exhibition explaining the background to, and letting employees experience, the stationery, office supplies, furniture and other products developed through our HOWS DESIGN inclusive design process; a hands-on workshop with experts, including Professor Shinichiro Kumagaya of Tokyo University’s Research Center for Advanced Science and Technology; immersive training to understand the world from the perspective of a person with disabilities, led by Herabony Co., Ltd; and a boccia ball game session for all, whether able-bodied or disabled. Around 800 of our employees participated in this event.

This was an opportunity for our employees to understand what kind of society we are aiming for and to discover how to act. 88% of participants said they felt they had learned something from the event.



### CASE | Sustainable Academia: Circular Economy

Because our business activity connects with recycling in so many ways, it is vital that most of our employees understand what is meant by the circular economy and know what they need to do in their own job areas to realize it. To this end, in 2024 we held three educational events on the theme of thinking how we can continue as a business sustainably, which delved into this issue more deeply than ever before and enabled our employees to experience recycling for themselves.

We invited ECOMMIT CEO Teruyuki Kawano to our “thinking about recycling from a business perspective” event, where he had a discussion with the head of our logistics division about how and why we should recycle resources. The other events were an office away-day to visit an industrial waste processing site and a workshop on how to design a circular business. A total of 540 employees participated across these three events.



## CASE | Sustainable lab

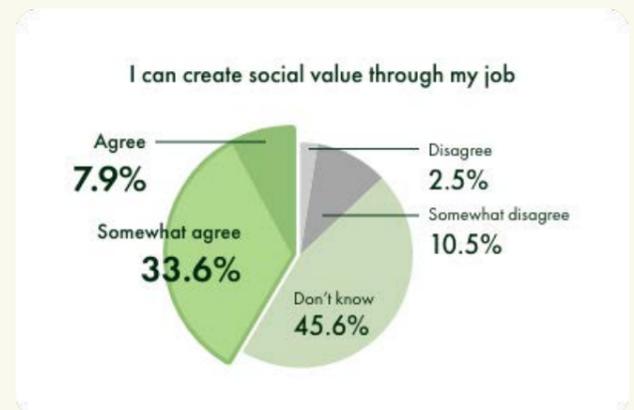
Sustainable lab is a platform for employees to develop and implement their own plans towards solving the KOKUYO Group's material issues. During FY2024, a total of nine teams throughout the group challenged themselves to find solutions in areas such as improving wellbeing and contributing toward a circular 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.



## CASE | Survey Implementation

We carried out a survey to understand the current level of awareness among our employees and to provide a reference point for future initiatives towards achieving our 2027 goal for 100% of employees addressing socioeconomic issues through their job.

A total of 41.5% of our employees responded "agree" or "somewhat agree" to a question asking whether they believe they can create social value through their own job. We will implement measures to achieve the 2027 100% target and carry out further surveys to understand how far awareness of addressing socioeconomic issues through their job has permeated our organization.



# 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.

We ask you to report to us any legal violations or wrongdoing by organizations or individuals in the KOKUYO Group you notice. In this way, we are looking to detect problems early, correct them early and then prevent their recurrence.

## Applicable Users

Officers or employees (including contract employees, part-time employees and temporary employees) of Japanese supply chain partners which have entered into a contract with a KOKUYO Group company in Japan

## Applicable Report Contents

Legal violations, wrongdoing, violations of the [KOKUYO Group Code of Conduct](#), and acts which may be considered as such, by organizations or individuals in the KOKUYO Group

- \* We do not accept reports on matters internal to supply chain partners that are not related to the KOKUYO Group.
- \* We accept anonymous reports. However, please tell us the name of the organization or individual causing the problem.

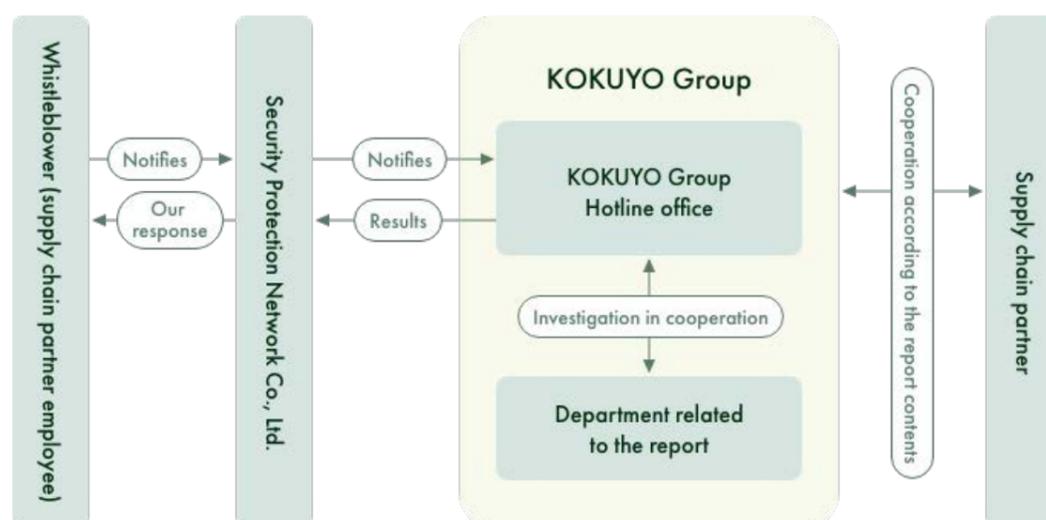
## How to Make a Report and Report Flow

Please send your report to the e-mail address below.

kokuyo(at)risk-hotline.com

- \* We publish the hotline email address with (at) replacing @ to prevent spam or junk mail. Please replace the (at) with @ when typing the email address.

We contract out this hotline service to Security Protection Network Co., Ltd. (SPN). SPN will not share your name or organization 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

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- 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. Please understand that we may not be able to investigate sufficiently or to take appropriate action if you make a report anonymously.
- SPN will not share report content with the KOKUYO Group without your consent. SPN will share your report with us without identifying you if you notify them that you do not wish your name, your organization's name or any other information to be disclosed. Anyone involved with the operation of the KOKUYO Group Hotline has signed a confidentiality agreement.
- 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.
- Feedback relating to your report will be addressed only to you. Please do not utilize the content in whole or in part for any other purpose.

# SUPPLY CHAIN MANAGEMENT

With the rapid progress of economic globalization, multinational corporations have grown massive, while human rights issues such as forced labor and child labor in supply chains extending to developing countries in pursuit of low costs, widening wealth disparities and environmental degradation have become more and more serious. Our group will fulfill its social responsibilities together with suppliers and continue contributing to social development.

## Material issues and performance

See Goals and Results: Strategic Theme 3-3.

[Goals and Results >](#)

## Processes in place

### 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](#) 

#### Download PDFs

[Japanese](#)  [PDF : 143KB]

[English](#)  [PDF : 74KB]

[Chinese](#)  [PDF : 126KB]

### KOKUYO Group Sustainable Procurement Guidelines

We have established the matters we want to achieve together with our business partners as the KOKUYO Group Sustainable Procurement Guidelines 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 Guidelines](#) 

#### Download PDFs

[Japanese](#)  [PDF : 250KB]

[English](#)  [PDF : 92KB]

[Chinese](#)  [PDF : 186KB]

## Declaration on Building Partnerships, Policy on Multistakeholder Processes

Identifying with the purpose of the Future Partnership Building Promotion Council, we have issued the Declaration on Building Partnerships and Policy on Multistakeholder Processes to achieve a sustainable society, help add value to our supply chain as a whole, build mutually beneficial partnerships, and encourage co-creation with a wide variety of stakeholders.

### Download PDFs

[Declaration on Building Partnerships](#)  [PDF : 160KB]

[Policy on Multistakeholder Processes](#)  [PDF : 179KB]

## Actions

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Requesting suppliers comply with our Sustainable Procurement Guidelines,  
conducting questionnaire survey on suppliers' actions >

# SUPPLY CHAIN MANAGEMENT INITIATIVES

## Sustainable procurement efforts

We have been surveying our suppliers to ascertain their efforts towards sustainability since 2022 and sent our questionnaire to 566 suppliers in 2024. We received responses from 501 of these suppliers (88.5% response rate) and fed back the results to the respondents. We will continue to work towards receiving responses from all our suppliers in 2025. 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 Guidelines. As of February 2025, 1,040 of the 1,104 suppliers we targeted have signed (94.2% sign-up rate).

See ["Coexistence with Nature"](#)

### Sustainable Procurement Policy Agreement and Sustainability Efforts Survey Questionnaire

	Agreement (*)	Questionnaire
Target suppliers	1,104	566
No. of companies signing/responding	1,040	501
Signature/response rate	94.2%	88.5%

\* As of February 2025

Sample completed questionnaire

Company	[REDACTED]
Division	KOKUYO Camlin

Overall result	
Y2024	Y2023
B	C

Valuation criteria	
Scoring rate <sup>※1</sup> : A (above 80%: 80% ≦ A)	A
Scoring rate: A (60% ≦ A < 80%)	B
Scoring rate: A (40% ≦ A < 60%)	C
Scoring rate: A (less than 40%: A < 40%) or there is CP point: 0	D

※1 : Your score/Full score    ※2 : CP=Critical Point

Item	Y2024 result	Remark	Y2023 result
Quality management	B	Good activity are being implemented. We are expecting you keep continuing the promoted of these activities.	B
Respect for human rights	A	we confirmed your detail activities.	B
Health and safety	B	Good activity are being implemented. We are expecting you keep continuing the promoted of these activities.	B
Environmental preservation	C	The part of activity is not enough being implemented. We are expecting you keep improving these activities.	D
Fair trade	B	Good activity are being implemented. We are expecting you keep continuing the promoted of these activities.	C
Information security	B	Good activity are being implemented. We are expecting you keep continuing the promoted of these activities.	C

**[Remark]**

Your company do not operate with some of the requirements, but is operating its business at the level required by the KOKUYO Group Sustainable Procurement Policy.



# ENDORSEMENT OF INTERNATIONAL INITIATIVES

We promote sustainability actions compliant with international initiatives, certification systems and guidelines.

## Task Force on Climate-Related Financial Disclosures (TCFD)

We have endorsed the recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD) for the reporting of financial information relating to climate change actions and impacts. 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 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 >](#)

## Science-Based Targets initiative (SBTi) Validation

The 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.

[SBTi Validation >](#)

## The Valuable 500

We have signed up to the Valuable 500, a global network supporting the leaders of 500 businesses worldwide to drive a revolution enabling people with disabilities to reach their full potential. We promote diversity & inclusion, including supporting people with disabilities in the workplace.

[The Valuable 500 Affiliation\\* !\[\]\(880f5d969e2ee0765133aca546f367ee\_img.jpg\)](#)

\* Japanese Only

## Japan Partnership for Circular Economy (J4CE)

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The Japan Partnership for Circular Economy (J4CE) was founded by the Ministry of the Environment (MOE), 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\* [🔗](#)

\* Japanese Only

## ISO 9001

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We have obtained ISO 9001 certification, the internationally recognized standard for Quality Management Systems (QMS), and pursue our business in accordance.

[Obtained ISO 9001 Certification >](#)

## ISO 14001

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We have obtained ISO 14001 certification, an internationally recognized standard for Environmental Management Systems (EMS), and pursue our business in accordance.

## FSC CoC Certification

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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 copier paper, notebooks and other products (FSC code FSC-C004748).

## PEFC CoC Certification

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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)

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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

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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

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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

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We align our disclosures with the core themes set out in ISO 26000.

ISO 26000 is a guidance standard concerning social responsibility. It was published by the International Organization for Standardization on November 1, 2010.

[Mapping to other guidelines >](#)

## GRI Guidelines

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We also align our disclosures with the GRI Guidelines, 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

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We follow the SASB Standards when identifying our material issues.

The SASB Standards are 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 and sharing environmental information with external organizations

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 | All Japan Stationery Association

In 2019, the All Japan Stationery Association launched an SDGs 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, it established 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 CO<sub>2</sub> reduction, one on calculating the carbon footprint of products (CFP), 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 2024, they included establishing rules and example procedures for estimating the carbon footprints 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

#### 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 SDG committee
- Japan Office and Institutional Furniture Association: Chair of SDG committee
- Japan Chemical Industry Association: Member of chemical management committee

CASE | Bench Workshops

The Co-Design Challenge is a project run in conjunction with the 2025 Osaka Expo. The project brings together a diverse set of stakeholders to think afresh about Japan's future, co-design future goods and services, and showcase them at the Expo. KOKUYO's role in the project was to provide benches made from timber grown in Japan. In partnership with three municipalities, we ran workshops to give local young people an opportunity to add finishing touches to the benches. The municipalities were Shimanto in Kochi Prefecture, Itami in Hyogo Prefecture, and Kawachi Nagano in Osaka Prefecture. The workshop was designed to convey the importance of conserving and sustainably using local forestry resources. The workshop in Shimanto took place at Shimanto High School on November 1, 2024, with the municipality's endorsement. The workshop involved finishing a bench and formed part of the school's course on the natural environment. Alongside the benches was a wooden structure in the form of a Shimanto tree. The students decorated the tree with charms they had made. The carving and coloring represented the scenery of Shimanto.



The workshop at Shimanto High School

CASE | Tsunage Loopa, a schools outreach program

Tsunage Loopa is an environmental education program in which schoolkids 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 FY2024, we received applications from 107 schools (with a rough total of 30 thousand students). Employees from seven KOKUYO Group companies visited the first 35 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 2024

CASE | 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.

Waterproof paper cups and paper cartons aluminum layers often end up incinerated because of the challenges in recycling them. 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:

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

# AWARDS AND ACCOLADES

## Inclusion in ESG Indexes (as of 2025.05)

Name of Recognition	Results
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

## Sustainability Evaluations (as of 2025.05)

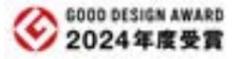
Name of Recognition	Results
MSCI ESG Rating	Score: A
CDP	Climate Change: D
	Forests: C
	Water security: C
FTSE ESG Rating	Score: 3.1
Sustainalytics ESG Risk Rating	Score: 8.5

## Other Evaluations and Awards (as of 2025.05)

Name of Recognition	Date of Announcement	Results
CSR Companies Ranking 2025 (Toyo Keizai Inc.)	February 2025	Overall ranking: 278th

Name of Recognition	Date of Announcement	Results
6th Nikkei SDGs Management Survey (Nikkei Inc.)	November 2024	○ (★3.5)
8th Nikkei Smart Work Management	November 2024	○ (★3.5)

## Awards and Certifications for Sustainability Initiatives

Date		Title
March 2025		KOKUYO listed as Certified Health & Productivity Management Outstanding Organization* <a href="#">🔗</a>
March 2025		Kaunet listed as 2025 Certified Health & Productivity Management Outstanding Organization in White 500* <a href="#">🔗</a>
March 2025		KOKUYO Marketing listed as 2025 Certified Health & Productivity Management Outstanding Organization in Large Enterprise Category* <a href="#">🔗</a>
February 2025		Memorization pen set with blue sheet earns IAUD International Design Award* <a href="#">📄</a> [PDF:875 KB]
November 2024		HOWS DESIGN (KOKUYO Group's inclusive design process) earns three stars in Sustainable ★ Selection 2024* <a href="#">🔗</a>
October 2024	—	Collaboration between KOKUYO Logitem and Nippon Express earn top award for Excellent Business Entities Working on Modal Shift* <a href="#">🔗</a>
October 2024		Kaunet Loopa and Kaunet Loopla (Kaunet's office waste recycling services) earn 2024 Good Design Award* <a href="#">🔗</a>
November 2023		Yuimori (sustainable wooden furniture brand) earns Japan Wood Design Award 2023* <a href="#">🔗</a>

Date	Title	
September 2023		Yuimori sustainable wooden furniture brand earns the top prize at the 6th EcoPro Awards* <a href="#">↗</a>
August 2023	—	KOKUYO Receives a Letter of Appreciation from the GENKI NET for Creating a Sustainable Society NPO for Our Initiative with the Kaunet Loopa Paper Resource Recycling Service* <a href="#">↗</a>
January 2023		At the METI National Awards for Greenery Factories, KOKUYO Mie Factory earns Award of the Chairman of the Japan Greenery Research and Development Center* <a href="#">↗</a>
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* <a href="#">↗</a>

\* Japanese Only

# ESG DATA: ENVIRONMENT

<a href="#">FY2024 Results</a> ▼	<a href="#">Environmental Friendliness Efficiency Indicators</a> ▼	<a href="#">JEPIX</a> ▼	<a href="#">Global Warming Preventative Measures</a> ▼
<a href="#">Resource Saving and Recycling</a> ▼	<a href="#">Water Resources</a> ▼	<a href="#">Forest Resources</a> ▼	<a href="#">Managing Chemical substances</a> ▼
<a href="#">Environmental Load Material Flow</a> ▼	<a href="#">Environmental Accounting</a> ▼	<a href="#">Sites with ISO 14001 Certification</a> ▼	<a href="#">Yui-no-Mori: Wildlife survey results</a> ▼

## About the Data

### Reporting Period

Fiscal 2024 (January 1 to December 31, 2024)

### Guidelines Used for Reference

Ministry of the Environment, Environmental Report Guidelines (2012 Edition)  
 Ministry of the Environment, Environmental Accounting Guidelines (2005 Edition)  
 Global Reporting Initiative (GRI), Sustainability Reporting Guidelines

### Organizational Units Covered

Organizational Units Covered: KOKUYO Co., Ltd., and 30 consolidated subsidiaries

Consolidated subsidiaries	Japan	Kaunet Co., Ltd., KOKUYO Marketing Co., Ltd., KOKUYO Supply Logistics Co., Ltd., KOKUYO Logitem Co., Ltd., KOKUYO Product Shiga Co., Ltd., KOKUYO MVP Co., Ltd., LmD International Co., Ltd., Actus Co., Ltd., KOKUYO Finance Co., Ltd, KOKUYO & Partners Co., Ltd., Origin Co., Ltd., Estic Corporation
	Overseas	KOKUYO Vietnam Co., Ltd., KOKUYO Malaysia Sdn. Bhd., KOKUYO (Shanghai) Management Co., Ltd., KOKUYO Commerce (Shanghai) Co., Ltd., KOKUYO Furniture (China) Co., Ltd., KOKUYO Design Consultants (Shanghai) Co., Ltd., KOKUYO International Asia Co., Ltd., KOKUYO International (Malaysia) Sdn. Bhd., KOKUYO Vietnam Trading Co., Ltd., KOKUYO CAMLIN Ltd., KOKUYO Hong Kong Ltd., Global Known Ltd., Lamex China Investment Ltd., Lamex Trading Co. Ltd., Dongguan Lamex Furniture Co., Ltd., Lamex (S) Sales Pte. Ltd., KOKUYO-IK (Thailand) Co., Ltd., KOKUYO International (Thailand)

## 2024 Results

Environmental Policy	Goals and Results for 2024		Goal met?
	Goal	Result	
Prevention of global warming *Domestic consolidated subsidiaries, KOKUYO K Heart, Heartland	Reduction of CO <sub>2</sub> emissions Total year-on-year change in volume: +12.8% (when production is excluded: -1.1%)	+16.1% (reduction efforts changed emissions by -0.4%)	×
	Reduction of unit energy consumption Year-on-year Year-on-year change in unit energy consumption: -1.0%	Year-on-year change per unit of sales: -2.5%	○
Resource Conservation and Recycling	Improve recycling rate in relation to total waste volume • Business offices: 93.8% and over • Construction sites: 81.8% and over	• Business offices: 95.7% • Construction sites: 82.9%	○
Procurement, development, and provision of eco-friendly products	Maintain eco x zero	Maintained	○
Information disclosure and communication	Publication of CSR report 2024	Publication of CSR report 2024	○
Environmental management	ISO14001 : 2015 Recertification audit	Regular inspection results • Strong point: 0 cases • Good points: 21 cases • Matters pointed out for improvement: 1 cases • Opportunities for improvement: 23 cases	×

## Environmental Friendliness Efficiency Indicators

KOKUYO Group designates unique environmental friendliness efficiency indicators as indices to comprehensively evaluate financial performance and impact on the global environment. These indicators show the extent to which products and services are being offered to society with respect to specific environmental load and correspond to the following four items.

