



# CSR REPORT 2016

Corporate Social Responsibility Report



**KURODA ELECTRIC Co., Ltd.**

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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** June, 2016 (The date of issue last time: June 29, 2015)

**Target Period** This report will deal with KURODA ELECTRIC Group's 81st period, the 2015 financial year (April 1, 2015-March 31, 2016) (some information, targets and forecasts from outside this period will also be included). The next report is currently scheduled for June, 2017.

**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

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## Top Management Message

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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. We must continue to adapt pertinently to these changes in business circumstances. At the same time, we face with the new challenges such as harmonious coexistence with the environment, conservation of biodiversity and human-rights/labor issue in supply chain which need to be addressed.

Since its establishment in 1945, KURODA ELECTRIC has remained active as an independent trading company dealing in electric materials, general electronic parts, semiconductors 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.

Currently, under this policy, KURODA ELECTRIC Group is running a business in 25 locations within Japan and another 32 in 14 countries overseas. As a customer-oriented supplier of parts, materials, products and services, as well as an active company in the fields of design and manufacturing, we continue to build a global network of the

highest caliber which circulates the latest technologies and information.

Additionally we expressed our intention to join the United Nations Global Compact (GC) in February, 2011 and we were formally registered as one of the signatory companies in March, 2011. Signatory companies are expected to achieve better corporate management by incorporating the 10 GC principles into their management strategies, day-to-day operations and corporate cultures.

It is our intention at KURODA ELECTRIC, under the various principles of the GC, to manage according to global standards, to pursue greater growth and profitability for our company, to develop our business from a global standpoint, to increase the worth of our enterprises, and to always fulfill our corporate social responsibilities (CSR).



Chairman and  
Chief Executive Officer  
**Takashi Kaneko**

President and  
Chief Operating Officer  
**Koichi Hosokawa**

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# About KURODA ELECTRIC

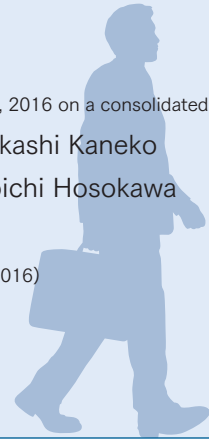
*Business*



# 1

## Company Information

- |                           |  |
|---------------------------|--|
| (1) Corporate Name        | KURODA ELECTRIC Co., Ltd.  |
| (2) Start of Operations   | October 1945   |
| (3) Capital               | 10,045,761,000 yen (as of the end of March, 2016)  |
| (4) Annual Turnover       | 285.6 billion yen (2015 fiscal year ending March 31st, 2016 on a consolidated basis)                           |
| (5) Company Rep.          | Chairman and Chief Executive Officer Takashi Kaneko<br>President and Chief Operating Officer Koichi Hosokawa   |
| (6) Number of Employees   | 330 (standalone, as of the end of March, 2016)<br>4,159 (consolidated companies, as of the end of March, 2016) |
| (7) Listed Stock Exchange | First Section of the Tokyo Stock Exchange  |

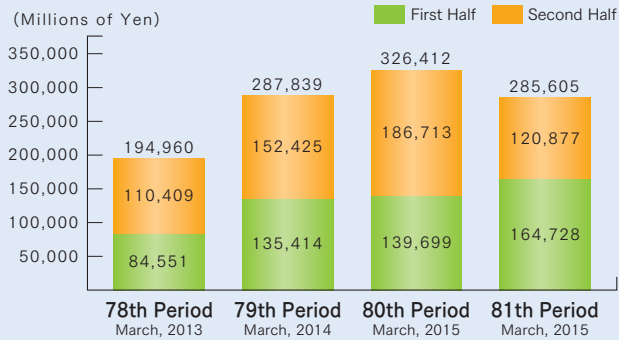


# 2

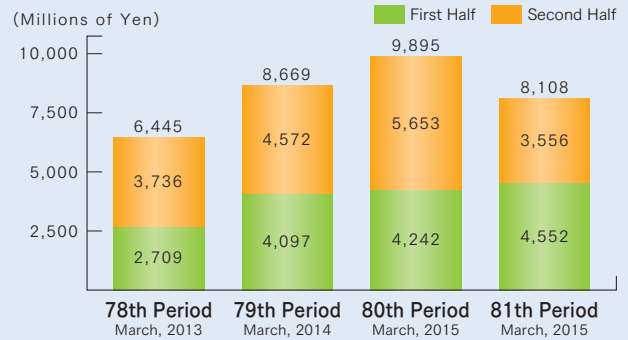
## Financial Reporting

(Aggregated Account Summaries)

