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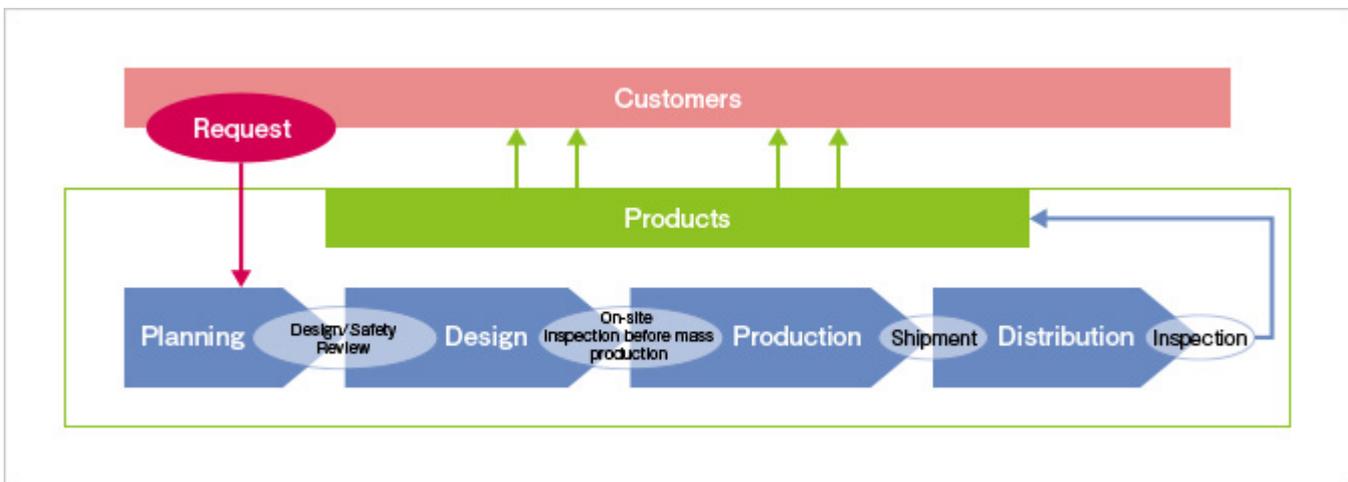
■ Customers

Providing Peace of Mind and Safety to Customers

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

Quality Assurance at KOKUYO Stationery

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



Quality Maintenance and Improvement

1) Deepening the Quality Assurance System

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

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



Introduction of robots in quality testing

2) Establishment of the inspection system on a global basis

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

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3) Increasing the speed and accuracy of handling complaints

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

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

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



Quality Assurance at KOKUYO Furniture

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



Enabling Customers to Use KOKUYO Products with Confidence

1) Setting High In-House Standards

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

2) Responding when Failures Occur

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

3) Notifications Regarding Product Safety and Quality

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

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



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

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

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

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

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

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



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



Kaunet Quality Assurance

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



For Product Deliveries (Main Services)

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

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

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

2) Promotion of simple packaging

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



Our efforts on simple packaging

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

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

4) Furniture delivery with assembly services

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

Collection services

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

Office Activities in Countermeasures for Disasters

1) Developing a menu of countermeasures against earthquakes for office

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

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



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

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

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



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働く場所にフィットする。
 防災事業は働く場所の安全ではありません。
 働く場所から亡くなるまでを備えるのがPARTS-FIT。