1. CO<sub>2</sub>emissions
2. Final waste disposal
3. Usage of chemical substances subject to PRTR regulations
4. Water usage

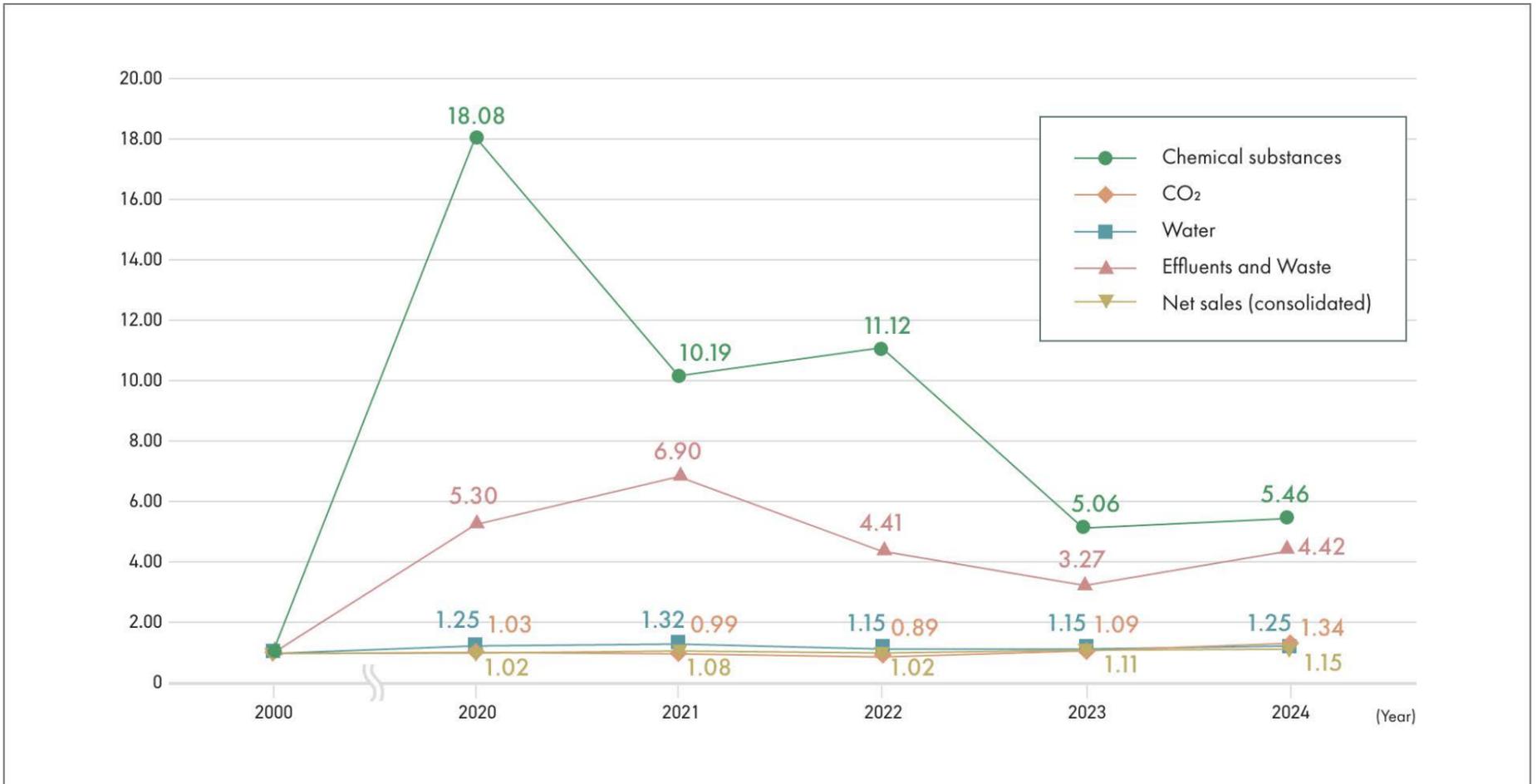
$$\text{Environmental friendliness efficiency indicator} = \frac{\text{Fiscal year of interest(Sales / Environmental load data)}}{\text{Baseline fiscal year(Sales / Environmental load data)}}$$

Using fiscal 2000 as the baseline for each indicator, the progress status for each fiscal year can be determined.

### Environmental Friendliness Efficiency Indicators

	2000	2020	2021	2022	2023	2024
Chemical substances	1.00	18.08	10.19	11.12	5.06	5.46
Carbon dioxide	1.00	1.03	0.99	0.89	1.09	1.34
Water	1.00	1.25	1.32	1.15	1.15	1.25

	2000	2020	2021	2022	2023	2024
Effluents and Waste	1.00	5.30	6.90	4.41	3.27	4.42
Net sales (consolidated)	1.00	1.02	1.08	1.02	1.11	1.15



\* The chemical substances have been calculated according to the volume of chemical substances designated as class 1 under the PRTR Law handled by sites (in Japan) which are required to report data under the PRTR Law.

\* The actual values from April to December 2023 have been given for the volume of chemical substances handled in 2023 in response to the revision to the PRTR Law.

\* CO<sub>2</sub> (greenhouse gas emissions) has been calculated according to the adjusted emission factor for each power company.

## JEPIX

The Japan Environmental Policy Priorities Index (JEPIX) is a method of quantifying the individual amount of different types of environmental loads, such as greenhouse gas emissions and air pollutants, as single indicators called Environmental Impact Points (EIP). The EIP is calculated by multiplying the environmental load of each environmentally harmful chemical by the integrated coefficient, which is calculated from the ratio between Japan's environmental policy target and the actual amount of emissions (environmental friendliness factor), and then obtaining the sum total of them all.

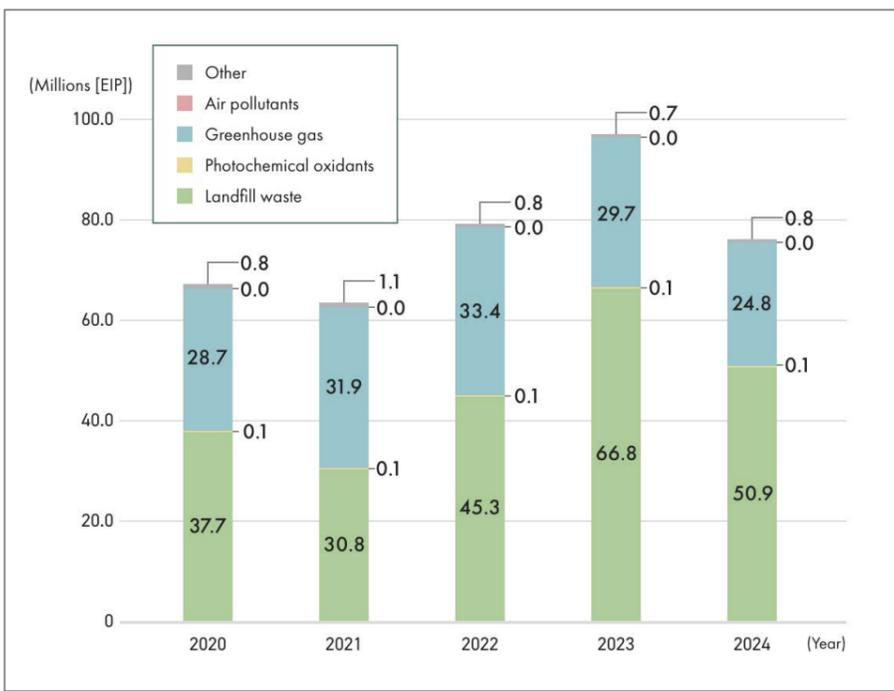
$$\text{Environmental impact point (EIP)} = \sum(\text{environmental loads} \times \text{environmental friendliness factors})$$

### JEPIX

#### Emissions of soot and smoke (SO<sub>x</sub> and NO<sub>x</sub>) designated by the Air Pollution Control Act

(Unit: Tons)

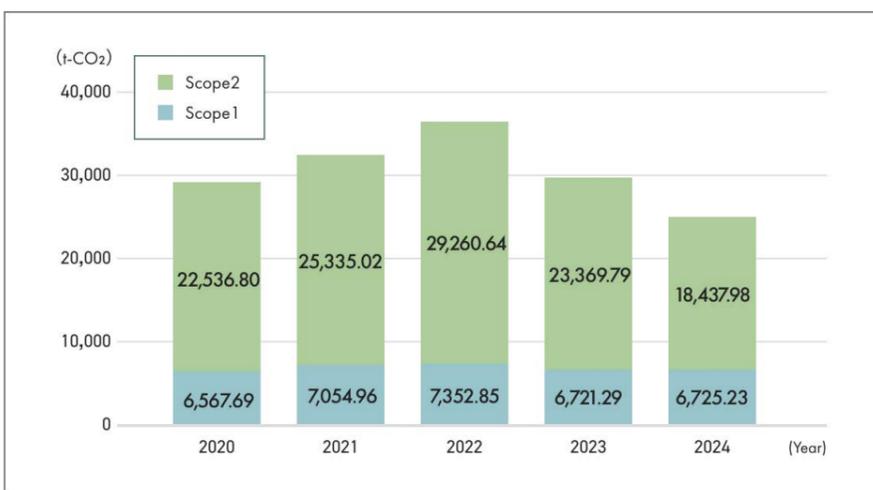
	2020	2021	2022	2023	2024
SO <sub>x</sub>	-	-	-	-	-
NO <sub>x</sub>	0.37	0.30	0.13	0.11	0.11



(Millions [EIP])	2020	2021	2022	2023	2024
Landfill waste	37.7	30.8	45.3	66.8	50.9
Photochemical oxidants	0.1	0.1	0.1	0.1	0.1
Greenhouse gas	28.7	31.9	33.4	29.7	24.8
Air pollutants	0.0	0.0	0.0	0.0	0.0
Other	0.8	1.1	0.8	0.7	0.8

## Global Warming Preventative Measures

### Scope 1 and 2 Emissions



	2020	2021	2022	2023	2024
Scope 1	6,567.69	7,054.96	7,352.85	6,721.29	6,725.23
Scope 2	22,536.80	25,335.02	29,260.64	23,369.79	18,437.98
Total	29,104.50	32,389.98	36,613.48	30,091.08	25,163.21

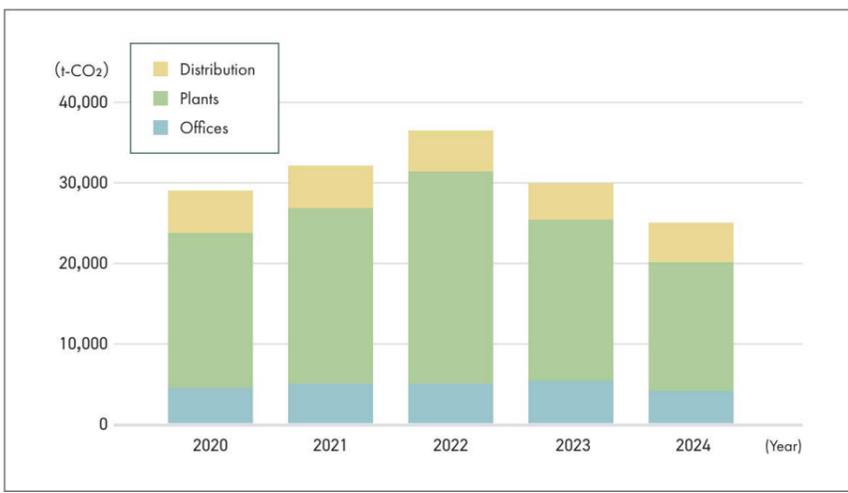
\* Coverage (indicates the number of consolidated subsidiaries covered, besides KOKUYO, in the fiscal year of interest)

- 2020: KOKUYO + 20 consolidated subsidiaries
- 2021: KOKUYO + 20 consolidated subsidiaries
- 2022: KOKUYO + 26 consolidated subsidiaries
- 2023: KOKUYO + 26 consolidated subsidiaries
- 2024: KOKUYO + 30 consolidated subsidiaries

\* In line with the GHG Protocol's Scope 2 Guidance, we take the market-based approach (which reflects supplier-specific emissions factors associated with our energy purchases).

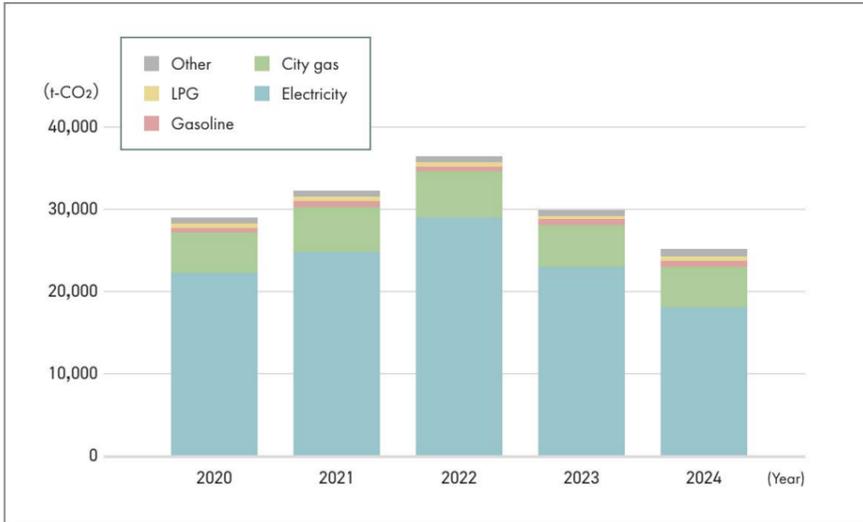
### Emissions by Workplace

(Unit: t-CO<sub>2</sub>)



Workplace	2020	2021	2022	2023	2024
Offices	4,773.61	5,200.75	5,252.54	5,556.12	4,479.36
Plants	19,016.63	21,996.44	26,201.97	19,857.19	15,779.31
Distribution	5,314.26	5,192.79	5,158.98	4,677.77	4,904.54
<b>Total</b>	<b>29,104.50</b>	<b>32,389.98</b>	<b>36,613.48</b>	<b>30,091.08</b>	<b>25,163.21</b>

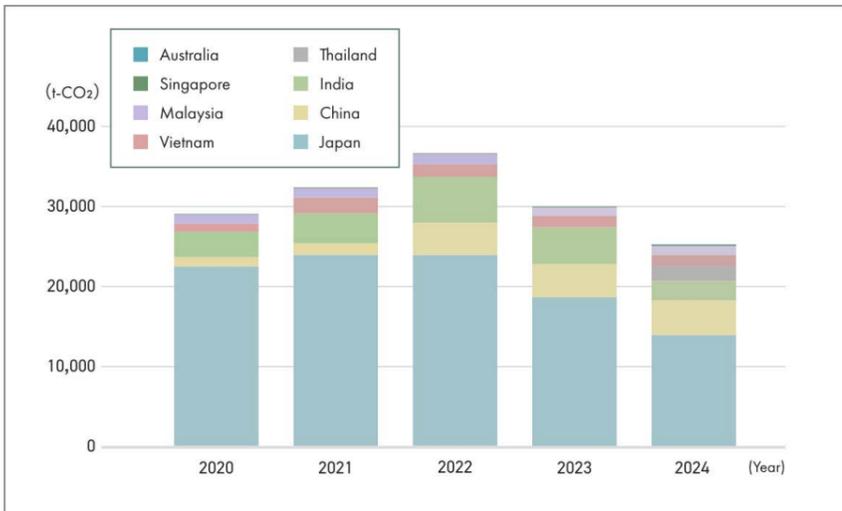
### Emissions by Energy Source



(Unit: t-CO<sub>2</sub>)

Energy	2020	2021	2022	2023	2024
Electricity	22,303.18	25,005.12	29,148.19	23,047.10	18,144.50
City gas	4,845.41	5,374.46	5,454.22	5,087.86	5,027.21
Gasoline	784.87	752.81	716.61	737.64	659.24
LPG	422.38	452.04	481.27	424.94	433.18
Other	748.66	805.55	813.20	793.55	899.09
<b>Total</b>	<b>29,104.50</b>	<b>32,389.98</b>	<b>36,613.48</b>	<b>30,091.08</b>	<b>25,163.21</b>

### Water usage by country



(Unit: t-CO<sub>2</sub>)

Workplace	2020	2021	2022	2023	2024
Japan	22,598.37	23,925.86	23,936.23	18,650.18	13,903.42
China	1,146.87	1,482.65	4,066.79	4,247.72	4,250.87
India	3,169.36	3,831.06	5,780.29	4,524.86	2,543.34
Thailand	-	-	-	-	1,792.27
Vietnam	969.42	1,921.41	1,568.28	1,518.02	1,465.23
Malaysia	1,215.27	1,224.10	1,255.05	1,140.62	1,194.90
Singapore	5.21	4.90	6.85	9.67	10.52
Australia	-	-	-	-	2.66
<b>Total</b>	<b>29,104.50</b>	<b>32,389.98</b>	<b>36,613.48</b>	<b>30,091.08</b>	<b>25,163.21</b>

\* Coverage (indicates the number of consolidated subsidiaries covered, besides KOKUYO, in the fiscal year of interest)

2020: KOKUYO + 20 consolidated subsidiaries

2021: KOKUYO + 20 consolidated subsidiaries

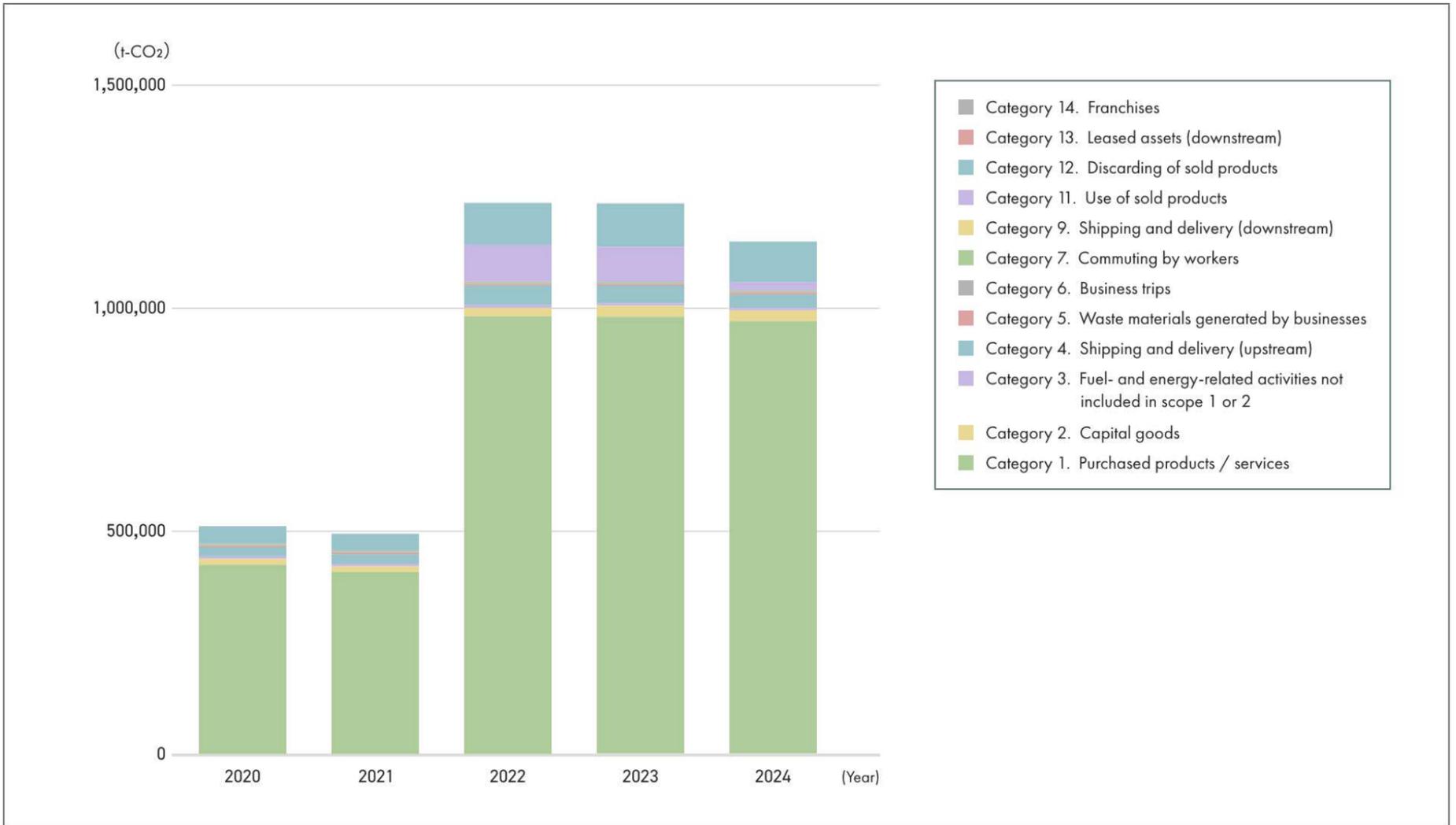
2022: KOKUYO + 26 consolidated subsidiaries

2023: KOKUYO + 26 consolidated subsidiaries

2024: KOKUYO + 30 consolidated subsidiaries

\* In line with the GHG Protocol's Scope 2 Guidance, we take the market-based approach (which reflects supplier-specific emissions factors associated with our energy purchases).

