



CSR REPORT 2017

Corporate Social Responsibility Report

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Editorial Policy

The purpose of this document is to report on KURODA ELECTRIC Group's activities and approach to Corporate Social Responsibility (CSR). As a vital communicative tool, the objective of this CSR report is to promote dialogue among all stakeholders for the overall betterment of society. We sincerely hope that by introducing the CSR activities of KURODA ELECTRIC Group we will be able to further promote such dialogue.

The month of issue August, 2017 (The date of issue last time: June 29, 2016)

Target Period This report will deal with KURODA ELECTRIC Group's 82nd period, the 2016 financial year (April 1, 2016-March 31, 2017) (some information, targets and forecasts from outside this period will also be included). The next report is currently scheduled for August, 2018.

Scope of Report This report will cover CSR activities by KURODA ELECTRIC Co., Ltd. as well as affiliated domestic companies (KURODA TECHNO Co., Ltd., KOMURA-TECH Co., Ltd., Sohwa & Sophia Technologies Inc., NICHIDO-DENKO Co. Ltd.) and major affiliated companies overseas.

Reference Guidelines ISO26000:2010「Guidance on social responsibility」
UN Global Compact Policy on Communicating Progress

Top Management Message

With the fusion of electronics and telecommunications, our economic system is moving towards a new era. The competition over technological development has led to ever lower costs and higher functionality across a wide range of electronic and electrical goods, resulting in a pronounced spike in the development of new products over a short period of time. Additionally, with the increasing globalization of economic systems, the creation of production and circulation networks which cross national boundaries has become a more pressing matter than ever. While it is incumbent on us to respond appropriately to changes such as these in the business environment, there are also a variety of issues facing us on a global scale, such as poverty, hunger, biodiversity, climate change, and conflict minerals and other human rights issues in the supply chain.

Since our founding in 1945 we have developed as an independent trading company dealing in products such as electrical materials, general electric parts, liquid crystal panels and machinery. Most important of all, as a supplier of manufacturing parts and materials to the electronics industry, we at KURODA ELECTRIC have always developed our business in close contact with our customers.

And since establishment our guiding policy has been to provide services vital to our customers without interruption, in a timely and efficient manner, thus contributing to the development of both the world-wide manufacturing industry and to society, and growing in trust as a corporation.

Under these business policies, the Kuroda Electric Group has

currently expanded to 16 trading companies in Japan and overseas, and 13 development, manufacturing and processing companies. In addition to providing a variety of parts, materials and services, from a customer-oriented perspective, and engaging in development, manufacturing and processing, we have also established a global network for the sophisticated exchange and flow of the latest technologies and information.

In March 2011 we formally joined the United Nations Global Compact (UNGC), continuing CSR activities with the UNGC as a guiding standard. The Sustainable Development Goals (SDGs) identified during the 2015 United Nations Summit serve as a collection of clear, shared goals for 2030 for companies and organizations worldwide, and have also been incorporated into our CSR standards.

By pursuing management in line with global standards such as these, we aim to further increase our corporate value and achieve sustainable growth.



President CEO & COO **Koichi Hosokawa**



About KURODA ELECTRIC

Business



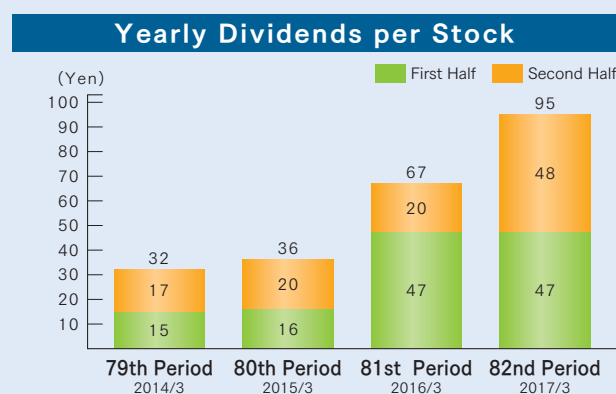
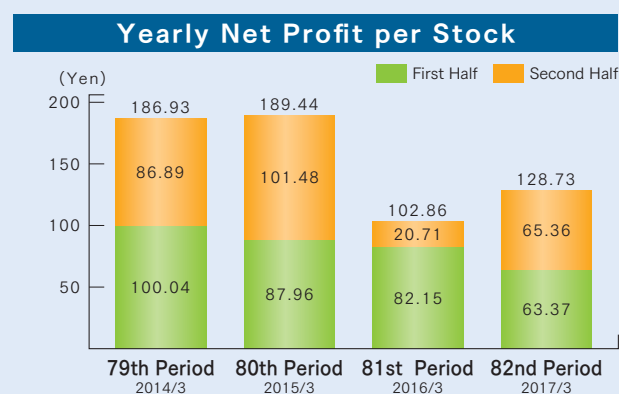
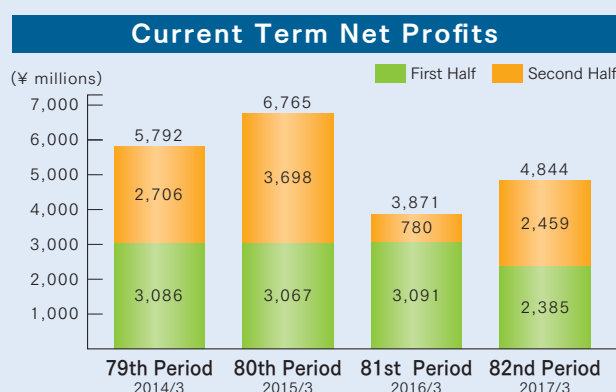
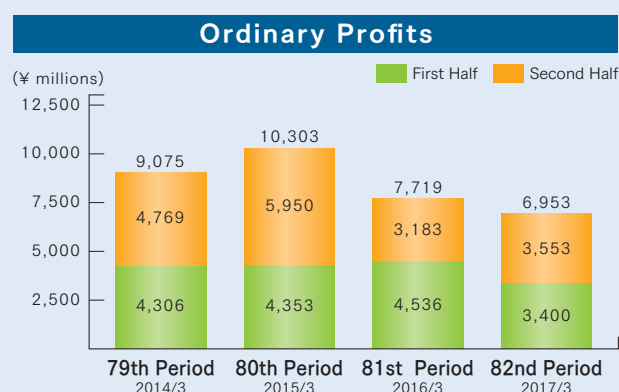
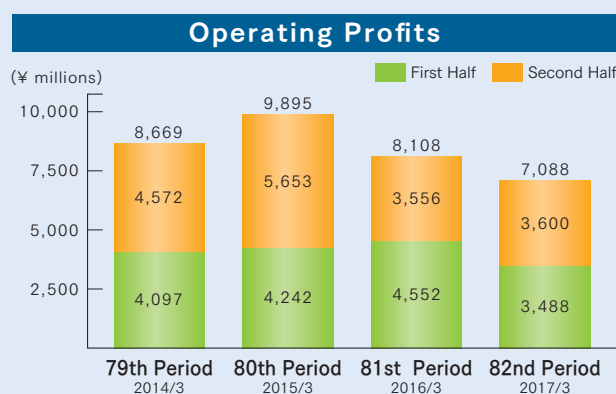
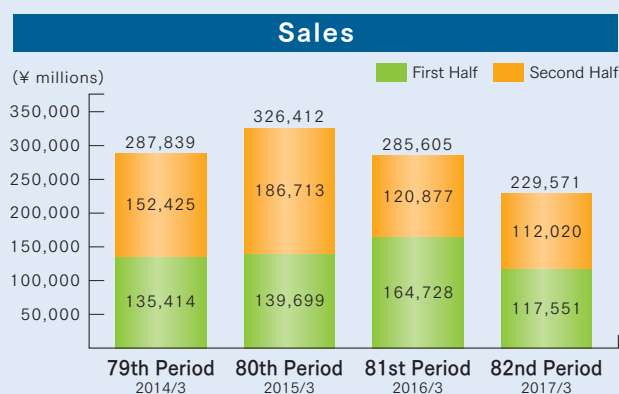
1 Company Information

(1) Corporate Name	KURODA ELECTRIC Co., Ltd.
(2) Start of Operations	October 1945
(3) Capital	10,045 million yen (as of the end of March, 2017)
(4) Annual Turnover	229,571 million yen (2016 fiscal year ending March 31st, 2017 on a consolidated basis)
(5) Company Rep.	President CEO & COO Koichi Hosokawa
(6) Number of Employees	324 (standalone, as of the end of March, 2017) 3,844 (consolidated companies, as of the end of March, 2017)
(7) Listed Stock Exchange	First Section of the Tokyo Stock Exchange



2 Financial Reporting

(Aggregated Account Summaries)



For more detailed business reports, please refer to the following URL links.

