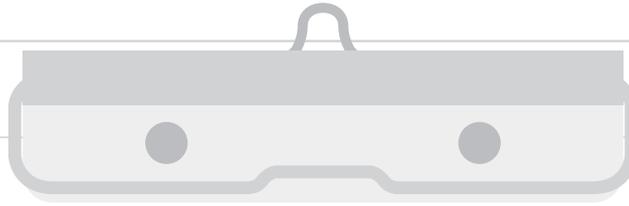


KOKUYO's CSR Charter	Corporate Profile	KOKUYO's Main Business Domains	KOKUYO's Initiatives and History	Initiatives for Future and Society	KOKUYO's Various Initiatives	Introduction of KOKUYO's Initiatives in 2019	Message from the President
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## KOKUYO's CSR Charter

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

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

### For Our Customers

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

### For Regional Communities

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

### For Environmental Conservation

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

### Corporate Activities

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

### Respect for Human Rights

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

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## Reporting Period

January 1, 2019 to December 31, 2019

## Publication Period

Report published: May 2020

Next report to be published: April 2021

Previous report published: June 2019

## Scope of the Report

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

## Reference Guidelines

- ISO26000
- Japanese Ministry of the Environment Environmental Reporting Guidelines 2012
- GRI (Global Reporting Initiative) Sustainability Reporting Guidelines 4th Edition

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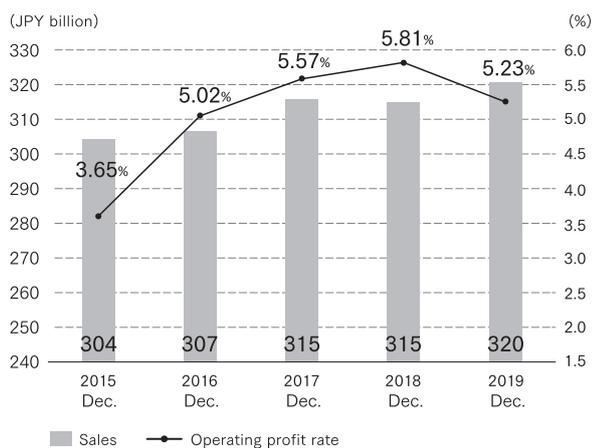
## Corporate Profile

Date . . . . .

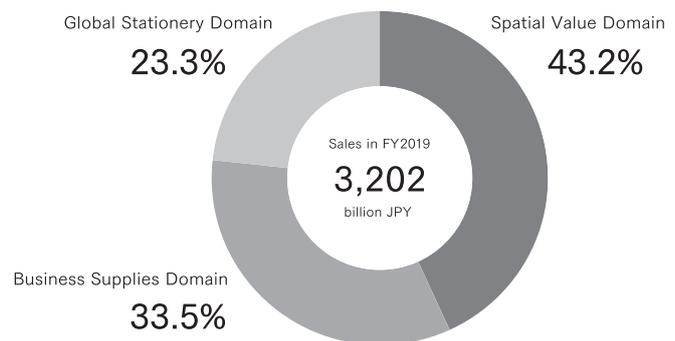
Company name	KOKUYO Co., Ltd.
Head Office location	6-1-1 Oimazato-minami, Higashinari-ku, Osaka-shi, Osaka 537-8686 JAPAN
Telephone	+81-6-6976-1221 (main switchboard)
Number of employees	6,961 (Consolidated) 2,214 (Parent company)*As of the end of December 2019
Stock listings	Tokyo Stock Exchange (First Section)
Capital	JPY 15.8 billion
Sales volume	JPY 320.2 billion (Consolidated from January 1 to December 31, 2019)
Business description	Stationery manufacturing, purchasing, and sales; office furniture manufacturing, purchasing, and sales; space design and consultation, etc.

### Financial data graphs

Sales & Operating profit rate



Consolidated sales composition



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

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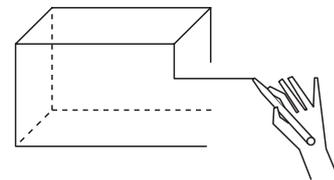
## KOKUYO's Main Business Domains

Date . . . . .

In 2019, KOKUYO newly established its business domains. The domains are KOKUYO's new initiatives and challenges designed to expand the areas of value provided to customers.

### Spatial Value Domain

We will design and propose spaces with an emphasis on improving work environment of working people to accommodate changes in work styles.

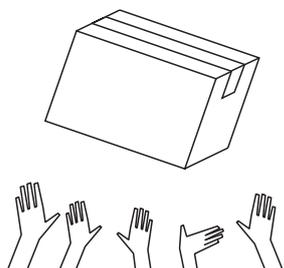


We will face the needs arising from increasingly diversifying work styles, and conduct businesses that include objects and actions, as well as services to improve future work styles and working people's ways of life. We will propose spaces that can make our customers' work, learning, and living more creative and comfortable.

Manufacturing, delivery, and assembly of furniture, and spatial design and construction for offices, medical institutions, educational institutions, and public offices and agencies; work style consulting; manufacturing, importing, and sales of interior and furniture (ACTUS), etc.

## Business Supplies Domain

We plan to “deliver” solutions from stationery to office furniture to offer comfort of “using” solutions.

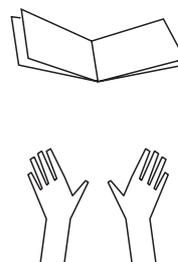


KOKUYO is unique in its capability to deliver a comprehensive range of stationery and office furniture and supplies. We provide support to improve the efficiency of the management of office supplies at customers and sales order operations at retailers. We provide services to allow customers to use our tools without stress.

“Kaunet,” which sells office products to individual and corporate customers; “KiSPA,” a web order system for stationery shops; proposal and support system for stationery and office supplies purchase system for offices

## Global Stationery Domain

We provide stationery that fosters creativity in our customers’ work, learning, and living both in Japan and overseas.



Stationery inspires the creativity of its users. We deliver stationery that enhances our customers’ work, learning, and living, thereby conducting businesses that provide services through objects. We work to meet diversifying needs of customers through manufacturing and sales of stationery in Japan and overseas as well as other businesses.

Manufacture and sale of stationery within Japan and overseas, such as in Shiga, Tottori, China, and India; development and sale of creative picture book series and tools for creativity; document digitization service @Tovas, etc.

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## KOKUYO's Initiatives and History

Date



1905 Zentaro Kuroda opened the Kuroda Ledger Cover Shop, a shop manufacturing covers for Japanese-style account ledgers (wacho)

1908 Production of wacho began

1913 Production of readymade Western-style account edgers began



1914 Company name changed to Kuroda Kokkodo.

Started production of accounting slips, invoices, duplicate copybooks, and letter paper

1932 Stationery pads with high-quality colored paperboard released

1956 Flat files released



1959 Survey field notebooks released

1960 Entry into the office furniture business  
Filing cabinets released

1961 Company name changed to KOKUYO Co., Ltd.

1964 Scrapbooks released



1965 Steel desks released

1966 Office swivel chairs released

1969 Japan's first Live Office is born

1975 Campus Notebooks released

Started manufacturing of furniture for educational facilities

<p>1981</p> 	<p>2003</p> 	<p>2009</p> 	<p>2017</p> 
<p>1983</p> 	<p>2005</p> 	<p>2015</p> 	<p>2018</p> 
<p>2000</p> 	<p>2008</p> 	<p>2016</p> 	<p>2019</p> 
<p>1981 KuruKuruMeka (adjustable child desk) released</p> <p>1983 File box FS released</p> <p>1996 Established overseas group companies and started manufacturing, sales, and import and export operations of stationery and furniture</p> <p>1998 Initiatives for Universal Design began</p> <p>2000 Kaunet established</p> <p>"PunyoPunyo Pin," universal design-compliant thumb tacks released</p> <p>2002 KOKUYO DESIGN AWARDS began</p>	<p>2003 KOKUYO K Heart established</p> <p>"Kadokeshi" plastic eraser released</p> <p>2004 Segmented all KOKUYO Co., Ltd. businesses into separate companies and moved to holding corporation system</p> <p>2005 100th anniversary with the redesign of the company logo</p> <p>Dot Liner (glue tape)released</p> <p>2006 KOKUYO invested in Actus Co., Ltd.</p> <p>2008 The Eco X-mark initiative began</p> <p>Picture book series "The Face Notebook" released</p>	<p>2009 Harinacs (staple-free stapler) released</p> <p>2011 Shares of Camlin Limited, India, acquired and its company name changed to KOKUYO Camlin</p> <p>2013 Kaucore launched</p> <p>2015 Businesses reintegrated</p> <p>"DAYS OFFICE" furniture brand launched</p> <p>2016 In-house office bag Mobaco released</p>	<p>2017 Shop and café "THINK OF THINGS" opened</p> <p>Office chair "ing" released</p> <p>2018 Adhesive product brand "GLOO" released</p> <p>2019 Workstation "UPTIS" released</p>

## Evolution of Campus Notebooks

Campus Notebooks has continuously evolved to accommodate the needs of users.

1975



### 1st-generation Campus Notebooks

In 1959, "thread-less binding" notebooks, which were completely different from the then mainstream thread binding notebooks, were commercialized. This series of Campus Notebooks were launched for students throughout Japan.

1983



### 2nd-generation Campus Notebooks

This series were marked with "A ruled line" and "B ruled line" in alphabets and images of ruled lines on the cover page to make it easy to find at stores. This series, with a new logo and casual and long-lasting design adopted, also gained a foothold among working people.

## Evolution of the Live Office

Applying the results of research on making things, creating spaces, and working styles to make available the results in the form of a showroom.

1969



### Japan's first Live Office

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

1990s



### Large-scale free-address office

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

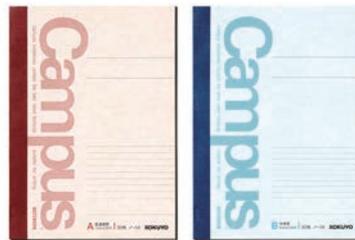
1991



3rd-generation Campus Notebooks

This series was designed with attention to details for greater originality, adopting vivid colors that were not used in previous-generation products and a drastic change of design with the logo placed vertically.

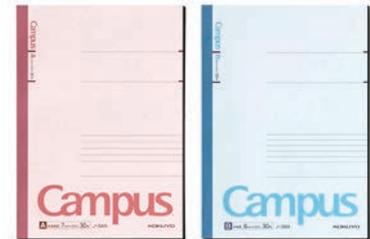
2000



4th-generation Campus Notebooks

In order to improve customer satisfaction, this series was developed after thoroughly researching materials. As a result of continuous efforts, we succeeded in developing a new type of cloth that is tear resistant even after the notebook is filled up to the last page.

2011



5th-generation Campus Notebooks

Changing the surface finish of the spine cloth made it easy to use pens to write on this series. Also, changing the specifications of base paper and ruled lines of the pages made the notebooks easier to draw lines on and use.

2000s



Large-scale all-wireless LAN office

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

2010s



Offices supporting cloud work

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

Now and in the future



Office realizing diverse work styles

KOKUYO proposes office spaces and work styles that further strengthen companies by allowing workers with various skills to work in their own styles and consolidating those skills.

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## Initiatives for the Future and Society

Date . . . . .

KOKUYO supports ideas that shape the future and to future environment.



### KOKUYO Design Awards

KOKUYO Design Award is a design competition that started in 2002 aimed at attracting superior product designs for commercialization from a wide range of users based on their perspectives. Hit products born from past competitions include the "Kadokeshi" plastic eraser. The competition has developed into an international product design award in recent years.



### ReEDEN Project

KOKUYO Product Shiga Co., Ltd. is conducting activities to conserve reeds, which play an important role in maintaining water quality and biodiversity of Lake Biwa. By harnessing production technologies developed to date, KOKUYO Product Shiga has been using reeds to produce copier paper and notebooks and selling them under the ReEDEN Series brand name.



### Work Style Research

The office research center was established in 1986. Research on related products and spaces and office consultation activities began. Provide information through research and information journal ECIFFO, and work style strategy information journal WORKSIGHT.



### Camel Art Foundation

The principal purpose of CAF is to increase awareness of art in India. By offering platforms for artistic activities and hosting exhibitions, CAF is providing opportunities for budding artists to display works and for professional artists to raise their profile.



### Yui no Mori

Through the Yui no Mori Project that started in 2006 jointly with Shimanto Forest Cooperative in Kochi Prefecture, KOKUYO is conducting forest conservation activities focusing on forest thinning and the efficient utilization of timber.



### KOKUYO K Heart Co., Ltd. and Heartland Co., Ltd.

KOKUYO's started hiring persons with disabilities in 1940 with the employment of students from the Osaka Prefectural Central Hearing Support School. KOKUYO provides job opportunities for employees with various disabilities at KOKUYO K Heart and Heartland, special subsidiaries engaged in printing and consignment operations, and agricultural production respectively.

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## KOKUYO's Various Initiatives

Date

KOKUYO's challenge to realize more creative and fruitful work, learning and living for our customers.



### Business Concierge

KOKUYO, through its business concierge service, offers wide-ranging services such as office operation and document design that facilitates greater productivity. By offering services based on the concept of "inspiration and ideas that go one step ahead," we will provide a comfortable environment for people who work in offices.



### Members-only work lounge "Creative Lounge MOV"

Creative Lounge MOV is a members-only work lounge for people that practice new work styles. In this lounge, people from different culture and industries meet and create a new movement through exchange of ideas and resources – a work style typical of Shibuya, Tokyo.



### KOKUYO's Picture Book

Based on the themes of "parent-child communication" and "fostering creativity," KOKUYO manufactures and sells workbooks, such as "The Face Notebook" and "Fashion Notebook," and painting tools, such as "Mix Color Pencils" and "Clear Crayons".



### Disaster Solutions

KOKUYO proposes "disaster solutions" as a company thoroughly familiar with office environment. We select emergency supplies most suitable for individual offices. If there are emergency supplies that are not available or are inconvenient to use, we do research from scratch, engaging in innovation and making improvements to devise each necessary item.



### Shop and café "THINK OF THINGS"

"Think of Things" is a lifestyle shop and café directly managed by KOKUYO and stocked with products that can be considered tools to produce stimulation and discoveries in both daily life and work. This facility is designed to create a place where we can think about and create values that KOKUYO can provide for the future.



### Interior and lifestyle "ACTUS"

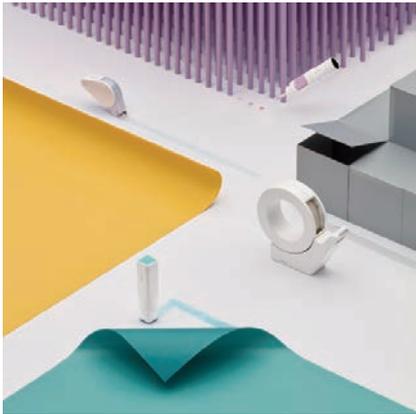
ACTUS was established as a pioneering company in dealing in modern interior design imported from Europe. As a lifestyle company proposing total categories of products related to living essentials surrounding "food, clothing and housing", ACTUS suggests "high-quality and meticulous living".

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## Introduction of KOKUYO's Initiatives in 2019

Date . . . . .

KOKUYO rolled out various initiatives with people, the world, and the future in mind.



### Birth of New Brand "GLOO" That Changes Concept of Sticking for Adhesive Products

The new brand "GLOO" of adhesive products combining functionality and beauty overthrowing existing mindsets about consumables were born in collaboration with the design office nendo led by CEO Oki Sato.



### Birth of Novel Workstation "UPTIS"

The inclination of the UPTIS's tabletop can be adjusted in seven stages for one's preferred angle, leading to posture that places less burden on the body. This created a desk that fits people so that workers can work with healthy bodies and minds.



### Launch of New Brand "KOKUYO ME" Allowing Combinations like Accessories to Be Enjoyed

KOKUYO ME is a new stationery series with "Life Accessories" as its concept. Excellent design was pursued with active workers from the millennial and xennial generations—who are characterized by their particularity regarding individuality—as the targets of the series.



### Opening of Store by KOKUYO Furniture (China) on E-commerce Platform Tmall.com of China's Alibaba Group

On October 25, an opening event was held at a KOKUYO Furniture (China) dealer's showroom, and the store started operation on November 11.



**KOKUYO DESIGN AWARD 2020 with “♡” as the Theme**

It was completely left to applicants to decide how to read and interpret the “♡” symbol in order to promote the creativity and inspiration of the applicants above all else. As a result, a total of 1,377 entries both from Japan and overseas were received. In March 2020, a total of four prize-winning works, such as the “Somewhere, Sometime” pencil made from scrap wood, were determined.



**Launch of IoT Stationery “Shukudai Yaruki Pen”**

Shukudai Yaruki Pen visualizes efforts for study by linking to a dedicated smartphone app. It is receiving a lot of support as a product that develops motivation in children by generating smooth communication between parent and child.

**Conduct of “Exciting Smart Work” Initiative to Take on the Challenge of Diverse Work Styles**

A telecommuting trial spanning three months was conducted from July 23 with the aim of realizing diverse work styles that encourage employees to get excited about work.

**Commendations**



**KOKUYO Received 2019 Good Design Awards for Nine Products**

Among these nine products, the conference room chair “Any” received high evaluation and was selected for the GOOD DESIGN BEST 100.



**KOKUYO Received World’s Prestigious Design Award “iF DESIGN AWARD” for Four Products**

The 360° gliding chair “ing,” conference room table “CALM,” and the “True Ruler” which received the Merit Award at KOKUYO DESIGN AWARD 2014 were selected for the iF DESIGN AWARD in the “Product” design category, while the office disaster-countermeasures storage system “PARTS-FIT” was selected for the “Packaging” design category.

**Recognition as White 500 Organizations Under the 2020 Certified Health & Productivity Management Outstanding Organization Recognition Program**



KOKUYO and Kaunet were recognized as White 500 organizations under the 2020 Certified Health & Productivity Management Outstanding Organization Recognition Program selected jointly by the Ministry of Economy, Trade and Industry and the Nippon Kenko Kaigi.

\* The Certified Health & Productivity Management Outstanding Organization Recognition Program honors outstanding enterprises engaging in health and productivity management based on their efforts made in line with the health-related issues in local communities and other initiatives.



生物多様性日本アワード  
Japan Awards for Biodiversity 2019

**ReEDEN Project Received the Grand Prix at The Biodiversity Japan Award 2019**

The Grand Prix is given to the most outstanding project from among the five organizations selected for the Excellence Awards, making it Japan’s pinnacle environmental award in the field of biodiversity. Going forward, KOKUYO will continue to work on straightforward activities without giving up as well as communicating these activities.

\* The Japan Awards for Biodiversity was established by the AEON Environmental Foundation in 2009 with the aim of promoting biodiversity conservation and sustainable use. It was awarded in recognition of organizations which have engaged in striking activities.

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## Message from the President

### An Idea-Centric Business Management, and a Focus on ESG management

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



#### ■ Creating Value that Excites People

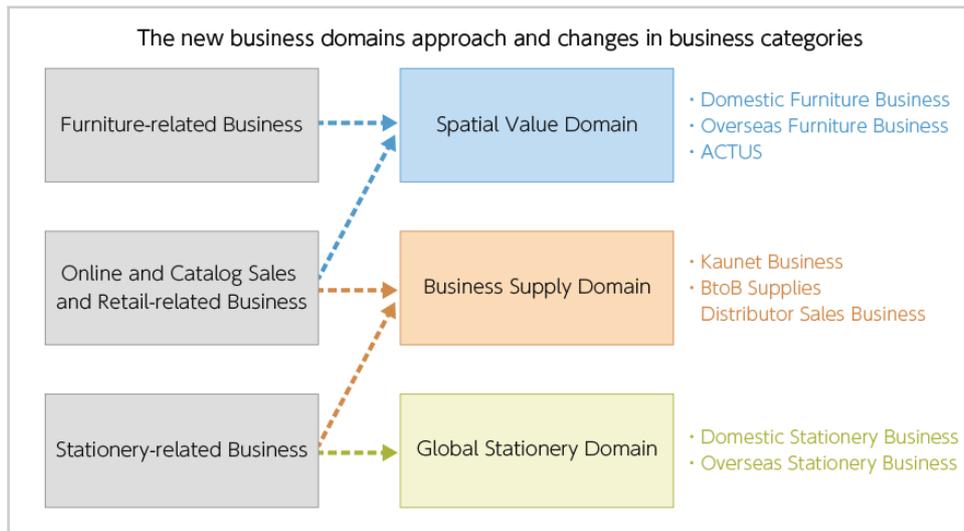
Since I was appointed president in 2015, I have embarked on the challenge of shaping a new future for KOKUYO. After considering “what we want to achieve,” I first formulated a goal of becoming a Life & Work Style Company that benefits society. By engaging in business that relates to three critical aspects of people’s lifestyles—namely, “Work,” “Learn”, and “Live”—I want KOKUYO both to provide people with benefit and to contribute to society.

However, I arrived at the conclusion that we cannot do this simply entail selling products; rather, we must generate value that improves the creativity of our customers. Said differently, we must create and provide value that excites people.

#### ■ Shifting to Idea-Centric Business Domains

Our First Medium-term Business Plan (2016–2018) formed the first step toward achieving the goals outlined above, and marked a move to a new style of business management: it identified increasing our market share and improving our gross profit margin as priority issues, laid out a strategy to increase the added-value we provide, and led to the implementation of the “Plan→Do→Check→Action” PDCA cycle.

We commenced our Second Medium-term Business Plan in 2019. Its basic policy is to enable sustainable growth, and to this end it promotes the acquisition of new markets and customers. It also marks a shift from the object-centric “three business segments” approach we used to implement to an idea-centric “three business domains” approach based on understanding how our customers’ needs will change in the future. Thinking about business domains instead of business segments will enable us to take a more expansive view of markets—I believe that this approach will help us identify new markets and customers, and lead to medium and long-term growth.



## Continued Contributions to Society and Sustained Growth

Guided by our new, idea-centric form of business management, going forward I want KOKUYO to become a company that breaks free from simple consumerism and provides people around the world with a variety of societal values.

Furthermore, since the start of 2020, we have been exposed to the threat of COVID-19 and people all around the world are facing a crisis we have never experienced before. We can expect this to trigger significant changes in our lifestyles such as in the ways we work and learn. We hope to continue offering KOKUYO's value to the new post-COVID-19 society by seeing this crisis as an opportunity and creating new products and services unique to KOKUYO.

In order to prepare ourselves for such a future, we are advocating a corporate management style that prioritizes ESG.

KOKUYO possesses many of the qualities of a manufacturer and, as such, we place a high priority on our environmental initiatives. For example, our Campus Art notebooks, of which we supply more than 100 million units per year, are produced at our Shiga Plant on the shores of Lake Biwa; for this reason, we carry out activities that contribute to the conservation of Lake Biwa's environment.

The paper used in our Campus Art notebooks is a forest resource; for this reason, we run the Yui no Mori Project, which aims to preserve Kochi Prefecture's Shimanto River, which is widely regarded as Japan's last-remaining pristine river, along with the surrounding forests.

The Yui no Mori Project primarily entails thinning the forests and making use of the resulting wood materials. However, since thinning also increases the amount of CO<sub>2</sub> that can be absorbed by the forest, it helps prevent global warming.

In 2018, KOKUYO formulated its 2030 CO<sub>2</sub> Emission Reduction Target, which covers all our consolidated companies in Japan. Together with aiming to reduce CO<sub>2</sub> emission in 2030 by 26% compared to 2013, we will thin around 150 hectares of forests each year as part of our forest conservation activities to contribute toward CO<sub>2</sub> absorption of at least 6,000 tons.

The importance of corporate governance is gradually increasing from the perspective of achieving medium and long-term growth. At KOKUYO, we have engaged in initiatives aimed at strengthening our governance for the past 10 years or so, and we continue to improve governance by increasing the number of outside directors.

More recently, as part of our efforts to further increase standards of governance, we have chosen to appoint an outside director as Chairman of the Board—this is a pioneering measure for a Japanese company.

Based on ESG management, at KOKUYO we intend to establish the idea that companies are public institutions, and that companies have a duty to create new values that help resolve societal issues. We believe that this will enable us to achieve both continued contributions to society and sustained growth.

At present, KOKUYO is in the process of executing long-term growth strategies. We very much hope for the continued understanding and support of all our stakeholders.



A table and chairs made with wood resulting from thinning at the Yui no Mori Project

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## KOKUYO's CSR

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

### Concepts

#### Basic Concepts

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

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

### System for the Promotion of CSR

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



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

#### For Our Customers

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

#### For Regional Communities

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

#### For Environmental Conservation

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

#### Corporate Activities

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

#### Respect for Human Rights

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



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

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

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

### **2. Respect for human rights and personality**

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

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

We do not tolerate child labor or forced labor.

### **3. Preservation of the global environment**

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

### **4. Free competition and fair trading**

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

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

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

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

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

### **7. Proper information management and financial reporting**

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

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

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

### **9. Prohibition of insider trading**

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

### **10. Proper management of entertainment and gifts**

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

### **11. Handling of unreasonable external demands**

We will not comply with any unreasonable external demand.



## With Stakeholders



### KOKUYO's Stakeholders

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



### Stakeholder Communication

Stakeholder	Main opportunities for dialogue	Examples of implementation in FY2018
<b>Customers</b> 	<ul style="list-style-type: none"> <li>Customer Support Center</li> <li>"Inquiries" form and Q&amp;A page on website</li> <li>Provision of various product</li> <li>Management of "Dealers' Guide" where stores handling KOKUYO products can be searched from the website</li> <li>Various events and seminars</li> </ul>	<ul style="list-style-type: none"> <li><a href="#">A System for Utilizing Feedback from Customers</a></li> <li><a href="#">Revamp of "VoiceClip" System That Shares Customer Feedback Company-wide</a></li> <li><a href="#">KOKUYO EXPO Held "KOKUYO LAND: Amusement Park for Going on a Trip"</a></li> <li><a href="#">KOKUYO MESSE 2019</a></li> <li><a href="#">"9th General Seminar of Reception Desk" Held for Local Governments</a></li> <li><a href="#">Held Interaction Session in Shanghai with Stationery Key Opinion Leaders</a></li> <li><a href="#">Held 2019 KOKUYO-HAKU Shanghai</a></li> </ul>
<b>Employees</b> 	<ul style="list-style-type: none"> <li>Consultation between labor and management</li> <li>Various training programs</li> <li>Company newsletter</li> <li>Company events</li> </ul>	<ul style="list-style-type: none"> <li><a href="#">Employee Satisfaction Survey</a></li> <li><a href="#">Conducting Second Medium-term Management Plan Town Hall Meeting</a></li> <li><a href="#">"Shunjukai" Retirement Ceremony for Employees Approaching Mandatory Retirement</a></li> <li><a href="#">2019 KOKUYO Memorial Service for Deceased Employees</a></li> <li><a href="#">Employees of KOKUYO Furniture (China) Co., Ltd. Visited Shibayama Plant, Shinagawa Showroom, and SST Office</a></li> </ul>
<b>Clients</b> 	<ul style="list-style-type: none"> <li>Audit of subcontractors</li> <li>Various meetings and events</li> <li>Holding exhibitions</li> </ul>	<ul style="list-style-type: none"> <li><a href="#">Announcement of ACW Awards</a></li> <li><a href="#">Subcontractor Meetings Held by KOKUYO's Furniture Business Division</a></li> <li><a href="#">Stationery Business Conducted an Audit of Subcontractors</a></li> <li><a href="#">The 10th KOKUYO Logitem Held Driver Competition</a></li> <li><a href="#">KOKUYO Supply Logistics (KSL) held the National Partner Conference in FY2019</a></li> </ul>
<b>Shareholders</b> 	<ul style="list-style-type: none"> <li>IR activities</li> <li>Information disclosure</li> </ul>	<ul style="list-style-type: none"> <li><a href="#">Shareholder Special Benefit Plans</a></li> <li><a href="#">Conducting Financial Results Briefing for Institutional Investors</a></li> <li><a href="#">Conducting Company Briefing for Individual Investors</a></li> </ul>

Stakeholder	Main opportunities for dialogue	Examples of implementation in FY2018
<p style="text-align: center;"><b>Regional Communities</b></p> 	<ul style="list-style-type: none"> <li>• Social contribution activities</li> <li>• Disaster recovery activities</li> <li>• Regional contribution activities</li> </ul>	<ul style="list-style-type: none"> <li>• <a href="#">KOKUYO DESIGN AWARD 2020 with “♥” as the Theme</a></li> <li>• <a href="#">Supplying the Tokyo Organising Committee of the Olympic and Paralympic Games with Field Cast Notebooks for 80,000 Olympic Games Volunteers</a></li> <li>• <a href="#">Booth at SHIBUYA BOSAI FES 2019</a></li> <li>• <a href="#">KOKUYO Team Run Flat-out at Isu-1 Grand Prix Held across Japan</a></li> <li>• <a href="#">Campus Art Award 2019, a Painting Competition for Junior High and High School Students</a></li> <li>• <a href="#">The Job Study Initiative</a></li> <li>• <a href="#">Local Cleanup Activities and Blood Donation</a></li> <li>• <a href="#">General Participants of Factory Tours at KOKUYO Product Shiga Exceeded 5,000</a></li> <li>• <a href="#">Gathering in Sendai of the MICHINOKU Future Fund That Helps Orphans Continue Their Education</a></li> <li>• <a href="#">KOKUYO Kitakanto Sales Became Official Supplier of the 77th National Sports Festival and 22nd National Sports Festival for People with an Impairment</a></li> <li>• <a href="#">Held Event for Employees of Public Offices to Experience Telecommuting</a></li> <li>• <a href="#">Deaf students from Shanghai visit KOKUYO Commerce (Shanghai)’s notebook factory.</a></li> <li>• <a href="#">Chasing Big Dreams with Small Notebooks!</a></li> <li>• <a href="#">Establishing Mini Science Centres at schools near KOKUYO Camlin factories</a></li> <li>• <a href="#">Making donations to Project Nanhi Kali, which provides support to underprivileged girls</a></li> <li>• <a href="#">Supporting the artistic activities of injured soldiers at the Paraplegic Rehabilitation Centre</a></li> </ul>
<p style="text-align: center;"><b>Environment</b></p> 	<ul style="list-style-type: none"> <li>• Global warming preventive measures</li> <li>• Resource-saving and recycling</li> <li>• Concern for biodiversity</li> </ul>	<ul style="list-style-type: none"> <li>• <a href="#">Global Warming Preventive Measures</a></li> <li>• <a href="#">Reusing and Recycling End-of-Life Products</a></li> <li>• <a href="#">Recruiting Members of the Local Community to Protect Lake Biwa with Reeds</a></li> <li>• <a href="#">Expanding Activities: Non-native Fish Fishing Contest and Canoe Reed Bed Observation Event</a></li> </ul>

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## ■ Focus Initiatives for 2019

# Focus Initiatives for 2019, No. 1: Creating Organizations Resilient to Changes in the Market Environment

To propose even better office spaces and work styles to customers, KOKUYO searched for our own work style reform unique to KOKUYO. What is the ideal organization and work style that KOKUYO seeks?