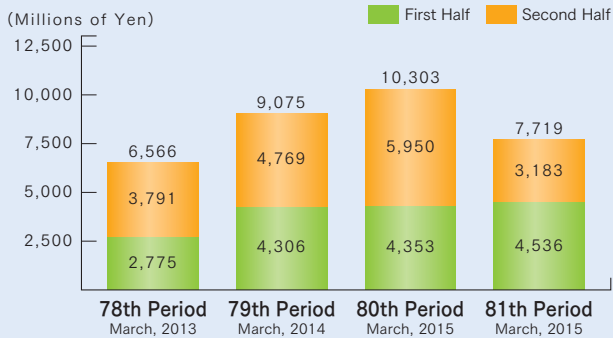
### Sales



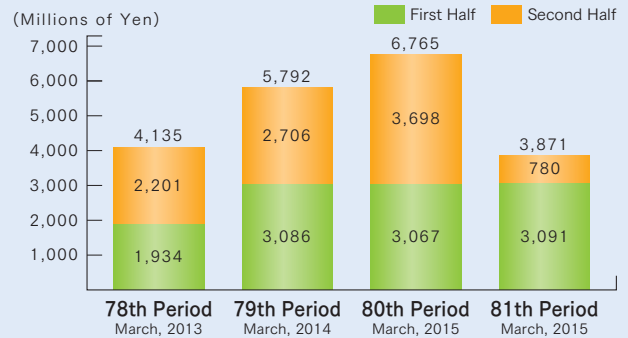
### Operating Profits



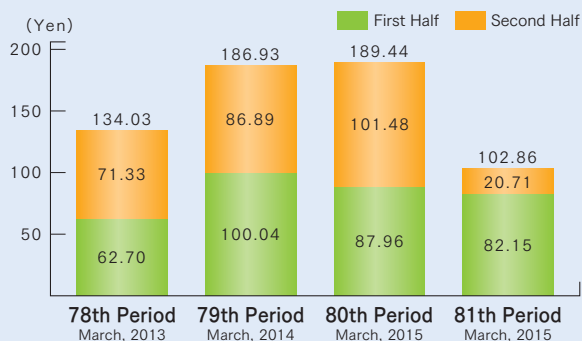
### Ordinary Profits



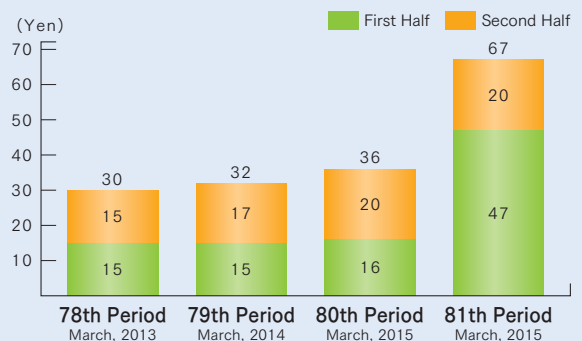
### Current Term Net Profits



### Yearly Net Profit per Stock



### Yearly Dividends per Stock



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

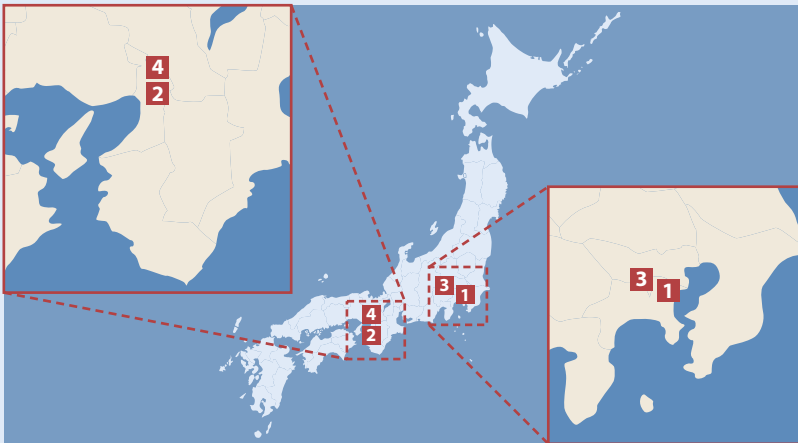
Business Reports

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

Factbook

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

### 3 Principal Subsidiaries

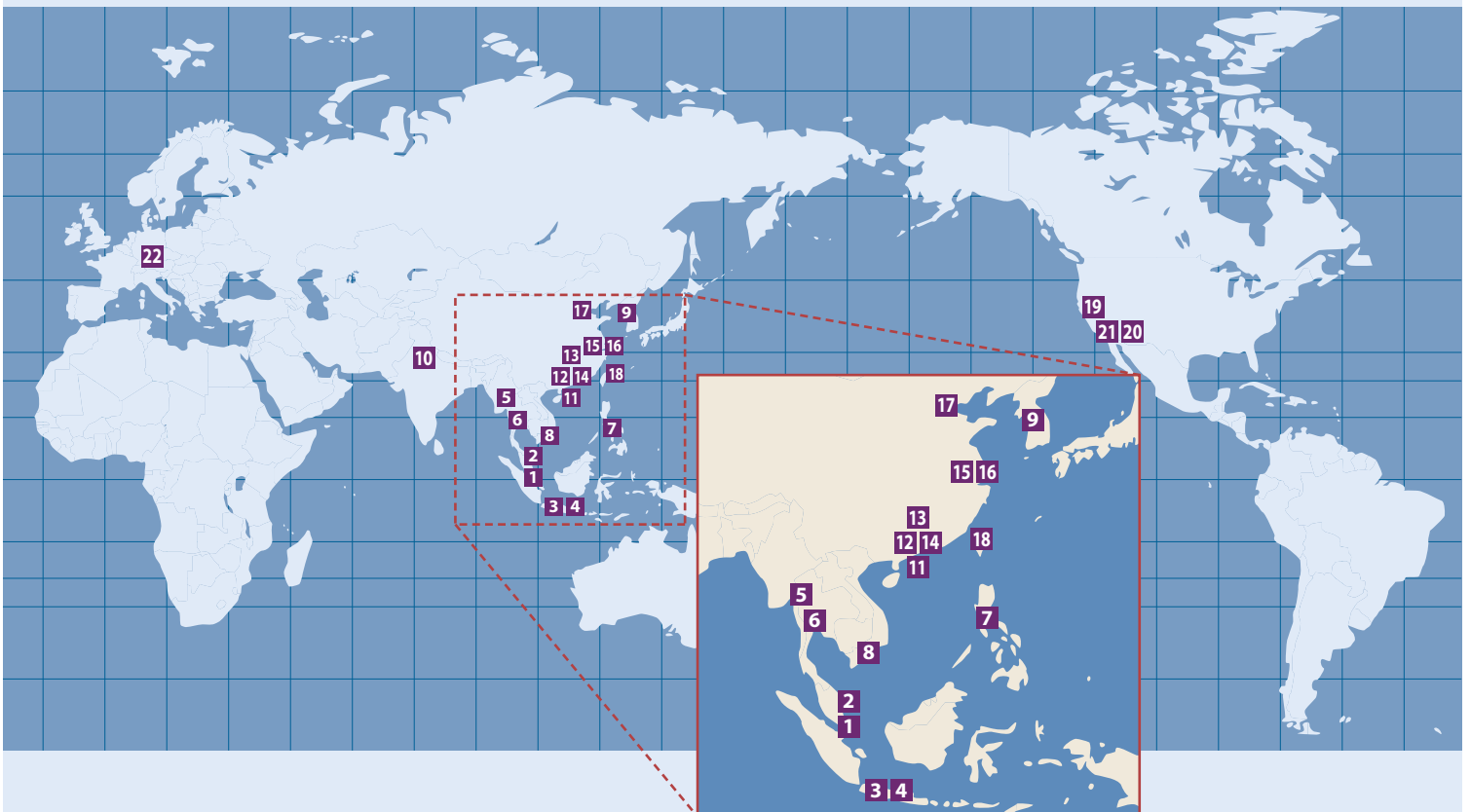


#### Domestic

- 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 1,811,145)
Total Shareholders	9,381 (as of the end of March, 2016)



