

KOKUYO

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KOKUYO Report
2018



Starting with KOKUYO Working, Learning, Living for the Future

A borderless world, a highly information-oriented society, and a declining birthrate and an aging population—these are some of the major trends of our times. The issues surrounding our work and private lives are becoming increasingly diverse and complex and, in recent years, work style reforms have also become a major theme for society as a whole.

Amid such change, KOKUYO's determination to meet the challenges both of society and of our customers remains steadfast; indeed, it has been a core principle of our company for over 100 years, and will continue to be so.

At KOKUYO, we seek to ensure that our customers can continue to work, learn, and live in an ever-more creative and fruitful manner.

To this end, we intend to astutely grasp the changes of the times, and work hard to offer products and services that both lead to the creation of unique KOKUYO values and contribute to problem solving.

Representative Director of the Board,
President and CEO

黒田英邦



KOKUYO's Three Business Areas



Learning

Supporting various learning styles across all generations

Learning alone, learning with friends or colleagues, learning while working, learning while child-rearing, learning for a new career and learning at any age... Different ways of learning matching an individual's lifestyle are now spreading across the generations. Through the development and the sale of stationery and furniture, and the creation of spaces for learning, KOKUYO continues supporting diverse learning styles.

Working

Proposing spaces that bring out the best in individuals, inspire creative work, and support the wellbeing of staff

In recent years, against a background of an aging population with a declining birthrate and changes to the fundamental sense of values of working people, an emphasis has been given to the creation of a work environment bringing out the best in individuals and supporting them to work in good health. In response to such trends, KOKUYO will keep proposing work spaces increasing employee motivation and nurturing team creativity.



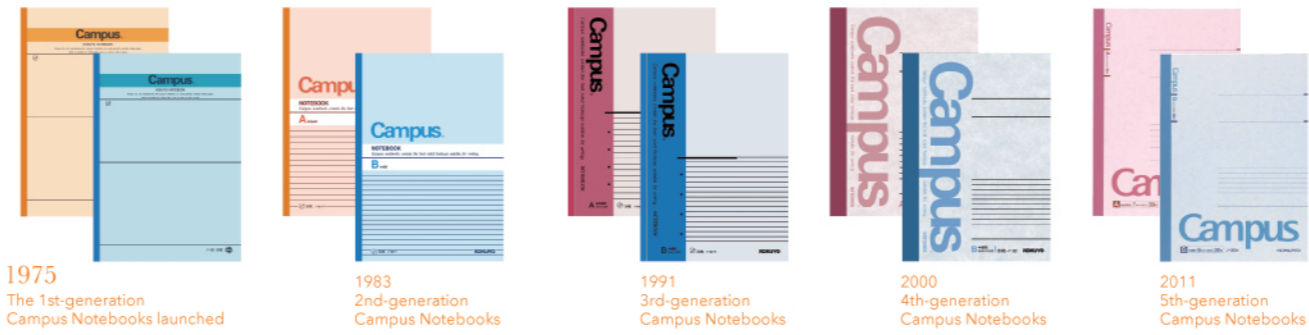
Delivering products that make life even better

The boundaries between working, learning, and living are slowly fading away, as increasing numbers of people make the best use of their time and space to improve their lives. And for every single one of them KOKUYO offers a variety of products and services, and supports them in enhancing their quality of life.

Living

KOKUYO Group History

Evolution of Campus Notebooks



1908 Production of wacho began

1913 Production of readymade Western-style account ledgers began

1914 Production of voucher began

1917 The trade name KOKUYO adopted

1919 Production of Western-style account ledgers began

1920 Stationery pads with high-quality colored paperboard released

1925 Flat files released

1932 Stationery pads with high-quality colored paperboard released

1933 Production of ready-made Western-style account ledgers began

1934 Stationery pads with high-quality colored paperboard released

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1956 Flat files released

1957 The Nationwide KOKUYO Association of Specialized Shops launched

1958 Stationery pads with high-quality colored paperboard released

1959 Survey field notebooks released

1960 Entry into the office furniture business (Filing cabinets released)

1961 The Yao Plant established and Bielomatik equipment (voucher automated production machine) introduced

1962 Stationery pads with high-quality colored paperboard released

1963 Stationery pads with high-quality colored paperboard released

1964 Scrapbooks released

1965 Steel desks released

1966 Office swivel chairs

1967 Stationery pads with high-quality colored paperboard released

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1969 Stationery pads with high-quality colored paperboard released