## Toward an Organization with Diversity Resilient to Changes in the Market Environment through Work Style Reform

Nozumu Arai  
General Manager  
Work Style Reform Task Force  
Corporate Administration Division  
KOKUYO Co., Ltd.

\*Positions are correct as of March 2020



### ■ Breaking Away from the Past and Fostering a New Corporate Culture and Climate

In KOKUYO's history of 115 years since being established, we have grown while selling items from paper products and stationery to office furniture as well as expanding into the spatial design business. As part of our growth process, our growth model in the past was to efficiently produce standard products in bulk and bring value to the market. Today, the market environment has changed significantly, and we are in an era where it is getting harder to expect growth by following what we have done so far. Product life cycles are becoming shorter and companies are expected to always provide new added value. Against such changes in the environment, many companies in Japan are not making progress in transforming employee mindsets or breaking away from existing work styles. They are unable to escape from the intense success stories of an era when the focus was on selling things. KOKUYO also faces this issue of breaking away from various common knowledge within the company arising from such a past and fostering a new corporate culture and climate.

To overcome this issue and for both KOKUYO and our employees to grow sustainably, we aim to be an organization that is resilient to changes in the market environment and accepts diversity. This is against the backdrop of KOKUYO always being particular about drawing out value from our employees in our operation strategy.

### ■ Increasing Individual Autonomy toward an Organization That Grows Together with People

To draw out value from our employees is to increase employee autonomy and allow each person to better apply the value they inherently have. We aim to create an organization resilient to changes with diverse values by gathering autonomous individuals who innovate together. I think increasing the autonomy of each employee means having employees take ownership of issues—such as the kind of corporate culture and climate they want to work in, the type of work they want to do, and how they want to grow through work—and expand their scope of action based on their own initiative. If existing work environments and systems are hindering factors, it is necessary to remove them. We are planning and implementing various initiatives as work style reform unique to KOKUYO toward realizing these goals.

## ■ Toward Realization of Work Flexibility and Better QOL

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As for specific initiatives, we have two major ones. They are to revamp our core personnel system and to transform our work styles and welfare system. For the former, we have established a system that makes it easier to directly link results with compensation compared to the past.

For the latter, as part of creating systems for developing employee autonomy, we are working on a plan that can be applied to employees regardless of position, attributes, or age. The aim is to create opportunities for health, learning, and growth by building systems and frameworks allowing employees to choose their time and place of work on their own as well as by establishing welfare support meeting the diverse needs of employees.

Furthermore, since two years ago, we have been working on flexibility in working conditions, such as allowing employees to choose on their diverse work styles that are not bound by time and place. This includes the limited-period trial named “Exciting Smart Work” that promotes the implementation of teleworking and utilization of satellite offices. Always paying attention to the way time is used, the theme is about how to use the 24 hours each day that everyone is given equally. It is not aimed only at creating time by doing current work even more efficiently. The change in the way we use time that we hope to achieve is the approach of reducing working hours by reviewing existing work styles and methods so as to create and invest time for realizing individual growth and better QOL.

## ■ Accelerating Reform in Preparation for Further Changes

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At present, many companies are likely to be implementing work style reform not because they must do it but because it is better to do so. However, the issues faced by Japan—including a low birth rate and ageing population—and other factors such as the development of AI technologies are moving with increasing speed. As society’s requirements rapidly grow strong, it is a matter of time before work style reform becomes something we must do. For KOKUYO to be a company chosen and needed by people and society, I think it is necessary to undertake reform starting from now and further accelerate it.

The various measures we are currently undertaking are just means for achieving our targets. We hope to make steady progress toward sustainable growth and the creation of an organization with diversity resilient to changes in the market environment while sharing with employees the vision KOKUYO is aiming for and deepening their understanding of this vision.

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## ■ Focus Initiatives for 2019

### Focus Initiatives for 2019, No.2: Safeguarding Biodiversity

KOKUYO Seeks to Safeguard Both Forest Resources and Biodiversity Through its Businesses

Shinichi Saito

KOKUYO Co., Ltd  
Senior Manager  
Environment Unit, General Affairs Division

\*Positions are correct as of March 2020

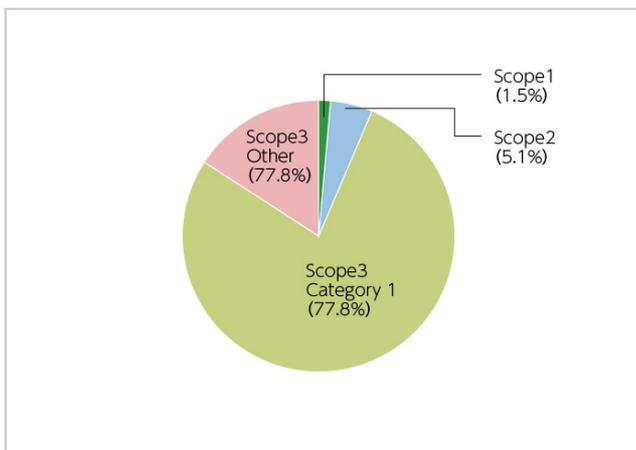


#### ■ KOKUYO Seeks to Safeguard Forest Resources, which are Indispensable to its Business

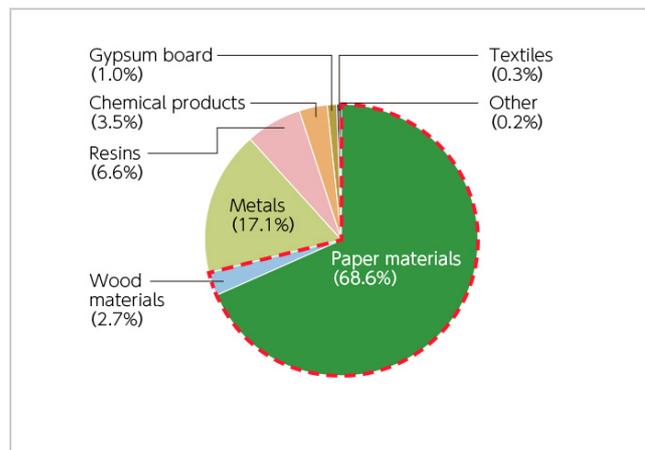
If we divide the greenhouse gas emissions of KOKUYO's entire supply chain into three—Scope 1 “Direct emissions from owned or controlled sources,” Scope 2 “Indirect emissions from the generation of purchased energy,” and Scope 3 “all indirect emissions not included in Scope 2”—then Scope 3, Category 1 “Purchased goods and services,” accounts for approximately 78 percent of our emissions. In other words, raw materials used for KOKUYO products (including container and packaging materials) have the greatest impact on the environment. Of these raw materials, more than 70 percent are sourced from forests—these include paper and wood-based materials—and demonstrate forest resources are indispensable to the business of the KOKUYO Group. For this reason, KOKUYO is proactively engaged in forest conservation activities. One of these activities is the Yui-no-Mori Project, which we launched in 2006.

\* Refer to [“Global Warming Preventive Measures” in CSR Data](#)

#### Breakdown of Scope 3 Emissions



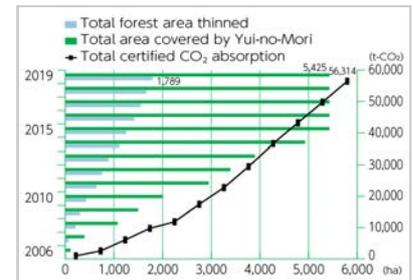
#### Breakdown of Raw Materials Used by the KOKUYO Group



## Productizing Wood from Thinning, and Aiming to Balance our Business Activities with Forest Conservation

Japan's forests are poorly managed, and the resulting deterioration in forest functions has become a societal issue. As part of its forest conservation activities, in the 1990s KOKUYO began using recycled paper, FSC-certified paper, and wood produced by thinning in its products. In 2006, KOKUYO started thinning poorly managed forests, and, in order to effectively use the resulting wood, launched the Yui-no-Mori Project in Shimanto Town, Kochi Prefecture. Currently, the applicable area of Yui-no-Mori has grown to 5,425 hectares, and the total thinned forest has expanded to 1,789 hectares.

The Yui-no-Mori Project also helps to prevent global warming. The project has been awarded CO<sub>2</sub> Absorption Certificates by Kochi Prefecture since 2007; it absorbed 6,689 tons of CO<sub>2</sub> in FY2018, with the cumulative total from April 2006 to March 2019 now standing at 56,314 tons.



Total area covered by Yui-no-Mori, and total CO<sub>2</sub> absorbed

\* Related information: [Yui-no-Mori Project](#)



Protocol counter



Thinning activities

## Contributing to Local Communities through our Lake Biwa Conservation Activities

KOKUYO Product Shiga Co., Ltd., which is responsible for producing KOKUYO's core paper products, carries out its manufacturing activities near Lake Biwa, which supplies water to the 14.5 million people living in the Kinki region. In 2007, the company launched the ReEDEN Project to safeguard the precious Lake Biwa environment, and carries out business activities in collaboration with local communities.



Biwako Stationery



Mowing the reeds



Eliminating non-native fish

The ReEDEN Project aims both to preserve and to utilize the reed beds that exist near Lake Biwa, and so raise awareness of how they are deteriorating. Reed beds play a vital role as habitats to a diverse range of wildlife; they also absorb CO<sub>2</sub> and, as they grow, they help purify water by absorbing nitrogen and phosphorous.

Reeds were previously used for making reed screens, roofs, and other products. However, as lifestyles changed, reeds ceased to be used for such purposes; reed beds were no longer maintained and fell into a state of dilapidation.

As part of the ReEDEN Project, KOKUYO Product Shiga cuts down dead reeds in winter, then uses the reeds in the production of the ReEDEN Series—a series of products it develops and sells as a new way of using the reeds.

\* Related information: [ReEDEN Project](#)

## ■ KOKUYO's Biodiversity Conservation Activities are Widely Praised

Through the Yui-no-Mori and ReEDEN Projects, and other business activities, KOKUYO has contributed to the resolution of societal issues for more than 10 years.

In recognition of their outstanding results, the Yui-no-Mori Project received the Excellence Award at the Low Carbon Cup 2019, and the Minister of the Environment Prize in the Corporate Category of the 7th Ministry of the Environment's Good Life Award, and the ReEDEN Project received the Judging Committee Special Prize at the Award for Companies Promoting Experience-based Learning Activities for Youth, and the Grand Prix at The Biodiversity Japan Award 2019.

Altogether, the Yui-no-Mori Project has received five awards in three consecutive years, while the ReEDEN Project has received 13 awards in five consecutive years.

Going forward, the KOKUYO Group will continue to promote activities aimed at realizing a sustainable society.

\* Related information: [Commendations and Recognition from External Parties](#)



Grand Prix at The Biodiversity Japan Award 2019 (ReEDEN)



Award in the corporate category of the Minister of the Environment Prize at the 7th Ministry of Environment Good Life Award (Yui-no-Mori)

	ReEDEN	Yui-no-Mori
2008	Special Recognition Prize in the Green Purchasing Award	Online and catalog sales "Yui-no-Mori" series received commendation award at Japan Shop System Awards 2008
2009	Merit Award in the Eco Products Award	
2013	Certified by Kokocool Mother Lake Selection	
2015	Grand Prize at the Kaueco Grand Prix	
	Honorable mention in the company award for the fostering of environmentally-aware personnel	
	Reed calligraphy pen recognized as one of The Wonder 500TM collection of products	
2016	Reed calligraphy pen awarded the Hanayaka Kansai Selection Prize	
2017	Biwako Template won the Japanese Stationery	Wood Design Award 2017

	of the Year Award for Excellence in the Design Category	
2018	Shiga Biodiversity Grand Prize	Green Wave Award at the Biodiversity Action Award Japan 2018
	Shiga Prefecture Low-Carbon Society Development Award	
	Japan Water Prize's Minister of Economy, Trade and Industry Award	
2019	Judging Committee Special Award in the Award for Companies Promoting Experiential Activities for Youth	Commendation Award at Low Carbon Challenge Cup 2019
	Excellence Award at The Biodiversity Japan Award 2019	Award in the corporate category of the Minister of the Environment Prize at the 7th Ministry of Environment Good Life Award

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## ■ Environment

# Environmental Management

KOKUYO recognizes that environmental problems, including global warming and the reduction of forest resources, are pressing issues. We concentrate the wisdom of all employees and align our actions in order to develop solutions for these problems.

### The Group's Vision for the Environment

Building a sustainable society will require the creation of a recycling-oriented, low-carbon society that can coexist with nature. The KOKUYO Group Vision for the Environment consists of an environmental philosophy and an environmental policy with seven specific activities: the prevention of global warming; resource saving and recycling; procurement, development and supply of environmentally friendly products; biodiversity; legal compliance and preventing pollution; information disclosure and communication; and environmental management.

**KOKUYO Group's Vision for the Environment**

**Environmental principles**

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

**Environmental policies**

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

### June is "KOKUYO Environment Month"

In response to environmental issues such as global warming, biodiversity, and marine plastics, the KOKUYO Group wishes to encourage its employees to increase their environmental awareness and reassess the way they work and live by engaging in various initiatives that affect them personally. To this end, to coincide with World Environment Day on June 5, the Group chose to make June "KOKUYO Environment Month."

Previously, the KOKUYO Group had taken part in the Lights Down Campaign on the day appointed by the Ministry of the Environment. In 2019, the Group expanded the campaign and carried out "lights down" for the entirety of KOKUYO Environment Month: it encouraged employees to leave the office by 7 p.m., and promoted energy-saving measures for employees working after 7 p.m.

In addition, as part of its efforts to reduce CO<sub>2</sub> emissions, KOKUYO set a goal of "reducing CO<sub>2</sub> emissions by 26 percent compared to 2013 levels by 2030."

## 2030 CO<sub>2</sub> Emissions Reduction Target

The KOKUYO Group strengthens activities to ease global warming (measures for the reduction and absorption of CO<sub>2</sub> emissions). KOKUYO formulated its 2030 CO<sub>2</sub> Emissions Reduction Target in 2018, covering its consolidated subsidiaries in Japan\*1, KOKUYO K Heart Co., Ltd., and Heartland Co., Ltd. Electricity-based CO<sub>2</sub> emissions are calculated using the basic emissions factors of the relevant electrical power companies.

Global Warming Preventive Measures (Easing Measures)	
CO <sub>2</sub> Emission Reduction	CO <sub>2</sub> Absorption Forest Conservation Activities
Aim to reduce CO <sub>2</sub> emission in 2030 by 26% compared to 2013 (Consolidated subsidiaries in Japan*1 + KOKUYO K Heart Co., Ltd. + Heartland Co., Ltd.)	Aim to achieve more than 6,000-tons CO <sub>2</sub> absorption by tree thinning in approximately 150 hectares (Yui-no-mori Project)

CO <sub>2</sub> emission reduction target	2013 CO <sub>2</sub> emissions	2030 target	2018 performance	2019 performance	Compared to previous year	Compared to 2013
Reduce CO <sub>2</sub> emissions in 2030 by 26% compared to 2013	30,683t-CO <sub>2</sub>	22,705t-CO <sub>2</sub>	28,779t-CO <sub>2</sub>	26,419t-CO <sub>2</sub>	Reduced by 8.2%	Reduced by 13.9%

\*1 KOKUYO Co., Ltd.; KOKUYO Product Shiga Co., Ltd.; KOKUYO MVP Co., Ltd.; KOKUYO Logitem Co., Ltd.; KOKUYO Supply Logistics Co., Ltd.; KOKUYO Marketing Co., Ltd.; Kaunet Co., Ltd.; Actus Co., Ltd.; KOKUYO Finance Co., Ltd.; KOKUYO & Partners Co., Ltd.; and LmD International Co. Ltd.

CO <sub>2</sub> absorption by forest-conservation activities	Results
Contributes over 6,000t - CO <sub>2</sub> absorption by tree thinning in approximately 150 hectares per year.	Thinned area: 123.5ha Amount of CO <sub>2</sub> absorbed: 6,689t-CO <sub>2</sub>

## Medium-term Environmental Action Plan

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

Environmental policy	Measures	Fiscal 2017 performance	Fiscal 2018 performance	Fiscal 2019 performance	Fiscal 2020 goals
Prevention of global warming	Cut CO <sub>2</sub> emissions (vs. FY 1990)	Reduced by 9.6% (in Japan)	Reduced by 9.3% (in Japan)	Reduced by 12.7% (in Japan)	Reduced by 30% (in Japan)
	Cut energy consumption (vs. FY 2010) * Average 1% annual reduction in unit energy consumption	Reduced by 12.0% (unit energy consumption)	Reduced by 12.7% (unit energy consumption)	Reduced by 13.8% (unit energy consumption)	Reduced by 10% (unit energy consumption)
Resource saving and recycling	Increase the rate of recycling in relation to the total volume of emissions * incl. waste materials (prime contractor)	94.5%	94.6%	95.5%	100%

Scope of medium-term target:

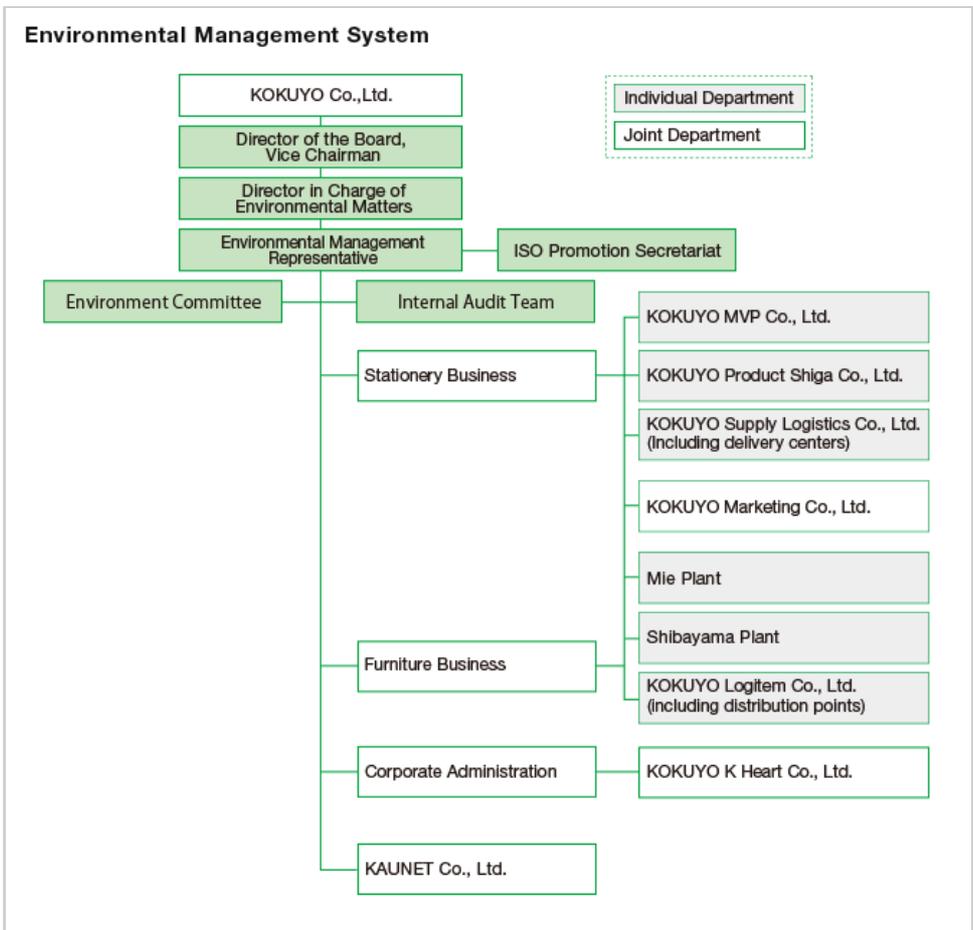
KOKUYO Co., Ltd.; KOKUYO Product Shiga Co., Ltd.; KOKUYO MVP Co., Ltd.; KOKUYO Logitem Co., Ltd.; KOKUYO Supply Logistics Co., Ltd.; KOKUYO Marketing Co., Ltd.; Kaunet Co., Ltd.; Actus Co., Ltd.; KOKUYO Finance Co., Ltd.; KOKUYO & Partners Co., Ltd.; and LmD International Co., Ltd.; KOKUYO K Heart Co., Ltd.; and Heartland Co., Ltd.

\* Calculations for Actus and Heartland will use the actual results for 2018 as the reference year as they were not included in the scope during the original year of reference.

## Environmental Management System

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

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



## Environmental Education

To heighten employees' awareness about environmental conservation, and acquire knowledge necessary for the achievement of environmental targets as well as responses and management methods for accidents and during emergencies, the KOKUYO Group has environment-related law briefings conducted by the ISO Promotion Secretariat as well as training to develop and improve the skills of internal auditors. In addition, respective divisions also conduct their own environmental education.



Training on LPG handling (KOKUYO Product Shiga)

Type of Education/Training	Number of participants		
	2017	2018	2019
General environmental education	2,075	2,152	1,891
Education related to the achievement of environmental targets as well as laws and regulations	311	233	367
Training for the handling of accidents and emergencies	152	169	232
Internal auditors	30	21	56
Other	273	322	192
Total	2,841	2,897	2,738

## Results of Internal Audits and Third-Party Inspection

The KOKUYO Group performs internal audits in two stages: primary audits are conducted by operating companies and secondary audits are conducted primarily by the ISO Promotion Secretariat. Ensuring compliance with laws and regulations is the highest priority of these audits. For 2019, primary audits were conducted from July 2 to 31, while secondary audits from August 1 to September 6. Furthermore, ad-hoc audits focusing specifically on waste management pointed out as an area of improvement (minor nonconformity) during the third-party (ISO 14001) inspection of 2018 were conducted from March 16 to October 24. The ISO 14001 inspection was conducted from November 25 to 29. As a result of detailed checks regarding waste management conducted during the ad-hoc audits, there was a significant increase in the number of areas pointed out, but nothing was highlighted during the ISO 14001 inspection. In addition, continuing from last year, the biodiversity conservation initiatives ReEDEN Project and the Yui-no-Mori Project which received several external awards were again cited as strong points. Note that the ISO 14001 inspection in 2019 was regularly scheduled.

FY in which conducted	2017	2018	2019
Sites subject to monitoring	70	75	118
• Primary audits	55	60	61
• Secondary audits	15	15	16
• Ad-hoc audits	—	—	41
Matters cited	28	28	83
• Minor points of nonconformity	12	8	25
• Corrections	16	20	58

FY in which conducted	2017 (periodic)	2018 (periodic)	2019 (periodic)
Sites subject to examination	20	29	17
Strong points	0	1	1
Good points	5	8	5
Matters cited for improvement (minor points of nonconformity)	0	1	0
Opportunities for amelioration	16	21	21



Internal audit  
(KOKUYO MVP Tottori Factory)



Ad-hoc audit  
(KOKUYO Supply Logistics Chubu Integrated  
Distribution Center)



ISO 14001 inspection  
(Mie Plant)

## Independent Verification Report

Third-party verification by Bureau Veritas Japan was undertaken for the KOKUYO Group's environmental performance data to receive opinions about the data's accuracy, transparency, coherence, appropriateness, and completeness from an independent perspective.

## Summary of Third-Party Inspection

Since 2018, environment load data and scope 3 emissions for 32 KOKUYO Group companies\*1, to which Iwami Paper Industry Co., Ltd. had been added, have been subject to verification. On-site examinations relating to data measurement and management methods were also conducted at three sites in Japan (KOKUYO's Shibayama Plant, Kaunet's Head Office, and KOKUYO Supply Logistics' Metropolitan Area Integrated Distribution Center) and one site overseas (KOKUYO-IK (THAILAND) Co., Ltd.). This process resulted in a number of matters being pointed out: a total of 9 assessable points, 6 opportunities for amelioration, 32 requests for modifications, and 30 requests for clarification. The requests for modification and clarification were dealt with during the verification period. For the verification of Scope 3 emissions, the need for clarifying the data collection scope in each category was cited as requiring improvement because the collection scope had been noted as "consolidated" or "consolidated and affiliate" depending on the category. Based on these matters that were pointed out to us, we will endeavor to enhance the disclosure of information encompassing the entire supply chain and improve the precision of such information.

FY in which conducted	2017	2018	2019
Assessable points	9	9	12
Opportunities for amelioration	10	6	11
Requests for modifications	26	32	38
Requests for clarification	21	30	17



Environmental performance data third-party verification (Mie Plant)



Environmental performance data third-party verification (Heartland Co., Ltd.)



Environmental performance data third-party verification KOKUYO Logitem Metropolitan Area Integrated Distribution Center

\*1 Organizational units covered

	<b>Consolidated Subsidiaries</b>	<b>Other Subsidiaries and Affiliates</b>
<b>Japan</b>	KOKUYO Co., Ltd.	KOKUYO K Heart Co., Ltd., Heartland Co., Ltd., IWAMI Paper Industry Co., Ltd., KOKUYO Hokkaido Sales Co., Ltd., KOKUYO Tohoku Sales Co., Ltd., KOKUYO Kitakanto Sales Co., Ltd., KOKUYO Tokai Sales Co., Ltd., KOKUYO Hokuriku-Niigata Sales Co., Ltd. , KOKUYO Sanyo-Shikoku Sales Co., Ltd.
	Kaunet Co., Ltd., KOKUYO Marketing Co., Ltd., KOKUYO Engineering & Technology 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.	
<b>Overseas</b>	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 Hbd, KOKUYO Vietnam KOKUYO-IK(Thailand) Co., Ltd.	KOKUYO-IK(Thailand) Co., Ltd.

❖ KOKUYO's CSR Charter	❖ Corporate Profile	❖ KOKUYO's Main Business Domains	❖ KOKUYO's Initiatives and History	❖ Initiatives for Future and Society	❖ KOKUYO's Various Initiatives	❖ Introduction of KOKUYO's Initiatives in 2019	❖ Message from the President
❖ KOKUYO's CSR	❖ Focus Initiatives for 2019	❖ Environment	❖ Social	❖ Governance	❖ Third-Party Assessments	❖ Content Index	

## ■ Environment

### Global Warming Preventive Measures

The KOKUYO Group strengthens activities to ease global warming (measures for the reduction and absorption of CO<sub>2</sub> emissions) with a view to achieve a low carbon society.

