

**COMANY Group
Integrated Report**

2021





Empower all life by MA-zukuri

小松キャビネット株式会社

構内

禁煙

What is a good "MA?"

For 60 years since its founding, COMANY has been thinking about this question.

In the midst of this question,
we searched for answers
in the name COMANY.



CO-MA-NY

The MA in the center of the company name represents our mission, "MA = MA-zukuri."

CO--MANY

To achieve this mission, we need to do an unimaginable amount of searching, co-creation, as well as

COM--ANY

deeper and persistent dialogue with everyone involved that leaves no one behind.

COMPANY

That's why we put people in the middle of MA. Then we can become a company= comrade for the first time.

--COMANY

This is the moonshot that COMANY envisions and realizes.

**The COMANY Group,
as a MA-zukuri company (literally, a space-generating
company), has set a moonshot for 2030 to Empower all
Life by MA-zukuri (literally, generating space).**

**We value our philosophy and look to the future.
Our journey has just begun.**

Let's go on this journey together.



“Employer all life” through MA-zukuri

Kenta Tsukamoto

Representative Director, the President and Chief Executive Officer



The world is changing at a rapid pace. In addition to the problem of the coronavirus pandemic, disasters such as windstorms, floods, and earthquakes are becoming more frequent, and the issue of climate change is becoming more serious. As described as "the age of VUCA," the current situation is a time of volatility, uncertainty, complexity, and ambiguity. In these uncertain times, what is essential is to have the willpower to decide what we want to do and how we want to live as human beings.

We should aim for a society where all human beings and life forms, including the earth, can live in harmony, develop and achieve happiness without leaving anyone behind. "Empower all Life - a society in which each shines brightly" is the moonshot that the COMANY Group aims to achieve in 2030. We have inherited the spirit and philosophy of our founder since the time of our founding. Building on our experience as a partition manufacturer in designing many spaces, we are now ready to become a space-generating company, MA-zukuri company. Thus, we are about to embark on a new journey to realize "Empower all Life-a society in which each shines brightly" by MA-zukuri (literally, generating space).

History of COMANY's 60th anniversary and "Ma-zukuri"

COMANY traces its origins back to 1961 when it started as a cabinet manufacturer. The founder, Shinkichi Tsukamoto, experienced various hardships. For example, the drastic change from the cabinet business to a specialized partition manufacturer and the crisis of shutting down operations came soon after. In the midst of all this, he concluded that what is truly important in management is the heart (not money). Thus, in 1968, we adopted the five corporate mottoes for management based on human spirit and respect for humanity.

The five corporate mottoes at the time of the establishment

Our spirit is humanity and fraternity

Our life should base on coexistence and co-prosperity.

Our mission is to contribute to society.

We should enhance our knowledge and technology and keep moving forward.

We should enjoy our leisure time and lead a more enriched and happier life.

Thanks to your support, COMANY celebrated its 60th anniversary this year. Even after more than half a century, the founding principles have not faded away, but now is rather the time to value them. With the assistance of our many customers and cooperating companies, we have spent the past 60 years single-mindedly pursuing the partitioning business based on our philosophy. It has been a valuable time for us. In converting the number of partition panels we have produced over the past 60 years into the distance, it will reach the moon from earth. Furthermore, we are proud of being a part of creating various comfortable and functional spaces adopted.

We have been searching for the answer to the question, "What is MA-zikiri (literally, a partition)?" since our founding. When we hear the word "MA-wo-shikiru (literally, partitioning a space)," we think of dividing a space into two. On the other hand, a similar term is "BA-wo-shikiru (literally, managing a situation)." When you hear this word, do you imagine that dividing a place into two? Rather than the opposite, I think people imagine organizing, arranging, and even creating a platform. In this way, I think the true meaning of the word "partition" is not to divide but to arrange or create a space. "MA-zikiri" means giving a better value to MA. That is, the question we have been asking ourselves, "What is MA-zikiri?" is the question, in other words, "What is a good space?" What we have walked through in the great history of 60 years, and the mission that the COMANY Group should continue to fulfill is "MA-zukuri. (literally, generating space)."





Moonshot: Empower all Life

The goal of "MA-zukuri (literally, generating space) is to "Empower all Life - a society in which each shines brightly." We assume our mission based on the belief that "a company should exist to contribute to the well-being of the world." Our mission, which is to contribute to a sustainable environment and human development so that all people can work, learn, and live better. People have different strengths and personalities and different backgrounds in which they were born and raised. Thus, recognizing such differences and utilizing each other's individuality to create a synergistic effect is essential. I believe it is the happiness that we should genuinely seek that allows everyone to shine brightly.

It is necessary to ensure safety and security for people to live their own lives and shine brightly to feel comfortable about being themselves. On top of that, it is essential to have an environment where people can live honestly with their conscience and aspirations and take on challenges to open up their potential. Our strong desire is to contribute to creating an environment and people who can realize these goals through "MA-zukuri. Even if it is called the age of VUCA, the future is still in our hands. We aim for further development in harmony with the economy, society, and the environment. We will continue to pursue a world where we can realize coexistence and co-prosperity with all life, including plants, animals, and life on Earth. It is such a wonderful world that many people can awaken to and experience happiness.

Value Creation Domains and Value Creation Stories

Believing that the future is not something to predict but created by our own hands, I value ambition when conducting business activity. After firmly grasping the current situation, we are developing our business based on our strong will of "what we want to do."

In this turbulent era, we will continue to develop the customer base and technologies we have built over the past 60 years to build an even stronger foundation. At the same time, we are taking on the challenge of creating new value by exploring new possibilities for "MA-zukuri (literally, generate space)" regardless of the current situation.

We have identified four areas in particular that we need to address to develop specific business activities: the realization of a self-reliant and decentralized society; the demonstration of "uniqueness" through respect for diversity; the creation of new value through technological innovation; the creation of a sustainable global environment; Based on these social issues, we have defined the value creation actions as follows:

- "Promote sustainable global climate;"
- "Strengthen disaster resilience;"
- "Provide innovative platform;"
- "Enhance human dignity."

We decided these actions on a spatial scale ranging from the global scale to the awareness of each individual. In response to these areas, we will work on businesses that lead a sustainable environment and human development. Finally, we aim to "Empower all Life" by helping people who use these spaces to shine more brightly in their way.

I believe that the world is about to embark on a journey to find true happiness, including spiritual richness.

We will also continue to develop activities in line with the "COMANY SDGs ∞ (Mobius) Model" as a value creation model for achieving these goals. The model's right side (see page 31) represents how we contribute to the world through our products and services. The left side means how we contribute to the happiness of our stakeholders. Aiming for "management that contributes to the happiness of all involved," which is our belief, we will continue to implement the ∞ model. Thus, in harmony with the global environment, we will attain greater happiness for our customers, business partners(including suppliers), employees, local communities, and shareholders & investors.

Aiming to Improve the Well-being of 100 Million People

As an indicator to "Empower all Life," we aim to "improve the well-being of 100 million people" through our value creation model, the COMANY SDGs∞ (Mobius) Model.

To achieve this goal, we will contribute to the well-being of people by adding new functions to the existing products that solve social issues. For example, we make safer and more secure spaces by reducing the risk of earthquakes with a "highly quakeproof partitioning system, Synchron." It ensures safety and light psychological imposition, thereby improving people's well-being. Besides, we also develop products such as the "Dear-d" universal design toilet cubicles and the "Tender Door" series. As a result, all users can use these products with less stress regardless of whether one is physically handicapped or not. Moreover, we aim to realize the pervasive, diverse ways of working in recent years through the "Remote Cabin" and "KOUSHI." "Remote Cabin" is a cubicle that enables workers to work individually anytime and anywhere while fostering highly productive work. At the same time, "KOUSHI" creates a space that allows people to focus on their work while feeling connected with others. As a result, both reduce workers' stress and develop innovations, improving their well-being.

In addition to the existing partitioning business approach, we will also create new businesses through "MA-zukuri"(literally, generating space) to contribute to solving social issues, and improve the well-being of many more people through indirect impact in corporate activities, coexistence and co-prosperity

with stakeholders.

Coexistence with the global environment

"In our efforts to "Empower all Life" by improving the well-being of 100 million people, we will promote coexistence with the global environment as a major premise. Therefore, we aim to achieve net-zero emissions by 2040 and a "50% reduction in environmental impact" by 2030 and promote a decarbonized society. Specifically, we will reduce CO₂emissions (non-consolidated) in Scope 1+2 by 50% by 2030 compared to fiscal 2018. In addition, we will also increase the ratio of renewable energy (non-consolidated) to 50% by 2030 and then to 100% by 2040.

Besides, as part of our efforts to realize a circular economy, we promote eco-friendly products that meet our internal eco-standards, aiming for a 100% eco-product ratio by 2030. We are also working to improve recycling, reduce industrial waste emissions, and use disposable plastics by reviewing our production and packaging methods.

Diversity & Inclusion

To realize a society in which each can shine brightly, we believe it is necessary to create an inclusive society to enable everyone to shine rather than leaving someone behind in a society of mass production. In the same fashion, it is also an essential task for our business to create innovations to meet diverse needs continuously. Therefore, it is crucial to promote diversity and inclusion (D&I) by respecting each other's differences, acknowledging the various ways of thinking and leverage mutual strong points. Consequently, we have positioned D&I as the central axis of our growth strategy in our business activities and are working to realize it.

In 2019, we established the Sustainability Management Promotion Committee and the D&I Promotion Subcommittee at the same time. Furthermore, we have been working on realizing D&I with all employees, including senior management, through holding internal D&I training sessions while periodically deciding on measures and following up on their implementation. Aiming to create a society and a company where everyone can respect who they are,

we will further accelerate our effort. For example, we would strive to eliminate various barriers, including the gender gap, and achieve the goals of a female employee ratio of 30% or more and a female manager ratio of 20% or more by 2030.

Aiming to achieve the moonshot to 2030

I believe that a supreme delight of humanity comes from living honestly with their conscience. We all have a conscience. Constantly refining that conscience, being kind and considerate to others, and working hard to serve the world would foster the supreme delight of humanity. Since we are born once only, our natural mission is to help as many people as possible and contribute to the world. To achieve this, we want to realize true happiness where people can mutually recognize, utilize, and empower each other's innate strengths and individuality.

Our mission is "to help each individual reach their fullest potential and lead a bright life." We believe that is consistent with the SDGs' goal of "seeking to strengthen universal peace in larger freedom." Therefore, as stated in our value creation model, the "COMANY SDGs∞ Model," we will set specific plans and targets and steadily implement them in our business. We will also place importance on an active dialogue with all stakeholders. In addition, we believe that proactively addressing "human rights, labor, the environment, and anti-corruption," as stated in the ten principles in the four areas of the United Nations Global Compact, is not only a social responsibility

that companies should fulfill but also a possibility for innovation. Therefore, we have signed the UN Global Compact and will continue to promote the ten principles.

In the spirit of humanity and fraternity, which are universal values, we will boldly change what needs to be changed and take on new challenges to realize "Empower all Life" and strive to continue to be an indispensable company to the world.

COMANY's journey to "Empower all Life by MA-zukuri (literally, generate space)" has just begun.

Since we live one and only life, isn't it the innate mission of human beings to contribute to the world by helping as many people as possible?

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Chapter **1**

What era are we living in now?

(What kind of world are we venturing into?)

We live in era known as "VUCA," where prospects are clouded and unpredictable. Let's take a look back at the history of COMANY and see what kind of risks we face and what kind of value we can create for the future.

Sustained Growth of COMANY and Changing Times

1961



Komatsu Cabinet Co., Ltd., the predecessor of COMANY INC., was established to manufacture and sell lockers and cabinets during the period of high economic growth.



In 1970, the company name was changed to Komatsu Partition Industry to unify the company name with product image. (The photo shows the exterior at the time)



The products by the Komatsu Partition had contributed to the creation of working environments during the period of high economic growth by "partitioning" spaces. (From the delivery record in the catalog of the time)



In 1984, we introduced a corporate identity (CI) in order to shift our business to the sale of partitions for the purpose of creating a comfortable and functional space, and the company was renamed to the current "COMANY INC". (The photo shows the company's internal magazine at the time.)

An era of partitioning a room (Shinkichi Tsukamoto's management)

High economic growth period
1961 Komatsu Cabinet Co., Ltd.

1970 Renamed to Komatsu
Partition Industry

1984 Renamed to COMANY INC.
1985 Won Deming Prize

The Value from Partitioning a room -The very beginning story of Partition-

In the early days, cabinets were not making profits due to the high transportation cost to distant locations. After thinking through the issue by looking at the city center of Tokyo in a construction boom, our founder, Shinkichi came up with the idea of using our existing technology, facilities, and sales structure to create a screen (partition). This was the launch of our partition business.



SS



SL・PL



NSW

1988

Function of a space



We entered the clean room business, and improved the function of the space by controlling dust and dirt in the air and achieving the optimum level of cleanliness.
→ *Clean Room Partition



We provide a restroom which is easy to use, safe and secure for everyone by adopting universal design.
→ Universally designed toilet cubicleDear-d



Highly aseismic partition system that can withstand earthquake of seismic intensity of 7 class, adding value to the space in terms of safety and security.
→ Highly quakeproof partition "Synchron"

Expression of a space



Wooden doors are used to foster a warm environment (welfare facilities)
→ "Tender Door Series" *Won the 2019 Good Design Award



Large panels adorned the walls of the new international passenger terminal in Haneda Airport, the gateway to Japan's skies.
→ *Single-sided decorative panel (CW)"



"Loosely dividing" creates a space that encourages new forms of communication.
→ "KOUSHI"

An era of expressing "MA" and pursuing "MA" functions (Mikio Tsukamoto's management)

1989 Listed on the second section of the Nagoya Stock Exchange.
1991 Burst of bubble economy
1995 Introduced Amoeba Management
1996 Received the TPM Excellence Award

1997 Established CLUSTAR Inc.
1997 Established Gumanlin (Nanjing) Industry Co., Ltd. and its functions were afterward transferred to Gumanlin (Nanjing) New Building Materials Technology Co.Ltd .

2008 Lehman Shock
2011 Great East Japan Earthquake
2011 50th anniversary of the foundation

2015 Listed on the Second Section of the Tokyo Stock Exchange
2015 Adoption of SDGs, COP25 the Paris Agreement
2018 COMANY's SDGs Declaration

Expanding business with a diverse product lineup

With "comfortable and functional space" as our keyword, we have continued to grow by using partitions to express various spaces while expanding and pursuing new functions of the space.



MUP



BD



Dear-d



Tender Door



DP60s

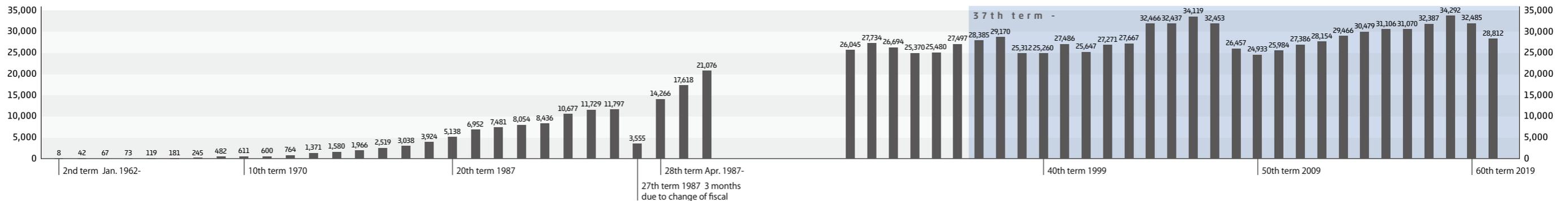


Synchron



KOUSHI

Sales Trend (Founding to 60th term) (Unit: million yen)



Toward a New Era of Value Creation

Sustained Growth of COMANY and Changing Times

2019

Toward a New Era of Value Creation

The COMANY Group's mission is to "Contribute to creating a sustainable environment and human development for people to work, learn, and live better. Thereby, people can reach their fullest potential and live a bright life." We will further develop the partition technologies we have built up over the years and solve various social issues through our business activities to realize this

mission. We would also contribute to a better life for everyone through "MA-zukuri (literally, generating space)" and "Hito-zukuri (literally, human development)." We set our slogan, "Empower all Life," in 2020. We will continue our effort to create a society where each irreplaceable individual can shine brightly and be deeply interconnected.



