

# Business operation policy of the new organization (FY2020—FY2022)

February 21, 2020

Kuroda Group Co., Ltd.

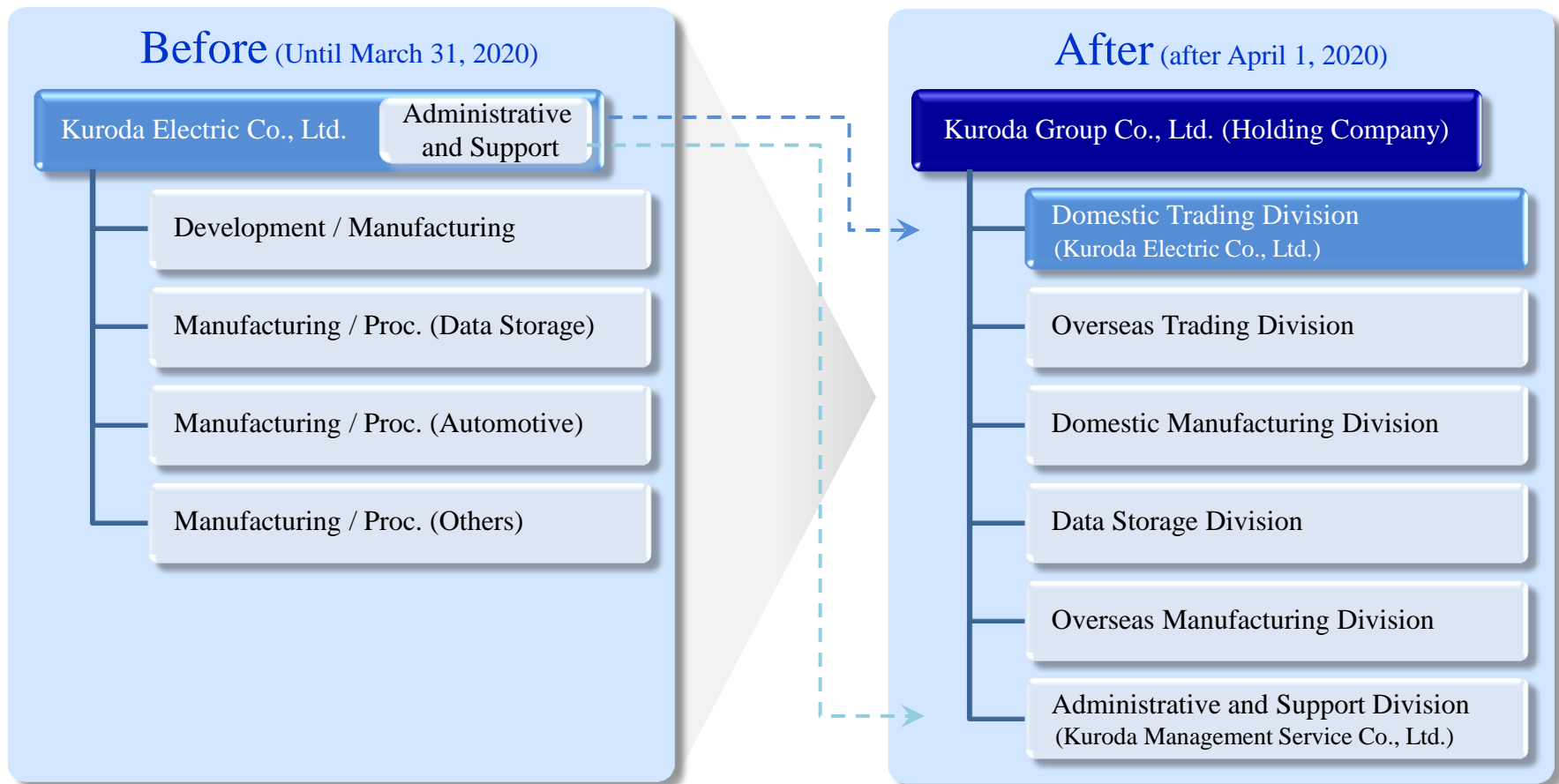
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# 1. About the new system (1) Transition to a holding company structure