## Scope 3 Emissions



(Unit: t-CO<sub>2</sub>)

Category	Applicable/ Not applicable	Reason for Non-applicability	2020	2021	2022	2023	2024
Category 1. Purchased products / services	Applicable	-	423,833.35	407,445.73	980,293.68	978,295.28	968,219.51
Category 2. Capital goods	Applicable	-	13,760.00	12,736.00	19,025.57	24,827.67	23,640.46
Category 3. Fuel not included in Scope 1 or 2 and energy-related activities	Applicable	-	5,449.11	5,938.27	6,491.14	5,516.78	5,684.69
Category 4. Shipping and delivery (upstream)	Applicable	-	20,489.93	21,625.26	43,798.15	39,421.81	29,841.34
Category 5. Waste materials generated by businesses	Applicable	-	3,571.39	4,037.40	4,002.51	3,883.85	4,490.72
Category 6. Business trips	Applicable	-	894.66	887.25	1,169.45	1,170.36	1,254.84
Category 7. Commuting by workers	Applicable	-	2,363.18	2,338.03	3,057.02	3,084.67	3,281.43
Category 8. Leased assets (upstream)	Not applicable	Included in Scope 1 / 2	-	-	-	-	-
Category 9. Shipping and delivery (downstream)	Applicable	-			126.52	4.60	4.71

Category	Applicable/ Not applicable	Reason for Non-applicability	2020	2021	2022	2023	2024
Category 10.Processing of sold products	Not applicable	KOKUYO is a manufacturer of completed products and does not deal with intermediate products	-	-	-	-	-
Category 11.Use of sold products	Applicable	-	503.59	111.69	82,627.99	79,249.71	19,163.35
Category 12.Discarding of sold products	Applicable	-	39,020.00	37,931.84	93,759.56	96,517.86	90,432.07
Category 13.Leased assets (downstream)	Applicable	-	837.56	670.61	302.90	284.33	58.66
Category 14.Franchises	Applicable	-	-	-	446.14	381.64	292.01
Category 15.Investments	Not applicable	No investments	-	-	-	-	-
Total			510,722.77	493,722.08	1,235,100.63	1,232,638.58	1,146,247.79

\* Coverage (indicates the number of consolidated subsidiaries covered, besides KOKUYO, in the fiscal year of interest)

2020: KOKUYO

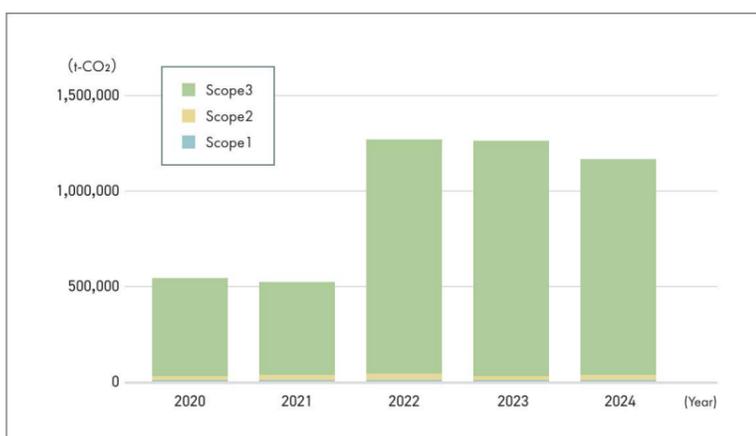
2021: KOKUYO

2022: KOKUYO + 26 consolidated subsidiaries

2023: KOKUYO + 26 consolidated subsidiaries

2024: KOKUYO + 30 consolidated subsidiaries

## Emissions at Scopes 1, 2, and 3



(Unit: t-CO<sub>2</sub>)

	2020	2021	2022	2023	2024
Scope 1	6,567.69	7,054.96	7,352.85	6,721.29	6,725.23
Scope 2	22,536.80	25,335.02	29,260.64	23,369.79	18,437.98
Scope 3	510,722.77	493,722.08	1,235,100.63	1,232,638.58	1,146,363.79
Total	539,827.27	526,112.06	1,271,714.11	1,262,729.66	1,171,526.99

\* Coverage (indicates the number of consolidated subsidiaries covered, besides KOKUYO, in the fiscal year of interest)

2020: KOKUYO + 20 consolidated subsidiaries \*Scope 3: KOKUYO

2021: KOKUYO + 20 consolidated subsidiaries \*Scope 3: KOKUYO

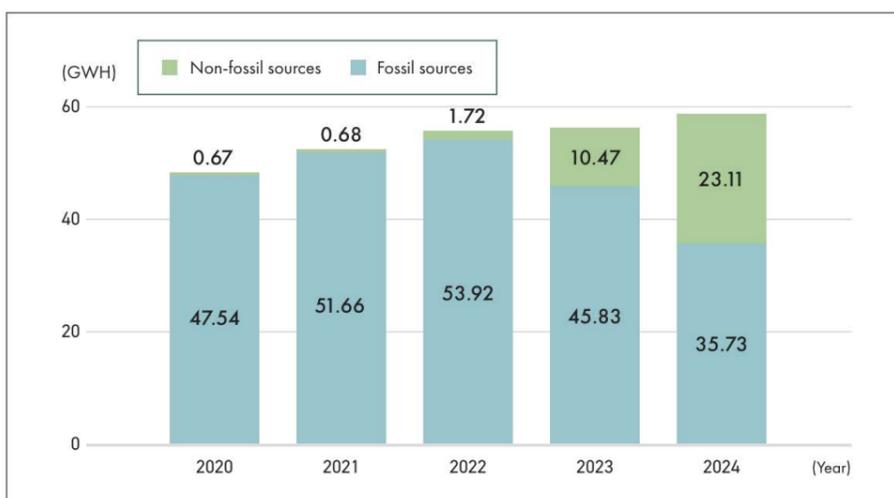
2022: KOKUYO + 26 consolidated subsidiaries

2023: KOKUYO + 26 consolidated subsidiaries

2024: KOKUYO + 30 consolidated subsidiaries

## Electric Power Consumption, Non-Fossil Fuel Weighting

(Unit: GWH)

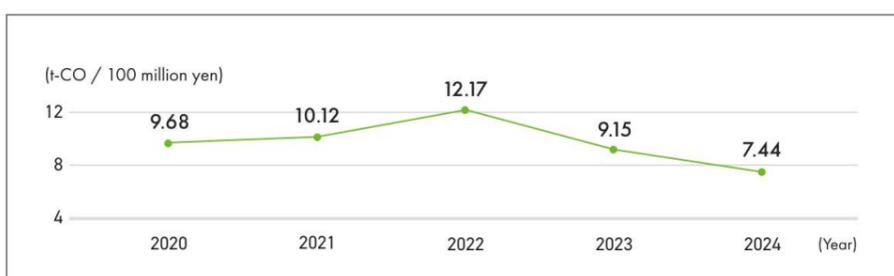


Energy	2020	2021	2022	2023	2024
Fossil sources	47.54	51.66	53.92	45.83	35.73
Non-fossil sources	0.67	0.68	1.72	10.47	23.11
Energy total	48.21	52.34	55.64	56.3	58.84
% from non-fossil sources	1.39%	1.30%	3.09%	18.60%	39.28%

\* Non-fossil sources include energy generated from solar energy systems on company sites, non-fossil options provided by electricity retailers, and feed-in tariff non-fossil certificates.

## Intensity per Unit of Sales

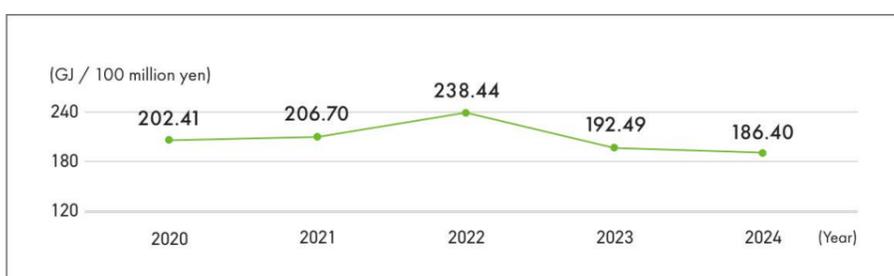
### Emissions Intensity per Unit of Sales



(Unit: t-CO<sub>2</sub> / 100 million yen)

	2020	2021	2022	2023	2024
Emissions Intensity per Unit of Sales	9.68	10.12	12.17	9.15	7.44

### Energy Intensity per Unit of Sales



(Unit: GJ / 100 million yen)

	2020	2021	2022	2023	2024
Energy Intensity per Unit of Sales	202.41	206.70	238.44	192.49	186.40

\* Coverage (indicates the number of consolidated subsidiaries covered, besides KOKUYO, in the fiscal year of interest)

2020: KOKUYO + 20 consolidated subsidiaries

2021: KOKUYO + 20 consolidated subsidiaries

2022: KOKUYO + 26 consolidated subsidiaries

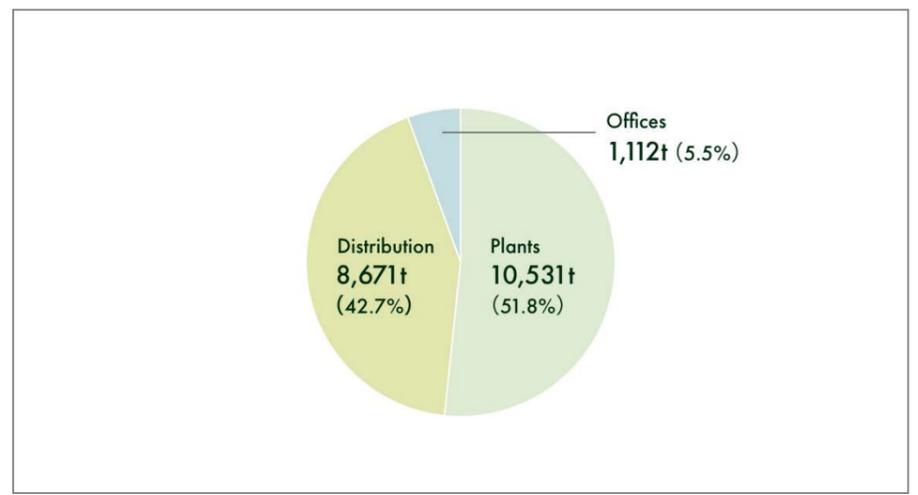
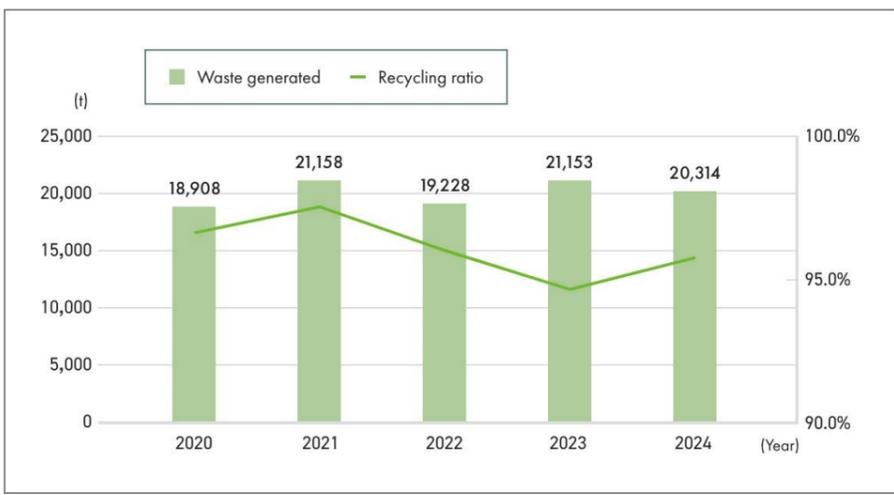
2023: KOKUYO + 26 consolidated subsidiaries

2024: KOKUYO + 30 consolidated subsidiaries

## Resource Saving and Recycling

### Waste Materials: Recycling and Final Disposal Amounts

### Waste Materials by Workplace



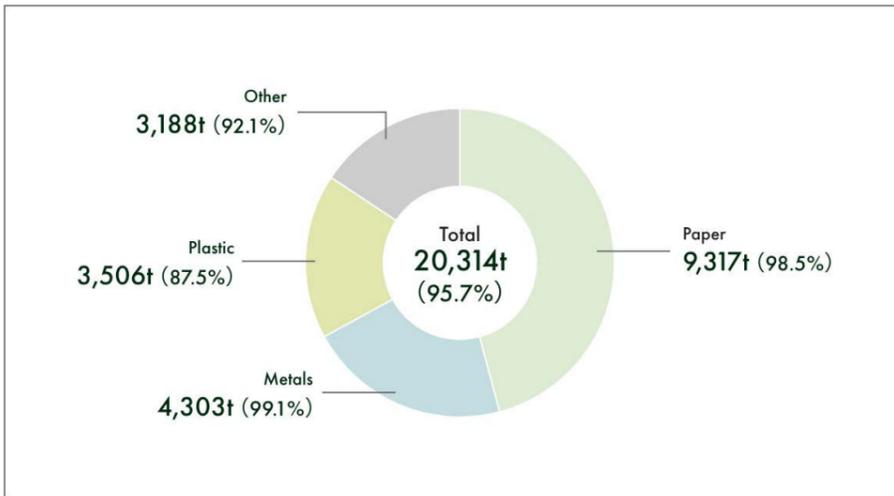
(Unit: t)

	Waste generated	Volume of waste recycled	Recycling ratio
2020	18,908	18,265	96.6%
2021	21,158	20,632	97.5%
2022	19,228	18,455	96.0%
2023	21,153	20,014	94.6%
2024	20,314	19,447	95.7%

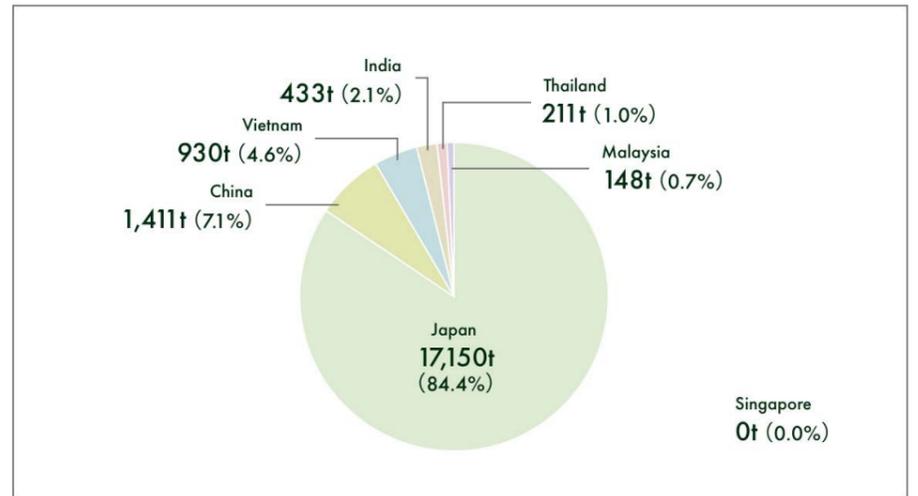
(Unit: t)

	Waste generated	% of total
Plants	10,531	51.8%
Distribution	8,671	42.7%
Offices	1,112	5.5%
Total	20,314	100.0%

**Waste material types (Recycling rate in brackets)**



**Water usage by country**



(Unit: t)

	Waste generated	Volume of waste recycled	Recycling ratio
Paper	9,317	9,181	98.5%
Metals	4,303	4,265	99.1%
Plastic	3,506	3,066	87.5%
Other	3,188	2,935	92.1%
Total	20,314	19,447	95.7%

(Unit: t)

	Waste generated	% of total
Japan	17,150	84.4%
China	1,441	7.1%
Vietnam	930	4.6%
India	433	2.1%
Thailand	211	1.0%
Malaysia	148	0.7%
Singapore	0	0.0%
Total	20,314	100.0%

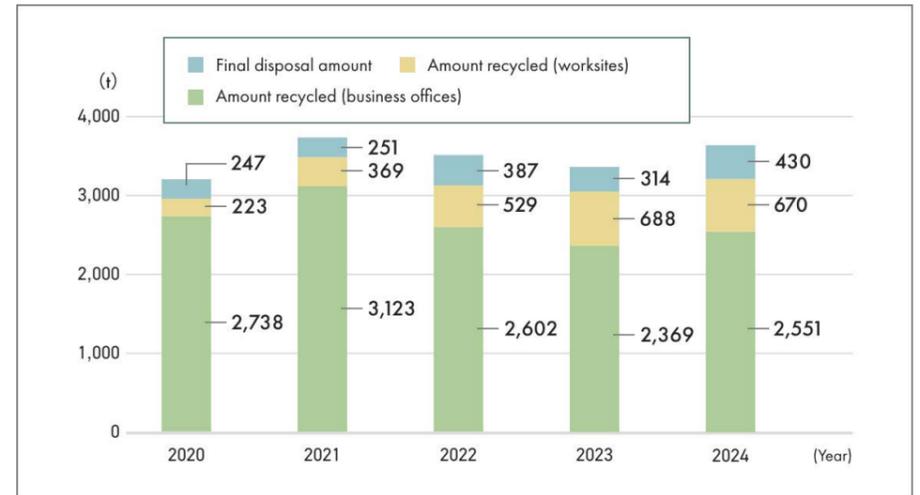
## Hazardous Waste Generation

(Unit: t)

	2022	2023	2024
Waste generated	56	73	97

\* KOKUYO Group defines and manages specially controlled industrial waste (as defined in Act on Waste Management and Public Cleansing) as hazardous waste.