Toward an era of "MA-zukuri" and "Hito-zukuri" (Kenta Tsukamoto's management)

2020 Spread of COVID-19
2020 Introduced Design Management
2020 Sold Gumanlin (Nanjing) New Building
Materials Technology Co.

2021 Tokyo Olympics
2021 60th anniversary of foundation
New tagline "Empower all Life"

2025 Osaka World Expo 2030 Achieving the SDGs



Health Bright Evolution®



Remote cabin



FSC® Certified Material Toilet Cubicle CB-FSCAR

COMANY's SDGs Declaration

Believing that it is essential for companies to participate in the SDGs to realize it actively, we issued the "COMANY's SDGs Declaration" on April 2, 2018. We are committed to aligning our management philosophy, policies, and strategies with the SDGs' goals and contributing to the realization of the SDGs through concrete operations.



Activities related to the SDGs

- Aug.2018: Signed the United Nations Global Compact and joined the GCNJ
- Oct.2018: Joined Japan-CLP
- Apr.2019: Established Office for the Sustainability Management Promotion
- Jun.2019: Formulated the COMANY Group Human Rights Policy
- Jun. 2019: Signed a partnership agreement with Komatsu City to promote SDGs.
- Oct. 2019: Joined RE Action, a declaration of 100 renewable energy sources
- Feb. 2020: Endorsed the "Declaration on Action" by a group of male leaders who will create "A Society in which Women Shine"
- Apr. 2020: Certified by the SBT Initiative
- Jul. 2020: Announced "Declaration of partnership building"
- Jan. 2021: Signed the Women's Empowerment Principles (WEPs)

What kind of changes will occur in the future?

Japan and the world are undergoing rapid changes, such as the effects of demographic changes, global environmental changes, and technological innovations, not to mention the recent problems of the COVID-19 pandemic. As a result, we are now in a state of Volatility, Uncertainty, Complexity, and Ambiguity, as described as the "VUCA Era."

Precisely because we live in such an era where the future is unpredictable, we must use our willpower to aim for a better society. Then, all life forms, including humanity and the Earth, can live in harmony, develop and achieve happiness without leaving anyone behind.

Impact of demographic change

After World War II, Japan experienced rapid economic growth and became an economic power. However, Japan's population has now already begun to decline, and the number of the elderly is increasing, plunging the country into a super-aging society.

Trends in Japan's GDP and Population

Source: National Accounts - Analysis of Main Aggregates (United Nations), National Institute of Population and Social Security Research, Population Projections for Japan

Impact of global environmental changes

As greenhouse gas concentrations continue to rise, temperatures are expected to rise even further. The problems caused by climate change, such as frequent floods and forest fires, have become increasingly serious.

SSP1-1.9, SSP1-2.6, SSP2-4.5, SSP3-7.0, and SSP5-8.5 are CO2 emission reduction scenarios. SSP1-1.9 is the scenario with the lowest CO2 emissions and corresponds to the "1.5°C target". SSP2-4.5, SSP3-7.0, and SSP5-8.5 show the increasing in emissions in that order.

Global average temperature change based on the period 1850-1900

Source: Summary for Policymakers (SPM), IPCC AR6/WG2

Impact of technological innovation

The total amount of digital data generated and consumed worldwide is 10,000 times greater than 20 years ago and grows exponentially due to the rapid transformation to an information society. This rapid technological innovation supports the development of the global economy.

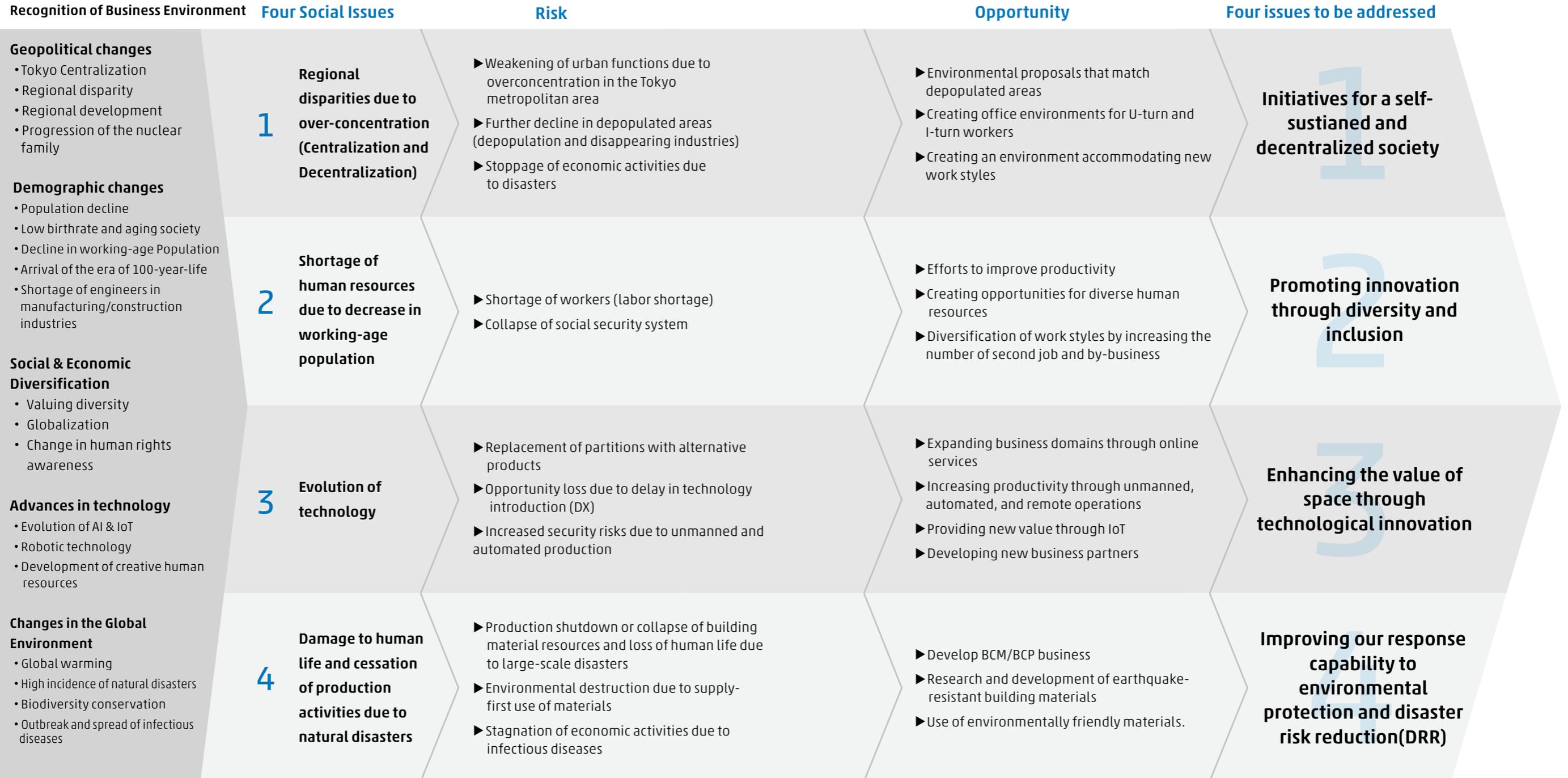
Change in the total amount of digital data generated and consumed worldwide

Source: 2014 WHITE PAPER Information and Communications in Japan, IDC's Global DataSphere Forecast Shows Continued Steady Growth in the Creation and Consumption of Data

Risks and Opportunities

With 2030, the deadline for achieving the SDGs, as a milestone, we have categorized the business environment surrounding the Group into four major social issues. We also identified the factors that pose business risks to the Group and potential growth opportunities of these social issues. Based on the understandings of such environment,

we have identified four issues to be addressed based on the Group's efforts to date, and have further defined four growth fields. In each of these fields, we will enhance our corporate value by solving social issues and contribute to the happiness of all our stakeholders.



Chapter 2

COMANY's Vision for the Future The compass of Journey Mobius Model

Our management goal is to "contribute to the happiness of everyone involved". The business model we have created as a compass for realizing this goal is the "COMANY SDGs∞ (Mobius) Model. In this chapter, we drew a future vision of what kind of value we can create from this compass.

Empower all Life

Contributing to a society in which each and every individual can shine brightly

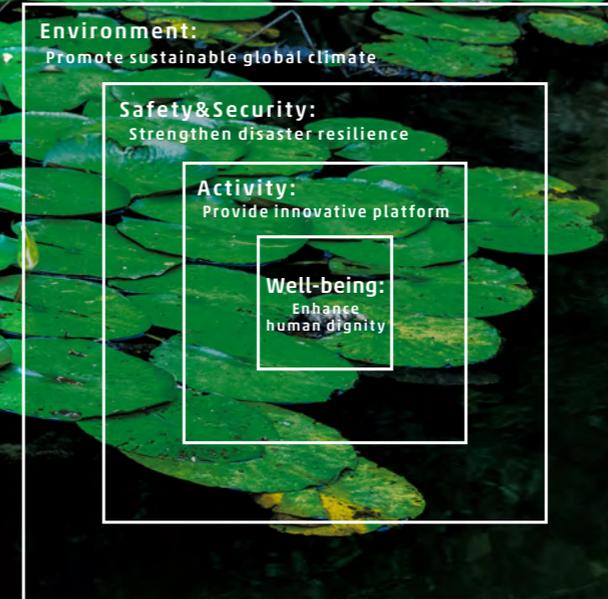
When we were children, we had simple questions and innocent thoughts such as, "Why do adults fight wars against each other?" "Why do people destroy the natural environment?" "If someone is in need of food, why don't we just send the food from where there is a surplus?" However now, we have grown up, learned about the real world, and become busy with our daily lives. We wondered if such childlike thoughts would ever be accepted... No, things shouldn't be that way.

"Empower all Life"

The meaning is "to strengthen all life." It means to aim for coexistence and co-prosperity in harmony with human beings worldwide and all life on earth and the natural environment. We, COMANY, "Empower all Life" through "MA-zukuri (literally, generate space). We strive to create a sustainable environment and human development for people to work, learn, and live better, thereby reaching their fullest potential and living a bright life."

With the pure heart we had as children and the technical skills we have cultivated as adults.

Empower all Life



MA-zukuri
(literally, generating space)

Social Issues to be Tackled by COMANY



Market strategies based on social issues



Thinking with Technology,
Responding with Comfort



Value Creation Model
COMANY SDGS ∞ (Mobius) Model

Realizing a society in which each shines brightly by MA-zukuri (generating space)

"Empower all Life" means to make human beings, plants and animals, as well as life on Earth to be more vibrant. In other words, it means to realize a sustainable environment and development at the same time.

We are a MA-zukuri company (literally, a space-generating company). Our mission is to "Contribute to creating a sustainable environment and human development for people to work, learn, and live better. Thereby, people can reach their fullest potential and live a bright life." We are committed to creating excellent MA (literally, space) through MA-zukuri (literally, generating space) and encouraging all life living in it.

"Encourage all life living in the space" means to make the space sustainable with expanding capacity for the growth. In other words, COMANY aims to "Empower all Life" through MA-zukuri. Our corporate vision is not to



pursue only efficiency through mass production and mass consumption thus far, but to contribute to the realization of a sustainable society and the well-being of all people involved thereby creating a spiritually affluent world. We will contribute to the environment development and human development where each individual can feel safe to be themselves and maximize their potential through MA-zukuri.

Spatial scale to realize "Empower all Life"

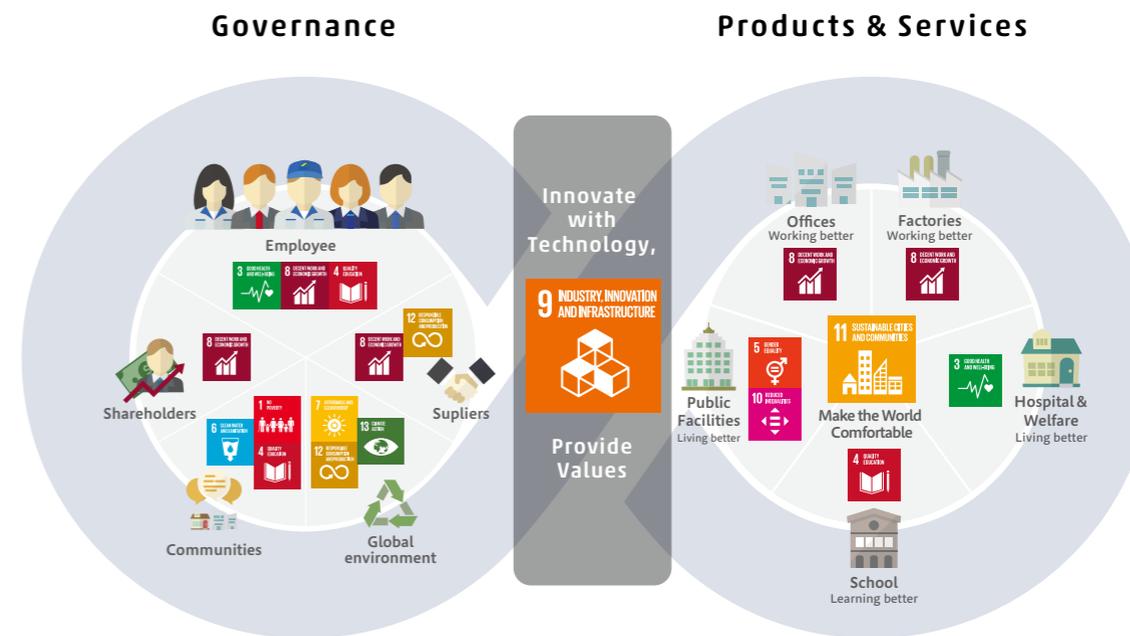
"Empower all life - Contributing to a society in which each shines brightly" is our moonshot for 2030. We have defined the areas of value creation based on current and predicted social issues. We will work on the spatial scale from the global scale to the

conscious awareness of each individual. The actions are as follows: "Promote sustainable global climate;" "Strengthen disaster resilience;" "Provide innovative platforms," and "Enhance human dignity."



Seeking to strengthen universal peace in larger freedom

To provide opportunities for the material and spiritual well-being of all our employees, and through our joint efforts, contribute to the advancement of society and humankind.



The "Comany SDGs ∞ (Mobius) Model" is a business model created to maximize corporate value by implementing the SDGs into management and solving social issues, and to achieve our goal of "management that contributes to the well-being of all people involved." Products & services (on the right side) shows how we can contribute to society by realizing the goals of the SDGs in our business domain. Meanwhile, Governance (on the left side) shows how we contribute to the well-being of our stakeholders through realizing SDG Goals. Furthermore, Goal 9 of the SDGs, "Technological Innovation," is a leverage point that we have set to increase the effectiveness of "Products & Services" as well as "Governance" by organically linking them together, rather than implementing them separately. We aim to maximize our corporate value by advancing our "technology" to a global level and continuously deploying the SDGs ∞ (Mobius) model.