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



PARTS-FIT



elecabi
 Emergency supplies cabinet for elevators

3) Raising the level of awareness

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



Seminars on disaster countermeasures for corporationcorporations

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■ Customers

Dialogue with our Customers

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

Activity highlights

Kaunet Factory, an Interactive Furniture Showroom, Opens



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

- Office chair area

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

- Desk area

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

- Simulation area

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

- Consultation area

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

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

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

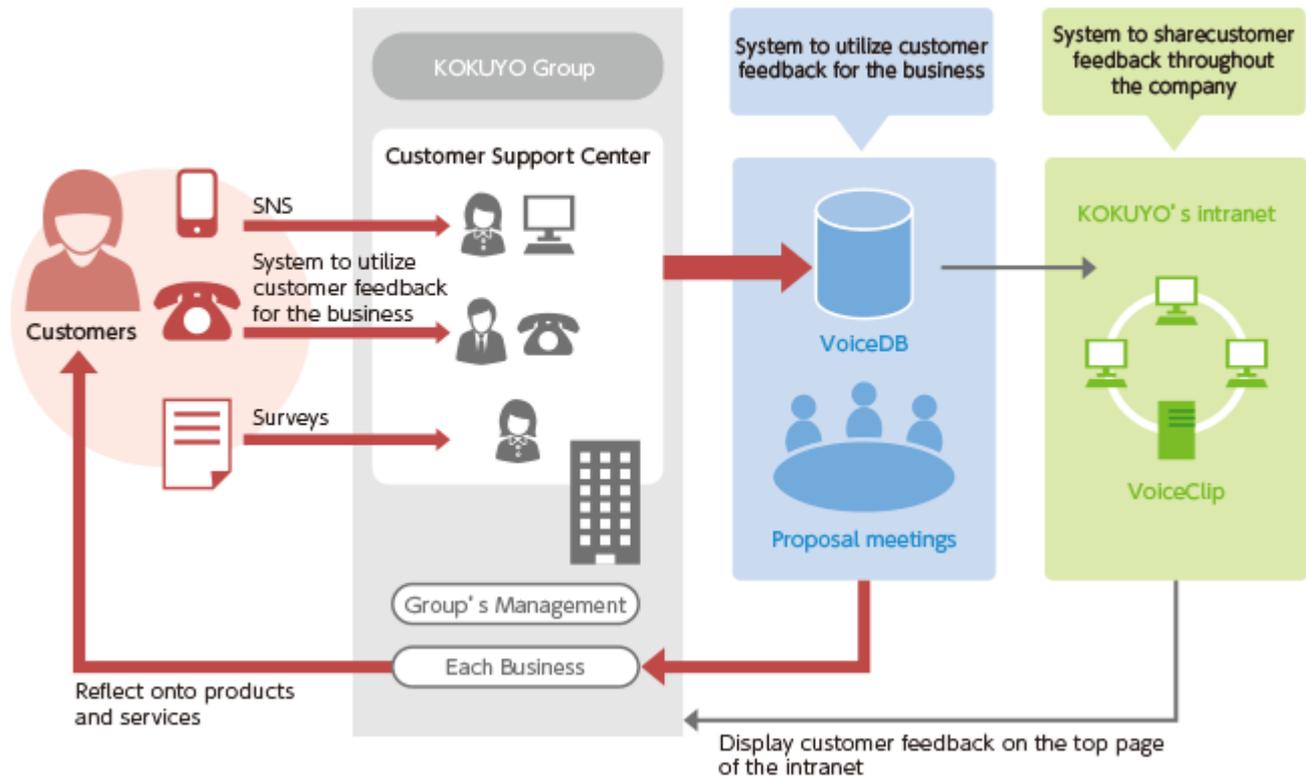


Kaunet Factory floor plan

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A System for Utilizing Feedback from Customers

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

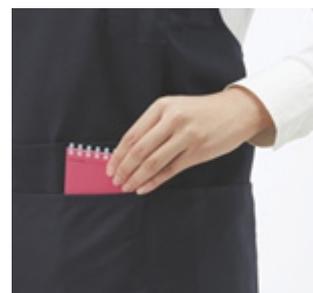


Soft Ring® Notebooks and Memo Pads <Colorful> (dotted ruled lines) (perforated)

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



Soft Ring® notebook and memo pad product line-up



Soft Ring® memo pad in use

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Dialogues with our Customers

The internal structure of the Customer Support Center was changed.

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

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

Kaunet Holds First-ever Exposition "Kaunet Festival"

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



Event venue crowded with many visitors immediately following the opening

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

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



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

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Interview Training Based on New Skill Indexes

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

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

■ Customers

New Products and Services in 2017



January 30th, 2017 Stationery business

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



March 13th, 2017 Other

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



April 19th, 2017 Stationery business

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



July 3rd, 2017 Stationery business

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



August 9th, 2017

Stationery business

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



August 9th, 2017

Mail-order Business / Retailing

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



September 27th, 2017

Stationery business

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



October 27th, 2017

Other

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



November 6th, 2017

Furniture business

[Personal Locker "iNON" Launched](#)



November 6th, 2017

Furniture business

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



November 6th, 2017

Furniture business

Conference Room Table "CALM" Launched



November 6th, 2017

Furniture business

Five Office Lounge Furniture Products Launched



November 7th, 2017

Furniture business

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



December 18th, 2017

Stationery business

Limited Number of "Biwacomic" Notebooks Launched