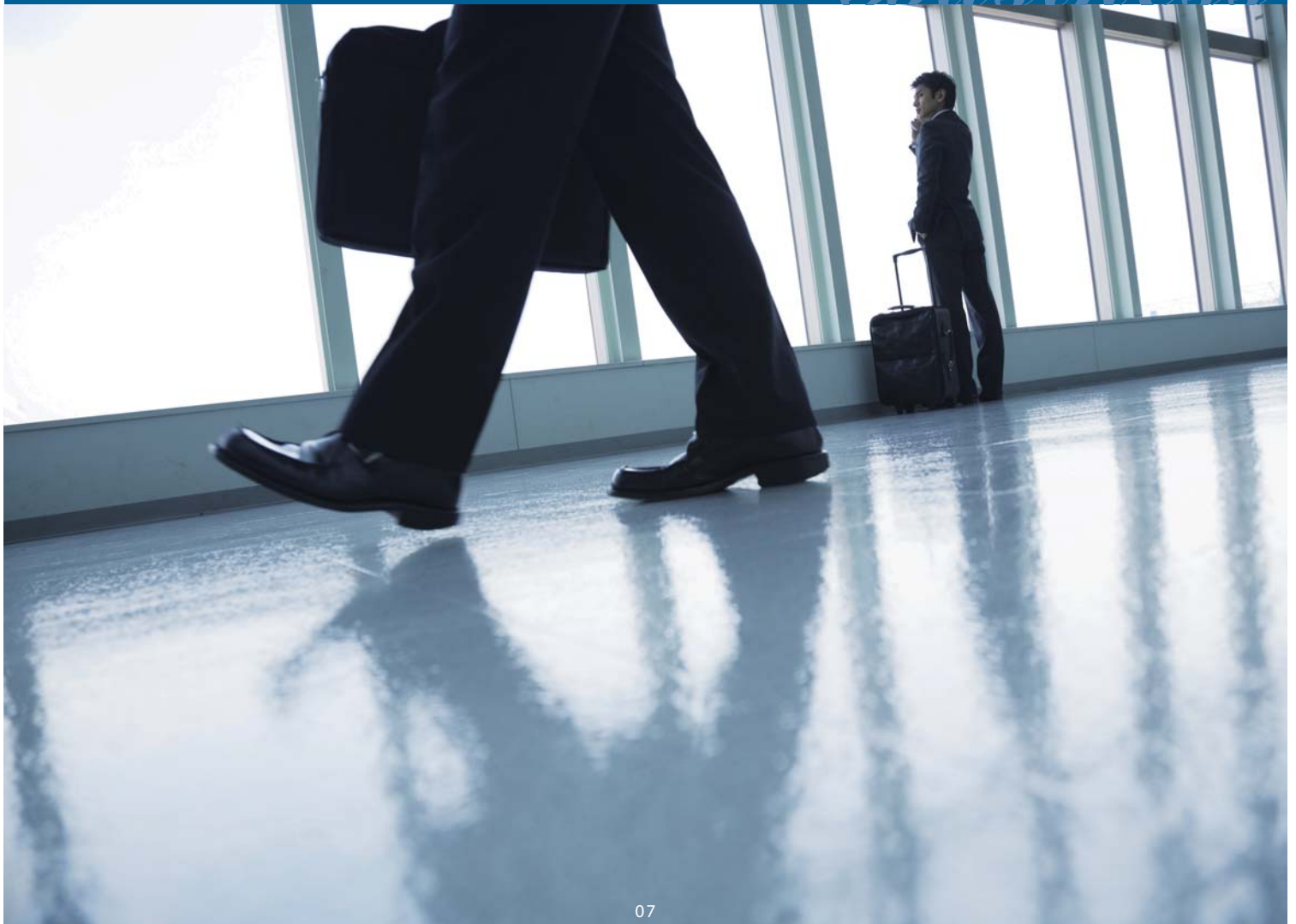


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# KURODA ELECTRIC Group CSR Outline

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*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 (Please Refer to ※ in Page 10.)** 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

Environmental Sustainability and Universal Primary Education are two of the goals put forth by the UN Millennium Development Goals (MDGs), and we feel that it is our personal duty to contribute to these two matters to the best of our humble abilities. For this reason, we promoted **Environmental Contribution Activities** and **Educational Support Activities**. Additionally, in order to encourage individual employees to pursue environmental action and volunteerism in their own communities and households, we have introduced **the KURODA ECO Point System** as company's official program since February, 2012. We have been promoting these Activities as the 3 Pillars of our Social Contribution Activities.

※ The UN Sustainable Development Summit was held at UN Headquarters in New York from September 25 to 27, 2015. The heads of over 150 UN signatories participated, and the result of this summit was the adoption of the 2030 Agenda for Sustainable Development. The Agenda presents various declarations and targets to serve as an action plan for people, the planet, and prosperity. These objectives, termed the Sustainable Development Goals (SDGs), are the successors to the Millennium Development Goals and consist of 17 goals and 169 targets. More specifically, the MDGs were adopted as goals to be achieved by 2015; these were carried over into the SDGs (effective January 1, 2016), including several MDGs which had yet to be achieved. As such, the standard for our CSR activities going forward will be the 10 Principles of the UN Global Compact and 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**  
**Sustainable Development Goals (as the successor to the MDGs)**