Social impacts created by COMANY

By 2030, we will contribute to a society in which each shines brightly by improving the well-being of 100 million people and reducing the environmental impact by 50% through providing value by MA-zukuri (literally, generating space).

Outcome 1

We will contribute to the improvement

100 million people by 2030.

We will define improvement of well-being as the number of people who are happy as a result of value creation through our existing and new products and efforts for coexistence and co-prosperity with our stakeholders.

Value creation through existing products

Value creation through new businesses

Indirect impact

Initiatives based on coexistence and co-prosperity with stakeholders

Example of calculation of 100 million people

[Safety & Security]: Synchron--Making space to withstand a seismic intensity of 7

By reducing the risk of earthquakes and making a space safe and secure, we help keep up user's mental stability and improve their well-being.

No. of Synchron installed + No. of diffusion by disclosure of technology x No. of users

[Well-being] :Realizing a user-friendly toilet cubicle "Dear-d" a universally designed toilet cubicle

By creating a universal design toilet space that can be used easily by everyone regardless of disability, we work to improve the well-being of all users.

No. of Dear-d installed x No. of users



Outcome 2

We will achieve a

50%

reduction in environmental impact by 2030.

We aim to achieve a 50% reduction in greenhouse gas emissions by 2030, compared to 2018, from both direct greenhouse gas emissions (fossil fuels, natural gas, etc.) and indirect greenhouse gas emissions (electricity, etc.).

KPI

- ① CO₂ emissions (non-consolidated): 50% reduction in Scope 1+2 emissions by 2030 compared to 2018
- ② Renewable energy ratio (non-consolidated): 50% by 2030, 100% by 2040: Obtain SBT certification and declare 100% renewable energy

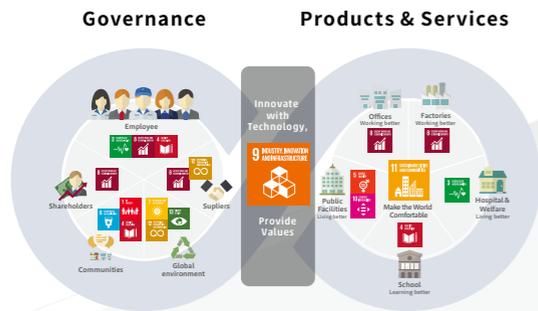
Obtain SBT certification and declare 100% renewable energy

In April 2020, we were certified by the Science Based Targets (SBT) Initiative, an international consortium, for our greenhouse gas reduction targets, which are based on scientific evidence to limit the temperature increase to 1.5°C above pre-industrial levels. Besides, we joined "RE Action- Declaring 100% Renewable" in October 2019, a new framework of RE100 to declare that we will convert 100% of our electricity use to renewable energy. We aim to achieve 50% of our own renewable energy by 2030 and 100% by 2040.



Contributing to a society in which each shines brightly

Our corporate vision is not to pursue only efficiency through mass production and mass consumption thus far, but to contribute to the realization of a sustainable society and the well-being of all people involved thereby creating a spiritually affluent world. We will work to create a society in which each and every one of irreplaceable individuals can shine in their own way while strengthening the people-to-people connections.



FY2018-2020

FY2021-2023

FY2024-2026

FY2027-2029

FY2030

Initiatives for a self-sustained and decentralized society

- Declaration of Partnership Building with Komatsu municipality

- Proposing and developing a variety of work-styles regardless of location
- Promoting internal U, I, and J turns

- Efforts for developing self-sustained and decentralized pilot projects through regional revitalization

- Developing self-sustained and decentralized pilot projects
- Community development fostering interaction of all generation

- Self-sustained and decentralized pilot project Collaboration in urban development
- Realization of a decentralized work environment

Promoting innovation through diversity and inclusion(D&I)

Universally designed products
Ratio of female managers
Ratio of female employees
Ratio of employees with disabilities

Expanding product lineup
4.7%
17.4%
2.3%

Expanding product lineup
8%
18%
2.4%

Expanding product lineup
12%
23%
2.7%

Expanding product lineup
18%
28%
3.0%

Expanding product lineup
20%
30%
3.5%

Enhancing the value of space through technological innovation

Disaster risk reduction population
Reduction of infectious disease damage risk

70,000people
10,000people

280,000people
20,000people

590,000people
40,000people

1,170,000people
60,000people

1,370,000people
150,000people

Improving our response capability to environmental protection and disaster risk reduction(DRR)

Ratio of eco-friendly products
Greenhouse gas emissions
Greenhouse gas emissions (compared to SBT standard FY2018)
Renewable energy ratio (RE Action -Declaring 100% Renewable)

50.7%
4,375t-CO₂/year
87.6%
0.0%

80%
3,946tCO₂/year
79.0%
18.8%

90%
3,317tCO₂/year
66.4%
33.0%

95%
2,687tCO₂/year
53.8%
45.0%

100%
2,478tCO₂/year
50%
50%

Moonshot to 2030
Empower all Life

Social impact created by COMANY INC.

Improve the well-being of
100
million people

Reduce environmental impact by
50%





Chapter 3

The Value Created in the Destination (the Business Domain)

We divide the period before the deadline for achieving SDGs by 2030 into three segments. We would implement three cycles for our medium-term management plan, create value in our business domains, and realize our vision for 2030.

Basic Strategies for Achieving Medium-Term Management Goals

Revenue

In response to the diversified needs of customers due to new working styles and lifestyles, we will speedily develop products and services focusing on the office market. We aim to meet the needs of the New Normal Era while taking advantage of the characteristics of partitions. We will also continue researching "work-styles" to create new sales channels and businesses. Furthermore, we will promote products to designers in the factory, hospital & welfare facilities, schools, and other markets. The activities aim to encourage incorporating our products in shop drawings at the design phase. We will also expand the scope of our solutions business to solve customer issues, thereby expanding our business domain. Moreover, we will strengthen the horizontal cooperation among the entire company, including sales, engineering, manufacturing, and construction departments. We will work together to respond quickly to customers' real needs to secure stable sales.

Profitability

We will improve our productivity and quality by thoroughly eliminating losses and promoting rationalization in the process of proposing to customers, receiving orders, production, distribution, and construction, as well as by reviewing business processes and making systematic investments in production facilities. We will also improve the added value of each

employee and achieve a highly profitable structure by allocating personnel resources and training human resources per customer needs.

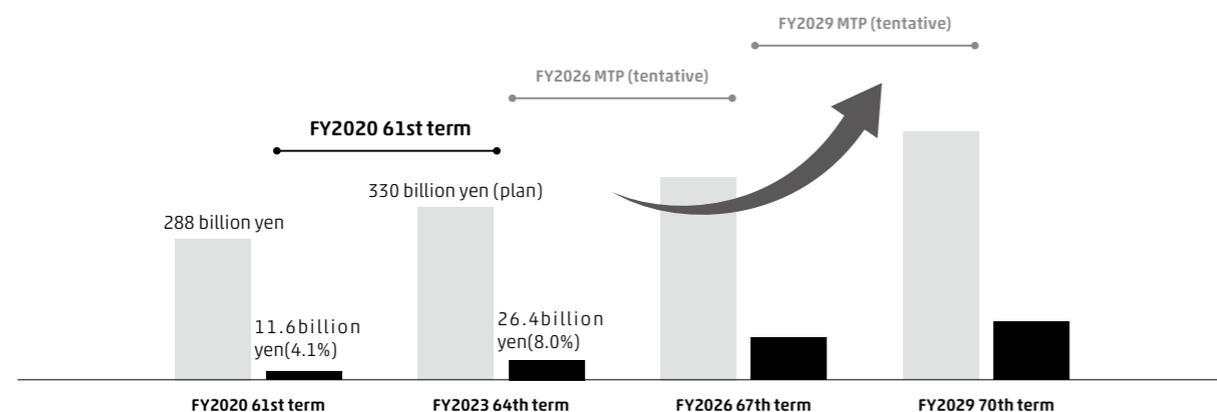
Sustainability

By promoting diversity and inclusion, we will improve the job satisfaction of our employees. Furthermore, by linking this to innovations, we will strive to create value by rapidly developing new products and services in response to changes in the market. Besides, we believe that coexistence with the global environment is a prerequisite for corporate activities. Therefore, we will protect the global environment through energy conservation, reuse, and recycling.

Governance

To increase corporate value, we believe that the basis of corporate governance is to increase management efficiency and improve fair and prompt decision-making. Therefore, we will strengthen management control functions and internal controls to ensure sound and transparent management. Besides, we will actively conduct compliance awareness surveys and study sessions for all employees and provide training by outside experts for directors and officers. We plan to expand these efforts to our group companies in the future.

	FY 3/2022	FY 3/2023	FY 3/2024
Net sales	30,500Billions of yen	32,000Billions of yen	33,000Billions of yen
Operating profit	1,500Billions of yen	2,100Billions of yen	2,640Billions of yen
Operating profit on sales	4.9%	6.6%	8.0%
Ordinary profit	1,540Billions of yen	2,140Billions of yen	2,680Billions of yen
Profit attributable to owners of parent	1,000Billions of yen	1,400Billions of yen	1,800Billions of yen



Value Creation in Major Markets

We manufacture various types of partitions for different applications and deliver them to four main markets, including office, factory, hospital & welfare facilities, and school. In response to diverse customer needs for work-style or space creation corresponding to the New Normal after the COVID-19 pandemic, we will strive to broaden and enhance our customer base by rapidly developing new

products and services. Furthermore, we will build a business structure to secure profits even in a severe economic environment. Moreover, we aim to realize our moonshot for 2030, "Empower all Life," by approaching the four value creation areas. Thus, we will solve various social issues through our business activities.

Market	Value delivered	Value contributed - products/services
Office market	For the office market, working people and the working styles are becoming ever more diversified. This situation leads to individuality in each office, rather than a nondescript space thus far. Furthermore, the office market is experiencing a change that offices will no longer be limited to the space provided by companies. Instead, a variety of areas will turn into offices. For example, people use cafes, private homes, and tourist facilities such as inns for work. As a result, various spaces are available for diverse work styles.	Contributing to a better working environment KOUSHI: Design partition Bridia: Glass partition Remote cabin: Cubicle for remote working DP60S/80: Movable partition Syncron: quake-proof partition
Factory market	The factory market is entering a phase of significant change. With issues in handing down techniques and the decrease in the working population, the transformation to digitalization is an urgent task. Therefore, we have been promoting automation and labor-saving by introducing robots and streamlining production processes through utilizing IT, IoT, big data, and AI.	Contributing to a better working environment CR: Clean room partition SYNCRON: quake-proof partition Mamotaro: Fireproof factory cubicle
Hospital & welfare facilities market	The demand for inpatient care is expected to rise as the number of chronic-phase patients increases due to the rapid rise in the population of Older Senior Citizens and the increase in average life expectancy. In contrast, the workforce is expected to decrease further. Therefore, we will continue to make the spaces pleasant for medical staff and comfortable for patients.	Contributing to a better living environment HDW: Tender door Shinayaka: Beds divider Mobile robot: Used diaper transfer robot
School market	There is an increasing demand for diverse spaces in school classrooms due to new form lessons requiring large rooms for group learning. Another reason is that initiatives for "inclusive education" enable all children to learn together irrespective of disabilities. By accurately grasping the needs associated with the diversification of classrooms, we will continue to provide products to help improve the value of classrooms.	Contributing to a better learning environment SPart: School partition SPart-W: Wooden partition for schools DOS: Mobile partition for schools
Common points	In order for everyone to play an active role in all kinds of space, we will continue to provide safe and secure places and userfriendly products.	Contributing to a better living environment CB-DRD: Universal Design Toilet Cubicle Health Bright Evolution®: Antiviral coating Partition for evacuation center CB-FSCAR: FSC certified toilet cubicle

COMANY's Perception of "MA-zukuri (literally, generating space)"



What is "MA"?

We have been asking ourselves about this question for 60 years since our founding.

What we have been aiming for is not simply divide the space, but to create the perfect MA for the space.

Space has a great impact on people's action.

For this reason, we define "MA-zukuri" as "the generation of excellent MA (literally, space)".

Acknowledging that 60th anniversary, we have changed our motto to "Empower all Life." We also resolved to pursue MA-zukuri (literally, generating space) more than ever so that each individual can live a bright life.

MA-zukuri is the generation of excellent MA (literally, space) that can "contribute to creating a sustainable environment and human development for people to work, learn, and live better."

This spirit was born from sense of value based on "humanity and fraternity," which is our company credo. We have been creating many spaces in the past.

Believing that this is the value creation that we should encourage, we will continue to pursue MA-zukuri in the future.

Good News for those who need to conduct online meetings or focused work.

Work better

Learn better

Remote cabin

This product is a cubicle that provides an optimal space for web conference and focused work.

Due to the spread of the novel coronavirus, web conference has exploded in popularity. However, there is not much space for web conferences in the conventional office environment. As a result, some occupied a conference room. And some conducted web conferencing in the workspace, interfering with other co-workers' concentration. Thereby, many are dissatisfied with the office environment.

The same issues arise in other target markets due to changing circumstances. For example, the meetings among factories also go online instead of face-to-face meetings. More conferences and seminars regarding hospital and welfare facilities also go online. Besides, online lessons have become common in schools as well. Therefore, the need for space to conduct meetings, seminars, or attend classes is increasing. This product helps create an environment where each individual can work and learn better.

This product is cheaper and quicker to deliver than conventional products, is designed for comfortable work in the cubicle, and has anti-virus and anti-bacterial specifications for safety and security.



Agile Development

During the development process, we considered various factors, such as how people would use the product and what they might possess when considering the layout of the space. As a result, we have been developing in an agile manner. And we are constantly evolving, making more than ten improvements since the launch.

Is the space really safe to use?

Work better

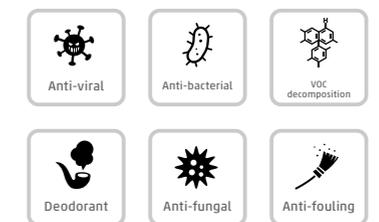
Learn better

Live better

Health Bright Evolution®[HBE]

Health Bright Evolution® (HBE hereafter) is a product that provides anti-viral and anti-bacterial effects by coating rooms and fixtures. Even before the COVID-19 pandemic, the risk of infectious diseases such as influenza existed in various places. Therefore, we started providing HBE on May 1, 2020, to create a safe and secure environment.

HBE is guaranteed to be effective for five years and contributes to better working conditions for employees in offices, better learning conditions for children in educational facilities, and safer commercial and sports facilities in everyday life.



Bringing Japan's ancient partitioning culture into the modern age

Work
better

KOUSHI

As the name suggests, the concept of this product is based on the motif of lattice, an ancient Japanese method of softly dividing space.

The ancient-style partition has created a space where people can feel at ease by fostering a sense of unity in the entire space with retaining the presence of others besides the partitioning.

The appropriate way of making space, does not only allow people feel connected with each other but also help people make new discoveries and foster communication, thus enabling people to "work better."



Stylish expression of industrial

The one-of-a-kind design can be expressed by our ready-made product. We can create a lattice structure with a stylish frame and combine it to meet the customer's needs.

What I want right now "KAKOU" "Mile"

Work
better

Live
better

"KAKOU" "Mile"

The spread of the new coronavirus has triggered major changes in the working and learning environment, including work-from-home and online classes.