Business Reports

<http://www.kuroda-electric.co.jp/ir/library/report/>

Factbook

<http://www.kuroda-electric.co.jp/ir/library/factbook/>

3 Principal Subsidiaries

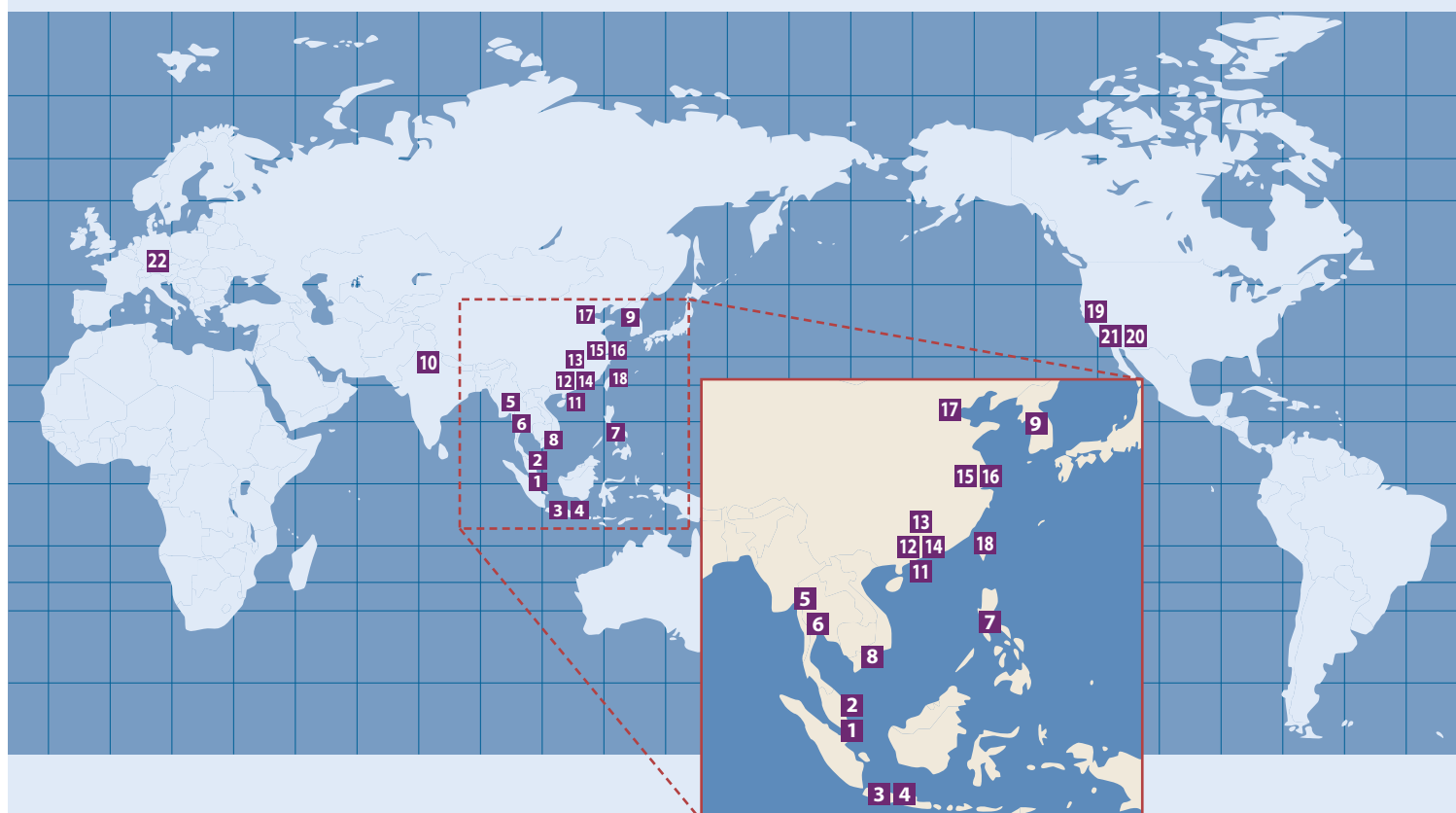


Domestic

- 1 KURODA TECHNO CO., LTD.
- 2 KOMURA-TECH CO., LTD.
- 3 Sohwa & Sophia Technologies INC.
- 4 NICHIDO-DENKO CO., LTD.

Overseas

- 1 Z. KURODA (Singapore) PTE. LTD.
- 2 KURODA ELECTRIC (Malaysia) SDN. BHD.
- 3 PT. TRIMITRA CHITRAHASTA
- 4 PT. KURODA ELECTRIC Indonesia
- 5 Z. KURODA (Thailand) CO., LTD.
- 6 KURODA Auto-Tech (Thailand) LTD.
- 7 KURODA ELECTRIC (Philippines) INC.
- 8 BORAMTEK (Vietnam) CO., LTD.
- 9 KURODA ELECTRIC KOREA INC.
- 10 KURODA ELECTRIC INDIA PVT. LTD.
- 11 Z. KURODA (HONGKONG) CO., LTD.
- 12 KURODA ELECTRIC (SHENZHEN) CO., LTD.
- 13 KC AUTOMATION (SHENZHEN) CO., LTD.
- 14 RAINBOW METAL TECHNOLOGIES CO., LTD.
- 15 KURODA PRECISION TECHNOLOGY CO., LTD.
- 16 SHANGHAI KURODA TRADING CO., LTD.
- 17 TIANJIN KURODA TRADING CO., LTD.
- 18 TAIWAN KURODA ELECTRIC CO., LTD.
- 19 KURODA ELECTRIC U.S.A. INC.
- 20 NANKAI Enviro-Tech Corporation
- 21 NANKAI Mexico, S.A. DE C.V.
- 22 KURODA ELECTRIC CZECH S.R.O





④ Working with our Partners

At KURODA ELECTRIC Group we regularly purchase a wide range of materials, parts and other supplies. At the heart of all our operations, however, is the positive relationship we build and maintain with our trading partners.

Therefore, when selecting suppliers, we always adhere to the strictest codes of fairness and impartiality and are careful to observe every applicable law when purchasing.

⑤ Working with our Shareholders and Investors

The support of our shareholders and investors is vital for sustainable development at KURODA ELECTRIC. This is why we emphasize the importance of timely and pertinent "information disclosure and communication" in investor relations.

(1) Information Disclosure and Investor Relations Policies

At KURODA ELECTRIC We disclose important information pertaining to our social responsibilities in terms of financial, environmental and social standpoint to our stakeholders timely and pertinently. We value transparency, fairness and continuity when dealing with each and every one of our shareholders and investors. Not only do we disclose information required by the securities exchange's rules on timely disclosure, but in order to proactively promote fair disclosure of information we also publish documents regarding financial results briefings directly to our website.

In addition to the disclosure of information, in order to ensure an accurate and equitable assessment of our company, we also engage each of our shareholders and investors in direct communication thereby creating a proactive dialogue which then enables us, in the course of operations, to consult the many opinions of our stakeholders before making decisions.

Our earnest wish is that, in order to maintain the fair and smooth circulation of our marketable securities (KURODA ELECTRIC stocks), we are able to utilize this dialogue to even further raise the value of our enterprises at KURODA ELECTRIC.

(2) Stock Information

Total Number of Authorized Shares 120,000,000

Total Number of Outstanding Shares 39,446,162
(Of them, treasury stocks 1,811,271)

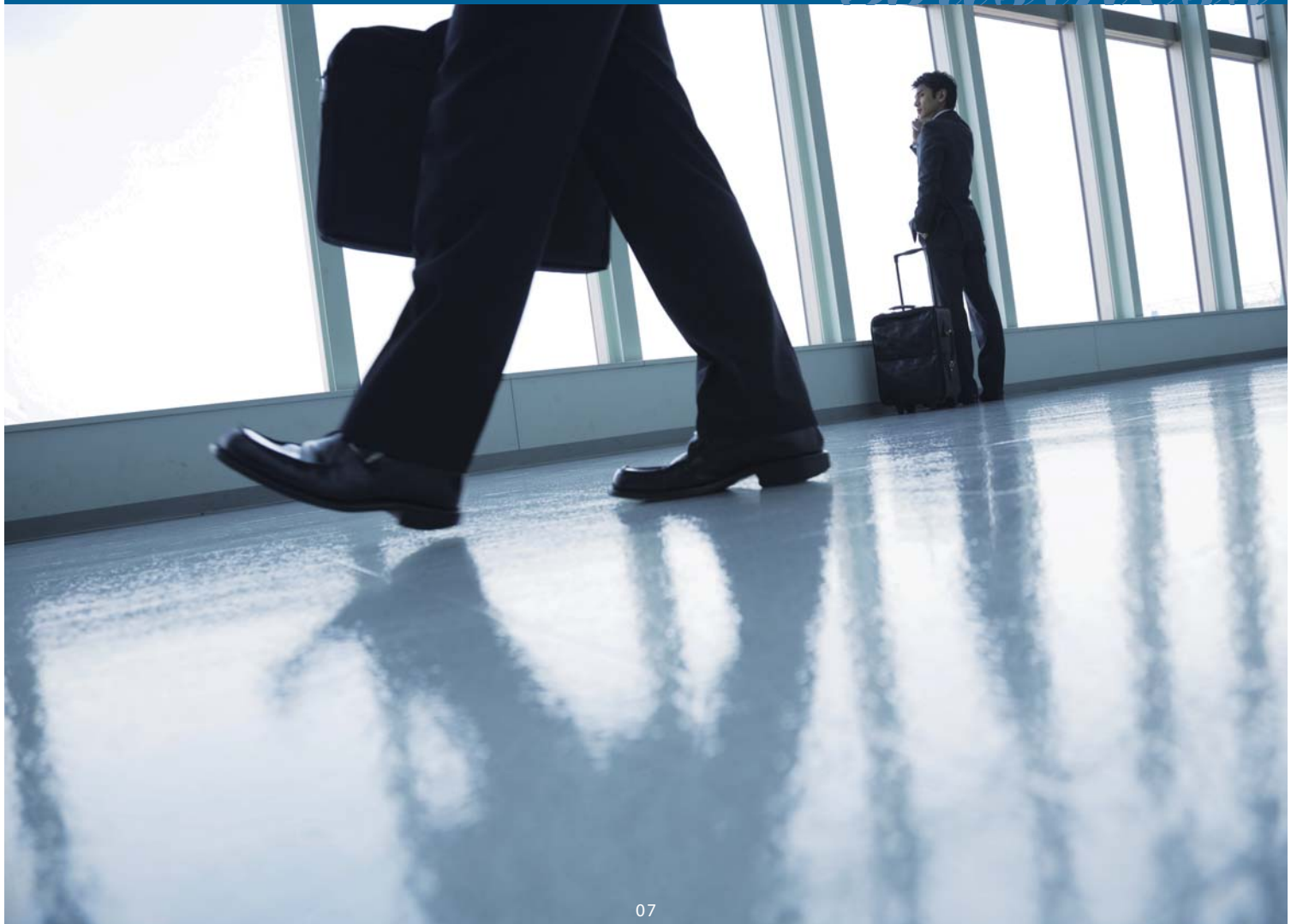
Total Shareholders 8,272
(as of the end of March, 2017)





KURODA ELECTRIC Group CSR Outline

Business



1

Corporate Philosophy—Company Motto—Mission Statement

(1) Corporate Philosophy

The items listed below, which form KURODA ELECTRIC's corporate philosophy, are the root of the company group's CSR policy. It is through this philosophy, unchanged since the company's inception, that we recognize our dues to the community and environment and continue to develop our business with freedom and creativity. It is this very philosophy which speaks to the heart of our existence as a company and our sense of social responsibility.

Life

Dynamic enthusiasm,
and appreciation for all
that the community and
environment allow.

Freedom

To allow our employees
to grow in independence
and capability through
the delegation of
responsibility.

Creativity

Most importantly,
to always avoid complacency,
and to pursue new territories
and possibilities
with bold resolution.