The Backbone of our CSR Activities

**The 3 Pillars of our Social Contribution Activities**

**Universal  
Primary Education**

**Educational  
Support Activities**

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

**Environmental  
Sustainability**

**Environmental  
Contribution Activities**

KURODA ELECTRIC Company Forest (Ome, Tokyo)  
KURODA ELECTRIC Company Forest (Kurokawa, Kawanishi, Hyogo)

Periodic Release of CSR Report

**Community Activities  
& Household**

Environmentally-Conscious Action in the Community  
Environmentally-Conscious Action in the Home

KURODA ECO Point System

# 5

## 2015 CSR Goals with Principal Corresponding Activities

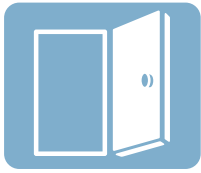
### Evaluation Method

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

	2015 Financial Year —Goals and Plans—	2015 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 2015” (reporting activities in 2014 financial year) and other Information Disclosure	○	—
	Implementation of Highly Transparent Management Practices and Strengthening of Practices Related to Governance	①Inclusion in the securities report of new items deemed necessary by revised ordinances as well as previous timely disclosures in addition to compliance with the corporate governance codes established by the Tokyo Stock Exchange and the Financial Services Agency ②Inspection of Management Practices by an Audit Committee in which Outside Directors (Three Persons) Form a Majority ③Nomination of One Independent Company Director (Reporting to Tokyo Stock Exchange)	○	14
	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, 2015 ②Held Individual IR meeting for analysts and institutional investors after disclosing quarterly results ③Arranged plant tour of a domestic manufacturing company (one of KURODA group companies) for a Foreign institutional investor in March, 2016	○	06
Human Rights	Further Promotion of Human Rights Awareness	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	○	—
	Initiatives for Appropriate HR (Human Resources) Utilization Aimed at Total Group Optimization for Diversification of HR	Promotion of Locally Hired Employees (Employees of Overseas KURODA Group Companies) into the Management Division of KURODA ELECTRIC (Parent Company)	△	—
Labor Practices	Development and Implementation of Employee Training Programs in alignment with Position Class and Job Category	①Web Training for All Employees ②Global Personnel Training Program intended for Selected Employees ③Support Program aimed at Language Skill Improvement for Employees	○	28
	Continuation of Employee Physical and Mental Health Measures	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 ④Implementation of Mental Healthcare Program (Company Burden) for all Employees	○	29-30
Environment	Strengthening of Environmental Conservation Activities	Conduct Environmental Conservation Activities at KURODA ELECTRIC Company Forests (Kurokawa in Kawanishi City)	○	21
		Implementation of KURODA ELECTRIC ECO Point System, with Approximately 270 Employees Participating in ECO Activities	○	22
		Implementation of Web Training on the Waste Management and Public Cleaning Law (hereinafter, “Waste Management Law”)	○	26
		Continue using Forest Management (CoC) Certified Copy Papers throughout the company	○	25
		Efforts for Compliance with Environmental Laws and Regulations based on Our List of Environmental Laws, Regulations, and Other Requirements	○	26
Fair Business Practices	Compliance with related laws and regulations, and thorough dissemination of the compliance code of conduct	①Implementation of Group Training for All Employees ②Implementation of Group Training for Employees with Management Position to Comply with Legal Requirements and Company Rules ③Posting of Awareness Raising Posters in Workplaces and Distribution of Educational Cards Designed to Be Kept on One’s Person to Employees	○	15
Customer / Client Interaction	Strengthening of the KURODA Group System for Legal Compliance in the Procurement of Supplies	Proper Understanding and Adoption of the Subcontractors Act via Training and Awareness Raising Mentioned Above	○	—
	Further Improvement of KURODA ELECTRIC Group Quality Measures	①Maintenance and Renewal of Globally-Integrated ISO Certification ②Transfer of the Quality Assurance Section from the Management Division to the Sales Division in Order to Quickly Provide Quality which Meets Customer Demands	○	24-25
Community Participation and Development	Continued Social Contribution in each of KURODA ELECTRIC Group’s Established Areas	Implementation of a Children’s Day Event as Part of Education Support Activities by Volunteers from KURODA Group Companies	○	20
		Support for Overseas Afforestation through the Collection of Used Stamps	○	22
		Hold Basketball Clinics	○	22

## ⑥ CSR Activity Goals for 2016 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 2015 or earlier, we plan to set the following goals for 2016 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 for Compliance with the Code of Conduct



### (3) Labor Practices

- Development and Implementation of Employee Training Programs in alignment with a class and a job.
- Continual Support for Employee's Physical Measures
- Enrichment of Mental Healthcare Program (Implementation of "Stress Check System" based on Revised Industrial Safety and Health Act)



### (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
- Further Improvement of KURODA ELECTRIC Group Quality Measures



### (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.

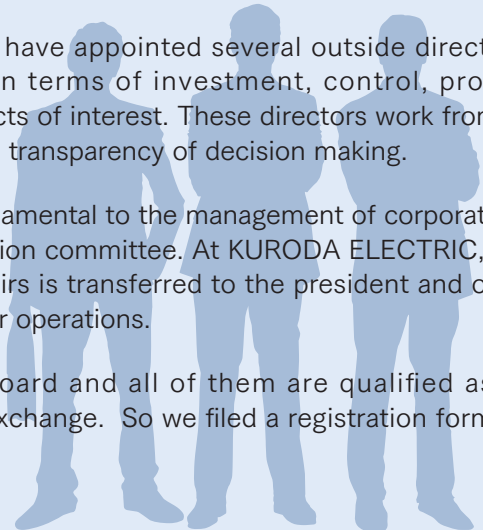
Additionally, we at KURODA ELECTRIC consider compliance to be a vital foundation to fulfilling our social obligations, and recognize thorough compliance as an indispensable element of business operations. As we strengthen corporate governance, we are also proactively addressing compliance management.

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.