We launched "KAKOU" as a countermeasure against the gaze of family members at home and the reflection of projections from online meetings and classes.

In addition, as the issues of fatigue and lack of exercise due to working at home increased, we developed "Mile" and conducted trial sales through crowdfunding as a proposal to outdoor workstyle in natural environment.

The result of crowdfunding campaign produced exceeded our expectations, and we feel that many people have high expectations for working outside. We are working on improvements and refinements for the official launch in November 2021.

KAKOU



Mile

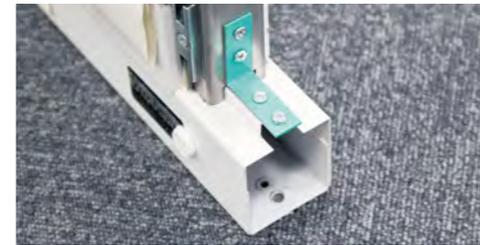


Japan is an earthquake-prone country, and our partitions can withstand a seismic intensity 7 earthquake.

Work
better

Learn
better

Live
better



Highly quakeproof partition "Synchron"

In Japan, major earthquakes occur frequently, and the probability of a huge earthquake occurring in the next 30 years is said to be more than 70%, raising alarm about the risk of a large earthquake.

Although partitions are basically quakeproof, we have learned that some partitions were broken while some were in danger of collapse in the past major earthquakes such as the Great East Japan Earthquake and the Kumamoto Earthquake.

Partitions are widely used in corporate offices, schools, hospitals, and public facilities where everyone has a chance to visit. To make such familiar partitions more earthquake-resistant, we have been conducting research on the highly quakeproof partition "Synchron" in collaboration with Kanazawa Institute of Technology. To achieve our goal of 1.37 million people's risk reduction in the event of an earthquake by 2030, we are working to increase the percentage of our products equipped with Synchron.

Improving the safety level in Japan, an earthquake-prone country

In the past 30 years, only 12 out of more than 1,700 municipalities in Japan have not experienced a tremor of intensity 3 or higher. Besides, there have been 5 huge earthquakes of intensity 7. We cannot prevent earthquakes but we can do our part to reduce the damage.

Achieving a society with zero secondary victims in disasters

Live
better

Cubicle for Evacuation Center

In a world where disasters are becoming common, a safe and secure environment at the evacuation site is an important factor in preventing secondary victims. To reduce the number of secondary victims in the event of a disaster to zero, we have developed a cubicle for evacuation center that provides a space where women can change their clothes and breastfeed in peace. We believe that an environment where women can evacuate at ease is also an element of secure for children and men around them. This product is made of lightweight and strong materials, and can be assembled in about 10 minutes without tools. It was produced after learning about the disaster area and interviewing experts about what was needed. In the event of a disaster, which could happen at any time, we will create a space that protects people's dignity and provides peace of mind for a better life, rather than saying, "It's an emergency, we can't help it."



Realizing the necessity of "MA (literally, space)" for evacuation center assisting the disaster-hit areas

This project was launched after our employees actually assisting the affected areas during the Landslides and flooding caused by torrential rain in western Japan in 2018, and wondered what we could do as a manufacturer. We also recognized the importance of this project through discussions with students from Kanazawa Institute of Technology, and started development of the product.

Realization of a stress-free space for all users

Live
better

Universally designed toilet cubicle [Dear-d]

This product is a universally designed toilet cubicle with a folding door. It is space-saving and user-friendly, creating a stress-free toilet space for everyone regardless of age and physical condition. With the rapid aging of society and globalization, the Ministry of Land, Infrastructure, Transport and Tourism has enacted the barrier-free law. And other universal design initiatives are gaining momentum in society as a whole. However, congestion in multi-functional toilets has been cited as a problem.

Therefore, the transfer of functions for children and ostomates to public toilets is being promoted to relieve congestion in multi-functional toilets. We developed the space-saving Dear-d to achieve this goal. It has been used in many facilities, including large-scale facilities such as Narita International Airport and Central Japan International Airport, for this reason. As a result, all users can use the toilet space without any inconvenience, creating an environment where each person can live better.



Create universal design together with users

We have conducted a number of experiments with a variety of users, including the physically challenged and those with small children, and reflect the results of these tests in our product development.

Realization of comfortable rooms and nursing care for the elderly

Work
Better

Live
better

"Tender Door Series" "Bed Divider Series"

Since the "Tender Door Series" is made of wood, its taste and scent give the room warm air. The homey atmosphere gives the users a sense of comfort and security as if one is staying at home. Besides, it is lighter in weight than ordinary steel doors, allowing the elderly to open and close them smoothly. It also reduces the risk of falling due to contact with the self-closing door.

In addition, the "Bed Divider Series" is a partition between beds that is ideal for privacy protection in multi-bed rooms. In welfare and medical facilities for the elderly, privacy protection in multi-bed rooms has become an issue. The "Bed Divider Series" helps create a facility environment that protects the privacy of the residents and suits the rhythm of each individual's life while providing the necessary care to the elderly. Thereby, we create an environment where each individual can work and live better. As a result, the elderly can live vibrantly, and the staff can focus on their work with peace of mind.

Tender Door Series



Bed Divider Series



Optimal partitioning supports energy conservation

Live
Better

C-POD

As a result of digitalization, the amount of data traffic on the Internet in Japan has doubled in the past three years. As data capacity is expected to continue to increase, the need for data centers to support it is becoming increasingly important.

The power consumption of air conditioning in data centers is extremely high, and this poses a challenge in terms of climate change countermeasures. Our C-POD is a ceiling-mounted product to improve air conditioning efficiency in data centers. Structure of partitions is utilized for the flexible adjustment. It helps reduce power consumption in data centers by effective cooling of servers.



A sustainable future through the use of well-managed materials

Living
better

FSC-AR

This is an environmentally friendly toilet cubicle that has obtained FSC® certification. The wood used for the filler, frame, and other components comes from properly managed forests. By properly utilizing these wood in our products, we are trying to achieve a decent supply chain that is free from not only environmental problems but also child labor.

FSC® certification (Forest Stewardship Council®) is an international forest certification system for forest products that are properly managed and procured so that limited forest resources can continue to be used in the future.



Thinking about the Future of the Earth

COMANY has obtained COC certification (SA-COC-007857), and is striving to use wood responsibly and contribute to the creation of an environment where people can live better.



Chapter 4

Toward a never-ending Journey
Our Attitude for Continuing the Journey

With the belief that "a company should exist to contribute to the world's happiness," we continue to strive to be a trustworthy company. Together with all of our stakeholders, we will build a sustainable future based on coexistence and co-prosperity with society as a whole.

Keep creating new value through technology and design thinking

We strive to meet the real needs of our customers by creating value for space through technology and design thinking. We also believe that the development, production, sales, and construction of safe, high-quality, and environmentally friendly products will increase customer satisfaction. We are focusing on each of these initiatives and human resource development.

Realizing COMANY philosophy by management with the value of design at the center of business strategy



Mr. Masaya Shioura,
Architect&President, SCAPE inc.

For the past few years, I have been discussing design thinking and design-driven management with COMANY. Peter Rowe's "Design Thinking" is one of the earliest documents on design thinking released in 1987.

It talks about the importance of how designers approach user needs. Partitions are products closest to the end-user in the building industry. Therefore, we believe that product and service development using design thinking is very effective.

Besides, design-driven management is a management approach that started receiving attention in Japan due to the release of "Design-Driven Management" by the Ministry of Economy, Trade and Industry

in 2018. It places the value of design at the center of the management strategy. As a result, not only product development but also internal knowledge assets and even employee behavior can be formalized (designed) to pursue the realization of COMANY's philosophy. COMANY has an open corporate culture, and everyone there has intense curiosity. I hope that COMANY will develop products that people genuinely want and become a company that people wish existed.

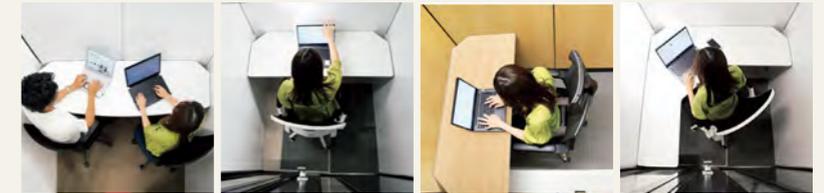
Four product development concepts and design thinking

Based on the technological know-how we have cultivated over the years, we are developing products that provide value that will impress our customers based on the four concepts of "safety and security," "quality and function," "environmental and social contribution," and "dignity and comfort." To contribute to the 17 goals of SDGs, we have drawn up a vision of what we should achieve in 2030, and are working on R&D and business operations by clarifying issues to be addressed through backcasting (thinking backwards). In order to realize these goals, we are promoting

Remote cabin created through agile development

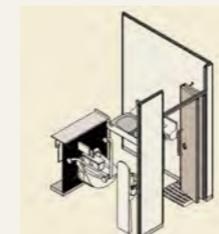
One of the spaces being created in response to the changes in work styles caused by the corona outbreak is cubicle for solo work. Remote Cabin is one of the products that help reduce the risk of infection, makes it easier to focus and more comfortable to conduct online meetings. We developed the remote cabin by an agile development approach, and it is still being refined and improved. For example, we made a cubicle for work

with a desk surrounded by ceilingless partitions in the first phase. Then, two months later, in the second phase, we developed a bigger remote cabin, which can accommodate two people for meetings. Finally, in the third phase, we added a ceiling equipped with a disaster prevention system, as requested by many customers. The product lineup includes "Comfort Class," "Business Class," "First Class," and "Remote Cabin Double." "Comfort Class" is a cubicle at the lowest cost. "Business Class" is a cubicle that allows you to spread out many documents. "First Class" is a cubicle that enables you to focus on work for a whole day. And "Remote Cabin Double" is a larger cubicle available for small meetings with another member. Customers can choose from any of these types with the ceiling open or closed, allowing them to flexibly set up the space according to their workplace and purpose. Besides, Health Bright Evolution® (antibacterial and antiviral coating) is applied at the time of assembly and construction as a measure against infectious diseases to provide a high value-added space.



Working outdoors as an option for new working style

As remote work becomes popular, we have started to develop "Mile," a kit for working outdoor, as one more option for workstyle.



Joint development of BIM data for restroom spaces

We aim to reduce the time and effort of designers and contribute to solving problems in the construction industry. We have worked with LIXIL Corporation to provide BIM data, including toilet cubicles and sanitary facilities.



Creating a safe space for changing clothes and breastfeeding in evacuation centers

We developed a cubicle for the evacuation center in collaboration with the Kanazawa Institute of Technology to make the evacuation center more secure.



A variety of droplet infection prevention partitions are now available through speedy development

In the past year, we developed several variations of partition for preventing droplet infection in response to the COVID-19.



Online Conference "Technology WEEK"

It was an online event for construction, development, design, and manufacturing departments to share and discuss their daily efforts to enhance COMANY's technological capabilities.



"Construction festival 2022"

We have held an online construction conference to view the technology and history of COMANY's construction. We envision the world of 2030 together with our construction partners.

Building a Sustainable Coexistence and Prosperity Relationship (Supply Chain) with Suppliers

We value the relationship of coexistence and co-prosperity with our partners fostering mutual growth. We aim to build a sustainable supply chain to conduct fair and equitable procurement activities and procure materials that consider the global environment and human rights.

Working together with partners to address global environmental issues



Mr. Shigeo Masui,
President and Representative Director,
KINMATSU Co., Ltd.

Recently, we have heard the term SDGs and SBT more frequently than ever. I was vaguely aware of the importance of these initiatives when I heard about the SDGs from COMANY. When I thought about our company's efforts, I had a vague idea of what we should do and what we could do regarding the SDGs.

SBT was also a high goal for us, and we were not sure where to start or how much we could do. However, after listening to COMANY's ideas and approaches to the SDGs and SBT and witnessing the disasters caused by climate change every year, I had got some ideas. I realized that each of us should be aware of our role as a concerned party.

And companies should cooperate to address global environmental issues as soon as possible.

From now on, Kinmatsu will examine what we can do for the global environment internally. We will also set a target for CO2 emission reduction, and all employees will work together to achieve the target. Furthermore, we will promote SBT activities in cooperation with our partner, COMANY.

Conducting supplier satisfaction surveys and regular interviews

To build a better relationship with our suppliers, we conduct a "Supplier Satisfaction Survey." We see the satisfaction survey as an evaluation of our daily activities and an expectation of our company. Aiming to improve satisfaction, we collect a wide range of opinions and requests for future improvements. In addition to regular interviews, we continuously conduct surveys, confirmations, and enhancements to build long-term relationships of trust with our business partners and solve problems.

Improvement activities in response to requests from suppliers

The issue that our customer frequently requested for improvement in the Supplier Satisfaction survey is delivery time. In response to the problems related to the delivery time, we have picked up items that require a lead time and have a high risk of shortages and delays in delivery. In addition, we have set up a system for informal ordering in cooperation with relevant internal departments. In the future, we will increase the number of target products and continue to solve issues related to delivery.

Improvement of shop drawings

We are committed to ensuring that the shop drawings we send to our suppliers are error-free and easy for them to receive. We improved the quality of pictures by conducting interviews and reducing the number of incomplete or unclear drawings. Besides, we work with our suppliers to digitize our products to request production using 3D CAD drawings.



Improvement activities through collaborative

We believe that coexistence and co-prosperity with our suppliers will foster mutual growth and development while achieving peak performance. Therefore, we work together with our suppliers to make improvements through manufacturing. Through study sessions such as technology enhancement sharing meetings, we work to maintain and continue the quality and promote efficient manufacturing.



Efforts to achieve SBT certification SCOPE4

To achieve SBT's SCOPE3 goals, we have been getting our suppliers to agree to engage with us since fiscal 2020.



Mutual learning through technology improvement sharing sessions

We hold technology improvement sharing sessions with our suppliers to strengthen our cooperation system and solve problems to improve technology and add value.



Declaration of Partnership Building

In support of the "Declaration on Partnership Building" organized by the Ministry of Economy, Trade and Industry, and other organizations, we aim to build relationships of co-existence and co-prosperity with our business partners.

取引先調査表(BCP・CSR)	
取引先名称	
所在地	
業種	
取引内容	
BCP対応状況	
CSR対応状況	
評価	

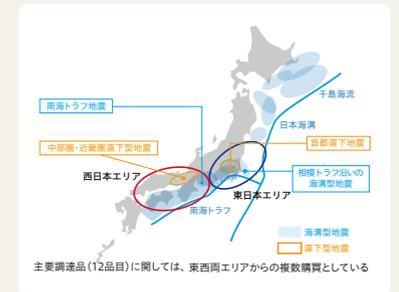
Understanding the current situation through supplier surveys

Following the COMANY Group Human Rights Policy, we use supplier surveys to assess the status of human rights, labor, the environment, and anti-corruption.



Increasing dialogue through supplier exchange meetings

We hold supplier exchange meetings as a platform for deepening mutual exchange, including reporting on supplier satisfaction surveys and sharing purchasing policies.



BCM (Business Continuity Management) Initiatives

We are working on BCM (Business Continuity Management) to ensure stable supply to our customers in the event of natural disasters and other emergencies.

Setting and Promoting Ambitious Goals for Climate Change Mitigation and Decarbonization

In recent years, it is observable that the frequency and intensity of weather disasters such as heatwaves and torrential rains have been increasing. As a result, it is becoming increasingly important for companies to take action against climate change. At COMANY, we believe that corporate should conduct activity in harmony with the global environment. Therefore, we strengthen our efforts to mitigate and adapt to climate change.