2019 Goals	2019 Actual Achievement	Evaluation
Year-on-year change in CO <sub>2</sub> emissions To be suppressed within +0.5% (28,779 t-CO <sub>2</sub> → 28,931 t-CO <sub>2</sub> )	Year-on-year change in total CO <sub>2</sub> emissions Reduced by 8.2% (26,419 t-CO <sub>2</sub> )	Accomplished
Energy consumed: year-on-year change in unit energy consumption (per unit of sales): reduced by 1.0%	Energy consumed: year-on-year change in unit energy consumption (per unit of sales): reduced by 2.7%	Accomplished

#### Summary for 2019

The CO<sub>2</sub> emissions of consolidated subsidiaries in Japan\*1, KOKUYO K Heart Co., Ltd., and Heartland Co., Ltd. in 2019 totaled 26,419 tons. It was decreased by 2,360 tons from the previous year, achieving the goals with a reduction of 8.2%. Of the 2,360 tons, 2,020 tons were due to the change of the emission coefficients\*2. Based on estimates, there was a reduction in CO<sub>2</sub> emissions of 531 tons through operational improvements and 147 tons through equipment improvements. However, manufacturing operations and the closing and consolidating of facilities raised emissions by 338 tons. As a result, the reduction in total was 340 tons. The status by department is as follows.

#### Measures Taken at Offices

Offices lowered CO<sub>2</sub> emissions by 519 tons (105 tons after excluding the amount that was due to the change of the emission coefficients) over the previous year. There was an increase of 55 tons compared to the previous year due to an increase in stores of Actus Co., Ltd. and other factors. However, we made June our KOKUYO Environmental Month, and conducted a "light down" campaign. We also reviewed the operation of air-conditioning systems as well as our working styles, promoted activities such as no-overtime days and early go-home, and encouraged the use of public transportation for sales activities so as to cut gasoline consumption as well as other activities. This resulted in a reduction of 134 tons. Switching to LED lights and other means resulted in a further reduction of 25 tons. Furthermore, in 2019, the previous cool biz and warm biz campaigns were combined into a smart biz campaign that was in effect all year long.

#### Measures Taken at Factories

At factories, the net decrease in CO<sub>2</sub> emissions was 1,402 tons (244 tons after excluding the amount that was due to the change of the emission coefficients) compared to the previous year. While an increase in production resulted in CO<sub>2</sub> emission increasing by 104 tons on a year-on-year basis, a reduction of 300 tons was achieved due to operational improvements attributed in part to a shortening of the time required to make changes to product types, the thorough application of rules for the operations of production equipment, the conduct of inspections, the elaboration of production schedules, and a reduction of waste made possible through energy checks. In addition, a reduction of 48 tons in CO<sub>2</sub> emissions was achieved by embracing energy-saving equipment, including adopting systems that enable the installation of inverters and switching to LED lights.

#### Measures Taken by the Logistics Division

In the area of logistics (storage and shipping), we reduced CO<sub>2</sub> emissions by 439 tons (increase of 8 tons after excluding the amount that was due to the change of the emission coefficients) compared to the previous year. There was an increase of 180 tons due to the increase in work volume, but operational improvements achieved through the promotion of daily

energy-conservation activities, along with equipment improvements achieved through a review of optimal luminance for lighting fixtures at distribution centers, reduced emissions by 98 tons. The active promotion of replacing illumination with LED lights further reduced emissions by 74 tons.



Solar panels installed at the new wing of our Osaka office



Solar panels installed at Shiga factory



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

\*1 KOKUYO Co., Ltd.; KOKUYO Product Shiga Co., Ltd.; KOKUYO MVP Co., Ltd.; KOKUYO Logitem Co., Ltd.; KOKUYO Supply Logistics Co., Ltd.; KOKUYO Marketing Co., Ltd.; Kaunet Co., Ltd.; Actus Co., Ltd.; KOKUYO Finance Co., Ltd.; KOKUYO & Partners Co., Ltd.; and LmD International Co. Ltd.

\*2 As to CO<sub>2</sub> emission coefficients for electricity, we adopt the coefficients based on Japan's Act on Promotion of Global Warming Countermeasures (base emission coefficients for each electricity company based on actual performance for 2017 and 2018).

### Total CO<sub>2</sub> Emissions by KOKUYO Group

The total CO<sub>2</sub> emission in 2019 for 31 KOKUYO Group companies\*1—which also began data collection for Iwami Paper Industry Co., Ltd. in 2018—was 40,130 tons\*2. This was a reduction of 5,100 tons compared to 2018. Approximately 4,400 tons of reduction was due to the decrease of emission coefficients for power companies while 700 tons of reduction was due to the reduction activity of the Group as a whole.

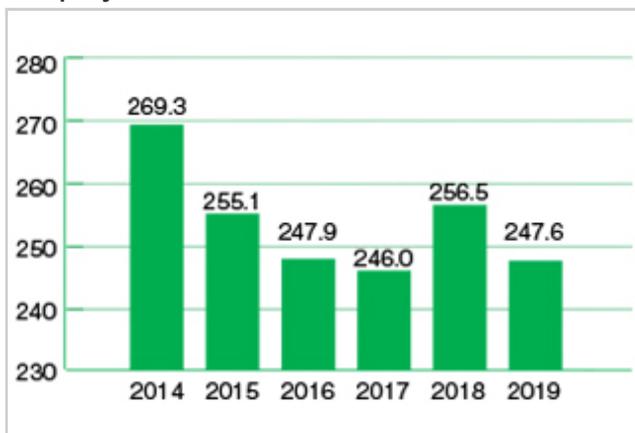
\*1 Refer to CSR Data

\*2 As to CO<sub>2</sub> emission coefficients for electricity in Japan, we adopt the coefficients based on the Act on Promotion of Global Warming Countermeasures (base emission coefficients for each electricity company based on actual performance for 2017 and 2018). As to CO<sub>2</sub> emission coefficients for overseas electricity, we adopt the CO<sub>2</sub> Emissions from Fuel Combustion 2019 edition by the International Energy Agency. The difference due to change in coefficients is the difference with the emissions calculated based on the average of all electricity sources for 2000 (0.378 kg-CO<sub>2</sub>/kWh).

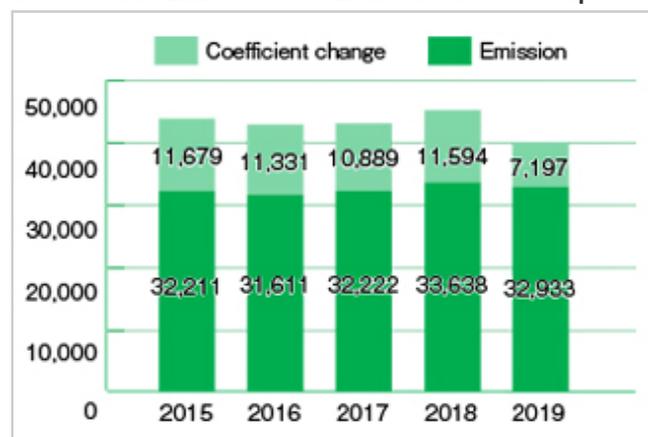


Solar panels installed at KOKUYO Camlin's Patalganga Factory

### Actual Emission Coefficients for Each Electricity Company



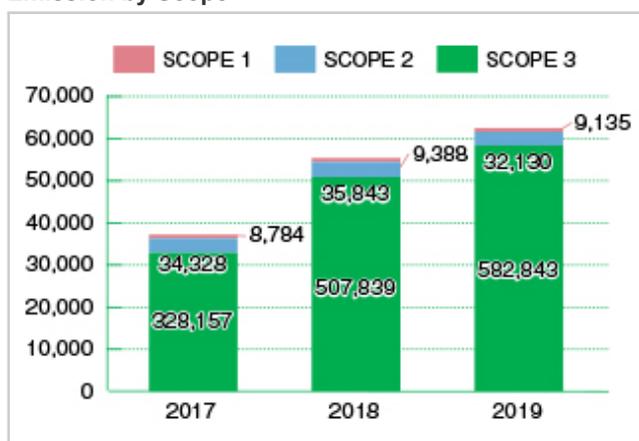
### Trend of CO<sub>2</sub> Emissions for Entire KOKUYO Group



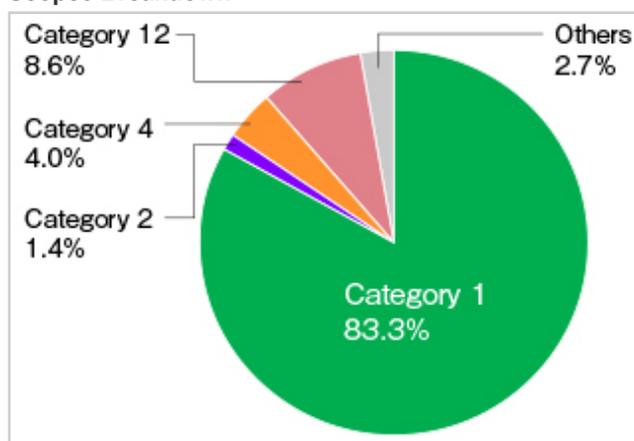
## Improving the Accuracy of Scope 3 Data

In recent years, a movement to engage in carbon disclosure projects (CDP) and to manage and externally disclose Scope 3 (encompassing production, shipping, business trips, commutation, and other categories) emissions generated through supply chains that indirectly emit GHG has been gaining momentum. While the KOKUYO Group has also engaged in such actions in certain areas such as shipping, actions started to be taken in 2014 in accordance with the Ministry of the Environment's Basic Guidelines on Calculating Volumes of Greenhouse Gas Emissions. The volume of GHG emissions for the entire supply chain in year 2019 was 624,107 tons of CO<sub>2</sub>. Scope 3 emissions accounted for approximately 93 per cent of this figure with 83 per cent thereof attributed to "Category 1 purchased products and services." While Scope 3 emissions increased, this is a result of the effort to collect data at subcontractors for stationery products which started in 2018 and further advanced in 2019. Third-party verification services provided by Bureau Veritas Japan have also been secured to ensure the reliability of disclosed information and data.

Emission by Scope



Scope3 Breakdown



❖ KOKUYO's CSR Charter	❖ Corporate Profile	❖ KOKUYO's Main Business Domains	❖ KOKUYO's Initiatives and History	❖ Initiatives for Future and Society	❖ KOKUYO's Various Initiatives	❖ Introduction of KOKUYO's Initiatives in 2019	❖ Message from the President
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## ■ Environment

### Resource-saving and Recycling Measures

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



#### Summary for 2019

The volume of waste materials generated by KOKUYO Group (31 companies) business offices in 2019(\*1) was 23,446 tons (previous year: 22,640 tons), and the recycling rate was 96.4% (previous year: 96.6%).

The primary reason for this year-on-year decrease was that recycling rates for overseas factories fell from 85.7% in 2018 to 81.4% in 2019.

We generated 4,150 tons of waste materials on construction sites (previous year: 3,350 tons) with a recycling rate of 85.2% (previous year: 88.0%). The responsibilities of the prime contractor with respect to the disposition of waste materials generated on construction sites have been clarified, and the obligations of the waste-generating company have been tightened.

Efforts were made to contain waste materials in part through a review of the methods by which parts subject to processing at construction sites are ordered. As waste materials generated on construction sites are not homogenous, there are many cases in which recycling is difficult due to the intermingling of various types of waste materials in a given batch.

Nevertheless, we will continue to properly dispose of waste materials in conjunction with the implementation of controls on their generation and aim to achieve our medium- and long-term target of 100% for the rate at which waste materials are recycled.

\*1 Refer to CSR Data

#### Measures Taken at Offices

The volume of waste materials generated by offices in 2019 was 694 tons (previous year: 760 tons), and the recycling rate was 95.9% (previous year: 97.6%).

While there are limits to what can be done at offices, we are working on measures including being thorough in the sorting of waste, and promoting paperless work.

#### Measures Taken at Factories

The volume of waste materials generated by factories in 2019 was 10,999 tons (previous year: 11,062 tons), and the recycling rate was 95.3% (previous year: 96.3%).

The KOKUYO Group had successfully achieved zero emissions in relation to industrial waste materials from its own factories in Japan since 2009. However, Mie Plant switched from thermal recycling to material recycling for its particle board, and this resulted in the generation of some residue. As a result, the recycling rate for industrial waste materials fell to 99.4%; however, this fall is a result of prioritizing resource circulation.

The recycling rate for overseas factories in 2019 was 81.4%. We are working to limit the discharge of waste materials and to increase recycling, while considering the different circumstances related to recycling in each country.

## ■ Measures Taken by the Logistics Division

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The volume of waste materials generated by the Logistics Division in 2019 was 11,753 tons (previous year: 10,818 tons), and the recycling rate was 97.3% (previous year: 96.8%). Cardboard, wooden pallets and other packaging materials used for packing products in the logistics process are repaired and re-used. In 2019, approximately 10 tons of cardboard and wooden pallets were re-used. We strive to continue using resources efficiently.

## ■ Reusing and Recycling End-of-Life Products

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When we deliver products, we pick up end-of-life products for disposal from customers and recycle or reuse these items depending on their condition. KOKUYO Logitem collected 2,325 tons of office desks and chairs and other used products. Approximately 190 tons of the collected products were reused, and those that could not be reused were dismantled and sorted for recycling.



Disassembly and separation of desks

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## ■ Environment

### Legal Compliance and Pollution Prevention

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

#### Summary for 2019

Twenty-eight environmental laws and regulations are currently applicable to the KOKUYO Group within Japan. In June every year, we evaluate the status of our compliance with these laws and regulations. During the ISO 14001 certification renewal inspection conducted in November 2018, an area for improvement (minor nonconformity) was highlighted. There was a distribution center which had consigned an operator for used fluorescent lamp disposal without signing an agreement regarding the collection, transportation, and disposal. In some divisions, we discovered insufficient responsibility transfer due to changes in responsible personnel, or insufficient ability on the part of responsible personnel to satisfy the criteria established by compliance evaluation. Therefore, we worked on improving the ability of responsible personnel, for example, by increasing the frequency of briefings on laws and regulations.

In addition, it was determined that there was a possibility that timber used in some furniture products had not been adequately confirmed for legality. They have been removed as products conforming to the Act on Promotion of Procurement of Eco-Friendly Goods and Services by the State and Other Entities (commonly known as the Act on Promoting Green Procurement), and we take this as a result of even stricter requirements for confirming the legality of timber. Otherwise, there were no major legal infringements.

#### Conducted Briefing to Subcontractors to Strengthen Compliance with the Act on Promoting Green Procurement and the Clean Wood Act

It is said that even now, there is a significant amount of illegally-harvested timber being distributed around the world. Illegal harvesting of timber not only destroys the environment of timber production regions, but may also cause a number of other problems.

In these circumstances, the Act on Promotion of Use and Distribution of Legally-harvested Wood and Wood Products (commonly known as the Clean Wood Act) was announced on May 20, 2016, and implemented on May 20, 2017. The act aims to promote the distribution and use of timber—legally harvested based on the laws and regulations in Japan and countries of origin—as well as products made from such timber. Together with this, the Act on Promotion of Procurement of Eco-Friendly Goods and Services by the State and Other Entities (commonly known as the Act on Promoting Green Procurement) was also revised.

Information exchange in the supply chain, especially with subcontractors, is essential for confirming the legality of timber. Therefore, a briefing was given on May 10, 2018 to subcontractors related to wood products to start the initiative in earnest. During the implementation of this initiative, various knowledge and cases were accumulated, including the method for confirming the legality of timber and the necessary certificates. Therefore, another briefing was conducted for subcontractors on April 19, 2019. In addition, the Timber Legality Certification Due Diligence System Manual (Furniture Edition Ver 1.0) was formulated to minimize the risk of procuring illegally harvested timber and products using such timber during the procurement of timber and timber products for furniture. This manual is released on our website.



Briefing subcontractors about the Act on Promoting Green Procurement and the Clean Wood Act

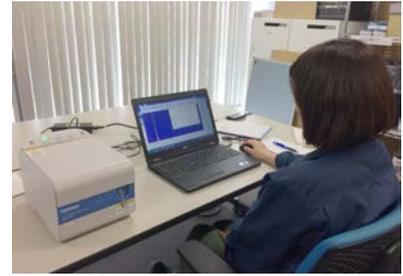
R\* Related information: [Biodiversity/Promoting Environmental Communications](#)

## ■ Promoting the Management of Chemical Substances Included in Products

The KOKUYO Group recognizes that the non-use of substances regulated by law and the management and provision of information on the status of the use of substances for which there is a potentially negative impact on the environment and people are social obligations shared by all companies that provide products. At the same time, there has been a clear shift from a conventional hazard-based management approach that used to focus only on the hazardous nature inherent in chemical substances to a risk-based management approach based on the scientific method. In responding to these global changes, we first set about specifying a hazards-based list of substances in 2014 and in 2015. We then carried out research based on the substance list in sequence, starting from the highest-priority products.

In 2017, based on information obtained from our research, we evaluated the toxicity of and human exposure to the contained substances, and created the Stationery Edition of the Guidelines for Managing Chemical Substances Included in Products. In 2018, training courses on chemical substance management was conducted within the company to more appropriately implement chemical substance management standards. In 2019, in view of the revision to Japan's chemical substance regulations expected to take place in the following year, we conducted surveys on the state of regulated substance use by subcontractors and provided them with information about the details of revision.

We will work on our ability to respond to our customers' requirements in areas including compliance with laws and regulations related to chemical substances and disclosure of safety information.



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

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## Environment

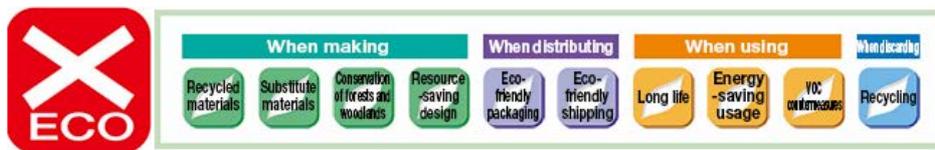
### Developing Environmentally Friendly Products and Services

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



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

The KOKUYO Group started using the Eco-Batsu mark for products in the 2008 General Catalog. This mark is used for group products that are not sufficiently environmentally friendly at any stage of their life cycle, including manufacturing, distribution, usage, and disposal. We tasked ourselves with removing the Eco-Batsu mark from all of our products in three years, and this goal was reached in the 2011 General Catalog. No Eco-Batsu products have emerged since then, and we strive to continue to ensure that no Eco-Batsu products can be found in the 2019 General Catalog.



#### "All-paper" Series That Addresses the Problem of Ocean Plastics

This is a series of filing products made fully from paper. When it was launched in March 2004, the series received praise for being able to be disposed without having to incur effort to separate into paper, plastic, metal and other materials. With the recent global rise in the problem of ocean plastics, the series is again gaining recognition from the perspective of moving away from plastic.

The All-Paper series is involved in the Plastics Smart Campaign established by Japan's Ministry of the Environment toward solving the global problem of ocean plastics that supports the advancement of initiatives through the partnership and cooperation of a wide range of entities such as individuals, local governments, NGOs, companies, and research agencies.



<http://plastics-smart.env.go.jp/case/?id=1060>





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

The KOKUYO Group grasps the amount of CO<sub>2</sub> emissions by products from creation to disposal or recycling and works on reducing the environmental impact of products. As part of this effort, focus was placed on the Carbon Footprint of Products (CFP) method that visualizes the amount of product CO<sub>2</sub> emissions. KOKUYO undertook the visualization of CO<sub>2</sub> so as to be able to provide customers with products that have little environmental impact. For details, please refer to the page below.

[“Visualization of Product CO<sub>2</sub>” page](#)



## Use of Domestic and Local Lumber

Forests, which account for approximately 67% of Japan's land area, play a role in retaining water (usually referred to as soil and sand outflow prevention and watershed protection) and in absorbing CO<sub>2</sub>, etc. Forests are also renewable resources, 40% of which are man-made. However, many of the man-made forests are unable to make the most of the above-mentioned multiple functions that forests offer, as maintenance such as thinning is performed too late.

KOKUYO worked to develop furniture using timber from thinning since 1998 and started selling the products from 2000. We believe that we can increase the demand for new timber through the active use of domestic timber (timber from thinning) and support the realization of a sustainable society where we live in harmony with forests.

## Protocol Counter

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



The Protocol counter, winner of the Wood Design Award 2017



BS+ desk system



UU chair

## EF Counter with Modesty Panel Using Local Lumber

This is a construction-type counter which allows functional expansion according to future reorganization and operation. It adopts the concept of universal design, taking into consideration the elderly and wheelchair users. By using only local lumber for the modesty panel, function and variation the same as the standard type are achieved. Similar to the Protocol counter, the edge of the countertop has a groove for securing walking canes and a grip for wheelchair users.

### Delivery Example of EF Counter with Modesty Panel Using Local Lumber (New City Office Building in Nagato City, Yamaguchi Prefecture)



The new city office building of Nagato City, Yamaguchi Prefecture was completed in September 2019. KOKUYO proposed and delivered an EF counter with modesty panel using local lumber for the reception counter of the new city office building. The counter used Japanese cypress produced in Nagato City. In addition to the universal design that takes into consideration the elderly and wheelchair users, the counter realizes an attractive reception space by having the two aspects of versatility that can flexibly adapt to changes in reception format expected in the future and a sense of hospitality that offers the warmth of wood to visitors.

The city office building amply uses materials produced in Nagato City. As a building of the largest scale in Japan that combines a hybrid structure of wood and reinforced concrete with a seismic-resistant structure, it is also adopted as a Sustainable Architecture (Wooden Architecture) Advanced Project under Japan's Ministry of Land, Infrastructure, Transport and Tourism, gathering attention from all over Japan.

Going forward, it is also expected that cases utilizing local lumber in public buildings will further increase due to the Forest Environment Transfer Tax and other systems. Capitalizing on the expertise that it has developed over the years, the KOKUYO Group plans to continue manufacturing and providing products that utilize local lumber effectively, are more functional yet friendly to the environment, and are based on the concept of universal design that is easy to use for anyone.

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## ■ Environment

### Consideration for Biodiversity and Promotion of Environmental Communications

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

#### ■ KOKUYO Group's Basic Policy for Timber Procurement

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

#### KOKUYO Group Basic Policy for Timber Procurement

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

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

#### ■ Formulation of Timber Legality Certification Due Diligence System Manual (Furniture Edition Ver 1.0)

The Timber Legality Certification Due Diligence System Manual (Furniture Edition Ver 1.0) was formulated on November 1, 2019.

This manual aims to minimize the risk of procuring illegally harvested timber and products using such timber during the procurement of timber products by the Furniture Business Division. We will conduct even stricter confirmation of legality through implementation of this manual.

Note that this manual is released on our website.

#### ■ Obtaining Certification as a Company Dealing with Matters of Legality and Sustainability

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



## FSC®-certified Products

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



The KOKUYO Group will strive to increase certified products in order to use sustainable forest resources. (FSC® C004748)



PPC color paper



Reeds-based photocopier paper

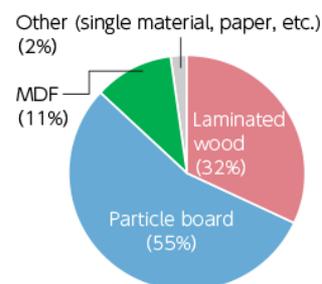
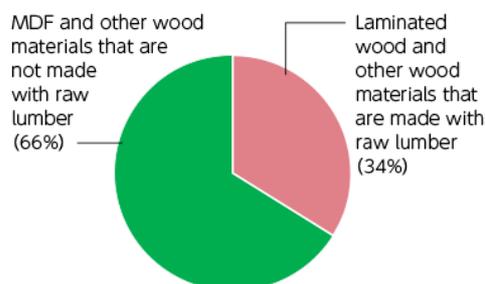
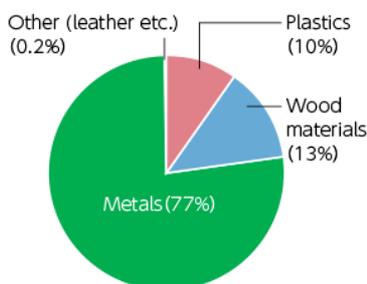


FUBI

## Status of the Use of Wood Materials

Approximately 8,500 tons of wood materials were used by KOKUYO Furniture in the year 2019 to make products. This figure is equivalent to 13 percent of all materials used for production (excluding packaging).

In breaking down these wood materials, 34 percent consists of solid wood, laminated wood, and other wood materials that are made with raw lumber while 66 percent consists of wood materials that are not made with raw lumber, such as thinned wood, waste wood, unused materials and wood boards constituting pieces fabricated from the foregoing materials (MDF and particle boards). This information is reported annually to JOIFA as yearly handling results for certification as a company dealing with lawful wood materials under the Act on Promoting Green Procurement. We also endeavor to ascertain the types of trees corresponding to wood materials that are made with raw lumber pursuant to JOIFA's guidelines on the written declarations that are made of wood.



## Study on the Actual Usage of Wood

KOKUYO studies the tree species, amount used and the country/ regions of origin of the wood-based materials used in its furniture products every year.

However, it is hard to determine the country of origin for commercial components and similar items. We will continue to work toward obtaining the information in order to use sustainable resources.

Tree species	Form of wood	Amount used (converted to m <sup>3</sup> )	Country/region of origin
Ash	Veneer, sliced veneer	16	U.S.A.
Ayous	Sliced veneer	1	Italy, Cameroon
Oak	Veneer, sliced veneer	4	U.S.A.
Japanese cedar	Laminated	5	Japan
Oak	Veneer, sliced veneer	1	Japan, Russia
Birch	Laminated	1	Russia
Pine	Veneer, laminated wood	80	New Zealand, Chile
Beech	Veneer, laminated wood	53	Germany, Croatia, France
Hinoki cypress	Veneer, laminated lumber	3	Japan
Falcata	Laminated wood	52	Indonesia
Japanese beech	Veneer, laminated wood	170	Japan, Germany, Croatia, France
Japanese whitebark magnolia	Veneer, laminated lumber	23	Japan
Poplar	Veneer, laminated wood	971	U.S.A., China
Maple	Veneer, sliced veneer	1	U.S.A.
Meranti	Sliced veneer, laminated wood	10	Indonesi
Gum Tree	Laminated wood	918	China
Lauan	Laminated wood	717	Indonesia, Malaysia
Total		3,025	

\* Information from suppliers has been included. Wood materials such as MDF that do not use raw lumber as materials have been excluded.

\* Only tree species with the specified country/region of origin are shown.

## Yui-no-Mori Project

In 2006, KOKUYO named the private forest in Taisho, Shimanto-cho, Kochi Prefecture "Yui-no-Mori" and started forest conservation with a focus on efficient utilization of timber from forest thinning. Yui-no-Mori has had FSC® (Forest Stewardship Council®) forest management certification since 2007. (FSC® C004748)

Currently, the applicable area of Yui-no-Mori has grown to 5,425 hectares, and the total thinned forest has expanded to 1,789 hectares. In addition, a CO<sub>2</sub> absorption certificate has been issued by Kochi Prefecture since 2007, and the amount of absorbed CO<sub>2</sub> of FY2018 was 6,689 tons, raising the cumulative total to 56,314 tons. (From April 2006 to March 2019.)

In February 2019, the Yui-no-Mori Project received the Excellence Award at the Low Carbon Cup 2019, and in November 2019 it received the Minister of the Environment Prize in the Corporate Category of the 7th Ministry of the Environment's Good Life Award. Following its receipt of the Wood Design Award 2017 in 2017, and the Biodiversity Action Award's Green Wave Award in 2018, this marks the third year in succession that the Project has received official recognition.



Biodiversity Action Award Japan 2018 award recipients

\* Related information: [Commendation and Recognitions from Outside the KOKUYO Group](#)

## Received CO<sub>2</sub> Absorption Certificates from Kochi Prefecture

On July 17, 2019, KOKUYO received CO<sub>2</sub> Absorption Certificates from Kochi Prefecture Governor Masanao Ozaki, certifying that it had absorbed a total of 6,689 tons of CO<sub>2</sub>—6,150 tons by KOKUYO, and 539 tons by Kaunet. Governor Ozaki expressed his gratitude for KOKUYO's long-term contributions to various initiatives, such as environmental conservation, forest maintenance, industry promotion, and the promotion of Kochi Prefecture. The 6,689 tons of CO<sub>2</sub> absorbed is equivalent to approximately 17 percent of the 40,130 tons of CO<sub>2</sub> emitted by the KOKUYO Group in 2019. This initiative is not just for forest conservation but also from the perspective of preventing global warming.

## KOKUYO has obtained FSC® certification

Yui-no-Mori has had FSC (Forest Stewardship Council®) forest management certification since 2007.