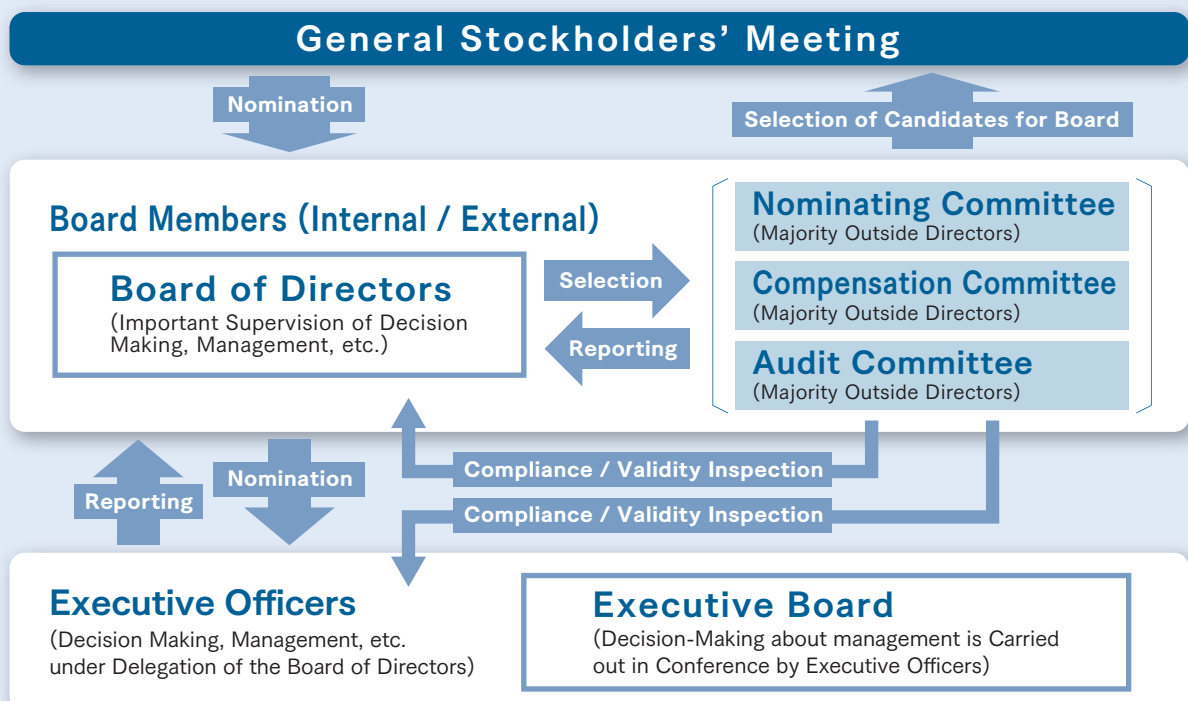
As a company that has adopted a committees system, we have appointed several outside directors. Outside directors are independent from the company in terms of investment, control, project management, profit and finance, and are free from any conflicts of interest. These directors work from an objective standpoint to strengthen oversight and maintain the transparency of 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.

Additionally there are three outside directors on the board and all of them are qualified as an "independent officer" by the regulation of the Tokyo Stock Exchange. So we filed a registration form for the qualified independent officers to the Exchange.



## 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

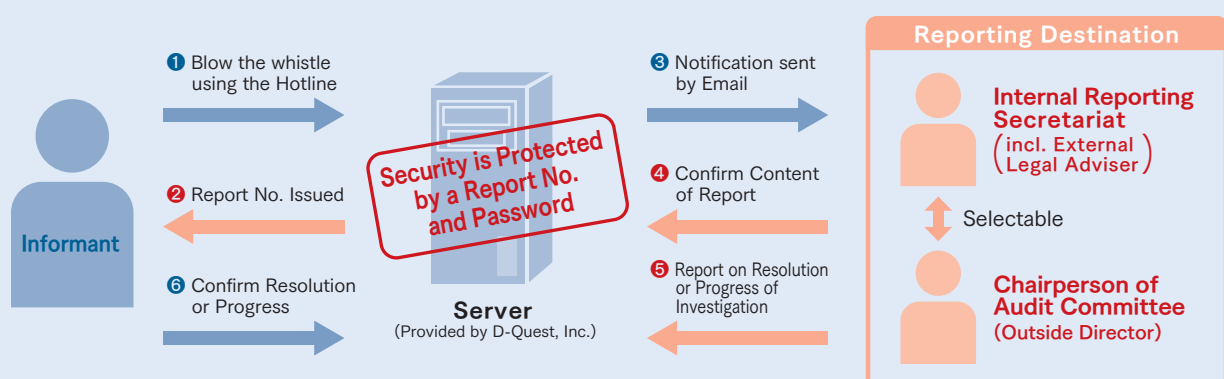
Our shareholders and investors, who are financial backers, look forward to receiving highly reliable financial reports. These reports are also required by law. We must carry out management activities that do not deceive our shareholders and investors. Also, in order to acquire sufficient profit and capital 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