Companies are now being tested on their seriousness to adress climate change.



Mr. Shuichiro Suzuki,
Representative Director, Wastebox Co. Ltd

In recent years, the Japanese government has declared carbon neutrality, and many companies have been steering a course toward decarbonization. However, COMANY was among the first to implement sustainability initiatives. Our efforts with COMANY started three years ago, in 2019, when we started tracking Scope 3 emissions. The Company had already incorporated the SDGs into its management practices at that time. Then, however, it decided to grasp the emissions in the supply chain (Scope 3) and set SBT targets (at the level of the Paris Agreement) to make the process even more concrete. As a result, in April 2020, COMANY received SBT certification, making it one of the most advanced companies in Japan to address climate change.

In particular, "emissions from purchased products" account for

the most significant portion of COMANY's supply chain emissions. For this reason, COMANY has started to encourage its suppliers to set reduction targets at the SBT level to reduce these emissions. This approach to supplier engagement is progressive. Many top companies are now starting to visualize and reduce their supply chain emissions. This trend will no longer stop because it tests companies on how they impact society and how serious they are about combating climate change. Furthermore, decarbonization is becoming commonplace in business in a world undergoing climate change. In this context, I feel that COMANY is always practicing sustainability-conscious management.

Achieving ambitious goals

Obtaining SBT certification

In April 2020, COMANY obtained certification from the SBT Initiative. We have set goals to reduce our Scope 1+2 carbon dioxide emissions by 50% by 2030 compared to 2018 levels. In addition, we assess a target for suppliers equivalent to 80% of our Scope 3 Category 1 carbon dioxide emissions by 2024. Those are "1.5°C level" to keep the temperature increase from pre-industrial times to less than 1.5°C.

Reducing carbon dioxide emissions

To achieve the SBT target, each section, led by the Environmental Conservation Committee, is engaged in activities to reduce energy consumption derived from fossil fuels.

This fiscal year, we introduced FEMS to promote loss improvement by visualizing energy use. With the introduction of this FEMS, we will use this system in the future to understand the actual status of energy use. Based on this information, we will promote reliable and highly effective energy-saving improvements and expand the effects of reducing carbon dioxide emissions.

Expanding the use of renewable energy

We are expanding the use of renewable energy sources. As the first organization to join the Renewable Energy 100 Declaration RE Action, established in 2019, we are committed to using 100% renewable energy by 2040. Thus, to achieve this commitment, we have started operating a PPA-based solar power generation system for our consumption this year. Besides, we already have about 1MW of FIT-based solar power generating systems in operation. We plan to switch the electric power selling to self-consumption in the future. Furthermore, in July 2021, we responded to the CDP Climate Change Questionnaire for the first time, a survey conducted by the international NGO CDP. We will strengthen our climate-related disclosure by replying to the CDP in compliance with TCFD.



Energy-saving activities in the Group Company

Cluster Inc. is one of our group companies mainly producing wood products. It works to meet its CO2 emission reduction targets by promptly conserving energy and improving production efficiency to achieve the targets.



Participating in the 19th Conference on Global Warming

In December 2020, the Chubu Regional Environment Office of the Ministry of the Environment held the "19th Conference on Global Warming" online, and COMANY presented a case study of its initiatives.



Switching to Environmentally Friendly Packaging Materials

We have announced a switch from shrink film used for product packaging to environmentally friendly polyethylene derived from sugar cane with 20% biomass content in our manufacturing activities.



Received four-star rating at Nikkei "SDGs Management"

In the 2020 Nikkei "SDGs Management" survey, COMANY received a four-star rating for its efforts to solve social, economic, and environmental issues through its business by linking the SDGs to management.



Reducing industrial waste

We are working to reduce industrial waste by 20% , mainly from manufacturing and construction, and to achieve a 100% recycling rate by 2030.



Launched products to improve air conditioning efficiency in data centers

We launched C-POD, a ceiling-mounted hot air containment system that improves the air conditioning efficiency of data centers. It is a product to facilitate the optimization of airflow in data centers.

Toward the realization of each employee's well-being

(physical, mental, and social well-being)

We aim to create a work environment for all employees to play a leading role and feel motivated to work and grow. Thus, we respect the humanity of each employee and strive to create systems that provide opportunities for their full utilization. In addition, we will also create an organizational climate allowing them to always work with a positive outlook.



Taking maternity leave motivates efficient working style



Kohei Nishitani
Information Systems Section I
Information System Department

We have been certified by the Ministry of Health, Labor and Welfare as a "company supporting childcare" following the Act on Advancement of Measures to Support Raising Next-Generation Children and have acquired the "Kurumin" mark.

When I found out that my wife was carrying twins, I was worried that I would not be able to raise two children at the same time while working. I couldn't rely on my parents because they were far away and caregiving at home. Besides that, the COVID-19, which kept people apart, added to my worries. In this situation, I could not burden my wife alone. Finally, I mustered up the courage to confide in my boss that I wanted to take maternity leave and leave the work of my own volition. At first, my boss was surprised. There was no precedent for the person in charge to leave the job for an extended period. In the end, however, he encouraged me to take maternity leave, saying, "We will follow up as a team so that you can focus on childcare." I can't thank my supervisor and

colleagues enough.

Giving birth to the twins naturally seriously damaged my wife's body as she had experienced a car crash. For my wife to concentrate on her recovery, I made use of all my experience in quality and productivity improvement. I analyzed the causes of the twins' crying and made improvements to deal with it immediately. This experience has been reflected in my work and has helped improve operations. As both a father and a person in charge of my job, maternity leave has led to remarkable growth.

Aiming to be a company for all employees to work with vigor and enthusiasm

With the recent concern about the decline in the working-age population, our primary growth strategy is to respect diversity and create an environment enabling employees to demonstrate their individuality. Therefore, we promote diversity and inclusion (D&I) based on this recognition. We strive to create an organization that allows individuals to demonstrate their diverse abilities and individuality through measures. For example, we encourage the active participation of female or senior employees and expand the employment of persons with disabilities and foreign nationals. Furthermore, we will develop a workplace environment and systems to balance work with childcare and nursing care. Not only the efforts and ingenuity of each individual, but we also focus on education to deepen the understanding of superiors and coworkers and provide support throughout the workplace.

On March 8, International Women's Day, we held an event to think about D&I, which provided an opportunity to understand D&I and recognize unconscious bias.



Human development for the mutual growth of employees and the company

Since our establishment, we have managed our business with respect for humanity, valuing the "human spirit" above all else. We are actively developing educational opportunities to enhance our philosophy following the spirit of "humanity and fraternity" and the skills to contribute to society through this philosophy. We introduced the HPC system (developed by GAIASYSTEM Co., Ltd.) for philosophy education. It enables heart-to-heart dialogue and creates a corporate culture where employees are connected in solid relations of trust and can exercise autonomy and initiative. All employees take the philosophy training every year. In fiscal 2020, we conducted a total of 36 sessions online for the first time.



In support of

WOMEN'S EMPOWERMENT PRINCIPLES

Established by UN Women and the UN Global Compact Office

Promoting gender equality and women's activities

To promote gender equality and women's empowerment, we signed the Women's Empowerment Principles (WEPEs) in January 2021.



Well balanced work and private life

In March 2021, we were commended by the governor of Ishikawa Prefecture for promoting work-life balance and were certified as one of the "Companies Supporting Father in Child-rearing in Ishikawa Prefecture."



2021
健康経営優良法人
Health and productivity

Certification of "Health & Productivity Management Outstanding Organizations 2021"

In recognition of our health and productivity management initiatives, we were certified as one of the "Health & Productivity Management Outstanding Organizations 2021" jointly selected by the Ministry of Economy, Trade and Industry and NIPPON KENKO KAIGI.



Improving health through exercise routine

To promote employees' health, we designed a "Health Promotion Month" program. We encouraged them to continue exercising by measuring the amount of exercise and motivated them to compete in four different categories.



Education to acquire specialized skills

In addition to technical training and development, we also use e-learning to pass on and accumulate our know-how.



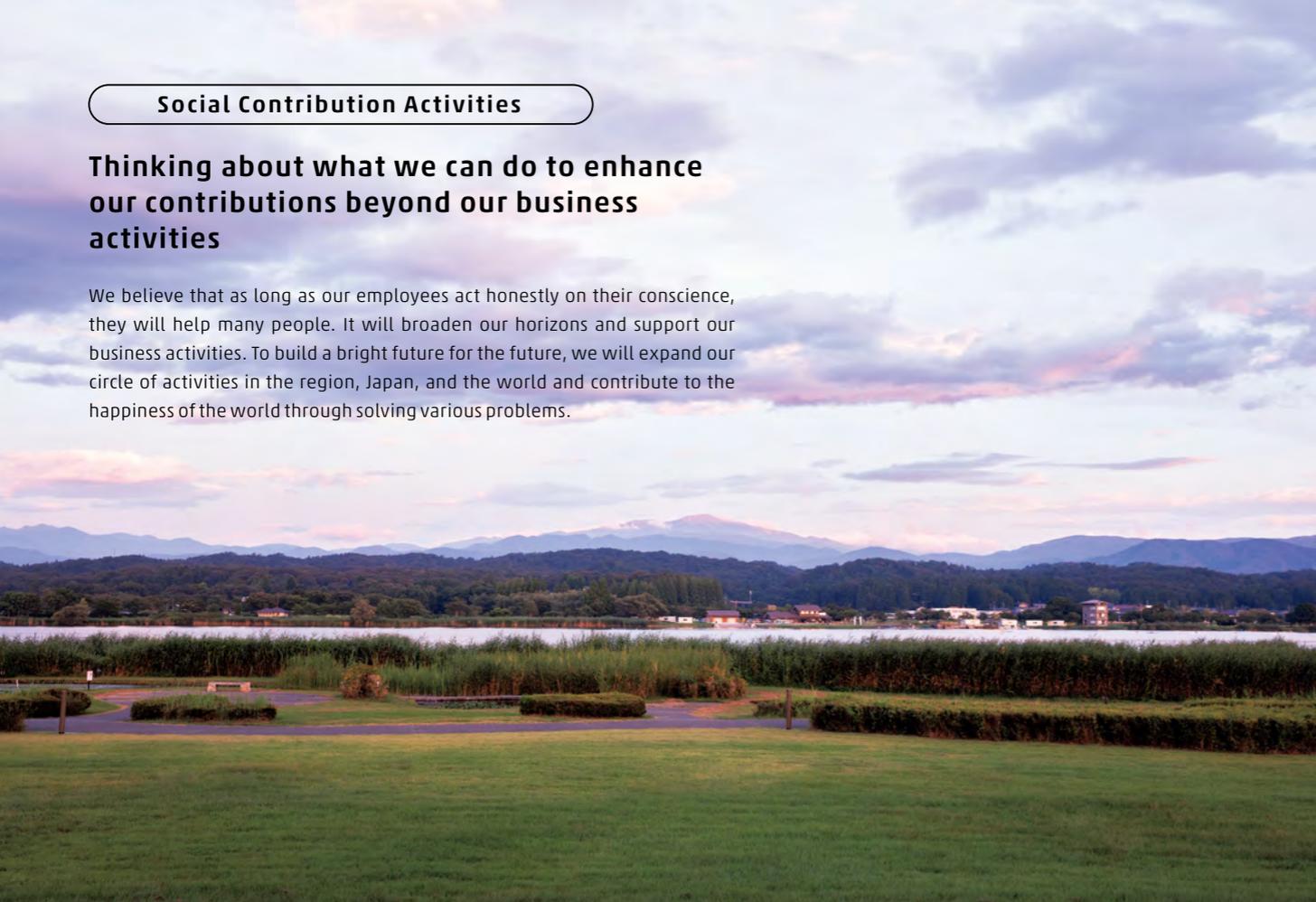
Introducing the "Employment System for Senior Employees"

We abolished the mandatory retirement age system and established the "Employment System for Senior Employees" to realize a new working style after 65.

Social Contribution Activities

Thinking about what we can do to enhance our contributions beyond our business activities

We believe that as long as our employees act honestly on their conscience, they will help many people. It will broaden our horizons and support our business activities. To build a bright future for the future, we will expand our circle of activities in the region, Japan, and the world and contribute to the happiness of the world through solving various problems.



A chance meeting lead to start of Komatsu Children's Cafeteria



Ms. Fumi Hino
Representative, Komatsu Children's Cafeteria

I had the opportunity to present a different project at the UE-Café held in August 2018. Komatsu Children's Cafeteria" was born in no time after that chance. Three years have passed since then. Currently, the cafeteria has grown to nine locations in Komatsu City. Since the program's start, COMANY has provided us with monthly financial support, which is the biggest problem when holding the program. Besides that, they have also collected surplus food for us from their employees, directly participated in the cafeteria as volunteers, and sometimes even gave me a helping hand. All our staff and I can't thank COMANY enough for

their support. The term "social contribution" and "volunteering" may sound like an easy job, but it is not. However, seeing the employees of COMANY take the initiative in conducting the volunteer work with harmonious teamwork impressed me greatly. I hope to see many more Japanese companies learn from COMANY as a model case and involve in the activities. I believe that much more charity work we can do hand in hand precisely as private sectors. I look forward to cooperating with COMANY again in the future.

Valuing the "Willingness" of Employees

What we value in our social contribution activities is the "initiative" of our employees. We place importance on doing what we genuinely want to do for the benefit of others, rather than just doing what we are told to do. One of the characteristics of our social contribution activities is that we can see each other's faces. We have participated in various activities at local welfare facilities such as in disaster-affected areas and Cambodia. We visited the sites directly and interacted with the people in need through dialogue in all cases. These experiences have led to ongoing and more developed activities.

having fun. It is an event for the fun of visitors and the employees who run the event. The employees enjoyed planning the activity while making visitors happy. We used the donations and sales of goods gained from the event to support various organizations. Thanks to eliminating distance constraints due to the online event, we interacted with local children of the support project for Cambodia. We also received messages from regions connected through past support. Besides, the online event made it easy for participants to get involved from anywhere. Thus, the total amount of donations and sales was the highest in the history of COMAFES.

Online charity events made possible due to COVID-19

We believe it is essential for industry, government, academia, and the private sector to join hands in developing the region. Therefore, we are deepening our ties by setting up opportunities for exchange and actively participating in events hosted by local governments. For example, the charity event "COMAFES" is held every summer and we have got many attendants every year. This year's event was held online because of the COVID-19. The theme of this charity event is "contributing to society while



UE-Café @ Komatsu

We held UE-Café@Komatsu regularly every year as a platform for local communities, students, citizens, and companies to interact regarding social contribution and volunteer activities. We had the event online this year due to the COVID-19.



A local beach cleanup effort by new employees

Our new employees have learned about marine pollution caused by microplastics. Therefore, they planned activities themselves and took action to clean up the sea surrounding Ishikawa.



Peace Flame Movement

We light the remaining flame of the atomic bomb and think about peace every year in this event. We held online this year to learn and talk about peace and create opportunities for participants to take action for the future.



Donation of KAKOU

KAKOU is a product for home use developed during the COVID-19 pandemic. Since KAKOU is easy to carry, we donated it to evacuation centers supporting the torrential rain in July 2020.



Support for Cambodia

To create an environment for the children in villages of Cambodia to expand their potential, we collected donations from our employees and built a computer classroom.