(2) Company Motto

For human existence, the two most fundamentally important things are **Life** and **Freedom**. Thus, for a company to continue developing in perpetuity it must respect and seek to actualize these two philosophies, and to build a corporate culture where the workplace overflows in both. With this logic in mind, KURODA ELECTRIC Group chooses the following as its Company Motto:

Let us stretch our **vital** roots deep into the earth,
and spread our limbs **freely** unto the sky.

(3) Mission Statement

Additionally, at KURODA ELECTRIC Group, our employees are united in a single fundamental approach which is defined by the following mission statement.

1. Let us remain mindful when dealing with others that we owe our existence to society at large and treat them with honesty and gratitude.
2. Let us value the gift of **life**, cherish our **freedom**, and so pursue vital living development.
3. Let us reflect always on our actions and, through **originality and ingenuity**, seek prosperity through business; Let us resolve to build character through our work.

2

The KURODA ELECTRIC Group Compliance Code of Conduct

(Hereafter 'Code of Conduct')

The Code of Conduct was established as guidelines or principles which every officer and employee of the KURODA ELECTRIC Group must comply with in all his/her daily business activities.

Our Code of Conduct does not stop at only the observance of laws and regulations but also gives heavy consideration to social and corporate ethics. The purpose of the code, rather, is to fulfill our social responsibilities and ensure the trust of our stakeholders by providing a set of fundamental rules for employees to follow in the course of their daily activities.

The Code of Conduct is comprised of seven core themes, including those prescribed by ISO26000 guidances (**Organizational Governance, Human Rights, Labor Practices, Environment, Fair Business Practices and Consumer Issues**) as well as **Community Participation and Development**. These seven themes reveal KURODA ELECTRIC's fundamental approach to its corporate activities.

3

Joining the United Nations Global Compact(GC)

In order for KURODA ELECTRIC to support the universal principles regarding human rights, labor, environment and anti-corruption proposed by the United Nations, KURODA ELECTRIC expressed its intention to join the United Nations Global Compact and was formally registered as one of signatory companies on March 2, 2011. Guided in this decision by our **Corporate Philosophy, Company Motto** and **Mission Statement**, in addition to supporting **the 10 fundamental principles** regarding these issues put forth by the Global Compact we have also chosen **the Sustainable Development Goals (SDGs)** as **the backbone criteria for our CSR activities**. As a global corporation and conscientious corporate citizens, it is our duty to contribute across all corporate fronts towards the realization of a sustainable society on a global basis.

The 10 Principles of the GC

Human Rights	Principle 1	Businesses should support and respect the protection of internationally proclaimed human rights; and
	Principle 2	make sure that they are not complicit in human rights abuses.
Labor	Principle 3	Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;
	Principle 4	the elimination of all forms of forced and compulsory labor;
	Principle 5	the effective abolition of child labor; and
	Principle 6	the elimination of discrimination in respect of employment and occupation.
Environment	Principle 7	Businesses should support a precautionary approach to environmental challenges;
	Principle 8	undertake initiatives to promote greater environmental responsibility; and
	Principle 9	encourage the development and diffusion of environmentally friendly technologies.
Anti-Corruption	Principle 10	Businesses should work against corruption in all its forms, including extortion and bribery

While the wording may vary slightly, the 10 principles listed above can, for the most part, also be found in the Code of Conduct. Meaning that, even before KURODA ELECTRIC formally joined the UN Global Compact, we had already enforced these principles through the establishment of and compliance with our own code of conduct.

4

The Relationship between the Sustainable Development Goals and CSR Activities

Since joining the UNGC, Kuroda Electric has pursued CSR activities guided by the UNGC Ten Principles and the Millennium Development Goals (MDGs). While the MDGs were formulated as targets for 2015, several of the targets were left unattained and were carried over to the SDGs*, which now join the UNGC Ten Principles as the standards guiding Kuroda Electric CSR activities.

*The United Nations Sustainable Development Summit was held during September 25-27, 2015, at the Headquarters of the United Nations in New York. The leaders of over 150 member nations attended, drafting "Transforming our world: the 2030 Agenda for Sustainable Development." The Agenda lays out declarations and goals that serve as an action plan for people, planet and prosperity. The 17 goals and 169 targets laid out in the Agenda comprise what is known as the Sustainable Development Goals.

KURODA ELECTRIC CSR Activities

KURODA ELECTRIC Co., Ltd. Corporate Philosophy—Company Motto—Mission Statement

The DNA of KURODA ELECTRIC

The UN Global Compact

Formal Entry on March 2, 2011

The 10 Principles of the UN Global Compact UNGC Sustainable Development Goals SDGs

The Backbone of our CSR Activities

SDGs Goal 4 Quality Education



Educational Support Activities in Thailand

- ① Continuous Support for Ban Parai Elementary School (in Sisaket Province) through interaction with the school
- ② Continuous Support for Watdonputza Elementary School (near Rojana Industrial Park in Ayutthaya Province) through interaction with the school

UNGC Principle 6

Businesses should support the elimination of discrimination in respect of employment and occupation

SDGs Goal 5 Gender Equality



Work-style Reform

- ① Transform in-company awareness regarding support for women's success in the workplace
- ② Establish support for childcare and nursing and encourage male employees to take advantage of them as well
- ③ Expand fields and positions occupied by female employees
- ④ Promote reduced overtime
- ⑤ Promote in-company diversity

SDGs Goal 15 Life on Land



Environmental Contribution Activities

- ① Conserve forests through cooperation with government organizations and NGOs
- ② Expand activities in the vicinity of Kuroda Electric Group locations in Southeast Asia



2016 CSR Goals with Principal Corresponding Activities

Evaluation Method ◎: Exceeds Goal (value of 120% or higher) ○: Meets Goal △: Unsatisfactory

	2016 Financial Year —Goals and Plans—	2016 Financial Year —Principal Activities—	Eval	Page No.
Organizational Governance	Strengthening of CSR Activities and Information Disclosure in Accordance with Participation in the GC	Preparation of the “CSR REPORT 2016” (reporting activities in 2015 financial year) and other Information Disclosure	○	—
	Implementation of Highly Transparent Management Practices and Strengthening of Practices Related to Governance	①Implemented management oversight and supervision via a board of directors comprised primarily of highly independent outside directors (reporting to the Tokyo Stock Exchange), and legal compliance audits through the audit committee ②Implemented training for directors, representatives and executive officers, in duties and obligations of officers, led by outside lawyers ③Added (selection possible) audit committee chairman (an outside director) to previous list of persons (the internal reporting secretariat and corporate attorneys) to receive internal reporting, and educated all employees on improvements to system and other issues via web training	○	14•16
	Continued Strengthening of Communication with Investors and Securities Analysts as well as Timely and Pertinent Disclosure in order to Promote Penetration of KURODA ELECTRIC's Management Policies and Strategies	①Held Financial Results Briefing for analysts and institutional investors in May, 2016 ②Held Individual IR meeting for analysts and institutional investors after disclosing quarterly results ③Held plant tours in December 2016 for domestic institutional investors, at overseas manufacturing and processing companies	○	06
Human Rights	Provision of CSR/Human-Rights Education for Compliance with the Code of Conduct	①Implementation of Human Rights Education as Part of New Employee Training ②Publication of 12 (Once Per Month) CSR Columns Featuring Human Rights as Their Main Theme in KURODA Channel, which Has Been Established as Our Internal Communication Medium	○	—
Labor Practices	Development and Implementation of Employee Training Programs in alignment with Position Class and Job Category	①Implemented management skills training ②Implemented web training to increase fundamental knowledge ③Implemented language training, life planning training, etc.	○	28
	Continuous support of preventative health measures for employees	①Implementation of Medical Checkups(Company burden) for 35-year-old or Older Employees ②Support for Brain Exams and Lung Cancer Screenings for 40-year-old or Older Employees ③Support for screening for cancer of the cervix and mammography for Female Employees	○	29-30
	Enrichment of preventative mental healthcare programs	Implemented stress checks for all employees based on the revised Industrial Safety and Health Act	○	29-30
Environment	Strengthening of Environmental Conservation Activities	Implementation of KURODA ELECTRIC ECO Point System, with Approximately 240 Employees Participating in ECO Activities	○	22
		Continue using Forest Management (CoC) Certified Copy Papers throughout the company	○	25
		Efforts for Compliance with Environmental Laws and Regulations	○	26
Fair Business Practices	Compliance with related laws and regulations, and thorough dissemination of the compliance code of conduct	①Implemented group training for all employees (2 themes) ②Implemented web training for all employees (1 theme) ③Implemented workplace modular training (4 themes: once every three months) using distributed training materials, with division heads as persons in charge of compliance promotion (instructors) ④Implemented group training for managers (1 theme) ⑤Began transmitting information related to compliance education via in-company bulletin board (once per month, to domestic and overseas affiliated companies)	○	15
Customer / Client Interaction	Strengthening of the KURODA Group System for Legal Compliance in the Procurement of Supplies	①Promoted understanding and appropriate application of laws and regulations related to the Act against Delay in Payment of Subcontract Proceeds, etc. to Subcontractors, via training and information campaigns ②Promoted formation of basic transaction contracts to ensure adoption of fair terms and conditions	○	—
	Further Improvement of KURODA ELECTRIC Group Quality Measures	Maintenance and Renewal of Globally-Integrated ISO Certification	○	24-25
Community Participation and Development	Continued Social Contribution in each of KURODA ELECTRIC Group's Established Areas	KURODA ELECTRIC Group's Educational Support Activities in Thailand	○	20
		Support for Persons (Regions) Affected by the Kumamoto Earthquakes	○	22
		Donation of Emergency Rations	○	22

⑥ CSR Activity Goals for 2017 Financial Year

Our goal every year at KURODA ELECTRIC is to elevate our CSR activities even further than before. In addition to projects carried over from 2016 or earlier, we plan to set the following goals for 2017 and hope to meet them with more than 100% success.



(1) Organizational Governance

- Continued Strengthening of CSR Activities and Information Disclosure in Accordance with Participation in the GC
- Implementation of Highly Transparent Management Practices and Strengthening of Practices Related to Governance
- Continued Strengthening of Communication with Investors and Securities Analysts as well as Timely and Pertinent Disclosure in order to Promote Penetration of KURODA ELECTRIC's Management Policies and Strategies.