1970 Stationery pads with high-quality colored paperboard released

1971 Stationery pads with high-quality colored paperboard released

1972 KOKUYO listed on the first sections of the Tokyo and Osaka Stock Exchanges

1973 Stationery pads with high-quality colored paperboard released

1974 Tube Files released

1975 Desks and chairs for students released

1976 Stationery pads with high-quality colored paperboard released

1977 Stationery pads with high-quality colored paperboard released

1978 Stationery pads with high-quality colored paperboard released

1979 The new office building in Tokyo (Shinagawa Office) completed

1980 Stationery pads with high-quality colored paperboard released

1981 KuruKuruMeka (adjustable child desk) released

1982 The Tokyo Showroom / KOKUYO Hall completed

1983 File box FS released

1984 Stationery pads with high-quality colored paperboard released

1985 Stationery pads with high-quality colored paperboard released

1986 Stationery pads with high-quality colored paperboard released

1987 Stationery pads with high-quality colored paperboard released

1988 Dynafit Chairs

1989 Stationery pads with high-quality colored paperboard released

1990 Stationery pads with high-quality colored paperboard released

1991 3rd-generation Campus Notebooks

1992 Stationery pads with high-quality colored paperboard released

1993 The Mie Factory established

1994 The Shibayama Factory established

1995 Stationery pads with high-quality colored paperboard released

1996 Stationery pads with high-quality colored paperboard released

1997 Stationery pads with high-quality colored paperboard released

1998 Initiatives for Universal Design began

1999 The Malaysia Plant established

2000 Kaunet established

2001 AGATA

2002 KOKUYO DESIGN AWARDS began

2003 KOKUYO K Heart established

2004 Full-scale operations started in China

2005 100th anniversary with the redesign of the company logo

2006 Neo Critz pen cases released

2007 Heartland established

2008 The Eco X-mark initiative began

2009 Harinacs (staple-free stapler) released

2010 Stationery pads with high-quality colored paperboard released

2011 KOKUYO Camlin established

2012 Shanghai Notebook Plant established

2013 Kaucore launched

2014 INSPINE

2015 Electric height-adjustable table series SEQUENCE released

2016 Duora

2017 ing

Evolution of office chairs



Evolution of the Live Office

Since the establishment of Japan's first Live Office in 1969, KOKUYO has always given shape to the next-generation office. Worker-friendly spaces and easy-to-use furniture created by our approach have been successfully adopted by many companies. KOKUYO is always at the edge exploring product development, innovative spatial layouts, and research into different work styles. As we lead the times, we only offer the best proposals for the latest office working styles and spaces.

1969 Japan's first Live Office

Japan's first Live Office is born. Our own KOKUYO designed office becomes a *live showroom* allowing visitors to see how our employees actually work using our products.



1980s Offices supporting communication

KOKUYO proposes an office style supporting more efficient daily operations and designed to meet the increasing needs for better communication.



1990s Large-scale free-address office

KOKUYO is one of the first to catch on to the evolution of devices, and implements the *free-address office* where employees share space and no longer need their own individual desk.



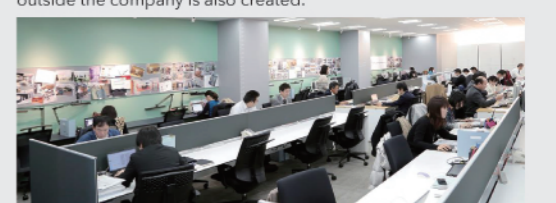
2000s Large-scale all-wireless LAN office

A wireless LAN system allows staff free movement anywhere inside the company. The practical use of IP mobile phones enables cost down.



2010s Offices supporting cloud work

By making the best use of evolving cloud support, better team communication is established. A new way of connection to outside the company is also created.



Topics for 2017

Implementing work style reforms

Commencing Business at the Tokyo Shinagawa SST Office

In October 2017, KOKUYO established and moved its operations in the Tokyo region to a new office; on October 2, business commenced at the Tokyo Shinagawa SST Office. The goals of the move were the re-centralization and optimization of our management resources, efficiency improvements, and the establishment of a new work style suited to KOKUYO. For some time now, the company has been working hard to develop a variety of new products and design a range of business spaces that would contribute to work style reforms at its Japanese offices. In order to take our initiatives one step further and foster a corporate culture that draws out value from our employees, we established the Tokyo Shinagawa SST Office.

The new office locates all departments on a single floor. By removing both physical and psychological barriers between different departments to ensure smooth communication and enhanced collaboration, the office is designed to improve workplace productivity. With the exception of staff who require specialized terminals for their work, for example, the office operates a system where employees are free to change desk. We hope that by changing where they sit on a daily basis and thereby expanding their observable world, employees will be encouraged to have new realizations and ideas, and that inter-staff communications will improve. Of course, we realize that establishing a new office will not solve all our problems in one go. However, we firmly believe that the experience of thinking about, trying out, and implementing such work style reforms ourselves will lead to suggestions beneficial to our customers.

Location: 18th Floor, Shinagawa Season Terrace,
Konan 1-2-70, Minato Ward, Tokyo



A new stage for work style reforms

Innovative Chair “ing” Launched that Changes the Concept of Sitting

Recent news reports indicate that the total amount of time Japanese adults remain seated during the week is the longest of any developed country, and the health risks caused by this extended sitting have been identified as a significant problem. Developed to “free people from sitting,” on November 7, 2017, KOKUYO launched the “ing,” an innovative chair that does not prevent bodily movement even while seated. The chair utilizes a gliding mechanism that sways 360 degrees in all directions in response to subtle movements of the sitter, so enabling the seating surface to swing naturally. Test results demonstrate that the chair’s functional properties, which enable staff to exercise while sitting, create a comfortable rhythm that exerts a positive influence on both mind and body.