## Purpose of Transition to New Structure

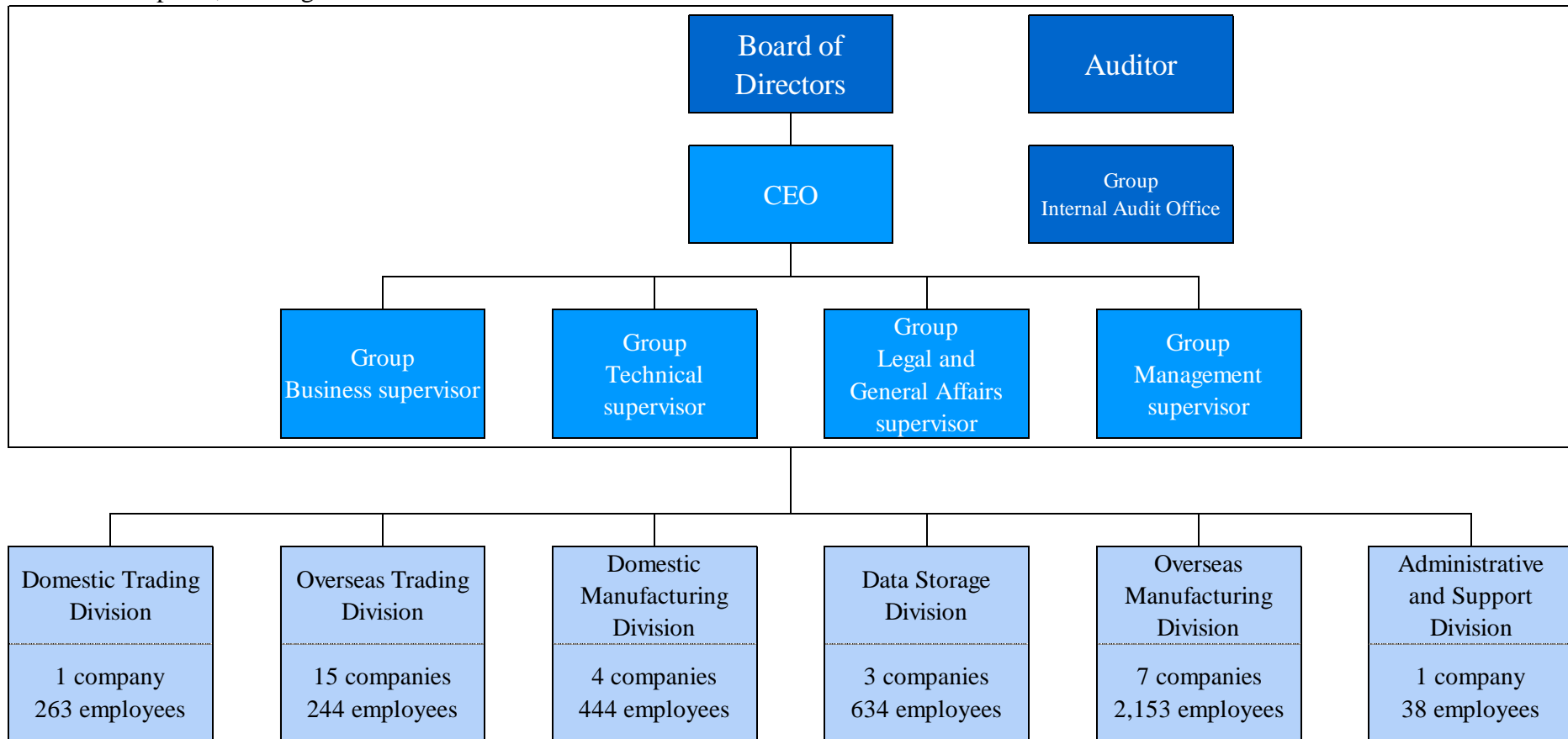
- “Rebuilding and Building” Governance Required for the Kuroda Group
- Visualization and Reflection of Cost Effectiveness
- Focusing and customizing in each business



# 1. About the new system (2) Kuroda Group Organization Chart

## Kuroda Group Organization (April 1, 2020)

Kuroda Group Co., Ltd. organisation



Number of employees: 3,776  
(As of the end of December 2019)

## 2. Basic operational policy

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# “Value Creation and Customer Satisfaction”

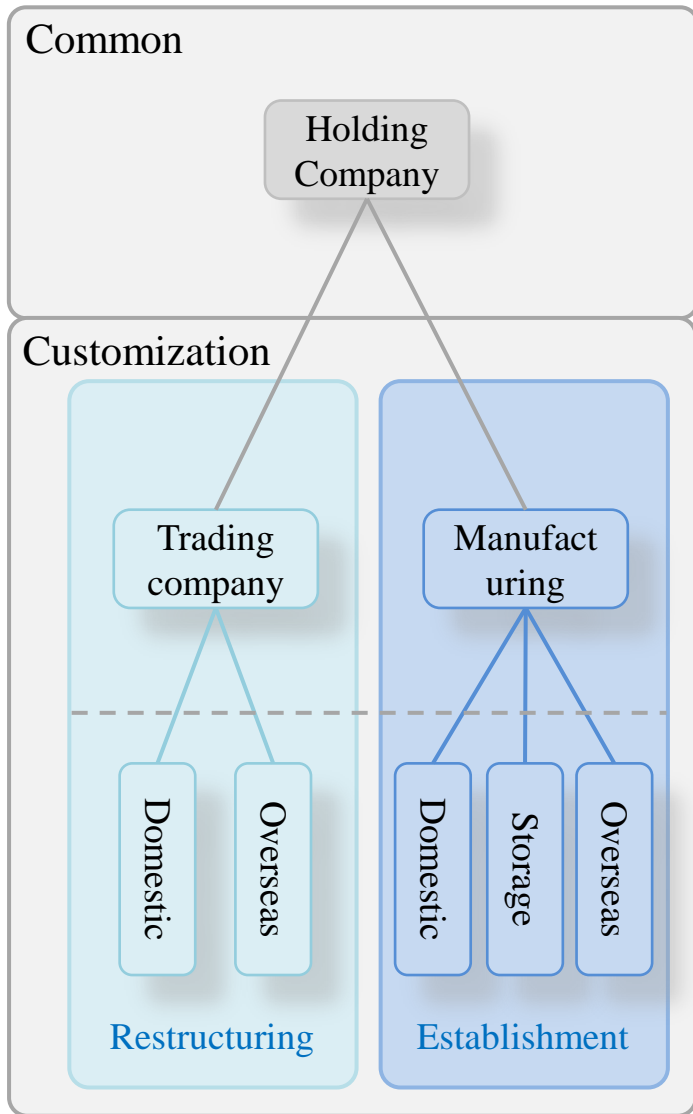
Region (where) × Customer (who) × Customized Business (what)