## Plastic waste tonnage among industrial waste in Japan

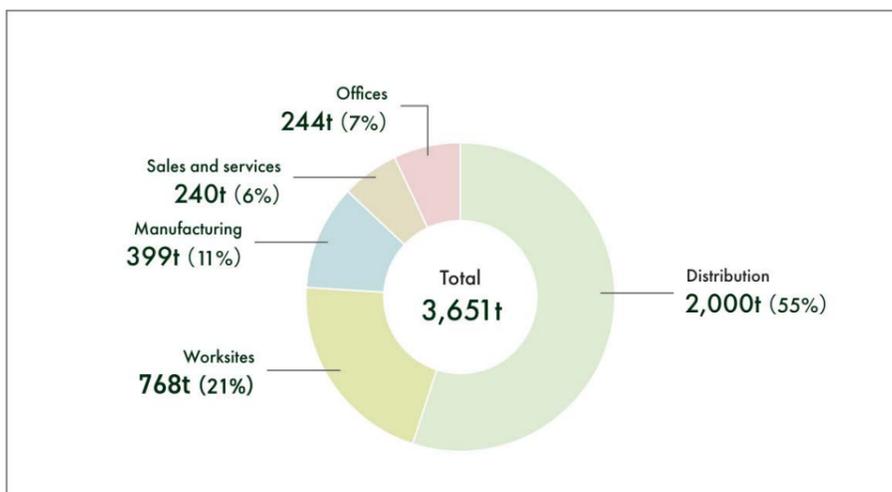


(Unit: t)

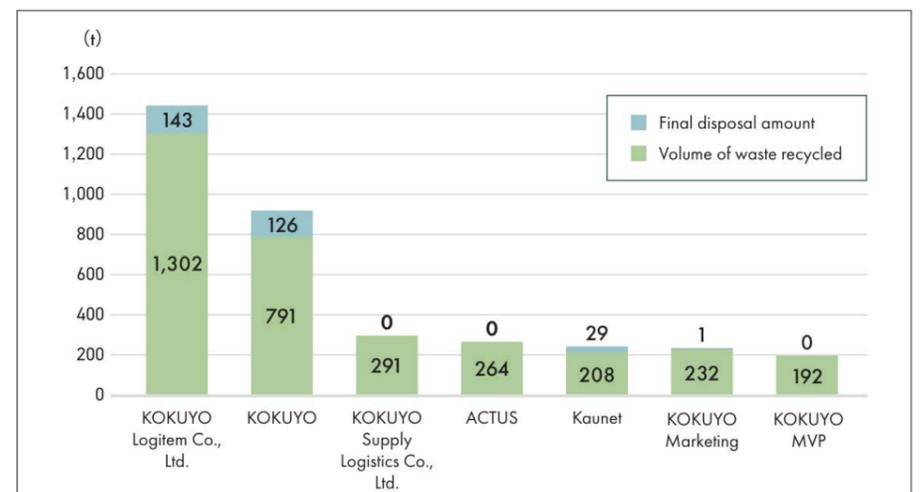
Year	Amount recycled (business offices)	Amount recycled (worksites)	Final disposal amount	Total waste generated	Volume of waste recycled	Recycling ratio
2020	2,738	223	247	3,208	2,961	92.3%
2021	3,123	369	251	3,743	3,491	93.3%
2022	2,602	529	387	3,519	3,132	89.0%
2023	2,369	688	314	3,372	3,058	90.7%
2024	2,551	670	430	3,651	3,221	88.2%

\* The above table categorizes industrial plastic waste in accordance with the Act on Promotion of Resource Circulation for Plastics.

## Plastic waste tonnage by business category



## Plastic waste tonnage by group company

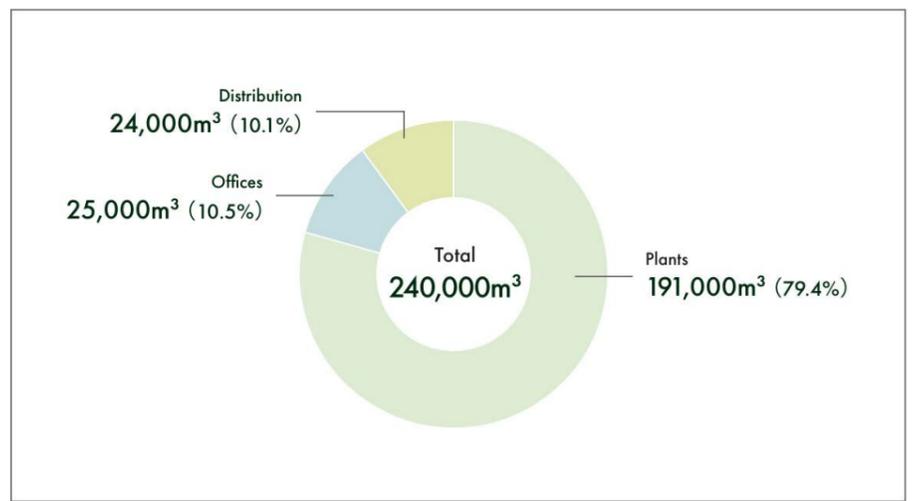
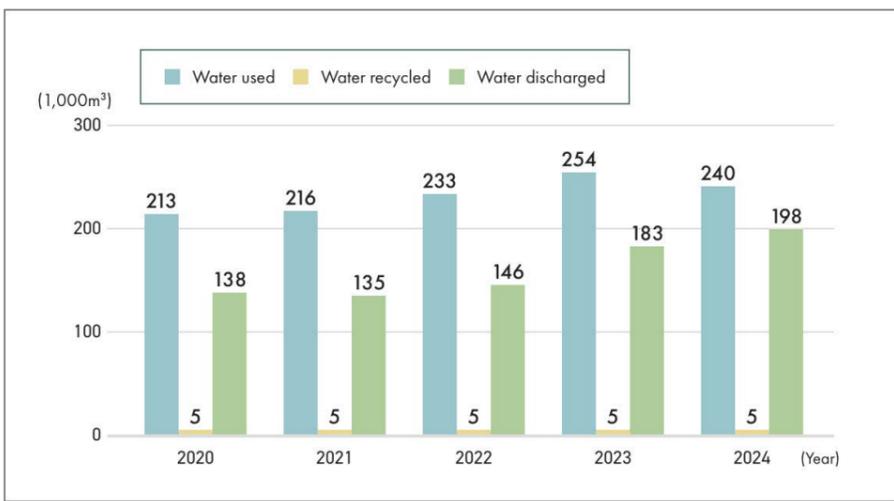


\* Under the Act on Promotion of Resource Circulation for Plastics, a company is classified as a large quantity generator if it generated at least 250 tons of plastic waste in the previous year.

## Water Resources

### Water used, water recycled, water discharged

### Water usage by location



(Unit: 1,000m³)

	Water usage	Water recycled	Water discharged
2020	213	5	138
2021	216	5	135
2022	233	5	146
2023	254	5	183
2024	240	5	198

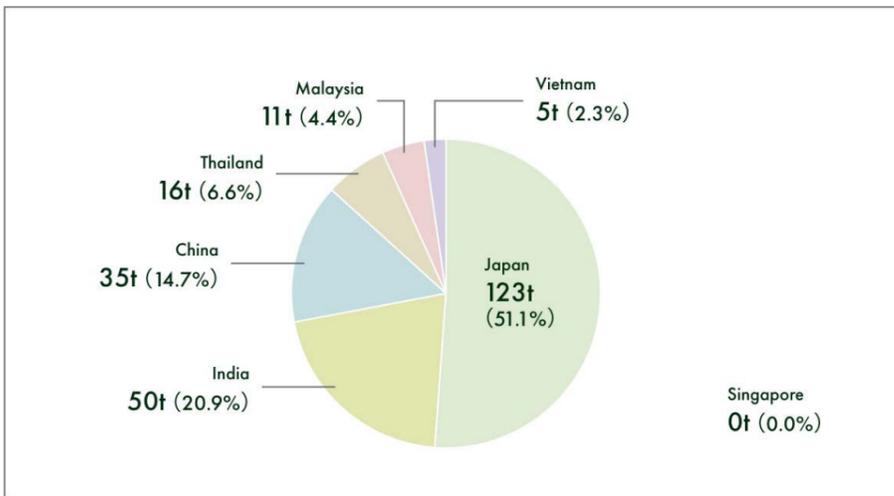
(Unit: 1,000m³)

	Water usage	% of total
Plants	191	79.4%
Offices	25	10.5%
Distribution	24	10.1%
<b>Total</b>	<b>240</b>	<b>100.0%</b>

\* Water recycled: Water recycled in plants

\* Water discharged: Wastewater discharged into public water bodies or sewers

### Water usage by country



	Water usage	Water usage composition ratio
Japan	123	51.1%
India	50	20.9%
China	35	14.7%
Thailand	16	6.6%
Malaysia	11	4.4%
Vietnam	5	2.3%
Singapore	0	0.0%

	Water usage	Water usage composition ratio
Total	240	100.0%

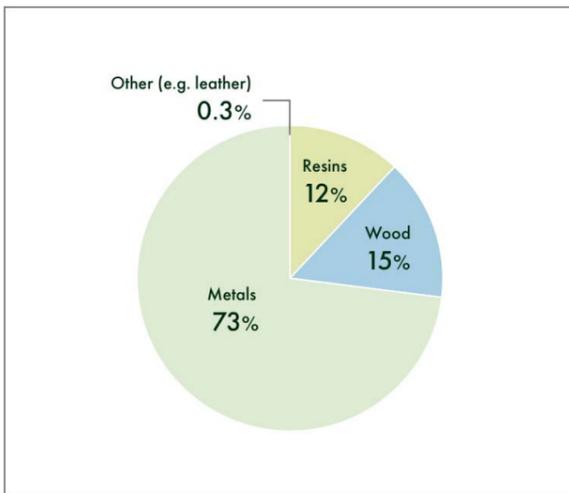
**Water usage across KOKUYO Group and water usage in production sites located in water-stressed areas as of 2024**

(Unit: 1,000 m<sup>3</sup>)

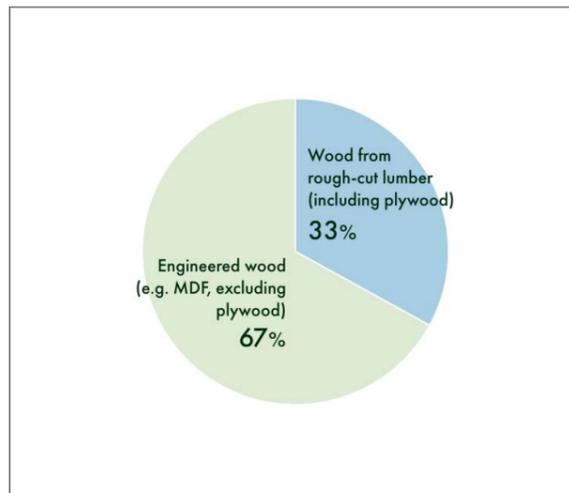
		Group total	Thailand	China	
			KOKUYO-IK (Thailand):Thailand Factory	KOKUYO Commerce (Shanghai) Co., Ltd.: Shanghai Factory	
Inputs	Water withdrawal	240	16	1	
Outputs	Water discharged	198	13	1	
		Public water drainage	39	-	-
		Drainage to the sewer system	159	13	1

**Forest Resources**

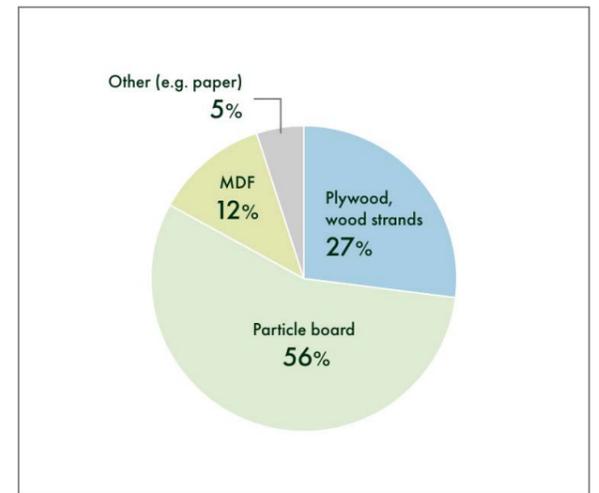
**Timber Use in Furniture Products**



Materials used in furniture products (excluding packaging) in 2024



Engineered wood versus rough-cut lumber



Tree species among rough-cut lumber used

**Survey of Timber Use in Furniture Products**

Tree species	Condition	Volume used (t)	Country or region of origin
Ash	Wood strands	21	USA
Walnut tree	Solid wood	1	USA
Canadian oak	Wood strands	101	Canada
Kapur	Plywood	17	Indonesia
Castor aralia	Wood strands	2	Japan

Tree species	Condition	Volume used (t)	Country or region of origin
Japanese oak	Veneers	4	Japan
Nyatoh species	Solid wood	7	Indonesia
Pine	Veneers	39	Chile
Falcata	Plywood	71	Indonesia
Beech	wood strands	209	Croatia, Germany
Poplar	Plywood, Wood strands	185	China, USA
White oak	Veneers	6	USA
Merkus pine	Glued laminated timber	1	Indonesia
Eucalyptus	Plywood	36	China
Rubberwood	Plywood, wood strands	803	Vietnam, Malaysia
Lauan	Plywood	687	Indonesia
Red oak	Solid wood	12	USA
Total		2202	

\* The data in the above table has been aggregated from the figures provided by each supplier. The data covers only wood from rough-cut lumber and plywood (it excludes MDF, for example).

\* The table shows only wood species for which we could identify the country or region.

## Managing chemical substances

### Chemical Substances Subject to PRTR Law

PRTR Management No.	Chemical name	Vol. Handled (kg)	Vol. Released					Vol. treated (kg)	Vol. consumed (kg)
			Vol. Released into Air (kg)	Vol. Released into Public Bodies of Water (kg)	Vol. Released into Sewers (kg)	Vol. Sent to Landfill (kg)	Subtotal (kg)		
1	Zinc compounds (water-soluble)	190.2	0.0	0.0	0.0	0.0	0.0	190.2	0.0
20	2-aminoethanol	309.8	0.0	0.0	0.0	0.0	0.0	309.8	0.0
53	Ethylbenzene	9.1	9.0	0.0	0.0	0.1	9.1	0.0	0.0
80	Xylene	10.5	10.4	0.0	0.0	0.1	10.5	0.0	0.0
82	Silver and its water-soluble compounds	0.5	0.0	0.0	0.0	0.0	0.0	0.5	0.0

PRTR Management No.	Chemical name	Vol. Handled (kg)	Vol. Released					Vol. treated (kg)	Vol. consumed (kg)
			Vol. Released into Air (kg)	Vol. Released into Public Bodies of Water (kg)	Vol. Released into Sewers (kg)	Vol. Sent to Landfill (kg)	Subtotal (kg)		
83	Cumene	3.5	3.4	0.0	0.0	0.0	3.5	0.0	0.0
87	Chromium and chromium(III) compounds	0.3	0.0	0.0	0.0	0.0	0.0	0.0	0.3
125	Chlorobenzene	3.0	3.0	0.0	0.0	0.0	3.0	0.0	0.0
127	Chloroform	2.9	2.9	0.0	0.0	0.0	2.9	0.0	0.0
298	Tolylene diisocyanate	0.7	0.7	0.0	0.0	0.0	0.7	0.0	0.0
300	Toluene	45.2	44.8	0.0	0.0	0.3	45.2	0.0	0.0
302	Naphthalene	11.8	11.7	0.0	0.0	0.1	11.8	0.0	0.0
306	Hexamethylene diacrylate	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
309	Nickel compounds	9.8	0.0	0.0	0.0	0.0	0.0	9.8	0.0
321	Vanadium compounds	24.0	0.0	0.0	0.0	0.0	0.0	24.0	0.0
392	N-hexane	1,715.4	1,715.4	0.0	0.0	0.0	1,715.4	0.0	0.0
407	Poly(oxyethylene) alkyl ether	500.5	0.0	0.0	0.0	73.9	73.9	245.0	181.6
410	Poly(oxyethylene) nonylphenyl ether	5.4	0.0	0.0	0.0	0.2	0.2	0.0	5.2
412	Manganese and its compounds	46.6	0.9	0.0	0.0	7.2	8.1	0.0	38.5
448	Methylenebis(4,1-cyclohexylene) diisocyanate	306.0	23.3	0.0	0.0	0.0	23.3	0.0	282.6
453	Molybdenum and its compounds	12.0	0.0	0.0	0.0	0.0	0.0	0.0	12.0
579	Alpha-alkyl-omega-hydroxy poly: Oxyethane-1,2-diyl/oxy (methylethane-1,2-diyl) (This refers exclusively to branched alkyl groups with carbon counts varying between C9 and C11, with C10 being predominant.)	42.9	0.0	0.0	0.0	0.0	0.0	42.9	0.0
585	Alpha-(isocyanatobenzyl)-omega-(isocyanatophenyl)poly[[isocyanatophenylene)methylene]	46.6	35.8	0.0	0.0	0.0	35.8	0.0	10.8
594	Ethylene glycol monobutyl ether	12,508.3	9.2	0.0	0.0	0.3	9.5	12,498.8	0.0
595	Ethylenediaminetetraacetic acid and its potassium and sodium salts	254.2	0.0	0.0	0.0	6.6	6.6	247.6	0.0
626	Diethanolamine	303.4	0.0	0.0	0.0	10.2	10.2	0.0	293.2
627	Diethylene glycol monobutyl ether	5,574.4	61.8	0.0	0.0	2.1	63.9	5,510.4	0.0
629	Cyclohexane	3,018.0	3,018.0	0.0	0.0	0.0	3,018.0	0.0	0.0

PRTR Management No.	Chemical name	Vol. Handled (kg)	Vol. Released					Vol. treated (kg)	Vol. consumed (kg)
			Vol. Released into Air (kg)	Vol. Released into Public Bodies of Water (kg)	Vol. Released into Sewers (kg)	Vol. Sent to Landfill (kg)	Subtotal (kg)		
653	Dimethyl (1-phenylethyl) benzene	2.0	0.0	0.0	0.0	2.0	2.0	0.0	0.0
661	1,2-dimethoxyethane	9.6	9.3	0.0	0.0	0.3	9.6	0.0	0.0
691	Trimethylbenzene	18.1	18.0	0.0	0.0	0.2	18.1	0.0	0.0
698	Nitrilotriacetic acid as the free acid and as the sodium salt	55.1	0.0	0.0	0.0	55.1	55.1	0.0	0.0
708	(1-Hydroxyethane-1,1-diyl)diphosphonic acid and its potassium and sodium salts	17.4	17.4	0.0	0.0	0.0	17.4	0.0	0.0
731	Heptane	3,153.3	3,153.3	0.0	0.0	0.0	3,153.3	0.0	0.0
737	Methyl isobutyl ketone	30.7	30.7	0.0	0.0	0.0	30.7	0.0	0.0
Total		28,241.3	8,179.1	0.0	0.0	158.9	8,338	19,079.1	824.2

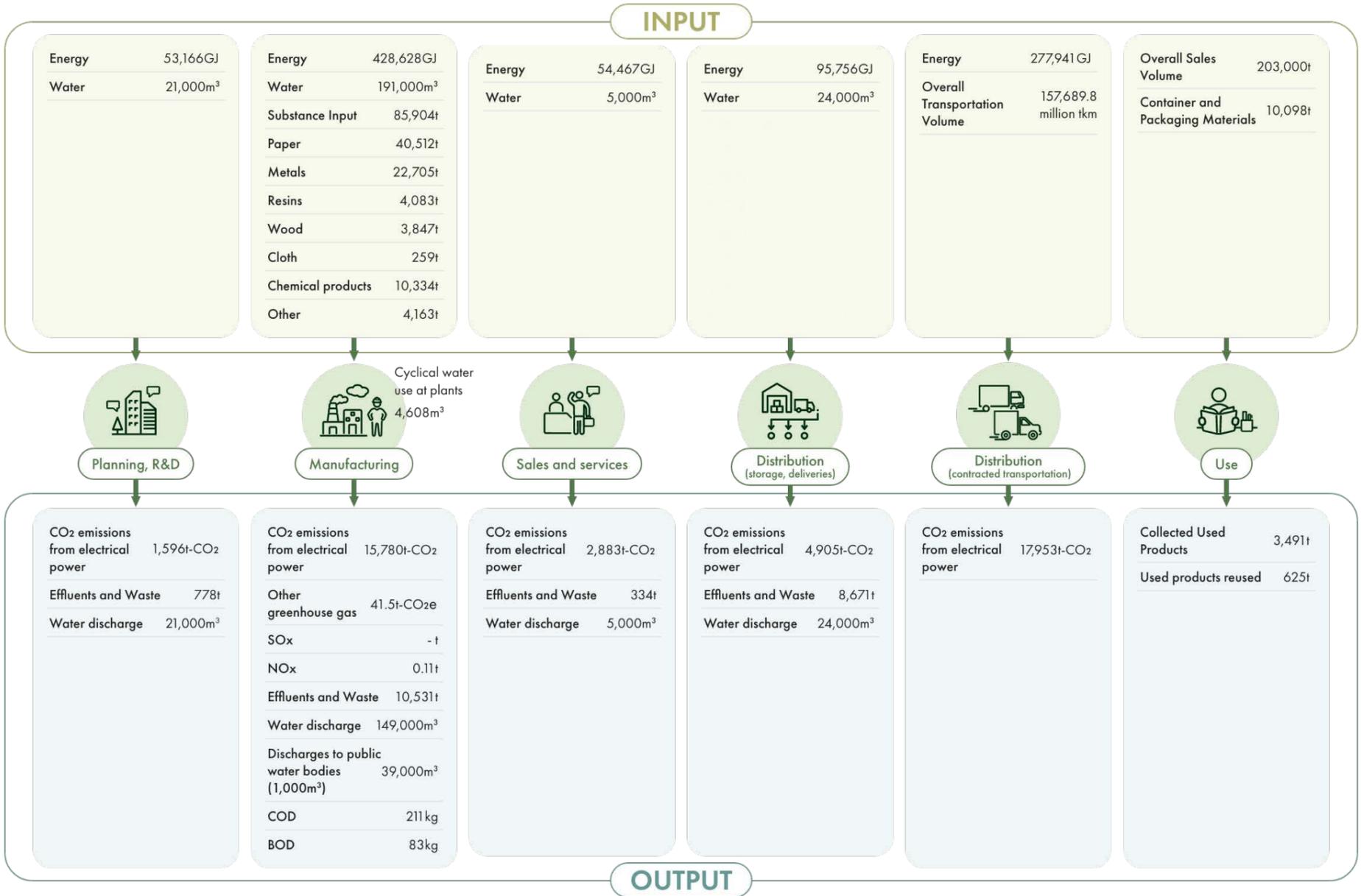
\* We made the calculations for the specific class 1 designated chemical substances and the class 1 designated chemical substances under the PRTR Law which was revised in 2021 (came into effect on April 1, 2023). Therefore, the calculation period for the actual values for 2023 of the applicable substances is from April 1 to December 31, 2023.