(2) Human Rights

- Provision of CSR/Human-Rights Education



(3) Labor Practices

- Development and Implementation of Employee Training Programs in alignment with Position Class and Job Category.
- Implementation of Work-style Reform mainly focused on the support for women's success in the workplace
- Continuous support of preventative health measures for employees
- Enrichment of preventative mental healthcare programs



(4) Environment

- Strengthening of Environmental Conservation Activities



(5) Fair Business Practices

- Compliance with related Laws and Regulations, and Familiarization of the Code of Conduct



(6) Customer / Client Interaction

- Strengthening of the KURODA ELECTRIC Group System for Legal Compliance in the Procurement of Supplies
- Implement initiatives to increase the corporate value of the Kuroda Electric Group



(7) Community Participation and Development

- Continued Social Contribution in each of KURODA ELECTRIC Group's Established Areas

Initiatives at KURODA ELECTRIC

Business



Corporate Governance

At KURODA ELECTRIC, in order to fully realize our management philosophy and further raise the value of our enterprises, we consider corporate governance to be an issue of prime importance. It is to this end that we conform to the corporate governance codes established by the Financial Services Agency and the Tokyo Stock Exchange, and strive to follow healthy management systems, to strengthen internal controls, and to preserve administrative transparency through the timely and pertinent disclosure of information.

Additionally, we at KURODA ELECTRIC consider compliance to be a vital foundation to fulfilling our social obligations, and recognize thorough compliance as an indispensable element of business operations. As we strengthen corporate governance, we are also proactively addressing compliance management.

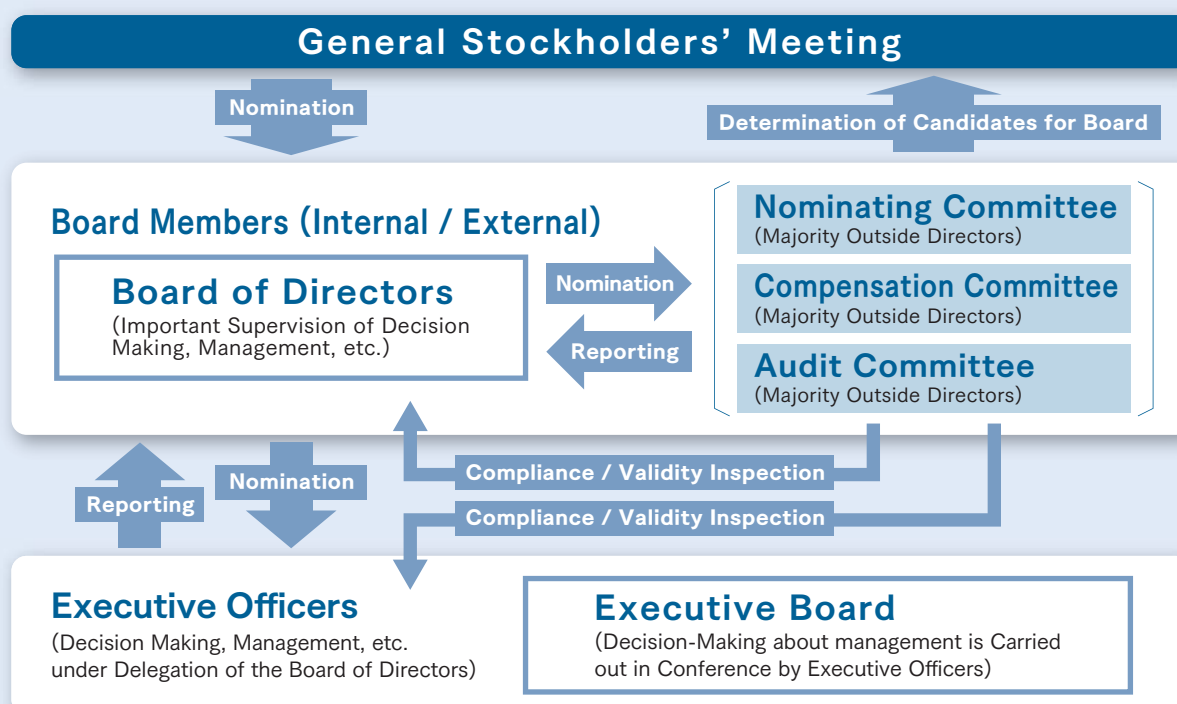
It is for this reason that we have established the KURODA ELECTRIC Group Compliance Code of Conduct, a set of principles which all officers and employees are required to follow in the course of business. At KURODA ELECTRIC we define the issue of compliance broadly, comprehending not only adherence to laws and internal regulations but also to greater items such as corporate ethics. Thus, the Code of Conduct becomes a concrete standard for the professional behavior in business operations that all group member officers and employees must comply with.

As a company with nominating and other committees, Kuroda Electric appoints multiple outside directors who are highly independent and free from conflicts of interest, in terms of capital, power, influence on operations and economic dependence vis-à-vis remuneration, striving to strengthen external oversight and ensure transparency in decision making.

The separation of execution and supervisory functions is fundamental to the management of corporations that have adopted a committees system, including a nomination committee. At KURODA ELECTRIC, this means that the right to direct management of corporate affairs is transferred to the president and other executive officers, while the Board of Directors overlooks their operations.

During the period covered in this report four of the six appointed directors were outside directors, all of whom fulfilled the requirements for independent officers laid out by the listing rules for the Tokyo Stock Exchange and who have submitted Independent Directors/Auditors Notifications to the exchange. Furthermore, during the annual shareholders meeting held in June 2017 five of the seven directors chosen to be appointed were outside directors.

KURODA ELECTRIC Corporate Governance



Compliance

At KURODA ELECTRIC Group we consider successful compliance as key to fulfilling our social obligations, and recognize thorough compliance as an indispensable element of business operations. Accordingly, we take a proactive stance towards compliance management. To be more precise, the KURODA ELECTRIC Group Compliance Code of Conduct has been established as a guideline which employees must follow during all business activities. Compliance Education based on the Code of Conduct is carried out on an annual basis for all employees to be informed about thorough compliance awareness.



The KURODA ELECTRIC Group Compliance Code of Conduct System

Basic stance as a corporation

- (1) Observance of ordinances
- (2) Observing in-house rules
- (3) Respecting human rights
- (4) Severing of relationships with anti-social forces
- (5) Promoting CSR

Basic stance regarding trading

- (1) Strict adherence to the conclusion of a written contract with the client and also observance of the contract conditions
- (2) Fair market competition
- (3) Relationship with subcontractors
- (4) Rules related to export and import
- (5) Safety of products and services
- (6) Environmental protection
- (7) Giving gifts or providing entertainment
- (8) Receiving gifts or being entertained
- (9) Prohibition against giving gifts to, or providing entertainment for, public servants

Compliance Code of Conduct of Kuroda Electric Group

Relationship with our employees

- (1) Duty to work honestly
- (2) Prohibition against harassment
- (3) Observance of work-related ordinances
- (4) Elimination of forced labor and child labor
- (5) Maintenance of the environment in the workplace

Coping with the computerized society

- (1) Protection of intellectual property
- (2) Respecting the intellectual property of a third party
- (3) Control of our information
- (4) Control of client information
- (5) Protection of personal information

Development of sound financial activities

- (1) Protection and appropriate use of corporate assets
- (2) Fair accounting procedures
- (3) Accounting and financial reports
- (4) Disclosing information to shareholders and investors
- (5) Prohibition of insider trading
- (6) Promotion of common benefits for stakeholders

① The KURODA ELECTRIC Group Compliance Code of Conduct

Basic stance as a corporation : Observance of ordinances and contribution to society

Laws are rules that apply equally to the constituent members of a community such as our corporation. They also indicate orderliness concerning the activities of a corporation or individuals in a society. Observance of the laws is a basic rule of a society, and can be said to be a condition for ensuring the continued existence of a corporation. We observe these basic rules, and also promote activities that contribute to society, aiming at the realization of a bountiful society.

Relationship with our employees : Our responsibility for enabling employees to work and employee's responsibility for working

The relationship between our corporation and our employees with regard to work includes working conditions such as working hours and holidays, provision of salary, and also the preparation of a safe, satisfactory working environment, which is our responsibility as a corporation and an employer. However, a working environment is not something that can be realized by the efforts of the company alone. Improvement of the working environment is joint work based on the intention of each and every employee comprising the company and the workplace to create a company that is pleasant to work for, and also the wish to work at the company for a long time. It is important for the company to be aware of its responsibility to enable its employees to work, and also for the employees to be aware of their responsibility to work.

Basic stance regarding trading : Fair dealing that does not contravene the law

The aim of trading is to create sound profits. To this end, we carry out severe negotiations with the client, and there are also cases in which we argue with the client. However both parties must observe the trading conditions that are ultimately agreed upon. If we were to carry out trade using an illegal method, we would be in danger of losing our social standing, even assuming that such behavior were to result in large profits over a short period. Trade itself must be something that is fair and free from illegality. The observance of this basic stance supports high-trust trading and also increases the standing and profits of the corporation.

Coping with the computerized society : Correct control and utilization of informational assets

Along with the rapidly advancing changeover to a computerized society, we are being surrounded by all manner of information. Among this information is beneficial information including intellectual property such as patents, and customer information that can be used in trading. This kind of information can be used in business as important management resources and informational assets, so we will not simply store it away. However, it is also necessary to appropriately control such information. It can be said that appropriate control and utilization of information resources are necessary for sound business development.

Development of sound financial activities : Acquisition of a firm financial foundation and the trust of the stakeholders

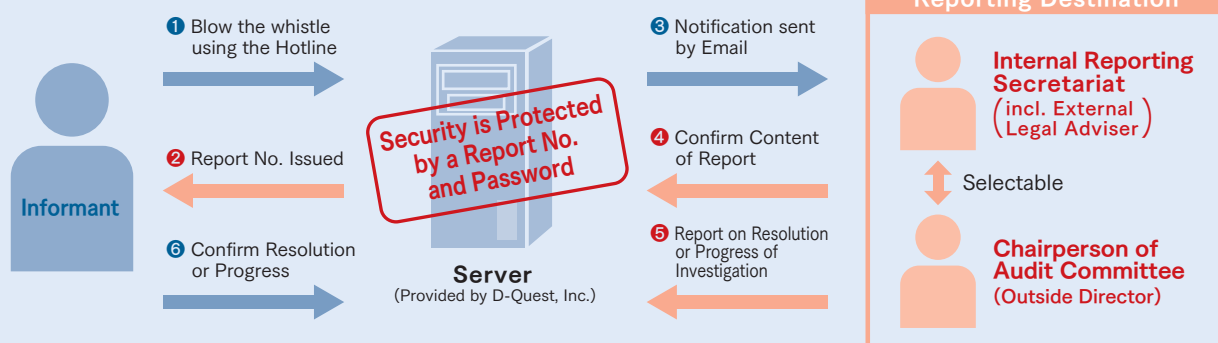
Our shareholders and investors, who are financial backers, look forward to receiving highly reliable financial reports. These reports are also required by law. We must carry out management activities that do not deceive our shareholders and investors. Also, in order to acquire sufficient profit and capital to support the entire Kuroda Electric Group which is aiming to development and expand its business, it is necessary to carry out appropriate accounting procedures and financial activities.