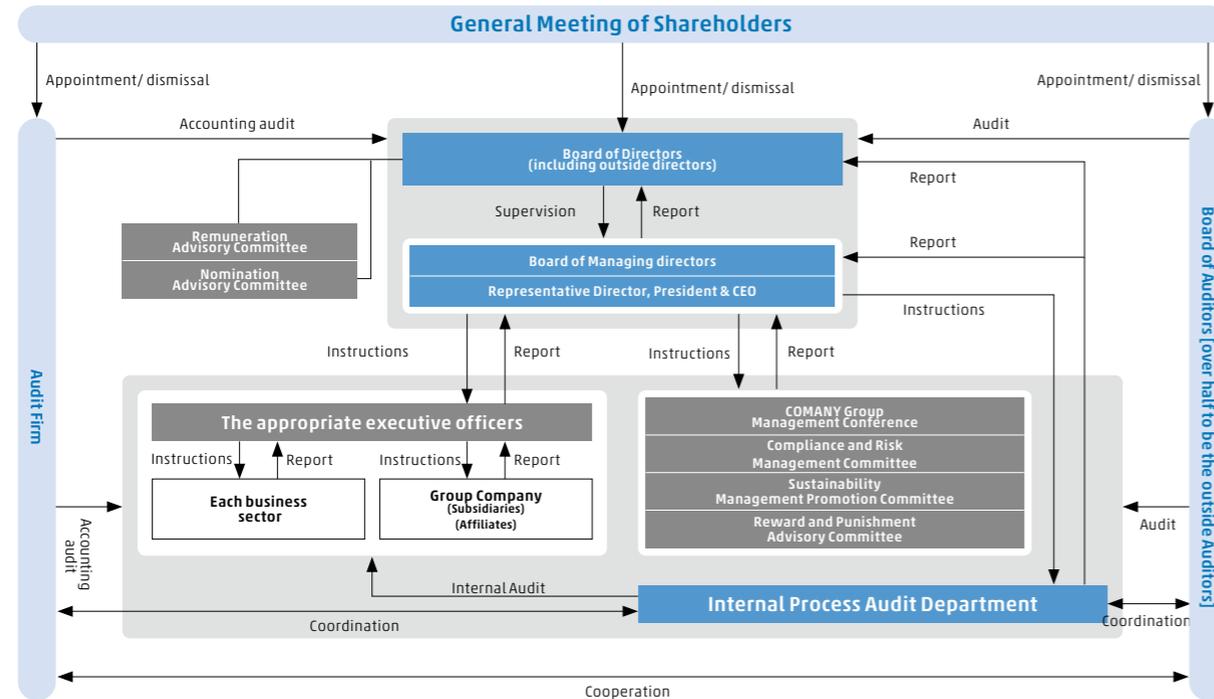
Conducted SDGs Class for Junior High Schools

Not only did we introduce COMANY's activities, but we also held classes that will lead to the future. We hope that the next generation can understand the SDGs correctly and take action.

Corporate Governance

Our primary corporate governance policy is to increase corporate value based on our management philosophy, improve efficiency, and enhance fair and prompt decision-making. We will continue strengthening our corporate governance, recognizing the importance of enhancing management oversight functions and legal compliance systems to ensure sound and transparent management.

The structure of corporate governance



Board of Directors

Under the internal rules on matters to be reported, the Board of Directors resolves basic policies regarding the Company's management. In addition, it receives reports on the status of the execution of essential operations. The Board of Directors meets once a month in principle and as needed and held 17 times during the fiscal year under review. We set the term of office of Directors at one year to build a management system that can respond quickly to changes in the business environment.

Advisory bodies of the Board of Directors

The Remuneration Advisory Committee deliberates on the remuneration of officers in response to inquiries from the Board of Directors. The Nomination Advisory Committee deliberates on the personnel affairs of officers in response to inquiries from the Board of Directors and reports to the Board of Directors. It ensures objectivity and transparency in these matters and strengthens corporate governance. The Remuneration Advisory Committee met seven times in the fiscal year under review. The Nomination Advisory Committee met five times.

Corporate Auditors (Board of Corporate Auditors)

The corporate auditors attend the Board of Directors meetings and other essential meetings following the audit policy and the division of

duties. They also hear reports from directors on their duties' status and inspect important approval documents. Moreover, they investigate the quality of operations and assets at the head office and principal business offices and request business reports from subsidiaries as necessary. In addition, the Board of Corporate Auditors collects information on competitive transactions, conflict-of-interest transactions, and benefits without compensation furnished by the Company to Directors and confirms the status of such transactions.

The Board of Corporate Auditors meets monthly before the Board of Directors meetings and holds extraordinary meetings as necessary. The Board of Corporate Auditors met 18 times during the fiscal year under review.

Board of Managing Directors

Based on the basic management policy decided by the Board of Directors, the Board of Managing Directors deliberates on important management matters, including matters to be discussed at Board of Directors meetings in advance and matters delegated by the Board of Directors to the President and Chief Executive Officer as an advisory body to the President and Chief Executive Officer. In principle, the Board of Managing Directors meeting is held once a week.

COMANY Group Management Conference

The representative Director, Kenta Tsukamoto, chaired the conference. Meanwhile, the executive officers, directors of consolidated subsidiaries, and managers of related divisions attended the meeting. The committee strives to share management policies and medium- to long-term strategies throughout the Company. It leads to decision-making that can respond quickly to changes in the business environment.

Compliance and Risk Management Committee

The Group has established the Compliance and Risk Management Committee, which meets monthly to deliberate on compliance-related measures and risk management measures. In addition, selected members from domestic subsidiaries to participate in this committee every quarter to reduce the Group's key risks.

Sustainability Management Promotion Committee

Chaired by the representative, Director Kenta Tsukamoto, the committee meets twice a year. It makes strategic decisions and promotes the "Comany SDGs ∞ (Mobius) Model." The Comany Group aims to deploy the model sustainably and promote "Financial vs. Non-financial" and "Product & Service vs. Governance" in a way that generates synergy.

Efforts to ensure the effectiveness of the Board of Directors and Board of Corporate Auditors

The board of directors currently consists of eight directors and four corporate auditors. In addition, three are outside directors, and two are outside corporate auditors. The Company believes that ten or fewer directors are appropriate to enable more substantive discussions at the Board of Directors meetings.

Candidates for Directors were selected by the Board of Directors after deliberation by the Nomination Advisory Committee, based on the criteria for selecting candidates. The requirements include candidates' knowledge, experience, and ability to enhance the Company's corporate value. We disclose the reasons for the selection in the notice of convocation of the General Meeting of Shareholders.

The status of critical concurrent positions held by Directors and Corporate Auditors is disclosed annually in the Business Report in the notice of convocation of the General Meeting of Shareholders.

Self-evaluation of the Board of Directors

The Company conducts an annual "Self-evaluation of the Board of Directors" by the Directors and Corporate Auditors themselves to collect and confirm opinions concerning the operation of the Board of Directors. The yearly self-evaluation leads to improvements through discussions on highly effective procedures. It also leads to the proper growth and development of the Company and an increase in corporate value.

Self-evaluation of the Board of Corporate Auditors

The Board of Corporate Auditors also conducts a "Self-evaluation of the Board of Corporate Auditors" yearly. Based on the evaluation results, the Board of Corporate Auditors strives to improve its functioning by reflecting the results as priority items in the audit plan.

<Summary of the results of the self-evaluation of the Board of Directors>

- The Board of Directors is appropriately composed of directors and corporate auditors with diverse knowledge and experience, including three independent outside directors and two independent outside corporate auditors.
- The content of deliberations is reviewed in advance through the early delivery of materials for board meetings.
- To promote understanding of the Company among newly appointed directors and auditors, the Company has implemented education programs routinely.
- To strengthen the supervision of business execution, Directors should express opinions more actively and hold discussions in a meaningful manner.
- The Company should secure sufficient time for deliberations to enhance discussions on basic management policies, medium- to long-term management strategies, and management issues.
- The Company should provide education and training on an ongoing basis to deepen awareness of the roles and responsibilities of directors and corporate auditors.

Message from Outside Director: Aiming to Promote Sustainability Management and D&I

Since assuming office in 2019, I have continued to support and advise creating a new corporate culture at COMANY. These include the launch of the Sustainability Management Promotion Committee and the D&I Promotion Subcommittee. My role is to assist COMANY in enhancing its corporate value and achieving sustainability in the medium to long term. I am particularly conscious of always providing different perspectives and encouraging essential discussions. At present, COMANY is vigorously promoting D&I. However, we are still in the middle of the road, and I am the only woman on the board. The homogeneity of an organization makes it difficult for employees to state dissenting opinions. It also leads to unconscious biases such as "normality bias" and "synchronicity bias." "Normality bias" tends to ignore or underestimate information that is inconvenient to oneself.

In contrast, "synchronicity bias" tends to think that acting the same way as others is safe. Therefore, to enhance the effectiveness of corporate governance and enable multifaceted discussions on various management issues, I will continue to monitor COMANY's management with a strict eye. I will also support the "challenge for change" that has continued since last year.

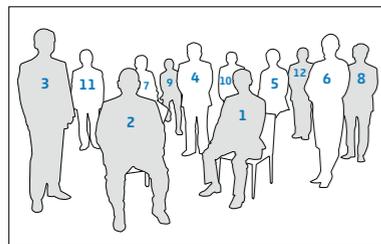


Miki Yoshimura
Outside Director

DATA INDEX

Officers

(As of September 1, 2021)



1 Mikio Tsukamoto

Representative Director, Chairman of the Board

Apr. 1973 Joined Komatsu Partition Industry Corp. (Currently the COMANY INC.)
 Oct. 1978 Assistant manager, Production Control Department, COMANY INC.
 Feb. 1980 Director, COMANY INC.
 Aug. 1980 Managing Director, COMANY INC.
 Jul. 1982 Senior Managing Director, COMANY INC.
 Mar. 1984 Representative Director, Senior Managing Director, COMANY INC.
 Jun. 1987 Vice President, Representative Director, COMANY INC.
 Oct. 1988 President and Representative Director, COMANY INC.
 Jun. 2005 President and Chief Executive Officer, Representative Director, COMANY INC.
 Jun. 2014 President and Chief Executive Officer, Representative Director, COMANY INC.
 Jun. 2019 Chairman, Representative Director, COMANY INC. (Currently in office)

2 Kenta Tsukamoto

Representative Director, President and Chief Executive Officer

May 2006 Joined KYOCERA Communication Systems Co., Ltd.
 May 2009 Joined COMANY INC.
 Apr. 2010 Manager, Business Administration Division, COMANY INC.
 Jun. 2011 Director, Executive Officer, COMANY INC.
 Jul. 2011 Deputy General Manager, Administration Headquarters, COMANY INC.
 Manager, HPC Promotion Office, COMANY INC.
 Apr. 2012 Deputy General Manager, Management Control Headquarters, COMANY INC.
 Jun. 2012 Managing Executive Officer, COMANY INC.
 General Manager, Management Control Headquarters, COMANY INC.
 Jun. 2015 General Manager, Sales Management Headquarters, COMANY INC.
 Jun. 2016 General Manager, Business Control Headquarters, COMANY INC.
 Jun. 2017 Senior Managing Executive Officer, COMANY INC.
 Jun. 2019 President and Chief Executive Officer, Representative Director, COMANY INC.

3 Kozo Shinozaki

Director, Senior Managing Executive Officer

Apr. 1978 Joined Yamaha Motor Co., Ltd.
 Apr. 1999 Executive Vice-President, Siam Yamaha Co., Ltd. (Currently the Thai Yamaha Motor Co., Ltd.)
 Apr. 2007 Manager, Finance Division, Yamaha Motor Co., Ltd.
 Mar. 2010 Director, Senior Executive Officer, Chief Financial Officer, Yamaha Motor Co., Ltd.
 Mar. 2013 Director, Managing Executive Officer, General Manager, Planning and Finance Headquarters, Yamaha Motor Co., Ltd.
 Jan. 2014 Director, Managing Executive Officer, Yamaha Motor Co., Ltd. General Manager, Planning and Finance Headquarters, In charge of two-wheel reform in developed countries, Yamaha Motor Co., Ltd.
 Mar. 2017 Advisor, Yamaha Motor Co., Ltd.
 Jun. 2017 Outside Director, COMANY INC.
 Jun. 2019 Director, COMANY INC. (Currently in office) Senior Managing Executive Officer, COMANY INC. (Currently in office) General Manager, Business Administration Headquarters, COMANY INC. (Currently in office)

4 Takashi Higashiki

Director, Managing Executive Officer

Apr. 1988 Joined COMANY INC.
 Apr. 2005 Vice President, West Japan Branch, COMANY INC.
 Jul. 2008 Deputy General Manager, West Japan Sales Headquarters, COMANY INC.
 Jul. 2013 General Manager, Tokai Sales Headquarters, COMANY INC.
 Apr. 2017 General Manager, Kansai Sales Headquarters, COMANY INC.
 Jun. 2018 Executive Officer, COMANY INC.
 Jan. 2019 Deputy General Manager, Sales Control Headquarters, COMANY INC. General Manager, Tokyo Sales Headquarters (Currently in office)
 Jun. 2019 Managing Executive Officer (Currently in office)
 Jun. 2020 Director, COMANY INC. (Currently in office)

5 Naoyuki Tsukamoto

Director, Managing Executive Officer

Mar. 2004 Joined STANLEY ELECTRIC CO., LTD.
 Jun. 2007 Joined COMANY INC.
 Jul. 2007 Temporary transfer to TOYOTA MOTOR CORPORATION
 Apr. 2010 Section chief, Manufacturing Administration Division, COMANY INC.
 Jul. 2011 Section Chief, Manufacturing Planning Section, Manufacturing Administration Division, COMANY INC.
 Jan. 2013 Manager, Corporate Planning Division, COMANY INC.
 Jun. 2015 Executive Officer, COMANY INC. General Manager, Management Headquarters, COMANY INC.
 Apr. 2016 General Manager, Corporate Planning Division, COMANY INC. (Currently in office)
 Jun. 2018 Managing Executive Officer, COMANY INC. (Currently in office)
 Jan. 2019 Division Director, Southeast Business Division, COMANY INC.
 Apr. 2020 General Manager, Research and Development Division, COMANY INC.
 Jun. 2020 Director, COMANY INC. (Currently in office)
 Apr. 2021 General Manager, Corporate Planning and Development Headquarter, COMANY INC. (Currently in office)

6 Miki Yoshimura

Outside Directors

Apr. 1995 International Exchange Director, Tokyo Pacific Business College
 Sep. 2001 Established Limited Liability M3 (Currently the SDG Partners, Inc.) Director, SDG Partners, Inc. (Currently in office)
 Nov. 2010 United Nations Office for Project Services Pakistan Office
 Apr. 2011 United Nations Human Settlements Programme (UN-Habitat) Pakistan Office
 Aug. 2013 Policy Recommendation Adviser, Save the Children Japan
 Aug. 2014 Manager for private sector partnerships promotion, United Nations World Food Programme (UN WFP) Japan Office
 Jun. 2019 Outside Director, COMANY INC. (Currently in office)
 Outside Director, S. ISHIMITSU & CO., LTD. (Currently in office)
 Mar. 2020 Director, SDG Impacts, Inc. (Currently in office)