Creating No.1 from the perspective of increasing No.1



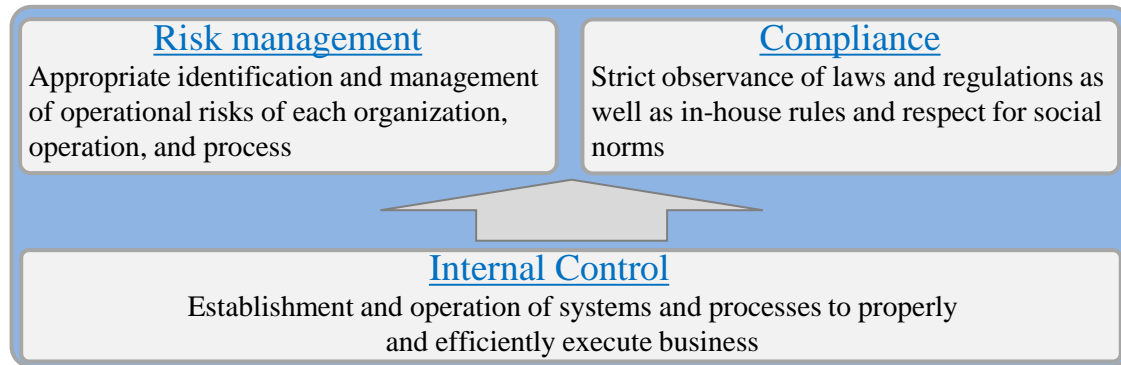
# Building a Structure to Strengthen Business

# 3. “Rebuilding and Building” Governance



## Governance (Obligations and Responsibilities)

- ① Dissemination of the Action Guidelines and Corporate Principles
- ② Building a Risk Management System
- ③ Establish a compliance structure
- ④ Powers and responsibilities clarified



Purpose : **Continuation of the Kuroda Group's business**

### Specific measures (customized by business/region)

- Establishment of guidelines and implementation of education
- Environmental Measures
- Response to Financial Risk
- Review of personnel system
- Drafting a BCP (Business Continuity Plan)
- Supply responsibility and quality responsibility

# 4. Business Overview

## Domestic Trading

### <Business>

Provide electronic parts and materials primarily to customers in the automotive and electronics industries

### <Strength>

- Optimal sales proposals for products from various domestic and overseas suppliers
- Solution-based business that solves customer problems

11 sales offices and 6 distribution offices in Japan

## Domestic Manufacturing

### <Business>

- Manufacture automated equipment
- Manufacture special printing plates
- Contract development of electronic circuit design/board design
- Manufacture electrical equipment and power materials etc.

### <Strength>

- Development and manufacturing leveraging proprietary technology in niche industries

Kanagawa, Osaka and China



## Overseas Trading

### <Business>

- Provide international trading service to overseas customers with Domestic Trading Division
- Provide local trading service to overseas customers

### <Strength>

- Global network of 15 offices in China, Hong Kong, Taiwan, Malaysia, Thailand, Singapore, the Philippines, Indonesia, India, Czech Republic, the United States, and Mexico

China, East Asia, Southeast Asia, Europe and North America

## Data Storage

### <Business>

Manufacture components for hard disk drives (HDD) and solid state drives (SSD)

### <Strength>

- Stable supply of mechanical parts to meet customers' quality requirements, supported by the network of processing technology and material manufacturers developed over many years

Thailand, Japan and China



## Administrative and Support

### <Business>

Provide value-added management services to the Kuroda Group

### <Strength>

- Support system for group management with comprehensive understanding of each business
- Specialists with deep knowledge of accounting, taxation, and legal affairs in each country

Tokyo, Osaka and China

## Overseas Manufacturing

### <Business>

Manufacture tooling, metallic parts, plastic parts, and composite products, mainly in the automotive industry

### <Strength>

- Production and supply systems to meet customers' requirements in each region

China, Vietnam, Indonesia, Mexico, Thailand and Japan



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