② KURODA ELECTRIC Group Hotline

KURODA ELECTRIC developed and operated an internal reporting system called Kuroda Electric Hotline, as a method for employees to blow the whistle when they have encountered a violation either of the law or company regulations or witnessed actions of an unethical or immoral nature. The company has now expanded this hotline globally to all group companies as the Kuroda Electric Group Hotline.

Reports can be made anonymously via the hotline. An informant can select an Internal Reporting Secretariat (including External Legal Adviser) or a Chairperson of Audit Committee (Outside Director) as the reporting destination (effective as of April, 2016). The Corporate Action Committee (for addressing company-wide risks) and Legal / Intellectual Property Division deliberate how to respond to suspected compliance violations.

Anonymous Hotline



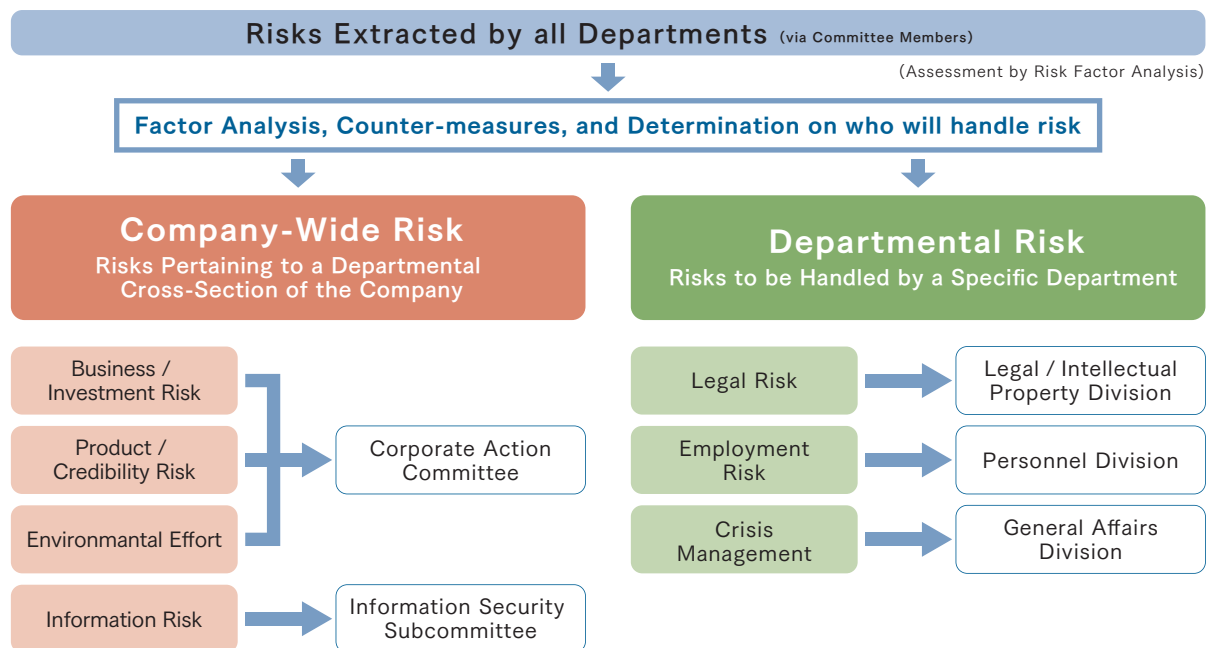
Risk Management

① The Corporate Action Committee's Response to Compliance and Risk Management

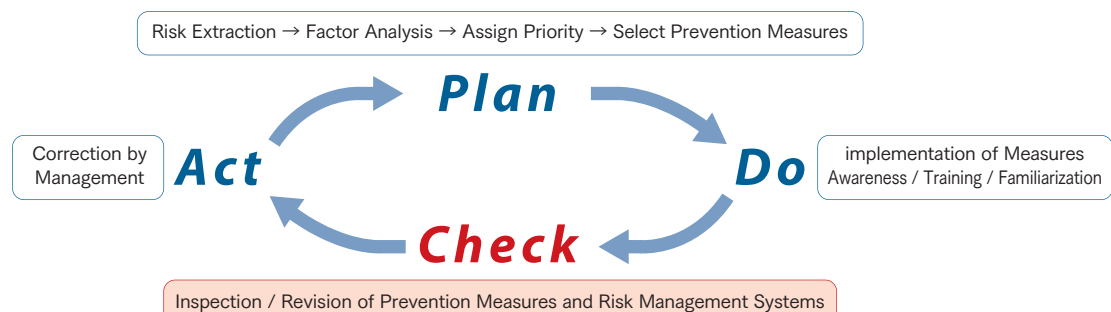
Our response to Compliance and Risk Management is one of most important problem to our Corporate Social Responsibilities. The Corporate Action Committee was established in order to raise the value of our enterprises, prevent against loss of credibility and to enforce trustworthy risk management practices.

The Role of the Corporate Action Committee Regarding Risk Management

- Formulation of basic policy, risk management control
- Formulation of countermeasures and response systems for identified risks
- Monitoring implementation status of risk management
- Compliance promotion and formulation of training policies



- Prevention Measures and Risk Management Systems Inspection / Revision
Continual Improvement of Risk Management Through PDCA





② Information Security

In 2008, in order to protect personal information and business secrets of clients and stakeholders alike, we formed the Information Security Subcommittee, establishing rules for Basic Information Security Policies, Rules for Information Security and Information Security Standards. Using these regulations as a guideline we strive to maintain and improve security through periodic web training for employees as well as Information Security Self-Check.

KURODA ELECTRIC **Basic Information Security Policies**

At KURODA ELECTRIC, we consider informational assets to be one of our vital management resources. The Basic Information Security Policies were established to ensure appropriate management and protection of our own informational assets as well client assets in our holding.

KURODA ELECTRIC Basic Information Security Policies

- KURODA ELECTRIC will enforce appropriate security measures regarding its informational assets in accordance with their priority.
- KURODA ELECTRIC will also take the utmost care to ensure the security of informational assets of clients which are handled in the course of business, and will take constant measures to prevent risk of loss, destruction, falsification or unauthorized disclosure.
- Together with the establishment of the Information Security Subcommittee, KURODA ELECTRIC will appoint managers to oversee the information security of all departments handling informational assets and through the company organizational structure will work to enforce and promote strategies for the security of informational assets.
- KURODA ELECTRIC will implement continuous information security training for all officers and employees and work to spread general and total awareness of information security policies.
- KURODA ELECTRIC will periodically conduct a self-check in terms of the operational status of information security and take corrective measures, as necessary, to ensure security.
- KURODA ELECTRIC will adhere to any laws and regulations pertaining to personal information and information security.



Social Contributions by KURODA ELECTRIC Group

Support and Contribution



Educational Support Activities

Financial Support for New Building Construction Project for Ban Parai Elementary School in Thailand

Located approximately 500km northeast of the capital of Bangkok, in the Phayu District of Thailand's Sisaket Province, Ban Parai Elementary School is located near the Cambodian border, in an area where there are a lot of people who speak local languages such as Lao and Khmer.

In August of 2010, as one of educational support activities in Thailand, the executive committee of KURODA ELECTRIC approved a financial support for the new school building construction project for Ban Parai School resulting in donating 1.7 million baht (approx. 4.7 million yen) to the public interest incorporated foundation, Plan Japan.



KURODA ELECTRIC Group's Educational Support Activities in Thailand

① Donation of Abandoned Bicycles* from Shinagawa Ward (Tokyo) to Watdonputza School

Bicycles left in no-parking zones in Shinagawa Ward are removed by the city and then stored in either Yashio-Kita Bicycles Storage Center or Fudomae Bicycle Storage Center. Bicycles that are not claimed by the deadline for storage (30 days) can then be purchased from the city, for instance by recycled bicycle vendors within the ward. We visited the civil engineering department (bicycle division) of Shinagawa Ward several times, explaining our past history of supporting education in Thailand, and convinced them to give us several abandoned bicycles free of charge, on the condition that we would use them to contribute to society. Our staff members visited Yashio-Kita Bicycle Storage Center, and after removing locks and test-riding several bicycles, selected 45. Those bicycles were loaded on a truck, and then shipped to Z. Kuroda (Thailand) Co., Ltd. (hereafter: ZKT) via a ship departing from Tokyo's Oi Wharf (on April 29, 2016). Upon arriving at ZKT, the 45 bicycles were inspected, repaired and cleaned.

*Abandoned bicycles: Abandoned bicycles are categorized as those that have been left in shared public spaces such as roads or station plazas, and, which cannot be immediately moved because the owner, regardless of the amount of time, has left them unattended.



Arrival at ZKT on May 18.



Inspection, repair and cleaning from May 19 to May 31.



On June 8 a large donation ceremony was held, attended by a full 70 people, including the Ayutthaya prefectural governor and other VIPs, at Watdonputza Elementary School.



② Regular Visits to and Support for Ban Parai Elementary School by ZKT

In August 2010, the executive committee approved a financial support for the new school building construction project for Ban Parai Elementary School resulting in donating about 4.7 million yen to the Public Interest Incorporated Foundation, Plan Japan. An opening ceremony for the newly completed school building was held in May 2011, with ZKT management also in attendance. Since then, ZKT volunteers have been visiting Ban Parai Elementary School every two years to offer ongoing educational support and to maintain a positive relationship with the school, teachers and surrounding community. On most years volunteers visit the school on Thailand's Children's Day (the second Saturday of January). They were expected to visit again on January 14, 2017, but due to hectic scheduling the visit was changed to February 25, instead. In 2017, ZKT offered support in three major forms.



① LAN network for the school
We provided financial support for the construction of a LAN system for sharing information, saving files and sharing printers, with 10 computers installed.



② Chairs used for kids in the canteen
We replaced several of the old chairs for children's use in the cafeteria, which had broken and were no longer usable, with 70 suitable plastic chairs.