7 Takahiko Ijichi

Outside Directors

Apr. 1976 Joined Toyota Motor Co., Ltd. (Currently the Toyota Motor Corporation)
 Jun. 2004 Managing Director, Toyota Motor Corporation
 Jun. 2008 Senior Managing Director, Toyota Motor Corporation
 Jun. 2011 Director and Senior Managing Officer, Toyota Motor Corporation
 Jun. 2013 Advisor, Toyota Motor Corporation
 President, TOMA REAL ESTATE CO., LTD.
 Jun. 2015 Executive Vice President, Toyota Motor Corporation
 Jun. 2017 Executive Advisor, Toyota Motor Corporation
 Chairman and Representative Director, Aioi Nissay Dowa Insurance Co., Ltd.
 Jun. 2018 Resigned as Executive advisor, Toyota Motor Corporation
 Jun. 2019 Resigned as Chairman and Representative Director, Aioi Nissay Dowa Insurance Co., Ltd.
 Jun. 2020 Outside Director, COMANY INC. (Currently in office)
 Outside Director, NAGASE & CO., LTD. (Currently in office)

8 Sei-ju Okubo

Outside Directors

Apr. 1978 Joined Fuji Boseki Kabushiki Kaisha. (Currently FUJIBO HOLDINGS INC.)
 May 2006 Director, Yanai Chemical Industry CO., LTD.
 Feb. 2009 Manager, Legal Department, FUJIBO HOLDINGS CO.
 Apr. 2014 Executive Officer, Manager of Legal Department, Chairman, Compliance Committee, FUJIBO HOLDINGS CO.
 Jun. 2014 Director, Senior Executive Officer in charge of Legal Department, Internal Audit Department, General Affairs Department and Human Resources Department, Chairman, Compliance Committee, FUJIBO HOLDINGS CO.
 Jul. 2017 Managing Executive Officer in charge of Legal Affairs Department, Human Resources Department, General Affairs Department and Internal Audit Department, Chairman, Compliance Committee, FUJIBO HOLDINGS CO.
 Jul. 2018 Senior Advisor in charge of Legal Department, Human Resources Department and General Affairs Department, FUJIBO HOLDINGS CO.
 Jul. 2019 Advisor in charge of Legal Department and General Affairs Department, FUJIBO HOLDINGS CO.
 Jun. 2020 Resigned as Advisor, FUJIBO HOLDINGS CO.
 Jun. 2021 Outside Director, COMANY INC. (Currently in office)

9 Hideaki Kitamura

Full-time Auditor

Mar. 1972 Joined Komatsu Partition Industry Corp. (Currently the COMANY INC.)
 Feb. 1997 Manager, Management Information Systems Division, COMANY INC.
 Jul. 1997 Manager, Business Administration Division, COMANY INC.
 Apr. 2005 Manager, Accounting Division, COMANY INC.
 Oct. 2013 Advisor to Accounting Division
 Jun. 2015 Full-time Auditor, COMANY INC. (Currently in office)

10 Masahiro Motoda

Full-time Auditor

Apr. 1982 Joined Komatsu Partition Industry Corp. (Currently the COMANY INC.)
 Apr. 1998 Manager, President's Office, COMANY INC.
 Apr. 2002 Manager, Group Planning Division, COMANY INC.
 May 2004 Manager, General Affairs Division, COMANY INC.
 Jun. 2008 Executive Officer, COMANY INC.
 Jul. 2008 Manager, General Affairs and Human Resources Division, COMANY INC.
 Apr. 2012 Manager, Human Resource Division, COMANY INC.
 Jun. 2015 Director, COMANY INC. Managing Executive Officer, COMANY INC. General Manager, Management Control Headquarters, COMANY INC.
 Jun. 2019 General Manager, General Affairs Headquarters, COMANY INC.
 Jun. 2020 Full-time Auditor, COMANY INC. (Currently in office)

11 Tetsuo Matsugaki

Outside Auditors

Apr. 1976 Joined Toa Nenryo Kogyo K.K. (Currently the ENEOS Corporation)*
 Jul. 2000 Joined Nikko Securities Co., Ltd. (Currently the SMBC Nikko Securities Inc.)*
 Dec. 2000 Manager, Legal Division, SMBC Nikko Securities Inc.
 Aug. 2004 Outside Auditor, Monex Beans Holdings, Inc. (Currently the Monex Group, Inc.)
 Jun. 2006 Audit Mission Director, Nikko Cordial Corporation
 Jul. 2008 Executive Vice President, Citibank Japan Ltd. General Manager, Finance and Planning Headquarter, Citibank Japan Ltd.
 Jan. 2012 Executive Officer, Citibank Japan Ltd. Co-director, Business Strategy and Planning Division, Citibank Japan Ltd.
 Jun. 2015 Advisor, Citibank Japan Ltd. Outside Auditor, COMANY INC. (Currently in office)
 Nov. 2015 Advisor, Prestia Business Division, SMBC Trust Bank Ltd.
 Jul. 2016 Advisor, Individual Financing Department and Compliance Department, SMBC Trust Bank Ltd.

12 Tatsuhiko Kamata

Outside Auditors

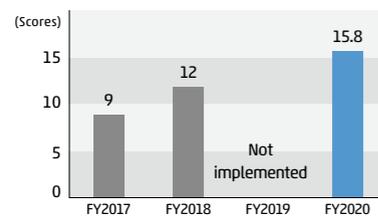
Oct. 1988 Joined Tohmatsu Awoki & Sanwa (Currently the Deloitte Touche Tohmatsu LLC)
 Jun. 2005 Partner, Tohmatsu & Co. (Currently the Deloitte Touche Tohmatsu LLC)
 Aug. 2018 Representative, Kamata C.P.A. Office (Currently in office)
 Jun. 2019 Outside Auditor, COMANY INC. (Currently in office)
 Outside Director, REALGATE INC. (Currently in office)
 Oct. 2019 Outside Auditor, PLANET, INC. (Currently in office)
 Jun. 2020 Part-time Auditor, Trivalue Inc. (Currently in office)
 Jul. 2020 Representative partner, TKM Management LLC (Currently in office)
 Aug. 2021 Part-time Auditor, RESIDENTIAL REAL ESTATE INC. (Currently in office)

Performance Highlights



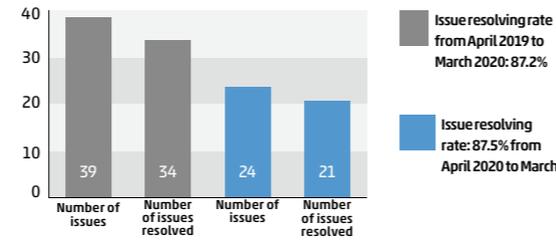
Non-Financial Information

Comprehensive evaluation: NPS



The NPS stands for Net Promoter Score, an index that quantifies customer loyalty (the degree of attachment to and trust in a company or brand). We use this NPS to evaluate our customers comprehensively.

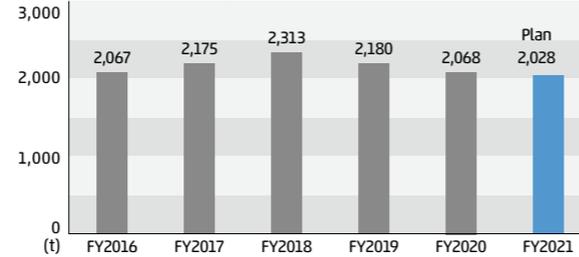
Number of issues resolved with business partners (non-consolidated)



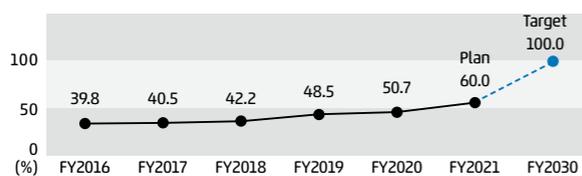
CO₂ emissions (non-consolidated)

		Unit:t-CO ₂		
		Scope1	Scope2	Scope3
FY2018 (SBT base year)	Emission	1,985.2	3,010.0	68,875.3
	Percentage	2.7%	4.1%	93.2%
FY2019	Emission	2,162.6	2,636.7	87,091.7
	Percentage	2.4%	2.9%	94.8%
FY2020	Amount of change	177.5	-373.3	18216.4
	Year-on-year	108.9%	87.6%	126.4%
FY2021 Plan	Emission	1,852.8	2,522.5	57,219.8
	Percentage	3.0%	4.1%	92.9%
FY2020	Amount of change	-309.8	-114.2	-29,871.9
	Year-on-year	85.7%	95.7%	65.7%
Compared to SBT base year		93.3%	83.8%	83.1%

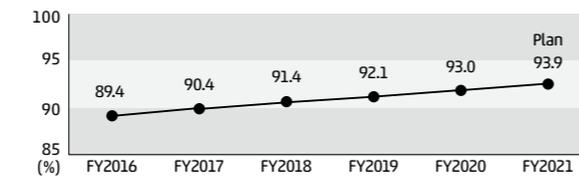
Annual industrial waste discharge (non-consolidated)



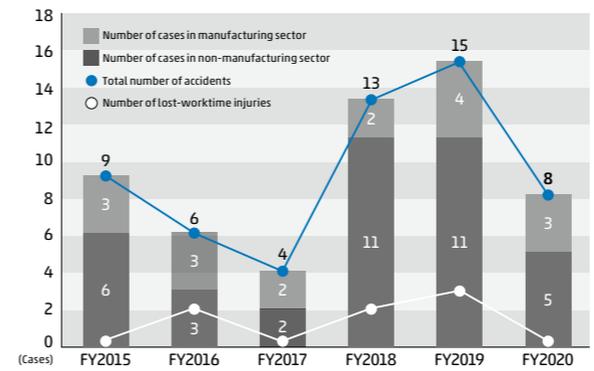
Eco-products ratio (consolidated)



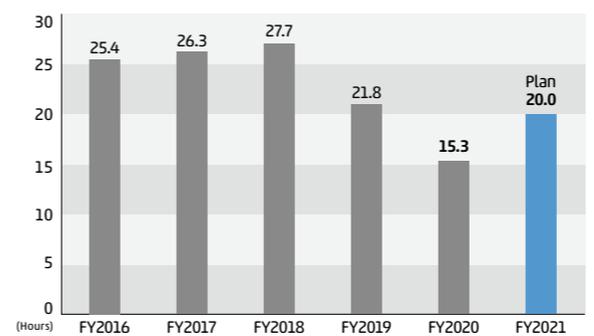
Total waste recycling rate (non-consolidated)



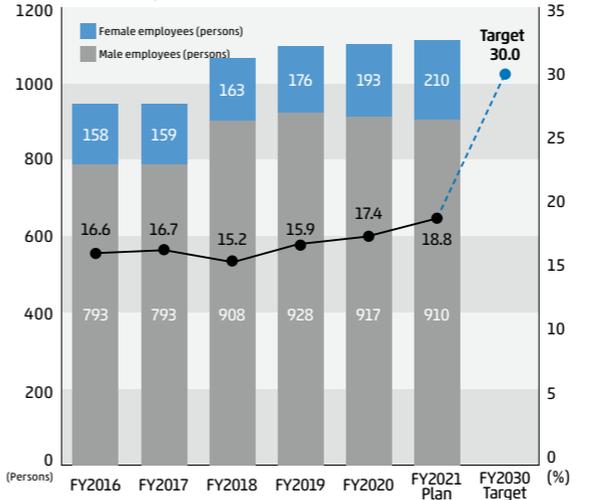
Occurrence of Industrial Accidents (non-consolidated)



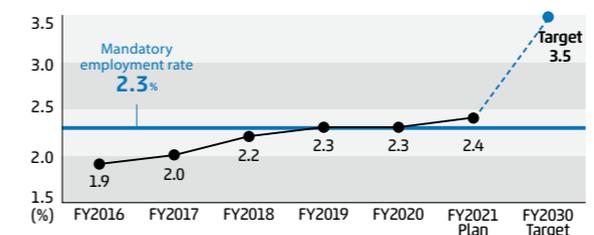
Changes in Monthly Overtime Hours Per Employee (non-consolidated)



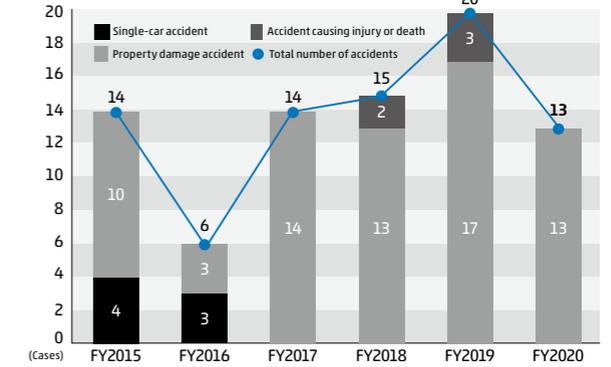
Changes in the Ratio of Female Employees (Non-consolidated)



Ratio of Employees with Disabilities (non-consolidated)



Occurrence of Traffic accidents (non-consolidated)



Changes in Use of Childcare Systems (non-consolidated)

	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021 Plan
Percentage of employees taking childcare leave	85.7%	100.0%	100.0%	100.0%	100.0%	100.0%
Percentage of employees working shorter hours	90.0%	100.0%	83.3%	90.5%	94.7%	80.0%
Percentage of employees who continue to work after first childbirth	90.0%	100.0%	100.0%	100.0%	80.0%	100.0%
Male employees taking childcare leave (persons)	0	0	0	2	7	5

Obtained "Kurumin" certification
In June 2019, we acquired the "Kurumin Mark" certified by Japan's Ministry of Health, Labour and Welfare as a "Childcare Support Project."

Financial Information

Major financial Data

COMANY INC. and consolidated subsidiaries (Unit: Millions of yen)

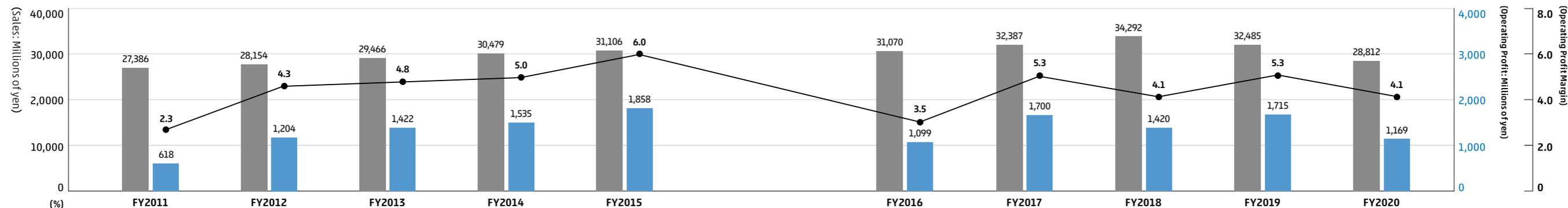
Fiscal Year	FY2011	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020 (※ 1)
Net Sales	27,386	28,154	29,466	30,479	31,106	31,070	32,387	34,292	32,485	28,812
By Market Segment										
Japan	26,707	26,859	28,032	28,715	29,869	30,055	31,383	32,499	31,736	-
Office	12,627	12,538	12,376	12,876	13,483	13,519	14,184	14,517	14,977	12,566
Factory	5,991	6,358	5,226	5,334	6,925	6,880	7,378	8,894	7,616	6,680
Medical & Welfare institution	4,079	4,118	5,393	5,652	5,039	5,016	5,357	4,296	4,130	4,608
School	1,918	1,830	2,578	2,525	2,049	2,289	2,428	2,339	2,027	2,281
Other	2,092	2,015	2,459	2,328	2,373	2,351	2,036	2,453	2,986	2,676
China	679	1,294	1,434	1,764	1,236	1,015	1,003	1,792	748	-
Cost of sales	17,386	17,205	17,773	18,093	18,313	18,628	19,184	21,139	20,037	17,958
Gross Profit	10,000	10,948	11,692	12,386	12,792	12,441	13,202	13,153	12,448	10,854
Selling, general and administrative expenses	9,382	9,744	10,270	10,850	10,934	11,342	11,501	11,732	10,733	9,684
Operating Profit	618	1,204	1,422	1,535	1,858	1,099	1,700	1,420	1,715	1,169
Ordinary Profit	651	1,252	1,463	1,638	1,846	1,143	1,732	1,341	1,566	1,376
Profit attributable to owners of parent	549	1,178	1,602	1,621	1,079	507	929	335	711	901
Capital Expenditure	731	858	946	2,255	2,844	1,259	886	541	1,022	805
Depreciation	822	727	694	653	722	975	959	904	817	780
Net worth	16,895	18,228	20,318	21,916	21,806	22,033	22,641	22,324	22,482	23,312
Total Assets	27,124	27,658	31,164	32,793	34,205	33,862	36,361	34,528	32,533	37,079
Number of employees (person)	1,363	1,375	1,399	1,412	1,458	1,468	1,475	1,476	1,234	1,252

Per share data										
Net income per share (yen)	61.77	132.45	180.01	182.20	121.26	57.03	104.49	37.67	79.93	101.25
Net assets (yen)	1,898.41	2,048.24	2,283.15	2,462.77	2,450.42	2,475.97	2,544.41	2,508.65	2,525.36	2,617.09
Annual cash dividends (yen)	26.00	28.00	30.00	32.00	37.00 (※ 2)	46.00	47.00	50.00	51.00	45.00
Payout ratio (%)	42.1	21.1	16.7	17.6	30.5	80.7	45.0	132.7	63.8	44.4

Financial Indicators										
Return on Equity (ROE) (%)	3.3	6.7	8.3	7.7	4.9	2.3	4.2	1.5	3.2	3.9
Return on Assets (ROA) (%)	2.4	4.6	5.0	5.1	5.5	3.4	4.9	3.8	4.7	4.0
Operating Profit on Sales (%)	2.3	4.3	4.8	5.0	6.0	3.5	5.3	4.1	5.3	4.1
Net worth ratio (%)	62.3	65.9	65.2	66.8	63.8	64.5	62.3	64.7	69.1	62.9

※ 1 The COMANY Group used to report in two segments, "Japan" and "China", but we changed to report in single segment from FY2020.