\* The volume of PRTR Law Class I Designated Chemical Substances that were used, handled, released, transferred, disposed, recycled, and consumed by the business establishments (in Japan) subject to notification under the PRTR Law. For the calculation methods, see the Ministry of the Environment/Ministry of Economy, Trade and Industry's PRTR Release Estimation Methods Manual, version 5.1 (March 2024).

\* "Volume treated" refers to those PRTR designated substances that were treated on site by incineration, neutralization, breaking down, reactive process, etc.

\* "Volume consumed" refers to the volume of substances that were removed from the site by the removal of the products containing or accompanying them or that were modified for disposal by means of chemical reaction with other substances.

# Environmental Load Material Flow



		Planning, R&D	Manufacturing	Sales and services	Distribution (storage, deliveries)	Distribution (contracted transportation)	Use
INPUT	Energy (GJ)	53,166	428,628	54,467	95,756	277,941	
	Water (1,000m <sup>3</sup> )	21	191	5	24		
	Total volume transported (million tkm)					157,689.8	
	Substance inputs (t)		85,904				
	Paper (t)		40,512				
	Metals (t)		22,705				
	Resins (t)		4,083				
	Wood (t)		3,847				
	Cloth (t)		259				
	Chemical products (t)		10,334				
	Other (t)		4,163				
	Total volume sold (kt × 10)						20.3
	Packaging (t)						10,098
Recycling	Cyclical water use at plants (m <sup>3</sup> )		4,608				
OUTPUT	CO <sub>2</sub> emissions from electrical power (t-CO <sub>2</sub> )	1,596	15,780	2,883	4,905	17,953	
	GHG emissions from sources other than electrical power (t-CO <sub>2</sub> e)		41.5				
	SO <sub>x</sub> (t)		—				
	NO <sub>x</sub> (t)		0.11				
	Waste emissions (t)	778	10,531	334	8,671		
	Water discharge (1,000m <sup>3</sup> )	21	149	5	24		
	Discharges to public water bodies (1,000m <sup>3</sup> )		39				
	COD (kg)		211				
	BOD (kg)		83				
	Collected Used Products (t)						3,491
	Used products reused (t)						625

## Input items

Indicator	Unit	Calculation method
Volume of energy used	GJ	Electricity, gas (city gas, LPG, natural gas), oil (gasoline, light oil, kerosene, fuel oil A), heat (hot water, cold water) The power unit calorific values are the daytime and nighttime power values stated in the Enforcement Regulations of the Act on the Rational Use of Energy (effective from April 1, 2008). The unit calorific values of gas, oil, and heat are those values presented in the Greenhouse Gas Emission Calculation and Reporting Manual, Ver. 6.0 (Mar 2025, Ministry of the Environment, Ministry of Economy, Trade and Industry).
Water	1,000m <sup>3</sup>	City/well water
Substance Input	t	The volume of raw materials used to manufacture products in the plants of the KOKUYO Group
Overall Sales Volume	kt × 10	Data from furniture and stationery products
Container and Packaging Materials	t	The volume of packaging materials used to package products

## Output Items

Indicator	Unit	Calculation method
CO <sub>2</sub> emissions from electrical power	t CO <sub>2</sub>	Emissions from the use of electricity, gas, oil, and heat (see Global Warming Preventative Measures) Coefficients based on the Act on Promotion of Global Warming Countermeasures (adjusted emission coefficients based on the actual values in fiscal 2022 and 2023 for each power company) were used to calculate the CO <sub>2</sub> emissions factors for power consumption in Japan. For power consumption overseas, we use the local emissions factors listed in IEA Emissions Factors 2024. CO <sub>2</sub> emission coefficient values for gas, oil, and heat were taken from the Ministry of the Environment and the Ministry of Economy, Trade and Industry's Greenhouse Gas Emission Calculation and Reporting Manual, Ver. 6.0 (Mar 2025). The ton/kilo method and the fuel consumption method were both used to calculate the distribution (consigned transportation) CO <sub>2</sub> emissions.
GHG emissions from sources other than electrical power	t CO <sub>2</sub> e	Total emissions of greenhouse gases (CO <sub>2</sub> , CH <sub>4</sub> , N <sub>2</sub> O) related to production activities in Japan, excluding such emissions from energy sources, have been converted to a CO <sub>2</sub> basis. Emission coefficient values were taken from the Ministry of the Environment and the Ministry of Economy, Trade and Industry's Greenhouse Gas Emission Calculation and Reporting Manual, Ver. 6.0 (Mar 2025).
SO <sub>x</sub> , NO <sub>x</sub>	t	Emissions from smoke- and soot-producing facilities at manufacturing plants (in Japan)
Effluents and Waste	t	The volume of discharged waste (emissions) is the total amount of waste and valuable substances discharged from business establishments. The recycle volume is the total of the volume of discharged waste (emissions) that has been recycled through material or thermal recycling, and the volume of valuable substances. The final waste volume is the combined total of the recycling residue and the volume of waste directly disposed of in landfills, out of the total volume of discharged waste (solid waste) (see Resource Saving and Recycling). If industrial waste has been calculated by cubic measurement, conversion factors (reference) for converting cubic measurements of industrial waste into weights as stated in a notice released by the Ministry of the Environment (December 27, 2006; Env. Ind. Waste Issue No. 061227006) were used.
Water discharged	1,000m <sup>3</sup>	Wastewater discharged to areas of water for public use and into the sewage system
COD, BOD	kg	Of plants in Japan, the volume of effluent discharged to areas of water for public use by plants with a legal obligation to measure water quality

## Other items

Indicator	Unit	Calculation method
Overall Transportation Volume	t km	The total of the following outsourced transportation volumes: total domestic transportation in Japan including the transportation of furniture products, store fixtures, stationery products, transportation of catalog sales by Kaunet, and transportation of Actus products; and transportation of products between overseas sites and within Malaysia.

Indicator	Unit	Calculation method
Cyclical water use at plants	m <sup>3</sup>	The volume of water used in a cyclical way (i.e. recycled) on business premises
Cyclical Resource Use on Sites	t	The volume of recycled resources, such as packaging materials, on the business premises of KOKUYO Logitem and KOKUYO Supply Distribution.
Collected Used Products	t	The volume of used products collected from customers by KOKUYO Logitem.
Used products reused	t	The volume of re-used products from the used products collected from customers by KOKUYO Logitem.

## Environmental Accounting

### Environmental Accounting

Unit: 10,000 yen

Theme	Environment-related Investments			Costs			Effects			Total		
	2022	2023	2024	2022	2023	2024	2022	2023	2024	2022	2023	2024
Pollution prevention	0	0	0	1,497	2,267	2,123	0	0	0	1,497	2,267	2,123
Global warming prevention	7,354	945	10,570	2,388	4,194	2,994	-1,359	-1,142	-973	1,029	3,052	2,021
Resource Conservation and Recycling	0	0	0	50,045	45,174	47,137	-24,717	-24,548	-25,765	25,328	20,626	21,372
Procurement and provision of eco-friendly products	0	0	0	4,940	3,395	3,192	0	0	0	4,940	3,395	3,192
Survey and research into environmental technology	0	0	0	148	317	638	0	0	0	148	317	638
Environmental communication	0	0	0	3,529	3,521	2,590	0	0	0	3,529	3,521	2,590
Setting up management structures	0	0	0	8,574	10,715	9,448	0	0	0	8,574	10,715	9,448
Environmental damage response	0	0	0	0	0	0	0	0	0	0	0	0
<b>Total</b>	<b>7,354</b>	<b>945</b>	<b>10,570</b>	<b>71,121</b>	<b>69,583</b>	<b>68,120</b>	<b>-26,076</b>	<b>-25,690</b>	<b>-26,738</b>	<b>45,045</b>	<b>43,893</b>	<b>41,383</b>

## Breakdown of economic effects

Theme	Content of countermeasures	2022	2023	2024
Global warming prevention	Effects of introducing energy-saving facilities	-406	-158	-40
	Effects of solar power generation	-936	-976	-899
	Effects of improving operations	-17	-8	-34
Resource Conservation and Recycling	Proceeds from garbage sorting and recycling	-24,717	-24,548	-25,765
	Waste Reduction	0	0	0
	Cost reductions achieved through the promotion of recycling	0	0	0
Total		-26,076	-25,690	-26,738

## Sites with ISO 14001 Certification

Seventy-four (approximately 50%) of the 155 sites in KOKUYO and its consolidated subsidiaries have received ISO 14001 certification.

No.	Company Name	Site Name
1	KOKUYO	KOKUYO Head Office (including XT and WS)
2		Tokyo Shinagawa Office
3		Tokyo Shinagawa SST Office
4		Tokyo Kasumigaseki Office
5		Nagoya Office
6		Osaka Umeda Office
7		Mie Plant
8		Shibayama Plant
9	KOKUYO MVP	Tottori Factory
10		Aoya Factory
11	KOKUYO Product Shiga	Head office

No.	Company Name	Site Name
12	KOKUYO Logitem	Head office
13		Sapporo Distribution Center
14		Sendai Distribution Center
15		Gunma Distribution Center
16		Saitama Distribution Center
17		Central Japan Delivery and Distribution Center
18		Central Japan Delivery Center
19		Kanagawa Distribution Center
20		Shin Chiba Distribution Center
21		Shiga Distribution Center
22		Mie Distribution Center
23		Ina Distribution Center
24		Chubu Delivery and Distribution Center
25		Toyama Distribution Center
26		Fujiwara Distribution Center
27		Komono Distribution Center
28		Kyoto-Shiga Distribution Center
29		Kansai Delivery and Distribution Center
30		Okayama Distribution Center
31		Kyushu Distribution Center

No.	Company Name	Site Name
32	KOKUYO Supply Logistics	Head office
33		Sapporo Distribution Center
34		Ibaraki Distribution Center
35		Metropolitan Area Internet Data Center
36		Chubu Internet Data Center
37		Shiga National Data Center
38		Kinki Internet Data Center
39		Osaka Nanko Distribution Center
40		Kyushu Internet Data Center
41		Fukuoka Distribution Center
42		Kaunet
43	Tokyo Shinagawa Office	

No.	Company Name	Site Name
44	KOKUYO Marketing	Head office
45		Tachikawa Office
46		Chiba Office
47		Saitama Office
48		Yokohama Office
49		Nagano Office
50		Nagoya Office
51		Shizuoka Office
52		Umeda Office
53		Kyoto Office
54		Kobe Office
55		Wakayama Office
56		Hiroshima Office
57		Yamaguchi Office
58		Matsue Office
59		Fukuoka Office
60		Nagasaki Office
61		Miyazaki Office
62		Kagoshima Office
63		Kumamoto Office
64		Oita Office
65	Okinawa Office	
66	KOKUYO (Malaysia)	Head office
67	KOKUYO-IK (Thailand)	Head office
68	KOKUYO Camlin Ltd.	PATALGANGA FACTORY
69		TARAPUR FACTORY
70		SAMBA FACTORY

No.	Company Name	Site Name
71	KOKUYO Commerce (Shanghai)	Head office
72		Beijing Office
73		Shenzhen Office
74	LAMEX	LAMEX Dongguan Plant

## Yui-no-Mori: Wildlife survey results

On June 16 and 17, 2023, an ornithologist helped us identify the birds that appeared in the footage.

### Mammals identified

Order	Family	Common name	Binominal name
Primates	Cercopithecidae	Macaca fuscata	Macaca fuscata
Rodentia	Muridae	Apodemus argenteus	Apodemus argenteus
		Unidentified murid species	
	Sciuridae	Petaurista leucogenys	Petaurista leucogenys
		Pteromys Momonga	Pteromys momonga
	Gliridae	Glirulus japonicus	Glirulus japonicus
Chiroptera		Chiroptera	Chiroptera
Carnivora	Canidea	Nyctereutes procyonoides	Nyctereutes procyonoides
	Mustelidae	Meles anakuma	Meles anakuma
		Martes melampus	Martes melampus
		Mustelidae	
	Viverridae	Paguma larvata	Paguma larvata
Lagomorpha	Leporidae	Lepus brachyurus	Lepus brachyurus
Artiodactyla	Suidae	Sus scrofa	Sus scrofa
	Cervidae	Cervus nippon	Cervus nippon
6	10	11	

\* Families and species were only counted if the family or species could be distinguished.

### Birds identified

Order	Family	Common name	Binominal name
Columbiformes	Columbidae	Streptopelia orientalis	Streptopelia orientalis
		Treron sieboldii	Treron sieboldii
Suliformes	Phalacrocoracidae	Phalacrocorax carbo	Phalacrocorax carbo
Cuculiformes	Cuculidae	Hierococcyx hyperythrus	Hierococcyx hyperythrus
		Cuculus poliocephalus	Cuculus poliocephalus
Accipitriformes	Accipitridae	Milvus migrans	Milvus migrans
		Accipiter gentilis	Accipiter gentilis
		Butastur indicus	Butastur indicus
Strigiformes	Strigidae	Strix uralensis	Strix uralensis
		Otus semitorques	Otus semitorques
		Ninox japonica	Ninox japonica
Coraciiformes	Alcedinidae	Halcyon coromanda	Halcyon coromanda
		Alcedo atthis	Alcedo atthis
		Megaceryle lugubris	Megaceryle lugubris
	Coraciidae	Eurystomus orientalis	Eurystomus orientalis
Galliformes	Phasianidae	Syrnaticus soemmerringii	Syrnaticus soemmerringii
Piciformes	Picidae	Dendrocopos kizuki	Dendrocopos kizuki
		Picus awokera	Picus awokera

Order	Family	Common name	Binominal name	
Passeriformes	Pittidae	Pitta nympha	Pitta nympha	
	Campephagidae	Pericrocotus divaricatus tegimae	Pericrocotus divaricatus tegimae	
	Monarchidae	Terpsiphone atrocaudata	Terpsiphone atrocaudata	
	Corvidae	Garrulus glandarius	Garrulus glandarius	
		Corvus macrorhynchos	Corvus macrorhynchos	
	Paridae	Sittiparus varius	Sittiparus varius	
		Parus minor	Parus minor	
	Pycnonotidae	Hypsipetes amaurotis	Hypsipetes amaurotis	
	Cettiidae	Horornis diphone	Horornis diphone	
	Aegithalidae	Aegithalos caudatus	Aegithalos caudatus	
	Phylloscopidae	Phylloscopus coronatus	Phylloscopus coronatus	
	Zosteropidae	Zosterops japonicus	Zosterops japonicus	
	Certhiidae	Certhia familiaris	Certhia familiaris	
	Troglodytidae	Troglodytes troglodytes	Troglodytes troglodytes	
	Cinclidae	Cinclus pallasii	Cinclus pallasii	
	Turdidae	Zoothera aurea	Zoothera aurea	
		Turdus cardis	Turdus cardis	
		Ficedula narcissina	Ficedula narcissina	
		Cyanoptila cyanomelana	Cyanoptila cyanomelana	
	Passeridae	Passer montanus	Passer montanus	
	Motacillidae	Motacilla cinerea	Motacilla cinerea	
		Motacilla grandis	Motacilla grandis	
	Fringillidae	Chloris sinica	Chloris sinica	
		Eophona personata	Eophona personata	
	Emberizidae	Emberiza cioides	Emberiza cioides	
	9	27	43	

Invasive species	Bambusicola thoracicus	Bambusicola thoracicus
	Urocissa erythrorhyncha	Urocissa erythrorhyncha
	Leiothrix lutea	Leiothrix lutea

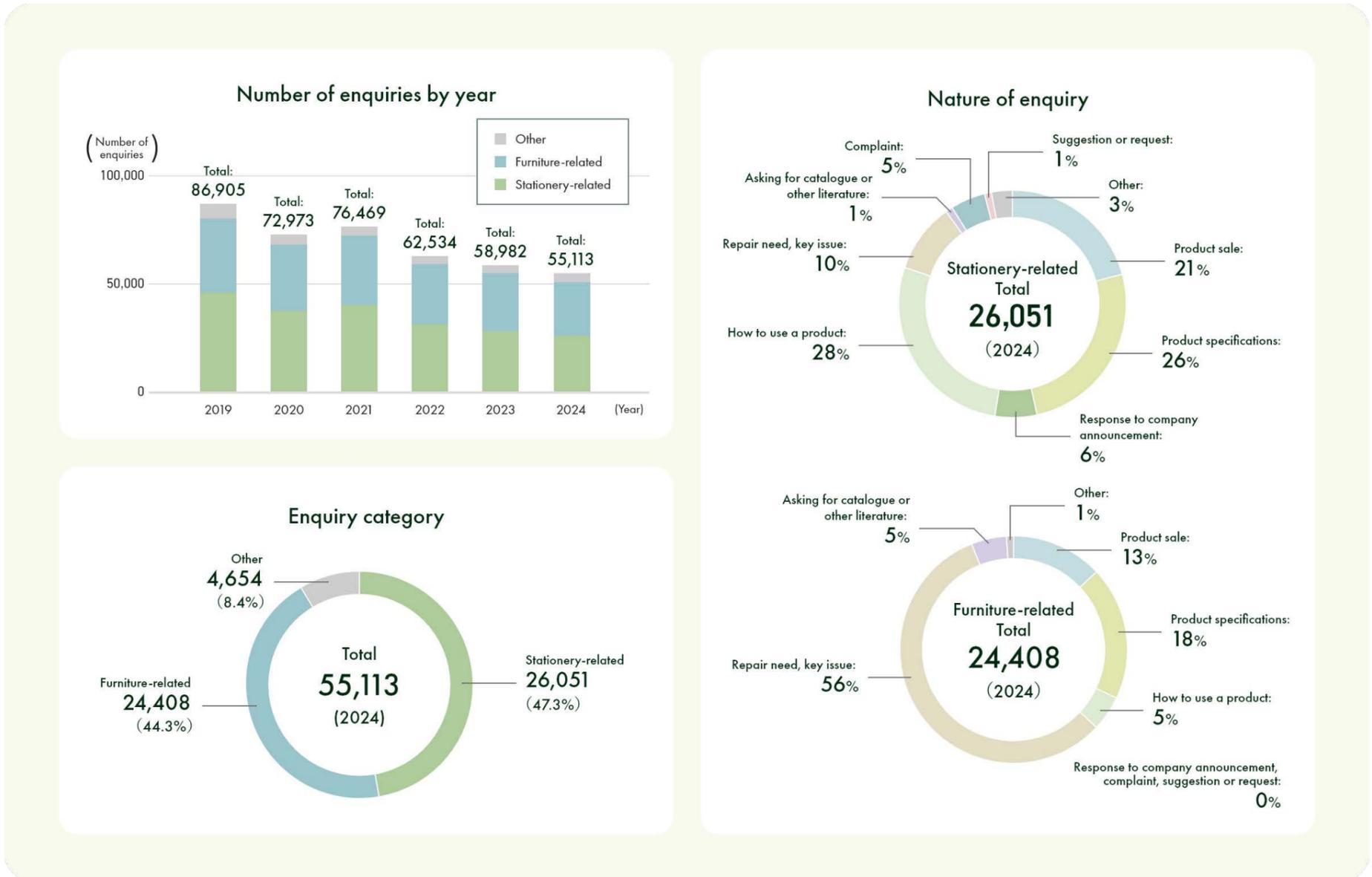
# ESG DATA: SOCIAL

- Listening to Customers ▼
- Employee Composition ▼
- Breakdown of New Hires ▼
- Managerial Appointments ▼
- Working Hours, Paid Leave Takeup Rate ▼
- Parental leave take-up ▼
- Eldercare leave take-up ▼
- Health management ▼
- Occupational Health and Safety ▼