③ Slide door for the canteen
Out of concern for the children's hygiene, we supplied two sliding doors to keep dogs, cats and birds from entering the cafeteria.



The items to the left were all provided with financial support from ZKT, but we also donate items such as educational materials, sports equipment, toys and stuffed animals, and aim for interaction with the children through a variety of games.

Environmental Contribution Activities



Toyota City



Ayutthaya Province



Ayutthaya Province

KURODA ELECTRIC Environmental Contribution Activities

Since 2004, as a component of our Environmental Contribution Activities, KURODA ELECTRIC has implemented afforestation, planned thinning, and other forest preservation and agricultural experience projects in Thailand, Kagawa, Kumamoto and elsewhere. Additionally, beginning in 2008, in order to offer the opportunity for steady participation in areas closer to home, our forest preservation projects were extended to Ome City, in the Tokyo Metropolitan Area. In 2011, similar activities began in Kurokawa, Kawanishi City, Hyogo Prefecture. Additionally, in 2016 we carried out forest conservation activities in cooperation with the Organization for Industrial, Spiritual and Cultural Advancement International (hereafter: OISCA).



① KURODA ELECTRIC Company Forest (Ome, Tokyo)

The KURODA Company Forest in Ome, Tokyo was initiated with the event of planting "low-pollen cedar" saplings in 2008. Since then, an annual forest maintenance event has been held to weed undergrowth that hinders the trees growth. As the cedars had already grown to a healthy height of 10 meters or more and trimming of undergrowth was no longer necessary, no particular activities were carried out in fiscal 2016.

② KURODA ELECTRIC Company Forest (Kurokawa, Kawanishi, Hyogo)

The high-grade "kiku-zumi" charcoal used in tea ceremonies has been made in Kurokawa, Kawanishi, in the Hokusetsu region, since the Muromachi period. At the Kurokawa Company Forest, KURODA ELECTRIC cultivates the sawtooth oaks from which this charcoal is produced, helping to promote biodiversity and contribute to local scenery and culture. In 2016 approximately 70 employees and family members from Kuroda Electric, Nichido-Denko and Komura-Tech participated in a Company Forest event. Unfortunately, due to rain the event was changed to a tour of the waste processing facility, and undergrowth trimming was carried out by contractors on a later date.

③ Chubu Region Hands-on Tree Thinning Program, in Cooperation with OISCA

On October 15, 2016 (Sat.) a total of 38 employees (and family members) of the Kuroda Electric Anjo/Nagoya Sales Office and employees of Sohwa & Sophia Technologies, Inc. participated in a hands-on tree thinning program. After receiving instruction from the head of the Toyota City Industrial Division, and learning about the difference between forest-related issues in Japan and overseas and the importance of tree thinning in Japan, Kuroda Electric Group employees and OISCA overseas trainees split into four teams to engage in tree thinning at OISCA Forest, under the direction of the Forest Rangers Association (a volunteer expert tree-thinning association comprised of OISCA alumni).

④ Ayutthaya, Thailand Forestation Program, in Cooperation with OISCA

On September 1, 2016, ZKT employees interacted with children from Watdonputza Elementary School (where abandoned bicycles were donated) and elementary schools supported by OISCA, engaging in forestation and nature games at a city park located approximately 15 minutes away by car from Ayutthaya's Rojana Industrial Park. The activity was coordinated by OISCA (Bangkok branch).

Regional, Household and other Social Contributions

Strengthening Our Bond to Society and Community

KURODA ELECTRIC Group is involved in a variety of social and regional activities both within and without the company. Through these contributions, we hope to strengthen bonds not only within the company but with the society and community at large.

① KURODA ECO Point System

KURODA ELECTRIC have introduced the Kuroda ECO Point System in February 2012 in order to encourage environmental contribution activities on the part of employees and their families, not only within the company but in the broader society and community as well. KECO (KURODA ECO) points are distributed based on activities carried out. In fiscal 2016, around 240 employees (including employees loaned to affiliated companies in and outside Japan) participated, engaging actively in environmental initiatives at work, home, and in the community.

② Used Stamps Collection Drives

KURODA ELECTRIC supports overseas afforestation via the Defense of Green Earth Foundation. In 2016, we collect one full cardboard box worth of used stamps, etc. The proceeds earned through these collection drives are used to purchase seedlings for use in afforestation at Mt. Nansi in Tongchuan, China or at Mt. Kilimanjaro in Tanzania.

③ Hold Basketball Clinics

As part of efforts to contribute to communities/families and promote sports in Shinagawa Ward, we hold a basketball clinic (technical guidance) for elementary school aged and older children in the ward. The clinic was held again this fiscal year in February 2017, as an opportunity for current athletes and staff with the Kanto Industrial and Commercial No. 1 League to share with children the excitement and fun of playing basketball.



④ Support for Persons (Regions) Affected by the Kumamoto Earthquakes

In response to the massive damage caused by the M6.5 foreshock on April 14, 2016 and the M7.3 main earthquake on April 16, which were centered on Kumamoto Prefecture, we provided support for persons (and regions) affected by the earthquakes through a donation of 1 million yen to NPO Japan Platform (JPF). We pray for the souls of those who were lost in the disaster, and offer our deepest sympathies to those persons and regions affected.

⑤ Donation of Emergency Rations

We support Second Harvest Japan's efforts to 'utilize rather than discard foodstuffs that can no longer be placed on market, but which are still more than safe enough for human consumption,' and in March donated 350 emergency ration packets nearing their best-by date in August 2016. These rations were delivered to children at orphanages, domestic violence shelters, those forced to live on the streets, and other destinations where they can be put to effective use.

⑥ Donations from Vending Machine Sales

KURODA ELECTRIC Co., Ltd. and Group company KURODA TECHNO Co., Ltd. donate 1% of monthly sales from the beverage vending machines at their headquarter as "Green Funds." These funds go to the Tokyo Development Foundation for Agriculture, Forestry and Fisheries supporting the "KURODA ELECTRIC COMPANY FOREST (Ome, Tokyo)" initiative.

⑦ Cleanup of Road Surrounding HQ Location

Striving to beautify the local environment as a member of the local community, Group company KURODA TECHNO has established Monday as a day of cleaning and periodically engages in cleanup activities on company grounds and nearby roads.

⑧ Support for Regions affected by the Kumamoto Earthquakes

In order to support regions affected by the Kumamoto earthquakes of April 2016, on April 21 Group Company Komura-Tech sent approximately 600 emergency meals that had been stored in company.



⑨ Provision of Work Experience Opportunity for Local Junior High-School Students

Group company Nichido-Denko accepts second-year junior high school students in the town of Shimamoto to its head office plant to gain hands-on work experience as part of regional contribution activities. From November 9 to 11, 2016, three students from Shimamoto Daiichi Junior High School experienced the fun and arduousness of work while also learning about appropriate language, greetings, and professional manners through simple assembly, distribution, and light work. They also expanded their views of occupations and learned desirable attitudes to work and labor.



Quality and Environmental Management Systems

Management System



QUALITY POLICY

As a supplier of products and solutions offering a clear added value to the customer via design / prototyping, provision of components, distribution of inventory and more, KURODA ELECTRIC Group's first priority is to ensure the trust and satisfaction of our customers by offering a reliable source of quality which fulfills customer demand. We therefore adhere to the following policies regarding quality at KURODA ELECTRIC :

- (1) As a business primarily concerned with supplying materials for production it is our duty to fully grasp the business environment, to conform to our client's vision and demands, and, furthermore, to proactively offer products and services which will contribute to our customers' profits.
- (2) In the area of manufacturing, we will work with associated domestic and overseas companies in order to form a global response and further maintain and improve partnerships with our customers.
- (3) We will fulfill our social obligations by adhering to all applicable laws and regulations, will establish pertinent quality management systems, and through punctual implementation of the PDCA cycle will continually work to improve the effectiveness of quality management.
- (4) In order to reduce the environmental burden and contribute to a recycling society we will manage our environmental burden and promote environmentally friendly products, thus raising environmental quality.
- (5) In order to continually offer higher quality products and services we will analyze prior problems and complaints and adopt appropriate prevention measures. In addition, through effective development of this analysis, we will also work to prevent possible future problems and complains.

We will fully fulfill our administrative responsibilities, including the provision of appropriate management resources, in order to ensure, through the concrete objectives and plans of individual departments, all possible implementation of the above policies.

June, 2009



KURODA ELECTRIC Co., Ltd.

KURODA ELECTRIC Co., Ltd.
President and Chief Executive Officer
Takashi Kaneko

金子孝



1 Quality / Environmental Policies

As environmental awareness grows increasingly pressing, ecological care has become a valued component in the development of new products. In addition to recycling and the elimination of SOC(Substance Of Concern), the presence of radiation, noise pollution and electromagnetic waves are all important issues for companies to address.

At KURODA ELECTRIC, in order to effectively deal with problems of quality and the environment we have established official quality and environmental policies, as well as specialized in-house organizations.

ENVIRONMENTAL POLICY

Fundamental Philosophy

At KURODA ELECTRIC we are aware that, in every sphere of business, global environmental conservation is the most important issue shared by us as human beings. In order to promote environmental awareness and conservation we aim to proactively contribute to such issues as energy and resource conservation, waste reduction and the recycling of resources.

Environmental Policies

- (1) To pursue work in a manner which reduces the environmental burden to its utmost minimum and to engage in environmental conservation and precautions against pollution.
- (2) To set environmental objectives and targets, to provide a framework for revision, to periodically review our environmental actions and to work for continual betterment.
- (3) To adhere to all laws and internally accepted regulations regarding environmental conservation while addressing the following:
 - ① CO₂ Reduction
 - ② Waste Reduction
 - ③ The Sale of Environmentally Friendly Products
- (4) To show appreciation for the ecological services we are gifted with through the supply chain, to work to reduce the effect of business activities on biodiversity, and to promote biodiversity conservation.
- (5) To concretely manifest and maintain these policies, and promote their awareness among all employees.
- (6) To publish these policies widely and also furnish other appropriate information.

Revised March, 2012 (Original Policy Adopted June, 2009)



KURODA ELECTRIC Co., Ltd.

KURODA ELECTRIC Co., Ltd.
President and Chief Executive Officer
Takashi Kaneko

金子孝

② Quality and Environmental Controls

(1) Globally-Integrated ISO Certification

KURODA ELECTRIC acquired globally integrated ISO certification in September 2009 and has been maintaining its certification since then. The latest renewal was made in October, 2016.