A regular audit was conducted on October 9 and 10, 2019, and KOKUYO continues to maintain FSC® certification. (FSC® C004748)



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



CO<sub>2</sub> Absorption Certificates



FFSC® Audit

## Regular Monitoring of the Effects of Forest Thinning

The visualization of the effects of thinning is essential for carrying out forest conservation activities. In order to monitor the effects of these activities over the long term, we conduct monitoring surveys in collaboration with the Shimanto Forestry Cooperative, Shimanto High School, and staff members of the Kochi prefectural and Shimanto municipal governments. On May 18, 2019, we carried out surveys regarding the water quality of the Shimanto River, and we carried out vegetation surveys on November 16. Regarding vegetation surveys, we are continuing to conduct surveys at two specific sites.

\* Related information: [Report by Shimanto High school students](#)

## Effective Utilization of Forest Thinning

KOKUYO Furniture has been manufacturing and selling furniture made with timber from forest thinning in collaboration with the local Shimanto Forestry Cooperative since 2000. Catalog retailer Kaunet also began selling primarily stationery as Yui-no-Mori branded products in 2007 and currently offers 12 items as of 2019. In order to promote understanding of its activities and increase the number of supporters, Kaunet implemented a framework for donating customer points toward the thinning of Yui-no-Mori in 2008. This year alone, the company has received approximately 100 applications for the submission of donations. In addition, the Yui-no-Mori 1% Donation Project was commenced in February 2011 and continues to operate to this day. This project is to donate a portion of the sales of Yui-no-Mori products to the National Land Afforestation Promotion Organization's Green Fund.



Surveying the water quality of the Shimanto River



Vegetation survey participants



Kaunet's Yui-no-Mori Products

## ReEDEN Project

KOKUYO Product Shiga has engaged in proactive activities for environmental conservation as the plant operates near Lake Biwa, a place that supports the lives of people while also being a dynamic habitat for many forms of life. Particular focus has been directed toward activities involving reeds. Reeds not only absorb carbon dioxide but also help to purify water by absorbing nitrogen and phosphorous in the process of growing and serve as a home for organisms living in Lake Biwa. Reeds used to be used for making reed screens, roofs, and other goods. However, the use of reeds for such purposes disappeared as peoples' lifestyles changed, meaning that reed beds were no longer being maintained and consequently fell into a state of dilapidation. Launched in November 2007 to promote the use of reeds and to make the state of the reeds widely known, the ReEDEN Project marked its 12th year in 2018. In 2019, two awards were received: the Judging Committee Special Award in the Award for Companies Promoting Experiential Activities for Youth, and the Grand Prix at The Biodiversity Japan Award 2019. Altogether, the project has received 13 awards in five consecutive years. KOKUYO Product Shiga was recognized for our dedication to take the lead as a local company manufacturing paper products, and activities are steadily spreading.

\*1, \*2, \*3: [Related information: Assessments and awards received from outside the KOKUYO Group](#)

## Protecting Lake Biwa by Promoting the Use of Reeds

By harnessing production technologies developed to date and its developmental capabilities with a paper-production company, KOKUYO Product Shiga has been using reeds as materials for producing copier paper, notebooks, and other industrial products and selling them at a price suitable for the market under the ReEDEN Series brand name. In addition, in an effort to create a market that contributes to the environment through the use of reeds, business cards made with 100 percent reed pulp, reed-based brush pens, and other high value-added products were developed in 2014. Other efforts included the release of Lake Biwa stationery series as locally made stationery with themes relating to Lake Biwa, Shiga tours and local specialties, and the joint development by Lake Biwa Museum in Shiga Prefecture and Campus Notes. A portion of net sales is donated to a local environmental organization for activities dedicated to the conservation of reeds



ReEDEN series



Biwako Stationery



Biwako Template

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

The Network to Protect Lake Biwa with Reeds was set up in 2009 with KOKUYO Product Shiga serving as the secretariat of this organization. This network aims to contribute to the conservation of the natural environment of Lake Biwa in part through the establishment of modest connections among various companies and organizations. It began with a handful of corporate members, and has since grown into an organization with a membership of 131 supporting entities. The primary activity of the network entails the conservation of reed beds that fulfill an important role for the Lake Biwa ecosystem and water environment. These activities, which were initially staffed by several KOKUYO Product Shiga employees, have now expanded significantly to activities in which members of local environmental groups and representatives of network members from the industry, academia, and government now gather in the hundreds to participate together with more than 4,800 members in mowing the reeds. In the investigation of reed bed biomass, an initiative which started in 2017, we collaborated with Lake Biwa Museum and Shiga Prefecture to investigate winter reed biomass, carbon content, and so on as a new attempt. A tool to calculate the amount of CO<sub>2</sub> recovered through reed mowing activities was developed jointly by the industry, academia, and government as an achievement of this collaboration. This tool has been published on Shiga Prefecture's website. Operational testing will be conducted this season to visualize the effects of reed mowing. These activities are being shared through network communications to disseminate their merits.

## Environmental Activities Linked by Networks—From Reed Mowing to Non-native Fish Fishing Contest

The Network to Protect Lake Biwa with Reeds, consisting of various industries and organizations, is expanding its activities year after year. Buds start to sprout in the reed beds when spring comes after reeds are mowed three times in winter. We have held a fishing contest to remove non-native fish around the reed beds since 2011. The aim is to exterminate the black bass and bluegill that threaten endemic species of Lake Biwa such as willow gudgeon and carassius auratus grandoculis. This environmental activity can be enjoyed by Network members and their families together. The number of participants increases each time, with more than 200 people participating last year. We contribute to conserving the ecosystems of Lake Biwa together with children. These activities allow people to experience for themselves the importance of nature, and become excellent opportunities for communicating the importance of protecting the rich environment of Lake Biwa.



Mowing the reeds



Mowing the reeds



Fishing contest to remove non-native fish

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## ■ Social

### Respect for Human Rights

To respect the human rights of all stakeholders as we go about our business and CSR activities, the KOKUYO Group has established the KOKUYO Group Code of Conduct for our employees, and the KOKUYO Group's Procurement Policy for our partner companies.



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## ■ Social

# Work Style Reform

### Basic Concepts

KOKUYO is generating change in the work styles of employees centered on how time is used so as to secure the ability for sustainable growth.

KOKUYO seeks to contribute toward the growth of organizations and individuals by practicing work styles that allow employees to independently choose the time and place of work while utilizing systems such as telecommuting as well as by addressing factors obstructing the improvement of productivity to increase “disposable time.”

### Systems

#### Achieving a Good Work-life Balance

The KOKUYO Group is committed to providing ideal working conditions with consideration for achieving a good work-life balance.

These efforts have been recognized by the government and three of the group companies have received a certification logo (nickname: Kurumin Mark) as of December 31, 2019.

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

[Companies that received the Kurumin Mark] As of December 31, 2019

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

KOKUYO Marketing Co., Ltd.



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

At KOKUYO, a flextime system without a core period has also been introduced to give balance and promote effective use of time. In addition, KOKUYO has introduced a teleworking system on a daily or hourly basis for employees who have restrictions on time or place due to child rearing or nursing care. The system allows employees to engage in both child rearing and work by using their spare time efficiently, such as the time before leaving for work in the morning or the time after finishing housework until going to bed. Therefore, the number of employees utilizing this system is increasing.

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

#### Re-employment System for Employees Who Left Their Jobs Due to Personal Circumstances

KOKUYO has a re-employment system for regular employees who left their jobs due to personal circumstances such as marriage, child-bearing, childcare, family care, job relocation of spouse, study abroad, volunteer work, career change and other reasons recognized by the company.

By bringing in the experiences and knowledge developed outside the KOKUYO Group, it is hoped that these employees will further expand the diversity of the Group.

## ■ Handling Re-employment of Mandatory Retirees

KOKUYO has in place a system which, in principle, allows employees who wish to work at the KOKUYO Group after retiring at the mandatory age of 60 to continue work as senior employees.

Through this initiative, we offer opportunities for employees to continue applying themselves in society after mandatory retirement. At the same time, we can expect them to use their experience and knowledge developed so far in their work to contribute toward developing younger employees.

### ■ 2019 Initiatives

#### ■ Conducting Exciting Smart Work 2019

KOKUYO continues to conduct the trial named “Exciting Smart Work” that involves giving flexibility to the time and place of work. In 2018, the trial demonstrated effectiveness such as reducing the stress of commuting through a teleworking system and an increase in private time.

In 2019, building on the issues noticed during the previous year’s initiative, the teleworking initiative was further expanded to more participants over a period of three months. In addition, new challenges in work styles were also undertaken, such as a “Day/Time Choice” system where employees can choose the number of days and the time of their work, and relaxing the dress code.

From the survey conducted after the initiative, most participants answered that they could make effective use of their working hours. In addition, the initiative provided employees with an opportunity to change the way they view work, and it was observed that this also led to a reduction in overtime work.



Meeting that also includes employees on teleworking system

#### ■ Variety and Challenge Systems (Proposal and Award Systems)

“Doubling the speed of operations through variety” is a focus area under the second medium-term management plan. This is an activity that seeks to improve work and achieve efficiency by having each and every employee think on their own and undertake new challenges with a sense of speed. At the KOKUYO Group, as one of the initiatives to promote this activity, applications were sought from April this year for the “Variety Proposals” and “Variety Practice Award” that lead to variety.

By December 31, the number of proposals was 4,169 against a target of 4,000.

There were proposals from a variety of perspectives, including work style reform, encouragement of communication, and IT tools.

For each proposal, directors, managing officers, and others generated feedback reports while exchanging their opinions. Dissemination is carried out as necessary through a portal site. In addition, events to give awards to outstanding proposals and people who practice this concept were held at each office.

Going forward, KOKUYO will continue this activity while seriously considering the proposals of employees regardless of whether they can be achieved.



Award ceremony

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## ■ Social

### Promotion of Diversity

#### Basic Concepts

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

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

#### Systems

##### Statutory System for the Purpose of Child-rearing and Nursing-care Support\*

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

Maternity leave	Six weeks before childbirth (14 weeks for multiple-birth pregnancies) and eight weeks after childbirth
Spousal maternity leave	Leave of absence granted when a spouse is giving birth. <u>Two days for each childbirth.</u>
Childcare leave	<u>Childcare leave is given until the day the child reaches the age of two. (For a child born in April, childcare leave is given until the end of April in the year the child reaches the age of two.)</u>
Childcare leave to look after a sick/injured child	Up to 5 days per year, or 10 days for employees with two or more children, to look after a child below school age. (Can also be obtained in half-day units)
Family care leave	<u>Up to a total of 183 days</u> for each person requiring nursing care. (Can be taken in up to 3 blocks)
Nursing care leave	Up to 5 days per year per person requiring nursing care, or 10 days for employees with two or more children. (Can also be obtained in half-day units)
Short working hour system	<ul style="list-style-type: none"> <li>• Childcare: <u>Until child finishes their third year in elementary school.</u></li> <li>• Nursing care: Up to three years per person requiring nursing care.</li> </ul>

Teleworking	Can be taken in 1-day units (up to 52 times in one year) or hourly units <ul style="list-style-type: none"> <li>• Childcare: <u>Until child finishes their third year in elementary school.</u></li> <li>• Nursing care: <u>Up to three years</u></li> </ul>
Re-employment system	<u>Eligible personnel include regular employees who left their jobs due to marriage, child-bearing, childcare, job relocation of spouse, study abroad, volunteer work, career change and other reasons recognized by the company.</u>

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

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

## The KOKUYO Group's Hiring of Persons with Disabilities

KOKUYO's history of hiring persons with disabilities dates back to 1940. It started with the employment of students of Osaka City School for the Deaf (present-day Osaka Prefectural Central Hearing Support School) at the former Imazato Factory where the present Head Office is located.

The turning point in KOKUYO Group's hiring of persons with disabilities was the business structural reform plan announced in 2002. The issue of how to handle the hiring of persons with disabilities by individual subsidiaries—formed from the splitting of KOKUYO—was examined, and the special subsidiary KOKUYO K Heart was established in September 2003. In addition, Heartland was established in December 2006 for the purpose of hiring persons with intellectual or mental disabilities.

The KOKUYO Group's rate of hiring people with disabilities is 2.31% as of June 1, 2019.

## Participating in the Iku-boss Corporation Alliance

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

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



## 2019 Initiatives

### Creating Networks for Employees Involved in Child-raising

KOKUYO conducts orientation for employees returning to work after childcare leave so that they can continue to work with peace of mind while balancing both child-rearing and work.

In addition, to enable information exchange and allow concerns to be discussed, KOKUYO also strives to create networks for employees involved in child-raising, such as lunches for fathers and mothers, and the KOKUYO Child-raising Network . Information is exchanged on themes related to balancing work and child-rearing, including skillful methods for utilizing the teleworking system and work styles after children have entered elementary schools.



### KOKUYO Logitem's "What I'd Like to Be" Office Visited Partner Company

The "What I'd Like to Be" Office, which aims to ensure diversity promotion and the advancement of women at KOKUYO Logitem, has been visiting partner companies since August last year to understand the state of activities to promote the advancement of women at other companies and obtain hints for future activities. This time, the office visited Kanriku Express Kansai Co., Ltd. With the first female center manager and female CFO, visitors were told that people at the company utilizes the meticulous attention to detail and ability to respond unique to women to conduct realistic activities. Going forward, KOKUYO hope to continue a wide range of interactions with other companies to incorporate good points into KOKUYO.



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## ■ Social

# Human Resources Management

### Basic Concepts

KOKUYO aims to continue taking on the challenge of creating new value that contributes to the realization of a sustainable society for the issues—which change with the times—faced by customers and society. To achieve this, based on the assumption of respecting diversity, we support challenges through work and place particular attention toward facilitating the growth of the company and each employee while bringing out the creativity of each person.

### Systems

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

The personnel system which started full-scale operation in fiscal 2018 focuses on improving the capabilities of employees. Core employees are divided into role grades based on the size of their roles and responsibilities regardless of age and experience, while union employees are divided into skill grades based on the level of their capabilities. KOKUYO matches and assigns the appropriate person to the appropriate position after clarifying organizations and roles according to company strategy. We also support the reflection of absolute evaluation for compensation in balanced manner regarding the degree of accomplishment of targets—established through dialogue between supervisors and subordinates at the company-level about what to do for what purpose.

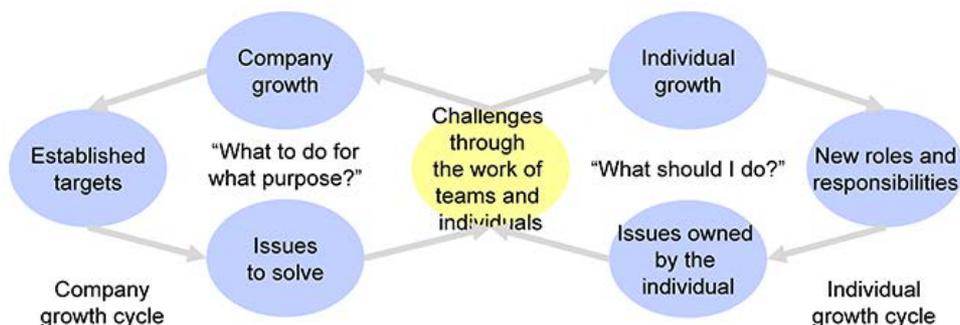
In our second medium-term management plan, “Enabling sustainable growth-Smart & Sustainable Transformation 2021,” which was started in fiscal 2019, together with improving the implementation quality of our personnel system, KOKUYO will strengthen the development of systems that facilitate the growth of the company and each employee through promoting the assignment and appointment of the appropriate person in the appropriate position and capability development based on the assumption of acceleration in business growth in the medium- to long-term.

In fact, there are increasingly more cases of assignments and appointments unaffected by age, such as the appointing people in their early 30s as core employees responsible for a part of management, appointing people in their late 30s as general managers, and appointing people in their 40s as directors.

Going forward, KOKUYO will further facilitate and polish seamlessly our initiatives so far to build the foundation for realizing our 2030 vision planned to be disclosed in 2020.

#### Cycle Facilitating the Growth of KOKUYO and Each Employee

Using challenges through the work of teams and individuals, KOKUYO advances initiatives aiming at spiraling up while solving business issues and facilitating individual growth.



## Growth Management System

To support challenges through the work of teams and individuals, KOKUYO is embarking on an initiative that seamlessly facilitates target setting and evaluation, application (assignment and appointment), and capability development with continued development of business leaders as its pillar.

	Union employees	Core employees	Directors
Growth step	Accelerated growth that uses challenges through work to increase capabilities	Increase capabilities by fulfilling roles and responsibilities and influence others as business leaders while leading business growth	Lead the improvement of corporate value as business leaders taking on even bigger Roles and responsibilities
Target setting and evaluation	Target setting facilitated by dialogue with subordinates incorporating "What to do for what purpose?"		
	Target setting to extend capabilities according to individual characteristics based on "How to increase which capability?"		
	Absolute evaluation regarding degree of accomplishment		
Application (assignment and appointment)	Assignment and appointment that places the appropriate person on the appropriate position (HR meeting & promotion/demotion meeting)		
	Cross-organizational projects		
Capability development	Startup support (tutoring system and follow-up programs)	Business leadership development support (programs)	
		Will×Skill development support (programs)	
	Support for development of job-specific skills (programs, workshops, seminars, etc.)		
	Support for learning (e-learning, support for attaining various qualifications, etc.)		

## Career Center Established to Strengthen Functions Supporting New Challenges of Each Employee

As an organization that supports new challenges by individual employees based on the will and capabilities of each employee while solving business issues and facilitating individual growth, KOKUYO established the Career Center in 2018 and is strengthening its operations. The center allows employees to utilize a system called "career challenges" where they declare their determination about work challenges they want to undertake or capabilities they want to improve at KOKUYO in the medium- to long-term. At the same time, the direction in which employees grow their career or skills is made more specific through individual career interviews with expert advisors. The center supports the undertaking of new challenges by understanding the will of each employee through individual dialogue and facilitating the assignment and appointment of the appropriate person to the appropriate position utilizing personnel data such as capabilities and career.

### 2019 Initiatives

#### Promotion of Capability Development

To support challenges through the work of teams and individuals, priority themes are set by matching against the working style that the entire company is focusing on for the direction that business is aiming for and its realization. Capability development is promoted with particular attention on behavioral changes at job sites.

##### ●Conduct of KOKUYO Marketing University for Younger Employees

For KOKUYO to continue providing unique value to society even as the environment and customers change, it is necessary to think about marketing skills centered on customers in all types of works—such as sales, manufacturing, and distribution—and not just in the areas of development and planning. KOKUYO conducts output-driven practical programs targeting younger employees who have entered the workforce for about three to 12 years. Immediately after learning about strategy and marketing methods, participants apply the knowledge they have learned in proposing new business plans for KOKUYO. Under the coaching of



external strategy professionals, teams polish their proposals over a period of approximately half a year, eventually recommending their proposals to the management. This initiative started in 2017, and currently, more than 70 young employees have taken on this challenge while the format continues to evolve.

**●Establishment of KOKUYO Marketing Graduate School for Mid-level Leaders**

To change toward a management model that can see 10 years into the future, KOKUYO hopes to take on the challenge of a working style that objectively perceives the future business environment and considers strategies without being limited by the circumstances of one's own company. Therefore, we started a program centered on mid-level leaders in their 30s and 40s to support them in learning future scenario planning skills and applying them in their daily value creation process. Under the coaching of external strategy professionals, teams deal with themes that look 10 years into the future of KOKUYO, making refinements over a period of approximately nine months, and eventually recommending their proposals to the management. In fiscal 2019, the first batch of 24 participants is undertaking this challenge.



**●Conduct of Business Leadership Development Program for Core Employees**

KOKUYO conducts a program to improve skills—problem-solving, leadership, and organizational management—necessary as business leaders of KOKUYO centered on employees who were appointed as core employees after the introduction of the current personnel system. In fiscal 2019, 24 employees participated in this program.



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## ■ Social

# Communication with Employees

### Basic Concepts

To invigorate communication between employees, dissemination through various media and development of systems are carried out at KOKUYO. In addition to the company newsletter operated through the intranet, events are also actively undertaken at all offices.

### Systems

#### Employee Satisfaction Survey

To provide ideal working conditions, the KOKUYO Group conducts the Employee Survey which integrates three surveys: employee satisfaction (ES) survey, compliance survey, and stress check. Based on the results of this survey, KOKUYO encourages the independent resolution of various individual issues such as by interviewing superiors and subordinates, and conducting workshops.

### 2019 Initiatives

#### Conducting Second Medium-term Management Plan Town Hall Meeting

From March 2019, KOKUYO started conducting town hall meetings to talk about “Doubling the speed of operations through variety” that is a focus area under the second medium-term management plan. “Doubling the speed of operations through variety” is an activity that seeks to improve work and achieve efficiency by having each and every employee think on their own and undertake new challenges with a sense of speed. At town hall meetings, the president and executive vice presidents visit workplaces to exchange opinions directly with employees.

Meetings were held 61 times at offices nationwide in Japan, with a total of 1,350 participants.

At each workplace, opinions were actively exchanged about the schemes necessary for penetrating the approach of “Doubling the speed of operations through variety” and enlivening its activities as well as the current state of issues.





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

This retirement ceremony is to celebrate the retirement of employees of the KOKUYO Group who are approaching mandatory retirement, in appreciation of their many years of hard work. The ceremony is held twice a year, once each in the first and second halves of the fiscal year. In FY2019, 31 and 33 employees were included in the first- and second-half ceremonies, respectively. During the ceremony, the attendees revealed their recollections about life at KOKUYO and the messages they wished to convey to younger generations of employees. Chairman Kuroda presented each retiring employee with a list of commemorative gifts, and at the same time expressed appreciation for their many years of effort and contribution.



## 2019 KOKUYO Memorial Service for Deceased Employees

On August 20, 2019, the 2019 KOKUYO Memorial Service for Deceased Employees was held at Tentokuin temple on Mt. Koyasan. This memorial service enshrines the spirits of deceased ones from the past year with a show of appreciation to predecessors who contributed to the development of the KOKUYO Group. When the Group marked its 70th anniversary in 1974, a memorial monument for the deceased employees was built on Mt. Koyasan at the suggestion of the late Shonosuke Kuroda, honorary chairman, and the ceremony has been held every year since then. This fiscal year, 28 people were enshrined, bringing the total number of enshrined people since 1974 to 659.



## Employees of KOKUYO Furniture (China) Co., Ltd. Visited Shibayama Plant, Shinagawa Showroom, and SST Office

On March 7, 2019, 150 employees of KOKUYO Furniture (China) Co., Ltd.—which has locations in places like Shanghai, Beijing, and Shenzhen—visited Japan. At Shibayama Plant, the first place of visit, the employees received a briefing about the production process and shared the stance regarding craftsmanship. At the same time, their confidence in KOKUYO products were heightened. Next, at Shinagawa Showroom, they saw and touched furniture to experience the attention that KOKUYO incorporates into products. At Shinagawa Season Terrace (SST), they saw an advanced office environment. In addition, at the New Year's party held that same day, participants deepened their interactions, and at the same time, showed appreciation for the daily hard work of KOKUYO Furniture (China)'s employees and gave them encouragement, renewing their beliefs as members of the KOKUYO Group.



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## Social

# Employees' Safety

## Basic Concepts

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. Therefore, the KOKUYO Group Central Safety Health Committee—which has the function of overseeing safety and health within the KOKUYO Group—takes the lead to link the health and safety committees of our offices to establish mechanisms and systems while actively exchanging opinions with our employees.

## KOKUYO Group Occupational Safety and Health Basic Policy

### [Basic policy]

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

### [Code of conduct]

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

## Systems

### KOKUYO Group Construction and Factory Safety and Health Conference

As people all over Japan are thinking about the importance of safety during the National Safety Week\* (the first week of July), the KOKUYO Group also thinks about safety at all of its locations throughout Japan and holds our Safety and Health Conference with the goal of raising awareness.

#### ●[Construction] KOKUYO Group Construction Safety and Health Conference

With a belief that the safety and health of its employees and partners constitute the foundation that supports company growth, at seven locations across Japan, the KOKUYO Construction Safety and Health Promotion Committee expressed appreciation for the proper work of approximately 800 employees and partners involved in the work sites of the spatial construction business across Japan. At the same time, safety was again discussed, and initiatives reconfirmed.



●[Factories] Safety Conferences and Safety Patrols at KOKUYO Group Factories in Japan

Safety conferences and safety patrols were held at five factories in seven locations in Japan. At the safety conferences, as part of the initiatives to create transparent workplaces, a letter of appreciation was presented to employees recommended by executives at various workplaces, and an explanation was given on aspects such as occupational accident data and the policy for safety initiatives.

In order to pass our safety-protecting culture onto future generations, we will continue to provide opportunities on a site-by-site basis within the entire KOKUYO Group to pause every year and think about safety.



●[Development] Manufacturing Safety Convention and Safety Patrol

A safety convention and safety patrol were conducted at KOKUYO's head office with participation of employees of workshops, which conducts aspects such as development and quality inspection for KOKUYO products, and KOKUYO K Heart, which undertakes operations such as printing and processing. Since employees of development sites handle machinery tools and many chemical substances, we hold the safety convention and safety patrol as events to thoroughly disseminate and reaffirm prevention of occupational accidents with employees anew.



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

2019 Initiatives

Initiatives during National Safety Week

● First Safety Conference Held at KOKUYO Supply Logistics Chubu IDC

As a new initiative of KOKUYO Supply Logistics, a safety conference was held since FY2019 bringing under one roof center managers from all seven locations to discuss about safety. The importance of putting things in order (seiri seiton or 2S) and creating a workplace with an open culture in preventing labor accidents was recognized. All employees determined to aim toward creating workplaces which are even safer and easier to work in.



Briefing about equipment

● Holding Movement to Eliminate the Use of Smartphones While Walking and Working

Within the KOKUYO Group, during the National Safety Week that takes place in July each year, safety conferences are held at interior and construction departments, factories, and other locations, and movements are conducted to return to the fundamentals of safety once each year. This year, as a theme that is familiar even to employees working in offices for which safety awareness is something difficult to grasp, a summer movement to eliminate the use of smartphones while walking and working was conducted. Employees were made aware about the dangers of using of smartphones while walking and working so as



to prevent accidents and problems as well as improve the safety awareness of employees.

● **Holding 8th KOKUYO Logitem Safety Conference in Tokyo, Nagoya, and Osaka**

The 8th Safety Conference was held at various venues in Tokyo, Nagoya, and Osaka over three days: June 17, 19, and 24. A total of 270 participated in the conference, including partner companies, KOKUYO Group employees, and KOKUYO Logitem employees.

This year, the theme was “Knowing the Awareness Level of People and Thinking about Effective Methods of Communication” and lectures on “5S and Human Errors” were conducted. Participants learned about topics such as the purpose and necessity of 5S and education, and the characteristics of human errors. They further deepened their understanding during the group practical sessions after the lectures by discussing about human errors that occur during work. Awareness gained through the conference is helpful toward further invigorating safety activities at the respective workplaces.



■ **Conducting KOKUYO Group Safety Staff Get-together 2019**

On October 24, the fourth get-together gathering safety staff of KOKUYO Group factories under one roof was held at KOKUYO Mie Plant. To expand the safety and health circle within the Group that transcends industry types, participants included not only parties from factories, but also those responsible for safety in the construction and distribution industries. Discussions, presentations, and such were conducted based on observations within the factory. This time, discussions were carried out based on the theme of safety education. Details of safety education conducted by each location and business were presented, and everyone delved into discussions around those details.

Believing that the health and safety of its employees are the foundation of company growth, the KOKUYO Group will continue to strive to maintain the safety and health of Group employees and create a work environment and culture that enable employees to work vigorously and demonstrate their full abilities through such activities.



Businesses and factories presenting details about their respective education

■ **KOKUYO Logitem’s Ina Distribution Center (Ina City, Nagano Prefecture) Achieves 10,000 Continuous Days without Any Accidents**

On August 1, 2019, the Ina Distribution Center located in the southern part of Nagano Prefecture achieved 10,000 continuous days without any accidents. An award ceremony was held on August 26, welcoming many attendees from partner companies in addition to relevant parties within KOKUYO.

This center shows a top level of work safety even among KOKUYO Logitem’s distribution centers, maintaining a record of continuous days without accidents. Since opening on October 1, 1983, for approximately 36 years, the center has continued to renew its record even today by repeatedly being thorough in the basic tasks of 3S (seiri, seiton, seiso, or putting things in order and cleaning up), sharing information between employees, calling out to each other, and other means.



Staff from Ina Distribution Center

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## ■ Social

# Employees' Health

### ■ Basic Concepts

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

### ■ KOKUYO Health and Productivity Management Declaration

KOKUYO believes that to secure sustainable corporate growth, it is important to have environments and systems which allow employees to apply themselves safely and healthily in mind and body. Therefore, we undertake initiatives to maintain and promote the health of our employees.