## Reporting Period

January 1 to December 31 of the applicable year (the results are current as of December 31)

## Listening to Customers



## Employee Composition: By Position

		Coverage	2020	2021	2022	2023	2024
Number of Executives and Directors	Inside	Non-consolidated	3	3	2	2	3
	Outside	Non-consolidated	4	4	4	4	6
	Total	Non-consolidated	7	7	6	6	9
Number of Members of the Audit & Supervisory Board	Inside	Non-consolidated	1	1	1	1	0
	Outside	Non-consolidated	2	2	2	2	0
	Total	Non-consolidated	3	3	3	3	0
Number of employees	Male	Non-consolidated	1,634	1,601	1,452	1,480	1,531
	Female	Non-consolidated	607	606	610	662	730
	Total	Non-consolidated	2,241	2,207	2,062	2,142	2,261

## Employee Composition: By Gender

		Coverage	2020	2021	2022	2023	2024
Number of employees (KOKUYO Group)	Male	Consolidated	4,899	4,915	4,645	4,624	4,912
	Female	Consolidated	1,983	1,910	2,219	2,307	2,735
	Total	Consolidated	6,882	6,825	6,864	6,931	7,647

## Employee Composition: By Contract type and by Gender

	Coverage	2020	2021	2022	2023	2024
Total number of employees <sup>*1</sup>	Consolidated	6,882	6,825	6,864	6,931	7,647
Non-regular employees <sup>*1</sup>	Consolidated	2,333	2,711	4,097	3,785	3,775
Percentage of non-regular employees <sup>*1</sup>	Consolidated	25.31	28.43	37.38	35.32	33.05

		Coverage	2020	2021	2022	2023	2024
Regular employees	Male	Five main group companies	2,511	2,511	2,480	2,473	2,529
	Female	Five main group companies	888	928	960	1,029	1,121
	Total	Five main group companies	3,399	3,439	3,440	3,502	3,650
Senior employees	Male	Five main group companies	268	256	263	239	257
	Female	Five main group companies	8	11	14	19	25
	Total	Five main group companies	276	267	277	258	282
Contracted employees	Male	Five main group companies	105	83	60	58	60
	Female	Five main group companies	102	101	91	88	96
	Total	Five main group companies	207	184	151	146	156
Part-time/casual employees	Male	Five main group companies	118	112	133	123	97
	Female	Five main group companies	180	188	195	188	165
	Total	Five main group companies	298	300	328	311	262
Temporary employees	Male	Five main group companies	142	128	183	203	227
	Female	Five main group companies	167	146	199	261	270
	Total	Five main group companies	309	274	382	464	497

\* The five main group companies are: KOKUYO Co., Ltd., Kaunet Co., Ltd., KOKUYO Marketing Co., Ltd., KOKUYO Supply Logistics Co., Ltd., and KOKUYO Logitem Co., Ltd.

\*1 In 2022, we changed the definitions of regular and non-regular employees.

Previous definition:

Regular employee = A managing officer, non-managerial regular employee, or senior employee

Non-regular employee = A contracted employee or part-time or casual employee

Current definition:

Regular employee = A managing officer or non-managerial regular employee

Non-regular employee = A senior employee, contracted employee, or part-time or casual employee

## Employee Composition: By Contract Type and by Region

		Coverage	2020	2021	2022	2023	2024
Regular employees	Within Japan	Consolidated	4,145	4,183	4,218	4,294	4,586
	Overseas	Consolidated	2,347	2,308	2,646	2,637	3,061
	Total	Consolidated	6,492	6,491	6,864	6,931	7,647
Senior employees	Within Japan	Consolidated	322	308	328	315	341
	Overseas	Consolidated	4	2	18	19	29
	Total	Consolidated	326	310	346	334	370
Contracted employees	Within Japan	Consolidated	564	598	631	654	742
	Overseas	Consolidated	36	70	533	512	341
	Total	Consolidated	600	668	1,164	1,166	1,083
Part-time/casual employees	Within Japan	Consolidated	553	571	575	542	512
	Overseas	Consolidated	4	2	21	4	13
	Total	Consolidated	557	573	596	546	525
Temporary employees	Within Japan	Consolidated	379	331	434	511	539
	Overseas	Consolidated	974	1,162	1,557	1,228	1,258
	Total	Consolidated	1,353	1,493	1,991	1,739	1,797

## Employee Composition: By Age, Average Ages of Male and Female Employees, Average Tenure

		Coverage	2020	2021	2022	2023	2024
Number of employees by age group	Under 30	Five main group companies	470	469	465	506	600
	30s	Five main group companies	591	595	619	665	710
	40s	Five main group companies	1,150	1,076	965	894	858
	50s	Five main group companies	1,188	1,299	1,379	1,439	1,482
	60s or older	Five main group companies	276	267	0	1	0
Average tenure (years)	Male	Five main group companies	46.8	47.22	45.8	45.77	45.26
	Female	Five main group companies	39.32	39.79	40.05	39.97	39.32
	Average	Five main group companies	44.98	45.34	44.21	44.07	43.44
Average length of continuous service (years)	Male	Five main group companies	20.9	21.31	19.94	19.78	18.92
	Female	Five main group companies	13.83	14.05	14.16	13.7	12.91
	Average	Five main group companies	19.18	19.47	18.34	18	17.08

\* The five main group companies are: KOKUYO Co., Ltd., Kaunet Co., Ltd., KOKUYO Marketing Co., Ltd., KOKUYO Supply Logistics Co., Ltd., and KOKUYO Logitem Co., Ltd.

## Employee Composition: By Nationality

		Coverage	2020	2021	2022	2023	2024
Number of employees	Non-Japanese employees in the five main group companies	Five main group companies	11	11	12	28	28
	Non-Japanese employees at KOKUYO	Non-consolidated	11	9	10	25	24

## Employees Composition: Employees with Disabilities

	Coverage	2020	2021	2022	2023	2024
Number of employees with disabilities	Group companies implementing	129	134	134	137.5	153
Percentage of employees who have a disability	Group companies implementing	2.3	2.37	2.33	2.38	2.55

## Breakdown of New Hires

		Coverage	2020	2021	2022	2023	2024
Number of fresh graduate hires	Male	Five main group companies	40	28	35	42	66
	Female	Five main group companies	40	18	18	29	65
	Total	Five main group companies	80	46	53	71	131
Number of mid-career hires	Male	Five main group companies	28	23	47	81	110
	Female	Five main group companies	23	24	26	59	60
	Total	Five main group companies	51	47	73	140	170
Percentage of mid-career hires (%)		KOKUYO	22	29	43	54	46
Turnover rate	Male	Five main group companies	1.96	1.39	1.91	2.59	2.17
	Female	Five main group companies	1.81	1.56	2.65	1.87	2.23
	Total	Five main group companies	1.93	1.44	2.11	2.4	2.19

\* The five main group companies are: KOKUYO Co., Ltd., Kaunet Co., Ltd., KOKUYO Marketing Co., Ltd., KOKUYO Supply Logistics Co., Ltd., and KOKUYO Logitem Co., Ltd.

## Managerial Appointments: By Gender

			Coverage	2020	2021	2022	2023	2024
Number of managerial appointments	Executives and higher (includes managing officers)	Male	Five main group companies	22	20	18	19	21
		Female	Five main group companies	1	2	2	2	2
	Department heads	Male	Five main group companies	65	77	95	198	205
		Female	Five main group companies	4	2	2	5	5
	Section chiefs	Male	Five main group companies	732	768	808	668	645
		Female	Five main group companies	55	69	78	85	99
	Sub-section chiefs	Male	Five main group companies	1,066	1,034	1,009	1,016	938
		Female	Five main group companies	288	314	337	361	404
		Total	Five main group companies	2,234	2,286	2,349	2,354	2,319

\* The five main group companies are: KOKUYO Co., Ltd., Kaunet Co., Ltd., KOKUYO Marketing Co., Ltd., KOKUYO Supply Logistics Co., Ltd., and KOKUYO Logitem Co., Ltd.

## Managerial Appointments: Percentage of Managerial Posts Occupied by Women

	Coverage	2020	2021	2022	2023	2024
Percentage of middle management posts (department heads, section chiefs) occupied by women	Five main group companies	6.89	7.75	8.14	9.41	10.9

		Coverage	2020	2021	2022	2023	2024
Managerial posts (sub-section chief or higher) occupied by women	Executives and higher (includes managing officers)	Five main group companies	8.33	9.09	10	9.52	8.7
	Department heads	Five main group companies	5.80	2.53	2.06	2.46	2.38
	Section chiefs	Five main group companies	6.99	8.24	8.8	11.29	13.31
	Sub-section chiefs	Five main group companies	21.27	23.29	25.04	26.22	30.1
	Total	Five main group companies	15.62	16.93	17.84	19.24	21.99

\* The five main group companies are: KOKUYO Co., Ltd., Kaunet Co., Ltd., KOKUYO Marketing Co., Ltd., KOKUYO Supply Logistics Co., Ltd., and KOKUYO Logitem Co., Ltd.

## Non-Japanese People Appointed to Managerial Positions

		Coverage	2020	2021	2022	2023	2024
Managerial appointments: Non-Japanese managers	Executives and higher	Five main group companies	0	0	0	0	0
	Department heads	Five main group companies	0	0	0	0	0
	Section chiefs	Five main group companies	3	3	4	4	5
	Sub-section chiefs	Five main group companies	6	5	5	5	4
	Total	Five main group companies	9	8	9	9	9

\* The five main group companies are: KOKUYO Co., Ltd., Kaunet Co., Ltd., KOKUYO Marketing Co., Ltd., KOKUYO Supply Logistics Co., Ltd., and KOKUYO Logitem Co., Ltd.

## Managerial Appointments: Percentage of Managerial Posts Occupied by Non-Japanese Employees

		Coverage	2020	2021	2022	2023	2024
Percentage of managerial posts occupied by non-Japanese employees	Executives and higher	Five main group companies	0.00	0.00	0.00	0.00	0.00
	Department heads	Five main group companies	0.00	0.00	0.00	0.00	0.00
	Section chiefs	Five main group companies	0.38	0.36	0.45	0.45	0.64
	Sub-section chiefs	Five main group companies	0.44	0.37	0.37	0.37	0.28
	Total	Five main group companies	0.40	0.35	0.38	0.38	0.36

\* The five main group companies are: KOKUYO Co., Ltd., Kaunet Co., Ltd., KOKUYO Marketing Co., Ltd., KOKUYO Supply Logistics Co., Ltd., and KOKUYO Logitem Co., Ltd.

## Working Hours, Paid Leave Takeup Rate

		Coverage	2020	2021	2022	2023	2024
Total working hours per year		Five main group companies	2,056.7	2,092.5	2,087.7	2,023.2	2,065
Non-prescribed working hours per year		Five main group companies	226.9	260.3	269.1	237.2	252
Long-time worker rate (over 360 hours of total annual overtime)		Five main group companies	17.4	24.0	25.2	19.0	22.6
Paid leave uptake rate		Five main group companies	48.9	48.4	54.3	61.7	71.1
Yearly education and training costs per employee (yen)		Five main group companies	35,562	39,107	42,955	54,554	62,554

\* The five main group companies are: KOKUYO Co., Ltd., Kaunet Co., Ltd., KOKUYO Marketing Co., Ltd., KOKUYO Supply Logistics Co., Ltd., and KOKUYO Logitem Co., Ltd.

## Number of Employees on Childcare Leave: By Gender

		Coverage	2020	2021	2022	2023	2024
Childcare leave take-up	Male	Five main group companies	12	26	35	44	40
	Female	Five main group companies	58	72	70	66	65
	Total	Five main group companies	70	98	105	110	105

\* The five main group companies are: KOKUYO Co., Ltd., Kaunet Co., Ltd., KOKUYO Marketing Co., Ltd., KOKUYO Supply Logistics Co., Ltd., and KOKUYO Logitem Co., Ltd.

## Number of Employees on Long-Term-Care Leave: By Gender

		Coverage	2020	2021	2022	2023	2024
Long-term-care leave take-up	Male	Five main group companies	1	0	0	0	0
	Female	Five main group companies	1	1	0	1	2
	Total	Five main group companies	2	1	0	1	2

\* The five main group companies are: KOKUYO Co., Ltd., Kaunet Co., Ltd., KOKUYO Marketing Co., Ltd., KOKUYO Supply Logistics Co., Ltd., and KOKUYO Logitem Co., Ltd.

## Health management

	Coverage	2020	2021	2022	2023	2024
Regular health checkup attendance rate (%)	—	98.6	99.4	99.6	99.5	99.7
Voluntary checkup attendance number (breast cancer, colorectal cancer checkups)	—	1,551	3,482	4,871	5,226	5,259
Regular health checkup finding rate (%)	—	19.8	29.5	29.0	19.6	37.8
Percentage of employees receiving full medical checkup (%)	—	70.5	75.8	78.0	—	—
Lifestyle-related disease occurrence/specific health checkup attendance rate (%)	—	98	98	98	98	99
Lifestyle-related disease occurrence/specific health guidance rate (proactive support) (%)	—	39	47	42	46	54

	Coverage	2020	2021	2022	2023	2024
Lifestyle-related disease occurrence/lifestyle-related disease medical costs (including health insurance dependents) (million yen)	—	161	144	149	142	157
Response rate for stress check survey (%)	Employees of companies that conduct a stress check survey	96.4	95.9	94.1	95.6	94.3
Stretch check score (deviation value) <sup>*4</sup>	Employees of companies that conduct a stress check survey	55	54	49	55	56
Percentage of employees with poor mental health (with severe stress) (%) <sup>*4</sup>	Employees of companies that conduct a stress check survey	4.8	5.6	9.3	11.9	12.3
Number of employees who took leave due to poor mental health	<sup>*5</sup>	16	10	16	25	11
Number of employees who took leave due to other illnesses	<sup>*5</sup>	9	2	5	6	2
Number of employees who retired due to poor mental health	<sup>*5</sup>	10	1	5	3	3
Number of employees who left due to other health issues	<sup>*5</sup>	6	8	2	7	2
Absenteeism: Annual working days per employee lost due to injury or disease <sup>*2</sup>	KOKUYO, Kaunet	2.27	1.38	1.09	1.57	1.08
Presenteeism: Score for productivity lost because of illness, injury, or other conditions in employees attending work(points) <sup>*3</sup>	KOKUYO, Kaunet	—	—	21	21.5	21.7
Employee engagement score (deviation value) <sup>*4</sup>	Employees of companies that conduct a stress check survey	49	50	51	51	53
Percentage of participants in health activity (walking campaign) (%)	KOKUYO, Kaunet	25.3	—	33	30.5	—
Smoking rate (%)	KOKUYO, Kaunet	—	—	17.2	17.4	—

<sup>\*1</sup> Absenteeism is calculated as follows: Annual working days lost due to injury or disease divided by total working days for all employees.

<sup>\*2</sup> The presenteeism score represents the difference between maximum productivity (scaled at 100) and employees' actual productivity rate (according to survey findings).

<sup>\*3</sup> The employee engagement score describes the extent to which employees identify with and actively commit themselves to the organization's strategy and goals.

<sup>\*4</sup> The vendor estimation method was changed in 2023.

<sup>\*5</sup> The five main group companies are: KOKUYO Co., Ltd., Kaunet Co., Ltd., KOKUYO Marketing Co., Ltd., KOKUYO Supply Logistics Co., Ltd., and KOKUYO Logitem Co., Ltd.

# Occupational Health and Safety

Coverage: KOKUYO Co., Ltd. (excluding factory staff, including worksite staff and partner employees)

	Coverage	2020	2021	2022	2023	2024
Work-related fatalities	KOKUYO	0	0	0	0	0
Work-related injuries or hospitalizations	KOKUYO	1	1	2	4	4

Coverage: KOKUYO Co., Ltd. Mie Factory and Shibayama Factory, KOKUYO Product Shiga Co., Ltd., KOKUYO MVP Co., Ltd., IWAMI Paper Industry Co., Ltd., Origin Co., Ltd.

		2020	2021	2022	2023	2024
Number of work-related accidents	Consolidated factories	5	1	6	6	4
	Mie Factory	0	0	0	2	1
	Shibayama Factory	0	0	1	3	2
	KOKUYO Product Shiga	0	0	0	0	0
	KOKUYO MVP	3	1	5	0	0
	IWAMI Paper Industry	1	0	0	1	0
	Origin Co., Ltd.	—	—	—	—	1
Work-related accident frequency rate(%)* <sup>1</sup>	Consolidated factories	2.33	0.44	2.61	2.69	1.68
	Mie Factory	0	0	0	3.04	1.72
	Shibayama Factory	0.02	0	1.43	4.53	2.83
	KOKUYO Product Shiga	0	0	0	0	0
	KOKUYO MVP	6.79	2.14	11.19	0	0
	IWAMI Paper Industry	6.67	0	0	7.78	0
	Origin Co., Ltd.	—	—	—	—	4.4

		2020	2021	2022	2023	2024
Severity rate for work-related accidents(%)*2*3	Consolidated factories	0.02	0	0	0.07	0.01
	Mie Factory	0	0	0	0.04	0.04
	Shibayama Factory	1.83	0	0	0.10	0.01
	KOKUYO Product Shiga	0	0	0	0	0
	KOKUYO MVP	0.09	0.01	0.00	0	0
	IWAMI Paper Industry	0.03	0	0	0.49	0
	Origin Co., Ltd.	—	—	—	—	0.01
Workdays lost due to work-related accidents	Consolidated factories	63.5	8	32	192	38
	Mie Factory	0	0	0	34	30
	Shibayama Factory	12	0	26	82	6
	KOKUYO Product Shiga	0	0	0	0	0
	KOKUYO MVP	46.5	8	6	0	0
	IWAMI Paper Industry	5	0	0	77	0
	Origin Co., Ltd.	—	—	—	—	2

\* For years 2016 and later, "number of work-related accidents" includes only accidents (other than those employees suffered when commuting) that resulted in at least one full workday of leave. For 2014 and 2015, it also includes accidents that did not result in such.

\*1 Work-related accident rate is calculated as follows: Number of employees who experienced a work-related accident × 1,000,000 / Total person-hours

\*2 Work-related accident severity rate is calculated as follows: Number of lost workdays / Total person-hours × 1,000

\*3 The work-related accident rate is shown with the third decimal place rounded off. A score of "0" indicates that absolutely no fatal work-related accidents occurred. On the other hand, a score of "0.00" would indicate a fatality rate higher than 0 but less than 0.005.

## ESG DATA: GOVERNANCE

### Directors

			2020	2021	2022	2023	2024
Number of directors	Men	Unconsolidated	6	6	5	5	7
	Women	Unconsolidated	1	1	1	1	2
	Total	Unconsolidated	7	7	6	6	9
Number of outside directors	Men	Unconsolidated	2	3	3	3	4
	Women	Unconsolidated	1	1	1	1	2
	Total	Unconsolidated	3	4	4	4	6
Number of outside directors designated as independent officers	Total	Unconsolidated	3	4	4	4	6
Number of Audit Committee members	Men	Unconsolidated	2	2	2	2	-
	Women	Unconsolidated	1	1	1	1	-
	Total	Unconsolidated	3	3	3	3	-
Number of outside Audit Committee members	Men	Unconsolidated	2	1	1	1	-
	Women	Unconsolidated	1	1	1	1	-
	Total	Unconsolidated	3	2	2	2	-
Number of outside directors designated as independent officers	Total	Unconsolidated	3	2	2	2	-

Note: In 2024, KOKUYO transitioned its corporate structure from a company with a board of auditors to that of a company with a nominating committee and other committees.