A New Facility that Crosses the Boundary between Work and Private Life

Think of Things Opens Its Doors

On May 26, 2017, Think of Things, a KOKUYO-run lifestyle shop and café, opened in Sendagaya, Tokyo.

Since our founding, at KOKUYO we have focused on stationery and office furniture in our efforts to support people’s work and study. In recent years, the needs of our customers have diversified, and the line between work and private life has grown more ambiguous. Consequently, to our traditional fields of “work” and “study” we have added a third—“life”—and, as such, we are seeking to provide value that contributes to both work and private life.

Think of Things is based on the concept of “crossing the boundary between work and private life.” The facility encourages people to consider private life, work, and study not as separate entities but as existing on a single plane; this enables them to more easily recognize their own unique attributes and identify new possibilities for themselves. To this end, Think of Things promotes unique and boutique products that can produce stimulation and discoveries in both private life and work. It aims to offer a place where people can think about and identify the standards—what they like and find comfortable—best suited to them.

The second floor of the facility is occupied by TOT Studio, a multipurpose space that is available to rent, while the third floor houses KOKUYO offices. Think of Things seeks to interact in a variety of ways with customers and local residents, and rapidly develop products and services that make use of direct communication with consumers and points of contact with customers.

Location: 3-62-1, Sendagaya, Shibuya Ward, Tokyo



Cumulative Domestic Shipments of the Best-Selling Glue Tape

Dot Liner, Exceed 100 Million Units!

In November 2017, cumulative domestic shipments of the Dot Liner glue tape series exceeded 100 million units. This landmark has been achieved 13 years after the series was launched in June 2005.

One of the major issues with glue tapes was the irregularity of glued areas. Dot Liner was developed as a solution to this problem and, after three years of trial and error, it was launched as Japan’s first glue tape to arrange glue in a dotted pattern. Utilizing newly developed pattern coating technologies, glue is applied to paper in the form of dots, so facilitating adhesion and enabling easy and clean application. The product has grown to become a longtime bestseller, with monthly sales in excess of one million units. The Dot Liner series received the Good Design Award in 2016.

As of December 2017, the Dot Liner series comprises 11 categories and 51 items, and is sold in 10 countries worldwide, primarily in Asia.



*Dot Liner was the best-selling glue tape for office use in FY2016, based on total manufacturer’s domestic shipment value (as of June 2017, according to research carried out by Yano Research Institute, Ltd.)

CSR Initiatives

KOKUYO Design Awards

Creating products for new life styles

An International Design Competition that Generates Proposals for New Scenes during Work, Study, and Life. The KOKUYO Design Award is a design competition that aims to attract product designs for commercialization from a broad range of general users, bringing forward products that are superior from a user's perspective. Established in 2002, the award was in its 15th year in 2007. When it was first established, the award focused on products with functional and design-based ideas; an example is Kadokeshi (eraser), which was commercialized and went on to become a bestseller. However, the themes of the Design Award in recent years have not centered solely on the product itself, but also incorporated suggestions on ways of living and lifestyle, such as Beautiful Living, How to Live, and New Story. As a result, a growing number of proposals feature sensitivities and experiential values unique to the present age. In addition, entries from overseas now account for more than 30 percent of the total, and the award is increasingly being seen as a gateway to further success by young designers from both Japan and abroad. Since KOKUYO continues to prioritize the commercialization of award-winning products, the award is attracting attention for its creation of new genres of products, such as Manga Packing Tape and Nameless Paints.



Initiatives Focused on Global Environmental Issues

Yui-no-Mori Project

Approximately 40 percent of Japan's forests are artificial forests cultivated for timber. In contrast to natural forests, these artificial forests fall into ruin unless they are tended to. KOKUYO is a company that has grown through its use of forest resources. Wishing to contribute to forest maintenance from a financial perspective, in October 2006 the company launched the Yui-no-Mori Project in collaboration with the Taisho Town Forest Association (present-day Shimanto Town Forest Association) in Kochi Prefecture. The project engages in forest preservation activities, centering on the effective use of timber from forest thinning. The project now covers a total area of 5,425 ha, and the total thinning area has been expanded to 1,416 ha; CO2 absorption has now reached a total of 43,058 tons.



Initiatives in India

Camel Art Foundation Supporting Art in India

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ReEDEN, the paper used to make the cover page of this report

ReEDEN is a series of paper products planned, developed, and produced by KOKUYO Product Shiga, with the aim of preserving the natural environment surrounding Lake Biwa. By utilizing reeds from Lake Biwa and Yodo River as part of the paper's raw materials, KOKUYO Product Shiga contributes to improvements in water quality, the preservation of natural ecosystems, and other forms of environmental sustainability at Lake Biwa. In addition, a portion of sales is donated to activities dedicated to the conservation of reeds.

About reeds

Reeds are a perennial grass growing at the waterside of lakes, marshes, rivers or wetlands. They grow well during the summer, often reaching heights of two to four meters.