(2) Continue using Forest Management (CoC) Certified Copy Paper throughout the company

KURODA ELECTRIC changed the copy paper it uses, company-wide, from the previous paper used (undisclosed raw materials, not environmentally friendly) to Forest Management (CoC) Certified copy paper on August 1st, 2013. Since then, the copy papers have been continuously used company-wide.

※Forest Management (CoC) Certification: An international certification system that ensures that lumber and wood products are obtained from an appropriately managed forest.

(3) Management of Chemical Substances in Products

In order to comply with all domestic and international laws and to meet customer demand, we at KURODA ELECTRIC are strengthening the reasonable management of chemical substances in products along all stages of the supply chain. Additionally, in order to provide pertinent information to suppliers, we will hold periodic information sessions, maintain the newest version of client Green Procurement Guidelines, hold audits and more. In order to enforce reasonable management of chemical substances in products, we strive to work as a capable medium between our clients and suppliers.

(4) Investigation of Conflict Minerals

Detailed rules based on Section 1502 of the Dodd-Frank Wall Street Reform and Consumer Protection Act (the Dodd-Frank Act), which were adopted by the US Securities and Exchange Commission (hereafter: SEC) on August 22, 2012, require companies listed on the US exchange to report on efforts to avoid the use of conflict minerals (tin, tantalum, tungsten, gold) originated in **the Democratic Republic of the Congo and/or adjoining countries to the SEC**. While the KURODO ELECTRIC Group is not listed on the US exchange, through its supply chain, in order to respond to customer requests (for investigation), KURODO ELECTRIC gathers information on conflict minerals from its suppliers. In 2016, in response to requests from a total of 419 customers, KURODA ELECTRIC gathered information on conflict minerals from a total of 1,367 suppliers and provided customers in question with responses based on the information gathered from its suppliers.

(5) Efforts for Compliance with Environmental Laws and Regulations

- We are working to strengthen our compliance with laws and regulations by improving the understanding of our employees concerning legal requirements. We have also investigated approximately 90 environmental laws and regulations to create our List of Environmental Laws, Regulations, and Other Requirements, which presents information on applicability by location, notification documents, and periodic report deadlines.
- In order to comply with the Waste Management and Public Cleaning Law and appropriately dispose of industrial waste generated as part of our business activities, we have established a system for the advance verification of the content of disposal applications via our ISO Office. By issuing electronic manifests, the ISO Office (a portion of which is located at the Chubu Logistics Center) helps ensure thorough compliance with the Waste Management and Public Cleaning Law.
- When conducting an internal ISO audit at each location, the ISO Office not only evaluates ISO 9001/ISO 14001 conformity but also compliance with environmental laws and regulations, helping to ensure thorough compliance.
- As the Act on Rational Use and Proper Management of Fluorocarbons came in to force on April 1, 2015, we are confirming compliance with the law by requiring the implementation of simple inspections of subject machinery each quarter at relevant locations based on inventory surveys of Class 1 Specified Products (subject machinery), as well the presentation of inspection results to the ISO Office.

③ Environmental Performance

KURODA ELECTRIC Co., Ltd.

Data Concerning KURODA ELECTRIC's Environmental Performance	2014 Financial Year	2015 Financial Year	2016 Financial Year
① Business Paper Use (Unit : 1,000 Sheets)	2,816	2,657	2,674
② General Waste (Unit : kg)	86,986	95,328	119,165
③ Recycled Waste (Unit : kg)	69,764	78,074	102,414
④ Recycling Rate (Unit : %)	80.2	81.9	85.9

※ The coverage of Kuroda Electric Co., Ltd.'s environmental performance data includes the contracted outside warehouses as well as the sites covered under the Globally-Integrated ISO Certification.

KURODA ELECTRIC Group (Domestic Only)

Energy Consumption & CO ₂ Emissions	2014 Financial Year					2015 Financial Year					2016 Financial Year				
	Electric Usage (MWh)	Gasoline Consumption (kℓ)	Gas (m ³)	Oil (kℓ)	CO ₂ Emissions (t-CO ₂)	Electric Usage (MWh)	Gasoline Consumption (kℓ)	Gas (m ³)	Oil (kℓ)	CO ₂ Emissions (t-CO ₂)	Electric Usage (MWh)	Gasoline Consumption (kℓ)	Gas (m ³)	Oil (kℓ)	CO ₂ Emissions (t-CO ₂)
KURODA ELECTRIC Co., Ltd.	2,055	78.4	0	0.0	1,264	1,901	68.3	0	0.0	1,100	1,842	66.4	0	0.0	959
KURODA TECHNO Co., Ltd.	261	1.1	17	0.0	141	279	1.2	16	0.0	144	231	1.2	22	0.0	110
KOMURA-TECH Co., Ltd.	4,072	4.1	381,065	0.0	2,985	3,944	4.2	328,597	0.0	2,836	3,898	2.1	331,185	0.0	2,727
Sohwa & Sophia Technologies Inc.	517	5.6	15	0.0	299	467	5.1	20	0.0	255	463	4.9	22	0.0	225
NICHIDO-DENKO Co., Ltd.	2,109	65.5	367	4.7	1,268	2,001	62.0	319	3.6	1,219	1,784	61.7	422	5.3	1,068

※ Gas=municipal/LP gas. Oil=diesel/kerosene.

Working with our Employees

with Employee



1 Developing Skilled Human Resources

(1) Education and Training by Job Category

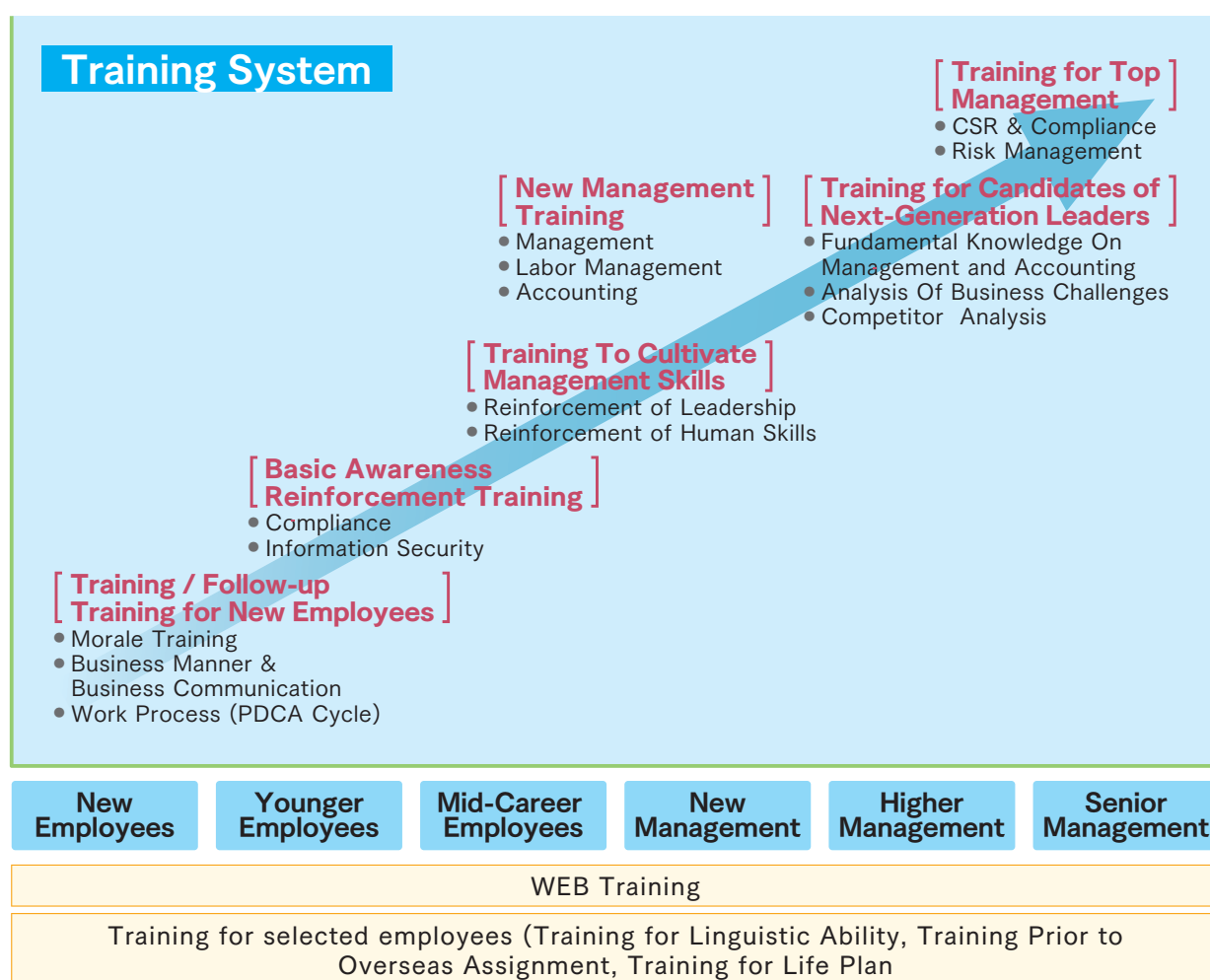
We carry out web training to raise fundamental awareness and knowledge of daily business practices for employees. Programs have been established to provide training not only for full-time employees but also to present equal opportunities for training for part-time and dispatch employees. In fiscal 2016 four web training modules were offered, with a total of 1,076 persons participating. Every year, introductory training is also carried out for new employees when they first enter the company, as well as follow-up training after they are assigned to a department.

(2) Education and Training by Position Class

We conduct education and training by position class to improve relevant skills for young personnel, new management staff, and human resources anticipated to serve as management candidates in the future. In fiscal 2016 we held training for fundamental skills required for management, with participants selected from young employees who present as strong candidates for future management. Going forward, we will continue to cultivate human resources, with such training being expanded to other position classification.

(3) Skill Management and Lifelong Learning

We have introduced a system for education and training by position class and job category. We are focusing in particular on lifelong learning that provides employees not only with knowledge and information on their professional duties but also enables them to grow as members of society and of their organization. In addition, in order to tackle the challenges of globalization, we are also working to support our employees in learning English, including promoting TOEIC testing and the provision of English language lessons by ability.