# KOKUYO (MIE PLANT)

LOCATION	2012 Nishitawara, Nabari-shi, Mie
PRINCIPAL PRODUCTS	Steel desks, low partitions, chairs, etc.
COMMENCEMENT OF OPERATIONS	May 1993
SITE AREA	145,977m <sup>2</sup>



Inputs		2022	2023	2024
Energy (GJ)	Volume of energy inputs	100,880	90,943	87,051
	Fuel	39,532	36,637	34,827
	Electricity	61,348	54,306	52,224
Water resources (m <sup>3</sup> )	City/well water	64,067	64,252	50,242

Outputs		2022	2023	2024
Atmospheric emissions (t)	CO <sub>2</sub>	4,310	1,864	1,787
	SO <sub>x</sub>	-	-	-
	NO <sub>x</sub>	0.13	0.11	0.11
Waste emissions (t)	Total waste volume	1,265	1,160	1,169
	Reuse/heat recovery	1,261	1,153	1,161
	Final disposal	3	7	8
Emissions into bodies of water (m <sup>3</sup> )	Volume of effluent	31,097	29,974	29,062
	Emissions into public water areas	31,097	29,974	29,062
	Emissions into sewage systems	-	-	-

Outputs		2022	2023	2024
Restricted items emitted into bodies of water	Hydrogen ion concentration (PH)	7.6~8.0	7.5~8.1	7.7~8.1
	COD (mg/L)	8.6	9	8.9
	BOD (mg/L)	2.4	3.9	3.5
	SS (mg/L)	2.3	3.5	2.5

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## KOKUYO (SHIBAYAMA PLANT)

LOCATION	3155-4 Ohdai, Shibayama-machi, Sanbu-gun, Chiba
PRINCIPAL PRODUCTS	Room dividers, low partitions, cabinets, etc.
COMMENCEMENT OF OPERATIONS	June 1994
SITE AREA	73,734m <sup>2</sup>



Inputs		2022	2023	2024
Energy (GJ)	Volume of energy inputs	120,133	104,221	101,269
	Fuel	61,458	51,676	49,676
	Electricity	58,675	52,545	51,593
Water resources (m <sup>3</sup> )	City/well water	15,336	13,364	13,376

Outputs		2022	2023	2024
Atmospheric emissions (t)	CO <sub>2</sub>	5,767	5,018	2,546
	SO <sub>x</sub>	-	-	-
	NO <sub>x</sub>	-	-	-
Waste emissions (t)	Total waste volume	2,107	2,223	3,001
	Reuse/heat recovery	2,091	2,219	2,993
	Final disposal	16	4	8
Emissions into bodies of water (m <sup>3</sup> )	Volume of effluent	10,428	8,292	8,797
	Emissions into public water areas	5,089	2,591	4,237
	Emissions into sewage systems	5,339	5,701	4,560

Outputs		2022	2023	2024
Restricted items emitted into bodies of water	Hydrogen ion concentration (PH)	7.3	7.4	7.3~7.5
	COD (mg/L)	1.8	1.3	2.1
	BOD (mg/L)	1.6	1.5	0.8
	SS (mg/L)	0.5	1.5	2.9

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## KOKUYO PRODUCT SHIGA

LOCATION	312 Kamigano, Aisho-cho, Echi-gun, Shiga
PRINCIPAL PRODUCTS	Notebooks, plain paper copy paper, carbon duplication books, loose-leaf supplies, etc.
COMMENCEMENT OF OPERATIONS	October 1980
SITE AREA	114,294m <sup>2</sup>



Inputs		2022	2023	2024
Energy (GJ)	Volume of energy inputs	52,931	42,179	38,223
	Fuel	1,010	1,014	928
	Electricity	51,921	41,165	37,295
Water resources (m <sup>3</sup> )	City/well water	4,796	4,728	4,560

Outputs		2022	2023	2024
Atmospheric emissions (t)	CO <sub>2</sub>	1,751	491	59
	SO <sub>x</sub>	-	-	-
	NO <sub>x</sub>	-	-	-
Waste emissions (t)	Total waste volume	2,177	2,129	1,777
	Reuse/heat recovery	2,177	2,129	1,777
	Final disposal	0	0	0
Emissions into bodies of water (m <sup>3</sup> )	Volume of effluent	4,708	4,482	4,333
	Emissions into public water areas	-	-	-
	Emissions into sewage systems	4,708	4,482	4,333

Outputs		2022	2023	2024
Restricted items emitted into bodies of water	Hydrogen ion concentration (PH)	7.0~7.9	7.1~8.3	6.3~7.8
	COD (mg/L)	4.4	1.9	2.7
	BOD (mg/L)	6.9	6.1	4.0
	SS (mg/L)	4.6	14	8

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## KOKUYO MVP (TOTTORI FACTORY)

LOCATION	2-201 Minami, Koyama-cho, Tottori-shi, Tottori
PRINCIPAL PRODUCTS	Custom made stationery
COMMENCEMENT OF OPERATIONS	September 2007 (Predecessor company, KOKUYO Office Supplies Industrial, began operations in December 1962)
SITE AREA	38,389m <sup>2</sup>



Inputs		2022	2023	2024
Energy (GJ)	Volume of energy inputs	27,886	21,569	20,892
	Fuel	216	208	528
	Electricity	27,670	21,361	20,364
Water resources (m <sup>3</sup> )	City/well water	2,331	2,178	2,774

Outputs		2022	2023	2024
Atmospheric emissions (t)	CO <sub>2</sub>	1,507	1,312	36
	SO <sub>x</sub>	-	-	-
	NO <sub>x</sub>	-	-	-
Waste emissions (t)	Total waste volume	966	837	766
	Reuse/heat recovery	953	837	524
	Final disposal	13	0	243
Emissions into bodies of water (m <sup>3</sup> )	Volume of effluent	2,331	2,178	2,774
	Emissions into public water areas	-	-	-
	Emissions into sewage systems	2,331	2,178	2,774

Outputs		2022	2023	2024
Restricted items emitted into bodies of water	Hydrogen ion concentration (PH)	Not subject to regulation	Not subject to regulation	Not subject to regulation
	COD (mg/L)	Not subject to regulation	Not subject to regulation	Not subject to regulation
	BOD (mg/L)	Not subject to regulation	Not subject to regulation	Not subject to regulation
	SS (mg/L)	Not subject to regulation	Not subject to regulation	Not subject to regulation

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## KOKUYO MVP (AOYA FACTORY)

LOCATION	1114 Aoya, Aoya-cho, Tottori-shi, Tottori
PRINCIPAL PRODUCTS	Custom made stationery
COMMENCEMENT OF OPERATIONS	September 2007 (Predecessor company, KOKUYO Office Supplies Industrial, Aoya Factory, began operations in April 2000)
SITE AREA	34,607m <sup>2</sup>



Inputs		2022	2023	2024
Energy (GJ)	Volume of energy inputs	15,022	12,474	11,514
	Fuel	900	676	639
	Electricity	14,122	11,798	10,874
Water resources (m <sup>3</sup> )	City/well water	1,201	1,718	2,036

Outputs		2022	2023	2024
Atmospheric emissions (t)	CO <sub>2</sub>	816	757	704
	SO <sub>x</sub>	-	-	-
	NO <sub>x</sub>	-	-	-
Waste emissions (t)	Total waste volume	424	399	420
	Reuse/heat recovery	423	399	420
	Final disposal	1	0	0
Emissions into bodies of water (m <sup>3</sup> )	Volume of effluent	1,201	1,718	2,036
	Emissions into public water areas	1,201	1,718	2,036
	Emissions into sewage systems	-	-	-

Outputs		2022	2023	2024
Restricted items emitted into bodies of water	Hydrogen ion concentration (PH)	Not subject to regulation	Not subject to regulation	Not subject to regulation
	COD (mg/L)	Not subject to regulation	Not subject to regulation	Not subject to regulation
	BOD (mg/L)	Not subject to regulation	Not subject to regulation	Not subject to regulation
	SS (mg/L)	Not subject to regulation	Not subject to regulation	Not subject to regulation

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## ORIGIN CO., LTD. (HEADQUARTERS FACTORY)

LOCATION	205 Haraichi, Saijo, Yoshino-cho, Awa-shi, Tokushima
PRINCIPAL PRODUCTS	Sofas, sofa beds
COMMENCEMENT OF OPERATIONS	January 1976
SITE AREA	13,794m <sup>2</sup>



Inputs		2024
Energy (GJ)	Volume of energy inputs	2,254
	Fuel	227
	Electricity	2,027
Water resources (m <sup>3</sup> )	City/well water	535

Outputs		2024
Atmospheric emissions (t)	CO <sub>2</sub>	124
	SO <sub>x</sub>	-
	NO <sub>x</sub>	-
Waste emissions (t)	Total waste volume	90
	Reuse/heat recovery	90
	Final disposal	0
Emissions into bodies of water (m <sup>3</sup> )	Volume of effluent	535
	Emissions into public water areas	-
	Emissions into sewage systems	535

Outputs		2024
Restricted items emitted into bodies of water	Hydrogen ion concentration (PH)	Not subject to regulation
	COD (mg/L)	Not subject to regulation
	BOD (mg/L)	Not subject to regulation
	SS (mg/L)	Not subject to regulation

Reports on Business Sites in Japan >

## ORIGIN CO., LTD. (DONARI FACTORY)

LOCATION	82-9 Donari-tonogai, Donari-cho, Awa-shi, Tokushima
PRINCIPAL PRODUCTS	Tables, chairs
COMMENCEMENT OF OPERATIONS	January 1989
SITE AREA	9,900m <sup>2</sup>



Inputs		2024
Energy (GJ)	Volume of energy inputs	3,042
	Fuel	-
	Electricity	3,042
Water resources (m <sup>3</sup> )	City/well water	-

Outputs		2024
Atmospheric emissions (t)	CO <sub>2</sub>	162
	SO <sub>x</sub>	-
	NO <sub>x</sub>	-
Waste emissions (t)	Total waste volume	70
	Reuse/heat recovery	70
	Final disposal	0
Emissions into bodies of water (m <sup>3</sup> )	Volume of effluent	-
	Emissions into public water areas	-
	Emissions into sewage systems	-

Outputs		2024
Restricted items emitted into bodies of water	Hydrogen ion concentration (PH)	Not subject to regulation
	COD (mg/L)	Not subject to regulation
	BOD (mg/L)	Not subject to regulation
	SS (mg/L)	Not subject to regulation

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## KOKUYO-İK (THAILAND)

LOCATION	529 Moo 4 Bangpoo Industrial Estate Soi 8C, T. Praksa, A. Muang, Samutprakam 10280, Thailand
PRINCIPAL PRODUCTS	Clear books (transparent document holders), polypropylene files, tape adhesives, corrective tape etc.
COMMENCEMENT OF OPERATIONS	December 1996
SITE AREA	12,679m <sup>2</sup>



Inputs		2022	2023	2024
Energy (GJ)	Volume of energy inputs	44,798	38,056	31,325
	Fuel	343	357	377
	Electricity	44,454	37,699	30,948
Water resources (m <sup>3</sup> )	City/well water	19,728	18,829	15,763

Outputs		2022	2023	2024
Atmospheric emissions (t)	CO <sub>2</sub>	2,126	1,975	1,748
	SO <sub>x</sub>	-	-	-
	NO <sub>x</sub>	-	-	-
Waste emissions (t)	Total waste volume	317	257	211
	Reuse/heat recovery	278	217	176
	Final disposal	39	40	36
Emissions into bodies of water (m <sup>3</sup> )	Volume of effluent	15,782	15,063	12,610
	Emissions into public water areas	-	-	-
	Emissions into sewage systems	15,782	15,063	12,610

Outputs		2022	2023	2024
Restricted items emitted into bodies of water	Hydrogen ion concentration (PH)	7.0	7.6	6.4
	COD (mg/L)	73.3	44.0	99.5
	BOD (mg/L)	32.6	2.1	18.4
	SS (mg/L)	13.8	57.5	41.3

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# KOKUYO (MALAYSIA)

LOCATION	Lot 79 & 83, Persiaran Bunga Tanjung 1, Senawang Industrial Park, 70400 Seremban, Negeri Sembilan Darul Khusus, Malaysia
PRINCIPAL PRODUCTS	Workstations, phone booths, cabinets, furniture, etc.
COMMENCEMENT OF OPERATIONS	October 1999
SITE AREA	58,000m <sup>2</sup>



Inputs		2022	2023	2024
Energy (GJ)	Volume of energy inputs	18,958	16,553	16,556
	Fuel	5,554	5,446	5,587
	Electricity	13,404	11,107	10,969
Water resources (m <sup>3</sup> )	City/well water	11,426	11,745	10,683

Outputs		2022	2023	2024
Atmospheric emissions (t)	CO <sub>2</sub>	1,170	1,052	1,096
	SO <sub>x</sub>	-	-	-
	NO <sub>x</sub>	-	-	-
Waste emissions (t)	Total waste volume	209	180	148
	Reuse/heat recovery	165	166	141
	Final disposal	45	14	8
Emissions into bodies of water (m <sup>3</sup> )	Volume of effluent	3,217	6,025	5,135
	Emissions into public water areas	1,854	4,701	3,763
	Emissions into sewage systems	1,363	1,324	1,372

Outputs		2022	2023	2024
Restricted items emitted into bodies of water	Hydrogen ion concentration (PH)	8.0	7.9	7.8
	COD (mg/L)	28.3	51.3	87.3
	BOD (mg/L)	8.6	13.3	25.0
	SS (mg/L)	9.8	17.1	10.5

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## KOKUYO VIETNAM

LOCATION	Land Plot B2-B7, Japan-Haiphong IZ, An Duong Dist., Haiphong City, Vietnam
PRINCIPAL PRODUCTS	Notebooks, files for thick covers, tack labels, etc.
COMMENCEMENT OF OPERATIONS	November 2006
SITE AREA	51,544m <sup>2</sup>



Inputs		2022	2023	2024
Energy (GJ)	Volume of energy inputs	24,795	24,009	24,785
	Fuel	629	708	568
	Electricity	24,166	23,301	24,217
Water resources (m <sup>3</sup> )	City/well water	8,668	7,976	5,477

Outputs		2022	2023	2024
Atmospheric emissions (t)	CO <sub>2</sub>	1,562	1,512	1,459
	SO <sub>x</sub>	-	-	-
	NO <sub>x</sub>	-	-	-
Waste emissions (t)	Total waste volume	784	968	930
	Reuse/heat recovery	611	919	913
	Final disposal	173	49	17
Emissions into bodies of water (m <sup>3</sup> )	Volume of effluent	6,934	6,381	4,382
	Emissions into public water areas	-	-	-
	Emissions into sewage systems	6,934	6,381	4,382

Outputs		2022	2023	2024
Restricted items emitted into bodies of water	Hydrogen ion concentration (PH)	7.2	7.0	7.4~7.8
	COD (mg/L)	134.5	54.5	115.0~253.0
	BOD (mg/L)	65.4	30.2	68.0~164.0
	SS (mg/L)	74.8	41.1	78.0~160.0

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# LAMEX (DONGGUAN PLANT)

LOCATION	191 Huan Shi East Road Tangxia Town, Dongguan City, Guangdong Province 523712, China
PRINCIPAL PRODUCTS	Workstations, wooden boxes, panel systems, office chairs
COMMENCEMENT OF OPERATIONS	1999
SITE AREA	40,000m <sup>2</sup>



Inputs		2024
Energy (GJ)	Volume of energy inputs	41,312
	Fuel	5,173
	Electricity	36,140
Water resources (m <sup>3</sup> )	City/well water	33,191

Outputs		2024
Atmospheric emissions (t)	CO <sub>2</sub>	2,728
	SO <sub>x</sub>	-
	NO <sub>x</sub>	-
Waste emissions (t)	Total waste volume	388
	Reuse/heat recovery	388
	Final disposal	0
Emissions into bodies of water (m <sup>3</sup> )	Volume of effluent	28,088
	Emissions into public water areas	-
	Emissions into sewage systems	28,088

Outputs		2024
Restricted items emitted into bodies of water	Hydrogen ion concentration (PH)	Not subject to regulation
	COD (mg/L)	Not subject to regulation
	BOD (mg/L)	Not subject to regulation
	SS (mg/L)	Not subject to regulation

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# KOKUYO COMMERCE (SHANGHAI) CO., LTD SHANGHAI FACTORY

LOCATION	No. 128 RenJie RD, FengXian District, Shanghai, P.R, China 201402
PRINCIPAL PRODUCTS	Adhesive-bound notebooks, spiral notebooks, twin-ring notebooks, report pads, etc.
COMMENCEMENT OF OPERATIONS	August 2012
SITE AREA	27,457.7m <sup>2</sup>



Inputs		2022	2023	2024
Energy (GJ)	Volume of energy inputs	16,197	16,571	13,330
	Fuel	283	284	276
	Electricity	15,915	16,287	13,053
Water resources (m <sup>3</sup> )	City/well water	1,763	2,051	1,455

Outputs		2022	2023	2024
Atmospheric emissions (t)	CO <sub>2</sub>	1,000	1,132	908
	SO <sub>x</sub>	-	-	-
	NO <sub>x</sub>	-	-	-
Waste emissions (t)	Total waste volume	1,399	1,494	1,053
	Reuse/heat recovery	1,364	1,435	971
	Final disposal	34	59	82
Emissions into bodies of water (m <sup>3</sup> )	Volume of effluent	1,587	1,846	1,310
	Emissions into public water areas	-	-	-
	Emissions into sewage systems	1,587	1,846	1,310

Outputs		2022	2023	2024
Restricted items emitted into bodies of water	Hydrogen ion concentration (PH)	Not subject to measurement	Not subject to measurement	Not subject to measurement
	COD (mg/L)	Not subject to measurement	Not subject to measurement	Not subject to measurement
	BOD (mg/L)	Not subject to measurement	Not subject to measurement	Not subject to measurement
	SS (mg/L)	Not subject to measurement	Not subject to measurement	Not subject to measurement

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# KOKUYO CAMLIN (PATALGANGA FACTORY, INDIA)

LOCATION	Plot No. F - 8, Additional Patalganga MIDC, Chavane Village, Post - Apte, Taluka - Panvel, District - Raigad, Maharashtra - 410220
PRINCIPAL PRODUCTS	Writing instruments (markers, mechanical pencils, gel pens, sketch pens), inks, crayons, etc.
COMMENCEMENT OF OPERATIONS	April 2017
SITE AREA	56,000m <sup>2</sup>



Inputs		2022	2023	2024
Energy (GJ)	Volume of energy inputs	26,224	23,826	15,175
	Fuel	987	1,493	984
	Electricity	25,237	22,333	14,191
Water resources (m <sup>3</sup> )	City/well water	38,640	24,564	24,720

Outputs		2022	2023	2024
Atmospheric emissions (t)	CO <sub>2</sub>	1,812	1,879	1,269
	SO <sub>x</sub>	-	-	-
	NO <sub>x</sub>	-	-	-
Waste emissions (t)	Total waste volume	222.9	242.4	243.1
	Reuse/heat recovery	222.3	242.4	242.4
	Final disposal	0.6	0	0.6
Emissions into bodies of water (m <sup>3</sup> )	Volume of effluent	0	0	0
	Emissions into public water areas	-	-	-
	Emissions into sewage system	-	-	-

Outputs		2022	2023	2024
Restricted items emitted into bodies of water	Hydrogen ion concentration (PH)	7.5	7.9	7.6
	COD (mg/L)	120.0	131.8	100.0
	BOD (mg/L)	32.0	34.0	30.4
	SS (mg/L)	28.0	34.0	25.0

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# KOKUYO CAMLIN (SAMBA FACTORY, INDIA)

LOCATION	Lane No. 9, Sidco, Phase - 1 I.G.C., Samba- 184 121
PRINCIPAL PRODUCTS	Art supplies, poster colors, etc.
COMMENCEMENT OF OPERATIONS	January 2008
SITE AREA	10,040m <sup>2</sup>



Inputs		2022	2023	2024
Energy (GJ)	Volume of energy inputs	8,680	8,559	8,304
	Fuel	752	588	852
	Electricity	7,928	7,971	7,452
Water resources (m <sup>3</sup> )	City/well water	10,259	11,709	10,569