We promote health and productivity management together with employees, labor unions, and health insurance associations to create products and services that apply the creativity of each and every employee who are healthy in mind and body. This is so as to contribute toward society's vigor as well as healthy work and study, and meet the expectations of our stakeholders through.

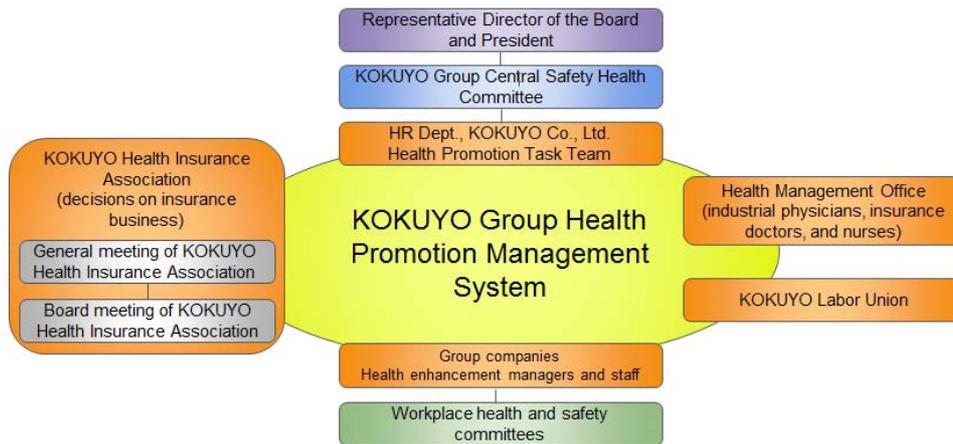
### ■ Systems

#### ■ Major Initiatives

- Aim to continuously improve the working environments of employees so as to achieve workplaces where employees can work safely and healthily in both mind and body.
- Strive to maintain the health of employees and prevent aggravation of illnesses by following up on health checks and their results as well as establishing health examination options for preventing illness.
- Strive to improve employee mental health and engagement by using the analysis results from stress checks and employee surveys to invigorate the organization.
- Implement information dissemination and education of health promotion so that employees will think about and undertake health promotion on their own initiative.
- Practice diverse work styles, and at the same time, implement initiatives such as promotion of telecommuting; reduction of overtime hours; encouraging the taking of paid leave; support for child raising and nursing care; and striking a balance between work and family.

#### ■ Health Promotion Management System

To promote health and productivity management, KOKUYO has in place a health promotion management system for the entire Group based on the KOKUYO Group Occupational Safety and Health Basic Policy by the KOKUYO Group Central Safety Health Committee. Health enhancement managers and staff are appointed in each Group company, and initiatives to improve health within the entire Group are undertaken as one by human resource departments, labor unions, health insurance associations, and health management staff.



\* Specific data regarding health promotion is posted [here](#)

## 2019 Initiatives

### Recognition as a 2020 Certified Health & Productivity Management Outstanding Organization (White 500) in the Large Enterprise Category

KOKUYO Co., Ltd. and Kaunet Co., Ltd. were among the organizations recognized under Large Enterprise Category of the 2020 Certified Health & Productivity Management Outstanding Organization Recognition Program (White 500), selected jointly by the Ministry of Economy, Trade and Industry and the Nippon Kenko Kaigi. This is the second consecutive year being recognized as a White 500 organization, and the third time receiving this recognition.



In addition, our Group company KOKUYO Marketing Co., Ltd. was also recognized as a 2020 Certified Health & Productivity Management Outstanding Organization in the Large Enterprise Category.

The Certified Health & Productivity Management Outstanding Organization Recognition Program honors outstanding enterprises, such as large enterprises and small and medium-sized enterprises, engaging in health and productivity management based on their efforts made in line with the health-related issues in local communities and health promotion activities promoted by the Nippon Kenko Kaigi. From 2020, the format of the program has changed. The top 500 enterprises which meet the criteria for the Large Enterprise Category of the Certified Health & Productivity Management Outstanding Organization Recognition Program will be recognized as White 500 organizations, while remaining enterprises that meet the criteria falling outside the top 500 will be recognized as Certified Health & Productivity Management Outstanding Organizations.

\* The Nippon Kenko Kaigi is an organization that takes practical community- and workplace-based actions, under collaboration among private organizations and with full administrative support, to extend healthy lifespans and to provide appropriate medical care, targeting individual persons in Japan, a country facing a dramatically advancing aging society with fewer children. The organization aims to encourage workplaces and communities to undertake specific measures to overcome health-related challenges under collaboration among private organizations, such as economic associations, medical-care associations and insurers, and municipalities.

Note that the term "health and productivity management" is a registered trademark of the Workshop for the Management of Health on Company and Employee.

### KOKUYO Group Health Targets and 2019 Results

The KOKUYO Group has been promoting health activities by collaborating with the in-house Health Insurance Association and Health Management Office in setting specific health goals from 2013 in order to prevent lifestyle-related diseases. We have carried out a walking campaign to encourage the habit of enjoyable exercise in which employees record daily the

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

#### Examples of Health Indices (from specific issues)

	2018	2019	2020 targets
Percentage of employees with a BMI over 25	25%	24%	22%
Percentage of employees who smoke (from Q&A data)	32%	31%	29%
Percentage of cancer medical examinations (colorectal cancer)	40%	70%	80%
Percentage of cancer medical examinations (gynecological examination)	20%	20%	25%

Scope: KOKUYO Co., Ltd.; Kaunet Co., Ltd.; KOKUYO Marketing Co., Ltd.; KOKUYO Logitem Co., Ltd; KOKUYO Supply Logistics Co., Ltd.

#### ■ KOKUYO's Health Activities!

##### Organizing “Online Walking Competition—Health Challenge Log”

This is a campaign where employees self-report the number of steps they have taken daily, and those who achieved their goals receive seasonal fruits. It seeks to trigger employees to aim toward building healthy bodies.

	2018	2019	2020 targets
Participants	1,177 persons	1,283 persons	1,500 persons

##### Employees Staying Healthy with Health Examinations as the Starting Point

For FY2019, KOKUYO again explained the advantages of undergoing health examinations annually without fail, and requested employees to actively undergo them. Health examinations are fixed point observations, and the subsequent follow up measures are important. To prevent illnesses from becoming more severe through early response and follow up by health management staff, employees, KOKUYO, the Health Management Office, and health insurance associations work together as one to actively work on keeping employees health in both mind and body.

##### Conducting Awareness-raising Activities Together with World No Tobacco Day and No Smoking Week

Comparing the percentage of smokers in the KOKUYO Group against the Japan Smoking Rate Survey conducted by Japan Tobacco Inc. (JT), the number of male smokers is significantly higher than the national average. Together with the World No Tobacco Day on May 31 designated by the World Health Organization (WHO) and the No Smoking Week from May 31 to June 6 designated by Japan’s Ministry of Health, Labour and Welfare, KOKUYO also prohibited smoking during this period and conducted activities to proliferate and raise awareness about preventing passive smoking. Information is disseminated to smokers about the health impact from passive smoking for them to review their smoking habits. At the same time, we promote mutual understanding between smokers and non-smokers so as to create comfortable workplaces, including prevention of passive smoking by non-smokers, proper handling of cigarette butts and such, and being considerate about things like the smell of cigarettes on clothes.

### Conducting Physical Fitness Test “Let’s Make a BODY! For 2020 Program”

As part of the initiatives toward health and productivity management, KOKUYO conducted physical fitness tests at Tokyo and Osaka. KOKUYO’s unique physical fitness test “Let’s Make a BODY! For 2020 Program” incorporates the “ASICS HEALTH CARE CHECK” developed by ASICS Corporation, and was rolled out due to the Olympic Games Tokyo 2020. On the day of the event, more than 100 participants from various age groups took the test. Going forward, KOKUYO plans to implement a variety of measures beyond health examinations and various vaccinations to enhance the health of employees.



### ■ Mental health initiatives

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Since 2016, we have been conducting stress checks based on laws and regulations together with surveys on compliance as our Employee Survey.

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

In addition, based on the results of the survey, we implement initiatives such as workplace improvement activities (creating open corporate culture) as mental health responses. Using organization analysis results from the survey, we categorize organizations into three stages: Red, Yellow, and Green. We aim to reduce Red organizations by contributing toward the invigoration of communication through workplace improvement activities such as holding discussions at the workplace and workshops with Red organizations as departments prioritized for initiatives.

	2018	2019	2020 targets
Percentage of Red organizations	14.4%	11.9%	10%

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## ■ Social

### With Business Partners

#### ■ Basic Concepts

The KOKUYO Group creates new value with our business partners to pursue customer satisfaction. In addition, we formulated the KOKUYO Group Procurement Policy to build relationships of trust with business partners and grow mutually. Furthermore, based on this KOKUYO Group Procurement Policy, we prepared the KOKUYO Group Procurement Guidelines as matters that we hope to achieve together with our suppliers.

#### ■ Systems

#### ■ KOKUYO Group Procurement Policy and Guidelines

As corporate activities are becoming more globalized, KOKUYO Group is well aware that managing its own company and subsidiary companies is insufficient for fulfilling the scope of social responsibility.

In 2013, KOKUYO therefore invited 32 principal subcontractors to give an account of the procurement policy and implemented a self-examination questionnaire for feedback to the subcontractors. In 2014, we sent the basic procurement policy and guidelines to nearly 400 suppliers. We will strive to further build relationships of trust through these activities.

#### KOKUYO Group's Procurement Policy

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

##### ■ Pursuit of Quality and Safety

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

##### ■ Mutual Development

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

##### ■ Respect for Human Rights

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

##### ■ Environmental Protection and Symbiosis with Local Community

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

## 1. Pursuing Quality and Safety

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

- 1-1. Customer Satisfaction  
To increase customer satisfaction, the Group works to grasp the needs of its customers accurately as it strives to develop and offer products and services that are superior in quality and safety.
- 1-2. Responding to Customers  
The Group takes the customers' perspective and responds promptly and sincerely to customer requests and complaints, while also endeavoring to improve quality and prevent future issues related to customer satisfaction.
- 1-3. Product Supply  
The Group strictly observes delivery schedules and ensures product supply by maintaining appropriate levels of inventories and structuring effective logistics systems.
- 1-4. Managing Disaster and Other Risks  
The Group creates risk management systems during normal times and is able to provide stable supplies of products to its customers.
- 1-5. Fair Pricing  
The Group provides products at competitive prices through activities to maintain product supply and ongoing cost-cutting efforts.

## 2. Mutual Development

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

- 2-1. Promoting Compliance Best Practices  
The Group strictly observes the laws, social norms, and corporate ethics of various countries and regions and strives to keep its employees informed about compliance matters.
- 2-2. Fair and Transparent Transactions  
The Group respects fair, transparent, and free competition and conducts its transactions accordingly. The Group prohibits behavior by its employees that takes advantage of the Group's position as purchaser of goods and services, including such behavior as making requests for monetary compensation or other special treatment.
- 2-3. Prohibition of Transactions and Other Relationships with Antisocial Forces  
The Group takes a resolute attitude toward antisocial groups and other forces that are a threat to order in society and to safety, and, therefore, rejects all unreasonable requests from such elements. In addition, the Group does not engage in transactions with or have other relationships with such antisocial groups.
- 2-4. Protection of Intellectual Property Rights  
The Group takes measures to protect and prevent unauthorized use of intellectual property.
- 2-5. Prohibition of Conflicts of Interest  
The Group prohibits its management and staff from taking advantage of their positions to obtain personal gain or engage in behavior that is contrary to the interests of Group companies.
- 2-6. Management of Confidential Information  
The Group appropriately manages confidential information related to sales, technology, management, and other issues as well as personal information and strives to prevent the loss or leakage of information.
- 2-7. Information Disclosure and Dissemination  
The Group properly discloses information on its business activities, the quality of its products, safety, and other matters. In accord with stakeholder requests, the Group provides information on its products and gathers and disseminates environment-related information, including information on harmful chemical substances that may be contained in its products.
- 2-8. Prohibition of Insider Transactions  
The Group forbids trading in, and encouraging the trading in, the shares of Group companies and associated companies based on undisclosed, material insider information.

## 3. Respect for Human Rights

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

- 3-1. Prohibition of Child and Forced Labor  
The Group does not permit unfair discrimination or child and forced labor. Moreover, the Group does not conduct transactions with companies, groups, or other entities that engage in such practices.
- 3-2. Prohibition of Sexual and Power Harassment  
The Group does not allow sexual harassment, power harassment, bullying, or other such violations of human rights.
- 3-3. Promotion of Occupational Health and Safety  
The Group considers the safety and health of its employees and seeks to create comfortable working conditions.
- 3-4. Human Resource Training  
The Group actively trains its employees to work effectively when they are assigned to posts in foreign countries.

## 4. Environmental Protection and Symbiosis with Local Communities

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

- 4-1. Promotion of Environmental Protection Activities  
The Group respects and observes environment-related laws, and, in all its activities, takes initiatives to protect the environment. Moreover, the Group conducts activities that give consideration to the natural environment and biodiversity.
- 4-2. Understanding and Reducing the Impact on the Environment and Observing Green Procurement Practices  
In its business activities, the Group understands the impact that its operations have on the environment, and, by improving its facilities and reconsidering the materials it uses, the Group works to reduce the burden of its operations on the natural environment. As part of these activities, the Group also observes green procurement practices.
- 4-3. Contributing to Society  
The Group participates actively in providing support for social, educational, and cultural activities as well as in promoting exchange with local communities, including offering assistance for beautification projects, volunteer work, and other activities.

## 2019 Initiatives

### ACW Initiatives

Action to Change Workstyle (ACW) was launched in July 2017. After the second year, the ACW Awards was held to commend members with outstanding activities. Currently, there are 3,400 ACW members, and the total number of workers who have utilized the working environment diagnostic tool exceeds 30,000. Proposing solutions to customers based on these diagnostic results is also spreading among members. Accumulated knowledge and expertise are used to refine the proposal tools and support for activities aimed at the sustainable growth of both KOKUYO and retailers as well as contribute toward workstyle reforms of our customers.



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

KOKUYO's Furniture Business Division holds subcontractor meetings with the executives of major subcontractors twice a year. In 2019, the meetings were held in May and December. At the May meeting, together with a tour of KOKUYO's Shibayama Plant, participants reflected upon the high demand season and explained their forecast for future sales trends. At the December meeting, participants reflected upon the current financial period, and also explained their policies for the next high demand season and market trends. In addition, KOKUYO expressed its gratitude by formally recognizing subcontractors that took excellent initiatives. Their initiatives were also presented, enabling us to learn from one another to support our coexistence and co-prosperity, and cooperate to improve the entire furniture business. In November, a study meeting was held targeting mid-level employees in the design and development departments of subcontractors, to share KOKUYO's approach to market trend analysis and design concepts in our monozukuri.



Ceremony to formally recognize superior subcontractors



Tour of Shibayama Plant

### Stationery Business Conducted an Audit of Subcontractors

The Stationery business has been conducting an audit of subcontractors for the purpose of securing reliability of environmental indicators in product catalogs. In FY2019, rules for conducting factory audits were reviewed. Based on the new rules, in 2019, site audits were conducted at factories of 13 companies.

We visit our subcontractors to check for compliance with standards concerning environment-friendliness established by the Green Purchasing Law, etc. The audit follows the audit procedure established by KOKUYO to confirm whether the ratios of used paper and reprocessed resin conform to the standards, whether specified materials that meet the standards aroused in the production process, and whether there are any issues in the legitimacy of materials. In addition, we work with the subcontractors to consider challenges to properly guarantee compliance with environment-conscious standards in the audit. By exchanging information on examples of cases where reliability with regards to production control was improved, we will strive to ensure the reliability of environmental indicators in the future.

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

## ■ The 10th KOKUYO Logitem Held Driver Competition

On August 31, the 10th Driver Competition was held at KOKUYO Headquarters, bringing together partner companies in charge of delivery, assembly, and installation at KOKUYO Logitem locations all over Japan. The competition had 356 participants from 78 companies, who went through regional preliminaries followed by block preliminaries for East and West Japan. Three teams—the two teams which won their respective block preliminaries and another specially recommended team—took part in the finals. Based on the concept of “impressing deliveries” sought by KOKUYO Logitem, the competition venue was all heated up as strict assessment was conducted on aspects such as product knowledge and delivery, product assembly, and speed of work. Going forward, we will continue to aim for further improvement of our technologies, safety, and attitude toward service.



\* The Driver Competition is a delivery contest by drivers and workers of partner companies aimed at further improving customer satisfaction during subcontracted deliveries of KOKUYO's products.

## ■ KOKUYO Supply Logistics (KSL) held the National Partner Conference in FY2019

On March 5, KOKUYO Supply Logistics (KSL) held the first National Partner Conference.

This time, the participants were 81 employees from 41 partner companies. They are in charge of work within the premises of seven locations in Japan operated by KSL as well as transportation and delivery. Amid the drastically changing environment surrounding logistics, this conference was conducted based on the thinking of strengthening anew trust and unity with partner companies so as to coexist and prosper together.

On the day of the conference, we introduced KSL's initiatives and our thoughts about partner companies after taking stock of the current situations, such as the emerging problem of long working hours in the logistics industry including truck drivers, and the normalization of changes in the natural environments as presented by the frequent earthquakes and typhoons that happened last year. A variety of opinions and feedback were received.

Going forward, to continue to properly link more suppliers with customers, KSL will cooperate to heighten our ground capabilities, and promote sophisticated logistics strategies that go beyond the perspective of logistics.



KSL's President Jun Takahashi explaining the medium-term management plan as well as the direction going forward

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## ■ Social

### 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.

#### Basic Concepts

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.

#### Systems

Attainment of ISO 9001 (Quality Management System) Certification by All Companies  
 In April 2019, the external audit by Japan Quality Assurance Organization (JQA) was completed and all companies successfully achieved ISO 9001 certification in June. Recently, there are various occurrences of cases where companies have lost customer trust due to misconduct. KOKUYO does not see this as someone else's problem, and takes it as a major risk. Therefore, KOKUYO aimed to achieve ISO 9001 certification for all companies. The attainment of ISO 9001 certification is not the goal; it is to build a standardized craftsmanship quality management system (QMS) as KOKUYO, reduce quality risks, achieve sustained growth, and deliver product value to customers. KOKUYO is always striving to level up and continue with even better craftsmanship.



#### KOKUYO Co., Ltd. Quality Policy

KOKUYO will continue to meet the trust of our customers and pursue their satisfaction through providing products and services that enrich work, learning, and living.

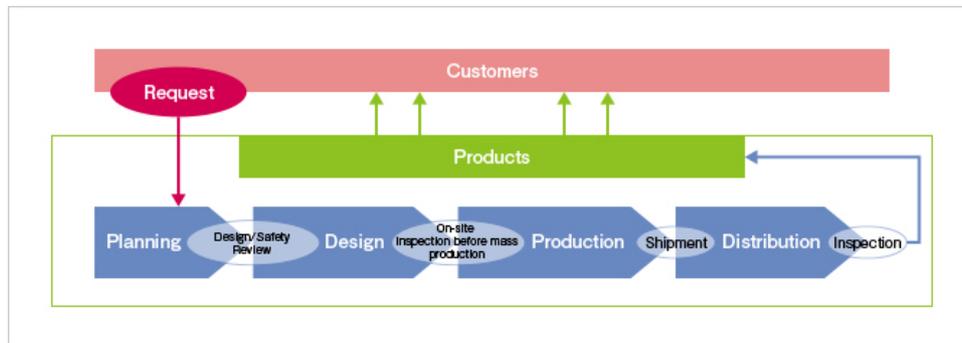
1. We shall strive to develop products that exceed our customers' expectations in all aspects.
2. We shall strive to provide safe products which can be used with peace of mind, and pursue even better quality.
3. We shall comply with the relevant laws and regulations, and fulfill our social roles and responsibilities.
4. We shall sincerely accept feedback from our customers, and undertake product development and improvement.
5. We shall adapt to changes in the environment, and undertake continuous improvements to our management systems.

Hidekuni Kuroda, President,  
 KOKUYO Co., Ltd.  
 January 1, 2019

\* However, only the KOKUYO brand articles for the stationery business and Kaunet brand articles for Kaunet Co., Ltd. are covered.

## Quality Assurance at KOKUYO Stationery

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



### 1) Deepening the Quality Assurance System

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

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



Introduction of robots in quality testing

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

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

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

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

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

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



## Quality Assurance at KOKUYO Furniture

KOKUYO's furniture business acquired ISO 9001 Quality Management System certification in 1997. Based on this, we are developing and thoroughly implementing process procedures covering product planning, design, production, and installation.

Moreover, departments related to production, delivery and installation take actions for improvement each day, and the opinions and requests from customers are used to improve overall quality.

### 1) Setting high in-house standards

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

### 2) Responding when failures occur

Should a product fail while being used by a customer, that information is shared among all related departments to provide a fast response. In this process, we identify the cause of the problem and incorporate corrective measures into the product and its manufacturing process in order to prevent recurrences of similar failures.

If a serious accident occurs, the Compliance Committee determines the policy to be followed, reports the issue to the relevant government authorities, and notifies the public through newspapers and websites to limit the extent of any damage.

### 3) Notifications regarding product safety and quality

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



KOKUYO corporate site  
["Notifications Regarding Product Safety and Quality"](#)



## Kaunet's Quality Assurance

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

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

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

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

### 2) Promotion of simple packaging

For deliveries of products in paperboard boxes, which is the most common packaging,

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



Our efforts on simple packaging

### 3) Services for selecting packaging of delivery (for online orders only)

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

### 4) Furniture delivery with assembly services

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

## Office Activities in Response to Disasters

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

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

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



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

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

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



PARTS-FIT



elecabi  
Emergency supplies cabinet for elevators

## 2019 Initiatives

### KOKUYO Supply Logistics Held 9th KSL Improvement Case Contest

On October 19, the 9th KSL Improvement Case Contest was held at the head office building in Osaka. There was a total of 78 participants; in addition to members from KOKUYO Supply Logistics (KSL) and participants from partner companies, there were participants from relevant departments of other KOKUYO Group companies. The various centers and partner companies reported nine improvement cases, of which seven were given awards including the award for the most excellent case. By sharing the details of the participants' daily activities through this contest, business linkages' essential for improving workplaces // re being further strengthened.



### KOKUYO Logitem Participates in White Logistics Movement of the Ministry of Land, Infrastructure, Transport and Tourism

KOKUYO Logitem has decided to participate in the White Logistics Movement being promoted by the Ministry of Land, Infrastructure, Transport and Tourism since April 2019. The White Logistics Movement is a movement that aims to ensure stable logistics and at the same time contribute toward economic growth in response to the worsening shortage of truck drivers.

Although there are many matters to be pursued, such as improving issues in the logistics industry and society, increasing awareness within the company, and invigorating organizations, KOKUYO thinks there is meaning in making an external declaration. KOKUYO strives to work even harder than before toward realizing "touching deliveries" while thinking about issues amid links to society as a whole and treating each and every initiative with importance.



\* Related information: [\\* Related information: KOKUYO Logitem Declaration of White Logistics Voluntary Actions](#)

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## ■ Social

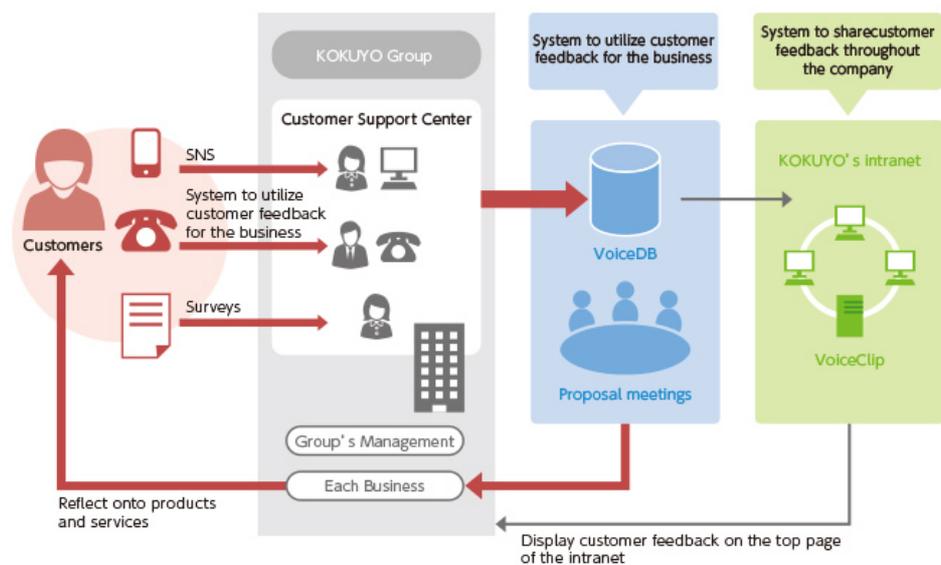
### Dialogue with our Customers

#### Basic Concepts

We are thorough in handling customer inquiries with sincerity and care. 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.

#### A System for Utilizing Feedback from Customers

At KOKUYO's Customer Support Center, a system has been built to use customer feedback in business activities and reflect such feedback in the improvement of products and services. Through the internal website VoiceClip, words of appreciation and complaints as well as expectations from customers are picked up and disclosed to all Group employees. Updates are carried out weekly. In the VoiceDB database, information about inquiries and such received daily are disclosed after removing personal information for use as hints during the project development of products and services.



#### Revamp of “VoiceClip” System That Shares Customer Feedback Company-wide

KOKUYO has revamped VoiceClip, the system which discloses within the company customer feedback received on a day-to-day basis by the Customer Support Center through a portal site. In addition to existing contents such as words of appreciation and complaints, feedback on various products is consolidated into reports. Furthermore, customer feedback picked up from social media and product reviews has also been made into contents. Besides aiming to apply such feedback in sales and project development, this revamp seeks to strengthen Group employees' knowledge about KOKUYO products.



## KOKUYO EXPO Held “KOKUYO LAND: Amusement Park for Going on a Trip”

KOKUYO EXPO, an expo that allows never-seen-before KOKUYO products to be enjoyed—was held at Tokyo’s Marunouchi for three days from March 30 to April 1, 2019. This is the seventh time the event is being held, and its theme this year was “KOKUYO LAND.” By arranging the sense of excitement found in stationery in the form of an amusement park, the event delivers enjoyable stationery experiences to family and friends.

The event was alive with many visitors. In addition to the sale of original products limited to KOKUYO EXPO, such as the Lake Biwa stationery by KOKUYO Product Shiga—the main plant for Campus Note notebooks—and the original stationery section by Tottori Prefecture’s file plant KOKUYO MVP, there were other enjoyable programs, including art works and workshops using stationery.



## KOKUYO MESSE 2019

From August 22 to 30, KOKUYO MESSE was held at the salon on the first floor of the Shinagawa office for store buyers and wholesalers. The theme this year was “Retailtainment” (a combination of “retail” and “entertainment”). The event aimed to make KOKUYO products and proposals an essential part of creating even more attractive storefronts through exhibitions providing joy to shopping itself.

The Stationery Business Division is undertaking the challenge of creating products that resolve the troubles (issues) faced by customers due changes in the market. At KOKUYO MESSE, explanations on product functions and how to resolve issues

are conducted to update the methods for communicating such product value. The event was well received, with feedback such as “It gave hints on presentation methods at sales areas and how to sell” and “It was refreshingly new as there were many new products that not only have functional value but also appealed to the senses.”



## “9th General Seminar of Reception Desk” Held for Local Governments

On July 12, Furniture TCM’s Government Office Sales Department held the “General Seminar of Reception Desk.” This seminar aims to uncover the hidden demand in reception desk improvement and work style reform at office buildings of local governments as well as strengthen collaboration with companies from other industries with strengths in sales to local governments. The event was organized by Jichinippo-sha Co., Ltd. and supported by companies from different industries including KOKUYO.

In recent years, in the local government market, customer needs are gradually expanding toward work style reform of government employees. Therefore, this time, through the mini seminar and exhibition booth, KOKUYO appealed to the need for enhancing both aspects of workplaces and work styles—the systems and processes—in work style reform of employees. Going forward, KOKUYO will further strengthen ties with other supporting companies, and at the same time, work as one united group and aim to become the number one partner company of local governments.





## Held 2019 KOKUYO-HAKU Shanghai

From July 12 to 14, 2019, “2019 KOKUYO-HAKU Shanghai” was held at Shanghai in China. In contrast to the theme last year which sought to allow more people to know about KOKUYO and our products, the main targets this time were female junior high and high school students. Under the theme “Welcome to the dessert house created by KOKUYO!”, various products were prepared, including limited edition products related to desserts and collaboration products. Customers were shown hospitality with special focus on face-to-face sales.