※ 2 Commemorative dividend 3.0 yen is included.



Financial Information

Balance Sheet

COMANY INC. and consolidated subsidiaries (Unit: Millions of yen)

Fiscal Year		FY2019	FY2020
Assets			
Current Assets			
	Cash and deposits	8,236	14,362
	Notes and Accounts Receivable - trade	9,709	9,257
	Merchandise and Finished goods	819	869
	Work in progress	138	137
	Raw materials and supplies	485	454
	Other	1,270	382
	Allowance for doubtful accounts	△ 16	△ 22
	Total Current Assets	20,645	25,441
Non-current Assets			
Property, plant and equipment			
	Buildings and structures, net	2,381	2,218
	Machinery, equipment and vehicles, net	1,623	1,494
	Land	3,359	3,359
	Construction in progress	86	261
	Other, net	154	161
	Total property, plant and equipment	7,604	7,494
Intangible assets			
	Software	342	479
	Software in progress	71	55
	Other	1	1
	Total Intangible Assets	415	535
Investments and other assets			
	Investment Securities	1,124	1,592
	Long-term loans receivable	22	25
	Deferred tax assets	1,767	1,472
	Other	986	551
	Allowance for doubtful accounts	△ 33	△ 33
	Total Investments and Other Assets	3,868	3,608
	Total non-current assets	11,888	11,638
Total Assets		32,533	37,079
Liabilities			
Current Liabilities			
	Accounts Payable - trade	1,877	2,118
	Short-term borrowings	900	1,000
	Income taxes payable	61	334
	Provision for loss on construction contracts	-	14
	Provision for bonuses	801	861
	Provision for bonuses for directors (and other officers)	20	32
	Other	2,024	1,960
	Total Current Liabilities	5,685	6,321
Non-current Liabilities			
	Long-term borrowings	-	3,250
	Lease obligations	240	199
	Deferred tax liabilities for land revaluation	331	331
	Retirement benefit liability	3,351	3,224
	Provision for share-based remuneration for directors (and other officers)	90	116
	Other	351	324
	Total Non-current Liabilities	4,365	7,446
Total Liabilities		10,050	13,767
Net Assets			
Shareholders' equity			
	Share capital	7,121	7,121
	Capital surplus	7,607	7,607
	Retained earnings	8,571	9,107
	Treasury shares	△ 1,135	△ 1,127
	Total shareholders' equity	22,163	22,709
Accumulated Other Comprehensive Income			
	Valuation Difference on Available-for-sale Securities	△ 93	55
	Revaluation reserve for land	481	481
	Foreign Currency Translation Adjustment	8	2
	Remeasurements of defined benefit plans	△ 78	63
	Total accumulated other comprehensive income	318	603
Total Net Assets		22,482	23,312
Total liabilities and net assets		32,533	37,079

Cash Flow

COMANY INC. and consolidated subsidiaries (Unit: Millions of yen)

Fiscal Year		FY2019	FY2020
Cash flows from operating activities			
	Profit before income taxes	356	1,365
	Depreciation	817	780
	Impairment losses	-	-
	Increase (decrease) in retirement benefit liability	26	77
	Increase (decrease) in provision for bonuses	△ 52	59
	Increase (decrease) in provision for bonuses for directors (and other officers)	△ 4	12
	Increase (decrease) in provision for share-based remuneration for directors (and other officers)	29	25
	Increase (decrease) in allowance for doubtful accounts	5	6
	Increase (decrease) in provision for loss on construction contracts	-	14
	Interest and dividends income	△ 24	△ 19
	Interest expenses	10	7
	Surrender value of insurance policies	-	△ 37
	Subsidies for employment adjustment	-	△ 75
	Bad debts expenses	21	-
	Loss (gain) on sales of property, plant and equipment	△ 0	△ 0
	Loss on retirement of property, plant and equipment	28	7
	Loss on retirement of intangible assets	0	4
	Loss (gain) on sales of investment securities	3	△ 0
	Loss (gain) on sales of shares of subsidiaries and associates	1,178	-
	Loss on valuation of inventories	-	-
	Decrease (increase) in trade receivables	986	452
	Decrease (increase) in inventories	76	△ 16
	Increase (decrease) in trade payables	△ 260	241
	Other, net	△ 355	131
	Subtotal	2,843	3,036
	Interest and dividends received	24	19
	Interest paid	△ 10	△ 8
	Subsidies for employment adjustment received	-	75
	Income taxes paid	△ 160	△ 80
	Income taxes refund	136	115
	Net cash provided by (used in) operating activities	2,832	3,157
Cash flow from investing activities			
	h flow from investing activities	△ 151	-
	Payment into time deposits	181	-
	Proceeds from withdrawal of time deposits	△ 523	718
	Purchase of property, plant and equipment	0	0
	Proceeds from the sales of property, plant and equipment	△ 249	△ 259
	Purchase of intangible assets	△ 1	△ 257
	Purchase of investment securities	4	1
	Proceeds from the sales of investment securities	-	821
	Subsidies received	584	461
	Proceeds from sales of shares of subsidiaries resulting in change in scope of consolidation	△ 10	△ 2
	Other, net	△ 165	46
	Net cash provided by (used in) investing activities	△ 165	46
Cash flows from financing activities			
	Proceeds from long-term borrowings	-	5,000
	Repayment of long-term borrowings	△ 1,104	△ 1,650
	Proceeds from sale of treasury shares	6	8
	Purchase of treasury shares	△ 0	-
	Dividends paid	△ 465	△ 364
	Repayments of lease obligations	△ 40	△ 40
	Net cash provided by (used in) financing activities	△ 1,604	2,953
	Effect of exchange rate change on cash and cash equivalents	103	△ 31
	Net increase (decrease) in cash and cash equivalents	1,166	6,125
	Cash and cash equivalents at beginning of period	7,070	8,236
	Cash and cash equivalents at end of period	8,236	14,362

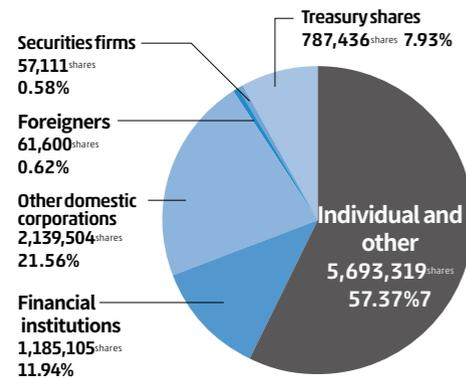
Corporate Information

Company overview (as of March 31, 2021)

Trade name	COMANY INC.
Head Office	1-93, Industrial Park, Komatsu City, Ishikawa Prefecture, Japan
Established	August 18, 1961
Capital	7,121 million yen
Employees	(Consolidated) 1,234, (Non-consolidated) 1,081
Main business	Development, design, manufacture, sale and installation of partitions. Partition-related interior finish work and joinery work
Group companies	(Domestic) 1 company; (Overseas) 2 companies
Fiscal year end	March 31
Stock Listing	Tokyo Stock Exchange Second Section
Securities Code	7945
Shareholder registry administrator	Sumitomo Mitsui Trust Bank, Limited
Accounting auditor	KPMG AZSA LLC

Stock Information (as of March 31, 2021)

Total number of authorized shares	36,000,000
Total number of issued share	9,924,075
Number of shares per unit	100
Number of shareholders	2,770



Major shareholders/top 10 (as of March 31, 2021)

Shareholder Name	Number of shares held (Shares)	Shareholding Ratio (%)
Komatsu Kosan Corporation	923,300	10.10
COMANY Co-prosperity Association	771,338	8.44
Employee shareholding association of COMANY	679,655	7.43
Hokuriku Bank, Ltd. Hokuriku Bank, Ltd.	444,002	4.85
Toshio Yoshida	265,500	2.90
Hokkoku Bank, Ltd.	260,000	2.84
Custody Bank of Japan, Ltd. (Trust Account)	228,803	2.50
Naoko Kimura	223,296	2.44
Mikio Tsukamoto	217,500	2.38
Takashi Shiraei	210,600	2.30

Note: Shareholding ratio is calculated by deducting the treasury shares.

Year Month Overview

Year/Month	Overview
Aug. 1961	Komatsu Cabinet Incorporated Company founded.
Jun. 1970	Changed trade name to Komatsu Partition Industry
Dec. 1980	Took first place in the partition industry by its sales
Nov. 1984	Changed the company name to COMANY INC.
Nov. 1985	Received Deming Prize in SMEs category
Nov. 1989	Listed on the second section of the Nagoya Stock Exchange.
Apr. 1991	Established CAP Incorporated Company (Later COMANY Engineering Incorporated Company) as subsidiary
Oct. 1996	Received TPM Prize for excellence
Dec. 1996	Established COMANY International Trading (Shanghai) Co., Ltd. Komatsu Flash Co., Ltd. (current Cluster Corporation) became a subsidiary of COMANY INC.
May. 1997	
Oct. 1999	Received TPM Excellence for continued excellence
Dec. 1999	Acquired ISO 9001 certification
Nov. 2001	Acquired ISO 14001 certification
Aug. 2011	Nanjing Jalynger Materials Co. Ltd. became a subsidiary of COMANY INC
Feb. 2012	Established COMANY (Nanjing) New Building Material Technology Co., Ltd.
Jun. 2015	Listed on the Second Section of the Tokyo Stock Exchange
Sept. 2016	Universal design folding door "Dear-d" won the Good Design Award 2016
Nov. 2017	Updated the certifications to ISO9001:2005 and ISO14001:2005
Jan. 2018	Took over the subsidiary COMANY Engineering Incorporated Company
Apr. 2018	Announced the "COMANY's Declaration in support of SDGs"
Aug. 2018	Signed the UN Global Compact
Feb. 2019	Recognized under the 2019 Certified Health and Productivity Management Outstanding Organizations Recognition Program (500 working group)
Jun. 2019	Formulated "COMANY Group Human Rights Policy"
Jun. 2019	Signed "Partnership Agreement on SDGs Promotion" with Komatsu City.
Jun. 2019	Acquired the next-generation certification logo "Kurumin".
Oct. 2019	Joined "RE Action-Declaring 100% Renewable,"
Oct. 2019	Tender door series received GOOD DESIGN AWARD 2019
Nov. 2019	Received Green Purchasing Award (Large Enterprise Category)
Jan. 2020	Transferred COMANY (Nanjing) New Building Material Technology Co., Ltd
Mar. 2020	Recognized under the 2020 Certified Health and Productivity Management Outstanding Organizations Recognition Program
Mar. 2020	Awarded JMAQA AWARDS 2020
Apr. 2020	Acquired certification from the SBT Initiative
Jul. 2020	Acquired FSC certification
Jan. 2021	Signed Women's Empowerment Principles (WEPs)
Mar. 2021	Recognized under the 2021 Certified Health and Productivity

Editorial Policy

This integrated report is prepared to introduce the COMANY Group's value creation model and its goals in an easily understood manner with specific examples of our initiatives. Nowadays, the world has changed drastically, including the global environment, disasters, and infectious diseases. People's values are also changing along with these changes. The COMANY Group is working to "Empower all Life through MA-zukuri (literally, generating space)." That is to create a company capable of producing new value based on our "Corporate Motto," a universal principle that we have always valued. We also strive to play a role in creating a new society. We hope that this "COMANY Group Integrated Report 2021" will help deepen the understanding of our initiatives and become more familiar with us than ever. We will continue to value dialogue with all of our stakeholders as we conduct our business operations. We look forward to hearing your honest opinions in this regard.

Period covered by this report

It covers the fiscal year ending March 31, 2021 (from April 1, 2020 to March 31, 2021). However, we also refer to the period before and after the applicable period, as necessary.



Various informational tools

Activities and data not included in this report are available on our website. A variety of information is available on our corporate information site.

COMANY's corporate information site
<https://www.comany.co.jp>

Financial Information and IR
<https://www.comany.co.jp/ir/>

Initiatives for Sustainability
<https://www.comany.co.jp/sdgs/>

Corporate Governance Report
https://www.comany.co.jp/pdf/CG/2021_0625_CG.pdf

Financial statements
<https://www.comany.co.jp/ir/settlement/library/>



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

We welcome feedback on its contents.

Initiatives for SDGs

The Sustainable Development Goals (SDGs), otherwise known as the Global Goals adopted by the United Nations member states, are a universal call to action to end poverty, protect the planet and ensure that all people enjoy peace and prosperity. We endorse the Sustainable Development Goals (SDGs) based on the spirit of "humanity and fraternity" and the belief that "companies should exist to contribute to the happiness of the world" in its sustainability policy, and strives to build a sustainable future.



Signing the "UN Global Compact"

The UN Global Compact, a voluntary initiative proposed by then UN Secretary-General Kofi Annan in an address to the World Economic Forum in Davos on January 21, 1999. It was formally launched at UN Headquarters in New York on July 26, 2000. We are committed to act as a responsible company on a global scale and to solve problems. By supporting and practicing the UN Global Compact 10 principles in four areas: human rights, labor, environment, and anti-corruption, we will continue to make efforts to realize a sustainable world.



Our Journey Has Just Begun
Empower all Life

COMANY





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Sixth Edition

/The contents of this report are current as of September 2021./Please note that the specifications are subject to change without notice for product improvement./Photographs in this report may differ slightly from the color of the actual product due to printing