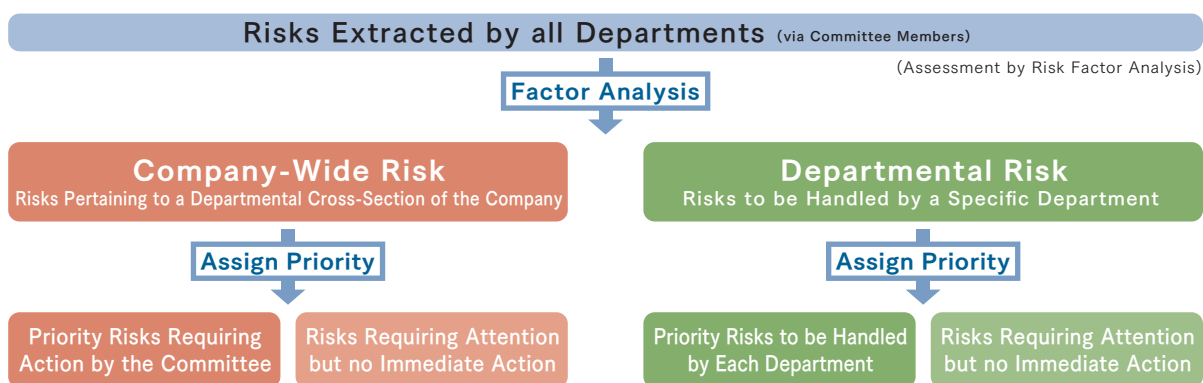
# Risk Management

## 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 and Risk Management Control
- Risk Extraction and Analysis



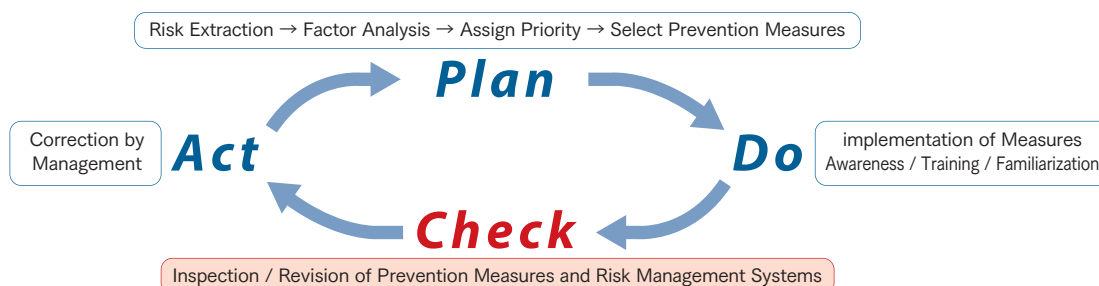
### ● Measures for Prevention of Important Priority Risks

Extracted and Analyzed Risks are Selected by the President for Priority



### ● 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.



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# Social Contributions by KURODA ELECTRIC Group

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*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.

The three pillars of Social Contribution Activities at KURODA ELECTRIC are "Educational Support", "Environmental Contribution and "Community & Household Activities". In August of 2010, as a link in our overseas educational support activities, the executive committee 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 Support Activities for Elementary Schools in Thailand

Occasional Thailand National Children's Day, which is set on the second Saturday in January, is to give children the opportunity to have fun and to create awareness about their significant role towards the development of the country. January 9th is the day for 2016. Z.KURODA (Thailand) Co., Ltd. (hereinafter, "ZKT") has a chance to be a part of National Children's Day Events every year. In 2005, volunteers from ZKT went to Ban Parai elementary school in Sisaket Province to celebrate with teachers, students and villagers nearby. In 2006, total 25 volunteers from ZKT and KURODA Auto-tech (Thailand) LTD. (hereinafter, "KURODA volunteers") joined 4 activities as follows.



ZKT donated bicycle, notebooks and pencils to Wat Champa Elementary School to celebrate National Children's Day on Jan 7, 2016.



ZKT donated bicycle, notebooks, pencils and snacks to Ayothaya temple to celebrate National Children's Day with kids and villagers nearby the temple on Jan 7, 2016.



In addition to the donation, on Jan 7, 2016, KURODA volunteers also cleaned some part of Ayothaya temple and King Naresuan Maharat Shrine which is located in the temple. King Naresuan Maharat was the King of the Ayutthaya Kingdom.



KURODA volunteers joined National Children's Day Event at Wat Sambundid Elementary School. KURODA volunteers used to provide short English course to this school kids during Sep to Oct, 2014 and continue supporting this school as much as possible since most of kids are poor and have divorced parents. KURODA volunteers treated children ice-cream and played some games with them on Jan 8, 2016.

# Environmental Contribution Activities



Kurokawa



Kurokawa



Kurokawa



Kurokawa

## KURODA ELECTRIC Forest Building (Company Forest Program)

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.



### 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. In 2015, the cedar trees had grown to approximately ten meters in height, which is sufficient to not requiring weeding.

### 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 2015, nearly 70 employees and their family from KURODA ELECTRIC, Nichido-Denko, and Komura-Tech weeded undergrowth around the sawtooth oaks which were planted four years ago.

# 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 2015, around 270 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 2015, 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 activities which contribute to the local community, we hold basketball clinics for students of elementary school age and up in Shinagawa in order to help promote interest in sports in the city. Staff and current members of the KURODA ELECTRIC Bullet Spirits, a Division 1 Kanto Industrial and Commercial Basketball Federation team, held such a clinic on February 28, 2016 this year once again to help children experience the fun and excitement of basketball.



### ④ 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.

### ⑤ 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.

### ⑥ Donation of Newspapers and Newspaper Shelves Local Elementary and Junior High Schools

In order to contribute to the local community, Group company KOMURA-TECH Co., Ltd. donates newspapers and newspaper shelves to local elementary and junior high schools. By encouraging children to read the newspaper on a regular basis, the company hopes to raise their interest in current events and improve their reading skills. KOMURA-TECH Co.,Ltd. donated newspapers (equivalent to the amount for a year) for elementary school students and newspaper shelves to Higashi-Osaka municipal "ISHIKIRI JUNIOR HIGH SCHOOL" in August, 2015 and "KUSAKA ELEMENTARY SCHOOL" in February, 2016.



### ⑦ 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 11 to 13, 2015, 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



## 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 CO<sub>2</sub> 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



## 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 September, 2015.



### (2) Recognized as a "Eco Power Company" by Shinagawa Ward

The Shinagawa Ward of Tokyo, where KURODA ELECTRIC's headquarter is located, recognizes environmentally-friendly businesses that take an initiative in carrying out greener operations as "Eco Power Companies." The KURODA ELECTRIC Tokyo headquarter was recognized as an Eco Power Company in March 2014. However, as the Eco Power Company certification project was terminated in fiscal 2015, this report will be the last in which information on this certification is published.



### (3) 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.

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

### (4) 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.

## (5) 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 2015, in response to requests from a total of 390 customers, KURODA ELECTRIC gathered information on conflict minerals from a total of 1,285 suppliers and provided customers in question with responses based on the information gathered from its suppliers.