As a result, approximately 8,810 queue tickets were handed out to limit access to the venue, and the event concluded with a bigger success than last year. Next time, the event will be developed into an event that only KOKUYO can organize.



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## ■ Social

### Domestic contribution activities

#### Basic Concepts

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.

#### 2019 Initiatives

#### KOKUYO DESIGN AWARD 2020 Held with “≡” as the Theme

The KOKUYO DESIGN AWARD is a competition that calls for product designs that will create new value in working, learning, and living environments, with the aim of launching them as commercial products. Ever since its founding in 2002, the KOKUYO DESIGN AWARD has been seeking designs that create new value for KOKUYO and society as a whole.

This was the 17th iteration of the award, and “♡” is the theme. The interpretation of “♡” was intentionally left unspecified with the priority on encouraging entrants to unleash their creativity and inspiration, leaving it up to the contestants to translate and understand it in their own way. By doing so, we hoped to receive amazing works possessing charm and power that would move people's hearts on an intuitive level.

The Grand Prix selected from a total of 1,377 designs received from 55 countries all around the world (771 from Japan, 606 from abroad) is “Somewhere, Sometime,” the pencil with a past. Through proposing a pencil that uses building materials from demolished buildings such as schools and stores as well as scrap wood from furniture, it creates a story that draws out the imagination of users and poses a question to our consumer society. Its concept that the quality of an object—such as its feel and the way it writes that comes from its utilization of used materials—increases the value of recycling was highly rated. Many of the works, including the Grand Prix work, selected as finalists were proposals that seriously faced the social background of “Why was this created?” even more than previous years. The results gave a sense of the times.

[KOKUYO DESIGN AWARD home page >](#)



The Grand Prix: “Somewhere, Sometime,” the pencil with a past.

#### Providing the Tokyo Organising Committee of the Olympic and Paralympic Games with Field Cast Notebooks for 80,000 Tokyo 2020 Volunteers

As an Official Supporter (Office Furniture & Stationery) of the Olympic and Paralympic Games Tokyo 2020, KOKUYO provided the Tokyo Organising Committee of the Olympic and Paralympic Games with original Campus Note notebooks for use by 80,000 volunteers—known as Field Cast—as an activity to exemplify our wish to support the people who are taking on new challenges through our stationery and tools. The Field Cast Notebook uses colors based on the same azure color as the volunteers' uniforms and adopts a checkered design used in the Tokyo 2020 emblems. The original design for the Tokyo 2020 Organising Committee on its cover features the Field Cast logo together with the Tokyo 2020 emblems. The notebook has incorporated various ingenuities so that volunteers, who come from different generations and nations, can note down memories for a lifetime.



Cover and inside cover of the Field Cast Notebook

KOKUYO sees the preparation period before the actual event as being of the same importance as the actual Games and will work to further enliven the event.

### Booth at SHIBUYA BOSAI FES 2019

Through internal collaboration transcending departmental boundaries, KOKUYO participated with a booth at the SHIBUYA BOSAI FES 2019 which was held from August 31 to September 1 at Yoyogi Park and organized by Shibuya-ku. In preparing the booth, relevant parties gave ideas under the theme “Disaster prevention & persons with disabilities,” and during the actual event, bag toilets printed using Shibuya fonts\* were given out, and visitors to the booth were given explanations about how to provide support to disabled persons during disasters. Today, people with and without disabilities work in the same office, leading to new activities as KOKUYO’s disaster prevention business. Furthermore, these initiatives are recognized, and ties with Shibuya-ku are being strengthened.



Bag toilets printed using Shibuya fonts

\* Fonts—released as public data—designed by students studying in Shibuya using letters and numbers written by persons with disabilities living or working in Shibuya.

### KOKUYO Team Run Flat-out at ISU-1GP Held across Japan

The ISU-1GP is a two-hour endurance race where competitors consisting of three-person teams use office chairs. This street revitalization event organized by Japan Office Chair Racing Association and shopping districts across Japan is held at shopping districts nationwide.

Each year, KOKUYO teams are formed with KOKUYO product retailers and agencies in various regions, helping to revitalize shopping districts through race participation. In 2019, at the 55th race since the start of KOKUYO’s participation, one of these teams won for the first time at the world competition when it was held at Kyoto.



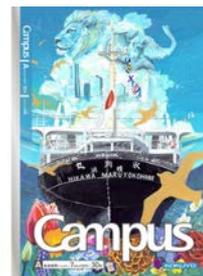
Our team became number one in the world. In addition, teams also participated at races held at Okayama, Saitama, Akita, Hokkaido, Tokushima, Fukushima, Yamagata, Tokyo, Shiga and other locations, and actively contribute toward street revitalization of various regions—such as cooperating with shopping districts and providing support to local high school teams—as companies selling office chairs.

### Campus Art Award 2019, a Painting Competition for Junior High and High School Students

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

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

The winners for the Grand Prix, the Yomiuri Teens Newspaper Award, the KOKUYO Award, the District Merit Awards, and other winning entries were selected from the entries.



Campus Note notebook with the winning entry on its cover

The Grand Prix went to “Yokohama that is always in my heart” by Aya Takeno, a first-year high school student at the time of the competition. As a supplementary prize, the winning entry was used to decorate Campus Note notebooks, and these were produced and given to the winners.

### The Job Study Initiative

The Job Study is a cross-industry seminar held by a team of human resources personnel from leading companies in various industries. They meet to discuss what kind of seminar is truly useful for students and use the results to organize a seminar themselves. When it was first launched in 2005, the issue of early resignations by newly hired university graduates, where 30% leave their employment within three years, was a major issue. To address this issue and to provide an opportunity for corporations and students to come together, we have brought about the realization of mutual communication where corporations and students can talk about the significance of working by planning a program based on the concept of real opinions and hand-made. Since then, 15 years have passed and we have continued to face students with sincerity, and today, a total of 18 leading companies from various industries have joined the Job Study.



As of the end of 2019, the Job Study had amassed 15 years of positive results. However, changes in the environment surrounding students and companies—such as changes in corporate employment terms and the environment of new graduate recruitment, and the diversification in the values of students—are taking place at an extremely fast pace, and the issues being faced by both sides also continue to change. Against this backdrop, the Job Study is asking the representatives of the personnel departments of 18 participating companies to shun the status quo and come together and seriously consider what is required and what they would like to do as they look to the future. It is being conducted not as a recruitment event for companies but as an activity to undertake issues in recruitment.

### Local Cleanup Activities and Blood Donation

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

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



At various sites around the country, our employees have participated in blood donation drives since 1980. In 2019, Japanese Red Cross Osaka Blood Center visited the company, and 52 employees donated blood despite this only taking place in the afternoon.



## General Participants of Factory Tours at KOKUYO Product Shiga Exceeded 5,000

KOKUYO Product Shiga has been conducting factory tours for the general public to improve brand value originating from the plant and to promote the creation of fans, and 2019 was the fifth anniversary of these tours. On August 10, a ceremony was held to commemorate the milestone of more than 5,000 visitors. In addition to factory tours, commemorative souvenirs were given out and commemorative photographs were taken that day. A “Traffic Safety Class & Reed Stationery Workshop”—a workshop which can be enjoyed for a full day combining the Traffic Kids Park organized by the nearby accommodation facility Crefeel Koto Co., Ltd. and KOKUYO Product Shiga’s reed stationery workshop—was also conducted. Going forward, we will continue to work on creating fans through factory tours.



The milestone 5,000th factory tour participant



## Gathering in Sendai of the MICHINOKU Future Fund That Helps Orphans Continue Their Education

On March 17, a gathering was held at Sendai International Center for the eighth batch of students funded by the MICHINOKU Future Fund\* for which KOKUYO Tohoku Sales provides support. KOKUYO Tohoku Sales has continued to provide support as a corporate supporter since a year after the Great East Japan Earthquake.

The gathering this time was to celebrate the eighth batch of students’ graduation from high school and continuation of education as well as scholarship recipients who have graduated and are becoming working adults. At the farewell party, where around 80 scholarship recipients have gone on to a new stage in life and talked about their dreams and future goals, there were many students who could not help crying and spoke in choked voices. It was a moment where people felt that this fund did not just provide economic support but also served as the students’ emotional support.

Nine years after the Great East Japan Earthquake, KOKUYO Tohoku Sales continues to provide support into the future.



\* This is a scholarship fund founded by ROHTO Pharmaceutical Co., Ltd., Calbee, Inc., and Kagome Co., Ltd. to support students who lost their parents in the Great East Japan Earthquake in continuing onto higher education (universities, junior colleges, and vocational schools) based on the belief that “the cornerstone of recovery will be the work and support of the children growing up today.” So far, more than 800 students have received scholarships



## KOKUYO Kitakanto Sales Became Official Supplier of the 77th National Sports Festival and 22nd National Sports Festival for People with an Impairment

Last year, KOKUYO Kitakanto Sales continued to provide 10,000 original Campus Note notebooks based on strawberries, a famous produce of Tochigi, to Tochigi Prefecture as a local company. In addition, KOKUYO Kitakanto Sales has been recognized as an official supplier of the 77th National Sports Festival and 22nd National Sports Festival for People with an Impairment which will be held in Tochigi Prefecture in 2022.

Going forward, KOKUYO Kitakanto Sales will strive to gain recognition and promote the sports festivals in various ways as the official supplier so as to make them sports festivals capable of delivering excitement and joy.



The front cover of the original Campus Note notebook has Tochimaru-kun, the mascot of the two sports festivals, and the festivals’ slogan “From dreams to excitement, from excitement to the future,” while the back cover has a design

promoting the festivals with Tochimaru-kun placed on various event venues on a map.

## Held Event for Employees of Public Offices to Experience Telecommuting

To contribute toward encouraging the spread of telecommuting, an event to experience telecommuting for employees of national ministries and agencies as well as local governments was held as part of the TELEWORK DAYS initiative for which KOKUYO is a supporting organization. For a total of five days, from July 29 to 30 and August 5 to 7, THINK OF THINGS at Sendagaya and DIVERARY at the Shinagawa Showroom were opened to these employees as satellite offices for a limited period. By experiencing a telecommuting environment that cannot be experienced at their workplaces and spaces created from various concepts, it became an opportunity for them to again relook at their work styles.



## Deaf students from Shanghai visit KOKUYO Commerce (Shanghai)'s notebook factory

At the end of March, deaf students from Shanghai visited a KOKUYO Commerce (Shanghai) Co., Ltd. factory located in the outskirts of Shanghai. With the careful guidance of factory employees, the students were able to observe the production process from base paper to finished notebook, and learn secrets behind the production of their favorite KOKUYO stationery. Through this factory visit, we communicated the warmth of society to the students.



## Chasing Big Dreams with Small Notebooks!

In November, seven employees from the Shanghai, Beijing, and Shenzhen offices of KOKUYO (Shanghai) Management Co., Ltd., KOKUYO Commerce (Shanghai) Co., Ltd. and KOKUYO Furniture (China) Co., Ltd. visited Guanghui School in Liangshan, Sichuan Province, and interacted with approximately 800 children there.

The employee volunteers spent a meaningful day with the children, playing games and doing crafts using KOKUYO stationery.

We organize these kinds of interchange activities with children every year. Seeing the stationery they have made bring smiles to so many children's faces was an irreplaceable experience for the employees. KOKUYO is actively having its employees participate in volunteer activities to help them personally understand the concept of contributing to society through our products.





## Mini Science Centres Opened at Schools Near KOKUYO Camlin's Plants

Science, Technology, Engineering, and Mathematics (STEM) education is a requirement for technological transformation to significantly change our society. It is a field of education pointed out for its importance globally for nurturing children's curiosity, creativity, and problem-solving skills.

To provide children from underprivileged families with opportunities to also directly come into contact with the universal theories and principles of science and mathematics, KOKUYO Camlin has opened Mini Science Centres equipped with meaningful learning tools (75 items) at five schools in the vicinity of three of the company's plants through the provision of funds to the social enterprise STEM Learning amounting to 3.2 million yen.



## Improvement to Project Nanhi Kali Supporting Underprivileged Girls

Project Nanhi Kali (which means "a little bud" in Hindi) is a project that started at K.C. Mahindra Education Trust in 1996 to achieve a fair and equal society as well as economic growth by supporting underprivileged girls. So far, it has reached out to over 370,000 underprivileged girls across 14 states in India.

Girls receiving support through this project are assured of completing 10 years of education. They are provided with uniforms, school bags, and learning tools such as textbooks and stationery. They are also able to receive training toward strengthening their learning abilities at Academic Support Centres.

KOKUYO Camlin agrees with the project's purpose, and donated 900,000 yen as a corporate sponsor.



## Art Activity Support for Injured Soldiers at Paraplegic Rehabilitation Centre

Soldiers in the armed forces who have sustained serious injuries and diagnosed with paralysis of arms or legs are transferred to the Paraplegic Rehabilitation Centre (PRC) in the city of Pune. PRC provides 24-hour treatment support and facilities to peacefully live out the rest of their lives. However, many soldiers fall into deep depression. To provide these soldiers as much as possible with the will to live, since four years ago, KOKUYO Camlin has provided acrylic paints, canvasses, brushes and other painting tools, and conducted training on how to create paintings by holding brushes with the mouth and technical lectures regarding the use of colors.

In April 2019, 24 works created at PRC so far were opened to the public, and many students and residents visited to see the works.

This initiative was subsequently expanded to the production of greeting cards printed with these paintings. So far, more than 15,000 cards have been sold, and the entire revenue of 15 yen per card is given to soldiers and their families.



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## Social

### New Value Creation

#### Basic Concepts

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

#### Birth of New Brand "Gloo" That Changes Concept of Sticking for Adhesive Products

On January 16, 2019, KOKUYO launched "GLOO," a new brand of adhesive products with a simple, minimal, and stylish design that pursued high functionality and ease of use.

GLOO is a new brand that aims to be a series of products that people will feel comfortable using and want to place near them based on the concept "Sticking has really changed." These products combining functionality and beauty overthrowing existing mindsets about consumables were born by using the adhesive technologies developed by KOKUYO so far in collaboration with the design office nendo led by CEO Oki Sato.



#### Birth of Novel Workstation "UPTIS"

In May, the novel workstation "UPTIS" was launched as a result of ergonomics and surveys.

The inclination of UPTIS's tabletop can be adjusted in eight stages up to 12° including fully horizontal, leading to posture that places less burden on the body. During development, together with thoroughly analyzing the behavior of KOKUYO's employees, including the way they use small items and accessories around their desks, the ideal deskwork environment was pursued through workshops. In addition, for the desk in general, we adopted a design that leads one to think of health, dynamism, and ease of growing familiar. Other concepts were also used to create a desk that fits people so that workers can work with healthy bodies and minds.



#### Launch of New Brand "KOKUYO ME" Allowing Combinations like Accessories to Be Enjoyed

In October 2019, the new stationery series "KOKUYO ME" which spans across categories was launched.

With "Life Accessories" as its concept, KOKUYO ME is a project that aims to provide value as accessories that can easily express individuality. The brand targets active workers from the millennial and xennial generations, which are characterized by their particularity regarding individuality. With the ease of use and functionality that KOKUYO has been particular about, trendy CMF\* was added to pursue excellent design.

The first batch in the series consisted 45 different products spanning 10 items, such as notebooks and pens. The lineup of the second batch has 18 products in four items, including sticky notes that add extra writing space to notebooks.



\* The three elements of an item's surface: color, material, and finish.

## Toward the Olympic and Paralympic Games Tokyo 2020

KOKUYO signed an agreement to join the Tokyo 2020 Sponsorship Programme as an Official Supporter in the “Office Furniture & Stationery” category. KOKUYO is contributing to the Games by providing office furniture and stationery to the offices and other locations of parties related to the Games, such as the Tokyo Organising Committee of the Olympic and Paralympic Games (the Organising Committee). The Tokyo 2020 Task Force was launched as a business contact point related to Tokyo 2020 to carry out information sharing and collaboration events between the Organising Committee and corporate supporters. Within KOKUYO, name cards and envelopes with the Tokyo 2020 emblems were introduced, and Campus Note notebooks turned into sporting event venues were produced into original visuals which were then used. Together with the launch of an online Tokyo 2020 page and other activities, KOKUYO has been steadily promoting activities both within and outside the company.

In addition, KOKUYO is also seeking to nurture the Olympic mood within the KOKUYO Group. In “KOKUYO no KOUBO,” an event held to solicit ideas for communicating a new KOKUYO, we gathered innovative ideas from employees not bounded by existing businesses and products, including contents that use stationery to experience sports. We are not just stopping at sponsorship, but taking on the challenge of unique initiatives with a view beyond Tokyo 2020.



## Ultimate in Being Relaxed at Work Achieved by Sauna

Currently, many companies are searching for ways of work style reform. In such a situation, there are expectations placed on the new effects of sauna that breaks existing mindsets. Within KOKUYO, the sauna club was established in 2016. Sauna is not only a place where people take off their clothes, they also take off their titles. More and more people are using sauna as a communication tool that transcends both departments and positions. In addition to encouraging communication, sauna increases the ability to concentrate—such as by helping to recover from tiredness, detoxing the body, and having a relaxing effect—and therefore earning feedback that it has the effect of invigorating creative minds. Furthermore, in 2018, a project targeting “sauna workers” led by the head of the sauna club was broached to spa facilities, resulting in the completion of Japan’s first coworking sauna KOOWORK at Skyspa Yokohama. An environment for working people—such as whiteboards, projectors, power supplies for charging computers and smartphones, and Wi-Fi equipment—has been put in place at the coworking space within the facility, earning praise from users. Possibilities continue to expand.



A further sense of unity is born from wearing room wear with the same design provided by the spa

## Furniture Business Established Local Subsidiary in Indonesia

KOKUYO’s furniture business has established the local subsidiary PT. KOKUYO Furniture Indonesia, with operations commencing in April 2019. KOKUYO had been conducting sales through a representative office in Indonesia since 2012, but is now shifting to a new system of using a local subsidiary to sell directly due to recent increases in local firms’ purchasing power and appetite for investing in offices. With this change, KOKUYO aims to add the growing demand from local firms in Indonesia to its revenue base of Japanese customers and achieve sustainable growth in Asia.

## “Uki City & KOKUYO” Partnership Agreement Signed

On June 3, Uki City in Kumamoto Prefecture and KOKUYO signed a comprehensive partnership agreement. This agreement promotes collaborative activities that effectively use human and material resources of both parties toward invigorating Uki City and optimizing the management of public administration. It also seeks to transform offices for work style reforms, promote the transfer plan of Uki City’s Ogawa Branch Office, and invigorate the region as a whole.



## Contributing to Work Style Reforms of Other Companies through Proposals Using Labor Union Activities

Currently, the rectification of long working hours and promoting the taking of paid leave are issues being faced by labor unions of many companies. KOKUYO’s labor union has ties to the labor unions of other companies. To help these labor unions acquire knowledge related to the work space and work style necessary for undertaking the resolution of these issues, KOKUYO’s labor union actively create opportunities to introduce KOKUYO’s products and services through the activities of its labor union.

Through such actions, the activities of KOKUYO’s labor union are adeptly fused with KOKUYO’s main business of creating working environments, and support work style reform initiatives by the labor and management of other companies.



## KOKUYO’s IoT Stationery “Shukudai Yaruki Pen” That Makes People Want to Write and Praise

On July 17, 2019, KOKUYO launched the IoT stationery “Shukudai Yaruki Pen” for students in the first to fourth grades of elementary school. By fixing it to a normal pencil, it visualizes the students’ daily hard work by analyzing their efforts for study. Shukudai Yaruki Pen visualizes children’s efforts for study as “motivation” by fixing it to pencils sold on the market and linking it to a dedicated smartphone app. The LED’s color changes according to accumulated motivation. In addition, the character in the smartphone app will receive power to move forward in the “Garden of Motivational Power” that has 18 stages in the style of the board game sugoroku.

It serves as impetus for children to undertake learning at home, and makes it easier for guardians to praise their children. As a product that develops motivation through smooth communication between parent and child, it is receiving a lot of support.



## Opening of Limited Period Store at eslite spectrum Nihonbashi

The large composite select store eslite spectrum Nihonbashi—which originates from Taiwan—made its first entry into Japan at the new COREDO Muromachi Terrace retail facility that opened on September 27. KOKUYO opened a limited period store here from September 27 to November 14. This store was realized due to empathy with KOKUYO’s history of developing standards in Japan and our innovative challenges. In line with eslite spectrum Nihonbashi’s concepts of “the intersection of past and present” and “the fusion of old and new,” specially selected old and new items evolving with the times—including the long-selling Sokuryo Yacho notebook, new brands such as GLOO, KOKUYO ME and others—were selected and exhibited at the limited period store.



The concept was “From standard to the next standard”

## Launch of Sustainable Notebook “Campus & Starbucks” Made from Milk Cartons

Starbucks and KOKUYO jointly developed the “Starbucks Campus Ring Notebook.” The front and back covers of the notebook used recycled paper made using milk cartons as its main raw material. As an activity aimed at contributing toward a recycling-oriented society, Starbucks has continued to recycle milk cartons since 2010. Milk cartons individually cleaned, dried, and collected at more than 1,500 stores nationwide exceed more than approximately 1,000 tons annually. KOKUYO agrees with the thinking behind this activity. This notebook that is filled with meticulous details was created using ideas refined by transcending departmental boundaries together with the spirit and technologies of craftsmanship developed so far.



“Starbucks Campus Ring Notebook” born through collaboration between Starbucks and KOKUYO

## KOKUYO Furniture (China) Opened Flagship Store on China’s Leading Online Retail Platform

KOKUYO Furniture (China) has opened its flagship store on the online retail platform Tmall.com which is under the umbrella of the Alibaba Group, a leading Chinese corporation. Tmall.com is China’s largest e-commerce website with an active monthly user base of 500 million people. At the sale held once each year on November 11, approximately five trillion yen in sales are recorded over three days. On October 25, an opening event was held at a KOKUYO Furniture (China) dealer’s showroom in Hangzhou together with Tmall.com announcing the opening of the store to many media outlets. The store started operation on November 11.



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## ■ Governance

# Corporate Governance

### Basic Concepts

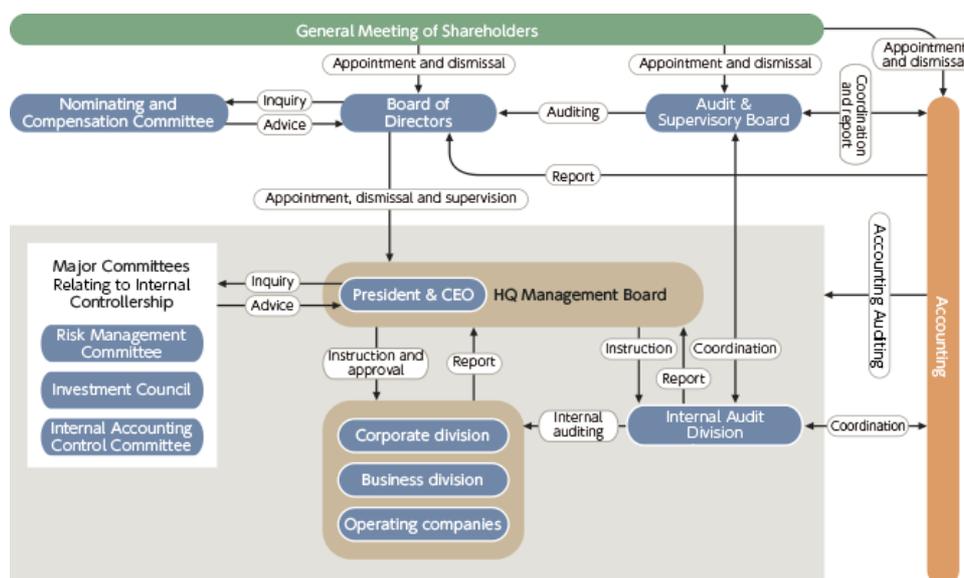
The Group we want to be in the future is a Life & Work Style Company that enriches society by providing value through our products and services to enhance customers' creativity and to deliver improvements to their Quality of Life so that they can work, learn and live better. Our idea is to be a company group providing constant support for the intellectual activities of our customers through our products and services.

The Group believes that ensuring efficient, transparent and fair management is an essential element to sustainably lifting corporate value over the long term. For that reason, we are constantly working to enhance these qualities in the building and operation of our administrative systems.

### Systems

#### Corporate Governance Structure

KOKUYO is a “Company with a Board of Directors.” At least one third of our Board of Directors are outside directors with independence. The Nominating and Compensation Committee is established as an advisory body for the Board of Directors. A majority of its members are outside directors or outside experts. Among other duties, the committee assesses the candidate selection criteria and compensation for directors and corporate executive officers. KOKUYO adopts a corporate officer system where the HQ Management Board—comprising the heads of Group companies appointed by the Board of Directors—seeks to speed up decision making as well as accelerate and make efficient the execution of duties through implementation of our regulations on responsibilities and authority that defines the board’s approval of decision-making authority and scope of reporting.