Outputs		2022	2023	2024
Atmospheric emissions (t)	CO <sub>2</sub>	600	675	690
	SO <sub>x</sub>	-	-	-
	NO <sub>x</sub>	-	-	-
Waste emissions (t)	Total waste volume	116.2	173.1	153.8
	Reuse/heat recovery	116.2	173.1	153.8
	Final disposal	0	0	0
Emissions into bodies of water (m (m <sup>3</sup> ))	Volume of effluent	10,259	11,709	10,569
	Emissions into public water areas	-	-	-
	Emissions into sewage systems	10,259	11,709	10,569

Outputs		2022	2023	2024
Restricted items emitted into bodies of water	Hydrogen ion concentration (PH)	7.5	7.2	7.2
	COD (mg/L)	104.0	64.0	48.0
	BOD (mg/L)	23.0	11.0	6.0
	SS (mg/L)	56.0	21.0	20.0

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# KOKUYO CAMLIN (TARAPUR FACTORY, INDIA)

LOCATION	Plot no. D-2/1, MIDC Tarapur, Tal - Palghar, Dist - Thane, 401506
PRINCIPAL PRODUCTS	Art supplies, crayons, etc.
COMMENCEMENT OF OPERATIONS	April 1974
SITE AREA	10,045m <sup>2</sup>



Inputs		2022	2023	2024
Energy (GJ)	Volume of energy inputs	45,533	21,922	4,333
	Fuel	790	395	970
	Electricity	44,743	21,527	3,364
Water resources (m <sup>3</sup> )	City/well water	23,874	25,968	14,872

Outputs		2022	2023	2024
Atmospheric emissions (t)	CO <sub>2</sub>	3,145	1,725	349
	SO <sub>x</sub>	-	-	-
	NO <sub>x</sub>	-	-	-
Waste emissions (t)	Total waste volume	85.0	129.2	36.4
	Reuse/heat recovery	85.0	129.2	36.4
	Final disposal	0	0	0
Emissions into bodies of water (m <sup>3</sup> )	Volume of effluent	23,874	25,968	14,872
	Emissions into public water areas	-	-	-
	Emissions into sewage systems	23,874	25,968	14,872

Outputs		2022	2023	2024
Restricted items emitted into bodies of water	Hydrogen ion concentration (PH)	7.37	7.6	7.0
	COD (mg/L)	46.0	42.2	38.2
	BOD (mg/L)	10.0	9.8	10.0
	SS (mg/L)	23.0	9.3	ND

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# 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	<a href="#">About Us &gt;</a>
			<a href="#">Group Companies &gt;</a>
			<a href="#">Locations &gt;</a>
	2-2	Business entities covered by the organization's sustainability reporting	<a href="#">ESG Data: Environment&gt;Organizational Units Covered &gt;</a>
			<a href="#">Editorial Policy &gt;</a>
	2-3	Reporting period, reporting frequency and contact details	<a href="#">Editorial Policy &gt;</a>
	2-4	Description of revisions and corrections to information	-
	2-5	External assurance	<a href="#">Organizational Framework for Sustainability &gt;</a>
			<a href="#">Third-party audit certification &gt;</a>
	2-6	Activities, value chains and other business relationships	<a href="#">KOKUYO Businesses &gt;</a>
			<a href="#">Supply Chain Management &gt;</a>
			<a href="#">Integrated Report 2025 (pp. 29–30) </a>
	2-7	Employees	<a href="#">ESG Data: Social&gt;Employee Composition: By Position &gt;</a>
	2-8	Workers other than employees	<a href="#">ESG Data: Social&gt;Employee Composition: By Contract Type and by Region &gt;</a>
	2-9	Governance structure and composition	<a href="#">Corporate Divisions&gt;Corporate Governance System &gt;</a>
	2-10	Nominating and selecting in the highest governance body	<a href="#">Corporate Divisions&gt;Corporate Governance System &gt;</a>
	2-11	Chair of the highest governance body	<a href="#">Corporate Divisions&gt;Corporate Governance System &gt;</a>
2-12	Role of the highest governance body in supervision of the management of impacts	<a href="#">Organizational Framework for Sustainability &gt;</a>	
2-13	Transferring responsibility for the management of impacts	-	
2-14	Highest governance body's role in sustainability reporting	<a href="#">Organizational Framework for Sustainability &gt;</a>	
2-15	Conflicts of interest	<a href="#">KOKUYO Group's Value System&gt;KOKUYO Group Code of Conduct &gt;</a>	
2-16	Communicating critical concerns	<a href="#">Organizational Framework for Sustainability &gt;</a>	
2-17	Collective knowledge of highest governance body	<a href="#">Corporate Divisions&gt;Corporate Governance System &gt;</a>	

GRI Standards	Disclosure titles		Page
	2-18	Evaluating the highest governance body's performance	<a href="#">Corporate Divisions &gt; Corporate Governance System &gt;</a>
	2-19	Remuneration policies	<a href="#">Corporate Divisions &gt; Corporate Governance System &gt;</a>
	2-20	Process for determining remuneration	<a href="#">Corporate Divisions &gt; Corporate Governance System &gt;</a>
	2-21	Annual total compensation ratio	<a href="#">Corporate Divisions &gt; Corporate Governance System &gt;</a>
	2-22	Statement on the strategy for sustainable development	<a href="#">Top Commitment &gt;</a>
	2-23	Policy statement	<a href="#">Sustainability Policies and Guidelines &gt;</a>
			<a href="#">KOKUYO Group's Value System &gt; KOKUYO Group Code of Conduct &gt;</a>
	2-24	Implementation of the policy statement	<a href="#">Risk Management &gt; Business Risks Affecting KOKUYO &gt;</a>
			<a href="#">Environmental Actions &gt;</a>
			<a href="#">Respect for Human Rights &gt;</a>
			<a href="#">Supply Chain Management &gt;</a>
			<a href="#">Labor and Talent &gt; Talent Management Policy </a>
			<a href="#">Together with Customers &gt; Dialogue with Our Customers &gt;</a>
	2-25	Process to correct negative impacts	<a href="#">Risk Management &gt; Promoting Compliance &gt;</a>
<a href="#">Together with Customers &gt; Dialogue with Our Customers &gt; A System for Utilizing Feedback from Customers &gt;</a>			
<a href="#">ESG Data: Social &gt; Listening to Customers &gt;</a>			
2-26	System for seeking advice and system for raising concerns	<a href="#">Risk Management &gt; Promoting Compliance &gt;</a>	
2-27	Compliance with laws and regulations	<a href="#">Legal Compliance and Pollution Prevention: Actions &gt; Environmental Compliance &gt;</a>	
2-28	Organizations with membership qualifications	<a href="#">Partnerships with External Organizations &gt; Associations, projects &gt;</a>	

GRI Standards	Disclosure titles		Page
			<a href="#">Together with Communities &gt;</a>
			<a href="#">Together with Customers&gt;Dialogue with Our Customers &gt;</a>
	2-29	Approach to stakeholder engagement	<a href="#">Together with Employees &gt;</a>
			<a href="#">Supply Chain Management &gt;</a>
			<a href="#">Coexistence with Nature: Actions&gt;Environmental Conservation &gt;</a>
	2-30	Labor agreement	<a href="#">Annual Securities Report (p. 10)*</a>  * Japanese Only
GRI 3: List of material topics 2021	3-1	Process for determining material topics	<a href="#">Process for Identifying Material Issues &gt;</a>
	3-2	List of material topics	<a href="#">Material Issues and Performance&gt;KOKUYO's Material Issues &gt;</a>
	3-3	Management of material topics	<a href="#">Organizational Framework for Sustainability &gt;</a>
			<a href="#">Material Issues and Performance&gt;KOKUYO's Material Issues &gt;</a>
GRI201: Economic Performance 2016	201-1	Direct economic value generated and distributed	<a href="#">Earnings Highlights &gt;</a>
	201-2	Financial implications and other risks and opportunities due to climate change	<a href="#">Disclosures Aligned with the TCFD Recommendations &gt;</a>
	201-3	Defined benefit plan obligations and other retirement plans	<a href="#">Annual Securities Report (p. 101)*</a>  * Japanese Only
	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	-
GRI205: Anti-corruption 2016	205-1	Operations assessed for risks related to corruption	-
	205-2	Communication and training about anti-corruption policies and procedures	<a href="#">Risk Management&gt;Basic Policy on Bribery and Corruption &gt;</a>
	205-3	Confirmed incidents of corruption and actions taken	-
GRI206: Anti-competitive Behavior 2016	206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	-

GRI Standards	Disclosure titles		Page
GRI207: 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	-
GRI301: Materials 2016	301-1	Materials used by weight or volume	ESG Data: Environment>Environmental Load Material Flow >
	301-2	Recycled input materials used	-
	301-3	Reclaimed products and their packaging materials	ESG Data: Environment>Environmental Load Material Flow >
GRI302: Energy 2016	302-1	Energy consumption within the organization	ESG Data: Environment>Global Warming Preventative Measures>Scope 1 and 2 emissions >
			ESG data>Reports on Business Sites in Japan >
			>ESG data>Reports on Business Sites Overseas >
	302-2	Energy consumption outside of the organization	ESG Data: Environment>Global Warming Preventative Measures>Scope 3 emissions >
	302-3	Energy intensity	ESG Data: Environment>Global Warming Preventative Measures>Intensity per Unit of Sales >
	302-4	Reduction of energy consumption	ESG Data: Environment>Global Warming Preventative Measures >
	302-5	Reductions in energy requirements of products and services	ESG Data: Environment>Global Warming Preventative Measures>Scope 3 emissions >

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GRI303: 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 Data: Environment>Water Resources Saving >	
			ESG data>Reports on Business Sites in Japan >	
			ESG data>Reports on Business Sites Overseas >	
	303-4	Water discharge	ESG Data: Environment>Water Resources Saving >	
			ESG data>Reports on Business Sites in Japan >	
			ESG data>Reports on Business Sites Overseas >	
	303-5	Water consumption	ESG Data: Environment>Water Resources Saving >	
			ESG data>Reports on Business Sites in Japan >	
			ESG data>Reports on Business Sites Overseas >	
	GRI304: Biodiversity 2016	304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	Disclosures Aligned with the TNFD Recommendations>2. Understanding our Relation to Sensitive Locations >
		304-2	Significant impacts of activities, products, and services on biodiversity	Disclosures Aligned with the TNFD Recommendations>4. Scenario Analysis >
		304-3	Habitats protected or restored	Coexistence with Nature: Actions>Environmental Conservation >
				Yui-no-Mori ("linkage forest")>Survey work to monitor forest and nature > * Japanese Only
304-4	IUCN Red List species and national conservation list species with habitats in areas affected by operations	-		

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GRI305: Emissions 2016	305-1	Direct (Scope 1) GHG emissions	ESG Data: Environment>Global Warming Preventative Measures>Scope 1 and 2 emissions >
	305-2	Energy indirect (Scope 2) GHG emissions	ESG Data: Environment>Global Warming Preventative Measures>Scope 1 and 2 emissions >
	305-3	Other indirect (Scope 3) GHG emissions	ESG Data: Environment>Global Warming Preventative Measures>Scope 3 emissions >
	305-4	GHG emissions intensity	ESG Data: Environment>Global Warming Preventative Measures>Intensity per Unit of Sales >
	305-5	Reduction of GHG emissions	ESG Data: Environment>Environmental Friendliness Efficiency Indicators >
	305-6	Emissions of ozone-depleting substances (ODS)	-
	305-7	Nitrogen oxides (NOX), sulfur oxides (SOX), and other significant air emissions	ESG Data: Environment>JEPIX >
GRI306: Waste 2020	306-1	Waste generation and significant impacts related to waste	Environmental Management >
	306-2	Management of significant impacts related to waste	Environmental Management >
	306-3	Generated waste	ESG Data: Environment>Resource Saving and Recycling >
	306-4	Undisposed waste	ESG Data: Environment>Resource Saving and Recycling >
	306-5	Disposed waste	ESG Data: Environment>Resource Saving and Recycling >
GRI308: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 >
GRI401: Employment 2016	401-1	New employee hires and employee turnover	ESG Data: Social>Breakdown of New Hires >
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	-
	401-3	Parental leave	ESG Data: Social>Number of Employees on Childcare Leave: By Gender >
GRI402: Labor/Management Relations 2016	402-1	Minimum notice periods regarding operational changes	-

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GRI403: Occupational Health and Safety 2018	403-1	Occupational health and safety management system	Occupational Health and Safety>Employee Safety >
			Occupational Health and Safety>Employee Health >
	403-2	Hazard identification, risk assessment, and incident investigation	ESG Data: Social>Occupational Health and Safety >
	403-3	Occupational health services	Occupational Health and Safety>Employee Health >
	403-4	Worker participation, consultation, and communication on occupational health and safety	Occupational Health and Safety>Employee Safety>KOKUYO Group Construction Industry and Plants Health-and-Safety Conferences >
	403-5	Worker training on occupational health and safety	Occupational Health and Safety>Employee Safety>Management Training for Plant Staff >
	403-6	Promotion of worker health	Occupational Health and Safety>Employee Health >
	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Occupational Health and Safety>Employee Health >
	403-8	Workers covered by an occupational health and safety management system	Annual Securities Report (p. 10)*  * Japanese Only
	403-9	Work-related injuries	ESG Data: Social>Occupational Health and Safety >
403-10	Work-related ill health	ESG Data: Social>Health management >	
		ESG Data: Social>Occupational Health and Safety >	
GRI404: 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	Labor and Talent>Human Resources Management >
	404-3	Percentage of employees receiving regular performance and career development reviews	-
GRI405: Diversity and Equal Opportunity 2016	405-1	Diversity of governance bodies and employees	ESG Data: Social>Employee Composition: By Contract type and by Gender >
	405-2	Ratio of basic salary and remuneration of women to men	-
GRI406: Non-discrimination 2016	406-1	Incidents of discrimination and corrective actions taken	-
GRI407: 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	-
GRI408: Child Labor 2016	408-1	Operations and suppliers at significant risk for incidents of child labor	-

GRI Standards	Disclosure titles		Page
GRI409: Forced or Compulsory Labor 2016	409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	-
GRI410: Security Practices 2016	410-1	Security personnel trained in human rights policies or procedures	-
GRI411: 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	-
GRI414: 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	<a href="#">Supply Chain Management: Actions &gt;</a>
GRI415: Public Policy 2016	415-1	Political contributions	-
GRI416: Customer Health and Safety 2016	416-1	Assessment of the health and safety impacts of product and service categories	<a href="#">Together with Customers&gt;Providing Peace of Mind and Safety to Customers &gt;</a>
	416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	-
GRI417: 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	-
GRI418: 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			<a href="#">Top Commitment &gt;</a>
			<a href="#">Sustainable Business Strategy &gt;</a>
			<a href="#">Corporate Governance &gt;</a>

Core subjects	Issues	Description	Page	
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.	Occupational Health and Safety > Employee Health > Health Management >	
	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.	KOKUYO Group Hotline (For Supply Chain Partners) >	
	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 Code of Conduct >	
	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.	—	
	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.	Occupational Health and Safety >	
	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 Code of Conduct >	
	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 employers and employees having rights and fulfilling their obligations.	Welfare and Benefits* > * Japanese Only
		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.	Labor and Talent > Programs >
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.	Occupational Health and Safety > KOKUYO Health and Productivity Declaration >	
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.	Occupational Health and Safety > Employee Safety >	
			Labor and Talent > Workstyle Reform, Diversity, and Inclusion >	
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.	Labor and Talent > Human Resources Management >		

Core subjects	Issues	Description	Page
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.	<a href="#">Environmental Management &gt;</a>
			<a href="#">Legal Compliance and Pollution Prevention &gt;</a>
			<a href="#">ESG Data: Environment&gt;Managing Chemical Substances &gt;</a>
	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.	<a href="#">Recycling &gt;</a>
			<a href="#">ESG data&gt;Reports by Business Sites &gt;</a>
			<a href="#">ESG Data: Environment &gt;</a>
	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.	<a href="#">Climate Change &gt;</a>
			<a href="#">ESG data&gt;Reports by Business Sites &gt;</a>
			<a href="#">ESG Data: Environment&gt;Global Warming Preventative Measures &gt;</a>
	6.5.6 Protection and restoration of the natural environment	With the environment having been altered by human activity, organizations should take action to protect the environment and restore biodiversity and ecosystems.	<a href="#">Coexistence with Nature &gt;</a>
			<a href="#">ESG Data: Environment&gt;Yui-no-Mori: Wildlife survey results &gt;</a>
	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.
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.	<a href="#">KOKUYO Group Code of Conduct &gt;</a>
6.6.5 Fair competition		Organizations should avoid anti-competitive behavior such as price fixing, bid rigging, and dumping (predatory pricing).	<a href="#">KOKUYO Group Code of Conduct &gt;</a>
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.	<a href="#">KOKUYO Group Code of Conduct &gt;</a>
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.	<a href="#">KOKUYO Group Code of Conduct &gt;</a>
			<a href="#">Risk Management&gt;Initiatives Regarding Management of Intellectual Property Rights &gt;</a>

Core subjects	Issues	Description	Page
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.	<a href="#">Together with Customers &gt;</a>
	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	<a href="#">Recycling &gt; Circular Business Guidelines: SUTENAI CIRCLE &gt;</a>
	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.	<a href="#">Together with Customers &gt; A System for Utilizing Feedback from Customers &gt;</a>
	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.	<a href="#">Personal Information Protection Policy &gt;</a>
	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.	—

Core subjects	Issues	Description	Page
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.	Partnerships with External Organizations > Coexistence with Nature > 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.	Partnerships with External Organizations > Actions Related to Partnerships with External Organizations >
	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 > Improve Wellbeing among External Stakeholders >
	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 policies, 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.	Together with Customers > Providing Peace of Mind and Safety to Customers >
	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 39 companies\* in the KOKUYO Group.

\* KOKUYO Co., Ltd., 31 consolidated subsidiaries, and 8 equity-method affiliates

## 独立保証報告書

コクヨ株式会社 殿



ビューローベリタスジャパン(以下、ビューローベリタス)は、コクヨ株式会社(以下、コクヨ)の委嘱に基づき、コクヨによって選定されたサステナビリティ情報に対して限定的保証業務を実施した。この保証報告書は、以下に示す業務範囲内に含まれる関連情報に適用される。

### 選定情報

我々の業務範囲は、「コクヨグループ統合報告書 2025」(以下、レポート)及びウェブサイト(以下、ウェブサイト)に記載された、2024年1月1日から2024年12月31日までの期間の、以下の情報(‘選定情報’)に対する保証に限定される。

- ・エネルギー使用量
- ・温室効果ガス排出量
  - スコープ 1 及びスコープ 2 排出量(CO<sub>2</sub>, CH<sub>4</sub>, N<sub>2</sub>O)
  - スコープ 3 排出量(カテゴリー1, 2, 3, 4, 5, 6, 7, 9, 12, 13, 14)
- ・水使用量、排水量、工場内の循環的利用水の量
- ・廃棄物排出量、リサイクル量、最終処分量  
(施工時の排出は含まない)
- ・物質投入量
- ・総販売量
- ・容器包装材使用量
- ・SOx/NOx 排出量
- ・BOD/COD 排出量
- ・使用済み製品の引き取り量及びリユース量
- ・PRTR 法対象化学物質(取扱量、排出及び移動量、除去処理量、消費量)
- ・エコ効率指標(CO<sub>2</sub>、廃棄物、化学物質、水)
- ・JEPIX 環境ポイント
- ・総輸送量

但し、各データにおける報告範囲はコクヨの決定に基づく。

### 報告規準

レポート内に含まれる選定情報は、レポートに記載された報告規準と共に読まれ理解される必要がある。ウェブサイト内に含まれる選定情報は、ウェブサイトに記載された報告規準と共に読まれ理解される必要がある。

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# WEBSITE CURATION 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, learning, and homelife.

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.

## Relevant period

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The content on this website pertains mainly to the fiscal year ended December 31, 2024.

## Companies covered

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The content of this website mainly covers KOKUYO Co. Ltd. along with 30 other consolidated subsidiaries of KOKUYO Group.