② Employee Welfare Programs

Group Long Term Disability Income Indemnity Insurance (GLTD)



At most companies, when an employee is unable to work for an extended period of time due to illness or injury they are often entitled to Special Paid Absence so long as their tenure continues. But if they are still unable to return to work at the end of their appointed leave and their employment is thus terminated, the strain of hospitalization and doctor's fees on their household budget can be extreme. However, in order to create a work environment where employees can enjoy consistent peace of mind, and to help guard against any worst-case scenario, we at KURODA ELECTRIC provide Group Long Term Disability Income Indemnity Insurance (GLTD), guaranteeing a portion of an employee's regular salary as compensation, potentially until the age of retirement, should they be unable to work for an extended period due to illness or injury. Additionally, this insurance provides fixed period compensation for employees who take a temporary leave due to mental disorder.

③ Mental Healthcare Programs

In order to help support our employees' mental health, an employee assistance program was introduced in 2007. In order to ensure primary, secondary and tertiary precautions concerning workplace mental health, the program has adopted the following measures.

Mental Checkups

Once per year we carry out online mental checkups for all employees. In fiscal 2016 we switched to a stress check method, in line with the revised Industrial Safety and Health Act, striving for early detection and treatment of mental health issues.

Follow-up by External Specialists

Just as follow-up exams are carried out when cause is found to worry after a physical exam, in the event that a stress check should show that something is amiss follow-up exams and treatment guidance are carried out by external specialists (psychiatrists or clinical psychologists) (consultation regarding employees or family members also available).

EAP Consultation

A consultation window is open for those with physical or mental health concerns. In principle, this window is available 24 hours a day to offer support via email, phone and direct consultation (Consultations are also open to the families of employees).

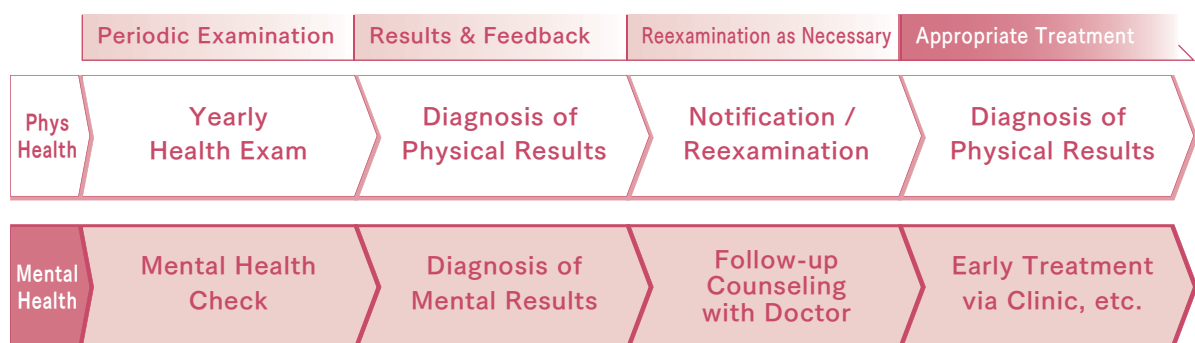
The Mental Healthcare Program

An Employee Assistance Program (EAP) offering support to employees and family via external specialist institutions.

Overview of Support Programs

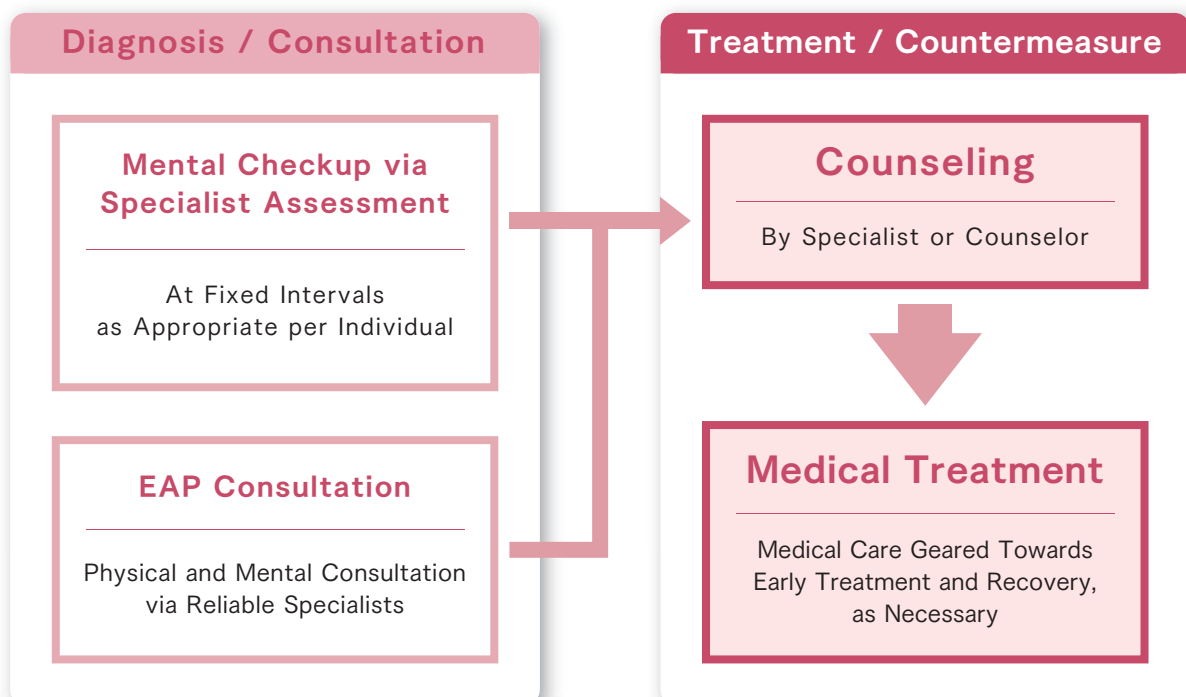
The incidence of mental health related workman's comp claims and settlements is on the increase, with some reports placing the ratio of disabled workers out due to mental disorders at 40%, thus making workplace mental healthcare more important an issue than ever before.

In previous years, while employees were required to have periodic physical checkups, no such checkup was carried out for similar mental issues. With the addition of mental checkups to regular physical exams, our goal is to provide more comprehensive total healthcare.



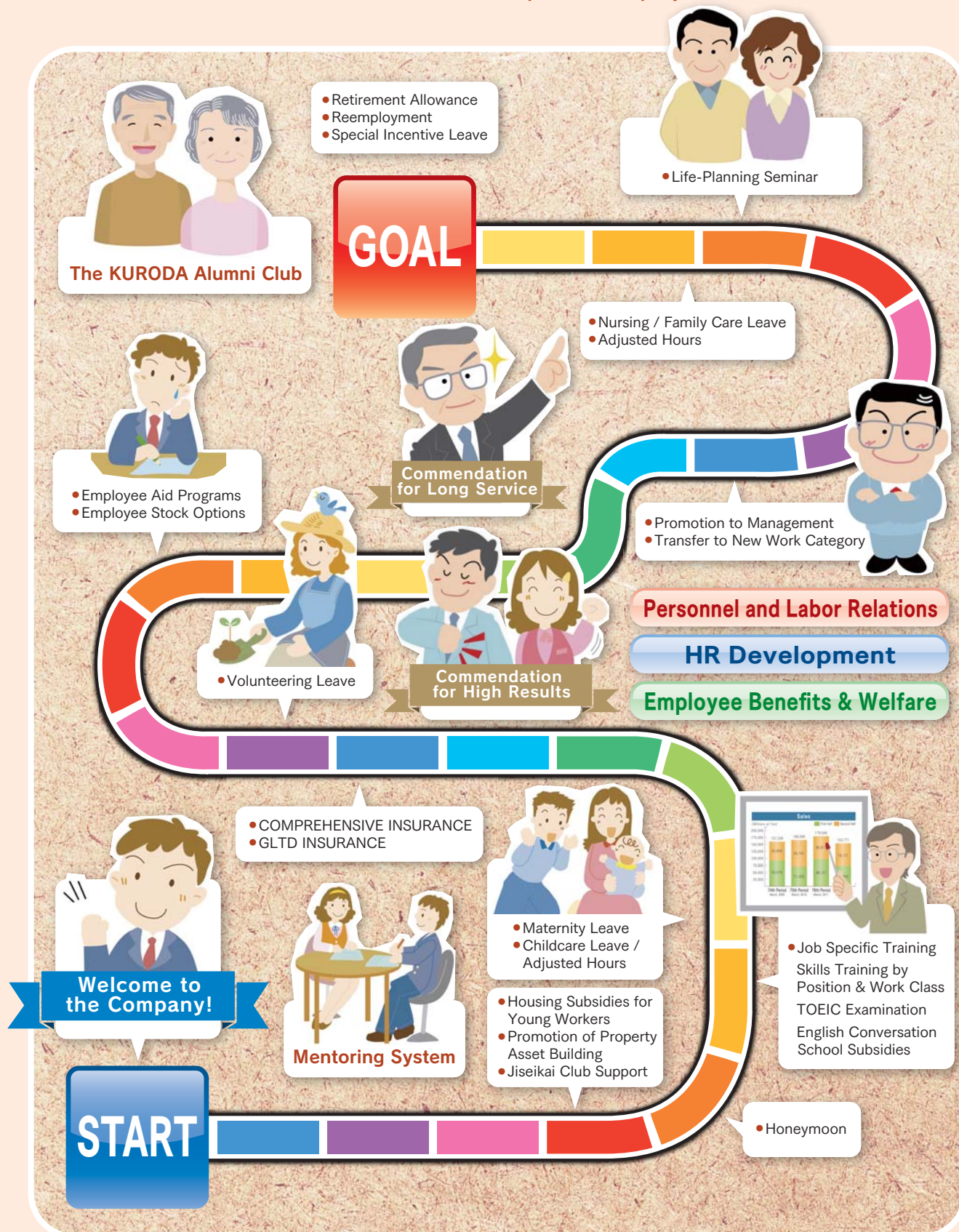
Implementation of period mental checkups makes regular diagnosis simple and possible. Additionally, EAP consultation need not only apply to personal problems, but may also concern coworkers, family members and other people close to the consulting person.

When necessary, medical treatment and consistent follow-up care by a doctor is also possible.



The KURODA ELECTRIC Roadmap

This is an image after joining a company until we retire.
Preparation will be made to fulfilling employment life by three systems,
Personnel and Labor Relations, HR Development, Employee Benefits & Welfare.





Publisher

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This is our **Communication on Progress** in implementing the principles of the **United Nations Global Compact** and supporting broader UN goals.

We welcome feedback on its contents.