For details, please refer to

→ "[IR > Strategy > Corporate Governance](#)" in KOKUYO corporate homepage

→ [Corporate Governance Report \(Japanese only\)](#). 📄 (228kb)

## Directors

Name	Date of birth	Career	
 Representative Director and President Hidekuni Kuroda	January 10, 1976	April 2001 July 2005 June 2007  March 2009 March 2009 March 2011 March 2014 March 2015 January 2019	Joined KOKUYO Director and Executive Officer, KOKUYO Office System Co., Ltd. Director and Managing Executive Officer, KOKUYO Office System Co., Ltd. Director, KOKUYO Representative Director and President, KOKUYO Furniture Co., Ltd. Managing Executive Officer, KOKUYO Director and Senior Managing Executive Officer, KOKUYO Representative Director and President and CEO, KOKUYO Representative Director and President, KOKUYO (incumbent)
 Representative Director and Executive Vice President Kozo Sakagami	March 9, 1958	April 1981 April 2002  October 2004 January 2011  March 2015  March 2015 January 2019  January 2020 March 2020 (incumbent)	Joined KOKUYO Manager of International Procurement Division, KOKUYO (Service in Hong Kong) Representative Director and President, KOKUYO International Co., Ltd. Director and Executive Officer, Managing Officer of International Business Division, KOKUYO Furniture Co., Ltd. Group Executive Officer, Managing Officer of Furniture Business Division, KOKUYO Representative Director and President, KOKUYO Furniture Co., Ltd. Senior Executive Officer, Managing Officer of Furniture Business Division, KOKUYO Senior Executive Officer, Head of Spatial Value Domain, KOKUYO Representative Director and Executive Vice President, Head of Spatial Value Domain, KOKUYO (concurrent)
 Director and Executive Vice President Takuya Morikawa	October 7, 1959	April 1982 June 2005 June 2005 March 2011 March 2014 March 2015  January 2019	Joined KOKUYO Director, KOKUYO Representative Director and President, KOKUYO S&T Co., Ltd. Managing Executive Officer, KOKUYO Director and Senior Managing Executive Officer, KOKUYO Director, Group Senior Executive Officer, Managing Officer of International Business Division, KOKUYO Director and Executive Vice President, Special Officer in Charge of Overseas Business and M&A, KOKUYO (incumbent)
 Director and Executive Vice President Nobuyuki Miyagaki	March 10, 1956	April 1978 March 2012 March 2015  January 2019	Joined KOKUYO Audit & Supervisory Board Member, KOKUYO Director, Group Senior Executive Officer, Managing Officer of Corporate Administrations, KOKUYO Director and Executive Vice President, Company-Wide Risk Management Officer, KOKUYO (incumbent)
 Outside Director *1 Hiroshi Hamada	May 30, 1959	April 1982  January 1995 August 2000  May 2006 April 2008  November 2011  March 2014 May 2015  September 2015	Joined Yamashita-Shinnihon Steamship Co., Ltd. (currently Mitsui O.S.K. Lines, Ltd.) Joined Dell Computer Inc. (currently Dell Japan Inc.) Representative Director, President, Dell Japan Inc. and Vice President, Dell Computer Corporation Representative Partner, Revamp Corporation Executive Officer, President and Chief Operating Officer, HOYA CORPORATION Director, Representative Executive Officer, President and Chief Operating Officer, HOYA CORPORATION Outside Director, KOKUYO (incumbent) Chairman, Representative Director and CEO, ARUHI Group Corporation (currently ARUHI Corporation) (incumbent) Chairman, President, Representative Director, CEO and COO, ARUHI Group Corporation (incumbent)

 Outside Director *1 Taketsugu Fujiwara	February 19, 1947	April 1969  June 2000 June 2003 October 2003 June 2009 April 2010  June 2014  March 2015 June 2015 June 2018	Joined Asahi Chemical Industry Co., Ltd. (currently Asahi Kasei Corporation) Director, Asahi Kasei Corporation Senior Executive Officer, Asahi Kasei Corporation Presidential Executive Officer, Asahi Kasei Chemicals Corporation Director, Vice-Presidential Executive Officer, Asahi Kasei Corporation President and Representative Director, Presidential Executive Officer, Asahi Kasei Corporation Vice Chairman, Asahi Kasei Corporation, and Outside Director, SHIMADZU CORPORATION (incumbent) Outside Director, KOKUYO (incumbent) Outside Director, IHI Corporation (incumbent) Counsellor, Asahi Kasei Corporation (incumbent), and Outside Director, Konica Minolta, Inc. (incumbent)
 Outside Director *1 Mika Masuyama	January 6, 1963	April 1985  November 1992 June 1997 January 2004 October 2016  March 2017  March 2019 June 2019	Joined the Bank of Japan September 1991 International Marketing Director, Cap Gemini Sogeti Senior Consultant, Gemini Consulting Japan Joined Egon Zehnder Partner, Egon Zehnder President and Representative Partner, Masuyama & Company LLC. (incumbent) Outside Director (Audit and Supervisory Committee Member), Suntory Beverage & Food Limited (incumbent) Outside Director, KOKUYO (incumbent) Outside Director, Konoike Transport Co., Ltd. (incumbent)
 Outside Audit & Supervisory Board Member (Full-time) *2 Kazutoshi Maeda	October 26, 1951	April 1974 April 2003 June 2004 October 2006  April 2007 April 2008  April 2009  June 2011 June 2015 March 2017	Joined ITOCHU Corporation Manager of Legal Affairs, ITOCHU Corporation Executive Officer, ITOCHU Corporation Deputy Chief Administration Officer (legal, general affairs, CSR, compliance), ITOCHU Corporation Managing Executive Officer, ITOCHU Corporation Managing Executive Officer, Deputy Chief Administration Officer, Manager of Personnel, ITOCHU Corporation Managing Executive Officer, Deputy Chief Administration Officer (personnel, general affairs, legal), ITOCHU Corporation Full-time Audit & Supervisory Board Member, ITOCHU Corporation Advisory Member, ITOCHU Corporation (incumbent) Outside Audit & Supervisory Board Member, KOKUYO (incumbent)
 Outside Audit & Supervisory Board Member*2 Hideyuki Yasue	September 3, 1949	April 1973 June 1991 April 2001 July 2001 April 2005  April 2007  June 2008  June 2009 January 2014 June 2015  March 2017	Joined Marubeni Corporation Admitted as an attorney in the State of New York Manager of Legal Affairs, Marubeni Corporation Admitted as an attorney in United Kingdom Managing Executive Officer, Manager of Legal Affairs, Marubeni Corporation Managing Executive Officer, Deputy Officer of Risk Management and Legal Affairs, Marubeni Corporation Representative Director, Managing Executive Officer, and Officer of General Affairs, Risk Management, and Legal Affairs, Marubeni Corporation Audit & Supervisory Board Member, Marubeni Corporation Joined the Tokyo-Marunouchi Law Offices as Counsel Outside Director (Audit and Supervisory Committee Member), TATSUTA Electric Wire and Cable Co., Ltd. Outside Audit & Supervisory Board Member, KOKUYO (incumbent)
 Outside Audit & Supervisory Board Member*2 Yoko Toyoshi	May 20, 1958	April 1981  December 1990  July 2008  July 2013	Joined the Bank of Fukuoka, Ltd. October 1989 Joined Asahi Shinwa & Co. (currently KPMG AZSA LLC) Joined Deloitte Touche Tohmatsu (currently Deloitte Touche Tohmatsu LLC) Appointed partner, Deloitte Touche Tohmatsu (currently Deloitte Touche Tohmatsu LLC) Appointed Chief Certified Public Accountant Audit Inspector, Certified Public Accountants and Auditing Oversight Board, Financial Services Agency

	July 2016 June 2018	Joined Deloitte Touche Tohmatsu LLC Outside Director (Audit and Supervisory Committee Member), Alps Electric Co., Ltd. (currently ALPS ALPINE CO., LTD.) (incumbent)
	March 2020	Outside Director, KOKUYO (incumbent)

\*1: As defined in Article 2, Item 15, of the Companies Act

\*2: As defined in Article 2, Item 16, of the Companies Act

## Officer Remuneration

### 1. Basic Policy

KOKUYO's officer remuneration system is designed to fulfill our responsibilities to explain and manage to stakeholders—including shareholders and employees—which are transparent and rational as well as guarantee the medium- to long-term improvement of corporate value beyond short-term results. Our remuneration standards are set at figures which allow us to appoint outstanding talents, motivate, and retain them.

### 2. Procedure

The remuneration, etc. of directors are approved by the Board of Directors after deliberation and review by the Nominating and Compensation Committee which is an advisory body of the Board of Directors comprising outside directors and outside experts. The remuneration, etc. of Audit & Supervisory Board members are decided by discussion among themselves. Meetings of the Nominating and Compensation Committee were held nine times this fiscal year, and the officer remuneration policy for fiscal 2019 was approved at the meeting of the Board of Directors held on March 28, 2019 after discussion by the committee.

### 3. Composition of Remuneration

Remuneration of directors comprises fixed remuneration in the form of base compensation and variable remuneration that is linked to the Company's performance. However, from the perspective of roles and independence, remuneration of outside directors and Audit & Supervisory Board members only comprises base compensation.

#### (1) Base compensation

The amount of base compensation is determined according to role taking into consideration industry standards based on surveys by external expert agencies.

#### (2) Performance-linked remuneration

Performance-linked remuneration comprises short-term incentive (STI) remuneration and long-term incentive (LTI) remuneration. The basic amount is determined using a remuneration composition ratio set based on roles. The system is designed such that the higher the position, the higher the ratio of performance-linked remuneration in the overall remuneration.

##### i) Short-term incentive (STI) remuneration

The payout rate for short-term incentive remuneration is determined based on annual financial indicators for the company and scope of responsibility as well as individual performance evaluation that looks at the degree of achievement in strategic targets that cannot be measured by financial performance figures alone, such as rebuilding of business foundation toward realization of sustainable growth.

##### ii) Long-term incentive (LTI) remuneration

Long-term incentive remuneration is given for the purpose of providing incentive toward sustainable improvement of KOKUYO's corporate value as well as for the further sharing of value between applicable directors and shareholders. Transfer-restricted shares are given for a period from 30 to 50 years as determined by KOKUYO's Board of Directors. The transfer-restricted share remuneration system was approved at the 72nd Annual General Meeting of Shareholders held on March 28, 2019.

a. Total amount of remuneration, etc. for each category of officer, types of remuneration, etc., and number of eligible officers

Officer category	Total amount of remuneration, etc. (million yen)	Total amount of remuneration, etc. by category (million yen)				Number of eligible officers
		Base compensation	Short-term incentive remuneration	Long-term incentive remuneration	Retirement bonuses	
Directors (excluding outside directors)	295	202	76	15	—	5
Outside directors	56	56	—	—	—	4
Audit & Supervisory Board members (excluding outside members)	—	—	—	—	—	0
Outside Audit & Supervisory Board members	36	36	—	—	—	3

Notes

1. KOKUYO eliminated the retirement bonus system in 2005.
2. There are no directors who receive salaries as employees in addition to their remuneration, etc. as directors.
3. The amount of remuneration, etc. paid directors is within the scope of maximum director remuneration (no more than 40 million yen per month) set by resolution at the 57th Annual General Meeting of Shareholders held on June 29, 2004.
4. The amount of remuneration, etc. paid to Audit & Supervisory Board members is within the scope of maximum Audit & Supervisory Board member remuneration (no more than 6 million yen per month) set by resolution at the 42nd Annual General Meeting of Shareholders held on December 21, 1989.

b. Total amount of remuneration, etc. paid to each officer

There are no officers in the consolidated group who received total remuneration, etc. in excess of 100 million yen, and accordingly, no information is provided.

c. Amount of officer remuneration, etc. or policy on determinations relating to the method of calculation

KOKUYO's remuneration systems are transparent and reasonable in order to fulfill our responsibilities regarding accountability and for consequences to shareholders, employees, and other stakeholders and are designed to provide motivation over the medium to long term. Remuneration is set at levels that enable us to hire outstanding human resources and motivate and retain human resources. Specifically, officer remuneration comprises fixed remuneration in the form of base compensation and variable remuneration that is linked to key indicators (sales, operating income, etc.) of the Company's performance and individual performance evaluations. A certain portion of the variable remuneration is paid through monthly acquisition of KOKUYO shares in accordance with certain rules, which are reserved during an officer's employment with the Company. From the perspectives of roles and independence, however, the remuneration of directors who do not concurrently serve as corporate executive officers and Audit & Supervisory Board members comprises only base compensation.

The amounts of remuneration paid to individuals are determined by the Board of Directors based on findings submitted by the Nominating and Compensation Committee. At the 72nd Annual General Meeting of Shareholders held on March 28, 2019, a resolution was adopted to limit the amount of director remuneration to no more than 600 million yen annually. In addition, a resolution was adopted to introduce a long-term incentive program that will grant no more than 100 million yen of transfer-restricted shares to directors (excluding outside directors) and corporate executive officers each year for the purpose of further promoting shared interests with shareholders.

## Initiatives

### Initiatives to Strengthen Corporate Governance

KOKUYO has been strengthening corporate governance through the introduction of a corporate officer system and the appointment of outside directors. Our appointment of outside directors at an early stage has also earned us recognition from third parties.

To further enhance the level of corporate governance toward sustainable improvement of corporate value, we have implemented the following initiatives aimed at promoting the separation of supervision and execution as well as creating a system which allows the Board of Directors to properly supervise execution based on vibrant discussions.

#### Chairperson of Board of Directors meetings changed to outside director

The chairperson of Board of Directors meetings, which was previously ex-Chairman Akihiro Kuroda, was changed to Outside Director Taketsugu Fujiwara.

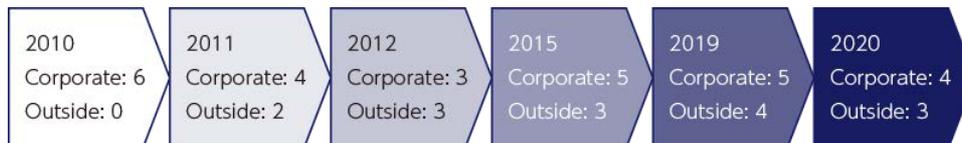
#### Appointment of younger directors

Ex-Chairman Akihiro Kuroda and ex-Vice Chairman Yasuhiro Kuroda stepped down after long years of service as directors and were appointed as Chairman (part-time) and Special Advisor (part-time) respectively.

Outside Director Hisao Sakuta, who made significant contributions such as strengthening KOKUYO's corporate governance, stepped down after serving eight years.

Kozo Sakagami was newly appointed as Representative Director of the Board and Executive Vice President to further strengthen the management.

Change in Director Composition (Corporate/Outside)



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## ■ Governance

# System for the Promotion of Compliance

### Basic Concepts

Various laws and regulations—related to aspects such as product quality, transactions, the environment, labor, safety, hygiene, accounting standards, and taxes—apply to the KOKUYO Group as we go about our business activities. We enacted the KOKUYO Group Code of Conduct, which is to be observed by all employees, so that we comply with laws and regulations, and carry out business activities in accordance with social ethics. KOKUYO is working on building a compliance system and its adherence through spreading the KOKUYO Group Code of Conduct.

[KOKUYO Group Code of Conduct](#)

### Systems

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

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

#### Employee Education for Understanding and Spread

- Training and e-learning on compliance in general
- E-learning and discussion-based training regarding prevention of collusion
- E-learning regarding construction industry

## 2019 Initiatives

### Implementing KOKUYO Group Code of Conduct Training during Business Plan Presentation of KOKUYO-IK (Thailand)

On January 4, KOKUYO-IK (Thailand) held its business plan presentation which was attended by 224 participants. The annual KOKUYO Group Code of Conduct training was also implemented together with this event. At this training, employees who joined the company in 2018 gave their explanations about each of the 11 articles in the Code of Conduct.

KOKUYO-IK (Thailand) seeks to improve employees' awareness about compliance through such training.



Employees choose one out of the 11 articles in the KOKUYO Group Code of Conduct and wrote about how they apply it in their actions

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## ■ Governance

# Risk Management

### Basic Concepts

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

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

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

Related information: "[Risk Factors](#)."

### Systems

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

The Group monitors the products of our competitors on a daily basis for the acquisition of rights in inventions, design, and trademarks; as well as executing thorough preliminary surveys to prevent a violation of the intellectual property rights of others; and protecting our intellectual property rights. In addition, in cases where there is a conflict with competitors, the Group responds to such a situation through cooperation with the management by taking a rapid and optimal approach for resolution.

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

The KOKUYO Group Code of Conduct stipulates that we respect the intellectual property rights of others while the intellectual property group establishes and operates the system for research, analysis, and close investigation to prevent and avoid the violation of rights held by others. 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 group 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, in the aim of increasing customer satisfaction and encourage inventions that strengthen the Group's development.

## Initiatives Regarding Information Security

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.

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

The KOKUYO Group anticipates disruptions to occur in our factory and office functions due to events such as natural disasters. We formulate our BCP to achieve stable product supply, and continuously revise our plans. In addition, regarding earthquake, storm and flood damage, fire, and outbreaks of infectious diseases—which may bring major disruptions to business activities and are on a rising trend in recent years—we reaffirm the importance in business continuity of taking appropriate initial response to minimize damage. We are working on improvements to preparations that allow each employee to take early action to protect their lives centered on the key points and flow of initial response for each type of disaster (including emergencies).

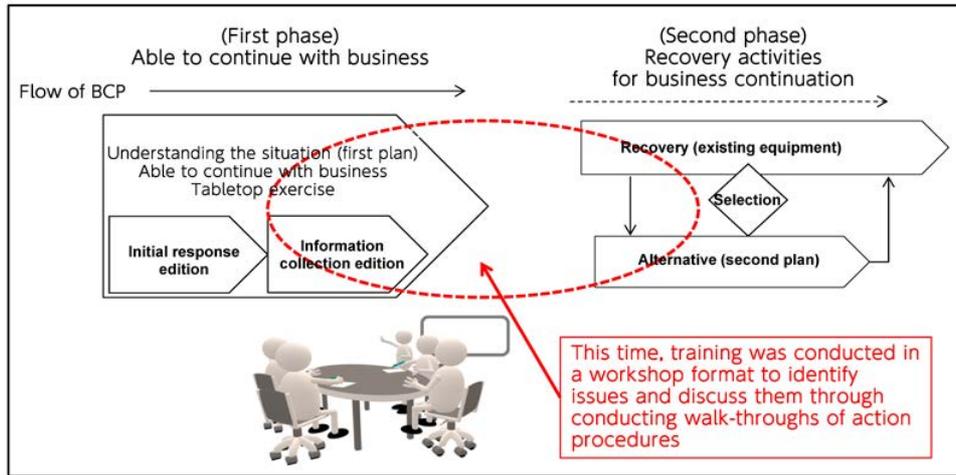


Experiencing the Japanese seismic intensity of 7—the intensity during the Great East Japan Earthquake—through the latest earthquake simulator of the Tokyo Fire Department

## 2019 Initiatives

### Conducting BCP Workshop 2019 by Stationery Business

In October, BCP training under the name “ST\_BCP Workshop 2019” was conducted. On the day of the training, a total of 32 members from seven divisions related to the stationery business making up the committee participated in the training. In the first part of the training, sharing was conducted on the plan of the system for limiting impact to business when an incident has occurred. In the second part, each team identified issues and carried out discussion using walk-throughs in accordance with existing action procedure manuals. Many issues were noticed through the lively exchange of remarks and opinions. Going forward, KOKUYO will continue to improve by working on measures for the issues identified this time, and at the same time, aim for even more practical BCP.



## Conducting Risk Assessment Training for Equipment Safety

In August and September, safety managers from KOKUYO Product Shiga, KOKUYO MVP, and Iwami Paper Industry gathered for risk assessment training to improve equipment safety. As many accident risks occur at manufacturing plants, risk assessment activities are essential to promote making production sites safe. In addition, knowledge about craftsmanship and knowledge related to risk assessment activities themselves are both required in these activities.

The training this time therefore aimed to enable risk assessment activities being carried out so far at each office to be conducted even more logically and efficiently to make them effective. Going forward, study groups and workshops will continue to be conducted, and at the same time, KOKUYO hopes to utilize these activities in activities to reduce the risk of occupational accidents.



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## ■ Governance

### With Stakeholders

#### ■ Basic Concepts

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

#### ■ Systems

#### ■ Policy and Achievements Regarding Dividends

In our second medium-term management plan which ends in FY2021, KOKUYO aims for a dividend payout ratio of 40% by 2021 as we continue to steadily increase the payout in our efforts to return profit to shareholders.

At the same time, we will strive to enable sustainable growth and improve corporate value while seeking to enhance retained earnings that are necessary capital for capital spending, R&D, M&A deals and so on needed for medium- to long-term growth.

The total annual dividend for the 73rd fiscal year was 39.0 yen per share; the interim dividend was 18.5 yen per share, while the year-end dividend was 20.5 yen per share. For the 74th fiscal year, we expect a payout ratio of 34.6% with a dividend per share of 45.0 yen.

Note that KOKUYO is a company to which consolidated dividend regulations apply.

#### ■ Making Management More Transparent

##### 1) Investor Relations (IR) Activities

>We strive to fairly and accurately convey to all investors—including our shareholders—the KOKUYO Group businesses, management strategy and vision for the future, as well as achieve two-way communication between investors and us. In 2019, we conducted the following IR activities:

###### ■For institutional investors:

The financial results briefing was held twice last year. At the briefings, the President spoke about the Group's results and strategies. We also worked to promote understanding about the Group's status through means such as the conduct of individual meetings and participation in conferences for foreign investors.

###### ■For individual investors:

Explanations regarding the Group and financial results were given in easy to understand ways to help increase understanding of the Group and to foster a sense of familiarity.

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

##### 2) Information Disclosure

We disclose information in accordance with the rules established by the stock exchange on which we are listed for the timely disclosure of corporate information by issuers of listed securities (hereinafter referred to as the "rules of timely disclosure"). With regard to information that may not be subject to the rules of timely disclosure, we also adhere to the fair disclosure rules stated in the Financial Instruments and Exchange Act and endeavor, as a matter of basic policy, to promptly disclose as proactively and fairly as possible by way of appropriate methods so as to help investors to understand our company better.

\* Related information: [IR News](#)

## Shareholder Special Benefit Plans

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



KOKUYO Group products sent to shareholders at the end of December, 2019

## 2019 Initiatives

### Conducting Financial Results Briefing for Institutional Investors

On August 1, 2019, the “Briefing of Financial Results for the Second Quarter of FY2019” was held for institutional investors and analysts at the Daiwa Conference Hall. Approximately 60 institutional investors and analysts attended the briefing that day. The participants raised various questions, including topics such as the progress of the medium-term management plan and the trend of overseas businesses. Going forward, we will continue to work on disseminating information and encouraging communication so as to allow even more investors to understand KOKUYO and hold expectations about our growth.



### Conducting Company Briefing for Individual Investors

On February 26, the “Company Briefing for Individual Investors” was held for individual investors at Hotel new Hankyu Osaka. The briefing was attended by approximately 400 individual investors that day. Questions raised by the participants touched on topics such as the future prospects of KOKUYO’s respective businesses and the strengths of our businesses. Going forward, we will continue to work on effectively disseminating information and encouraging communication so as to allow even more investors to understand KOKUYO and hold expectations about our growth.



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## ■ Third-Party Assessments

### Third-Party Assessments

#### Rankings and Recognitions

Name of recognition	Time of announcement	Results
14th Toyo Keizai CSR Ranking (Toyo Keizai Inc.)	February 2020	Overall ranking: 250th
CDP2019	January 2020	Climate Change C (Awareness) Forests B- (Management)
MSCI Japan Empowering Women Index (WIN)	December 2019	Selected for inclusion in index
1st Nikkei SDGs Management Survey (Nikkei Inc.)	December 2019	Score: 57.0
		Ranked 3.5 out of 5 ranks
3rd Nikkei Smart Work Management Survey (Nikkei Inc.)	November 2019	Score: 59.3
		Ranked 3.5 out of 5 ranks
FTSE ESG Rating 2019	September 2019	2.5 (E:2.8; S:2.2; G:2.6)
MSCI ESG Rating 2019	August 2019	A
SNAM Sustainability Index	June 2019	Overall score: 175.6 (E:60.1 S:59.1 G:56.4)
22th Environmental Management Survey (Nikkei Inc.)	May 2019	Overall ranking: 132th (manufacturing industry) Score: 405/500
S&P/JPX Carbon Efficient Index	March 2019	Decile classification: 10th

#### CSR-related Awards

#### Recognition as White 500 Organizations Under the 2020 Certified Health & Productivity Management Outstanding Organizations Recognition Program (February 2020)

KOKUYO Co., Ltd. and Kaunet Co., Ltd. were recognized as White 500 organizations under the 2020 Certified Health & Productivity Management Outstanding Organizations Recognition Program selected jointly by the Ministry of Economy, Trade and Industry and the Nippon Kenko Kaigi, while KOKUYO Marketing Co., Ltd. was recognized under the 2020 Certified Health & Productivity Management Outstanding Organizations Recognition (Large Enterprise Category) Program. The Certified Health & Productivity Management Outstanding Organizations Recognition Program honors outstanding



enterprises, such as large enterprises and small- and medium-sized enterprises, engaging in health and productivity management. KOKUYO was recognized under the Large Enterprise Category that target large-scale companies, medical corporations, and other organizations.

\* The term “health and productivity management” is a registered trademark of the Workshop for the Management of Health on Company and Employee.

### ■ KOKUYO Design Award Product Project Received Excellence Award at Mécénat Awards 2019

The design competition KOKUYO Design Award organized by KOKUYO received the “Stationery Beyond Stationery Award” for excellence at the Mécénat Awards 2019 organized by the Association for Corporate Support of the Arts (Kigyo Mecenat Kyogikai). The award ceremony was held on November 20. The Mécénat Awards assess factors such as impact, contribution to society, uniqueness, and continuity in a wide range of genres, including music, art, literature, traditional arts, architecture, fashion, and manufacturing.

The award received this time recognized that the KOKUYO Design Award project utilizes the company’s resources to widely solicit ideas from the general populace and create opportunities to take on challenges such as developing new stationery. The project was also recognized for establishing themes in line with the times and attempting the development of products going beyond existing mindsets unbounded by the frame of stationery.



### ■ ReEDEN Project Received the Grand Prix at The Biodiversity Japan Award 2019

On September 26, KOKUYO Product Shiga’s ReEDEN Project received the Grand Prix at the award ceremony of The Biodiversity Japan Award held at the U Thant International Conference Hall of the United Nations University in Tokyo. This was the sixth iteration of the award since it was established in 2010, with 72 submissions this time. The Grand Prix is given to the most outstanding project from among the five organizations selected for the Excellence Awards, making it Japan’s pinnacle environmental award in the field of biodiversity.

The ReEDEN Project has received various recognitions so far, and will continue to steadily carry on with activities and communicating them without giving up.



### ■ “Protect Lake Biwa with Reeds” ReEDEN Project Received the Judging Committee Special Award in the Award for Companies Promoting Experiential Activities for Youth

On February 20, 2019, 10 years of activities by the Network to Protect Lake Biwa with Reeds were recognized by Japan’s Ministry of Education, Culture, Sports, Science and Technology with an award. This award recognizes companies implementing excellent experiential activities for youths as part of their social contribution activities, and follows the Minister of Economy, Trade and Industry Award received at the Japan Water Prize in June of the previous year.

The Network to Protect Lake Biwa with Reeds established by KOKUYO Product Shiga has gone beyond the company to cover the local community widely, including companies, schools, organizations, and the local government. The network organizes events such as reed mowing and fishing contests to remove non-native fish. It was recognized for its continued practical activities deepening the ties between parents and children amidst the rich nature found around Lake Biwa.

Going forward, we will continue with activities so as to improve the corporate value of KOKUYO Product Shiga as well as KOKUYO nationwide, increase the number of KOKUYO fans, and solidify our business foundation.



## Yui-no-Mori Project Received Commendation Award at Low Carbon Challenge Cup 2019

This year was the ninth iteration of the Low Carbon Challenge Cup. By widely introducing the distinctive global warming prevention activities being undertaken by citizens, companies, schools, local governments, and other organizations in Japan, it aims to share knowledge and information, and become the opportunity for generating collaboration and desire for even better activities.

On February 8, 28 finalist organizations which passed the first round of screening out of 1,425 organizations which took part gave presentations at Culttz Kawasaki and received their commendation award shields. For the Yui-no-Mori Project, this was the third consecutive year receiving awards in the environmental field, following the Wood Design Award 2017, and the Biodiversity Action Award Japan 2018's special award "Green Wave Award."



Receiving the commendation award shield

## Yui-no-Mori Project Received Award in Corporate Category of Minister of the Environment Prize at Good Life Award

The Good Life Award is a project that aims to achieve a society that is friendly to the environment. It introduces, recognizes through awards, and supports activities and initiatives related to lifestyles that are friendly to the environment and society being implemented all over Japan. This time, KOKUYO received the award from among a record number of 243 submissions, achieving the receiving of consecutive awards following the commendation award at the Low Carbon Challenge Cup 2019. On November 30, the award ceremony was held after companies and organizations receiving awards gave their presentations. At the award ceremony,

KOKUYO received recognition from a member of the judging panel for activities so far, who also spoke about expectations for strong leadership from KOKUYO in forest-related business. Going forward, KOKUYO will aim to create a virtuous circle between the environment and the economy, and continue with Good Life activities.



## Shibayama Plant Received Awards from Chairman of Chiba Federation of Labour Standards Associations

On October 21, the Chiba Prefecture Industrial Safety and Health Convention was held at Chiba City Civic Hall. Shibayama Plant received the chairman's award for being a workplace that is excellent in safety management from the Chiba Federation of Labour Standards Associations as well as an award for achievements in safety management given to safety managers. These were recognitions of Shibayama Plant's initiatives for safety and health as well as its record of zero accident. The awards were received based on the recommendations of the Togane Labour Standard Inspection Office and the Togane Labour Standards Association.

We will undertake the never-ending safety and health activities seriously with the participation of all employees, continue to improve our safety skills, and aim to create workplaces where people can work with peace of mind.



## Other Awards

### KOKUYO Received iF DESIGN AWARD 2019 for Four Products

The world's prestigious design award iF DESIGN AWARD 2019 was announced, and the 360° gliding chair "ing," conference room table "CALM," and the "True Ruler" which received the Merit Award at KOKUYO DESIGN AWARD 2014 were selected in the "Product" design category, while the office disaster-countermeasures storage system "PARTS-FIT" was selected for the "Packaging" design category.

The iF DESIGN AWARD organized by iF International Forum Design GmbH is an award with a history longer than half a century, selecting excellent industrial designs from around the world. This year, recipients were selected from more than 6,400 submissions received from 50 countries in the world.



### KOKUYO Received 2019 Good Design Awards for Nine Products

The Good Design Awards, a comprehensive design promotion system organized by the Japan Institute of Design Promotion, were announced on October 2, with nine KOKUYO products receiving awards. Among these nine products, the conference room chair "Any" received high evaluation and was selected for the GOOD DESIGN BEST 100. These products were on special display at the GOOD DESIGN EXHIBITION 2019, an event held at Tokyo Midtown for five days starting October 31 that brought together all the latest winning works of the Good Design Award.



Conference room chair "Any" selected for the GOOD DESIGN BEST 100

### Office Chair "ing" Received Red Dot: Best of the Best at Red Dot Award 2019

The office chair "ing"—which allows the seat to be freely rotated 360° in all directions together with the body's movements—received for the first time the Red Dot: Best of the Best award, given out for exceptional designs, at the world's prestigious German design award Red Dot Award: Product Design 2019.



### Office Chair "ing" Received Silver Award at Design Intelligence Award

The office chair "ing" received a Silver Award at the Design Intelligence Award 2019, China's international design award. More than 7,000 works from 50 countries in the world were submitted to the Design Intelligence Award. The Silver Award is given to the top 12 entries. There are three stages of evaluation, and in the final evaluation held one day before the award ceremony, the top 22 entries carry out presentations to the judges. The Gold, Silver, and Bronze Awards are determined at the final evaluation, where the presentations were carried out under a tense atmosphere, being broadcast live on an Internet streaming program to two million viewers.

This time, KOKUYO was able to showcase our product strengths, high level of creativity, and other qualities beyond our products due to coverage by various local media.



