

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

## ■ Respect for Human Rights

# System Linking Company's Growth with Individual Growth

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

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

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

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

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

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

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

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

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

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

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

## ■ Respect for Human Rights

### Communication with Employees

#### Activity highlights

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



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

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

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



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

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



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



## Communication with Employees



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

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

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



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



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

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

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



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



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

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

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

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



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

## **2017 KOKUYO Memorial Service for Deceased Employees**

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



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

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

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



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

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

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

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

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



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

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

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

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



Happily exploring the showroom while answering quizzes about KOKUYO products

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

## ■ Respect for Human Rights

### Work Style Reform

#### Activity highlights

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



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

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

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

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



## Joint Labor-Management Initiative to Reform Work Style

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

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



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

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

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



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

## ■ Respect for Human Rights

# Human Resource Development

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



## Policy of Human Resource Development

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

### Human Resource Development System

Role	Training at job sites	Feedback/ Self-reflection	Training through courses		
			Training by profession (required)	Training for selected employees	Optional training
President	Planned rotation among departments and fields	Results evaluation and capability evaluation and 360 degree evaluation Appointments and dismissal	GL Workshop Training course for newly appointed managerial personnel	Training for next generation businessperson candidates	E-learning Correspondence course and in-school training Cross-industry open challenge program
Board Member					
Executive officer					
Department Manager	Cross-department project	Feedback interview Promotion/Demotion	Training for younger employees (1-3 years after entry) Training for new employees	Tutoring training Cross-industry training	
Section Manager					
Managers	Job rotation	External exam Tests (business knowledge and logical thinking)			
Regular employees	Tutoring system				



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

## Human Resource Development Program

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

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

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



Assembly demonstration and explanation of products and operation procedures

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

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

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



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

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

## KOKUYO Logitem Holds First Training for Distribution Personnel

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

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

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



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

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

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

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

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

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



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

## ■ Respect for Human Rights

### Employees' Safety and Health

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

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

##### **[Basic policy]**

Safety First!

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

##### **[Code of conduct]**

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



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

## Activity highlights

### FY2017 KOKUYO Group Construction and Factory Safety and Health Conferences was Held



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

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

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

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

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

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

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



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



Safety patrol

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



## Basic Concepts

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



## KOKUYO Group Health Targets and 2017 Results

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

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

### KOKUYO Group data

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



## Specific Steps We have Taken in 2017

### 1) Implementation of health campaign

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



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

### Number of participants of the GG campaign

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

### 2) Infection control measures

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

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

### Number of people who had vaccinations

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

### 3) Mental health initiatives

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

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

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

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



## Labor Practices/Safety and Health



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

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

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



Experiencing a simulated disaster in a safety laboratory



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

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

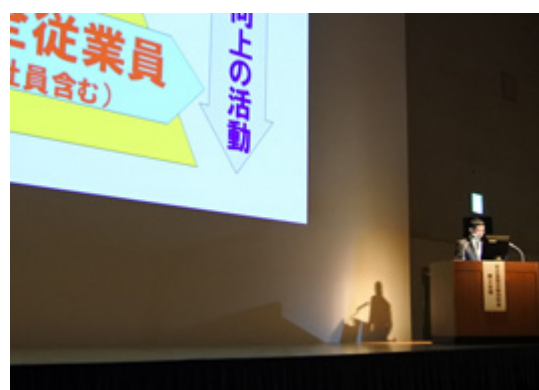


Group work carried out focused on the emergency stop buttons of machines

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

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

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



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

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

## ■ Respect for Human Rights

### Basic Framework for Diversity

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

#### Activity highlights

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



Heartland Co., Ltd. was started as Kokuyo's second special subsidiary\* following KOKUYO K Heart Co., Ltd. It is the first special agricultural production subsidiary in Japan. The company grows salad spinach using hydroponics and has received a great deal of attention from both inside and outside KOKUYO as a pioneer in hiring people with intellectual or physical disabilities and expanding the range of jobs available to them. Since its operation start, 4,200 people have visited the company, and 7,500 people with disabilities a year (a cumulative total of 70,000 people) have been received from outside institutions based on contractual agreements that allow people with disabilities to work and get paid on a piecework basis. In this way, Heartland is making a social contribution, in addition to hiring people with disabilities as its own employees. More recently, the company

has been drawing national attention as a pioneer in "agriculture-welfare collaboration" for its goal of achieving an inclusive society by solving the agricultural labor shortage by employing people with disabilities. Heartland is also carrying out other various activities, for example, multiple major users of the Furniture Business Division came to tour the Heartland facility. In addition, Heartland personnel appeared as panelists at various types of lecture-style meetings and acted as instructors at an agriculture-welfare collaboration project contracted from the Osaka prefectural government.

In October 2017, Heartland marked its 10th year of operation with an anniversary party attended by many people, including current Heartland employees. Others who attended included people and organizations that had been involved in establishing Heartland, as well as people currently involved, such as previous employees, KOKUYO personnel who were involved in establishing Heartland, Osaka Prefectural Corporation for Agricultural Land Development and Greenery-Environment Promotion, Sennan City, and employees from facilities that hire persons with disabilities. As its next challenge, Heartland is currently trying to grow new vegetables such as coriander and kale, and plans to keep taking on new challenges as a pioneering special subsidiary.

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



President Tani giving a lecture at an employment development forum

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



## Basic Concepts



## Basic Framework for Diversity

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

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



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

## Establishment and Penetration of Support Systems

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

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

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

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

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

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



## Achieving a Good Work/Life Balance

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

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

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

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

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



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

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

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



## Cross-industry Initiatives

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

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

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

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



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

## Activities in Diversity Western Japan Workshop

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

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

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

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

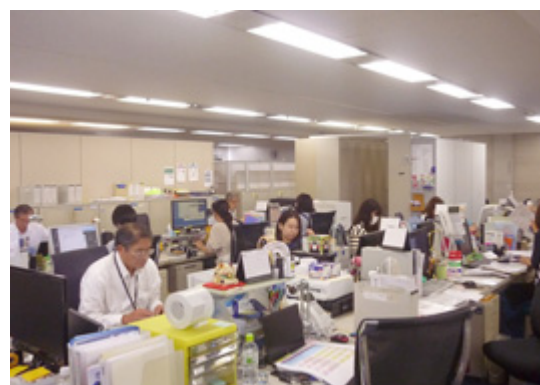


### KOKUYO K Heart Co., Ltd. Aiming to be a Pioneer in Hiring Persons with Disabilities

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

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

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



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