## (6) 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.
- We have implemented Web Training on the Waste Management Law for all sales divisions and certain management divisions. We have also worked to improve understanding concerning appropriate methods of waste disposal, particularly regarding that of molds, dies and jigs which are no longer necessary.
- 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	2013 Financial Year	2014 Financial Year	2015 Financial Year
① Business Paper Use (Unit : 1,000 Sheets)	3,023	2,816	2,657
② General Waste (Unit : kg)	82,631	86,986	95,328
③ Recycled Waste (Unit : kg)	67,210	69,764	78,074
④ Recycling Rate (Unit : %)	81	80	82

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

### KURODA ELECTRIC Group (Domestic Only)

Energy Consumption & CO <sub>2</sub> Emissions	2013 Financial Year					2014 Financial Year					2015 Financial Year				
	Electric Usage (MWh)	Gasoline Consumption (kℓ)	Gas (m <sup>3</sup> )	Oil (kℓ)	CO <sub>2</sub> Emissions (t-CO <sub>2</sub> )	Electric Usage (MWh)	Gasoline Consumption (kℓ)	Gas (m <sup>3</sup> )	Oil (kℓ)	CO <sub>2</sub> Emissions (t-CO <sub>2</sub> )	Electric Usage (MWh)	Gasoline Consumption (kℓ)	Gas (m <sup>3</sup> )	Oil (kℓ)	CO <sub>2</sub> Emissions (t-CO <sub>2</sub> )
KURODA ELECTRIC Co., Ltd.	2,126	84.6	0	0.0	1,309	2,055	78.4	0	0.0	1,264	1,901	68.3	0	0.0	1,100
KURODA TECHNO Co., Ltd.	227	1.7	13	0.0	123	261	1.1	17	0.0	141	279	1.2	16	0.0	144
KOMURA-TECH Co., Ltd.	4,208	4.0	353,763	0.0	2,961	4,072	4.1	381,065	0.0	2,985	3,944	4.2	328,597	0.0	2,836
Sohwa & Sophia Technologies Inc.	504	5.8	3	0.0	364	517	5.6	15	0.0	299	467	5.1	20	0.0	255
NICHIDO-DENKO Co., Ltd.	1,934	70.9	344	5.0	1,181	2,109	65.5	367	4.7	1,268	2,001	62.0	319	3.6	1,219

※1: Gas=municipal/LP gas. Oil=diesel/kerosene. ※2: The reason that electricity usage and CO<sub>2</sub> emissions in fiscal 2013 and 2014 for KURODA ELECTRIC differ from (are higher than) the 2015 CSR Report is that, as of this report, all contacted warehouses are now being included in the scope of calculation. As a result we have revisited calculations for fiscal 2013 and 2014, revising them to include electricity usage at these locations. ※3: Previously reporting for Sohwa & Sophia Technologies was limited to the company's headquarters. As of this report, however, the scope of calculation has been expanded to four locations, including the headquarters. As a result we have revisited calculations for fiscal 2013 and 2014, revising energy usage in the same manner. ※4: Previously, when calculating CO<sub>2</sub> emissions, only electricity and gasoline were taken into consideration. For this report, gas and oil were also taken into consideration when calculating CO<sub>2</sub> emissions.



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# Working with our Employees

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*with Employee*



# 1 Developing Skilled Human Resources

## (1) Education and Training by Job Category

KURODA ELECTRIC has implemented Web-based education and training by job category. These programs, which target not only regular employees but also part-time and dispatched employees, help them improve their professional skills by providing them with the opportunity to receive education and training without any distinction. The Web-based trainings which were carried out in 2015 consisted of 6 modules utilized by a total of 1,635 trainees. 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 2015, participants were selected from the section head to division head classes to receive trainings over an approximately six month period in order to acquire the skills needed as a next-generation leader. 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

In order to ensure early detection and treatment of those at risk for mental disorders, all employees undergo web based stress checks once per year.

### 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).

### Mental Training

This training, for management, focuses on mental illness prevention tactics and the appropriate response to those with mental disease in the workplace.