## ■ KOKUYO's Disaster-countermeasure Product "PARTS-FIT" Received Gold Award at International Design Award "German Design Award 2020"

The office disaster-countermeasures storage system "PARTS-FIT"—a series of disaster-countermeasure products that fit the work space—received the top Gold award at the German Design Award 2020 organized by the German Design Council in recognition of its ability to address the social issue of disaster prevention in addition to its high level of design.



## ■ KOKUYO Commerce (Shanghai) Received Safe Production Award

On March 4, 2019, KOKUYO Commerce (Shanghai) Co., Ltd. took part in the 2019 Conference on Economic Work organized by the Shanghai Comprehensive Industrial Development Park attended by 450 participants from 280 companies. At the event, KOKUYO Commerce (Shanghai) received a safe production award from the Shanghai Comprehensive Industrial Development Park.

This is a result of the hard work of KOKUYO Commerce (Shanghai) to penetrate awareness regarding safety first into all its employees on a daily basis. It can also be said to be proof of recognition as a company that seriously fulfills its social responsibilities while contributing toward the economy.

Safety is a fundamental area in the healthy, long-term development of a company. Going forward, we will continue to improve our safe production management capabilities while maintaining an even higher level of awareness regarding health and safety.



The 2019 Conference on Economic Work organized by the Shanghai Comprehensive Industrial Development Park was attended by a total of 450 participants from 280 companies

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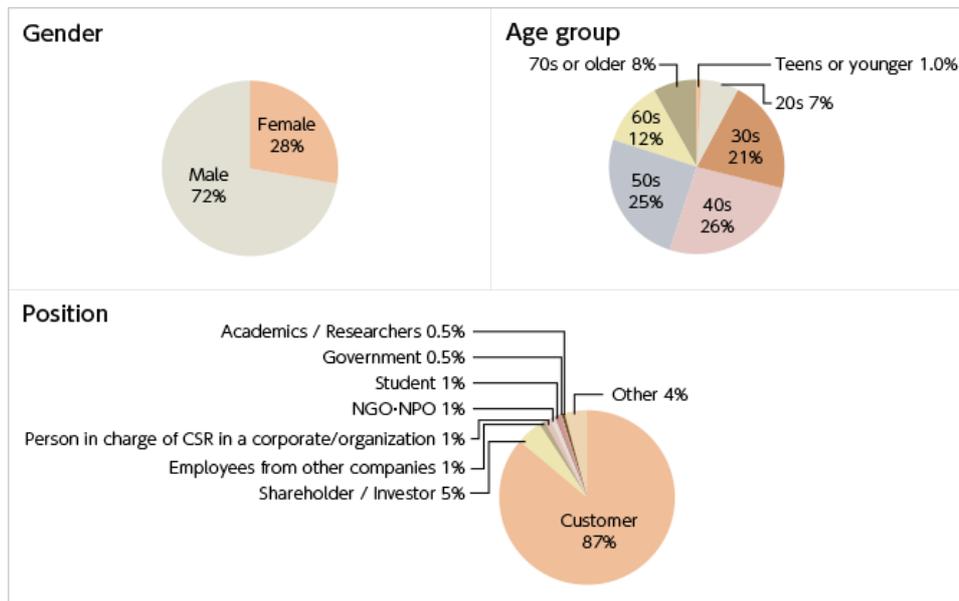
## ■ Third-Party Assessments

# CSR Report 2019 Survey Results

The KOKUYO Group conducts a survey on our website that asks people both inside and outside the company for their opinions so that we can utilize the results to improve our future activities and reports. The results of our survey on the CSR Report 2019 are summarized below. We would like to express our sincere appreciation to all those who participated in the survey.

### Attributes of those who participated in the survey

Number of valid responses: 211



### Survey results

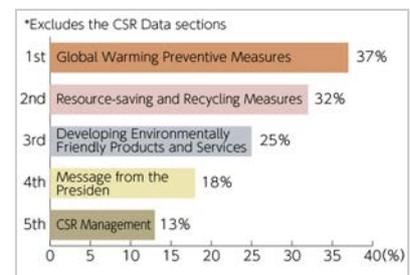
\*Each respondent selected three topics

#### Most memorable or interesting topics

The survey showed that respondents had great interest in environmental topics. Consequently, in this year's report, we have compiled a special feature on "Safeguarding Biodiversity," an initiative that KOKUYO is particularly focused on.

For further details, please visit the following page:

["Focus Initiatives for 2019. No.2: Safeguarding Biodiversity"](#)



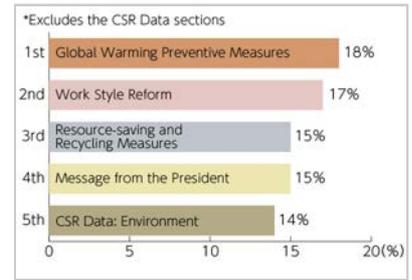
### Topics most in need of improved information disclosure

We received feedback requesting more concrete information when it comes to the Message from the President, topics related to the environment, and work style reforms. As a result, this year we have provided greater detail about our Yui no Mori Project and other social contribution activities—which the Message from the President touches upon—as well as our work style reform initiatives, and we have presented them in the form of special features.

For further details, please visit the following pages:

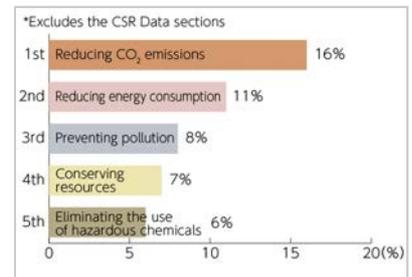
[“Focus Initiatives for 2019, No.1: Creating an Organization Capable of Withstanding Changes in Market Environments”](#)

[“Focus Initiatives for 2019, No.2: Safeguarding Biodiversity”](#)



### Topics which it is hoped the KOKUYO Group’s unique business characteristics will help resolve

Respondents have high hopes that the KOKUYO Group can contribute to environmental improvements. We intend to incorporate these expectations in our future initiatives.



❖ KOKUYO's CSR Charter	❖ Corporate Profile	❖ KOKUYO's Main Business Domains	❖ KOKUYO's Initiatives and History	❖ Initiatives for Future and Society	❖ KOKUYO's Various Initiatives	❖ Introduction of KOKUYO's Initiatives in 2019	❖ Message from the President
❖ KOKUYO's CSR	❖ Focus Initiatives for 2019	❖ Environment	❖ Social	❖ Governance	❖ Third-Party Assessments	❖ Content Index	

## Content Index

### GRI Standards content index

Description	Core Questions	Standards	GRI Standards Questions	Page
<b>General Disclosures</b>				
<b>102: General Disclosures</b>				
<b>1. Organizational profile</b>	○	102-1	Name of the organization	<a href="#">Corporate Data</a>
	○	102-2	Activities, brands, products, and services	<a href="#">Business Overview</a>
	○	102-3	Location of headquarters	<a href="#">Corporate Data</a>
	○	102-4	Location of operations	<a href="#">Affiliated Companies (Japanese Only)</a>
	○	102-5	Ownership and legal form	<a href="#">Corporate Data</a>
	○	102-6	Markets served	<a href="#">Business Overview</a>
	○	102-7	Scale of the organization	<a href="#">Corporate Data</a>
				<a href="#">Affiliated Companies (Japanese Only)</a>
				<a href="#">Earnings Highlights</a>
				<a href="#">Financial Position</a>
	○	102-8	Information on employees and other workers	<a href="#">CSR Data: Society</a>
	○	102-9	Supply chain	<a href="#">With Business Partners</a>
	○	102-10	Significant changes to the organization and its supply chain	
○	102-11	Precautionary Principle or approach	<a href="#">Employees' Safety</a>	
○	102-12	External initiatives	<a href="#">Commendation and Recognitions from Outside</a>	
○	102-13	Membership of associations		

Description	Core Questions	Standards	GRI Standards Questions	Page
2. Strategy	○	102-14	Statement from senior decision-maker	<a href="#">Message from the President</a>
		102-15	Key impacts, risks, and opportunities	<a href="#">Securities Report p12 (Japanese)</a> (548KB) <a href="#">Business and other risks</a>
3. Ethics and integrity	○	102-16	Values, principles, standards, and norms of behavior	<a href="#">Corporate philosophy</a> <a href="#">KOKUYO's CSR Charter</a>
		102-17	Mechanisms for advice and concerns about ethics	<a href="#">KOKUYO Group Code of Conduct</a>
4. Governance	○	102-18	Governance structure	<a href="#">Securities Report p27 (Japanese)</a> (548KB)
		102-19	Delegating authority	<a href="#">Corporate Governance</a>
		102-20	Executive-level responsibility for economic, environmental, and social topics	
		102-21	Consulting stakeholders on economic, environmental, and social topics	
		102-22	Composition of the highest governance body and its committees	<a href="#">Securities Report p25 (Japanese)</a> (548KB)
		102-23	Chair of the highest governance body	<a href="#">Securities Report p25 (Japanese)</a> (548KB)
		102-24	Nominating and selecting the highest governance body	
		102-25	Conflicts of interest	
		102-26	Role of highest governance body in setting purpose, values, and strategy	
		102-27	Collective knowledge of highest governance body	
		102-28	Evaluating the highest governance body's performance	
		102-29	Identifying and managing economic, environmental, and social impacts	<a href="#">Securities Report p12 (Japanese), 25</a> (548KB)

Description	Core Questions	Standards	GRI Standards Questions	Page
		102-30	Effectiveness of risk management processes	
		102-31	Review of economic, environmental, and social topics	
		102-32	Highest governance body's role in sustainability reporting	
		102-33	Communicating critical concerns	
		102-34	Nature and total number of critical concerns	
		102-35	Remuneration policies	<a href="#">Securities Report p37 (Japanese)</a> (548KB)
		102-36	Process for determining remuneration	<a href="#">Securities Report p37 (Japanese)</a> (548KB)
		102-37	Stakeholders' involvement in remuneration	<a href="#">Securities Report p34 (Japanese)</a> (548KB)
		102-38	Annual total compensation ratio	
		102-39	Percentage increase in annual total compensation ratio	
<b>5. Stakeholder engagement</b>	○	102-40	List of stakeholder groups	<a href="#">With Stakeholders</a>
	○	102-41	Collective bargaining agreements	<a href="#">Securities Report p8 (Japanese)</a> (548KB)
	○	102-42	Identifying and selecting stakeholders	<a href="#">With Stakeholders</a>
	○	102-43	Approach to stakeholder engagement	<a href="#">With Stakeholders</a>
				<a href="#">Dialogue with our Customers</a> <a href="#">Communication with Employees</a> <a href="#">With Business Partners</a> <a href="#">Social Contribution</a>
				<a href="#">CSR Report 2019 Survey Results</a>
○	102-44	Key topics and concerns raised	<a href="#">CSR Report 2019 Survey Results</a>	
<b>6. Report</b>	○	102-45	Entities included in the consolidated financial statements	<a href="#">Securities Report p7 (Japanese)</a> (548KB)

Description	Core Questions	Standards	GRI Standards Questions	Page
	○	102-46	Defining report content and topic Boundaries	
	○	102-47	List of material topics	
	○	102-48	Restatements of information	
	○	102-49	Changes in reporting	
	○	102-50	Reporting period	<a href="#">CSR Report p2</a> (14.0MB)
	○	102-51	Date of most recent report	<a href="#">CSR Report p2</a> (14.0MB)
	○	102-52	Reporting cycle	<a href="#">CSR Report p2</a> (14.0MB)
	○	102-53	Contact point for questions regarding the report	<a href="#">For questions regarding the report, please contact below.</a>
	○	102-54	Claims of reporting in accordance with the GRI Standards	
	○	102-55	GRI content index	<a href="#">Content Index</a>
	○	102-56	External assurance	<a href="#">Environmental Management</a>
<b>103: Management Approach</b>				
		103-1	Explanation of the material topic and its Boundary	
		103-2	The management approach and its components	
		103-3	Evaluation of the management approach	
<b>Material topics</b>				
<b>200: Economic</b>				
<b>201: Economic Performance</b>		201-1	Direct economic value generated and distributed	<a href="#">Earnings Highlights</a>
		201-2	Financial implications and other risks and opportunities due to climate change	
		201-3	Defined benefit plan obligations and other retirement plans	<a href="#">Securities Report p7 (Japanese)_1</a> (548KB)
		201-4	Financial assistance received from government	

Description	Core Questions	Standards	GRI Standards Questions	Page
<b>202 : Market Presence</b>		202-1	Ratios of standard entry level wage by gender compared to local minimum wage	
		202-2	Proportion of senior management hired from the local community	
<b>203 : Indirect Economic Impacts</b>		203-1	Infrastructure investments and services supported	
		203-2	Significant indirect economic impacts	
<b>204 : Procurement Practices</b>		204-1	Proportion of spending on local suppliers	
<b>205 : Anti-corruption</b>		205-1	Operations assessed for risks related to corruption	
		205-2	Communication and training about anti-corruption policies and process	
		205-3	Confirmed incidents of corruption and actions taken	
<b>206 : Anti-competitive Behavior</b>		206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	
<b>300: Environment</b>				
<b>301 : Materials</b>		301-1	Materials used by weight or volume	<a href="#">Environmental Performance Data</a>
		301-2	Recycled input materials used	<a href="#">Environmental Performance Data</a>
		301-3	Reclaimed products and their packaging materials	
<b>302 : Energy</b>		302-1	Energy consumption within the organization	<a href="#">Environmental Performance Data</a>
		302-2	Energy consumption outside of the organization	<a href="#">Environmental Performance Data</a>
		302-3	Energy intensity	<a href="#">Environmental Performance Data</a>
		302-4	Reduction of energy consumption	<a href="#">Environmental Performance Data</a>

Description	Core Questions	Standards	GRI Standards Questions	Page
		302-5	Reductions in energy requirements of products and services	
<b>303 : Water</b>		303-1	Interactions with water as a shared resource	
		303-2	Management of water discharge-related impacts	
		303-3	Water withdrawal	<a href="#">Reports by Business Sites</a>
		303-4	Water discharge	<a href="#">Reports by Business Sites</a>
		303-5	Water consumption	<a href="#">Reports by Business Sites</a>
<b>304 : Biodiversity</b>		304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	<a href="#">Yui no Mori</a>
				<a href="#">ReEDEN Project</a>
		304-2	Significant impacts of activities, products, and services on biodiversity	
		304-3	Habitats protected or restored	<a href="#">Yui no Mori</a>
		304-4	IUCN Red List species and national conservation list species with habitats in areas affected by operations	
<b>305 : Emissions</b>		305-1	Direct (Scope 1) GHG emissions	<a href="#">Environmental Performance Data</a>
		305-2	Energy indirect (Scope 2) GHG emissions	<a href="#">Environmental Performance Data</a>
		305-3	Other indirect (Scope 3) GHG emissions	<a href="#">Environmental Performance Data</a>
		305-4	GHG emissions intensity	<a href="#">Environmental Performance Data</a>
		305-5	Reduction of GHG emissions	<a href="#">Environmental Performance Data</a>
		305-6	Emissions of ozone-depleting substances (ODS)	

Description	Core Questions	Standards	GRI Standards Questions	Page
		305-7	Nitrogen oxides (NOX), sulfur oxides (SOX), and other significant air emissions	<a href="#">Environmental Performance Data</a>
<b>306: Effluents and Waste</b>		306-1	Water discharge by quality and destination	<a href="#">Reports by Business Sites</a>
		306-2	Waste by type and disposal method	<a href="#">Environmental Performance Data</a>
		306-3	Significant spills	
		306-4	Transport of hazardous waste	
		306-5	Water bodies affected by water discharges and/or runoff	
<b>307: Environmental Compliance</b>		307-1	Non-compliance with environmental laws and regulations	<a href="#">Legal Compliance and Pollution Prevention</a>
<b>308: Supplier Environmental Assessment</b>		308-1	New suppliers that were screened using environmental criteria	
		308-2	Negative environmental impacts in the supply chain and actions taken	
<b>400: Social</b>				
<b>401: Employment</b>		401-1	New employee hires and employee turnover	<a href="#">CSR Data: Society</a>
		401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	
		401-3	Parental leave	<a href="#">CSR Data: Society</a>
<b>402: Labor/Management Relations</b>		402-1	Minimum notice periods regarding operational changes	
<b>403: Occupational Health and Safety</b>		403-1	Occupational health and safety management system	<a href="#">Employees' Safety</a> <a href="#">Employees' Health</a>
		403-2	Hazard identification, risk assessment, and incident investigation	<a href="#">CSR Data: Society</a>
		403-3	Occupational health services	

Description	Core Questions	Standards	GRI Standards Questions	Page
		403-4	Worker participation, consultation, and communication on occupational health and safety	<a href="#">Initiatives during National Safety Week</a>
		403-5	Worker training on occupational health and safety	<a href="#">Initiatives during National Safety Week</a>
		403-6	Promotion of worker health	<a href="#">Employees' Health</a>
		403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	<a href="#">Employees' Health</a>
		403-8	Workers covered by an occupational health and safety management system	<a href="#">Securities Report p8 (Japanese)</a> (548KB)
		403-9	Work-related injuries	<a href="#">CSR Data: Society</a>
		403-10	Work-related ill health	
<b>404: Training and Education</b>		404-1	Average hours of training per year per employee	
		404-2	Programs for upgrading employee skills and transition assistance programs	<a href="#">Human Resource Development Program</a>
		404-3	Percentage of employees receiving regular performance and career development reviews	
<b>405: Diversity and Equal Opportunity</b>		405-1	Diversity of governance bodies and employees	<a href="#">CSR Data: Society</a>
		405-2	Ratio of basic salary and remuneration of women to men	
<b>406: Non-discrimination</b>		406-1	Incidents of discrimination and corrective actions taken	
<b>407: Freedom of Association and Collective Bargaining</b>		407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	
<b>408: Child Labor</b>		408-1	Operations and suppliers at significant risk for incidents of child labor	<a href="#">With Business Partners</a>

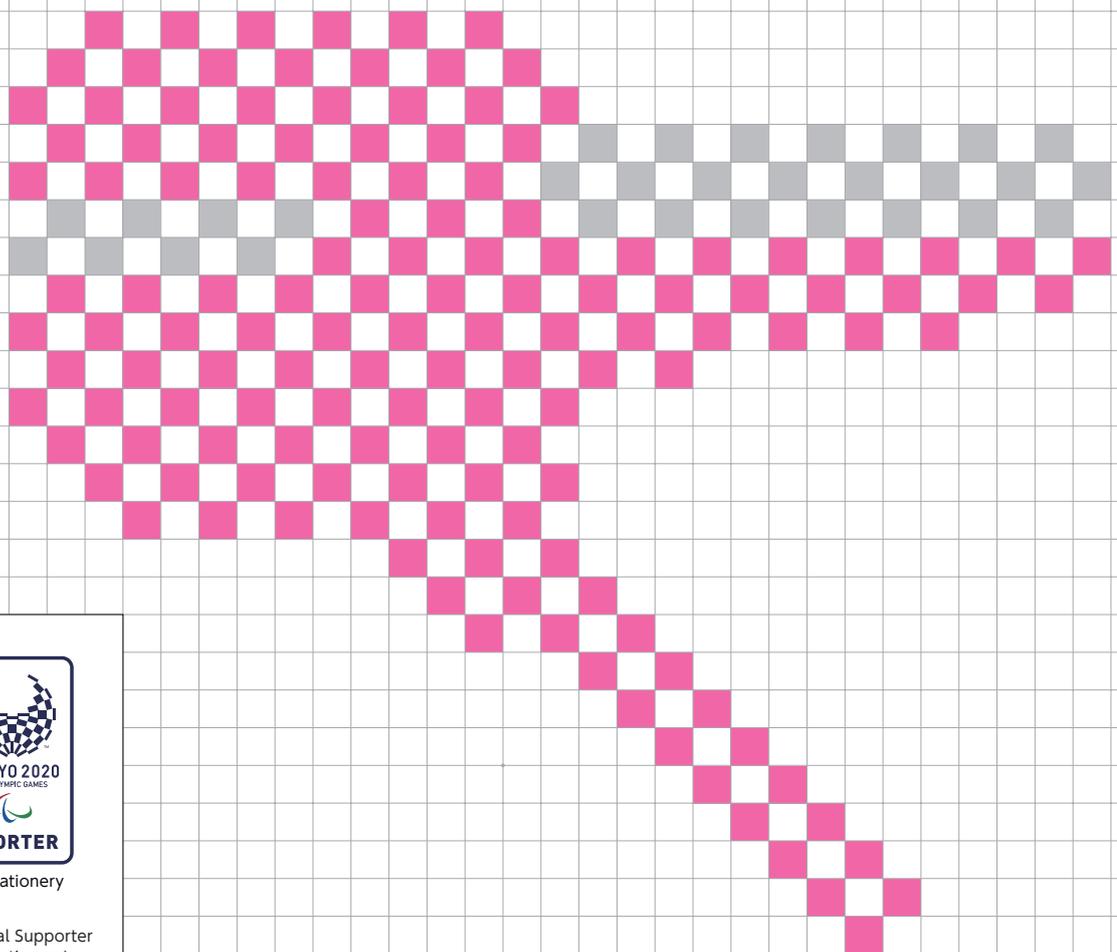
Description	Core Questions	Standards	GRI Standards Questions	Page
<b>409: Forced or Compulsory Labor</b>		409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	<a href="#">With Business Partners</a>
<b>410: Security Practices</b>		410-1	Security personnel trained in human rights policies or procedures	
<b>411: Rights of Indigenous Peoples</b>		411-1	Incidents of violations involving rights of indigenous peoples	
<b>412: Human Rights Assessment</b>		412-1	Operations that have been subject to human rights reviews or impact assessments	
		412-2	Employee training on human rights policies or procedures	
		412-3	Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening	
<b>413: Local Communities</b>		413-1	Operations with local community engagement, impact assessments, and development programs	<a href="#">Social Contribution</a>
		413-2	Operations with significant actual and potential negative impacts on local communities	
<b>414: Supplier Social Assessment</b>		414-1	New suppliers that were screened using social criteria	
		414-2	Negative social impacts in the supply chain and actions taken	<a href="#">With Business Partners</a>
<b>415: Public Policy</b>		415-1	Political contributions	
<b>416: Customer Health and Safety</b>		416-1	Assessment of the health and safety impacts of product and service categories	<a href="#">Quality Assurance at KOKUYO Stationery</a>
				<a href="#">Quality Assurance at KOKUYO Furniture</a>
				<a href="#">Kaunet Quality Assurance</a>

Description	Core Questions	Standards	GRI Standards Questions	Page
		416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	
<b>417: Marketing and Labeling</b>		417-1	Requirements for product and service information and labeling	
		417-2	Incidents of non-compliance concerning product and service information and labeling	
		417-3	Incidents of non-compliance concerning marketing communications	
<b>418: Customer Privacy</b>		418-1	Substantiated complaints regarding concerning breaches of customer privacy and losses of customer data	
<b>419: Socioeconomic Compliance</b>		419-1	Non-compliance with laws and regulations in the social and economic area	

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

ISO26000 Core Subjects	Issues	Page
Organizational governance	Issue 1: Organizational governance	<ul style="list-style-type: none"> <li>• <a href="#">Message from the President</a></li> <li>• <a href="#">CSR Management</a></li> <li>• <a href="#">Corporate Governance and Risk Management</a></li> </ul>
Human rights	Issue 1: Due diligence Issue 2: Human rights risk situations Issue 3: Avoidance of complicity Issue 4: Resolving grievances Issue 5: Discrimination and vulnerable groups Issue 6: Civil and political rights Issue 7: Economic, social and cultural rights Issue 8: Fundamental principles and rights at work	<ul style="list-style-type: none"> <li>• <a href="#">CSR Management</a></li> <li>• <a href="#">KOKUYO's CSR Charter</a></li> <li>• <a href="#">KOKUYO Group Code of Conduct</a></li> <li>• <a href="#">Work Style Reform</a></li> <li>• <a href="#">Human Resource Development</a></li> <li>• <a href="#">Employees' Safety and Health</a></li> <li>• <a href="#">Respect for Human Rights</a></li> <li>• <a href="#">Basic Framework for Diversity</a></li> <li>• <a href="#">With Business Partners</a></li> <li>• <a href="#">CSR Data: Society</a></li> </ul>
Labor practices	Issue 1: Employment and employment relationships Issue 2: Conditions of work and social protection Issue 3: Social dialogue Issue 4: Health and safety at work Issue 5: Human development and training in the workplace	<ul style="list-style-type: none"> <li>• <a href="#">KOKUYO's CSR Charter</a></li> <li>• <a href="#">KOKUYO Group Code of Conduct</a></li> <li>• <a href="#">Work Style Reform</a></li> <li>• <a href="#">Human Resources Management</a></li> <li>• <a href="#">Employees' Safety and Health</a></li> <li>• <a href="#">Respect for Human Rights</a></li> <li>• <a href="#">Basic Framework for Diversity</a></li> <li>• <a href="#">With Business Partners</a></li> <li>• <a href="#">CSR Data: Society</a></li> </ul>
Environment	Issue 1: Prevention of pollution Issue 2: Sustainable resource use Issue 3: Climate change mitigation and adaptation Issue 4: Protection of the environment, biodiversity and restoration of natural habitats	<ul style="list-style-type: none"> <li>• <a href="#">CSR Management</a></li> <li>• <a href="#">KOKUYO's CSR Charter</a></li> <li>• <a href="#">KOKUYO Group Code of Conduct</a></li> <li>• <a href="#">With Business Partners</a></li> <li>• <a href="#">Environmental Management and Third-party Inspection</a></li> <li>• <a href="#">Global Warming Preventive Measures</a></li> <li>• <a href="#">Resource-saving and Recycling Measures</a></li> <li>• <a href="#">Compliance with the law and the prevention of pollution</a></li> <li>• <a href="#">Developing Environmentally-friendly Products and Services</a></li> <li>• <a href="#">Biodiversity/Promoting Environmental Communications</a></li> <li>• <a href="#">Environmental Performance Data</a></li> <li>• <a href="#">Reports by Business Site</a></li> <li>• <a href="#">Yui no Mori</a></li> <li>• <a href="#">Eco-Batsu Activities</a></li> </ul>
Fair operating practices	Issue 1: Anti-corruption	<ul style="list-style-type: none"> <li>• <a href="#">CSR Management</a></li> <li>• <a href="#">System for the Promotion of CSR</a></li> </ul>

	<p>Issue 2: Responsible political involvement</p> <p>Issue 3: Fair competition</p> <p>Issue 4: Promoting social responsibility in the value chain</p> <p>Issue 5: Respect for property rights</p>	<ul style="list-style-type: none"> <li>• <a href="#">KOKUYO's CSR Charter</a></li> <li>• <a href="#">KOKUYO Group Code of Conduct</a></li> <li>• <a href="#">With Business Partners</a></li> <li>• <a href="#">Corporate Governance and Risk Management</a></li> </ul>
<p>Consumer issues</p>	<p>Issue 1: Fair marketing, factual and unbiased information and fair contractual practices</p> <p>Issue 2: Protecting consumers' health and safety</p> <p>Issue 3: Sustainable consumption</p> <p>Issue 4: Consumer service, support, and complaint and dispute resolution</p> <p>Issue 5: Consumer data protection and privacy</p> <p>Issue 6: Access to essential services</p> <p>Issue 7: Education and awareness</p>	<ul style="list-style-type: none"> <li>• <a href="#">KOKUYO's CSR Charter</a></li> <li>• <a href="#">Providing Peace of Mind and Safety to Customers</a></li> <li>• <a href="#">CSR Report 2019 Survey Results</a></li> <li>• <a href="#">CSR Data: Reflecting the views of customers</a></li> <li>• <a href="#">Eco-Batsu Activities</a></li> </ul>
<p>Community involvement and development</p>	<p>Issue 1: Community involvement</p> <p>Issue 2: Education and culture</p> <p>Issue 3: Employment creation and skills development</p> <p>Issue 4: Technology development and access</p> <p>Issue 5: Wealth and income creation</p> <p>Issue 6: Health</p> <p>Issue 7: Social investment</p>	<ul style="list-style-type: none"> <li>• <a href="#">KOKUYO's CSR Charter</a></li> <li>• <a href="#">KOKUYO Group Code of Conduct</a></li> <li>• <a href="#">New Products and Services in 2019</a></li> <li>• <a href="#">Human Resource Development</a></li> <li>• <a href="#">Social Contribution</a></li> <li>• <a href="#">Commendation and Recognitions from Outside</a></li> <li>• <a href="#">Biodiversity/Promoting Environmental Communications</a></li> <li>• <a href="#">CSR Data: Society</a></li> </ul>



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