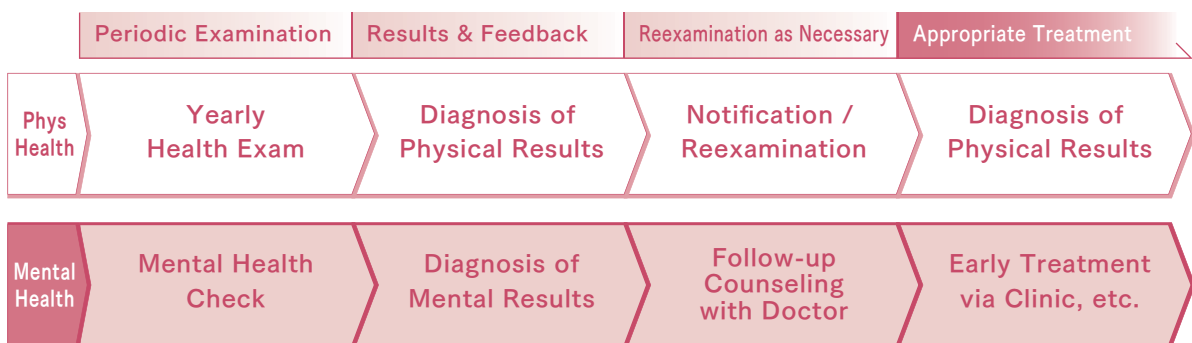
# The Mental Healthcare Program

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

## Overview of Support Programs

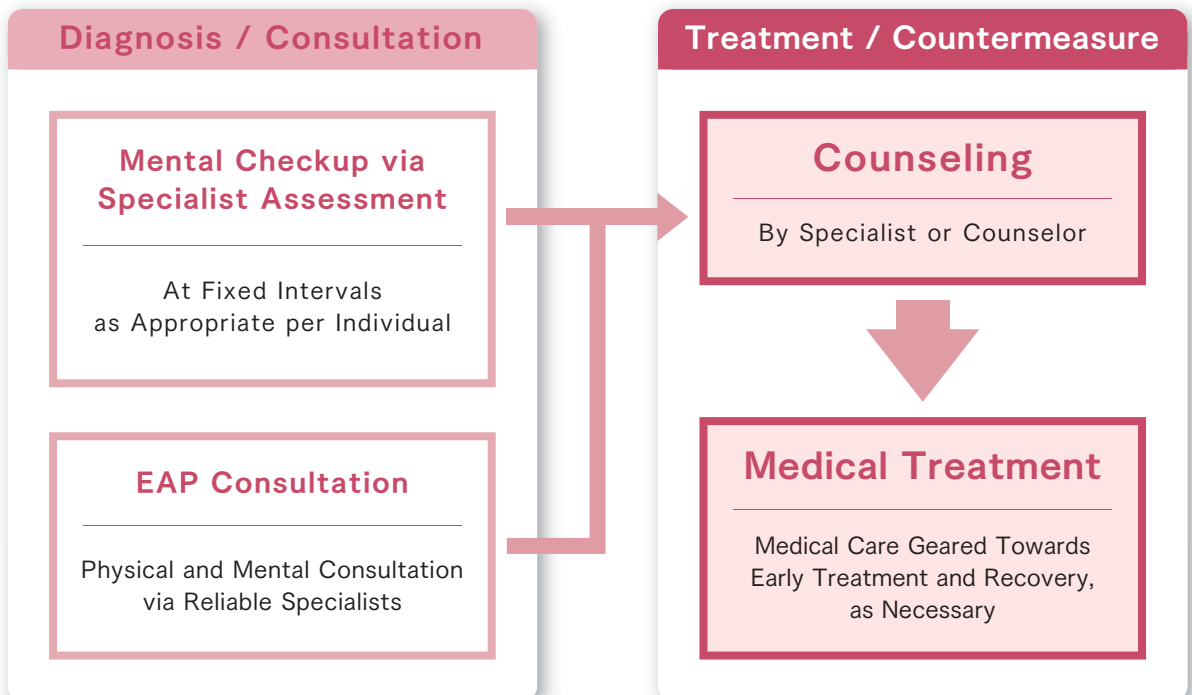
The incidence of mental health related workman's comp claims and settlements is on the increase, with some reports placing the ratio of disabled workers out due to mental disorders at 40%, thus making workplace mental healthcare more important an issue than ever before.

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.



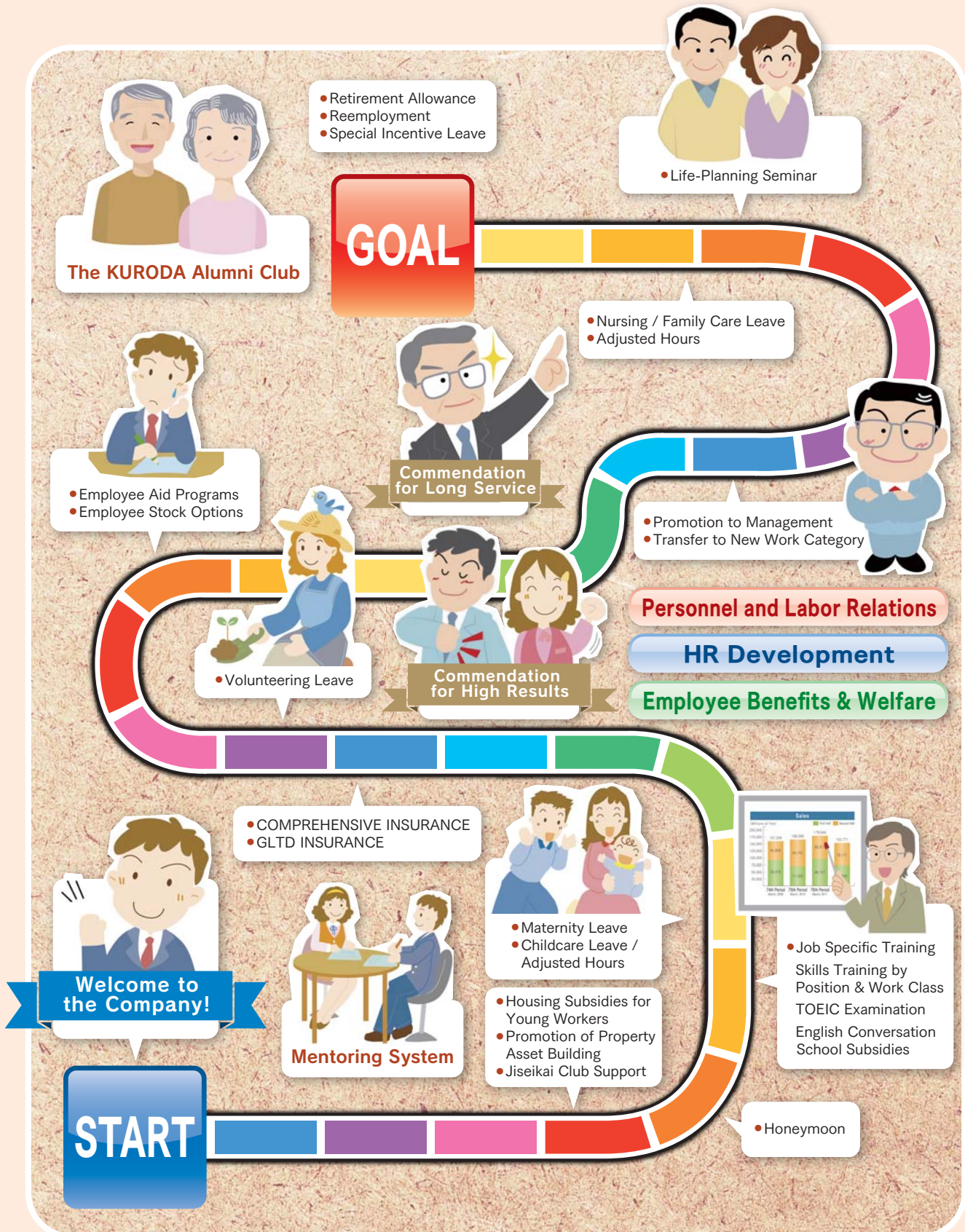
Implementation of period mental checkups makes regular diagnosis simple and possible. Additionally, EAP consultation need not only apply to personal problems, but may also concern coworkers, family members and other people close to the consulting person.

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

**KURODA ELECTRIC Co., Ltd**

Inquiries

**CSR / ISO Division**

Tel:(03)5764-5505

Mail:krd-csr@kuroda-electric.com



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